London Borough of Camden
Housing Needs Survey Update 2008

Final Report

October 2008

fordham
R E S E A R C H

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1. Introduction

Introduction

1.1　During 2003/04 Fordham Research carried out a Housing Needs Survey for the London Borough of Camden – the report was completed in October 2004. The analysis was based on primary research collected through personal interviews with resident households. The survey was designed to cover all tenure groups and all areas within the Borough and enabled the assessment of the need for additional affordable housing following the approach set out in ODPM Guidance. This report has been commissioned to update the results of the 2004 Survey and produce results compliant with the latest government guidance.

Nature of this report

1.2　In making assessments of housing need in compliance with Government Guidance primary research is essential. Principally, this is because information on housing suitability and market affordability (the two elements central to the definition of need) are not available from secondary data sources for the same group of households. It is however costly to undertake primary fieldwork and in consequence Fordham Research have devised a cost-effective update approach that uses the original survey data collected and updates it to take account of changes to key variables affecting the overall assessment.

1.3　This report is therefore intended to review the Housing Needs Survey and provide an updated and robust estimate of the need for affordable housing in the context of changes that have occurred since the time of the first survey.

1.4　The main changes are as follows:

i)　Changes in market prices/rents and income levels which have occurred since the original Housing Needs Survey

ii)　Changes in the supply of affordable housing (relets excluding transfers within the social rented sector)

iii)　A re-basing of household figures to take full account of information from the 2001 Census, Greater London Authority (GLA) household projections and the latest Housing Strategy Statistical Appendix (HSSA) data.

iv)　Modifications to the methodology used to assess housing need

Government guidance

1.5   It is important to briefly summarise key points from Government guidance which are relevant to this assessment. The documents of particular importance are:

- Planning Policy Statement 3 (Housing) – PPS3 (November 2006)
- Strategic Housing Market Assessments Practice Guidance – The Practice Guidance (August 2007)

1.6   PPS3 sets out a number of key definitions relevant to this project (discussed further below). In addition the PPS is clear about the outputs required from an assessment of the housing market. Paragraph 22 of PPS3 summarises the requirements:

Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents

- The likely overall proportions of households that require market or affordable housing
- The likely profile of household types requiring market housing
- The size and type of affordable housing required

1.7   This Housing Needs Survey Update will form part of the local evidence base used to inform these three requirements.

1.8   The Practice Guidance provides details about the whole process of conducting a Strategic Housing Market Assessment (SHMA). The Greater London Authority (GLA) and the Government Office for London (GOL) in their June 2007 note '*SHMAs in London'* indicated their intention to undertake a London-wide SHMA that would produce the results required at the regional level. They also advised that they would support individual Boroughs deciding to undertake supplementary work, provided that this produced the outputs described in Chapters 5 and 6 of the Practice Guidance (relating to housing need and the housing requirements of specific household groups respectively).

1.9   This report is a localised study that will, in accordance with Chapters 5 and 6 of the Practice Guidance, ascertain the level of housing need in the Borough and examine the housing requirements of specific household groups in order to produce the outputs listed in the table below.

Table 1.1 Core outputs listed in the Practice Guidance required from this study	
4	Estimate of current number of households in housing need
5	Estimate of future households that will require affordable housing
6	Estimate of future households requiring market housing
7	Estimate of size of affordable housing required
8	Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and ethnic minority groups, disabled people, young people, etc

Source: CLG August 2007 Strategic Housing Market Assessments Practice Guidance,
Figure 1.1 (abbreviated, to list outputs produced in Chapter 5 and 6 of the Practice Guidance)

1.10   Two models will be used to enable the requirements of PPS3 and the relevant chapters of the Practice Guidance to be fulfilled. A description of the purpose of these models and an overview of the methods used is provided below.

1.11   It should be noted that the findings of this Housing Needs Survey Update cannot be directly compared with either the 2004 Housing Requirements Study or the 2008 London-wide SHMA (when available), as these regional studies do not provide information at a borough level. The regional nature of these studies also means that different assumptions and methodologies are employed. However, it will be of interest for the findings of this report to be viewed alongside the London-wide SHMA, when available.

1.12   It is worth making reference to a further note issued by GOL, the GLA and London Councils in March 2008 advising that work in the form of sub-regional SHMAs would be the most pragmatic way to produce the requirements of PPS3 and deliver usable results to individual boroughs. Work of this nature is yet to be commissioned at the North London sub-regional level, and consequently LB Camden do not expect any new sub-regional level data to be available to meet their Local Development Framework (LDF) timescales.

Assessing housing need

1.13   Guidance sets out a series of steps to be followed when assessing net annual housing need and the implied affordable housing requirement and also sets out some key definitions for particular aspects of analysis, such as the measurement of housing suitability and a detailed discussion of measuring affordability.

1.14   As far as is possible (and relevant) this project has sought to follow the requirements of both PPS3 and Guidance. Before the detailed housing need assessment model is described it is important to define the terms used.

(i) Definition of housing need

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

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

(ii) Definition of affordable housing

1.16   PPS3 defines affordable housing as:

PPS3	*'Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:* *- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.* *- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.* [Planning Policy Statement 3 (page 25)]

1.17   PPS3 also defines the two types of affordable housing:

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

1.18   A 16-step procedure is set out in Guidance across three distinct stages. This is aimed at producing an estimate of the net need for new affordable housing. Thus the Guidance is very much geared to the requirements of planning for clear indications of the affordable housing requirement. The following table reproduces the stages of the assessment.

Table 1.2 Steps required for the calculation of the affordable housing requirement
Stage and step in calculation
STAGE 1: CURRENT NEED (Gross)
1.1 Homeless households and those in temporary accommodation
1.2 Overcrowding and concealed households
1.3 Other groups
1.4 Total current housing need (gross)
STAGE 2: FUTURE NEED
2.1 New household formation (gross per year)
2.2 Proportion of new households unable to buy or rent in the market
2.3 Existing households falling into need
2.4 Total newly arising housing need (gross per year)
STAGE 3: AFFORDABLE HOUSING SUPPLY
3.1 Affordable dwellings occupied by households in need
3.2 Surplus stock
3.3 Committed supply of affordable housing
3.4 Units to be taken out of management
3.5 Total affordable housing stock available
3.6 Annual supply of social re-lets (net)
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels
3.8 Annual supply of affordable housing

Source: CLG August 2007 Strategic Housing Market Assessments Practice Guidance

1.19   There is a further, final stage which describes how the current and future need should be combined to produce an estimate of the net annual housing need.

1.20   It is clear that PPS3 provides a coherent definition of housing need, and the Guidance provides a great deal of advice on how to calculate it. This report has been prepared in accordance with both PPS3 and the Practice Guidance.

Balancing Housing Markets model

1.21   Planning Policy Statement 3 (PPS3) states that one of the key objectives of local government is '*to address any shortfalls in the supply of market housing'.* The Balancing Housing Markets model provides the information necessary for Councils to identify any shortfalls and enables *'Local Planning Authorities to plan for the full range of market housing'* as is stated in PPS3*.*

1.22   Whilst the Strategic Housing Market Assessment Practice Guidance also acknowledges the need for the whole housing market to be understood, unlike with the Housing Needs Assessment calculation, no particular approach is described on how this should best be done. Fordham Research has therefore created an innovative methodology that provides the desired outputs.

1.23   The model, which was originally designed in response to the Balancing the Housing Market component of the Comprehensive Performance Assessment conducted by the Audit Commission, assesses the extent to which housing markets are balanced and suggests the directions the Council might take to approach a more balanced condition. This Balancing Housing Market methodology (an Adapted Gross Flows approach) shows exactly what shortages and surpluses exist and are likely to persist in the medium-term according to size of dwelling and tenure in relation to the expectations and affordability of would-be movers. The expectations of households are determined by a direct question in the survey and are different from their assessed needs.

1.24   Whilst one of the outputs of the BHM model is an estimate of the shortfall of affordable housing this should not be taken as an estimate of the absolute need for such housing. The Housing Needs Assessment model provides this estimate as it follows the latest guidance on how this should be calculated. The BHM runs a range of scenarios that assess various affordability ratios based on prevailing local practices and produces a smaller affordable housing demand than the affordable housing requirement model as it recognises that in current conditions many households will have to pay a greater proportion of their income on their housing costs than is recommended by guidance. The BHM model is particularly useful at ascertaining what shortages exist in the private sector market and can help to guide councils in securing an appropriate mix of market housing on new housing developments.

Summary

1.25   Housing Needs Assessments have become, over the past decade, a standard requirement for local authorities across Britain. The publication of guidance on how to assess current and future housing needs within *Strategic Housing Market Assessments Practice Guidance* by CLG in August 2007 provides the updated methodology for completing such assessments. They are designed to underpin housing and planning strategies by providing relevant data for them.

1.26   In addition to focussing on the need for affordable housing, this study addresses housing requirements across all housing tenures. This is with a view to producing information, which will assist policy making in relation to both housing and planning policy.

2. Data collection

Introduction

2.1   This report is based on updating the data obtained during the original 2004 survey, which was collected through personal interviews (undertaken at the same time as a stock condition survey). The samples for the survey were drawn, at random, from the Council Tax Register covering all areas and tenure groups in Camden.

2.2   The 2004 survey achieved 1,500 completed responses. This is sufficient to provide reliable estimates of need in accordance with CLG Guidance.

2.3   Survey fieldwork was completed in late 2003. For the purpose of this update report the original survey data has been re-weighted to take account of the latest information on the household population of Camden.

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

Base household figures and weighting procedures

2.5   The 2004 Housing Needs Survey estimated a total of 94,000 households. Given that we want to estimate the number of households at a base date of January 2008 (i.e. just over four years later), it is necessary to revise this figure to represent a more up to date estimate. We have considered a number of different sources of information including the latest available Housing Strategy Statistical Appendix (HSSA) and the GLAs 'high' household projections (from the Revised London Plan), and as at January 2008 (in line with the date of this report) it is estimated that there are 98,000 households in the Borough.

2.6   Survey data was weighted to match the suggested current tenure profile shown below. An important aspect of preparing data for analysis is 'weighting' it. As can be seen from the table below, 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. Information from the 2006/07 HSSA and the 2001 Census was used to formulate the estimated tenure breakdown.

2.7   The table below shows an estimate of the current tenure split in Camden along with the sample achieved in each group. The data shows that around 37% of households were owner-occupiers[1] with around 36% in the social rented sector and 27% in the private rented sector[2].

Table 2.1 Number of households in each tenure group				
Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	16,565	16.9%	231	15.4%
Owner-occupied (with mortgage)	19,975	20.4%	188	12.5%
Social rented	34,897	35.6%	779	51.9%
Private rented	26,563	27.1%	302	20.1%
TOTAL	98,000	100.0%	1,500	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

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

- Ward
- Council tax band
- Number of people in household
- Household type
- Accommodation type
- Car ownership
- Ethnicity of household head

2.9   The estimated proportion of households in each ward and council tax band was derived from the council tax register from which the original survey sample was taken. The 2001 Census was used to inform the estimated profile of households within the remaining variables listed. The Office of National Statistics' 2005 population projections by ethnic group were also taken into account in determining the estimated proportion of household heads within each ethnic group.

Area analysis

2.10   The table below shows how the 18 wards in Camden were grouped to form the five sub-areas used for analysis in this report. The map illustrates the position of these wards/sub-areas.

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[1] The 'owner occupied (with mortgage)' sector includes households residing in shared ownership accommodation – this applies throughout the report
[2] The 'private rented' sector includes those living in accommodation which is tied or linked to a job – this applies throughout the report

Table 2.2 Composition of Camden sub-areas	
Sub-area	Composite wards/parishes
AREA 1 - North	Highgate, Hampstead Town, Frognal and Fitzjohns, Belsize
AREA 2– West	Fortune Green, West Hampstead, Kilburn, Swiss Cottage
AREA 3 – East	Gospel Oak, Haverstock, Kentish Town, Camden Town and Primrose Hill, Cantelowes
AREA 4 - South	Regents Park, Kings Cross, Bloomsbury, Holburn and Covent Garden
St Pancras & Somers Town	St. Pancras and Somers Town

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Figure 2.1 The London Borough of Camden study area

1 Hampstead Town
2 Highgate
3 Frognal & Fitzjohns
4 Fortune Green
5 West Hampstead
6 Kilburn
7 Swiss Cottage
8 Belsize
9 Gospel Oak
10 Kentish Town
11 Cantelowes
12 Haverstock
13 Camden Town with Primrose Hill
14 Regents Park
15 St Pancras & Somers Town
16 Kings Cross
17 Bloomsbury
18 Holborn & Covent Garden
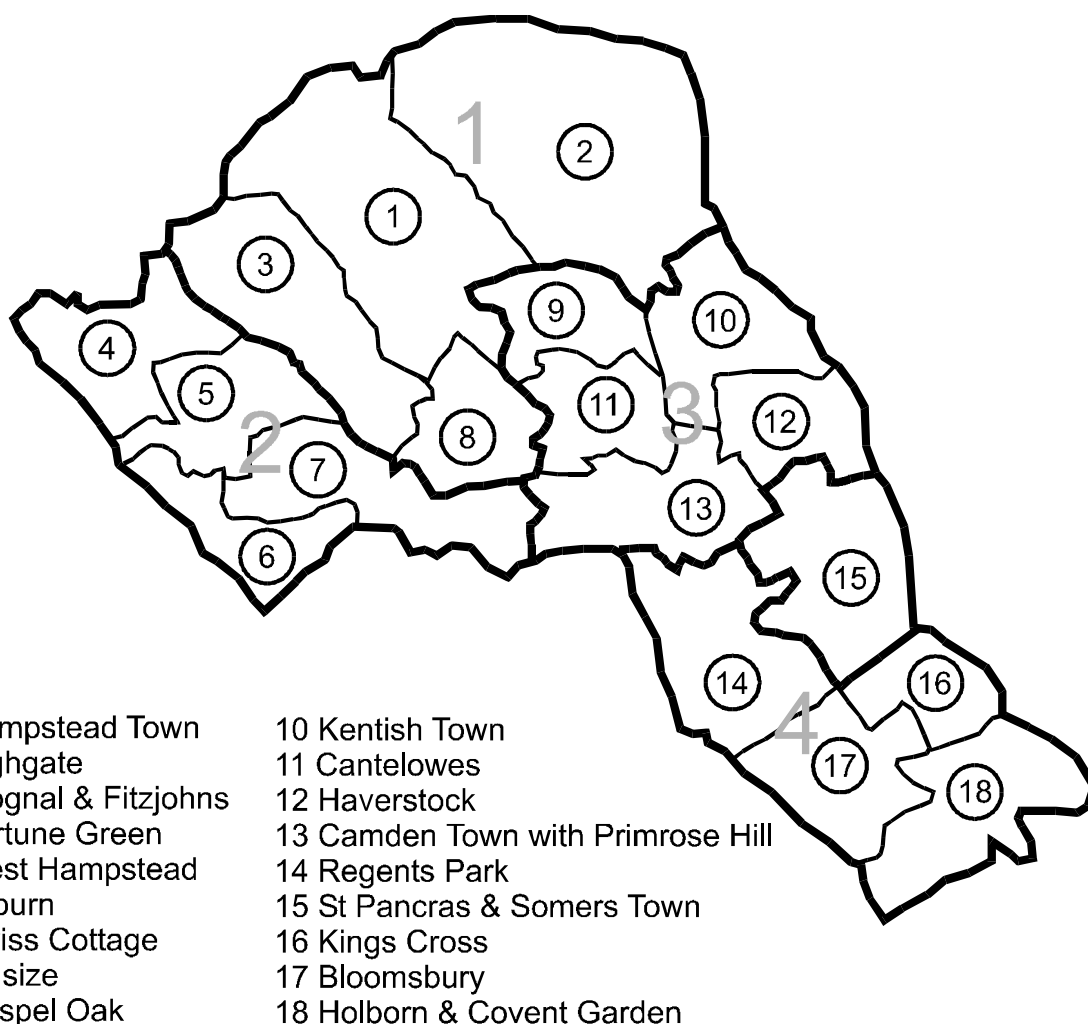
Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

2.11   The table below shows the estimated number of households in each sub-area along with the sample achieved in each area.

Table 2.3 Number of households in each sub-area				
Sub-area	Estimated households	% of households	Number of returns	% of returns
North	22,209	22.7%	310	20.7%
West	22,412	22.9%	257	17.1%
East	26,483	27.0%	303	20.2%
South	21,541	22.0%	264	17.6%
St Pancras & Somers Town	5,356	5.5%	366	24.4%
TOTAL	98,000	100.0%	1,500	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Student households

2.12   Household survey data was collected for 45 student households residing in ordinary accommodation. Student-only households raise their own housing issues and although most have low incomes, they do not generally qualify for affordable housing due to the short-term nature of their residence. Since student households do not directly impact on the need for affordable housing, they have been removed from the active dataset used for the analysis in the majority of this report. Removing these households means the total households used for analysis in this report is 93,847. However, characteristics of Camden's students are considered in Chapter 11 using secondary data.

Summary

2.13   This report is based on updating the data obtained during the original Housing Needs Survey carried out in 2004. Some 1,500 completed responses were obtained through personal interviews. This is a sizeable amount of data and enables reliable analysis of housing need in accordance with Practice Guidance. The survey data was weighted so as to be representative of all households within Camden. In total it is estimated that there were 98,000 resident households as of January 2008.

Changes since 2004

At the time of the 2004 survey there were an estimated 94,000 households in the Borough. As of January 2008 this figure has been revised to an estimate of 98,000. Adjustments have been made to the data to take into account changes in both the number and the make up of households (e.g. tenure changes).

3. House price information

Introduction

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

- Land Registry
- Online survey of estate and letting agents

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

National, regional and local picture

3.3   The table below shows average prices in the second quarter of 2007 for each of England and Wales, London and Camden. The table shows that average prices in Camden are 248.9% of England and Wales and also much higher than the regional average.

Table 3.1 Land Registry average prices (2nd quarter 2007)		
Area	Average price	As % of E & W
England & Wales	£216,272	100.0%
London	£353,156	163.3%
Camden	£538,321	248.9%

Source: Land Registry

3.4   Information from the Land Registry shows that between the second quarter of 2002 and the second quarter of 2007 average property prices in London rose by 52.5%. Camden recorded a marginally lower increase of 50.2%; however, as it was from a higher base price the increase in absolute terms is more marked. House prices rose by 62.3% nationally over the same time period.

Figure 3.1 Land Registry price changes 2002–2007 (2nd quarters)
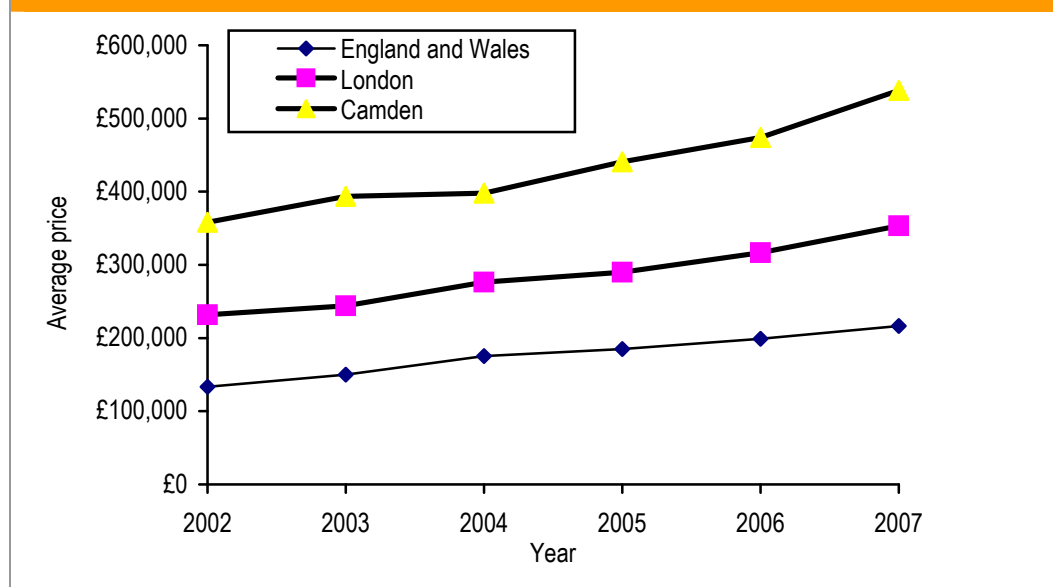
Source: Land Registry

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

Table 3.2 Land Registry average prices and sales (2nd quarter 2007)				
Dwelling type	Camden		London	
	Average price	% of sales	Average price	% of sales
Detached	£2,555,993	1.1%	£726,637	4.3%
Semi-detached	£2,030,063	3.0%	£386,636	14.9%
Terraced	£784,866	8.7%	£374,527	28.9%
Flat/maisonette	£437,072	87.2%	£300,420	51.9%
All dwellings	£538,321	100.0%	£353,156	100.0%

Source: Land Registry

3.6   The largest volume of sales in the area by far was for flats (87.2%) with an average price of £437,072. There were relatively few sales of detached or semi-detached properties in the last quarter. Prices are significantly higher than the regional average for all dwelling types.

