

# Basingstoke and Deane Borough Council

## Strategic Housing Market Assessment

March 2014

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## **Non-Technical Summary**

- i) The 2013 Basingstoke and Deane Strategic Housing Market Assessment is a major research study which will help to shape the future planning and housing policies of the area. The research will inform the production of the Local Plan and Housing Strategies. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the borough.
- ii) This report presents the results of demographic and population analysis carried out by Edge Analytics to inform the preparation of the Strategic Housing Market Assessment (SHMA) for the borough, including an objective assessment of the need for housing. Changes to the planning system, including the abolition of Regional Strategies (including the South East Plan) mean that it is the responsibility of local authorities to determine the development requirements for their borough, based on evidence and taking account of national policy contained within the National Planning Policy Framework (NPPF). The purpose of this SHMA is to provide evidence on the housing market within Basingstoke and Deane and assess how much housing is needed to support the current and future population of the borough over the plan period to 2029.
- iii) An Employment Land Review has also been undertaken for the borough in tandem with the SHMA. This was published in March 2014 and can be viewed at <http://www.basingstoke.gov.uk/browse/environment-and-planning/planning/emerging-local-plan/evidencebase/employment-land.htm>

## **Current Housing Market**

- iv) There are currently (2012) 71,760 houses in Basingstoke and Deane. 13,600 of these are affordable dwellings either social rented or shared ownership. 10.8% of all houses are private rented. Since 2001, 4,500 more households own their homes outright. Over the previous plan period (1996-2011) approximately 820 new houses each year have been built in the borough.
- v) Basingstoke and Deane's house prices are among the least expensive when compared with Hampshire and South East averages.
- vi) Based upon the current house prices, in order for a household in Basingstoke and Deane to be able to afford to buy an 'entry-level' house it would need to be earning at least £35,000 each year (e.g. a couple's joint income). When looking at the cost to rent an 'entry-level' 1-bed flat, a household would need to be earning £22,000 each year. Comparing this with household earnings, 45% of households would be unable to afford to buy a home in Basingstoke and Deane, whilst 29% would be unable to afford to privately rent a home in the borough. This results in a total of 37% of new households requiring some form of affordable housing.

## Future Need for Housing

- vii) In order to identify what might be the future need for housing in Basingstoke and Deane, a number of different scenarios for levels of population, housing and economic growth have been tested. These scenarios adopt a range of alternative assumptions about how the future may be different from the present.
- viii) The intention is not to assume that a single scenario or set of assumptions is the 'best' to adopt. Rather, it is to use the scenarios to understand the likelihood and implications of different levels of change.
- ix) Seven scenarios have been tested, flowing from attempts to answer different questions:
- Demographic Led: "How much development is required to meet projected levels of population change?"
  - Economic-led Scenarios: "How much development is required to ensure forecasts of future employment change are supported by the local labour supply?"
- x) All seven scenarios were modelled through a demographic model (POPGROUP) which is widely used by Government and local authorities across the country. The outcomes of each scenario in terms of population change, household change and economic change over the period 2011 to 2029 are shown in the Table NTS1 below. Further details are set out in Chapter 6. This report also provides more detailed evidence on the housing requirements of specific groups across household types, ethnicity and disability.

Scenario	Demographic led						Economic led
	Mig-led5yrs	Mig-led10yrs	Mig-led10yrs-5yrs	Mig-led10yrs-5yrs80-%	SNPP-2010	NetNil	Employment600
<b>Population change</b>	+37,912	+31457	+28195	+26649	+25251	+16062	+33616
Of which Natural change	+18436	+18155	+17107	+16551	+15153	+16062	+17524
Of which Net migration	+19476	+13302	+11088	+10098	+10098	0	+16092
<b>Household change</b>	+17297	+14405	+13379	+13152	+13934	+9668	+15662
<b>Dwelling change</b>	+17694-19476	+14742-16470	+13698-15351	+13464-15030	+14256-15876	+9900-11412	+16020-17820
<b>Dwellings p.a</b>	<b>+983-1084</b>	<b>+819-915</b>	<b>+761-853</b>	<b>+748-835</b>	<b>+792-882</b>	<b>+550-634</b>	<b>+890-990</b>
<b>Labour Force</b>	+13068	+9617	+7701	+6925	+6980	+1585	+10690
<b>Jobs</b>	+13014	+9810	+8028	+7308	+7362	+2358	+10800
<b>Jobs p.a</b>	+723	+545	+446	+406	+409	+131	+600

Table NTS1: Scenarios A/C/EA2(Source: Edge Analytics)

## Results of the Analysis

- xi) It is not the purpose of this report to define the policy or approach for the borough in its Local Plan. Rather, it aims to provide an objective evidence base to inform the Council's plan-making, which will also need to take account of a range of factors that are not considered in this assessment. In considering this report the Council will need to reflect upon its policy objectives, but also the latest evidence on land supply, and assessing which parts of the borough have the capacity for, or constraints that would restrict development.
- xii) Despite this, based upon the analysis contained within this report it is clear that an objective assessment of the full need for housing within Basingstoke and Deane borough would fall within the range 550 to 1080 new homes to be provided each year. This would be the equivalent to between 9900 to 19440 additional homes over the plan period 2011-2029 representing an increase in the number of homes in the borough of between 14% and 27% over 18 years.
- xiii) This level of housing development would be necessary to meet projections of population growth taking into account both natural change (births and deaths), pressures faced from people moving into the borough (in-migration), as well as existing residents forming new households (future household formation). It would also help to ensure that there remain enough local people to support an increase in the number of jobs in the borough, against the backdrop of an ageing population and the prospect of many existing residents retiring during the life of the Plan.
- xiv) This study is one part of the jigsaw in defining a local housing target and should be considered alongside the following :
- The wider policy objectives for the borough, taking account of national policy and the implications of the statutory 'duty to cooperate' in terms of what is planned in neighboring authorities;
  - The constraints to housing delivery and other development, including assessments of infrastructure capacity, land supply, environmental capacity, and development viability;
  - How future levels of housing delivery can support relevant economic and employment strategy objectives to maintain and enhance the borough's economy, including for local businesses and providing local employment choices for residents;
  - The views of local residents and other stakeholders as identified through consultation exercises; and
  - The policy provisions of the NPPF which state, among other things, that "local planning authorities should positively seek opportunities to meet the development needs of their area" and "Local Plans should meet objectively assessed needs...unless an adverse impact of doing so would significantly and demonstrably outweigh the benefits."

## Conclusions

- xv) The borough has an objectively assessed housing need of between 550 and 1080 dwellings per annum.
- xvi) The borough has provided enough homes to meet needs between 1996 and 2011. There is therefore no requirement to increase the objectively assessed need range to take into account a past deficit.
- xvii) Basingstoke and Deane has not experienced any worsening of affordability when compared to neighbouring authorities therefore justifying no requirement to increase the objectively assessed need range to respond to market signals.
- xviii) A continuation of a housing mix for market housing similar to that of past trends since 2006 would meet future needs. However, there is evidence to suggest that a higher proportion of smaller units should be provided to facilitate downsizing which in turn will free up larger properties. A flexible approach to housing mix is recommended with a continuation in the provision of 2 and 3 bedroom properties. A lower proportion of 4+ beds are required in the future.
- xix) There are a number of households in the borough with special needs that would benefit from and require adaptations to their homes. Requiring a proportion of homes to meet higher accessibility standards would be justified.
- xx) A policy approach of 40% affordable housing with a 70% rented and 30% intermediate split is justified. It has been demonstrated that 37% of new households will require some form of affordable housing in the future (this figure is expected to rise given changes in affordability). 26% of households would require social housing (housing that is owned and managed by Local Authorities or Registered Social Landlords) and a further 11% intermediate housing (such as shared ownership).

# 1.0 Introducing the study

## Project Overview

- 1.1 The purpose of the study is to update the evidence contained within the 2007 SHMA (DTZ) and subsequent Annual/Authority Monitoring Reports and to provide evidence on the potential scale of future housing need and demand in Basingstoke and Deane based upon a range of housing, economic and demographic factors, trends and forecasts. This will help the Council form an integrated and comprehensive evidence base to substantiate an objectively assessed housing need within the borough.
- 1.2 The Council also carried out an Employment Land Review for the borough in tandem with this SHMA. This was published in March 2014.
- 1.3 Edge Analytics was commissioned by Basingstoke and Deane Borough Council to undertake a study to update the Council's demographic evidence with the development of a suite of population, household and housing forecasts using the latest evidence from:
  - 2011 Census Statistics on population and households
  - Revised mid-year population estimates for the period 2002-10 (ONS)
  - 2011 – based household projections for 2011-21 (CLG).
- 1.4 A suite of growth scenarios have been tested for Basingstoke and Deane. These scenarios have been developed using POPGROUP technology using the latest available statistics from both ONS and CLG. They evaluate trend, policy and economic considerations, and are accompanied by a transparent definition of key assumptions. The data has been presented in a consistent format that contrasts the impact of scenario assumptions upon changes to population, households, dwellings, labour force and jobs. All scenarios are run from a 2011 base year, with a 2029 horizon. For context, historical data are included for 2001-10. This information forms a separate report produced by Edge Analytics which can be viewed in appendix D. However, the key findings have been incorporated into this SHMA update report.
- 1.5 The research has been undertaken at a time during which some headline 2011 Census data is also being periodically published by the Office for National Statistics in a series of phased releases. A limited amount of borough level 2011 Census data was released prior to the Edge Analytics work. It has, however, been possible to present some of this headline data within this research. Analysis of further Census 2011 data will be undertaken in any subsequent update to this SHMA.
- 1.6 Wherever possible the most up to date data has been used.

## **What is a Strategic Housing Market Assessment?**

- 1.7 SHMAs assess the full range of housing requirements for an area to both deepen understanding of sub-regional housing markets and develop future strategy, all based on the best available evidence. Critically, their evidence base shapes and assists with the production of the Local Plan which sets out the spatial policy for a local area. They also provide evidence to support development of local housing strategies and can also inform the planning of other services such as education, health and transport.
- 1.8 The SHMA also:
- Provides evidence-based forecasts of need and demand for housing of different types, sizes and tenures (including market housing, intermediate tenures and social/affordable renting) to inform local and sub-regional and regional spatial planning and housing strategies.
  - Increases the capability of authorities to monitor and forecast housing market activity and trends.
  - Enables authorities to develop their spatial planning policies and housing strategies

## **The Role of SHMAs**

- 1.9 A SHMA is a framework that local authorities can follow to develop a good understanding of how housing markets operate. It promotes an approach to assessing housing need and demand which can inform the development of local plans and housing policies.
- 1.10 The purpose of the SHMA is to form part of a wider evidence base for the development of housing and planning policies, which should be considered alongside other factors such as the viability of delivering affordable housing, land availability and local policy priorities including the creation of mixed and balanced communities.
- 1.11 Therefore, the evidence provided in the SHMA should not be viewed in isolation as it does not set housing or planning policy. A SHMA provides part of the evidence needed to inform policy development, and other factors are equally important in the policy development process.
- 1.12 The SHMA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework. It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies.

## Policy and Strategy Context

- 1.13 The SHMA review is being undertaken at a time of significant policy and strategy change in housing and related issues in England – these changes which have informed the SHMA’s development include:
- Welfare Benefit Reform (Welfare Reform Act 2012)
  - Reform of Health Services (Health & Social Care Act 2012)
  - Reform of Adult Social Care (Draft Care and Support Bill 2012)
  - Planning: a new National Planning Policy Framework (2012)

- 1.14 Planning policy has undergone further significant recent change. In July 2010 Government announced that Regional Spatial Strategies (RSS) are to be revoked. Planning Policy Statements were replaced by the National Planning Policy Framework (NPPF) in March 2012. On 25 March 2013 the South East Plan was revoked. As a replacement for the RSS, the NPPF states (paragraph 159) that;

*“Local planning authorities should have a clear understanding of housing needs in their area.*

*They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*

- *meets household and population projections, taking account of migration and demographic change;*
  - *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
  - *caters for housing demand and the scale of housing supply necessary to meet this demand;”*
- 1.15 Therefore, in the absence of any direct guidance on matters such as housing targets, responsibility for establishing the level of future housing provision required rests solely with the local planning authority. The key objective of this study is to produce a range of household forecasts of the likely levels of housing which satisfy the NPPF criteria.
- 1.16 The SHMA also works within other key aspects of the National Planning Policy Framework 2012 and these are set out in **appendix A**. Regard has been given to the latest government guidance on assessing objectively assessed needs.

## Housing Market Areas

- 1.17 The NPPF advises local planning authorities (paragraph 159) that:
- ‘They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.’*
- 1.18 The Department for Communities and Local Government (CLG) issued an Advice Note on “Identifying sub-regional housing market areas” (2007) which identifies three sources of information which help to evidence housing markets areas, namely:
- House prices and rates of change in house prices, which reflect household demand and preferences for different sizes and types of housing in different locations;
  - Household migration and search patterns, reflecting preferences and the trade-offs made when choosing housing with different characteristics; and
  - Contextual data, such as travel to work areas, which reflect the functional relationships between places where people work and live.
- 1.19 This is considered further in Chapter 2.

## 2.0 Defining the Housing Market Area for Basingstoke and Deane

- 2.1 This chapter sets out the evidence on the geography of the housing market area that relates to Basingstoke and Deane Borough and the implication for identifying objectively assessed housing need.
- 2.2 Through the use of relevant evidence and statistical information the following chapter sets out the extent of the borough's Housing Market Area (HMA), which in turn, has influenced the scope of this SHMA.
- 2.3 This chapter includes a review of the following evidence:
- Regional evidence
    - The South East Plan
    - Research commissioned by the National Housing and Planning Advice Unit - 'Geography of Housing Market Areas' (CLG, 2010)
    - Defining the Functional Economic Area around Basingstoke and Deane (GHK, 2009);
  - Local evidence
    - Migration - ONS data – migration year ending 2012 (June 2013)
    - Travel to work - ONS data – commuting 2010 and 2011 (March 2013)
    - Neighbouring authorities' SHMAs
    - On-going discussions with neighbouring authorities (duty to co-operate)
    - Review of local studies
      - Broad Housing Rental Areas (the Valuation Office);
      - The Central Hampshire and New Forest Strategic Housing Market Assessment 2007 (DTZ);
      - The Rural Housing Study 2009 (DCA).
    - Property prices
    - Affordable housing and intermediate housing application data

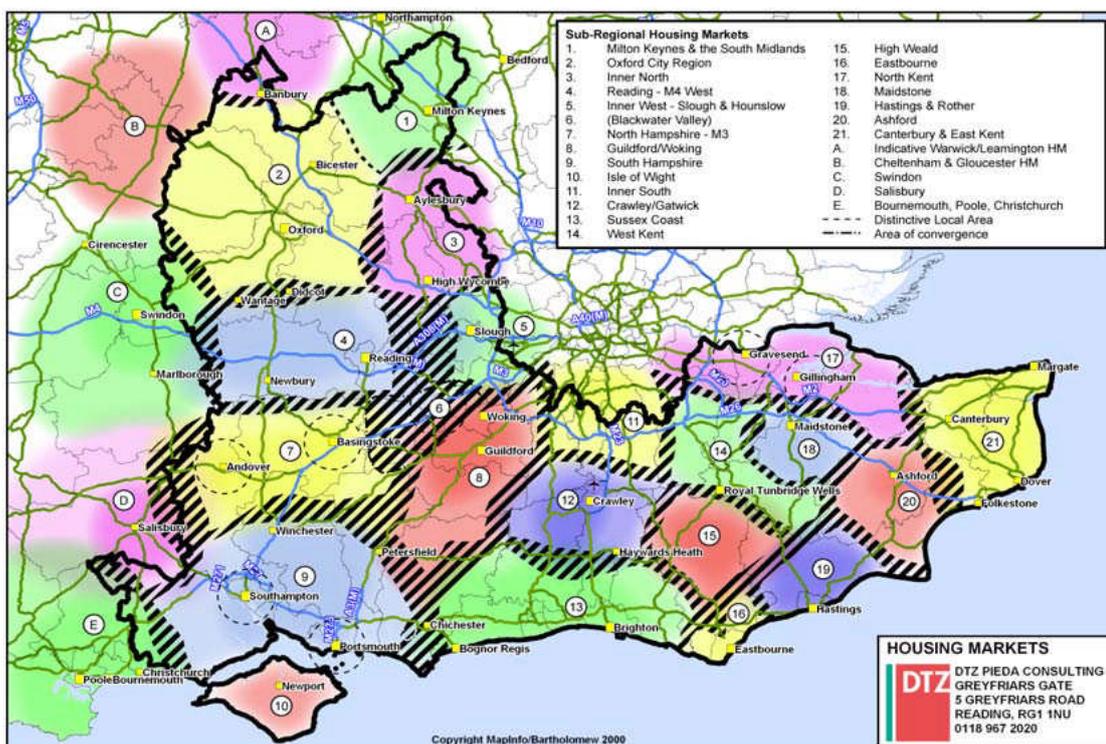
### **Regional evidence**

#### **The South East Plan**

- 2.4 In 2004 the South East Regional Assembly commissioned DTZ Piedad Consulting to prepare a report on Identifying the Local Housing Markets of South East England (DTZ Piedad Consulting, 2004).
- 2.5 The DTZ study undertook detailed analysis of household migration and travel to work data from the 2001 Census. The patterns that emerged from mapping these data clearly identified the foci of migration movements and employment hubs. These were used to identify housing markets which were then subject to a process of consultation with local authorities and other interested parties.

- 2.6 Having identified housing markets, the report then identified which local authorities should work together on SHMAs. It is important to note that there was a degree of pragmatism in the recommendation made regarding which authorities should work together.
- 2.7 Map 2.1 illustrates the pattern of housing markets identified in the study. The pattern of identified housing markets played an important part in the development of strategic planning policy across the South East of England and was subsequently incorporated into the South East Plan.
- 2.8 From Map 2.1 it is clear that Basingstoke and Deane lies within the North Hampshire HMA and Basingstoke is defined as a 'Distinctive Local Area'.
- 2.9 The South East Plan was based on Census 2001 data and remains one of the most up to date sources of information regarding local housing market areas in advance of comparable statistics from the 2011 Census. It is therefore considered to remain relevant.

**Map 2.1: Housing market areas – South East Plan 2006**



- 2.10 Since the 2004 report was produced, ONS have published Travel to Work Area maps based on analysis of 2001 Census data. To some degree the boundaries of the TTWA and Strategic Market Areas can be expected to be similar, in that TTWAs are defined as being the smallest areas within which two thirds of the working population both live and work (66.7% self-containment).

### **The National Housing and Planning Advice Unit Studies**

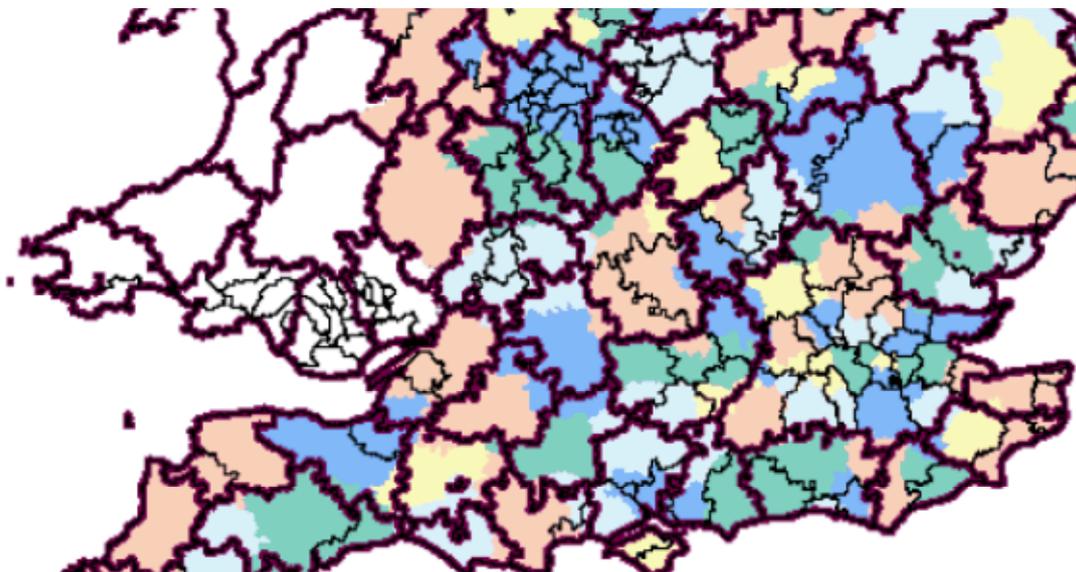
- 2.11 In November 2010, the Department for Communities and Local Government published a set of research papers to identify the optimal areas within which planning for housing should be carried out. These were commissioned by the former National Housing and Planning Advisory Unit (NHPAU). The report 'The Geography of Housing Markets', looked at different ways of dividing the country into "housing market areas", based on the function of the market rather than administrative boundaries.
- 2.12 In defining market areas the research states that housing demand (and need) is determined primarily by household incomes, and incomes are largely a function of employment patterns and the labour market. Housing market areas are therefore likely to be closely related to Travel to Work Areas (TTWA). However the research team regarded TTWAs as too tight a definition of self-containment to properly provide the basis of areas to be used for strategic planning and to reflect the dynamics of housing markets.
- 2.13 The report concludes 'there are no easy answers to the definition of housing market areas given both theoretical and practical challenges. Indeed it is not possible to have a uniquely 'right' answer – rather it is important to go for the most appropriate self-contained set of areas. The key task is to generate a widely acceptable geography in a transparent way, using consistent criteria'.
- 2.14 The report suggests that the best way to think about housing markets is a geography comprising three tiers, as follows:
1. Framework housing market areas, defined by a high level of commuting (77.5% self-containment);
  2. Local housing market areas, defined by migration patterns (50% self-containment);
  3. Sub-markets defined by neighbourhood of house type.

2.15 Maps 2.2 and 2.3 showed the strategic HMA maps where Basingstoke and Deane is included within a HMA referred to as Reading which is made up of the following local authority areas: Bracknell Forest, West Berkshire, Reading, Slough, Windsor and Maidenhead, Wokingham, South Buckinghamshire, Wycombe, Hart and Surrey Heath as well as Basingstoke and Deane. The Reading HMA adjoins a London HMA in the East, a Portsmouth HMA and a Southampton HMA in the south, a Salisbury HMA in the South West, and a Swindon HMA in the North-West. There is an Oxford HMA on the northern boundary and a small part of the north-eastern boundary adjoining the Luton-Milton Keynes HMA.

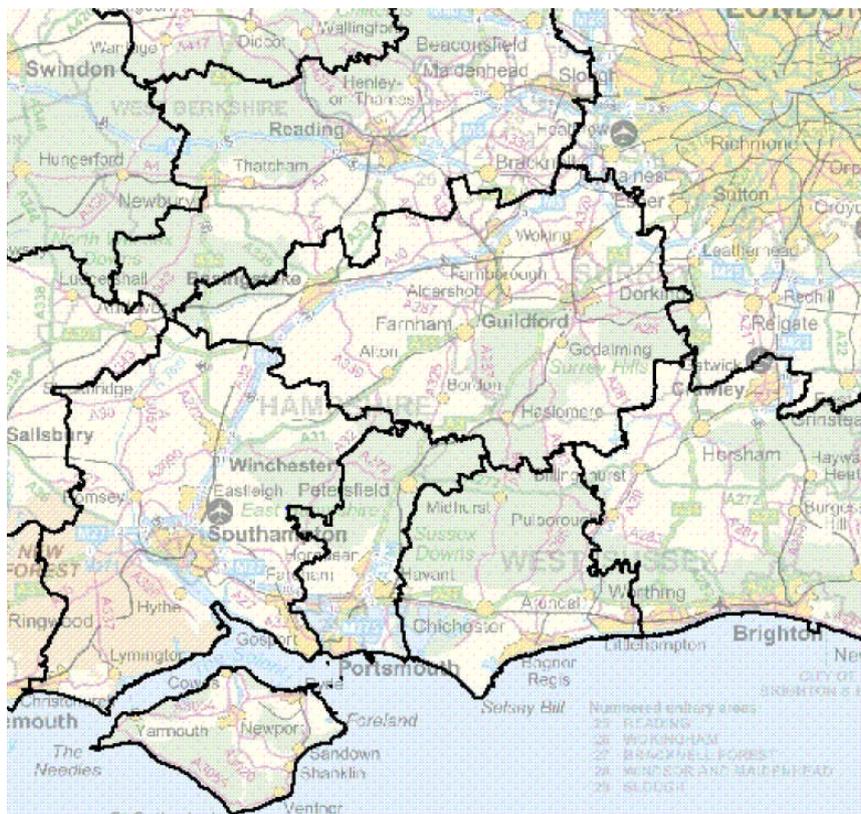
**Map 2.2: gold standard upper and lower tier housing market area geography (lower tier based on migration (50%) within commuting based upper tier (77.5%) (OS base)**



**Map 2.3: as map 2.2 - gold standard upper and lower tier housing market area geography (lower tier based on migration (50%) within commuting based upper tier (77.5%) overlaid on previously identified SHMA study areas**



- 2.16 In the Reading HMA, distinctive markets based on migration were identified as being centred on Basingstoke, Newbury, Reading, Bracknell and Camberley, and High Wycombe and Slough. Basingstoke and Deane adjoins Newbury, Reading, and Bracknell and Camberley.
- 2.17 The sub-regional boundaries (Map 2.4) showed that Basingstoke sits within a HMA referred to as Basingstoke and Guildford which stretches from Basingstoke town in the north east of the area to Guildford, Godalming, Dorking and Woking. This HMA includes northern parts of East Hampshire with Alton and Bordon and Waverley and Surrey Heath but does not extend as far south as Winchester. It does not include Andover, reflecting more the combined quantum of links towards the Blackwater Valley and the M3.



Map 2.4

The implications for Basingstoke and Deane

- 2.18 In commenting on the NHPAU reports it is worth noting that the analysis undertaken is based on 2001 Census data.
- 2.19 The Strategic, Local and Sub-regional HMAs give different conclusions – which is itself evidence of the degree to which housing markets overlap and merge into each other,
- 2.20 Basingstoke and Deane lies within the Strategic Reading HMA, but is included in the Sub-regional North Hampshire – West Surrey HMA.

- 2.21 A SHMA undertaken for those authorities in West Surrey and North Hampshire would involve 9 authorities, too many for effective project management.
- 2.22 It is therefore the Local HMA that provides the best basis for what might be a sensible geography in terms of the options provided by the NHPAU for the production of a SHMA.
- 2.23 The NHPAU does not provide an answer to which authorities should work together on a joint SHMA. However, further analysis, set out in the remainder of this chapter support the conclusion that Basingstoke and Deane is highly self-contained. This analysis examines the linkages with neighbouring authorities with a focus on more recent data than that used by the NHPAU team or by the 2004 DTZ study.

## **Local evidence**

### **Migration between Local Authorities**

- 2.24 The previous sections examined analyses of housing market areas based on analysis of 2001 Census data. 2011 Census data has not yet been published on household movements or travel to work patterns. However, more up to date data is available on migration between local authorities.
- 2.25 The following Office for National Statistics data is based on one year (2012) and provides detail on local authority to local authority moves. The data below (Table 2.1) shows net in migration to the borough of 575 people from neighbouring districts. The full dataset includes moves from the whole of the UK, not just England and as migration (and all components of population growth) fluctuates year on year it should not be interpreted as a typical year but as part of a trend.
- 2.26 The data shows that in this year, 70% of the total net migration came from neighbouring districts, broadly the pattern shown by other sources of migration data. Overall, 7,103 people moved out of the borough and 7,929 moved in (net in-migration of 826 people in that year). In addition to the neighbouring districts, which are shown in Table 2.1, there was net in migration of 150 people from the London boroughs, 221 people from Surrey (the most migrant journeys taking place between the borough and Surrey Heath (net in migration of 75 people) and Waverley (net in migration of 43 people) and net in migration of 75 people from West Berkshire.

Local Authority	Out migration (total number of people)	In migration (total number of people)	Net migration (total number of people)	% of total net migration into Basingstoke and Deane Borough
East Hampshire	148	176	28	3.4%
Hart	366	463	97	11.7%
Rushmoor	92	201	109	13.2%
Test Valley	333	317	-16	-1.9%
West Berks	635	826	191	23.1%
Winchester	246	219	-27	-3.3%
Wokingham	135	221	86	10.4%
Reading	158	265	107	13.0%
<b>Total</b>	<b>2,113</b>	<b>2,688</b>	<b>575</b>	<b>69.6%</b>

Table 2.1: Migration by local authority (Source: ONS 2012)

- 2.27 This helps to identify which of the authorities are most closely tied to each other in terms of migration flows.
- 2.28 Overall the analysis demonstrates strong inter-linkages in terms of migration with West Berkshire, Rushmoor, Reading, Hart and Wokingham.

### Travel to work patterns

- 2.29 The NHPAU work on housing market makes use of travel to work patterns, but the data used in those studies is now dated. A new source of commuting data has emerged from the Labour Force Survey/Annual Population Survey (APS). The latest release relates to 2011. The APS asks a sample of households questions on their working patterns. Annual sample sizes are approximately 300,000 which is more than 1% of the working population in England, Wales and Scotland. The sample size in Basingstoke and Deane is between 300 – 400 households.
- 2.30 As the data is based on a sample survey, comparisons with the 2001 Census commuting patterns should be made with caution and, as with any sample, there will be sampling variability that may give rise to some fluctuations in the results with each new release. In addition, Basingstoke and Deane's labour market is relatively self-contained which means that around 66% of households both live and work in the borough and do not commute in or out. The APS picks up those people who are unemployed and economically inactive, meaning that commuting data will only be collected from a very small number of respondents. However, the advantage of using APS data is that it is refreshed annually. The APS release generally reconfirms the following patterns seen in the 2001 Census data:
- significant commuting flows between Basingstoke and Deane and West Berkshire, the London Boroughs and Reading (showing net out-commuting from the borough);
  - of the other neighbouring districts, a greater number of commutes between the borough and Hart;

- that over 90% of the borough`s commuting links come from self-containment (66% of commuter journeys), commuting to and from neighbouring districts (around 20% of commuter journeys) and commuting to London.

2.31 Table 2.2 shows the commuting patterns between the borough and the neighbouring districts. The difference between APS and Census data with regards to Test Valley and Rushmoor is likely to be due to sampling variability (the 2010 APS data showing a more balanced flow of in and out commuting (in commuting from Test Valley 3.9% / out commuting to Test Valley 3.7% in 2010).

	2001 Census		2011 APS	
	Percentage (as a % of all in-commuters to the borough)	Percentage (as a percentage of all out-commuters from the borough)	Percentage (as a % of all in-commuters to the borough)	Percentage (as a percentage of all out-commuters from the borough)
West Berkshire	8.5%	27.1%	3.1	10.7
London	6.5%	13.0%	1.8	8.9
Hart	10.3%	9.1%	4.2	3.2
Test Valley	9.2%	4.1%	0.5	2.6
Reading	3.4%	8.9%	2.6	7.3
Winchester	7.3%	3.9%	1.7	0.4
Wokingham	4.0%	4.2%	1.1	0.5
East Hampshire	5.8%	2.0%	1.9	2.6
Rushmoor	3.6%	3.9%	3.6	1.4

Table 2.2: Percentage of in and out commuters - Basingstoke and Deane (Source: 2001 Census and 2011 Annual Population Survey)

### **Neighboring authority SHMAs**

2.32 In determining Basingstoke and Deane`s HMA it is a helpful to analyse neighboring authority SHMA`s and their conclusions.

2.33 The following SHMAs have been reviewed:

1. Berkshire Strategic Housing Market Assessment 2007
2. North West Surrey and north east Hampshire Strategic Housing Market Assessment 2008
3. Winchester DTZ Housing Market and Housing Need Assessment Update 2011
4. East Hampshire SHMA 2013
5. Hart/Rushmoor/Surrey Heath SHMA 2014

2.34 The following is a summary of the findings:

## **Berkshire Strategic Housing Market Assessment 2007**

According to the 2001 Census household movement data, Basingstoke town has the strongest links to Reading of all the Berkshire authorities (with 81 households moving from Reading to Basingstoke and 95 households moving from Basingstoke to Reading<sup>1</sup>). However, the housing market dynamics between Reading and Bracknell, Maidenhead, Newbury and Thatcham, Slough and Wokingham are significantly stronger. Compared to Basingstoke - Reading household moves, there are more than twice as many between Reading and Oxford, and the Blackwater Valley. The report made specific reference to the relationship between Reading and Basingstoke town and the north Hampshire housing market, concluded that:

*“there seemed to be quite distinct housing markets covering the two areas - and this was confirmed by the existence of distinct and separate travel to work areas for both towns. Road and rail connections between Reading and Basingstoke are less good than between Reading and areas to the west, which acts as a barrier to labour and housing market integration. The spatial extent of the sub-regional overlap with the North Hampshire sub-region, which has Basingstoke at its nucleus, was therefore found to lie along the northern district boundary of Basingstoke and Hart, and did not extend further into Basingstoke and the north Hampshire sub-region.”*

## **North West Surrey and north east Hampshire Strategic Housing Market Assessment 2008**

This report concluded that the HMA covered Hart District, Rushmoor Borough and Surrey Heath Borough.

## **Winchester DTZ Housing Market and Housing Need Assessment Update 2011**

This report identified that there was a net in-migration from Basingstoke and Deane to Winchester but in scale far less than from those authority areas in the South Hampshire. The report concluded that Winchester district has close functional alignment with the South Hampshire<sup>2</sup> housing market and the southern wards of Winchester district integrate with Southampton and the South Hampshire sub-region. This housing market is described as highly integrated. Winchester also relates to a Central Hampshire housing market: *“Central Hampshire functions as an area with a number of localised housing markets with Winchester, Basingstoke and Andover forming the sub-region`s nuclei.*

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<sup>1</sup> Data currently being verified by DTZ at July 2012 (varying migration figures used of Central Hampshire and New Forest SHMA 2007.

<sup>2</sup> This includes Portsmouth, Southampton, Gosport, Fareham, Eastleigh and Havant, the eastern wards of New Forest and the southern wards of East Hampshire, Test Valley and Winchester districts.

## **East Hampshire SHMA 2013**

This report concludes that East Hampshire has been identified as being located in two housing market areas in two different SHMA's, the Central and South Hampshire housing market areas. The South Hampshire Housing Market Assessment (April 2005) includes an area to the south of East Hampshire (excluding the National Park), particularly Horndean. It includes this part of East Hampshire in the Eastern Pole of the housing market area based on commuting patterns between Portsmouth, Havant, Fareham, East Hampshire and Gosport. The Central Hampshire housing market area includes Basingstoke and Deane, Test Valley, Winchester and the majority of East Hampshire.

## **Hart/Rushmoor/Surrey Heath SHMA 2014**

In February 2014 Wessex Economics on behalf Hart/Rushmoor/Surrey Heath produced a working paper to bring together the evidence on the geography of the housing market that relates to Hart, Rushmoor and Surrey Heath. Analysis set out in the report supports the particular importance of Hart, Rushmoor and Surrey Heath working together. The paper considered the relationships between the authorities in more detail using up to date data. The conclusions include:

- In terms of migration, the three authorities are closely linked to one another. Rushmoor's most significant relationship is with Hart. Hart and Surrey Heath's most significant relationships are with Rushmoor. Hart and Surrey Heath are also connected to one another through migration flows but these are less significant than those with Rushmoor and Basingstoke (for Hart) and Woking (for Surrey Heath).
- It also found significant travel to work flows between the three authorities. Each authority experiences low levels of self-containment (the proportion of residents who work in the same authority). The majority of residents in work commute to work outside of the local authority in which they live. There are also significant flows of workers into each authority from neighbouring authority areas. Of those who do not live and work in the same authority area:
  - The largest proportion of Rushmoor's residents commute to Surrey Heath, Waverley, Guildford and Hart for work. There are significant in-flows of workers into Rushmoor from Surrey Heath and Guildford.
  - The largest proportion of Hart's residents commute to Rushmoor and Surrey Heath for work. There are in flows of workers into Hart from Basingstoke and Deane, Rushmoor, Guildford and Surrey Heath.
  - The largest proportion of Surrey Heath's residents commute to Rushmoor and Guildford.

### **Duty to Cooperate – neighbouring authorities**

2.35 The NPPF outlines at paragraph 47 that LPAs should:

*“Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in*

*the housing market area, as far as is consistent with the policies set out in this Framework...*

- 2.36 The NPPF (paragraph 159) outlines the evidence required to underpin a local housing target identifying that LPAs should:
- “Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period...”*
- 2.37 The statutory duty to cooperate in respect of plan making is set out in Section 33A of the Localism Act (2011). Para 178 of the NPPF sets out how public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly highlighting the strategic priorities of Local Plans which includes delivering the homes and jobs need in the area.
- 2.38 Basingstoke and Deane Council has undertaken meetings with neighbouring authorities to discuss housing requirements and in particular the appropriateness of the Housing Market Area of Basingstoke and Deane borough.
- 2.39 Rushmoor, Hart and West Berks all confirmed that they form part of different Housing Market Areas to that of Basingstoke and Deane. At the time of the most recent meeting Rushmoor Borough Council was undertaking research to define their HMA. The results have now been published and are summarised at paragraph 2.34. However, at the time of the meeting officers confirmed that their HMA is likely to remain with Hart District and Surrey Heath Borough. This was also confirmed by Hart District Council. West Berks confirmed that their HMA faces towards Reading and Wokingham. All these authorities agreed with the HMA of the borough boundary. The authorities also stated that the Basingstoke and Deane housing requirement should suitably address the housing needs arising from internal migration to Basingstoke and Deane from their areas.

- 2.40 Although the objective assessment of housing need is focused on the needs of the borough as a single HMA, this assessment still takes into account the inter-migratory relationships of the borough with adjoining authorities. The analysis of this SHMA and the migration scenarios used in the demographic modelling explore these relationships, with the modelling taking full account of inter district migration patterns through use of past trends in gross and net migration flows (both domestic and international) to inform the assessment of future housing needs.

### **Review of local studies**

- 2.41 To support the conclusion of undertaking a SHMA based on the borough boundary, it is helpful to set out key conclusion from relevant local studies. These include:
1. The Broad Rental Market Area (BRMA)
  2. “Defining the Functional Economic Area around Basingstoke and Deane” 2009 (GHK)
  3. The Central Hampshire and New Forest 2007 DTZ Strategic Housing Market Assessment
  4. The Rural Housing Study 2009 (Basingstoke and Deane)

#### **The Broad Rental Market Area (BRMA)**

- 2.42 For the specific purpose of assessing benchmark rents for Housing Benefit eligibility, the Valuation Office has designated a number of “Broad Rental Market Areas” (BRMA). When councils determine the correct rent level to use to assess a Housing Benefit claim, rents in the local BRMA will be used as a guide to give a “typical” rent level for a particular property type/size.
- 2.43 The BRMA for Basingstoke and Deane includes the whole borough and the north of Test Valley around Andover. A BRMA must contain *‘residential premises of a variety of types, including such premises held on a variety of tenures’*, plus *‘sufficient privately rented residential premises, to ensure that, in the rent officer’s opinion, the LHA for the area is representative of the rents that a landlord might reasonably be expected to obtain in that area’*.

- 2.44 There should be a “critical mass” of private rented accommodation to ensure any sample rents are representative of the whole area. The BRMA would be characterised by links between residents and services: some cohesion in terms of where people live and work, access to health, education, retail, banking and recreation. This cohesion would be evidenced in terms of access – transport links that connect residents to services and facilities by private and public transport – and is serviced by a number of trunk routes and the strong M3 / A303 connection between Basingstoke and Andover.
- 2.45 This in itself does not provide evidence of a cohesive housing market area between Basingstoke and Andover, or between Basingstoke and Deane and Test Valley. Nor can it be assumed that a significantly higher number of home moves take place within the BRMA than with any other area with which the borough is adjoined. It does, however, give an indication of some consistency in the nature and general conditions of the private rented sector in the borough and north Test Valley area, such that rent levels, benefit levels, supply and demand will be broadly similar across it. The existence of the BHMA across Basingstoke and Deane and Andover acts as context to the discussion on housing markets.

“Defining the Functional Economic Area around Basingstoke and Deane” 2009 (GHK)

- 2.46 In 2009, GHK produced a report “Defining the Functional Economic Area around Basingstoke and Deane”. In addition to examining labour market dynamics of the borough and surrounding districts, the extent of the housing market was also considered. The study found that there was a stronger housing market link with Andover than with all the nearby towns and districts; and through a further “sensitivity test”, in addition to Andover, some housing market links with Hart, Newbury and West Berkshire, correlating with high levels of commuting to and from these areas.

The Central Hampshire and New Forest 2007 DTZ Strategic Housing Market Assessment

- 2.47 In 2007, DTZ published a Strategic Housing Market Assessment (SHMA) for Central Hampshire and New Forest. This covered the districts of Basingstoke and Deane, East Hampshire, Test Valley, Winchester and New Forest. DTZ concluded that there was a “North Hampshire” housing market associated with the M3/A303 and related rail corridors to London and the South West.
- 2.48 DTZ found that Basingstoke town had a concentrated pattern of travel to work movements focused upon its urban centre which draws labour from the west and east of the town confirming economic links with:
- Newbury: jobs exert a strong influence on settlements in the north-west of the borough;
  - Andover: the A303 facilitates labour market connections;

- Tadley: Aldermaston provides an important source of employment for people living in Tadley, and there are strong commuting flows between Tadley and Basingstoke town.

2.49 With regard to the housing market generally, the DTZ study showed that levels of self-containment in the urban areas of Central and North Hampshire, urban areas in the rest of Hampshire, and in neighbouring Berkshire authorities are high, shown in the table below (Table 2.3).

The urban areas	
Andover	83.3%
Basingstoke	86.6%
Blackwater Valley	90.3%
Newbury/Thatcham	87.8%
Reading	94.3%
Tadley	61.4%
Winchester	80.8%

Table 2.3: self-containment rates for household movements 2000 - 2001 within the SHMA study area and adjoining urban centres<sup>3</sup> (Source: Census 2001)

2.50 A high percentage of self-containment in each of these urban centres indicates that any movement *between* them could be light, but this can only be determined by the *number* of moves involved. Even if there is a high level of self-containment in each urban area, there is likely to be some housing market interaction between these areas. Table 2.2 shows the towns with which Basingstoke has the strongest housing market links. It should be noted that, although there was considerable movement (around 7,500 moves in total), the net effect is relatively small.

2.51 If the internal moves within Basingstoke town are discounted then overall there were only 1,822 moves (2001) in and out of the town resulting in overall net in-migration to Basingstoke town of 64 households within and across the SHMA study area (or 3.5% of all moves).

2.52 Of these 1,822 moves, 52% (952) were to and from adjoining areas (Andover, Blackwater Valley, Newbury/Thatcham and Reading). these areas contributed 414 households migrating into Basingstoke town and 538 migrating out from the town, resulting in net in-migration of 124 households to Basingstoke town (or 13% of all moves to and from these areas), principally from Blackwater Valley.

2.53 There were also notable levels of moves to and from Bournemouth, Eastleigh, Fareham, Winchester, Portsmouth and Southampton: and net out-migration to Eastleigh and Fareham (**Table 2.4**).

<sup>3</sup> Household movement was considered for the urban areas of: Andover, Basingstoke, Blackwater Valley, Bournemouth, Eastleigh, Fareham, Fawley, Gosport, Havant, Hazlemere, Lymington, New Milton, Newbury, Thatcham, Petersfield, Portsmouth, Reading, Southampton, Tadley, Tidworth/Ludgershall, Totton and Winchester.

	number / % of households moving from Basingstoke to:		number / % of households moving to Basingstoke from:		net in-migration
Andover	51	0.8%	66	1.0%	15
Basingstoke	5,677	86.6%	5,677	85.8%	0
Blackwater Valley	127	1.9%	204	3.1%	77
Newbury/Thatcham	36	0.5%	54	0.8%	18
Reading	140	2.1%	166	2.5%	26
Tadley	131	2.0%	132	2.0%	1
Bournemouth	45	0.7%	36	0.5%	-9
Eastleigh	57	0.9%	33	0.5%	-24
Fareham	36	0.5%	9	0.1%	-27
Portsmouth	51	0.8%	51	0.8%	0
Southampton	82	1.3%	90	1.4%	8
Winchester	60	0.9%	48	0.7%	-12
Other areas	63	1.0%	54	0.8%	-9
<b>Total</b>	<b>6,556</b>	<b>100.0%</b>	<b>6,620</b>	<b>100.0%</b>	<b>64</b>

**Table 2.4: household movement within the SHMA study area, adjoining urban centres and principal origins/destinations of movers (Source: Census 2001)**

2.54 Overall, the 2007 SHMA concluded that:

- Andover and Basingstoke each have localised housing markets, both with self-contained concentrations of household movement centered upon each town and a low level of household movement *between* them. To set this in context, 6,556 Basingstoke and Deane households moved to the destinations covered by the SHMA study and adjoining urban areas, of which 5,677 moved within the borough, a self-containment rate of 86.6% (note that self-containment is assessed as a percentage of all households moving in or around the study area, and so does not include households who moved from the borough to other areas outside the study area).
- There are a high number of household movements taking place within and across the urban area of Basingstoke town.

2.55 In summary, the 2007 SHMA established the principle that Basingstoke town (referred to as Basingstoke urban area) had a localised, self-contained, concentrated housing market and “a high number of household movements taking place within and across its urban area, which cover a large part of the district’s central and eastern area.”

## The Rural Housing Study 2009 (Basingstoke and Deane)

- 2.56 In 2009, consultants DCA published the borough's Rural Housing Study. Housing need, and in/out migration patterns were established through a household survey, the fieldwork for which was conducted in the summer of 2009. The total sample was 12,154, 45% of resident households across the rural parishes from which there were 4,004 responses. The survey asked respondents *if they had moved* within the last 3 years, the area or local authority district from which they had moved; furthermore, *if intending to move* within the *next* 3 years, the area or local authority district to which they intended to move.
- 2.57 The Rural Housing Study covered the area outside Basingstoke town, that is, the parished area of the borough<sup>4</sup>. The value of the Study in respect of housing markets is that it gives an indication of internal household movement within the borough, the relationship between Basingstoke town and the area around it<sup>5</sup>, and how the area around it interacts with neighbouring districts. The study therefore complements and updates the 2001 Census data examined in the 2007 DTZ Central Hampshire and New Forest SHMA. Until the 2011 Census data on in/out/internal migration is published in 2014 the Rural Housing Study presents the most recent local household movement patterns.
- 2.58 Key differences between the Rural Housing Study 2009 and the DTZ SHMA 2007 include:
- Household migration patterns in the Rural Housing Study were determined through the household survey;
  - In-migration to the rural area is measured from the survey responses by counting the number of households who have moved to the rural area in the previous three years, and those who intend to move in the three years following the survey;
  - Neither the study or survey covered the future housing needs or demands of households currently living in Basingstoke town who intend to move to the rural area in the future;
  - The survey asked households about their past or an intended future move to and from areas outside Hampshire - to and from the wider South East region, to and from elsewhere in the UK, and to and from abroad;
  - The survey asked for information on "concealed households", that is, households yet to form (people living with parents or friends for example) but would like to move to a home of their own in the three years following the survey;
  - It was assumed that the percentage of households responding in a particular way to the survey would be representative of the rural area as a whole – this gives a sense of scale to the number of household moves that may be expected overall. This "scaled up" figure is referred

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<sup>4</sup> The parishes of Chineham and Rooksdown were not included in the Rural Housing Study. Regarding Old Basing and Lychpit, the RHS covered just the area of Old Basing.

<sup>5</sup> The Study does not cover the intentions of current households in the town to move into the rural area of the borough in the future. However, it does indicate the number of households to have done so in the past.

to in the Rural Housing Study as the “number implied”; numbers quoted below refer to the “number implied” unless otherwise stated;

- The survey asked about moves into the area in the last three years and intended moves in the next three years – the period over which in and out migration will take place is therefore assessed over a different timescale to that of the Census which counts household moves in the one year period directly preceding Census day.

2.59 Headline results from the 2009 Rural Housing Study show two issues relating to self-containment:

- just over half (51.1%) of moves to the rural area in the previous three years had come from either the town (8.9%) or from elsewhere in the borough (42.2%);
- overall, 83% of households in the rural area, intending to move in the next three years and stay within the rural area wanted to stay in their existing location or parish.

2.60 This second point was evident across all parts of the rural area. The level of self-containment varies, as can be seen in the table below, but with a range of over 60% to 100%, this demonstrates a significant degree of self-containment in the rural area. Overall there was 83% self-containment, that is, potentially, 83% of supply and demand will be internally generated (**Table 2.5**).

	percentage of households intending to move and remain in their current area	number of households intending to move and including within their choice their current area <sup>6</sup>	total number of households intending to move within the rural area
South East	90.4%	103	114
East	69.4%	236	340
North East	70.9%	141	199
North and Tadley	87.0%	440	506
North and Kingsclere	93.1%	135	145
North West	100.0%	136	136
South West	96.3%	261	271
South and Overton	94.1%	128	136
Oakley and Deane	70.5%	134	190
North of Basingstoke town	64.9%	72	111
<b>Overall total</b>	<b>83.2%</b>	<b>1,786</b>	<b>2,148</b>

**Table 2.5: Internal household movement between rural areas: parish clusters within Basingstoke and Deane (Source: as per the Rural Housing Study 2009<sup>7</sup>).**

<sup>6</sup> Households made an average of 1.7 choices each.

<sup>7</sup> The headings in this table refer to a geography used in the RHS, grouping certain parishes in the rural area together. The parish groupings can be found in the References section at the back of this report.

2.61 The Rural Housing Study survey found that 19.9% of respondents had moved in the last three years. If taken as representative of the whole rural area this would indicate 5,405<sup>8</sup> household moves into the rural area. Respondents were then asked where they had moved from; 97.7% of households who had moved in the last three years (5,280 implied) answered this question as seen in the table below (**Table 2.6**).

Moved from	in-migrants: households who moved in the last 3 years	
	number	%
Basingstoke town	468	8.9%
Elsewhere in Basingstoke and Deane Borough	2,230	42.2%
Elsewhere in the South East	663	12.6%
Elsewhere in the UK	662	12.4%
Newbury	350	6.6%
Greater London	276	5.2%
Reading	220	4.2%
Fleet / Farnborough	93	1.8%
Abroad	88	1.7%
Winchester	73	1.4%
Andover	61	1.2%
Wokingham	43	0.8%
Camberley	36	0.7%
Swindon	17	0.3%
<b>Total</b>	<b>5,280</b>	<b>100.0%</b>

Table 2.6: Percentage of in-migrants (Source: DCA Rural Housing Study 2009 (table 14.1))

2.62 Of those moves, 2,580 came from outside the borough: 893 (35%) from neighbouring districts and the remaining 1,689 from the wider South East, London or other parts of the UK/abroad (32%), showing that neighbouring districts do not necessarily contribute the majority of in-migration to the rural area of the borough.

2.63 When combined with those whose intention was to move out of the borough in the 3 years following the study, it is possible to get a general picture of in and out migration, and net migration flow. This also shows considerable household movement further afield: 87% of households intending to move out of the rural area and out of the district in the next 3 years intend to do so to the wider South East or elsewhere in the UK (**Table 2.7**).

	Moving into the rural area from:	Moving out of the rural area to:	Net
Camberley	36	0	36
Fleet / Farnborough	93	12	81

<sup>8</sup> The Rural Housing Study refers to this representative figure as the *number implied* – all numbers should be taken as such unless otherwise stated.

Swindon	17	0	17
Reading	220	43	177
Andover	61	22	39
Winchester	73	79	-6
Wokingham	43	16	27
Newbury	350	56	294
Greater London	276	15	261
Elsewhere in South East	663	334	329
Elsewhere in UK	662	1,008	-346
Abroad	88	127	-39
<b>Total</b>	<b>2,582</b> <b>(in-migration)</b>	<b>1,712</b> <b>(out-migration)</b>	<b>870</b> <b>(net)</b>

**Table 2.7: In and out migration moving in and out of the borough: households moved in the previous 3 years and those intending to move within the next 3 years (Source: Rural Housing Study 2009)**

- 2.64 The pattern of in and out migration to and from the rural area varies according to the proximity of towns and villages outside the borough and commuting routes.
- 2.65 Distribution of in-migration from neighbouring districts shows the strongest links are predominantly:
- The south eastern and eastern area of the borough with Fleet and Farnborough;
  - The north east of the borough and Tadley area with Reading, Wokingham and Newbury;
  - The north west of the borough and Kingsclere with Newbury;
  - The south west of the borough with Andover, Winchester and Newbury;
  - The south of the borough, Overton, Oakley and the area north of Basingstoke town, with Reading.
- 2.66 The following table (**Table 2.8**) shows how this distribution is quantified and how certain parts of the rural area have greater levels of in-migration from other parts of the UK, not just the borough's surrounding districts.

	In migration to the rural area (actual)			Out migration from the rural area (intended)		
	From neighbouring districts	Principal links with neighbours (numbers of households moved from)	From the wider South East, London, UK and abroad	To neighbouring districts	Principal links with neighbours (numbers of households moving to)	To the wider South East, London, UK and abroad
South east of the borough	41	Fleet & Farnborough 14; Andover 11	128	25	Winchester 24	69
East of the borough	63	Fleet & Farnborough 56	217	23	Winchester 26	143
North east of the borough	142	Reading 68; Wokingham 20; Camberley, Fleet & Farnborough 33	192	68	Reading 25; Winchester 14; Wokingham 13	181
North of the borough and Tadley	107	Reading 56; Winchester 20; Newbury 16; Wokingham 15	274	7	Reading 4; Wokingham 3	280
North of the borough and Kingsclere	134	Newbury 123	160	17	Newbury 11; Winchester 8	141
North west of the borough	191	Newbury 161; Reading 17	182	47	Newbury 43; Reading 4	198
South west of the borough	136	Andover 46; Winchester 33; Newbury 22	136	12	Andover 9; Winchester 3	100
South of the borough and Overton	32	Reading 32	140	24	Winchester 15; Reading 11	78
Oakley and Deane	10	Reading 10	88	10	Andover 10	52
North of Basingstoke town	37	Reading 16; Winchester 7; Camberley 7	170	0	0	237
<b>Totals (neighbouring districts and the wider region / UK)</b>	<b>893</b>		<b>1,687</b>	<b>233</b>		<b>1,479</b>
<b>Total in and out migration</b>	<b>2,580 (in migration)</b>			<b>1,712 (out migration)</b>		

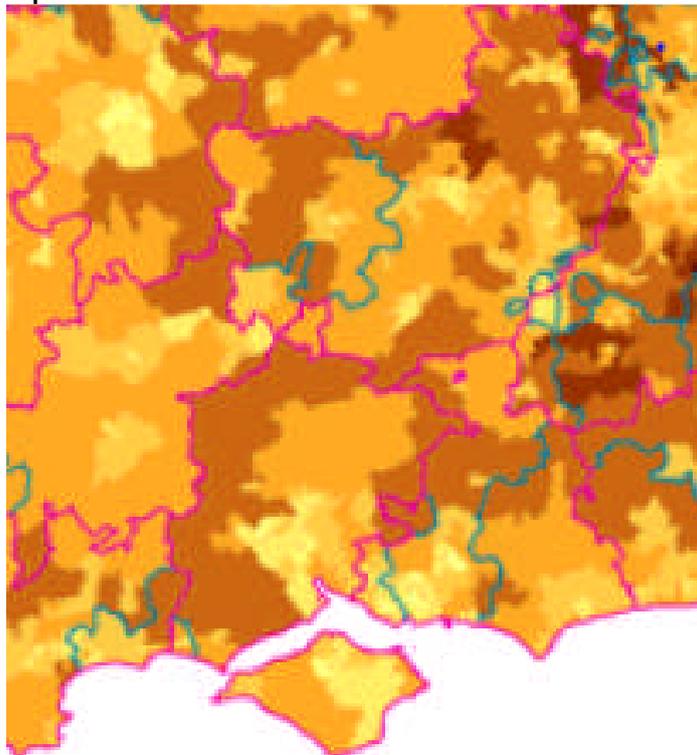
Table 2.8: Number of household moves to and from the rural area of Basingstoke and Deane

2.67 The findings of this study support the conclusion that Basingstoke and Deane has a high level of self-containment. This therefore also supports the decision to undertake a SHMA based on the borough boundary, whilst taking into full account migration and travel to work patterns.

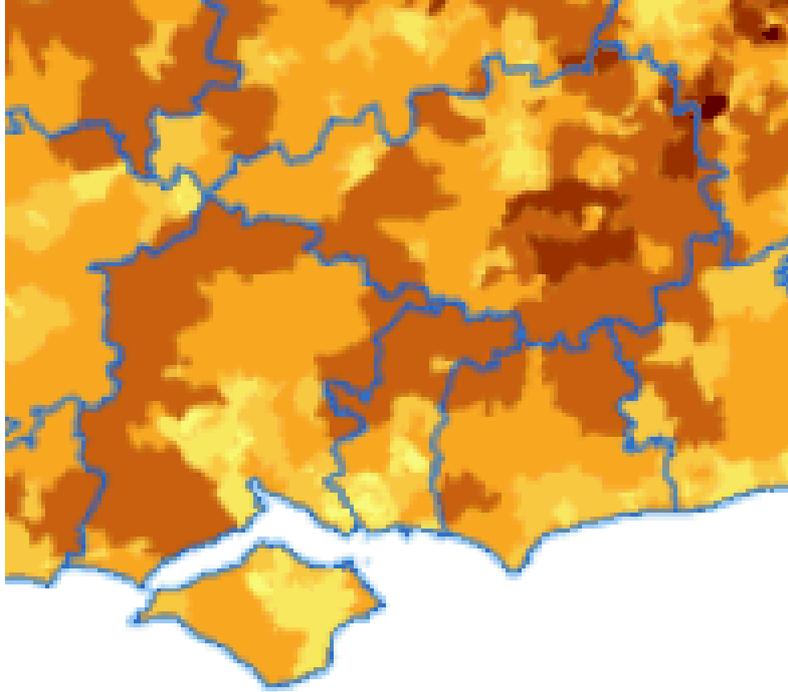
## Property prices

- 2.68 The CLG research “The Geography of Housing Market Areas 2010” concluded in the Executive Summary that there may be some general similarity between prices where housing markets are related and therefore it may in theory be possible to determine the existence of a housing market through property price analysis. However, in order to establish the existence of a housing market in this respect it would require disaggregation of all the various factors that are incorporated within the value of a property such as facilities, services and nearby amenities. The research did not attempt to do this but instead correlated property price data (relating to 2008 by MSOA) with framework housing market areas, making the point that monitoring of housing market conditions, property prices and affordability must take place at more local level.
- 2.69 The map below shows the Reading HMA (based on 77.5% commuting / 50% migration) with a Southampton HMA and a Portsmouth HMA to the south. Areas with the lighter yellow colouring denote lower property prices and the darker colours higher prices. The map picks up Basingstoke town, Andover, Reading and Newbury with lower property prices and south of the M3 and the north west of the HMA with higher property prices.

Map 2.5



- 2.70 The CLG research shows how the property price data correlates with single tier HMA boundaries (72.5% commuting). This HMA (Guildford and Basingstoke) includes Basingstoke town in the west of the area and stretches to Guildford in the east. Guildford, Godalming, Haslemere and Dorking show the highest property prices within this HMA.



Map 2.6

- 2.71 Although the data contained in the CLG research related to 2008, the relative property values in the settlements and towns around Basingstoke and Deane, both for sale and for rent, demonstrate some variation at local level. Analysis should be treated with caution when looking at property prices in small villages and settlements as the low level of housing stock, and so the stock turnover offered for sale, is relatively low, and the housing stock can be fairly diverse in terms of size (both the number of bedrooms and size of the plot), type and features making it difficult to establish “average” or typical prices in some areas.
- 2.72 However, broadly speaking prices in Andover tend to be less than within Basingstoke and Deane. Prices in Thatcham, Newbury, Alton and Hook tend to be broadly similar to Basingstoke town; neighbouring settlements of Burghfield and Three Mile Cross/Swallowfield to the north, and Micheldever and Sutton Scotney to the south tend to be higher than Basingstoke town as does Reading which has its own distinct housing market within which are neighbourhood variations. Property prices to the south and east of Hook, such as in North Warnborough, and particularly Hartley Witney and Odiham are considerably higher than in Basingstoke town. Mortimer and Aldermaston village also generally command higher property prices than in Tadley even though they lie close to the borough boundary.

2.73 The general similarity in prices between Andover, Newbury/Thatcham and Hook given their proximity to the borough boundary, the employment opportunities in Basingstoke town and the higher level of house building in Basingstoke and Deane over the last few years relative to other districts probably contribute to the high number of household moves between the borough and these areas with some net in-migration to the borough. A combination of lower property prices, higher levels of house building and employment opportunities is also likely to contribute towards in-migration to the borough from the Blackwater Valley. The table below shows how housing completions in the borough have significantly exceeded those in neighbouring districts since 2007/8 including during the years of economic downturn.

Table 2.9: Housing completions by local authority from 2006-2011

Housing completions from 2006/7 (net)	Hart	West Berks	Rushmoor	Test Valley	Winchester	Wokingham	Reading	Basingstoke and Deane
2006/2007	396	1064	825	288	496	1018	637	728
2007/2008	229	683	295	339	562	488	837	1418
2008/2009	52	528	299	147	359	368	782	1302
2009/2010	-17	246	549	438	286	226	693	1226
2010/2011	70	199	251	388	503	220	321	805
2011/2012	326	162	171	523	317	273	312	693
2012/2013	197	552	255	664	204	<i>Not available</i>	474	303

### **Affordable housing and intermediate housing application data**

2.74 2011 Census data on migration and travel to work patterns has comprehensive coverage, in particular at small area level/geographies but unfortunately, this Census data is not likely to be released until late 2014.

2.75 Until then, other sources of data can be explored to quantify the spatial extent of the Basingstoke and Deane housing market. DTZ has provided Winchester City Council with NHS Patient Register data showing migration between local authority areas but not at settlement or Ward level. This source of migration data informs the population and household projections from CLG and ONS. There are other administrative records held by local authorities to track origin and destination of movers. Affordable housing and intermediate housing application data records where the applicant will be moving from (i.e.: their current address). This can also show in support of this work:

- The reasons why households move – this could support the case for any employment-led / jobs-led housing needs assessment;
- How many households want to move to Basingstoke and Deane – in migration;
- How many households want to move from Basingstoke and Deane to other districts – out migration;

- How many households want to move within their own district – when compared to in/out migration this will give the level of self-containment necessary to determine whether a housing market exists;
- Pin point where in and out migrants are moving from and to – this will show to what extent the housing market covers an area outside the borough`s administrative boundary, particularly between the major urban centres and also in the rural area around Basingstoke and Deane, i.e.: the housing market overlap.

2.76 Anonymised Housing Register data, and applications for intermediate housing, is therefore used as a proxy for a housing market survey and provide, in the absence of migration data from the 2011 Census a picture of local (i.e. sub-regional) housing market dynamics flows.

2.77 The outcome of this analysis is then compared to the SNPP and household projections data, correlating the evidence from administrative records with migration assumptions.

2.78 The following table (Table 2.10) shows an analysis of “registered” intermediate housing records from 2012 to 2013. This captures:

- Households living in Basingstoke and Deane borough who want intermediate housing in Basingstoke and Deane borough (internal moves);
- Households living in Basingstoke and Deane borough who want intermediate housing elsewhere (out-migrants);
- Households living outside Basingstoke and Deane borough who want intermediate housing in Basingstoke and Deane borough (in-migrants).

2.79 The analysis looks at moves to and from neighbouring authorities and also from further afield in Hampshire and the rest of the UK.

2.80 The data is taken from an extract of Intermediate housing application records for the whole of Hampshire in April 2013, specifically those applicants who are waiting for intermediate housing (whose application status at the time of the extract was “registered” and “live”). The analysis below is based on a subset of this data – applicants who want to live in Basingstoke and Deane but do not already (138 households) and those that already live in Basingstoke and Deane (435 households).

<b>Intermediate housing applications</b>	
<b>Households awaiting intermediate housing as at April 2013</b>	
Households that live in Basingstoke and Deane borough	435
of those that live in the borough those that want to stay in Basingstoke and Deane borough	394
of those that live in the borough those that want to move out of the borough	41

Households that do not live in the borough but want to move into the borough	138
--	-----

**Table 2.10: Intermediate housing applications Households awaiting intermediate housing as at April 2013**

2.81 Table 2.11 shows a total number of household moves of 573 – internal migration accounting for 394 moves and gross in and out migration for 179 household moves. Internal migration accounts for 68.8% of all moves and net migration for 31.2% indicating significant self- containment within this tenure.

total number of moves		percentage of total moves attributed to:
internal migration	394	68.80%
total in and out migration	179 (41+138)	31.20%
total out migration	41	
total in migration	138	
<b>total moves</b>	<b>573</b>	<b>100.00%</b>

**Table 2.11: Total number of moves**

2.82 There is also net in-migration to Basingstoke and Deane with 41 households intending to move out of the borough but 138 households moving in, within the timeframe of this group therefore net in-migration of 97 households. The pattern of migration between the borough and neighbouring districts and further afield can be seen in Table 2.12.

moves to and from the borough and neighbouring districts	out migrants - neighbours	in migrants - neighbours	net migration
East Hants	0	9	9
Hart	9	14	5
Reading	0	7	7
Rushmoor	1	5	4
Test Valley	13	7	-6
West Berkshire	0	13	13
Winchester	7	7	0
<b>totals</b>	<b>30</b>	<b>62</b>	<b>32</b>
moves to and from the borough and further afield	out migrants - others	in migrants - others	net
rest of Hampshire	8	17	9
Surrey	0	14	14
London	0	13	13
rest of Berkshire	0	8	8
anywhere	3	5	2
Oxford/Wiltshire/Dorset	0	9	9

other	0	10	10
<b>totals</b>	<b>11</b>	<b>76</b>	<b>65</b>

Table 2.12: Moves to and from the borough and neighbouring districts

- 2.83 This is consistent with the findings from the Rural Housing Study and this SHMA, that a significant number of household moves into the borough come not from the borough's neighbouring districts but from the wider Hampshire area, Surrey, Wiltshire, Dorset and Berkshire and even London.
- 2.84 Postcode mapping of this data (**Appendix E-second map**) shows in-migrants coming from Hook, Reading, Newbury, Blackwater Valley, Winchester and south Hampshire (interestingly along the lines of major transport routes which may be linked to commuting and employment opportunities in B&D) but the numbers involved as shown in Table 1 are relatively small.
- 2.85 The analysis for socially rented housing (not including intermediate rent which is classed as intermediate housing above) has examined postcode profiles of Basingstoke and Deane housing applicants as follows:
- 1) all current households on the Housing Register (case status: active);
  - 2) all past households on the Housing Register (case status: cancelled/withdrawn);
  - 3) all current households on the Housing Register (case status: pending/suspended/under review);
  - 4) all households on the Housing Register applying for one year period April 2012 – April 2013.
- 2.86 The postcode analysis so far shows that postcode RG forms the greatest percentage of applicant postcodes – this covers the areas of Basingstoke and Deane as well as Reading, Wokingham, West Berkshire and Bracknell Forest.
- 2.87 Of just over 6,300 active applicants in this postcode area, only 211 come from outside the borough – from adjacent towns such as Reading, Newbury, Thatcham or from the Bracknell or Wokingham area. The remaining 6,148 come from within the borough. Applicants from the RG postcode area also form 91% of the active records on the Housing Register. The following table (Table 2.13) shows the full analysis with household numbers broken down according to the postcode of the applicant but also with an indication of the main towns or settlements in which the applicants live.

household moves to Basingstoke and Deane from	B&D Housing Register (active)	B&D Housing Register (cancelled)	B&D Housing Register (suspended)	B&D Housing Register (all applied in last 12 months)	Local authority links
<b>postcode area RG</b>					
<b>total RG</b>	<b>6,359</b>	<b>1,804</b>	<b>822</b>	<b>1,419</b>	Reading, Wokingham, Bracknell Forest, West Berkshire
of which from Basingstoke and Deane	6,148	1,761	751	1,368	
of which applicants from other areas covered by postcode RG such as Newbury, Thatcham, Hook, Reading, Wokingham.	211	43	71	51	
<b>postcode area GU</b>					
<b>total GU</b>	<b>103</b>	<b>25</b>	<b>14</b>	<b>31</b>	Guildford, Rushmoor, Hart, Surrey Heath, Waverley, Woking, East Hampshire, Bracknell Forest
of which from Basingstoke and Deane	6	1	0	5	
of which applicants from other areas covered by postcode GU such as Aldershot, Camberley, Alton, Bordon, Fleet, Farnborough, Woking	97	24	14	26	
<b>postcode area SO</b>					
<b>total SO</b>	<b>76</b>	<b>10</b>	<b>11</b>	<b>22</b>	Southampton, Test Valley, Winchester, Eastleigh, New Forest
of which from Basingstoke and Deane	19	4	1	6	
of which from other areas covered by postcode SO such as Micheldever, Winchester, Southampton, Romsey, Eastleigh	57	6	10	16	
<b>postcode area SP</b>					
<b>total SP</b>	<b>87</b>	<b>13</b>	<b>12</b>	<b>20</b>	Wiltshire, New Forest, Test Valley
of which from Basingstoke and Deane	28	4	4	6	
of which applicants from other areas covered by postcode SP such as Salisbury, Andover	59	9	8	14	
<b>postcode area PO</b>					

postcode area PO (applicants from Gosport, Fareham, Portsmouth, Chichester, West Sussex, IoW, Havant)	32	14	5	8	Portsmouth, Havant, Gosport, Fareham, Isle of Wight,
<b>postcode area SL</b>					
postcode area SL (applicants from Berkshire & Slough)	10	6	1	4	Slough, Windsor & Maidenhead, South Bucks, Wycombe
<b>other areas</b>					
postcode area BH / BN - applicants from Bournemouth, Poole, Christchurch, New Forest & Sussex	12	7	4	7	Bournemouth, Poole, New Forest, Dorset, Sussex
applicants from London postcodes	43	11	2	13	London boroughs
applicants from the wider South East & UK	244	54	43	74	wider SE / UK
<b>Total number of applicants</b>					
	<b>6,966</b>	<b>1,944</b>	<b>914</b>	<b>1,598</b>	<b>all areas</b>
<b>total households from B&amp;D (number)</b>	6,201	1,770	756	1,385	Basingstoke and Deane
<b>total households from B&amp;D (%)</b>	89.0%	91.0%	82.7%	86.7%	

Table 2.13: Social housing –household moves(Source: BDBC Housing Register extract April 2013)

2.88 The map (First map – Appendix E) shows all those households that have applied for social housing in the borough in the last 12 months. This shows a clustering of households from Newbury, Thatcham, Hook and Reading, all of which have RG postcodes, and some households from Andover (SP postcode). There are a relatively small number of applicants from the Blackwater Valley and southern Hampshire, principally along the major road transport links such as the M3, M27, A303 and A31.

