

**Report to:**

**Fylde  
Council**

**Housing Needs  
Survey**

Final Report

September 2022





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## Summary

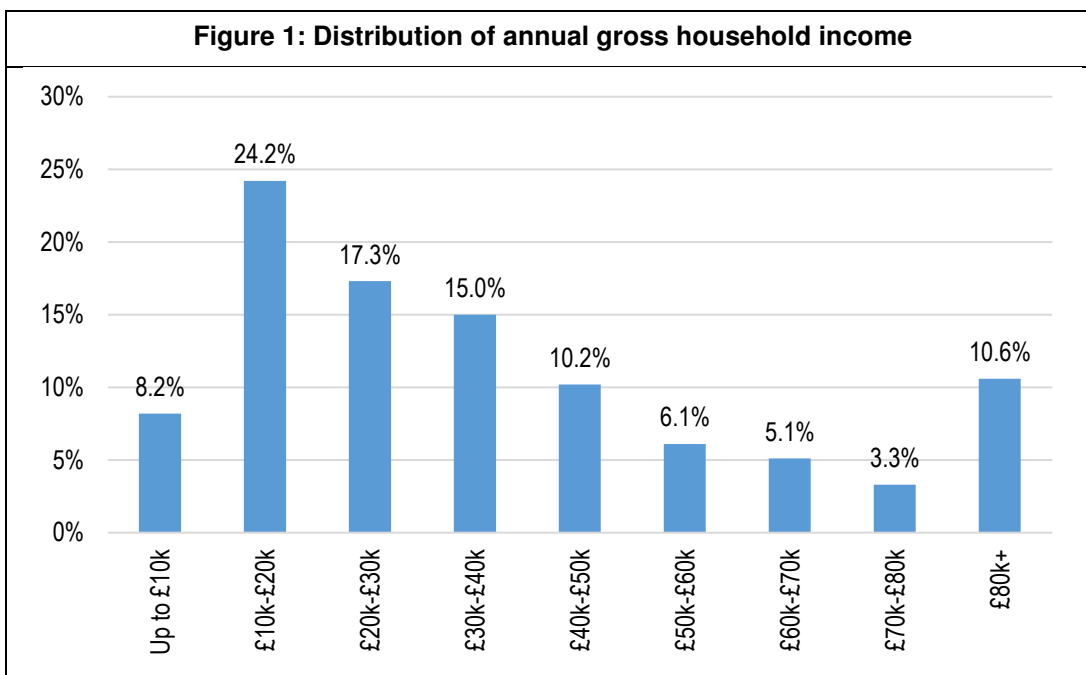
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### Introduction

1. Justin Gardner Consulting (JGC) working in association with CNB Housing Insights were commissioned by Fylde Council to undertake a Housing Needs Survey for the Borough. The Housing Needs Survey provides a key piece of the evidence base to support the Council in driving the delivery of affordable housing of appropriate types in different parts of the Borough and ensuring that needs of particular groups are met.
2. The survey has been carried out across the whole of the Fylde Council area, along with smaller-area analysis for 10 sub-areas of the Borough. Overall, the survey achieved 2,973 responses from an initially targeted sample of 12,193 households (a response rate of 24%) with survey data being weighted for any measurable non-response bias by looking at key groups within the population (notably considering the tenure split).
3. A range of background analysis was undertaken to provide some context for the results of the survey and to understand key differences between sub-areas. Key findings include:
  - The Borough has a small social rented sector (at about 8% of households, around half the level seen nationally). Private renting is about average and there is a high proportion of outright owners (linked to a relatively old population structure);
  - St. Annes sees particularly high levels of private renting, with rural areas seeing low levels of rented housing generally (in both the private and social rented sectors);
  - Survey data confirms an older population structure, with 36% of the population being aged 60 and over (compared to 24% nationally);
  - Outright owners are predominantly made up of households of pensionable age and consequently have smaller household sizes. There is a strong concentration of lone parent households within the private rented sector.
  - Owner-occupiers generally live in houses (notably detached and semi-detached) whilst around half of all social and privately rented homes are flats; and
  - Levels of overcrowding are generally low but concentrated in rented housing (86% of all overcrowded households live in either the social or private rented sector).
4. This report sets out a number of either linked or distinct sections to cover a range of core subject areas with a particular focus on the need for affordable housing; the sections are summarised below:
  - Section 2 – Incomes and Affordability;
  - Section 3 – Affordable Housing Need;
  - Section 4 – Types of Affordable Housing;
  - Section 5 – Housing History and Future Aspirations; and
  - Section 6 – Needs of Particular Groups.
5. It should be noted that the numbers included in tables and figures throughout the report may not sum exactly due to rounding.

## Incomes and Affordability

6. Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. Poor affordability can result in the loss of employees from an area, an increase in poverty and a high number of households requiring assistance with their housing either via a social rented housing or through Housing Benefit (Local Housing Allowance). This can also result in a loss of mix and balance in the population within the area. This also reflects the qualitative view on the wider impact of affordability on the local housing market from local estate and letting agents and a small number of employers.
  
7. To look at the affordability of housing a market survey was undertaken to establish the entry-level costs to both buy and rent housing locally; this showed a lower quartile house price of around £155,000 (across all types and sizes of home) and lower quartile rents at £475 per month. The analysis also looked at how costs varied by size of dwelling and across the sub-areas.
  
8. When looking at household incomes, the survey showed a median household income of around £30,400; within this there are a range of incomes, with around a third of households having an income below £20,000 and 11% above £80,000. Owner-occupiers (notably those with a mortgage) have relatively high incomes, with much lower incomes seen in the social and to a lesser extent private rented sector. The analysis also showed typically higher incomes in more rural locations within the Borough.



Source: Household survey

9. The survey asked about savings and debt, which again showed a very wide range of different household circumstances – around a quarter of households said they were in debt, but approaching a third have savings in excess of £50,000. When focussing on non-owners, savings levels were very low (and debt relatively high); this is an important point given the need to raise a deposit to access the owner-occupied sector. With the full range of financial data considered it was estimated that the average private renting households could afford to buy for around £72,300, with a figure of £55,100 for social tenants, figures well below the lower quartile price of £155,000.
10. A series of affordability tests were run to look at all households' ability to afford to buy or rent housing in their local area. This suggested only 18% of households would be unable to access market housing to buy or rent. Focussing on non-owners, an estimated 52% are unable to afford. Additionally, the analysis points to a particular difficulty in non-owners buying homes, with just 19% being able to buy a lower quartile home – in part due to low levels of capital available to put towards a deposit.
11. The survey also asked a series of questions about potential new households (i.e. people living with others who will form their own independent household in the future) – households were asked about plans over the next 5-years. These households typically had lower levels of income than existing households and were less able to afford to buy or rent market housing.
12. The information about affordability amongst different groups of the population has been taken forward into an assessment of the need for affordable housing.

## Affordable Housing Need

13. Analysis has been undertaken to estimate the need for affordable housing over the next five years (2022-27). The analysis is split into two categories:
  - need for social/affordable rented accommodation – based on households unable to buy or rent in the market; and
  - need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home at entry level market prices.
14. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of households' financial situations. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing through relets. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership).
15. When looking at rented needs, the analysis suggests a need for 2,091 affordable homes over the next five years (418 per annum) and therefore the Council is justified in seeking to secure additional affordable housing. There is also a need shown in all parts of the Borough.

16. In interpreting this level of need it must be noted that many households find a housing solution through benefit support in the private rented sector (Housing Benefit or Universal Credit with a housing element). Additionally, much of the need is due to churn in the private rented sector (e.g. households moving from one benefit supported private tenancy to another) with the survey picking up a need at the point when households move. This means that whilst the need is high, it is the case that many households are able to find a solution to their housing needs (albeit one which is unlikely to be secure and may well be in accommodation that is unsuitable).
17. However, letting agents pointed out that the private rented sector plays an important role in housing people that relocate to work in the hospitality food and aerospace industries as well as providing a first home to newly forming households. The latter point is also evidenced by the English Housing Survey Headline Report 2021.
18. It is therefore suggested that the estimated annual need in the Borough of Fylde should not be compared with other housing figures (such as the housing requirement in the Local Plan). The analysis does however point to the Council needing to secure or enable good quality additional rented housing and affordable rented housing at all opportunities.
19. Additionally, the Council should ensure that any new affordable housing provided is available to Fylde residents or those with a local connection rather than to households across a wider area (e.g. neighbouring authorities). In making this comment it should be noted that it has been identified to us that some rented homes do see low demand and few bids on the local HomeChoice system that works across Fylde and neighbouring authorities. This seems likely in part to be due to households with debt of over £500 having applications suspended. The survey highlighted high levels of debt amongst households in the private rented sector and so the Council should consider working with Registered Providers to see if there are ways to enable these households to access housing. This is particularly important in the current cost of living crisis.

**Figure 2: Estimated Need for Social/Affordable Rented Housing by sub-area (5-years)**

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
St. Annes	222	312	328	861	160	701
Lytham	137	306	395	838	90	748
Warton	38	51	101	190	55	135
FB Periphery	20	5	79	105	40	65
Kirkham	61	99	75	235	100	135
Wesham	0	69	74	143	70	73
Freckleton	0	23	58	81	50	31
Rural North	37	57	25	119	30	89
Rural West	13	55	18	86	10	76
Rural East	0	46	12	58	25	33
<b>TOTAL</b>	<b>527</b>	<b>1,024</b>	<b>1,165</b>	<b>2,716</b>	<b>625</b>	<b>2,091</b>

Source: Derived from a range of sources, including household survey



20. When looking at the need for AHO products, the analysis also suggests a need across the Borough, albeit (at 874 dwellings over five-years (175 per annum) the need is lower than for rented housing.

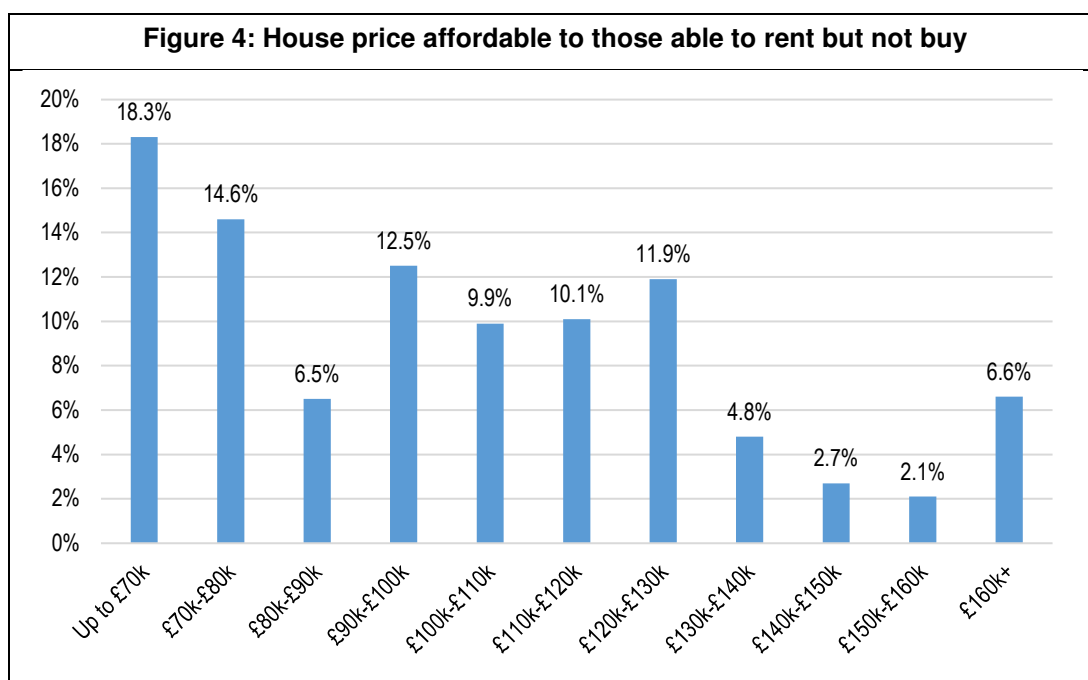
<b>Figure 3: Estimated Need for Affordable Home Ownership by sub-area (5-years)</b>						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Resales Supply	Net Need
St. Annes	212	180	600	992	380	612
Lytham	0	233	141	374	272	102
Warton	19	38	14	71	43	28
FB Periphery	0	7	18	25	26	-1
Kirkham	0	112	61	173	74	99
Wesham	0	28	12	40	24	16
Freckleton	0	21	0	21	60	-39
Rural North	0	95	11	106	60	46
Rural West	0	39	0	39	34	5
Rural East	0	28	0	28	24	4
<b>TOTAL</b>	<b>232</b>	<b>782</b>	<b>857</b>	<b>1,871</b>	<b>997</b>	<b>874</b>

Source: Derived from a range of sources, including household survey

21. Analysis suggests that there are many households in Fylde who are being excluded from the owner-occupied sector (as evidenced by a reduction in the number of households who own with a mortgage and an increase in the size of the private rented sector). This suggests that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potential difficulties in accessing mortgages (e.g. where employment is temporary) rather than simply the cost of housing to buy.
22. The evidence does however point to a clear and acute need for rented affordable housing for lower income households rather than affordable home ownership products, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the Council has a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
23. Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

## Types of Affordable Housing

24. The previous section has estimated the need for affordable housing split into two broad categories (rented affordable housing and affordable home ownership). This section looks at these tenures in more detail, considering specific products within each of those two categories. The main focus is on the pricing of different types of housing.
25. Analysis was carried out to look at housing costs for rented products (social and affordable rents). It is notable that current social rents are significantly cheaper than affordable rents or market rents. Focussing on 2-bedroom homes, a social rent is about 70% the cost of a lower quartile market rent, whereas affordable rents are at 90% of lower quartile market rents). Local Housing Allowance (LHA) rates are generally similar to affordable rents, but it is notable that LHA rates are generally lower than market rents (both lower quartile and median) – this means households seeking accommodation in some locations (notably those areas with higher rents) may struggle to secure sufficient benefits to cover their rent.
26. On the basis of current market and affordable rents, only around 18% of households in need could afford an affordable rent (without claiming benefits or spending more than 30% of their income on housing). Therefore, it is considered the Council should prioritise the provision of social rents where possible: such rents will be the cheapest available and will therefore be accessible to a greater number of households. However, it will be important that seeking social rented provision does not prejudice the overall delivery of rented affordable housing, and affordable rents should be allowed where these can help delivery of on-site provision – it will however be important to ensure that affordable rents are truly affordable in a local context.
27. Analysis has been carried out to look at the affordability of Affordable Home Ownership (AHO). This includes Discounted Market Sales Housing (which will include First Homes), shared ownership and Rent-to-Buy housing - these are likely to be the main tenures of AHO moving forward.
28. Given current housing costs in the Borough, it is suggested that to make 2-bedroom homes affordable, a discount of up to around 30% would be required; for 3-bedroom homes, a discount up to 40% would be needed. The Council could investigate a higher than 30% discount for First Homes (maybe 40%), however as this might impact viability a higher figure should only be considered if this would not prejudice the provision of other forms of affordable housing (notably rented accommodation).
29. Survey data about households' financial situation also highlights the potential difficulty for many in accessing even discounted homes; for the group of households identified by the survey as being able to privately rent but not buy a home, some 33% can afford no more than £80,000 (which is about half the lower quartile prices of existing homes). The main reason for low values that can be afforded tends to be driven by levels of debt rather than income being the main barrier. Such households are unlikely to be able to raise a large deposit and may be suited to other forms of affordable home ownership, notably shared ownership and rent to buy.



Source: Household survey

30. Regarding shared ownership, the analysis suggests that equity shares of less than 50% will be needed to make this tenure affordable (for 2- and 3-bedroom homes). It also looks difficult to make larger (4+-bedroom) homes affordable in a local context. The Council should therefore investigate the viability of providing shared ownership with lower equity shares, but again it is noted that this would potentially mean Registered Providers are less able to cross-subsidise other forms of (rented) affordable housing. It is recommended that the provision of rented products is not jeopardised where viability is an issue.
31. Finally, given clear issues raised in the survey about levels of debt and lack of money for deposits to buy a home, the Council should encourage and enable Rent-to-Buy housing as an option. These schemes are designed to ease the transition from renting to buying the same home. Initially (typically five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller 'step' to be taken on to the home ownership ladder

## Housing History and Future Aspirations

32. The analysis moves on from affordable housing need to look at survey questions housing history (previous house moves, including locations and tenure of accommodation) and future housing intentions – similar questions being asked of existing and newly forming households.

33. The analysis shows the relatively high mobility of households living in the private rented sector and also that most households when moving remain in the same tenure (e.g. households moving from one owner-occupied home to another or one private rented home to another) - the survey highlighted very low mobility from social rented housing into owner-occupation. Some 55% of moving households had previously lived in the Borough, with 7% having moved from Blackpool and 14% from outside the North West region. Whilst there is clearly a degree of self-containment (households moving within the Borough) this does also show the importance of inward migration (45% of moves being from outside the Borough).
34. A total of 25% of households stated they need or are likely to move over the next 5-years, with the main reason for moving being that the current home is too small. Whilst the majority of households would like to become (or remain) owner-occupiers, there is a notable demand for social rented housing – this demand is particularly for 2-bedroom homes as well as some 1- and 3-bedroom properties. There are also a number of households who expect to move to private rented accommodation (although fewer want to) with again a particular focus on 2-bedroom homes.
35. For potential newly-forming households similar findings were shown by the survey with a preference for owner-occupation. For those who would like or expect rented tenures, there was again a particular focus on 2-bedroom homes.

### **Needs of Specific Groups**

36. The final section of the report considers survey data about a range of different household groups within Fylde. In particular the information focusses on the key characteristics of each group and contrasts data with other households in the Borough. For the purposes of the study, we have studied the following groups:
- Households with support needs;
  - Older person households;
  - Families (households with children); and
  - Young people (and first-time buyers).
37. The survey identifies around a quarter of households as containing someone with a support need – in particular those with some form of physical disability. Support needs households see a high concentration in the social rented sector, are more likely to be living in accommodation that can be considered as unsuitable and typically have low income levels (and low savings) – the average income of a household with a support need is around £19,800, compared with a Borough average of £30,400. These households particularly highlighted a need for help in maintaining their home as the main improvement to their services.
38. Around a third of households are made up entirely of people aged 65 and over (with a further 9% containing people aged 65+ and under 65). Older person households tend to be smaller and are highly likely to be an outright owner. There is also a considerable degree of under-occupation amongst these households, which could present an opportunity to release larger homes if suitable smaller homes (possibly bungalows) were available.

39. Around 21% of households contain children (aged under 16) with over a quarter of these being lone parent households. Overall, the lone parent households in the survey do show characteristics of being more disadvantaged than other households with children (and households generally) with a high dependency on private rented housing, high levels of housing considered as unsuitable (including overcrowding) and low incomes.
40. Around 12.5% of households in the survey are headed by someone aged under 35; over half of these households contain children, along with a high proportion of lone parents. As with the analysis of families, the younger lone parent households look to be particularly disadvantaged. The survey also identifies that around 2,400 households have been first-time buyers over the past 5-years; these households have an average age of 37 and are mainly 2- (and 1-) person households.

## Stakeholder Input

41. The project methodology involved seeking qualitative information from selected groups of stakeholders. The aim was to enable us to provide context to the HNS as well as nuance areas of the report. Stakeholder groups that were invited to participate were:
- Estate and letting agents;
  - Registered providers;
  - Large employers including the NHS.
42. The key messages from stakeholders are as follows.
43. Estate and Letting agents told us that in-migration occurred from many parts of the country and was not disproportionately from Blackpool. Drivers were retiring households and people relocating for employment. Agents believe that the main gap in supply is bungalow accommodation. There is also a need for age restricted leasehold apartments in Lytham. Agents consider that there is a significant undersupply of private rented housing due to landlords not investing sufficiently and demand from local residents unable to achieve affordable housing and incomers renting before buying.
44. Registered providers told us that notwithstanding improved supply in recent years there still remained a shortage of affordable housing in the Borough, particularly 1- and 4+-bedroom homes (due to recent development focussing on 2 and 3 bedroom housing). A number of respondents thought too much development had occurred in the rural areas and that particular needs in the urban areas were unmet. Respondents found the Fylde Coast Home Choice system to be effective and made constructive suggestions as to how it could be improved.
45. Large employers presented no evidence to suggest that any recruitment and retention problems they might be experiencing were due to a shortage of suitable housing in the borough.

## Overall Summary

46. The Fylde Housing Needs Survey has looked at a range of topics with a particular focus on the need for affordable housing. The findings are clear; there is a notable need for affordable homes, particularly for rent, across the Borough. The survey also highlights likely difficulties for many households in accessing owner-occupied housing (or even discounted market housing) due to low levels of deposits which again points to the Council prioritising the delivery of rented products where opportunities arise.
47. One key message is the high level of debt of households living in rented accommodation (including the private rented sector). It is understood from conversations with the Council that households with rent arrears would be ineligible for social housing and this does seem to be driving a highly benefit dependent private rented sector (around 40% of all private tenants are claiming Housing Benefit or Universal Credit with a housing element).
48. As a priority, the Council should consider if changes need to be made to allocations policies to enable some households with debt to move into the social sector – such housing would provide a better security of tenure, lower rents, and quite likely be in better condition than housing in the private rented sector. The Council's Housing Register appears at face value to show low levels of need (just 138 in a reasonable preference category) and this seems likely to be, at least in part, due to many households either not being eligible or believing they have little chance of being housed; and therefore not applying.
49. Given levels of affordable need, the Council should also ensure that any new affordable housing is allocated to households with a local connection (by residence or employment) rather than being available to households from other locations.

## 1. Introduction

### Introduction

- 1.1 Justin Gardner Consulting (JGC) working in association with CNB Housing Insights were commissioned by Fylde Council to undertake a Housing Needs Survey for the Borough. The Housing Needs Survey provides a key piece of the evidence base to support the Council in driving the delivery of affordable housing of appropriate types in different parts of the Borough, and ensuring that needs of particular groups are met. The survey therefore focusses on affordable housing needs, but also provides data about the needs of other particular groups – including people with disabilities.
- 1.2 Whilst the survey has been carried out across the whole Borough, a key aspect was to understand differences between areas, and for this a total of 10 sub-areas were defined. These were made up of seven urban locations and three rural. The table below shows the sub-areas studied in the analysis.

**Figure 1.1: List of sub-areas used in housing needs survey and description of area**

Sub-area	Description
St. Annes	Parish minus the postcodes identified in Fylde-Blackpool Periphery below
Lytham	Unparished area: this is the only unparished area in the Borough, so the whole of the unparished area of the Borough was treated as Lytham
Warton	Bryning-with-Warton (parish)
Fylde-Blackpool Periphery	Postcodes within the parish of Westby-with-Plumpton lying in the area bounded by (to the north and west of) School Road, Whitehill Road, Preston New Road and Peel Hill (but including properties on the east side of Peel Hill), plus properties lying within the Whyndyke Farm development site. Also properties within St Annes parish lying north of the nature reserve, Links golf course and Blackpool Airport
Kirkham	Parish
Wesham	Medlar-with-Wesham parish
Freckleton	Parish
Rural North	Staining (parish), Singleton (parish), Weeton-with-Preese (parish), Greenhalgh-with-Thistleton (parish), Elswick (parish), Little Eccleston-with-Larbreck (parish)
Rural West	Ribby-with-Wrea (parish), Westby-with-Plumpton (remainder of parish having subtracted the postcodes in Fylde-Blackpool Periphery above)
Rural East	Treales, Roseacre and Wharles (parish), Newton-with-Clifton (parish)

Source: Fylde Council

### The Housing Needs Survey

- 1.3 The survey was sent to a total of 12,193 households across the Borough, a sample of households being selected in urban areas and a 100% sample in rural locations. Households were given the option of completing the paper form or online version.

- 1.4 In addition, through promoting the survey on social media additional households (not sampled) were encouraged to complete an online form, this included households living outside of the Borough but with a connection to the council area (and who might therefore seek housing in the Borough).
- 1.5 Finally, a booster of around 1,000 forms were hand delivered to areas of St. Annes known to have high levels of private renting to try to encourage further participation from this group of households.
- 1.6 In total, 2,973 households completed a survey, of which 2,492 were households originally targeted through sampling (and 481 completed forms online, or through the booster sample, including those completing a form but living outside of the area (44 households in total)). The total response rate was therefore 20.4% from the targeted sample (2,492/12,193), rising to 24.4% if additional completions are included.
- 1.7 These response rates are high relative to those currently seen for similar surveys across the country (where rates of below 10% have been seen in some instances).
- 1.8 The table below sets out the locations from which responses were received. This has been compared to the original sample to provide a response rate; some care needs to be taken in looking at this rate as some responses come from households who were not part of the original survey sample. The data also shows 202 completed forms where no area identifier was provided or, in some cases, due to an incomplete ID code or postcode being provided by respondents.

**Figure 1.2: Fylde – Survey Responses by Sub-Area**

Area	Survey responses	Original sample	Responses as % of sample
St Annes	511	1,749	29.2%
Lytham	371	1,249	29.7%
Warton	136	652	20.9%
Fylde-Blackpool Periphery	96	556	17.3%
Kirkham	184	759	24.2%
Wesham	136	633	21.5%
Freckleton	159	702	22.6%
Rural North	530	3,035	17.5%
Rural West	321	1,417	22.7%
Rural East	283	1,441	19.6%
Out of area	44	-	-
No area identified	202	-	-
<b>Total</b>	<b>2,973</b>	<b>12,193</b>	<b>24.4%</b>

Source: Household survey



- 1.9 The table below shows how the responses vary by tenure. It is recognised in surveys of this nature that certain groups are more or less likely to respond, with higher responses typically being seen from older outright owners, and lower responses from rented tenures, notably the private rented sector. This does seem to be the case for Fylde, although the booster in St. Annes has helped to provide a reasonable sample from the private rented sector (344 responses in total). The table below also shows the latest Office for National Statistics (ONS) estimates of tenure (from 2020) and also shows that 265 households did not provide information about tenure.
- 1.10 In interpreting the data in the table below, it is also necessary to be mindful of the way the sampling was undertaken (with a sample of households in urban areas and 100% of households selected in rural locations). On the basis that rural areas will have higher proportions of older owner-occupiers it would be expected that the proportion of completed forms in this group would be higher than found in the population overall.

