

DARTFORD BOROUGH
HOUSING NEEDS SURVEY
& HOUSING MARKET
ASSESSMENT

EXECUTIVE SUMMARY
2006



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1 EXECUTIVE SUMMARY

1.1 Local Housing Needs Survey

1.1.1 Dartford Borough Council formally commissioned DCA in July 2006 to carry out a Borough-wide Local Housing Needs Survey and Housing Markets Assessment.

1.1.2 In this summary you will find the main findings from a study undertaken through:-

- A postal questionnaire to 12,000 households in 17 wards, and 400 face to face interviews within 6 wards throughout the Borough, undertaken between 2nd August 2006 and 23rd August 2006. In total 2,743 responses were received giving a statistical confidence at 95% level of $\pm 1.91\%$;
- A housing market survey utilising the Land Registry and Halifax House Price databases of areas within the Borough;
- A telephone survey of estate agents on the supply and cost of private rented housing in Dartford Borough was also undertaken;
- Secondary data analysis drawing upon HSSA and Housing Register data on the need and flow of social stock, the 2001 Census, household and population projections and other national research.

1.2 Population Change

1.2.1 An important feature in measuring housing needs is to forecast what is likely to happen over the next decade or so in order that provision for new housing can be planned. Population change in an area results from a number of factors – numbers of births and deaths, how the population is ageing, and the migration of people into and out of the area.

1.2.2 What about the future?

1.2.3 The population estimates have been provided by Kent County Council and are ONS 2001-based sub-national population projections. The 2001 Census data has been taken into consideration in the production of these population projections.

1.2.4 The population of the Borough is projected to increase by 26.4% between 2001 and 2016; a total of 22,700 people. Numbers increase in all age groups and this will have an impact on the housing market, with rising numbers within the population.

1.2.5 Growth in the population is seen over all age-groups, significant increases in the 16-24 age group (+3,700) and the 25-44 age group (+6,200), the main economically active group and these groups will include in-migrant higher earning households. There are also large increases in the older age groups with the 45 – 64 age group increasing by +6,200 people and the 65+ age group rising by +3,200 people.

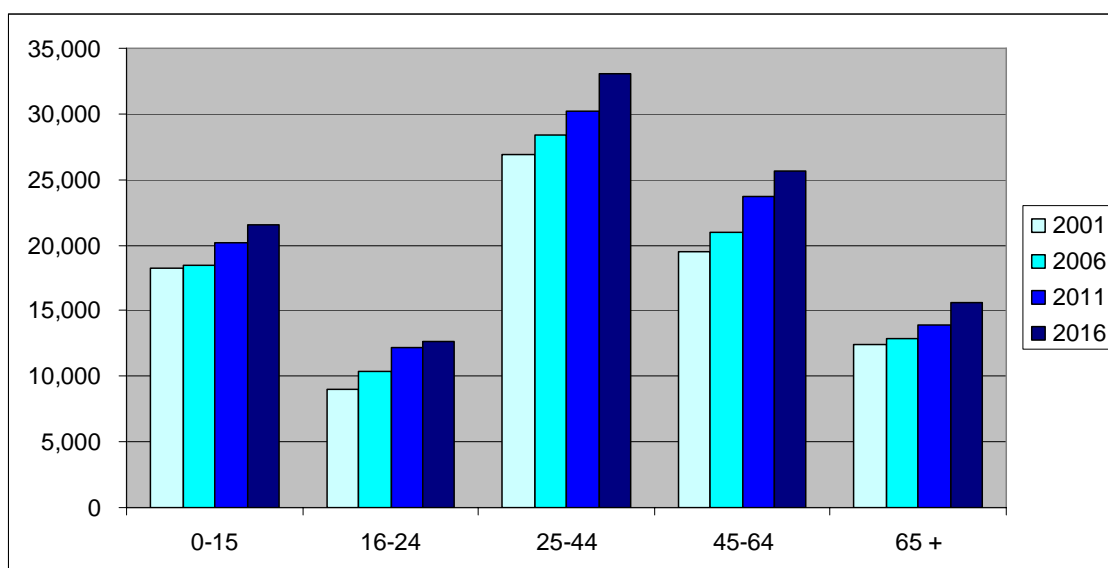
1.2.6 The retired population will increase by 21.4% (300) by 2016. There is an inextricable link between ageing and disability and 55.5% of those with a disability are over the age of 60.

