Rural East Anglia Partnership

Breckland Housing Needs Survey

January 2010 update to secondary data

a better place, a brighter future
Breckland
COUNCIL

0. Purpose

Welcome to the 2009 update of the Breckland Housing Needs Survey. This document has been undertaken as a refresh of the secondary data from the original 2006 survey. Where an update was possible, it has been included below, using the same paragraph number and same chart number as was used in the original 2006 survey. Where no update is possible, the paragraph is omitted. Readers with hard copy documents may choose to cut and paste the new paragraphs over the old. It has not been considered desirable to repeat the original primary population survey undertaken in 2006, and there is therefore no update to this data.

Market Conditions

The present market (summer 2009) is proving quite difficult to assess. It is certainly a very changed market place from when the fieldwork for the original survey was completed in summer 2006. At that time, the market was still rising strongly, although with serious and rising concerns about affordability and sustainability. The long-predicted market correction has now occurred, bringing about a very different marketplace, although prices to seem to have stabilised recently, and some indicators are even talking of recovery. The market difficulties have brought particularly severe problems for volume house builders, with many finding that sites which were viable at the time of the original fieldwork are no longer viable. It could turn out that we are seeing a decline in the appetite of large developers for volume building, with small volumes higher profits seeming to be preferred to high volumes with smaller profits on each. The effect this will have on delivery of affordable housing, certainly in terms of numbers, is not difficult to foresee. There are also forthcoming changes, such as the Community Infrastructure Levy, the effect of which will be difficult to foresee.

Shared ownership, or Homebuy to use its official name, continues to be popular in all the various forms that are available. Indeed, the main issue is neither lack of demand, which is ample, nor supply, which is adequate, but the availability of finance, with local brokers reporting that any shared ownership application is automatically regarded as a sub-prime loan with consequent increases in cost. Recent increases in flexibility, such as the possibility of purchasing 25% shares, couple with the fall in prices, make this a much more affordable option that it has been.

It is likely that talk of a recovery is presently still premature, however this may prove to be the turning point towards recovery. The biggest sustained threat to any recovery is unemployment, which remains high, and the perceived threat of unemployment among those still in work. It is also possible that development capacity, both in the public and private sector, may also prove a constraint on sector development. It is not hard to foresee that times ahead will continue to be challenging and that all concerned will have to work hard at keeping the market in balance.

Executive summary

Average house prices in Breckland are 81.1% of the average for England & Wales, and slightly lower than the average for Rural East Anglia. The price gap between Breckland and REAP has narrowed slightly since the original survey, however the gap between Breckland and the national price has increased in the same period. Overall, house prices in both Breckland and REAP have slightly outperformed those for England and Wales since 2001, although the gap is again widening. Breckland prices tend to track those for REAP closely; with the average for all types of property slightly lower, except for flats which noticeably higher than for REAP. Comparing Breckland to its surrounding areas, it has the third lowest prices of the eight districts, compared to second-lowest in 2006.

Within Breckland, there were significant variations in house price, with Attleborough recording the highest prices, compared with Swaffham in 2006, and Thetford the lowest, the same as in 2006. Overall, the minimum prices for 1 and 2 bed properties have fallen, with those for 3 and 4 bedroom properties rising. Breckland also has a private rental market in all the main towns, with minimum monthly rents varying from £350 for 1-bed properties to £650 for 4-bed properties, all of which are considerably lower than in 2006.

There is a clear intermediate housing gap in Breckland, as demonstrated by the table below. It is also noticeable that privately rented housing is cheaper than owner-occupied housing for all sizes of property.

Table 3.6 Comparative outgoings by tenure

	Social Rent weekly	Intermediate weekly	Min private rent weekly	Min price sale weekly	Min price sale price
1 bed	£55.21	£67.88	£80.55	£98.52	£73,950
2 bed	£65.45	£81.13	£97.81	£133.21	£99,995
3+ bed	£72.03	£93.55	£115.07	£166.46	£124,950

Over the next five years, it is expected that around 700 units of affordable housing will be built in Breckland, along with around 2,900 relets of existing units falling vacant.

Within the area local to Breckland, Breckland has the third lowest average price at £161,284; South Norfolk has the highest average price (£217,020). There has also been a significant fall in the number of sales since 2006; the highest quantity of sales in 2009 was lower than the lowest quantity in 2006.

