

**Cambridge** Centre  
for Housing &  
Planning Research

# **Under-utilisation of the housing stock:**

## **Eight local case studies**

**Anna Clarke, Fiona Lyall Grant,  
Sarah Monk, Connie Tang and  
Christine Whitehead**

# Contents

Introduction .....	2
Key Findings .....	2
Background .....	4
The Eight Local Case Studies .....	6
Case Study Findings: .....	7
1. Nottingham .....	7
2. Bradford.....	14
3. Tower Hamlets .....	21
4. Scarborough.....	27
5. South Hams.....	34
6. Bedford.....	42
7. Crawley .....	48
8. Oldham.....	55
Conclusions.....	61

## Introduction

Pressure on the housing stock has rarely been greater. Waiting lists for social housing throughout the country are long and growing and many families are living in accommodation that is overcrowded. It is unlikely in the current climate that large scale house building programmes will be going ahead to address the shortfall.

It is therefore timely to look again at whether better use could be made of the existing housing stock. As a first step to analysing the potential for improving the use of existing stock Shelter has identified the following three forms of 'under-utilisation' of the housing stock:

- Empty properties
- Second homes
- Under-occupation

The term 'under-utilisation' has been used throughout this report to describe situations where housing stock is not in use for much of the time, or where a household has more bedrooms than its members need to sleep in.

Within the social sector, government, local authorities and housing associations have a direct involvement in how housing is used. Within the private sector, on the other hand, they have no direct responsibility, except in the context of overcrowding, unfitness and maintaining neighbourhoods. More than 80 percent of housing in England is in private ownership; private owners generally have the right to consume and to use their housing space as they wish, which could include underutilisation on the definitions used here.

This report sets out the findings from eight local authority case studies throughout England which examine these issues in more detail.

The aims were to:

1. Identify the scale and nature of under-used stock, including size, location and tenure of the stock.
2. Identify the reasons why stock is under-used, including the social, demographic and economic drivers behind its use.
3. Explore the potential of the under-used stock to help alleviate homelessness, sharing, concealed households and overcrowding.
4. Explore the wider impacts of the under-used stock on local communities and housing markets
5. Gather examples of good and poor practice in addressing the issue of under-utilisation of stock and encouraging a dialogue around the issue.

The case studies were based on analysis of existing data sets as well as interviews with local authority housing and planning officers, empty homes teams, local estate agents, housing associations and other local stakeholders and were carried out in January 2011.

## Key Findings

### Empty properties

- The large majority of empty properties are in the private sector. The areas we looked at have substantial numbers of older private housing stock, including back to back terraces which are not popular. Geographically, some areas are more affected than others, but the empty properties are not highly concentrated.

- We did not find any evidence of a problem with long-term empty properties in the social sector or properties which cannot be let, except in areas where stock is being decommissioned. The relatively high rates found in Nottingham were more to do with administrative difficulties in allocating properties quickly, and a more mobile population than in many other areas.
- There are numerous individual reasons why properties remain empty but the overall drivers tend to be a weak housing market, poor quality or unpopular housing stock, and investors in housing lacking the skills or incentive to let their property out.
- Empty properties occur even in areas with an overall shortage of housing, meaning they do represent a potential to reduce homelessness and overcrowding.
- Tackling empty properties is a strong focus in many of the local authorities studied, even those with relatively low levels. The main reason given for this was their negative impact on local areas.
- Successful strategies involve various methods for first identifying empty properties and then working closely with owners to tackle the issue. It is not a problem that can be solved once and for all though, as other properties will become vacant. It is therefore unclear whether levels are likely to fall much lower than at the present time.

## **Second homes**

- Second homes are highly clustered, even within local authorities. Most second homes are flats or smaller houses but not those at the lower end of the market.
- The drivers behind overall rates of second homes are national and international ones relating to and taxation of home ownership as compared with on other forms of investment, as well as overall levels of affluence and asset ownership.
- At the local level the case studies areas we looked at are generally either attractive rural areas with house prices high compared with local incomes, or new built flats in London.
- The second homes are unlikely to be affordable directly to households struggling to enter the housing market, and still less to homeless households looking for affordable rented housing. However the demand for second homes would be expected to have some impact on overall house prices.
- Rural local authorities perceive second home ownership as a wider problem affecting rural economies; though in practice it is hard to distinguish the impact from the much larger seasonal fluctuation of population levels and expenditure from tourists.
- The London case study did not attribute wider problems to the presence of second homes, though were also aware that there may be an impact on house prices.
- Rural authorities in particular are keen to increase the size of the housing stock available as first residences, but lack any real means to influence the market in this manner. The focus is therefore more on mitigating the consequences by ensuring that new housing includes some affordable or social housing which will be available to local residents.

## Under-occupation

- Under-occupation as compared to the bedroom standard is a widespread phenomenon. It does not appear to be widely viewed as a problem in the private sector.
- The main driver in the owner-occupied sector is the fact that those who have been home owners for longest, and therefore own substantial housing assets, are most likely to have reduced the size of their household. Coupled with this most people enjoy living in larger houses and older people remain attached to the home in which they brought up their family. The reasons for differing levels between areas are therefore probably due to demographic differences and the nature of the housing stock – areas with lots of older households and larger houses have higher levels of under-occupation.
- In the social sector, the main driver is again older households continuing to live in the homes where they brought up their families, because they don't wish to downsize, and/or are not able to. Most older social tenants are in receipt of housing benefit so have little financial incentive to downsize at present.
- Levels of under-occupation are generally highest in areas where overcrowding is less of an issue. However, in areas where overcrowding is prevalent, there are still many more homes under-occupied across all tenures. It therefore presents a potential resource to alleviate housing need.
- Work to tackle under-occupation is generally focussed on the social sector, where the local authority has more control and can ensure that the larger homes freed up are allocated to larger households.
- The Oldham case study illustrated that some impact can be made by sustained effort, incentive schemes and offering individual support and assistance to older households to move.
- Barriers to addressing under-occupation include a housing stock of family sized homes that also meet the needs of tenants with declining mobility, a lack of joint working between local authorities and housing associations and difficulties engaging tenants who fear they may be forced to move.

## Background

Empty properties represent probably the most obvious example of poor use of the housing stock. Yet the reasons why properties are empty are numerous and complex. Previous research for the South East showed that levels in that region were overall very low, but uneven, and that looking at the detail of why properties were empty suggested a complex set of reasons, requiring a variety of different possible remedies (Clarke et al 2008). Tackling empty properties has remained an ambition of both policy makers and campaign groups for many years.<sup>1</sup>

There exists a substantial literature around the scale of the problem and best practice in addressing it<sup>2</sup> and the new government has also recently announced funding to local authorities to encourage empty homes to be brought back into use.

---

<sup>1</sup> (see [www.emptyhomes.com](http://www.emptyhomes.com) [www.homesandcommunities.co.uk/Empty-homes](http://www.homesandcommunities.co.uk/Empty-homes) or <http://reportemptyhomes.com/>)

<sup>2</sup> Homes and Communities Agency (2010) *How do we maximise the use of empty homes?*; Government Office for the East of England (2005) *Survey of Empty Homes for GO-East*; [www.guardian.co.uk/society/2010/apr/04/empty-houses-guardian-research](http://www.guardian.co.uk/society/2010/apr/04/empty-houses-guardian-research); University of Nottingham: *Empty Properties Survey 2008*

Second homes too tend to be highly localised, with attractive rural and central metropolitan areas particularly popular for second home owners.

Under-occupation, in contrast, tends to occur throughout the housing stock. It is most usual among owner-occupiers, many of whom choose to live in homes with more bedrooms than they technically need according to the bedroom standard<sup>3</sup>. Within the social sector, housing is generally allocated to households of appropriate size, but circumstances change, transfers are problematic and there are commonly older households living in large accommodation than the standard, often after children have left home and a single person or couple is left in a family-sized home.

The government has recently signalled an increased interest in expecting social tenants in larger homes than they need to move to smaller homes by stating that from April 2013 social tenants of working age will only be able to claim housing benefit for the size of home they are deemed to need<sup>4</sup>. Many tenants start to under-occupy their homes when their children leave home. The majority of social tenants receive housing benefit and so will be affected by the changes. However the rent gradient in the social sector is generally quite limited so the incentive to move may be quite small.

Measures were brought in 2003 to allow local authorities to charge up to 90 percent of the full council tax bill on second homes, though some local authorities have never taken advantage of the powers offered. Recently, there have been calls to allow local authorities to raise taxes further, and even to charge higher levels of tax on second homes<sup>5</sup>.

Despite the localism agenda, many of the factors that could modify the incentive to under-occupy and to purchase second or investment homes are nationally determined policies such as capital gains tax. Second homes and under-occupation represent an important form of housing demand – the demand for space is income elastic and people generally enjoy having spare rooms for visiting relatives, part-time children, home offices or other uses. It is therefore particularly difficult in the private sector to address people's demand (as opposed to need) for housing space.

---

<sup>3</sup> The bedroom standard calculates the size of property a household needs so that no one has to share a bedroom unless they are a couple; both aged under 10; or aged between 10 and 21 and of the same sex. No more than two people should have to share a bedroom.

<sup>4</sup> See <http://housing.cih.co.uk/memberbriefing/documents/housingbenefit-July-2010.pdf>

<sup>5</sup> See [www.telegraph.co.uk/news/newstoppers/politics/7061794/Government-considers-doubling-council-tax-on-second-homes.html](http://www.telegraph.co.uk/news/newstoppers/politics/7061794/Government-considers-doubling-council-tax-on-second-homes.html)

## ***The Eight Local Case Studies***

The eight case studies chosen were not intended to be nationally representative and were chosen purposively in order to explore the different issues. They are generally not the extreme outliers on any of the issues, but reflect a spread of local authorities where at least one of the forms of under use is significant. The issues of empty properties and under-occupation have been sub-divided into the social and private sectors, as the drivers and potential solutions can be quite different. The case studies chosen are shown below:

### *Case Study Local Authorities Chosen for the Research*

<b>Under-Utilisation Category</b>	<b>Type of area affected</b>	<b>Case study</b>	<b>Interest</b>	<b>Political control of council</b>
Social Sector empty	Regional Centres	Nottingham	2.9% of LA stock vacant	Labour
Long term empty	Manufacturing Towns Some industrial hinterland and regional centres	Bradford	2.1% private stock vacant over 6m	No overall control
Second homes	Central London	Tower Hamlets	4.3% of dwellings registered as second homes – urban.	Labour
	Seaside resorts	Scarborough	7.2% of dwellings registered as second homes - coastal	Conservative minority
	Rural areas	South Hams	9.8% of dwellings registered as second homes - rural	Conservative
Under-Occupied (private sector)	Most areas	Bedford	61.0% under-occupied in private sector; 5.8% overcrowded	LibDem minority
Under-Occupied (social sector)	Most areas	Crawley	27.3% social housing under-occupied by 2 or more bedrooms	Conservative
	(n/a – chosen because of success tackling issue)	Oldham	High rates of downsizing - 11 LA downsizers per year per 1000 LA dwellings	No overall control

## Case Study Findings:

### 1. Nottingham

#### Context

Nottingham is a city and a unitary authority in the East Midlands. It has a high unemployment rate compared with the national average and earnings are lower when compared to England as a whole (Table 1.1).

Table 1.1: Economic Profile

	Nottingham	National
2009 ONS mid-year population	300,800	51,809,700
Working age population (16-64)	137,500	25,615,500
Unemployment rate (working age population)	12.6%	8.0%
Median weekly pay	£354.60	£411.50

Source: NOMIS and Annual Survey of Hours and Earnings

The local authority owns the majority of the social housing stock in Nottingham shown in Table 1.2:

Table 1.2: Housing Stock by Tenure

Tenure	Stock	%
Local Authority	28,734	22.3%
Housing association	9,339	7.2%
Other public sector	112	0.1%
Private sector <sup>6</sup>	90,970	70.4%
<b>Total (P)</b>	<b>129,160</b>	<b>100.00%</b>

Source: DCLG Live Table 100

House prices in Nottingham are considerably lower than the national average, with an average of £124,722 compared with the national average of £216,493,<sup>7</sup>

The majority of new build dwellings in Nottingham are developed privately. Housing associations have contributed to the just over eight percent of new build over the past five years as shown in Table 1.3.

Table 1.3: Completion of New Dwellings (2005/06 to 2009/10)

Tenure	Completions	%
Private Enterprise	4,280	91.6%
Registered Social Landlords	390	8.4%
Local Authority	0	0.00%
<b>All</b>	<b>4,660</b>	<b>100.00%</b>

Source: DCLG Live Table 253

<sup>6</sup> Provisional figure because annual estimates of the total dwelling stock between 2002 and 2011 will be adjusted once the 2011 census dwelling count is available.

Figures for the total dwelling stock and private sector are estimates and are therefore expressed to the nearest ten dwellings at district level and thousand dwellings at the England level because they should not be considered as accurate to the nearest dwelling.

<sup>7</sup> Land Registry, 2009



Nottingham City Council owns the majority of social housing stock in Nottingham and Nottingham City Homes manage it.

Under occupation is most prevalent amongst pensioners in Nottingham who live in properties with two or more spare bedrooms. However, 42 percent of non-pensioner families without children also under occupy by two or more bedrooms (Table 1.4).

Table 1.4: Number of Bedrooms compared with the Census Standard<sup>8</sup>

	Owned					Rented from council				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
<b>Single pensioner</b>	70.6 %	22.7 %	5.5%	1.2%	<b>7,101</b>	28.1 %	28.6 %	34.3 %	8.9%	<b>5,536</b>
<b>Single non-pensioner</b>	62.3 %	27.5 %	7.2%	3.0%	<b>10,792</b>	21.8 %	28.9 %	36.7 %	12.6 %	<b>8,214</b>
<b>All pensioner families</b>	80.3 %	16.2 %	2.5%	0.9%	<b>5,834</b>	47.3 %	31.8 %	16.8 %	4.1%	<b>1,473</b>
<b>Families without children</b>	79.5 %	17.3 %	2.6%	0.6%	<b>11,004</b>	42.4 %	33.3 %	19.4 %	4.9%	<b>2,001</b>
<b>Families with dependent children</b>	35.6 %	33.9 %	23.5 %	7.1%	<b>13,485</b>	9.3%	32.2 %	43.9 %	14.6 %	<b>10,299</b>
<b>Families with all children non dependent</b>	37.2 %	40.8 %	17.9 %	4.1%	<b>5,871</b>	18.2 %	42.2 %	30.6 %	9.0%	<b>1,867</b>
<b>Other</b>	28.5 %	30.2 %	27.3 %	14.0 %	<b>3,976</b>	12.5 %	19.2 %	33.2 %	35.1 %	<b>1,810</b>
<b>Total</b>	57.3 %	26.8 %	11.9 %	3.9%	<b>58,063</b>	20.6 %	30.6 %	36.0 %	12.8 %	<b>31,200</b>

	Other social rented					Private rented or living rent free				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
<b>Single pensioner</b>	9.0%	19.8 %	56.8 %	14.5 %	<b>1,827</b>	42.0 %	25.5 %	23.0 %	9.5%	<b>1,947</b>
<b>Single non-pensioner</b>	17.6 %	25.7 %	40.6 %	16.1 %	<b>2,236</b>	29.3 %	23.1 %	25.1 %	22.4 %	<b>5,918</b>
<b>All pensioner families</b>	15.3 %	39.0 %	41.2 %	4.5%	<b>359</b>	65.8 %	24.1 %	7.1%	3.0%	<b>336</b>

<sup>8</sup> Census data collects the number of rooms in a dwelling, rather than the number of bedrooms. The number of bedrooms is therefore estimated, and hence so is the occupancy rating in comparison with the bedroom standard. The occupancy rating assumes that every household, including one person households, requires a minimum of two common rooms (excluding bathrooms). Single people living in bedsits or self-contained accommodation with just a kitchen/diner and bedroom would therefore generally be classified as one bedrooms short. Census data may therefore over-estimate overcrowding and under-estimate under-occupation in relation to single person and couple households.

<b>Families without children</b>	36.1 %	32.9 %	26.5 %	4.4%	<b>407</b>	42.3 %	31.6 %	19.3 %	6.8%	<b>2,250</b>
<b>Families with dependent children</b>	14.4 %	32.2 %	41.6 %	11.7 %	<b>2,069</b>	19.7 %	35.9 %	31.7 %	12.8 %	<b>2,697</b>
<b>Families with all children non dependent</b>	20.4 %	32.2 %	37.8 %	9.6%	<b>230</b>	22.5 %	43.7 %	26.3 %	7.5%	<b>426</b>
<b>Other</b>	11.3 %	21.4 %	37.9 %	29.4 %	<b>462</b>	15.5 %	26.5 %	40.0 %	18.0 %	<b>5,687</b>
<b>Total</b>	15.2 %	27.0 %	43.8 %	14.0 %	<b>7,590</b>	27.2 %	27.6 %	29.2 %	16.0 %	<b>19,261</b>

Source: Census 2001<sup>9</sup>

As can be seen from Table 1.4, for each household type, under-occupation is higher in the owner-occupied sector, reflecting the larger size of dwellings in this sector<sup>10</sup>.

As shown in Table 1.5 below, Nottingham has a very small percentage of second homes/holiday accommodation, just 0.1 percent of the total housing stock.