Prices in adjoining areas

3.7   As the table below demonstrates, all of the neighbouring local authorities to Camden have prices above the average for England and Wales. When compared with neighbouring local authorities, Camden has the second most expensive properties.

Table 3.3 Price levels in Camden and adjoining areas (2nd quarter 2007)	
Council area	% of England & Wales
Brent	148.2%
Haringey	164.1%
Barnet	174.9%
City of London	207.8%
Islington	208.0%
Camden	**248.9%**
City of Westminster	316.1%

Source: Land Registry

Survey of estate and letting agents

3.8   As part of the update process, information on purchase prices and rentals within Camden were collected through an online survey of estate agent house prices during January 2008, using websites including www.rightmove.co.uk, www.findaproperty.com and www.fish4.co.uk. This section presents the results.

3.9   Prices were collected across Camden in order to capture localised variations across the area. Prices were taken from the areas of West Hampstead and Swiss Cottage to the West, Camden Town and Kentish Town to the East, Hampstead to the North, Regents Park and Kings Cross to the centre and the central London areas of Holborn, Bloomsbury and Covent Garden to the south of the Borough.

3.10   Entry-level property prices and rents were identified for different sizes of accommodation. The entry-level prices recorded equate to lower quartile prices as recommended by the Practice Guidance. The table below shows that estimated entry-level prices ranged from £300,000 for a one bedroom property up to £815,000 for four bedrooms. Entry-level weekly rents varied from £270 (one bed) to £625 (four beds).

Table 3.4 Entry-level property prices and private rental costs (across Camden), January 2008		
Property size	Entry-level property price	Entry-level rent (weekly)
1 bedroom	£300,000	£270
2 bedrooms	£385,000	£400
3 bedrooms	£550,000	£550
4 bedrooms	£815,000	£625

Source: Survey of estate and letting agents (2008)

3.11   It should be noted that studios/bedsits have not been included in the entry-level price calculation for a number of reasons: firstly, the supply of such accommodation was not deemed to be sufficient to meet the needs of all those requiring one bedroom properties in the Borough. Secondly, in the affordability test (described in Chapter 4), households are tested in terms of their ability to afford a certain size of property determined by the bedroom standard (defined in the glossary). A single person household and a co-habiting couple household would both be tested against the price of one-bedroom accommodation; arguably it would not be reasonable to expect a couple to live in such accommodation. Finally, the fact the studios/bedsits are not necessarily self-contained complicates the process of assigning a price.

Appropriate price level for the affordability test

3.12   Entry-level (or lower quartile) prices and rents are used to assess the ability of households to afford market housing in this study, since this is the approach recommended by the Practice Guidance. However, a key issue in deciding the appropriate price assumptions to use in assessing overall Borough-wide affordability is whether a household that could afford market priced housing by moving a reasonable distance should be assessed as being in housing need. In this case the term 'reasonable distance' is taken to mean 'within the Borough'.

3.13   Our analysis of the entry-level and average property prices in the Borough showed that there was some price variation within the Borough, with the areas of Camden Town and Kentish Town to the east of the Borough and West Hampstead and Swiss Cottage to the West of the Borough representing the less expensive areas, as was found in the 2004 study. Entry-level prices and rents in these East and West areas of the Borough will therefore be used to represent the threshold of affordability for residents in all parts of the Borough area.

3.14   The entry-level prices and rents used in the affordability test (described in Chapter 4) are set out in the table below. Entry-level prices ranged from £275,000 for a one bedroom property up to £675,000 for four bedrooms. Entry-level rents ranged from £240 per week to £575 per week.

Table 3.5 Entry-level property prices/rents used for the affordability assessment – based on East and West Camden (as of January 2008)		
Property size	Entry-level property price	Entry-level rent (£/week)
1 bedroom	£275,000	£240
2 bedrooms	£330,000	£330
3 bedrooms	£425,000	£450
4 bedrooms	£675,000	£575

Source: Survey of estate and letting agents (2008)

Changes in prices and rent levels since 2003

3.15　The East and West areas of Camden were also found to be less expensive than the rest of the Borough in the 2004 survey and similarly formed the basis of the affordability test. The table below compares the entry-level prices used for the affordability test between the last survey (for which the survey of estate and letting agents was undertaken in December 2003) and the update survey (survey of estate and letting agents undertaken in January 2008). The results indicate that entry-level prices have increased, overall, by between 60% – 103%. Price rises have been seen for all sizes of accommodation, though the largest increase is shown to be for four bedroom properties.

Table 3.6 Prices used for the affordability test in Camden			
Property size	December 2003	January 2008	% change
1 bedroom	£158,000	£275,000	74.1%
2 bedrooms	£206,000	£330,000	60.2%
3 bedrooms	£249,000	£425,000	70.7%
4 bedrooms	£332,500	£675,000	103.0%

Source: Survey of estate and letting agents (2003 and 2008)

3.16　In addition to looking at how property prices have changed it is also worth considering changes in the costs of private rented housing. The results are presented in the table below and show that entry-level rents have increased by between 30 - 54%. Once again, price increases have been seen for all sizes of accommodation. The smallest increase was seen for one bedroom properties with the largest increase for three bedroom properties.

Table 3.7 Rents used for the affordability test in Camden			
Property size	December 2003	January 2008	% change
1 bedroom	£185	£240	29.7%
2 bedrooms	£223	£330	48.0%
3 bedrooms	£293	£450	53.6%
4 bedrooms	£407	£575	41.3%

Source: Survey of estate and letting agents (2003 and 2008)

Summary

3.17　An analysis of the housing market in the Borough is a crucial step in any housing study. In this report information was drawn from both the Land Registry and local estate/letting agents to provide the context for local property prices/rents.

3.18   Average house prices in the Borough are almost 250% of the national average and much higher than the average for London. The prices in Camden have increased at a similar rate to prices across the whole of London, however as it was from a higher base price the increase in absolute terms is more marked.

3.19   The online survey of estate and letting agents suggested that entry-level prices across the Borough ranged from £300,000 for a one bedroom property rising to £815,000 for a four bedroom property. Weekly private rental costs ranged from £270 per week for a one bedroom property to £625 for a four bedroom property.

3.20   The East and West areas of the Borough were found to be less expensive than other parts of the Borough; prices in these areas will be applied to households in all parts of the Borough when it comes to testing affordability. In East and West Camden, entry-level prices ranged from £275,000 for a one bedroom property up to £675,000 for four bedrooms. Entry-level rents ranged from £240 per week to £575 per week.

Changes since 2004

The data shows that entry-level purchase prices in the less expensive parts of the Borough (East and West Camden) have risen since the 2004 survey by an average of around 80%. Entry-level rents have also increased since the last survey, by around 45%. The effect of these increases on the ability of households to afford market housing is also influenced by the financial circumstances of these households, which is considered in the following chapter.

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4. Financial information and affordability

Introduction

4.1   The previous chapter studied the local housing market. The results from that chapter are brought together with household financial information to make an assessment of affordability for each individual household. The issue of affordability is crucial in assessing both current and future housing need in the Council area.

4.2   Having set out the financial information collected in the survey the chapter continues by concentrating on the methodology behind the assessment of affordability. To complete an accurate assessment of affordability, the survey collected information regarding household's gross earned income (including benefits), savings and equity levels to establish a household's financial capacity.

Updating financial information

4.3   The Annual Survey of Hours and Earnings was used to update the earned income of employed household members. Incomes were updated according to the increase recorded for the particular quartile that the original earned income of 2003 fell into. For example, those that recorded an earned income of less than £393 per week in 2003 were in the lower quartile and had their income increased by 10.5%.

4.4   The Family Spending Survey was used to update household investment income and the level of state benefits. The information contained within the Family Spending Survey meant that it was possible to differentiate the rate of increase in investments between retired and non-retired households. Information on investment and benefits was only provided at a national level; regional level information provided by the Family Spending Survey on overall income meant that it was possible to apply a regional adjustment to the national investment and benefit figures, based on the differences in overall income between London and nationally.

4.5   Savings were updated assuming an annual increase of 4.1%, which is the approximated average interest paid on a savings account over the period.

4.6   The amount of equity available to households has also been updated to take account of the increases in property prices over the period since the survey was carried out. Analysis of Land Registry data suggests that overall average house prices within Camden have increased by 49.9% since the end of 2003. As the Land Registry collects price information by property type, it is possible to update the amount of equity owner-occupiers have by the change in prices recorded for the type of dwelling they own. For example, the Land Registry data indicates that average purchase prices of a flat or maisonette in LB Camden have increased by 55%; owners of flats or maisonettes will therefore have their equity increased by this amount.

Household income, savings and equity

4.7   The updated survey results indicate that the average (mean) gross household income (including non-housing benefits) in Camden is £37,522 per annum. The median income (i.e. the middle value if all households' incomes were listed in ascending or descending order) is noticeably lower than the mean (at £23,113 per annum). The figure below shows the distribution of income in the Borough. Household income includes income from investments.

Figure 4.1 Distribution of annual gross household income (including non-housing benefits)
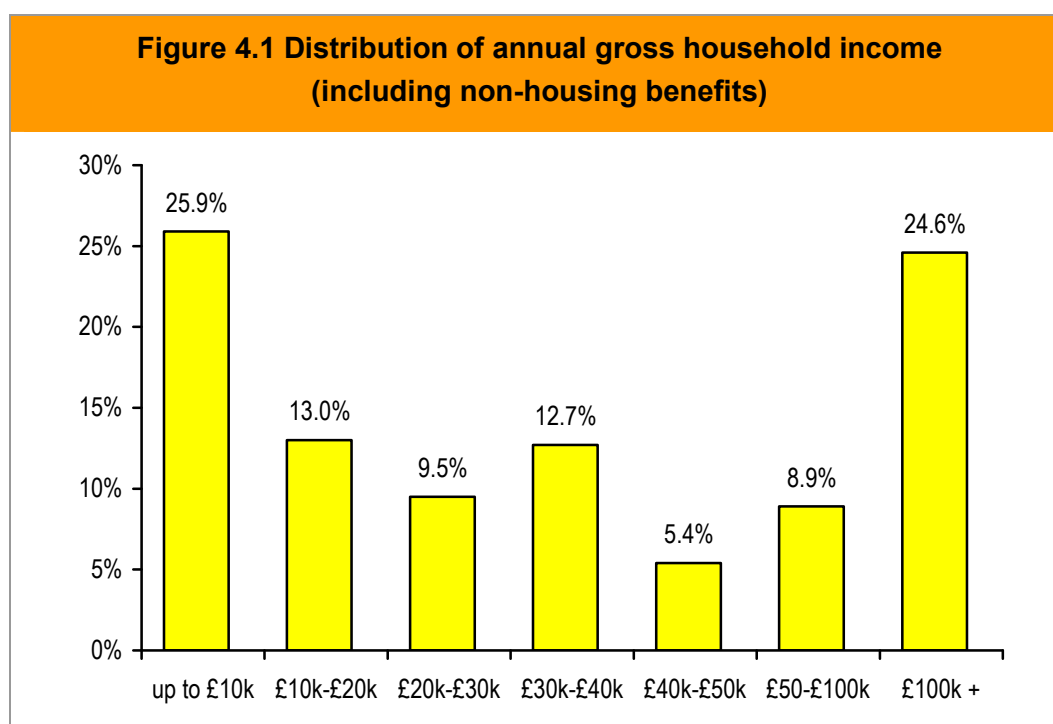
Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

4.8   Households have an average of £14,417 in savings. However, it is estimated that some 47.0% of households have no savings, whilst 29.7% have savings of over £10,000.

4.9   The survey also collected information about the amount of equity owner-occupiers have in their property; the updated average amount of equity is £518,348.

Household income and tenure

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

Table 4.1 Financial information by tenure			
Tenure	Average annual gross household income	Average savings	Average equity
Owner-occupied (no mortgage)	£44,055	£40,061	£652,121
Owner-occupied (with mortgage)	£66,227	£20,964	£407,369
Social rented	£14,920	£1,315	-
Private rented	£41,616	£9,888	-
AVERAGE	£37,522	£14,417	£518,348

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Assessing affordability

4.11   Households were tested for their ability to afford either a mortgage or private rented housing priced at the entry-level shown in Chapter 3. The size of accommodation households were tested for was determined by a strict bedroom standard (defined in the glossary), which takes into account the number, age, gender and relationship between persons living in the household.

(i) Mortgage affordability

4.12   The definition of mortgage affordability is taken from p42 of the Practice Guidance:

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

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

> *A household containing a couple with one child would require, at minimum, a two bedroom property. The entry-level cost of such a property in Camden is estimated to be £330,000. If the couple have £10,000 in savings then they would require a gross household income of £110,345 ((£330,000-£10,000) divided by 2.9) if both adults were in employment, or £91,429 ((£330,000-£10,000) divided by 3.5) if one person is in employment.*

(ii) Private rental affordability

4.14   The Practice Guidance suggests that a household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross household income (p42). However, the Guidance also acknowledges that this may not always be appropriate:

Practice Guidance	*'Local circumstances could justify a figure other than 25% of gross household income being used.'* [pg 42 August 2007 Strategic Housing Market Assessment Practice Guidance]

4.15   In Camden, households have been deemed unable to afford market rented housing in cases where rent payable would constitute more than 30% of gross household income. This threshold has been applied to reflect the higher incomes required to access the relatively expensive private rented accommodation in London and therefore the higher proportion of income it is feasible to spend on housing costs, and is consistent with the approach taken by Fordham Research in recent studies of other London boroughs.

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

> *A household containing a couple with no children will require at minimum a one bedroom property. The entry-level weekly rental for this is £240. This means that the household must have a weekly net income of at least £800 ((£240 ÷ 30) x 100) to be able to afford the property.*

(iii) Combined affordability

4.17   It is important to assess the numbers who cannot afford either of the above options. This is the measure of combined affordability, which is defined below:

> ***Combined affordability:***
>
> A household containing one person in employment is not eligible for a mortgage if the gross household income multiplied by 3.5 is less than the cost of the mortgage requirement. A household containing more than one person in employment is not eligible for a mortgage if the gross household income multiplied by 2.9 is less than the cost of the mortgage requirement.
>
> <div align="center">***AND***</div>
>
> A household is unable to afford private sector housing if renting privately would take up more than 30% of its gross household income.

4.18   This combined affordability measure will be used to assess affordability in the housing needs assessment model: only households unable to afford <u>both</u> entry-level rents <u>and</u> purchase costs will be considered as 'unable to afford'. It is worth briefly noting the affordability of local households using information on household financial capacity collected in the primary survey. The table below shows affordability by tenure. The table shows that of all households in the Borough, 56.5% are unable to afford market housing (if they were to move home now). The differences by tenure are substantial. In total almost all social rented tenants and almost 70% of private tenants are unable to afford. These figures compare with 9.2% of all owner-occupiers.

Table 4.2 Affordability and tenure			
	Affordability		
Tenure	Unable to afford market housing	Number of h'holds	% of h'holds unable to afford
Owner-occupied (no mortgage)	231	16,513	1.4%
Owner-occupied (with mortgage)	3,102	19,905	15.6%
Social rented	33,522	34,251	97.9%
Private rented	16,133	23,178	69.6%
TOTAL	52,988	93,847	56.5%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Summary

4.19   The collection of financial information is a fundamental part of any assessment of housing need. The updated survey estimates that mean annual gross household income (including non-housing benefits) in Camden in 2007 is £37,522.

4.20   Having collected detailed information on the local housing market and the financial situation of households it is important to use appropriate affordability measures to assess their ability to afford market priced housing in Camden. A combined affordability test is used to assess whether they can afford to either buy or rent a property of a suitable size.

Changes since 2004

The 2004 housing needs survey estimated the average (mean) gross earned household income (including non-housing benefits) to be £32,750 (excluding students). The equivalent average (mean) figure for 2008 is estimated to be £37,522; an increase of 14.6%. This level of increase is a result of general wage inflation but also demographic changes since the time of the last survey (accounted for by the re-weighting of the data).

5. Extent of housing need

Introduction

5.1   This chapter presents the results of the three stages of the housing needs assessment model. The three stages identified in Chapter 5 of the Practice Guidance are: Current need (gross), Future need and Affordable housing supply and each will be dealt with individually. The Affordable housing supply stage is split between current stock and future supply.

5.2   Within each of the three broad stages set out in the table above there are a number of detailed calculations (16 in total) many of which themselves have a number of components. This chapter presents details of how each of these sixteen detailed steps is calculated using locally available data for Camden.

STAGE 1: Current need (gross)

5.3   This includes an assessment of housing suitability and affordability and also considers homeless households before arriving at a total current need estimate (gross).

Unsuitable housing

5.4   A key element of housing need is an assessment of the suitability of a household's current housing. The Practice Guidance sets out a series of nine criteria for unsuitable housing - which has been followed in this report. It is estimated that a total of 11,905 households are living in unsuitable housing. This represents 12.7% of all households in the Borough.

5.5   The figure below shows a summary of the numbers of households living in unsuitable housing (ordered by the number of households in each category). The main reason for unsuitable housing is overcrowding, followed by home subject to major disrepair.

Figure 5.1 Summary of unsuitable housing categories

Category	Households
Overcrowding	5,540
Major disrepair	3,660
Spec needs/mobility etc	1,700
Harassment	1,444
Accommodation too expensive	874
Home difficult to maintain	761
Sharing facilities	473
Tenancy ending etc	364
Lack facilities	238
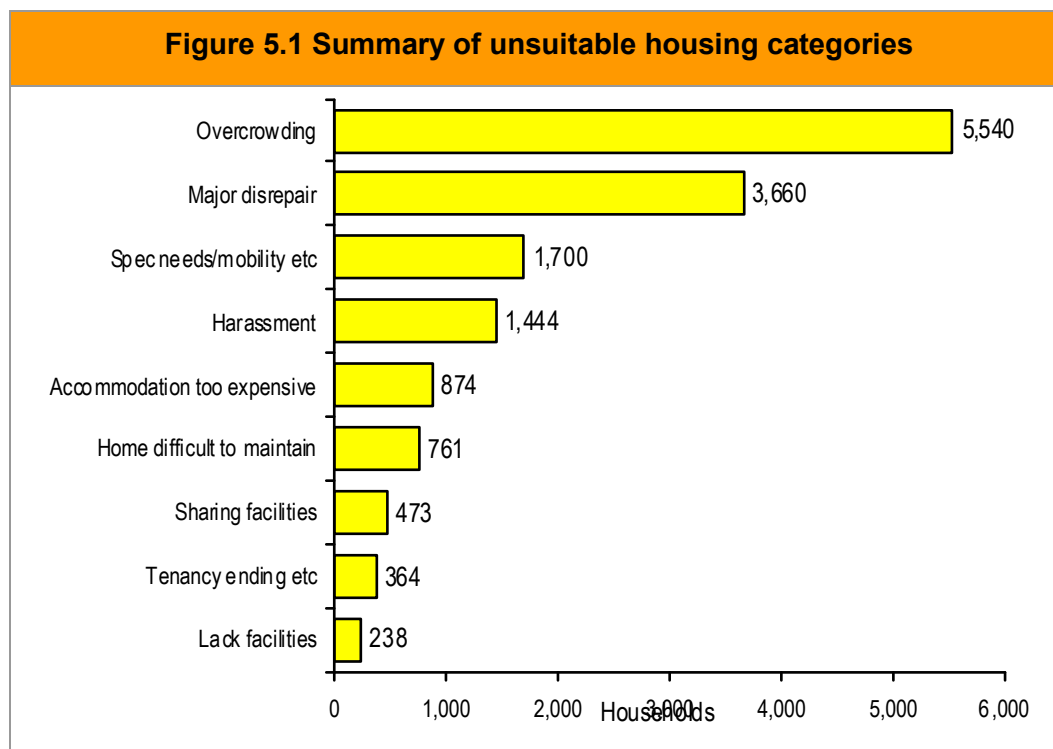
Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

5.6 The table below shows unsuitable housing by tenure. The patterns emerging suggest that households living in social rented accommodation are particularly likely to be in unsuitable housing. Some 21.3% of households living in this sector are estimated to be living in unsuitable housing. This compares with 5.0% of households in owner-occupied accommodation without a mortgage.