<b>Figure 1.3: Tenure of households completing survey in Fylde</b>				
	Survey responses	% of responses	% excluding 'missing'	ONS estimate (2020) <sup>1</sup>
Owner-occupied (no mortgage)	1,491	50.2%	55.1%	45.2%
Owner-occupied (with mortgage)	689	23.2%	25.4%	26.7%
Social rented	184	6.2%	6.8%	8.2%
Private Rented Sector	344	11.6%	12.7%	19.9%
No information	265	8.9%	-	-
Total	2,973	100.0%	100.0%	100.0%

Source: Household survey

- 1.11 Survey data was weighted (upscaled) to match the tenure profile of the Borough shown above. An important aspect of preparing data for analysis is 'weighting' it. As can be seen from the table above, social survey responses never exactly match the estimated population totals. As a result, it is necessary to 'rebalance' the data to correctly represent the population being analysed via weighting. Weighting is recognised as being a way of compensating for low response amongst certain groups. Although response rates were lower amongst certain groups of the population (e.g. privately renting households in the table above) the application of a sophisticated weighting process, as has been used in this survey, removes any bias. In addition, the weighting takes account of the different sampling technique for different locations.

## Background Analysis

- 1.12 The series of tables, figures and commentary below provide some key background data from the survey, once weighted for non-response bias<sup>2</sup>. This is to provide some context for the analysis to follow. This particularly focusses on differences between locations and tenure.

<sup>1</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/subnationaldwellingstockbytenureestimates>

<sup>2</sup> Non-response bias is where the characteristics of those responding to the survey are different to those who were selected to take part but don't – one example shown above is that outright owners are more likely to complete the survey than households living in private rented accommodation

1.13 The table below shows a cross-tabulation of tenure and sub-area which shows a sizeable private rented sector in St. Annes and much lower proportions in rural areas. Rural areas, along with Warton and Freckleton have very high levels of owner-occupation, particularly of outright owners. All locations (with the exception of Fylde-Blackpool Periphery and Wesham) have very low levels of social renting and the Borough-wide average (8.4% of households) is around half the level estimated nationally by ONS (17%). The proportion of households in private rented housing is very similar to the national average.

**Figure 1.4: Tenure by sub-area**

Sub-area		Owner-occupied (no mortgage)	Owner-occupied (with mortgage)	Social rented	Private rented	Total
St. Annes	No.	5,783	3,017	1,055	3,957	13,811
	%	41.9%	21.8%	7.6%	28.6%	100.0%
Lytham	No.	4,342	1,834	619	1,703	8,498
	%	51.1%	21.6%	7.3%	20.0%	100.0%
Warton	No.	943	623	306	272	2,144
	%	44.0%	29.1%	14.3%	12.7%	100.0%
Fylde/BP Periphery	No.	324	404	233	167	1,129
	%	28.7%	35.8%	20.6%	14.8%	100.0%
Kirkham	No.	1,358	1,076	297	554	3,285
	%	41.3%	32.8%	9.0%	16.9%	100.0%
Wesham	No.	502	753	363	323	1,942
	%	25.8%	38.8%	18.7%	16.7%	100.0%
Freckleton	No.	1,334	825	243	276	2,678
	%	49.8%	30.8%	9.1%	10.3%	100.0%
Rural North	No.	1,527	938	94	282	2,840
	%	53.8%	33.0%	3.3%	9.9%	100.0%
Rural West	No.	780	416	21	109	1,325
	%	58.8%	31.4%	1.6%	8.2%	100.0%
Rural East	No.	713	498	35	103	1,348
	%	52.9%	36.9%	2.6%	7.6%	100.0%
BOROUGH	No.	17,604	10,385	3,264	7,746	39,000
	%	45.1%	26.6%	8.4%	19.9%	100.0%

Source: Household survey

1.14 The table below shows the age structure in different locations from survey data, and this highlights an older population structure in many locations. Overall, the survey estimates around 36% of the population as being aged 60 and over, which compares with a latest national estimate (from ONS) of just 24%. All locations see a proportion of the population aged 60+ higher than the national average. The first release of 2021 Census data (published after this report was drafted) also shows 36% of the population as being aged 60+ - this source also confirms the 24% figure nationally<sup>3</sup>.

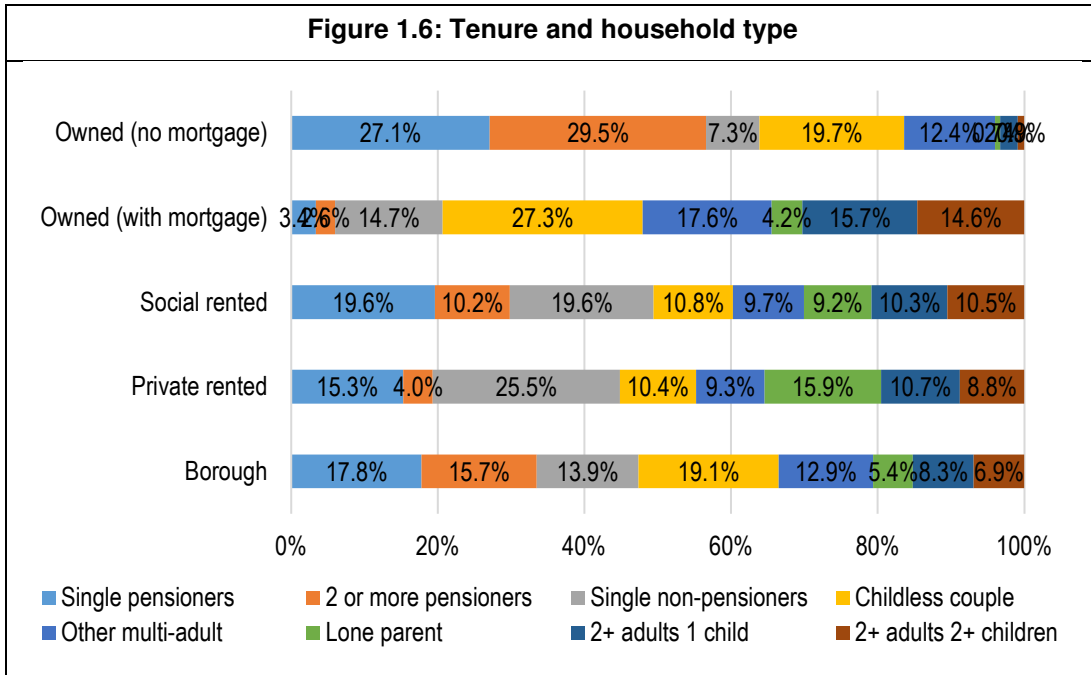
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<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationandhouseholdestimatesenglandandwalescensus2021>

Figure 1.5: Sub-area age profile								
Sub-area		0-14	15-29	30-44	45-59	60-74	75+	Total
St. Annes	No.	4,083	3,108	4,448	5,787	6,123	4,139	27,689
	%	14.7%	11.2%	16.1%	20.9%	22.1%	14.9%	100.0%
Lytham	No.	2,370	2,174	2,099	3,943	4,484	2,971	18,041
	%	13.1%	12.1%	11.6%	21.9%	24.9%	16.5%	100.0%
Warton	No.	819	729	812	1,026	890	466	4,741
	%	17.3%	15.4%	17.1%	21.6%	18.8%	9.8%	100.0%
Fylde/BP Periphery	No.	574	368	541	403	329	356	2,571
	%	22.3%	14.3%	21.0%	15.7%	12.8%	13.8%	100.0%
Kirkham	No.	1,207	1,327	892	1,919	1,448	862	7,655
	%	15.8%	17.3%	11.6%	25.1%	18.9%	11.3%	100.0%
Wesham	No.	874	606	965	946	804	257	4,452
	%	19.6%	13.6%	21.7%	21.2%	18.1%	5.8%	100.0%
Freckleton	No.	641	945	835	1,195	1,294	776	5,687
	%	11.3%	16.6%	14.7%	21.0%	22.8%	13.7%	100.0%
Rural North	No.	777	841	796	1,674	1,602	683	6,374
	%	12.2%	13.2%	12.5%	26.3%	25.1%	10.7%	100.0%
Rural West	No.	359	321	373	596	671	522	2,843
	%	12.6%	11.3%	13.1%	21.0%	23.6%	18.4%	100.0%
Rural East	No.	349	405	438	689	742	380	3,002
	%	11.6%	13.5%	14.6%	22.9%	24.7%	12.6%	100.0%
BOROUGH	No.	12,053	10,825	12,199	18,176	18,388	11,412	83,053
	%	14.5%	13.0%	14.7%	21.9%	22.1%	13.7%	100.0%

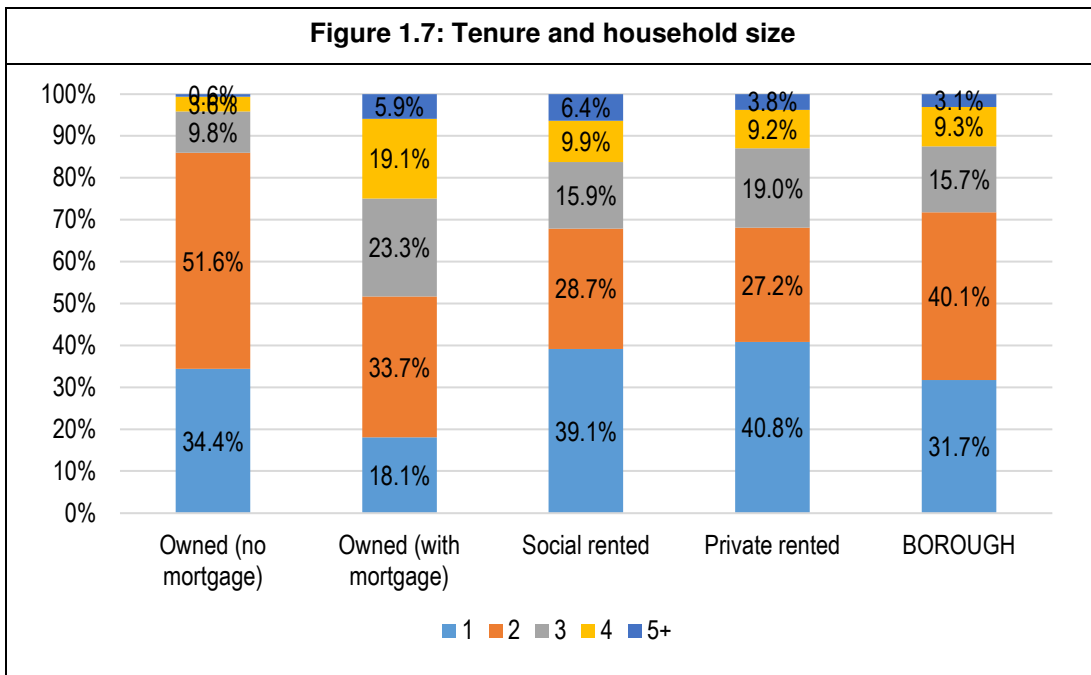
Source: Household survey

- 1.15 The figure below shows tenure and household types from the survey data, clearly identifying the high proportion of older person households in the owned outright sector. Other tenures do not see such concentrations of particular household type categories, although the high proportions of lone parents in the private rented sector (and to a lesser extent the social rented sector) is notable. The private rented sector also sees a high proportion of single non-pensioner households.



Source: Household survey

1.16 The average household size in the Borough was estimated from the survey to be 2.13 persons. This figure is slightly below the most recent English Housing Survey (EHS) national estimate of around 2.2 persons per household (2020-21). The figure below shows the number of people in households by tenure, this information is then summarised as average household sizes in the table that follows. The largest households were owner occupiers with a mortgage (average 2.62) whilst the smallest were outright owners (who are less likely to have children).



Source: Household survey

<b>Figure 1.8: Average household size by tenure</b>	
Tenure	Average household size
Owner-occupied (no mortgage)	1.85
Owner-occupied (with mortgage)	2.62
Social rented	2.20
Private rented	2.10
Total	2.13

Source: Household survey

- 1.17 The table below shows how average household sizes vary by location. Overall, households in St. Annes show the lowest household sizes, with the largest being in Kirkham – rural areas typically have average household sizes above the Borough average.

<b>Figure 1.9: Average household size by sub-area</b>	
Sub-area	Average household size
St Annes	2.01
Lytham	2.12
Warton	2.21
Fylde-Blackpool Periphery	2.28
Kirkham	2.33
Wesham	2.29
Freckleton	2.12
Rural North	2.25
Rural West	2.14
Rural East	2.23
BOROUGH	2.13

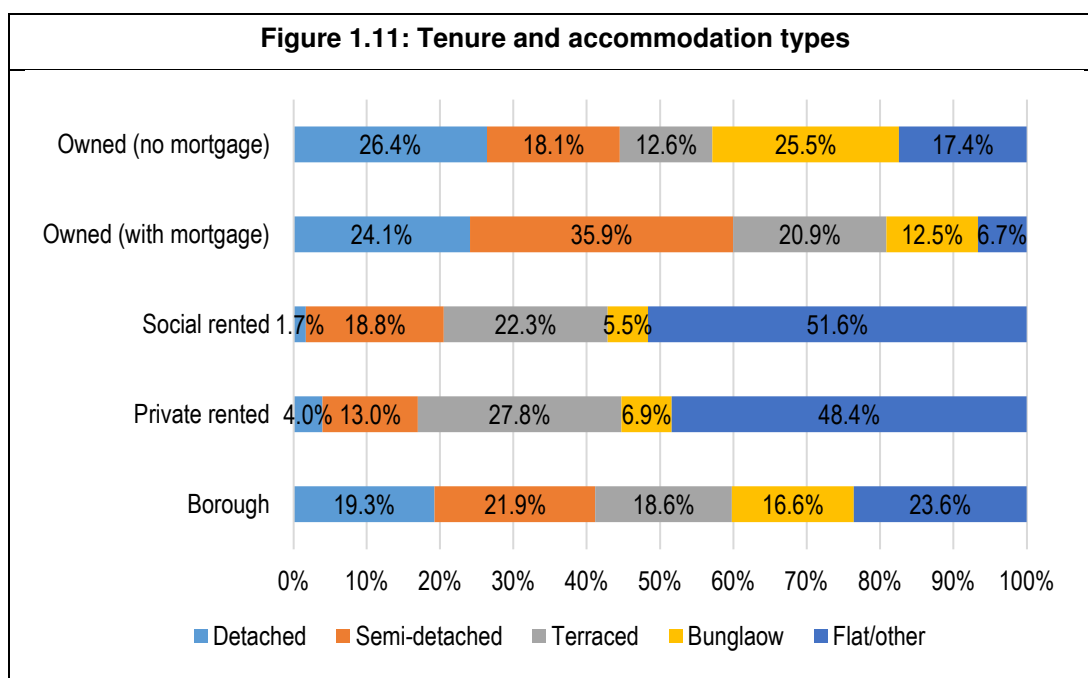
Source: Household survey

- 1.18 The figure below shows the distribution of dwelling types by different areas in Fylde from the survey data. The data shows notable differences between towns and rural areas with a much higher proportion of homes in rural areas being detached houses and a high proportion of bungalows. In St. Annes, around two-fifths of properties were found from the survey to be flats.

Figure 1.10: Dwelling type by sub-area							
Sub-area		Detached house	Semi-detached house	Terraced house	Bungalow	Flat/maisonette/other	Total
St. Annes	No.	1,480	2,999	1,718	2,215	5,399	13,811
	%	10.7%	21.7%	12.4%	16.0%	39.1%	100.0%
Lytham	No.	1,239	1,880	2,050	1,327	2,003	8,498
	%	14.6%	22.1%	24.1%	15.6%	23.6%	100.0%
Warton	No.	420	595	548	417	165	2,144
	%	19.6%	27.7%	25.6%	19.4%	7.7%	100.0%
Fylde/BP Periphery	No.	317	151	250	47	364	1,129
	%	28.1%	13.4%	22.1%	4.2%	32.3%	100.0%
Kirkham	No.	775	788	1,054	388	280	3,285
	%	23.6%	24.0%	32.1%	11.8%	8.5%	100.0%
Wesham	No.	636	315	584	95	312	1,942
	%	32.8%	16.2%	30.1%	4.9%	16.1%	100.0%
Freckleton	No.	450	565	405	941	317	2,678
	%	16.8%	21.1%	15.1%	35.1%	11.8%	100.0%
Rural North	No.	1,048	641	358	579	215	2,840
	%	36.9%	22.6%	12.6%	20.4%	7.6%	100.0%
Rural West	No.	651	237	122	198	116	1,325
	%	49.1%	17.9%	9.2%	15.0%	8.8%	100.0%
Rural East	No.	497	370	181	281	21	1,348
	%	36.8%	27.4%	13.4%	20.8%	1.5%	100.0%
BOROUGH	No.	7,513	8,538	7,270	6,487	9,191	39,000
	%	19.3%	21.9%	18.6%	16.6%	23.6%	100.0%

Source: Household survey

1.19 The figure below shows dwelling types by tenure. The data shows that owner-occupiers are particularly likely to live in detached houses with very few flats in this sector. Over half of dwellings in the social rented sector are flats with the private rented sector also having a large proportion of flatted housing.



Source: Household survey

- 1.20 A final initial analysis of survey data studies levels of overcrowding using the bedroom standard (see definition below). Essentially this is the difference between the number of bedrooms needed to avoid undesirable sharing (given the number of household members and their relationships to each other) and the number of bedrooms actually available to the household. The bedroom standard also provides the opportunity to look in more detail at households who under-occupy their dwelling.

#### **Bedroom Standard**

The 'Bedroom Standard' is used as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex and each pair of children under 10. Any unpaired person aged 10-20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.

- 1.21 The standards used to check for overcrowding and under-occupation were as follows:

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

1.22 The table below shows a comparison between the numbers of bedrooms in each home against the number of bedrooms required for all households in the Borough. It should be noted that the bottom two cells of the 4+ bedroom column contain some households that are either under occupied or overcrowded – for example they may require three bedrooms but live in a five-bedroom property or may require a five-bedroom property but are currently occupying a four-bedroom property.

**Figure 1.12: Overcrowding and under-occupation**

Number of bedrooms required	Number of bedrooms in home				Total
	1	2	3	4+	
1 bedroom	3,313	9,108	8,343	5,011	25,775
2 bedrooms	156	2,446	3,814	2,841	9,257
3 bedrooms	19	422	1,817	1,421	3,679
4+ bedrooms	0	0	95	193	289
<b>Total</b>	<b>3,488</b>	<b>11,976</b>	<b>14,069</b>	<b>9,467</b>	<b>39,000</b>

Source: Household survey

KEY:  Overcrowded households  Under-occupied households

1.23 The estimated number of overcrowded and under-occupied households in Fylde is as follows:

- **Overcrowded:** 1.9% of households = 736 households; and
- **Under-occupied:** 42.4% of households = 16,517 households.

1.24 The latest English Housing Survey data on overcrowding (also following the bedroom standard) suggests that nationally around 3.1% of households are overcrowded, higher than the levels recorded from survey data.

1.25 Further survey data suggests that overcrowded households are more likely to be living in rented accommodation, are particularly likely to state a need or likelihood of moving home over the next two years and are particularly likely to contain children (83% of all overcrowded households contain children aged under 16).

1.26 Looking at under-occupation the survey data shows that pensioner only households are particularly likely to be under-occupied. Under-occupation is also particularly high in the owner-occupied (no mortgage) tenure group – this is linked to the high proportion of older persons in this tenure.

## Report Structure

1.27 As the study is predominantly designed to consider the need for affordable housing, there is an immediate focus on those part of the survey data which lead us to conclusions about the level of affordable need in the Borough. Further sections are then developed looking at other parts of the household survey questionnaire. The list of sections and a brief description can be found below:

- Section 2: Incomes and Affordability – provides a range of analysis about the financial situation of households in the Borough (including incomes, savings, equity etc.) to form a view about which households are likely to be able to afford housing in the private sector (and those who will need some form of affordable option);



- Section 3: Affordable Housing Need – using the financial data, along with other parts of the survey to estimate the need for affordable housing. The method follows that set out in Planning Practice Guidance (PPG) and is split between a need for rented affordable housing (social/affordable rents) and affordable home ownership;
- Section 4: Types of Affordable Housing – this section uses a combination of survey and secondary data (mainly about housing costs) to consider what types of affordable housing would be most suitable to meet the needs of local households;
- Section 5: Housing History and Future Aspirations – drawing on data in the survey about households' past moves and then considering what households would like and expect to do in the future. The latter analysis is split between existing and newly-forming households and is used to provide an indication of the sizes of homes likely to be needed in different sectors; and
- Section 6: Needs of Particular Groups – focussing on older people and those with disabilities, but also considers households with children and younger person households.
- Section 7: Stakeholder Inputs – provides a summary of discussions with key stakeholders (Estate and letting agents, Registered providers, Large employers including the NHS).

## Rounding

- 1.28 It should be noted that the numbers included in tables and figures throughout the report may not sum exactly due to rounding.

## Summary

- 1.29 Justin Gardner Consulting (JGC) working in association with CNB Housing Insights were commissioned by Fylde Council to undertake a Housing Needs Survey for the Borough. The Housing Needs Survey provides a key piece of the evidence base to support the Council in driving the delivery of affordable housing of appropriate types in different parts of the Borough and ensuring that needs of particular groups are met.
- 1.30 The survey has been carried out across the whole of the Fylde Council area, along with smaller-area analysis for 10 sub-areas of the Borough. Overall, the survey achieved 2,973 responses from an initially targeted sample of 12,193 households (a response rate of 24%) with survey data being weighted for any measurable non-response bias by looking at key groups within the population (notably considering the tenure split).
- 1.31 A range of background analysis was undertaken to provide some context for the results of the survey and to understand key differences between sub-areas. Key findings include:
- The Borough has a small social rented sector (at about 8% of households, around half the level seen nationally). Private renting is about average and there are a high proportion of outright owners (linked to a relatively old population structure);
  - St. Annes sees particularly high levels of private renting, with rural areas seeing low levels of rented housing generally (in both the private and social rented sectors);
  - Survey data confirms an older population structure, with 36% of the population being aged 60 and over (compared to 24% nationally);

- Outright owners are predominantly made up of households of pensionable age and consequently have smaller household sizes. There is a strong concentration of lone parent households within the private rented sector;
- Owner-occupiers generally live in houses (notably detached and semi-detached) whilst around half of all social and privately rented homes are flats; and
- Levels of overcrowding are generally low but concentrated in rented housing (86% of all overcrowded households live in either the social or private rented sector).

1.32 This report sets out a number of either linked or distinct sections to cover a range of core subject areas with a particular focus on the need for affordable housing; the sections are summarised below:

- Section 2 – Incomes and Affordability;
- Section 3 – Affordable Housing Need;
- Section 4 – Types of Affordable Housing;
- Section 5 – Housing History and Future Aspirations;
- Section 6 – Needs of Particular Groups; and
- Section 7 – Stakeholder Inputs.

1.33 It should be noted that the numbers included in tables and figures throughout the report may not sum exactly due to rounding.

## 2. Incomes and Affordability

---

### Introduction

- 2.1 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. Poor affordability can result in the loss of employees from an area, an increase in poverty and a high number of households requiring assistance with their housing either via a social rented property or through Housing Benefit (Local Housing Allowance). This can also result in a loss of mix and balance in the population within the area.
- 2.2 This section provides a detailed analysis of survey data relating to a range of financial information (including income, savings and equity) which is used to provide a local level estimate of affordability based on the prices and rents considered below.

### Local Prices and Rents

- 2.3 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as being in 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 2.4 The analysis below considers the entry-level costs of housing to both buy and rent across the Borough. The approach has been to analyse Land Registry and ONS data to establish lower quartile<sup>4</sup> prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest housing may be of sub-standard quality and in low supply.
- 2.5 Data from the Land Registry for the year to September 2021 shows estimated lower quartile house prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £83,000 for a second-hand flat and rising to £248,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a lower quartile price of £155,000. The figures are all based on cost of existing homes in the market although newbuild prices are considered later in this section when looking at potential costs of affordable home ownership dwellings.

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<sup>4</sup> The lower quartile (LQ) is the value under which 25% of data points are found when they are arranged in increasing order. In this case the LQ price would be one where 25% of sales are below the LQ price and 75% above.

<b>Figure 2.1: Estimated lower quartile cost of housing to buy by type (existing dwellings) – year to September 2021 – Fylde</b>	
	Lower quartile price
Flat/maisonette	£83,250
Terraced	£137,000
Semi-detached	£159,000
Detached	£248,000
All dwellings	£155,000

Source: Land Registry

- 2.6 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £90,000 for a 1-bedroom home, rising to £250,000 for homes with 4-bedrooms.

<b>Figure 2.2: Estimated lower quartile cost of housing to buy by size (existing dwellings) – year to September 2021 – Fylde</b>	
	Lower quartile price
1-bedroom	£70,000
2-bedrooms	£115,000
3-bedrooms	£170,000
4-bedrooms	£275,000
All dwellings	£155,000

Source: Land Registry and Internet Price Search

- 2.7 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to September 2021. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £475 per month. The table also shows Local Housing Allowance (LHA) rates for the Fylde Coast Broad Rental Market Area (BRMA). The LHA rates for all sizes of property are below lower quartile rents, this is an important finding as it implies many households are likely to need to ‘top up’ their rent from other sources as benefit is not covering the full cost.

<b>Figure 2.3: Lower Quartile Market Rents, year to September 2021 – Fylde</b>		
	Lower Quartile rent, pcm	LHA rates
Room only	-	£282
Studio	£295	-
1-bedroom	£397	£368
2-bedrooms	£520	£497
3-bedrooms	£650	£573
4-bedrooms	£800	£650
All dwellings	£475	-

Source: ONS<sup>5</sup>

<sup>5</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland>

- 2.8 It is of interest for this study to see how prices and rents vary by location. The table below shows an estimate of the overall lower quartile house price and private rent in each of the sub-areas; this is based on Land Registry data for prices and analysis of online data on available lettings which has then been adjusted to be consistent with the data from ONS. The analysis shows some variation in prices and rents, with prices (and rents) estimated to be highest in the Rural West area. The lowest prices and rents were found to be in Wesham.