1.2.7 Migration within the housing market has an impact on population balance. 47.9% (4,231) of households who had moved in the last 3 years were in-migrants from outside the Borough. The current location of those households that had moved into the Borough was quite well spread across the wards, however the highest proportions had moved into the wards of Greenhithe (11.9%), Joyce Green (10.6%) and New Town (10.4%).

1.2.8 Only 8.4% of households who had migrated into the Borough had incomes below £10,000, compared to 18.4% of all households. 35.7% of in-migrant households had incomes over £40,000, compared to 28.3% of all existing households.

- 1.2.9 53.5% (3,325 implied) of existing households who had plans to move in the next 3 years were planning to move out of the Borough. In addition 979 concealed households were planning to leave the Borough. Of those 35.4% were leaving for employment reasons.
- 1.2.10 The key features of population change impacting on the housing market are:
- An increase in the number of younger and economically active households;
 - An ageing population with increasing care and support needs.

Figure 1-1 Population Age Band Forecast, Dartford Borough, 2001 - 2016



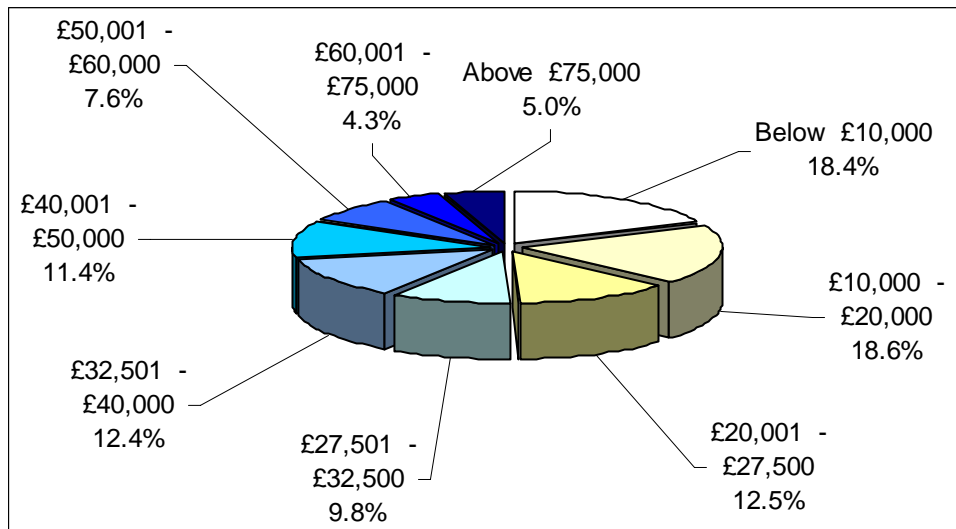
1.3 The Economic Climate

- 1.3.1 The economic climate, changes in national and regional economic policy, alongside labour market trends and local income trends sets the context in which households make decisions about their housing needs and preferences.
- 1.3.2 Dartford Borough is situated on the Thames Corridor, bordering Kent, London and Essex. The Borough has benefited from both a period of regeneration and business developments that have specifically been designated to the area. In addition, the Bluewater shopping centre, new road infrastructure and out of town building and trade parks have brought business and employment opportunities to individuals who reside in the Borough and its surrounding areas.
- 1.3.3 Nationally house prices in the second quarter of 2006 have increased by 3.7% on the first quarter of 2006 where a 0.6% increase was reported, according to Land Registry data. The overall sound UK economic background and the lowest mortgage rates since the 1950s have boosted housing demand for a sustained period but turnover has reduced substantially, prices have stabilised and some property types have reduced in price over the last three quarters of 2005.