Table 5.1 Unsuitable housing and tenure

Tenure	Unsuitable housing				
	In unsuitable housing	Not in unsuitable housing	Number of h'holds in Borough	% of tenure group in unsuitable housing	As a % of all unsuitably housed h'holds
Owner-occupied (no mortgage)	820	15,694	16,514	5.0%	6.9%
Owner-occupied (with mortgage)	1,699	18,206	19,905	8.5%	14.3%
Social rented	7,309	26,943	34,252	21.3%	61.4%
Private rented	2,078	21,100	23,178	9.0%	17.5%
TOTAL	11,906	81,943	93,849	12.7%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

'In-situ' solutions

5.7 The survey has highlighted that 11,905 households are in unsuitable housing. However it is most probable that some of the unsuitability can be resolved in the households' current accommodation. Households living in housing deemed unsuitable for the following reasons were not considered to have an in-situ solution: end of tenancy, accommodation too expensive, overcrowding, sharing facilities, harassment.

5.8 The survey data therefore estimates that of the 11,905 households in unsuitable housing, 8,058 (or 67.7%) do not have an in-situ solution and therefore require a move to alternative accommodation.

Affordability

5.9 Each of the 8,058 households without an in situ solution are individually assessed as to their ability to afford market housing within their price market area (using information about their particular financial situation and the size of home they require to inform the affordability test described in Chapter 4). The survey indicates that 73.9% of these households cannot afford market housing. Therefore it is estimated that there are 5,951 existing households that cannot afford market housing and are living in unsuitable housing (and require a move to alternative accommodation). This represents 6.3% of all existing households in the Borough.

5.10 The table below shows the tenure of the 5,951 households currently estimated to be in housing need. The results show that social rented tenants are most likely to be in housing need, followed by private rented households. Social rented households account for 78.9% of all households in need.

Table 5.2 Current housing need and tenure					
Tenure	Housing need				
	In need	Not in need	Number of h'holds in Borough	% of tenure group in need	As a % of all h'holds in need
Owner-occupied (no mortgage)	85	16,429	16,514	0.5%	1.4%
Owner-occupied (with mortgage)	106	19,799	19,905	0.5%	1.8%
Social rented	4,698	29,554	34,252	13.7%	78.9%
Private rented	1,062	22,116	23,178	4.6%	17.8%
Total	5,951	87,898	93,849	6.3%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

5.11   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 (this includes occupiers of social rented and shared ownership accommodation), and households from other tenures in need. Some 4,698 households fall into the former category and 1,253 into the latter category.

Homeless households

5.12   The Housing Needs Assessment is a 'snapshot' survey that assesses housing need at a particular point in time. There will, in addition to the existing households in need, be some homeless households who were in need at the time of the survey and should also be included within any assessment of backlog need.

5.13   To assess the number of homeless households we have used information contained in the Council's P1(E) Homeless returns. The main source of information used is Section E6: Homeless households accommodated by your authority at the end of the quarter. The important point about this information is the note underneath. "*This should be a 'snapshot' of the numbers in accommodation on the last day of the quarter, not the numbers taking up accommodation during the quarter.*" This is important given the snapshot nature of the survey. Data compiled from the quarter 3 2007 P1(E) form is shown in the table below.

Table 5.3 Homeless households accommodated by authority as at 30 September 2007 (Section E6, P1(E) form)	
Category	Quarter ending 30/06/07
<u>Bed and breakfast</u>	<u>73</u>
<u>Other nightly paid</u>	<u>418</u>
<u>Hostel</u>	<u>317</u>
Private sector accommodation leased by authority	232
Private sector accommodation leased by RSLs	329
Directly with a private sector landlord	3
Within Council's own stock	71
Within RSL stock	52
Other	2
TOTAL	1,497

Source: Camden Borough Council P1(E) form, quarter 3 2007

5.14   Not all of the categories in the above table are added to our assessment of existing and potential households in need. This is because, in theory, they will be part of our sample for the Housing Needs Assessment. For example, households housed in RSL accommodation should already be included as part of the housing need – such household addresses should appear on the Council Tax file from which the sample was drawn. After considering the various categories, we have decided there are three which should be included as part of the homeless element. These have been underlined in the table above. Therefore of the 1,497 homeless households identified in the P1E form, 808 shall be considered as in housing need for the purpose of the survey.

Total current need

5.15   The table below summarises the first stage of the overall assessment of housing need as set out by the CLG. The data shows that there are an estimated 6,759 households in need.

Table 5.4 Stage 1: Current housing need (gross)		
Step	Notes	Output
1.1 Homeless households and those in temporary accommodation		808
1.2 Overcrowding and concealed households	Two steps	
1.3 Other groups	taken together	5,951
1.4 Total current housing need (gross)	1.1+1.2+1.3	6,759

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

5.16   Guidance recommends that the current housing need figure be converted into an annual flow (explained in more detail in Chapter 6). In order for the backlog to be met over a five year period (as recommended by Guidance) the current housing need per annum is estimated to be 1,352 (6,759/5).

STAGE 2: Future need

5.17   In addition to the current needs discussed so far in this report there will be future need. This is split, as per the Practice Guidance, into two main categories: newly forming households ($\times$ proportion unable to buy or rent in market) and existing households falling into need.

New household formation

5.18   The estimate of the number of newly forming households in need of affordable housing is based on an assessment of households that have formed over the past two years. Such an approach is preferred to studying households stating likely future intentions as it provides more detailed information on the characteristics of these households contributing to this element of newly arising need.

5.19   The table below shows details of the derivation of the number of newly forming households in need of affordable housing.

Table 5.5 Derivation of future need from new household formation		
Aspect of calculation	Number	Sub-total
Number of households moving in past two years	20,380	
Minus households NOT forming in previous move	-15,918	4,462
TOTAL APPLICABLE MOVES	4,462	
Times proportion unable to afford	78.1%	
ESTIMATE OF NEWLY ARISING NEED	3,485	
ANNUAL ESTIMATE OF NEWLY ARISING NEED	1,743	

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

5.20   The table shows that an estimated 3,485 households have formed within the Borough over the past two years (1,743 per annum). The standard affordability test (see Chapter 4) is then applied to the remaining households to test their ability to afford market housing. This takes account of the full range of financial information along with property price/rent data and information about household's size requirements. Households moving to owner-occupation have been automatically excluded from those in need because these households could afford market housing at the time of the move (which is when we are interested in). Households in tied accommodation have also been excluded.

5.21   The survey estimates that overall 78.1% of newly forming households are unable to afford market housing without some form of subsidy in Camden. This equates to an annual estimate of future need from newly forming households of 1,743.

Existing households falling into need

5.22   This is an estimate of the number of existing households who will fall into housing need over the next two years (and then annualised). The basic information for this is households who have moved home within the last two years and affordability. A household will fall into need if it has to move home and is unable to afford to do this within the private sector (examples of such a move will be because of the end of a tenancy agreement). A household unable to afford market rent prices but moving to private rented accommodation may have to either claim housing benefit or spend more than 30% of their gross income on housing, which is considered unaffordable (or indeed a combination of both).

5.23   Households previously living with parents, relatives or friends or in temporary accommodation are excluded as these will double-count with the newly forming households already considered in the previous table. The data also excludes moves between social rented properties. Households falling into need in the social rented sector have their needs met through a transfer to another social rented property, hence releasing a social rented property for someone else in need. The number of households falling into need in the social rented sector should therefore, over a period of time, roughly equal the supply of 'transfers' and so the additional needs arising from within the social rented stock will be net zero.

5.24   The table below shows the derivation of existing households falling into need.

Table 5.6 Derivation of future need from existing households		
Aspect of calculation	Number	Sub-total
Number of households moving in past two years	20,380	
Minus households forming in previous move	-4,462	15,918
Minus households transferring within affordable housing	-1,297	14,621
TOTAL APPLICABLE MOVES	14,621	
Times proportion unable to afford	51.1%	
ESTIMATE OF NEWLY ARISING NEED	7,468	
ANNUAL ESTIMATE OF NEWLY ARISING NEED	3,734	

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

5.25   The table above shows that a total of 15,918 existing households are considered as potentially in need (7,959 per annum). The standard affordability test (see Chapter 4) is then applied to the remaining households to test their ability to afford market housing. Households moving to owner-occupation have been automatically excluded from those in need because these households could afford market housing at the time of the move (which is when we are interested in). Households in tied accommodation have also been excluded.

5.26   The survey estimates that overall 51.1% of existing households are unable to afford market housing without some form of subsidy in Camden. Therefore our estimate of the number of households falling into need excluding transfers is 7,468 households over the two-year period. Annualised this is 3,734 households per annum.

Total newly arising need

5.27   The data from each of the above sources can now be put into the needs assessment table below. It indicates that additional need will arise from a total of 5,476 households per annum.

Table 5.7 Stage 2: Future need (per annum)		
Step	Notes	Output
2.1 New household formation (gross per year)		2,231
2.2 Proportion of new households unable to buy or rent in the market		78.1%
2.3 Existing households falling into need		3,734
2.4 Total newly arising housing need (gross per year)	(2.1x2.2)+2.3	5,476

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

STAGE 3: Affordable housing supply

5.28   The affordable housing supply stage is split between existing stock that is available to offset the current need and the likely future level of supply. The existing supply includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and committed supply of new affordable units. Units to be taken out of management are removed from the calculation. The future supply of affordable units comes from two sources, relets within the social rented stock and relets within the intermediate stock.

Affordable dwellings occupied by households in need

5.29   It is important when considering net need levels to discount households in need already living in affordable housing. This is because affordable housing will be made available by households in need (as they require a move to alternative accommodation within the affordable sector). The movement of such households within affordable housing will therefore have an overall nil effect in terms of housing need. The number of affordable dwellings occupied by households in need is established in stage 1 (paragraph 5.11). The figure to be used in this step is therefore 4,698.

Surplus stock

5.30   A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. The CLG Guidance suggests that if the vacancy rate in the affordable stock is in excess of 3% then these should be considered as surplus stock which can be included within the supply to offset needs. According to the 2007 HSSA return, Camden records a vacancy rate in the social rented sector of 1.3%. This is considered a low frictional vacancy rate; there is no scope to bring vacant homes back into use.

Committed supply of new affordable units

5.31 The CLG Guidance recommends that this part of the assessment includes 'new social rented and intermediate housing which are committed to be built over the period of the assessment'. For the purposes of analysis, information recorded in the Council's 2006/07 HSSA about the number of planned and proposed affordable units has been used as a guide to committed new provision.

5.32 The HSSA records the number of planned and proposed units up to 2008/2009. Overall, it is suggested that there are 530 affordable dwellings planned or proposed – of which 377 are social rented and the remaining 153 intermediate housing.[3]

Units to be taken out of management

5.33 The Guidance states that this stage involves estimating 'the numbers of social rented or intermediate affordable housing units that will be taken out of management'. The main component of this step will be properties which are expected to be demolished (or replacement schemes that lead to net losses of stock). At the time of reporting the proposed number of affordable dwellings expected to be 'taken out of management' in the future was 0[4].

Total affordable housing stock available

5.34 This step is the culmination of the previous four and represents the total existing stock available. The calculation of this step is presented in the table below. The data shows that there are an estimated 5,228 properties available to offset the current need.

Table 5.8 Total affordable housing stock available		
Step	Notes	Output
3.1 Affordable dwellings occupied by households in need		4,698
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		530
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	5,228

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

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[3] It should be noted that the figures produced in this assessment will cover a period of approximately 5 years; although a supply of affordable housing is anticipated beyond 2009, an estimate of this is not included in the model since this would not constitute supply which has been 'committed'. Furthermore, to project existing commitments forward pre-supposes that affordable housing policy will remain unchanged.

[4] The Council has a programme of disposing of a limited number of vacant dwellings – however, since vacant dwellings are not included elsewhere in the model, they do not need to be removed at this stage.

5.35   The Guidance recommends that the total affordable housing stock available be converted into an annual flow (explained in more detail in Chapter 6). It is assumed that the stock will be made available over a five year period (suggested by Guidance), therefore the affordable housing stock available per annum is estimated to be 1,046 (5,228/5).

Future annual supply of social re-lets (net)

5.36   Step 3.6 of the model is an estimate of likely future relets from the social rented stock (excluding transfers within the social rented sector). The Guidance suggests that this should be based on past trend data which can be taken as a prediction for the future.

5.37   The best source of information on lettings within the Council rented sector is the HSSA. The table below presents the figures for the supply of lettings (re-lets) from Council-owned stock over the past two years contained within the 2006/2007 HSSA. The average number of lettings over the two-year period was 767 per annum.

Table 5.9 Analysis of past housing supply (council rented sector)			
Source of supply	2005/06	2006/07	Average
LA lettings through mobility arrangements	1	0	1
LA lettings to new secure tenants	830	755	793
LA lettings to new tenants on an introductory tenancy	0	0	0
LA lettings to new tenants on other tenancies	0	0	0
(Exclude transfers from RSL)	(40)	(13)	(27)
LA TOTAL EXCLUDING TRANSFERS	791	742	767

Source: LB Camden HSSA 2006/2007

5.38   For the RSL stock we can again look at HSSA information. Additionally, CORE data provides an indication of the number of lettings in the RSL sector. The table below shows the number of lettings (excluding RSL to RSL transfers) from each of these sources over the past two years. The average for the two-year period from both sources together is 290 per annum.

Table 5.10 Analysis of past housing supply (RSL sector)			
	2005/06	2006/07	Average
HSSA data	277	341	309
CORE data	250	293	272
AVERAGE	264	317	290

Source: LB Camden HSSA 2006/2007, CORE 2006/2007

5.39 It should be noted that for the period 2005 to 2007 HSSA data shows that an average of 65 households transferred from Council to RSL dwellings within the Borough per annum. The estimated future supply of lettings from the social rented sector overall is therefore the sum of the average supply of relets within the Council stock and the average supply of relets in the RSL sector minus the average number of households transferring from Council to RSL dwellings. This equates to 992 dwellings per year (767+290-65).

Future annual supply of intermediate affordable housing

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

5.41 Therefore we include an estimate of the number of shared ownership units that become available each year. Assuming the same re-let rate as is recorded for the social rented sector (1.7%) it is estimated that around 3 units of shared ownership housing will become available to meet housing needs from the existing stock of such housing.

Future annual supply of affordable housing units

5.42 This step is the sum of the previous two. The future annual supply is estimated to be 995, comprised of 992 units of social re-lets and 3 units of shared ownership. This is shown in the below table.

Table 5.11 Future supply of affordable housing (per annum)		
Step	Notes	Output
3.6 Annual supply of social re-lets (net)		992
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		3
3.8 Annual supply of affordable housing	3.6+3.7	995

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Summary

5.43   This chapter presented the results of the three stages of the housing needs assessment model:

- Stage 1, the current gross housing need, was calculated to be 6,759 (1,352 per annum, assuming the backlog will be met over a five year period)
- Stage 2, the annual future need, was calculated to be 5,476
- Within stage 3 the total affordable housing stock available was calculated to be 5,228 (1,046 per annum, assuming that the stock will be made available over a five year period)
- Within stage 3 the future annual supply of affordable housing units was calculated to be 995

5.44   A product of the housing needs assessment model calculation was a calculation of the number of households in unsuitable housing. The survey data suggests that around 11,905 households in the Borough are currently living in unsuitable housing. The main reason for unsuitable housing is overcrowding, followed by home subject to major disrepair.

Changes since 2004

The model used to assess housing need has changed since the 2004 report; however the main stages involved in the calculation remain the same: current need, future need and affordable housing supply. The results found for each stage in both studies are shown below:

- In 2004, a current need of 945 households (including households residing in the social rented stock) per annum was recorded, which compares to an updated estimate of 1,352 households per annum.

- The 2004 survey recorded a future need from 5,718 households per year, whilst the equivalent figure for 2008 is 5,476.

- The annual affordable housing supply figure in 2004 was 1,476 dwellings per year (including affordable dwellings occupied by households in need). The updated survey estimates the annualised supply to be 2,041 (1,046+995).

The differences between the two studies in each stage are largely a result of methodological changes in the assessment of housing need, explained in more detail in Appendix A3.

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6. Affordable housing requirement

Introduction

6.1   The previous chapter presented the calculation of each of the stages of the housing needs assessment model. This chapter brings together these stages to present an estimated affordable housing requirement. The chapter then goes on to look at the type of affordable housing required and appropriate policy responses to help the acquisition of this housing.

Estimate of net annual housing need

6.2   The table below shows the final figures in the housing needs assessment model. This brings together the three stages that were calculated in the preceding chapter.

Table 6.1 Housing needs assessment model for Camden		
Stage and step in calculation	Notes	Output
STAGE 1: CURRENT NEED (Gross)		
1.1 Homeless households and those in temporary accommodation		808
1.2 Overcrowding and concealed households	Two steps taken	
1.3 Other groups	together	5,951
1.4 Total current housing need (gross)	1.1+1.2+1.3	6,759
STAGE 2: FUTURE NEED		
2.1 New household formation (gross per year)		2,231
2.2 Proportion of new households unable to buy of rent in the market		78.1%
2.3 Existing households falling into need		3,734
2.4 Total newly arising housing need (gross per year)	(2.1x2.2)+2.3	5,476
STAGE 3: AFFORDABLE HOUSING SUPPLY		
3.1 Affordable dwellings occupied by households in need		4,698
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		530
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	5,228
3.6 Annual supply of social re-lets (net)		992
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		3
3.8 Annual supply of affordable housing	3.6+3.7	995

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

6.3   The Practice Guidance states that these figures need to be annualised to establish an overall estimate of net housing need. The first step in this process is to calculate the net current need. This is derived by subtracting the estimated total stock of affordable housing available of 5,228 (step 3.5) from the gross current need of 6,759 (step 1.4). This produces a net current need figure of 1,531.

6.4   The second step is to convert this net backlog need figure into an annual flow. The Practice Guidance acknowledges that this backlog can be addressed over any length of time although a period of less than five years should be avoided. For the purposes of this study the quota of five years proposed in the Practice Guidance will be used. Therefore to annualise the net current need figure it will be divided by five. This calculation results in a net annual quota of households who should have their needs addressed of 306 (1,531/5).

6.5   The final step is to sum the net annual quota of households who should have their needs addressed with the total newly arising housing need (step 2.4) and subtract the future annual supply of affordable housing (step 3.8). This leads to a total net annual housing need in Camden of 4,787 (306+5,476-995). These figures are summarised in the table below.

