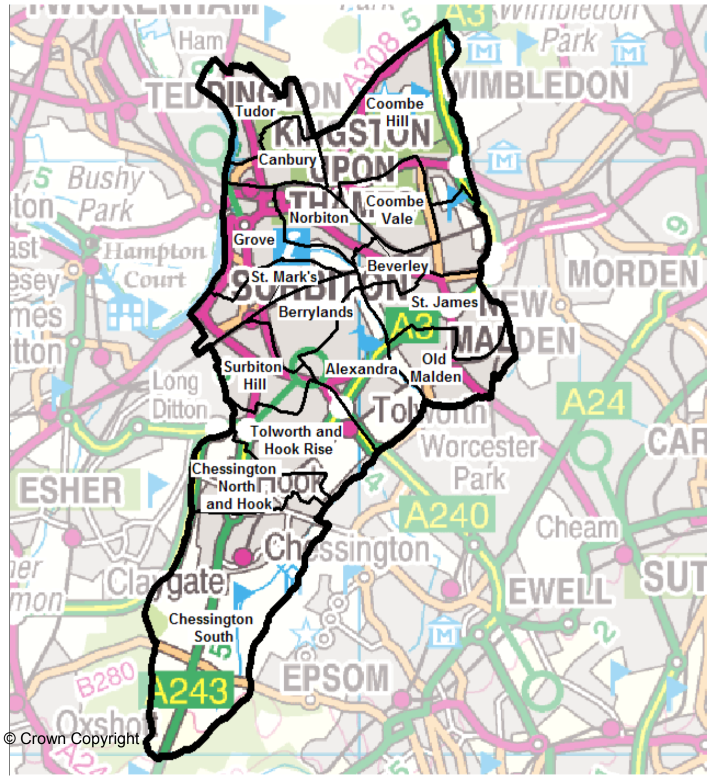
Kingston upon Thames Strategic Housing Market Assessment 2009

Supporting Report



First Draft
April 2009

fordham
RESEARCH

Chapter Listing

S1. Primary data collection

Data collection and weighting procedure

S1.1 The primary data was collected using postal questionnaires (a copy of the questionnaire is provided in Appendix A3). The sample for the survey was drawn, at random, from the Council Tax Register covering all areas and tenures groups in the Borough.

S1.2 In total, 1,958 postal questionnaires were returned. The number of responses provides sufficient data to allow complete, accurate and detailed analysis of need and demand across the Borough as a whole, and permits the presentation of data for a number of smaller sub-areas.

S1.3 Although the response represents a small percentage of the total household population, this does not undermine the validity of the survey as paragraph 18 of Strategic Housing Market Assessment Practice Guidance Annex C states:

> *A common misconception when sampling is that it should be based on a certain percentage of the population being studied. In fact, it is the total number of cases sampled which is important. As the number of cases increase, the results become more reliable but at a decreasing rate… Approximately 1,500 responses should allow a reasonable level of analysis for a local authority area.*

S1.4 It was necessary for the total number of households in the Borough to be estimated, in order for the data to be grossed up to represent the entire household population. A number of sources were consulted to estimate the current household population as shown in the table below.

Table S1.1 Estimates of household population

Source	Year	Household numbers
HSSA occupied dwellings	2008	62,567
HSSA household estimate	2008	61,000
CLG household projection	2009	68,000
GLA household projection	2009	66,280
Council Tax Occupied Dwellings	2009	62,171
Census	2001	61,426

S1.5 As we can see the most recent (2008 and 2009) household estimates differ considerably particularly those based on projections compared to the HSSA and council tax estimates.

S1.6 However when we looked at the relevant sources for 2001 including the Census the differences were not so great, with most pointing towards between 61,000 and 62,000. We also took into account build rates in Kingston as recorded by the Annual Monitoring Report, here it was suggested that an average of around 360 new units have been built in the Borough per annum. The rate of household growth is to a large extent constrained by amount of new properties that are built.

S1.7 It was therefore decided to apply the rate of newbuild to the number of households estimated in 2001 to get the 2009 household estimate. This is 64,500.

S1.8 The table below shows an estimate of the current tenure split in the Borough along with the sample achieved in each group. The data shows that around 69% of households were owner occupiers with 11% in the social rented sector and the remaining 20% in the private rented sector. It should be noted that the private rented sector includes those renting from a friend/relative or living in accommodation tied to a job.

Table S1.2 Number of households in each tenure group

Tenure	Total number of households	% of households	Number of returns	% of returns
Owner occupied (no mortgage)	17,461	27.1%	630	32.2%
Owner occupied (with mortgage)	27,097	42.0%	928	47.4%
Social rented	7,357	11.4%	159	8.1%
Private rented	12,585	19.5%	241	12.3%
Total	64,500	100.0%	1,958	100.0%

Source: Fordham Research household survey 2009

S1.9 Survey data was weighted to match the suggested tenure profile shown above. An important aspect of preparing data for analysis is 'weighting' it. As can be seen from the table above, social survey responses never exactly match the estimated population totals. As a result it is necessary to 'rebalance' the data to correctly represent the population being analysed via weighting. Weighting is recognised by the Strategic Housing Market Assessment Guidance as being a way of compensating for low response amongst certain groups. Although response rates were lower amongst certain groups of the population (e.g. private rented in the table above) the application of a sophisticated weighting process, as has been used in this survey, reduces any bias.

