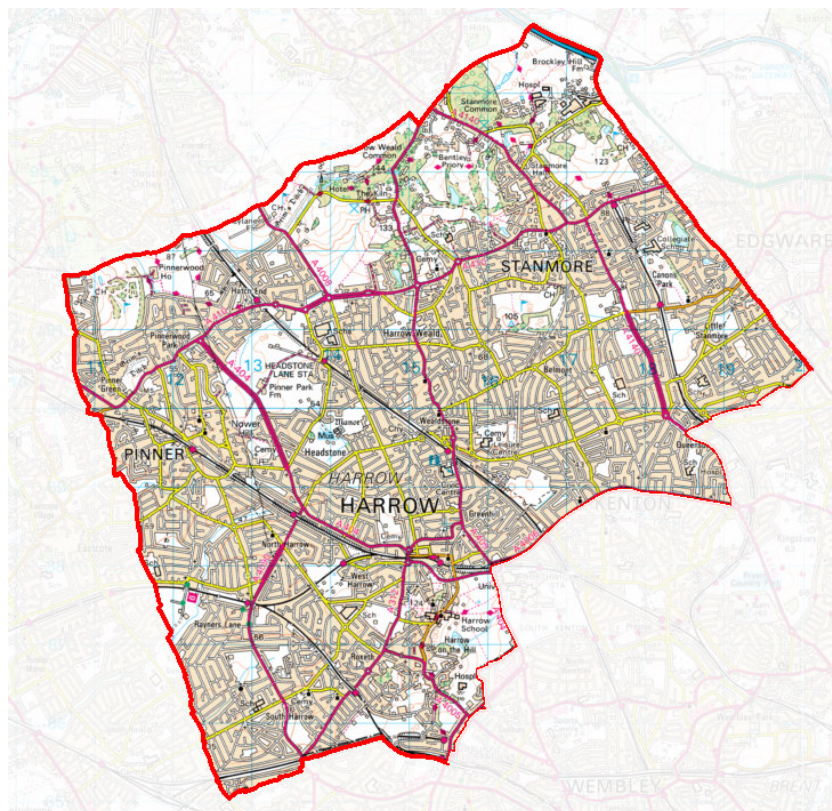




2006 HOUSING NEEDS ASSESSMENT



October 2007



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EXECUTIVE SUMMARY

Context of the Study

S1 Harrow Council commissioned Fordham Research to carry out a Housing Needs Assessment. To do this the study drew on a number of sources of information. These included:

- A household survey using a hybrid approach yielding 1,000 completed personal interviews and 1,425 returned postal questionnaires, totalling 2,425 responses overall
- Interviews with local estate and letting agents
- Review of secondary data (including Land Registry, Census and Housing Strategy Statistical Appendix (HSSA) data)

Survey and initial data

S2 A major part of the study process was the completion of the primary data collection via personal interviews and postal questionnaires with local households. In total 2,425 households took part in the survey. The questionnaire covered a wide range of issues including questions about:

- Current housing circumstances
- Past moves
- Future housing intentions
- The requirements of newly forming households
- Income levels

S3 Information from the questionnaire survey was used throughout the report (along with secondary information) to make estimates about the future housing requirements in the Borough.

S4 Overall the survey estimated that 77.3% of households are currently owner-occupiers with 10.3% living in the social rented sector and 12.4% in the private rented sector.

| Table S1 Number of households in each tenure group | | | | |
|---|----------------------------|-----------------|-------------------|---------------|
| Tenure | Total number of households | % of households | Number of returns | % of returns |
| Owner-occupied (no mortgage) | 27,318 | 33.2% | 999 | 41.2% |
| Owner-occupied (with mortgage) | 36,260 | 44.1% | 836 | 34.5% |
| Council | 5,052 | 6.1% | 176 | 7.3% |
| RSL | 3,411 | 4.2% | 103 | 4.2% |
| Private rented | 10,209 | 12.4% | 311 | 12.8% |
| TOTAL | 82,250 | 100.0% | 2,425 | 100.0% |

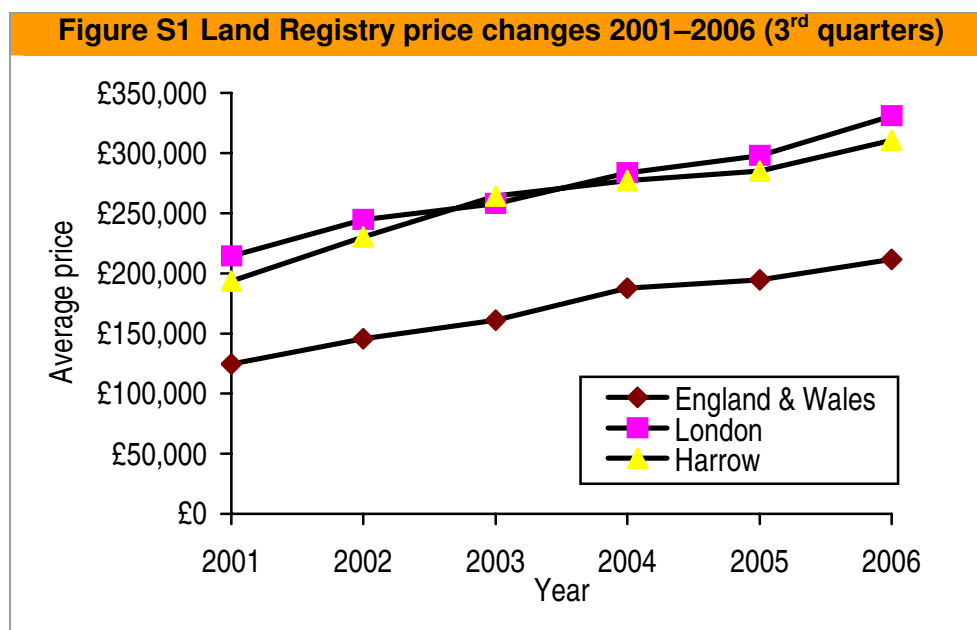
Source: Harrow Housing Needs Assessment – 2006

S5 One of the main sources of secondary information was the Land Registry. This data source suggested that property prices in the Borough are above the national figure but below the figure for the whole of London.

| Table S2 Land Registry average prices (3rd Quarter 2006) | | |
|--|---------------|---------------|
| Area | Average price | As % of E & W |
| England & Wales | £211,452 | 100.0% |
| London | £330,837 | 156.5% |
| Harrow | £310,646 | 146.9% |

Source: Land registry – 2006

S6 The rate of increase in recent property prices in Harrow is lower than national equivalent but higher than the figure for London as a whole. Information from the Land Registry shows that between the 3rd Quarter of 2001 and the 3rd Quarter of 2006 average property prices in England and Wales rose by 69.9%. For London the increase was 54.4% whilst for Harrow the figure was 60.2%. This is displayed in the figure below.



Source: Land Registry – 2006

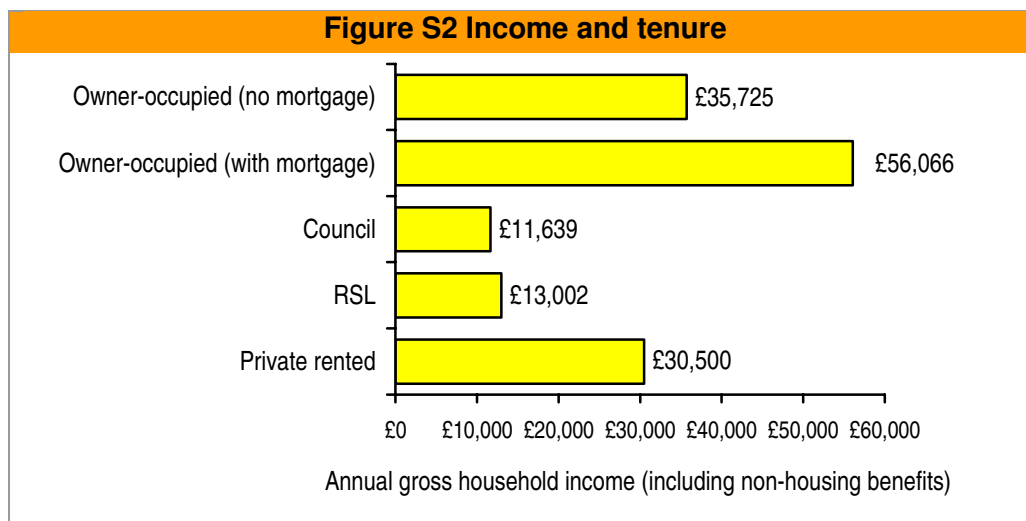
- S7 A survey of local estate and letting agents identified estimates of the minimum costs of housing to both buy and rent in the Borough. This survey showed that prices in Pinner, Stanmore and Harrow on the Hill were higher than other parts of the Borough. For the purposes of calculating the appropriate prices for the assessment of affordability, it was felt that prices in these three areas should be removed before calculating overall averages. Rents did not show such a large degree of variation and therefore averages from across the borough have been used. They are shown in the table below.

Table S3 Minimum property prices/rent in Harrow – excluding Pinner, Stanmore & Harrow on the Hill

| Property size | Minimum price | Minimum rents (per month) |
|---------------|---------------|---------------------------|
| 1 bedroom | £146,000 | £695 |
| 2 bedrooms | £174,000 | £790 |
| 3 bedrooms | £243,000 | £980 |
| 4 bedrooms | £326,000 | £1,230 |

Source: Survey of estate and letting agents – 2006

- S8 The information about minimum prices and rents was used along with financial information collected in the survey to make estimates of households' ability to afford market housing (without the need for subsidy).
- S9 The survey estimated average gross annual household income (including non-housing benefits) to be £41,622. There were, however, wide variations by tenure; with households living in social rented housing having particularly low income levels.



Source: Harrow Housing Needs Assessment – 2006

The Guide model

S10 The CLG (Communities and Local Government) draft guide sets out a number of steps in order to produce an estimate of the annual requirement for additional affordable housing. The model can be summarised as four main analytical stages. The stages are:

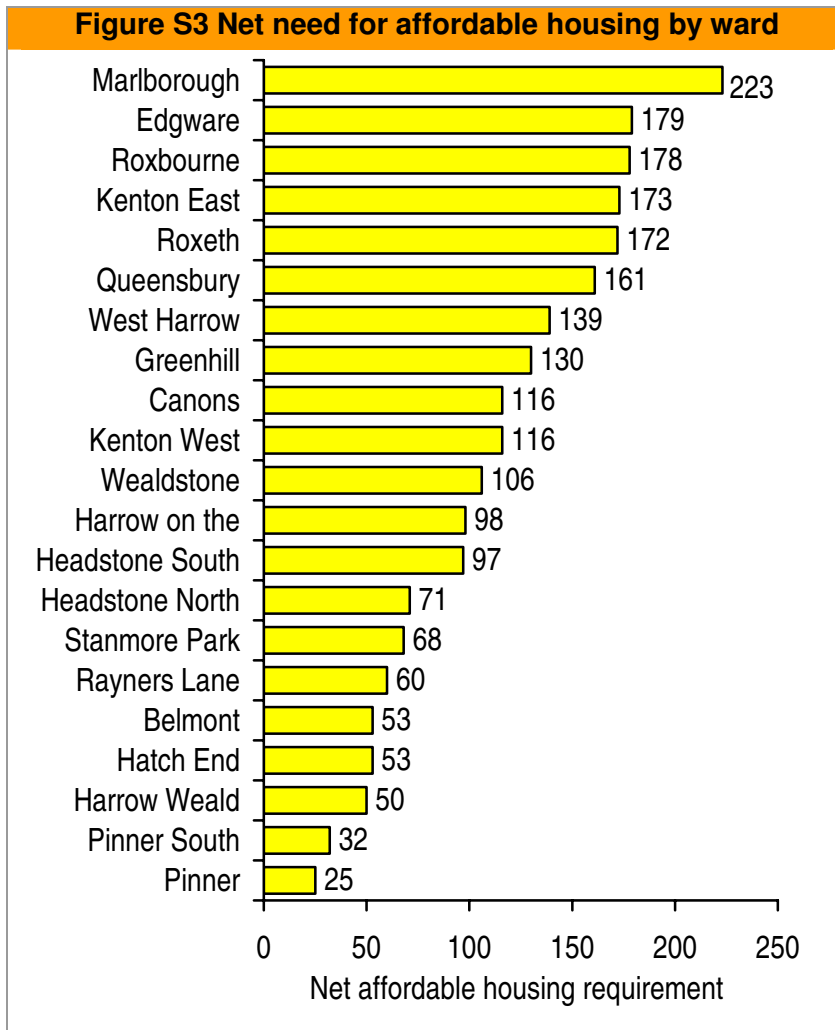
- Current need
- Available stock to offset need
- Newly arising need
- Future supply of affordable units

| Table S4 Detailed affordable housing requirement table for Harrow | | |
|--|-----------------|--------|
| Stage and step in calculation | Notes | Output |
| STAGE 1: CURRENT NEED (Gross) | | |
| 1.1 Current occupiers of affordable housing in need | | 1,619 |
| 1.2 plus Households from other tenures in need | | 2,006 |
| 1.3 plus Households without self-contained accommodation | | 83 |
| 1.4 equals Total current housing need (gross) | 1.1+1.2+1.3 | 3,708 |
| STAGE 2: AVAILABLE STOCK TO OFFSET NEED (Gross) | | |
| 2.1 Current occupiers of affordable housing in need | | 1,619 |
| 2.2 plus Surplus stock | | 62 |
| 2.3 plus Committed supply of new affordable units | | 610 |
| 2.4 minus Units to be taken out of management | | 0 |
| 2.5 equals Total stock available to meet current need | 2.1+2.2+2.3+2.4 | 2,291 |
| 2.6 equals Total current unmet housing need | 1.4–2.5 | 1,417 |
| 2.7 times annual quota for the reduction of current need | | 20% |
| 2.8 equals annual requirement of units to reduce current need | 2.6×2.7 | 283 |
| STAGE 3: NEWLY ARISING NEED (per annum) | | |
| 3.1 New household formation (gross per year) | | 1,682 |
| 3.2 times Proportion of new households unable to buy or rent in the market | | 43.3% |
| 3.3 plus Existing households falling into need | | 1,641 |
| 3.4 equals Total newly arising housing need (gross per year) | (3.1×3.2)+3.3 | 2,369 |
| STAGE 4: FUTURE SUPPLY OF AFFORDABLE UNITS (per annum) | | |
| 4.1 Annual supply of social re-lets (net) | | 323 |
| 4.2 plus Annual supply of intermediate housing available for re-let or resale at sub-market levels | | 26 |
| 4.3 equals Annual supply of affordable units | 4.1+4.2 | 349 |
| NET SHORTFALL OR SURPLUS OF AFFORDABLE UNITS (per annum) | | |
| Overall shortfall or surplus | 2.8+3.4–4.3 | 2,303 |

Source: Harrow Housing Needs Assessment – 2006

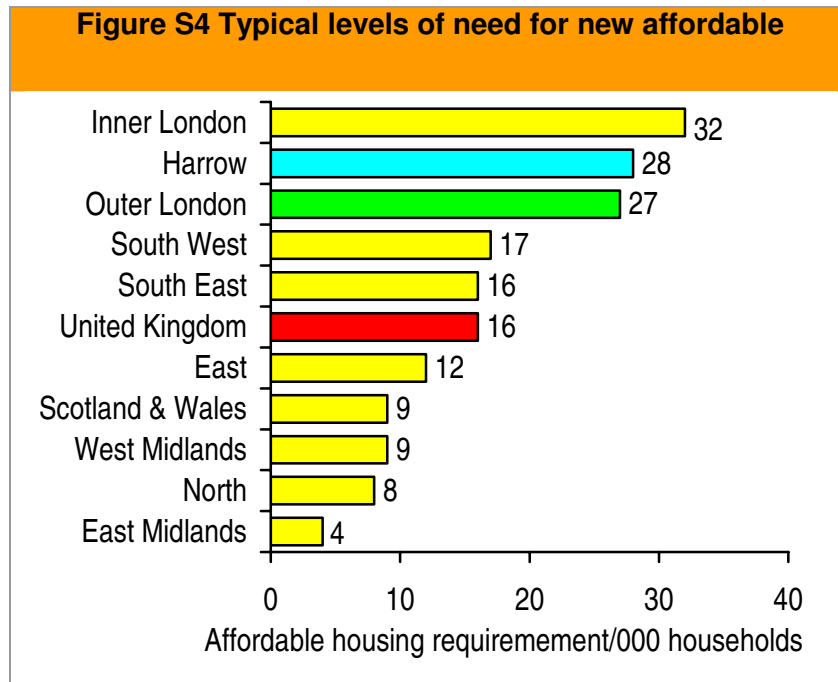
- S11 Overall, using the affordable housing requirement model it was estimated that there is currently a shortfall of affordable housing in the Borough of 2,303 units per annum.
- S12 This table is based on the method set out in the draft housing market assessment guidance published by CLG in December 2005, which was contemporaneous when the model was completed. The final strategic housing market assessment guidance published in March 2007, proposes a slightly different approach to calculating the affordable housing requirement than the draft guidance. It uses the same information but it orders the calculation in a different way. It does however produce the same overall shortfall of affordable housing of 2,303 units per annum.

S13 The affordable housing requirement model suggested that there is a shortfall of all sizes of accommodation with the largest shortfall being for two bedroom units. It is important to note however, that the shortage relative to supply is greatest for four or more bedroom properties. In addition the survey identified the location of the shortfall of affordable housing. The wards of Marlborough and Edgware display the largest net shortfalls of affordable housing.



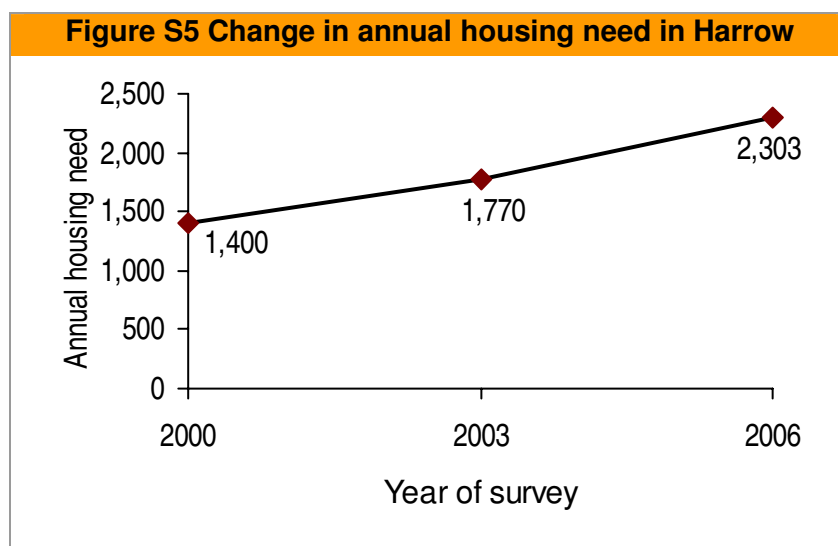
Source: Harrow Housing Needs Assessment – 2006

S14 Putting the results in context suggests that the affordable housing requirement in Harrow is significantly notably above averages found in other Fordham Research assessments and slightly above the average for Outer London. The figure below shows the affordable housing requirement standardised as an annual rate per thousand households.



Source: Harrow Housing Needs Assessment – 2006

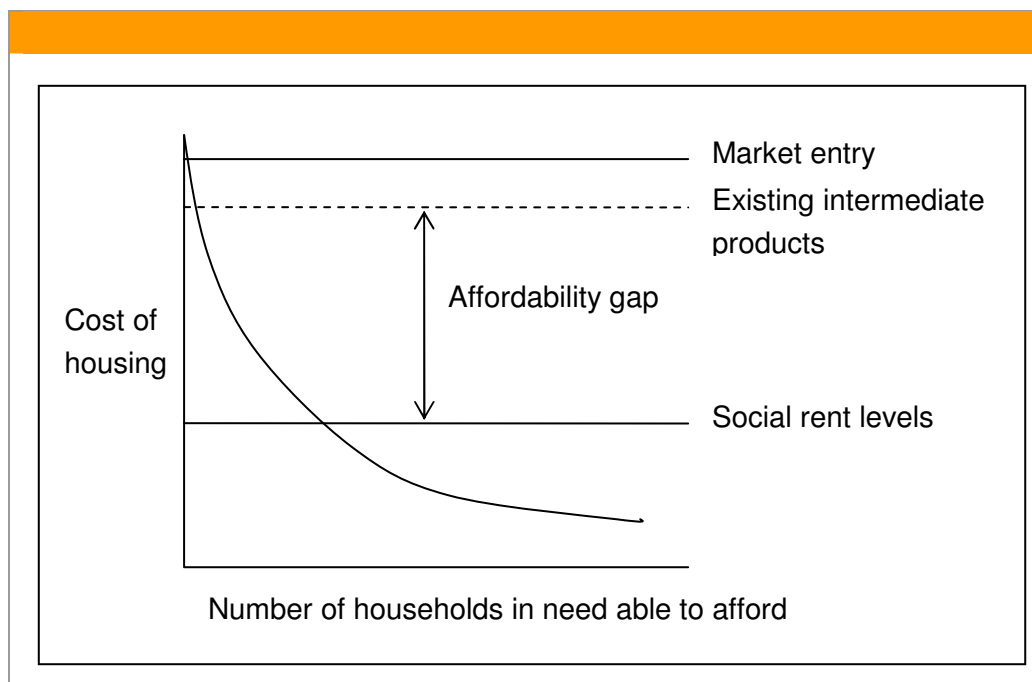
S15 The estimated overall shortfall of 2,303 affordable units per annum suggests that the affordable housing need has increased over time. In a similar survey carried out in 2000 Fordham Research estimated the net need to be around 1,400 units per annum and in 2003 this figure was estimated to be around 1,800 per annum (from an update of the 2000 survey). The figure below illustrates this growth in affordable housing need, which equates to an increase of around 150 affordable units per annum.



Source: Harrow Housing Needs Assessment – 2006

Affordable housing target

- S16 Given the high level of need for affordable housing in Harrow identified in this study, we consider that, as has been used by other London authorities, a target of over 50% could be justified in line with the objectives of the London Plan, although we acknowledge that the Council is free to take a view on the particular level it wishes to set. The threshold adopted in Harrow's UDP (adopted July 2004) is 15 dwellings/ 0.5 ha and certainly seems reasonable given the amount of additional housing required although consideration should be given to lowering this figure to 10 dwellings (in accordance with the London Plan) so as to increase potential affordable housing contributions.
- S17 Further analysis suggests that around half of the identified housing need could theoretically be met by 'intermediate' housing, available at outgoings between social rents and the minimum cost of (second hand) market housing. However, many of these households can only afford housing at a cost nearer to social rents than the cheapest market housing. For example, of the households in need and suitable for two bedroom intermediate accommodation, 32.2% would not be able to afford to pay any more than £105 per week, 15.8% could pay no more than £130 per week, 33.1% could pay no more than £156 per week and 18.9% could pay no more than £181 per week. These equate to households with annual incomes of £21,840, £27,040, £32,448 and £37,648. Intermediate housing would therefore only be affordable if priced at below the mid range of that specified in the London Plan and the range currently used by Harrow Council.
- S18 Information on the cost of recent shared ownership properties in the Borough indicates that they are priced at the upper end of this intermediate band (i.e. very close to the minimum cost of market housing) and would be only affordable to around 12% of households in need. Current two bedroom shared ownership accommodation indicates it is priced at those on household incomes between £35,360 and £37,440. This relatively high price of intermediate housing is inherent in the product and is encountered in most authorities in the country. A range of products are likely to therefore be required to cover the full spectrum of households in the intermediate band and specifically to meet the needs of the majority with incomes in the range £21,000 - £38,000. The diagram below indicates the affordability gap that exists.



Source: Harrow Housing Needs Assessment – 2006

- S19 On current evidence and availability of subsidy it would be difficult to produce the range of intermediate housing options, especially for larger homes, that would be affordable to the majority of households in need. Secondly the need for social housing is increasing as demand vastly outstrips supply. Therefore the current target of a 70:30 split social housing to intermediate (in line with the London Plan) does not seem unreasonable.

Broader Housing Markets & Future Balance

- S20 Whilst concentrating on the need for affordable housing (in isolation) the study also looked at the overall housing requirements of the private sector market. The analysis began by looking at the differences between three broad housing sectors (owner-occupation, private rented and social rented). The survey data revealed large differences between the three main tenure groups in terms of stock profile (size of accommodation), turnover and receipt of housing benefit (or income support towards mortgage interest payments in the case of owner-occupiers). These figures are based on information collected in the survey, and on those households wishing to move in the next 2 years, therefore the figures will vary slightly from HSSA and RSLs continuous recording systems (CORE) information.

Table S5 Profile and turnover of stock and housing benefit claims by tenure

| Tenure | % of properties with more than three bedrooms | Annual turnover of stock (% of households) | % claiming housing benefit (income support for owners) |
|----------------|---|--|--|
| Owner-occupied | 76.3% | 5.4% | 1.6% |
| Private rented | 35.7% | 27.0% | 35.6% |
| Social rented | 28.1% | 11.5% | 68.9% |
| ALL HOUSEHOLDS | 66.3% | 8.7% | 12.8% |

Source: Harrow Housing Needs Assessment – 2006

- S21 Having studied the need for affordable housing using the affordable housing requirement model, the study moved on to look at housing requirements across all tenures. The study includes the Fordham Research ‘Balancing Housing Markets’ (BHM) assessment which uses survey information to look at the whole local housing market, considering the extent to which supply and demand are ‘balanced’ across tenure and property size.
- S22 It uses information on the tenure and size of dwelling that moving households aspire to and expect to move to along with the household’s financial information to assess the type of accommodation they are likely to achieve. Information is also obtained from the survey on the tenure and size of dwellings likely to become available in the Borough in the future.
- S23 The inherent idea behind the BHM method is that it considers the likely future demand for housing in the Borough from three sources (newly forming households, in-migrant households and existing households moving within the Borough) and the likely future supply from three sources (household dissolution, out-migrant households and existing households moving within the Borough). It prioritises the requirements of the current population first with the amount of in-migration limited so that the overall demand is equal to the projected scale of new housing in the area. The table below shows the overall results of the BHM analysis.

Table S6 Total shortfall or (surplus)

| Tenure | Size requirement | | | | TOTAL |
|--------------------|------------------|------------|------------|-------------|--------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | -397 | 520 | -859 | 128 | -608 |
| Affordable housing | 293 | 1,302 | 830 | 400 | 2,824 |
| Private rented | -456 | -873 | -367 | -121 | -1,816 |
| TOTAL | -560 | 948 | -396 | 407 | 400 |

Source: Harrow Housing Needs Assessment – 2006

S24 A number of conclusions can be drawn from this analysis:

- i) In terms of the demand for affordable housing in the Borough it is clear that this is on-going (as demonstrated through the affordable housing requirement model). The BHM methodology suggests a significant shortfall of affordable housing of all sizes of accommodation, most notably two and three bedroom homes. The demand for larger units of affordable housing reflects the inability of market housing to cater for lower income larger households.
- ii) The data shows an overall surplus in the owner-occupied sector. In terms of size requirements, the information suggests that in the owner-occupied sector the main surplus is for three and one bedroom homes whereas shortfalls exist for two and four or more bedroom homes.
- iii) The model indicates that there is a large surplus in the private rented sector. In this sector all dwelling sizes show a surplus, since many households view this sector as an undesirable long term solution whilst the supply of private rented housing is likely to be large due to the temporary nature of the tenure.

S25 This model uses income multiples recommended in Government guidance to test the ability of households to afford their preferred and expected tenure. The multiples used represent a sustainable proportion of household income spent on housing costs. In reality the surpluses recorded in the owner-occupied and private rented sectors will not be witnessed as households will be forced to spend a greater proportion of their income to access market housing. The results of the model therefore emphasise the acute requirement for affordable accommodation in the Borough, as many households in Harrow will be forced to pay more than what is considered sustainable to access market housing.

Housing requirements of specific household groups

S26 The study moved on from a consideration of future needs for additional housing to look at the needs of specific household groups. The survey concentrated on the characteristics and requirements of households with vulnerable residents, older person households, Black and Minority Ethnic households, key workers and overcrowded households.

Households with vulnerable residents

S27 Information from the survey on vulnerable groups can be of assistance to authorities drawing up their supporting housing strategies, including Supporting People Strategies. Some 17.2% of all the Borough’s households (14,154) contain a vulnerable resident. 'Physically disabled' is the largest vulnerable group category. The numbers of households in each category exceed the total number of households with vulnerable residents because people can have more than one category of vulnerable group.

| Table S7 Vulnerable group categories | | | |
|---|----------------------|---------------------|---|
| Category | Number of households | % of all households | % of households with vulnerable residents |
| Frail elderly | 4,787 | 5.8% | 33.8% |
| Physical disability | 9,183 | 11.2% | 64.9% |
| Learning disability | 1,343 | 1.6% | 9.5% |
| Mental health needs | 1,733 | 2.1% | 12.2% |
| Severe sensory disability | 1,361 | 1.7% | 9.6% |
| Other | 1,605 | 2.0% | 11.3% |

Source: Harrow Housing Needs Assessment – 2006

S28 Households with vulnerable residents in Harrow are generally smaller than average for the Borough and are disproportionately made up of older persons only. Households with vulnerable residents are more likely than households overall to be in unsuitable housing.

S29 Households with vulnerable residents are more likely to be living in social rented housing than households without a vulnerable resident. This is true of all vulnerable groups although over half of frail elderly households live in the owner occupied (no mortgage) sector.

S30 Households with vulnerable residents in general stated a requirement for a wide range of adaptations and improvements to the home. The most commonly-sought improvements needed were shower units and lifts/stair lifts.

S31 The survey also supports the requirement of the existing 'staying put' scheme, which assists older owner-occupiers remain in their home by helping them make the necessary repairs, improvements, and/or adaptations to their homes.

Older person households

- S32 Older persons are defined as those of a pensionable age i.e. men aged 65 or older and women aged 60 or over. Some 22.2% of households in Harrow contain older persons only, and a further 11.5% contain a mix of both older and non-older persons. Older person only households are largely comprised of one or two persons, providing implications for future caring patterns. Although the majority of older person only households live in the private sector, a reflection of the predominant housing tenure in Harrow, it is interesting to note that nearly a third of social rented accommodation houses older people only.
- S33 Further analysis reveals that some 8,241 households contain only those aged 75 or over, which equates to 10.0% of all households in the Borough. Some 79.9% of these households contain only one person and 45.2% contain a vulnerable resident.

Black & Minority Ethnic households

- S34 Information was gathered in the survey to find out the ethnic origin of the head of household (and partner if applicable) for each sample household in the survey. Due to the small sample size of some of the groups, some of the categories have been re-grouped, resulting in four different ethnic groups. The table below shows estimates of the number of households in each of the four ethnic groups.

| Table S8 Number of households in each ethnic group | | |
|---|----------------------------|-----------------|
| Ethnic group | Total number of households | % of households |
| White | 55,228 | 67.1% |
| Asian | 18,812 | 22.9% |
| Black | 4,933 | 6.0% |
| Mixed, Chinese or Other | 3,278 | 4.0% |
| TOTAL | 82,250 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

- S35 The survey found that Black and Minority Ethnic (BME) households are likely to be larger than white households, more likely to rent in the private rented sector, tend to have lower incomes and fewer savings and are more likely to live in unsuitable housing. The survey also indicates that currently only 12.7% of older person only households are BME households, however this figure is likely to increase as the BME population ages.

Key worker households

S36 The term intermediate housing is often used with reference to specific groups of households such as key workers. The survey therefore analysed such households (the definition being based on categories of employment and notably including public sector workers). Analysis of survey data indicates that there are an estimated 14,762 people in key worker occupations.

| Table S9 Key worker categories | | |
|---------------------------------------|-------------------|------------------|
| Category | Number of persons | % of key workers |
| Nurses and other NHS staff | 5,024 | 34.0% |
| Teachers | 4,895 | 33.2% |
| Police or Community Support Officers | 1,239 | 8.4% |
| Prison and Probation service staff | 144 | 1.0% |
| Local Authority staff | 2,494 | 16.9% |
| Uniformed or control fire officers | 129 | 0.9% |
| Public transport workers | 838 | 5.7% |
| TOTAL | 14,762 | 100.0% |

S37 Of this total of 14,762 key workers, the survey estimated that 10,377 key workers were the heads of household, which equates to 12.6% of households in the Borough. These households were subject to additional analysis. The main findings from further analysis of this group of households can be summarised as follows:

- Key worker households are more likely to be owner-occupiers than non-key workers, although more likely to have a mortgage; they are also less likely to live in the social rented sector.
- Key worker households are more likely than non-key worker households to move in the next two years, slightly less likely to move within Harrow, and overall are more likely to require a larger property.
- Although key worker households have a similar average income and savings levels to non-key worker households in employment, there remain key worker households within this broad range that are excluded from the housing market.
- The survey indicates that nearly a third of key worker households that intend to move in the next two years cannot afford entry-level market costs in Harrow. A third of these households unable to afford the market would be able to afford intermediate housing priced halfway between social rents and minimum market entry levels.