Table 6.2 Summary of housing needs situation in Camden (annual figures)		
Element	Notes	Output
Current need	(Step 1.4)/5	1,352
Current supply	(Step 3.5)/5	1,046
Net current need		306
Future need	(Step 2.4)	5,476
Future supply from existing stock	(Step 3.8)	995
Net future need		4,481
Total net annual need		**4,787**
Total gross annual need		6,828
Total gross annual supply		2,041
Total net annual need		**4,787**

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

6.6   This figure is based on a model following an exact definition of affordability and therefore has limitations. In reality not all households use the same criteria in deciding whether to access market housing. To provide a contrast, the Balancing Housing Markets model presented in the following chapter contains a greater degree of flexibility in the affordability assessment.

Findings in context

6.7   The net shortfall of 4,787 can be related to the Fordham Research Affordable Housing Index, which is the result of standardising the finding by dividing it by the number of thousands of households:

(4,787/93,847) x 1,000 = 51

Figure 6.1 Typical levels of need for new affordable housing

Region	Affordable housing requirement/000 households
Camden	51
Inner London	43
Outer London	29
South West	17
England	16
South East	16
East	14
Scotland & Wales	9
West Midlands	9
North	8
East Midlands	8
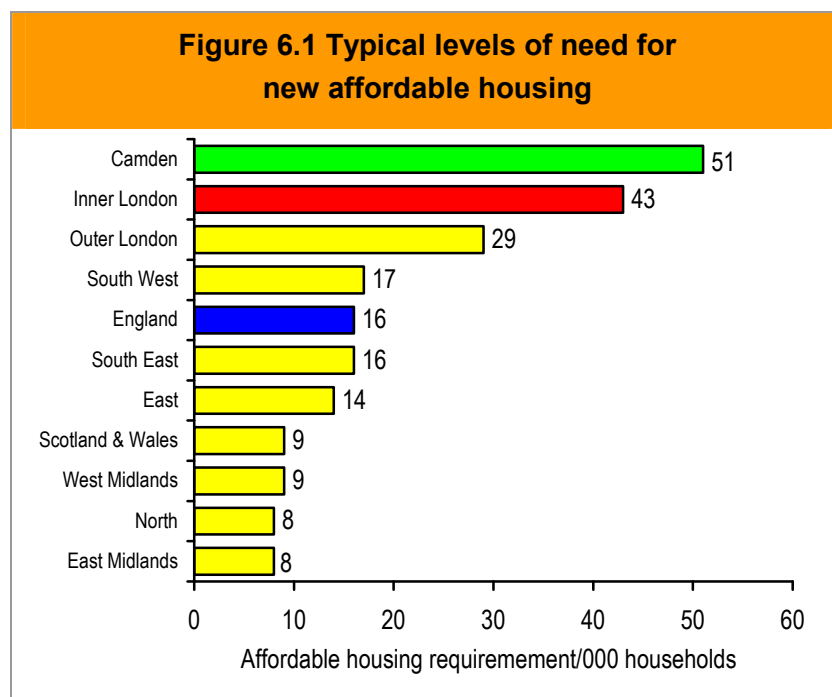
Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

6.8   This Index figure is substantially higher than the national average (of 16) and also higher than the average for Inner London (of 43).

Types of households in need

6.9   The CLG model identified that the number of households in need annually is 6,828 (gross of the supply of affordable housing). The table below gives a breakdown of households in gross need, by household type. The table shows that 15.9% of lone parent households and 9.1% of single non-pensioner households are in housing need compared to 0.3% of households containing two or more pensioners.

Table 6.3 Need requirement by household type					
Household type	Need requirement				
	In need	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
Single pensioners	234	11,596	11,831	2.0%	3.4%
2 or more pensioners	14	3,926	3,940	0.3%	0.2%
Single non-pensioners	2,829	28,424	31,254	9.1%	41.4%
2 or more adults - no children	1,890	25,193	27,083	7.0%	27.7%
Lone parent	756	3,993	4,749	15.9%	11.1%
2+ adults 1 child	622	6,299	6,921	9.0%	9.1%
2+ adults 2+children	483	7,588	8,071	6.0%	7.1%
Total	6,828	87,019	93,847	7.3%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

6.10 The table indicates that lone parent households are most likely to be in housing need, followed by single non-pensioner households. The Practice Guidance identified the provision of accommodation for families with children as being important, in the context of creating mixed and balanced communities. The housing needs assessment model indicates that there is a gross requirement for affordable accommodation from 1,861 families with children and they constitute some 27.3% of households in (gross) need.

6.11 The Practice Guidance identifies older people as a further group that are important for the existence of mixed and balanced communities. The table above shows that older person only households are the household group least likely to be in housing need. The model indicates that there is a gross requirement for affordable accommodation from 248 older person only households and they constitute less than 4% of all households in need. Although the requirement for affordable housing from this group may be relatively small, the Council may have to ensure there is sufficient provision of specialist older persons' accommodation both within and outside the affordable sector.

BME and special needs households in need

6.12 The table below gives a breakdown of gross households in need, by ethnicity of household head. The classifications used are based on the full list of sixteen categories used in the 2001 Census, grouped in the interests of statistical reliability. The table shows that 15.2% of 'Asian' households are in need, compared to only 4.4% of 'Other' households. Further information on BME households can be found in Chapter 10.

6.13   The Practice Guidance acknowledges that particular social or ethnic groups may have distinct accommodation requirements. Whilst the survey is able to show that there is a gross requirement for affordable accommodation from 1,763 households headed by a BME person (not including 'White Other' households), the survey is unable to provide any further detail on any specific cultural or religious requirements of these households.

Table 6.4 Need requirement by ethnicity of household head					
Ethnicity of household head	Need requirement				
	In need	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
White	5,066	71,872	76,938	6.6%	74.2%
Asian	1,120	6,244	7,364	15.2%	16.4%
Black	453	4,772	5,225	8.7%	6.6%
Other	190	4,131	4,321	4.4%	2.8%
Total	6,829	87,019	93,847	7.3%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

6.14   The table below gives a breakdown of gross households in need, by the presence of a household member with a special need. The table shows that 6.9% of special needs households are in housing need compared to 7.3% of households without a special needs member. The model indicates that there is a gross requirement for affordable accommodation from 607 households with a special needs member and they constitute almost 9% of all households in need. Further information on special needs households can be found in Chapter 9.

Table 6.5 Need requirement by special needs households					
Special needs households	Need requirement				
	In need	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
Special needs	607	8,227	8,833	6.9%	8.9%
No special needs	6,221	78,793	85,014	7.3%	91.1%
Total	6,828	87,019	93,847	7.3%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Size of affordable housing required

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

6.16   The size of accommodation required by households in need is balanced against the size of accommodation secured by those who have recently moved into affordable accommodation. This information is derived from the survey. It is assumed that the profile of bedroom requirements for homeless households is identical to that of other households in current need. The size of accommodation required is based on a strict bedroom standard taken from the general household survey (defined in the glossary) and takes no account of household preferences.

6.17   This analysis is shown in the table below which indicates that there are shortfalls for all accommodation sizes. The largest shortfall is for one bedroom properties; however the shortage relative to supply is greatest for four or more bedroom properties where it is estimated that less than 4% of the need can be met.

Table 6.6 Net need for affordable housing by size and type					
Accommodation type	Need	Supply	Shortfall	% of net shortfall	Supply as % of need
1 bedroom	3,880	1,362	2,518	52.6%	35.1%
2 bedroom	1,700	461	1,239	25.9%	27.1%
3 bedroom	713	199	515	10.8%	27.8%
4+ bedroom	535	19	517	10.8%	3.5%
TOTAL	6,829	2,041	4,788	100.0%	29.9%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Locations of affordable housing required

6.18   In addition we can look at the distribution of housing need in different parts of the Council area. Again it has been assumed that homeless households have been split pro-rata with the number of households in each area. The supply distribution is derived from survey information on those who have recently moved into affordable accommodation. The table below shows the result of this analysis.

Table 6.7 Geographical distribution of affordable housing requirements in Camden					
Sub-area	Need	Supply	Shortfall	% of net shortfall	Supply as % of need
North	1,410	273	1,137	23.7%	19.4%
West	1,569	296	1,273	26.6%	18.9%
East	1,914	401	1,513	31.6%	20.9%
South	1,509	829	680	14.2%	54.9%
St Pancras & Somers Town	427	242	185	3.9%	56.8%
Total	6,829	2,041	4,788	100.0%	29.9%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

6.19   The table shows that the East sub-area has the largest net shortfall, followed by the West and North sub-areas. These three sub-areas also record the greatest shortage relative to supply.

Status of intermediate housing

6.20   Having considered the level of housing need in the Borough it is interesting to study what types of affordable housing might be most appropriate to meet this need. In principle there are two broad categories of housing which can be considered (intermediate housing and social rented). Intermediate housing can be defined as housing (irrespective of tenure) priced between social rents and the market. Evidence from existing intermediate housing options across the country suggests that this form of accommodation is usually only marginally cheaper than market housing.

6.21   The table below shows our estimates of the entry-level cost of market housing (which represents the threshold for housing need) and estimated new social rent levels. The resulting price range of intermediate housing is also presented. The cost of entry-level private rented housing has been used to determine the upper end of the intermediate range, rather than the cost of owner-occupation, since the cost of the former is less expensive (in terms of outgoings).

Table 6.8 Basic information required for assessment of types of affordable housing required			
Size requirement	Social rent (£/week)*	Intermediate housing (£/week)	Entry level private rent** (£/week)	Entry level owner-occupation** (£/week)
1 bedroom	£70	£71-£239	£240	£418
2 bedrooms	£82	£83-£329	£330	£502
3 bedrooms	£91	£92-£449	£450	£646
4+ bedrooms	£101	£102-£574	£575	£1,026

* Source: CORE Data

** Source: Survey of property prices and rental costs 2008; weekly owner-occupied costs are based on an interest rate of 5.5% on a repayment mortgage basis

6.22   It can be seen from the table above that for all dwelling sizes, the cost of social rented housing is significantly below that of market housing. Therefore it is clear that intermediate housing will be suitable for some households in need.

6.23   The table below shows the estimated breakdown of additional affordable housing requirements by size and type of housing per annum. The figures are for gross need – they are a breakdown of the first column in Table 6.6.

Table 6.9 Amount of annual requirement for each type of affordable housing (all tenures)			
	Type of housing		
Dwelling size	Intermediate housing	Social rented	TOTAL
1 bedroom	2,325	1,561	3,886
2 bedrooms	684	1,009	1,693
3 bedrooms	287	416	703
4+ bedrooms	300	245	545
TOTAL	3,595	3,232	6,827

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

6.24   The table shows that in total 52.7% of the gross requirement could be intermediate housing, the remainder should be social rented housing. However, from these figures it is important to deduct the supply of affordable housing. As with the previous analysis this has been split by social rented and intermediate housing. The table shows that the majority of the supply is from social rented dwellings, although there is a small amount of intermediate supply from both committed supply of new affordable units (step 3.3 of the needs assessment model – estimated to be 31 units per annum (153/5)) and the supply of intermediate housing available for re-lets/resale (step 3.7 of the needs assessment model – estimated to be three units).

Table 6.10 Annual supply for each type of affordable housing			
	Type of housing		
Dwelling size	Intermediate housing	Social rented	TOTAL
1 bedroom	10	1,352	1,362
2 bedrooms	17	444	461
3 bedrooms	7	192	199
4+ bedrooms	0	19	19
TOTAL	34	2,007	2,041

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

6.25   The following table therefore estimates the net requirements for each type of affordable housing by size. Overall, the table shows 74.4% of the net requirement could potentially be met by an intermediate housing product. This varies according to dwelling size. It is estimated that 54.1% of the need for two bedroom properties could be met through intermediate housing, whereas 91.7% of the need for one bedroom homes could be met in this way.

Table 6.11 Net annual need for affordable housing for each type of affordable housing (surplus)			
Dwelling size	Type of housing		
	Intermediate housing	Social rented	TOTAL
1 bedroom	2,315	209	2,523
2 bedrooms	667	565	1,231
3 bedrooms	280	225	505
4+ bedrooms	300	226	526
TOTAL	3,561	1,225	4,786

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Affordability within the intermediate category

6.26   The survey suggests that up to 74.4% of all the additional affordable housing requirement could be provided as 'intermediate'. We have sought to provide further information by looking at four categories of 'intermediate' housing based on price. The table below shows the price bands of intermediate housing used for analysis. The bands created do not reflect the actual cost of intermediate housing, but represent equal size bands within the wider intermediate housing range.

Table 6.12 Approximate outgoings for different types of intermediate housing (£/week)			
Size requirement	Band of intermediate housing		
	Cheapest intermediate housing	Second	Third	Most expensive
1 bedroom	£71-£112	£113-£154	£156-£197	£198-£239
2 bedrooms	£83-£143	£145-£205	£206-£267	£268-£329
3 bedrooms	£92-£180	£181-£270	£271-£359	£360-£449
4+ bedrooms	£102-£219	£220-£337	£338-£456	£457-£574

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

6.27   As per the previous analysis we can estimate the number of gross households in need who fall into each of these categories. This is shown in the table below – the figures are a breakdown of those shown in Table 6.9. It is clear that a large proportion of those in the 'intermediate' category have income/affordability levels towards the lower end of the scale. For example, the data suggests that 48.1% of those who could theoretically afford intermediate housing could afford only housing costing less than a price set halfway between the cost of entry-level market housing and social rents.

6.28   However, the data does suggest that 28.3% of households would be able to afford the most expensive band of intermediate housing; since this band represents the cost at which intermediate housing is most likely to be available, the implications of this are that intermediate housing could go some way towards meeting the need for affordable housing within Camden. This varies according to size requirement: the data suggests that those requiring smaller dwellings are more likely to be able to afford the more expensive bands of intermediate housing than those requiring larger dwellings.

Table 6.13 Number of households in need able to afford at different 'intermediate' housing prices						
	Number of households					
Size requirement	Social rented housing	Cheapest intermediate housing	Second	Third	Most expensive	TOTAL
1 bedroom	1,561	656	258	647	763	3,886
2 bedrooms	1,009	149	232	89	214	1,693
3 bedrooms	416	89	96	103	0	703
4+ bedrooms	245	149	102	7	43	546
Total	3,232	1,043	688	846	1,019	6,828

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Summary

6.29   The Housing Needs Assessment in Camden followed Guidance from CLG. Using this model it is estimated that the net annual housing need in Camden is 4,787.

6.30   A need was recorded for all sizes of affordable accommodation although the largest shortfall was recorded for one bedroom dwellings. The shortage relative to supply was greatest for four or more bedroom properties. The East, West and North sub-areas demonstrated the greatest shortfall of affordable housing.

6.31   The survey estimates that 52.7% of households in gross need could afford more than the cost of social rent in Camden and may be suitable for an intermediate product. The survey indicated that almost three quarters of the net requirement for affordable homes could be met by intermediate housing priced between social and entry-level market rents. However, almost half of this would need to be provided at a price set less than halfway between the cost of entry-level market housing and social rents.

Changes since 2004

This review of the housing needs situation suggests that around 4,787 additional affordable units would be required per year if all affordable needs are to be met. This compares with an estimate from the 2004 survey of 5,187 per annum.

The potential for intermediate housing to meet the housing need has increased markedly in the period between the two surveys. In 2004 just 29.0% of all households in need could afford more than social rented accommodation. In comparison over half of households currently in need would potentially be able to afford some form of intermediate product.

The differences between the two studies are largely a result of methodological changes in the assessment of housing need, explained in more detail in Appendix A3.

7. Balanced housing market model outputs

Introduction

7.1   This chapter uses a modelling exercise to identify imbalances that will exist across the housing market in Camden in the short to medium-term. A 'Balancing Housing Markets' (BHM) model looks at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. It works at the simplest level by establishing the likely demand for housing of particular types by the expected supply arising from vacancies in the existing stock so as to provide broad indications of the shortages (and in some cases surpluses) of particular types of dwelling. This chapter describes the methodology used before presenting the results of the model and discussing the implications.

Purpose of model

7.2   The drafting of PPS3 and the Guidance has moved the requirements of housing analysis away from only the affordable sector toward a more holistic approach assessing the entire market.

7.3   A whole chapter in Practice Guidance for Strategic Housing Market Assessments has its core requirement to:

> *'Derive estimates of the scale of future housing demand across the whole housing market' (Page 35).*

7.4   Whilst PPS3 is clear about the outputs required from an assessment of the housing market, paragraph 22 summarises the requirements:

- The likely overall proportions of households that require market or affordable housing
- The likely profile of household types requiring market housing
- The size and type of affordable housing required

7.5   The first two of these requirements relate specifically to market housing; however no approach is presented in the Strategic Housing Market Assessments Guidance that enables these outputs to be produced. Therefore, Fordham Research has developed an approach based on an adapted gross flows methodology in response. This is termed the balancing housing market analysis and presents information on the imbalances between the main housing sectors (owner-occupied, private rented, intermediate and social rented housing) by property size.

7.6   The BHM model provides an important output in enabling the Council to monitor the housing market and understand where they may help rebalance the market. It indicates a suitable proportion of new housing that should be affordable but also the size of housing required in both the affordable and market sectors.

Relationship with the CLG housing needs model

7.7   It is clear that there is a significant requirement for additional affordable housing to be provided if all needs (as defined by the CLG model) are to be met. However, the reality is that in Camden (as across much of the country) it will not be possible to meet the level of need within any immediate time frame. It is also the case that the CLG needs model does not reflect what actually happens in a local housing market.

7.8   Whilst the estimated need (of 4,787) is of the right order and provides strong evidence of a requirement to provide additional affordable homes, in reality, much of the need is likely to manifest itself through solutions other than within the affordable housing sector. Where there is a shortage of affordable housing in an area there are a number of situations which are likely to occur:

- Households will access private rented sector housing even though technically it will cost more than the standard proportions of income set out in CLG guidance. In some cases households will claim housing benefit making the housing more affordable
- Households that might form for the first time may delay doing so until such a time as affordability issues ease or the type of property they are looking for becomes available
- Households may move away from the area (or alternatively households who may have been expected to move to the area may not do so)

7.9   The model in this chapter therefore uses survey data about the likely outcomes of household moves (including moves to 'unaffordable' private rented sector housing) to provide a matrix of the balance between market and affordable housing (and by size) which would best meet the likely demands and expectations of local households.

7.10   The model therefore takes account of the fact that many households will find a market solution to an affordability issue and therefore allows us to study what shortages exist within the open market as well as in the affordable sector.

7.11   The overall outcome is to suggest a general profile of housing which would help go some way towards providing balance in the overall housing market. It should however be noted that as newbuild housing is only a fraction of the total household moves each year that such a profile would not have a significant impact on the overall profile of housing in the area.

7.12   Therefore the model looks at the overall housing market in a pragmatic manner by taking into account the reality of what actually happens (particularly regarding households' use of the private rented sector). In doing so, it provides outputs which should assist policies to provide an appropriate mix of both market and affordable housing for both current and future households in the Borough.

7.13   The following sections move on to look at the six stages of analysis set out above providing information on housing supply and demand by tenure and size of dwelling.

Methodology

7.14   In essence it balances the likely demand from three sources:

- Newly forming households
- In-migrant households
- Existing households moving within the area

7.15   With the supply from three sources:

- Household dissolution
- Out-migrant households
- Existing households moving within the area

7.16   This leads to an imbalance between the demands of new and moving households against the supply of dwellings likely to become available. Information on the nature of the dwellings supplied and demanded is collected within the survey. The balancing housing market methodology is based principally on households' future intentions, with the exception of in-migrant households which must be based on past trend information. Information is collected from households that need and or would like to move in the next two years about their expected location, the size of home they need, their expected tenure and the tenure and size of their current home. The financial information collected in the survey is used to inform households' affordability assessments.

7.17   The six stages in detail are:

- ***Stage 1. Supply from household dissolution:*** Assessing the size and tenure of dwellings likely to become available from household dissolution (using national mortality rates).
- ***Stage 2. Supply from out-migrant households:*** Assessing the size and tenure of dwellings made available by households who need and/or are likely to move and expect to move outside of the Borough.

