

West of England Strategic Housing Market Assessment

June 2009v2

Prepared on behalf of:

Bath and North East Somerset Council
Bristol City Council
North Somerset Council
South Gloucestershire Council
Mendip District Council
West Wiltshire District Council

Research commissioned from:

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Heriot-Watt University
Edinburgh



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WEST OF ENGLAND STRATEGIC HOUSING MARKET ASSESSMENT

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West of England SHMA

Foreword

Dear Colleague

This is not a report to leave on the shelf. Despite the volatility of the financial systems and consequences for the housing markets, this study has some longevity; it is uniquely based on a suite of models which capture the state of, and the interactions within the current housing market, and which forecast ahead. We are confident that it delivers robust evidence for the purpose of developing planning and strategic housing policies.

Care has been taken to ensure the report complies with the Government's requirements for studies of this kind – that means that we have consulted widely and delivered the required estimates of current need and provision, and for future supply requirements for both market and social housing.

The South West Regional Assembly has ambitious housing supply plans for the region. Their recently published Annual Monitoring Report sets challenging tenure specific targets for future supply through the Regional Affordable Housing Programme; the overall target is for 6,200 new affordable homes each year for the region. Despite this, our study shows that even if these targets are met, this would only begin to address the scale of need evidenced in this study. We calculate a shortfall of 5,000 units per year in the West of England housing market alone. The take-up of ownership incentive schemes will be monitored carefully by the authorities involved. Some low cost home ownership products are growing in popularity but may not necessarily deliver affordable homes as currently defined by Government planning policy. Furthermore, moderation of these targets is likely to arise from district-level studies of the viability of delivery in local circumstances.

In the coming months the local authorities within the housing market area will be looking at the Government's proposals announced in the Budget, to assess how these might best be deployed to further provide for the housing needs of current and future residents in the West of England housing market area.

I wish to record my thanks to the people who have worked hard to deliver this study – the Project Team, the Project Manager, Professor Glen Bramley, the Housing Market Partnership and other stakeholders who contributed their knowledge and experience. The work will continue in an ongoing process of monitoring key housing market indicators.

Margaret Gibson

Chairperson of the Project Team and Housing Market Partnership

Chapter One - The process of conducting the Strategic Housing Market Area Assessment.

1.1.1 This report constitutes the core output of the 2008 West of England Strategic Housing Market Assessment (SHMA) carried out by the West of England SHMA Partnership. This Assessment is required by *Planning Policy Statement 3 (PPS3) Housing* to inform planning within the region, responding to the Regional Spatial Strategy (RSS), providing an evidence base for a range of Local Development Documents, as well as informing the local housing strategies and investment plans of the local authorities and their partners, and enabling a subsequent response to these by Government and the new Homes and Communities Agency. The assessment has been carried out in accordance with the Department for Communities and Local Government (CLG) Guidance on SHMAs, referred to in this report as the Guidance¹. This work builds on previous assessment studies carried out in the region and other related research. The geographic area that constitutes the SHMA is defined along local authority boundaries and consists of Bath and North East Somerset, Bristol, Mendip, North Somerset, South Gloucestershire and West Wiltshire. West Wiltshire became part of the new Wiltshire Unitary Authority on 1st April 2009 and after that date no longer exists as a separate local authority but the housing market will not be affected by these changes.

1.1.2 A SHMA Partnership Board consisting of key stakeholders was established to oversee the delivery of the assessment. The SHMA Partnership Board met in October 2007, February and July 2008 and March 2009. In between meetings written updates were sent to the Partnership. The SHMA Partnership board includes representatives from:

- The Home Builders Federation
- Local RSL partners
- Private Landlords
- Business West
- South West Regional Assembly
- South West Regional Development Agency
- English Partnerships
- Housing Corporation
- Government Office for the South West

1.1.3 The role of the SHMA Partnership Board was agreed in October 2007. Key tasks include:

- having oversight of the SHMA study
- signing off the project brief for the study, including the contractors brief
- supporting and contributing to the analysis and interpretation of housing market intelligence

¹ Strategic Housing Market Assessments – Practice Guidance Version 2-Department for Communities and Local Government August 2007.

- receiving interim and draft final reports and presentations
- signing off the final study and further considering the implications of the assessment and any follow-up actions which may be required.

1.1.4 In addition, the SHMA Partnership Board:

- appointed Heriot-Watt University to undertake the SHMA assessment
- agreed key variables within the modelling
- oversaw events involving a wider range of stakeholders and agreed responses to issues raised by them (see Appendices).

1.1.5 The SHMA Partnership Board has been supported by a technical Project Team consisting of housing and planning staff from the six constituent local authorities. The team was co-ordinated by an appointed project manager, Wendy Murphy.

1.1.6 An event for a wider range of stakeholders was held early on in the process, February 2008, so that stakeholders could understand the process and methodology. The event was attended by over 70 people representing a wide range of interests within the housing sector, from developers and home builders to land agents and property consultants, voluntary sector organisations to private landlords. In addition a second stakeholder event was held in March 2009 to consider a draft Executive Report on the study to ensure the widest possible feedback before the final report was published. Feedback from both stakeholder events is included as an appendix to this report.

1.2 **Process of carrying out the SHMA**

1.2.1 In line with the emphasis on p.16/17 of the Guidance, the project has used secondary data where appropriate and feasible. A wide range of data sources has been drawn upon in order to fully comply with the guidance. Some additional research has also been carried out, such as the survey of lettings agents as suggested by the Guidance.

1.2.2 The approach rests on the use of certain models which serve both to organise and bring together the data and also to enable forward forecasts and projections to be made. The use of such models is recognised in the Guidance. The models used in this SHMA are a combination of refinements of models which have been widely used before in official national and local studies, and subject to peer-reviewed academic publication; and some newer and more innovative elements which take the forecasting of market changes down to a more detailed level. Further details are given below.

1.2.3 The study and work programme leading up to this report, including the drafting of this report, has been a collaborative exercise. While Heriot-Watt University consultants have played a leading role in the central modelling and analytical work, the local authorities, supported by the West of England Partnership, have been heavily involved in compiling a substantial amount of data from a range of local sources.

1.3 Overview of the modelling work

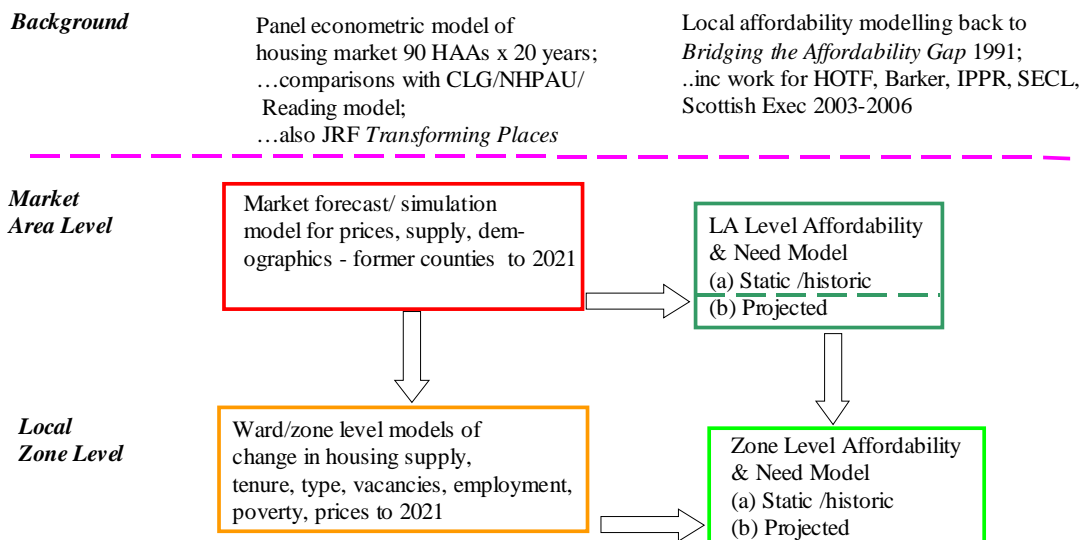
1.3.1 This SHMA is in many ways directly comparable with those which are being produced in different areas of the country, providing similar kinds of analysis using similar kinds of data, and following the same guidance. However, in one sense at least this study is unique. It is the first time a particular suite of models have been used in an integrated way to forecast housing market outcomes at both the Housing Market Area (HMA) and the sub-local authority levels and to trace through the detailed implications of these forecasts, and of strategic policy variants, for housing affordability and housing needs.

1.3.2 This is an important area for innovation in the context of SHMAs. The SHMA framework seeks an analysis which goes beyond a traditional descriptive account of housing needs and a forward projection based on demographics and simple extrapolation. There is an expectation that the assessment will be informed by an understanding and an analysis of the operation of the housing market, the influence of key drivers such as the economy, and the implications of different planning decisions. The modelling underpinning this study is directly intended to rise to that challenge, and to provide a set of forecasts which are rigorous, evidence-based, and tailored to the West of England HMA context.

The models are summarised in Figure 1.1

Figure 1.1

Overall Model Structure



- 1.3.3 The model in the top left quadrant has been developed on the basis of econometric research into migration and into the operation of the housing market and housing supply in response to different planning policies (by Bramley 2002, and Bramley & Leishman 2005). Based on a 20-year 'panel' of data, it predicts prices, output, migration, vacancies, household formation and relets for 90 areas across England – these areas include the former Avon, former Wiltshire (which includes Swindon) and Somerset as units.
- 1.3.4 The model on the top-right hand quadrant is the well-established Bramley affordability model (Bramley & Karley 2005), as used recently in studies for Barker (2004), Housing Corporation (2003), Council of Mortgage Lenders (2004), Institute for Public Policy Research IPPR (2005) South East County Leaders (2006), and Scottish Government (2006). This estimates local income patterns and housing affordability for different types of household and derives estimates of housing need from this by allowing for demography and supply. The model works at local authority (district/unitary) level and can provide both a snapshot picture for the recent past (e.g. 2006) and a forward projection for future years. Its main value for this study is as a check on the operation of the lower level model, and to place local findings in a consistent national context (e.g. how much of the national need does WoE HMA represent?).
- 1.3.5 The model in the bottom-right quadrant is a version of this model which is in principle the same but which works at a lower geographical scale, in this case the WoE HMA Zones. This makes more use of local, administrative or survey data, whereas the model above is designed to run entirely off universally-available secondary data sources. It also produces more detailed outputs for example in relation to size and type requirements. A previous WoE study covering the four Unitary Authorities of the former Avon area involved a very similar model of this type, and it has also been used in a number of other local studies.
- 1.3.6 The model in the bottom-left quadrant is designed to forecast how housing market numbers and characteristics/outcomes will change over a medium term planning period at a small area scale (wards or groups of wards). It is designed to be partially driven by, and controlled for consistency with, the higher level market area model. It builds on a significant 2007 research study for the Joseph Rowntree Foundation². Compared with the other models used in this study, it is more 'experimental' in character but its results so far appear to be reasonable and is based on the evidence of changes observed over the last 10-20 years across all wards in England. The main value of this model is to give a plausible picture of how area socio-demographic and market conditions are likely to respond to different levels and mixes of supply intervention, but it can also reflect more localised economic or infrastructural changes.

² Transforming Places: Housing Investment and Neighbourhood Market Change: Bramley, Leishman et al- Joseph Rowntree Foundation (JRF) May 2007.

1.3.7 The combination of top and bottom-left quadrant models were used for the first time in a 2008 study for the Housing Market Renewal organisation Bridging Newcastle Gateshead³, but they have been refined further in this study for the WoE partnership. The use of all four models linked together is unique to this study.

1.3.8 The first model makes forecasts on an annual basis, starting in fact from 2000 and running forward to 2021/26. The other models make forecasts at five year intervals, 2006, 2011, 2016, 2021, 2026. Clearly, the further into the future, the less certain one can be about outcomes. On the other hand, the housing market can be volatile and forecasting the precise movement of house prices can be hazardous even over short periods of time, as is illustrated by current events. It can be argued that we can be more confident about conditions in the medium term than we can be in the very short term. For planning purposes, periods of 15-20 years ahead are useful to think about. For affordable housing provision, a time horizon of 5-15 years is probably more important.

1.4 Higher Level Market Forecast

1.4.1 The higher level market forecast is provided through the use of the model, based on an econometric model fitted to panel data for 90 areas covering England over the period 1983-2004. This econometric model estimates (calibrates) a set of simultaneous equations which predict for each year the values of the following key market variables:

- house price;
- new private completions;
- in- and out-migration;
- private sector vacancies;
- net social rented relets; and
- intermediate market resales

1.4.2 These equations take account of contemporaneous or lagged values of these variables in each area and also in adjacent areas, while also taking account of a large number of other 'exogenous' variables measuring economic, demographic, housing supply and environmental conditions in each area and year.

1.4.3 Variables used to predict these outcomes include about ten factors which vary over time and space – e.g. employment growth, job/worker ratios, unemployment, household income, new and existing social renting, social sector relets, total population - and another twenty or so variables which are measured for each area as single cross-sectional values – e.g. environmental factors like air quality, climate and derelict land, urban form factors like density, housing quality and condition

³ Bridging Newcastle Gateshead – Modelling Future Housing Markets- Final Report-Bramley and Watkins Heriot-Watt University January 2008.

indicators, social composition measures, demographic characteristics. There are also time-varying macro-economic factors including interest rates and Gross Domestic Product (GDP) growth rates.

- 1.4.4 For forecasting, a simulation version of this model has been adapted, which recalculates values for the above variables and certain other key stocks such as households and dwellings, for each year of the forecasting period (in this case, 2000-2026), and for each area. West of England Housing Market Area (WoE HMA) represents the whole of one area in this model (the former Avon County) and part of two other areas (Somerset and Wiltshire). The simulation model has been refined in various ways to improve the realism and consistency of its forecasts over longer periods and to provide additional useful outputs. In particular, feedback mechanisms are included to ensure that the total numbers of households and dwellings do not get too far out of line. New household formation is forecast to respond to house price: income relationships, based on separate research using the British Household Panel Survey. Internal migration is controlled partially at regional level and partially at national level. Migration is grossed up to allow for international flows of all age groups, using recent Office of National Statistics (ONS) local estimates as a base. It should be noted that a consequence of this approach to demographics within the model means that the model generates predictions of household numbers which may deviate from official household projections.
- 1.4.5 The most important inputs to forecasts using this model are economic assumptions about growth in income and jobs, and associated unemployment rates, on the demand side and assumptions about supply. For the baseline we base income and job growth on past trends by region and urban-rural type of area. Initial period GDP and income growth reflects independent forecasts published by the Treasury, but with adjustments (see below). The assumed longer term trend growth rate for the region in the baseline is around 2.8%, with national growth around 2.4%. This is a cautious assumption, below the level of growth aspired to by the South West Regional Development agency (SWRDA) and some of the Regional Planning documents and forecasts. However, we test high and low growth variants around this level.
- 1.4.6 The model takes inputs in terms of flows of new planning permissions for private housing, and this influences output indirectly through the completions equation, which takes account of flow and stock of planning permissions, price levels and changes and other economic and environmental variables. Although new social housing can be more directly input, it is not possible to specify an exact supply number, but the forecast uses a general output trajectory consistent with certain planning assumptions; for the baseline forecast this relates to the RSS Panel Report for the South West.
- 1.4.7 In conducting this forecast at the present time (2008) it has been necessary to take some account of the currently disturbed state of the

financial and mortgage markets, generally known as the 'Credit Crunch', which are clearly having more pronounced effects on the housing market and the economy than was originally expected. While there is inevitably great uncertainty about this, we assume now that this disturbance will have significant effects particularly in 2008 and running on into 2009 and 2010, but that after that the markets will return to a more normal pattern. Key assumptions changed for the period 2007-2010 to reflect this disturbance include higher (effective) mortgage interest rates, higher unemployment, lower GDP and income growth, and a big drop in Buy to Let (BTL) mortgage lending⁴. These generate a sharp drop in house prices in 2008-09, about 25% down from 2007 in real terms, and also a drop in completions, followed by a rather subdued period in terms of prices for several more years. Prices recover to 2006 levels in real terms by about 2014. However, for most of the analysis discussed in this section we are focusing on the medium term time horizons of 5-20 years ahead.

1.5 Local Zone Level Forecasts

- 1.5.1 At the more localised geographic scale 31 Zones were defined by the local authorities as local housing market areas. The map of zones and more information on how the zones were chosen is included in Chapter 2 of this report. A different approach is adopted to forecasting at zone level, although this is explicitly linked to the market area level forecasts. At this scale there is evidence that markets evolve as the result of households making choices about where to live and where and when to move on the basis of the housing, social and environmental opportunities which different neighbourhoods present. These opportunities may be changed by the effects of planning and other interventions, particularly through the provision of new housing or redevelopment. They may also be influenced by changes in transport infrastructure or environmental programmes, although there is limited data available on these, and by the local availability of jobs.
- 1.5.2 The approach taken here is to use an extensive database constructed at ward level for the whole of England, and the previous analysis of this in a JRF study (see 1.3.6 above). This provides a base profile of wards in the WoE area and a picture of changes in these areas in the preceding period. For a number of market variables forecasts of changes can be made using statistical models fitted to these data for past changes, using data for the whole of England, which show how changes in one variable are influenced by changes in a number of other variables. Variables predicted in this way include new private building, employment rates, higher level occupations, private renting, poverty, vacancy rates and house prices. The key inputs fed into this model are the land release data compiled by planners within the housing market partnership for this study, which indicate where and

⁴ The BTL factor in reality is acting as a proxy for the particularly relaxed lending regime which developed in the early 2000s, and which has now clearly gone into reverse following the Credit Crunch.

over what time period new supply is likely to come forward. For other variables, changes are modelled in a more mechanistic fashion, as with the adjustment of housing stocks, demolitions, house types and household numbers. Forecasts are made at five year intervals and these are both influenced by and controlled to the relevant values derived from the higher level forecast. This model works at ward level but the results are aggregated up to Zones. Full technical details of the model are available in the technical appendix.

- 1.5.3 The results of this exercise are of interest in their own right, providing a picture of how different areas within WoE are likely to change. However, they also provide an essential basis for the running of the affordability and need model at Zonal level, estimating local income and affordability patterns and providing the demographic and supply inputs needed.

1.6 Definitions

- 1.6.1 Throughout this assessment definitions used are those from PPS 3 i.e.

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

Social rented housing is “rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime”

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”

1.7 Summary

- 1.7.1 This chapter describes the process by which this Strategic Housing Market Assessment has been carried out and the key role of the SHMA Partnership. It describes the complex modelling that has been carried out drawing on a very wide range of secondary data, supplemented with locally provided data where necessary.

Chapter Two – The Context of the Housing Market Area

- 2.1.1 The West of England Housing Market Area (HMA), as defined by the draft Regional Spatial Strategy (RSS), lies in the South West Government Office Region¹. It is defined along local authority boundaries and consists of Bath and North East Somerset, Bristol, Mendip, North Somerset, South Gloucestershire and West Wiltshire. (See Figure 2.1).
- 2.1.2 The HMA therefore includes the Strategically Significant Cities and Towns of Bristol, Bath, Weston-Super-Mare and Trowbridge, as defined in the draft RSS, as well as a range of other settlements. It particularly benefits from access to good motorway and rail connections to the Midlands, South Wales, London and the South East, as well as areas further to the south west. The M4/M5 motorways cross the northern and western parts of the area, joining on the north fringe of Bristol². Main London to South Wales/South West rail routes and the North East/South West “cross country” rail routes all serve the sub region.
- 2.1.3 Four of these authorities, which comprise the area formerly known as the County of Avon, have collaborated over a number of years under the banner of ‘West of England’. Mendip and West Wiltshire are not part of the West of England Partnership, and as such the previous studies undertaken by the WoE did not cover these wider areas in detail. For example, a previous WoE Housing Need and Affordability study covered only the four unitary authorities.
- 2.1.4 In a 2004 study carried out by DTZ Pineda³, the question of an appropriate wider HMA geography for this region was addressed. The conclusion of that study was that the inclusion of the four original districts was clearly justified, and that there was also evidence for the inclusion of Mendip in particular and possibly West Wiltshire. Bristol, Bath and Weston-super-Mare exert influence further afield for example, parts of North Wiltshire, Stroud and Sedgemoor districts have strong linkages to these cities or towns, but this influence is not necessarily predominant across the major part of these districts, and arguably they might not justify inclusion on a whole-district basis. The appropriate allocation of these authorities to HMAs depends in part on what other

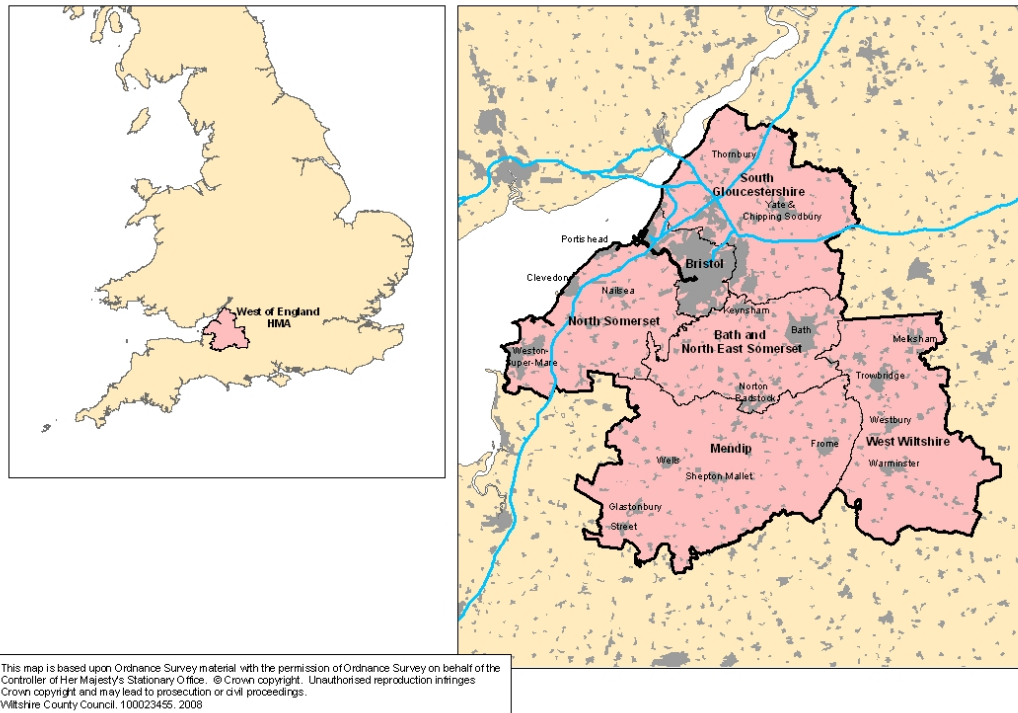
¹ The Draft Regional Spatial Strategy for the South West 2006-2026 -South West Regional Assembly June 2006

² The North Fringe of Bristol is part of the Greater Bristol Principal Urban Area that falls within the administrative boundaries of South Gloucestershire Council.

³ West of England Housing Market Study- DTZ Pineda May 2004.

market areas (and partnership structures) they are adjacent to and related to.

Figure 2.1: The Location of the HMA



2.1.5 There is rarely a perfect answer to the question of what constitutes an HMA. In addition, while the theory may favour boundaries which cut through LA areas, in practical terms it is very advantageous to work with 'whole authorities'. The methodology used in this study, particularly in the modelling and forecasting of housing market outcomes for the market area, is flexible in the sense that it takes explicit account of the interactions between adjacent and regionally-common geographical units. So, for example, if employment and income growth was strong in Gloucestershire and Wiltshire, some of the effects of this would spill over into the WoE Housing Market Area (HMA). In undertaking this SHMA the issues around boundaries with other SHMAs have been recognized and some of the modelling looks, for example, at increased and decreased housing supply in other areas. Outcomes from other SHMAs have been looked at to inform the context for the West of England work, such as the Swindon SHMA and the draft Taunton and South Somerset SHMAs. As other SHMAs are published they will be reviewed to identify any issues which might impact on the West of England Housing market area.

2.1.6 Analysis of travel to work patterns supports the current delineation of the housing market area. 93% of people living in the West of England Housing Market area also work in the area so this sub region has a high degree of containment. This pattern of relationships is further explored by examining in more detail travel to work patterns within and outside the HMA.

2.2 Travel to Work Patterns in the West of England HMA

2.2.1 The 2004 DTZ West of England Sub-Regional Housing Market Study, pointed out that housing markets can be defined at a number of different spatial levels - local, sub-regional, regional and national- whilst the notion of a sub-regional housing market was conceptually best defined as covering that area within which people will move without any fundamental change in their economic and social relationships⁴. DTZ also suggested that a sub-regional housing market could be viewed as being the spatial area over which changes in demand or supply interact to produce a new level of prices. But for this to occur, the housing market must display a fairly high level of self containment.

2.2.2 It suggested that one key criterion for such a definition was that the sub-regional housing market was that area in which the majority of people would consider living, assuming that those members of the household remain in their current employment. Given this, the Study further suggested that Travel to Work Areas (TTWAs) were a very useful guide to the extent of sub-regional housing markets, then being defined as an area within which 70% of economically active people both live and work.⁵ The geography of Travel to Work Areas therefore provides a valuable insight into the nature of the West of England Housing Market Area.

2.2.3 If TTWAs are taken as a proxy for sub regional housing market areas then the South West Regional Assembly's West of England Housing Market Area, consisting of the six local authorities, is in fact composed of four component parts:

2.2.4 **The Bristol TTWA** dominates the HMA covering:

- Bristol City and the whole of South Gloucestershire and extending considerably into Stroud District

⁴ West of England Sub Regional Housing Study DTZ- April 2004. (This covered the four local authorities of B&NES, Bristol, North Somerset and South Gloucestershire).

⁵ National Statistics now define the fundamental criterion of Travel to Work Areas as that, of the resident economically active population, at least 75% actually work in the area, and also, that of everyone working in the area, at least 75% actually live in the area. The definitive minimum working population in a TTWA area is 3,500 but many are much larger than this.

- The whole of North Somerset including the area around Weston-super-Mare
- The western section of Bath and North East Somerset, including Keynsham.

It contains around 73% of the estimated employment in the whole WoE HMA with around 40% of these jobs focused in Bristol City Centre, North Bristol and the North Fringe.⁶

2.2.5 **The Bath TTWA** covers:

- Most of Bath and North East Somerset except the western section where the influence of Bristol predominates
- To the south east, a significant part of the eastern part of Mendip District including Frome
- Small sections of the north east corner of West Wiltshire and the south west corner of North Wiltshire.

The Bath TTWA, with about 13% of total HMA jobs, is mainly focused on Bath City which accounts for about 50% of the jobs in the whole TTWA. The DTZ Study commented that its extended influence in north east Mendip suggested a lack of centralised employment opportunities there. In contrast there is limited dominance to the east, with the Swindon TTWA dominating in North Wiltshire and such towns as Trowbridge and Warminster exercising a counterbalancing influence in West Wiltshire.

2.2.6 **The Trowbridge and Warminster TTWA** is:

- relatively self-contained within the West Wiltshire District boundary focusing on the employment in and around the towns of Trowbridge, Westbury and Warminster, although extending into the northern and western parts of Kennet District, including Devizes, and into North Wiltshire towards Corsham.

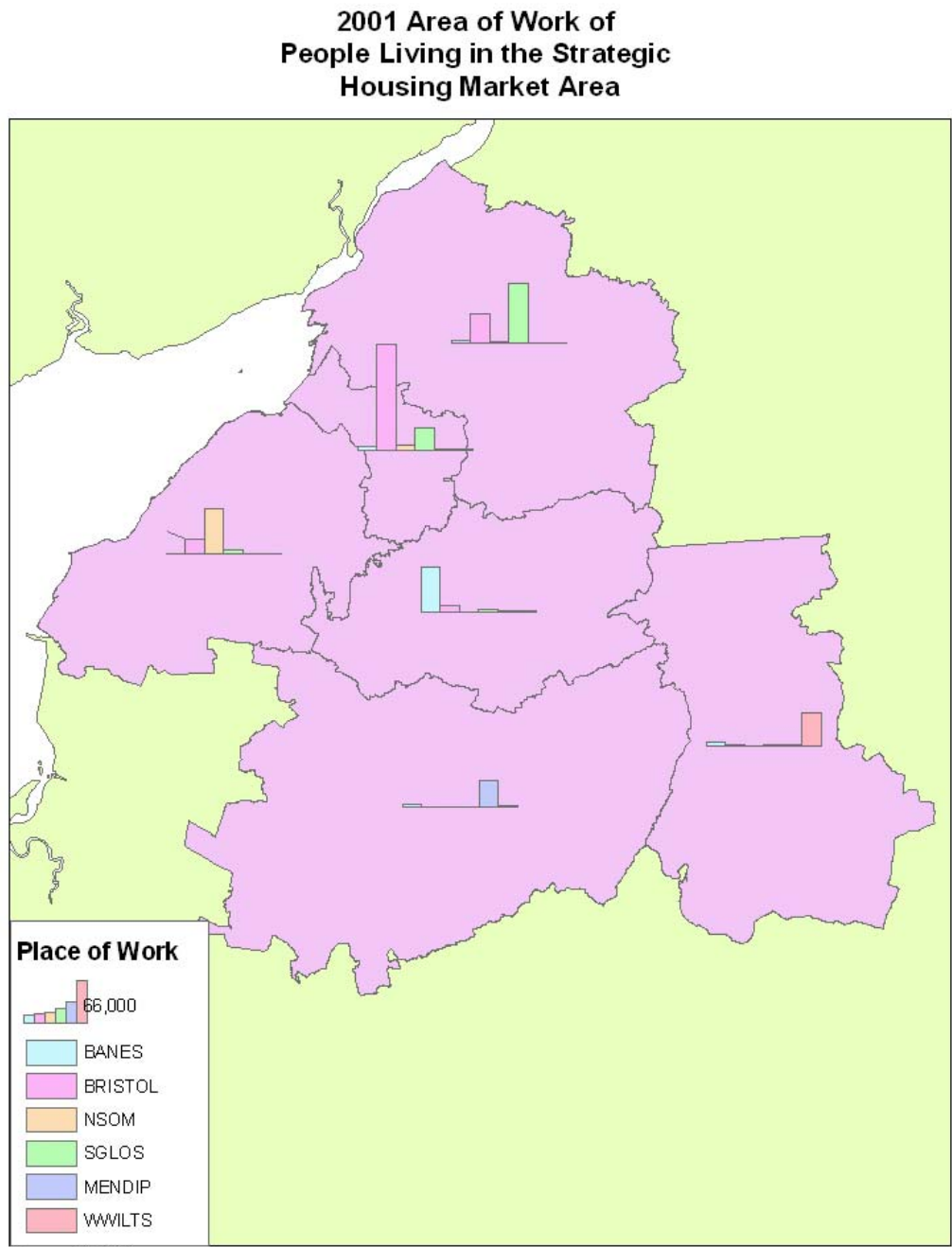
This TTWA contains around 8% of total HMA jobs.

2.2.7 **The Wells and Shepton Mallet TTWA** covers:

- The central and western sections of Mendip District where the influence of employment in Bath and Midsomer Norton/Radstock areas lessens and where employment focuses on such towns as Shepton Mallet, Glastonbury, Street and Wells.
- The eastern sector of Sedgemoor District, including the Cheddar and Axbridge areas. The TTWA contains nearly 5% of HMA jobs.

⁶ These figures are necessarily approximate. They are derived from Cambridge Econometrics forecasts for the SWRA and use 1991 based TTWAs, these are used as proxies for the 2001 based TTWAs.

Figure 2.2: 2001 Area of Work of People living in the Strategic Housing Market Area



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2.3 1991-2001 Changes in Travel to Work Areas

2.3.1 The trend in more and longer distance commuting is leading to the growth of TTWAs focused even more strongly around major areas of employment, and by implication the growth of wider sub regional housing markets. In this the links provided by the major parts of the regional transport infrastructure play a particularly important role. In the West of England HMA the 2001 based Bristol TTWA has extended along the M5 corridor, north beyond Dursley, towards Stroud, and south to absorb the 1991 Weston-Super-Mare TTWA. This reflects the major growth of jobs in the wider Bristol area and the slower job growth in Weston-Super-Mare coupled with the major housing growth there.

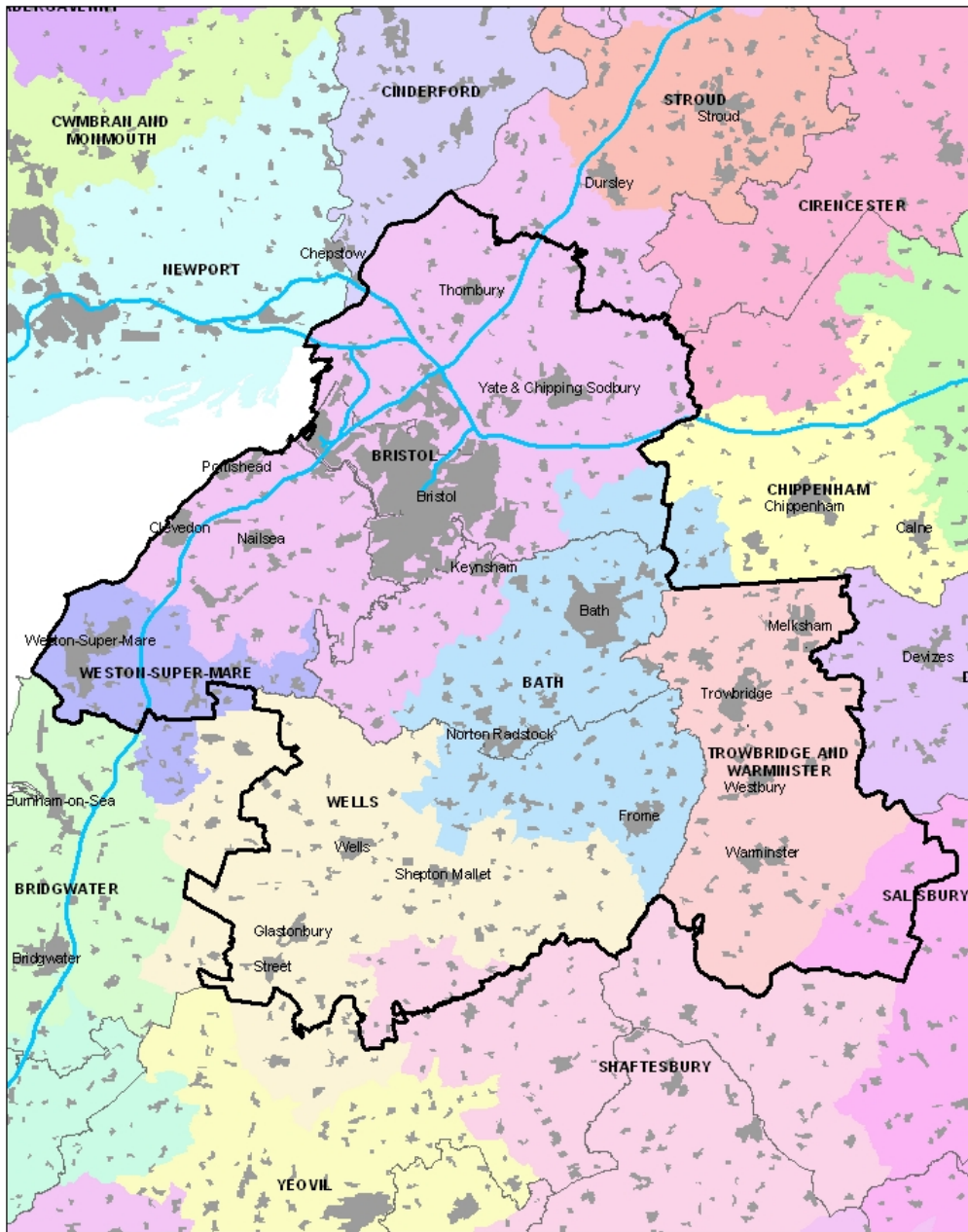
2.3.2 The Bath TTWA has similarly increased in area, but mainly to the south into Mendip, along the A367 corridor to Radstock and towards Shepton Mallet and along the A36 in the direction of Frome. On the city's eastern side the growth of employment in Swindon is increasingly coming to dominate in an expanded Swindon TTWA, the latter now absorbing the 1991 Chippenham TTWA, including Calne. The growing integration of work and residence amongst the towns of West Wiltshire and Kennet, the latter lying outside of the HMA, has also limited any wider influence of the Bath TTWA on its eastern side.

2.3.3 At the south east edge of the Trowbridge and Warminster TTWA in the mid Wyle valley the influence of the Salisbury TTWA begins to be felt.

2.3.4 The Wells TTWA has reduced in extent since 1991 with the Yeovil and Chard TTWA to the south and the Bath TTWA to the east, both expanding.

2.3.5 Whilst TTWAs are reasonably self contained labour markets with limited connection to neighbouring areas, sub regional housing markets will in fact overlap particularly at the edges the further away from the core one travels. However, existing patterns and recent changes in TTWAs do provide an indication of where strategic housing locations might best support employment centres by providing reasonably good access for workers.

Figure 2.3: 1991 Travel to Work Areas



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2.4 The Wider Links to the Housing Market Area

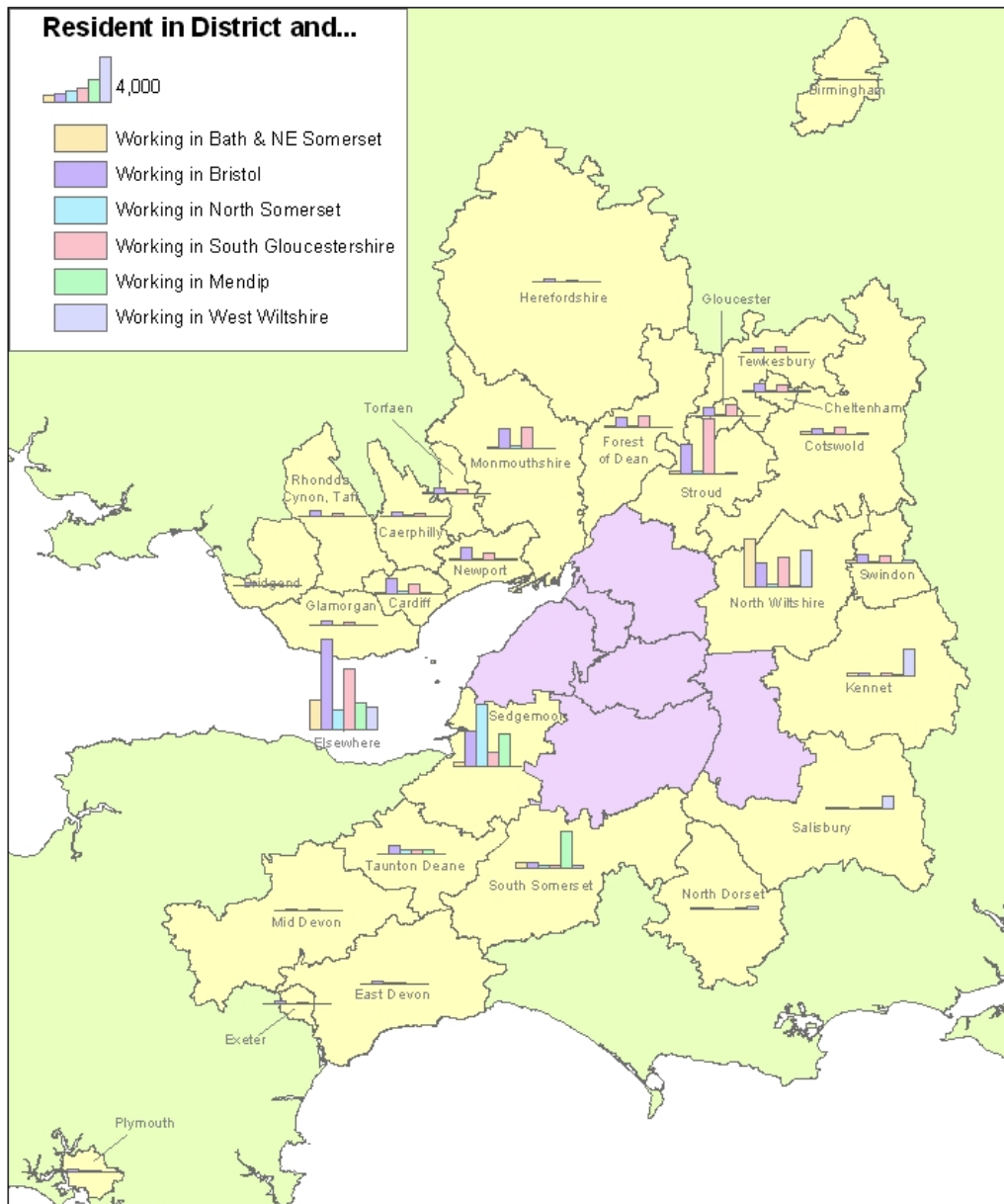
- 2.4.1 The detailed travel to work patterns confirms that it is the dominance of the major employment areas particularly within the wider Bristol area which binds the area together, particularly the jobs in the Bristol Central area and in the North Fringe of Bristol. These are major attractors for the workforces of such towns as Weston Super Mare, Clevedon, Yatton, Yate and Chipping Sodbury, and Thornbury in the former Avon area. Whilst this influence noticeably weakens to the east of Keynsham towards Bath, where the latter begins to dominate, the North Fringe of Bristol and Bristol Central area remain significant workplace destinations.
- 2.4.2 The significance of these two employment centres also extends beyond the HMA itself reflecting the existence of good motorway and rail links to these centres. So there are significant flows of residents from such areas as North Wiltshire in the east, Stroud in the north, and Monmouthshire, Newport and Cardiff in the west, and Sedgemoor District in the south, where these rail/motorway links are relatively easily accessible.
- 2.4.3 Indeed in some cases the size of these flows, but with no allowance made for the size of resident population in area of origin, exceeds the journeys made to these two destinations from within the HMA itself. So in 2001 recorded journeys into the HMA North Fringe Policy Area from the Newport/ Monmouthshire/Cardiff areas numbered 1231; 1223 from Stroud District, and 965 from North Wiltshire District. Journeys into the two Bristol Inner Policy Areas from these three sets of areas numbered 1521, 932 and 758 respectively. In contrast the flows from Mendip District to the North Fringe numbered 326 and to the Bristol Inner Policy Areas numbered 715 respectively.
- 2.4.4 This suggests that despite the strong overall self-containment of the HMA, some parts of the area may have stronger commuting ties to areas outside the HMA than other areas within it; this has implications for the functioning of the housing market. For example cheaper property prices in parts of South Wales, particularly the Chepstow area may pull the market in that direction in the absence of similar accessible accommodation within the WoE HMA itself.
- 2.4.5 Bath as the other main city in the HMA has a much more limited hinterland being a smaller centre of employment. Major commuting flows stem from the Midsomer Norton/Radstock area in particular, from the Keynsham area, from the towns and villages of Mendip District, and from the northern part of West Wiltshire, including the Trowbridge area.

The only significant flows into Bath from outside the HMA are those from North Wiltshire District.

- 2.4.6 There are strong two way commuting flows between West Wiltshire inside the HMA, and North Wiltshire and Kennet, which both lie outside the HMA, although total numbers are not large. This suggests a diversified employment structure scattered throughout a number of towns, in an area lacking major population centres. In the south east of West Wiltshire the important external flows are into the Salisbury TTWA.
- 2.4.7 In the south of the HMA there are major commuter flows of 2,316 persons, from Sedgemoor District, which lies outside the HMA, into the Weston Super Mare HMA Policy Area; numbers exceed the total journeys from the rest of the North Somerset District into this HMA Policy Area, excluding those within the Policy area itself.
- 2.4.8 Figure 2.5 illustrates this movement of workers from surrounding districts into the WoE HMA.

Figure 2.5: Travel to Work flows in the West of England HMA.

2001 Area of Work within the SHMA of People Residing in those Districts with Significant Flows to SHMA



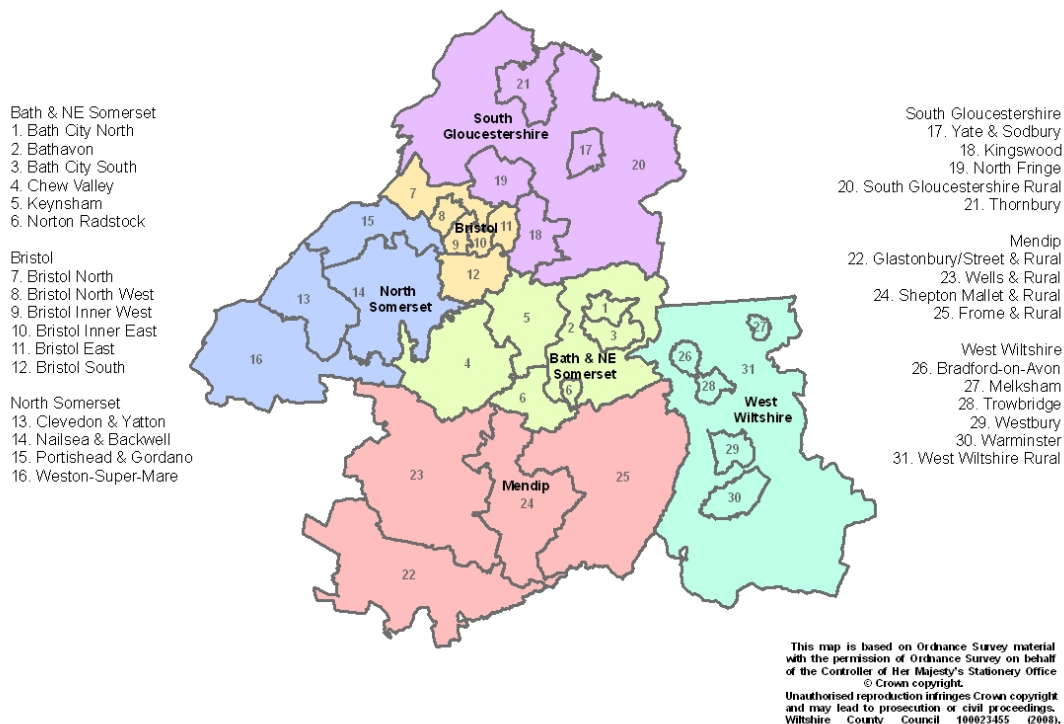
Source: 2001 Census

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2.5 Identification of sub-markets, characteristics and drivers of change

2.5.1 It is appropriate to recognise that, while there is a fair degree of integration within the HMA, different parts of the area may display varying degrees of autonomy versus interaction with the neighbouring areas and core cities. The approach adopted in this study recognises this issue by estimating and modelling need down to a level below the local/unitary authority level, using a set of 31 Zones (4 to 6 per authority) see Figure 2. 6. These zones constituted areas that were both large enough to avoid statistical anomalies and yet small enough to provide the required localised snapshot; they provided the basis of the modeling work undertaken for the study.

Figure 2.6: The Zones within the Housing Market Area



2.5.2 Each LA was asked to define a zonal structure which reflected their perception of sub-market areas; this may also have reflected housing management or local planning areas. The consultants asked that these areas be defined in terms of whole wards (as at 2004). In the core city the zones represent directional sectors and the inner-outer distinction. B&NES also divides the city into two, identifies two other significant settlements, and divides the remaining rural area in two. North Somerset and Mendip combine their main urban areas with respective

hinterlands. West Wiltshire, and to some extent South Gloucestershire, highlight urban areas with a general rural remainder area.

2.5.3 The zones have been chosen by each local authority to reflect their perception and experience of the housing market in their area. There are practical restrictions on the number of zones that we can model, also the zones have to be of a sufficient size to ensure that zone level data is valid. At the same time, they need to be small enough to make some sense locally. The local authorities are also looking at how we can make the zones consistent with other information sources in future – to make it easier to map our data against other data held in the local authorities (such as private sector housing data) and also data held by others (police, health service etc).

2.5.4 The zone level information included in this report gives a good picture of the detail of the housing market; contrasts between zones can help to illustrate the drivers in the market. The zone level information adds to the depth of evidence and will help to inform the policy debates that will flow from this assessment however local authorities may choose to determine policy at the local authority rather than the local level.

2.6 Dwelling completions, future land supply and the planning context which underpins it.

2.6.1 The South West Draft Regional Spatial Strategy set out provision of 110,200 additional homes over the period 2006-2026 for the West of England Housing Market Area. The Panel Recommendations following the Examination in Public of the Draft Regional Spatial Strategy⁷, proposed a significant increase in the housing provision in the West of England HMA from 110,200 to 126,950.

2.6.2 In response to the Examination in Public Panel Recommendations the Secretary of State for Communities and Local Government issued Proposed Changes in July 2008. Table 2.1 compares the distribution of housing proposed in the panel recommendations and the proposed changes.

2.6.3 The Secretary of State's (SoS's) Proposed Changes to the Regional Spatial Strategy further increased the scale of provision for additional dwellings in the West of England HMA from 126,950 to 137,950 homes, (or an increase in the annual average from 6,348 to 6,898). The West of England Partnership Authorities⁸ have major reservations

⁷ The South West Draft Regional Spatial Strategy Examination in Public Report issued in January 2008.

⁸ This refers to the four authorities of the West of England comprising of: Bath and north East Somerset, Bristol City council, North Somerset and South Gloucestershire. Mendip and West Wiltshire may also have made representations.

about the ability of the West of England to accommodate the scale of change proposed by the Secretary of State, without further consideration of the possible effects on sustainability, the environment and quality of life. Together with the West of England Partnership the authorities have set out their concerns in their formal response to the Secretary of State and are challenging the increases in the Proposed Changes and their deliverability.

2.6.4 However, whether housing provision for the West of England HMA is closer to the Draft RSS or the Proposed Changes, the scale of housing growth in the sub-region will be substantial⁹ and will in most areas exceed that which occurred in the past.

Table 2.1: Additional Housing Provision set out by the Draft RSS process for the West of England HMA 2006-2026.

Area	Draft RSS Allocation 2006-2026	Draft RSS Panel Modifications 2006-2026	Secretary of State Proposed changes 2006-2026	Draft RSS Allocation Annual average 2006-2026	Draft RSS Panel Modifications Annual average 2006-2026	Secretary of State Proposed changes Annual average 2006-2026
B&NES	15,500	18,800	21,300	775	940	1,065
Bristol	28,000	30,000	36,500	1,400	1,500	1,825
North Somerset	26,000	26,750	26,750	1,300	1,338	1,338
South Gloucestershire	23,000	30,800	32,800	1,150	1,540	1,640
Mendip	7,200	8,300	8,300	360	415	415
West Wilts	10,500	12,300	12,300	525	615	615
West of England SHMA	110,200	126,950	137,950	5,510	6,348	6,898

Source: Secretary of State Proposed Changes to the Draft RSS

⁹ The West of England sub-region (former Avon area) has achieved New Growth Point status in recognition of its vision to deliver a substantial step change in new homes (including the provision of more affordable housing).

2.7 Past Dwelling Completions

2.7.1 Table 2.2 below demonstrates this point and illustrates an increase in the historical build rates between 2001-2007 across the West of England HMA. The annual average additional dwellings over this period are 5,329. This is fairly consistent with the annual requirement to meet draft RSS, but 1,000 below that required to meet the panel modifications and 1,500 below the annual average dwellings required to meet the Secretary of State proposed changes.

Table 2.2: Past Dwelling Completions 2001/2002- 2007/08

	2001/02 Total	2002/03 Total	2003/04 Total	2004/05 Total	2005/06 Total	2006/07 Total	2007/08 Total	2001- 2008 average
B&NES	195	339	367	224	245	332	515	317
Bristol	1,204	1,189	2,283	2,082	1,712	2,052	2,411	1,848
North Somerset	1,066	1,206	1,265	1,058	1,253	1,132	1,474	1,208
South Glos	826	942	748	546	636	689	1,003	770
Mendip	407	306	492	369	584	546	603	472
West Wilts	773	669	987	695	596	513	771	715
West of England SHMA	4,471	4,651	6,142	4,974	5,026	5,264	6,777	5,329

Source: Local Authority monitoring records (table 2.2 main report)

2.8 Past affordable housing completions and current affordable housing policies.

2.8.1 The SoS's Proposed Changes include a revised single policy (Policy HMA1) for Strategic Housing Market Areas that sets out the locational strategy for the plan and allocates homes and jobs at HMA level. This is in recognition of the function of the HMA as a Housing Market, Travel to Work area and sub-region.

2.8.2 HSS Policy H1 in the Proposed Changes states that at least 35% of all new housing developed should be affordable. The West of England authorities, through Section 106 planning agreements, have generally

sought a range of 30-35% of affordable dwellings but only on sites with a threshold of 15 dwellings or over and around 10 dwellings or over in rural areas. The exception is Bristol, where targets will not be formally revised until the production of the Core Strategy and current policy is to seek 10-30% of affordable dwellings on sites of 15 dwellings in line with PPS 3. If these threshold levels continue, then local authorities are likely to have to seek far higher proportions than 35% of all dwellings on sites where affordable housing can be negotiated, to meet required affordable RSS numbers. Alternatively other ways of providing affordable housing will have to be sought.

- 2.8.3 An increasing proportion of completions in the West of England HMA have occurred on sites below the PPS3 threshold and so have not contributed to affordable housing provision¹⁰. Other factors such as the mix of sites also needs to be taken into account, for example Bristol has a large number of medium sized brownfield housing sites and this may make 30-35% affordable housing uneconomical on such sites.
- 2.8.4 It is important to note therefore that even within current policy guidelines the number of affordable homes completed is not 30% of all housing completions with many of the sites falling below the threshold or not being viable for affordable housing provision. In the latter example commuted payments may be received and affordable housing provide off site.
- 2.8.5 In addition, RSS policies for the provision of affordable housing (H1) and those on dwelling densities (H2) are looked at in isolation and do not give consideration to the relationship between these issues. This has implications for the type and mix of affordable housing that can be achieved on sites, particularly in inner urban areas where the focus on provision of flats on brownfield sites may lead to under provision of family accommodation.
- 2.8.6 Table 2.3 illustrates affordable housing completions across the West of England HMA, for the period 2001-2007. Local Authorities monitor planning permission information and can identify affordable housing completions that have been provided through s106 agreements or directly from the RSL/Local Authority. These figures do not capture information outside of the planning system i.e. acquisitions where Registered Social Landlords buy completed units directly from private developers or transfers of stock between tenures.
- 2.8.7 This data reflects both historic and current affordable housing policies within local authorities development plans with recent policy decisions only being reflected in the later completion figures. As more of the planning permissions that secured affordable housing are built out these numbers will continue to increase.

¹⁰Source: Joint Strategic Planning & Transportation Unit Report Housing Land Supply 2005.

Table 2.3: Percentage of Registered Social Landlord housing completions as a proportion of all net housing completions 2001-2007: West of England Housing Market Area.

	RSL	Private	Net Total*	% of RSL
2001/02	401	4,167	4,466	9
2002/03	491	4,224	4,653	11
2003/04	702	5,560	6,137	11
2004/05	625	4,526	4,961	13
2005/06	665	4,550	5,018	13
2006/07	776	4,629	5,250	15
Total	3,660	27,656	30,485	12
Annual average 2001/02-2006/07	610	4,609	5,081	12

Source: Local Authority monitoring records (table 2.3 main report)

Notes: Net total includes losses of LA affordable dwellings through demolition or change of use, which totalled 831 over the period 2001/02-2006-07. RLS comps do not include dwellings provided directly by LA, of which there were 72 in the HMA over the period 2001-2007.

2.8.8 Other evidence supports the assumptions that affordable housing provision is increasing. Within the West of England sub-region, the HomesWest Partnership¹¹ has recently had an independent review by Housing Vision. The findings have suggested that double the amount of affordable housing has been secured through the HomesWest Partnership than would have otherwise been secured without this partnership working.

2.8.9 However, in the West of England sub-region (former Avon area), there continues to be a shortfall in the provision of affordable housing through the planning system. For example when compared to the annual net need requirements identified in an early study by Bramley¹² where they averaged an annual requirement of 4,481 over the period 2002-2009, the average completed was actually some 512 per annum (table 2.3).

¹¹ HomesWest is a strategic partnership consisting of four housing associations selected by the four authorities of the West of England, to deliver affordable housing within the West of England (former Avon area). The RSLs are: Knightstone Housing Association, Somer Housing Group, Sarsen Housing, Sovereign Housing.

¹² West of England Housing Need and Affordability Model Prof Glen Bramley (Heriot-Watt University, Edinburgh) 14 April 2005.

2.9 Future Housing Land Supply

2.9.1 Local Authorities have provided information setting out likely future land supply, taking into account sites with planning permission, those subject to section 106 agreements, those without planning permission but allocated in local plans, and other technical work including preparatory work on Housing Land Availability Assessments and urban extension estimates. Consideration has been given to site thresholds and the number of affordable homes expected from the total dwellings supply, under existing policies, but at this stage no site viability assessments have been undertaken. Therefore the figures presented below are a very theoretical assumption based upon the best available information at 31st March 2008 and have no basis in planning policy.

2.9.2 The future land supply figures as illustrated in table 2.4 are broadly consistent with Draft RSS requirements. Even under current policies these projections up to 2026, indicate a step change in anticipated supply in affordable housing if local authorities are able to continue their existing policies in respect of percentage of affordable dwellings sought and, site threshold levels.

Table 2.4: Potential Housing Supply 2006-2026 (based on existing policies).

LA	Total 2006-2026			2006-2026 Annual Average		
	Affordable	Private	Total	Affordable	Private	Total
B&NES	4,561	10,079	14,640	228	504	732
BCC	7,346	22,668	30,014	367	1,133	1,501
N. Som	6,610	21,400	28,010	331	1,070	1,401
S.Glos	6,040	16,191	22,231	302	810	1,112
Mendip	739	6,411	7,150	37	321	358
West Wilts	2,220	7,662	9,882	111	383	494
WofE HMA	27,516	84,411	111,927	1,376	4,221	5,596

Source: Local Authority information. N.B. These are not committed supply figures.

- 2.9.3 Table 2.5 reports those figures recorded in the Housing Trajectories in the 2008 Annual Monitoring Reports across the West of England¹³. In all districts the Proposed Changes RSS policy allocations are higher than the average build rates, and projected completion rates apart from West Wiltshire.
- 2.9.4 The projected figures in table 2.5 suggest that build rates across the West of England are likely to exceed Draft RSS requirements after 2009/10, meet the Panel recommendation requirements in 2010/11 and 2011/12, but still fall short by 2013 of the Proposed changes requirements.

2.10 Summary

- 2.10.1 The HMA has a high degree of self-containment, with 93% of those living in the area also working in the area.
- 2.10.2 There are 4 travel to work areas within the HMA, focused around Bristol, Bath, Trowbridge and Warminster and Wells and Shepton Mallet. The Bristol central area and North Fringe also attract workers living outside the HMA area, extending into North Wiltshire, Stroud, South Wales and Sedgemoor. This has potential implications for the SHMA, suggesting that if housing is not available within the HMA more people may choose to move outside the area to seek cheaper housing, but commute to the employment centres within the WoE HMA. This will have an impact on the sub-region's carbon footprint.
- 2.10.3 As housing supply in the WoE area increases, it is likely that in future there will be a step change in the amount of affordable housing being delivered as policies are applied to a wide range of new sites.

¹³ These figures are the latest available and are submitted as part of demonstrating a five year supply to CLG.

Table 2.5: Annual Monitoring Reports April 2008- West of England HMA Housing Trajectory

HMA housing contribution	Completions		Projected completions					Annual Average Completions (projected)	Secretary of State Annualised requirement
	2006-07 comps	2007-08 comps	2008/09	2009/10	2010/11	2011/12	2012/13	2006-2012/13	2006-2026
West of England HMA	5,264	6,777	5,286	5,664	6,432	6,345	6,302	6,010	6,898
B&NES*	332	515	658	658	658	658	658	591	1,065
Bristol	2,052	2,411	1,564	1,576	1,581	1,596	1,602	1,769	1,825
North Somerset	1,132	1,474	1,219	1,226	1,073	1,049	1,349	1,217	1,338
South Gloucestershire	689	1,003	921	1,043	1,516	1,571	1,475	1,174	1,640
Mendip	546	603	310	341	487	587	696	510	415
West Wiltshire	513	771	614	820	1,117	884	521	749	615
Swindon HMA	3,442	3,380	2,427	2,329	2,371	2,123	2,057	2,590	2,695
Kennet	333	597	420	338	415	249	115	115	300
North Wiltshire	849	840	707	591	506	275	142	142	685
Swindon	2,260	1,943	1,300	1,400	1,450	1,600	1,800	1,800	1,710
Salisbury HMA	373	460	452	587	540	395	219	219	620
Salisbury	373	460	452	587	540	395	219	219	620

Source: Local Authority annual monitoring Reports. These figures may differ from modelled or actual figures.

Note: five year deliverable sites averaged over 5 years

Chapter Three - Demographic and economic profiles, trends and forecasts

3.1 Economic context

3.1.1 The economic make-up of an area has a significant influence on the local housing market, in particular the strength of market demand for housing, levels of housing need and affordability issues. High levels of economic growth can accelerate in-migration and the scale of the requirement for additional housing. In addition, high levels of growth together with inequalities in the labour market, may exacerbate levels of housing need and problems of affordability. At the same time, growth and rising prosperity provides opportunity for securing the resources required to address housing shortages, improve the supply of affordable dwellings and reduce housing need.

