

West of England Delivery Plan Affordable Housing

- What do we know about the housing market?
- What are the implications for affordable housing?
- What have we been delivering?
- What more is there to do?

West of England Housing Market

- 2 major studies in 2004 (DTZ Pinda) and 2005 (Heriot-Watt University)
- Currently undertaking a new 'strategic housing market assessment'
- Need/demand for affordable housing is a product of how whole housing market works

The **West of England** Partnership

Market Characteristics

- Net loss of over 10,000 affordable/social homes between 1991-2001 (RTB; mainly family houses)
- Significant growth in private rented sector (approx. 50% rise) and % fall in owner-occupation
 - anecdotal evidence of rise in buy-to-let and buy-to-leave-empty

Market Characteristics

- 75,000 households with someone in full-time work cannot afford cheapest home
- Between 1996-2005 a typical semi-detached house inflated by 195% in sub-region
- House price; income ratios (lowest quartile) = 5.1. South-west worse than any region outside London
- Minimum household income to buy cheapest property = £32k

How Many Affordable Homes Do We Need?

- RSS target – 92,000 homes: 30% affordable = 1390 p.a.
- Housing needs assessment:
 - gross need = 5300 p.a.
 - net need = 3900 p.a.
 - approx 80:20 rent:shared ownership
- BUT total annual production to meet RSS = 4600

Current Delivery of Affordable Homes

- Annual average (last 3 years) = 600
- WoE Partnership target for 2006/7 was 950, but completions were 760
- Sources (recent averages):
 - S. 106 = 320 p.a.
 - Direct funded = 360 p.a.

Future Supply

- Half of all sites will not yield s.106 affordable homes (too small)
- No. of homes from s.106 = 600-800
- Add s.106 to directly funded:
 - total future supply = 1080-1330

Looking Forward

- Reduce site size thresholds?
- Increase above 30% on eligible sites?
- Housing Corp/New Homes Agency investment will increase by 50%
- Efficiency measures?
- Other investment eg New Growth Points
- Special purpose organisations?