Table 1.5: Second Homes<sup>11</sup>

	TOTAL	Second residence/Holiday accommodation	% of second homes	% of dwelling stock
House or Bungalow	94,947	89	59.7%	0.1%
<i>Detached</i>	18,478	23	15.4%	0.1%
<i>Semi-detached</i>	38,924	29	19.5%	0.1%
<i>Terraced (including end terraced)</i>	37,545	37	24.8%	0.1%
Flat, maisonette or apartment	24,909	60	40.3%	0.2%
<i>In a purpose built block of flats or tenement</i>	18,534	44	29.5%	0.2%
<i>Part of a converted or shared house (includes bedsits)</i>	5,006	12	8.1%	0.2%
<i>In a commercial building</i>	1,369	4	2.7%	0.3%
Caravan or other mobile or temporary structure	71	0	0.0%	0.0%
<b>Total</b>	<b>119,927</b>	<b>149</b>	<b>100.0%</b>	<b>0.1%</b>

Source: Census 2001

<sup>9</sup> The 2001 census data is now somewhat out of date. However, it has been used throughout this report where it is the best available source of information. Survey data is generally not robust at local authority level, and administrative data, though sometimes used for comparison (eg for council tax records on second homes) can also be problematic, incomplete or lacking in any further information about the nature of the properties or households.

<sup>10</sup> 25% of owner-occupied dwellings in England have four or more bedrooms, but less than 4% of those in the social sector (source, English Housing Survey)

<sup>11</sup> The UK census definition of "second residences" includes "company flats, holiday houses, weekend cottages ... in permanent buildings which were known to be the second residences of people who had a more permanent address elsewhere and which were unoccupied on Census night".

Nottingham city council has a long term derelict and empty homes strategy that deals, in the main with privately owned disused properties<sup>12</sup>. However, within the strategy it is stated that the council should ‘continue to monitor lettable voids with Nottingham City Homes and other housing associations taking appropriate action to minimise the number of voids at any time’.

## Nature of the problem

Nottingham was chosen as a case study to explore the reasons for the vacant social sector stock in the city. As shown in Table 1.6, there is both social sector and private sector stock that is empty in the city.

Table 1.6: Vacancies by Tenure

Tenure	No. of Vacancies (Nottingham)	Vacancy Rate (Nottingham)	Vacancy Rate (England)
LA	838	2.9%	1.7%
HA	172	2.9%	1.5%
Private sector vacant for more than 6 months	1,790	2.0%	1.5%

Source: HSSA 2010, RSR 2010, DCLG Live Table 100 (2010)

There does not appear to be an overall shortage of demand for housing in the city. Nottingham has a total of 9734 people on their waiting list for social housing, shown in Table 1.7, so demand for social housing is high. Just over 70 percent of people on the housing waiting list are waiting for a one bedroom property.

Table 1.7: Households on the Housing Waiting List (1<sup>st</sup> April 2010)

Bedroom Requirements	Households	%
requiring 1 bedroom	6,867	70.5%
requiring 2 bedrooms	1,864	19.1%
requiring 3 bedrooms	873	9.0%
requiring more than 3 bedrooms	127	1.3%
requiring unspecified number of bedrooms	3	0.0%
<b>Total</b>	<b>9,734</b>	<b>100.0%</b>

Source: HSSA 2010

Whilst 2.9 percent of social housing stock is vacant in Nottingham many of these are voids rather than being long term empty. They are very much scattered around the city rather than being concentrated in particular areas.

Just over a third of Nottingham’s vacant stock is being de-commissioned. This stock is concentrated in three areas one of which is a high rise block of flats and one which is an estate made up of flats and maisonettes. One estate is undergoing regeneration; new homes will be built in place of those demolished. A high rise block of flats has been de-commissioned because of concerns about fire safety and one of the estates, which is earmarked for regeneration, has been de-commissioned because the mix of flats and maisonettes, which had deck access (stairways and long corridors), were unpopular and although some of the properties were large they were not suitable for families. This goes

<sup>12</sup> Nottingham City Council Long Term Derelict and Empty Homes, Properties and Land Strategy 2009 – 2011 <http://www.nottinghamcity.gov.uk/CHttpHandler.ashx?id=15999&p=0>

some way to explaining the high numbers of families without children under-occupying their property shown in Table 1.4.

Nottingham City Homes has a team of de-commissioning officers who help tenants bid for a new property and under certain circumstances tenants are eligible for the statutory home loss payment of £4,500. In some cases they assist tenants with removals and organise re-connection of utilities free of charge.

There are a large number of private rental empty homes in Nottingham. Table 1.6 shows that a total of 1790 private properties were recorded in the HSSA 2010 as empty for more than six months. The empty homes officer obtains the numbers from the council tax register from empty property exemption. However, figures on the council tax register often contain properties that have recently been brought back into use and have also contained properties such as pubs and care homes that should not have been recorded there.

Some properties have been empty for a number of years although most do not cause a major problem in terms of anti social behaviour. The empty homes officer does receive reports of anti social behaviour with some empty properties but this is very much 'chance' there is no pattern and the properties are not concentrated in one particular area.

## **Drivers**

The drivers behind empty properties in the social and private sectors are largely distinct.

### **Empty social stock**

Nottingham Council categorise their voids by lettable and non lettable. Non lettable are those properties that have been de-commissioned. Of the lettable voids about two thirds are general needs properties and a third is sheltered housing. Sheltered housing has become less popular over the years and there is an increasing tendency for older people to stay longer in their homes even when their care needs become quite high. Consequently there is an over-supply of sheltered housing.

The average time for a void turn around is 29.3 days. It takes roughly 29 days from the day of taking the keys when someone moves out to giving the keys to a new tenant. Nottingham City Homes assess voids as 10 day works, clear out and clean the property and minor repairs to 25 day voids (more substantial works).

Whilst vacancies for LA stock appear to be fairly high (Table 1.6) it should be noted that a high proportion of this stock is either in the process of being demolished or soon will be.

### **Empty privately owned properties**

There are many reasons why privately owned properties stand empty. The Nottingham Empty Homes Officer is about to undertake some research to find out if there are any common reasons. At present the main reasons identified are:

- Land banking
- Investment purposes
- Empty student accommodation
- Negative equity, unable to modernise to lettable standards

Nottingham has a high level of population turnover or 'churn', reflecting the popularity with students, young professionals and migrants, which can contribute to levels of empty properties<sup>13</sup>.

Nottingham council also acknowledge that a small number of people purchase a property as an asset do not intend letting it even though it means losing rental income. There are also properties which are used for fraudulent purposes in terms of claiming benefits.

*The City has the highest level of population turnover or 'churn' of the Core Cities, reflecting the popularity with students, young professionals and migrants. These facts all help to create a dynamic, multi-cultural city, but also present specific challenges for maintaining community cohesion and delivering high quality, personalised services.*

*Moreover, these changes have an impact on the demand for differing types of housing stock we are able to offer. For example, the 'traditional' types of sheltered accommodation are less popular now than in the past, with a tendency for people to stay longer in their own homes, yet need more care support combined with their accommodation as they become more frail<sup>14</sup>.*

Within Nottingham there is a large number of people who have bought property as buy to let investments for the student population and young people. This has also fuelled the new apartment market where people have bought new properties as investment. However, they often seem reluctant to drop the market rent and people are attracted to high HMO rental areas.

There is a large student population which generates a generous income but they are location specific, some people have bought in the wrong areas. Furthermore Nottingham has seen a large amount of purpose built university accommodation which has had a detrimental knock on effect for private landlords.

Nottingham council believe that people who have invested are struggling to invest in their properties or to sell of the house price decline. A lot of investment in the private rented sector is based on a buoyant employment market. Capital One (credit card) came to Nottingham and employed a lot of people, and these people, a lot young, mainly rented. But the recession has hit and they have let staff go and moved from a big building to a smaller building. In a place like London they can draw in people through the economy but in a regional centre like Nottingham it is not so easy. Only so many people want to rent and if people are young and mobile, once the jobs go they are likely to go too.

*There are also properties in the inner city area which are less desirable, in poorer neighbourhoods and with a poorer quality of stock. They tend to be older terraced houses with no gardens.*

(Local authority officer)

## **Tacking the problem**

Nottingham City Homes are currently reviewing their allocations policy and they analyse why people refuse offers. The refusals rate is 31 percent, which they consider to be higher than they would like. They have found refusals are mainly because people say they don't like the area they bid for, even though on the CBL website it states the area and street name of the vacant property. With their new allocations policy they hope to better match people to properties. At present they sometimes get 18 year olds bidding for sheltered housing.

---

<sup>13</sup> A strategy for excellence The vision for Nottingham City Homes 2008 – 2018  
[www.nottinghamcityhomes.org.uk/documents/about\\_us/performance/10year\\_strategy0109.pdf](http://www.nottinghamcityhomes.org.uk/documents/about_us/performance/10year_strategy0109.pdf)

<sup>14</sup> A strategy for excellence The vision for Nottingham City Homes 2008 – 2018  
[www.nottinghamcityhomes.org.uk/documents/about\\_us/performance/10year\\_strategy0109.pdf](http://www.nottinghamcityhomes.org.uk/documents/about_us/performance/10year_strategy0109.pdf)

There is also discussion taking place around the future of sheltered accommodation. A decision has to be made to retain the stock, change the use of the stock or de-commission it.

Making best use of available stock is currently being addressed within the new allocation policy which sets out to achieve maximum occupancy levels. Sometimes Nottingham City Homes let a three bed property to a person with one child but this will become impractical if the proposed Housing Benefit cuts are introduced in 2013. They are looking at this at the moment and are waiting to see what happens regarding the Housing Benefit changes. They also have the Pathfinder project (funded by DCLG for a year) looking at people under-occupying their home and have a couple of under-occupation officers to support people wishing to downsize.

Within the private sector, Nottingham's environmental officers try to encourage the owners to bring the properties back in to use. The government has recently announced its changes to empty dwelling management orders. Local authorities will only be able to use the powers on properties left empty for more than two years, up from six months at present. Local authorities will also need to give owners three months notice of an order being made and will only be able to use the powers on empty homes that affect neighbours.<sup>15</sup> Nottingham were aware of the proposed changes and planning how they would work with the new rules.

In a few cases private rented empty stock has been brought back into use and let to the council for homelessness households. Indeed, Nottingham council's empty homes officer is currently putting better systems in place to expand the enforcement approach in recognition of the fact that long term empties can blight a neighbourhood and make it difficult for existing residents to sell their property. However, in practical terms this may take some time as the system is in the early stages of development.

---

<sup>15</sup> [www.communities.gov.uk/news/corporate/1812629](http://www.communities.gov.uk/news/corporate/1812629)

## 2. Bradford

### Context

Bradford is a large post industrial city in West Yorkshire. It is adjacent to Leeds, and the district includes a beautiful rural hinterland which includes the post industrial town of Keighley and a number of very popular villages from where wealthier people commute to work in both Bradford and, to a greater extent, Leeds. Unemployment in Bradford is above the national average figure. Average earnings in Bradford are well below the national average of £411.50 per week (Table 2.1)

Table 2.1: Economic Profile

	Bradford	National
2009 ONS mid-year population	506,800	51,809,700
Working age population (16-64)	232,800	25,615,500
Unemployment rate (working age population)	9.7%	8.0%
Median weekly pay	£361.70	£411.50

Source: NOMIS and Annual Survey of Hours and Earnings

Bradford has no retained local authority housing stock. Housing association properties makes up over 16 percent of the total housing stock (Table 2.2).

Table 2.2: Housing Stock by Tenure<sup>16</sup>

Tenure	Stock	%
Local Authority	0	0.0%
Housing association	31,903	16.0%
Other public sector	1	0.0%
Private sector <sup>17</sup>	167,080	84.0%
<b>Total (P)</b>	<b>198,980</b>	<b>100.0%</b>

Source: DCLG Live Table 100

Mean house prices in Bradford are £141,262, considerably below the national average of £216,493<sup>18</sup>. Table 2.3 shows the completions of new dwellings in the last five years.

Table 2.3: Completions of New Dwellings (2005/06 to 2009/10)

Tenure	Completions	%
Private Enterprise	4,800	90.6%
Registered Social Landlords	500	9.4%
Local Authority	0	0.0%
<b>All</b>	<b>5,300</b>	<b>100.0%</b>

Source: DCLG Live Table 253

Less than 10 percent of new housing is in the social sector. This may reflect a lack of land value to enable S106 agreements to deliver new affordable housing through developer

<sup>16</sup> It should be noted however that Bradford District Council do not think that DCLG Live Table 100 is the most reliable source 'as it accentuates some historical reporting issues' (email communication). In the 2010 HSSA total stock was 207,974 but of course this does not break down by tenure,

<sup>17</sup> Provisional figures because annual estimates of the total dwelling stock between 2002 and 2011 will be adjusted once the 2011 census dwelling count is available.

<sup>18</sup> Land Registry, 2009

contributions. There is substantial demand for social housing in Bradford, with over 10,000 households on the housing register (Table 2.4)

Table 2.4: Households on the Housing Waiting List (1<sup>st</sup> April 2010)

Bedroom Requirements	Households	%
requiring 1 bedroom	6,468	48.3%
requiring 2 bedrooms	4,322	32.2%
requiring 3 bedrooms	2,111	15.8%
requiring more than 3 bedrooms	502	3.7%
requiring unspecified number of bedrooms	0	0.0%
<b>Total</b>	<b>13,403</b>	<b>100.0%</b>

Source: HSSA 2010

As shown in Table 2.5, there are some properties registered as second homes in Bradford.

Table 2.5: Second Homes

	TOTAL	Second residence/ Holiday accommodation	% of second homes	% of dwelling stock
House or Bungalow	164,765	337	61.3%	0.2%
<i>Detached</i>	25,933	57	10.4%	0.2%
<i>Semi-detached</i>	69,943	81	14.7%	0.1%
<i>Terraced (including end terraced)</i>	68,889	199	36.2%	0.3%
Flat, maisonette or apartment	26,363	118	21.5%	0.4%
<i>In a purpose built block of flats or tenement</i>	20,502	65	11.8%	0.3%
<i>Part of a converted or shared house (includes bedsits)</i>	3,875	40	7.3%	1.0%
<i>In a commercial building</i>	1,986	13	2.4%	0.7%
Caravan or other mobile or temporary structure	478	95	17.3%	19.9%
<b>Total</b>	<b>191,606</b>	<b>550</b>	<b>100.0%</b>	<b>0.3%</b>

Source: Census 2001

These second homes are believed to be located in the beautiful countryside around the city. Places like Ilkley and Burley in Wharfedale are known to be second home 'hot spots'.

Table 2.6 shows the proportion of under-occupied housing stock in Bradford.

Table 2.6: Number of Bedrooms compared with the Census Standard

	Owned					Rented from council				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	57.3 %	32.9 %	7.9%	1.8%	<b>15,051</b>	13.5 %	22.5 %	53.0 %	10.9 %	<b>5,363</b>
Single non-pensioner	53.6 %	33.8 %	9.4%	3.2%	<b>14,654</b>	20.5 %	31.4 %	38.1 %	10.1 %	<b>3,930</b>
All pensioner families	72.1 %	23.6 %	3.4%	0.9%	<b>12,070</b>	22.2 %	28.5 %	44.5 %	4.9%	<b>1,264</b>



Families without children	75.7 %	20.4 %	3.0%	0.9%	<b>24,819</b>	37.7 %	32.8 %	25.6 %	3.8%	<b>1,459</b>
Families with dependent children	42.0 %	28.4 %	21.1 %	8.6%	<b>38,652</b>	9.6%	27.1 %	46.2 %	17.1 %	<b>6,202</b>
Families with all children non dependent	45.4 %	32.4 %	18.4 %	3.8%	<b>14,241</b>	16.5 %	34.7 %	38.1 %	10.7 %	<b>1,549</b>
Other	28.2 %	23.5 %	23.1 %	25.2 %	<b>9,801</b>	8.6%	18.8 %	35.0 %	37.5 %	<b>1,381</b>
<b>Total</b>	<b>53.7 %</b>	<b>27.6 %</b>	<b>13.0 %</b>	<b>5.7%</b>	<b>129,288</b>	<b>15.8 %</b>	<b>27.2 %</b>	<b>43.6 %</b>	<b>13.4 %</b>	<b>21,148</b>

	Other social rented					Private rented or living rent free				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	6.2%	18.5 %	58.0 %	17.4 %	<b>2,421</b>	25.0 %	33.6 %	33.6 %	7.9%	<b>3,021</b>
Single non-pensioner	9.5%	28.7 %	44.9 %	16.9 %	<b>1,856</b>	25.1 %	31.6 %	24.8 %	18.5 %	<b>5,695</b>
All pensioner families	12.2 %	28.6 %	54.6 %	4.6%	<b>630</b>	40.3 %	35.3 %	19.8 %	4.6%	<b>626</b>
Families without children	22.9 %	38.5 %	33.5 %	5.0%	<b>462</b>	40.7 %	37.8 %	16.5 %	4.9%	<b>2,351</b>
Families with dependent children	13.9 %	27.4 %	43.3 %	15.4 %	<b>2,022</b>	19.1 %	28.3 %	36.4 %	16.3 %	<b>6,770</b>
Families with all children non dependent	11.2 %	28.0 %	47.6 %	13.3 %	<b>347</b>	23.5 %	30.8 %	32.8 %	12.9 %	<b>792</b>
Other	10.8 %	18.4 %	31.5 %	39.3 %	<b>463</b>	14.4 %	24.0 %	32.9 %	28.7 %	<b>2,353</b>
<b>Total</b>	<b>10.7 %</b>	<b>25.3 %</b>	<b>47.8 %</b>	<b>16.2 %</b>	<b>8,201</b>	<b>24.1 %</b>	<b>30.7 %</b>	<b>29.8 %</b>	<b>15.4 %</b>	<b>21,608</b>

Source: Census 2001

Even in the owner occupied sector, under-occupation is not high compared with other districts such as Bedford.