3.2 The broader economic context

3.2.1 The growth of the national economy has slowed considerably over the last year in response to the financial crisis. At the time when modeling was undertaken, output was expected to climb by 1.7% in 2008 following an increase of 3.1% in 2007. It was then forecast to increase by about 1.5% in 2009 then rising to about 2.5% pa between 2010 and 2012¹. At the time of publishing (2009) it is recognised that the latest forecasts suggest 0.7%, 2.8% and 0.5% for 2008 – 2010. Over the last decade, national output has climbed by an average of nearly 3% pa whereas long-term trends show national output expanding by between 2 to 2.5%.

3.2.2 The slowdown in the national economy over the last year is likely to lead to a fall in the overall level of employment and a rise in unemployment. In contrast, employment levels have been climbing strongly with unemployment falling over the last decade as a result of the expansion of the economy.

3.2.3 International migration to the UK has risen strongly since 1998 as a result of the strong economy, especially since the accession of the new EU member states in May 2004. This increase in net migration has increased the supply of labour, especially in the 18 to 34 age group, and contributed to high economic growth. The national economic slowdown however, may lead to a fall in international migration and rising unemployment.

3.3 The local economic context

3.3.1 The economy of the West of England HMA represents the largest concentration of business activity and employment in the South West Region. It supports over 700,000 jobs, accounting for almost 30% of the regional total in just over 10% of the area. About two-thirds of these jobs are located in the Bristol urban area. As

¹ Forecasts for the UK Economy. A comparison of independent forecasts. May 2008. HM Treasury.

a result, Bristol and to a lesser extent Bath, attract commuters from across the West of England with the sub-region as a whole functioning as a city region in terms of economic linkages, housing markets and shopping patterns.

3.3.2 The following paragraphs consider the prosperity of the West of England and the industrial make-up of the local economy. Recent economic indicators and trends are highlighted and the consequences for patterns of employment, unemployment and travel to work across the sub-region are described. Finally, prospects for the economy over the longer-term and the issues arising are identified.

Table 3.1: Key Economic Indices

Area	Econ. Act. Rate %	Employ't rate %	Unemp. rate %	Emp.gth rate (%)	Weekly pay £'s (mean)	
					Wkplace	Residence
	2006/7	2006/7	2006/7	1998-2006	2007	2007
B&NES	78.6	75.3	3.3	8.1	463.8	481.2
Bristol	78.5	75.2	3.2	12.6	460.1	438.9
Mendip	84.8	81.8	3	4.1	413.8	436.7
N.Somerset	82.8	81.6	1.3	12.8	486.2	498.2
South Glos	86.7	84.2	2.6	13.4	480.2	451.0
West.Wilts	86	84.1	1.9	-2.3	396.0	485.6
W of E HMA	82.1	79.4	2.7	11.9	N/a	N/a
South West	80.9	77.7	3.2	13.3	427.8	433.4
GB	78.5	74.2	4.2	8.1	458.6	459.0

Source: Economic, employment and unemployment rates are from the APS 2006/7 and describe the working age population. The 'employment growth rate' describes the % change in the levels of employee jobs between 1998 and 2006 shown by the ABI (NOMIS); Weekly pay is drawn from the Annual Survey of Earnings and Hours 2007.

3.4 Economic Engagement

3.4.1 Economic activity and employment rates for the West of England as a whole are above regional and national averages, while unemployment is below. For B&NES

and Bristol however, economic activity and employment rates stand slightly below the regional average, largely as a result of large student populations.

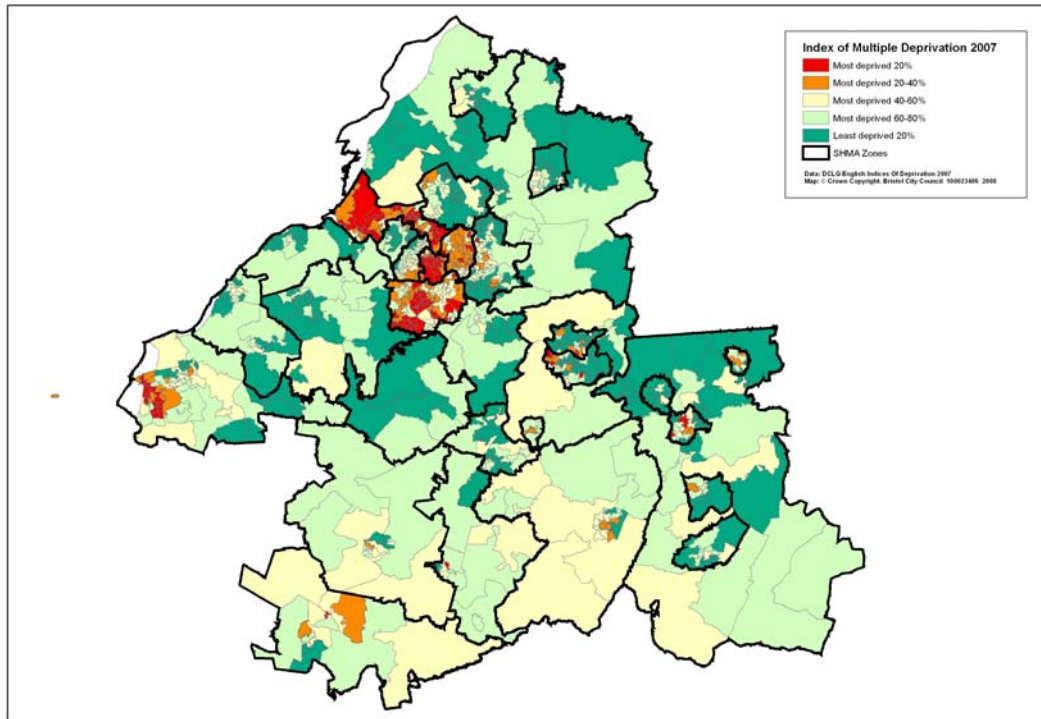
- 3.4.2 For the sub-region, unemployment is some way below regional and national averages. However, in both B&NES and Bristol the unemployment rate approximates to the regional average. Far higher unemployment however, is recorded by several localities within inner Bristol and on some of the outlying council estates.² In North Somerset, a few neighbourhoods at Weston-super-Mare, close to the town centre and corresponding with the Bourneville estate, also record high unemployment. Some localities in the urban areas within Mendip also record high unemployment levels. In contrast, in Bath and North East Somerset, only Twerton has an unemployment rate above the national average while in South Gloucestershire and West Wiltshire, local unemployment rates are below the national average. These concentrations of high local unemployment have been persistent, associated with educational under-achievement, low skills and the decline of traditional local industries.
- 3.4.3 The sub-region is relatively buoyant therefore in terms of economic and employment activity. However, this disguises some areas with real employment problems.

3.5 Deprivation

- 3.5.1 Partly as a result of high unemployment, several localities within inner Bristol and on the suburban council estates, and at Weston-super-Mare, also record high levels of multiple deprivation and are within the 10% most deprived areas ranked nationally. The population of these deprived localities represents over 40% of the population in the South West resident in localities falling within the 10% most deprived areas of England.

² At 2001, census data shows that within inner Bristol, the proportions of the resident workforce out of work were above 12% for Lawrence Hill ward, above 8% for Ashley ward and above 6% for Easton ward. On the outlying council estates, the census shows over 7% out of work for Filwood ward and 6% for Southmead ward. At Weston-super-Mare, the unemployment rate for Central ward stood at 8% and for South Ward, at 7%. Within Mendip, the unemployment rate was 7.5% in Glastonbury St Benedict's ward and over 6% in Shepton East ward. These proportions compare with 3.5% for the West of England and 5% nationally.

Fig 3.1 Index of Multiple Deprivation



3.6 Income

3.6.1 Average weekly earnings in the West of England as a whole stand above the regional average and approximate to the national average. There are marked differences between the average levels of pay of residents compared with working populations however, at the local level. In B&NES, North Somerset, Mendip and especially West Wiltshire, the average weekly pay of the working population stands well below that of the resident population, and in the case of Mendip and West Wiltshire, below both regional and national averages. In Bristol and South Gloucestershire, the opposite relationship is evident with the average weekly pay of the working population standing well above that of the resident population and regional averages. These disparities are the outcome of commuting flows and local housing market characteristics.

3.7 Employment Growth

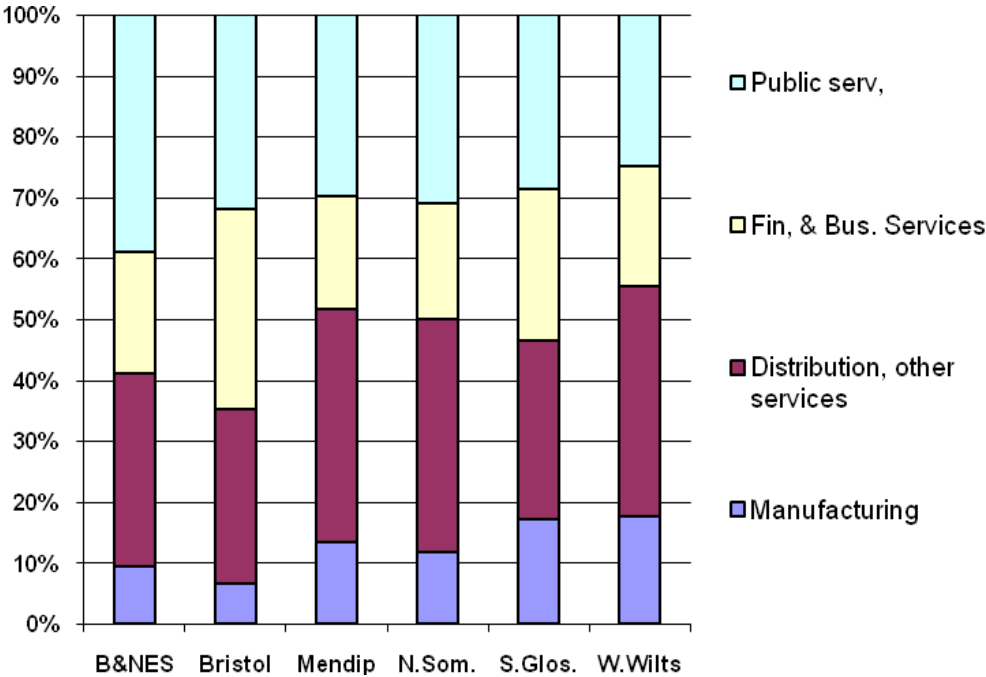
3.7.1 Over much of the post-war period, the sub-region has seen employment levels rising, usually at rates above national averages. Between 1991 and 2001, the level of employment increased by about 72,000 (or 7,200pa average). More recently, the rise in the level of employment across the sub-region appears to have slowed with data for 2006 suggesting that the average increase between 2001 and 2006 approximates to about 3,800pa.

3.8 The industrial make-up of the local economy

3.8.1 The broad industrial make-up of the sub-regional economy is similar to the regional and national economy with jobs in office-based, business and financial services slightly more important and jobs in manufacturing slightly less important in the West of England, especially in comparison to the region.

3.8.2 Industrial and office jobs account for about 40% of employment in the West of England. Retailing, personal services and leisure related activities, and education and health, account for the bulk of the remainder. Industries particularly concentrated in the sub-region include: aerospace/defence; insurance, professional/business services, parts of the media and creative sector; Bath tourism; and, higher education.

Figure 3.2: Industrial structure of employment



Source: ABI/Nomis employee data

3.8.3 Inevitably, local variations in the industrial make-up of employment are evident. In Bristol, professional and business, office based services are relatively more important reflecting the role of the city centre as a major regional office centre. In South Gloucestershire, manufacturing jobs are more in evidence reflecting the importance of aerospace and other ‘high technology’ industries. In B&NES, jobs in public services are more evident reflecting the local importance of the MoD and the university. Within Bath, in addition, business services, retailing, and hotels and catering feature more prominently as a result of the importance of the business, tourism and the sub-regional role of the city centre to the economic

well being of Bath. In other parts of the sub-region, retailing and related local services, and local manufacturing industries are significant to local employment.

3.9 Industrial Structure of Growth

3.9.1 The growth of employment in the sub-region has been accounted for by the expansion of office-based jobs and by the expansion of retailing, education and a range of personal and leisure services as a result of the expanding population and rising affluence. The extra jobs arising from office and service sector growth generally has more than matched falling manufacturing employment since the 1990s.

3.9.2 The industrial characteristics of employment growth vary across the sub-region. Virtually all parts of the sub-region have seen growth of jobs in retailing, education and health, and leisure related services. In addition, within Bristol, growth of business and financial services has been particularly important. Within Bath and the Bristol North Fringe area, business services again and public administration and education have been of particular importance to the overall levels of employment growth.

Table 3.2: Industrial Growth by Sector - West of England HMA

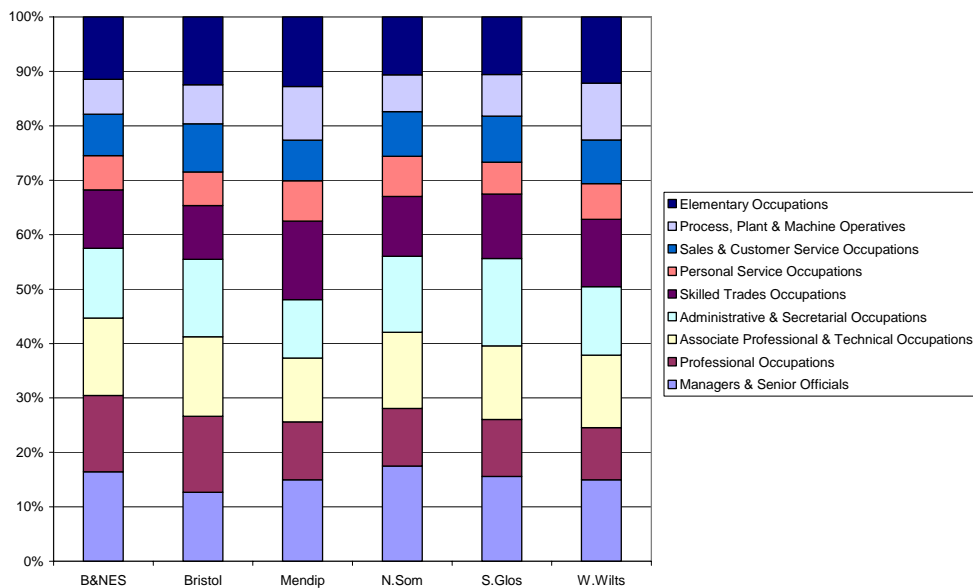
Industry	1998	2006	% change
Total	538,400	602,700	11.9
Agriculture & Fishing	4,200	4,000	-4.8
Energy & Water	4,000	3,300	-17.5
Manufacturing	76,600	59,500	-22.3
Construction	21,600	25,800	19.4
Distribution, Hotels & Restaurants	127,700	142,300	11.4
Transport & Communications	28,700	33,800	17.8
Banking, Finance & Insurance	117,300	138,500	18.1
Public Administration, Education & Health	135,200	168,100	24.3
Other Services	23,200	27,900	20.3

Source: ABI/Nomis (figures may not sum due to rounding).

3.10 Occupational structure of employment

3.10.1 Employment in the West of England as a whole displays similar occupational characteristics to both the region and England. However, the West of England has both higher levels of higher value occupations (Associate Professional and Technical, Professional and Managers and Senior Officials) and lower levels of lower value occupations (Sales and Customer Services, Process, Plant and Machine Operatives and Elementary Occupations) than both the region and the nation. These characteristics reflect the sectoral characteristics of employment, in particular the relative importance of office work and the regional role of Bristol City Centre.

Figure 3.3: Occupational structure of employment



Source: Census 2001

3.11 The location of employment

3.11.1 The Bristol urban area accounts for about 60% (350,000) of the employment in the West of England HMA while the travel to work area accounts for about 70% of the sub-regional total. Within the Bristol area, the City Centre provides about 100,000 jobs while nearly as many jobs are provided in the North and East Fringe within South Gloucestershire. Office work retailing, health and education, retail and leisure account for most of these jobs while in the North Fringe, aerospace and research and development are also important.

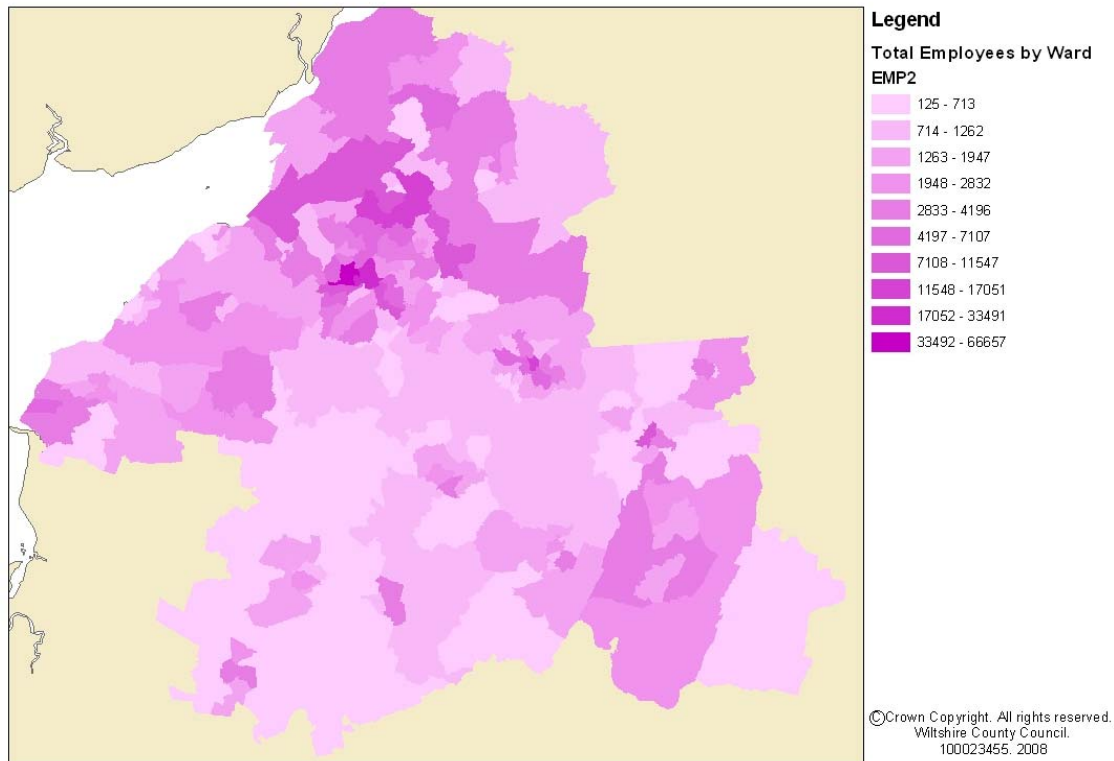
3.11.2 On the northern edge of Bristol, Avonmouth, Severnside and Royal Portbury account for over 20,000 jobs, mainly in industrial, distribution and port-related

activities. Most recently, business park development close to the M5 and in the vicinity of Portishead has created important local employment.

3.11.3 Elsewhere in the Bristol area, industrial employment remains of importance in parts of the east and south of the City alongside increasing numbers of jobs in a range of local services.

3.11.4 Bath accounts for nearly 10% of the employment of the West of England HMA. Financial and business services, public administration and health and social work, and retailing account for the majority of these jobs. About a third of the jobs in the City are located in the City Centre.

Figure 3.4: The location of employment



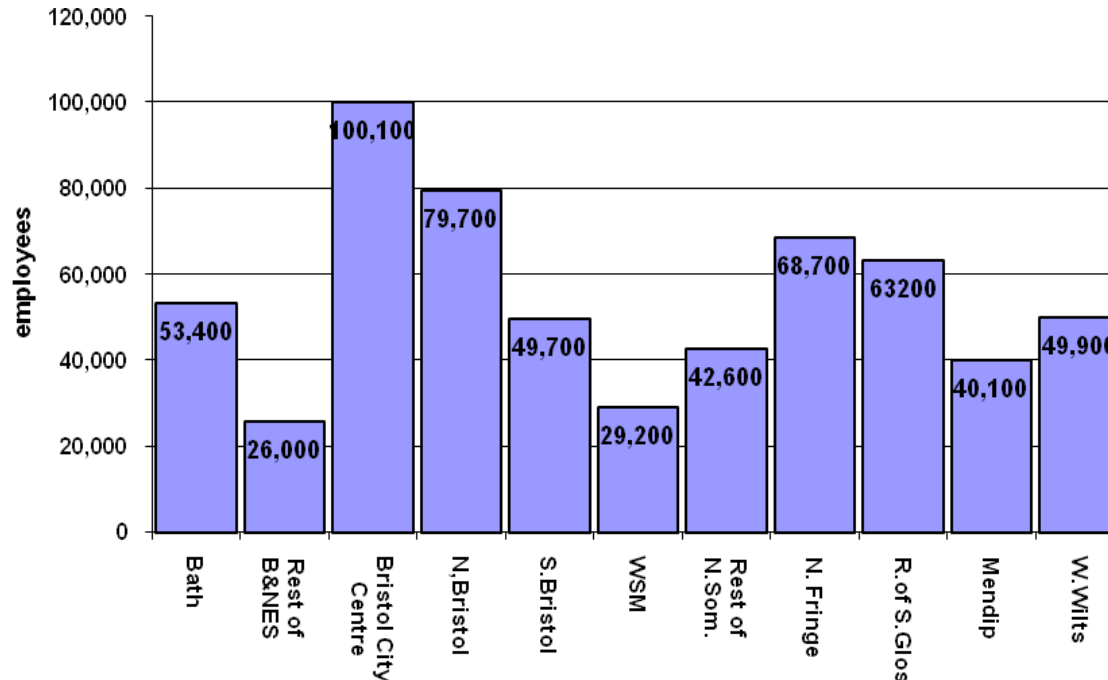
Source: ABI/Nomis workplace data

3.11.5 Weston-super-Mare accounts for another 5% of sub-regional jobs. The bulk of these jobs are accounted for by wholesale and retail distribution and health and social care.

3.11.6 The remainder of employment across the HMA is focused in a number market towns including (in order of their employment base), Trowbridge, Frome, Clevedon, Portishead, Keynsham, Norton Radstock, Wells, Street, Warminster

and Yate. Each of these has employment in excess of 5,000 employees although the industrial breakdown will vary in each.

Figure 3.5: Location of employment (employees) 2006



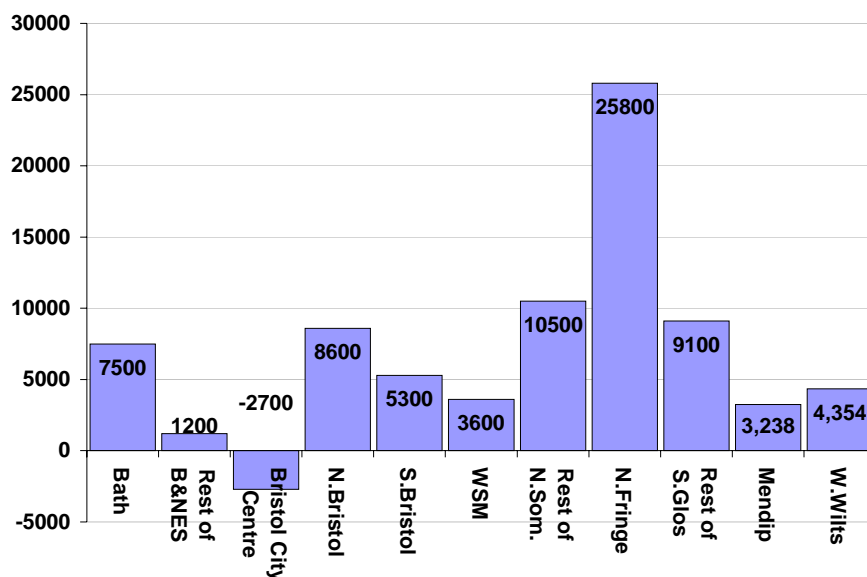
Source: ABI/Nomis employee data.

3.12 Changes in the location of employment

3.12.1 The success and growth of the sub-regional economy has not been evenly distributed between all localities. South Gloucestershire with the rapid expansion of out of town retail and business park development attracted about 50% of the growth of employment generally across the sub-region through the 1990s. North Somerset attracted a further 20% of sub-regional growth, largely accounted for by extra jobs in local services arising as a result of the increasing population of the district. B&NES attracted about 12% of sub-regional growth, largely as a result of extra jobs in Bath.

3.12.2 The overall level of employment growth within Bristol over recent years has been more modest. However, this disguises rising office employment in the city centre and extra jobs in services generally which have more than matched manufacturing losses from a wide range of long established industrial locations, mainly in the inner urban area and south Bristol.

Figure 3.6: The geographical patterns of employment change 1991-2001



Source: Workplace data 1991/2001 Population Census

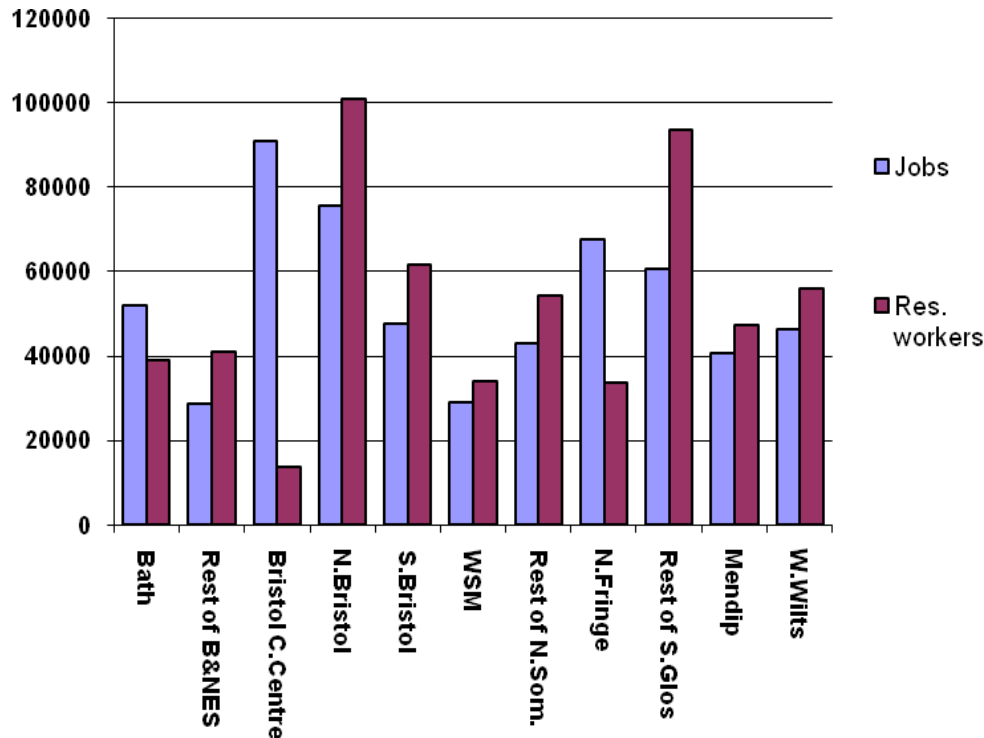
3.13 Homes, workplaces and commuting flows

3.13.1 The numbers of workplaces and residents in employment in the West of England HMA are virtually in balance. However, there are considerable flows between localities reflecting the growing divergence between the locations of homes and workplaces. Bristol, the North Fringe and to a lesser extent Bath, support more jobs than residents in employment. They attract commuters from adjacent areas and, especially in the case of the North Fringe, from more distant locations. Conversely, areas of B&NES outside Bath, areas of South Gloucestershire beyond the North Fringe, and the smaller towns of North Somerset close to Bristol, and many of the smaller communities in Mendip and West Wilts, offer relatively few jobs in relation to their resident populations. They depend to some degree therefore on commuting to jobs in Bath, Bristol City Centre and the North Fringe.

3.13.2 Travel to work distances, as implied by the pattern of commuting described above, vary across the sub-region. Bristol residents tend to commute much shorter distances compared with regional and national averages. Some 65% of Bristol residents in employment travel less than 5km. B&NES residents also travel relatively short distances to work, with 51% commuting less than 5km. This reflects the wide choice of local employment available to the residents of these cities. Both Bristol (14%) and South Gloucestershire (29%) have lower levels of commuters travelling over 10km compared to regional and national averages.

Again this reflects the large choice of local employment, in particular in the city centre and the Bristol North Fringe.

Figure 3.7: Jobs and resident workers 2001



Source: Population Census 2001

3.13.3 Some 70% of B&NES residents in employment work within the district, 11% travel into Bristol, 5% to South Gloucestershire, 1% Swindon, 3% Somerset and 4% Wiltshire.

3.13.4 Some 75% of Bristol residents in employment work in the City including 38% in the city centre. A further 15% work in South Gloucestershire, including 9% in the North Fringe.

3.13.5 Some 64% of North Somerset residents in employment work within the district, some 21% in Bristol, including some 13% in the city centre and 7% in South Gloucestershire, including some 4% in the North Fringe.

3.13.6 Some 59% of South Gloucestershire residents in employment work locally and 29% in Bristol, including 16% in the City Centre.

3.13.7 Some 69% of Mendip residents in employment work locally with 9% commuting to workplaces in B&NES, 5% to West Wiltshire and 3% to Bristol.

3.13.8 Some 70% of West Wiltshire's employed residents work within the district, a further 8% in Bath and North East Somerset and 2% in Bristol.

3.14 Employment projections and forecasts

3.14.1 The Regional Economic Strategy and the draft Regional Spatial Strategy provide for the continuing rapid growth of the West of England economy in accord with recent trends. The latter proposes an additional 122,000 jobs between 2006 and 2026 for the Bath (up to 20,200 jobs), Bristol (92,000 jobs) and Weston-super-Mare (10,000 jobs) travel to work areas and a further 11,700 for the Trowbridge and Warminster Travel to Work Area.

3.14.2 The provisions for job growth proposed by the draft Regional Spatial Strategy generally reflect employment projections provided by Cambridge Econometrics which assume that the recent rate of regional economic growth would be maintained over the future with regional GVA rising by 3.2% pa. The projections show that further growth in the service sector, in particular business services, is expected to underpin this growth, more than making-up for modest losses from manufacturing industries.

Table 3.3: Employment projections

Travel to work area	2006	2026	Change between 2006 - 2026
Bath	96,700	118,800	20,100
Bristol	509,200	601,000	91,800
Trowbridge and Warminster	61,500	73,200	11,700
Wells and Shepton Mallet	43,200	51,800	8,600
Total for WoE HMA	712,600	844,800	132,200

Source: Cambridge Econometrics for SWRA. Based on regional economic growth of 3.2% pa.

3.14.3 Some doubt must surround the assumption of the RSS that the recent rates of economic expansion will be maintained over the longer-term. Economic expansion over the future is unlikely to be accompanied indefinitely by perhaps the exceptional combination of favourable circumstances that have predominated over the last decade. Instead, escalating fuel prices, rising trade deficits, the cost burden of an ageing population and perhaps heightened concerns about global warming, appear destined to have a restraining influence on economic growth.

3.14.4 The recent financial crisis demonstrates the doubt that must surround the assumption of the RSS that recent high economic growth rates will be maintained in the immediate future.

3.14.5 The likelihood of lower growth rates than assumed by the RSS is confirmed by Cambridge Econometrics trend based projections also prepared for SWRA. These assume that national growth would approximate to 2.5% pa over the long-term and show employment in the West of England excluding Mendip and West Wiltshire, rising by 72,000 between 2006 and 2026 compared with about 120,000 when assuming a regional growth rate of 3.2% pa (and an implied national growth rate of 3.0% pa).

3.14.6 Demographic projections for the West of England HMA based on the dwelling provisions of the draft Regional Spatial Strategy show the resident workforce of the sub-region rising by about 59,500 between 2006 and 2026. The increase shown for the combined area of Bath & North East Somerset, Bristol, North Somerset and South Gloucestershire, corresponds approximately with the workforce estimates arising out of the 2003/4-based sub-national projections. The increase shown for Mendip and West Wiltshire however, stands well below the outcome of the 2003/4-based sub-national projections.

Table 3.4: Resident workforce projections 2006 – 2026

Draft RSS	59,500
2004 based projection	74,000
Revised 2004 based projection	100,000 – 110,000

Source: Draft RSS- SWRA/Chelmer projections July 2006; 2004-based sub-national projections (2007) and economic activity rate projections (2006); ONS; Revised 2004-based projections ONS.

3.14.7 Clearly, the increase in the level of the West of England HMA resident workforce implied by draft Regional Spatial Strategy dwelling provisions and the 2003/4-based sub-national population projections, stands well below the additional jobs proposed by the draft Regional Spatial Strategy. The Regional Spatial Strategy therefore, appears to be seeking to create the potential for labour shortages and in response, higher rates of in-migration if the proposed level of job growth is achieved. In turn, this would intensify housing shortages and affordability problems unless dwelling completions and/or provision for affordable dwellings exceed Regional Spatial Strategy proposals.

3.14.8 Significantly, revised 2004-based sub-national population projections were published in autumn 2004. These take account of the recent further rise of in-migration to the sub-region and indicate a much greater increase in local population levels (+55,000) compared with the earlier projections. In turn, they imply a much higher increase in the requirement for additional dwellings, perhaps amounting to between 20,000 to 25,000, and similarly a larger rise in the resident workforce- perhaps of the order of 40,000 to about 100,000-110,000 between 2006 and 2026. Demographic change is discussed in the next section.

3.15 Demographic Context

3.15.1 The population of the West of England Strategic Housing Market Area (WofE SHMA) for mid-2006 is estimated to be 1,275,000. This is an increase of 58,500 people (4.8%) since mid 2001 (1,216,500).

Table 3.5 2006 Mid Year Population Estimates for the West of England

	West of England	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts
2001	1,216,500	169,200	390,000	188,800	246,000	104,000	118,500
2002	1,224,600	170,200	391,000	190,400	247,500	104,900	120,600
2003	1,234,800	171,400	393,500	192,900	249,000	105,800	122,200
2004	1,247,100	172,500	397,500	195,500	251,000	106,800	123,800
2005	1,264,300	174,900	405,600	198,600	253,100	107,600	124,500
2006	1,275,000	175,600	410,500	201,400	254,400	108,300	124,800
2001-2006 change	58,500	6,400	20,500	12,600	8,400	4,300	6,300
2001-2006 % change	4.8	3.8	5.3	6.7	3.4	4.1	5.3
2005-2006 change	10,700	700	4,900	2,800	1,300	700	300
2005-2006 % change	0.8	0.4	1.2	1.4	0.5	0.7	0.2

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15.2 The increase in the WofE HMA between 2001-06 can be attributed to both natural change (i.e. births minus deaths) of + 10,700 and net migration of +47,900.

3.15.3 In the WofE SHMA the majority (65%) of net migration, is due to international migration (31,330).

3.15.4 International migration in the WofE HMA accounts for 53.5% of the population growth between 2001 and 2006 (58,500), compared with 20.4% for the Region, and 65.6% for England and Wales.

Table 3.6 Components of Population Change: Migration 2001-2006

		B&NES	Bristol	North Somerset	South Gos	Mendip	West Wilts	WofE HMA	SW	England & Wales
Total International Migration	In	13,600	36,190	5,410	7,630	3,230	2,680	68,740	183,520	2,498,870
	Out	8,730	15,890	4,080	4,470	1,760	2,490	37,420	146,590	1,601,020
	Net	4,850	20,310	1,330	3,170	1,470	200	31,330	36,930	897,850
Migration 2001-2006	In	49,850	109,720	47,570	54,200	27,670	29,020	318,030	698,650	694,540
	Out	48,190	116,570	35,210	53,790	24,710	23,540	302,010	543,280	747,470
Internal Migration 2001-2006	Net	1,680	-6,850	12,370	410	2,960	5,480	16,050	155,380	-52,930
Natural Change 2001-2006	Net	-60	6,730	-1180	4,450	-80	760	10,710	-13,610	509,630
Migration and other changes 2001-2006	Net	6,550	13,730	13,740	3,860	4,380	5,600	47,860	194,330	859,230
Population Growth 2001-2006		6,470	20,440	12,560	8,410	4,310	6,350	58,540	180,720	1,368,850
Net International Migration as % Population Growth		75.0	99.4	10.6	37.7	34.1	3.1	53.5	20.4	65.6

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15.5 Natural change accounts for 18% (10,710) of population change in the WofE HMA, compared with 37% nationally. In the South West net natural change was actually -13,610.

3.15.6 The mid-year 2006 estimates give revised small area population estimates at 2005. These have been aggregated to HMA zones and can be compared with the Local Authority and West of England estimates.

Table 3.7 Population Change 2001-2005 by Local Authority Area

	2001	2002	2003	2004	2005	change 2001- 2005	%change 2001-2005
B&NES	169,200	170,200	171,400	172,500	174,900	5,700	3.4
Bristol	390,000	391,000	393,500	397,500	405,600	15,600	4.0
N.Som	188,800	190,400	192,900	195,500	198,600	9,800	5.2
S.Glos	246,000	247,500	249,000	251,000	253,100	7,100	2.9
Mendip	104,000	104,900	105,800	106,800	107,600	3,600	3.5
West Wilts	118,500	120,600	122,200	123,800	124,500	6,000	5.1
WofE SHMA	1,216,500	1,224,600	1,234,800	1,247,100	1,264,300	47,800	3.9

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

Table 3.8 Population change 2001 – 2005 by zone

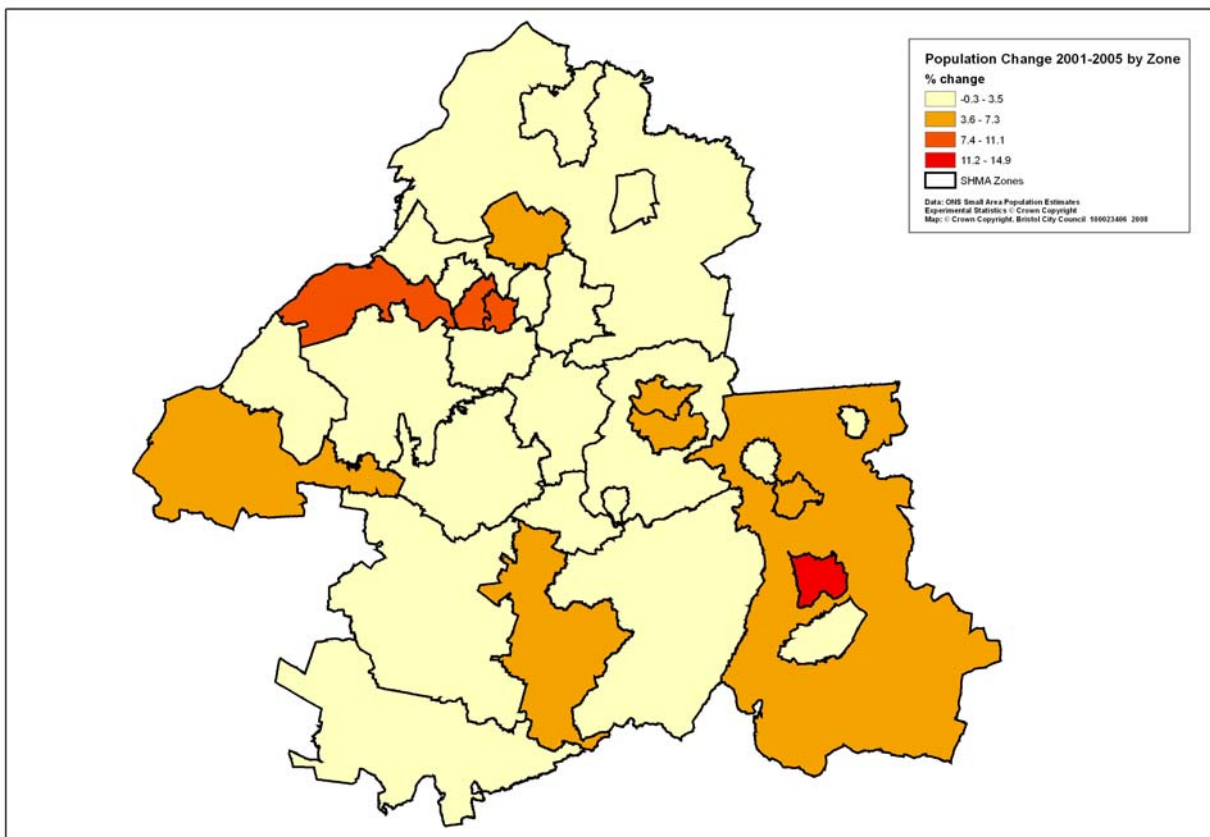
Zone ID	HMA Zone	2001	2002	2003	2004	2005	change 2001- 2005	% change 2001- 2005
Z0001	Bath City North	36,774	36,873	37,500	37,811	38,345	1,571	4.3
Z0002	Bathavon	12,545	12,654	12,674	12,711	12,784	239	1.9
Z0003	Bath City South	47,243	47,559	47,764	48,392	49,617	2,374	5.0
Z0004	Chew Valley	9,795	9,858	9,952	9,982	10,065	270	2.8
Z0005	Kensham	24,728	24,802	24,855	24,757	24,819	91	0.4
Z0006	Norton/Radstock	38,073	38,422	38,659	38,895	39,253	1,180	3.1
Z0007	Bristol North	66,239	66,039	66,223	66,394	67,287	1,048	1.6
Z0008	Bristol North West	30,569	30,552	30,501	30,719	30,914	345	1.1
Z0009	Bristol Inner West	64,009	64,739	66,204	67,813	70,420	6,411	10.0
Z0010	Bristol Inner East	38,816	39,294	39,854	41,154	42,960	4,144	10.7
Z0011	Bristol East	56,384	56,723	56,562	56,873	58,352	1,968	3.5

Z0012	Bristol South	134,032	133,692	134,179	134,504	135,708	1,676	1.3
Z0013	Clevedon-Yatton	34,646	34,707	34,912	34,959	35,029	383	1.1
Z0014	Nailsea-Backwell	34,570	34,757	35,033	35,385	35,588	1,018	2.9
Z0015	Portishead-Gordano	26,093	26,334	26,790	27,448	28,163	2,070	7.9
Z0016	Weston-Super-Mare	93,531	94,592	96,190	97,724	99,801	6,270	6.7
Z0017	Yate/Sodbury	34,407	34,471	34,247	34,273	34,295	-112	-0.3
Z0018	Kingswood	94,482	95,049	95,602	96,372	97,177	2,695	2.9
Z0019	North Fringe	58,409	58,902	59,719	60,578	61,451	3,042	5.2
Z0020	S.Gloucs Rural	45,026	45,458	45,754	46,250	46,469	1,443	3.2
Z0021	Thornbury	13,661	13,644	13,680	13,544	13,690	29	0.2
Z0022	Glastonbury/Street & Rural	26,995	27,101	27,304	27,624	27,837	842	3.1
Z0023	Wells & Rural	20,549	20,821	21,011	21,269	21,230	681	3.3
Z0024	Shepton Mallet & Rural	18,204	18,442	18,610	18,776	19,111	907	5.0
Z0025	Frome & Rural	38,216	38,488	38,840	39,141	39,376	1,160	3.0
Z0026	Bradford on Avon	9,361	9,431	9,462	9,554	9,624	263	2.8
Z0027	Melksham	14,220	14,318	14,318	14,434	14,271	51	0.4
Z0028	Trowbridge	28,319	29,156	29,782	30,175	30,343	2,024	7.1
Z0029	Westbury	11,521	11,904	12,415	13,067	13,241	1,720	14.9
Z0030	Warminster	17,430	17,615	17,604	17,456	17,395	-35	-0.2
Z0031	West Wilts Rural	37,628	38,163	38,639	39,122	39,597	1,969	5.2

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15.7 The highest population gains between 2001-2005 are generally seen in areas that have had the highest level of housing development over this period.

Figure 3.8 Population Change in the West of England HMA by zone 2001-2005



Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15.8 For example, in the case of zone 29, Westbury, the high rate of population growth reflects a 16% growth in its housing stock (compared with 5% across the rest of the West Wilts district) over this period.

3.15.9 Other zones that have seen housing development led population growth, over this period are; Weston-Super-Mare, Portishead/Gordano, Bristol Inner West, Bristol Inner East, North Fringe, Kingswood, Trowbridge and West Wilts Rural.

3.15.10 Other zones have seen actual population gains. In these zones there have not been particularly high levels of housing development. The population has increased due to more people living in the existing housing stock. These zones include: Bath City North, Bath City South and Shepton Mallet and Rural.

3.15.11 The population estimates by age bands (table 3.9), for the WofE SHMA, have a low base (under 1), and declining structure after the ages of 59.

Table 3.9 Estimated Resident Population Mid 2006 West of England - Five Year Age Bands

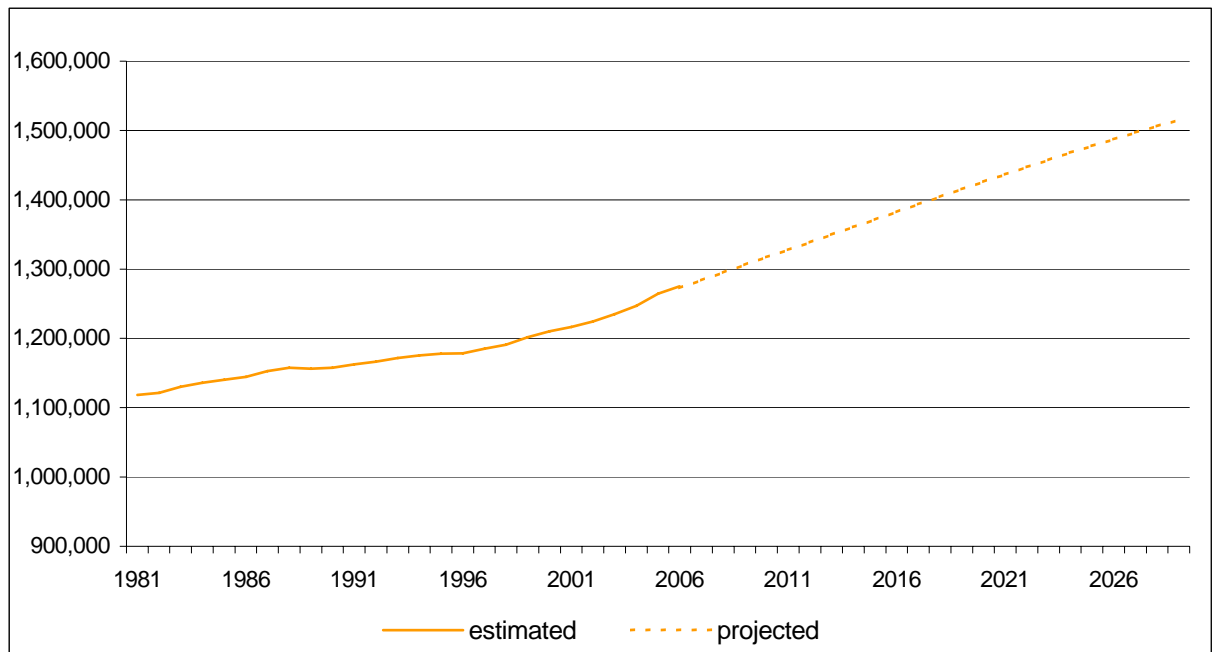
Age	Males	Females	Persons
under 1	7,200	7,000	13,230
1 to 4	28,300	27,100	50,570
5 to 9	36,100	35,000	64,380
10 to 14	38,100	36,300	67,410
15 to 19	42,800	40,700	76,790
20 to 24	48,600	47,200	91,670
25 to 29	44,900	41,600	81,010
30 to 34	43,300	42,800	78,760
35 to 39	47,800	48,000	86,870
40 to 44	48,300	48,500	88,060
45 to 49	41,700	42,500	76,070
50 to 54	37,500	38,400	68,780
55 to 59	40,000	40,700	72,380
60 to 64	33,800	34,600	61,550
65 to 69	27,200	28,100	49,320
70 to 74	22,800	25,500	42,930
75 to 79	19,100	23,000	37,240
80 to 84	14,400	20,000	29,940
85 to 89	7,500	12,400	16,800
90+	3,500	7,200	8,710
All ages:	633,100	646,800	1,275,100

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15 Population Projections

3.16.1 By 2026, the West of England Strategic Housing Market Area (HMA) is projected to have a population of 1,487,600 people. This represents an additional 215,000 residents since 2006; a population increase of 16.9%.

Figure 3.9 West of England HMA Population Trend 1981 - 2029



o

Source: ONS Migration and Subnational Population Projections Unit

3.16.2 The earlier 2004-based population projections predicted a lower sub-regional population increase of 162,200 people between 2006 and 2026. This equates to a difference of 52,800 people between the original and the revised 2004-based population projections.

3.16.3 Higher population growth in the West of England HMA shown by the revised 2004 based projections³ (which are in part based on the assumption that recent levels of migration would continue), implies a large increase in the requirement for additional dwellings, 2006-2026. These population projections project forward very high levels of international net in- migration over the last five years and there is some doubt that this level of migration will be sustained.

³ Population projections are heavily dependent upon assumptions about the future migration levels. In September 2007 ONS published revised 2004-based population projections, which replaced those published previously. The new projections, which indicate future trends in population for the period 2005 – 2029, use an improved methodology for estimating the distribution of migrants around the country.

3.16.4 According to the revised 2004 Subnational Population Projections (see Table 3.10), within the West of England HMA, the UA predicted to see the largest population increase by 2026 is West Wiltshire. It is expected that over the next 20 years the population of West Wiltshire will increase by 24.9% (31,800 people).

3.16.5 North Somerset is set to see a population increase of 22.7% (45,600 people) South Gloucestershire a population increase of 17.9% (45,700 people), Mendip a population increase of 15.6% (17,000 people), Bristol a population increase of 13.3% (53,800 people), and Bath and North East Somerset a population increase of 12% (21,100 people) by 2026.

Table 3.10 West of England HMA revised 2004-based Sub-national population projections

	2006	2011	2016	2021	2026	2006-26	%
B&NES	175,700	181,700	186,600	191,500	196,800	21,100	12.0
Bristol	404,200	418,100	432,100	445,400	458,000	53,800	13.3
North Som	200,500	211,900	223,500	235,200	246,100	45,600	22.7
South Glos	255,800	267,200	278,900	290,700	301,500	45,700	17.9
Mendip	108,700	112,500	117,000	121,500	125,700	17,000	15.6
West Wilts	127,700	136,000	144,300	152,200	159,500	31,800	24.9
WofE SHMA	1,272,600	1,327,400	1,382,400	1,436,500	1,487,600	215,000	16.9

Source: Revised 2004 based Population Projections ONS crown copyright.

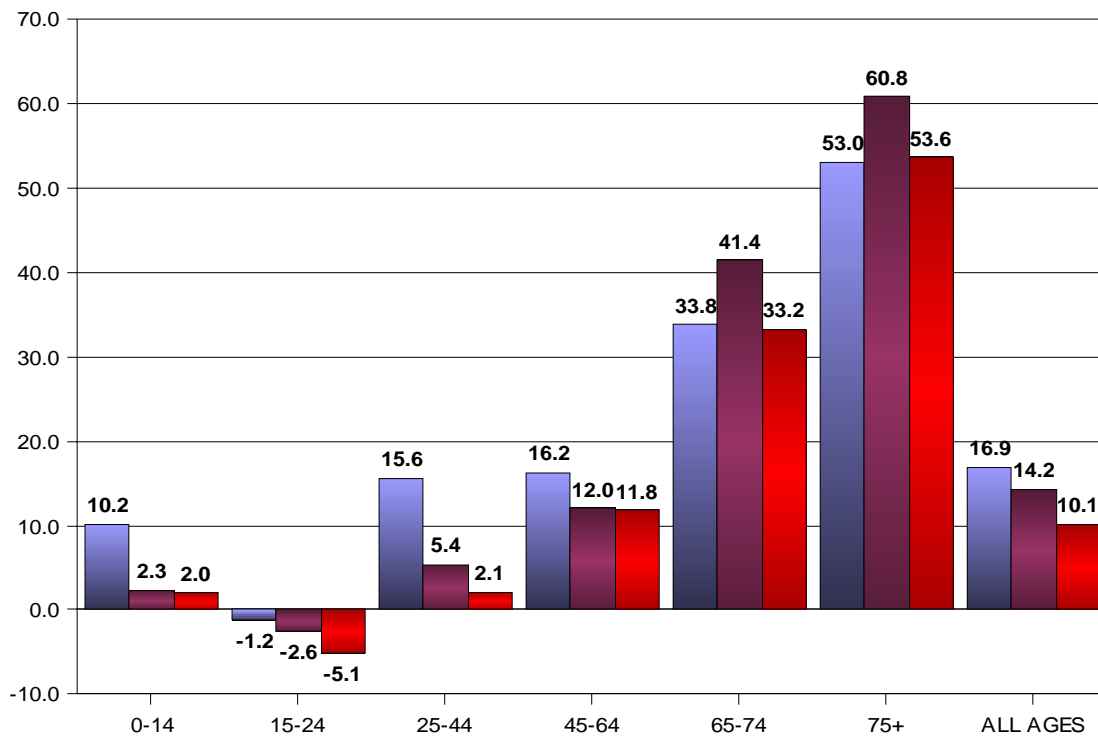
3.16.6 Table 3.11 illustrates that the age structure of the West of England HMA population is ageing with an increase in the 65-74 age band of some 33.8% and an even larger increase in the 75+ age band of 53%. The 15-24 age band is projected to decrease by 1.2% over the same period. This ageing population is consistent with the national picture and slightly less pronounced than the South West.

Table 3.11: West of England HMA revised 2004-based Subnational Population projections: selected age bands

	2006	2011	2016	2021	2026	2006-26	%
age 0-14	216,700	216,900	221,700	230,900	238,700	22,000	10.2
age 15-24	178,900	184,800	179,000	175,000	176,700	-2,200	-1.2
age 25-44	363,900	373,600	389,400	409,200	420,600	56,700	15.6
age 45-64	307,900	329,700	342,000	351,600	357,700	49,800	16.2
age 65-74	102,800	115,400	133,600	136,200	137,500	34,700	33.8
age 75+	102,200	107,500	116,600	133,500	156,400	54,200	53.0
All ages	1,272,600	1,327,800	1,382,400	1,436,600	1,487,600	215,000	16.9

Source: Revised 2004 Population Projections ONS Crown Copyright.

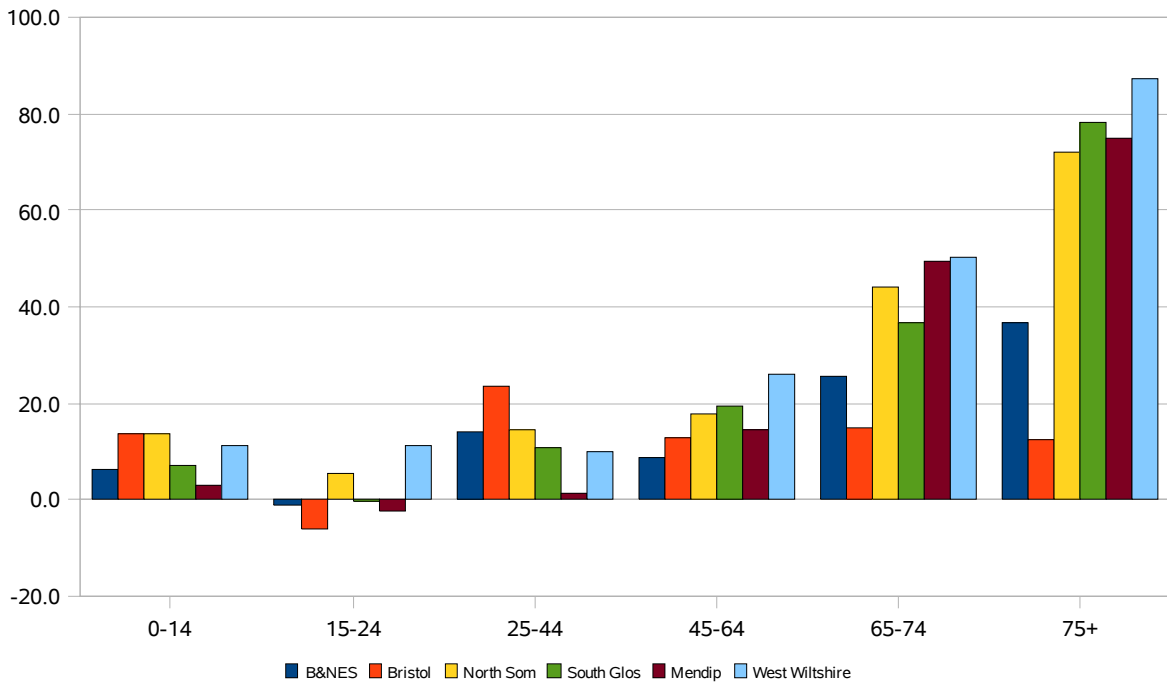
Figure 3.10 Revised 2004 Population Projections: West of England HMA Population change 2006-2026



Source: Revised 2004 Population Projections ONS Crown Copyright.

3.16.7 The change in the population structure within the West of England HMA between 2006 and 2026 varies between Local Authorities and is shown in Figure 3.11 or Table 3.12.

Figure 3.11 Revised 2004 Population Projections: Population Change 2006-2026 by Local Authority



Source: Revised 2004 based Population Projections ONS Crown Copyright.

3.16.8 B&NES and Bristol do not have such a large projected increase in the 65-75 and 75+ age groups compared with the other authorities. In contrast West Wiltshire and North Somerset are the only authorities in the HMA that do not see a decrease in the 15-24 age groups. The age structure profile over this period may also in part reflect areas that have recently seen an influx of younger families and newly forming households, and how over time the people moving into these areas will age.

Table 3.12 Population change by age by Local Authority

AREA NAME	AGE GROUP	2006	2011	2016	2021	Change		% Change
						2026	2006-2026	
B&NES	0-14	28,000	27,700	27,800	28,800	29,800	1,800	6.4
B&NES	15-24	28,800	30,200	29,200	28,400	28,500	-300	-1.0
B&NES	25-44	46,000	47,100	48,800	51,100	52,500	6,500	14.1
B&NES	45-64	42,700	44,800	45,800	46,300	46,400	3,700	8.7
B&NES	65-74	14,500	16,000	18,100	18,200	18,200	3,700	25.5
B&NES	75+	15,700	16,100	16,800	18,700	21,500	5,800	36.9
B&NES	ALL AGES	175,700	181,700	186,600	191,500	196,800	20,900	11.9
Bristol	0-14	64,700	65,200	67,700	71,300	73,600	8,900	13.8
Bristol	15-24	71,700	72,000	68,500	66,400	67,400	-4,300	-6.0
Bristol	25-44	130,000	140,000	150,600	157,900	160,800	30,800	23.7
Bristol	45-64	83,000	86,700	88,300	90,800	93,800	10,800	13.0
Bristol	65-74	26,300	27,100	29,700	30,000	30,200	3,900	14.8
Bristol	75+	28,500	27,300	27,200	28,800	32,100	3,600	12.6
Bristol	ALL AGES	404,200	418,100	432,100	445,400	458,000	53,800	13.3
North Som	0-14	34,000	34,800	35,700	37,100	38,700	4,700	13.8
North Som	15-24	21,600	22,500	22,400	22,400	22,800	1,200	5.6
North Som	25-44	51,200	51,700	53,100	56,300	58,600	7,400	14.5
North Som	45-64	54,800	58,900	61,200	63,300	64,600	9,800	17.9
North Som	65-74	19,200	22,900	27,400	27,900	27,700	8,500	44.3
North Som	75+	19,600	21,100	23,700	28,100	33,700	14,100	71.9
North Som	ALL AGES	200,500	211,900	223,500	235,200	246,100	45,600	22.7
South Glos	0-14	46,900	45,900	46,500	48,600	50,300	3,400	7.2
South Glos	15-24	30,200	31,900	31,100	30,100	30,100	-100	-0.3
South Glos	25-44	74,700	73,900	75,900	80,200	82,800	8,100	10.8
South Glos	45-64	64,700	70,800	74,300	76,400	77,300	12,600	19.5
South Glos	65-74	21,400	24,400	28,000	28,400	29,300	7,900	36.9
South Glos	75+	17,800	20,400	23,200	27,200	31,700	13,900	78.1
South Glos	ALL AGES	255,800	267,200	278,900	290,700	301,500	45,700	17.9
Mendip	0-14	19,600	19,400	19,500	19,800	20,200	600	3.1
Mendip	15-24	12,500	12,800	12,300	12,200	12,200	-300	-2.4
Mendip	25-44	27,700	26,600	26,400	27,400	28,100	400	1.4
Mendip	45-64	29,600	31,900	33,300	33,800	33,900	4,300	14.5
Mendip	65-74	9,700	11,400	13,900	14,500	14,500	4,800	49.5
Mendip	75+	9,600	10,400	11,600	13,800	16,800	7,200	75.0
Mendip	ALL AGES	108,700	112,500	117,000	121,500	125,700	17,000	15.6
West Wiltshire	0-14	23,500	23,900	24,500	25,300	26,100	2,600	11.1
West Wiltshire	15-24	14,100	15,400	15,500	15,500	15,700	1,600	11.3
West Wiltshire	25-44	34,300	34,300	34,600	36,300	37,800	3,500	10.2
West Wiltshire	45-64	33,100	36,600	39,100	41,000	41,700	8,600	26.0
West Wiltshire	65-74	11,700	13,600	16,500	17,200	17,600	5,900	50.4
West Wiltshire	75+	11,000	12,200	14,100	16,900	20,600	9,600	87.3
West Wiltshire	ALL AGES	127,700	136,000	144,300	152,200	159,500	31,800	24.9

Source: Revised 2004 Population Projections ONS Crown Copyright

3.17 Household Projections

3.17.1 Household projections are trend based and indicate what is likely to happen to household numbers if recent demographic changes continue.