- *Stage 3. Supply from existing households:* Assessing the size and tenure of dwellings made available by existing households who need and/or are likely to move and expect to stay within the Borough.
- *Stage 4. Demand from in-migrant households:* Assessing the size and tenure of accommodation acquired by households that recently moved into the Borough. Information on the household's current financial capacity is used to assess whether any of these moves would have resulted in a different current tenure were they to take place now.
- *Stage 5. Demand from newly forming households:* Assessing whether new households which need and/or are likely to form and which expect to move elsewhere within the Borough can afford their expected tenure and size of accommodation.
- *Stage 6. Demand from existing households:* Assessing whether existing households who need and/or are likely to move and expect to stay within the Borough can afford their expected tenure and size of accommodation.

Demand from newly forming households

7.18   The first table shows an estimate of the housing requirements of potential households. The table is based on the tenure and size requirements of potential households identified within the dataset who need or are likely to form over the next two years within the Borough. Figures are annualised.

7.19   The table shows that, as might be expected, the demand from potential households is principally for one and two bedroom dwellings. The table also shows that 50.4% of potential households are likely to require affordable accommodation. Some 35.7% of potential households are likely to move into owner-occupied accommodation.

Table 7.1 Demand I: Household formation by tenure and accommodation size					
	Size requirement				
Tenure	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	213	226	4	0	442
Private rented	162	11	0	0	173
Intermediate	0	0	0	0	0
Social rented	433	191	0	0	624
TOTAL	808	427	4	0	1,238

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Demand from in-migrant households

7.20   The table below shows the estimated demand from in-migrant households. This is based on the profile of households who have moved into the Borough over the past two years (in terms of affordability and size of accommodation secured) that were not newly formed. Figures are again annualised.

7.21   The table indicates that some 76.3% of the demand from in-migrant households is for one and two bedroom dwellings. The table also indicates that three quarters of in-migrant households are likely to move to a private rented property.

Table 7.2 Demand II: Demand from in-migrants by tenure and accommodation size					
Tenure	Size requirement				
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	232	256	123	92	703
Private rented	1,617	1,369	627	245	3,858
Intermediate	0	0	0	0	0
Social rented	328	161	66	0	555
TOTAL	2,177	1,786	816	338	5,116

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Demand from existing households

7.22   The table below shows estimated future demand from existing households moving within the Borough. The figures are based on the tenure and size of accommodation households would expect to move to in the future (within the next two years) along with considerations of affordability. Figures are again annualised.

7.23   The table shows that existing households are most likely to require a two or three bedroom home. With regard to the tenure requirement, the data suggests that the private rented sector is not a common tenure of choice for established households already living in the Borough. Just over half of existing households require a move to the social rented sector and 28.0% to owner-occupation.

Table 7.3 Demand III: Demand from existing households by tenure and accommodation size					
	Size requirement				
Tenure	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	81	680	595	476	1,833
Private rented	239	485	171	68	962
Intermediate	11	140	57	0	207
Social rented	705	1,183	1,069	578	3,536
TOTAL	1,036	2,488	1,892	1,122	6,538

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Total demand

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

Table 7.4 Demand IV: Total demand by tenure and accommodation size					
	Size requirement				
Tenure	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	526	1,162	721	568	2,977
Private rented	2,017	1,864	798	313	4,992
Intermediate	11	140	57	0	207
Social rented	1,466	1,535	1,136	578	4,715
TOTAL	4,020	4,701	2,711	1,460	12,892

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Supply from household dissolution

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

7.26   The data indicates that 23.4% of dwellings likely to become available in the Borough as a result of household dissolution are within the private rented sector with 16.3% within the owner-occupied sector. In comparison, 60.3% of dwellings will be within the social rented sector. This reflects the accommodation profile of older people in the Borough. The table also indicates that the properties becoming available in the owner-occupied sector are likely to be one, two and three bedroom dwellings, whilst the affordable accommodation will predominantly comprise one bedroom properties.

Table 7.5 Supply I: Supply from household dissolution				
	Size released			
Tenure	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	52	53	40	11	156
Private rented	75	28	6	0	109
Intermediate	0	0	0	0	0
Social rented	297	87	16	3	403
TOTAL	424	168	62	14	668

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Supply from out-migrating households

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

7.28   The table shows that 50.9% of dwellings likely to become available each year as a result of out-migration are private rented properties. There is relatively little out-migration from households in affordable housing.

Table 7.6 Supply II: Supply from out-migrant households				
	Size released			
Tenure	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	276	690	482	296	1,744
Private rented	1,142	969	368	115	2,593
Intermediate	0	0	10	0	10
Social rented	343	254	148	0	745
TOTAL	1,761	1,913	1,007	411	5,091

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Supply from existing households

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

Table 7.7 Supply III: Supply from existing households					
	Size released				
Tenure	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	240	259	244	145	887
Private rented	868	831	294	209	2,201
Intermediate	15	20	0	0	35
Social rented	1,365	1,193	621	236	3,416
TOTAL	2,488	2,303	1,158	590	6,538

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Total supply

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

Table 7.8 Supply IV: Total supply by tenure and accommodation size					
	Size released				
Tenure	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	568	1,002	765	452	2,787
Private rented	2,084	1,827	668	324	4,903
Intermediate	15	20	10	0	44
Social rented	2,005	1,534	785	239	4,564
TOTAL	4,672	4,383	2,227	1,015	12,297

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Net housing demand

7.31 A table bringing together all of the demand and supply information is presented below. In reality the amount of new housing to be provided is restricted and it is appropriate to consider the results of the model when it is constrained by the London Plan's annual housing target for Camden which appears in the Draft Mayor's Housing Strategy (September 2007, pp. 29). To do this the size of the in-migrant population is limited. This ensures that the requirements of the local population are met first since these are the greatest priority for the Council. The results of a BHM constrained to the annual housing target of 595 are presented in the table below.

7.32 The table and figure below present the mismatch between the demand and supply of dwellings across the Borough.

Table 7.9 Balancing Housing Markets results for Camden (per annum)

Tenure	Size requirement				
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	-42	160	-44	116	191
Private rented	-67	37	130	-10	90
Intermediate	-5	121	47	0	163
Social rented	-539	1	351	339	151
TOTAL	-652	318	484	445	595

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Figure 7.1 Estimated shortfalls and surpluses of housing by tenure and size in Camden
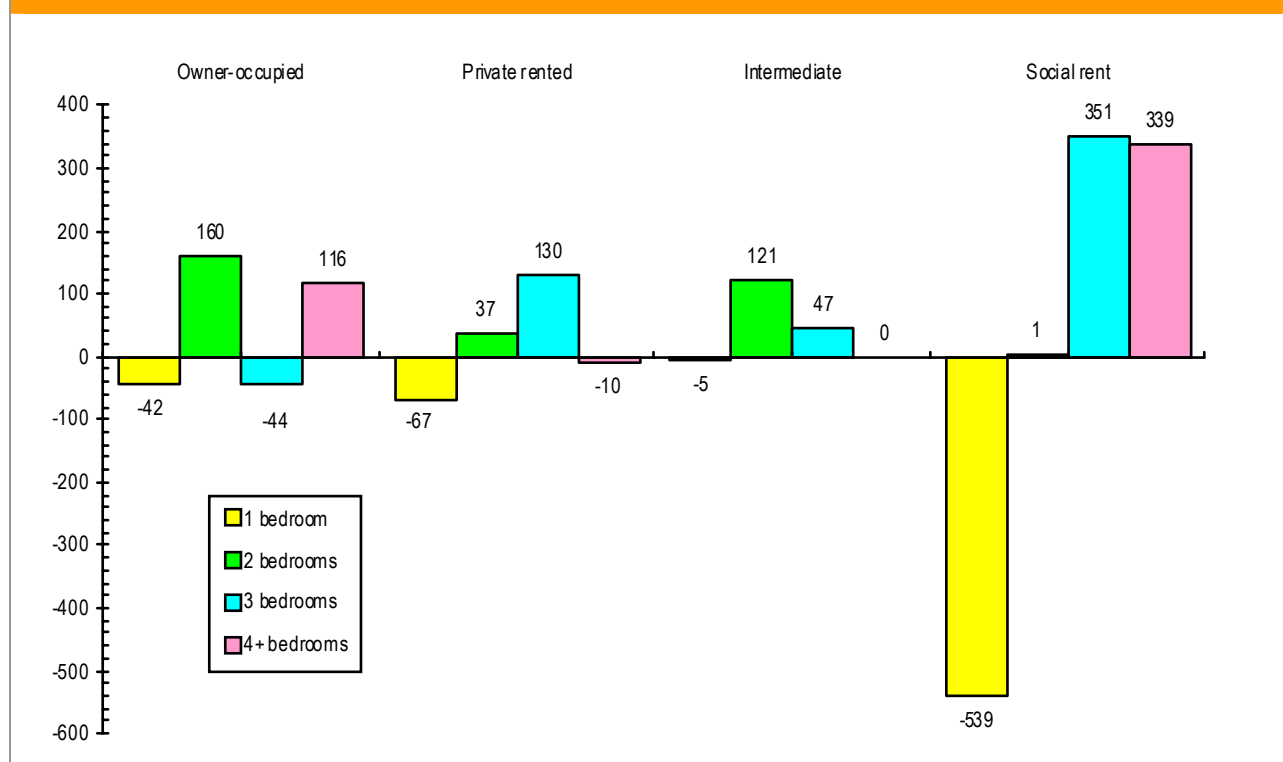
Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

7.33   A description of the key findings for each tenure is presented below:

Owner-occupation

7.34   In the owner-occupied sector there is an apparent shortfall of 191 units per annum (32.0% of the overall shortfall). There are shortfalls for two and four bedroom dwellings and small surpluses of one and three bedroom accommodation.

Private rented sector

7.35   In the private rented sector there is an apparent shortfall of 90 units per annum (15.1% of the overall shortfall). The greatest shortfall is for three bedroom homes although a shortage is also recorded for two bedroom dwellings. There is an apparent surplus of one bedroom accommodation in this sector.

Intermediate housing

7.36   The requirement for intermediate housing makes up 27.4% of the net shortfall of housing in the Borough and there are shortages shown for two and three bedroom homes.

Social rented housing

7.37   The shortage of social rented housing makes up around 25.4% of the total shortfall of housing in the Borough. Most of the net requirement for social rented housing is for three and four bedroom units. The results suggest that there is a surplus of one bedroom social rented accommodation.

Summary

7.38   The BHM model is an innovative technology developed by Fordham Research to identify the imbalances that are likely to exist across the housing market in the next few years. It assesses a range of affordability ratios to identify the tenures and sizes of accommodation for which the mismatch between supply and demand is most acute.

7.39   Since the BHM model considers the whole housing market, it enables a view to be taken of the profile of housing size requirements for market (as well as affordable) housing, which is outside the scope of the CLG needs assessment model.

7.40   The overall findings, based on a model constrained by Camden's annual housing target of 595, suggest that almost a third of the demand is for owner-occupation, around a sixth for private rented accommodation, and just over half for affordable housing (including intermediate and social rented accommodation).

7.41   It is important to note however that the more robust methodology of the CLG Model means that this provides a more accurate estimate of the annual affordable housing requirement.

8. Implications of findings for policy

Introduction

8.1   This chapter will introduce the affordable housing policy in Camden, before indicating what the evidence of this housing needs assessment update would suggest.

8.2   This chapter also presents the key outputs of this report in line with those required from PPS3 and the relevant sections of the Practice Guidance. These fall into two broad categories:

- The nature of affordable housing required
- The nature of market housing required in the Borough

Current affordable housing policy

8.3   The Greater London Authority (GLA) has set a target that 50% of all new housing in London should be affordable, with 35% social rented accommodation and 15% intermediate housing. The majority of Boroughs in London are currently pursuing a target of 50% of new housing as affordable, with the GLA encouraging the remaining Boroughs to review their targets.

8.4   The Replacement Unitary Development Plan adopted by the London Borough of Camden in June 2006 states that the Council will expect all residential developments with a capacity for 15 or more dwellings and residential development sites of 0.5 ha or more to make a contribution to the supply of affordable housing. The Council will seek to negotiate on the basis of a target of 50% affordable housing in each development, taking into account factors that it considers to affect the suitability of the site. This 50% target consists of 35% social rented accommodation and 15% intermediate housing.

Survey evidence for appropriate affordable housing targets

Percentage target

8.5   Chapter 6 of this report identified that 4,787 additional affordable units would be required per year if all affordable needs are to be met. The Draft Mayor's Housing Strategy (September 2007, pp. 29) indicates that 595 additional homes will be built in Camden each year from 2007/08. As the annual housing need figure exceeds the projected level of supply of all new housing it is clear that in theory any percentage target for affordable housing could be justified.

8.6   The BHM model, which not only takes account of the likely supply from the private rented sector on housing benefit but also uses a range of affordability ratios to reflect current practices, projects that 52.8% of new housing should be affordable (based on a model constrained to the London Plan new build target of 595).

8.7   The recommended target is also framed by prevailing practice elsewhere and the likely viability of the target. The evidence presented in this report supports the Council's current target of 50% affordable housing; this target also complies with GLA guidance.

8.8   We would support the use of a Borough-wide percentage target, since this form of target is the most easily understood and implemented. It applies to allocated and windfall sites where viability permits. It is almost impossible to justify any variation of targets, since the Council's housing needs problem is one for the Local Planning Authority and the Local Housing Authority as a whole. The question of how and where to meet the housing needs problem is a strategic one for the Council.

Threshold site size

8.9   The national indicative threshold stipulated by PPS3 is 15 dwellings/ha. However, PPS3 acknowledges that lower minimum thresholds can be set. The GLA currently recommends that a threshold of ten dwellings/ha be used.

8.10   Given the amount of additional housing required, it would seem reasonable to assume that the Council would want to secure affordable housing on all sites regardless of size and so a threshold in line with the GLAs recommended level of ten dwellings/ha could seriously be considered.

Tenure of affordable housing

8.11   In terms of the type of affordable housing required, the survey is again able to provide evidence. The housing needs model showed that 52.7% of households in gross need could afford more than the cost of social rent in Camden. Once the likely supply of affordable housing has been deducted and any surpluses removed, the net need for intermediate housing is 74.4% of the 4,787 affordable dwellings required each year.

8.12   It should be noted however that this is based on intermediate housing being produced at a range of prices across the intermediate band. Existing intermediate housing products are usually only available at the most expensive end of the intermediate band. If, as is likely, it is not possible to provide an intermediate product below the most expensive quartile of the intermediate band, then the affordable housing needs of households in the remainder of the intermediate housing band will have to be met by social rented housing and the net need for intermediate housing is reduced to 20.6%.

8.13   The Balancing Housing Market model, which has a smaller supply of intermediate housing as it does not include committed intermediate supply (unlike the housing needs assessment model) identifies that around 50% of the gross affordable housing demand could be intermediate housing. Again this estimate is based on a range of intermediate products being provided below the cost of entry level market housing.

8.14   The data in this report suggests that the Council could pursue a different ratio of social to intermediate housing from new affordable provision to that currently adopted. However, there is a lack of evidence that intermediate housing products are available at the target costs; therefore it would not be appropriate to alter the Council's existing target substantially. In this context, a target split between 30% social rented accommodation and 20% intermediate housing could be supported.

Size of affordable housing required

8.15   The size of affordable housing required as indicated by the housing needs model is presented in Table 6.6 of this report. It shows that there are shortfalls for all accommodation sizes with one bedroom properties displaying the largest net shortfall, followed by two, three and four bedroom dwellings. However, it should be noted that the size of accommodation required is based on a strict bedroom standard and takes no account of household preferences.

8.16   When housing supply is as limited as it is in this case, it does not follow that the profile of affordable housing supplied should reflect the profile of all households who require it. Some groups will receive much higher priority than others; other groups will in practice rarely if ever reach the top of any waiting list and be offered a home. Further evidence of this is presented in Table 6.6 of the housing needs model, which shows that the shortage of affordable housing relative to supply is greatest for four bedroom properties.

8.17   Furthermore the household population is currently disproportionately made up of young single households. Whilst a range of property sizes will be required in the affordable sector, there is a need to skew future provision towards larger (three or more bedroom) family accommodation to ensure those with the most acute need can be housed and that communities become more mixed and balanced. The results of the Balancing Housing Markets analysis in Table 7.9, which show a requirement for social rented dwellings with three or more bedrooms, provides support to this view.

8.18   The results from the housing needs assessment model indicate that intermediate dwellings of all sizes are required, particularly one bedroom (Table 6.9), although again it should be stressed that this finding is based on a strict bedroom standard. Results of the Balancing Housing Markets analysis (Table 7.9) suggest that two and three bedroom intermediate dwellings are required. The results of Table 6.13 suggest that households requiring larger dwellings are less likely to be able to afford intermediate housing priced towards the upper end of the intermediate range (which represents the cost at which intermediate housing is likely to be available) than those requiring smaller dwellings. This should also be taken into consideration when determining the appropriate profile of intermediate housing.

Size of market housing required

8.19   PPS3 requires that the size of market housing required in an authority area be assessed. This was presented in Table 7.9 of the Balancing Housing Markets analysis. The results of this model showed that when the two market sectors are combined there are shortfalls of two, three and four bedroom homes and a surplus of one bedroom dwellings.

Summary

8.20   This chapter discussed the policy implications resulting from this study. The main implications are:

- The evidence presented in this report supports the Council's current target of 50% affordable housing
- A target split of between 30% social rented accommodation and 20% intermediate housing could be supported
- Affordable housing of all dwelling sizes is required. Within the affordable tenures, it is suggested that future provision of social rented housing should be skewed towards larger (three or more bedroom) dwellings
- Provision of intermediate housing of all sizes could theoretically be justified, although the finding that intermediate housing priced towards the upper end of the intermediate range is most affordable to those requiring smaller units should be borne in mind
- The profile of market housing provided should be skewed towards two, three and four bedroom units.

9. Special needs households

Introduction

9.1 The initial part of this chapter presents findings based on updated data on special needs households from the primary survey. The second half of the chapter considers a range of sources of information relating to the provision of services for people with various support needs in Camden.

Findings from the primary survey

9.2 Information collected through the survey enables us to identify a number of client groups who have may have support needs requirements. Some special needs are uncommon, whilst others are numerous. The accuracy of each figure will of course vary according to the size of the group involved and it should be noted that the range of groups covered by the survey is not fully inclusive. There are, for example, many groups for which it would not be possible to obtain results through the questionnaire type approach (either due to the small numbers or because of the nature of the special need). Examples of groups not specifically covered include those with drug/alcohol problems and women fleeing domestic violence.

9.3 It should also be noted that the finding of a household with a special need does not necessarily mean that the household needs to move to alternative accommodation. In many cases the special need can be catered for within the household's current home whilst for others the issue maybe the need for support rather than any specific type of accommodation.

9.4 The survey looked at whether household members fell into one or more of a range of primary client groups. Whilst these represent some of the larger client groups covered in the Supporting People Strategy, they are not exhaustive.

9.5 The groups covered were:

- Frail elderly
- Persons with a physical disability
- Persons with a learning difficulty
- Persons with a mental health issue
- Vulnerable young people and children leaving care
- Persons with a severe sensory disability
- Persons with another need

9.6 Each person with a special need could respond to as many of the above categories as is applicable. This means that we can differentiate between households that have more than one person with a special need and those that have people with multiple special needs.

Special needs groups: overview

9.7 Overall there are an estimated 8,833 households in the Camden area with one or more members in an identified special needs group. This represents 9.4% of all households, which is lower than the average Fordham Research has found nationally (13-14%). The table below shows the numbers of households with different types of special needs. The numbers of households in each category exceed the total number of special needs households because people can have more than one category of special need.

9.8 'Physically disabled' is the predominant group. There are 5,972 households with a physically disabled household member. The next largest group is 'frail elderly', with 3,155 households having a member in this category. These two categories represent 67.6% and 35.7% of all special needs households respectively.

