



Coastal Lincolnshire Strategic Housing Market Assessment: Executive Summary

September 2012

Executive Summary

- 1.1 The Strategic Housing Market Assessment (SHMA) for the Coastal Lincolnshire sub-region has been undertaken alongside a parallel exercise for Central Lincolnshire (Lincoln, North Kesteven and West Lindsey). An Economic Viability Assessment has also been produced by Three Dragons.
- 1.2 A SHMA is a framework that local authorities and regional bodies can follow to develop a good understanding of how housing markets operate and is a requirement of the national Planning Policy Framework. It promotes an approach to assessing housing needs and demands which can inform the development of local development document and housing policies. 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. Therefore, the evidence provided in the SHMA should not be viewed in isolation as it does not set housing policy.

Policy Background

- 1.3 England has an identified shortage of housing and delivery of supply has been a key policy aspiration of successive governments. Household growth has averaged 230,000 per annum, dwelling delivery has never exceeded 175,000 per annum and has fallen closer to 100,000 in recent years. Various programmes to encourage housing delivery via key supply side agencies (land owners, developers, investors, Registered Social Landlords (RSL) and Local Authorities) have been put in place.
- 1.4 This SHMA has been produced at a time of great uncertainty as to the future direction of planning policy following the General Election of 2010. While it was announced in July 2010 that Regional Spatial Strategies will be abolished, and Planning Policy Statements have been replaced by the National Planning Policy Framework.

Population and Migration

- 1.5 Coastal Lincolnshire has had a net population increase of nearly 42,600 people (26.6%) between 1981 and 2010 to a current population of 285,500. Coastal Lincolnshire has a slightly older age profile of residents when compared to the East Midlands and England.
- 1.6 In-migration from the UK to Coastal Lincolnshire was 44,780 over the five year period to 2009 with out-migration being 38,190. This resulted in a net increase of 6,590 at an average of 1,320 per annum. In-migration included many retirees to East Lindsey. Additionally, Boston saw many international migrant workers arrive over this time period.
- 1.7 Across Coastal Lincolnshire, 46% of the population live in urban areas, 35% of the population live in rural settlements or isolated properties with the remaining 19% living in urban fringes. Boston is far more urban than East Lindsey.

Dwelling Stock and Tenure

- 1.8 Detached houses in Coastal Lincolnshire are far more common than for England, and above the average in Lincolnshire. Flats are considerably less common in Coastal Lincolnshire than England. A high proportion of dwellings are bungalows with a much older age profile of residents than average. The majority of bungalow owner occupiers have relatively low incomes, but are equity rich.
- 1.9 Coastal Lincolnshire has a slightly above average level of owner-occupation, average levels of private renting and below average levels of social rented housing. There are an estimated 1,200 houses in multiple occupation (HMO) in the sub-region.
- 1.10 Dwelling conditions, on average, are slightly poorer when compared to England, using the comprehensive 'Decent Homes Standard'. The main reason for the difference is due to energy efficiency standards, and in particular the difficulties of affordably heating homes. This is reflected in a well above average level of fuel poverty in the area, which is exacerbated by below average incomes
- 1.11 Due to the preference for a coastal location or near to a resort, there are many park homes/caravans in Coastal Lincolnshire. Agents report that park homes are mostly occupied as a positive lifestyle choice by a group of older people and some sites are exclusively for the over 50s.

Affordability

- 1.12 Average pay in the area is slightly less than the average earnings of people living in the area. This reflects more residents commuting to work in more affluent areas than people commuting into the area to work.
- 1.13 Property prices tend to be around or below average prices for the East Midlands region. From a regional perspective, prices for properties in the urban areas are much less expensive than other areas, including rural areas. House prices in Coastal Lincolnshire have fallen since 2008 and affordability for first time buyers has improved slightly. However, property transactions are down on previous years, due in large part to the difficulty in borrowing.

