

Draft 2010 Copeland Strategic Housing Market Assessment Executive Summary
and Main Findings

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Summary and Recommendation:

This report summarises the main findings presented in the Executive Summary of the Draft 2010 Strategic Housing Market Assessment, as attached to this report. The final assessment will be reported to the next meeting of the Panel.

The Panel are requested to note the report and members' comments are invited.

1 INTRODUCTION

- 1.1 This report refers to the findings presented in the Draft Executive Summary only, and not to the full Housing Market Assessment report, because the main report of the assessment was not complete at the time of the Panel submission deadline and therefore could not be submitted to the December meeting.
- 1.2 The reason for this is that the timetable for the completion of the report was dependent upon the household survey work on which a large part of the report is based. The survey work was delayed for two weeks due to the tragic shootings in June, and as the timetable for producing the report was tight this had the consequence of delaying the production of the final report.

2 KEY FINDINGS

Dwelling Quantity and Quality

- 2.1 Key drivers in determining the tenure and type of future development include:
- 2.2 The need to continue development to satisfy household aspirations, in particular the development of detached houses and bungalows to offset identified market imbalances, is described as a key driver in determining the tenure and type of future development.

Market imbalances identified through the assessment include shortages of:

- Detached properties, particularly in Whitehaven;
 - Semi-detached properties in Millom;
 - Bungalows in Whitehaven and West Lakes HMA (LDNP).
- 2.3 The need to deliver open market housing to satisfy demand from economically active in-migrants (who are particularly linked to the Energy Coast economy) These households are generally moving to detached and semi-detached houses with three or four bedrooms;
- 2.4 Delivering additional affordable housing to help offset an identified net shortfall of 168 dwellings each year; and diversifying the range of affordable options by developing intermediate tenure dwellings and products. On the basis of tenure preferences of existing households in need and newly-forming households, a tenure split of 61% social rented and 39% intermediate tenure is recommended across Copeland Borough.
- 2.5 The draft assessment presents the following findings regarding the existing stock:
- 2.6 Mechanisms to bring empty properties need to be explored and could include:
- Financial/professional help for repairs and improvements in the form of equity loans; grant aid for renovation and subsequent leasing to an Housing Association for a fixed term; a professional service to manage repairs or full renovation;
 - Assistance with letting management or the sale of a property
- 2.7 Although the majority of households (73%) are satisfied with the condition of their dwellings, 3,700 households (12.4%) were dissatisfied or very dissatisfied. Levels of dissatisfaction were highest amongst private renters (24.6% expressing dissatisfaction) and social renters (23.8% expressing dissatisfaction).
- 2.8 Improving the energy efficiency of dwellings and modernisation of stock is an important driver to improving the quality of existing stock. Given the need to reduce energy consumption, improve thermal comfort and future proof households from spikes in energy prices, retrofitting stock with improved insulation, heating systems and solar panels is likely to become a significant strategic issue.

Rural Housing Issues

- 2.9 Households in rural areas are most likely to be owner occupiers and prices are generally higher.
- 2.10 there is a distinct lack of social rented accommodation and an annual shortfall of 70 affordable dwellings across the rural area (36 in 'Whitehaven Rural' parishes, 19 in West Lakes Housing Market Area (Copeland Planning Authority area) and 15 in West Lakes HMA (Lake District National Park area).
- 2.11 there is strong support amongst residents in rural areas for local occupancy policies to be applied to open market newbuild. This would mean that newbuild dwellings could only be occupied by people with a local connection, for example people who have lived in the Parish/area for at least 3 years or are permanently employed in the Parish/area.

The Ageing Population

- 2.12 A key challenge for the Council is to ensure a greater diversity of support services are made available to older people wanting to stay in their own home. This will allow them to 're-able' people to live in their homes, particularly in remote rural areas.
- 2.12 the range of housing options available to older people needs to be diversified, for instance through the development of open market housing marketed at older people and the development of Extra Care accommodation.

Vulnerable People

- 2.13 Regarding other vulnerable groups, there is a lack of move-on accommodation for young people and not enough floating support (particularly to support people living independently). The incidence of young homelessness is increasing along with substance misuse.

3 FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 3.1 There are no financial and human resource implications arising directly from this summary. However implications might arise from the conclusions and recommendations of the final report.