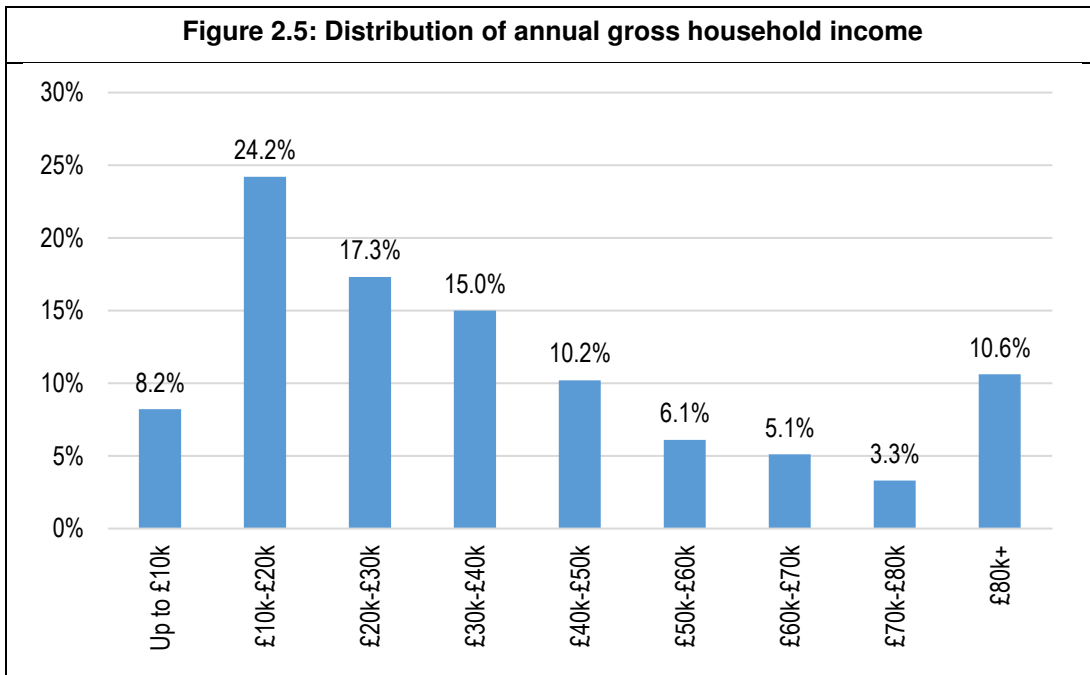
<b>Figure 2.4: Lower Quartile Prices and Market Rents, by sub-area</b>		
	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
St Annes	£142,000	£405
Lytham	£211,000	£610
Warton	£144,000	£545
Fylde/BP Periphery	£148,000	£485
Kirkham	£132,000	£460
Wesham	£118,000	£435
Freckleton	£142,000	£550
Rural North	£177,000	£600
Rural West	£284,000	£910
Rural East	£172,000	£595
All dwellings	£155,000	£475

Source: Internet private rental cost search and Land Registry

## Household Income

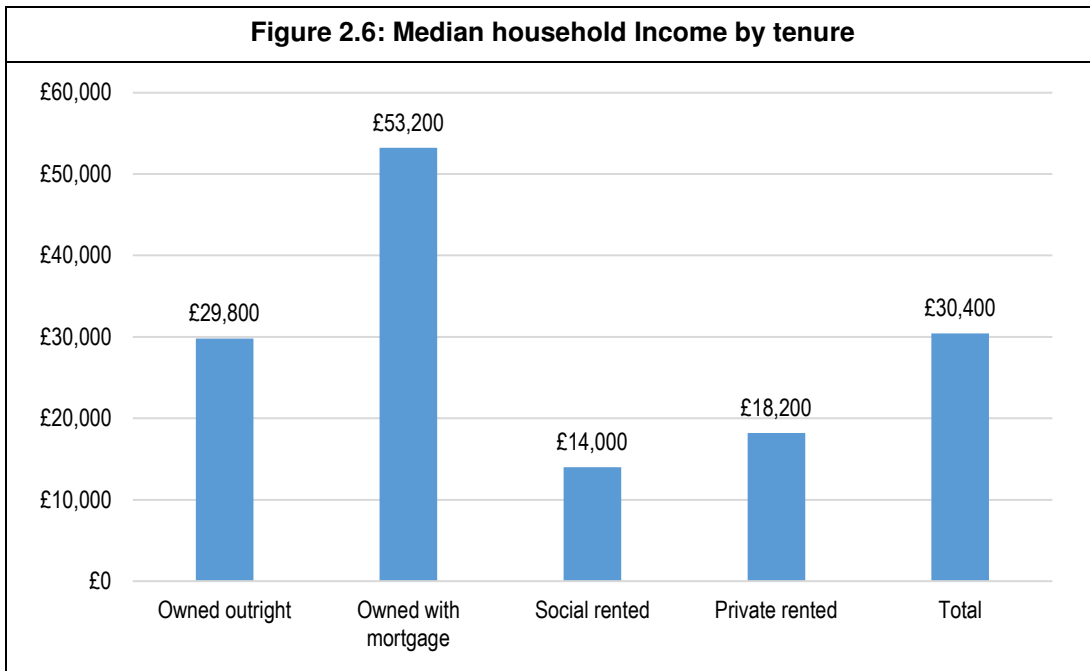
- 2.9 Survey results for household income estimate the mean gross household income level to be £38,500 per annum in Fylde, including households without any members in employment. The median income is noticeably lower than the mean, at £30,400 per annum.
- 2.10 The figure below shows the distribution of income in the Borough. It is clear that there is a significant range of incomes, with approaching a third of households having an income of less than £20,000, and around 11% an income in excess of £80,000. Approaching half (49%) of households with incomes of less than £20,000 have a retired household reference person (HRP)<sup>6</sup>. Households where the HRP is in employment have a median income of around £41,200.

<sup>6</sup> HRP is defined as the "householder" (that is the person in whose name the accommodation is owned or rented)



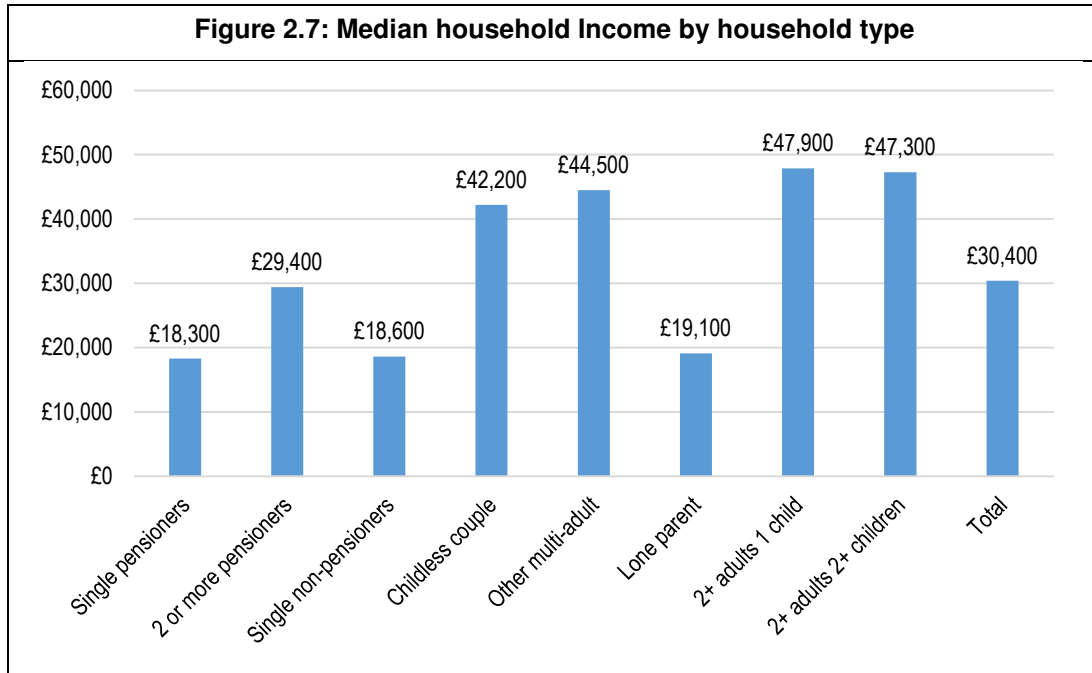
Source: Household survey

2.11 As can be seen below, the income of households varies greatly by tenure, with those in rented accommodation, particularly social rented accommodation, having much lower average incomes. The incomes of outright owners are significantly lower than for those with a mortgage reflecting the high number of people who are retired living in this tenure.



Source: Household survey

2.12 The chart below shows how households containing two adults have higher average incomes, while single pensioners and lone parents have much lower incomes.



Source: Household survey

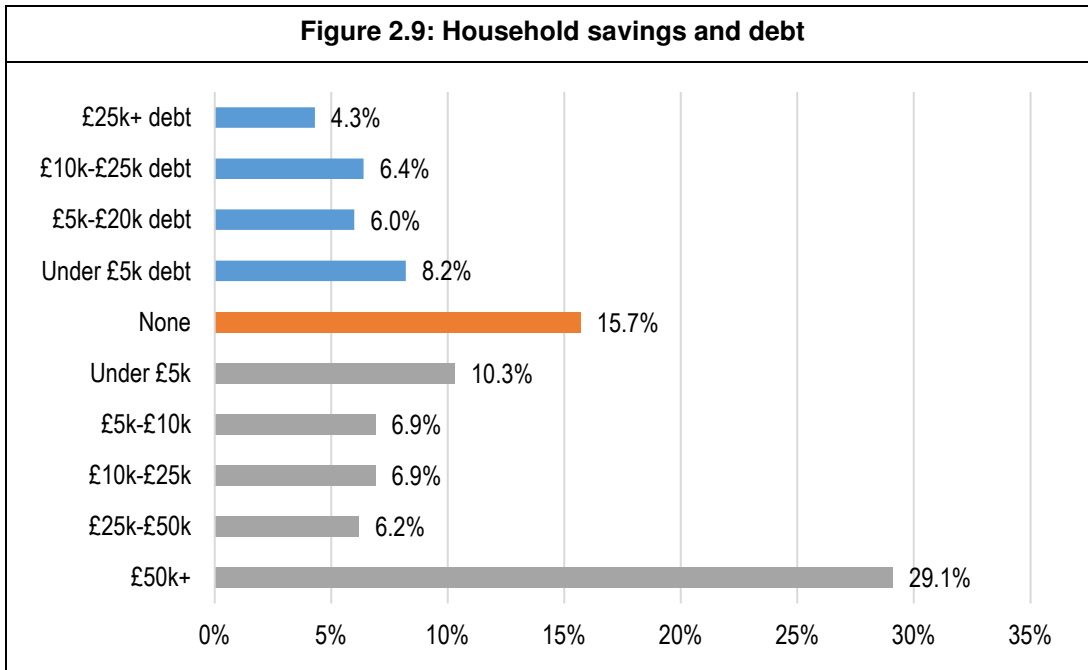
2.13 Finally, we can look at how median household incomes vary by sub-area – this is shown in the table below. The table shows that there are considerable differences between households in different parts of the Borough with median incomes varying from £22,300 in the Fylde/Blackpool Periphery to £42,700 in Rural West.

Sub-area	Median income
St. Annes	£26,700
Lytham	£31,700
Warton	£32,700
FB Periphery	£22,300
Kirkham	£33,500
Wesham	£26,500
Freckleton	£29,500
Rural North	£38,100
Rural West	£42,700
Rural East	£39,200
Total	£30,400

Source: Household survey

## Household Savings/debt and Equity

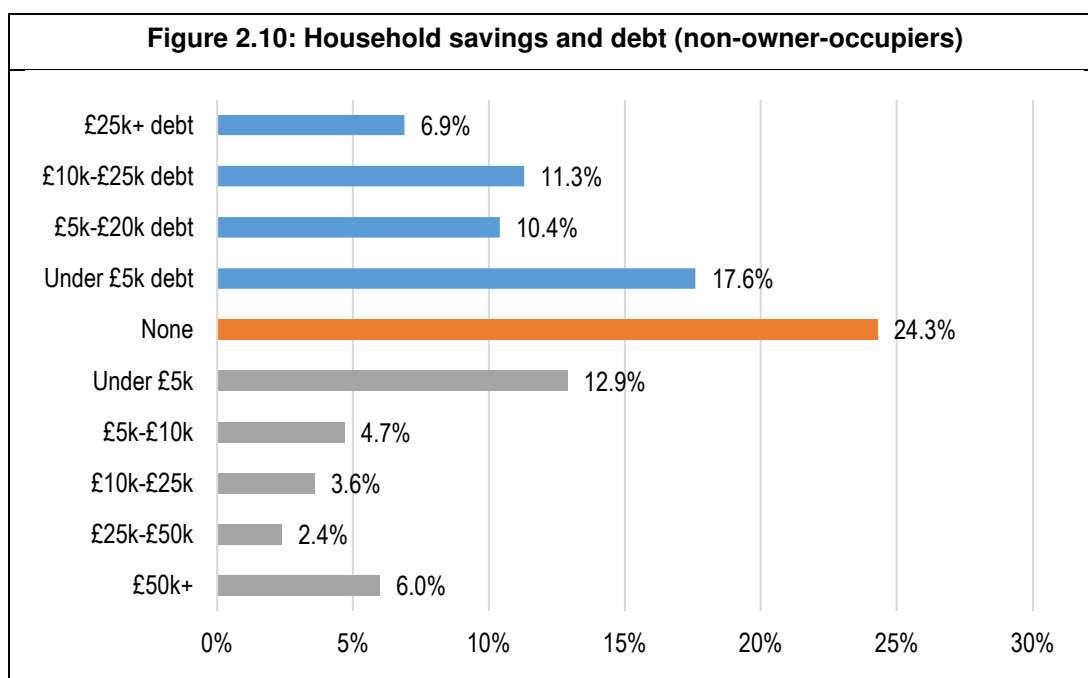
2.14 Households were also asked to indicate levels of savings and debt (excluding mortgage debt). The average (mean) household has £56,800 in savings (median of £4,100) – these figures include levels of both savings and debt. The figure below shows the distribution of savings in the Borough. An estimated 25% of households indicated that they were in debt with a further 16% having no savings. At the other end of the scale, it is estimated that 29% of households have savings of £50,000 or more.



Source: Household survey

2.15 Analysis has also been carried out to look at the level of savings for owner and non-owners separately. The figure below shows the distribution of savings for non-owners. A key finding is that far higher proportion of non-owners are in debt (46% compared with 17% of owners and 25% of all households) and the very low proportions with any reasonable level of savings (over £5,000). Only 17% of non-owners have more than £5,000 of savings compared with 62% of owners and 49% of all households.





Source: Household survey

- 2.16 The survey also collected information about the amount of equity owner-occupiers have in their home. For both owner-occupier groups together (with and without mortgages) the average (mean) amount of equity was estimated to be £231,700, with a median of £191,800. It is estimated that 1% of owner-occupiers are in negative equity.
- 2.17 In addition to the information collected about income, savings and equity the survey form asked households whether they had any other financial resources which could be used towards a deposit on a dwelling (and if so the amount). The majority (90%) of households stated that they had no further access to financial resources other than those already analysed.

## Households' Overall Financial Situation

- 2.18 As noted, data was therefore collected in the household survey on a range of financial information (including incomes, savings and equity). The latter combination of statistics has been used to assess the ability of households to afford housing.
- 2.19 For illustrative purposes the income of a household is multiplied by four to represent an approximate maximum amount of mortgage advance that an average household might secure.
- 2.20 The following table provides the median financial situation by tenure. The table shows for owners without a mortgage (many of them retired) that the proportion of equity and savings in overall financial capacity is around three-quarters of financial capacity. For owners with mortgages the proportion of non-income elements of financial capacity falls to around a 35%. In the case of both rented tenures, there is a negligible savings figure and no owned equity. The private rented households have a higher financial capacity than social tenants due to higher average incomes. It is clear that there is a substantial difference between the financial capacity of existing owner occupiers, and other households.

Tenure	Median annual gross household income	Median savings (including other funds)	Median equity	Potential access to funds
Owner-occupied (no mortgage)	£29,800	£49,500	£236,900	£405,800
Owner-occupied (with mortgage)	£53,200	£1,400	£110,900	£325,100
Social rented	£14,000	-£900	£0	£55,100
Private rented	£18,200	-£300	£0	£72,300
Average	£30,400	£4,200	£126,900	£252,600

Source: Household survey

2.21 When compared with the price of entry level purchase housing which is around £155,000 (lower quartile), it is clear that a large majority of renting households will be unable to access full scale equity ownership. Of course, within the broad private renting group in particular there will be households on much higher incomes who can consider purchase.

## The Affordability of Housing in Fylde

2.22 The information presented so far in this section has considered the median values of the various financial data for households within a range of groups of the population. Variations exist within these household groups and the survey dataset contains an estimate of the overall financial capacity of each household in the study area. This information can be used to examine the ability of households to afford housing locally taking into account the full range of financial resources available to them, rather than just income as is used in the standard affordability ratios. The affordability criteria used can be summarised as:

- Assessing whether a household can afford home ownership - A household is considered able to afford to buy a home if the residual cost is no more than 4 times the gross household income. The residual cost is calculated by deducting any capital that is available for use towards home ownership (e.g. savings or equity) from the overall cost of the home.<sup>7</sup>
- Assessing whether a household can afford market renting - A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 30% of gross income<sup>8</sup>.

<sup>7</sup> The four times mortgage multiple has been based on consideration of typical figures available in the market (where a range from 4 to 4.5 seems typical). The lower end of this range is used to reflect slightly lower prices in Fylde when compared with pricing nationally.

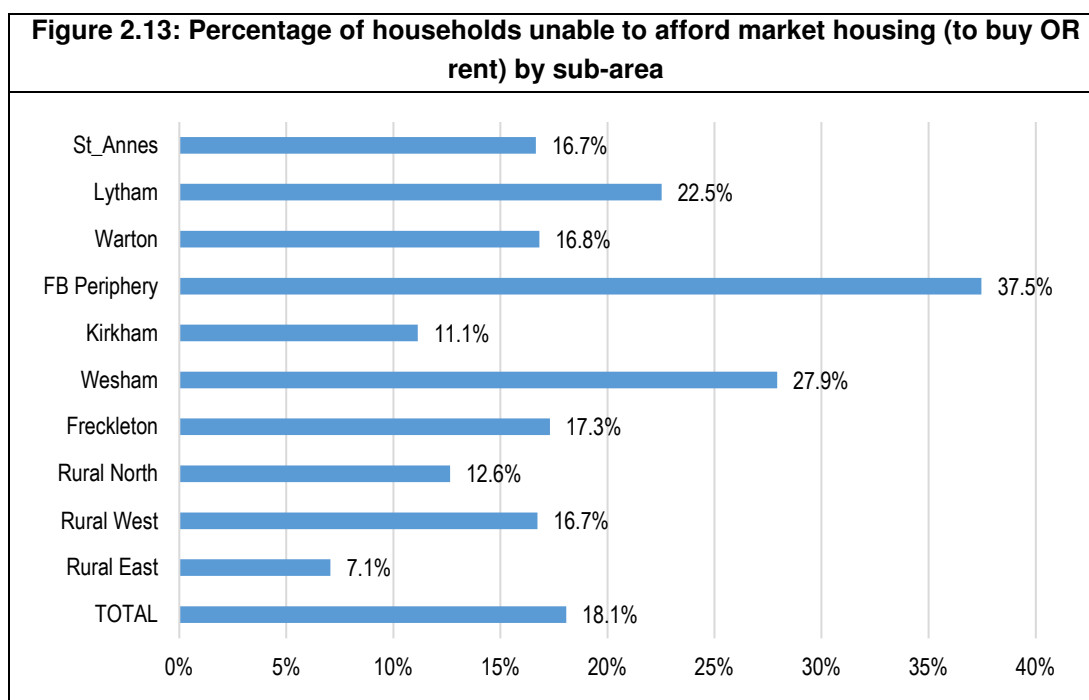
<sup>8</sup> The 30% threshold figure has been based on consideration of a range of sources, including previous housing needs guidance, letting agent practice and other similar research projects to this. A figure of 30% seems generally to have become the benchmark figure generally used.

- 2.23 This test means that it is possible to distinguish whether a household would be able to afford either form of market housing (to buy or privately rent) or whether they would require affordable accommodation based on these income multiples. The analysis takes account of differing prices and rents in different parts of the Borough (based on household's current residence) – so for example a household living in Rural West would need a higher income to be considered as able to rent housing compared to a similar household in St. Annes.
- 2.24 The table below shows the current affordability of market housing by household type. This is the theoretical affordability of households as the analysis considers all households in the Borough and does not take into account their intention to move home.
- 2.25 The table shows that overall, around a fifth of households in the Borough are unable to afford market housing without the need for some form of subsidy. Within this we see that 45% of lone parent households are unable to afford market housing compared with 6% of childless couples and around 9% of larger pensioner households.

<b>Figure 2.12: Households unable to afford market housing (to buy OR rent) by household type</b>			
Household type	Affordability		
	Number of each household type unable to afford market housing	Total number of each household type in Fylde	% of households of each household type unable to afford market housing
Single pensioners	1,702	6,950	24.5%
2 or more pensioners	554	6,113	9.1%
Single non-pensioners	1,886	5,415	34.8%
Childless couple	427	7,461	5.7%
Other multi-adult	680	5,044	13.5%
Lone parent	945	2,097	45.1%
2+ adults 1 child	509	3,222	15.8%
2+ adults 2+ children	344	2,698	12.8%
Total	7,048	39,000	18.1%

Source: Household survey

- 2.26 The figure below shows affordability by sub-area. Given previous information about income levels and variations in house prices and rents the general pattern of affordability is as might be expected. Households in Fylde/Blackpool Periphery being considerably less likely to be able to afford market housing than households in other (particularly rural) areas. Households in Rural East appear most likely to be able to afford.



Source: Household survey

2.27 The data shown above is for all households and includes those who are already homeowners (the vast majority of whom can afford housing due to higher income and equity/savings levels). Below we have therefore provided data just for households who are not currently owner-occupiers. Compared with all households this data shows much higher proportions of households being unable to afford. Over half of all non-owners fail the affordability test with lone parents again showing particularly high proportions unable to afford.

**Figure 2.14: Affordability and household type (non-owners)**

Household type	Affordability		
	Unable to afford market housing to rent or buy	Total number of non-owning households	% of households of each household type unable to afford market housing
Single pensioners	1,127	1,825	61.7%
2 or more pensioners	328	644	51.0%
Single non-pensioners	1,645	2,615	62.9%
Childless couple	353	1,158	30.5%
Other multi-adult	546	1,038	52.6%
Lone parent	933	1,534	60.8%
2+ adults 1 child	444	1,170	38.0%
2+ adults 2+ children	340	1,027	33.1%
Total	5,715	11,010	51.9%

Source: Household survey

## Households Able to Rent but not Buy

- 2.28 As well as looking at households unable to afford to buy OR rent housing locally the analysis considers households who are able to rent a home but not afford to buy. This category is important when considering the need for affordable home ownership products, which now form part of the Government's definition of affordable housing in the NPPF (latest version July 2021).
- 2.29 The table below shows the tenures of housing affordable to households in the Borough; this confirms the 18.1% who are unable to afford to buy OR rent and also shows around 11% as able to rent but not buy. There are a further 12% who can afford to buy only, these households are mainly older owner-occupiers with a high level of equity but more modest incomes.

	Households	% of households
Afford to buy or rent	23,221	59.5%
Afford to rent only	4,151	10.6%
Afford to buy only	4,580	11.7%
NOT afford suitable housing	7,048	18.1%
Total	39,000	100.0%

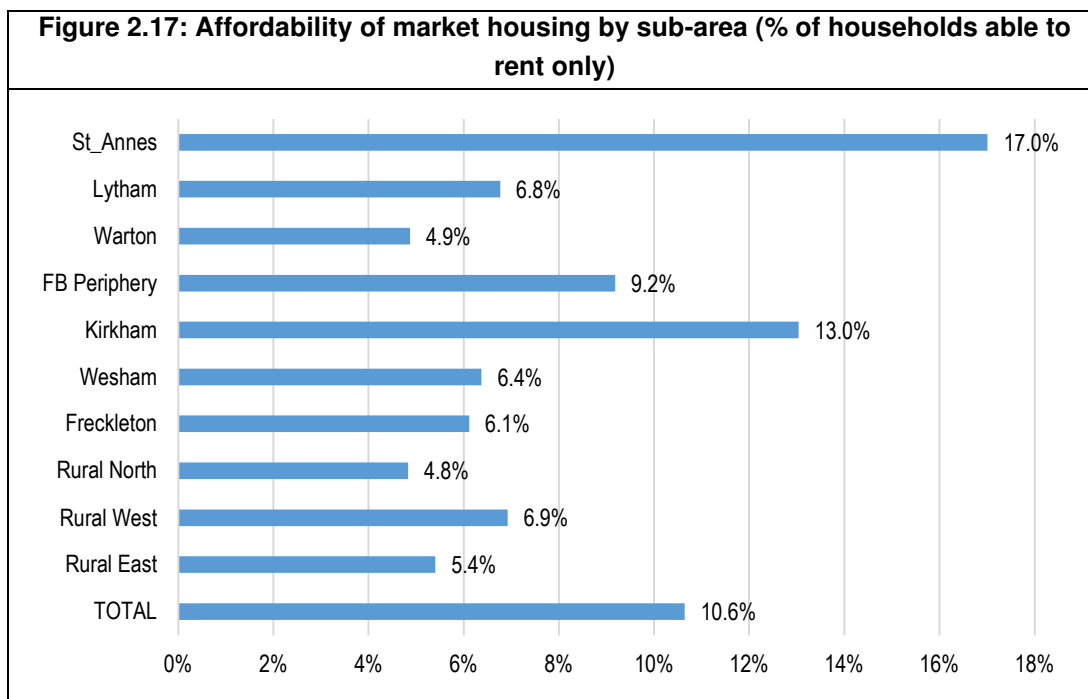
Source: Household survey

- 2.30 To demonstrate the link between current tenure and type of affordability, the table below compares the two. This clearly shows the majority of those only able to afford are outright owners, whilst those only able to rent are very much focussed in the private rented sector. This is to be expected and a notable point as affordable home ownership and rental products are likely to be focussed on being provided to people/households seeking to move out of the private rented sector..

