



WELWYN
HATFIELD
COUNCIL

2004 Housing Needs Survey



Summary Report
by



HOUSING • PLANNING
REGENERATION • CONSULTANTS

HOUSING NEEDS SURVEY

Welwyn Hatfield Council, in partnership with Hertsmere Borough Council, formally commissioned David Couttie Associates (DCA) in Autumn 2004 to carry out two District and Borough-wide Housing Needs Surveys. The purpose of these Surveys was to examine the housing requirements, needs, aspirations and demands for local households, to be provided in separate reports for each Council in relation to their own area.

The overall aims of the project were to:

- ▶ Determine the overall levels of housing supply and demand in the District;
- ▶ Support the development of the Local Housing Strategy and related housing investment plans in the District;
- ▶ Assist with the joint funding of new housing development at both sub-regional and regional levels;
- ▶ Co-ordinate housing and Supporting People strategies;
- ▶ Provide robust local information in accordance with Planning Policy Guidance to inform the location of new housing provision in the District Plan and future work associated with the Local Development Scheme; and
- ▶ Collect information using a consistent methodology so that future comparisons can be made between Welwyn Hatfield and Hertsmere;

In this Summary, you will find the main findings from the Welwyn Hatfield Survey through:

- ▶ A postal questionnaire to 10,250 households within 17 wards across the District;
- ▶ Face-to-face interviews with a further 250 households in 5 pre-determined Wards in Welwyn Hatfield, utilising the same questionnaire as the postal survey;
- ▶ A housing market survey utilising H.M. Land Registry and Halifax House Price databases, and a telephone survey of estate agents on the supply and cost of local private rented housing; and
- ▶ Secondary data analysis drawing upon the Council's Housing Investment Programme (HIP) and Housing Register data on the flow of social stock and need, the 2001 Census, household and population projections and other national research.

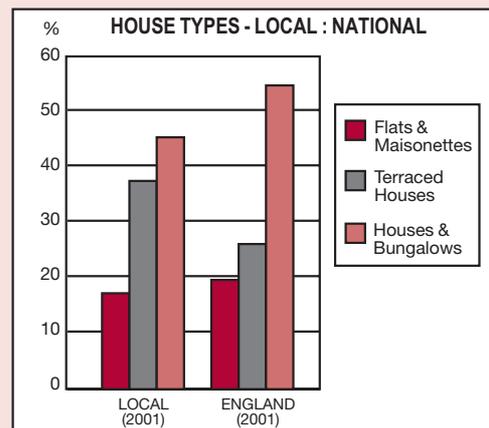
KEY FINDINGS OF THE SURVEY

- ▶ 87 percent of households live in accommodation suitable for their needs. Satisfaction levels vary from 96 percent in the owner occupied (no mortgage) sector to 71 percent in the private rented sector;
- ▶ Flats and terraced house prices have increased by 143 percent and 126 percent since the last full Survey in 1999, to an average cost of £144,225 and £193,496 respectively;
- ▶ Housing affordability is a major issue, particularly for new forming households;
- ▶ 67 percent of concealed households cannot afford to rent privately, and home ownership is beyond the reach of 94 percent of them, even though 16 percent earn over £27,300 per annum (which is the current national average);
- ▶ The total social housing stock is 27.7 percent, which is higher than the national average of 19.3 percent, and provides an average of 659 re-let units each year. Annually 1,189 affordable housing units are needed, which is 530 more than the existing re-let supply, and a new supply requirement of over 3 times the average affordable housing delivery levels for the 3 years up to 2004;
- ▶ There is a requirement to develop a balanced housing stock in both private and social sectors.
- ▶ The retired population is estimated to increase by 11 percent up to 2021. There is an inextricable link between ageing and disability. 64 percent of those with a support need are aged over 60, and over half (59 percent) of these households contain people with a walking difficulty;
- ▶ Household formation is predicted to rise at almost twice the rate of population increase, and the average household size is predicted to fall from 2.45 (in 2001) to 2.36 (by 2021); and
- ▶ There is a need for 3,710 additional affordable homes up to 2011. The majority of households with a housing need can only afford social rented accommodation as a solution to their expressed need.