- 2.89 It could theoretically be possible to combine the two datasets and show an overall demand for housing in Basingstoke and Deane for both intermediate and social housing. However, while duplicate records have been eliminated from the Intermediate housing applications database, an applicant for social housing may apply in any and more than one local authority area where there is an open housing register in operation. The analysis therefore cannot be used to suggest that all of those registered for social housing must have their need met in the borough and nowhere else.
- 2.90 Similarly, out-migration from the borough can only be partially analysed. A Basingstoke and Deane resident applying for housing outside the borough will register in the local area where they want to move to and so will not show in any of the council's records as a likely out-migrant.
- 2.91 Bearing in mind these limitations, it may however be possible to state that:
- Overall, 765 households that live outside the borough have expressed an interest in obtaining social housing within the borough – principally from neighbouring towns but also from London and further afield. In the last year there have been 213 applications from households outside the borough;
  - Overall, 138 households that live outside the borough have expressed an interest in obtaining intermediate housing within the borough – 62 households from neighbouring districts and 76 households from further afield. Around 100 of these have applied in the last 12 months. Thirteen of these households have declared that they are on the Housing Register of the local authority in which they live so could be deducted from the social housing data to avoid the possibility of double counting within the borough council's housing application data.
- 2.92 Taken together this analysis could indicate that in the year 2012/13 around 300 households living outside the borough expressed an interest in obtaining subsidised housing within the borough. However, it could be argued that they are capable of meeting their housing needs in the open market and as only a single year's worth of data, this analysis is an indication of demand at a point in time to be cross referenced with other elements of the evidence base.
- 2.93 However, the migration evidence from Intermediate and Housing Register records, while only covering part of the housing market, confirms the pattern of migration seen elsewhere in the evidence base, that:
- There is net in-migration to the borough;
  - The number of moves to and from Newbury, Thatcham, Reading, Hook and Andover is relatively small: nevertheless, it is appropriate to show the Basingstoke and Deane housing market as having direct, consistent and regular housing market interaction with these neighbouring towns albeit with only a limited number of household moves;

- This net in-migration comes not only from neighbouring districts but at least as much again if not more from elsewhere in the South East, the Blackwater Valley and London;
- Household moves from neighbouring districts and counties are mainly enabled through the main road transport networks and housing links are strongest along the M3, A303 and A33 and A31 and to some extent along the M27 to the south.

## Chapter 2 Summary

The 2004 study undertaken by DTZ to map housing markets across the South East, identified Basingstoke as lying in a 'Distinctive Local Area'.

Research on housing markets undertaken by the NHPAU in 2010 does not provide an unequivocal answer regarding which authorities should work together in terms of a joint SHMA. Furthermore, those market areas identified by the NHPAU study include such a large number of authorities that it would present substantial practical difficulties. In addition, through the conclusions of their own evidence and also through duty to cooperate meetings, other authorities have confirmed that they do not consider that Basingstoke and Deane shares a Housing Market Area with them.

Relationships between the borough and neighbouring authorities have been considered in detail and using up to date data. In terms of migration Basingstoke and Deane's most significant relationships are with West Berkshire, Hart, Reading and Wokingham.

There are significant travel to work flows with neighbouring authorities, with the most significant being with West Berkshire, Reading, Hart and the London Boroughs. However, over 90% of the borough's commuting links come from self-containment.

Basingstoke and Deane's strongest internal migration links are predominantly:

- The south eastern and eastern area of the borough with Fleet and Farnborough;
- The north east of the borough and Tadley area with Reading, Wokingham and Newbury;
- The north west of the borough and Kingsclere with Newbury;
- The south west of the borough with Andover, Winchester and Newbury;
- The south of the borough, Overton, Oakley and the area north of Basingstoke town, with Reading.

To summarise, it is considered that the current available evidence which has been reviewed in this chapter suggests that the HMA extends to the borough boundary. It is acknowledged however, that there is some overlap across administrative boundaries in relation to internal migration, and this must be fully taken into account in determining housing requirements for Basingstoke and Deane borough.

## 3.0 The Socio-economic Context

- 3.1 This chapter considers key features of the local population and the local economy and how this may be changing. Recent years have seen various, often rapid, changes, as population movements, demographic change and economic volatility work their way into local housing market transactions. Such change can have longer term implications and there may be a need for strategy and policy to adapt.
- 3.2 It helps to provide an understanding of the drivers that are underpinning the housing market. In particular longer term trends have been considered to form the basis for what could occur in the future housing market.

### Local Population Characteristics

- 3.3 This section of the report considers the main characteristics of the local population and how these are changing.
- 3.4 Table 3.1 below summarises the total population for the borough based on results from the 2001 and 2011 UK Census of Population. Basingstoke and Deane's population has increased more compared to surrounding authorities.

Local Authority	Persons			% population change
	Population 2001	Population 2011	Population change	
Basingstoke & Deane	152,573	167,999	15,426	<b>10</b>
East Hampshire	109,274	115,608	6,334	<b>6</b>
Hart	83,505	91,033	7,528	<b>9</b>
Rushmoor	90,987	93,807	2,820	<b>3</b>
Test Valley	109,801	116,398	6,597	<b>6</b>
Winchester	107,222	116,595	9,373	<b>9</b>
West Berks	144,483	153,822	9,339	<b>6</b>
Wokingham	150,229	154,380	4,151	<b>3</b>
Reading	143,096	155,698	12,602	<b>9</b>

Table 3.1: Persons by Local Authority (Source: UK Census of Population 2001 and 2011)

3.5 Basingstoke and Deane’s population increased by 15,426 over the 10 year period 2001-11 to a total of 167,999 people, representing an increase of 10%. The total number of households in Basingstoke and Deane increased by 7,593 over the 10-year period, representing a 12% increase (Table 3.2).

3.6 Household size has remained constant over the period 2001-11 at 2.4 and this is similar to neighbouring authorities.

Local Authority	Households			% change	Average household size 2011
	2001	2011	change		
Basingstoke & Deane	61,722	69,315	7,593	<b>12</b>	2.4
East Hampshire	43,625	47,258	3,633	<b>8</b>	2.4
Hart	32,470	35,510	3,040	<b>9</b>	2.5
Rushmoor	35,263	36,344	1,081	<b>3</b>	2.5
Test Valley	44,134	47,626	3,492	<b>8</b>	2.4
Winchester	43,132	46,865	3,733	<b>9</b>	2.4
West Berks	57,360	62,340	4,980	<b>9</b>	2.4
Wokingham	57,272	60,332	3,060	<b>5</b>	2.5
Reading	57,877	62,869	4,992	<b>9</b>	2.4

Table 3.2: Households by Local Authority (Source: UK Census of Population 2001 and 2011)

### Age profile

3.7 Figure 3.1 shows a comparison of the age structure for the population in Basingstoke and Deane against England while Figure 3.2 compares the change for Basingstoke and Deane between 2001 and 2011 Census.

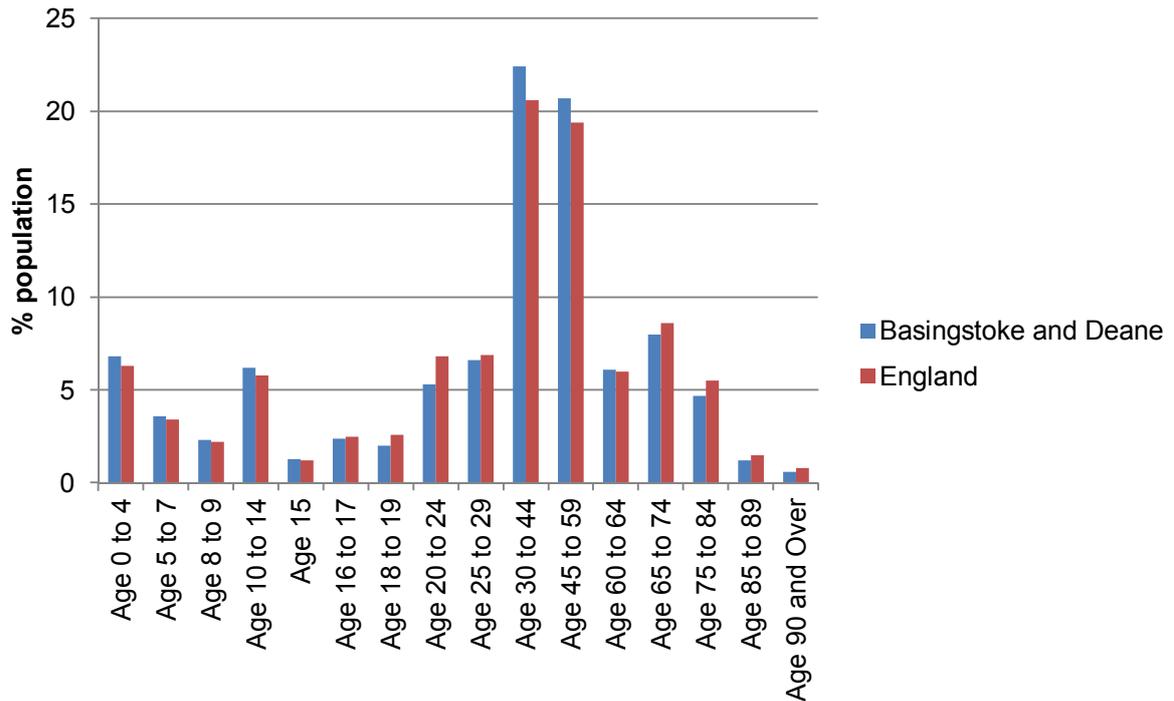


Figure 3.1: Age Profiles for Basingstoke and Deane compared with England (Source: UK Census of Population 2011)

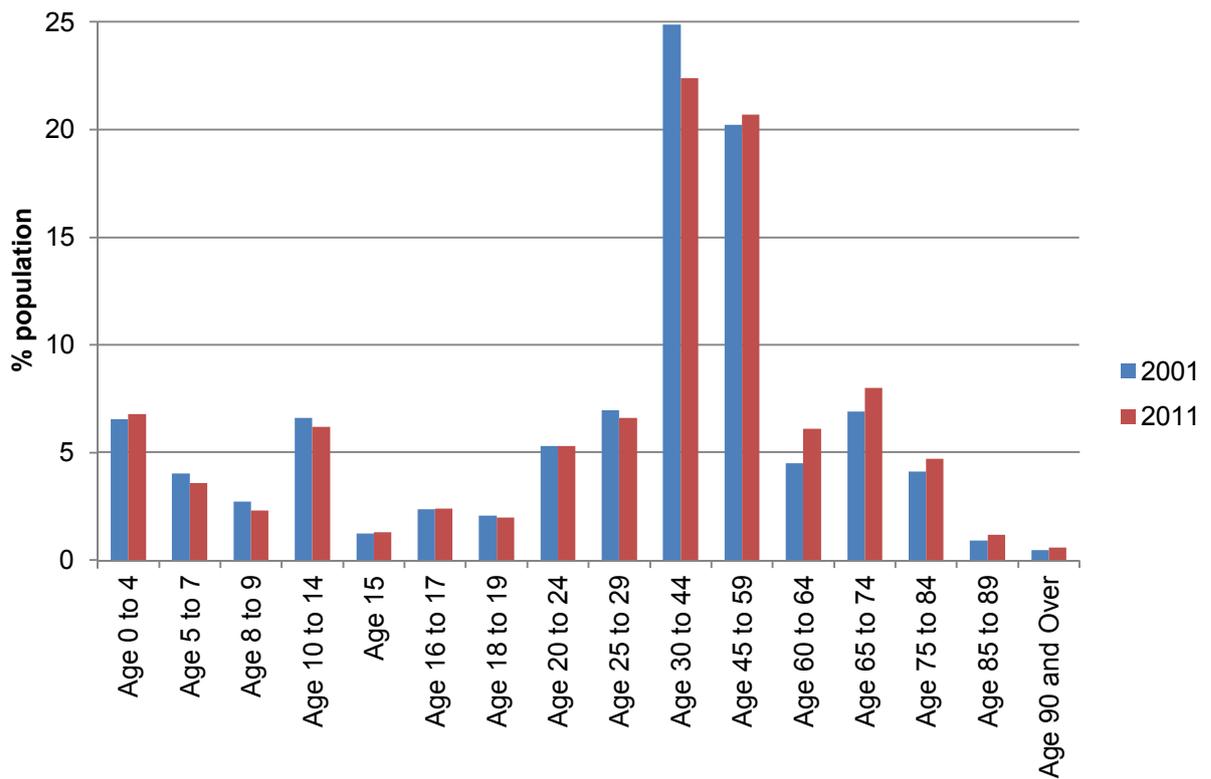


Figure 3.2: Age Profiles for Basingstoke and Deane 2001 and 2011 comparison (Source: UK Census of Population 2001 and 2011)

<b>Children</b>	The borough has a higher number of children relative to England in all cohorts below 14 years Pre-school and pre-teen children have reduced in Basingstoke and Deane between 2001-11
<b>Young Adults</b>	The borough has a lower number relative to England both for 16-17 year olds, 18-19 year olds and 20-24 year olds There has been limited change in the 16-17 and 20-24 year cohort and a slight decline in the 18-19 year cohort between 2001 and 2011
<b>Adults</b>	Basingstoke and Deane has lower numbers of adults aged 20-29 but higher numbers of adults aged 30-44 and 45-59, relative to England. Between 2001 and 2011 the same cohorts, relative size has fallen in Basingstoke and Deane. Basingstoke and Deane has slightly higher numbers of adults aged 60-64 relative to England
<b>Older People</b>	From the 65-74 cohort, Basingstoke and Deane has lower numbers of Older People relative to England in every cohort Basingstoke and Deane has seen an increase in younger old people (those aged 60-74) between 2001 and 2011. Those aged over 80 have increased in the same period

### **Minority Ethnic Groups**

- 3.8 The number of people from a minority ethnic group has increased between 2001 and 2011 to c.12%, although this is still lower when compared with the average for England. The Asian population has increased from 1% to 4% and White Other from 3.5% to 4.7%.

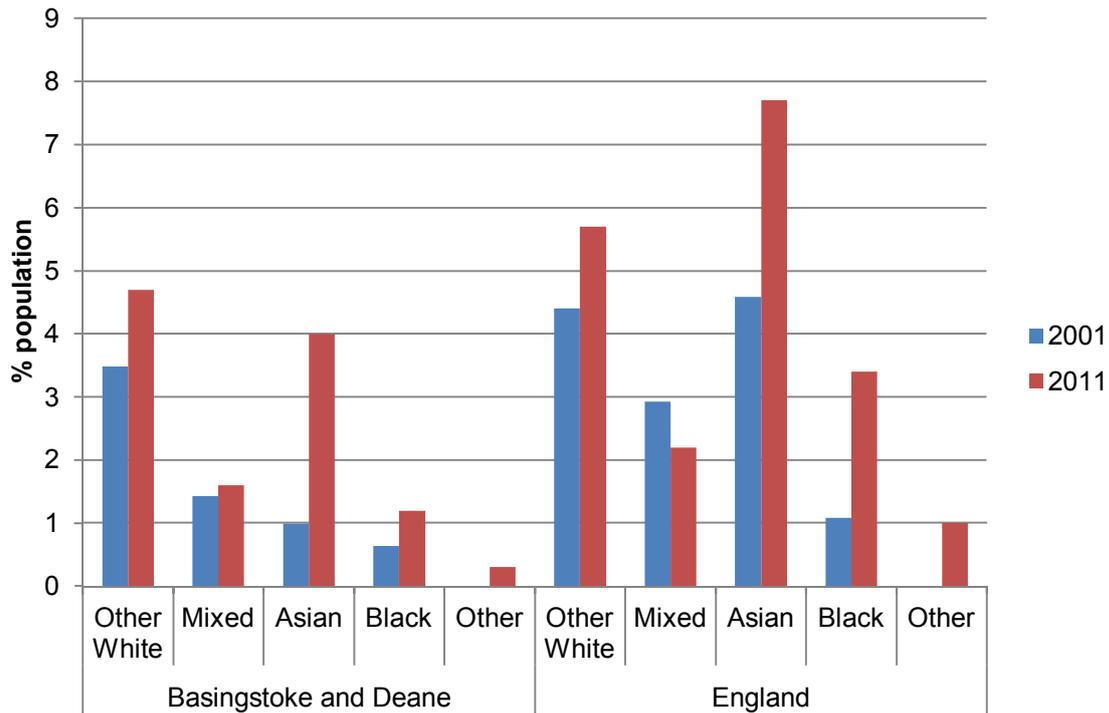


Figure 3.4: Proportion of Population by Minority Ethnic Group (Source: UK Census of Population 2001 and 2011)

### International migrant Workers

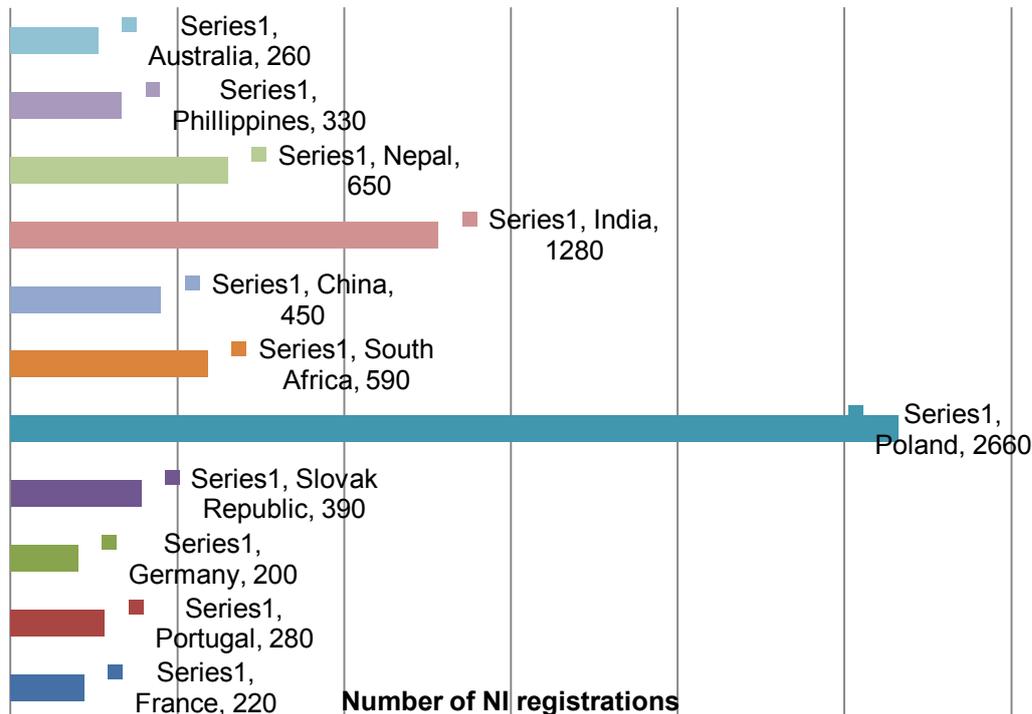
- 3.9 This section considers where migrant workers originate from and should be considered alongside details regarding wider migration given in Chapter 6.
- 3.10 At the time of the 2001 Census the population of Basingstoke and Deane was predominately born in the UK. However, since then, data shows increases in migrant workers moving to the area and this appears to be reflected in the overall growth in the population.
- 3.11 New National Insurance registration numbers issued to workers provides data showing the location of migrant workers. Table 3.3 shows the number of new National Insurance numbers to non-UK nationals issued between 2002 and 2011 for Basingstoke and Deane. These highlight a growth in the number of migrants to the borough after 2004 when migration rules from Eastern Europe were relaxed.

Year	Number of registrations
02/03	590
03/04	680
04/05	700
05/06	1240
06/07	1590

07/08	1590
08/09	1300
09/10	780
10/11	1240
11/12	1030

**Table 3.3: New National Insurance Registrations of Non UK Nationals in by Local Authority (Source: DWP. Notes: All figures rounded. Figures may not sum due to rounding)**

3.12 Figure 3.5 shows that in Basingstoke and Deane borough, between 2002 and 2011, the vast majority of all new National Insurance registrations were issued to Europeans (particularaly Poland). Other non-UK migrants came from China and India.



**Figure 3.5: New National Insurance Registrations of Non UK Nationals in Basingstoke and Deane 2002-2011 by Country of Origin (Source: DWP)**

*Note: figures relate only to employees who have received new National Insurance numbers and do not include any of their dependents. New NI numbers are issued to individuals, not jobs, so they will be issued to address of residence, not workplace. Figures exclude those leaving the UK.*

## The Local Economy

### Local Employment

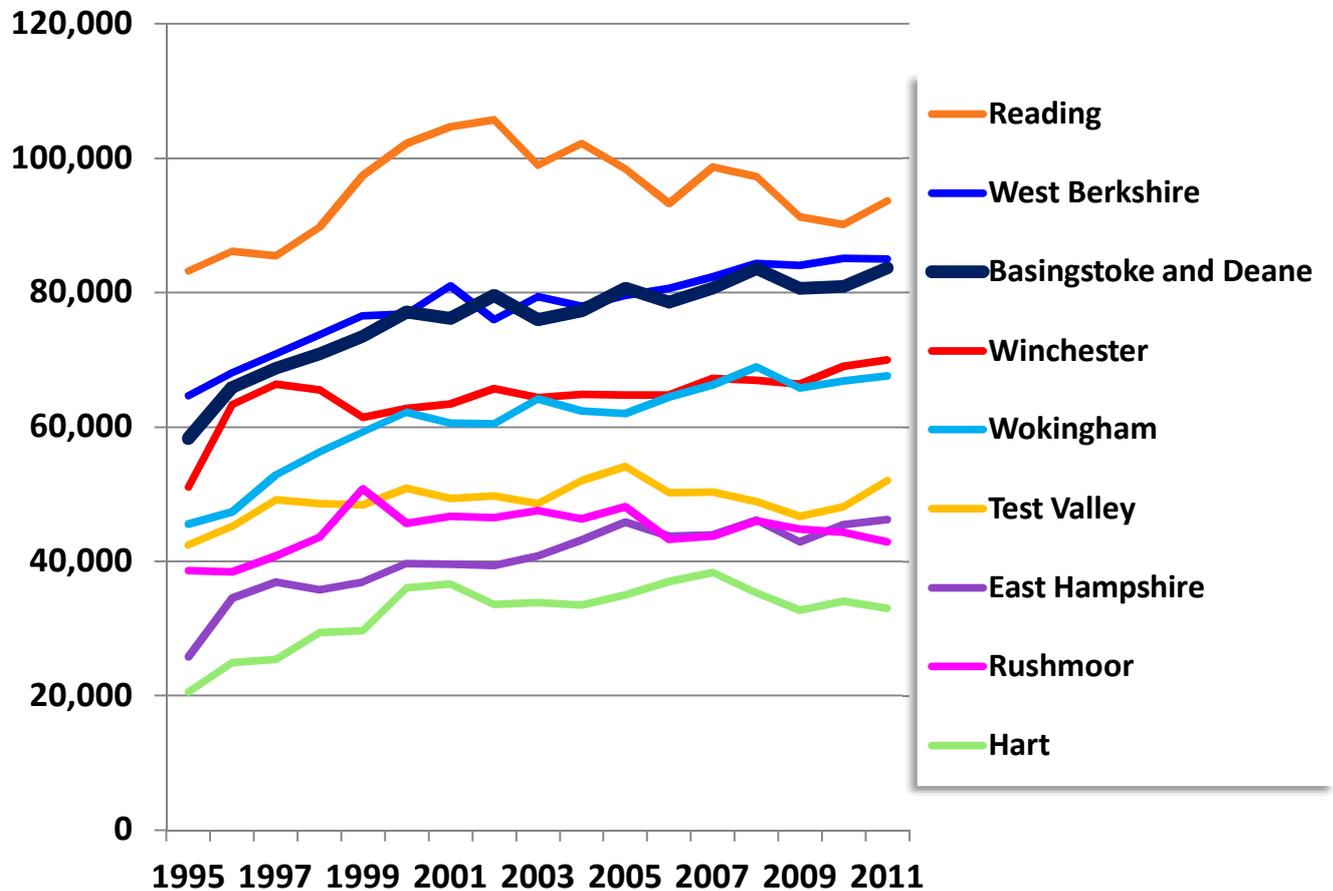


Figure 3.6: The number of employee jobs in Basingstoke and Deane and neighbouring districts 1995 – 2011 (Source: ABI (to 2008) / BRES (from 2009))

3.13 Figure 3.6 shows the number of employee jobs in the borough compared to neighbouring districts over a time series since 1995. Basingstoke and Deane recorded 83,700 employee jobs in 2011, representing a 43% increase from its 1995 level. However, in more recent years and during a time of economic stagnation (2008-2011) the borough has only seen an increase in 100 employee jobs over the three year period.

3.14 Table 3.4 shows the change in those economically active over the last 10 years. The economically active population has increased overall (+17,490; +20.6%); although this has been driven by a rise in part time and self-employed working.

3.15 There has been a slight increase in the economically inactive population in Basingstoke and Deane (+1,599; +6%). The key group witnessing a change are those who are retired: the number of retired people has increased by +3,009 (24%). There has been a reduction in those looking after home or family (-1,789).

		Year		
		2001	2011	Change
<b>Economically active</b>	Part-Time	13555	16506	2951
	Full-Time	57017	59049	2032
	Self-Employed	9532	19481	9949
	Unemployed	2199	3999	1800
	Full-Time Student	2696	3454	758
	<b>Total Economically Active</b>	<b>84999</b>	<b>94800</b>	<b>17490</b>
<b>Economically inactive</b>	Retired	12452	15461	3009
	Student (including Full-Time Students)	2457	3345	888
	Looking After Home or Family	6709	4920	-1789
	Long-Term Sick or Disabled	3080	2998	-82
	Other	2146	1719	-427
	<b>Total Economically Inactive</b>	<b>26844</b>	<b>28443</b>	<b>1599</b>

Table 3.4: Economic Activity/Inactivity in Basingstoke and Deane (Source: UK Census of Population 2001 and 2011)

3.16 The most up to date data identifies that 83.4% (Table 3.5) of the borough's population is economically active, with 78.8 % (Table 3.6) of the population being in employment. This is the third highest rate compared to neighbouring authorities with East Hampshire and Wokingham experiencing higher rates. It can also be seen from Table 3.5 that the economic activity rate in Basingstoke and Deane has fluctuated over time with the highest rate being seen in 2006/2007.

Local Authority	Apr 2004-Mar 2005	Apr 2006-Mar 2007	Apr 2007-Mar 2008	Apr 2008-Mar 2009	Apr 2009-Mar 2010	Apr 2010-Mar 2011	Apr 2011-Mar 2012	Apr 2012-Mar 2013
Basingstoke and Deane	82.0	87.3	82.8	83.6	80.6	80.6	84.3	83.4
East Hampshire	83.5	80.6	76.5	79.0	76.9	78.7	79.7	86.4
Hart	83.8	88.5	83.5	87.1	87.2	78.1	81.5	82.9
Reading	80.4	81.0	80.0	80.5	80.6	77.6	78.6	75.6
Rushmoor	83.6	85.7	85.7	83.0	85.6	81.8	86.5	78.6
Test Valley	82.4	84.1	89.3	83.7	80.8	83.1	79.4	76.0
West Berkshire	83.3	82.5	85.1	85.3	83.2	82.9	81.9	82.3
Winchester	83.3	82.5	82.6	83.8	77.4	83.5	80.0	80.4
Wokingham	82.2	82.1	82.8	80.8	80.8	82.4	79.6	83.7
<b>Total</b>	<b>82.6</b>	<b>83.6</b>	<b>83.0</b>	<b>82.8</b>	<b>81.3</b>	<b>81.0</b>	<b>81.2</b>	<b>81.0</b>

Table 3.5: Economic activity rate 16-64 (Source: Nomis)

Local Authority	Apr 2004-Mar 2005	Apr 2006-Mar 2007	Apr 2007-Mar 2008	Apr 2008-Mar 2009	Apr 2009-Mar 2010	Apr 2010-Mar 2011	Apr 2011-Mar 2012	Apr 2012-Mar 2013
Basingstoke and Deane	80.5	84.5	79.5	78.3	76.4	75.6	79.7	78.8
East Hampshire	81.2	77.5	74.7	77.2	76.5	75.7	74.5	81.1
Hart	82.2	86.4	80.4	84.2	83.0	73.5	77.7	79.0
Reading	76.5	77.4	76.8	75.5	74.8	72.9	74.7	71.9
Rushmoor	79.9	82.8	82.0	77.2	83.2	75.5	80.5	72.1
Test Valley	80.7	81.6	86.5	82.8	76.4	81.3	76.1	73.6
West Berkshire	80.4	79.5	82.6	82.0	79.8	79.5	78.2	78.0
Winchester	80.9	80.6	80.3	80.9	73.0	77.7	75.0	75.7
Wokingham	80.4	78.7	81.2	77.1	75.9	79.1	75.9	80.8
<b>Total</b>	<b>80.1</b>	<b>80.7</b>	<b>80.3</b>	<b>79.2</b>	<b>77.3</b>	<b>76.8</b>	<b>76.9</b>	<b>76.8</b>

Table 3.6: Employment rate 16-64 (Source: Nomis)

3.17 Figure 3.7 shows a long-term rise in the unemployment rate in Basingstoke and Deane and across the whole of England. However data from recent years (2009 onwards) reflects the wider national economy: employment has improved slightly, although this is now levelling off.

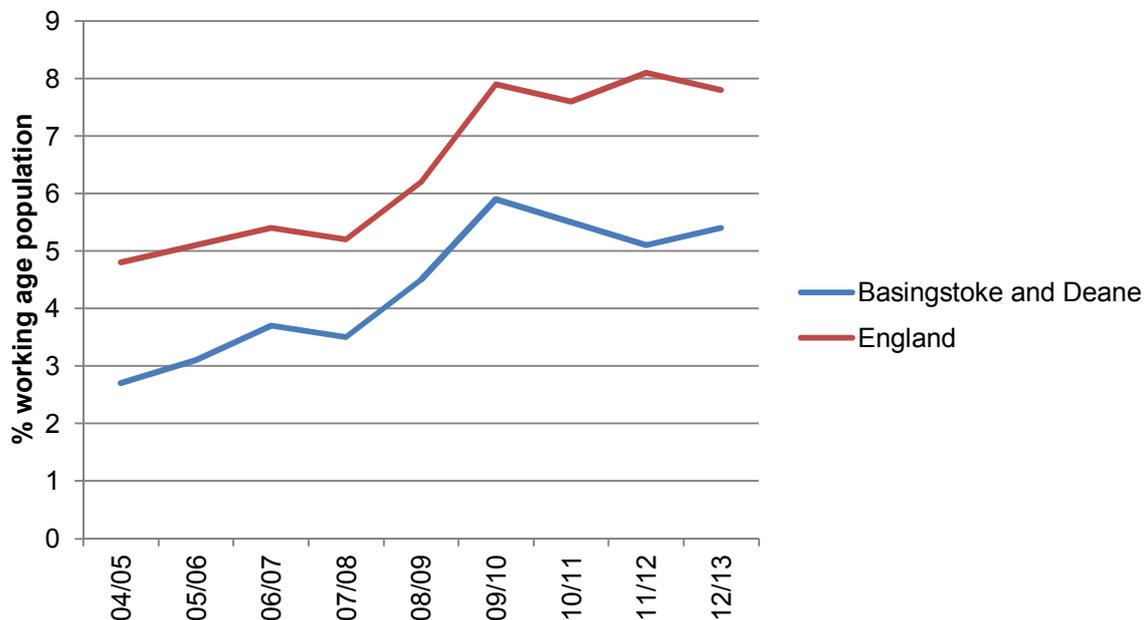


Figure 3.7: Unemployment Rate for Working Age Population for Basingstoke and Deane: 2004-2013 (Source: DWP)

3.18 Incapacity benefit (IB) is more generous than unemployment benefit and until recently, placed less onus on the individual to seek a job. However, Figure 3.8 shows that Basingstoke and Deane has lower numbers on IB than England.

3.19 Since 2006 the number of IB claimants has been rising at a steady rate, although claimant levels are still lower than England.

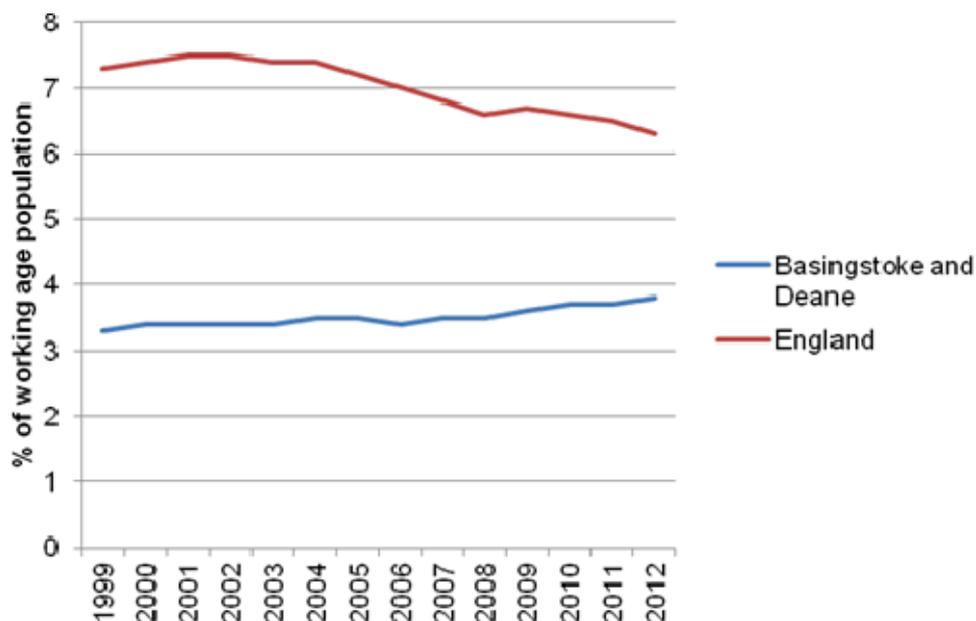
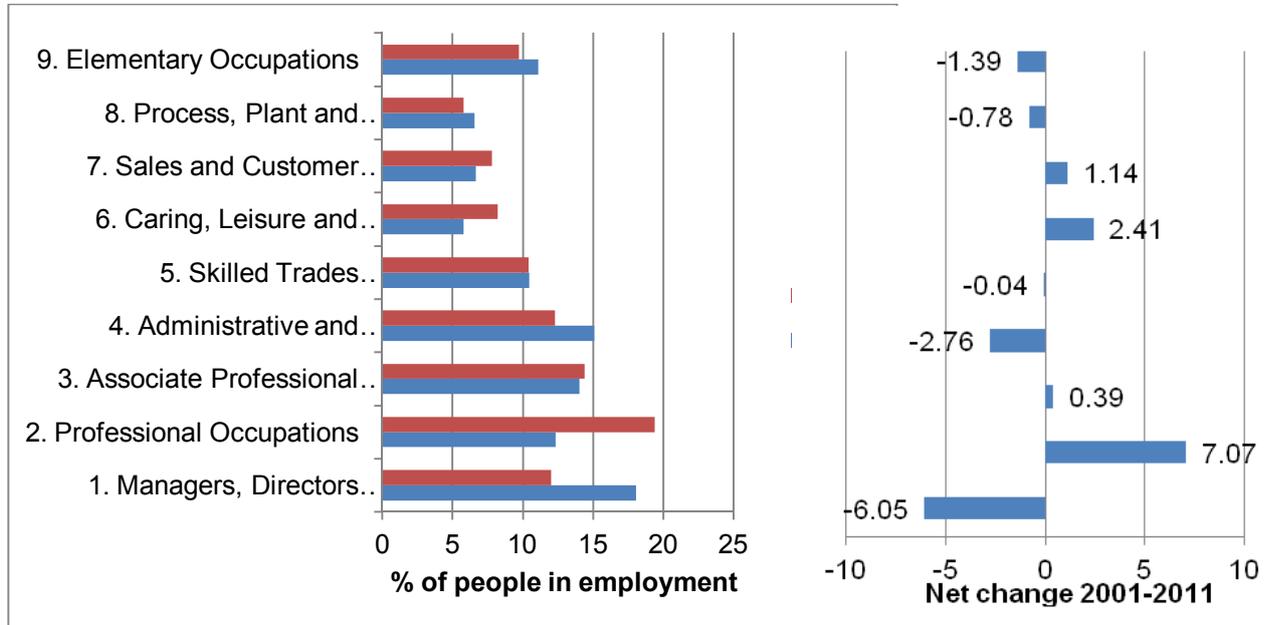


Figure 3.8: Incapacity Benefit Claims by Working Age persons in Basingstoke and Deane 1999-2012 (Source: DWP. Note: Data relates to August of each year)

## Occupation

3.20 The Basingstoke and Deane's occupation profile shows how the area has seen growth in Professional occupations (up 7.07%). There has been a decrease in those in Managerial positions (down 6.05%). This may reflect the increasing numbers in self-employment (shown previously in Table 3.4) and wider national trends in how people work.



3.21 Figure 3.10 shows the proportion of employees resident in the borough by industry compared to the wider South East and England. Overall, Basingstoke and Deane has a relatively diverse local economy:

- Wholesale and retail is the largest employment sector, followed by Manufacturing and Health and Social Work

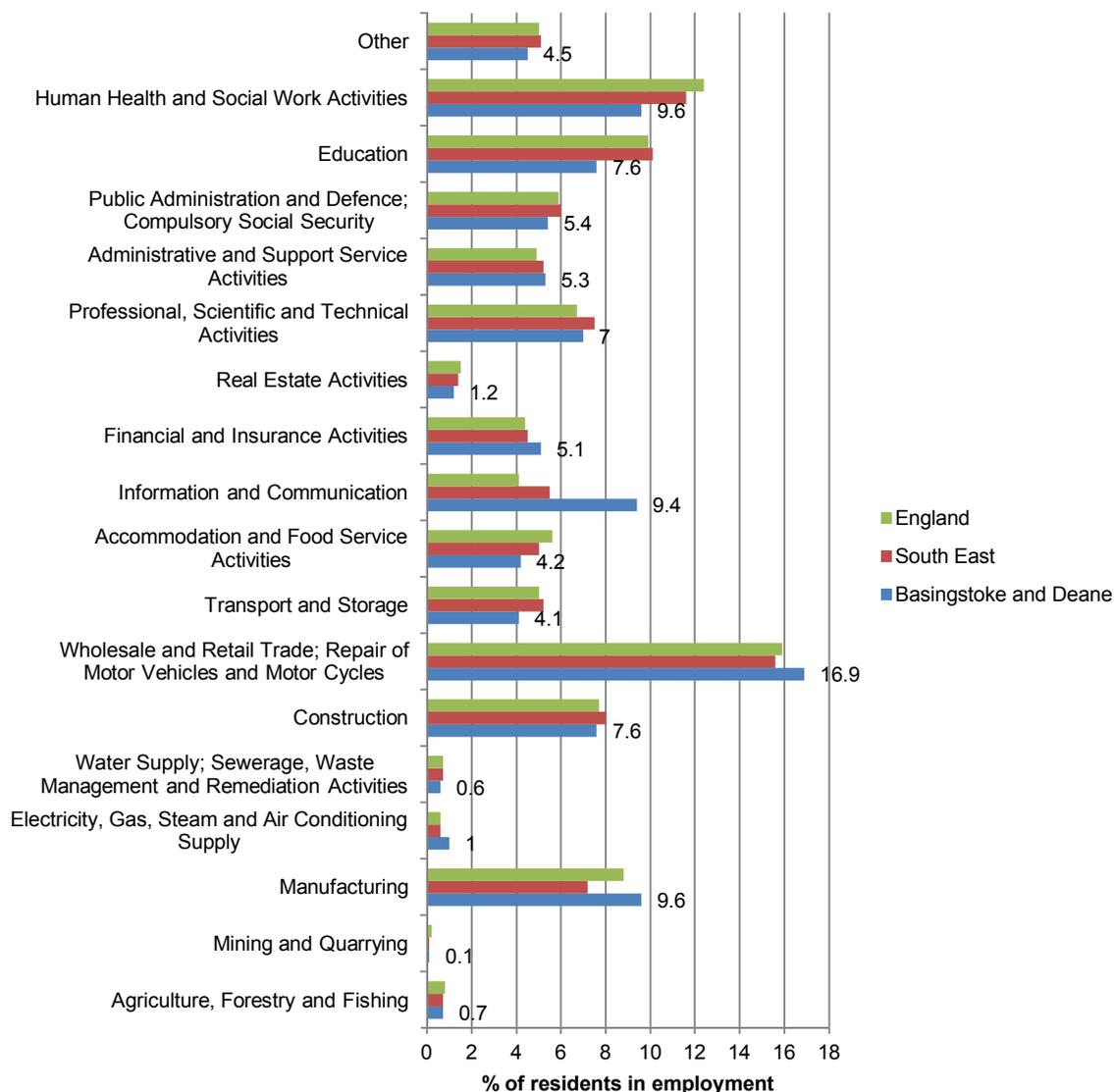


Figure 3.10: Proportion of Employees by Industry 2011 Basingstoke and Deane (Source: UK Census of Population 2011)

## Earnings

- 3.22 When considering local earnings, it is possible to consider the income of those people that live in the area (as used above as a basis for occupation) or alternatively to consider the income for local jobs, which will include at least some employees that commute into the area to work. Given that the workplace population (i.e. local employees) is not made up of just residents, the results will inevitably differ.
- 3.23 The Annual Survey of Hours and Earnings (ASHE) record both measures for all local authorities and can show how relative incomes have changed over time. Table 3.7 shows the comparisons for median gross annual earnings for 2012.

Employment Status		Basingstoke and Deane	South East	England
<b>Residents (living in the area)</b>				
	All employees	£25,931	£24,000	£21,794
	Full-time	£30,506	£29,491	£26,804
<b>Employees (working in the area)</b>				
	All employees	£24,627	£22,928	£21,790
	Full-time	£28,853	£28,181	£26,800

**Table 3.7: Median Gross Annual Earnings for Employees and Residents Basingstoke and Deane, by All Employees and Full-time Employees (Source: ASHE 2012)**

- 3.24 The results show that residents earn more than employees in the borough. Residents earn more than the South East and England average.
- 3.25 Employees (working but not living in the area) also earn more than the England average.
- 3.26 Earnings data from the Annual Survey of Hours and Earnings (ASHE – residence based) is usually taken as a proxy measure. This shows the average (median) full time weekly salary for individuals living in Basingstoke and Deane is around £570 to £580<sup>9</sup> a week (about £30,000 per annum). Compared to the surrounding authorities, the borough is placed mid-way, with average earnings levels similar to those in West Berkshire. Average earnings in Hart and Winchester are considerably higher. Since 2005, average earnings in the borough have kept pace with Hampshire and South East averages and have increased by 22% over that period. Lower quartile earnings stand at £417<sup>10</sup> a week – around £21,725 a year.
- 3.27 ASHE relates to individual earnings levels rather than full household incomes; and is liable to show year on year fluctuations based as it is on a sample survey. However, as it relates specifically to earnings it can be used to indicate whether a mortgage would be accessible to an individual according to the mortgage loan-to-income multiplier.
- 3.28 At local authority level, average annual household incomes are available from CACI11 Paycheck data (Table 3.8). This shows that incomes for the general population are similar when comparing the borough to neighbouring districts. In terms of distribution of household incomes, Basingstoke and Deane, East Hampshire, West Berkshire, Test Valley and Winchester have remarkably similar profiles showing a very even spread of incomes from £5, 000 to £10,000 up to £100,000 per annum.

<sup>9</sup> Basingstoke and Deane ASHE 2011: median residence based full time weekly earnings: £576.30 (2012 = £573.0).

<sup>10</sup> Basingstoke and Deane ASHE 2011: £417.80 (2012=£405.10).

<sup>11</sup> CACI data is given for 2011 which is the base year for this research. CACI 2012 has recently been published and shows little change from the 2011 CACI profile. For 2012 Basingstoke and Deane, average/median household income is £36,800. Lower quartile household income is £19,290.

	Mean	Median (broad income band)
Basingstoke and Deane	£45,517	£35,000 - £40,000
East Hampshire	£43,572	£35,000 - £40,000
West Berkshire	£46,164	£35,000 - £40,000
Test Valley	£42,446	£35,000 - £40,000
Winchester	£43,258	£35,000 - £40,000
Great Britain	£36,009	£25,000 - £30,000

**Table 3.8: Annual household incomes, Basingstoke and Deane and immediate neighbouring authorities (Source: CACI "Paycheck" 2011)**

3.29 A comparison between the household income profiles from ASHE (earnings data), of the general Basingstoke and Deane population (from CACI) and the households on Basingstoke and Deane Borough Council's Housing Register, shows very marked differences<sup>12</sup>. Household incomes of the overall population are far more evenly distributed than for households on the Housing Register, with no more than around 10% of the overall population in each income band. The analysis also includes income data from the applicant records for market housing (that is, owner occupation) through, until recently, HomeBuy Direct and developer equity loan schemes, and in the last six months, First Buy, all Government initiatives aimed at households on low incomes who can afford to pay a mortgage with some public subsidy.

3.30 The key differences between these data sources are:

- **ASHE**<sup>13</sup>: Lower quartile earnings £417 per week/£21,725 a year; median earnings £576 per week/£30,000 a year (all wage earners);
- **CACI**<sup>14</sup>: Lower quartile household income £22,500 a year/median income £35,000 to £40,000 (all households);
- **Housing Register**: incomes clustered towards the lower end of the income range: the median income for single person households is around £10k to £12k a year; for family households, around £15k per year; more couple households have higher incomes – the median is around £25k a year;
- **Home Buy Direct/equity loan/First Buy applicants**: incomes *start* at £20,000 and range from £20,000 to £55,000; the lower quartile is £30,000 and the median £36,000;
- **Shared ownership applicants**: incomes start at £16,000 and range from £16,000 to £60,000; the lower quartile is £20,800 and the median £25,400.

<sup>12</sup> Population data from CACI Paycheck 2011: Housing Register extract June 2011: general needs applicants

<sup>13</sup> ASHE 2012: LQ £405.10 / median £573.0

<sup>14</sup> CACI 2012: LQ £19,290 / median £36,800

Annual incomes: Basingstoke and Deane 2011		Lower quartile	median
		per year	per year
Individual earnings	<b>ASHE 2011</b>	£21,725	£30,000 (£29,967)
all households / all income	<b>CACI 2011</b>	£22,500	£37,500
all incomes	<b>Homes In Hants 2011 HomeBuy Direct/developer equity loan scheme/First Buy applicants</b>	£30,000	£37,000
all incomes	<b>Homes In Hants 2011 Shared ownership applicants</b>	£23,000	£31,000
all incomes	<b>Homes In Hants 2011 Intermediate rent applicants</b>	£23,000	£29,000
all incomes	<b>Housing Register 2011: single people</b>	£11,000	£15,000
	<b>Housing Register 2011: families</b>	£10,000	£15,000
	<b>Housing Register 2011: couples</b>	£15,000	£25,000

Table 3.9: Annual incomes, Basingstoke and Deane

3.31 A more specific breakdown by intermediate scheme type can be found in the table below (Table 3.10).

incomes and savings by intermediate scheme 2006 - 2011	average (median) incomes	
	completed records	awaiting processing
first buy	£43,400	£36,950
homebuy direct	£36,500	£32,200
shared ownership	£25,300	£31,000
intermediate rent	£27,300	£29,000
developer equity loan	no data	£33,320
all schemes		£30,360

Table 3.10: Breakdown of annual incomes, Basingstoke and Deane

3.32 The graph below (Figure 3.11) shows how intensely the incomes of single people on the Housing Register are clustered towards the lower end of the income scale compared to the income distribution of the general population.

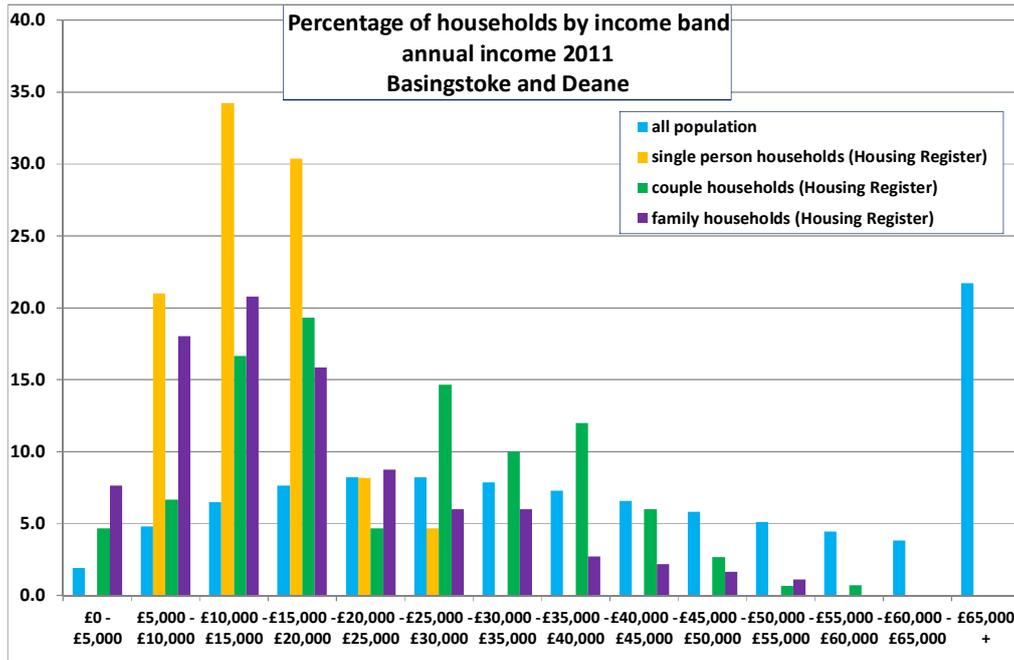


Figure 3.11: Percentage of households by income band, annual income 2011

3.33 The next graph (Figure 3.12) shows how the income profile for the Housing Register differs from that of applicants for Government owner/occupier initiatives and shared ownership. This clearly indicates that the income profile of clients, and therefore the client base, differs markedly when comparing applicants for social housing and those applying for shared ownership or Government subsidised home ownership. Furthermore it indicates that the Housing Register is not generally treated by its applicants as the direct route straight into home ownership.

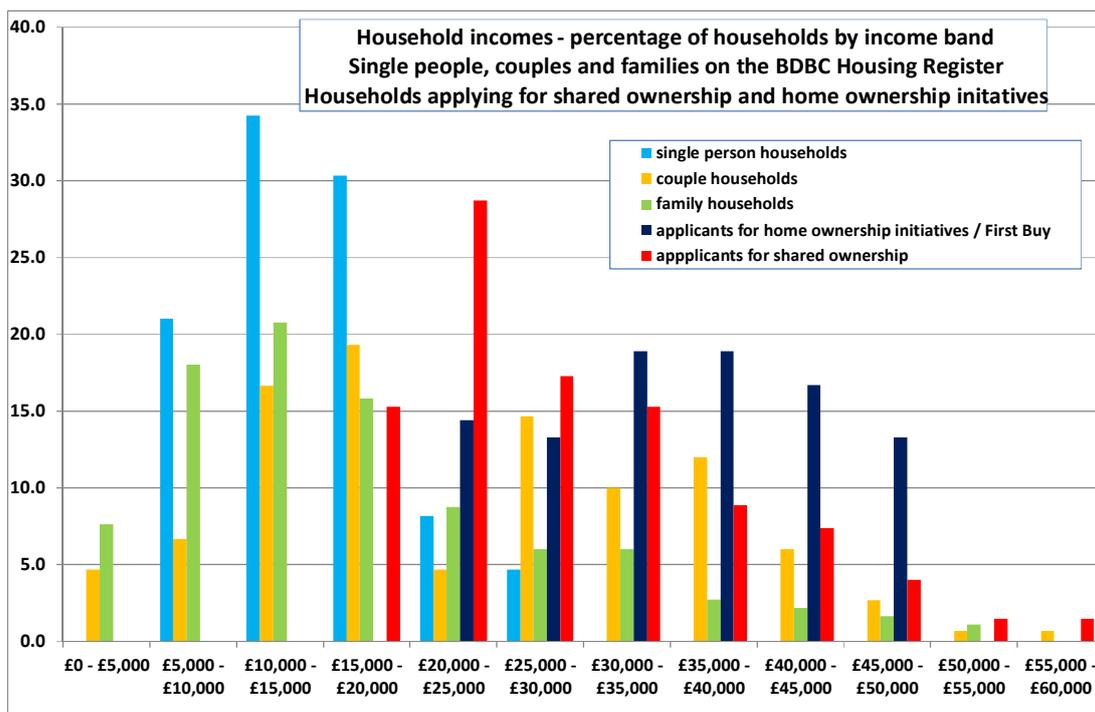


Figure 3.12: Household incomes – percentage of households by income band (Source: BDBC Housing register)

## Social Welfare

3.34 The Housing and Council Tax Benefit<sup>15</sup> case load has increased by 28% since 2006/7 from 8,640 to just over 11,060 at March 2012. The largest growth is seen between the years of 2007/8 and 2010/11. Within that overall increase there has been an increase in absolute terms of 1,339 RSL claimants (21.8% increase) and 866 tenants in privately rented property, the increase in percentage terms of private renters of 91.7% (99% if taken from 2007/8 to the current year March 2012). Consequently, the proportion of private renters as a percentage of the total caseload has increased from 10% to 17%. This shift, and increase, can be seen in the graph below (Figure 3.13).

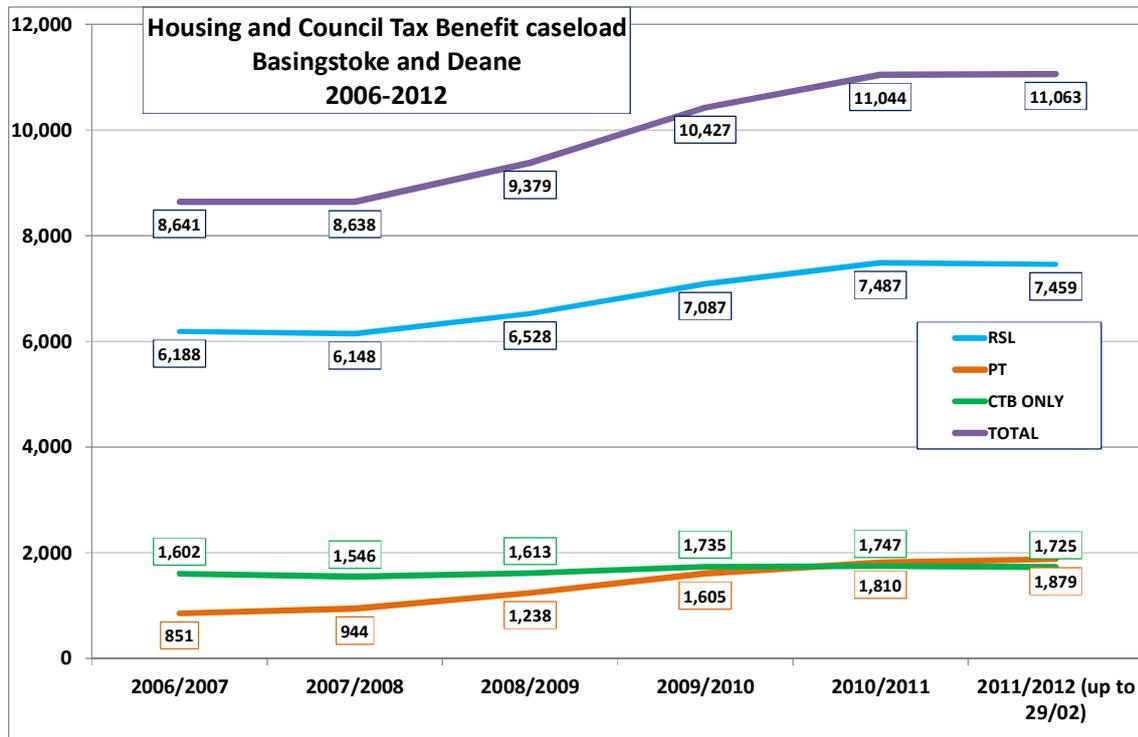


Figure 3.13: Housing and Council tax benefit caseload, Basingstoke and Deane 2006-2012)

3.35 Within the caseload, the proportion of working age households to pensioner households has also changed in recent years. In 2006-7, working age households comprised 56.7% of the caseload; pensioner households, 43.3%. This proportion has shifted year on year so that by 2012, working age households comprise 68.3% of the caseload and pensioners less than one third (31.7%). This has been the result of a significant increase in the number of working age claimants between 2007-8 and 2010-11; along with a marginal decline in the number of pensioner households in receipt of Housing and /or Council Tax Benefit (Figure 3.14).

<sup>15</sup> There is no double counting in the caseload figures. Households receiving Housing Benefit and Council Tax Benefit together are counted as one record in the caseload. Each household receiving Housing Benefit only are treated as one record, as is each household receiving Council Tax Benefit only.

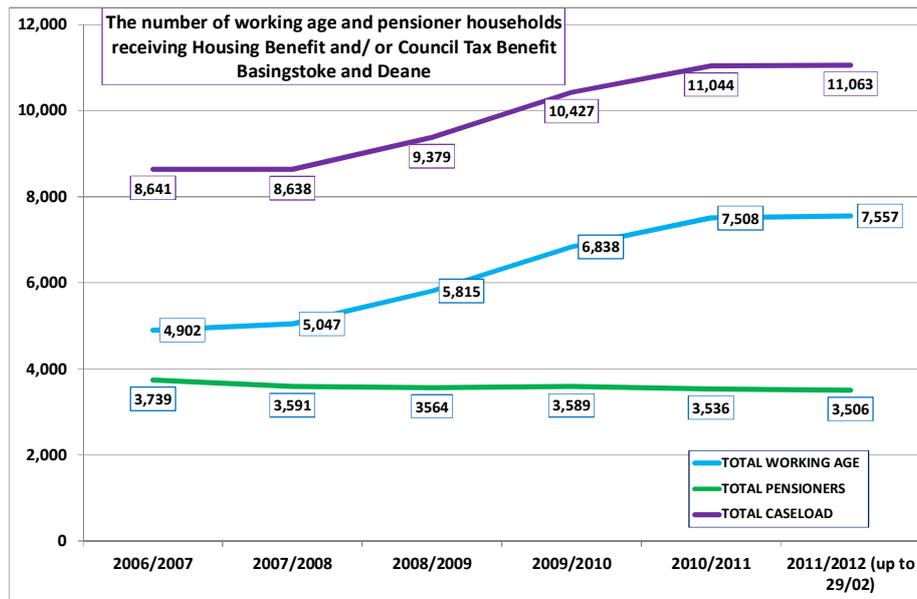


Figure 3.14: The number of working age and pensioner households receiving housing benefit and/or Council Tax Benefit, Basingstoke and Deane.

3.36 Just over one fifth (22%) of the total caseload are actually employed and in work, but with income levels low enough for them to still require and qualify for Housing Benefit to help pay their rent.

### Working age benefits

3.37 The increase in the number of households claiming HB and/or CTB is also reflected in the overall increase in the number claiming out of work benefits (Figure 3.15). Compared to neighbouring districts in Berkshire, and north and mid Hampshire, Basingstoke and Deane has the highest number of people claiming such support (with the exception of Reading). In this borough, over 7,600 people are claiming out of work benefits which includes Job Seekers Allowance (people actively seeking work), Employment Support Allowance or Incapacity Benefit (for ill health or disability that prevents them working or curtails / limits what they can currently do), lone parents and others on income related benefits. This equates to 7.1% of the working age population.

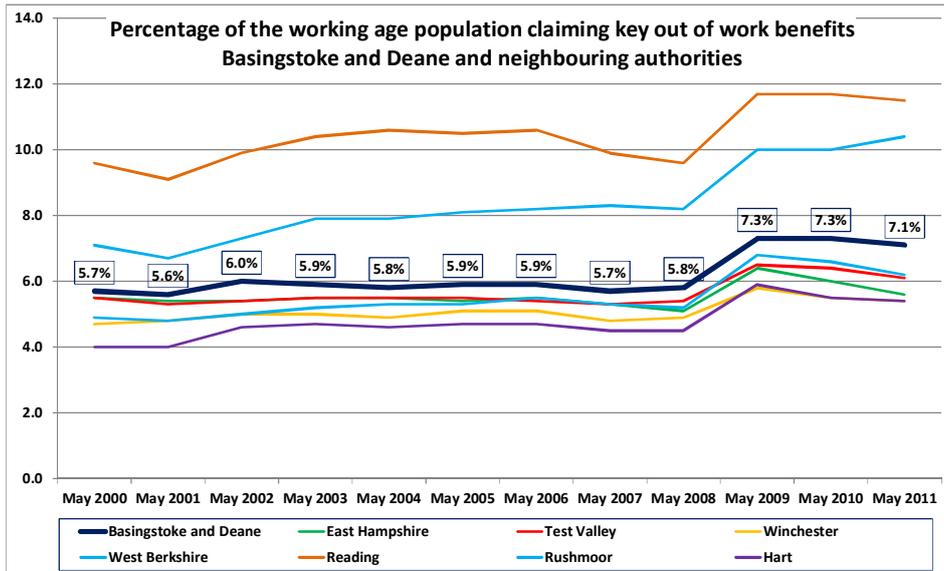


Figure 3.15: Percentage of working age population claiming key out of work benefits.

### Mortgage and landlord repossession action

- 3.38 Ministry of Justice data shows that in 2011<sup>16</sup> there were around 135 claims lodged in county courts for <sup>17</sup>mortgage possession and 100 orders made. Landlord claims and orders were far higher, with 540 claims lodged in 2011 and 355 orders made.
- 3.39 When comparing to other districts whose housing stock may be higher or lower than that of the borough, the rate of claims and orders per household<sup>18</sup> is the most helpful measure. This shows that in relation to mortgage possession orders, the borough rate (1.5 per 1,000 households (2011)) is around the Hampshire average and below the South East and England averages. However, there were 5.3 landlord possession orders per 1,000 households in Basingstoke and Deane in 2011, compared to the Hampshire rate of 2.75, South East 3.2, and England 4.3.
- 3.40 Compared to neighbouring districts, the borough has a similar mortgage possession rate to that of West Berkshire and Hart (Figure 3.16).

<sup>16</sup> Annual data for 2011 is provisional. Quarter 4 (2011) reflects the latest annual figures as at 9<sup>th</sup> February 2012 and could be liable to revision to take into account any late amendments. These figures do not indicate how many houses have been repossessed through the courts as repossession can occur without a court order being made while not all court orders result in repossession. The headline statistic on orders made is defined as "the number of possession claims that lead to an order being made". This removes double counting of instances where a single claim leads to more than one order.

<sup>17</sup> Mortgage data includes all types of lenders, whether local authority or private (banks and building societies). Landlord data includes all types of landlord whether social or private.

<sup>18</sup> Rates based on ONS MYE (up to and including 2009, 2006 based; from 2010, 2008 based).

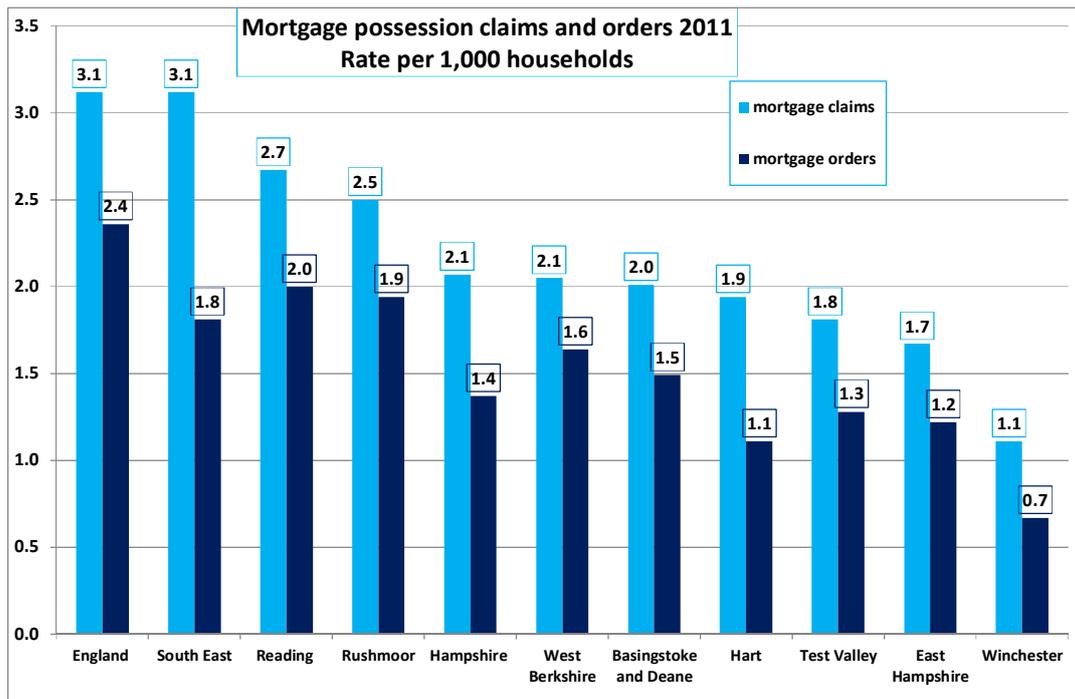


Figure 3.16: Mortgage possession claims and orders (Source: Ministry of Justice, 2011)

3.41 However, the rate of landlord possession claims and orders is relatively high compared to neighbouring districts (Figure 3.17).

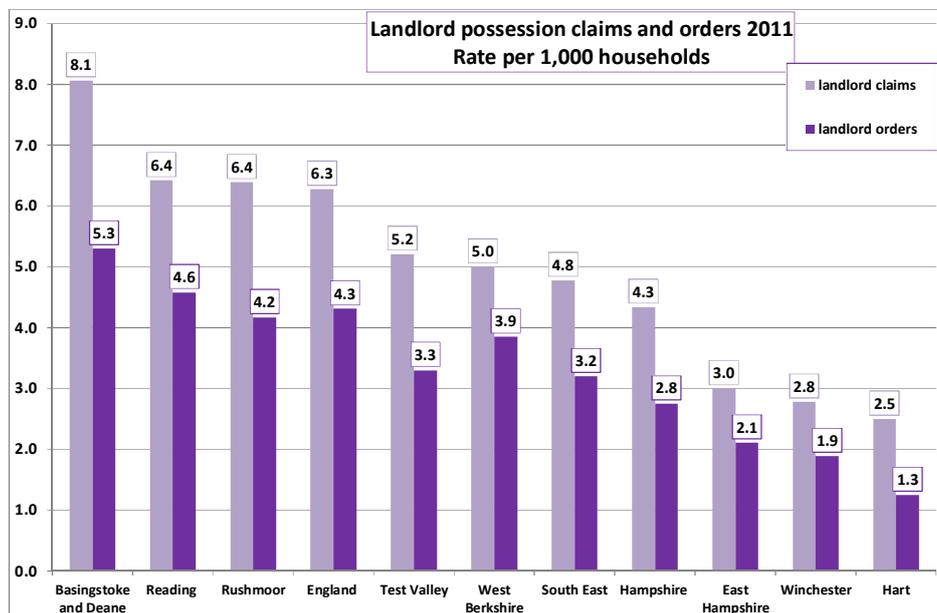


Figure 3.17: Landlord possession claims and orders, Basingstoke and Deane, 2011

3.42 Over recent years, the number and rate of mortgage orders has risen as the recession has unfolded, but from 2008/9 has been decreasing (Figure 3.18). Provisional data from the first two quarters of 2012 shows the number of mortgage claims and orders roughly equivalent to the same period in the previous year. However, there has been a generally upward trend in the number of landlord possession claims and orders from 2008, and then from 2009 to 2010. This trend may continue into 2012: quarters 1 and 2 in 2011 record 240 landlord claims and 135 landlord orders granted: compared to the first two quarters of 2012 total 275 claims and 195 orders.

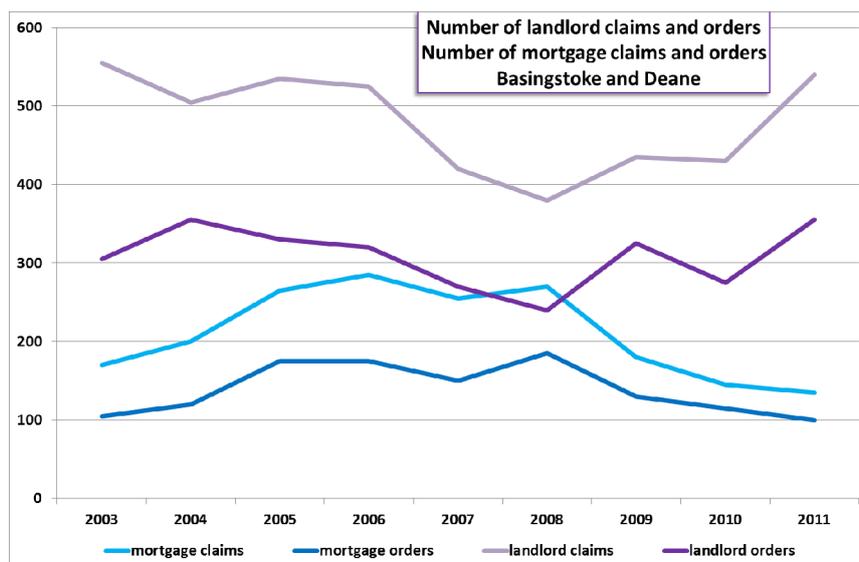


Figure 3.18: Number of landlord claims and orders, number of mortgage claims and orders, Basingstoke and Deane.

- 3.43 The decrease in mortgage orders could be attributed to:
- The introduction of the Mortgage Pre-Action Protocol (MPAP)<sup>19</sup> in November 2008;
  - Increased forbearance on the part of the banks and building societies;
  - The introduction of the Mortgage Rescue Scheme, and, in Basingstoke and Deane, the court desk;
  - Lender to agree flexible mortgage options, for example, to switch to an interest only mortgage with lower repayment rates, to agree “mortgage holidays”, or to change or lengthen the term of the mortgage;
  - Increasing numbers of homes in negative equity meaning less likelihood of the mortgage lender recouping the full value of the mortgage even if they did gain possession.

- 3.44 However, currently and in the near future, there are a number of other issues that may impact on this downward trend<sup>20</sup>:
- The continuing effect of the recession on job prospects: reductions in working hours, new redundancies;

<sup>19</sup> The Protocol gives clear guidance on what the courts expect lenders and borrowers to have done prior to a claim being issued to ensure that the parties act fairly and reasonably and to encourage more preaction contact between lender and borrower. The introduction of the MPAP coincided with a fall of around 50% in the numbers of new mortgage possession claims being issued by the courts.

<sup>20</sup> Reported from the Basingstoke and Deane Borough Council’s own Mortgage Rescue clients.

- The long term effect of the recession: difficulty for people over the age of 55 to find work, the cumulative eventual effect of longer term unemployment, the self-employed being unable to secure new work or retain existing clients, long term effects of disability on employment prospects, “income shock”;
- Increases in households with unsecured debt;
- Financial pressures leading to family break-ups.