- 1.3.4 At a local level, employment and income trends will influence housing choices;
- 57.8% of those in employment are in managerial / technical or professional occupations. 37.5% of those in employment work within the Borough, a further 38.0% work in London;
 - 23.1% of the population are retired;
 - 55.4% of all households had less than £5,000 savings and a further 12.7% had less than £10,000. 16.4% had savings of over £30,000. Of the homeowners responding to the question, 77.3% of owner occupiers without a mortgage had an

equity holding of over £150,000, compared with 27.5% of owner occupiers with a mortgage;

- 18.4% of households had incomes below £10,000, below the corresponding UK figure (20.3%). 49.5% of households in the Borough had incomes below £27,500, well below the national figure (62.3%), a further 22.2% had incomes below £40,000. 9.3% of respondents had an income of over £60,000.

Figure 1-2 Income Distribution of Existing Households

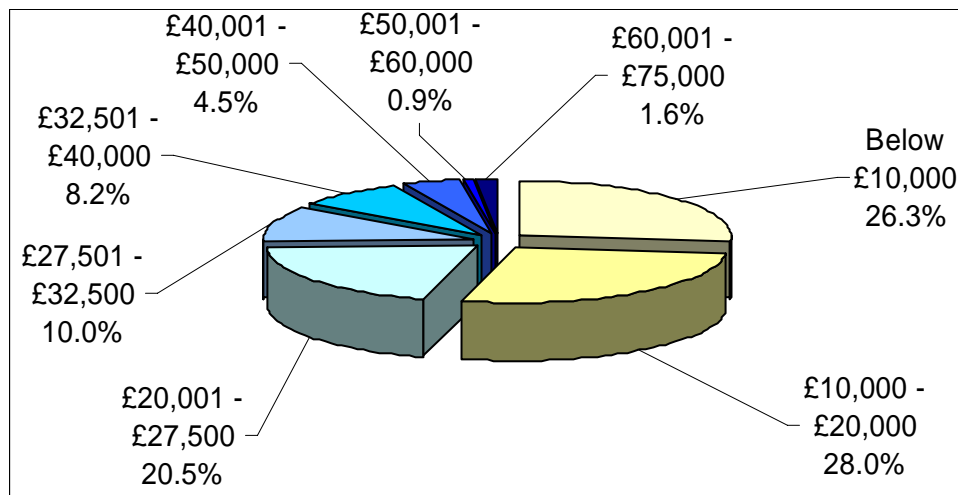


- 33.8% of households were in receipt of financial support (12,499 implied), of whom 32.7% (4,090 implied) were in receipt of Housing Benefit.

1.3.5 Key factors relating to concealed households' ability to meet housing costs are that:-

- A total of 38.3% had less than £1,000 savings and a further 28.1% had less than £5,000. 33.6% had savings of over £5,000;
- 26.3% had household incomes below £10,000 per annum, 28.0% earned between £10,000 and £20,000, 20.5% between £20,001 and £27,500, giving a total of 74.8% with an income below £27,500. Overall 25.2% of concealed households earned above the national average income of £27,500.

Figure 1-3 Income Distribution of Concealed Households



1.3.6 BME Households

1.3.7 Incomes of BME households are slightly higher than those of all households in the sample. 10.8% of BME households had incomes below £10,000, compared to 18.4% in the whole population, both below the corresponding UK figure (20.3%). 61.7% of BME households, had incomes above £27,500 compared to 50.5% in the whole population.

