



# Report

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London  
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Royal Borough of  
Windsor & Maidenhead

# Strategic Housing Market Assessment

## Report

January 2014



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**For and on behalf of GVA Ltd**

## Executive Summary

- 1.1 This report is intended as an update to the 2007 Berkshire Strategic Housing Market Assessment (SHMA), utilising secondary data sources and following the methodology set out in the DCLG Practice Guidance Version 2 'SHMA' August 2007.
- 1.2 The Royal Borough is currently preparing a Borough Local Plan (previously referred to as a Core Strategy), which has been subject to various periods of public consultation since 2006. The Strategic Housing Market Assessment forms part of the evidence base for the new Local Plan.
- 1.3 RBWM Housing Market Area (HMA) is identified using housing trends, travel to work patterns and migration data. The analysis shows that RBWM is located within an area of significant and complex interrelationships, with no dominant town. The Housing Market Area therefore comprises, either in part or as a whole, the following Local Authority Areas: RBWM, Reading, Wokingham, Bracknell Forest, Wycombe, South Bucks, Slough, Surrey Heath, Spelthorne and Runnymede.

### Housing Stock

- 1.4 According to the 2011 Census, the HMA has a population of 1,208,811 people and 478,341 households. These are housed in 496,351 household spaces. The Royal Borough of RBWM (RBWM) has a population of 144,560 people and 58,349 households. These are housed in 60,943 household spaces. RBWM equates to 12% of the population and 12.3% of the household spaces in the wider HMA.
- 1.5 The majority of homes in the housing market area are privately owned (c.70%). The last decade has seen an increased proportion of private rented properties, however this is concentrated in the urban areas of the HMA.
- 1.6 The housing stock in the HMA broadly reflects the era and condition of housing across England and also the South East, with two and three bedroom properties making up the highest proportion of dwellings. Smaller properties (one and two bedroom properties) tend to be found within the major towns, such as Reading, whereas larger properties are located in more suburban or rural areas.

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- 1.7 In total, 2,000 net dwellings<sup>1</sup> were delivered in the Borough between 2006/07 and 2011/12. Almost 70% of these have been 1 and 2 bedroom houses. The number of new net dwelling completions peaked in 2008/09, and has subsequently seen a year-on-year decline since. The largest number of homes has been delivered in Maidenhead Town.

### Demographic Trends

- 1.8 At the last Census, over 1.2 million people lived in the HMA, a growth of 7.1% since the 2001 Census (1.1 million people). Population growth across the local authorities has varied from 17.8% in Slough to 2.8% in Wycombe. The population of RBWM has grown by 8.2% since the previous Census.
- 1.9 RBWM has a lower proportion of the younger working age population (18-29 year olds) compared to the rest of the HMA and South East generally. This may be a result of several factors most notably higher house prices, including in the entry level range, a smaller proportion of entry level stock and the absence of large scale higher education facilities, except in Reading. By contrast, the more settled working age group of 30-64 year olds has a higher representation than the national and regional average. The wider HMA includes Reading and Slough, which have a generally younger population. There are local factors in RBWM that see a drop in 18 years olds as the high concentration of private school boarders leave the Borough, alongside movement among residents of this age group.

### Economic Climate

- 1.10 The economy of RBWM and its HMA is largely influenced by its strategic location to the west of London and the proximity of key transport connections such the M3, M4, M40 and M25 motorways, First Great Western, South West and Chiltern railways and Heathrow airport.
- 1.11 The financial crisis and subsequent downturn has impacted on the economic health of the HMA however. In RBWM, the employment rate peaked at 79.5% in March 2009, before falling to a low of 74.4% in March 2011. Since then, the rate of employment has recovered to 77.9%<sup>2</sup>. The 2012/13 Nomis rate of employment (78.4%) is significantly above the national average (70.5%).

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<sup>1</sup> Dwelling as defined by <https://www.gov.uk/definitions-of-general-housing-terms>

<sup>2</sup> figure for Employment rate of those aged 16-64 Jul 2012-Jun 2013 taken from Annual Population Survey



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- 1.12 Unemployment in the HMA has historically been low, never rising above 5.1% between 2004/5 and 2008/9. Slough has the highest level of unemployment in the HMA (7.6%) with the lowest levels in RBWM itself (3.6%). Experian forecasts total employment across the HMA will grow by 24% between 2012 and 2030. Bracknell Forest and Spelthorne are predicted to experience the highest rate of employment growth at 31%, followed by RBWM at 30% growth over the period. The immediate outlook for overall employment is beginning to show signs of improvement despite the number of unemployed nationally remaining at approximately 2.5 million.
- 1.13 There are current indicators of an increase in housing demand and rising home prices. London and the South East have experienced the highest regional increases, although there is variation within these regions. The low level of transactions in recent years has created a pent up demand for housing, as household growth has continued. Demand is now being released as employment, mortgage availability and consumer confidence has improved.

### Housing Trends

- 1.14 Housing affordability has become a key issue nationally, driven by house price growth and relatively low income growth. The ability of households to access affordable housing that meets their needs, is fundamental to ensuring that the Borough's stated housing objectives are achieved. Whilst housing completions have been falling, the need for affordable housing has increased.
- 1.15 Average prices across the HMA at £330,000 have been consistently and significantly above the national (£233,000) and regional average, with the growth in house prices widening the regional disparity over the years.
- 1.16 The mean house price in RBWM was approximately £425,000 in 2011 growing to £440,000 according to interim data from 2012, compared to an average across the HMA of £330,000; and a national average of £235,000 in 2012.
- 1.17 The analysis demonstrates a broad range of house prices across the HMA. General patterns show lower priced homes in the urban areas of Slough, Reading and Wycombe. Larger and more expensive properties are generally located in RBWM, South Bucks, Runnymede and Surrey Heath. There is, however, a range within individual local authority areas.
- 1.18 As a measure of access to entry level or lower cost housing CLG data calculated a lower quartile affordability ratio in RBWM at 10.7 for annual lower quartile wages. This is a

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more acute ratio than elsewhere in the HMA (9.14), the region (8.19) or the country (6.59). The household income data reveals that 36% of households earn less than the amount required to rent a Lower Quartile 2&3 bedroom property in RBWM based on a housing spend of up to 40% of gross income.

- 1.19 The household income data reveals that 44% of households earn less than amount required to purchase a lower quartile price property in RBWM, based on a spend on housing of up to 40% of gross income.
- 1.20 At the median level affordability is still acute but less of an issue, with a ratio of 9.97 in the Borough compared to an HMA range of between 6.13 and 12.49.
- 1.21 The average cost of privately renting in RBWM is £1,189 per month for a two or three bed property. This exceeds that of the rest of the HMA (£1,031), Region (£832) and Country (£709).
- 1.22 Average monthly rents from Registered Providers in RBWM show a rental cost of approximately £437 per month in 2011. This is approximately £100 more per month than the equivalent figure for England as a whole (£339). With the exception of Wokingham, the average social rent in RBWM is the highest in the HMA.

### Household Projections

- 1.23 The study reviewed the latest national population projections and considered the interim 2011-based projections to be the most accurate, robust and available indication of what constitutes the objectively assessed requirement for the HMA.
- 1.24 The interim 2011-based projections calculated an annual population growth of 10,056 people in the Housing Market area of which 1,443 persons per annum are in RBWM. This translates into an annual housing requirement of 5,588 for the housing market area with 701 of that attributed to RBWM.
- 1.25 However, meeting the objectively assessed requirement would require a doubling of previous completion rates and the identification of developable land to provide an additional 346 net household spaces per annum.
- 1.26 In order to reflect the requirement of the National Planning Policy Framework regarding constraints and to achieve an effective and deliverable plan, RBWM may consider that housing provided in other less constrained local authorities can contribute to meeting its own housing needs and that a housing target for the Borough Local Plan which is below

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the objectively assessed requirement could be justified. The level should be informed by consideration of robustly evidenced sustainability impacts including the effect on the size of the local workforce and following discussions with the other local authorities within the housing market area.

- 1.27 Should the chosen level of housing target be higher than past completions, a staggered housing target might be required to reflect the lead-in time to achieve higher completion rates, particularly if reliant on the expansion of existing settlements.

### Affordable Housing Need

- 1.28 The delivery of affordable housing represents a critical challenge in addressing growing need nationally. The calculation of affordable housing need for RBWM follows the stepped process set out within the DCLG SHMA Guidance. This draws on evidence obtained from secondary data sources.

- 1.29 There is a clear need for additional affordable housing within RBWM.

- 1.30 RBWM is currently generating an average of 93 new affordable housing units per year which equates to a net gain of 80 units per annum. This contributes to an annual future supply of affordable housing of 401 affordable units per annum once loss of stock to Right to Buy and stock turnover has been taken into account.

- 1.31 Projected population growth and existing households projected to fall into need are expected to result in an annual newly arising need for 375 units. At current delivery rates the supply is slightly higher than newly arising demand resulting in a backlog clearance of 26 units per annum. To address the current backlog of 2100 households, an additional supply of housing units would be required above and beyond the current supply of around 80 per year. To clear the backlog in 5 years would require an additional 394 per year (i.e.  $2100/5$  less current annual backlog clearance rate of 26). Clearance over ten years would require an additional 184 units per annum. Clearance over 15 years would require an additional 114 units per annum.

- 1.32 The percentage of the objectively assessed housing requirement of 701 units per year would range from 68% to 28% depending on the length of the delivery period.

### Intermediate Housing and Affordable Rent

- 1.33 Intermediate housing products can provide an important role in bridging the gap between social renting and owner-occupation, some of which allow households to

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'staircase' towards owner-occupation by renting alongside acquiring equity in their property.

- 1.34 Based on current lower quartile rental and purchase costs, household earnings of at least £30,000 will be required to access intermediate housing. This is likely to be increased further still, as deposit and moving costs may prohibit some households accessing this tenure. At this level, 38% of households in RBWM could not afford a 25% equity share in a lower quartile value shared ownership property in the Borough.
- 1.35 The Government's Decentralisation and Localism Act, passed in November 2011, included proposals for the 'Affordable Rent' model. The average annual private rent in the Borough is £14,664. If, as indicated by the housing associations in the Borough, affordable rent is set at 80% (£11,731), then the cost of this tenure would actually exceed the cost of Lower Quartile Private Rent (£11,463).

### Specific Groups

- 1.36 Older person households, i.e. 65+, are projected to grow at a significant level over the Plan period. The growth in households where the head of household is over 85 is particularly marked, with this group showing the highest overall increase (93%) under the baseline scenario.
- 1.37 This represents a significant challenge in terms of ensuring their needs are met in housing terms. This is further identified in POPPI data which suggests demand for care home housing (with or without nursing) is expected to grow by 28% in the next eight years.
- 1.38 Traditionally, one of the key drivers for the private rented sector has been younger households, i.e. households making their first moves to form their own households. The baseline scenario projects the number of households aged between 15 and 34 to decline over by 2029.
- 1.39 The baseline scenario highlights growth in single parent households although in absolute terms the largest growth in this age group will be couples with no dependent children.
- 1.40 In 2011, non-'White' ethnic groups made up approximately 14% of the population of RBWM, compared to 20% in the HMA. 78% of the population of the Borough classified itself as White-British.
- 1.41 A review of fertility rates by Ethnic origin showed that Bangladeshi, Pakistani and Black African women have above average fertility rates. Given that the around one third of

the Boroughs BME population is comprised of these groups then it could be expected that growth in the BME population will continue.

- 1.42 The data relating to those with additional support needs suggests that between 2012 and 2020, the number of individuals aged 65+ in the Local Authorities with learning difficulties will rise by 86 people (17%). The total number of individuals aged 18-64 with a learning disability will increase by 34 people (7.1%) in the Borough by 2020.
- 1.43 Similarly, the number of individuals aged 18-64 with moderate, and serious, physical disabilities will increase by 1% in the Borough. Adults with physical disabilities require different levels of care depending on the severity of their disability. The number of individuals with moderate or serious personal care disabilities is predicted to increase by 2020.
- 1.44 On this basis it is likely that the overall capacity of suitable stock will need to continue to grow in RBWM in order to meet these needs and this will require careful consideration at a strategic level.

## Recommendations

- 1.45 The potential to maintain or improve rates of housing delivery is presently curtailed by the current housing market and economic climate. While the affordability of market housing remains an issue due to access to mortgage finance and deposit requirements, there is a continued need to maintain housing supply to address demand. It is unlikely that the existing market and funding context will support the requirement of affordable housing delivery in the short term and will be pushed in the medium and longer term even as the market regains its underlying value. We recommend RBWM works to stimulate the supply of new affordable housing.
- 1.46 The Council should work towards delivering a clear and coherent planning policy framework through the Borough Local Plan as quickly as possible. This will provide a strong policy framework to support housing land allocations and planning applications.
- 1.47 This should include affordable housing policies that are justified in terms of the level of need identified through this SHMA. They must also be realistic and deliverable; and set against wider objectives of maintaining an adequate supply of market housing to meet demand and delivering mixed income and tenure communities at a local level.

### *Ensuring a Housing Mix: Size*

- 1.48 The majority of household growth is expected to result from increasing single person households. However a high proportion of these are existing older households who already have housing. There is some, albeit limited, potential to support older households to downsize, releasing supply of larger housing for other groups.
- 1.49 There is other evidence that demand for smaller homes may increase from an ageing population and also that demand for three bedroom and family units is acute among those currently on waiting lists. A broad distribution, subject to monitoring, of 35%, 30%, 30% and 5% for 1 bed, 2 bed, 3 bed and 4 bed units, respectively should be considered.

### *Ensuring a Housing Mix: Tenure*

- 1.50 RBWM should seek to deliver a range and mix of sites that allows different housing products to be brought forward across local housing market areas. This will include delivering tenures in areas where it has not been traditionally located.
- 1.51 We recommend that on larger sites the local authorities look to achieve a mix of housing tenures to deliver mixed communities and support regeneration. This would include a mix of house types and sizes, as well as housing for older persons.

### *Suitable Locations for Housing*

- 1.52 The Strategic Housing Land Availability Assessment (SHLAA) process provides an estimate of the amount of land that could potentially be available to deliver housing. The 2011 SHLAA identified a housing supply of approximately 290 dwellings per annum to 2026. An update to the SHLAA is being progressed. This update takes account of the preferred policy options identified in the Borough Local Plan. Whilst not completed initial the estimate is identifies a supply of round 390 dwellings per annum up to 2030. The spatial distribution of capacity is focused on Maidenhead, Windsor and Ascot. This reflects the availability of previously developed land and the rejuvenation initiatives around Maidenhead and Ascot centres.
- 1.53 The amount and distribution of future housing is a key for the wider area. Projected population growth exceeds identified land supply across the housing market area and there are a number of local authorities particularly in the eastern area including RBWM where the National Planning Policy Framework indicates development should be restricted. It is important to retain the integrity of the functional housing market area in the long term recognising inter-dependencies between housing, infrastructure and

quality of place. RBWM should seek to work with the other local authorities in the HMA to ensure that this approach is embedded within their policies and of those local authorities in the wider area, and within development schemes.

- 1.54 The location of housing capacity in RBWM will see continued development of the urban living offer in the longer term, particularly associated with Maidenhead Town Centre regeneration.

*The role of the Private Sector*

- 1.55 There is potential for an enhanced role for the Private Rented Sector in RBWM in providing new stock in RBWM. However, close review and monitoring will be required to ensure the quality and condition of stock is actively managed, to address any overcrowding and to maximise the role which the sector plays in meeting housing need.

## 2. Introduction

- 2.1 The purpose of this Strategic Housing Market assessment is to understand the current and future housing market and produce net annual estimates of households in affordable housing need. The findings of the research will be used to inform the preparation of the Borough Local Plan for RBWM (RBWM).

### Background

- 2.2 The SHMA provides a fit for purpose basis to develop housing and planning policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand for affordable and market housing.

### SHMA Requirements: The NPPF (2012), Planning Practice Guidance (2013) and DCLG SHMA Guidance (2007)

- 2.3 The publication of the National Planning Policy Framework (NPPF) in March 2012 forms an important consideration for this SHMA research. This was augmented with the publication of draft Planning Practice Guidance in August 2013.
- 2.4 At the heart of the NPPF is the presumption in favour of sustainable development. This states that local planning authorities should positively seek opportunities to meet the development needs of their area.
- 2.5 However this should not be the case if any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF as a whole or if specific policies in the NPPF indicate development should be restricted. This may include, for example those policies relating to sites protected under the Birds and Habitats Directives and/or designated as SSSI, Green Belt and/or area at risk of flooding.
- 2.6 Core planning principles are set within the NPPF. One of these in particular represents an important consideration with regards to this evidence base document. This states that planning should:
- Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the



country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.

2.7 The NPPF requires local planning authorities to have a clear understanding of housing requirements in their area. They should prepare a Strategic Housing Market Assessment to assess their full housing requirements, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period which:

- Meets household and population projections, taking account of migration and demographic change;
- Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and
- Caters for housing demand and the scale of housing supply necessary to meet this demand.

2.8 The draft Planning Practice Guidance (August 2013) was published to complement the NPPF and provide advice on how to deliver its policies. Part of the guidance was specifically related to assessment of housing and economic development needs.

2.9 The primary objective of the guidance was to identify the future quantity of housing needed, including a breakdown by type, tenure and size. Need was defined as follows:

- Need for housing in the context of the guidance refers to the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand.
- Need for all land uses should address both the total number of homes based on quantitative assessments, but also on an understanding of the qualitative requirements of each market segment.
- Any assessment of need should be realistic in taking account the particular nature of that area (for example geographic constraints and the nature of the market area). Assessing development needs should be proportionate and does not require

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local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

- 2.10 The Guidance also states that plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.
- 2.11 Local planning authorities should assess their development needs working with the other local authorities in the relevant housing market area in line with the duty to cooperate. This is because such needs are rarely constrained precisely by local authority administrative boundaries.
- 2.12 The Guidance describes a housing market area as a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. The HMA should be defined using house prices, rates of change in house prices, household migration and search patterns and contextual data e.g. travel to work area boundaries, retail and school catchment areas.
- 2.13 Plan makers were advised to avoid expending significant resources on primary research as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data to inform their assessment which are identified within the guidance.
- 2.14 The Guidance requires plan makers to use household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need. Although these may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing.
- 2.15 The projections may also take account of migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last five years demographic structure that may be affected by local circumstances or

policies e.g. expansion in education or facilities for older people. They may also take into account:

- Land Prices;
- House Prices;
- Rents;
- Affordability;
- Rate of Development; and
- Overcrowding.

2.16 Once an overall housing demand figure has been identified, local authorities are required to break this down by tenure, household type (singles, couples and families) and household size. Plan makers should therefore examine current and future trends of:

- The proportion of the population within each age profile;
- The types of household (e.g. singles, couples, families by age group, numbers of children and dependents);
- The current housing stock size of dwellings (e.g. one, two+ bedrooms);
- The tenure composition of housing.

