

STRATEGIC HOUSING BOARD

10 JULY 2019

DARTFORD'S HOUSING PROFILE & CONTEXT

1. Summary

- 1.1 This report provides an overview of the local housing profile and compares it with national and regional trends. Housing supply, tenure, cost and affordability are considered, as are the requirements of specific groups within the population.

2. RECOMMENDATION:

- 2.1 That the report is noted and any comments are passed on to the Local Plan Leaders Advisory Group and Cabinet.

3. Background and Discussion

This report sets the scene for the future agenda of the Strategic Housing Board. It provides a broad assessment of the current state of the Dartford housing market and all its component parts.

Information in this report has been largely sourced from the study currently being undertaken by HDH Planning and Development, 'Dartford and Ebbsfleet Housing Needs Assessment'. This study is not yet completed so should be considered as a draft but nevertheless offers coverage of issues likely to be of interest to the Board. Further updates can be provided to future meetings.

The study is to be used to support the preparation of the new Local Plan, expected to be submitted to the Planning Inspectorate for examination in late 2020. The in-depth consideration of housing matters by this Board will be helpful in guiding the Plan preparation. Comments and direction on policy matters from this Board will be passed on to the Local Plan Leaders Advisory Group.

4. Dartford's housing stock

There were 46,926 dwellings in Dartford in 2018. The most common property types are terraced and semi-detached houses. The proportion of detached houses, at about 15%, is on a par with England as a whole but significantly lower than for the south east. The proportion of flats in Dartford, at approximately 20%.

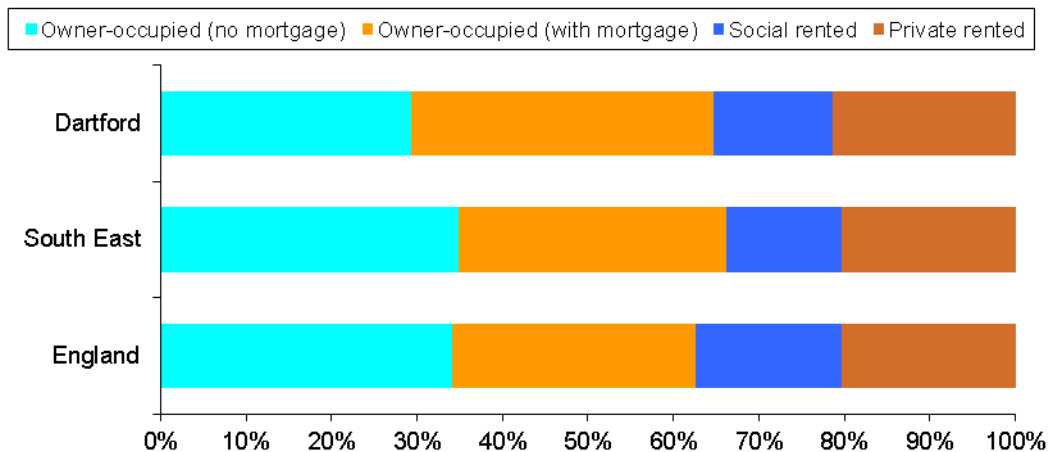
Four and five room dwellings account for over half of all dwellings in Dartford. Dartford has a greater proportion of smaller homes (4 or less rooms) and fewer larger dwellings (homes with 6 or more rooms) than the South East region and England.

The tenure profile is similar, is similar to the south east but lower than for England. To that of the South East, with the main difference being a greater proportion of owner occupiers with a mortgage, rather than without.

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Tenure Profile 2017



5. Resident population

The resident population in Dartford in 2017 was 107,200. Since 2012, the population had increased by 8,400 people or 8.5%. In the same period, the population of the south east had increased by 4.1% and the population of England grew by 4.0%.

The Dartford population is comparatively young with a median of 37.4, as compared to the south east figure of 41.5 and 39.8 for England. This may help explain the high household formation rate of 1.8 as compared to 1.4 for England as a whole.

