Braintree District Council

Strategic Housing Market Assessment

Update Autumn 2011

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Braintree District Council

Braintree District Council SHMA Update 2011

Housing need

Applicants on the register
The total number of housing applications registered by Braintree District Council in June 2011 was just over 4,000. Approximately 1,400 were assessed to be in reasonable housing need and banded in either Band A, B or C. Band A represents households whose needs are considered to be most urgent and also households who are under-occupying large family sized homes and looking to downsize. Band B represents households with serious housing needs and downsizing from 2 bed homes. Band C represents those with moderate housing needs.

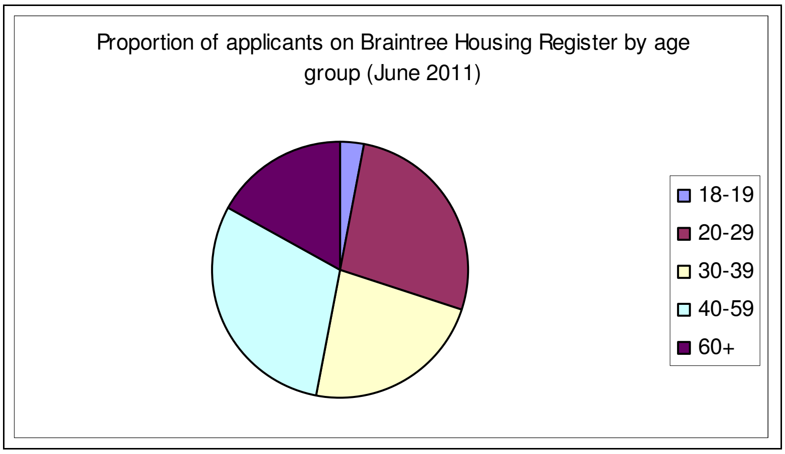
The table below summarises the number of applicants by individual band on the Braintree housing register.

Band	A	B	C	D	E	F	Total
Number of applicants as 23.06.11	89 (66 downsizing)	252 (39 downsizing)	1,061	159	2,393	55	4,009

Age of housing register applicants
The table below shows the number and proportion of applicants on the housing register by age group:

Age group	18-19	20-29	30-39	40-59	60+	Total
Number of applicants as 23.06.11	115	1,066	921	1,209	692	4003
Percentage of register	3%	27%	23%	30%	17%	100%

The proportion of applicants by age group is shown by the pie chart below:



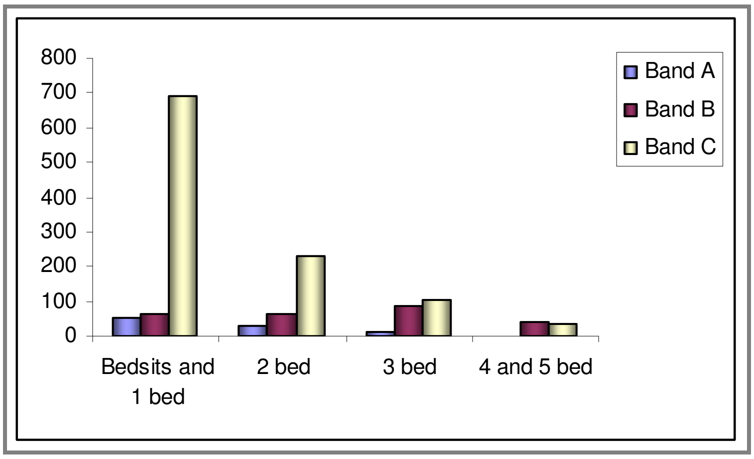
50% of the applicants on the housing register are between the ages of 20 and 39. This compares to 30% of applicants being aged between 40 and 59 and 17% of applicants being 60 or over.

Size of homes needed

The table below shows the size of properties needed by those households in band A, B and C (people assessed to be in reasonable housing need).

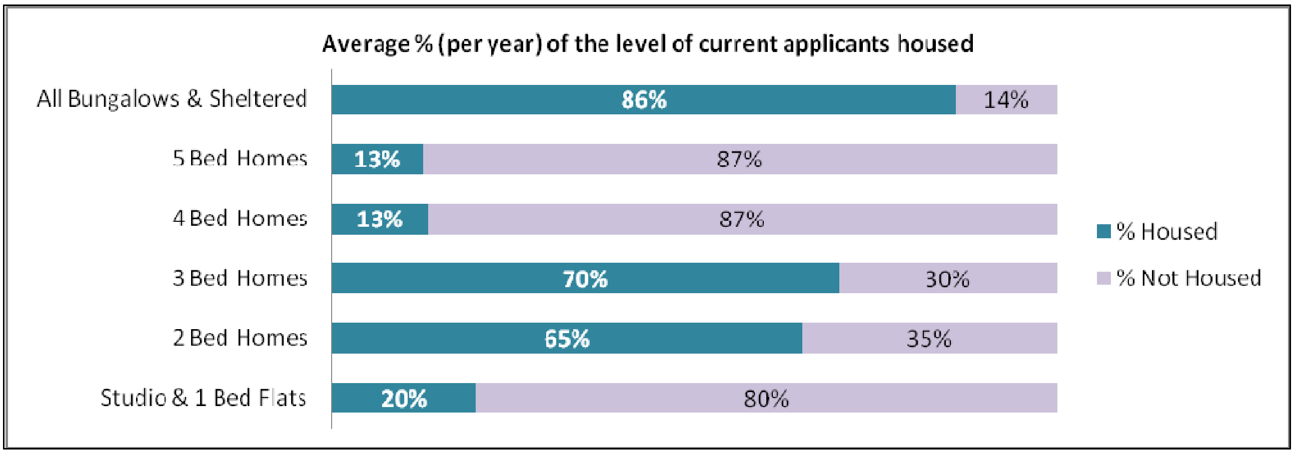
	Bedrooms required				
Number of applicants by band:	**Bedsit and 1 beds**	**2 bed**	**3 bed**	**4 and 5 bed**	**Total**
Band A	54	26	9	0	89
Band B	62	62	86	42	252
Band C	693	233	101	33	1,060
Total	**809**	**321**	**196**	**75**	**1,401**

(Source: Abritas as at 23.06.2011)



Supply of affordable homes in the district

The graph below aims to show to what extent the needs of housing register applicants can potentially be met each year from the churn within social housing stock across the district. The analysis compares housing register applicants in bands A-C by property size needed (as at August 2011) with the lettings made to social rented properties via the housing register during 2009/10 and 2010/11. This comparison provides an indication as to the level of need that could be met from general turnover of social housing stock each year.



As the graph shows the vast majority (86%) of housing register applicants in need of bungalows and sheltered housing could expect to have their needs met in a year through the general churn of this property type. This suggests the district has an adequate provision of this type of housing.

In contrast however the low annual average (only 13%) of 4 and 5 bed needs being met within a year and also the needs for studio and 1 bed accommodation (only 20%) strongly suggests there is a need for more homes of this type to be provided across the district.

This analysis was undertaken as part of a larger two year project looking at local housing needs in and development opportunities in the district which commenced in 2011.

Waiting times to be housed

The time taken for a household to be housed from the housing register is influenced by a wide range of factors including:

- The priority Band of the applicant;
- The applicants effective date;
- The size of property needed;
- The type of property needed; and
- The location of the property

A study into the length of time taken for housing register applicants to be housed in the Braintree District between 2009/10 and 2010/11 was undertaken in August 2011. The study provided the average number of months taken to be housed from the register by priority band, property type, size and property location based on applicants who had been housed between 30.04.09 and 31.03.2011.

The table below summarises the findings regarding average waiting times (in months) for a home in the Braintree District.

Average waiting time in months for a homes in the Braintree District						
	Band A	**Band B**	**Band C**	**Band D**	**Band E**	**All bands**
	Number of months					
1 bed flat	2.0	5.2	26.0	No data	No data	19.7
1 bed bungalow	4.8	5.6	6.0	No data	No data	5.5
2 bed flat	1.7	2.9	12.6	No data	No data	7.8
2 bed bungalow	5.6	6.5	10.6	No data	66.3	10.2
2 bed house	3.3	5.4	11.3	No data	19.3	6.1
3 bed bungalow	No data	19.1	No data	No data	No data	19.1
3 bed house	6.0	8.0	20.2	No data	22.9	8.8
4 bed house	11.7	31.3	No data	No data	No data	27.8
5 bed house	No data	14.7	No data	No data	No data	14.7

(Source: Joint Strategic Needs and Land Supply Study, BDC and Greenfields)

As the data in the table above shows, applicants in Band A can expect to wait on average 2 months to be housed in a one bedroom flat and up to a year for a 4 bed house. Band B applicants can expect to wait on average 5.2 months for a 1 bed flat and over 2 ½ years for a 4 bed house. Applicants in Band C can expect to wait over 2 years on average to be housed in 1 bed flat. The data sample for Band C applicant waiting times for 4 bed houses was too small to analyse.

Average waiting times for 2 bed flats is comparatively low across all priority bands. Those in Band A can expect to wait less that 2 months to be housed in a 2 bed flat and applicants in Band B can expect to wait for less than 3 months.

Under occupation in social housing
As shown previously there are over 271 households in the district on our housing register assessed as needing to move to a family sized home (3 beds, 4 beds and 5 beds). To help increase the availability of these larger homes within existing affordable housing stock, we work with housing providers to offer incentives to households under occupying large properties and support them to move to a home more suited to their needs.

Households occupying 2, 3, 4 and 5 bedroom properties wanting to downsize receive a high priority band to help them move into a smaller property more quickly. Many housing associations offer financial incentives to encourage households to downsize. Greenfields CH operate a Transfer Incentive Scheme offering £500 for every bedroom released by a household moving to a smaller property. For example if a household moved from a 4 bed property to a 2 bed property they would be awarded £1,000 by Greenfields. Other incentives are also available in the form of services to help households move such as arranging for removals, ordering and fitting carpets or flooring, installation of appliances and help with redecoration.

Between 01/04/2010 and 31/03/2011 there were 507 lets of affordable housing properties in the Braintree district made to applicants from the Braintree housing register. Of these 507 lets, 102 were to 3, 4 or 5 bedroom properties. 38 (37%) were enabled by households downsizing via the Transfer Incentive Scheme (TIS) where occupiers had moved to smaller accommodation. This demonstrates the significant role of the scheme in enabling the availability of larger sized homes for families.

In June 2011 there were a total of 105 applicants looking to downsize to smaller properties on the housing register (66 households were looking to move out of either 3 and 4 bed properties and a further 39 applicants were looking to move out of 2 bed properties).

Establishing an exact level of under-occupation within the social sector can be difficult however evidence can be gathered to provide a reasonable estimate of under-occupancy and highlight where more in depth investigation may be required.

Estimates of under-occupancy
Greenfields Community Housing (GCH), the largest housing association operating in the Braintree District undertook a desktop study in July 2011 with the aim of gaining an insight into the potential level of under-occupancy across their larger homes.

The study cross referenced lead tenants over the age of 60 with the size of property they occupied. Where the lead tenant was 60 or over and occupying a 3,4,5 bed it was highlighted as a potential case of under-occupancy.

The table below shows the number of GCH larger family sized homes where the lead tenant is over 60 years old by size of property.

GCH analysis of large family size homes where lead tenant is over 60 (district wide)				
	3 bed	**4 bed**	**5 bed**	**Total**
Number of larger homes where lead tenant is over 60	1,034	46	1	1081
Total number of larger family homes owned by GCH	2,948	144	5	3,097
District wide % of potentially under occupying family sized homes	35%	32%	20%	35%

The table above shows the highest proportion of potentially under-occupying households is found in three bedroom properties followed by 4 bed properties. The data sample size for 5 bed properties was too small to draw any accurate indications.

The table below gives a breakdown of potentially under occupied GCH properties by the three main areas of the district, Braintree, Witham and Halstead.

Area breakdown of GCH analysis of large family size homes where lead tenant is over 60					
		Total	**3 bed**	**4 bed**	**5 bed**
Braintree	**% of potentially under occupying**	34%	34%	41%	0%
Witham	**% of potentially under occupying**	34%	34%	25%	100%
Halstead	**% of potentially under occupying**	38%	38%	36%	0%

(Source: Greenfields Community Housing)

The study undertaken by Greenfields Community Housing indicates that potentially 35% of their 1,081 large family sized homes (3, 4, 5 beds) may be under occupied.
Analysis of potential under occupancy of family sized homes in the three main areas of the district (Braintree, Witham and Halstead), indicates there could be a greater level of under-occupancy of family size homes in Halstead than in Braintree and Witham.