2.17 When considering future need for different types of housing Local Authorities will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people. They should look at the household types, tenure and size in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs. They should also seek to quantify the needs of the following groups:

- The private rented sector;
- People wishing to build their own homes;
- Family housing;
- Housing for older people;
- Households with specific needs.

- 2.18 The calculation of affordable housing need involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of housing stock.
- 2.19 The total need for affordable housing should be converted by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual clearance rate.
- 2.20 The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.
- 2.21 Prior to the publication of the draft Planning Practice Guidance, The DCLG had published SHMA guidance 'Strategic Housing Market Assessments – Practice Guidance' in August 2007 (hereafter 'the Guidance'). The Guidance sets out a framework that local authorities and regional bodies can follow to develop a good understanding of how housing markets operate. It remains the most up-to-date Guidance for undertaking research of this kind.
- 2.22 The Guidance recognises that housing markets are dynamic and complex and as a result strategic housing market assessments are not intended to provide definitive estimates of household need, demand and market conditions. SHMAs can, however, provide valuable insights into how housing markets operate both now and in the future. They should also provide a fit for purpose basis upon which to develop planning and housing policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand.
- 2.23 The approach taken within this SHMA follows this guidance and addresses each of the core outputs as set out below with an additional column outlining within which section of this SHMA report the core output is addressed.
- 2.24 This SHMA update was largely produced prior to the publication of the new guidance, however it has utilised a range of robust methodological approaches drawing upon secondary data sources. This research has not involved the undertaking of a new household survey. This approach aligns with the DCLG Guidance, which advises that the SHMA research can draw from a range of primary and/or secondary data sources:

**Figure 1 Compliance with DCLG Guidance Outputs**

SHMA Guidance – Core Outputs Table 2.1	Report Section in which Key Outputs are presented and analysed
<b>Output 1</b> - Estimates of current dwellings in terms of size, type, condition, tenure	Section 4
<b>Output 2</b> - Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	Sections 7
<b>Output 3</b> - Estimate of total future number of households, broken down by age and type where possible	Section 8 and 9
<b>Output 4</b> - Estimate of current number of households in housing need	Section 7
<b>Output 5</b> - Estimate of future households that will require affordable housing	Section 9
<b>Output 6</b> - Estimate of future households requiring market housing	Section 9
<b>Output 7</b> - Estimate of the size of affordable housing required	Section 8 and 9
<b>Output 8</b> - Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc...	Section 10

*“Whether a strategic housing market assessment is based upon secondary or survey data should not be a factor in determining whether an assessment is robust and credible. No one methodological approach or use of a particular dataset(s) will result in a definitive assessment of housing need and demand. The quality of the data used is the important consideration in determining whether an assessment is robust and credible rather than its nature”* (DCLG Strategic Housing Market Assessments Practice Guidance – Version 2, 2007, para. 11).

- 2.25 The approach undertaken within this research has been to use new and updated secondary data to develop a robust understanding of the operation of the housing market area, including data emerging from the 2011 Census.
- 2.26 Where data is available from a number of sources a process of triangulation has been conducted. The purpose of triangulation in qualitative research is to increase the credibility and validity of the results. Triangulation is a technique that facilitates validation of data through cross verification from more than two sources. In particular, it refers to

the application and combination of several research methodologies in the study of the same topic.

- 2.27 Throughout the assessment the application of this technique has involved comparing, contrasting and, where relevant, aligning information from a mixture of sources to ensure, based on the professional judgement of the research team and agreed by RBWM, that the most up-to-date and locally reflective information has been utilised. This serves to further ensure that the findings of the SHMA are robust and credible.
- 2.28 For those aspects where demographic modelling is required, the research uses the specialist demographic modelling software PopGroup to project trends in population, households and workforce. The baseline scenario projects forward the latest Office of National Statistics subnational population projections using fertility, mortality and migration trends and the Department of Communities and Local Government household projections using household formation trends. Modified migration trends are then used to consider alternative housing or job forecasts.

## Report Structure

- 2.29 This report is structured around the following sections. These largely align with the steps set out in the DCLG Guidance to assist in extracting key information from the report:
- **Section 3: Defining The Housing Market Area** – This section identifies the housing market in which RBWM sits and the sub areas within the Borough. The section includes a review of the latest migration and travel to work trends, house price data and other market signals in order to identify these areas.
  - **Section 4: The Current Housing Stock** – This section provides a short overview and update, of the current profile of the housing stock across the HMA and Borough, utilising datasets such as the 2011 Census;
  - **Section 5: Demographic Trends** – This section presents a detailed assessment of key demographic drivers in the area, some of which are used to drive the projections of potential household growth and demand in subsequent sections. Importantly, the section presents an extension of the population and household estimates for the Housing Market Area from the DCLG and ONS datasets up to the end of the plan period, and several sets of variants exploring the effects of housing and economic constraints on the baseline projections;
  - **Section 6: Economic Trends** - Whilst the dynamics of the housing market are complex and diverse, the economic context represents a fundamental foundation upon

which to understand housing supply and demand. This section presents the key economic drivers in the area and looks at the short, medium and long term;

- Section 7: Housing Trends – The relationship between supply and demand manifests itself in the operation of the active market. The section will provide a comprehensive assessment of the operation of the housing market. This focuses on headline trends around changes to house prices, rental levels and key measures of demand for affordable housing, including the number of households on housing waiting lists and the accessibility of different tenures;
- Section 8: Objectively Assessed Housing Requirement – This section reviews a range of scenarios and identifies a baseline scenario which is considered to represent the most realistic trajectory from which potential dwelling requirements are calculated. This is then converted into a housing requirement and disaggregated into household composition and size requirement.
- Section 9: Meeting the Affordable Need of Households – A calculation of the short-term level of housing need for affordable housing is undertaken following the stepped process set out in the DCLG Guidance. Data to populate the model is drawn solely from secondary data sources. The section concludes with an estimation of the breakdown by size of the affordable housing identified as being required over the next five-ten years, through a detailed assessment of waiting list data;
- Section 10: Housing Requirement for Specific Groups – This section draws upon the quantitative outputs of the modelling processes presented in Sections 4 – 7, to assess future demand of a number of specific demographic household classifications including, younger households, BME and older person households. Information from other recent studies of the housing market issues facing each group is used to complement this analysis; and
- Section 11: Conclusions and Recommendations –This report completes with a section outlining the conclusions and recommendations arrived at through the research. Conclusions are presented to directly respond to the core outputs in the DCLG Guidance.

### 3. Defining the Housing Market Area

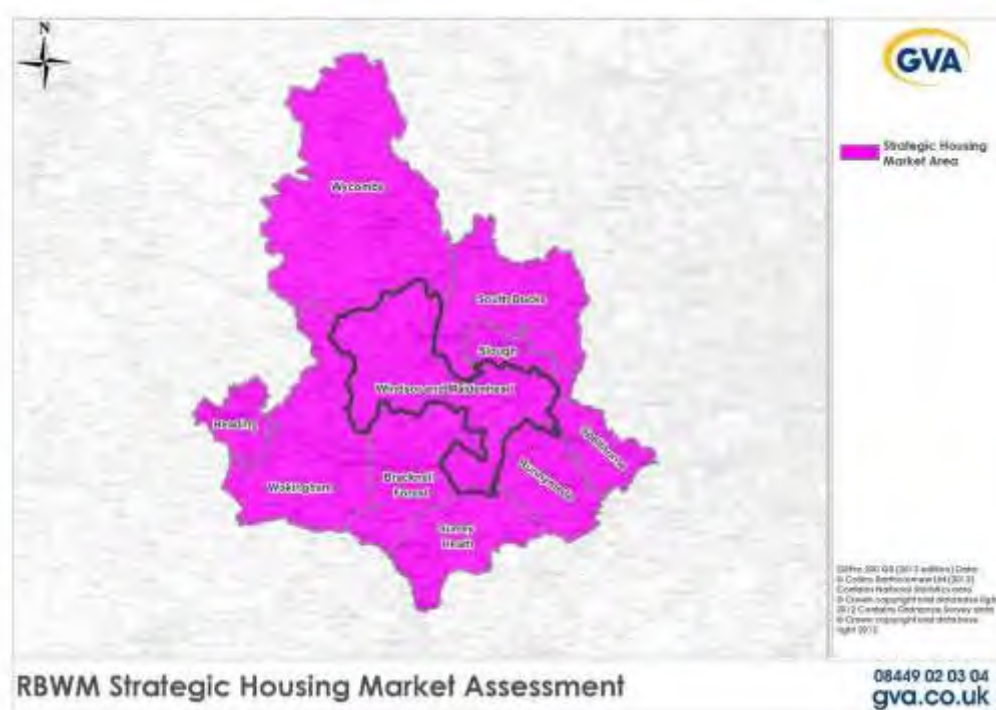
- 3.1 RBWM is organised around these two larger towns, and linked by the River Thames. Around these settlements there are a number of smaller villages and hamlets.
- 3.2 The Borough is a desirable place to live, located within one of the most prosperous regions in the country, about 20 miles west of London, with excellent transport links and communications infrastructure. The economy of the Borough is significantly influenced by the surrounding towns of Reading and Slough, the M4 corridor and proximity to London.
- 3.3 The population is generally affluent, healthy and mobile. Around 18% of working age population is employed in higher managerial, administrative and professional occupations compared to 13% in the South East and 10% in England. However, the generally high standard of living masks pockets of deprivation. House prices within the Borough are amongst the highest outside Greater London, pricing many local residents out of the market.
- 3.4 Housing market areas are geographical areas defined by household demand and preference for housing. They reflect the key functional linkages between places where people live and work, recognising that interrelationships in the real world transcend local authority administrative boundaries.
- 3.5 RBWM Housing Market Area (HMA) encompasses a wider area beyond the Borough to include:
- Reading;
  - Wokingham;
  - Wycombe;
  - RBWM;
  - South Bucks;
  - Slough;
  - Bracknell Forest;
  - Surrey Heath;



- Runnymede; and
- Spelthorne.

3.6 The extent of the Housing Market Area and sub areas reflects best practice guidance in identifying functional housing market areas, using travel to work patterns, migration patterns and house price data. In particular, the focus has been on the most recent commuting data from the Annual Population Survey<sup>3</sup>, Migration data from the NHS, house price data from the Land Registry, and Demographic data from the Census 2011.

**Figure 2 – Housing Market Area**



Source: GVA 2013

3.7 The Housing Market Area identified incorporates those local authorities which have the strongest and most consistent commuting and migration trends with RBWM. House price trends are particularly complex in this area and are used to identify the functional housing market area, i.e. the area that can provide housing to the broadest mix of household types as well as to identify sub-areas.

<sup>3</sup> The Annual Population Survey deals with local Authority to Local Authority patterns. The census data when released will allow for an update to the HMA area at sub local authority level.

- 3.8 Although the whole of the Local Authorities are included in Figure 2, the strongest relationships are with those areas immediately adjacent to the Borough. As we move away from the Borough then the links diminish.

### Commuting Trends

- 3.9 The 2001 Travel to work area identified RBWM as being located within the Wycombe and Slough, Reading and Bracknell and Guildford and Aldershot Travel to Work Areas.
- 3.10 Journey-to-work statistics from the 2001 Census show that of those residents who were economically active in RBWM in 2001, 51.2% worked within the local authority area. A further 9.3% worked in nearby Slough, 15.9% in London and the remaining 23.6% worked elsewhere.<sup>4</sup> Data from the Annual Population Survey (APS) indicates that in 2010 and 2011 49.1% of the economically active in RBWM worked within the local authority area. This is a relatively low employment self containment rate.

**Figure 3 – 2001 Travel to Work Areas**



Source: ONS 2001

- 3.11 Supply side self-containment is the number of people living and working in an area divided by the number of residents in the area.

<sup>4</sup> Similar statistics from the 2011 Census were not available at the time of writing.

3.12 For comparison travel to work areas are ideally defined upon at least 75% self-containment of travel to work trips. However due to their proximity to London and the presence of multiple employment centres, many of the Local Authorities in the HMA have lower containment rates, as does the HMA as a whole. Any location in proximity to London is likely to have strong travel to work links with Central London and the areas within the HMA are no different. However if travel to London is excluded, the preponderance of evidence suggests that the identified HMA, through its polycentric nature, provides the majority of the residents' employment opportunities.

**Figure 4 – Supply Side Self Containment**

Area	2010		2011		Average		
	Living and Working in the area	Total Number of Residents	Living and Working in the area	Total Number of Residents	Living and Working in the area	Total Number of Jobs	Supply Side Containment Rate
Bracknell Forest	31,112	63,640	31,935	62,860	31,524	63,250	49.8%
Reading	50,793	79,365	53,927	83,121	52,360	81,243	64.4%
Runnymede	14,501	42,983	15,344	41,516	14,923	42,250	35.3%
Slough	28,530	60,587	30,473	61,379	29,502	60,983	48.4%
South Bucks	13,393	30,058	9,378	34,022	11,386	32,040	35.5%
Spelthorne	20,099	44,918	21,839	50,801	20,969	47,860	43.8%
Surrey Heath	16,762	42,273	17,257	42,205	17,010	42,239	40.3%
RBWM	35,419	71,551	35,977	73,745	35,698	72,648	49.1%
Wokingham	33,434	88,072	34,812	84,710	34,123	86,391	39.5%
Wycombe	47,706	81,306	50,221	84,392	48,964	82,849	59.1%
<b>HMA</b>	<b>426,533</b>	<b>604,753</b>	<b>435,308</b>	<b>618,751</b>	<b>430,921</b>	<b>611,752</b>	<b>70.4%</b>

Source: 2011 Annual Population Survey

3.13 On the supply-side, the majority of those who work in RBWM originate from the HMA local authorities (around 80%), with almost half (49.1%) coming from RBWM itself. Slough, Bracknell Forest and Wycombe have particularly strong linkages with RBWM, with large numbers of commuters travelling in across boundaries to find employment. Spelthorne (2011 only) and Wokingham have noticeable numbers of people working in RBWM although the flow is largely one-way here.

- 3.14 The Annual Population Survey shows that from a labour market perspective, RBWM has a weak supply side self containment level, even within the context of the HMA, with 49.1% of residents working in the Borough. 11.2% of jobs were taken by commuters from Slough and 5.9% were taken by residents from Bracknell Forest, with the remaining jobs taken by residents from neighbouring Boroughs such as Wokingham (3.8%), Wycombe (3.7%), Spelthorne (2.9%) and Reading (1.6%). In addition, a large number of jobs are taken by commuters from West Berkshire, the rest of Buckinghamshire, Surrey, West London and beyond.

**Figure 5 - Proportion of RBWM Workforce (in-commuting) – Travel to Work Profile**

Origin	2010	2011	Average
RBWM	47.7	50.7	49.2
Slough	9.9	8.9	9.4
Bracknell Forest	5.3	5	5.2
Wokingham	4.9	4.2	4.6
Wycombe	4.3	4.2	4.2
Elsewhere	29.5	31.8	30.6

Source: 2011 Annual Population Survey

[http://www.neighbourhood.statistics.gov.uk/HTMLDocs/Commute\\_APS\\_Chart/APS\\_2010\\_11.html](http://www.neighbourhood.statistics.gov.uk/HTMLDocs/Commute_APS_Chart/APS_2010_11.html)

- 3.15 The complexity of the in-commuting to destinations patterns in the HMA area. The figure below highlights the key inter-linkages between Reading, RBWM and Slough and Surrey Heath, Runnymede and Spelthorne. A large number also commute from as far afield as Oxford City, Dacorum, St Albans and the London Borough of Brent.

**Figure 6 –In-Commuting to and within the HMA 2011**

- 3.16 Demand side self-containment is the number of people living and working in an area divided by the number of jobs in the area. A review of demand-side self-containment patterns within the HMA shows a range from 75.1% in Wokingham and 67.5% in Wycombe which are strong job providers relative to the number of residents, to just 35.3% in Spelthorne and 39.8% in Surrey Heath, where linkages are stronger to the London TTW area and there are more residents than jobs.
- 3.17 RBWM has a weak demand side self containment level, with the number of jobs equating to 49.2% of residents.



Source: 2011 Annual Population Survey

Figure 7 – Demand Side Self Containment

Area	2010		2011		Average		
	Living and Working in the area	Total Number of Jobs	Living and Working in the area	Total Number of Jobs	Living and Working in the area	Total Number of Jobs	Demand Side Containment Rate
Bracknell Forest	31,112	66,003	31,935	59,684	31,524	62,844	50.2%
Reading	50,793	121,462	53,927	127,728	52,360	124,595	42.0%
Runnymede	14,501	28,997	15,344	32,103	14,923	30,550	48.8%
Slough	28,530	57,344	30,473	65,176	29,502	61,260	48.2%
South Bucks	13,393	25,776	9,378	21,528	11,386	23,652	48.1%
Spelthorne	20,099	61,382	21,839	57,443	20,969	59,413	35.3%
Surrey Heath	16,762	41,487	17,257	43,959	17,010	42,723	39.8%
RBWM	35,419	74,294	35,977	70,899	35,698	72,597	49.2%
Wokingham	33,434	43,203	34,812	47,619	34,123	45,411	75.1%
Wycombe	47,706	69,372	50,221	75,650	48,964	72,511	67.5%
<b>HMA</b>	<b>426,533</b>	<b>589,320</b>	<b>435,308</b>	<b>601,789</b>	<b>430,921</b>	<b>595,555</b>	<b>72.4%</b>

Source: 2011 Annual Population Survey

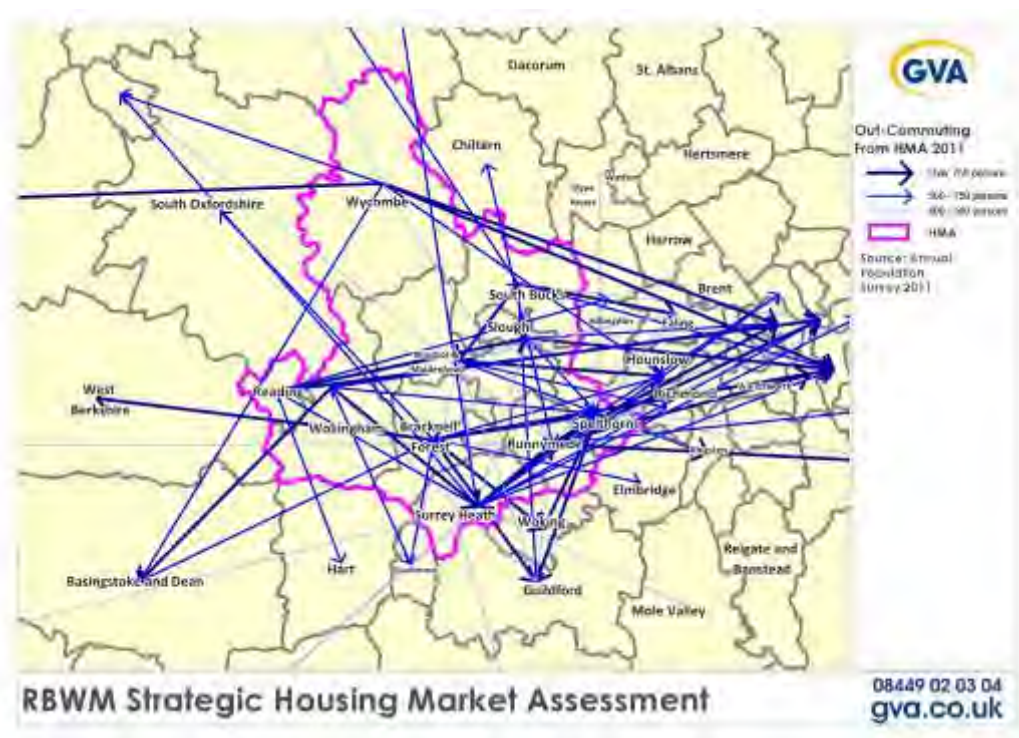
**Figure 8 - Proportion of RBWM Residents (Out-Commuting) – TTW Profile**

Workplace	2010	2011	Average
RBWM	49.5	48.8	49.1
Slough	6.1	7.3	6.7
Hillingdon	5.4	5.1	5.3
Bracknell Forest	4.8	3.2	4
Wycombe	4.4	4.8	4.6
Elsewhere	29.9	30.9	30.4

Source: 2011 Annual Population Survey

3.18 Figure 9 illustrates the out-commuting from and within the HMA and draws out the links with London and to a lesser extent Guildford (from Surrey Heath and Spelthorne in particular). The map also shows the extent of movement within the HMA with large numbers commuting to Reading and RBWM.