S1.10 As just discussed it is necessary to 'rebalance' the data to correctly represent the population being analysed. Data was also weighted to be in line with the estimated number of households in each of various groups (in addition to tenure, which is shown above):

- Ward
- Council Tax band
- Employment status

- Car ownership
- Dwelling type
- Number of people in household
- Ethnicity of household head
- Age of household members

S1.11 Household survey data was collected for 8 student-only 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 household survey-based information presented in the SHMA report (unless stated otherwise), including the assessment of housing need. Removing these households means the total number of households considered in the primary survey analysis in the SHMA report is 63,828.

Non-response and missing data

S1.12 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.

S1.13 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 partners 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

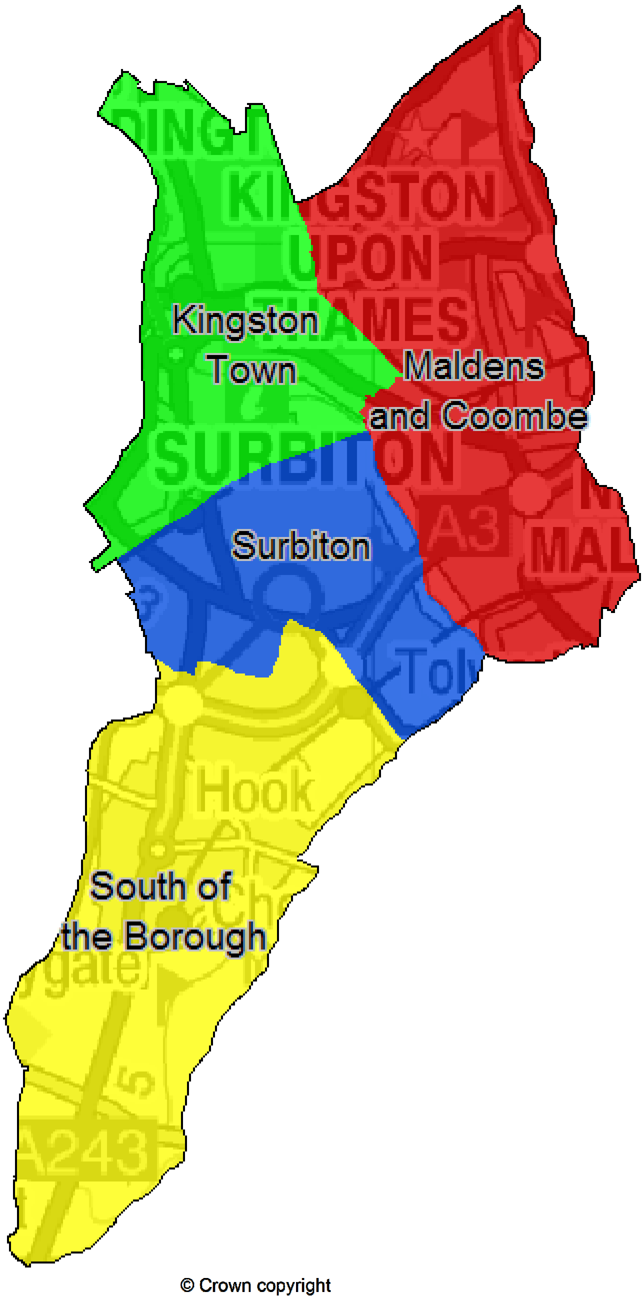
S1.14 To overcome these problems missing data was 'imputed'. Imputation involves substituting for the missing value, a value given by a suitably defined 'similar' household, where the definition of similar varies depending on the actual item being imputed.

S1.15 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, household size and age of respondent.

Sub-areas in Kingston

S1.16 Findings from the primary data are presented for four sub-areas within the Borough, which are shown on the below map. The sub-areas are comprised of groups of wards, as shown in the table below.

Figure S1.1 Kingston sub-areas



Source: Royal Borough of Kingston upon Thames Council 2009, mapped by Fordham Research 2009

Table S1.3 Sub-areas and wards within Kingston

Sub-area	Wards
Kingston Town	Canbury, Grove, Norbiton, St Marks, Tudor
Maldens and Coombe	Beverley, Coombe Hill, Coombe Vale, Old Malden, St James
Surbiton	Alexandra, Berrylands, Surbiton Hill
South of the Borough	Chessington North and Hook, Chessington South, Tolworth and Hook Rise

Source: Royal Borough of Kingston upon Thames Council 2009

S2. The current housing market

Introduction

S2.1 This chapter provides a fuller account of the estate and letting agent interviews summarised in Chapter 3 of the main SHMA report.

S2.2 A survey of estate and lettings agents was carried out in the London Borough of Kingston upon Thames as part of the Strategic Housing Market Assessment (SHMA) being carried out by Fordham Research on behalf of the Council. A description of the approach and some of the key findings from the interviews will be outlined in this chapter. A summary of these findings is presented in Chapter 3 of the main SHMA report.