	Afford to buy or rent	Afford to rent only	Afford to buy only	NOT afford suitable housing	Total
Outright owner	12,426	93	4,193	893	17,604
Owner with mortgage	8,869	845	231	440	10,385
Social rented	341	657	0	2,267	3,264
Private rented	1,585	2,556	156	3,449	7,746
Total	23,221	4,151	4,580	7,048	39,000

Source: Household survey

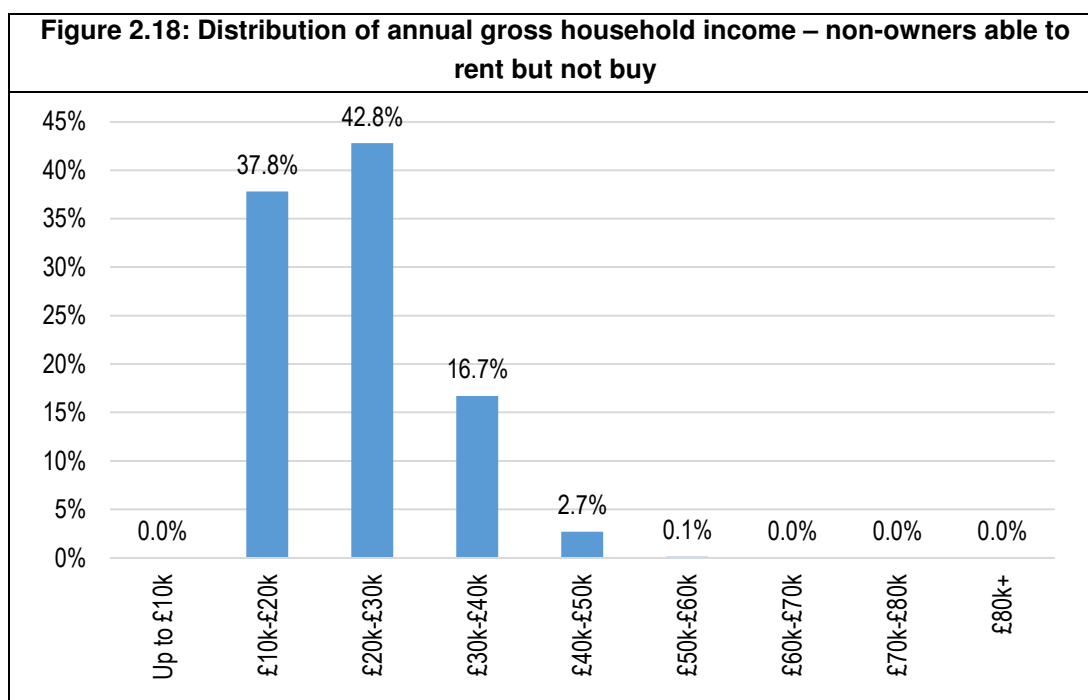
- 2.31 The figure below shows the above information by sub-area. This clearly shows the highest proportion of households able to rent but not buy are found in St. Annes – this is to be expected given the size of the private rented sector in this area. Conversely, rural locations tend to see a much lower proportion.



2.32 As with previous analysis, it is informative to focus the data just on households who are currently not owners (again as this will be the group to be targeted by affordable home ownership products). The figures below show firstly the income distribution of this group and then the level of savings/access to capital.

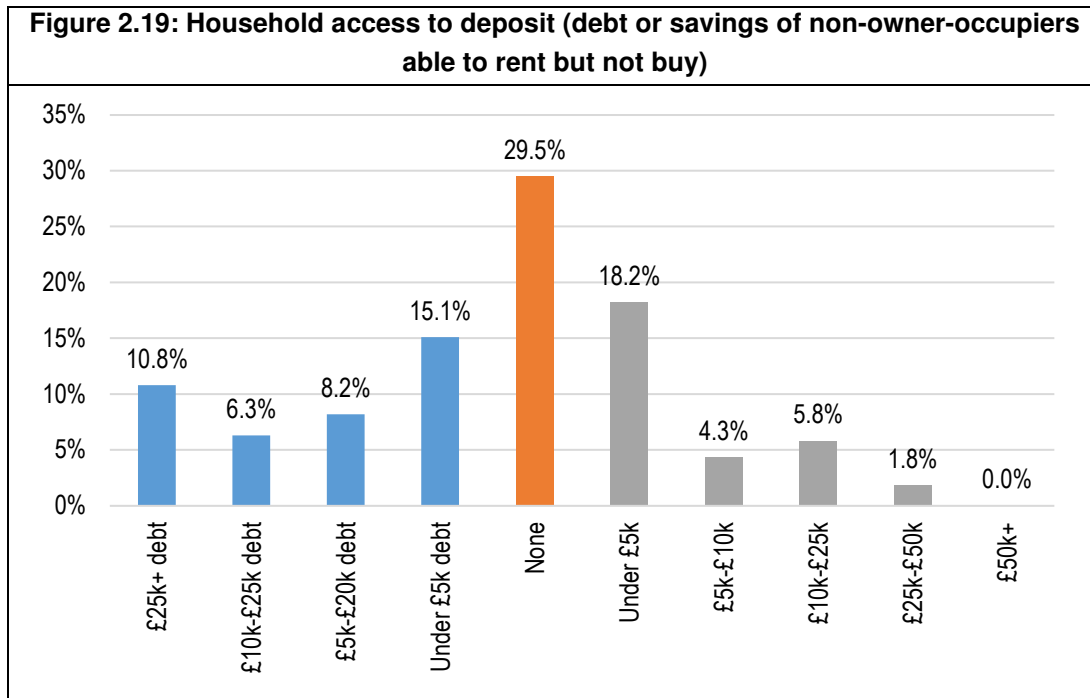
2.33 With the income distribution, it is clear there is a predominance households in the £20,000-£30,000 per annum bracket. The average (mean) income of households in this group is £24,300, with a median figure of £23,100. A household with an income of around £25,000 would be able to secure a mortgage for around £100,000 and with a 10% deposit would roughly be able to buy a home for £110,000. This figure is around 70% of the overall lower quartile value in the Borough (for second-hand homes).

2.34 This clearly demonstrates for many households there is a significant gap between what can be afforded and the cost of market housing. Where there is a large gap between the two it is likely that social (rented) tenures will be required to provide housing at an affordable price.



Source: Household survey

- 2.35 When looking at access to savings for a deposit, the analysis is noteworthy, showing that only 30% of households have a positive level of saving and only 8% have savings in excess of £10,000 (a level that might be required to be able to buy a home). This analysis suggests for many households that finding a deposit may be a barrier to home ownership, even if a discounted product were to be provided. This points to certain forms of affordable home ownership as being likely to be more suitable – in particular shared ownership or Rent to Buy housing which would typically require smaller deposit requirements than other forms of home ownership (such as discounted sales housing and/or First Homes).
- 2.36 Whilst levels of debt will impact on households' ability to afford market housing, it is also likely to be a barrier to accessing social rented accommodation. Discussions with the Council reveal that a households with more than £500 of housing related debt would not be eligible for a social tenancy. Whilst the survey did not differentiate between types of debt it seems likely that many households will have some level of arrears. This means they would not be able to bid for social rented homes (despite having a need for such accommodation). This would be likely to significantly under-estimate need if measured using administrative sources (such as the Housing Register).

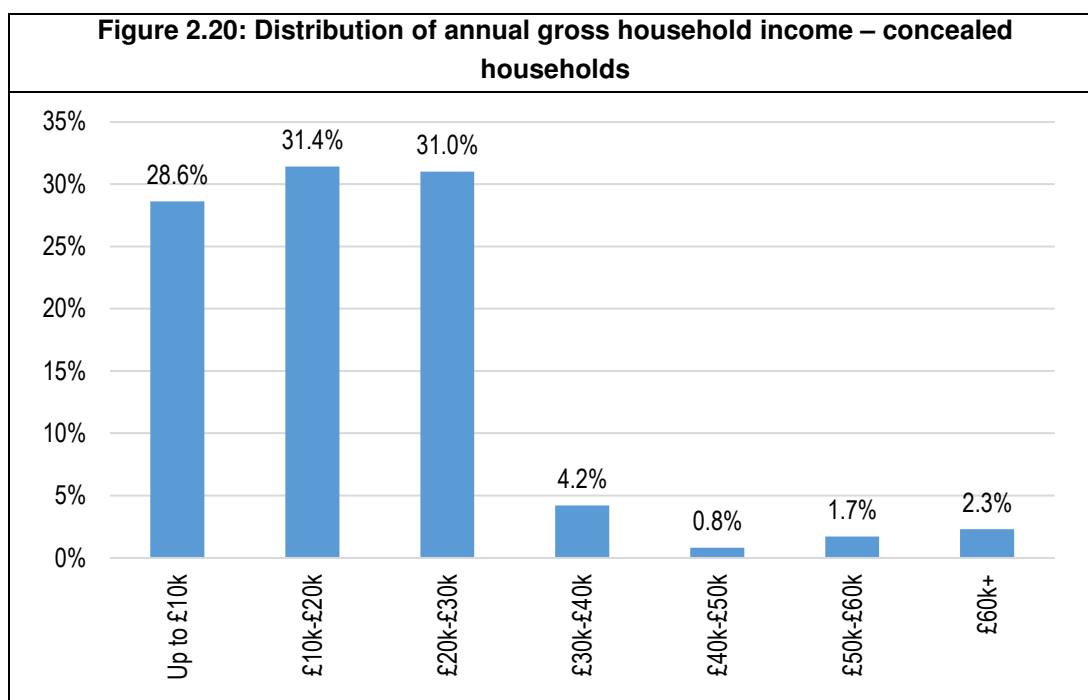


Source: Household survey

### Concealed Households' Financial Situation

- 2.37 As well as existing households, the survey asked a range of question from concealed/potential households. These are households living with others but looking to set up their own independent home over the next five years – the main group will be grown-up children living with parents. In total the survey estimates 3,368 households as needing or being likely to move over the next five years (an average of 674 per annum).
- 2.38 The survey results for household income of concealed households estimate the mean gross household income level to be £18,900 per annum, including households without any members in employment. The median income is lower than the mean, at £17,000 per annum.
- 2.39 The figure below shows the distribution of income of concealed households. This shows the majority of households (around 62%) have an income in the range of £10,000-£30,000 per annum, although a significant proportion have incomes lower than this. Very few households have an income in excess of £30,000.





Source: Household survey

- 2.40 One issue that has been highlighted in previous guidance about housing needs surveys (dating back to 2000) is that the incomes of concealed households are often much lower than the incomes seen when households actually move (as many households will be at the start of careers and would expect incomes to increase. Indeed, previous guidance has suggested using data from recently moving households to provide an indication of likely income when households move home. That said, the Survey of English Housing shows that a high proportion of households have their first home in the private rented sector (Headline Report 2021).
- 2.41 From the survey, it is possible to look at newly forming households with the table below showing the average (mean) income of households forming over the past 5-years as being around 76% higher than for the concealed households picked up by the survey.

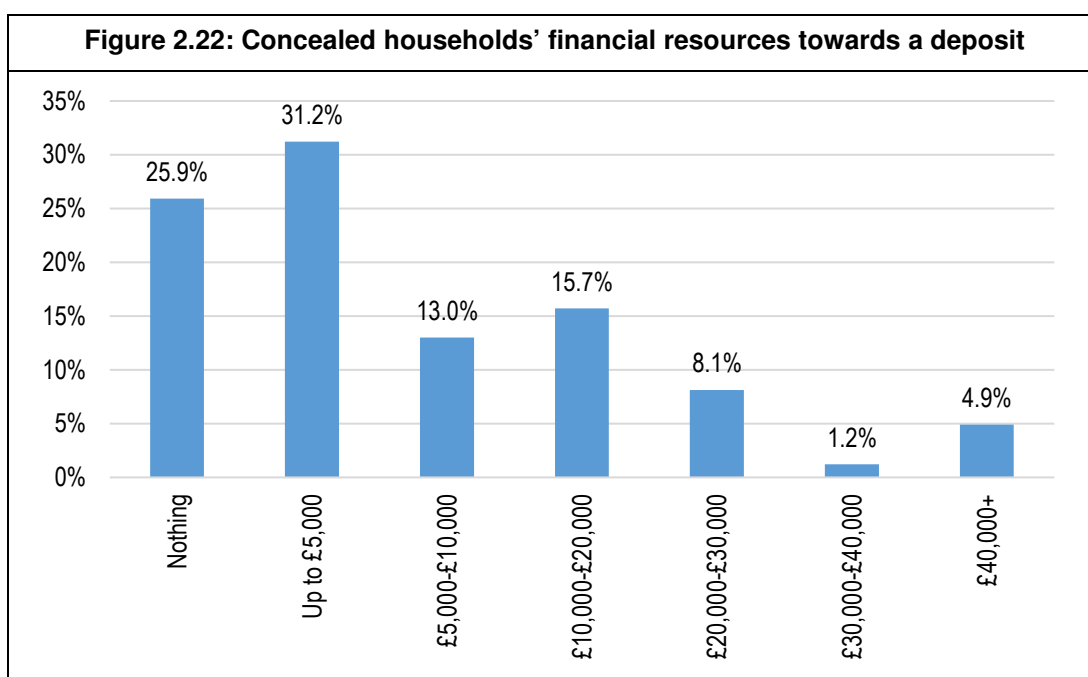
**Figure 2.21: Income of recently moving households by previous tenure**

Previous tenure	Mean income	Median income
Owner-occupied	£46,274	£37,295
Social rented	£24,499	£16,832
Private rented	£30,178	£22,092
Newly-forming	£33,299	£26,439
Total	£38,227	£29,547
Concealed households	£18,924	£17,030

Source: Household survey

2.42 Using the information about the difference between concealed households income now and the incomes that might be expected when they move, the survey data has been uprated by 76% to provide a better indication of potential incomes at the time of moving. This is however not without issue; for example concealed households do not move when they cannot afford to; they only do so when they can. Therefore, using the income level when they move could give an over-estimate of the income as a concealed household. That said, it is considered that linking to data on households who have moved is the most robust method of using the available data, and is one which is more likely to under- than over-estimate the affordable need.

2.43 Household were also asked about any financial resources for a deposit, with the figure below showing typically low levels of available finance (57% with no more than £5,000). Again it seems likely that access to deposits will be a barrier to accessing the owner-occupied sector.



Source: Household survey

2.44 Using the same affordability test as for existing households (including price and rent data based on place of residence), the table below shows an estimated 38% of concealed households will not be able to buy or rent in the market. The analysis also shows no households as able to buy but not rent, but 27% who can afford to rent only (and who would again be potential targets for affordable home ownership).

**Figure 2.23: Tenures of housing affordable to concealed households**

	Households	% of households
Afford to buy or rent market housing	1,180	35.0%
Afford to rent only market housing	909	27.0%
Able to buy only	0	0.0%
NOT afford suitable market housing	1,279	38.0%
Total	3,368	100.0%

Source: Household survey

## Summary

- 2.45 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. Poor affordability can result in the loss of employees from an area, an increase in poverty and a high number of households requiring assistance with their housing either via a social rented property or through Housing Benefit (Local Housing Allowance). This can also result in a loss of mix and balance in the population within the area.
- 2.46 To look at the affordability of housing a market survey was undertaken to establish the entry-level costs to both buy and rent housing locally; this showed a lower quartile house price of around £155,000 (across all types and sizes of home) and lower quartile rents at £475 per month. The analysis also looked at how costs varied by size of dwelling and across the sub-areas.
- 2.47 When looking at household incomes, the survey showed a median household income of around £30,400; within this there are a range of incomes, with around a third of households having an income below £20,000 and 11% above £80,000. Owner-occupiers (notably those with a mortgage) have relatively high incomes, with much lower incomes seen in the social rented sector and to a lesser extent the private rented sector. The analysis also showed typically higher incomes in more rural locations within the Borough.
- 2.48 The survey asked about savings and debt, which again showed a very wide range of different household circumstances – around a quarter of households said they were in debt, but approaching a third have savings in excess of £50,000. When focussing on non-owners, savings levels were very low (and debt relatively high); this is an important point given the need to raise a deposit to access the owner-occupied sector. With the full range of financial data considered it was estimated that the average private renting households could afford to buy for around £72,300, with a figure of £55,100 for social tenants, figures well below the lower quartile price of £155,000. Levels of debt will also impact on households being able to access the social rented sector as rent arrears in excess of £500 would typically mean a household is not eligible for housing (and would likely need to find a solution in the private rented sector).
- 2.49 A series of affordability tests were run to look at households' ability to afford to buy or rent housing in their local area and this suggested 18% of households would be unable to access the market. Focussing on non-owners, an estimated 52% are unable to afford. Additionally, the analysis points to a particular difficulty in non-owners buying homes, with just 19% being able to buy a lower quartile home – this looks in part to be due to low levels of capital available to put towards a deposit and the impact of debt.
- 2.50 The survey also asked a series of questions about potential new households (i.e. people living with others who will form their own independent household in the future). These households typically had lower levels of income than existing households and a were less able to afford housing of all types.
- 2.51 The information about affordability amongst different groups of the population has been taken forward into an assessment of the need for affordable housing.



## 3. Affordable Housing Need

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### Introduction

- 3.1 Using the household survey data, this section provides an assessment of the need for affordable housing in Fylde and the ten sub-areas. The analysis specifically considers general needs housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report.
- 3.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need for social/affordable rented housing and secondly to consider the need for affordable home ownership products.

### Methodology Overview

- 3.3 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks at a need for *'affordable housing for rent'* as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on data from the household survey – this figure is then annualised so as to meet the current need over a period of time;
  - **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
  - **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
  - **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.
- 3.4 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.
- 3.5 This approach has traditionally been used to consider the needs of households who are in housing need and have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.

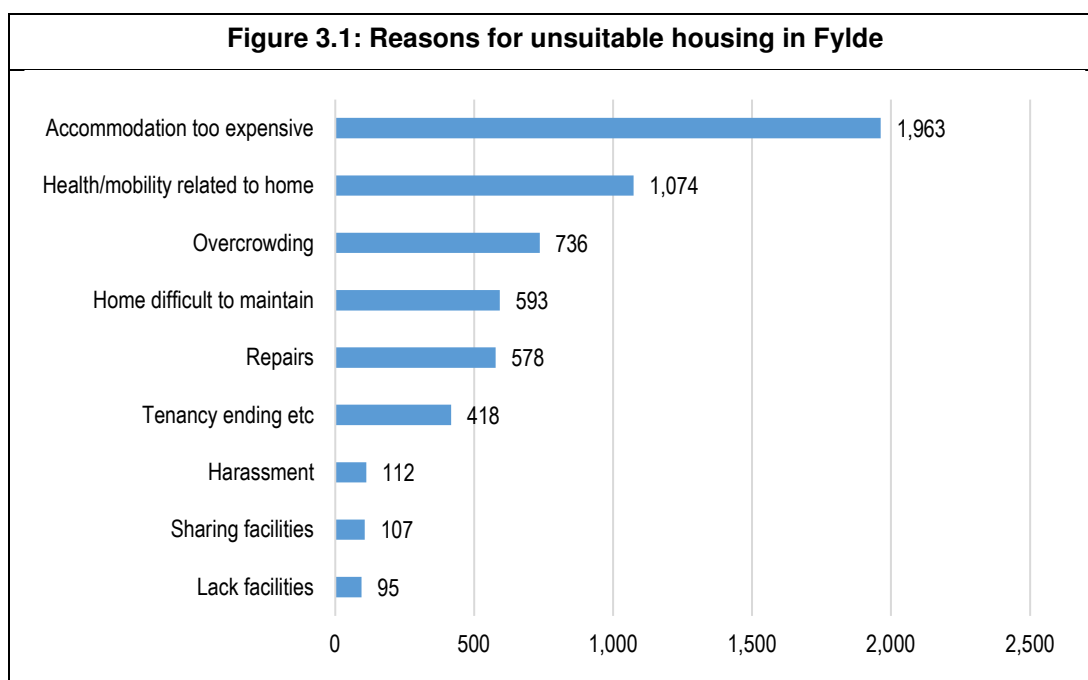
- 3.6 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home, and require support to do so. The PPG includes households that “*cannot afford their own homes, either to rent, or to own, where that is their aspiration*” as having an affordable housing need.
- 3.7 This widened definition has been introduced by the Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 20 years or so. The PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and considers a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.

### **Need for Affordable Housing**

- 3.8 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in the Borough and sub-areas. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

### **Current Need for Affordable Housing to Rent**

- 3.9 The first stage of the model assesses current need (sometimes termed the ‘backlog’ of housing need). This begins with an assessment of housing suitability and affordability and also considers homeless households before arriving at a total current need estimate (gross).
- 3.10 A key element of housing need is an assessment of the suitability of a household’s current housing with this study using a range of criteria as set out in the figure below. In the Borough it is estimated that a total of 3,900 households are living in unsuitable housing (this represents 10% of all households in the Borough).
- 3.11 The figure below indicates the number of households living in unsuitable housing (ordered by the number of households in each category). It should be noted that the overall total of reasons for unsuitable housing shown in the figure will usually be greater than the total number of households with unsuitability, as some households have more than one reason for unsuitability. The main reason for unsuitable housing is in relation to accommodation costs, specifically in relation to the heating of the home.
- 3.12 For most of the categories below the figures are based on households’ perceptions of their circumstances, the exception to this is for overcrowding which has been based on calculations set against the bedroom standards (which was discussed in the previous section).



Source: Household survey

3.13 The table below shows unsuitable housing by tenure. With the patterns emerging suggesting that households living in social and private rented accommodation are the most likely to live in unsuitable housing.

**Figure 3.2: Unsuitable housing and tenure**

Tenure	Unsuitable housing		
	In unsuitable housing	Total households	% in unsuitable housing
Owner-occupied (no mortgage)	544	17,604	3.1%
Owner-occupied (with mortgage)	366	10,385	3.5%
Social rented	732	3,264	22.4%
Private rented	2,257	7,746	29.1%
<b>Total</b>	<b>3,900</b>	<b>39,000</b>	<b>10.0%</b>

Source: Household survey

3.14 Although the survey has highlighted a number of households as living in unsuitable housing it is most probable that some of these problems can be resolved without the need to move to alternative accommodation. For the purposes of this assessment it is assumed that households in the following categories DO NOT have an in-situ solution to their housing problems:

- End of tenancy;
- Overcrowding;
- Sharing facilities; and
- Harassment.

- 3.15 Looking at the reasons for unsuitability it is estimated that around a third of those unsuitably housed do not have an in-situ solution to their problems – this represents 1,282 households.
- 3.16 The ability of these households to afford entry-level market housing of a suitable size was then tested using the affordability criteria set out previously. The data suggests that there are 692 households that are living in unsuitable housing, need to move and cannot afford market housing.
- 3.17 The table below shows the tenure of these households. The results show that households in the social rented sector are most likely to be in need, followed by households living in private rented housing. Given the relative size of the private rented sector it is notable that some 63% of needs are estimated to be from households in this tenure.

**Figure 3.3: Current affordable housing need and tenure – households unable to buy OR rent**

Tenure	Housing Need		
	In housing need	Total households	% in need
Owner-occupied (no mortgage)	11	17,604	0.1%
Owner-occupied (with mortgage)	52	10,385	0.5%
Social rented	193	3,264	5.9%
Private rented	437	7,746	5.6%
<b>Total</b>	<b>692</b>	<b>39,000</b>	<b>1.8%</b>

Source: Household survey

- 3.18 For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need (i.e. social rented), and households from other tenures in need. It is estimated that some 193 households in need currently live in affordable housing, 499 are in other tenures.
- 3.19 The Housing Needs Assessment is a ‘snapshot’ that assesses housing need at a particular point in time. There will, in addition to the existing households in need, be some homeless households who were in need at the time of the assessment and should also be included within any calculation of backlog need. To assess the number of homeless households we have used information from the Council about households living in temporary accommodation – this shows a further 28 households as in need for the fourth quarter of 2021/22.
- 3.20 Adding this figure to the estimated current need from survey data (of 692 households) gives a total estimated need of 720 – this represents the number of households with a need currently. For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Conventionally, surveys of this nature seek to meet the need over a 5-year period and so the need is annualised by dividing by 5 (to give an annual need for 144 dwellings across all areas).



- 3.21 The estimate of current affordable need can be compared with data from the MyHomeChoice Housing Register which as of March 2022 showed a total of 598 households registered (excluding those currently in affordable housing) – suggesting the survey is picking up a similar number. However, it should be noted of the 598 only 138 are considered to be in a reasonable preference category which does imply that the Register applies quite a strict definition of need. The 138 figure represents about 0.4% of all households in the Borough, whereas nationally around 2.3% of households are registered and in a reasonable preference category.

### Current need for Affordable Housing to Buy

- 3.22 A similar analysis has been undertaken for households who are able to afford to rent a home but not buy, with the table below showing affordable need for this group. In total, 347 households indicate a need for affordable home ownership, with 232 of these in the private rented sector.

<b>Figure 3.4: Affordable housing need and tenure – households able to rent but NOT buy</b>			
Tenure	Housing Need		
	In housing need	Total households	% in need
Owner-occupied (no mortgage)	0	17,604	0.0%
Owner-occupied (with mortgage)	0	10,385	0.0%
Social rented	115	3,264	3.5%
Private rented	232	7,746	3.0%
<b>Total</b>	<b>347</b>	<b>39,000</b>	<b>0.9%</b>

Source: Household survey

### Newly Forming Households

- 3.23 The number of newly forming households has been estimated through survey data as the number of new households expected to form over the next five years (and then annualised). In total, some 2,797 households indicated the presence of a newly forming household and this is 559 per annum. This figure takes account of respondents who are likely to form a new households with another person and also discounts those moving to live with an existing household (e.g. someone moving to be with a partner at their current accommodation).
- 3.24 In assessing the ability of newly forming households to afford market housing, data has been drawn from the household survey, taking account of typical incomes of households who have recently formed as well as the incomes of households identified in the survey as being future movers (analysis provided in the previous section).
- 3.25 The analysis has therefore adjusted the income data of newly forming households to reflect the difference between current incomes and likely incomes at time of forming – this will include the potential uplift to income for two households coming together to form a new household. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.

3.26 The assessment suggests overall that around two-fifths of newly forming households will be unable to afford market housing (to rent privately) and this equates to a total of 1,024 newly forming households which will have a need (and average of 205 per annum on average) across the study area – the table below provides a breakdown by sub-area. This is the number who would be unable to afford to rent privately without the need to claim Housing Benefit (or Universal Credit with a housing element) or for whom it would be necessary to spend more than 30% of their gross income on housing.