3.17.2 By 2026, the number of households in the West of England HMA is predicted to be 688,000. This is an increase of 149,000 households (27.6%) from 2006.

Table 3.13 Household projections 2006-2026

	2006	2011	2016	2021	2026	2006-26	%
ENGLAND	21,518,000	22,646,000	23,836,000	24,973,000	25,975,000	4,457,000	20.7
SOUTH WEST	2,214,000	2,356,000	2,508,000	2,656,000	2,789,000	575,000	26.0
Bath and NE Somerset UA	74,000	79,000	83,000	87,000	91,000	17,000	23.0
City of Bristol UA	175,000	186,000	197,000	207,000	217,000	42,000	24.0
North Somerset UA	87,000	94,000	102,000	109,000	116,000	29,000	33.3
South Gloucestershire UA	106,000	114,000	123,000	131,000	138,000	32,000	30.2
Mendip	45,000	46,000	49,000	52,000	56,000	11,000	24.4
West Wiltshire	52,000	54,000	60,000	65,000	70,000	18,000	34.6
WoE HMA	539,000	573,000	614,000	651,000	688,000	149,000	27.6

Source: Revised 2004 based household projections⁴

Notes: the household projections are not an assessment of housing need. A household is defined as "One person living alone, or a group of people living at the same address with common housekeeping - that is, sharing either a living room or at least one meal a day."

3.17.3 Household projections between 2006 and 2026 demonstrate a fall in household size (table 3.14). This will mean there will be more households forming out of the existing population, as more people live alone. Household projections therefore outstrip the current projected supply of additional dwellings.

⁴ The Communities and Local Government household projections have been updated by Anglia Ruskin University to take account of the revisions to the Office for National Statistics (ONS) 2004-based population projections.

Table 3.14: West of England HMA: Household Population Projections by type

Household types:	2001e	2004p	2006e	2011p	2016p	2021p	2026p
married couple	244,035	240,180	238,313	235,128	234,803	236,186	237,188
cohabiting couple	46,534	53,381	59,780	73,232	84,260	92,743	99,833
lone parent	32,577	35,764	38,331	40,967	43,515	45,627	47,478
other multi-person	34,972	36,453	37,866	41,053	43,987	46,377	48,306
one person	150,491	161,131	170,077	191,019	215,389	240,010	262,921
All households	508,611	526,909	544,367	581,397	621,954	660,940	695,725
Private household population	1,189,277	1,219,923	1,247,300	1,299,702	1,353,837	1,407,027	1,456,529
Average household size	2.338	2.315	2.291	2.235	2.177	2.129	2.094
Concealed married couples	764	702	657	585	548	525	507
Concealed cohabiting couples	749	1,068	1,254	1,725	2,062	2,243	2,336
Concealed lone parents	1,066	1,011	939	797	682	600	549

Source: Revised 2004 based Household Population Projections ONS. Crown Copyright 2007. Note: e is estimated, p is projected.

3.18 Summary

3.18.1 The West of England benefits from considerable prosperity, reflecting the competitiveness of the local economy, high levels of economic activity and incomes. The local economy has expanded rapidly over the last decade or so. It is the largest in the South West Region accounting for almost 30% of regional employment. It employs over 700,000 persons with about two-thirds of this total accounted for by the Bristol urban area. Commuters from across the West of England travel to workplaces in the Bristol area and to a lesser extent Bath with the sub-region as a whole functioning as a city-region in terms of economic linkages and shopping patterns.

- 3.18.2 The high levels of prosperity displayed by the West of England as a whole disguises particular localities with high levels of unemployment, particularly within Bristol and Weston-Super-Mare. Some of these areas also record high levels of deprivation.
- 3.18.3 All districts within the sub-region have high levels of residence-based pay as compared to the region. When it comes to workplace based pay the rural areas of Mendip and West Wiltshire perform particularly poorly which in turn, encourages high levels of commuting from these areas to neighbouring locations where there are jobs with higher levels of pay.
- 3.18.4 Employment levels have risen considerably over the last decade, again indicative of the growth and prosperity of the area. Much of this extra employment has been accounted for by part-time working in retailing, education, financial and business services, and public administration. The rate of increase appears to have slowed however over more recent years. Current national economic conditions suggest that this tailing-off in the rising trend of employment is likely to continue over the short-term.
- 3.18.5 The success of the West of England economy in attracting business investment and growth has focused substantially on the Bristol North Fringe and most recently, the City Centre and in the Portishead area. Elsewhere, new industrial jobs are being created at Avonmouth, Severnside and Royal Portbury. Traditional industrial jobs are being lost however from many urban locations, partly as a result of displacement by high value and wider mixes of uses.
- 3.18.6 The numbers of workplaces and residents in employment in the West of England are virtually in balance. However, there are considerable commuting flows between localities reflecting the growing divergence between the locations of homes and workplaces. Bristol City Centre, the North Fringe and to a lesser extent Bath, attract workers from a wide area. However, as a result of the considerable employment available at these locations, relatively large proportions of local residents hold local jobs.
- 3.18.7 The draft Regional Spatial Strategy promotes continuing rapid growth of the West of England economy in accord with recent trends. Much of this growth would be accounted for by further service sector growth. The level of job growth proposed however, exceeds recent projections of the workforce arising out of the dwelling provisions of the draft Regional Spatial Strategy. The job growth proposals if realised therefore, may lead to higher levels of population growth than currently anticipated and increased risk of housing shortages and affordability problems.
- 3.18.8 The population of the West of England HMA has increased by almost 5% since 2001. The increase in population is due to a mixture of natural change and net inwards migration. The majority of the in-migration is international, and accounts

for a much higher percentage of change than in the rest of the South West, although it is not out of line with national figures.

- 3.18.9 The areas with the highest population growth between 2001 and 2005 have generally been those areas which have experienced high housing growth. However, some zones within the area have experienced household growth without a corresponding increase in the housing, putting additional pressure on the existing housing.
- 3.18.10 The population of the HMA is projected to grow by almost 17% between now and 2026. This assumes that high levels of in-migration will continue. The number of households is assumed to grow at an even higher level, reflecting the continuing move towards smaller households.
- 3.18.11 There are significant projected changes in the age profile of the population which will impact on housing need and demand. The number of people in the area aged 65 – 75 will increase by a third, and the number over 75 by more than half. Older people's housing needs are examined in greater detail in chapter 10.

Chapter Four – Summary of Affordable Housing Need and Supply

4.1 Introduction

4.1.1 This chapter gives an overview of housing need and supply. More detailed discussion of the information, including sources, assumptions and sensitivities, is included in chapters 5, 6,7 and 8. This chapter sets the scene to make it easier to digest the information in the following chapters.

4.1.2 The chapter follows the methodology set out in the CLG Guidance. It therefore illustrates the way in which the guidance has been applied. The process set out in Chapter 5 and on page 60 of the Guidance has been used to structure this Chapter.

4.2 Current backlog of affordable housing need *(see Chapter 6 for further details)*

4.2.1 Current housing need has been derived from three main sources: numbers on the housing register, with appropriate filters to ensure only those households whose need is consistent with definitions within the Guidance are counted, numbers on the zone agent waiting list for intermediate housing, also appropriately filtered, and data taken from the Survey of English Housing. The Guidance recognises that housing register data alone can underestimate housing need, and our findings confirm this. Therefore data from the Survey of English Housing which identifies households who are in need of social rented housing, even if they are not currently registered, is also used. These estimates are significantly higher so for prudence an average of the two figures has been used.

4.2.2 The Guidance explicitly refers to homeless and overcrowded households; these are included in the figures shown below. Homelessness figures are therefore not shown separately; while the number of households accepted as statutorily homeless is reducing, a number of these are being re-housed from the register through different routes, as part of the prevention agenda. Overall need from this group is not reducing. There is also some additional information on overcrowded households in chapter 6.

Table 4.1 Backlog of need for affordable housing

Current need As at 2007	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE total
1) Backlog of need for social rented housing (Table 6.2 minus 6.8)	2,608	7,430	3,286	2,635	1,363	2,238	19,560
2) Backlog of need for intermediate housing (Table 6.8)	179	935	333	287	115	92	1,941
3) Total Backlog need total of 1 and 2 above	2,787	8,365	3,619	2,922	1,478	2,330	21,501

4.3 Future housing need (see Chapter 7 for further details)

4.3.1 All projected future needs shown below are annual figures, taken as the average for the period 2009 – 2021.

New households

4.3.2 The table below shows newly forming households who cannot afford to rent or buy in the market. Household projections are discussed in chapter two, and again in chapter 7. The forecasts used by the model draw on information about economic forecasts and housing supply, compared against official CLG projections. The figures for gross household formation in the table below are averages of the figures in Table 7.4.

4.3.3 This table also shows the proportion and number unable to buy or rent in the market. This calculation uses predicted house prices and incomes, which again are drawn from a variety of sources as set out in Chapter 7.

Table 4.2 Annual Need for affordable housing arising from newly forming households

Annual Average 2009-2021	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE total
1) Gross new household formation per year (Table 7.2, sub-table 1)	1,434	3,343	1,686	2,190	726	998	10,376
2) Proportion unable to buy or rent in market (Table 7.5)	54%	59.4%	42.5%	45.7%	43.3%	42.4%	50.4%
3) Number unable to buy or rent in market (calculated from above)	774	1,999	716	1,000	314	423	5,226
Of Which:							
4) Households able to afford Intermediate Housing (Table 7.15)	57	320	162	161	63	65	826
5) Residual In need of social rented Row 3) above less row 4) above	717	1,680	555	839	252	358	4,400

In-migrants unable to afford market housing

4.3.4 The table below shows the net new migrants coming in to the WoE area (whether from other areas of the UK or abroad) who cannot afford to rent or buy in the market. There is discussion of migration patterns and characteristics in chapter 2 and in chapter 8. (Migrant households who can afford intermediate housing are captured in table 4.2 (row 4).

Table 4.3 Need for social rented housing arising from in-migrants

Annual Average 2009-2021	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE
In-migrants unable to afford to buy or rent in market (net)	140	500	191	58	92	43	1,023

Source: Table 7.6

Annual Existing Owner Occupiers falling into need

4.3.5 The table below shows existing owner occupiers living in the private sector who will need to move into social rented housing in the future. The majority of these are older owner-occupiers who can no longer live independently in their own home. There is additional information about older people's housing needs in chapter 8.

Table 4.4 Need for social rented housing arising from existing owner occupiers falling into need

Annual Average 2009-2021	B&NES	Bristol	North Som	South Gos	Mendip	West Wilts	WoE
Existing owner occupiers falling into need	108	210	143	159	74	84	778

Source: Table 7.7

Social rented tenants moving into intermediate housing

4.3.6 Page 60 of the Guidance identifies that the provision of additional intermediate housing might enable existing higher earning tenants in social rented accommodation to move from affordable rented into intermediate housing, freeing up social rented dwellings for lower income households. An estimate is given in Table 4.5 and this is discussed further in Chapter 7.

Table 4.5 Social rented tenants who might move into intermediate housing

Estimated Annual Forecast (2009-2021)	B&NES	Bristol	North Som	South Gos	Mendip	West Wilts	WoE
Social rented tenants moving into intermediate housing	1	16	3	5	3	2	31

Source: Table 7.17

Total Future housing Need

4.3.7 The table below shows the total of future housing need as set out in Tables 4.2 to 4.5 above.

Table 4.6 Total newly arising need

Annual Average 2009-2021	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE
1) Newly forming households in need of social rented housing (Table 4.2 (5)) PLUS	717	1,680	555	839	252	358	4,400
2) In-migrants unable to afford to buy or rent in market (net) (table 4.3) PLUS	140	500	191	58	92	43	1,023
3) Existing owner occupiers falling into need (Table 4.4) EQUALS	108	210	143	159	74	84	778
4) Total newly arising need for social rented housing	965	2,390	888	1,055	417	486	6,201
5) Newly forming household need – intermediate (Table 4.2 (4))	57	320	162	161	63	65	826
7) Total newly arising need for intermediate	57	320	162	161	63	65	826
8) Total newly arising need	1,022	2,710	1,050	1,216	480	551	7,027

Source: see tables above, figures may not sum due to rounding.

4.4 Future supply

Committed new supply

4.4.1 The future supply figures set out below reflect reasonable estimates of committed new supply based on current pipeline supply indicated in HSSA returns forecast for the years 2007 – 2009¹. These were estimates as at April 2007. Clearly the market has slowed somewhat since and some of these schemes will not be delivered within this timescale, thus this represents a prudent position by not underestimating future supply.

¹ HSSA Housing Strategy Statistical Appendix – CLG Annual

Table 4.7 – committed new supply of affordable housing

2007-2009	B&NES	Bristol	North Som	South Gos	Mendip	West Wilts	WoE
1) Committed new supply – rented	133	525	254	322	160	332	1,726
2) Committed new supply – intermediate	82	465	149	97	105	16	914
Total	215	990	403	419	265	348	2,640

Source: HSSA forecasts as at April 2007

Relets of affordable housing

4.4.2 The social rented sector relet figures are predicted by the model, using current and historic average 3 year relet rates (2004 – 2007) projected forward within the context of the market overall. There is an assumption that if house prices become more affordable more people will leave the social rented sector and therefore relet rates will increase. Conversely, when house price to income ratios are high, fewer relets arise.

4.4.3 Table 4.8 includes relets arising from social rented tenants moving into intermediate housing, as discussed above.

4.4.4 Intermediate relets/resales do contribute an increasing proportion of intermediate supply. In actual numbers, however, relets are still very small. 2006 supply figures have been used in the table below. If the programme does increase significantly in the future this would increase the number of social relets, this will be closely monitored.

Table 4.8 Future supply of affordable housing – relets and resales

Annual Average 2009 – 2021	B&NES	Bristol	North Som	South Gos	Mendip	West Wilts	WoE
1)Supply of social relets (Table 7.8 minus row 4 below)	425	1888	453	554	263	358	3,939
2)additional relets arising from tenants moving into intermediate hsg (Table 4.5)	1	16	3	5	3	2	31
3)Total social rented relets 1) plus 2) above	426	1,904	456	559	266	360	3,970
4)Supply of resales from intermediate stock. (Core data – average 2004-2007)	6	16	11	4	10	3	50

4.5 Bringing it all together

4.5.1 The backlog need identified above is added to newly arising need to give a total needs figure for affordable rented housing.

4.5.2 In calculating future housing need we have assumed that each year about 10% of the backlog need will be met. The guidance allows local authorities to assume a higher rate of 20% i.e. clearing the existing backlog need within a 5 year period. Our view is that using 20% gives rise to unfeasibly high demand for social rented housing, which could not be met. There is also evidence in chapter 7 of the report that backlog need has not been met over the previous 7 years and indeed has been rising in that time. Planning to meet backlog need over a 10 year period is therefore an improvement on the existing position and an assumption that we feel is more cautious than the guidance would allow, and therefore robust and defensible.

Table 4.9 Average Annual Net need for social rented housing

2009-2021	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE
1)Total current backlog need Table 4.1(1)	2,608	7,430	3,286	2,635	1,363	2,238	19,560
2)Less Committed new supply Table 4.7(1)	133	525	254	322	160	332	1,726
3)Equals Net backlog need	2,475	6,905	3,032	2,313	1,203	1,906	17,834
4)Annual flow @ 10%	248	691	303	231	120	191	1,783
5)Annual average newly arising need Table 4.6(4)	965	2,390	888	1,055	417	486	6,201
6) Plus annual flow (4 above)	248	691	303	231	120	191	1,783
7) Equals Annual need (5 plus 6)	1,213	3,081	1,191	1,286	538	677	7,984
Less							
8)Annual supply Table 4.8 (3)	426	1904	456	559	266	360	3970
9)Total net annual need 2009-2021 i.e. annual need (7) minus annual supply (8)	786	1176	735	727	271	317	4014

Notes: Figures may not sum due to rounding

Table 4.10 Average Annual Net need for affordable intermediate housing

2009-2021	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE
1) Total current backlog need Table 4.1(2)	179	935	333	287	115	92	1,941
2) Less Committed new supply Table 4.7(2)	82	465	149	97	105	16	914
3) Equals Net backlog need	97	470	184	190	10	76	1027
4) Annual flow @ 10%	10	47	18	19	1	8	103
5) Annual average newly arising need Table 4.6 (7)	57	320	162	161	63	65	826
6) Plus annual flow (4 above)	10	47	18	19	1	8	103
7) Equals Annual need (5 plus 6)	67	367	180	180	64	73	929
8) Annual supply Table 4.8 (3)	6	16	11	4	10	3	50
9) Total net annual need 2009-2021 i.e. annual need (7) minus annual supply (8)	61	351	169	176	54	69	879

4.6 Total housing requirements of households in need

4.6.1 Tables 4.9 and 4.10 above set out the net need figures for social rented and affordable intermediate housing, calculated in accordance with the Guidance. These figures will form the evidence base for the local authorities when reviewing planning and housing policy.

4.6.2 It should be noted here that the total net need figure shown in Table 4.11 below (4,893) is lower than the net need figure quoted in later chapters in the report (5,327). The higher net need figure makes different assumptions about the treatment of the backlog, and on new supply. In many ways the higher net need figure may more closely reflect reality. It is extremely unlikely, for example, that the backlog figure which goes into the above calculation will be met year on year, but that is what the Guidance assumes. The net need figure of 4,893 is therefore the more cautious and robust figure.

4.6.3 The table below shows the split between affordable social rented housing need and affordable intermediate housing need, based on need, using the Guidance methodology in Chapter 5 and Page 60 of the Guidance to give a tenure split

using the data from the modelling. This provides the evidence base for further policy development.

Table 4.11 Annual Total housing requirements of households in need

Average 2009 – 2021	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE
1) Total annual net need social rented (Table 4.9)	786	1176	735	727	271	317	4014
2) Total annual net need intermediate (Table 4.10)	61	351	169	176	54	69	879
3) Total annual net need	847	1526	904	903	324	386	4893
4) % split social rented/intermediate	93/7	77/23	81/19	80/20	83/17	82/18	82/18

4.7 Implications for affordable housing requirements on new schemes

- 4.7.1 Table 4.12 illustrates the levels of Affordable housing provision that would have to be made on new schemes to meet the needs set out above. This is based on local authorities own estimates of projected total new build completions across all tenures.
- 4.7.2 Column one shows the Local Authorities own estimates of the likely level of new build completions as an annual average over the period 2006 to 2026. The second column shows the total annual net need, this is taken from Table 4.11 above. The third column illustrates the percentage of affordable housing which would be required on all schemes to meet the level of housing need. Given that many sites in the area are below planning thresholds and do not currently contribute to meeting housing need, actual levels set by the local authorities would have to be higher to meet the need. Of course, all this would be subject to viability tests, but it does illustrate the very high levels of housing need.
- 4.7.3 The table shows the very high level of demand for affordable housing, and also indicates a need to look at ways of increasing the supply of affordable housing in addition to new build e.g. through Open Market HomeBuy.

Table 4.12 Percentage of new supply that would have to be affordable to meet housing need

Local Authority	Annual average supply of new build 2006-2026	Annual average need 2009-2021	Affordable need as a share of new supply (%)
B&NES	732	847	116
Bristol	1,501	1,526	102
North Som	1,401	904	64
South Glos	1,112	903	81
Mendip	358	324	90
West Wilts	494	386	78
WoE	5,596	4,893	87

Source: Source: New build supply taken from Table 2.4, annual average net need taken from table 4.11.

4.8 Size mix of new housing

- 4.8.1 Tables 4.13 and 4.14 show the size mix required for new affordable housing, both social rented and intermediate. The social rented mix is taken from the zonal level affordability and needs model, as this has the most robust local information. The information is based on the net need after reletting and re-sales have been taken into account.
- 4.8.2 The model enables a split of need for 2 bedroom accommodation between family and non-family housing. In the table below 2 bedroom flats are assumed to be appropriate for non-family housing and 2 bedroom houses for family accommodation. In some local authorities, imbalances in the existing stock mean that many families will be housed in flats rather than houses, as flats represent the majority of the existing 2 bedroom stock. Much of this imbalance has been brought about because of the sale of houses under the Right to Buy. There is a high unmet demand for transfers from flats to houses. The modelling highlights a need for family-friendly 2 bedroom houses, as well as for larger accommodation and for some smaller accommodation.
- 4.8.3 The mix for intermediate housing is also taken from the model. The modelled data shows a higher level of one-bedroom need than is reflected on the zone agent waiting list, but it is noted in the report that those buying intermediate housing are likely to aspire to under-occupy by at least one bedroom and as such the level of 1 bed intermediate housing should be merged with the 2 bed for the purposes of indicated unit mix supply required. The zone agent data reflects this.

Table 4.13 Size mix for new social rented housing 2009-2021

Percentages	B&NES	Bristol	N Som	South Glos	Mendip	W Wilts	WoE
1 bed	37.9	48.0	37.9	23.6	40.6	53.9	41.5
2 bed flat	1.2	-	9.9	7.6	-	2.1	-
2 bed house	32.5	25.2	22.3	37.3	29.1	18.7	28.8
3 bed house	19.1	12.6	22.4	21.6	20.6	18.5	19.2
4 + bed house	9.3	14.2	7.4	9.9	9.7	6.8	10.5

Source: Zonal level affordability and needs model (Table 9.1)

Table 4.14 Size mix for intermediate housing 2009-2021

Percentages	B&NES	Bristol	N Som	South Glos	Mendip	W Wilts	WoE
1 bed flat	44.1	48.6	37	43.8	30.3	32.8	41.9
2 bed flat	18.5	13.4	18.1	16.7	20	17.5	16.5
2 bed house	13.9	19.1	20.9	18.9	24	23	19.6
3 bed house	21.7	16.9	22.5	19.4	23.9	25.2	20.3
4 bed+ house	1.8	2.0	1.6	1.2	1.8	1.4	1.7

Source: Zonal level affordability and needs model (Table 9.6)

4.9 Summary

4.9.1 This chapter provides an overview of housing need and supply. It shows an average yearly net need for affordable housing of 4,893 dwellings, over three quarters of which would need to be social rented dwellings. Such a total would form 87% of currently projected new dwelling completions in the West of England sub region. More detailed information is found in the following chapters.

Chapter Five - Current Housing Market

5.1 Introduction

5.1.1 This chapter presents a more detailed profile of housing in the West of England HMA, including its current composition in terms of tenure and type and how it has changed. The conditions in this HMA are benchmarked with wider regional and national comparisons; the chapter also examines recent changes. Particular attention is paid to the housing market, including house prices and other indications relating to the current active market. The chapter then discusses key drivers of the market, presents some systemic evidence on this as well as reflecting on some more specific influences, not least the current 'Credit Crunch'.

5.2 Housing Profile

5.2.1 Using the Survey of English Housing for 2004-06 it is possible to compare the profile of housing and households in the West of England as a whole with the national picture. In general the WoE area is quite close to the national average in many respects. However, the following features are apparent:

- Owner occupation and private renting are each about 3% points higher in WoE with social renting a correspondingly smaller proportion of the stock.
- There are slightly more houses in WoE and slightly less flats than average.
- There is more old housing in WoE, with nearly 16% built before 1900 compared with 12% across England.
- Homes in WoE are slightly more likely to have only one bedroom or four bedrooms, and less likely to have two bedrooms.
- Rather more homes in WoE are in Council Tax Bands B and C (48% vs 38%).
- WoE households are slightly more likely to move home than average.
- Satisfaction with the home is close to the national average, with only 6.9% very or slightly dissatisfied.
- Rather more households in WoE are in higher or lower professional or intermediate occupations or small employers.
- 95% of household heads are in White ethnic groups compared with 91% nationally, with 2% Asian, 1.5% Black and 1.3% Mixed or Other.
- Many of the wards in WoE are classified as 'suburbs or small towns' (48% vs 30%) or as 'student communities' (13% vs 5%).

5.2.2 Using data from a range of sources including the Census, as compiled for the Zone level modelling of the housing market in WoE, it is possible to provide more detail on the profiles of the Local Authorities and individual Zones. Most estimates refer to 2006 but some date back to 2001.

5.2.3 Table 5.1 starts by looking at basic measures of the size of the population and stock and its recent growth by local authority. Bristol is substantially larger than all of the other authorities and has the largest social rented stock and new build programme. South Glos is the next largest authority, but North Somerset has the fastest household growth (in numbers), followed by West Wiltshire. Mendip is the smallest authority.

Table 5.1: Households, Dwellings, and Social Renting 1991-2006.

(a) Households, Dwellings 1991-2006

Local Authority	Number of Households			Number of Dwellings			Household Growth pa
	1991	2001	2006	1991	2001	2006	1991-2006
B&NES	64,618	71,645	73,747	68,530	73,815	74,107	609
Bristol	156,183	163,401	168,794	165,431	168,412	174,388	841
North Som	69,790	80,610	86,085	73,833	83,436	88,025	1,086
South Glos	84,135	99,766	102,957	87,341	101,678	103,890	1,255
Mendip	37,246	43,235	45,616	39,403	44,444	46,933	558
West Wilts	41,984	49,826	54,667	44,457	51,542	56,050	846
WoE	453,956	508,483	531,866	478,995	523,327	543,392	5,194

(b) Social Rented Dwellings 1991-2006

Local Authority	Social Rented Dwellings			Social Rented Dwellings		
	No	No	No	%	%	%
	1991	2001	2006	1991	2001	2006
B&NES	11,960	11,721	11,109	17.5	15.9	15.0
Bristol	40,525	37,900	39,314	24.5	22.5	22.5
North Som	8,731	8,888	7,602	11.8	10.7	8.6
South Glos	10,716	11,084	12,265	12.3	10.9	11.8
Mendip	6,031	6,174	5,386	15.3	13.9	11.5
West Wiltshire	6,440	6,974	6,743	14.5	13.5	12.0
WoE	84,403	82,742	82,419	17.6	15.8	15.2

(c) Intermediate Stock at 2006

Local Authority	Intermediate stock numbers	Intermediate stock %
B&NES	214	0.3
Bristol	691	0.4
North Som	296	0.3
South Glos	175	0.2
Mendip	267	0.6
West Wilts	189	0.3
WoE	1,832	0.3

Sources: Census 1991 & 2001; Ward forecasting model for 2006. Intermediate dwellings taken from Regulatory returns to Housing Corporation. Notes: Modelled figures for 2006 may be different to actuals. Bristol City Council figures include an undercount of the Census 2001. S.Glos 2006 HSSA return shows an actual figure of 10,441 Social Rented Dwellings.

5.2.4 Note that there are some differences between the modelled figures for the number of households (Table 5.1) and the estimated figures given in Chapter 3 of the report. It is the modelled figures that are used as the baseline from which to make forward projections, and thus which form the basis of the report. The modelled figures are slightly lower than actuals so this has a slight dampening effect on housing need. This is a prudent approach which makes the model more robust overall. Although levels of intermediate stock are currently small, this sector is growing and likely to become more significant over the next 10 – 15 years.

5.2.5 Zones with largest population are Bristol South, Weston and Kingswood. Zones with greatest household growth 2001-06 were Weston-Super-Mare, Bristol Inner West, Kingswood, Bristol South, Portishead-Gordano, Trowbridge, Bristol East, West Wilts Rural and North Fringe (all growing by more than 250 households per year). The only Zone which saw a reduction was Bristol North, reflecting demolition of parts of certain public housing estates. The fact that several Bristol Zones feature in the list of high growth zones reflects the high level of urban redevelopment and intensification in process in this period.

5.2.6 Table 5.2 looks at the tenure structure by local authority. Owner occupation ranges from 61% in Bristol to 80% in South Glos. Social renting accounts for 21% in Bristol but is only 9-10% in North Somerset and South Glos, with rates between 12-15% in the other authorities. Apart from Bristol, these rates are

relatively low by national standards. Note that tenure rates in table 5.1 are for dwellings, in table 5.2 they are shown for households.

Table 5.2

(a) Tenure, Vacancies, Household Size and Poverty Rate by Local Authority 2006.

Local Authority	Owner Occupiers %	Social Rent %	Private Rent %	Vacancy Rate %	Average Household Size (persons)	Poverty Rate %
B&NES	71.2	14.9	13.9	1.2	2.3	7.2
Bristol	61.4	21.2	17.4	3.9	2.4	12.8
North Somerset	78.8	9.4	11.8	2.9	2.4	7.9
South Glos	80.1	10.4	9.6	2.1	2.5	6.6
Mendip	76.5	12.3	11.2	2.5	2.3	8.1
West Wilts	76.9	12.7	10.4	2.9	2.3	6.9
WoE Average	72.1	14.7	13.2	2.8	2.4	9.0

(b) Private Tenures 1991-2001-2006

Local Authority	Private Rent 1991	Private Rent 2001	Private Rent 2006	Owner Occupiers 1991	Owner Occupiers 2001	Owner Occupiers 2006
B&NES	10.2	12.7	12.4	67.5	71.3	71.2
Bristol	10.8	14.2	17.4	60.4	62.4	61.4
North Som	8.3	10.3	12.2	75.5	78.6	78.8
South Glos	4.8	7.3	11.3	79.8	81.6	80.1
Mendip	10.7	11.9	12.7	69.3	74.3	76.5
West Wilts	8.8	10.3	11.4	71.9	76.4	76.9
WoE Average	8.9	11.4	13.7	69.5	72.4	72.1

Sources: Census 1991 and 2001; Ward forecasting model, Regulatory Statistics Return (RSR).

Notes: Tenure and poverty percentages refer to households, vacancy rates refer to dwellings.

5.2.7 For the WoE area the number of dwellings exceeds the number of households, although this may change in the future (see Chapter 6). Household growth since 1991 has averaged 5,194 per year, with the greatest growth in South Glos and North Som, and the least in B&NES and Mendip. Social renting represents a relatively low share of housing stock in WoE compared with England as a whole (see later discussion). The share of social renting dropped sharply in the 1990s, due to the Right to Buy, but the rate of disposals has slowed since 2001 so that the numerical size of the sector is almost static.

- 5.2.8 Owner occupation rose in the 1990s by 3% points overall, but it then fell slightly in the early 2000s, particularly in Bristol and South Glos where private renting grew most strongly. The lowest owner occupation rates (just under 50%) are in Bristol's inner Zones, with low rates also in Bristol North and South and in Bath City (60-65%). At the other extreme, owner occupation reaches 85% in Nailsea-Backwell and lies between 82% and 84% in Chew Valley, South Glos Rural, Bristol NW, Yate-Sodbury and Portishead-Gordano.
- 5.2.9 Private renting is highest in Bristol at 17.4% with the other authorities around 11-13%. Private renting has increased by over 50% since 1991, with the largest increases in South Glos and Bristol. In part, this reflects the large student populations in those areas. Private renting is increasingly important as a tenure where people can meet their immediate housing needs, albeit typically without security of tenure. In four of the authorities private renting now accounts for more households than social renting.
- 5.2.10 Social renting does not dominate any Zone but accounts for 33% in Bristol North. The same comment applies to private renting, although it accounts for 41% in Bristol Inner West, 23% in Bath City North, and 22% in Bristol Inner East. (Zonal level information is contained in the appendices).
- 5.2.11 Vacancy rates are quite low across most of the area except in Bristol where it is a bit higher at 3.9%. Vacancies exceed 5% in the two inner Zones of Bristol.
- 5.2.12 Average household size does not vary much, except for being quite high at 3.1 in Bristol Inner East.
- 5.2.13 The estimated poverty rate is markedly higher in Bristol, at nearly 13%, compared with 9% overall, and lower figures apply particularly in South Glos and West Wilts. Bristol's higher rate reflects its larger social and private rented sectors, and certain areas of concentrated deprivation notably Inner East (30% poverty rate). Table 5.3 summarises house type mix by local authority. Flats constitute 18.4% of stock overall but this rises to 28% in Bristol and is between 9 and 10% in three authorities. Terraced houses are very prevalent in Bristol (37%) and account for 28% across the HMA, but with a markedly lower share (15%) in North Somerset. Detached dwellings account for 22% of stock overall, and nearly 35% in North Somerset, but only 6.4% in Bristol.

Table 5.3: House Type Mix by Local Authority 2001

Local Authority	Flat %	Terrace %	Detached %	Semi-detached%
B&NES	20.7	28.5	22.2	28.4
Bristol	28.0	36.6	6.4	29.0
North Som	18.3	15.2	34.7	30.9
South Glos	8.9	27.9	27.5	35.0
Mendip	10.5	24.5	32.7	31.9
West Wilts	9.8	23.6	33.1	33.1
Total	18.4	28.1	22.2	31.1

Source: Census 2001.

5.2.14 Table 5.3 summarises house type mix by local authority. Flats constitute 18.4% of stock overall but this rises to 28% in Bristol and is between 9 and 10% in three authorities. Terraced houses are very prevalent in Bristol (37%) and account for 28% across the HMA, but with a markedly lower share (15%) in North Somerset. Detached dwellings account for 22% of stock overall, and nearly 35% in North Somerset, but only 6.4% in Bristol.

5.2.15 Flats dominate in only one Zone, Bristol Inner West, where they account for 58% of stock. Bath City North has 40% flats and Bristol Inner East 33%. At the other end of the scale, three Zones have less than 5% flats – Chew Valley, South Glos Rural and West Wilts Rural. Terraces are only a majority in one Zone, Bristol East. Detached houses are unsurprisingly rare in Bristol’s inner zones, and again only a majority in one Zone (Chew Valley). Density is fairly well correlated with the share of flats and terraces.

5.2.16 These variations in type mix may be relevant to housing choice options for certain groups, particularly when taken in conjunction with size, as discussed later in this report.

5.2.17 Variations in household type composition are fairly modest at Local Authority level, although Bristol has more single non-elderly household and lone parent families, partly accounting for its lower household incomes. At Zone level there is more marked variation. Younger singles account for 30% in Bristol Inner West and 24% in Bath City North and Bristol Inner East. Pensioner households account for 24% overall but this rises to 30% or more in Wells & Rural, Bradford on Avon, Bristol North West and Keynsham. Families with children account for 26% overall but this rises to over 30% in Yate-Sodbury, Thornbury and Chew Valley.

5.3 Rural housing

- 5.3.1 A significant part of the HMA area is rural. This brings different challenges to managing the housing market. As can be seen from our modelling, there are high levels of demand for housing generally, and for social housing in particular, in many rural areas. However, it can be more difficult to deliver supply. The Government confirmed in PPS3 its commitment to improving the affordability and supply of housing in all communities, including rural areas. However, the RSS focuses new development on strategically significant towns and market towns, with only “some” development in rural areas “as appropriate”. Appropriate growth is seen as that which includes promotion of economic activity, extends the range of services available, does not increase traffic, and promotes self-containment. Development of housing in smaller settlements will continue to be dependent on proving housing need, but with less emphasis on need which arises only within the settlement itself.
- 5.3.2 Many housing organisations working in rural areas are concerned that the emphasis on high growth in housing numbers will have an adverse impact on rural development. Some RSLs, under pressure to deliver volume at low cost, may favour large, straightforward sites over small schemes, sometimes of only 2, 3 or 4 homes, with sometimes complex barriers such as access difficulties or lack of infrastructure. This concern is compounded by the often extended timescales needed to bring rural housing developments forward. A further concern is the question of cost of rural schemes. The Housing Corporation (now the Homes and Communities Agency), continues to hold the view that rural development should not cost any more than urban development, and therefore applies the same value for money test to rural schemes. However, many of those working in rural areas argue that costs are often more expensive, sometimes because of a lack of existing infrastructure or requirements to use more expensive local materials.
- 5.3.3 The framework for delivering rural housing schemes can be very complex. Many rural housing schemes rely on the exception site policy, with requirements for local needs surveys and the continuing emphasis on landowners willing to sell at prices that reflect the existing agricultural use. There is also the need to secure local support for such schemes. This is of course a tension in any planning system, but it is particularly critical to rural schemes which rely on the exception site policy. Without the support of the parish council it is almost impossible to bring these schemes forward.

- 5.3.4 Most of these issues have been recognised by the Affordable Rural Housing Commission (ARHC)¹ and more recently by the Taylor report². The Taylor report has some interesting recommendations which, if implemented by government may make it easier to bring forward rural schemes in future. Key amongst these are reducing the reliance on exception site policies and re-framing the definition of sustainability to ask the question “if this development were to go ahead would it make the settlement more sustainable or less sustainable?”
- 5.3.5 The analysis of the HMA did not provide any single defining characteristics of rural housing markets which differentiate them from urban markets, but there are some noticeable trends. For example, house prices rose faster in rural areas between 2001 and 2006 than they did in urban areas. Surprisingly, rural areas generally saw higher relet rates than urban areas, with South Glos rural area at 8.4%, Shepton Mallet and rural at 6% and Frome and rural at 5.5% compared to 3 – 4% for many urban areas. There is a mixed picture on affordability, with some rural areas, such as West Wilts rural amongst the most affordable zones and others, such as Wells and rural amongst the least.
- 5.3.6 In terms of numbers, as might be expected, housing need is comparatively low, but the intensity of housing need (ie those in need as a factor of the total population) paints a more mixed picture. The Wells and rural area has a high intensity of need, but Frome and Shepton Mallet and surrounding rural areas a lower intensity of need. This reflects the relative affordability of those areas. Build rates are of course lower, but even Wells and rural area does not feature in the list of zones where there is significant housing need and a low contribution of new build housing, partly because despite the intensity of need the absolute numbers are still relatively low.
- 5.3.7 There is also a mixed picture on changes in housing need over time. Shepton Mallet and Frome and rural areas have seen an increase in housing need over the past 10 years, while West Wilts rural and South Glos rural have seen a decrease. The latter might in part reflect higher rates of house building in adjacent areas, with households moving to Swindon or into the Northern Fringe of Bristol respectively.
- 5.3.8 There are differences between rural and urban areas when it comes to the split between social rented housing and intermediate housing. Under the study’s intermediate Homebuy modelled product (40%/1%), some rural areas are simply too expensive for Newbuild Homebuy to be a feasible option – Chew Valley would be the most obvious example here. Other areas can take a low amount of

¹ Affordable Rural Housing Commission- Final Report May 2006

² Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing –CLG July 2008.

intermediate housing – only 2% of affordable housing in South Glos rural and 10% in West Wilts rural. The picture is very varied even within one local authority area-for example in Mendip the possible split between intermediate and social rented varies from 8% intermediate in Wells to 25-40% elsewhere. It is noticeable that the numbers of households on the zone agent waiting list who are currently living in rural areas is low, which does suggest a need to promote intermediate options in ways which are more appropriate for this market.

5.3.9 There is also a mixed picture on the size mix. Some rural areas, such as Chew Valley and South Glos rural, have a significantly higher need for family housing (77% of social rented in Chew Valley, and 73% in South Glos rural) while in Mendip and West Wilts the size mix required is not that different to the rest of the HMA. These issues are discussed in greater detail in Chapter 7.

5.3.10 In summary, the SHMA confirms that there are high levels of demand for affordable housing in rural areas, with some areas having a significant demand for intermediate housing and some very high demand for family housing. While absolute numbers may be lower, in many areas the intensity of need is similar to that of urban areas, and in some areas is higher. There are additional barriers to the delivery of affordable housing in rural areas which would be tackled, at least in part, if the Government were to implement the recommendations made in the recent Taylor report.

5.4 The private rented sector

5.4.1 The private rented sector has increased by 50% since 1991 and much of this growth will have been fuelled by buy to let, which is often aimed at working couples and young families looking for flexibility at an early stage in their careers. The private rented sector can provide an appropriate long-term housing solution for some households, but for many it is seen as a temporary tenure, until they can afford owner-occupation, intermediate housing or become eligible for a social rented tenancy. The lack of security of tenure is a significant barrier for many to consider the private rented sector to meet their long-term housing need. For others the high rent levels might be a barrier. However the Market Rented sector plays an important role in meeting housing need for those who can afford it and is larger than the social rented sector.

5.4.2 The extreme pressure on social rented housing has led local authorities to encourage more households to consider the private rented sector as a possible solution. Some local authorities offer assistance with deposits and rent in advance, for households with high levels of housing need. For many such households, rents are only affordable with housing benefit; where this is the case

it is accepted that this is not a long term solution to housing need and those households remain in unaffordable housing.

5.4.3 The private sector meets much of the need for student accommodation; even though there has been an expansion in the provision of dedicated student accommodation this still does not meet the need of the majority of students who will seek accommodation in the private rented sector. Migrant households are also likely to move to the private rented sector.

5.4.4 The table below gives an overview of the levels of unfitness in the private sector. All six authorities have completed private sector stock condition surveys within the last 4 years. Rates of unfitness have varied.

Table 5.4 Failure rates for Decent Homes Standard/Unfitness of private sector stock

Authority	Percentage/rate of failure of DHS or unfitness	Comment
Bristol	20%	Failure to meet DHS expressed as percentage of private sector stock
B&NES	4.7%	Unfit rather than failing DHS. Expressed as percentage of all stock
North Som	37.7%	Failure to meet DHS expressed as percentage of all stock
South Glos	17.4%	Failure to meet DHS expressed as percentage of all stock
Mendip	25.5%	Failure to meet DHS expressed as percentage of private sector stock (at 2004)
West Wilts	1.7%	Unfit rather than failing DHS. Expressed as percentage of all stock

Source: individual local authorities stock condition surveys

5.4.5 There is some level of failure to meet the Decent Homes standard in the owner occupied sector in all six authorities, however, generally this is low. The failure rate in the private rented sector is much higher.

5.4.6 Most authorities have looked at failure rates by geographic area, although in some cases the zones used are not the same zones as those chosen for the strategic housing market assessment. A key issue for the market assessment is

whether it is unfitness which is depressing the prices of properties in lower priced areas, as we do not want to base affordability calculations on unfit properties.

- 5.4.7 At first glance the figures for Bristol, North Somerset, Mendip and South Glos may be of concern (though note that figures have different base, some are of all stock and some of only private sector stock). However, further analysis of the data shows that the main reasons for failing the decent homes standard are the age of internal fittings and thermal standards. The majority of properties are wind and water tight.
- 5.4.8 As might be expected, levels of unfitness/failure to meet the Decent Homes Standard, are not evenly spread but clustered in certain areas. Within Bristol three of the wards with higher levels of failure against the Decent Homes Standard are within the Bristol East zone, one of the less expensive zones. For North Somerset, higher levels of failure against the DHS are in Old Weston and in the rural areas. In West Wilts, higher levels of failure are in Trowbridge and Warminster. For B&NES the higher failure rates are in the rural areas and in Bath itself. For South Glos the highest failure rate is in the older inner areas of Kingswood.
- 5.4.9 Even in the clusters, these levels of unfitness are not sufficiently high to be depressing the market and trapping purchasers of cheaper properties.

5.5 Condition of social housing stock

- 5.5.1 Social housing stock across all 6 authorities is on target to meet the Decent Homes standard by 2010. The only exceptions are a small number of properties which are scheduled for redevelopment, some of which will not have been demolished by 2010. For example, both Bristol and Mendip are redeveloping Precast Reinforced Concrete (PRC) dwellings and prefab sites to achieve modern higher density housing.
- 5.5.2 It is likely that there will be changes to stock in the future, with possible decant and demolition of some social housing. At this stage, however, any plans to decant properties are small scale and not in numbers which will have any impact on the overall assessment.

5.6 House Prices

- 5.6.1 There is a range of price data for the WoE HMA and wider areas, to facilitate comparison of price levels and changes over the period from 1988 to 2007. The main sources used in the SHMA are the Nationwide Building Society (NBS), based on its mortgage loans, for the earlier years and for recent years (since 1995) the UK Land Registry (LR) data for all sales. For general price

comparisons a 'mix adjustment' by using the price of an NBS 'Type 3' (not detached or bungalow, 1-3 bedrooms, central heating) or a LR 'Semi-Detached House' has been used.

5.6.2 The WoE LA with consistently the highest average price is B&NES (Table 5.5). Bristol had the lowest average price in 1988 but in later years the City tended to move ahead of the other districts. In recent years the lowest average prices have been for South Glos and West Wilts, with Mendip creeping upwards somewhat. However, apart from B&NES the variation between the districts is not that great.

5.6.3 In 1988 WoE LA s generally had higher prices than the overall average for England. This was less true in 1996 but WoE had recovered its position in the early 2000s. WoE prices are generally similar to the average for the rest of the region (except for B&NES which continues to be more expensive). Over the longer run, prices have risen at a similar rate to England in B&NES and Bristol, but at a significantly lower rate in North Somerset and West Wilts. In the more recent period (1996-2005), prices rose more than the national average in Mendip, B&NES, Bristol and South Glos, while rising by about the national average amount in the other two LA's.

Table 5.5: Representative Average Prices and Changes in WoE and Comparator Areas 1988-2005 (Actual prices)

WoE L A & Comparators	1988	1996	2001	2003-04	2005	Price Change % 1988-2005	Price Change % 1996-2005
B&NES	70,702	76,108	152,143	213,640	239,570	239	215
Bristol	59,425	62,101	121,285	165,531	190,230	220	206
North Som	69,889	63,234	112,441	161,573	181,694	160	187
South Glos	61,454	58,048	110,900	157,953	179,024	191	208
Mendip	61,487	56,812	103,735	163,836	183,533	198	223
West Wilts	64,834	59,059	106,618	153,488	176,049	172	198
Rest of S West	61,028	58,772	107,815	163,232	187,751	208	219
Rest of South	71,123	69,785	131,687	183,189	203,273	186	191
London	79,439	121,836	255,849	326,170	359,902	353	195
Midlands & North	37,586	48,703	68,995	108,872	135,362	260	178
Total	52,407	62,711	104,453	153,102	180,455	244	188

Sources: Nationwide Building Society (cols 1 & 6) and Land Registry, analysis in Bramley et al (2007) *Transforming Places*.

5.6.4 Table 5.6 looks at recent price levels and changes (2001-2006) by LA, urban-rural situation and deprivation level, based on ward level data. In this recent

period Mendip and West Wilts showed a greater price increase, and Bristol showed the least. This suggests some process of decentralisation of price pressures into the more rural areas (not all of these pressures necessarily emanate from WoE).

5.6.5 Price levels are highest in the City Centres and then in the most rural wards, with 'other urban' areas having the lowest prices. Prices rose most in the most rural wards and least in the city centres. This may reflect a continuing 'counter-urbanising' shift in demand, but it may equally reflect supply constraints in the rural areas coupled with the big push on city centre developments increasing supply in these locations. This illustrates the way supply can affect prices at local scale, and such influences are reflected in the modelling and forecast future changes, based on evidence from studies of patterns and changes in the recent past.

Table 5.6: Semi-Detached House Price Levels and Changes by type of area

Local Authority / Ward Type	Ave Price Semi 2001	Ave Price Semi 2006	Percentage Increase 2001-06
B&NES	163,315	224,245	37.3
Bristol	138,344	184,433	33.3
Mendip	104,699	170,953	63.3
North Som	115,519	164,034	42.0
South Gos	112,273	160,500	43.0
West Wilts	108,615	173,553	59.8
Urban-Rural Typology			
South city centre	200,077	259,917	29.9
South other urban	107,558	155,070	44.2
South town fringe	119,975	175,939	46.6
South village (isolated)	138,140	213,125	54.3
IMD Deprivation			
Worst 10%	75,061	125,821	67.6
10-20%	135,344	186,219	37.6
30-40%	113,481	156,371	37.8
40-60%	137,709	191,897	39.3
60-80%	126,274	180,851	43.2
Least Deprived	134,716	189,924	41.0
WoE Average	127,355	179,901	41.3

Sources: Land Registry. Urban-rural typology derived from typology developed by CLG amended by Bramley et al Transforming Places 2007. Based on standard ONS urban\rural classification and a CLG database of major retail/service centres. South refers to the south of England excluding London

5.6.6 Prices have risen at a higher rate in the most deprived areas. Historically these will be areas where prices were lower, so this will impact on first time buyers seeking cheaper areas to get a foot on the ladder.

5.6.7 The data enables comparison of the price of new dwellings with the price of existing secondhand sales. Table 5.7 shows the lower decile and quartile prices and median prices for new sales alongside the values for all sales in 2006. The data appears to show little overall difference between new sales prices and all sales prices. However, caution must be exercised in drawing a conclusion from data which does not take into account the size, location and type of accommodation. In some areas, the majority of new developments have been smaller flats, whilst second hand sales may include larger semi-detached and detached houses.

Table 5.7: House Prices of New vs All Dwellings by WoE Areas in 2006

Local Authority Area	Lower Decile All Sales	Lower Decile New	Lower Quartile All Sales	Lower Quartile New	Median All Sales	Median New
B&NES	140,647	131,322	170,500	162,669	217,707	229,983
Bristol	116,448	106,935	141,844	129,422	172,711	152,475
North Som	118,094	123,516	143,920	159,006	183,144	187,010
South Glos	127,209	130,657	149,165	159,701	176,766	184,478
Mendip	115,794	111,974	141,338	128,425	175,001	165,970
West Wilts	112,398	108,169	140,781	133,548	176,041	168,620
WoE Sub-region	121,681	118,151	147,418	145,020	181,962	177,824

Source: Land Registry.

5.6.8 Table 5.8 looks at the threshold entry level prices and rents used in the analysis of affordability, drawing on the values for the base year of 2006.

5.6.9 'Threshold' prices are the prices which we take as representative of the entry level to the market for new buyers. The SHMA Guidance refers to lower quartile price levels, but the SHMA Partnership Board, having discussed the issue, agreed to use a point mid-way between the lower quartile and the lower decile. The rationale here is that this is a pressured market area with a relatively good housing stock, therefore using lower quartile price levels gives an unrealistically high threshold price (see also Wilcox 2007). There was sufficient transaction information at the lower end of the market to ensure that this approach would be statistically valid. The inclusion of lower decile figures was therefore adopted as

the most prudent approach. The threshold point is taken from the distribution of all sales at market value – it is not assumed that the threshold dwelling is necessarily secondhand – for each of four size groups (one-bedroom up to four-plus bedroom). For the zonal model, threshold points have been estimated indirectly from the data on quartiles by type, as the Land Registry does not record size, unlike the Regulated Mortgage Survey (RMS), the Local Authority level source.

5.7 Private sector rents

- 5.7.1 Private rents are important because in quite a few areas private renting has become more affordable than buying. The private market rent levels are based on a combination of sources: (a) Survey of English Housing 2004/05-05/06 rents paid by tenants moving in within last 3 years and not on Housing Benefit (b) proxy variables available at ward level from the 2007 Bramley et al study, to enable prediction of values for all wards in England; (c) Hometrack ‘asking’ rents for 3-4 room dwellings as published in Wilcox (2007) and (d) a survey of local agents undertaken by Ark consultants for 4 out of the 6 authorities, with the remaining 2 authorities conducting a survey themselves. The resulting figures are shown in Table 5.8. The main conclusion from this table is that for WoE as a whole threshold prices and rents are very close to the England averages and quite similar to the rest of the South West. Prices are highest in B&NES, followed by South Glos and Bristol, with North Somerset and West Wilts lowest. The variation in rents within WoE is rather slight.
- 5.7.2 The final column in Table 5.8 above shows median prices for new RSL properties available to purchase under the New Build HomeBuy scheme. It is included here as purchase under the HomeBuy scheme is likely to be the main option available for marginal first time buyers. Although median RSL prices are above threshold prices, purchasers will typically be buying only 40 – 50% of the property. The private sector rent levels, threshold prices and new RSL prices are used as the basis for the affordability calculations in Box 6.3 and 6.4 in Chapter 6.

Table 5.8: Selected Market Rents and Prices for WoE and Comparator Areas in 2006

WoE L A and comparator areas	Private Rent 1 BR £pw	Private Rent 2 BR £pw	Threshold Price 2BR £	RSL New Price 2 BR £
B&NES	121	151	134,262	185,629
Bristol	117	143	121,863	138,231
North Som	117	141	115,050	151,293
South Glos	104	130	117,522	153,074
Mendip	109	136	115,789	148,707
West Wilts	107	134	108,141	145,484
R o South West	107	132	117,718	145,119
Rest of South	124	153	129,690	160,393
London	199	247	178,284	228,743
Midlands & North	85	106	84,871	109,008
England	115	143	114,085	144,227
WoE Sub-region	113	140	119,708	151,434

Sources: Rents based on S.E.H., modelled using proxy variables, and Hometrack, ARK and local surveys; prices based on land registry data and Regulated Mortgage Survey. 'Threshold' price is halfway between lower quartile and lower decile price for that size group; New RSL price based on median price level.

5.8 Other Indicators of Demand in the Market

5.8.1 Table 5.9 reports on a number of other indicators which highlight aspects of the state and characteristic features of the housing market in WoE. Sales transaction rates in the private sector are very close to the national average of 5.9% and have not changed much in level overall since 2001. Transactions are higher in Bristol and lower in B&NES. At Zone level there are higher rates in Westbury (9.1%), Bristol Inner East (7.7%), Trowbridge (7.2%), North Fringe (7.0%), Bristol East (6.9%) and Inner West (6.8%), and Bath City North (6.5%). These areas include both affluent and poor areas, but many are areas which also have high

private renting (see also Tables 5.2 above) and which may be associated with a more transient population, often associated with more flats. They also include some areas with high levels of recent new building (even though this measure is for the secondhand stock). The lowest rates are in affluent rural Zones like Chew Valley.

Table 5.9: Transaction Rates, Second Homes and Vacant Dwellings by Local Authority in WoE and England 2001-2005 (percent)

<i>Local Authority</i>	Transaction Rate 2000-02	Transaction Rate 2005-06	Second Homes 2001	Second Homes 2005	Vacant Dwellings 2001	Vacant Dwellings 2005
B&NES	5.1	5.3	0.5	0.7	2.3	1.2
Bristol	6.0	6.5	0.2	0.7	2.8	3.8
North Som	6.0	6.0	0.5	0.7	2.8	2.9
South Gos	5.8	5.7	0.3	0.2	1.6	2.1
Mendip	5.6	5.6	0.6	1.0	2.2	2.5
West Wilts	6.1	5.9	0.4	0.4	3.0	2.9
WoE Ave	5.8	5.9	0.4	0.6	2.5	2.7
England	5.9	5.9	0.6	1.0	3.1	3.3

Sources: Land Registry (transactions); Census; Neighbourhood Statistics ward level returns and HSSA returns as analysed for Bramley et al (2007) *Transforming Places* study.

Note: Transaction rate is second hand sales as percentage of private stock; second homes and vacancies percentages of total stock.

5.8.2 Vacancies in the WoE sub-region are below the national average - 2.7% in WoE and 3.3% in England in 2005. Both the WoE sub-region and England as a whole saw a small rise of 0.2% points for vacant dwellings between 2001 and 2006. Comparing the local authority areas within the sub-region, vacancy rates are higher in Bristol (3.8%, highest in Bristol Inner East and Inner West), where they appear to have increased since 2001, and lower in B&NES (1.2%, falling) and South Gos (2.1%). In B&NES in particular, this may reflect low supply in the city centre areas, with little incentive for households to move. Low vacancy rates are also an indication of the pressure on the housing market, and there are forecast figures on vacancy rates in chapter 7.

5.9 Second homes

5.9.1 The West of England HMA is less associated with concentrations of second homes than some other areas such as Cornwall. Overall there appears to have been some increase between 2001 and 2005 (from 0.4% to 0.6%), but care

should be exercised when interpreting these figures owing to different data collection methods, possible differences of definition/coverage, and possible effects of tax incentives. Modelling of house prices using ward level datasets suggests that 1% extra stock in second home ownership may raise prices by 1.4%. Clearly this is not a major driver for WoE, even though it may be significant in areas like Cornwall. The Zones with high (and generally increasing) second homes are generally higher status central city areas or more attractive rural/small town areas: Bristol Inner West, Bath City North, Wells & Rural, Bathavon, Bradford-on-Avon, Frome & Rural.

5.10 Buy to let

5.10.1 The private rented sector in WoE, as in much of the UK, has experienced a revival and expansion, firstly following the 1988 deregulation and secondly following the launch and popularity of 'Buy To let' mortgage products. Care is needed in assessing the current size of the sector at local level, given the lack of any really reliable data source. Analysis of drivers of house prices, particularly in the context of our higher level economic model, suggests that buy to let could have had a significant impact on the market (see also report by Ricky Taylor, NHPAU 2008³). However, care is needed because it is difficult to separate this factor from the broader effects of increasingly relaxed lending criteria. The impact of these factors together is considered in the forward forecasting exercise in Chapter 6.

5.11 Credit Crunch and Mortgage Market

5.11.1 At the time of writing this report we are well aware of the exceptional conditions which have been prevailing in the mortgage market in the last few months, as a result of the so-called 'Credit Crunch'. Following the emergence of problems in the US 'sub-prime' mortgage market, banks across the world have been dealing with problems of assets whose value has become much more uncertain/risky. Banks have had to respond to dramatic write downs in their balance sheets by seeking to rebuild their capital reserves, both through raising margins and interest rates on their mortgage lending and through seeking fresh funds from the markets, for example through Rights Issues. At the same time, banks have become reluctant to lend to each other, because they have lost confidence in the security of the assets which underpin each other's operations, including mortgage-backed securities. This lack of interbank lending has led to a drastic reduction in the amount of mortgage lending which banks can undertake, through sheer lack of funds. Thus, in short a house buyer or investor looking to take out a

³ NPAU Research Findings No.1-Buy-to-let mortgage lending and the impact on UK House prices-National Housing and Planning Advice Unit February 2008

mortgage to buy a house faces a situation of scarcity of mortgage products, rationing of availability, and volatile interest rates. In the last year, the volume of mortgage approvals has fallen by around half. Rationing typically takes the form of requiring a much larger deposit from buyers (say 10-15%) and the disappearance of loans for 100% of value. A further reason for this is that the housing market is now, inevitably, falling as a result of this mortgage famine, and lenders will not wish to lend at very high percentages when they know values may fall, causing immediate negative equity.

5.11.2 This combination of circumstances is unique and it is difficult to determine how long they will prevail before something approaching 'normal' conditions return to the mortgage market. The UK Government is clearly anxious to try to encourage a return to normality, for example through making available a large scale asset swap facility to the Banks. As explained in Chapter 2, for the purposes of this study we assume that the market will continue to be severely disrupted in 2008, and that the effects on house prices, interest rates, house building and the wider economy will spread into 2009. We then assume a gradual recovery, but that this episode in the market will leave its mark for some years.

5.11.3 However, the analysis of current market conditions, which uses 2006 as a base year, is not affected by this disruption. Similarly, the forward forecasts look at medium term horizons, 2009/2011/2016/2021/2026. These are only affected to a modest degree by the legacy of what we are assuming is essentially a shorter term disruption. For example, in calculating affordability it is assumed that the availability of credit, and terms for mortgages, will return to similar levels as 2006/7, and that current demands for 10 – 15% deposits will settle back at around the modelled 5% level for most households. This will be monitored for its impact on affordability over time.

5.12 What drives the housing market?

5.12.1 The housing market is subject to many and complex influences. Although, from inspecting data on price trends, it is possible to speculate about the causal factors which may be influencing those trends, this form of causal introspection cannot necessarily identify or weigh all of the factors. This study is able to provide an additional level of analysis, drawing on findings and data from a recent research study concerned with understanding, describing and modelling housing market change at local and neighbourhood level (Bramley et al 2007). Indicators are presented of the relative importance of different drivers in relation to the most important single housing market indicator, house prices. These indicators are 'composite factors' which combine a number of similar or related variables. The weightings on these variables reflects the relative importance of

these variables in explaining house price levels or changes in a statistical regression modelling exercise covering nearly all wards in England. The composite factors are in some cases primarily wider market area/subregional factors, and in other cases primarily neighbourhood level factors.

- 5.12.2 The model for house price levels yields a more coherent picture and the key indicators derived are reproduced in Table 5.10, broken down by region, showing WoE as a whole and its constituent LA's. The figures in the table refer to the impact of that factor on house prices, relative to the England average.
- 5.12.3 The first column shows the impact of sub-regional economic and employment factors. These are generally negative for northern regions and positive for southern regions and London, although the impact in the South West is only a little above the average (with WoE a bit higher). Within WoE, B&NES, Bristol and West Wilts score higher and Mendip scores lowest.
- 5.12.4 The second factor captures regional housing market cycles (including 'unexplained' deviations at county level). This factor was particularly positive for the South West and WoE in 2003/04. Mendip shows a high score and West Wilts a low score, probably because price data for these county areas showed high/low deviations from predicted levels in that year.
- 5.12.5 The third factor captures location and access, and tends to be dominated by London, which is why WoE and the South West do not do that well. Within WoE, B&NES and Bristol score slightly better, and Mendip markedly worse.
- 5.12.6 Housing type and urban form includes a cluster of variables including density, green space, and various housing types. This factor also seems to capture a central city and London effect. So again B&NES and Bristol score better than South Glos or West Wilts (bear in mind that 'price' modelled here is for a given type, i.e. semi - semis certainly will cost more in city centres and less in more rural locations).
- 5.12.7 The next factor captures certain neighbourhood market status measures including vacancies – this does not tell anything very distinctive about WoE. The following factor represents neighbourhood poverty (vs affluence) and adverse social conditions. WoE does better on this, especially B&NES and to a lesser extent Bristol and other former Avon LA's.
- 5.12.8 The final factor captures the influence of new supply on prices, which is generally negative, as in areas which have seen relatively more new development in the last few years (North Somerset, West Wilts).