S2.3 Estate and letting agents surveys are an important part of the SHMA process, they allow for an understanding of the most recent trends in the market at a local level, where the agents operate. The results inform and add context to the analytical work that goes on in the SHMA, key analytical inputs such as house prices and rents are tested with the agents.

S2.4 General findings from the research will be presented initially, followed by a discussion of the findings in the different areas of Kingston.

Approach

S2.5 The interviews in the Borough were carried out over one day. The main settlements of Kingston, New Malden, Surbiton and Chessington were visited; interviews with estate and lettings agents were carried out in each of the areas.

S2.6 It was also thought to be important to visit a range of agents, from those operating at the top end of the market, often with large catchment areas, to more local agents operating towards the bottom end of the market.

S2.7 Agents were approached without any prior contact and were asked if they were willing to take part in the research. The questions were from a semi-structured questionnaire that covered availability of properties, prices, recent trends in the market, and characteristics of customers.

S2.8 In total 16 interviews were completed, some agents specialised in either sales or lettings, most covered both. In all 13 responded to the sales interview, with 10 to the lettings interview.

General findings

S2.9 The Borough of Kingston upon Thames is a popular place to live; the town of Kingston is desirable and attracts people with its shopping, bars and restaurants. For families, there are a number of good schools in the area, one of the best states schools in the country is in North Kingston and there is a demand to be in the school catchment area.

S2.10 All agents agreed that there had been significant slowing in the sales market in Kingston upon Thames, although some suggested that since Christmas 2008 the situation had stabilised a little.

S2.11 Most agents agreed that asking prices were not being met; most said that discounts were ranging from between 5%-15% off the asking price, although a couple said that up to 25% had come off some properties. This trend seems to be stabilising since Christmas with sellers becoming more realistic about the value of their property. A number of agents spoke of the need for sellers to be realistic about the value of their property.

S2.12 Owners, who initially wanted to sell their property, had decided to hold on to it and rent it out. Where agents dealt with both sales and lets, they had simply been swapped within the office. This is increasing the number of properties on the market to rent and resulted in a reduction in the price of rental properties.

S2.13 Agents were asked about whether many sales were falling through. There were differing responses to this. Some said very few, with the speed of getting the deals finalised key to this. Others suggested that towards the end of 2008, this was a major problem with some buyers pulling out after getting cold feet and worrying about falling prices, others had instances of surveyors down valuing property. There was a level of anger from a couple of agents about surveyors down valuing even when comparable properties had shown that the price was realistic. Other reported that some sales had fallen though, but mainly due to non-‘credit-crunch’ issues.

S2.14 Agents were also asked whether there had been many cases of buyers having reduced there offer after having it accepted (gazundering). Most agents said that this wasn’t a major problem. One said that it was a major problem before Christmas although it hasn’t happened so much in the last couple of weeks. Instances have seemed to increase in the last year.

S2.15 The deposit needed for people to buy a property is an issue that came up in most interviews, although agents said that you can get mortgage with a 10% deposit if you have a credit rating that is ‘whiter than white’ the interest rates on the mortgages with a deposit of less than 25% is high. Most agents suggested that a 25% deposit was realistically the minimum.

S2.16 A number of agents reported that there has been an increase in recent months of buyers using HomeBuy, which has enabled a number of first time buyers to get on the market

Kingston and North Kingston

S2.17 Four agents operating in the centre of Kingston were visited, with two agents to the north of the town centre.

S2.18 Agents in the centre mainly dealt in flats, agents suggested that there was a large supply of two bed flats, one agent said more of these types of dwellings are needed, another suggest they could sell more one bed. One agent suggested that more houses were required; three bedroom semis were preferable.

S2.19 Entry level prices differed between agents, the agents operating towards the higher end of the market suggested the £200,000 mark for a one bedroom flat, other agents put the figure closer to £150,000-£175,000.

S2.20 One agent said that there had been a market in a number of ex local authority dwellings, these particular properties were un-mortgageable but some investors were paying cash and letting them out, he suggested that this market had dried out recently though.

S2.21 Kingston town centre is popular with young professional couples, agents said the train links into London were a big pull for buyers, these were often first time buyers, the riverside flats are particularly popular.

S2.22 The town centre agents and the North Kingston agents said that the schools of North Kingston were a particular pull for families moving into the area. Demand and prices in the North Kingston area were said to have remained relatively stable.

S2.23 In terms of lettings, agents had differing views. One agent suggested that rents had increased by up to 20-25% however most others suggested that prices have dropped by between 10-15%.

S2.24 Letting agents suggested that there had been an increase in both supply and demand for private rentals, one specialised letting agent suggesting that it had increased by 30%.

S2.25 Two of the agents also reported an increase in the number of housing benefit claimants in the last couple of months.

S2.26 Agents reported that there was demand from people moving from Putney or Wimbledon, or people who would like to live in those areas but couldn’t afford or wanted more space.