Market Activity

House sales
Monitoring aspects of the local housing market can support the assessment of housing needs locally. The data presented in the following section has been sourced from secondary data sources including rightmove.co.uk, Hometrack and local authority Annual Monitoring Reports.

Turnover as a percentage of housing stock
To calculate the number of house sales as turnover of total housing stock across the district, the total number of house sales for each of the three main postcode areas of the district over the past year were recorded from rightmove.co.uk. These figures were then added together to provide an estimated total number of sales across the district and divided by the total number of households in the district as shown in the table below.

Postcode area	Estimated number of sales Nov 2009 to 2010	% of all sales	Estimated number of sales Nov 2010 to 2011	% of all sales
CM7/ Braintree	654	47%	475	46%
CM8/ Witham	399	29%	320	31%
CO9/ Halstead	332	24%	248	24%
Total	1,385	100%	1,043	100%
Total number of sales as a proportion of total housing stock	1385/61,614 x 100 = 2.2%		(1043/62,028) x 100 = **1.7%**	

(Source: rightmove.co.uk)

As the data above shows the majority of property sales were seen in Braintree area followed by Witham and then Halstead. This would be expected as this trend correlates to the size of each area.

The table below provides details of the number of properties being marketed for sale in the three main areas of the district over the last six months.

	Number of properties being marketed for sale March to August 2011							
	Mar	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Monthly average**	**As a % of all marketed properties**
Braintree	942	922	956	956	907	918	934	52%
Witham	431	405	438	435	449	436	432	24%
Halstead	405	435	461	483	451	436	445	25%
Total	1,778	1,759	1,855	1,874	1,807	1,790	1,811	100%

(Source: rightmove.co.uk)

The table above shows over half of all properties marketed for sale over the past six months have been in the Braintree area. The number of properties being marketed for sale in Witham is fractionally lower (by 1%) than figures for Halstead. This is not normally what we would expect as Witham is a larger town than Halstead and better served by transport links.

It is important to acknowledge that whilst this data provides an indication of market activity in the three main areas of the district it is not fully representative as there are several smaller areas administered under different postcodes that have not been recorded here.

Sales per annum 2007 to 2011 (up to October)
The following table shows the total number of property sales across the district each year between January to December from 2007 and up to October 2011.
Please note: This dataset does not tally with information presented previously regarding sales between November 2009 to 2010 and November 2010 to November 2011 for the following reasons:

- The data source used to provide the latest sales information above (November 2010 to November 2011) was www.rightmove.co.uk however figures showing the total overall annual sales in the district since 2007 have been sourced from Hometrack.
- The time periods are different between the data sources used. Rightmove data shows annual figures between November to November whereas Hometrack data refers to years from January to December.
- Total annual sales information from Hometrack is often updated retrospectively as a result of the time taken for land registry records to be updated following the sale of a property. Figures for earlier years such as 2007, 08, 09 are likely to remain unchanged but amendments could be made to more recent years as records are updated.

Year	Total number of property sales across district	% change in total number of property sales from previous years
2007	3,369	-
2008	1,559	-54%
2009	1,813	+16%
2010	1,944	+7.2%
2011 (up to October)	892 (incomplete dataset)	Percentage change from 2007 to 2010 = -42%

(Source: Hometrack)

As the table above shows the number of properties sold in the district has dramatically reduced since 2007. The number of sales occurring in 2008 represented less than half of the total number of property sales in 2007. The figures indicate there has been some level of recovery in property sales since 2009 although the number of sales recorded in 2010 represent just 58% of the number sold pre-recession in 2007.

Average house prices
District overview:
The average house prices for the three individual towns of the district based on house sales within the last year are shown in the table below. These figures have been added together and divided by three to provide a district average house price.

Postcode area	Average price of property (based on sales between June 2010 - June 2011 across all types and sizes)	District average property price 2010/2011 (based on sales between June 2010 – June 2011)
CM7/ Braintree	£193,741	**£202,760**
CM8/ Witham	£220,257	
CO9/ Halstead	£194,283	

(Source: rightmove.co.uk)

The following table shows average sold prices by property type and main town area based on sales between June 2010 and June 2011 providing a further insight into the local housing market.

Sales within June 2010 and June 2011 by main town area across the Braintree district						
Postcode/ main area		Property type Flat	Semi-detached	Detached	Terraced	Total number of sales June 10 to June 11 (% of total sales)
CM7/ Braintree area	Number of sales (% of sales in area)	94 (18%)	177 (34%)	139 (27%)	113 (22%)	523 (45%)
	Average price paid by housing type	£133,765	£183,023	£298,003	£160,173	
CM8/ Witham area	Number of sales (% of sales in area)	90 (25%)	98 (27%)	47 (13%)	129 (35%)	364 (31%)
	Average price paid by housing type	£114,253	£191,337	£413,988	£161,451	
CO9/ Halstead area	Number of sales (% of sales in area)	31 (11%)	90 (33%)	83 (31%)	67 (25%)	271 (23%)
	Average price paid by housing type	£105,708	£184,190	£333,001	£154,231	
	Total number of sales (% of sales in district)	215 (19%)	365 (32%)	269 (23%)	309 (27%)	1,158
	District average price by housing	£117,909	£186,183	£348,331	£158,618	

	type					

(Source: rightmove.co.uk)

As the table shows the majority of properties sold during June 2010 and June 2011 were semi-detached. The smallest proportion of sales were flats.

The majority of sales completed during June 2010 and June 2011 occurred in the Braintree area followed by Witham and then Halstead. Sales figures suggest there was almost twice as much sales activity in the Braintree area than Halstead during this period.

Entry Level House prices – comparison with previous years

Research for the original SHMA was undertaken pre-recession in 2007 with the final assessment being published in 2008 just as the initial effect of the recession was becoming apparent.

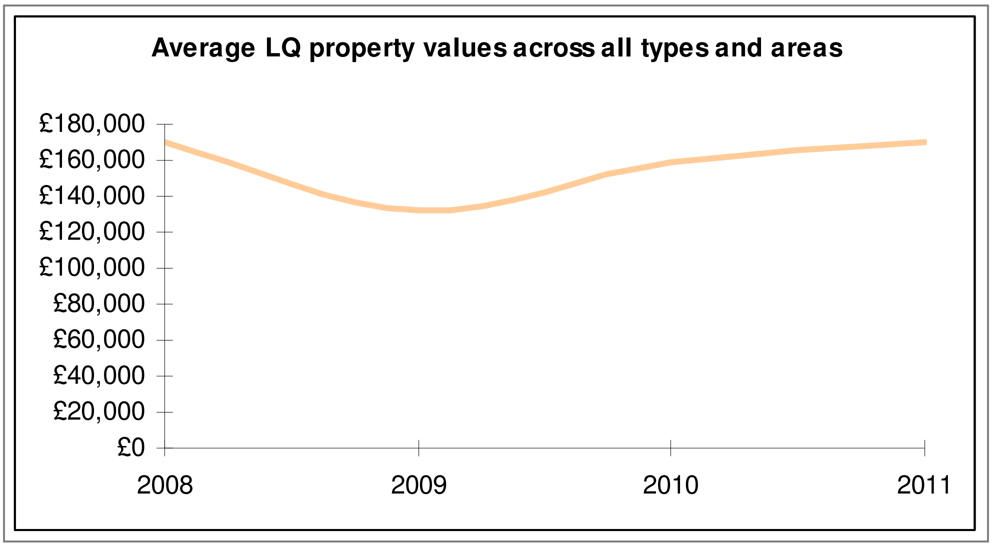
At the time of the data being gathered for the SHMA, property prices and mortgage accessibility were both high, however by the time of the first annual SHMA update in 2009 the full impact of the recession on local housing markets had become evident as property prices plummeted and markets shrunk.

The following table shows average lower quartile property prices by number of bedrooms across the district recorded through the annual data updates to the SHMA since 2008.

Average lower quartile property prices 2008 to 2011						
	Beds					
	1	2	3	4	5	Average LQ property price across 1-4 bed properties only
April 2008 (SHMA)	£100,00	£136,000	£182,000	£263,000	/	£170,250
April 2009 (update)	£85,665	£113,330	£134,333	£197,583	/	£132,728
April 2010 (update)	£83,320	£128,981	£170,000	£254,980	£354,989	£159,320
April 2011 (update)	£102,995	£134,965	£209,965	£231,650	£334,995	£169,894

(Source: SHMA 2008, SHMA Update 2009, SHMA Update 2010)

This table has been presented as a graph below.



(Source: SHMA 2008, SHMA Update 2009, SHMA Update 2010)

The graph suggests there has been some level of recovery in property prices in the district since 2009. To accurately gauge the health and stability of the local housing market however, this analysis should not be considered in isolation. In addition it should be acknowledged that trends can be skewed by small sizes etc.

To help provide a more informed indication as to the extent of recovery in the local housing market since 2007/2008, further details about the size of the market across the main areas of the district have been collected and are presented in the following section.

Number of properties on the market

The following tables summarise the number of homes on the market for sale and for rent across the three main areas of the district at the beginning of quarter 1 (Q1) and quarter 2 (Q2) of 2011/12. Whilst the three postcode areas of CM7, CM8 and CO9 cover the majority of the district, there are several smaller areas of the district that are administered under different postcodes. Therefore whilst this data provides a good indication of the number of properties available in the local housing market it is not fully representative.

This is the first year we have gathered information in this way and therefore there is no historic data for comparison.

Properties on market for sale					
Postcode area	Number of properties advertised for sale		Estimated dwelling stock (all tenures)	As a proportion of housing stock	
	Q1 11/12	Q2 11/12		Q1 11/12	Q2 11/12
CM7/ Braintree	128	118	34,444	0.37%	0.34%
CM8/ Witham	44	48	20,667	0.21%	0.23%
CO9/ Halstead	30	47	6,889	0.44%	0.68%
Total number of properties recently advertised for sale	**202**	**213**	**62,000**	**0.33%**	**0.34%**

(Source: rightmove.co.uk)

The data suggests the Halstead area has the most activity in the sales market when considering the number of sales as a proportion of overall housing stock compared with Braintree and Witham areas.

Private rented market

The table below provides an indication of lower quartile rent levels across the district by number of bedrooms as at June 2011. These figures are shown against those gathered during the 2010 SHMA Update. A district average lower quartile rent across the 3 main areas is included at the bottom of the table.

Lower quartile rents	Number of bedrooms							
	1		2		3		4	
	2010 pcm	2011 pcm	2010 pcm	2011 pcm	2010 pcm	2011 pcm	2010 pcm	2011 pcm
Braintree	£475	£495	£575	£590	£795	£750	£1,100	£995
% change 2010 to 2011	+4.2%		+2.6%		-5.7%		-9.6%	
Witham	£510	£550	£625	£625	£700	£750	£2,100	£995
% change 2010 to 2011	+7.8%		0		+7.1%		-52.6%	
Halstead	£425	£420	£550	£595	£790	£700	£860	£995
% change 2010 to 2011	-1.2%		+8%		-11.4%		+15.6%	
District average LQ rent	£470	£488	£583	£603	£762	£733	£1353	£995
% change 2010 to 2011	+3.8%		+3.4%		-3.9%		-26.5%	

As the table shows, lower quartile rents for some size properties in some areas have increased since 2010 whereas others have decreased. As a result of extracting the most up to date dataset from www.rightmove.co.uk, the sample size is relatively small and therefore not robust enough to provide solid indications of activity in the private rented sector. District wide figures are provided through a larger dataset and therefore can give a more representative indication of the local private rented sector.

As shown in the table above, district wide lower quartile rents for 1 and 2 bed properties have increased by over 3% since 2010, however a decrease has been seen in the lower quartile rents for larger family size homes.

The following table aims to provide insight into the availability of private rent across the district. This quarterly analysis began in April 2011 and therefore there is no historic data available at this stage in which to compare.

Properties on market for rent					
Postcode area	Number of properties advertised for rent		Estimated dwelling stock (all tenures)	As a proportion of housing stock	
	Q1	Q2		Q1	Q2
CM7/ Braintree	45	52	34,444	0.13%	0.15%
CM8/ Witham	13	25	20,667	0.06%	0.12%
CO9/ Halstead	4	9	6,889	0.05%	0.13%
Total number of properties recently advertised for rent	**62**	**86**	**62,000**	**0.1%**	**0.13%**

(Source: rightmove.co.uk)

Braintree appears to have the most activity within the private rented sector compared to Witham and Halstead, however the data above indicates there is less activity in the private rented sector across all areas of the district compared to the sales market.