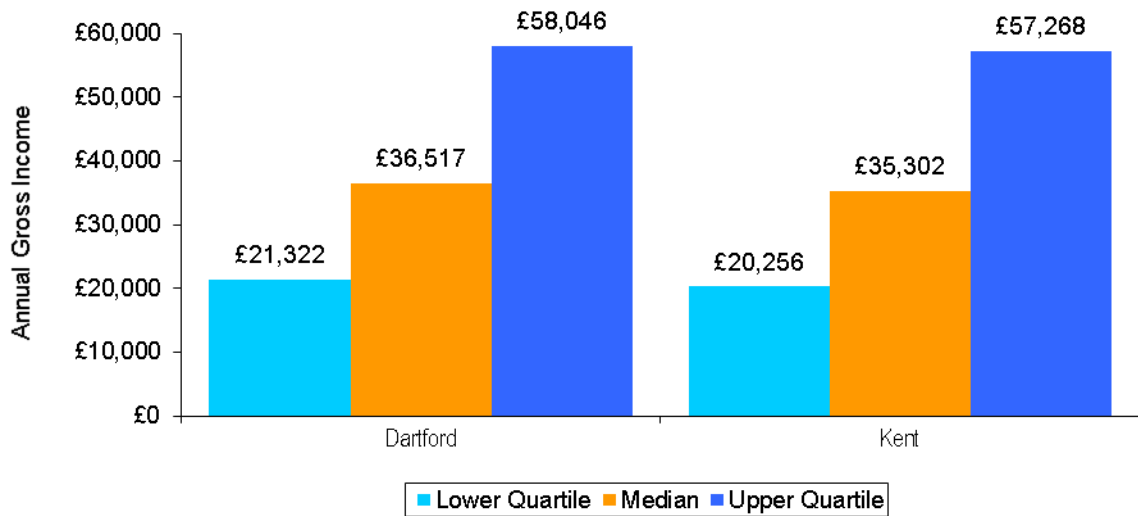
The number of households in 2016 was 42,944, an increase of 7.8% since 2011. The average household size was 2.42, a slight decrease from 2.43 in 2011 but still higher than the figure of 2.39 for the south east and 2.37 for England. Dartford has more households with dependent children and fewer adult only households than either regionally or nationally.

Income has a critical effect on a household's choice of their future accommodation. The table below shows that household incomes in Dartford were higher than the household incomes for Kent at all points on the income distribution scale. Income of residents in full-time employment between 2013 and 2018 has grown faster in Dartford, at 18.1%, than for England (10.4%) or the South East (10.2%).

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Distribution of annual gross household income



Cost of property and affordability

The consultant's report considered the cost of housing market housing in Dartford, as well as that for different tenures. A comparison of these costs was used to identify the housing market gaps that exist.

The table below shows the average price by dwelling type. The data shows that the average property price is 8.5% higher than the national figure but 13.1% lower than for the south east.

Dwelling type	Dartford		South East		England	
	Average price	% of sales	Average price	% of sales	Average price	% of sales
Detached	£559,105	11.2%	£580,470	26.6%	£414,416	25.4%
Semi-detached	£369,068	24.0%	£366,938	26.5%	£259,532	28.8%
Terraced	£318,574	33.8%	£307,888	25.4%	£248,508	27.5%
Flat	£228,301	31.0%	£231,635	21.6%	£303,281	18.3%
Overall average price	£329,633	100.0%	£379,453	100.0%	£303,833	100.0%
Mixed adjusted overall average price	£377,598	-	£380,083	-	£303,833	-

Source: Land Registry, 2019

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The average property price in Dartford has risen by 47.2% between 2013 and 2018 compared to an increases of 56.5% in Thurrock 48.4% in Medway and 45.1% in Gravesham. The number of sales in Dartford over this period has grown by 41.0% compared to a rise of 7.8% in England and a decrease of 2.0% for the South East.