### The nature of the problem

Bradford was chosen as a case study because of the high levels of vacant properties in the private sector.

Table 2.7: Vacancies by Tenure

Tenure	No. of Vacancies (Bradford)	Vacancy Rate (Bradford)	Vacancy Rate (England)
LA	0	n/a	1.7%
HA	1,210	4.7%	1.5%
Private sector vacant for more than 6 months	3,445	2.1%	1.5%

Source: HSSA 2010, RSR 2010, DCLG Live Table 100 (2010)

As shown in Table 2.7, vacancies in the social and private sectors are high in Bradford, with more than 3,000 private sector properties vacant for more than six months.

Older terraced and back to back housing are the most common property type in the city at 43 percent of the total. They are the most common type to be vacant and are concentrated in the city centre and Keighley. Back to back houses (where each house only has a frontage as its back is the back of another house facing the opposite direction) tend to be very small with extremely steep stairs. However, flats are more likely to be long term empty – they make up six percent of the stock but account for 29 percent of long term vacant property.

Long term empty properties (more than six months) are seen as a serious problem in Bradford for a range of reasons. In some cases they attract crime and anti-social behaviour and they will cost money to repair. Vandalism makes this worse. They are also believed to bring down the price of neighbouring properties to blight areas if there are several of them. The local authority are also aware that they are a wasted housing resource.

Empty homes in the private sector tend to be concentrated in areas of older housing stock, namely the inner city wards and similarly in Keighley which lies within the borough. The reasons for this concentration are historic. Like many northern industrial towns, Bradford expanded rapidly after the Industrial Revolution and this has left a legacy of cramped terraces in the town centre, including back to backs.

The properties are not particularly located in areas due for regeneration as these are often council estates. Manningham is a particular hot spot for long term empty homes and is also a regeneration area. However, regeneration has taken place in the inner city in the past, but planned schemes have stalled because of the recession. Thus the Broadway site, planned as a new shopping centre that would help transform the city centre, has been empty since 2008. In 2010 Westfield, the developer agreed to deliver a temporary urban garden in partnership with the council and Yorkshire First. This is now complete with each partner contributing a third of the costs.

There are a number of other vacant sites that had been planned for new apartments but have been stalled because of the recession. However, according to the local paper, The Telegraph and Argus, a reduced supply of apartments available for rent in the city centre has resulted in higher demand from would-be tenants. Two years ago a number of new apartment complexes had just come on-stream in Bradford and the banks were pressurising developers to make apartments available for rent when they did not sell. Now there is a fresh hope that some of the planned developments may be revived. The local authority have noticed asking rents reduce slightly and supply increase in the city centre over the last couple of years.

The *Bradford Private Sector House Condition Survey 2007* provides some relatively up to date information about privately owned housing in the district (city plus Keighley and villages).

The survey found that 65,000 private sector homes did not meet the decent homes standard, mainly for category 1 hazards and energy efficiency reasons. This amounts to 40.5 percent of the private sector stock, whereas the proportion in England as a whole was only

27.1 percent (in 2007). The local authority is required to take action where a category 1 hazard has been identified. In owner occupation 22.6 percent had category 1 hazards whereas the private rented sector figure was 40.6 percent. The costs of making these homes decent were estimated in 2007 at £85m for category 1 hazards, £21m for repairs, £22m for amenities and £85m for thermal comfort. The council does not have the necessary funds.

Much of the problem stems from the nature of the housing stock (Table 2.8).

*Table 2.8: Age of Private Housing Stock*

Pre-1919	39.6%
1919-1944	20.8%
1945-1964	14.7%
1964-1979	11.2%
Post-1980	13.7%

*Source: Bradford Private Sector House Condition Survey 2007*

The pre-war proportion is much higher, and the post-1980 much lower, than the national average (Table 2.9).

*Table 2.9: House Type (in private sector, 2007)*

Small terraced house	24.7%
Medium / large terraced house	24.1%
Semi-detached house	28.4%
Detached house	9.5%
Bungalow	7.4%
Converted flat	1.6%
Low rise purpose built flat	4.0%
High rise purpose built flat	0.4%

*Source: Bradford Private Sector House Condition Survey 2007*

Within the small terraced house category there are around 9,500 back to backs, amounting to six percent of the private housing stock. (There are no back to backs in the public sector.) Of these, 6,400 do not meet the decent homes standard, mainly due to excess cold, risk of falls on the stairs and fire risk. While these figures indicate considerable need for improvement of the existing stock, the pattern of incomes of private sector households shows why poor quality is such a problem (Table 2.10).

*Table 2.10: Private Sector Incomes (per annum)*

<b>Income band</b>	<b>Proportion of private sector households</b>
Under £10,000	30%
£10,000 - £14,999	16%
£15,000 - £19,999	11%
£20,000 - £29,999	18%
£30,000 - £39,999	13%
£40,000 - £49,999	8%
£50,000 and above	13%

*Source: Bradford Private Sector House Condition Survey 2007*

This means that 57 percent of private sector households have annual incomes below £20,000.

Maps in the study illustrate clearly that the poor quality housing stock is spatially concentrated in Bradford city central wards and Keighley. They are also the same wards where the majority of back to backs are located.

## **Drivers**

Most of the drivers behind empty properties in Bradford are not unique to the city, though some are exacerbated by the nature of the housing stock, low incomes and the relatively weak housing market.

According to the Empty Homes team, the main problem is owners and would-be landlords unable to afford to renovate their property to current standards. The weak housing market means that it is difficult to sell without renovation, and owners often do not have the funds.

Another reason put forward by the council's private sector development officer was that people from outside the city bought speculatively in the property boom because they were expecting a big new development – the Westfield Centre – to come on stream but it was never built. Buy-to-let mortgages have meant that there are now a lot of landlords who can't rent their properties out, and can't sell either. Some are in financial difficulties and unable to service their mortgage debt.

There are some richer areas with empty homes as well – Burley in Wharfedale and Ilkeley. There are also occasional problems over ownership and a lack of knowledge about help that might be available. Dereliction can also be a problem. In other cases people have inherited a property without a mortgage and cannot afford to do it up in order to sell it or rent it out, or when relatives disagree over what to do with it.

The current state of the housing market has also contributed to the problem in recent years with few transactions so it is difficult to sell.

## **Tackling the problem**

Bradford has had an Empty Homes policy for some time. The most recent figures on vacant homes in the private sector (for more than six months) showed 3,883 in 2008/09 but 3,445 in 2009/10, a reduction of 438.

The Empty Homes team consist of six people at present. They target empty homes using Council Tax data plus proactive site visits to the areas where empty homes tend to be concentrated. This is in addition to responding to complaints or reports from the public about vandalism or dereliction. Many older properties have a shared water supply, so if the pipes freeze in the empty house (as they did this winter) it affects a number of properties and the council has to act.

The council has removed the council tax discount for long term empty homes under the new rules on council tax. This has led Bradford recently to move some of its Council Tax inspectors into the Empty Homes team. This allows them to be much more proactive and also to see empty homes as a wasted housing resource in a more strategic way. While this windfall is only for one year as future years' funding will be clawed back, Bradford has spread the funds over three years. It is early days but the council expects to bring many more empty homes into use in the future.

The measures taken to address the problem include:

- Advice to absentee landlords, including a set of leaflets on the website

- Incentives to bring empty homes back into use – including grants and loans to help with renovation costs
- A private sector development officer who operates a scheme whereby in return for a grant or loan the landlord renovates the property, and then accepts tenants referred from the local authority with the rent guaranteed under a local authority bond.

This last scheme is not purely directed at empty homes, but has the capability of inducing landlords to bring their property into use and receive a rent on it. Distressed landlords who cannot service their debt have come along. The local authority report that some are unsure at first about letting it to social tenants, but usually they come back later and do a deal.

In principle the council could use compulsory purchase orders but they prefer not to because of the bureaucracy and the cost, especially if the owner decided to fight the case. There is also a problem of finding a contractor to do the work; two major contractors have gone bust recently. If the property is gifted to a housing association, they also may struggle to finance the repairs, or to recoup their costs from the rent they can charge.

Bradford does not use Empty Dwelling Management Orders because they find that these provide no advantage over other tools that are already being used successfully to deal with empty properties and are more burdensome to the council. Unlike other tools, they provide only a temporary and not a permanent solution.

Bradford appears to have a good record of engaging with landlords and does not report difficulties once they have made contact with them. They monitor progress and have provided an Empty Homes Update report. The Empty Homes team focuses solely on private sector housing. Incommunities, the Large Scale Voluntary Transfer organisation who manages Bradford's stock, deals with voids in the social sector.

Reducing the number of empty homes is expected to make a significant contribution to meeting housing need, particularly under the private sector Bond scheme.

### 3. Tower Hamlets

#### Context

London Borough of Tower Hamlets falls within the East London Sub-region. Tower Hamlets has a fairly young population with over 40 percent of the population in the 25–44 age group and only 8 percent aged over 65. Over 40 percent of the population are from an ethnic minority, almost half of whom are Bangladeshi. The borough registered a modest growth in jobs between 2006 and 2007 totalling 6,155 jobs, but there are still 47,300 economically inactive working age people in the borough (31.4 percent), the second highest rate in London (24.5 percent average). This is in line with the highest unemployment rate in London at 14.9 percent (Table 3.1).

Table 3.1: Economic Profile

	Tower Hamlets	National
2009 ONS mid-year population	234,88	51,809,700
Working age population (16-64)	115,000	25,615,500
Unemployment rate (working age population)	14.9%	8.0%
Median weekly pay	£354.60	£411.50

Source: NOMIS and Annual Survey of Hours and Earnings

Tower Hamlets contains very high proportions of social housing (Table 3.2)

Table 3.2: Housing Stock by Tenure

Tenure	Stock	%
Local Authority	12,865	13.1%
Housing association	28,480	29.0%
Other public sector	164	0.2%
Private sector <sup>19</sup>	56,830	57.8%
<b>Total</b>	<b>98,340</b>	<b>100.0%</b>

Source: DCLG Live Table 100

Tower Hamlets has a much higher proportion of purpose built flats than the rest of London or England. It also has a much higher proportion of dwellings built post 1964 at 54 percent compared to London (29 percent) and England (40 percent).<sup>20</sup> About 84 percent of housing in Tower Hamlets consists of flats and maisonettes. Mean dwelling size (excluding Council housing) in Tower Hamlets 75.4m<sup>2</sup>. This is less than the national average of 87m<sup>2</sup> as well the London average of 80m<sup>2</sup>.

Table 3.3 shows that levels of new build are quite high, but all construction in the past five years was in the private sector.

Table 3.3: Completion of New Dwellings (2005/06 to 2009/10)

Tenure	Completions	%
Private Enterprise	8,440	80.9%
Registered Social Landlords	1,990	19.1%

<sup>19</sup> Provisional figures because annual estimates of the total dwelling stock between 2002 and 2011 will be adjusted once the 2011 census dwelling count is available.

<sup>20</sup> London Borough of Tower Hamlets (2009) *Tower Hamlets Housing Strategy Summary 2009–2012*. ([www.towerhamlets.gov.uk/lgsi/851-900/868\\_housing\\_strategy\\_and\\_polic.aspx](http://www.towerhamlets.gov.uk/lgsi/851-900/868_housing_strategy_and_polic.aspx)).

Local Authority	0	0.0%
<b>All</b>	<b>10,430</b>	<b>100.0%</b>

Source: DCLG Live Table 253

As shown in table 3.4, the vacancy rate is particularly high in the private sector.

Table 3.4: Vacancies by Tenure

Tenure	No. of Vacancies (Tower Hamlets)	Vacancy Rate (Tower Hamlets)	Vacancy Rate (England)
LA	372	2.9%	1.7%
HA	531	2.1%	1.5%
Private sector vacant for more than 6 months	3,700	6.5%	1.5%

Source: HSSA 2010, RSR 2010, DCLG Live Table 100 (2010)

In April 2010, the waiting list stood at 22,707 households (Table 3.5). The need was greatest amongst households seeking a home with just one bedroom.

Table 3.5: Households on the Housing Waiting List (1st April 2010)

Bedroom requirements	Households	%
requiring 1 bedroom	11,403	50.2%
requiring 2 bedrooms	4,679	20.6%
requiring 3 bedrooms	4,908	21.6%
requiring more than 3 bedrooms	1,717	7.6%
<b>Total</b>	<b>22,707</b>	<b>100.0%</b>

Source: HSSA 2010.

Table 3.6 shows occupation levels in Tower Hamlets.

Table 3.6: Number of Bedrooms compared with the Census Standard

	Owned					Rented from council				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	40.8 %	33.5 %	20.7 %	5.0%	<b>1,562</b>	15.8 %	30.0 %	39.5 %	14.7 %	40.8 %
Single non-pensioner	20.6 %	34.6 %	31.0 %	13.8 %	<b>7,578</b>	12.3 %	24.5 %	42.0 %	21.2 %	20.6 %
All pensioner families	51.7 %	33.9 %	11.5 %	2.8%	<b>737</b>	28.7 %	37.1 %	27.4 %	6.8%	51.7 %
Families without children	34.0 %	37.7 %	20.7 %	7.5%	<b>4,530</b>	21.4 %	30.7 %	33.1 %	14.7 %	34.0 %
Families with dependent children	15.3 %	18.7 %	31.4 %	34.6 %	<b>3,344</b>	2.6%	7.1%	33.8 %	56.4 %	15.3 %
Families with all children non	13.7 %	37.0 %	33.1 %	16.2 %	<b>1,651</b>	6.7%	29.2 %	38.6 %	25.5 %	13.7 %

dependent										
Other	9.5%	16.0%	35.5%	39.0%	<b>3,340</b>	3.2%	7.7%	20.0%	69.1%	9.5%
Total	22.8%	30.2%	28.5%	18.5%	<b>22,742</b>	9.3%	18.9%	35.1%	36.6%	22.8%

	Other social rented					Private rented or living rent free				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	23.3%	46.5%	17.3%	<b>1,627</b>	25.4%	27.6%	29.3%	17.8%	<b>635</b>	23.3%
Single non-pensioner	20.5%	46.7%	25.0%	<b>3,198</b>	11.1%	27.1%	35.0%	26.8%	<b>4,365</b>	20.5%
All pensioner families	37.2%	30.4%	5.6%	<b>355</b>	42.6%	29.8%	22.0%	5.7%	<b>141</b>	37.2%
Families without children	29.5%	34.9%	14.7%	<b>763</b>	9.5%	30.4%	42.7%	17.4%	<b>3,178</b>	29.5%
Families with dependent children	11.3%	38.4%	45.8%	<b>3,714</b>	5.8%	13.1%	34.4%	46.8%	<b>1,146</b>	11.3%
Families with all children non dependent	28.1%	41.0%	20.9%	<b>775</b>	16.7%	25.2%	29.1%	29.1%	<b>258</b>	28.1%
Other	10.2%	24.7%	60.5%	<b>1,447</b>	5.0%	12.2%	49.4%	33.5%	<b>4,831</b>	10.2%
Total	18.3%	39.8%	33.3%	<b>11,879</b>	9.3%	21.8%	40.9%	28.0%	<b>14,554</b>	18.3%

Source: 2001 Census

As can be seen from Table 3.6, Tower Hamlets very high levels of overcrowding within London. A recent report estimated there to be 9,446 overcrowded households in socially rented homes, of which 1,798 were severely overcrowded<sup>21</sup>. This means that around 41 percent of households on the housing register currently live in overcrowded homes.

### Nature of the problem

Tower Hamlets was selected as one of the three case studies of second homes in England. The Tower Hamlets Council has not carried out any specific research into second homes. According to 2001 Census, Tower Hamlets only had 497 second homes, less than one percent of the total housing stock (Table 3.7).

<sup>21</sup> London Borough of Tower Hamlets (2009) *Tower Hamlets Overcrowding Reduction Strategy 2009–2012*



Table 3.7: Second Homes

	TOTAL	Second residence/ holiday accommodation	% of second homes	% of dwelling stock
House or Bungalow	13,133	46	9.3%	0.4%
<i>Detached</i>	4	0.8%	0.5%	3.4%
<i>Semi-detached</i>	11	2.2%	0.6%	2.3%
<i>Terraced (including end terraced)</i>	31	6.2%	0.3%	8.1%
Flat, maisonette or apartment	66,685	451	90.7%	0.7%
<i>In a purpose built block of flats or tenement</i>	428	86.1%	0.7%	6.0%
<i>Part of a converted or shared house (includes bedsits)</i>	14	2.8%	0.4%	12.7%
<i>In a commercial building</i>	9	1.8%	0.7%	8.9%
Caravan or other mobile or temporary structure	95	0	0.0%	0.0%
<b>Total</b>	<b>79,913</b>	<b>497</b>	<b>100.0%</b>	<b>0.6%</b>

Source: Census 2001.

However, the recent Council Tax records as at 19<sup>th</sup> January 2011 provided by Council Tax and Income Manager, Tower Hamlets Council showed that the total number of second homes was 1,839 (Table 3.8), approximately two percent of the housing stock in the Borough (calculation on total number of stock in Table 3.2). This discrepancy may well be caused by the second homes being occupied during the week (for work purposes) and therefore counted within the census as main residences.

Tower Hamlets have not carried out any specific research on second homes in the borough. However, Meyhaw and Harper (2010, p.22) reported that of the total 234,828 population, 20,847 people (8.9 percent) were not registered with GPs, and 90 percent of this group were not on the electoral register either. It is likely that some of these will be second home owners, though there are other possible explanations, so 8.9 percent would probably be an overestimate.