The data for both sales and private rented markets show overall increased activity between Q1 and Q2 2011/2012 however this may be seasonal and therefore further monitoring is necessary.

Additional market indicators

The data in the following table provides further insight into the local housing market. The table compares average time taken for properties in the district to sell and the average number of property viewings before a sale is agreed.

	Average time to sell (weeks)	Average number of viewings per sale
Dec 2008	4.5	4.1
Dec 2009	2.5	3.6
Dec 2010	7.9	9.2

(Source: Hometrack)

The average time for properties to be sold in the district increased by more than 300% between December 2009 and December 2010 and similar scale increases have also been seen in the same period for the average number of property viewings being made before a sale.

New Development and Empty Homes

Housing Trajectory

The following table summarises the managed delivery target based on the Local Development Framework (LDF) across the district and of all tenures from 2001/02 to 2025/26.

	Dwellings completed	Projected completions	Cumulative completions	Cumulative Development Plan target	Monitor – no. of dwellings above cumulative DP target	Managed delivery target for following year – residual target taking into account actual/projected completions to 2021 to fulfil Development Plan	Number of years left in Plan Period
01/02	647		647	385	262	374	25
02/03	659		1,306	770	536	362	24
03/04	854		2,160	1,155	1,005	339	23
04/05	693		2,853	1,540	1,313	322	22
05/06	507		3,360	1,925	1,435	313	21
06/07	658		4,018	2,310	1,708	295	20
07/08	628		4,646	2,695	1,951	277	19
08/09	342		4,988	3,080	1,908	273	18
09/10	428		5,416	3,465	1,951	263	17
10/11	450		5,784	3,850	1,934	256	16
11/12		236	6,020	4,235	1,785	258	15
12/13		220	6,240	4,620	1,620	260	14
13/14		321	6,561	5,005	1,556	255	13
14/15		292	6,853	5,390	1,463	252	12
15/16		317	7,170	5,775	1,395	246	11
16/17		318	7,488	6,160	1,328	237	10
17/18		379	7,867	6,545	1,322	195	9
18/19		327	8,194	6,930	1,264	204	8
19/20		240	8,434	7,315	1,119	199	7
20/21		218	8,652	7,700	952	195	6
21/22		258	8,910	8,085	825	179	5
22/23		268	9,178	8,470	708	149	4
23/24		248	9,426	8,855	571	100	3
24/25		186	9,612	9,240	372	13	2
25/26		185	9,797	9,625	172		1

(Source: Braintree DC Annual Monitoring Report 2009-2010)

As the figures in the table show, the rate of housing development across the district has exceeded the development plan target each year since 2001/2002. Between 2001/02 and 2009/2010 5,416 new homes across all tenures had been built in the district. The table below shows the number of affordable homes completed during this time:

	Total number of new homes built in Braintree District between 2001/02 and 2009/2010	Of which were affordable completions	% of total completions of affordable tenure
2001/02	647	107	17%
2002/03	659	132	20%
2003/04	854	38	4%
2004/05	693	69	10%
2005/06	507	96	19%
2006/07	658	206	31%
2007/08	628	136	22%
2008/09	342	125	37%
2009/10	428	171	40%
2010/2011	450	131	29%

(Source: Braintree DC Annual Monitoring Report and Affordable Completions Monitoring)

Empty homes

The table below shows the number of empty properties recorded across the district in 2010 and 2011 broken down by the number of properties empty for less than 6 months and the number of properties empty for more that 6 months.

	Number of properties empty less than 6 months* exclusions applied	Number of properties empty for 6 months or longer* exclusions applied	Total number of empty properties inc exclusions
2010	678	1,047	2,190
2011	714	917	2060
Variance	+36	-130	-130

(Source: BDC HSSA Submissions 2010 and 2011)

As shown in the table above the total number of empty properties across the district has decreased since 2010. The number of homes that had been empty in excess of 6 months has reduced whilst the number of short term empty properties (those empty for less than 6 months) has increased.

There is often less focus on the number of short term empty properties as this is usually related to the general market. Long term empty properties (those left empty in excess of 6 months) have the potential to pose significant implications for the surrounding neighbourhood and are therefore more closely monitored. The table below provides some outline analysis around long term empty properties in the district.

	Total number of empty properties recorded	Of which are long term empty (over 6 months)	% of empty homes that are long term empty	Long term empty homes as % of total housing stock in the district
2010	2,190	1,047	48%	1.7%
2011	2,060	917	44.5%	1.5%

(Source: BDC HSSA submissions 2010 and 2011)

As shown by the data above the number of long term empty properties as a proportion of total housing stock in the district has decreased by 0.2% between 2010 and 2011.

Affordability

Household income by place of work and residency

Knowledge of local earnings is fundamental to assessing affordability of local housing and therefore establishing local housing needs. The Annual Survey of Hours and Earnings (ASHE) provides statistics around the earnings of people by local authority as either a place of work or place of residence. For the purposes of the SHMA updates ASHE data is used to inform estimations of local household income for the district.

Employment trends suggest it is typical for people to commute to areas of higher average salaries from areas where housing costs are cheaper. The earnings of those working locally can therefore be significantly different from residents who work elsewhere.

The tables below provide data around employment of residents of the Braintree District and of people working in the district between 2008 and 2010. Full time employment data has been extracted from the survey and will provide the basis for assessing housing affordability for this years SHMA update. Previous updates have used data across all employment types however using purely full time employment data has been considered a more robust method for assessing local housing affordability.

ASHE: Gross annual pay by place of residence			
Full and part time employment	2008	2009	**2010**
Number of jobs	53,000	50,000	53,000
Median pay	£24,083	£23,529	£23,257
Annual percentage change	3.80%	-2.3%	-0.7%
Mean pay	£29,152	£30,168	£27,466
Annual percentage change	-1.3%	3.5%	-8.5%
Full time employment only			
Number of jobs	43,000	39,000	41,000
Median pay	£26,664	£27,113	£27,265
Annual percentage change	2.4%	1.7%	0.6%
Mean pay	£32,500	£35,402	£32,790
Annual percentage change	4.8%	8.8%	-7.4%

(ASHE 2010)

ASHE: Gross annual pay by place of work			
Full and part time employment	2008	2009	**2010**
Number of jobs	37,000	37,000	39000
Median pay	£18,961	£19,354	£19,618
Annual percentage change	-1.9	2.1%	1.4%
Mean pay	£23,208	£22,590	£23,227
Annual percentage change	0.2%	-2.7%	2.8%
Full time employment only			
Number of jobs	29,000	27,000	28000
Median pay	£23,158	£23,038	£23,599
Annual percentage change	-6.0%	-0.5%	2.4%
Mean pay	£27,498	£27,778	£28,630
Annual percentage change	-1.3%	1.0%	3.01%

(ASHE 2010)

Data across all employment types (not just full time employment) shows decreases in both median and mean earnings of those living in the district between 2009 and 2010.
Mean earnings of those working in the district (across all employment types) are in excess of £4,000 less than those living in the district.

The total number of full and part time jobs held by people living in the district in 2010 had returned to levels seen in 2008 following a decrease in 2009, although current figures indicate a greater proportion of jobs are on a part time basis.

Whilst the median pay received by residents of the district in full time employment in 2010 represented a slight increase on figures reported for 2009, mean pay for this group had decreased. Average pay received by residents in the district across both full and part time employment had decreased by 8.5% in 2010 compared to 2009.

The ASHE 2010 reported 39,000 jobs were occupied in the district of which 28,000 were full time. Whilst the total number of jobs in the district had increased by 2,000 between 2008 and 2010, the proportion of jobs being full time decreased. 78% of jobs in the district in 2008 were full time, reducing to 73% in 2009 and 72% in 2010. Despite the decrease in the proportion of full time employment in the district, median and mean annual pay across full and part time employment increased between 2008 and 2010.

Household income across the district
The Housing Needs Survey undertaken in 2007 as part of the original SHMA gathered primary information about household income including earnings and benefits to provide a robust estimate of mean and median incomes for households in the Braintree District.

Local household incomes have been updated annually since the SHMA 2007 by applying the annual percentage change of earnings identified by the ASHE. Previous SHMA updates have used figures that apply across all employment types from the ASHE, however this 2011 SHMA update has used data specifically relating to full time employment of those living in the district. Using median full time earnings for those living in the district aims to provide a better assessment of affordability of housing in the district.

Estimated median gross household income	SHMA 2007	% change 2008	SHMA Update 2009	% 2009 change	SHMA Update 2010	% 2010 change	SHMA Update 2011
	£25,062	+3.8%	£26,014	-2.3%	£25,416	+1.7%	**£25,848**

(SHMA 2007, SHMA Updates 2009,2010, 2011, ASHE 2008, 2009, 2010)

The median percentage increase of full time earnings of those living in the district recorded by the ASHE 2010 was 1.7%. 1.7% of the median gross household income estimated in the SHMA Update 2010 has been added to provide an estimated median gross household income for the SHMA Update 2011 of **£25,848.**

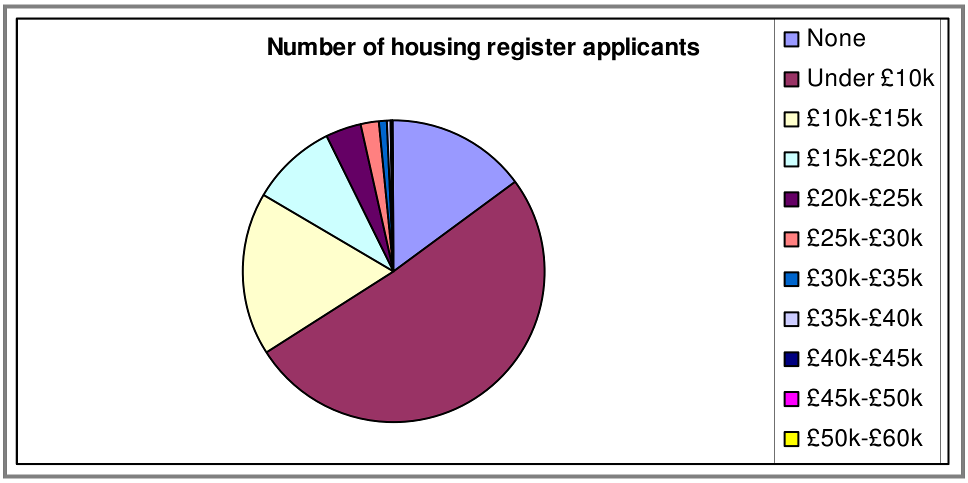
Household income of housing register applicants
The table below shows the estimated household incomes of the housing register applicants.

Estimate household income of housing register applicants		
Annual household income band	**Number of housing register applicants**	**% of register**
None	627	15%
Under £10k	2,130	51%
£10k-£15k	727	17%
£15k-£20k	395	9%
£20k-£25k	171	4%
£25k-£30k	83	2%
£30k-£35k	33	1%

£35k-£40k	7	0.2%
£40k-£45k	6	0.1%
£45k-£50k	3	0.1%
£50k-£60k	1	0.02%
Over £60k	4	0.1%
Total	4,187	100%

(Source: Abritas)

As shown clearly by the pie chart below, the majority of applicants on the housing register have indicated an annual income of less than £10,000. 2% of housing register applicants indicate an annual income of between £25,000 and £30,000.



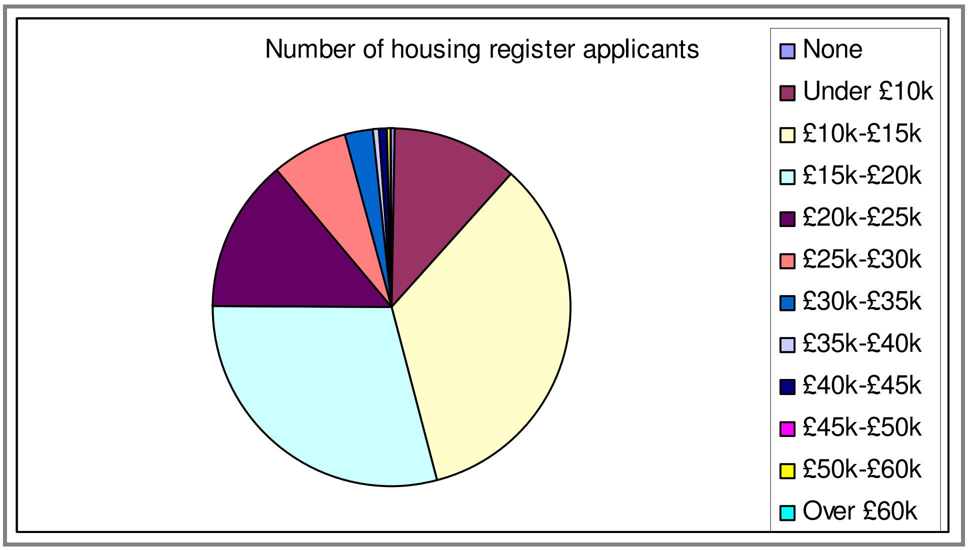
(Source: Abritas)

The table below shows the income levels of full time employed housing register applicants.