3.45 Other issues may also impact on trends even in the short term future. The earlier period of lender forbearance has resulted in lenders holding larger levels of debt / mortgage arrears and potentially they will now need to take more proactive steps to recover it. At the same time, Endowment mortgages taken out in the 1980’s are reaching maturity with households facing potential shortfalls in final sums to clear the mortgage debt. To set the Ministry of Justice data in context for the borough, in the last 3 years, the council’s Housing Needs and Advice Team has worked with over 400 households classed as “acute interventions”. Under CPR55<sup>21</sup>, the council is notified of each case by the mortgage lender 5 days before court action is due to start. This results in about 5 notifications of impending court action per week.

3.46 At an operational level the Ministry of Justice data confirms the trend identified by the council’s Housing Service: that mortgage repossession action is falling but landlord possession action is increasing. Typically, the number of claims and orders resulting in actual repossession is high as landlords are tending to apply under the mandatory Section 8 of the Housing Act (which gives landlord the legal right to regain possession of the property during the fixed term of an assured shorthold tenancy, for example, for rent arrears) or Section 21 of the Housing Act 1988/1996 (which gives the landlord the legal right to regain possession of the property after the end of an assured shorthold tenancy).

## Chapter 3 Summary

### Population

The local population increased by 10% between 2001-2011.

Pre-school and pre-teen children have reduced in Basingstoke and Deane between 2001-2011.

There are lower numbers of both 16-24 year olds relative to England.

Basingstoke and Deane has seen an increase in younger old people (those aged 60-74) between 2001 and 2011. Those aged over 80 have increased in the same period.

<sup>21</sup> Civil Procedures Rule 55

There has been an increase in the number of people from a minority ethnic group since 2001 with high relative increases in the Asian and White Other groups. The key originating countries for international migrants are Poland, South Africa, China and India.

## **Economy**

The local economy has seen a 20.6% increase in the number of people in the borough who are economically active.

The number of employee jobs currently stands at 83,700.

The economic activity and employment rates have both fluctuated over the last eight years and they currently stand at 83.4% and 78.8% respectively.

The borough has experienced a long term rise in unemployment. Since 2009 this has improved slightly and is now leveling off and remains below the national average.

The occupation profile shows that the area has seen growth in Professional occupations and a decrease in managerial positions. There has been increasing numbers in self-employment.

Earnings figures show that residents earn more than employees and that all employees earn more than the England average.

The housing and council tax benefit case load has increased by 28% since 2006/07 from 8640 to just over 11,060 at March 2012.

There has been an increase in the number of households claiming housing benefit and council tax benefit.

The borough has a mortgage repossession rate of 1.5 per 1000 households which is around the Hampshire average and below the South East and England averages. However, there were 5.3 landlord possession orders per 1000 households in the borough in 2011 compared to the Hampshire 2.75, South East 3.2 and England 4.3

## 4.0 An overview of the existing housing stock

4.1 This chapter considers the existing housing stock and the supply/demand dynamics of the borough to provide an understanding of the drivers that influence the housing market.

### Existing Housing Stock

4.2 A key SHMA task is to understand the current housing offer to residents, including by type, character, age, and location. The stock on offer affects choices for renters, purchasers and investors.

### Dwelling Type

4.3 Figure 4.1 shows stock distribution by type across the borough.

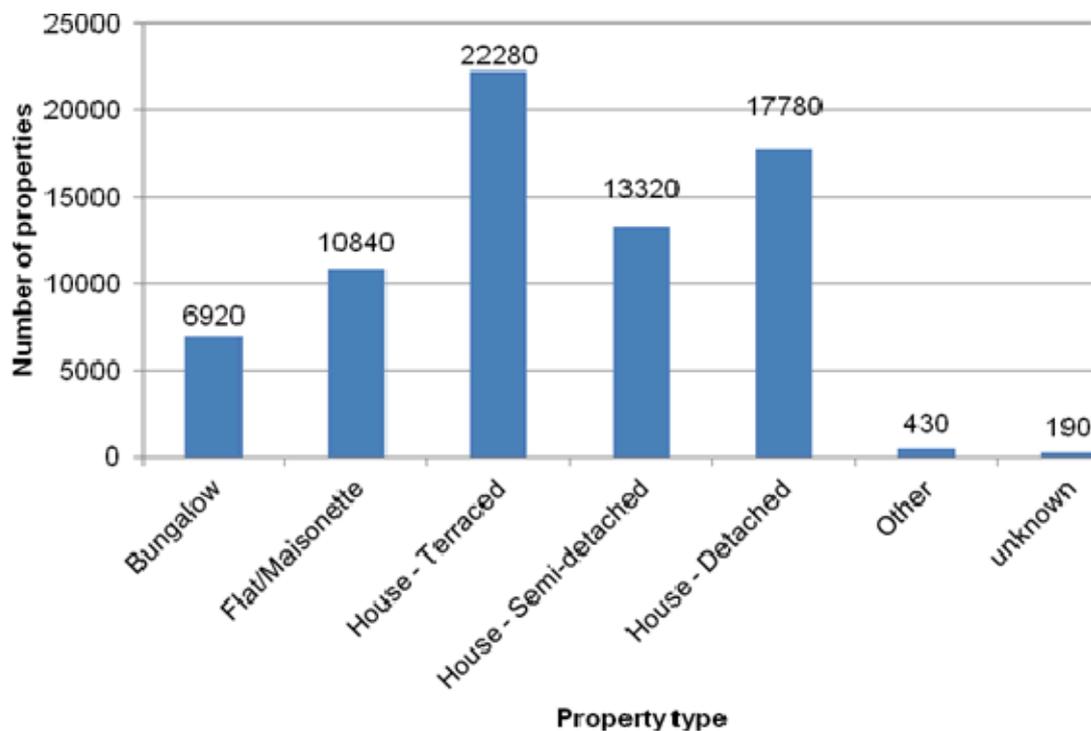


Figure 4.1: Dwelling stock by type (Source: Valuation Office Agency September 2012)

## Dwelling Characteristics

- 4.4 Dwelling characteristics show that bedroom sizes as a proportion of the overall stock vary (see Figure 4.2). There is a spread of bedroom sizes with 3 bedrooms occurring the most frequently. Just over 2% of all dwellings is vacant and nearly 0.5% are second homes (see Figure 4.3).

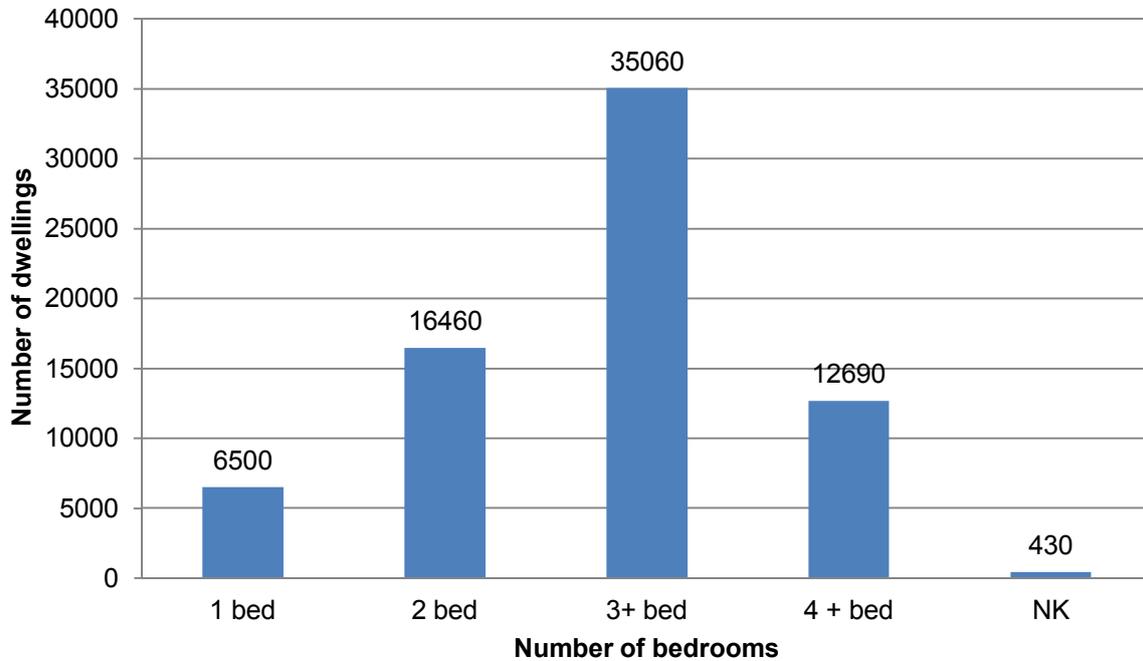


Figure 4.2: dwelling by number of bedrooms (Source: Valuation Office Agency September 2012)

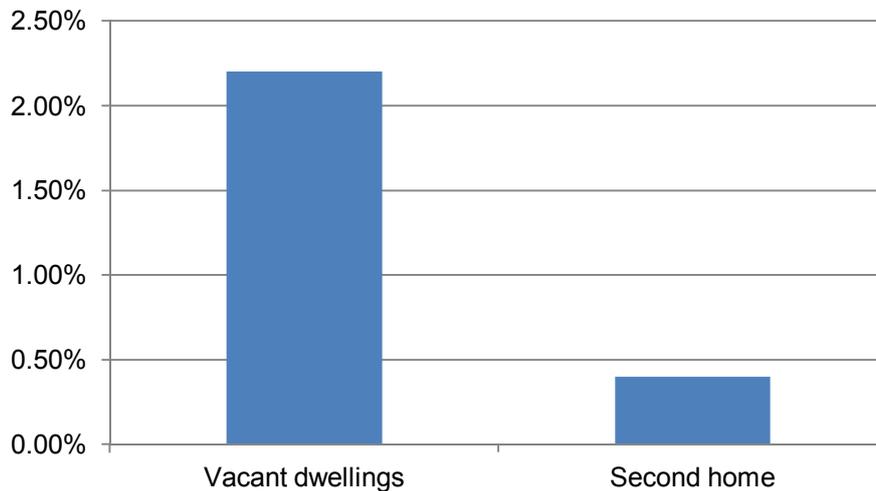


Figure 4.3: Vacant dwelling and second homes, Basingstoke and Deane (Source: Valuation Office Agency September 2012)

## Dwelling Age and Condition

- 4.5 Figure 4.4 below shows the age of housing stock in Basingstoke and Deane. The age of housing stock is a usually strong factor in determining stock condition. The majority of Basingstoke and Deane's stock was built in 1993-2009.

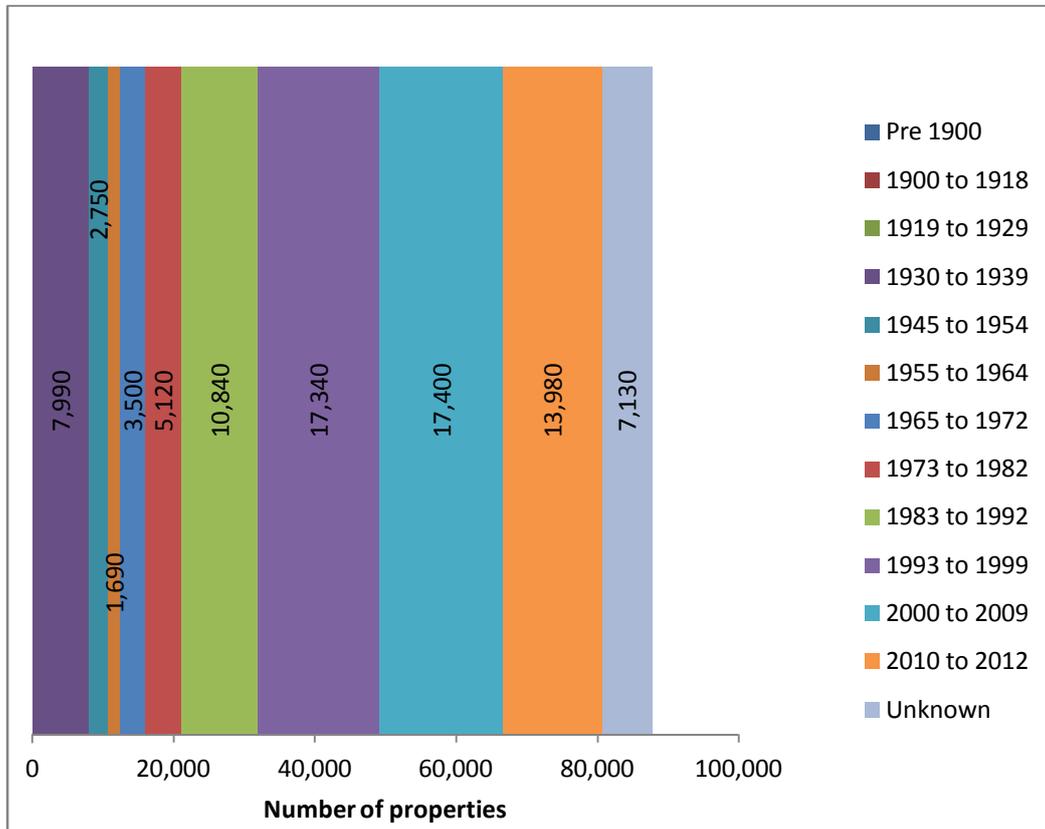


Figure 4.4: Dwelling Age by Area (Source: Valuation Office Agency, August 2012)

## Housing Tenure

- 4.6 The tenure breakdown<sup>22</sup>, as at the 2011 Census, showing the number and proportions of households in different sectors can be found in Figure 4.5.

<sup>22</sup> The Census asked respondents to identify who their landlord is and the results reflect the responses they gave. The results do not necessarily reflect the profile of the overall dwelling stock.

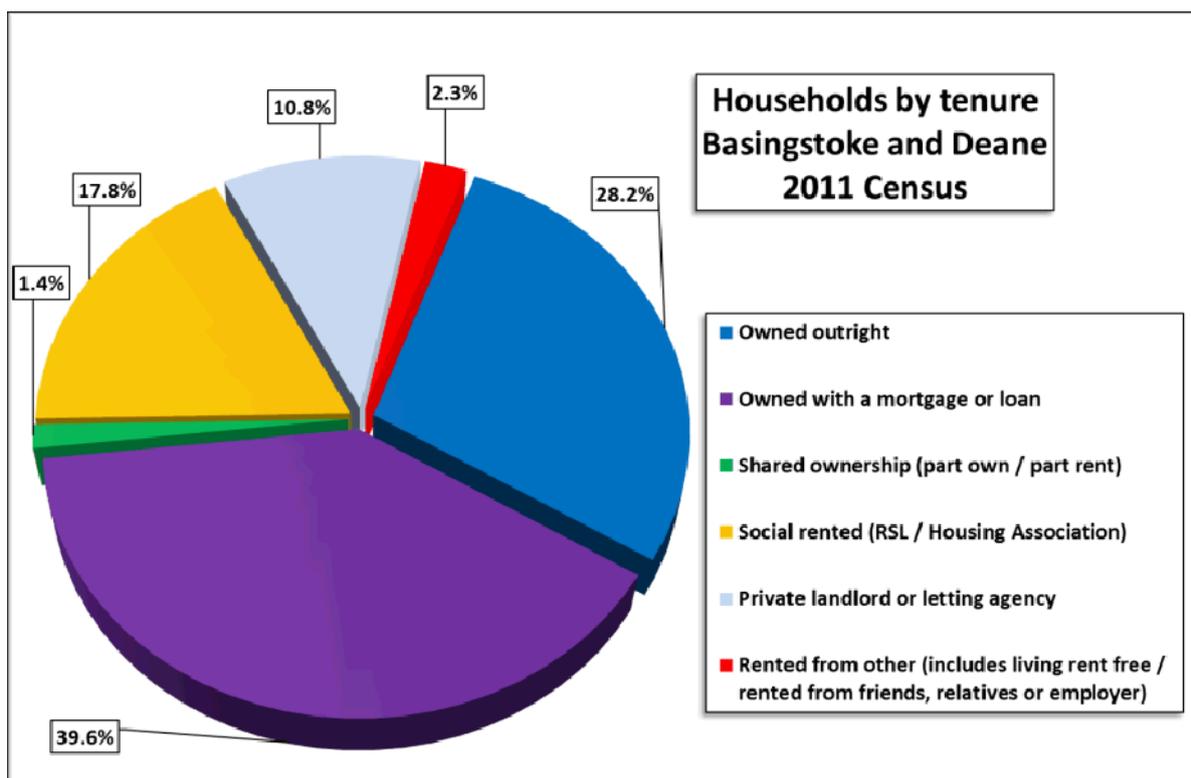


Figure 4.5: Households by tenure (Source: Census 2011)

4.7 Since the 2001 Census, there has been an increase in the number and percentage of households who own their homes outright without outstanding mortgage or loan – an increase of 4,500 households. There has also been a significant increase in the number of households in private rented accommodation, the sector now accounting for 10.8% of households compared to 6% in 2001. While still small in percentage terms, the number of households in shared ownership is nearly 3 times that of 2001 (Table 4.1).

	2001		2011		change 2001 - 2011	
	number	%	number	%	number	percentage point
owned outright	14,940	24.2%	19,517	28.2%	4,577	4.0%
owned with mortgage or loan	30,077	48.7%	27,419	39.6%	-2,658	-9.1%
shared ownership	338	0.6%	958	1.4%	620	0.9%
social housing	10,749	17.4%	12,346	17.8%	1,597	0.4%
private landlord / letting agency	3,620	5.9%	7,473	10.8%	3,853	4.9%
other	1,998	3.2%	1,602	2.3%	-396	-0.9%
<b>Total</b>	<b>61,722</b>		<b>69,315</b>		<b>7,593</b>	

Table 4.1: Number / percentage of households in Basingstoke and Deane by housing tenure

4.8 The extent of the change from 2001 can be seen in the following two graphs (Figure 4.6 and 4.7), one showing the actual change between the Census years and the second showing the 2001 and 2011 profiles together.

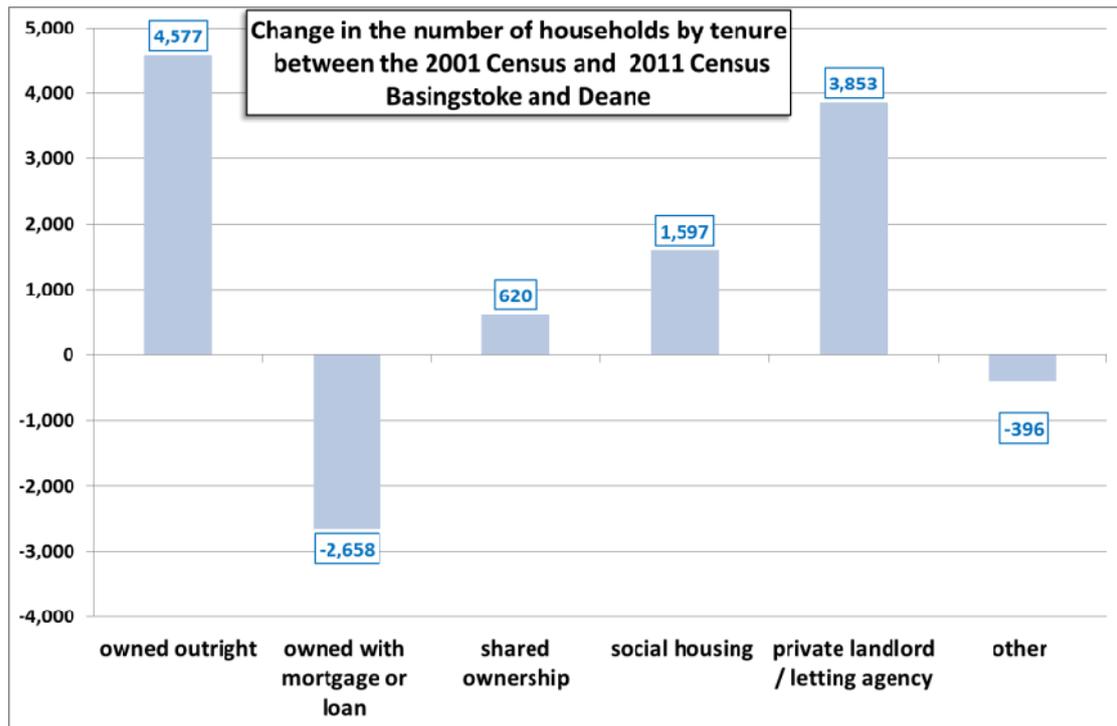


Figure 4.6: Change in the number of households by tenure between 2001 and 2011 (Source: Census 2001 and 2011)

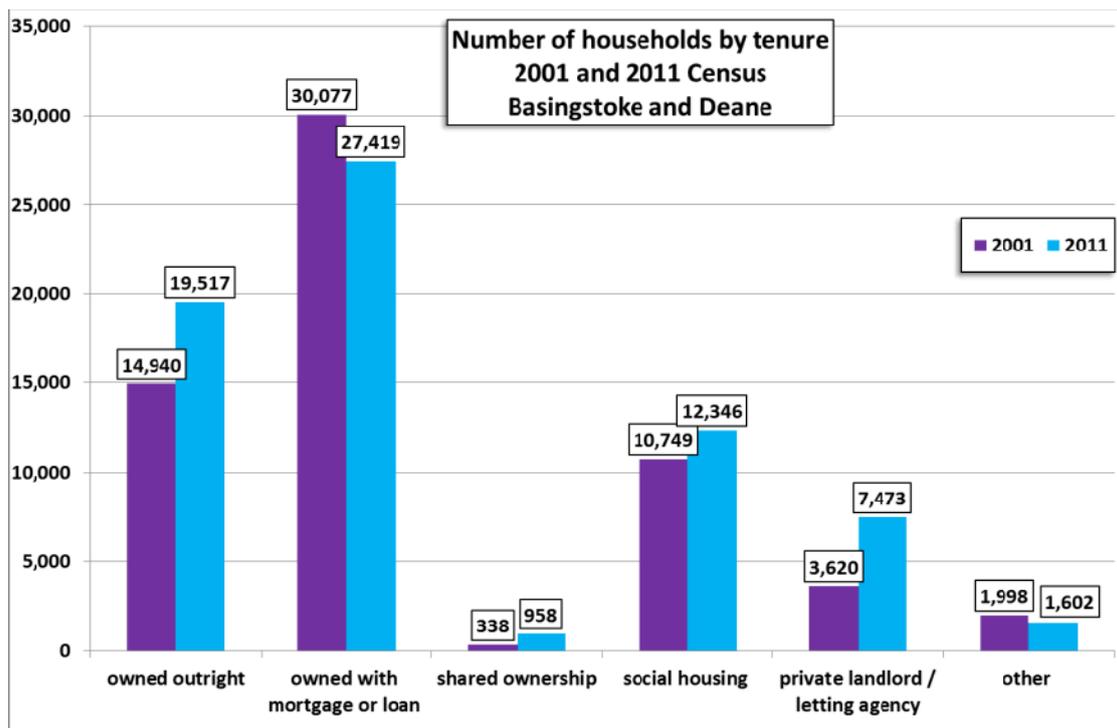


Figure 4.7: Number of households by tenure in 2001 and 2011 (Source: Census 2001 and 2011)

4.9 The following graph (Figure 4.8) looks at the stock profiles of neighbouring districts. A number of households in the borough have declared they are tenants of the local authority's housing. Each district also has between 1,200 and 2,100 households living in tied accommodation, rent free or living with friends, or other non-social rented accommodation (Figure 4.8).

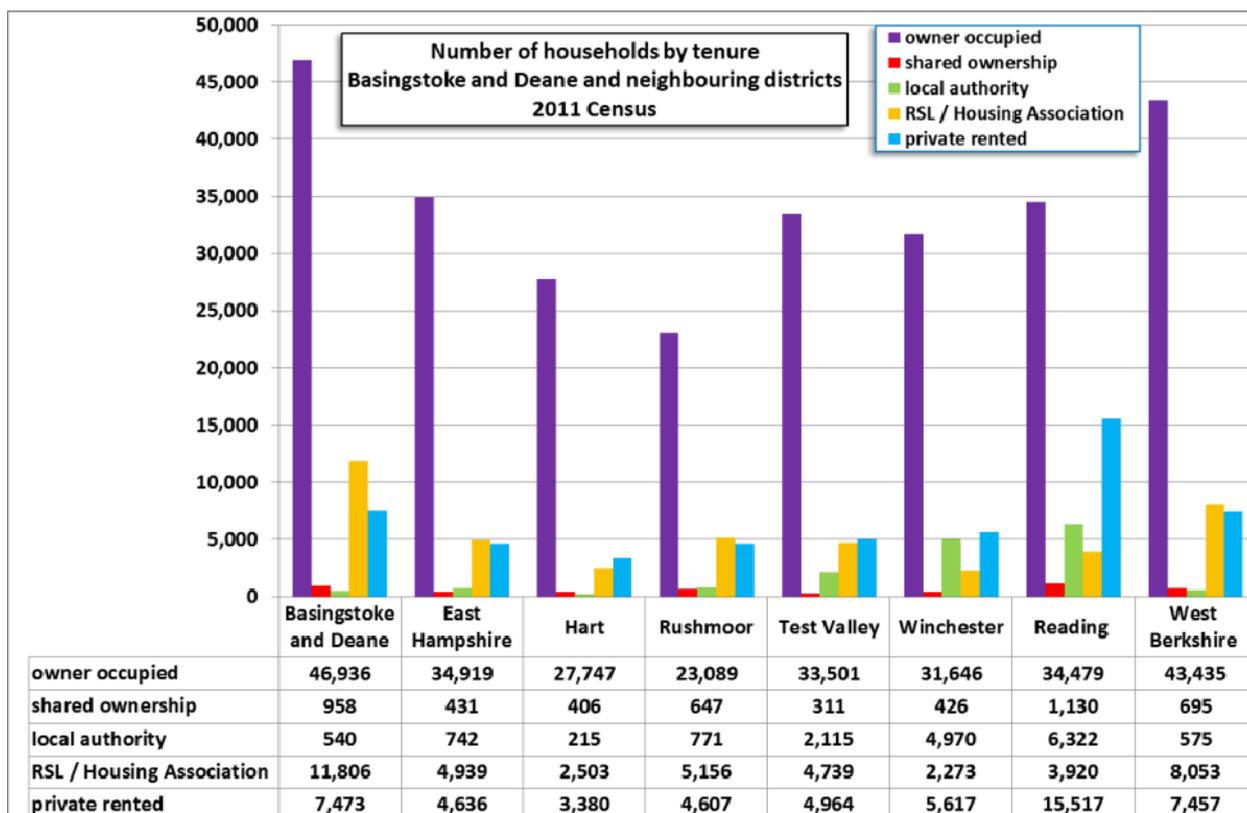


Figure 4.8: Number of households by tenure and neighbouring districts (Source: Census 2011)

### Tenure by age

4.10 There is some difference in the number of households by tenure when considering the age of the “household reference person”, or main householder (Table 4.2). Owner occupation is the tenure for nearly 48,000 households, but the number owning with a mortgage on their property peaks at around the age 35 – 49 and, of this age group, over 61% are owner occupiers. Households aged 24 and under are more likely to be in either social housing or in the private rented sector. Of the older age groups from 75 and over, there are fewer than 2,000 in the social sector and just over 5,100 who own their homes outright. In the private rented sector (letting agency), 72% of households are in the 25 – 49 age groups.

Basingstoke and Deane 2011 Census - number of households by age by tenure	Age 24 and under	Age 25 to 34	Age 35 to 49	Age 50 to 64	Age 65 to 74	Age 75 to 84	Age 85 and over	All households by tenure
Owned outright	54	277	1,802	6,687	5,594	3,830	1,273	19,517
Owned with a mortgage or loan or shared ownership	331	4,684	13,900	8,252	793	324	93	28,377
RSL/Housing Association rented	757	2,094	3,895	2,604	1,256	1,117	623	12,346
Private rented:	637	2,750	2,625	1,056	244	113	48	7,473

<b>Private landlord or letting agency</b>								
<b>Other private rented or living rent free</b>	91	339	433	321	136	168	114	1,602
<b>All households by age</b>	<b>1,870</b>	<b>10,144</b>	<b>22,655</b>	<b>18,920</b>	<b>8,023</b>	<b>5,552</b>	<b>2,151</b>	<b>69,315</b>

Table 4.2: Number of households by tenure by age (Source: Census 2011)

4.11 The following two graphs (Figure 4.9 and Figure 4.10) show the number of households in each age group by tenure.

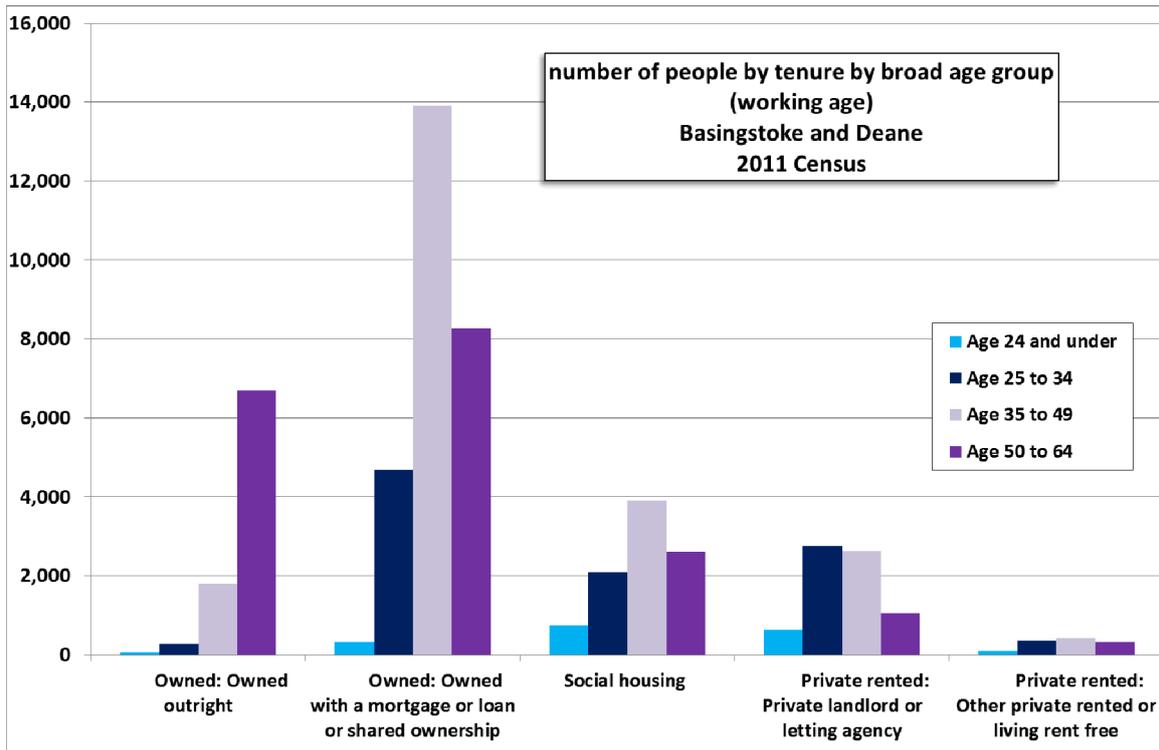


Figure 4.9: Number of people by tenure by broad age group (working age) (Source: Census 2011)

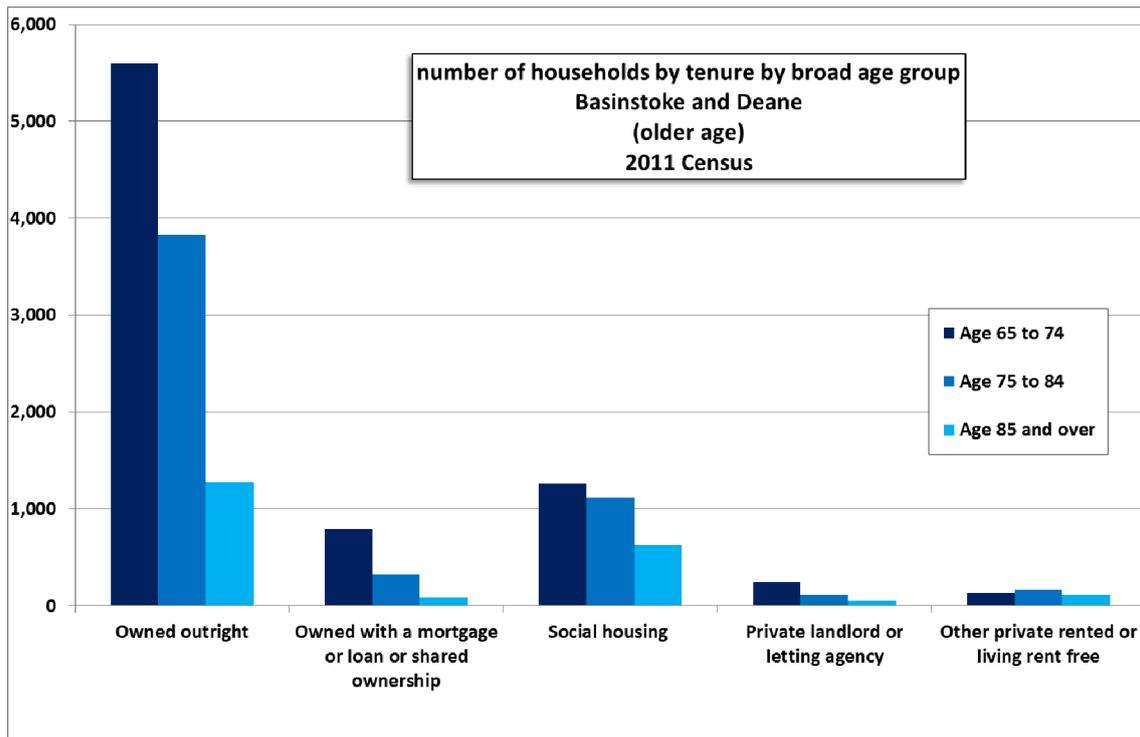
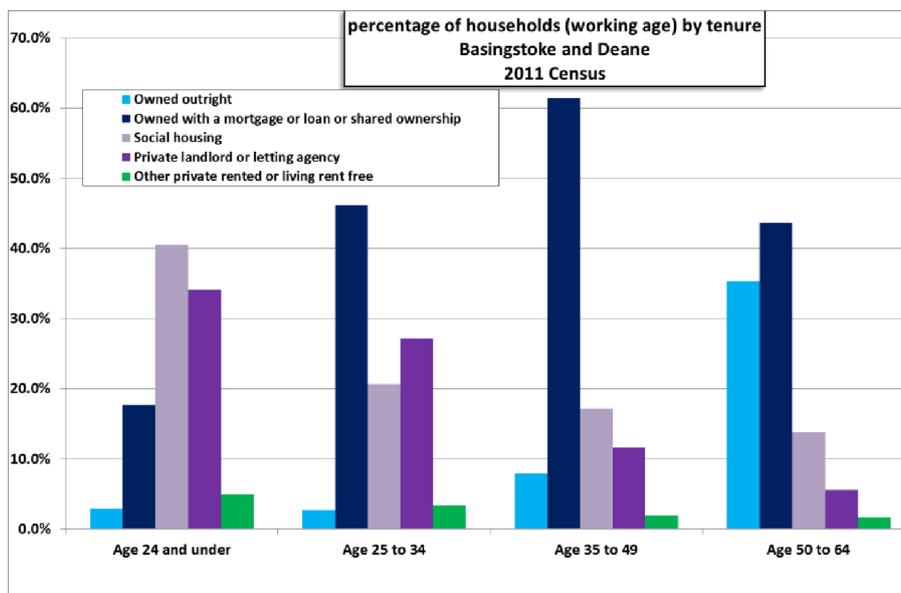


Figure 4.10: Number of households by tenure by broad age group (older age) (Source: Census 2011)

4.12 The following two graphs show the percentage of households in each age group. This shows that the greatest percentage of younger households (aged 24 and under) tend to be in social housing but from aged 25 onwards owner occupation is the predominant tenure. The private rented sector houses nearly 30% of households aged 25 – 34. For households in older age, following outright owner occupation, the social sector provides for 16% of households aged 65 – 74, 20% of households 75 – 84 and 30% of households aged 85 and over.

Figure 4.11: Number of households by tenure (working age) (Source: Census 2011)



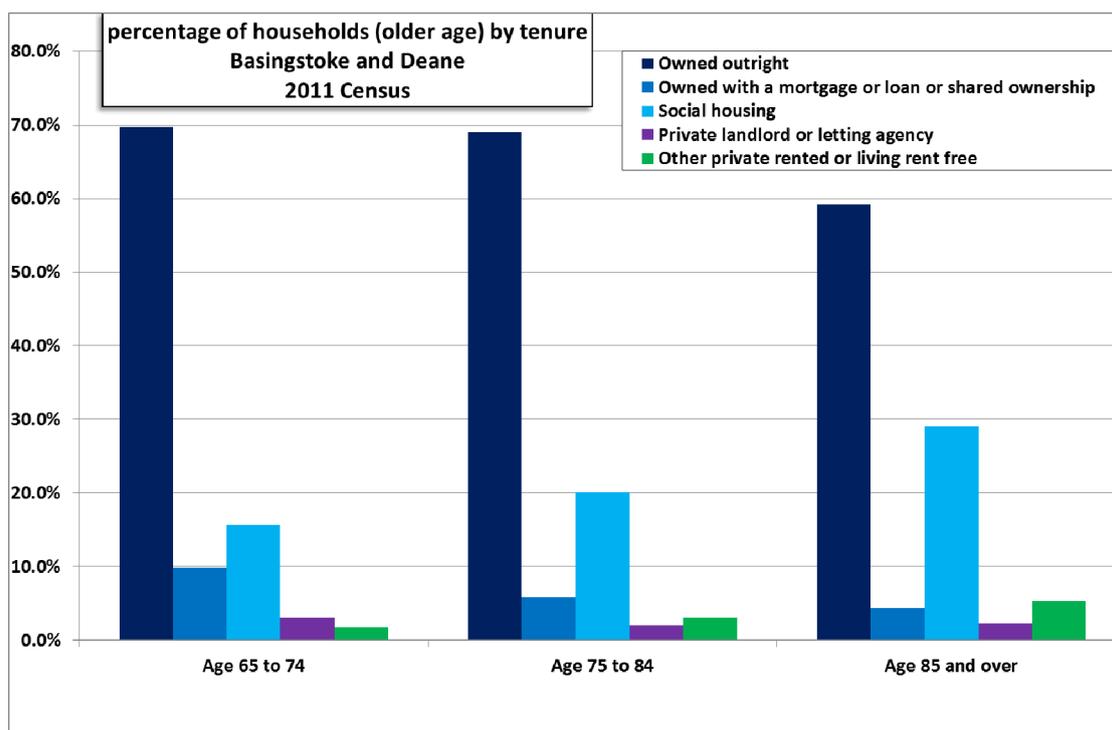


Figure 4.12: Number of households by tenure (older age) (Source: Census 2011)

#### Comparison with neighbouring districts

4.13 The majority of Basingstoke and Deane's household reference persons own their home (69.1%). This is a much greater percentage than Reading (56.6%) but much lower than Wokingham (80.9%). There is wide variation by age, with only 20.6% of those aged 24 and under owning their home, compared to 79.6% for those aged 65 to 74 years. This is because the chances to become a home owner usually increase with age, as people become more financially stable. The figure of 20.6% is higher than the majority of comparator areas, (excluding Hart (21.4%) and Wokingham (22.6%)), particularly Winchester (8.4%) and Reading (9.6%), where a large percentage of the young population will be students and not yet interested in home ownership. Of all the household reference persons that own their own home, the majority (64.0%) are aged 35 to 64 years; the same trend is seen across all areas. At the other end of the scale, 0.8% of all household reference persons that own their own home are aged 24 and under, and again the same trend is seen across all areas.

4.14 The percentage of all household reference persons living in social rented accommodation is 17.8%, which is the highest percentage amongst the comparator areas (the lowest figure is 7.0% in Wokingham and the next highest is 16.3% in both Reading and Rushmoor). The percentage of household reference persons living in social rented housing is highest at the youngest and oldest age groups, with peaks of 40.5% for those aged 24 and under and 29.0% for those aged 85 and over. The percentages for these age groups are higher than those seen in any other area. The majority of household reference persons that socially rent are aged 35 to 64 years (52.6%), the same trend is seen across all areas except Winchester, where the figure is 47.9%. Only 5.0% of all socially renting household reference persons are aged 85 and over, which is lower than most other areas (excluding Reading at 4.0% and Rushmoor also at 5.0%).

4.15 In Basingstoke and Deane, 13.1% of all household reference persons private rent. This is similar to the percentage seen in most other comparator areas, except Reading which is higher at 27.1%. Those aged 24 and under are the most likely to private rent, and 38.9% of household reference persons aged 24 and under do so. In contrast, only 4.7% of those aged 65 to 74 private rents. Private renting is concentrated in the younger age groups and 75.8% of all household reference persons that are private renting are aged under 50 years. This is a much greater percentage than East Hampshire (65.9%) and much lower than Reading (86.6%). There is also variation in private tenure between the areas that do and do not have universities, 38.9% of household reference persons aged 20-24 in Basingstoke and Deane are private renting, compared to 74.8% in Reading and 71.0% in Winchester.

#### Tenure by ethnicity

4.16 Tables 4.3 and 4.4 show the number and percentage of households by broad ethnic group by tenure.

Basingstoke and Deane Census 2011 - ethnicity by tenure (numbers)	White: English / Welsh / Scottish / Northern Irish / British	White: Other White	Mixed / multiple ethnic group	Asian / Asian British	Black / African / Caribbean / Black British	Other ethnic group	All Ethnic groups
Owned outright	18,419	633	74	294	70	27	19,517
Owned with a mortgage or loan or shared ownership	25,702	1,031	279	985	296	84	28,377
Social housing	11,343	355	185	211	235	17	12,346
Private landlord or letting agency	5,462	1,024	109	622	209	47	7,473
Other private rented or living rent free	1,382	87	15	102	11	5	1,602
All categories: Tenure	62,308	3,130	662	2,214	821	180	69,315

**Table 4.3: Number of households by ethnicity by tenure (Source: Census 2011)**

Basingstoke and Deane Census 2011 – ethnicity by tenure (percentages)	White: English / Welsh / Scottish / Northern Irish / British	White: Other White	Mixed / multiple ethnic group	Asian/ Asian British	Black / African / Caribbean / Black British	Other ethnic group	All Ethnic groups
Owned outright	29.6	20.2	11.2	13.3	8.5	15.0	28.2
Owned with a mortgage or loan or shared ownership	41.2	32.9	42.1	44.5	36.1	46.7	40.9
Social housing	18.2	11.3	27.9	9.5	28.6	9.4	17.8
Private landlord or letting agency	8.8	32.7	16.5	28.1	25.5	26.1	10.8
Other private rented or living rent free	2.2	2.8	2.3	4.6	1.3	2.8	2.3
All categories: Tenure	100	100	100	100	100	100	100

**Table 4.4: Percentage of household by ethnicity by tenure (Source: Census 2011)**

- 4.17 Compared to the population of Basingstoke and Deane as a whole, a slightly larger percentage of White British household reference persons own their own home (70.8% compared to 69.1%). Household reference persons of Asian ethnicity are the next most likely to own their home at 57.8%, whilst those with Black ethnicity are the least likely (44.6%) and the only ethnicity where home ownership is less than 50 % of household reference persons. Outright home ownership is much more common amongst White British household reference persons than it is amongst other ethnic groups. This most likely reflects the older age structure of the White British ethnic group, compared to other ethnic group age structures. The vast majority of all household reference persons that own their own home are White British (92.1%).
- 4.18 A larger percentage of White British (18.2%), Mixed (27.9%) and Black (28.6%) household reference persons live in social rented accommodation than the average of 17.8%. White - Other (11.3%), Asian (9.5%) and Other (9.4%) hold the lowest percentages. White - Other includes Gypsy and Irish Travellers, of which there are 60 household reference persons, across all tenures. Out of all household reference persons that socially rent, 91.9% are White British.
- 4.19 In Basingstoke and Deane, White British household reference persons have the lowest percentages private renting (11.0%), whilst all other ethnic groups are higher (White - Other 35.5%, Mixed 18.7%, Asian 32.7%, Black 26.8%, and Other 28.9%). This most likely reflects the younger age structure of these ethnic groups. The same trend is seen across the comparator areas. Over 75.4% of all private renting household reference persons are White British.

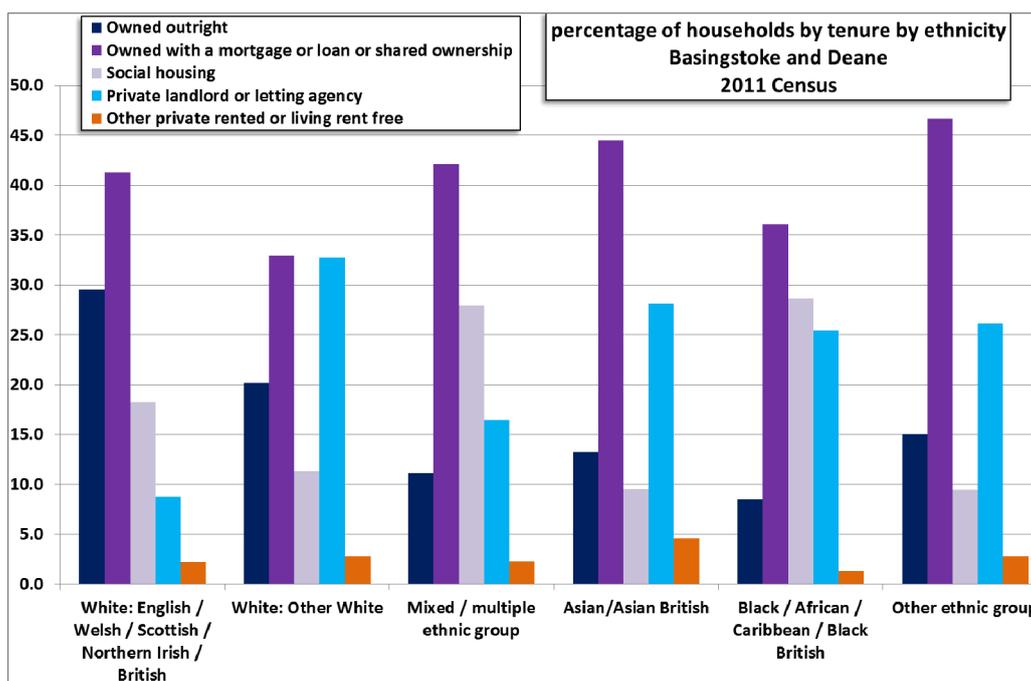


Figure 4.13: Percentage of households by tenure by ethnicity (Source: Census 2011)

4.20 In all comparator areas, household reference persons that are Black have the lowest percentages of home ownership and outright home ownership is much more common amongst White British household reference persons than it is amongst other ethnic groups. In all the borough's neighbouring districts there tends to be a much lower percentage of White British households in private rented accommodation than any other ethnic group. Reading tends to have higher proportions of its non-White British population in the private rented sector.

#### Tenure by economic activity

4.21 Table 4.5 shows economic activity by tenure for Basingstoke and Deane. It is not surprising that the highest proportion of full time employment is amongst those households in owner occupation. Social housing and the private rented sector are far less likely to have the main householder in full time work but social housing more likely to have a householder unemployed – although it should also be noted that in this table the unemployed households are actively seeking work. There is a higher proportion of part time workers in owner occupation that is owned outright than in social housing or in owner occupation with mortgage. The number of economically active full time students is relatively few and fairly equal proportions are in owner occupation, social housing or private rented.

4.22 While the percentage of full time workers in social housing is relatively small, there are nearly 4,400 households where the householder is working full time, a further 1,500 householders working part time and 700 self-employed. Similarly, there are over 5,100 householders in the private rented sector that are working full time, a further 500 part time, and 900

self-employed. Both for social housing and private rented, these numbers represent a significant proportion of stock in these sectors.

Basingstoke and Deane 2011 Census all households aged 16 or over	Economically active										all	
	In employment: Part-time		In employment: Full-time		In employment: Self-employed		In employment: Full-time students		Unemployed			
	number	%	number	%	number	%	number	%	number	%	number	%
Owned outright	1,774	35.0%	5,196	14.0%	1,969	25.7%	21	10.3%	179	11.9%	9,140	17.7%
Owned with a mortgage or loan or shared ownership	1,250	24.6%	21,617	58.1%	3,947	51.4%	60	29.4%	270	17.9%	27,146	52.5%
Social housing	1,473	29.0%	4,374	11.8%	713	9.3%	60	29.4%	839	55.7%	7,460	14.4%
Private rented: Private landlord or letting agency	496	9.8%	5,126	13.8%	896	11.7%	57	27.9%	199	13.2%	6,775	13.1%
Private rented: Other private rented or living rent free	81	1.6%	896	2.4%	151	2.0%	6	2.9%	18	1.2%	1,152	2.2%
All categories: Tenure	5,074	100.0%	37,209	100.0%	7,676	100.0%	204	100.0%	1,505	100.0%	51,672	100.0%

**Table 4.5: Economic activity by tenure (Source: Census 2011)**

4.23 There are some very strong differences by tenure when profiling households that are economically inactive – that is, not actively in work or seeking work. Unsurprisingly, there is a far higher percentage of retired households in outright owner occupation than in any other tenure and there is a very low number and percentage of retired households in private rented accommodation. There is a similarly high percentage of householders long term sick or disabled in social housing than in any other tenure and a very low number and percentage in private rented tenure. Reading, Rushmoor and Winchester have a considerably higher proportion of economically active and inactive students, but in all other respects similar proportions of economic activity by tenure to Basingstoke and Deane. The table showing economic inactivity for the borough is Table 4.6.

Basingstoke and Deane 2011 Census all households aged 16 or over	Economically inactive										all	
	Retired		Student (including full-time students)		Looking after home or family		Long-term sick or disabled		Economically inactive: Other			
	number	%	number	%	number	%	number	%	number	%	number	%
Owned outright	10,046	68.5%	23	13.8%	72	8.4%	100	7.4%	137	23.7%	10,379	58.8%
Owned with a mortgage or loan or shared ownership	958	6.5%	18	10.8%	82	9.5%	102	7.5%	67	11.6%	1,227	7.0%
Social housing	2,954	20.1%	84	50.3%	552	64.1%	1,022	75.1%	274	47.3%	4,888	27.7%
Private rented: Private landlord or letting agency	353	2.4%	33	19.8%	139	16.1%	99	7.3%	75	13.0%	699	4.0%
Private rented: Other private rented or living rent free	359	2.4%	9	5.4%	16	1.9%	37	2.7%	26	4.5%	447	2.5%
All categories: Tenure	14,670	100.0%	167	100.0%	861	100.0%	1,360	100.0%	579	100.0%	17,641	100.0%

**Table 4.6: Economic inactivity by tenure (Source: Census 2011)**

## Affordable housing stock

- 4.24 The Tenant Services Authority (TSA) statistical return for 2011 records the borough's general needs housing stock as around 11,260, including 40 which are wheel-chair adapted. The breakdown by RSL can be seen in Table 4.7 below.
- 4.25 There are a further 350 registered provider supported housing units, and 1,000 older persons units, bringing the total to 12,600 units: of these additional 1,350 units, 40 are wheel-chair adapted. Note that this does not include shared ownership properties.

	<b>total self - contained units</b>
Kingfisher HVHS	4,220
Sentinel Housing Association Ltd	4,150
Affinity Sutton (Downland Housing Association) Limited	860
The Guinness Trust	375
Sovereign Housing Association Limited	365
London & Quadrant Housing Trust	275
Jephson Homes Housing Association Limited	250
Southern Housing Group Limited	135
Home Group Limited	130
Raglan Housing Association Limited	125
Sanctuary Housing Association	100
Places for People Homes Limited	70
The Swaythling Housing Society Limited	55
A2Dominion South Limited	40
Shaftesbury Housing Association	30
Hyde Housing Association Limited	20
Thames Valley Charitable Housing Association Ltd	20
Housing Solutions Limited	15
Testway Housing Limited	15
Hastoe Housing Association Limited	fewer than 10
Advance Housing & Support Limited	fewer than 10
<b>Total self-contained RSL homes</b>	<b>11,260</b>
<b>of which wheelchair adapted</b>	<b>40</b>

Table 4.7: Total self-contained general needs homes by Registered Social Landlord March 2011 (Source: TSA Statistical Return 2011 (rounded to nearest 5))

- 4.26 The affordable stock provisional estimate for March 2012, based on the council's own records, is for around 13,600 affordable units (Table 4.8) (this is approximately 20% of the total dwelling stock) – that includes shared ownership, and supported and other specialist provision. This is broken down as follows, with the predominant stock type (84.5%) general needs rented.

	number	%
General Needs Rented	11,480	84.5%
Affordable rented	15	0.1%
Intermediate Rent	190	1.4%
Supported / Special designations	980	7.2%
Shared ownership - shared equity	920	6.8%
<b>Totals</b>	<b>13,585</b>	<b>100.0%</b>

Table 4.8: Social housing stock Basingstoke and Deane March 2012 (provisional estimate)

### The private rented sector supply

4.27 The private rented sector is a key component of the housing market. At the time of the 2001 Census, there were 3,620 households living in private rented accommodation (that is, renting from a private landlord or letting agency) in Basingstoke and Deane (around 6% of all households). A further 3% (1,198 households) lived in other forms of private rented accommodation such as rent free or renting from employer/tied property. Compared to other Hampshire districts and local authority areas in Berkshire, the borough has a relatively low proportion of households in the private rented sector.

4.28 Moving forward to April 2011, the number of households living in the private rented market in Basingstoke and Deane has increased to over 7,400, accounting for 10.8% of households. A further 699 households are renting from an employer, friend or relative and 903 living rent free. The table below (Table 4.9) shows how the extent of the borough's private rented sector compares to other neighbouring districts in the two Census years, the number of households in Basingstoke and Deane has doubled since 2001.

	2001		2011	
	Private landlord or letting agency	% PT landlord / letting agency	Private landlord or letting agency	% PT landlord / letting agency
Basingstoke and Deane	3,620	5.87%	7,473	10.8%
East Hampshire	2,884	6.61%	4,636	9.8%
Hart	2,050	6.31%	3,380	9.5%
Rushmoor	2,347	6.66%	4,607	12.7%
Test Valley	3,108	7.04%	4,964	10.4%
Winchester	3,692	8.56%	5,617	12.0%
Reading	8,206	14.18%	15,517	24.7%
West Berkshire	4,054	7.07%	7,457	12.0%

Table 4.9: The number and percentage of households living in the private rented sector (Source: 2001 and 2011 Census)

4.29 A sampling<sup>23</sup> of private rented supply in Basingstoke and Deane for this research over the 9 months from July 2011 to March 2012 shows that 34% of supply was in within Basingstoke town centre or on the edge of the town centre area, 40% in the surrounding estates and 26% in the area outside Basingstoke town (Figure 4.14).

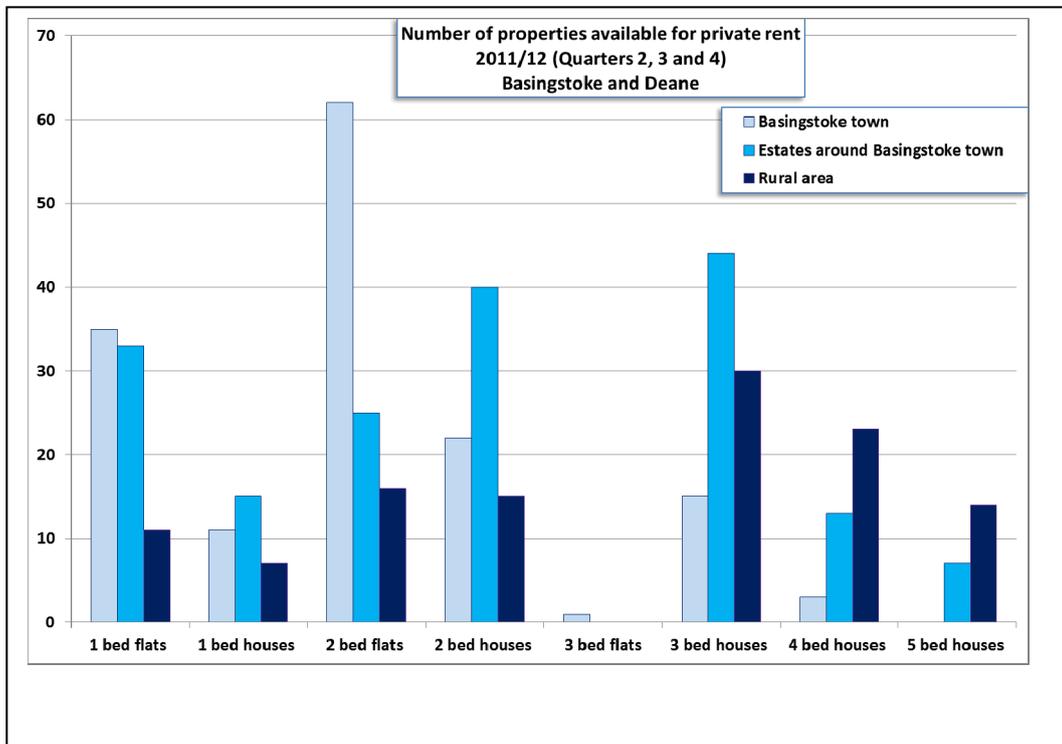


Figure 4.14: Number of properties available for private rent 2011/2012.

### Houses in Multiple Occupation

4.30 Not all private rented stock consists of self-contained dwellings occupied by a single household. Many households occupy houses in multiple occupation (HMOs). An HMO is currently defined by the Housing Act 2004;

- an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building

<sup>23</sup> Based on properties advertised in the Basingstoke Gazette, one week in four

Regulations and more than one-third of the flats are let on short-term tenancies.

- 4.31 The accommodation must be used as the tenants' only or main residence and it should be used solely or mainly to house people. Properties let to students and migrant workers are treated as their only or main residence.
- 4.32 HMOs make an important contribution to the private rented sector by providing housing to meet the needs of specific groups/households. This classification of housing must be considered alongside accommodation for people who share housing and housing costs in order to afford self-contained market housing.
- 4.33 It can be anticipated that when the 2011 Census information is released the number of households living in HMOs is likely to have risen as higher housing costs have seen more households sharing.

#### Communal establishments

- 4.34 Many people also live in non-traditional household units. In Basingstoke and Deane borough 1331 people live in communal establishments. This is 0.8% of the borough's total population (Census 2011). In comparison 1.8% of total population of England and 2.35% of the population of the South East, live in communal establishments.

4.35 Figure 4.15 shows that at the time of the 2011 Census, the majority of these people in Basingstoke and Deane borough were living in medical or care establishments.

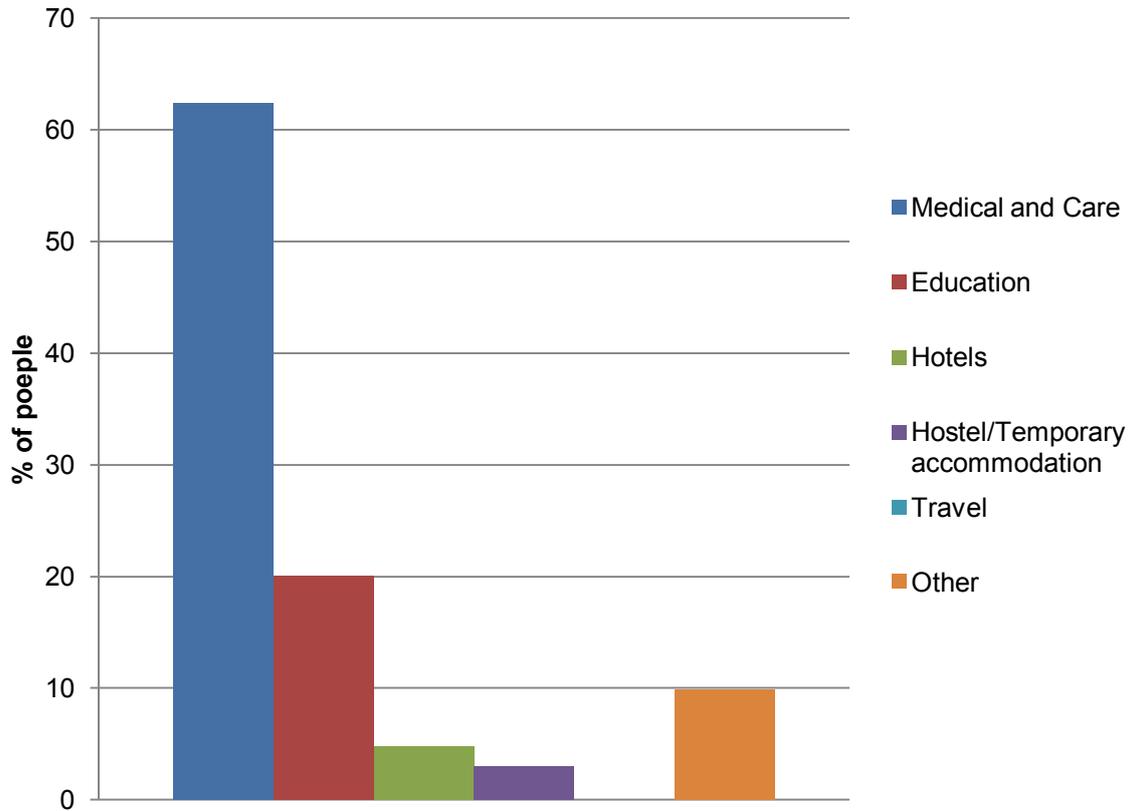


Figure 4.15: Proportion of people in communal housing by type in the borough (Source: Census 2011)

## House Prices

### Purchase

4.36 At borough level property prices for market sales are consistently lower than those for many neighbouring authorities. Compared to the borough's neighbouring authorities, Basingstoke and Deane house prices are among the least expensive and in line with Reading, Rushmoor, and the Hampshire and South East averages. Hart and Winchester are consistently the most expensive in Hampshire. The following graph (Figure 4.16) shows how the borough sits compared to surrounding local authority areas in Berkshire and North Hampshire. When compared to areas closer to London such as Surrey and the other Berkshire districts the cost of market housing in the borough is considerably more affordable for local residents.

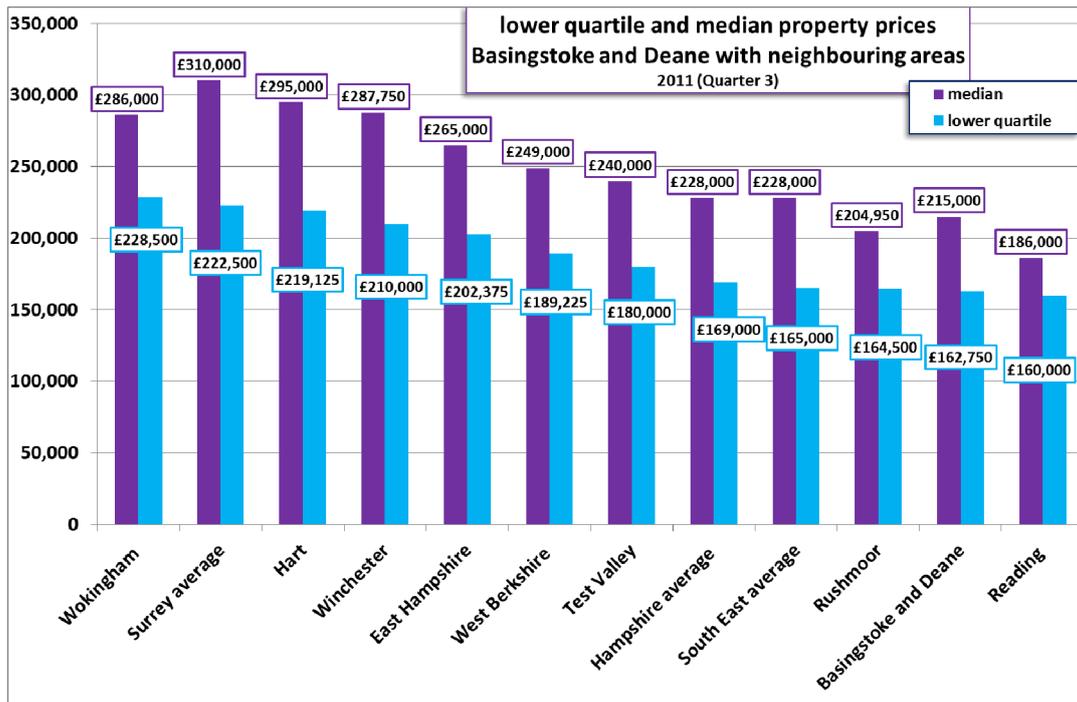


Figure 4.16: Property prices Basingstoke and Deane and neighbouring authorities 2011

4.37 Since the mid-1990s to around 2007, lower quartile property prices in Basingstoke and Deane increased by 244% to reach a £175,000 by the end of 2007. This was followed by a sharp decrease such that by early 2009 lower quartile prices had fallen back to £140,000, and since the end of 2009 appear to have levelled to between £160,000 and £165,000 (Figure 4.17).

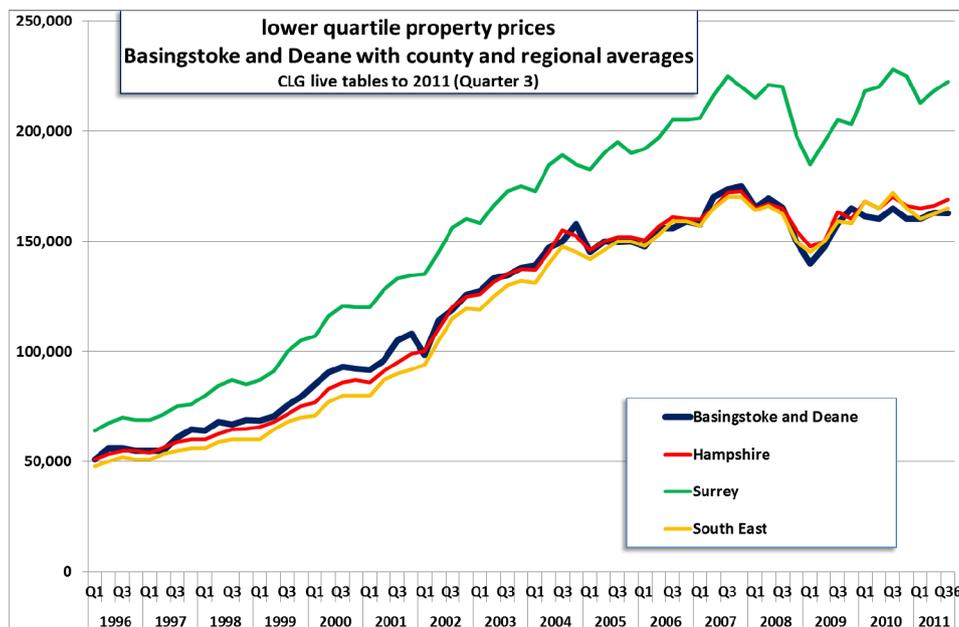


Figure 4.17: Lower quartile property prices Basingstoke, county and regional averages 2011

4.38 Median property prices in the borough show the same pattern, rising from £63,000 in 1996 to £223,000 in 2007, falling back in 2009, and since 2010 fluctuating between £200,000 and £220,000 (Figure 4.18).

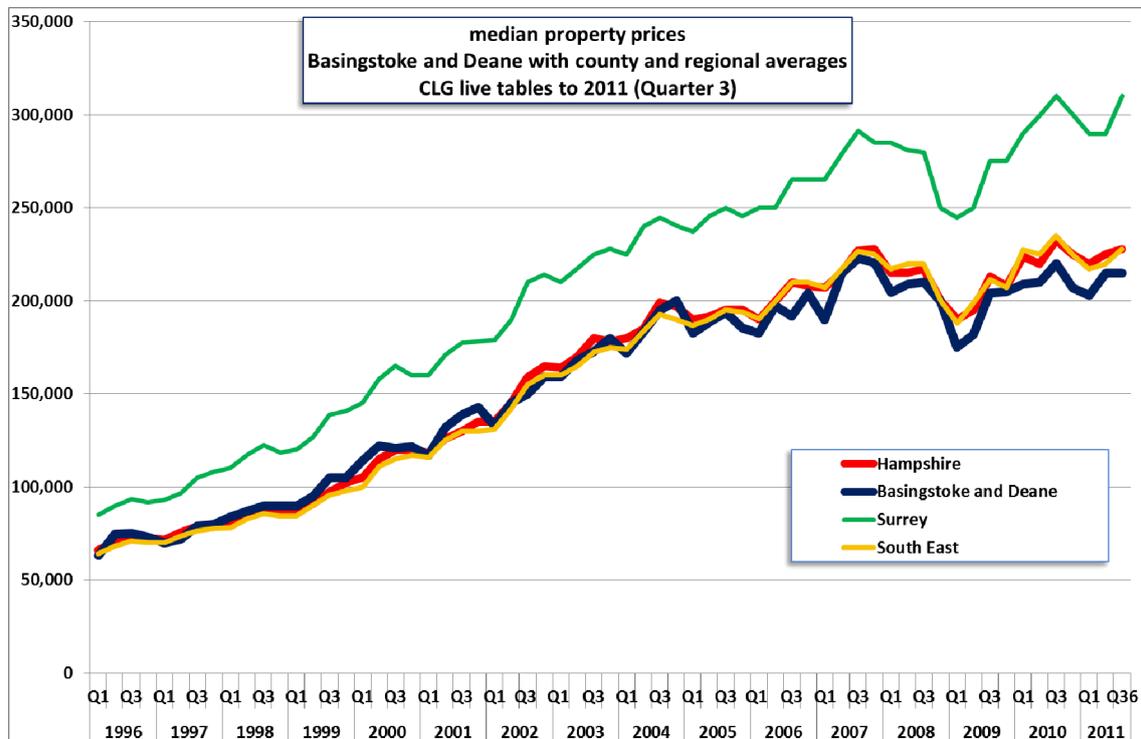


Figure 4.18: Median property prices Basingstoke, county and regional averages 2011

4.39 Typically, in any given calendar year, lower numbers of sales occur in Quarter 1 (January – March), not just in Basingstoke and Deane but across the country: the highest volume of sales tends to be Quarter 3 (July – September). While this pattern has not changed since the recession began, the number of sales has reduced considerably from 2008, so that by 2011 the volume of sales is between 40%-50% of the sales volume in 2006-2007. The graph below shows quarterly data from the Land Registry – peaks and troughs for each quarter are still evident from 2009 but the number of sale transactions is down from 2008 onwards (Figure 4.19).