Current Housing Need

- 1.14 The study model indicates 13,000 unsuitably housed households in Coastal Lincolnshire (14.8%). This does not mean that all need new/alternate housing, as many unsuitable households can be made suitable by adaptation, repair or extension for example.
- 1.15 1,800 existing households are estimated to be unsuitably housed, need to move home and are not able to afford to meet their own housing costs. These households are a sub-set of the 13,000 households outlined above.

Future Housing Requirements and the Affordable Housing Target

- 1.16 Recent estimates for household growth in East Lindsey have outstripped the level of dwelling delivery in the district. The most likely explanation for this is that households living in holiday caravans may be appearing as a resident population, and hence also appearing in the household numbers, without the caravans counting as dwelling delivery. This issue is important because future household projections extrapolate from recent trends, so projected household growth in East Lindsey is also high.

- 1.17 Over the 21 year period 2010-2031, it has been projected that a total of 18,000 extra households will live in the Coastal sub-region under the RSS scenario. Using 2008 based CLG Household projections it is projected that an extra 26,900 households arise between 2010 and 2033. The SHMA has estimated the following housing requirement to 2031 based upon RSS dwelling delivery, and to 2033 based upon CLG 2008 based household projections for the sub-region as a whole.
- 1.18 The overall housing mix for Coastal identifies a higher total requirement for social rented housing when using the 2008 based household projections. However, this is a lower share of the overall lower requirement than when using the RSS Dwelling Delivery target.

Figure 1

Overall Housing Requirement 2009-2031 and 2010-2033 (Note: Figures may not sum due to rounding)

	Tenure	Requirement	%
2010-2031 Constrained to RSS Dwelling Delivery			
	Market Housing	6,500	36.2%
	Intermediate Affordable Housing	3,800	20.9%
	Social Rented Housing	7,700	42.9%
	Overall Housing Requirement	18,000	100.0%
2010-2033 Unconstrained 2008 based Household Projections			
	Market Housing	12,900	47.8%
	Intermediate Affordable Housing	4,600	17.1%
	Social Rented Housing	9,500	35.1%
	Overall Housing Requirement	26,900	100.0%

- 1.19 Results for the individual Local Authorities reveal key differences disguised by the sub-regional requirements. These are summarised in Figure 2. This shows that East Lindsey has an identified requirement for intermediate housing, but there is a surplus in Boston due to the availability of cheap private sector housing filling the gap which would otherwise require intermediate housing.

Figure 2

Tenure Mix of Housing Requirement 2010-2031 and 2010-2033 by LA (Note: All figures rounded to the nearest 100. Figures may not sum due to rounding. All percentages are calculated based on data before rounding)

Housing Type	Coastal Lincolnshire			
	Boston	% of total requirement	East Lindsey	% of total requirement
2010-2031 Constrained to RSS Dwelling Delivery				
Market housing	3,200	58.7%	2,200	17.6%
Intermediate housing	(600)	(10.3%)	5,500	43.8%
Social rented housing	2,800	51.6%	4,800	38.6%
Total Housing Requirement	5,500	100%	12,500	100%
2010-2033 Unconstrained 2008 based Household Projections				
Market housing	2,600	50.1%	8,700	40.1%
Intermediate housing	(600)	(11.1%)	7,000	32.0%
Social rented housing	3,100	60.9%	6,100	27.9%
Total Housing Requirement	5,200	100%	21,800	100%

Size Mix

- 1.20 The modelled findings identify a high requirement for 1 bed social rented dwellings which is driven by a projected growth in single person households in Coastal Lincolnshire. However, this group will contain many single persons aged under 35 years. Under new Local Housing Allowance rules they will receive only the bedsit allowance and this will enable the single person only to receive a share of a dwelling, rather than allowance for a self-contained dwelling. Therefore, a major impact of this change is likely to be a rise in the demand for shared accommodation rather than for self-contained dwellings.
- 1.21 We would also note that a high requirement for dedicated older person housing has been identified in Lincolnshire. The social rented figure will include the dwellings identified as part of this requirement.
- 1.22 Therefore, translating the housing requirement for one bedroom housing into priorities for new build social housing needs careful consideration. A policy aim of seeking to build a greater proportion of 2 bedroom homes would have significant benefits in sustaining communities and should be considered as far as finance will permit. However, we would note that the changes to regulations on under-occupation where households only receive Local Housing Allowance up to the number of bedrooms they require. This may make this policy more difficult to implement in the future.