New Malden

S2.27 Three agents in New Malden were visited, two agents dealing with lettings and one dealing with sales were spoken to.

S2.28 They identified that there were lots of one and two bedroom flats available at the moment and that there was a need for more three bed houses. There was also unfulfilled demand for high specification properties.

S2.29 The agent said that although he did not have any newbuild at that time, he would like some as they sell well.

S2.30 Agents reported that there was demand from people moving from Putney or Wimbledon, or people who would like to live in those areas but couldn't afford.

S2.31 The agent said there was a lot of demand for housing in Coombe, the most expensive areas locally.

S2.32 New Malden was popular area with purchasers as it is considered a safe area, there are also good schools in the area and good transport links. Being close to Kingston town was also seen as a pull to the area.

S2.33 Two of the agents visited in New Malden said that there was a large Korean or Japanese background in the New Malden area. There was a large demand for housing from this community and people of this background moving into the area.

S2.34 Letting agents suggested that turnover in the private rented sector differed by the type of dwelling, one and two bedroom flats tended to be let in a couple of weeks, whilst three and four bedroom accommodation took longer. The agent did say that there was a demand for three bedroom rented properties.

Surbiton

S2.35 Five agents were visited in Surbiton, five interviews with agents dealing with sales, three of these also dealt with lettings.

S2.36 Some of the agents here were dealing with newbuild properties, one agent had recently sold nine two bedroom flats for buy to live, buyers had ranged from first-time buyers to older people.

S2.37 Surbiton Plaza is another recent newbuild development; one agent said all but five of the properties had been sold.

S2.38 The agents in Surbiton also covered the area of Berrylands, which was said to be a good residential area, although at a slightly cheaper price than Surbiton and Kingston.

S2.39 Agents suggested that purchasers were coming from a range of areas, some said that most were local, although there did seem to be a large proportion coming from South London.

S2.40 Young professional first time buyers were the largest group looking to buy in the area. The HomeBuy scheme also came up in discussions.

Chessington

S2.41 One agent in Chessington was visited; they dealt with both sales and lettings.

S2.42 There was said to be a good supply of two bedroom homes in this area, unlike other areas in the Borough

S2.43 Prices in Chessington were said to be cheaper than the areas to the north of the Borough.

S2.44 People were said to be moving into the area from Surbiton and Epsom. The transport links into London were said to be not as good as other parts (Surbiton, Kingston) of the Borough.

S2.45 This agent said they were doing a very good trade with first-time buyers using HomeBuy.

S3. Housing need

Current need

S3.1 The first half of this chapter considers Current Need: the first stage of the needs assessment model. This begins with an assessment of housing suitability and affordability and also considers homeless households before arriving at a total current need estimate (gross). An assessment of the stock available to offset this need follows, which then enables the net current need estimate to be calculated.

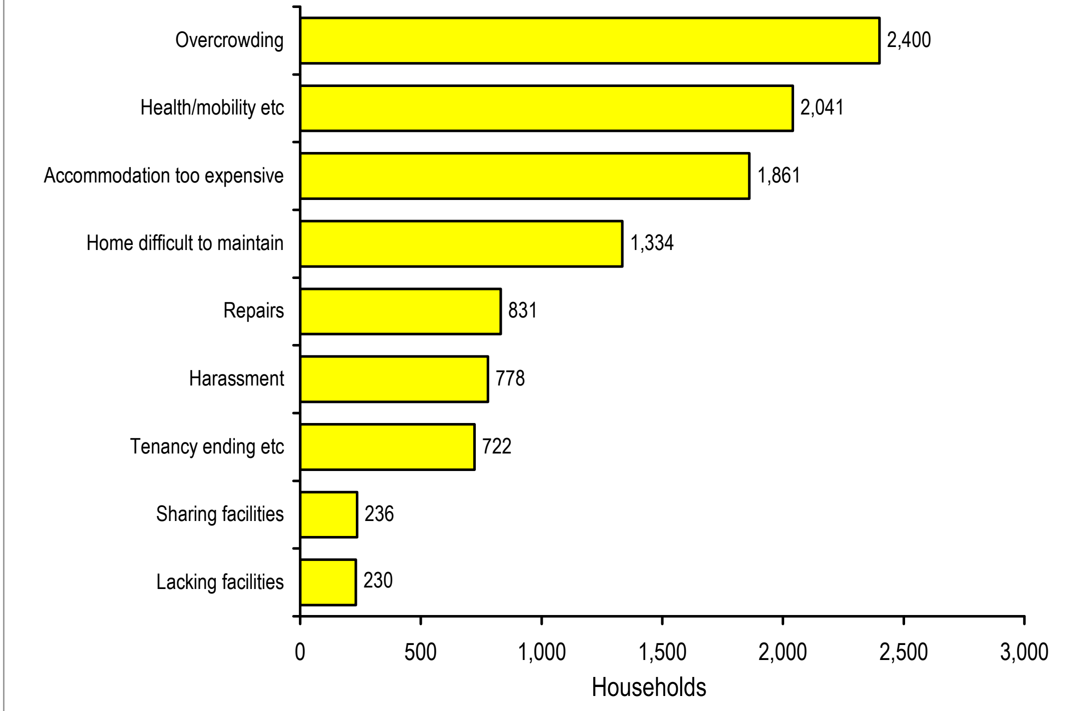
Unsuitable housing

S3.2 A key element of housing need is an assessment of the suitability of a household's current housing. The CLG guide sets out a series of nine criteria for unsuitable housing - which has been followed in this report. In Kingston it is estimated that a total of 7,124 households are living in unsuitable housing (this represents 11.0% of all households in the Borough).