Overcrowding and under-occupation

S38 Finally, the survey looked briefly at overcrowding and under-occupation, overcrowding having been shown as one of the most important reason for households to be living in unsuitable housing. The results suggest that 4.3% of all households are overcrowded and 33.3% under-occupy their dwelling.

| Table S10 Overcrowding and under-occupation | | | | | |
|---|----------------------------|--------|--------|--------|--------|
| Number of bedrooms required | Number of bedrooms in home | | | | TOTAL |
| | 1 | 2 | 3 | 4+ | |
| 1 bedroom | 8,705 | 10,652 | 16,305 | 4,347 | 40,009 |
| 2 bedrooms | 639 | 6,394 | 13,066 | 5,319 | 25,418 |
| 3 bedrooms | 95 | 947 | 6,936 | 5,023 | 13,001 |
| 4+ bedrooms | 28 | 261 | 1,191 | 2,342 | 3,822 |
| TOTAL | 9,467 | 18,254 | 37,498 | 17,031 | 82,250 |

KEY: Overcrowded households Under-occupied households

Source: Harrow Housing Needs Assessment – 2006

Note: The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – for example they may require three bedrooms but live in a five bedroom property or may require a five bedroom property but currently be occupying a four bedroom property.

S39 The survey identified that owner-occupiers are most likely to be under-occupying dwellings and least likely to be overcrowded; this is particularly true for those with no mortgage. RSL households are least likely to be under-occupied and Council households are most likely to be overcrowded. Private rented households are also more likely than average to be overcrowded.

S40 Overcrowded households tend to have low incomes (per person) and are far more likely to state that they need or expect to move than other households.

Conclusions

S41 The Housing Needs Assessment in Harrow provides a detailed analysis of housing requirement issues across the Borough. The study began by following the CLG's affordable housing requirement model, which estimated a shortfall of 2,303 affordable dwellings per annum.

S42 The study continued by looking at requirements in the whole housing market using a 'Balancing Housing Markets' methodology. This again suggested a significant requirement for additional affordable housing to be provided along with a requirement for two and four bedroom units in the owner-occupied sector.

S43 In the light of the affordable housing requirement shown, it would be sensible to suggest that the Council will need to maximise the availability of affordable housing from all possible sources, therefore an affordable housing target of over 50% with a threshold of 10 dwellings could be justified. The mix of affordable housing sought should be around a 70:30 split of social housing to intermediate (in line with the London Plan).

SECTION A: CONTEXT OF THE STUDY

This report is the result of a Housing Needs Assessment undertaken by Fordham Research on behalf of Harrow Council. It provides an overview of the housing situation in Harrow, calculating an estimate of affordable housing requirements and also looking at housing demand across all tenures and property sizes.

The report is divided into five sections. Section A (pages 15-20) contains a discussion of the purpose of this Housing Needs Assessment. Section B (21-42) provides a summary of data collection techniques and outlines the range of information collection, explaining its importance for assessing housing need.

Section C (pages 43-72) works through the three stages of the model, as outlined by the Communities and Local Government (CLG) guidance, in order to assess whether there is a shortfall or surplus of affordable housing in Harrow. Section D (pages 73-86) considers the degree to which the housing market in Harrow is in balance and section E (pages 8-126) considers housing requirements of specific household groups.

1. Introduction

Introduction

- 1.1 Harrow Council acknowledges the importance of having comprehensive, up to date and robust information on housing need in the borough. This report presents this information in an understandable and transparent way. The findings presented in this report should be considered alongside an understanding of housing need in the adjoining authorities and sub-regions, related to a strategic housing market assessment.
- 1.2 This evidence base will valuably inform production, review and delivery of a range of Council and partner strategies, plans and programmes, many of which are inter-dependent. These include the Harrow Sustainable Community Plan 2006-2020; the Local Development Framework (LDF) (which represents the spatial expression of that Plan); the Housing Strategy Statement and Housing Investment Programme submissions to Communities and Local Government (CLG) department, and the Supporting People Strategy. The information will also be used in the review of the various more detailed housing strategies which together underpin the Housing Strategy Statement.
- 1.3 The data, information and conclusions set out in this independent report will be used to justify the Council's strategic thinking on housing and planning policies. Accordingly they will be subject to scrutiny through a variety of local, sub-regional and regional processes.
- 1.4 The findings of this report complement the results of the recent private sector stock condition survey undertaken in the Borough, which looks at the overall condition of the private sector housing stock in Harrow and the level of intervention required to improve both the stock quality and also the energy efficiency of properties in the Borough. This report provides more detail of the resident population and the nature of housing required in the future.

Report contents

- 1.5 The main outputs of this report are the assessment of the overall requirement for affordable housing following Communities and Local Government (CLG¹) guidance and an assessment of the imbalance across all tenures using the Fordham Research Balancing Housing Markets (BHM) methodology.

¹ The Communities and Local Government department is the government body responsible for housing formerly known as the DCLG and the Office of the Deputy Prime Minister (ODPM).

- 1.6 In presenting the results of both the affordable housing requirement model and the BHM this report is able to cast some considerable light on the housing situation in Harrow. The two methods are quite complementary. The affordable housing requirement model looks predominantly at trend data whilst the BHM studies households' future aspirations, expectations and affordability.
- 1.7 The two methods taken together provide detail on certain crucial matters, such as the types of affordable housing which can meet housing need and suggested affordable housing policy responses (such as target and threshold levels).
- 1.8 The following section of the report describes the information required to undertake these models and explains the methodology used to collect the data required as well as undertake the crucial affordability assessment.
- 1.9 A description of the outputs of the two models and the implications for the Council in terms of how they may best intervene in the housing market is presented below.

Affordable housing requirement model

- 1.10 The basis for carrying out housing needs assessments was standardised by the publication of *Local Housing Needs Assessment: A Guide to Good Practice* by the Department of Transport, Local Government and the Regions in July 2000. The methodology described in this document has been reviewed as part of the ongoing process of drafting Planning Policy Statement 3 (PPS3). The final version of PPS3 was published in November 2006 during the production of the first draft of this housing needs survey and this report takes into account the changes documented in the finalised PPS3.
- 1.11 The final guidance detailing how to complete a strategic housing market assessment that accompanies PPS3 however was only published in March 2007 once all of the analysis had been completed. This housing needs assessment has therefore been produced to be compliant with the previous draft practice guidance for completing housing market assessments published by the DCLG in December 2005, although it does contain any additional information required in the final guidance and reference to any substantial changes in methodology. It is worth noting that the Council will work on a sub-regional basis to implement the findings of this report in the context of the housing market area in accordance with the final guidance.

- 1.12 The draft practice guidance contained a chapter that described the updated methodology for assessing housing need or 'current and future need' as it is was described. The assessment of housing need in this report is compliant with this structure. The equivalent chapter in the final guidance recommends a similar approach to that of the draft guidance, although note is made in this report to any differences.
- 1.13 An assessment of housing need is required for the Council to understand the extent of affordable housing required and to enable the Council to secure the provision of this housing.
- 1.14 The chapter within the draft practice guidance on current and future housing need outlines the steps used to calculate the extent of housing need and the overall affordable housing requirement. However, before these steps are discussed it is necessary to define two crucial terms.

(i) Definition of housing need

- 1.15 The definition of housing need controls which households are defined as being in need, and indirectly affects what constitutes affordable housing. Affordable housing is, in principle, designed to address the identified housing need. PPS3 clearly defines housing need:

| | |
|-------------|---|
| PPS3 | <i>'The quantity of housing required for households who are unable to access suitable housing without financial assistance. [Planning Policy Statement 3 (page 27)]</i> |
|-------------|---|

(ii) Definition of affordable housing

- 1.16 PPS3 defines affordable housing as:

| | |
|-------------|---|
| PPS3 | <p><i>'Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:</i></p> <ul style="list-style-type: none"> <i>- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.</i> <i>- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.</i> <p>[Planning Policy Statement 3 (page 25)]</p> |
|-------------|---|

1.17 PPS3 also defines the two types of affordable housing:

| | |
|-------------|---|
| PPS3 | <p><i>‘Social rented housing: rented housing owned by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime, the proposals set out in the Three Year review of Rent Restructuring (July 2004) were implemented in policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant’</i></p> <p>And</p> <p><i>‘Intermediate housing: housing at prices and rents above those of social rent but below market prices or rents and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.’</i></p> <p>[Planning Policy Statement 3 (page 25)]</p> |
|-------------|---|

1.18 For the purpose of this report the definition of intermediate housing is discussed further in chapter 7.

1.19 A 19-step procedure is set out in the practice guide across four distinct stages. This is aimed at producing an estimate of the net need for new affordable housing. Thus the practice guide is very much geared to the requirements of planning for clear indications of the affordable housing requirement. The following table reproduces the stages of the assessment.

| Table 1.1 Steps required for the calculation of the affordable housing requirement |
|--|
| Stage and step in calculation |
| STAGE 1: CURRENT NEED (Gross) |
| 1.1 Current occupiers of affordable housing in need |
| 1.2 plus Households from other tenures in need |
| 1.3 plus Households without self-contained accommodation |
| 1.4 equals Total current housing need (gross) |
| STAGE 2: AVAILABLE STOCK TO OFFSET NEED |
| 2.1 Current occupiers of affordable housing in need |
| 2.2 plus Surplus stock |
| 2.3 plus Committed supply of new affordable units |
| 2.4 minus Units to be taken out of management |
| 2.5 equals Total stock available to meet current need |
| 2.6 equals Total current unmet housing need |
| 2.7 times annual quota for the reduction of current need |
| 2.8 equals annual requirement of units to reduce current need |
| STAGE 3: NEWLY ARISING NEED |
| 3.1 New household formation (gross per year) |
| 3.2 times Proportion of new households unable to buy or rent in the market |
| 3.3 plus Existing households falling into need |
| 3.4 equals Total newly arising housing need (gross per year) |
| STAGE 4: FUTURE SUPPLY OF AFFORDABLE UNITS |
| 4.1 Annual supply of social re-lets (net) |
| 4.2 plus Annual supply of intermediate housing available for re-let or resale at sub-market levels |
| 4.3 equals Annual supply of affordable units |
| NET SHORTFALL OR SURPLUS OF AFFORDABLE UNITS |
| Overall shortfall or surplus |

- 1.20 PPS3 provides a coherent definition of housing need, and the draft guide provides a great deal of advice on how to calculate it. This report has been prepared in accordance with both PPS3 and the draft guide. Any additional requirements within the affordable housing need calculation resulting from the publication of the final Strategic Housing Market Assessments Practice Guidance have also been included.

Balancing Housing Markets Model

- 1.21 As part of the Balancing Housing Market component of the Comprehensive Performance Assessment conducted by the Audit Commission, each Council must assess the extent to which it understands its entire housing market, the extent to which it is taking appropriate actions to balance the housing market, and to demonstrate that it is adequately monitoring progress in achieving a balanced housing market.

- 1.22 Fordham Research has developed an innovative methodology to allow the information gathered in the Housing Needs Assessment to be used as part of the diagnostic assessment the Council is required to undertake. A full chapter in the report is devoted to this analysis, which assesses the extent to which housing markets are balanced and suggests the directions the Council might take to approach a more balanced condition. This Balancing Housing Market (BHM) methodology (an Adapted Gross Flows approach) shows exactly what shortages and surpluses exist and are likely to persist in the medium term according to size of dwelling and tenure in relation to the aspirations and affordability of would-be movers. Aspirations of households are determined by direct questions in the survey and are different from their assessed needs, as calculated during analysis with reference to the household size and composition.
- 1.23 Whilst one of the outputs of the BHM model is an estimate of the shortfall of affordable housing this should not be taken as an estimate of the absolute need for such housing. As the BHM is a demand and aspiration driven model (unlike the affordable housing requirement model, which is mainly based on past trends and based on need as calculated with reference to a strict bedroom standard) there are inevitably some households who have a demand for affordable housing but under the affordable housing requirement model would not be considered as needing such housing. Additionally as the bulk of the supply in the BHM is based on expected future household moves it is often the case that this model shows a lower supply level than the trend data of the affordable housing requirement model (typically drawn from Housing Strategy Statistical Appendix).
- 1.24 It is therefore common to find that the BHM shows a slightly higher estimate of the affordable requirement than the affordable housing requirement model, but this should not be taken as the survey's base estimate of the absolute requirement for affordable housing (which is measured using the CLG's affordable housing requirement model). The BHM is however particularly useful at ascertaining what shortages exist in the private sector market and can help to guide councils in securing an appropriate mix of market housing on new housing developments.

Summary

- 1.25 Housing Needs Assessments have become, over the past decade, a standard requirement for local authorities across Britain. The publication of guidance on how to assess current and future housing needs within the 'Housing Market Assessment: Draft Practice Guidance' by CLG in December 2005 provides the methodology which was contemporaneous when the model was completed. The final Strategic Housing Market Assessments Practice Guidance was only published in March 2007, once all of the analysis for this report had been completed; however this report does contain any additional information required within the affordable housing need calculation of the final guidance and reference to any substantial changes in methodology.

SECTION B: SURVEY AND INITIAL DATA

This section starts by giving a brief description of data collection and then moves on to outline the affordability assessments used in estimating the affordable housing requirement. The two crucial types of information required for these assessments are current market housing 'entry-level' prices and households' financial information.

It is important to note that the data in some of the tables in this report may not necessarily add up to the totals presented, or alternatively some of the percentage figures may not sum to 100%. This is due to the rounding of the survey data during the analysis.

2. Data collection

Introduction

- 2.1 The primary data was collected using a hybrid approach of personal interviews and postal questionnaires. In total 1,000 personal interviews were completed and 1,425 postal questionnaires were returned, totalling 2,425 responses overall. The number of responses provides sufficient data to allow complete, accurate and detailed analysis of needs across the Borough and geographical breakdowns for the twenty-one constituent wards.
- 2.2 Prior to analysis, data must be weighted in order to take account of any measurable bias. The procedure for this is presented in the following sections.

Base household figures and weighting procedures

- 2.3 Firstly, the total number of households is estimated. This is necessary in order to gross up the data to represent the entire household population. A number of different sources were consulted, primarily the Council's Housing Strategy Statistical Appendix (HSSA) (2006), the Council Tax Register and 2001 Census results. Using this information, the base household figure for Harrow was estimated as follows:

Total number of households = 82,250

Base figures

- 2.4 The table below shows an estimate of the current tenure split in Harrow along with the sample achieved in each group. The data shows that 77.3% of households were owner occupiers with 10.3% in the social rented sector and the remaining 12.4% in the private rented sector. The private rented sector includes those living in tied accommodation and those living in accommodation owned by relatives or friends.

2.5 Figures for individual tenure groups have come from studying a range of sources (including survey data) to provide a best estimate of the total number of households resident in each sector. The figures in the table for Council and RSL households relate to the occupied stock in these tenures recorded by the HSSA (total stock excluding vacants). The remaining tenure distribution is based on what was recorded across the market housing stock by the Census, but taking into account the fact that the Census recorded more households as living rent free than was actually the case. The overall total household estimate is based on section F of the HSSA.

Table 2.1 Number of households in each tenure group*

| Tenure | Total number of households | % of households | Number of returns | % of returns |
|--------------------------------|----------------------------|-----------------|-------------------|---------------|
| Owner-occupied (no mortgage) | 27,318 | 33.2% | 999 | 41.2% |
| Owner-occupied (with mortgage) | 36,260 | 44.1% | 836 | 34.5% |
| Council | 5,052 | 6.1% | 176 | 7.3% |
| RSL | 3,411 | 4.2% | 103 | 4.2% |
| Private rented | 10,209 | 12.4% | 311 | 12.8% |
| TOTAL | 82,250 | 100.0% | 2,425 | 100.0% |

*Weighted distribution derived from HSSA occupied stock and Census information. Please see paragraph 2.5 above.

Source: Harrow Housing Needs Assessment – 2006

2.6 Survey data was weighted to match the suggested tenure profile shown above. An important aspect of preparing data for analysis is ‘weighting’ it. As can be seen from the table above, social survey responses never exactly match the estimated population totals. As a result it is necessary to ‘rebalance’ the data to correctly represent the population being analysed.

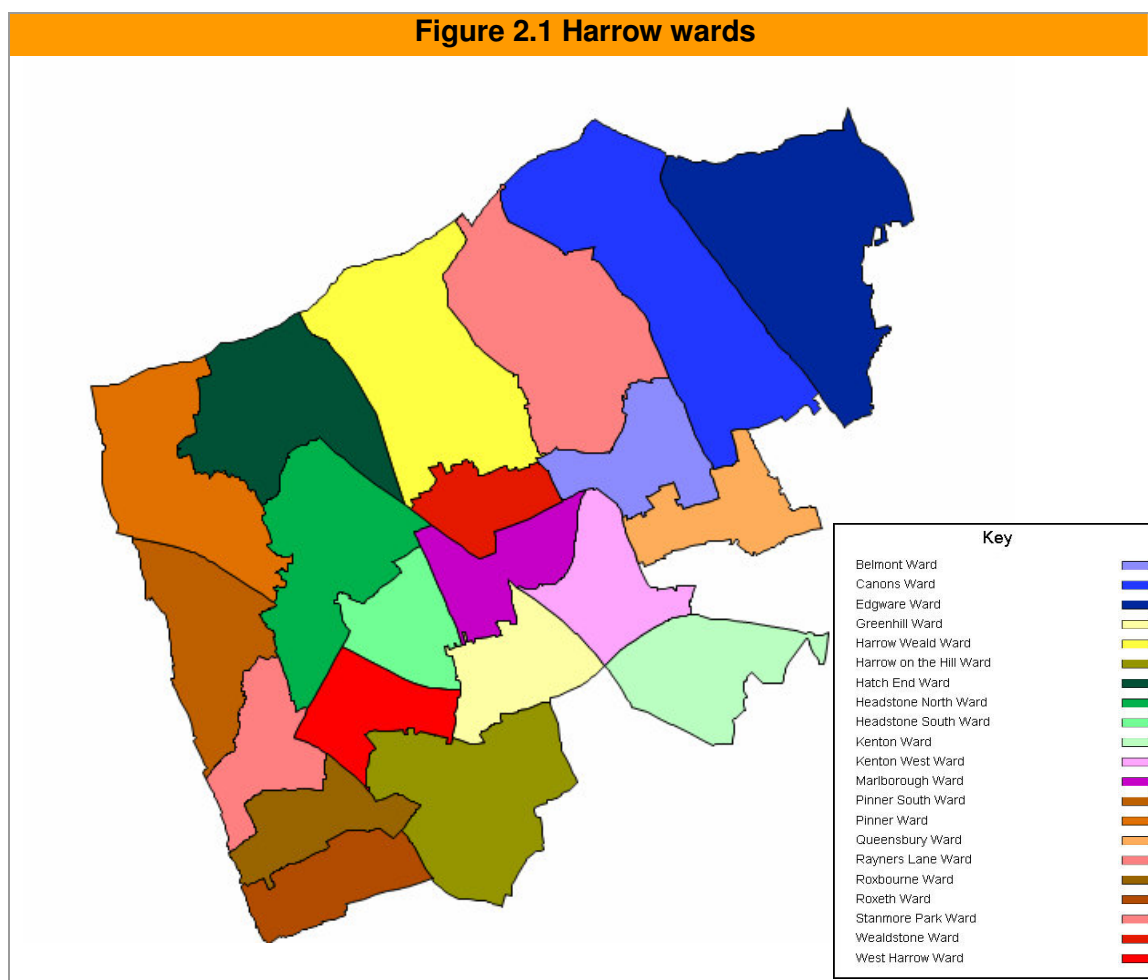
2.7 Data was also weighted to be in line with the estimated number of households in each of the various groups:

- Twenty-one wards (from Council Tax Register)
- Number of people in household (2001 Census)
- Household type (2001 Census)
- Accommodation type (2001 Census)
- Car ownership (2001 Census)
- Ethnicity of the household head (2001 Census)

2.8 The estimated number of households and number of responses for each of these groups is shown in Appendix A3.

Wards

- 2.9 Sampling for the survey was such that results are statistically significant for each of the 21 wards in the Borough. The map below indicates the locations of the 21 wards.



Source: Harrow Housing Needs Assessment – 2006

Summary

- 2.10 The Housing Needs Assessment included a survey carried out on a random sample of households in the Harrow Council area. Data was collected using hybrid approach of personal interviews and postal questionnaires providing a total sample of 2,425 households, which is sufficient data to allow reliable analysis of housing need.
- 2.11 The survey data was grossed up to an estimated total of households and weighted according to key characteristics so as to be representative of the Borough's household population. In total it is estimated that there were 82,250 resident households at the time of the survey.

3. The local housing market

Introduction

3.1 This chapter sets out the results of an analysis of housing market prices and rents in Harrow. Information was collected from two sources:

- Land Registry
- Survey of local estate and letting agents

3.2 Land Registry information provides the context for the property price situation in Harrow and then a sequence of analysis based on information collected from estate/letting agents leads to figures that show the minimum price/rent of housing for a range of dwelling sizes.

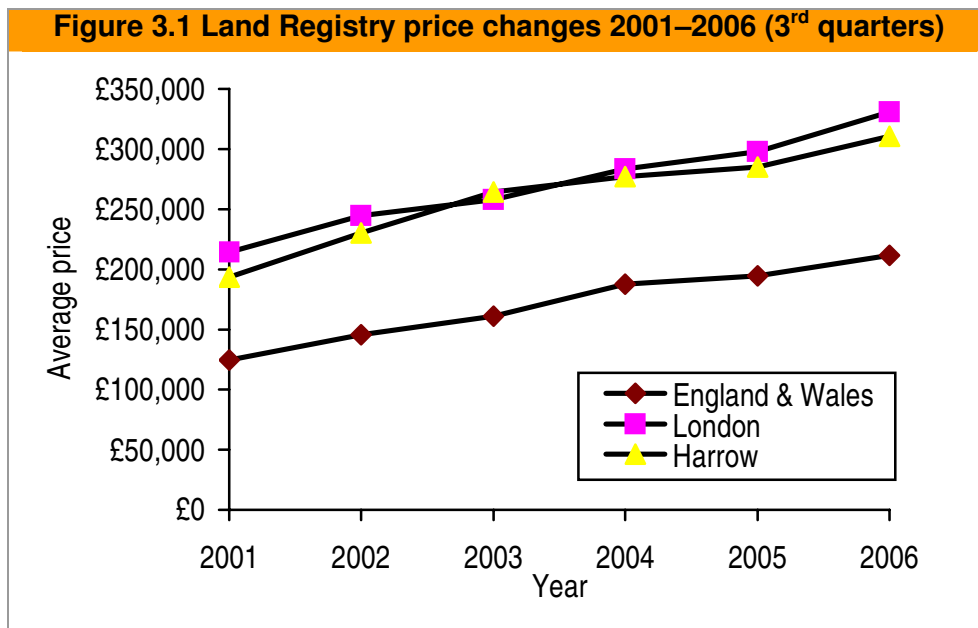
National, regional and local picture

3.3 The table below shows average prices in the 3rd quarter of 2006 for each of England and Wales, London and Harrow. The table shows that average prices in Harrow are nearly 50% greater than the average for England & Wales, though slightly lower than the average for London.

| Table 3.1 Land Registry average prices (3rd Quarter 2006) | | |
|---|---------------|---------------|
| Area | Average price | As % of E & W |
| England & Wales | £211,452 | 100.0% |
| London | £330,837 | 156.5% |
| Harrow | £310,646 | 146.9% |

Source: Land registry – 2006

3.4 The rate of increase in recent property prices in Harrow is lower than national equivalent but higher than the figure for London as a whole. Information from the Land Registry shows that between the 3rd Quarter of 2001 and the 3rd Quarter of 2006 average property prices in England and Wales rose by 69.9%. For London the increase was 54.4% whilst for Harrow the figure was 60.2%. This is displayed in the figure below.



Source: Land Registry – 2006

3.5 The table below shows average property prices for the borough for each dwelling type (from Land Registry data). This data is compared with London price information. The volume of sales by type is also included for both areas.

Table 3.2 Land Registry average prices and sales (3rd quarter 2006)

| Dwelling type | Harrow | | London | |
|-----------------|---------------|------------|---------------|------------|
| | Average price | % of sales | Average price | % of sales |
| Detached | £662,191 | 11.0% | £673,720 | 4.7% |
| Semi-detached | £324,060 | 31.8% | £371,791 | 16.3% |
| Terraced | £275,452 | 24.9% | £349,478 | 31.1% |
| Flat/maisonette | £204,862 | 32.3% | £270,964 | 47.8% |
| All dwellings | £310,646 | 100.0% | £330,837 | 100.0% |

Source: Land registry – 2006

3.6 The largest volume of sales in the Borough was for flats (32.3%) with an average price of £204,862, although semi-detached houses also accounted for 31.8% of sales. The average prices of all types of dwelling types in Harrow are lower than the averages for London. Sales in London show a higher proportion of flats/maisonettes and terraced houses, and a lower proportion of semi-detached and detached houses.

Prices in adjoining areas

- 3.7 As the table below demonstrates, all of the local authorities around Harrow have prices above the average for England and Wales. When compared with neighbouring Local Authority areas and other West London sub-regional Boroughs Harrow shows an average price towards the middle of the range.

| Table 3.3 Price levels in Harrow and adjoining areas (3rd quarter 2006) | |
|--|----------------------|
| Council area | % of England & Wales |
| Watford | 118.0% |
| Hillingdon | 124.0% |
| Brent | 138.8% |
| Hounslow | 143.9% |
| Harrow | 146.9% |
| Ealing | 147.7% |
| Three Rivers | 164.9% |
| Barnet | 172.1% |
| Hammersmith & Fulham | 224.7% |
| Kensington & Chelsea | 435.1% |

Source: Land registry – 2006

Estate Agents' information

(i) Market variation

- 3.8 During November 2006 a total of 10 estate and letting agencies were contacted in order to obtain detailed information about the local housing market across the Harrow area. Agents were contacted across the borough in order to capture localised variations.
- 3.9 Average and minimum property prices were collected for a range of property sizes and tenures. Agents were also asked to describe the main features of the current market in Harrow, a summary of which is presented below.
- 3.10 The estate agents reported that there were significant variations in the prices of properties across the borough. House prices were found to be most expensive in the areas of Pinner, Stanmore and Harrow on the Hill; the least expensive prices were found in the areas of Kenton and Edgware.

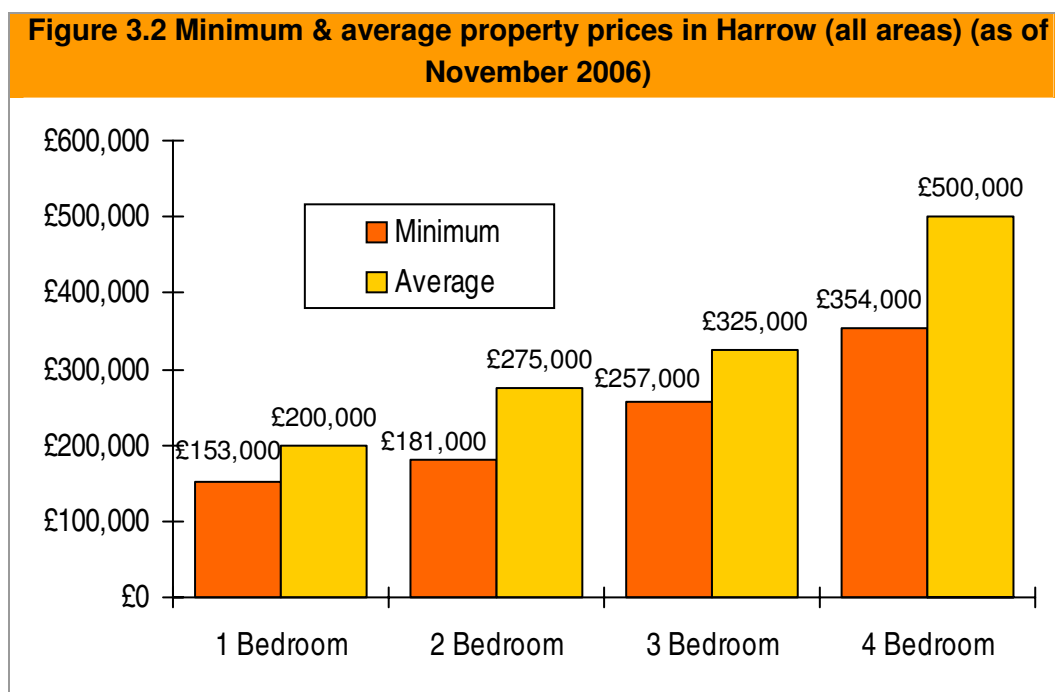
- 3.11 The estate agents reported variation in the current shortage of properties across the Borough; in Wealdstone and Roxeth it was documented that demand was outstripping supply for all property types, whilst in Belmont, Edgware, Rayners Lane and Harrow on the Hill the agents indicated that the shortage was most acute for one and two bedroom flats. A shortage of three bedroom properties was identified as most prominent in Kenton, Headstone and Stanmore.
- 3.12 Most estate agents felt that prices were rising due to the relatively short supply, though not as rapidly as in recent years; it was felt that prices had 'steadied' to some extent.

(ii) Service charges

- 3.13 Estate agents were also asked for details about the service charges which applied to some accommodation. Estate agents stated that these varied significantly, but reported an average cost of £500 per annum for a one bedroom property and an average cost of £1,200 per annum for a three bedroom home.
- 3.14 Households were also asked about service charges as part of the survey; around 12.5% of households paid a service charge. The vast majority of households (88.3%) paying a service charge stated that the amount is less than £1,200 per annum. More specifically the survey suggests that the average service charge for a one bedroom flat is of £512 per annum, for a two bedroom flat it is £776 per annum, for a three bedroom flat it is £998 per annum and for a four bedroom flat the service charge it is £1,317 per annum.

(iii) Purchase prices

- 3.15 If we take averages of the prices identified by individual agents for each dwelling size and price level, the property price results are as presented in the figure below. The figure shows that estimated entry-level prices ranged from £153,000 for a one bedroom property up to £354,000 for four bedrooms. Average prices were generally around 25-50% higher than the minimums.



Source: Survey of Estate and Lettings Agents (2006)

(ii) Private rent levels

3.16 Average and minimum rents were also collected from agents and the results of this analysis are shown in the table below. Minimum weekly rents varied from £160 (one bed) to £284 (four beds) with average rents around 20% more expensive than this.

Table 3.4 Minimum and average private rents in Harrow

| Property size | Minimum rent (weekly) | Average rent (weekly) |
|---------------|-----------------------|-----------------------|
| 1 bedroom | £160 | £196 |
| 2 bedrooms | £182 | £219 |
| 3 bedrooms | £226 | £265 |
| 4 bedrooms | £284 | £340 |

Source: Survey of Estate and Lettings Agents (2006)

Appropriate price level for the affordability test

3.17 Having established minimum and average prices in each of the four size categories it is necessary to decide what price level is the most appropriate to use for assessing whether or not a household is able to access the housing market. It is necessary to consider two aspects:

- The appropriate measure of price (e.g. minimum or average prices/costs)
- How to deal with a situation where price variations have been identified within the Council area

- 3.18 On the first point, we use the minimum prices collected in the estate agents survey, since these have been designed to represent the ‘entry level’ into the housing market. For consistency we will also use minimum private rental costs as part of the affordability test.
- 3.19 A key issue in deciding the appropriate price assumptions to use in assessing overall Borough-wide affordability is whether a household that could afford market priced housing by moving a reasonable distance should be assessed as being in housing need. In this case the term ‘reasonable distance’ is taken to mean ‘within the Borough boundary’ and it is recognised that some households would therefore need to move from their current locality to afford private sector housing.
- 3.20 A clear geographical distinction was apparent during the estate agent interviews, with property prices in Pinner, Stanmore and Harrow on the Hill being the highest. Although property prices can still vary within different areas depending on, for example, location, for the purposes of calculating the appropriate prices for the assessment of affordability, it was felt that the prices observed in the areas of Pinner, Stanmore and Harrow on the Hill should be removed before calculating overall averages. Rents did not show such a large degree of variation and therefore averages from across the borough have been used.

Table 3.5 Minimum prices and rents in Harrow (for selected areas)

| Property size | Minimum sale | Average sale | Minimum rent | Average rent |
|---------------|--------------|--------------|--------------|--------------|
| 1 bedroom | £146,000 | £191,000 | £160 | £196 |
| 2 bedrooms | £174,000 | £265,000 | £182 | £219 |
| 3 bedrooms | £243,000 | £308,000 | £226 | £265 |
| 4 bedrooms | £326,000 | £461,000 | £284 | £340 |

Source: Survey of Estate and Lettings Agents (2006)

Summary

- 3.21 An analysis of the local housing market is a crucial step in any housing study. In this report information was drawn from both the Land Registry and local estate/letting agents to provide the context for local property prices/rents. Some of the main findings of the analysis are:
- At £310,646, the average property price in Harrow in the 3rd quarter 2006 was slightly lower than the average for London (£330,837).

- Average prices in Harrow rose by 60.2% in the period 2001 to 2006. This is below the rate of increase observed nationally, though above the rate of increase observed for London.
- The largest volume of sales in the Borough was for flats (32.3%) with an average price of £204,862.
- The estate agent survey suggested that minimum prices ranged from £153,000 for a one bedroom property rising to £354,000 for a four bedroom property.
- Minimum rents ranged from £160 to £284 per week depending on size.
- The areas of Pinner, Stanmore and Harrow on the Hill were found to be more expensive than other parts of the Borough for owner-occupation; therefore the purchase prices reported in these areas will be removed from the average applied to households in all parts of the Borough when it comes to testing affordability.