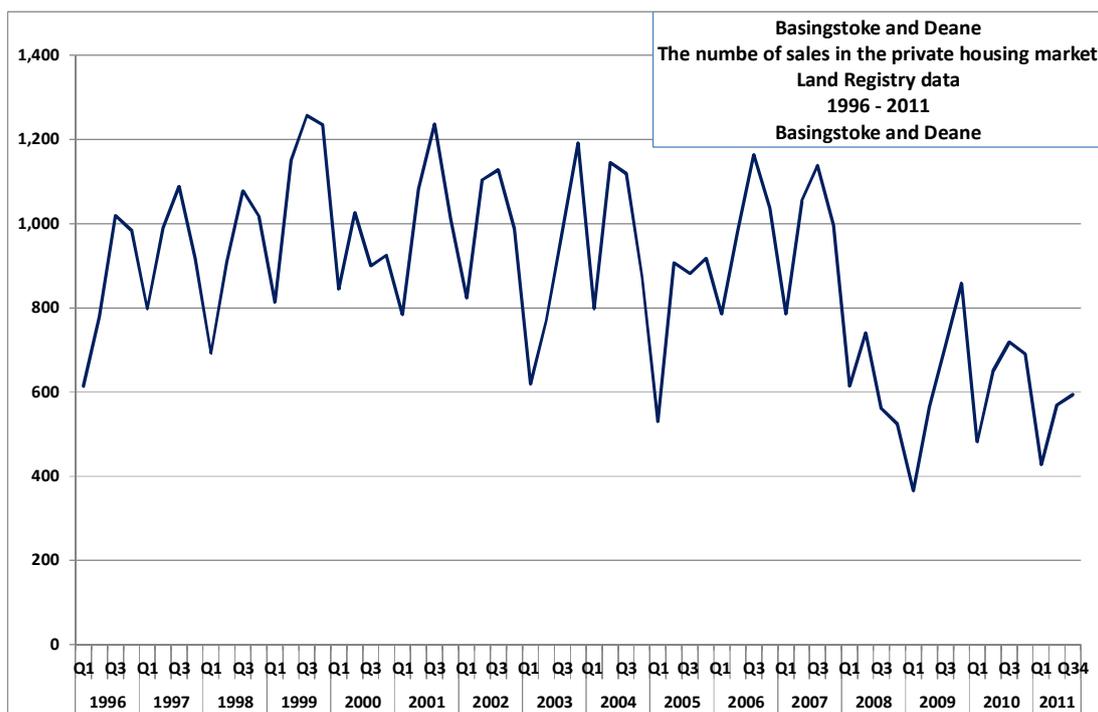


Figure 4.19: The number of sales in the private housing market (Source: Land registry 1996-2011)

4.40 The contribution of new build to sales figures varies depending on new build rates and the amount of existing stock coming onto the market at any one time and so varies from year to year. A generally downward trend is seen in market turnover from sales as a percentage of private sector stock, that is, the percentage of existing stock that comes onto the market. Prior to 2006/7, turnover was around 6%-7%. However, from 2007 this has reduced to just under 4% in 2010/11, as shown in the table below (Table 4.10)<sup>24</sup>.

	Percentage turnover of private stock
2004/5	6.0%
2005/6	7.2%
2006/7	7.4%
2007/8	5.3%
2008/9	3.9%
2009/10	4.8%
2010/11	3.9%

Table 4.10: Percentage turnover of private stock.

<sup>24</sup> The stock figure on which this calculation is based excludes social stock but includes private rented stock as it is not possible to separate this from owner occupied on an annual basis.

4.41 The evidence shows clearly that turnover of stock in the private market in the borough has fallen in recent years but this is typical of a wider national pattern. However, the data in Table 4.11 shows that the number of market sales in Basingstoke and Deane is consistently higher than many of the neighbouring boroughs, and while this could partly be attributed to the number of new build properties sold (first time sales), this does have a cascade effect on existing stock in that an existing owner occupier moving to new build will free up an existing property for sale. Schemes designed to help first time buyers who may not yet have formed a household (and so will not free up existing stock), and an increasing supply of smaller units for first time buyers, will promote greater affordability in the borough.

	2011				2012		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Basingstoke and Deane	427	569	626	670	506	554	615
East Hampshire	291	387	455	457	363	355	452
Hart	229	309	412	343	245	272	379
Rushmoor	227	245	391	327	309	284	299
Test Valley	259	353	454	423	307	358	431
Winchester	344	363	557	446	364	386	451
Reading UA	396	452	641	515	533	396	558
West Berkshire	373	510	619	573	469	475	581
Wokingham	404	513	679	633	486	493	658
<b>2012 data provisional</b>							

**Table 4.11: number of private market sales (Source: (Land Registry) per quarter Land Registry) data**

4.42 While market housing is more affordable than in neighbouring districts, affordability is still an issue locally but it should be noted that affordability and rental / property prices are influenced heavily by the prevailing market conditions and that prices can rise even in the years of higher numbers of housing completions if economic conditions are right.

## Rented sector

### RSL rents

- 4.43 Weekly RSL25 rent levels in the borough have been increasing in line with neighbouring districts. The graph below (Figure 4.20) shows how rents charged by RSLs (registered providers) have increased over the last decade.

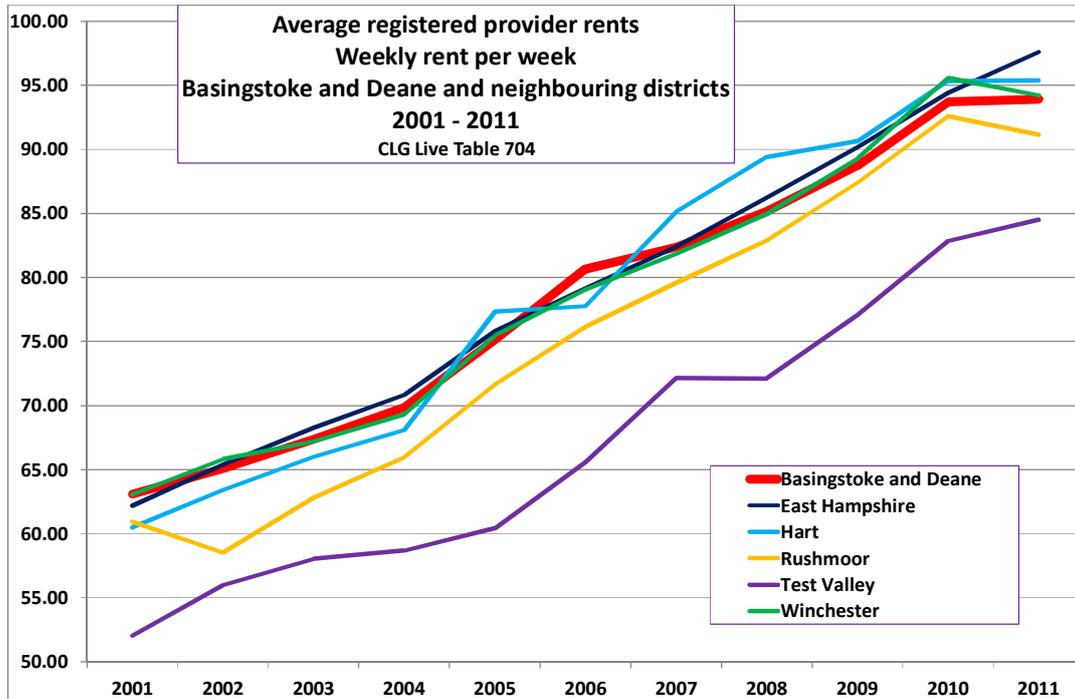


Figure 4.20: Average registered provider rents, Basingstoke and Deane and neighbouring authorities (Source: CLG)

- 4.44 The data relates to rents that are currently charged or have been charged on RSL properties to March 2011: this data includes Social Rent (SR) but does not include the “Affordable Rent” product (AR).
- 4.45 Average RSL rents in the borough are higher than the England and South East average but, along with all the borough’s neighbouring districts (with the exception of Test Valley) exceed £90 a week. The average RSL rent in Basingstoke and Deane stands at around £93-£94 a week. Time-series analysis shows that average borough RSL rents increased in line with those Rushmoor, Hart, East Hampshire and Winchester. In 2001 average RSL rents in these authorities clustered around the £60 - £65 a week mark and have risen steadily to the current range of £90 - £98 a week.

<sup>25</sup> Figures are based on the larger registered providers: up to 2006 the threshold was that the RP owned/managed at least 250 bedspaces/units; from 2007 this increased to 1,000. Averages are calculated for self-contained units only. Based on general needs stock only.

- 4.46 Analysis of district level RSL rent data by property type and size relies on CORE general needs lettings statistics (RSL rent levels based on an average of actual lettings from the local authority Housing Register, reported in a half yearly and annual report produced for Basingstoke and Deane), and general information held by RSLs and the council.
- 4.47 These sources show that at borough level:
- 1 bed properties are around £80 a week (CORE average lettings data), with recent rent sampling from the Choice Based Lettings system ranging from £75 to £114<sup>26</sup>;
  - 2 bed properties are around £96 a week (CORE average lettings data), with recent rent sampling from the CBL system ranging from £90 to £126;
  - 3 bed properties are around £108 a week (CORE average lettings data), with recent rent sampling from the CBL system ranging from £114 to £145;
  - 4 or 5 bed properties based on recent rent sampling from the CBL system ranging from £125 a week to over £150.

Social rents (SR) and Affordable Rents (AR): how do they compare

- 4.48 A comparison of social rents and affordable rents shows that social rents tend to be lower than affordable rents. The table below shows the average weekly rent level for all lettings through the Choice Based Lettings System (CBL) from February 2012 to October 2012 (Table 4.12).

weekly rents February to October 2012	average weekly rent	
	Social Rent (1)	Affordable Rent
studio	80.93	none
1 bed bungalow (2)	98.81	114.7
1 bed flat	101.05	116.49
1 bed sheltered	140.22	none
1 bed house (3)	94.84	none
2 bed bungalow (4)	118.33	none
2 bed flat	112.07	132.82
2 bed sheltered	133.07	none
2 bed house	110.03	151.51
3 bed bungalow	121.06	none
3 bed house (5)	121.32	157.81
4+ bed house (6)	138.87	165.00
<b>(1) average of all properties with service charge</b>		
<b>(2) 2 AR records</b>		

<sup>26</sup> Ranges are for self - contained units only and are based on social rents.

(3) 2 SR records
(4) 3 SC records
(5) 5 SC records
(6) 1 AR record / 2 SC records

Table 4.12: Weekly rents, Basingstoke and Deane

4.49 The following graphs (Figures 4.21 and Figure 4.22) show the distribution of social rents and affordable rents for the period February to October 2012. Each column represents one property at the rent level for that property when it was advertised on the council’s Choice Based Lettings (CBL) system. For parity, any service charges have been included within social rent levels as the AR rents are also inclusive of service charges.

4.50 The graphs show that there is some overlap between SR and AR levels. Affordable Rents are based on the specific locality of the particular property and its immediate housing market - it therefore follows that AR rent levels can and will vary and are actually lower than SR rents. The Homes and Communities Capital Funding Guide<sup>27</sup> states with regard to AR that:

*“The maximum rental level for AR should be no more than 80% of gross market rent (inclusive of service charges). In assessing whether the rent is no more than 80% the individual characteristics of the property must be taken into account, such as its location and size.*

*For both new supply and conversions RPs will be required to assess the market rent (using the definition of the International Valuations Standard Committee as adopted by the Royal Institute of Chartered Surveyors) that the individual property would achieve and set the initial rent at up to 80% of that level (inclusive of service charges).”*

4.51 The ARs for one bed flats range from £105 a week to £129 a week. SR rents start from a much lower point at £78 a week but almost half of the properties advertised through CBL in this period have been charged rents at £105 a week or higher, the highest rent, £126 a week, comparable to the highest AR. Both AR and SR remain under the Local Housing Allowance figure of £129 a week – an indicator that restricts Housing Benefit in the private rented sector (Figure 4.21).

<sup>27</sup> Paragraphs 2.2.1 and 2.2.3

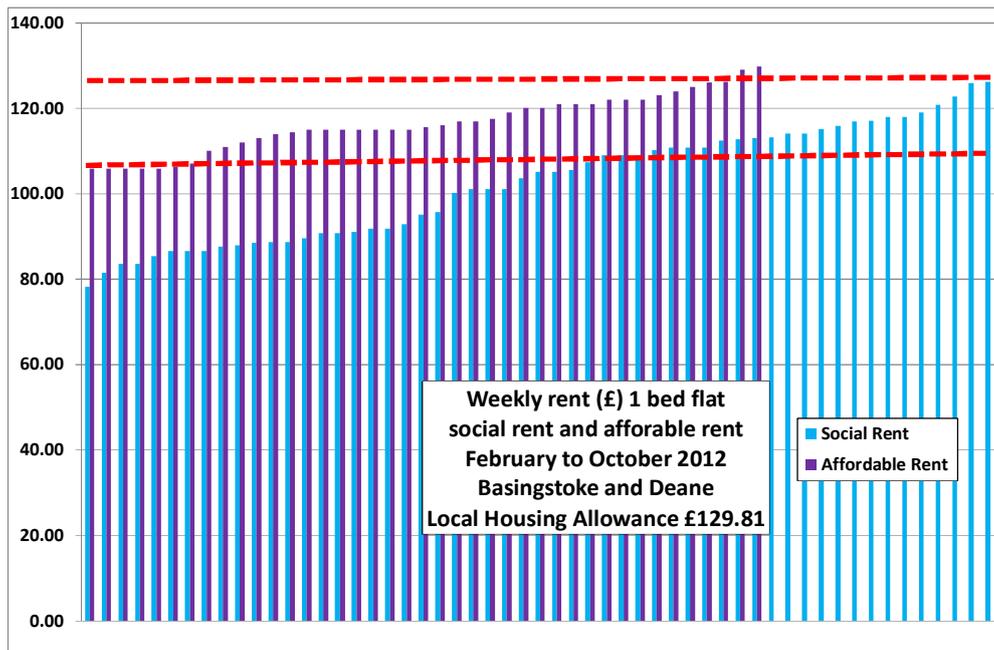


Figure 4.21: Weekly rents one bed flats, Basingstoke and Deane

4.52 AR rents for 2 bed flats start at £117 and generally rise to £140 a week (two properties have come through CBL at much higher rents). SR rents start at £90 a week rising to over £130 a week. Twelve SR rents out of those advertised for this period are at similar rates to ARs. Neither AR nor SR rents have exceeded the Local Housing Allowance for 2 bed properties of £160 a week (Figure 4.22).

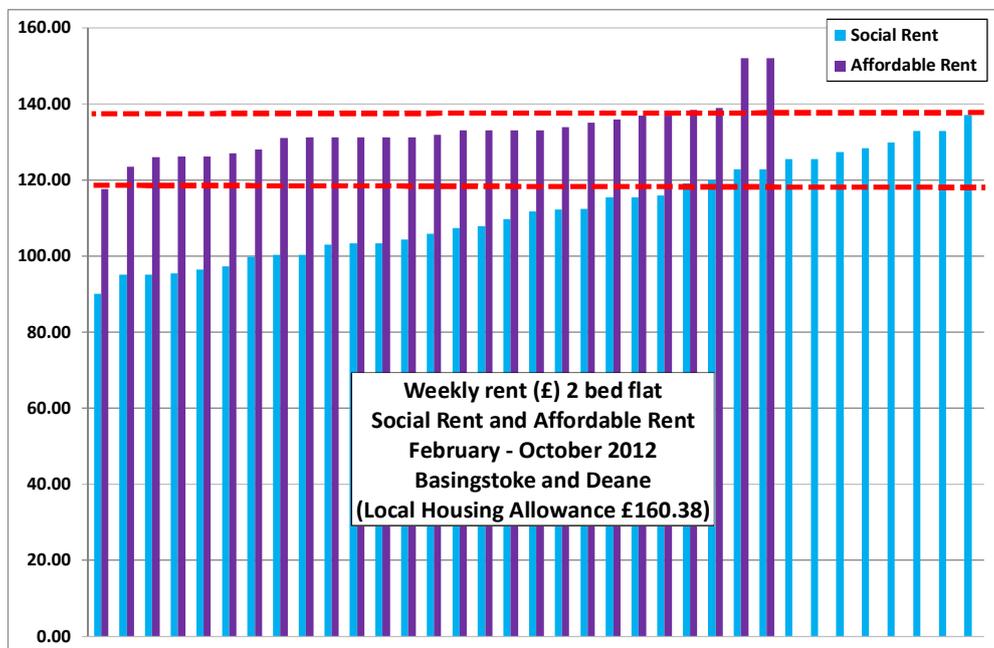


Figure 4.16: Weekly rent two bed flat, Basingstoke and Deane

4.53 The weekly rents for 2 bed houses start at a generally similar rate as for 2 bed flats but the upper end of the range is far higher. AR rents start at £122 and can reach just over £160 a week, the highest being one property at £165 a week. This takes the rent level just over the LHA rate by a marginal amount.

4.54 SR rents start at £96 a week and as can be seen from the distribution below tend to be around or just over £100 a week: however, six of the SR properties advertised through CBL have rents more in line with lower end AR levels. The highest SRs tend to be, although not exclusively, charged on properties in the rural area of the borough (**Figure 4.23**).

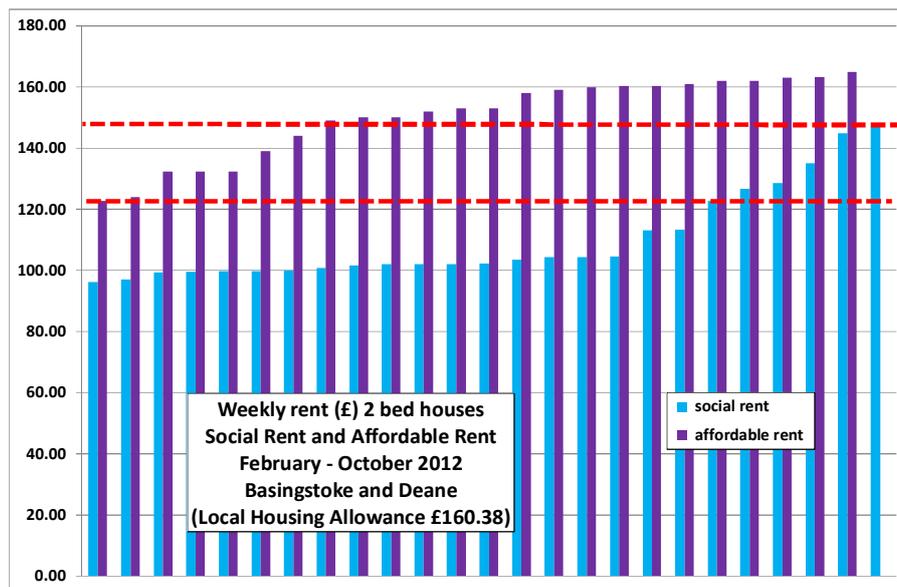


Figure 4.23: Weekly rent two bed houses, Basingstoke and Deane

4.55 There is a considerable range in AR rents for three bed properties, the lowest being £120 a week, typical levels at between £160 and £170 a week. Of those properties with rents of £160 or above only one is in the rural area of the borough: the remainder are located in South Ham, Brighton Hill, Buckskin and Grove. SR levels overlap AR levels from £120 a week. Fifteen SR properties therefore have rent levels within the AR rent range. With the exception of just one property, AR rents are within the LHA (Figure 4.24).

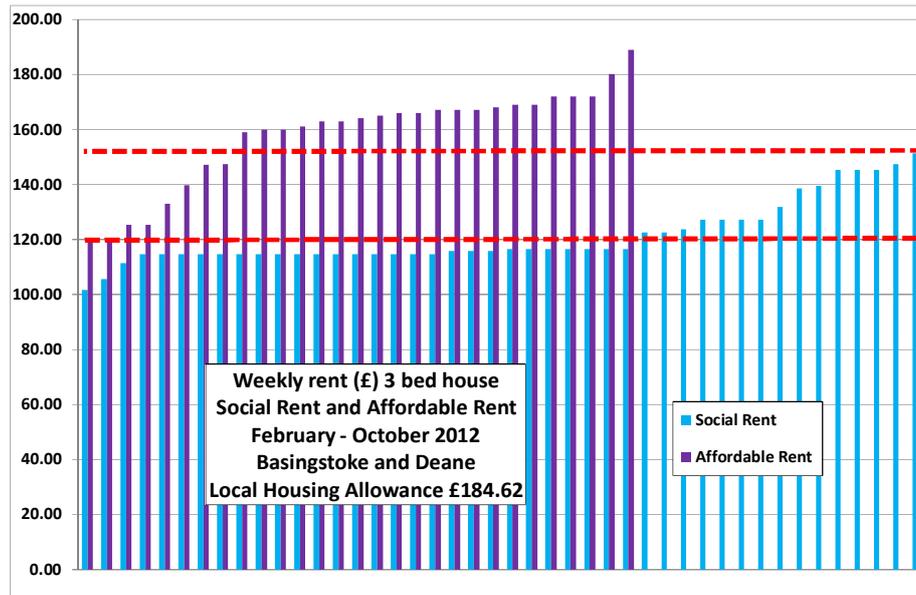


Figure 4.24: Weekly rents three bed houses, Basingstoke and Deane

- 4.56 Only one 4 bed house has come through CBL as AR and is well within the LHA of £253.85, at a level more typical of an AR 3 bed house (as above). As only 13 four bed houses have come through CBL in the last six months, it is difficult to comment on what is a “typical” rent from this source. SRs for the 4 bed houses have been set at £125 - £130 a week and the 5 beds, £150 - £170 a week.
- 4.57 A summary of the lower and upper thresholds for SR and AR and the averages can be found in the table below (Table 4.13). The table also shows the extent of the “overlap” between SR and AR.

	Social rent		Affordable rent		overlap
	lower	upper	lower	upper	
studio	£75	£81	none		n/a
1 bed flat	£78	£126	£106	£130	£106 - £126
1 bed house (2 SR records)	£93	£96	none		n/a
2 bed flat	£90	£137	£117	£152	£117 - £137
2 bed house	£96	£147	£123	£165	£123 - £147
3 bed house	£101	£151	£119	£189	£119 - £151
4+ bed house (1AR record)	£125	£170	£165		n/a

Table 4.13: RSL rents February to October 2012 (Choice Based Lettings)

- 4.58 Analysis of Basingstoke and Deane data by the HCA28 indicates that SR is typically around the following percentage of the market:
- 1 bed flats 71%;
  - 2 bed flats 67%;
  - 2 bed houses 57%;

<sup>28</sup> M Glendenning LIP presentation September 2012

- 3 bed houses 61%;
- 4 bed houses 64%.

4.59 Affordable Rents to date have come through CBL as conversions, not new build. The percentage of AR to market rent will be monitored as new schemes come forward.

### Local Housing Allowances

4.60 Local Housing Allowances (LHAs) are set by the Valuation Office and form part of the Housing Benefit entitlement calculation for tenants in private rented housing. LHA rates are set for different types of accommodation in each area. The rates range from a single room in a shared house up to properties with 4 bedrooms. Simply put, the LHA is the maximum rent on which the Housing Benefit calculation will be based for each property type. The LHA is assessed as one rate for that property type across the entire Broad Rental Market Area; for Basingstoke and Deane this also includes the northern part of Test Valley including Andover.

4.61 LHA rates are based on the private rented market – a sample of private rented property is taken and the LHA is set at the 30th percentile or the rental level for the lowest third of all the rents sampled. Current weekly rates (September 2012) are as follows (Table 4.14):

	<b>£63.50</b>
<b>One bedroom rate</b>	£129.81
<b>Two bedrooms rate</b>	£160.38
<b>Three bedrooms rate</b>	£184.62
<b>Four bedrooms rate</b>	£253.85

Table 4.14: Shared accommodation rate

4.62 A single Housing Benefit applicant in the private sector would have their rent restricted to a shared room rate if under the age of 3529 .

### Private sector rents

4.63 Data from Right Move shows that private sector rents have been relatively stable in recent years, particularly one bed properties. Rents for larger properties, 4 beds or more, tend to fluctuate more, as there are generally fewer available and their size and setting can vary quite considerably. Over the last 12 months, on average (mean average), the monthly and weekly rental prices are as follows (Table 4.15).

	<b>Monthly rent</b>	<b>Weekly rent</b>
1 bed	£634	£146
2 bed	£776	£179
3 bed	£881	£203
4 bed	£1,100	£253

Table 4.15: Private sector rents (Source: Right Move 2011-2012: Basingstoke)

<sup>29</sup> Changed from age 25 in January 2012

- 4.64 There is some evidence of the gradual rent increase identified by the Rent Officers from 2011 – this can be seen in rent levels for 2 and 3 bed properties. Comparing 2012 with 3 years previously also shows increases for 2 and 3 bed properties: 2 bed properties rising from around £700 a month to £800; and 3 bed properties rising from £800 a week to £900.
- 4.65 In the last year, the Valuation Office has published a sample of private sector rents for each local authority district. There is no time-series further back than June 2011, but the data does give a very clear picture of the relative rental levels for a shared room, studio, 1 bed, 2 bed, 3 bed and 4+ bed property. Both the lower quartile and median rent levels are of interest, the former representing an “entry level” into the private market and the latter a general average of rent levels across the board (Table 4.16).

Basingstoke and Deane	monthly rent £		weekly rent £	
	Lower quartile	Median	Lower quartile	Median
Room	£320	£347	£74	£80
Studio	£450	£500	£104	£115
One bed	£575	£600	£133	£138
Two beds	£700	£750	£162	£173
Three beds	£798	£850	£184	£196
Four or more beds	£1,000	£1,200	£231	£277

**Table 4.16: Private sector rents, lower quartile and median process (Source: Valuation Office year ending December 2011)**

- 4.66 There is evidence of significant differential across the borough, as would be expected. This includes a trend emerging that private rents in immediate area of Basingstoke town centre can tend to be higher than on the surrounding estates in the town.
- 4.67 Broadly speaking, private rents are higher in Basingstoke’s immediate town centre area than in the estates surrounding Basingstoke town. For example, over the last 9 months, median rents for a 1 bed flat in the town centre have averaged around £695 a month; this is compared to £600 outside the immediate town centre area but still within the urban area of Basingstoke. The differential (at median rent) for 2 bed flats and houses is far less at only £20 a month (which as a general average may not be significant), but 3 bed houses in the immediate town are £55 a month higher and 4 bed houses over £100 higher. One and two bed flats in the area outside Basingstoke town are significantly cheaper still than in Basingstoke’s surrounding estates; however, houses with 3 bedrooms or more can tend to be significantly more expensive (Figure 4.25).

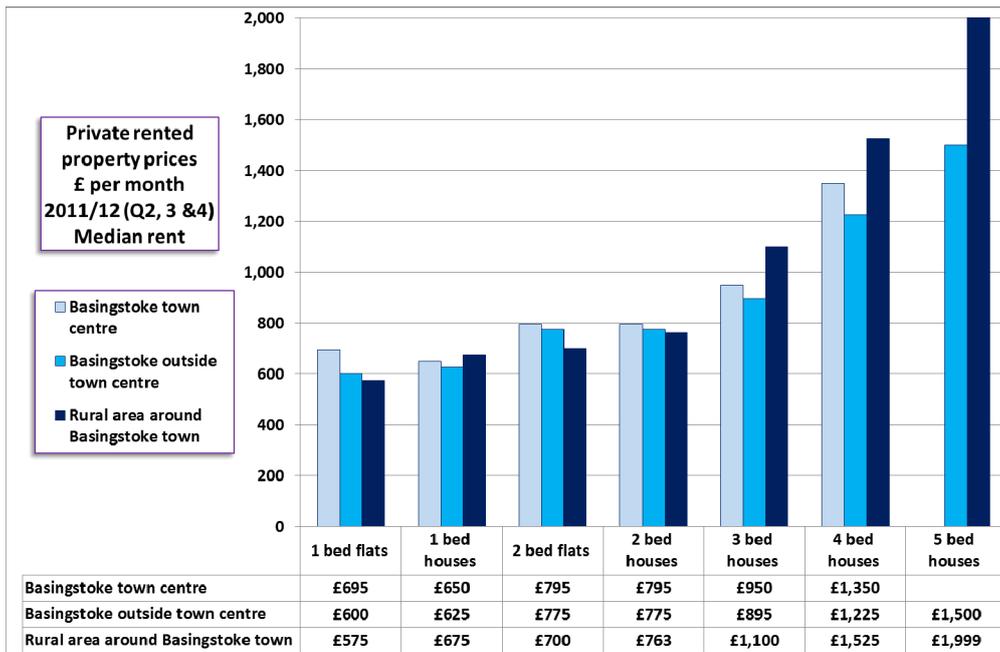


Figure 4.25: Private rented property prices Median rent

4.68 At lower quartile rental prices, which can be the entry route to private rented, the differential is similar. This will be a consideration for households on low incomes trying to access the private rental market and together with where there is more supply could well determine where they look for accommodation. Rents for one bed flats are on average £50 higher in the immediate town compared to the estates; 1 bed houses £100 higher; 2 and 3 bed houses around £50 higher (Figure 4.26).

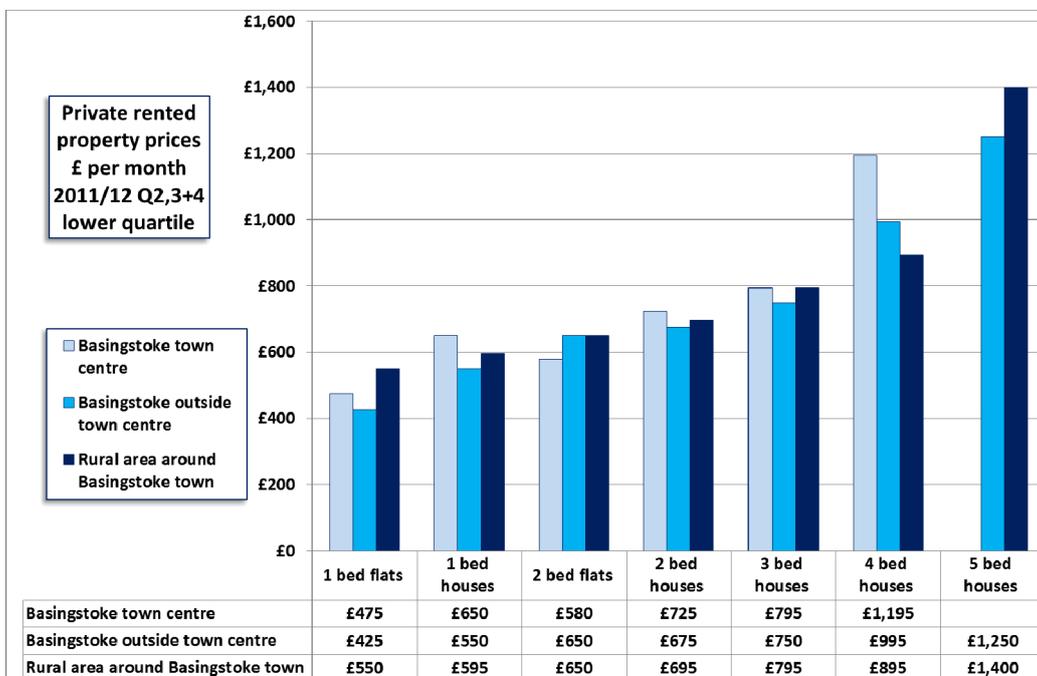


Figure 4.26: Private rented property prices, lower quartile

## Comparison of rents

- 4.69 The table below shows how RSL/social rents relate to rents in the private rented sector. This pulling together of sources show varying figures, reflecting the point that rents are set according to the levels in a specific locality, the style and nature of the property and the services that are provided within the rent (for example, furnished or unfurnished or provision of white goods). Despite the variations however, the rents fall within a general and typical range for each property type (Table 4.17).

2011	RSL rents			Private sector		Right Move
	CORE	RSL data	Choice Based Lettings	lower quartile	average	average
Room	<i>no data</i>	<i>no data</i>	<i>no data</i>	£74	£80	no data
Studio	<i>no data</i>	<i>no data</i>	<i>no data</i>	£104	£115	no data
One bed	£80	£92	£75 - £114	£133	£138 - £146	£146
Two beds	£96	£109	£90 - £126	£162	£173 - £179	£179
Three beds	£108	£125	£114 - £145	£184	£196 - £203	£203
Four or more beds	<i>no data</i>	£140	£125 - £150	£231	£253 - £277	£253

Table 4.17: Comparison of RSL/social rents and private sector rents (Sources: CORE April - Sept 2011; CBL Feb-March 2012; VOA yr end Dec 2011; Right Move March 2011 - March 2012)

## Chapter 4 Summary

### Housing stock

There are currently approximately 71,760 dwellings in Basingstoke and Deane borough.

The majority of properties are:

- Houses
- 3 bed

Just over 2% of all dwellings are vacant and less than 0.5% are second homes.

The majority of the housing stock was built between 1993-2009.

Since the last census there has been an increase in the number and percentage of households who own their own homes outright; an increase of 4,500 households.

The private rented sector now accounts for 18% of households compared to 6% in 2001.

There are still a small percentage of households in shared ownership but this is still nearly 3 times that of 2001.

There are a total of 13,600 affordable dwellings in the borough (including shared ownership).

34% of private rented supply is within Basingstoke town centre or edge of centre, 40% in the surrounding estates and 26% outside of Basingstoke town.

Not all private rented stock consists of self-contained dwellings occupied by a single household. Many households occupy houses in multiple occupancy.

0.8% of the borough's population lives in communal establishments.

### House prices

Basingstoke and Deane house prices are among the least expensive in line with Hampshire and South East averages.

Average RSL rents in the borough are higher than that of England and the South East averages but similar to those of neighbouring districts which exceed £90 a week.

Social rents tend to be lower than affordable rents for all types of units and the gap widens as the size of the property increases.

## 5.0 Current Housing Market

### The relationship between households and housing

- 5.1 This chapter considers key aspects of the current housing market and how this currently operates, especially in terms of the relationships between households and housing. It explores affordability, housing delivery and the impact of in-migration.

### Migration Trends

#### International and internal migration

- 5.2 Since 1996-97, the ONS has published relatively localised migration data using information from the NHS Central Register (NHSCR) which records the movement of individuals who change GP. The NHSCR data provides an effective way of monitoring changes in migration over time, but it is important to recognise the limitations of the data. Not everyone who moves will register with a doctor, so some migration will not be counted. Nevertheless, the data provides the best available basis for analysis. .
- 5.3 International migration data comes from the responses to the International Passenger Survey (IPS) which interviews around 1 in every 500 people who come through points of entry to the UK. On average each person interviewed is given a weight of 500 to make the data representative to the whole population. Therefore, relatively small variations in the number of persons interviewed who report that they are moving to any one local authority can have a huge impact on the total figure. When projecting future population later in this report we look at alternative methods for measuring international migration.
- 5.4 Table 5.1 shows that in Basingstoke and Deane borough there was a net migration gain (international and internal) in every year from 2006-2010, with the highest gains experienced in 2007 (641 persons) and 2010 (575 persons). Migration in 2006 and 2009 was lower.

	2006	2007	2008	2009	2010	5 year	Annual average
<b>In migrants</b>	7895	8659	7614	8342.2	8542.6	41052.8	8210.56
<b>Out migrants</b>	-7713	-8018	-7070	-7845.6	-7968.2	-38614.8	-7722.96
<b>Net migrants</b>	182	641	544	496.6	574.4	2438	487.6

Table 5.1: In Migration, Out Migration and Net Migration 2006-2010, Basingstoke and Deane (Source: ONS Migration Statistics Unit. Note: Figures may not sum due to rounding)

- 5.5 Overall, migration to the borough from within the UK accounted for a net gain of +1731 people 2006-2010 (Table 5.2) and that international migration led to a net gain of +707 people for the same period.

UK migration		International migration		Total Migration	
<b>In</b>	36087	<b>In</b>	4966	<b>In</b>	41053
<b>Out</b>	34356	<b>Out</b>	4259	<b>Out</b>	38615
<b>Net</b>	1731	<b>Net</b>	707	<b>Net</b>	2438

Table 5.2: Average Annual in Migration, Out Migration and Net Migration 2006-2010 within the UK and Overseas for Basingstoke and Deane (Source: ONS Migration Statistics Unit. Note: Figures may not sum due to rounding)

- 5.6 Using NHS data, we can profile some details about the characteristics of migrants.
- 5.7 Table 5.3 provides a breakdown of the in and out migration movements of migrants by age but for migration from within the UK only (Internal). This data is not available for overseas migrants (International). Overall, the key cohort for in migrants from within the UK to the borough were 15-24 and 25-44 years. The key out migrant age group from the borough was 25-44 years.

In migrants		Out migrants		Net migrants	
<b>0-14 years</b>	1200	<b>0-14 years</b>	1133	<b>0-14 years</b>	67
<b>15-24 years</b>	1733	<b>15-24 years</b>	1733	<b>15-24 years</b>	0
<b>25-44 years</b>	3300	<b>25-44 years</b>	2500	<b>25-44 years</b>	800
<b>45-64 years</b>	1000	<b>45-64 years</b>	1033	<b>45-64 years</b>	-33
<b>65+ years</b>	400	<b>65+ years</b>	400	<b>65+ years</b>	0
<b>Total</b>	7633	<b>Total</b>	6799	<b>Total</b>	834

Table 5.3: Average Annual Net Migration 2008/9-2010/11 from Age Groups by Local Authority (Source: ONS Migration Statistics Unit. Note: Figures may not sum due to rounding)

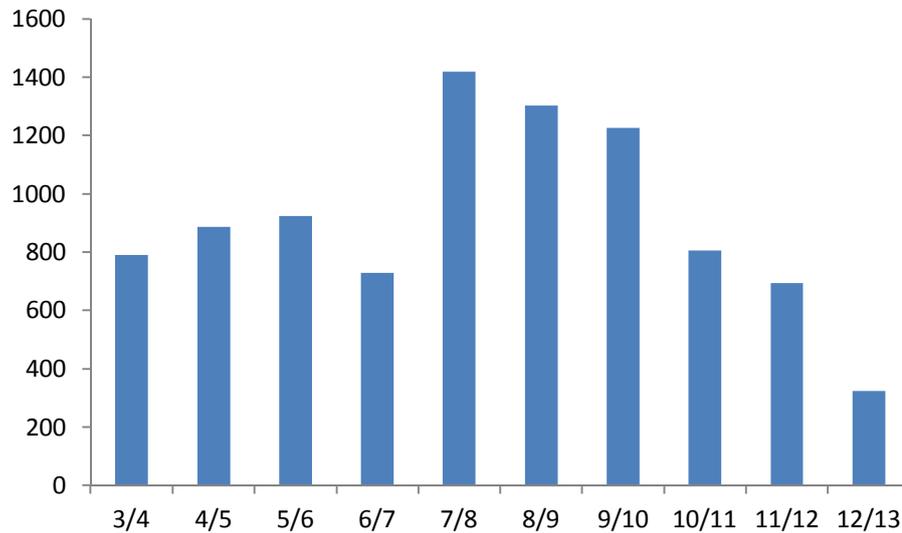
- 5.8 Appendix G shows the breakdown of the internal moves from and to the borough from neighbouring and nearby districts. This shows a total net in migration to the borough from neighbouring districts of 320 people per annum based on trend from 2002-2011. Comparing this to the data in table 5.1 it is evident that most internal in and out migration is with adjacent authorities to Basingstoke and Deane. This has also been identified elsewhere in this report.

## **Impact of International Migration on the Housing Market**

- 5.9 As explained above (5.2-5.7), data regarding international migration has to be assembled from various sources.
- 5.10 There is no national, regularly updated, specific source of statistics about recent migrants to the UK that tells us about their patterns of housing tenure. Instead, the published data that tracks housing trends simply provides indications – for example, of migrants’ limited access to new lettings in the social sector – that suggest the vast majority of migrants use the PRS, at least for the initial years that they are in the UK. (UK Migrants and the Private Rented Sector; Joseph Rowntree Foundation (JRF) 2012)
- 5.11 However, what is known (e.g. from research by JRF, Housing Migration Network and Labour Force Survey) is that:
- New migrants often enter the UK housing market in the least desirable housing – frequently in disadvantaged areas or where demand for housing is lowest
  - Most recent migrants live in the private rented sector, frequently in poorer properties
  - Increased migration to the UK also coincides with a shortage of – and high demand for – affordable housing
  - Poor housing, competition for housing and high levels of population 'churn' have a detrimental impact on relationships at local level between different groups, particularly in areas not used to such change.
- 5.12 In the light of this, Local Authorities should continue to keep under review the quality and accessibility of housing and housing related services for households across all ethnic groups, and ensure that housing strategies seek to tackle any inequalities identified.

## **Housing Supply**

- 5.13 Housing delivery has slowed across the UK since the market peaked in 2007/08. Various current forecasts regarding national recovery to 2008 levels vary from 3 years to 10. The following graph (Figure 5.1) shows the number of completions in Basingstoke and Deane since 2003.



**Figure 5.1: Housing completions Basingstoke and Deane (BDBC AMR)**

- 5.14 It should be noted that during the plan period 1996-2011 a total net of 12,258 dwellings were built. This meets the Local Plan 2006 target of 12,060 and therefore it can be concluded that past need has been met.

### **Viability in Delivering New Housing**

- 5.15 In practice, many local delivery targets for any one authority form part of the wider delivery target for a sub-region, and therefore more localised viability can affect the delivery for this wider area.
- 5.16 Delivery of lower numbers of dwellings in any area will marginally reduce the requirement for affordable and intermediate housing, but this is due to lower overall delivery. A lower level of delivery will not per se impact upon the requirements of those seeking affordable housing as these low income households do not typically have options to move elsewhere. However, higher levels of development go some way to mitigate this. Higher delivery would normally also incentivise migrants (who typically occupy market sector dwellings) to move to the area. Conversely, lower levels of development will provide disincentives to in-migrants.
- 5.17 Housing delivery in Basingstoke and Deane has been relatively constant, delivering an average of approximately 820 homes a year over the last plan period (1996-2011) with the highest delivery between 2007/8 and 2009/10. The overall housing delivery in Basingstoke and Deane's relative to other local authorities is shown in Figure 5.2.

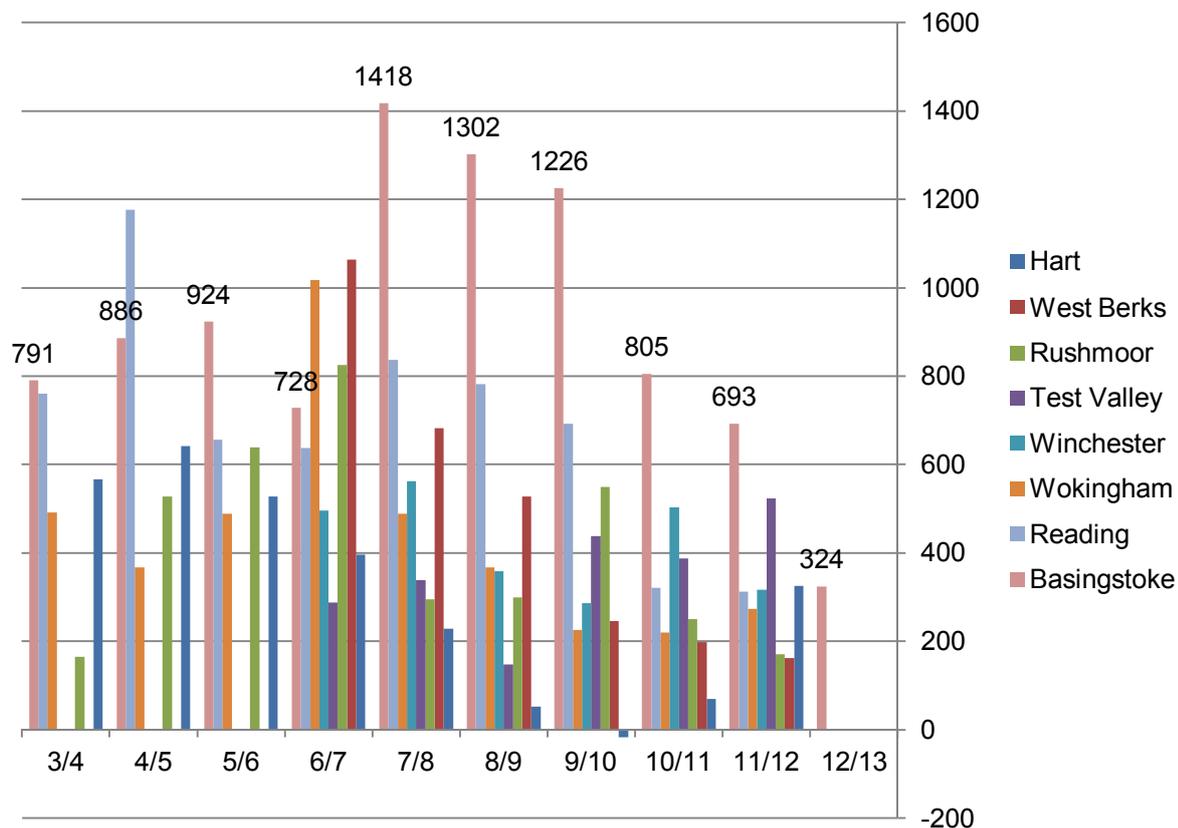


Figure 5.2: Housing completions Basingstoke and Deane and neighbouring districts

## Modelling Affordability

### Past trends

5.18 The increase in property prices seen in the analysis in section 4 becomes more relevant when set against the context of wage increases over the same period. Taking changes in both over the last decade (salary data recorded consistently from 2002); average salaries in the borough have increased by just over 20% to 2011. However, by comparison, property prices have increased by significantly more: lower priced properties (lower quartile) by over 60% and average prices by over 50%. As can be seen in the following chart (Figure 5.3), this pattern is not unique to Basingstoke and Deane but it affects borough residents' ability to buy their own home which over the last few years has become increasingly difficult (Figure 5.3)

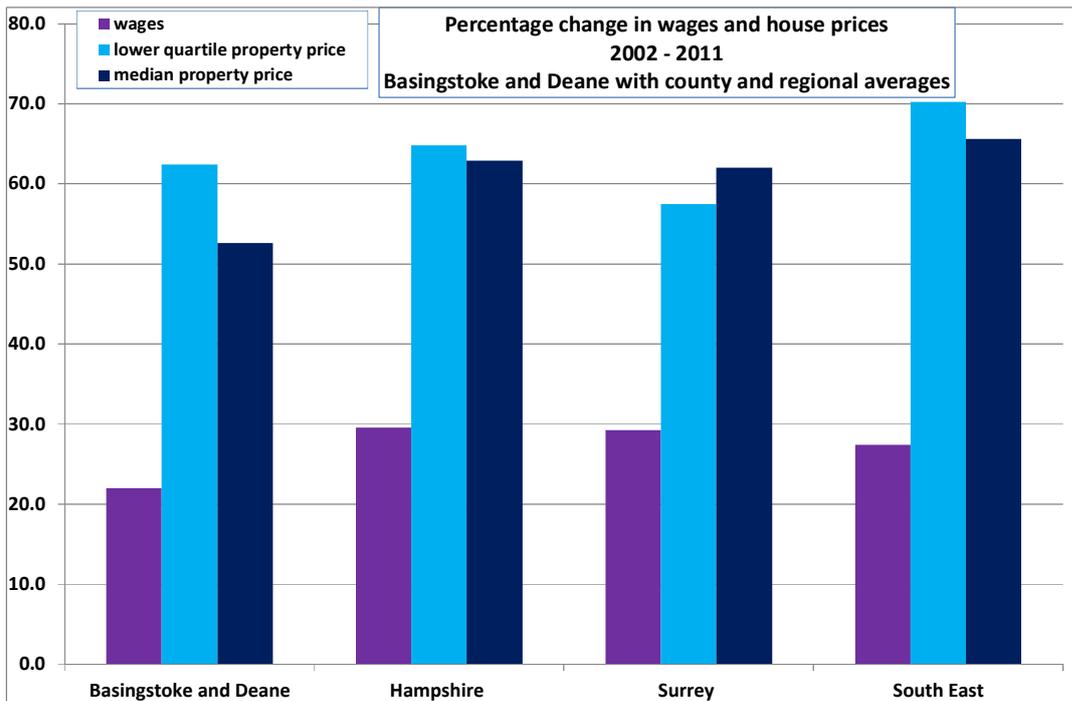


Figure 5.3: Percentage change in wages and house prices 2002-2011, Basingstoke and Deane, county and regional averages

5.19 Furthermore, the range of house prices across the comparator districts has widened considerably since the mid-1990s. In Hampshire, lower quartile property prices in 1996 ranged from £66,000 (Hart) to £50,850 (Basingstoke and Deane), a gap of £16,000: by 2011, the gap has increased to £56,000. Hart still has the highest prices with lower quartile property price of £219,000, and prices in Basingstoke and Deane are still the lowest in north and central Hampshire at £162,750. The graph below shows that, house prices and even RSL rents have increased more than average wages (Figure 5.4).

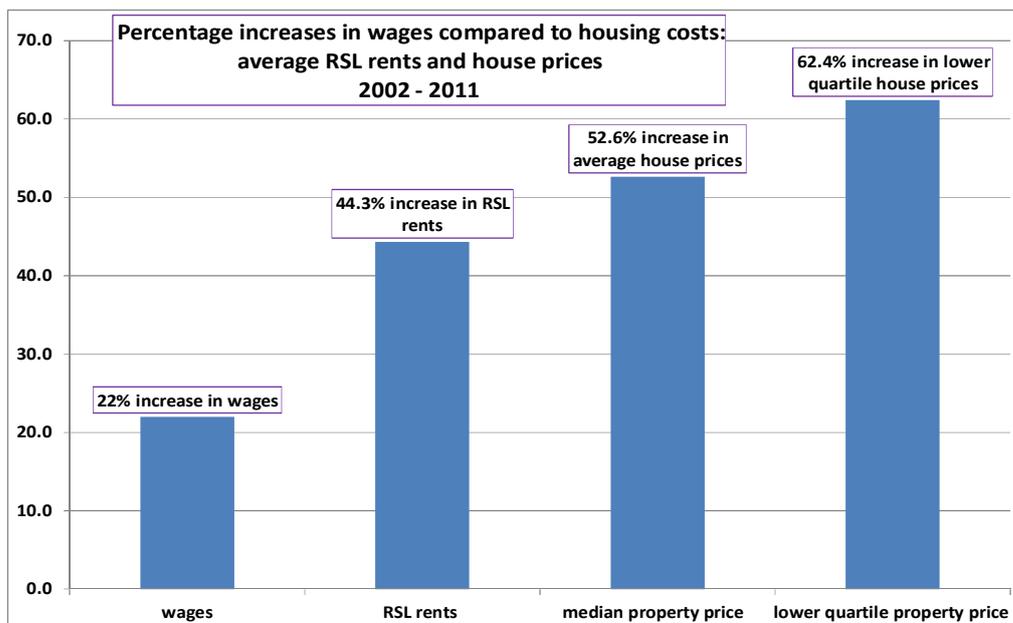


Figure 5.4: Percentage increases in wages compared to housing costs, average RSL rents and house prices 2002-2011.

## **Affordability testing principles**

- 5.20 Housing costs (rent or mortgage payments) can be tested for their affordability in a number of different ways. If gross income data is available then a common approach is to measure the ratio of the rent or mortgage payment to that income. In previous national studies housing costs are considered to be affordable if they comprise no more than one third, or one quarter (as used for the Strategic Housing Market Assessment (DTZ 2007) of housing costs. Financial support through Housing Benefit will mitigate financial hardship, but sometimes only partially; some households may not qualify to have all their rent covered by Housing Benefit.
- 5.21 Affordability is considered in more detail below, using CACI Paycheck data and the income profile of the Housing Register (those general needs households in Bands 1 - 4 only), both sets of income data covering the same time period, 2011. A more recent income profile of the Housing Register as at May 2012 (based on general needs and transfers) is consistent with that from 2011. House price data is based on lower quartile and median house prices for 2011 (quarters 2 and 3) – this maintains a common date for comparison with the income profiles.
- 5.22 There are certain points to consider when assessing income details from CACI and the Housing Register: these records relate to all income, which may include earnings or it may not. The assessment of affordability for owner-occupation has assumed, in the absence of any other data or more detailed household income breakdown that all the income is earnings and therefore a multiplier has been based on all that income to calculate the mortgage that will be required. In reality, earnings may comprise only part of the income, or people in the household may not actually be working and in which case would not qualify for a mortgage.
- 5.23 Furthermore, stamp duty, solicitor`s fees, search and survey fees would be additional costs: stamp duty currently starting at 1% of the purchase price – even for lower quartile and median house prices in Basingstoke and Deane, stamp duty alone could be in the region of £2,000.
- 5.24 The results of the test do not mean that a house price or rent is affordable or unaffordable: it is rather that as house prices or rents decrease or increase this could change the number and proportion of households able to afford them. Consequently, affordability tests will show relative affordability and the results will be indicative not absolute.

## **Access to owner occupation**

- 5.25 Tested based on the following assumptions:
- Lower quartile house price of £163,000 (quarters 2/3, 2011);
  - Median house price of £215,000 (quarters 2/3, 2011);
  - Deposit of 25% required;
  - Mortgage multiplier 3.5x income.
- 5.26 These variables are used combined with the following incomes/sources:
- Lower quartile and median earnings (ASHE 2011);
  - Lower quartile and median household incomes (CACI Paycheck 2011);

- Lower quartile and median household incomes for single, couple and family households (BDBC Housing Register 2011).

5.27 There are five tests applied which answer the following questions:

- Assuming a potential owner occupier could obtain a mortgage and raise a deposit, is there a financial gap/shortfall between the total they could raise and the actual property price;
- What income is actually required to afford a property;
- What would the property price need to be (by how much would it need to be discounted) for it to be affordable;
- How affordable are mortgage repayments, assuming a potential owner occupier could obtain a mortgage;
- How do different loan to value ratios impact on affordability.

5.28 During 2012, and with the introduction of schemes such as New Buy, some lenders are offering mortgages at a higher loan to value rate which means the requirement for a deposit can be reduced. Some mortgages only require a deposit of 5% or 10% of the purchase price rather than the 25% of the past. Affordability modelling assuming a 25% requirement is shown in Tests 1-4 below. Test 5 however is carried out based on a 5% deposit. The issue here is not just whether the buyer has enough capital or equity for a 5% deposit (which given local property prices can still be quite a substantial sum of money) but whether the buyer can afford to pay back a mortgage of 95% of the purchase price of a property in the borough. Test 5 explores this in detail. An “affordability gap” shown in Tests 1-4 still remains even if the deposit requirement is reduced.

Test 1: Assuming a potential owner occupier could obtain a mortgage and raise a deposit, is there a financial gap/shortfall between the total they could raise and the actual property price?

5.29 Affordability testing shows that, assuming a deposit of 25% is raised and a mortgage of 3.5 x income is obtained, there is still a significant shortfall which a prospective buyer would need to meet (Table 5.4).

annual income	house price	mortgage (3.5 x salary)	deposit (25% of house price)	total price that could be afforded	shortfall
<b>lower quartile property price</b>					
£10,000	£163,000	£35,000	£40,750	£75,750	<b>£87,250</b>
£15,000	£163,000	£52,500	£40,750	£93,250	<b>£69,750</b>
£20,000	£163,000	£70,000	£40,750	£110,750	<b>£52,250</b>
£21,725	£163,000	£76,039	£40,750	£116,789	<b>£46,211</b>
£22,500	£163,000	£78,750	£40,750	£119,500	<b>£43,500</b>
£25,000	£163,000	£87,500	£40,750	£128,250	<b>£34,750</b>
<b>median property price</b>					
£15,000	£215,000	£52,500	£53,750	£106,250	<b>£108,750</b>
£20,000	£215,000	£70,000	£53,750	£123,750	<b>£91,250</b>
£25,000	£215,000	£87,500	£53,750	£141,250	<b>£73,750</b>
£30,000	£215,000	£105,000	£53,750	£158,750	<b>£56,250</b>

£37,500	£215,000	£131,250	£53,750	£185,000	<b>£30,000</b>
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Table 5.4

**Wage earners on low or average salaries (ASHE 2011: £21,725 or £30,000 per year):** would be facing a shortfall of £46,000 for a lower quartile property and £56,000 for an average priced property;

**Households on low or average incomes (CACI 2011: £22,500 or £37,500 per year):** would be facing a shortfall of £43,000 for a lower quartile property and £30,000 for an average priced property;

**Households on the Housing Register (BDBC 2011):** single person and family households would face a shortfall of at least around £70,000 or even more for a lower quartile property; couples would face a shortfall of £34,000 or more.

- 5.30 The shortfalls identified would still remain even if the deposit was paid by a third party such as the Government or developer as per the FirstBuy30 scheme announced by CLG in the 2011 Budget. The scheme provides a 20% equity loan to top up first time buyers deposits of 5% allowing purchasers to take out a mortgage for 75% of the property. This scheme is open to households with an income of less than £60,000 who do not own a property and cannot afford to buy without assistance. In Test 1 above, this would mean that even households with an income of over £30,000

Test 2: What income is actually required to afford a property?

- 5.31 If households with lower quartile incomes are priced out of owner occupation, then what income is required to afford to buy a home in Basingstoke and Deane? In order to afford a lower quartile property at £163,000, in order to obtain a mortgage (with x 3.5 multiplier), a person, or household would need an (earned) income of £35,000. This is in addition to raising a deposit. This excludes from home ownership:
- 60% - 70% of wage earners in the borough (ASHE 2011);
  - 45% of all households in the borough (CACI 2011);
  - All (100%) of single people on the Housing Register (BDBC 2011);
  - 92% of families on the Housing Register (BDBC 2011);
  - 78% of couples on the Housing Register (BDBC 2011).
- 5.32 In order to afford a median priced property at £215,000, in order to obtain a mortgage (with x 3.5 multiplier), a person or household would need an (earned) income of £46,000. This is in addition to raising a deposit. This excludes from home ownership:
- 78% - 80% of wage earners in the borough (ASHE 2011);
  - 59% of all households (CACI 2011);
  - All (100%) of single people on the Housing Register (BDBC 2011);
  - 97% of families on the Housing Register (BDBC 2011);
  - 96% of couples on the Housing Register (BDBC 2011).

<sup>30</sup> <http://www.communities.gov.uk/housing/homeownership/firstbuy>

5.33 Quite simply, owner occupation at market prices is beyond the reach of households on the Housing Register. Significant proportions of the borough's population are also priced out of the market.

Test 3: What would the property price need to be (by how much would it need to be discounted) for it to be affordable?

5.34 If market housing prices were to be discounted, then how would this affect the chances of local households to access home ownership, and by what margin would they have to be discounted? The break-even point, where no discount is required, is reached where household income increases to around £35,000 a year. The general picture might be, based solely on income profiles and based on the same caveats as above, that (Table 11.2 below):-

**Wage earners on low or average salaries (ASHE 2011: £21,725 or £30,000 per year):** with an earned income of £21,725, a discount of around 28% would be required for a lower quartile property to be affordable; even on an average salary of £30,000, a 10% discount may be required – this would be applicable to 50% of wage earners;

**Households on low or average incomes (CACI 2011: £22,500 or £37,500 per year):** a household on an income of £22,500 would require a 26% discount on a lower quartile property – given that £22,500 is a lower quartile income, this would be applicable to 75% of households; a household with income of £35,000 would be at the break-even point where no discount would be needed – a household with an average income of £37,500 (according to the CACI data) would, therefore, be able to afford a lower quartile property at the usual market price;

**Households on the Housing Register (BDBC 2011):** single person and family households, on incomes of £10,000 or £15,000 a year would require a significant discount shortfall of at least around £70,000 or even more for a lower quartile property; couples on lower quartile incomes (around £15,000) would face a shortfall of £34,000 - on average incomes (£25,000), a discount of around 21% would be required.

annual income	mortgage (x 3.5 annual income)	Lower quartile property price	deposit (25%)	able to afford	extent of discount to afford lower quartile property	ratio of discount required to house price
£10,000	£35,000	£163,000	£40,750	£75,750	£87,250	53%
£15,000	£52,500	£163,000	£40,750	£93,250	£69,750	43%
£20,000	£70,000	£163,000	£40,750	£110,750	£52,250	32%
£21,725	£76,037	£163,000	£40,750	£116,787	£46,213	28%
£22,500	£78,750	£163,000	£40,750	£119,500	£43,500	26%
£25,000	£87,500	£163,000	£40,750	£128,250	£34,750	21%
£30,000	£105,000	£163,000	£40,750	£145,750	£17,250	10%
£35,000	£122,500	£163,000	£40,750	£163,000	£-250	0
£37,500	£131,250	£163,000	£40,750	£172,000	£-9,000	0

Table 5.5

Test 4: How affordable are mortgage payments, assuming a potential owner occupier could obtain a mortgage?

- 5.35 There are two aspects to mortgage affordability: the earnings/income level will affect how much a household may be able to borrow – this has been the subject of Tests 1, 2 and 3. Secondly, affordability is measured by the sum that a household is able to repay each month – Test 4.
- 5.36 The starting point for this test assumes that a buyer or household would find mortgage repayments affordable if their monthly repayment cost no more than one third of their gross earned income. An interest rate of 6% has been assumed and the total mortgage available calculated based on the maximum monthly repayment rather than an income/mortgage multiplier.
- 5.37 The results of the test show that households may be able to afford in monthly mortgage repayments, a mortgage that is over four times their income. This increases the mortgage contribution to the purchase price and reduces the deposit and thus also reduces the shortfall.
- 5.38 This calculation has the effect of bringing down the break-even point from £35,000 annual earnings to between £25,000 and £30,000. However, the issue facing households with this level of earnings will be the mortgage multiplier, which at over 4 times salary, may not be realistic for borrowing. This does, however, illustrate the point that mortgage re-payments may be less problematic than obtaining a mortgage in the first place (Table 5.6).

annual income	monthly mortgage repayment that could be afforded	total mortgage based on monthly repayment (assuming 6% interest rate)	salary / mortgage ratio (multiplier)	Lower quartile property price	shortfall after mortgage applied	deposit (assume 25% of purchase price)	shortfall after deposit applied
£20,000	£555	£85,000	x 4.25	£163,000	£78,000	£40,750	£37,250
£21,725	£603	£90,000	x 4.14	£163,000	£73,000	£40,750	£32,250
£22,500	£625	£95,000	x 4.22	£163,000	£68,000	£40,750	£27,250
£25,000	£694	£105,000	x 4.20	£163,000	£58,000	£40,750	£17,250
£30,000	£833	£127,000	x 4.23	£163,000	£36,000	£40,750	-£4,750
£35,000	£972	£149,000	x 4.26	£163,000	£14,000	£40,750	-£26,750
£37,500	£1,041	£170,000	x 4.5	£163,000	-£7,000	£40,750	-£47,750

Table 5.6

## Test 5: how do different loan to value proportions impact on affordability

- 5.39 This test can also be used to assess affordability of higher loan to value mortgages, such as the 95% mortgage offers from some lenders. The mortgage for a lower quartile property would therefore be £154,485; monthly repayments at 6%, £1,009. In such cases with high loan to value, the issue is both availability of the mortgage and its affordability in monthly repayments. The “break-even” point will vary according to the level of monthly repayments.
- At 95% loan to value, the break-even point would be between £35,000 and £37,500 annual salary. A deposit of just over £8,000 would be required.
  - At 90% loan to value, a £35,000 annual salary and a deposit of £16,000 would be required.
  - At 85% loan to value, a salary of between £30,000 and £35,000 and a deposit of £24,500 would be required;
  - At 80% loan to value, a salary of between £30,000 and £35,000 and a deposit of £32,600 would be required.
- 5.40 Higher loan to value mortgages will reduce the capital sum required as deposit; however, for households on low incomes, a 95% mortgage, even on a lower quartile or well discounted property, could be unaffordable and could equate to well over 3.5x earnings. Under the NewBuy scheme locally, the following property prices<sup>31</sup> have been offered:
- 1 bed apartment – from £125,000 / £149,950;
  - 1 bed house – from £165,000
  - 2 bed apartment and 2 bed house – from £189,950
  - 3 bed house – from £200,000
  - 4 bed house – from £294,950
- 5.41 Table 5.7 below shows the income that would be required to sustain mortgage payments on a property with a 95% mortgage at the lowest of these property prices, £125,000. Annual salary of around £30,000 would be required.

annual income	mortgage (95% of house price)	deposit (5%)	monthly repayments at 6%	monthly income (annual / 12)	one third monthly income	able to afford mortgage from monthly income (repayment < 1/3 salary)	income / mortgage multiplier
£20,000	£118,750	£6,250	£774	£1,666	£555	no	x 5.9
£21,725	£118,750	£6,250	£774	£1,810	£603	no	x 5.5
£22,500	£118,750	£6,250	£774	£1,875	£625	no	x 5.3
£25,000	£118,750	£6,250	£774	£2,083	£694	no	x 4.75
£30,000	£118,750	£6,250	£774	£2,500	£833	yes	x 3.95
£35,000	£118,750	£6,250	£774	£2,916	£972	yes	x 3.4
£37,500	£118,750	£6,250	£774	£3,125	£1041	yes	x 3.2

Table 5.7

- 5.42 If the property price was £149,950, then an annual salary of £33,400 would be required; and property priced at £165,000 would require £36,750. In both cases the mortgage would be 4.3 times annual salary.

<sup>31</sup> 7<sup>th</sup> June 2012

- 5.43 The testing assumes only one salaried income used to secure a mortgage and for its repayment. Where two people apply for a joint mortgage, clearly the income coming into the household may well be higher than the £30,000 - £35,000 income that recurs throughout the tests as a bottom line requirement.
- 5.44 Nevertheless, even if wage levels are sufficient to obtain a mortgage and sustain the repayments, without positive equity from an existing property, the lump sum deposit required to buy property can be substantial. When this is added on to the cost of buying the property itself, such as stamp duty, surveys and conveyancing, and other related monthly outgoings such as mortgage protection insurance and household insurance cover, in reality the income required to purchase property in this area could well be higher. The sum of £35,000 should therefore be seen as the bare minimum required.

### Access to “Entry level” rents

- 5.45 This section has examined affordability for rents in two different ways: firstly, a look at “entry price rents”, that is, entry to the private rented sector; and secondly, detailed modelling, primarily for the purposes of the affordability of social housing stock taking account of Housing Benefit entitlement.
- 5.46 Rental affordability works on the basis that a rent (housing costs) would be unaffordable to a particular household if it exceeded three times the gross income of that household. This does not include the incomes of “non-dependants”, but the income of the householder and his/her partner. The modelling is based on basic rent levels before service charges.

### Entry price to the private rented sector

- 5.47 “Entry price” in the private rented sector can be measured in five ways:
- Based on the rent for a **lower quartile one bed property** – rent of £127 a week; or
  - Based on the rent for a **lower quartile two bed property** (this was used as a benchmark in the DTZ Strategic Housing Market Assessment 2007) – rent of £160 a week; or
  - The rent that could be afforded based on the average income of a particular household group – **the entry point by average income; or**
  - Based on the rent for a **median priced one bed property** (£138 a week) or a **median two bed property** (£173 a week); or
  - Based on a **mid-point between a one and two bed property**: lower quartile rents would be £144, and median, £156. This allows for better comparison between the other tenure types: the lower quartile and median for these tenures includes both one and two bed homes.

A lower quartile one bed property:

- 5.48 A lower quartile privately rented one bed property would require an income of around £20,000 per annum – this would be the “entry price” for single people and couples to the private rented sector. The Housing Register income profile shows that even this, a relatively modest rent, would be unaffordable to a significant proportion of single people and couples. This test explores affordability at the very lowest end of the market.

- 5.49 Regardless of the size, type and tenure of property, a rent of £127 a week could also be a struggle for families on the **Housing Register**, because:
- 62% of family households on the Housing Register have incomes of less than £20,000 a year<sup>32</sup>; 47% of couple households have incomes of less than £20,000 a year<sup>33</sup> (although a further 36% have incomes in the £25,000 to £40,000 range):
  - The income profile of single person households on the Housing Register shows that 86% of single people have incomes of less than £20,000 a year<sup>34</sup>. One in five single people has an annual income of less than £10,000 a year.
- 5.50 However, when this rent level is tested against the income profile of the general population, a rent requiring an income of £20,000, this rent would be affordable to nearly 80% of the general population.

5.51 The result of this test is summarised below in **Table 5.8**.

Property type	Weekly rent	Annual income required	Percentage of households for which rent would be affordable:			
			Single people on the Housing Register	Couples on the housing register	Families on the housing register	The general population of the borough
1 bed property	£127	£20,000	14%	53%	38%	79%

**Table 5.8**

- 5.52 A lower quartile two bed property (this was used as a benchmark in the DTZ Strategic Housing Market Assessment 2007) – rent of £160 a week:
- 5.53 This would require an annual income of £25,000. According to the Housing Register income profile the following households would be excluded from even this modest rent:
- 71%<sup>35</sup> of family households on the Housing Register have incomes of less than £25,000 a year; 52%<sup>36</sup> of couples have incomes of less than £25,000 a year;
  - 93%<sup>37</sup> of single people on the Housing Register have incomes of less than £25,000 a year.

5.54 However, tested against the income profile of the general population a rent requiring an income of £25,000 would be affordable to 71% of the general population. The result of this test is summarised in Table 5.9 below.

**Table 5.9**

Property type	Weekly rent	Annual income required	Percentage of households for which rent would be affordable:			
			Single people on the Housing Register	Couples on the housing register	Families on the housing register	The general population of the borough
2 bed property	£160	£25,000	7%	48%	29%	71%

<sup>32</sup> As at May 2012 this figure stands at 64% (general needs + transfers)

<sup>33</sup> As at May 2012 this figure stands at 47% (general needs + transfers)

<sup>34</sup> As at May 2012 this figure stands at 83% (general needs + transfers)

<sup>35</sup> As at May 2012 this figure stands at 74% (general needs + transfers)

<sup>36</sup> As at May 2012 this figure stands at 60% (general needs + transfers)

<sup>37</sup> As at May 2012 this figure stands at 93% (general needs + transfers)

## The “entry point” by average income

- 5.55 Based on average incomes, what rent would be affordable to households on average incomes? This is a theoretical point because, along with the two tests above it does not take account of Housing Benefit support; not does it take into account the range of rents for a particular property type but uses an average rental level. However, it does illustrate the difference between the Housing Register income profile and that shown by CACI when comparing how households in housing need, and households in the general population, would fare in the private rented sector.
- 5.56 Single people and families on the Housing Register, on the average income for them, £15,000, may be able to afford a property with a rental level of around £416 a month / just over £100 a week. In the private rental market this would cover the rent for a studio or a very low priced one bed property, likely to be below lower quartile price. However, based on the whole borough population, the average / median income is between £35,000 and £40,000 per annum. Such an income would enable a household to afford, in the private rented sector, a lower quartile / median rent for a 4 bed property (rent of around £230 a week). This is summarised below in Table 5.10.

	<b>Average annual income</b>	<b>Rental level that would be affordable (month/week)</b>	<b>Equivalent property in the private rented sector</b>
Single people on the Housing Register	£15,000	£416 / £104	studio
Couples on the Housing Register	£25,000	£694 / £174	2 bed
Families on the Housing Register	£15,000	£416 / £104	studio
General population of the borough	£35,000 - £40,000 (mid-point £37,500)	£1,041 / £260	4 bed

**Table 5.10**

## Median priced one or two bed property

- 5.57 To afford a median priced one bed property at £138 a week, an annual income of £21,500 would be required. When testing a median priced two-bed property at £173 a week an annual income of £27,000 would be required. These income thresholds further exclude households from the Housing Register accessing such homes as the income required is higher than that for lower quartile rents and there is the added issue that these rent levels are higher than the Local Housing Allowance which is set at the 30th percentile of the market, below the median (50th percentile). This results in any Housing Benefit entitlement being restricted to below the eligible rent. There will be a shortfall in Housing Benefit therefore, even if the household is on a minimum income.