Full time employed housing register applicants		
Annual household income band	**Number of housing register applicants**	**% of register**
None	3	0.3%
Under £10k	114	11%
£10k-£15k	347	34%
£15k-£20k	295	29%
£20k-£25k	140	14%
£25k-£30k	70	7%
£30k-£35k	27	3%
£35k-£40k	6	0.6%
£40k-£45k	6	0.6%
£45k-£50k	2	0.2%
£50k-£60k	1	0.1
Over £60k	1	0.1
Total	1,012	100%

(Source: Abritas)

The pie chart below shows the proportion of full time employed housing register applicants by estimated annual income band.



(Source: Abritas)

As shown by the chart above the majority of full time employed applicants on the housing register (63%) have an annual household income of between £10,000 and £20,000. 7% of full time employed housing applicants have a household income range comparable with the estimated household income calculated for this years update of £25,848. Less than 5% of full time employed housing register applicants have indicated they have a household income exceeding £25,848.

Whilst this data provides an indication of income levels of housing register applicants it is not fully conclusive as not every housing register applicant would have had their income verified. Household incomes are usually verified by housing associations as part of the tenancy sign up process.

Mortgage Lending

First time buyers

The table below provides a snapshot of lenders requirements from the Council of Mortgage Lenders for first time buyers as at April 2011 as well as the number and value of loans held by first time buyers.

First time buyers					
	Number of loans	**Value of loans £m**	**Average loan to value**	**Average income multiple**	**Proportion of income spent on interest payments**
April 2011	15,800	1,900	80%	3.13	13.3%
Change from March 2011	+7%	+12%	79%	3.15	12.9%
Change from April 2010	1%	n/c	79%	3.26	13.6%

(Council of Mortgage Lenders)

As shown above the average income multiple for FTB's (first time buyers) has reduced by 0.13 between April 2010 and April 2011 and borrowing by this group remains at around 3 times their household income. The amount of income being spent by first time buyers on interest payments has increased by 0.3% between April 2010 and April 2011.

There has been little change in the average loan to value of first time buyer mortgages since 2010 with requirements to provide 20% of the property value as a deposit remaining.

Home movers

The table below shows information about mortgage borrowing by home movers as at April 2011.

Home movers, lending and affordability					
	Number of loans	Value of loans £m	Average loan to value	Average income multiple	Proportion of income spent on interest payments
April 2011	25,100	4,000	69%	2.82	9.9%
Change from March 2011	8%	5%	68%	2.85	9.7%
Change from April 2010	-4%	-2%	69%	2.90	9.7%

(Council of Mortgage Lenders)

The average income multiple of home movers has decreased by 0.08 since 2010 whilst the average loan to value has remained the same at 69%. Unlike the data relating to first time buyers the number of loans for home movers recorded at April 2011 represents a 4% decrease compared with April 2010.

Annual cost of occupation and affordability

To assess local housing affordability lower quartile property prices and rents are used. By using lower quartile values it is assumed properties are of adequate quality and in reasonable supply (i.e. 25% of properties for sale will be of lower quartile value or less).

The tables below contain calculations using lower quartile district wide property prices and mortgage information to provide an indication of affordability of mortgaged and private rented housing locally for first time buyers.

Based on property price				
Average Price of 2 bed entry level property in Braintree District	Average loan to value for FTB's	20% deposit requirement	Mortgage value	Representing income multiple of (based on £25,848):
£134,965	80%	£26,993	£107,972	4

(rightmove.co.uk)

Based on median gross annual household income				
Median gross annual household income	Average income multiple for FTB's	Potential borrowing capacity	If borrowing capacity represents 80% of the property value, full property value would be:	20% deposit would be:
£25,848	3.13	£80,904	£101,130	£20,226

(rightmove.co.uk)

Local private rents

The table below provides an indication of lower quartile rent levels across the district by number of bedrooms as at June 2011. These figures are shown against those gathered during the 2010 SHMA Update. A district average lower quartile rent across the 3 main areas is included at the bottom of the table.

Lower quartile rents	Number of bedrooms							
	1		2		3		4	
	2010 pcm	2011 pcm	2010 pcm	2011 pcm	2010 pcm	2011 pcm	2010 pcm	2011 pcm
Braintree	£475	£495	£575	£590	£795	£750	£1,100	£995
% change 2010 to 2011	+4.2%		+2.6%		-5.7%		-9.6%	
Witham	£510	£550	£625	£625	£700	£750	£2,100	£995
% change 2010 to 2011	+7.8%		0		+7.1%		-52.6%	
Halstead	£425	£420	£550	£595	£790	£700	£860	£995
% change 2010 to 2011	-1.2%		+8%		-11.4%		+15.6%	
District average LQ rent	£470	£488	£583	£603	£762	£733	£1353	£995
% change 2010 to 2011	**+3.8%**		**+3.4%**		**-3.9%**		**-26.5%**	

(Source: rightmove.co.uk)

As shown in the table above average lower quartile rents for 1 bed and 2 bed properties across the district have increased since 2010 yet lower quartile rents for 3 and 4 bed properties have decreased. It is important to note however that sample sizes are often very small when reporting private rents for larger properties which inhibits the collection of truly representative dataset.

Local Housing Allowance and the private rented sector

Local Housing Allowance (LHA) is paid to eligible low income households occupying properties in the private rented sector.

In April 2011 the methods used to calculate LHA rates changed. The LHA rates used in previous SHMA updates would have been based on the 50th percentile of local open market rents. The calculations used previously to establish LHA rates broadly meant that five out of every ten properties advertised for private rent would be available to LHA recipients.

From 1 April 2011 LHA calculations have been based on the 30th percentile of local open market rents. This now means LHA recipients are typically able to access three out of every ten private rented properties available on the market instead of five.

Broad Rental Market Areas

For the purposes of calculating LHA rates local private rental markets are identified as Broad Rental Market Areas (BRMAs). The Braintree District is unique as private rented properties in the district are covered by the four BRMAs of Chelmsford, Colchester, Cambridge and Bury St Edmunds.

This means private rented properties of the same size in the district can be eligible for different rates of LHA depending on the address. The majority of properties in the district are covered by the BRMAs of Chelmsford and Colchester.

The table below gives the LHA rates of the four BRMAs covering the Braintree District. LHA rates are calculated on a monthly basis by the Rent Officer and the LHA rates for all four BRMAs covering the district and all sizes of property are available on the Braintree District Council website (www.braintree.gov.uk).

LHA rates for the Braintree District July 2011					
	Shared rate	1 bed	2 bed	3 bed	4 bed
Colchester	£63.48pw £275.08pcm	£100pw £433.33pcm	£126.92pw £549.99pcm	£160.38pw £694.98pcm	£206.54pw £895.01pcm
Bury	£69.23pw £300pcm	£92.31pw £400.01pcm	£115.38pw £499.98pcm	£138.46pw £599.99pcm	£213.46pw £924.99pcm
Chelmsford	£77.31pw £335.01pcm	£115.38pw £499.98pcm	£144.23pw £625pcm	£173.08pw £750.01pcm	£229.62pw £995.02pcm
Cambridge	£72.69pw £314.99pcm	£118.51pw £511.98pcm	£132.69pw £574.99pcm	£155.77pw £675pcm	£196.15pw £849.98

(Braintree DC Benefits Service)

The monthly LHA rates for Colchester and Chelmsford (the two largest BRMAs covering the district) have been presented alongside the lower quartile private rents gathered for this update in the table below.

LHA rates and lower quartile rents (district average)										
	Shared rate		1 bed		2 bed		3 bed		4 bed	
	LHA	District average LQ Rent	LHA	District average LQ Rent	LHA	District average LQ Rent	LHA	District average LQ Rent	LHA	District average LQ Rent
Colchester	£275.08 pcm	No data	£433.33 pcm	£488	£549.99 pcm	£603	£694.98pcm	£733	£895.01pcm	£995
Chelmsford	£335.01 pcm		£499.98 pcm		£625pcm		£750.01pcm		£995.02pcm	

(BDC Benefits Service and rightmove.co.uk)

As the table above shows, the district average lower quartile rent is lower than Chelmsford based LHA rates across all sizes of properties, however there is shortfall between the district average lower quartile rents and the Colchester based LHA rates.

The majority of properties in the district under the BRMA of Colchester are in Halstead and surrounding areas. The table below compares the lower quartile rents of properties specifically in Halstead with the LHA rates for Colchester to investigate the shortfall noted above in more detail.

Colchester LHA rate and lower quartile rents in Halstead area										
	Shared rate		1 bed		2 bed		3 bed		4 bed	
	LHA	Halstead LQ Rent	LHA	Halstead LQ Rent	LHA	Halstead LQ Rent	LHA	Halstead LQ Rent	LHA	Halstead LQ Rent
Colchester	£275.08pcm	No data	£433.33 pcm	£420	£549.99 pcm	£595	£694.98 pcm	£700	£895.01pcm	£995

(BDC Benefits Service and rightmove.co.uk)

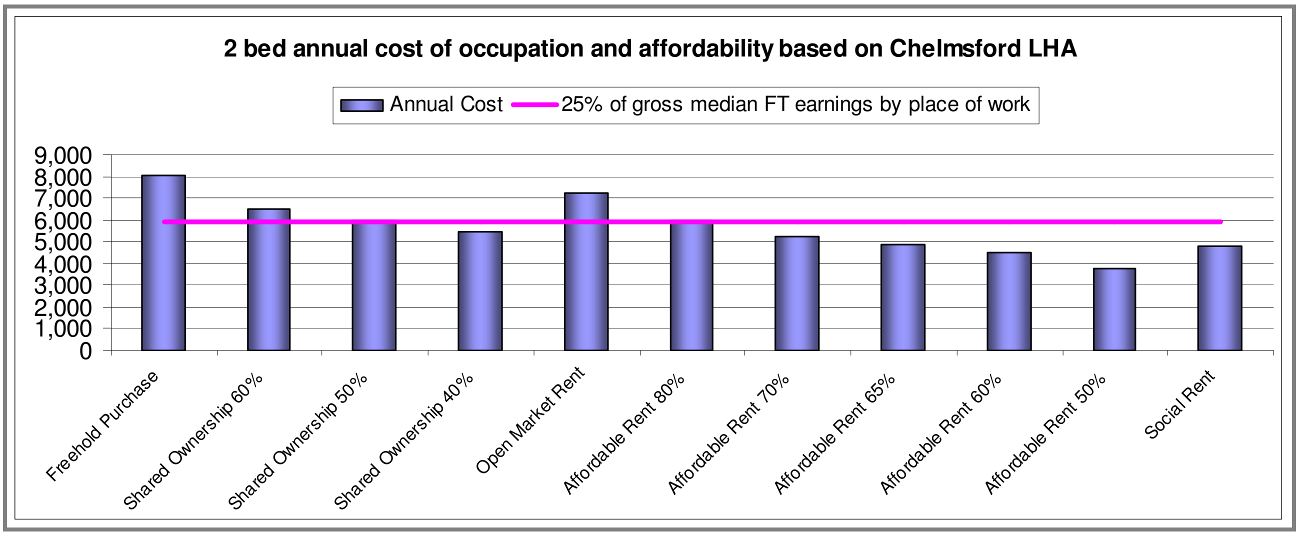
The comparison of Colchester based LHA rates against the lower quartile rents of properties in Halstead (the main area of the district that falls within the Broad Rental Market Area of Colchester), identifies a closer relationship between private rents and LHA rates although shortfalls remain between the LHA rates and lower quartile rents of 2 bed, 3 bed and 4 bed properties. This could suggest meeting the housing needs of low income families through use of the private rented sector in Halstead and surrounding areas may be difficult.

Annual cost of occupation across tenure and affordability for those working in the district
It is broadly accepted that housing costs should normally not exceed more than 25% of gross household income in order to be affordable and sustainable.

