



**Waltham Forest
Housing Needs Survey and Strategic Housing
Market Assessment:
Executive Summary**

September 2012

Executive Summary

Introduction to the Strategic Housing Market Assessment

- 1.1 A Strategic Housing Market Assessment (SHMA) is a framework that local authorities and regional bodies can follow to develop a good understanding of how housing markets operate. It promotes an approach to assessing housing need and demand which can inform the development of local development document and housing policies, as originally set out in Planning Policy Statement 3 (PPS3) and reaffirmed in the National Planning Policy Framework (NPPF) released in March 2012.
- 1.2 The purpose of the SHMA is to form part of a wider evidence base for the development of housing and planning policies, which should be considered alongside other factors such as the viability of delivering affordable housing, land availability and local policy priorities including the creation of mixed and balanced communities. Therefore, the evidence provided in the SHMA should not be viewed in isolation as it does not set housing policy.
- 1.3 Whilst the study sought to draw on a wide range of secondary data sources, primary data was also collected through a household survey conducted between July and August 2011. 1,100 interviews were conducted as a random sample of households across Waltham Forest, while 150 interviews were conducted in each of the 4 regeneration areas in the Borough (Walthamstow Town Centre, Blackhorse Lane, Wood Street and the Northern Olympic Fringe) giving a total sample size of 1,700 interviews.

Policy Background

- 1.4 England has an identified shortage of housing and delivery of supply has been a key policy aspiration of successive governments. Household growth has averaged 230,000 per annum, while in recent years dwelling delivery has never exceeded 175,000 per annum and has fallen closer to 100,000 in recent years. Various programmes to encourage housing delivery via key supply side agencies (land owners, developers, investors, Registered Social Landlords (RSL) and Local Authorities) have been put in place.
- 1.5 The Replacement London Plan (published in March 2011) identified an annual monitoring target for Waltham Forest for the period 2011-2021 of 760 dwellings per annum.

Population and Migration

- 1.6 The Office of National Statistics estimates that in 2010 Waltham Forest had a total population of 227,100 people. However, the Greater London Authority estimate the population to be 233,000 while an independent assessment conducted in 2009 estimate the population of Waltham Forest to be at least 243,000. The results of the household survey indicate an estimated population in the borough of around 261,000. The population of children aged 0-9 years and adults aged 25-39 is higher in Waltham Forest than is shown by both the 2010 mid-year estimates and the GLA estimate, possibly owing to an in-migration of families in recent years which have not been detected by official statistics sources. This extra population has a number of implications for Waltham Forest beyond the pressures on its housing stock, with schools and social services all requiring to provide services to a larger population.

- 1.7 The key driving factor behind the growth in the population of Waltham Forest is international migration with around 10,000 migrant workers and their children moving to the borough each year attracted by the job opportunities in East London. While many of these workers subsequently leave the borough, others do settle and have contributed to the sharp recent growth in population.

Affordability

- 1.8 Household incomes in Waltham Forest vary enormously by tenure. Around 45% of those who own with a mortgage have a household income of over £40,000, while over half of all those in social rented homes have an income of less than £10,000 and nearly 90% of those in social rent homes have incomes of less than £20,000 per annum. This creates potential issues with creating mixed and balanced communities in areas with a high preponderance of one particular tenure and encourages the use of planning policies to ensure all tenures are represented on sites.
- 1.9 9% of households in Waltham Forest claim housing benefit while living in the private rented sector, which is relatively high when compared to other London boroughs. To reduce the number of households claiming housing benefit in the private rented sector, more affordable housing would need to be provided. However, a more immediate concern is that changes to the Local Housing Allowance may see low income households leave central London for areas such as Waltham Forest though evidence does not yet support this.
- 1.10 Respondents to the household survey who wanted to move and leave the borough were disproportionately from higher income households. Therefore, Waltham Forest faces the task of retaining its more affluent population which could focus on issues such as the general living environment in the borough to be addressed through regeneration schemes through to more specific issues such as the quality of its schools.
- 1.11 The ratio of median full time earnings to average house prices shows a worsening affordability trend up until 2007 and whilst affordability improved for a brief period, since 2010 it has begun to worsen again. Affordability for first-time buyers has declined sharply since mid-2004 with currently only around 10% of all sales at less than £150,000.