**Figure 9 – Out Commuting from and within the HMA 2011**



Source: 2011 Annual Population Survey

3.19 Headline analysis of the relationship between Local Authorities in the HMA shows:

- Slough has strong linkages with RBWM in terms of both in commuting and out commuting;
- Bracknell Forest receives a large number of workers from Wokingham and exports workers to RBWM;
- Wycombe has a high self-containment rate, and it also receives a significant flow of people from South Bucks and RBWM.

- Reading has a high level of self-containment but also receives significant workers from Wokingham;
- Runnymede has low levels of self-containment and exports workers to Spelthorne and to London;
- South Bucks has only around a third of its workforce also living in the Borough, with high numbers seeking work in Slough and London;
- Spelthorne has a large number of coming into the borough from Runnymede and also exports a large number of workers to London;
- Surrey Heath has strong links to London and to a lesser extent Spelthorne; and
- Wokingham sees almost a quarter of its workforce go to Reading for employment. It also sees large numbers travel in either direction with Bracknell Forest.
- The out-commuting patterns from RBWM are distinct from the in-commuting patterns particularly in how they relate to London. Hillingdon, and particularly Heathrow, as well as Westminster, Southwark, Hounslow and the City of London are all significant employment locations for residents of RBWM.

**Figure 10 - Commuting Patterns within the HMA (Average in-commuting and out-commuting 2010-2011)**

% of Aggregate flow		Brack-nell Forest	Read-ing	Runny-mede	Slough	South Bucks	Spel-thorne	Surrey Heath	RBWM	Wok-ing-ham	Wyc-ombe
Brack-nell Forest		50%	4%	1%	1%	2%	1%	2%	4%	10%	1%
Read-ing		4%	53%	0%	1%	1%	0%	1%	3%	20%	2%
Runny-mede		1%	0%	42%	1%	2%	6%	2%	2%	1%	1%
Slough		4%	1%	3%	48%	9%	0%	1%	7%	2%	2%
South Bucks		1%	0%	2%	6%	42%	0%	0%	3%	1%	7%
Spel-thorne		1%	0%	15%	1%	2%	40%	4%	2%	1%	1%
Surrey Heath		7%	1%	2%	1%	0%	1%	40%	2%	1%	1%
RBWM		6%	2%	2%	10%	2%	2%	1%	49%	4%	4%
Wok-ing-ham		6%	5%	1%	0%	0%	0%	2%	2%	57%	0%
Wyc-ombe		0%	0%	1%	2%	4%	0%	0%	5%	1%	63%

Source: 2011 Annual Population Survey

([http://www.neighbourhood.statistics.gov.uk/HTMLDocs/Commute\\_APS\\_Chart/APS\\_2010\\_11.html](http://www.neighbourhood.statistics.gov.uk/HTMLDocs/Commute_APS_Chart/APS_2010_11.html)) & [www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-300966](http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-300966)

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## In-Migration Trends

3.20 Figure 11 and

3.21 Figure 13 show migration flows between local authorities. The strongest flows across the HMA are between:

- Wokingham and Reading;
- Wokingham and Bracknell Forest;
- RBWM and Slough;
- Bracknell Forest and RBWM;
  
- South Bucks and Slough; and
- Spelthorne and Runnymede.

3.22 This would suggest an obvious pattern of nearby border hopping.

3.23 The migration flow data shows a picture of the net balance of migration between local areas. It illustrates the relationship between RBWM and its near neighbours, including London.

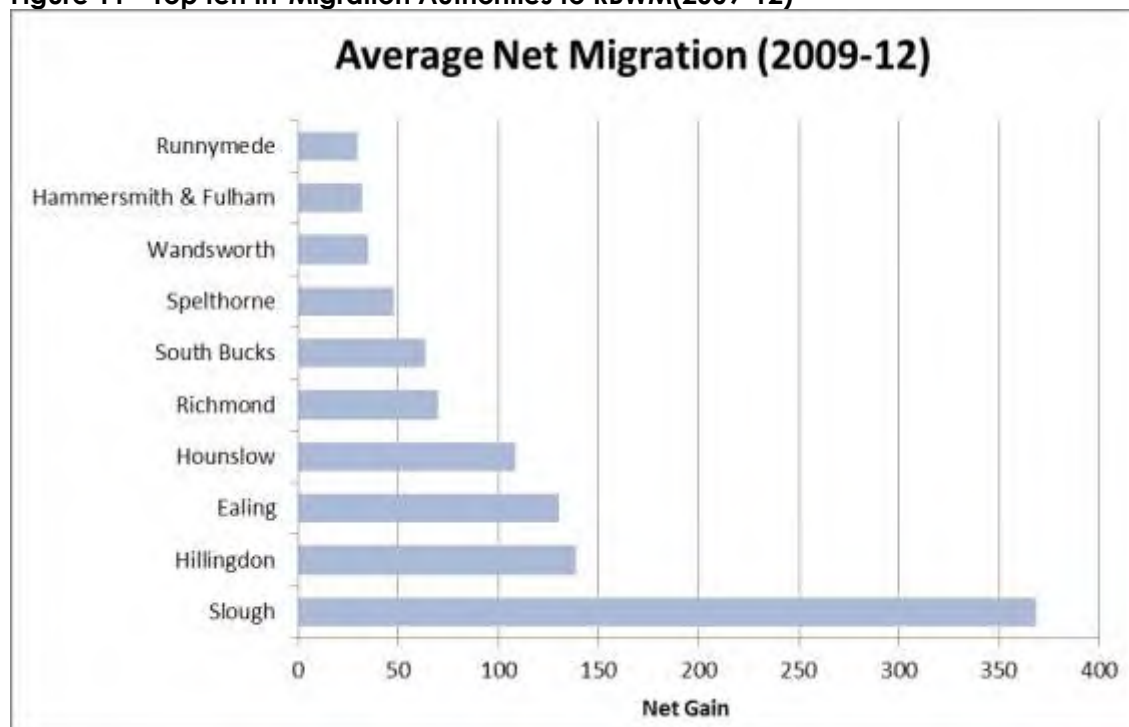
3.24 The major net losses and gains through migration for RBWM are shown in the figure below. During the 2009-2012 period, the highest average net gain of population in RBWM through migration was from Slough, at 368 households per year.

3.25 There is a net migration of people from London to RBWM, particularly from Hillingdon (139 people), Ealing (130 people), Hounslow (109) and Richmond (70) Boroughs. This would suggest movement along the A4/M4 corridor and the Great Western Rail Line.

3.26 In terms of gross numbers migrating to RBWM in 2012, Slough (860), Bracknell Forest (420) and Wycombe (390) have the highest numbers moving to RBWM from within the HMA. These trends demonstrate an important dynamic in terms of the relationship between RBWM and its neighbouring authorities.

3.27 There is evidence of that local authorities in the HMA have seen a net transfer of people move to RBWM (+120 per year) in recent years. While gross numbers are modest, this indicates the appeal of RBWM within the wider HMA. There is, however a patterns of inflows and outflows across the area.



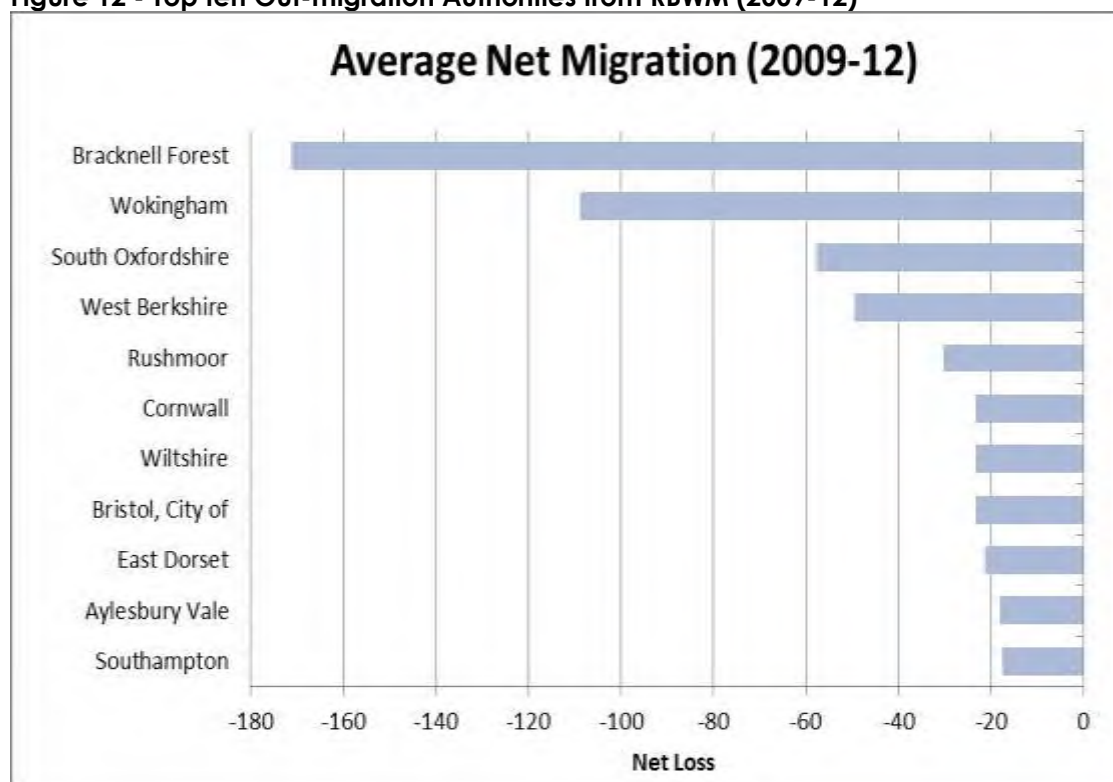
**Figure 11 - Top ten In-Migration Authorities to RBWM(2009-12)**

Source: ONS MYE, 2009-12

3.28 RBWM has specifically local characteristics in terms of migration. The presence of a large number of boarding school places means there is an influx of people in their early teens. There is a consequent outflow in the later teens as these boarders leave the borough. They are joined by other local residents of RBWM leaving at this age group, potentially for higher education as well as employment. There is a then a gain among those aged 21-24 and up to the age of 30. The majority of boarders stay in school affiliated properties and do not impact the housing market per se. The movement of people into RBWM in early household formation years is more relevant. Natural change within the existing population is also an important driver of housing requirements.

### Out-Migration Trends

- 3.29 The authorities with net gains as a result of net migration from RBWM include Bracknell Forest, Wokingham and South Oxfordshire. This continues a broad pattern of movement to the west. However, it should be noted that the actual numbers involved are relatively modest.
- 3.30 In terms of gross numbers, the largest numbers of migrants moving from the Borough go to Bracknell Forest, Slough and Wycombe.

**Figure 12 - Top ten Out-migration Authorities from RBWM (2009-12)**

Source: ONS MYE, 2009-12

- 3.31 Natural change is an increasing proportion of population change, and there has been a shift from internal net migration to a position of net internal migration over the last decade.
- 3.32 The analysis of migration trends shows a complex interrelationship between local authorities. In general the recent trend has been for people to migrate from Slough, West London and South Bucks into RBWM and out of RBWM to Bracknell Forest, Wokingham and South Oxfordshire.
- 3.33 Figure 13 illustrates the major migration patterns in 2012 involving the local authorities in the HMA. The patterns suggests an East to West flow either along the M4 through west London to Slough, RBWM, Bracknell Forest, Wokingham and Reading and beyond or along the M3 from South West London to Spelthorne, Runnymede, Surrey Heath and Rushmoor. While people are free to move from any location to another, the preponderance of evidence suggests that the majority of movement occurs within the identified HMA.

**Figure 13 – Major Migration Flows involving HMA Local Authorities 2012**



Source:

<http://www.neighbourhood.statistics.gov.uk/HTMLDocs/dvc25/index.html#00ME,loc>

### House Price Trends

- 3.34 DCLG data (drawing from Land Registry data) shows that median home prices across the HMA ranged from £190,000 in Slough to £390,000 in South Bucks. The median average for RBWM was £327,500. This compares with mean averages of £229,000 for the South East<sup>5</sup> of England and £180,000 for England. Figure 14 ranks the authorities of the HMA by the latest median house price recorded by the DCLG.
- 3.35 As Figure 14 shows that the highest house prices are generally to the east of the wider housing market area including RBWM, with lower house prices found in the west. There is also a notable difference across the area with the more urbanised authorities of Reading and Slough having lower house prices.

<sup>5</sup> 2011 data is not available for the South East however in the median house prices in the HMA was £264,270

**Figure 14 - Median House Price and Growth of RBWM compared against neighbouring authorities**

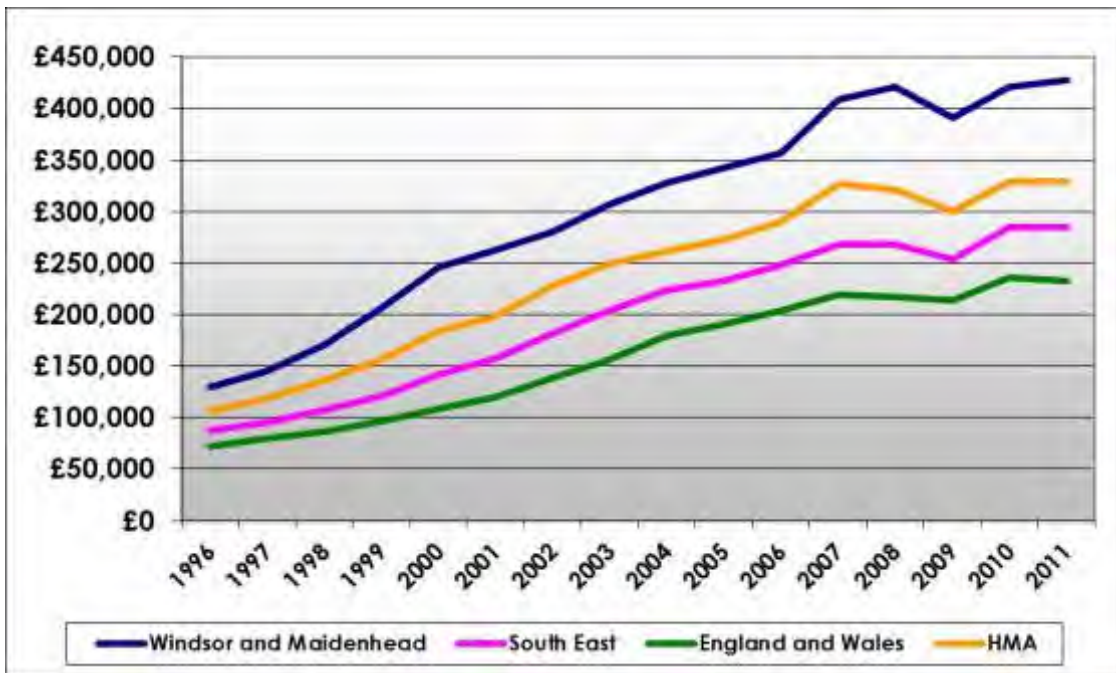
Authority	2011 Median House Price	Growth Since 1996	Growth Since 2006
South Bucks	£390,000	317%	11%
<b>RBWM</b>	<b>£327,500</b>	<b>328%</b>	<b>15%</b>
Wokingham	£275,000	305%	10%
Surrey Heath	£275,000	282%	11%
Runnymede	£270,000	314%	10%
HMA	£264,270	210%	10%
Wycombe	£250,000	307%	8%
Spelthorne	£250,000	313%	9%
Bracknell Forest	£224,950	288%	11%
Reading	£190,250	325%	3%
Slough	£190,000	333%	6%
Average of HMA Medians	£264,270	210%	10%

Source: DCLG Live Tables 568, 2012

### House Price Growth

- 3.36 House price data has been analysed over the period from 1996 to 2011. Figure 15 demonstrates the average house price trends in the HMA across this period. Since 1996, average home prices in the HMA have grown by 210%; however over the last 5 years the rate of increase has dropped off, with prices rising by only 10% since 2006.
- 3.37 Over the last 5 years house prices in RBWM (15%) have grown more than any of the other Local Authorities in the housing market area. Since 1996 only Slough (233%) has had a higher growth in house prices than RBWM (228%).
- 3.38 The lowest rate of growth in houses prices in the last 5 years was in Reading, although over the longer term it is one of the better performing areas. Slough (6%), Wycombe (8%) and Spelthorne (9%) also had modest rates of growth over the same period.
- 3.39 Since 1996 only Surrey Heath (182%), Bracknell Forest (188%), Wokingham (205%) and Wycombe (207%) have seen growth less than the England and Wales average (209%). The HMA, with exception of Reading and Slough, has seen median house prices above the South East average and grown faster than the South East average.