S3.3 The figure below shows a summary of the numbers of households living in unsuitable housing (ordered by the number of households in each category). It should be noted that the overall total of reasons for unsuitability shown in the figure will usually be greater than the total number of households with unsuitability, as some households have more than one reason for unsuitability.

S3.4 The main reason for unsuitable housing is the category of overcrowding, followed by health and/or mobility problems because of the condition of the home.

Figure S3.1 Summary of unsuitable housing categories



Source: Fordham Research household survey 2009

S3.5 The table below shows unsuitable housing by tenure. The patterns emerging suggest that households living in rented accommodation are generally more likely to be in unsuitable housing than owner-occupiers.

S3.6 It is estimated that 22.1% of households in private rented accommodation and 30.8% of households in the social rented sector are living in unsuitable housing. This compares with 3.7% and 5.3% of households in owner-occupied (no mortgage) and owner-occupied (with mortgage) tenures respectively.

Table S3.1 Unsuitable housing and tenure

Tenure	Unsuitable housing			
	In unsuitable housing	Number of h'holds in Borough	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Owner-occupied (no mortgage)	644	17,461	3.7%	9.0%
Owner-occupied (with mortgage)	1,430	27,097	5.3%	20.1%
Social rented	2,263	7,357	30.8%	31.8%
Private rented	2,787	12,585	22.1%	39.1%
Total	7,124	64,500	11.0%	100.0%

Source: Fordham Research household survey 2009

S3.7 In terms of sub area, it is estimated that 12.3% of households in Kingston and 11.1% of households in Maldens and Coombe live in unsuitable housing. Just over two thirds of all unsuitably housed households live in these two sub areas.

Table S3.2 Unsuitable housing and sub area

Sub area	Unsuitable housing			
	In unsuitable housing	Number of h'holds in Borough	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Kingston Town	2,728	22,203	12.3%	38.3%
Maldens and Coombe	2,056	18,480	11.1%	28.9%
Surbiton	1,179	12,370	9.5%	16.5%
South of the Borough	1,162	11,446	10.1%	16.3%
Total	7,124	64,500	11.0%	100.0%

Source: Fordham Research household survey 2009

'In-situ' solutions

S3.8 The survey has highlighted that 7,124 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.

S3.9 The survey data therefore estimates that of the 7,124 households in unsuitable housing, 4,914 (or 69.0%) do not have an in-situ solution and therefore require a move to alternative accommodation.

Affordability

S3.10 Using the affordability methodology set out in the previous chapter it is estimated that there are 3,292 existing households that cannot afford market housing and are living in unsuitable housing (and require a move to alternative accommodation). This represents 5.1% of all existing households in the Borough – these households are considered to be in housing need. It should be noted that student households are removed from the calculation as this point as it is recognised that they have very different housing requirements to other household groups, and that there housing situation is likely to change very rapidly.

S3.11 The table below shows the tenure of the households currently estimated to be in housing need. The results show that social rented tenants are most likely to be in housing need (15.2% of households in the private rented sector are in housing need). Of all households in need, 34.1% currently live in social rented accommodation and 54.1% in private rented housing.

Table S3.3 Housing need and tenure

Tenure	Housing need			
	In need	Number of h'holds in Borough	% of total h'holds in need	% of those in need
Owner-occupied (no mortgage)	52	17,461	0.3%	1.6%
Owner-occupied (with mortgage)	339	27,097	1.2%	10.3%
Social rented	1,121	7,357	15.2%	34.1%
Private rented	1,779	12,585	14.1%	54.1%
Total	3,292	64,500	5.1%	100.0%

Source: Fordham Research household survey 2009

S3.12 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, and households from other tenures in need. It is estimated that some 1,121 households in need currently live in affordable housing.

S3.13 The table below shows households currently estimated to be in housing need by sub area. The results show that households in Kingston Town are most likely to be in housing need (around 5.4% of households). Of all households in need, over two-thirds currently live in this sub area.

Table S3.4 Housing need and sub area

Tenure	Housing need			
	In need	Number of h'holds in Borough	% of total h'holds in need	% of those in need
Kingston Town	1,206	22,203	5.4%	36.7%
Maldens and Coombe	882	18,480	4.8%	26.8%
Surbiton	641	12,370	5.2%	19.5%
South of the Borough	562	11,446	4.9%	17.1%
Total	3,292	64,500	5.1%	100.0%

Source: Fordham Research household survey 2009

Homeless households

S3.14 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.