Dwelling Delivery

- 1.23 For the Coastal Lincolnshire sub-region, 7,700 additional dwellings were delivered between 2001 and 2010. Over 6,400 of these dwellings were provided as market housing with 350 intermediate affordable homes and around 950 social rented homes being delivered. Whilst 950 new social rented properties were delivered during this period, there were 500 losses from the social stock through Right-to-Buy, so the net social stock has increased by only 450 units.
- 1.24 The achievement of delivery targets will be influenced by a number of issues including those related to the viability of housing delivery in lower value areas. Sensitivity testing of the results around dwelling delivery shows that:
- » Providing fewer dwellings in any area will marginally reduce the requirement for social and intermediate housing, but will mainly impact on the market housing requirement.
 - » A lower level of completions will not significantly impact upon the requirements of those seeking affordable housing.

Older Persons

- 1.25 The housing requirements of older people differ from other household groups. Older people are not a homogenous group, and have changing needs as they pass through the various stages of ageing.
- 1.26 **Extra Care Housing:** There is a considerable policy focus in Lincolnshire on increasing the extra care housing stock. The estimated requirement for extra care housing (including both market and affordable options) represents a significant proportion of the total housing requirement. The requirement for specialist and extra care housing should be considered part of the overall housing requirement.
- 1.27 **Housing Standards:** Planning policy can be used to ensure that there is more choice of housing available in the general (i.e. non specialised) stock across all tenures that can respond to the changing needs of households as they age. Examples are that:

- » Design standards include provision for meeting Lifetime Homes and, within the framework of the Code for Sustainable Homes, Secured by Design standards;
- » A proportion of housing is built to wheelchair standard;
- » Dwellings are located in suitable places – near to appropriate services and facilities.

1.28 **New provision for Older People to release family housing:** Some older people occupy housing that is too large for them and is also unsuitable given their health, income and vulnerability to hazards. Appropriate new housing delivery may meet this requirement and bring additional benefits:

- » Increased choice for older people, bringing lifestyle, health and support benefits
- » Releasing second hand family homes to the market as Older People downsize
- » Incentive schemes for social housing tenants (such as assisted moves and cash payments) to release family homes

Low Income Young Households

1.29 The ORS Model places these households as part of the affordable (typically intermediate) housing requirement. A large proportion of the one bed need identified is made up of young single people and couples who would not be allocated social housing as they are not in priority need. Investing in new social housing for this group may be inappropriate if allocation policies mean that many will be unlikely to access it.

Housing Requirement in Rural Areas

1.30 The new Localism Bill may mean some communities push forward development as a mechanism for securing more affordable housing and services in their area, while others will seek to block all development. The draft National Planning Policy Framework's presumption in favour of sustainable development may also see more development being promoted on Greenfield sites.

1.31 In order to maintain the flow of new affordable homes in rural Lincolnshire, it will be important to secure the maximum viable level of affordable housing through each of the options available. The combined evidence of the SHMA and Viability assessment would support a higher target for affordable housing in rural areas. This is due to the fact that higher house prices are achieved in rural areas.

BME Households

1.32 Coastal Lincolnshire is an area with a traditionally low BME population. A specific issue affecting Boston is that it is possible that official statistics have underestimated the number of Portuguese and Eastern European people who have moved to the Borough in the first part of the decade to work in the agriculture and packaging sectors.