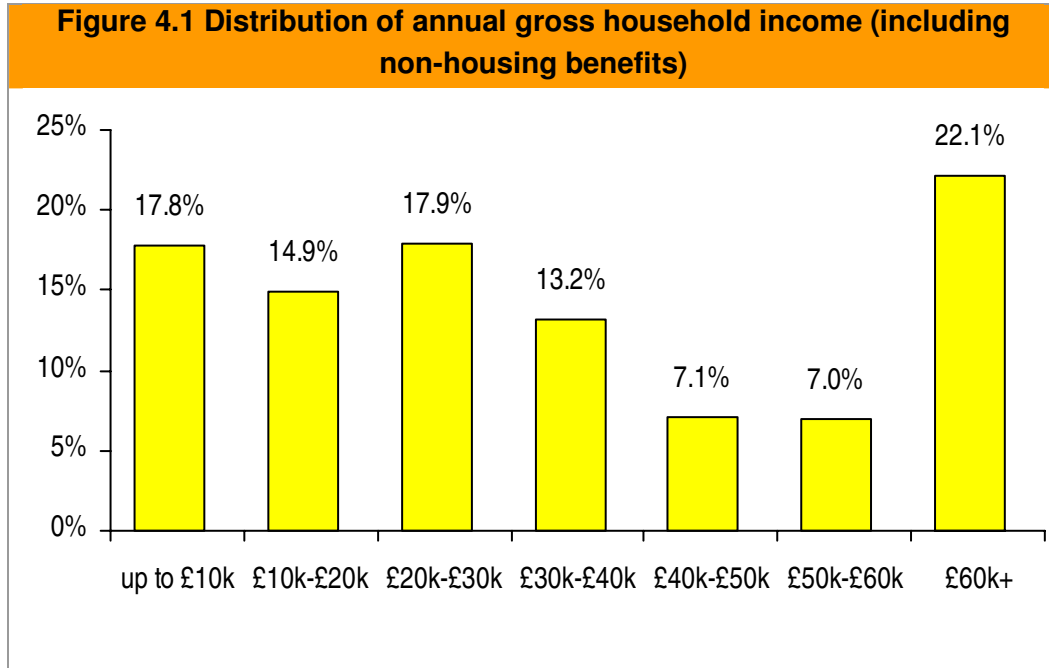
4. Financial information and affordability

Introduction

- 4.1 The previous chapter studied the local housing market. The results from that chapter are brought together with household financial information to make an assessment of affordability for each individual household. The issue of affordability is crucial in assessing both backlog and newly arising need in the Council area.
- 4.2 Having set out the financial information collected in the survey the section continues by concentrating on the methodology behind the assessment of affordability. To complete an accurate assessment of affordability, the survey collected information regarding household's gross earned income (including benefits), savings and equity levels as well as the income of potential households.

Household income

- 4.3 The response to the survey income question was good with 85.8% of respondents answering this question. Survey results for household income in Harrow estimate the average gross income level (crucial for the assessment of affordability) to be £41,622 per annum. This figure compares with a figure of £38,300 for 2005 from CACI data and suggests that the survey's income assessment is broadly correct. The median income is noticeably lower than the mean (at £30,583 per annum). The figure below shows the distribution of income in the Borough.

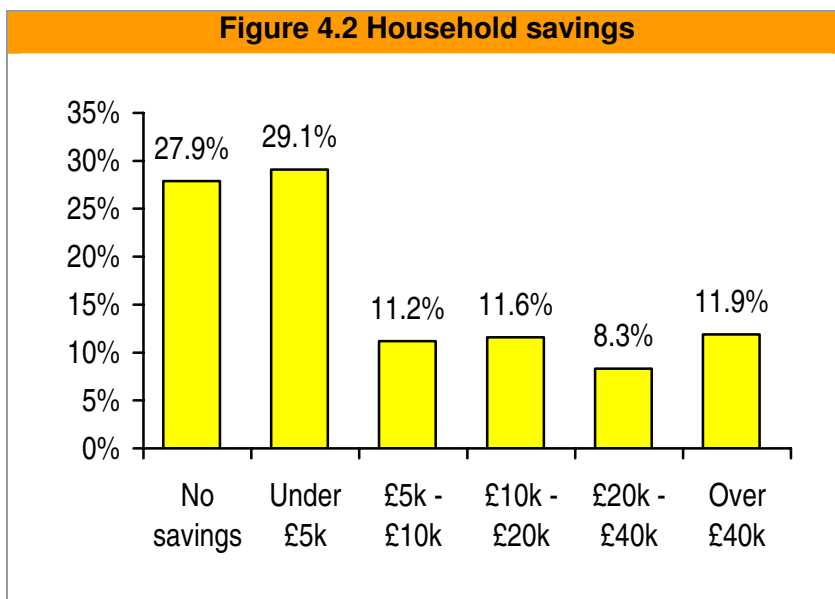


Source: Harrow Housing Needs Assessment – 2006

Household Savings and Equity

4.4 The response to the survey savings question was also good with 85.0% of respondents answering this question. The average household has £20,013 in savings (median of £3,799). The figure below shows the distribution of savings in the Borough.

4.5 An estimated 57.0% of households had less than £5,000 in savings whilst 11.9% had savings of over £40,000. Households with no savings also include those in debt.



Source: Harrow Housing Needs Assessment – 2006

- 4.6 The survey also collected information about the amount of equity owner-occupiers have in their property. For both owner occupier groups together (with and without mortgages) the average amount of equity was estimated to be £241,513 (median of £238,012). It is estimated that 1.1% of owner-occupiers (676 households) are in negative equity.

Household characteristics and income

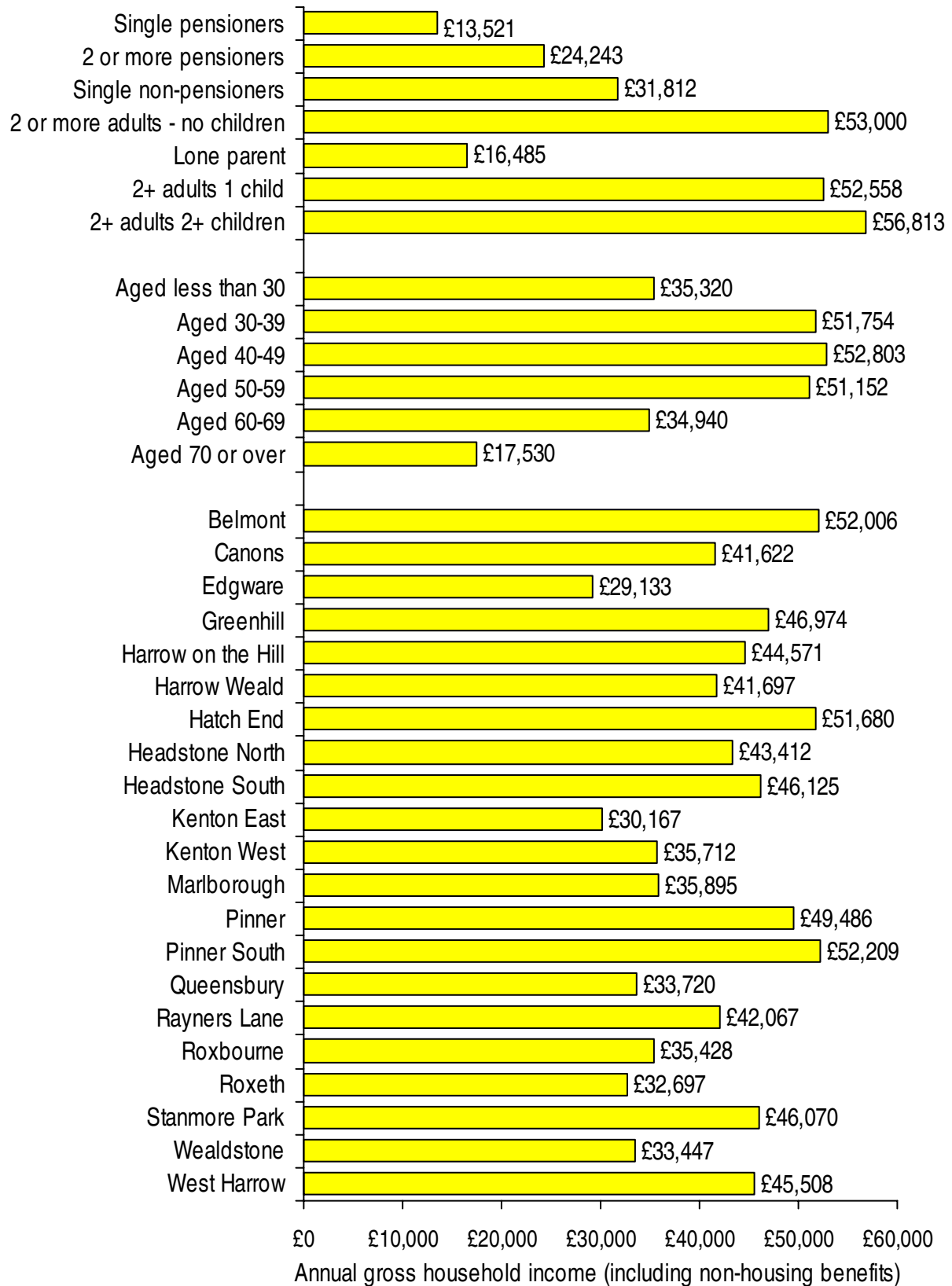
- 4.7 The table below shows average income, savings and equity by tenure. As might be expected, the households with the lowest average incomes (and savings) are those in the social rented sector. Whilst owner-occupiers with no mortgage have an average household income considerably lower than those with a mortgage, this group contains many older people who are not working but have redeemed their mortgages. These households therefore have much higher levels of savings and equity.

| Table 4.1 Financial information by tenure | | | |
|--|---------------------------------------|-----------------|-----------------|
| Tenure | Average annual gross household income | Average savings | Average equity |
| Owner-occupied (no mortgage) | £35,725 | £36,995 | £304,141 |
| Owner-occupied (with mortgage) | £56,066 | £15,838 | £194,330 |
| Council | £11,639 | £752 | |
| RSL | £13,002 | £557 | |
| Private rented | £30,500 | £5,428 | |
| AVERAGE | £41,622 | £20,013 | £241,513 |

Source: Harrow Housing Needs Assessment – 2006

- 4.8 The figure below looks at income levels by household type, age of household head and ward. Single pensioner and lone parent households show average incomes considerably below the Borough average. Households with two or more adults and two or more children show the highest average incomes.
- 4.9 Households headed by someone aged between 30 and 59 record the highest average household incomes, whilst those headed by someone aged 70 or over record the lowest. By ward it is clear that significant differences exist. The highest average incomes are found in Pinner South, Belmont, Hatch End at over £50,000 per annum; the lowest in Edgware at just under £30,000 per annum.

Figure 4.3 Income and household type, age of household head and ward



Source: Harrow Housing Needs Assessment – 2006

The income of potential households

4.10 The Housing Needs Survey also collected data on the income of potential households (namely persons who currently live as part of another household that would anticipate moving to their own accommodation in the next five years). Survey results for Harrow estimate the average gross income level of the 15,665 potential households in the Borough to be £15,977 per annum. The median income is slightly lower than the mean (at £15,750 per annum).

Assessing affordability – existing households

4.11 All households were tested for their ability to afford either a mortgage or private rented housing in the local area. These two measures were then combined to estimate households unable to afford either form of private sector housing. The general methodology and results are presented below.

(i) Mortgage affordability

4.12 The definition of mortgage affordability is shown below:

Mortgage affordability: A household containing one person in employment is eligible for a mortgage if the gross household income multiplied by 3.5 is greater than the cost of the mortgage requirement. A household containing more than one person in employment is eligible for a mortgage if the gross household income multiplied by 2.9 is greater than the cost of the mortgage requirement.

4.13 The mortgage requirement is based on taking the level of savings and any equity away from the estimated property price and then checking the income level of the household in relation to the likely amount of mortgage remaining. Income from housing related benefits is not included in the affordability calculation. A worked example of the mortgage affordability test is shown below:

A household containing a couple with one child would require, at minimum, a two bedroom property. The minimum cost of such a property in Harrow is estimated to be £174,000. If the couple have £10,000 in savings then they would require a gross household income of £56,552 ((£174,000-£10,000) divided by 2.9) if both adults were in employment or £46,857 ((£174,000-£10,000) divided by 3.5) if one person is in employment.

**CLG
Guide**

'A household is considered likely to be able to afford to buy a home that costs 3.5 times the gross household income for a single earner household, or 2.9 times the household income for dual income households.' [pg 42 March 2007 Strategic Housing Market Assessment Practice Guidance]

(ii) Private rental affordability

4.14 The definition of private rental affordability is shown below:

Private rental affordability: A household is unable to afford private rented housing if renting privately would take up more than 25% of its gross household income (excluding housing benefits).

4.15 A worked example of the rental affordability test is shown below:

A household containing a couple with no children will require at minimum a one bedroom property. The minimum weekly rental for this is £160. This means that the household must have a weekly gross income of at least £642 ($£160 \div 0.25$) to be able to afford the property, which equates to an annual income of £33,360.

(iii) Combined affordability

4.16 It is important to assess the numbers who cannot afford to either private rented or owner-occupied accommodation. This is the measure of combined affordability, which is defined below:

Combined affordability:

A household containing one person in employment is not eligible for a mortgage if the gross household income multiplied by 3.5 is less than the cost of the mortgage requirement. A household containing more than one person in employment is not eligible for a mortgage if the gross household income multiplied by 2.9 is less than the cost of the mortgage requirement.

AND

A household is unable to afford private sector housing if renting privately would take up more than 25% of its gross household income.

- 4.17 This combined affordability measure will be used to assess affordability in the affordable housing requirement model. It is worth briefly noting the affordability of local households. The table below shows affordability by tenure. The table shows that of all households in the Borough, 24.7% are unable to afford market housing (if they were to move home now). The differences by tenure are substantial. In total over 97% of social and over two-thirds of private tenants are unable to afford. These figures compare with 7.8% of all owner-occupiers.

| Table 4.2 Affordability and tenure | | | |
|---|---------------------------------|-------------------|-------------------------------|
| Tenure | Affordability | | |
| | Unable to afford market housing | Number of h'holds | % of h'holds unable to afford |
| Owner-occupied (no mortgage) | 768 | 27,318 | 2.8% |
| Owner-occupied (with mortgage) | 4,211 | 36,260 | 11.6% |
| Council | 4,907 | 5,052 | 97.1% |
| RSL | 3,339 | 3,411 | 97.9% |
| Private rented | 7,101 | 10,209 | 69.6% |
| TOTAL | 20,326 | 82,250 | 24.7% |

Source: Harrow Housing Needs Assessment – 2006

- 4.18 It should be noted that this is a general analysis of all households. The majority of households shown in the above table will not be in housing need (i.e. most will be suitably housed and/or not looking to move to different accommodation). The table does however show the stark differences in potential affordability between different household groups.
- 4.19 The Joseph Rowntree Foundation's 2005 report '*The Geography of Affordable and Unaffordable Housing*' revealed that in Harrow, some 49.1% of working households aged between 20-39 could not afford to purchase two or three bedroom housing priced at the lowest decile. The minimum market prices used to test affordability in this report are broadly comparable with this concept of 'lowest decile' prices. The survey indicates that 36.0% of employed households headed by someone aged between 20 and 39 would not be able to purchase a two bedroom home in Harrow at the minimum market price. The equivalent proportion of this group of households unable to afford a three bedroom home is 51.2%. The outcomes of the two surveys are therefore broadly comparable.

Assessing affordability – potential households

4.20 Potential households are persons who currently live as part of another household that would anticipate moving to their own accommodation in the next five years. The Housing Needs Assessment ascertained whether or not potential households would be able to access the private sector housing market by using two complementary methods. The first involved using information on the income of these households and using the affordability test described above to assess whether they will be able to afford market housing in the Borough. As a potential household's income is likely to fluctuate significantly over a few years, it is inappropriate to use this measure when considering the likely ability to afford of a potential household intending to move in more than one year's time. To assess households moving further in the future a second test is used based on asking the following question to the survey respondent:

'In your opinion, will they be able to afford suitable private sector housing in the Harrow Council area (this can either be rented (excluding the use of housing benefit) or bought?'

4.21 It should be noted that this approach is used when assessing the ability of potential households to afford market housing in the balancing housing markets assessment in Chapter 9. Future estimates of the needs from household formation are based on past trend information.

4.22 It is worth briefly noting the ability of potential households in Harrow to afford minimum priced market housing in the Borough. The table below shows affordability by the tenure of the household they are currently living with. The table shows that of all potential households in the Borough, 57.1% are unable to afford market housing. The differences by tenure are substantial. Potential households currently resident in the private rented sector are most likely to be able to afford market housing. It is likely that these potential households are currently part of a house/flat share but would like to move to a separate property. These potential households are likely to be older than potential households in the other sectors who may well be living with their parents.

| Tenure of 'host' household | Affordability | | |
|--------------------------------|---------------------------------|-------------------|-------------------------------|
| | Unable to afford market housing | Number of h'holds | % of h'holds unable to afford |
| Owner-occupied (no mortgage) | 2,752 | 4,941 | 55.7% |
| Owner-occupied (with mortgage) | 4,896 | 8,076 | 60.6% |
| Council | 343 | 663 | 51.7% |
| RSL | 241 | 340 | 70.9% |
| Private rented | 705 | 1,645 | 42.9% |
| TOTAL | 8,937 | 15,665 | 57.1% |

Source: Harrow Housing Needs Assessment – 2006

Summary

- 4.23 The collection of financial information is a fundamental part of any assessment of housing need. The survey estimates that mean annual gross household income (including non-housing benefits) in Harrow is £41,622. The average conceals wide variations among different tenure groups with households in social rented housing showing average incomes significantly below the Borough average. The average income of potential households has also been collected and it is estimated to be £15,977.
- 4.24 Having collected detailed information on the local housing market and the financial situation of households it is important to use appropriate affordability measures to assess their ability to afford market priced housing in Harrow. A combined affordability test is used to assess whether they can afford to either buy or rent a property of a suitable size in accordance with CLG guidance.
- 4.25 The theoretical ability of households to afford market housing was tested. This showed that 24.7% of existing households would not be able to afford market housing in the Borough if they were to move home now, although wide variations were recorded in the ability to afford by current tenure, with over 97% of social and over two-thirds of private tenants unable to afford compared with 7.8% of all owner-occupiers. The survey also indicates that 57.1% of potential households would not be able to afford market housing in Harrow. It is important to note that these households theoretically unable to afford market housing are not necessarily in housing need (most will be suitably housed and/or not looking to move to different accommodation).

SECTION C: THE GUIDE MODEL

The table below sets out the outline housing needs assessment model from the DCLG draft Housing Market Assessments guide of December 2005. There are four broad analytical stages which lead to an overall estimate of the net shortfall (or surplus) of affordable housing.

| |
|--|
| CURRENT NEED |
| Minus |
| AVAILABLE STOCK |
| Plus |
| NEWLY ARISING NEED |
| Minus |
| FUTURE SUPPLY OF AFFORDABLE UNITS |
| Equals |
| NET SHORTFALL (OR SURPLUS) of affordable units |

Within each of the four broad stages set out in the table above there are a number of detailed calculations (19 in total) many of which themselves have a number of components. This section presents details of how each of these nineteen detailed steps is calculated using locally available data for Harrow.

The next chapter covers the first two stages, which informs as to the extent of the level of need and affordable housing supply. The following chapter deals with the latter two stages, which present information on the flow of need and affordable housing supply. These two chapters transparently illustrate how each of the figures is derived and highlight the totals that are used at each of the nineteen detailed steps.

The section finishes with a summary of the overall annual shortfall or surplus of affordable housing and a brief discussion of the implications for affordable housing policy and about the types of housing that might meet any need identified. The last chapter also identifies any substantial changes in methodology documented in the final practice guidance published in March 2007 and presents any additional information required in light of these changes.

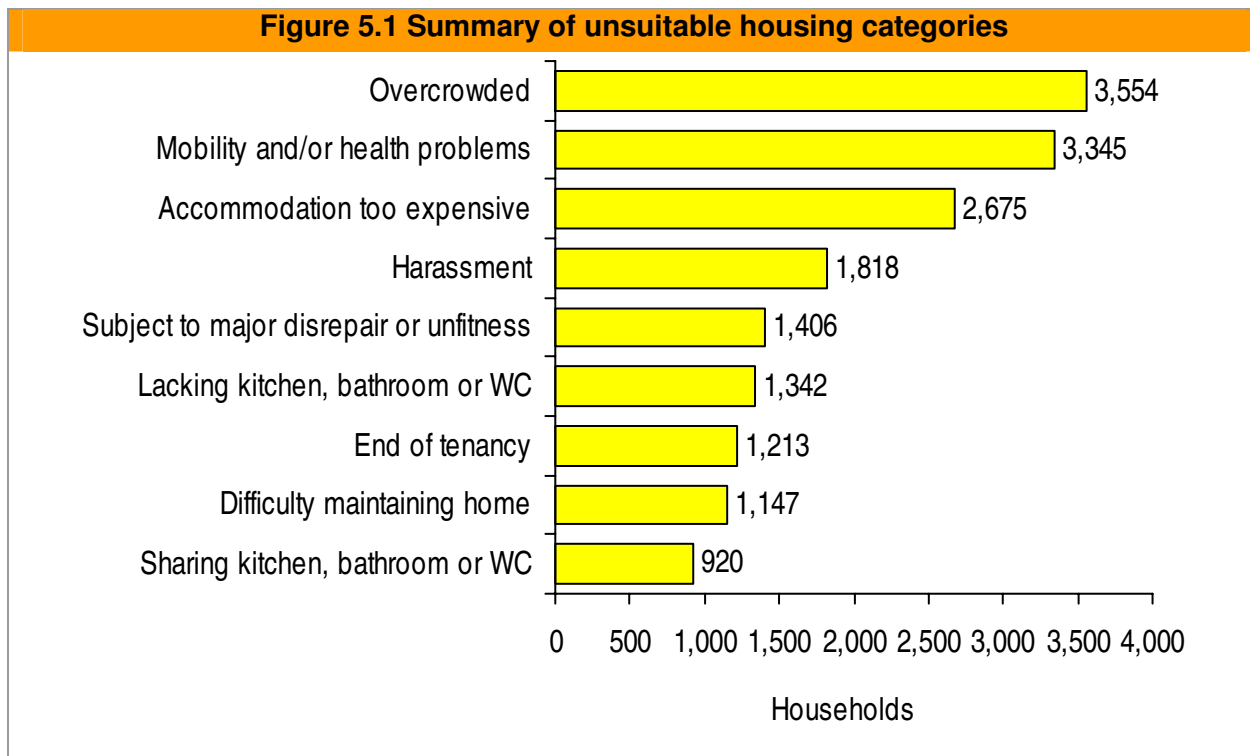
5. Current need

Introduction

- 5.1 This chapter of the report assesses the first stage of the needs assessment model – Current Need. This begins with an assessment of housing suitability and affordability and also considers homeless households before arriving at a total current need estimate (gross). An assessment of the stock available to offset this need follows, which then enables the net current need estimate to be calculated.

Households in unsuitable housing

- 5.2 A key element of housing need is an assessment of the suitability of a household's current housing. The draft CLG guide sets out a series of nine criteria for unsuitable housing (as shown in Figure 5.1). In this report we have studied all nine of the categories set out in the guide. It is estimated that a total of 9,964 households are living in unsuitable housing. This represents 12.1% of all households in the Borough. It should be noted that the total of 9,964 households includes households who fall into more than one criterion.
- 5.3 The figure below shows a summary of the numbers of households living in unsuitable housing (ordered by the number of households in each category). The main reason for unsuitable housing is overcrowding, followed by the mobility and/or health problems.



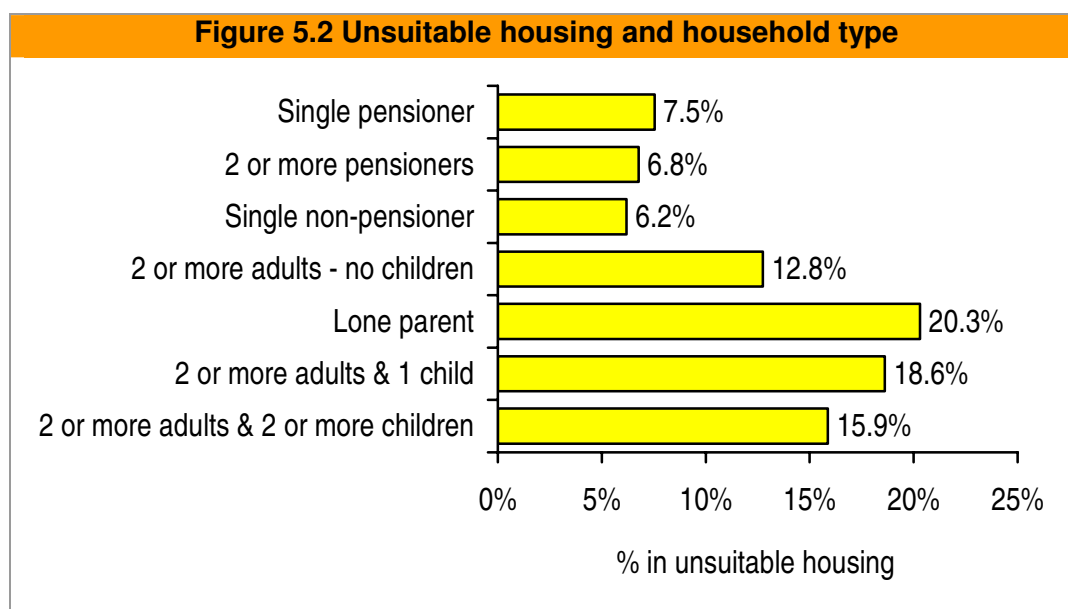
Source: Harrow Housing Needs Assessment – 2006

5.4 The table below shows unsuitable housing by tenure. The patterns emerging suggest that households living in rented accommodation are more likely to be in unsuitable housing than owner-occupiers. Some 26.4% of households in social rented accommodation (Council and RSL) and 20.7% of households in the private rented sector are estimated to be living in unsuitable housing. This compares with 8.4% and 9.2% of households in owner-occupied (no mortgage) and owner-occupied (with mortgage) tenures respectively. Overall, however some 56.3% of unsuitably housed households are owner-occupiers.

| Tenure | Unsuitable housing | | | | |
|--------------------------------|-----------------------|---------------------------|------------------------------|---|---|
| | In unsuitable housing | Not in unsuitable housing | Number of h'holds in Borough | % of tenure group in unsuitable housing | % of unsuitably housed h'holds in each tenure |
| Owner-occupied (no mortgage) | 2,296 | 25,022 | 27,318 | 8.4% | 23.0% |
| Owner-occupied (with mortgage) | 3,322 | 32,938 | 36,260 | 9.2% | 33.3% |
| Council | 1,303 | 3,749 | 5,052 | 25.8% | 13.1% |
| RSL | 930 | 2,481 | 3,411 | 27.3% | 9.3% |
| Private rented | 2,114 | 8,096 | 10,210 | 20.7% | 21.2% |
| TOTAL | 9,964 | 72,286 | 82,250 | 12.1% | 100.0% |

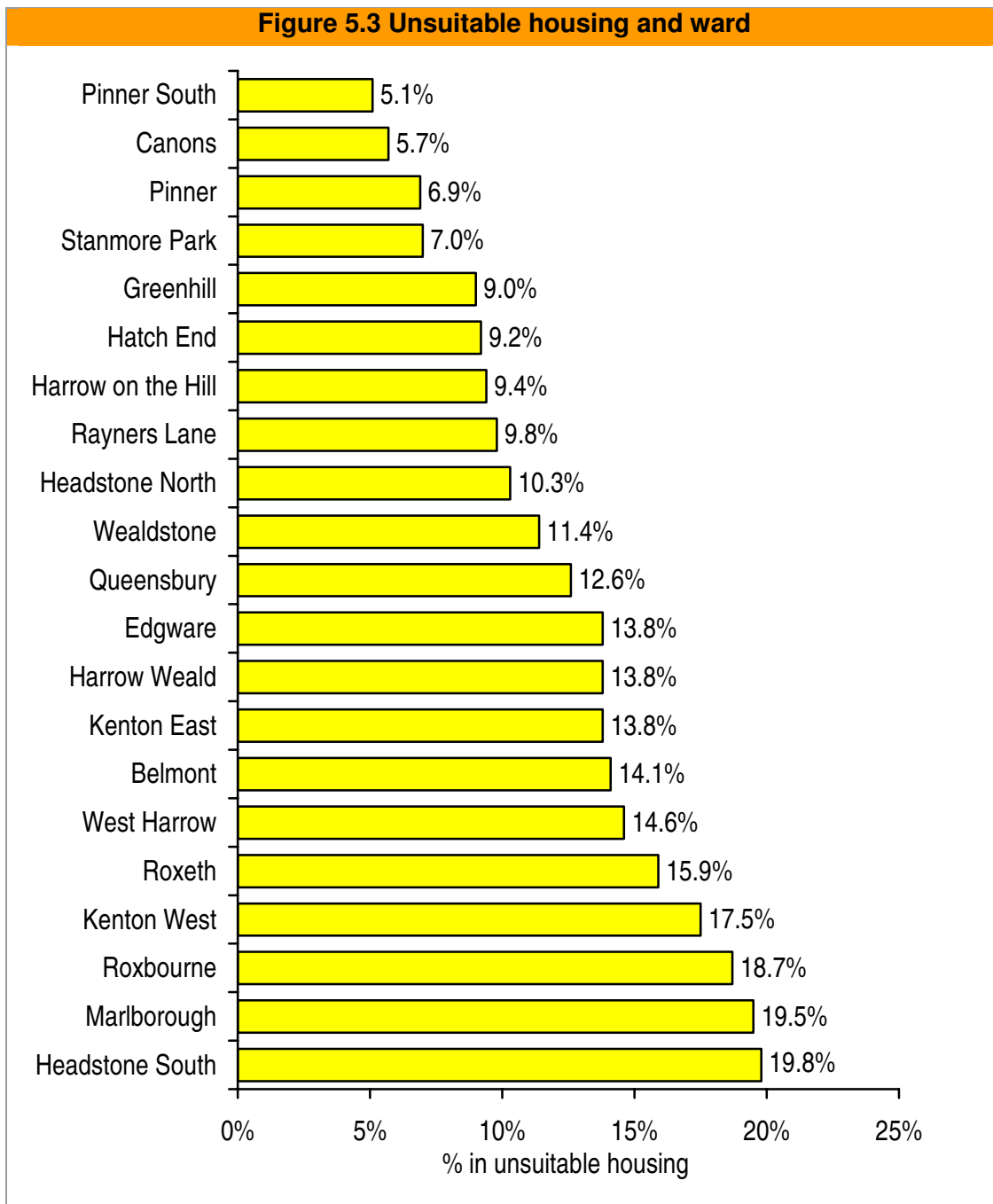
Source: Harrow Housing Needs Assessment – 2006

- 5.5 The figure below shows the proportion of households living in unsuitable housing by household type. The data shows that households with children are particularly likely to be in unsuitable housing. Households containing single non-pensioners showed the lowest levels of unsuitable housing.



Source: Harrow Housing Needs Assessment – 2006

- 5.6 The figure below shows the proportion of households living in unsuitable housing by ward. There are also some significant differences with levels of unsuitable housing varying from 5.1% in Pinner South to 19.8% in Headstone South.



Source: Harrow Housing Needs Assessment – 2006

'In-situ' solutions

- 5.7 The survey has highlighted that 9,964 households are in unsuitable housing. However it is most probable that some of the unsuitability can be resolved in the households' current accommodation. Households living in housing deemed unsuitable for the following reasons were considered not to have an in-situ solution: end of tenancy, accommodation too expensive, overcrowding, sharing facilities and harassment. It is estimated that just under 25% (2,475 households) of the unsuitability can be resolved in the households' current accommodation.
- 5.8 The survey data therefore estimates that of the 9,964 households in unsuitable housing, 7,489 (or 75.1%) do not have an in-situ solution and therefore require a move to alternative accommodation.

Affordability

- 5.9 Using the affordability methodology set out in Chapter Four it is estimated that there are 3,625 existing households that cannot afford market housing and are living in unsuitable housing (and require a move to alternative accommodation). This represents 4.4% of all existing households in the Borough.
- 5.10 The table below shows the tenure of the 3,625 households currently estimated to be in housing need. The results show that RSL tenants are most likely to be in housing need – 760 households (22.3% of total RSL households). Tenants in Council accommodation account for a further 778 households (15.4% of total council stock). Of all households in need, 42.5% currently live in social rented accommodation and 39.5% reside in private rented accommodation (1,431 households).

| Tenure | Housing need | | | | |
|--------------------------------|--------------|---------------|------------------------------|----------------------------|-------------------------------------|
| | In need | Not in need | Number of h'holds in Borough | % of total h'holds in need | % of h'holds in need in each tenure |
| Owner-occupied (no mortgage) | 87 | 27,231 | 27,318 | 0.3% | 2.4% |
| Owner-occupied (with mortgage) | 569 | 35,691 | 36,260 | 1.6% | 15.7% |
| Council | 778 | 4,274 | 5,052 | 15.4% | 21.5% |
| RSL | 760 | 2,651 | 3,411 | 22.3% | 21.0% |
| Private rented | 1,431 | 8,779 | 10,210 | 14.0% | 39.5% |
| TOTAL | 3,625 | 78,626 | 82,251 | 4.4% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

5.11 For the purposes of the affordable housing requirement model table, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need (this includes occupiers of social rented and shared ownership accommodation), and households from other tenures in need. Some 1,619 households fall into the former category and 2,006 into the latter category.