Dwelling Stock and Tenure

- 1.12 49% of Waltham Forest's housing stock predates 1919 and an estimated 25% has a build date of 1919-1945. Therefore three quarters of the housing stock of Waltham Forest was built before 1945.
- 1.13 One of the most important changes which has occurred in Waltham Forest in recent years is the change in housing tenure. The privately rented sector makes up 32% of all residential dwellings, a sharp rise from 18% of all dwellings in the 2001 Census with a match drop in owner occupation rates. This is reflected in 19% of all dwellings in the borough being either a House in Multiple Occupation or a converted property.
- 1.14 The growth in the private rented sector is a response to affordability pressures in East London and also a general lack of dwellings which has seen households occupy smaller dwelling spaces. Since 2001 the number of smaller properties, particularly those with only one or two rooms has increased while the proportion of larger homes has decreased. This is evidence that larger properties have been subdivided

into smaller flats and bedsits which in turn has allowed more households to live in the existing dwelling stock of Waltham Forest in an affordable manner.

Current Housing Need

- 1.15 Calculating overcrowding using the number of rooms in a dwelling designed to be bedrooms shows 11% of dwellings are overcrowded, with this figure being 17.6% in the private rented sector. However, the dwelling stock of Waltham Forest appears to be being used very intensively, with rooms other than those designed as bedrooms being used for sleeping, particularly in the private rented sector.
- 1.16 Across Waltham Forest, it is estimated that around 28% of households are unsuitably housed. Unsuitable housing covers a range of categories such as overcrowding, stock condition, support needs and affordability. This figure is comparable with other borough East and South East London.

Future Housing Requirements and the Affordable Housing Target

- 1.17 The overall housing tenure mix required for Waltham Forest can be summarised as in the following figure. Recent years have seen a high level of conversion of private sector housing in Waltham Forest to cheaper private rent or housing benefit supported private rent to accommodate lower income households. The model assumes that this process continues into the future. Hence a substantial affordable housing requirement has been identified.

Figure 1
Overall Housing 2010-2031 (Note: Figures may not sum due to rounding)

	Tenure	Requirement	%
2010-2031 Housing Requirements			
	Market Housing	2,900	18.3%
	Intermediate Affordable Housing	5,700	35.8%
	Social Rented Housing	7,300	45.9%
	Overall Housing Requirement	15,900	100.0%

- 1.18 The findings for housing requirements identify a total affordable housing requirement of over 80% of the total planned dwelling delivery in Waltham Forest. Therefore, from a housing need perspective, there is clear support for the London Plan position of seeking 50% affordable housing on qualifying sites. However, the housing need requirement must also be considered alongside other factors such as the viability of delivering affordable housing, land availability and local policy priorities including the creation of mixed and balanced communities. It is important to note that affordable rent is included within the total for 'social rent' housing requirement.

Size Mix

- 1.19 The evidence for the split between intermediate affordable housing and social rent also indicates support for the London Plan policy position of affordable housing being provided with a 60:40 split between social rent and intermediate affordable housing.
- 1.20 The modelled size mix requirements indicate that, in the market, nearly 50% of households are seeking 3 bedrooms or more, with 80% seeking at least 2 bedrooms. The model also identifies a high requirement for larger affordable units. Within the social rent requirement, these will typically be used

for households in greatest need. Overall, the findings show that a range of dwelling sizes, including 50% with 3 bedrooms or more, are required in Waltham Forest to meet the needs of all households.