Table 9.1 Special needs categories			
Category	Number of households	% of all households	% of special needs households
Frail elderly	3,155	3.4%	35.7%
Physical disability	5,972	6.4%	67.6%
Learning disability	540	0.6%	6.1%
Mental health issue	819	0.9%	9.3%
Vulnerable young people & children leaving care	115	0.1%	1.3%
Severe sensory disability	390	0.4%	4.4%
Other	405	0.4%	4.6%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

9.9 In addition to the above information we are able to look at the number of people in each household with a special need and also households containing persons with multiple special needs. The results for these are shown below.

Table 9.2 Number of households in each special needs category		
	Households	% of households
No people with special needs	85,014	90.6%
One person with special needs	8,343	8.9%
Two persons with special needs	480	0.5%
Three or more persons with special needs	10	0.0%
TOTAL	93,847	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Table 9.3 Number of households in each special needs category		
	Households	% of households
No people with special needs	85,014	90.6%
Single special need only	6,590	7.0%
Multiple special needs	2,244	2.4%
TOTAL	93,847	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

9.10 The two tables above show that the majority (94.5%) of special needs households only contain one person with a special need (8,343/8,833), and that the majority (74.6%) of households with a special needs member do not have multiple special needs (6,590/8,833). However, some 490 households in the Camden area are estimated to have two or more people with a special need whilst an estimated 2,244 households contain someone with multiple needs.

Characteristics of special needs households

9.11 The tables below show the characteristics of special needs households in terms of household size, age, tenure, sub-area and unsuitable housing.

Table 9.4 Size of special needs households					
Number of persons in household	Special needs	No special needs	Number of h'holds	% of h'holds in group with special needs	As a % of all special needs h'holds
One	5,209	37,875	43,084	12.1%	59.0%
Two	1,667	23,979	25,646	6.5%	18.9%
Three	1,123	10,329	11,452	9.8%	12.7%
Four	215	7,649	7,864	2.7%	2.4%
Five	339	2,991	3,330	10.2%	3.8%
Six or more	280	2,191	2,471	11.3%	3.2%
TOTAL	8,833	85,014	93,847	9.4%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

9.12 The table above shows that households with special needs members are likely to be small, comprised of one or two persons. Special needs households are also more likely to contain older persons.

Table 9.5 Special needs households with and without older people					
Age group	Special needs	No special needs	Number of h'holds	% of h'holds in group with special needs	As a % of all special needs h'holds
No older people	3,470	69,189	72,659	4.8%	39.3%
Both older & non older people	1,420	3,998	5,418	26.2%	16.1%
Older people only	3,943	11,827	15,770	25.0%	44.6%
TOTAL	8,833	85,014	93,847	9.4%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

9.13 As the table below shows, special needs households are more likely to be living in social rented housing. Almost a fifth of social rented households contain a special needs member.

Table 9.6 Special needs households and tenure					
Tenure	Special needs	No special needs	Number of h'holds	% of h'holds in group with special needs	As a % of all special needs h'holds
Owner-occupied (no mortgage)	1,268	15,245	16,513	7.7%	14.4%
Owner-occupied (with mortgage)	268	19,637	19,905	1.3%	3.0%
Social rented	6,458	27,793	34,251	18.9%	73.1%
Private rented	839	22,339	23,178	3.6%	9.5%
TOTAL	8,833	85,014	93,847	9.4%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

9.14 The table below shows the geographical distribution of special needs households. The data shows that households in the St Pancras and Somers Town sub-area are most likely to have a special need whilst the lowest level is shown in the West sub-area.

Table 9.7 Special needs households and sub-area					
Sub-area	Special needs	No special needs	Number of h'holds	% of h'holds in group with special needs	As a % of all special needs h'holds
North	2,062	19,981	22,043	9.4%	23.3%
West	1,377	20,007	21,384	6.4%	15.6%
East	2,612	23,066	25,678	10.2%	29.6%
South	1,996	17,567	19,563	10.2%	22.6%
St Pancras and Somers Town	786	4,393	5,179	15.2%	8.9%
TOTAL	8,833	85,014	93,847	9.4%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

9.15 The table below indicates that special needs households are twice as likely to be living in unsuitable housing as households without special needs.

Table 9.8 Special needs households and unsuitable housing				
Special needs	In unsuitable housing	Not in unsuitable housing	Number of h'holds	% of h'holds in group in unsuitable housing	As a % of all h'holds in unsuitable housing
Special needs	2,063	6,770	8,833	23.4%	17.3%
No special needs	9,842	75,172	85,014	11.6%	82.7%
TOTAL	11,905	81,942	93,847	12.7%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

9.16 The table below shows income and savings levels for special needs and non-special needs households. The figure shows that special needs households have average income and savings levels noticeably below both the Borough average and the average for households without special needs.

Table 9.9 Income and savings levels of special needs households		
Special needs	Annual gross household income	Average household savings
Special needs	£10,729	£5,175
No special needs	£40,306	£15,378
All households	£37,522	£14,417

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Requirements of special needs households

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

Figure 9.1 Special needs households: improvements to accommodation & services

Improvement	Households
Shower unit	1,409
Single level accommodation	1,214
Entry phone	1,080
Lift/Stair Lift	993
Car parking space near front door	932
Need to move to alternative housing with specialist adaptations	816
Extra handrails inside home	657
Additional space to accommodate carer or equipment	633
Need to move to alternative housing with specialist care/support	595
Downstairs WC	579
Home carer	575
Lever taps	555
Other alterations/adaptations	551
Extra handrails outside home	534
Housing support	491
Raised power points	459
Community alarm system	407
Meals on wheels	394
Low level kitchen units (including sink)	354
Wheelchair access	293
Low level light switches	249
Storage for wheelchair or scooter	225

Households

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

9.18 The results show requirements for a wide range of adaptations and improvements across the special needs households. The most commonly-sought improvements needed were:

- Shower unit (1,409 households – 16.0% of all special needs households)
- Single level accommodation (1,214 households – 13.7% of all special needs households)
- Entry phone (1,080 households – 12.2% of all special needs households)

Literature review

Housing Strategy 2005-2010 (updated 2007)

9.19   The Council's Housing Strategy, which encompass all tenures and residents, emphasises the importance of equality of access to housing and housing-related services for hard to reach groups such as disabled or frail elderly council tenants living alone. The strategy also focuses on helping disabled and frail older people access accessible and adaptable housing.

9.20   The Council acknowledges that the lack of suitable housing for disabled people within the existing stock is a problem and is working in partnership with RSLs to make new housing more accessible for disabled people[5]. All new build schemes in Camden are required to meet the Lifetime Homes Standard - this incorporates design features to create housing which is accessible/ adaptable as people age and develop different needs.

9.21   The Housing Strategy contains a section on 'Supporting People', a government framework for funding of housing-related support services for vulnerable adults, including single homeless people, homeless families, older people and people with mental health and drug or alcohol problems. The purpose of the support is to increase an individual's capacity to live independently in their accommodation.

9.22   The Supporting People programme encompasses a range of initiatives, including the Hostels Pathway Model, launched in 2007, which aims to ensure that supported housing provision is co-ordinated between agencies to enable the client's progress towards greater independence. The model has been assisted by the Hostel Capital Improvement Programme – government funding used to bring hostels up to modern standards.

9.23   There are also specific initiatives in place to assist vulnerable young people in Camden (especially 16-17 year olds and care leavers) and mental health service users.

9.24   Supporting People services for people with learning disabilities are being re-configured from April 2008. A needs assessment is being carried out to update information on the needs, supply and demand for services for older people. Following consultation with older residents in 2007, the Council made the decision to close certain care homes in Camden and replace them with new provision incorporating extra care sheltered housing.

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[5] As reported in Table 9.1, the household survey found that 6.4% of all households contained someone described as 'physically disabled'. This represents 67.6% of special needs households.

The Quality of Life Strategy for Camden's Older Citizens (2002)

9.25   As reported in Table 9.1, the household survey found that 3.4% of all households contained someone described as 'frail elderly'. This represents 35.7% of households containing a special needs member.

9.26   This Strategy was the vehicle through which the specific targets set out in the Community Strategy relating to older people were to be delivered. It was developed by a range of stakeholders including older people, voluntary sector representatives, the Council and the health service. Such a collaborative approach was deemed essential in working towards reducing health inequalities in Camden.

9.27   The Strategy's aim was to '*improve and maintain the quality of life of Camden's older citizens by demonstrating how agencies will work together and with older people to promote and provide healthy* living *activities, sustain people's independence and promote positive views of ageing.*' The focus was on developing existing services rather than commissioning new initiatives.

9.28   The eight objectives of the Strategy were as follows:

- To promote the principles of active engagement in older age
- To ensure that older people are aware of a range of opportunities and activities that facilitate health and well-being
- To ensure older people have equitable access to all services, both statutory and non-statutory
- To ensure older people have access to a range of services that can help to maximise their income, help them claim appropriate benefits and deal with any other advice needs they may have around financial issues.
- To ensure older people feel safe and secure in their homes and in the community
- To promote a positive approach to the experience of ageing through older people working together and with others to challenge assumptions about ageing
- To challenge assumptions about ageing by promoting links and activities across generations
- To prepare future generations for the opportunities and challenges of later years

'A borough of opportunity for Camden's older citizens' (Consultation 2007-2008)

9.29   The aforementioned Quality of Life Strategy was designed to cover a five year time period. Towards the end of 2007, LB Camden launched a consultation document detailing the progress made in terms of the Strategy's key objectives and seeking views on the proposed priorities for the next five years. In the interests of simplicity and clarity, the proposed new priority headings were as follows:

- Healthy older citizens (health and well-being)
- Choices for older citizens (freedom of choice)
- Involved older citizens (staying involved)
- Influential older citizens (making your voice heard and influencing decisions)
- Respected older citizens (positive ageing)

9.30   The consultation period ended in February 2008. A conference will be held later in the year to agree the content of the final plan.

Other strategies relating to Older People:

9.31   The 'Serving Older People' strategy: This Strategy for the long-term care and support of frailer older people is a plan for health, social care and housing services.

9.32   'Mental health care of older people': The Strategy is currently being developed. The Strategy will consider the mental health care of people over 50 and will describe how services for people with mental health needs (and their carers) will be developed in Camden.

Information from LB Camden's Learning Disabilities Service

9.33   As reported in Table 9.1, the household survey found that 0.6% of all households contained someone with a learning disability. This represents 6.1% of households containing a special needs member.

9.34   LB Camden's Learning Disability Service produces an annually updated table which seeks to identify the future housing needs of adults with learning disabilities. For 2008, there were predicted to be seven adults aged 18-25 requiring support. Although some of this demand could be met via existing provision e.g. outreach support, some new resources were identified as being required such as provision of a large property to ensure sleep-in support can be provided. There were also gaps identified in provision required for both the 26-50 and 50+ age groups.

Needs Assessment for the Mental Health Accommodation and Community Pathway

9.35   As reported in Table 9.1, the household survey found that 0.9% of all households contained someone with a mental health issue. This represents 9.3% of households containing a special needs member.

9.36   The mental health needs assessment originates from the Council, Primary Care Trust (PCT) and other partners' commitment to the introduction of a 'pathway' model for accommodation-based mental health services, which will also include other community services required by people leaving hospital/residential care or living on hostel/supported housing. The key aim of this is to increase the number of people with mental health needs living independently, and being able to sustain this level of independent living.

9.37   The needs assessment first considered the national and local strategic context, e.g. the Supporting People in Camden Business Plan 2005-2010. The current services and supply of mental health facilities including supported housing, residential and nursing care in and out of Camden, and specialist services including floating support and services for older people and BME groups were reported on. The assessment also considered needs and service demand, taking into account factors such as hospital admissions and length of stay, referrals to supported housing and length of stay, and the use of temporary accommodation. The assessment then identified gaps in services.

9.38   Some of the headline findings from the needs analysis were as follows:

- There was extensive use of residential placements outside Camden, which tended to last longer and were therefore more expensive
- There was variation in move-on rates, with some residential/supported housing services unable to take new referrals
- The supply of extra care sheltered housing was limited
- Camden's supported housing is not meeting priority needs

9.39   The assessment concluded that the proportion of supported housing used to provide accommodation for people who have comparatively low needs was too high, with only 12% of clients receiving 24/7 on-site support in the existing supported housing care structure. The report suggested that a care structure reflecting priority needs (with a suggested 55% of clients receiving 'intensive' or 24/7 on-site support) and which achieved a 1-2 year move-on would have a positive impact on the level of delayed hospital discharge, out of area placements and inappropriate use of temporary accommodation.

9.40   The assessment also recommended that further consideration be given to the planned move from hospital to residential care through to intensive, medium and then low-level supported housing provision. It is thought that this would ensure a 'continuous flow' on the pathway.

Information from LB Camden's Pathways Move-On team

9.41   LB Camden's Pathways Move-On team provided the following information on the number of clients who had been referred to them from homeless hostels who were deemed capable of independent living. Figures cover the period April 2007 – February 2008.

9.42   From a total of 87 referrals from hostels, 41 clients were housed, all within the private rented sector. An estimated two-thirds of these were also referred to floating support (the Move-On team report that every Move-On client is now referred to floating support). As these figures are relatively recent it is not yet possible to ascertain the number of clients able to sustain tenancies for a given length of time. To date, however, the Move-On team were only aware of two tenancies coming to an end; in both instances tenants found somewhere else to live and provided landlords with notice.

9.43   Of the 87 referrals, it was estimated that 13 were inappropriate, i.e. not accepted by the Move-On team, as they were not convinced of the client's ability to live independently. In about 25% of referrals (roughly 21 of the 87), the Move-On team stated that they were unable to work with clients due to the client being too specific as to where they wished to live. It is likely that the majority of those who were not housed by the Move-On team remain living in hostel accommodation, although this has not been monitored.

Summary

9.44   Data from the updated primary survey revealed that 9.4% of all households (8,833) in Camden contain special needs members. 'Physically disabled' is the largest category with special needs. There are 5,972 households containing a person with a 'physical disability' and a further 3,155 with household members who are 'frail elderly'.

9.45   Special needs households in Camden are generally smaller than average for the Borough and are disproportionately made up of older persons only. Special needs households are more likely than households overall to be in unsuitable housing.

9.46   Special needs households in general stated a requirement for a wide range of adaptations and improvements to the home. A shower unit, single level accommodation and an entry phone were most commonly required.

9.47   This chapter also considered a number of sources of information relating to the provision of services for people with various support needs in Camden, including the Council's updated Housing Strategy, a Mental Health Needs Assessment, information on housing needs of adults with learning disabilities and strategies relating to older people.

10. Black and Minority Ethnic (BME) households

Introduction

10.1   The first half of this chapter details findings relating to BME households based on updated data from the primary survey. The chapter then goes on to consider a number of local authority-level documents and strategies concerning BME households in Camden.

Findings from the primary survey

10.2   Information was gathered in the survey to find out the ethnic origin of the head of household (and partner if applicable) for each sample household in the survey. The survey did not ask households about their specific religious or cultural requirements. The table below shows estimates of the number of households in each of five broad ethnic groups and the number of survey responses. For the analysis in this chapter, the ethnic group of the survey respondent is taken to represent the head of household. It should be noted that the estimates in this chapter for the 'Mixed and Other' group should be treated with caution as they are based on a relatively small sample size.

Table 10.1 Number of households in each ethnic group				
Ethnic group	Total number of households	% of households	Number of returns	% of returns
White	62,409	66.5%	918	63.1%
White Other	14,529	15.5%	245	16.8%
Asian	7,364	7.8%	145	10.0%
Black	5,225	5.6%	112	7.7%
Mixed and Other	4,321	4.6%	35	2.4%
TOTAL	93,847	100.0%	1,455	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

10.3   The survey estimates that two-thirds of households in the Borough are headed by a White (British/Irish) person. 'White Other' represents the largest group of BME households (14,529 households – 15.5%).

10.4   When looking at this result it should be remembered that the figures in this report refer to the head of household (taken as the survey respondent) and not the total population. Hence the figure of 33.5% is not directly comparable with the figure for the overall BME population of Camden.

Characteristics of BME households

10.5   The number of persons in each household disaggregated by ethnic origin is shown in the
         table below.

| Table 10.2 Household size and ethnicity						
Number of persons in household	Ethnic group					
	White	White Other	Asian	Black	Mixed & Other	TOTAL
One	32,497	4,701	1,700	2,189	1,997	43,084
Two	17,112	4,342	1,549	1,094	1,550	25,647
Three	6,379	2,956	1,198	807	113	11,453
Four	4,694	1,498	678	750	244	7,864
Five	1,000	745	1,071	97	417	3,330
Six or more	727	287	1,169	288	-	2,471
TOTAL	62,409	14,529	7,365	5,225	4,321	93,849
Average hh size	1.83	2.33	3.25	2.32	1.97	2.05

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

10.6   It can be observed that Asian households have the highest average household size with an
         estimated 3.25 persons per household. In contrast White (British/Irish) households have the
         lowest average household size (at 1.83 persons per household). These figures compare
         with a Borough average of 2.05 persons per household.

10.7   The table and figure below show ethnic group and tenure. The data shows that Black and
         Asian households are particularly likely to live in the social rented sector; relatively high
         proportions of White Other and Mixed and Other households reside in the private rented
         sector. White (British/Irish) households are the most likely group to be owner-occupiers.