Homeless households

5.12 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. To assess these numbers we have used information contained in the Council’s P1(E) Homeless returns to CLG.

5.13 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 September 2006 (Section E6, P1(E) form) | |
|---|--------------------------------|
| Category | Quarter ending 30/09/06 |
| Bed and breakfast | <u>25</u> |
| Other nightly paid | <u>4</u> |
| Hostel | <u>54</u> |
| Private sector accommodation leased by authority | 0 |
| Private sector accommodation leased by RSLs | 999 |
| Directly with a private sector landlord | 0 |
| Within Council’s own stock | 0 |
| RSL stock on assured shorthold tenancies | 39 |
| Other | 2 |
| TOTAL | 1,123 |

Source: Harrow Council P1(E) form September 2006

5.14 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. Therefore, of the 1,123 homeless households in temporary accommodation, 83 will be counted as homeless for the purpose of the Housing Needs Assessment.

Total current need

5.15 Having been through a number of detailed stages in order to assess the current need in Harrow we shall now bring together all pieces of data to complete Stage 1 of the needs assessment table encouraged by the CLG. This is shown in full in Chapter 7.

5.16 The table below summarises the first stage of the overall assessment of housing need as set out by the CLG. The data shows that there is an estimated 3,708 households in need (see step 1.4).

| Table 5.4 Stage one of the affordable housing requirement table for Harrow | | |
|---|-------------|--------|
| Stage and step in calculation | Notes | Output |
| STAGE 1: CURRENT NEED (Gross) | | |
| 1.1 Current occupiers of affordable housing in need | | 1,619 |
| 1.2 plus Households from other tenures in need | | 2,006 |
| 1.3 plus Households without self-contained accommodation | | 83 |
| 1.4 equals total current housing need (gross) | 1.1+1.2+1.3 | 3,708 |

Source: Harrow Housing Needs Assessment – 2006

Available stock to offset need

5.17 The next stage, Stage 2, considers the stock available to offset the current need. This includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

5.18 Firstly, it is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. The figure to be used in this section is therefore the same as found in Step 1.1 above (1,619).

Surplus stock

- 5.19 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. The CLG draft guide suggests that if the vacancy rate in the affordable stock is in excess of 3% then these should be considered as surplus stock which can be included within the supply to offset needs. Harrow records a vacancy rate in the social rented sector of 3.7%, therefore there is potential for bringing 62 vacant dwellings (0.7% of social rented stock) back into use.

Committed supply of new affordable units

- 5.20 The CLG 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 Council information on the anticipated number of affordable units to be completed during the period 2006-2008 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.
- 5.21 Information from the Council suggests that 244 affordable dwellings will be completed in the period 2006-2008. If this level continues in the future than this would amount to a supply of 610 units of affordable housing over the next five years.

Units to be taken out of management

- 5.22 The draft guide states that this stage 'involves estimating the numbers of social rented or intermediate units that will be taken out of management'. The main component of this step will be properties which are expected to be demolished (or replacement schemes that lead to net losses of stock). At the time of reporting the proposed number of affordable dwellings expected to be 'taken out of management' in the future was unknown and hence a figure of zero has been used in this step of the model.

Total available stock to offset need

- 5.23 Having been through a number of detailed stages in order to assess the total available stock to offset need in Harrow we shall now bring together all pieces of data to complete Stage 2 of the needs assessment table encouraged by the CLG. The data shows that there is an estimated 2,291 properties available to offset the current need (see step 2.5).

5.24 The current level of net need is calculated in steps 2.6 – 2.8 of the needs assessment table. Step 2.6 removes the estimate of available stock to offset need (step 2.5) from the total number of households in current need (step 1.4); the net need level is therefore 1,417 dwellings (step 2.6). However, the CLG Guide recommends that current need is eliminated over a five-year period, hence this figure has been divided by five (step 2.7) to give an annual requirement of units to reduce current need of 283.

Table 5.4 Stage two of the affordable housing requirement table for Harrow

| Stage and step in calculation | Notes | Output |
|---|-----------------|--------|
| STAGE 2: AVAILABLE STOCK TO OFFSET NEED | | |
| 2.1 Current occupiers of affordable housing in need | | 1,619 |
| 2.2 plus Surplus stock | | 62 |
| 2.3 plus Committed supply of new affordable units | | 610 |
| 2.4 minus Units to be taken out of management | | 0 |
| 2.5 equals Total stock available to meet current need | 2.1+2.2+2.3-2.4 | 2,291 |
| 2.6 equals Total current unmet housing need | 1.4-2.5 | 1,417 |
| 2.7 times annual quota for the reduction of current need | | 20% |
| 2.8 equals annual requirement of units to reduce current need | 2.6×2.7 | 283 |

Source: Harrow Housing Needs Assessment – 2006

Summary

5.25 This chapter reported on the components contributing to the current need element of the affordable housing requirement model. In total it is estimated that 3,708 existing households are in housing need. The total stock available to offset this need is 2,291 dwellings, resulting in a (net) need for 1,417 dwellings. Dividing this figure by five reveals an annual requirement of 283 units to address the current need.

6. Future need

Introduction

- 6.1 In addition to the current needs discussed so far in this report there will be newly arising need. This is split, as per CLG guidance, into two main categories. These are as follows:
- New households formation (× proportion unable to buy or rent in market)
 - Existing households falling into need
- 6.2 Calculation of the future supply of affordable units follows this analysis; this consists of the annual supply of social re-lets and intermediate housing. The following sections deal with these points in detail.

New household formation

- 6.3 The estimate of the number of newly forming households in need of affordable housing is based on an assessment of households that have formed over the past two years. Such an approach is preferred to studying households stating likely future intentions as it provides more detailed information on the characteristics of these households contributing to this element of newly arising need.
- 6.4 The table below shows details of the derivation of new household formation. The table begins by establishing the number of newly forming households over the past two years. The data excludes households moving to owner-occupation because these households at the time of the move (which is when we are interested in) could afford market housing. Households in tied accommodation have also been excluded. The affordability test described in chapter four is then applied to the remaining households based on the individual size requirements and financial situation of these households.

| Table 6.1 Derivation of newly arising need from new household formation | | |
|--|--------------|-----------|
| Aspect of calculation | Number | Sub-total |
| Number of households moving in past two years | 14,288 | |
| Minus households NOT forming in previous move | -10,925 | 3,363 |
| TOTAL APPLICABLE MOVES | 3,363 | |
| Times proportion unable to afford | 43.3% | |
| ESTIMATE OF NEWLY ARISING NEED | 1,456 | |
| ANNUAL ESTIMATE OF NEWLY ARISING NEED | 728 | |

Source: Harrow Housing Needs Assessment – 2006

6.5 The table above shows that an estimated 3,363 households are newly formed within the Borough over the past two years (1,682 per annum). Of these it is estimated that 43.3% are unable to afford market housing without some form of subsidy. The annual estimate of the number of newly forming households falling into need is therefore 728 per annum.

Existing households falling into need

6.6 This is an estimate of the number of existing households currently living in Harrow who will fall into housing need over the next two years (and then annualised). The basic information for this is households who have moved home within the last two years and affordability. A household will fall into need if it has to move home and is unable to afford to do this within the private sector (examples of such a move will be because of the end of a tenancy agreement). A household unable to afford market rent prices but moving to private rented accommodation may have to either claim housing benefit or spend more than a quarter of their gross income on housing, which is considered unaffordable (or indeed a combination of both).

6.7 Households previously living with parents, relatives or friends are excluded as these will double-count with the newly forming households already considered in the previous table. The data also excludes moves between social rented properties. Households falling into need in the social rented sector have their needs met through a transfer to another social rented property, hence releasing a social rented property for someone else in need. The number of households falling into need in the social rented sector should therefore, over a period of time, roughly equal the supply of ‘transfers’ and so the additional needs arising from within the social rented stock will be net zero. The data again excludes households moving to owner-occupation because these households at the time of the move (which is when we are interested in) could afford market housing whilst households moving to tied accommodation are also excluded. The affordability test described in chapter four is then applied to the remaining households based on the individual size requirements and financial situation of these households.

| Table 6.2 Derivation of Newly Arising Need from existing households | | |
|--|---------------|-----------|
| Aspect of calculation | Number | Sub-total |
| Number of households moving in past two years | 14,288 | |
| Minus households forming in previous move | -3,363 | 10,925 |
| Minus households transferring within affordable housing within borough | -680 | 10,245 |
| TOTAL APPLICABLE MOVES | 10,245 | |
| Times proportion unable to afford | 32.0% | |
| TOTAL IN NEED (2 years) | 3,281 | |
| ANNUAL ESTIMATE OF NEWLY ARISING NEED | 1,641 | |

Source: Harrow Housing Needs Assessment – 2006

- 6.8 The table above shows that a total of 10,245 household moves are considered as potentially in need (5,123 per annum). Of these it is estimated that 32.0% are unable to afford market housing without some form of subsidy. Therefore our estimate of the number of households falling into need excluding transfers is 3,281 households over the two-year period. Annualised this is 1,641 households per annum.

Total newly arising need

- 6.9 The data from each of the above sources can now be put into the needs assessment table below. It indicates that additional need will arise from a total of 2,369 households per annum.

| Table 6.3 Stage three of the affordable housing requirement table for Harrow | | |
|---|--------------------------|--------|
| Stage and step in calculation | Notes | Output |
| STAGE 3: NEWLY ARISING NEED (per annum) | | |
| 3.1 New household formation (gross per year) | | 1,682 |
| 3.2 times Proportion of new households unable to buy or rent in the market | | 43.3% |
| 3.3 plus Existing households falling into need | | 1,641 |
| 3.4 equals Total newly arising housing need (gross per year) | $(3.1 \times 3.2) + 3.3$ | 2,369 |

Source: Harrow Housing Needs Assessment – 2006

The future supply of affordable housing

(i) Council stock

- 6.10 The table below shows an estimate of the supply of lettings from Council-owned stock over the past two years. The data shows that there has been little fluctuation in the number of lettings over time. The average number of lettings over the two-year period was 239 per annum.

| Table 6.4 Analysis of past housing supply (council rented sector) | | | |
|--|------------|------------|------------|
| Source of supply | 2004/5 | 2005/6 | Average |
| LA lettings through mobility arrangements | 5 | 5 | 5 |
| LA lettings to new secure tenants | 241 | 241 | 241 |
| LA lettings to new tenants on an introductory tenancy | 0 | 0 | 0 |
| LA lettings to new tenants on other tenancies | 0 | 0 | 0 |
| (Exclude transfers from RSL) | 6 | 8 | 7 |
| LA TOTAL EXCLUDING TRANSFERS | 240 | 238 | 239 |

Source: Harrow Council HSSA form 2006

(ii) RSL stock

6.11 The table below shows an estimate of the supply of lettings from RSL stock (excluding RSL to RSL transfers) over the past 2 years, using HSSA and CORE data:

| Table 6.5 Analysis of past housing supply – (RSL sector) | | | |
|---|--------|--------|---------|
| | 2004/5 | 2005/6 | Average |
| HSSA data | 121 | 71 | 96 |
| CORE data | 127 | 72 | 100 |
| AVERAGE | 124 | 72 | 98 |

Source: Harrow Council HSSA 2006, CORE data services

6.12 The data in this table suggests that the supply of RSL lettings decreased over the two-year period. The average for the two-year period from both sources together is 98 per annum.

6.13 It should be noted that for the period 2004 to 2006 HSSA data shows that an average of 14 households transferred from Council to RSL dwellings within the Borough per annum.

(iii) Estimate of lettings

6.14 The figures for RSL lettings show some variation over time. This makes it difficult to estimate future supply with any certainty. For the purposes of estimating future supply we have therefore used the average number of lettings over the two year period studied.

6.15 The estimated future supply of lettings from the social rented sector overall is therefore the sum of the average supply of relets within the Council stock and the average supply of relets in the RSL sector minus the average number of households transferring from Council to RSL dwellings. Therefore our estimated future supply of lettings from the social rented sector overall will be 323 (239 + 98 - 14).

Intermediate supply

6.16 In most local authorities the amount of shared ownership available in the stock is fairly limited (as is the case in Harrow). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.

- 6.17 Therefore we include an estimate of the number of shared ownership units that become available each year. Information from the Housing Corporation suggests that there are around 552 shared ownership units in the Borough; the Census estimated the figure to be 712, whilst the housing needs assessment data estimates 870. The average of these three figures is 711. For the purposes of this analysis it is assumed that the turnover of shared ownership accommodation is roughly the same as found in the social rented sector. This is estimated at 3.7%. Hence we estimate that each year an average of 26 units of shared ownership tenure will become available to meet housing needs ($3.7\% \times 711$).

Total future supply

- 6.18 The total future supply is estimated to be 349, comprised of 323 units of social re-lets and 26 units of shared ownership. This is shown in the below table.

| Table 6.6 Stage four of the affordable housing requirement table for Harrow | | |
|--|---------|--------|
| Stage and step in calculation | Notes | Output |
| STAGE 4: FUTURE SUPPLY OF AFFORDABLE UNITS | | |
| 4.1 Annual supply of social re-lets (net) | | 323 |
| 4.2 plus Annual supply of intermediate housing available for re-let or resale at sub-market levels | | 26 |
| 4.3 equals Annual supply of affordable units | 4.1+4.2 | 349 |

Source: Harrow Housing Needs Assessment – 2006

Summary

- 6.19 This chapter estimates the number of households in newly arising need, comprised of newly forming and existing households, and the likely future supply of affordable housing from both the social rented and intermediate sectors. The annual estimate for the number of households in newly arising need is 2,369. The annual estimate of future affordable housing supply is 349 units.

7. The Needs Assessment Model

Introduction

- 7.1 The table on the following page shows the final figures in CLG's needs assessment model. This brings together the four key elements that have been calculated in the preceding chapters, namely; the Current Need, Available Stock to Offset Need, Newly Arising Need and the Future Supply of Affordable Units. The overall output from these four analytical stages represents the estimated net affordable housing requirement across the Borough.

Total housing need

- 7.2 The (net) current need assessment suggests a requirement for 283 units per year. Added to this is the figure for newly arising need (2,369), which gives a total of 2,596. The estimated future supply to meet this need is 349 units per year. This therefore leaves an annual requirement of 2,303 units per year in Harrow.

Table 7.1 Detailed affordable housing requirement table for Harrow

| Stage and step in calculation | Notes | Output |
|--|-----------------|--------|
| STAGE 1: CURRENT NEED (Gross) | | |
| 1.1 Current occupiers of affordable housing in need | | 1,619 |
| 1.2 plus Households from other tenures in need | | 2,006 |
| 1.3 plus Households without self-contained accommodation | | 83 |
| 1.4 equals Total current housing need (gross) | 1.1+1.2+1.3 | 3,708 |
| STAGE 2: AVAILABLE STOCK TO OFFSET NEED | | |
| 2.1 Current occupiers of affordable housing in need | | 1,619 |
| 2.2 plus Surplus stock | | 62 |
| 2.3 plus Committed supply of new affordable units | | 610 |
| 2.4 minus Units to be taken out of management | | 0 |
| 2.5 equals Total stock available to meet current need | 2.1+2.2+2.3-2.4 | 2,291 |
| 2.6 equals Total current unmet housing need | 1.4-2.5 | 1,417 |
| 2.7 times annual quota for the reduction of current need | | 20% |
| 2.8 equals annual requirement of units to reduce current need | 2.6×2.7 | 283 |
| STAGE 3: NEWLY ARISING NEED | | |
| 3.1 New household formation (gross per year) | | 1,682 |
| 3.2 times Proportion of new households unable to buy of rent in the market | | 43.3% |
| 3.3 plus Existing households falling into need | | 1,641 |
| 3.4 equals Total newly arising housing need (gross per year) | (3.1×3.2)+3.3 | 2,369 |
| STAGE 4: FUTURE SUPPLY OF AFFORDABLE UNITS | | |
| 4.1 Annual supply of social re-lets (net) | | 323 |
| 4.2 plus Annual supply of intermediate housing available for re-let or resale at sub-market levels | | 26 |
| 4.3 equals Annual supply of affordable units | 4.1+4.2 | 349 |
| NET SHORTFALL OR SURPLUS OF AFFORDABLE UNITS | | |
| Overall shortfall or surplus | 2.8+3.4-4.3 | 2,303 |

Source: Harrow Housing Needs Assessment – 2006

7.3 The final strategic housing market assessment guidance, proposes a slightly different approach to calculating the affordable housing requirement than the draft guidance. It uses the same information but it orders the calculation in a different way. It presents the two needs stages first and then all the supply information as a final stage whilst the draft guidance considered the stock of need and supply as the initial two stages followed by the flow of need and supply as the latter two stages. The table below shows how the results presented above fit into the model proposed in the final guidance.

Table 7.2 Detailed affordable housing requirement table for Harrow - following final guidance approach

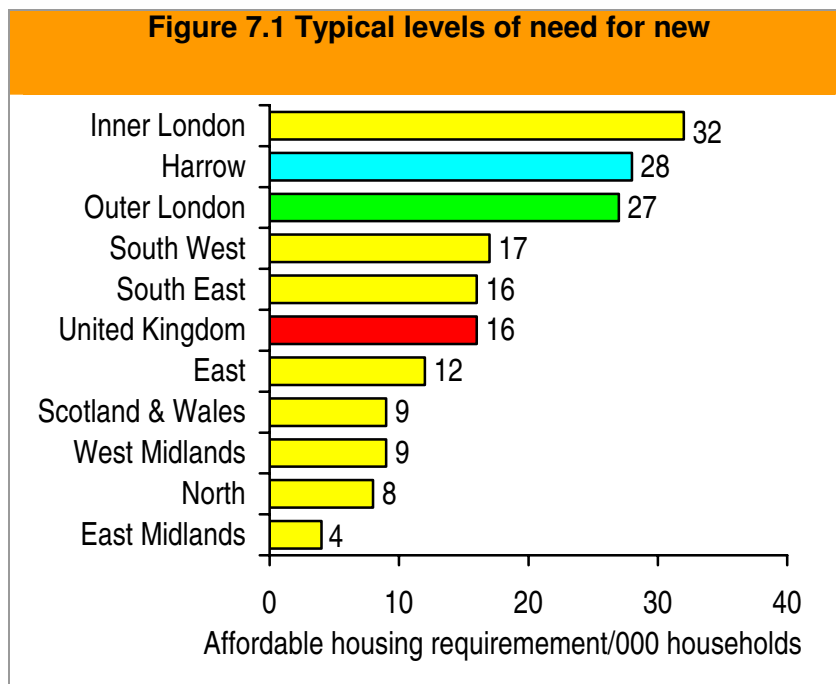
| Stage and step in calculation | Notes | Output |
|---|--------------------------|--------------|
| STAGE 1: CURRENT NEED (Gross) | | |
| 1.1 Homeless households and those in temporary accommodation | | 83 |
| 1.2 Overcrowding and concealed households | Two steps taken together | 3,625 |
| 1.3 Other groups | | |
| 1.4 equals Total current housing need (gross) | 1.1+1.2+1.3 | 3,708 |
| STAGE 2: FUTURE NEED | | |
| 2.1 New household formation (gross per year) | | 1,682 |
| 2.2 Proportion of new households unable to buy or rent in the market | | 43.3% |
| 2.3 Existing households falling into need | | 1,641 |
| 2.4 Total newly arising housing need (gross per year) | (2.1x2.2)+2.3 | 2,369 |
| STAGE 3: AFFORDABLE HOUSING SUPPLY | | |
| 3.1 Affordable dwellings occupied by households in need | | 1,619 |
| 3.2 Surplus stock | | 62 |
| 3.3 Committed supply of affordable housing | | 610 |
| 3.4 Units to be taken out of management | | 0 |
| 3.5 Total affordable housing stock available | 3.1+3.2+3.3-3.4 | 2,291 |
| 3.6 Annual supply of social re-lets (net) | | 323 |
| 3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels | | 26 |
| 3.8 Annual supply of affordable housing | 3.6+3.7 | 349 |
| NET SHORTFALL OR SURPLUS OF AFFORDABLE UNITS | | |
| Total current unmet housing need | 1.4-3.5 | 1,417 |
| Times annual quota for the reduction of current need | | 20% |
| Equals annual requirement of units to reduce current need | | 283 |
| Overall shortfall or surplus | 283+2,369-349 | 2,303 |

7.4 This model produces the same annual requirement for 2,303 affordable housing units per year

The Harrow situation in context

7.5 As Fordham Research has carried out about a hundred Borough-wide housing needs assessments since the CLG Guide was published in 2000, it is possible to provide reasonable indicative levels for the typical levels of affordable housing or shortage found across Britain.

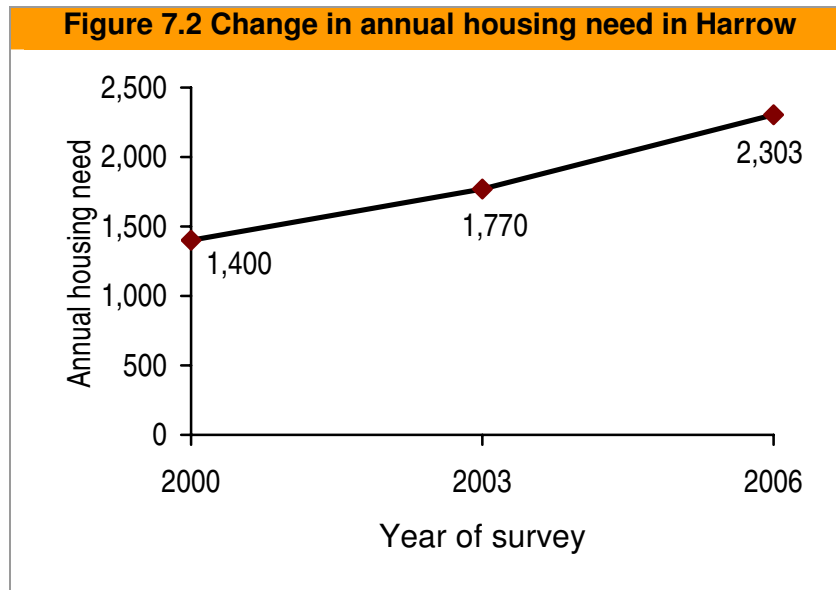
- 7.6 In order to ‘standardise’ the levels of need/shortage for local authorities of widely varying scale, the shortfall/surplus of affordable housing has been divided by the numbers of thousands of households in the Council area.
- 7.7 The value for Harrow is a shortfall of 28 per 1,000 (calculated as $(2,303/82,250) \times 1,000$). As can be seen, this figure is well above the national average (which is a shortage of 16) and slightly above the average for Outer London (a shortage of 27).



Source: Harrow Housing Needs Assessment – 2006

Comparison with previous surveys

- 7.8 The estimated overall shortfall of 2,303 affordable units per annum suggests that the affordable housing need has increased over time. In a similar survey carried out in 2000 Fordham Research estimated the net need to be around 1,400 units per annum and in 2003 this figure was estimated to be around 1,800 per annum (from an update of the 2000 survey). The figure below illustrates this growth in affordable housing need, which equates to an increase of around 150 affordable units per annum.



Source: Harrow Housing Needs Assessment – 2006

Size requirements and sub-areas

7.9 Overall the survey suggests a shortfall of affordable housing in the Borough. However, it is also important to look at what types of shortfalls exist within the current stock of affordable housing. This section looks at any mismatches between the need for affordable housing and the supply for different sizes of accommodation and between the location of need and supply across the Borough.

(i) Size requirement

7.10 Having estimated the net need for affordable housing in the Borough, it is useful to make suggestions about required property sizes. This is done through looking at past patterns. The number of bedrooms required by households in need is balanced against the number of bedrooms secured by those who have recently moved into affordable accommodation. The number of bedrooms required is based on the number of people in a household, taking account of co-habiting couples and children who could reasonably share.

7.11 The model identified that the total number of households in need annually is 3,111. This consists of a newly arising need of 2,369 households and an annualised current need of 742 (3,708/5). The analysis in the table below is based on annualised need and supply figures.

7.12 This analysis is shown in the table below which indicates that there are shortfalls for all sizes of accommodation. The largest shortfall is for two bedroom units. However, the shortage relative to supply is greatest for four or more bedroom properties where it is estimated that none of the need can be met. It should be noted that the results below are based on a strict bedroom standard (shown in the Glossary). The breakdown of property sizes for the supply is found by considering the number of bedrooms in homes occupied by households having moved to affordable housing in the past two years, who did not transfer from another affordable home in the Borough. The proportions are then applied pro-rata to match the total supply figure.

| Table 7.3 Net need for affordable housing by size | | | | |
|--|--------------|------------|--------------|---------------------|
| Size required | Need | Supply | TOTAL | Supply as % of need |
| 1 bedroom | 855 | 272 | 582 | 31.9% |
| 2 bedroom | 1,337 | 311 | 1,026 | 23.2% |
| 3 bedroom | 523 | 225 | 298 | 43.0% |
| 4+ bedroom | 397 | 0 | 397 | 0.0% |
| TOTAL | 3,111 | 808 | 2,303 | 26.0% |

Source: Harrow Housing Needs Assessment – 2006

(ii) Ward analysis

7.13 The table below provides the same style of analysis as above by ward. The table again shows the need, supply and overall requirement for affordable housing. The table indicates that the wards of Marlborough, Edgware, Roxbourne, and Kenton East display the largest overall shortfalls of affordable housing whilst the shortfalls in Pinner and Pinner South are much smaller. In 4 of the 21 wards, there is no supply available to meet the shortfall. As above, the geographical location of the supply is found by considering the location of recently secured affordable housing and pro-rating the breakdown to the total supply of 808 per annum.

| Table 7.4 Net need for affordable housing by ward | | | | |
|--|--------------|------------|--------------|---------------------|
| Ward | Need | Supply | TOTAL | Supply as % of need |
| Belmont | 65 | 12 | 53 | 18.3% |
| Canons | 140 | 23 | 116 | 16.8% |
| Edgware | 252 | 73 | 179 | 29.0% |
| Greenhill | 184 | 54 | 130 | 29.2% |
| Harrow on the Hill | 216 | 117 | 98 | 54.4% |
| Harrow Weald | 80 | 29 | 50 | 36.8% |
| Hatch End | 71 | 18 | 53 | 25.4% |
| Headstone North | 71 | 0 | 71 | 0.0% |
| Headstone South | 115 | 18 | 97 | 15.6% |
| Kenton East | 229 | 56 | 173 | 24.3% |
| Kenton West | 130 | 14 | 116 | 10.7% |
| Marlborough | 322 | 100 | 223 | 30.9% |
| Pinner | 25 | 0 | 25 | 0.0% |
| Pinner South | 45 | 13 | 32 | 29.0% |
| Queensbury | 161 | 0 | 161 | 0.0% |
| Rayners Lane | 60 | 0 | 60 | 0.0% |
| Roxbourne | 264 | 86 | 178 | 32.4% |
| Roxeth | 189 | 17 | 172 | 9.0% |
| Stanmore Park | 88 | 20 | 68 | 23.2% |
| Wealdstone | 248 | 142 | 106 | 57.3% |
| West Harrow | 155 | 16 | 139 | 10.2% |
| TOTAL | 3,111 | 808 | 2,303 | 26.0% |

Source: Harrow Housing Needs Assessment – 2006

(iii) Type of households in need

7.14 The below table gives a breakdown of gross households in need, by household type. The table shows that over a fifth of lone parent households are in housing need compared to 0.6% of households containing single pensioners. Households with two or more adults and no children make up nearly a third of all households in need and lone parent households comprise around 20% of all households in need.

| Household type | Need requirement | | | | |
|--------------------------------|------------------|---------------|-------------------------|--------------------------|-------------------------|
| | In need | Not in need | Total Number of h'holds | % of h'hold type in need | As a % of those in need |
| Single pensioners | 70 | 11,286 | 11,356 | 0.6% | 2.2% |
| 2 or more pensioners | 65 | 6,808 | 6,873 | 0.9% | 2.1% |
| Single non-pensioners | 433 | 9,856 | 10,289 | 4.2% | 13.9% |
| 2 or more adults - no children | 972 | 28,489 | 29,461 | 3.3% | 31.2% |
| Lone parent | 626 | 2,457 | 3,083 | 20.3% | 20.1% |
| 2+ adults 1 child | 529 | 8,891 | 9,421 | 5.6% | 17.0% |
| 2+ adults 2+ children | 416 | 11,351 | 11,767 | 3.5% | 13.4% |
| Total | 3,111 | 79,139 | 82,250 | 3.8% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Implications for affordable housing policy

7.15 Appendix A1 details the key features of current CLG Affordable Housing policy. The main implications for affordable housing policy are the choice of an appropriate percentage target, the site size threshold at which the eventual affordable housing policy will apply and the types of affordable housing best suited to meeting the need. Each is discussed below.

(i) Percentage target

7.16 The table below shows an estimate of the likely suggested percentage target from following the CLG method.

| Table 7.6 Calculation of affordable housing target: following CLG methodology | |
|---|-----------------------|
| Element | Dwellings (per annum) |
| Affordable housing requirement | 2,303 |
| Minus affordable supply from non S106 sites (estd) | -10 |
| EQUALS | 2,293 |
| Projected building rate † | 400 |
| Minus sites below threshold (assumed) | -0 |
| Minus affordable supply from non S106 sites (estd) | -10 |
| EQUALS | 390 |
| Therefore Target is | 2,293/390 |
| EQUALS | 588% |

† Annual build rate required 1997-2016 as documented in the London Plan

Source: Harrow Housing Needs Assessment – 2006

- 7.17 As the annual affordable housing requirement greatly exceeds the level of supply of all new housing (as demonstrated in the table above) it is necessary to maximise the supply of affordable housing. The London Plan identifies that most London boroughs should pursue an affordable housing target of 50%. Furthermore the London Plan states that where it is financially viable a target higher than 50% should be pursued. Given the high level of need for affordable housing in Harrow identified in this study, we consider that, as has been used by other London authorities, a target of over 50% could be justified in line with the objectives of the London Plan, although we acknowledge that the Council is free to take a view on the particular level it wishes to set.
- 7.18 We would advise the use of a Borough-wide percentage target. This form of target is the most easily understood and implemented. It applies to allocated and windfall sites where viability permits. It is almost impossible to justify any variation of targets, since the Council's housing needs problem is one for the Local Planning Authority and the Local Housing Authority as a whole. The question of how and where to meet the housing needs problem is a strategic one for the Council.

(ii) Threshold site size

- 7.19 The usual threshold stipulated by PPS3 is 15 dwellings/ha, but if high levels of need can be demonstrated, a lower threshold can be adopted. Given the amount of additional housing required, it would seem reasonable to assume that the Council would want to secure affordable housing on all sites regardless of size, subject to viability. The threshold adopted by Harrow in accordance with the London Plan is 15 dwellings/ 0.5 ha. However, should the mayor adopt the threshold of 10 dwellings/ 0.5 ha this would seem reasonable and justifiable given the amount of additional housing required in Harrow.

(iii) Intermediate housing

- 7.20 Having considered the level of housing need in the Borough it is necessary to study what types of affordable housing might be most appropriate to meet this need. In principle there are two broad categories of housing which can be considered (intermediate housing and social rented). Intermediate housing can be defined as housing (irrespective of tenure) priced between social rents and entry level market prices and rents. Evidence from existing intermediate housing options across the country suggests that this form of accommodation is usually only marginally cheaper than market housing, principally because there is a lack of information on what is the minimum cost of market housing and because developers want to produce affordable housing which maximises potential earnings from the site.

7.21 The table below shows our estimates of the minimum cost of market housing in the Borough, and estimated new social rent levels. The resulting price range of intermediate housing is also presented. 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 7.7 Basic information required for assessment of types of affordable housing required | | | |
|--|-----------------------|-------------------------------|--|
| Size requirement | Social rent (£/week)* | Intermediate housing (£/week) | Minimum priced second-hand market housing (£/week)** |
| 1 bedroom | £67 | £68-£159 | £160 |
| 2 bedrooms | £80 | £81-£181 | £182 |
| 3 bedrooms | £86 | £87-£225 | £226 |
| 4+ bedrooms | £92 | £93-£283 | £284 |

*CORE Data (2006)

**Survey of Estate and Letting Agents in Harrow 2006

7.22 It can be seen from the table above that for all dwelling sizes, the cost of social rented housing is significantly below that of market housing. This suggests that intermediate housing is likely to be a suitable (and affordable) option for some households identified as in housing need.