## A mid-point between a one and two bed property

5.58 Lower quartile rents would be £144, and median, £156. This allows for better comparison between the other tenure types: the lower quartile and median for these tenures includes both one and two bed homes. Annual incomes required to access the private rented market are around £22,000 and £24,000 respectively. Considering how these income thresholds would apply to the overall borough population, 24% of these households may be unable to afford the lower quartile price and 27% may be unable to afford the median rent level. These thresholds are carried forward to the “entry price” rents-to-income assessment for the private rented sector.

### **Access to the market – affordability thresholds**

5.59 Is it now possible to outline the affordability thresholds that can be used for any Housing Needs Assessment. The following table shows the annual incomes required to access the private rented, intermediate and owner occupied market.

5.60 These can be applied to any new household figure to assess the proportions of new households that are likely to require these tenures. It should be emphasised that this does not take any account of past trends on the Housing Register but assumes that any new household population will fall into housing need according to affordability criteria. It also makes the same affordability assumptions across all household types.

5.61 These incomes are benchmarked against the CACI income data to show the percentage of the borough population that may or may not be able to access the housing market (Table 5.11).

	lower quartile priced property			median (average) priced property		
	income required to access:	percentage of borough households unable to access:	percentage of borough households able to access:	income required to access:	percentage of borough households unable to access:	percentage of borough households able to access:
private rent	£22,000	24%	76%	£24,000	27%	73%
intermediate rent	£23,000	26%	74%	£29,000	35%	65%
shared ownership	£23,000	26%	74%	£31,000	38%	62%
intermediate home ownership	£30,000	37%	63%	£37,000	47%	53%
owner occupation	£35,000	45%	55%	£46,000	59%	41%

**Table 5.11: Affordability thresholds by tenure - the percentage of borough households able to access or not access certain tenure types 2011 (Source: BDBC Housing Needs and Affordability Modelling / CACI PayCheck 2011)**

5.62 Key points are:

- Entry price private rented accommodation may not be accessible to up to 24% of borough households – those with incomes lower than £22,000 a year;
- Locally, to access the private rented sector, an earned income is required as landlords look for people in employment;

- Incomes to access intermediate rent and shared ownership would start at around £23,000 a year excluding one quarter of borough households (26%) at the lowest end of the market – average priced properties could be unaffordable for more than 35% of households;
- Both intermediate rent and shared ownership require a commitment to purchase a home, usually through a mortgage which requires earned income. Note that intermediate rent is a specifically designed stepping stone towards owner-occupation and so the requirement for earned income applies;
- Access to intermediate home ownership ranges from 37% of the borough`s households (lower quartile price) to 47% (median average price). This includes schemes where the buyer is supported through an equity loan such as First Buy;
- Outright home ownership at the lowest end of property prices appears out of reach for 45% of households in the borough – average priced property, for nearly 60% of borough households.

5.63 To show how the different lower quartile and median income thresholds affect the scale and extent of housing needs, both sets of thresholds are used by running two different Housing Needs Assessments (Table 5.12).

required property by tenure (lower quartile prices) Basingstoke and Deane	% borough households requiring tenure	income thresholds (£ per week)	
		from	to
social housing	24%	0	£21,999
private rent	2%	£22,000	£22,999
intermediate rent and shared ownership	11%	£23,000	£29,999
intermediate home ownership	8%	£30,000	£34,999
owner occupation	55%	£35,000+	
required property by tenure (median prices) Basingstoke and Deane	% borough households requiring tenure	income thresholds (£ per week)	
		from	to
social housing	27%	0	£23,999
private rent	8%	£24,000	£28,999
intermediate rent and shared ownership	3%	£29,000	£36,999
intermediate home ownership	12%	£37,000	£45,999
owner occupation	41%	£46,000+	

Table 5.12

### The Housing Register and Housing Benefit

5.64 The affordability modelling below takes into account Housing Benefit and illustrates how, for families, Housing Benefit as it currently stands will enable family households to access accommodation of a higher rent level than the test above shows they can afford.

- 5.65 This affordability modelling has been undertaken primarily to understand how the introduction of the new “Affordable Rent” tenure for social housing stock may impact on households in housing need. An “affordable rent” means that, where HCA funding is awarded, rents will be set to a level equating to up to 80% of private market rents. This is compared to previously where rents for social housing stock were set at around 45% - 55% of market rents. This will affect rents for both new build, and in some cases, conversions where existing stock is re-let to a new tenant. It should be noted that a rent set at a percentage of the market rent is based on distribution: 80% is actually the 80th percentile in the range of rents for a property type in a particular locality.
- 5.66 It is important to stress that rents will vary from locality to locality. Depending on the housing market in a particular area, private market rents may well be low enough to be close to social rent levels; in other localities the market rent may be higher. It is not therefore simply a question of “affordable” or market rents being higher or always unaffordable to households on low incomes. This presents a difficulty when modelling rental affordability, in that there is no one “typical” rent level for a particular property size; modelling should therefore cover a spectrum of rental values that relate to the actual market.
- 5.67 It would be misleading to try and establish an absolute rent level for any type or size of property in any sector, whether that be in the social or private rented sectors. Rent levels will be influenced by size, type, age and location of the property, the local housing market in that locality and any services or facilities for which payment may be included in the rent. For this reason, it is more reflective of the actual position to talk in ranges of rents for different size/types of property. For the purposes of affordability modelling, testing a range of rents against a range of incomes means that the modelling results could then be applied as an indication of affordability for any size property in any location.
- 5.68 This work has considered rent levels for the borough as a whole, initially based on rents at 30%, 50% and 80% of market, and allows for testing at other rent levels in the future. This also presents the opportunity to evaluate the effects of modest rent increases or changes.
- 5.69 For these reasons, affordability modelling has been based on three different rent levels for each property type: a shared room; 1 bed; 2 bed; 3 bed; and 4 bed property. The modelling was carried out initially in the summer/autumn of 2011 based on the LHA rates at that time (30th percentile) and using the same sample of rents to test the 50th percentile/median, and 80th percentile: that is a low, medium and high value for each property type.
- 5.70 Between the values of £63 a week and £350 a week, this tests 9 different rent levels to assess how affordable they are, as follows in Table 5.13:

2011	for modelling		
	Local Housing Allowance		
	30th percentile	50th percentile	80th percentile
Room	£63.50	£68.00	£80.00
One bed	£126.92	£140.00	£150.00
Two beds	£160.38	£175.00	£180.00

Three beds	£184.62	£200.00	£225.00
Four or more beds	£230.77	£280.00	£350.00

Table 5.13

- 5.71 Furthermore, household incomes will vary meaning that higher rents can be more affordable to some than others. The modelling therefore sets out how different rent levels may be more or less affordable relative to those higher or lower: it does not state that a particular rent is unequivocally, affordable or otherwise and the proportion of households on the Housing Register who may find it more or less so.
- 5.72 Housing Benefit provides some financial support to households towards their housing costs, the amount of benefit dependant on rent level, household composition and income. However, when trying to assess housing affordability, Housing Benefit can mask the extent to which local rents are really affordable to local people. This is particularly important given that the expected changes to welfare reform will be implemented, and take effect, alongside the Affordable Rent regime.
- 5.73 This has given a general indication of relative affordability: that is, the proportion of households on the Housing Register who may or may not be able to afford owner/occupation, and the proportion of households who may or may not be able to afford rent at a certain level, with and without Housing Benefit.
- 5.74 The key elements of this work comprise:
- Household types/composition: single person, couple, family and lone parent households;
  - Income levels for each household type;
  - Property size: shared accommodation, 1 bed, 2 bed, 3 bed and 4 bed properties;
  - Rents: three different rent levels for each property size;
  - House prices: lower quartile and average (median) house prices;
  - Housing Benefits: “applicable amounts” (or “needs allowances”).
- 5.75 It does not seek to compare affordability in the borough to other nearby districts.
- 5.76 Key findings:
- Single people:
- Single people are least likely to be able to afford even modest increases in rent;
  - At 30% of market for shared accommodation (rent of £63 a week), between 5% and 10% of single person households may not be able to afford the rent, nor qualify for Housing Benefit;
  - Rents of £8038 per week or more may be significantly unaffordable for single people;
  - Based on their income alone, 38% of single people on the Housing Register may not be able to afford a rent of £80 a week;
  - A proportion of these households may qualify for Housing Benefit: even so, that could still leave around 20% of single person households unable

<sup>38</sup> This equates to a rent level of 80% of market for shared accommodation

to afford a rent of £80 a week – a rent towards the top end of shared accommodation (80th percentile).

#### Couples:

- Couple households are also vulnerable to even modest increases in rent;
- A weekly rent at 30% of market for a 1 bed property (rent of £12639) may be unaffordable for couple households;
- Based on their incomes alone, 50% of couple households on the Housing Register may not be able to afford a rent of £126 a week;
- A proportion of these households may qualify for Housing Benefit: even so, that could still leave around 17% of couple households unable to afford a rent of £126 a week.

#### Families and lone parents:

- Family and lone parent households are more likely to be able to withstand modest increases in rent, but only where Housing Benefit is awarded;
- Without Housing Benefit, even rents towards the lower end of the scale (around 30% of market) could still be unaffordable to most families;
- A weekly rent at 30% of market for a 2 or 3 bed property may be unaffordable for family households;
- For smaller families with 1 or 2 children, rents of £16040 per week may be unaffordable - based on their incomes alone, 75% of smaller families may not be able to afford rent of £160 per week;
- For larger families with 3 or 4 children, rents of £18041 per week may be unaffordable – based on their incomes alone, 75% - 80% of larger families may not be able to afford rent of £180 per week;
- Based on incomes alone and assuming no Housing Benefit entitlement, rents of £22542 a week or more may be unaffordable for over 90% of family households on the Housing Register;
- A significant proportion of these smaller families, however, may qualify for Housing Benefit.

#### Summary:

- Affordability will be a significant issue for many single people - anticipated Housing Benefit restrictions to entitlement for single people under the age of 35 will compound this problem further;
- Even where Housing Benefit entitlement can be assumed, some households on the Housing Register may be unable to afford rents at even 30% of market – single person and couple households may be the most likely to be affected;
- For example, based on the minimum property size a household might need:
- 20% of single person households could not get Housing Benefit, or afford to pay, an 80<sup>th</sup> percentile rent for shared accommodation;
- But for families looking for accommodation suited to their family size, fewer than 5% would be unable to get Housing Benefit or unable to afford the rent themselves.
- If Housing Benefit entitlement is not assumed then even low rents for 2,3 and 4 bed properties are likely to be unaffordable to some families;

<sup>39</sup> This equates to a rent level of 30% of market for a 1 bed property

<sup>40</sup> This equates to a rent level of 30% of market for a 2 bed property

<sup>41</sup> This equates to a rent level of 30% of market for a 3 bed property

<sup>42</sup> This equates to a rent level of 80% of market for a 3 bed property (and around 30% of market for a 4 bed property)

- Housing Benefit potentially could provide greater protection for family households – even so, Housing Benefit caps to be introduced with the new welfare reforms may limit the extent to which Housing Benefit can compensate for higher rents;
- Nevertheless a small number of households on the Housing Register may be able to meet rents at the higher end of the rental scale;
- Based on this piece of work, the general picture of affordability issues for households on the Housing Register is that a proportion of households may be able to meet rent set at 80% of market value – this will vary according to household type and property size;
- However, it also shows that there will still be a need for rents set at average market levels and below to minimise the number of households facing financial hardship;

### Housing Register applicants and the general population

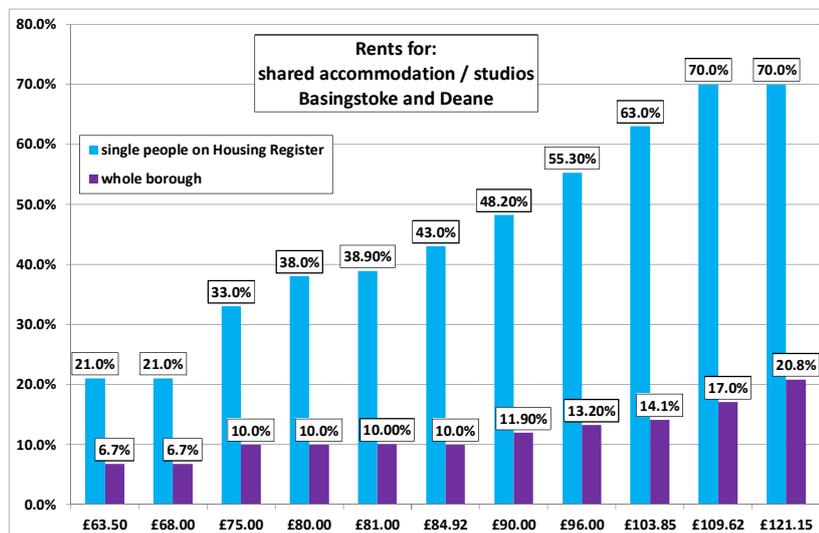
5.77 In effect this draws together the two previous sets of affordability assessments into one analysis. The graphs below show the modelling with:

- 30th, 50th and 80th percentiles; and
- Average private sector rents including “entry level”.

5.78 A comparison is drawn between:

- the results from modelling the Housing Register incomes; and
- average incomes for the borough as a whole.

5.79 The graphs below show the percentage of households who may be unable to afford rent at the given level.



**Figure 5.5: shared accommodation and studios against single Housing Register households and the general population.**

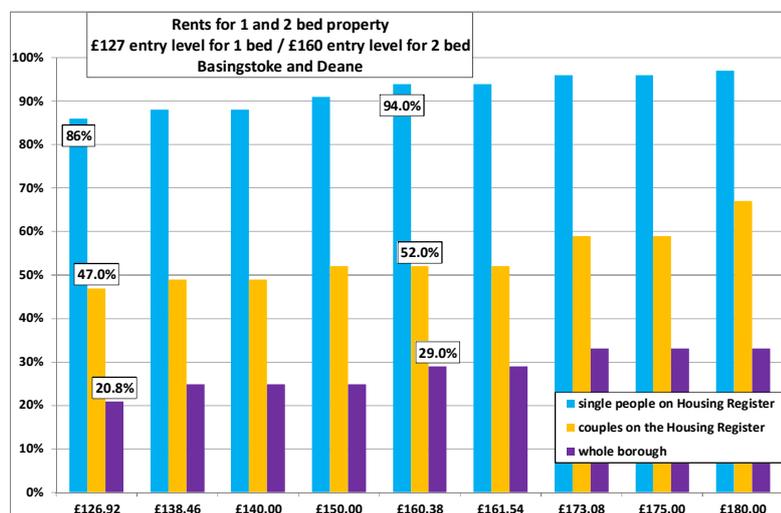


Figure 5.6: one and two bed properties against single and couple Housing Register households and the general population.

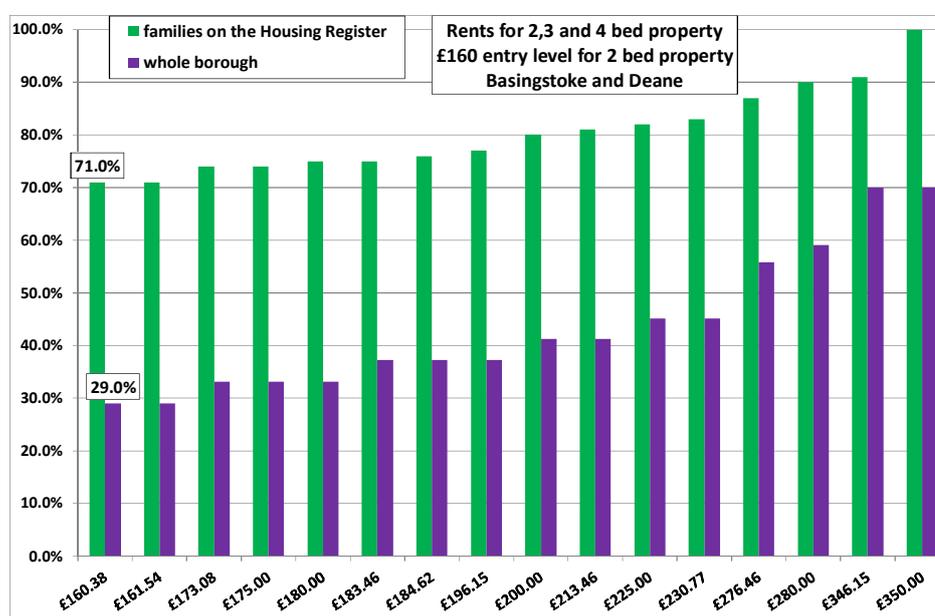


Figure 5.7: two, three and four bed properties against family Housing Register households and the general population.

## Social Rents and Affordable Rents

5.80

An analysis has already been carried out of the ranges and variation between social rent and affordable rent. The following table shows affordability modelling carried out using these rents to understand the relative affordability of SR and AR and how households on the Housing Register may, or may not be able to afford the lower and upper thresholds of rents actually charged on properties that have come through the CBL system in the last six months. The table shows the percentage of households on the Housing Register unable to afford rent at the given level. The analysis shows (Table 5.14), matched to the household most likely to be allocated such a size of property:

- Rents for studios and one bed properties, matched to single people and couples;
- Rents for two bed properties, matched to single people, couples and families;
- Rents for three and four bed properties matched to families.

percentage of households on the Housing unable to afford rent for:	Social rent per week		Affordable rent per week	
	lower	upper	lower	upper
studio	<b>£75</b>	<b>£81</b>	no affordable rents charged	
% single people	32.7%	38.9%	no affordable rents charged	
1 bed flat	<b>£78</b>	<b>£126</b>	<b>£106</b>	<b>£130</b>
% single people	36.2%	83.7%	£65.0%	86.4%
% couples	18.7%	46.0%	34.0%	48.0%
1 bed house	<b>£93</b>	<b>£96</b>	no affordable rents charged	
% single people	51.8%	55.3%	no affordable rents charged	
% couples	26.0%	28.0%	no affordable rents charged	

percentage of households on the Housing unable to afford rent for:	Social rent per week		Affordable rent per week	
	lower	upper	lower	upper
2 bed flat	<b>£90</b>	<b>£137</b>	<b>£117</b>	<b>£152</b>
% single people	48.2%	87.5%	70.8%	91.8%
% couples	24.0%	49.3%	41.3%	50.7%
% families	42.1%	65.0%	56.3%	68.8%
2 bed house	<b>£96</b>	<b>£147</b>	<b>£123</b>	<b>£165</b>
% singles	55.3%	90.3%	80.5%	96.1%
% couples	28.0%	50.0%	44.0%	57.3%
% families	46.4%	67.2%	60.1%	72.1%
percentage of households on the Housing unable to afford rent for:	Social rent per week		Affordable rent per week	
	lower	upper	lower	upper
3 bed house	<b>£101</b>	<b>£151</b>	<b>£119</b>	<b>£189</b>
% families	47.9%	68.9%	55.2%	76.5%
4+ bed house	<b>£125</b>	<b>£170</b>	<b>£165</b>	
% families	61.2%	73.8%	72.1%	

Table 5.14

## Chapter 5 Summary

### Migration

The area had a net internal in-migration gain of 1731 people between 2006-2010. While net UK migration 2006-10 accounted for 346 annual average gain, international migration was significantly less at 141 annual average gain.

The largest in migration age group(s) were 15-24 years and 25-44 years, the largest net out migration age group were 25-44.

Most internal migrants who come to or left the area did so from within the South East region, mostly moving to and from adjacent local authorities.

### Housing Delivery

Housing delivery in the area has been relatively constant since 2001 with higher numbers achieved between 2007-2009. The housing target during the last plan period 1996-2011 was met.

### Affordability

- Basingstoke and Deane housing costs are the most affordable in north Hampshire (with the exception of Rushmoor) and significantly more affordable than in Berkshire or Surrey.
- Over the last decade property prices in the borough have risen by 2-3 times more than local salary levels and increases in salary levels kept pace with local rents.
- Since 2002, average local salary levels rose by 22%, RSL rents by 44%, average property prices by 52% and lower quartile property prices by 62%. The decrease in property prices from 2007 to 2009 has now reversed and prices are returning to pre-recession levels.

The borough has not experienced any worsening of affordability when compared to neighbouring authorities therefore indicating no justification for increasing the objectively assessed need range to respond to market signals.

In Basingstoke and Deane, the annual minimum income required to access lower quartile priced / median priced property would be:

- for private rented accommodation: £22,000 / £24,000 a year;
- for intermediate rent: £23,000 / £29,000 a year;
- for shared ownership: £23,000 / £31,000 a year;
- for intermediate home ownership: £30,000 / £37,000 a year;
- for outright owner occupation: £35,000 / £46,000 a year.

“Entry price” for a lower quartile 2 bed property would be affordable to just 7% of single people on the Housing Register, 48% of couples and 29% of families. By contrast, 71% of the general population of the borough would be able to afford this rent.

20% of single people on the Housing Register would not be entitled to Housing Benefit, nor could they afford to pay themselves a higher than average rent for shared accommodation (£80 a week).

Fewer than 5% of families would be in this position even for a higher than average rent for a property suited to their family size.

At lower quartile prices, 26% of households would require social housing and a further 11% intermediate housing.

A total of 37% of new households would require some form of affordable housing and this is only expected to increase with changes in affordability.

## 6.0 Housing Market Drivers

### Factors influencing future housing requirements

- 6.1 Basingstoke and Deane Borough Council has sought to update its demographic evidence with the development of a suite of population, household and housing forecasts for the borough.
- 6.2 BDBC commissioned Edge Analytics to conduct a demographic analysis of the borough, including the development of a suite of growth scenarios. These scenarios have been developed using POPGROUP technology; they use the latest available statistics from both ONS and CLG; they evaluate trend, policy and economic considerations; they are accompanied by a transparent definition of key assumptions; and they are presented in a consistent format that contrasts the impact of scenario assumptions upon changes to population, households, dwellings, labour force and jobs. All scenarios are run from a 2011 base year, with a 2029 horizon. For context, historical data are included for 2001-10.
- 6.3 Its objective has been to use the latest published statistics within a robust forecasting model, to produce a suite of alternative growth forecasts that combine demographic, economic and policy perspectives.
- 6.4 The following scenario forecasts are presented in this report:
- A trend projection consistent with the ONS 2010-based sub-national population projection (SNPP-2010).
  - Alternative trend projections with a 2011 base year, using the latest evidence from the revised 2002-10 mid-year estimates to set migration assumptions
  - A net nil migration scenario that includes in- and out-migration but assumes a zero net balance
  - Economic led based on local forecasts of employment growth.
- 6.5 The scenarios are designed to give 'bookend' estimates to illustrate what may happen in demographic and economic terms if a given set of conditions prevail and are intended to provide the basis for assessing (and if necessary planning) what could be the implications of these.

### Technical background to the scenarios

- 6.6 All scenarios are run from a 2011 base year with a 2029 horizon. The scenarios use the latest evidence from:
- 2011 Census statistics on population and households;
  - Revised mid-year population estimates for the period 2007-2010 (ONS);
  - 2011-based household projections for 2011-21 (CLG).
- 6.7 The geographical focus of the analysis is the borough of Basingstoke and Deane. Natural change is accounted for through the Sub-National Population Projections (SNPP) and long term assumptions on change in age-specific fertility and mortality rates from ONS 2010 based national population projections.

6.8 However, internal migration from within the UK (both from neighbouring and nearby local authority districts and beyond) and international migration from outside the UK is also accounted for. Data for internal migration is taken from the Patient Register Data Service (PRDS) which captures the movement of patients as they register with a GP, and from the “components of change” files which underpin the ONS mid-year estimates.

6.9 This latest demographic evidence provides the basis for the development of alternative trend scenarios that consider the potential future impact of this internal and international migration. The scenarios considered a variety of assumptions around internal and international migration looking at trends over the previous five or ten year period.

6.10 Seven key scenarios were presented:

- i) (SNPP-2010) - The 2010-based sub-national population projection from ONS is used in this analysis as the trend benchmark. This scenario has been developed using historical evidence from the period 2006-10 and incorporates long-term assumptions on fertility, mortality and international migration that were defined in the 2010-based national projection for England. The SNPP-2010 scenario is scaled to ensure consistency with the 2011 Census population, following its designated growth trend thereafter.
- ii) ‘Employment 600’: population growth is constrained to a jobs growth trajectory of 600 new jobs per year.

A range of ‘migration-led’ scenarios have been developed and tested, as follows:

- iii) ‘Mig-led5yrs’: internal and international migration assumptions are based on the last five years of historical evidence.
- iv) ‘Mig-led10yrs’: internal and international migration assumptions are based on the last 10 years of historical evidence.
- v) ‘Mig-led10yrs-5yrs’: internal migration assumptions are based on the last 10 years, international migration assumptions are based on the last five years of historical evidence.
- vi) ‘Mig-led10yrs-5yrs80%’: internal migration assumptions are based on the last 10 years, international migration assumptions are based on the last five years but reduced to 80% in line with the difference between the current national estimate (+155,000) and the existing ONS long-term assumption (+183,000).
- vii) ‘NetNil’: in-migration, out-migration, immigration and emigration are maintained, but the net migration balance is set at zero.

6.11 The scenarios were run using different assumptions on headship rates (propensity to form households from which household, and therefore, dwelling growth is estimated).

6.12 Three assumptions were run:

- Scenario A - CLG 2011-based household projections with the 2011-21 trend continued after 2021
- Scenario B - CLG 2011-based household projections fixed

- Scenario C - CLG 2008-based rates.

- 6.13 Based on data from 2008 and 2011, Scenario's A and C have been calibrated from data collected in very different housing market conditions and show varying rates of household formation. The 2008 headship rates are scaled to be consistent with the 2011 Census but follow the original trend thereafter. The two assumptions produce different occupancy outcomes, higher in the case of the 2011-based rates, lower for the 2008-based rates.
- 6.14 Scenarios were also run using different economic activity rates following the release of new statistics from the 2011 Census in December 2013. These scenarios also included an assessment of an alternative unemployment rate assumption based on 5.6% unemployment retained but reduced to 4.6% by 2019 and remains fixed thereafter to reflect an improving economy.
- 6.15 It is considered that the updated economic activity rate statistics from the 2011 Census provide a more definitive view on the variation between age-sex groups in the borough. The scenarios have been run using two variants. The first used 2011 Census economic activity rates, fixed throughout the forecast period. The second used the 2011 Census economic activity rates modified to take more explicit account of proposed changes to State Pension Age over the forecast period. The latter is considered to reflect the most appropriate assumption in moving forward due to the Government's current position with regard to state pension age.

### **The role of the SHMA**

- 6.16 The intention within the SHMA is not to replicate the analysis in the Edge Analytics report but to:
- explore fully the population and household mix within the scenarios reported;
  - explore the migration assumptions within this;
  - undertake Housing Needs Assessment

### **Scenario definition summary**

- 6.17 A number of different scenarios have been assessed with regard to objectively assessed housing need. This is essentially 7 scenarios with 3 different starting assumptions. These scenarios are contained within Edge Analytics, Demographic analysis and forecasts, May 2013 (and updated in December 2013) which outlines the basis and justification for each scenario. This can be found at appendix D.

## **Chapter 6 Summary**

To summarise, seven different scenarios was evaluated as part of this analysis, each of which were tested against three different starting assumptions based on varying headship rates.

The council considered the 3 different starting assumptions and felt that Scenario B (CLG 2011 – based household projections fixed) was the least realistic compared to scenarios

## 7.0 Projections of Future Household and Population Change

7.1 This section summarises the scenario outcomes (Scenarios A and C only) as tested through the Edge analytics report (as set out in the previous chapter).

### Scenarios/assumptions carried forward

7.2 The first scenario is **Scenario A**. This used CLG 2011-based headship rates, with the 2011-21 trend continued after 2021.

7.3 The second scenario is **Scenario C**. This used CLG 2008-based headship rates, scaled to be consistent with the 2011 census but following the original trend thereafter.

7.4 Both scenarios were run using economic activity rates from 2011 Census with adjustment for State Pension Age (**EA2**).

7.5 These were run for the following seven scenarios (which were explained in Chapter 6):

- SNPP-2010
- Mig-led5yrs
- Mig-led10yrs
- Mig-led10yrs-5yrs
- Mig-led10yrs-5yrs80%
- NetNil
- Employment\_600

### Scenario outcomes

Scenario A using Economic activity assumption EA2

- 7.6 The scenario A outcomes suggest a range of growth trajectories depending upon the key assumptions that have been applied (which of the 7 approaches above is used). Population growth ranges from 9.5-22.5%, with estimated dwelling growth from 550-983 units per year (Table 7.1).
- 7.7 Figure 7.1 illustrates the trajectory of the population change resulting from scenarios A. Table 7.1 summarises the change in population and household numbers from 2011-29 that results from the scenario. The table also shows the average annual net migration associated with the population change; plus the expected average annual dwelling and jobs growth based on the assumption used.

Scenario	Demographic led						Economic led
	Mig-led5yrs	Mig-led10yrs	Mig-led10yrs-5yrs	Mig-led10yrs-5yrs80-%	SNPP-2010	NetNil	Employment600
<b>Population change</b>	+37,912	+31457	+28195	+26649	+25251	+16062	+33616
Of which Natural change	+18436	+18155	+17107	+16551	+15153	+16062	+17524
Of which Net migration	+19476	+13302	+11088	+10098	+10098	0	+16092
<b>Household change</b>	+17297	+14405	+13379	+13152	+13934	+9668	+15662
<b>Dwelling change</b>	+17694	+14742	+13698	+13464	+14256	+9900	+16020
<b>Dwellings p.a</b>	<b>+983</b>	<b>+819</b>	<b>+761</b>	<b>+748</b>	<b>+792</b>	<b>+550</b>	<b>+890</b>
<b>Labour Force</b>	+13068	+9617	+7701	+6925	+6980	+1585	+10690
<b>Jobs</b>	+13014	+9810	+8028	+7308	+7362	+2358	+10800
<b>Jobs p.a</b>	+723	+545	+446	+406	+409	+131	+600

Table 7.1: Scenarios A/EA2(Source: Edge Analytics)

- 7.8 The scenarios show population change ranging from an increase of 16,000 (the nil net migration scenario) to 38,000 (the five year migration trend) by 2029 from the base year of 2011. All scenarios with the exception of that with nil net migration showed a net internal and international migration into the borough of well over 500 people per year. The resulting increase in population and households can be seen in the table below.

The following graph (Figure 7.1) shows the long term increase in the borough's population that would result in each of these scenarios.

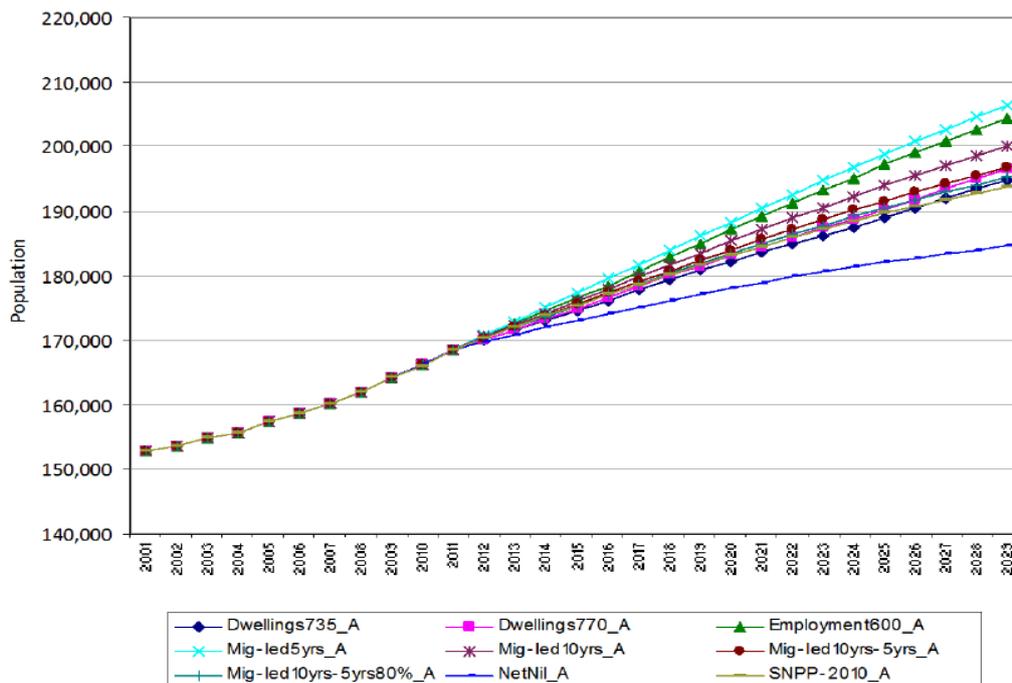


Figure 7.1: the long term increase in the borough's population that would result in each of these scenarios.

### Scenario C using Economic activity assumption EA2

7.9 The scenario C outcomes suggest a range of growth trajectories depending upon the key assumptions that have been applied. Dwelling growth ranges from 634-1084 units per year (Table 7.2).

7.10 Figure 7.1 illustrates the trajectory of the population change resulting from scenarios C (same as Scenarios A). Table 7.2 summarises the change in population and household numbers from 2011-29 that results from the scenarios C. The table also shows the average annual net migration associated with the population change; plus the expected average annual dwelling and jobs growth based on the assumption used.

Scenario	Demographic led						Economic led
	Mig-led5yrs	Mig-led10yrs	Mig-led10yrs-5yrs	Mig-led10yrs-5yrs80%	SNPP-2010	NetNil	Employment600
<b>Population change</b>	+37,912	+31457	+28195	+26649	+25251	+16062	+33616
Of which Natural change	+18436	+18155	+17107	+16551	+15153	+16062	+17524
Of which Net migration	+19476	+13302	+11088	+10098	+10098	0	+16092
<b>Household change</b>	+17297	+14405	+13379	+13152	+13934	+9668	+15662
<b>Dwelling change</b>	+19476	+16470	+15354	+15030	+15876	+11412	+17820
<b>Dwellings p.a</b>	<b>+1084</b>	<b>+915</b>	<b>+853</b>	<b>+835</b>	<b>+882</b>	<b>+634</b>	<b>+990</b>
<b>Labour Force</b>	+13068	+9617	+7701	+6925	+6980	+1585	+10690
<b>Jobs</b>	+13014	+9810	+8028	+7308	+7362	+2358	+10800
<b>Jobs p.a</b>	<b>+723</b>	<b>+545</b>	<b>+446</b>	<b>+406</b>	<b>+409</b>	<b>+131</b>	<b>+600</b>

## Chapter 7 Summary

For Scenarios A and C, depending upon the key assumptions that have been applied, predicted population growth over the plan period ranges from 9.5-22.5%.

The scenario A (CLG 2011-based household projections with the 2011-21 trend continued after 2021) outcomes suggest a range of growth trajectories depending upon the key assumptions that have been applied. Dwelling growth ranges from 550-983 units per year.

The scenario C (CLG 2008-based rates) outcomes suggest a range of growth trajectories depending upon the key assumptions that have been applied. Dwelling growth ranges from 634-1084 units per year.

## 8.0 An objective assessment of housing needs

8.1 As explained in section 7 of this SHMA, there are two sets of scenarios which provide a robust approach to objectively assessing housing needs over the plan period. Table 8.1 sets out the resultant housing growth figures. An average of the two data sets is shown for comparison purposes.

Scenario	Estimated dwellings per annum 2011-29		
	A	C	Average
Mig-led5yrs	983	1084	1034
Mig-led10yrs	819	915	867
Mig-led10yrs-5yrs	761	853	807
Mig-led10yrs-5yrs80-%	748	835	791
SNPP-2010	792	882	837
NetNil	550	634	592
Employment600	890	990	940

Table 8.1: Scenario A/EA2 and Scenario C/EA2 (Source: Edge Analytics)

8.2 Due to the various factors and assumptions which feed into the assessment of future needs, there is not a single figure which can be definitively identified as Basingstoke and Deane's objectively assessed housing needs. This is noted in the CLG SHMA Guidance which identifies that estimates of need may be expressed either as a single number or as a range. On the above basis it is considered an objective assessment of housing need and demand for the borough falls within the range 550 to 1080 dwellings per annum equivalent to 9900 to 19440 additional dwellings over the plan period 2011 to 2029.

8.3 This level of housing development would be necessary to meet projections of population growth taking into account both natural change (births and deaths), pressures faced from people moving into the borough (in-migration), as well as existing residents forming new families and households (future household formation). It would also help to ensure that there remains enough local people to support a modest increase in the number of jobs in the borough, against the backdrop of an ageing population and the prospect of many existing residents retiring during the life of the Plan.

### Implications of Different Scales of Housing Provision

8.4 To give some shape to the implications for the borough of different scales of housing provision and the range of choices available to BDBC, the scenario results have been grouped into three bands:

- 1 **Lower end: <650 dwellings p.a.** representing scenario:  
- NetNil (550-634 d.p.a.)
- 2 **Mid-Range Middle: c. 750-850 dwellings p.a.** representing scenarios:

- Mig-led10yrs-5yrs (761-853 d.p.a)
- Mig-led10yrs-5yrs80-% (748-835 d.p.a)
- Mig-led10yrs (819-915 d.p.a)
- SNPP-2010 (792-882 d.p.a)

3      **Upper End: c.950 dwellings p.a.** representing scenario:

- Mig-led5yrs (983-1084 d.p.a.)
- Employment600 (890-990 d.p.a.)

8.5      The implications focus on three main areas of narrative; the environmental, the economic and the social/housing implications of each scale of housing growth. Using the outputs from the demographic and housing needs modelling the analysis provides a brief review of the relative merits and drawbacks associated with each scale of growth. An analysis of the implications of different levels of housing growth forms part of the Sustainability Appraisal.

**Lower End: <650 dwellings per annum**

8.6      This is a scale of development which would represent a reduction on the previous housing targets identified in the borough. As such it would have some of the best environmental outcomes in terms of land-take needed to support the growth, with the reduced target limiting any need for further greenfield site release.

8.7      However, weighed against this are a series of economic and social implications. The scale of the ageing population structure in the borough will significantly reduce the number of local people in the workforce and could significantly harm the local economy. The demographic modelling suggests this small increase in labour force would mean that approximately 131 additional jobs per annum in the borough would be supported by an economically active resident population to fulfil them. The implication being these would either be lost to the local economy (as employers either move their business, or the jobs cease to exist as businesses close such as self-employed people retiring) or to fill the labour gap, there is increased in-commuting creating potential environmental and infrastructure implications.

8.8      Socially, this scale of development would not appear to meet the emerging need for new homes, as defined by the range of higher scenarios. The local social impacts of this are that it could cause displacement effects, with in-migrants with higher purchasing power pricing out local households, leading to local residents being forced to move elsewhere to fulfil their housing needs.

### **Mid-Range: 750-850 dwellings per annum**

- 8.9 This is a scale of housing provision which would meet some of the higher level demographic scenarios including accounting for past trend in internal migration particularly from neighbouring authorities, whilst also providing a basis for supporting a reasonable level of economic growth in the borough. The implications of this level of growth is that it would support some growth in jobs, estimated at c.406 at the lower end of this range, but as high as c.545 towards the upper end of this range.
- 8.10 This range would also achieve a significant boost in the supply of new housing, both market and affordable.
- 8.11 The environmental implications of this scenario would be greater than for the lower scale of development with more pressure on the borough to absorb greater levels of development. It would require the allocation of a significant amount of greenfield sites for housing development.

### **Upper End: c.950 dwellings per annum**

- 8.12 This scale of development would represent a high level of growth which would meet all future needs based upon in-migration as well as also affordable housing needs. This level of housing development would support the economic growth potential of the borough. The large growth in labour force would support delivery of over 723 jobs per annum.
- 8.13 Clearly, there would be environmental and infrastructure implications of delivering this quantum of development, and there would be a need to test the extent to which such a high level of development could be suitably accommodated within the borough. There may also be questions over whether this scale of development is achievable and deliverable. 950+ dwellings per annum would exceed all previous housing completion rates which have averaged 820 net dwellings per annum over the previous plan period. Further evidence would therefore be necessary to quantify the implications and deliverability of such a level of growth.

## **Chapter 8 Summary**

The objectively assessed housing need for Basingstoke and Deane is estimated to be between 550-1080 dwellings per annum.

## 9.0 Affordable housing need

### Introduction

- 9.1 As well as considering overall structural need and demand for housing as derived from the scenarios of demographic and economic change identified in chapter 7 of this report, there is an additional approach to considering housing need taking into consideration the affordability of housing and how far local households will be able access housing on the open market, or require affordable housing provided for them. This expands on the detail set out in chapter 5.

### Assessing housing need

#### Why people move: the Hampshire Home Movers Survey

- 9.2 The Hampshire Home Movers Survey 2010, conducted by Hampshire County Council, sought information from people who moved into homes in Hampshire, Portsmouth and Southampton during the year 2008/9. It explored where they previously lived, reasons for moving, the type, tenure and size of their new homes.
- 9.3 Around 900 survey responses were received across the county out of a sample of 5,000. The number of respondents is relatively small with East Hampshire recording the most responses (125) of all the Hampshire authorities, including Basingstoke and Deane (96).
- 9.4 Given the response rate, cross tabulation of variables, and comparisons to other authorities, can be difficult. Nevertheless the survey feedback adds useful insight to the existing evidence base and a broad indication of home mover characteristics of some households in the borough. Of the 96 households in the borough responding to the survey, the headline findings were:
- 63% of movers in 2008/9 moved into owner/occupied property (the same percentage as the New Forest, and similar to East Hampshire (67%), Eastleigh (65%) and Fareham (65%);
  - 15% of movers moved into privately rented property – this is the lowest percentage of all the Hampshire districts and the two cities and in line with Test Valley (16%) and Havant (17%); Portsmouth (46%), Southampton (33%) and Winchester (39%) recorded the highest percentages;
  - 59% of respondents moved into a 3 bed house or larger;
  - There is a significant level of “self-containment”: overall, 62% of all movers moved within the borough (29% moved from areas outside Hampshire); 58% of owner-occupiers moved within the borough (32% from areas outside Hampshire);
  - Self-containment not only relates to moving house but to employment: 59% of movers both live and work in Basingstoke and Deane;

- The main reasons for moving were similar across owner-occupied and private rented tenures: principally, moves related to jobs and employment, the previous home was too small, ability to afford a larger home, to live in a more attractive area, and to be nearer to relatives.

9.5 Compared to Basingstoke and Deane, other authority areas have a significantly greater number of private rented movers in the study. Some of the study findings about the characteristics of private renters may be due to the extent and nature of private rented housing supply in these authority areas. Overall, with regard to the private rented sector across Hampshire, the study concluded that:

- 35% of private renters moved into flats, with a remaining 64% in either detached, semi-detached or terraced housing;
- 37% of movers into private rented accommodation originated from outside Hampshire, mainly from adjacent counties or from elsewhere in the UK;
- People moved for a variety of reasons, however, a move related to a new job featured more highly, with 18% of movers citing this reason;
- Household size correlated to property size more closely for private rented homes compared to all tenures or owner occupied homes.

9.6 The latter point is more likely to be observed in all Hampshire authority areas whether they have a high proportion of private rented property or not. A combination of relatively high private sector rents across all the Hampshire districts, together with previous and current changes to Housing Benefit legislation for private sector tenants, means that for the majority of households on low to average incomes, under-occupation is less likely in the private rented sector.

9.7 There may be correlation between the higher proportion of movers from areas outside Hampshire and the number of people moving for employment reasons. Taken together these findings may indicate that the private rented sector caters for households relocating to this area for employment as a temporary housing option while getting to know the area. As there is no district level data available from this source, this would need to be tested by further qualitative primary research of the local private rented sector.

## Why people move: The Rural Housing Study 2009

- 9.8 The DCA Rural Housing Survey 2009 asked respondents to indicate the main factors that affected their choice of location when they moved. Employment was a key consideration with 57% of movers from outside the borough choosing their new location because of a new job, wanting to be closer to work and making commuting easier. Of those who moved from within the borough, employment was a key consideration for 43% of households. About a quarter of households from both groups cited moving to be nearer to relatives and family as a main factor when deciding where to move to. A small percentage of those moving from outside Basingstoke and Deane did so to retire (4%) or for health reasons (0.9%).
- 9.9 However, of those who moved within the borough, 5.9% moved to retire and 5.8% for health reasons.
- 9.10 18.7% of those who had moved into the study area (area of the borough outside Basingstoke town) the previous three years had done so into their first independent home as an adult<sup>43</sup>.
- 9.11 Those intending to move out of the borough, mainly intended to move out of the area to the wider south east area or beyond. Moves to nearby towns or districts appeared to be less likely with the following percentages indicating moves to: Fleet/Farnborough 0.7%; Reading 2.5%; Andover 1.3%, Winchester 4.6%; Wokingham 0.9%; Newbury 3.3%; Greater London 0.9%; Camberley or Swindon 0%. Both existing households and “concealed” households (households waiting to form) indicated their reasons for moving away. Unlike the analysis of in-migrants, it may always be the case that people’s intention to out-migrate in the next three years could be aspirational and may not actually result in a move for the reasons cited or within the period given. However, the survey results do give an indication of the drivers and reasons behind what is hoped for or expected from a future house move. It also indicates the many and varied personal reasons that will lie behind moving house (Table 10.1).

reason for intended move	percentage of	
	existing households	concealed households
family reasons	31.6%	12.4%
employment / access to work	31.7%	62.5%
education	6.7%	33.6%
retirement	27.4%	3.6%
financial reasons	12.0%	5.7%
unable to afford to buy a home locally	12.7%	8.9%
lack of affordable rented housing	1.4%	3.3%
need for specialist housing	1.0%	0.6%

**Table 9.1: Reason for intended move (Source: CA Rural Housing Study table 14.5)**

<sup>43</sup> DCA Rural Housing Study 2009, paragraph 14.4.7

### Why people move: the Housing Register

9.12 An assessment of housing need will also involve an understanding of why households chose or need to move and from what tenure. CORE records from 2008/9 onwards show the predominant reasons for households on the Housing Register moving from their old accommodation. Of the 2,500 households housed from the Housing Register over the last 4 years gave as reason for moving from their previous accommodation:

- Nearly 600 households (23.8%) moved due to overcrowding, a further 63 because their home was in poor condition – and 34 households because they were under-occupying;
- 190 households were living with family and friends but were asked to leave;
- 146 households had to move due to ill health or disability;
- 174 households were required to move by their landlord or came to the end of their assured short-hold tenancy – and a further 16 households had to leave their tied accommodation/home linked to employment;
- 65 households had to move because of domestic violence and a further 85 due to relationship breakdown;
- 66 households had to move because they could no longer afford their rent or mortgage, and a further 37 households were evicted or had their home reposessed.

9.13 These 2,500 households were:-

- Living with family or friends, 823 households (33%);
- In private rented accommodation, 330 households (13%);
- In RSL property, 811 households (32%);
- In temporary accommodation/hostels, 143 households;
- Rough sleeping, 30 households.

### Needs assessment: The Rural Housing Study 2009

9.14 In terms of overall housing mix required by those households intending to move, the two largest tenure requirements were owner/occupation, 70%, and housing association rented, 18%. Two and four bed properties formed 40% of properties required. Three and four bed properties a further 60% split equally (Table 9.2 and 9.3).

	<b>owner occupation</b>	<b>private rented</b>	<b>tied to employment</b>	<b>housing association rent</b>	<b>shared ownership</b>	<b>percentage per property size</b>
1 bed	0.4%	0.6%	0.0%	3.3%	0.3%	4.6%
2 bed	17.8%	1.7%	0.1%	12.0%	4.5%	36.1%
3 bed	23.0%	0.7%	0.0%	3.2%	3.0%	29.9%
4 bed	29.2%	0.2%	0.0%	0.0%	0.0%	29.4%
<b>% by tenure</b>	<b>70.5%</b>	<b>3.2%</b>	<b>0.1%</b>	<b>18.4%</b>	<b>7.8%</b>	<b>100.0%</b>

Table 9.2: Percentage of all those intending to move - all rural area (Source: DCA Rural Housing Study 2009)

	owner occupation	private rented	tied to employment	housing association rent	shared ownership	total	percentage
1 bed flats	10	12	0	73	0	95	4.3%
1 bed bungalows	0	0	0	0	0	0	0.0%
1 bed houses	0	1	0	0	7	8	0.4%
2 bed flats	76	14	3	71	29	193	8.6%
2 bed bungalows	65	18	0	26	0	109	4.9%
2 bed houses	256	7	0	171	71	505	22.6%
3 bed flats	0	0	0	0	0	0	0.0%
3 bed bungalows	79	0	0	11	0	90	4.0%
3 bed houses	436	15	0	60	67	578	25.9%
4+ bed flats	0	0	0	0	0	0	0.0%
4+ bed bungalows	9	2	0	0	0	11	0.5%
4+ bed houses	644	2	0	0	0	646	28.9%
<b>total</b>	<b>1,575</b>	<b>71</b>	<b>3</b>	<b>412</b>	<b>174</b>	<b>2,235</b>	<b>100.0%</b>

Table 9.3 Property type and size required by all those intending to move - all rural area (Source: DCA Rural Housing Study 2009)

### Needs assessments: the Neighbourhood Stock Analysis (March 2009)

- 9.15 The objective of the Neighbourhood Stock Analysis was to conduct a “review of the size and types of dwellings in the borough, how the profile of dwelling types relate to the current and likely future pattern of household types and what action is open to the Council to address any mismatches between the stock and demographic profile”. Housing need in this instance was assessed in the context of the profile of types and sizes of accommodation in the housing stock that would be the most suitable for the current, and crucially, the future, mix of household types. The study focussed on Basingstoke town and the surrounding settlements but the evidence and projections for balancing housing stock were based on population and household projections for the borough as a whole.
- 9.16 This work used the Government demographic projections based on the South East Plan figure of 945 dpa. The consultants observed that:
- The demographic projections showed the possible effect on the borough’s housing stock profile if past trends were to continue into the future: thus the modelling should be treated as a guide only as to what may be required based on certain assumptions;
  - Housing requirements will be based on a combination of what households might want, expect or need;
  - Judgements about the choices people will make, their housing behaviour, aspirations and the effect of future changes in the housing market will be speculative and will be based on qualitative evidence.

- 9.17 These projections (from 2006 to 2026) showed:
- A significant increase in single person households, such that by 2026, single person households will comprise 36% of all households in the borough;
  - The forecast growth in single person households is across all age ranges but half (50.9%) are forecast to be over 60 years of age;
  - The growth in multi – person households is mainly amongst the older age groups with 88.3% aged 60 or over;
  - By 2026, multi – person households are forecast to increase by 6,800: the increase will occur in all age groups (with the exception of 45 – 59 age group).

9.18 This translates into a possible housing stock requirement as follows in Table 9.4:-

	2011 (%)		2016 (%)		2021 (%)		2026 (%)	
1 bed flats	5	<b>30</b>	5	<b>32</b>	5	<b>33</b>	4	<b>32</b>
2 bed upsizing flats	7		8		8		8	
2 bed houses	18		19		20		20	
3 bed houses and larger	43	<b>44</b>	39	<b>41</b>	36	<b>38</b>	35	<b>37</b>
3 bed flats / cluster	1		2		2		2	
2 bed downsizing houses, flats and bungalows	18	<b>25</b>	20	<b>28</b>	20	<b>29</b>	21	<b>31</b>
1/2 bed elderly/care	7		8		9		10	

**Table 9.4: Proportion (%) of dwelling types indicated for a "balanced housing stock": Basingstoke and Deane**

9.19 An assessment of housing need in this way, based on the requirement for property type and size, can be used for any given population projection but requires as a first step a corresponding household projection to be determined for that population. As at December 2012, the council has prepared a series of population forecasts to inform the emerging Local Plan, each of these supported by a corresponding forecast for household growth. Furthermore, detailed data from the 2011 Census will give a new baseline position for household type and composition. That data can then be tested against the approach used in the Neighbourhood Stock Analysis.

9.20 The council will need to consider how the continuing economic downturn may affect the choices some households will face and whether new households will actually form, and if they do, what compromises they will make in terms of tenure, locality and property type/size. Single person households may not form in the first place: the Neighbourhood Stock Analysis made reference to particularly younger single people with less "financial bargaining power" at the start of their housing "career"; and older single people and couples may settle for one bedroom, rather than two bed, property.

Needs assessments: The Central Hampshire and New Forest Strategic Housing Market Assessment (2007) DTZ

9.21 The SHMA followed CLG good practice guidance as the basic methodology for assessing housing need. This in turn was based on the “Local Housing Needs Assessment: Guide to Good Practice” published by DETR in 2000. This outlines the steps to assessing housing need (assessed for the next 5 years) as follows:

	<b>Current need:</b> <b>current number of households “in need” on the Housing Register; an assumption that this will be met over 5 years (current need/5 years to give a per annum figure).</b>
<b>Plus</b>	<b>Newly arising need:</b> new household formation – the number/% of new households to form in the next 5 years who will not be able to afford to buy or rent in the market place; existing households falling into need as their circumstances change – estimated by the net <u>average</u> number of households joining the Housing Register each year (the gross number of new applicants adjusted to reflect those applicants who have been housed, moved away or cancelled their applications).
<b>Less</b>	Supply of affordable homes – planned new build this offsets the level of need – anticipated supply of new social housing
<b>Less</b>	Supply of affordable homes – relets this offsets the level of need – DTZ calculated this by assessing the number of households on the Housing Register awaiting transfer on the basis that that transfer would free up a single unit of accommodation, transfers appearing on both the demand and supply side of housing stock
<b>Equals</b>	Net shortfall, or surplus, of affordable homes

Table 9.5

9.22 Current need was identified from the council’s Housing Register, a snapshot of the overall caseload as at March 2007. The assessment then goes on to profile the number on the Housing Register in need, as opposed to “aspirational registrations”: this then becomes the starting point – current need.

9.23 Newly arising need was identified by DTZ by assessing the Hampshire County Council Household Projections (Chelmer Model). This showed annual household growth projected five years into the future from 2007-2012. This was then subject to an affordability test to give the proportion of newly arising household unable to afford to buy or rent in the market place. CLG guidance was used for the basis of this calculation: the guidance recommended that the approach to be taken is based on a comparison of minimum incomes required to access market housing against the distribution of incomes for newly forming households, but as income data for new households was not available, DTZ used as a benchmark the income profile of the population as a whole from CACI. The income profile was then adjusted to reflect:

- An assumption made in other studies that income levels of new households could be around 60% less than that of the overall population; and
- A further assumption that newly forming households may be prepared to stretch their resources further and in their first years of rental or

owner-occupation commit a higher proportion of their income to rent or mortgage, expecting incomes and salaries to increase such that housing costs become more affordable over time. DTZ therefore assumed that income levels of new households could be around 50% of that of the overall population. The proportion of new households unable to rent or purchase is likely to be at least as high as that for the general population.

- 9.24 In relation to affordability, other points were noted, that:
- Affordability modelling does not take account of issues such as household debt, savings or capital, equity, or informal borrowing such as from friends or family;
  - Newly arising need is an estimate and largely dependent on the relationship between future incomes and housing costs and assumptions about affordability.
- 9.25 The existing population may also give rise to housing need in the future. This is estimated by the net average number of households joining the Housing Register each year, that is, the gross number of new applicants adjusted to reflect those applicants who have been housed, moved away or cancelled their applications. DTZ has assessed the proportion of these applicants who will actually be “in need” as opposed to aspirational applicants by assuming the same proportion of need as found in the current Housing Register profile – it is assumed that new applicants will reflect the characteristics of those already on the waiting list.

### **The model**

- 9.26 Typically, a Housing Needs Assessment looks at meeting need over the next five year period. A period of 10 years can also be used: over such an extended period of time, housing market conditions can vary so greatly that delivery and arising need figures cannot be reliably assumed to stay constant over that time.
- 9.27 A HNA attempts to determine how many households are already in housing need (“existing or current need” or “backlog”), or will fall into housing need (“newly arising need”), in the short to medium term. This is then used to give an estimation of how much affordable housing would be required **if** the needs of these households were to be met in full over the five or ten years of the assessment period.
- 9.28 It also shows the extent to which planned housing delivery – homes that are expected to be built in the next five or ten years - will be able to meet this need. In addition, housing supply is boosted by existing homes will become available again as and when they fall vacant, as “re-lets”.

- 9.29 The numbers given, relate to variables (such as housing need, delivery and supply) that are fluid and dynamic and will fluctuate regularly. The assessment therefore gives an overall general picture of the order of magnitude of any housing demand/supply shortfall and should be treated as an estimate or indication.
- 9.30 The approach used differs from the HNA methodologies that use household projections and arising need based on survey results. For example, there is no “factoring up” of current and arising need levels with an assumption that the survey findings will be representative of the whole population. The approach used does not account for tenure choice, household behaviour, age structure or ability/propensity to move (mobility). It does, however, seek to quantify the extent of need in the borough and assess an overall scale of need mainly determined by affordability.
- 9.31 The preceding sections of this research deal with demand and preference as identified in previous Local Plan/Local Development Framework studies, including some housing needs surveys, and other survey work such as the Hampshire Home Movers Survey. As such, there is already a substantial evidence base on housing demand. The latest survey was carried out across the rural area of the borough (the 2009 DTZ Rural Housing Survey) and had a five year “life”: that is, until 2014. At the time of the Rural Housing Survey, the results were qualified with the note that arising housing need in the future was calculated based on respondents *intentions and expectations* of moving, and some moves may not be realised.
- 9.32 Instead of a survey based needs assessment, this research has adhered more closely to a HNA more closely aligned to the DTZ Strategic Housing Market Assessment 2007, that is based on clearly defined need taken from the council’s own records, and affordability thresholds applied to possible future household growth. A survey would usually identify “concealed households” waiting and intending to form. The HNA accounts for this by taking arising need from the past as a starting point and assuming different variations of the rate at which this will occur in the future.
- 9.33 Both the 2007 DTZ Strategic Housing Market Assessment and the 2009 Neighbourhood Stock Analysis based household formation rates on the Hampshire County Council household projections to 2026. This current research offers a series of affordability thresholds that can be applied to any household projection where an annual household growth figure is given. A detailed analysis of the newly published 2011 Census data may now provide the basis for further projections/ forecasts to be carried out according to the Household Projections and Current Market Position (HPCMP) model presented in the Neighbourhood Stock Analysis. There are a series of Housing Needs Assessments in **appendix C**.

- 9.34 It is acknowledged that there is likely to be, at any time in a Local Plan or Housing Strategy cycle, a backlog of housing need to be cleared and newly arising need presenting to be met.

### **The basis of the Housing Needs Assessment**

- 9.35 Appendix C shows the full methodology and how the different elements are calculated and the variables that are taken forward into the HNA scenarios.
- 9.36 The HNA is need-led, not led by the number of affordable homes that will be delivered over the five year period. It therefore assesses the extent of current need and likely arising need in the future, taking account of new supply but also showing the position if new supply is not forthcoming. The HNA covers the five year period starting 2012/13.
- 9.37 It does, however, have the following assumptions and caveats:
- That the level of need in the past will be representative of that in the future - currently, the HNA assumes that new arising need per year will be an average of the annual arising need for the last 5 years;
  - That those households in housing need on the Housing Register would be unlikely to have sufficient incomes to meet their needs in the housing market, based on their income distribution and affordability modelling;
  - A future affordable housing delivery rate is based on the average for the next 3 years: 2012/13, 2013/14 and 2014/15 – affordable housing delivery beyond that point is difficult to predict;
  - Housing need is based solely on the profile of households that already live in Basingstoke and Deane;
  - It is based on the borough as a whole, not any particular area or part of the borough;
  - It is based on administrative records held by the council (Housing Register) and Homes In Hants (Intermediate housing) – it is not based on survey data, or based on a “grossed up/factored up” or representative sample;
  - Housing need from the Housing Register is determined by:
    - Test 1) Households in Housing Needs Bands 1-3 who have bid for property on the council’s Choice Based Lettings system (a minimum lower end estimate); and
    - Test 2) All households in Housing Needs Bands 1-3, and Band 4 in the reasonable preference category (a maximum upper end estimate).
- 9.38 The data has been clearly sourced so that the assessment can be run at any point to check whether the overall scale has changed.
- 9.39 The HNA can be re-run at any time based on different scenarios but will be updated as a matter of course with:
- Periodic affordability tests reflecting any changes in household incomes, rents or house prices;

- Any new planning permissions granted or site re-phasing;
- Any changes in the local or national affordable housing context that give greater certainty to affordable delivery post-2014/15;
- Ongoing analysis of Housing Register and Intermediate housing records;
- Any changes to the council's Housing Allocations Policy;
- The number of re-lets coming through Choice Based Lettings compared to CORE;
- Ongoing assessment of the way in which new housing delivery is impacting on re-lets and impairing mobility through the housing stock and whether the re-let figure should be reduced in the HNA;
- Ongoing assessment of the way in which new housing delivery is impacting on overall demand for affordable housing.

### **Arising housing need through household growth**

- 9.40 In accordance with CLG Guidance on conducting housing needs assessments, a typical approach to HNAs is to test projected household growth against affordability thresholds for accessing different housing tenures: owner-occupation; private rent; intermediate housing; and social housing/affordable housing.
- 9.41 Current housing need would remain as calculated from Housing Register and intermediate housing application records.
- 9.42 Arising housing need, however, would be based on two distinct elements that together would quantify housing need in the future, newly forming households forming for the first time and falling into need, and existing households hitherto adequately housed but now falling into housing need. These two groups would be identified in the following way:
- Newly forming households: taken from projections of future household growth, the HNA would assess the number/percentage of newly forming households who would be unable to satisfy their needs in the owner occupied sector and whose incomes would be such that they may have need for social or intermediate housing. This group would include households subdividing (for example, because of relationship split/divorce), young people moving away from home and forming a household of their own, and any net in-migration to the borough.
  - Existing households that have already formed, hitherto adequately housed, who fall into housing need due to a change in circumstances. This would be estimated by the net average number of households joining the Housing Register each year and the number of intermediate housing applicants per year.
- 9.43 The council's bespoke affordability testing model, together with the council's work on future housing delivery numbers (dwelling per annum figures), can be used to produce a HNA based on household projections.

9.44 To run the HNA in this way requires a new calculation of arising housing need combining household projections, Housing Register data and intermediate housing application data. Care must be taken to avoid double counting because new applicants to the Housing Register and for intermediate housing will be a combination of new households forming and existing households falling into need.

Newly forming households

9.45 The affordability testing in Section 5 outlined a series of affordability thresholds which, generally speaking would show how much annual income may typically be required to afford “entry level” accommodation in the borough. This is summarised below in Table 9.6.

required property by tenure (lower quartile prices) Basingstoke and Deane	% borough households requiring tenure	income thresholds (£ per week)	
		from	to
social housing	24%	0	£21,999
private rent	2%	£22,000	£22,999
intermediate rent and shared ownership	11%	£23,000	£29,999
intermediate home ownership	8%	£30,000	£34,999
owner occupation	55%	£35,000+	

**Table 9.6**

9.46 By this assessment, at lower quartile prices, 26% of households would require social housing and a further 11% intermediate housing.

Existing households

9.47 Housing Register data shows that there are 2,036 households (407 per year) likely to fall into housing need in the next five years. This is based on the previous five years Housing Register applications net residual unmet need plus the number of households housed. As has been noted above, some of these will have been newly forming households and some existing households falling into need.

9.48 As newly forming households have already been accounted for, an assumption will have to be made as to how many should be deducted from the Housing Register total of 2,036 to avoid double counting.

- 9.49 The growth on the Housing Register has been driven mainly by an increase in single person households and families with young children. Half of the single people on the Housing Register are over the age of 35 – the age at which the Housing Benefit regulations would assess help with rent on the basis of self-contained, rather than shared, accommodation. It could be assumed that those over the age of 35 were existing households rather than newly forming. It is harder to make assumptions about whether family households are newly forming or existing: it is reported that family break ups result in newly forming households (often these new households also having children); at the same time there has been an increase in the number of working age households on Housing Benefit and in Housing Association properties – likely to be those existing households falling into need.
- 9.50 On balance, and given the current economic climate without further data, and mindful of the drivers of housing need in this research, it could be assumed that at least 50% of applicants to the Housing Register may be existing households falling into need. Of the 2,036 households coming on to the Housing Register in the last 5 years therefore, half, 1,018 should be counted as existing housing need, that is, 204 per year.
- 9.51 The same proportion could equally be applied to the intermediate housing applicant records although it is more likely that these applicants will be new to the market. There is evidence that 37% of applicants are already in private rented accommodation and a further 6% in Housing Association property, the implication here that together this represents 43% of need from existing households, therefore the remainder, 57% will be newly forming households.
- 9.52 It could be assumed that 43% of existing households applying for intermediate housing are existing households. Of the 614 households applying for intermediate housing in the last 5 years, 43% should be counted as existing housing need, that is, 264 households or 53 per year.

## **Housing Need Assessments**

- 9.53 The objective of the HNA has been to quantify an annual affordable housing requirement within the council's overall annual housing requirement.
- 9.54 A number of HNA's have been undertaken and a summary is provided below. The key HNA's are set out later in this report with the remaining HNA's presented in the accompanying appendix C.
- 9.55 The table below (Table 9.7) gives a summary of all the HNA tests, the total housing need figures and the rented / intermediate split. Housing need figures are shown below before deductions for new housing delivery and supply through re-lets. Housing Register figures refer to general needs only. More detail can be found in appendix C.

Housing Needs Assessment testing			tenure			percentage split	
HNA test	Basis for test	scenario	rented	intermediate	total	rented	intermediate
1	lower estimate	HR Bands 1-3: only those who have made a bid on CBL	535	230	765	70%	30%
2	upper estimate	All households in HR Bands 1-3 and Band 4 reasonable preference	1,373	230	1,603	86%	14%
3	as 1 above	All households in HR Bands 1-3	566	230	796	71%	29%
4	as 3 above	with intermediate applicants that worked in the borough	566	257	823	69%	31%
5	as 3 above	assumes residual housing need in the future in Bands 1-3 will remain at 2011 levels	728	230	958	76%	24%
6	as 3 above	assuming increasing residual need in Bands 1-3 over the last 5 years will continue over the next 5 years	908	230	1,138	80%	20%
7	As 3 above for current housing need	takes arising housing need from household growth of 1080 dpa and existing households falling into need from the Housing Register and Intermediate housing applicant records	644	279	923	70%	30%
8	As 3 above for current housing need	takes arising housing need from household growth of 550 dpa and existing households falling into need from the Housing Register and Intermediate housing applicant records	506	221	727	70%	30%

Table 9.7

9.56

The key points are:

- The lower minimum estimate of affordable housing need is around 765 households per year based on the most acute housing need (as defined above);
- The number of re-lets is estimated to be no higher than 494 units per year coming back into supply and could be as low as around 400 per year;
- Taking the minimum housing need of 765 households a year, and supply through re-lets of 494 a year, the shortfall in new delivery is at least 271 affordable homes a year;
- Consequently, the Council's affordable housing target of 300 homes per year in the 2008-2011 Housing, Homelessness and Benefits Strategy could only meet the most acute housing need;
- An affordable homes target of 300 homes a year does not make allowance for households on the Housing Register with statutory

reasonable preference in Band 4, or the increasing trend in housing need in the borough;

- An upper estimate, including those in Band 4 with reasonable preference, could be as high as 1,600 households per year;
- HNAs based on Housing Register Bands 1-3 may require a different housing mix to those that include HR Band 4, noting the different household profiles for each Band and the tendency for smaller homes coming back into supply through re-lets;
- Housing need scenarios that take account of housing need in Band 4 will be heavily weighted towards social housing tenure – however, this may tend to underplay the substantial need for intermediate accommodation, a tenure which is seen as far more accessible than owner occupation in the current financial climate. A squeeze on intermediate provision may also have viability implications for new housing delivery;
- The tenure split appears to be around 70% rented / 30% intermediate – a small shift from that in the current Local Plan Policy C2 of 62.5% / 37.5%.
- HNA2 and 6 represent a housing need which, even offset by relets, would require significantly more affordable delivery than in 2007/8 – 2009/10 when new build affordable was at its peak. HNA2 is given to show an indicative upper end estimate and is not proposed as a realistic annual housing target.
- It is important to be mindful that housing need may continue to increase in the future – in which case housing need quantified by HNA5 – around 950 households a year (less 494 re-lets) could be indicated.

9.57 To provide a guide to an upper (maximum) and lower (minimum) estimate of housing need, the first two HNAs are presented below, along with the key findings for each assessment. These two HNAs define housing need as:

**HNA1:** Housing Need is defined by households in Bands 1-3 on the Housing Register who have bid for property through Choice Based Lettings. This shows the extent of the most acute housing need in the borough and should be treated as a minimum estimate of housing need;

**HNA2:** Based on all households in Bands 1-3 and also including households in Band 4 in reasonable preference. This shows the full extent of housing need in the borough as could be said to be defined by the Housing Register and serves as an upper estimate of housing need.

## Housing Need Assessment 1

### Key points

9.58 Housing Need Assessment 1 should be treated as an absolute minimum estimate of housing need;

- HNA1 takes arising housing need as an average of the housing need of the previous five years;

- HNA1 uses Bands 1-3 as a basis for assessing need from the Housing Register but only those households who have actively bid for property on CBL since it was introduced in 2010;
- Taking a minimum level of housing need as represented in Bands 1-3, there is a need for 765 affordable homes per annum;
- The split between rented housing need (from the Housing Register) and Intermediate housing need (Homes In Hants records) is 70% / 30%.
- This represents a shift from the current Affordable Housing towards more rented provision – policy C2 has a tenure split of 62.5% / 37.5%.
- Of the 765 housing need total, current need is for 235 homes and arising need accounts for 530 homes;
- Taking into account re-lets of 494 units per annum, this leaves a shortfall of 271 units;
- If this assessment is used as the basis for housing mix, then this should recognise that families form the predominant household type in Bands 1-3;
- This confirms the view that the target of 300 homes a year should be a minimum delivery target as it does not make allowance for:
- the housing need of those households in Band 4 in the statutory reasonable preference category or recognise around 15% of lettings on CBL go to households in Band 4;
- the increasing trend in housing need in the borough.