**Figure 15 - Trend in Average House Prices (Median) in RBWM (1996 – 2011) and HMA**

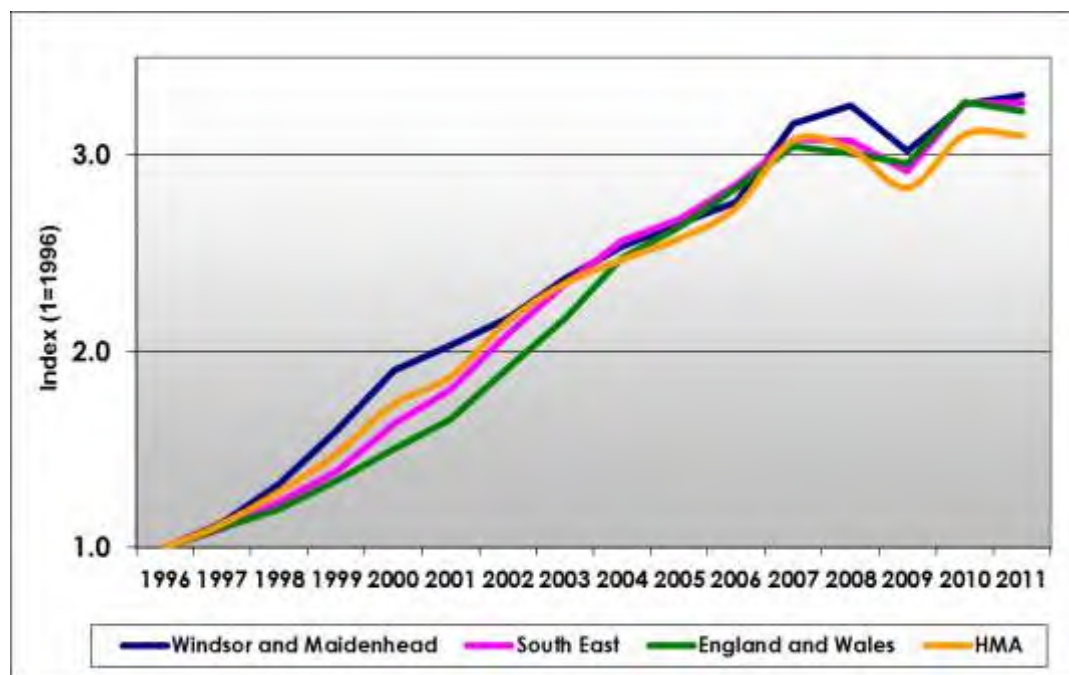


Source: DCLG Live Table 568, 2012

3.40 It is evident that the average house price in the HMA as a whole, including RBWM, has been consistently and significantly above the national and regional average, with the respective growth in house prices widening the gap over the years. There are localised and year to year variations within this, but the general point of a relatively strong housing market remains.

### Indexed House Price Growth

3.41 These price changes are demonstrated more clearly when the house price data is indexed, as shown in Figure 16. Although the chart indicates similar trends in growth, the use of a baseline shows the difference in actual house prices to be more marked. Prices within RBWM have seen higher growth from a higher base. The rate of growth across the housing market has more closely tracked the rate seen across the region and nationally. This reflects variations in performance among local authorities across the HMA. Surrey Heath and Bracknell Forest have tended to have lower rates of growth.

**Figure 16 - Indexed Average House Prices (1996 – 2011)**

Source: DCLG Live Table 568, 2012

### House Prices in by Settlement Type

- 3.42 It is prudent to review average prices in each of the major settlements in the HMA to also understand the range among the HMAs urban areas. The towns of Windsor and Maidenhead trend towards the upper end of house prices when settlements are compared. Average house prices for settlements (postal towns) also show variations from local authority averages particularly in Windsor Town and Maidenhead and High Wycombe. In these locations urban area prices are lower than their wider local authority areas. Some of the local authority data is skewed by the presence of more expensive larger homes in rural and suburban areas.
- 3.43 The analysis demonstrates a broad range of house prices which together create a functional housing market area. More affordable housing is largely situated in the urban areas of Slough, Reading and Wycombe with larger and more expensive properties located in RBWM, South Bucks, Runnymede and Surrey Heath.

**Figure 17 – Average House Prices: Major Settlements and Local Authority Areas**

Settlement	Local Authority	2012 Settlement Average	2012 Local Authority Median House Price
High Wycombe	Wycombe	£292,585	£337,080
Maidenhead	RBWM	£389,212	£440,686
Slough	Slough	£262,322	£211,101
Windsor	RBWM	£408,870	£440,686
Reading	Reading	£281,607	£235,207
Staines	Spelthorne	£295,222	£282,688
Bracknell	Bracknell Forest	£256,542	£265,040
Wokingham	Wokingham	£353,388	£329,367

Source: Land Registry and GVA 2013

### Conclusion on the housing market area

- 3.44 The analysis of commuting and migration data shows that RBWM is located within an area of significant and complex interrelationships. There is no clearly definable housing market area, with low self-containment in terms of commuting across many local authorities as well as complex links to many other areas especially London.
- 3.45 Unlike other housing market areas there is no dominant town in the HMA, rather it is more polycentric with influence coming from a number of regional and sub-regional hubs with links along major transport corridors (M3, M4, M40 & M25, South West Trains, Chiltern and First Great Western Railways).
- 3.46 There is also a notable trend of migration along these corridors from West London. The western Boroughs of London, however, have not been included as they do not have the same Travel to Work patterns nor house price trends as more immediately neighbouring authorities. The separation is reinforced further by the geographic barrier of the M25 and the greenbelt separating the area from the HMA.
- 3.47 The most significant flows are within the HMA between areas where there are strong road and rail links. The HMA is therefore includes authorities that neighbour RBWM and a corridor west to Reading.
- 3.48 House price data indicates that the identified HMA provides a broad range of house prices and types to create a functional housing market area, which caters for all population groups.

- 
- 3.49 The defined HMA is a practical solution for taking forward analysis based on currently available information and fluid nature of trends.

#### *Local Housing Market Area*

- 3.50 In addition to the spatial extents of the HMA, further analysis should be undertaken within sub-areas of RBWM. These sub areas, or Local Housing Market Areas (LHMA) have been defined using house price trends, local level TTW and Migration patterns from 2001 and consultation with local agents. However, as a result of using 2001 Census data there are limitations as to how reliable these defined areas are. It should also be noted that the Maidenhead Rural LHMA is a catch all definition for those areas of the Borough which have strong links to more than one LHMA.

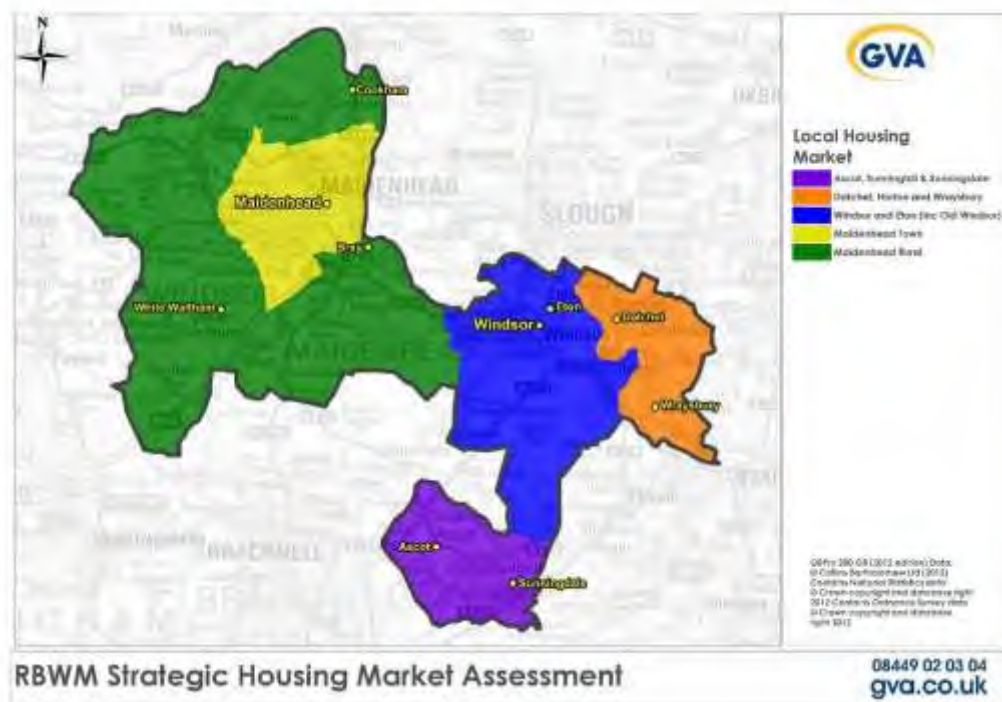
- 3.51 The Local Housing Market Areas are as defined below:

- Ascot, Sunninghill and Sunningdale;
  - Ascot and Cheapside ward;
  - Sunningdale ward; and
  - Sunninghill and South Ascot ward.
- Datchet, Horton & Wraysbury;
  - Datchet ward; and
  - Horton and Wraysbury.
- Windsor and Eton (including Old Windsor);
  - Castle Without ward;
  - Clewer East ward;
  - Clewer North ward;
  - Clewer South ward;
  - Eton and Castle ward;
  - Eton Wick ward;
  - Old Windsor ward; and
  - Park.
- Maidenhead Town
  - Belmont ward;
  - Boyn Hill ward;
  - Cox Green ward;
  - Furze Platt ward;
  - Maidenhead Riverside ward;
  - Oldfield ward; and
  - Pinkneys Green.
- Maidenhead Rural;
  - Bisham and Cookham ward;



- Bray ward; and
- Hurley and Walthams.

Figure 18 – RBWM Housing Market Sub-Areas



Source: GVA 2013

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## 4. The Current Housing Stock

- 4.1 In order to provide advice on future housing needs, it is important to understand the current stock in RBWM. This section examines the current housing stock profile and supply trends across the housing market area.
- 4.2 The latest information available is used to create a profile of the current housing stock across RBWM. The intention is not to replicate the comprehensive analysis included in the 2007 Berkshire SHMA, but to provide an updated picture of key indicators, including an estimation of the total number of dwellings across the Borough and in each of the local authority areas. The mix of housing in terms of tenure and type is considered and benchmarked against a range of comparators. Quality of the housing stock as well as quantity is assessed.
- 4.3 The potential future capacity of residential land is also reviewed, drawing on the latest information on housing capacity to provide a steer on where new development could be delivered.

### Current Population and Dwelling Position

#### Population

- 4.4 According to the 2011 Census, the HMA has a population of 1,208,811 people across 478,341 households. These are housed in 496,351 household spaces.
- 4.5 The greatest concentration of population in the HMA can be found in Wycombe Borough (14.2%) followed by Reading (12.9%) and Wokingham (12.8%).<sup>6</sup> The smallest local authority in the HMA by population is South Bucks, which comprises just 5.5% of the total population in the HMA.
- 4.6 RBWM has a population of 144,560 people and 58,349 households. These are housed in 60,943 household spaces. This equates to 12% of the population and 12.3% of the household spaces in the HMA.

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<sup>6</sup> It should be noted that the Reading urban area extends beyond the administrative boundary of Reading Borough Council into Wokingham Borough Council.

**Figure 19 – Population and Households: HMA and LHMA**

Area	Population	All Households	Household Spaces
England	53,012,456	22,063,368	23,044,097
South East	8,634,750	3,555,463	3,704,173
HMA	1,208,811	478,341	496,351
RBWM	144,560	58,349	60,943
Wycombe	171,644	67,861	70,235
Reading	155,698	62,869	65,925
Wokingham	154,380	60,332	62,490
Slough	140,205	50,766	51,980
Bracknell Forest	113,205	45,878	47,039
Spelthorne	95,598	39,512	40,945
Surrey Heath	86,144	33,546	34,757
Runnymede	80,510	32,714	34,316
South Bucks	66,867	26,514	27,721
<b>LHMA</b>			
Maidenhead Town	55,257	22,027	22,706
Windsor and Eton	40,746	16,963	17,671
Maidenhead Rural	20,490	8,327	8,719
Ascot, Sunninghill & Sunningdale	18,091	7,004	7,548
Datchet, Horton & Wraybury	9,976	4,028	4,299

Source: Census 2011

- 4.7 There are five major built up areas (BUAs) within the HMA. The Greater London BUA overlaps with the area and includes Bracknell, RBWM southern and eastern parishes, Spelthorne, Runnymede and some of Surrey Heath. BUAs can and inevitably do extend beyond the local authority boundaries and there will be overlap in their area of influence. The population of the HMA by built up area is shown in Figure 20 with a map of these areas in Figure 23.

**Figure 20 – Built up area population**

Built-up Area	2011 Population
Greater London BUA	9,787,426
Reading BUA	318,014
Slough BUA	163,777
High Wycombe BUA	133,204
Maidenhead BUA	64,831
Windsor BUA	33,348
Marlow BUA	18,261

Source: Census 2011, Nomis 2013

- 4.8 The BUA data highlights the significance of the Reading BUA (which extends into Wokingham) in comparison to the other BUA in the HMA. The population of Slough and

High Wycombe BUA is also more than double the size of Maidenhead BUA, the next largest in terms of population size.

**Figure 21 – Major Built Up Areas in the HMA (excluding London BUA)**



Source: ONS 2013

- 4.9 Within RBWM the largest population can be found in the Maidenhead Town LHMA (37.3%) Only the Windsor and Eton sub-area is of the same magnitude (29%). The smallest sub-area is Datchet, Horton & Wraysbury which contributes just 7.1% of the population.
- 4.10 The built up area data highlights an issue with using administrative boundaries in that it shows the Maidenhead BUA as being significantly larger than the LHMA data. This is due to the inclusion of areas defined within the Maidenhead Rural area, such as Bray, Holyport and Paley Street within the definition of Maidenhead BUA.

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## Dwelling Typology

- 4.11 The type of dwelling found across the housing market area is similar to that found across the South East of England. Within the HMA there is a clear pattern between major towns and other areas. The major towns contain a lower than average proportion of detached dwellings and a higher than average proportion of terraces and flats. Overall, RBWM contains a higher than average proportion of detached homes with correspondingly lower proportions of semi-detached and terrace property than in other areas.
- 4.12 The key characteristics of the housing stock in each of the local authority areas in the HMA are as follows:
- Reading– In comparison to the wider HMA there is a high percentage of flats and terraced properties and a significantly lower percentage of detached stock. In comparison to RBWM there is a significantly higher percentage of terraced properties and a significantly lower percentage of detached stock;
  - Wokingham– In comparison to the wider HMA there is a significantly higher percentage of detached stock and a significantly lower percentage of flatted properties. In comparison to RBWM there is a significantly lower percentage of flats and a significantly higher percentage of detached stock;
  - Wycombe – In comparison to the wider HMA there is a higher percentage of semi-detached stock and a lower percentage of terraced stock, Wycombe shows similar characteristics to RBWM.
  - Bracknell Forest – In comparison to the wider HMA there is a high percentage of terraced housing and a low percentage of semi-detached and flats. In comparison to RBWM there is a significantly higher percentage of terraced properties;
  - South Bucks– In comparison to the wider HMA there is a significantly higher percentage of detached properties and a lower percentage of terraced properties. In comparison to RBWM there is a significantly higher percentage of detached properties;
  - Slough– In comparison to the wider HMA there is a significantly higher percentage of flatted stock and a significantly lower percentage of detached stock. In comparison to RBWM there is a significantly higher percentage of flats and a significantly lower percentage of detached stock;
  - Surrey Heath– In comparison to the wider HMA there is a significantly higher percentage of detached stock and lower percentages of terraced and flatted

properties. In comparison to RBWM there is a significantly higher percentage of detached properties;

- Runnymede– In comparison to the wider HMA there is a slightly higher percentage of semi-detached stock and a lower percentage of terraced properties. Runnymede shows similar characteristics to RBWM;
- Spelthorne– In comparison to the wider HMA there is a higher percentage of semi-detached stock and a lower percentage of detached stock in comparison to RBWM there is a significantly higher percentage of semi-detached and a significantly lower percentage of detached stock.

**Figure 22 - Stock Type / Size Profile – 2011**

Area	Detached	Semi-Detached	Terraced	Flats	Other
England	22.3%	30.7%	24.5%	22.1%	0.4%
South East	28.0%	27.6%	22.4%	21.3%	0.7%
HMA	28.0%	27.8%	20.9%	22.3%	1.0%
RBWM	31.2%	25.3%	18.8%	23.7%	1.1%
Bracknell Forest	27.4%	20.5%	31.6%	18.7%	1.8%
Reading	12.1%	25.3%	30.4%	32.0%	0.2%
Runnymede	27.4%	32.2%	15.6%	21.5%	3.3%
Slough	10.0%	27.9%	28.2%	33.9%	0.1%
South Bucks	40.7%	24.5%	13.8%	19.3%	1.7%
Spelthorne	19.7%	34.7%	20.8%	24.2%	0.7%
Surrey Heath	45.2%	24.8%	13.0%	16.4%	0.6%
Wokingham	44.6%	28.9%	14.6%	10.9%	1.0%
Wycombe	31.0%	32.8%	16.3%	19.4%	0.5%
<b>LHMA</b>					
Ascot, Sunninghill & Sunningdale	44.1%	18.8%	12.1%	24.6%	0.3%
Datchet, Horton & Wraysbury	44.7%	22.6%	15.2%	16.4%	1.0%
Windsor and Eton	16.5%	26.1%	26.4%	29.7%	1.4%
Maidenhead Town	31.2%	26.5%	16.8%	25.2%	0.4%
Maidenhead Rural	43.0%	27.7%	16.0%	10.2%	3.0%