As shown in Table 3.8, second homes are highly localised. Nearly half (49 percent) of second homes were in areas with postcode E14, that covered Canary Wharf.

Table 3.8: Second homes by postcode (January 2011)

Postcode	E1	E14	E1W	E2	E3	EC3N	E14	Total
No. of second homes	313	894	409	94	120	3	5	<b>1,839</b>

Source: Council Tax record provided by Council Tax and Income Manager, Tower Hamlets Council on 19<sup>th</sup> January 2011.

The local authority did not supply any data on overall numbers of households in each postcode area, so it is not possible to calculate proportions. An estate agent at Canary Wharf confirmed the high concentration of second homes at the area and estimated that five to ten percent of the properties they dealt with were second homes. Another estate agent at Wapping estimated that 20 percent of properties sold were as second homes, and also felt that this was increasing.

The Council tax records did not provide any details of the property type of these second homes. However, Table 3.9 shows that majority of second homes were in the middle and higher Council Tax bands. The majority of second homes recorded as such in the census

were flats, maisonettes or apartments of which 95 percent were purpose built flats (Table 3.7).

*Table 3.9: Second homes by Council Tax Band (January 2011)*

Council tax band	A	B	C	D	E	F	G	H	Total
No. of properties	33	106	266	353	423	351	265	39	<b>1,836</b>

*Source: Council Tax record provided by Council Tax and Income Manager, January 2011.*

The Council Tax and Income Manager and local estate agents also reported that second homes were generally small but expensive flats and popular with those in high paid employment.

Tower Hamlets faces the problem of high house prices. The annual rate of house price inflation in Tower Hamlets recorded in the Land Registry between 1996 and 2009 was 20 percent, significantly above the England average of 14 percent<sup>22</sup>. The affordability ratio of low quartile house prices to lower quarter earnings in 2009 was 7.57, higher than the national average of 6.28 (DCLG Live Table 576). In 2009, the average property price was £309,326 (London Borough of Tower Hamlets, 2009). The lowest quartile entry level price in the Borough was in Bromley by Bow/Mile End East for a one-bedroom flat at £169,995, rising to £250,000 in Blackwall/Cubitt Town/Millwall.

The lowest private sector entry rental costs in the Borough started at £720 a month for a one bedroom flat in Bow East/Bow West rising to £1,000 in St Katherine's/Wapping/Shadwell.

However, the presence of second homes does not appear to be seen as a problem in Tower Hamlets. Unlike the rural areas, there were no adverse effects on local businesses reported. This is likely to be because Tower Hamlets is in such a large city, and also possibly that the second homes are in use throughout the year rather than seasonally.

Estate agents did not perceive the high house prices in Tower Hamlets to be attributable to the presence of second homes. The estate agent at Canary Wharf explained that the second homes market is very localised. Tower Hamlets is part of a much large housing market so the impact of second home ownership is likely to be diffuse.

## Drivers

The main driver behind the second home ownership in Tower Hamlets appears to be people purchasing or renting second homes in order to be near their place of work during the week. Also, employment patterns have given rise to complex family living arrangements such as a household member living away from the household for part of the week, or a sustained period of time. The growth of "living apart together" (LAT) relationships, where partners work in different cities during the week but come together at weekends may require ownership and/or rental of a city flat in urban areas, especially in London to work in the week. There is a grey area over whether such flats can be considered to be a second home of one household member, or the main home of someone who lives alone and visits their partner at the weekend. Council tax discounts are higher for single occupancy so it is unlikely that flats used in this manner would be registered as second homes.

Local estate agents confirmed that demand for second homes is dependent on economic cycle. When the economy is doing well and creating high-end employment, the demand for second homes will increase.

<sup>22</sup> not adjusting for inflation; DCLG Live Table 585

## Tackling the problem

Tower Hamlets council are very aware of the overall shortage of housing in the borough and were aware that it the presence of second homes could contribute to house prices, but were unsure what they would be able to do to address the issue:

*“Personally speaking, while I don't think the problem in Tower Hamlets is as bad as some rural areas, I do think the number of second homes here does have an impact on the housing market and overall affordability. I understand that some rural councils have tried to address this through planning policy, and I'd be interested to know what success they have achieved as it might be applicable within Tower Hamlets. Frankly though, my own view is that second home ownership, and the even bigger problem of "Buy to Let" would be much better tackled at a national level, for example through fiscal policy.”*

(Former Chief Councillor for Housing)

There is no policy to address second homes in Tower Hamlets, nor has any research been carried out on the issue. The main focus of the Housing Strategy is rather on housing quality, addressing overcrowding and the provision of new build. The main focus on making better use of the existing housing stock lies in addressing the numbers of empty homes. The Empty Homes policy seeks to convert empty homes to affordable homes<sup>23</sup>.

---

<sup>23</sup> Tower Hamlets Council (2007) *Appendix 1: 2004–2007 Tower Hamlets Private Sector Housing Renewal and Empty Properties Policy Framework*. ([http://www.towerhamlets.gov.uk/lgsl/851-900/868\\_housing\\_strategy\\_and\\_polic/private\\_sector\\_housing\\_renewal.aspx](http://www.towerhamlets.gov.uk/lgsl/851-900/868_housing_strategy_and_polic/private_sector_housing_renewal.aspx)).

## 4. Scarborough

### Context

Scarborough Borough covers an area of over 300 square miles. Scarborough is the largest town by some distance and acts as the main centre for the Borough and indeed is the 'Coastal Capital' for a much wider area. Filey and to a certain extent Hunmanby, and particularly Whitby serve surrounding rural areas. Whitby is defined in the Regional Spatial Strategy for Yorkshire and the Humber as a 'Principal Town'.

The total population of the Borough is approximately 109,000 (2007 estimate). Parts of the Borough are popular retirement areas, and 26 percent of the population is above retirement age compared to 22 percent in North Yorkshire and 19 percent in the UK as a whole (North Yorkshire County Council, 2005).<sup>24</sup>

As shown in Table 4.1, the unemployment level is somewhat above the national average, though is the highest in North Yorkshire. Salaries however, are 15 percent lower than the national average.

Table 4.1: Economic Profile

	Scarborough	National
2009 ONS mid-year population	108,500	51,809,700
Working age population (16-64)	46,700	25,615,500
Unemployment rate (working age population)	9.9%	8.0%
Median weekly pay	£353.40	£411.50

Source: Annual Survey of Hours and Earnings and NOMIS

Table 4.2 shows that 89 percent of total housing stock in Scarborough is in the private sector. Approximately 11 percent of total housing stock was social housing owned by housing associations.

Table 4.2: Housing Stock by Tenure

Tenure	Stock	%
Local Authority	0	0.0%
Housing association	6,277	11.4%
Other public sector	11	0.0%
Private sector <sup>25</sup>	48,730	88.6%
<b>Total (P)</b>	<b>55,010</b>	<b>100.0%</b>

Source: DCLG Live Table 100

House prices are substantially lower than the national average, with an average of £159,203<sup>26</sup>. There is however, substantial variation across the borough. The average price of a semi-detached house in 2009 was £172,166 in Whitby. This was compared to £163,112

<sup>24</sup> North Yorkshire County Council (2005) *Population Estimates 2005* ([www.northyorks.gov.uk/CHttpHandler.ashx?id=689&p=0](http://www.northyorks.gov.uk/CHttpHandler.ashx?id=689&p=0))

<sup>25</sup> Provisional figures because annual estimates of the total dwelling stock between 2002 and 2011 will be adjusted once the 2011 census dwelling count is available.

<sup>26</sup> Land Registry, 2009

in the Borough's western villages, £145,110 in Scarborough Borough as a whole and £175,851 in England and Wales<sup>27</sup>.

Levels of newbuild are very low, and all construction in the past five years was in the private sector (Table 4.3).

*Table 4.3: Completion of New Dwellings (2005/06 to 2009/10)*

Tenure	Completions	%
Private Enterprise	810	100.0%
Registered Social Landlords	0	0.0%
Local Authority	0	0.0%
<b>All</b>	<b>810</b>	<b>100.0%</b>

Source: DCLG Live Table 253

Scarborough does not have a significant problem with empty properties (Table 4.4)

*Table 4.4: Vacancies by Tenure*

Tenure	No. of Vacancies (Scarborough)	Vacancy Rate (Scarborough)	Vacancy Rate (England)
LA	0	n/a	1.7%
HA	113	2.0%	1.5%
Private sector vacant for more than 6 months	699	1.4%	1.5%

Source: HSSA 2010, RSR 2010, DCLG Live Table 100 (2010)

As shown in Table 4.5, there is substantial demand for social housing. Nearly half of these households wanted properties with two bedrooms. However, the ability of the existing social housing stock to meet demand is very limited.

*Table 4.5: Households on the Housing Waiting List (1<sup>st</sup> April 2010)*

Bedroom requirements	Households	%
requiring 1 bedroom	697	27.1%
requiring 2 bedrooms	1,179	45.9%
requiring 3 bedrooms	590	23.0%
requiring more than 3 bedrooms	103	4.0%
<b>Total</b>	<b>2,569</b>	<b>100.0%</b>

Source: HSSA 2010.

Table 4.6 shows occupation levels for all housing stock in Scarborough.

<sup>27</sup> Scarborough Borough Council (2009) *Housing Progress Annual Report: April 2008 to March 2009*. (<http://democracy.scarborough.gov.uk/%28X%281%29S%28fsy4vx45zvrq3j3zsskdu345%29%29/mgConvert2PDF.aspx?ID=12145>).

Table 4.6: Number of Bedrooms compared with the Census Standard

	Owned					Rented from council <sup>28</sup>				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	55.0 %	37.1 %	6.7%	1.2%	<b>5,521</b>	21.2 %	30.4 %	42.7 %	5.7%	<b>1,294</b>
Single non-pensioner	60.8 %	27.9 %	8.7%	2.6%	<b>3,507</b>	33.8 %	26.2 %	34.7 %	5.2%	<b>553</b>
All pensioner families	69.9 %	26.4 %	3.0%	0.6%	<b>4,625</b>	39.7 %	38.1 %	21.1 %	1.1%	<b>473</b>
Families without children	78.6 %	18.0 %	2.7%	0.7%	<b>7,313</b>	55.4 %	30.6 %	12.1 %	1.8%	<b>379</b>
Families with dependent children	52.9 %	27.0 %	16.8 %	3.4%	<b>7,502</b>	13.1 %	32.7 %	40.8 %	13.4 %	<b>1,200</b>
Families with all children non dependent	54.7 %	27.6 %	15.6 %	2.1%	<b>3,127</b>	22.6 %	41.0 %	29.6 %	6.8%	<b>385</b>
Other	48.6 %	23.3 %	19.0 %	9.1%	<b>1,458</b>	7.7%	31.4 %	39.5 %	21.4 %	<b>220</b>
Total	62.1 %	26.6 %	9.2%	2.1%	<b>33,053</b>	24.9 %	32.3 %	35.1 %	7.7%	<b>4,504</b>

	Other social rented					Private rented or living rent free				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	5.8%	22.0 %	55.0 %	17.2 %	<b>482</b>	28.6 %	35.0 %	27.6 %	8.7%	<b>1,110</b>
Single non-pensioner	13.3 %	38.5 %	35.8 %	12.4 %	<b>226</b>	18.3 %	23.4 %	34.0 %	24.3 %	<b>2,500</b>
All pensioner families	8.6%	45.0 %	43.6 %	2.9%	<b>140</b>	48.7 %	39.1 %	9.9%	2.3%	<b>304</b>
Families without children	27.9 %	48.6 %	20.7 %	2.7%	<b>111</b>	39.2 %	29.3 %	24.7 %	6.8%	<b>1,065</b>
Families with dependent children	12.4 %	30.6 %	48.1 %	9.0%	<b>647</b>	31.0 %	27.5 %	31.8 %	9.7%	<b>1,714</b>
Families with all children non dependent	16.3 %	32.7 %	44.9 %	6.1%	<b>49</b>	45.1 %	21.1 %	24.6 %	9.2%	<b>284</b>
Other	16.2	20.3	32.4	31.1	<b>74</b>	28.0	17.4	34.0	20.6	<b>465</b>

<sup>28</sup> Homes rented from the council in 2001 were transferred to housing association ownership following stock transfer in 2003

	%	%	%	%		%	%	%	%	
Total	11.6 %	31.2 %	45.5 %	11.7 %	<b>1,729</b>	28.6 %	27.1 %	29.9 %	14.4 %	<b>7,442</b>

Source: 2001 Census

Table 4.8 shows that under-occupation is largely associated with the owner occupied sector and is most common for households without children, both pensioner households and non-pensioner. Overcrowding, in contrast is much more common among families and single people in the private rented sector.

## Nature of the problem

Scarborough was selected as a case study because of its high levels of second home ownership.

According to 2001 Census, Scarborough had 2,750 second homes, five percent of the total housing stock (Table 4.7).

Table 4.7: Second Homes

	TOTAL	Second residence/ holiday accommodation	% of second homes	% of dwelling stock
House or Bungalow	40,226	1,746	63.5%	4.3%
<i>Detached</i>	11,892	399	14.5%	3.4%
<i>Semi-detached</i>	16,260	367	13.3%	2.3%
<i>Terraced (including end terraced)</i>	12,074	980	35.6%	8.1%
Flat, maisonette or apartment	11,309	1,001	36.4%	8.9%
<i>In a purpose built block of flats or tenement</i>	5,788	349	12.7%	6.0%
<i>Part of a converted or shared house (includes bedsits)</i>	4,225	537	19.5%	12.7%
<i>In a commercial building</i>	1,296	115	4.2%	8.9%
Caravan or other mobile or temporary structure	72	3	0.1%	4.2%
<b>Total</b>	<b>51,607</b>	<b>2,750</b>	<b>100.0%</b>	<b>5.3%</b>

Source: Census 2001.

However, the recent Council Tax records as at 31<sup>st</sup> December 2011 provided by Local Taxation, Scarborough Borough Council showed that the total number of recorded second homes was 3,917 (Table 4.8), approximately 7 percent of the housing stock in the Borough (calculation based on stock figures from Table 4.1).

Table 4.8: Second Homes by Parish and Council Tax Band (December 2010)

	A	B	C	D	E	F	G	H	Total
AISLABY PARISH COUNCIL	2		4	10	8	2	2		<b>28</b>
BARNBY GROUP P COUNCIL	1	1	2	4	2	1			<b>11</b>
BROMPTON PARISH COUNCIL			2	1	2	2	1		<b>8</b>
BURNISTON P COUNCIL	1		8	2	1	2			<b>14</b>
CAYTON PARISH COUNCIL	1	3	1	2		1			<b>8</b>

CLOUGHTON P COUNCIL	1	1	1		4	1			<b>8</b>
DANBY GROUP P COUNCIL	4	8	8	5	9	4	1		<b>39</b>
EAST AYTON P COUNCIL		1	3	1		1			<b>6</b>
EASTFIELD P COUNCIL	6	2							<b>8</b>
EGTON PARISH COUNCIL	1	5	5	9	1	2			<b>23</b>
ESKDALESIDE P COUNCIL	4	5	17	11	7	4	3		<b>51</b>
FILEY TOWN COUNCIL	205	245	201	71	33	8	4		<b>767</b>
FOLKTON PARISH COUNCIL	2	3							<b>5</b>
FYLINGDALES P COUNCIL	13	28	51	48	31	4	2		<b>177</b>
GLAISDALE P COUNCIL	2	9	13	14	8	3	2		<b>51</b>
GOATHLAND P COUNCIL	1	2	7	11	6	6	5		<b>38</b>
GRISTHORPE P COUNCIL	14	2	1	2					<b>19</b>
GROSMONT PARISH COUNCIL		22	9	5	7	2			<b>45</b>
HARWOOD DALE GROUP P C		2	3	1	3	1	1		<b>11</b>
HAWSKER PARISH COUNCIL	3	3	4	2	2	1			<b>15</b>
HINDERWELL P COUNCIL	53	92	56	52	24	8	1		<b>286</b>
HUNMANBY PARISH COUNCIL	8	27	32	8	2				<b>77</b>
HUTTON BUSCEL P COUNCIL					1	1			<b>2</b>
IRTON PARISH COUNCIL	1			1	3	2			<b>7</b>
LEBBERSTON P COUNCIL			1	1					<b>2</b>
LYTHE PARISH COUNCIL	3	11	18	24	15	8	2		<b>81</b>
MUSTON PARISH COUNCIL	3	4	3		1		1		<b>12</b>
NEWBY/SCALBY P COUNCIL	3	8	17	12	2	5	1		<b>48</b>
NEWHOLM PARISH COUNCIL	1	5	1	5	3	2			<b>17</b>
OSGODBY PARISH COUNCIL	22	5	4	3					<b>34</b>
REIGHTON PARISH COUNCIL	3	4		4	2				<b>13</b>
ROXBY GROUP P COUNCIL		2	2	1			1		<b>6</b>
SCARBOROUGH CASTLE 1	17	20	18	2	4				<b>61</b>
SCARBOROUGH CASTLE 2	70	38	39						<b>147</b>
SCARBOROUGH CASTLE 3	40	13	11	2		1			<b>67</b>
SCARBOROUGH CENTRAL 1	2	2	2						<b>6</b>
SCARBOROUGH CENTRAL 2		7	3						<b>10</b>
SCARBOROUGH CENTRAL 3	17		1						<b>18</b>
SCARBOROUGH EASTFIELD 3		1	1	1					<b>3</b>
SCARBOROUGH FALSGRAVE 1	6	10	1						<b>17</b>
SCARBOROUGH FALSGRAVE 2	4	11	3	1					<b>19</b>
SCARBOROUGH FALSGRAVE 3		3	3			1	1		<b>8</b>
SCARBOROUGH FALSGRAVE 4	1	1							<b>2</b>



SCARBOROUGH NORTHSTEAD 1	17	21	8	16	8				<b>70</b>
SCARBOROUGH NORTHSTEAD 2	13	29	32	14	2	1			<b>91</b>
SCARBOROUGH WEAPONNESS 1	83	49	48	39	10	2			<b>231</b>
SCARBOROUGH WEAPONNESS 2	52	72	89	54	7	1			<b>275</b>
SCARBOROUGH WEAPONNESS 3		1	9	6	1	4	4		<b>25</b>
SCARBOROUGH WOODLANDS 1	1		2						<b>3</b>
SCARBOROUGH WOODLANDS 2	2	7	7	1	2	1			<b>20</b>
SCARBOROUGH WOODLANDS 3			1	1	1				<b>3</b>
SEAMER PARISH COUNCIL	2	5	8	4	1		1		<b>21</b>
SNAINTON PARISH COUNCIL	2	3	3	5	2	1	2		<b>18</b>
SNEATON PARISH COUNCIL		4	5	2					<b>11</b>
STAINTONDALE P COUNCIL	2		4	1	3	1			<b>11</b>
UGTHORPE PARISH COUNCIL	2	2	1	1					<b>6</b>
WEST AYTON P COUNCIL		3	1	3					<b>7</b>
WHITBY TOWN COUNCIL	231	320	193	71	22	7	3		<b>847</b>
WYKEHAM PARISH COUNCIL			1			1		1	<b>3</b>
<b>Total</b>	<b>922</b>	<b>1122</b>	<b>968</b>	<b>534</b>	<b>240</b>	<b>92</b>	<b>38</b>	<b>1</b>	<b>3,917</b>

Source: Council Tax record provided by Local Taxation, Scarborough Borough Council on 13<sup>th</sup> January 2011.