<b>Housing Needs Assessment 1</b>			
number of households per annum (over 5 years)	current need	arising need	total current + arising housing need
Housing Register Bands 1-3 (rented)	<b>128</b>	<b>407</b>	<b>535 (71%)</b>
Homes In Hants (intermediate)	<b>107</b>	<b>123</b>	<b>230 (29%)</b>
Total annual need: Housing Register and Intermediate	<b>235</b>	<b>530</b>	<b>765</b>

**Table 9.8**

### Housing need assessment 1: detail

- current and arising housing need based on evidence of housing need for households that live in Basingstoke and Deane
- defines housing need from the Housing Register as households in Bands 1-3
- assumes need will be met over a five year period
- assumes that need over the last five year period is representative of need over the next five year period

	<b>Basis of the assessment</b>	<b>Data</b>	<b>Need / supply per annum over five years</b>
<b>Step 1</b>	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action + 182 being processed = 536	To be met over 5 years = 107 households per annum

<b>Step 2</b>	Newly arising need for intermediate housing Number of households housed already indicates the number that are likely to need housing in the future	614 households over 5 years	Over 5 years = 123 new households per annum
<b>Step 3</b>	Current need for social housing Bands 1-3 only including only those households who have bid on CBL (793-152 "non-bidders" = 641 General needs	Bands 1-3 = 641	To be met over 5 years = 128 per annum
<b>Step 4</b>	Arising need for social housing Bands 1-3 only General needs Households housed 2007-2011 Households remaining	1,412 households housed + 624 remaining on the register = 2,036 households over 5 years	Over 5 years = 407 new households per annum
Total housing need per annum over the next five year period:			<b>765 households</b>
Of which: Intermediate housing			<b>230 (30%)</b>
Of which: Rented housing			<b>535 (70%)</b>
<b>Step 5</b>	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
<b>Step 6</b>	Supply through re-lets	@4.3% of social stock (general needs + affordable rented = 11,495	494 homes per annum
<b>Total supply</b>			<b>585</b>
<b>Supply/need shortfall</b>			<b>180</b>

Table 9.9

## Housing Need Assessment 2

### Key points

- 9.59 Housing Need Assessment 2 should be treated as a maximum estimate of housing need;
- Taking into account those households in reasonable preference in Band 4, there is a need for 1,603 affordable homes per annum;
  - The split between rented housing need (from the Housing Register) and Intermediate housing need (Homes In Hants records) is 86% / 14%;

- The assessment is heavily weighted towards rented provision because of the number of households in housing need Band 4 on the Housing Register;
- It represents a considerable shift from the current Affordable Housing towards more rented provision – policy C2 has a tenure split of 62.5% / 37.5%;
- It may be considered that such a significant reduction in intermediate tenure is not desirable at the current time, given the very strong evidence that: intermediate tenures meet a need that the outright owner-occupied market cannot because of high house prices and mortgage availability; intermediate tenures are more accessible for first time buyers and those aspiring to home ownership;
- Of the 1,603 housing need total, current need is for 727 homes and arising need accounts for 876 homes;
- Taking into account re-lets of 494 units per annum, there is a shortfall of 1,109 homes;
- Inclusion of Band 4 households, even those in the reasonable preference category, produces a housing need figure which is considerably in excess of even the high levels of housing delivery in the past – it should not be taken as a housing need “target”, nor as a recommendation that this number of homes be built;
- This assessment meets all the housing need of those households in Band 4 in the reasonable preference category – in that regard it assumes that: their housing need is such that their current circumstances are so unsuitable that they require an affordable home; that they cannot satisfy their housing needs without an affordable home; and that their housing need should be met in a 5 year time period;
- On the basis of this assessment, the current affordable housing target of 300 homes a year would not allow for current need or arising need to be met in their entirety – although, it would allow for just under half (41%) of current need to be met each year, or just under one fifth of all need (current and arising) to be met each year (18%). HNA2 confirms that the affordable housing target of 300 homes a year should be a minimum annual delivery figure.
- Meeting the needs shown by HNA2 may require a different property size profile to that of HNA1 given the number of single person households in Band 4.

<b>Housing Needs Assessment 2</b>			
number of households per annum (over 5 years)	<b>current need</b>	<b>arising need</b>	<b>total current + arising housing need</b>
Housing Register Bands 1-3 and Band 4 reasonable preference (rented)	<b>620</b>	<b>753</b>	<b>1,373 (86%)</b>
Homes In Hants (intermediate)	<b>107</b>	<b>123</b>	<b>230 (14%)</b>
Total annual need: Housing Register and Intermediate	<b>727</b>	<b>876</b>	<b>1,603</b>

Table 9.10

**Housing need assessment 2: detail**

- current and arising housing need based on evidence of housing need for households that live in Basingstoke and Deane
- defines housing need from the Housing Register as households in Bands 1-3 and those in Band with reasonable preference
- assumes need will be met over a five year period
- assumes that need over the last five year period is representative of need over the next five year period

Steps	Basis of the assessment	Data	Need / supply per annum over five years
<b>Step 1</b>	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action + 182 being processed = 536	To be met over 5 years = 107 households per annum
<b>Step 2</b>	Newly arising need for intermediate housing Number of households housed already indicates the number that are likely to need housing in the future	614 households over 5 years	Over 5 years = 123 new households per annum
<b>Step 3</b>	Current need for social housing Bands 1-3 general needs Band 4 general needs in reasonable preference category	793 in Bands 1-3 + 2,391 Band 4 reasonable preference less 86 households to avoid double counting with the intermediate records = 3,098	To be met over 5 years = 620 per annum
<b>Step 4</b>	Arising need for social housing Bands 1-3 general needs + Band 4 with reasonable preference Households housed 2007-2011 Households still "live/active"	1,412 households housed + 624 in Bands 1-3 +1,731 in Band 4 = 3,767 households over 5 years	Over 5 years = 753 new households per annum
Total housing need over the next five year period:			<b>1,603 households</b>
Of which: Intermediate housing			<b>230 (14%)</b>
Of which: Rented housing			<b>1,390 (86%)</b>
<b>Step 5</b>	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
<b>Step 6</b>	Supply through re-lets	@4.3% of social stock (general needs + affordable rented = 11,495	494 homes per annum
			<b>585</b>

<b>Total supply</b>	
<b>Supply/need shortfall</b>	1,018

**Table 9.11**

9.60 This report sets out below the HNAs associated with the range in objectively assessed needs. The remaining HNA's (HNA3, 4, 5 and 6) can be found at appendix C. The HNA associated with the final housing requirement contained within the emerging Local Plan will be contained within a Housing Topic Paper.

9.61 The following Housing Needs Assessments have been carried out as a result of Basingstoke and Deane Borough Council's assessment of objectively assessed needs. For these two HNAs (HNA7 and HNA8) the housing need has been defined as those who are within Bands 1-3 on the Housing Register (HNA3) as this is considered to be the most appropriate representation of need and includes those who are in definite or considerable housing need.

9.62 The first HNA shown below as a result of the assessment of objectively assessment needs is HNA7. This is based on the higher end of the objectively assessed housing range. The second HNA (HNA8) is based on the lower end of the range.

9.63 The outcome is an affordable housing requirement of between 727 and 923 affordable homes before taking into account supply from re-lets (494 units per year); and between 251 and 429 affordable homes required deducting re-lets.

## **Housing Need Assessment of 1080 dwellings per year (HNA7)** (higher end of objectively assessed range)

### Key points are:

- HNA7 retains certain elements of HNA3 – the current annual housing need figures from the Housing Register Bands 1-3 (159 households) and current housing need from the intermediate housing application records (107 households);
- Arising housing need, however, is calculated using:-
- household projections to assess the number of newly forming households (households that have not formed yet but could form in the next 5 years) – HNA7 uses the upper of the objectively assessed need range of 1080 dwellings per annum, and applies an affordability threshold to test the ability of these households to meet their needs in the housing market; and

- arising housing need from existing households (households that have already formed but who may fall into housing need in the future) – HNA7 is based on estimates (from arising need from the Housing Register and intermediate housing records identified in HNA3) of how much of the arising need may be attributable to existing households falling into need and not newly forming ones;
- The proportions applied to arising need from the Housing Register and intermediate housing records are:
- 50% of arising need from the Housing Register is from existing households;
- 43% of arising need from the intermediate housing records are from existing households;
- The affordability thresholds applied to 1080 households per annum are:
- 26% of households will need social housing;
- 11% will need intermediate housing;
- This gives a total affordable housing need of 923 households per annum.
- This HNA shows a level of housing need equivalent to the baseline HNA3 which has an affordable housing need of 796 per annum;
- 923 should be treated as a minimum affordable housing requirement – it does not take account of the fact that the rate of households falling into housing need is increasing as shown by HNA5 and 6;
- Furthermore it does not take any account of housing need in Band 4;
- Even accounting for re-lets (494 units) there remains a shortfall of 429 units;
- Given the extent of current and arising need, the affordable homes target of 300 homes per annum should be seen as a minimum delivery target.
- The tenure split would be 70% rented / 30% intermediate – a small shift from the current Affordable Housing policy C2 (62.5% rented / 37.5% intermediate).

Housing Needs Assessment 7			
number of households per annum (over 5 years)	current need	arising need <u>based on the number of households forming from the upper of the range 1080dpa with affordability test</u>	total current + arising housing need
Housing Register Bands 1-3 (rented)	159	485	644
Homes In Hants (intermediate)	107	172	279

Total annual need: Housing Register and Intermediate	266	657	923
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Table 9.12

### Housing Need Assessment 7 detail:

- current housing need based on Housing Register and Intermediate housing records
- arising housing need based on 1080 dwellings per annum AND existing households from the Housing Register and intermediate housing records
- defines housing need from the Housing Register as households in Bands 1-3
- assumes need will be met over a five year period
- assumes that need over the last five year period is representative of need over the next five year period

	Basis of the assessment	Data	Need / supply per annum over five years
Step 1	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action + 182 being processed = 536	To be met over 5 years = 107 households per annum
Step 2	<u>Newly arising need for intermediate housing</u> <u>Newly forming households: 11% of 1080 = 119 per year; plus</u> <u>Existing households: 43% of 614 = 264 over 5 years</u>	<u>Newly forming = 119 per year +</u> <u>Existing = 264 over 5 years (=53)</u>	<u>Over 5 years = 172 new households per annum</u>
Step 3	Current need for social housing Bands 1-3 only General needs	Bands 1-3 = 793	To be met over 5 years = 159 per annum
Step 4	<u>Arising need for social housing (Bands 1-3 only)</u> <u>Newly forming households: 26% of 1080 = 281 per year; plus</u> <u>Existing households: 50% of 2,036 = 1,018 over 5 years</u>	<u>Newly forming = 281 per year +</u> <u>Existing = 1,018 over 5 years (=204)</u>	<u>Over 5 years = 485 new households per annum</u>
Total housing need per annum over the next five year period:			923 households
Of which: Intermediate housing			277 (30%)
Of which: Rented housing			646 (70%)
Step 5	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
Step 6	Supply through re-lets	@4.3% of social stock (general needs +	494 home per annum

		affordable rented = 11,495	
<b>Total supply</b>			<b>585</b>
<b>Supply/need shortfall</b>			<b>338 per annum</b>

Table 9.13

## **Housing Need Assessment of 550 dwellings per year (HNA 8)** (lower end of objectively assessed range)

### Key points are:

- HNA8 retains certain elements of HNA3 – the current annual housing need figures from the Housing Register Bands 1-3 (159 households) and current housing need from the intermediate housing application records (107 households);
- Arising housing need, however, is calculated using:-
- household projections to assess the number of newly forming households (households that have not formed yet but could form in the next 5 years) – HNA8 uses the lower of the objectively assessed need range of 550 dwellings per annum, and applies an affordability threshold to test the ability of these households to meet their needs in the housing market; and
- arising housing need from existing households (households that have already formed but who may fall into housing need in the future) – HNA8 is based on estimates (from arising need from the Housing Register and intermediate housing records identified in HNA3) of how much of the arising need may be attributable to existing households falling into need and not newly forming ones;
- The proportions applied to arising need from the Housing Register and intermediate housing records are:
- 50% of arising need from the Housing Register is from existing households;
- 43% of arising need from the intermediate housing records are from existing households;
- The affordability thresholds applied to 550 households per annum are:
- 26% of households will need social housing;
- 11% will need intermediate housing;
- This HNA shows a level of housing need equivalent to the baseline HNA3 which has an affordable housing need of 796 per annum;
- 727 should be treated as a minimum affordable housing requirement – it does not take account of the fact that the rate of households falling into housing need is increasing as shown by HNA5 and 6;
- Furthermore it does not take any account of housing need in Band 4;
- Even accounting for re-lets (494 units) there remains a shortfall of 233 units;

- Given the extent of current and arising need, the affordable homes target of 300 homes per annum should be seen as a minimum delivery target.
- The tenure split would be 70% rented / 30% intermediate – a small shift from the current Affordable Housing policy C2 (62.5% rented / 37.5% intermediate).

Housing Needs Assessment 8			
number of households per annum (over 5 years)	current need	arising need <u>based on the number of households forming under the 550 scenario with affordability test</u>	total current + arising housing need
Housing Register Bands 1-3 (rented)	159	347	506
Homes In Hants (intermediate)	107	114	221
<b>Total annual need: Housing Register and Intermediate</b>	<b>266</b>	<b>461</b>	<b>727</b>

Table 9.14

#### Housing Need Assessment 8 detail:

- current housing need based on Housing Register and Intermediate housing records
- arising housing need based on 550 dwellings per annum AND existing households from the Housing Register and intermediate housing records
- defines housing need from the Housing Register as households in Bands 1-3
- assumes need will be met over a five year period
- assumes that need over the last five year period is representative of need over the next five year period

	Basis of the assessment	Data	Need / supply per annum over five years
<b>Step 1</b>	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action + 182 being processed = 536	To be met over 5 years = 107 households per annum
<b>Step 2</b>	<u>Newly arising need for intermediate housing</u> <u>Newly forming households: 11% of 550 = 61 per year; plus</u> <u>Existing households: 43% of 614 = 264 over 5 years</u>	<u>Newly forming = 61 per year +</u> <u>Existing = 264 over 5 years (=53)</u>	<u>Over 5 years = 114 new households per annum</u>
<b>Step 3</b>	Current need for social housing	Bands 1-3 = 793	To be met over 5 years = 159 per annum

	Bands 1-3 only General needs		
<b>Step 4</b>	<u>Arising need for social housing (Bands 1-3 only)</u> <u>Newly forming households: 26% of 550 = 143 per year; plus</u> <u>Existing households: 50% of 2,036 = 1,018 over 5 years</u>	<u>Newly forming = 143 per year +</u> <u>Existing = 1,018 over</u> <u>5 years</u> <u>(=204)</u>	<u>Over 5 years</u> <u>= 347 new households</u> <u>per annum</u>
<b>Total housing need per annum over the next five year period:</b>			<b>727 households</b>
<b>Of which: Intermediate housing</b>			<b>218 (30%)</b>
<b>Of which: Rented housing</b>			<b>509 (70%)</b>
<b>Step 5</b>	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
<b>Step 6</b>	Supply through re-lets	@4.3% of social stock (general needs + affordable rented = 11,495	494 home per annum
<b>Total supply</b>			<b>585</b>
<b>Supply/need shortfall</b>			<b>142 per annum</b>

Table 9.15

## Chapter 9 Summary

### Affordable housing need

The number of households on the borough council's Housing Register has been rising, as part of a long term trend and now stands at over 6,400. The number in housing need is also increasing along with the total: 92% fall within the council's housing needs Bands 1-4 (5,860 households); 61% have "reasonable preference" (3,892 households).

Single people form the largest household group on the Register overall, 2,900 people accounting for 45% of the total Register and nearly half of all general needs applicants. However, 81%, just over 2,000 of these, are in housing need Band 4 (less acute housing need).

The increasing number of families is particularly relevant given that a significant proportion of existing housing stock coming back into supply through re-lets is smaller accommodation – 80% one or two bed properties - and just 20% three or four bed homes.

The HNA showing a minimum affordable housing requirement (HNA1) gives a tenure split of 70% rented / 30% intermediate housing and identifies an affordable housing need of 765 homes a year.

The HNA showing the upper estimate of housing need is based on all households on the Housing Register in Bands 1-3 and those households in Band 4 with reasonable preference. This gives a tenure split of 86% rented / 14% intermediate housing and identifies an affordable housing need of 1,603 homes a year.

### **Re-let and new supply**

Based on the last five years re-let rate, on average, 494 RSL homes come back into supply each year (note that this is a maximum estimate and the number of re-lets could actually be lower than this at around 400 a year).

The lower minimum estimate of affordable housing need is around 765 households per year. The maximum possible re-let figure is around 494 units per annum. This would meet the housing need of 765 homes in part leaving a shortfall of 271 homes a year.

At the current time, an average of 91 affordable homes a year will come forward as new build which will also contribute to meeting the 765 requirement.

### **Basingstoke and Deane's Housing Need Assessment**

Based on an objectively assessed need of 550-1080 dwellings per annum, the starting point for calculating newly arising housing need is that household growth will occur at the rate of 550 households per annum and 1080 households per annum.

The affordability testing in Section 5 outlined a series of affordability thresholds which, generally speaking would show how much annual income may typically be required to afford "entry level" accommodation in the borough.

By this assessment, at lower quartile prices, 26% of households would require social housing and a further 11% intermediate housing. From a household growth figure of 550, this would result in 143 households needing social housing and 61 households needing intermediate housing.

From a household growth figure of 1080 this would result in 281 households needing social housing and 119 households needing intermediate housing.

The total number of newly arising households in need would be 37% and it is expected that this will increase with changes in affordability.

The Housing Needs Assessments consider the newly arising household needs and the existing backlog in need. These assessments show that:

- the total number of households in need for 550 dpa over the next 5 years is 727 households (includes backlog and newly arising need).
- 30% of which require intermediate housing: 218 households
- 70% of which require rented housing: 509 households.

- the total number of households in need for 1080 dpa over the next 5 years is 923 households (includes backlog and newly arising need).
- 30% of which require intermediate housing: 277 households
- 70% of which require rented housing: 646 households.

91 homes per annum will be provided through new supply and 494 homes per annum through re-lets, giving a total supply of 585 homes per annum.

The housing Needs Assessments therefore show that based on the modeling used the need (newly arising and backlog) will be for between 160 and 308 affordable homes per annum over the next 5 years based on those in need in Bands 1-3 of the housing register only, and between 204 and 400 affordable homes per annum from 2016/2017.

## 10.0 Housing Mix

- 10.1 Overall housing requirements are useful for considering the scale of need; however, the composition of that need is a further important consideration. In particular different household groups have different needs and demands from their housing and therefore influence the housing market in different ways.

### Household types

- 10.2 This analysis is based on the 2011 based CLG Household Projections which underpin the population scenarios and provide the most reliable and robust breakdown of household composition to 2021.
- 10.3 The following graph (Figure 10.1) shows household composition proportions from the 2011 based CLG Household Projections applied to the household, starting at 2011, the base year. This set of CLG Household Projections does not look beyond 2021: in keeping with the approach used in the Edge Analytics in this population scenario, the household trend up to 2021 has been continued beyond 2021 to 2029 (appendix B).
- 10.4 Within the overall household growth for the period (13,153 additional households from 2011 – 2029 based on the 2011 CLG Household Projections), single person and couple households form over 56% of all households. Single people comprise nearly 30% of all households, couples with no children a further 30%. Together these two groups will increase in number by nearly 8,000 between 2011 and 2029 which is around 60% of the overall household increase within this period. A more detailed table is available in appendix B that shows data for 2016, 2021 and 2026 in addition to the base year and the end of the Plan period.

10.5 The following figure (Figure 10.1) shows the proportions of these three household groups compared to other households

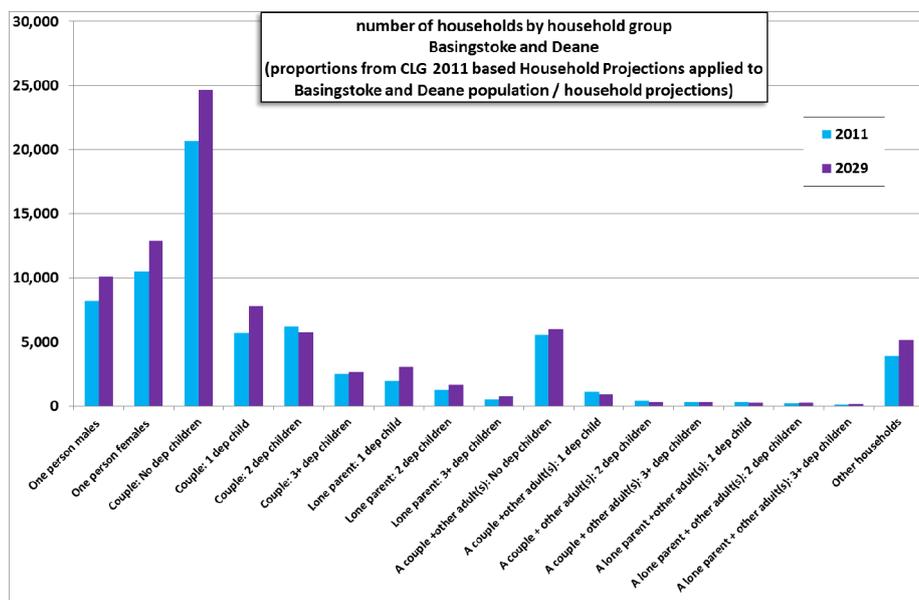


Figure 10.1: number of households by household group (Source: CLG household projections 2011)

10.6 The CLG Household Projections also provide detailed data of household type by the age of the household representative. Over the next decade there are increases predicted in the number of households of all age groups with the exception of those under 24. The propensity of households under the age of 35 to form will be dependent on mortgage availability and access to the private rented sector and “intermediate” housing products such as shared ownership being available.

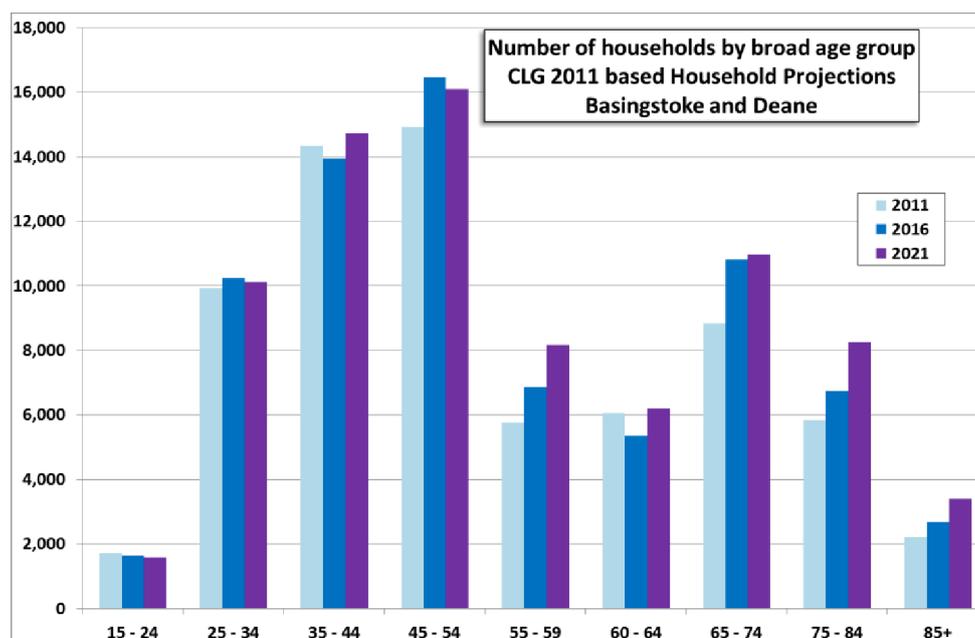


Figure 10.2: number of households by broad age group (Source: CLG Household projections 2011)

- 10.7 The CLG 2011 based Household Projections also show how household composition may vary by broad age group and cross references the two. Table 9.1 in appendix B shows the household mix for the base year, 2011, table 9.2 for 2016, and table 9.3 for 2021 (Tables 10.1, 10.2 and 10.3 in appendix B). The growth in the number of one person older persons households can clearly be seen when comparing the base year with that for 2021, which partly explains the decrease in average household size within the Edge Analytics analysis. The higher numbers of single person households and couples can mask the number of families with children, particularly in the 35 – 44 age group. The tables are highlighted to indicate, for each household group which age range has the highest number of households, showing how the number in each household group grows and reduces over different life stages.
- 10.8 This analysis may have implications for housing mix in relation to the extent to which the borough's housing stock may need to be balanced in the future.
- 10.9 The question then arises of how to translate household mix into an appropriate mix of dwelling size and types. The housing requirements of those households in need will vary depending on the size and composition of the households. In terms of the backlog of need, the existing waiting list provides a breakdown of current size requirements for applicants. In respect of future need from newly forming households, this will be dependent on the composition of the households that are on the waiting list. The size and type requirements for affordable housing and intermediate housing have been profiled within the evidence base within the sections on housing need.
- 10.10 The introduction of welfare reforms in April 2013 has imposed a 'bedroom tax' on affordable rented housing, meaning that tenants with a spare bedroom who are 'under-occupying' a property could have their housing benefit reduced. Hampshire Home Choice's allocations policy is being updated to reflect the changes, but it means a single person or couple can only occupy a 1-bed affordable rented property. Under the new rules, children of the same sex up to the age of 16 can share a bedroom and children of different sexes up to the age of 10 can share a bedroom. The intention of the reform is that it will better match the stock of affordable housing to affordable housing needs. It will however have an impact upon trying to match new supply of affordable homes to the bedroom requirement of the types of families in need of affordable rented homes. Notwithstanding, in the wider market, this will remain more difficult.

10.11 The propensity of households to occupy stock of a certain size and type will be dependent on a number of factors including availability of certain types and size of stock, affordability (both rental and market sales) and the prevailing economic conditions that allow households to form in the first place and to move up through the stock as and when their household grows. Some data from the 2011 Census has been released showing current occupancy levels of local stock. The table below shows a simple cross reference between the number of people in the household and the number of bedrooms occupied.

Basingstoke and Deane 2011 Census: Number of people in household	number of bedrooms occupied					
	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 or more bedrooms	All bedrooms
<b>1 person in household</b>	4,609	6,023	5,977	1,408	281	18,298
	25.2%	32.9%	32.7%	7.7%	1.5%	100.0%
<b>2 people in household</b>	1,565	6,315	10,992	5,088	1,247	25,207
	6.2%	25.1%	43.6%	20.2%	4.9%	100.0%
<b>3 people in household</b>	190	2,120	5,711	2,638	748	11,407
	1.7%	18.6%	50.1%	23.1%	6.6%	100.0%
<b>4 people in household</b>	38	819	5,006	3,274	912	10,049
	0.4%	8.2%	49.8%	32.6%	9.1%	100.0%
<b>5 people in household</b>	17	113	1,426	1,123	494	3,173
	0.5%	3.6%	44.9%	35.4%	15.6%	100.0%
<b>6 or more people in household</b>	4	22	438	441	276	1,181
	0.3%	1.9%	37.1%	37.3%	23.4%	100.0%
<b>All categories: Household size</b>	<b>6,423</b>	<b>15,412</b>	<b>29,550</b>	<b>13,972</b>	<b>3,958</b>	<b>69,315</b>
	9.3%	22.2%	42.6%	20.2%	5.7%	100.0%

Table 10.4: Number of people in household by number of bedrooms occupied (Source: Census 2011)

10.12 The Census also gives stock occupation levels by household type. The data showing the breakdown by detailed household composition can be found in appendix F Table 10.5.

10.13 The demographic projections from the earlier chapter provide an indicator of the scale of change in household composition.

10.14 The Council has two key pieces of evidence that assist in determining the potential housing mix. These are summarised below along with their key findings and recommendations.

## Neighbourhood Housing Stock Analysis

- 10.15 The objective of the Neighbourhood Stock Analysis was to conduct a review of the size and types of dwelling in the borough, how the profile of dwelling types relates to the current and likely future pattern of household types and what action is open to the council to address any mismatches between the stock and demographic profile. The study focused on Basingstoke town and the surrounding settlements but the evidence and projections for balancing housing stock were based on population and household projections for the borough as a whole.
- 10.16 The projections (from 2006-2026) showed :
- A significant increase in single person households, such that by 2026, single person households will compromise 36% of all households in the borough.
  - The forecast growth in single person households is across all age ranges but half are forecast to be over 60 years of age;
  - Multi person households are forecast to increase by 6,800.
- 10.17 This translates into a possible housing stock requirement for the year 2026 as follows:

1 bed flats	3593	4%	<b>32%</b>
2 bed up sizing flats	6727	8%	
2 bed houses	16859	20%	
3 bed houses & larger	29315	35%	
3 bed flats / cluster	1286	2%	
2 bed downsizing houses, flats bungalows	17571	21%	21%
½ bed elderly / care	8714	10%	
TOTAL	84065	100%	

**Table 10.6**

- 10.18 It can be seen that using the HPCMP approach to estimate future requirements in the borough, there remains a substantial requirement for 'family housing' (3 bed and more) but also a significant requirement for smaller flats and houses (30-35% at 2026 using the assumptions). The report also highlights the significant theoretical requirement for downsizing types of housing around 20%.

## Rural Housing Study

- 10.19 In 2009, consultants DCA published the borough's Rural Housing Study. Housing need, and in/out migrations were established through a household survey. The study covered the area outside of Basingstoke Town, that is, the parished area of the borough.

10.20 Developers are expected to bring forward proposals which reflect market housing demand identified in assessments in order to sustain mixed communities. The study looked at needs for property types in the rural areas of the borough and recommended that as a guideline for future development, proportions should be rounded with a broad 40% target for smaller units mainly 2 bedrooms and 60% family sized three or four bedroom properties.

10.21 The rural housing study concluded that there are differing needs in the rural areas from different household groups. The following table indicates the Market Housing need requirements for the rural area by sub area:

**Owner Occupation / private rent requirements by sub area**

Area		1 bed	2 bed	SD total	Small Dwellings (%)	3 bed	4+ bed	3+ bed total	3+ bed %
1	South East of the Borough	0	30	30	16.0	89	68	157	84.0
2	East of the Borough	11	72	83	34.6	56	101	157	65.4
3	North East of the Borough	0	54	54	22.3	63	125	188	77.7
4	North of the Borough and Tadley	3	110	113	28.0	155	135	290	72.0
5	North of the Borough and Kingsclere	0	45	45	25.6	36	95	131	74.4
6	North West of the Borough	3	30	33	22.1	41	75	116	77.9
7	South West of the Borough	5	65	70	34.1	63	72	135	65.9
8	South of the Borough and Overton	0	102	102	42.5	70	68	138	57.5
9	Oakley and Deane	0	73	73	44.8	51	39	90	55.2
10	North of Basingstoke town	4	64	68	42.2	38	55	93	57.8
		26	645	671	31.0			1495	69.0

Table 10.7: [Source: Rural Housing Study 2010](#)

10.22 The findings indicate that the need for small dwellings is predominantly for two bedroom units (96%) and that the need for small dwellings varies considerably by rural area, with the North, South and South West of the borough having the greatest requirement for two bedroom units (over 40%).

10.23 The report concludes that:

- Although the existing stock has high proportions of three and four bedroom units, the data indicates that there is still a need for more large units with a shortfall of 2, 3 and 4+ bed property sizes in the rural area (paragraph 8.5.12).
- Although current demand for one bedroom units is very low and may be met from turnover, it is not realistic to deliver no one bedroom units for which there is likely to be more demand in the long term particularly to improve the balance of the stock and address

demographic change. Demand for 2 bedroom units is however high (paragraph 8.5.13).

- It is recommended that as a guideline for future development, proportions should be rounded with a broad 40% : 60% split between smaller units and family sized accommodation (paragraph 8.5.14).

10.24 Another method to calculate housing mix is to use the latest CLG 2011 household projections as a proxy for the likely types of households forming within the borough over the plan period, Table 10.8 demonstrates the types of new housing that might be required to support household change. This applies a theoretical assumption that household types occupy dwellings suited to their composition and takes no account of the suitability of the existing dwelling stock in meeting current household needs or the fact that, for example, many elderly households in the private market will continue to ‘under-occupy’ their existing family dwellings as they get older. This analysis looks at the types of households projected to form between 2011 and 2029 and what type of dwellings would satisfy (i.e. adequately meet but without exceeding) their need for housing across the whole market.

<b>Household Type</b>	<b>Example Likely Dwelling Size Types within the Market</b>	<b>Estimated proportion of growth (2011-2029)</b>
<b>One person households and under 65</b>	Small dwellings and apartments/flats (1-2 bed)	19%
<b>Elderly one person household or couple over 65</b>	Accessible dwellings built to lifetime home standards (or other such standard), small bungalows, retirement villages, sheltered accommodation, care homes (1-2 bed).	43%
<b>Family unit (couple or lone parent) with 1 dependent child</b>	Smaller family dwelling houses or in some cases larger apartments (2-3 bed).	21%
<b>Family unit (couple or lone parent) with 2+ dependent children</b>	Family dwelling houses (3+ bed)	5%
<b>A couple with one or more other adults</b>	Shared dwelling houses (3+ bed depending on number of other adults)	5%
<b>Lone Parent or couple with one or more other adults and 1 dependent child</b>	Family/Shared dwelling houses (3+ bed depending on number of other adults)	-1%
<b>Lone Parent or couple with one or more other adults and 2+ dependent children</b>	Larger family/shared dwelling houses (4+ bed depending on number of other adults)	1%

<b>Other households (e.g. houses in multiple occupation)</b>	Various depending on composition of household	9%
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**Table 10.8: Household composition and dwelling size and type across whole market (Source: CLG household projections 2011)**

- 10.25 The above analysis highlights that the vast majority of need arising from the population and household estimates would be for smaller dwelling types, with the majority of households being 1 or 2 person households. Furthermore, much of this need is arising from elderly households, whose housing requirements may range from standard dwellings, to housing options more typically associated with the elderly, such as bungalows, retirement villages, sheltered housing schemes or care homes. There is a slight increase also in larger family households, with such households likely to require family homes.
- 10.26 Whilst an approach of matching closely household size to dwelling size may be applicable for affordable rented tenures (e.g. through the April 2013 welfare reforms), applying these metrics more widely to the whole market is too simplistic a way of estimating future dwelling size and type requirements: the operation of the housing market will not be perfectly efficient to match household size to dwelling size.
- 10.27 From the following Table (Table 10.9) it can be seen that as at the 2011 Census over 75.4% of dwellings in the borough are under-occupied i.e. households are occupying more space than needed based on the bedroom standard.

	<b>number of households</b>	<b>% of households</b>
<b>All categories: Occupancy rating bedrooms</b>	69,315	
<b>Occupancy rating (bedrooms) of +2 or more</b>	29,082	42.0%
<b>Occupancy rating (bedrooms) of +1</b>	23,166	33.4%
<b>Occupancy rating (bedrooms) of 0</b>	15,378	22.2%
<b>Occupancy rating (bedrooms) of -1</b>	1,485	2.1%
<b>Occupancy rating (bedrooms) of -2 or less</b>	204	0.3%

**Table 10.9: Occupancy Rating: households in Basingstoke and Deane (Source: Census 2011)** an occupancy rating of -1 indicates there is one room too few and there may be overcrowding

- 10.28 Particularly given that elderly people often have a tendency to continue to reside in family homes once children have grown up and moved away, so called 'empty nesting', this may have implications for the size and types of dwellings that need to be provided. Growth in these types of smaller households living within larger properties, particularly in areas facing affordability pressures where older people can afford to purchase and retain such houses, may place further housing need pressures upon other households who require such larger dwelling sizes. It has been evidenced elsewhere in this report that it is the older population that predominantly owns their own homes.
- 10.29 On this basis, it is difficult to translate projections of household sizes and types into projections of the market demand for property types. Households have different expectations and aspirations in respect of their home, which means that household composition does not necessarily correlate neatly with the demand for sizes and types of housing.
- 10.30 This is further evidenced by research that was undertaken by NLP on the relationship between dwelling size and household size for the Nottingham City Region<sup>44</sup>, the findings of which are considered relevant on a nationwide basis. It concluded that:
- The relationship between household size and housing is a complex one, and in the context of the overall dynamics of the housing market, the impact of policy levers is inevitably marginal – although this does not mean that it is not legitimate;
  - Aspirations and changing lifestyles mean there is a demand for larger, more flexible housing;
  - Rising number of households, low/falling new build rates, limited access to housing finance means there is suppressed demand and concealed households;
  - Average household size may be falling, but overcrowding is still a factor for many households, and this coincides with a number of other important socioeconomic factors, including lower incomes;
  - So-called 'under-occupation' of existing family stock is an important feature of the market, but one where there is limited scope to intervene, even where it is considered desirable to do so;
  - New build is important component of the market, but still relatively limited compared to the existing stock in meeting overall need. Conversion and adaptation of existing stock will also be an important policy tool.
- 10.31 The report went on to identify that:
- “Evidence on housing need and mix produces empirical data on future needs which are expressed quantitatively. The temptation is often to attach a great deal of weight to these estimates of housing need (whether it relates to affordable housing or the type and mix).”*

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<sup>44</sup> The Relationship between Household Size and Dwelling Size in New Housing Provision, NLP, 2010  
<http://www.nottinghamcity.gov.uk/CHttpHandler.ashx?id=17772&p=0>

*Ultimately, however, there needs to be caution in applying detailed modelled outputs of housing need at a local level and especially to individual developments, without factoring in other relevant considerations in a way that is structured and systematic. Recent appeal decisions have identified that factors such as dwelling mix, size and type have in a number of recent cases been identified as less important factors in cases where the overall supply will see an increase in additional housing that will be delivered to the market.”*

10.32 The inference of this is that in planning for future housing should not necessarily be prescriptive in terms of the mix, size and type of dwellings which Council’s consider should be provided as part of any new development, particularly in the context of market housing. The ‘bedroom tax’ does, however, mean that Councils will need to carefully plan and negotiate with developers the appropriate size of affordable properties to match needs.

10.33 Taking all of the above into account, although it is clear that the majority of market household need will be for smaller dwellings (and in particular an acute need for housing solutions for older people), it is important to provide a range of dwellings, given the challenges in matching households to dwellings. It is also important to note that the majority of single person households in the market sector occupy homes with 2 or more bedrooms. This is particularly the case amongst older households.

10.34 It is useful to observe the mix of housing provided over the last several years in order to establish any need for rebalancing.

10.35 The following table shows the percentage breakdown of housing mix between 2006/07 and 2012/13

<b>Number of bedrooms</b>	<b>% of total dwelling provided between 2006/07 - 2012/13</b>
<b>1 bed</b>	12
<b>2 bed</b>	35
<b>3 bed</b>	28
<b>4+ bed</b>	25

10.36 From the evidence above it would seem appropriate to continue a similar such a mix in the future. However, there is evidence to suggest need for a higher number of 1 bed dwellings than has been provided since 2006/07 and a reduction in the 4+bed provision particularly also given the possibility of downsizers freeing up larger properties which can then be recycled in the market.

## Housing requirements for specific groups

- 10.37 Different household groups have different needs and demands from their housing and therefore influence the housing market in different ways. Using data from the Census 2011 and the demographic forecasts undertaken earlier in the report an analysis of the housing requirements of specific groups has been undertaken.

### Families

- 10.38 The number of families in Basingstoke and Deane (defined for the purpose of this assessment as any household which contains at least one dependent child) currently totals 21,724 accounting for 31.3% of households. The demographic projections under the CLG household projections 2011 suggest this is set to increase by circa 3,500 households between 2011 and 2029.
- 10.39 The Central Hampshire and New Forest SHMA (which this document replaces encourages authorities to '*explore the scope for extending existing dwellings to help create dwellings for larger families*'. However, it does acknowledge that not all types of households lend themselves easily to extensions. Moreover it identifies that larger dwellings that may be suitable for conversion are currently under occupied, which has been highlighted as a factor in the borough. In the absence of these under occupied dwellings becoming available new build family housing will need to be accommodated.

### Young People

- 10.40 The demographic projections suggest the number of households aged 15-24 is set to decrease by 240 households.
- 10.41 The number of family households with non-dependent children still living at home highlights the difficulties faced by young people in accessing housing. Ineligibility for social housing, lower household incomes and the unaffordability of owner occupation for such age groups all contribute to the current trend for young people moving in with parents. The Central Hampshire and New Forest SHMA states that this is '*because they cannot afford market housing or to give them time to save*'<sup>11</sup>. This age cohort can also be forced into private rented shared households, often the only alternative means of meeting their housing needs, aside from residing with parents, where they would not form a head of household. Factors such as a balanced approach to housing in terms of bedroom sizes and property types, along with high standards for Houses in Multiple Occupation (HMOs) will help younger households to access housing.

## **Elderly Households**

- 10.42 The number of elderly households (defined as households where all members are aged 65 or more) currently totals 12,498 accounting for 18% of all households. The demographic projections suggest this is set to increase by circa 37,800 households under CLG Household projections 2011, accounting for the vast majority of all net household growth.
- 10.43 The Central Hampshire and New Forest SHMA (DTZ 2007) advocates encouraging elderly households to downsize where they may be under-occupying larger homes which could be used by families in need of housing, but acknowledges it is normally ineffective. This is not a change which can be brought about in the private market through local policy intervention, with many elderly households likely to choose to stay within larger properties. However, there is also growing demand for specialist housing provision for the elderly population; this may incentivise elderly households to release equity and down-size.

## **Housing Need by Ethnicity**

- 10.44 Black and minority ethnic (BME) may have particular requirements in relation to housing needs, often reflecting different social norms and family structures. In Basingstoke and Deane, 92.9% of the population is self-classified as white. The remaining 7.1% of the population comprises a wide range of ethnicities, with no particular concentration in the borough evident from Census 2011 data.

## **Disability**

- 10.45 The Rural Housing Survey concluded that 14.6% (3,845 implied) households in the rural area of the borough include a member with a disability. The report refers to the Department of Social Security report of 1998 (based on a 1996 / 97 survey) which suggested that as many as 8.6 million disabled adults in private households - around 14 - 15% of the population. The study also indicates that the researchers (DCA) own survey results have indicated a consistently higher level in the region of 20%.
- 10.46 The Census 2011 identifies that 5.6% of borough's population identified that they had a long term health problem or disability which limited day-to-day activities a lot, whilst a further 8.0% identified that they had a long term health problem or disability which limited day-to-day activities a little.
- 10.47 The above information justifies a requirement for dwellings to meet higher accessibility standards.

## Chapter 10 Summary

The mix of affordable housing is based on the household composition of the households currently on the waiting list and future households. The size of property required will be determined on the number of bedrooms needed under the new Welfare reforms.

It is difficult to translate projections of household sizes and types into projections of the market demand for property types. Households have different expectations and aspirations in respect of their home, which means that household composition does not necessarily correlate neatly with the demand for sizes and types of housing.

It would seem appropriate to continue a similar mix of market housing than has been provided since 2006/07 in the future. However, there is evidence to suggest a need for a higher number of 1 bed dwellings than has been provided since 2006/07 and a reduction in the 4+bed provision, particularly given the possibility of downsizers freeing up larger properties which can then be recycled in the market. There remains a continuing need for 2 and 3 bedroom properties.

There are a range of housing requirements which are specific to certain groups in the borough. In particular, Basingstoke and Deane faces growth in the number of elderly households and this will commensurately increase the need for both housing to accommodate such households, as well as potentially residential care solutions.

Housing needs by ethnicity suggests that certain groups face disproportionate barriers to home ownership and occupation, with African and white Europeans particularly facing barriers to housing. However, the borough does not have a particular concentration evident from Census 2011 data.

Around 14% of the population has a limiting long term illness which justifies a requirement for higher accessibility standards.

## 11.0 Welfare Reform and implications for the Private Rented Sector

11.1 This section considers the Private Rented Sector and how this might change as a result of wider benefit reform, including Housing Benefit. It is structured as follows:

- Benefit Reform and the Private Rented Sector (PRS) - Overview
- Relationship between PRS and Housing Benefit in Basingstoke and Deane
- Benefit Reform and Specific Housing Benefit Changes
- Potential Impact of Benefit Reform on the PRS

- 11.2 Housing Benefit paid to private rented sector tenants has allowed the sector to meet increasing number of households on low incomes and/or in housing need (see Chapter 4). Arguably, some existing private rented stock has become a de facto part of the “affordable housing” stock. The scale of this market activity has local variations in terms of availability, cost of renting, and the size of social rented and private rented stock in an area.
- 11.3 However, the cost to the Treasury is significant and Housing Benefit reform is in hand; part of which is to reduce the overall cost. The Coalition Government has identified two key problems with the current overall benefits system:
- work incentives are poor, and
  - the system is too complex.
- 11.4 As a result, new legislation has been introduced. Key changes relevant to the SHMA include:
- Welfare Reform Act 2012: the Act legislates for the biggest change to the welfare system for over 60 years, including;
    - Introduction of Universal Credit from 2013: part of the Welfare Reform Act 2012 introduces a new single payment for people who are looking for work or on a low income;
    - Changes to Housing Benefit with the aims of bringing stability to the market and improving incentives to work
  - Localism Act 2011: introducing flexible tenancies with changes to assured tenancies

## **Specific Changes to Housing Benefit**

### **Calculation of Local Housing Allowances**

#### **Local Housing Allowances**

- 11.5 Local Housing Allowances (LHAs) are set by the Valuation Office and form part of the Housing Benefit entitlement calculation for tenants in private rented housing. LHA rates are set for different types of accommodation in each area. The rates range from a single room in a shared house up to properties with 4 bedrooms. Simply put, the LHA is the maximum rent on which the Housing Benefit calculation will be based for each property type. The LHA is assessed as one rate for that property type across the entire Broad Rental Market Area; for Basingstoke and Deane this also includes the northern part of Test Valley including Andover.
- 11.6 LHA rates are based on the private rented market – a sample of private rented property is taken and the LHA is set at the 30th percentile or the rental level for the lowest third of all the rents sampled. Current weekly rates (September 2012) are as follows (Table 11.1):

<b>Shared accommodation rate</b>	<b>£63.50</b>
<b>One bedroom rate</b>	£129.81
<b>Two bedrooms rate</b>	£160.38
<b>Three bedrooms rate</b>	£184.62
<b>Four bedrooms rate</b>	£253.85

Table 11.1: LHA weekly rates, Basingstoke and Deane September 2012.

### Under-occupation

11.7 The Government estimates that nearly a third of working-age social housing tenants on housing benefit are living in accommodation which is too big for their needs. The Act includes provision for where social housing tenants of working age will have their benefit reduced for having spare room(s). In England, the policy is estimated to affect 660,000 households, who will lose £14 a week on average. £430 million of savings are forecast to result.

**Example:** a working age couple with two adult children occupy a 3 bed social rented property and receive housing benefit. If the adult children move out of the house, the couple will technically only require a 1 bed dwelling. The policy impact is that they will no longer receive housing benefit for a 3 bedroom property but a 1 bed – they will either;

- be required to pay the balance of rent from their own funds, or,
- move to a small dwelling and continue to receive housing benefit.

11.8 There are a range of possible implications arising from such a change (Note: we have excluded the ethical implications of the change):

- More households may downsize from family sized social rented dwellings into smaller units
- Some larger properties may become available for overcrowded households with children
- There may be or may not be a corresponding 'balancing effect', as larger homes and smaller homes are vacated
- Adult children may subsidise their parents to allow them to remain in the larger family home

### Extending the Limit for a Single Person Receiving a Bedsit Allowance to 35 Years of Age

11.9 Any single person aged 34<sup>45</sup> years or younger is entitled to only the Share Accommodation Rate (SAR) LHA, rather than allowance for a self-contained dwelling. The SAR LHA will enable the single person only to receive a share of a dwelling.

<sup>45</sup> Changed from age 25 in January 2012

- 11.10 A major impact of this change is likely to be a rise in the demand for shared accommodation within HMOs. More single persons will need to share accommodation for longer. More of the existing housing stock seems likely to be converted into HMOs.

### **Non-dependents**

- 11.11 Deductions for non-dependents are now uprated on the basis of prices, which could increase pressure for non-dependents to move out.
- 11.12 Example: a pensioner couple with two adult children occupy a 3 bed social rented property and receive housing benefit. Increased deductions for non-dependents now rise on the basis of prices, hence reducing the amount of housing benefit received by this household. If the adult children move out of the house, the couple will be allowed to remain in their dwelling because they are not working age and will receive more housing benefit.
- 11.13 The policy impact is that the financial incentive is for the adult children to leave home and seek their own independent accommodation, meaning the rate of household formation could rise.

### **Capping of Total Household Benefits at £500 per Week**

- 11.14 The total level of benefit received by any household is to be capped at £500 per week. The amount of housing benefit any household can receive will be assessed after any Jobseekers Allowance, Income Support, council tax benefit, child tax credit and child benefit have been deducted.

### **Potential Impact of Benefit Reform on the Private Rented Sector**

- 11.15 Changes to the LHA may mean considerable changes in the supply of dwellings available for households who require financial support in the private rented sector. The changes will not likely reduce the number of households seeking affordable or subsidised housing – however, it may increase the demand on local authorities to meet these households housing need.
- 11.16 The ability of authorities to meet housing need is dependent upon many issues. For example, how will private landlords respond over time? Will they be less likely to accept those households in receipt of housing benefit at the new reduced levels? Possible scenarios include:
- Market rent levels fall as landlords accept lower rent on their properties.
  - If the new rent thresholds are too low then some landlords may simply not be willing to accept housing benefit dependent households. This in turn may see house prices and rents fall as more housing becomes available to buy or rent - more households may be able to meet their housing requirements in the open market.

- 11.17 However, if landlords are not prepared to accept households in receipt of housing benefit, where will these households have their housing needs addressed? Social housing has limited supply. Homelessness presentations may increase and overcrowding might rise. The percentage of disposable income paid to rent may rise in households seeking housing in the private sector.

## **Chapter 11 Summary**

The potential impact of Benefit Reform on the Private Rented Sector is currently unknown.

Potentially, there could be reduced household formation rates which may reduce the number of households seeking affordable housing. However, some changes in the LHA could see formation rates rise.

The supply of private rented dwellings may change significantly, especially for households on lower incomes.

The total number of housing benefit claimants in the private rented sector is unlikely to fall, but their locations will change to lower priced areas.

Alternatively, where landlords do not accept the lower rents, more properties may return to 'pure' market housing and out of reach to households on Housing Benefit.

Local authorities may be pressed to find housing solutions for increasing demand from households who cannot resolve their own needs - homelessness presentations and overcrowding may also rise further.

## 12.0 Overall summary and policy recommendations

- 12.1 The SHMA has considered various factors regarding the housing market in Basingstoke and Deane. It is intended to update the current evidence base and inform housing and planning policies for the borough.

### Housing market area

- 12.2 The 2004 study undertaken by DTZ to map housing markets across the South East, identified Basingstoke as lying in a 'Distinctive Local Area'. Research on housing markets undertaken by the NHPAU in 2010 does not provide an unequivocal answer regarding which authorities should work together in terms of a joint SHMA. Furthermore, those market areas identified by the NHPAU study include such a large number of authorities that it would present substantial practical difficulties. In addition, through the conclusions of their own evidence and also through duty to cooperate meetings, other authorities have confirmed that they do not consider that Basingstoke and Deane shares a Housing Market Area with them.
- 12.3 Relationships between the borough and neighbouring authorities have been considered in detail and using up to date data. In terms of migration Basingstoke and Deane's most significant relationships are with West Berkshire, Hart, Reading and Wokingham.
- 12.4 There are significant travel to work flows with neighbouring authorities, with the most significant being with West Berkshire, Reading, Hart and the London Boroughs. However, over 90% of the borough's commuting links come from self-containment.
- 12.5 Basingstoke and Deane's strongest internal migration links are predominantly:
- The south eastern and eastern area of the borough with Fleet and Farnborough;
  - The north east of the borough and Tadley area with Reading, Wokingham and Newbury;
  - The north west of the borough and Kingsclere with Newbury;
  - The south west of the borough with Andover, Winchester and Newbury;
  - The south of the borough, Overton, Oakley and the area north of Basingstoke town, with Reading.

- 12.6 It is considered that the current available evidence which has been reviewed in this chapter suggests that the HMA extends to the borough boundary. It is acknowledged however, that there is some overlap across administrative boundaries in relation to internal migration, and this must be fully taken into account in determining housing requirements for Basingstoke and Deane borough.

## **The socio-economic context**

### **Population**

- 12.7 The local population increased by 10% between 2001-2011. Pre-school and pre-teen children have reduced in Basingstoke and Deane between 2001-2011. There are lower numbers of both 16-24 year olds relative to England. Basingstoke and Deane has seen an increase in younger old people (those aged 60-74) between 2001 and 2011. Those aged over 80 have increased in the same period.
- 12.8 There has been an increase in the number of people from a minority ethnic group since 2001 with high relative increases in the Asian and White Other groups. The key originating countries for international migrants are Poland, South Africa, China and India.

### **Economy**

- 12.9 The local economy has seen a 20.6% increase in the number of people in the borough who are economically active. The number of employee jobs currently stands at 83,700. The economic activity and employment rates have both fluctuated over the last eight years and they currently stand at 83.4% and 78.8% respectively.
- 12.10 The borough has experienced a long term rise in unemployment. Since 2009 this has improved slightly and is now leveling off and remains below the national average.
- 12.11 The occupation profile shows that the area has seen growth in professional occupations and a decrease in managerial positions. There has been increasing numbers in self-employment. Earnings figures show that residents earn more than employees and that all employees earn more than the England average.
- 12.12 The housing and council tax benefit case load has increased by 28% since 2006/07 from 8640 to just over 11,060 at March 2012. There has been an increase in the number of households claiming housing benefit and council tax benefit.

- 12.13 The borough has a mortgage repossession rate of 1.5 per 1000 households which is around the Hampshire average and below the South East and England averages. However, there were 5.3 landlord possession orders per 1000 households in the borough in 2011 compared to the Hampshire 2.75, South East 3.2 and England 4.3

## **An overview of existing housing stock**

### **Housing stock**

- 12.14 There are currently approximately 71,760 dwellings in Basingstoke and Deane borough. The majority of properties are 3 bed houses. Just over 2% of all dwellings are vacant and less than 0.5% are second homes. The majority of the housing stock was built between 1993-2009.
- 12.15 Since the last census there has been an increase in the number and percentage of households who own their own homes outright; an increase of 4,500 households.
- 12.16 The private rented sector now accounts for 18% of households compared to 6% in 2001. There are still a small percentage of households in shared ownership but this is still nearly 3 times that of 2001.
- 12.17 There are a total of 13,600 affordable dwellings in the borough (including shared ownership).
- 12.18 34% of private rented supply is within Basingstoke town centre or edge of centre, 40% in the surrounding estates and 26% outside of Basingstoke town.
- 12.19 Not all private rented stock consists of self-contained dwellings occupied by a single household. Many households occupy houses in multiple occupancy.
- 12.20 0.8% of the borough's population lives in communal establishments.

### **House prices**

- 12.21 Basingstoke and Deane house prices are among the least expensive in line with Hampshire and South East averages.
- 12.22 Average RSL rents in the borough are higher than that of England and the South East averages but similar to those of neighbouring districts which exceed £90 a week.
- 12.23 Social rents tend to be lower than affordable rents for all types of units and the gap widens as the size of the property increases.

## Current housing market

### Migration

- 12.24 The area had a net internal in-migration gain of 1731 people between 2006-2010. While net UK migration 2006-10 accounted for 346 annual average gain, international migration was significantly less at 141 annual average gain.
- 12.25 The largest in migration age group(s) were 15-24 years and 25-44 years, the largest net out migration age group were 25-44.
- 12.26 Most internal migrants who come to or left the area did so from within the South East region, mostly moving to and from adjacent local authorities.

### Housing Delivery

- 12.27 Housing delivery in the area has been relatively constant since 2001 with higher numbers achieved between 2007-2009. The housing target during the last plan period 1996-2011 was met.

### Affordability

- 12.28 Basingstoke and Deane housing costs are the most affordable in north Hampshire (with the exception of Rushmoor) and significantly more affordable than in Berkshire or Surrey.
- 12.29 Over the last decade property prices in the borough have risen by 2-3 times more than local salary levels and increases in salary levels kept pace with local rents.
- 12.30 Since 2002, average local salary levels rose by 22%, RSL rents by 44%, average property prices by 52% and lower quartile property prices by 62%. The decrease in property prices from 2007 to 2009 has now reversed and prices are returning to pre-recession levels.
- 12.31 The borough has not experienced any worsening of affordability when compared to neighbouring authorities therefore indicating no justification for increasing the objectively assessed need range to respond to market signals.
- 12.32 In Basingstoke and Deane, the annual minimum income required to access lower quartile priced / median priced property would be:
- for private rented accommodation: £22,000 / £24,000 a year;
  - for intermediate rent: £23,000 / £29,000 a year;
  - for shared ownership: £23,000 / £31,000 a year;

- for intermediate home ownership: £30,000 / £37,000 a year;
  - for outright owner occupation: £35,000 / £46,000 a year.
- 12.33 “Entry price” for a lower quartile 2 bed property would be affordable to just 7% of single people on the Housing Register, 48% of couples and 29% of families. By contrast, 71% of the general population of the borough would be able to afford this rent.
- 12.34 20% of single people on the Housing Register would not be entitled to Housing Benefit, nor could they afford to pay themselves a higher than average rent for shared accommodation (£80 a week).
- 12.35 Fewer than 5% of families would be in this position even for a higher than average rent for a property suited to their family size.
- 12.36 At lower quartile prices, 26% of households would require social housing and a further 11% intermediate housing.
- 12.37 A total of 37% of new households would require some form of affordable housing and this is only expected to increase with changes in affordability.

## **Housing market drivers**

- 12.38 Seven different scenarios was evaluated as part of this analysis, each of which were tested against three different starting assumptions based on varying headship rates.
- 12.39 The council considered the 3 different starting assumptions and felt that Scenario B (CLG 2011 – based household projections fixed) was the least realistic compared to scenarios A and C. The outcomes of the work have helped to assess objectively assessed needs within this SHMA.

## **An objective assessment of housing need**

- 12.40 For Scenarios A and C, depending upon the key assumptions that have been applied, predicted population growth over the plan period ranges from 9.5-22.5%.
- 12.41 The scenario A (CLG 2011-based household projections with the 2011-21 trend continued after 2021) outcomes suggest a range of growth trajectories depending upon the key assumptions that have been applied. Dwelling growth ranges from 550-983 units per year.
- 12.42 The scenario C (CLG 2008-based rates) outcomes suggest a range of growth trajectories depending upon the key assumptions that have been applied. Dwelling growth ranges from 634-1084 units per year.

- 12.43 The objectively assessed housing need for Basingstoke and Deane is therefore estimated to be between 550-1080 dwellings per annum.

## **Affordable housing need**

- 12.44 The number of households on the borough council's Housing Register has been rising, as part of a long term trend and now stands at over 6,400. The number in housing need is also increasing along with the total: 92% fall within the council's housing needs Bands 1-4 (5,860 households); 61% have "reasonable preference" (3,892 households).
- 12.45 Single people form the largest household group on the Register overall, 2,900 people accounting for 45% of the total Register and nearly half of all general needs applicants. However, 81%, just over 2,000 of these, are in housing need Band 4 (less acute housing need).
- 12.46 The increasing number of families is particularly relevant given that a significant proportion of existing housing stock coming back into supply through re-lets is smaller accommodation – 80% one or two bed properties - and just 20% three or four bed homes.
- 12.47 The HNA showing a minimum affordable housing requirement (HNA1) gives a tenure split of 70% rented / 30% intermediate housing and identifies an affordable housing need of 765 homes a year.
- 12.48 The HNA showing the upper estimate of housing need is based on all households on the Housing Register in Bands 1-3 and those households in Band 4 with reasonable preference. This gives a tenure split of 86% rented / 14% intermediate housing and identifies an affordable housing need of 1,603 homes a year.

## **Re-let and new supply**

- 12.49 Based on the last five years re-let rate, on average, 494 RSL homes come back into supply each year (note that this is a maximum estimate and the number of re-lets could actually be lower than this at around 400 a year).
- 12.50 The lower minimum estimate of affordable housing need is around 765 households per year. The maximum possible re-let figure is around 494 units per annum. This would meet the housing need of 765 homes in part leaving a shortfall of 271 homes a year.
- 12.51 At the current time, an average of 91 affordable homes a year will come forward as new build which will also contribute to meeting the 765 requirement.

## **Basingstoke and Deane's Housing Need Assessment**

- 12.52 Based on an objectively assessed need of 550-1080 dwellings per annum, the starting point for calculating newly arising housing need is that household growth will occur at the rate of 550 households per annum and 1080 households per annum.
- 12.53 The affordability testing in Section 5 outlined a series of affordability thresholds which, generally speaking would show how much annual income may typically be required to afford “entry level” accommodation in the borough.
- 12.54 By this assessment, at lower quartile prices, 26% of households would require social housing and a further 11% intermediate housing. From a household growth figure of 550, this would result in 143 households needing social housing and 61 households needing intermediate housing.
- 12.55 From a household growth figure of 1080 this would result in 281 households needing social housing and 119 households needing intermediate housing.
- 12.56 The total number of newly arising households in need would be 37% and it is expected that this will increase with changes in affordability.
- 12.57 The Housing Needs Assessments consider the newly arising household needs and the existing backlog in need. These assessments show that:
- the total number of households in need for 550 dpa over the next 5 years is 727 households (includes backlog and newly arising need).
  - 30% of which require intermediate housing: 218 households
  - 70% of which require rented housing: 509 households.
  - the total number of households in need for 1080 dpa over the next 5 years is 923 households (includes backlog and newly arising need).
  - 30% of which require intermediate housing: 277 households
  - 70% of which require rented housing: 646 households.
- 12.58 91 homes per annum will be provided through new supply and 494 homes per annum through re-lets, giving a total supply of 585 homes per annum.
- 12.59 The housing Needs Assessments therefore show that based on the modeling used the need (newly arising and backlog) will be for between 160 and 308 affordable homes per annum over the next 5 years based on those in need in Bands 1-3 of the housing register only, and between 204 and 400 affordable homes per annum from 2016/2017.

## Housing mix

- 12.60 The mix of affordable housing is based on the household composition of the households currently on the waiting list and future households. The size of property required will be determined on the number of bedrooms needed under the new Welfare reforms.
- 12.61 It is difficult to translate projections of household sizes and types into projections of the market demand for property types. Households have different expectations and aspirations in respect of their home, which means that household composition does not necessarily correlate neatly with the demand for sizes and types of housing.
- 12.62 It would seem appropriate to continue a similar mix of market housing than has been provided since 2006/07 in the future. However, there is evidence to suggest a need for a higher number of 1 bed dwellings than has been provided since 2006/07 and a reduction in the 4+bed provision, particularly given the possibility of downsizers freeing up larger properties which can then be recycled in the market. There remains a continuing need for 2 and 3 bedroom properties.
- 12.63 There are a range of housing requirements which are specific to certain groups in the borough. In particular, Basingstoke and Deane faces growth in the number of elderly households and this will commensurately increase the need for both housing to accommodate such households, as well as potentially residential care solutions.
- 12.64 Housing needs by ethnicity suggests that certain groups face disproportionate barriers to home ownership and occupation, with African and white Europeans particularly facing barriers to housing. However, the borough does not have a particular concentration evident from Census 2011 data.
- 12.65 Around 14% of the population has a limiting long term illness which justifies a requirement for higher accessibility standards.

## Welfare reform

- 12.66 The potential impact of Benefit Reform on the Private Rented Sector is currently unknown.
- 12.67 Potentially, there could be reduced household formation rates which may reduce the number of households seeking affordable housing. However, some changes in the LHA could see formation rates rise.
- 12.68 The supply of private rented dwellings may change significantly, especially for households on lower incomes.

- 12.69 The total number of housing benefit claimants in the private rented sector is unlikely to fall, but their locations will change to lower priced areas.
- 12.70 Alternatively, where landlords do not accept the lower rents, more properties may return to 'pure' market housing and out of reach to households on Housing Benefit.
- 12.71 Local authorities may be pressed to find housing solutions for increasing demand from households who cannot resolve their own needs - homelessness presentations and overcrowding may also rise further.

## Recommendations

1. **An objectively assessed housing need of between 550 to 1080 dwellings per annum**
2. The borough has previously provided enough homes to meet need between 1996 and 2011. There is therefore no requirement to increase the objectively assessed need figure to take account of previous under delivery.
3. The borough has not experienced any worsening of affordability when compared to neighboring authorities therefore justifying no requirement to increase the objectively assessed need figures to respond to market signals.
4. A continuation of a housing mix for market housing similar to that of past trends since 2006 would meet future needs. However, there is evidence to suggest that a higher proportion of smaller units should be provided to facilitate downsizing which in turn will free up larger properties which results in a lower proportion of 4+ beds required in the future. **A flexible approach to mix of housing would therefore be justified.**
5. There are a number of household in the borough with special needs that would benefit and require adaptations to their homes. **A figure of approximately 15% of all homes (market and affordable) to meet higher accessibility standards is justified.**
6. **A policy approach of 37% affordable housing with a 70% rented and 30% intermediate split is justified** as it has been demonstrated that there are 37% of households in need of affordable housing in the future, 26% of households would require social housing and a further 11% intermediate housing.

# Appendix A

## Planning Policy

### Excerpts from the National Planning Policy Framework

#### Paragraph 159 on cross boundary working and the scale/mix of requirements:

*Local planning authorities should have a clear understanding of housing needs in their area. They should:*

- *prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
  - *meets household and population projections, taking account of migration and demographic change;*
  - *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
  - *caters for housing demand and the scale of housing supply necessary to meet this demand;”*

#### Paragraph 14 on needs:

*“local planning authorities should positively seek opportunities to meet the development needs of their area; Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change.”*

#### Paragraph 47 regarding supply:

*“identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;”*

#### National Planning Policy Framework 2012 Annex 2

**Affordable housing:** *Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.*

*Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.*

*Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.*

# Appendix B

	2011		2016		2021		2026		2029		2011 - 2029
	%	number									
<b>One person households: Male</b>	11.8%	8,227	11.9%	8,751	12.1%	9,318	12.2%	9,832	12.2%	10,106	1,880
<b>One person households: Female</b>	15.1%	10,536	15.2%	11,185	15.4%	11,909	15.5%	12,557	15.6%	12,903	2,366
<b>One family and no others: Couple: No dependent children</b>	29.7%	20,641	29.9%	21,969	29.7%	22,992	29.8%	24,094	29.8%	24,674	4,033
<b>One family and no others: Couple: 1 dependent child</b>	8.1%	5,666	8.6%	6,284	8.9%	6,889	9.2%	7,467	9.4%	7,786	2,120
<b>One family and no others: Couple: 2 dependent children</b>	8.9%	6,186	8.2%	6,045	7.7%	5,953	7.2%	5,837	7.0%	5,753	-432
<b>One family and no others: Couple: 3+ dependent children</b>	3.6%	2,522	3.4%	2,508	3.4%	2,598	3.3%	2,632	3.2%	2,644	122
<b>One family and no others: Lone parent: 1 dependent child</b>	2.9%	1,986	3.1%	2,283	3.4%	2,600	3.6%	2,892	3.7%	3,055	1,069
<b>One family and no others: Lone parent: 2 dependent children</b>	1.9%	1,296	1.9%	1,385	2.0%	1,508	2.0%	1,611	2.0%	1,666	370
<b>One family and no others: Lone parent: 3+ dependent children</b>	0.8%	551	0.8%	593	0.9%	671	0.9%	728	0.9%	759	208
<b>A couple and one or more other adults: No dependent children</b>	8.0%	5,570	7.9%	5,773	7.6%	5,846	7.4%	5,976	7.3%	6,035	466
<b>A couple and one or more other adults: 1 dependent child</b>	1.7%	1,155	1.5%	1,087	1.3%	1,019	1.2%	951	1.1%	909	-246
<b>A couple and one or more other adults: 2 dependent children</b>	0.7%	453	0.6%	424	0.5%	393	0.4%	363	0.4%	345	-108
<b>A couple and one or more other adults: 3+ dependent children</b>	0.4%	293	0.4%	300	0.4%	326	0.4%	340	0.4%	347	54
<b>A lone parent and one or more other adults: 1 dependent child</b>	0.4%	313	0.4%	294	0.4%	278	0.3%	260	0.3%	248	-65
<b>A lone parent and one or more other adults: 2 dependent children</b>	0.3%	189	0.3%	197	0.3%	216	0.3%	227	0.3%	233	44
<b>A lone parent and one or more other adults: 3+ dependent children</b>	0.1%	104	0.2%	116	0.2%	132	0.2%	145	0.2%	151	47

<b>Other households</b>	5.6%	3,925	5.8%	4,290	6.0%	4,634	6.1%	4,968	6.2%	5,150	1,225
<b>Total</b>	<b>100.0%</b>	<b>69,613</b>	<b>100.0%</b>	<b>73,486</b>	<b>100.0%</b>	<b>77,283</b>	<b>100.0%</b>	<b>80,877</b>	<b>100.0%</b>	<b>82,766</b>	<b>13,155</b>

2011 based CLG Household projections (proportions) applied to BBDC population projection - household projection

<b>CLG 2011-based Household Projections the number of households by broad age group Basingstoke and Deane 2011</b>	<b>15 - 24</b>	<b>25 - 34</b>	<b>35 - 44</b>	<b>45 - 54</b>	<b>55 - 59</b>	<b>60 - 64</b>	<b>65 - 74</b>	<b>75 - 84</b>	<b>85+</b>	<b>total</b>
<b>One person households: Male</b>	192	1,544	<b>1,732</b>	1,503	443	659	791	1,035	329	<b>8,227</b>
<b>One person households: Female</b>	412	971	916	1,209	691	921	1,663	<b>2,676</b>	1,077	<b>10,537</b>
<b>One family and no others: Couple: No dependent children</b>	161	2,474	1,959	3,491	2,736	3,056	<b>4,870</b>	1,356	538	<b>20,642</b>
<b>One family and no others: Couple: 1 dependent child</b>	139	1,467	<b>1,937</b>	1,711	301	89	13	8	0	<b>5,666</b>
<b>One family and no others: Couple: 2 dependent children</b>	44	961	<b>3,219</b>	1,870	75	13	4	0	0	<b>6,186</b>
<b>One family and no others: Couple: 3+ dependent children</b>	13	272	<b>1,673</b>	519	20	18	8	0	0	<b>2,522</b>
<b>One family and no others: Lone parent: 1 dependent child</b>	345	592	<b>641</b>	324	40	16	9	0	19	<b>1,986</b>
<b>One family and no others: Lone parent: 2 dependent children</b>	97	397	<b>654</b>	132	16	0	0	0	0	<b>1,296</b>
<b>One family and no others: Lone parent: 3+ dependent children</b>	4	150	<b>365</b>	17	6	0	0	0	9	<b>551</b>
<b>A couple and one or more other adults: No dependent children</b>	97	217	134	<b>2,214</b>	1,009	955	843	94	6	<b>5,570</b>
<b>A couple and one or more other adults: 1 dependent child</b>	50	51	157	<b>681</b>	130	84	3	0	0	<b>1,155</b>
<b>A couple and one or more other adults: 2 dependent children</b>	8	75	132	<b>220</b>	12	3	3	0	0	<b>453</b>
<b>A couple and one or more other adults: 3+ dependent children</b>	6	21	<b>200</b>	44	5	6	8	3	0	<b>293</b>
<b>A lone parent and one or more other adults: 1 dependent child</b>	11	60	<b>122</b>	106	9	5	1	0	0	<b>313</b>
<b>A lone parent and one or more other adults: 2 dependent children</b>	8	23	<b>128</b>	25	3	2	0	0	0	<b>189</b>
<b>A lone parent and one or more other adults: 3+ dependent children</b>	9	25	<b>63</b>	8	0	0	0	0	0	<b>104</b>
<b>Other households</b>	125	625	299	855	255	236	624	676	232	<b>3,925</b>
<b>Total</b>	<b>1,719</b>	<b>9,923</b>	<b>14,332</b>	<b>14,928</b>	<b>5,752</b>	<b>6,064</b>	<b>8,841</b>	<b>5,847</b>	<b>2,210</b>	<b>69,617</b>

Table 9.1

<b>CLG 2011-based Household Projections the number of households by broad age group Basingstoke and Deane 2016</b>	<b>15 - 24</b>	<b>25 - 34</b>	<b>35 - 44</b>	<b>45 - 54</b>	<b>55 - 59</b>	<b>60 - 64</b>	<b>65 - 74</b>	<b>75 - 84</b>	<b>85+</b>	<b>total</b>
<b>One person households: Male</b>	153	1,590	<b>1,716</b>	1,708	515	618	922	1,278	396	<b>8,896</b>
<b>One person households: Female</b>	415	1,047	921	1,393	861	830	1,813	<b>2,888</b>	1,202	<b>11,370</b>
<b>One family and no others: Couple: No dependent children</b>	94	2,408	1,872	3,710	3,273	2,615	<b>6,074</b>	1,569	718	<b>22,333</b>
<b>One family and no others: Couple: 1 dependent child</b>	126	1,594	1,980	<b>2,139</b>	438	89	12	11	0	<b>6,388</b>
<b>One family and no others: Couple: 2 dependent children</b>	32	851	<b>2,919</b>	2,245	83	10	4	0	0	<b>6,145</b>
<b>One family and no others: Couple: 3+ dependent children</b>	9	214	<b>1,675</b>	596	27	18	10	0	0	<b>2,550</b>
<b>One family and no others: Lone parent: 1 dependent child</b>	398	708	<b>716</b>	387	53	17	13	0	29	<b>2,321</b>
<b>One family and no others: Lone parent: 2 dependent children</b>	108	432	<b>688</b>	158	23	0	0	0	0	<b>1,408</b>
<b>One family and no others: Lone parent: 3+ dependent children</b>	4	143	<b>417</b>	17	8	0	0	0	14	<b>603</b>
<b>A couple and one or more other adults: No dependent children</b>	108	265	80	<b>2,177</b>	1,132	869	1,126	105	7	<b>5,869</b>
<b>A couple and one or more other adults: 1 dependent child</b>	54	45	100	<b>658</b>	155	89	3	0	0	<b>1,105</b>
<b>A couple and one or more other adults: 2 dependent children</b>	7	94	93	<b>221</b>	10	3	3	0	0	<b>431</b>
<b>A couple and one or more other adults: 3+ dependent children</b>	7	21	<b>216</b>	37	5	6	11	3	0	<b>305</b>
<b>A lone parent and one or more other adults: 1 dependent child</b>	10	71	<b>105</b>	99	10	4	1	0	0	<b>299</b>
<b>A lone parent and one or more other adults: 2 dependent children</b>	7	24	<b>141</b>	22	4	1	0	0	0	<b>200</b>
<b>A lone parent and one or more other adults: 3+ dependent children</b>	9	29	<b>71</b>	9	0	0	0	0	0	<b>118</b>
<b>Other households</b>	94	689	237	880	272	179	805	888	317	<b>4,361</b>
<b>Total</b>	<b>1,636</b>	<b>10,225</b>	<b>13,947</b>	<b>16,455</b>	<b>6,870</b>	<b>5,348</b>	<b>10,797</b>	<b>6,742</b>	<b>2,682</b>	<b>74,702</b>

Table 9.2

<b>CLG 2011-based Household Projections the number of households by broad age group Basingstoke and Deane 2021</b>	<b>15 - 24</b>	<b>25 - 34</b>	<b>35 - 44</b>	<b>45 - 54</b>	<b>55 - 59</b>	<b>60 - 64</b>	<b>65 - 74</b>	<b>75 - 84</b>	<b>85+</b>	<b>total</b>
<b>One person households: Male</b>	121	1,552	<b>1,812</b>	1,700	593	758	893	1,662	497	9,587
<b>One person households: Female</b>	409	1,068	985	1,403	1,060	982	1,640	<b>3,305</b>	1,402	12,253
<b>One family and no others: Couple: No dependent children</b>	54	2,220	1,910	3,466	3,878	2,933	<b>6,284</b>	1,924	985	23,655
<b>One family and no others: Couple: 1 dependent child</b>	113	1,670	2,194	<b>2,349</b>	621	116	10	16	0	7,088
<b>One family and no others: Couple: 2 dependent children</b>	24	727	<b>2,878</b>	2,388	94	9	4	0	0	6,125
<b>One family and no others: Couple: 3+ dependent children</b>	6	163	<b>1,821</b>	612	36	25	11	0	0	2,673
<b>One family and no others: Lone parent: 1 dependent child</b>	448	809	<b>853</b>	410	71	25	16	0	44	2,675
<b>One family and no others: Lone parent: 2 dependent children</b>	118	453	<b>782</b>	167	32	0	0	0	0	1,552
<b>One family and no others: Lone parent: 3+ dependent children</b>	3	132	<b>506</b>	14	12	0	0	0	22	690
<b>A couple and one or more other adults: No dependent children</b>	116	302	51	<b>1,881</b>	1,258	1,035	1,238	126	9	6,015
<b>A couple and one or more other adults: 1 dependent child</b>	59	39	69	<b>569</b>	186	122	3	0	0	1,048
<b>A couple and one or more other adults: 2 dependent children</b>	7	113	71	<b>197</b>	9	4	2	0	0	404
<b>A couple and one or more other adults: 3+ dependent children</b>	8	20	<b>252</b>	28	6	7	11	3	0	335
<b>A lone parent and one or more other adults: 1 dependent child</b>	10	80	<b>99</b>	82	10	3	1	0	0	286
<b>A lone parent and one or more other adults: 2 dependent children</b>	7	24	<b>168</b>	17	5	1	0	0	0	222
<b>A lone parent and one or more other adults: 3+ dependent children</b>	9	32	<b>85</b>	9	0	0	0	0	0	136
<b>Other households</b>	70	718	201	797	288	178	860	1,213	443	4,768
<b>Total</b>	<b>1,581</b>	<b>10,122</b>	<b>14,738</b>	<b>16,091</b>	<b>8,159</b>	<b>6,199</b>	<b>10,972</b>	<b>8,249</b>	<b>3,402</b>	<b>79,513</b>

Table 9.3

# **Appendix C – Housing Needs Assessment methodology and housing needs assessments 1-6**

## **Housing Need Assessment methodology**

As well as considering overall structural need and demand for housing as derived from the scenarios of demographic and economic change identified in Section 7 of this report, there is an additional approach to considering housing need, taking into consideration the affordability of housing and how far local households will be able to access housing on the open market, or require affordable housing provided for them. This approach stems from considering how much affordable housing will be needed in an area, and therefore provides a complementary way of considering housing need and demand.