1. Introduction

No updates were possible to this chapter

2. Data collection

No updates were possible to this chapter

3. The local housing market

National, Housing Market Area (HMA)-wide and local picture

3.3 The table below shows average prices in the 1st quarter of 2009 for each of England and Wales, Rural East Anglia and Breckland. The table shows that **average prices in Breckland are 81.1% of the average for England & Wales, and slightly lower than the average for Rural East Anglia.** This demonstrates that the gap between Breckland Council and REAP has **narrowed from 2.8% of the national average price to 2.1% of the national average price in the two and a half years since the original survey.** The gap between Breckland Council and the national price has however increased, from 16.4% to 18.9% of the national average price.

Table 3.1 Land Registry average prices (1st quarter 2009)

Area	Average price	As % of E&W
England and Wales	£198,939	100.0%
Rural East Anglia	£165,473	83.2%
Breckland Council	£161,284	81.1%

Source: Land Registry 2001-9.
NB E&W average calculated by weighted mean of all English regions plus Wales

3.4 Information from the Land Registry shows that between the 1st quarter of 2001 and the 1st quarter of 2009 average property prices in England and Wales rose by 69.9%. For Rural East Anglia the increase was 71.3% whilst for Breckland the figure was 73.8%. This demonstrates again that prices in **Breckland and REAP have slightly outperformed prices for England and Wales as a whole, although the gap is again widening in the present downturn.** Breckland house prices have largely tracked those of REAP, with the gap between district and sub-region in particular remaining close.

Figure 3.1 Land Registry price changes 2001-2009 (1st quarters)

Source: Land Registry 2001-9

3.5 The table below shows average property prices for the District for each dwelling type (from Land Registry data). This data is compared to information for the whole HMA. Unfortunately the volume of sales information is no longer broken down below county level, so the percentage of sales information cannot be repeated from the 2006 survey.

Table 3.2 Land Registry average prices (1st quarter 2009)		
Dwelling type	**Breckland**	**REAP**
Detached	£199,207	£209,466
Semi-detached	£143,235	£150,978
Terraced	£114,357	£127,211
Flat/maisonette	£134,180	£115,007
All dwellings	£161,284	£165,473

Source: Land Registry 2009

3.6 The average prices of **all types of dwelling other than flats types in Breckland are lower than the average for Rural East Anglia**; however this margin is very small for detached properties and flats.

Prices in adjoining areas

3.7 As the table below demonstrates, all but one of the local authorities around Breckland have prices below the average for England and Wales. When compared with neighbouring Local Authority areas **Breckland has the third lowest average prices. Breckland prices have fallen slightly as a percentage of the overall average for England and Wales, however Breckland has moved up one place in the table.** The biggest increase has been made by South Norfolk, which now tops the table. In 2006, no adjoining area to Breckland Council exceeded the national average.

Table 3.3 Price levels in Breckland and adjoining areas (1st quarter 2009)	
Council area	**% of England & Wales**
South Norfolk	109.1%
Mid Suffolk	97.9%
St Edmundsbury	88.6%
North Norfolk	88.2%
Broadland	85.6%
Breckland	81.1%
King's Lynn and West Norfolk	80.5%
Forest Heath	73.3%

Source: Land Registry - 2009

Survey of asking prices for sales and lettings

3.8 During June 2009 a survey was done of a wide range of estate and letting agencies using the Rightmove site, in order to obtain detailed information about the local housing market across the Breckland area. Searches were carried out across the district in order to capture localised variations.