Source: Census 2011

Figure 23 – Detached Properties as a % of stock

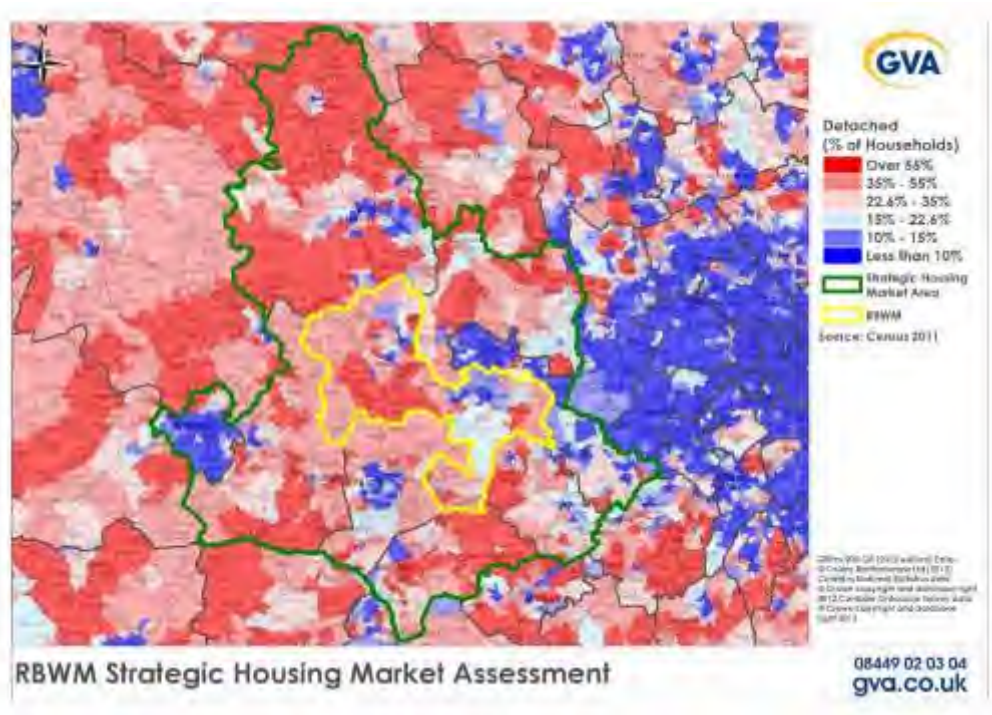
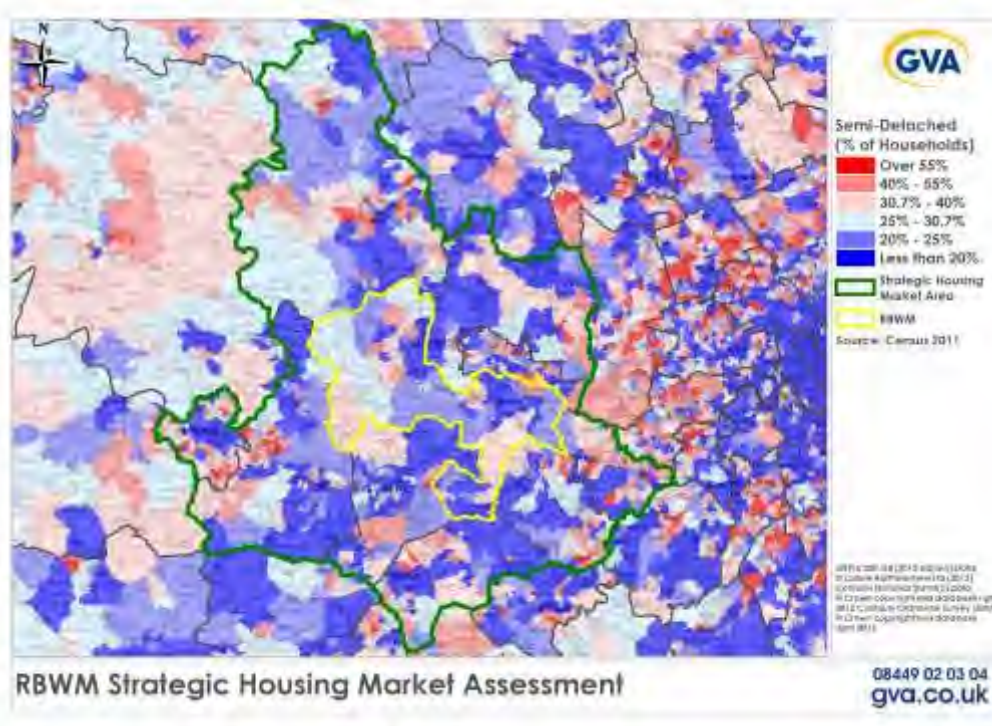


Figure 24 – Semi Detached Properties as a % of stock



Source: both Census 2011

Figure 25 – Terraced Properties as % of stock

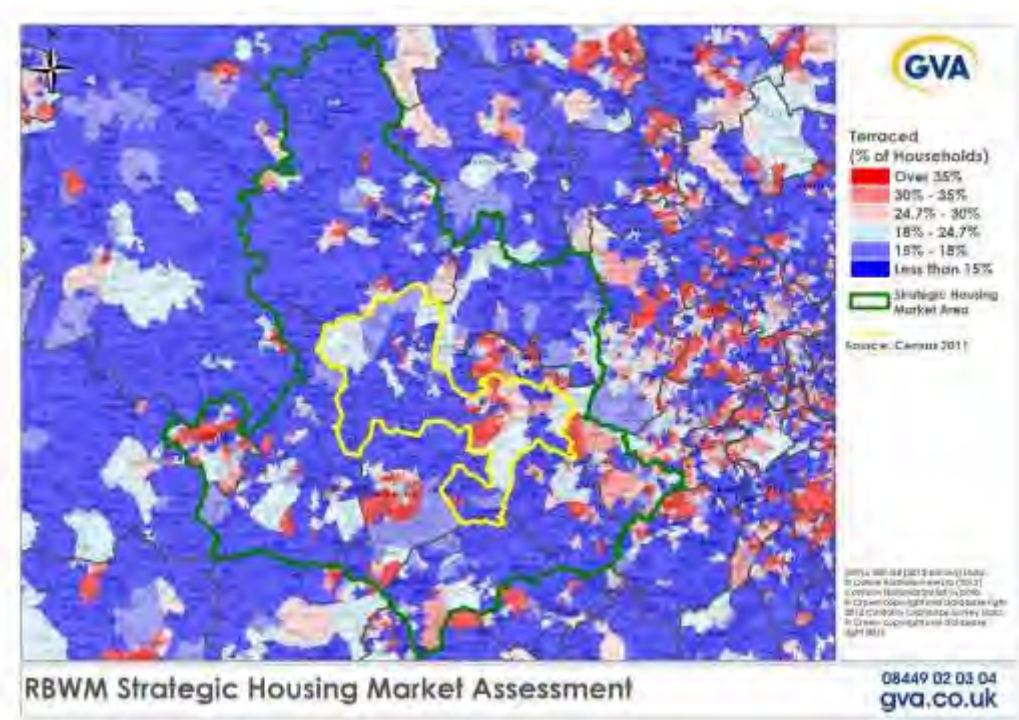
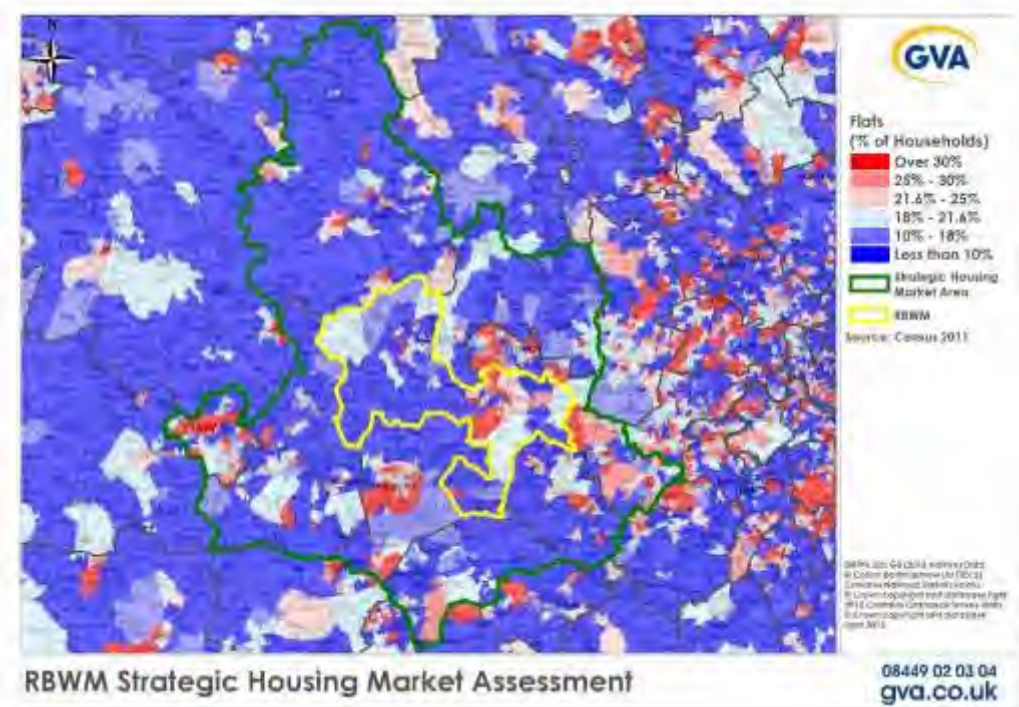


Figure 26 – Flatted Properties



Source: both Census 2011



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## Property Size by Bedroom Number

- 4.13 The Census provides information on the size of housing based on the number of bedrooms.<sup>7</sup>
- 4.14 The proportion of one bedroom properties in the HMA (11.9%) is in line with the national (11.8%) and regional average (11.6%). Geographically, the highest proportion of smaller properties is found in the major towns, for example Slough and Reading where one bedroom properties represent 19.5% and 16% of the stock. In contrast, the Wokingham and Surrey Heath have very low proportions one bedroom properties at 7% and 8% respectively.
- 4.15 Two bedroom properties are marginally under-represented at 24% in the HMA, compared to 28% across England. The distribution of two bedroom properties by sub-market area follows a similar pattern to one bed, with Reading and Slough having the highest proportion (29% and 28%) compared to 19% in Wokingham and Surrey Heath (both).
- 4.16 Spelthorne has the highest proportion of three bedroom properties at 43% which is above the proportion nationally (41.3%), and regionally (38.9%). RBWM has a low percentage of three bedroom properties as a proportion of the total stock, at just 36%.
- 4.17 Surrey Heath, Wokingham and South Bucks have the highest proportion of large properties (4 or more bed properties), representing around a third of the total stock, compared to Slough where large properties make up less than a quarter of the stock.
- 4.18 At the LHMA scale, Maidenhead Rural has the lowest proportion of one bedroom properties, representing 7% of the housing stock. At the other end of the scale, Ascot, Sunninghill & Sunningdale has a high percentage of larger (four or more bedrooms) properties, at 42.6% when combined, compared to just 20% in RBWM.

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<sup>7</sup> Note: The Census 2011 provides the following definition of bedrooms - A bedroom is defined as any room that was intended to be used as a bedroom when the property was built, or any room that has been permanently converted for use as a bedroom. It also includes all rooms intended for use as a bedroom even if not being used as a bedroom at the time of the Census. Bedsits and studio flats are counted as having one bedroom.

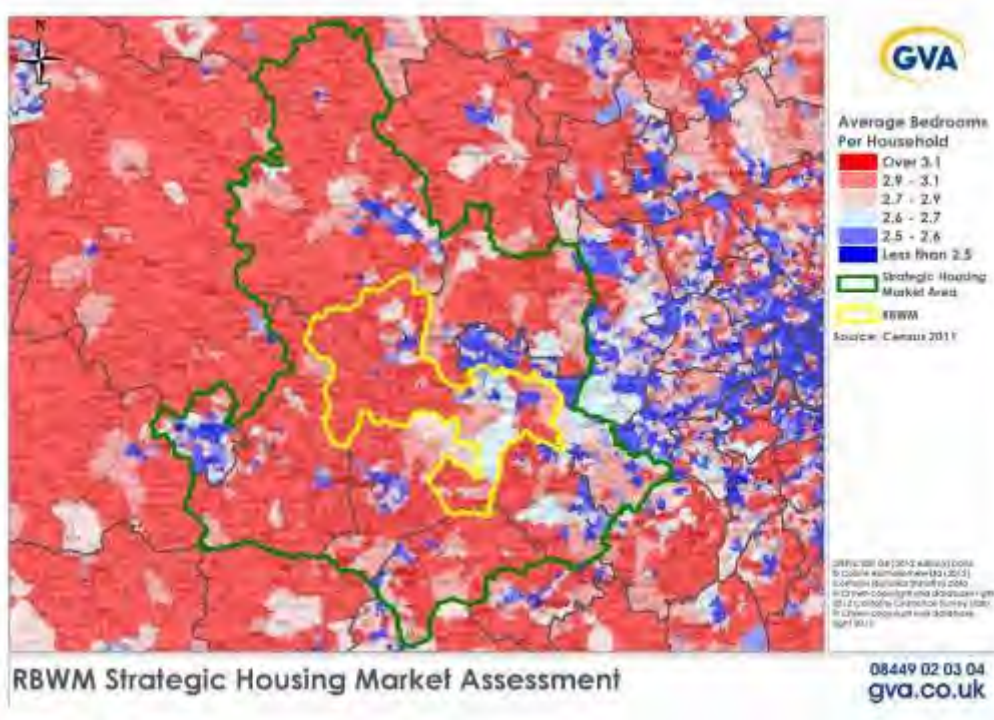
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Figure 27 - Housing stock by number of bedrooms

Area	No Bedrooms	1 Bed	2 Bed	3 Bed	4 Bed	5 Plus
England	0.2%	11.8%	27.9%	41.2%	14.4%	4.6%
South East	0.2%	11.6%	26.2%	38.9%	17.0%	6.0%
HMA	0.2%	11.9%	24.0%	38.3%	18.9%	6.7%
RBWM	0.2%	10.8%	24.1%	35.8%	20.4%	8.6%
Bracknell Forest	0.3%	11.3%	23.9%	38.4%	21.1%	5.0%
Reading	0.3%	15.8%	29.1%	38.3%	11.7%	4.8%
Runnymede	0.1%	13.4%	27.4%	36.0%	16.7%	6.3%
Slough	0.3%	19.5%	27.9%	39.0%	10.1%	3.2%
South Bucks	0.2%	8.1%	21.6%	34.6%	20.2%	15.3%
Spelthorne	0.3%	12.4%	26.7%	43.3%	14.1%	3.2%
Surrey Heath	0.1%	7.9%	18.7%	36.5%	27.2%	9.6%
Wokingham	0.2%	6.6%	18.7%	37.3%	28.8%	8.4%
Wycombe	0.2%	10.9%	21.5%	41.2%	19.6%	6.6%
<b>LHMA</b>						
Ascot, Sunninghill & Sunningdale	0.3%	9.8%	21.4%	26.0%	24.2%	18.4%
Datchet, Horton & Wraysbury	0.2%	12.3%	20.6%	33.7%	23.8%	9.4%
Windsor and Eton	0.2%	13.4%	27.9%	38.9%	14.3%	5.3%
Maidenhead Town	0.2%	10.4%	24.6%	37.1%	20.9%	6.7%
Maidenhead Rural	0.1%	6.8%	19.0%	35.1%	27.0%	11.9%

Source: Census 2011

Figure 28 – Average Bedrooms per Households



Source: Census 2011

## Age of Stock

- 4.19 The distribution of property build period in the HMA is broadly in line with the distribution across England and the South East. However there is variation at a local authority level (see Figure 29 below). Reading has a high percentage of properties built pre-1900, with 19% of the stock built during this period compared to just 3% in Slough and 4% in Bracknell Forest. Reading and Slough both experienced an increase in construction between 2000-2009, with 10% and 11% of the stock respectively built during this period, compared to 8% at a national, regional and HMA level.
- 4.20 Across the HMA the period between 1955 and 1972 was the most active in terms of construction, with 30% of all houses dating from this period, compared to 22% across England and 25% across the South East. The post war reconstruction period of 1955 to 1964 had particularly high build rates.

## Quality of Stock

- 4.21 Data on the quality of stock is not provided below Borough Level. However, as a proxy the percentage of households that have central heating can be used as an indication of modern facilities. As Figure 30 shows by this measure, the quality of the housing stock in the wider HMA is of slightly higher quality than both the national and regional average. At a local authority level the quality of housing in Reading is below average, with 3.2% of stock without central heating, compared to just 2.7% in England, and 2.4% in the South East. In Surrey Heath only 1.0% of all households do not have central heating.
- 4.22 In RBWM the stock is generally of higher quality, indicated by the fact that only 1.7% of households do not have central heating. However, there are pockets of the Borough where the quality of stock falls below the other areas by this measure, most notably Datchet, Horton and Wraysbury.

**Figure 29 - Age of Property by Local Authority**

	Pre 1900	1900 to 1918	1919 to 1929	1930 to 1939	1945 to 1954	1955 to 1964	1965 to 1972	1973 to 1982	1983 to 1992	1993 to 1999	2000 to 2009	2010 to 2012	Unknown <sup>1</sup>
ENGLAND	16%	6%	5%	11%	7%	11%	11%	10%	8%	6%	8%	1%	1%
SOUTH EAST	14%	4%	4%	9%	7%	13%	12%	11%	10%	6%	8%	1%	1%
HMA	8%	4%	4%	10%	7%	17%	12%	11%	11%	6%	8%	1%	1%
RBWM	14%	4%	4%	6%	6%	18%	13%	14%	7%	3%	7%	1%	3%
Bracknell Forest	4%	1%	1%	2%	4%	17%	15%	21%	17%	9%	8%	2%	1%
Reading	19%	8%	4%	11%	5%	11%	11%	7%	6%	5%	10%	1%	2%
Slough	3%	2%	5%	18%	7%	20%	7%	8%	11%	6%	11%	1%	2%
Wokingham	5%	2%	2%	6%	4%	18%	13%	14%	19%	6%	8%	1%	1%
South Bucks	7%	4%	5%	13%	8%	21%	10%	6%	9%	5%	8%	1%	1%
Wycombe	8%	4%	5%	9%	9%	16%	15%	12%	9%	4%	6%	2%	1%
Runnymede	11%	3%	4%	13%	8%	15%	8%	7%	11%	9%	9%	1%	1%
Spelthorne	5%	3%	6%	17%	10%	23%	11%	7%	6%	4%	6%	1%	1%
Surrey Heath	5%	4%	4%	5%	11%	14%	14%	15%	14%	7%	7%	1%	1%

Source: Census 2011

**Figure 30 - Percentage of households with Central Heating (2011)**

Area	Does Not have Central Heating (Number)	Does Not have Central Heating (%)	Does have Central Heating (Number)	Does have Central Heating (%)
England	594,561	2.7%	21,468,807	97.3%
South East	84,627	2.4%	3,470,836	97.6%
HMA	8,817	1.8%	469,524	98.2%
RBWM	993	1.7%	57,356	98.3%
Reading	1,986	3.20%	60,883	96.80%
Slough	1,384	2.70%	49,382	97.30%
Runnymede	656	2%	32,058	98%
Spelthorne	795	2%	38,717	98%
Wycombe	1,059	1.60%	66,802	98.40%
Bracknell Forest	549	1.20%	45,329	98.80%
South Bucks	308	1.20%	26,206	98.80%
Wokingham	752	1.20%	59,580	98.80%
Surrey Heath	335	1%	33,211	99%
<b>LHMA</b>				
Datchet, Horton & Wraysbury	102	2.60%	3,926	97.50%
Windsor and Eton	325	1.70%	16,638	98.30%
Maidenhead Rural	137	1.70%	8,190	98.30%
Maidenhead Town	354	1.50%	21,673	98.50%
Ascot, Sunninghill & Sunningdale	75	1.10%	6,929	98.90%

Source: Census 2011

## Energy performance

- 4.23 The Local Authority Housing Statistics 2011-12 reports the quality of stock in the Borough. This is based on a range of condition and operating Indicators. The data indicates that dwellings owned by the local authority tend to be more energy efficient than those in the private sector. There is variation at local authority level, for example local authority owned property in Wycombe and Woking for have an average EPC rating of D (where A is very efficient and G is very inefficient), which is more in line with the energy rating of private sector property, whereas RBWM local authority owned property has an average rating of A. Although it is worth noting that some Local Authorities have negligible residential ownerships.

