

**SHMA Stakeholder Event 2010
Comments and feedback**

The Housing Market Partnership (Braintree, Chelmsford, Colchester and Maldon councils) held the SHMA Stakeholder Event 2010 at the Minerva Centre, Maldon on 30th September.

Presentations covering housing needs, market activity, affordability and migration were delivered to an audience of around 30 stakeholders including developers, registered social landlords, and local authority members and planning staff. A discussion of the key points raised followed and the comments and feedback from stakeholders and the HMP have been summarised below.

Italic type represents comments made by members of the HMP and non italic type are comments from stakeholders.

Question: how many under-occupying households have their needs met each year?

Comments:

- *Braintree, Chelmsford and Colchester can expect approximately 600 applicants from their registers to be housed each year and Maldon approximately 150 including sheltered.*
- *Meeting housing need through the development of new homes is now more challenging with fewer schemes being brought forward and issues with land availability etc.*
- *The three local authorities of the Housing Market Partnership involved with the Gateway to Homechoice choice based lettings scheme, Braintree, Colchester and Maldon, offer a Transfer Incentive Scheme to applicants who are under-occupying properties to help them find a suitable property more quickly. However such applicants usually do not have urgent housing needs and can therefore be more selective about properties they bid for. It is possible to report from the Gateway to Homechoice system which areas those applicants who are signed to the Transfer Incentive Scheme have indicated a preference.*
- *New development can provide an opportunity to encourage under-occupying households to downsize. Sharing information about housing needs of those currently under-occupying with developers could help provide new homes that specifically meet needs and preferences of under-occupying households.*
- *Many older people under-occupy family size homes. Looking into developing housing options to meet the diverse needs of this group should help encourage downsizing across tenures. The initial cost of providing housing for older people can be more expensive than general needs housing however the value of what stock can be brought back into the social sector is of significant value.*
- *We have been encouraged to build homes to Lifetime Homes Standard however this inhibits movement within the social sector and promotes under-occupancy.*

Question: With the baby boomer generation coming of age how are districts intending to meet this housing need?
<p>Comments:</p> <ul style="list-style-type: none"> • It's important to acknowledge housing needs of older people can be diverse and wide ranging. • Helen Court, the new extra care scheme completed this summer in Witham was identified as an example of meeting housing needs of older people effectively. However it was pointed out this type of housing and support provision is very expensive and may prove problematic as older people are often capital rich but cash poor. • Flexible housing options could be considered to help meet changing housing needs for example developing family size properties that could be more easily converted into flats if deemed a better use of stock. • <i>Choice based lettings have helped enable better use of existing adapted stock.</i> • People need to be more aware and better informed about the housing options available to older people. • More partnership working across agencies should help to deliver ideal housing solutions for older people in the same way as Helen Court.
Question raised: Are caravans on sites included as a form of affordable housing and if not, why not?
<ul style="list-style-type: none"> ▪ <i>Although comparatively cheaper to purchase or rent, caravans on caravan sites are not classified as affordable housing as in most cases planning consent restricts continuous occupation throughout the year making them only suitable for use as temporary accommodation.</i> ▪ <i>Following an incident in Essex resulting in a fatality a 'serious case review' by social services was carried out. All local housing authorities in the county have agreed not to use this type of accommodation even for temporary provision, e.g. for homeless families awaiting move-on into more settled accommodation.</i> ▪ <i>Even if planning permitted continuous occupation, design and construction limitations would prevent this from being a sustainable option, especially considering the overall annual costs of acquisition, management and maintenance, compared with conventional housing.</i>
Question raised: Household income by place of residency or work: the data suggests that households are either working in the district or are working outside of the district, there must be 'blended' households, where is this data?
<p>Comments:</p> <ul style="list-style-type: none"> ▪ <i>The purpose of showing the two different levels of income is to demonstrate the extent to which the housing market is sustained by local employment or reliant on employment and an economy outside of the district. The wider the gap the less likely that local employment is supporting the local housing market and vice-versa.</i>