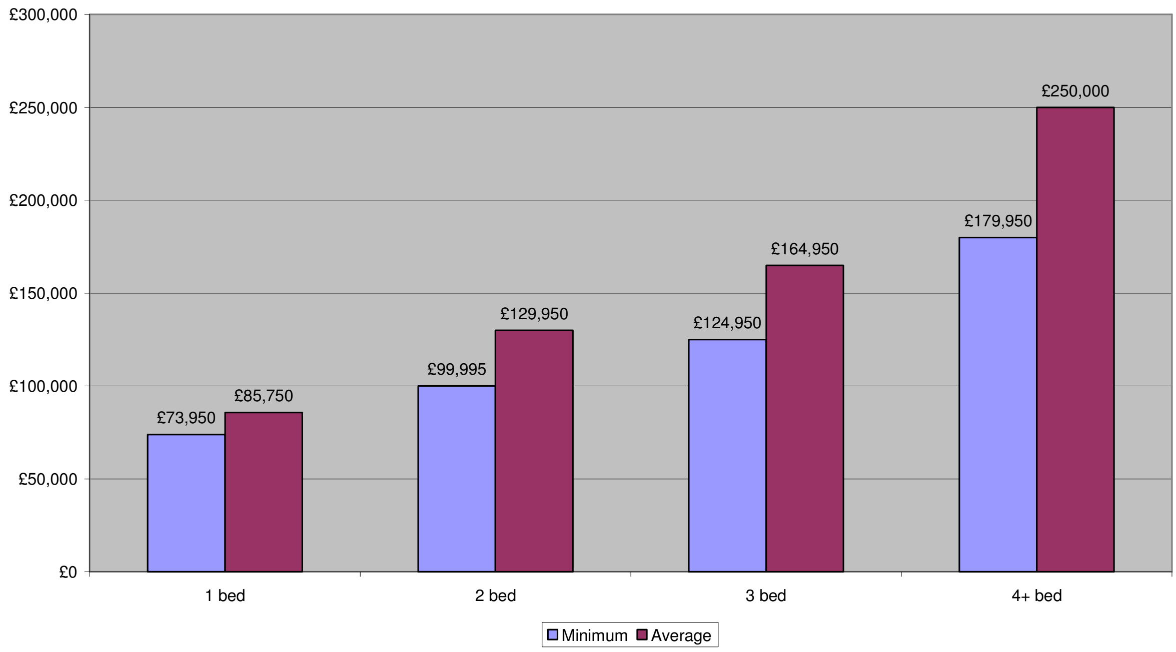
3.9 Average and minimum property prices were collected for a range of property sizes and tenures. The research also informed as to the main features of the current market in Breckland, a summary of which are presented below.

3.10 The research showed that there were variations across the District, with **Attleborough recording the highest prices, compared with Swaffham in 2006, and Thetford the lowest, the same as in 2006.** The level of variation was quite significant, with Thetford prices averaging around £130,000, and Attleborough £210,000, with the other three market towns around the £160,000 mark.

3.11 Property prices were identified for different sized accommodation (in terms of bedrooms) at two-levels – minimum and average. These results are presented in the figure below. The minimum price recorded equates the cheapest cost of housing in good repair of which there is a reasonable supply.

3.12 The figure shows that estimated entry-level prices ranged from £73,950 for a one bedroom property up to £179,950 for four bedrooms. Overall, the **minimum prices for 1 and 2 bed properties have fallen, with those for 3 and 4 bedroom properties rising**. Average prices ranged from 115% to 139% of the minimum prices, with the larger properties having the higher margins.

Figure 3.2 Property prices by size in Breckland



Source: Rightmove Survey 2009

3.13 Average and minimum rents were also collected from agents and the internet. The results of this analysis are shown in the table below. **Minimum monthly rents varied from £350 (one bed) to £650 (four beds), all considerably lower than in 2006,** with average rents around 15-30% more expensive than this, again with the larger properties showing larger percentage increases.

Table 3.4 Minimum and average private rents in Breckland		
Property Size	**Minimum rent (monthly)**	**Average rent (monthly)**
1 bedroom	£350	£400
2 bedrooms	£425	£495
3 bedrooms	£500	£595
4 bedrooms	£650	£850

Source: Rightmove Survey 2009

Affordable housing

3.17 To complete the housing cost profile in the local market it is necessary to present information on the cost of affordable housing. The cost of social rented properties by dwelling size can be obtained from CORE and these are presented in the table below. Unfortunately the previous category of 4+ bedrooms is no longer supplied by CORE so the table is not directly comparable with that from the 2006 survey.

3.18 For at least a decade there has been recognition that 'affordable housing' could refer to tenures other than social rented housing. By 2000 the gap between social rent and market entry (whether rented or purchased) was so wide in London that the term 'intermediate' housing was coined in the London Plan to describe a new sector of the housing market. The definition referred to housing that is cheaper than market entry but available to those who can afford more than a social rent.

3.19 In 2006 Fordham Research added the refinement of 'usefully affordable housing'. This term refers to the midpoint between social rent and the market. The reason for this is that commercial considerations mean that house builders will offer as affordable housing what is cheapest for them. That is often above market entry level. Where an intermediate housing product is produced at a cost below market entry level, whilst it is 'technically affordable', the cost is normally only fractionally below the market and accessible for very few, if any, of those households in housing need who can afford the 'intermediate range'. The mid point in the range ensures that a reasonable proportion of those unable to access the entry-level market costs can afford the price in question.