**Figure 31 - EPC Performance of Local Authority and Private Dwellings**

	What is the average EPC/SAP rating of all dwellings owned by your Local Authority? (A-G)		What is the average EPC/SAP rating of the private sector dwellings in your Local Authority Area? (A-G)
	at 1st April 2012	Planned 2012-13	
Bracknell Forest	A	A	D
Reading	C	C	C
Runnymede	C	C	E
Surrey Heath	A	A	D
Slough	C	C	D
South Bucks	A	A	C
Spelthorne	A	A	D
RBWM	A	A	D
Wokingham	D	D	E
Wycombe	D	..	D

Source: Local Authority Housing Statistics 2011-12

### Hazardous Stock

- 4.24 Across the HMA there are 16,700 homes rated as having category 1 hazards, of which 96% are in the private sector. In RBWM there are 4,329 dwellings with category 1 hazards, all of which are privately owned. Category 1 hazards are defined as a “serious hazard” which risks harm to the health or safety of an actual or potential occupier of a dwelling which arises from a deficiency in the dwelling or in any building or land in the vicinity (e.g. excess cold, fall hazards, damp and mould). This is whether a deficiency arises as a result of the construction of any building, an absence of maintenance or repair, or otherwise.

### Tenure

- 4.25 Across the HMA the 2011 Census shows that 85.2% of properties are privately owned (68.9% owner occupied and 16.3% private rented). 13.5% of properties are socially rented. These proportions are similar to that found across the South East and within RBWM itself. The proportional representation of social rented stock is low compared to the national average.

**Figure 32 - Dwelling Tenure – 2011 Census**

	Owner Occupation	Social Rented	Private Rented	Living Rent Free
England	64.1%	17.7%	16.8%	1.3%
South East	68.7%	13.7%	16.3%	1.3%
HMA	68.9%	13.5%	16.3%	1.3%
RBWM	68.6%	13.3%	16.2%	1.9%
Bracknell Forest	69.6%	16.7%	12.5%	1.1%
Reading	56.6%	16.3%	26.1%	1.0%
Runnymede	70.5%	12.9%	15.2%	1.4%
Slough	54.1%	20.6%	24.3%	1.0%
South Bucks	74.9%	12.3%	11.4%	1.4%
Spelthorne	73.9%	12.4%	12.7%	1.0%
Surrey Heath	77.6%	9.2%	12.1%	1.0%
Wokingham	80.9%	7.0%	11.2%	0.9%
Wycombe	70.7%	12.7%	15.2%	1.4%
<b>LHMA</b>				
Ascot, Sunninghill & Sunningdale	69.7%	11.8%	15.6%	2.9%
Datchet, Horton & Wraysbury	73.9%	10.8%	14.1%	1.3%
Windsor and Eton	61.4%	15.2%	20.8%	2.6%
Maidenhead Town	70.0%	13.8%	15.0%	1.2%
Maidenhead Rural	76.1%	10.4%	11.4%	2.1%

Source: Census 2011

### Private Rented Sector

- 4.26 The 2011 Census calculates that the private rented sector represents around 16.3% of properties across the HMA and 16.2% of properties within RBWM.
- 4.27 This is a substantial uplift since the 2001 Census when just 14.5% of properties within RBWM were privately rented. This increase coincides with the introduction of buy-to-let mortgages, as well as high house prices, low wage growth and tighter lending requirements pushing owners into the private rental market.
- 4.28 The private rented sector within RBWM is largely concentrated within the Windsor and Eton (20.8%) LHMA. The more rural LHMAs have the smallest private rented sector, such as Maidenhead Rural (10.4%) and Ascot, Sunninghill & Sunningdale (11.8%).

### Affordable Housing Stock

- 4.29 Across the HMA, 13.5% of properties are in social sector ownership compared to an average of 17.7% nationally and 13.7% regionally. Slough has the highest proportion of social rented dwellings of the local authorities, representing 20% of the housing stock, followed by Reading and Bracknell Forest where 17% of the stock (in both) is socially

rented. Wokingham and Surrey Heath have a below average proportion of social rented accommodation at 7% and 9% respectively. In RBWM 13.3% of properties are in social ownership, a rise from 12.4 in 2001. This is broadly reflective of the wider HMA.

4.30 With regard to LHMA's within RBWM, social rent is most prevalent in the two main settlements of Windsor and Eton (15.2%) and Maidenhead Town (13.8%).

### Private Ownership

4.31 The 2011 Census showed that private ownership accounted for 68.9% of household tenures across the HMA, and 68.6% in RBWM. The maps below illustrate the geographical distribution of this tenure, which show:

- In the HMA, Wokingham and Surrey Heath have the highest proportion of owner occupation at 81% and 78% respectively, compared to just 54% in Slough and 56% in Reading;
- At the LHMA level, there is a higher proportion of owner occupied homes in the Maidenhead Rural Area. This is linked to a more settled, older population;
- There are high levels of owning with a mortgage in Datchet, Horton & Wraysbury but with lower levels of owning outright than the national average; and
- The lowest levels of owner occupation are in Maidenhead Town and Windsor and Eton. Owning with a mortgage is more prevalent in the western part of Maidenhead Town.

4.32 While the housing market has been dynamic in recent years, this data does not suggest a major change in the tenure role and function of local authority areas within the HMA.

### Service Family dwellings

4.33 Statistics on service family accommodation is not available at local authority level. However it is understood that there are currently 1,110 military personnel residing in RBWM based on MOD statistics. The vast majority of these are in active service (1,080) with the remainder civilian personnel.

4.34 There are currently 44,500 service family dwellings in England and Wales, of which approximately 14% are vacant. This is a significant decrease from 2000 when approximately 23% were vacant although still up from the 11% in 2012, despite a significant fall in the number of service family homes across the country. About a third of the vacant properties have been retained only until the Army Basing Strategy has been



confirmed. If these properties are excluded, the vacant rate drops to 11%, and this represents an approximate halving of the vacant rate from a peak of 21% in 2008. This compares with the target of 10% which is needed to support the expected level of family moves.

**Figure 33 – Service Family Accommodation in England and Wales (000's).**

	2007	2008	2009	2010	2011	2012	2013
Dwellings	44.9	45.2	44.9	44.1	44.2	44.0	44.5
Vacant Dwellings	8.2	8.1	7.3	6.1	5.0	5.0	6.1
% Vacant Dwellings	18	18	16	14	11	11	14

Source: MOD Defence Infrastructure Organisation Table 6.02.01, March 2013

## Self-Build

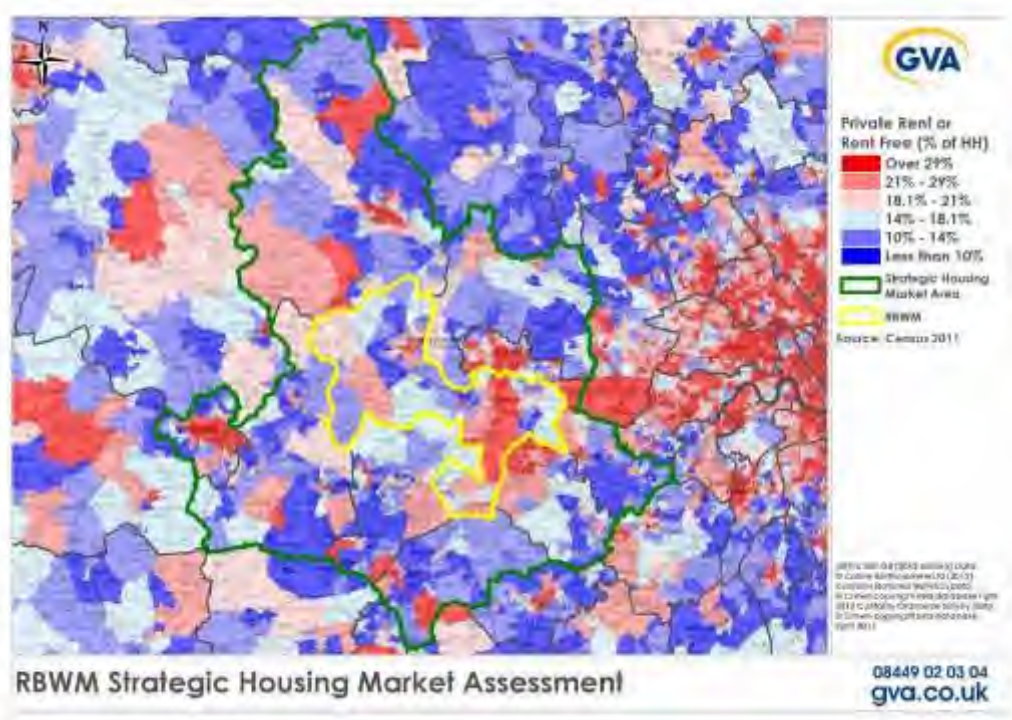
- 4.35 According to Homebuilding and Renovation's UK Self Build Market Report (Q1 2013)<sup>8</sup>, self-build properties contributed approximately 8% of new UK housing in Q1-2013 and 28% of all new detached homes. This is up from around 7% and 26% in Q1 and level with Q4-2012. This level of uptake if repeated locally would represent a significant proportion of the house building in RBWM.
- 4.36 The National Self Build Association (NaSBA) produced "An Action Plan to promote the Growth of Self Build Housing". The plan aimed to:
- Make it easier to find/buy a plot;
  - Easier to get finance;
  - Reduce red tape and regulation; and
  - Provide better advice to would-be self-builders.
- 4.37 There are currently five sites being marketed for self-build development in RBWM<sup>9</sup>, although if the market dictates these could be built by a private developer. While recognising the potential for self-build homes to deliver sustainable, affordable housing with plots in the borough starting at £700,000 it is unlikely to meet any affordable housing requirement.
- 4.38 With no suitably robust data source on self-build interest at a local level, it is difficult for the Council to plan appropriately for this type of housing. However the council will

<sup>8</sup> <http://www.homebuilding.co.uk/press-room/market-report-q1-2013>

<sup>9</sup> Rightmove and Primelocation

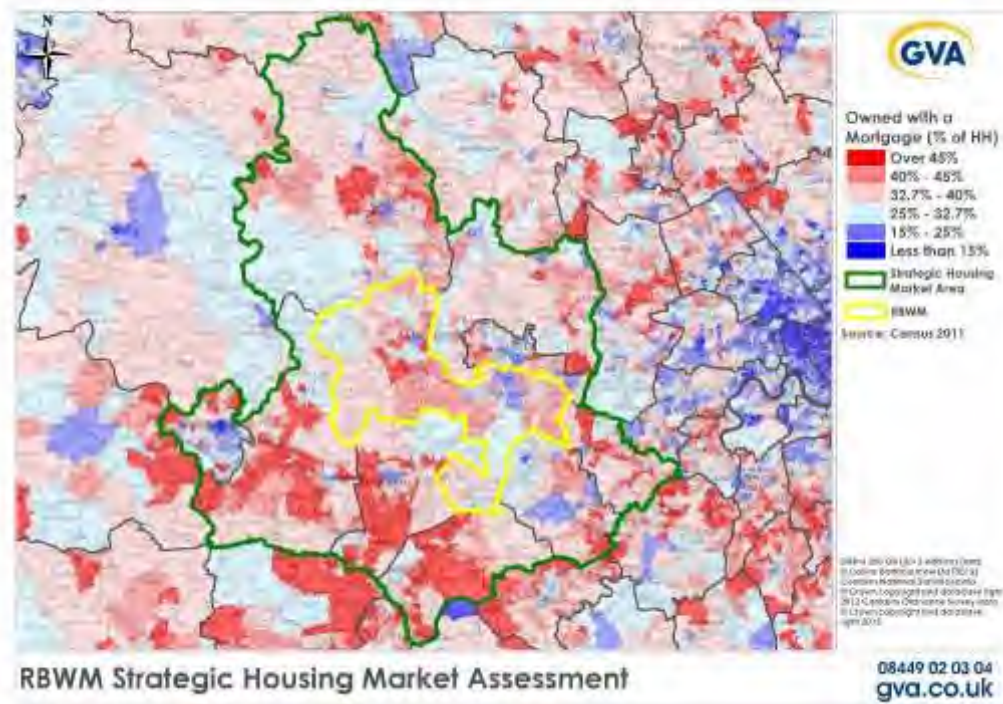
consider how it can meet the aims of the NaSBA. It may therefore be more appropriate for the Council to consider meeting the need of self-builders through the allocation of sites purely for this type of development.

**Figure 34 – Private Rental Sector as a proportion of stock**



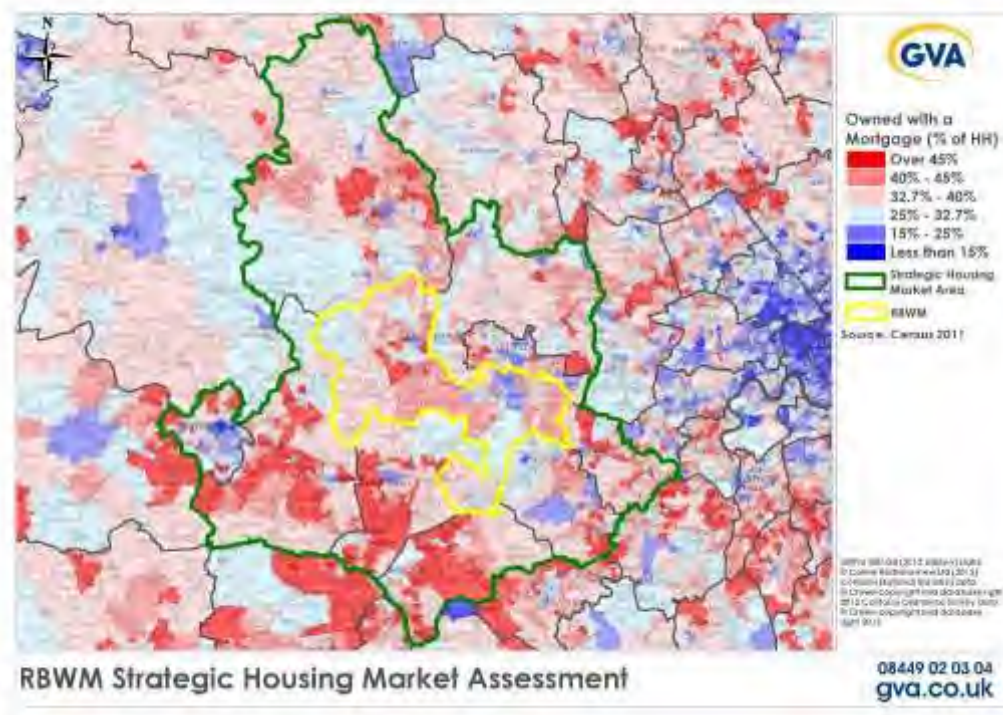
Source: Census 2011

Figure 35 – Owner Occupation – Owned with a Mortgage as a proportion of stock



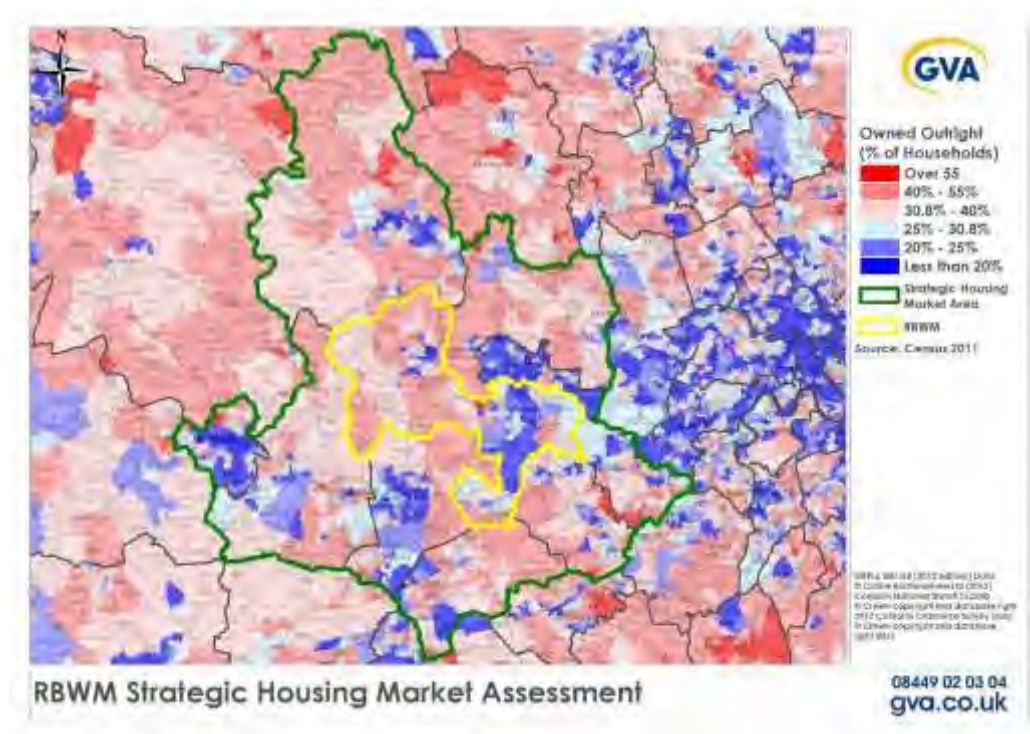
Source: Census 2011

Figure 36 - Owner Occupation – Owned Outright as a proportion of stock



Source: Census 2011

**Figure 37 - Owner Occupation – Owned Outright as a proportion of stock**



Source: Census 2011

### No Usual Residents

- 4.39 The Census defines housing with No Usual Resident as vacant properties, second homes, properties in use by short-term residents or visitors and homes that cannot find a tenant or those not fit for habitation.
- 4.40 Across the HMA, approximately 3.6% of stock has no usual residents, which is lower than the national average of 4.3% of household spaces (see Figure 38 below). Runnymede has a slightly higher rate (4.7%), while Slough has a lower rate (2.3%). In RBWM, the vacancy rate is in line with the national average of approximately 4.3%.
- 4.41 At a local level Ascot, Sunninghill and Sunningdale has a markedly higher rate of households with no usual residents at 7.2%.