**Figure 3.5: Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (next 5-years)**

	Total Number of new households	1-bedroom need	2-bedroom need	3+-bedroom need	% unable to afford market housing	Newly forming households unable to afford market rents
St. Annes	891	278	520	92	35.0%	312
Lytham	631	202	363	66	48.5%	306
Warton	148	38	45	65	34.5%	51
FB Periphery	20	0	12	8	25.5%	5
Kirkham	348	164	136	48	28.5%	99
Wesham	152	9	56	87	45.3%	69
Freckleton	179	63	62	53	13.1%	23
Rural North	222	29	134	58	25.8%	57
Rural West	97	24	46	28	56.6%	55
Rural East	109	22	70	17	41.8%	46
<b>TOTAL</b>	<b>2,797</b>	<b>830</b>	<b>1,446</b>	<b>522</b>	<b>36.6%</b>	<b>1,024</b>

Source: Household survey

3.27 The table below shows the same analysis but for households who are able to afford to rent but not buy, this totals 782 households (156 per annum).

<b>Figure 3.6: Estimated Need for affordable home ownership from Newly Forming Households (next 5-years)</b>			
	Number of new households	% unable to afford to buy but able to afford to rent	Newly forming households able to afford to rent but unable to afford to buy market housing
St. Annes	891	20.1%	180
Lytham	631	36.9%	233
Warton	148	25.5%	38
FB Periphery	20	35.9%	7
Kirkham	348	32.3%	112
Wesham	152	18.7%	28
Freckleton	179	11.7%	21
Rural North	222	43.0%	95
Rural West	97	40.5%	39
Rural East	109	25.2%	28
<b>TOTAL</b>	<b>2,797</b>	<b>27.9%</b>	<b>782</b>

Source: Households survey

### Existing Households Falling into Affordable Housing Need

3.28 The second element of newly arising need is existing households falling into need. To assess this, survey data about past households' moves into the social rented sector and benefit supported private rented sector has been used (along with a locally based affordability test). The method uses data on past moves as a proxy for the nature and scale of households moves likely in the future. The method used can be set out as a number of stages:

- Identifying households moving over the past 5-years;
- Filtering out households who moved to owner-occupied accommodation (assumed to be able to afford housing);
- Filtering out households moving within the social rented sector (as homes released would be available for use by another households);
- Filtering out moves to the private rented sector where Housing Benefit (or Universal Credit with a housing element) is not claimed – again assuming households were deemed able to afford at the point of moving; and
- Applying an affordability test to check if any households could afford market housing (a very low number but included for completeness of analysis).

3.29 Following the analysis through suggests a need arising from 267 existing households each year across the Borough plus 171 who can afford to rent but not buy. The tables below break this down by sub-area.

3.30 These figures need to be understood in the context of the households being picked up as in need as a large proportion are households moving within the benefit supported private rented sector, which has quite a ‘churn’. As these households need to claim benefits the analysis assumes that they would ideally be placed in social housing rather than continuing to move within the PRS. Social housing would be expected to provide a security of tenure, a lower rent and quite likely more suitable accommodation (in terms of size and condition).

3.31 One key advantage of the survey based approach to looking at affordable need is being able to pick up the role played by the private rented sector as it is quite likely that many of these households, despite clearly having needs, will never have approached the Council regarding their needs. This may in part be due to eligibility restrictions such as rent arrears. Further data about trends in benefit claimants in the private rented sector can be found later in this section.

**Figure 3.7: Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need (5-years)**

	Total Additional Need	% of Total	1-bedroom	2-bedrooms	3+-bedrooms
St. Annes	328	31.2%	204	124	0
Lytham	395	33.3%	138	185	72
Warton	101	7.6%	22	40	39
FB Periphery	79	7.7%	12	42	25
Kirkham	75	5.6%	30	45	0
Wesham	74	5.5%	23	50	0
Freckleton	58	4.3%	0	36	22
Rural North	25	2.5%	13	8	5
Rural West	18	1.3%	3	15	0
Rural East	12	0.9%	8	0	5
<b>TOTAL</b>	<b>1,165</b>	<b>100.0%</b>	<b>454</b>	<b>544</b>	<b>168</b>

Source: Derived from a range of sources as described in text

**Figure 3.8: Estimated Need for affordable home ownership from Existing Households Falling into Need (5-years)**

	Total Additional Need	% of Total
St. Annes	600	70.0%
Lytham	141	16.5%
Warton	14	1.6%
FB Periphery	18	2.1%
Kirkham	61	7.1%
Wesham	12	1.4%
Freckleton	0	0.0%
Rural North	11	1.3%
Rural West	0	0.0%
Rural East	0	0.0%
<b>TOTAL</b>	<b>857</b>	<b>100.0%</b>

Source: Derived from a range of sources as described in text

### Supply of Housing Through Relets/Resales

- 3.32 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 3.33 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from CoRe<sup>9</sup> has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 3.34 On the basis of past trend data it has been estimated that 125 units of social/affordable rented housing are likely to become available each year moving forward for occupation by newly forming households and existing households falling into need from other tenures.

**Figure 3.9: Analysis of Past Social/Affordable Rented Housing Supply, 2018/19 – 2020/21 (average per annum) – Fylde**

Year	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2018/19	327	73.1%	239	53.6%	128
2019/20	373	60.1%	224	67.4%	151
2020/21	184	66.8%	123	78.9%	97
Average	295	66.3%	195	64.2%	125

Source: CoRe/LAHS

- 3.35 The table below shows the estimated supply of affordable housing from relets in each sub-area. The sub-area figures have been based on information provided by the Council about lettings over the five-year period to January 2022.

<sup>9</sup> The continuous recording of lettings and sales in social housing in England (referred to as CoRe) is a national information source that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent

<b>Figure 3.10: Estimated supply of affordable housing from relets of existing stock by sub-area (per annum)</b>		
	Annual supply	% of supply
St. Annes	32	25.6%
Lytham	18	14.8%
Warton	11	8.8%
FB Periphery	8	6.4%
Kirkham	20	16.0%
Wesham	14	11.0%
Freckleton	10	7.7%
Rural North	6	4.6%
Rural West	2	1.3%
Rural East	5	4.0%
<b>TOTAL</b>	<b>125</b>	<b>100.0%</b>

Source: CoRe/LAHS/Fylde Council

- 3.36 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.
- 3.37 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.
- 3.38 The main source is likely to be resales of products such as shared ownership and other forms of low cost home ownership (LCHO). According to data from the Regulator of Social Housing there were 219 LCHO homes in the Borough as of 2021, if these have a similar turnover to stock in the social sector then it can be estimated that there would be around 10 resales per annum across the study area. These properties would be available for these households and can be included as the potential supply.
- 3.39 In addition, it should be noted that the analysis looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in Fylde there were a total of 1,515 resales (i.e. excluding newly-built homes) in the last year (year to March 2022) and therefore around 379 would be priced below the lower quartile. This is 379 homes that would potentially be affordable to the target group for affordable home ownership products.

- 3.40 It is then possible to provide a best estimate of the supply of lower quartile homes that are bought by the target group of households (assumed to be first-time buyers). Whilst dated, a report by Bramley and Wilcox in 2010 (Evaluating requirements for market and affordable housing) noted that around 40% of first-time buyer with a mortgage buy at or below the lower quartile<sup>10</sup>. Other recent data suggests that first time buyers account for around half of home purchase loans<sup>11</sup> with a total of around 65% of all homes being bought with a loan (35% as cash buyers<sup>12</sup>).
- 3.41 Bringing this together would point to 32.5% of homes being bought by first-time buyers and around 13% of all homes being a lower quartile home bought by a first-time buyer (32.5% \* 40%) – this would point to around half of all lower quartile sales as being to first-time buyers (as half of 25% is 12.5%). Therefore, for the purposes of estimating a ‘need’ half of all lower quartile sales are included in the supply.
- 3.42 The total estimated supply of affordable home ownership properties from the existing stock of housing is therefore 199 (189 from resales of market housing below the lower quartile and 10 from sales of low cost home ownership properties) – this total 997 over a five year period.

### Net Need for Affordable Housing

- 3.43 The table below shows the overall calculation of need for affordable housing to rent. The analysis shows that there is a net need for 2,091 dwellings over the next 5-years (418 per annum) across the Borough.

<b>Figure 3.11: Estimated Need for Social/Affordable Rented Housing (5-years)</b>		
	Total (5-years)	Per annum
Current need – existing households	692	138
Current need – homeless	28	6
<b>Total current need</b>	<b>720</b>	<b>144</b>
Newly forming households	2,797	559
% unable to afford	36.6%	36.6%
Newly forming households in need	1,024	205
Existing households falling into need	1,165	233
<b>Total future need</b>	<b>2,189</b>	<b>438</b>
<b>TOTAL GROSS NEED</b>	<b>2,909</b>	<b>582</b>
Supply from existing tenants releasing homes	193	39
Supply from relets	625	125
<b>Total Supply</b>	<b>818</b>	<b>164</b>
<b>TOTAL NET NEED</b>	<b>2,091</b>	<b>418</b>

Source: Range of sources, including household survey

<sup>10</sup> [https://thinkhouse.org.uk/site/assets/files/1614/2010\\_20nhpau\\_202.pdf](https://thinkhouse.org.uk/site/assets/files/1614/2010_20nhpau_202.pdf)

<sup>11</sup> <https://www.mortgagesolutions.co.uk/news/2022/01/24/first-time-buyer-numbers-rose-to-nearly-410000-in-2021/#:~:text=First%2Dtime%20buyers%20accounted%20for,39%20per%20cent%20in%202009>

<sup>12</sup> <https://www.ft.com/content/e0ad2830-094f-4e61-acaa-d77457e2edbb>

3.44 The table below shows the same information (slightly summarised) by sub-area – an affordable need is seen in all sub-areas. In summarising the data (when compared with the table above) the main difference is that the supply from tenants releasing homes has been removed as part of calculating the current need – this has no impact on estimates of net need. Net need is calculated as follows:

$$\text{Net Need} = \text{Current Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

**Figure 3.12: Estimated Need for Social/Affordable Rented Housing by sub-area (5-years)**

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
St. Annes	222	312	328	861	160	701
Lytham	137	306	395	838	90	748
Warton	38	51	101	190	55	135
FB Periphery	20	5	79	105	40	65
Kirkham	61	99	75	235	100	135
Wesham	0	69	74	143	70	73
Freckleton	0	23	58	81	50	31
Rural North	37	57	25	119	30	89
Rural West	13	55	18	86	10	76
Rural East	0	46	12	58	25	33
<b>TOTAL</b>	<b>527</b>	<b>1,024</b>	<b>1,165</b>	<b>2,716</b>	<b>625</b>	<b>2,091</b>

Source: Range of sources, including household survey

3.45 The table below shows the overall calculation of affordable housing need for households able to rent housing but not buy. The analysis shows that there is a need for 874 dwellings across the area (175 per annum) – an affordable need is seen in most sub-areas, but particularly St. Annes (which does have a particular concentration of private rented housing).



**Figure 3.13: Estimated Need for Affordable Home Ownership by sub-area (5-years)**

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Resales Supply	Net Need
St. Annes	212	180	600	992	380	612
Lytham	0	233	141	374	272	102
Warton	19	38	14	71	43	28
FB Periphery	0	7	18	25	26	-1
Kirkham	0	112	61	173	74	99
Wesham	0	28	12	40	24	16
Freckleton	0	21	0	21	60	-39
Rural North	0	95	11	106	60	46
Rural West	0	39	0	39	34	5
Rural East	0	28	0	28	24	4
<b>TOTAL</b>	<b>232</b>	<b>782</b>	<b>857</b>	<b>1,871</b>	<b>997</b>	<b>874</b>

Source: Range of sources, including household survey

- 3.46 Whilst the need above is provided down to sub-area level, it should be remembered that affordable need can be met across the Borough as and when opportunities arise, and so specific sub-area data should not be treated as a local target.

### Implications of the Analysis

- 3.47 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although the need for rented forms of affordable housing is more acute (over 70% of the need identified by the survey).
- 3.48 Regardless, there are many households in Fylde who are being excluded from the owner-occupied sector. This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 58% from 2001 to 2011 (with the likelihood that there have been further increases since). Over the same period, the number of owners with a mortgage dropped by 9%. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 3.49 On this basis, and as previously noted, it seems likely in Fylde that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy (although this will be a factor). The high level of debt shown by the survey in relation to households living in rented accommodation will also be an important factor.

## The Relationship Between Affordable Need and Overall Housing Need

3.50 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

*'The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes'*

3.51 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be 'arithmetically' linked.

3.52 Firstly, the modelling contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains 'newly forming households'; these households would form part of the demographic modelling used to derive overall housing need numbers through the Standard Method.

3.53 This just leaves the 'current need'; much of this group will be similar to the existing households already described (in that they are already living in accommodation) although it is possible that a number will be households without housing (mainly concealed households) – these households are not included in the demographic modelling and so are arguably an additional need, although uplifts for market signals/affordability (as included in the Government's Standard Method) would be expected to deal with such households.

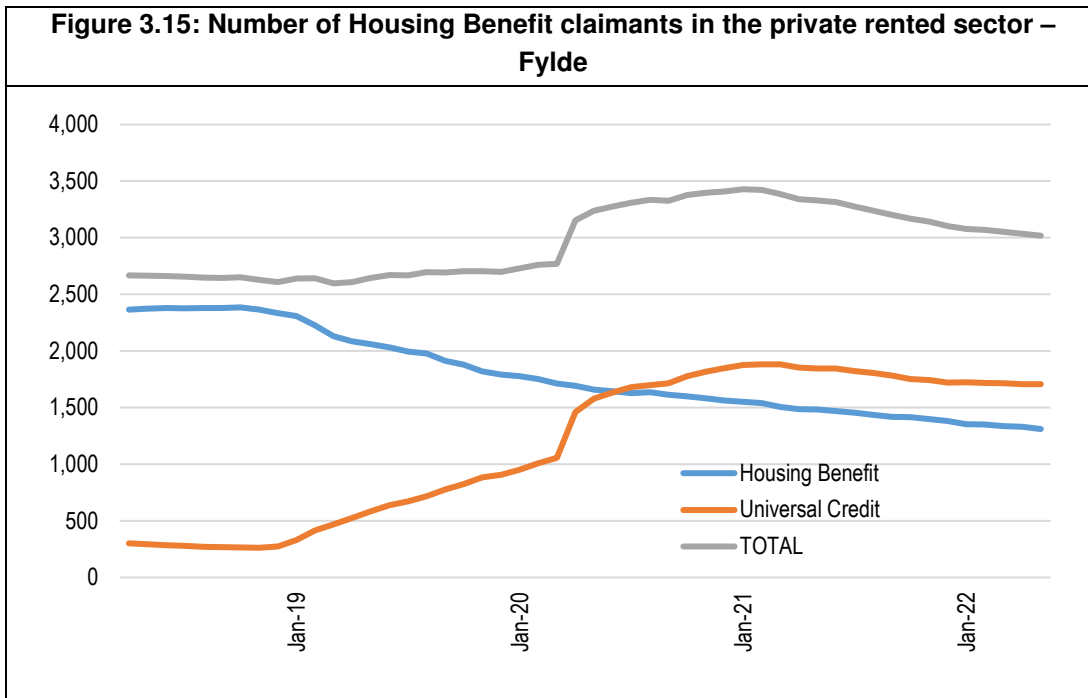
3.54 The analysis estimates an annual need for 418 rented affordable homes plus 175 for affordable home ownership (593 per annum in total). This is notionally nearly double a Local Housing Need of 305 dwellings per annum (as calculated using the Standard Method and contained in the Local Plan). However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

3.55 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 212 homes (42 per annum) across the study area – notionally less than 15% of the Standard Method. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). It does however show that there is a substantial difference in the figures when looking at overall housing shortages.

<b>Figure 3.14: Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – Fylde (5-years)</b>			
	Rented housing	Affordable home ownership	TOTAL
Current need	28	0	28
Newly forming households	1,024	782	1,806
Existing households falling into need	0	0	0
Total Gross Need	1,052	782	1,834
Re-let Supply	625	997	1,622
Net Need	427	-215	212

Source: Range of sources, including household survey

- 3.56 It is also worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.
- 3.57 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main ‘full market’ PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable housing in the PRS.
- 3.58 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: *‘Affordable housing: housing for sale or rent, for those whose needs are not met by the market’* [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.
- 3.59 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of May 2022, it is estimated that there were around 3,000 benefit claimants in the private rented sector in Fylde. From this, it is clear that the PRS contributes to the wider delivery of ‘affordable homes’ with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.
- 3.60 The figure below shows the trend in the number of claimants in the Borough. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically in excess of 2,500 households). On the basis of an estimated private rented sector of 7,750 households, the current number of claimants represents nearly 40% of the sector, clearly showing the important role played in providing housing for those who cannot afford.



Source: Department of Work and Pensions

- 3.61 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and interpreting the affordable need figure consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 3.62 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

## Summary

- 3.63 Analysis has been undertaken to estimate the need for affordable housing over the next 5-years (2022-27). The analysis is split between a need for social/affordable rented accommodation and is based on households unable to buy or rent in the market and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
- 3.64 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of households' financial situation. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing through relets. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership).

- 3.65 When looking at rented needs, the analysis suggests a need for 418 affordable homes per annum and therefore the Council is justified in seeking to secure additional social/affordable rented housing. There is also a need shown in all parts of the Borough. Much of this need is generated by households moving within the private rented sector and will therefore be met within the sector (generally supported by housing related benefits). The modelling in this report works on the basis that ideally such households would actually have a secure social tenancy – this would have a number of advantages such as lower rents and potentially being in better condition, as well as providing the security of tenure that looks to be lacking for many households.
- 3.66 When looking at the need for AHO products, the analysis also suggests a need across the Borough, albeit (at 175 dwellings per annum) the need is notably lower than for rented housing.
- 3.67 Analysis does suggest that there are many households in Fylde who are being excluded from the owner-occupied sector (as evidenced by reductions in owners with a mortgage and increases in the size of the private rented sector). This suggests that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy. High levels of debt will also be a key factor in the Borough.
- 3.68 The evidence does however point to a clear and acute need for rented affordable housing for lower income households rather than home ownership products, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 3.69 Overall, however, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.



## 4. Types of Affordable Housing

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### Introduction

- 4.1 The previous section has estimated the need for affordable housing split into two broad categories (rented affordable housing and affordable home ownership). This section looks at these tenures in more detail, considering specific products within each of those two categories. The main focus is on the pricing of different types of housing (which is drawn from secondary data sources) although survey data has been used to supplement this where possible.
- 4.2 Overall, the analysis suggested a need for both rented affordable housing and affordable home ownership with roughly a 70:30 ratio (higher rented need) and initially below a discussion of how this sits with relevant national policy is discussed.

### The Split Between Rented and Affordable Home Ownership Housing

- 4.3 The NPPF (last updated in July 2021) gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).
- 4.4 Firstly, regarding the 10%, it is not clear that this is the best solution in the study area. The NPPF does provide some examples of where the 10% might not be required (paragraph 65), most notably that the 10% would be expected unless this would '*significantly prejudice the ability to meet the identified affordable housing needs of specific groups*'. In Fylde, the clear need for additional social/affordable rented housing would arguably mean that providing the affordable home ownership would 'prejudice the ability' to meet the needs of the 'specific group' requiring rented affordable accommodation.
- 4.5 Regarding the 25% of affordable housing as First Homes, it is not clear whether there is any scope to challenge the 'minimum of 25%', nor what role other tenures of affordable home ownership (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of LCHO such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements and the fact that First Homes are restricted to first time buyers. Further restrictions may apply if Local Plan or neighbourhood plans define essential local workers.
- 4.6 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households in this respect.

- 4.7 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 4.8 There will also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.

## Social and Affordable Rented Housing

- 4.9 As noted, a key part of the analysis above has studied the overall need for rented affordable housing (for households who cannot afford to buy OR rent in the market). These households will have a need for some form of rented housing at a cost below market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 4.10 The table below shows current rent levels in the Borough for a range of products along with relevant local housing allowance (LHA) rates. The majority of Fylde falls into the Fylde Coast Broad Rental Market Area (BRMA) for the purposes of LHA, with a small area being part of the Central Lancs BRMA.
- 4.11 Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are less than both lower quartile and median market rents, although typically more than 80% of lower quartile figures and median figures for smaller homes.
- 4.12 The LHA rates are generally lower than both lower quartile market rents and some way below median figures. This means that households seeking accommodation in some locations (notably those areas with higher rents) may struggle to secure sufficient benefits to cover their rent.

<b>Figure 4.1: Comparison of rent levels for different products – Fylde</b>						
	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	Median market rent	LHA (Fylde Coast)	LHA (Central Lancs)
1-bedroom	£328	£374	£397	£450	£368	£394
2-bedrooms	£372	£472	£520	£575	£497	£499
3-bedrooms	£412	£525	£650	£700	£573	£573
4-bedrooms	£447	£637	£800	£950	£650	£793
Overall average	£380	£487	£475	£575	-	-

Source: RSH, ONS and VOA



- 4.13 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the table below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category and so the discussion focusses on 2-bedroom homes (this is the main stock size held by affordable housing providers, 45% of social rented housing and 51% of affordable rents).
- 4.14 This shows that social rents are significantly cheaper than market rents (and indeed affordable rents) but that affordable rents (as currently charged) represent 91% of a current lower quartile rent (82% if comparing with a median rent). This does not necessarily mean that the affordable rents are only being provided at a 9%-18% discount as it is possible that the open market rent is actually higher than the rent levels (mainly for existing homes) shown by ONS in their private rented market statistics.

**Figure 4.2: Difference between rent levels for different products – Fylde**

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Social rent as % of median market rent	Affordable rent as % of LQ market rent	Affordable rent as % of median market rent	LQ market rent as % of median market rent
1-bedroom	88%	83%	73%	94%	83%	88%
2-bedrooms	79%	72%	65%	91%	82%	90%
3-bedrooms	78%	63%	59%	81%	75%	93%
4-bedrooms	70%	56%	47%	80%	67%	84%
All	78%	80%	66%	103%	85%	83%

Source: RSH, ONS and VOA

- 4.15 For the affordability test, a standardised average rent for each product has been used<sup>13</sup>. The table below suggests that around 18% of households who cannot afford to rent privately could afford an affordable rent, with a further 18% being able to afford a social rent (but not an affordable one). A total of 64% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

**Figure 4.3: Estimated need for affordable rented housing (% of households able to afford)**

	% of households able to afford
Afford affordable rent	18%
Afford social rent	36%
Need benefit support	64%
All unable to afford market	100%

Source: Based on household survey data

<sup>13</sup> Figures have been standardised on the basis of the current stock of social and affordable rented housing (drawn from statistics from the Regulator of Social Housing) – the figures used are: 1-bed = 16%; 2-bed = 46%, 3-bed = 34% and 4+-bed = 4%.

- 4.16 The finding that only 18% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.
- 4.17 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of housing and services.
- 4.18 Overall, it is considered that the Council should prioritise the provision of social rents where possible, such rents will be the cheapest available and will therefore be accessible to a greater number of households. However, it will be important that seeking social rents does not prejudice the overall delivery of rented affordable housing, and affordable rents should be allowed where these can help delivery of on-site provision – it will however be important to ensure that affordable rents are truly affordable in a local context.

### **Affordable Home Ownership**

- 4.19 The analysis and discussion above suggest that there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) – i.e. in the gap between renting and buying – but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF, the Council is likely to need to consider some additional homes on larger sites as some form of affordable home ownership (AHO).
- 4.20 The analysis below focusses on the cost of discounted market sale (which would include First Homes) to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that some delivery may be of other products. This section also provides some comments about the Rent to Buy product.
- 4.21 In Fylde it should also be noted that the majority of local plan allocations including all of the large sites have some form of existing planning permission, at least in outline. Therefore, they are covered by transitional arrangements and would not be expected to provide First Homes. The Council's affordable housing SPD notes this and sets out that their own Discounted Market Sale product would be used rather than First Homes.

- 4.22 The reason for the analysis to follow is that it will be important for the Council to ensure that any affordable home ownership is sold at a price that is genuinely affordable for the intended target group – for example there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market.

### Discounted Market Sales Housing

- 4.23 Discount Market Sale (DMS) is an affordable ownership product aimed at helping first time buyers and middle-income earners get onto the property ladder by enabling them to buy a home at a discount to market value. The homeowner is not required to pay back the discounted amount at any stage of homeownership and the discount remains with the property (technically the council own the discount) into perpetuity – meaning these homes will stay permanently affordable.
- 4.24 Councils participate in collaboration with the developer to offer properties for sale to eligible purchasers at a discounted price which is a minimum of 20% but may be much higher (Fylde seeks a 40% discount in some locations).
- 4.25 In May 2021, MHCLG published a new Planning Practice Guidance (PPG) regarding First Homes which is considered to be a form of DMS. The key parts of this guidance are set out below:

*First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:*

- a) must be discounted by a minimum of 30% against the market value;*
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);*
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*

*First Homes are the government’s preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.*

- 4.26 In terms of eligibility criteria, a purchaser should be a first-time buyer with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) and a mortgage needs to fund a minimum of 50% of the discounted purchase price. Local authorities can set their own eligibility criteria, which could for example involve lower income caps, a local connection test, or criteria based on employment status. Regarding discounts, a First Home must be sold at least 30% below the open market value. However, local authorities do have the discretion to require a higher minimum discount of either 40% or 50% (if they can demonstrate a need for this).

- 4.27 As noted above, the problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than that typically available in the open market. This is often the case as new build housing itself attracts a premium. The preferred approach in this report is to set out a series of purchase costs for different sizes of accommodation which ensure these products are affordable for the intended group. These purchase costs are based on current lower quartile rental prices and also consideration of the income required to access the private rented sector and then estimating what property price this level of income might support (assuming a 10% deposit and a 4 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home:
- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in Fylde is £520 per month;
  - On the basis of a household spending no more than 30% of their income on housing, a household would need an income of around £1,733 per month to afford ( $£520/0.3$ ) or £20,800 per annum; and
  - With an income of £20,800, it is estimated that a household could afford to buy a home for around £92,400. This is based on assuming a 10% deposit (mortgage for 90% of value) and a four times mortgage multiple – calculated as  $£20,800 \times 4 / 0.9$ .
- 4.28 Therefore, £92,400 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap in Fylde. This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately. In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however, setting all homes at a higher price would mean that some households will still be unable to afford.
- 4.29 On this basis, it is considered reasonable to look at the cost of First Homes as a range, from the equivalent private rent figure up to a midpoint of the cost of open market purchase and the relevant private rented figure (for a 2-bedroom home this is £115,000, giving a midpoint of £103,700). The use of a midpoint would mean that only around half of households in the rent/buy gap could afford, and therefore any housing provided at such a cost would need to also be supplemented by an equivalent number at a lower cost (which might include other tenures such as shared ownership).
- 4.30 To estimate what levels of discount these prices might equate to it is necessary to estimate the likely cost of a home prior to any discount; calculating the Open Market Value (OMV). This is not straightforward as housing costs will vary depending on location and the type of scheme, however, it is the case that homes will be newbuilds and are likely to attract a newbuild premium.
- 4.31 The table below shows the lower quartile cost of existing and new homes by type from Land Registry data; to boost the sample of new homes data from the last 5-years has been used. The analysis clearly identifies that newbuild homes are more expensive than existing homes in the stock although the overall average 'premium' (of 40%) will be heavily influenced by the profile of homes. When looking across the different types of home it can be seen that the premium is typically around 10% on average - this figure has therefore been used in calculations of OMV and against which a discount can be judged.