7.23 The table below shows the estimated breakdown of additional affordable housing requirements by size and type of housing per annum. The figures are for gross need. The number of bedrooms required is based on the number of people in a household, taking account of co-habiting couples and children who could reasonably share, which is consistent with the methodology described earlier in the chapter. The total column in the table below matches the second column in table 7.3 and represents the sum of gross future need (stage 3.4 of affordable housing requirement model) and annualised gross current need (stage 1.4 of the model annualised).

| Table 7.8 Amount of annual requirement for each type of affordable housing (all tenures) | | | |
|---|----------------------|---------------|--------------|
| Dwelling size | Type of housing | | |
| | Intermediate housing | Social rented | TOTAL |
| 1 bedroom | 391 | 464 | 855 |
| 2 bedrooms | 323 | 1,014 | 1,337 |
| 3 bedrooms | 233 | 289 | 523 |
| 4+ bedrooms | 150 | 247 | 397 |
| TOTAL | 1,096 | 2,014 | 3,111 |

Source: Harrow Housing Needs Assessment – 2006

7.24 The table shows that in total 35.3% (1,096 units) of the gross requirement could be intermediate housing, the remainder should be social rented housing. However, from these figures it is important to deduct the supply of affordable housing. As with the previous analysis this has been split by social rented and intermediate housing with information presented in the table below. The total column in the table below matches the third column in table 7.3 and represents the sum of future supply (stage 4.3 of affordable housing requirement model) and annualised gross current supply (stage 2.5 of the model annualised).

| Table 7.9 Annual supply for each type of affordable housing | | | |
|--|----------------------|---------------|------------|
| Dwelling size | Type of housing | | |
| | Intermediate housing | Social rented | TOTAL |
| 1 bedroom | 9 | 264 | 272 |
| 2 bedrooms | 10 | 301 | 311 |
| 3 bedrooms | 7 | 218 | 225 |
| 4+ bedrooms | 0 | 0 | 0 |
| TOTAL | 26 | 782 | 808 |

Source: Harrow Housing Needs Assessment – 2006

7.25 The following table therefore estimates the net requirements for each type of affordable housing by size. Overall, the table shows that 46.5% of the net requirement could be met by intermediate housing. This varies according to dwelling size. It's estimated that 65.6% of the need for one bedroom properties could be met through intermediate housing, whereas only 30.5% of the need for two bedroom properties could be met in this way.

| Table 7.10 Net annual need for affordable housing for each type of affordable housing | | | |
|--|----------------------|---------------|--------------|
| Dwelling size | Type of housing | | |
| | Intermediate housing | Social rented | TOTAL |
| 1 bedroom | 382 | 200 | 582 |
| 2 bedrooms | 313 | 713 | 1,026 |
| 3 bedrooms | 226 | 72 | 298 |
| 4+ bedrooms | 150 | 247 | 396 |
| TOTAL | 1,070 | 1,232 | 2,303 |

Source: Harrow Housing Needs Assessment – 2006

Affordability within the intermediate category

7.26 The survey suggests that up to 46.5% of all the additional affordable housing requirement could be provided as ‘intermediate’. However this needs to be considered within the context of affordability levels for intermediate housing. We have sought to provide further information by looking at four categories of ‘intermediate’ housing based on price. The table below shows the price bands of intermediate housing used for analysis. The bands created do not reflect the actual cost of intermediate housing, but represent equal size bands within the wider intermediate housing range.

| Table 7.11 Approximate outgoings for different types of intermediate housing (£/week) | | | | |
|--|-------------------------------|-----------|-----------------|----------------|
| Size requirement | Band of intermediate housing | | | |
| | Cheapest intermediate housing | 2nd | 3 rd | Most expensive |
| 1 bedroom | £67-£89 | £90-£113 | £114-£136 | £137-£159 |
| 2 bedrooms | £80-£105 | £106-£130 | £131-£156 | £157-£181 |
| 3 bedrooms | £86-£120 | £121-£155 | £156-£190 | £191-£225 |
| 4+ bedrooms | £92-£139 | £140-£187 | £188-£235 | £236-£283 |

Source: Harrow Housing Needs Assessment – 2006

7.27 The following table shows the annual household income bands that each type of intermediate housing will be suitable for, based on the assumption made in the standard affordability test in Chapter 4 that rental costs should not take up more than 25% of household income.

| Table 7.12 Approximate annual gross household income required for | | | | |
|--|-------------------------------|----------|----------|----------------|
| Size requirement | Band of intermediate housing | | | |
| | Cheapest intermediate housing | 2nd | 3rd | Most expensive |
| 1 bedroom | £13,936- | £18,792- | £23,648- | £28,504- |
| | £18,791 | £23,647 | £28,503 | £33,072 |
| 2 bedrooms | £16,640- | £21,960- | £27,280- | £32,600- |
| | £21,959 | £27,279 | £32,599 | £37,648 |
| 3 bedrooms | £17,888- | £25,176- | £32,464- | £39,752- |
| | £25,175 | £32,463 | £39,751 | £46,800 |
| 4+ bedrooms | £19,136- | £29,112 | £39,088- | £49,064- |
| | £29,111 | £39,087 | £49,063 | £58,864 |

Source: Harrow Housing Needs Assessment – 2006

7.28 As per the previous analysis we can estimate the number of gross households in need who fall into each of these categories. This is shown in the table below, and includes all tenures. It is clear that the majority of those in the 'intermediate' category have income/affordability levels at the bottom of the scale. For example, the data suggests that 44.5% of those who could theoretically afford intermediate housing could afford nothing costing more than a price set halfway between market and social rented prices. However, there are over a third of households with income levels close to the market (34.4% of the intermediate group fall into the 'most expensive' category).

Table 7.13 Number of households able to afford at different 'intermediate' housing prices

| Size requirement | Number of households | | | | | TOTAL |
|------------------|-----------------------|-------------------------------|-----------------|-----------------|----------------|-------|
| | Social rented housing | Cheapest intermediate housing | 2 nd | 3 rd | Most expensive | |
| 1 bedroom | 464 | 71 | 24 | 56 | 239 | 855 |
| 2 bedrooms | 1,014 | 104 | 51 | 107 | 61 | 1,337 |
| 3 bedrooms | 289 | 100 | 55 | 21 | 56 | 523 |
| 4+ bedrooms | 247 | 37 | 45 | 46 | 22 | 397 |
| Total | 2,014 | 313 | 175 | 230 | 377 | 3,111 |

Source: Harrow Housing Needs Assessment – 2006

7.29 The implication of this analysis is that the cost of any intermediate housing is critical in terms of the number of households who may be assisted. Typically, intermediate housing products (such as shared ownership) have been priced at a level close to market entry-level costs and would therefore be of benefit to only a limited number of households. This relatively high price of intermediate housing is inherent in the product and is encountered in most authorities in the country.

7.30 Information from the Council indicates that recent newbuild 2-bedroom shared ownership dwellings in Harrow have a weekly outgoing of around £170 to £180 per week and are therefore priced at those on household incomes between £35,360 and £37,440. Recent newbuild 3 bedroom shared ownership dwellings have a weekly outgoing of around £210 to £225 per week and are therefore priced at those on household incomes between £43,680 and £46,800. This very firmly places it in the 'most expensive' category in the table above and would therefore not be of assistance to the majority of households estimated to potentially be able to afford intermediate housing options.

7.31 For shared ownership to be affordable to a reasonable proportion of households in need we suggest that it would need to be priced at a level roughly midway between social rents and market entry. In the case of the two bedroom home this would make for a price of £131 per week (around 30% less than recent shared ownership schemes in the borough), which would be suitable for households with annual incomes of £27,280.

The private rented sector

- 7.32 The final strategic housing market assessment guidance indicates that the number of households in the private rented sector on housing benefit should be recorded. Overall in Harrow the survey data suggests that 3,636 private tenants (35.6%) are in receipt of housing benefit.
- 7.33 This however does not reflect the likely supply of such housing in the future. To make this estimate we have looked at the number of households who have moved to a housing benefit supported private tenancy over the past two years. The estimated supply of private rented accommodation is 1,543 over two years (or 772 per annum).
- 7.34 Due to evident lack of affordable housing in the Borough it seems highly likely that the private rented sector (through the Housing Benefit system) will continue to be used to meet some of the needs of households who are unable to afford a market solution. If these lets were considered as part of the supply of affordable housing then it would be estimated that there is a net annual housing need of 1,531 households.

Summary

- 7.35 The Housing Needs Assessment in Harrow followed draft guidance from CLG. This includes estimates of current need, available stock to offset need, newly arising need and future supply of affordable units in order to estimate the current surplus or shortfall of affordable housing in Harrow. Using this model it is estimated that for the next five years there will be a shortfall of 2,303 affordable housing units per annum in the Borough.
- 7.36 As the annual affordable housing requirement exceeds the level of supply of all new housing it is necessary to maximise the supply of affordable housing. Given the amount of additional housing required, it would seem reasonable to assume that the Council would want to secure affordable housing on all sites regardless of size. The threshold adopted by Harrow in accordance with the London Plan is 15 dwellings/ 0.5 ha. However, should the mayor adopt the threshold of 10 dwellings/ 0.5 ha this would seem reasonable and justifiable given the amount of additional housing required in Harrow.

- 7.37 There is also potential for intermediate housing to meet housing need. Overall, intermediate housing could theoretically meet around 50% of the net requirement for affordable housing if it is priced between social rents and minimum market levels. A range of products are likely to be required to cover the full spectrum of households in the intermediate band and specifically to meet the needs of the majority with incomes in the range £21,000 - £38,000. However, information on the cost of recent shared ownership properties in the Borough indicates that they are priced at the upper end of this intermediate band (i.e. very close to the minimum cost of market housing) and would be only affordable to around 12% of households in need. This relatively high price of intermediate housing is inherent in the product and is encountered in most authorities in the country.
- 7.38 As it may be difficult to produce the range of intermediate housing options to meet the breadth of households that require, it is suggested that intermediate housing be priced at no more than halfway between social rents and minimum market entry levels. It is acknowledged that there are no existing intermediate products currently available at this level; meaning new initiatives would need to be considered. PPS3 clearly states that low cost market housing is not affordable housing and is therefore not considered as a viable alternative product.
- 7.39 It is therefore not suggested that the overall target of affordable housing be split 50:50 social rent to intermediate. The Council's current policy (in line with the London Plan) of a 70:30 split seems much more reasonable on the basis of the evidence available. It is recommended that a review of the tenure target only be conducted once appropriate new intermediate products are available.

SECTION D: BROADER HOUSING MARKET & FUTURE CHANGES

The previous section focused exclusively on housing need and the requirement for affordable housing. However, in order to fully develop informed housing policies, Local Authorities are also interested in housing demand across all tenures. This section thus considers the broader housing market in Harrow. First household characteristics are examined across all tenures; following on from that we consider the question of how far the housing market is 'balanced'.

8. Market housing

Introduction

8.1 Emphasis on analysis of the whole market as part of a local housing study is the main theme of PPS3. This chapter considers some general issues surrounding supply and household characteristics within private sector tenures in Harrow.

Owner-occupied sector

8.2 It is useful for the Council to have information concerning supply and turnover of market housing in order to inform planning control. In particular, councils will want to ensure that new developments meet demand with regard to dwelling size and type.

8.3 Data suggests that 77.3% of households in the Borough are owner-occupiers and that 57.0% of these have a mortgage. As was shown in Chapter 4, households in owner-occupied accommodation without a mortgage have lower average incomes than those with a mortgage, although it should be remembered that the former group contains many older people who are likely to be retired.

8.4 The table below shows the size profile of the owner-occupied stock in Harrow. The data suggests that the majority of households have three or more bedrooms. Only 6.3% have one bedroom accommodation.

| Table 8.1 Size of dwellings (number of bedrooms) in the owner-occupied stock | | |
|---|---------------|-----------------|
| Number of bedrooms | Households | % of households |
| 1 bedroom | 4,015 | 6.3% |
| 2 bedrooms | 11,059 | 17.4% |
| 3 bedrooms | 32,711 | 51.5% |
| 4+ bedrooms | 15,793 | 24.8% |
| TOTAL | 63,578 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

8.5 The table below builds on this by looking at the turnover of owner-occupied stock within each size category over the last two years.

| Table 8.2 Turnover of dwellings in the owner-occupied stock by size of dwelling (number of bedrooms) | | | |
|---|---------------------------------|----------------------|--------------------------------|
| Number of bedrooms | Number moving in past two years | Number of households | Estimated annual turnover rate |
| 1 bedroom | 931 | 4,015 | 11.6% |
| 2 bedrooms | 1,870 | 11,059 | 8.5% |
| 3 bedrooms | 2,554 | 32,711 | 3.9% |
| 4+ bedrooms | 1,490 | 15,793 | 4.7% |
| TOTAL | 6,845 | 63,578 | 5.4% |

Source: Harrow Housing Needs Assessment – 2006

- 8.6 The recent mover data points to an overall turnover rate of 5.4%, although this will be a slight underestimation of total turnover for the dwellings concerned (given that there may have been multiple moves in the two-year period). Turnover of one bedroom dwellings is greater than for the other property size categories.
- 8.7 Finally, we can consider households claiming financial assistance with their housing costs (for mortgage interest payments). The data suggests that around 2.8% of households with a mortgage receive income support towards their mortgage payments (1,035 households). This figure represents 1.6% of all owners.

The private rented sector

- 8.8 The private rented sector is an important part of the housing spectrum in an area. In the UK context it is not often a long-term choice but is an important transitional tenure. In many cases the private rented sector is a stage in the progress of a household moving into owner-occupation, but can also be a stage in the move of a household into social rented housing or as a resource for provision of temporary accommodation.
- 8.9 In more detail, and as a market sector, the private rented sector plays an important role. For example it meets the needs of:
- i) People who have short term reasons for staying in a place when it would not be worth the time and transactional cost of buying property e.g. work for family reasons
 - ii) Those planning entry to the owner occupied market but who have not had time either to find suitable property or accumulated a sufficient deposit to do so

- 8.10 At a different level, and due to the great expansion of Housing Benefit (HB) payments after the end of Council house-building programmes in the late 1980s, there have arisen in many parts of Britain a class of 'benefit landlords' who provide housing in units which are available at below the ceiling set for HB. There is therefore a separate source of private tenants:
- i) Those who cannot obtain suitable affordable housing, and cannot afford market prices to rent or buy.
 - ii) With the aid of HB they may obtain short term housing in the private rented sector.
- 8.11 The 2005/06 Survey of English Housing has revealed a considerable growth in the private rented sector over the past decade or so. This has been particularly driven by 'buy to let' mortgages, which allow purchasers a cheaper mortgage on account of the rental stream which will follow purchase.
- 8.12 Data suggests that Harrow has a slightly larger than average private rented sector (12.4% of households compared with around 10% nationally). The two tables below show the size of dwellings in the private rented sector and the relative turnover of stock. It is clear that the number of one and two bedroom properties is proportionately much larger in the private rented sector – 64.3% of all private rented stock is one or two bedroom, which compares with only 23.7% of the owner-occupied stock.
- 8.13 Overall, the data shows that turnover of stock is much higher in the private rented sector, which would be expected given the transitory nature of the tenure. The estimated annual turnover rate in the private rented sector is 27.0% compared to 5.4% in the owner-occupied sector.

| Table 8.3 Size of dwellings (number of bedrooms) in the private rented stock | | |
|---|---------------|-----------------|
| Number of bedrooms | Households | % of households |
| 1 bedroom | 2,384 | 23.4% |
| 2 bedrooms | 4,174 | 40.9% |
| 3 bedrooms | 2,564 | 25.1% |
| 4+ bedrooms | 1,087 | 10.6% |
| TOTAL | 10,209 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

| Table 8.4 Turnover of dwellings in the private rented stock by size of dwelling (number of bedrooms) | | | |
|---|---------------------------------|----------------------|--------------------------------|
| Number of bedrooms | Number moving in past two years | Number of households | Estimated annual turnover rate |
| 1 bedroom | 1,294 | 2,384 | 27.1% |
| 2 bedrooms | 2,523 | 4,174 | 30.2% |
| 3 bedrooms | 1,212 | 2,564 | 23.6% |
| 4+ bedrooms | 477 | 1,087 | 21.9% |
| TOTAL | 5,506 | 10,209 | 27.0% |

Source: Harrow Housing Needs Assessment – 2006

8.14 Additionally, survey data suggests that 35.6% of households (3,636 households) in the private rented sector are in receipt of housing benefit, compared with 1.6% of all owners.

The social rented sector

8.15 It is of interest to briefly provide the same information as above for the social rented sector. The tables below show stock profile and turnover rates for all social rented housing in the Borough. The data shows that the social rented sector has relatively few four or more bedroom properties whilst 72.0% are one or two bedroom.

8.16 The turnover rate in the social rented stock is around 11.4% per annum; turnover rates do not vary greatly between one, two and three bedroom properties. The sample for social rented dwellings with four or more bedrooms was too small to produce an accurate estimate for the annual turnover of this accommodation.

| Table 8.5 Size of dwellings (number of bedrooms) in the social rented stock | | |
|--|--------------|-----------------|
| Number of bedrooms | Households | % of households |
| 1 bedroom | 3,069 | 36.3% |
| 2 bedrooms | 3,021 | 35.7% |
| 3 bedrooms | 2,223 | 26.3% |
| 4+ bedrooms | 151 | 1.8% |
| TOTAL | 8,464 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

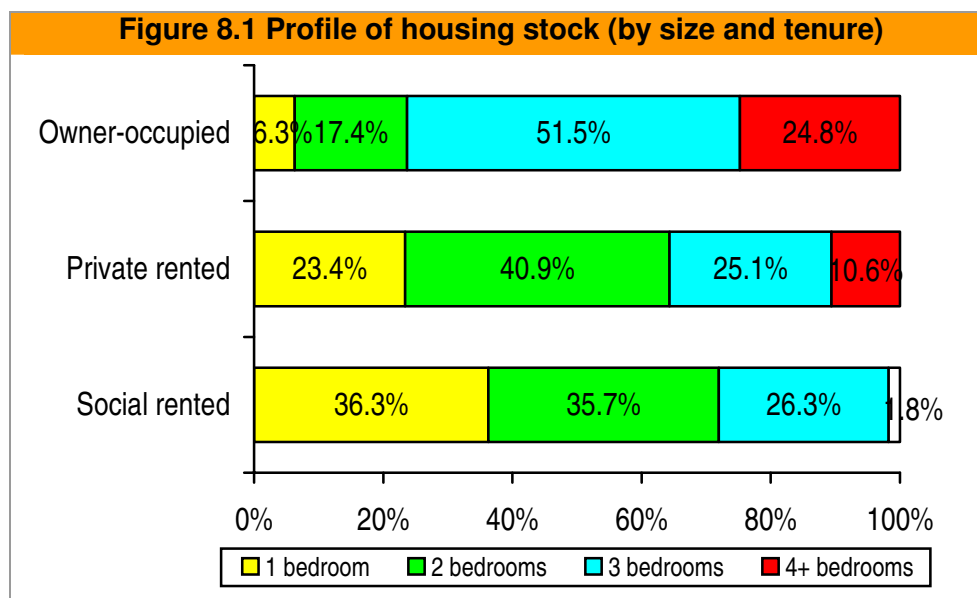
| Number of bedrooms | Number moving in past two years | Number of households | Estimated annual turnover rate |
|--------------------|---------------------------------|----------------------|--------------------------------|
| 1 bedroom | 711 | 3,069 | 11.6% |
| 2 bedrooms | 753 | 3,021 | 12.5% |
| 3 bedrooms | 474 | 2,223 | 10.7% |
| 4+ bedrooms | - | 151 | NA |
| TOTAL | 1,938 | 8,464 | 11.4% |

Source: Harrow Housing Needs Assessment – 2006

8.17 Survey data also suggests that 68.9% of households in the social rented sector are in receipt of housing benefit.

Data comparisons

8.18 For ease of comparison it is useful to bring together the information from the above analysis. The figure below compares the profile of stock (by size) in each of the three main sectors. The figure makes it clear that there are large differences between the stock profiles in the different sectors. The social and private rented sectors are heavily biased towards smaller properties whilst the opposite is true in the owner-occupied sector.



Source: Harrow Housing Needs Assessment – 2006

8.19 The table below summarises the position with regard to turnover of stock and the proportion of households claiming housing benefit (income support) towards housing costs. The table again clearly demonstrates the differences between the different tenures. The turnover of private rented stock is around 5 times that in the owner-occupied sector whilst households in the social rented sector are significantly more likely to claim assistance with their housing costs than owners or private tenants.

| Table 8.7 Turnover of stock and housing benefit claims by tenure | | |
|---|--|--|
| Tenure | Annual turnover of stock (% of households) | % claiming housing benefit (income support for owners) |
| Owner-occupied | 5.4% | 1.6% |
| Private rented | 27.0% | 35.6% |
| Social rented | 11.5% | 68.9% |
| TOTAL | 8.7% | 12.8% |

Source: Harrow Housing Needs Assessment – 2006

Summary

8.20 Emphasis on examination of the whole market is a key theme of PPS3 (2006). Analysis of survey data suggests that the owner-occupied sector accounts for around 77.3% of the total housing stock and is dominated by three bedroom properties. Private rented properties make up 12.4% and are characterised by a larger proportion of one and two bedroom dwellings. The estimated annual turnover rate in the owner-occupied sector is around 5.4% which compares to 27.0% in the private rented sector.

9. Balancing housing markets

Introduction

- 9.1 A 'Balancing Housing Markets' (BHM) assessment looks at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. The concept has been highlighted by the work of the Audit Commission in assessing councils' performance (Comprehensive Performance Assessment (CPA) of Borough authorities).
- 9.2 The Audit Commission specification for assessing the balancing of housing markets (Audit Commission March 2003) sets out three broad questions for the assessment:
- i) How well does the Council understand its housing market and from its understanding has the Council developed the right proposals to help balance the housing market?
 - ii) What are the Council's actions and what outcomes has it achieved in helping to balance housing markets?
 - iii) How well does the Council monitor its progress and impact in helping to balance housing markets and how effectively does this feed into future strategy and plans?
- 9.3 This chapter outlines and applies a BHM analysis, which can assist the Council in fulfilling the above objectives. Data concerning supply and demand within different tenures allows a consideration of the extent to which the local housing market in Harrow is balanced.
- 9.4 Whilst one of the outputs of the BHM model is an estimate of the shortfall of affordable housing, this should not be taken as an estimate of the absolute need for such housing. As the BHM is a demand and aspiration driven model (the affordable housing requirement model being mainly based on past trends) there are inevitably some households who have a demand for affordable housing but under the affordable housing requirement model would not be considered as needing such housing. Additionally as the bulk of the supply in the BHM is based on expected future household moves it is often the case that this model shows a lower supply level than the trend data of the affordable housing requirement model (typically drawn from HSSA).

- 9.5 It is therefore common to find that the BHM shows a slightly higher estimate of the affordable requirement than the affordable housing requirement model but this should not be taken as the survey's base estimate of the absolute requirement for affordable housing (which is measured using the CLG's affordable housing requirement model). The BHM is however particularly useful at ascertaining what shortages exist in the private sector market and can help to guide councils in securing an appropriate mix of market housing on new housing developments.
- 9.6 However, unlike the specific model followed in Section C, there is only very general guidance provided for a BHM analysis. The next subsection summarises our approach.

Procedure in outline

- 9.7 In overview, a BHM analysis assesses the aspirations of would-be movers in relation to total dwellings, broken down by property size and tenure. It considers the likely future demand for housing in the Borough from three sources (newly forming households, in-migrant households and existing households moving within the Borough) and the likely future supply from three sources (household dissolution, out-migrant households and existing households moving within the Borough).
- 9.8 It prioritises the requirements of the current population first with the amount of in-migration limited so that the overall demand is equal to the projected scale of new housing in the area, which is derived from the projected future building rate for Harrow from the updated London Plan target.
- 9.9 The steps involved are listed below:
- i) Total allocation of new dwellings to Borough
 - ii) Numbers of households wishing/planning to move (both existing and newly forming)
 - iii) Distinguish those who can afford their proposed moves from those who cannot
 - iv) Those who cannot afford their moves are allocated to affordable housing (in principle) as they cannot afford to rent or buy at market prices
 - v) The total of market and non-market moves is assessed in relation to the net extra number of dwellings required
 - vi) This is assessed against the allowed total of new dwellings for the Borough. Where the net demand is greater than the total, this is noted, by tenure group

- vii) Where the total net demand is less than the allowed total newbuild, then the difference is assumed to be net in-migration, often of market purchasers
- viii) All figures are calculated on an annual basis from figures over a five year period

Why gross flows cannot predict tenure

9.10 The CLG Guide suggests a Gross Flow approach, which bases forecasts on past patterns, in order to carry out a BHM. However, given that market dynamics and socio-economic factors are always changing, past patterns are actually fairly limited as a predictor. Past (or even projected future) changes in the proportions of dwelling types and tenure groups are not indicative of what should happen in order to best meet housing requirements in the future. In the jargon, such data has no 'normative' value: it contains no element of judgement. This was noted by Fordham Research as long ago as 1993:

'...future variation in proportions of owner-occupiers, private renters etc should be considered as variables on which policy is to operate in seeking to meet housing need. In this sense it is not appropriate to use them as fixed variables' (Wycombe Housing Needs Survey, Fordham Research 1993)

9.11 Examples of why unadjusted gross flows are not a satisfactory predictor are easy to cite:

- i) If in a local authority area over a period of time (say a year) nothing but four bedroom owner-occupied dwellings are built then the gross flows methodology would show that nothing but four bedroom owner-occupied homes are required in the future (even if there is a significant need for additional affordable housing).
- ii) On the other hand another local authority may have needed (and been able) to build a significant number of additional affordable units, the gross flows approach would indicate that the Local Authority still required large numbers of affordable housing units (which might not be the case).

Adapted Gross Flows (AGF)

9.12 The Fordham approach, therefore, adapts the notion of balance inherent in Gross Flows to take account of future housing aspirations and affordability as well as past trends. This revised approach has the advantage of not simply mirroring the past and also helps to avoid any 'unbalancing' actions which may have been at work.

9.13 At the most general level:

- Demands minus the supply should give a net change (increase usually) in number of dwellings/households

9.14 For the purpose of this test we have set the overall net increase in dwellings to 400. This is based on the required build rate from 2006/07 to 2016/17 as indicated in the updated London Plan targets.

9.15 Full details of the analysis are presented in Appendix A4. Set out below is a summary of the results.

Summary of data

9.16 The results of the analysis can be summarised as follows, prior to inputting into the final table:

Growth – 400 per annum

Demand

New households forming within the Borough – 1,347

In-migration – 4,526

Households moving within the Borough – 4,373

Total demand = 10,176

Supply

Household dissolution (through death) – 773

Out-migrant – 4,700

Households moving within the Borough – 4,373

Total supply = 9,846

9.17 The results of the calculations detailed in Appendix A4 are shown in the following table:

| Table 9.1 Total shortfall or (surplus) | | | | | |
|---|------------------|---------------|---------------|----------------|------------|
| Tenure | Size requirement | | | | TOTAL |
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | -397 | 520 | -859 | 128 | -608 |
| Affordable housing | 293 | 1,302 | 830 | 400 | 2,824 |
| Private rented | -456 | -873 | -367 | -121 | -1,816 |
| TOTAL | -560 | 948 | -396 | 407 | 400 |

Source: Harrow Housing Needs Assessment – 2006

9.18 A number of conclusions can be drawn from this analysis:

- i) In terms of the demand for affordable housing in the Borough it is clear that this is on-going. The BHM methodology suggests a significant shortfall of affordable housing of all sizes of accommodation, most notably two and three bedroom homes. The demand for larger units of affordable housing reflects the inability of market housing to cater for lower income larger households.
- ii) The data shows an overall surplus in the owner-occupied sector. In terms of size requirements, the information suggests that in the owner-occupied sector the main surplus is for three and one bedroom homes where as shortfalls exist for two and four or more bedroom homes.
- iii) The model indicates that there is a large surplus in the private rented sector. In this sector all dwelling sizes show a surplus, since many households view this sector as an undesirable long term solution whilst the supply of private rented housing is likely to be large due to the temporary nature of the tenure.

9.19 This model uses income multiples recommended in Government guidance to test the ability of households to afford their preferred and expected tenure. The multiples used represent a sustainable proportion of household income spent on housing costs. In reality the surpluses recorded in the owner-occupied and private rented sectors will not be witnessed as households will be forced to spend a greater proportion of their income to access market housing. The results of the model therefore emphasise the acute requirement for affordable accommodation in the Borough, as many households in Harrow will be forced to pay more than what is considered sustainable to access market housing.

- 9.20 The results of this analysis need to be viewed alongside equivalent analyses in the other authorities in the sub-region. However the model considers the expected locations of moving households to ensure that the output represents the demand for housing in Harrow with any external movement from the Borough excluded. As the model has taken account of the likely redistribution of households in the future, it would therefore be inappropriate to assume that this demand could be met elsewhere in the sub-region, particularly when the neighbouring authorities also record a highly pressurised affordable housing sector.

Implications of analysis

- 9.21 Analysis using the CLG 'affordable housing requirement model' found that there is a shortage of affordable housing in Harrow. The BHM assessment, which constrains growth according to planned development and then balances demand across all tenures, also produces this conclusion.
- 9.22 The CLG affordable housing requirement model and the BHM analysis both find that an affordable housing target is justified in Harrow. The more robust methodology of the affordable housing requirement model means that this provides a more accurate estimate of the total shortfall.

Summary

- 9.23 In addition to looking at the needs of households by closely following the CLG's affordable housing requirement model the survey used a 'demand' based methodology to estimate the future demand for housing across all tenures. Like the affordable housing requirement model, the 'demand' based methodology suggested that there is a requirement for additional affordable housing in the Borough.

SECTION E: HOUSING REQUIREMENTS OF SPECIFIC HOUSEHOLD GROUPS

This section addresses particular client groups that may have very specific housing requirements. Although such groups do not necessarily represent households in need as defined by the CLG Guide, it is important for the Council to have detailed information on them in order to inform specific policies and service provision.

For example, the frail elderly may not be in housing need in the sense of not being able to afford market housing, but many of them are liable to require extra care in the future, whether directly, or via aids and adaptations in the home.

This section covers the following groups:

- Households with vulnerable residents
- Older person households
- Black and Minority Ethnic households
- Key workers

The section finishes with a chapter looking at the incidence of overcrowding and under-occupation amongst different groups of households in the Borough.

10. Households with vulnerable residents

Introduction

- 10.1 Supporting People is a national policy initiative designed to secure a more co-ordinated approach to the provision of housing support services to certain groups. These are groups that may, because of their condition or vulnerability, have requirements for specialised forms of housing provision, or else require support services in order to continue living an independent life in their existing home. The initiative seeks to co-ordinate the commissioning of housing support services by housing, social services and health providers, and to produce a more unified basis for the allocation of the available funding.
- 10.2 Information collected through the survey enables us to identify the principal client groups who have special requirements of this kind. It is therefore possible to provide some guidance on their needs and requirements.
- 10.3 Some vulnerable groups are rare, while others are more common. The accuracy of each figure will of course vary according to the size of the group involved and it should be noted that the range of groups covered by the survey is not fully inclusive. There are some groups for which it would not be possible to obtain results through the questionnaire type approach (either due to the small numbers involved or because of the nature of the particular need). Examples of groups not specifically covered include homelessness, drug/alcohol problems and women fleeing domestic violence.
- 10.4 It should also be noted that the finding of a household with a vulnerable resident does not necessarily mean that the household needs to move to alternative accommodation. In many cases the vulnerable resident can be catered for within the household's current home whilst for others the issue may be the need for support rather than any specific type of accommodation. These issues are discussed in the data that follows.

Vulnerable groups: data coverage

- 10.5 The survey looked at whether household members fell into one or more of a range of primary client groups. Whilst these represent some of the client groups covered in Supporting People Strategy, they are not exhaustive. Meaningful data on some other groups experiencing social exclusion: homelessness, domestic violence and offenders, could not be delivered with the sample size used in the survey. The information presented in this chapter will add to the data and knowledge base already available on these topics in Harrow.

10.6 The groups covered were:

- Frail elderly
- Persons with a physical disability
- Persons with a learning disability
- Persons with mental health needs
- Those with a severe sensory disability
- Persons with other long-term illness

10.7 Each individual person could respond to as many of the above categories as is applicable. This means that we can differentiate between households that have more than one vulnerable resident and those that have people within multiple vulnerable groups.

Vulnerable groups: overview

10.8 Overall there are an estimated 14,154 households in the Harrow area containing at least one vulnerable resident (this represents 17.2% of all households). The table below shows the numbers of households with residents in different types of vulnerable group. The numbers of households in each category exceed the total number of households with vulnerable residents because people can be in more than one category of vulnerable group.

10.9 Physical disability is the predominant group. There are 9,183 households containing a household member with a physical disability. The next largest group is 'frail elderly', with 4,787 households having a member in this category. These two categories represent 64.9% and 33.8% of all households with vulnerable residents respectively.

| Table 10.1 Vulnerable group categories | | | |
|--|----------------------|---------------------|---|
| Category | Number of households | % of all households | % of households with vulnerable residents |
| Frail elderly | 4,787 | 5.8% | 33.8% |
| Physical disability | 9,183 | 11.2% | 64.9% |
| Learning disability | 1,343 | 1.6% | 9.5% |
| Mental health needs | 1,733 | 2.1% | 12.2% |
| Severe sensory disability | 1,361 | 1.7% | 9.6% |
| Other | 1,605 | 2.0% | 11.3% |

Source: Harrow Housing Needs Assessment – 2006

10.10 In addition to the above information we are able to look at the number of vulnerable people in each household and also households containing persons within multiple vulnerable groups. The results for these are shown below.

| Table 10.2 Number of people within a vulnerable group | | |
|--|---------------|-----------------|
| | Households | % of households |
| No vulnerable residents | 68,096 | 82.8% |
| One vulnerable resident | 12,121 | 14.7% |
| Two vulnerable residents | 1,641 | 2.0% |
| Three or more vulnerable residents | 393 | 0.5% |
| TOTAL | 82,250 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

| Table 10.3 Households with residents in multiple vulnerable groups | | |
|---|---------------|-----------------|
| | Households | % of households |
| No vulnerable residents | 68,096 | 82.8% |
| Vulnerable resident(s) in one group only | 10,496 | 12.8% |
| Vulnerable resident (s) in multiple vulnerable groups | 3,659 | 4.4% |
| TOTAL | 82,250 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

10.11 The two tables above show that the majority of households with vulnerable residents (85.6%) only contain one vulnerable person and that the majority of households with vulnerable residents do not contain residents in multiple vulnerable groups (74.2%). However, some 2,034 households in the Harrow area are estimated to have two or more vulnerable residents whilst an estimated 3,659 households contain someone in multiple vulnerable groups.