1.4 Current Housing in the Borough

1.4.1 The key features of the existing housing stock are that:-

- The property type profile is skewed towards semi-detached houses, terraced houses and bungalows. The stock of flats / maisonettes is similar to DCA survey experience with the majority being in the social rented sector.
- Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 34.6% of all households and over-occupation affects 3.4% of all existing households, above the national average of 3%. Over occupation levels were high across the social rented and private rented sectors;
- 88.6% of respondents to the household survey said their home was adequate for their needs; 11.4% considered their home inadequate. Levels of adequacy were lower in the private rented sector stock.

1.5 Demand for Market Housing

1.5.1 2,440 existing households requiring market housing will be moving within Dartford Borough in the next 3 years.

1.5.2 Demand from existing moving household focused on semi-detached (39.6%) and detached (23.7%) houses. 66.1% of demand was for 3 or 4+ bed accommodation.

1.5.3 The existing and concealed household demand for specific house types in the market sector are shown in the table below. This reflects the differing levels of existing supply against demand from new households and the impact in actual sales levels created by stock availability and turnover.

Table 1-1 Existing and Concealed Households Market House Type Demand

Type	Existing Households		Concealed Households		Total Moving Households		Current Stock % of Market Housing	Sales %
	%	Nos	%	Nos	%	Nos		
Flat	7.3	178	48.9	534	26.8	712	11.5	23.7
Terraced	18.3	447	28.8	314	28.7	761	33.7	40.5
Semi-detached	39.6	966	19.5	213	44.5	1,179	38.2	26.3

Type	Existing Households		Concealed Households		Total Households		Current Stock % of Market Housing
	%	Nos	%	Nos	%	Nos	
One bed	5.4	132	46.5	508	21.9	640	11.5
Two bed	28.5	695	45.1	492	40.7	1,187	33.7
Three bed	42.3	1,032	5.3	58	37.4	1,090	38.2

- 1.5.4 Important differences exist between the levels of need expressed for property types and their stock supply levels, especially the higher need for flats / maisonettes by concealed households, and to lesser extent terraced and semi-detached houses, than the existing stock. The level of semi-detached stock is high and turnover appears to meet new demand.
- 1.5.5 Small units, flats and terraced houses are 45.2% of existing stock for market housing, the same as the national level for all stock. There is a higher than average level of semi-detached properties with a consequently lower level of detached houses.
- 1.5.6 All site briefs and regeneration projects should promote the house types which are under represented in the stock compared to demand levels in line with the principles in PPS3 issued in November 2006 and future demographic and household formation change.
- 1.5.7 **The Cost of Accessing the Housing Market**
- 1.5.8 The housing market is the context against which all the housing needs of the area are set. In particular, house price information is the basis on which the “affordability” of housing is measured for low-income households. In essence, analysis of the data seeks to establish who cannot afford to enter into the market. This data is then related to the problems faced by the “concealed households” in the area, i.e. households living with friends and relatives seeking to gain access to the housing market.
- 1.5.9 Average house prices in the Borough are 8.5% below the sub-regional average and have risen by 64.6% between 2001 and 2006.
- 1.5.10 The evaluation of the market in Dartford Borough is based on specially prepared information taken directly from the Land Registry database for the year ending 30th June 2006 and an analysis of local estate agency sales looking at entry level properties, i.e. the lowest quartile stock.
- 1.5.11 The Land Registry recorded the average price for all dwellings in the Borough at £193,220. Terraced properties and flat prices have risen by 70.1% and 114.7% respectively between 2001 and 2006. Access to owner occupation is restricted by high and rising prices, with house price increases exceeding local income inflation.
- 1.5.12 An income of £28,500 is required to buy a one bedroom flat in Stone. A two bedroom flat requires an income of £30,300 in Joyce Green / Littlebrook and New Town and up to £41,200 in Heath and West Hill. Terraced properties require an income of £42,800 in Princes and Brent and £55,400 in Joydens Wood.
- 1.5.13 The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and the realistic supply of the cheapest stock available.

1.5.14 The following table shows the annual household income needed to buy entry-level stock by area in the Borough, based on a 95% mortgage availability and a 3-times gross income to lending ratio, the 2000 Good Practice Guidance recommended levels.