Copeland Borough

Strategic Housing Market Assessment 2010

Executive Summary

INTRODUCTION

The 2010 Copeland Borough Strategic Housing Market Assessment is a major research study which will help to shape the future planning and housing policies of the Borough. The research will help inform the production of the Council's Local Development Framework and Housing Strategy. This research will also provide an up-to-date analysis of the social, economic, housing and demographic situation across Copeland (including the part of the Lake District National Park which is located within the Borough).

The study has been carried out by arc4 Ltd and has included:

- A household survey;
- Interviews with stakeholders; and
- A review of existing data;

The findings from the study provide a robust and defensible evidence base for future policy development which conforms to the Government's Strategic Housing Market Assessment guidance.

HOUSING MARKET CONTEXT

Copeland Borough is located on the western fringe of Cumbria in the North West of England and around two-thirds of the Borough is located in the Lake District National Park. Copeland has a population of around 69,700¹. 77.1% of the population live in the Whitehaven area; a further 12.5% in the West Lakes area and 10.5% in the Millom area. Whitehaven is the largest town which is home to around 25,000 people (35.7% of the Borough's population). The nuclear industry centred on Sellafield is a key employer (with around 12,000 employees) and economic driver for the Borough.

HOUSE PRICES

Median house prices across Copeland Borough have increased dramatically over the period 2000 to 2009, from around £41,250 in Q1 2000 to £120,000 in Q3 2007, representing an increase of 191%. Prices subsequently decreased but rose to a new peak of £127,000 in Q4 2009. Despite the considerable uplift in median prices, they have been consistently lower than those for Cumbria and the North West. However, premium prices are commanded in the West Lakes HMA, particularly in the Lake District National Park, with median prices of £180,000

¹ ONS 2009 mid-year population estimates

reported in 2009. Following their peak in Q4 2009, median prices across the Borough have fallen by around 10% and by Q1 2010 they were £112,750.

DWELLING STOCK

There is a total of 32,847 dwellings in Copeland Borough of which 2,404 are either vacant or holiday/second homes, resulting in a total of 30,443 occupied dwellings

Overall, 72.1% of occupied dwellings are owner occupied, a further 22.3% are rented from a Housing Association, 5.3% are rented privately and 0.4% is intermediate tenure (e.g. shared ownership).

78% of properties are houses, 12.4% are bungalows, 8.3% are flats/maisonettes, and 1.3% is other property types (e.g. caravans).

3.6% have one bedroom, 26.7% have two bedrooms, 48.6% have three bedrooms and 21.1% have four or more bedrooms.

12.3% of households are dissatisfied with state of repair, with renters most likely to express dissatisfaction (23.7% of social renters and 24.6% of private renters).

DEMOGRAPHIC DRIVERS

The population of Copeland is estimated to be 69,700 with Office for National Statistics projections showing an increase to 75,500 by 2033. The number of household is expected to increase by 24% from 31,000 in 2006 to 39,000 in 2031 or an annual increase of 320.

Over the next few decades, the age profile of residents in Copeland Borough is expected to change dramatically. There will be a significant 'demographic shift' with both the number and proportion of older people increasing. Overall the number of people aged 65 and over is projected to increase by 72% (or by 9,500) by 2033, and the number of 75+ residents is expected to increase by a dramatic 193% (or by 2,700) by 2033.

ECONOMIC DRIVERS

Sellafield is a fundamental driver of the local economy. There is also a strong strategic impetus to regenerate and diversify the economy of West Cumbria. This is ongoing through a range of partner organisations and the newly-created Local Economic Partnership

Median earnings of Copeland residents are £32,517 which is considerably higher than the regional median (£24,000) and the national median of £26,148. The high Copeland figure reflects the relatively higher wages associated with the nuclear industry.

80.8% of economically active residents live and work within Copeland Borough and 19.2% work outside the Borough, particularly in Allerdale.

MARKET AREAS

The Department of Communities and Local Government (CLG) suggests that a housing market is self-contained if upwards of 70% of moves (migration and travel to work) take place within a defined area. An analysis of migration data suggests that 77% of households move within the Borough. In terms of travel to work patterns, 80.8% of residents work in the Borough and 19.2% commute out to work. On the basis of these data, Copeland Borough can be defined as a self-contained housing market area.

Within Copeland, there are areas which have distinctive housing market characteristics but none can be described as self-contained.