Table 5.10: Analysis of Drivers of House Price Levels by Region and Districts within West of England 2003-04 (differences from average house price, £)

Region/Area	Regl Economic	Reg Housing Marke	Location & Access	Housing Type & Urban Form	Nhood Housing Market	N'hood Poverty Social	New housing develt
NORTH	-21165	6017	-28536	-2310	120	-9116	368
YORKS & HUMBER	-11662	-5135	-19092	-4057	-296	-3188	-526
NORTH WEST	-11618	-6084	-19036	-4458	-428	-2789	-308
EAST MIDLANDS	-5214	1049	-25242	-6134	-1229	-180	-3062
WEST MIDLANDS	-9539	8070	-18024	-4557	-1015	-3903	287
SOUTH WEST	1405	10586	-8388	994	2718	5944	-1612
EAST	7141	7967	-466	-752	-482	11565	-2620
SOUTH EAST	16279	-2484	7478	1987	-880	26290	499
LONDON	19906	-8108	111447	46944	12436	37627	10966
ENGLAND	1142	272	6838	5188	1640	10115	956
Rest of England	1000	95	7219	5316	1738	9998	958
WoE	6766	7236	-8115	164	-2218	14724	869
B&NES	12068	7986	-5239	4025	-2509	29063	5815
Bristol	8780	5901	-6114	4053	-1665	13278	4077
North Somerset	3371	6288	-9161	2733	-2264	14394	-1136
S Glos	4258	9504	-7645	-7871	-3521	16041	1949
Mendip	1097	23376	-19629	-1470	-1200	3184	-6068
West Wilts	7966	-6477	-8068	-4797	-1812	6760	-9658

Source: Based on statistical models of house price determination at ward level reported in Bramley et al (2007) *Transforming Places: Housing Investment and Neighbourhood Market Change*.

5.12.9 A similar analysis can be provided focused on percentage changes in price over a longer period (1988-2004). It is slightly less easy to interpret, full details are not reported here. It suggests that over the period 1988-2004, WoE as a whole saw slightly lower price growth than England related to economic /employment change, and significantly less in respect of cyclical timing and localised price discrepancies and disequilibria; its performance was more positive in respect of poverty and social conditions. It is noteworthy that South Glos had a positive score for the economy factor, reflecting the enormous economic development focused on the North Fringe in this period.

5.12.10 Under the location and access heading, there is a positive change affecting Bristol relative to the other districts in WoE – the central city effect was apparent

over this period. Under the neighbourhood poverty heading WoE did better than England and Bristol and B&NES gained significantly from this (i.e. the reduction in poverty). Under the new housing development heading, there were negative effects for the areas with the most new building, North Somerset and West Wilts, similar to those seen in the price levels model.

5.13 Summary

5.13.1 This chapter has given a more detailed profile of the current housing market in the SHMA. The SHMA area has somewhat lower levels of social rented housing stock than national averages, with a higher proportion of private rented housing. The private rented sector has grown by 50% since 1991, much of this growth fuelled by buy to let. House prices are generally similar to the average for the region, which is higher than for England as a whole. Private sector rents are close to regional and national averages.

5.13.2 Overall, the SHMA is relatively affluent although there remain some pockets of deprivation. A significant part of the SHMA is rural, and this brings different challenges to managing the housing market. There is a relatively small number of second homes.

Chapter Six- Current Housing Need and Affordability

6.1 Introduction

- 6.1.1 This chapter presents data on current unmet needs within the region, drawing on and integrating different data sources. This is followed by an analysis of affordability, leading into a presentation of key findings on the overall modelling of affordability and current housing need. Some information is presented at Zonal level, for further details see appendices. This chapter does not go into questions of the size/type mix of housing supply and requirements. This is addressed in Chapter 9.
- 6.1.2 This chapter is deliberately focussed on the 'current' position. This is generally interpreted as being about the base year of 2006, but referring in some cases to years on either side of that. The Forecasts are built up from 2001 actual census data so some figures can diverge slightly from 2006 estimates but these are not considered significant or are cautious so as not to give over estimates of need. Much of the research in this study has been directed towards making forward forecasts of need over a 15-year period. These are presented in Chapter 7, with an assessment of the impact of some variant scenarios in Chapter 8.

6.2 Establishing backlog need

- 6.2.1 In this section we discuss analyses of various sources of evidence on the extent and nature of existing housing needs in the WoE population, often referred to as the 'backlog' of need. The prime source of evidence used in the modelling of overall needs down to Zonal level in WoE is a special count from the Housing Registers of the constituent authorities in 2007, although this is evidenced against and confirmed by data from national sources. Most of the authorities in WoE have common housing registers for social rented housing, although allocation and priority systems vary. Representatives of the housing service from each authority met to define and agree a 'minimum need' filter which could be applied to the data, so that the main count used refers to households who exhibited some level of need, consistent with the Guidance. This resulted in a rigorous process of eliminating those without a documented housing need, a process which is discussed further later in this chapter. Allowance was made for households on registers with no fixed abode or living in other WoE authority areas. An additional 'filtered' count of households registered with the Zone Agent for intermediate housing was carried out and combined, eliminating known double-counting.
- 6.2.2 The Partnership was aware from the outset that Housing Registers, however well managed, do not provide a complete measure of need. Households with a housing need may choose not to register for a variety of reasons, including a

perception that chances of rehousing are low, or that properties available do not meet their needs. Conversely, some households may choose to register whose problems might be better solved in ways other than the allocation of a social rented housing unit. It was therefore agreed from the outset that the analysis of the Housing Register information would be supported by data from official national surveys providing evidence on the incidence of needs of different kinds at a broader national and regional level. This could provide some cross-check on numbers, particularly for the LA-level model. Analyses were therefore undertaken of both the Survey of English Housing (SEH) and the English House Condition Survey (EHCS). These two surveys measure some types of need in a similar way, while covering a somewhat different range of needs.

- 6.2.3 Table 6.1 summarises the findings from the analysis of SEH, with needs incidence expressed as a percentage of households. The table compares SEH figures for regions but also shows WoE separately from the rest of the South West. Although two years' data are pooled in the former case, the sample numbers for WoE are relatively low and subject to some sampling error. SEH figures excluding condition problems are compared with figures including house condition problems drawn from EHCS.
- 6.2.4 Six categories of need are identified in Table 6.1, two dealing with financial difficulties with mortgages or rents¹ respectively, one combining sharing and concealed households, one overcrowding (bedroom standard), poor house condition (based on EHCS) and a unsuitability. The affordability problems affect 1.1% of households in WoE (1.2% nationally); sharing/concealment 0.76% (1.7%); crowding 2.1% (2.4%), and unsuitability 0.9% (1.2%). Households with any of these needs (ignoring house condition) amounted to 4.7% in WoE (6.0% nationally). House condition problems would add about 4.4% (regional figure; against 3.6%) to these proportions. So on this basis backlog needs may be slightly lower in WoE than in the rest of South West but broadly similar to national figures. The WoE figures give a broad picture of the types of housing need arising which is supported by the more detailed local evidence.

¹The treatment of insecurity/unaffordability is slightly different in the SEH analysis than in the local Housing Register count; in the former, private households on 'full Housing Benefit' are treated as not having an affordability problem, whereas in the HR count they are treated as having a need as set out in the Guidance. It should be noted that the HB system for private renting is in a state of transition to a 'Local Housing Allowance' system, which arguably may change the situation somewhat. The treatment adopted in the SEH analysis was considered an appropriate, prudent approach to measuring households at risk of loss of tenancy under the then prevailing system. However the SHMA Guidance defines Private Renters in receipt of Housing Benefit as being in need therefore the numbers from the SEH are a conservative estimate of overall need.

6.2.5 Other detailed results from the EHCS analysis are not reported, as these are not exactly comparable. However, they broadly confirm the order of magnitude of the SEH numbers for concealed/sharing households and overcrowding, while suggesting a somewhat higher unsuitability incidence. Although EHCS figures for the incidence of more serious condition problems (filtered for affordability) are shown in the table, these are not included in the baseline backlog estimates, because it is assumed that generally 'in situ' solutions for these problems would be appropriate and therefore this does not contribute to the need for additional affordable housing units.

Table 6.1: Existing Needs Analysis in Survey of English Housing 2004/05-2005/06 (percent of households)

Region	Serious Mort Pay Difficulty	Serious Rent Pay Difficulty	Sharing / concealed	Overcrowding < Bedstd	Condition Problem (EHCS)	Unsuitable Housing	Any Need Exc Cond	Any Need Inc Cond	Ratio S.E.H.: Wtg List
NEast	0.21%	0.51%	0.70%	1.47%	4.04%	1.00%	3.66%	7.70%	0.50
YH	0.26%	0.63%	1.28%	1.31%	3.48%	1.19%	4.35%	7.83%	0.50
NW	0.48%	0.47%	1.24%	1.99%	3.16%	1.21%	4.90%	8.06%	0.96
EM	0.61%	0.48%	0.92%	1.40%	4.10%	1.14%	4.36%	8.46%	0.73
WM	0.57%	0.29%	1.68%	2.69%	3.29%	1.29%	6.13%	9.42%	1.27
SW	0.72%	0.67%	1.61%	1.46%	4.38%	1.02%	5.12%	9.50%	1.02
EE	0.52%	0.58%	1.07%	1.42%	2.62%	0.85%	4.23%	6.86%	0.92
SE	0.84%	0.85%	1.95%	1.59%	3.05%	1.08%	6.01%	9.07%	1.43
GLond	0.79%	0.85%	3.51%	6.61%	4.68%	1.58%	11.97%	16.65%	1.62
England	0.60%	0.62%	1.71%	2.42%	3.60%	1.17%	6.04%	9.64%	1.05
WoE	0.34%	0.80%	0.76%	2.10%		0.90%	4.68%		
RoSW	0.87%	0.62%	1.94%	1.21%		1.06%	5.29%		

Source: special analysis of SEH data for 2004/05 and 2005/06. Definitions of need categories including filters applied are given in Box 6.1.

6.2.6 The last column of Table 6.1 illustrates the ratio between need measured from SEH and the recorded Waiting List number from HSSA returns. This shows that needs in the West of England area are greater relative to waiting list numbers in the South West and other southern regions.

Box 6.1: Need Category Definitions and Filters used in SEH

1. Serious Mortgage Payment Difficulties if either > 6mth arrears or 'find it very difficult' or 'falling further behind', and unable to buy based on income and local house prices, allowing for existing equity (<£20k) and age (<50).
2. Serious rental payment difficulties if service charge arrears > 3mth or affordability ratio (net) >50% or residual income ratio<1.0; only assigned to PR tenants and only if not on 'full HB' and not a FT student, and unable to buy as above..
3. Sharing/concealed: sharers, concealed families, or concealed singles>30, or sharing with another household, excluding students; filtered to exclude tenants able to buy; and owners able to buy and with significant equity (>£20k)
4. Overcrowding – below bedroom standard – excluding those able to afford to buy (including equity if owner) and under 50.
5. Unsuitability. (a) Families with children in high rise or caravan/boat, or (b) very elderly >75 or any with limiting illness/disability, and accommodation not suitable or very dissatisfied with home or. in higher flats (3rd floor & over) with no lift or security; or with very poor access to shops etc. and dissatisfied with area; restricted to (i) living in PRS unaffordable or (ii) in OO with no equity or affordability, and prefer to live in social sector or shared ownership.

6.2.7 The assessment of backlog need is based on a combination of the local register-based estimates and estimates derived from the SEH as described above. The incidence of need in SEH was estimated for different categories of Ward (based on CACI Ward Subgroups) for broad regions of England, and we took the resulting figures for ward groups in the broader 'south' region. These were then applied to the wards within WoE and aggregated back up to Zone and LA level. A final scaling adjustment was applied to reflect the difference in incidence shown in Table 6.1 above between WoE and the rest of the South. This provides an independent alternative to the local housing register based figures, with the resulting numbers shown in the fourth column of Table 6.2 below.

6.2.8 Further adjustments were made to the Housing Register figures, the results of which are also shown in Table 6.2. The figures in the first column of Table 6.2 are the total numbers of new applicants (excluding transfers) on the registers in 2007. The second column shows these numbers after filtering out households below the need threshold. This has the effect of reducing numbers by about a third on average (with a rather greater effect in Bristol). Further adjustments were then made: firstly to add back applicants with no fixed abode (NFA), where these

had not been allocated out to zones; secondly to add back half the applicants in need residing in WoE authorities other than the one whose register they were on (half to discount potential registration on multiple lists); thirdly to add applicants on the Zone Agent list for intermediate housing. The number added for the third category totalled 1941 across WoE, after filtering out applicants not approved, living outside WoE, registered on waiting lists, and with incomes above relevant thresholds to access the market (depending on size). The effect of these adjustments is to raise the locally-based backlog estimate to 18,959, still significantly lower than the SEH-based estimate but closer.

Box 6.2 Filtering the housing register

Instead of setting a threshold **exclusion rules** were applied to the housing register to ensure that only those with a housing need were included in the backlog figure.

The exclusion rules were:

- Single people under 25 who only had points for sharing facilities;
- Households who only had points for insecurity of tenure, unless the authority had records to show that they were on housing benefit; and
- Households with no points for housing need but who may have had points for local connection or time on the list.

To avoid double counting of households on more than waiting list each authority produced information on the numbers of out of boundary applications and a percentage adjustment was applied to the whole list.

Owner occupiers who were on the register were included where there was an element of housing need and where they could not reasonably be expected to meet their own housing need in the market.

6.2.9 The final step was to take the average of the two estimates (from local registers and SEH) as the best estimate for the local backlog in 2007. This is shown in the final column of Table 6.2. This gives a total backlog of 21,500, with numbers for individual authorities ranging from 8,365 in Bristol to 1480 in Mendip. Housing Register numbers are higher than SEH-based numbers in North Somerset and West Wilts, and lower in the other authorities.

Table 6.2: Comparison of Local Housing Register Existing Need with Estimates from SEH/EHCS

Local Authority	HR Apps exc Trans total 2007	Applics > Thresh 2007	Adjusted Inc Inter, NFA, area	S.E.H. Based Estimate	Average of 2 ests 2007
B&NES	2,482	1,735	1,962	3,611	2,787
Bristol	8,364	5,104	6,931	9,800	8,365
North Som	4,091	3,435	3,830	3,409	3,619
South Glos	3,682	1,851	2,341	3,504	2,922
Mendip	1,193	767	1,099	1,858	1,478
W Wilts	3,780	2,688	2,797	1,864	2,330
WoE	23,592	15,580	18,959	24,046	21,502

Sources: Local Housing Register counts; Zone Agent list analysis; special analysis of needs in Survey of English Housing as per Box 5.1 assigned to WoE areas using ward subgroups by broad region.

6.2.10 Taking this as the base value for 2007, comparable figures for preceding years were then re-estimated using HSSA return numbers on waiting lists to indicate changes over time. The results of this procedure are shown in Table 6.3. overall the picture is one of a substantial increase in backlog needs over the period since 2002 of 43% within the WoE HMA.

Table 6.3: Estimated Backlog Numbers for WoE Authorities 2002-07

Local Authority	Backlog 2002	Backlog 2004	Backlog 2006	Backlog 2007	Increase % 2002-07
B&NES	1,115	1,544	2,562	2,787	150
Bristol	6,591	6,735	7,485	8,365	27
North Som	2,129	2,756	3,306	3,619	70
S Glos	2,676	3,779	3,509	2,922	9
Mendip	1,219	1,466	1,002	1,478	21
W Wilts	1,305	1,691	2,192	2,330	79
WoE	15,036	17,972	20,055	21,502	43

Source: composite baseline estimate for 2007 from Table 6.2; earlier years' based on HSSA Returns for Waiting List totals relative to 2007 values.

Table 6.4: Shares of Housing Register Cases by Type of Need for Woe Authorities (percent)

Need Category	Percent
Homeless	7.9
Insecure/unaffordable	31.1
Crowded	15.1
Unsuitable	8.8
Sharing	18.2
Disability/Health	14.3
Disrepair	2.1
Social Factors	2.4
Total	100.0

Source: Local Housing Register analysis.

6.2.11 From Table 6.4 above it is clear that the primary cause of affordable need is insecurity and unaffordability, with overcrowding, sharing and disability also significant factors.

6.2.12 Measures of backlog need have therefore been taken from a number of different sources. The approach has been to use the most prudent figures, in order to ensure the results are robust and defensible. This approach has been emphasised in the decision to plan to meet backlog need over a 10 year period, rather than the 5 year period suggested by the Guidance. The Partnership took the view that meeting 20% of the backlog need each year would give rise to unfeasibly high demand for Affordable Housing which could not be met. There is also evidence that backlog need has not been met over the previous 7 years, and indeed has been rising in that time. Planning to meet backlog need over a 10 year period is therefore an improvement on the existing position, as well as being a significantly more cautious assumption which the Guidance would allow, and is thus robust.

6.3 Current Assessment of Affordability

6.3.1 The process by which affordability is calculated is illustrated in a detailed step-by-step fashion in Box 6.3 below. The examples shown here are based on the Zonal-level model, for two representative Zones, one with very high prices and rents (Bath City North) and one with relatively low prices and rents (Weston-Super-Mare) in 2006. The detailed zonal results are discussed in more detail later in this chapter, but these examples illustrate the process with concrete numerical examples. The logic of the LA-level affordability model is the same,

although some detailed figures differ slightly. Box 6.3 deals with access to market housing, to buy or to rent.

6.3.2 The basic criteria of affordability used are as follows

- Ability to buy based on income is assessed primarily on the basis of the 'Lending Multiplier' relating the size of mortgage to gross household income. Multipliers of 4.0 for single earners and 3.4 for two earners are used.
- A secondary test is applied, that households should retain enough residual income, after paying tax, NI and housing costs, to keep them above a poverty line set at 1.2 times the 'Applicable Amounts' used in the Housing Benefit and Income Support systems. In practice, this constraint does not bite much in WoE in 2006 (although it does in years 2009-2011), but the relevant net income figures are shown in the Box 6.2.
- Households are assumed to be able to afford private renting if the rent is less than 30% of their net income after tax and National Insurance (which the partnership agreed effectively equates to the 25% of gross income criterion recommended in the SHMA Guidance). The same secondary residual income test is also applied.

6.3.3 It is appropriate to comment briefly here on the relationship between the affordability criteria agreed by the Partnership in February 2008 and used in the modeling, and the SHMA Guidance. For house purchase the Guidance recommends using lending multipliers but suggests figures of 3.5 (one earner) and 2.9 (two earners). However, it goes on to suggest that these may be varied in particular circumstances, and the Partnership agreed to do so, on three grounds. Firstly, WoE is generally a higher priced area and in this context somewhat higher multipliers may be affordable without putting households into financial difficulty. Secondly, analysis of the Regulated Mortgage Survey (RMS) and its predecessor Survey of Mortgage Lending (SML) indicates that in the South West and similar regions a lot of first time buyers have been borrowing at higher levels than 3.5.

6.3.4 Thirdly, the residual income test referred to above ensures households are not pushed into poverty. Finally, the Guidance also refers to a criterion of housing costs being 25% of gross income, particularly in relation to intermediate sector and renting. It can be seen from Box 6.3 that the ratio of payments to gross income is very close to this level using the net income in the model. The ratios for private renting are close in all cases. The ratios for purchase are a bit higher (around 28%) for single purchasers, but that is an inevitable consequence of the higher lending multipliers used rather than the ratio of gross incomes. The

relative multipliers themselves are also based on evidence from SML, where the ratio of 0.85 for two-earner versus one-earner multipliers seems fairly consistent.

- 6.3.5 In light of recent turmoil in the financial sector leading to difficulties in obtaining mortgages, we have reviewed our assumptions but believe that these remain realistic for the medium term. They are evidence based, albeit drawing on historic data. They are also prudent i.e. if anything they reduce rather than increase the number of households assumed to be in need of affordable housing. The Partnership will monitor the situation in relation to mortgages at least annually, and if these assumptions are adrift of the market they will be adjusted. However, any assumption which reduces the amounts that borrowers are able to secure (away from 95%) will reduce the number of households able to buy market housing and therefore may increase the demand for market rented housing.

Box 6.3: Worked Examples of Affordability Calculations

Local Authority	B&NES	B&NES	North Somerset	North Somerset	
Zone	Bath North	City North	Weston-super-Mare	Weston-super-Mare	
Household	Single	Couple	Single	Couple	
Dwelling	1 Bedrm	2 Bedrm	1 Bedrm	2 Bedrm	
Year	2006	2006	2006	2006	
Market Purchase	Factor				
Threshold (entry-level) House Price	148,800	162,518	85,560	104,160	
Deposit	5.0%	7,440	8,126	4,278	5,208
Mortgage	95.0%	141,360	154,392	81,282	98,952
Lending Multiplier	4.0	3.40	4.0	3.4	
Threshold Income to Buy (£ p.a. gross)	35,340	45,409	20,321	29,104	
- annual net income at threshold	25,726	34,522	15,663	23,597	
Threshold Income Amount per month	2,945	3,784	1,693	2,425	
Alternative Net Income Threshold (Residual Income)	1,429	1,532	894	1,038	
Net Income Amount per month	2,144	2,877	1,305	1,966	
Threshold Income Amount per week	680	873	391	560	
Net Income Amount per week	495	664	301	454	

Mortgage Interest	5.17%	7,308	7,982	4,202	5,116
Mortgage Repayment (25 yr term)	2.05%	2,893	3,160	1,664	2,025
Total Mortgage Payment p.a.	7.22%	10,201	11,142	5,866	7,141
Monthly Mortgage Payment		850	928	489	595
Payment as % of Gross Income		28.9%	24.5%	28.9%	24.5%
Payment as % of Net Income		39.7%	32.3%	37.4%	30.3%
Percent of under-35 households that type can buy		24.6	43.0	44.5	64.9
Ratio Threshold to Local Mean Income		1.16	1.49	0.069	0.95

Box 6.3 cont'd

Local Authority	BANES	BANES	North Somerset	North Somerset
Zone	Bath City North	Bath City North	Weston-super-Mare	Weston-super-Mare
Household	Single	Couple	Single	Couple
Dwelling	1 Bedrm	2 Bedrm	1 Bedrm	2 Bedrm
Year	2006	2006	2006	2006
Market Rent	Factor			
Threshold (entry-level)				
House Price	148,800	162,518	85,560	104,160
Market Rent Amount p				
a	7,299	9,078	6,078	6,933
- amount per month	608	756	507	578
- amount per week	140	175	117	133
Rent as % of Market Value ('Gross Rate of Return')				
	4.9%	5.6%	7.1%	6.7%
Threshold Income to				
Rent (£ p.a. gross)	30,128	35,294	24,609	25,594
Alternative Net				
Income Threshold (Residual Income)	12,954	15,444	12,954	15,444
- model, annual net amount	22,234	27,744	18,537	21,245
Threshold Income				
Amount per month	2,511	2,941	2,051	2,133

Net Income Amount per month	1,853	2,312	1,545	1,770
Threshold Income per week	579	679	473	492
Net Income Amount per week	428	534	356	409
Payment as % of Gross Income	24.2%	25.7%	24.7%	27.1%
Payment as % of Net Income	31.3%	31.2%	31.3%	31.2%
Percent of under-35 households that type can Rent	31.1	59.7	35.9	72.1
Ratio Threshold to Local Mean Income	0.98	1.15	0.80	0.83

6.4 Current and Recent Affordability

6.4.1 Looking at affordability to buy and to rent, compared with benchmarks and over time Table 6.5 presents estimates of the proportion of younger households able to buy or rent in the market over the period 2002-2007, based on the LA-level affordability model. These ability to buy estimates are adjusted for access to wealth. This reflects the number of first time buyers who are assisted, generally by parents or other relatives, with a higher level of deposit than they could otherwise afford. The data used to make this wealth adjustment is taken from information about recent first-time buyer purchases and is therefore fully evidenced. Making this adjustment reflects the real position and increases the prudence of the model.

Table 6.5: Proportion of Younger Households Able to Buy or Rent in Market by WoE Local Authorities and wider regions 2002-2007 (percent of under-35 households)

Area	2002	2004	2006	2007
B&NES	47.1	44.7	40.9	39.7
Bristol	40.4	39.0	35.4	34.2
North Som	65.5	55.3	52.2	49.4
South Glos	52.3	50.8	46.7	45.3
Mendip	56.2	49.9	44.7	41.9
West Wilts	60.5	49.4	50.0	46.9
WoE Sub-region	51.0	46.6	43.3	41.4
R o Sth West	55.2	49.1	44.5	42.6
Rest of South	52.5	49.0	45.4	43.1
London	33.9	32.9	28.5	26.6
Mids & North	64.6	58.2	50.1	48.2
England	55.7	51.0	45.1	43.1

Source: LA level affordability model; cheaper of buying in market (adjusted for access to wealth) or renting in private market.

6.4.2 In 2002 a majority (51%) of younger households in WoE could afford to access the market. By 2004 this had fallen to under 45%, and there was a further fall to 43% by 2006 and 41% in 2007. Access to buy was worse in WoE than in Rest of South West throughout the period, although the difference narrowed as conditions deteriorated further in the rest of the region. In all of these years, affordability was worse in WoE than in the rest of the south outside London, and worse than in England as a whole, although England deteriorated sharply in 2006.

6.4.3 Within WoE, the percentage of households able to buy or rent market housing is lowest in Bristol, due to lower income levels, and highest in North Somerset. In 2007 the % in Bristol stood at only 34%, not much above the level in London only three years earlier. Only two WoE LA's had affordability at or above the 50% level in 2006, North Somerset and West Wilts, while none were above this level in 2007.

6.4.4 Table 6.6 provides more details on the affordability profile in 2006 at LA level. The following are compared: proportion of younger households able to buy on the basis of income alone; the proportion able to buy when adjusted for access to wealth; and the proportion able to rent in the private market. Whichever is the greater of these latter two becomes the effective threshold determining the need

for some form of assistance to gain entry to housing. The proportion of younger households who can afford to buy or rent in the market stands at 43% for WoE, compared to 45% for England. WoE is also marginally below the level for the rest of the region and for the rest of the south. Private renting appears to be more affordable than purchase in B&NES, Bristol and South Glos, although the difference is only marginal in two cases. This is taking averages across all household types and across the LA as a whole; there is more variation between zones.

6.4.5 This is an instance where the more detailed zonal level model may be expected to give slightly different answers to the broader LA-level model, because private renting may be significantly cheaper in certain zones and/or this may interact with different income distributions in different zones. Although the headline average affordability rate for WoE is the same in both models, the average score deviates somewhat for some districts: zonal-based affordability is 2% higher in Bristol and 4% higher in North Somerset, while being 3% lower in South Glos. Further details on zonal results are included in the appendices.

Table 6.6: Affordability Measures to Buy or Rent in Market by Local Authority 2006 (percent of under-35 households; ratio)

Area	% able to buy (income)	% able to buy wealth-adj	% afford private rent	% afford either	% able to buy working	Price: Earnings Ratio Lr Qtl
B&NES	33.0	40.2	40.9	40.9	41.8	9.19
Bristol	29.1	33.9	35.4	35.4	38.9	8.35
N Somerset	46.3	52.2	47.6	52.2	56.9	8.11
South Glos	40.2	46.5	46.7	46.7	48.9	8.69
Mendip	38.0	44.7	41.9	44.7	48.0	9.43
West Wilts	44.1	50.0	43.0	50.0	54.1	8.25
WoE Sub-region	36.8	42.7	41.6	42.7	46.4	8.58
R o South West	34.9	42.0	42.5	42.5	45.5	9.46
Rest of South	37.3	44.9	41.9	44.9	47.5	9.11
London	22.6	28.5	19.3	28.5	31.3	9.90
Midlands & North	44.8	48.9	47.5	48.9	58.1	6.80
England	38.5	44.1	41.3	44.1	50.0	8.13

Source: LA –level affordability model. Note that the percentage able to afford either solution does not always equate to the higher figure in the two previous columns, as it is an average value across the constituent authorities, containing a mixture of cases, some where private renting is more affordable and some where owner occupation is more affordable (see table 6.7).

- 6.4.6 The table also shows another indicator, the percentage of working households able to buy. This may be useful for comparison with other analyses, such as those of Wilcox, which focus on working households. The final column shows the ratio between lower quartile house price and lower quartile earnings, the Government's preferred House Price to Income Ratio (HPIR) measure of affordability. This indicator also shows that WoE, and especially certain districts such as Mendip and B&NES, have a very adverse position, and this also applies to the wider South West region.
- 6.4.7 However there are some reservations about the use of this indicator. Comparisons at LA level with our preferred affordability measures to buy and rent shows a surprisingly low correlation between the measures. The correlations between the lower quartile House Price to Earnings Ratio (HPER) and our measures are -0.623 for income-based affordability, -0.426 for wealth-adjusted ability to buy, and -0.388 for ability to rent privately. Our measures take fuller account of variations in household composition, economic activity, -part-time working and other factors which affect household incomes, and are more relevant to the assessment of affordable housing needs.
- 6.4.8 There is as expected more variation in affordability conditions between zones within WoE. The headline affordability of market access indicator varies by a factor of 2, from 28% in Bristol North to 54% in Westbury (Wilts) (Table 6.7). The least affordable zones include lower income areas within Bristol (North, Inner East, East and South) and areas with very high house prices (Bristol Inner West, Bath City North). Other areas appear in the upper part of this table because they have above-average prices and below-average incomes (Bath City South, Wells & Rural, Bradford-on-Avon).
- 6.4.9 Zones with better affordability include obviously affluent areas where average salaries are high: Chew Valley, South Glos Rural and West Wilts Rural. Other areas may not have such an affluent image but the income measures still show them in a positive light while their house prices are close to average: Thornbury, Yate-Sodbury, Norton-Radstock. Westbury and Warminster have average incomes but relatively low prices, perhaps due to a combination of location away from the core cities and significant supply. It must be remembered, however, that average salaries can mask a very high range of incomes from the very low to the very high, and that there may be significant numbers of households in these zones with incomes at the lower end of the scale.

Table 6.7: Affordability Related Indicators for all zones in 2006

<i>Zone name</i>	% able to buy wealth adjusted	% able to buy (income)	% able to rent	Average household income	Average rent	Threshold price
Bristol North	27.7	23.7	27.7	477	128	108857
Bristol Inner East	29.7	25.8	29.7	440	142	97650
Bath City North	31.4	23.8	31.7	586	175	162518
Bath City South	32.3	25.4	32.5	585	154	132060
Bristol Inner West	30.2	24.9	33.3	652	177	171745
Bristol South	33.7	29.6	33.7	515	136	108810
Bristol East	37.1	32.8	37.1	513	130	109740
Glastonbury/Street & Rural	40.2	33.9	40.2	583	135	115929
Wells & Rural	39.8	33.2	40.7	587	139	132200
Bradford on Avon	38.0	31.7	44.2	597	141	131967
Keynsham	44.6	37.3	44.6	658	141	121319
Bristol North West	39.2	33.6	45.4	719	164	150288
Bathavon	43.3	35.0	45.6	735	154	140058
Frome & Rural	46.0	46.0	46.0	619	134	111423
Kingswood	45.5	39.3	47.5	625	130	116245
Clevedon-Yatton	47.8	42.0	47.8	671	141	116250
Weston-Super-Mare	47.9	42.5	47.9	586	133	104160
Portishead-Gordano	46.5	40.3	47.9	735	150	130386
Melksham	48.3	43.1	48.3	585	128	108996
Trowbridge	48.3	43.1	48.3	580	130	102300
North Fringe	46.7	40.6	48.4	640	131	118529
Shepton Mallet & Rural	48.9	42.6	48.9	630	136	104579
Nailsea-Backwell	49.8	43.5	49.8	784	153	132279
Norton/Radstock	50.0	43.3	50.0	659	129	111598
West Wilts Rural	50.1	44.0	50.1	701	143	116250
Yate/Sodbury	47.4	41.4	50.8	674	126	114530
Chew Valley	47.6	39.6	51.3	775	139	129596
Thornbury	46.6	40.4	52.4	686	127	121644
Westbury	54.2	48.9	54.2	578	126	94860
South Glos Rural	50.8	44.0	55.3	719	131	119966
Warminster	56.9	51.5	56.9	604	127	96906
WOE Subregion	41.5	35.9	42.6	608	140	119708

Source: zonal affordability model.

Notes: The fourth column shows the total percentage of households who can meet their own housing need, and is equivalent to the higher figure in the previous two columns. The fifth column shows average household incomes per week, the sixth market rents on a two-bedroom property and the final column shows the threshold price for buying in that zone. The zones at the top of the table are those where the smallest percentage of households can afford to buy, those at the bottom of the table the zones where the greatest percentage of households can afford to buy, based on the price of a 2-bedroom property and on average salaries. It was noted earlier in this chapter that average salaries can cover a very wide range, and there may well be significant numbers of households even in the more affordable zones who cannot afford to buy.

6.5 Backlog of need for intermediate housing

6.5.1 The figures below show the backlog of need for intermediate housing, taken from the filtered zone agent data.

Table 6.8: Backlog of need for intermediate housing by Local Authority (2008)

Local Authority	Need	
B & N E S	179	9.2%
Bristol	935	48.2%
N Somerset	333	17.2%
S Glos	287	14.8%
Mendip	115	5.9%
West Wilts	92	4.7%
Total	1941	100.0%

Source: Zone Agent data for early 2008 filtered

6.5.2 It is clear that there is a reasonable level of demand for intermediate housing from those with a housing need.

6.6 An analysis of need for intermediate affordable housing and demand for low cost market housing

6.6.1 This section includes additional evidence on the demand for intermediate affordable housing, drawing on data obtained from the Zone Agent covering the sub-region. The analysis below gives an interesting insight into the need for intermediate affordable and low cost market housing but it is important to be clear that this is only a snapshot. Furthermore, in order to give as complete a picture as possible, data has been taken from the unfiltered zone agent list. Not all of the households on the unfiltered list have a housing need, for example the data includes households earning up to £60,000 per year, as per current government policy in relation to some first time buyer initiatives. However, most intermediate affordable products are aimed at households earning considerably less than this, perhaps £20,000 to £25,000. Details of how the affordability calculations work for one of the main intermediate options, New Build HomeBuy, are shown through worked examples in Box 6.4 at the end of this section. The Zone Agent handles applications for intermediate affordable housing options, including New Build HomeBuy (NBHB), Open Market HomeBuy (OMHB), Intermediate Rent (IRENT), First Time Buyer Initiative (FTBI), Key Worker Living (KEYW), Resales of Shared Ownership/HomeBuy (RESALE), and Starter Homes (SHB). The Zone Agent system is fairly recent in its operation in this region, and

the database holds applications since 2006, the majority having applied in 2007. By Early 2008 when the special count for this report was taken, 3,152 applicants were on the system who currently live in the six WoE authorities. All but 10% had already been approved as eligible under the various schemes.

6.6.2 Table 6.9 shows the percentage of these cases willing/eligible to be considered under each of the schemes – clearly many applicants express interest in more than one scheme, with most (90%) registering for NBHB, three-quarters (73%) interested in OMHB, and nearly as many in the First Time Buyer Initiative (71%) and in Resales of Existing LCHO dwellings (64%). Smaller numbers express interest in Intermediate Rent (22%), Starter Homes (24%) or Key Worker Living (16%) – in the latter case eligibility is restricted, while in the case of Intermediate Rent there has been little provision of this kind so far in WoE. Since this analysis has been carried out other initiatives such as rent to buy have been brought forward but these are unlikely to affect the overall scale of demand.

Table 6.9: Schemes considered by households seeking intermediate and low cost market housing through zone agent by Local Authority of origin 2008 (percent)

Local authority of origin	Number on Zone Agent list	New build home Buy %	Open market home Buy %	Intermediate rent %	1 st time buyer initiative %	Key worker %	Resale of shared ownership home %	Starter homes %
B&NES	328	92	77	29	73	23	68	30
Bristol	,	89	71	20	74	17	61	23
North Somerset	548	91	69	23	65	13	67	21
South Glos	452	91	75	21	70	13	67	23
Mendip	187	93	83	30	74	16	70	29
West Wilts	165	84	72	22	67	13	56	27
West of England HMA	3,152	90	73	22	71	16	64	24

Source: unfiltered zone agent data for early 2008

6.6.3 Other characteristics of Intermediate Housing need and low cost market demand can be analysed from the Zone Agent register. Table 6.10 shows a number of household characteristics, averaged by LA of origin. Average incomes are just under £23,000, with limited variation between the LAs. 18% have less than £15,000 and 81% have less than £30,000. The average age is 35, although this is markedly higher in Mendip and West Wilts and a bit higher in North Somerset and South Glos. 15% are aged 16-24, 49% aged 25-34, and only 2.3% are over 60.

Table 6.10: Average Characteristics of Households Seeking Intermediate Housing and Low Cost Market Housing Through Zone Agent by Local Authority of Origin 2008

LA Area Live IN	Hhd Income	Age	Hhd Size	Min Bedrms	Key Worker	Previous Owner	Ethnic Minority	L T Disabled	No of LA's Consider
B&NES	23,466	33	2.02	1.86	25.9%	7.3%	10.7%	3.4%	2.18
Bristol	23,024	33	1.85	1.78	20.4%	3.7%	13.0%	4.2%	1.79
North Somerset	22,545	36	2.26	2.03	18.4%	8.4%	2.7%	5.3%	1.54
South Glos	22,800	36	2.14	1.95	17.3%	8.6%	6.0%	6.4%	2.29
Mendip	23,288	44	2.42	2.04	20.3%	9.1%	1.6%	6.4%	1.75
West Wiltshire	21,408	44	2.42	2.14	19.4%	6.7%	3.6%	2.4%	1.84
West of England HMA	22,887	35	2.04	1.89	20.1%	6.1%	8.8%	4.7%	1.86

Source: Unfiltered zone agent data for early 2008. Note: Filtered zone agent data can be found in Appendix 3.

6.6.4 Many applicants to the Zone Agent are clearly willing to consider living in a number of different local authority areas – the average is just under two LAs being considered. An alternative count has been generated of applicants by areas which they would consider, dividing by the number of LAs mentioned so that the total is not inflated. The maximum number could be all 15 LAs in the Zone Agent area. This alternative adds up to 3,314, indicating that there are a small number of the households (net 162) in the wider region seeking to move into the WoE area.

- 6.6.5 The share of Zone Agent unfiltered list is relatively high for Bristol, accounting for 47% of applicants by area of origin or 43% in terms of areas willing to consider. North Somerset has the second highest number of cases by origin, but is slightly less popular as an area which households are willing to consider. South Glos has the third highest number of applicants by origin and is rated highly as an area to consider. Numbers are relatively modest in Mendip and West Wilts (5-6% each).
- 6.6.6 The average bedroom size is lower in Bristol and higher in North Somerset, Mendip and West Wiltshire. Size requirements for Affordable Intermediate Housing are discussed further in chapter 9.
- 6.6.7 20% of List applicants are key workers, and this is most common in B&NES. Current home owners account for 7.5% of cases while previous homeownership applies to 6.1% (but this is much less common in Bristol). Analysis of the regional figures for the Survey of English Housing suggests that some of the demand from current and previous home owners arises as a result of relationship breakdown; however it is not possible from the data analysed to confirm the extent to which this is also the case for those on the zone agent list.
- 6.6.8 Ethnic minorities make up 8.8% of the List, above their share of the sub-regional population, and this rises to 13% in Bristol. Just under 5% have a long term disability. Willingness to consider multiple authority locations is greater in South Glos and B&NES.
- 6.6.9 Table 6.11 tabulates these average characteristics by current tenure or living status of households. The most common situation is being a private tenant (40%), followed by living with family or friends (33%). Only 9.3% are current social tenants, despite active marketing of intermediate housing opportunities to this group. The living with family/friends group tend to be younger, lower income and smaller households than the private tenants.

Table 6.11: West of England: Average Characteristics of Households Seeking Affordable Intermediate Housing and Low Cost Market Housing Through Zone Agent by Current Tenure/Living Status 2008

Tenure/living status	Hhd Income	Age	Hhd Size	Min Bedrooms	Key Worker	Ethnic Minor	L T Disab	N of LA Consid	% of All
Council tenant	24,765	34	2.88	2.41	19.8%	26.1%	7.2%	1.84	3.5
Current home owner	17,823	43	2.31	2.19	19.5%	2.5%	14.8%	1.90	7.5
Existing shared owner	21,337	39	2.49	2.25	22.6%	0.0%	5.7%	1.66	1.7
Housing Association Tenant	24,678	39	2.74	2.29	19.8%	22.0%	6.0%	2.08	5.8
Living with family/friends	22,138	29	1.63	1.65	15.5%	6.8%	2.7%	1.82	33.2
Other	22,153	34	1.85	1.89	24.7%	11.0%	4.1%	1.84	2.3
Private tenant	24,178	35	2.15	1.92	23.1%	8.2%	4.1%	1.86	39.8
Renting from employer	23,283	36	2.09	1.78	34.8%	8.7%	0.0%	1.70	0.7
Temp accommodation	20,326	33	3.43	2.57	0.0%	0.0%	0.0%	1.86	0.2
Tied	23,487	41	2.50	2.17	16.7%	0.0%	0.0%	4.00	0.2
Unknown	21,621	39	2.03	1.88	24.4%	11.3%	5.0%	1.85	5.1
Total	22,887	35	2.04	1.89	20.1%	8.8%	4.7%	1.86	100.0

Source: unfiltered zone agent data for early 2008

6.6.10 Box 6.4 provides worked examples of affordability of New Build Home Buy (NBHB) as used in the model for two representative Zones and two different household types. The Guidance indicates that the estimates of need should use reasonably available models of Intermediate housing in the modelling of need which has been discussed and agreed by the Partnership. The model used for the basis of this analysis is 40% equity tranche and rent at 1% of retained equity. This corresponds to the examples used in Box 6.4, which looked at affordability of market purchase and renting. Affordability criteria in general were discussed earlier in this chapter. For NBHB, which involves a rental payment, we apply the same criterion as for private renting, a payment: net income ratio of 30%. The examples show gross ratios around the agreed 25% gross income mark.

Box 6.4: Worked Examples of Affordability of New Build HomeBuy

NEW BUILD HOMEBUY					
Local Authority		BANES	BANES	North Somerset	North Somerset
Zone		Bath City North	Bath City North	Weston-s-Mare	Weston-s-Mare
Household		Single	Couple	Single	Couple
Dwelling		1 Bedrm	2 Bedrm	1 Bedrm	2 Bedrm
Year		2006	2006	2006	2006
Market Purchase	Factor				
Price of New RSL Home		178,752	226,233	109,200	138,206
Share Purchased	40.0%	71,501	90,493	43,680	55,283
Deposit	0.0%	0	0	0	0
Mortgage	100.0%	71,501	90,493	43,680	55,283
Lending Multiplier (implicit)		2.5	2.7	2.7	3.0
Threshold Income to Buy (£ p.a. gross)		28,125	33,479	16,060	18,209
- model, annual net amount		20,892	26,528	12,809	16,297
Alternative Net Income Threshold (Residual Income)		11,362	13,668	7,743	13,668
Threshold Income Amount per month		2,344	2,790	1,338	1,517
Net Income Amount per month		1,741	2,211	1,067	1,358
Threshold Income Amount per week		541	644	309	350
Net Income Amount per week		402	510	246	313
Mortgage Interest	5.17%	3,697	4,678	2,258	2,858

Mortgage Re-Repayment (25 yr term)	2.05%	1,463	1,852	894	1,131
Total Mortgage Payment p.a.	7.22%	5,160	6,531	3,152	3,990
Monthly Mortgage Payment		430	544	263	332
Rental Payment	1.000%	1,073	1,357	655	829
Total Payment		6,232	7,888	3,807	4,819
Payment as % of Gross Income		22.2%	23.6%	23.7%	26.5%
Payment as % of Net Income (target 30%)		29.8%	29.7%	29.7%	29.6%
Percent of under-35 households that type can buy		34.2	63.0	55.2	86.0
Ratio Threshold to Local Mean Income		0.92	1.10	0.53	0.60

Note that no deposit is shown as being required on HomeBuy. This was correct at the time of that the modelling was carried out in May 2008, although subsequent market conditions have thrown this into some doubt. As the market recovers it is likely that this position will be recovered, given the low loan to value ratio of a mortgage supplied which has first charge over the whole value of the property.

6.6.11 Appendix Four includes a worked example of affordability for Open Market Homebuy (OMHB). Need for NBHB and OMHB overlaps, although there may be different factors affecting demand, such as location and type of housing. The model focuses on need for NBHB as this translates into new supply; OMHB may help to relieve some of the pressure on new supply by making best use of existing accommodation. The OHMB model used in the affordability example in Appendix Four is based on a 60% purchase with nil deposit. Lending multipliers are slightly higher, at around 3.4. Payment as a percentage of gross income is around 25%, the level recommended in the Guidance.

6.7 Summary

6.7.1 This chapter has focused on current unmet housing needs. The backlog of need for affordable housing is 21,500 across the SHMA, with backlogs in individual local authorities ranging from just under 1,500 (Mendip) to over 8,000 (Bristol). The backlog need is estimated to have increased by almost 50% between 2002 and 2007. This increase is explained, in part, by worsening affordability. In 2002, just over 50% of younger households in the SHMA could afford to buy or rent in the market, by 2007 this was down to just over 40%. This is lower than

the corresponding figures for the rest of the South West and for England as a whole, and similar to those for the rest of the South, outside London.

- 6.7.2 Backlog need is made up of need for social rented accommodation and need for affordable intermediate. 1,941 households can afford an intermediate solution, leaving the backlog of need for social rented at 19,560.
- 6.7.3 This chapter also looks at the demand for affordable intermediate and low cost market housing. Unfiltered zone agent data shows over 3,000 applicants with an interest in intermediate/low cost market housing products, although not all of these will count as in housing need. Average incomes for this group were under £23,000; worked examples of affordability show that there are some areas in the SHMA where New Build Home Buy is affordable at this level of income.

Chapter Seven - Future Housing Market Need and Supply.

7.1 Overview of chapter

7.1.1 This chapter looks at the future housing market need, and supply. The first section examines in more detail the various component parts of the projection of housing need into the future, initially at a sub-regional level. This is supported by projections of housing growth. This work is then built on in the later part of the chapter which looks in more detail at the components of future housing need by local authority. The final section of the chapter looks at the implications of this work for planning and housing policy.

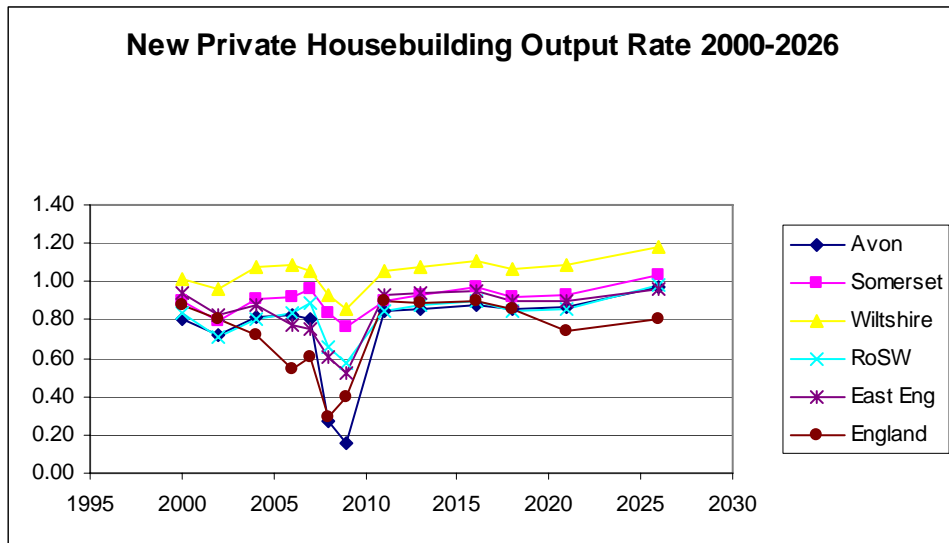
7.2 Housing supply

7.2.1 Chapter 2 has examined current housing supply issues in some detail and set out the differences between the current position, and the various targets for new supply which are under discussion within the emerging Regional Spatial Strategy. Although final dwelling requirements are awaited, it is clear that there could be a step change in the number of affordable homes being built in the HMA area between now and 2026, based on a projection of the impact of current housing and planning policies, but this does assume that target levels of affordable housing are viable within the developments taking place.

7.2.2 This section reports the results of the baseline run of the market area forecasting model. The results are mainly presented as charts showing the evolution of key measures over the period from 2000 to the current planning horizon of 2026. The three former county areas for WoE (former Avon, Somerset and Wiltshire) are compared with benchmarks of the rest of the South West, one comparable region (East of England), and England as a whole. Financial variables are all expressed in real terms at 2004 prices.

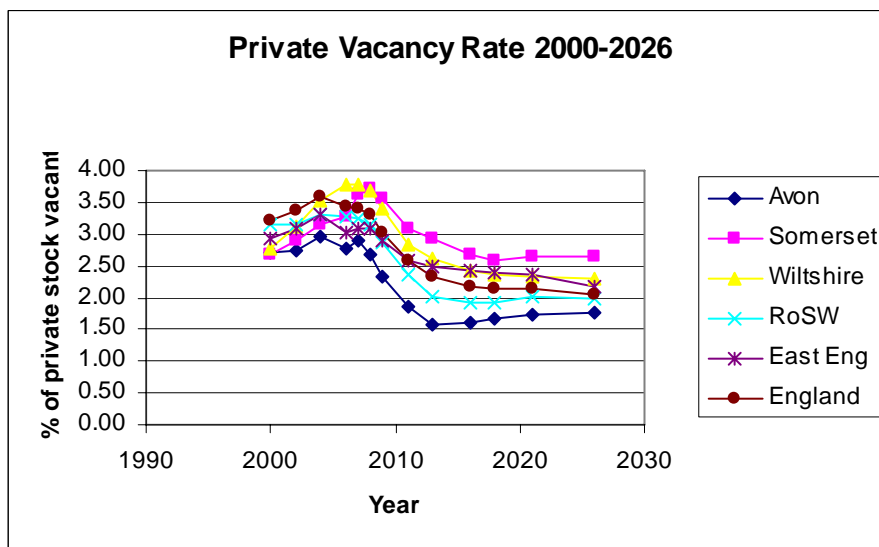
7.2.3 Figure 7.1 shows rates of new private house building per 100 households. This shows sharp drops in England and former Avon areas in 2008, recovering by 2011, and then climbing gradually (while in England rates would drop a little from the peak). The increases in the rate of house building may seem in this figure to be quite moderate. It should be remembered that the denominator, the number of households in each LA, will be rising significantly.

Figure 7.1 New Private Housebuilding Output Rate 2000-2026



Source: higher level forecasting model; completions per 100 households. Reference to Wiltshire is to Former Wiltshire including Swindon.

Figure 7.2 Private Vacancy Rate 2000-2026



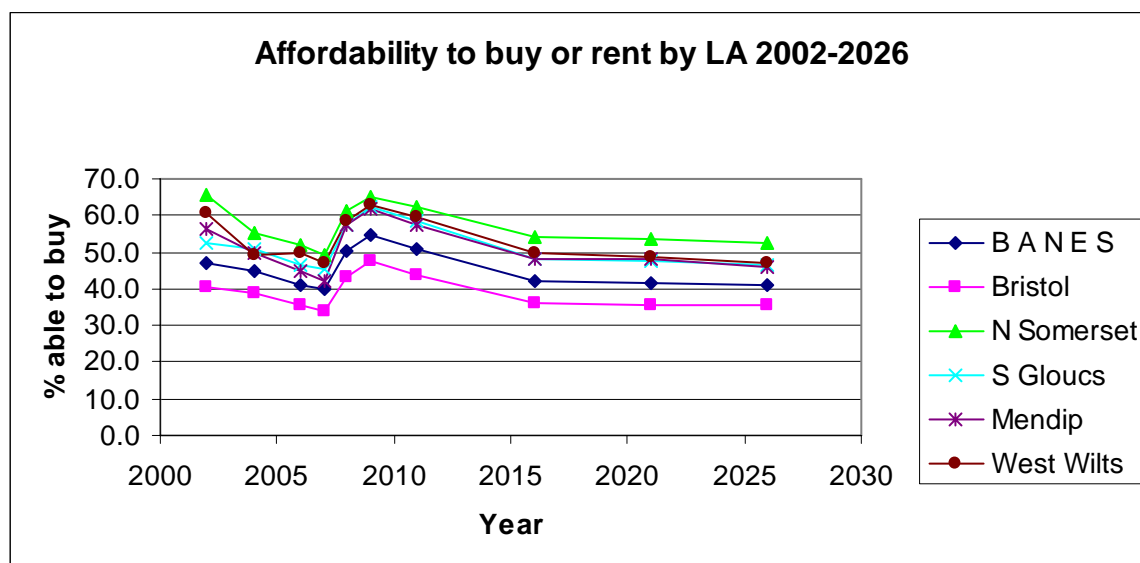
Source: HIP/HSSA vacancy and stock data and higher level forecasting model.

7.2.4 The model predicts private vacancy rates. In previous years vacancy rates in WoE areas were generally low by national standards, but tending to rise. Some further rise is expected up to 2008, but thereafter vacancies are expected to fall gradually to 2018, and then rise slightly after that. In future vacancies are expected to be higher in Somerset and Wiltshire and relatively lower in former Avon. There are more localised variations reported at zonal level. In general, the model suggests that greater levels of new supply will tend to increase vacancies somewhat. However, the overall picture of low vacancy rates is part of the wider picture of constrained housing supply.

7.2.5 The next stage of the analysis is to link the market forecast to affordability and need, using the 'Bramley Affordability Model' at LA level. The structure and operation of this model was summarised in Chapter 1. This provides a more refined set of affordability measures than the House Price to Income Ratio (HPIR) and actually measure the proportions of key groups of households who can afford various options in the market. These measures turn out not to be very well correlated across LA's with the 'lower quartile HPIR' (as used by CLG, 'Reading Affordability Model' and NHPAU). The reasons are to do with variations in household composition, the presence of second earners and part-time working, house price structures by size, and so forth.

7.2.6 Figure 7.3 presents the headline affordability measure (to buy or rent in the market) for the six WoE LA's over the 24 year timescale (2002-2026). Affordability deteriorated sharply down to 2006 and 2007; it is expected to improve noticeably by 2011, following the price correction induced by the Credit Crunch¹. 10% points more households will be able to buy in 2011 compared with 2006 in WoE. After that there will be some deterioration again by 2016, and then a fairly stable position up to 2026. The position in 2026 will be virtually the same as in 2006, which was by historical standards a very 'unaffordable' time. However, the average over the whole period 2006-2026 will be better than the spot picture in 2006.

Figure 7.3: Ability to buy or rent by LA 2006-2026



Source: LA-level affordability model projections linked to higher level market forecast; % of under-35 households able to buy in the market, adjusted for wealth, or rent privately if that is more affordable.

7.2.7 The pecking order of affordability between the districts does not change much. North Somerset is the local authority with the best

¹ Affordability is shown to improve from 2008 onwards, due to falling house prices, even after allowing for higher interest rates and limited income growth. This may be slightly misleading insofar as credit crisis is reducing the availability of mortgages, particularly for those without access to large deposits. It is assumed that by 2011 more 'normal' conditions will have returned to the lending market.

affordability, followed by West Wilts with South Glos and Mendip close behind. Bristol has the poorest affordability, followed by B&NES. Bristol's position is affected by markedly lower incomes, while B&NES is more affected by high prices.

7.3 Components of future housing need

7.3.1 The Guidance sets out clearly the information needed to calculate future housing need (see table 7.1 below, table 5.3 in the Guidance). This section examines each of the component parts in turn.

Table 7.1 Summary of data required to calculate newly arising household need

Table 5.3: Summary of data required for each step of Stage 2	
Step	Data items
2.1 New household formation (gross per year)	Census, SEH
2.2 Proportion of new households unable to buy or rent in the market	Entry level rents/property prices identified in Chapter 3, SEH, Mortgage lenders, LA/RSL databases
2.3 Existing households falling into need	Housing register, LA/RSL data, tenants surveys
2.4 Total newly arising housing need (gross per year)	$(2.1 \times 2.2) + 2.3$

Source: CLG Guidance

7.4 New household formation

7.4.1 Table 7.2 (below) looks at some modelled demographic numbers lying behind the projections. The top part of the table looks at gross household formation, a key influence on both housing demand and affordable need under this model. The most striking feature is that the modelled number is expected to remain relatively stable. This may seem surprising, given the general demographic growth of the area and the trend which has been exhibited in the past towards smaller household size and higher 'headship rates (both discussed further in Chapter 3). However, the model applies cautious assumptions about headship, basically taking the key rates for younger adults from 2001 and only adjusting these with changes in affordability. Secondly, new household formation reflects age structure and there is a general tendency towards an ageing population (as described in Chapter 3). This will have the effect of reducing the gross household formation rate expressed as a percentage of all households, which is what the model is predicting. In addition, there is also a consistency adjustment, so that net household growth must always equal gross household formation plus net migration (in household equivalents) less household dissolutions. Net household growth is controlled to forecasts from the

higher level model which takes account of both the official projections and affordability changes. This model forecasts net household growth slightly below the official projection level.

- 7.4.2 It has already been noted that the housing market is tight and under pressure. There is evidence that in such circumstances household formation may, to some extent, be suppressed compared with what would have happened just following past trends. The rising household size in London in the 1990s is an example of this (see also the work of the NHPAU published in 2008 work showing evidence of increased 'constrained demand' within their 'demographic' approach to housing supply ranges). Table 7.2 contains further evidence of exactly this point. In five of the six years shown, household growth exceeds the number of new dwellings². That is a recipe for falling vacancies, increased sharing, and suppressed household formation. The higher level economic model also produces a consistent story on this.
- 7.4.3 One other point worth commenting on in Table 7.2 is the differential pattern of growth in new dwellings, and new households, between the different authorities. B&NES and South Glos show a relatively sharper upturn in numbers later in the period; Bristol and North Som show a more modest upturn, while Mendip and West Wilts show relatively little upturn. This reflects the planning strategy of concentrating growth on or near the core cities and the land allocations made in accordance with this.

² Technically, we should look at net additions. We do not have complete or forecast values for conversion gains or losses, and we only have sketchy estimates of demolitions. For the purposes of the modelling we have therefore assumed that conversions and demolitions outweigh each other. However, the limited evidence that is available does suggest that conversion gains make an important contribution to growth in dwelling numbers on smaller sites, particularly in some urban areas where dwelling sub-division is particularly prevalent, and that these form a net addition to stock not totally offset by other losses.

Table 7.2: New Household Formation, Household Growth and New Build Numbers by Local Authority 2006-2021

Gross New Household Formation	2006	2007	2009	2011	2016	2021	2009-21 average
B&NES	1,523	1,538	1,489	1,435	1,393	1,419	1,434
Bristol	3,326	3,757	3,536	3,375	3,241	3,218	3,343
North Som	1,628	1,611	1,626	1,592	1,682	1,842	1,686
South Gos	2,152	2,207	2,187	2,151	2,166	2,256	2,190
Mendip	812	815	801	776	695	632	726
West Wilts	1,158	1,037	1,065	1,058	973	896	998
West of England	10,599	10,965	10,704	10,387	10,150	10,264	10,376
Net Household Growth	2006	2007	2009	2011	2016	2021	2009-21 average
B&NES	527	739	700	700	725	799	731
Bristol	576	2,399	2,320	2,320	2,281	2,063	2,246
North Som	1,221	1,288	1,271	1,271	1,504	1,660	1,427
South Gos	785	1,188	1,186	1,186	1,339	1,366	1,269
Mendip	546	719	713	713	581	442	612
West Wilts	1,051	840	869	869	629	234	650
West of England	4,706	7,173	7,059	7,059	7,061	6,563	6,936
New Dwelling Completions	2006	2007	2009	2011	2016	2021	2009-21 average
B&NES	343	345	118	512	761	823	554
Bristol	1,746	1,749	690	1,977	1,936	2,058	1,665
North Som	990	1,010	300	1,110	1,407	1,548	1,091
South Gos	675	681	253	971	1,186	1,293	926
Mendip	364	368	403	514	427	446	447
West Wilts	507	519	560	839	641	656	674
West of England	4,625	4,673	2,324	5,922	6,358	6,824	5,357

Sources: zonal affordability and need model, linked to ward forecasting model. Note that new dwelling completions are forecast by the model and do not match actual outputs. Net Household figure is the same for 2009 and 2011 because figures are given for five year periods.

7.4.4. Table 7.3 compares the model's forecasts of household numbers with the official (2004-based) household projections. In general, the forecast is for similar household numbers to those shown in the projections. For England as a whole, the forecast is very close to the projection. Up to 2016, Avon, Wiltshire and RoSW are forecast to see a larger than projected household increase, while for Somerset the forecast is slightly lower than the projection.