Table 1-2 Annual Household Income Required to Purchase by Area

Sub-Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Heath, West Hill *	38,000	41,200	53,800
Town	30,900	37,200	45,100
Joydens Wood	No data	No data	55,400*
Joyce Green, Littlebrook, New Town	29,400*	30,300	47,200
Princes, Brent *	33,300	38,000	42,800
Stone	28,500	31,700	47,500*
Castle, Greenhithe	30,100	37,200	47,600
Swanscombe	28,900	38,000	43,800
Wilmington, Sutton at Hone & Hawley	33,300	36,400	52,800
Bean & Darenth, Longfield, New Barn & Southfleet	31,700*	38,000*	45,100

* - Low Volume of Data

1.5.15 The income levels of concealed households can change over a relatively short time and for this reason Guidance requires that the incomes of those who managed to form in the recent past are those used in the Assessment Model calculations.

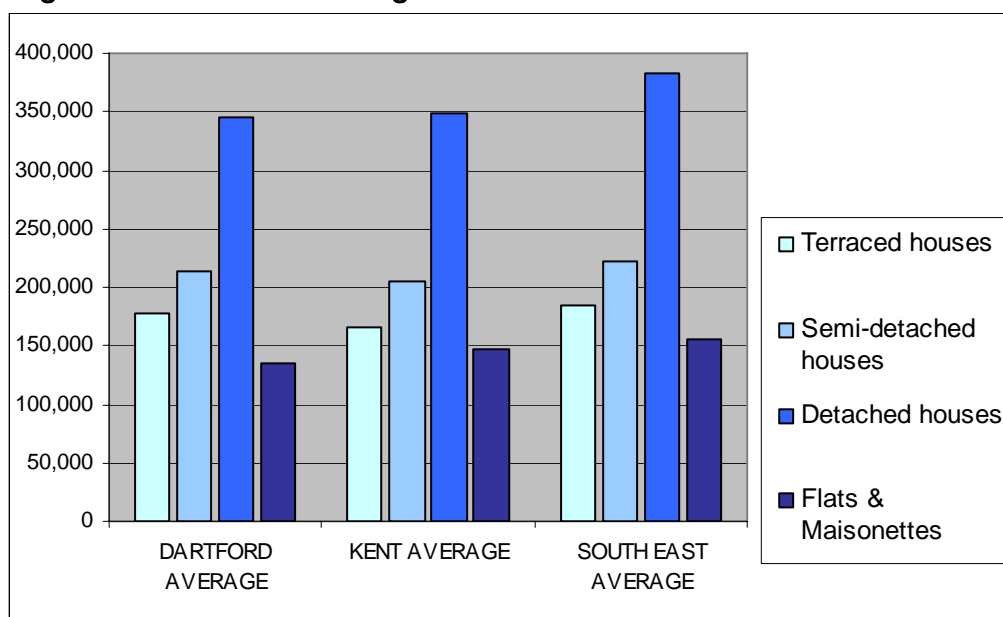
1.5.16 Although the average price of terraced properties according to the Land Registry survey is £178,185, entry sales levels vary across the Borough with the lowest entry prices, starting at around £135,000 in Princes and Brent, rising to £175,000 in Joydens Wood for a 2-bed terraced property. 3-bed terraced properties start at £149,998 in Swanscombe, rising to £187,498 in Wilmington, Sutton at Hone & Hawley for a 3-bed terraced property.

1.5.17 The survey findings indicate that income levels of around 52.8% of the new households who formed in the past year are unable to buy. 29.2% have incomes below the level necessary to access the private rented sector in the Borough. These income levels are higher than those of concealed households about to form this year.