The following graphs illustrate affordability of a 2 bed house in the Braintree District across owner occupation, private rent, affordable rent (at varying levels) and social rent. The following assumptions have been made as part of this analysis:

Assumptions	
House price (District average lower quartile)	£134,965
Interest rate	5.50%
Term (years)	25
Deposit	20.00%
Shared ownership rent	2.50%
LHA (Chelmsford rate July 2011)	£625
Social rent (HA target rent for a 2 bed hse supplied as at April 2011)	£401
25% gross median full time annual earnings by place of work (Braintree District)	£5,900

(Fordham Research and BDC)



(Fordham Research and BDC)

Where the columns of annual housing costs for each tenure breach the pink line (indicating the level at which housing costs are affordable (25% of gross median annual earnings)), we estimate that 50% of those working locally in the district could struggle to meet the cost of housing in that tenure.

As shown, the cost of freehold purchase and open market rent both significantly exceed what is considered affordable. This indicates that the cost of a 2 bed lower quartile property to either mortgage or rent privately is unaffordable to a large proportion of people working full time in the district.

The graph shows that Affordable Rent from 80% (based upon the LHA rate which represents the 30th percentile rent of the open market), shared ownership from 50% and social rent are all likely to be affordable tenures to those working full time in the Braintree District.

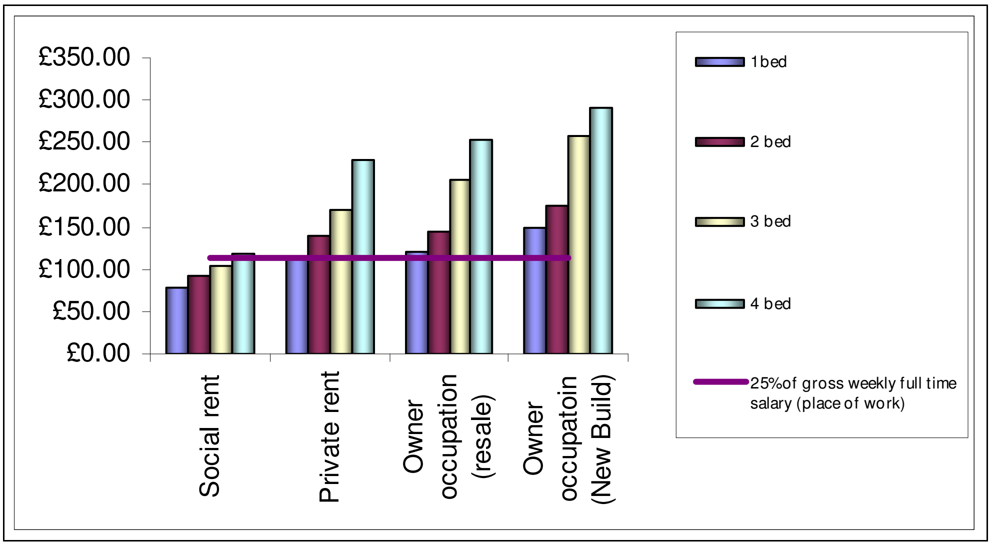
Further analysis covering 1 bed, 3 bed and 4 bed properties are available in the appendix.

Weekly cost of occupation

The table below provides estimated weekly housing costs by tenure based on the information gathered as part of this update.

Number of beds	Social rent	Private rent	Owner occupation (resale)	Owner occupation (New Build)
1 bed Flat	£77.77	£112.62	£121.56	£148
2 bed House	£92.56	£139.15	£143.36	£174.33
3 bed House	£105.07	£169.15	£206	£258.06
4 bed House	£117.57	£229.61	£252.32	£290.17
25% of gross weekly full time salary (place of work)	£113.46	£113.46	£113.46	£113.46

(Source: rightmove.co.uk, Fordham Research cost of Annual Occupation, social rents provided by housing associations operating in the district)



(Source: rightmove.co.uk, Fordham Research cost of Annual Occupation, social rents provided by housing associations operating in the district)

The graph above provides similar affordability analysis as presented previously. As shown above, the cost of owner occupation for both resale and new build properties and private rents for a property larger than a 1 bed are not considered affordable to an individual working in the district based on estimated weekly housing costs by tenure.

Unemployment and Benefits

Unemployment

The data in the table below gives an indication of local unemployment amongst the working age population of the Braintree District with a regional and nation comparison.

		Braintree	East of England	Great Britain
Unemployment as a percentage of working age population	Jan 2009 to Dec 2010	6.6% (4,900)	6.3%	7.7%
	Jan 2010 to Dec 2010	6.1% (4,700)	6.5%	7.7%

(Source: www.nomisweb.co.uk)

As shown in the table above unemployment in the Braintree District has decreased by 0.5% between 2009 and 2010 (2011 figures not available at time of writing) despite increases seen regionally and nationally.

Benefit claimants

Job Seekers Allowance (JSA)

The table below shows the number of claimants for job seekers allowance in the district over the past few years.

	SHMA Update 2009	SHMA Update 2010	SHMA Update 2011
Number of JSA claimants in the district	3041	2967	2,516

(Source: www.nomisweb.co.uk)

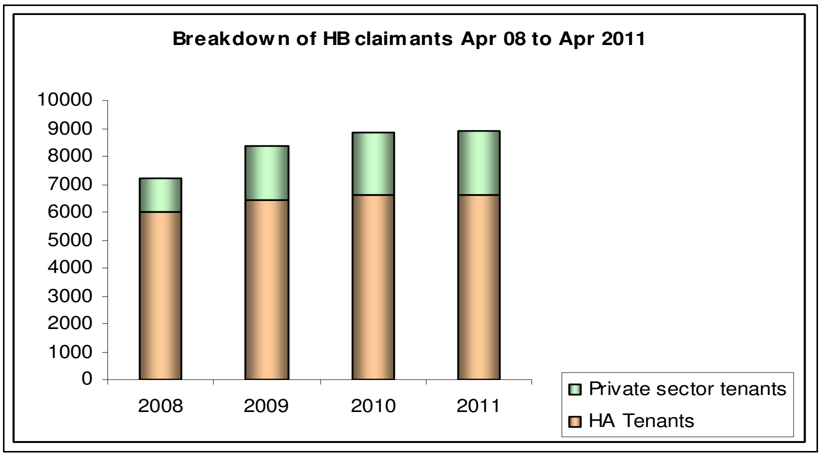
The number of JSA claimants in the district has decreased for a successive year. This could suggest increased employment opportunities in the district which is reinforced by the findings of the ASHE 2010 survey data where a further 2,000 jobs were reported in 2010 than in 2009.

Local Housing Allowance (LHA)

The table below shows the number of LHA claimants in the district at the same point in time each year from 2008/09 to 2010/2011

	April 2008	April 2009	April 2010	April 2011
Total number of claimants	7,224	8,372	8,827	8,929
Of which:				
Council tenants	0	0	0	0
Housing association tenants	5,971 (83%)	6,453 (77%)	6,604 (75%)	6,620 (74%)
Private tenants	1,253 (17%)	1,919 (23%)	2,223 (25%)	2,309 (26%)

(Source: Braintree DC Benefits Service)



(Source: Braintree DC Benefits Service)

As shown by the previous table and graph, overall take up of housing benefit has increased since 2008 by almost 24%. The greatest rate of uptake was seen between April 2008 and April 2009 (16%) but this has since reduced with only a 1% increase observed between April 2010 and April 2011.

In 2008 17% of housing benefit claimants were occupying properties in the private sector however by April 2011 this had increased by 9% to 26%.

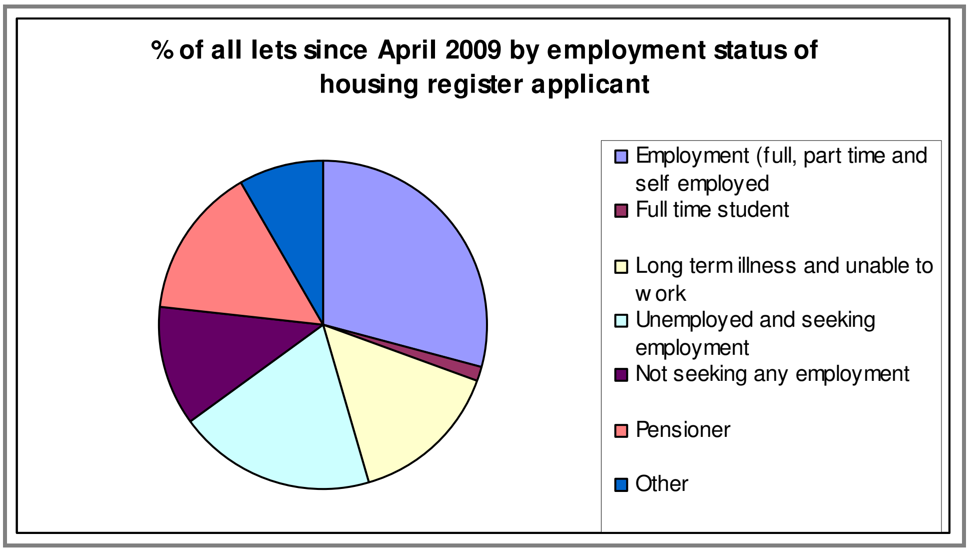
Employment status and social housing
The table below shows the number of offers of Braintree properties made to housing register applicants from the district and sub-regional areas by employment status between April 2009 and August 2011.

Employment status	Number of accepted offers to affordable housing in the Braintree District between April 2009 and August 2011	% of all lets	Census 2001 proportion of district population	Variance (% of lets and % of population)
Full time employed	246	16.5%	44.58%	-28.08%
Part time employed	164	11%	12.7%	-1.7%
Self employed	24	1.6%	10.54%	-8.94%
Full time student	24	1.6%	2.02%	-0.42%
Long term illness and unable to work	221	15%	3.74%	-11.26%
Unemployed and seeking employment	289	19.4%	2.31%	+17.09%
Not seeking any employment	175	11.7%	7.21% (Census 2001 definition "looking after home and family")	+4.49
Pensioner	223	15%	12.6%	+2.4%
Other	125	8.4%	3.74%	+4.66%
Total	**1,491**	**100%**	**100%**	**-**

(Source: Abritas and Office of National Statistics)

Almost 29% of all lets to affordable housing in the Braintree District between April 2009 and August 2011 were made to housing register applicants who were in some form of employment (full, part time and self employed).

The pie chart below demonstrates the proportion of employed housing register applicants being housed since April 2009 compared to other groups.



(Source: Abritas and Office of National Statistics)

Almost 12% of lets were made to housing register applicants who were not seeking employment. Further investigation identified the majority of this group were female (90%), approximately 49% were between 20 and 29 years old and 84% of lets to this group were to 2 and 3 bed properties. This profiling data suggests that housing register applicants with the employment status of "not seeking employment" are likely to be women with children.

Comparing the employment status of housing register applicants who have been housed since April 2009 with employment status of the districts population (Census 2001 data) shows the proportion of housing register applicants in part time employment who have been housed is comparable with the proportion of the districts population working part time.

There is a much higher representation of individuals who are unemployed and seeking employment who have been housed from the housing register since 2009 compared to the proportion of this group across the districts population recorded in the Census 2001. This is also the case for individuals who are diagnosed with long term illness and unable to work.

There is a low representation of individuals who are in full time employment or who are self employed being housed from the housing register since 2009 compared to the size of this group across the districts population as recorded by the Census 2001.

Mortgage and landlord repossessions

The information in this section has been sourced from the Ministry of Justice and provides insight into the level of repossession activity across the district.

Mortgage possession orders

Quarterly

Quarterly mortgage possession orders		
	2010	**2011**
Q1	20	30
Q2	30	
Q3	35	
Q4	35	

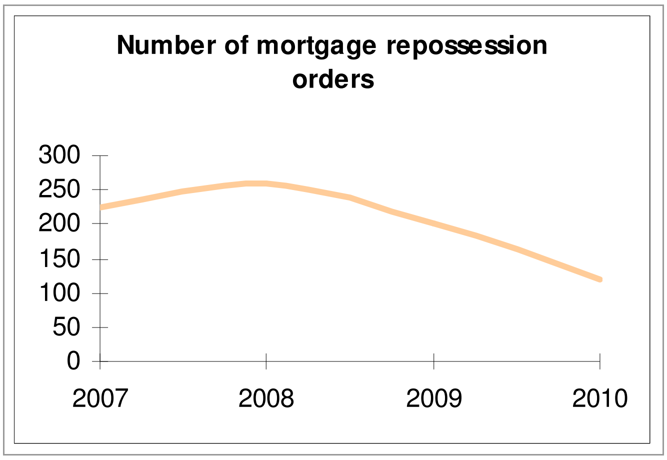
(Source: www.justice.gov.uk)

Annual

Annual mortgage possession orders	
2007	225
2008	260
2009	200
2010	120

(Source: www.justice.gov.uk)

The graph below shows the decreasing trend in the number of mortgage possession orders issued each year across the district since 2007.