<b>Figure 4.4: Lower quartile cost of housing to buy (existing and newly-built dwellings) – 5-years to September 2021 – Fylde</b>			
	Existing dwellings	Newly-built dwellings	New-build premium
Flat/maisonette	£82,800	£88,000	6%
Terraced	£119,400	£132,000	11%
Semi-detached	£150,000	£174,700	16%
Detached	£219,600	£225,200	3%
All dwellings	£141,800	£198,200	40%

Source: Land Registry

- 4.32 The table below therefore sets out a suggested purchase price for affordable home ownership/First Homes. The tables also show an estimated OMV and the level of discount likely to be required to achieve affordability. As noted, the OMV is based on taking the estimated lower quartile price by size and adding 10%. It should be noted that the discounts are based on the OMV as estimated, in reality the OMV might be quite different for specific schemes and therefore the percentage discount would not be applicable. For example, if the OMV for a 2-bedroom home were to actually be £200,000 (rather than the modelled £126,500) then the discount would be in the range of 48% and 54%.
- 4.33 On the basis of the specific assumptions used, the analysis points to a discount of up to 27% for 2-bedroom homes and a figure of up to 38% for larger (3-bedroom) properties. Given that a single discount figure is likely to be needed for plan making purposes it is suggested that a 30% discount is reasonable, with the expectation that most First Homes will be 2- or 3-bedroom although a higher discount could be justified for some dwelling sizes.
- 4.34 It will however be important for the local authority to ensure that any discount above 30% does not prejudice the viability of provision of rented forms of affordable housing such as social and affordable rents (for which there is a more acute need).

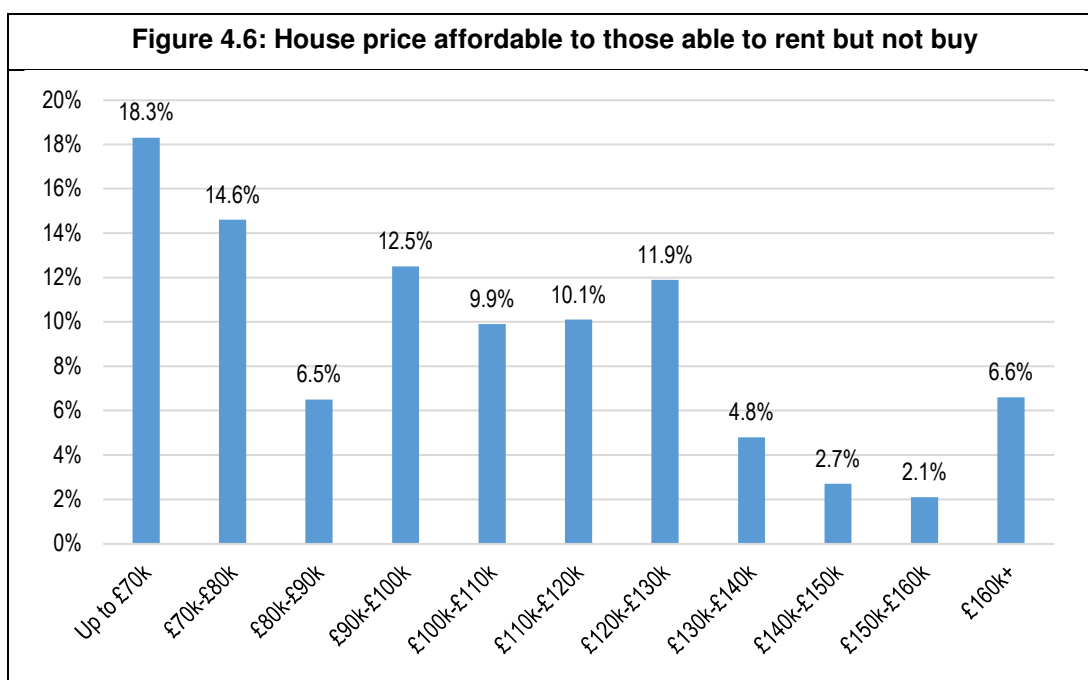
<b>Figure 4.5: Affordable home ownership prices – data for year to September 2021 – Fylde</b>			
	Affordable Price	Estimated newbuild OMV	Discount required
1-bedroom	£70,300-£70,600	£77,000	8%-9%
2-bedrooms	£92,400-£103,700	£126,500	18%-27%
3-bedrooms	£115,600-£142,800	£187,000	24%-38%
4+-bedrooms	£142,200-£208,600	£302,500	31%-53%

Source: Derived from a range of sources as described

- 4.35 It should also be noted that the analysis above is for the whole of the local authority area; the pricing of housing does vary across the Borough and therefore adjustments to the figures might be appropriate in some instances. That said, affordable needs can be met anywhere in the authority (where opportunities arise) and so using an expectation of an authority-wide affordability calculation should ensure affordable products on sites regardless of location.

### Survey Data on Affordability

- 4.36 In assessing the need for affordable home ownership, analysis was carried out to look at households unable to buy a home but who are able to afford to rent. These households will typically have ‘middle’ incomes and are likely to be the target for affordable home ownership. Analysis did however show that many of these households may struggle to buy due to low finances for a deposit and/or levels of debt which could be a barrier.
- 4.37 From the survey data it is however possible to look at the range of house prices that might be affordable to this group and in interpreting this data it should be remembered that a house price of £155,000 was assumed as the Borough-wide level to access the market, whilst analysis above puts a figure of around £90,000-£105,000 as the figure to buy a 2-bedroom home.
- 4.38 The analysis shows that a notable proportion of households have incomes that are unlikely to allow them to afford even a 2-bedroom home at the price suggested by analysis, with a total of 39% of households able to rent but not buy only being able to afford up to £90,000. This analysis points to discount market sale/First Homes as likely to only be a reasonable solution for a fraction of households in the rent/buy gap, although other forms of affordable home ownership products (such as shared ownership) may be more suitable.
- 4.39 From the table below it should also be noted there are a small number of households able to afford in excess of £155,000 (which was the Borough wide lower quartile price used for affordability analysis). A higher figure arises as the analysis was carried out on a sub-area basis, with the lower quartile price in many locations being above the £155,000 figure.



Source: Household survey

### Key Points in Relation to Discounted Market Sales Housing

- 4.40 The paragraphs below seek to answer a series of questions in relation to Discounted Market Housing (although they would also apply to First Homes). This should help the Council in deciding the appropriate approach, although ultimately there will be choices and decision to be made by the Council that this report can only comment on. Whilst the analysis above has focussed on pricing, the discussion below also draws on this information to consider whether there are any specific local criteria that could be applied.
- *Is there a justification for a discount of greater than 30%, if so, what should it be and should the discount be variable depending upon property size?*
- 4.41 There is certainly a case to seek a discount in excess of 30% - a higher discount will make homes cheaper and therefore potentially open up additional households to being able to afford. However, providing a higher discount may well have an impact on viability, meaning the Council will not be able to provide as many homes in other tenures (such as social/affordable rented housing which is likely to be needed by those with more acute needs and fewer choices in the housing market).
- 4.42 The Council could therefore investigate higher discounts (with 40% being suggested by the analysis if homes of 3+-bedrooms are likely to be delivered), but it is not recommended to seek a higher figure unless this can be proven to not impact on overall affordable delivery.
- 4.43 Although not specifically set out in the PPG, it does seem likely that the Council would need to have a single discount for all dwelling sizes and in any case, for Fylde, there is no strong argument that different sizes of homes will have such different pricing/affordability that different discounts would be appropriate anyway. There is however potentially a case for different discounts in different locations given variations in the pricing of accommodation – this would be allowed under transitional arrangements and would need to be assessed on a site-by-site basis.
- *Is the maximum price of £250K after discount an appropriate maximum sales value?*
- 4.44 Looking at the previous table above, it can be seen that all of the affordable prices sit below the £250,000 cap and therefore it is arguable that a lower cap would be appropriate. It can also be seen that the £250,000 figure is only close to being approached for larger (4-bedroom) homes (with a suggested price of up to £209,000). It is considered that the number of 4-bedroom homes likely to be provided as First Homes will be low (focus likely to be on 2 and 3-bedroom homes) and this gives further reason for looking at a lower cap.
- 4.45 A lower cap would help to ensure that homes are affordable even on schemes where the OMV is relatively high (although consideration about viability and potential loss of other forms of affordable housing will also be a consideration). Looking at the affordable prices, and also the analysis of actual newbuild homes it is considered that a cap of something in the region of £150,000 might be appropriate. This could help to ensure that First Homes are only offered on properties where the initial OMV is not significantly above the affordable prices.



- *Is the national threshold of £80,000 for household income appropriate?*

- 4.46 To study the income threshold analysis has been provided below to consider the likely incomes required to afford both the lower end and midpoint Affordable Price. This is shown in the table below and shows even the most expensive price would require an income of about £46,000. It should however be noted that these findings are based on a specific set of assumptions about mortgage multiples and deposit availability (10% deposit and 4 times mortgage multiple) and in reality individual households will have their own specific circumstances.
- 4.47 That said, it is considered that an £80,000 threshold looks to be too high; households with that level of income would be expected to readily buy a home in the area without the need for any discount. On balance, and looking at the figures in the round (and recognising that there may be relatively few 4-bedroom homes delivered) it is considered that an income cap of around £35-£40,000 might be appropriate in the case of Fylde.

**Figure 4.7: Household incomes Required to Afford First Homes – Fylde**

	Income required to afford Affordable Price (lower end)	Income required to afford Affordable Price (midpoint)
1-bedroom	£15,800	£15,900
2-bedrooms	£20,800	£23,300
3-bedrooms	£26,000	£32,100
4+-bedrooms	£32,000	£46,900

Source: Derived from a range of sources

### Shared Ownership

- 4.48 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership, launching a ‘New Model for Shared Ownership’ in early 2021 (following a 2020 consultation) – this includes a number of proposals, with the main one for the purposes of this assessment being the reduction of the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down.
- 4.49 For the purposes of the analysis in this report it is considered that for shared ownership to be affordable, total outgoings should not exceed that needed to rent privately.



4.50 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity share that might be affordable for different sizes of property with any share lower than 10% likely to be unavailable. The key assumptions used in the analysis are:

- OMV at LQ price plus 10% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a LQ level) – it should be noted that this is an assumption for modelling purposes and consideration will need to be given to the OMV of any specific product;
- 10% deposit on the equity share;
- Rent at 2.75% pa on unsold equity;
- Repayment mortgage over 25-years at 4%;
- For flatted development it is likely there would also be a service charge, the analysis assumes a £100 per month charge for 1- and 2-bedroom homes; and
- It is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

4.51 The table below shows that to make shared ownership affordable, equity shares in the region of around 50% could work for homes up to 3-bedrooms, although figures closer to 15% are likely to be required for homes with 4+-bedrooms. It seems likely that it will be quite difficult to make shared ownership 'work' for homes with 4+-bedrooms. The Council could consider additional rented homes of these sizes where it is difficult to make homes genuinely affordable.

4.52 It should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely OMV). In reality costs do vary across the area and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable.

**Figure 4.8: Estimated Affordable Equity Share by Size – Fylde**

	1-bedroom	2- bedrooms	3- bedrooms	4- bedrooms
OMV	£77,000	£126,500	£187,000	£302,500
Share	64%	42%	48%	14%
Equity Bought	£49,000	£52,900	£90,100	£43,600
Mortgage Needed	£44,100	£47,600	£81,100	£39,200
Monthly Cost of Mortgage	£233	£251	£428	£207
Retained Equity	£28,000	£73,600	£96,900	£258,900
Monthly Rent on Retained Equity	£64	£169	£222	£593
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£397	£520	£650	£800

Source: Data based on Housing Market Cost Analysis

- 4.53 In policy terms, whilst the analysis has provided an indication of the equity shares possibly required by size, the key figure is actually the total cost per month (and how this compares with the costs to access private rented housing). For example, whilst the table suggests a 48% equity share for 2-bedroom home, this is based on a specific set of assumptions. Were a scheme to come forward with a 48% share, but a total cost in excess of £650 per month, then it would be clear that a lower share is likely to be required to make the home genuinely affordable. Hence the actual share can only be calculated on a scheme-by-scheme basis. A policy position could seek to ensure that outgoings are no more than can reasonably be achieved in the private rented sector, rather than seeking a specific equity share although in practice seeking a specific share is likely to be a more manageable approach.
- 4.54 In terms of affordability, if the Council could achieve shared ownership at the levels of outgoings shown in the table above then theoretically all of the households they survey has identified as being in the rent/buy gap would be able to afford. There will however be cases where a lack of deposit will be a barrier, although deposit levels are likely to be much lower than required for other forms of affordable home ownership such as discounted market sales housing. It should also be noted that generally local authorities cannot impose eligibility criteria on shared ownership (some exceptions such as for older people and rural exceptions) and so this tenure would not be guaranteed to be meeting a local need.

### **Rent to Buy**

- 4.55 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home. Initially (typically five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller 'step' to be taken on to the home ownership ladder.
- 4.56 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.
- 4.57 In order to access this tenure it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower than market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership), it should therefore be treated as part of the affordable home ownership products suggested by the NPPF.
- 4.58 Given the issues previously noted about debt and a lack of money for deposits, a Rent to Buy scheme could be considered as potentially working in a local context in Fylde although it is acknowledged that such schemes are generally fewer in number than more traditional forms of affordable home ownership such as shared ownership. One further advantage of Rent to Buy is that affordable rents are charged and customers have to meet local connection criteria - therefore the units are more likely to meet local housing need.

## Summary

- 4.59 The previous section has estimated the need for affordable housing split into two broad categories (rented affordable housing and affordable home ownership). This section looks at these tenures in more detail, considering specific products within each of those two categories. The main focus is on the pricing of different types of housing.
- 4.60 Analysis was carried out to look at housing costs for rented products (social and affordable rents). It is notable that current social rents are significantly cheaper than affordable or market rents. Focussing on 2-bedroom homes, a social rent is about 70% the cost of a lower quartile market rent, whereas as affordable rents are at 90% of lower quartile market rents).
- 4.61 On the basis of current market and affordable rents, only around 18% of households in need could afford an affordable rent (without claiming benefits or spending more than 30% of their income on housing) and it is considered the Council should prioritise the provision of social rents where possible, such rents will be the cheapest available and will therefore be accessible to a greater number of households. However, it will be important that seeking social rents does not prejudice the overall delivery of rented affordable housing, and affordable rents should be allowed where these can help delivery of on-site provision – it will however be important to ensure that affordable rents are truly affordable in a local context.
- 4.62 Analysis has been carried out to look at the affordability of Affordable Home Ownership (AHO). This includes Discounted Market Sales Housing (which will include First Homes) and shared ownership as these are likely to be the two main tenures of AHO moving forward – they are certainly the main forms being encouraged by Government at the current time.
- 4.63 Given current housing costs in the Borough it is suggested to make 2-bedroom homes affordable a discount of up to around 30% would be required; for 3-bedroom homes a discount up to 40% would be needed. The Council could investigate a higher than 30% discount for Discounted Market Housing (maybe 40%), however as this might impact viability a higher figure should only be considered if this would not prejudice the provision of other forms of affordable housing (notably rented accommodation).
- 4.64 Survey data about households' financial situation also highlights the potential difficulty for many in accessing even discounted homes; for the group of households identified by the survey as being able to privately rent but not buy a home, some 33% can afford no more than £80,000 (which is about half the lower quartile prices of existing homes). The main reason for low values afforded seems to be driven by levels of debt rather than income being the main barrier. Such households are unlikely to be able to raise a large deposit and may be suited to other forms of affordable home ownership, notably shared ownership and rent to buy.

- 4.65 Regarding shared ownership, the analysis suggests that equity shares of less than 50% will be needed to make this tenure affordable (for 2- and 3-bedroom homes). It also looks difficult to make larger (4+-bedroom) homes affordable in a local context. The Council should therefore investigate the viability of providing shared ownership with lower equity shares, but again it is noted that this would potentially mean Affordable Housing Providers are less able to cross-subsidise other forms of affordable housing (such as social and affordable rents). It is not recommended that the provision of rented products is jeopardised where viability is an issue.

## 5. Housing History and Future Aspirations

### Introduction

5.1 This section moves on from analysis directly related to affordable housing need to look at other sections of the housing needs survey questionnaire. Initially a series of questions were asked about housing history (previous moves, including locations and tenure of accommodation) and households were also asked about future housing intentions – similar questions being asked of existing and newly forming households. The latter questions can be used to provide an indication of the types and sizes of accommodation households might be seeking in the future.

### Housing History

5.2 At the time of the survey an estimated 18% of households (7,000) had been resident at their current address for less than two years and about 38% for less than 5-years. The table below shows length of residence by tenure. Of the households moving in the past two years, 30% are currently private renters, 58% owner-occupiers and 12% live in the social rented sector. An estimated 27% of all private renters had moved home in the past two years, compared to 26% of all social renters and 14% of all owner-occupiers. The least mobile group are outright owners, only 12% of whom moved in the previous two years.

5.3 At the other end of the spectrum, approaching two-thirds (62%) of all households have lived in their home for more than five years. In the case of outright owners, 74% have lived in their home for more than five years – this compares with only 41% of private tenants. The high proportion of owner-occupiers remaining in their home for more than five years is likely to be connected to the high proportions of retired households in this tenure group; these households are less likely to move than younger households.

**Figure 5.1: Length of residence of household by tenure**

Tenure	Length of residence			Total
	Less than 2 years	2 to 5 years	Over 5 years	
Owner-occupied (no mortgage)	2,031	2,491	13,083	17,604
Owner-occupied (with mortgage)	1,993	2,192	6,201	10,385
Social rented	855	816	1,594	3,264
Private rented	2,115	2,419	3,212	7,746
Total	6,994	7,918	24,089	39,000
Owner-occupied (no mortgage)	11.5%	14.1%	74.3%	100.0%
Owner-occupied (with mortgage)	19.2%	21.1%	59.7%	100.0%
Social rented	26.2%	25.0%	48.8%	100.0%
Private rented	27.3%	31.2%	41.5%	100.0%
Total	17.9%	20.3%	61.8%	100.0%

Source: Household survey

- 5.4 In terms of tenure mobility, we see that the most common types of moves were within tenures with around 6,300 household moves being made within the owner-occupied sector and 3,000 within the private rented sector over the past five years. There was also a fair degree of movement within the social rented sector. Overall, movement within sectors was more common than movement between them.
- 5.5 Newly forming households accounted for an appreciable proportion of moves (13% in total). New households mainly moved to the owner-occupied (with mortgage) sector, with the sector accommodating 44% of newly-forming households over the past five years – some 30% of newly forming households moved into the private rented sector.
- 5.6 Around 44% of all moves involved the private rented sector – households moving into it, out of it or within it – showing how important the sector is in providing mobility in the housing market. The private rented sector shows the highest turnover of any tenure. Overall it is estimated that around 20% of all households in the Borough currently live in the private rented sector.

**Figure 5.2: Previous tenure by current tenure (households moving in past five years)**

Current tenure	Previous tenure				Total
	Owner-occupied	Social rented	Private rented	Newly formed household	
Owner-occupied (no mortgage)	<b>3,996</b>	37	370	119	4,522
Owner-occupied (with mortgage)	<b>2,296</b>	7	1,044	838	4,185
Social rented	202	<b>407</b>	686	376	1,671
Private rented	812	173	<b>2,968</b>	580	4,534
Total	7,306	625	5,068	1,912	14,911
Owner-occupied (no mortgage)	<b>88.4%</b>	0.8%	8.2%	2.6%	100.0%
Owner-occupied (with mortgage)	<b>54.9%</b>	0.2%	24.9%	20.0%	100.0%
Social rented	12.1%	<b>24.4%</b>	41.1%	22.5%	100.0%
Private rented	17.9%	3.8%	<b>65.5%</b>	12.8%	100.0%
Total	49.0%	4.2%	34.0%	12.8%	100.0%

Source: Household survey

- 5.7 The table below shows the locations from which households moved (down to sub-areas) – this shows a total of 55% moving within Fylde along with around 7% from Blackpool. Households moved from a range of areas, including 14% from outside of the North-West Region. This finding is consistent with the views expressed by estate agents that incomers arrive from many destinations in addition to the neighbouring borough of Blackpool.

<b>Figure 5.3: Previous location of households moving in past 5-years</b>		
	Households	% of households
St. Annes	3,410	22.9%
Lytham	1,857	12.5%
Warton	236	1.6%
Fylde BP Periphery	380	2.5%
Kirkham	771	5.2%
Wesham	373	2.5%
Freckleton	612	4.1%
Rural West	106	0.7%
Rural North	219	1.5%
Rural East	165	1.1%
Blackpool	1,014	6.8%
Wyre	674	4.5%
Preston	681	4.6%
Else Lancashire	1,145	7.7%
Else North West	1,144	7.7%
Elsewhere	2,125	14.3%
<b>TOTAL</b>	<b>14,911</b>	<b>100.0%</b>

Source: Household survey

- 5.8 The table below shows the locations within Fylde of recently moving households. The data shows that there are some differences between sub-areas in terms of the likelihood that a household has moved within the past five years (households in rural areas being slightly less likely to have moved). Additionally, the Fylde-Blackpool Periphery area stands out as having a high proportion of movers and a high proportion moving from areas outside of the Borough. Additionally, the data also shows that households in rural areas are more likely to have moved from outside the Borough than across the Council area generally. This suggests that housing demand in rural areas is disproportionately generated by in-migrants rather than through the needs of the local population.

<b>Figure 5.4: Locations of recently moving households</b>						
Sub-area		Moved from within Fylde	Moved from outside Fylde	Non-movers	Total	% of movements from outside Fylde
St. Annes	No.	3,136	2,361	8,314	13,811	42.9%
	%	22.7%	17.1%	60.2%	100.0%	
Lytham	No.	1,919	1,322	5,257	8,498	40.8%
	%	22.6%	15.6%	61.9%	100.0%	
Warton	No.	522	533	1,089	2,144	50.5%
	%	24.3%	24.9%	50.8%	100.0%	
Fylde-BP Periphery	No.	341	415	374	1,129	54.9%
	%	30.2%	36.7%	33.1%	100.0%	
Kirkham	No.	658	368	2,260	3,285	35.9%
	%	20.0%	11.2%	68.8%	100.0%	
Wesham	No.	387	370	1,185	1,942	48.8%
	%	19.9%	19.0%	61.0%	100.0%	
Freckleton	No.	483	387	1,808	2,678	44.5%
	%	18.0%	14.5%	67.5%	100.0%	
Rural North	No.	267	596	1,976	2,840	69.1%
	%	9.4%	21.0%	69.6%	100.0%	
Rural West	No.	219	227	879	1,325	50.9%
	%	16.5%	17.1%	66.3%	100.0%	
Rural East	No.	197	204	946	1,348	50.8%
	%	14.6%	15.1%	70.2%	100.0%	
Borough	No.	8,128	6,783	24,089	39,000	45.5%
	%	3,136	2,361	8,314	13,811	

Source: Household survey

### Future Housing Intentions – existing households

5.9 The household survey included a series of questions to householders about future moving intentions. The series of analysis provides key details from this with a particular focus on the sizes of homes required in different tenures. The survey asked households if they need or are likely to move to a different home and in total, 25% of households (about 9,800) stated that they did need or expect to move over the next 5-years. A further 7% of households stated that they wish to move but are unable to do so.



	Estimated number of households	% of households
Within a year	3,286	8.4%
1-2 years	1,996	5.1%
2-5 years	4,551	11.7%
No need/not likely to move	26,483	67.9%
Wish to move but cannot	2,684	6.9%
Total	39,000	100.0%

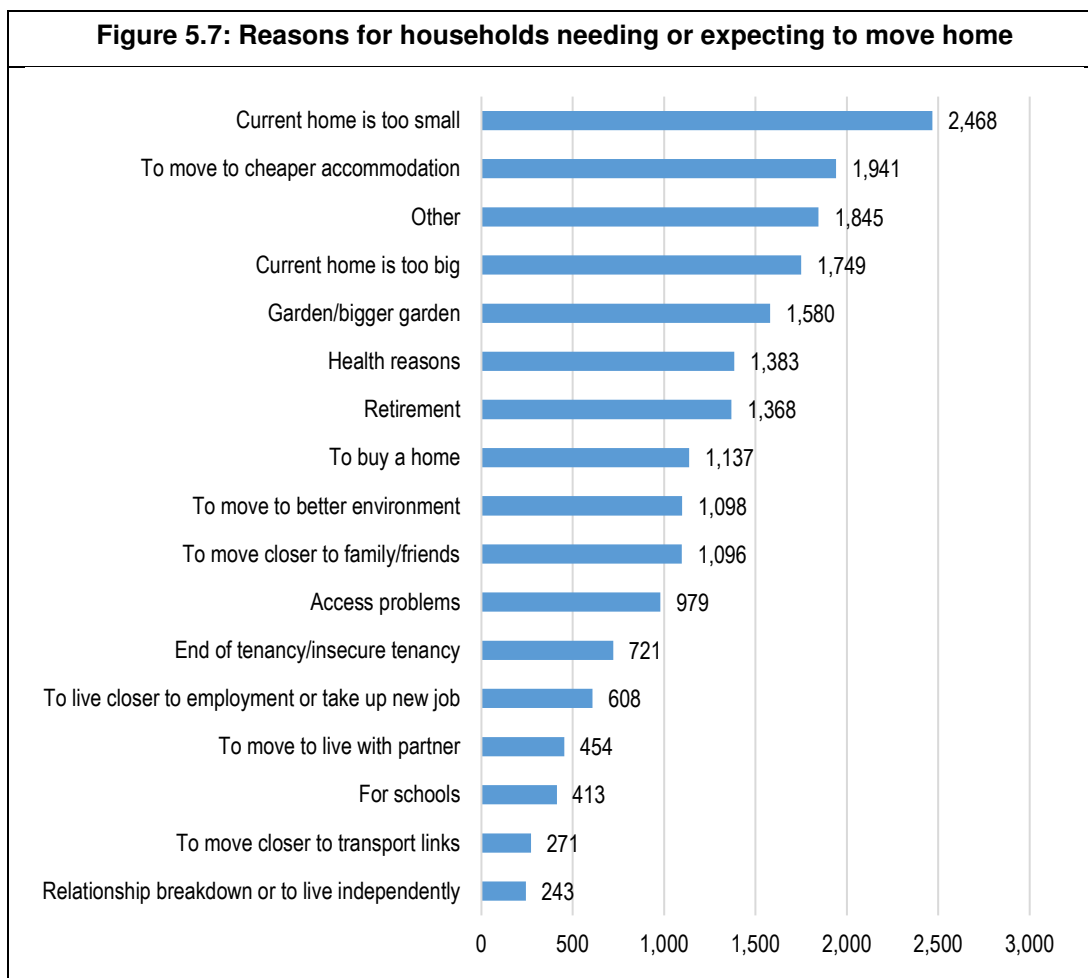
Source: Household survey

- 5.10 Households in all areas seem to be broadly as likely to say they need or expect to move, with a range from 18% of households in Freckleton, up to 29% in Warton.