The assessment of need forms two parts:

- To assesses the scale of any shortfall between homes that are needed (demand) and homes that are available (supply);
- To assess affordability thresholds – the proportion of the population at any time who may be able to afford market housing, private rented housing, intermediate housing and social housing. This gives a tenure split across all tenures.

The following sections of this research show, as far as it is possible at present, a possible indication of housing need in Basingstoke and Deane – that is, the borough as a whole. This assessment does not draw down data from previous studies. It replicates, in approach, the methodology used by DTZ in 2007, but uses evidence that is both local and up to date. This includes two analyses, both conducted in house for the first time:

- the “on/off flows” to the Housing Register; and
- a detailed look at intermediate housing applications.

Typically, a housing needs assessment looks at meeting need over the next five year period. A period of 10 years can also be used but over such an extended period of time, housing market conditions can vary so greatly that delivery and arising need figures cannot be reliably assumed to stay constant over that time.

It is based on the assumption that housing needs will be met for existing households in need and new households which fall into housing need, meeting need for both over the next five years.

In this section of the research, the evidence and analysis leads to the specific key data on which the housing needs assessment is based. Where this data emerges from the analysis it is clearly indicated in a highlight box which also refers to the relevant part/step of the housing needs assessment.

## Housing need based on the Housing Register and Intermediate housing applications

The specific steps in the needs assessment are:

<b>Step 1</b>	<b>Current need for intermediate housing Applications awaiting action Applications pending</b>	<b>Source: Homes In Hants</b>
<b>Step 2</b>	Arising need for intermediate housing Number of applicants housed in the past as a proxy for likely future need	Homes In Hants
<b>Step 3</b>	Current need for social housing	BDBC Housing Register
<b>Step 4</b>	Arising need for social housing Number of applicants housed and the residual number still remaining on the Register in housing need	BDBC Housing Register
<b>Step 5</b>	New housing supply	BDBC monitoring
<b>Step 6</b>	Supply through re-lets	Choice Based Lettings/HSSA/CORE

## Housing need as at 1) above and taking account of household growth

This approach looks at the total population and to what extent households in the future may be able to access social housing, intermediate housing, private rent, intermediate owner occupation and outright owner occupation. It takes the affordability testing in Section 5 of this research and applies affordability thresholds to household growth. Through this it is possible to determine the percentage of households at any one time needing any tenure and the model can be run using any household growth figure.

In the HNA, “arising housing need” is calculated through adding together:

- Newly forming households who may be in housing need; and
- Existing households falling into need.

The HNA consists of the following steps.

<b>Step 1</b>	<b>Current need for intermediate housing Applications awaiting action Applications pending</b>	<b>Source: Homes In Hants</b>
<b>Step 2</b>	Arising need for intermediate housing Newly forming households – applying affordability tests to household growth of XX households per annum Number of applicants housed in the past who are existing households as a proxy for likely future need	Homes In Hants
<b>Step 3</b>	Current need for social housing	BDBC Housing Register
<b>Step 4</b>	Arising need for social housing Newly forming households – applying affordability tests to household growth of XX households per annum	BDBC Housing Register

	Number of applicants housed in the past who are existing households as a proxy for likely future need	
<b>Step 5</b>	New housing supply	BDBC monitoring
<b>Step 6</b>	Supply through re-lets	Choice Based Lettings/HSSA/CORE

## Building the Housing Needs Assessments

The next section of this research shows how these difference elements are calculated and the variables that are taken forward into nine different HNA scenarios.

### The need for intermediate housing

Access to intermediate housing, shared ownership and low cost ownership in Hampshire is administered and processed by the Zone Agent, “Homes in Hants” (Radian Housing Association) which records and processes applications for all intermediate products. Homes In Hants advertises all such properties, both new build and re-sales and carries out high level checks to ensure that the general eligibility criteria are met.

Applicants can apply for owner occupation, part rent/part buy, or full rent at less than market value.

Where properties fully or partly rented, Registered Social Landlords will draw down household details from the Homes In Hants database and carry out their own specific checks to match applicants to schemes – this will include more detailed checks according to the criteria for specific sites and products on offer – such checks will include more detailed financial issues and, if appropriate, local connection tests which could include either living or working in the area. Priority can be given to existing social tenants and to MOD personnel.

Intermediate housing includes:

- Owner occupation, through the Government’s First Buy scheme (and prior to 2012, HomeBuy direct);
- Shared ownership (part rent / part buy)
- Intermediate rent (at less than market levels).

These schemes are summarised below.

### The background to intermediate owner occupation

There are a number of schemes which support households to buy property. Some developers have their own schemes which can offer financial support or loans to put towards a deposit, discounts on the purchase price or payment of stamp duty, for example – such schemes may differ from developer to developer. The First Buy scheme is aimed at people on low incomes and it is helpful to understand the difference between that and NewBuy, another Government initiative. The key features of both schemes are shown below.

The NewBuy scheme, introduced by the Government in 2012, is available from certain developers and mortgage lenders who have signed up to the scheme. However, it is important to note that this scheme is intended to support owner-occupation and new build development and is not limited to those on low incomes but is available to any applicant who can afford to pay a mortgage. The scheme does not subsidise the purchase nor does it allow purchase at a less than market cost: it simply allows for underwriting of the mortgage to increase lender confidence.

### **NewBuy**

**Client group:** people thinking of buying a new build home who do not have a large enough deposit to qualify for a mortgage - includes those who already own their own home and want to move to a new-build property

**Tenure:** owner occupation

**Property:** new build up to the value of £500,000 – participating developers and mortgage lenders

**Support with:** indemnity or guarantee

**Detail:** scheme operated by the building industry and mortgage lenders in partnership with the Government. Lenders provide a 90%-95% loan to value mortgage, and the home builder puts aside a proportion of the sale price into a special indemnity fund – if the home is subsequently repossessed and sold for less than the outstanding mortgage debt, the mortgage lender can claim on the mortgage indemnity to recover some of its loss – the indemnity acts as extra protection for the lender

**Income criteria:** no income cap

**Buyer:** has to fund 10%-5% deposit – under the scheme applicants who meet the lenders affordability and credit criteria will be eligible for a mortgage of up to 95% of the purchase price - new home buyers wishing to take advantage of the scheme will need to qualify for a mortgage with a mortgage lender in the usual way and be subject to the lender's normal assessment criteria.

**Application to:** developer / mortgage lender in the usual way

There are some Government backed schemes directly targeted at households on low incomes. Potential applicants for property in Basingstoke and Deane would register their interest and application through "Homes In Hants", the local HomeBuy agent for Hampshire.

Currently, the FirstBuy scheme is designed to help households buy their own home. It is not, however, treated as low cost home ownership in affordable housing delivery terms as it is essentially market value housing made more affordable, not by reducing the price, but by supporting a specific customer base by financing a market level deposit through equity loans.

It does not therefore count towards the council's affordable homes target nor does it require any form of "local connection" to the borough to be demonstrated as it is a mainstream market product and a national scheme.

## FirstBuy<sup>46</sup>

**Client group:** first time buyers who do not own a property and who are unable to buy without assistance;

**Tenure:** owner occupation;

**Property:** new build only up to the value of £280,000 – participating developers and mortgage lenders;

**Support with:** deposit

**Detail:** provides a **20% equity loan** towards the deposit, the loan funded equally between the HCA and developer;

**Income criteria:** **household income less than £60,000 a year;**

**Buyer:** has to fund 80% of the full purchase price of the property through mortgage and cash deposit, and to show sufficient income / savings to cover the house move and purchase costs (such as legal fees, conveyancing, stamp duty), and ability to sustain home ownership longer term. Interest is charged on the loan after five years;

**Application to:** the local HomeBuy agent, Homes In Hants.

### **The background to shared ownership**

Shared ownership properties are part rent and part buy (i.e.: the property title and equity are split between the owner-occupier and a Registered Provider, using a shared ownership lease. The term “shared ownership” has a distinct legal meaning. A certain proportion or share of the property will be purchased with a mortgage and deposit. Rent will be charged on the remainder of the share (known as the “unsold equity”).

The level of the rent depends firstly on the share of the property offered for rent/the share of the unsold equity. This can be any proportion between 25% and 75% of the full value of the property; a typical offer is between 35% to 50%. Residents can increase the purchased share in their home over time so that ultimately they can own 100% of the property. This is known as “stair-casing”. Exceptions to this may be in designated protected areas i.e. defined rural parishes where the maximum limit is 80%. A shared ownership resident may want to move in the future: if there is still a level of unsold equity (the rental share) then the property will come back into the supply and be re-advertised as a re-sale through Homes In Hants.

The purchased share will be financed through a mortgage and deposit in the same way as outright owner-occupation. Homes in Hants recommend applicants have an annual income of at least £18,000 and as a mortgage is required, this would usually need to be *earned* income. Such a salary level for a part owned property is entirely consistent with the affordability modelling for owner-occupation where full ownership would require an annual salary of £35,000. Given the income profile of those

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<sup>46</sup> First Buy is the latest in a Government funded programme of affordable home ownership products.

Previously, this included HomeBuy Direct where the potential buyer had to raise **70%** of the purchase price through mortgage / deposit and an equity loan funded by the HCA and developer covered the remaining **30%** of the purchase price. This scheme was available to people who could not afford to buy a home on the open market and whose income was less than £60,000 a year. Homes In Hants records 89 households who successfully secured home ownership in Basingstoke and Deane through HomeBuy Direct since 2008/9.

Open Market Home Buy was also an equity loan product available to people who could not afford to buy a home on the open market and whose income was less than £60,000 a year. All property was eligible, not restricted to new build. Two options were available – an equity loan of between 15-50% of the value of the property with interest on the loan payable from year 1; and a loan of between 20-40% with interest payable after five years. The buyer was responsible for the mortgage and purchase costs in the normal way.

households on the Housing Register this also confirms that shared ownership may only be an option for a small percentage of households in housing need.

### **The background to intermediate rent**

Intermediate rent properties are managed by RSLs but are not social tenancies but assured shorthold tenancies such as can be found in the private rented sector. However, these are available at a less than market rent (80% of the market<sup>47</sup>) - the subsidy specifically designed to support *prospective* home owners who are saving for a deposit to buy their own home.

This scheme was originally designed for key workers but has since widened to include households with an income of less than £60,000, who cannot afford to buy on the open market without assistance, who can demonstrate that the discounted rent will enable them to save for a deposit and who are able to commit to a home ownership scheme (such as First Buy) in the short to medium term future. They must also be able to afford 80% of market rent without assistance – for example, without relying on Housing Benefit.

This is, in effect, a stepping stone into the private sector, ultimately with the goal of home ownership and intending to give the household the financial breathing space to purchase a home in the near future on the open market. Many RSLs that let property through this scheme also offer an option to buy a share in the property at a later date or ask for a commitment to do so after a pre-defined rental period.

### **Intermediate housing: applicant profile**

The following analysis comes from the Zone Agent's records which run from 2006 to the date of extract for analysis, January 2012 (5 year period). In total, 4,247 households have applied for intermediate housing in this borough since April 2006.

Of these 4,247 applications:

- 26% of applications were ineligible (just over 1,100 applicants) – this could be due to poor credit rating, the applicants income is too high or too low, there are problems with their current property, they could afford to buy without assistance (for example, have sufficient savings for an open market deposit to gain a mortgage), or they have already received subsidised intermediate housing in the past.
- 31% of applicants withdrew their application (just over 1,300 applicants) – this could be for a number of reasons such as changes in circumstances, moving out of the area, finding or being offered other suitable housing;
- 25% of cases are complete (1,039 applications), properties have been found, conveyancing completed, and applicants have moved in to their new homes. Of the 1,039 households, 40 declared they were on a Housing Register. There were 614 households already living in Basingstoke and Deane, 22 of whom declared that they were on the Basingstoke and Deane Housing Register;

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<sup>47</sup> This product should not be confused with the Affordable Rent tenure which sets rent at up to 80% of market in a social housing tenancy.

- 18% of applications are currently “live”, that is, applications which are awaiting processing (around 602 households), or where the application is progressing through the system and negotiations are underway (around 182<sup>48</sup> households);
- Of those awaiting processing (602 households), 109 declare they are on a council Housing Register. Of those being processed (182 households), 12 households declare they are on a council Housing Register;
- Of those awaiting processing (602 households), 354 live in Basingstoke and Deane (75 of whom declare they are on the BDBC Housing Register); and of those being processed (182 households), 99 live in Basingstoke and Deane (of whom 11 declare they are on the BDBC Housing Register);

Removing those cases that are still live and pending, so just taking those applications which have been through the process, 32% were deemed to be ineligible, 38% withdrawn by the applicants themselves, and 30% successfully obtained housing.

### Historic need profile (completed cases - 1,039 households)

This section analyses the profile of the 1,039 households that have successfully found intermediate accommodation.

Of those who successfully obtained housing in the borough (all “completed” cases):

- 37% were living in private rented housing and 44% were living with friends or family;
- 5.3% were living in RSL / Housing Association property;
- Only 40 households declared they were on a local authority Housing Register.
- 60% of applicants (614 households) already lived in Basingstoke and Deane; a further 96 households applied for housing in the borough but were already working in Basingstoke and Deane, over half of whom were in key worker professions such as health, education, police, fire service or local authority (Table 9.8) .

Local authority district of current address	Total	number who work in Basingstoke and Deane
Basingstoke and Deane	614	395
East Hants	27	9
Eastleigh	20	5
Fareham	7	0
Gosport	3	0
Hart	66	21
Havant	8	1
Isle of Wight	2	0
New Forest	9	3
Outside Hants	132	26

<sup>48</sup> Non rounded figure 182

Portsmouth	8	0
Rushmoor	31	3
Southampton	28	7
Test Valley	30	9
Winchester	23	9
no record	31	3
<b>Total completed records</b>	<b>1039</b>	<b>491</b>

Table 9.8 “Completed” records: households successful in obtaining intermediate housing 2006– 2012

Of those who successfully obtained housing in the borough (households who already lived in Basingstoke and Deane – around 614 households)

- 37% were living in private rented housing and 44% were living with friends or family – the same proportions as for all records;
- 5.9% were living in RSL/Housing Association property;
- Only 22 households (3.6%) declared they were on the Housing Register.

It is notable that, of those households already living in the borough, that have completed their application for intermediate housing, few households, just 22, were on the council’s Housing Register: the Housing Register, therefore, does not appear to be an expression of need or aspiration for affordable products other than RSL rented.

However, of the applicants who claims are awaiting processing, 75 of the 354 declare that they are on the BDBC Housing Register and of those being processed through the system, 11 of the 99 declare they are on the BDBC Housing Register. It is possible that given the current economic climate, households are more likely to apply for intermediate housing and social housing at the same time.

In terms of the property type and size obtained by successful applicants, the majority of applicants secured one and two bed units (**Figure 9.1**).

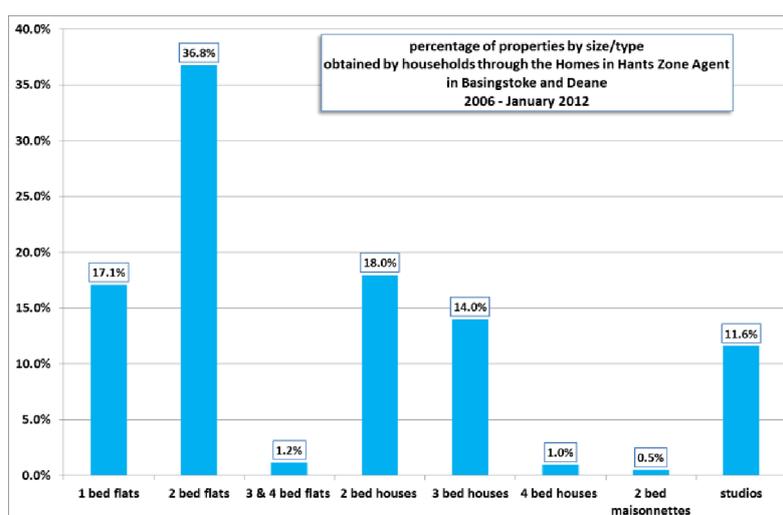


Figure 9.1:

An applicant for intermediate housing will specify how many bedrooms they require. Homes in Hants will determine the applicants` needs, taking into account the number

of people in the household, their age and gender and other family circumstances such as whether the applicant has responsibility for a child who visits on a regular basis in order to determine whether the property is suitable. One bedroom more than is required based on the current household composition is the usual maximum<sup>49</sup> but this is still subject to an affordability test which may show they may have insufficient income to afford a larger property.

Subsequently, there is very little evidence of over-occupation in the records<sup>50</sup>. The table below shows that a high percentage of applicants asking for a one, two or three bed property found a home that matched their requirements: 70% a one bed, 80% a two bed and 68% a three bed property (shown in the table below in green text).

For the remainder of applicants, the table below shows that there has been some adjustment in the number of bedrooms requested and the number actually secured. However, that adjustment has generally only been by one bedroom more or less than was requested. The number and percentage of those receiving two or more bedrooms than they requested is not significant and relates to only four applicants out of the 1,000 who secured property successfully (**Table 9.9**).

Bedrooms requested	Bedrooms received			
	1	2	3	4
0	0.0%	0.5%	0.0%	0.0%
1	70.1%	14.4%	0.7%	0.0%
2	29.9%	80.4%	29.7%	0.0%
3	0.0%	4.6%	67.7%	63.6%
4	0.0%	0.1%	1.9%	36.4%
<b>total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Table 9.9**

*(Applicants who received fewer bedrooms than requested  
Applicants who received the number of bedrooms they requested  
Applicants who received one more bedroom than they requested  
Applicants who received two or more bedrooms than they requested)*

This suggests that with reference to intermediate housing, where rental costs and house prices are benchmarked against the private market, applicants accept what they realistically need at the current time and the intermediate housing secured reflects this. Intermediate housing need in terms of property size can therefore be reasonably determined through these records.

The breakdown of the scheme eventually secured by these households can be seen below in **Table 9.10**.

Scheme type	Number	%

<sup>49</sup> In cases where a buyer is seeking a property with more bedrooms than the maximum, there must be a robust business case between the Registered Provider and Homes In Hants explaining why the circumstances are exceptional.

<sup>50</sup> There were only 11 households requiring a 4 bed property. The percentages should therefore be seen in the context of this small number of records.

First Time Buyers Initiative	19	1.8%
First Buy	15	1.4%
For sale / intermediate rent	7	0.7%
Home Buy Direct	157	15.1%
Intermediate rent	8	0.8%
Keyworker new build sale	6	0.6%
Keyworker rent	17	1.6%
Keyworker re-sale	2	0.2%
Market rent	1	0.1%
Newbuild sale	170	16.4%
Open market homebuy	96	9.2%
Rental schemes	94	9.0%
Re-sales	31	3.0%
Shared ownership	410	39.5%
others	6	0.6%
<b>total</b>	<b>1,039</b>	<b>100.0%</b>

**Table 9.10: All households “completed” / successfully obtained intermediate housing: From 2006 by scheme type**

### Intermediate housing: current need profile

There are 602<sup>51</sup> households awaiting action on their application. Records date from 2009 - 2011/12 (3 years). There are a further 182 applications that have been assessed and are in the process of securing particular properties (viewing, conveyancing and arranging mortgages). This makes a total of 784 households awaiting intermediate housing.

Of these 602 households still awaiting action:

- 39% are in private rented accommodation and a further 39% are living with friends and family;
- 3.9% are living in RSL / Housing Association property;
- 109 households state that they are on their local council’s Housing Register;
- 59% of applicants (354 households) already live in Basingstoke and Deane.

The profile of where these households live and work can be found below in Table 9.11.

Households living and working in Basingstoke and Deane	<b>242</b>	<b>40.30%</b>
Living in Basingstoke and Deane & working elsewhere	112	18.7%
All living in Basingstoke and Deane	354	59.0%
Living in	<b>All</b>	<b>Of whom work in</b>

<sup>51</sup> Non rounded figure 602

other districts	(numbers)	Basingstoke and Deane (numbers)
East Hants	16	6
Eastleigh	5	2
Fareham	3	0
Gosport	1	0
Hart	32	7
Isle of Wight	1	0
New Forest	3	0
Outside Hampshire	65	8
Portsmouth	3	0
Rushmoor	30	2
Southampton	15	0
Test Valley	12	4
Winchester	9	3
none given	50	5
<b>totals</b>	<b>245</b>	<b>37</b>

Table 9.11

Of those households already living in Basingstoke and Deane and awaiting action on their application (354 households):

- 38% are in private rented accommodation and a further 40% are living with friends and family;
- 4.5% are living in RSL/Housing Association property;
- 59% both live and work in the borough (242 applicants);
- 21% of households declare they are on the borough council's Housing Register (75 households).

The household composition profile of these 602 applicants shows that interest tends to come from single people or 2 person households. The table below shows, by scheme, the percentage of applicants for each scheme by the number of people in the household. Nearly 70% of shared ownership applicants are in one or two person households and nearly 65% of applicants for owner occupation. There is no data on the *age* of applicants, however, it could be concluded that most are young adults wanting to form a household for the first time, or who living in private rented accommodation want to buy their own home, outright or at least in part, through shared ownership (**Table 9.12**).

Household type	Percentage of people in household					
	1	2	3	4	5	6
any scheme	23.6%	40.6%	20.8%	12.3%	1.9%	0.9%
owner occupation	23.7%	41.2%	17.5%	13.4%	4.1%	0.0%
intermediate rent	47.4%	38.2%	11.6%	2.3%	0.6%	0.0%
shared ownership	32.9%	37.0%	16.7%	10.2%	2.3%	0.9%

Table 9.12: Number of people in household by intermediate housing type

Of the demand from the 602 households, in broad property size terms, 32% require a 1 bed property, 52% require a 2 bed property, and 3% a studio flat/apartment. Demand for 3 and 4 bed properties makes up 13% of records, that is, 76 households. Breakdown by property *type* is as shown below. The property size and type (for example, flat, studio, house or bungalow) expresses demand in that the selection is made by the applicant (**Figure 9.2**).

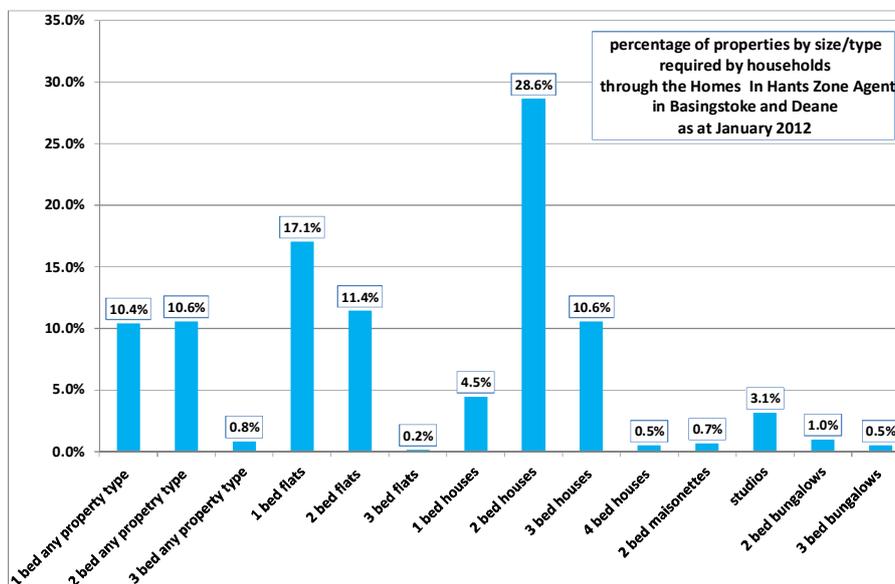


Figure 9.2

When analysis this is further broken down by scheme type required, the ratio (of the 602 applicants) is broadly:

- Home ownership: (First Buy: 11% ; Home Buy Direct: 3.5%; Other developer equity scheme: 1.7%) 16.2% (97 households)
- Shared ownership: 35.5% (214 households)
- Rental schemes (intermediate rent): 28.9% (174 households)
- Re-sales (rather than new build): 1.5% (9 households)
- Over 55s: less than 1%
- Any scheme: 17.8% (107 households)

There is some variation in property type and size required depending on whether the applicants are seeking rented property, shared ownership or outright owner occupation (**Table 9.13**)

property type	number of beds	% home ownership	% shared ownership	% rental schemes
any	1	4.1%	6.1%	15.5%
	2	10.3%	9.3%	12.1%
	3		0.5%	1.1%
flat	1	11.3%	14.5%	27.6%
	2	13.4%	12.1%	9.2%
	3			0.6%

studio	0		1.4%	10.9%
maisonette	2	1.0%	1.4%	1.1%
bungalow	2	1.0%	1.4%	
	3	1.0%	0.9%	
house	1	3.1%	5.6%	3.4%
	2	33.0%	29.4%	14.9%
	3	21.6%	16.4%	3.4%
	4		0.9%	

Table 9.13

### Home ownership / owner occupation:

There are 97 households requiring owner occupation according to Homes in Hants records. Homes in Hants carries out the necessary financial testing to ensure that households have sufficient income to afford owner occupation.

Across all schemes, £60,000 is the upper income limit: households with incomes exceeding this will not be eligible for low cost home ownership or shared ownership. The average annual household income of these applicants is £36,000.

To give a realistic indication of the income that is required for owner occupation, records from the 30 First Buy completions since November 2011 show that:

- The property value ranged from £141,500 to £250,000 (mean average £192,000);
- Incomes ranged from £28,000 to £59,600 (mean average was £42,900: only three households had income of less than £30,000);
- Equity loans ranged from £21,000 to £50,000 (mean average £37,600).
- Savings ranged from £7,000 to £14,000 (mean average £9,700).

Owner occupation cannot be discussed without reference to savings, not just to secure a mortgage by way of a deposit but for other costs. For legal costs when purchasing property, it is recommended by Homes In Hants that £2,500 in savings will be needed in addition to sufficient savings for up to a 10% deposit; combined, this would require savings of between £5,000 and £10,000. The level of savings/capital declared by each of the households applying for owner occupation varies considerably: on average each household has £6,300 in savings or capital that they can use to help fund the purchase. A more detailed breakdown can be found below giving savings levels for applicants who have successfully found intermediate housing and those whose claims are being processed (**Table 9.14**).

Intermediate scheme	average (median) savings	
	completed records	awaiting processing
first buy	10,200	5,750
homebuy direct	7,990	7,860
shared ownership	14,120	10,370
intermediate rent	15,300	no data

developer equity loan	no data	6,150
all schemes		11,950

Table 9.14: household savings by intermediate scheme 2006 - 2011

The 2009 Rural Housing Study examined the breakdown of savings levels cross-referenced to existing tenure type and found that nearly 90% of RSL tenants have savings of less than £10,000. The table below (Table 14.8) shows that such a savings level may not be likely for tenants in RSL properties or private rented. It is assumed that households in shared ownership properties have already committed their savings to fund their purchase. However, it may also indicate that once the initial purchase of the shared ownership property has been completed, there is very little left over, at least in the short term, with which they could “staircase” or buy additional shares in their home.

Savings	owner occupied with mortgage	owner occupied no mortgage	private rented	RSL / Housing Association rented	shared ownership
below £5,000	37.9%	9.7%	56.3%	75.3%	93.5%
£5,001 to £10,000	15.9%	9.0%	11.2%	12.0%	1.5%
£10,001 to £15,000	10.1%	6.0%	3.5%	7.5%	1.5%
£15,001 to £20,000	5.1%	5.2%	7.6%	0.7%	1.5%
£20,001 to £30,000	6.6%	7.8%	3.8%	2.6%	0.0%
above £30,000	24.4%	62.3%	17.6%	1.9%	2.0%

Table 9.15: percentage of households with savings (Source: Basingstoke and Deane 2009 rural housing study (86.8% responded to this question out of 4,004 returned responses) Table 15-5)

Demand by property size and type for owner occupation is below in Figure 9.3. The greatest demand is for 2 and 3 bed houses.

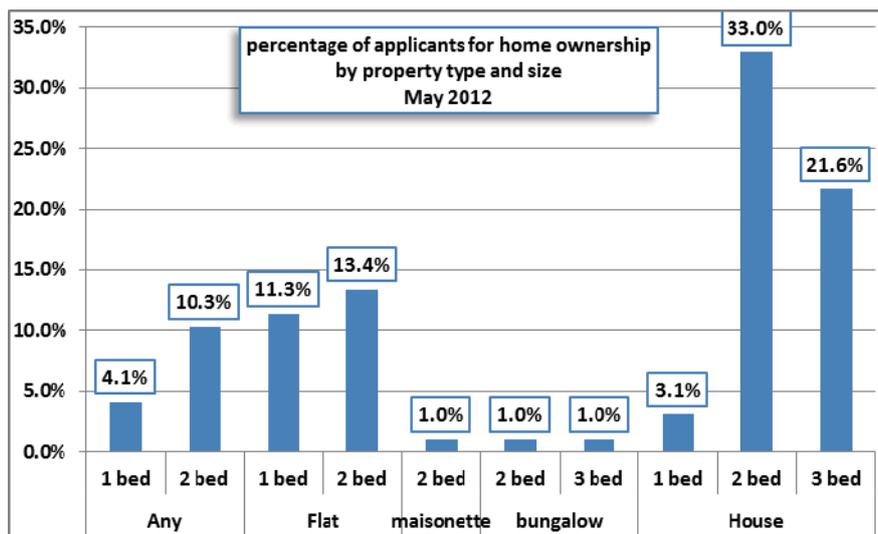


Figure 9.3

## Shared ownership

Of the 600 households applying for intermediate housing, 214 have requested shared ownership. While Homes In Hants specifies a salary of at least £16,000 to apply, the incomes of applicants are far higher, averaging £29,000 a year, ranging from nearly £17,000 to over £50,000. Shared ownership applicants tend to require two or three bed homes. There is considerable range in the amount of savings held: on average around £10,000 (**Figure 9.4**).

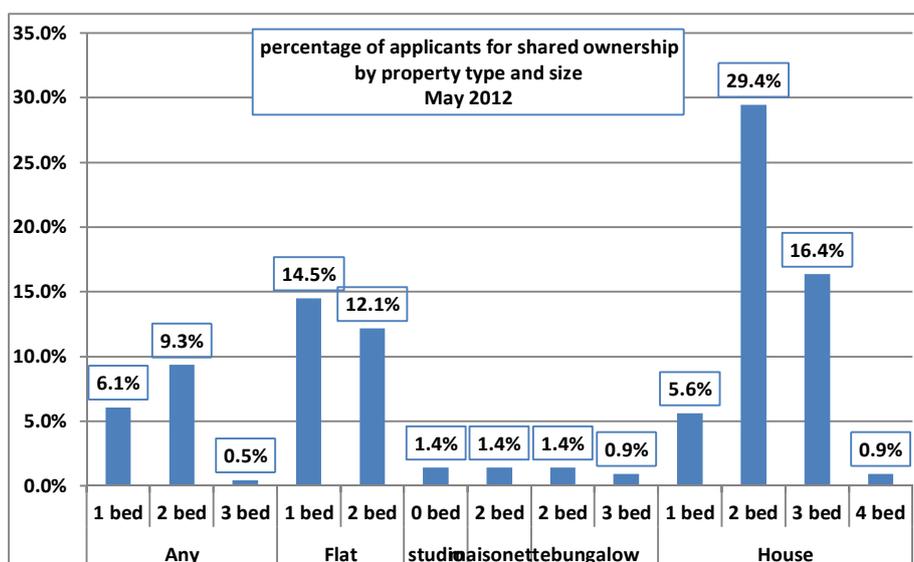


Figure 9.4

The council's Housing Register also holds data on people interested in shared ownership. In total, 435<sup>52</sup> applicants currently express an interest in shared ownership properties (of these, 36 are transfers and 399 are general needs applicants). In terms of housing need as expressed through the points and bands system, the largest proportion of these households is in Band 4 (that is, 83% or 361 households). Only 8% are in Bands 1 to 3 (35 households).

Within Band 4, the largest group, there are 183 single person households, but in bands 1 to 3, the ratio of family households is significantly higher (**Table 9.16**). However, the council's Housing Register simply records *an interest* in intermediate housing (amongst other options) but is not the route to obtaining it.

Applicants expressing interest in shared ownership by household type (February 2012)	Bands 1-3	Band 4	Band 5	Total
Single	4	190	14	208
Couple	0	41	10	51
Family with children	29	101	12	142
Family with non-dependent children	2	29	3	34
<b>Totals</b>	<b>35 (8% of 435)</b>	<b>361 (83% of 435)</b>	<b>39 (9% of 435)</b>	<b>435</b>

Table 9.16

<sup>52</sup> As at March 2012 this figure is 414. The proportions by band and household type are unchanged.

Note that in terms of affordable housing delivery, outturn affordable completions will refer to shared ownership as “low cost home ownership”. This should not be confused with schemes such as FirstBuy and NewBuy which provide support to owner-occupation at market rates and market values – subsequently they are not part of S106 agreements and do not appear in affordable delivery figures.

### Intermediate rent

There are 174 applicants for intermediate rent. Their average income is £25,000 per annum. Savings tend to be much lower: 70 applicants declare no savings at all and the range for those that do lies between £200 and £12,000 – only 12 households declaring more than £5,000. The housing demand profile is mainly targeted at smaller homes: only 5% express interest in three bed homes or larger (**Figure 9.5**)

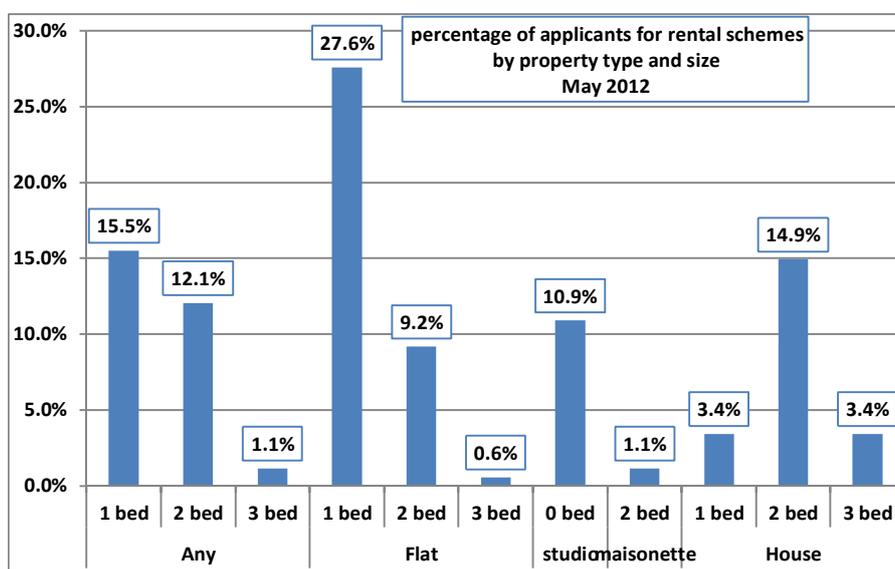


Figure 9.5

### Intermediate housing and the Housing Needs Assessment

There are two elements to the Housing Needs Assessment:

- Current need (based on the profiles of those whose applications have not yet been considered and those whose applications are being processed); and
- Arising need (based on the profile of those applicants who have already secured intermediate housing, assuming that the profile of previous applicants will be representative of future applicants).

#### Current need

The figure of 354 households is therefore carried forward to the Housing Needs Assessment.

There are 182 households whose applications are being processed. Of these, 99 households live in Basingstoke and Deane. Of these in Basingstoke and Deane, 11 households declare they are on the council’s Housing Register.

The figure of 182 households is also therefore carried forward to the Housing Needs Assessment. This has not been limited to just those households already living in Basingstoke and Deane. The applications from these households are at a more advanced stage such that the process of securing a specific home in the borough is already underway. This group of households should therefore be counted in the HNA in full.

In total, 86 of these households above declare that they are on the council's Housing Register. These households are unlikely to be on the Housing Register in needs Bands 1-3, and are more likely to be in Band 4. Furthermore, the income levels of these applicants are such that they could qualify for intermediate housing: for the purposes of the HNA, therefore, their housing need is more likely to be met by intermediate housing than social housing and they should be accounted for within the HNA as intermediate housing applicants.

To avoid double counting with the Housing Register records, the figure of 86 households should be deducted from the current housing need total from Band 4 of the council's Housing Register.

#### Arising need

There are 1,039 households who have applied successfully for intermediate housing. Of these households, 614 already lived in Basingstoke and Deane of whom 22 declared they were on the council's Housing Register.

The figure of 614 households is therefore carried forward to the Housing Needs Assessment.

#### **Other potential assumptions for future HNA scenarios**

##### To assume a certain "failure rate" for those households whose applications have yet to be assessed:

There are 602 households whose applications are yet to be considered, 354 of whom live in Basingstoke. It *could* be assumed that not all of these will be eligible for intermediate housing as their eligibility has not yet been determined.

Historically, of all the applications received by Homes In Hants since 2006 (4,247), it has been noted that 25% of households were successful in obtaining intermediate housing. For the purposes of the HNA, it could be assumed that the same proportion will be successful of the current waiting list.

If the proportion is considered as a percentage of those applicants whose records are no longer live (so excluding the 604 awaiting action and the 182 being processed) then the percentage of successful applicants rises to 29%. This percentage can then be applied to the number of households awaiting action on their applications.

As such the current need could be stated as:

- 29% of 602 awaiting action (including those living outside Basingstoke and Deane) = 175 households; or
- 29% of the 354 awaiting action who live in Basingstoke and Deane = 103 households.

There are 182 households whose applications are currently being processed and whose eligibility *has* been determined. Of these 99 live in Basingstoke and Deane. Both these household figures could be used depending on whether the HNA is based on those already living in the borough or not.

The HNA could consider in future calculating need based on specific intermediate schemes, rather than all intermediate schemes.

This approach would exclude some schemes - those that would not be counted towards the council's affordable housing target and would not be counted as affordable housing in the National Planning Policy Framework. This would exclude, for example, First Buy schemes where the property is not secured as affordable in perpetuity but where the policy intention is to support first time buyers to own their own home, not to add to affordable housing stock.

This would have the effect of reducing the intermediate need element of the HNA. Breakdowns of the scheme profiles for households in current need and arising need are given in the analysis earlier in this section to further inform an HNA assessed on that basis.

The HNA could *include* an element of "local connection" to take account of households that do not live in the borough but nevertheless secure intermediate housing in the borough.

Such an approach would be in keeping with an assumption that a certain amount of demand could come from households who, while not living in the borough currently, can claim a local connection to the borough and thereby secure intermediate accommodation in the borough. The intermediate application records do not indicate which households may have a family connection to Basingstoke and Deane, but they do show which households work in Basingstoke and Deane.

**Current need:** to take these households into account as part of the HNA would mean current need would be:

Applications still to be considered: 354 households that live in the borough and an additional 37 households that work in the borough but live elsewhere; plus

Applications being processed: all of the 182 households currently in the process of securing accommodation in the borough – this already includes those that work in the borough and live elsewhere.

**Arising need:** to take these households into account as part of the HNA would mean arising need would be:

614 households who lived in Basingstoke and Deane and were successful in securing intermediate accommodation and an additional 96 households that work in the borough and live elsewhere.

### Housing needs assessment – step 1

#### Current need

Current need – all households including those living outside the borough:

- Current housing need for intermediate housing is 602 households (awaiting action) / 109 of these state they are on a council Housing Register;
  - A further 182 households have applications going through the system / 12 of these households state they are on a council Housing Register.

Current need - households living in Basingstoke and Deane:

- Current housing need for intermediate housing is 354 households (awaiting action) / 75 of these state they are on the council's Housing Register;
- A further 99 households have applications going through the system / 11 of these households state they are on the council's Housing Register;
  - Total current need is therefore 453 households;
  - There are 86 households who declare they are on the council's Housing Register;
- A further 37 households (awaiting action) and 17 households (going through the system) do not live in the borough but will have local connection because they work in the borough.

### Housing needs assessment – step 2

#### Arising housing need

Arising housing need – all households including those living outside the borough:

- There are 1,039 households who have applied successfully for intermediate housing in the past 5 years;
  - In total, 40 of the 1,039 households stated they were on a council Housing Register.

Arising housing need – households living in Basingstoke and Deane:

- There are 614 households who have applied successfully for intermediate housing in the past 5 years;
  - 22 of these households stated they were on the council's Housing Register;
- A further 96 households did not live in the borough but would have local connection because they worked in the borough.

#### Summary table:

The Housing Need Assessment is based on the number of applicants already living in Basingstoke and Deane.

analysis of intermediate housing applications 2006 - 2011	total households		of the total, households living in Basingstoke and Deane		of the total, households that do not live in the borough but have local connection
	in total	of whom on a (any LA) housing register	households living in Basingstoke and Deane	of whom on B&D housing register	households working in Basingstoke and Deane
completed (successfully obtained intermediate housing through Radian / Homes In Hants)	1,039	40	614	22	96
awaiting action (not yet processed)	602	109	354	75	37
being processed (going through the system)	182	12	99	11	17

## The need for social housing

### Defining housing need – a general definition

This section examines housing need for affordable housing and the housing need components of the Housing Needs Assessment. The extent of housing need through the Housing Register can be demonstrated as either:

- the number of households who have housing need “points” where the local authority determines need through a “points” or banding system – in Basingstoke and Deane, in accordance with the council’s Allocations Policy, household in Housing Need Bands<sup>53</sup> 1 – 4 can be considered to be in housing need: those in Band 5 have no housing need; or
- the number of households on the Housing Register in one or more “reasonable preference”<sup>54</sup> categories.

Numbers of households in Band 5 are given for information – households with no housing need are placed in Band 5 – but are not counted in the HNA. This also has the effect of excluding most of those households on the council’s Housing Register who do not live in the borough.

Analysis by Bands 1-4 is given because current and historic data, including detailed “on and off flows” is readily available by housing needs band, not only from the current Housing Register database but from that used prior to 2010. This is particularly important for the housing needs assessment.

However, this has an implication for the housing needs assessment given the considerable number of households in band 4. To exclude from the Housing Needs Assessment those households who may have applied for aspirational reasons, but are not in need as such, the number of households on Band 4 with “reasonable preference” is calculated for the HNA.

The number of households in bands 1-3 is also then given as a proxy for the most acute need for the HNA (those who are actively seeking housing).

Therefore, this research assesses the extent of housing need measured in both ways and looks at housing need:

- Across the housing market area (north Hampshire and parts of Berkshire);
- Housing need in Basingstoke and Deane by points Band;
- Housing need in Basingstoke and Deane by reasonable preference;
- Housing need (historic) trends;
- Housing need by area across all Bands;

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<sup>53</sup> <http://www.basingstoke.gov.uk/browse/housing/housing-advice/housing-needs-register/>

<sup>54</sup> When comparing housing need across districts, it is the reasonable preference category that is universally reported. This data has been taken from the HSSA returns for each year from 2007 – 2010 inclusive. The reasonable preference category covers the following circumstances: broadly speaking households that are homeless, households occupying unsanitary, overcrowded or unsuitable accommodation, households who need to move for medical or welfare grounds including due to disability, households who need to move to a particular locality where failure to do so would cause hardship (Housing Act 1996/Homelessness Act 2002).

- Arising housing need by points Band and reasonable preference.

### Across the housing market area

Across the South East, the number of households has increased from 115,000 in 2000 to 215,400, an increase of 87%. In the North Hampshire locality and including the Berkshire authorities of West Berkshire and Reading<sup>55</sup>, the number of households on the Housing Register<sup>56</sup> has increased from 18,000 (in 1999/2000) to 30,500 in 2010, an increase of 69%.

The table (**Table 9.17**) below shows the total number of households on the Housing Register and those who fall within the reasonable preference category. The data is provided to give a sense of scale to housing need. Analysis is more difficult because different local authority areas may review individual applications, or their policies, in different ways and at different times. However, what may be said is that across the area, there could be, at any one time, between 25,000 to 30,000 households on Housing Registers of whom as many as 20,000 may have reasonable preference for social housing.

	total on Housing Register					total in reasonable preference category <sup>57</sup>				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Basingstoke and Deane	5,543	5,633	1762	6,078	5,454	4,959	3,867	1642	5,074	3,500
East Hampshire	2,763	2,153	2296	3,765	4,650	1,910	1,453	no data	2,370	2,801
Hart	1,267	1,882	1401	1,664	2,019	1,155	1,647	1158	1,385	1,164
Rushmoor	5,693	3,102	2532	2,547	2,390	4,589	1,900	2213	2,066	2,390
Test Valley	3,925	3,048	3030	2,994	2,619	3,600	2,804	2819	2,904	2,619
Winchester	2,205	2,230	3157	2,738	no data	2,205	1,922	2268	1,593	no data
West Berkshire	2,893	4,259	5463	4,729	4,852	1,288	2,027	1882	2,140	2,190
Reading	5,242	4,504	4834	5,993	7,852	4,168	3,399	2762	3,030	4,009
<b>total</b>	<b>29,531</b>	<b>26,811</b>	<b>24475</b>	<b>30,508</b>	<b>29,836</b>	<b>23,874</b>	<b>19,019</b>	<b>14744</b>	<b>20,562</b>	<b>18,673</b>

**Table 9.17**

Different councils manage their housing registers in different ways and there can be considerable variations in population and household sizes between districts. The table below (**Table 9.18**) shows the households on the Housing Register as a proportion of all households in each district. Household totals are taken from the 2011 Census so reflect the total household position at the same point in time as the March 2011 Housing Register data.

<sup>55</sup> Reading has not been deemed by previous studies to form part of the North Hampshire housing market area but its inclusion provides a sense of scale of the housing need of this part of Berkshire, a town of significant size linked to Basingstoke and Deane and West Berkshire.

<sup>56</sup> CLG live table 600 gives the total applicant on local authority Housing Registers by local authority area. As their source, CLG use the annual HSSA return. Live table 600 has been cross referenced to the relevant HSSA return for each year given above and the figures recorded are the same.

<sup>57</sup> Taken from the Housing Strategy Statistical Appendix (HSSA) return

	District household total	Number of households on the Housing Register as a % of all households in the district	Number of households on the Housing Register in reasonable preference as a % of all households in the district
Basingstoke and Deane	69,315	7.9%	5.0%
East Hampshire	47,258	9.8%	5.9%
Hart	35,510	5.7%	3.3%
Rushmoor	36,344	6.6%	6.6%
Test Valley	47,626	5.5%	5.5%
Winchester	46,865	no data	no data
West Berkshire	62,340	7.8%	3.5%
Reading	62,869	12.5%	6.4%
<b>totals / average</b>	<b>408,127</b>	<b>7.3%</b>	<b>4.6%</b>

Table 9.18

## Housing need by area

In relation to the Housing Register need by property size and type is as follows in **Table 9.19** (as at August 2011).

Property type	Basingstoke (with Old Basing, Chineham and Rooksdown)		larger settlements (ALP Policy D8)		smaller settlements	
	number	%	number	%	number	%
One Bedroom Flat	2,598	40.3%	329	30.4%	62	23.7%
Two Bedroom Flat	632	9.8%	102	9.4%	20	7.6%
One Bedroom Bungalow	334	5.2%	66	6.1%	33	12.6%
Two Bedroom Bungalow	173	2.7%	50	4.6%	30	11.5%
Two Bedroom House	1,590	24.7%	292	27.0%	78	29.8%
Three Bedroom House	650	10.1%	151	14.0%	32	12.2%
Four Bedroom House	213	3.3%	31	2.9%	4	1.5%
Five Bedroom House	30	0.5%	4	0.4%	1	0.0%
Sheltered	228	3.5%	57	5.3%	3	1.1%
<b>Total</b>	<b>6,448</b>	<b>100.0%</b>	<b>1,082</b>	<b>100.0%</b>	<b>262</b>	<b>100.0%</b>

Numbers on the Housing Register for Basingstoke town may include some double counting as applicants may express an interest in more than one area: in this respect, percentages are the best representation of housing need by property type and size. The extent of double counting has not been quantified.

Larger settlements refers to those identified in Adopted Local Plan Policy D8: Baughurst, Bramley, Kingsclere, Oakley, Overton, Pamber Heath, Tadley and Whitchurch

Table 9.19: Number of households by area and property type:

August 2011

Over 89% of all households on the council's housing register have a local connection. This is defined as living in or having lived in the borough, being employed in the borough or where they need to move to the borough to offer or receive support to / from close adult family members where no other support is

available in the locality. Of the 732 households with no local connection, 99% are in Bands 4 and 5 and therefore have little chance of rehousing. The majority of those with no local connection are in Band 5, that is, 76% or just over 550 households. An updated position for 2012 is shown below in **Table 9.20**.

Property type	Basingstoke (with Old Basing, Chineham and Rooksdown)		larger settlements (ALP Policy D8)		smaller settlements	
	number	%	number	%	number	%
One Bedroom Flat	2,864	39.8%	339	28.5%	80	26.7%
Two Bedroom Flat	669	9.3%	99	8.3%	23	7.7%
One Bedroom Bungalow	347	4.8%	69	5.8%	21	7.0%
Two Bedroom Bungalow	145	2.0%	47	4.0%	39	13.0%
Two Bedroom House	1,873	26.1%	334	28.1%	93	31.0%
Three Bedroom House	768	10.7%	160	13.5%	34	11.3%
Four Bedroom House	193	2.7%	38	3.2%	4	1.3%
Five Bedroom House	38	0.5%	3	0.3%	1	0.3%
Sheltered	292	4.1%	99	8.3%	5	1.7%
<b>Total</b>	<b>7,189</b>	<b>100.0%</b>	<b>1,188</b>	<b>100.0%</b>	<b>300</b>	<b>100.0%</b>
<p><b>Numbers on the Housing Register for the area outside Basingstoke town may include some double counting: in this respect, percentages are the best representation of housing need by property type and size. It is estimated that overall applicants made on average 1.355 choices when expressing interest which would bring the Housing Need for Basingstoke town to around 5,300 households.</b></p> <p><b>Larger settlements refers to those identified in Adopted Local Plan Policy D8: Baughurst, Bramley, Kingsclere, Oakley, Overton, Pamber Heath, Tadley and Whitchurch</b></p>						

Table 9.20: Number of households by area and property type: November 2012

### Current position

As at the end of June 2012, there were 6,393<sup>58</sup> households on the council's Housing Register, including both general needs and transfers. Of these, 5,860 households (92%) are in some form of housing need as determined by the council's points system (in bands 1-4). See **Figure 9.6** below.

<sup>58</sup> The number of households on the Housing Register continues to increase. As at the end of the September 2012, there were 6,614 households on the Register, of whom 3,970 were in the reasonable preference category.

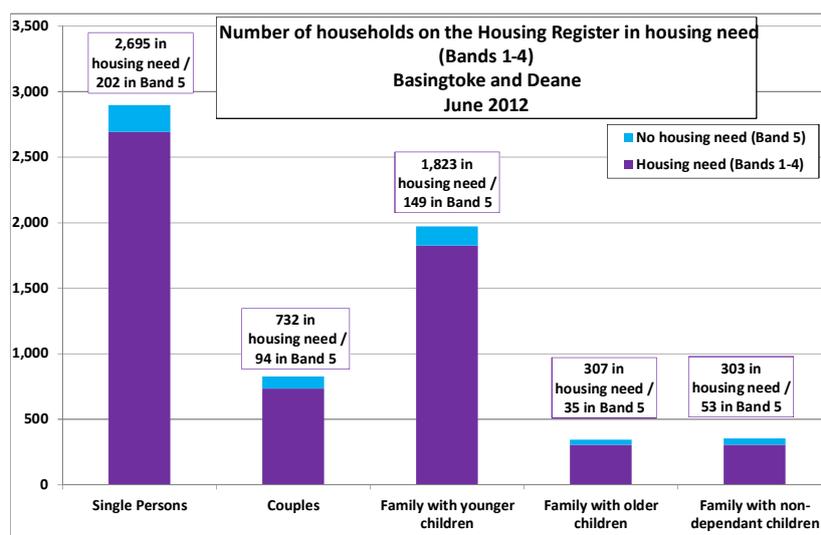


Figure 9.6

Single people comprise nearly half (48%) of general needs applicants: numbering around 2,500. Of those applicants requesting transfer (already housed in social housing but seeking to move), families with young children comprise 42% of all records or 500 households. These two groups between them number nearly 4,900 households in total on the Housing Register, 900 of whom have applied to transfer/move. The proportions and numbers can be seen in the **Table 9.21** below.

Household type	general needs applicants		transfer applicants		all applicants	
	number	%	number	%	number	%
Single Persons	2,486	48.0%	411	34.0%	2,897	45.3%
Couples	685	13.2%	141	11.7%	826	12.9%
Family with younger children	1,465	28.3%	507	41.9%	1,972	30.8%
Family with older children	263	5.1%	79	6.5%	342	5.3%
Family with non-dep children	285	5.5%	71	5.9%	356	5.6%
<b>totals</b>	<b>5,184</b>	<b>100.0%</b>	<b>1,209</b>	<b>100.0%</b>	<b>6,393</b>	<b>100.0%</b>

Table 9.21 Housing Register June 2012: household breakdown by household type

There is a difference in Band/need profile between households registered as general needs applicants and those awaiting transfer.

Of the former, general needs applicants, 4,651 (89.7% of general needs applicants) are in housing need as defined per Bands 1-4. There are 793 households in what could be described as more acute housing need (bands 1-3) as shown in the table below, or 15.3% of all general needs applicants. In these bands, families form the predominant group of household types, particularly families with younger children who make up 47% of all households in Bands 1-3 (**Table 9.22**)

general needs applicants (June 2012)	Band 1 & 2	Band 3	Band 4	Band 5	Total
Single Persons	17	255	2,012	202	2,486

Couples	3	64	524	94	685
Family with younger children	18	377	923	149	1,467
Family with older children		35	192	35	262
Family with non-dep children		24	207	53	284
<b>Total</b>	<b>38</b>	<b>755</b>	<b>3,858</b>	<b>533</b>	<b>5,184</b>
Percentage	<b>0.7%</b>	<b>14.6%</b>	<b>74.4%</b>	<b>10.3%</b>	<b>100.0%</b>

**Table 9.22**

While 15% of general needs applicants are in Bands 1-3, the profile of transfer households is different: by contrast, 47.3% of transfers are in the most acute need as per Bands 1-3. Again families with younger children form the largest group of households, significantly more than single person households (**Table 9.23**).

<b>transfers (June 2012)</b>	<b>Band 1 &amp; 2</b>	<b>Band 3</b>	<b>Band 4</b>	<b>Total</b>
Single Persons	35	119	257	411
Couples	10	34	97	141
Family with younger children	24	294	189	507
Family with older children	11	27	48	86
Family with non-dep children		18	46	64
<b>Total</b>	<b>80</b>	<b>492</b>	<b>637</b>	<b>1,209</b>
percentage	<b>6.6%</b>	<b>40.7%</b>	<b>52.7%</b>	<b>100.0%</b>

**Table 9.23**

### **Current housing need and the Housing Need Assessment**

There are four elements to this part of the HNA:

- Households in Band 1-3;
- Households with “reasonable preference” in Band 4;
- Duplication with intermediate housing application records; and
- “Non-bidders” – those households on the Housing Register that have not made any bid for property through CBL.

#### **Bands 1-3**

Housing need for an HNA can be defined in many ways. Typically, the number of households on the Housing Register is taken as a proxy measure of those who would not be able to meet their own housing needs in the market place. In addition, households on the Housing Register have presented with, and declared, some form of housing need to the council and so these households are a self-declared group each of whom is awaiting social housing. Any HNA would seek to meet this housing need over a number of years, and each council would deal with this need according to their allocations policies, nominations or both.

However, the council has, as part of the Register application process, assessed the housing need requirements of each household. This permits further drilling down into the Housing Register – so that housing need in the HNA can be more

specifically defined and those households identified with the most acute and the most urgent need.

The HNA takes as a starting point what could be considered to be the most acute housing need on the Housing Register. This housing need and affordability research presents a “best fit” in identifying critical and urgent housing need: the number of households in Bands 1-3 where:

- Households have been assessed as having cumulative needs – where a household meets the statutory “reasonable preference” criteria for not just one but multiple reasons, for example, overcrowding and medical need;
- Households have actively sought housing through the Choice Based Lettings system;
- Analysis of incomes shows these households are unable to access the housing in the market place, not even private rented accommodation.

As such, the HNA uses this as a starting point and a lowest absolute measure of housing need. The number of households in Bands 1-3 has been recorded above as 793: 641 of these households are actively seeking housing (see the section on “non-bidders” below).

### **Reasonable preference**

The relationship between “reasonable preference” and the Bands system is complex but in the simplest terms, reasonable preference includes all aspects of housing need (overcrowding, unsuitable housing, medical or welfare needs) with the exception of those households whose only housing “points” are for “local connection”.

Currently, around 60%-61% of households on the Housing Register have “reasonable preference”. Numerically, this is significant: as at June 2012 the number of households in reasonable preference is 3,892 households at June 2012. This includes:

- all those households in Bands 1-3, both general needs and transfers;
- a high proportion of general needs households in Band 4.

The Housing Needs Assessment is currently based on general needs applicants. To arrive at a figure to be used in the HNA, therefore, it is necessary to deduct those transfer applicants in reasonable preference categories.

To be carried over to the HNA therefore, the Housing Register data tells us that there are, as at June 2012:

- 793 general needs households in Bands 1-3;
- 2,391 general needs households in reasonable preference in Band 4 less 86 households to avoid double counting with the intermediate applicant records (see below) bringing the Band 4 reasonable preference total down to 2,305.

### **Duplication with intermediate housing applicant records**

It has already been noted that there were 86 households applying for intermediate housing who had declared to Homes In Hants that they were on the council’s

Housing Register. The income profile of applicants for intermediate housing is such that their housing needs could be met in the intermediate sector, rather than the social housing sector, and therefore, the HNA is treating these households as intermediate housing applicants rather than accounting for them in the Housing Register figures.

The 86 households should therefore be deducted from the Housing Register current need totals bringing the Band 4 “reasonable preference” total down from 2,391 to 2,305. To arrive at the proportion of general needs Band 4 households in reasonable preference in the future, the following steps could be applied: apply the 60% proportion to the total number of households on the Housing Register; deduct from that figure the transfer applicants in Bands 1-3 who will have reasonable preference: this gives the general needs applicants with reasonable preference; deduct from that figure the number of general needs applicants in Bands 1-3 who will all have reasonable preference: this gives the remaining households in Band 4 with reasonable preference.

### “Non-bidders” on CBL

In June 2010 when Choice Based Lettings was introduced, movement from the Housing Register into RSL properties was dependant on households making a bid for properties advertised on the CBL system – they were no longer “nominated” from the Housing Register.

Bidding for properties, therefore, could be deemed to be an expression of need. If that is the case, then including in the HNA just those households that have bid for properties, gives a more focussed picture of need that was not only expressed at the time the household applied to go on the Housing Register but is also being actively expressed through CBL.

Data on general needs “non-bidders” can be seen in the table below (Table 9.24).

General needs households	Households who have never Bid	In addition, the households who have made bids but not within last 12 months (to October 2012)	Total
Band 1	2	0	2
Band 2	0	1	1
Band 3	152	73	225
Band 4	1,850	448	2,298
Band 5	438	23	461
Totals	2,442	545	2,987

Table 9.24

Data on transfer “non-bidders” can be seen in the table below (Table 9.25).

Transfer households	Households who have never Bid	In addition, the households who have made bids but not within last 12 months (to October 2012)	Total
Band 1	26	5	31
Band 2	1	2	3
Band 3	113	42	155
Band 4	35	4	359
Band 5	0	0	0
Totals	495	53	548

**Table 9.25**

Transfer applicants are not included in the HNA. The relevant figures for the HNA, therefore, are those households who have never bid – those in Bands 1-3 (152 households) and in Band 4 (1,850 households).

**Housing needs assessment step 3**

**Current housing need (general needs) defined as households in Bands 1-3 of which there are 793 on the Housing Register. This represents the most acute housing need.**

**A further indicator of acute need is the number of households in Bands 1-3 that have made a bid for property on the CBL system. This is calculated by taking the total number in Bands 1-3 LESS the number than have never bid on CBL (152). This brings the Band 1-3 household total to 641 households.**

**Current housing need (general needs) also includes a further 2,391 households from Band 4, households who have “reasonable preference”.**

**To avoid double counting of intermediate housing records and Housing Register records within the HNA, a total of 86 households should be deducted from the Band 4 “reasonable preference” total. This brings the Band 4 “reasonable preference” household total down from 2,391 to 2,305.**

## Historic trends

Over the last two decades there has been a generally upward trend in the number of households on the council's Housing Register<sup>59</sup>: both overall numbers and those in housing need. In the graph below, up to 2011, housing need is determined either by the number of households with "points" in accordance with the council's allocations policy: from March 2011 need is defined by the statutory "reasonable preference category"<sup>60</sup>.

The graph (**Figure 9.7**) below shows how the change in overall numbers and those in housing need has changed since the early 90s. General needs applicants and transfers are combined to give a household total for the Register overall. Around 60% of households on the Housing Register are in the reasonable preference category.

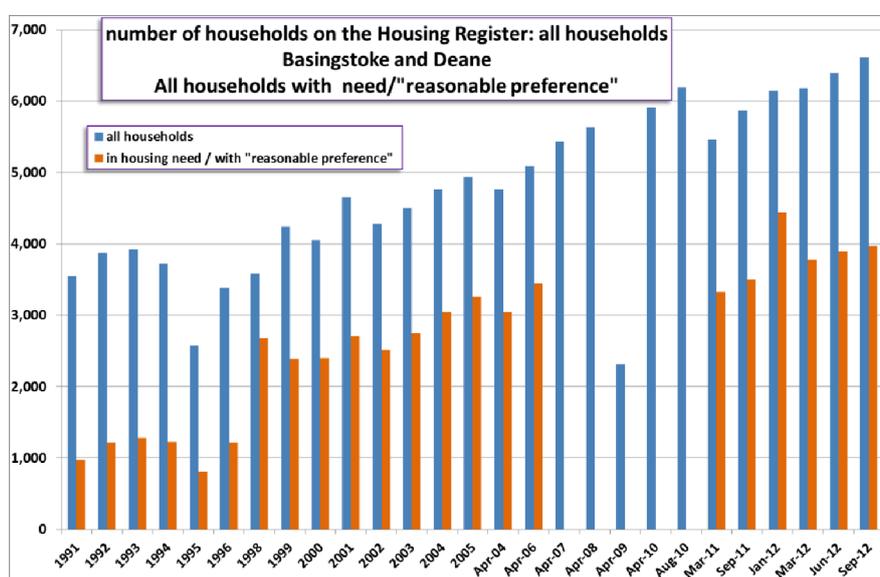


Figure 9.7

It should be noted that there has been a rapid rise since 2011: the last six columns in the graph above show, not six years, but a number of dates within one eighteen month period (March 2011 to September 2012). To illustrate the scale of reasonable preference households on the Housing Register the table below (**Table 9.26**) shows data for the last 18 months. This shows that not only is the number of households on the Housing Register increasing, but the number in reasonable preference is also increasing. Nearly 4,000 households are in housing need by this measure.

	Total households on the Housing Register	Reasonable preference (both general needs and transfers)

<sup>59</sup> The graph shows a time series to September 2012, the most recent data available (Housing Register = 6,614 households / 3,970 in reasonable preference category).

<sup>60</sup> The 1996 Housing Act Part 6 requires allocation schemes to give "reasonable preference" for certain categories of people. The categories include certain homeless households, people occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing condition, people who need to move on medical or welfare ground (including grounds relating to a disability) and people who need to move to a particular locality where failure to meet that need would cause hardship.

March 2011	5,425	3,326 (61.3%)
September 2011	5,868	3,500 (59.6%)
January 2012	6,137	4,431 (72%)
March 2012	6,178	3,773 (61.1%)
June 2012	6,393	3,892 (61.0%)
September 2012	6,614	3,970 (60.0%)

Table 9.26

The increase in households in recent months is largely down to more single person households and families with younger children coming onto the Housing Register: as shown in the graph below (**Figure 9.8**), these two groups have a significantly higher representation on the Housing Register than any other. The graph below shows how the number of other household groups has remained relatively stable. It shows the increase by household group in all general needs housing Bands including Band 5.