Table 10.3 Tenure and ethnicity						
Tenure	Ethnic group					
	White	White Other	Asian	Black	Mixed & Other	TOTAL
Owner-occupied (no mortgage)	14,042	1,714	325	-	432	16,513
Owner-occupied (with mortgage)	14,782	2,744	1,193	620	567	19,906
Social rented	20,452	3,632	4,198	4,227	1,743	34,252
Private rented	13,133	6,439	1,649	378	1,580	23,179
TOTAL	62,409	14,529	7,365	5,225	4,322	93,850

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)
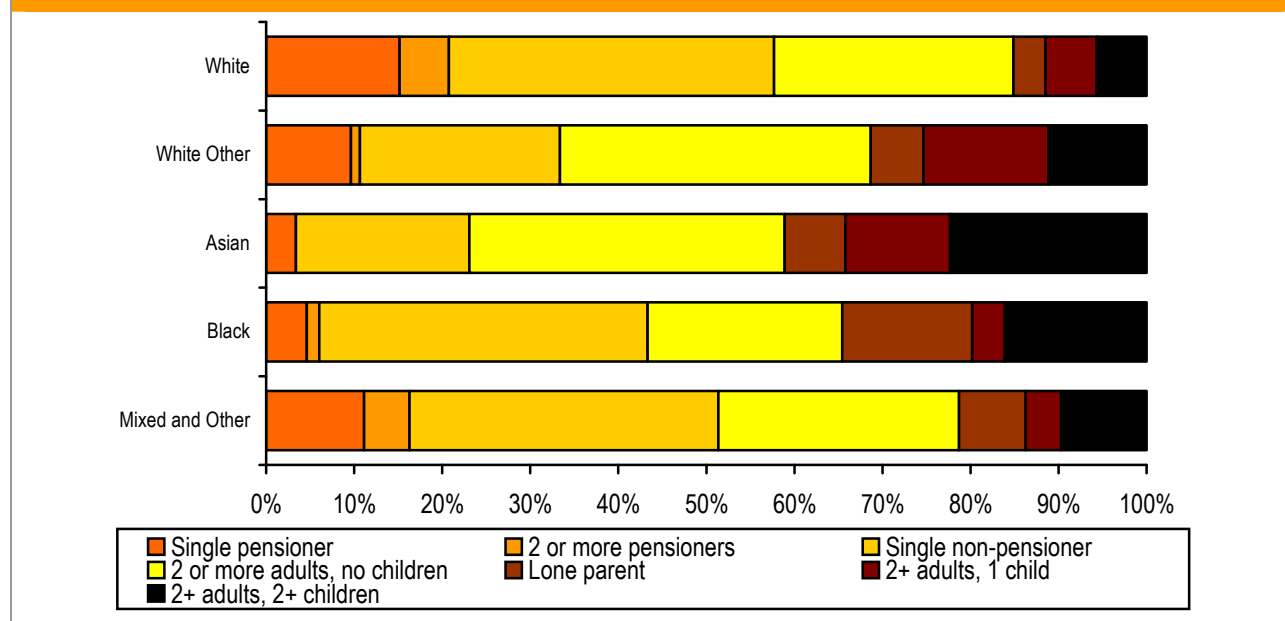
Figure 10.1 Tenure and ethnicity
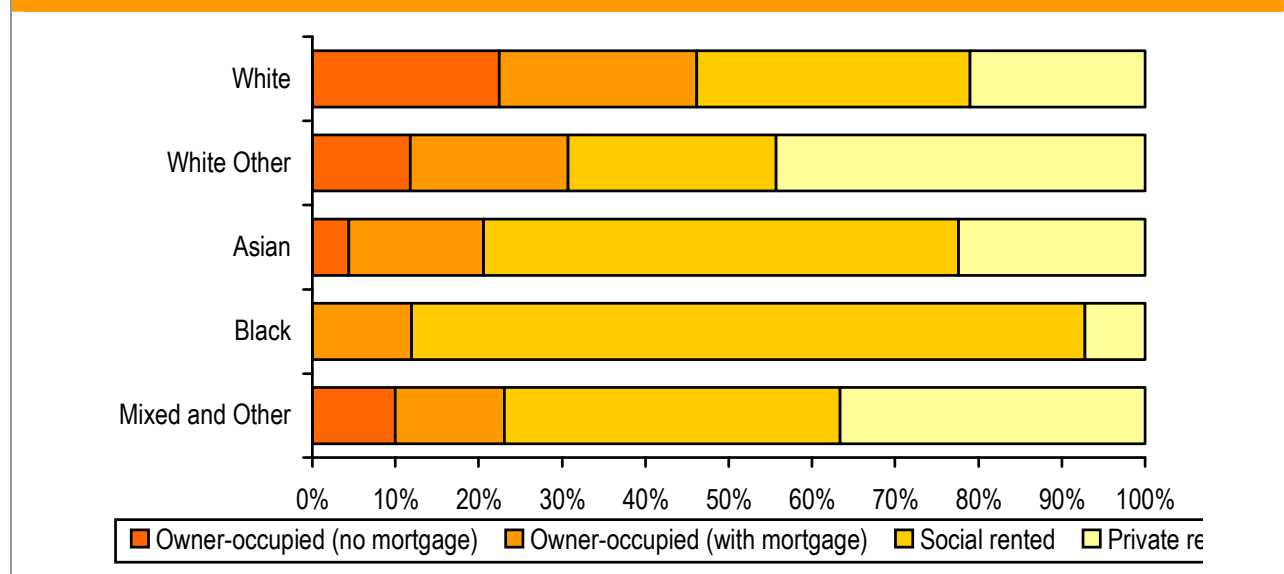
Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

10.8 The table and figure below show ethnic group and household type. The results show that Asian households are the most likely to contain children (White British/Irish households are least likely), and Black households are the most likely to be lone parents. White (British/Irish) households are more likely to be pensioner households than any of the BME groups.

Table 10.4 Household type and ethnicity

Household type	Ethnic group					
	White	White Other	Asian	Black	Mixed & Other	TOTAL
Single pensioner	9,459	1,401	250	241	480	11,831
2 or more pensioners	3,495	147	-	75	223	3,940
Single non-pensioner	23,039	3,301	1,450	1,948	1,517	31,255
2 or more adults, no children	16,981	5,129	2,637	1,155	1,181	27,083
Lone parent	2,271	872	510	770	326	4,749
2+ adults, 1 child	3,621	2,058	874	193	175	6,921
2+ adults, 2+ children	3,545	1,621	1,644	842	419	8,071
TOTAL	62,411	14,529	7,365	5,224	4,321	93,850

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Figure 10.2 Household type by ethnic group

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

10.9 The table below shows ethnic group by special needs. The results show that the vast majority of special needs households are White (British/Irish). Black households are most likely to contain someone with special needs; Mixed and Other households appear to be the least likely.

Table 10.5 Special needs households and ethnic group

Ethnic group	Special needs	No special needs	Number of h'holds	% of h'holds in group with special needs	As a % of all special needs h'holds
White	6,269	56,140	62,409	10.0%	71.0%
White Other	1,065	13,464	14,529	7.3%	12.1%
Asian	751	6,613	7,364	10.2%	8.5%
Black	629	4,596	5,225	12.0%	7.1%
Mixed and Other	119	4,202	4,321	2.8%	1.3%
TOTAL	8,833	85,015	93,848	9.4%	100.0%

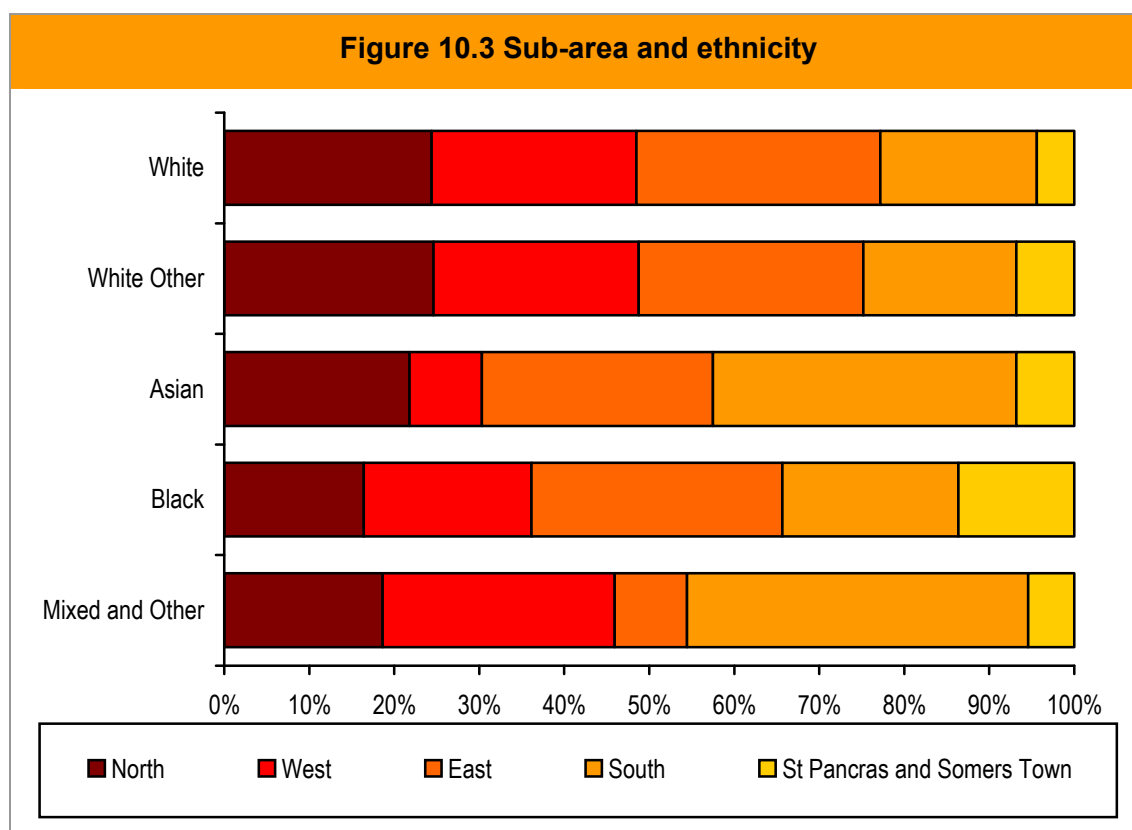Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Geographical location

10.10 The table below shows the geographical distribution of BME households. Asian and Mixed and Other households are the most likely groups to live in the South sub-area; Black households are the most likely group to live in St Pancras and Somers Town.

Table 10.6 Ethnic group and sub-area						
	Ethnic group					
Sub-area	White	White Other	Asian	Black	Mixed & Other	TOTAL
North	15,203	3,575	1,604	858	804	22,044
West	15,044	3,500	627	1,031	1,181	21,383
East	17,927	3,838	2,001	1,543	368	25,677
South	11,493	2,622	2,629	1,084	1,734	19,562
St Pancras and Somers Town	2,742	994	502	709	232	5,179
TOTAL	62,409	14,529	7,363	5,225	4,319	93,845

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Figure 10.3 Sub-area and ethnicity

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Income and unsuitable housing

10.11   The table below shows income levels for each category of BME household. The average income of all households in the Borough was estimated at £37,522 per year. The table shows that there is noticeable difference between income levels of different ethnic groups with the Black households showing an average income of only £23,950 per year. Savings levels also differ noticeably, with Mixed and Other households appearing to have the highest average level, followed by White Other and White (British/Irish). As stated earlier, the results for Mixed and Other households should be viewed with caution due to the small sample size.

Table 10.7 Income and savings levels of BME households		
Ethnic group	Annual gross household income	Average household savings
White	£37,267	£15,467
White Other	£44,955	£15,606
Asian	£31,886	£9,180
Black	£23,950	£4,090
Mixed and Other	£42,241	£16,671
All households	£37,522	£14,417

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

10.12   Finally we can look at levels of unsuitable housing by ethnic group. The table below shows the proportion of each group estimated to be living in unsuitable housing. For all BME groups (with the exception of Mixed and Other) the proportion in unsuitable housing is significantly above the Borough average. Almost a third of all Asian households are in unsuitable housing; this compares with 9.3% for White (British/Irish) households.

Table 10.8 Unsuitable housing and ethnic group				
Ethnic group	In unsuitable housing	Not in unsuitable housing	Number of h'holds	% of h'holds in group in unsuitable housing	As a % of all h'holds in unsuitable housing
White	5,783	56,626	62,409	9.3%	48.6%
White Other	2,707	11,821	14,528	18.6%	22.7%
Asian	2,138	5,226	7,364	29.0%	18.0%
Black	1,022	4,203	5,225	19.6%	8.6%
Mixed and Other	255	4,066	4,321	5.9%	2.1%
TOTAL	11,905	81,942	93,847	12.7%	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Literature review

Camden's Equality Scheme 2006-2009

10.13   LB Camden's equality agenda is based on *'addressing the needs of people who have traditionally been disadvantaged* or *treated less favourably based on their race, gender, disability, age, sexual orientation and religion/belief in its policy making, service delivery and employment practices.'*

10.14   The aims of the Equality Scheme are as follows:

- Achieve parity in satisfaction with the delivery of functions across all equality groups
- Remove any unintended adverse impact from policies/procedures
- Achieve a representative workforce at all levels

10.15   The Scheme describes how LB Camden's Equality Policy applies across the Council's roles as a community leader and advocate; service provider; employer, and procurer of goods and services. The Scheme emphasises the importance of mainstreaming equality issues into all LB Camden's policies, service planning and performance management frameworks.

10.16   The Equality Scheme lists the equality duties imposed on the Council by the Race Relations (Amendment) Act 2000 and describes how the Council will meet these objectives. In summary:

- In accordance with the Act, the services/policies within each of LB Camden's six directorates (e.g. Children, Schools and Families Directorate) are assessed in the Equality Scheme; they are ranked as 'high', 'medium' or 'low' in terms of their relevance to promoting equality. LB Camden's key strategies such as the Community Strategy, Housing Strategy and Neighbourhood Renewal Strategy are also listed and their relevance to the Act assessed.
- The Act requires local authorities to arrange for assessment and consultation on the likely impact of policies. According to the Scheme, the identified relevant policies and functions will be subject to review over the next three years using the Council's Equality Impact Assessment Process; an external Consultation Board oversees all consultation proposals prior to implementation. The Act requires that results from the assessment and consultation are publicised, for which the Council has a variety of mechanisms, including publication on their website.
- Monitoring of policies and functions is a requirement; the Scheme states that the Council will continue to collect monitoring data via satisfaction surveys, complaints monitoring, focus groups etc.
- The Act also requires that public access to information and services is provided; this is covered in LB Camden's Communications Strategy and customer care strategy 'Serving Camden'. The Council's Language Service is integral to these strategies.

- The Scheme states that LB Camden will continue to provide staff training in connection with the duties imposed by the Act
- Performance on Equalities will be monitored, using the Equality Plan which draws together the Council's cross-cutting and equality dimension specific objectives and targets; performance data from relevant indicators contained within the Best Value Performance Plan will also be used.

LB Camden's Housing and Adult Social Care (HASC) Directorate:
Equalities Scheme Action Plan – Synopsis of key actions 2006 – 2009

10.17   Objectives relating to the Race Equality Plan are as follows:

- To increase the number of BME staff in grades PO4 and above within HASC to 30% (the level was 28.1% as at June 2007)
- Support for carers, including the Bangladeshi community, in the form of an employment training project (over 60 carers received training in 2006) and a carers health project (in 2006/07, there were 200 respite breaks for carers; 165 carers reported improvements in health)
- Tackle race crime by co-ordinating support for victims and witnesses of race crime (in 2006, the Council won the Race Action Net Award for methods of dealing with victims and witnesses of race crime)

Housing Strategy 2005-2010 (updated 2007)

10.18   LB Camden aim to mainstream equality into all their key strategies, as discussed earlier in the summary of LB Camden's Equality Scheme. The Council's Housing Strategy is one such document and is designed to encompass all tenures and residents. The section on 'Equality and Community Cohesion' stresses LB Camden's commitment to ensuring that there is equality of opportunity for service users across race, gender, disability, age, sexual orientation and religious belief. The Strategy makes specific reference to BME households in a number of places; this is mainly in terms of outcomes, as follows:

- Allocation of housing: LB Camden (as the housing authority) report that 37% of successful applicants in the previous year were from BME households
- Installation of child safety equipment (provided though the 'Safe as Houses' scheme and eligible to households with young children in receipt of means-tested benefits living in Camden's Neighbourhood Renewal Area): during 2006/07, equipment was installed for 364 families, of whom 68% were from a BME group.
- Installation of home security equipment (also through the 'Safe as Houses' scheme): during 2006/07, 414 homes had equipment installed (of which 41% were BME households).

Black and Minority Ethnic Housing Needs in London Borough of Camden (June 2004)

10.19 Commissioned by LB Camden, the aim of this report was to consider the housing related needs of the Borough's BME community. The research was undertaken by National Housing Federation and was comprised of two parts: desktop research and community interviews.

10.20 The desktop exercise consisted of a review of data sources and literature including national reports and data e.g. the 2001 Census, Camden-based reports and data including existing studies of the Chinese, Bangladeshi and Somali Community and research completed by the Housing Department. The desktop research was supplemented by interviews with Camden Council officers and representatives from organisations operating within Camden.

10.21 The fieldwork consisted of qualitative interviews with around ten members of each of the following BME groups: Albanian; Afro-Caribbean; Bangladeshi; Chinese; Colombian; Congolese; Eritrean; Ghanaian; Indian; Irish; Kosovan; Kurdish; Moroccan; Nigerian; Pakistani; Philippino; Portuguese; Somali; Spanish and Turkish.

10.22 Some of the significant findings from the community interviews were as follows:

- Interviewees in general saw their neighbourhood in a positive light
- Just over half of those interviewed wished to move home – the main features they were seeking in a new home were larger size, safety and closeness to facilities
- There was a significant lack of awareness of BME-led housing associations
- Although Camden Council as a housing provider was generally rated quite highly, the most commonly stated complaints concerned the speed and quality of repairs and overcrowding.

10.23 As a result of the study, a number of recommendations were made in terms of how services could be made more responsive to the needs of BME residents, although the research also revealed that there was considerable overlap between the accommodation needs of people from BME groups and the population as a whole. Some of the issues raised were as follows:

- Housing supply: the most popular recommendation was that the Borough needed more housing – in particular, affordable housing for key workers (especially BME women at the lower end of public sector pay scales). Cheaper housing was also a popular recommendation.
- In terms of choice-based lettings, respondents would have liked to see a reduction in the housing waiting list and changes made to the points system. It was also suggested that the Council make better use of existing stock by renovating old housing for rent.
- Other recommendations concerned improvements in the areas of communication, cultural awareness/sensitivity, and participation and engagement.

10.24   As well as reporting on recommendations made by BME interviewees, the report detailed measures the Housing Department had in place which were relevant to the recommendations, as well as planned interventions to further tackle the issues raised.

Information from LB Camden's Allocations Team

10.25   LB Camden's allocations team collects information on the ethnicity of households allocated Council housing each year. The table below shows the breakdown of allocations by ethnicity over the previous three years. Ethnic categories have been grouped for consistency with the primary data analysis earlier in the chapter.

Table 10.9 Allocations by ethnicity: 2005/06 - 2007/08						
Ethnic group	2005/06		2006/07		2007/08	
	No.	%	No.	%	No.	%
White	529	36.1%	469	34.3%	354	33.8%
White Other	141	9.6%	123	9.0%	98	9.4%
Asian	182	12.4%	180	13.1%	148	14.1%
Black	313	21.3%	323	23.6%	231	22.1%
Mixed and Other	124	8.5%	101	7.4%	74	7.1%
Refused/Not asked	178	12.1%	173	12.6%	142	13.6%
All households	1,467	100.0%	1,369	100.0%	1,047	100.0%

Source: LB Camden's allocations team

10.26   The table shows that White (British/Irish) households account for around a third of allocations each year. There are proportionally more non-White households allocated Council accommodation than the distribution of households by ethnic group in Table 10.1 would suggest, reflecting the finding that non-White groups, and particularly Black households, are more likely to live in Council rented accommodation (Figure 10.1). The table indicates that there is little variation in the distribution of allocations between years.

Summary

10.27   The primary survey revealed that 66.5% of Camden households were White (British/Irish), with 15.5% White, 7.8% Asian, 5.6% Black and 4.6% of households in Mixed and Other ethnic groups.

10.28   The survey showed that Asian households have a particularly large average household size, are particularly likely to live in the social rented sector and are most likely to be unsuitably housed. Black households are the most likely to reside in social rented accommodation and recorded the lowest average household incomes. White Other households were the most likely to reside in the private rented sector. White (British/Irish) households were the most likely to be owner-occupiers and the least likely to contain children.

10.29   This chapter also discussed a number of key documents relating to BME households in Camden, including the Camden Equality Scheme 2006-2009 and the BME Housing Needs study.

11. Student households

Introduction

11.1   This chapter considers the characteristics of student households. It begins by briefly considering findings from the updated primary data; information from the Higher Education Statistics Agency (HESA) is presented in the second part of the chapter to supplement this information.

Findings from the primary survey

11.2   Student households have been excluded from the analysis in the rest of this report due to their unique housing circumstances. Some of the broad findings from the primary data relating to student households are presented below. The number of student households surveyed was small (45 in total); results should therefore be seen as giving an indicative picture only: Data from the survey shows an estimated 4,153 student households in Camden.

- The majority of student households (around 80%) resided in private rented accommodation
- Around 70% lived in a flat or maisonette
- Almost half lived in the South sub-area
- More than 80% had moved to their current home within the previous two years
- 62% stated a need or intention to move within the next two years

Findings from HESA data[6]

11.3   In 2006/07, there were 27,980 full-time students[7] in Camden[8] in 2006/07. This represents around 11% of all full-time students in London.

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[6] Source: HESA Student Record 2006/07. Copyright Higher Education Statistics Agency Limited 2008. HESA cannot accept any responsibility for any inferences of conclusions derived from the data by third parties.
[7] Includes first degree undergraduates, postgraduates and other undergraduates e.g. foundation degree students
[8] Refers to students studying at higher education institutions with administrative centre in Camden

11.4   The table below shows that almost three-fifths of full-time Camden students were undergraduates studying for first degrees; more than a third were postgraduates. Compared to London and the UK as a whole, Camden had a higher proportion of postgraduate students (more than double the proportion found nationally), and a lower proportion of undergraduates studying for both first and other degrees.