Characteristics of special needs households

10.12 The tables below show the characteristics of households with vulnerable residents in terms of household size, age, tenure and unsuitable housing.

| Table 10.4 Size of households with vulnerable residents | | | | | |
|--|--------------------------------------|-------------------------|-------------------|---|---|
| Number of persons in household | Households with vulnerable residents | | | | |
| | Vulnerable households | No vulnerable residents | Number of h'holds | % of category containing vulnerable residents | % of all vulnerable households in each category |
| One | 5,387 | 16,257 | 21,645 | 24.9% | 38.1% |
| Two | 4,062 | 20,625 | 24,687 | 16.5% | 28.7% |
| Three | 1,789 | 12,164 | 13,954 | 12.8% | 12.6% |
| Four | 1,568 | 12,124 | 13,692 | 11.5% | 11.1% |
| Five | 624 | 4,970 | 5,594 | 11.2% | 4.4% |
| Six or more | 724 | 1,956 | 2,680 | 27.0% | 5.1% |
| TOTAL | 14,154 | 68,096 | 82,250 | 17.2% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

10.13 The table above shows that households with vulnerable residents are likely to be small, comprised of one or two persons. However over a quarter of households containing six or more people contain a vulnerable resident. Households with vulnerable residents are also more likely to contain older persons.

| Table 10.5 Households with vulnerable residents and older people | | | | | |
|---|--------------------------------------|-------------------------|-------------------|---|---|
| Age group | Households with vulnerable residents | | | | |
| | Vulnerable households | No vulnerable residents | Number of h'holds | % of category containing vulnerable residents | % of all vulnerable households in each category |
| No older people | 4,464 | 50,077 | 54,542 | 8.2% | 31.5% |
| Both older & non older people | 3,472 | 6,007 | 9,479 | 36.6% | 24.5% |
| Older people only | 6,218 | 12,011 | 18,229 | 34.1% | 43.9% |
| TOTAL | 14,154 | 68,096 | 82,250 | 17.2% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

10.14 As the table below shows, households with vulnerable residents are more likely to be living in social rented housing. Some 37.9% of Council/RSL households contain a vulnerable member. Additionally, 22.3% of owner-occupied (no mortgage) households contain a vulnerable member.

| Table 10.6 Households with vulnerable residents and tenure | | | | | |
|---|--------------------------------------|-------------------------|-------------------|---|---|
| Tenure | Households with vulnerable residents | | | | |
| | Vulnerable households | No vulnerable residents | Number of h'holds | % of category containing vulnerable residents | % of all vulnerable households in each category |
| Owner-occupied (no mortgage) | 6,093 | 21,225 | 27,318 | 22.3% | 43.0% |
| Owner-occupied (with mortgage) | 3,750 | 32,510 | 36,260 | 10.3% | 26.5% |
| Council/RSL | 3,209 | 5,254 | 8,463 | 37.9% | 22.7% |
| Private rented | 1,102 | 9,107 | 10,209 | 10.8% | 7.8% |
| TOTAL | 14,154 | 68,096 | 82,250 | 17.2% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

10.15 The table below indicates that households with vulnerable residents are more than twice as likely to be living in unsuitable housing as households without vulnerable residents (the term 'unsuitable housing' is defined in Chapter 5). Some 24.8% of all households with vulnerable residents are living in unsuitable housing, which compares with 12.1% of all households and 9.5% of all households without vulnerable residents.

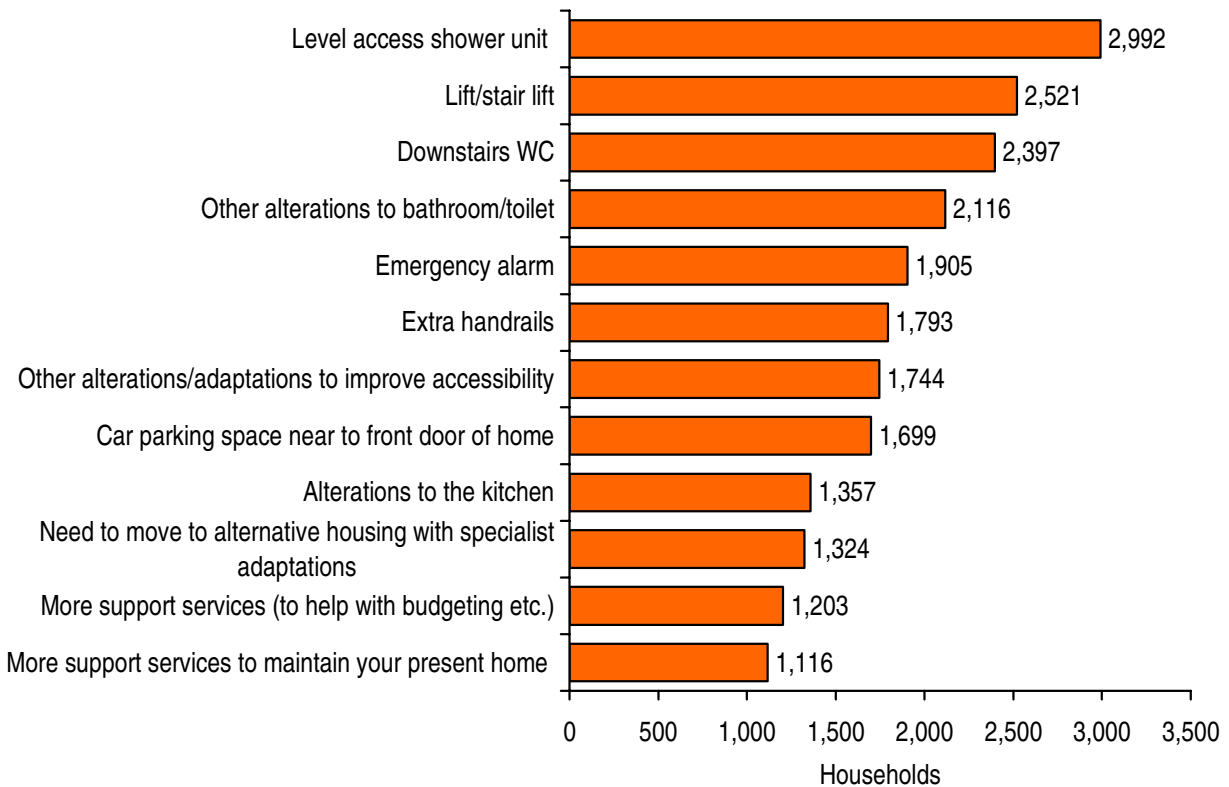
| Table 10.7 Households with vulnerable residents and unsuitable housing | | | | | |
|---|-----------------------|---------------------------|-------------------|--|----------------------------------|
| Vulnerable residents | Unsuitable housing | | | | |
| | In unsuitable housing | Not in unsuitable housing | Number of h'holds | % of total h'holds in unsuitable housing | % of those in unsuitable housing |
| Households with vulnerable residents | 3,507 | 10648 | 14,155 | 24.8% | 35.2% |
| Households without vulnerable residents | 6,458 | 61638 | 68,096 | 9.5% | 64.8% |
| TOTAL | 9,965 | 72286 | 82,251 | 12.1% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Requirements of households with vulnerable residents

10.16 Those households with a vulnerable member were asked to indicate if there was a current need for improvements to their current accommodation and/or services. The responses are detailed in the figure below.

Figure 10.1 Special needs households: improvements to accommodation & services



Source: Harrow Housing Needs Assessment – 2006

10.17 The results show requirements for a wide range of adaptations and improvements across households with vulnerable residents. The most commonly-sought improvements needed were:

Shower Unit (2,992 households – 21.1% of all special needs households)

Lift/stair lift (2,521 households – 17.8% of all special needs households)

Downstairs WC (2,397 households – 16.9% of all special needs households)

Analysis of specific groups

10.18 The analysis that follows below concentrates on differences between different groups of households with vulnerable residents. Overall, the sample sizes for groups other than frail elderly and physical disability are small and so care should be exercised in interpreting these results.

10.19 The table below shows some characteristics by vulnerable group. The table shows a number of interesting findings. The data shows that 54.4% of frail elderly households and 35.5% of physical disability households are also single person households. On the other hand, over a third (39.4%) of households containing someone with a learning disability contained four or more people.

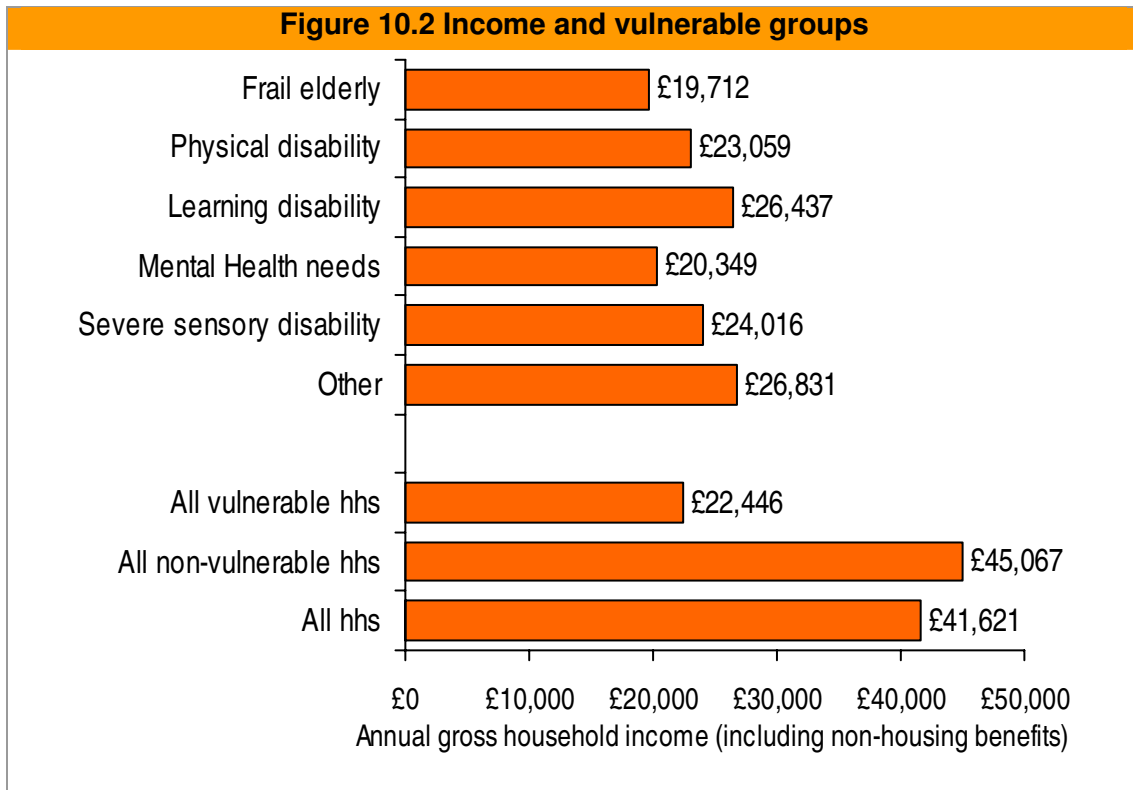
10.20 By tenure the results show that all vulnerable groups are less likely than households with no vulnerable residents to live in owner-occupied accommodation (with a mortgage) and all groups are more likely than average to live in social rented housing. Over half of frail elderly households live in the owner occupied (no mortgage) sector. Households containing someone with a mental health need or a physical disability are more likely than average to be living in private rented accommodation.

Table 10.8 Characteristics of households with vulnerable residents by vulnerable group

| | Frail elderly | Physical disability | Learning disability | Mental health needs | Severe sensory disability | Other | All vulnerable hhs | All non-vulnerable hhs | All hhs |
|---------------------------------|---------------|---------------------|---------------------|---------------------|---------------------------|-------|--------------------|------------------------|---------|
| Household size | | | | | | | | | |
| One | 54.4% | 35.5% | 22.4% | 41.2% | 52.6% | 27.9% | 38.1% | 23.9% | 26.3% |
| Two | 20.6% | 30.9% | 9.8% | 26.6% | 19.6% | 31.7% | 41.1% | 30.3% | 30.0% |
| Three | 4.9% | 14.9% | 28.4% | 11.8% | 2.6% | 6.7% | 7.6% | 17.9% | 17.0% |
| Four | 11.7% | 10.4% | 22.1% | 7.3% | 10.1% | 15.8% | 5.1% | 17.8% | 16.6% |
| Five | 4.2% | 3.7% | 8.1% | 4.0% | 13.7% | 4.7% | 1.0% | 7.3% | 6.8% |
| Six or more | 4.3% | 4.5% | 9.2% | 9.1% | 1.5% | 13.2% | 0.7% | 2.9% | 3.3% |
| Age of household members | | | | | | | | | |
| No older people | 6.2% | 27.8% | 74.0% | 68.9% | 31.6% | 44.5% | 31.5% | 73.5% | 66.3% |
| Both older & non older people | 25.9% | 27.8% | 20.0% | 16.6% | 20.2% | 23.1% | 24.5% | 8.8% | 11.5% |
| Older people only | 67.9% | 44.4% | 6.0% | 14.5% | 48.2% | 32.5% | 43.9% | 17.6% | 22.2% |
| Tenure | | | | | | | | | |
| Owner-occupied (no mortgage) | 56.0% | 44.9% | 21.8% | 19.7% | 36.4% | 26.2% | 43.0% | 31.2% | 33.2% |
| Owner-occupied (with mortgage) | 20.8% | 26.9% | 39.4% | 26.8% | 34.0% | 51.7% | 26.5% | 47.7% | 44.1% |
| Council/RSL | 17.2% | 21.7% | 24.2% | 46.1% | 22.4% | 12.2% | 22.7% | 7.7% | 10.3% |
| Private rented | 6.0% | 6.5% | 14.6% | 7.4% | 7.2% | 9.97% | 7.8% | 13.4% | 12.4% |

Source: Harrow Housing Needs Assessment – 2006

10.21 The figure below shows income levels for each vulnerable group. Also shown is the figure for households with no vulnerable residents. The average income of all households in the Borough was estimated at £41,621 per annum (gross income including non-housing benefits). The figure shows that all vulnerable groups have average income levels noticeably below both the Borough average and the average for households with no vulnerable residents. Households containing a member with a learning disability have the highest average incomes of the vulnerable groups in the Borough at £26,437.



Source: Harrow Housing Needs Assessment – 2006

10.22 Finally we can look at levels of unsuitable housing by vulnerable group. The table below shows the proportion of each group estimated to be living in unsuitable housing. Households containing someone with a physical disability are the most likely to be in unsuitable housing (27.2%); this compares to a Borough-wide average of 12.1% and an average of 9.5% for households with no vulnerable residents.

Table 10.9 Proportion of special needs groups living in unsuitable housing

| Vulnerable group | % of households |
|-------------------------------|-----------------|
| Frail elderly | 23.9% |
| Physical disability | 27.2% |
| Learning disability | 20.8% |
| Mental health needs | 27.0% |
| Severe sensory disability | 21.2% |
| Other | 12.9% |
| All vulnerable households | 24.8% |
| All non-vulnerable households | 9.5% |
| All households | 12.1% |

Source: Harrow Housing Needs Assessment – 2006

Staying put scheme

10.23 This section studies households with vulnerable residents who have stated experiencing difficulty in maintaining their home. The results are shown in the table below and are split between owner-occupiers and tenants. The table clearly shows that households with vulnerable residents are more likely than other households in the borough to have problems with maintaining their homes.

10.24 Of all households with a problem or serious problem, a total of 43.2% have a vulnerable resident. Over two-thirds of these are owners.

Table 10.10 Households with a vulnerable resident and difficulty maintaining home

| Household group | No problem | | A problem/ serious problem | | TOTAL | |
|--|------------|-------|----------------------------|-------|--------|--------|
| | Number | % | Number | % | Number | % |
| Vulnerable households – owner-occupied | 7,599 | 77.2% | 2,243 | 22.8% | 9,842 | 100.0% |
| Vulnerable households – tenants | 2,386 | 73.6% | 856 | 26.4% | 3,242 | 100.0% |
| Vulnerable households | 9,985 | 76.3% | 3,099 | 23.7% | 13,084 | 100.0% |
| All households | 74661 | 90.8% | 7,589 | 9.2% | 82,250 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

10.25 The evidence of the tables above is that there is clear evidence that the existing 'staying put' scheme is required. A total of 7,589 households state a problem with maintaining their homes – of these 3,099 are households with a vulnerable member with an estimated 2,243 living in the owner-occupied sector.

Summary

- 10.26 Information from the survey on vulnerable groups can be of assistance to authorities drawing up their supporting housing strategies, including Supporting People Strategies. Some 17.2% of all the Borough's households (14,154) contain a vulnerable resident. 'People with a physical disability' is the largest vulnerable group category. There are 9,183 households containing a 'physically disabled' person and a further 4,787 with household members who are 'frail elderly'.
- 10.27 Households with vulnerable residents in Harrow are generally smaller than average for the Borough and are disproportionately made up of older persons only. Households with vulnerable residents are more likely than households overall to be in unsuitable housing.
- 10.28 Households with vulnerable residents are more likely to be living in social rented housing than households without a vulnerable resident. This is true of all vulnerable groups although over half of frail elderly households live in the owner occupied (no mortgage) sector.
- 10.29 Households with vulnerable residents in general stated a requirement for a wide range of adaptations and improvements to the home. The most commonly-sought improvements needed were shower units and lifts/stair lifts.
- 10.30 The survey also supports the requirement of the existing 'staying put' scheme, which assists older owner-occupiers remain in their home by helping them make the necessary repairs, improvements, and/or adaptations to their homes.

11. Older person households

Introduction

- 11.1 Data was collected in the survey with regard to the characteristics of households with older persons. This chapter looks at the general characteristics of older person households and details some additional survey findings about such households. The findings in this chapter supplement the more extensive report on older people in Harrow entitled 'Review of housing and care needs of Older People in the London Borough of Harrow' published in August 2005.
- 11.2 Older people are defined as those over the state pension eligibility age (currently 65 for men, 60 for women). For the purpose of this chapter, households have been divided into three categories:
- Households without older persons
 - Households with both older and non-older persons
 - Households with only older persons

The older person population

- 11.3 Just under a quarter of all households in Harrow contain only older people (22.2%) and a further 11.5% contain both older and non-older people. The table below shows the number and percentage of households in each group.

| Table 11.1 Older person households | | |
|--|----------------------|---------------------|
| Categories | Number of households | % of all households |
| Households without older persons | 54,542 | 66.3% |
| Households with both older and non-older persons | 9,479 | 11.5% |
| Households with older persons only | 18,229 | 22.2% |
| TOTAL | 82,250 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Characteristics of older person households

11.4 The number of occupants in older person households is shown in the table below. The data suggests that almost all households containing older persons only are comprised of one or two persons – there are 105 older person households containing three or more people, which equates to 0.5% of all older persons only households. Over half of all single person households are older person households.

| Table 11.2 Size of older person only households | | | | | |
|--|--------------------|---------------|-------------------|---------------------------------------|-------------------------------|
| Number of persons in household | Age group | | | | |
| | Older persons only | Other h'holds | Number of h'holds | % of total h'holds with older persons | % of those with older persons |
| One | 11,356 | 10,289 | 21,645 | 52.5% | 62.3% |
| Two | 6,768 | 17,918 | 24,686 | 27.4% | 37.1% |
| Three | 26 | 13,928 | 13,954 | 0.2% | 0.1% |
| Four | 0 | 13,691 | 13,691 | 0.0% | 0.0% |
| Five | 0 | 5,594 | 5,594 | 0.0% | 0.0% |
| Six or more | 79 | 2,600 | 2,679 | 2.9% | 0.4% |
| TOTAL | 18,229 | 64,020 | 82,249 | 22.2% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

- 11.5 The table below shows the housing tenures of households with older persons. Over three quarters of older person only households are owner-occupiers. The overwhelming majority of these do not have a mortgage. A high level of owner-occupation amongst older people was recorded by the 2005 'Review of housing and care needs of Older People in the London Borough of Harrow'.
- 11.6 This finding suggests that the potential for equity release schemes in Harrow is quite high although such potential will also be dependent on households' willingness to release equity. Local evidence from the 'Houseproud' equity scheme suggests a low take-up in Harrow and elsewhere and so alternative solutions may need to be sought.
- 11.7 Another significant finding is the relatively high proportion of social rented accommodation containing older people only. Nearly a third of Council/RSL dwellings contain only older people. This may have implications for future supply of specialised social rented accommodation.

| Table 11.3 Older person only households and tenure | | | | | |
|---|--------------------|------------------|---------------|----------------------|-----------------------|
| Tenure | Age group | | | | |
| | Older persons only | Other households | Total hhs | % with older persons | % of older person hhs |
| Owner-occupied (no mortgage) | 12,441 | 14,877 | 27,318 | 45.5% | 68.2% |
| Owner-occupied (with mortgage) | 1,907 | 34,353 | 36,260 | 5.3% | 10.5% |
| Council/RSL | 2,683 | 5,780 | 8,463 | 31.7% | 14.7% |
| Private rented | 1,198 | 9,011 | 10,209 | 11.7% | 6.6% |
| TOTAL | 18,229 | 64,021 | 82,250 | 22.2% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

- 11.8 The table below shows that the proportion of older people differs markedly throughout Harrow's wards. Wards containing the highest proportion of older people only households include: Pinner (35.9%), Stanmore Park (30.3%) and Headstone North (28.8%).

| Table 11.4 Older person only households and ward | | | | | |
|---|--------------------|------------------|---------------|----------------------|-----------------------|
| Ward | Age group | | | | |
| | Older persons only | Other households | Total hhs | % with older persons | % of older person hhs |
| Pinner | 1,508 | 2,696 | 4,204 | 35.9% | 8.3% |
| Stanmore Park | 1,310 | 3,016 | 4,326 | 30.3% | 7.2% |
| Headstone North | 996 | 2,458 | 3,454 | 28.8% | 5.5% |
| Canons | 1,319 | 3,335 | 4,654 | 28.3% | 7.2% |
| Pinner South | 1,021 | 2,848 | 3,869 | 26.4% | 5.6% |
| Hatch End | 1,003 | 2,908 | 3,911 | 25.6% | 5.5% |
| Harrow Weald | 1,011 | 3,142 | 4,153 | 24.3% | 5.5% |
| West Harrow | 847 | 2,847 | 3,694 | 22.9% | 4.6% |
| Kenton West | 747 | 2,647 | 3,394 | 22.0% | 4.1% |
| Kenton East | 732 | 2,665 | 3,397 | 21.5% | 4.0% |
| Roxeth | 799 | 2,967 | 3,766 | 21.2% | 4.4% |
| Harrow on the Hill | 916 | 3,614 | 4,530 | 20.2% | 5.0% |
| Queensbury | 677 | 2,871 | 3,548 | 19.1% | 3.7% |
| Headstone South | 696 | 3,104 | 3,800 | 18.3% | 3.8% |
| Roxbourne | 771 | 3,463 | 4,234 | 18.2% | 4.2% |
| Marlborough | 751 | 3,385 | 4,136 | 18.2% | 4.1% |
| Edgware | 638 | 2,918 | 3,556 | 17.9% | 3.5% |
| Rayners Lane | 634 | 3,011 | 3,645 | 17.4% | 3.5% |
| Greenhill | 754 | 3,844 | 4,598 | 16.4% | 4.1% |
| Belmont | 551 | 2,957 | 3,508 | 15.7% | 3.0% |
| Wealdstone | 547 | 3,324 | 3,871 | 14.1% | 3.0% |
| Total | 18,228 | 64,020 | 82,248 | 22.2% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Dwelling characteristics

11.9 The table below shows the type of accommodation that older person only households reside in. The data indicates that older person only households are more likely than non-older person households in the Harrow area to be living in a flat/maisonette and are less likely to be living in a semi-detached or terraced house or bungalow. It is important to note however that a semi-detached house or bungalow is the most common type of residence for older person only households.

| Table 11.5 Type of accommodation by older person only households | | |
|---|------------------------------|----------------------------------|
| Dwelling type | % of older person households | % of non-older person households |
| Detached house/bungalow* | 12.9% | 12.0% |
| Semi-detached house/bungalow | 36.2% | 41.0% |
| Terraced house/bungalow | 16.0% | 21.5% |
| Flat/maisonettes | 34.9% | 25.5% |
| TOTAL | 100.0% | 100.0% |

* Includes mobile homes

Source: Harrow Housing Needs Assessment – 2006

11.10 The table below shows that older person only households are more likely than non-older person households in the Harrow area to be living in one and two bedroom properties. However, the results also show that more than half of all older person households are in three or four bedroom dwellings. Given that previous information has shown that almost all older person only households are comprised of almost only one or two persons, this finding suggests that there could be potential scope to free up larger units for younger families if the older households chose to move into suitable smaller units.

| Table 11.6 Size of dwellings (number of bedrooms) for older person only households | | |
|---|------------------------------|----------------------------------|
| Number of bedrooms | % of older person households | % of non-older person households |
| 1 bedroom | 20.3% | 9.0% |
| 2 bedrooms | 23.5% | 21.8% |
| 3 bedrooms | 45.3% | 45.7% |
| 4+ bedrooms | 10.9% | 23.5% |
| TOTAL | 100.0% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

11.11 This information can be further broken down by tenure (for older person households) and this is shown in the table below. The table indicates that whilst the majority of large (3+ bedroom) properties are in the owner-occupied sector there are nearly 256 properties in the social rented sector which may therefore present some opportunity to reduce under-occupation.

| Table 11.7 Older person only households size of accommodation and tenure | | | | | |
|---|-----------------------|--------------|--------------|--------------|---------------|
| Tenure | Size of accommodation | | | | TOTAL |
| | 1 bed | 2 bed | 3 bed | 4+ bed | |
| Owner-occupied (no mortgage) | 1,131 | 2,899 | 6,862 | 1,549 | 12,441 |
| Owner-occupied (with mortgage) | 372 | 376 | 865 | 294 | 1,907 |
| Council/RSL | 1,811 | 615 | 256 | 0 | 2,682 |
| Private rented | 394 | 390 | 279 | 135 | 1,198 |
| TOTAL | 3,708 | 4,280 | 8,262 | 1,978 | 18,228 |

Source: Harrow Housing Needs Assessment – 2006

Accommodation preferences

11.12 The survey indicated that of the 18.3% of older persons only households that would like or expect to move home in the next five years, the overwhelming majority (83.5%) would prefer to move to ordinary residential accommodation. This confirms the findings of the 'Review of housing and care needs of Older People in the London Borough of Harrow' which highlighted that the majority of older persons would prefer to remain in their own home and with a high level of independence.

Older person households and the affordable housing requirement model

11.13 Some 7.3% of all older person only households (1,324 households) in the Harrow area live in unsuitable housing, as defined by the CLG guidance. This figure is lower than the figure of 12.1% for all households.

11.14 In addition we can look at older persons needs using the affordable housing requirement model. Following this method suggests that there is an annual need to provide accommodation for 135 older person households, further data suggests a supply to such households in the region of 49 units per annum. Therefore the affordable housing requirement model suggests a shortfall of affordable housing of 89 dwellings per annum for older person households. This figure represents only 3.7% of the total estimated need (of 2,303 affordable units per annum).

11.15 These findings do not necessarily mean there is reason for complacency with regard to the future housing needs of older persons. As the population ages, demand for adaptations and other forms of care and support, including sheltered housing, will most likely increase and will need to be considered by the Council and its partners. The report 'Review of housing and care needs of Older People in the London Borough of Harrow' published in August 2005 provides more detail on this and on the need to diversify housing provision for all tenures in the future.

Older persons aged 75 or over

11.16 Further analysis reveals that some 8,241 households contain only those aged 75 or over, which equates to 10.0% of all households in the Borough. Some 79.9% of these households contain only one person and 45.2% contain a vulnerable resident. Overall 72.3% of these households are owner-occupiers, with 19.9% resident in the social rented sector and 6.7% living in private rented accommodation.

Summary

11.17 Some 22.2% of households in the Harrow area contain older persons only (a similar proportion to that shown in the 2001 Census), and a further 11.5% contain a mix of both older and non-older persons. Older person only households are largely comprised of one or two persons, providing implications for future caring patterns. Although the majority of older person only households live in the private sector, it is interesting to note that nearly a third of social rented accommodation houses older people only.

11.18 Although older person households do not contribute significantly to the overall need for additional affordable housing, their changing needs may well have a significant impact on the future provision of Council/RSL housing and the requirement for housing support and adaptations.

12. Black and Minority Ethnic (BME) households

Introduction

12.1 Information was gathered in the survey to find out the ethnic origin of the head of household (and partner if applicable) for each sample household in the survey. The categories used on the survey forms were consistent with those used in the 2001 Census. Due to the relatively small sample size of some non-white groups, some categories have been grouped, resulting in four different ethnic groups overall. The table below shows the constituent categories of each of the four groups.

| Table 12.1 Ethnicity groupings used for analysis | |
|---|---|
| Category for analysis | Census categories |
| White | White – British, White – Irish, White – Other |
| Asian | Asian or Asian British – Indian, Asian or Asian British – Pakistani, Asian or Asian British – Bangladeshi, Asian or Asian British – Other |
| Black | Black or Black British – Caribbean, Black or Black British – African, Black or Black British – Other |
| Mixed, Chinese & other | Mixed – White & Black Caribbean, Mixed – White & Black African, Mixed – White & Asian, Mixed – Other, Chinese, Any other ethnic group |

Source: Harrow Housing Needs Assessment – 2006

The BME population

12.2 The table below shows estimates of the number of households in each ethnic group. For the analysis in this chapter, the ethnic group of the survey respondent is taken to represent the head of household. The table below indicates that around two-thirds (67.1%) of households in Harrow are headed by someone who describes themselves as White, whilst nearly a quarter (22.9%) describe themselves as Asian. All of these figures are broadly in line with Census estimates about the ethnicity of the household reference person (formerly head of household).

| Table 12.2 Ethnicity of households in Harrow | | |
|---|----------------------|---------------------|
| Categories | Number of households | % of all households |
| White | 55,228 | 67.1% |
| Asian | 18,812 | 22.9% |
| Black | 4,933 | 6.0% |
| Mixed, Chinese or Other | 3,278 | 4.0% |
| TOTAL | 82,250 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Characteristics of BME households

12.3 The table below shows household size by ethnic group. The data suggests that BME households are larger than White households in the Borough. The average number of people in Asian households is 3.2, which compares to 2.7 in Black households, 2.7 in Mixed, Chinese or Other households and 2.0 in White households.

| Table 12.3 Size of BME households | | | | | | | | |
|--|-------------------|---------------|---------------|---------------|--------------|--------------|---------------|-----------------|
| Ethnic Group | Number of persons | | | | | | Total | Average HH size |
| | 1 | 2 | 3 | 4 | 5 | 6 or more | | |
| White | 18,224 | 17,829 | 8,837 | 6,698 | 2,615 | 1,025 | 55,228 | 2.0 |
| Asian | 2,035 | 4,117 | 4,010 | 5,150 | 2,268 | 1,232 | 18,812 | 3.2 |
| Black | 747 | 1,714 | 678 | 1,164 | 441 | 188 | 4,932 | 2.7 |
| Mixed, Chinese or Other | 638 | 1,026 | 429 | 679 | 270 | 235 | 3,277 | 2.7 |
| TOTAL | 21,644 | 24,686 | 13,954 | 13,691 | 5,594 | 2,680 | 82,249 | 2.3 |

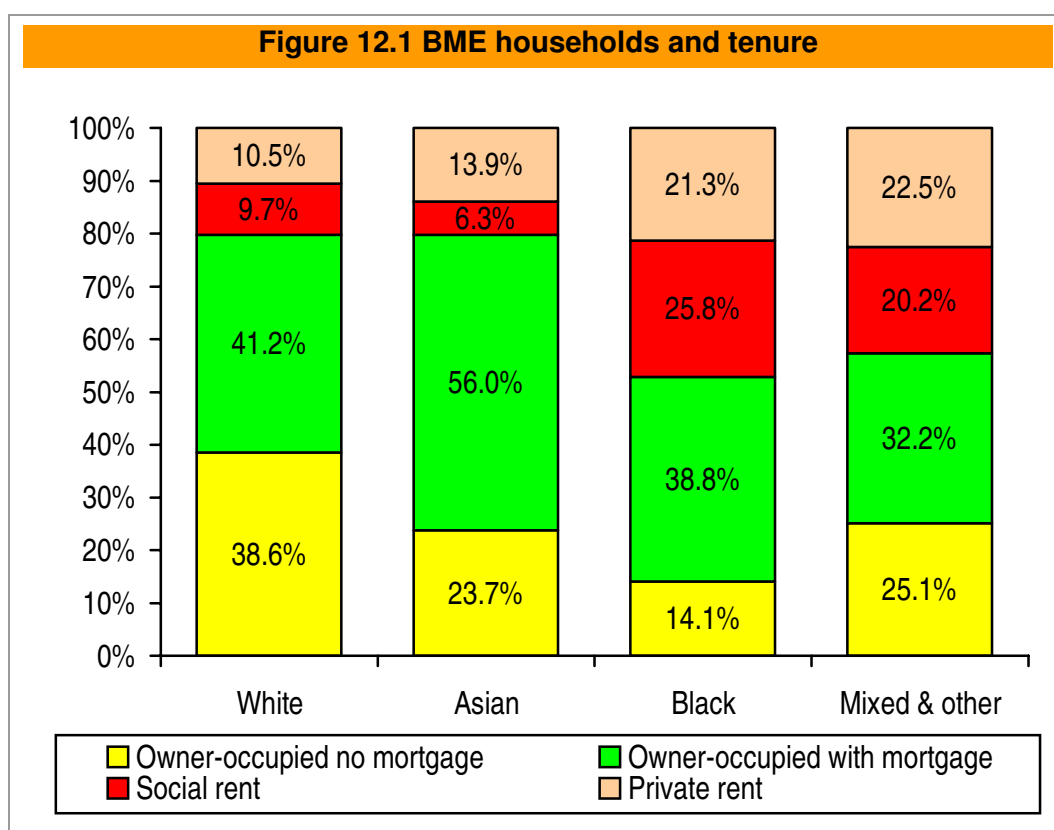
Source: Harrow Housing Needs Assessment – 2006

12.4 The table and figure below shows the housing tenures by ethnic group. It shows that owner occupation among both White and Asian households is higher than average with both groups recording around 80% of households in this tenure. Black and Mixed, Chinese & Other households are more likely than average to occupy social and private rented housing.