Table 7.3: Comparison of Household Forecasts and Projections

Year/ basis	Avon	Somerset	Wiltshire	RoSW	East Eng	England
Base2000	411,254	208,066	249,026	1,199,291	2,183,326	20,343,722
Proj 2006	435,000	226,000	267,000	1,280,000	2,363,000	21,489,000
Fcst 2006	431,583	218,377	270,405	1,300,728	2,321,748	21,448,315
Fcst 2011	458,969	236,334	293,341	1,388,827	2,470,562	22,638,735
Proj 2016	481,000	261,000	302,000	1,440,000	2,652,000	23,698,000
Fcst 2016	488,222	252,661	314,814	1,480,642	2,640,056	23,829,543
Fcst 2021	517,660	267,319	336,643	1,564,085	2,806,981	24,928,298
Fcst 2026	547,859	282,837	358,370	1,647,564	2,970,938	26,045,926

Source: CLG Household Projections (2004-based); higher level forecasting model.

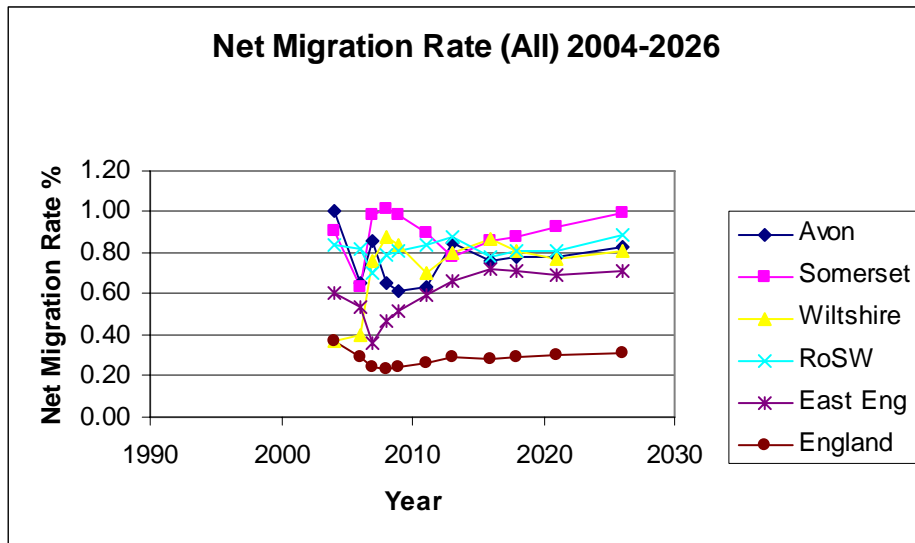
7.4.5 When the CLG household projections are revised they will incorporate more recent ONS population estimates and projections which incorporate higher migration numbers and assumptions than previously. Thus they will certainly be higher. There is some debate about whether the migration assumptions will in fact be too high, allowing for changing Home Office rules and the abating of the flows from new EU member states. It is likely that forecasts for household numbers contained within the model will be a reasonable comparator for the new household projections with a lower (and arguably more realistic) migration assumption.

7.5.1 Migrant need

7.5.1 Figure 7.4 shows predicted net migration rates for all ages (including international). Although there are some slightly confusing fluctuations, the general prediction is that WoE areas will experience migration rates which are significantly positive and well above national rates. At around 0.8%-0.9% of population per annum, these indicate a scenario of considerable demographic growth in housing demand. These numbers are not simple demographic extrapolations; they do take account of forecast economic and market conditions, although these themselves reflect past experience.

7.5.2 Migration is shown to fall initially after the 'peak' year of 2004 (when A8 migrants initially came in large numbers). However, the forecast is for some increase in later years, back towards the earlier levels. The net migration rates are slightly higher in Somerset and RoSW than in former Avon and Wiltshire. This may reflect housing supply conditions and/or the environmental attractions of these areas.

Figure 7.4 Net Migration Rates



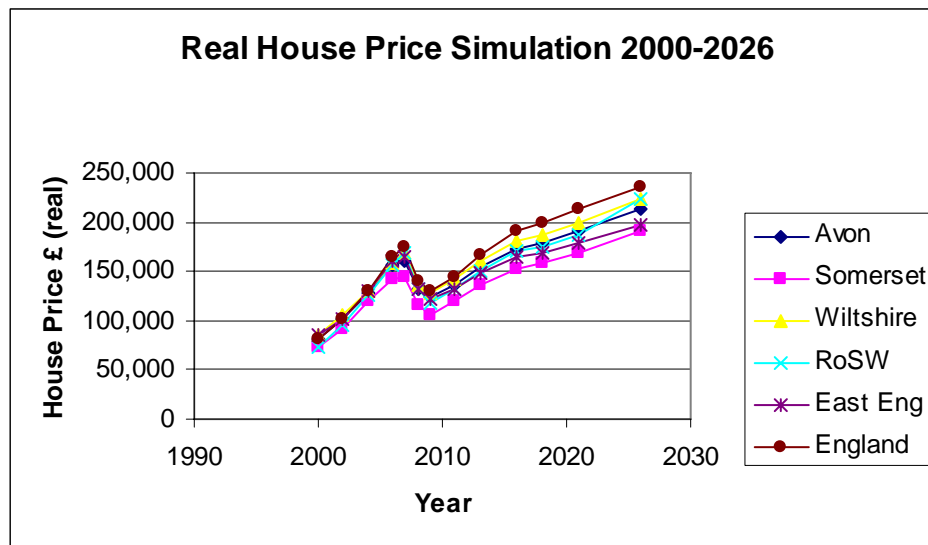
Source: higher level forecasting model; net migration rate per 100 population, including international.

7.6 Proportion of new households unable to buy or rent in market

7.6.1 Chapter 6 examines the issue of affordability and sets out some examples of how this has been calculated. In this chapter the focus is on how affordability might change over time.

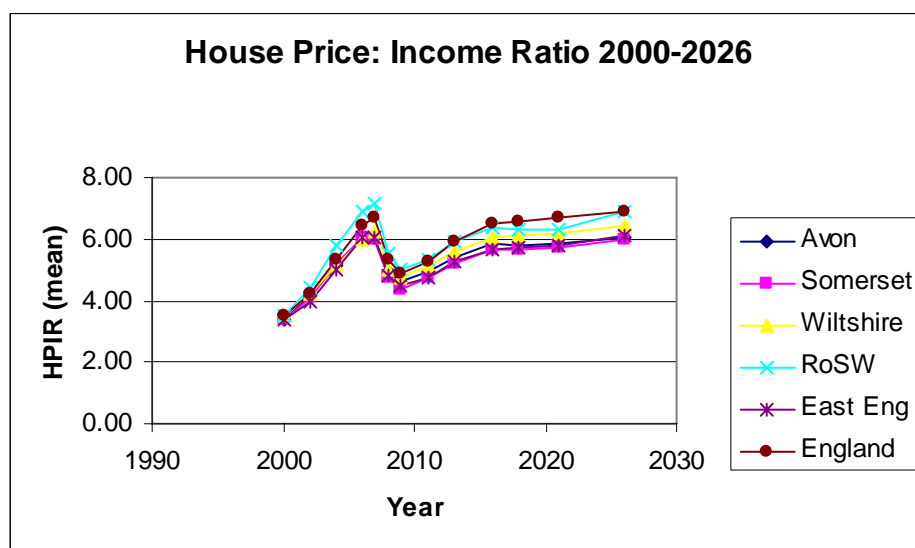
7.6.2 Figure 7.5 shows the price trends predicted by the model in real terms (prices adjusted to exclude the impact of inflation). Prices rose very steeply up to 2007 (at 10% pa). There is expected to be a sharp drop to 2008-09 (about 25%) and a slow recovery thereafter. Prices in the WoE area, which were very close to the national average, are predicted to lag a little behind the England level, but will recover to around their 2006 level by 2016. They continue to rise at a moderate rate to 2026. The price growth rate from 2009 to 2026 is 3.3% pa in real terms, still above the rate which the Barker (2004) review regarded as damagingly high.

Figure 7.5 Real House Prices Simulation 2000-2026



Source: higher level forecasting model; average price of Nationwide 'type 3' house at 2004 general price levels. Reference to Wiltshire is to Former Wiltshire including Swindon.

Figure 7.6 House Price: Income Ratio 2000-2026



Source: higher level forecasting model; ratio of average house price to average household income. Reference to Wiltshire is to Former Wiltshire including Swindon.

7.6.3 The house price: income ratios (HPIR) shown in Figure 7.6 and Table 7.5 show a similar pattern. However, these rise only gradually after 2016. This is due to the effects of rising incomes relative to house prices. WoE areas lie slightly below the England average, and this difference becomes slightly accentuated. Nevertheless, by 2026 HPIRs rise again to almost the same high level seen in 2006 (slightly higher in Wiltshire, slightly lower in Somerset).

7.6.4 The Rest of the South West had worse affordability than England in 2006 (see also Wilcox 2005, 2007). In the later period of this forecast this wider region is expected to track the England level of HPIR closely.

Table 7.4 shows that the East of England also has a generally similar affordability profile to WoE.

Table 7.4: House Price Income Ratios for WoE Areas and Comparators 2000-2026

<i>Year</i>	<i>Avon</i>	<i>Somerset</i>	<i>Wiltshire</i>	<i>RoSW</i>	<i>East Eng</i>	<i>England</i>
2000	3.41	3.36	3.50	3.50	3.40	3.51
2002	4.16	4.10	4.23	4.43	4.00	4.21
2004	5.15	5.21	5.11	5.77	4.98	5.37
2006	6.00	6.02	6.00	6.88	6.02	6.41
2007	6.06	5.97	6.25	7.17	6.04	6.70
2008	4.96	4.75	5.03	5.55	4.84	5.31
2009	4.64	4.36	4.74	4.98	4.48	4.90
2011	4.96	4.75	5.11	5.36	4.78	5.29
2013	5.41	5.22	5.58	5.91	5.24	5.95
2016	5.82	5.67	6.05	6.36	5.67	6.54
2018	5.81	5.66	6.08	6.29	5.70	6.57
2021	5.87	5.70	6.19	6.32	5.80	6.69
2026	6.07	5.99	6.44	6.87	6.14	6.91

Source: higher level forecasting model;

Note: Ratio of mean price of Nationwide 'Type 3' house to mean gross household income. These figures differ from the house price to earnings ratios shown in table 6.6.

7.6.5 In 2006, the three WoE areas had similar HPIR affordability values. In later years Wiltshire is predicted to get worse (higher) than former Avon, while Somerset may be marginally better. Note that the projection shows that HPIR will not return to the relatively low levels achieved in 2000, in any area, throughout the period of the forecast. All six authorities had HPIR of under 4 in 2000, compared to 6 or over in 2007. The cost of borrowing was generally higher in 2000 but affordability was better because of lower house prices. Overall this demonstrates stark evidence of the decline in affordability over the past seven years.

7.7 Implications of Forecast for Affordability and Need

7.7.1 The first part of this chapter has examined the future housing market, with an emphasis on the components that will establish future housing need. The second part of this chapter illustrates modelled need for future affordable housing and the implications of this for planning and housing policies. The section examines figures for each of the component parts of future need i.e.

- New younger households unable to afford to buy or rent in the market
- Migrant households unable to afford market housing
- Older households moving from owner occupation into social renting
- A 'quota' (10%) of the 'backlog' of households with existing needs

7.8 Newly forming households unable to buy or rent in the market

7.8.1 The number of new households unable to afford to buy in the market is itself a complex equation which includes:

- The number of newly forming households
- Affordability, which is itself built up from:
 - income levels; and
 - the cost of buying or renting in the market

Trends on affordability have been discussed in the preceding paragraphs.

7.8.2 Previous tables 6.5 and 6.6 looked at the proportion of younger households able to buy or rent historically. Table 7.5 below shows the projected number of newly forming households unable to buy or rent in the market. Numbers are predicted to drop slightly in 2009; falling house prices mean that more people will be able to afford to buy (once mortgages again become more widely available) and the model also presumes that falling house prices will translate into slightly lower market rents.

Table 7.5 Newly forming households unable to buy or rent in the market

	2006	2007	2009	2011	2016	2021	Average percentage of all newly forming households 2009 – 21
B&NES	916	953	704	731	819	843	54
BCC	2,199	2,568	1,920	1,920	2,082	2,074	59.8
North Som	843	870	605	635	785	840	42.5
South Glos	1,077	1147	834	906	1093	1166	45.7
Mendip	456	471	310	321	334	292	43.3
West Wilts	574	543	390	418	458	425	42.4
WoE	6,065	6,552	4,764	4,931	5,572	5,640	50.4

Source: zonal level affordability and need model.

7.9 Migrant need

7.9.1 Table 7.6 shows the projected number of migrant households in need of social rented housing. Migration patterns and trends have already been discussed in chapter 2. There is more information on the particular needs of migrant households in chapter 10.

7.9.2 Migrant affordable housing need shows an upward trend over the period, although with a slight hesitation in 2009. This reflects the combination of affordability trends and the rising migration rates generated from the higher level economic model. Both variant models (which use somewhat different treatment of migration) show this same tendency to increase.

Table 7.6 Migrant households in need of social rented housing

Local Authority	2006	2007	2009	2011	2016	2021	Average 2009 - 2021e
B&NES	88	120	107	126	155	170	140
Bristol	204	407	379	447	579	594	500
North Som	174	190	136	157	222	247	191
South Glos	-38	1	18	28	81	103	58
Mendip	59	92	69	82	107	110	92
West Wilts	56	58	45	50	55	23	43
WoE	544	869	754	890	1198	1248	1023

Source: zonal level affordability model

7.10 Existing owner occupiers falling into need

7.10.1 Table 7.7 shows the projected number of older owner occupiers who may move into social rented housing. The needs of older households are discussed in more detail in chapter 10. The model assumes that the number of older owners potentially moving to social rented housing is a constant proportion of all older owner occupiers and therefore displays a steady, slightly increasing trend.

Table 7.7 Existing owner occupiers moving to social rented housing

Local Authority	2006	2007	2009	2011	2016	2021	Average 2009 – 2021
B&NES	98	99	102	105	110	115	108
Bristol	185	186	195	203	216	227	210
North Som	125	127	131	136	146	158	143
South Glos	143	145	149	154	162	170	159
Mendip	64	65	68	71	76	80	74
West Wilts	77	78	80	84	87	88	84
WoE	692	700	725	752	797	838	

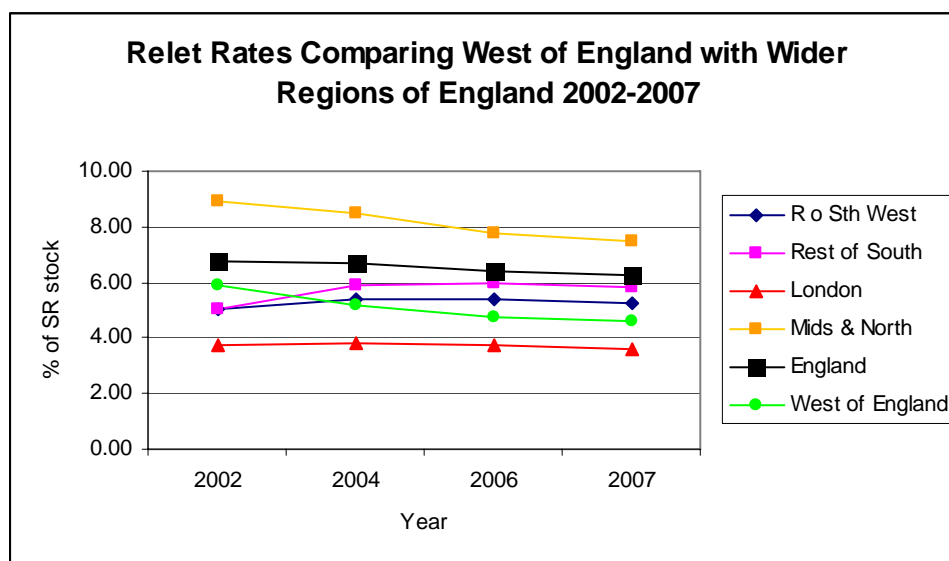
Source: zonal level affordability model

7.11 Relets and intermediate resales

7.11.1 The most important source of affordable housing supply in any year are the relets arising in the existing social housing stock. Relets of social housing are very important for two reasons, firstly as the main source of supply of affordable housing opportunities and secondly as a good (inverse) measure of the demand for/popularity of social housing (Bramley et al 2000). The assessment of supply also takes account of resales from the intermediate stock, which currently average 50 per year (2005/6-2006/7 figures). There are no intermediate rental sector properties but if these are developed in the HMA then intermediate rent relets should also be counted. In future, as the stock of intermediate accommodation increases, this factor will become more significant.

7.11.2 Figure 7.7 compares WoE relet rates with wider regional comparator areas. In 2006-07 WoE relet rates were lower than in the main comparator areas, other than London. Rates fell in WoE from 2002 to 2007 whilst they rose in the wider South, and fell less in England as a whole. This suggests that WoE is an area of relatively greater pressure and limited supply and that this situation has intensified.

Figure 7.7 Relet Rates from social housing stock 2002-2007



Source: HSSA returns, supplemented by local lettings estimates and CORE in WOE areas.

7.11.3 Table 7.8 shows net social rented relets (including shared ownership resales) in the two most recent years by local authority, and the projection forward. In the recent period relets were declining somewhat due mainly to the intensifying pressures in the housing market. Nevertheless, there were nearly 4000 affordable letting or sale opportunities in 2006 in the sub-region, with nearly half of these being in Bristol City. The Table then projects relets for affordable housing, including intermediate housing, over the modelling period. Relets do fluctuate over the projection period, falling in 2007, rising in 2009 (due

to assumed improved market affordability), falling to 2016, and then rising marginally to 2021. At the end of the period relets are slightly below their level at the beginning. Relet numbers are driven by the interaction of social housing stock and relet rates as forecast in the higher level economic model. The latter generally predicted a fall in relet rates (Figure 7.7 above) after 2009. Social housing stock has been falling due to RTB, which is expected to continue at recent average rates, but will be augmented by new provision as this comes on stream. Over the whole period, Bristol and Mendip will see a fall in relets, while North Somerset and South Glos will see some rise.

Table 7.8: Net affordable housing relets/sales by Local Authority 2006-2021

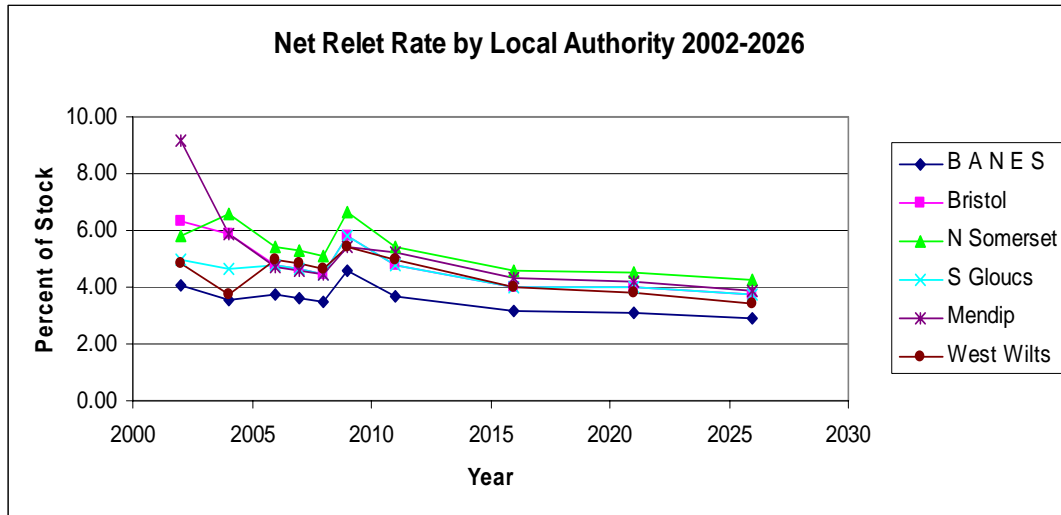
Local Authority	2006	2007	2009	2011	2016	2021	Annual Average
B&NES	431	403	509	423	379	415	431
Bristol	1,922	1,783	2,306	1,913	1,682	1,716	1,904
North Som	450	399	507	433	421	493	464
South Glos	518	497	636	538	501	555	558
Mendip	280	243	291	287	255	258	273
W Wilts	353	330	381	369	341	351	361
West of England	3,955	3,655	4,630	3,963	3,579	3,788	3,989

Sources: Local letting estimates, supplemented by CORE and HSSA returns, including shared ownership resales, as used in zonal need model.

7.11.4 Figure 7.8 shows the trends in relet rates by local authority over the whole planning period, as a percentage of social rented stock . The market area forecasting model generates estimates of how relet rates are expected to change in future years. Although there is some fluctuation at individual authority level, the trend from 2002 to 2006 was generally downwards. Rates are expected to be fairly static to 2011, then to fall to 2021, with a slight rise after that. Relet rates are higher in North Somerset and lower in West Wilts and B&NES.

7.11.5 It must be remembered that stock levels are also falling. Given the importance of relets as the main source of supply of affordable social rented housing, it is easy to see how this reduces the opportunities for households in need.

Figure 7.8 Net Relet Rate by Local Authority 2002-2026



Source: LA-level need/affordability model, linked to higher level forecasting model; 2002-2007 values based on local data and HSSA returns.

7.11.6 Relet rates vary between zones. They can be influenced by many factors – the age structure of the area (higher relet rates may be associated with an ageing population), availability of alternative housing options (low relet rates may reflect a lack of alternative housing opportunities), and the property type (it can be argued that high rise flats for example attract a more transient population). Within WOE, the needs model did not suggest a particularly strong correlation between relet rates and the relative popularity of particular neighbourhoods, i.e. turnover rates are not necessarily higher in less popular areas, although this is generally true across the country as a whole. Table 7.9 shows the rates for all zones.

Table 7.9: Relet Rates by Zone in 2006

Zones with Higher Rates	Net Relet Rate % 2006	Zones with Medium Rates	Net Relet Rate % 2006	Zones with Lower Rates	Net Relet Rate % 2006
South Glos Rural	8.4	Thornbury	5.0	Kingswood	3.8
Clevedon-Yatton	7.2	Keynsham	4.8	Bath City South	3.7
West Wilts Rural	7.1	Bradford on Avon	4.8	Wells & Rural	3.4
Weston-Super-Mare	6.3	Glastonbury	4.6	Westbury	3.2
Shepton Mallet & Rural	6.0	Bristol Inner West	4.5	Bath City North	3.2
Bristol North	5.7	Nailsea and Backwell	4.5	Portishead-Gordano	3.0
Frome & Rural	5.5	Chew Valley	4.3	Bathavon	2.5
Trowbridge	5.4	North Fringe	4.3	Yate/Sodbury	2.3
Bristol South	5.3	Norton Radstock	4.2	Bristol North West	0.6
Bristol Inner East	5.3	Melksham	4.1		
Warminster	5.1	Bristol East	3.9		

Source: Local letting estimates, supplemented by CORE and HSSA returns.

7.11.7 Areas with very low relets are found mainly in suburban and small town areas – such areas are found in all of the districts. The highest relet rates are, interestingly, in some more rural areas, in some towns further from the core cities, and in some of the poorer areas in Bristol. In some of these cases these relet rates may reflect the relatively greater possibility of households on moderate incomes exiting social housing into the local housing market. It might be expected that inner city areas would experience higher relet rates but this is less clearly the case in WoE in recent years.

7.12 Modelled backlog need for affordable housing

Table 7.10 Modelled Backlog

@ 10%	2006	2007	2009	2011	2016	2021
B&NES	246	267	318	323	356	435
Bristol	663	745	764	683	560	548
North Som	311	342	391	391	406	472
South Glos	321	268	317	320	348	428
Mendip	89	131	184	193	221	284
W Wilts	214	228	278	291	336	430
West of England	1,845	1,981	2,253	2,201	2,228	2,597

Source: zone level needs affordability model (pre-SEH adjustment)

- 7.12.1 The way that backlog need for social rented housing is calculated is discussed in more detail in Chapter 6, which illustrates how figures from the Survey of English Housing have been combined with filtered waiting list numbers to give a composite estimate. The model starts with this composite backlog estimate for 2006-07. Chapter 4 explains the decision to assume that only 10% of backlog need is met each year, rather than the 20% which the Guidance allows. The modelled backlog need is important as it reflects the reality, that if backlog need is not met year on year then the backlog need will increase. Given the very high levels of housing need in the WoE SHMA, this is likely to be the case. However, the Guidance treats backlog need as a single figure and assumes that need will be met over a 5 or 10 year period. These modelled figures are therefore included for illustrative purposes only. The housing need figures quoted in Chapter 4 use a single backlog figure and thus are in line with the Guidance.
- 7.12.2 For forward projection, the model increases backlog where (at LA level) net need (excluding backlog allowance) exceeds new affordable provision, but only by half of the difference, and vice versa. So basically where supply is not keeping pace with need, backlog gradually increases, and vice versa. For this purpose new affordable provision is projected based on recent/current levels and land availability. For WoE as a whole, between 2006 and 2021, backlog is projected to increase by about a third. This is similar to the scale of increase seen in the early 2000s, and provides a further indication of the high level of need and pressure on the housing system and the inadequate current and projected levels of supply in the baseline. The backlog rises over the projection period in five of the six authorities; in Bristol it is projected to fall slightly after 2009.

7.13 Net need

- 7.13.1 Table 7.11 shows the headline net need numbers resulting from the components just described, over the projection period at local authority level. Absolute net need rises to 2007, falls to 2009, rises again to 2016 and then more slowly to 2021. This table also underlines the importance of Bristol City in the overall numerical picture, for example, with net need of 1329 in 2006, 25.6% of the sub-regional total, although its relative need is generally smaller than other local authorities. Bristol generates large gross annual needs but has a much larger number of relets than any other authority (nearly 1900 in 2006, compared with less than 500 in any other authority). With its large social housing stock Bristol may be in a position to reduce its backlog in periods of more favourable affordability, to a greater extent than other authorities.
- 7.13.2 Table 7.11 shows sizeable increases in net needs between 2006 and 2026 for several of the districts, particularly Bristol and South

Gloucestershire. The Bristol figure is affected by the different way the zone level model treats migration, recognising the lower income of in-movers compared to out-movers. The Bristol net needs figure is also more volatile due to the large number of relets in Bristol. The overall picture is one of high positive net needs for all authorities throughout the projection period. All authorities show increased need comparing 2006 to 2021.

Table 7.11: Net positive annual need for affordable housing by local authority 2006-2021

	2006	2007	2009	2011	2016	2021	2009-21 average
B&NES	917	1,038	723	862	1,061	1,148	948
Bristol	1,329	2,123	952	1,341	1,755	1,727	1,443
North Som	1,003	1,130	756	885	1,139	1,224	1,001
South Glos	985	1,063	682	871	1,183	1,311	1,013
Mendip	389	517	340	379	483	509	427
W Wilts	568	577	412	473	596	616	522
West of England	5,191	6,449	3,865	4,811	6,217	6,535	5,354

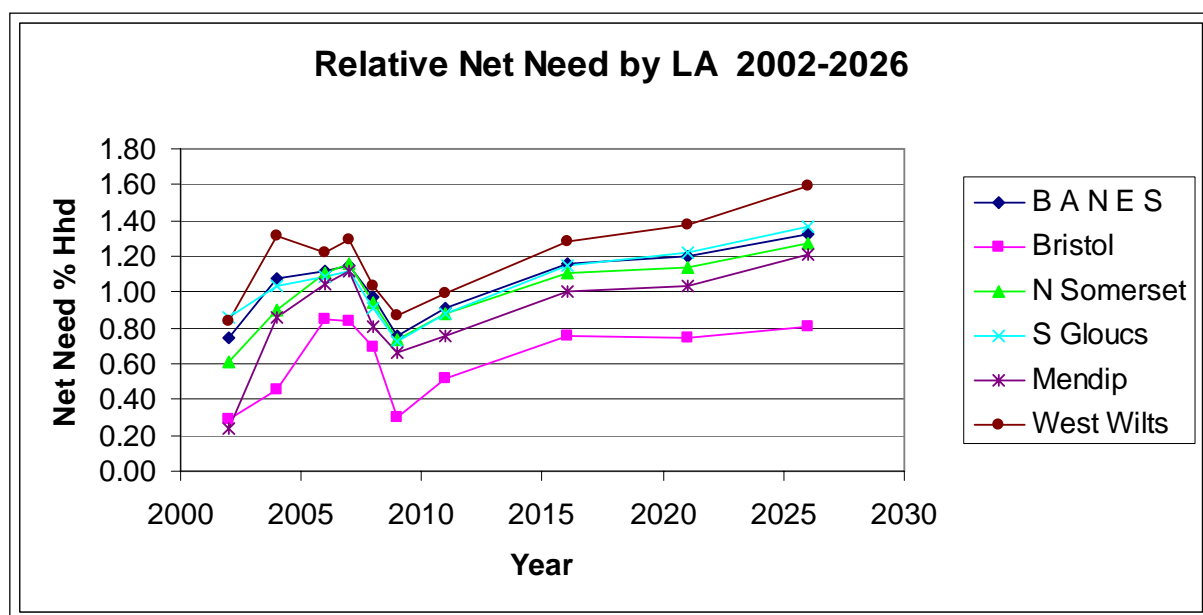
Source: Zonal level affordability and need model. Note figures may not sum due to rounding

7.13.3 It should be noted that the absolute values of net need figures from table 7.11 are different from those in the calculation set out in Chapter 4. This is due to the differences in the way that the backlog is treated, as discussed above. The figures in chapter 4 have been calculated to conform to the Guidance and form the evidence base for the local authorities. They are lower than the figures above, which may more closely reflect what will actually happen: for example it is unlikely that the backlog will be cleared by 10% year on year over a 10 year period.

7.14 Relative net need

7.14.1 Needs may be expressed as net annual numbers, as in Table 7.11 above, or as rates relative to existing household population, as in Figure 7.9 below.

Figure 7.9 Relative Net Need by LA 2002-2026



Source: LA-level affordability model projections linked to higher level market forecast; net annual need for affordable housing as percent of resident households

7.14.2 Figure 7.9 shows that net need for affordable housing follows the expected inverse relationship with prices and affordability. Need increased steeply between 2002 and 2007, and this was true in all the districts although to a more marked extent in certain cases (Mendip). Relative need is projected to fall by 2011, although it will still in most cases be above or similar to the level of 2002. Need will then rise again to 2016 with static or slightly changing rates to 2021 and then a further increase up to 2026. The rate of need seems to increase more in some districts, particularly West Wilts, while in Bristol there is a marginal fall from 2016-2021 and a lower relative increase overall. In most cases, need in 2026 would exceed 2006 levels, whereas in Bristol it would just fall short. However, in all cases need in 2026 would exceed 2002 levels. All WoE authorities show significant positive needs throughout the period, which is not the case in some other regions of England (where surpluses become increasingly apparent over time).

7.15 Future Need at Zonal Level

7.15.1 In this section we consider briefly some summary measures of need over the period covered. Table 7.12 shows key need indicators averaged over the four forward years 2009/2011/2016/2021.

7.15.2 The first column of the table shows that the numerical scale of need varies greatly between the zones, partly because of their differing population sizes but also because of factors like affordability and existing supply (relets). Zones with high absolute needs include Bath City North and South, Bristol Inner West, South and East, Weston-

super-Mare, Kingswood, and North Fringe. Small absolute need characterises Thornbury, Shepton Mallet, Chew Valley, Bathavon, Bradford-on-Avon, Melksham, and Bristol Inner East. These are mainly small towns and rural areas, apart from the latter which is a deprived inner city area which is less popular, cheaper and which has a substantial relet supply. However, it is also noteworthy that, looking over the whole period, all zones have some positive needs for additional affordable provision.

7.15.3 Need relative to existing household population is shown in the second column. Some of the same zones feature as high on this indicator too, including Bath City North and South and Bristol Inner West. However, some of the smaller towns also show up with higher scores, for example Wells, Portishead-Gordano, Yate-Sodbury, and Bradford-on-Avon. Low relative scores characterise Bristol North, Inner East and South (all areas with a large existing social supply) and also Shepton Mallet.

7.15.4 The need levels shown in Table 7.12 are average values. The model also enables changes to be tracked year on year, showing zones with high increases in the intensity of net need (i.e. measured as a percentage of all households). High increases may reflect a number of factors: higher rises in prices/worsening affordability, greater increases in the population through migration, and declining stock and relets.

Table 7.12: Key Need Indicators Averaged over Projection period 2009-2021 Average Values 2009-21

Zone	Net Need per annum	Need % Hshlds
Bath City North	320	1.6
Bathavon	49	0.9
Bath City South	312	1.5
Chew Valley	31	0.8
Keynsham	106	0.9
Norton/Radstock	130	0.8
Bristol North	123	0.4
Bristol North West	110	0.9
Bristol Inner West	556	1.7
Bristol Inner East	63	0.3
Bristol East	261	0.9
Bristol South	330	0.5
Clevedon-Yatton	139	1.0
Nailsea-Backwell	179	1.0
Portishead-Gordano	204	1.3
Weston-Super-Mare	479	1.0
Yate/Sodbury	165	1.1
Kingswood	396	0.9
North Fringe	292	1.0
South Glos Rural	125	0.6
Thornbury	35	0.6
Glastonbury/Street & Rural	117	0.9
Wells & Rural	130	1.2
Shepton Mallet & Rural	42	0.5
Frome & Rural	138	0.7
Bradford on Avon	57	1.2
Melksham	66	1.0
Trowbridge	126	0.8
Westbury	68	1.0
Warminster	72	0.9
West Wilts Rural	133	0.7
WoE Sub-region	5,354	0.9

Sources: zonal affordability and need model

Note: minor differences due to rounding.

7.16 Implications for affordable housing targets

7.16.1 This section presents analysis from the model and discusses the following issues:

- Affordable housing targets –
- Splitting of targets between social rent and intermediate.
- Mobile demand in the social and intermediate affordability categories and implications for the level and distribution of provision.

Affordable housing targets

7.16.2 Earlier sections in this chapter have set out the forecast level of housing need. A key point about these affordable needs estimates is that they are very high relative to projected or forecast levels of new dwelling provision.

7.16.3 Table 7.13 below compares the annual average net need figure from chapter 4 with the local authorities own forecasts of the amount of affordable housing that could be delivered within current policy constraints as discussed in Chapter 2 section 2.9. The two averages cover slightly different time periods but illustrate the key point – that current levels of provision of affordable housing are completely inadequate to meet projected need. Net need is averaging almost 5,000 households each year (this is the figure from chapter 4 which complies fully with the Guidance) whilst new supply only delivers 1,376 new homes each year, a shortfall of 3,517 homes each year.

Table 7.13 current levels of provision compared with future levels of need

	Average annual affordable housing output on current policy (2006 – 2026)	Average annual net need (2009 - 2021)	Average Annual Shortfall
B&NES	228	847	619
BCC	367	1,526	1,159
North Som	331	904	573
South Glos	302	903	601
Mendip	37	324	287
West Wilts	111	386	275
WoE	1,376	4,893	3,517

Source: Local Authority information-theoretical assumptions based on existing policy

7.16.4 It is clearly a major policy purpose of this study to inform the setting of targets for proportions of new housing developments to be devoted to affordable housing. The evidenced level of need cannot realistically be met with the levels of new housing provision currently planned or projected; demand for affordable housing outstrips, in three areas, the total projected new build supply. The remaining three areas have needs which would require a significant proportion of new supply to be affordable. Table 7.14 (below) shows this clearly.

Table 7.14 Percentage of new supply that would have to be affordable to meet housing need

Local authority	Annual average supply of new build 2006-2026	Annual average need 2009-2021	Affordable need as a share of new supply (%)
B&NES	732	847	116
Bristol	1,501	1,526	102
North Som	1,401	904	64
South Glos	1,112	903	81
Mendip	358	324	90
West Wilts	494	386	78
WoE	5,596	4,893	87

Source: New build supply taken from Local Authority monitoring data (consistent with Draft RSS), annual average net need taken from table 4.11

7.16.5 Clearly it will be increasingly important to maximise the amount of affordable housing delivered through s.106 quotas policies. Authorities may also wish to look at ways of increasing the affordable housing stock which do not rely on new supply. It is also important to consider the overall level of supply and to use the models to examine what the impact of increasing supply might be. Chapter 8 looks at the impact of higher supply on house prices and affordability. The remainder of this section looks at the policy implications arising from the level of housing need and current projections of housing supply.

7.16.6 In getting from indicative unconstrained targets to a more usable set of policy targets, a number of considerations come into play:

- 1) sites which already have planning permission with a previously determined affordable quota, or none. There is often a considerable lead-in time before changes in planning policy are delivered on the ground.
- 2) the mix of sites coming forward above and below operative site size thresholds (the level of housing demand would suggest that authorities should consider reducing thresholds where feasible). Planning policies may need to require higher levels of affordable housing on larger sites to reflect the number of sites that come forward which are under the planning threshold. Thresholds could also be reviewed. Some authorities may wish to consider other approaches such as seeking an off-site contribution

to affordable housing from all housing developments, whatever the site size.

3) the extent of provision on available 'social housing only' sites.

4) the extent to which need may be met through provision not involving new build, for example OMHB, or market acquisitions for affordable housing. This may also involve working with the private rented sector although it is important to remember that solutions that rely on housing benefit do not meet housing need and risk trapping households into worklessness. However, longer term leasing and similar schemes may provide some stability of tenure and enable an intermediate rent level to be charged to those households on suitable incomes.

5) uncertainties about future fluctuations in market conditions and needs, which may be informed by the forecasts for different years, the different supply scenarios discussed earlier, or other sensitivity tests using the model.

6) allowances for some households with needs arising in one zone who may be willing and able to move to other zones which are under less pressure, this may result in authority wide based targets.

7) the availability of social housing grant to meet part of the subsidy costs of affordable housing in some circumstances, for example when the site would be unviable to deliver the full target amount of affordable housing without public subsidy.

8) prospective site viability for typical sites in different Zones with different price levels, and possibly differences in other development costs and planning obligations.

7.16.7 Many of these considerations go beyond the scope of this study or the data available to us. The land availability data goes some way towards answering the first three bullet points. Although a detailed analysis of site size and thresholds has not been carried out, there is evidence that authorities should be considering reducing the site size threshold for affordable housing requirements. The contribution of intermediate provision has also been considered, along with the sensitivity of outcomes to market variables, and the issue of mobile demand. Site viability is important and is addressed in some other work commissioned by WoE authorities, and in other work by the authors, but has not been part of the brief for this study.

7.16.8 Taking account of these points, and experience and precedents elsewhere, it is clear that there is an upper practical limit to affordability targets, even in the most pressured areas. This upper limit will largely be determined by site viability, and each local authority will be carrying out its own work on site viability issues. Given the emphasis in planning policy guidance on the requirement for evidence of need, it could be argued that targets should vary within the region in a way

which relates in part to need levels. However, many zones in the West of England area evidence needs which are likely to be above 100% of the projected new supply and is therefore unrealistic. There is therefore an equal argument that zones with lower levels of need should still be required to deliver a significant level of affordable housing to make a contribution to housing need elsewhere in the local authority area or possibly to meet wider sub-regional needs.

7.17 Future need for Intermediate housing

7.17.1 Table 7.15 (below) looks at the potential requirement for New Build HomeBuy based on affordability as agreed by the Housing Market Partnership in February 2008; the model estimates the number of new/younger or migrant households for whom this option could be relevant. In later years the potential need for NBHB is around 1,000 per annum. Numbers drop off sharply during the continued market slump in 2009 when it is assumed that affordability improves. This is consistent with current difficulties providers are reporting in selling intermediate housing units, although the reason for the current problems may be more to do with shortage of mortgage funds in general and uncertainty about market prospects, whereas within our model the reasons are to do with relative affordability and overall needs. The relative size of these needs broadly reflects the size of the authorities. It is noteworthy that Bristol's relatively high absolute number is consistent with the evidence from the Zone Agent list analysis. Potential need for NBHB looks set to persist over the period as a whole and to increase in Bristol and South Glos.

7.17.2 The potential role for OMHB has also been examined. OMHB targets the threshold entry level market price level rather than the price of a new build RSL unit, and may in some cases be initially more affordable even allowing for the fact that OMHB involves a 60% tranche being purchased of historically cheaper housing stock but with no immediate residual rent on the unsold equity. There is a delayed residual rent and the cost of these products are in some cases linked to mortgage products which require deposits to be raised. As OMHB targets existing stock it is therefore a way of meeting housing need which does not require new stock to be built. However, the availability of OMHB is determined by national policy, and current funding levels mean that only a modest number of households can be assisted. Increasing OMHB may be one way of helping to meet housing need without building new homes, although in not increasing overall supply it will reduce the capacity to meet market demand.

Table 7.15: Potential Need for New Build HomeBuy from newly arising households by Local Authority 2006-2021

Potential New Need NB HomeBuy	2006	2007	2009	2011	2016	2021	2009-2021 average
B&NES	98	26	27	74	69	58	57
Bristol	376	396	139	308	420	411	319
North Som	229	107	68	167	196	215	161
South Glos	191	74	73	177	194	200	161
Mendip	77	46	28	72	77	74	63
W Wilts	127	87	30	80	81	67	65
West of England	1,100	735	365	878	1,036	1,024	826

Source: Zonal level affordability and need model.

Social rented tenants moving into Intermediate Housing

7.17.3 The Guidance identifies that there may be justification to deliver increased levels of intermediate purchase options where it might enable existing “higher earning” social tenants to move into affordable intermediate housing therefore releasing rented homes for lower income households. (Intermediate rented options are considered unlikely to be attractive to social renters who would simply pay higher rents for less secure housing options, unless it is seen as a pathway to home ownership).

7.17.4 Headline data from the Survey of English Housing indicates that there are Social Rented tenants who may be able to afford to move from social rented into Intermediate Housing. Historically, the number has been very low, despite strong marketing of intermediate housing products and prioritisation of sales existing tenants. This may in part be due to discounts available under Right to Buy/Right to acquire, which provide an alternative option for these households. The model takes account of anticipated levels of RTB sales. Other reasons may exist preventing the purchase of Intermediate Housing. Essentially the programme encourages those on moderately higher incomes to move from a secure low cost housing option to one which presents greater risk and a borrowing commitment in return for the purchase of a stake in a dwelling.

7.17.5 CORE data demonstrates that a very small percentage of buyers historically have been sourced from the Social Rented sector. Between 2004 and 2007 social Rented Tenants represented an average 5.5% of all intermediate sales.

7.17.6 Zone Agent data shows that 180 applicants, (9.3%) of the filtered backlog need for intermediate housing, were existing social tenants. However, few of these progress to purchase. This may change over time, and will be monitored.

Table 7.16: Intermediate Sales to Social Tenants 2004-7

Housing pa	2004/5	2005/6	2006/7	3yr average	Total Programme of intermediate sales annual average	Average share of Social rented - Intermediate sales
B&NES	0	0	2	1	72	1%
Bristol	12	9	3	8	105	8%
North Som	4	1	0	2	48	3%
South Glos	4	4	0	3	23	12%
Mendip	1	2	2	2	21	8%
West Wilts	2	0	1	1	22	5%
West of England	23	16	8	16	291	5%

Source: CORE 2004/5 to 2006/7 SR to Int Sales Program CORE 2004-7

7.17.7 Using 3 year average figures the impact of social rented tenants moving has been small in terms of releasing stock for re-letting. The current 16 per annum are already accounted for in the relet figures in the model. Taking an optimistic view that more tenants can be persuaded to purchase Intermediate Housing options the supply of social rented relets has been tripled from 16 per annum to 47 per annum. This needs to be monitored against actual supply to ensure this does not overestimate social rented relets.

7.17.8 This increase will deliver an additional 31 extra relets to add to the traditional re-let supply to meet the housing needs of those who have a need for social rented housing as set out in Table 7.17.

Table 7.17: Annual Moves Social Rent- Intermediate Increased Sales

	2004/5	2005/6	2006/7	3yr average	Future sales increases x3	less existing SR relets already counted	Additional SR letting
B&NES	0	0	2	1	2	1	1
Bristol	12	9	3	8	24	8	16
North Som	4	1	0	2	5	2	3
South Glos	4	4	0	3	8	3	5
Mendip	1	2	2	2	5	2	3
West Wilts	2	0	1	1	3	1	2
West of England	23	16	8	16	47	16	31

Source CORE SR to Int Sales Program CORE 2004-7 (rounded upwards). Note: figures may not sum due to rounding.

7.18 Intermediate-Social Split of Targets

- 7.18.1 There is a strong policy interest in splitting the affordability planning target between intermediate sector and social rented sector provision. There is a general policy push nationally to promote affordable home ownership; this meets aspirations for certain groups and may in some circumstances require less subsidy, although this will depend on the product being offered. There is evidence that more affordable products, such as the 40% minimum purchase/1% rent which is the basis of the modelling, may require similar levels of subsidy to social rented housing. Any requirement for intermediate housing will of course need to be based on evidence of potential need/demand, using the affordability analysis and other evidence. However, given the very high levels of housing need and the fact that it will take some time to move towards meeting a significant proportion of that need in most areas, it will be a policy decision for each local authority to determine the mix of affordable rented and intermediate housing set out in targets.
- 7.18.2 There are several additional ways in which intermediate provision can help address need. Firstly, there is a role for OMHB, which can help to make the most of existing owner occupied stock. Currently the national programme is relatively small at around 6,000 units per annum, which would only assist a very small proportion of those eligible and interested in the WoE area. It would require a significant increase in funding for OMHB for this to have any real impact in reducing housing need in WoE. However, at time of writing an increasing range of Equity Loan models are coming forward, and partner authorities will monitor the number and affordability of purchases through this programme in the future to assess the contribution that this element of supply can make to reducing housing need.
- 7.18.3 Secondly, intermediate provision may be attractive to some existing social tenants, who could afford to buy in this way and move, so creating extra social vacancies which can be let to poorer households for whom social renting is a necessity. This has been taken account in the modelling, although the numbers of social housing tenants taking up this option currently are very small. Thirdly, in the immediate future, with mortgage availability a problem, intermediate rental housing with options to purchase later may be viable and popular. Fourthly in addition to addressing need intermediate housing plays a vital role in creating a mixed balanced community.
- 7.18.4 Table 7.18 shows net need by local authority for both social rented housing and affordable intermediate housing.
- 7.18.5 It is important to understand the limitations of the model in relation to intermediate housing. The model assumes that households interested in intermediate housing will move to the more affordable areas within that local authority. This appears to be a sensible assumption but the impact is to depress the numbers quite significantly. To begin with, it

depresses the need for intermediate housing in high value areas because intermediate housing is not affordable there. Also, in some areas e.g. in high value areas it is cheaper to rent privately than to buy, so households who can afford to rent are assumed to take this option. However, in other areas the numbers are also depressed e.g. in lower value areas, because it is often possible for more households to meet their housing need in the market, either renting privately or buying outright.

Table 7.18: Net Need for Social rented and Intermediate Dwellings by local authority area for 2009 – 2021

Average 2009 – 2021	B&NES	BCC	North Som	South Gos	Mendip	West Wilts	WoE
1) Total annual net need social rented	786	1176	735	727	271	317	4104
2) Total annual net need intermediate	61	351	169	176	54	69	879
3) Total annual net need	847	1526	904	903	324	385	4893
4) % split social rented/intermediate	93/7	77/23	81/19	80/20	83/17	82/18	82/18

Source: modelled figures Note: minor differences due to rounding

7.18.6 However, the information is considered sufficiently robust at local authority level to inform the development of policy. There will be policy decisions to be taken about whether or not a minimum percentage of NBHB should be built in every zone, reflecting authority-wide demand, and whether NBHB should be built in areas with higher prices. In terms of creating mixed and balanced communities this may be a desirable option, but care will need to be taken to ensure that a 40% minimum share is affordable to those who cannot afford a market solution. Issues about mobility of demand are discussed further below.

7.18.7 At the other end of the spectrum, policy decisions will need to be taken on whether a larger share of intermediate provision is made in some areas. Although the potential need is clearly there, it may be difficult to sell large quantities of NBHB if these all come on to the market at the same time.

7.19 Mobile Demand

7.19.1 We have carried out some further analysis which modifies the need assessment by assuming that some or all of the marginally affordable households who are priced out of the Zones where they originate could move to cheaper areas within the market. This will both reduce the overall need and shortfall of supply, but also redistribute it somewhat. The method used is to take the threshold price, for access to buying or renting in the market or to OMHB, not from the particular zone in question but from the cheapest Zone within that local authority. Thus, we are assuming the possibility of some movement within LA areas but

not across the whole sub-region. This understates the full potential of such moves, but we do not consider that all households priced out in areas like Bristol or South Glos would be able to move to Zones at the far end of Mendip or West Wilts.

7.19.2 Table 7.19 shows the headline results from this modified model allowing for mobility within local authorities by households on the margins of affordability. In 2006, this alternative assumption would reduce net needs by 746 households per year or 14.4%. This suggests that this mobility process would make a useful contribution to reducing excess needs but that, in that pressured year, the level of need would still remain very high

Table 7.19: Differences in need in 2006 allowing for mobility to cheapest zone within Local Authority

Local Authority	Net Need	Difference Baseline	Difference %
B&NES	917	-158	-17.2
Bristol	1,329	-314	-23.6
North Som	1,003	-105	-10.5
South Glos	985	-40	-4.0
Mendip	389	-41	-10.5
W Wilts	568	-89	-15.7
WoE	5,191	-746	-14.4

Source: zonal affordability and need model.

7.19.3 It can be seen that this allowance for mobility would have the largest absolute and proportionate impact within Bristol. The next largest impact would be in B&NES. It would have a relatively small impact in South Glos, where there are no very cheap Zones, and a fairly small impact in North Somerset and Mendip. It is also accepted that increasing mobility does not increase supply, and if large numbers of households move to cheaper areas this is likely to have some impact on house prices in the area, which may in turn make the area less affordable to some of the households already within that zone.

7.19.4 Within the affordable housing sector mobility is also potentially significant. The model used takes account of this to some degree in any case. For example, the backlog estimates include an element for households registered for housing in one authority but living in another WoE authority. The model allows for an element of movement between West of England HMA authorities by households needing affordable housing. This accounts for between 750 and 1250 of the net need in the zonal model over the forward projection years, and tends to increase over time. The method used to calculate this in the zonal model takes account of differences in affordability between in- and out-movers. This tends to boost the demand in Bristol particularly (poorer

households moving in, better off households moving out). Evidence is presented in chapter 6 on the potential demand for intermediate housing, based on the Zone Agent register. This indicates potential demand from households willing to move between authorities.

7.19.5 Traditionally social housing has been seen as catering mainly for local needs, and not providing easy opportunities for moves between areas. This remains true to some extent, and it is also true that lower income households tend to be less able to move longer distances. However, recent rehousing data from CORE indicates that only 60% of lettings were to households from within the same zone. 30% were to households from other zones in the same local authority, and 5% each coming from other WoE authorities and outside the sub-region. The four West of England (former Avon area) Unitary Authorities have recently adopted a quota for cross-boundary moves to increase mobility.

7.20 Summary

7.20.1 This chapter has examined future housing market need and supply. The model reflects the recent drop in house prices and the impact that this is having on affordability, and predicts that by 2011 affordability will improve noticeably. After 2011, however, affordability will worsen again, levelling off by 2016. By 2026 affordability will be at similar levels to 2006.

7.20.2 Household formation rates and migration rates are also modelled. The model predicts a lower household formation rate than our demographic analysis might suggest, partly because household formation rates are tied to the supply of new housing. Migration patterns show a dip reflecting the current recession, but over the longer term will be significantly positive, and well above national rates.

7.20.3 The various components of housing need are also examined. Of particular concern is the predicted fall in relets, which form a large part of the supply of social rented housing, as affordability worsens again and overall stock levels reduce. In this chapter, a proportion of unmet backlog need is carried forward, so that net housing need figures shown here are higher than those in chapter four (which have been calculated in accordance with the Guidance).

7.20.4 Net need figures are examined against potential future supply. In all authorities, there is a predicted significant shortfall of supply of affordable housing, assuming current policies continue. Even with higher anticipated supply, need is a significant proportion of the total supply across all tenures – in 2 authorities, over 100%.

7.20.5 The Chapter also examines need for intermediate housing, and a possible split of social rented/intermediate supply for the future. Across the SHMA area as a whole, the modelling suggests an indicative split of 18% of future affordable housing to be intermediate, although it is

stressed that local authorities will wish to take policy decisions relating to the supply of intermediate housing, which may include a minimum percentage in every zone, and a view on whether intermediate housing should be provided in more expensive zones in order to balance the housing market.

7.20.6 The impact on housing need of assuming greater mobility within and between local authorities is also examined. Assuming that households who are buying or renting in the market would move to the cheapest zone in the local authority area could reduce overall need by around 15%, although it is recognised that such moves may impact on the market locally and supply may be insufficient to meet this level of demand.

Chapter Eight- Different Scenarios for Supply and Demand

8.1 Introduction

8.1.1 The higher level market forecasting model has been used to explore two key issues through running alternative scenarios. These deal with

- Different economic growth in the region
- Different levels of new housing supply

8.2 Economic Growth Scenarios

8.2.1 The base scenario sees Gross Value Added (GVA) growth in WoE of c.2.8% after 2011 compared with c.2.4% for England, the low growth scenario sees only c.2.3% growth while the high scenario sees c.3.3%. The high economic growth scenario examines the impact of seeing GVA growth in the South West region increase by an additional 0.5% pa, with a corresponding increase of 0.33% pa in job growth and associated change in unemployment. The low growth scenario is 0.5% pa less than GVA growth, 0.33% less job growth. Other regions and national economic variables are assumed unchanged.

8.2.2 Table 8.1 presents a summary of the impacts of these high and low economic scenarios in the form of percentage differences for key outcome variables in key future years (2016, 2026). This looks at household incomes, household numbers, house prices and HPIR affordability. As may be expected, incomes are 5-6% lower/higher in 2016 and 10-11% different in 2026.

8.2.3 The price impact of higher growth is about 4-5% higher in 2016 and 10-13% higher in 2026. This is equivalent to about 0.5% per year, which is much the same as the triggering increase in GVA. Some other studies/models show UK house prices to be very sensitive to income growth (for example, the 'Reading' model used by CLG and NHPAU). This level of sensitivity seems rather less than might be expected from these studies, but this is a different model and we are only looking at one region. Some of the price impacts leak out into surrounding regions, as is illustrated by the figures for West Midlands and South East. This implies that only a concerted increase of GVA growth rate in all regions would have a larger impact on house prices.

- 8.2.4 The negative impacts of lower growth are broadly a mirror image of those just described, but slightly smaller. Both positive and negative price impacts seem slightly smaller in percentage terms in Wiltshire than in the rest of WoE or RoSW.
- 8.2.5 The impact of higher or lower economic growth on ‘affordability’, measured by the HPIR, is relatively small, and not consistently in the same direction. For example, higher growth would lower the HPIR in Avon by 1.6% in 2016, while raising it by 1.2% in 2026. The results are not fully consistent between the areas, with former Wiltshire (including Swindon) showing a slightly different pattern. This finding may be surprising but it should not be - it follows from the previously reported finding that the price impact of higher growth is of a similar order of magnitude in annual percentage terms.
- 8.2.6 This finding may be regarded as encouraging for this SHMA, in two senses. Firstly, it suggests that our assessments of future affordability, and its consequences for housing need, are not highly sensitive to the performance of the economy; in other words, they are in this respect robust. Secondly, Partners and Regional bodies should not be concerned about promoting economic growth on the grounds that this will make housing affordability problems much worse.

Table 8.1: Impact of Higher or Lower Economic and Employment Growth on Household Incomes, Household Numbers and Price: Income Ratios, Selected Areas 2016 and 2026 (percentage difference from baseline)

Subregional Area	Household Incomes		Household Numbers		House Price Low Growth	House Price High Growth	HPIR Low Growth	HPIR High Growth
	Low	High	Low	High				
	Growth	Growth	Growth	Growth				
2016								
Former Avon	-5.8	6.1	0.0	0.0	-4.1	4.4	1.8	-1.6
Somerset	-5.8	6.1	0.0	0.0	-4.1	4.5	1.7	-1.5
Wiltshire	-5.8	6.1	0.0	0.0	-3.3	3.6	2.6	-2.4
R o South West	-5.7	6.0	0.0	0.0	-4.0	4.3	1.9	-1.6
2026								
Former Avon	-10.3	11.4	-0.1	0.1	-10.5	12.8	-0.3	1.2
Somerset	-10.3	11.4	-0.1	0.2	-11.0	13.4	-0.8	1.8
Wiltshire	-10.3	11.4	-0.1	0.1	-8.6	10.2	1.9	-1.1
R o South West	-10.2	11.2	0.0	0.0	-11.0	13.3	-0.9	1.9

Source: higher level forecasting model

- 8.2.7 Regional economic growth will also have some effect on new house building supply, although again this is not very dramatic. New output would be 3-5%

higher in the high economic growth scenario compared with the low scenario in the period 2011-2021. The effect is somewhat greater in 2026. The fact that these impacts are quite small partly reflects the low responsiveness of house building to prices and demand in England in recent years, which is reflected in the econometric estimates underpinning our model.

8.2.8 The impact of growth on household numbers appears to be very slight, only of the order of 0.1-0.2% by 2026. This reflects counteracting tendencies, whereby although growth raises output (partly via higher prices), higher prices tend to reduce household formation and migration. GVA growth associated with higher migration and population, rather than higher income per head, would have different effects. A possible implication of these findings is that, for economic growth to achieve its full benefits and multiplier effects, there has to be a corresponding increase in housing supply, through planning and land release.

8.2.9 The model also estimates the impact on affordable sector relet rates. Again, the effect is relatively slight, and not in a wholly consistent direction. This finding is not surprising given that we know that relets relate inversely to pressure within the private housing market, as well as positively with growth and employment. Again, these effects offset one another.

8.3 Different Supply Scenarios

8.3.1 A major issue identified in the Barker (2004) review of housing supply in England was that housing supply was inadequate in scale and unresponsive to market demand, that this led to house prices rising at well above the rate of inflation over an extended period, and that this had a range of deleterious effects for the economy and society. These effects included limitations on labour mobility and labour supply in growth regions, affordability problems affecting particularly new entrants to the housing market including key workers, regressive wealth redistribution, and problems of homelessness and housing need. The principal barriers to better housing supply identified in Barker related to the operation of the planning system.

8.3.2 Following Barker, the Government adopted Public Services Agreement targets for housing affordability, modified planning guidance to enshrine affordability issues among the criteria for determining housing numbers and established the NHPAU to provide analysis and advice to Regional Planning Bodies on these issues. In reports published in 2007¹ the Unit presented further evidence on affordability conditions and on the relationship between housing supply numbers

¹ Affordability Matters NHPAU June 2007
Developing a Target Range for the Supply of New Homes across England NHPAU October 2007

and affordability. This work has emphasized that the greatest need to increase supply was in the more pressured regions of the south of England, including the South West. In further work published 2008², evidence from both economic analysis of affordability and more traditional demographic approaches both point to the need to plan for a higher range of output in most regions, including the South West. The Panel Report for the South West RSS responded to these arguments, and possibly to other arguments within the region about economic growth requirements, by proposing increases to the housing numbers for the region, including within WoE. The Government's response to this proposed a further increase in numbers, specifically in WoE and the other city-regions of the South West.

- 8.3.3 The Partnership therefore agreed that modeling should be undertaken to show the impact of different supply scenarios on key outcomes, and these are shown in Table 8.2. While the baseline supply scenario corresponds to the Government's aspiration nationally (240,000 pa after 2021, with 45-50,000 affordable units) and the provisional RSS Panel/SoS revisions for the South West, the low supply scenario corresponds with the Draft RSS numbers. The high supply variant is similar to the level of supply discussed in NHPAU (2007b), essentially targeting 270,000 net additions nationally after 2021. The actual numbers are determined as one outcome within the model, given changes in the inputs for new private planning permissions and new affordable completions. In fact the low scenario delivers 208,000 in 2016, rising to 239,000 by 2026, an average of 175,000 over the 20 years. The high scenario delivers 257,000 in 2016 rising to 289,000 in 2026, an average of 225,000.
- 8.3.4 It should be emphasised that the supply scenarios are applied to the whole country, rather than just to the South West region. They should be regarded as concerted national strategies, although greater housing supply is disproportionately focused on the south outside London, as favoured by NHPAU (2007). It can be demonstrated that the price and affordability impacts of a high supply strategy will be much less if only applied to a single region, and relatively small if only applied within a single local authority.
- 8.3.5 Table 8.2 shows that under the low supply scenario annual output would be 2 to 5% lower in the three WoE areas in each year after 2011. Under the higher supply scenario the increase would be of a rather larger order of magnitude, particularly in Somerset (13 to 18%) and Wiltshire (10 to 14%), but rather less so in former Avon (8 to 11%). The overall difference between the high and low scenarios would be 1078 units pa, although this difference varies quite markedly

² Meeting the Housing Requirements of an Aspiring and Growing Nation NHPAU June 2008

over the period (as shown also in Figure 8.1). This may be partly to do with the phasing of the release of extra land in the simulation; this seems to interact with the market fluctuations, suggesting that a proactive supply policy now could counteract the market slump associated with the Credit Crunch.