	Future movers	Total households	%
St. Annes	3,536	13,811	25.6%
Lytham	2,293	8,498	27.0%
Warton	621	2,144	29.0%
FB Periphery	316	1,129	28.0%
Kirkham	806	3,285	24.5%
Wesham	536	1,942	27.6%
Freckleton	478	2,678	17.8%
Rural North	682	2,840	24.0%
Rural West	264	1,325	19.9%
Rural East	301	1,348	22.3%
TOTAL	9,832	39,000	25.2%

Source: Household survey

- 5.11 The figure below shows the reasons households say they need or expect to move. The main reason is that their current home is too small (2,468 households – 25% of the total) followed by to move to cheaper accommodation (1,941 households). Balancing 'home is too small', it is noteworthy that a relatively high number of households stated that their home is too big (1,749 – 18%). It should be noted that the total number of reasons given is in excess of the total needing or expecting to move as respondents could provide more than one reason for moving.



Source: Household survey

5.12 A comparison of households' likelihood to move with current tenure shows that households who need or expect to move were far more likely to be living in private rented accommodation than to be an owner-occupier. Of those wishing to move but who cannot, the majority are currently living in private rented accommodation.

**Figure 5.8: Current tenure of households stating a need or likelihood of moving**

	Number needing/likely to move	Estimated size of tenure group	% of tenure group needing/ likely to move	% of those needing/ likely to move in tenure group
Owens outright	2,580	17,604	14.7%	26.2%
Owens with mortgage	2,687	10,385	25.9%	27.3%
Social rented	837	3,264	25.6%	8.5%
Private rented	3,729	7,746	48.1%	37.9%
Total	9,832	39,000	25.2%	100.0%

Source: Household survey

<b>Figure 5.9: Current Tenure of Households Stating a wish to move but unable to do so</b>				
	Number wishing to move (but unable)	Estimated size of tenure group	% of tenure group wishing to move	% of those wishing to move in tenure group
Owns outright	289	17,604	1.6%	10.8%
Owns with mortgage	336	10,385	3.2%	12.5%
Social rented	468	3,264	14.3%	17.4%
Private rented	1,592	7,746	20.6%	59.3%
Total	2,684	39,000	6.9%	100.0%

Source: Household survey

- 5.13 In terms of future tenure, households were asked what type of tenure they would like and also the tenure expected. The majority of households would like or expect to be (or remain) and owner-occupier although it is notable that a higher proportion of households expect to privately rent than would like to. Households who would like or expect owner-occupation were further asked about a range of affordable home ownership options with around a fifth saying they would be interested in that type of housing – this included discounted market sale (including First Homes, shared ownership and rent to buy housing).

<b>Figure 5.10: Tenure Households would Like and Expect (those stating a need/likelihood to move within 5-years)</b>		
	Like	Expect
Owner-occupation	64.0%	59.7%
Social rented	25.0%	24.6%
Private rented	9.5%	14.0%
Other	1.6%	1.8%
Total	100.0%	100.0%

Source: Household survey

- 5.14 The final analysis of those who need to move looks at the number of bedrooms they say they need and how many they expect to secure. The analysis below has been segmented by tenure (social and private rented sector only) with any households stating either a like or expect within any tenure group being included in that group (this does mean that some households will be included in more than one group).
- 5.15 In the social rented sector the need is focussed on 2-bedroom homes, although there is an appreciable demand for homes with 3 or more-bedrooms (and also for 1-bedroom accommodation) and in the private rented sector, the demand is very much focussed on 2 and to a lesser extent 3-bedroom homes.

<b>Figure 5.11: Number of bedrooms liked and expected by future tenure</b>				
	Social rented		Private rented and other	
	Like	Expect	Like	Expect
1-bedroom	10.4%	20.5%	13.6%	31.4%
2-bedrooms	38.2%	48.9%	42.7%	44.4%
3-bedrooms	42.5%	24.2%	33.9%	20.6%
4+-bedrooms	8.9%	6.4%	9.8%	3.6%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: Household survey

### Future Housing Intentions – newly-forming households

5.16 A similar set of questions were asked of households who expect to form an independent home over the next five years. In total, the survey identified 3,368 households as potentially moving over the next five years along with 541 who say they would like a place of their own but are unable to move for some reason. The table below shows when the 3,368 households say they are likely to move. It is notable that a high proportion (41%) would be looking or expecting to move within the next year.

<b>Figure 5.12: When households need or expect to move – newly-forming households</b>		
	Estimated number of households	% of households
Within a year	1,391	41.3%
1-2 years	758	22.5%
2-5 years	1,219	36.2%
Total	3,368	100.0%

Source: Household survey

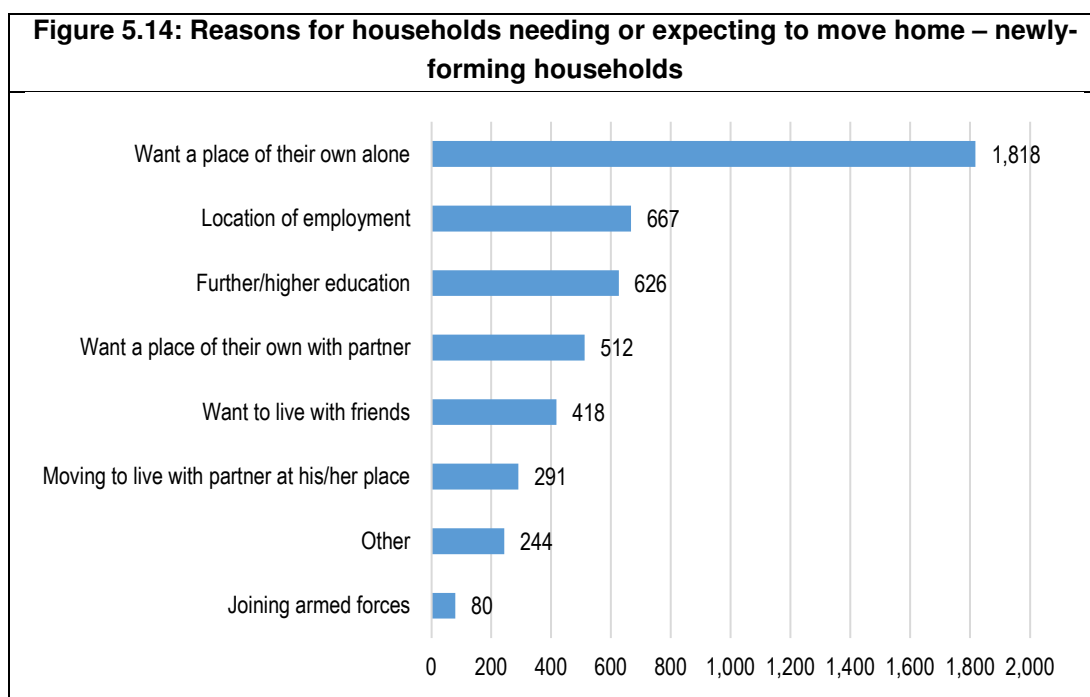
5.17 The table below shows the locations where potential newly-forming households currently live. This data shows that the rural areas tend to have higher proportions of potential new households, with the lowest figure being seen in the Fylde-Blackpool Periphery. The difference between locations is likely to a large degree to be driven by the demographic profile in different areas, with rural locations having a higher proportion of households with grown-up children.

**Figure 5.13: Future movers and sub-area**

	Future movers	Total households	%
St. Annes	1,084	13,811	7.8%
Lytham	751	8,498	8.8%
Warton	160	2,144	7.5%
FB Periphery	25	1,129	2.2%
Kirkham	382	3,285	11.6%
Wesham	189	1,942	9.7%
Freckleton	247	2,678	9.2%
Rural North	285	2,840	10.0%
Rural West	106	1,325	8.0%
Rural East	139	1,348	10.3%
TOTAL	3,368	39,000	8.6%

Source: Household survey

- 5.18 The figure below shows the reasons households say they need or expect to move – the list of options is different to that offered on the survey form to existing households. By far the main reason cited was to move to their own place to live on their own.



Source: Household survey

- 5.19 In terms of future tenure, households were asked what type of tenure they would like and also the tenure expected. The majority of households would like or expect to be an owner-occupier although it is notable that a higher proportion of households would like this tenure than expect to secure it. Households who would like or expect owner-occupation were further asked about a range of affordable home ownership options with over half saying they would be interested in that type of housing – this included discounted market sale (including First Homes, shared ownership and rent to buy housing).

<b>Figure 5.15: Tenure Households would Like and Expect (those stating a need/likelihood to move within 5-years)</b>		
	Like	Expect
Owner-occupation	65.6%	52.9%
Social rented	9.3%	7.2%
Private rented	15.4%	28.7%
Other	9.8%	11.3%
Total	100.0%	100.0%

Source: Household survey

- 5.20 The final analysis of those who need to move looks at the number of bedrooms they say they need and how many they expect to secure. The analysis below has been segmented by tenure (social and private rented sector only) with any households stating either a like or expect within any tenure group being included in that group (this does mean that some households will be included in more than one group).
- 5.21 In the social rented sector the need is focussed on 2-bedroom homes, although there is an appreciable expectation for homes with 1-bedroom and in the private rented sector, the demand is very much focussed on 2-bedroom homes.

<b>Figure 5.16: Number of bedrooms liked and expected by future tenure</b>				
	Social rented		Private rented and other	
	Like	Expect	Like	Expect
1-bedroom	0.0%	40.1%	21.9%	36.5%
2-bedrooms	75.3%	37.4%	58.4%	56.5%
3-bedrooms	24.7%	22.6%	17.2%	7.0%
4+-bedrooms	0.0%	0.0%	2.5%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: Household survey

## Summary

- 5.22 The analysis moves on from affordable housing need to look at survey questions on housing history (previous moves, including locations and tenure of accommodation) and future housing intentions – similar questions being asked of existing and newly forming households.
- 5.23 The analysis shows the relatively high mobility of households living in the private rented sector and also that most households when moving remain in the same tenure (e.g. households moving from one owner-occupied home to another or one private rented home to another) -the survey highlighted very low mobility from social rented housing into owner-occupation. Some 55% of moving households had previously lived in the Borough, with 7% having moved from Blackpool and 14% from outside the North West region.

- 5.24 A total of 25% of households stated they need or are likely to move over the next 5-years, with the main reason for moving being that the current home is too small. Whilst the majority of households would be likely to become (or remain) owner-occupiers, there is a notable demand for social rented housing – this demand is particularly for 2-bedroom homes as well as some 1- and 3-bedroom properties. There are also a number of households who expect to move to private rented accommodation (although fewer want to) with again a particular focus on 2-bedroom homes.
- 5.25 For potential newly-forming households similar findings were shown by the survey with a preference for owner-occupation. For those who would like or expect rented tenures, there was again a particular focus on 2-bedroom homes.





## 6. Needs of Specific Groups

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### Introduction

6.1 This section of the report considers survey data about a range of different household groups within Fylde. In particular the information focuses on the key characteristics of each group and contrasts data with other households in the Borough. For the purposes of the study we have studied the following groups:

- Households with support needs;
- Older person households;
- Families (households with children); and
- Young people (and first-time buyers).

### Households with Support Needs

6.2 Information collected through the survey enables us to identify whether any household members have a particular support need. The survey looked at whether household members fell into one or more of a range of groups. The groups covered were:

- Physical disability – wheelchair user;
- Physical disability – not in a wheelchair;
- Learning disability or autism;
- Mental health condition;
- Visual/hearing impairment;
- Asthmatic/respiratory problem;
- Other physical disability; and
- Other limiting long-term illness.

6.3 Overall there are an estimated 9,260 households in Fylde with one or more members in an identified support needs group – this represents 23.8% of all households. The table below shows the number of households with different types of support needs. The numbers of households in each category exceed the total number of support needs households because people can have more than one category of support need. Households with a physical difficulty (not in wheelchair) are the predominant group.

<b>Figure 6.1: Households with Each Category of Support Needs</b>			
Category	Number of households	% of all households	% of support needs households
Wheelchair user	1,308	3.4%	14.1%
Walking difficulty (not in wheelchair)	5,846	15.0%	63.1%
Learning disability	1,488	3.8%	16.1%
Mental health problem	2,634	6.8%	28.4%
Visual/hearing impairment	1,540	3.9%	16.6%
Asthmatic/respiratory problem	2,661	6.8%	28.7%
Other physical disability	3,922	10.1%	42.4%
Limiting long-term illness	4,171	10.7%	45.0%

Source: Household survey

6.4 The table below shows the locations of households with support needs from the survey data. There are some differences between areas with rural locations tending to see lower levels of support needs; then highest levels were found in Wesham, followed by St. Annes – this area containing 40% of all support needs households in the Borough.

<b>Figure 6.2: Households with support needs by sub-area</b>			
	Number of households with support needs	% of all households	% of support needs households
St. Annes	3,715	26.9%	40.1%
Lytham	1,754	20.6%	18.9%
Warton	491	22.9%	5.3%
FB Periphery	235	20.9%	2.5%
Kirkham	763	23.2%	8.2%
Wesham	525	27.0%	5.7%
Freckleton	644	24.0%	7.0%
Rural North	652	23.0%	7.0%
Rural West	241	18.2%	2.6%
Rural East	238	17.6%	2.6%
TOTAL	9,259	23.7%	100.0%

Source: Household survey

6.5 The tables below show the characteristics of support needs households in terms of age, tenure and unsuitable housing. The survey data shows that support needs households are more likely to contain older persons. It is estimated that 38% of all support needs households contain only older people. Support needs households are also particularly likely to be living in social rented housing. Some 53% of households living in social rented housing contain a support needs member. Finally support needs households are more than twice as likely to be living in unsuitable housing as non-support needs households. Some 28% of all support needs households are living in unsuitable housing (compared with 10% Borough-wide).

<b>Figure 6.3: Households with Support needs with and without older people</b>				
Age group	Support needs households			
	Number of households with Support needs	Total number of households	% of households with support needs	% of those with a support need
No older people	4,692	22,592	20.8%	50.7%
Both older & non-older people	1,022	3,345	30.6%	11.0%
Older people only	3,545	13,063	27.1%	38.3%
Total	9,259	39,000	23.7%	100.0%

Source: Household survey

<b>Figure 6.4: Households with Support Needs by Tenure</b>				
Tenure	Support needs households			
	Number of h'holds with Support needs	Total Number of h'holds	% of h'holds with support needs	% of those with a support need
Owner-occupied (no mortgage)	3,576	17,604	20.3%	38.6%
Owner-occupied (with mortgage)	1,313	10,385	12.6%	14.2%
Social rented	1,715	3,264	52.5%	18.5%
Private rented	2,656	7,746	34.3%	28.7%
Total	9,259	39,000	23.7%	100.0%

Source: Household survey

<b>Figure 6.5: Households with Support needs in Unsuitable Housing</b>				
In unsuitable housing...	Support needs households			
	Number of households with Support needs	Total Number of households	% of households with support needs	% of those with a support need
In unsuitable housing	2,033	3,900	52.1%	22.0%
Not in unsuitable housing	7,226	35,100	20.6%	78.0%
Total	9,259	39,000	23.7%	100.0%

Source: Household survey

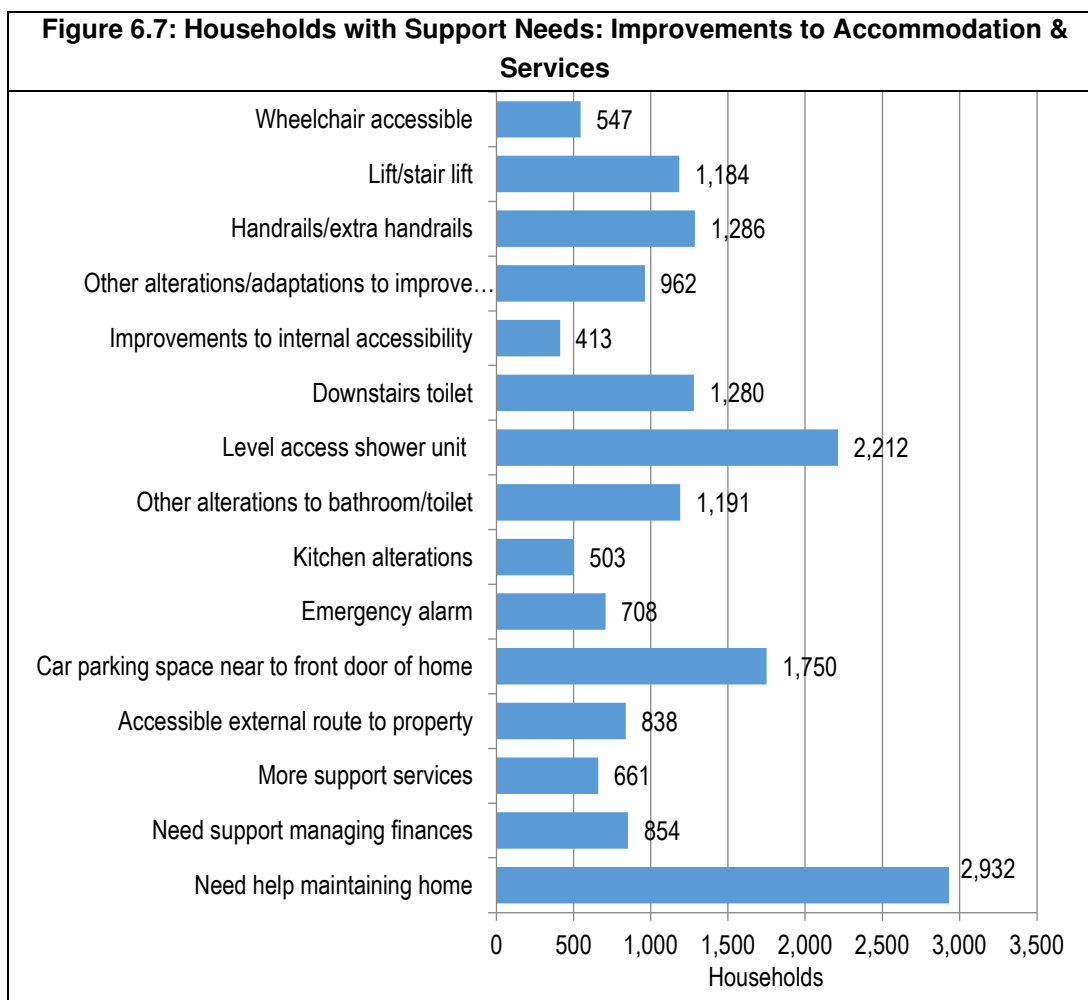
- 6.6 The table below shows the average income and savings levels for support needs households in comparison to other households. The table shows that support needs households have an average income level of about half the average for non-support needs households whilst levels of savings are also lower.

	Annual gross household income (median)	Average household savings (median)
Support needs	£19,777	£701
No support needs	£34,101	£6,786
All households	£30,377	£4,147

Source: Household survey

6.7 Those households with a member with support needs were asked to indicate if there was a need for improvements to their current accommodation and/or services. The responses are detailed in Figure 6.7 below. The results show requirements for a wide range of adaptations and improvements across the support needs households. Those most needed were:

- Need help maintaining home;
- Level access shower unit; and
- Car parking space near front door.



Source: Household survey

## Older Person Households

6.8 For the purposes of the survey, older people are defined as those over the state pension eligibility age (taken to be aged 65 and over although it is recognised that the pension age is increasing). For analysis, households have been divided into three categories:

- Households without older persons;
- Households with both older and non-older persons; and
- Households with only older persons.

6.9 A third of all households contain only older people and a further 9% contain both older and non-older people. The table below shows the number and percentage of households in each group.

Categories	Number of households	% of all households
Households without older persons	22,592	57.9%
Households with both older and non-older persons	3,345	8.6%
Households with older persons only	13,063	33.5%
Total	39,000	100.0%

Source: Household survey

6.10 The table below shows the number of older person only households in each sub-area. The data shows a higher proportion of older person only households in St Annes and Lytham and a much lower percentage in some areas (notably FB Periphery, Wesham and Warton).

	Number of households with all older people	% of all households in area	% of older person households
St. Annes	4,766	34.5%	36.5%
Lytham	3,396	40.0%	26.0%
Warton	490	22.9%	3.8%
FB Periphery	347	30.8%	2.7%
Kirkham	904	27.5%	6.9%
Wesham	405	20.9%	3.1%
Freckleton	917	34.3%	7.0%
Rural North	882	31.0%	6.7%
Rural West	517	39.0%	4.0%
Rural East	439	32.6%	3.4%
TOTAL	13,063	33.5%	100.0%

Source: Household survey

6.11 The number of occupants in older person households is shown in the table below. The data suggests that virtually all households containing older persons only are comprised of one or two persons only. Some 56% of all single person households are older person households.

Number of persons in household	Age group			
	Older persons only	Number of h'holds	% of total h'holds with older persons	% of those with older persons
One	6,950	12,365	56.2%	53.2%
Two	6,111	15,629	39.1%	46.8%
Three	3	6,137	0.0%	0.0%
Four or more	0	4,868	0.0%	0.0%
<b>Total</b>	<b>13,063</b>	<b>39,000</b>	<b>33.5%</b>	<b>100.0%</b>

Source: Household survey

6.12 The table below shows the housing tenures of households with older persons. Around 80% of older person only households are owner-occupiers (mostly without a mortgage) - this finding suggests that the potential for equity release schemes in the Borough may be significant. Another significant finding is the proportion of social rented accommodation containing older people only. A total of 30% of social rented dwellings contain only older people. This may have implications for future supply of and demand for specialised social rented accommodation.

Tenure	Age group			
	Older persons only	Number of h'holds	% of h'holds with older persons	% of those with older persons
Owner-occupied (no mortgage)	9,973	17,604	56.7%	76.3%
Owner-occupied (with mortgage)	621	10,385	6.0%	4.8%
Social rented	974	3,264	29.8%	7.5%
Private rented	1,495	7,746	19.3%	11.4%
<b>Total</b>	<b>13,063</b>	<b>39,000</b>	<b>33.5%</b>	<b>100.0%</b>

Source: Household survey

6.13 The table below shows that older person only households are more likely than non-older person households to be living in one and two-bedroom properties. However, the results also show that approaching half of all older person households are in three or four-bedroom dwellings. Given that previous information has shown that older person only households are almost entirely comprised of only one or two persons, this finding suggests that there could be potential scope to free up larger units for younger families if the older person households chose to move into suitable smaller units. There is potential to provide incentives to do so (although particularly in the market sector there is limited ability to influence trends). However, by providing attractive properties targeting older households, there may be opportunities to support households to downsize.

<b>Figure 6.12: Size of Dwellings (number of bedrooms) for Older Person Only Households</b>				
Number of bedrooms	Older person households		All other households	
1 bedroom	1,405	10.8%	2,083	8.0%
2 bedrooms	5,187	39.7%	6,789	26.2%
3 bedrooms	4,043	30.9%	10,026	38.7%
4+ bedrooms	2,428	18.6%	7,039	27.1%
Total	13,063	100.0%	25,937	100.0%

Source: Household survey

- 6.14 This information can be further broken down by tenure (for older person households) and this is shown in the table below. The table indicates that whilst the majority of large (three or more bedrooms) properties are in the owner-occupied sector, there are also around 86 dwellings in the social rented sector which may therefore present some opportunity to reduce under-occupation.

<b>Figure 6.13: Older person Only Households - Size of Accommodation and Tenure</b>					
Tenure	Number of bedrooms				
	1	2	3	4+	TOTAL
Owner-occupied (no mortgage)	374	3,793	3,552	2,254	9,973
Owner-occupied (with mortgage)	32	199	239	152	621
Social rented	474	414	86	0	974
Private rented	526	782	165	22	1,495
Total	1,405	5,187	4,043	2,428	13,063

Source: Household survey

## Families (Households with Children)

- 6.15 For the purposes of this analysis, children are defined as those aged under 16 and the section will focus on any household with at least one child in it. To provide more detail on what is a large subsection of the population, three different groups of households with children will be analysed. These are lone parent households, households with more than one adult and one child and households with more than one adult and two or more children.
- 6.16 The table below shows the number of each type of household with children. The survey estimates that there are 8,017 households with children in the Borough. Of these, 2,097 households (26.2%) are lone parents, some 40.2% are families with one child aged under 16, and the remaining 33.7% are larger households (with two or more children).