THE HOUSING STOCK

This Chart shows the characteristics of the District housing stock, compared to the national average level at the 2001 Census by property type.

Locally, the combined proportion of detached or semi-detached houses and bungalows (45 percent) is lower than the national average of 54 percent. The supply of terraced properties is 37 percent, which is much higher than the national average of 26 percent, and flats / maisonettes at 18 percent are below the national average of 20 percent.



Source - 2001 Census © Crown Copyright

THE DISTRICT POPULATION - FUTURE PROJECTIONS

An important feature in measuring housing needs is to forecast what is likely to happen in the future, so that new housing provision can be planned.

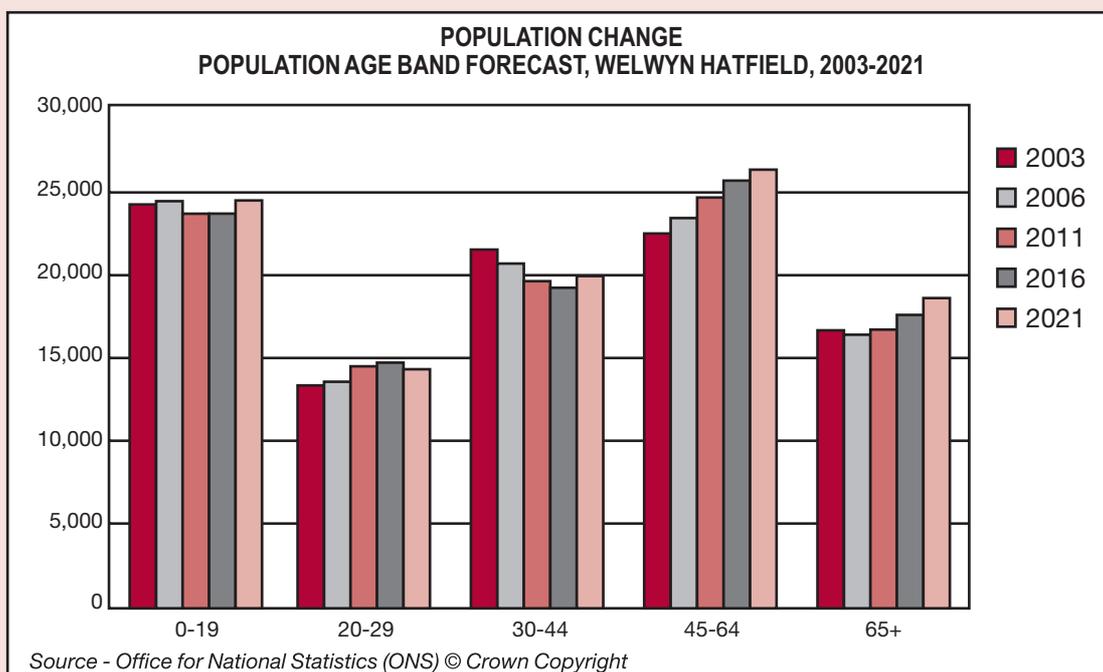
Population change results from a number of factors - numbers of births and deaths, how the population is ageing, and the migration of people into and out of the area. The number of households rises and falls over time in response to these, and is also affected by changes in the pattern of marriages and divorces and the general economic climate.

What about the future?

The population data provided by Hertfordshire County Council are Office for National Statistics (ONS) 2003-based sub-national population projections. The 2001 Census data has been taken into consideration in this projection.

The 2003-based projection indicates that the population of Welwyn Hatfield will increase by approximately 5,800 people (5.9 percent) over the remaining years to 2021. The total population is projected to rise to 103,700, which is an average annual rate of approximately 0.3 percent.