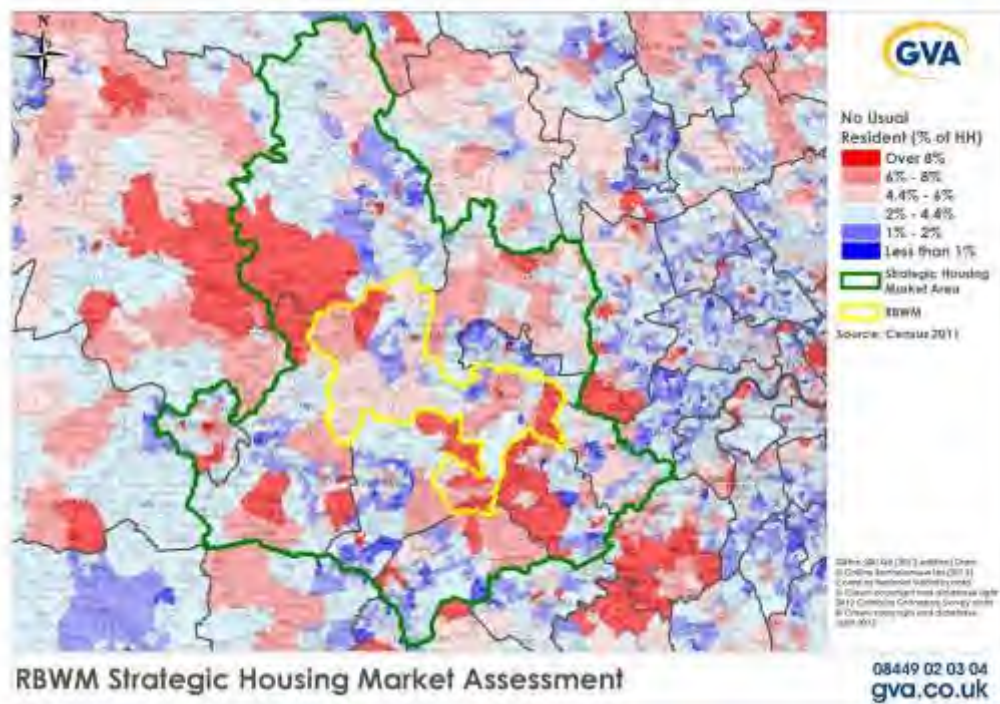
**Figure 38 - No Usual Residents rates across RBWM**

Area	Household Spaces	Household Spaces With No Usual Residents	Household Spaces With No Usual Residents
England	23,044,097	980,729	4.3%
South East	3,704,173	148,710	4.0%
HMA	496,351	18,010	3.6%
Bracknell Forest	47,039	1,161	2.5%
Reading	65,925	3,056	4.6%
Runnymede	34,316	1,602	4.7%
Slough	51,980	1,214	2.3%
South Bucks	27,721	1,207	4.4%
Spelthorne	40,945	1,433	3.5%
Surrey Heath	34,757	1,211	3.5%
Wokingham	62,490	2,158	3.5%
Wycombe	70,235	2,374	3.4%
RBWM	60,943	2,594	4.3%
<b>LHMA</b>			
Ascot, Sunninghill & Sunningdale	7,548	544	7.2%
Datchet, Horton & Wraysbury	4,299	271	6.3%
Windsor and Eton	17,671	708	4.0%
Maidenhead Town	22,706	679	3.0%
Maidenhead Rural	8,719	392	4.5%

Source: Census 2011

- 4.42 Census 2011 data on second addresses in the HMA (Figure 40 below) shows that the proportion of usual residents elsewhere with a second address in their respective local authority is highest in South Bucks at 4.7%, and lowest in Slough at 1.9%.
- 4.43 Of the 4.7% with a second address in South Bucks, 4% are classified as 'other', which could include a student's home address or the address of another parent. Bracknell Forest and RBWM have a higher proportion of second addresses for the purpose of working (0.8% and 0.7% respectively compared to 0.3% across the South East). This could be due to the presence of army barracks in both Unitary Authorities.

**Figure 39 – Household Spaces with No Usual Residents as a% of all Household Spaces**



Source: Census 2011

**Figure 40- Usual Residents Elsewhere with a Second Address in the Area (as a % of usual residents)**

	All Usual Residents	Usual residents elsewhere with a second address in this area	Usual residents elsewhere with a second address in this area – Working	Usual residents elsewhere with a second address in this area – Holiday	Usual residents elsewhere with a second address in this area – Other
South East	8,634,750	2.14%	0.33%	0.21%	1.60%
South Bucks	66,867	4.70%	0.60%	0.00%	4.00%
RBWM UA	144,560	4.30%	0.70%	0.20%	3.50%
Wokingham UA	154,380	4.10%	0.50%	0.00%	3.50%
Surrey Heath	86,144	4.00%	0.60%	0.00%	3.40%
Wycombe	171,644	3.80%	0.60%	0.10%	3.10%
Bracknell Forest UA	113,205	3.60%	0.80%	0.00%	2.70%
Runnymede	80,510	3.50%	0.50%	0.10%	2.90%
Reading UA	155,698	2.80%	0.60%	0.00%	2.30%
Spelthorne	95,598	2.50%	0.40%	0.00%	2.10%
Slough UA	140,205	1.90%	0.30%	0.00%	1.60%

1. A second address is an address at which a person stays for more than 30 days per year that is not a person's place of usual residence. This includes addresses that are in the UK and those outside of the UK. Typical second addresses include armed forces bases, addresses used by people working away from home, a student's home address, the address of another parent or guardian, or a holiday home. If a person with a second address was staying at that address on Census night, they were classed as a visitor to that address, but counted as a usual resident at their home address.

2. For the 2011 Census, a usual resident of the UK is anyone who, on Census day 2011, was in the UK and had stayed or intended to stay in the UK for a period of 12 months or more, or had a permanent UK address and was outside the UK and intended to be outside the UK for less than 12 months.

For more information see <http://www.ons.gov.uk/ons/guide-method/census/2011/index.html>

## Vacant Stock

4.44 The DCLG publishes data on dwelling stock, which includes data on vacant dwellings drawn from several separate sources, including local authority housing statistics and the council tax base. Figure 41 below shows how vacancy rates vary across the HMA, and how they have changed since 2004.

**Figure 41 – Vacant Stock as Percentage of Dwelling Stock**

Local Authority Name	2004	2005	2006	2007	2008	2009	2010	2011 <sup>R</sup>	2012
RBWM	3.4%	3.2%	2.7%	2.8%	3.2%	3.2%	2.9%	3.0%	3.0%
Bracknell Forest	2.0%	2.1%	2.2%	2.3%	2.5%	2.6%	2.4%	1.9%	2.0%
Reading	3.0%	3.0%	3.1%	3.3%	2.9%	3.4%	3.0%	2.6%	2.4%
Runnymede	2.8%	2.3%	2.7%	2.3%	2.5%	2.7%	2.5%	2.3%	2.1%
Slough	1.8%	1.8%	2.0%	1.9%	1.9%	2.1%	1.9%	1.5%	1.2%
South Bucks	4.0%	4.0%	4.8%	2.7%	2.7%	2.6%	2.5%	2.6%	2.8%
Spelthorne	3.5%	2.2%	2.3%	2.4%	2.4%	2.5%	2.4%	2.3%	2.2%
Surrey Heath	2.2%	2.3%	2.6%	2.3%	2.4%	2.3%	2.2%	2.1%	2.0%
Wokingham	2.1%	2.3%	2.0%	2.1%	2.2%	2.1%	2.0%	2.1%	2.1%
Wycombe	2.1%	1.9%	2.2%	2.2%	2.2%	2.4%	2.3%	2.0%	2.0%

Note: the quality of this data set going forward may be affected by Councils starting to charge a surplus Council Tax for vacant properties.

Source: DCLG Live Tables 125, 615

4.45 The vacancy rates as calculated by DCLG are significantly below the Census level of household spaces with no usual residents. For example according to DCLG only 2.1% of the dwelling stock in Runnymede is vacant, compared to the Census figure of 4.7% household spaces with no usual residents.

4.46 In general, vacancy rates since 2004, recorded from this source, have been highest in South Bucks and lowest in Slough. Vacancy rates across the HMA have decreased over the period from 2004-2012. Spelthorne has seen the largest fall in vacant dwellings, from

3.5% of the stock to 2.2%. In RBWM vacancy rates were highest in 2004 at 3.4%, falling to 2.7% in 2006 and have been stable at 3% since 2011.

4.47 Local Authority Housing Statistics 2011-12 provides an updated indication of Housing Association Vacancy rates in RBWM. This indicated that approximately 105 dwellings in the social sector are vacant. This is an increase from 81 vacant dwellings in the previous year. This high level is due to major redevelopment schemes currently underway.

4.48 The reasons for vacancy within RBWM are due largely to internal transfers within the social Housing Stock and those household spaces where the previous tenant has moved to the private sector. Compared to England there is a significantly higher level of internal transfers than England but lower moves to private sector.



**Figure 42 - Reason for Vacancy by Local Authority (Average 2004/5-2012/13)**

	First let to new build, conversion, rehabilitation or acquired property	Re let - Internal transfer	Re let - previous tenant died (no succession)	Re let - previous tenant evicted	Re let - previous tenant moved to (other) LA	Re let - previous tenant moved to (other) PRP	Re let - previous tenant moved to private sector or other accommodation	Re let - property abandoned by previous tenant	Re let - to tenant who occupied same property as temporary accommodation	Re let-tenant evicted due to ASB or other reason	Re let-tenant moved to other social housing provider	Re let-tenant evicted due to arrears
<b>RBWM</b>	<b>12%</b>	<b>33%</b>	<b>16%</b>	<b>7%</b>	<b>2%</b>	<b>2%</b>	<b>25%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>England</b>	<b>12%</b>	<b>20%</b>	<b>13%</b>	<b>6%</b>	<b>5%</b>	<b>5%</b>	<b>33%</b>	<b>5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

Source: DCLG Continuous Recording of Letting and Sales in Social Housing in England 2013

## Housing in Multiple Occupation

- 4.49 There are 9,700 Houses in Multiple Occupation (HMOs) in the HMA. Over a third of these are located in Reading. Wycombe and Slough also have significant numbers of HMOs at 2,000 and 1,625 respectively. In comparison, South Bucks has only 46 HMOs across the local authority area.
- 4.50 The monitoring of HMOs varies across the HMA. For example, according to the data, only 36% of estimated licensable HMOs in Slough actually have licenses. In Wycombe all properties identified as being mandatory licensable were found to have Category 1 hazards upon inspection (although the consistency of the data may be questionable).

**Figure 43 - HMOs by Local Authority**

	Estimate of total HMOS in each Local Authority	Estimate of total licensable HMOS in Local Authority	Actual number of properties with mandatory HMO licences	No of properties identified as being mandatory licensable HMOS found to have Category 1 hazards upon inspection
Bracknell Forest	190	15	12	0
Reading	3542	900	749	35
Runnymede	999	73	73	6
Surrey Heath	153	0	0	0
Slough	1625	200	72	1
South Bucks	46	6	6	0
Spelthorne	85	0	23	0
RBWM	600	20	22	5
Wokingham	460	100	5	0
Wycombe	2000	75	71	71

Source: Local Authority Housing Statistics 2011-12

## Overcrowding

- 4.51 In general, the average occupancy rating for households living in the HMA is in line with the England average; however a higher proportion of households are overcrowded in the HMA (8.6%) when compared the average for the South East (7.6%). The occupancy rating varies significantly across the local authorities within the HMA. Reading and Slough, for example have a significantly higher proportion of families living in overcrowded properties, with 14% and 21% of households requiring an additional room. In RBWM the proportion is much lower, with just 6.7% of households with an occupancy ratio of -1 or less.

**Figure 44 - Rooms, bedrooms and central heating, local authorities in England and Wales<sup>10</sup>**

	2001 Occupancy rating (rooms) of - 1 or less  Households (%)	2011 Occupancy rating (rooms) of - 1 or less  Households (%)	2011 Occupancy rating (bedrooms) of -1 or less  Households (%)	2011 Average household size  Persons per household (No.)	2011 Average number of rooms per household  Rooms per household (No.)	Average number of bedrooms per household  Bedrooms per household (No.)
ENGLAND	5.0%	8.7%	4.8%	2.4	5.4	2.7
SOUTH EAST	4.4%	7.5%	3.8%	2.4	5.6	2.8
HMA	5.0%	8.6%	4.6%	2.5	5.6	2.9
Bracknell Forest	4.2%	6.2%	3.1%	2.4	5.7	2.9
Reading	7.3%	13.6%	6.2%	2.4	5.1	2.6
Runnymede	4.6%	8.3%	3.4%	2.4	5.5	2.8
Slough	10.9%	20.8%	12.8%	2.8	4.7	2.5
South Bucks	2.7%	4.2%	2.7%	2.5	6.4	3.2
Spelthorne	5.0%	9.0%	4.5%	2.4	5.2	2.7
Surrey Heath	2.7%	5.0%	2.9%	2.5	6.3	3.1
RBWM	3.9%	6.7%	3.8%	2.4	5.9	2.9
Wokingham	2.6%	3.7%	2.0%	2.5	6.3	3.1
Wycombe	4.6%	8.2%	4.7%	2.5	5.7	2.9
<b>LHMA</b>						
Ascot, Sunninghill & Sunningdale	2.7%	5.4%	2.6%	2.5	6.7	3.2
Datchet, Horton & Wraysbury	5.6%	7.0%	3.9%	2.5	6.0	3.0
Windsor and Eton	4.5%	7.3%	4.0%	2.3	5.4	2.7
Maidenhead Town	3.8%	7.7%	4.6%	2.5	5.7	2.9
Maidenhead Rural	2.3%	3.6%	2.2%	2.4	6.5	3.2

Source: Census, 2001 and 2011

4.52 There is a noticeable increase in the percentage of over-occupied properties between the two Censuses. Across the HMA those homes with at least 1 rooms below that required grew from 5.0% to 8.6%. The urban areas of Reading and Slough have been most affected. In RBWM this measure grew from 3.9% to 6.7% of all households. Within the Borough the largest increase in over occupied properties was in Maidenhead Town.

<sup>10</sup> Occupancy rating provides a measure of whether a household's accommodation is overcrowded or under occupied. There are two measures of occupancy rating, one based on the number of rooms in a household's accommodation, and one based on the number of bedrooms. The ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement.

- 4.53 These findings are confirmed by data for the number of persons per room. Again Reading and Slough emerge as having the most overcrowded.

## Recent Development Trends

- 4.54 UK house building levels are at a historically low level. 115,620 units were completed in 2012. This compares to a post war average of 205,000 per annum and a recent peak of 175,000 units in 2007, the last year before the economic downturn.
- 4.55 The recent economic downturn has reduced development finance as well as purchaser finance and demand. There has also been planning uncertainty.
- 4.56 Figure 45 shows completions across the housing market area since 2004/05. In total, 28,690 net additional dwellings<sup>11</sup> were delivered across the housing market area between 2004/05 and 2011/12. The focus of delivery rates has been on Reading (19%), Slough (13%), Wokingham (13%) and Wycombe (13%). This is almost 60% of completions within the HMA when combined.
- 4.57 This spatial focus has not been consistent over this recent time period. Reading delivered over 30% of all new dwellings in the housing market area in 2004/5 falling to just 13% by 2011/12. Wycombe has played a particularly strong role in delivering new homes in the latter periods, with over 20% of total delivery in 2010/11 – 2011/12.
- 4.58 RBWM delivered approximately 10% of all new dwellings across the Housing Market Area between 2004/5 and 2011/12. This is a total of 2,754 net additional dwellings. The number of completions peaked in 2008/09. There has subsequently seen a year-on-year reduction, which is reflective of the wider 'credit crunch' and recessionary economic climate thereafter which has been felt nationally, as well as across the wider HMA area.
- 4.59 When considering performance against housing delivery targets, it is evident that the housing market and economic context since 2007/08 has made it challenging for all local authorities to maintain completion rates.

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<sup>11</sup> As defined by <https://www.gov.uk/definitions-of-general-housing-terms>

**Figure 45 – Rounded net additional dwellings 2004/5 – 2011/12**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Average 2004/05 to 2011/12
Bracknell Forest	240	270	130	500	470	330	410	270	328
Reading	1,180	660	640	840	780	690	400	310	688
Runnymede	220	520	200	250	230	340	170	180	264
Slough	840	390	330	890	600	280	250	250	479
South Bucks	170	130	200	380	190	110	130	130	180
Spelthorne	270	130	180	180	190	210	140	160	183
Surrey Heath	140	400	350	120	340	30	40	180	200
RBWM	350	400	360	450	470	350	190	180	344
Wokingham	380	660	1,020	490	370	230	220	270	455
Wycombe	210	300	600	610	630	300	580	510	468
Average	400	386	401	471	427	287	253	244	359
Total	4,000	3,860	4,010	4,710	4,270	2,870	2,530	2,440	3586

Source: DCLG 2013 Table 122 Net additional dwellings by LA, England 2004-05 to 2011-12. Housing Flows Reconciliation (HFR), the Greater London Authority and Regional Assembly joint returns.

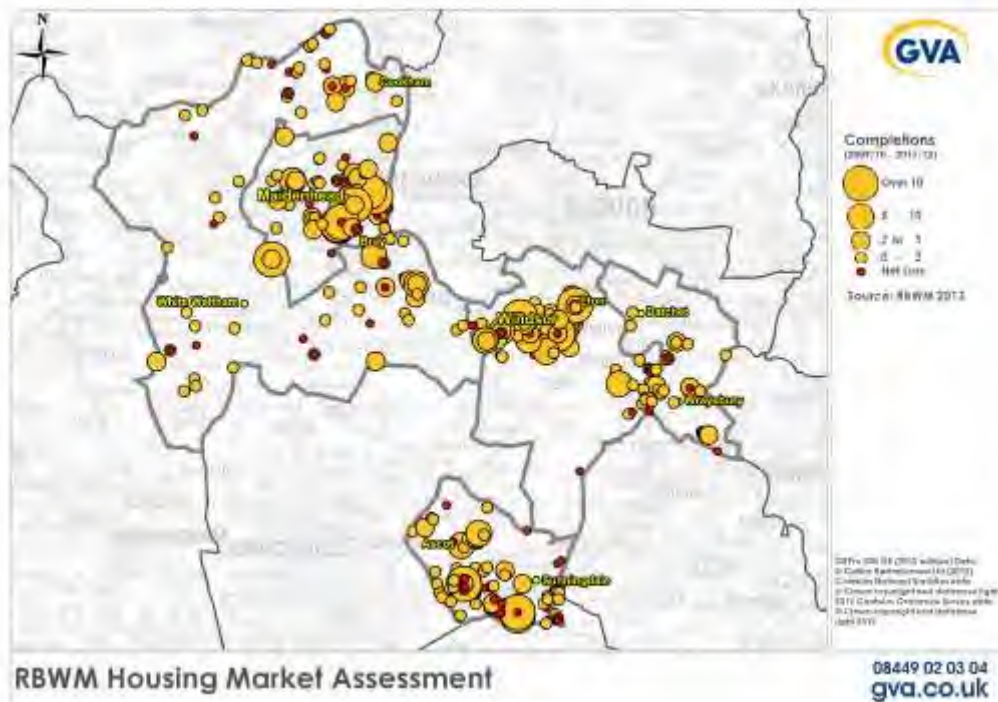
### Spatial Distribution of Completions

4.60 Figure 46 illustrates the spatial distribution of housing delivery over the last five years. The largest clusters of major developments (over 10 units) have been in the most urbanised areas of the Borough, the towns of Maidenhead and Windsor. This is a reflection of the availability of brownfield land within the built up areas, increases in the residential role and densities of town centres, as well as planning constraints on areas outside the town in what is otherwise a buoyant housing market.