As can be seen from Table 4.8, second homes are highly localised. Over 20 percent of second homes in the borough are located in Whitby, 20 percent in Filey and a further 17 percent in Weaponness Valley.

The local authority were aware that certain areas contained very high proportions of second homes:

*The biggest concentration of second homes is in parishes in the National Park area. For example, up to 20 percent of the housing stock is second homes in Fylingdales and Mulgrave. In Scarborough town, second home ownership is relatively low, less than five percent. However, higher levels of second home ownership are recorded in Whitby, approximately eight to ten percent and Filey, 14 percent,*

(Housing Strategy and Development Officer)

Council tax records do not provide any details of the property type of these second homes, though it can be seen that the large majority are in the lower council tax bands. Table 4.6 shows that they are varied in type with both houses and flats used.

The Council Tax office also reported that they were most likely flats and small houses, and some of them were loft -conversions.

The local authority were aware that second homes can have a negative impact on the local economy and on the affordability of housing:

“House prices are highest within the rural parts of the Borough, including the National Park ... This partly due to second homes, which both pushes up prices and reduces supply in rural areas, and causes local people to move out of the local area to seek accommodation. It is difficult to fully assess the impact of the second home owners on property prices, as there is also the impact of other “in-

comers” such as affluent retirees and commuters to urban areas, who may also have an effect on pushing up house values.”

(Housing Strategy and Development Officer)

In Scarborough, the affordability ratio of low quartile house prices to lower quarter earnings in 2009 was 6.72, slightly above the national average of 6.28 (DCLG Live Table 576).

Estate agents were concerned that local people struggled to afford to buy homes on the strength of local wages from tourism, agriculture or fishing.

The Housing Strategy and Development Officer, also felt that overall there was a negative impact from second homes in terms of making it harder for local people to buy homes, and also on the rural economy which could suffer if a sizable part of the population was not present for much of the year, though was aware that it was difficult in practice to distinguish the effects of second home ownership from those of tourism generally, which also made the economy highly seasonal.

## **Drivers**

The main driver behind levels of second home ownership in Scarborough is the attractiveness of the area for people looking to purchase a second home for holiday or weekend usage. The borough is just outside the North York Moors National Park and contains 26 designated Conservation Areas. The seaside is also a big attraction.

Scarborough is not within easy commuting distance of any major centre of employment, but is within easy weekend travelling distance of much of the country.

## **Tackling the problem**

Scarborough have made use of their powers to raise council tax on second homes and charge the maximum permitted 90 percent. The revenue raised in this manner supports a county-wide second homes fund, administered by North Yorkshire County Council. This fund supports the provision of affordable housing across North Yorkshire and also funds work on homelessness prevention and employing a Rural Housing Enabler. A proportion was also used to assist Local Strategic Partnerships across the whole of North Yorkshire meet their priorities including housing related projects.

Both the Council and National Park Authority operate rural exception policies, where planning permission may be granted for small scale affordable housing to meet an identified housing need on sites within or on the edge of existing settlements that would not normally be considered acceptable for residential development. This is aimed at meeting affordable housing needs within rural locations. Although it does not specifically tackle the problem of second homes, it does ensure that local people with specific housing needs are assisted and can be argued to improve the sustainability of rural settlements.

The Council has not recognised second homes generally as a major problem within the Borough, and it is not highlighted as a major problem within the new Corporate Plan or the current Scarborough Housing Action Plan. However, it is recognised as a problem within the North York Moors National Park part of the Borough, especially in the coastal villages. Reference is also made to the problem within the Community Strategy, and there is a general recognition that it has contributed to higher house prices in the National Park area.

There is uncertainty as to whether the economic recession will reduce demand for second homes. As yet there is no evidence of it having done so; nor of any increase in the number of empty properties.

## 5. South Hams

### Context

South Hams District covers an area of 350 square miles. It has six market towns and main commercial centres. South Hams also has a net in-migration of households attracted to the area for retirement or employment. Unemployment levels are very low my national standards, though wages are lower than average (Table 5.1).

Table 5.1: Economic Profile

	South Hams	National
2009 ONS mid-year population	85,500	51,809,700
Working age population (16-64)	39,000	25,615,500
Unemployment rate (working age population)	3.1	8.0%
Median weekly pay	£371.70	£411.50

Source: Annual Survey of Hours and Earnings and NOMIS

Table 5.2 shows that 90 percent of total housing stock in South Hams was in the private sector. The large majority of this is owner-occupation as private rented housing constitutes only 11.5 percent of the housing stock<sup>29</sup>. The supply of long term letting is more limited as many homes are let in the holiday market. Approximately 10 percent of total housing stock is social housing which is mainly owned by Tor Homes, which took over the ownership and management of council homes after the Large Scale Voluntary Transfer in 1999.

Table 5.2: Housing Stock by Tenure

Tenure	Stock	%
Local Authority	24	0.1%
Housing association	4,223	9.9%
Other public sector	0	0.0%
Private sector <sup>30</sup>	38,570	90.0%
<b>Total</b>	<b>42,820</b>	<b>100.0%</b>

Source: DCLG Live Table 100

Table 5.3 shows that levels of new build are very low, and all construction in the past five years was in the private sector.

Table 5.3: Completion of New Dwellings (2005/06 to 2009/10)

Tenure	Completions	%
Private Enterprise	390	81.3%
Registered Social Landlords	90	18.8%
Local Authority	0	0.00%
<b>All</b>	<b>480</b>	<b>100.0%</b>

Source: DCLG Live Table 253

Table 5.4 shows that in 2010, South Hams does not have a significant problem with empty properties.

<sup>29</sup> South Hams Local Strategic Partnership (2010) *Interim Housing Strategy 2010–2011*, South Hams District Council

<sup>30</sup> Provisional figures because annual estimates of the total dwelling stock between 2002 and 2011 will be adjusted once the 2011 census dwelling count is available.

Table 5.4: Vacancies by tenure

Tenure	No. of Vacancies (South Hams)	Vacancy Rate (South Hams)	Vacancy Rate (England)
LA	0	0.0%	1.7%
HA	20	0.6%	1.5%
Private sector vacant for more than 6 months	642	1.7%	1.5%

Source: HSSA 2010, RSR 2010, DCLG Live Table 100 (2010)

The latest records show that there were over 1000 households on the waiting list for social housing (Table 5.5). The large majority of these households required one or two bedrooms.

Table 5.5: Households on the Housing Waiting List (1st April 2010)

Bedroom requirements	Households	%
requiring 1 bedroom	551	55.0%
requiring 2 bedrooms	278	27.8%
requiring 3 bedrooms	138	13.8%
requiring more than 3 bedrooms	34	3.4%
<b>Total</b>	<b>1,001</b>	<b>100.0%</b>

Source: HSSA 2010.

Table 5.6 shows the level of occupancy of housing in South Hams.

Table 5.6: Number of Bedrooms compared with the Census Standard

	Owned					Rented from council				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	64.3%	28.4%	5.9%	1.4%	<b>3,859</b>	16.6%	29.2%	51.0%	3.2%	<b>253</b>
Single non-pensioner	59.2%	28.2%	9.4%	3.2%	<b>2,563</b>	26.8%	30.1%	37.4%	5.7%	<b>123</b>
All pensioner families	82.9%	14.6%	1.9%	0.6%	<b>3,891</b>	27.8%	40.3%	27.8%	4.2%	<b>72</b>
Families without children	82.5%	14.6%	2.3%	0.6%	<b>6,254</b>	43.1%	32.8%	19.0%	5.2%	<b>58</b>
Families with dependent children	56.6%	24.4%	15.5%	3.5%	<b>6,606</b>	11.5%	25.5%	51.0%	11.9%	<b>286</b>
Families with all children non dependent	58.2%	27.2%	12.9%	1.7%	<b>2,118</b>	32.5%	27.5%	27.5%	12.5%	<b>80</b>
Other	57.0%	21.1%	16.3%	5.7%	<b>1,187</b>	15.0%	30.0%	27.5%	27.5%	<b>40</b>
<b>Total</b>	<b>68.1%</b>	<b>21.7%</b>	<b>8.2%</b>	<b>2.0%</b>	<b>26,478</b>	<b>20.3%</b>	<b>29.2%</b>	<b>42.2%</b>	<b>8.3%</b>	<b>912</b>

	Other social rented					Private rented or living rent free				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	29.3 %	53.3 %	4.3%	<b>794</b>	35.5 %	33.2 %	25.8 %	5.6%	<b>699</b>	29.3 %
Single non-pensioner	28.4 %	42.7 %	8.0%	<b>363</b>	27.7 %	29.3 %	23.3 %	19.7 %	<b>1,112</b>	28.4 %
All pensioner families	36.2 %	29.8 %	1.4%	<b>282</b>	65.3 %	28.4 %	6.3%	0.0%	<b>222</b>	36.2 %
Families without children	43.5 %	14.2 %	2.6%	<b>232</b>	48.1 %	30.3 %	15.2 %	6.4%	<b>871</b>	43.5 %
Families with dependent children	24.6 %	56.7 %	10.8 %	<b>845</b>	28.6 %	25.0 %	35.9 %	10.5 %	<b>1,158</b>	24.6 %
Families with all children non dependent	40.2 %	36.3 %	6.9%	<b>204</b>	46.4 %	25.3 %	23.2 %	5.2%	<b>194</b>	40.2 %
Other	22.3 %	36.9 %	27.2 %	<b>103</b>	25.4 %	23.4 %	37.7 %	13.5 %	<b>342</b>	22.3 %
Total	30.2 %	45.6 %	7.3%	<b>2,823</b>	35.4 %	28.3 %	25.6 %	10.7 %	<b>4,598</b>	30.2 %

Source: 2001 Census

### Nature of the problem

South Hams was selected as a case study because it has the second highest percentage of second homes in England after the Scilly Isles. It has been pointed out that South Hams has more second homes than social housing<sup>31</sup>. Table 5.7 shows the numbers of second homes recorded at the last census.

Table 5.7: Second Homes

	TOTAL	Second residence/ holiday accommodation	% of second homes	% of dwelling stock
House or Bungalow	35,076	3,313	73.8%	9.4%
<i>Detached</i>	15,888	1,284	28.6%	8.1%
<i>Semi-detached</i>	10,210	711	15.8%	7.0%
<i>Terraced (including end terraced)</i>	8,978	1,318	29.4%	14.7%
Flat, maisonette or apartment	5,202	1,136	25.3%	21.8%
<i>In a purpose built block of flats or tenement</i>	2,667	507	11.3%	19.0%
<i>Part of a converted or shared house (includes bedsits)</i>			11.5%	28.4%

<sup>31</sup> Oxley, M., Brown, T., Lishman, R. and Turkington, R. (2008) *Rapid Evidence Assessment of the Research Literature on the Purchase and Use of Second Homes*, National Housing and Planning Advice Unit, Fareham

		1,817	516		
	<i>In a commercial building</i>	718	113	2.5%	15.7%
	Caravan or other mobile or temporary structure	252	40	0.9%	15.9%
	<b>Total</b>	<b>40,530</b>	<b>4,489</b>	<b>100.0%</b>	<b>11.1%</b>

Source: Census 2001.

The most recent Council Tax records (January 2011) show broadly similar numbers of 4,111, approximately 10 percent of the housing stock in the district. The local authority was able to provide a breakdown by Parish and proportion of the total stock (Table 5.8).

Table 5.8: Second Homes by Parish (November 2010)

Parish	Total Number of Properties	Number of 10% Discount cases	Percentage of 10% Discount cases
Ashprington	229	32	13.97%
Aveton Gifford	421	39	9.26%
Berry Pomeroy	466	8	1.72%
Bickleigh	1,599	11	0.69%
Bigbury	386	125	32.38%
Blackawton	358	33	9.22%
Brixton	772	9	1.17%
Buckfastleigh West	114	8	7.02%
Buckland Tout Saints	93	23	24.73%
Charleton	288	29	10.07%
Chivelstone	207	81	39.13%
Churchstow	235	19	8.09%
Cornwood	477	10	2.10%
Cornworthy	173	19	10.98%
Dartington	799	12	1.50%
Dartmouth	3,434	631	18.38%
Dean Prior	88	1	1.14%
Diptford	232	7	3.02%
Dittisham	284	77	27.11%
East Allington	331	28	8.46%
East Portlemouth	147	69	46.94%
Ermington	359	12	3.34%
Frogmore & Sherford	245	31	12.65%
Halwell & Moreleigh	193	11	5.70%
Harberton	608	37	6.09%
Harford	37	3	8.11%
Holbeton	299	19	6.35%

Holne	134	11	8.21%
Ivybridge	4,864	14	0.29%
Kingsbridge	2,991	178	5.95%
Kingston	195	24	12.31%
Kingswear	829	197	23.76%
Littlehempston	105	5	4.76%
Loddiswell	477	40	8.39%
Malborough	562	86	15.30%
Marldon	976	11	1.13%
Modbury	792	33	4.17%
Newton & Noss	1,006	117	11.63%
North Huish	174	10	5.75%
Rattery	205	7	3.41%
Ringmore	126	22	17.46%
Salcombe	1,757	691	39.33%
Shaugh Prior	350	2	0.57%
Slapton	265	47	17.74%
South Brent	1,287	22	1.71%
South Huish	445	190	42.70%
South Milton	235	58	24.68%
South Pool	102	29	28.43%
Sparkwell	546	6	1.10%
Staverton	335	4	1.19%
Stoke Fleming	587	80	13.63%
Stoke Gabriel	629	50	7.95%
Stokenham	1,148	176	15.33%
Strete	295	41	13.90%
Thurlestone	624	211	33.81%
Totnes	3,899	101	2.59%
Ugborough	813	17	2.09%
Wembury	1,491	199	13.35%
West Alvington	286	25	8.74%
Woodleigh	84	9	10.71%
Yealmpton	946	14	1.48%
Totals	42,434	4,111	9.69%

Source: Council Tax record provided by Council Tax Manager at South Hams District Council on 19<sup>th</sup> January 2011.

As shown in Table 5.8, second homes are highly localised. They are concentrated in Salcombe (17 percent of all second homes) and Dartmouth (15 percent). Nearly 40 percent

of properties in Salcombe are second homes while in Dartmouth, the proportion is 18 percent.

In 2007, South Hams District Council commissioned a study of second homes in South Hams in 2007<sup>32</sup>. A postal survey was conducted, based on a sample of 3,907 households, all second home owners in South Hams based on the Council Tax register.

The survey found that second homes in South Hams were predominantly within the middle Council Tax bands C, D and E. It also reported that there were a higher proportion of detached and semi detached properties in the second homes market in the East Coastal area<sup>33</sup> while terraced houses and flats were more common in the West Coastal area and the towns. In total, the profile of second homes showed a high proportion of flats (22.5 percent) and terraced houses (28.8 percent) compared to the profile of all properties in the district as a whole of 12.9 percent and 22.1 percent, respectively<sup>34</sup>.

A local estate agents firm described the types of properties which were popular with second home buyers:

*People tend to prefer new or refurbished properties so that maintenance worries are minimised. There is generally good demand for refurbished cottages and another type of buyer is the "doer upper" looking for a project. ...Barn conversions in complexes in rural areas close to the coast are also attractive to second home buyers. More substantial detached houses are the least likely to be purchased as second homes, particularly if they have large gardens. Bungalows tend not to be popular as second homes.*

South Hams is recognised as one of the least affordable places to live in the UK. The annual rate of house price inflation recorded in the Land Registry between 1996 and 2009 was 17 percent, slightly above the England average of 14 percent<sup>35</sup>. In the South Hams, the average house price in 2009 was £283,420<sup>36</sup> and the affordability ratio of low quartile house prices to lower quarter earnings was 9.86, well above the national average of 6.28<sup>37</sup>

The demand for second homes, along with an inward migration of older and retired households, has widely believed to have had a substantial impact on house prices:

*"The demand for second homes has inevitably had an effect on prices in the South Hams. The extent of the upward movement on account of second homes depends very much on location, views, access to water facilities etc. Thus in places like East Portlemouth, prices might have doubled on account of the second home market whereas in a village like Loddiswell, the stock of houses has very little appeal to second home buyers and thus prices/values are determined by other factors."*

(Local estate agent)

However, the two estate agents also pointed out that second home buyers were generally not purchasing the style of property that many local people on lower incomes would be

---

<sup>32</sup> David Couttie Associates (DCA) (2007). *Beacon Research Project: Second Homes Study*, South Hams District Council.