Table 12.4 BME households and tenure

| Ethnic group | Tenure | | | | Total |
|----------------------------|---------------------------------|-----------------------------------|------------------|-------------------|---------------|
| | Owner-occupied (no mortgage) | Owner-occupied (with mortgage) | Social rented | Private rented | |
| White | 21,342 | 22,745 | 5,340 | 5,800 | 55,227 |
| Asian | 4,457 | 10,544 | 1,191 | 2,620 | 18,812 |
| Black | 696 | 1,914 | 1,270 | 1,053 | 4,933 |
| Mixed, Chinese or Other | 823 | 1,057 | 662 | 736 | 3,278 |
| TOTAL | 27,318 | 36,260 | 8,463 | 10,209 | 82,250 |

Source: Harrow Housing Needs Assessment – 2006

Figure 12.1 BME households and tenure

Source: Harrow Housing Needs Assessment – 2006

Household type and households with vulnerable residents

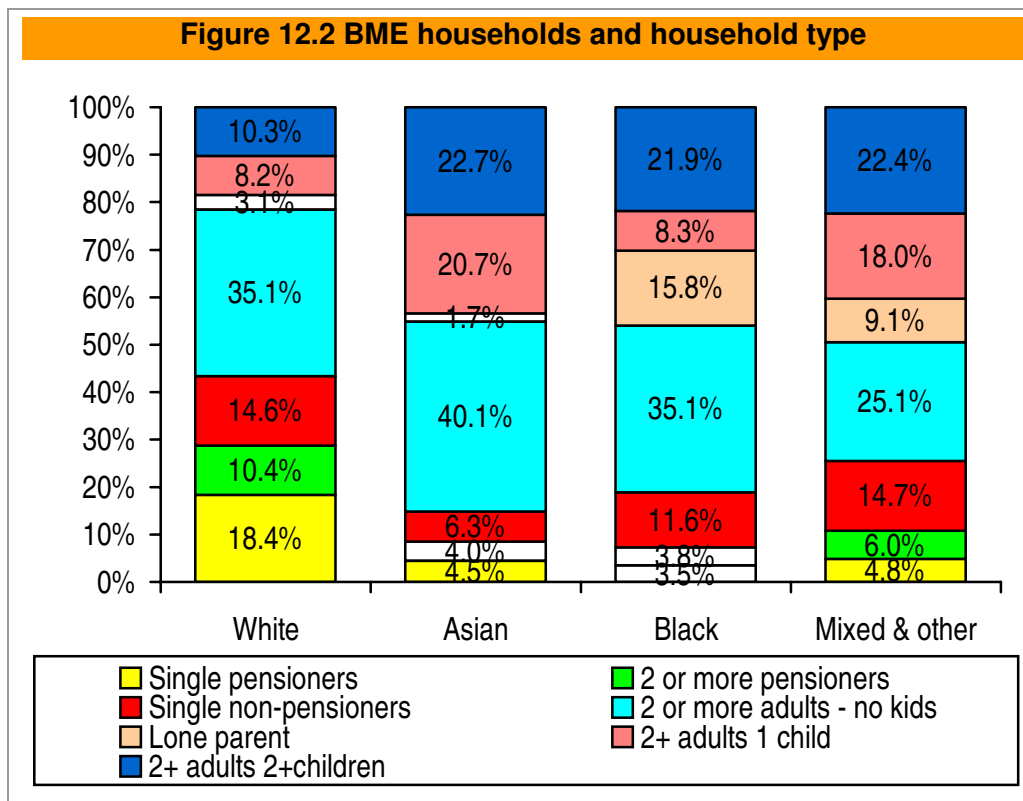
12.5 The table and figure below show household type by ethnic group. They show that White households are much more likely to contain pensioners than BME households, whereas BME households are more likely to contain children. The survey indicates that only 12.7% of households containing pensioners have a BME household head, whilst 50.9% of households that contain children have a BME household head.

Table 12.5 BME households and household type

| Ethnic group | Household Type | | | | | | | Total |
|-------------------------|------------------|----------------------|----------------------|-------------------------------|--------------|-------------------------------|------------------------|---------------|
| | Single Pensioner | 2 or more pensioners | Single non-pensioner | 2 or more adults, no children | Lone parent | 2+ adults, 1 or more children | 2+ adults, 2+ children | |
| White | 10,183 | 5,732 | 8,041 | 19,365 | 1,688 | 4,531 | 5,687 | 55,227 |
| Asian | 843 | 756 | 1,192 | 7,543 | 322 | 3,891 | 4,266 | 18,813 |
| Black | 173 | 188 | 574 | 1,732 | 777 | 410 | 1,079 | 4,933 |
| Mixed, Chinese or Other | 156 | 196 | 482 | 822 | 297 | 589 | 735 | 3,277 |
| TOTAL | 11,355 | 6,872 | 10,289 | 29,462 | 3,084 | 9,421 | 11,767 | 82,250 |

Source: Harrow Housing Needs Assessment – 2006

Figure 12.2 BME households and household type



Source: Harrow Housing Needs Assessment – 2006

12.6 The table below shows households with vulnerable residents by ethnic group. It shows that Black households (20.2%) are most likely to contain a vulnerable member. Of all households with vulnerable residents 67.4% live in households headed by someone White.

Table 12.6 Ethnic groups and households with vulnerable residents

| Ethnic group | Households with vulnerable residents | | | | |
|-------------------------|--------------------------------------|-------------------------|-------------------|---|---|
| | Vulnerable households | No vulnerable residents | Number of h'holds | % of category containing vulnerable residents | % of all vulnerable households in each category |
| White | 9,537 | 45,690 | 55,227 | 17.3% | 67.4% |
| Asian | 3,264 | 15,548 | 18,812 | 17.4% | 23.1% |
| Black | 994 | 3,939 | 4,933 | 20.2% | 7.0% |
| Mixed, Chinese or Other | 359 | 2,918 | 3,277 | 11.0% | 2.5% |
| TOTAL | 14,154 | 68,095 | 82,250 | 17.2% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

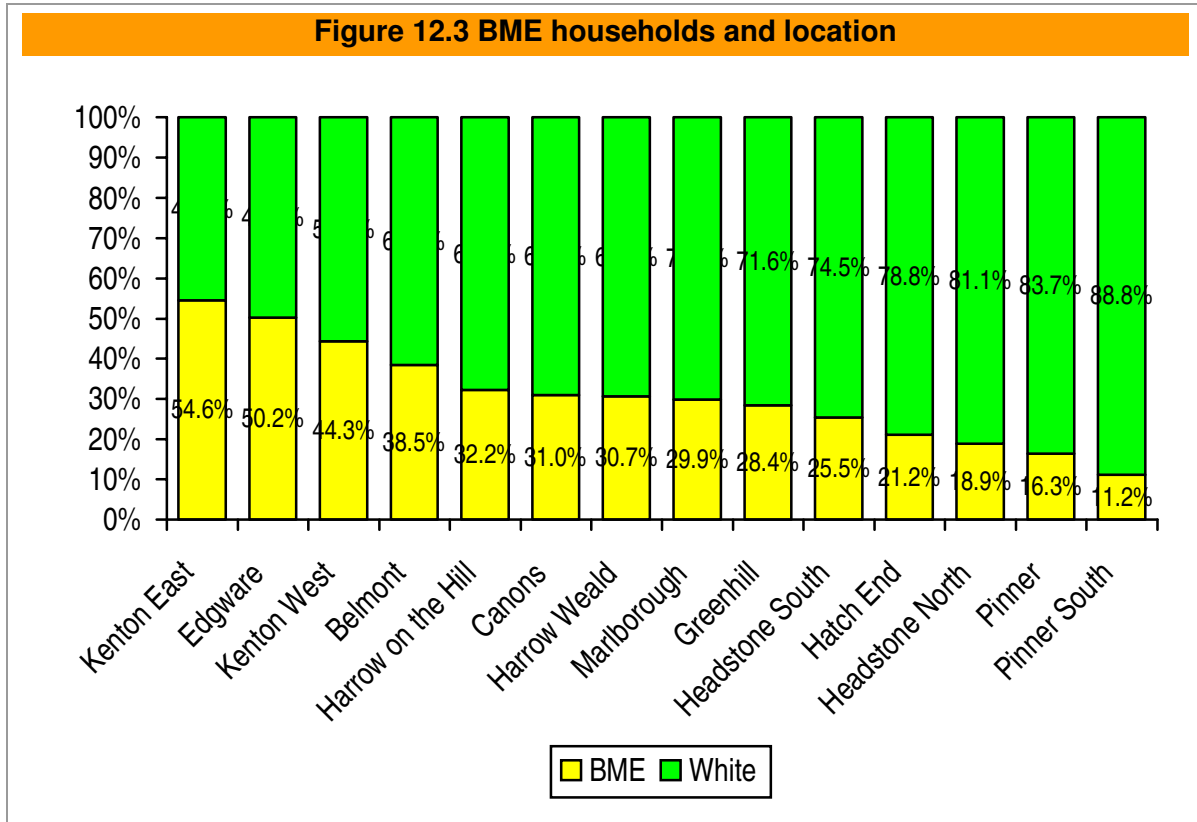
Geographical Location

12.7 The table and figure below show that although BME households are widely distributed throughout Harrow the distribution is not even. The proportion of the household population that is non-White varies from more than half of households in Kenton East (54.6%) and in Edgware (50.2%) to just 11.2% in Pinner South.

Table 12.7 Ethnic group and ward

| Ward | Ethnic Group | | | |
|--------------------|--------------|-------|-------|------------------------|
| | White | Asian | Black | Mixed, Chinese & Other |
| Kenton East | 45.4% | 39.5% | 15.1% | 0.0% |
| Edgware | 49.8% | 35.0% | 6.9% | 8.4% |
| Kenton West | 55.7% | 34.9% | 5.4% | 4.0% |
| Belmont | 61.5% | 25.3% | 8.9% | 4.2% |
| Harrow on the Hill | 67.8% | 19.7% | 8.5% | 3.9% |
| Canons | 69.0% | 20.3% | 4.3% | 6.5% |
| Harrow Weald | 69.3% | 20.5% | 7.7% | 2.5% |
| Marlborough | 70.1% | 19.5% | 4.4% | 6.0% |
| Greenhill | 71.6% | 15.8% | 7.6% | 5.0% |
| Headstone South | 74.5% | 23.1% | 2.4% | 0.0% |
| Hatch End | 78.8% | 16.9% | 2.6% | 1.8% |
| Headstone North | 81.1% | 12.0% | 1.1% | 5.9% |
| Pinner | 83.7% | 12.8% | 2.5% | 1.0% |
| Pinner South | 88.8% | 8.0% | 1.7% | 1.6% |

Source: Harrow Housing Needs Assessment – 2006



Source: Harrow Housing Needs Assessment – 2006

Income and savings levels

12.8 The table below shows how average income and savings levels vary between the ethnic groups. It shows that both White (£42,132) and Asian (£43,659) households have incomes higher than the Borough average of £41,622. White (£24,881) households tend to have much larger savings than BME households with Black households recording the lowest average savings levels (£2,826).

Table 12.8 Income and savings levels of BME households

| Categories | Annual gross household income (including non-housing benefits) | Average household savings |
|------------------------|--|---------------------------|
| White | £42,132 | £24,881 |
| Asian | £43,659 | £12,017 |
| Black | £33,389 | £2,826 |
| Mixed, Chinese & Other | £33,721 | £9,740 |
| Average | £41,622 | £20,013 |

Source: Harrow Housing Needs Assessment – 2006

Unsuitable housing

12.9 The table below shows that mixed, Chinese or other households are the group most likely to be living in unsuitable housing, whilst White households are the least likely. Of all the households living in unsuitable housing, 46.5% are White.

| Table 12.9 Ethnic group and unsuitable housing levels | | | | | |
|--|-----------------------|---------------------------|--|--------------------------------------|--------------------------------------|
| Ethnic group | Unsuitable housing | | | | |
| | In unsuitable housing | Not in unsuitable housing | Number of h'holds in Housing market area | % of BME group in unsuitable housing | % of unsuitable housing in BME group |
| White | 4,636 | 50,591 | 55,227 | 8.4% | 46.5% |
| Asian | 3,397 | 15,415 | 18,812 | 18.1% | 34.1% |
| Black | 1,087 | 3,846 | 4,933 | 22.0% | 10.9% |
| Mixed & Other | 845 | 2,433 | 3,278 | 25.8% | 8.5% |
| Total | 9,965 | 72,285 | 82,250 | 12.1% | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Summary

12.10 Nearly a third (32.9%) of all households in Harrow are headed by someone Non-White, with two Harrow wards containing a BME population of more than 50%.

12.11 The survey found that BME households are likely to be larger than white households, more likely to rent in the private rented sector, tend to have lower incomes and fewer savings and are more likely to live in unsuitable housing.

13. Key worker households

Introduction

13.1 The term intermediate housing is often used with reference to specific groups of households such as key workers. The survey therefore analysed such households. For the purposes of analysis key workers were defined as people working in any one of seven categories. These were:

- Nurses and other NHS staff
- Teachers in schools, further education and sixth form colleges
- Police or Community Support Officers (including British Transport Police)
- Prison and Probation service staff
- Local Authority staff – LPA Planning officers, qualified Social Workers, Speech & Language Therapists, Occupational Therapists, Educational Psychologists, Nursery Nurses, Clinical Staff, Rehabilitation Officers for the Visually Impaired
- Uniformed or control fire officers
- Public transport workers (excluding admin staff/managers)

13.2 The nature of this study means that the key workers identified within the survey are those that are resident in the Borough. The data, therefore, includes key workers resident in the Borough who work outside its boundaries; and excludes key workers who work in Harrow but live outside. The analysis of key workers concentrates on their current housing situation, future demands for housing and affordability.

Number of key workers

13.3 In total it is estimated that there are 14,762 key workers living in Harrow. The table below shows the categories of key workers within the Borough. The main categories of key worker are nurses and other NHS staff and teachers.

Table 13.1 Key worker categories

| Category | Number of persons | % of key workers |
|--------------------------------------|-------------------|------------------|
| Nurses and other NHS staff | 5,024 | 34.0% |
| Teachers | 4,895 | 33.2% |
| Police or Community Support Officers | 1,239 | 8.4% |
| Prison and Probation service staff | 144 | 1.0% |
| Local Authority staff | 2,494 | 16.9% |
| Uniformed or control fire officers | 129 | 0.9% |
| Public transport workers | 838 | 5.7% |
| TOTAL | 14,762 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

13.4 In total it is estimated that 10,377 households are headed by a key worker (head of household taken as survey respondent). These households are subject to further analysis in the sections below.

Housing characteristics of key worker households

13.5 The table below shows various household and housing characteristics of key worker households. The results indicate that the majority of key worker households (82.2%) are currently living in owner-occupied accommodation; slightly higher than the proportion of non-key workers (76.6%), although key workers are significantly more likely to have a mortgage. Key worker households are less likely than non-key worker households to be living in the social rented and private rented sectors.

13.6 In terms of household composition key worker households are more likely than non-key workers to contain children. In terms of accommodation size, there is little difference between both groups.

| Table 13.2 Key worker households and housing/household characteristics | | | | |
|---|-----------------------------|-----------------|---------------------------------|-----------------|
| Characteristic | Key worker household | | Non-key worker household | |
| | Number of households | % of households | Number of households | % of households |
| Tenure | | | | |
| Owner-occupied (no mortgage) | 2,023 | 19.5% | 25,295 | 35.2% |
| Owner-occupied (with mortgage) | 6,509 | 62.7% | 29,750 | 41.4% |
| Council | 327 | 3.2% | 4,725 | 6.6% |
| RSL | 427 | 4.1% | 2,984 | 4.2% |
| Private rented | 1,090 | 10.5% | 9,119 | 12.7% |
| Household composition | | | | |
| Single pensioners | 416 | 4.0% | 10,940 | 15.2% |
| 2 or more pensioners | 45 | 0.4% | 6,828 | 9.5% |
| Single non-pensioners | 1,874 | 18.1% | 8,415 | 11.7% |
| 2 or more adults – no children | 4,267 | 41.1% | 25,195 | 35.1% |
| Lone parent | 458 | 4.4% | 2,625 | 3.7% |
| 2+ adults 1 child | 1,636 | 15.8% | 7,785 | 10.8% |
| 2+ adults 2+ children | 1,682 | 16.2% | 10,085 | 14.0% |
| Size of accommodation | | | | |
| 1 bedroom | 1,012 | 9.8% | 8,456 | 11.8% |
| 2 bedrooms | 2,281 | 22.0% | 15,974 | 22.2% |
| 3 bedrooms | 4,764 | 45.9% | 32,733 | 45.5% |
| 4+ bedrooms | 2,321 | 22.4% | 14,710 | 20.5% |
| TOTAL | 10,377 | 100.0% | 71,873 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Previous household moves of key worker households

13.7 The table below indicates when key worker and non-key worker households moved to their current accommodation. The results show some differences between the two groups with key worker households being more likely to have moved to their current home in the recent past. In total, 19.2% of key worker households had moved to their current accommodation within the last two years compared with 17.1% of non-key workers.

Table 13.3 Key worker households and past moves

| When moved to present home | Key worker household | | Non-key worker household | |
|------------------------------------|----------------------|-----------------|--------------------------|-----------------|
| | Number of households | % of households | Number of households | % of households |
| Within the last year | 1,171 | 11.3% | 6,683 | 9.3% |
| 1 to 2 years ago | 825 | 7.9% | 5,610 | 7.8% |
| 2 to 5 years ago | 1,381 | 13.3% | 10,273 | 14.3% |
| Over 5 years ago/always lived here | 7,001 | 67.5% | 49,307 | 68.6% |
| TOTAL | 10,377 | 100.0% | 71,873 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

13.8 Previous tenure and location information for households moving in the last two years is presented in the table below. The results show that 18.4% of key worker households moving in the last two years were newly forming households, lower than the proportion of non-key worker households. Key worker households were more likely to have moved from private rented and owner occupied accommodation than non-key worker households, whilst a smaller proportion of key worker households had moved from social rented accommodation.

13.9 In terms of location, the table indicates that key worker households are marginally less likely to have moved from outside the Borough than non-key worker households. They are also more likely to have moved from Ealing than non-key worker households.

| Characteristic | Key worker household | | Non-key worker household | |
|----------------------------------|----------------------|-----------------|--------------------------|-----------------|
| | Number of households | % of households | Number of households | % of households |
| Tenure of previous home | | | | |
| Owner-occupied | 652 | 32.7% | 3,499 | 28.5% |
| Social rented | 133 | 6.7% | 1,041 | 8.5% |
| Private rented | 843 | 42.3% | 4,755 | 38.7% |
| Newly forming household | 366 | 18.4% | 2,997 | 24.4% |
| Location of previous home | | | | |
| Harrow | 1,003 | 50.3% | 6,086 | 49.5% |
| Brent | 294 | 14.7% | 1,938 | 15.8% |
| Ealing | 212 | 10.6% | 284 | 2.3% |
| Barnet | 0 | 0.0% | 576 | 4.7% |
| Hillingdon | 48 | 2.4% | 290 | 2.4% |
| Else London | 236 | 11.8% | 1,097 | 8.9% |
| Else UK | 202 | 10.1% | 1,201 | 9.8% |
| Abroad | 0 | 0.0% | 821 | 6.7% |
| TOTAL | 1,996 | 100.0% | 12,293 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Housing aspirations of key worker households

13.10 The survey also collected information on the future aspirations of households seeking to move within the next two years. The table below indicates that of the 10,377 key worker households, some 22.5% need or are likely to move over the next two years. This figure is slightly higher than for non-key worker households (22.0%).

| When need/likely to move | Key worker household | | Non-key worker household | |
|----------------------------|----------------------|-----------------|--------------------------|-----------------|
| | Number of households | % of households | Number of households | % of households |
| Now | 447 | 4.3% | 3,850 | 5.4% |
| Within a year | 740 | 7.1% | 6,750 | 9.4% |
| 1 to 2 years | 1,155 | 11.1% | 5,203 | 7.2% |
| 2 to 5 years | 2,096 | 20.2% | 9,592 | 13.3% |
| No need/not likely to move | 5,939 | 57.2% | 46,477 | 64.7% |
| TOTAL | 10,377 | 100.0% | 71,873 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

13.11 The housing preferences of key worker households who stated they were likely or would need to move within the next two years (in terms of tenure, location and size) are presented in the table below and are compared with results for all non-key worker households wanting to move within the next two years.

| Housing preferences | Key worker household | | Non-key worker household | |
|-------------------------------|----------------------|-----------------|--------------------------|-----------------|
| | Number of households | % of households | Number of households | % of households |
| Tenure | | | | |
| Buy own home | 2,078 | 88.7% | 11,524 | 72.9% |
| Social rented | 228 | 9.7% | 3,093 | 19.6% |
| Private rented | 0 | 0.0% | 1,076 | 6.8% |
| Shared Ownership | 36 | 1.5% | 111 | 0.7% |
| Location | | | | |
| Harrow | 1,119 | 47.8% | 7,638 | 48.3% |
| Brent | 54 | 2.3% | 43 | 0.3% |
| Ealing | 0 | 0.0% | 353 | 2.2% |
| Barnet | 34 | 1.5% | 579 | 3.7% |
| Hillingdon | 71 | 3.0% | 311 | 2.0% |
| Else London | 199 | 8.5% | 1,523 | 9.6% |
| Else UK | 829 | 35.4% | 4,911 | 31.1% |
| Abroad | 36 | 1.5% | 447 | 2.8% |
| Stated size preference | | | | |
| 1 bedroom | 25 | 1.1% | 1,097 | 6.9% |
| 2 bedrooms | 544 | 23.2% | 5,049 | 31.9% |
| 3 bedrooms | 1,190 | 50.8% | 5,596 | 35.4% |
| 4+ bedrooms | 582 | 24.9% | 4,062 | 25.7% |
| TOTAL | 2,342 | 100.0% | 15,803 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

13.12 The table indicates that owner-occupation is the preference for 88.7% of key worker households compared to 72.9% of non-key worker households. Key worker households are significantly less likely than non-key worker households to want social or private rented accommodation, but show a greater preference for shared ownership. In terms of location it appears that key workers are marginally more likely to want to leave Harrow than non-key worker households. In terms of stated size preferences, key worker households are less likely to want a one or two bedroom property than non-key worker households and are more likely to want a three bedroom home.

Income and affordability of key worker households

13.13 The table below shows a comparison of income and savings levels for key worker and non-key worker households. In considering this, it should be borne in mind that ‘key workers’ are defined according to the official categories, which are broad and include people on widely different incomes.

13.14 The figure for non-key worker households has been split depending on whether or not the head of household is in employment. Figures shown are for annual gross income (including non-housing benefits). The table suggests that generally key worker households have slightly lower income levels than non-key worker households (those in employment) and a slightly higher level of savings. In comparison with all households, income levels for both key worker and employed non-key worker households are above the Borough average although savings levels are below. This reflects the fact that the Borough-wide figures include retired households who have no earned income but relatively high levels of savings.

| Category | Annual gross household income (including non-housing benefits) | Average household savings |
|---------------------------------------|--|---------------------------|
| All key worker household | £51,285 | £17,357 |
| All non-key worker (in employment) | £53,110 | £16,763 |
| All other households (no-one working) | £16,512 | £27,084 |
| All households | £41,622 | £20,013 |

Source: Harrow Housing Needs Assessment – 2006

13.15 It is possible to consider the ability of key worker households to afford both minimum market prices and intermediate housing priced halfway between social rents and minimum market entry levels. This is presented in the table below for all key worker households and for those key worker households that need/are likely to move in the next two years.

Table 13.8 Key worker households and ability to afford housing

| Category | All key worker households | | Key workers moving in next two years | |
|-----------------------------|---------------------------|-----------------|--------------------------------------|-----------------|
| | Number of households | % of households | Number of households | % of households |
| Social rent only | 1,112 | 10.7% | 460 | 19.6% |
| Afford intermediate housing | 871 | 8.4% | 261 | 11.1% |
| Afford market housing | 8,394 | 80.9% | 1,621 | 69.2% |
| Total | 10,377 | 100.0% | 2,342 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

13.16 The table indicates that 80.9% of all key worker households are able to afford entry-level prices in the market in the area. It is interesting to note that of the 1,983 key worker households unable to afford minimum market prices, 43.9% can afford intermediate housing, whilst 56.1% can only afford social rented housing.

13.17 The profile of those key worker households who need/are likely to move in the next two years is a little different. A smaller proportion of these households are able to afford entry-level prices; however of those unable to afford the market, a slightly lower proportion are able to afford intermediate housing (36.2%).

Summary

13.18 The term intermediate housing is often used with reference to specific groups of households such as key workers. The survey analysed such households using definitions being based on categories of employment and notably including public sector workers.

13.19 Analysis of survey data indicates that there are an estimated 14,762 people in key worker occupations and 10,377 households are headed by a key worker. These households are more likely to be owner-occupiers than non-key workers, although more likely to have a mortgage; they are also less likely to live in the social rented sector.

13.20 Key worker households are more likely than non-key worker households to move in the next two years, slightly less likely to move within Harrow, and overall are more likely to require a larger property.

13.21 Although key worker households have a similar average income and savings levels to non-key worker households in employment, there remain key worker households within this broad range that are excluded from the housing market. The survey indicates that nearly a third of key worker households that intend to move in the next two years cannot afford entry-level market costs in Harrow. A third of these households unable to afford the market would be able to afford intermediate housing priced halfway between social rents and minimum market entry levels.

14. Overcrowding and under-occupation

Introduction

14.1 This chapter briefly studies the extent of overcrowding and under-occupation of households. The standards used to check for overcrowding/under-occupation were as follows:

- **Overcrowding:** each household was assessed as to the number of bedrooms required. Any household without enough bedrooms was deemed to be overcrowded.
- **Under-occupation:** households with more than one spare bedroom are deemed to be under-occupied.

Overcrowding and under-occupation

14.2 The table below shows a comparison between the numbers of bedrooms in each home against the number of bedrooms required for all households.

| Table 14.1 Overcrowding and under-occupation | | | | | |
|--|----------------------------|--------|--------|--------|--------|
| Number of bedrooms required | Number of bedrooms in home | | | | TOTAL |
| | 1 | 2 | 3 | 4+ | |
| 1 bedroom | 8,705 | 10,652 | 16,305 | 4,347 | 40,009 |
| 2 bedrooms | 639 | 6,394 | 13,066 | 5,319 | 25,418 |
| 3 bedrooms | 95 | 947 | 6,936 | 5,023 | 13,001 |
| 4+ bedrooms | 28 | 261 | 1,191 | 2,342 | 3,822 |
| TOTAL | 9,467 | 18,254 | 37,498 | 17,031 | 82,250 |

KEY: Overcrowded households Under-occupied households

Note: The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – for example they may require three bedrooms but live in a five bedroom property or may require a five bedroom property but are currently occupying a four bedroom property.

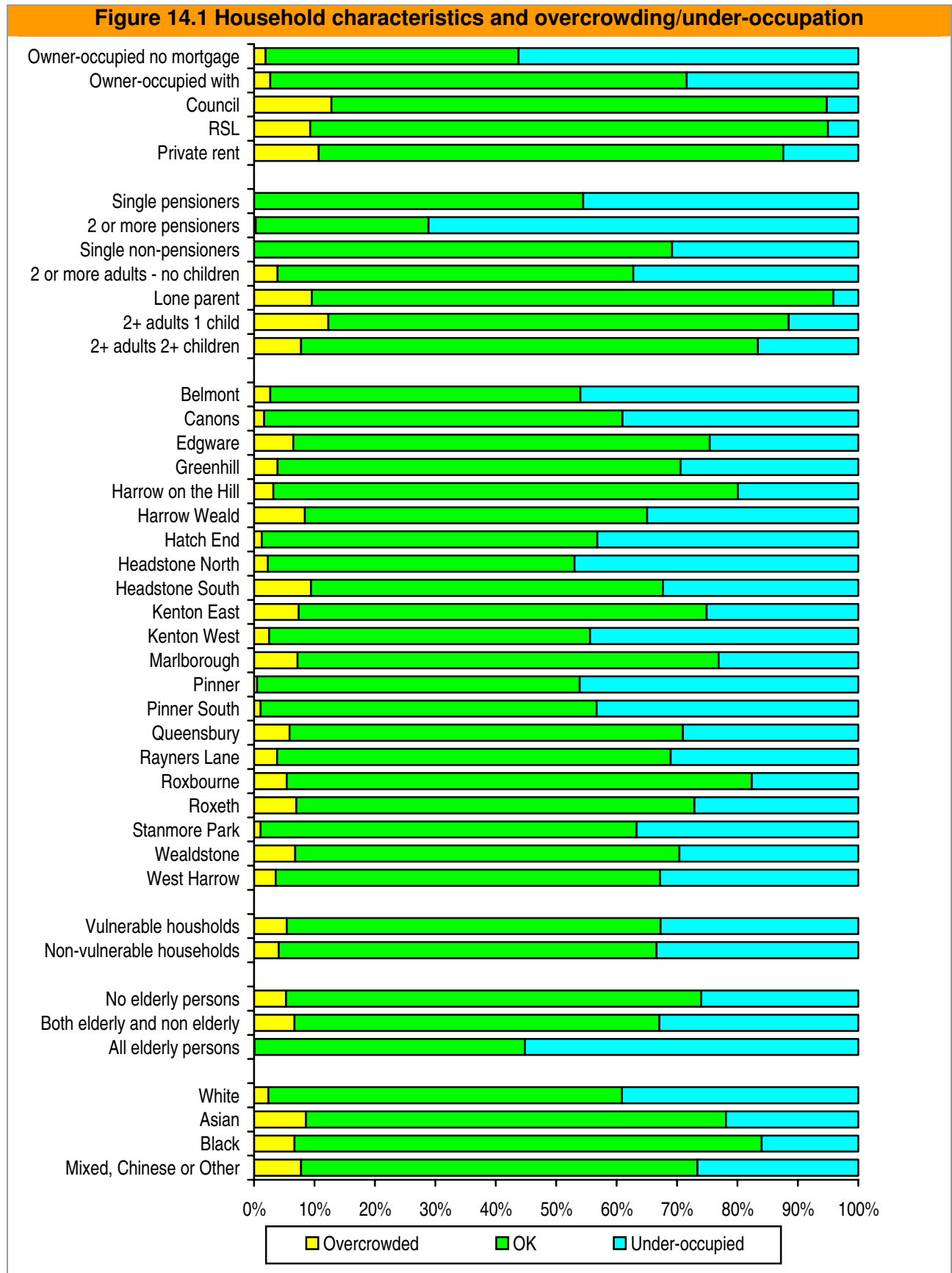
Source: Harrow Housing Needs Assessment – 2006

14.3 The estimated number of overcrowded and under-occupied households is as follows:

- Overcrowded: 4.3% of households = 3,554 households
- Under-occupied: 33.3% of households = 27,349 households

Household characteristics

- 14.4 The figure below shows levels of overcrowding and under-occupation by various household characteristics. The figure shows some clear differences between different household groups.
- 14.5 In terms of tenure, the figure shows that owner-occupiers are most likely to be under-occupying dwellings and least likely to be overcrowded; this is particularly true for those with no mortgage. RSL households are least likely to be under-occupied and Council households are most likely to be overcrowded.
- 14.6 Household type analysis suggests that households with two or more adults and one child have the highest rates of overcrowding. Lone parent households display the lowest levels of under-occupation. Households containing two or more pensioners are most likely to be under-occupying.
- 14.7 By ward, Headstone North has the highest proportion of under-occupied dwellings (47.0%); and Headstone South the highest level of overcrowded dwellings (9.4%).
- 14.8 The data also shows that households with vulnerable members are more likely to be overcrowded and are less likely to under-occupy.
- 14.9 The age distribution confirms the household type analysis above (i.e. low overcrowding and high under-occupancy amongst pensioner households); though interestingly the data shows that overcrowding levels for households containing both older and non older persons and non older persons only are very similar.
- 14.10 By ethnicity, the data indicates that Asian households are the most likely to be overcrowded, whilst White households are the most likely to be under-occupying.