The table below shows the average private rents by dwelling size in 2017-2018 in Dartford, the South East and England. The data indicates that whilst the overall average rental price in Dartford is 13.7% higher than the national figure, it is 2.4% lower than the figure for the South East. The data also shows that one, two and three bedroom rents in the Borough are more expensive than their regional and national equivalent, however four bedroom rents are notably cheaper than the regional figure.

Table 3.2 Average private rents in 2017-2018* (price per month)						
Dwelling size	Dartford		South East		England	
	No. of sales	Average price	No. of sales	Average price	No. of sales	Average price
One bedroom	180	£755	17,260	£715	87,900	£720
Two bedroom	340	£948	31,580	£912	201,410	£787
Three bedroom	150	£1,177	16,880	£1,125	118,920	£898
Four bedroom	30	£1,586	8,110	£1,926	40,090	£1,582
Overall average rent**	730	£960	80,170	£984	486,310	£844

*Recorded between 1 October 2017 to 30 September 2018 **This figure includes the rents for room and studio accommodation which are not presented in this table. Source: Valuation Office Agency, 2019

Entry level rents are slightly lower than those shown above, at £710 for a 1 bedroom home and £1,450 for a 4 bedroom home.

The average rents in Dartford have risen by 28.2% between 2012-13 and 2017-18 compared to an increase of 16.6% nationally and a growth of 15.9% across the region. The number of lettings in Dartford over this period has grown by 9.3% compared to a rise of 4.1% in England and a decrease of 5.0% for the South East.

The cost of Social Rented accommodation by dwelling size in Dartford is shown below. The costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant gap between the Social Rented and market sectors.

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Table 3.3 Average Social Rented costs (per month (includes service charges))			
<i>Bedrooms</i>	<i>Council owned</i>	<i>RSL owned</i>	<i>Overall average cost</i>
One bedroom	£378	£395	£379
Two bedrooms	£391	£459	£409
Three bedrooms	£445	£515	£457
Four bedrooms	£481	£574	£510

Source: HCA's Statistical Data Return 2018, Council LAHS 2018

Affordable Rent is a relatively new product that has been introduced to reduce the requirement for capital subsidy for affordable accommodation. The majority of new rented affordable accommodation in Dartford being provided by Registered Providers is Affordable Rent. Affordable Rents can be set at up to 80% of open market rents. The table below details the Affordable Rent levels charged in Dartford. A comparison with median market rents indicates that Affordable Rent levels are around 65% to 70% of median market rents.

Table 3.4 Average Affordable Rented costs (per month (includes service charges))			
<i>Bedrooms</i>	<i>Council owned</i>	<i>RSL owned</i>	<i>Overall average cost</i>
One bedroom	£535	£527	£527
Two bedrooms	£647	£660	£659
Three bedrooms	£745	£794	£787
Four bedrooms	-	£1,129	£1,129