HOUSING NEED AND AFFORDABLE HOUSING

Housing need is defined as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’. A key element of the study is to explore the scale of housing need and the extent to which additional affordable housing is needed.

Affordable housing is defined as either social rented or intermediate housing which is provided and made available to eligible households (i.e. those who lack their own housing or live in unsuitable housing) who cannot afford to meet their needs through the market. Intermediate affordable housing is housing at prices and rents above those of social rents, but below market prices or rents.

Across Copeland, there are 1,670 existing households currently in housing need and of these 920 cannot afford open market solutions to address their need. Additionally, there is an annual requirement from 237 newly-forming households and existing households falling into need who cannot afford open market housing. When this need is compared with the available supply of affordable housing (254 each year to new tenants), the result is an overall annual shortfall of **168 affordable dwellings**. This figure is an annual measure of the supply needs for affordable housing required to address the current imbalance in the housing market across Copeland Borough (2010 /11 to 2014/15). Table ES1 provides a summary of annual affordable shortfalls by location.

On the basis of tenure preferences of existing households in need and newly-forming households, a tenure split of **61% social rented** and **39% intermediate tenure** is recommended across Copeland Borough. Further analysis of the income profiles of existing households and newly-forming households would suggest that there is further scope for the development of intermediate tenure products.

Table ES1 Annual affordable housing requirements by sub-area, property size and designation (general needs/older person) 2010/11 to 2014/15

Sub-area	General Needs			Older Person	Total	%
	Smaller 1/2 Bed	Larger 3+ Bed		1/2 Bed	Net	
Whitehaven HMA						
Cleator Moor	1	0		0	1	0.6
Egremont	13	0		5	18	10.7
Whitehaven	24	8		25	57	33.9
Whitehaven Rural Parishes	20	13		3	36	21.4
Whitehaven HMA TOTAL	57	22		33	112	66.7
West Lakes HMA						
West Lakes – Copeland	14	3		2	19	11.3
West Lakes – LDNP	14	0		1	15	8.9
West Lakes HMA TOTAL	28	3		3	34	20.2
Millom HMA						
Millom HMA TOTAL	19	2		1	22	13.1
TOTAL						
Copeland Borough LDF area	91	27		35	153	91.1
LDNP LDF area	14	0		1	15	8.9
TOTAL	104	27		36	168	100.0
%	62.2	16.1		21.7	100.0	

MARKET DEMAND

The National Planning Policy Guidance on Housing (PPS3) requires Local Planning Authorities to identify how it can achieve the right mix of properties through planned development.

Households intending to move in the open market were asked what type and size of property they would like and expect to move to. Of households moving, most would like to move to a house (79.4%), 18.2% would like to move to a bungalow and 2.4% to a flat. This compares with 81.9% who expect to move to a house, 15.1% a bungalow and 3.0% a flat. Although households are expecting to broadly achieve their aspirations, a higher proportion would like to move to a detached house (56.7%) but only 34.5% expect to. In contrast, higher proportions expect to move to a semi-detached house (37.6%) than would prefer to (15.1%).

In terms of property size, the majority of respondents expect to move to a property with two (20.6%), three (54%) or four or more (24.6%) bedrooms. A higher proportion of households would like a property with four or more bedrooms (40.7%).

Newly-forming households tend to move to terraced and semi-detached properties with two or three bedrooms.

Analysis of general market supply and demand suggests that the open market is generally balanced across the Borough. There are some specific imbalances which include:

- Detached properties, particularly in Whitehaven;
- Semi-detached properties in Millom;
- Bungalows in Whitehaven and West Lakes HMA (LDNP).

Future development should focus on delivering to address identified shortfalls and reflect household aspirations

OLDER PEOPLE

Addressing the accommodation requirements of older people is going to become a major strategic challenge for Copeland Borough over the next few decades, with the number of residents aged 65 or over expected to increase dramatically.

The vast majority of older people (69.1%) want to continue to live in their current home with support when needed. A further 22.2% are considering renting sheltered accommodation, 18.9% renting from a Housing Association, 15% renting extra care housing and 14% buying a property on the open market. This evidence points to the need to diversify older persons' provision within the Borough.

Bathroom adaptations, better heating, internal handrails and more insulation are the most mentioned adaptations to existing property required by older person households. 34.8% of older person households required help with gardening, 33% with repair/maintenance and 21.9% with cleaning.