- *Recognition of this variation of income levels is linked to the concept of Key Workers where there were concerns that some areas with very high resident incomes would not be able to attract and retain lower paid key workers to provide some essential services.*
- *It is accepted some households will have a combination of incomes and it is not the intention to imply this does not exist, merely to account for why prices may be greater than local income levels would suggest and the likely prevalence therefore of a commuting workforce.*
- *Conventional housing needs surveys which often form part of a Strategic Housing Market Assessment may ask for, and therefore be able to show, the composition of households, their income and place of work although sometimes this has to be assumed by looking at just the travelling distance to work. This may be the only example, other than the census, data on these 'blended' households becomes available in a way that is accessible for SHMAs.*

Question: Has there been more demand for 1 bedroom properties over the last 5 years?

Comments:

- *There are different factors driving demand for type and size of property between the private and the social sectors.*
- *In the social sector the size of property households are eligible for is based on an assessment of household size and circumstances. The districts have all observed increases in the total number of applicants on their housing registers which include an increase in the number of single person households eligible for one bedroom properties.*
- *However one bedroom properties have limited capacity to meet the changing needs of households compared to two bedroom properties and where viable a larger proportion of two bedroom properties on new schemes compared to one bedroom properties may serve better to meet housing needs long term.*
- *In the private sector the demand for type and size of property is often driven by financial capacity of the household as well as size. Households purchase one bedroom properties usually because they are unable to afford the rent or mortgage payments for a larger property.*

Question: In Chelmsford much of the 5 year supply is town centre apartments. Historically this market has been fuelled by first time buyers and investors. Given funding difficulty for FTBs and lack of investors how has this been factored into trajectory?

Comments:

Chelmsford BC: The Borough Council's Housing Trajectory is published annually in December within the Council's Annual Monitoring Report (AMR). Therefore, it is a snapshot and is in the process of being reviewed for publication in December 2010. In common with most areas there are certain town centre sites in Chelmsford that have stalled due to the economic downturn. However, having said that, it is not the case that all town centre sites fall in this category and the Council is actively working with developers

and landowners in order to bring these sites forward.

It should also be noted that 'Greenfield' development makes a significant contribution towards the 5 year land supply and the Borough Council currently has planning applications being considered for up to 4,000 new homes in NE Chelmsford and 130 new homes in NW Chelmsford with further major applications expected. This reflects the progress that the Council has made in preparing its Local Development Framework with an adopted Core Strategy and well advanced North Chelmsford AAP.

Therefore, the Housing Trajectory will be reviewed to reflect the latest position, but in light of the evidence above, it is not considered that the growth envisaged is unrealistic.

Other comments from HMP:

Generally speaking most parts of Essex will continue to see growing demand from more, smaller households – but does this mean that they will all want smaller units? It is acknowledged that high density can become increasingly unviable, leading to higher costs and prices which need to be balanced alongside other options in particular older two-bed terraces etc. Who is going to buy (other than for investment) a flat when there is a cheaper house down the road? Personally, if grant funding could provide more elsewhere I would consider taking a commuted sum from a scheme like this and invest in somewhere that would give greater value for money. This would then leave it in the hands of the developer as to when to build and how to manage the problem.

Question: Are there any deposit schemes for private rent?

- *There are limited resources to facilitate private rent deposit schemes and are therefore mainly used as a mechanism to prevent households from becoming homeless or homeless households.*

Question: So what, what can we do now?

Comments:

- *As the Regional Spatial Strategies have been withdrawn the SHMA now has a greater role in indicating housing need across tenures and its contribution to Local Development Framework should be acknowledged.*
- *The HMP will be looking to carry out a new SHMA and to update the Balanced Housing Market CLG Model once the market has become more stable.*
- *There needs to be some maneuverability within existing policy for developers to put forward schemes offering shared equity homes without having to have an RSL partner on board.*
- *Comments were made from stakeholders that more Greenfield land should be released to help enable new development and to generate funding from planning permission.*
- *It will be interesting to see how the new government's localism plans impact new development.*
- *There needs to be a well coordinated approach to developing new homes across organisations involved with housing and organisations involved with providing*

infrastructure.

- Large deposit requirements from some shared equity schemes can be unaffordable for the households they designed to help.