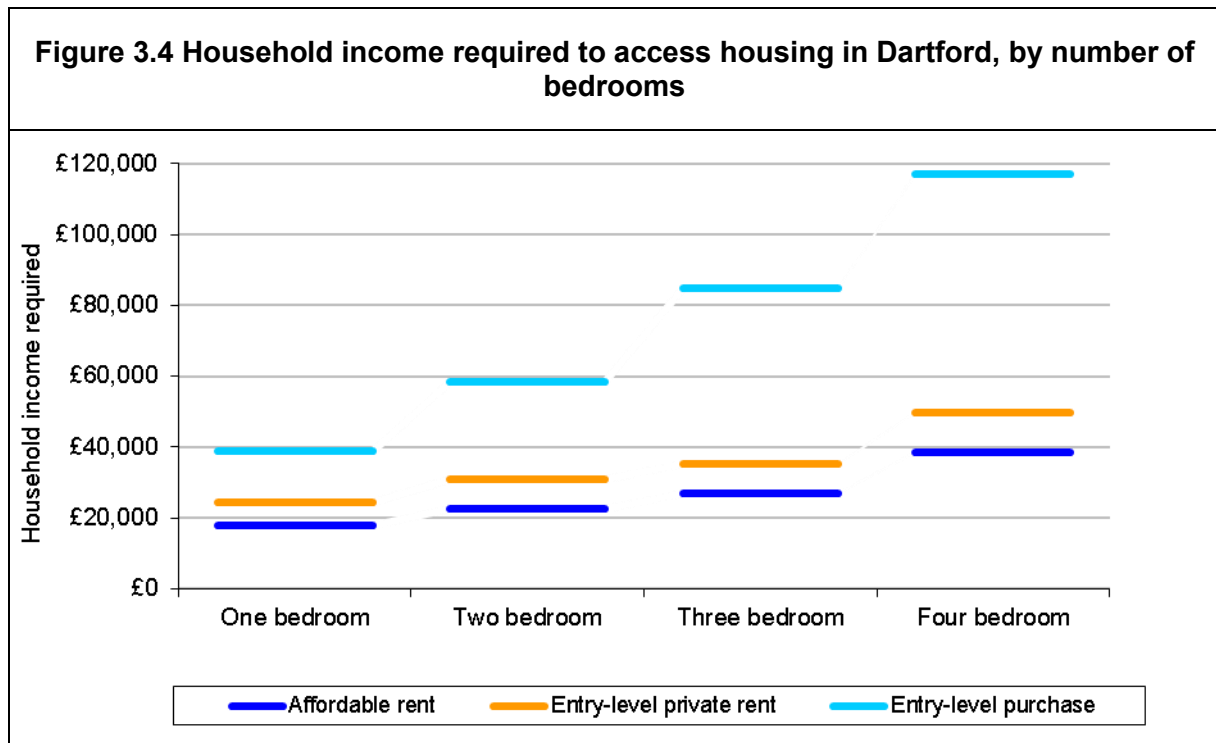
Source: HCA's Statistical Data Return 2018, Council LAHS 2018

The consultants carried out housing market gaps analysis to allow comparison of the costs of different tenures. The figure below shows the housing ladder that exists for different sizes of property. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. It should be noted that the assumptions used are still under discussion with the consultant.

The figure shows a comparison of the indicative income requirements per household for different types of housing. Measurement of the size of the gaps between these 'rungs of the ladder' helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.

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Source: Online survey of property prices May 2019; HCA's Statistical Data Return 2018, Council LAHS 2018

Note : The assumptions used to assess the affordability of different forms of housing are still under review, so may be subject to change

The significant gap that exists between market entry rents and market entry purchase indicates that there is potential demand for part-ownership products for households in this gap, as well as other forms of assisted home purchase.

There are a range of products available including Intermediate Rent/Rent-to-Buy, Shared Ownership, Shared Equity and Starter Homes/discount home ownership. These can be considered in more detail at subsequent meetings of the Board.

The consultant's report is not yet completed. It will be possible to bring further information about the ability of different affordable housing products to meet the demand in the Borough to subsequent meetings of the Board.

Requirements of specific groups of the population

The consultants considered future requirements of the following groups within the population, some of whom might face difficulties in accessing their accommodation needs:

- Older persons
- People with disabilities
- Family households
- Essential local workers
- Younger people

Older Persons

The local housing need projections indicate that the population aged 65 or over is going to increase dramatically over the period to 2036. Given the higher levels of disability and health problems amongst older people, there is likely to be an

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increased requirement for specialist housing options moving forward. Two types of specialist housing are considered in the report. Firstly, housing for older people which covers social sector 'sheltered' and age-exclusive housing and private sector leasehold retirement housing. This would include schemes for rent and for sale, with on-site staff support, those with locality-based support services and schemes with no associated support services. Secondly, housing with care which includes schemes with extra care, often called 'assisted-living' in the private sector, with 24/7 care available on-site and housing schemes that offer bespoke care services, even if these are not full-on site 24/7 care, across both the social and private sector.