Figure 2

Size mix of the Housing Requirement 2010-2031 (Notes: All figures rounded to the nearest 100. Figures represented by “-“ show any shortfall or surplus which is less than 50, although this will normally be greater than 0. Figures may not sum due to rounding)

Tenure and Size	Market Housing	Intermediate Housing	Social Rented Housing
1 bedroom	600	1,700	2,300
2 bedrooms	800	2,400	2,000
3 bedrooms	1,200	1,500	2,700
4+ bedrooms	200	100	300
Sub-total	2,900	5,700	7,300

- ^{1.21} The modelled findings identify a high requirement for 1 bed social rented dwellings which is driven by a projected growth in single person households in Waltham Forest. The model is stock, rather than flow based, so it compares the number of households likely to require a particular size of dwelling with the number of dwellings of that size which currently exist. Therefore, it does not directly account for turnover in smaller social rent units being much higher than in larger units which means that more become available each year to let.
- ^{1.22} It should be noted that the 1 bed social requirements includes many single people aged under 35 years. Under new Local Housing Allowance rules, under 35s will receive only the Shared Accommodation Rate allowance which will enable the single person only to occupy a share of a dwelling, rather than receiving an allowance for a self-contained dwelling. Therefore, a major impact of this change is likely to be a rise in the demand for shared accommodation within HMOs rather than for self-contained dwellings.
- ^{1.23} Therefore, translating the housing requirement for one bedroom housing into priorities for new build social housing needs careful consideration. Many younger households aspire to a spare bedroom to enable the size of their household to grow without triggering the need to move home. Older households value a spare bedroom to enable children, guests and carers to stay occasionally. A policy aim of seeking to build a greater proportion of 2 bedroom homes would have significant benefits in sustaining communities and should be considered as far as finance will permit.
- ^{1.24} However, we would note that the changes to regulations on under-occupation where households only receive Local Housing Allowance up to the number of bedrooms they require may make this policy more difficult to implement in the future. It should also be noted that this already applies to private tenants and therefore the proposed change would only affect tenants in social rented properties.

Black and Minority Ethnic Population

- ^{1.25} At the time of the 2001 Census, Black and Minority Ethnic (BME) household in Waltham Forest made up around 38% of the total households. The 2011 Waltham Forest household survey indicates that the number of BME households has risen substantially to around 55% of all households, with 19% being White, but not White British – more than double the proportion in 2001. The Pakistani and Indian ethnic groups have increased by 50%.

- 1.26 Many recent migrants to Waltham Forest have been attracted by employment opportunities in the area and this is reflected in the Other White and Other ethnic group having higher levels of incomes than other groups. Of most concern is the fact that the lowest levels of income are found in the Black ethnic group.
- 1.27 Asian households have a higher number of bedrooms on average than other ethnic groups; in particular almost 20% of Asian households have 5 or more bedrooms which is unsurprising given that traditionally many Asian families live together in large family groups. However, an issue of concern is that Asian households are more likely to report that they have too few rooms than the White British population.

Housing Requirements of Older People

- 1.28 The Waltham Forest household survey indicates that almost 60% of 'All older' households (only containing members aged over 50 years and at least one member aged 60 years or more) own their home outright and over a quarter are renting in the social sector. Almost half of 'all older' households have incomes of less than £10,000 per annum. Therefore, while home ownership rates are high, many older persons can be described as equity rich but cash poor. This causes particular issues if there are problems with the property because repair bills can be unaffordable; schemes to help with equity release may benefit this group.

People with Support Needs

- 1.29 19,300 households in Waltham Forest contained at least one person with health problems. This represents around 20% of all households. It should be noted that some of the households contained more than one individual with health issues. The main problems identified were conditions which substantially limit one or more physical functions, and mental health problems.
- 1.30 Around 5,600 households include members who need some form of care or support. Around 6,000 households reported that the health problem affected the housing requirements of their household. Of these households, over half (54%) rent from a social landlord while around 42% own their own home and therefore responsible for their own adaptations. Given that many of these households will have relatively low incomes the affordability of adaptations can be a problem.
- 1.31 Of those who do have special housing requirements, 52% felt that their requirements were already met by their current home, which implies that 48% of households felt that their homes were not adequately adjusted to the health problems of household members. This represents around 3% (2,800) of all households in Waltham Forest. Of this group 48% thought that their current home could be adapted to meet their needs; 43% felt that they would need to move to another home which was more suitable for their needs. Therefore, there are currently around 1,400 households in Waltham Forest who require adaptation in their current homes and 1,200 who need to move to another home, split approximately equally between the private and social sector.