GYPSIES AND TRAVELLERS

The 2008 Cumbria Gypsy and Traveller Accommodation Assessment identified an additional requirement of 1 pitch between 2007 and 2012 across Copeland along with 5 transit pitches.

STRATEGIC MESSAGES

This research will help Copeland Borough Council and its partners in delivering appropriate housing which is sensitive to the varying needs of local communities. Key strategic messages focus on dwelling quality and quantity; rural housing issues; the ageing population and addressing the needs of vulnerable groups.

DWELLING QUANTITY AND QUALITY

The former RSS stated an annual target of 230 additional dwellings across Copeland Borough. This is set against an annual average of 204 completions over the period 2005/6 to 2009/10. It is reasonable to assume that an annual development target of 200-250 dwellings is appropriate for Copeland Borough, although the exact figure will be linked to economic change and especially changes in the nuclear industry and this is being looked into as part of a separate piece of

work. The Strategic Housing Land Availability Assessment will help to identify the range of sites available for development across Copeland Borough. A fundamental challenge for the Borough is to link future housing requirements with future economic change.

Currently, the housing market in Copeland is relatively balanced, with open market demand broadly satisfied by supply, although there are specific shortfalls of some property types. However, there is a noticeable shortfall of affordable accommodation.

Key drivers in determining the tenure and type of future development include:

- The need to continue development to satisfy household aspirations, in particular the development of detached houses and bungalows to offset identified shortfalls;
- The need to deliver open market housing to satisfy demand from economically active in-migrants (who are particularly linked to the Energy Coast economy). These households are generally moving to detached and semi-detached houses with three or four bedrooms;
- Delivering additional affordable housing to help offset the identified net shortfall of 168 dwellings each year; and diversifying the range of affordable options by developing intermediate tenure dwellings and products;
- The economic viability of delivering affordable housing on sites across Copeland Borough;
- The extent to which the local economy will be diversified and future plans for Sell afield will have a major impact on household retention and in-migration into the Borough.

There are an estimated 1,226 vacant properties across Copeland Borough and they are mainly in the private sector. Mechanisms to bring empty properties need to be explored and include:

- Financial/professional help for repairs and improvements in the form of equity loans; grant aid for renovation and subsequent leasing to a Housing Association for a fixed term; a professional service to manage repairs or full renovation;
- Assistance with letting management or the sale of a property

Although the majority of households (73%) are satisfied with the condition of their dwellings, 3,700 households (12.4%) were dissatisfied or very dissatisfied. Levels of dissatisfaction were highest amongst private renters (24.6% expressing dissatisfaction) and social renters (23.8% expressing dissatisfaction).

Improving the energy efficiency of dwellings and modernisation of stock is an important driver to improving the quality of existing stock. Given the need to reduce energy consumption, improve thermal comfort and future-proof households from spikes in energy prices, retrofitting stock with improved insulation, heating systems and solar panels is likely to become a significant strategic issue.

RURAL HOUSING ISSUES

There are two principal rural areas within Copeland, referred to in the SHMA as Whitehaven Rural Parishes and the West Lakes HMA (which includes seven parishes wholly and five parishes partially located within the Lake District National Park, with the remainder in Copeland Borough). Key housing issues include:

- Households in rural areas are most likely to be owner occupiers and prices are generally higher;
- There is a distinct lack of social rented accommodation and an annual shortfall of 70 affordable dwellings across the rural area (36 in Whitehaven Rural, 19 in West Lakes (Copeland) and 15 in West Lakes (LDNP));
- There is strong support amongst residents in rural areas for local occupancy policies to be applied to open market newbuild. This would mean that newbuild dwellings could only be occupied by people with a local connection, for example those who have lived in the Parish/area for at least 3 years or are permanently employed in the Parish/area.

THE AGEING POPULATION AND VULNERABLE PEOPLE

A key challenge is to ensure a greater diversity of support services are made available to older people wanting to stay in their own home. This will allow them to 're-able' people to live in their homes, particularly in remote rural areas.

The range of housing options available to older people needs to be diversified, for instance through the development of open market housing marketed at older people and the development of Extra Care accommodation.

Regarding other vulnerable groups, there is a lack of move-on accommodation for young people and not enough floating support (particularly to support people living independently). The incidence of young homelessness is increasing along with substance misuse.