<b>Figure 6.14: Number of Families with Children</b>			
Households with children	Number of households	Percent of households	Percent of households with children
Lone parent households	2,097	5.4%	26.2%
Two or more adults and one child	3,222	8.3%	40.2%
Two or more adults and two or more children	2,698	6.9%	33.7%
All other households	30,983	79.4%	-
Total	39,000	100.0%	100.0%

Source: Household survey

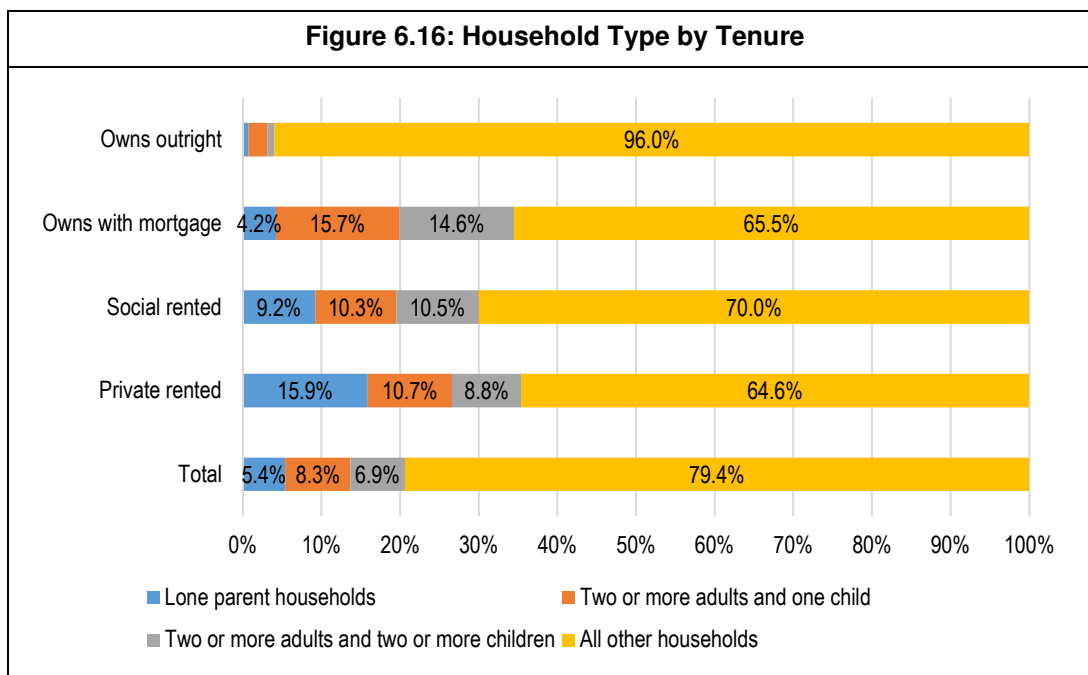
6.17 The table below shows how the proportion of households containing children varies between the sub-areas. The data shows that the proportion of households containing children is notably higher in the Fylde/Blackpool Periphery where 29% of households contain children – this compares to 17% in Freckleton. The proportion of lone parent households were particularly high in Wesham, and generally very low in the rural areas.



Figure 6.15: Household type by sub-area						
Sub-area		Lone parent households	Two or more adults and one child	Two or more adults and two or more children	All other households	Total
St. Annes	No.	859	1,036	839	11,077	13,811
	%	6.2%	7.5%	6.1%	80.2%	100.0%
Lytham	No.	457	828	538	6,674	8,498
	%	5.4%	9.7%	6.3%	78.6%	100.0%
Warton	No.	55	217	215	1,657	2,144
	%	2.6%	10.1%	10.0%	77.3%	100.0%
Fylde/BP Periphery	No.	35	81	213	799	1,129
	%	3.1%	7.2%	18.9%	70.8%	100.0%
Kirkham	No.	235	253	200	2,598	3,285
	%	7.1%	7.7%	6.1%	79.1%	100.0%
Wesham	No.	169	117	201	1,455	1,942
	%	8.7%	6.0%	10.4%	74.9%	100.0%
Freckleton	No.	149	195	100	2,233	2,678
	%	5.6%	7.3%	3.8%	83.3%	100.0%
Rural North	No.	62	291	190	2,297	2,840
	%	2.2%	10.2%	6.7%	80.9%	100.0%
Rural West	No.	48	96	89	1,092	1,325
	%	3.6%	7.2%	6.7%	82.5%	100.0%
Rural East	No.	28	107	112	1,101	1,348
	%	2.1%	7.9%	8.3%	81.7%	100.0%
BOROUGH	No.	2,097	3,222	2,698	30,983	39,000
	%	5.4%	8.3%	6.9%	79.4%	100.0%

Source: Household survey

6.18 The figure below shows the tenure of the three groups of households with children. The results suggest that lone parents are more likely to be living in social rented and in particular, private rented accommodation. There is less difference when comparing larger and smaller households with children, although households with one child are more likely to live in owner-occupied accommodation compared with those with two or more children. Very few households with children are outright owners.



Source: Household survey

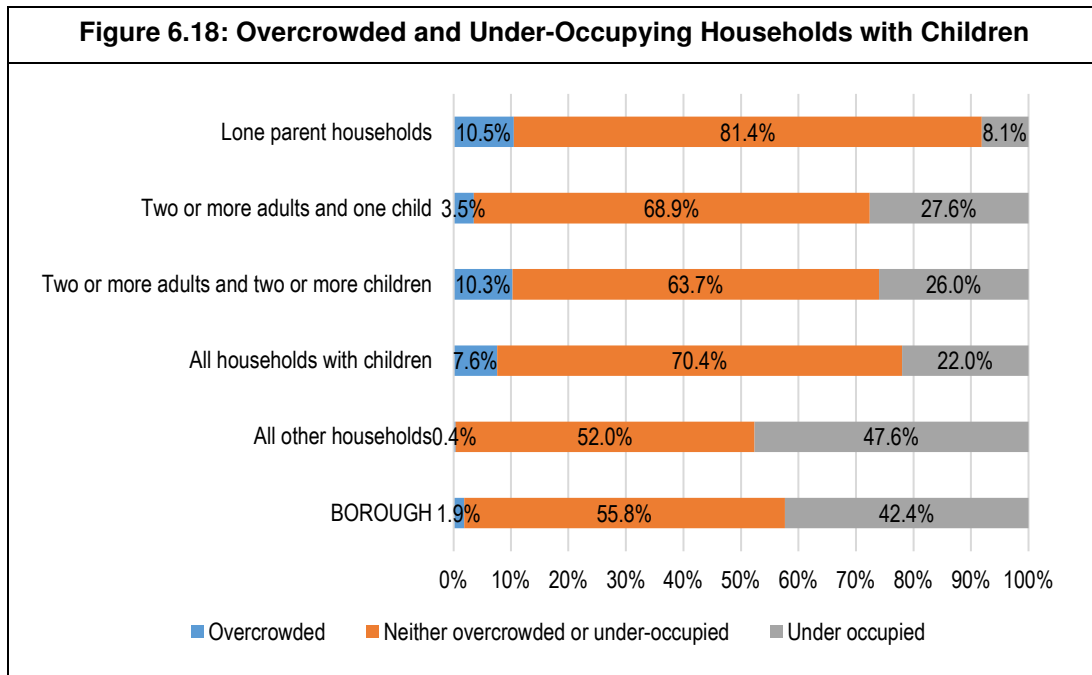
6.19 The table below presents the proportion of households with children living in unsuitable housing. The table indicates that all household groups with children are more likely than other households to be in unsuitable housing – all showing proportions of 11% to 23% compared with just 8% for households without children.

**Figure 6.17: Households with Children in Unsuitable Housing**

Unsuitable housing	Households with children				
	Lone parent households	Two or more adults and one child	Two or more adults and two or more children	All other households	Total
In unsuitable housing	23.4%	11.0%	23.2%	7.8%	10.0%
Not in unsuitable housing	76.6%	89.0%	76.8%	92.2%	90.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

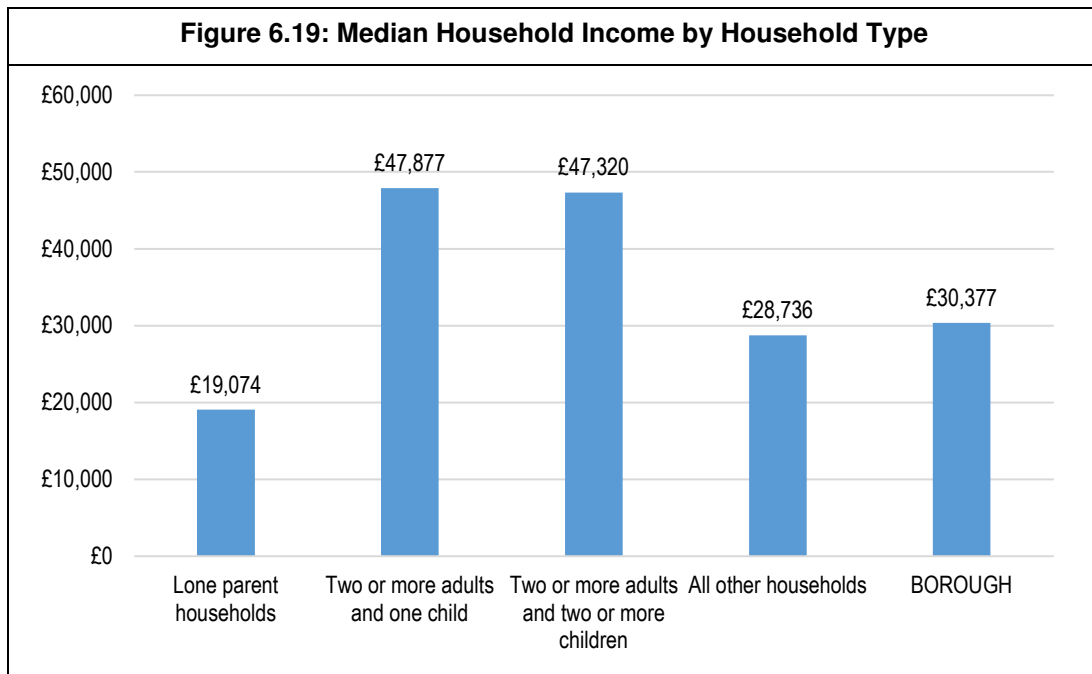
Source: Household survey

6.20 The figure below presents the level of overcrowding and under-occupation for households with children. The table shows that whilst levels of overcrowding across the Borough are generally low all household groups containing children are more likely to be overcrowded than is the average for the Borough. In addition, levels of under-occupation are low; particularly for lone parent households where only 8% are under-occupied (compared to a Borough average of 42%).



Source: Household survey

6.21 Finally, we have presented data on average (median) income levels for households with children compared with the average for all households in the Borough. The data shows that both household groups with two or more adults have incomes well in excess of the Borough average whilst the average lone parent income is very low (around £19,100 per annum).



Source: Household survey

6.22 The analysis particularly points to the need for social housing provision to meet the needs of lone parent households with low household incomes.

## Young People and First-Time Buyers

6.23 For the purpose of this study younger people households are defined as those where the household reference person (survey respondent) is aged under 35. The survey records that there are 4,885 younger households in the Borough representing 12.5% of all households.

6.24 The table below presents the working status of younger people in the Borough compared with working status for all households. The table indicates that around 80% of younger person households are working – this compares with 45% of all other households (or 85% if we exclude retired households). The figures for unemployment are also quite notable with 6% of younger person households being unemployed compared to 3% of all other households in the Borough.

Working status	Young households		All other households	
	Number of household	% of households	Number of household	% of households
Working	3,927	80.4%	15,356	45.0%
Unemployed	279	5.7%	1,003	2.9%
Retired	0	0.0%	16,078	47.1%
Other	679	13.9%	1,678	4.9%
Total	4,885	100.0%	34,115	100.0%

Source: Household survey

6.25 The table below indicates the type of households these younger households live in. The table shows that 24% live alone and a further 22% live as a childless couple. In total 51% of all younger person households contain children with a significant proportion of these being lone parent households.

Household type	Number of household	% of households
Single non-pensioners	1,170	24.0%
Childless couple	1,070	21.9%
Other multi-adult	141	2.9%
Lone parent	922	18.9%
Two or more adults and one child	888	18.2%
Two or more adults and two or more child	693	14.2%
Total	4,885	100.0%

Source: Household survey

6.26 It is possible to briefly examine the housing circumstances of the different groups of younger person households and in the analysis that follows we have split the group into four main categories, these are:

- Single person households;
- Multiple adult households (including childless couples);
- Lone parents; and
- Households with two or more adults and children.

6.27 The table below presents the level of overcrowding and under-occupation for younger person households. The table indicates that the levels of overcrowding for households with children are relatively high, particularly for lone parent households. There is some degree of under-occupation amongst younger person households, particularly non-single person households without children.

Overcrowded/under-occupied	Single person	Multi-adult	Lone parents	2+ adults & children	All younger households
Overcrowded	0.0%	0.0%	13.3%	3.5%	3.6%
Neither overcrowded nor under-occupied	75.4%	35.7%	79.9%	68.5%	64.2%
Under-occupied	24.6%	64.3%	6.7%	28.1%	32.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household survey

6.28 The table below shows the tenure of the four groups of younger households. The data suggests that there are considerable differences between the different groups of younger households with lone parent households having large proportions in the private rented sector (and also the social rented sector). Multi-adult households are particularly likely to live in owner-occupied housing although around 29% are in the private rented sector. The group of households with two or more adults and children also show a high proportion in the owner-occupied sector (around 59% are owner-occupiers) although a relatively large proportion are also in the private rented sector. Over two-fifths of all younger households live in private rented accommodation.

Tenure	Single person	Multi-adult	Lone parents	2+ adults & children	All younger households
Owner-occupied (no mortgage)	0.0%	0.0%	0.8%	0.0%	0.2%
Owner-occupied (with mortgage)	35.2%	67.5%	13.0%	59.2%	46.8%
Social rented	15.8%	3.9%	18.6%	8.7%	11.1%
Private rented	49.0%	28.5%	67.6%	32.1%	42.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household survey

6.29 The survey identifies households that have moved into owner-occupied accommodation from a different tenure in the last two years. It is assumed that all of these households are first-time buyers although a few may have owned a home at some stage previously. The survey records that there are 2,415 households that have become first-time buyers in Fylde in the last five years.

6.30 The table below shows the current location of first-time buyer households. Notably this shows a high proportion of first-time buyers in the Fylde-Blackpool Periphery area, with much lower figures in Kirkham, St. Annes and Lytham. Rural areas typically see levels of first-time buyers close to the Borough average.

**Figure 6.24: Recent First-Time Buyers by sub-area**

Sub-area		First time buyer	Other recent buyer	Other recently moved households	All other households	Total
St. Annes	No.	632	2,066	2,132	8,981	13,811
	%	4.6%	15.0%	15.4%	65.0%	100.0%
Lytham	No.	342	1,554	934	5,669	8,498
	%	4.0%	18.3%	11.0%	66.7%	100.0%
Warton	No.	305	413	256	1,170	2,144
	%	14.2%	19.3%	12.0%	54.6%	100.0%
Fylde/BP Periphery	No.	259	204	221	446	1,129
	%	22.9%	18.0%	19.5%	39.5%	100.0%
Kirkham	No.	80	477	360	2,368	3,285
	%	2.4%	14.5%	11.0%	72.1%	100.0%
Wesham	No.	189	216	292	1,244	1,942
	%	9.8%	11.1%	15.0%	64.1%	100.0%
Freckleton	No.	240	399	123	1,916	2,678
	%	9.0%	14.9%	4.6%	71.5%	100.0%
Rural North	No.	169	498	153	2,021	2,840
	%	5.9%	17.5%	5.4%	71.2%	100.0%
Rural West	No.	84	263	82	895	1,325
	%	6.4%	19.9%	6.2%	67.5%	100.0%
Rural East	No.	114	203	57	974	1,348
	%	8.5%	15.1%	4.2%	72.2%	100.0%
BOROUGH	No.	2,415	6,292	4,611	25,683	39,000
	%	6.2%	16.1%	11.8%	65.9%	100.0%

Source: Household survey

6.31 The table below shows the size of first-time buyer households compared with other households that have purchased a home in the last two years and all other households who have moved home in the same period. It shows that 42% of first-time buyer households contain two people and a further 28% are single persons. Overall, first-time buyer households have similar household sizes to other recent buyers.

Household size	First time buyer		Other recent buyer		Other recently moved households		Total (all movers)	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
1 person	666	27.6%	1,357	21.6%	1,589	34.5%	3,612	27.1%
2 people	1,022	42.3%	3,040	48.3%	1,213	26.3%	5,274	39.6%
3 people	374	15.5%	955	15.2%	1,075	23.3%	2,404	18.1%
4+ people	353	14.6%	940	14.9%	733	15.9%	2,026	15.2%
Total	2,415	100.0%	6,292	100.0%	4,611	100.0%	13,317	100.0%

Source: Household survey

6.32 The table below shows the age of the HRP in first-time buyer households. It shows that 29% of respondents are aged under 30, whilst 25% are between 30 and 39. First-time buyers generally have a younger age profile to other buyers. The median age of first-time buyers in the Borough over the past five years is 37.

HRP age	First time buyer		Other recent buyer		Other recently moved households		Total (all movers)	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Under 30	688	28.5%	211	3.3%	845	18.3%	1,744	13.1%
30-39	594	24.6%	493	7.8%	1,389	30.1%	2,476	18.6%
40-49	340	14.1%	917	14.6%	610	13.2%	1,868	14.0%
50 and over	792	32.8%	4,671	74.2%	1,766	38.3%	7,229	54.3%
Total	2,415	100.0%	6,292	100.0%	4,611	100.0%	13,317	100.0%

Source: Household survey

## Summary

6.33 The final section of the report considers survey data about a range of different household groups within Fylde. In particular the information focuses on the key characteristics of each group and contrasts data with other households in the Borough. For the purposes of the study we have studied the following groups:

- Households with support needs;
- Older person households;
- Families (households with children); and
- Young people (and first-time buyers).

6.34 The survey identifies around a quarter of households as containing someone with a support need – in particular those with some form of physical disability. Support needs households see a high concentration in the social rented sector, are more likely to be living in household that can be considered as unsuitable and typically have low income levels (and low savings) – the average income of a household with a support need is around £19,800, compared with a Borough average of 30,400. These households particularly highlighted a need for help maintaining their home as the main improvement to their services.

- 6.35 Around a third of households are made up entirely of people aged 65 and over (with a further 9% containing people aged 65+ and under 65). Older person households tend to be smaller and are highly likely to be an outright owner. There is also a considerable degree of under-occupation amongst these households, which could present an opportunity to release larger homes if suitable smaller homes (possibly bungalows) were available.
- 6.36 Around 21% of households contain children (aged under 16) with over a quarter of these being lone parent households. Overall, the lone parent households in the survey do show characteristics of being more disadvantaged than other households with children (and households generally) with a high dependency on private rented housing, high levels of housing considered as unsuitable (including high overcrowding) and low incomes.
- 6.37 Around 12.5% of households in the survey are headed by someone aged Under 35, over half of these households contain children, along with a high proportion of lone parents. As with the analysis of families, the younger lone parent households look to be particularly disadvantaged. The survey also identifies that around 2,400 households have been first-time buyers over the past 5-years, these households have an average age of 37 and are mainly 2 and 1-person households.



## 7. Stakeholder Input

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### Introduction

- 7.1 The project methodology involved seeking qualitative information from selected groups of stakeholders. A 'drive through' of the borough also took place noting major development sites. The aim was to enable us to provide context to the HNS as well as nuance areas of the report.
- 7.2 Stakeholder groups that were invited to participate were:
- Estate and letting agents;
  - Registered providers;
  - Large employers including the NHS.
- 7.3 This section reports the information provided by these stakeholders. Where appropriate key findings have been added to the narrative in the main body of the HNS report.

### Estate and letting agents

- 7.4 Agents were interviewed by telephone and were randomly selected from listings. Care was taken to obtain both urban and rural perspectives. Interviews were structured around the following questions.

*Do agents consider that there is a high level of in-migration to Fylde and what is driving it?*

- 7.5 Agents told us that in-migration occurred from many parts of the country and was not disproportionately from Blackpool. Neither did they consider that the level of in-migration was disproportionately high, citing high levels of churn from Fylde residents especially in the private rented sector. One agent considered that in-migration from Greater Manchester was the most prevalent source of incomers in their experience.
- 7.6 They considered that there were two main drivers. For the rural areas these were mostly retirees who were attracted by the rural location, close to the coast with easy access to the national parks. Lytham was highlighted as attracting a high proportion of incomers. In-migration to the urban areas was driven by work relocation notably the BAE plant at Warton, the food and hospitality industries and the NHS.

*What gaps exist in supply?*

- 7.7 Agents were unanimous in their view that the most significant gap was for bungalows. They explained that vacancies sold and let quickly and many agents held waiting lists. Bungalows were not exclusively sought after or sold to older people. Younger households valued them as they were easier to manage and maintain than houses.
- 7.8 One agent thought that there was a shortage of high specification age restricted leasehold flats and apartments. Lytham was identified as a 'bubble' in that there was a concentration of more affluent older people that were aging and may consider this type of housing should it be provided.

- 7.9 Agents generally thought that there was a shortage of affordable housing in the borough. This placed significant pressure on the private rented sector and failed or failing tenancies was a concern from a management point of view.

*What is the role of the private rented sector and are investors keeping up with demand?*

- 7.10 Most agents told us that whilst it was perfectly normal for investors to sell some or all of their portfolio for business or retirement reasons, there was concern that many landlords were not investing. This was largely a response to recent changes in the legal and fiscal framework affecting the private rented sector and the introduction of the Renters Reform Bill. One agent considered that the private rented sector market was 'broken'.
- 7.11 Agents explained that some landlords were also diversifying their portfolio into holiday lettings. Others were acquiring dwellings but 'flipping' them for resale rather than letting them.
- 7.12 The above views were not held by all agents. One specialist letting agent told us that they were instructed by many clients to acquire suitable dwellings. This was a response to growing demand for private rented sector housing from local residents, local residents unable to access social housing and incomers.
- 7.13 We were told that many incomers to the area would rent first and buy later. This was particularly the case for new recruits to the BAE plant at Warton. It was explained to us that BAE has a sister plant to the east at Mellor Brook near Blackburn and employees might be asked to work at either plant. Some employees in these circumstances would find it more flexible to rent.

## Registered providers

- 7.14 Information and insight was sought from registered providers as they are key players in the supply and development of affordable housing – 7 full responses were achieved. Responses were supplied on an 'in confidence' basis. The broad question topics and responses given are as follows:

*Adequacy of supply compared to need now and in the future? Are there any notable gaps in supply and where do the gaps exist?*

- 7.15 Although it was acknowledged that the situation had improved over the last 5-years it was considered that a shortfall still existed especially in the areas of Lytham, St Annes and Kirkham which are regarded as hot spots for demand for affordable family housing.
- 7.16 Overall, the main gaps in supply are accessible dwellings, 1-bedroom flats, bungalows and 4 or more-bedroom dwellings. Also HMO or one bedroom flats for younger people. There is less of a gap for 2 and 3-bedroom family housing as this is what has formed the greater proportion of newbuild recently.

*Is additional supply needed to facilitate management and regeneration?*

- 7.17 All but 1 respondent stated that none was required. One respondent remarked that there was a role for registered providers in the wider regeneration of town centres.

*Is the developer s106 led supply of newbuild affordable housing producing the right type of dwelling for the location?*

- 7.18 A number of respondents (but not all) felt that the balance was wrong between urban and rural development. More urban development was needed. Specifically, not enough bungalows and 4 or more family homes were being provided. One respondent suggested that this might be addressed if registered providers were more closely involved in the earlier stages of a development. Concern was expressed about allocations working against achieving balanced communities through the disproportionate allocation to Band A applicants.
- 7.19 One respondent was disappointed not to have had their expectations met in terms of number of dwellings supplied under these arrangements.

*Of commissioning arrangements for special needs housing?*

- 7.20 Two respondents expressed a willingness to work with the council and other commissioners to provide special needs housing. No respondents replied to our detailed questions on the commissioning process.

*Of evidence of need for affordable home ownership?*

- 7.21 Respondents described the steps they take to evidence need and demand and were generally of the view that they were confident that demand existed on the basis of both new build and resales.
- 7.22 One respondent drew attention to difficulties experienced in rural areas if restrictive conditions apply.

*The effectiveness of My Home Choice Fylde Coast?*

- 7.23 All respondents found the system effective. Constructive suggestions for improvement were; improving the applicants user interface, more clarity on bidders needs in terms of adaptations, and the need to involve the SOD panel earlier to avoid delays in letting.
- 7.24 One respondent took the opportunity to draw attention to gaps in the system wider than Home Choice, highlighting the need for more accommodation to be made available for young people leaving supported accommodation.

*Fylde/Blackpool Churn*

- 7.25 Many respondents told us this was due to Fylde being a more desirable area to live. Some respondents felt that Fylde local connection criteria limits the “pool” of applicants for new build. Respondents also pointed out that many applicants have dual connection by means of residence and place of work.

## Large employers and the NHS

- 7.26 The council was able to identify large employers from previous consultations. This was a mixture of public and private sector organisations. We devised an online survey that was quick and easy to complete as in our experience this group of consultees tend not to respond to housing related questionnaires. Our main research question was about the extent to which any recruitment and retention problems might be due to access to suitable housing that employees could afford.
- 7.27 Only the NHS responded to our questionnaire. In this case the questionnaire was wider in scope due to the NHS employing many essential local workers.
- 7.28 A senior official from the Clinical Commissioning Group consulted with colleagues across the Fylde Coast NHS and staff specifically engaged in the recruitment and retention process. We were told that there was no evidence that housing was an issue affecting recruitment and retention of staff at any level.

## Summary

- 7.29 The project methodology involved seeking qualitative information from selected groups of stakeholders. The aim was to enable us to provide context to the HNS as well as nuance areas of the report. Stakeholder groups that were invited to participate were:
- Estate and letting agents;
  - Registered providers;
  - Large employers including the NHS.
- 7.30 The key messages from stakeholders are as follows.
- 7.31 Estate and Letting agents told us that in-migration occurred from many parts of the country and was not disproportionately from Blackpool. Drivers were retiring households and people relocating for employment. Agents believe that the main gap in supply is bungalow accommodation. There is also a need for age restricted leasehold apartments in Lytham. Agents consider that there is a significant undersupply of private rented housing due to landlords not investing sufficiently and demand from local residents unable to achieve affordable housing and incomers renting before buying.
- 7.32 Registered providers told us that notwithstanding improved supply in recent years there still remained a shortage of affordable housing in the Borough, particularly 1- and 4+-bedroom homes (due to recent development focussing on 2 and 3 bedroom housing). A number of respondents thought too much development had occurred in the rural areas and that particular needs in the urban areas were unmet. Respondents found the Fylde Coast Home Choice system to be effective and made constructive suggestions as to how it could be improved.
- 7.33 Large employers presented no evidence to suggest that any recruitment and retention problems they might be experiencing were due to a shortage of suitable housing in the Borough.