

WEST OXFORDSHIRE

**HOUSING NEEDS
ASSESSMENT UPDATE**

EXECUTIVE SUMMARY 2011



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1 KEY FINDINGS AND HOUSING TARGETS

- 1.1.1 Outlined below are the key market changes which have occurred since the 2008 study and their impact on the issues to be considered when setting future housing targets.

Housing Market Change

- Over the three year period Q3 2008 to Q1 2011, the average property price in West Oxfordshire has fallen by around - 3.4%.
- Only semi-detached properties have seen a rise over the three year period of 8.7%. Flats / Maisonette prices have fallen over the three year period by 9.0% and terraced houses by just 0.6%.
- Over the 3 year period from Q1 2008 sales volumes have fallen by 22.2% in West Oxfordshire, 14.9% in Oxfordshire and 24.9% in the South East Region, lower than the national average reduction of 30%.
- The average property price in West Oxfordshire is £270,061, lower than Oxfordshire and the South East benchmark areas, but higher than the national average.
- Nationally, loans to first-time buyers are down by 42% from December 2009 to 2010. The typical first time buyer in December 2010 had a deposit of 23% and they borrowed 3.23 times their income.
- On average a deposit of around £28,800 to £35,500 would be required to buy one and two bedroom flats and £43,750 to £55,000 for two and three bedroom terraced houses in the current West Oxfordshire market;
- The need for a 20% deposit is the key affordability problem for those wishing to buy; 96% of concealed households forming will not be able to afford a deposit for a 1 bed flat without significant parental assistance;
- Entry rental costs in the private rented sector vary by location within the District. Overall District-wide rents have increased by 7% but entry level properties such as flats and terraces have remained constant since September 2008;
- 83.8% of new households forming cannot afford to rent in the private market;

Income Change

- The 2010 ASHE data shows a median income of £30,380 for West Oxfordshire, a 14.1% increase on the 2008 ASHE figure of £26,637.
- The ASHE data for the period from the last assessment shows an increase of 13.2% which has been applied for all household groups to determine the 2011 annual income boundaries and calculate affordability levels.

Population Projections

- GLA Intelligence Unit Demographic projections for West Oxfordshire predict an increase in the population of West Oxfordshire of 15,040 people (+14.6%) over the forecast period to 2026; There is an increase in all age groups;
- The most significant growth is in the over 65 age group with an increase of 11,359 people (+ 66.1%) over the forecast period compared to 4.3% for the whole population aged under 65;
- Within the older age group, numbers of people aged 75+ are projected to grow by 6,983 (+82.1%). Given the support resource demands and specialist accommodation needs often associated with very elderly people, these are significant figures.

Affordable Housing Targets

- The 3 year average re-let supply in the social rented sector increased by 69 units, 30% higher in the 2009 to 2011 period;
- The total affordable housing need annually is for 909 units a year;
- Affordable housing need has remained at a similar level increasing from 567 to 592 units a year, based on addressing the backlog over 5 years;
- After re-let and resale supply there is a net need prior to new delivery for 220 new affordable units a year, based on dealing with the backlog over 15 years;
- The scale of need continues to justify the affordable housing targets set out in Policy H11 and the Draft Core Strategy, subject to site viability;
- The tenure mix balance, of 70% / 30% between affordable rent and intermediate housing can still be supported, although viability will be a key delivery factor and may require higher proportions of intermediate housing, at least in the short term.

Property Type and Size Targets

- Need in the social rented sector is generally for one, two and four bedroom properties;
- The provision of smaller units for older people, particularly Extra Care, will be important in linking to initiatives to free up the 3 bedroom **social rented** stock;
- Making best use of the existing stock is now even more important as a means of addressing the family needs for this property size;
- Future delivery in the **market sector** could be 60% of units for single / couple and small family households and 40% for larger families;
- These would support growth strategies and provide a more balanced housing offer across the District and should be used as a guide to developers.