<sup>33</sup> South Hams is subdivided into 4 sub areas:

1. East Coastal area including Skerries, Stokenham & Saltstone wards;
2. West Coastal area including Westville & Alvington, Salcombe & Marlborough, Charterlands, Newton & Noss, Wembury and Brixton;
3. Towns: Totnes, Kingsbridge, Ivybridge & Dartmouth;
4. Central Rural area, including all other wards.

<sup>34</sup> Census 2001

<sup>35</sup> Not adjusted for inflation; DCLG Live Table 585

<sup>36</sup> Land Registry, 2009

<sup>37</sup> DCLG Live Table 576



looking to buy. Their impact may therefore be stronger at the upper end of the market, though a knock-on effect may also be felt by the whole market.

Views were more mixed as to whether second homes posed other problems for local communities. The DCA survey reported that most second home owners are making a commitment to the area, often looking ahead to retirement and that the relative affluence of second home owners is a key factor in the contribution they make to the local economy., supporting some small local businesses such as cleaning and gardening as well as trades people for the maintenance of their property. The estate agents interviewed felt similarly that second home owners did contribute to the local economy and holiday industry and that some had long-standing links into the community, or intended to retire there in years to come.

However, there were similar problems experienced here as in Scarborough. While shops and business may thrive in the summer, it is quiet in the winter. Local services and businesses struggle and are less sustainable, whereas in the summer the increase in population puts pressure on infrastructure, refuse collection and the rural road network. Though again, it is difficult to know how much of this is attributable to second home ownership, rather than the holiday industry more generally.

## Drivers

The main driver behind the very high level of second home ownership in South Hams is the attractiveness of the area. The district is a rich natural area, and 130 square miles of the district is designated as an Area of Outstanding Natural Beauty. There are 62 miles of coastal path and 16 miles of beaches. The area is very popular with holiday and second homes investors.

The estate agent at Salcombe reported a mixture of motivations for purchasing second homes:

*“Many people buy second homes with a view to eventually retiring to them. About 50 percent of second home owners treat them as an investment and undertake holiday letting to a greater or lesser extent. .... Also many people like to have regular access to their second homes which wouldn't be available if they went abroad. Other types of people purchase second homes purely as an investment ...People buy second homes because they prefer to invest their money which they might have inherited or earned in some other way in property rather than any other type of investment.”*

## Tackling the problem

South Hams District Council uses its discretionary powers to offer only a 10 percent Council Tax discount to second home owners. In line with best practice nationally, the additional revenue raised from second home owners has been targeted to new affordable housing, though most of this is done via Devon County Council.

The South Hams Council did not apply planning restrictions to differentiate open market housing from second homes because this was not possible within national planning policy.

The local council therefore focussed on mitigating the effects of the high house prices. The council were trying to increase the number of affordable homes including social rented and rental housing at 80 percent of market rates. Table 5.9 shows the number of affordable housing completions from 2004/05. It shows that there will be a planned significant increase in the level of affordable housing from next year and in subsequent years, though this was provision on grant availability which is now unlikely.

Table 5.9: Completions of New Dwellings (2005/06 to 2009/10)

<b>Year</b>	<b>Total New Build Completions</b>
2012/13 Projected	150–200*
2011/12 Projected	130–150*
2010/11	60–80
2009/10	60
2008/09	52
2007/08	59
2006/07	20
2005/06	131
2004/05	59

Source: provided by the Affordable Housing Officer, South Hams District Council.

The local authority were also trying to increase access to the private rented sector via their Direct Lets scheme. They were also trying to address the overall level of supply of housing via the local development framework and hoped to significantly increase the land supply for housing.

## 6. Bedford

### Context

Bedford is a unitary authority with a population of 158,000, an increase of over 10,000 since 2001. This includes its rural hinterland. It is the county town of Bedfordshire and situated on the river Great Ouse.

The unemployment rate is somewhat lower than the average for England and wages slightly higher than average (Table 6.1).

Table 6.1: Economic Profile

	<b>Bedford</b>	<b>National</b>
2009 ONS mid-year population	158,000	51,809,700
Working age population (16-64)	80,400	25,615,500
Unemployment rate (working age population)	5.8%	8.0%
Median weekly pay	£417.70	£411.50

Source: Annual Survey of Hours and Earnings

Social housing makes up 17 percent of the total stock (Table 6.2).

Table 6.2: Housing Stock by Tenure (2010)

<b>Tenure</b>	<b>Stock</b>	<b>%</b>
Local Authority	0	0.0%
Housing association	11,162	16.8%
Other public sector	460	0.7%
Private sector <sup>38</sup>	54,660	82.5%
<b>Total (P)</b>	<b>66,290</b>	<b>100.0%</b>

Source: DCLG Live Table 100

Average house prices in Bedford at £194,015 are somewhat below the England average of £216,493<sup>39</sup>. Bedford is adjacent to the Milton Keynes/ South Midlands growth area and during the last decade planned new housing was considerable (Table 6.3).

Table 6.3: Completions of New Dwellings (2005/06 to 2009/10)

<b>Tenure</b>	<b>Completions</b>	<b>%</b>
Private Enterprise	2,260	81.9%
Registered Social Landlords	530	19.2%
Local Authority	0	0.0%
<b>All</b>	<b>2,760</b>	<b>100.0%</b>

Source: DCLG Live Table 253

The new growth comprised one and two bedroom flats in the town centre. A number of schemes have been halted by the recession. This has particularly affected some brownfield sites in the town centre which have planning permission for one and two bedroom flats. The market for flats has dropped sharply and a number of extant planning permissions on

<sup>38</sup> Provisional figures because annual estimates of the total dwelling stock between 2002 and 2011 will be adjusted once the 2011 census dwelling count is available.

<sup>39</sup> Land Registry 2009

greenfield sites have gone ahead. This has meant that the target of 60% development on brownfield land was not met last year.

There is a target percentage of 35 percent for affordable homes secured on sites of 15 or more dwellings. The outcome in 2009-10 was 369 affordable dwellings on the relevant sites which amounted to 29.8 percent of provision.

Table 6.4 shows that the largest number of households on the housing register require one bedroom only, followed by those requiring two bedrooms.

*Table 6.4: Households on the Housing Waiting List at 1<sup>st</sup> April 2010*

<b>Bedroom Requirements</b>	<b>Households</b>	<b>%</b>
requiring 1 bedroom	913	44.6%
requiring 2 bedrooms	732	35.8%
requiring 3 bedrooms	316	15.4%
requiring more than 3 bedrooms	78	3.8%
requiring unspecified number of bedrooms	7	0.3%
<b>Total</b>	<b>2,046</b>	<b>100.0%</b>

Source: HSSA 2010

The vacancy rate in the social sector is very low but in the private sector the amount of property vacant for more than six months is relatively high (Table 6.5)

*Table 6.5: Vacancies by Tenure*

<b>Tenure</b>	<b>No. of Vacancies (Bedford)</b>	<b>Vacancy Rate (Bedford)</b>	<b>Vacancy Rate (England)</b>
LA	0	n/a	1.7%
HA	83	0.9%	1.5%
Private sector vacant for more than 6 months	1,520	2.8%	1.5%

Source: HSSA 2010, RSR 2010, DCLG Live Table 100 (2010)

Second homes are not a very significant issue in Bedford. They are mainly houses or bungalows (Table 6.6).

*Table 6.6: Second Homes*

	<b>TOTAL</b>	<b>Second residence/ Holiday accommodation</b>	<b>% of second homes</b>	<b>% of dwelling stock</b>
House or Bungalow	50,955	91	63.6%	0.2%
<i>Detached</i>	16,996	31	21.7%	
<i>Semi-detached</i>	20,063	24	16.8%	
<i>Terraced (including end terraced)</i>	13,896	36	25.2%	
Flat, maisonette or apartment	9,666	48	33.6%	0.5%
<i>In a purpose built block of flats or tenement</i>	6,348	32	22.4%	
<i>Part of a converted or shared house (includes bedsits)</i>	2,806	16	11.2%	

<i>In a commercial building</i>	512	0	0.0%	
Caravan or other mobile or temporary structure	572	4	2.8%	0.7%
<b>Total</b>	<b>61,193</b>	<b>143</b>	<b>100.0%</b>	<b>0.2%</b>

Source: Census 2001

## Nature of the problem

Bedford was selected as a case study because it had the highest under-occupation rates in the private sector of those districts with relatively high rates of overcrowding in the private sector (Table 6.7). This suggests an overall mismatch between household size and dwelling size.

Table 6.7: Number of Bedrooms compared with the Census Standard

	Owned					Rented from council				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	70.1 %	22.1 %	6.3%	1.5%	<b>4,843</b>	11.5 %	19.6 %	49.3 %	19.6 %	<b>148</b>
Single non-pensioner	59.0 %	25.7 %	11.8 %	3.5%	<b>5,080</b>	25.4 %	21.7 %	39.9 %	13.0 %	<b>138</b>
All pensioner families	83.6 %	13.6 %	2.3%	0.5%	<b>4,458</b>	39.5 %	28.9 %	31.6 %	0.0%	<b>38</b>
Families without children	83.7 %	12.8 %	2.8%	0.8%	<b>9,434</b>	55.1 %	17.4 %	18.8 %	8.7%	<b>69</b>
Families with dependent children	57.9 %	25.2 %	12.5 %	4.3%	<b>11,956</b>	14.7 %	27.1 %	29.4 %	28.8 %	<b>306</b>
Families with all children non dependent	56.9 %	27.7 %	12.0 %	3.4%	<b>4,590</b>	18.9 %	29.7 %	36.5 %	14.9 %	<b>74</b>
Other	38.6 %	24.4 %	20.8 %	16.2 %	<b>2,763</b>	18.2 %	21.2 %	24.2 %	36.4 %	<b>66</b>
Total	66.4 %	21.2 %	9.0%	3.4%	<b>43,124</b>	21.0 %	24.0 %	34.1 %	21.0 %	<b>839</b>

	Other social rented					Private rented or living rent free				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	12.7 %	17.7 %	55.1 %	14.5 %	<b>2,072</b>	39.1 %	23.5 %	25.0 %	12.3 %	<b>731</b>
Single non-pensioner	13.1 %	22.5 %	45.6 %	18.8 %	<b>1,655</b>	21.1 %	18.2 %	34.2 %	26.5 %	<b>2,033</b>
All pensioner families	23.9 %	29.0 %	42.4 %	4.7%	<b>531</b>	56.3 %	24.2 %	15.0 %	4.6%	<b>240</b>

Families without children	34.9 %	29.5 %	29.1 %	6.6%	<b>533</b>	39.0 %	28.3 %	21.8 %	10.9 %	<b>1,196</b>
Families with dependent children	10.1 %	27.8 %	46.8 %	15.4 %	<b>2,713</b>	29.0 %	27.0 %	28.3 %	15.7 %	<b>1,447</b>
Families with all children non dependent	18.6 %	32.1 %	36.6 %	12.6 %	<b>467</b>	29.6 %	32.0 %	26.7 %	11.7 %	<b>247</b>
Other	7.8%	16.7 %	29.6 %	45.9 %	<b>604</b>	16.2 %	19.1 %	27.3 %	37.4 %	<b>1,161</b>
Total	14.0 %	24.0 %	45.4 %	16.6 %	<b>8,575</b>	28.3 %	23.1 %	27.9 %	20.7 %	<b>7,055</b>

Source: 2001 Census

Table 6.7 shows that underoccupation is largely associated with the owner occupied sector and is most common for households without children, both pensioner households and non-pensioner. Overcrowding, in contrast is much more common among families and single people in the private rented sector.

Under-occupation in the private sector is not seen as a problem that can be tackled by the local authority in relation to existing housing, though there is some focus on ensuring that newbuilt housing provides opportunities for downsizers. The council were unaware of any problems with older people struggling to maintain large homes or coming to the council will mobility needs.

Overcrowding in the private rented sector is proportionately much higher than in owner occupation – more than 20 percent of private renters are overcrowded as compared with only three percent of owner occupiers. However, the actual numbers of overcrowded households in the two sectors are about the same - 1,459 owner occupied households and 1,469 private renting households. Addressing overcrowding in the private sector is not a major focus of the housing strategy, nor is it explicitly linked with under-occupation.

## Drivers

The Strategic Housing Market Assessment for Bedfordshire and Luton, published in 2010, provides information about under-occupation in the private sector. However, it is not clear why levels here should be higher than in many other areas.

The main drivers behind under-occupation in the private sector are not unique to Bedford. Investment in the home as an asset is a major reason to consume more housing than might be needed. Estate agents reported that people generally buy the most expensive property they can afford, given mortgage availability and income. People generally seek to buy a property with a spare bedroom if possible.

It is there likely that the main reason for high levels of under-occupation in Bedford relate to the housing stock (as shown in Table 6.6, the housing stock consists mainly of detached and semi-detached houses), overall levels of affluence (many people can afford a spare room) and demographics (large numbers of older people than in many areas).

The local authority report that 'empty nesters' generally look to purchase bungalows on the outskirts of Bedford or in the surrounding villages. The local bus service into town is good. A few have bought new flats in the town centre, but they have been very specific about what they want, including a lift for example, and not wanting the ground floor for safety reasons.

This suggests that a lack of new built properties attractive to this age group may be a factor that fuels under-occupation of family sized properties.

Information on rents is difficult to obtain Table 6.8 gives the average figure in January 2007.

*Table 6.8: Average Monthly Rents in 2007*

	<b>Monthly rent</b>
Studio	£402.5
1 bedroom	£451.25
2 bedrooms	£509.22
3 bedrooms	£634.20
4 bedrooms	£1,107.08
5 bedrooms	£1,355.00

*Source: Private Lettings survey carried out by Bedford Borough Council, January 2007.*

These data suggest that within the private rented sector, there are relatively strong incentives not to under-occupy housing, as smaller properties are considerably cheaper, which may explain the relatively low levels of under-occupation in the rented sector.

## **Tackling the problem**

The most recent Strategic Housing Market Assessment contains two references to under-occupation.

Firstly, the recent movers' survey provides evidence that the take up of properties of different sizes by household types. It demonstrates that market demand is not directly related to the size of household, with many households choosing to buy and under-occupy larger new homes. Designers of market homes are generally well aware that homes for market sale are likely to be under-occupied. The council is therefore aware that when providing guidance on size mix, the Local Authorities should therefore take this into account in determining the mix needed to make best use of the development site and deliver a sustainable community<sup>40</sup>.

The Strategic Housing Market Assessment has also drawn attention to the scale of under-occupation of large family homes especially in the owner occupied sector. There is therefore a focus on ensuring that new built housing includes a good mix of different housing types of housing, including smaller units suitable for active older people, thus making downsizing attractive. Developers are, however, aware that most households prefer to have at least one spare bedroom.

Although the Housing Strategy does not have an overt policy to address under-occupation in the private sector other than guidance to developers noted above, there are a wide range of policy areas which include initiatives seeking to make better use of the housing stock. An Empty Homes Strategy has a target to bring 105 empty homes per year to habitable standards and ready for occupation. During the monitoring period 147 empty homes were brought back into use, exceeding the target for 2009/10. This target was set progressively over the last four years and has been exceeded in every year, as shown in the table overleaf.

---

<sup>40</sup> Bedfordshire and Luton sub-region SHMA 2010 Paper 8 Policy Implications, page 10

*Table 6.9 Empty Homes Achieved compared to Target*

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
Target	45	75	95	105
Achieved	127	113	183	147

*Source: Bedfordshire Housing Monitor 2007*

There is also advice and assistance in the form of grants and loans available to homeowners to help them make repairs or adaptations to their properties.

This suggests that in Bedford, keeping people in their own homes is a higher priority than helping them to downsize.



## 7. Crawley

### Context

Crawley is a town in West Sussex, around 30 miles south of London. Income levels are slightly higher than the national average and the unemployment rate is lower (Table 7.1).

Table 7.1: Economic Profile

	<b>Crawley</b>	<b>National</b>
2009 ONS mid-year population	105,300	51,809,700
Working age population (16-64)	49,600	25,615,500
Unemployment rate (working age population)	4.8%	8.0%
Median weekly pay	£424.90	£411.50

Source: Annual Survey of Hours and Earnings and NOMIS

Crawley is accessible to London and other centres of employment. Gatwick airport is also a major local employer, and offers substantial numbers of low paid and temporary jobs, resulting in diverse income levels.

Crawley has, for the south of England, a relatively high proportion of social housing stock, the majority of which is local authority owned (Table 7.2)

Table 7.2: Housing Stock by Tenure

<b>Tenure</b>	<b>Stock</b>	<b>%</b>
Local Authority	8,476	19.6%
Housing association	2,073	4.8%
Other public sector	20	0.1%
Private sector <sup>41</sup>	32,750	75.6%
<b>Total (P)</b>	<b>43,320</b>	<b>100.0%</b>

Source: DCLG Live Table 100

House prices are lower than the national average, with an average of £186,108 and considerably lower than average for the South East of England<sup>42</sup>. Levels of newbuild today are much lower than in the decades when Crawley was growing rapidly and the housing stock expanded by only just over 2000 units in the last five years, around a third of which were housing association owned (Table 7.3).