Source: Harrow Housing Needs Assessment – 2006

14.11 In addition to the above figure it is of use to consider the household types and tenure of those households under-occupying. This will give some indication of the scope for measures to reduce under-occupancy (particularly in the social rented sector). The table below shows this analysis.

| Household type | Tenure | | | | | TOTAL |
|-------------------------------|------------------------------|--------------------------------|------------|------------|----------------|---------------|
| | Owner-occupied (no mortgage) | Owner-occupied (with mortgage) | Council | RSL | Private rented | |
| Single pensioner | 4,281 | 655 | 60 | 69 | 99 | 5,164 |
| 2 or more pensioners | 4,019 | 443 | 86 | 23 | 315 | 4,886 |
| Single non-pensioner | 1,206 | 1,640 | 118 | 0 | 205 | 3,169 |
| 2 or more adults, no children | 5,448 | 5,021 | 0 | 77 | 426 | 10,972 |
| Lone parent | 35 | 51 | 0 | 0 | 41 | 127 |
| 2+ adults, 1 child | 115 | 927 | 0 | 0 | 41 | 1,083 |
| 2+ adults, 2+ children | 242 | 1,566 | 0 | 0 | 140 | 1,948 |
| TOTAL | 15,346 | 10,303 | 264 | 169 | 1,267 | 27,349 |

Source: Harrow Housing Needs Assessment – 2006

14.12 The table shows that there are a significant number of pensioner households under-occupying in the owner-occupied (no mortgage) sector. Of all under-occupying households in the social rented sector, 52.6% contained pensioners only and none contained children.

Income levels

14.13 The table below shows the income levels of households who are overcrowded or under-occupied. The data shows that under-occupied households have the highest average household income (at £46,517). If these figures are adjusted depending on the number of persons in the households this trend is exacerbated. Overcrowded households have an average income per person of only £6,439; this figure rises to £22,161 for households who are under-occupying.

| Overcrowded/under-occupied | Average gross annual income | Average number of persons in households | Average income per person |
|--|-----------------------------|---|---------------------------|
| Overcrowded | £31,797 | 4.90 | £6,489 |
| Neither overcrowded nor under-occupied | £39,695 | 2.70 | £14,690 |
| Under-occupied | £46,517 | 2.10 | £22,161 |
| TOTAL | £41,622 | 2.60 | £16,029 |

Source: Harrow Housing Needs Assessment – 2006

Moving intentions of under-occupying households

14.14 Finally this section looks at any moving intentions of overcrowded and under-occupied households. The table below shows the number and proportion of households in each group who need or expect to move home within the next two years.

14.15 The analysis suggests that overcrowded households are most likely to need/expect to move. In total an estimated 47.8% of overcrowded households need or expect to move within the next two years, this compares with only 14.4% of households who currently under-occupy their dwelling.

| Table 14.4 Moving intentions of overcrowded and under-occupying households | | | |
|---|----------------------------------|---------------|------------------------------------|
| Overcrowded/under-occupied | Number need/expect to move | Total h'holds | % needing/ expecting to move |
| Overcrowded | 1,698 | 3,554 | 47.8% |
| Neither overcrowded nor under-occupied | 12,505 | 51,346 | 24.4% |
| Under-occupied | 3,943 | 27,349 | 14.4% |
| TOTAL | 18,146 | 82,250 | 22.1% |

Source: Harrow Housing Needs Assessment – 2006

Summary

14.16 This brief chapter looked at overcrowding and under-occupation. The results suggest that 4.3% of all households are overcrowded and 33.3% under-occupy their dwelling.

14.17 The survey identified that owner-occupiers are most likely to be under-occupying dwellings and least likely to be overcrowded; this is particularly true for those with no mortgage. RSL households are least likely to be under-occupied and Council households are most likely to be overcrowded. Private rented households are also more likely than average to be overcrowded.

14.18 Overcrowded households tend to have low incomes (per person) and are far more likely to state that they need or expect to move than other households.

Glossary

[This Glossary aims to define terms used in the report. Where there is an existing definition (e.g. in Government Guidance) references is made to it. Otherwise the terms are defined simply in the way used in the report]

Affordability

A measure of whether households can access and sustain the cost of private sector housing. There are two main types of affordability measure: mortgage and rental. Mortgage affordability assesses whether households would be eligible for a mortgage; rental affordability measures whether a household can afford private rental. Mortgage affordability is based on conditions set by mortgage lenders – using standard lending multipliers (2.9 times joint income or 3.5 times single income (whichever the higher)). Rental affordability is defined as the rent being less than a proportion of a household's gross income (in this case 25% of gross income).

Affordable housing

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below the costs of housing typically available in the open market and be available at a sub-market price in perpetuity (although there are some exceptions to this such as the Right-to-Acquire). [There is an ambiguity in PPS3: Housing, where 'intermediate housing' is defined as being below market entry to rent, while 'affordable housing' is defined to be below the threshold to buy (normally much higher than the private rental one). But in principle the Guidance defines affordable housing as below the market threshold, and rationally speaking, that includes the private rented as well as purchase sectors].

Annual need

The combination of the net future need plus an allowance to deal progressively with part of the net current need.

Average

The term 'average' when used in this report is taken to be a mean value unless otherwise stated.

Balanced Housing Market model

A model developed by Fordham Research which examines the supply and demand for different types and sizes of housing across different areas and for specific groups.

Bedroom standard

The bedroom standard is that used by the General Household Survey, and is calculated as follows: a separate bedroom is allocated to each co-habiting couple, any other person aged 21 or over, each pair of young persons aged 10-20 of the same sex, and each pair of children under 10 (regardless of sex). Unpaired young persons aged 10-20 are paired with a child under 10 of the same sex or, if possible, allocated a separate bedroom. Any remaining unpaired children under 10 are also allocated a separate bedroom. The calculated standard for the household is then compared with the actual number of bedrooms available for its sole use to indicate deficiencies or excesses. Bedrooms include bed-sitters, box rooms and bedrooms which are identified as such by respondents even though they may not be in use as such.

Concealed household

A household that currently lives within another household but has a preference to live independently and is unable to afford appropriate market housing.

Current need

Households whose current housing circumstances at a point in time fall below accepted minimum standards. This would include households living in overcrowded conditions, in unfit or seriously defective housing, families sharing, and homeless people living in temporary accommodation or sharing with others.

Demand

This refers to market demand. In principle anyone who has any financial capacity at all can 'demand' something, in other words want to acquire it and be prepared to pay for it. The question is whether they can pay enough actually to obtain it. Thus many households who are unable fully to afford market housing to buy do aspire to buy it. The word 'demand' is therefore used in two senses in this report:

'demand' when used in the general text refers to the ordinary understand of 'wanting' something that has a market price

'demand' when associated with numbers (as in the Balancing Housing Markets model) refers to expressed demand: the numbers of people who can actually afford the type of housing in question

In relation to (expressed) demand mention should be made of the private rented sector where typically there are not only households who can afford to rent at market prices, but also others who are unable to access affordable housing but who are able to access the private rented sector due to the subsidy of Housing Benefit. Such households do not have a demand in the sense used here, as they can only access the private rented sector with a subsidy.

Disaggregation

Breaking a numerical assessment of housing need and supply down, either in terms of size and/or type of housing unit, or in terms of geographical sub-areas within the District.

Entry level market housing.

The survey of prices and rents is focussed on 'entry level' prices/rents. That is to say the price/rent at which there is a reasonable supply of dwellings in reasonable condition. The purpose of this approach is to ensure that when assessments are made of say first time buyers, that the prices are the appropriate ones for the typical members of this group. Thus it would in many areas involve second-hand terraced housing, rather than newbuild, which would be much more expensive. Testing affordability against newbuild would clearly produce an underestimate of those who could afford to buy.

Financial capacity

This is defined as household income+savings+equity (the value of the property owned by owner occupiers, typically the family home, net of mortgage). This provides an indication, when put on a capital basis, of the amount which the household could afford to pay for housing. Since equity is now a substantial part of the overall financial capacity of the large fraction of owner occupiers it is essential to use this measure rather than the old price/income ratio to measure the activity of a housing market.

Forecast

Either of housing needs or requirements is a prediction of numbers which would arise in future years based on a model of the determinants of those numbers and assumptions about (a) the behaviour of households and the market and (b) how the key determinants are likely to change. It involves understanding relationships and predicting behaviour in response to preferences and economic conditions.

Grossing-up

Converting the numbers of actual responses in a social survey to an estimate of the number for the whole population. This normally involves dividing the expected number in a group by the number of responses in the survey.

Headship rates

Measures the proportion of individuals in the population, in a particular age/sex/marital status group, who head a household. Projected headship rates are applied to projected populations to produce projected numbers of households.

Household

One person living alone or a group of people who have the address as their only or main residence and who either share one meal a day or share a living room.

Household formation

The process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households which form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year which did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs).

(A) household living within another household

Is a household living as part of another household of which they are neither the head or the partner of the head.

Households sharing

Are households (including single people) who live in non-self-contained accommodation but do not share meals or a living room (e.g. 5 adults sharing a house like this constitute 5 one-person households).

Housing demand

The quantity of housing that households are willing and able to buy or rent.

Housing Market Area

The geographical area in which a substantial majority of the employed population both live and work, and where most of those changing home without changing employment choose to stay.

Housing need

Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Housing Register

A database of all individuals or households who have applied to a local authority or RSL for a social tenancy or access to some other form of affordable housing. Housing Registers, often called Waiting Lists, may include not only people with general needs but people with support needs or requiring access because of special circumstances, including homelessness.

Housing size

Measured in terms of the number of bedrooms, habitable rooms or floorspace. This guidance uses the number of bedrooms.

Housing type

Refers to the type of dwelling, for example, flat, house, specialist accommodation.

Income

Income means gross household income unless otherwise qualified

Intermediate Housing

PPS3 defines intermediate housing as 'housing at prices and rents above those of social rent but below market prices or rents and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.'

Lending multiplier

The number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Lower quartile

The value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Market housing/low cost market housing

This is defined by CLG as anything not affordable. In the Housing Gaps Figure: anything above market entry. CLG has not defined 'low cost market' other than that it falls within the market range. Since this is very wide, it is not very helpful. The most useful kind of low cost market would be that which falls into the rent/buy gap on the Housing Gaps Figure. Shared ownership would provide a partial equity solution for those unable to afford second hand entry level purchase, for example.

Mean

The mean is the most common form of average used. It is calculated by dividing the sum of a distribution by the number of incidents in the distribution.

Median

The median is an alternative way of calculating the average. It is the middle value of the distribution when the distribution is sorted in ascending or descending order.

Migration

The movement of people between geographical areas primarily defined in this context as local authority Districts. The rate of migration is usually measured as an annual number of households, living in the District at a point in time, who are not resident in that District one year earlier.

Net need

The difference between need and the expected supply of available affordable housing units (e.g. from the re-letting of existing social rented dwellings).

Newly arising need

New households which are expected to form over a period of time and are likely to require some form of assistance to gain suitable housing together with other existing households whose circumstances change over the period so as to place them in a situation of need (e.g. households losing accommodation because of loss of income, relationship breakdown, eviction, or some other emergency).

Non-self-contained accommodation

Where households share a kitchen, bathroom or toilet with another household, or they share a hall or staircase that is needed to get from one part of their accommodation to another.

Overcrowding

An overcrowded dwelling is one which is below the bedroom standard. (See 'Bedroom Standard' above).

Primary data

Information that is collected from a bespoke data collection exercise (e.g. surveys, focus groups or interviews) and analysed to produce a new set of findings.

Potential households

Adult individuals, couples or lone parent families living as part of other households of which they are neither the head nor the partner of the head and who need to live in their own separate accommodation, and/or are intending to move to separate accommodation rather than continuing to live with their 'host' household.

Projection

Either of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Random sample

A sample in which each member of the population has an equal chance of selection.

Relets

Social rented housing units which are vacated during a period and become potentially available for letting to new tenants.

Rounding error

Totals in tables may differ by small amounts (typically one) due to the fact that fractions have been added together differently. Thus a table total may say 2011, and if the individual cell figures are added the total may come to 2012. This is quite normal and is a result of the computer additions made. Figures should never be taken to be absolutely accurate. No such state exists. The figures in this document are robust estimates not absolutely precise ones. The usual practice is to use the stated total (in the above case 2011) rather than the figure of 2012 to which the individual figures sum. That is because the total will have resulted from a rounding after all the fractions are taken fully into account.

Sample survey

Collects information from a known proportion of a population, normally selected at random, in order to estimate the characteristics of the population as a whole.

Sampling frame

The complete list of addresses or other population units within the survey area which are the subject of the survey.

Secondary data

Existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared equity schemes

Provide housing that is available part to buy (usually at market value) and part to rent.

SHMA (Strategic Housing Market Assessment)

SHMA drives from government guidance suggesting that the 'evidence base' required for the good planning of an area should be the product of a process rather than a technical exercise.

Social rented housing

PPS3 defines social rented housing as 'rented housing owned by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime', the proposals set out in the Three Year review of Rent Restructuring (July 2004) were implemented in policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant'

Special Needs

Relating to people who have specific needs: such as those associated with a disability.

Stratified sample

A sample where the population or area is divided into a number of separate sub-sectors ('strata') according to known characteristics based, for example, on sub-areas and applying a different sampling fraction to each sub-sector.

Specialised housing

Refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Supporting People

This term refers to a programme launched in 2003 which aims to provide a better quality of life for vulnerable people by aiding them to live independently and maintain their tenancies/current home life. The programme covers a wide variety of vulnerable people from travellers, to young people at risk, to those with HIV or AIDS. Supporting People provide housing related support in many different forms but include enabling individuals to access their correct benefits entitlement, ensuring they have the correct skills to manage their tenancy and providing advice on property adaptations.

Under-occupation

An under-occupied dwelling is one which exceeds the bedroom standard by two or more bedrooms.

Unsuitably housed households

All circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition or cost. Households can have more than one reason for being in unsuitable housing, and so care should be taken in looking at the figures: a total figure is presented for households with one or more unsuitability reason, and also totals for the numbers with each reason.

Definitions

ABI - Annual Business Inquiry

BME - Black and Minority Ethnic

CBL - Choice Based Lettings

CORE - The Continuous Recording System (Housing association and local authority lettings/new tenants)

DETR - Department of the Environment, Transport and the Regions

GIS - Geographical Information Systems

HMO - Households in Multiple Occupation

HSSA - The Housing Strategy Statistical Appendix

IMD - Indices of Multiple Deprivation

LA - Local Authority

LCHO - Low Cost Home Ownership

LDF - Local Development Framework

NeSS - Neighbourhood Statistics Service

NHSCR - National Health Service Central Register

NOMIS - National On-line Manpower Information System

NROSH - National Register of Social Housing

ODPM - Office of the Deputy Prime Minister

ONS - Office for National Statistics

PPS - Planning Policy Statement

RSL - Registered Social Landlord

RSR - Regulatory and Statistical Return (Housing Corporation)

RTB - Right to Buy

SEH - Survey of English Housing

TTWA - Travel to Work Area

Appendix A1 Planning policy context

A1.1 Planning Policy Statement 3 (PPS3) was published during the drafting process for the Housing Needs Assessment report. PPS3 contains a number of key features, and some of them have a direct impact on the work carried out in this report. In this section some key features are summarised:

- A. In para 11 is listed a set of key concepts, of which one is *'evidence-based policy approach'*. This is new, in that it clearly requires policy approaches to be rooted in the sort of analysis undertaken in this report.
- B. In para 22 of PPS3 a much more detailed specification is set out for what the evidence base produced should yield:

'based on the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents:

- (i) *the likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing*
- (ii) *The likely profile of household types requiring market housing e.g. multi-person, including families and children (x %), single persons (y %), couples (z %)*
- (iii) *The size and type of affordable housing required'*

- C. PPS3 is much more prescriptive on the detail of housing market demand, and on what developers should propose. In para 23 it says:

'Developers should put forward proposals for market housing which reflect demand and the profile of households requiring market housing, in order to sustain mixed communities'.

- D. It states that low cost market housing *'may not be considered for planning purposes as affordable housing.'*
- E. Under the heading of 'market housing' PPS3 says (para 26):

Local Planning Authorities must plan for the full range of market housing. In particular, they should take account of the need to deliver low-cost market housing as part of the housing mix.

- F. Para 29 says, among other things, that there should be a general minimum threshold for affordable housing sites of 15, but that Local Planning Authorities can set lower targets '*where viable and practicable*'.

A1.2 This amounts to a considerable improvement in the focus of the work carried out in this report but does not fundamentally alter the nature of the analysis undertaken. The only change is a policy one, in that a target for low cost market housing can now be set within the overall market housing allocation.

Appendix A2 Further property price information

Introduction

- A2.1 This Chapter provides further detail in support of the housing market analysis set out in Chapter 3. It explains the methodology and approach used in our survey of local estate agents.
- A2.2 The estate agent survey is a key step in assessing minimum and average property prices in Harrow but doesn't shed light on the prices relative to other Local Authorities in the region.

Reasons for housing market study

- A2.3 The level of market prices and rents is a key factor in this study for two main reasons:
- i) Market prices and rents indicate the cost of market housing in Harrow. A major reason for government interest in prices is to address the needs of households that cannot afford this cost. Hence the existence of social rented housing and shared ownership options, which represent partial ownership. Thus it is important to establish the entry levels to both home ownership and private renting.
 - ii) The price/rent information indicates the contours of the housing market in Harrow. This is important for the Council when considering not only the level of subsidy required to produce new social rented and other non-market priced housing, but also the degree to which it should attempt to manage the new-build market in accordance with government guidance.
- A2.4 This chapter is devoted to identifying the first of the above elements: the cost of housing.

Background to housing market analysis

- A2.5 As a preliminary to the present phase of the work it is desirable to draw attention to some key features of housing markets:

- i) **Housing markets are quite complex.** Housing markets can be defined, at the larger scale, by such features as journey to work areas. In the case of free-standing market towns these may appear as fairly neat circular areas. In most of Britain, however, the high density of population means that housing market areas overlap.

In the extreme case of London, its market area extends for some purposes as far away as York, Milton Keynes, Bristol and the South Coast. At the same time there are well defined market areas within London (east v west; north v south of the river).

- ii) **Property prices vary within market areas.** Depending on the attractiveness of the area, property prices may vary considerably within a few miles or even, in large cities, within a few hundred yards. This is due to the history of the area and the nature of the housing stock. These variations are important from the point of view of housing cost analysis, which underpins the study of subsidised forms of housing. It is important to know what the entry level costs of housing are. These can only be established by close study of detailed local price variations.

- iii) **New build is only a small fraction of the market.** In almost all parts of Britain, new build is a small fraction of the total housing market. The majority of all sales and lettings are second-hand. The important point to note in this is that second-hand housing is normally much cheaper than new build. Only at the luxury end of the market is this not true. Thus entry level housing will normally be second-hand.

The need for primary data

A2.6 There are four main reasons why Land Registry data cannot be used to calculate prices for use in the affordability model. These are:

- i) The information can only usefully give a guide to average prices. For a Housing Needs Survey we take the view that it is necessary to estimate the minimum price for which dwellings in satisfactory condition are available.
- ii) No information is available about the condition of the dwellings whose price is being obtained. Clearly a property which needs major repairs is unlikely to be suitable for a first-time buyer with a limited budget, even if the initial price is relatively low.
- iii) A more serious limitation of this source is that records are kept by property type (i.e. detached, semi-detached, terraced, flat) and not in terms of the numbers of bedrooms. This information is, in our view, essential to provide an accurate assessment of need.

- iv) The Land Registry data cannot produce information about rental levels, which again ought really to be considered in carrying out a satisfactory analysis of affordability. There may be a small, but significant, number of households who cannot afford to buy market housing but who could afford suitable private rented housing. The affordability of such households cannot be adequately considered using only sale price information.

A2.7 Despite these drawbacks the information available is certainly of interest to give some feel to the local context of property prices, and more specifically to provide comparison between prices in different areas.

Estate agents survey: Methodology

A2.8 The methodology employed to find purchase and rental prices takes the following steps:

- i) We establish the names and telephone numbers of local estate agents. This includes well known national estate agents as well as those operating specifically in the local area (allowing for good comparative measures of smaller and larger agencies). The estate agents selected are intended to be those dealing primarily with housing at the lower end of the market (e.g. not specialist agencies dealing with up-market properties)
- ii) These are then contacted by telephone and asked to give a brief overview of the housing market in the Borough - including highlighting areas of more and less expensive housing
- iii) The questioning takes a very simple form (this tends to improve efficiency without jeopardising results - people often lose interest when asked a series of detailed questions and quality of response is diminished). All agents are asked 'in their opinion'

'What is the minimum and average price for a one bedroom dwelling in good condition (i.e. not needing any major repair) and with a reasonable supply (not one off properties occasionally coming onto the market)?'

- iv) This process is repeated for 2, 3 & 4 bedroom dwellings
- v) The same questions are then asked about private rented accommodation

- vi) Once several estate and letting agencies have been contacted, the results are tabulated and averages calculated to give an accurate estimation of minimum and average purchase and rental prices in the Borough. Any outlying values are removed from calculations.

- vii) The estimated purchase and rental prices are then inserted into the analysis to estimate the numbers able to afford a dwelling depending on the minimum number of bedrooms that the household requires.

Appendix A3 Supporting information

Non-response and missing data

A3.1 Missing data is a feature of all housing surveys: mainly due to a respondent's refusal to answer a particular question (e.g. income). For all missing data in the survey imputation procedures were applied. In general, throughout the survey the level of missing data was minimal. The main exception to this was in relation to financial information, where there was an appreciable (although typical) level of non-response.

A3.2 Non-response can cause a number of problems:

- The sample size is effectively reduced so that applying the calculated weight will not give estimates for the whole population
- Variables which are derived from the combination of a number of responses each of which may be affected by item non-response (e.g. collecting both respondent and their partners income separately) may exhibit high levels of non-response
- If the amount of non-response substantially varies across sub-groups of the population this may lead to a bias of the results

A3.3 To overcome these problems missing data was 'imputed'. Imputation involves substituting for the missing value, a value given by a suitably defined 'similar' household, where the definition of similar varies depending on the actual item being imputed.

A3.4 The specific method used was to divide the sample into sub-groups based on relevant characteristics and then 'Probability Match' where a value selected from those with a similar predicted value was imputed. The main sub-groups used were tenure, household size and age of respondent.

Weighting data

A3.5 The survey data was weighted to estimated profiles of households based on various secondary sources of information. The tables below show the final estimates of the number of households in each group (for 6 different variables) along with the number of actual survey responses (data for tenure can be found in Chapter 2). Although in some cases it is clear that the proportion of survey responses is close to the 'expected' situation there are others where it is clear that the weighting of data was necessary to ensure that the results as presented are reflective of the household population of Harrow.

Table A3.1 Accommodation type profile

| Accommodation type | Estimated households | % of households | Number of returns | % of returns |
|------------------------------|----------------------|-----------------|-------------------|---------------|
| Detached house/bungalow | 10,049 | 12.2% | 272 | 11.2% |
| Semi-detached house/bungalow | 32,832 | 39.9% | 1,061 | 43.8% |
| Terraced house/bungalow | 16,699 | 20.3% | 477 | 19.7% |
| Flat | 22,670 | 27.6% | 615 | 25.4% |
| TOTAL | 82,250 | 100.0% | 2,425 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Table A3.2 Car ownership

| Cars owned | Estimated households | % of households | Number of returns | % of returns |
|---------------|----------------------|-----------------|-------------------|---------------|
| None | 18,685 | 22.7% | 538 | 22.2% |
| One | 36,290 | 44.1% | 1,109 | 45.7% |
| Two | 21,607 | 26.3% | 647 | 26.7% |
| Three or more | 5,668 | 6.9% | 131 | 5.4% |
| TOTAL | 82,250 | 100.0% | 2,425 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Table A3.3 Household type profile

| Household type | Estimated households | % of households | Number of returns | % of returns |
|----------------------|----------------------|-----------------|-------------------|---------------|
| Single pensioner | 11,356 | 13.8% | 355 | 14.6% |
| 2 or more pensioners | 6,873 | 8.4% | 283 | 11.7% |
| Single non-pensioner | 10,289 | 12.5% | 253 | 10.4% |
| Other households | 53,732 | 65.3% | 1,534 | 63.3% |
| TOTAL | 82,250 | 100.0% | 2,425 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

| Table A3.4 Ward profile | | | | |
|--------------------------------|----------------------|-----------------|-------------------|---------------|
| Ward | Estimated households | % of households | Number of returns | % of returns |
| Belmont | 3,508 | 4.3% | 100 | 4.1% |
| Canons | 4,655 | 5.7% | 116 | 4.8% |
| Edgware | 3,556 | 4.3% | 101 | 4.2% |
| Greenhill | 4,598 | 5.6% | 106 | 4.4% |
| Harrow on the Hill | 4,530 | 5.5% | 143 | 5.9% |
| Harrow Weald | 4,153 | 5.0% | 121 | 5.0% |
| Hatch End | 3,911 | 4.8% | 148 | 6.1% |
| Headstone North | 3,455 | 4.2% | 118 | 4.9% |
| Headstone South | 3,800 | 4.6% | 102 | 4.2% |
| Kenton East | 3,398 | 4.1% | 105 | 4.3% |
| Kenton West | 3,394 | 4.1% | 111 | 4.6% |
| Marlborough | 4,137 | 5.0% | 127 | 5.2% |
| Pinner | 4,203 | 5.1% | 128 | 5.3% |
| Pinner South | 3,869 | 4.7% | 123 | 5.1% |
| Queensbury | 3,548 | 4.3% | 94 | 3.9% |
| Rayners Lane | 3,645 | 4.4% | 127 | 5.2% |
| Roxbourne | 4,233 | 5.1% | 114 | 4.7% |
| Roxeth | 3,766 | 4.6% | 119 | 4.9% |
| Stanmore Park | 4,325 | 5.3% | 95 | 3.9% |
| Wealdstone | 3,870 | 4.7% | 117 | 4.8% |
| West Harrow | 3,694 | 4.5% | 110 | 4.5% |
| Total | 82,250 | 100.0% | 2,425 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

| Table A3.5 Household size | | | | |
|----------------------------------|----------------------|-----------------|-------------------|---------------|
| Number of people in household | Estimated households | % of households | Number of returns | % of returns |
| One | 21,645 | 26.3% | 608 | 25.1% |
| Two | 24,687 | 30.0% | 740 | 30.5% |
| Three | 13,954 | 17.0% | 411 | 16.9% |
| Four | 13,692 | 16.6% | 416 | 17.2% |
| Five | 5,594 | 6.8% | 173 | 7.1% |
| Six or more | 2,680 | 3.3% | 77 | 3.2% |
| TOTAL | 82,250 | 100.0% | 2,425 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

| Table A3.6 Ethnicity profile | | | | |
|-------------------------------------|----------------------|-----------------|-------------------|--------------|
| Ethnicity of household head | Estimated households | % of households | Number of returns | % of returns |
| White | 55,228 | 67.1% | 1,605 | 66.2% |
| Mixed | 1,388 | 1.7% | 37 | 1.5% |
| Asian | 18,812 | 22.9% | 615 | 25.4% |
| Black | 4,933 | 6.0% | 117 | 4.8% |
| Other | 1,889 | 2.3% | 51 | 2.1% |
| TOTAL | 82,250 | 100.0% | 2,425 | 100.0% |

Source: Harrow Housing Needs Assessment – 2006

Appendix A4 Balancing housing market analysis

Introduction

A4.1 The following tables show the detailed analysis for the six components contributing to the Balancing Housing Market Analysis presented in Chapter 9 of this report.

Analysis of Harrow data

A4.2 The first table shows an estimate of the housing requirements of potential households. The table is based on the number of potential households who need or expect to form over the next five years within the Borough along with estimates about affordability and stated size requirement. Any potential households who would both like and expect to move from the Borough are excluded from this analysis. Figures are annualised.

| Table A4.1 Demand I: Household formation by tenure and size required | | | | | |
|---|------------------|---------------|---------------|----------------|--------------|
| Tenure | Size requirement | | | | TOTAL |
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 0 | 522 | 168 | 38 | 727 |
| Affordable housing | 108 | 305 | 81 | 18 | 511 |
| Private rented | 68 | 41 | 0 | 0 | 109 |
| TOTAL | 175 | 867 | 249 | 56 | 1,347 |

Source: Harrow Housing Needs Assessment – 2006

A4.3 The table below shows the estimated demand from in-migrant households. This is based on the profile of households who have moved into the Borough over the past five years (in terms of affordability and size/type of accommodation secured). The data is constrained so as to provide the 'balance' in the model (i.e. to keep the estimated household growth to 400 dwellings/households per annum). Figures are again annualised.

| Table A4.2 Demand II: Demand from in-migrants by tenure and size required | | | | | |
|--|------------------|--------------|--------------|-------------|--------------|
| Tenure | Size requirement | | | | TOTAL |
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 255 | 551 | 838 | 444 | 2,088 |
| Affordable housing | 383 | 831 | 405 | 133 | 1,752 |
| Private rented | 173 | 295 | 153 | 64 | 686 |
| TOTAL | 811 | 1,677 | 1,397 | 642 | 4,526 |

Source: Harrow Housing Needs Assessment – 2006

A4.4 The table below shows estimated future demand from existing households. The figures are based on what tenure and size of accommodation households would like or expect to move to in the future (next five years) along with considerations of affordability. Figures are again annualised.

| Table A4.3 Demand III: Demand from existing households by tenure and size required | | | | | |
|---|------------------|--------------|--------------|--------------|--------------|
| Tenure | Size requirement | | | | TOTAL |
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 62 | 626 | 747 | 832 | 2,266 |
| Affordable housing | 231 | 763 | 668 | 249 | 1,910 |
| Private rented | 39 | 84 | 62 | 13 | 197 |
| TOTAL | 331 | 1,473 | 1,476 | 1,093 | 4,373 |

Source: Harrow Housing Needs Assessment – 2006

A4.5 The table below is an overall summary of the demand situation and is calculated as the sum of the three previous tables.

| Table A4.4 Demand IV: Total demand by tenure and size required | | | | | |
|---|------------------|--------------|--------------|--------------|---------------|
| Tenure | Size requirement | | | | TOTAL |
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 312 | 1,690 | 1,740 | 1,307 | 5,049 |
| Affordable housing | 715 | 1,886 | 1,148 | 398 | 4,147 |
| Private rented | 276 | 415 | 213 | 76 | 980 |
| TOTAL | 1,304 | 3,991 | 3,100 | 1,781 | 10,176 |

Source: Harrow Housing Needs Assessment – 2006

A4.6 The table below provides an estimate of the likely future supply of accommodation (by tenure and size) from household dissolutions (i.e. death). The table is based on applying age specific national mortality statistics (2001) to the local population to estimate the proportion of households who are likely to wholly dissolve each year.

| Table A4.5 Supply I: Supply from household dissolution | | | | | |
|---|---------------|---------------|---------------|----------------|------------|
| Tenure | Size released | | | | TOTAL |
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 99 | 143 | 271 | 33 | 546 |
| Affordable housing | 121 | 35 | 15 | 0 | 171 |
| Private rented | 38 | 11 | 5 | 2 | 56 |
| TOTAL | 258 | 189 | 291 | 35 | 773 |

Source: Harrow Housing Needs Assessment – 2006

A4.7 The table below shows an estimate of the supply of housing that would be released when households who would like and expect to move from the Borough do so. For example a household out-migrating from a four bedroom owner-occupied dwelling is assumed to free-up a four bedroom owner-occupied dwelling for use by another household. The data is annualised and based on moves over the next five years.

| Table A4.6 Supply II: Supply from out-migrant households | | | | | |
|---|---------------|---------------|---------------|----------------|--------------|
| Tenure | Size released | | | | TOTAL |
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 433 | 729 | 1,515 | 736 | 3,412 |
| Affordable housing | 105 | 138 | 92 | 0 | 334 |
| Private rented | 250 | 548 | 109 | 49 | 955 |
| TOTAL | 787 | 1,414 | 1,716 | 784 | 4,700 |

Source: Harrow Housing Needs Assessment – 2006

A4.8 The table below shows estimated future supply from existing households. As with the above data the figures are based on the type and size of accommodation that would become available if a household moved to alternative accommodation. Figures are annualised from data for five years.

| Table A4.7 Supply III: Supply from existing households | | | | | |
|---|---------------|---------------|---------------|----------------|--------------|
| Tenure | Size released | | | | TOTAL |
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 182 | 308 | 825 | 418 | 1,732 |
| Affordable housing | 203 | 424 | 218 | 0 | 845 |
| Private rented | 447 | 735 | 468 | 147 | 1,796 |
| TOTAL | 831 | 1,466 | 1,511 | 565 | 4,373 |

Source: Harrow Housing Needs Assessment – 2006

A4.9 The table below is the sum of the three previous tables and shows the overall estimated annual supply for each tenure and size group.

| Table A4.8 Supply IV: Total supply | | | | | |
|---|---------------|---------------|---------------|----------------|--------------|
| Tenure | Size released | | | | TOTAL |
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | |
| Owner-occupation | 713 | 1,179 | 2,611 | 1,186 | 5,689 |
| Affordable housing | 429 | 597 | 325 | 0 | 1,350 |
| Private rented | 735 | 1,293 | 582 | 198 | 2,807 |
| TOTAL | 1,876 | 3,069 | 3,517 | 1,384 | 9,846 |

Source: Harrow Housing Needs Assessment – 2006

Appendix A5 Survey questionnaire