S3.15 To assess the number of homeless households we have used information contained in the Councils' P1(E) Homeless returns. This information is collected by the CLG (http://www.communities.gov.uk/documents/statistics/xls/1173178.xls) on homeless households accommodated by the authority at the end of the quarter. The important point about this information is that the data "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 fourth quarter of 2008 is shown in the table below.

Table S3.5 Homeless households accommodated by authority (Section E6, P1(E) form)

Category	Number of households
Bed and breakfast	7
Other nightly paid	0
Hostel	60
Private sector accommodation leased by authority/ RSLs	495
Directly with a private sector landlord/other	80
Within Council's/RSL own stock	66
Total	708

Source: Royal Borough of Kingston upon Thames Council P1(E) form (Quarter 4 2008)

S3.16 Not all of the categories in the above table are added to our assessment of existing and newly forming households in need. This is because, in theory, they will be part of our sample for the Housing Needs Assessment survey sent out to households in the borough. For example, households housed in Council 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 homeless households identified in the P1E form, 67 shall be considered as in housing need.

Total current need (gross)

S3.17 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 3,359 households in need in Kingston.

Table S3.6 Backlog of housing need		
Step	Notes	Number
1.1 Homeless households and those in temporary accommodation		67
1.2 Overcrowding and concealed households	Two steps taken together	3,292
1.3 Other groups		
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	3,359

Source: Fordham Research household survey 2009

Available stock to offset current need

S3.18 The next stage in the backlog considers the stock available to offset the current need. This 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.

S3.19 Firstly, it is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As stated in previously, there are currently 1,121 households in need already living in affordable housing.

Surplus stock

S3.20 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. The CLG Guide suggests that if the vacancy rate in the affordable stock is in excess of 3% then some of the vacant units should be considered as surplus stock which can be included within the supply to offset needs. Kingston records a vacancy rate in the social rented sector of 2.5%; therefore no vacant units need to be brought back into use.

Committed supply of new affordable units

S3.21 The CLG Guide 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 we have taken HSSA data showing the number of planned and proposed affordable units for the period 2008-2010 as a guide to new provision.

S3.22 Overall the 2008 HSSA data suggests that there are 76 affordable dwellings planned or proposed for 2008/09 and 2009/2010 (of which are 60 social rented and 16 are shared ownership/shared equity).

Units to be taken out of management

S3.23 The Guide states that this stage 'involves estimating the numbers of social rented or intermediate 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 unknown and hence a figure of zero has been used in this step of the model.

Total available stock to offset current need

S3.24 Having been through a number of detailed stages in order to assess the total available stock to offset need in the Borough we shall now bring together all pieces of data to complete this part of the needs assessment. The data (in the table below) shows that there are an estimated 1,197 properties available to offset the current need in Kingston.

Table S3.7 Current supply of affordable housing

Step	Notes	Number
3.1 Affordable dwellings occupied by households in need		1,121
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		76
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	1,197

Source: Fordham Research household survey 2009

Total current need

S3.25 It is estimated that there is a current need to provide 3,359 units of affordable housing to meet the current need. Current sources are estimated to be able to provide 1,197 of these units.

Future need

S3.26 In addition to Current Need, there will also be Future Need. This is split, as per CLG guidance, into two main categories. These are as follows:

- New households formation (× proportion unable to buy or rent in market)
- Existing households falling into need

S3.27 There will be a flow of affordable housing to meet this need. Calculation of the future supply of affordable units follows this analysis; this consists of the annual supply of social re-lets and intermediate housing. The following sections deal with these points in detail.

New household formation

S3.28 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. It should be noted that student households are removed from this calculation for the reasons stated above. Households in owner occupation and tied accommodation are also removed from at this point as newly formed households that have moved into these tenures are seen as having had there needs met.

S3.29 The tables below show details of the derivation of new household formation. The tables begin by establishing the number of newly forming households over the past two years – an affordability test is then applied.

Table S3.8 Derivation of newly arising need from new household formation

Aspect of calculation	Number		Sub-total
Number of households moving in past two years		7,695	
Minus households NOT forming in previous move	-4,500		3,195
Times proportion unable to afford		55.5%	
ESTIMATE OF NEWLY ARISING NEED		1,773	
ANNUAL ESTIMATE OF NEWLY ARISING NEED		887	

Source: Fordham Research household survey 2009

S3.30 The table above shows that an estimated 3,195 households are newly formed within the Borough over the past two years (1,598 per annum). Of these it is estimated that 887 (per annum) are unable to afford market housing without some form of subsidy – this represents the annual estimate of the number of newly forming households falling into need.

Existing households falling into need

S3.31 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 a quarter of their gross income on housing, which is considered unaffordable (or indeed a combination of both).

S3.32 Households previously living with parents, relatives or friends 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. Student households and households that are owner occupying or living in tied accommodation are removed from this calculation at this point for the reasons stated above.

S3.33 The table below shows the derivation of existing households falling into need.