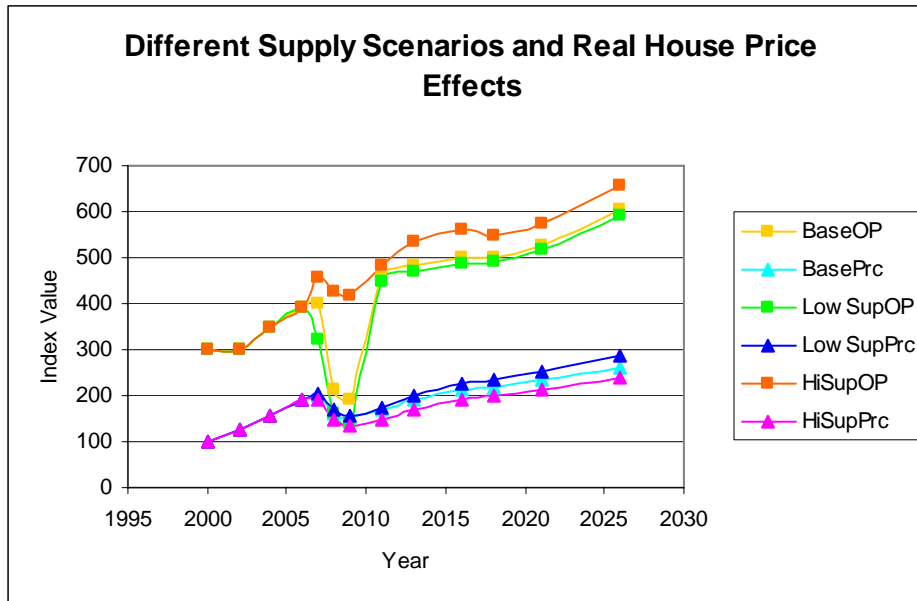
Table 8.2 Different Supply Scenarios: Differences in Output Levels and House Prices in WoE Areas by Year (percent difference from baseline forecast)

Sub-regional Area & Year	New Plg Perms		Output Completions		House Price Low Supply	House Price High Supply
	Low	High	Low	High		
	Supply	Supply	Supply	Supply		
2011						
Former Avon	-34.8	113.7	-1.6	5.2	4.6	-11.0
Somerset	-34.7	112.4	-3.8	12.6	4.3	-10.7
Wiltshire	-34.7	112.5	-2.8	9.4	4.3	-10.4
R o Sth West	-34.8	112.8	-11.3	11.7	5.5	-10.9
2016						
Former Avon	-34.8	115.0	-2.7	11.1	6.0	-10.2
Somerset	-34.7	114.0	-4.8	18.0	6.3	-11.2
Wiltshire	-34.7	113.8	-3.7	14.1	6.3	-10.4
R o Sth West	-35.1	114.6	-12.5	17.8	7.8	-11.1
2021						
Former Avon	-34.7	115.9	-1.5	8.7	7.1	-8.8
Somerset	-34.7	115.6	-3.1	14.1	7.4	-9.7
Wiltshire	-34.6	115.0	-2.4	10.9	7.6	-9.1
R o Sth West	-35.4	116.2	-11.6	14.1	8.7	-9.6
2026						
Former Avon	-34.7	116.5	-2.6	7.8	8.5	-8.8
Somerset	-34.6	116.8	-2.7	13.0	8.8	-9.7
Wiltshire	-34.6	116.0	-1.9	10.3	8.8	-9.3
R o Sth West	-35.7	117.5	-13.0	15.5	10.6	-10.0

Source: higher level forecasting model

8.3.6 Table 8.2 (and Figure 8.1) show the impact of these supply scenarios on house prices (affordability as measured by the HPIR would show the same pattern). For example, in 2016 an increase in supply of 11-18% is associated with a reduction of 10-11% in prices. The impact of higher supply kicks in quite sharply in 2011, but then fades slightly in percentage terms at the end of the period. The impact of lower supply appears a bit lower, but seems to persist or grow slightly more over time. In fact, the impacts of supply on affordability are of a generally similar order of magnitude (in percentage terms) to the supply changes themselves.

Figure 8.1 Different Supply Scenarios and Real House Price Effects



Source: higher level forecasting model. Notes: Output (OP), Price (Prc), Supply (Sup)

8.3.7 These supply scenarios do affect the number of households in the area in later years (i.e. household growth). This would be expected for a supply increase in a single region but it is interesting that, when supply is increased in a concerted way, WoE areas tend to gain households and population, perhaps because these areas have more scope for growth, or more latent/suppressed demand. The difference in household numbers under the high supply scenario is 2.2-2.5% above baseline by 2026 (an extra 15,000 households).

8.3.8 Despite this induced increase in households, higher output will tend to increase vacancies in future years. However, this effect is not very large in these cases. For example, in former Avon, the vacancy rate in 2021 would rise from 1.74% to 2.32%.

8.3.9 One more positive impact to mention is that higher supply would increase the affordable sector net relet rate. For example, for former Avon this rate would rise from 5.2% to 5.8% in 2021. Thus one can begin to see higher supply as creating a virtuous circle of indirect effects, from a housing need perspective, with improved affordability and greater relets supply.

8.4 Implications of higher supply for affordability and need

8.4.1 The results of the 'high supply' scenario generated in the higher level economic model can be traced through the affordability and need model at local authority level. The high supply scenario reported earlier saw levels of new house building

increased by 10-15% and was expected to reduce house prices by around 10%. Table 8.3 shows that 'affordability', that is the proportion of younger households able to afford to buy or rent in the market, would increase by 5-6% points for WoE (for example, from 44.4% to 50.4% in 2016; which could be also described as 13.5% improvement in affordability). The impacts are similar across the six districts, but somewhat greater in South Gloucestershire, Mendip and West Wilts, and somewhat less in Bristol and North Somerset.

Table 8.3: Differences in Affordability and Net Affordable Housing Need associated with Higher Supply Scenario (percentage points)

Area	Affordability 2011	Affordability 2016	Affordability 2021	Need 2011	Need 2016	Need 2021
B&NES	6.6	6.1	5.2	-22.8	-20.9	-21.9
Bristol	6.3	5.4	4.5	-63.1	-49.7	-61.0
North Som	5.7	5.8	4.9	-23.8	-23.4	-25.6
South Gos	6.9	6.8	5.8	-23.7	-21.8	-22.6
Mendip	6.0	6.5	5.6	-26.6	-22.4	-22.4
West Wilts	6.0	6.4	5.6	-23.0	-19.5	-18.5
R o South West	6.2	6.1	5.2	-22.1	-20.1	-20.0
Rest of South	5.4	5.3	4.6	-24.2	-23.5	-24.7
London	2.6	2.5	2.4	-5.7	-5.0	-5.5
Mids & North	1.5	2.5	2.7	-14.6	-20.0	-24.6
England	3.2	3.6	3.5	-14.6	-14.9	-16.0
WoE Subregion	6.3	6.0	5.1	-31.4	-27.4	-29.1

Source: LA-level affordability and need model linked to higher level economic forecasts.

8.4.2 More striking is the modelled impact on the net need for affordable housing. This would be reduced by between 27% and 31% for WoE as a whole over the period 2011-2021, which is about 1700 fewer households in need in each year (17,000 fewer over 10 years). The proportional impact is greatest in Bristol, and least in West Wilts and BANES, mainly because of the different relationship between relets and gross needs in these areas. Higher supply reduces need through several routes, most importantly through easier affordability. The reduced need for new households, more of whom would now be able to buy or rent in the market, would account for 40% of the total; increased relets for 32%; reduced backlog in later years for 20%; and reduced need for affordable housing for migrants would account for 8% of the overall reduction. This helps to illustrate the virtuous circle which higher overall supply would initiate, but note that these

impacts are only achieved if supply increases across the country as a whole. Increasing supply in the WoE HMA area alone would have much less impact.

- 8.4.3 The point may be further illustrated by considering the increased supply of affordable housing opportunities which may be delivered from within a greater quantum of new building. The extra output over the 20 year planning period averages 800 per year; applying the regional affordable housing 'norm' of 35% would yield an extra 280 affordable units per year, or 5,600 in total. Another way of looking at this is to consider the impact on the indicative (unadjusted) target figures generated from the models.

8.5 Summary

- 8.5.1 This chapter has explored the impacts of both higher and lower economic growth and higher and lower housing supply. The model suggests that higher or lower economic growth will have only a marginal impact on house prices and affordability, with a 0.5% increase in economic growth translating into a similar growth in house prices. This relative lack of sensitivity to economic performance does suggest that the model is robust despite the current economic downturn. Economic growth would also tend to increase housing supply, although the impact is not dramatic.
- 8.5.2 An increase in housing supply could have a more significant impact on house prices and affordability, but only as part of a concerted strategy across England. Increasing supply in the HMA area alone has little impact. However, an increase in housing supply across England of 10 – 15 % would reduce house prices by 10%. In turn this would reduce the need for affordable housing by around one-third, with increased affordability, increased relets and a reduced backlog.

Chapter Nine – Size and Type of Housing Required

9.1 Affordable Housing Requirements by Size

9.1.1 An important aim of this study, reflecting the SHMA guidance and current planning policy guidance, was to provide more evidence on the size composition of needs relative to existing supply. It is clear that issues of size mix are important considerations in negotiations over planning agreements. The type of housing is also an issue, in particular the balance between flats and houses and related issues of density.

Breaking down need by size

9.1.2 The Zonal model uses a combination of locally-sourced data, with some data from wider national sources, to estimate the size mix of the main component flows of new demand/need, backlog need, and relet supply. While the basic affordability model is designed to focus on three size groups (1, 2 and 3+ bedrooms), for this study it has been enhanced to distinguish two further sub-groups: 2 Bedroom accommodation suitable for families with children, and demands from this group; and 4-Bedroom accommodation and larger households. The following analysis relates specifically to social rented housing; the size requirements of households able to afford intermediate housing are discussed later in this chapter.

9.1.3 Table 9.1 shows the results of this analysis at local authority level averaged over the period 2009-2021. It appears that there is a significant annual surplus of lettings of 2 Bedroom Non Family suitable accommodation in Bristol and smaller surpluses in Mendip and West Wilts. The net need for family-suitable 2 Bedroom is substantial in all authorities. There also appears to be a sizeable need for 4 Bedroom as well as 3-Bedroom accommodation in all of the WoE authorities.

Table 9.1: Size Mix Analysis of Social Rented Net Need by Local Authority, average 2009-2021

Local Authority	Soc Rent 1 bed No pa	Soc Rent 2 bed flats No pa	Soc Rent 2 bed houses No pa	Soc Rent 3 bed houses No pa	Soc Rent 4+ bed houses No pa
B&NES	264	8	226	133	65
Bristol	505	-227	265	133	149
North Som	263	69	155	156	51
South Gos	176	57	279	161	74
Mendip	130	-10	93	66	31
West Wilts	254	10	88	87	32
WoE Total	1591	-92	1106	736	401
Percentages	Soc Rent 1 bed %	Soc Rent 2 bed flats %	Soc Rent 2 bed houses %	Soc Rent 3 bed %	Soc Rent 4+ bed %
B&NES	37.9	1.2	32.5	19.1	9.3
Bristol	48.0	-	25.2	12.6	14.2
North Som	37.9	9.9	22.3	22.4	7.4
South Gos	23.6	7.6	37.3	21.6	9.9
Mendip	40.6	-	29.1	20.6	9.7
West Wilts	53.9	2.1	18.7	18.5	6.8
West of England	41.5	-	28.8	19.2	10.5

Source: Zonal level affordability and needs model. (Information contained in Standard Local Authority Tables). Note: Oversupply has been treated as nil, positive needs total 100%. Note: The net need identified here is not the same as the net need figure identified in Chapter 4 due to different treatment to backlog and netting off of oversupply of 2 bed accommodation.

9.1.4 In percentage terms, the indicated mix for new social rented provision in the SHMA area would be 41.5% 1-Bedroom, 28.8% 2-Bedroom family-suitable, 19.2% 3-Bed and 10.5% 4-Bed. These proportions vary quite a lot between the districts. For example both Bristol and West Wilts need a high proportion of 1-Bed units, while South Gos needs relatively more 2- and 3-Bedroom family-suitable housing. Bristol needs comparatively few extra 3 Bedroom but quite a lot of 4-Bedroom, reflecting its existing size mix.

9.1.5 Family-suitable accommodation is discussed further in Chapter 10.

Background

9.1.6 Some of the background analysis underpinning the overall size analysis in the above table is presented in Tables 9.2 and 9.3.

9.1.7 Table 9.2 shows the size mix of housing need cases on the local Housing Registers, with numbers in the upper part of the Table and percentages shown below for each local authority. Overall, housing registers are skewed towards small households needing 1-Bedroom accommodation. This group accounts for 58% overall, but with a rather lower proportion in South Glos and North Somerset and a higher proportion in Bristol, Mendip and West Wilts. 2-Bedroom need is split evenly between families and others in WoE overall, but the family proportion is higher in B&NES, South Glos and Mendip, whereas nonfamily cases appear to predominate in North Somerset. Four-bed cases account for between 2% and 4% of the register.

Table 9.2: Size Mix of Housing Register Need Cases 2007

Local Authority Numbers	HR need 1 Bed	HR need 2 Bed Flats	HR need 2 Bed Houses	HR need 3 Bed houses	HR need 4+ Bed houses
B&NES	972	104	369	119	65
Bristol	3223	531	740	447	163
North Som	1770	911	239	455	60
South Glos	904	344	472	111	38
Mendip	517	47	121	61	21
West Wilts	1568	414	367	289	50
WoE Total	8954	2351	2308	1482	397
Percentages	%	%	%	%	%
B&NES	60	6	23	7	4
Bristol	63	10	14	9	3
North Som	52	27	7	13	2
South Glos	48	18	25	6	2
Mendip	67	6	16	8	3
West Wilts	58	15	14	11	2
WoE Total	58	15	15	10	3

Source: Local authority counts of Housing Register cases above need threshold

Size mix of supply

9.1.8 Table 9.3 analyses relets. It should be noted that the family/nonfamily split of 2-Bedroom is uniform across the authorities because this is estimated from the SEH., not local sources. Again, relets show a skew to 1-Bed, probably because these units have a higher turnover. However, this is less pronounced than with the Register cases. Overall, existing relets supply shows a lower proportion of all of the family-suitable size groups (2-4BR). Very few relets occur with 4+ bedrooms.

Table 9.3: Size Mix of Net Relets Supply by Local Authority (2009-21 forecast based on 2004-07 actuals)

Local Authority Numbers	Relets 1 Bed	Relets 2 Bed Flats	Relets 2 Bed Houses	Relets 3 Bed houses	Relets 4+ Bed houses
B&NES	217	80	80	52	3
Bristol	776	427	427	267	8
North Som	199	100	100	56	9
South Glos	332	80	80	64	0
Mendip	130	54	54	32	1
West Wilts	127	88	88	53	4
WoE	1,781	830	830	524	25
Percentages					
Bath & N E S	50.3%	18.6%	18.6%	12.0%	0.6%
Bristol	40.7%	22.4%	22.4%	14.0%	0.4%
North Som	43.0%	21.6%	21.6%	12.0%	1.9%
South Glos	59.6%	14.4%	14.4%	11.5%	0.0%
Mendip	47.8%	19.9%	19.9%	11.9%	0.5%
West Wilts	35.2%	24.5%	24.5%	14.8%	1.1%
WoE	44.6%	20.8%	20.8%	13.1%	0.6%

Source: zonal forecasting model. Note: CORE figures suggest that this overestimates supply of 2 bed houses.

Local patterns of size need

9.1.9 The zonal need model can estimate size mix needs for social rented provision at this lower geographical scale, and these are summarised using two broad size categories in Table 9.4. It should be remembered, however, that some elements in the calculation are based on assumptions or evidence from wider regional scale sources. In addition, since many households move between zones when taking up social tenancies, need-supply imbalances may be evened out to some

extent. Nevertheless, the figures in Table 9.4 should be useful for indicative planning purposes.

Table 9.4: Size Mix of Social Rented Net Need by Zone (average values for 2009-2021)

Zone Name	Soc Rent Net Need % 1/2 nf	Soc Rent Net Need % 2-4 fam
Bath City North	69%	31%
Bathavon	39%	61%
Bath City South	24%	76%
Chew Valley	22%	78%
Keynsham	5%	95%
Norton/Radstock	43%	57%
Bristol North	9%	81%
Bristol North West	46%	54%
Bristol Inner West	73%	27%
Bristol Inner East	0%	100%
Bristol East	47%	53%
Bristol South	0%	100%
Clevedon-Yatton	51%	49%
Nailsea-Backwell	30%	70%
Portishead-Gordano	44%	56%
Weston-Super-Mare	54%	46%
Yate/Sodbury	34%	66%
Kingswood	25%	75%
North Fringe	46%	54%
South Glos Rural	27%	73%
Thornbury	16%	84%
Glastonbury/Street	34%	66%
Wells & Rural	46%	54%
Shepton Mallet & Rural	30%	70%
Frome & Rural	38%	62%
Bradford on Avon	57%	43%
Melksham	55%	45%
Trowbridge	58%	42%
Westbury	75%	25%
Warminster	53%	47%
West Wilts Rural	43%	52%
WoE Subregion	40%	60%

Source: Zonal level affordability and need model

9.1.10 Certain inner city areas do show a concentration of need for small accommodation, one and two-bedroom flats, including Bath City North and Bristol Inner West. Westbury also appears to need a significant majority of this smaller category of provision. Some of the other smaller towns in West Wilts,

and Weston-Super-Mare and Clevedon-Yatton also need a majority of smaller accommodation, although this is marginal.

9.1.11 More generally, across WoE as a whole the emphasis should be more on accommodation suitable for families from 2-bedrooms up to four bedrooms, and larger, in size. While overall it is suggested that nearly three-fifths of social rented provision should be in this latter category, there are some zones where it appears that most or all provision should be in that category: Keynsham, Bath City South, Chew Valley, Bristol North and South, Kingswood, Thornbury all have indicative figures at or above 75%.

Transfer Need

9.1.12 Transfers of households within the social rented stock do not in general add to net need for additional social housing provision, because they create a vacancy at the same time as they use one up. That of course is a slight simplification, even when dealing with total numbers. Each transfer relet entails some (hopefully short) period of vacancy. Some unpopular stock may be released which will require more repair or other work to make it lettable.

9.1.13 A more significant issue is that the size, type or location of housing sought by transfer households may be quite different from the profile of the stock released. There is some relevant evidence on the matter of size/type at the LA level using a combination of data sources, as summarised in Table 9.5.

9.1.14 For the sub-region as a whole, transfers create additional demand for four bedroom, one-bedroom, two bed family and three bed accommodation. The one size category for which transfers create a substantial surplus is 2-bed non-family (i.e. flats). This pattern is not particularly helpful, as it generally mirrors the wider imbalances in need and supply described above. It basically suggests that there is a further need for provision of larger family accommodation, beyond that indicated from the main analysis, because of this size imbalance among existing tenants.

9.1.15 The pattern of differences revealed here would be consistent with (a) significant overcrowding involving families within the social rented sector (see also Chapter 10) as well as (b) some under occupation by older households awaiting suitable smaller accommodation. (as discussed also in Chapter 10). The evidence here suggests that policies of relaxing size standards for some small households needing to move may be justifiable, in terms of letting 2 bedroom flats to applicants with a 1 bedroom need.

Table 9.5: Transfer Need by Property people are seeking.

Local Authority	1Bed	2 Bed flats	2 Bed houses	3 Bed houses	4 Bed houses+	OPD (incl Extra Care) 1 bed	OPD (incl Extra Care) 2 bed	Total transfer need
B&NES	168	36	171	171	109	62	6	723
Bristol	558	213	402	335	135	362	41	2046
North Som	184	66	94	116	21	150	17	648
South Gos	67	4	131	78	27*	132	62	501
Mendip	70	19	65	76	28	49	0	307
West Wilts	104	36	199	115	30	129	14	627
WoE %	24%	8%	22%	18%	7%	18%	3%	100%
WoE Total	1,151	374	1,062	891	350	884	140	4,852

Sources: Local Authority data provided on transfers need (filtered where need exists) * Includes need for 2 , 5 bed houses.

9.1.16 The last column of Table 9.5 suggests that across WoE just over a quarter of transfer applicants (above need threshold) may expect to obtain a move in a typical year. This proportion is higher in B&NES, Bristol and Mendip, and lower in West Wilts and North Somerset. These differences are likely to reflect both policy differences and differences in pressures and mismatches. Low percentages imply relatively long waits for transfers, and provide a further indication of pressure in the local housing system.

9.1.17 Data from this analysis is not integrated within the main analysis, but it does support the conclusions on size mix generated from the main analysis. It is clear from this analysis that there is a further need for provision of larger family accommodation, because of the significant number of transfers who are seeking larger family accommodation and the fact that most of the properties released for relet by transfers are smaller properties; many of these are flats.

9.2 Size mix for intermediate housing

9.2.1 The size mix for intermediate housing shown in table 9.6 is taken from the zonal level affordability and needs model.

Table 9.6 Size mix for intermediate housing Annual Averages 2009-2021

Percentages	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE
1 bed flat	44.1	48.6	37	43.8	30.3	32.8	41.9
2 bed flat	18.5	13.4	18.1	16.7	20	17.5	16.5
2 bed house	13.9	19.1	20.9	18.9	24	23	19.6
3 bed house	21.7	16.9	22.5	19.4	23.9	25.2	20.3
4 bed+ house	1.8	2.0	1.6	1.2	1.8	1.4	1.7

Source: Zonal level affordability and needs model

9.2.2 Table 9.7 compares the size mix of the Zone Agent list with the size mix as modelled based on affordability, grouping sizes into three categories. The List has a higher share of 2-bedroom demand (52% vs. 38%, based on minimum bedsize) and a lower share of one-bed demand (26% vs 40%), compared with the modelled shares. The share of 3-plus bedroom demand is similar in both cases, around 22%. A possible explanation for the difference is that single person households may be more likely to seek rented housing while slightly larger households may be more likely to seek low cost home ownership (LCHO). A further factor may be that many small households on the list for intermediate housing would expect to have a spare bedroom, as is normally allowed under these schemes. Both estimates suggest one-bedroom demand is higher in Bristol and B&NES.

Table 9.7: Size Mix of Modelled New Need and Zone Agent List Numbers Seeking Intermediate Housing by Local Authority 2006/08 (percent)

Local Authority	Mod Int Need 1 BR	Mod Int Need 2 BR	Mod Int Need 3 BR	ZA List Consider 1 BR	ZA List Consider 2 BR	ZA List Consider 3 BR
B&NES	43.5%	34.8%	21.7%	23.5%	51.8%	24.7%
Bristol	44.8%	35.3%	19.9%	31.8%	52.2%	16.0%
North Som	37.7%	40.4%	21.9%	19.6%	51.4%	29.0%
South Glos	38.4%	39.9%	21.7%	20.9%	52.3%	26.7%
Mendip	34.1%	43.4%	22.5%	19.6%	53.6%	26.8%
West Wilts	34.4%	41.4%	24.2%	16.3%	53.3%	30.4%
WoE	40.0%	38.4%	21.5%	25.9%	52.2%	21.9%

Source: Modelled need from affordability model for 2006 (including 10% backlog allowance); Zone Agent filtered data for early 2008.

9.2.3 In formulating policy for size mix for intermediate housing it would be sensible to provide housing which meets aspirations of those seeking intermediate housing and thus provide a greater number of two bedroom properties than the analysis

based on need would suggest.

9.3 Size Mix in the Private Sector

- 9.3.1 There is considerable interest in the issue of size mix in relation to the private market, particularly for new build supply into owner occupation. Current planning policy guidance (PPS3) encourages local authorities to seek a mix of housing types across all tenures. In addition, the guidance on affordable housing gives encouragement to authorities to consider in particular the supply of lower cost market housing just above the formal affordability threshold. There is a danger that the private development industry might produce a mix in certain areas which does not correspond with the need and demand among households who can in principle afford owner occupation or market renting. Planning might be able to influence supply to correct possible imbalances.
- 9.3.2 However, there are considerable difficulties in arriving at a firm view on what is the most appropriate mix, because of two factors: the role of existing supply from turnover within the market, and households' desire to consume more than minimal amounts of housing space, given their economic ability to do so. The latter applies in particular to existing owners trading in the market but also to better off first time buyers.
- 9.3.3 In this section we present evidence from several sources to inform this issue. From the 2001 Census we can identify the size mix of existing owner occupier housing, although this can only be approximated in terms of bedrooms because the Census only records numbers of habitable rooms. From the S.E.H. we can identify the actual size of dwellings in owner occupation, both for the overall stock and for cases where there has been a move in the three years preceding the survey. For these moves we can break it down further into first time buyers, by affordability band. However, all SEH figures can only be estimated at regional or broad sub-regional level, subject to sampling error. Thirdly, we can identify from the Regulated Mortgage Survey the size mix of dwellings sold, broken down into new and secondhand dwellings.
- 9.3.4 Table 9.8 looks at the owner occupier stock and recent moves in WoE using Census and SEH. The owner occupier stock is skewed towards larger dwellings, with 53% 3 bedroom and 29% with four or more bedrooms. Only 3.5% have one bedroom. These proportions only vary to a modest degree between the local authorities, with Bristol having more three-bed and less four-bed, while South Glos has more three-bed and less two-bed.

Table 9.8: Size Mix of Existing Owner Occupied Stock

Area /Category	Owned 1 BR	Owned 2 BR	Owned 3 BR	Owned 4 BR
Census 2001				
B&NES	3.5	14.5	49.7	32.3
Bristol	3.7	15.0	59.8	21.5
North Som	3.8	16.4	46.3	33.6
South Glos	3.0	12.7	55.9	28.4
Mendip	3.1	14.2	48.0	34.7
West Wilts	3.6	14.8	49.3	32.2
Total WoE	3.5	14.6	53.4	28.5
SHE 2004-06				
WoE stock	3.8	15.5	53.8	27.0
SEH WoE moves	8.0	23.3	46.0	22.7
Turnover Ratio	2.1	1.5	0.9	0.8

Sources: Analysis of Census, SEH and Regulated Mortgage Survey (RMS)

- 9.3.5 The SEH-based estimate of stock has a similar distribution. The distribution of moves is more skewed towards smaller units, so we can roughly estimate that the relative turnover for one-bed is double the average while that for 2-bed is 50% above the average, while 4-bed has only 80% of the average turnover rate.
- 9.3.6 Table 9.9 presents an analysis of mortgaged sales in 2006 based on RMS data at LA level. In this case we are able to distinguish family-suitable types of two-bed houses from flats, as in the affordable need analysis.
- 9.3.7 The figures in the bottom line of Table 9.9 are similar to those derived from the earlier sources, except that the proportion of three-bed sales in the secondhand category is higher, while for the four-bed category it is lower. New build mortgaged sales in 2006 had a high share of two-bed flats, the category we showed was also oversupplied for the social rented sector. 28% of new sales were of 4+ bedroom accommodation.

Table 9.9: Mortgaged Sales by Size and Whether New by Local Authority 2006

	LA	1B	2F	2H	3B	4B
New	B&NES	11.1	24.1	7.4	24.1	33.3
	Bristol	19.2	38.5	6.0	28.6	7.7
	North Som	4.3	12.4	8.6	36.0	38.7
	South Glos	3.7	31.7	3.7	28.0	32.9
	Mendip	0.0	13.6	9.1	54.5	22.7
	West Wilts	6.5	15.2	2.2	32.6	43.5
Total		9.1	23.8	6.3	32.7	28.3
Old	B&NES	4.4	6.7	12.4	56.1	20.4
	Bristol	6.2	10.9	12.0	61.4	9.4
	North Som	3.3	7.6	9.9	56.5	22.8
	South Glos	2.4	3.4	10.7	64.1	19.4
	Mendip	2.9	3.7	15.9	57.1	20.5
	West Wilts	2.3	4.1	14.3	59.0	20.3
Total		4.1	7.1	12.0	59.9	17.0

Source: Analysis of Regulated Mortgage Survey

9.3.8 There is also quite a bit of variation between the authorities. Bristol has relatively few 4-bed sales (new or secondhand) and a large share of 1-2 bed flats in the new build supply (58%). North Somerset has quite a high share of 4+bed new build. Mendip appeared to have no 1-bed new sales and only 3% secondhand. West Wilts has a very high share of four-bed new (44%) and very few two-bed houses (2%)

9.3.9 We can estimate the size mix appropriate for certain demand-side groups we may be particularly interested in. Table 9.10 shows the size mix required by both marginal and more comfortable first time buyers – marginal first time buyers are those who can only just afford purchase and would be looking for cheaper properties in the cheaper areas, comfortable first time buyers are able to afford up to the lower quartile in most areas and thus have a larger degree of choice. These indications suggest that there is a requirement for significant numbers in the small size categories for first time buyers and that quite a lot of the 2-bed numbers would be looking for family-suitable accommodation. Whether this implies a similar mix in the new build supply depends upon the availability of secondhand stock and sales in these categories.

Table 9.10 size mix required by first time buyers

	%age requiring 1 bed	%age requiring 2 bed	%age requiring 3 bed	%age requiring 4 bed and larger
Marginal first time buyers (West of England)	25	45	17	16
Marginal first time buyers (RoSW)	15	48	33	4
Comfortable first time buyers (West of England)	8	33	50	8
Comfortable first time buyers (RoSW)	5	42	32	21

Source: Analysis of Regulated Mortgage Survey.

9.3.10 A further factor in planning future housing supply is the increasing number of older people who will need appropriate housing in the future. In the social rented sector it is generally assumed that older people will be seeking smaller accommodation. The housing need may only be for one bedroom but it is now generally accepted that many older people would prefer 2 bedrooms. There is also evidence of need for extra-care housing for those older people who need more support and care. In Chapter 10 there is an analysis of existing accommodation for older people which shows that three authorities (Bath and North East Somerset, Bristol and South Gloucestershire) have a current surplus of one bedroom traditional sheltered accommodation dedicated to older people, but that five of the authorities (apart from West Wiltshire) have a shortfall of two bedroom accommodation for older people. This shortfall is likely to increase as the numbers of older people increase.

9.3.11 It is clear that there will be some need for specialist housing for older people in the private sector, as many of these older people will be home owners. Demand is likely to be for a minimum of two bedroom accommodation. However, it is difficult to translate this into solid numbers. Nevertheless, consideration needs to be given to meeting the needs of older people in formulating planning policy.

- 9.3.12 A further factor is the need for more accessible housing. Demographic projections show significant increases in older people with a long term limiting illness, in three of the six authorities there is a projected increase of over 50% for this group between 2008 and 2025. Not all of these will require full wheelchair housing, but this still suggests an increase in the amount of wheelchair housing that will be required. This is examined further in chapter 10.
- 9.3.13 Pulling this all together creates a mixed picture. Existing owner occupied stock is heavily skewed towards larger dwellings, with over 80% being 3 bedroom or larger, and only 3.5% 1 bedroom. However, turnover is much higher among smaller one and two bedroom properties. Sales of new build properties indicate some differences to the existing stock, with significantly more new build 2 bedroom flats than second hand ones. For three bed houses second hand sales make up a higher percentage of overall sales, while for 4 bedroom houses new sales are a bigger proportion than second hand sales in all areas except Bristol.
- 9.3.14 Demographic projections of households tend to emphasise smaller properties. Marginal first time buyers need mainly one and two bedroom accommodation, while more comfortable first time buyers are likely to be seeking two or three bedroom accommodation. Older people trading down are likely to prefer two bedroom accommodation; a significant proportion of these will need to be accessible.
- 9.3.15 There is a good deal of evidence that in the wider owner occupier market there is significant demand for larger accommodation, well in excess of minimum bedroom standards, reflecting rising incomes, aspirations and lifestyles. King and Hayden (2005) in recent work for the House Builders Federation showed that demographic trends in household and dwelling size by tenure indicated a strong emphasis on larger owner occupied dwellings¹. NHPAU² argue using the CLG/Reading Affordability model that building a mix with more larger dwellings can improve affordability more in the long run than meeting the same numerical targets with mainly smaller units. This allows for the filtering down effects within the existing stock.
- 9.3.16 These issues and numbers are presented as background information for consideration in the development of local planning guidelines. Each authority will decide its policy on future mix taking into account the above and local information.

¹ Room to Move? Tenure and Housing Consumption- King and Hayden – House Builders Federation 2005.

² Developing a Target Range for the Supply of new Housing Across England-NHPAU October 2007

9.4 Flats and Density

- 9.4.1 One of the themes of this Chapter concerns the apparent imbalance between the need and demand for housing suitable for families and the current supply, particularly in the social rented sector but also to some extent in the market and intermediate sectors. It is therefore of interest to draw on our ward-level housing database and forecasting model to provide some further evidence on the overall mix of housing, particularly the share of flats, and how this is changing. The information on density (gross dwellings per hectare) is also provided. Table 9.11 provides a comparative profile of these measures for England and the West of England.
- 9.4.2 For England as a whole the proportion of flats in the housing stock was 17% in England, with WoE slightly lower at 15.6%. The share of flats naturally varies depending on location on the urban-rural spectrum, as shown in the upper part of the table. City centres in the south outside London had 30% of flats in 2001; for City centres in WoE this was 38%. For other urban areas the proportion was 15.7% across the south, but somewhat lower in WoE at 12.2%. The proportion of flats falls to low levels at the town fringe (9.1%/6.7%) and in rural/village locations (4.6%/3.5%). Flats are rather more common in relatively deprived wards, and in the case of the most deprived wards the figure for WoE was above the England figure (41.6% vs 21.5%).
- 9.4.3 Over the 1990s the proportion of flats increased nationally, but this increase was particularly marked in city centres. There was a particularly sharp increase in WoE city centres (20% points versus 11% for South City Centres).
- 9.4.4 For example, in Bristol almost 5000 new city centres homes were completed between 1997 and 2007, and in 2007 there was planning permission for a further 5,700 units. Most of this new housing takes the form of flats built at high densities. In 1998, when planning policy changed in favour of higher density brown field development, flats accounted for 15% of total new homes; by 2007 flats were almost 50% of total new homes.
- 9.4.5 The recent changes in the housing market may have a bigger impact on this type of development. It has been suggested that the values of city centre flats have been inflated due to investor demand fuelled by speculation over future capital growth, and if such investors have disappeared from the market, then prices may be forced down quite rapidly. This could provide some opportunities for those who are just outside the margins for home ownership currently, but is likely to create difficulties for some recent purchasers with high loan to value ratio mortgages (either owner occupiers or investor landlords), leading to negative equity.

Table 9.11: Level and change in share of flats by urban-rural typology and deprivation level of ward, comparing England and West of England.

Urban-Rural Ward Typology	Share of Flats (%) 2001	Increase % pts 1991-2001	Increase % pts 2001-11	Increase % pts 2001-21	Density Dwellings per ha 2001	Density Dwellings per ha 2021
England						
Central London	83.0	26.1	-2.3	0.1	80.9	95.0
Inner London	59.1	17.2	-0.2	0.9	55.1	64.7
Outer London	32.0	7.0	1.6	3.6	31.7	36.4
South city centre	30.1	10.8	2.1	4.8	32.8	38.8
South other urban	15.7	1.6	1.5	3.0	20.7	24.5
South town fringe	9.1	1.1	0.7	1.7	11.1	13.4
South village isol	4.6	1.5	0.5	1.0	3.2	3.7
Mid-North City Centre	19.4	-0.1	2.3	4.9	29.7	34.3
Mid-North other urban	9.1	-2.5	1.1	2.3	20.2	22.4
Mid-north town fringe	5.3	0.0	0.6	1.4	10.9	13.3
Mid-north village isol	3.4	1.1	1.3	1.6	2.5	2.6
Total England	17.0	1.9	1.2	2.6	22.7	26.1
West of England						
City centre	37.7	20.5	1.0	2.7	36.6	44.4
Other urban	12.2	0.9	0.9	2.3	20.0	23.7
Town fringe	6.7	0.4	-0.2	0.7	11.3	13.9
Village isol	3.5	1.4	0.1	0.7	2.4	2.7
WoE	15.6	4.4	0.8	2.1	20.9	24.9
<i>IMD Deprivation All England</i>						
Worst 10%	25.9	0.0	0.7	2.5	34.0	39.1
10-20%	30.3	1.2	0.2	1.6	35.8	42.4
<i>IMD Deprivation West of England</i>						
Worst 10%	41.6	8.5	7.0	12.3	29.5	44.3
10-20%	23.7	11.9	3.9	7.7	40.9	45.6

Source: Bramley et al (2007) *Transforming Places* ward level housing dataset; WoE ward forecasting model. Note: Density is calculated using gross district area, not the area developed for housing.

9.4.6 The forecasting model predicts that the share of flats will continue to rise nationally and in most types of area, although less spectacularly in city centres. The forecast increases for WoE are slightly below the comparable national figures. Nevertheless, the trend continues to be one of an increasing tendency to build flats, so that the potential conflict with housing needs evidence may intensify.

9.4.7 The density figures in the table are for crude gross density but they do nevertheless point up related trends. Density is increasing in all types of area but

with sharper increases in central and other urban areas. WoE is sharing in this pattern, with higher central densities than across the south as a whole. Density is relatively high in deprived wards, especially in WoE, and is tending to increase sharply. This increase is associated with a steep rise in the proportion of flats in the most deprived wards in WoE. This may create some problems of social sustainability of these neighbourhoods.

9.4.8 We can look at the results of the forecasting model for the share of flats at zonal level in WoE, as shown for selected zones in Table 9.12. The biggest increase in flats is forecast to occur in the most deprived zone, Bristol Inner East, which already had more than one-third of its stock as flats in 2001. Other significant increases are expected in other poorer zones within Bristol, and some other less affluent urban areas in WoE; however, the existing share of flats in these zones is only moderate.

Table 9.12: Level and change in share of flats in selected zones in West of England 2001-2021

Zone Name	Flats % 2001	Increase 2001-11 % pts	Increase 2001-21 % pts
Most Increase in Flats			
Bristol Inner East	34.6	8.0	14.0
Bristol East	15.0	2.6	4.6
Bristol North	11.6	2.0	4.0
Bristol South	12.8	1.9	4.0
Bath City South	15.1	1.1	3.4
Portishead- Gordano	11.7	1.2	2.9
Kingswood	9.3	1.5	2.7
Trowbridge	11.8	-0.2	2.4
Weston-Super- Mare	21.0	1.0	2.2
Keynsham	12.8	-0.2	1.8
Most Decrease in Flats			
Warminster	10.7	-0.6	0.3
Melksham	7.6	-0.5	0.2
Bristol North West	21.5	0.3	0.2
Bradford on Avon	10.7	-0.7	0.1
Thornbury	6.1	-0.2	-0.1
Westbury	8.4	-1.8	-0.9
Bristol Inner West	57.8	-3.6	-4.6
WoE Average	15.6	0.8	2.1

Source; WoE ward forecasting model.

9.5 Summary

- 9.5.1 In a context of overall shortage, there is a significant imbalance between supply and need for social rented housing. There is a significant shortfall of 2 bedroom housing suitable for families, with a historic oversupply of 2-bedroom flats. There is also an acute shortage of larger 4-bedroom houses.
- 9.5.2 There are also variations between districts, with Bristol and West Wilts needing more one-bedroom accommodation while South Glos needs more medium sized family accommodation. At zonal level, some towns and central areas need more smaller accommodation, while in some other areas most or all new provision should be focused on family-suitable housing.
- 9.5.3 Analysis of transfer demand and potential supply released tends to reinforce this general picture.
- 9.5.4 Existing owner occupied stock is heavily skewed towards larger dwellings, with over 80% being 3 bedroom or larger, and only 3.5% 1 bedroom. However, turnover is much higher among smaller one and two bedroom properties. Sales of new build properties indicate some differences to the existing stock, with significantly more 2 bedroom flats. Sales of new build three bed houses are a smaller percentage of overall new build sales than in the second hand market, with higher sales of new 4 bedroom accommodation.
- 9.5.5 Demographic projections of household sizes, however, implies a need for smaller properties. Marginal first time buyers need mainly one and two bedroom accommodation, while more comfortable first time buyers are likely to be seeking two or three bedroom accommodation. Older people trading down are likely to prefer two bedroom accommodation; a significant proportion of these will need to be accessible.
- 9.5.6 In the owner occupier market, the existing mix of supply is biased more towards larger units, and there are indications that in some areas more smaller units would be appropriate for potential first time buyer demand. At the same time, in some more central areas recent output has included a high share of flats and this may not provide enough opportunities for families. However, there is also evidence that providing larger houses meets demand and increases affordability through a filtering down effect.
- 9.5.7 The share of flats in the housing stock has been rising and is forecast to rise further, particularly in central urban areas. The increasing concentration of flats at high densities in the most deprived areas is a cause for concern.

- 9.5.8 Each authority will need to consider the above issues and local evidence in determining its planning policy on size mix.
- 9.5.9 The aspirations of people seeking intermediate housing shows a marked preference for two bed units in contrast to than their assessed one bed need.

Chapter Ten - Housing Needs of Particular Groups

10.1 Families

- 10.1.1 There is a widespread concern that recent patterns of housing provision, in both the private and social sectors, have not paid sufficient attention to the needs of families with children. The high proportion of recent development which has consisted of smaller flatted properties at high density has attracted some criticism. CLG's recent decision to fund a number of pathfinder schemes to tackle overcrowding has brought this issue higher up the agenda for many social landlords. The SHMA should provide evidence on the need for and supply of accommodation by size and type of housing, in a way which enables the requirement for family-suitable accommodation to be identified. In practice this mainly involves splitting two-bedroom housing into two categories. In simple terms 2-bed houses are assumed to be family-friendly, 2-bed flats are not. Three-bedroom units in this region are generally assumed to be houses for the purpose of the model. This also tends to be borne out in practice. In addition, the modeling distinguishes between 3 and 4-bedroom (and larger) supply and need. There are indications that the increased overcrowding problems in some areas can be attributed in part to the relative paucity of 4-bedroom houses and lettings in the social rented sector, as well as to demographic factors affecting household size (including ethnicity and migration).
- 10.1.2 Chapter 9 presented an analysis of size mix which suggested that there was a significant shortfall of 2-bedroom family accommodation and of larger (4-bed) accommodation. Table 10.1 presents an analysis which focuses on the division between family-suitable accommodation (of 2 bedrooms and above) and other accommodation, in relation to the need for additional affordable provision. It shows the imputed percentage requirement for social renting. The table gives Zonal figures with Zones ranked in descending order on these indicators.
- 10.1.3 In five Zones it is indicated that all new social rented provision should be family-suitable. These areas are located in four different LA's and include both small town and city areas. It is also important to note that, although some of these Zones may not be areas for major new housing development, some (including the Bristol Zones and Keynsham) certainly will be.
- 10.1.4 Another five Zones are indicated as requiring above 80% of new social housing to be family-suitable. Again these represent a mixture of types of area, urban, suburban, small town and rural.

Table 10.1: Split of social rented need between non- family and family-suitable accommodation

Zone Name	Soc Rent Net Need % 1/2 non-family	Soc Rent Net Need % 2-4 family
Bath City North	69%	31%
Bathavon	39%	61%
Bath City South	24%	76%
Chew Valley	22%	78%
Keynsham	5%	95%
Norton/Radstock	43%	57%
Bristol North	9%	81%
Bristol North West	46%	54%
Bristol Inner West	73%	27%
Bristol Inner East	0%	100%
Bristol East	47%	53%
Bristol South	0%	100%
Clevedon-Yatton	51%	49%
Nailsea-Backwell	30%	70%
Portishead-Gordano	44%	56%
Weston-Super-Mare	54%	46%
Yate/Sodbury	34%	66%
Kingswood	25%	75%
North Fringe	46%	54%
South Glos Rural	27%	73%
Thornbury	16%	84%
Glastonbury/Street	34%	66%
Wells & Rural	46%	54%
Shepton Mallet & Rural	30%	70%
Frome & Rural	38%	62%
Bradford on Avon	57%	43%
Melksham	55%	45%
Trowbridge	58%	42%
Westbury	75%	25%
Warminster	53%	47%
West Wilts Rural	43%	52%
WoE Subregion	40%	60%

Source: zonal affordability and needs model

10.1.5 At the other end of the scale, the zones with the lowest indicated share of social rented need in the family sized category still require 25 - 50% of provision to be of this form.

10.2 Older People

National Policy Context

- 10.2.1 The majority of older people live independently in their own home for all of their lives. For some, growing older can mean that housing which was once appropriate and fit for purpose becomes less so. This may mean a move to more appropriate housing – or adapting the existing home. Other older people develop needs for support and care which may be met in the home, or may require a need to a different form of accommodation.
- 10.2.2 Nationally there are significant changes in our demography, with 30% of all households in the UK headed by someone aged 60 or over. This proportion is set to increase. The number of people over 75 is also rising rapidly. Better standards of living, and better healthcare mean that people are living longer.
- 10.2.3 The government has recognised the problems associated with an ageing population, and is looking to tackle this on a number of levels. Nationally, the increase in those aged over 75 is putting more pressure on social services (care and domiciliary services) and on the health service. The government's agenda is set out in the National Housing Strategy for an Ageing Society (CLG 2008) and is built around key principles of independence, choice, respect and dignity. This translates into policies aimed at helping people stay at home for longer, avoiding or delaying hospital admission, facilitating the earliest possible discharge from hospital, and enabling people to choose the types of service they receive and who delivers these.
- 10.2.4 The changing national policy agenda reflects changing aspirations from older people who have been used to exercising more choice and control over their housing options. Many of these are home owners who wish to retain the equity in their properties to pass on to their children. The way equity is treated in assessing people for residential care, combined with a view that much residential care is of poor quality and fails to maintain the independence of residents, may have led to the situation where many older people see euthanasia as preferable to residential care¹.
- 10.2.5 Local authorities have struggled to contain expenditure on services for older people as the population has expanded. Many local authorities are finding that a combination of high overhead costs and poorly designed buildings mean that it is becoming less practicable for them to provide residential care directly. At the same time, many smaller private sector providers are finding that provision of

¹ Taken from Putting Older People First in the SouthWest, Housing LIN/Housing Corporation 2008

traditional residential care in smaller units is financially precarious, and are also leaving the market.

10.2.6 Traditional sheltered housing is also experiencing changes. The average age of those living in traditional sheltered housing has increased rapidly in the last two decades, requiring higher levels of support than has generally been provided. Sheltered schemes where the buildings are no longer fit for purpose have been decommissioned in many areas.

10.2.7 Alongside this, new models of enhanced and extra care housing have emerged. Many of these aim to create a balanced community, meeting the needs of those who require high levels of care and support alongside those who are still generally able to care for themselves. These new schemes may play a role in reducing the need for nursing care and hospital admission.

10.2.8 Longevity is also impacting on the health service – older people account for 55% of GP appointments, 68% of outpatient appointments and 77% of patients in hospital. Older people are more likely to suffer a long term limiting illness such as heart disease, diabetes, asthma, or respiratory diseases. There have been marked increases in the number of people suffering dementia and other forms of cognitive impairment. Incidence of sensory impairment also increases with age.

10.2.9 Over the past five years there have been a number of initiatives which explore different ways of delivering services which also reduce spend. These include:

- A programme of “extra-care” or “very sheltered housing” which enables people with higher levels of care and support need to live independently, with the aim of avoiding the need to go into residential or nursing care;
- Establishing a national agency to co-ordinate and promote the work of the Home Improvement Agencies (HIAs). HIAs work with those who own their own homes, or rent privately, to carry out repairs and adaptations to enable them to remain in their own homes. Many HIAs offer other services such as “handyperson” services or assisting people to be safe and warm;
- Work on “falls prevention”. This initiative has included practical training in identifying trip hazards and also developing a model to identify those at risk of falling and to work with them to improve their safety and ensure a fast response if they fall, all with the aim of preventing hospital admission;
- A national programme to fund the introduction of more “telecare”, technology to assist those with relatively high levels of need to remain living independently;
- The development of the new Health Hazard and Safety rating system for private sector properties, primarily designed to drive up standards, also has a specific

priority to improve standards in the private rented sector for older and other vulnerable people.

10.2.10 Another key government initiative has been the introduction of Direct Payments, to enable service users (across all client groups, not just older people) to choose who should provide their care services, and the exact form they should take. The take-up of Direct Payments has been low, with only around 1 in every 150 service users opting for Direct Payments. This is despite government setting local authorities targets to increase take-up. There has been some criticism that the administration involved outweighs the benefits of choice. The government has responded with proposals to introduce Independent Budgets for service users, which would give more freedom as to how money could be spent and are intended to remove some of the bureaucracy associated with Direct Payments. Direct Payments are being extended to cover support costs as well as care.

Older People in the Region

10.2.11 The South West Region has the highest proportion of people aged 65 and over, and 85 and over and the longest life expectancy of any English region. Based on the 2005 mid-year population estimates, there are 1,106,000 people of retirement age and above in the South West. Both the absolute number and proportion of the very old are set to increase by 2026. In 2007, the 2004-based projections indicate that 19.0% of the population is aged 65 and over in the South West. This is projected to reach 25.2% by 2026, whilst the number of people of 65 and over is set to rise from 976,300 to over 1,455,000. Some authorities have especially high percentages of people over retirement age: five of the 10 most retired areas in England are in the South-West.

10.2.12 The number of people aged 85 and over is projected to rise from 140,900 in 2007 to 233,000 in 2026, i.e. an increase of more than 65%. The projections suggest that the South West will continue to have a more elderly population structure than the England average. More than half of new households in the South West will be over 65².

10.2.13 Information on the prevalence of disability in the region shows that two thirds of men and three quarters of women aged 85 and over in 2001 suffered from a long term illness or disability that restricted their activities (ONS Census, 2001). Dementia affects 1 in 5 people aged 80 and over.

10.2.14 The rate of older people receiving community care services is the lowest in England: 873 per 100,000 population, compared with the average for England of

² DCLG, 2007 *Housing in England 2005/06 - A report principally from the 2005/06 Survey of English Housing carried out by the National Centre for Social Research on behalf of Communities and Local Government*, London: TSO

1,572 per 100,000 (Information Centre, Social Care Statistics 2006-2007). A relatively small percentage of mature adults live in communal establishments (such as nursing and residential care homes).

10.2.15 Information on carers reveals that more than 150,000 people in the South West providing unpaid care for family members, friends and neighbours (in 2001) were aged 60 or more. Around 100,000 people in the region provide in excess of 50 hours care per week, nearly 35,000 of these carers are aged 60 or above (ONS Census, 2001). As well as planning for the housing needs of older people we must plan for the needs of carers. Caring is a low paid profession and many carers will be unable to afford owner occupation or renting in the private sector.

Older people in the sub-region

10.2.11 The demography of the sub-region was discussed in more detail in chapter 2; a key conclusion was that the sub-region has an ageing population. This is underlined by the increasing numbers of people aged 65 – 84 and 85 and over, as seen in table 10.2 below.

10.2.12 In addition to age, housing need may also be influenced by whether someone is living alone or not. Older people living with family and friends may benefit from informal care and support which can delay the need for a move into sheltered housing, extra-care housing or residential care.

Table 10.2 Population projections for those aged 65 – 84 and 85+

Authority	2008 population aged 65 – 84	projected population aged 65 – 84 in 2025	Projected increase	2008 population aged 85 +	Projected population aged 85+ in 2025	Projected increase
B&NES	26,100	32,400	24%	4,600	6,600	43%
Bristol	46,400	51,800	12%	8,000	9,700	21%
North Som	34,100	50,400	48%	6,100	9,900	62%
South Glos	36,300	51,100	41%	4,800	8,700	81%
Somerset	92,300	138,200	50%	15,500	25,700	66%
Wiltshire	69,300	101,800	47%	11,100	19,100	72%

Source: POPPI data 2007

Table 10.3 Older People predicted to be living alone in 2025 by authority

Authority	Males aged 65 – 74	Males aged 75+	Females aged 65 - 74	Females aged 75+
B&NES	1,428	2,576	3,102	7,021
Bristol	2,448	3,976	5,115	10,325
North Somerset	2,244	4,088	4,653	10,856
South Glos	2,363	3,864	4,884	10,207
Somerset	6,188	10,780	13,200	28,969
Wiltshire	4,539	7,896	9,834	21,299

Source: POPPI data 2007

Supply of older persons housing

10.2.13 Table 10.4 below shows the current supply of affordable housing for older people in each of the authority areas. North Somerset and South Gloucestershire have a relatively smaller supply of older person's housing for rent, West Wilts has a particularly high supply of older person's housing for sale.

Table 10.4 Stock of Older Persons Housing by local authority

Authority	Social housing for rent	Social housing for rent per 1,000 population aged 65+	Older Persons Housing for sale	Older Persons Housing for sale per 1,000 population aged 65+
B&NES	1964	65.1	527	17.5
Bristol	4435	78.2	696	12.3
North Somerset	1529	42	790	21.7
South Glos	1550	43.9	296	8.4
Mendip	1222	68.2	382	21.3
West Wilts	1167	57.4	825	40.6

Source: EAC 2007

Note: this includes only housing which is intended for older people and is served by a resident or non-resident warden/scheme manager with specific responsibility for the group. Includes extra care and other forms of housing.

10.2.14 An estimate can be made of the annual need for accommodation suitable for older persons in the social rented sector using data compiled from the local authorities. The approach (Table 10.5) divides need and supply into two size categories, 1-bed and 2-bed. It takes 10% of the applicants and transfer cases classified as needing older persons dwellings plus the overall allowance for moves from owner occupation into social renting (split 80/20 between the size groups), and subtracts the annual lettings of OPDs in the two size categories. This shows that all authorities have some need for 1-bed OPDs, and all except for West Wilts have some need for 2 bedroom OPDs, based on need. There is extensive research that older people prefer to occupy 2 bed accommodation.

Table 10.5 Estimate of need for older persons accommodation by local authority

1 bedroom

Average 2009 – 20201	Backlog need @10%	Ex - Owner occupiers	Total annual need	Annual Supply	Net need
B&NES	16	86	102	86	16
Bristol	92	168	260	247	13
North Som	46	114	160	46	114
South Glos	41	127	168	153	15
Mendip	23	59	82	52	30
W Wilts	70	67	137	80	57
WoE	288	621	909	664	245

2 Bedroom

	Backlog need @10%	Ex - Owner occupiers	Total annual need	Annual Supply	Net need
B&NES	1	22	23	14	9
Bristol	8	42	50	29	21
North Som	5	29	34	6	28
South Glos	19	32	51	11	40
Mendip	5	15	20	7	13
W Wilts	6	17	23	42	-19
WoE	44	157	201	109	92

Source: CORE and Local Authority data; note that need figure calculation is the same as in Chapter 4 and is consistent with the Guidance.

10.2.15 Overall this table suggests that the need for additional older persons accommodation is a relatively small part of the overall need, and confined to certain areas. This supports the recognition by many of the local authorities in the HMA that there is no requirement for additional sheltered housing, indeed many authorities are decommissioning sheltered housing to free up funding to target support needs across all tenures. However, this analysis looks only at housing need and does not take account of possible care and support needs. The potential need for extra-care housing is discussed further below.

10.2.16 Also, it might be argued that the 10% backlog quota is less appropriate for this group, as during a long wait their condition deteriorates and this may then necessitate a move to residential care which could otherwise have been prevented. Indeed it is possible that some will die before being re-housed, if they have to wait 10 years.

Extra-care housing in the sub-region

10.2.17 All six authorities have recognised some need for extra-care (or very sheltered housing) which gives older people a greater range of choice between sheltered accommodation and full residential care. Table 10.6 below shows supply of extra-care, as at 2007, this does not include any committed future provision. The column showing units for sale/part-sale includes an emerging intermediate sector for this type of accommodation. Given the significant numbers of older people

who are already home owners, it may be expected that demand for intermediate extra-care housing will rise over time. The later columns illustrate the level of new accommodation which would be required to meet targets for provision of 6 per 1,000 population and 12 per 1,000 population, both now and in 2026. This illustrates the way demand will grow as the older population increases.

Table 10.6 Current stock of extra-care housing as at 2007, with extrapolation to show potential need

Authority	Social Rented	Market Housing developed for sale/part sale	Units per 1,000 aged 65+	Additional units required to reach target of 6 per 1,000 of social rented stock now	Additional units required to reach target of 6 per 1,000 of social rented stock 2026	Additional units required to reach target of 12 per 1,000 of all stock now	Additional units required to reach target of 12 per 1,000 of all stock 2026
B&NES	67	0	2.2	114	171	295	409
Bristol	378	323	12.4	0	0	0	47
North Som	120	0	3.3	113	248	346	617
South Glos	37	0	1.0	198	329	433	695
Mendip	147	6	8.5	0	41	79	223
West Wilts	0	107	5.3	136	229	165	351

Source: EAC 2007 taken from Putting Older People First in the South West, Housing LIN/Housing Corporation 2008

10.2.18 Demand for extra-care housing may be driven by a number of factors. The increasing ageing population has already been highlighted in chapter 2 and in table 10.2 above. Table 10.3 above gave information about the number of older people living alone, another factor in whether a move may be needed to access appropriate care and support. A third factor is the increasing number of people with dementia. Appropriate services within extra-care housing can often enable those with early signs of dementia to cope independently for longer, delaying or preventing a move to residential care.

Table 10.7 below shows the projected future increase in the number of people with dementia.

Table 10.7 Projected future increase in the number of people with dementia

Authority	Projected number of people aged 65+ with dementia 2008	Projected number of people aged 65+ with dementia 2025	Percentage increase
B&NES	2,332	3,079	32%
Bristol	4,105	4,644	13%
North Som	3,047	4,736	55%
South Glos	2,716	4,424	63%
Somerset	7,918	12,548	58%
Wiltshire	5,770	9,256	60%

Source: POPPI data, taken from Putting Older People First in the South West, Housing LIN/Housing Corporation, 2008

Housing needs of particular groups of older people

10.2.19 New groups of older people, for example, from black and minority ethnic groups may require new types of scheme tailored to their specific needs. There are increasing numbers of older black and minority ethnic (BME) people in the South West, although the region has one of the smallest ethnic minority populations of all English regions (2.3%). More than a quarter (28%) live in Bristol (SWO, 2007).

10.2.20 The number of prisoners aged over 60 in jails in the South West has been increasing over the last ten years in line with national trends. Between 1990 and 2000 the number of older prisoners in jails in England and Wales trebled, so that by 2004 there were 1700 prisoners, mostly men, aged over 60. The oldest prisoners in the South West are over 80 (SWPHO, 2005).

10.2.21 There is also concern among providers about growing or anticipated demand among older people with learning disabilities and enduring mental health problems or alcohol problems for suitable housing and care (Pathways Research, 2004 *Supported Housing in the South West Region – strategic review and position statement*, South West Housing Body).

10.2.22 A separate section in this report considers the needs of migrant communities. This emphasises the links between in-migration and economic growth. There is also significant migration of older people to the sub-region. Between 2004 and 2005, 16% of the gain through migration was of over 60's. These trends are projected to continue in the future.

Responding to the housing needs of older people

10.2.23 There is a clear need for additional, good quality extra care housing in the South West. In addition, other options such as retirement communities, home-sharing schemes, co-housing etc. may provide scope for further development. Housing supply, particularly smaller units, must meet the aspirations and needs of older people to encourage moves to more appropriate accommodation, thereby freeing up larger family housing. Given high levels of owner occupation and the relative affluence of the region, many older people will be able to meet their housing need from the private housing market. However, a significant number will require assistance and access to social housing.

10.2.24 The Regional Spatial Strategy includes a target for 10% of all social rented housing to be either specialist supported housing or specialist housing for older people.

10.2.25 In addition, local authorities will need to ensure that housing strategies and policies meet the needs of older people by:

- Ensuring that an appropriate percentage of new housing supply will meet the needs of older people and their carers in terms of size, location and design;
- Improving the condition of existing properties so that older people have homes which are warm and secure and meet modern standards of living;
- Ensuring sufficient homes across all tenures are accessible to those with a disability and making best use of Council and housing association properties which have already been adapted or are suitable for adaptation;
- Increasing choice and access to good quality housing advice for older people; and
- Working with others to ensure flexible tailored support for those who need it.

10.3 People with a Disability

10.3.1 The SHMA should assist with identifying the long-term demand for housing suitable for people with a physical disability, particularly housing suitable for wheelchair users. Nationally, there are rising numbers of people with a disability on housing registers, but a decline in the amount of suitable accommodation becoming vacant. Forty percent of disabled people applying for social rented housing stated that they felt this was the only way to get housing which met their needs³.

³ CIH/Housing Corporation "Moving into Affordable Housing" June 2008

10.3.2 It has proved difficult to get good sub-regional information about the levels of demand for adapted housing. Most housing registers identify households which include a family member with a disability, but not all of these will require wheelchair housing (housing which is intended for occupation by somebody who uses a wheelchair inside the house for most of the time). As a working hypothesis it has been assumed that 20% of households containing a family member with a disability will require wheelchair accommodation. It has also been assumed that these households should not have to wait longer than 5 years to be rehoused, so the model assumes that backlog is met over a 5 year period. This gives a figure for the current and apportioned backlog of demand for wheelchair housing, as shown in Table 10.8.

Table 10.8 – modeled backlog of need for wheelchair housing

Authority	Number on register with a disability/ill health	Number on zone agent list with a disability/ill-health	Total backlog need	Number requiring Wheelchair Housing (at 20%)	Backlog Apportioned over 5 years
B&NES	156	7	163	33	7
Bristol	1,088	36	1,124	225	45
North Somerset	44	26	70	14	3
South Glos	341	15	356	71	14
Mendip	125	9	134	27	5
West Wilts	266	4	270	54	11
Total	2,020	97	2,117	424	85

10.3.3 A percentage of newly forming households will require wheelchair housing. CORE data for 2006/7 suggests that on average 2.3% of those requiring social housing require wheelchair housing. This percentage has been applied to the projected number of newly forming households to give the number of newly forming households who may require wheelchair housing. This is shown in Table 10.9 below.