1.5.18 Flat / maisonette properties are assessed to be the main entry level for first time buyers in view of their relatively lower cost and volume of sales. The ability of concealed households to access the market is limited. 67.6% of newly formed households have incomes above £27,500, the national average. The cheapest 1 bed flat / maisonettes in the Borough require an income of £28,500 and 35.4% of newly formed households earn below this level.

- 1.5.19 Even though a household does not want to rent privately the income required to access the market is usually the rental level. 29.2% of recent forming incomes are below the level necessary to access the private rented sector in the Borough.

Figure 1-4 2006 Average House Prices



- 1.5.20 Access to the owner occupied and private rented sector is restricted by cost. 50.7% of all concealed households could afford a monthly mortgage of no more than £350 pcm; 69.3% no more than £430 pcm.

1.6 The Need for Affordable Housing

- 1.6.1 The total annual level of outstanding affordable need is 356 units, after allowing for current re-let supply. Despite the evidence of the scale of need from existing and concealed households, there are wider issues to consider when setting targets for delivery of affordable housing from new developments. Primarily there is a need to build viable, sustainable developments.
- 1.6.2 In view of the scale of need, subsidised affordable units should be negotiated on all suitable sites, the target for each site taking into account existing supply, survey demand and other regeneration, planning, sustainability and economic factors.
- 1.6.3 Based on the evidence found in this assessment, the LDF Core Strategy could consider an overall affordable housing target of up to 30% of new units as the target for affordable housing over the period to 2012. The projected scale of new delivery rises from 568 units in 2007/08 to 1,900 in 2011/12 and remains between around 1,700 and 2,200 each year to 2016. In view of the major variation from 2007/08 the revised target should be considered again after the 2011 assessment is completed.
- 1.6.4 New housing is not the only source of supply and the target should take account of conversions and sites which delivery 100% affordable housing, even though there may be a very small supply from these sources.
- 1.6.5 The social rented stock in the Borough at 16% is below the national average and provides 431 units annually from the flow of the existing stock.
- 1.6.6 The average increase in entry-level house prices since 2001 is 70.1% for terraced houses and 114.7% for flats, have excluded many 'first-time buyers' from the owner occupied market.

- 1.6.7 There is still a need for social rented properties, both for concealed households and existing families. However in both stock and availability from turnover, the social rented sector provides over 17 times the scale of units (412) to those from shared ownership (24) each year.
- 1.6.8 There is no obvious solution to fully meet the scale of need other than a severe market crash or significant increases in incomes above inflation to solve access to the market for people on both average and below-average incomes in Dartford.
- 1.6.9 There is therefore a need to deliver at least 50% of affordable units as intermediate housing. Bearing in mind that the total scale of intermediate housing preference expressed by existing and concealed households of 254 per year is almost 100 units more than the total projected annual future affordable housing delivery over the next two years to 2008 and is over 70% of total need annually, this target proportion could be higher.
- 1.6.10 The tenure balance recommended is only in terms of the total delivery and will need to be assessed for individual sites to take account of the existing flow of re-lets from the rental stock and other area / neighbourhood priorities. Targets may vary above and below this level both in total and by tenure on a site by site basis.
- 1.6.11 Housing strategy also needs to consider the needs of both concealed and existing households for social housing. This need must be assessed in the context of a market which is increasingly beyond the reach of low income existing and concealed households.
- 1.6.12 In addition to the scale of affordable housing to meet general household requirements, there are specific needs which should also be addressed. These are highlighted in the following sections.

1.7 Sheltered Housing

- 1.7.1 In total, the data suggests a combined requirement for sheltered accommodation from older people currently living in the Borough (321 households) and those who may in-migrate to be beside their family (974 households) of 1,295 units, 891 in the affordable sector and 404 in the private sector.
- 1.7.2 Some of this requirement will be addressed by flow of the existing sheltered stock, but acceptability of existing stock to meet today's standards will need to be assessed in calculating the scale of new delivery.
- 1.7.3 The significantly higher level of elderly accommodation for people moving into the Borough is common to other DCA surveys and is a new factor in the housing market. Generally, the forecast is being made by their children who assist in the moving process. Conversely the indigenous older population prefer to continue in the area / surroundings they know and within their own home as long as possible and actual migration should be monitored annually.