- ▶ The 0-19 age range shows a small increase overall (400; 2 percent). Numbers fluctuate throughout the forecast period with a rise seen to 2006, followed by a fall to 2016 and then an increase to 2021 (600; 3 percent).
- ▶ The 20-29 age range comprises many new households forming, and will have implications for future affordable housing need both in the short and longer term. Overall, this age group shows an increase in the population (1,000; 8 percent). The largest increase is anticipated between 2006 and 2011 (1,000; 7 percent), however a fall is anticipated between 2016 and 2021 (600; 4 percent).
- ▶ The 30-44 age group, the main economically active age group, shows a decline overall (1,500; 7.0 percent). A fall is seen up to 2016 (2,300; 11 percent), with a small rise anticipated to 2021 (800; 4 percent).
- ▶ The 45-64 age group shows an overall increase in numbers. Over the forecast period there is a rise of 3,900 people (17 percent). Numbers increase throughout the whole forecast period, with the largest rise occurring between 2006 and 2011 (1,500; 6 percent).
- ▶ The most significant feature here is the growth of the population in the over 65 age group. An increase of 1,800 individuals (11 percent) is seen over the forecast period, with the largest increase anticipated between 2016 and 2021 (900; 12 percent). This large growth will result in the 65+ age group representing 18 percent of the whole population by 2021.
- ▶ Numbers in the 80+ age group also increase by 1,400 (30 percent) up to 2021. Given the resource demands associated with very elderly people, these are very significant figures which must be taken into account when planning and developing future local housing and related care services.



The housing market is the context against which all the housing needs of the area are set. In particular, house price information is based on an affordability measure. This means we are seeking to establish who cannot afford to enter into the local market. This data is then related to the problems faced by “concealed” households in the area (i.e. households living with friends or relatives who are seeking to gain access to the housing market).

National and Regional Context

UK house price inflation for the year ending 30 September 2004 was recorded by the Halifax Index at 20.5 percent, and by H.M. Land Registry at 16.7 percent. House price inflation in the third quarter of 2004 slowed in most regions with an overall increase of 2.7 percent, which is below the 5.9 percent gain in the second quarter of 2004.

Since the previous Survey in 1999, UK house prices have increased by 131.7 percent from £81,963 at 31 March 1999 to £187,963 at 30 September 2004. House prices in the South East Region have risen by 119.4 percent during that same period. The annual rate of house price inflation recorded in the Halifax Index for the South East Region at 30 September 2004 was 10.9 percent, well below the UK average of 20.5 percent.

The Welwyn Hatfield District Housing Market

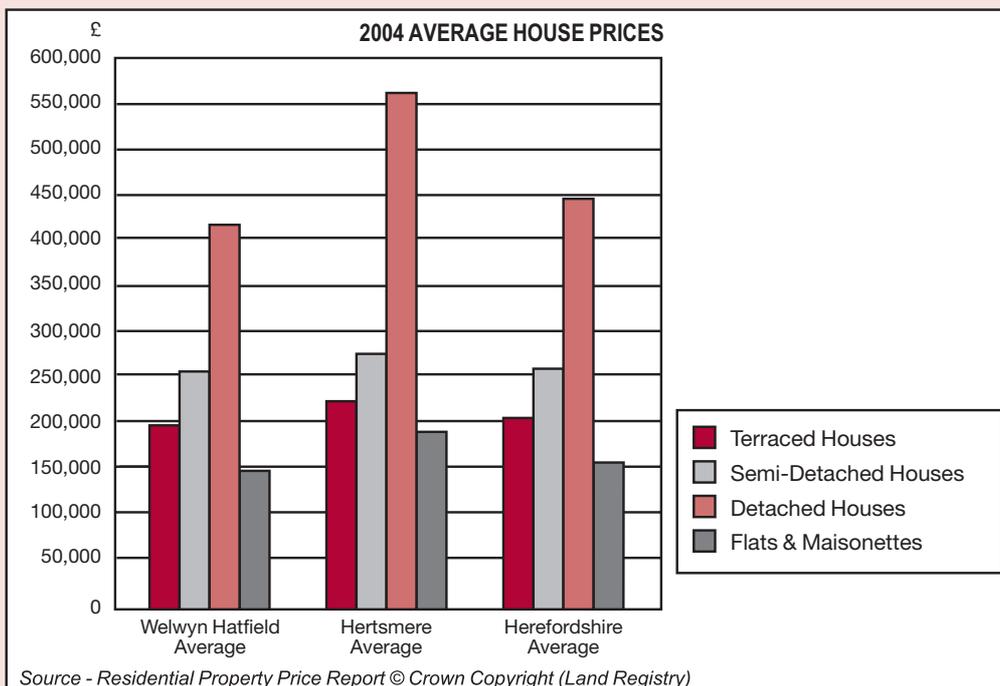
The evaluation of the market in Welwyn Hatfield is based on specially prepared information taken directly from the H.M. Land Registry database for the year to 30 September 2004, and an analysis of local estate agency sales looking at market entry level properties. Welwyn Hatfield is located in the East of England Region for Planning Policy & Housing Strategy purposes, however neither the Land Registry nor Halifax recognise the East of England as a region. For the purposes of this data, Welwyn Hatfield is felt to be closer in house prices and market context to the South East Region.