Table 11.1 Full-time students: Level of study				
Level of study	Camden		London	UK
	Number*	%		
First degree	16,210	57.9%	67.9%	74.8%
Postgraduate	10,510	37.6%	22.1%	16.7%
Other undergraduate	1,260	4.5%	9.9%	8.4%
TOTAL	27,980	100.0%	100.0%	100.0%

Source: HESA Student Record 2006/07

Rounded to nearest 5 to comply with HESA requirements

11.5   The figure below shows that a third of full-time Camden students were Non-UK domiciled (i.e. their normal place of residence was outside the UK), higher than the proportion found regionally (27%) and nationally (18%).

Figure 11.1 Full-time students: Domicile
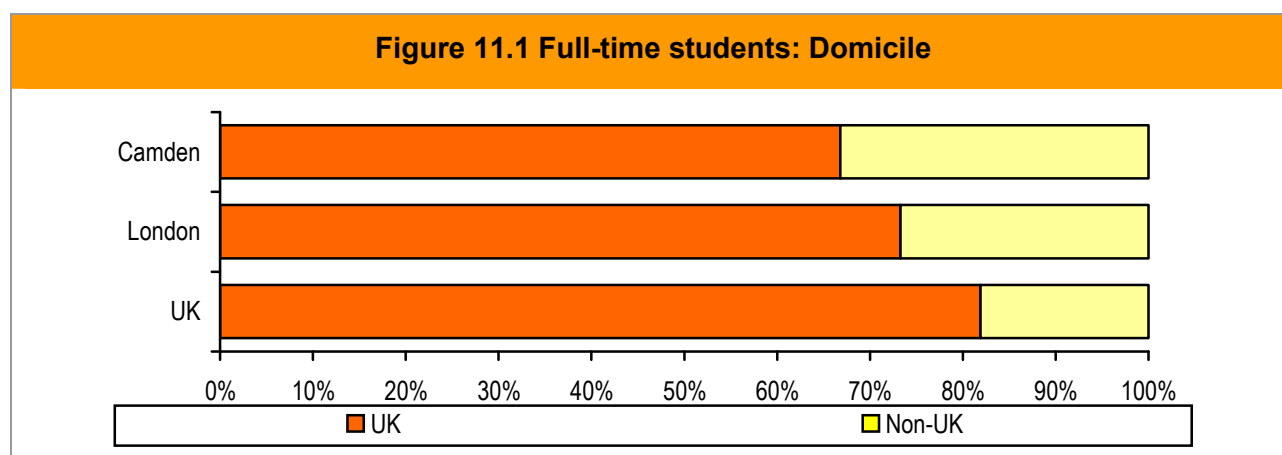
Source: HESA Student Record 2006/07

11.6   Within Camden, postgraduate students were the most likely group to be Non-UK domiciled – almost half of postgraduate Camden students resided outside the UK, compared to just over a fifth of undergraduates studying for first degrees. This is similar to the trend found regionally and nationally.

11.7   The table below shows that almost half of full-time Camden students resided in their own home during term-time (i.e. accommodation which they either owned or rented through the private sector), slightly higher than the proportion found regionally and nationally. Some 40.4% lived in accommodation maintained by their higher education institution (this also includes housing owned by the institution and sub-let to students) – significantly higher than regional and national proportions.

Table 11.2 Full-time students: Term-time residence				
Term-time residence	Camden		London	UK
	Number*	%		
Institution maintained property	11,310	40.4%	16.2%	22.5%
Parental/Guardian home	1,575	5.6%	24.0%	17.8%
Own home**	13,775	49.2%	43.7%	43.9%
Other	770	2.8%	10.3%	8.5%
Unknown	555	2.0%	5.7%	7.3%
TOTAL	27,980	100.0%	100.0%	100.0%

Source: HESA Student Record 2006/07

*Rounded to nearest 5 to comply with HESA requirements*

*** includes accommodation rented through the private sector and owner-occupied accommodation*

11.8   The figure below shows the breakdown of term-time residence for undergraduate and postgraduate Camden students, as well as for all full-time students. The figure shows that undergraduates studying for first degrees were most likely to live in institution maintained property – this applied to almost two-thirds (64%) of undergraduates in 2006/2007. Camden's postgraduates were most likely to live in accommodation which they either owned or rented through the private sector – this was the case for 87% of postgraduate students.

Figure 11.2 Term-time residence: Full-time students in Camden
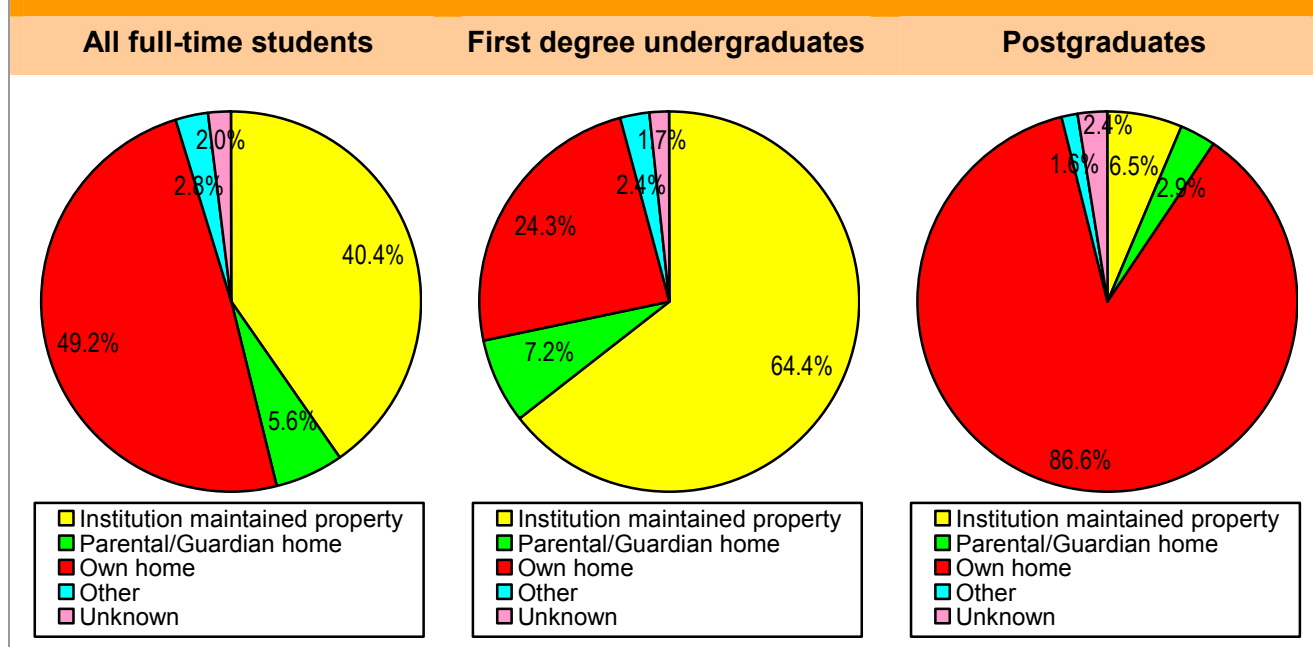
Source: HESA Student Record 2006/07

11.9 An additional 27,920 Camden students were studying part-time, comprising around 20% of all part-time students in London. The figure below shows that almost half of all Camden students were studying on a part-time basis – this is higher than the proportion of part-time students found both regionally and nationally (36% and 39% respectively).

Figure 11.3 All students at Higher Education Institutions: Mode of study
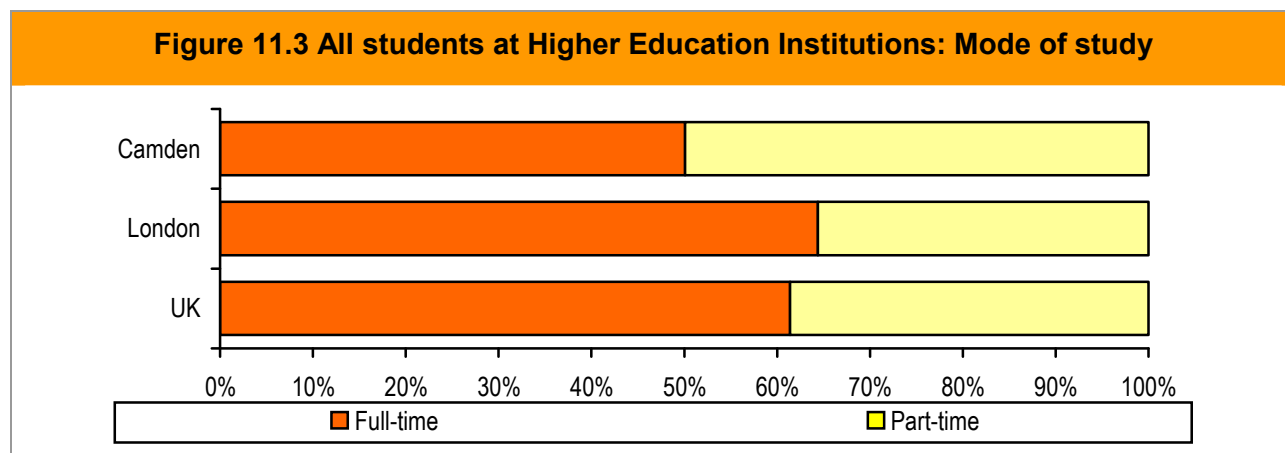
Source: HESA Student Record 2006/07

Summary

11.10 Information from the Higher Education Statistics Agency (HESA) was used to supplement the information on student households from the primary survey.

11.11 The main findings from HESA data were as follows:

- There were 27,980 full-time Camden students in the 2006/07 academic year; around 60% of whom were undergraduates and around a third postgraduates
- Camden had a higher proportion of postgraduate students than found regionally and nationally
- A third of full-time Camden students were Non-UK domiciled, higher than regional and national averages
- Almost half of full-time Camden students lived in accommodation which they owned or rented through the private sector; 40% lived in institution maintained property, much higher than regional and national proportions
- An additional 27,920 Camden students were studying part-time; almost half of all Camden students were studying on a part-time basis – this is higher than the proportion found regionally and nationally

GLOSSARY

Affordability

A measure of whether households can access and sustain the cost of private sector housing. There are two main types of affordability measure: mortgage and rental. Mortgage affordability assesses whether households would be eligible for a mortgage; rental affordability measures whether a household can afford private rental. Mortgage affordability is based on conditions set by mortgage lenders – using standard lending multipliers (2.9 times joint income or 3.5 times single income (whichever the higher)). Rental affordability is defined as the rent being less than a proportion of a household's gross income (in this case 30% of gross income).

Affordable housing

PPS3 defines affordable housing as 'Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.

Annual need

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

Average

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

Bedroom standard

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

Current need

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

Disaggregation

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

Grossing-up

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

Household

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

Household formation

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

Housing market area

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

Housing need

PPS3 defines housing need as 'The quantity of housing required for households who are unable to access suitable housing without financial assistance'.

Housing Register

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

Intermediate Housing

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

Mean

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

Median

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

Migration

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

Net need

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

Newly arising need

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

Overcrowding

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

Potential households

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

Random sample

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

Relets

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

Sample survey

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

Sampling frame

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

Social rented housing

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

Stratified sample

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

Under-occupation

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

Unsuitably housed households

All circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition or cost.

Appendix A1 Planning policy background

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

- In para 11 is listed a set of key concepts, of which one is 'evidence-based policy approach'. This is new, in that it clearly requires policy approaches to be rooted in the sort of analysis undertaken in this report.

- In para 22 of the PPS a much more detailed specification is set out for what the evidence base produced should yield:

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

    (i)   the likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing

    (ii)   The likely profile of household types requiring market housing e.g. multi-person, including families and children (x %), single persons (y %), couples (z %)

    (iii)   The size and type of affordable housing required'

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

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

- It states that low cost market housing *'may not be considered for planning purposes as affordable housing.'*

- Under the heading of 'market housing' the PPS says (para 26):

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

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

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

Appendix A2 Supporting information

Non-response and missing data

A2.1   Missing data is a feature of all housing surveys: mainly due to a respondent's refusal to answer a particular question (e.g. income). For all missing data in the survey imputation procedures were applied. In general, throughout the survey the level of missing data was minimal. The main exception to this was in relation to financial information, where there was an appreciable (although typical) level of non-response.

A2.2   Non-response can cause a number of problems:

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

A2.3   To overcome these problems missing data was 'imputed'. Imputation involves substituting for the missing value, a value given by a suitably defined 'similar' household, where the definition of similar varies depending on the actual item being imputed.

A2.4   The specific method used was to divide the sample into sub-groups based on relevant characteristics and then 'Probability Match' where a value selected from those with a similar predicted value was imputed. The main sub-groups used were tenure, location, household size and age of respondent.

Weighting data

A2.5   The survey data was weighted to estimated profiles of households based on various secondary sources of information. The tables below show the final estimates of the number of households in each group (for seven different variables) along with the number of actual survey responses (data for tenure can be found in Chapter 2). Although in some cases it is clear that the proportion of survey responses is close to the 'expected' situation there are others where it is clear that the weighting of data was necessary to ensure that the results as presented are reflective of the household population of Camden.

Table A2.1 Ward profile				
Ward	Estimated households	% of households	Number of returns	% of returns
Hampstead Town	5,261	5.4%	54	3.6%
Highgate	5,225	5.3%	104	6.9%
Frognal & Fitzjohns	5,363	5.5%	66	4.4%
Fortune Green	4,888	5.0%	69	4.6%
West Hampstead	5,371	5.5%	80	5.3%
Kilburn	5,640	5.8%	50	3.3%
Swiss Cottage	6,512	6.6%	58	3.9%
Belsize	6,360	6.5%	86	5.7%
Gospel Oak	4,968	5.1%	62	4.1%
Kentish Town	5,406	5.5%	43	2.9%
Cantelowes	4,939	5.0%	75	5.0%
Haverstock	5,307	5.4%	65	4.3%
Camden town with Primrose Hill	5,863	6.0%	58	3.9%
Regents Park	5,824	5.9%	116	7.7%
St Pancras & Somers Town	5,356	5.5%	366	24.4%
Kings Cross	4,577	4.7%	38	2.5%
Bloomsbury	4,892	5.0%	43	2.9%
Holborn & Covent Garden	6,248	6.4%	67	4.5%
Total	98,000	100.0%	1,500	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Table A2.2 Council Tax band profile				
Council Tax band	Estimated households	% of households	Number of returns	% of returns
A & B	11,754	12.0%	164	10.9%
C	19,202	19.6%	347	23.1%
D	24,216	24.7%	440	29.3%
E	16,493	16.8%	241	16.1%
F	10,157	10.4%	124	8.3%
G+	16,179	16.5%	184	12.3%
TOTAL	98,000	100.0%	1,500	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Table A2.3 Accommodation type profile				
Accommodation type	Estimated households	% of households	Number of returns	% of returns
Flat	84,337	86.1%	1,319	87.9%
Terraced house	8,986	9.2%	126	8.4%
Detached/semi-detached house	4,677	4.8%	55	3.7%
TOTAL	98,000	100.0%	1,500	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Table A2.4 Household type profile				
Household type	Estimated households	% of households	Number of returns	% of returns
Single pensioner	11,831	12.1%	222	14.8%
2 or more pensioners	3,940	4.0%	68	4.5%
Single non-pensioner	33,336	34.0%	335	22.3%
Other households	48,893	49.9%	875	58.3%
TOTAL	98,000	100.0%	1,500	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Table A2.5 Household size profile				
Number of people in household	Estimated households	% of households	Number of returns	% of returns
One	45,167	46.1%	557	37.1%
Two	26,143	26.7%	431	28.7%
Three	12,535	12.8%	221	14.7%
Four	8,073	8.2%	161	10.7%
Five	3,365	3.4%	79	5.3%
Six or more	2,717	2.8%	51	3.4%
TOTAL	98,000	100.0%	1,500	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Table A2.6 Car ownership profile				
Cars owned	Estimated households	% of households	Number of returns	% of returns
None	56,912	58.1%	950	63.3%
One	34,533	35.2%	488	32.5%
Two or more	6,555	6.7%	62	4.1%
TOTAL	98,000	100.0%	1,500	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Table A2.7 Ethnicity of household head profile				
Ethnicity of household head	Estimated households	% of households	Number of returns	% of returns
White British	59,382	60.6%	878	58.5%
White Irish	4,026	4.1%	54	3.6%
White Other	15,837	16.2%	259	17.3%
Mixed/Other	5,123	5.2%	41	2.7%
Asian	7,911	8.1%	150	10.0%
Black	5,721	5.8%	118	7.9%
TOTAL	98,000	100.0%	1,500	100.0%

Source: Camden 2008 Housing Needs Survey Update (updated from 2004 survey)

Appendix A3 Methodological changes since 2004

Introduction

A3.1   Fordham Research is constantly reviewing the methodology that it uses to complete Housing Needs Surveys to ensure that it remains current, robust and accurate. Changes are made in light of any new Guidance that is brought out in the field. This appendix documents the changes that have taken place in the housing need methodology since 2004.

Methodological changes

A3.2   Each stage that has been modified between 2004 and 2008 will be discussed in this section. For each change, the methodology used in 2004 will be described as will the methodology used in 2008 and the reason for the change will be explained.

Stage 1: The in-situ solution

A3.3   In 2004, households that were in unsuitable housing were defined as not having an in-situ solution if they needed to move now and they either would have liked or expected to move elsewhere in Camden.

A3.4   In 2008, existing households that were in unsuitable housing were defined as not having an in-situ solution if they were in specific unsuitable housing categories.

A3.5   This was changed so that the approach used more closely follows that suggested by Guidance.

Stage 1: The inclusion of those in social rented accommodation

A3.6   In 2004, households in current need (in unsuitable housing without an in-situ solution and unable to afford market housing) who were resident in affordable accommodation were excluded from the model.

A3.7   In 2008, households in current need (in unsuitable housing without an in-situ solution and unable to afford market housing) who were resident in affordable accommodation are included in Stage 1 of the model (current need), but are later removed from the model at Stage 3 (affordable housing supply).

A3.8   This was changed in response to the latest Practice Guidance. Originally households in affordable accommodation were excluded because they create no net requirement for affordable housing (as they also supply an affordable dwelling when they move). The latest Practice Guidance acknowledges that these households create no net requirement for affordable accommodation, but it is important to consider the mismatch between the type and size of dwellings required by these households and the type and size of dwellings supplied. These households therefore now form part of the need stage and the supply stage.

Stage 1: Potential (non) households in current need

A3.9   In 2004, potential households that needed or were likely to move now and stated that they would be looking to remain living in the Borough and were unable to afford suitable market housing were brought forward as part of the backlog component of housing need.

A3.10   In 2008, potential households have been excluded from the backlog component of housing need.

A3.11   This was changed because it was felt that as the future household component of the newly arising need estimate is based on past trends it could result in the double counting of these households. The methodology has therefore been adjusted.

Stage 2: Future need (previously called newly arising need)

A3.12   In 2004, Guidance separated households in future need into four different categories (newly forming, ex-institutional, existing and in-migrant).

A3.13   The latest Practice Guidance separates households in future need into two different categories (newly forming and existing).

A3.14   This was changed in response to the latest Practice Guidance. Ex-institutional households in future need are now included within the newly forming category, whilst in-migrant households are included within both newly forming and existing households. The overall household estimates therefore are unaffected.

Stage 3: Supply

A3.15   In 2004, supply was not split between stock and flow, but was just considered as an annual flow of dwellings. The three components were annual relets from affordable housing, relets lost through a reduction in stock (from right-to-buy and demolitions) and relets gained through new housing (from new completions).

A3.16 In 2008, supply is split between stock and flow. Annual relets from affordable dwellings form the flow components. Vacant dwellings, projected new build, households in current need resident in affordable accommodation minus the loss of dwellings through demolition form the stock components.

A3.17 This was changed in response to the latest Practice Guidance.