1.8 Extra Care Housing

- 1.8.1 The significant levels of growth in the older population in future will have a direct impact on the nature of specialist accommodation requirements for older people. This survey identified a need for 273 units of extra care accommodation over the next three years. The need is likely to be greater than this level and an audit of existing sheltered housing schemes should be undertaken as part of the development of an Older Persons Housing Strategy. When projected over 10 years the survey identifies a need for 2,730 extra care units.

1.9 Supported Housing and Support Issues

1.9.1 The Survey identified a need over the next three years for: -

- 119 units of independent accommodation with external support;
- 14 residential / nursing home units;
- 307 units of Council / HA sheltered housing and 14 private sheltered units;
- 20.1% of households in the Borough contain somebody with a disability (7,125 households implied), of which 17.1% had two members affected. 55.5% of all household members were over 60, including 29.4% over 75;
- The largest group (3,418 implied) affected by a named disability were those with a walking difficulty, representing 45.7% of those with a support need;
- 12.7% of these households contained someone who was a wheelchair user, suggesting around 950 in the Borough as a whole;
- Some 39.9% (3,530 implied of household members with support needs) felt they needed care or support which is not currently provided;
- 9.3% of all dwellings have been adapted to meet the needs of a disabled person. 52.1% of adaptations have handrails / grabrails, 53.7% have bathroom adaptations and 32.6% have a ground floor toilet.

1.10 Housing Stock Balance Analysis

1.10.1 The nature and turnover of the existing housing stock is vitally important in meeting current and future housing demand in all tenures. The information gained from a separate detailed stock flow analysis will be of major benefit to the development of site development briefs for the delivery of both private sector and affordable sectors, in balancing housing markets and in longer-term business planning.

1.11 Recommendations

1.11.1 Balancing the Housing Market

- Provide a mix of house types in both market and social sectors. There is a shortfall of detached properties in the market sector and 4 bed units in the social sector. There is also a need for smaller units from new and existing households to address stock imbalance and the impact of demographic change.
- Continue to negotiate with prospective developers towards achieving subsidised affordable homes from the all suitable sites coming forward for planning consent over the period of the Local Development Framework. Each site will need to be assessed individually, targets being subject to wider planning, economic viability, regeneration and sustainability considerations and will require a flexible approach to specific site negotiation.
- Based on the evidence in this assessment the LDF Core Strategy could consider an overall affordable housing target of up to 30% of the total of all suitable private sector sites up to 2012.
- The rise in house prices in excess of inflation is resulting in greater difficulty in entering the local housing market. Within the overall target DCA recommend that at least 50% of the target should be intermediate market housing, provided it is delivered at a cost below the cheapest entry level costs in the general market and would be available on a similar basis to subsequent purchasers.
- Both the affordable housing target and the tenure balance within it may vary on a site by site basis.
- The new lower site threshold of 15 units or 0.5 hectares is the standard level in PPS3, the new Planning Guidance. The Development Plan should promote the lowest threshold considered viable and which will deliver additional affordable units from the scale of smaller sites.

1.11.2 Older Persons Housing Needs

- Develop an Older Persons Housing Strategy to address the current and future growth in older people and frail older households across all tenures, and their related care and support needs to:-
 - ◆ assess and prioritise the need for support services and adaptation required to keep people in their own home;
 - ◆ re-assess existing sheltered stock in meeting today's housing standards and preferences;
 - ◆ assess the need for 'extra care' accommodation for the growing frail elderly population.

1.11.3 Disabled Persons Housing Needs

- Continue to promote disabled adaptations in order to improve the ratio of suitably adapted properties for disabled people.
- Develop a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.
- Consider adopting Lifetime Homes standards for new housing.