Table S3.9 Derivation of Newly Arising Need from existing households

Aspect of calculation	Number	Sub-total
Number of households moving in past two years	7,695	
Minus households forming in previous move	-3,195	4,500
Minus households transferring within affordable housing	-726	3,774
Times proportion unable to afford	41.5%	
ESTIMATE OF NEWLY ARISING NEED	1,569	
ANNUAL ESTIMATE OF NEWLY ARISING NEED	785	

Source: Fordham Research household survey 2009

S3.34 The table above shows that a total of 3,774 existing households are considered as potentially in need (1,887 per annum). Using the standard affordability test for existing households it is estimated that 41.5% of these households cannot afford market housing. Therefore our estimate of the number of households falling into need excluding transfers is 1,569 households over the two-year period. Annualised this is 785 households per annum.

Total future need (gross)

S3.35 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 1,672 households per annum.

Table S3.10 Future need (per annum)

Step	Notes	Number
2.1 New household formation (gross per year)		1,598
2.2 Proportion of new households unable to buy or rent in the market		55.5%
2.3 Existing households falling into need		785
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	1,672

S3.36 The table below shows households in future need by sub area. Households in Kingston Town were most likely to be in need (6.9% of households) and comprised more than 45% of households in future need. Households in the South of the Borough were least likely to be in future need.

Table S3.11 Future need and sub area

Tenure	Future need			
	In need	Number of h'holds in Borough	% of total h'holds in need	% of those in need
Kingston Town	1,523	22,203	6.9%	45.6%
Maldens and Coombe	926	18,480	5.0%	27.7%
Surbiton	663	12,370	5.4%	19.9%
South of the Borough	230	11,446	2.0%	6.9%
Total	3,342	64,500	5.2%	100.0%

Source: Fordham Research household survey 2009

Future supply of affordable housing

The future supply of social rented housing

S3.37 The guidance suggest that Step 3.6 of the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future.

S3.38 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 2008 HSSA. The average number of lettings over the two-year period was 224 per annum.

Table S3.12 Analysis of past housing supply (council rented sector)

Source of supply	2006/07	2007/08	Average
LA lettings through mobility arrangements	6	0	3
LA lettings to new secure tenants	3	2	3
LA lettings to new tenants on an introductory tenancy	177	214	196
LA lettings to new tenants on other tenancies	49	14	32
(Exclude transfers from RSL)	-3	-15	-9
LA TOTAL EXCLUDING TRANSFERS	232	215	224

Source: Royal Borough of Kingston upon Thames Council HSSA 2008

S3.39 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 transfers within the social rented sector) from each of these sources over the past two years. The average for the two-year period from both sources together is 129 per annum.

Table S3.13 Analysis of past housing supply (RSL sector) (excluding transfers)

	2006/07	2007/08	Average
HSSA data	68	161	115
CORE data	135	153	144
AVERAGE	102	157	129

Source: Royal Borough of Kingston upon Thames Council HSSA 2008 CORE 2007/2008

S3.40 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, excluding all transfers within the social rented sector. This equates to 353 dwellings per year (224+129).

Intermediate supply

S3.41 In most local authorities the amount of intermediate housing (mostly shared ownership) available in the stock is fairly limited (as is the case in Kingston). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.

S3.42 Therefore we include an estimate of the number of shared ownership units that become available each year. The Regulatory Statistical Returns Survey provides an estimate of the size of the intermediate stock at Local Authority level, for Kingston this is 255. To this number we can apply a re-let rate, a report by the JRF (Achieving Mobility in the Intermediate Housing Market: Moving Up and Moving On?, 2008) estimates that the national re-let rate on shared ownership properties is 5%. Applying this re-let rate to the estimated stock of shared ownership housing it is estimated that around 13 units of intermediate housing will become available to meet housing needs from the existing stock of such housing.

Total future supply

S3.43 The total future supply is estimated to be 366, comprised of 353 units of social re-lets and 13 units of intermediate housing (shared ownership).

Table S3.14 Future supply of affordable housing (per annum)		
Step	Notes	Number
3.6 Annual supply of social re-lets (net)		353
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		13
3.8 Annual supply of affordable housing	4.1+4.2	366

Total future need

S3.44 The data suggests that on an annual basis there will be 887 newly forming households requiring affordable housing and a further 785 existing households. The total future need for affordable housing is therefore estimated to be 1,672 units per annum.

S3.45 The supply of affordable housing to meet this need has also been estimated from past trend data. This data suggests that the current stock of affordable housing is likely to provide around 366 units.

S4. Updating the findings

S4.1 There are a wide range of data sources from which the general (secondary data) findings of this SHMA can be updated. A useful list will be found in Annex B of the Strategic Housing Market Assessment Practice Guidance. That list is very comprehensive as to sources. The following table takes it a stage further by outlining the strengths and weaknesses of the key sources. This is something which the non-professional user may not know, and so it may be useful to provide some guidance.