Table 7.3: Completion of New Dwellings (2005/06 to 2009/10)

<b>Tenure</b>	<b>Completions</b>	<b>%</b>
Private Enterprise	1,570	74.06%
Registered Social Landlords	560	26.42%
Local Authority	0	0.00%
<b>All</b>	<b>2,120</b>	<b>100.00%</b>

Source: DCLG Live Table 253

Crawley does not have a significant problem with empty properties (Table 7.4)

<sup>41</sup> Provisional figures because annual estimates of the total dwelling stock between 2002 and 2011 will be adjusted once the 2011 census dwelling count is available.

<sup>42</sup> Land Registry, 2009

Table 7.4: Vacancies by Tenure

Tenure	No. of Vacancies (Crawley)	Vacancy Rate (Crawley)	Vacancy Rate (England)
LA	31	0.4%	1.7%
HA	36	2.2%	1.5%
Private sector vacant for more than 6 months	160	0.5%	1.5%

Source: HSSA 2010, RSR 2010, DCLG Live Table 100 (2010)

The district also has only very low numbers of second homes (Table 7.5)

Table 7.5: Second Homes

	TOTAL	Second residence/ Holiday accommodation	% of second homes	% of dwelling stock
House or Bungalow	33,518	35	66.0%	0.1%
<i>Detached</i>	6,185	10	18.9%	0.2%
<i>Semi-detached</i>	8,577	11	20.8%	0.1%
<i>Terraced (including end terraced)</i>	18,756	14	26.4%	0.1%
Flat, maisonette or apartment	7,284	18	34.0%	0.2%
<i>In a purpose built block of flats or tenement</i>	6,730	15	28.3%	0.2%
<i>Part of a converted or shared house (includes bedsits)</i>	351	0	0.0%	0.0%
<i>In a commercial building</i>	203	3	5.7%	1.5%
Caravan or other mobile or temporary structure	28	0	0.0%	0.0%
<b>Total</b>	<b>40,830</b>	<b>53</b>	<b>100.0%</b>	<b>0.1%</b>

Source: Census 2001

## Nature of the problem

Crawley was selected as a case study because of its high levels of under-occupied social housing stock (Table 7.6)

Table 7.6: Number of Bedrooms compared with the Census Standard

	Owned					Rented from council				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	70.4 %	19.4 %	8.2%	2.0%	<b>2,463</b>	33.9 %	30.9 %	29.3 %	5.8%	<b>1,813</b>
Single non-pensioner	49.0 %	26.1 %	18.7 %	6.2%	<b>3,684</b>	21.9 %	27.8 %	38.2 %	12.2 %	<b>1,153</b>
All pensioner families	87.6 %	9.8%	2.3%	0.4%	<b>2,695</b>	56.9 %	27.6 %	13.4 %	2.2%	<b>867</b>
Families without	75.8	16.7	6.3%	1.2%	<b>5,721</b>	50.7	30.0	14.2	5.1%	<b>604</b>

children	%	%				%	%	%		
Families with dependent children	43.9 %	29.8 %	18.8 %	7.5%	<b>8,021</b>	16.8 %	32.2 %	37.1 %	13.9 %	<b>2,631</b>
Families with all children non dependent	48.2 %	33.6 %	14.3 %	3.8%	<b>3,046</b>	32.9 %	33.2 %	26.1 %	7.8%	<b>656</b>
Other	33.1 %	26.0 %	25.2 %	15.7 %	<b>1,952</b>	16.5 %	22.6 %	36.6 %	24.3 %	<b>473</b>
Total	57.5 %	23.9 %	13.6 %	5.0%	<b>27,582</b>	29.3 %	30.2 %	30.4 %	10.1 %	<b>8,197</b>

	Other social rented					Private rented or living rent free				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
Single pensioner	9.8%	12.5 %	59.2 %	18.4 %	<b>255</b>	40.2 %	29.5 %	23.7 %	6.7%	<b>448</b>
Single non-pensioner	11.6 %	15.8 %	45.0 %	27.7 %	<b>311</b>	25.8 %	22.5 %	28.9 %	22.8 %	<b>710</b>
All pensioner families	20.0 %	16.0 %	58.0 %	6.0%	<b>50</b>	66.1 %	21.4 %	12.5 %	0.0%	<b>56</b>
Families without children	37.5 %	20.0 %	31.3 %	11.3 %	<b>80</b>	23.3 %	29.3 %	34.8 %	12.6 %	<b>652</b>
Families with dependent children	11.6 %	27.2 %	48.0 %	13.2 %	<b>423</b>	20.9 %	27.1 %	32.7 %	19.3 %	<b>709</b>
Families with all children non dependent	29.7 %	29.7 %	31.1 %	9.5%	<b>74</b>	21.7 %	26.7 %	31.7 %	20.0 %	<b>60</b>
Other	10.8 %	27.0 %	35.1 %	27.0 %	<b>74</b>	11.4 %	20.9 %	38.8 %	29.0 %	<b>694</b>
Total	14.2 %	20.7 %	47.1 %	18.0 %	<b>1,267</b>	23.8 %	25.5 %	32.0 %	18.7 %	<b>3,329</b>

Source: Census 2001

As shown in Table 7.6, at the time of the last census (2001), 29.3 percent of council housing stock was under-occupied by two or more bedrooms. In contrast, over 10 percent of council tenant households were overcrowded, being one or more bedrooms short of the bedroom standard. There is therefore considerable 'underutilisation' of the housing stock, and also considerable need for larger homes from overcrowded families.

The highest rates of under-occupation in the social sector are found in couple households – both pensioner and non-pensioner<sup>43</sup>. Most of these are likely to be couple households where children have left home. Families with children still at home are the least likely group to be under-occupying.

<sup>43</sup> These households are recorded in the table above as "families without children" and "all pensioner families" but would consist largely of couple households

As shown in Table 7.7, there are 2,470 households on the register for social housing in Crawley, including over 1000 households looking for homes with two or more bedrooms. Only very small numbers of households on the register require more than three bedrooms, suggesting that the need to address under-occupation relates primarily to two and three bedroom properties, rather than the very largest housing stock.

*Table 7.7: Households on the Housing Waiting List (1<sup>st</sup> April 2010)*

<b>Bedroom Requirements</b>	<b>Households</b>	<b>%</b>
requiring 1 bedroom	1,370	55.5%
requiring 2 bedrooms	483	19.6%
requiring 3 bedrooms	600	24.3%
requiring more than 3 bedrooms	17	0.7%
requiring unspecified number of bedrooms	0	0.0%
<b>Total</b>	<b>2,470</b>	<b>100.0%</b>

*Source: HSSA 2010*

Most of the social housing stock in Crawley is council owned and managed by Crawley Homes who currently manage over 8000 social rented homes in the town. A further 1600 homes are managed by housing associations, most of which are large national associations with stock throughout the country. They also manage around 350 leasehold properties on a shared ownership basis.

Tenants seeking a transfer can register on the Combined Housing Register, which allows them then to bid for properties owned by housing associations or outside of Crawley. Tenants are also eligible for mutual exchanges via HomeSwapper and are able to sign up for free as Crawley Homes has partnered with the scheme. Crawley Homes also manage around 600 Sheltered Housing properties, and housing associations around 170 properties which tenants over retirement age can apply for.

Under-occupation is seen as a major issue by council housing officers, conscious of the large numbers of households on their waiting list in need of family sized homes. There are, however, strong concerns from both tenants and local councillors that tenants should not be forced out of their homes. The council has struggled to address the issue and failed to persuade many tenants to downsize.

## **Drivers**

The main driver behind under-occupation in Crawley, as elsewhere, is when older tenants' children leave home and they remain in the family home. There appear to be relatively few options for most households in this situation in Crawley at the present time, unless they wish to leave social housing.

There is no information currently available to council tenants on the web about how to downsize, apart from that relating to HomeSwap or general advice on obtaining a transfer. However, the council believe that people generally approach the town hall when they want to move, and they would then be given information about transfers.

Crawley's current housing allocation scheme does not give explicit priority to would-be downsizers, unless they are seeking and eligible for sheltered housing or need to move for medical reasons. However, some properties are allocated outside of the normal choice-based lettings process and this can include to downsizers. The local authority also say that living in a property which is too large to be maintained would also constitute housing need and that this would enable most downsizers to receive sufficient priority for bungalows or sheltered housing.

Crawley was built as a post war new town and today's older tenants have often been in their homes since they were built. The social housing stock was mostly built to cater for long-term needs with downstairs and upstairs toilets. It therefore remains popular with older tenants. The council therefore believe that the major obstacle to downsizing, and hence a driver of under-occupation is that tenants don't wish to leave their family homes, very much considering them their homes for life. The rent structure in Crawley provides incentive to downsize from four bedroom properties, or into one bedroom homes, but little financial incentive to downsize from a two to a three bedroomed property (Table 7.8).

*Table 7.8: Average Housing Association Rents, by Property Size*

Property size	Average gross weekly rent
1 bedroom	£86.72
2 bedrooms	£100.74
3 bedrooms	£103.97
4 bedrooms	£117.32

*Source: RSR 2010*

Some households in Crawley may be technically under-occupying right from the start of their tenancies. Crawley's current housing allocation policy allows a degree of 'under-occupation' at the point at which homes are allocated in the case of families with two children who are considered eligible for a three-bedroom home, regardless of the age or sex of their children. Similarly, families with four children are deemed eligible for four bedroomed properties, even though some could be accommodated at the bedroom standard in a three bedroom house. Other family sizes are generally considered for the size of property that matches their needs according to the bedroom standard.

Allocations of larger properties are also made to people with medical needs for larger properties, to would-be foster carers and to people who need a live-in carer.

Crawley council are currently consulting tenants about proposed changes to their housing allocations policy and are proposing stricter guidelines on initial allocation of properties so that applicants with two same-sex children will be restricted to bidding for two-bed properties, thereby reducing the pressure on three-bed properties and reducing the number of initial allocations which are one bedroom over the standard.

One means by which under-occupation sometime occurs is when adult children succeed tenancies of their parents. Crawley generally allow cases where there is a statutory right to succession to remain in the home, but where there is no statutory right, allow this only in cases where they would be under-occupying by no more than one bedroom. Other cases would be offered alternative accommodation.

## **Tackling the problem**

The most recent Housing Strategy (Crawley Borough Council, 2009) sets out the five key objectives as being:

- Increasing the supply of homes
- Developing sustainable communities
- Improving the quality of housing
- Preventing and reducing homelessness
- Providing accessible information on housing choices

Making better use of the existing housing stock, addressing overcrowding and addressing under-occupation do not appear to be a major focus. However, under their heading “Increasing the Supply of Homes” there planned initiative to “reduce under-occupation in place to help promote movement as a result of demographic changes”. There appears uncertainty as to the extent to which older tenants should be encouraged to downsize, as the Housing Strategy later states that:

*‘The council is committed to enabling older people to live how and where they choose and is addressing current needs by focusing on support within the home through fast tracking home adaptations and increasing take up of the Lifeline service and developing alternative options e.g. extra care schemes. The council is exploring incentives for downsizing in council stock.’*

The council officer interviewed confirmed that there is a great deal of pressure from both tenants and council members at times not to put any pressure on under-occupiers to downsize. Tenants are quite fearful of being forced to move and reacted even to a survey around a proposed incentive scheme with complaints about being forced out.

An incentive scheme offering financial incentives of between £500 and £1000 ran until 2004. In 2004, Crawley council decided to end their incentive to move scheme and instead to use the funds on a more discretionary basis to assist those with mobility difficulties who would be otherwise unable to move. They considered that now that downsizers were able to receive priority for accommodation above other applicants (by housing officers allocating properties outside of the new CBL scheme) there was no longer a need for a financial incentive in most cases. The budget for the scheme had also been consistently under-spent<sup>44</sup>.

Data from the HSSA suggest that the scheme may have had some success prior to 2003, but only fairly small numbers of households downsized, either with or without it (Table 7.9)

*Table 7.9: Number of Tenants Transferring to Properties with fewer Bedrooms:*

2000/1	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9
42	39	45	15	29	31	28	13	22

Source HSSA

The council considered introducing another scheme more recently and carried out a survey to ascertain interest<sup>45</sup>. However, they have not as yet introduced a scheme.

Another proposed change being considered to the housing allocations system is to ensure that tenants wishing to downsize to a smaller property are given a high priority for a smaller home. The new proposals also involve setting aside ten percent of housing allocations for those seeking a transfer.

Some (though not all) of the housing associations with stock in Crawley operate their own downsizing schemes. For instance, London and Quadrant, who manage around 200 properties in the town, offer tenants up to £1200 if they are losing two bedrooms and also offer practical assistance in moving. Hyde offers a similar scheme, though find there is little or no interest from tenants.

There is no joint working in this area between the council and housing associations: a housing association tenant can only make use of the incentives if they wish to remain with the same landlord. Given the relatively small stock size of the housing associations in Crawley this would give them little choice of property unless they wished to leave the area.

<sup>44</sup>

[www.crawley.gov.uk/stellent/idcplg?IdcService=SS\\_GET\\_PAGE&ssDocName=003578&ssTargetNodeId=409](http://www.crawley.gov.uk/stellent/idcplg?IdcService=SS_GET_PAGE&ssDocName=003578&ssTargetNodeId=409)

<sup>45</sup> Crawley Homes Forum, minutes from meeting 28<sup>th</sup> October 2009

In terms of supply, there are also sheltered housing schemes in Crawley. The overall pressure on the stock is not great, and most households who want to move to small properties on sheltered housing schemes are generally able to do so. The only requirement for living in sheltered housing schemes is to be over 60 and to be capable of living independently. Some residents do move into sheltered housing because they want a smaller property to manage, though wanting to move to live nearer family is also an important reason for many, as is a desire to remain in independent accommodation as long as possible. The sheltered housing stock consists largely of one bedroom properties, both bungalows and integral schemes where independent flats and other facilities are all under one roof.

Crawley's housing services extend beyond council housing. The Elderly Purchase Scheme is targeted at homeowners in family sized homes aged over 60 who cannot manage their home or garden and wish to move into sheltered housing. The Council purchases the elderly person's home at half of its market value and in return gives them a tenancy in a sheltered scheme. There are also leasehold sheltered schemes.

The local authority officer interviewed for this research seemed unfamiliar with the proposed reduction to Housing Benefit for working-age under-occupying social tenants, despite being aware of other aspects of the proposed Housing Benefit reforms. Crawley are still carrying out their impact assessment of the Housing Benefit reforms. The high level of under-occupation in the district means that there are likely to be large numbers of tenants who will be affected by reductions in their benefit from 2013. As shown in table 7.8, this would particularly affect tenants deemed only to need one bedroom.

The council are currently considering how they might use flexible tenures in the future. Whilst they believe that some tenants would be best offered permanent tenancies (such as older tenants or those with disabilities) they think that young families could be offered time-limited ones and have their situation reviewed after a number of years. This could potentially include establishing whether they still need the size of property they are in. However, it would take many years for this to address the issue of under-occupation.

## 8. Oldham

### Context

Oldham is a metropolitan borough of Greater Manchester. It has a slightly higher than the average unemployment rate and lower than the national median pay (Table 8.1).

Table 8.1: Economic Profile

	Oldham	National
2009 ONS mid-year population	218,800	51,809,700
Working age population (16-64)	105,700	25,615,500
Unemployment rate (working age population)	9%	8.0%
Median weekly pay	£372.90	£411.50

Source: Annual Survey of Hours and Earnings and NOMIS

Table 8.2 shows the housing stock profile of Oldham.

Table 8.2: Housing Stock by Tenure

Tenure	Stock	%
Local Authority	13,799	14.7%
Housing association	6,912	7.4%
Other public sector	0	0.0%
Private sector <sup>46</sup>	73,000	77.9%
<b>Total (P)</b>	<b>93,710</b>	<b>100.0%</b>

Source: DCLG Live Table 100

The majority of the social housing stock in Oldham is council owned and is managed by an Arms Length Management Organisation, First Choice Homes. However on Jan 17<sup>th</sup> 2011 there will be a stock transfer and First Choice Homes will become a housing association.

A PFI round two scheme encompasses the majority of the Council sheltered stock and this is currently at the end of a construction and refurbishment programme. Housing 21 manage the sheltered housing stock.

The majority of the council's housing stock of flats, maisonettes, houses and some bungalows are managed by First Choice Homes Oldham. The council has retained about 700 properties through a PFI scheme. There have also been other smaller stock transfers to HAS.

Average house prices at £120,710 are significantly lower than the national average of £216,493<sup>47</sup>. The majority of new build homes were built by private developers over the past five years and just 13 percent by social housing providers (Table 8.3).

Table 8.3: Completion of New Dwellings (2005/06 to 2009/10)

Tenure	Completions	%
Private Enterprise	1,790	83.6%
Registered Social Landlords	270	12.6%
Local Authority	80	3.7%

<sup>46</sup> Provisional figures because annual estimates of the total dwelling stock between 2002 and 2011 will be adjusted once the 2011 census dwelling count is available.

<sup>47</sup> Land Registry, 2009



<b>All</b>	<b>2,140</b>	<b>100.00%</b>
------------	--------------	----------------

Source: DCLG Live Table 253

Oldham has a fairly high vacancy rate, particularly within local authority stock as shown in Table 8.4.