3.20 The table below shows our estimates of the minimum cost of market housing in the District, and estimated new social rent levels. The estimated cost of intermediate housing is also presented. **Please note that the 4-bedroom rental split is no longer available from CORE, so the lower two rows of the original Table 3.5 have had to be merged**. The outgoings for private rented housing have been used for all sizes for the minimum price of market housing as these are cheaper than those for owner-occupation (in terms of outgoings).

Table 3.5 The cost of affordable housing

Size requirement	Social Rent (£/week)	Intermediate Housing	Minimum priced second hand market housing (£/week)**
1 bedroom	£55.21	£67.88	£80.55
2 bedrooms	£65.45	£81.13	£97.81
3+ bedrooms	£72.03	£93.55	£115.07

**CORE Data*
***Survey of Prices in Breckland 2009*

House price information used to assess local affordability

3.21 The following table shows the entry level costs for rent and buying (Market Entry) as obtained by our Rightmove search. The minimum price recorded equates the cheapest cost of housing in good repair of which there is a reasonable supply. **Please note that the 4-bedroom rental split is no longer available from CORE, so the lower two rows of the original Table 3.6 have had to be merged.**

Table 3.6 Comparative outgoings by tenure

	Social Rent weekly	Intermediate weekly	Min private rent weekly	Min price sale weekly	Min price sale price
1 bed	£55.21	£67.88	£80.55	£98.52	£73,950
2 bed	£65.45	£81.13	£97.81	£133.21	£99,995
3+ bed	£72.03	£93.55	£115.07	£166.46	£124,950

Note: Outgoings for purchase options assume variable rate 25 yr repayment mortgage. With interest only payments outgoings would reduce by approx 20% though benefits of ownership would be lost.
Source: *Survey of Prices in Breckland 2009*

4. Financial information and affordability

No updates were possible to this chapter

5. Current need

Homeless households

5.11 The Housing Needs Assessment is a 'snapshot' survey that assesses housing need at a particular point in time. There will, in addition to the existing households in need, be some homeless households who were in need at the time of the survey and should also be included within any assessment of backlog need. The draft guide also suggests that households sharing facilities should be included here. However, as such households have been included at steps 1.1 and 1.2 they are not included here (to avoid double counting).

5.12 To assess the number of homeless households we have used information contained in the Council's P1 (E) Homeless returns. The main source of information used is Section E6: Homeless households accommodated by your authority at the end of the quarter. The important point about this information is the note underneath. "*This should be a 'snapshot' of the numbers in accommodation on the last day of the quarter, not the numbers taking up accommodation during the quarter.*" This is important given the snapshot nature of the survey. Data compiled from the September 2006 P1 (E) form is shown in the table below.

Table 5.3 Homeless households accommodated by authority at March 2009 (Section E6, P1(E) form)

Category	**Quarter ending 31/3/2009**
Bed & Breakfast	<u>1</u>
Other nightly paid	<u>5</u>
Hostel	<u>3</u>
Private sector accommodation leased by authority	0
Private sector accommodation leased by RSLs	11
Directly with a private sector landlord	0
Within Council's own stock	0
RSL stock on assured shorthold tenancies	10
Other	0
Total	30

Source: Breckland Council March 2009 P1(E) form

5.13 Not all of the categories in the above table are added to our assessment of existing and potential households in need. This is because, in theory, they will be part of our sample for the Housing Needs Assessment. For example, households housed in private sector accommodation should already be included as part of the housing need – such household addresses should appear on the Council Tax file from which the sample was drawn. After considering the various categories, we have decided there are three which should be included as part of the homeless element. These have been underlined in the table above.

Committed supply

5.18 The DCLG draft guide recommends that this part of the assessment includes 'new social rented and intermediate housing which are committed to be built over the period of the assessment'. For the purposes of analysis we have taken HSSA data showing the number of planned and proposed affordable units for the period 2008-20010 as a guide to new provision. These figures are then annualised and multiplied by five to make an estimate of the likely supply over the next five years (see step 2.7 for rationale behind a five year period).