The Land Registry recorded the average price for all dwellings in the District at £229,203. The average semi-detached dwelling was sold for £250,512, which is 8.1 percent lower than the Hertsmere average of £271,022. Semi-detached house prices in Welwyn Hatfield are lower than the average for Hertsmere and for Hertfordshire as a whole.

Since Welwyn Hatfield’s last full Survey in 1999, the overall house price in the District has risen by 82.1 percent. Within this, the price of entry level stock (terraced houses and flats / maisonettes) have increased by 126.3 percent and 143.1 percent respectively. In Welwyn Hatfield over the year to 30 September 2004, prices of flats have increased by 8.3 percent and prices of terraced houses have increased by 5.5 percent.

Based on a 95 percent mortgage availability, and a 3-times gross income to lending ratio, an income of £33,600 is required to buy a one bedroom flat in Welwyn Garden City. This rises to £39,600 in the South Rural area. A two bedroom flat requires an income of £41,200 in Welwyn Garden City, and up to £46,100 in the same South Rural area. Terraced properties require an income of £48,800 in Welwyn Garden City, and £58,600 in the North Rural area.

We assess flats / maisonettes to be the main entry level property for first time buyers in view of their overall lower cost. 94 percent of all concealed households have inadequate income to be able to buy, and 67 percent cannot afford to rent privately even the smallest one bed flat. Additionally, the private rented sector is not the housing preference of the majority of households and many properties in the private rented sector are now being used by the growing local student population, studying at the University of Hertfordshire in Hatfield.



KEY FINDINGS FROM THE HOUSEHOLD SURVEY

The fieldwork for this Survey provides the primary data from which a detailed picture of the current and future housing needs and preferences in the District can be formed.

2,898 postal responses and 250 face-to-face interviews were achieved, giving an overall survey response of 3,148 households. This provided statistical confidence at 95 percent (± 1.43 percent) confidence interval. A total of 8 percent of all households in the District participated in the Survey.

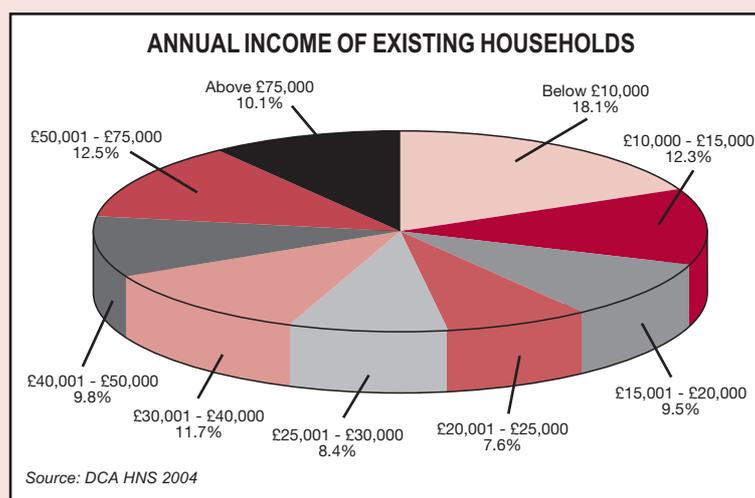
The “implied” numbers are our assessment of the total numbers after applying a sub area weighting factor to represent the total population. Below we present in summary form, the key findings from the Survey with a particular emphasis on the needs of concealed households.