People with disabilities

The 2011 Census shows that 15.1% of Dartford's resident population considered themselves to have a long-term health problem or disability. Further analysis indicates that about 45% of these had a condition that limited day-to-day activities. As of 2019, 2.2% of the Dartford population was in receipt of a Personal Independence Payment to help with the extra costs resulting from a condition, whilst 1.8% of the population were in receipt of an independence allowance to help with personal care or supervision.

Using this information, the consultants modelled the need for lifetime homes. These provide increased width in the hallways, a downstairs toilet and the ability to install a stair lift. They estimated that between approximately 4,500 and 5,500 lifetime homes would be required in the general housing stock to meet requirements in 2036.

Some level of catering for these requirements is now mandatory through the Building Regulations. However, it does not meet the higher standard which enables such homes to be adapted to wheelchair accessibility, should this be necessary for a household in the future.

The report also noted that assistance provided through the Council through Disabled Facilities Grants can help with home adaptations to enable residents to remain in their existing home. The number of completions of such improvements over the last 6 years has averaged at 40.

Families with children

In 2011, according to the Census, 40.2% of households in Dartford were families with children, a figure higher than the regional figure (36.2%) and the national average (36.0%). There are notably fewer owner-occupiers with no-mortgage amongst couple households with children than amongst other households in Dartford. The proportion of this group in the social and private rented sector is lower than recorded for other households. Lone parents, however, are notably more likely than other households to be in both Social Rented and private rented accommodation.

The local housing need projections show that the total population of families with children is going to rise by about 4,800 to 2036, that is, by about 282 a year.

Essential local workers

It is important to understand the housing needs of essential workers so as to consider how they may be helped to remain in the local housing market. Essential local workers are considered to be those employed in the health and education sectors in the Borough.

There were 11,500 individual employee jobs in Dartford in 2017 in the categories of 'Education' and 'Human Health And Social Work Activities'. This represents 20.1% of all employees jobs in the Borough.

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The ability of an average person working in the education and health sectors to afford housing in Dartford was tested. Research of online vacancies in these sectors suggests that in Dartford the average starting salary for a teacher is around £23,000 with the average salary for a nurse in the Borough being around £21,000. These figures are examples at the bottom end and there are range of salaries in these professions in the Borough depending on level of expertise and experience.

A comparison of these incomes with the cost of housing indicates that on neither income would a person be able to afford a one bedroom private rented home in Dartford, which requires an income of £24,300. A one bedroom shared ownership home with either a 25% equity share or a 40% equity share would however be affordable to people on these salaries. At these lower levels, a joint mortgage or some form of financial assistance would be required to be able to afford to purchase a home in Dartford.

Younger people

Younger people were defined as those aged between 20 and 34 in the study. This group has become less significant within the national household profile as recorded by English Housing Survey; data from this source shows that in 2008-09 when the first data under the new definitions was published, 12.1% of owner-occupied households in England were headed by someone aged under 35, whereas currently (2016-17), 9.1% of owner-occupiers are aged under 35. A similar trend has been recorded in the social rented sector and the private rented sector. The English Housing Survey also records that the proportion of newly forming households aged under 35 has reduced from 91.6% in 2008-09 to 86.3% in 2016-07.

National 2017-based population estimates indicate that 20.2% of all residents in Dartford were aged between 20 and 34 in 2017, a figure higher than both the regional and national equivalents (18.0% and 20.0% respectively).

Approximately 38% of households headed by someone aged under 35 are owner-occupiers with or without a mortgage, as compared to approximately 70% of all households. Almost half of these households reside in the private rented sector.

The local housing need projections indicate that the population aged between 20 and 34 in Dartford is going to increase by approximately 2,500 between 2019 and 2036. The projections also suggest, however, that there will only be an increase of about 600 in the number of households headed by someone under 35. The proportion of these households living alone in Dartford will decrease from 25.0% in 2019 to 24.8% in 2036. There will be a gradual increase in the number of people aged under 35 that reside in 'other' households – these are usually house shares with people that are either friends or people that they have not previously known (or a combination of both).