5.19 The table below shows the information contained on the HSSA form on planned affordable housing provision in Breckland over the next two years.

Table 5.5 Planned provision of affordable housing			
	2008/9	**2009/10**	**Average**
LA dwellings	0	0	0
RSL rented dwellings	100	100	100
Social Rented subtotal	*100*	*100*	*100*
RSL shared ownership dwellings	40	40	40
Affordable 'other' private sector dwellings	0	0	0
Intermediate subtotal	*40*	*40*	*40*
Total affordable housing	***140***	***140***	***140***

Source: Breckland Council HSSA form 2008

5.20 Overall the 2006 HSSA data suggests that there is an average of 140 affordable dwellings planned each year. Over a five year period these would amount to a supply of **700 units of affordable housing.**

6. Future need

Annual supply of social rented housing

6.12 Step 4.1 of the model is an estimate of likely future re-lets from the social rented stock. The draft guidance suggest that this should be based on past trend data which can be taken as a prediction for the future. The guide also suggests the use of a three year average. However in this instance we have looked at trend data for the past two years only. This is done simply to allow consistency with the projected needs section (stage three) where figures were all calculated on an annual basis based on trends over the past two years.

6.13 The Council stock in Breckland transferred over to RSL management over two years ago, so it is only necessary to analyse the supply recorded from the RSL sector. Information on the number of re-lets in the RSL stock can be obtained from both the 2006 HSSA and CORE data. The table below shows the number of lettings (excluding RSL to RSL transfers) from each of these sources over the past three years. **The average for the two-year period from both sources together is 414 per annum.**

Table 6.5 Analysis of past housing supply – (RSL sector)			
	2006/7	**2007/8**	**Average**
HSSA data	427	602	515
CORE data	704	589	647
Average	566	596	581

Source: HSSA and CORE forms, 2006-8

6.14 It should be noted that for the period 2008 to 2010 HSSA data shows that an average of 0 households transferred from Council to RSL dwellings within the District per annum, as would be expected given the length of time that has passed since Breckland Council transferred its housing stock. The estimated future supply of lettings from the social rented sector overall is therefore the average supply of re-lets in the RSL sector minus the average number of households transferring from Council to RSL dwellings **(581-0).**

7. The needs assessment model

No updates were possible to this chapter

8. Balancing housing markets

No updates were possible to this chapter

9. Households with support needs

No updates were possible to this chapter

10. Older person households

No updates were possible to this chapter

11. Overcrowding and under-occupation

No updates were possible to this chapter

A1. Affordable housing policy

No updates were possible to this chapter

A2. Further property price information

Comparing prices in neighbouring areas

A2.19 The Land Registry data can be used to show how prices in Breckland compared to those in nearby and adjoining local authority areas. The table below shows average sale prices for the Local Authorities adjoining Breckland (from the most recent quarter available from the Land Registry).

Table A2.1 Average property prices by Local Authority (1st quarter 2009) (number of sales in brackets)

Property type	South Norfolk	St Edmun-dsbury	Mid Suffolk	North Norfolk	Broad-land	King's Lynn & West Norfolk	Forest Heath	Breck-land
Detached	£240,641	£248,646	£270,827	£238,273	£226,270	£190,918	£181,969	£199,207
Semi-detached	£257,900	£157,706	£135,565	£156,938	£141,672	£152,762	£135,182	£143,235
Terraced	£146,901	£136,675	£119,446	£134,812	£125,076	£132,465	£136,464	£114,357
Flat/ maisonette	£101,972	£103,277	£85,399	£106,638	£87,968	£104,204	£111,105	£134,180
Overall average	£217,020 (220)	£176,294 (182)	£194,718 (199)	£175,416 (214)	£170,211 (238)	£160,076 (232)	£145,803 (131)	£161,284 (209)

Source: Land Registry (2009)

A2.20 The overall average price figures for each local authority show that there is a degree of variation amongst the prices in the area. Breckland displays the third lowest average price at £161,284 and South Norfolk has the highest average price (£217,020). **It is also interesting to note the overall lower volumes of sales since the last survey in 2006. The lowest quarterly volume of sales from 2006 was Forest Heath with 406, considerably higher than the highest volume of sales from 2009 – Broadland with 238.** This demonstrates a significant degree of change in the market since the last survey.

A3 Supporting information

No updates were possible to this chapter

A4 Survey questionnaire

No updates were possible to this chapter