Annual figures show the number of possession orders across the district has decreased for the second year since 2008. Figures for 2010 are the lowest reported over the past four years since 2007.

Landlord possession orders

Quarterly

Quarterly landlord possession orders		
	2010	**2011**
Q1	50	65
Q2	55	
Q3	45	
Q4	45	

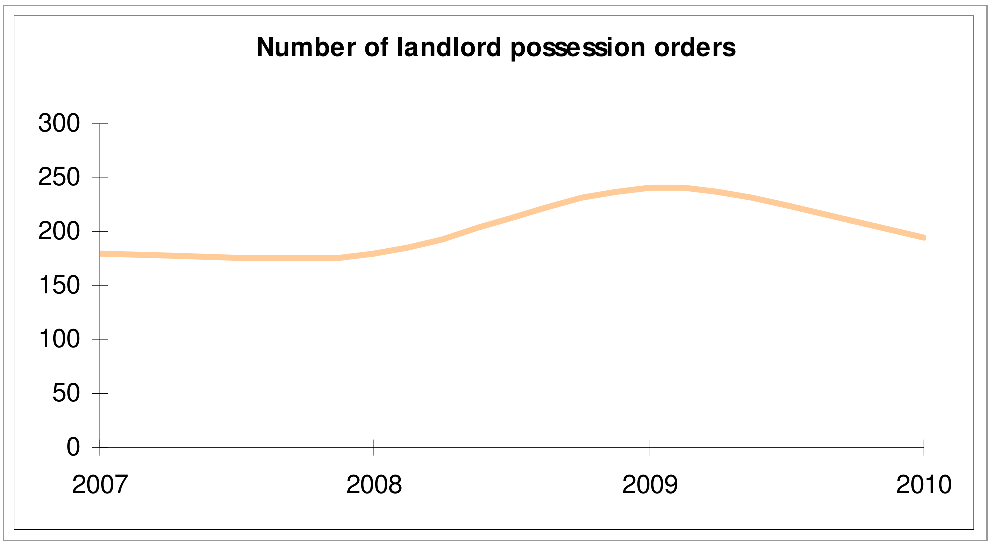
(Source: www.justice.gov.uk)

Annual

Annual landlord possession orders	
2007	180
2008	180
2009	240
2010	195

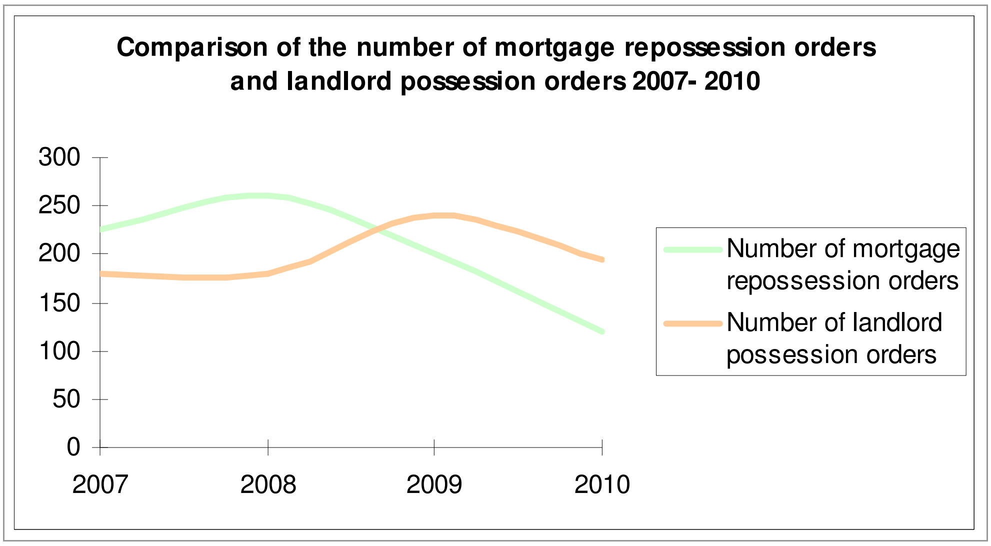
(Source: www.justice.gov.uk)

The graph below shows the trend in the number of landlord possession orders being issued for properties across the district since 2007.



The annual figures for landlord possession orders show there has been a decrease in 2010 since 2009 but the decrease has not been as steep as that observed with mortgage possession orders. The figure for 2010 is the second highest reported over the last four years since 2007.

Mortgage and landlord possession orders compared
The graph below compares the trends observed for the number of mortgage possession orders and the landlord possession orders issued for properties across the district between 2007 and 2010.



As noted previously, whilst the number of mortgage repossession orders has continued to decrease significantly since 2008, the number of landlord possession orders has continued to rise into 2009. Whilst the number of landlord orders has started to decrease since 2009, the rate of decrease has been much slower compared to that of mortgage repossession orders.

Migration

The housing needs survey carried out as part of the SHMA 2007 gathered details of previous residence from residents of the district. Households considering a possible move within the next 2 years were asked to provide details of the area they would be looking to move to. Information gathered was used to provide an outline analysis of migration flows into and out of the district e.g. where households moving into the district had moved from and the areas households wanting to move out of the district would like to move to.

For the purposes of the SHMA Updates annual migration statistics based upon NHS patient deregistration and registration at GP surgeries are obtained from central government. The data covers the number of people registering with GPs as they move into the district and provides details about where they have moved from and also people moving out of the district and where they are moving to.

Gross Movement

The tables below show the top ten areas by gross movement of people moving out and into the Braintree District. As shown below it was estimated 910 people moved from Chelmsford to the Braintree District between June 2009 and June 2010.

Gross inward migration	
Areas with largest number of people moving into the Braintree District	Estimated number of people moving into the district
Chelmsford	910
Colchester	660
Uttlesford	400
Maldon	320
Babergh	190
Basildon	180
Tendring	170
Havering	150
St Edmundsbury	150
Waltham Forest	110
Total	+3,240

(Migration Statistics June 2010 Office of National Statistics)

The table below shows the top ten areas moved to in terms of gross number of people relocating to whom formerly lived in the Braintree district.

Gross outward migration	
Most frequent destinations of people moving out of the district	Estimated number of people moving out of the district
Colchester	780
Chelmsford	580
Uttlesford	340
Babergh	300
Maldon	230
Tendring	210
St Edmundsbury	180
Basildon	120
Southend-on-sea	70

East Hertfordshire Havering	70 70
Cambridge MidSuffolk	60 60
Total	3,070

(Migration Statistics June 2010 Office of National Statistics)

Net Movement
Analysis of net movement offsets the number of people moving into the district by the number moving out by specific area.

The tables below show the areas where there is a high net inward movement of people into the Braintree District and areas where there is high net movement people moving out of the out Braintree District.

Net inward movement	
Areas people moving into the Braintree District move from by largest net inward movement	Estimated net number of people incoming
Chelmsford	+330
Maldon	+90
Redbridge	+90
Waltham Forest	+80
Havering	+80
Barking and Dagenham	+70
Uttlesford	+60
Epping Forest	+60
Brentwood	+60
Basildon	+60
Total	**+980**

(Source: Migration Statistics June 2010 Office of National Statistics)

Net outward movement	
Areas people moving out of the Braintree District move to by largest net outward movement	Estimated net number of people outgoing
Colchester	-120
Babergh	-110
Tendring	-30
Mid Suffolk	-30
Norwich	-30
Southampton	-30
St Edmundsbury	-30
Bedford East Cambridgeshire Milton Keynes Brighton and Hove Basingstoke and Deane	-20 -20 -20 -20 -20
Total	**-510**

(Source: Migration Statistics June 2010 Office of National Statistics)

The tables above show there is net inward movement into the district from authority areas to the south and west of the Braintree District i.e. Chelmsford, Maldon and Epping etc. Conversely net outward movement from the district is seen to areas to the north and east of Braintree: Colchester, Babergh and Tendring etc. This trend in migration flows into and out of the district (people moving in from the south and west and existing residents moving out to the north and east) has been consistently observed in previous annual updates.

The London Effect

Despite the net inward migration into the district from neighbouring areas such as Chelmsford and Maldon, there is also significant net inward migration into the district from London. Between June 2009 and June 2010 there has been an estimated net inward migration of 570 people into the district from London.

The table below provides details about net moves into the district by London borough.

Area	Net moves into the district
City of London	0
Barking and Dagenham	70
Barnet	10
Bexley	10
Brent	0
Bromley	20
Camden	-10
Croydon	0
Ealing	10
Enfield	70
Greenwich	0
Hackney	30
Hammersmith and Fulham	-10
Haringey	20
Harrow	10
Havering	80
Hillingdon	0
Hounslow	10
Islington	-10
Kensington and Chelsea	-10
Kingston upon Thames	0
Lambeth	0
Lewisham	10
Merton	20
Newham	40
Redbridge	90
Richmond upon Thames	0
Southwark	30
Sutton	10
Tower Hamlets	-10
Waltham Forest	80
Wandsworth	0
Westminster	0
Total	**+570**

(Source: Migration Statistics June 2010 Office of National Statistics)

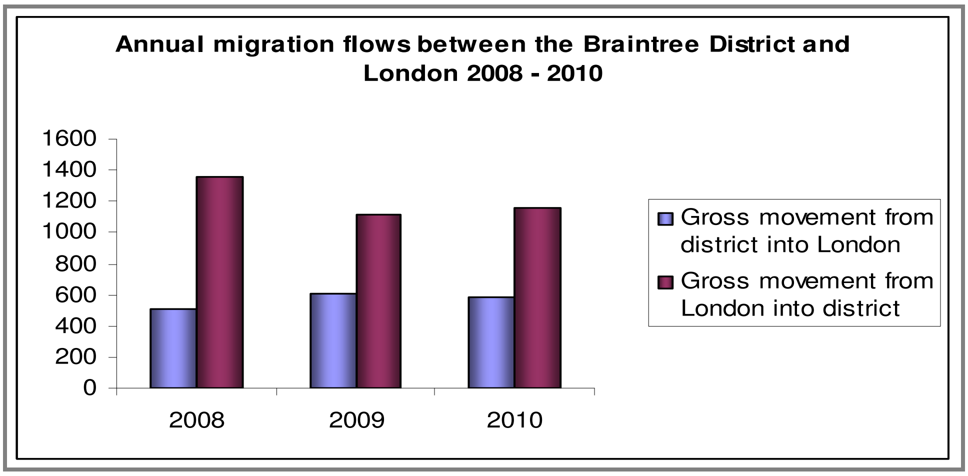
The table below summarises the movement into and out of London as recorded at June 2008, June 2009 and June 2010.

London migration flows			
	Gross movement from district into London	Gross movement from London into district	Net movement
June 2008	510	1,360	+850
June 2009	610	1,110	+500
June 2010	590	1,160	+570

(Source: Migration Statistics Office of National Statistics)

As shown by the table above, net movement into the district from London areas increased between June 2009 and June 2010 but is still significantly less than migration flows into the district observed in 2008.

The main variance in migration flows over the past three years has been in the gross number of moves from London into the district. The number of people moving into the district from London reduced by 250 between 2008 and 2009 and figures reported in June 2010 represent 200 less movements into the district compared to 2008 but 50 more compared to 2009. Despite the reduction in migration flows between the district and London, the graph below shows there clearly remains a significant net inward movement from London into the Braintree District.



(Source: Migration Statistics Office of National Statistics)

Migration by age group

The table below considers the gross movement into and out of the district by age group across all areas. The variance represents the net movement into the district. The table shows there is a net movement into the district across all age groups except for those aged between 16 and 24 where a significant net outward movement is seen.