Table S5.1 Secondary data sources: strengths and weaknesses		
Topic and source	**Frequency/scale**	**Strengths and Weaknesses**
(1) Survey of English Housing: a wide range of socio-economic data on housing	Annual; national and regional (sample c 20,000)	Excellent contextual source on all aspects of housing. Its weakness is that no further cross-tabulation is possible and supply and demand issues are not covered. In addition its scale does not permit accurate analysis at SHMA level
(**2) English House Condition Survey.** Mainly useful for housing stock evidence. Due to be combined with (1).	Annual; national and regional (sample 10,000)	Very good for provision of housing stock numbers at regional scale; also provides much detail on the 'decency' and general state of housing. Not as directly relevant to housing market analysis as (1) but valuable for the overall evidence base
(3) 2001 Census	10 years; available at very local areas	The best source for many background purposes: e.g. migration as it shows everyone moving to and from everywhere. It is now somewhat out of date. The main weaknesses for SHMA purposes are that it contains neither financial capacity information (not even income) nor indications of movement intentions. It is therefore of little use in producing plausible modelling of a housing market
(4) General Household Survey (GHS).	Annual; down to regional scale	Excellent descriptive source. Of little practical use in SHMA analysis for similar reasons to the Census. It does not provide data for individual households containing housing and financial data, essential for modelling housing market behaviour
(5) **NOMIS website** [contains many other general data sources]	Available all the time and at many scales	The best ready source for most secondary data; weaknesses are as per the above sources. It does not provide the analytical inputs to a SHMA process, but much valuable background.
(6) Population projections (ONS)	Annually updated; regional and Borough level	They are conveniently detailed, but are not of much direct use in SHMA analysis, since they are not based on households (see below)

(7) Household projections (CLG)	Due to be every 2 years; regional and usually Borough level availability; annual mid-year estimates are produced for Boroughs	Much more useful than population, and a vital background series. The only commonly available projections for 15-20 year horizons. The price of this long view is that the data does not reflect housing markets. Although sometimes wrongly referred to as a 'demand' forecast, it is not. It is based on assumptions about household formation drawn from the current socio-economic situation. This may change both nationally and locally if socio-economic situations change (as they normally do. Hence these projections must be treated as 'guesses' or 'policy led' (i.e. what it is hoped may happen, not as any guide to what the housing market may do).
(8) English Longitudinal Survey of Ageing (NCSR)	Bi-annual; national	Valuable background source. Useful for health; general economic situation and quality of life. Not of practical value for SHMA analysis due to scope and sample size
(9) National Health Service (NHS) Central Register	Quarterly or annual; national, regional and Borough	Extremely useful as it is the best source for migration in between the 10 year censuses. Of very limited use for checking primary data, unfortunately, as it is biased by the fact that younger men and more mobile people are less likely to register. As it is collected at an individual rather than household level there are further limitations to its use in SHMA analysis.
(10) Inland Revenue income data	Annual; regional and Borough	Valuable as background; very limited usefulness in SHMA work as it is personal (not family) and cannot be correlated with other information (such as equity and household characteristics)
(11) Annual Survey of Hours and Earnings (ASHE)	Annual; regional and some Borough level data	The best source for individual income, but it is employment and individual, not home and household based. Moreover it is not possible to relate the data to housing and other financial data for SHMA analysis.
(12) CORE (U of St Andrews	Annual; Borough	The best source for social rents
(13) Rightmove (and other similar websites)	Continuous; very local	By far the best source for both local house prices and rents. It is quicker to scan this than to look at other secondary sources and much more up to date
(14) Land Registry Sales of all housing	Quarterly; postcode sector	By far the best background source on value of dwellings. It does not contain information on size of property nor on repairs costs, and so it cannot be directly used in SHMA analysis. However it provides the only reliable dynamic source for past price changes

(15) Housing Strategy Statistical Annex (HSSA) CLG	Annual; Borough	A good source for current housing at borough level, especially figures for the Housing Register and newbuild affordable housing. It is dependent on forms returned by borough, and is of very variable accuracy. Many boroughs, when approached directly, produce different statistics to the HSSA.
(16) Annual survey of mortgage lenders	Annual; regional	The most comprehensive source for overall mortgage amounts and types. It does not (and nor do those of particular lenders) provide the full range of financial capacity for the households concerned, and so it cannot be used in SHMA analysis.
(17) Valuation Office Agency: value of properties sold	Quarterly; postcode sector	Excellent source, now subject to a charge though; it simply provides valuation for the stock of housing and again cannot be cross-tabulated reliably with other data.
(18) Council Tax Band data (from boroughs)	Annual; borough	The best source for value of properties in a borough; can be rendered of little value if there are wide areas of for example low priced housing, all in Band A
(19) Labour Force Survey ONS	Quarterly; borough	The best source for employment trends; cannot be related usefully to housing market statistics
(20) Index of multiple deprivation CLG	4-5 years; borough or lower	Key reference as a general description of the circumstance of the population, with obvious focus on deprivation (income, health, education, disabilities, barriers to housing.
(21) Economic forecasts Treasury and commercial sources	Regular; regional and borough	Forecasts exist (e.g. Oxford Economic Forecasting) in considerable detail at borough level showing changes in types of employment, and migration for decades ahead. They are highly speculative, but do provide useful background to an SHMA

Source: Annex B to the CLG Practice Guidance (August 2007); and Fordham Research 2008

S4.2 There are many other possible sources, and the list in the Annex is longer than this one. However the other sources are more minor, and are more readily accessed through such sites as NOMIS (by topic).