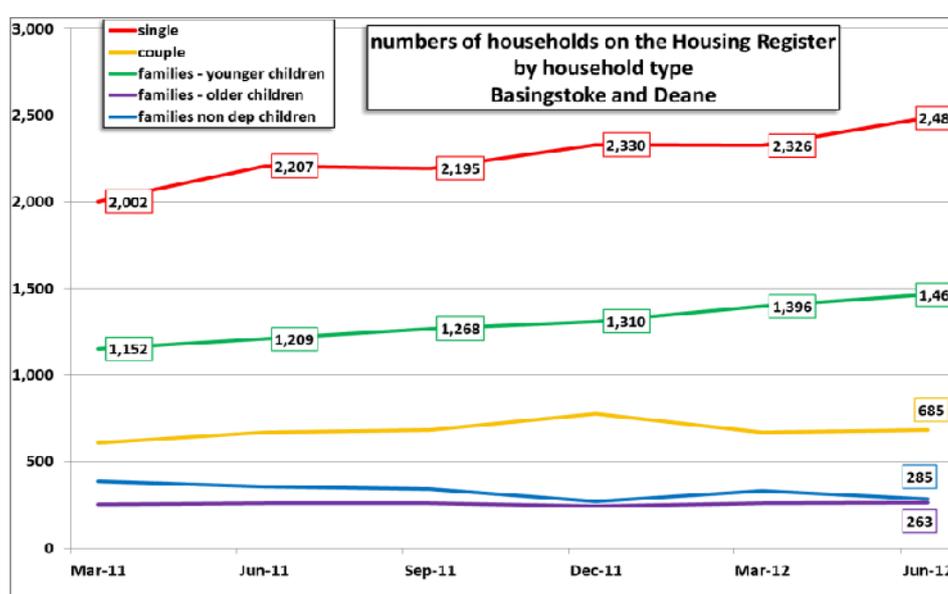


Figure 9.8

The table (**Table 9.27**) below takes this information and examines the increase more closely, but limited to housing needs Bands 1-4. While single person households account for the most growth overall, it is family households with younger children that account for most growth of the transfer households on the Housing Register and in just over 1 year, an additional 369 households overall.

	general needs			transfers			all change 2011-12
	Mar-11	Jun-12	change 2011-12	Mar-11	Jun-12	change 2011-12	
Single Persons	1,833	2,284	451	361	411	50	501
Couples	525	591	66	141	141	0	66
Family with younger children	1,021	1,316	295	433	507	74	369
Family with older children	220	228	8	58	79	21	29
Family with non-dependent children	340	232	-108	58	71	13	-95
<b>Total</b>	<b>3,939</b>	<b>4,651</b>	<b>712</b>	<b>1,051</b>	<b>1,209</b>	<b>158</b>	<b>870</b>

Table 9.27: number of households on the BDBC Housing Register by household type March 2011 to June 2012 Bands 1-4

The large number of households in Band 4 can sometimes mask the number of households in more acute housing need, that is, Bands 1-3. The table below shows the extent of housing need as assessed through the council's banding system including households in Bands 1-4.

The increase is driven by higher numbers of applications from single people and families with young children, a trend evident even over a relatively short period of time. There are 4,651 households in housing need (out of 5,184 households in total which equates to 89.7% of general needs households) as defined by households falling within Bands 1-4 (**Table 9.28**).

The number of (general needs) households on the Housing Register by household type and housing need (bands 1-4) as at:	singles	couples	families with			total
			younger children	older children	non dependent children	
Mar-11	1,833	525	1,021	220	340	3,939
Jun-11	2,014	577	1,074	225	309	4,199
Sep-11	2,014	598	1,136	223	296	4,267
Dec-11	2,138	684	1,166	213	219	4,420
Mar-12	2,138	578	1,255	232	283	4,486
Jun-12	2,284	591	1,316	228	232	4,651

**Table 9.28: The number of (general needs) households on the Housing Register by household type and housing need (bands 1-4)**

The table below shows that within the overall increase in Housing Register applicants and an increase in those in housing need Bands 1-4, there is an increase in more acute need. Again, this is seen in single person households and families with young children and is evident even over the relatively short period of time in the last 15-18 months from March 2011.

Quantified by the numbers of households in Bands 1-3, this is shown in the table below (**Table 9.29**). This includes both general needs and transfer applicants to show how proportion of families is greater than that of single people when looking at the more acute need on the Register.

	general needs	transfers	all	%
Single Persons	272	154	426	31.2%
Couples	67	44	111	8.1%
Family with younger children	393	318	711	52.1%
Family with older children	36	31	67	4.9%
Family with non-dependent children	25	25	50	3.7%
<b>Total</b>	<b>793</b>	<b>572</b>	<b>1365</b>	<b>100.0%</b>

**Table 9.29: general needs and transfers Bands 1-3 by household type June 2012**

The table below (**Table 9.30**) shows how this has developed each quarter from March 2011, by Bands 1-3, the more acute need. Housing need by this definition applies to 793 households, which out of 5,184 households overall equates to 15.3% of general needs households on the Register.

The number of (general needs) households on the Housing Register by household type and housing need (Bands 1-3) as at:	single people	couples	families with:			total in Bands 1-3
			younger children	older children	non-dep children	
Mar-11	227	73	276	33	36	645
Jun-11	249	79	294	31	22	675
Sep-11	256	75	313	30	27	701
Dec-11	273	72	333	33	24	735
Mar-12	272	70	366	35	25	768
Jun-12	272	67	393	36	25	793

**Table 9.30: The number of (general needs) households on the Housing Register by household type and housing need (Bands 1-3)**

### Arising housing need

Analysis to date has focussed on snapshots of the Housing Register at a point in time and the numeric or proportional change of household groups and bands from one snapshot date to another. However, this does not provide a sense of turnover or movement through the Register or indicate the extent of residual need – that is the cumulative build-up of applicants who remain on the Register as “live” or “active” cases and remain in need, the number of those who are housed or who cancel their applications and are taken off the Register.

This research has considered and assessed the turnover on the Register based on historic and current records and assessed the scale of the “on and off flow” through the Register in this way.

The analysis is based on the extracts from two administrative systems, one which held the Housing Register data until 2010, and the current system which is operational from 2010. Analysis by household type (for example by single person, couple, or family with children) has only been possible using records from the new system. In 2010, however all records still live were transferred from the old system to the new and at that point the household type was recorded. From 2010 onwards, comprehensive analysis of on/off flows by band and household type is possible and 2010 is now a baseline year for assessing affordable housing need in the future. The number of new applicants each year from any point earlier than 2010 is calculated by combining applicant numbers from both systems.

For the purposes of this research, bearing in mind the caveats above, analysis has been conducted from 2005 which pre-dates the recession to give a general overview of trends. With regard to the housing market assessment element of this research discussed in more detail in the section below, the starting point is 2007, which gives a picture of arising need over the 5 complete years, 2007 to 2011 inclusive. Data in the table below is not cumulative but presents for each year the number of new

applicants and of those the number who remain on the register from that year as “live” or “active” records, that is, households still awaiting housing who applied in the given year.

There is no double counting within the HNA. This data in this section of the HNA is shown and analysed to represent newly arising housing need in the next five years.

### **Households housed**

A consistent way of defining “housing need” over the time-period has been required. Archive records prior to 2010 do not give Housing Need Bands. Therefore, it is assumed that all the households that have been housed must have had a housing need to be nominated for, and accepted into, social housing.

The number of households housed therefore is included in the HNA in its entirety and there has been no attempt to apportion these households by an assumption of Band or by reasonable preference category. If apportioning was to be carried out at a later date then this could be achieved by:

- Assuming 60% of those housed had reasonable preference (as per the current reasonable preference proportion); or
- Assuming that the proportion of households housed in the past, per housing need Band, is similar to the current proportions housed by Band (as shown in the Lettings section below for 2009/10, 2010/11, 2011/12).

It is also accepted that there may be transfer applicants included within this group of households.

### **Residual need - households still “active”**

Households currently live and active on the Housing Register can be analysed by Housing Need Band. For consistency, the HNA uses the same definition for arising housing need as that used for current housing need: “arising housing need” includes all households in Bands 1-3, and a proportion of households in Band 4 with reasonable preference.

All households in Bands 1-3 will fall within the reasonable preference category: these are easily identified from current and historic records and will all be included in the HNA. It is assumed that 60% of households in Band 4 are in the reasonable preference category as is the case with the current Housing Register analysis and that of the recent past (see the previous time-series graph above).

It should be noted that the analysis records the current Housing Need Band: the Banding may change at any point in time if a household’s housing position worsens or improves, for example, if a household has a change in circumstances that gives them more or fewer housing points. The Band to which the applicant was originally assigned when they first applied may not be same as that shown currently.

## On and off flows

The Table below shows the on-flow to the Register each year<sup>61</sup> (calendar year) and the residual records remaining having netted off those households whose applications were cancelled or withdrawn or who successfully obtained social housing.

The time-series is presented from 2005 to give an indication of trends pre and post-recession in **Table 9.31**.

	total applicants per year - all household types	of those households applying in that year, the number by household type that are still live / active on the Housing Register					total of those households applying in that year whose records are still live/ active on the Housing Register	the number of active households in highest need bands (1-3)	the number of active households in band 4
		single	couple	family with young children	family with older children	family with non dep children			
2005	<b>2,955</b>	54	12	15	7	10	<b>98</b>	11	78
2006	<b>2,973</b>	70	20	27	8	10	<b>135</b>	12	113
2007	<b>3,075</b>	140	24	68	16	21	<b>269</b>	25	224
2008	<b>3,089</b>	172	43	77	14	20	<b>326</b>	28	247
2009	<b>1,883</b>	334	98	230	54	56	<b>772</b>	105	589
2010	<b>2,115</b>	534	146	368	53	53	<b>1,154</b>	179	854
2011	<b>1,831</b>	670	187	432	56	49	<b>1,394</b>	287	973
<b>Cumulative total</b>	<b>17,921</b>	<b>1,974</b>	<b>530</b>	<b>1,217</b>	<b>208</b>	<b>219</b>	<b>4,148</b>	<b>647</b>	<b>3,078</b>

Table 9.31

This series of flows is then examined further to inform the Housing Needs Analysis.

<sup>61</sup> The number of applicants to the Housing Register decreased in 2009 as a result of the Register Review process when all applicants were required to reapply.

## Arising housing need and the Housing Needs Assessment

The Housing Needs Assessment takes data from the previous five year period. The table below shows gross and net housing need (general needs) for the five years 2007 – 2011. Note that the number of households in Band 5 is not included in this table.

There were nearly 12,000 applicants to the Housing Register (on average, 2,399 applicants per year), of whom 3,915 remain on the Housing Register (arising need averaging 783 a year). This is the “residual” or unmet arising need.

The number of applicants in most acute need is measured by Bands 1-3: 624 households in total (the arising need, on average, 125 a year). Of the applicants from 2007 onwards, 1,412 have been housed from the Register (on average, 282 per year). See **Table 9.32** below.

newly arising need gross (total applicants), the number housed, and net unmet need (after deducting those cancelled / withdrawn)						
applicant s in year	number of new applicants (gross)	number of applicant s housed	number of applicant s remaining (net)	of the net figure, the number in bands 1-3	of the net figure, the number in band 4	of those in band 4, the number in reasonable preference (60%)
2007	3,075	210	269	25	224	134
2008	3,089	178	326	28	247	148
2009	1,883	247	772	105	589	353
2010	2,115	537	1,154	179	854	512
2011	1,831	240	1,394	287	973	584
total	<b>11,993</b>	<b>1,412</b>	<b>3,915</b>	<b>624</b>	<b>2,887</b>	<b>1,731</b>
average over 5 years	<b>2,399</b>	<b>282</b>	<b>783</b>	<b>125</b>	<b>577</b>	<b>346</b>

Table 9.32

Note that this does not mean that only 1,412 households have been housed since 2007 - this figure does not include:

- transfer applicants; or
- those who applied to the Register before 2007 but have been housed since.

The purpose of this analysis is to give an indication of the extent to which housing need has emerged and grown over the last five years. The HNA then uses this as a proxy indication of arising housing need in the future. The analysis below, for the purposes of the HNA, assumes that new arising need per year will be an average of the annual arising need for the last 5 years.

There are two HNA`s conducted:

- the first will count those households in Bands 1-3 only (representing the most acute housing need);
- 1,412 applicants housed in total / 282 per annum over 5 years (assuming that a housing need had to exist for them to secure social housing); plus

- 624 households in Bands 1-3 in total / 125 per annum over 5 years (these households applied to the Housing Register and their housing need is established by virtue of their housing need Band).
- the second will count those households in Bands 1-3 and those in Band 4 with “reasonable preference”
- as above plus 60% of Band 4 households, 1,731 in total / 346 per annum over 5 years (60% of households that applied to the Housing Register and were placed in housing need Band 4, assuming the typical 60% proportion who are in “reasonable preference”).

<b><u>Housing needs assessment step 4</u></b>
<b>Households in bands 1-3, and those with reasonable preference in Band 4, are used to determine housing need.</b>
<b>The HNA using housing need based on households in Bands 1-3 will count as arising housing need:</b>
<ul style="list-style-type: none"> <li>• 1,412 who have been housed (all households housed) (or 282 per annum over 5 years), and</li> <li>• 624 remaining on the Housing Register in Band 3 (or 125 per annum over 5 years).</li> </ul>
<b>The HNA using housing need based on households in Bands 1-3 and those in Band 4 with reasonable preference, will count arising housing need as:</b>
<ul style="list-style-type: none"> <li>• Those in Bands 1-3 as above; and</li> <li>• 1,731 remaining on the Housing Register in Band 4 assuming reasonable preference (or 346 over 5 years).</li> </ul>

### **Other assumptions in the HNA scenarios**

The tables above show, in each year, the unmet residual need from that year. The totals are not cumulative. They show that the residual unmet need is actually rising year on year. When the HNA is run in the future it will need to take into account that arising need each year is increasing and is not static.

The increase comes from the residual housing need still unmet and remaining on the Housing Register each year having first deducted those households who were able to secure affordable housing through CBL.

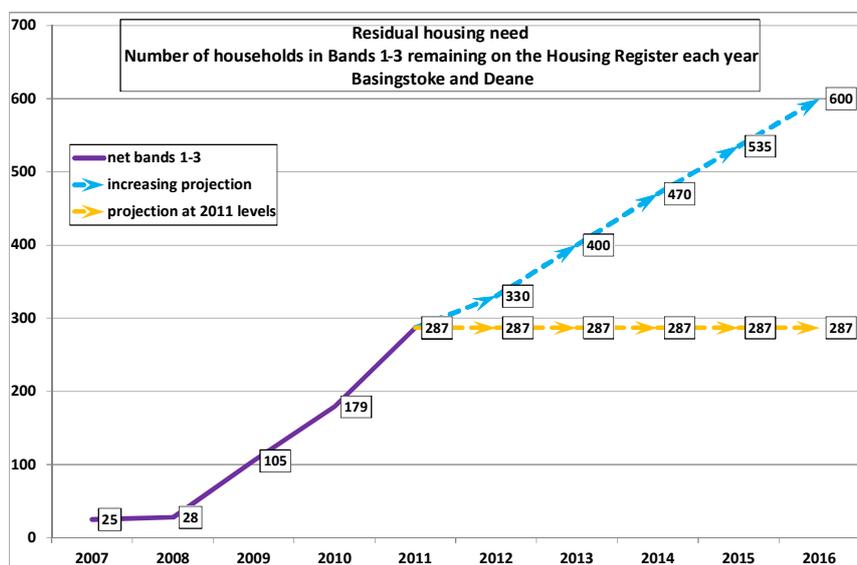
Two assumptions could be made. It is reasonable to assume that this unmet need will:

- stay at least as high as at the final year (2011), the number of households falling into housing need is not increasing as it has in the last five years but nevertheless not decreasing either; or
- continue to rise, continuing the past trend.

These two assumptions should be tested through the HNA, given the low number of new affordable housing completions forecast, the lack of opportunity in the private

rented sector, and difficulties accessing outright owner occupation in the market. The decreasing new supply is already accounted for in the supply side of the HNA by averaging what is expected to come forward in the next 3 years (see the next section on “Affordable Housing Supply”).

A projection based on these assumptions can be seen below in **Figure 9.9**.



**Figure 9.9**

Assuming that residual housing need in Bands 1-3 will remain at least as high in the next 5 years as in 2011, the HNA would count arising housing need as:  
 1,412 applicants housed in total / 282 per annum over 5 years (assuming that a housing need had to exist for them to secure social housing); plus  
 1,435 households in Bands 1-3 in total / 287 per annum over 5 years remaining on the Housing Register (classed as net, or residual need).

Assuming that the increase in residual need in Bands 1-3 in the last 5 years will be maintained in the next 5 years, the HNA would count arising housing need as:  
 1,412 applicants housed in total / 282 per annum over 5 years (assuming that a housing need had to exist for them to secure social housing); plus  
 2,335 households in Bands 1-3 in total / 467 per annum over 5 years remaining on the Housing Register (classed as net, or residual need).

## Affordable housing delivery and supply

### Past delivery

Over the last decade<sup>62</sup>, the borough has delivered a varying number of new homes annually, resulting in affordable delivery of around 28% across the borough (**Table 9.33**). In 2004/5 the Housing Corporation moved from Local Authority Social Housing Grant (LASHG) to allocating funding themselves. From 2005/6, the Housing Corporation was operating continuous market engagement and allocating funding annually. From 2008/9 to 2010/11, the National Affordable Housing Programme (NAHP) period matched the Comprehensive Spending Review period but funding was still site based. From 2011/12 to 2014/15, the Affordable Homes Programme (AHP) operates an investment based approach with an average grant set against a *contract delivery total* for the whole period and tenure mix with individual registered providers.

Year	All housing completions (net)	Affordable Housing completions (net)	Affordable Housing %
2001/2	719	129	17.94%
2002/3	600	179	29.83%
2003/4	791	155	19.60%
2004/5	886	47	5.30%
2005/6	924	227 (237 gross)	24.57%
2006/7	728	288 (299 gross)	39.56%
2007/8	1418	447	31.52%
2008/9	1302	495	38.02%
2009/10	1226	425	34.67%
2010/11	805	104	12.92%
2011/12	693	309	44.59%
<b>Overall total</b>	<b>10,092</b>	<b>2,805</b>	<b>27.79%</b>

**Table 9.33** (Source: CLG Live Tables 122 / HCC )

Over the last six years, the more recent past and just before the recession started, the annual number of new affordable homes delivered has fluctuated from just over 200 to over 500. With 2,269 homes delivered over the whole period this averages around 378 affordable units per annum; included within that, social rented units averaged 237 per annum (or over the period of the National Affordable Housing Programme 2008-2011, 1,270 affordable homes, annual average 423).

Averaging over this period, social rented comprises 63% of all affordable delivery, and one third low cost home ownership. In the last year, 2011 – 2012, social rented provision made up just under half of the affordable units delivered: whereas, by a small margin, the majority of provision (just over half: 52%) was low cost home ownership (shared ownership). See **Table 9.34** below.

<sup>62</sup> Completions from HCC / CLG live tables 122

YEAR	SOCIAL RENTED	INTERMEDIATE RENT	LOW COST HOME OWNERSHIP (shared ownership)	Total No of units
<sup>63</sup> 2006 - 2007	152		136	288 (gross 299)
2007 - 2008	252		195	447 (gross 462)
2008 - 2009	313	31	196	540 (net 495)
2009 - 2010	361	10	147	518 (net 425)
2010 - 2011	170		42	212 (net 104)
2011 - 2012	148	43	118	309 (both gross & net)
total 2006 - 2012	1,425	84	760	2,269
% by tenure	62.8%	3.7%	33.5%	100.0%

Table 9.34

Overall, nearly 75% (74.8%) of provision has been of smaller homes, up to 2 bed, and the remaining delivery 3 bed homes or larger, 3 bed homes comprising 21% of delivery with only 4% 4 or 5 bed homes.

By tenure, there is a small variation in the size and type of units delivered. Low cost home ownership homes tend to be small units, that is, one or two bed. Less than 8% are larger family homes of 3 or 4 bed. There is a broader range of social rented properties, however, with a more even distribution of property sizes; 36% are larger family homes (**Table 9.35**).

Affordable homes by bed size and tenure 2008/9 to 2011/12	studio	1 bed flat	2 bed flat	1 bed bungalow	2 bed bungalow	2 bed house	3 bed house	4 bed house	5 bed house
social rented		14.3%	25.7%	0.1%	0.8%	23.2%	29.3%	6.5%	0.1%
intermediate rent		22.6%	77.4%						
low cost home ownership (shared ownership)	12.2%	24.7%	44.8%			10.5%	7.5%	0.4%	

Table 9.35: Affordable homes by bed size and tenure 2008/9 to 2011/12

<sup>63</sup> For 2006/7 and 2008/9, HCC figures taken - BDBC published figures may differ due to BDBC records identifying tenure changes mid development and close monitoring of assigning completions to years. From 2008/9 onwards, HCC and BDBC out turn figures reconciled before publication.

## Future supply

Projecting new housing delivery into the future with any certainty can be difficult. Even sites with planning permission can be re-phased or can stall altogether. Analysis for a Housing Needs Assessment could attempt to quantify delivery for the next five years. However, at the current time, the present affordable housing funding regime is due to end after 2014/15 making any delivery predictions after that date even more uncertain.

Affordable housing delivery based on the current five year land supply has been estimated for the Housing Needs Assessment, based on the likely delivery profile as at the time of writing. Sites included are those with permission (including Outline/Reserve Matters/Resolution to Approve) and those where a planning application is submitted or imminent. Note the timetable for housing delivery on any site is dynamic and can be subject to change. The current position is as follows in **Table 9.36**.

Site	2011/12	2012/13	2013/14	2014/15	Planning Status
Park Prewett Southern Area		10			Planning permission
Faroe / Maldives		21	19		Planning permission
Broadview Cliddesden		2			Planning permission
Merton Rise			35	60	Outline planning permission
Sherfield Park			7	11	Planning permission
Boundary Hall Tadley			44	2	Planning permission
John Hunt Of Everest			2		Planning permission
Harwood Court Woolton Hill			6		Planning permission
Park Prewett Northern Area				26	Local Plan allocated site
Freemantle / Taverner / Westray			-82	102	Planning application submitted
Longcroft Road Kingsclere			8		Resolution to approve
Totals	<b>309</b>	<b>33</b>	<b>121 gross 39 net</b>	<b>201</b>	
AHP estimated total 664 / average 166 per annum (gross)					

**Table 9.36**

Over the period of the Homes and Communities Agency Affordable Housing Programme 2011/12 to 2014/15, the first year yielded 309 affordable housing completions (gross and net). Over the whole of the NAHP period, the gross housing delivery figure is 664 affordable homes, an average of 166 per annum.

However, for the purposes of the Housing Needs Assessment, *future* supply should be considered. The number of completions decreases rapidly from 2012/13, such

that from then to 2014/15 (3 years) there are 355<sup>64</sup> affordable homes planned in total (273 net), 227 of which have planning permission (**Table 9.37**).

<b>SUMMARY TABLE - GENERAL / AFFORDABLE HOUSING SUPPLY</b>				<b>totals</b>
<b>Category</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	
AH supply (gross)	33	121	201	355
AH supply (net)	33	39	201	273
with Planning Permission	33	121	73	227

**Table 9.37**

In a housing need assessment it is usual for a five year delivery total to be used. However, as has already been noted, to try to estimate affordable housing delivery beyond 2014/15 could be misleading. The annual estimated delivery figures therefore will be based on 3 years and not five, and on those sites above which have the most certainty. The HNA can be run periodically as and when further permissions are granted.

For the purpose of the housing needs assessment, both the net delivery total of 273 homes over 3 years will be used to calculate an annual average. This equates to new delivery of 91 homes per annum.

**Housing needs assessment step 5**

**Affordable delivery for 2012/13 – 2014/15 contrasts with the annual average of recent years and represents half of the borough's past delivery capacity.**

**There are 355 (gross) affordable homes likely to be delivered in the next 3 years (273 net) of which 227 already have planning permission.**

**Annually, this equates to:**

- 91 net per annum
- 76 with planning permission per annum.

**The annual figure of 91 homes will be carried forward to the Housing Needs Assessment.**

## Lettings

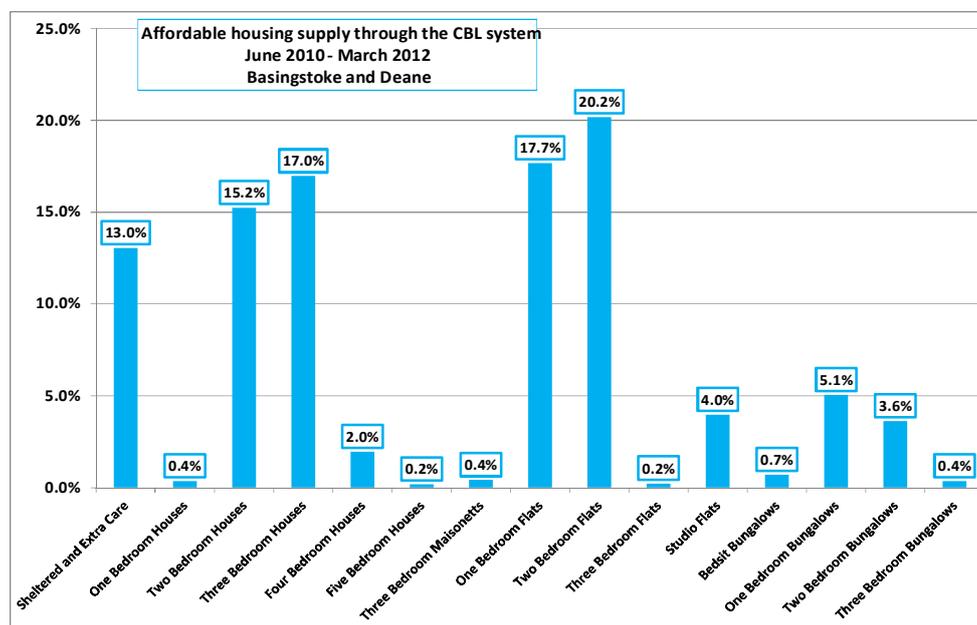
The number of lettings, and re-lets, to social housing is provided from two main sources:

- Social Housing Lettings and Sales in England Continuous Recording (CORE) – this records all lettings to social housing as reported by each RSL annually. CORE includes lettings to supported housing, to new build, to temporary accommodation, internal RSL transfers and mutual exchanges, self-referrals, and any other lettings that have resulted from nominations from councils or from other sources;
- and

<sup>64</sup> 23/10/12

- The council’s own Choice Based Lettings system (CBL); which advertises all social housing properties which are advertised by RSLs. CBL data below refers to “offers made” – that is, where a property has been advertised through CBL and a firm offer has been made to a particular household. At any one time, there could be 100 records being processed so there may be a difference in the number of adverts placed and offers accepted. CBL data is a sub-set of the total number of lettings in each year recorded by CORE.

Monitoring data from June 2010 (from the 2011 and 2012 BDBC quarterly / annual monitoring of Housing Register and CBL transactions), when CBL became operational, shows that the majority of properties available are smaller homes, that is, one and two bed. Since June 2010, the supply as captured through CBL, shows that only 20% of properties were 3 bed or larger. The analysis is shown below (**Figure 9.10**), percentages given out of a total of 1,680 records.



**Figure 9.10**

Analysis of the last 6 months CBL records (February to July 2012) shows that the tendency for a higher number of smaller properties coming through supply is also very much typical of the current position and a longer term trend. Out of 311 records, the percentage stock by property type is as follows, 3 bed properties or larger forming 20% of CBL records (**Figure 9.11**). This is not simply a direct reflection of the new build stock coming through CBL but corresponds with data on re-lets below, which shows that the majority of re-lets (from existing properties) from the three main social housing providers, Sentinel, Sovereign Affinity Sutton, were smaller properties.

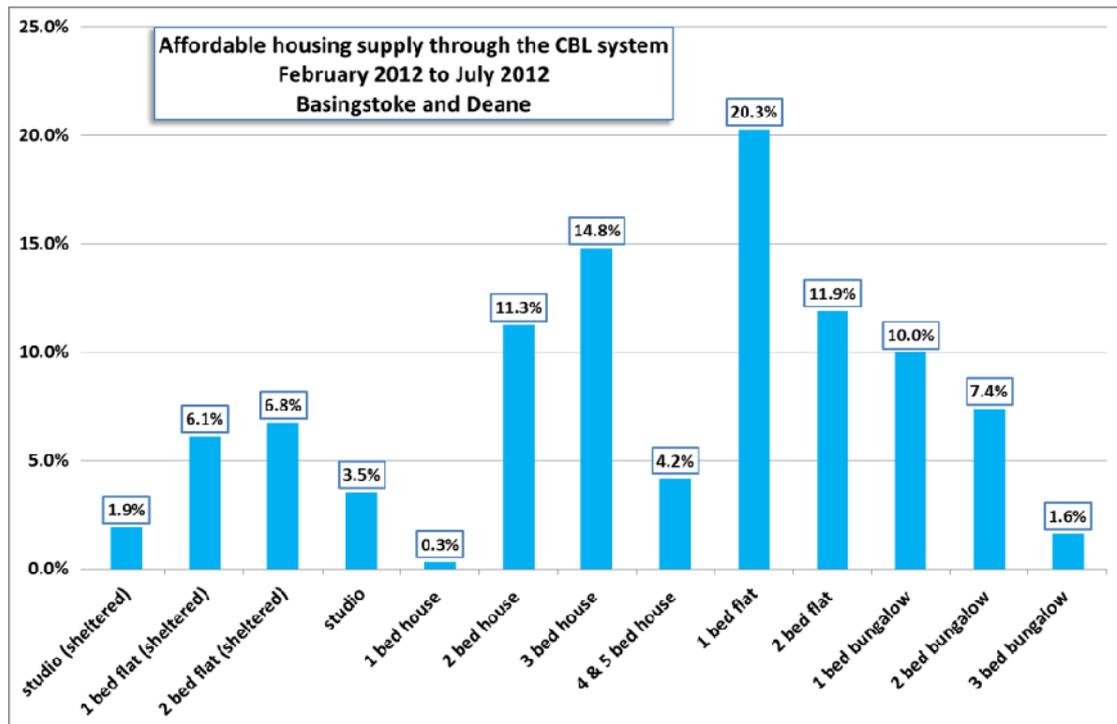


Figure 9.11

The profile of homes coming through the CBL system will have a direct effect on which household groups can be allocated a home. The analysis below of CLB lettings from 2011/12 shows that 85% of property was let to households in Bands 1-3, the majority (66%) from Band 3, and 15% from Band 4 (**Figure 9.12**).

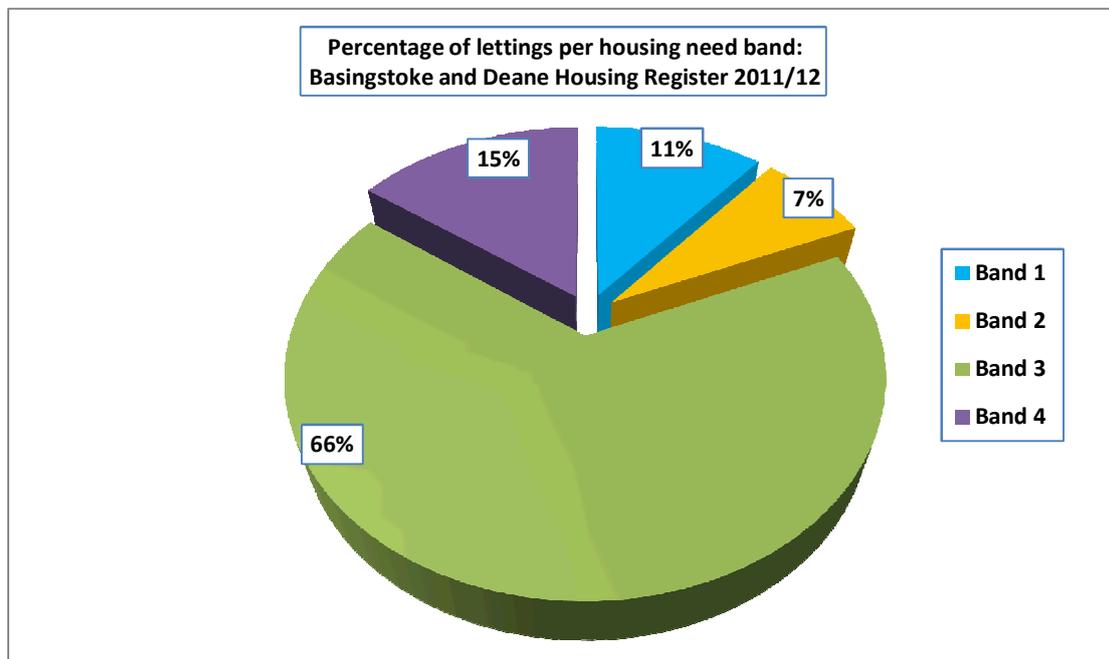


Figure 9.12

These proportions have remained fairly similar for some years, although recent trends are showing an increase in the proportion housed from Band 3 and a decrease in Band 4 (**Figure 9.13**).

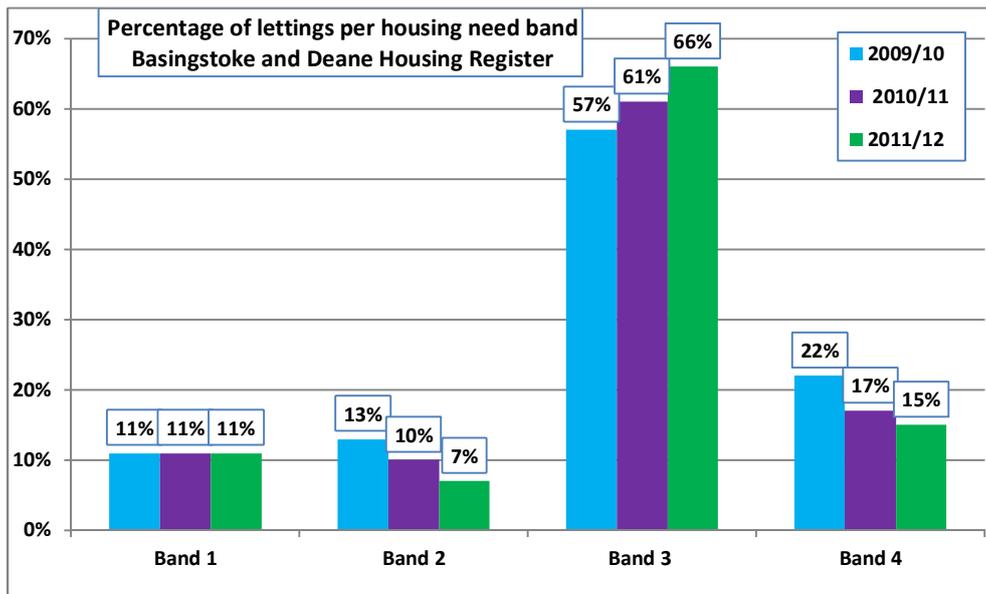


Figure 9.13

This shows that the majority of lettings are being made to households in the highest needs bands. However, most lettings, 73%, go to general needs applicants and 27% to transfers; 2011/12 and the previous year showing exactly the same proportions. The number of lettings, not just the proportion, is important. In 2011/12 there were 814 adverts placed by RSLs and, by the end of the year, a total of 696 offers accepted (118 records progressing through the system. Of the 696, 73%, that is 510 properties, were let to general needs households and the remaining 27%, 186 properties, to transfer applicants.

The annual lettings figure for 2011/12, 696 lettings, equates to:

- 12.3% of households in need (Bands 1-4) on the Housing Register as at the end of the year (March 2012)<sup>65</sup>;
- 13.9% of households in need (Bands 1-4) on the Housing Register at the beginning of that year (March 2011)<sup>66</sup>.

The annual general needs lettings figure for 2011/12, 510 lettings, equates to:-

- 11.4% of general needs households in housing need (Bands 1-4) as at the end of the year (March 2012)<sup>67</sup>;
- 12.9% of general needs households in housing need (Bands 1-4) as at the beginning of that year (March 2011)<sup>68</sup>.

The annual transfer letting figure for 2011/12, 186 lettings, equates to:-

- 15.6% of transfer households in housing need (Bands 1-4) as at the end of the year (March 2012)<sup>69</sup>;
- 17.7% of transfer households in housing need (Bands 1-4) as at the beginning of that year (March 2011)<sup>70</sup>.

<sup>65</sup> March 2012: total on Register 6,178 less 500 in Band 5 = 5,678 households in need

<sup>66</sup> March 2011: total on Register 5,454 less 464 in Band 5 = 4,990 households in need

<sup>67</sup> March 2012: total general needs on Register 4,986 less 500 in Band 5 = 4,486 households in need

<sup>68</sup> March 2011: total general needs on Register 4,403 less 464 in Band 5 = 3,939 households in need

<sup>69</sup> March 2012: total transfers on Register = 1,192

<sup>70</sup> March 2011: total transfers on Register = 1,051

The mix of lettings by property type and size and by housing need Band can be found below in **Tables 9.38 and 9.39:**

flats and houses 2011 - 2012	Studio flats	One bed flat	Two bed flat	Three bed flat or ms`nette	One bed house	Two bed house	Three bed house	Four bed house
Band 1	2	38	6	5	3	6	14	6
Band 2		3	0			9	27	
Band 3	20	73	106			69	75	6
Band 4	9	19	38			7	3	0
Total	<b>31</b>	<b>133</b>	<b>150</b>	<b>5</b>	<b>3</b>	<b>91</b>	<b>119</b>	<b>12</b>

Table 9.38

sheltered, extra care and bungalows 2011 - 2012	Sheltered/ extra care	Bedsit bungalow	One bed bungalow	Two bed bungalow	Three bed bungalow
Band 1	4	3	2	8	1
Band 2			5	2	
Band 3	62		20	13	
Band 4	16		10	6	
Total	<b>82</b>	<b>3</b>	<b>37</b>	<b>29</b>	<b>1</b>

Table 9.39

## Re-lets

An important component of housing supply is the number of re-lets or re-sales that come onto the market. The average annual re-let supply is used as a prediction for the future annual housing supply from turnover which is likely to arise.

In previous studies, the Rural Housing Study evaluated the re-let supply for 2008 – 2009 in the area outside Basingstoke town as, on average, 4.4% or around 145 affordable units. The 2007 DTZ SHMA estimated re-lets as 6% of overall social rented stock for the whole borough (740 a year) excluding transfers.

Property managed by Sentinel, Sovereign and Affinity Sutton makes up over 80% of all the affordable stock in the borough, contributes around 90% of lettings in the borough and around 90% of the re-lets in the borough. As the majority of their stock is centred in or around Basingstoke town, the lettings percentage for the borough overall is marginally higher than that for the rural area alone.

The following paragraphs show the different components of the calculation of a re-let figure for the HNA. This is calculated over a five year period to achieve consistency with the HNA which is also calculated over five years.

The total annual lettings figure: The total lettings data comes from CORE, and includes all new build properties, all lettings through the CBL system, any lettings that do not come through council nominations, and internal RSL transfers or referrals from other agencies. Some RSLs also include within the CORE data lettings to temporary accommodation. As a result, CORE provides a gross lettings figure which includes re-lets. It should be seen as an absolute maximum possible lettings figure.

New build: New build properties and re-lets of existing stock are included in the CORE figures. To separate out the two, the new build figure is deducted from the gross as a starting point for the re-let calculation. That is, the new build general need figure is deducted.

General needs re-lets: Existing stock re-lets can provide supply. However, existing social housing tenants who vacate their property leaving behind a re-let, may also create demand within the same area if they move to another social housing property. The re-let figure for the HNA should represent the amount of re-let supply that actually reduces housing need – where as a result of one social housing property falling vacant, one household is housed from the Housing Register without creating demand elsewhere in the borough.

In order to identify this, not only should the new build stock be deducted from the total lets, but also the number of lets to transfer tenants who will leave behind a property to be re-let to a general needs tenant but also take up a new property.

General needs stock total: The overall RSL stock figure for each year will not necessarily be the sum of that for the previous year plus the new build general needs rented. RSL stock figures will also be dependent on sales, acquisitions and disposals. The stock figures are for general needs stock only.

The table below (**Table 9.40**) shows how these components make up the re-let figure for the HNA. Taking the last five years, on average, 4.3% of general needs stock becomes available for re-let each year. It is vitally important to note that t CORE data (half year figure April – September 2012) show gross lettings of 217 for the half year. This indicates an annual figure of 434 which less the estimated new build of 31 units gives 403 re-let of which around 85% are nominated by the local authority through CBL. The remainder are internal transfers between RSLs, or nominations from other agencies.

Year	AH completions	General needs stock total	Gross lettings to social stock	Gross re-lets after deducting new build	Gross re-lets %	Transfer applicants	Net re-lets after deducting transfers	Net re-lets %
2007 - 2008	252	10,644	809	557	5.23%	162	395	3.7%
2008 - 2009	313	10,717	1019	706	6.58%	205	501	4.7%
2009 - 2010	361	10,896	1081	720	6.60%	209	511	4.7%
2010 – 2011	170	11,374	844	674	5.92%	208	466	4.1%
2011 - 2012	148	11,389	843	695	6.10%	186	509	4.5%
Five year average	<b>249</b>	<b>11,004</b>	<b>919</b>	<b>670</b>	<b>6.10%</b>	<b>194</b>	<b>476</b>	<b>4.3%</b>

Table 9.40

The text box below shows the re-let figure based on the five year average based on CORE data.

### Housing Needs Assessment - step 6

Stock coming back into supply for general needs applicants = 494 units per year.  
This is equivalent to a stock turnover of 4.3% (overall stock of 11,495 units).

A maximum affordable stock turnover figure is around 494 units a year. This includes mutual-exchanges, successions, lettings from temporary accommodation and through referrals from other agencies.

## Housing needs assessment

However, re-lets based on CORE must be treated as an absolute maximum, firstly because of the caveats with CORE data already mentioned and secondly because the CBL figures are indicating a far lower re-let supply as can be seen in the table below (**Table 9.41**) based on CBL records. This indicates that the re-let percentage could be as little as 3.17% of RSL general needs stock with as few as 356 units per annum providing supply.

Year	AH completions	General needs stock total	Lettings No of units	Net relets	Re-lets %	Transfer applicants	Net re-lets	Re-lets %
2009 - 2010	361	10,896	905	544	4.99 %	209	335	3.26 %
2010 – 2011	170	11,374	749	579	5.09 %	208	371	3.26 %
2011 - 2012	148	11,389	696	548	4.81 %	186	362	3.18 %
three year average	<b>226</b>	<b>11,220</b>	<b>783</b>	<b>557</b>	<b>4.96 %</b>	<b>201</b>	<b>356</b>	<b>3.17 %</b>

Table 9.41

To look ahead to the end of the year 2012/13, an estimate of this current year could be made. For the period 1<sup>st</sup> April 2012 to 19<sup>th</sup> July inclusive there were 203 properties recorded on CBL, an average of 12-13 properties a week. If this rate is assumed to be representative of the financial year 2012-2013 then the re-let total could be as low as 620 properties coming back into supply as available stock to households on the Housing Register, reduced by a further 200 of these re-lets taken by transfer applicants. Note that this 2012/13 figure includes new builds also – indicating that the number of re-lets will actually be lower than this, in line with 2010/11 and 2011/12 totals or lower. On this basis, there could be as few as 400 re-lets a year to meet general needs.

It is of course the CBL route that Housing Register households rely on to satisfy their housing needs. The lack of new supply in 2012/13 could have a critical impact on mobility within the general needs stock as it could actively prevent move-on. The welfare benefit reforms could additionally act as a disincentive for existing tenants to move. In this climate, the re-let figures could well reduce further and this will have a significant effect on any new affordable housing new build requirement. A 4.3% re-let figure is used in the HNA but this must be re-evaluated when the full year's CBL data for 2012/13 is available.

# Housing Need Assessment 1

## Key points:

- Housing Need Assessment 1 should be treated as an absolute minimum estimate of housing need;
- HNA1 takes arising housing need as an average of the housing need of the previous five years;
- HNA1 uses Bands 1-3 as a basis for assessing need from the Housing Register but only those households who have actively bid for property on CBL since it was introduced in 2010;
- Taking a minimum level of housing need as represented in Bands 1-3, there is a need for 765 affordable homes per annum;
- The split between rented housing need (from the Housing Register) and Intermediate housing need (Homes In Hants records) is 70% / 30%.
- This represents a shift from the current Affordable Housing towards more rented provision – policy C2 has a tenure split of 62.5% / 37.5%.
- Of the 765 housing need total, current need is for 235 homes and arising need accounts for 530 homes;
- Taking into account re-lets of 494 units per annum, this leaves a shortfall of 271 units;
- If this assessment is used as the basis for housing mix, then this should recognise that families form the predominant household type in Bands 1-3;
- This confirms the view that the target of 300 homes a year should be a *minimum* delivery target as it does not make allowance for:
- the housing need of those households in Band 4 in the statutory reasonable preference category or recognise around 15% of lettings on CBL go to households in Band 4;
- the increasing trend in housing need in the borough.

Housing Needs Assessment 1			
number of households per annum (over 5 years)	current need	arising need	total current + arising housing need
Housing Register Bands 1-3 (rented)	128	407	535 (70%)
Homes In Hants (intermediate)	107	123	230 (30%)
Total annual need: Housing Register and Intermediate	235	530	765

## Detail

- current and arising housing need based on evidence of housing need for households that live in Basingstoke and Deane
- [defines housing need from the Housing Register as households in Bands 1-3 who are actively seeking housing](#)
- assumes need will be met over a five year period
- assumes that need over the last five year period is representative of need over the next five year period

	<b>Basis of the assessment</b>	<b>Data</b>	<b>Need / supply per annum over five years</b>
<b>Step 1</b>	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action + 182 being processed = 536	To be met over 5 years = 107 households per annum
<b>Step 2</b>	Newly arising need for intermediate housing Number of households housed already indicates the number that are likely to need housing in the future	614 households over 5 years	Over 5 years = 123 new households per annum
<b>Step 3</b>	Current need for social housing Bands 1-3 only including only those households who have bid on CBL (793 - 152 non-bidders = 641 General needs	Bands 1-3 = 641	To be met over 5 years = 128 per annum
<b>Step 4</b>	Arising need for social housing Bands 1-3 only General needs Households housed 2007-2011 Households remaining	1,412 households housed + 624 remaining on the register = 2,036 households over 5 years	Over 5 years = 407 new households per annum
Total housing need per annum over the next five year period:			<b>765 households</b>
Of which: Intermediate housing			<b>230 (30%)</b>
Of which: Rented housing			<b>535 (70%)</b>
<b>Step 5</b>	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
<b>Step 6</b>	Supply through re-lets	@4.3% of social stock (general needs + affordable rented = 11,495	494 home per annum
<b>Total supply</b>			<b>585</b>
<b>Supply/need shortfall</b>			<b>180</b>

## Housing Need Assessment 2

### Key points:

- Housing Need Assessment 2 should be treated as a maximum estimate of housing need;
- Taking into account those households in reasonable preference in Band 4, there is a need for 1,603 affordable homes per annum;
- The split between rented housing need (from the Housing Register) and Intermediate housing need (Homes In Hants records) is 86% / 14%;
- The assessment is heavily weighted towards rented provision because of the number of households in housing need Band 4 on the Housing Register;
- It represents a considerable shift from the current Affordable Housing towards more rented provision – policy C2 has a tenure split of 62.5% / 37.5%;
- It may be considered that such a significant reduction in intermediate tenure is not desirable at the current time, given the very strong evidence that: intermediate tenures meet a need that the outright owner-occupied market cannot because of high house prices and mortgage availability; intermediate tenures are more accessible for first time buyers and those aspiring to home ownership;
- Furthermore, a reduction in the proportion of intermediate housing to this extent could severely affect development viability;
- Of the 1,603 housing need total, current need is for 727 homes and arising need accounts for 876 homes;
- Taking into account re-lets of 494 units per annum, there is a shortfall of 1,109 homes;
- Inclusion of Band 4 households, even those in the reasonable preference category, produces a housing need figure which is considerably in excess of even the high levels of housing delivery in the past – it should not be taken as a housing need “target”, nor as a recommendation that this number of homes be built;
- This assessment meets all the housing need of those households in Band 4 in the reasonable preference category – in that regard it assumes that: their housing need is such that their current circumstances are so unsuitable that they require an affordable home; that they cannot satisfy their housing needs without an affordable home; and that their housing need should be met in a 5 year time period;
- On the basis of this assessment, the current affordable housing target of 300 homes a year would not allow for current need or arising need to be met in their entirety – although, it would allow for just under half (41%) of current need to be met each year, or just under one fifth of all need (current and arising) to be met each year (18%);
- HNA2 confirms that the affordable housing target of 300 homes a year should be a *minimum* annual delivery figure;
- Meeting the needs shown by HNA2 may require a different property size profile to that of HNA1 given the number of single person households in Band 4.

Housing Needs Assessment 2			
number of households per annum (over 5 years)	current need	arising need	total current + arising housing need
Housing Register Bands 1-3 and 4 reasonable preference (rented)	620	753	1,373 (86%)
Homes In Hants (intermediate)	107	123	230 (14%)
Total annual need: Housing Register and Intermediate	727	876	1,603

**Detail:**

- current and arising housing need based on evidence of housing need for households that live in Basingstoke and Deane
- [defines housing need from the Housing Register as all households in Bands 1-3 and those in Band with reasonable preference](#)
- assumes need will be met over a five year period
- assumes that need over the last five year period is representative of need over the next five year period

Steps	Basis of the assessment	Data	Need / supply per annum over five years
<b>Step 1</b>	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action + 182 being processed = 536	To be met over 5 years = 107 households per annum
<b>Step 2</b>	Newly arising need for intermediate housing Number of households housed already indicates the number that are likely to need housing in the future	614 households over 5 years	Over 5 years = 123 new households per annum
<b>Step 3</b>	Current need for social housing Bands 1-3 general needs Band 4 general needs in reasonable preference category	793 in Bands 1-3 + 2,391 Band 4 reasonable preference less 86 households to avoid double counting with the intermediate records = 3,098	To be met over 5 years = 620 per annum
<b>Step 4</b>	Arising need for social housing Bands 1-3 general needs + Band 4 with reasonable preference Households housed 2007-2011 Households still "live/active"	1,412 households housed + 624 in Bands 1-3 +1,731 in Band 4 = 3,767 households over 5 years	Over 5 years = 753 new households per annum
Total housing need over the next five year period:			<b>1,603 households</b>
Of which: Intermediate housing			<b>230 (14%)</b>
Of which: Rented housing			<b>1,390 (86%)</b>

<b>Step 5</b>	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
<b>Step 6</b>	Supply through re-lets	@4.3% of social stock (general needs + affordable rented = 11,495	494 homes per annum
<b>Total supply</b>			585
<b>Supply/need shortfall</b>			1,018

## Housing Need Assessment 3

### Key points:

- Housing Need Assessment 3 allows for marginally higher housing need than HNA1 but is still at the lower end of the range of estimates;
- HNA3 takes into account all households in Bands 1-3;
- HNA3 is a baseline for all subsequent HNAs (HNAs 4-8 below);
- HNA3 takes arising housing need as an average of the housing need of the previous five years;
- Even taking a minimum level of housing need as represented in Bands 1-3, there is a need for 796 affordable homes per annum;
- The split between rented housing need (from the Housing Register) and Intermediate housing need (Homes In Hants records) is 71% / 29%.
- This represents a shift from the current Affordable Housing towards more rented provision – policy C2 has a tenure split of 62.5% / 37.5%.
- Of the 796 housing need total, current need is for 266 homes and arising need accounts for 530 homes;
- Taking into account re-lets of 494 units per annum, this still leaves a shortfall of 302 units;
- If this assessment is used as the basis for housing mix, then this should recognise that families form the predominant household type in Bands 1-3;
- This confirms the view that the target of 300 homes a year should be a *minimum* delivery target as it does not make allowance for:
- the housing need of those households in Band 4 in the statutory reasonable preference category or recognise around 15% of lettings on CBL go to households in Band 4;
- the increasing trend in housing need in the borough.

Housing Needs Assessment 3			
number of households per annum (over 5 years)	current need	arising need	total current + arising housing need
Housing Register Bands 1-3 (rented)	159	407	566 (71%)
Homes In Hants (intermediate)	107	123	230 (29%)
Total annual need: Housing Register and Intermediate	266	530	796

### Detail

- current and arising housing need based on evidence of housing need for households that live in Basingstoke and Deane
- [defines housing need from the Housing Register as all households in Bands 1-3](#)
- assumes need will be met over a five year period
- assumes that need over the last five year period is representative of need over the next five year period

	<b>Basis of the assessment</b>	<b>Data</b>	<b>Need / supply per annum over five years</b>
<b>Step 1</b>	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action + 182 being processed = 536	To be met over 5 years = 107 households per annum
<b>Step 2</b>	Newly arising need for intermediate housing Number of households housed already indicates the number that are likely to need housing in the future	614 households over 5 years	Over 5 years = 123 new households per annum
<b>Step 3</b>	Current need for social housing Bands 1-3 only General needs	Bands 1-3 = 793	To be met over 5 years = 159 per annum
<b>Step 4</b>	Arising need for social housing Bands 1-3 only General needs Households housed 2007-2011 Households remaining	1,412 households housed + 624 remaining on the register = 2,036 households over 5 years	Over 5 years = 407 new households per annum
Total housing need per annum over the next five year period:			<b>796 households</b>
Of which: Intermediate housing			<b>230 (29%)</b>
Of which: Rented housing			<b>566 (71%)</b>
<b>Step 5</b>	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
<b>Step 6</b>	Supply through re-lets	@4.3% of social stock (general needs + affordable rented = 11,495	494 home per annum
<b>Total supply</b>			<b>585</b>
<b>Supply/need shortfall</b>			<b>211</b>

## Housing need assessment 4

### Key points:

- Housing need assessment 4 is a variation of HNA3 – housing need from the Housing Register is taken as those all households in Bands 1-3;
- HNA4 assumes that local housing need includes those intermediate housing applicants who have local connection because they work in the borough – recognising that moves relating to employment figure highly in the reasons households give for moving to the borough;
- The increase in intermediate need is equivalent to 133 households over 5 years (split between current and arising need 37/96) or an additional 27 households per annum to HNA3;
- This brings the total housing need to 823 homes per annum;
- Supply through re-lets (494) homes reduces the need to 329 homes per annum;
- The tenure split between rented and intermediate tenures becomes 69% rented and 31% intermediate - compared to the current policy split of 62.5% / 37.5%;
- In common with HNA1 and 3, this scenario does not allow for households on the Housing Register in Band 4, or the increasing trend in housing need in the borough;
- Given the extent of current and arising need, the affordable homes target of 300 homes per annum should be seen as a *minimum* delivery target;
- As this scenario is based on Housing Register need Bands 1-3, the housing mix will should take account of families being the predominant household group.

Housing Needs Assessment 4			
number of households per annum (over 5 years)	current need	arising need	total current + arising housing need
Housing Register Bands 1-3 (rented)	159	407	566 (69%)
Homes In Hants (intermediate) <u>including those that work in the borough</u>	115	142	257 (31%)
Total annual need: Housing Register and Intermediate	274	549	823

### Detail

- current and arising housing need based on evidence of housing need for households that live in Basingstoke and Deane
- defines housing need from the Housing Register as all households in Bands 1-3
- assumes need will be met over a five year period
- assumes that need over the last five year period is representative of need over the next five year period
- assumes local connection of those Intermediate applicants who work in the borough but do not live in the borough – this is an additional 37 households to

be included in current housing need (intermediate housing records awaiting action) and 96 to be included in arising housing need (intermediate housing records completed)

	Basis of the assessment	Data	Need / supply per annum over five years
<b>Step 1</b>	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action <u>+ 37 who do not live in the borough but do work in the borough</u> + 182 being processed = 573	<b>To be met over 5 years = 115 households per annum</b>
<b>Step 2</b>	Newly arising need for intermediate housing Number of households housed already indicates the number that are likely to need housing in the future	614 households <u>+ 96 who did not live in the borough but did work in the borough</u> = 710	<b>Over 5 years = 142 new households per annum</b>
<b>Step 3</b>	Current need for social housing Bands 1-3 only General needs	Bands 1-3 = 793	To be met over 5 years = 159 per annum
<b>Step 4</b>	Arising need for social housing Bands 1-3 only General needs Households housed 2007-2011 Households remaining	1,412 households housed + 624 remaining on the register = 2,036 households over 5 years	Over 5 years = 407 new households per annum
Total housing need per annum over the next five year period:			<b>823 households</b>
Of which: Intermediate housing			<b>257 (31%)</b>
Of which: Rented housing			<b>566 (69%)</b>
<b>Step 5</b>	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
<b>Step 6</b>	Supply through re-lets	@4.3% of social stock (general needs + affordable rented = 11,495	494 homes per annum
<b>Total supply</b>			585
<b>Supply/need shortfall</b>			<b>238</b>

## Housing need assessment 5

### Key points

- This is a variation on HNA3 – but makes a different assumption about arising housing need from the Housing Register over the next five years;
- The assumption recognises that arising housing need in the next five years may be higher than in the previous five years – that rather than taking a combination of higher and lower levels of need, the next five years need will remain consistently high at around 2011 levels;
- Current need remains the same as HNA3 at 266 households, but the number of households that may fall into housing need in the next 5 years (arising housing need) increases to 692 households a year;
- The resulting housing figure is therefore higher than HNA3 with 958 households in total in housing need each year;
- Once netted off against re-lets this still leaves a shortfall of 464 homes per annum;
- The tenure split is 728 rented / 230 intermediate which equates to 76% / 24%;
- This represents a shift from the current affordable housing policy C2 where the tenure split is given as 62.5% / 37.5%;
- This scenario recognises that higher levels of emerging housing need (based on 2011) are likely in the next five years in Bands 1-3, households in the most acute housing need, but does not allow for any increase over and above the 2011 level of arising need;
- Given the extent of current and arising need, the affordable homes target of 300 homes per annum should be seen as a *minimum* delivery target.

Housing Needs Assessment 5			
number of households per annum (over 5 years)	current need	arising need	total current + arising housing need
Housing Register Bands 1-3 (rented): <a href="#">arising need in the future remains at 2011 levels</a>	159	569	728 (76%)
Homes In Hants (intermediate)	107	123	230 (24%)
Total annual need: Housing Register and Intermediate	266	692	958

### Detail

- current and arising housing need based on evidence of housing need for households that live in Basingstoke and Deane
- defines housing need from the Housing Register as households in Bands 1-3
- assumes need will be met over a five year period
- [assumes that arising housing need for social housing over the next five year period in Bands 1-3 will remain at 2011 levels for the next 5 years](#)

	Basis of the assessment	Data	Need / supply per annum over five years
<b>Step 1</b>	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action + 182 being processed = 536	To be met over 5 years = 107 households per annum
<b>Step 2</b>	Newly arising need for intermediate housing Number of households housed already indicates the number that are likely to need housing in the future	614 households over 5 years	Over 5 years = 123 new households per annum
<b>Step 3</b>	Current need for social housing Bands 1-3 only General needs	Bands 1-3 = 793	To be met over 5 years = 159 per annum
<b>Step 4</b>	<b>Arising need for social housing</b> <b>Bands 1-3 only</b> <b>General needs</b> <b>Households housed 2007-2011</b> <b>Households remaining</b>	<b>1,412 households</b> <b>housed</b> <b>+ <u>1,435 remaining on</u></b> <b><u>the register</u></b> <b>= <u>2,847 households</u></b> <b><u>over 5 years</u></b>	<b>Over 5 years</b> <b>= 569 new households</b> <b>per annum</b>
Total housing need per annum over the next five year period:			<b>958 households</b>
Of which: Intermediate housing			<b>230 (24%)</b>
Of which: Rented housing			<b>728 (76%)</b>
<b>Step 5</b>	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
<b>Step 6</b>	Supply through re-lets	@4.3% of social stock (general needs + affordable rented = 11,495	494 home per annum
<b>Total supply</b>			<b>585</b>
<b>Supply/need shortfall</b>			<b>373</b>

## Housing need assessment 6

### Key points:

- HNA6 is based on HNA3, but takes account of an increasing year on year arising housing need from Bands 1-3 and assumes that the increase over the last five years will continue at the same rate in the next five years;
- This gives a total annual housing need figure of 1,138 households;
- Netted off by 494 re-lets, the remaining housing need figure falls to 644;
- This scenario is heavily weighted towards arising housing need in the future – as many as 749 new households per annum could fall into housing need through the Housing Register in the next five years;
- This has a marked effect on the tenure split which would be rented 80% / intermediate 20%, representing a significant shift from the current policy position C2 of 62.5% / 37.5%;
- Reducing the proportion of intermediate tenure by such an extent across the board does not allow for the likelihood that more households aspiring to home ownership will turn to intermediate housing as the tenure of choice, outright owner occupation in the open market being less accessible;
- Furthermore, a lower proportion of intermediate housing may have an adverse effect on development viability;
- This HNA does not take into account any of the current or arising need in Band 4, not even those in the reasonable preference category, nor the small percentage of Band 4 applicants that are successful in obtaining social housing through CBL;
- Given the extent of current and arising need, the affordable homes target of 300 homes per annum should be seen as a *minimum* delivery target.

Housing Needs Assessment 6			
number of households per annum (over 5 years)	current need	arising need	total current + arising housing need
Housing Register Bands 1-3 (rented): <a href="#">arising need in the future reflects the increasing trend from the past</a>	159	749	908 (80%)
Homes In Hants (intermediate)	107	123	230 (20%)
Total annual need: Housing Register and Intermediate	266	872	1,138

### Detail:

- current and arising housing need based on evidence of housing need for households that live in Basingstoke and Deane
- defines housing need from the Housing Register as households in Bands 1-3
- assumes need will be met over a five year period
- [assumes that need for social housing over the next five year period will increase in the same way as it has in the past 5 years \(the past trend will continue into the future\)](#)

	Basis of the assessment	Data	Need / supply per annum over five years
<b>Step 1</b>	Current need for intermediate housing Households awaiting action Households with applications pending	354 awaiting action + 182 being processed = 536	To be met over 5 years = 107 households per annum
<b>Step 2</b>	Newly arising need for intermediate housing Number of households housed already indicates the number that are likely to need housing in the future	614 households over 5 years	Over 5 years = 123 new households per annum
<b>Step 3</b>	Current need for social housing Bands 1-3 only General needs	Bands 1-3 = 793	To be met over 5 years = 159 per annum
<b>Step 4</b>	<b>Arising need for social housing</b> <b>Bands 1-3 only</b> <b>General needs</b> <b>Households housed 2007-2011</b> <b>Households remaining</b>	<b>1,412 households housed</b> <b>+ <u>2,335 remaining on</u></b> <b><u>the register</u></b> <b>= <u>3,747 households</u></b> <b><u>over 5 years</u></b>	<b>Over 5 years</b> <b>= 749 new households</b> <b>per annum</b>
Total housing need per annum over the next five year period:			<b>1,138 households</b>
Of which: Intermediate housing			<b>230 (20%)</b>
Of which: Rented housing			<b>908 (80%)</b>
<b>Step 5</b>	New housing supply Based on 273 homes over the next 3 years	273 over 3 years = 91 homes per year	91 per annum
<b>Step 6</b>	Supply through re-lets	@4.3% of social stock (general needs + affordable rented = 11,495	494 home per annum
<b>Total supply</b>			<b>585</b>
<b>Supply/need shortfall</b>			<b>553</b>

## **Data sources**

### Housing need (affordable housing)

Basingstoke and Deane Housing Register (2011/12)

Basingstoke and Deane Choice Based Lettings (2011/12)

CORE (Continuous Recording of Lettings and Sales in Social Housing in England) (2010/2012)

### Welfare and benefits

Basingstoke and Deane Borough Council Housing Benefit Caseload (March 2012)

Department for Work and Pensions (2011)

Ministry of Justice (2011)

### Incomes

CACI "Paycheck" (2011)

Annual Survey of Hours and Earnings (ASHE 2011)

Basingstoke and Deane Housing Register (2011)

### Housing need and demand (intermediate housing)

Radian HomeBuy "Homes In Hants" (2006 – 2012)

Basingstoke and Deane Housing Register (2005-2012)

### The private rental market

Valuation Office Agency (December 2011)

Communities and Local Government (CLG) Live Tables (2011/2012)

Right Move [www.rightmove.co.uk](http://www.rightmove.co.uk)

Basingstoke and North Hampshire Homes and Property (Basingstoke Gazette Lettings)

Basingstoke and Deane Letting Agent Survey (April 2012)

### House prices

Communities and Local Government (CLG) Live Tables (2011/2012)

BBC mortgage calculator [www.bbc.co.uk/homes/property/mortgagecalculator](http://www.bbc.co.uk/homes/property/mortgagecalculator)

Basingstoke and North Hampshire Homes and Property (Basingstoke Gazette NewBuy)

### Dwelling stock & tenure

2001 Census

2011 Census

Hampshire County Council/Basingstoke and Deane Borough Council

Tenant Services Authority (2011)

### Affordable completions and supply

Basingstoke and Deane Borough Council 2006-2011/2011-2015

Housing Strategy Statistical Appendix (2010-2011)

### References

Central Hampshire and New Forest Strategic Housing Market Assessment: 2007 (DTZ)

Winchester Housing Market Assessment: 2011 (DTZ)  
Berkshire Strategic Housing Market Assessment: 2007 (DTZ)  
Defining the Functional Economic Area around Basingstoke and Deane: 2009 (GHK)

# Appendix D – Edge report

# Appendix E –Postcode mapping

## Appendix F –Housing mix

Basingstoke and Deane Household Composition 2011 Census	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 or more bedrooms	All categories: Number of bedrooms
<b>All categories: Household composition</b>	<b>6,423</b>	<b>15,412</b>	<b>29,550</b>	<b>13,972</b>	<b>3,958</b>	<b>69,315</b>
one person household						
One person household: Other	3,266	3,940	3,289	768	145	<b>11,408</b>
total one person households	3,266	3,940	3,289	768	145	<b>11,408</b>
	<b>28.6%</b>	<b>34.5%</b>	<b>28.8%</b>	<b>6.7%</b>	<b>1.3%</b>	<b>100.0%</b>
household with dependent children						
One family only: Married or same-sex civil partnership couple: Dependent children	97	1,276	6,001	4,306	1,390	<b>13,070</b>
One family only: Cohabiting couple: Dependent children	73	783	1,431	465	119	<b>2,871</b>
One family only: Lone parent: Dependent children	165	1,267	2,189	538	115	<b>4,274</b>
Other household types: With dependent children	13	163	654	454	225	<b>1,509</b>
total household with dependent children	348	3,489	10,275	5,763	1,849	<b>21,724</b>
	<b>1.6%</b>	<b>16.1%</b>	<b>47.3%</b>	<b>26.5%</b>	<b>8.5%</b>	<b>100.0%</b>
couple household with no children						
One family only: Cohabiting couple: No children	654	1,571	1,527	462	73	<b>4,287</b>
One family only: Married or same-sex civil partnership couple: No children	440	1,774	4,698	2,872	760	<b>10,544</b>
total couple households with no children	1,094	3,345	6,225	3,334	833	<b>14,831</b>
	<b>7.4%</b>	<b>22.6%</b>	<b>42.0%</b>	<b>22.5%</b>	<b>5.6%</b>	<b>100.0%</b>
household where all children are non-dependent						
One family only: Married or same-sex civil partnership couple: All children non-dependent	14	250	1,908	1,250	373	<b>3,795</b>
One family only: Cohabiting couple: All children non-dependent	4	53	150	53	17	<b>277</b>
One family only: Lone parent: All children non-dependent	37	426	1,159	356	65	<b>2,043</b>
total households where all children are non-dependent	55	729	3,217	1,659	455	<b>6,115</b>
	<b>0.9%</b>	<b>11.9%</b>	<b>52.6%</b>	<b>27.1%</b>	<b>7.4%</b>	<b>100.0%</b>
other households						
Other household types: All full-time students	1	8	7	0	1	<b>17</b>

<b>Other household types: Other</b>	88	699	1,164	541	230	<b>2,722</b>
<b>total other households</b>	89	707	1,171	541	231	<b>2,739</b>
	<b>3.2%</b>	<b>25.8%</b>	<b>42.8%</b>	<b>19.8%</b>	<b>8.4%</b>	<b>100.0%</b>
<b>over 65s</b>						
<b>One person household: Aged 65 and over</b>	1,343	2,083	2,688	640	136	<b>6,890</b>
<b>total one person households over 65</b>	<b>1,343</b>	<b>2,083</b>	<b>2,688</b>	<b>640</b>	<b>136</b>	<b>6,890</b>
	<b>19.5%</b>	<b>30.2%</b>	<b>39.0%</b>	<b>9.3%</b>	<b>2.0%</b>	<b>100.0%</b>
<b>One family only: All aged 65 and over</b>	219	1,089	2,629	1,253	303	<b>5,493</b>
<b>Other household types: All aged 65 and over</b>	9	30	56	14	6	<b>115</b>
<b>total other households over 65</b>	<b>228</b>	<b>1,119</b>	<b>2,685</b>	<b>1,267</b>	<b>309</b>	<b>5,608</b>
	<b>4.1%</b>	<b>20.0%</b>	<b>47.9%</b>	<b>22.6%</b>	<b>5.5%</b>	<b>100.0%</b>
<b>total households over 65</b>	<b>1,571</b>	<b>3,202</b>	<b>5,373</b>	<b>1,907</b>	<b>445</b>	<b>12,498</b>
	12.6%	25.6%	43.0%	15.3%	3.6%	100.0%

Table 9.5: Household composition (Source: Census 2011)

## Appendix G – Historic internal migration between BDBC and neighbouring authorities

Year	Local Planning Authority											
	Hart			Rushmoor			Surrey Heath			Wokingham		
	From	To	Net migration into Basingstoke and Deane	From	To	Net migration into Basingstoke and Deane	From	To	Net migration into Basingstoke and Deane	From	To	Net migration into Basingstoke and Deane
2002	350	370	20	80	170	90	70	80	10	100	180	80
2003	350	350	0	70	160	90	50	110	60	120	190	70
2004	390	290	-100	130	70	-60	90	40	-50	120	200	80
2005	390	360	-30	150	90	-60	90	60	-30	110	210	100
2006	320	380	60	90	120	30	40	70	30	150	200	50
2007	330	400	70	80	160	80	40	80	40	130	210	80
2008	230	400	170	70	150	80	40	100	60	120	150	30
2009	330	450	120	130	200	70	40	90	50	120	170	50
2010	370	490	120	110	260	150	40	70	30	110	200	90
2011	280	490	210	130	220	90	60	110	50	130	230	100
<b>Average per year (10yrs)</b>			<b>64</b>			<b>56</b>			<b>25</b>			<b>73</b>

Year	Local Planning Authority															Total net migration into Basingstoke
	Reading			East Hants			West Berks			Test Valley			Winchester			
	From	To	Net migration into Basingstoke and Deane	From	To	Net migration into Basingstoke and Deane	From	To	Net migration into Basingstoke and Deane	From	To	Net migration into Basingstoke and Deane	From	To	Net migration into Basingstoke and Deane	
2002	140	270	130	110	120	10	560	680	120	340	260	-80	210	190	-20	<b>360</b>
2003	120	330	210	170	140	-30	590	620	30	340	240	-100	220	170	-50	<b>280</b>
2004	180	280	100	140	160	20	620	650	30	350	240	-110	240	160	-80	<b>-170</b>
2005	140	270	130	170	170	0	620	620	0	310	280	-30	190	180	-10	<b>70</b>
2006	140	230	90	120	130	10	650	560	-90	290	270	-20	220	200	-20	<b>140</b>
2007	140	280	140	170	130	-40	690	650	-40	370	260	-110	250	180	-70	<b>150</b>
2008	150	240	90	120	120	0	630	640	10	280	220	-60	180	150	-30	<b>350</b>
2009	140	210	70	170	190	20	590	520	-70	280	340	60	280	280	0	<b>370</b>
2010	110	300	190	200	210	10	570	740	170	310	360	50	240	250	10	<b>820</b>
2011	170	270	100	160	200	40	580	570	-10	330	310	-20	310	280	-30	<b>530</b>
<b>Average per year (10yrs)</b>			<b>125</b>			<b>4</b>			<b>15</b>			<b>-42</b>			<b>-30</b>	<b>320</b>