Age group	Gross inflow by age group	Gross outflow by age group	Variance
0-15	1,010	820	+190
16-24	890	1,190	-300
25-44	2,300	1,950	+350
45-64	940	720	+220
65+	470	290	+180

(Source: Migration Statistics June 2010 Office of National Statistics)

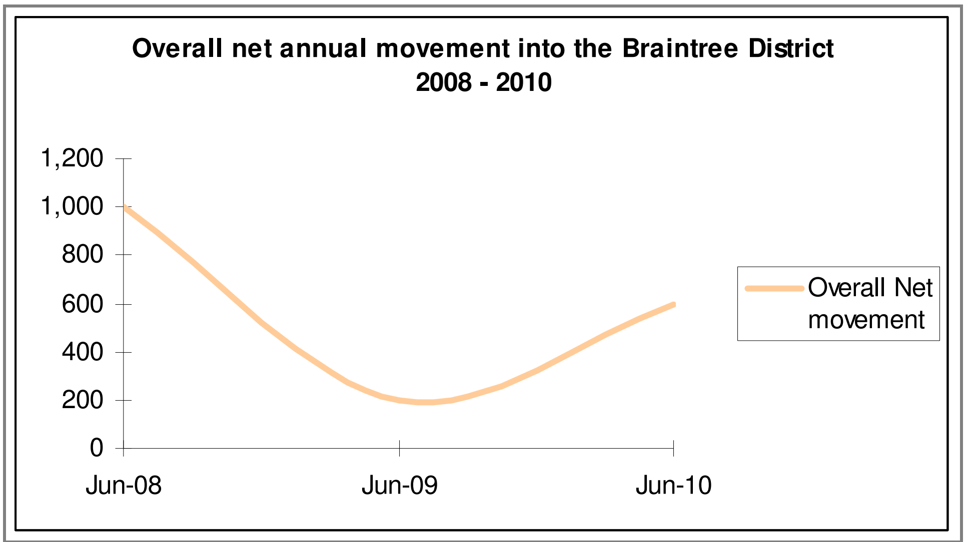
Overall net movement and local population

The table below summarises overall movement into and out of the district from 2008 to 2010.

Overall net movement into Braintree District June 2008 to June 2010			
	Total inflow into the Braintree District	**Total outflow out of the Braintree District**	**Overall Net movement**
June 2008	6,600	5,600	+1,000
June 2009	5,600	5,400	+200
June 2010	**6,600**	**6,000**	**+600**

(Source: Migration Statistics Office of National Statistics)

The trend in the net movement data from the table above has been summarised by the following graph.



(Source: Migration Statistics Office of National Statistics)

As the graph above shows the level of net inward movement of people into the district decreased significantly between 2008 and 2009. We suspect this decrease is likely to be related to the recession and the limitations on people's capacity and confidence to move.

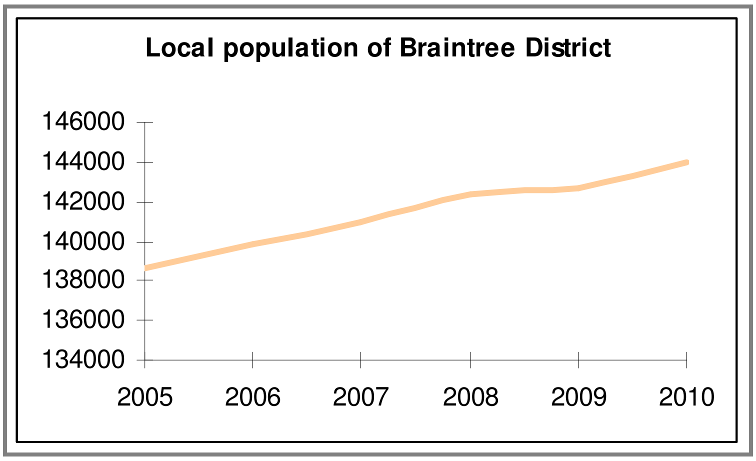
Figures reported for net moves into district between June 2009 and June 2010 indicate an increase in the number of people moving into the district but not at the same level observed in 2008.

Despite the decrease in the number of net moves into district, data suggests the local population is continuing to grow year on year. This is further supported by the table below which shows mid year population estimates and local population growth since 2005.

Mid year population estimate for the Braintree District		Variance
2005	138,600	+1,600
2006	139,800	+200
2007	141,000	+1,200
2008	142,400	+400
2009	142,700	+300
2010	144,000	+1,300

(Source: Office National Statistics)

The graph below illustrates the trends of local population growth since 2005.


Local population of Braintree District
146000
144000
142000
140000
138000
136000
134000
2005
2006
2007
2008
2009
2010

Summary

Housing needs

Housing register
Since the SHMA Update 2010 the housing register remains broadly unchanged in terms of the number of applicants registered and proportion of applicants in reasonable preference categories Bands A to C.

Under Occupancy
Whilst under-occupancy in the social sector remains difficult to monitor accurately, the incentives available to under-occupiers to downsize to more suitable accommodation have proved very effective. 37% of all lets to 3 and 5 bed properties during 2010/2011 were enabled through under-occupiers moving to smaller accommodation through use of transfer incentives.

Market Activity

Home purchase
Average lower quartile property prices across the district have increased in the past year by almost 7% from £159,320 to £169,894. This year's district average entry level price is closely inline with what was reported in the original SHMA 2008.

Other indicators suggest there has been greater activity in the local housing market over the past year. For example the average number of viewings per sale increased from 3.6 to 9.2 suggesting there are more potential buyers in the market. Sales data however indicates the number of sales occurring as a proportion of total housing stock (at a local level) remains depressed compared to pre-recession years.

Private rent
Increases in average lower quartile rents across the district have been seen for 1 and 2 bed properties over the past year however lower quartile rents for 3 and 4 bed properties appear to have decreased.

Quarterly monitoring of the number of properties being marketed for private rent across the district began in April 2011 and therefore more detailed analysis of this kind should be available for next years SHMA update to help provide further insight into the local private rental market.

New Development and Empty Homes
In 2010/2011 a total of 450 homes across all tenures were completed in the district representing an increase of 5% compared with the previous year. 131 of the homes completed were of affordable tenure which represents 29% of all the homes completed.

The overall number of homes reported as empty in the district has decreased since 2010. The number of homes reported as being empty for less than 6 months has increased by 5% between 2010 and 2011 although the number of long term empty properties has decreased by 14%. The increase in the number of short term empty properties and reduction in the number of long term empty properties could be a result of a more active local housing market.

Affordability
The ASHE 2010 reported a 1.7% increase in the gross annual median pay of residents of the district working full time since 2009.

Applying this percentage change to the estimated household income as calculated for the SHMA 2008 which has been updated each year since using ASHE data, the household income of Braintree residents is currently estimated to be around **£25,848.** This compares to the estimate of £25,416 as put forward in the SHMA Update 2010.

Outline affordability assessments indicated that to purchase an average entry level 2 bedroom property in the district would require a mortgage representing four times a typical local household income in addition to a 20% deposit of approximately £27,000.

The borrowing capacity of a local household with an income of £25,848 based on a typical income multiple of 3.13 is almost £81,000. There has been little change over the past year in mortgage lending requirements with buyers typically required to provide a deposit representing 20% of the properties value. Assuming a household had capacity to raise a £81,000 mortgage which would represent 80% of the full value of the property, a 20% deposit of around £20,000 would also need to be raised.

On this basis the price of a property a typical local household could afford would be in the region of £101,130. 1 bedroom properties in the district (typically flats) can be available on the market at this price however it is unlikely larger properties will be available at this price even at entry level.

Further analysis of affordability was undertaken across all tenures based on 25% of gross household income being spent on housing costs. The analysis used median full time earnings of those working in the district to help give an insight into how accessible the local housing market is to individuals employed in the district.

The analysis showed an individual working locally may be able to afford to purchase a 1 bed property and should be able to afford to rent a 1 bed property privately. However the analysis identified larger properties to rent or purchase would likely be unaffordable to individuals working in the district.

Unemployment and benefits

2010 unemployment figures for the district indicate local unemployment decreased by 0.5 per cent between 2009 and 2010 despite regional and national increases being reported. The number of claimants of Jobs Seekers Allowance (JSA) in the district also decreased since 2009, however the number of Local Housing Allowance claimants increased within the past year albeit at a much slower rate than previous years.

This is the first SHMA Update to report employment status of housing register applicants who have been housed. Almost 30% of the 1,492 lets to Braintree properties since the end of April 2009 were to applicants who were employed.

Mortgage and landlord repossessions

Overall repossession activity across the district decreased between 2009 and 2010. Mortgage repossession orders decreased by 40% between 2009 and 2010 and landlord possession orders decreased by 19% during the same period.

Migration

There was an estimated net inward movement of 550 people into the district between June 2009 and June 2010. The majority of people moving into the district were aged between 25 and 44 and the majority of people leaving the district were aged between 16 and 24. This is consistent with trends observed in previous years.

The largest net inward movement of people into the district was seen from Chelmsford followed by Maldon and then areas of London including Redbridge and Waltham Forest.

The largest net outward movement of people from the district was to Colchester, followed by Babergh and then Tendring.

This south-west movement of people into the district and north-east movement out of the district is consistent with migration trends observed in previous years.

As seen in previous years London has a significant role in the migration flows into and out of the district. Overall there were an estimated 570 people moving into the district from London boroughs.

Key point overview

The SHMA Update 2011 suggests there has been some further recovery in the local housing market across the Braintree District since 2010. Sample data suggests average property prices in the district are returning to levels recorded in the original SHMA 2007/08 however churn in the property sales market remains comparatively depressed.

In addition unemployment appears to be decreasing across the district. The rate of new claimants for Job Seekers Allowance and Local Housing Allowance has reduced as has the overall total number of claimants for these benefits since the last SHMA update in 2010. Current data from the Annual Survey of Hours and Earnings (ASHE) (2010) reported an increase of 5% in the total number of jobs in the district compared with the previous year.

The SHMA Update 2011 has shown issues around local housing needs highlighted in previous SHMA Updates remain. At the time of compiling this data there were in excess of 4,000 applicants on the districts housing register, although the number of those assessed to be in reasonable housing need were at similar levels reported in last years update (approximately 1,400 applicants).

The majority of applicants in reasonable preference categories Bands A-C are in need of 1 bedroom and 2 bedroom accommodation, however there is also a distinct need within Bands A- C for larger size family homes (3 and 4 bedroom properties).

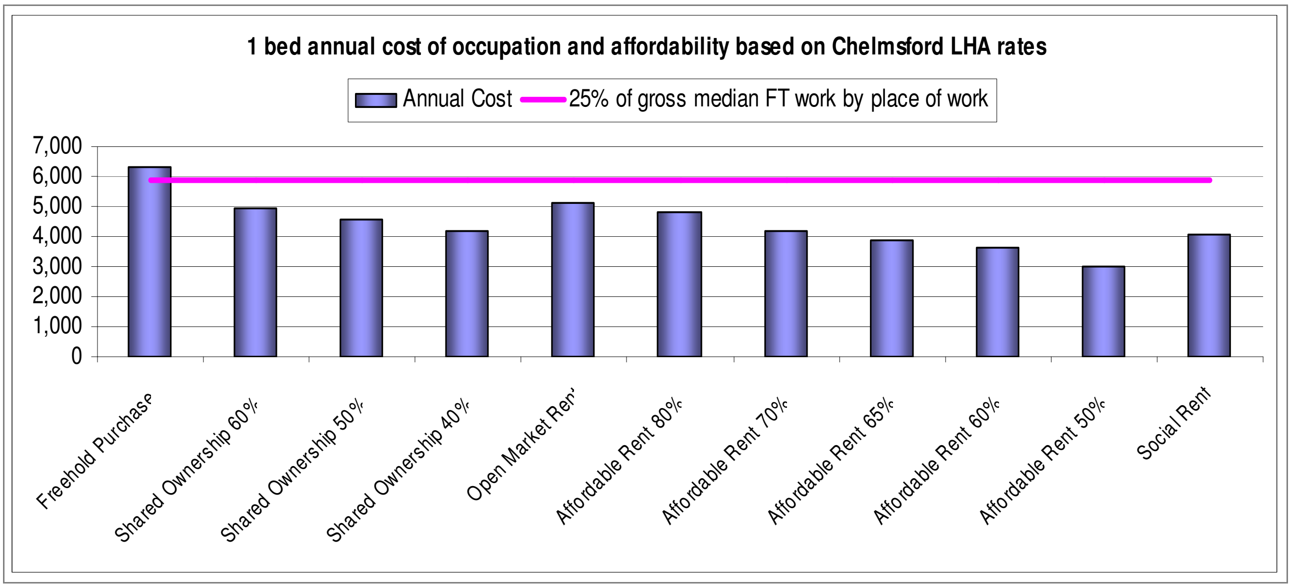
Issues around affordability and accessibility of private housing identified in previous SHMA updates remain in the district. Outline affordability assessments undertaken for this years update indicate that many households working in the district would be unlikely to afford to meet their housing needs in the private sector (private rent and owner occupation) beyond a 1 bedroom property.