Table 8.4: Vacancies by Tenure

Tenure	No. of Vacancies (Oldham)	Vacancy Rate (Oldham)	Vacancy Rate (England)
LA	638	4.6%	1.7%
HA	60	1.1%	1.5%
Private sector vacant for more than 6 months	2,338	3.2%	1.5%

Source: HSSA 2010, RSR 2010, DCLG Live Table 100 (2010)

As shown in Table 8.5, there are only very low numbers of second homes in Oldham.

Table 8.5: Second Homes

	TOTAL	Second residence/ Holiday accommodation	% of second homes	% of dwelling stock
House or Bungalow	79,592	63	79.7%	0.1%
Detached	10,546	11	13.9%	0.1%
Semi-detached	30,720	16	20.3%	0.1%
Terraced (including end terraced)	38,326	36	45.6%	0.1%
Flat, maisonette or apartment	11,692	16	20.3%	0.1%
In a purpose built block of flats or tenement	10,319	13	16.5%	0.1%
Part of a converted or shared house (includes bedsits)	596	0	0.0%	0.0%
In a commercial building	777	3	3.8%	0.4%
Caravan or other mobile or temporary structure	51	0	0.0%	0.0%
<b>Total</b>	<b>91,335</b>	<b>79</b>	<b>100.0%</b>	<b>0.1%</b>

Source: Census 2001

## Nature of the Problem

Oldham was chosen as a case study because of its successful work in downsizing under-occupying social tenants to smaller properties.

As Table 8.6 shows, 16.5 percent of the council tenants in Oldham under occupy their property by two or more bedrooms. A further 31.5 percent under-occupy their property by one bedroom giving a total under-occupation figure of around 48 percent.

Table 8.6: Number of Bedrooms compared with the Census Standard

	Owned					Rented from council				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
<b>Single pensioner</b>	52.4 %	42.0 %	4.7%	0.9%	<b>6,729</b>	15.5 %	30.0 %	46.9 %	7.5%	<b>3,909</b>
<b>Single non-pensioner</b>	51.5 %	41.8 %	4.8%	1.9%	<b>7,087</b>	19.3 %	36.5 %	37.6 %	6.6%	<b>3,389</b>

<b>All pensioner families</b>	64.9 %	31.7 %	3.0%	0.5%	<b>5,068</b>	26.8 %	36.2 %	33.4 %	3.5%	<b>1,018</b>
<b>Families without children</b>	72.0 %	26.1 %	1.5%	0.4%	<b>12,335</b>	39.2 %	37.2 %	21.3 %	2.3%	<b>1,102</b>
<b>Families with dependent children</b>	35.3 %	30.2 %	25.5 %	9.0%	<b>18,120</b>	8.8%	27.9 %	48.4 %	14.8 %	<b>4,589</b>
<b>Families with all children non dependent</b>	37.6 %	36.0 %	22.5 %	3.9%	<b>7,283</b>	17.0 %	36.6 %	38.6 %	7.7%	<b>1,100</b>
<b>Other</b>	22.4 %	23.7 %	27.6 %	26.3 %	<b>3,469</b>	8.6%	17.5 %	37.9 %	36.0 %	<b>817</b>
<b>Total</b>	48.7 %	32.5 %	13.7 %	5.2%	<b>60,091</b>	16.5 %	31.5 %	41.7 %	10.3 %	<b>15,924</b>

	Other social rented					Private rented or living rent free				
	+2 or more	+1	0	-1 or less	Total	+2 or more	+1	0	-1 or less	Total
<b>Single pensioner</b>	7.4%	25.0 %	54.7 %	12.9 %	<b>1,058</b>	24.7 %	41.0 %	28.0 %	6.3%	<b>1,209</b>
<b>Single non-pensioner</b>	15.6 %	34.5 %	41.1 %	8.8%	<b>705</b>	28.4 %	44.2 %	17.5 %	9.9%	<b>1,832</b>
<b>All pensioner families</b>	16.5 %	36.6 %	42.9 %	4.0%	<b>224</b>	36.2 %	48.2 %	13.8 %	1.8%	<b>224</b>
<b>Families without children</b>	34.1 %	39.7 %	22.9 %	3.3%	<b>214</b>	43.0 %	44.4 %	7.0%	5.5%	<b>781</b>
<b>Families with dependent children</b>	12.8 %	24.2 %	41.1 %	21.9 %	<b>1,533</b>	12.0 %	27.2 %	43.7 %	17.1 %	<b>2,686</b>
<b>Families with all children non dependent</b>	21.6 %	25.8 %	45.9 %	6.7%	<b>194</b>	19.7 %	32.8 %	36.4 %	11.0 %	<b>335</b>
<b>Other</b>	15.2 %	16.7 %	28.6 %	39.5 %	<b>276</b>	14.4 %	19.4 %	28.8 %	37.3 %	<b>541</b>
<b>Total</b>	13.7 %	27.2 %	43.1 %	16.0 %	<b>4,204</b>	22.4 %	35.6 %	28.9 %	13.2 %	<b>7,608</b>

Source: Census 2001

Table 8.7 shows that there are over 6000 households on the housing register in Oldham. Whilst the majority are waiting for one bedroom properties, around a fifth are waiting for three or more bedrooms.

Table 8.7: Households on the Housing Waiting List (1<sup>st</sup> April 2010)

Bedroom Requirements	Households	%
requiring 1 bedroom	3,565	55.6%

requiring 2 bedrooms	1,585	24.7%
requiring 3 bedrooms	788	12.3%
requiring more than 3 bedrooms	476	7.4%
requiring unspecified number of bedrooms	0	0.0%
<b>Total</b>	<b>6,414</b>	<b>100.0%</b>

Source: HSSA 2010

Under occupation is seen as a problem in Oldham for a variety of reasons. The most pressing reason identified by First Choice Homes Oldham is the proposed changes to housing benefit which are due to come into effect in 2013.

Mobility issues are also viewed as problematic for some older tenants in family homes. Although it is possible to fit a stair lift into a house, at a cost of about £6000, it is considered far more cost effective for someone with mobility difficulties to move to a bungalow or ground floor flat. If a stair lift is fitted it may only be used for a few years and unlikely to be needed by future tenants.

A further issue is the cost of heating a larger property in which only one person is occupying. Indeed research carried out by Oldham found that the cost of running a home in terms of fuel bills and council tax payments were the main difficulties faced by tenants under occupying their homes<sup>48</sup>. Oldham has recent anecdotal evidence about a tenant who lived in a three bedroom house but was actually only living in one room, because he could only afford to heat one room. He has since been put on the list to downsize to a bungalow.

Severely overcrowded households are a particular problem in Oldham. Encouraging downsizing is therefore important in order to free up housing for those in need of larger homes. Some of the worst overcrowding in Oldham is believed to be in the private sector. Much of the private housing stock consists of two bedroom terraced properties and in some cases there are known to be families of up to 12 living in them. Overcrowding in the social rented sector is not as severe; nevertheless tackling overcrowding is a key priority for Oldham.

First Choice Homes Oldham are aware that living in overcrowded conditions impacts directly on the health and well being of tenants. Some places have mould on the walls just because there are too many people breathing in the room or they might have damp washing hanging around etc. The children's education suffers as there is no space and the adults feel they already have too much to do without going out to work. There is a great incentive in these cases to free up under-occupied family housing in order to accommodate these households.

## Drivers

Most of the people identified by First Choice Oldham as under-occupying are over the age of 50, However there are cases of people in their late thirties and forties who are on the list to downsize.

As in other areas, tenants generally start under occupying a property is children leaving home. In terms of succession of tenancies Oldham do not get many cases at all.

Oldham generally allocate to the bedroom standard unless an extra bedroom is required for medical reasons. However, there is also a need to find tenants for some larger properties that are considered unsuitable for families, resulting in some initial allocations to under-occupying households. These tend to be in high rise flats or maisonettes with little, if any, out door space.

<sup>48</sup> Making the best use of Oldham's housing stock (2008) ECOTEC  
[www.oldham.gov.uk/oldham\\_best\\_use\\_of\\_stock\\_apr08.pdf](http://www.oldham.gov.uk/oldham_best_use_of_stock_apr08.pdf)

The rent structure is relatively flat in Oldham and there is little financial incentive to downsize (Table 8.8).

*Table 8.8: Average Housing Association Rents, by Property Size*

Property size	Average gross weekly rent
1 bedroom	£67.84
2 bedrooms	£68.37
3 bedrooms	£72.37
4 bedrooms	£79.86

*Source: RSR 2010*

Rents for sheltered housing schemes are likely to be somewhat higher because of additional service charges.

## **Tackling the problem**

On average only one or two four bedroom social sector houses become available for re-letting each month in Oldham, and even fewer five bedroom houses. With turnover of family accommodation being so low, coupled with an insufficient supply of new housing schemes in the borough, the council launched a pilot downsizing scheme in December 2008, to run until end of March 2009, to free up as many family sized properties as possible to meet the housing need of these households.

The pilot was developed in partnership with Oldham Metropolitan Borough Council, Oldham Housing Investment Partnership, and a number of housing associations. All contributing housing providers agreed to a borough wide approach including the provision of financial incentives to applicants.

The pilot proved so successful that it is still running today. Tenants who expressed an interest to downsize have access to a wide range of properties from their own landlord but also have access to properties owned by other social landlords in the borough who have signed up to the scheme and they are given a very high priority for transfer to another property. Oldham council works very closely with Housing 21. Housing 21 provide both one and two bedroom bungalows and flats for the over 55s many of which have been refurbished to a very high specification and are very popular. Extra Care housing is also available.

To date the scheme has helped to free up over 130 family homes in the first sixteen months alone. The majority of the properties were three bedroom homes and have been let to severely overcrowded households and most of those downsizing have moved into one bedroom flats or bungalows. The scheme is continuing to attract applicants, moving a further 19 households between March and June 2010.

The scheme recently won the Guardian's Public Services Award under the category of Housing and Regeneration.

There have been challenges in encouraging people to downsize; many people have an emotional attachment to their home or have invested time and money in decorating or refurbishments.

A further difficulty is that some tenants will request a two bedroom property when their need is for one bedroom only. The local authority considers such requests but has to balance them against the needs of other applicants. Oldham will allocate two bedroom accommodation to a single person over 60 who has been assessed to need them on medical grounds and in some circumstances a single person with no medical needs would be allocated two bedrooms. Table 8.9 shows the eligibility and incentives offered under the scheme.

Table 8.9: Oldham's Downsizing Incentive Scheme

Current home size	Moving to	Eligible?	Priority on waiting list?	Cash incentive
3 bedroom	1 bedroom flat, maisonette or bungalow	Yes	Yes	£600
3 bedroom	2 bedroom flat, maisonette or bungalow	Yes	Yes	£500
3 bedroom	2 bedroom house	No	N/A	N/A
4 bedroom	1 bedroom flat, maisonette or bungalow	Yes	Yes	£750
4 bedroom	2 bedroom flat, maisonette or bungalow	Yes	Yes	£750
4, 5, or more bedroom	2 bedroom house	Yes	Yes	None
4, 5, or more bedroom	3 bedroom house	No	Yes	None
5 or more bedroom	1 bedroom flat, maisonette or bungalow	Yes	Yes	£1000
5 or more bedroom	2 bedroom flat, maisonette or bungalow	Yes	Yes	£1000
5 or more bedrooms	2 bedroom house	Yes	Yes	£800

Source: [www.oldham.gov.uk/housing/downsize\\_your\\_home.htm](http://www.oldham.gov.uk/housing/downsize_your_home.htm)

First Choice Homes also offer to make all the removal arrangements on behalf of the tenant, with the cost being deducted from the cash incentive given. Furthermore, they offer further help with disconnection and reconnection of utilities etc and with the redirection of post.

The First Choice under-occupation and overcrowding officer highlighted the importance of partnership working with housing associations and the training of their own staff in order to make the under-occupation scheme a success. They regularly meet with housing officers, debt advisors and repairs and maintenance officers in order to promote the scheme. These front line staff often make home visits and are best placed to let the under occupation team know if a household should be informed about the scheme.

*'It has to be a continuous process, you can't just write a policy and launch a scheme, there has to be a continuous publicity drive not just amongst tenants but staff too'.*  
(First Choice officer)

First Choice Oldham are well aware of the proposed changes to housing benefit and are worried about the consequences. They and other social landlords in Oldham will inform all their tenants of the changes and highlight that some may not be able to make up the short fall. Oldham has just launched a One Point Scheme (like a one stop shop) which should help inform their tenants of the changes.

## Conclusions

This selection of case studies aimed to explore some of the localised reasons for empty properties, second homes and under-occupied housing stock. The overall findings are that, whilst some of the reasons they occur in certain areas are localised, many of the drivers are national ones, affecting all areas.

Second homes are probably the most geographically concentrated form of under-use. As demonstrated in all three case studies (Scarborough, South Hams and Tower Hamlets), they are highly clustered even within local authorities. And there are other authorities with very low levels indeed. There are clear reasons why certain areas are popular with second home owners: they are attractive rural areas with relatively affordable property prices for those with high incomes or assets. Alternatively, they are central city areas (most often London) where people working in the city find it convenient to rent or own a small flat as an addition to their main home. There are therefore localised reasons why the second homes are where they are. There are also national drivers behind the overall levels of second homes – the numbers of people who have sufficient assets to purchase a second home, the value of alternative investment vehicles and government policy on issues such as capital gains tax and inheritance. Policy levers available to local authorities to prevent second home ownership are limited. Charging the maximum 90 percent of full council tax may have a small impact. Other policy measures generally seek to impose sales restrictions on new built housing, but, as illustrated in the Scarborough and South Hams, new built housing constitutes only a very small proportion of the housing market in attractive rural areas with areas such as national parks within their boundaries. Overall, there was perceived to be a much greater impact of second homes in rural areas, and much higher awareness of the need to address the issue in these areas than in the London case study.

Empty properties in the private sector are also a localised issue – though at a larger spatial scale than second homes. Certain towns and cities are affected, but the Bradford case study suggested that the problem related more to specific property types than to specific areas and therefore occurred throughout much of the city. The Bradford case study also illustrated that some of the causes of empty homes were local ones – relating to the nature, age and condition of the housing stock, and also to low income levels and a relatively weak housing market.

The current recession also appears to be having a negative impact on the numbers of empty homes as owners are finding it hard to sell. The buy-to-let boom of the last ten years is also believed to be responsible for the surplus number of properties unable to find tenants. These drivers are national ones, but ones that affect vulnerable areas much more than others. Most of the local authority case studies had a focus on tackling empty properties, even those with relatively low levels. A wide range of measures have been and can be taken by local authorities to tackle the issue including working closely with owners of empty homes, letting them to homeless households and using Empty Dwelling Management Orders (though the use of these has recently been restricted). Bradford also reported good results from integrating their council tax team, who know when a home becomes registered as empty, with their empty home team. Nottingham's experience of doing this, however, suggests that there may be some difficulties with relying on council tax data for this purpose and highlight that a range of methods may be necessary to keep up to date records of empty properties.

There are few areas with significant levels of empty properties within the social sector – the current recession has diminished people's ability to get a mortgage and therefore to buy but has not diminished demand for social rented housing. The Nottingham case study suggested that even in this area, with relatively high levels of empty stock, the problem was essentially one of turnover – if tenants move around frequently, there are inevitable gaps between lets. There may be scope for local authorities and housing associations to decrease the time that properties stand empty between tenancies, for instance by introducing choice based lettings (which Nottingham have already done) and by finding out more about why tenants

sometimes decline a property they have bid for, research that Nottingham are currently carrying out. Vacancies in the social sector do not appear to signify an overall surplus of social housing, even in areas where the vacancy rate is higher than average.

The one driver behind both second homes and empty homes is low local income levels. All of the case studies looked at here had lower than average local incomes, reflecting a lack of buying power by people who would want to buy properties as their main home.

Under-occupation – both in the private and public sectors – is the least localised issue looked at in these case studies. Levels of under-occupation in all areas are highest in the owner-occupied sector, and amongst couple households without children at home.

Under-occupation in the private sector, though widespread, was not a major focus of any of the housing strategies in these case studies, even where levels are high.

Within the social sector, there is substantially more awareness of under-occupation as an issue that should be addressed, though the local authorities we studied here were both opposed to any suggestion that anyone should be forced out of their home. Oldham's experience of running a very successful downsizing scheme suggests that incentives and support can be sufficient to free up some family-sized accommodation. Both Oldham and Crawley did find that persuading tenants to downsize could pose substantial challenges. However Oldham found that partnership working with local housing associations, a continuous and dedicated involvement from the local authority and practical assistance with the move itself were all found to be vital in maintaining a flow of households into the scheme. The nature of the housing stock may also play a part – a supply of good quality bungalows is attractive to downsizers, whereas in Crawley the suitability of the family sized homes as homes for life (including downstairs toilets) acted as a disincentive to downsize. Both areas reported anxiety from tenants fearing they might be forced to move, deterring them from making applications.

The planned housing benefit restrictions will affect large numbers of working age under-occupiers in social housing from April 2013. Even the relatively successful downsizing scheme in Oldham does not currently move anything like the numbers that would find themselves in need of a smaller property or facing a rent shortfall in only two years time, something that was of great concern in Oldham. Crawley were yet to assess the impact that these new rules would have.

Overall, these case studies have illustrated that there are quite different drivers behind the different forms of under-use of housing stock, with different areas affected. Both national and local drivers come into play in each issue.

Policy measures to address the issues are very different in the social and the private sectors. Only the most obvious wasted housing resource, and the type likely to have the largest impact on the wider community, empty homes, were an issue being consistently tackled by local authorities within the private sector. In the social sector, empty properties are not a significant issue and under-occupation can more easily be addressed than in the private sector. It is also easier in the social sector to ensure that the housing freed up is available to meet housing need.