Table 10.9 Modelled demand for wheelchair housing from newly forming households in need of affordable housing.

Annual Average 2009-2021	B&NES	Bristol	North Som	South Gos	Mendip	West Wilts	WoE total
Number unable to buy or rent in market	774	1,999	716	1,000	314	423	5,226
Number assumed to need wheelchair housing	18	46	16	23	7	10	120

Source: number unable to buy or rent in market taken from Table 4.2, modelling assumption explained above

10.3.4 The predicted level of demand for social housing also includes owner occupiers moving into social housing; these tend to be older owner occupiers who can no longer cope with their accommodation. Some of these will need properties with enhanced mobility features, such as level access, walk-in bath/showers, and use of grab rails etc, but only a relatively small percentage will need housing suitable for a wheelchair. As a working hypothesis it has been assumed that 20% of these households will require wheelchair housing, giving the numbers below:

Table 10.10 existing households falling into need requiring wheelchair housing

	B&NES	Bristol	N Som	South Gos	Mendip	W Wilts	Total
Existing households falling into need	108	210	143	159	74	85	778
Number requiring wheelchair housing	22	42	29	32	25	17	167

Source: existing households falling into need taken from Table 7.7. modelling assumption explained above.

10.3.5 The total annual average need for wheelchair accommodation can be summarised from the above, and this is set out in Table 10.11 below.

Table 10.11 Total annual modelled need for wheelchair housing

Annual Need 2009 – 2014	B&NES	Bristol	North Som	South Gos	Mendip	West Wilts	WoE total
Backlog need	7	45	3	14	5	11	85
Newly forming households	18	46	16	23	7	10	120
Existing households falling into need	22	42	29	32	25	17	167
Total annual need	47	133	48	69	37	38	372

10.3.6 The amount of wheelchair accommodation which might become available each year can be estimated from the percentages of households moving into accommodation suitable for a wheelchair. If we apply these percentages to the

social housing relets for last year we can approximate the number of wheelchair lettings in the past year (excluding new properties).

Table 10.12 Number of wheelchair relets in 2007

Authority	Relets 2007	%age wheelchair users	Number wheelchair relets
B&NES	403	3	12
Bristol	1783	1.8	32
North Somerset	450	3	13
South Glos	497	4	20
Mendip	243	2.1	5
West Wilts	330	5.6	18
Total	3,706	-	100

Source: CORE data for 2007

10.3.7 Supply can then be taken from demand to give net need for wheelchair accommodation each year. This is shown in Table 10.13 below.

Table 10.13 Net need for wheelchair accommodation each year

	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE total
Total annual need	47	133	48	69	37	38	372
Annual supply	12	32	13	20	5	18	100
Net need	35	101	35	49	32	20	272

10.3.8 These figures should be treated with some caution as they are based on a working assumption about levels of need, and supply reflects only one years data. Nevertheless, they do give an indication of likely levels of future demand for wheelchair accommodation. The numbers may appear high, but are not out of line with demographic trends. A significant increase in the amount of wheelchair accommodation is needed.

10.3.9 Another useful indicator of demand for wheelchair accessible accommodation is older people with a long term illness. As can be seen from table 10.14 below, all authorities in the WoE area are expecting to see a significant increase in the number of older people with a limiting long term illness between now and 20205 (assuming that West Wilts and Mendip pick up some share of the increase in their respective counties). If only small percentages of these require adapted housing, this still supports the need for a significant increase in the amount of adapted housing that is available.

Table 10.14 People aged 65 + with a limiting long term illness, projected to 2025

Authority	2008	2025	Percentage increase
B&NES	13,223	16,984	28%
Bristol	27,286	30,880	13%
North Somerset	17,130	26,102	52%
South Glos	18,205	27,202	49%
Somerset	46,621	71,852	54%
Wiltshire	33,362	51,219	54%

Source: Putting Older People First in the South West, Housing LIN/Housing Corporation 2008.

10.3.10 Other relevant information from CORE data includes

- Of those housed primarily because the property was unsuitable because of ill health/disability, 60% had a family member who considered themselves to be disabled
- Of those who were moving to accommodation with support, 40% of households included someone with a disability
- All of those who were rehoused due to being discharged from longstay hospital/other institution, considered themselves to have a disability
- One-third of those rehoused from bed and breakfast considered themselves to have a disability.

10.3.11 The overriding conclusion is that levels of disability are much higher than might have been anticipated and although not all of these will translate into a need for wheelchair housing, or significantly adapted housing, this does point to a huge unmet demand for accessible/adapted housing across all tenures. All new social housing must be built to life-time homes standards by 2011 and all new homes must reach this standard by 2013; this will increase the supply of accessible housing, but there is a clear demand for full wheelchair housing which needs to be taken into account when developing new housing.

10.4 Migrant households

10.4.1 In the ten years from 1996 to 2006, the percentage of non-UK nationals living in the UK increased from 3.8% to 6%. Since 2006 numbers have continued to rise, with significant migration coming from new EU member states.

10.4.2 In the South West region the number of non-UK nationals has historically been lower than the UK average. In 2006 only 3.8% of the population were non-UK nationals, significantly lower than the UK average. Nevertheless, this represented a 35% increase since 2004. The distribution of non-UK nationals in

the region is uneven – Bristol and South Glos have seen significant increases, along with Bournemouth and Plymouth.

- 10.4.3 The West of England strategic housing market area has seen significant growth from net in-migration. International in-migration accounts for 53.5% of the population growth in the West of England area between 2001 and 2006 (58,500). This is higher than the South West region (20.4%) but slightly lower than England and Wales (65.6%).
- 10.4.4 The number of UK nationals in the region has remained fairly static, thus it is reasonable to assume that much of the economic growth in the region has been driven by international in-migration. International migration as a % of net population growth is highest in Bristol (99.4%) and Bath and North East Somerset (75%), reflecting employment growth in Bristol and Bath. International migration in North Somerset and West Wilts has been relatively low with much of the net migration being a result of internal migration to these areas. This may reflect the different employment base in these areas. Older people who are no longer economically active may also choose to move to these areas, often from within the sub-region.
- 10.4.5 Although migrant workers have driven substantial economic growth, many are employed in low-paid and low-skilled occupations, and others have problems finding employment. Within the region, unemployment among migrant workers is higher than for UK nationals, and rising. Language skills appear to be a significant barrier – in a study carried out by Exeter CVS 74% of migrants felt that their low level of English prevented them from getting a better job. There is some evidence that a number of migrants from new EU member states see their time in the UK as temporary and intend to return home. A survey carried out by the South West Skills & Learning Module in 2007 found that more than 50% of A8 country migrants to the Southwest plan to stay in the UK for less than 3 months.
- 10.4.6 The housing market area assessment uses the ONS Population Projections which assumes that the recent relatively high levels of in-migration continue, to support economic growth in the sub-region. There is no assumption about whether this comes from international migration or migration from within the UK.
- 10.4.7 Generally migrant workers have two opportunities for housing – either tied accommodation or the private rented sector. Whilst formal tied accommodation is rare there is evidence from other areas in the country that migrants are living in “de facto” tied accommodation provided by the employer, often overcrowded and in poor condition. Locally evidence points towards greater use of private sector accommodation which is not provided by the employer, although often a group of employees may live together. The private rented sector has absorbed a significant percentage of the 31,220 international migrants into the sub-region, there has been some growth in the private rented sector to accommodate this, and also a drop in the use of the private sector by some other groups, such as students. If in-migration continues at the anticipated levels this will place further demands on the private rented sector.

10.4.8 Migrant workers from the new EU member states are not eligible for social housing unless they have lived in the UK and supported themselves for at least 12 months. There is some anecdotal evidence that migrant households are applying for social housing as they become eligible. This may increase the demand for social housing in the future.

10.5 STUDENTS

10.5.1 Within the West of England there are 4 major universities:

- Bristol University
- University of the West of England
- University of Bath
- Bath Spa University

10.5.2 In total the 4 universities attract almost 60,000 students every year, most of whom come from outside the area. A minority live in accommodation provided by the University; most find their own solutions in the housing market, predominantly through private renting. The housing market assessment needs to take account of the impact of students on the housing market or there is a danger of overestimating housing need.

Bristol University

10.5.3 Bristol University has 14,000 full time students, only a small percentage of these lived locally before coming to the University. The University provides 4,400 bedspaces. Much of this has been in place for some time, only 200 units of new accommodation has been provided in the last 5 years. A very small number of students live with family or in a property purchased by their parents. The University estimates that around 10,000 students are living in the private rented sector. However, it is getting more difficult for students to find private rented accommodation at rents they can afford.

University of the West of England

10.5.4 The University of the West of England (UWE) has 27,000 students, including full and part time. UWE provides 4,000 bedspaces, in a mixture of properties which are owned, leased long term and leased short-term. These properties are mainly used to house some of the 5,300 new full time students each year. New purpose built accommodation has been provided by Unite over the past five years. The majority of second and third year students are able to rent in the private sector; there have been some difficulties in the past in securing sufficient accommodation. The University is seeking to increase the number of post-

graduate places it offers but has no plans to increase the amount of accommodation it will provide.

University of Bath

10.5.5 The University of Bath has just over 13,000 students, one quarter of these come from outside the UK. The University provides 3,300 bedspaces, and is continuing to expand this provision with a further 355 new student bedrooms due for completion during 2009. Those students who are not accommodated in dedicated student bedspaces tend to go into the private rented sector.

Bath Spa University

10.5.6 With 5,500 students, Bath Spa is the smallest of the 4 universities. The university has sufficient accommodation that most first year students can be accommodated in purpose built student halls, either on or off campus. These are either owned by the university or by a private company working closely with the university. Some second and third year students can also be accommodated in these halls, but many will look for accommodation in the private rented sector. The university has strong links with private sector landlords, and generally students do not find it difficult to find appropriate accommodation.

Conclusion

10.5.7 Students make up a significant proportion of the under 25 population in Bristol and Bath. The majority of these come from outside Bristol and Bath to attend University, and then move on to other areas when their courses finish. For the housing market assessment, we have adjusted our population forecasts to take this movement into account.

10.5.8 The majority of students live in the private rented sector. Where this is concentrated in particular wards private rented housing can make up a substantial proportion of the stock, although it is not the dominant tenure in any area. The Universities have indicated only relatively small scale expansion planned for the future, therefore demand for private rented accommodation is likely to remain at about current levels.

10.6 Gypsies and travelers

10.6.1 The term gypsies and travellers (G&T) includes different groups, some of whom have lived in the WoE SHMA for centuries. G&T are minority ethnic groups and legally protected under the Race Relations Act, but suffer a high level of discrimination and prejudice.

10.6.2 An increasing proportion of G&T now live in permanent housing, but often this is because of a perceived lack of choice due to the level of site provision. It is estimated that there are just under 16,000 G&T households living in caravans in England, of these around 4,000 are still on unauthorised sites. The Government is keen to address the serious shortfall of gypsy and traveller accommodation through the housing and planning system.

10.6.3 The Housing Act 2004 requires local authorities to carry out assessments of G&T accommodation needs and to address these in housing strategies. LDFs should contain specific sites to respond to assessed pitch requirements, and planning guidance should contain criteria on which applications will be assessed.

10.6.4 The Regional Spatial Strategy set out recommended levels of provision of both permanent and transit sites by each local authority in the region for the period 2006 – 2011. These were revised by an examination in public and Panel recommendations were made in April 2008. These are set out in table 10.15 below. Note that these do not include planned provision; all authorities are taking steps to meet the identified needs.

Table 10.15 Recommended level of additional provision for gypsies and travellers 2006 - 2011

2006 – 1011	B&NES	BCC	North Som	South Glos	Mendip	West Wilts
Pitches on permanent sites	19	24	36	58	57	14
Pitches on transit sites	20	0	10	25	30	5

10.6.5 In addition to the work carried out to support the Regional Spatial Strategy the four unitary authorities in the WoE SHMA commissioned Buckinghamshire Chilterns University College to carry out an assessment of G&T needs covering the period 2006 to 2016.

10.6.6 The study found approx 2,000 G&T in the West of England area, or 500 households, approx one third living in permanent housing. 55% of the G&T households in the sub-region live in South Glos. 25% live in BCC area, but only 5% in caravans, the remainder live in permanent housing. B&NES have 5% of the G&T population, and North Somerset 15%. The average household size is 3.9 people. The G&T population is younger than the average population of the WoE SHMA, and growing at 3% per annum. There is a considerable cohort of young people who will require independent housing within the next 10 years, most of these have expressed a preference for caravans rather than bricks and mortar accommodation. It is likely that not all of these households will remain in

the region, but equally other households may come into the region, particularly as extended families are formed through marriage.

10.6.7 38% of housed respondents were dissatisfied with their accommodation, the main reason being the inability to keep a caravan at the property. 40% of those living on/wanting site provision felt that they could fund it themselves if land were available. Preferences for location largely match existing living patterns, although some households expressed a preference to move out of the four unitary authorities to Mendip/South Somerset.

10.6.8 The study looked at what G&T need might be beyond 2011, to 2016. The recommended level of additional provision for this period for the four unitary authorities, is set out below.

Table 10.16 recommended level of additional provision for G&T 2011 – 2016 (4 unitary authorities only)

2011 – 16	B&NES	BCC	North Som	South Glos
Pitches on permanent sites	3	6	13	22
Pitches on transit sites	0	0	0	0

10.6.9 In early 2007 a draft was issued recommending similar planning requirements be extended to cover the needs of travelling showpeople. The study undertaken on behalf of the four unitary authorities made recommendations about the level of provision for this group:

Table 10.17 recommended level of site provision for travelling show people

	B&NES	BCC	North Som	South Glos
2006 – 11	1	8	0	42
2011 - 16	0	3	0	15

10.7 Summary

10.7.1 The need for additional family sized housing has already been highlighted in chapter 9. this chapter gives some zone level information which confirms that all zones have a need for more family housing. Two zones require all new social rented housing to be family friendly, and a further 21 require at least 50% of the provision to be family sized.

10.7.2 The SHMA area has an ageing population; an increase of up to 50% in the numbers aged 65 – 84 is expected in some areas, and of over 80% in the number aged over 85. Currently there is not a great shortfall in the provision of traditional housing for older people ie one bedroom sheltered housing; but there

is evidence of a shortfall of two bedroom accommodation for older people and also of increasing demand for extra-care housing. In some areas over 600 more units of extra-care housing would be needed to reach a target of provision of 12 units per thousand older population.

10.7.3 Older people are not a homogenous group and there will be different needs depending on household circumstances; many of these older people will have been owner occupiers and may be able to meet their own need in the market if appropriate housing is available. The needs of some specific groups of older people will need to be planned for: those from black and minority ethnic groups, those who are released from prison, and those with a learning disability or a health-related problem. Planning will also need to take account of the additional numbers of carers needed.

10.7.4 There is a significant backlog of people on the housing register currently who require wheelchair housing, this has been estimated at 424. A potential need is identified for up to 272 new units of wheelchair accommodation each year. These figures should be treated with caution as they are based on working hypotheses but there is evidence of increasing unmet demand.

10.7.5 The area has benefited from significant inwards international migration over the past 5 years. Migrant workers have generally been housed within the private rented sector, which has seen significant growth over the same period. Although inwards migration is likely to continue at fairly high levels, the SHMA makes no assumption about whether this will continue to be international migration or will include a greater proportion of people moving from elsewhere in the UK.

10.7.6 There are 4 universities within the SHMA area, attracting over 60,000 students in total, mostly from outside the area. Although all 4 universities provide some accommodation, the majority of students are housed in the private rented sector. Some universities report that it is getting harder for students to find reasonable accommodation at an affordable rent, but the picture is mixed. Although the universities have enjoyed significant growth over the past 5 years, current plans to increase student numbers are modest and likely to have little impact on the housing market.

10.7.7 The Regional Spatial Strategy includes the need for over 200 additional pitches on permanent sites to meet the needs of gypsies and travelers up to 2011, and 90 pitches on transit sites. All authorities have plans to meet this level of provision. Additional information is included for the four unitary authorities which have identified the need for a further 44 permanent sites to be provided between 2011 and 2016. The four unitaries have also identified a need for 51 permanent sites and 18 transit sites for travelling show people.

Chapter Eleven - Policy issues and recommendations and future monitoring

11.1 Conclusions

- 11.1.1 The West of England sub-region has been characterised by relatively high levels of economic and employment growth and low unemployment and this is likely to continue. The economy has successfully restructured away from manufacturing towards more of an office and service base. There is considerable commuting within the sub-region, particularly into the city centres and the North Fringe of Bristol. Prospective employment growth raises issues about the quantitative adequacy of planned housing growth for the sub-region.
- 11.1.2 Housing in WoE has a similar profile to England as a whole but with rather more owner occupation and private renting and more older housing. Social renting has a relatively low share in some of the districts. Intermediate affordable housing is a small but growing tenure. Bristol is much the largest local authority in population size but growth has been fastest in North Somerset and West Wilts. Bristol has significantly more private and social renting and a greater incidence of poverty. Vacancies are generally low except in parts of inner Bristol.
- 11.1.3 Variations in housing type and size mix may be relevant to housing choice options, with relatively more flats and few large dwellings in Bristol and the opposite pattern in some surrounding areas.
- 11.1.4 House prices are generally higher in WoE than national levels, but similar to the wider region, and have tended to increase more in recent years. B&NES has the highest prices within the WoE. Prices are highest in the city centres, followed by the most rural areas, and there is some evidence of a recent decentralisation of house price pressures within the sub-region.
- 11.1.5 Private renting has become more affordable than buying in many parts of the area recently, and private renting supply has increased in line with national trends. Transaction rates are similar to the national level but higher in some areas with more new development or more transient population and private renting.
- 11.1.6 The credit crunch is currently affecting mortgage availability in a serious way, as is happening nationwide, and this is expected to depress the market at least up

until 2010. However, both the baseline assessment for 2006 and the forward forecasts for later years are not fundamentally altered by this.

- 11.1.7 Demand for social renting expressed through Housing Registers has increased markedly since 2002. Social rented relet rates have also fallen markedly in this period.
- 11.1.8 Analysis of the overall drivers of market demand show that WoE has been affected by stronger demand from economic/employment factors, regional market cycle, and lower poverty levels. The city areas also benefit more from location/access and from housing mix and urban form. The effect of greater supply in some districts (North Somerset and West Wilts) can be shown to have moderated prices there, while strong employment demand is particularly reflected in South Gloucestershire. Regional analyses by NHPAU indicate that the South West region is one where greater housing supply will be needed to moderate affordability pressures and meet demographic demand.
- 11.1.9 Affordability criteria applied in this study reflect recent evidence on market behaviour and the characteristics of the region. The proportion of younger households in WoE able to buy fell from 50% in 2002 to 41% in 2006 and 39% in 2007, and affordability in WoE is worse than the national average and comparable regions. Affordability is worst in Bristol and best in North Somerset. Ability to buy or rent in the market stood at 43% in 2006, again below comparable regions.
- 11.1.10 The net need for additional affordable housing between 2009 and 2021 is estimated at around 4,893 units per year. This is greater than the recent historic rate of overall household growth in the sub-region, and a high proportion of projected household growth (6,400). WoE accounts for 2.9% of total net needs for England, greater than its share of household growth or household formation. WoE has only 1.5% of all relets supply in England. There are substantial positive needs in all districts within WoE and in of the 31 Zones.
- 11.1.11 The forecasting model for the higher housing market area level shows a sharp drop in prices (down about 24% in real terms) and output in 2008 and into 2009, but then a gradual recovery back to 2006 price levels in real terms by about 2015.
- 11.1.12 The baseline scenario for supply is consistent with the recent RSS Panel report, but suggests output will continue to grow beyond 2016 as new sites develop. In this scenario prices grow slowly after 2016 and affordability continues to worsen slightly after this date, reaching the levels seen in 2006 by 2026.

- 11.1.13 The WoE area is forecast to continue to experience significant net inward migration running at 0.8-0.9% pa. Recent government projections show successively larger increases in the projected number of households over the future. The 2004 based projections show the number of households in the WoE rising by 96,000 between 2006 and 2026 whereas the 2006 based projections show the number rising by 151,000.
- 11.1.14 Vacancies were expected to rise in 2008 but fall gradually to 2018. Relet rates are also expected to fall somewhat, while remaining close to England averages.
- 11.1.15 Affordability to buy will improve by 12-15% by 2011, but then deteriorate again up to 2016 and more gradually after that. The relative position of the LAs will not change much, although there will be some change at zone level. Net need for affordable housing will move inversely with affordability, falling to 2009 (although still above 2002 levels), then rising to 2016. All districts look set to have higher needs in 2021 than in 2006.
- 11.1.16 Net need for affordable housing is equivalent to 64% - 116% of forecast provision across all tenures, suggesting that the implied planning targets for affordable housing would be unfeasibly high in most of the LAs.
- 11.1.17 New development will be concentrated in certain Zones, which are a mixture of inner city, urban fringe and rural areas. At Zone level, prices are expected to increase more in the more expensive areas, and vice versa, implying a degree of polarisation of price levels.
- 11.1.18 Private renting has increased a lot (by over 50% since 1991) but is expected to fluctuate somewhat with the state of the market. Zones with more development and poorer urban areas are expected to see further increases. Owner occupation is expected to increase in the most deprived wards but not necessarily in moderately deprived areas. The generally low level of vacancies expected further underlines the pressured nature of the WoE market. Flats are expected to increase their share of the housing stock most in the poorest areas, an outcome which might be considered undesirable. However, poverty should continue to reduce more in the more deprived areas, after 2011.
- 11.1.19 If economic growth in the South West were 0.5% pa higher than in the baseline, prices would be progressively higher, reaching 10-13% higher by 2026. However, the effect of this on affordability would be slight, as rising incomes broadly compensate for higher prices. There would be small positive effects on new building rates and on household growth.

- 11.1.20 Higher new housing supply, applied in both WoE and the rest of the country (especially the south) would have a significant impact on outcomes. 11-18% higher output would be associated with affordability (price: income ratio) improvements of 10-11%, with about 5-6% points more households able to buy in 2016. Household numbers would also be 2-2.5% higher by 2026, while social sector relets would also rise, part of a virtuous circle of reducing excess need. Net need would fall by 27-31% for WoE but by 50-63% in Bristol. This finding shows that increasing overall supply would have a very tangible impact in improving affordability and reducing need, at least if part of a concerted regional and national effort. However, the level of increase needed to fully close the gap between need and likely provision would be greater than in this illustrative scenario.
- 11.1.21 Backlog housing needs in WoE are measured from a combination of Housing Registers, adjusted to exclude households with no or minimal needs, and estimates derivable from national surveys by type of ward at regional level. The most common types of need are insecure/unaffordable housing (33%), sharing (17%), overcrowding (15%), and disability/health problems.
- 11.1.22 Net annual needs total 5,200 in 2006 but will fall to about 4,800 by 2011 with improving affordability. From 2016 onwards this will rise again to over 6,000, reaching 6,500 by 2021 (these modeled estimates appear in chapter 7 and are illustrative; they marginally differ from the Guidance calculation due to different treatment of backlog need and supply). The intensity of need is greatest in B&NES and North Somerset but all authorities have some zones with higher than average intensity.
- 11.1.23 At Zone level, average household incomes vary between £846 pw and £464 pw, with corresponding variations in poverty rates between 6% and 30%. Entry level prices vary by a factor of two (£77k to £157k) while rents vary rather less, between £119 and £175 pw (two-bed accommodation, 2011). Affordability varies between 28% in parts of Bristol to 57% in parts of West Wilts in 2006. In 2006 14 of the 31 zones had private rents which were more affordable than buying, but in 2011 buying will be generally more affordable, although there may continue to be constraints on accessing funding, including a requirement for higher deposits. The least affordable zones are all in the two cities. Generally between 15% and 25% of younger households could afford HomeBuy options but not market purchase or renting. Marginal affordability for a 40% price reduction varies between about 14 and 22 percentage points.

11.1.24 Zones with the greatest need tend to have high prices, moderate incomes, large populations and limited affordable housing supply. The areas with the lowest net needs tend to have larger existing affordable housing stock and lower prices. Areas with very low relet rates tend to be in rural, small town and suburban areas, across the different districts. However, some small towns have higher relet rates.

11.1.25 There appears to be a surplus of social lettings of 2-bed flats (non-family) in several of the authorities, whereas there is a significant shortfall in the two-bed family house type and also a sizeable need for larger (4-bed) housing across all authorities, although with some variation in the balance between LAs and individual zones. In many zones, most or all of new social rented housing need is indicated as being for family-suitable houses, while typically 40-60% of intermediate need is also in this category.

11.1.26 In the owner occupier sector, the stock has relatively few small dwellings, although these do display a higher turnover. Recent new build has shown a high share of 2-bed flats as well as a significant share of larger houses. Bristol has relatively little supply of 4-bed homes and a particularly large concentration of 2-bed flats in new supply. Some of the other districts have hardly any 1-bed owner occupier homes. Broadly these data indicate a need for a significant supply of smaller units for first time buyers and intermediate sector, but also for more emphasis on family-suitable 2 and 3-bed homes.

11.1.27 Zones with high intensity of need occur across all of the LAs. Lowest need intensity is in some of the Bristol zones and some rural /smaller town areas. Need is forecast to increase in a number of zones, including Bristol South and some smaller town, suburban and rural areas which already had quite high needs. Some of these areas may be candidates for increased overall allocations of land.

11.1.28 Planning targets for affordable housing must be based on a range of considerations as well as need, including the portfolio of sites available, viability and the possibility of meeting needs through the existing stock. Local authorities will have to decide whether to set one planning target for the whole area or to vary this by zone. This decision will be informed by a number of issues – existing stock mix, site availability and local need, the extent to which households may be prepared to move to other zones in the local authority area and the extent to which zones which may themselves show slightly lower levels of housing need will need to meet higher levels of housing need arising in neighbouring zones

where supply may be lower. Similarly, the split of targets between intermediate and social may be set at local authority level or may vary between zones.

11.1.29 Current forecasts of new social /affordable provision fall far short of the levels of need indicated, in most zones. This underlines the importance of getting a rigorous set of targets in place, as well as the case for increasing the overall quantum of new supply.

11.1.30 It is realistic to recognise that some affordable housing need will be met by people moving between areas. Firstly, people on the margins of affordability can and do move to cheaper areas. If people can move to the cheapest zone within their local authority area, this reduces the net need in 2006 by 750 households per year, a 14% reduction. This would have its largest impact in Bristol and B&NES. Housing Registers also record significant potential demand for moves across LA boundaries in the social sector, and even more so in the intermediate sector.

11.1.31 For Older Person's accommodation, the data suggests that all authorities have some need for 1-bed OPDs, and all except for West Wilts have some need for 2 bedroom OPDs, based on need. There is extensive research that older people prefer to occupy 2 bed accommodation. There is also evidence of significant demand for extra-care housing.

11.1.32 The Zone Agent database indicates clear demand for intermediate housing. The filtered list identified nearly 2000 households who are currently seeking and eligible for intermediate housing in WoE, and provides significant reinforcement to the evidence base to support provision and associated planning targets for intermediate provision. The evidence suggests that around 18% of affordable provision could be intermediate, with slightly higher levels in Bristol.

11.2 Recommendations

11.2.1 In planning future housing provision, regional and local planning authorities should have greater regard to the impact on housing affordability of changes in supply as well as developments in the economy.

11.2.2 Planning authorities should be planning for a total level of housing provision in WoE to meet identified need and demand. It is acknowledged that the Secretary of State's most recent proposals were a step change over Draft RSS figures although it is recognised that these did not take into account the constraints on the delivery of such targets.

11.2.3 WoE authorities should seek to make the most extensive and effective use of s.106 planning agreements to secure affordable housing within all significant

housing developments across the sub-region. In areas of greater pressure authorities should seek the maximum proportion of affordable housing which is likely to be deemed viable having regard to market prospects, other s.106 obligations and the demands of the community infrastructure levy should this eventually be implemented. This may include revisions to site size thresholds below the national indicative target of 15.

- 11.2.4 Consideration should be given to ways of meeting affordable housing need other than through new building, for example through forms of Open Market HomeBuy, appropriate use of private renting (although solutions that rely on housing benefit do not meet housing need within the terms of the study), or market acquisitions for social rent. Currently Open Market HomeBuy is constrained at relatively low levels by the availability of funding and is not expected to play a major role in meeting housing need, but if national funding programmes increase substantially or were supplemented by private finance such schemes might be able to play a greater role.
- 11.2.5 New developments should typically provide for proportions of both social rented and intermediate (e.g. New Build HomeBuy) affordable housing. The proportions specified for the latter may reflect relative needs at the Zonal level, but need across the whole of the local authority area will be equally important. Given current mortgage difficulties, consideration should be given to intermediate rent with purchase option schemes, particularly if these can attract private finance.
- 11.2.6 Affordability and access to the market should be monitored on a regular basis, and this should take account of typical mortgage terms including deposit requirements as well as price and rent levels. The affordability of intermediate housing should be considered by each authority to ensure that the affordable housing provided meets the needs of households who cannot afford market housing, either to buy or rent.
- 11.2.7 New affordable housing provision should broadly reflect the evidence on size mix requirements presented in this report. In particular, a significant proportion (50% of intermediate, 70% of social rented provision, on average) should be suitable for families.
- 11.2.8 Authorities should seek to influence the mix of private sector housing development to ensure a good range of different house types and sizes. In particular, the need for family sized accommodation needs to be reflected in supply, and also the need for smaller accommodation suitable for single person households and for older people living alone.
- 11.2.9 While further intensification of development may be appropriate in some locations (e.g. where well served by public transport), new developments should contribute a mix of housing types and avoid excessive concentration on one particular type, for example high rise flats.

11.3 Monitoring

11.3.1 This strategic housing market assessment is based on robust secondary data. Much of this has been collected over a five year period, some of it longer. It is therefore far more than a simple snapshot taken at a moment in time. All of our assumptions are evidenced, and trends projected from a strong evidence base. However, projections are just that and it is important to monitor key indicators of the housing market as they emerge. The Partners will work together to monitor what is happening in the market and to respond to changes as they emerge.

11.3.2 Variables to be monitored will have to be considered but may include:

- Levels of economic growth
- Changes to income levels
- Population and demographic changes
- Supply of new housing
- Supply of new affordable housing
- Relets arising in social housing and resales from intermediate housing
- Levels of homelessness
- Numbers of repossessions
- Need for affordable housing, both rented and intermediate
- House prices
- Affordability ratios
- Mortgage Terms
- Deposit required
- Interest Rates
- Moves from social renting to intermediate housing
- The development of HomeBuy direct and Open Market Homebuy
- Market Rents

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APPENDIX ONE – CONSULTATION

- 1.1 Two stakeholder events were held in order to consult on the project. The first, in February 2008, offered stakeholders the opportunity to feed information into the research and consider the processes and modelling. The second event included presentation of the findings, and the opportunity to discuss these and raise any concerns or issues.
- 1.2 Over 60 people attended each event, including representatives from the Home Builders Federation, Housing Corporation, Regional Assembly, developers, surveying practices, RSLs and local authorities. At the first event key partners, including the HBF and the Housing Corporation, made short presentations about the importance of the work, to underline their support.
- 1.3 Feedback from each event was collated into a table together and these are included below, together with the responses from the Partnership. An important piece of feedback from stakeholders at the second event was that the report generally confirms the affordability issues that were already known; it illustrates a similar (but worsening) picture to previous housing market studies and housing needs assessments.

Table One – Issues raised by stakeholders in February 2008 and Responses from Partnership

	Issue Raised	Response from the Partnership
1	People don't necessarily behave in the way that the model predicts	We agree that people can and do exercise choice in their housing, both in terms of location and size. However the model is robust and evidence based, drawing on both past behaviours and expressed preferences. The Partnership will be agreeing a set of indicators which will be used to monitor what happens over a period of years, so we will see if people are making choices which we had not predicted.
2	The model predicts housing supply as an outcome of land availability, but developers are also mindful of demand and prices	In the medium term there is a clear relationship between land availability and housing supply. We understand that developers will only build where there is demand and where costs and values make this feasible. We will consider in the report the impact of the current

		turbulence in the market but the assessment looks forward over almost 20 years so we need to look at the short, medium and longer term impacts.
3	What happens to low cost home ownership in a falling market? Does demand go up or down?	As suggested above, we believe that the market will stabilise in the medium term and any impact on low cost home ownership demand will stabilise with it. It is too early to say whether the falling market will increase or decrease demand.
4	Will we see rising levels of repossessions? What impact might this have?	There is already some evidence of rising levels of repossession. We will need to monitor this closely over the next few years and also factor in the historic data from the early 1990's. Some housing associations are developing mortgage rescue packages to try and restrict the damage caused by repossessions.
5	The model may suggest high numbers of households who can afford low cost home ownership but that does not mean they will choose this option. There is still a lack of knowledge and understanding about this sector.	We agree that more needs to be done to make people aware of the low cost home ownership products – and that more needs to be done to make low cost home ownership products attractive to those in this group. We will be monitoring take-up so we will be able to see if people are choosing not to buy low cost home ownership products.
6	Will the model reflect the housing needs of particular groups?	The report will highlight the housing needs of particular groups. We have identified older people, disabled people, migrants, students and gypsies, travellers and travelling show people as significant groups for the West of England and the report will look at the needs of each group.
7	Will the model reflect current and future travel to work patterns?	We will include information on current travel to work patterns and will look at changes in these in our future monitoring.
8	Will the model include those who do not live in the area currently but who want to do so?	The model covers both housing need and demand for all tenures.
9	Is information at the zone level reliable?	Zone level information draws largely on local data, although it is checked against nationally available data to ensure

		consistency. The numbers included in most zones are sufficient to ensure that the data is reliable, where these numbers are low then this will be highlighted in the report.
10	Are the zones the right ones?	The zones have been chosen by each local authority to reflect their understanding and experience of the housing market in their area. There are practical restrictions on the number of zones that we can model, also the zones have to be of a sufficient size to ensure that zone level data is valid. At the same time, they need to be small enough to make some sense locally. The local authorities are also looking at how we can make the zones consistent with other information sources in future – to make it easier to map our data against other data held in the local authorities (such as private sector housing data) and also data held by others (police, health service etc).
11	Will rural issues be adequately reflected in the report, given that inevitably housing supply will be dominated by the larger urban areas.	We are very conscious of this and keen to ensure that rural issues are given adequate coverage. We have looked at other housing market assessments for examples of good practice.
12	The model is likely to demonstrate the need for a very high level of affordable housing, with expectations that S106 will deliver a significant proportion of these. However, schemes must be viable to proceed, is there a danger that you will stifle supply by imposing very high targets?	It is likely that the housing market assessment will evidence a need for high numbers of affordable housing and this will be reflected in planning policies. However, all local authorities recognise the need for schemes to be commercially viable to proceed, and viability tests will be a key part of setting any new policies.
13	The infrastructure needs to be in place before we develop large numbers of new homes. We want to build communities not just cram in lots of housing	Yes, it's critical that good infrastructure is developed alongside new housing and that we create the right living spaces for vibrant and cohesive communities. The housing market assessment will inform each authority's Local Development Framework which will set out the vision for each area, including the infrastructure that will be needed.
14	Reduced grant rates for social housing	We agree that this is a challenge.

	make it difficult to deliver the quality which is required.	Constrained grant rates are a fact of life, and we have to find ways of delivering good quality housing with high eco standards within these.
15	How do we build a true partnership across different sectors that by definition have some common interests and some differences?	The whole idea of creating a Partnership to oversee the development of the Strategic Housing Market Assessment is to identify and overcome differences wherever possible, and to build consensus, as set out in the Guidance. The Partnership acknowledges that an open and honest dialogue is the basis for all good partnership working.
16	How do we change attitudes to tenure in this country so that home ownership is not always seen as the only choice?	The Partnership recognises that most people aspire to home ownership even where this may not be a viable option for them in the short term. The assessment looks at demand for home ownership, and how we can ensure that people have the best opportunities to meet those aspirations. We can also ensure through the Homebuy agents that those entering low cost home ownership are made well aware of the costs and responsibilities they are taking on. The recent turbulence in the housing market may start to change people's attitudes to renting vs home ownership.
17	Should the policies that are developed in response to the housing market assessment offer flexibility or certainty?	This is a debate that we hope will be ongoing as we move from gathering information to responding to what the assessment is telling us. Certainty would give developers confidence that they knew what was expected of them across the whole sub-region and across a period of time, which could be very attractive. However, flexibility would mean that we could look at things on a site by site basis, taking more local factors into account. We'd like to hear more from stakeholders which is most important to you. However, it will be up to each local authority to take forward the outcomes from the strategic housing market assessment and set their own policies.

18	<p>What should be the income multipliers used in the model for home ownership? Should we use the higher income multipliers that reflect what has been happening in the market, or should we go for lower ratios that are consistent with the guidance?</p>	<p>This is a big issue for the assessment and one which has been debated by the Partnership. At the moment we are favouring using the historic slightly higher multipliers because we can evidence these – although we recognise that this could be risky as those higher multipliers may not be available in the market over the next few years. Using the higher multipliers produces a lower level of need for social housing (because we are assuming that more people can afford to buy) so we feel this is a prudent assumption based on robust information. We have also modelled a slightly lower multiplier, in line with the guidance, to assess the impact of this. We will monitor this assumption and reassess regularly.</p>
19	<p>What assumptions should we make about entry costs for low cost home ownership? Some models are very expensive to the purchaser, others may offer a lower entry point but are not yet widely available.</p>	<p>The Partnership have debated this issue and believe we should include those models which are widely available, rather than speculative models which reduce the entry cost but may not be deliverable in large numbers on the ground. This means that we will be using shared ownership models which are available in the housing market area. We will include information about the new models that have been recently announced to assess the impact they might have on housing need. But we won't assume that lots of shared ownership will suddenly be available at much lower equity purchase levels.</p>

Table Two – Comments from stakeholders in March 2009 and Responses from Partnership

	Issues relating to modelling and/or figures in the report	Suggested response
1	Have we adequately accounted for the credit crunch? What will happen if the recession lasts longer than we have projected?	At this stage it is very hard to predict what will happen in terms of the recession and when the market will begin to recover. We don't think this undermines our overall findings as this is a study to inform strategies and plans over a medium to long term period. It is possible that the recovery may be later than we have assumed in our modelling but the overall pattern of housing need would be the same. We will be monitoring a wide range of variables which will help us to understand the impact if the recession does last longer than projected, and respond accordingly.
2	What will be the impact if mortgages are not available in the long-term on the basis assumed in the modelling?	<p>If we do not return to wide-spread availability of 95% mortgages it would have an impact on housing need but it is difficult to predict what the impact would be! In theory if people are borrowing less then more households would be able to afford owner occupation – but only if they can afford the deposit. If fewer people can afford the deposit more people would be in housing need. Our model includes a wealth adjustment to reflect the number of first time buyers who are given assistance to raise the deposit but in the current recession it may be more difficult for families to help out in this way. We need to monitor this position carefully over the next few years.</p> <p>The model assumes that households can meet their own housing need if they can buy or rent in the market, so if mortgage availability remains constrained this may increase numbers opting for the private rented sector.</p>
3	Why are there some apparent differences between some figures in the report?	There are some minor differences between figures in the local authority level model and the zone level model, as these come from different sources. In a sense, the two levels of the model provide a check on each other, and so long as the differences are minor the figures can be considered to be robust. Sometimes

		<p>there appear to be differences but on closer scrutiny the figures are covering different things or different time periods.</p> <p>A key difference in terms of projecting future housing need is that figures in chapter 4 have been calculated according the Guidance, but some figures in later chapters have explored the impact of changing some of these assumptions. This should always be clear from the text.</p>
4	<p>Number of 1 bed flats suggested by the study seems high, concern that 1 beds are not flexible and do not reflect aspirations. Should we present information to show 1 bed and 2 bed need pooled?</p>	<p>The high number of 1 beds needed in some areas reflects the increasing number of smaller households. However, there is a big difference between need and aspiration - many households who are modelled as having a 1 bed need will aspire to a 2 bed. This aspiration runs across all tenures but households who are able to meet their own need in the market are far more likely to opt for larger accommodation.</p> <p>We did consider pooling the information but decided that this would be less transparent. Local authorities may choose to implement policies which stress the need for larger accommodation, as this introduces opportunities for filtering up through the housing chain and can help to meet the needs of a greater number of households. Authorities may also consider whether some 1 bed need may be better met by the provision of 2 bed units.</p>
5	<p>Is there enough evidence provided on the needs of particular groups?</p>	<p>We chose the particular groups that we have focused on in chapter 10 carefully, to reflect needs and issues within the housing market area. The SHMA is not intended to replace other strategies, such as older person's housing strategies. One stakeholder raised a query about why we had not chosen BME groups as a special needs group; however we consider that while BME groups may have specific needs in terms of accessing services their needs are not significantly different in relation to planned supply. BME housing needs are included in the analysis, including size mix. We have also included a reference to</p>

		the BME housing strategies developed by a number of the local authorities. It is important that local authority services are delivered in a way that transparent and accessible to all groups.
6	Does a significant growth in the universities have an impact?	There is no doubt that it has done. During the past decade we have seen large growth in the number of students and large growth in the private rented sector, as well as in specialist accommodation. However, the 4 universities current plans for future growth are relatively modest and will not have a significant impact on the housing market.
	Issues relating to future policy	Suggested response
7	Will there need to be an over-allocation of land to meet future housing targets?	There is a formal development process to meet housing targets through Local Development Framework policies. The SHMA is informing the evidence base for this work.
8	Will site viability still be taken into consideration?	Site viability is not part of this study. The SHMA is informing the evidence base for each local authority to review a range of policies, which may include site viability.
9	Does intermediate housing need to be more flexible in future?	The SHMA has identified a clear need for intermediate housing in each local authority area, and some need for intermediate housing in most zones. It would be good to see more flexible intermediate products being developed and this is starting to happen in response to the current market conditions; if intermediate housing options become more affordable than more people will be able to meet their housing need through that route.

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APPENDIX TWO – AUDIT PROCESSES AND COMPLIANCE MATRICES

1.1 A strong and robust audit process was put in place to support the project. This included two compliance matrices, to show compliance with the Guidance. Audit sheets have also been completed for data collected by the local authorities. Matrix 1 was prepared to enable the Partnership to take a view on whether or not the processes and proposed outputs for the work were fit for purpose. Matrix 2 is a more detailed matrix which takes all of the requirements from the Guidance and demonstrates how these have been met. This detailed compliance matrix is itself underpinned by audit sheets showing the data sources for all locally produced data. This framework therefore provides a robust audit trail of all the evidence that has been used in the Strategic Housing Market Assessment (SHMA).

1.2 CLG guidance makes it clear that SHMAs are an important part of the evidence that is needed to underpin spatial planning and housing strategies. However, they are only part of the evidence. They are:

“ not intended to give definitive estimates of housing need, demand and market conditions... they should provide a fit for purpose basis upon which to develop housing and planning policies, by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand.”

The guidance goes on to say that

“a strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs, and meets the requirements of all of the process criteria, set out in figures 1.1 and 1.2”

The core outputs and process criteria from those tables are set out below.

COMPLIANCE MATRIX 1A – COMPLIANCE WITH CRITERIA FROM TABLE 1.1 OF GUIDANCE

	OUTPUT CRITERIA	COMPLIANCE
1	Estimates of current dwellings in terms of size, type, condition, tenure	Size, type and tenure are key areas for model. Information on stock condition is included, largely drawn from private sector stock condition surveys and information on Decent Homes standards in the public sector. See Chapter 5
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	This is another key output from the modelling. Description of key drivers is included in the text, we have also included some modelling to show the impact of key drivers. See Chapters 5 and 6
3	Estimate of total future number of households, broken down by age and type where possible	Demographic information is included in chapter 3. Future numbers of households included information on age and type is included throughout the report, particularly chapters 7, 9 and 10.
4	Estimate of current number of households in housing need	Is a key output from modelling. See chapters 4 and 6
5	Estimate of future households that will require affordable housing	Is a key output from modelling. See chapters 4 and 7
6	Estimate of future households requiring market housing	Is a key output from modelling. See chapters 4, 7 and 8.
7	Estimate of the size of affordable housing required	Is a key output from the modelling. See chapter 9
8	Estimate of household groups who have particular housing requirements eg families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc.	The project team have identified families, older people, disabled people, migrant workers, students, and gypsies, travellers and travelling show people as household groups with particular housing needs. These are covered in Chapter 10. .

COMPLIANCE MATRIX 1B – COMPLIANCE WITH CRITERIA FROM TABLE 1.2 OF GUIDANCE

	PROCESS CRITERIA	HOW DO WE EVIDENCE?
1	Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region	We are working to housing market definition used by Regional bodies and Housing Corporation/HCA, however we still evidence in the report why this geographical area forms a housing market area.
2	Housing market conditions are assessed within the context of the housing market area	We are including contextual information on regional and sub-regional spatial and economic strategies as well as demographic information.
3	Involves key stakeholders, including house builders	Partnership meetings have been held throughout the life of the project. Further details on membership of the Partnership are included in chapter 1. Two events were held for stakeholders to input into the research and consider the findings. Feedback from stakeholders from these events are our responses to this are included in Appendix One.
4	Contains a full technical explanation of the methods employed, with any limitations noted	Information on data sources and an explanation of the model is included in the report. Where there are limitations, these are openly discussed in the report.
5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner	The report sets out clearly the main assumptions used as well as key findings. The evidence underpinning assumptions and judgements is also clearly set out in the report.
6	Uses and reports upon effective quality control mechanisms	Our quality control mechanisms include employing a recognised professional to carry out much of the work, audit trail to show data sources, and effective use of this compliance matrix.
7	Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken	This is a new strategic housing market assessment so has not been monitored previously. The report suggests an initial set of indicators which will be monitored in future to keep the assessment up to date; these indicators may be added to or amended to reflect future changes in the housing market.

COMPLIANCE MATRIX 2 – COMPLIANCE WITH DETAILED REQUIREMENTS OF GUIDANCE

SHMA guidance reference	Requirement or issue	Compliance
Chapter 2 p 12 and 13	Membership and terms of reference for Partnership	Agreed by Partnership Oct 2007
Chapter 2 p 14	Table 2.1 sets out research questions to be addressed through SHMA	See additional table below
Chapter 2 p 15	Review of existing local and regional policies	Mainly in chapters 2 and 3
Chapter 2 p 17	Partnership must agree methods and data sources to be used	Methodology agreed by Partnership October 2007.
Chapter 3 p 20	Assessment must include population by age/gender/ethnicity.	Chapters 2, 3, 9 and 10 contain information on age. Chapter 3 contains information on ethnicity and gender.
Chapter 3 p 20	Assessment should consider household composition	Household composition is included in chapter 3. Chapter 9 looks at bed size needed and Chapter 10 has a section on families with children
Chapter 3 p 20	Assessment should include impact of migration	Addressed in chapters 3 and 10 and also in modelling housing need
Chapter 3 p 20	Assessment should include impact of social trends eg single person households	Included in chapters 3 and 9.
Chapter 3 p 21	Assessment should plot how interest rates, regeneration activity and housing benefit levels have changed over last 10 to 20 years	Interest rates are discussed at length in chapters 5, 6 and 7. Reference is made to regeneration activity. Reference is also made to HB levels, particularly in relation to housing need and the private rented sector. The Local Housing Allowance (LHA) was introduced during the period of research for the report and levels of LHA in relation to private sector rents is something that we will monitor for the future.
Chapter 3 p 21	Assessment should consider the proportion of higher and lower paid jobs, relative affluence of area, skills of those working in area vs living in area, levels of benefit dependence	Addressed in chapter 3, apart from levels of benefit dependence which is not specifically identified.
Chapter 3 p 22	Dwelling profile ie numbers of stock of different tenures and changes over last 10 years, and whether these are as a result of demolition, conversion or construction. Identify areas which have experience change	Dwelling profile is included in model, changes mapped since 2001 include information about demolition, conversion or construction.
Chapter 3	Information about standards of	Some information on stock condition is

p 24	repair/decency in current stock	included in chapter 5, this is fairly light but is considered to be adequate.
Chapter 3 p 25	Information about shared housing in the area, who lives in it, what condition it is in	There is some information about shared housing in the modelling, in the section on the private rented sector and in chapter 10 which looks at the needs of students.
Chapter 3 p 27	Median house prices should be included as well as average as these are less volatile	The model uses median prices as well as average
Chapter 3 p 27	House prices and change in house prices should include information on different sizes and types of property and compare to rest of sub-region to identify demand pressures specific to the locality	Included in chapters 5, 6 and 7.
Chapter 3 p 27	Change in lower quartile house prices should be compared with mean and median prices to identify particular pressures for first time buyers	Model does this; in addition Partnership agreed use of lower decile house prices
Chapter 3 p 27	Compare lower quartile house prices to lower quartile income distribution, to mean and median ratio's locally, also to regional and national data	Included in chapters 5, 6 and 7
Chapter 3 p 28	Plot overcrowding and underoccupation to identify tenures, household types and locations most affected	Overcrowding is addressed in chapters 5, 9 and 10. There is reference to under-occupation in discussion of transfers and housing need
Chapter 3 p 31	Identify areas with unusually high long term vacancies or high turnover rates and understand the reasons behind this	We have modelled turnover and lettings by zone; no areas of unusually high rates have been identified.
Chapter 3 p 33	Identify areas where access to housing is particularly difficult and those with low demand	Addressed in chapter 7
Chapter 4 p 36	Annual projections of household growth over a minimum of 20 years, broken down by age/ethnicity/household type	5 yearly projections included in chapter 3 broken down by age and household type but not by ethnicity
Chapter 4 p 37	Assessment should demonstrate a good understanding of the historic relationship between economic change and housing demand, identify strengths and weaknesses of local economy and implications for housing demand	Included in chapter 3
Chapter 4 p 37	Compare economic forecast between different housing market areas and the regional and national forecasts and understand the implications for economic migration	Addressed in chapters 3 and 8 and in assessment of housing need in chapters 5, 6 and 7
Chapter 4 p 37	Examine national and local factors affecting affordability and understand how different	Addressed in chapters 3 and 8 and in assessment of housing need in chapters 5,

	house price scenarios affect affordability locally	6 and 7
Chapter 4 p 38	Agree basis for forecasting future housing change. Various options included in guidance – migration led forecasting or household led forecasting.	Model includes both migration and household growth
Chapter 5 p 42	Income data should be based on gross incomes, excluding HB but if possible including family tax credit	Partnership signed off assumptions on income data in February 2008
Chapter 5 p 42	Affordability ratios for home ownership should be 3.5 x gross household income for a single earner and 2.9 for dual income households. Guidance makes it clear these can be varied where there is evidence to justify this. Also higher ratios are acceptable for those on higher incomes	Partnership signed off affordability ratios in February 2008
Chapter 5 p 42	Affordability calculation should where possible include access to capital eg parental contribution to deposit	Included in model
Chapter 5 p 42	Affordability for market rent set at 25% of gross household income. Guidance makes it clear these can be varied where there is evidence to justify this. Also higher ratios are acceptable for those on higher incomes	Partnership signed off affordability ratios in February 2008
Chapter 5 p	Judgements about where households can live should be informed by evidence. If outside housing market area then need to consult with recipient area and stakeholders to get agreement.	Model assumes movement across LA areas but not outside of housing market area. There is a section on mobility in chapter 7
Chapter 5 p 43	Assessment should include numbers of homeless households and those in temporary accommodation.	Homeless households and those in TA are included in housing needs information. With increasing emphasis on homelessness prevention, and the target to reduce use of temporary accommodation, this information is becoming less useful as an indicator of housing need. We will, however, continue to monitor homelessness prevention, homelessness acceptances and numbers in temporary accommodation.
Chapter 5 p 44	Assessment should include estimate of number of overcrowded and concealed households, if possible broken down by tenure	There is information in the model about numbers of overcrowded and concealed households
Chapter 5 p 46	Assessment should include numbers of existing households falling into need each year eg those coming onto housing register	Included in model

	and being rehoused within the year	
Chapter 5 p 47	There are a number of factors to be taken into account when assessing the future supply of affordable housing eg committed supply, homes being taken out of the stock for other uses, turnover etc.	Included in model
Chapter 5 p 50	Information should be included on household preferences about where those seeking affordable housing want to live	Information on preferences has been researched as part of the project but the model assumes that housing need will be met largely in the areas in which need arises. There is information on the impact of mobility between zones and between local authority areas in chapter 7.
Chapter 5 p 51	Assessment should include identification of sizes of social housing stock that are under most pressure	Included in chapter 9
Chapter 5 p 51	Guidance acknowledges difficulty of collecting evidence on the private rented sector and simply states that assessments should bring together available data and acknowledge gaps	Some information from private sector stock condition surveys has been included but this is quite light. It has not been possible to get a lot of data on a comparable basis. This should be addressed during consultation period.
Chapter 5 p 52	Assessment should be based on meeting backlog need over a 5 year period although a longer period can be used	Assumption that backlog need would be met over 10 years was signed off by the Partnership as a more realistic profile in a highly pressurised housing market.
Chapter 5 p 53	In addition to the numerical modelling, Partnerships should decide if there are other factors which should be taken into account when deciding what proportion of total housing need is for affordable housing	A number of other factors are identified and discussed in chapters 7 and 11.
Chapter 6 p 57	Partnerships will want to assess whether there is demand for low cost market housing in terms of the relationship between entry level market house prices, market rents and incomes	A section on low cost market housing is now included in the report, in chapter 6.
Chapter 6 p 59	Intermediate housing is considered affordable where mortgage and rent costs together add up to no more than 25% of gross household income	Demonstrated in affordability modelling in chapter 6.