Current migration data indicates a net inflow of people moving into the district predominantly from London and local authority areas that are to the south and west of the district. It is estimated the districts population increased by 600 people during June 2009 and June 2010 as a result of migration flows into and out of the district. This represents an increase of 300% in the net inflow of people into the district compared to the previous year where it was estimated the districts population increased by 200 people as a result of migration flows.

Current migration data suggests those moving out of the district are moving to areas to the north and east of the district such as Colchester and Tendring. This movement of people into and out of the district in a south west to north east direction is consistent with migration trends observed in previous SHMA Updates for the district.

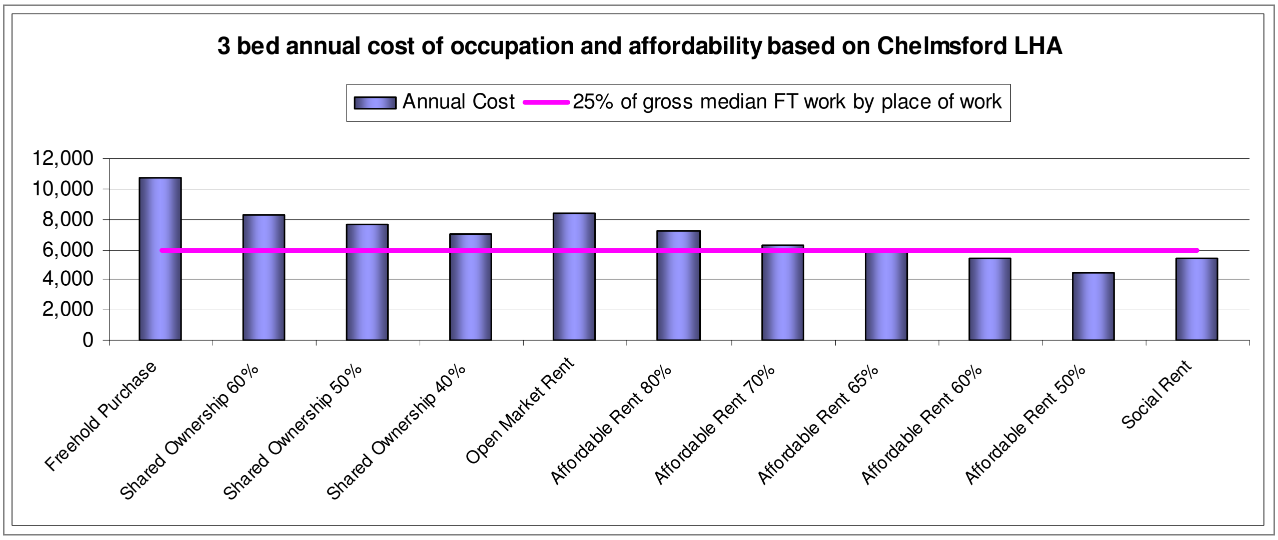
Appendix 1: Annual cost of occupation by tenure for a 1 bed property in the Braintree District

Assumptions (1 bed flat)	
House price (District average lower quartile)	£106,000
Interest rate	5.50%
Term (years)	25
Deposit	20.00%
Shared ownership rent	2.50%
LHA (Chelmsford rate July 2011)	£500
Social rent (HA target rent for a 1 bed flat supplied as at April 2011)	£337
25% gross median full time annual earnings by place of work (Braintree District)	£5,900



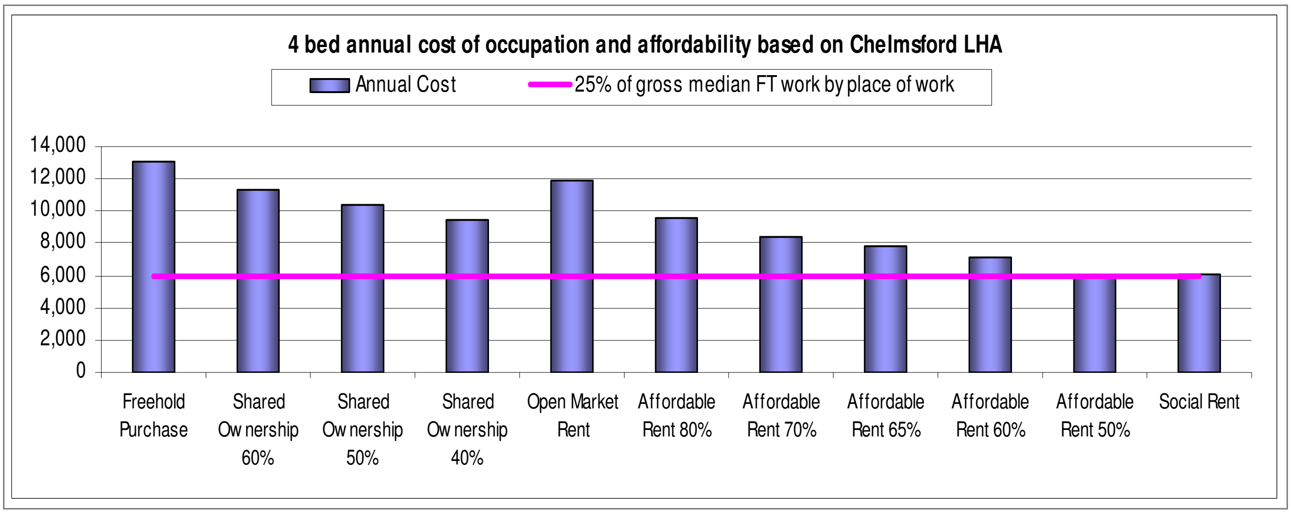
Appendix 2: Annual cost of occupation by tenure for a 3 bed property in the Braintree District

Assumptions (3 bed house)	
House price (District average lower quartile)	£179,950
Interest rate	5.50%
Term (years)	25
Deposit	20.00%
Shared ownership rent	2.50%
LHA (Chelmsford rate July 2011)	£750
Social rent (HA target rent for a 1 bed flat supplied as at April 2011)	£455
25% gross median full time annual earnings by place of work (Braintree District)	£5,900



Appendix 3: Annual cost of occupation by tenure for a 4 bed property in the Braintree District

Assumptions (4 bed house)	
House price (District average lower quartile)	£220,000
Interest rate	5.50%
Term (years)	25
Deposit	20.00%
Shared ownership rent	2.50%
LHA (Chelmsford rate July 2011)	£995
Social rent (HA target rent for a 1 bed flat supplied as at April 2011)	£509
25% gross median full time annual earnings by place of work (Braintree District)	£5,900



Appendix 4: Methodologies and data sources used to update the CLG Needs Assessment Model

CLG Needs Assessment V2 (DCA Methodology)

Stage 1 Current Need Gross	**Output**	Source
1.1 Homeless households and those in temporary accommodation	30	P1E Jan to Mar 20
1.2 Overcrowding and concealedhousehold	1179	
1.3 Other groups		
1.4 Total current housing need (gross)	1209	
Stage 2: Future need		
2.1 New household formation (gross per year)	916	
2.2 Proportion of new households unable to buy or rent in the market	48%	
2.3 Existing households falling into need	193	
2.4 Total newly arising housing need (gross per year)	1397	
Stage 3: Affordable Housing Supply		
3.1 Affordable dwellings occupied by households in need	546	
3.2 Surplus stock	0	
3.3 Committed supply of affordable housing	125	
3.4 Units to be taken out of management	0	
3.5 Total affordable housing stock available	671	
3.6 Annual supply of social re-lets (net)	426	
3.7 Annual supply of intermediate housing available for re-let or resale at sub market level	2	
3.8 Annual supply of affordable housing	428	

Alison Weaver:
SHMA 2007 quoted 1.9% of all households in district cannot afford market housing and living in unsuitable housing. 62,028 (number of hholds in district July 2011) 1.9% = 1,178.5

Alison Weaver:
Applied Fordhams method (through percentages) to current figures

Alison Weaver:
SHMA 2007 quoted 48.8% of new forming households would be unable to buy or rent in the market. 48.8% of 553 = 270

Alison Weaver:
SHMA 2007 methodology stated 45.2% of households in need live in the social rented accommodation.

45.2% of 1209 = 546.4

Alison Weaver:
P.g 110 of SHMA 2007: CLG guide suggests that if the vacancy rate in the social sector is in excess of 3% then it should be considered surplus stock. Braintree records show a vacancy rate in the social sector of around 2% therefore no adjustment needs to be made.

Alison Weaver:
DCA Methodology is to take the average of past 3 years development delivery plus projections for the next 2 years to get a five year average. Completions 07/08 = 136, 08/09 = 125, 09/10 = 171. Projected completions 11/12 = 67, 12/13 = 126

Ali:
DCA Methodology says to use the number of homeless acceptance for last year (193)

Alison Weaver:
Page 112: Fordham estimated 2 units of shared ownership housing becoming available to meet housing needs from existing stock of such housing.

Alison Weaver:
Total number of lets 30.04.09 to 30.04.11 = 1355 less transfers = 851/2 = 425.5 per year

Appendix 4 continued….
Updating the CLG Needs Assessment 2011

The Strategic Housing Market Assessment 2007 undertaken by Fordham Research included a Communities and Local Government Needs Assessment for the district. The model gathers data around current housing needs, future housing needs and affordable housing supply.

Providing accurate up to date figures for the stages 1 and 2 (current need and the future need) is difficult as data gathered through the housing need survey undertaken as part of the SHMA process was used to inform the original calculations.

To update the CLG Needs Assessment the original methodology used by Fordham Research has been used alongside alternative data sources. Details of the methodologies used to provide an updated version of the CLG Needs Assessment Model are provided in the appendix.

Updating figures for the affordable housing supply section of the CLG model is more straight forward. Having updated the original calculations we estimate there is an approximate annual supply of 428 affordable properties in the district arising from churn within the existing affordable housing stock.

The table below provides details of data required for each calculation and within each stage. Further details as to the data sources and methodologies used are provided in the appendix.

Stage 1 Current Need Gross	Output SHMA 2007	Output SHMA Update 2011
1.1 Homeless households and those in temporary accommodation	22	30
1.2 Overcrowding and concealed household	1,138	1,179
1.3 Other groups		
1.4 Total current housing need (gross)	1,160	1,209
Stage 2: Future need		
2.1 New household formation (gross per year)	944	916
2.2 Proportion of new households unable to buy or rent in the market	48.8% (461 hholds)	48.8%
2.3 Existing households falling into need	855	193
2.4 Total newly arising housing need (gross per year)	1,315	1,397
Stage 3: Affordable Housing Supply		
3.1 Affordable dwellings occupied by households in need	541	546
3.2 Surplus stock	0	0
3.3 Committed supply of affordable housing	345	125
3.4 Units to be taken out of management	0	0
3.5 Total affordable housing stock available	886	671
3.6 Annual supply of social re-lets (net)	671	426
3.7 Annual supply of intermediate housing available for re-let or resale at sub market levels	2	2
3.8 Annual supply of affordable housing (churn within existing affordable housing stock).	**673**	**428**

(Various data sources used, see appendix for further details)

CLG Needs Assessment Stage 2

Step 1	SHMA 2008	Update 2011
Gross current need (step 1.4)	1,160	1,209
Estimated total stock of affordable housing available (step 3.5)	886	671

Net current need (step 1.4 – step 3.5)	274	538
Step 2:		
Net current need annualised over 5 years	274/5 = 55	538/5 = 108
Step 3:		
Add net annual quote of households who should have their needs addressed (55 or 108) to the total newly arising housing need (step2.4) and subtract the future annual supply of affordable housing (step3.8)	55+ 1,315 = 1,370 1370 – 673 = 697	108+1397 = 1,505 1,505 – 428 = 1,077
Total net annual housing need	**697**	**1,077**

Appendix 5: Greenfields Study to provide indications of potential under-occupancy across family sized homes.

Area breakdown of GCH analysis of large family size homes where lead tenant is over 60					
		Total	**3 bed**	**4 bed**	**5 bed**
BRAINTREE	**Number of larger homes where lead tenant is over 60**	426	406	20	0
	Total number of larger family homes owned by GCH	1,236	1,184	49	3
	% of potentially under occupying	34%	34%	41%	0%
		Total	**3 bed**	**4 bed**	**5 bed**
WITHAM	**Number of larger homes where lead tenant is over 60**	372	354	18	1
	Total number of larger family homes owned by GCH	1,110	1,036	73	1
	% of potentially under occupying	34%	34%	25%	100%
		Total	**3 bed**	**4 bed**	**5 bed**
HALSTEAD	**Number of larger homes where lead tenant is over 60**	282	274	8	0
	Total number of larger family homes owned by GCH	751	728	22	1
	% of potentially under occupying	38%	38%	36%	0%