Self Build

National guidance requires that the needs of those wishing to build or commission their own home are taken into account when planning for future housing. The Council has set up a register for people interested in undertaking a self-build development. This comprised 13 applicants in April 2019, when the list was refreshed to include only people that have lived in the Borough for at least 2 years.

National guidance suggests that data from the self-build register can be supplemented by information collated on the Self Build Portal. Based on data from this portal, Dartford is assessed as having a demand for 13 self-build plots per 100,000 people in 2018. This compares with 187 in Gravesham, 33 in Bexley, 53 in

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Sevenoaks and 39 in Thurrock. The interest in this type of housing provision, therefore, appears to be very limited in Dartford.

Future Housing Growth

Government policy requires that authorities plan positively to meet 'objectively assessed housing need' in their area, as well as unmet need from neighbouring areas, where it is practical to do so. The government has introduced a Standard Method for calculating Housing Need, which must be used in the assessment, unless there are exceptional circumstances which justify an alternative approach. In this context 'housing need' refers to demand for all housing tenures, not just affordable housing.

The baseline is set using the 2014-based national housing projections. This indicates that the number of households in Dartford will grow from 45,277 in 2019 to 51,161 in 2029. That is an extra 5,884 households over the decade or an average of 588 per year.

According to the methodology, this figure then needs to be adjusted to reflect the affordability of the area. This is calculated using a house price to workplace earnings ratio. An adjustment is required where the ratio is higher than 4. The affordability ratio in Dartford is 9.67 resulting in a local housing need figure of **797 per year** following the adjustment.

The Council will need to identify land to provide for this level of housing in its forthcoming Local Plan, also taking into account any unmet need from neighbouring areas, where it is practical to do so.

Housing supply – past trends and future projections

Over the past years, the Council has been working to housing need figures set out in the Core Strategy 2011, the current Local Plan for the area. This identified a requirement to plan, on average, for up to 865 homes p.a over a 20 year period, starting from 2006. The historic delivery rates have been as follows:

2006/ 7	2007/ 8	2008/ 9	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16
659	603	610	152	362	323	422	602	565	971

2016/17	2017/18	2019/20
1162	1031	1010

Over the 13 years so far, an average of 652 homes a year have been built. Delivery has increased significantly over the past four years, which is making up for the very low completions during the earlier recessionary years of the Plan. Whilst this Plan will remain in effect till the new one is adopted (assumed 2021), government policy says that the new standard methodology should be used for the purposes of assessing housing requirements, and consequently land supply for housing, if a plan is more than 5 years old. Future delivery will, therefore, be assessed against the figure of 797 homes p.a. which has been calculated using the standard method.

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The future supply of housing land is being identified and assessed as part of the current Local Plan preparation. The plan period is to run from 2021 to 2036, given rise to a requirement of a **minimum of 11,955 homes over the period** (797 x 15). Approximately 10,000 homes have a current planning permission and are likely to be built over the period. Further sites will need to be identified to meet the remaining minimum requirement of approximately 2,000 homes. Work is advanced in identifying potential sites. These will shortly be published for further consideration and consultation, as part of the Council's Strategic Housing Land Availability Assessment. The Council's decision-making in selecting the sites to be taken forward through the Local Plan will be assisted by further rounds of public consultation, before the Plan is submitted to the Planning Inspectorate for examination.

Relationship to the Corporate Plan

The Council has a strategic aim to facilitate quality, choice and diversity in the housing market, and assist in meeting housing need in Dartford.

Financial, legal, staffing and other implications and risk assessments*

Financial Implications	None arising from this report
Legal Implications	None
Staffing Implications	None
Administrative Implications	None
Risk Assessment	As stated in the body of the report much of the information derives from a study which is on-going and therefore subsequent work may change the conclusions.

6. Details of Exempt Information Category

Not applicable

7. Appendices

None.

BACKGROUND PAPERS

<u>Documents consulted</u>	<u>Date / File Ref</u>	<u>Report Author</u>	<u>Section and Directorate</u>	<u>Exempt Information Category</u>
		Teresa Ryszkowska (01322) 343631	Regen	N/A