Adequacy of the Existing Stock

- ▶ A significant majority of households have access to all the basic living amenities, and the perception of these residents are that their homes are well maintained and not in need of improvement;
- ▶ 13 percent (5,478 implied) of households say their accommodation is inadequate for their needs. The largest single issue for those reporting an inadequacy which could be resolved in-situ (without moving) was that the dwelling needed improvement / repairs (86 percent). Of those requiring a move, 73 percent (3,390 implied) indicated that the dwelling was too small; and
- ▶ Whilst 73 percent of households requiring a move indicated that their existing dwelling was too small, the Survey indicates that over-occupation affects only 1.7 percent of households (703) based on a calculation of occupants to bedroom numbers. Under-occupation applies to approximately 50 percent of all households.

Costs of Present Housing and Household Income

- ▶ In the local rented sector 16 percent pay less than £50 per week, 17 percent pay £50 to £60 per week, and a further 28 percent pay £61 to £70 per week. Of owner-occupiers with a mortgage, 40 percent pay less than £450 per month whereas 8 percent pay in excess of £1,250 per month. The level of mortgage payment was fairly even across the bands up to £1,000 per month;
- ▶ 18 percent of households have incomes below £10,000 per annum, which is below the corresponding UK average (22 percent). 44 percent of households in the District have incomes above £30,000, which is well above the UK average (30 percent); and
- ▶ 26 percent of households were in receipt of financial support (10,793 implied), of whom 45 percent (4,822 implied) were in receipt of Housing Benefit.



Moving Households

- ▶ 3,496 implied existing households, and 3,088 implied new households, stated that they intend to move within the Welwyn Hatfield area in the next five years;
- ▶ 5,552 implied existing and new forming households anticipate moving away from the Welwyn Hatfield area within the next five years; and
- ▶ In the case of existing households moving, the most common reason given was the lack of locally affordable housing (36 percent), closely followed by retirement from work (32 percent). In the case of concealed households moving, reasons were more focused on employment (56 percent) and the lack of locally affordable housing (48 percent).

A SUMMARY OF THE MAIN FINDINGS

Housing Support issues

- ▶ 20 percent of households in Welwyn Hatfield contain an individual with a support need (8,159 households implied), of which 12 percent had two members affected. 64 percent of all household members within this group were over 60, and 36 percent over 75 years old;
- ▶ The largest group (3,608 implied) affected by a named support need were those with a walking difficulty (but who do not use a wheelchair), representing 46 percent of the total number with a support need;
- ▶ Around 10 percent of households affected by a named support need contained someone who was a wheelchair user, suggesting around 881 individuals in Welwyn Hatfield as a whole. 27 percent of wheelchair users live in a property with suitable adaptations;
- ▶ Of household members with support needs, some 20 percent (891 implied) felt they needed a level of care or support which is not currently provided; and
- ▶ 13 percent of all dwellings (5,370 implied) have been adapted to meet the needs of a disabled person. In terms of the nature of adaptations, 55 percent have handrails / grabrails fitted, 43 percent have bathroom adaptations, and 33 percent have ground floor toilet adaptations.

CONCEALED HOUSEHOLDS

We found that around 8 percent of households contained one or more households seeking independent accommodation, giving a total of 3,088 implied cases up to 2009. Over 87 percent are the adult children of existing Welwyn Hatfield residents.

In the concealed households group:

- ▶ 64 percent of the people in concealed households are between 20 and 29 years of age, and a further 10 percent are over 30;
- ▶ 10 percent of households are being formed with a partner living in a separate household elsewhere in the District;
- ▶ 55 percent of concealed households intending to move within the next year were registered on a housing waiting list, with 83 percent being on the Welwyn Hatfield Council Housing Register.

Their needs and preferences for specific house types were:

Type	Need (%)	Preference (%)	Current Stock (%)
Flat	69.7	45.8	17.6
Terraced	16.6	25.3	37.1
Semi-detached	7.4	18.3	24.3