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APPENDIX THREE- STANDARD TABLES AND WORKBOOK

STANDARD TABLES

BATH AND NORTH EAST SOMERSET

<i>Affordability Measures in 2006</i>		<i>% able to buy (income)</i>	<i>% able to buy wealth-adjusted</i>	<i>% afford private rent</i>	<i>% afford buy or private rent</i>
Bath City North	Z0001	23.8	31.4	31.7	31.7
Bathavon	Z0002	35.0	43.3	45.6	45.6
Bath City South	Z0003	25.4	32.3	32.5	32.5
Chew Valley	Z0004	39.6	47.6	51.3	51.3
Keynsham	Z0005	37.3	44.6	43.7	44.6
Norton/Radstock	Z0006	43.3	50.0	49.4	50.0
Bath & N E Som		32.0	39.2	39.4	39.7
West of England		35.9	41.5	40.8	42.6

Affordability to Buy or Rent over Time

		2006	2007	2009	2011	2016	2021
Bath City North	Z0001	31.7	30.3	43.7	39.9	32.2	31.7
Bathavon	Z0002	45.6	43.6	58.5	55.0	49.2	50.2
Bath City South	Z0003	32.5	31.1	44.5	40.7	32.3	31.3
Chew Valley	Z0004	51.3	49.3	62.1	57.9	53.4	54.0
Keynsham	Z0005	44.6	42.0	57.9	53.9	44.1	42.4
Norton/Radstock	Z0006	50.0	47.6	65.2	62.5	54.9	55.0
Bath & N E Som		39.7	37.8	52.6	49.0	41.1	40.6
West of England		42.6	40.6	55.7	52.7	45.2	45.1

<i>Affordable Housing Need Components 2006</i>		<i>New household unafford need</i>	<i>Migrant afford-able need</i>	<i>Older Ex-owners Need</i>	<i>Backlog Need Allow-ance</i>	<i>Net Relet Supply</i>	<i>Net Need Additional Afford Housing</i>
Bath City North	Z0001	249	65	21	83	107	311
Bathavon	Z0002	57	-17	8	13	11	49
Bath City South	Z0003	277	55	25	76	147	286
Chew Valley	Z0004	41	0	6	9	16	40
Keynsham	Z0005	127	-17	16	26	71	81
Norton/Radstock	Z0006	165	2	23	40	79	151
Bath & N E Som		916	88	98	246	431	917
West of England		6065	544	692	1845	3955	5191

*Net Affordable
Need over Time*

		2006	2007	2009	2011	2016	2021
Bath City North	Z0001	311	327	258	299	346	375
Bathavon	Z0002	49	57	42	45	51	58
Bath City South	Z0003	286	335	244	290	349	365
Chew Valley	Z0004	40	43	26	32	33	34
Keynsham	Z0005	81	105	55	75	128	167
Norton/Radstock	Z0006	151	170	98	122	153	149
Bath & N E Som		917	1038	723	862	1061	1148
West of England		5191	6449	3865	4811	6217	6535

*Net Relets
Supply over
Time*

		2006	2007	2009	2011	2016	2021
Bath City North	Z0001	107	99	124	103	88	87
Bathavon	Z0002	11	10	13	11	10	18
Bath City South	Z0003	147	135	171	142	127	137
Chew Valley	Z0004	16	15	19	16	14	13
Keynsham	Z0005	71	64	81	67	62	83
Norton/Radstock	Z0006	79	78	100	85	79	77
Bath & N E Som		431	403	509	423	379	415
West of England		3955	3655	4630	3963	3579	3788

*Backlog Need
Allowance
(10%) over Time*

		2006	2007	2009	2011	2016	2021
Bath City North	Z0001	83	90	108	109	120	147
Bathavon	Z0002	13	14	16	17	18	22
Bath City South	Z0003	76	83	98	100	110	134
Chew Valley	Z0004	9	9	11	11	12	15
Keynsham	Z0005	26	28	33	34	37	46
Norton/Radstock	Z0006	40	43	52	53	58	71
Bath & N E Som		246	267	318	323	356	435
West of England		1845	1981	2253	2201	2228	2597

<i>Need and Supply Rates in 2006</i>		<i>Relet rate % Soc Stock</i>	<i>Net Need % Households</i>
Bath City North	Z0001	3.19	1.67
Bathavon	Z0002	2.50	0.94
Bath City South	Z0003	3.68	1.45
Chew Valley	Z0004	4.32	1.03
Keynsham	Z0005	4.76	0.78
Norton/Radstock	Z0006	4.22	0.95
Bath & N E Som		3.80	1.23
West of England		4.80	0.95

<i>Income Measures for 2006</i>		<i>Mean Household Income £pw</i>	<i>CACI Ward Income Mean £pw</i>	<i>Mean Working Household Income</i>	<i>Household below £235 pw %</i>	<i>Poverty Rate %</i>
Bath City North	Z0001	586	663	763	29.0	8.9
Bathavon	Z0002	735	687	922	18.9	6.8
Bath City South	Z0003	585	631	734	27.0	10.2
Chew Valley	Z0004	775	750	929	16.2	7.1
Keynsham	Z0005	658	679	830	21.9	8.0
Norton/Radstock	Z0006	659	659	793	21.1	8.8
Bath & N E Som		632	662	791	24.1	8.3
West of England		608	668	748	24.8	10.5

<i>Mean Household Income over time @ 2006 prices</i>		2006	2007	2009	2011	2016	2021
Bath City North	Z0001	586	597	589	614	658	725
Bathavon	Z0002	735	743	721	794	886	983
Bath City South	Z0003	585	595	588	630	681	750
Chew Valley	Z0004	775	785	761	837	936	1065
Keynsham	Z0005	658	667	652	701	763	829
Norton/Radstock	Z0006	659	668	658	695	740	801
Bath & N E Som		632	642	658	672	727	799
West of England		608	618	609	639	677	728

<i>Market Rents and House Prices in 2006</i>		<i>Market Rent 1BR £pw</i>	<i>Market Rent 2BR £pw</i>	<i>Intermed Rent 1BR £pw</i>	<i>Threshold Price 2BR House £</i>	<i>Price of New RSL 2BR Home £</i>
Bath City North	Z0001	140	175	120	162,518	226,233
Bathavon	Z0002	125	154	111	140,058	216,878
Bath City South	Z0003	121	154	100	132,060	170,100
Chew Valley	Z0004	115	139	103	129,596	204,120
Keynsham	Z0005	115	141	100	121,319	187,110
Norton/Radstock	Z0006	103	129	85	111,598	141,608
Bath & N E Som		121	151	103	134,262	185,629
West of England		113	140	92	119,708	151,434

<i>Threshold House Price 2BR over time @ current prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Bath City North	Z0001	162,518	190,846	143,664	169,801	254,304	328,047
Bathavon	Z0002	140,058	158,690	120,799	140,457	201,386	247,503
Bath City South	Z0003	132,060	154,616	116,110	136,784	203,042	261,201
Chew Valley	Z0004	129,596	132,840	113,029	132,405	193,848	247,265
Keynsham	Z0005	121,319	136,769	105,135	122,636	178,048	220,218
Norton/Radstock	Z0006	111,598	124,159	96,004	111,446	159,582	198,464
Bath & N E Som		134,262	153,824	117,357	137,696	202,499	257,087
West of England		119,708	134,502	103,266	120,624	174,839	218,306

<i>Threshold House Price 2BR over time @ 2006 prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Bath City North	Z0001	162,518	182,978	128,616	143,656	188,374	212,603
Bathavon	Z0002	140,058	152,148	108,146	118,830	149,174	160,404
Bath City South	Z0003	132,060	148,242	103,948	115,722	150,402	169,281
Chew Valley	Z0004	129,596	127,364	101,190	112,018	143,591	160,250
Keynsham	Z0005	121,319	131,130	94,123	103,753	131,887	142,721
Norton/Radstock	Z0006	111,598	119,040	85,948	94,286	118,209	128,622
Bath & N E Som		134,262	147,482	105,064	116,494	149,999	166,615
West of England		119,708	128,957	92,449	102,051	129,510	141,482

<i>Mean Private Rent 2BR £pw @ 2006 prices</i>		2006	2007	2009	2011	2016	2021
Bath City North	Z0001	175	183	160	171	201	221
Bathavon	Z0002	154	162	140	148	170	183
Bath City South	Z0003	154	162	141	150	176	193
Chew Valley	Z0004	139	146	127	135	156	171
Keynsham	Z0005	141	148	128	136	157	169
Norton/Radstock	Z0006	129	135	117	123	142	153
Bath & N E Som		151	159	138	146	171	186
West of England		140	147	127	134	155	168

<i>Mean Private Rent 2BR £pw @ current prices</i>		2006	2007	2009	2011	2016	2021
Bath City North	Z0001	175	191	179	202	271	341
Bathavon	Z0002	154	169	156	175	229	282
Bath City South	Z0003	154	169	158	177	237	298
Chew Valley	Z0004	139	152	142	159	211	264
Keynsham	Z0005	141	154	143	160	212	261
Norton/Radstock	Z0006	129	141	131	146	192	237
Bath & N E Som		151	166	154	173	230	288
West of England		177	194	182	206	279	353

<i>Intermediate Need number pa</i>		2006	2007	2009	2011	2016	2021
Bath City North	Z0001	19	0	0	10	2	0
Bathavon	Z0002	0	0	0	0	0	0
Bath City South	Z0003	38	3	16	37	34	29
Chew Valley	Z0004	0	0	0	0	0	0
Keynsham	Z0005	3	0	0	0	0	0
Norton/Radstock	Z0006	37	23	11	27	33	29
Bath & N E Som		98	26	27	74	69	58
West of England		1,100	735	365	878	1,036	1,024

<i>Demographic Numbers 2011</i>	<i>Number of Households</i>	<i>Household Growth</i>	<i>Dwelling Growth</i>	<i>Gross Hhld Formation</i>	<i>Net Migration Hhlds</i>	<i>Social Rented Dwellings no</i>
	<i>2011</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	
Bath City North Z0001	19,408	154	72	344	87	3,041
Bathavon Z0002	5,381	40	20	94	-11	402
Bath City South Z0003	20,664	188	145	396	244	3,667
Chew Valley Z0004	4,044	30	14	68	17	350
Keynsham Z0005	10,905	99	75	214	-17	1,360
Norton/Radstock Z0006	16,842	188	185	319	152	1,911
Bath & N E Som	77,245	700	512	1,435	472	10,731
West of England	567,161	7,059	5,922	10,387	4,867	80,651

<i>Dwelling & Household Growth number pa</i>	<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>
	<i>2006</i>	<i>2016</i>	<i>2021</i>	<i>2006</i>	<i>2016</i>	<i>2021</i>
Bath City North Z0001	81	63	64	188	94	72
Bathavon Z0002	22	126	136	23	49	87
Bath City South Z0003	92	225	236	107	211	210
Chew Valley Z0004	13	8	8	29	16	8
Keynsham Z0005	40	261	299	49	194	346
Norton/Radstock Z0006	95	77	79	131	162	76
Bath & N E Som	343	761	823	527	725	799
West of England	4,625	6,358	6,824	4,706	7,061	6,563

**STANDARD TABLES
BRISTOL CITY**

<i>Affordability Measures in 2006</i>		<i>% able to buy (income)</i>	<i>% able to buy wealth-adj</i>	<i>% afford private rent</i>	<i>% afford buy or priv rent</i>
Bristol North	Z0007	23.7	27.7	27.6	27.7
Bristol North West	Z0008	33.6	39.2	45.4	45.4
Bristol Inner West	Z0009	24.9	30.2	33.3	33.3
Bristol Inner East	Z0010	25.8	29.7	23.1	29.7
Bristol East	Z0011	32.8	37.1	35.3	37.1
Bristol South	Z0012	29.6	33.7	32.6	33.7
Bristol City		28.2	32.6	32.3	33.6
West of England		35.9	41.5	40.8	42.6

<i>Affordability to Buy or Rent over Time</i>		2006	2007	2009	2011	2016	2021
Bristol North	Z0007	27.7	26.9	39.8	38.0	30.6	29.9
Bristol North West	Z0008	45.4	42.9	51.4	48.5	42.8	41.2
Bristol Inner West	Z0009	33.3	31.7	38.1	35.3	30.1	29.2
Bristol Inner East	Z0010	23.1	22.1	29.5	28.7	25.5	25.9
Bristol East	Z0011	35.3	33.8	42.6	41.2	37.1	36.5
Bristol South	Z0012	32.6	31.1	39.6	38.2	34.3	33.9
Bristol City		33.6	31.8	45.8	43.2	35.9	35.5
West of England		42.6	40.6	55.7	52.7	45.2	45.1

<i>Affordable Housing Need Components 2006</i>		<i>New household unafford need</i>	<i>Migrant afford-able need</i>	<i>Older Ex-owners Need</i>	<i>Backlog Need Allow-ance</i>	<i>Net Relet Supply</i>	<i>Net Need Additional Afford Housing</i>
Bristol North	Z0007	436	58	31	112	488	149
Bristol North West	Z0008	141	-47	14	27	21	114
Bristol Inner West	Z0009	439	143	27	101	107	603
Bristol Inner East	Z0010	73	-38	10	118	421	-259
Bristol East	Z0011	343	40	32	95	179	330
Bristol South	Z0012	767	49	71	210	706	392
Bristol City		2199	204	185	663	1922	1329
West of England		6065	544	692	1845	3955	5191

<i>Net Affordable Need over Time</i>		2006	2007	2009	2011	2016	2021
Bristol North	Z0007	149	263	15	109	191	178
Bristol North West	Z0008	114	140	115	118	106	102
Bristol Inner West	Z0009	603	650	516	556	597	557
Bristol Inner East	Z0010	-259	142	-51	24	132	147
Bristol East	Z0011	330	367	213	249	289	291
Bristol South	Z0012	392	561	144	285	441	451
Bristol City		1329	2123	952	1341	1755	1727
West of England		5191	6449	3865	4811	6217	6535

<i>Net Relets Supply over Time</i>		2006	2007	2009	2011	2016	2021
Bristol North	Z0007	488	468	606	503	443	453
Bristol North West	Z0008	21	20	24	20	16	16
Bristol Inner West	Z0009	107	95	120	101	95	94
Bristol Inner East	Z0010	421	348	467	384	330	333
Bristol East	Z0011	179	171	219	183	163	165
Bristol South	Z0012	706	681	870	721	633	655
Bristol City		1922	1783	2306	1913	1682	1716
West of England		3955	3655	4630	3963	3579	3788

*Backlog Need
Allowance (10%)
over Time*

		2006	2007	2009	2011	2016	2021
Bristol North	Z0007	112	126	129	115	95	93
Bristol North West	Z0008	27	30	31	28	23	22
Bristol Inner West	Z0009	101	114	117	104	86	84
Bristol Inner East	Z0010	118	132	135	121	99	97
Bristol East	Z0011	95	107	109	98	80	78
Bristol South	Z0012	210	236	242	217	178	174
Bristol City		663	745	764	683	560	548
West of England		1845	1981	2253	2201	2228	2597

		<i>Relet rate % Soc Stock</i>	<i>Net Need % House- holds</i>
Bristol North	Z0007	5.70	0.53
Bristol North West	Z0008	0.63	0.94
Bristol Inner West	Z0009	4.52	2.05
Bristol Inner East	Z0010	5.26	-1.62
Bristol East	Z0011	3.94	1.29
Bristol South	Z0012	5.29	0.68
Bristol City		4.69	0.71
West of England		4.80	0.95

<i>Income Measures for 2006</i>		<i>Mean Household Income £pw</i>	<i>CACI Ward Income Mean £pw</i>	<i>Mean Working Househd Income</i>	<i>Househd below £235 pw %</i>	<i>Poverty Rate %</i>
Bristol North	Z0007	477	568	585	32.0	17.1
Bristol North West	Z0008	719	808	942	19.9	6.1
Bristol Inner West	Z0009	652	766	785	23.7	6.7
Bristol Inner East	Z0010	440	581	534	36.6	29.2
Bristol East	Z0011	513	607	637	29.9	14.0
Bristol South	Z0012	515	596	628	28.9	13.5
Bristol City		540	637	663	29.0	8.3
West of England		608	668	748	24.8	10.5

<i>Mean Household Income over time @ 2006 prices</i>		2006	2007	2009	2011	2016	2021
Bristol North	Z0007	477	487	486	511	537	572
Bristol North West	Z0008	719	723	701	727	769	832
Bristol Inner West	Z0009	652	662	653	646	662	705
Bristol Inner East	Z0010	440	450	454	460	465	486
Bristol East	Z0011	513	523	520	531	541	561
Bristol South	Z0012	515	526	523	543	565	598
Bristol City		540	550	553	559	579	613
West of England		608	618	609	639	677	728

<i>Market Rents and House Prices in 2006</i>		<i>Market Rent 1BR £pw</i>	<i>Market Rent 2BR £pw</i>	<i>Intermed Rent 1BR £pw</i>	<i>Threshold Price 2BR House £</i>	<i>Price of New RSL 2BR Home £</i>
Bristol North	Z0007	107	128	81	108,857	108,403
Bristol North West	Z0008	134	164	113	150,288	207,208
Bristol Inner West	Z0009	141	177	121	171,745	226,276
Bristol Inner East	Z0010	116	142	86	97,650	109,975
Bristol East	Z0011	108	130	82	109,740	110,244
Bristol South	Z0012	110	136	83	108,810	113,499
Bristol City		117	143	92	121,863	138,231
West of England		113	140	92	119,708	151,434

<i>Threshold House Price 2BR over time @ current prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Bristol North	Z0007	108,857	118,510	92,553	106,610	150,341	182,889
Bristol North West	Z0008	150,288	177,023	133,369	158,031	237,558	309,328
Bristol Inner West	Z0009	171,745	188,624	153,386	182,534	276,816	359,406
Bristol Inner East	Z0010	97,650	111,549	83,215	95,990	136,866	164,184
Bristol East	Z0011	109,740	121,249	93,994	108,789	154,838	191,179
Bristol South	Z0012	108,810	121,218	93,305	108,086	154,279	190,316
Bristol City		121,863	135,626	105,690	123,379	179,422	224,788
West of England		119,708	134,502	103,266	120,624	174,839	218,306

<i>Threshold House Price 2BR over time @ 2006 prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Bristol North	Z0007	108,857	113,625	82,859	90,195	111,364	118,528
Bristol North West	Z0008	150,288	169,725	119,400	133,698	175,969	200,472
Bristol Inner West	Z0009	171,745	180,848	137,320	154,428	205,049	232,927
Bristol Inner East	Z0010	97,650	106,950	74,498	81,210	101,383	106,406
Bristol East	Z0011	109,740	116,250	84,149	92,038	114,695	123,901
Bristol South	Z0012	108,810	116,220	83,532	91,443	114,281	123,342
Bristol City		121,863	130,034	94,620	104,382	132,905	145,682
West of England		119,708	128,957	92,449	102,051	129,510	141,482

<i>Mean Private Rent 2BR £pw @ 2006 prices</i>		2006	2007	2009	2011	2016	2021
Bristol North	Z0007	128	134	115	121	138	148
Bristol North West	Z0008	164	173	151	161	190	211
Bristol Inner West	Z0009	177	186	163	174	207	229
Bristol Inner East	Z0010	142	149	129	135	155	165
Bristol East	Z0011	130	136	118	124	142	153
Bristol South	Z0012	136	143	123	130	149	161
Bristol City		143	151	131	138	160	173
West of England		140	147	127	134	155	168

<i>Mean Private Rent 2BR £pw @ current prices</i>		2006	2007	2009	2011	2016	2021
Bristol North	Z0007	128	140	129	143	187	229
Bristol North West	Z0008	164	180	169	191	257	325
Bristol Inner West	Z0009	177	194	182	206	279	353
Bristol Inner East	Z0010	142	156	144	160	209	254
Bristol East	Z0011	130	142	132	147	192	237
Bristol South	Z0012	136	149	138	154	202	248
Bristol City		143	157	146	163	216	268
West of England		177	194	182	206	279	353

<i>Intermediate Need number pa</i>		2006	2007	2009	2011	2016	2021
Bristol North	Z0007	42	64	3	31	60	56
Bristol North West	Z0008	17	0	15	24	7	3
Bristol Inner West	Z0009	41	8	9	40	9	0
Bristol Inner East	Z0010	0	36	0	9	52	58
Bristol East	Z0011	135	124	68	99	122	120
Bristol South	Z0012	141	163	44	105	171	174
Bristol City		376	396	139	308	420	411
West of England		1,100	735	365	878	1,036	1,024

<i>Demographic Numbers 2011</i>		<i>Number of Households</i>	<i>Household Growth</i>	<i>Dwelling Growth</i>	<i>Gross Hhld Formation</i>	<i>Net Migration Hhlds</i>	<i>Social Rented Dwellings no</i>
		<i>2011</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	
Bristol North	Z0007	30,134	401	358	603	69	8,684
Bristol North West	Z0008	12,552	86	29	233	-83	2,972
Bristol Inner West	Z0009	31,916	493	474	557	267	2,021
Bristol Inner East	Z0010	17,786	363	380	358	636	7,175
Bristol East	Z0011	27,093	305	231	500	82	4,449
Bristol South	Z0012	60,915	672	505	1,124	140	13,256
Bristol City		180,396	2,320	1,977	3,375	1,111	38,556
West of England		567,161	7,059	5,922	10,387	4,867	80,651

<i>Dwelling & Household Growth number pa</i>		<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>
		<i>2006</i>	<i>2016</i>	<i>2021</i>	<i>2006</i>	<i>2016</i>	<i>2021</i>
Bristol North	Z0007	301	350	370	156	385	365
Bristol North West	Z0008	41	25	25	22	41	30
Bristol Inner West	Z0009	416	311	328	410	483	388
Bristol Inner East	Z0010	305	409	454	-630	466	439
Bristol East	Z0011	217	188	194	297	244	196
Bristol South	Z0012	467	654	686	322	662	644
Bristol City		1,746	1,936	2,058	576	2,281	2,063
West of England		4,625	6,358	6,824	4,706	7,061	6,563

**STANDARD TABLES
NORTH SOMERSET**

<i>Affordability Measures in 2006</i>		<i>% able to buy (income)</i>	<i>% able to buy wealth-adj</i>	<i>% afford private rent</i>	<i>% afford buy or priv rent</i>
Clevedon-Yatton	Z0013	42.0	47.8	45.7	47.8
Nailsea-Backwell	Z0014	43.5	49.8	49.5	49.8
Portishead-Gordano	Z0015	40.3	46.5	47.9	47.9
Weston-Super-Mare	Z0016	42.5	47.9	40.7	47.9
North Somerset		42.3	48.0	44.2	48.2
West of England		35.9	41.5	40.8	42.6

Affordability to Buy or Rent over Time

		2006	2007	2009	2011	2016	2021
Clevedon-Yatton	Z0013	47.8	43.9	61.5	58.0	49.0	47.6
Nailsea-Backwell	Z0014	49.8	47.4	64.4	60.5	52.6	53.2
Portishead-Gordano	Z0015	47.9	49.6	64.4	62.2	57.6	62.3
Weston-Super-Mare	Z0016	47.9	45.0	62.0	60.0	53.3	54.1
North Somerset		48.2	45.9	62.7	60.1	53.2	54.2
West of England		42.6	40.6	55.7	52.7	45.2	45.1

<i>Affordable Housing Need Components 2006</i>		<i>New household unafford need</i>	<i>Migrant afford-able need</i>	<i>Older Ex-owners Need</i>	<i>Backlog Need Allow-ance</i>	<i>Net Relet Supply</i>	<i>Net Need Additional Afford Housing</i>
Clevedon-Yatton	Z0013	137	7	20	38	63	138
Nailsea-Backwell	Z0014	161	1	25	37	58	165
Portishead-Gordano	Z0015	129	66	19	34	38	209
Weston-Super-Mare	Z0016	416	100	61	203	290	491
North Somerset		843	174	125	311	450	1003
West of England		6065	544	692	1845	3955	5191

*Net Affordable
Need over Time*

		2006	2007	2009	2011	2016	2021
Clevedon-Yatton	Z0013	138	179	109	131	155	162
Nailsea-Backwell	Z0014	165	202	126	146	206	238
Portishead- Gordano	Z0015	209	216	167	184	237	227
Weston-Super- Mare	Z0016	491	533	354	424	541	597
North Somerset		1003	1130	756	885	1139	1224
West of England		5191	6449	3865	4811	6217	6535

*Net Relets Supply
over Time*

		2006	2007	2009	2011	2016	2021
Clevedon-Yatton	Z0013	63	60	78	67	63	66
Nailsea-Backwell	Z0014	58	50	63	53	53	86
Portishead- Gordano	Z0015	38	37	49	46	57	62
Weston-Super- Mare	Z0016	290	252	317	267	248	278
North Somerset		450	399	507	433	421	493
West of England		3955	3655	4630	3963	3579	3788

*Backlog Need
Allowance (10%)
over Time*

		2006	2007	2009	2011	2016	2021
Clevedon-Yatton	Z0013	38	41	47	47	49	57
Nailsea-Backwell	Z0014	37	41	46	46	48	56
Portishead- Gordano	Z0015	34	37	42	42	44	51
Weston-Super- Mare	Z0016	203	223	255	255	265	308
North Somerset		311	342	391	391	406	472
West of England		1845	1981	2253	2201	2228	2597

<i>Need and Supply Rates in 2006</i>		<i>Relet rate % Soc Stock</i>	<i>Net Need % Households</i>
Clevedon-Yatton	Z0013	7.20	1.05
Nailsea-Backwell	Z0014	4.46	1.04
Portishead-Gordano	Z0015	3.00	1.66
Weston-Super-Mare	Z0016	6.33	1.11
North Somerset		5.61	1.17
West of England		4.80	0.95

<i>Income Measures for 2006</i>		<i>Mean Household Income £pw</i>	<i>CACI Ward Income Mean £pw</i>	<i>Mean Working Household Income</i>	<i>Househd below £235 pw %</i>	<i>Poverty Rate %</i>
Clevedon-Yatton	Z0013	671	688	828	22.6	9.0
Nailsea-Backwell	Z0014	784	765	958	17.0	6.9
Portishead-Gordano	Z0015	735	729	923	19.6	6.2
Weston-Super-Mare	Z0016	586	648	743	27.4	11.3
North Somerset		658	687	822	23.4	7.9
West of England		608	668	748	24.8	10.5

<i>Mean Household Income over time @ 2006 prices</i>		2006	2007	2009	2011	2016	2021
Clevedon-Yatton	Z0013	671	681	668	694	722	763
Nailsea-Backwell	Z0014	784	792	770	837	929	1027
Portishead-Gordano	Z0015	735	748	732	837	964	1103
Weston-Super-Mare	Z0016	586	597	594	626	661	710
North Somerset		658	668	689	706	764	834
West of England		608	618	609	639	677	728

<i>Market Rents and House Prices in 2006</i>		<i>Market Rent 1BR £pw</i>	<i>Market Rent 2BR £pw</i>	<i>Intermed Rent 1BR £pw</i>	<i>Threshold Price 2BR House £</i>	<i>Price of New RSL 2BR Home £</i>
Clevedon-Yatton	Z0013	110	141	91	116,250	152,240
Nailsea-Backwell	Z0014	120	153	99	132,279	168,399
Portishead-Gordano	Z0015	123	150	102	130,386	174,778
Weston-Super-Mare	Z0016	117	133	92	104,160	138,206
North Somerset		117	141	94	115,050	151,293
West of England		113	140	92	119,708	151,434

<i>Threshold House Price 2BR over time</i>		<i>@ current prices</i>					
		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Clevedon-Yatton	Z0013	116,250	137,787	100,718	117,469	170,101	214,159
Nailsea-Backwell	Z0014	132,279	153,511	114,489	133,437	192,475	236,523
Portishead-Gordano	Z0015	130,386	127,321	111,818	129,580	184,185	221,344
Weston-Super-Mare	Z0016	104,160	116,399	89,456	103,736	147,913	181,910
North Somerset		115,050	128,131	99,083	115,114	164,860	202,717
West of England		119,708	134,502	103,266	120,624	174,839	218,306

<i>Threshold House Price 2BR over time</i>		<i>@ 2006 prices</i>					
		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Clevedon-Yatton	Z0013	116,250	132,107	90,168	99,381	126,001	138,794
Nailsea-Backwell	Z0014	132,279	147,182	102,497	112,891	142,574	153,288
Portishead-Gordano	Z0015	130,386	122,072	100,106	109,628	136,434	143,451
Weston-Super-Mare	Z0016	104,160	111,600	80,086	87,763	109,565	117,894
North Somerset		115,050	122,849	88,705	97,389	122,118	131,378
West of England		119,708	128,957	92,449	102,051	129,510	141,482

*Mean Private Rent
2BR £pw*

<i>@ 2006 prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Clevedon-Yatton	Z0013	141	148	129	136	157	171
Nailsea-Backwell	Z0014	153	161	140	148	170	183
Portishead- Gordano	Z0015	150	158	136	143	164	175
Weston-Super- Mare	Z0016	133	140	121	128	146	157
North Somerset		141	148	128	135	155	167
West of England		140	147	127	134	155	168

*Mean Private Rent
2BR £pw*

<i>@ current prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Clevedon-Yatton	Z0013	141	155	144	161	212	264
Nailsea-Backwell	Z0014	153	168	156	174	230	282
Portishead- Gordano	Z0015	150	164	152	169	222	269
Weston-Super- Mare	Z0016	133	146	135	151	197	243
North Somerset		141	154	143	159	209	257
West of England		177	194	182	206	279	353

*Intermediate Need
number pa*

		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Clevedon-Yatton	Z0013	29	20	9	24	23	22
Nailsea-Backwell	Z0014	38	18	10	26	39	54
Portishead- Gordano	Z0015	48	1	18	43	57	58
Weston-Super- Mare	Z0016	115	68	32	74	77	81
North Somerset		229	107	68	167	196	215
West of England		1,100	735	365	878	1,036	1,024

<i>Demographic Numbers 2011</i>		<i>Number of Households</i>	<i>Household Growth</i>	<i>Dwelling Growth</i>	<i>Gross Hhld Formation</i>	<i>Net Migration Hhlds</i>	<i>Social Rented Dwellings no</i>
		<i>2011</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	
Clevedon-Yatton	Z0013	13,845	138	90	276	108	849
Nailsea-Backwell	Z0014	16,706	157	86	303	179	1,091
Portishead-Gordano	Z0015	14,658	409	491	256	649	1,292
Weston-Super-Mare	Z0016	47,233	568	443	758	930	3,942
North Somerset		92,442	1,271	1,110	1,592	1,866	7,173
West of England		567,161	7,059	5,922	10,387	4,867	80,651

<i>Dwelling & Household Growth number pa</i>		<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>
		<i>2006</i>	<i>2016</i>	<i>2021</i>	<i>2006</i>	<i>2016</i>	<i>2021</i>
Clevedon-Yatton	Z0013	81	62	63	53	98	69
Nailsea-Backwell	Z0014	98	448	509	94	304	498
Portishead-Gordano	Z0015	424	314	356	332	499	459
Weston-Super-Mare	Z0016	388	583	620	742	604	634
North Somerset		990	1,407	1,548	1,221	1,504	1,660
West of England		4,625	6,358	6,824	4,706	7,061	6,563

**STANDARD TABLES
SOUTH GLOUCESTERSHIRE**

<i>Affordability Measures in 2006</i>		<i>% able to buy (income)</i>	<i>% able to buy wealth-adj</i>	<i>% afford private rent</i>	<i>% afford buy or priv rent</i>
Yate/Sodbury	Z0017	41.4	47.4	50.8	50.8
Kingswood	Z0018	39.3	45.5	47.5	47.5
North Fringe	Z0019	40.6	46.7	48.4	48.4
S.Glos Rural	Z0020	44.0	50.8	55.3	55.3
Thornbury	Z0021	40.4	46.6	52.4	52.4
South Glos		40.8	47.0	49.8	49.8
West of England		35.9	41.5	40.8	42.6

<i>Affordability to Buy or Rent over Time</i>		2006	2007	2009	2011	2016	2021
Yate/Sodbury	Z0017	50.8	48.8	61.6	57.4	49.2	47.5
Kingswood	Z0018	47.5	45.7	59.8	55.7	45.8	43.9
North Fringe	Z0019	48.4	46.4	61.1	57.0	47.2	46.2
S.Glos Rural	Z0020	55.3	53.4	67.7	64.8	61.2	63.0
Thornbury	Z0021	52.4	50.5	60.3	55.5	49.7	47.9
South Glos		49.8	47.9	61.8	57.8	49.5	48.5
West of England		42.6	40.6	55.7	52.7	45.2	45.1

<i>Affordable Housing Need Components 2006</i>		<i>New household unafford need</i>	<i>Migrant afford-able need</i>	<i>Older Ex-owners Need</i>	<i>Backlog Need Allow-ance</i>	<i>Net Relet Supply</i>	<i>Net Need Additional Afford Housing</i>
Yate/Sodbury	Z0017	147	-3	19	51	41	172
Kingswood	Z0018	460	-2	59	135	237	415
North Fringe	Z0019	223	18	31	82	148	206
S.Glos Rural	Z0020	188	-39	28	42	58	161
Thornbury	Z0021	58	-12	7	12	34	31
South Glos		1077	-38	143	321	518	985
West of England		6065	544	692	1845	3955	5191

*Net Affordable
Need over Time*

		2006	2007	2009	2011	2016	2021
Yate/Sodbury	Z0017	172	190	136	156	178	188
Kingswood	Z0018	415	431	263	351	465	503
North Fringe	Z0019	206	225	150	202	362	455
S.Glos Rural	Z0020	161	178	111	127	137	123
Thornbury	Z0021	31	39	22	34	41	42
South Glos		985	1063	682	871	1183	1311
West of England		5191	6449	3865	4811	6217	6535

*Net Relets
Supply over
Time*

		2006	2007	2009	2011	2016	2021
Yate/Sodbury	Z0017	41	40	50	42	37	39
Kingswood	Z0018	237	237	302	253	228	231
North Fringe	Z0019	148	133	171	146	144	188
S.Gloucs Rural	Z0020	58	55	73	64	65	71
Thornbury	Z0021	34	32	41	33	28	26
South Glos		518	497	636	538	501	555
West of England		3955	3655	4630	3963	3579	3788

*Backlog Need
Allowance
(10%) over
Time*

		2006	2007	2009	2011	2016	2021
Yate/Sodbury	Z0017	51	42	50	51	55	68
Kingswood	Z0018	135	113	134	135	147	180
North Fringe	Z0019	82	68	81	82	89	109
S.Glos Rural	Z0020	42	35	41	42	45	55
Thornbury	Z0021	12	10	11	12	13	15
South Glos		321	268	317	320	348	428
West of England		1845	1981	2253	2201	2228	2597

<i>Need and Supply Rates in 2006</i>		<i>Relet rate % Soc Stock</i>	<i>Net Need % Households</i>
Yate/Sodbury	Z0017	2.31	1.27
Kingswood	Z0018	3.83	1.03
North Fringe	Z0019	4.28	0.80
S.Glos Rural	Z0020	8.44	0.89
Thornbury	Z0021	4.95	0.57
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South Glos		4.61	0.96
West of England		4.80	0.95

<i>Income Measures for 2006</i>		<i>Mean Household Income £pw</i>	<i>CACI Ward Income Mean £pw</i>	<i>Mean Working Household Income</i>	<i>Household below £235 pw %</i>	<i>Poverty Rate %</i>
Yate/Sodbury	Z0017	674	707	773	17.4	8.3
Kingswood	Z0018	625	675	761	21.5	9.3
North Fringe	Z0019	640	761	760	21.2	8.1
S.Glos Rural	Z0020	719	751	861	16.3	7.4
Thornbury	Z0021	686	752	832	18.9	6.4
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South Glos		655	718	783	19.4	6.6
West of England		608	668	748	24.8	10.5

<i>Mean Household Income over time @ 2006 prices</i>		2006	2007	2009	2011	2016	2021
Yate/Sodbury	Z0017	674	683	672	698	735	787
Kingswood	Z0018	625	634	625	635	654	684
North Fringe	Z0019	640	649	637	628	628	637
S.Glos Rural	Z0020	719	729	713	788	883	994
Thornbury	Z0021	686	695	676	714	772	856
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South Glos		655	664	668	673	704	749
West of England		608	618	609	639	677	728

<i>Market Rents and House Prices in 2006</i>		<i>Market Rent 1BR £pw</i>	<i>Market Rent 2BR £pw</i>	<i>Intermed Rent 1BR £pw</i>	<i>Threshold Price 2BR House £</i>	<i>Price of New RSL 2BR Home £</i>
Yate/Sodbury	Z0017	102	126	85	114,530	142,459
Kingswood	Z0018	103	130	87	116,245	150,539
North Fringe	Z0019	106	131	87	118,529	144,160
S.Glos Rural	Z0020	105	131	93	119,966	178,584
Thornbury	Z0021	101	127	87	121,644	155,854
South Glos		104	130	88	117,522	153,074
West of England		113	140	92	119,708	151,434

<i>Threshold House Price 2BR over time @ current prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Yate/Sodbury	Z0017	114,530	143,559	99,943	117,114	171,516	218,302
Kingswood	Z0018	116,245	135,750	101,177	118,361	172,812	218,512
North Fringe	Z0019	118,529	140,649	102,544	119,495	173,439	214,684
S.Glos Rural	Z0020	119,966	132,646	103,519	120,419	173,565	216,219
Thornbury	Z0021	121,644	147,437	107,109	126,257	187,662	241,749
South Glos		117,522	138,070	102,076	119,254	173,709	218,349
West of England		119,708	134,502	103,266	120,624	174,839	218,306

<i>Threshold House Price 2BR over time @ 2006 prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Yate/Sodbury	Z0017	114,530	137,640	89,475	99,082	127,049	141,479
Kingswood	Z0018	116,245	130,154	90,579	100,136	128,009	141,615
North Fringe	Z0019	118,529	134,850	91,803	101,096	128,474	139,134
S.Glos Rural	Z0020	119,966	127,178	92,676	101,878	128,567	140,129
Thornbury	Z0021	121,644	141,358	95,889	106,817	139,009	156,674
South Glos		117,522	132,378	91,384	100,892	128,673	141,510
West of England		119,708	128,957	92,449	102,051	129,510	141,482

<i>Mean Private Rent 2BR £pw @ 2006 prices</i>		2006	2007	2009	2011	2016	2021
Yate/Sodbury	Z0017	126	132	115	122	142	156
Kingswood	Z0018	130	137	119	126	146	160
North Fringe	Z0019	131	137	119	126	146	157
S.Glos Rural	Z0020	131	138	119	126	145	158
Thornbury	Z0021	127	133	116	124	145	160
South Glos		130	136	118	125	145	158
West of England		140	147	127	134	155	168

<i>Mean Private Rent 2BR £pw @ current prices</i>		2006	2007	2009	2011	2016	2021
Yate/Sodbury	Z0017	126	138	129	144	192	240
Kingswood	Z0018	130	143	133	149	198	246
North Fringe	Z0019	131	143	133	149	197	243
S.Glos Rural	Z0020	131	144	133	149	196	243
Thornbury	Z0021	127	139	130	146	196	246
South Glos		130	142	132	148	196	244
West of England		177	194	182	206	279	353

<i>Intermediate Need number pa</i>		2006	2007	2009	2011	2016	2021
Yate/Sodbury	Z0017	27	15	15	27	20	18
Kingswood	Z0018	92	18	28	74	79	72
North Fringe	Z0019	64	37	28	62	92	109
S.Glos Rural	Z0020	5	0	0	7	0	0
Thornbury	Z0021	4	4	2	7	3	2
South Glos		191	74	73	177	194	200
West of England		1,100	735	365	878	1,036	1,024

<i>Demographic Numbers 2011</i>		<i>Number of Households</i>	<i>Household Growth</i>	<i>Dwelling Growth</i>	<i>Gross Hhld Formation</i>	<i>Net Migration Hhlds</i>	<i>Social Rented Dwellings no</i>
		<i>2011</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	
Yate/Sodbury	Z0017	14,089	100	49	295	0	1,640
Kingswood	Z0018	42,737	488	372	871	436	6,334
North Fringe	Z0019	27,359	344	353	467	571	3,133
S.Glos Rural	Z0020	19,081	211	169	396	-22	710
Thornbury	Z0021	5,620	43	28	122	-11	651
South Glos		108,886	1,186	971	2,151	974	12,468
West of England		567,161	7,059	5,922	10,387	4,867	80,651

<i>Dwelling & Household Growth number pa</i>		<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>
		<i>2006</i>	<i>2016</i>	<i>2021</i>	<i>2006</i>	<i>2016</i>	<i>2021</i>
Yate/Sodbury	Z0017	39	77	79	31	80	81
Kingswood	Z0018	305	277	286	368	428	308
North Fringe	Z0019	186	685	775	257	595	798
S.Glos Rural	Z0020	127	136	142	124	210	165
Thornbury	Z0021	17	12	12	5	27	13
South Glos		675	1,186	1,293	785	1,339	1,366
West of England		4,625	6,358	6,824	4,706	7,061	6,563

**STANDARD TABLES
MENDIP**

<i>Affordability Measures in 2006</i>		<i>% able to buy (income)</i>	<i>% able to buy wealth-adj</i>	<i>% afford private rent</i>	<i>% afford buy or priv rent</i>
Glastonbury/Street & Rural	Z0022	33.9	40.2	38.1	40.2
Wells & Rural	Z0023	33.2	39.8	40.7	40.7
Shepton Mallet & Rural	Z0024	42.6	48.9	42.1	48.9
Frome & Rural	Z0025	39.7	46.0	42.5	46.0
Mendip		37.3	43.7	40.9	43.9
West of England		35.9	41.5	40.8	42.6

<i>Affordability to Buy or Rent over Time</i>		2006	2007	2009	2011	2016	2021
Glastonbury/Street & Rural	Z0022	40.2	39.0	58.4	56.2	50.0	52.5
Wells & Rural	Z0023	40.7	40.0	56.9	53.1	44.9	45.3
Shepton Mallet & Rural	Z0024	48.9	46.2	65.6	63.0	56.0	57.1
Frome & Rural	Z0025	46.0	44.0	64.3	61.9	55.6	57.9
Mendip		43.9	42.2	61.5	58.8	52.0	53.8
West of England		42.6	40.6	55.7	52.7	45.2	45.1

<i>Affordable Housing Need Components 2006</i>		<i>New househld unafford need</i>	<i>Migrant afford-able need</i>	<i>Older Ex- owners Need</i>	<i>Backlog Need Allow- ance</i>	<i>Net Relet Supply</i>	<i>Net Need Additional Afford Housing</i>
Glastonbury/Street & Rural	Z0022	131	4	16	25	71	105
Wells & Rural	Z0023	101	20	14	18	31	122
Shepton Mallet & Rural	Z0024	68	14	11	15	70	36
Frome & Rural	Z0025	157	21	24	31	108	125
Mendip		456	59	64	89	280	389
West of England		6065	544	692	1845	3955	5191

*Net Affordable Need
over Time*

		2006	2007	2009	2011	2016	2021
Glastonbury/Street & Rural	Z0022	105	141	99	106	130	133
Wells & Rural	Z0023	122	140	112	123	140	146
Shepton Mallet & Rural	Z0024	36	62	25	32	51	59
Frome & Rural	Z0025	125	174	103	117	162	171
		31					
Mendip		419	517	340	379	483	509
West of England		5191	6449	3865	4811	6217	6535

*Net Relets Supply
over Time*

		2006	2007	2009	2011	2016	2021
Glastonbury/Street & Rural	Z0022	71	60	73	72	66	66
Wells & Rural	Z0023	31	27	31	32	29	29
Shepton Mallet & Rural	Z0024	70	62	74	72	61	60
Frome & Rural	Z0025	108	94	113	111	98	102
Mendip		280	243	291	287	255	258
West of England		3955	3655	4630	3963	3579	3788

*Backlog Need
Allowance (10%) over
Time*

		2006	2007	2009	2011	2016	2021
Glastonbury/Street & Rural	Z0022	25	36	51	53	61	79
Wells & Rural	Z0023	18	27	38	40	46	59
Shepton Mallet & Rural	Z0024	15	22	31	32	37	47
Frome & Rural	Z0025	31	46	64	67	77	99
Mendip		89	131	184	193	221	284
West of England		1845	1981	2253	2201	2228	2597

<i>Need and Supply Rates in 2006</i>		<i>Relet rate % Soc Stock</i>	<i>Net Need % Households</i>
Glastonbury/Street & Rural	Z0022	4.56	0.91
Wells & Rural	Z0023	3.38	1.27
Shepton Mallet & Rural	Z0024	5.97	0.47
Frome & Rural	Z0025	5.46	0.75
Mendip		4.90	0.85
West of England		4.80	0.95

<i>Income Measures for 2006</i>		<i>Mean Household Income £pw</i>	<i>CACI Ward Income Mean £pw</i>	<i>Mean Working Househd Income</i>	<i>Househd below £235 pw %</i>	<i>Poverty Rate %</i>
Glastonbury/Street & Rural	Z0022	583	628	716	27.1	11.1
Wells & Rural	Z0023	587	666	762	28.1	9.0
Shepton Mallet & Rural	Z0024	630	634	755	23.8	9.6
Frome & Rural	Z0025	619	652	753	25.1	9.4
Mendip		605	646	746	25.8	8.1
West of England		608	668	748	24.8	10.5

<i>Mean Household Income over time @ 2006 prices</i>		2006	2007	2009	2011	2016	2021
Glastonbury/Street & Rural	Z0022	583	594	588	668	749	842
Wells & Rural	Z0023	587	597	588	635	691	756
Shepton Mallet & Rural	Z0024	630	641	632	681	740	812
Frome & Rural	Z0025	619	630	620	684	757	842
Mendip		605	616	645	669	738	819
West of England		608	618	609	639	677	728

<i>Market Rents and House Prices in 2006</i>		<i>Market Rent 1BR £pw</i>	<i>Market Rent 2BR £pw</i>	<i>Intermed Rent 1BR £pw</i>	<i>Threshold Price 2BR House £</i>	<i>Price of New RSL 2BR Home £</i>
Glastonbury/Street & Rural	Z0022	108	135	89	115,929	148,795
Wells & Rural	Z0023	112	139	94	132,200	163,913
Shepton Mallet & Rural	Z0024	109	136	89	104,579	142,884
Frome & Rural	Z0025	108	134	88	111,423	142,565
Mendip		109	136	90	115,789	148,707
West of England		113	140	92	119,708	151,434

<i>Threshold House Price 2BR over time @ current prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Glastonbury/Street & Rural	Z0022	115,929	121,831	93,413	110,284	158,875	194,046
Wells & Rural	Z0023	132,200	126,099	107,187	127,045	184,553	227,243
Shepton Mallet & Rural	Z0024	104,579	113,295	84,376	99,680	143,622	175,962
Frome & Rural	Z0025	111,423	126,099	89,996	106,398	153,598	188,446
Mendip		115,789	122,836	93,536	110,600	159,774	195,930
West of England		119,708	134,502	103,266	120,624	174,839	218,306

<i>Threshold House Price 2BR over time @ 2006 prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Glastonbury/Street & Rural	Z0022	115,929	116,808	83,629	93,303	117,685	125,759
Wells & Rural	Z0023	132,200	120,900	95,960	107,483	136,706	147,273
Shepton Mallet & Rural	Z0024	104,579	108,624	75,538	84,332	106,387	114,039
Frome & Rural	Z0025	111,423	120,900	80,570	90,015	113,777	122,130
Mendip		115,789	117,772	83,739	93,570	118,351	126,980
West of England		119,708	128,957	92,449	102,051	129,510	141,482

*Mean Private Rent
2BR £pw*

<i>@ 2006 prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Glastonbury/Street & Rural	Z0022	135	142	119	126	145	156
Wells & Rural	Z0023	139	146	123	131	151	163
Shepton Mallet & Rural	Z0024	136	143	120	128	147	157
Frome & Rural	Z0025	134	141	119	126	145	155
Mendip		136	143	120	127	147	156
West of England		140	147	127	134	155	168

*Mean Private Rent
2BR £pw*

<i>@ current prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Glastonbury/Street & Rural	Z0022	135	148	133	150	196	240
Wells & Rural	Z0023	139	153	138	155	204	251
Shepton Mallet & Rural	Z0024	136	149	134	151	198	243
Frome & Rural	Z0025	134	147	132	149	195	240
Mendip		136	149	134	151	198	243
West of England		177	194	182	206	279	353

*Intermediate Need
number pa*

		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Glastonbury/Street & Rural	Z0022	20	17	9	22	21	20
Wells & Rural	Z0023	22	4	6	18	16	14
Shepton Mallet & Rural	Z0024	6	5	1	5	7	8
Frome & Rural	Z0025	29	20	12	27	32	31
Mendip		77	46	28	72	77	74
West of England		1,100	735	365	878	1,036	1,024

<i>Demographic</i>		<i>Number of</i>	<i>Household</i>	<i>Dwelling</i>	<i>Gross</i>	<i>Net</i>	<i>Social</i>
<i>Numbers 2011</i>		<i>Households</i>	<i>Growth</i>	<i>Growth</i>	<i>Formation</i>	<i>ion Hhlds</i>	<i>Rented</i>
		<i>2011</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	<i>Dwellings</i>
							<i>no</i>
Glastonbury/Street & Rural	Z0022	12,612	195	178	212	-25	1,316
Wells & Rural	Z0023	10,400	158	129	161	21	755
Shepton Mallet & Rural	Z0024	8,270	105	62	123	19	1,040
Frome & Rural	Z0025	17,898	255	145	280	42	1,760
Mendip		49,180	713	514	776	58	4,871
West of England		567,161	7,059	5,922	10,387	4,867	80,651
<i>Dwelling & Household Growth number pa</i>		<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>
		<i>2006</i>	<i>2016</i>	<i>2021</i>	<i>2006</i>	<i>2016</i>	<i>2021</i>
Glastonbury/Street & Rural	Z0022	94	109	114	136	167	116
Wells & Rural	Z0023	97	87	90	139	117	79
Shepton Mallet & Rural	Z0024	55	55	56	81	72	62
Frome & Rural	Z0025	118	177	186	191	224	185
Mendip		364	427	446	546	581	442
West of England		4,625	6,358	6,824	4,706	7,061	6,563

**STANDARD
TABLES
WEST WILTSHIRE**

<i>Affordability Measures in 2006</i>		<i>% able to buy (income)</i>	<i>% able to buy wealth-adj</i>	<i>% afford private rent</i>	<i>% afford buy or priv rent</i>
Bradford on Avon	Z0026	31.7	38.0	44.2	44.2
Melksham	Z0027	43.1	48.3	44.4	48.3
Trowbridge	Z0028	43.1	48.3	42.2	48.3
Westbury	Z0029	48.9	54.2	46.3	54.2
Warminster	Z0030	51.5	56.9	49.4	56.9
West Wilts Rural	Z0031	44.0	50.1	48.4	50.1
West Wiltshire		44.3	49.9	46.0	50.4
West of England		35.9	41.5	40.8	42.6

<i>Affordability to Buy or Rent over Time</i>		2006	2007	2009	2011	2016	2021
Bradford on Avon	Z0026	44.2	42.4	51.1	47.5	42.2	40.6
Melksham	Z0027	48.3	42.6	61.8	58.8	50.4	49.7
Trowbridge	Z0028	48.3	44.3	62.4	60.1	52.8	53.2
Westbury	Z0029	54.2	50.2	68.9	67.9	63.9	66.6
Warminster	Z0030	56.9	55.1	70.3	67.8	60.4	59.8
West Wilts Rural	Z0031	50.1	49.2	63.4	59.5	49.9	48.2
West Wiltshire		50.4	47.6	63.6	60.7	53.1	52.7
West of England		42.6	40.6	55.7	52.7	45.2	45.1

<i>Affordable Housing Need Components 2006</i>		<i>New househld unafford need</i>	<i>Migrant afford-able need</i>	<i>Older Ex- owners Need</i>	<i>Backlog Need Allow- ance</i>	<i>Net Relet Supply</i>	<i>Net Need Additional Afford Housing</i>
Bradford on Avon	Z0026	54	-2	6	15	27	46
Melksham	Z0027	69	4	8	30	57	54
Trowbridge	Z0028	143	14	18	72	111	136
Westbury	Z0029	58	23	8	28	29	88
Warminster	Z0030	72	7	11	34	49	75
West Wilts Rural	Z0031	179	10	25	35	80	170
West Wiltshire		574	56	77	214	353	568
West of England		6065	544	692	1845	3955	5191

*Net Affordable Need
over Time*

		2006	2007	2009	2011	2016	2021
Bradford on Avon	Z0026	46	52	46	53	63	66
Melksham	Z0027	54	72	48	58	75	84
Trowbridge	Z0028	136	134	92	108	146	160
Westbury	Z0029	88	81	60	63	74	75
Warminster	Z0030	75	77	53	63	83	91
West Wilts Rural	Z0031	170	162	113	128	154	139
West Wiltshire		568	577	412	473	596	616
West of England		5191	6449	3865	4811	6217	6535

*Net Relets Supply
over Time*

		2006	2007	2009	2011	2016	2021
Bradford on Avon	Z0026	27	26	29	28	25	24
Melksham	Z0027	57	46	52	48	41	39
Trowbridge	Z0028	111	111	128	124	115	120
Westbury	Z0029	29	27	33	34	37	41
Warminster	Z0030	49	47	53	50	43	42
West Wilts Rural	Z0031	80	74	86	85	82	85
West Wiltshire		353	330	381	369	341	351
West of England		3955	3655	4630	3963	3579	3788

*Backlog Need
Allowance (10%)
over Time*

		2006	2007	2009	2011	2016	2021
Bradford on Avon	Z0026	15	16	20	21	24	31
Melksham	Z0027	30	32	39	41	47	60
Trowbridge	Z0028	72	76	93	97	113	144
Westbury	Z0029	28	30	36	38	44	56
Warminster	Z0030	34	36	44	46	53	68
West Wilts Rural	Z0031	35	38	46	48	56	71
West Wiltshire		214	228	278	291	336	430
West of England		1845	1981	2253	2201	2228	2597

<i>Need and Supply Rates in 2006</i>		<i>Relet rate % Soc Stock</i>	<i>Net Need % Households</i>
Bradford on Avon	Z0026	4.80	1.06
Melksham	Z0027	4.14	0.85
Trowbridge	Z0028	5.40	1.01
Westbury	Z0029	3.22	1.47
Warminster	Z0030	5.11	0.96
West Wilts Rural	Z0031	7.09	1.01
West Wiltshire		5.47	1.04
West of England		4.80	0.95

<i>Income Measures for 2006</i>		<i>Mean Household Income £pw</i>	<i>CACI Ward Income Mean £pw</i>	<i>Mean Working Household Income</i>	<i>Household below £235 pw %</i>	<i>Poverty Rate %</i>
Bradford on Avon	Z0026	597	670	794	27.2	8.7
Melksham	Z0027	585	626	717	25.3	9.3
Trowbridge	Z0028	580	646	703	25.4	10.7
Westbury	Z0029	578	666	713	26.4	9.5
Warminster	Z0030	604	603	754	24.5	8.4
West Wilts Rural	Z0031	701	724	851	18.9	7.2
West Wiltshire		622	666	766	23.0	6.9
West of England		608	668	748	24.8	10.5

<i>Mean Household Income over time @ 2006 prices</i>		2006	2007	2009	2011	2016	2021
Bradford on Avon	Z0026	597	605	590	590	590	593
Melksham	Z0027	585	594	584	594	605	621
Trowbridge	Z0028	580	590	583	606	632	666
Westbury	Z0029	578	588	577	584	589	601
Warminster	Z0030	604	613	601	626	652	684
West Wilts Rural	Z0031	701	709	690	734	786	848
West Wiltshire		622	631	637	643	671	707
West of England		608	618	609	639	677	728

<i>Market Rents and House Prices in 2006</i>		<i>Market Rent 1BR £pw</i>	<i>Market Rent 2BR £pw</i>	<i>Intermed Rent 1BR £pw</i>	<i>Threshold Price 2BR House £</i>	<i>Price of New RSL 2BR Home £</i>
Bradford on Avon	Z0026	113	141	102	131,967	199,868
Melksham	Z0027	103	128	84	108,996	132,678
Trowbridge	Z0028	104	130	84	102,300	130,786
Westbury	Z0029	101	126	82	94,860	128,426
Warminster	Z0030	102	127	85	96,906	142,034
West Wilts Rural	Z0031	115	143	94	116,250	155,642
West Wiltshire		107	134	88	108,141	145,484
West of England		113	140	92	119,708	151,434

<i>Threshold House Price 2BR over time @ current prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Bradford on Avon	Z0026	131,967	144,723	114,973	133,815	191,071	237,366
Melksham	Z0027	108,996	121,249	95,048	110,696	157,833	195,795
Trowbridge	Z0028	102,300	116,350	88,644	102,806	145,307	177,791
Westbury	Z0029	94,860	103,061	79,799	90,750	122,828	143,110
Warminster	Z0030	96,906	102,819	84,659	98,716	141,424	176,501
West Wilts Rural	Z0031	116,250	123,577	100,917	117,189	166,130	205,371
West Wiltshire		108,141	118,010	93,717	108,705	153,785	189,113
West of England		119,708	134,502	103,266	120,624	174,839	218,306

<i>Threshold House Price 2BR over time @ 2006 prices</i>		<i>2006</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>	<i>2016</i>	<i>2021</i>
Bradford on Avon	Z0026	131,967	138,756	102,930	113,211	141,534	153,834
Melksham	Z0027	108,996	116,250	85,093	93,652	116,913	126,893
Trowbridge	Z0028	102,300	111,554	79,359	86,977	107,635	115,224
Westbury	Z0029	94,860	98,813	71,440	76,776	90,984	92,748
Warminster	Z0030	96,906	98,580	75,791	83,516	104,758	114,388
West Wilts Rural	Z0031	116,250	118,482	90,347	99,144	123,059	133,099
West Wiltshire		108,141	113,145	83,901	91,967	113,915	122,562
West of England		119,708	128,957	92,449	102,051	129,510	141,482

*Mean Private Rent**2BR £pw**@ 2006 prices*

		2006	2007	2009	2011	2016	2021
Bradford on Avon	Z0026	141	148	129	136	155	167
Melksham	Z0027	128	135	117	123	141	151
Trowbridge	Z0028	130	137	118	124	142	151
Westbury	Z0029	126	133	113	118	132	137
Warminster	Z0030	127	133	116	122	140	151
West Wilts Rural	Z0031	143	150	130	137	156	167
West Wiltshire		134	141	122	128	146	156
West of England		140	147	127	134	155	168

*Mean Private Rent**2BR £pw**@ current prices*

		2006	2007	2009	2011	2016	2021
Bradford on Avon	Z0026	141	155	144	160	209	258
Melksham	Z0027	128	140	130	146	190	234
Trowbridge	Z0028	130	143	132	147	191	233
Westbury	Z0029	126	138	127	140	178	212
Warminster	Z0030	127	139	129	144	189	233
West Wilts Rural	Z0031	143	157	145	162	211	258
West Wiltshire		134	147	136	151	197	241
West of England		177	194	182	206	279	353

*Intermediate Need**number pa*

		2006	2007	2009	2011	2016	2021
Bradford on Avon	Z0026	0	3	0	2	0	0
Melksham	Z0027	14	17	6	12	11	8
Trowbridge	Z0028	40	26	12	27	29	25
Westbury	Z0029	21	13	3	9	10	8
Warminster	Z0030	7	5	0	2	2	2
West Wilts Rural	Z0031	44	24	10	27	30	24
West Wiltshire		127	87	30	80	81	67
West of England		1,100	735	365	878	1,036	1,024

<i>Demographic Numbers 2011</i>		<i>Number of Households</i>	<i>Household Growth</i>	<i>Dwelling Growth</i>	<i>Gross Hhld Formation</i>	<i>Net Migration Hhlds</i>	<i>Social Rented Dwellings no</i>
		<i>2011</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	<i>No pa</i>	
Bradford on Avon	Z0026	4,595	52	51	99	-19	570
Melksham	Z0027	6,714	78	49	126	15	1,097
Trowbridge	Z0028	14,672	254	249	252	202	2,196
Westbury	Z0029	6,721	148	176	109	175	939
Warminster	Z0030	8,218	86	74	153	-47	918
West Wilts Rural	Z0031	18,091	251	240	319	59	1,132
West Wiltshire		59,012	869	839	1,058	385	6,852
West of England		567,161	7,059	5,922	10,387	4,867	80,651

<i>Dwelling & Household Growth number pa</i>		<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Dwelling Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>	<i>Household Growth pa</i>
		<i>2006</i>	<i>2016</i>	<i>2021</i>	<i>2006</i>	<i>2016</i>	<i>2021</i>
Bradford on Avon	Z0026	21	32	32	36	34	2
Melksham	Z0027	37	34	34	85	39	-1
Trowbridge	Z0028	163	200	207	319	193	95
Westbury	Z0029	113	133	138	217	121	59
Warminster	Z0030	40	65	65	99	51	6
West Wilts Rural	Z0031	132	177	180	295	192	72
West Wiltshire		507	641	656	1,061	629	234
West of England		4,625	6,358	6,824	4,706	7,061	6,563

Zone Agent Data (Filtered)

Table 6.10 (filtered - Int hse need) filtered data	<i>Hhd Income</i>	<i>Age</i>	<i>Hhd Size</i>	<i>Min Bedrms</i>	<i>Key Worker</i>	<i>Previous Owner</i>	<i>Ethnic Minority</i>	<i>L T Disabled</i>	<i>No of LA's Consider</i>	
Mean	<i>Hhd Income</i>	<i>Age</i>	<i>Hhd Size</i>	<i>Min Bedrms</i>	<i>Key Worker</i>	<i>Previous Owner</i>	<i>Ethnic Minority</i>	<i>L T Disabled</i>	<i>No of LA's Consider</i>	<i>disabled</i>
LA Area Live IN	Total Household Income	age	hhdsiz	minbeds	Keyworker	Previous Home Owner	ethmin	Long Term Disability	nlascons	<i>No on list x LT Dis</i>
Bath	20851	35	2.16	1.92	27%	12%	9%	3.91%	2.3	7
Bristol	20919	34	1.83	1.79	21%	5%	14%	3.85%	1.8	36
Mendip North	20826	50	2.40	2.02	17%	10%	1%	7.83%	1.8	26
Somerset South	20013	38	2.28	2.03	21%	11%	2%	5.11%	1.5	15
Gloucestershire	20220	35	2.16	1.99	16%	11%	7%	7.67%	2.2	9
West Wiltshire	19962	53	2.38	2.15	21%	10%	2%	4.35%	2.0	4
Total	20608	37	2.05	1.90	21%	8%	9%	4.89%	1.9	95

Table 6.9 (Filtered - Int hsg need)	<i>Local Authority of Origin</i>	<i>number on list</i>	<i>New Build</i>	<i>Open Mkt</i>	<i>Interm Rent</i>	<i>1st time Buyer</i>	<i>Key Worker</i>	<i>Resale Sh Own</i>	<i>Starter Homes</i>	
Bath	179	94%	78%	31%	69%	23%	73%	31%		
Bristol	935	89%	73%	20%	73%	19%	61%	23%		
Mendip North	333	93%	84%	32%	74%	14%	68%	25%		
Somerset South	287	90%	69%	22%	65%	14%	68%	19%		
Gloucestershire	115	92%	77%	24%	69%	12%	69%	22%		
West Wiltshire	92	84%	72%	21%	61%	13%	59%	20%		
Total	1941	90%	74%	23%	70%	17%	65%	23%		

Table 6.11
(filtered =
Intermediate
housing need)
*Tenure/living
status*

<i>Tenure/living status</i>	<i>Hhd Income</i>	<i>Age</i>	<i>Hhd Size</i>	<i>Min Bedrms</i>	<i>Key Worker</i>	<i>Ethnic Minor</i>	<i>LT Disab</i>	<i>N of LA Consid</i>	<i>% of All</i>
Council tenant	22,957	34	3.00	2.43	20%	31%	6%	2.0	3.6
Current home owner	16,886	43	2.29	2.21	20%	2%	15%	1.8	9.9
Existing shared owner	19,061	41	2.54	2.24	27%	0%	0%	1.5	1.9
Housing Association tenant	22,456	41	2.73	2.27	19%	23%	4%	2.2	6.4
Living with family/friends	20,571	31	1.56	1.64	17%	7%	3%	1.8	30.6
Other	19,558	35	2.00	2.03	24%	8%	3%	1.8	2.0
Private tenant	21,196	35	2.13	1.91	23%	8%	4%	1.9	39.1
Renting from employer	18,452	36	1.53	1.47	40%	13%	0%	1.6	0.8
Temporary accommodation	19,588	35	3.00	2.75	0%	0%	0%	1.8	0.2
Tied	18,466	37	3.33	2.33	33%	0%	0%	2.7	0.2
Unknown	20,050	43	2.14	1.87	29%	10%	6%	1.8	5.5
Total	20,608	37	2.05	1.90	21%	9%	5%	1.9	100.0

Data used in Table 4.8 (row 4)

	B&NES	Bristol	N Som	South gloucs	Mendip	West W	total - West Of England
2004/5.	7	21	11	2	12	4	57
2005/6.	7	11	12	4	12	1	47
2006/7.	5	16	9	5	7	5	47
total ave	6	16	11	4	10	3	50

Source CORE

Local Authority	New Soc Rent 2007-09		total 2 years for T 4.7	New Intermed 2007-09		total 2 years for T 4.7		
	sr07	sr08		annual ave	int07		int08	annual ave
B&NES	59	74	67	133	15	67	41	82
Bristol	294	231	263	525	232	233	233	465
N Soms S	110	144	127	254	84	65	75	149
Gloucs	117	205	161	322	38	59	49	97
Mendip	80	80	80	160	45	60	53	105
W Wilts	148	184	166	332	0	16	8	16
WoE	808	918	863	1726	414	500	457	914

Source HSSA Return 2007. forecast 2007-2009 is average annualised.

APPENDIX FOUR – AFFORDABILITY OF OPEN MARKET HOMEBUY

- 1.1 Current government policy is placing increasing emphasis on assisting first time buyers to purchase in the open market, and a number of new products have been announced in the last 6 – 12 months. The SHMA recognises the extreme pressure on existing and planned new affordable housing, and products which assist people to meet their own housing need in the market can help to reduce some of this pressure. It is recognised, however, that even with the new programmes, the funding for Open Market Home Buy products is small and the current level of investment will make little difference to meeting housing need in the area. It is also recognised that products aimed at higher earners may assist people into home ownership but are not meeting housing need as defined in the Guidance and PPS3.
- 1.2 The number of emerging and new products, coupled with constrained supply in the mortgage market and the impact of recession, has made it difficult to estimate the contribution of these sorts of products to meeting housing need. However, modelling has been undertaken to identify the levels of income which would be necessary to support purchase through Open Market Homebuy based on the principles agreed during the SHMA process and some worked examples for 2 particular zones are set out below.

Box A4.1 Worked Examples of Affordability of Open Market Homebuy

OPEN MARKET HOMEBUY					
<i>Local Authority</i>		BANES	BANES	North Somerset	North Somerset
<i>Zone</i>		Bath City North	Bath City North	Weston-s-Mare	Weston-s-Mare
<i>Household</i>		Single	Couple	Single	Couple
<i>Dwelling</i>		1 Bedrm	2 Bedrm	1 Bedrm	2 Bedrm
<i>Year</i>		2006	2006	2006	2006
<i>Open Market HomeBuy</i>	<i>Factor</i>				
Threshold (entry-level) House Price		148,800	162,518	85,560	104,160
Share Purchased	60.0%	89,280	97,511	51,336	62,496
Deposit	0.0%	0	0	0	0
Mortgage	100.0%	89,280	97,511	51,336	62,496
Lending Multiplier		3.1	3.4	3.3	3.8
Threshold Income to Buy (£ p.a. gross)		28,928	28,928	15,371	16,340
- model, annual net amount		21,431	23,479	12,347	15,045

Threshold Income Amount per month		2,411	2,411	1,281	1,362
Net Income Amount per month		1,786	1,957	1,029	1,254
Alternative Net Income Threshold (Resid Income)		966	1,025	628	713
Threshold Income Amount per week		556	556	296	314
Net Income Amount per week		412	452	237	289
Mortgage Interest	5.17%	4,616	5,041	2,654	3,231
Mortgage Re-Repayment (25 yr term)	2.05%	1,827	1,996	1,051	1,279
Total Mortgage Payment p.a.	7.22%	6,443	7,037	3,705	4,510
Monthly Mortgage Payment		537	586	309	376
Payment as % of Gross Income		22.3%	24.3%	24.1%	27.6%
Payment as % of Net Income		30.1%	30.0%	30.0%	30.0%

Note: Open Market Homebuy model based on new model "Ownhome". Ownhome introduces a rent of 1.75% of un-purchased equity after 5 years. My Choice offers a lower purchase option of 50% share but has a rent charge of 1.75% from inception.