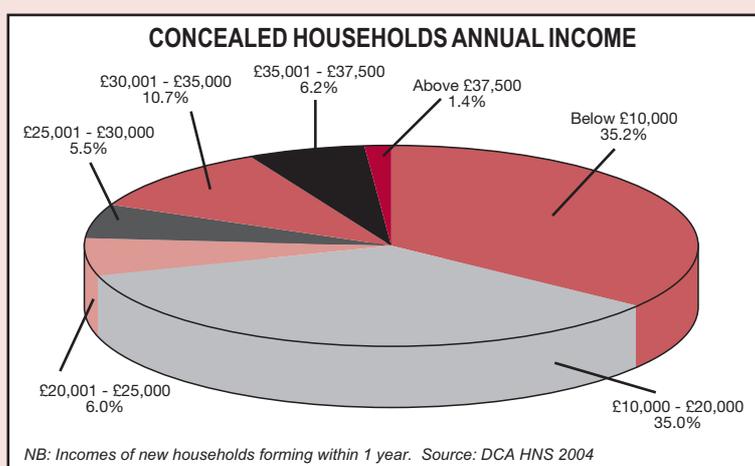
Size	Need (%)	Preference (%)	Current Stock (%)
One Bed	51.7	17.0	12.6
Two Bed	38.3	65.4	19.3
Three Bed	8.3	15.9	48.4

Important differences exist between the levels of preference expressed for property types and their stock supply levels, especially the higher preference for flats than are present in the existing stock.

Concealed Households Housing Costs and Incomes

Key factors relating to the ability of immediately forming households to meet housing costs are that:

- ▶ 16 percent of those wishing to rent could afford a rent of no more than £50 per week, and a further 25 percent no more than £60 per week;
- ▶ 69 percent wanting to buy could not afford a mortgage of more than £400 per month; and
- ▶ 35 percent have household incomes below £10,000 per annum, 35 percent earn between £10,000 and £20,000 and a further 6 percent between £20,001 and £25,000 per annum. A total of 92 percent earn below £35,000 per annum.



Affordability and Entry to Market Housing

The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and the realistic supply of the cheapest stock available.

Although the average price of terraced properties is £193,496, entry sales levels vary across the District. The lowest entry prices for a 2-bed property start at £154,165 in Welwyn Garden City, rising to £185,000 in the North Rural area. 3-bed terraced properties start at £175,673 in Welwyn Garden City, rising to £203,317 in the South Rural area.

Entry levels for a 1 bed flat start at £105,970 in Welwyn Garden City, rising to £126,000 in the South Rural area. Entry levels for a 2-bed flat start at £129,975 in Welwyn Garden City, rising to £145,723 in the South Rural Area.

Housing Stock Balance Analysis

The nature and turnover of the existing housing stock normally addresses 90 percent of all housing requirements, and is vitally important in meeting current and future housing demand across all tenures.

The information gained from a separate detailed stock flow analysis will be of major benefit to the development of Planning and Housing Policies, the Local Development Scheme, site development briefs, for the delivery of housing in both the private and social sector, and for balancing housing markets.

CONCLUSIONS

- ▶ Although a considerable spread of household incomes is evident, many households continue to live on relatively low incomes. Consequently, the two most important issues are the problem of housing affordability and the level of concealed households, the vast majority of whom are not recorded on a local register of housing need;
- ▶ Most concealed household demand is for the smaller and more affordable types of housing. There is a shortfall of flats within the existing stock which should be addressed to ensure there is a mix of house types and sizes available in line with the principles in PPG3 Housing, and to provide balanced housing markets;
- ▶ While the greatest housing need is from newly-forming and concealed households requiring 1 and 2-bed properties, higher assessed need is attributed to those households either with dependent children or a medical / support need;
- ▶ The assessment of annual affordable housing need and supply reveals the following:

Total annual affordable housing need	1,189
Total Supply from housing re-lets	659
Net annual outstanding affordable housing need	530

- ▶ The level of annual need is much higher than the number of units likely to be delivered from new construction and conversions, resulting in growing levels of unmet need each year. While an average of 160 new affordable homes are being delivered per annum at the present time, the Council should seek to maximise levels of new affordable homes from the total on all eligible sites. Some remodelling of the existing social housing stock will also help to reduce the current mismatch between supply and demand;
- ▶ A significant finding from the Survey is the projected 11 percent increase in the retired population up to 2021. In view of the relationship between increasing age and dependency, consideration will need to be given to the related housing and care needs if they are to be effectively addressed; and
- ▶ To address the requirements of disabled people, it is recommended to continue with disabled adaptations to improve the ratio of suitably adapted properties, and develop a register of adapted property and disabled people to facilitate better matching.