### Change in Dwellings by Type Since 2001

4.61 There has been a national and regional trend towards an increased provision of flatted housing stock since 2001. This has been reflected in the HMA, where the number of flats increased by 30% in a 10 year period. Reading has had a particularly strong rate of growth in flatted stock. This is in contrast to a markedly slower rate of growth for detached, semi-detached and terraced stock at all scales.

**Figure 46 – Completions by Net Gain in RBWM (2009/10 – 2011/12)**



Source: RBWM 2013

4.62 Over the last ten years the greatest growth has been in flatted stock, particularly in Reading, Slough and Wycombe. Growth in Semi-detached properties was most pronounced in Bracknell Forest and Slough. The most modest growth by type has been in detached properties.

**Figure 47 - Change in Dwellings by Type (2001-2011)**

	Detached	Semi-detached	Terraced	Flats
England	7.1%	5.4%	2.7%	21.9%
South East	4.1%	5.6%	5.5%	36.3%
HMA	1.9%	4.2%	2.6%	33.5%
RBWM	3.0%	3.1%	4.8%	33.0%
Bracknell Forest	0.4%	7.9%	2.1%	22.9%
Reading	-1.1%	3.6%	0.3%	51.6%
Runnymede	-0.1%	0.5%	-0.7%	41.4%
Slough	9.5%	6.0%	-0.6%	47.3%
South Bucks	1.5%	3.4%	8.7%	10.1%
Spelthorne	-0.1%	1.9%	1.0%	20.0%
Surrey Heath	2.2%	3.2%	4.3%	34.5%
Wycombe	3.0%	3.1%	4.8%	33.0%

Source: Census 2001,2011

## Change in Household Space by Number of Rooms

- 4.63 **Figure 49** below shows the change in household spaces by number of rooms over the last 20 years. This is further evidence of an emphasis on providing smaller one and two bedroom properties and the similar Census category of three for and five room properties.
- 4.64 The most pronounced rate of growth in smaller properties has been Reading, Slough and to a lesser extent Wycombe. This is the case in terms of percentage of the current stock and in gross room outputs.

## Housing Completions by Size and RBWM Sub Area

- 4.65 Housing completions within RBWM can be analysed by sub-areas and by size for the period 2009/10 to 2011/12. This data also includes mobile homes, gypsy and traveller pitches and self-contained annexes.
- 4.66 The largest number of new homes has been delivered in the Maidenhead Town sub-area over the last three years. The majority of these have been smaller 1 and 2 bedroom properties. This coincides with the wider delivery by type trends. Almost 70% of all new housing in RBWM is 1 and 2 Bedroom units. The Maidenhead Town and Windsor and Eton sub areas have seen the largest growth in 2 and 3 bedroom properties.

**Figure 48 – Net Completions by Size and Location (2009/10 – 2011/12)**

LHMA	1 beds	2 beds	3 beds	4 beds	5+ beds	Total
Ascot, Sunninghill & Sunningdale	3	56	-5	-10	17	<b>61</b>
Datchet, Horton & Wraysbury	13	15	3	5	4	<b>40</b>
Maidenhead Rural	7	33	42	20	4	<b>106</b>
Maidenhead Town	107	130	29	26	7	<b>299</b>
Windsor and Eton	37	100	46	20	8	<b>211</b>
<b>Total</b>	<b>167</b>	<b>334</b>	<b>115</b>	<b>61</b>	<b>40</b>	<b>717</b>

Source: RBWM 2013

- 4.67 By contrast, larger properties have tended to be delivered particularly in Ascot, Sunninghill and Sunningdale. This coincides with the existing prevalence of large unit types in these areas.

**Figure 49 - Change in Household Spaces by Size (1991-2011)**

	1 room		2 rooms		3 rooms		4 rooms		+5 rooms		Total Change	
	10 Year Change	20 Year Change	10 Year Change	20 Year Change	10 Year Change	20 Year Change	10 Year Change	20 Year Change	10 Year Change	20 Year Change	10 Year Change	20 Year Change
Bracknell Forest	-153	-264	54	-465	502	1,259	590	2,542	1,501	6,403	2,494	9,475
Reading	-239	-1,361	1,014	942	2,324	3,980	1,785	2,750	117	4,386	5,001	10,697
Slough	125	-410	998	624	1,819	3,423	1,364	2,830	1,472	4,140	5,778	10,607
South Bucks	-22	-193	53	-140	439	494	429	561	832	2,162	1,731	2,884
Spelthorne	-1	-173	228	22	560	1,123	126	363	192	2,912	1,105	4,247
Surrey Heath	-145	-169	103	-138	412	810	414	915	1,033	2,989	1,817	4,407
RBWM	-24	-453	253	-228	1,206	2,073	874	1,294	1,778	3,836	4,087	6,522
Wokingham	-72	-338	20	-413	561	1,328	534	1,549	2,015	7,302	3,058	9,428
Wycombe	-93	-577	392	-119	1,467	2,427	808	1,473	1,776	5,423	4,350	8,627
<b>HMA</b>	<b>-624</b>	<b>-3,938</b>	<b>3,115</b>	<b>85</b>	<b>9,290</b>	<b>16,917</b>	<b>6,924</b>	<b>14,277</b>	<b>10,716</b>	<b>39,553</b>	<b>29,421</b>	<b>66,894</b>

Source: Census 1991, 2001 and 2011



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## Future Supply Capacity

- 4.68 Later sections of this SHMA indicate future levels of demand for housing. It is important to set the implications of these projections against an understanding of the local capacity for delivery.
- 4.69 The Strategic Housing Land Availability Assessment (SHLAA) process provides an estimate of the amount of land that could potentially be available to deliver housing. Although the SHLAA is a proxy for overall housing land supply at the local authority scale, it presents a reasonable basis for considering whether land supply could represent a constraint on delivery.
- 4.70 RBWM SHLAA was published in 2011 and represents the most up to date assessment. It considered the suitability of sites and related capacity against adopted planning policy within RBWM Local Plan (Incorporating Alterations Adopted June 2003) (e.g. land designated for uses other than housing or as Green Belt was excluded from being available and therefore was not part of the estimated capacity). In total, a capacity for 5,942 dwellings was identified as being capable of delivery in the period 2006-2026. This equated to just under 300 dwellings per annum. This is the plan period of the now revoked South East Plan. Completions from 2006 to 2011 reflected 35% of this plan period capacity, with the remaining proportion being deliverable from the date of publication.
- 4.71 RBWM is undertaking an update to the SHLAA. This review takes into account emerging policies from the Borough Local Plan (e.g. land where designations are proposed to be withdrawn are included as being available and therefore form part of the estimated capacity) and the redevelopment of previously developed sites in the Green Belt which is now supported in principle by the National Planning Policy Framework. Whilst not completed, initial estimates and the latest available data at the time of publication of this SHMA indicate that around 7,415 dwellings could be delivered in the period 2011-2029. This equates to just over 390 dwellings per annum.
- 4.72 The spatial distribution of capacity is focused on Maidenhead, Windsor and Ascot. This reflects the availability of previously developed land and the rejuvenation initiatives around Maidenhead and Ascot centres.
- 4.73 Elsewhere in the HMA there is capacity for approximately 62,000 additional homes between 2012 and 2029. This results in a per annum shortfall against the former target

of 24 homes. The largest gross capacity can be found in Reading and Wokingham. South Bucks has identified capacity for less than 100 new units per annum, although this is still close to its former target. The largest gross shortfalls against capacity are in Bracknell Forest and then, to a significantly lesser extent, in RBWM.

Figure 50 - Supply capacity against former RSS target

	Core Strategy annual provision	South East Plan annual target	Average annual expected housing delivery 2011 to 2026
Bracknell Forest	557	639	348
Reading	547	611	657
Slough	285	315	346
South Bucks	110 to 140	94	95
Spelthorne	166	166	212
Surrey Heath	191	187	256
RBWM	346 (not adopted)	346	253
Runnymede	286 (not adopted)	286	273
Wokingham	662	623	730
Wycombe	403	390	369
<b>HMA</b>	<b>3,553</b>	<b>3,657</b>	<b>3,539</b>

Source: RSS and local authority websites accessed Dec 2012

<http://www.bracknell-forest.gov.uk/shlaa-monitoring-report-at-31-march-2012.pdf>  
[http://www.reading.gov.uk/documents/servingyou/planning/local\\_development\\_framework/24194/Annual-Monitoring-Report-2012.pdf](http://www.reading.gov.uk/documents/servingyou/planning/local_development_framework/24194/Annual-Monitoring-Report-2012.pdf)  
[http://www.runnymede.gov.uk/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/RBC%2520Portal/LGCL%2520Categories/Environment/Land\\_premises/Planning/Planning\\_policy/LDF/Annual%2520Monitoring%2520Reports/AMR\\_10\\_11.pdf](http://www.runnymede.gov.uk/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/RBC%2520Portal/LGCL%2520Categories/Environment/Land_premises/Planning/Planning_policy/LDF/Annual%2520Monitoring%2520Reports/AMR_10_11.pdf)  
[http://www.southbucks.gov.uk/includes/documents/cm\\_docs/2012/a/amr2010\\_11.pdf](http://www.southbucks.gov.uk/includes/documents/cm_docs/2012/a/amr2010_11.pdf)  
[http://static.slough.gov.uk/downloads/AMR\\_11-12\\_final.pdf](http://static.slough.gov.uk/downloads/AMR_11-12_final.pdf)  
<http://www.surreyheath.gov.uk/Surrey%20Heath%20Borough%20Council/Planning%20Policy%20and%20Conservation/AMR201112.pdf>  
<http://www.spelthorne.gov.uk/CHttpHandler.ashx?id=3072&p=0>  
[http://www.rbwm.gov.uk/public/pp\\_shlaa2011\\_report.pdf](http://www.rbwm.gov.uk/public/pp_shlaa2011_report.pdf)  
<http://www.wokingham.gov.uk/EasysiteWeb/getresource.axd?AssetID=218893&type=full&servicetype=Attachment>  
[http://www.wycombe.gov.uk/Core/DownloadDoc.aspx%3FdocumentID%3D5238&sa=U&ei=UENcUc\\_KFem00QXhg4C4BA&ved=0CBsQFjAA&usg=AFQjCNE9Hq71CABU\\_uW8xgufvcylxT78w](http://www.wycombe.gov.uk/Core/DownloadDoc.aspx%3FdocumentID%3D5238&sa=U&ei=UENcUc_KFem00QXhg4C4BA&ved=0CBsQFjAA&usg=AFQjCNE9Hq71CABU_uW8xgufvcylxT78w)

## Key Findings

- 4.74 The purpose of this section has been to review housing trends across the housing market area. Key findings are:
- The HMA has a population of 1,208,811 people in 536,690 households. 12% of the population and 11% of the households are resident in RBWM.

- The vast majority of homes in the housing market area are privately owned (c.70%). The last decade has seen an increased proportion of private rented properties, however this is concentrated in the urban areas of the HMA.
- The stock broadly reflects the era and condition of housing across England and also the South East. Vacancy rates (based on 'No Usual Residents) are lower in the HMA compared to the rest of the country.
- Two and three bedroom properties make up the highest proportion of houses across the HMA. Smaller properties (one and two bedroom properties) tend to be found within the major towns, such as Reading, whereas larger properties are located in more suburban or rural areas.
- RBWM has a higher than average proportion of larger properties. When taken into account with high commuting rates (16% work in London, and 9% work in Slough).
- The high net migration from Slough to RBWM and the contrast in housing size and prices between the two.
- As expected, flatted stock tend to be concentrated in urban areas such as Slough and Reading. Recent development trends across the HMA shows delivery rates have also been highest in these areas, as well as other more urban local authorities of Wokingham and Wycombe. This reflects the availability of brownfield land.
- In all areas flatted stock has seen the greatest rate of growth since 2001, particularly in the urban authorities of Slough and Reading, and at the LHMA level in the towns of Maidenhead and Windsor.
- Between 2004/5 and 2011/12, an average of 3,586 net additional dwellings were completed across the housing market area. The highest proportions were built in central Berkshire (19% in Reading and 12% in Wokingham), Wycombe (12%) and Slough (13%).
- 10% of net additional dwellings were completed in RBWM. Of these, almost 70% have been one or two bedroom dwellings. The number of completions has reduced in recent years, reflecting the economic downturn.

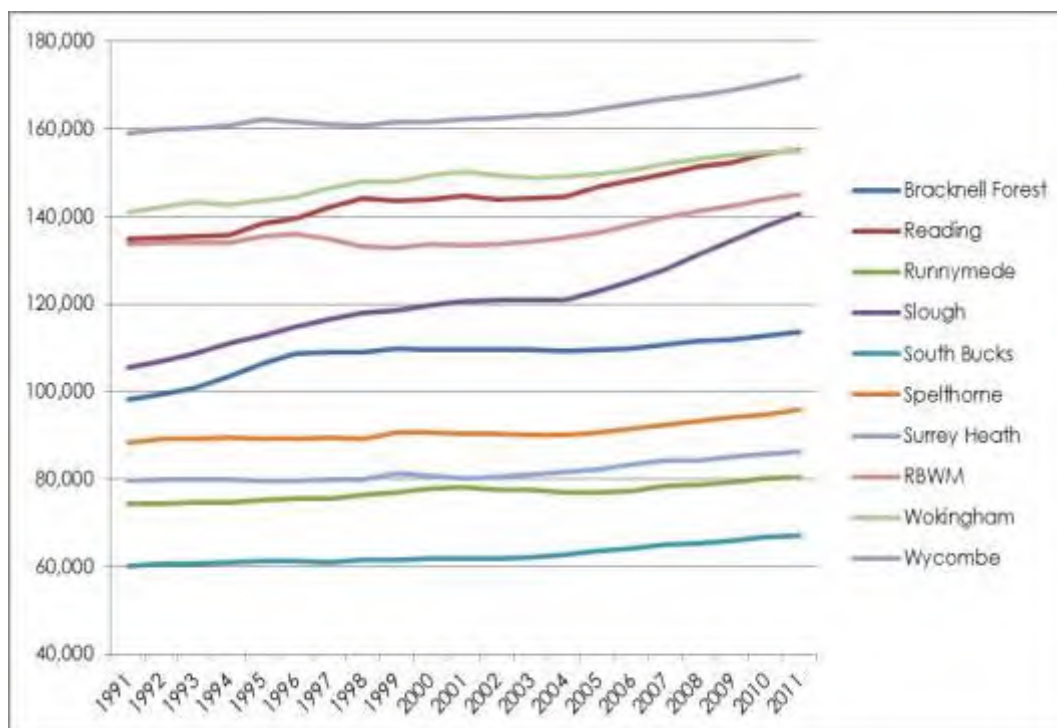
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## 5. Demographic Trends

- 5.1 This section and the following sections examine the key drivers of demand in order to build up a full understanding of how the Housing Market Area operates, particularly RBWM sub-market. The historical factors which have led to this position will also be reviewed, as well as how the HMA is likely to change in the future as a result.
- 5.2 The first step in the review of demographic trends is to establish the baseline position, including the structure and size of the current population of the HMA. This data is sourced directly from the 2011 Census which provides the most recent and robust count of the population.
- 5.3 Following this, the historical drivers of demand in the HMA need to be established in order to understand how the population is likely to change in the future, and thus how the housing offer will need to adjust in response to this.
- 5.4 It is important to note that whilst this SHMA has produced locally derived estimates and indeed future projections for population and households in the Borough, the ONS dataset is retained throughout the study as a benchmark against which the projections can be compared and contrasted. The following demographic characteristics are considered to be key drivers of change in the housing market, and will be considered below in turn.

### Population

- 5.5 Based on the most recent Census in 2011, the current population of the HMA stands at over 1.2 million people. This is a growth of 7.1% since the previous Census in 2001 (1.1 million people), and 18% since 1991 (1.03 million people). The largest local authority populations are Wycombe, Reading, Wokingham and RBWM, with Slough rapidly increasing to match.
- 5.6 Figure 51 below shows how the population has changed over the last years across the 10 local authority areas based on mid-year population estimates.

**Figure 51 - Population Change in the HMA 1991- 2011**

Source – ONS 2012

- 5.7 Of the 10 local authorities, Slough has had the highest level of population growth, increasing by 37.3% from 102,000 to 140,000 people. The population of Reading and Bracknell Forest has also grown significantly since 1991, increasing by over 20%. Both display a similar pattern, experiencing high growth between 1991-2001 (at 18% and 15% respectively), followed by a slower population increase between 2001 – 2011 (at 3% and 9%).
- 5.8 By contrast, Wycombe grew by just 11.3% over the same period, from 154,000 to 162,000 people. The population of Surrey Heath also grew more slowly, increasing by 12% over the last 20 years; however the rate of increase was significantly higher over the last decade (7.3%) compared to the previous decade (4.4%).
- 5.9 In 2011 there were 144,560 people living in RBWM, representing 12% of the total HMA population. Over the last 20 years, the population of the Borough has grown by 12.8% (from 128,000 to 145,000 people); however the rate of growth has not been steady across the period; increasing by 4.5% between 1991 and 2001, and by 8.2% between 2001 and 2011.

- 5.10 The level of population growth experienced by RBWM is above the average for England (7.9%), the South East (7.9%) and the rest of the HMA (7.1%) as shown in Figure 52. Growth has been particularly significant since 2003 with continuous year on year growth until 2010.
- 5.11 Across the HMA, the population growth experienced between 2001 and 2011 has largely been concentrated in the urban areas. This is clearly reflected in RBWM, where Maidenhead Town sub area has grown by over 10% in the ten year period between 2001 and 2011, compared to the population of the Maidenhead Rural Area which has grown by just 3.7% over the same period.

**Figure 52 – Population Change 2001 - 2011**

	2001 Population	2001 Density (No. of Persons per Ha)	2011 Population	2011 Density (No. of Persons per Ha)	% Change
England	49,138,831	3.8	53,012,456	4.1	7.9%
South East	8,000,645	4.2	8,634,750	4.5	7.9%
HMA	1,128,422	9.1	1,208,811	9.7	7.0%
RBWM	133,626	6.8	144,560	7.4	8.2%
Bracknell Forest	109,617	10.0	113,205	10.3	3.3%
Reading	143,096	35.4	155,698	38.5	8.8%
Runnymede	78,033	10.0	80,510	10.3	3.2%
Slough	119,067	36.6	140,205	43.1	17.8%
South Bucks	61,945	4.4	66,867	4.7	7.9%
Spelthorne	90,390	20.1	95,598	21.3	5.8%
Surrey Heath	80,314	8.5	86,144	9.1	7.3%
Wokingham	133,626	8.4	144,560	8.6	8.2%
Wycombe	150,229	5.0	154,380	5.3	2.8%
<b>Local HMA</b>					
Ascot, Sunninghill & Sunningdale	16,478	8.5	18,091	9.4	9.8%
Datchet, Horton & Wraysbury	9,270	5.0	9,976	5.4	7.6%
Windsor and Eton	38,084	9.3	40,746	10.0	7.0%
Maidenhead Town	50,030	21.5	55,257	23.7	10.4%
Maidenhead Rural	19,764	2.0	20,490	2.1	3.7%

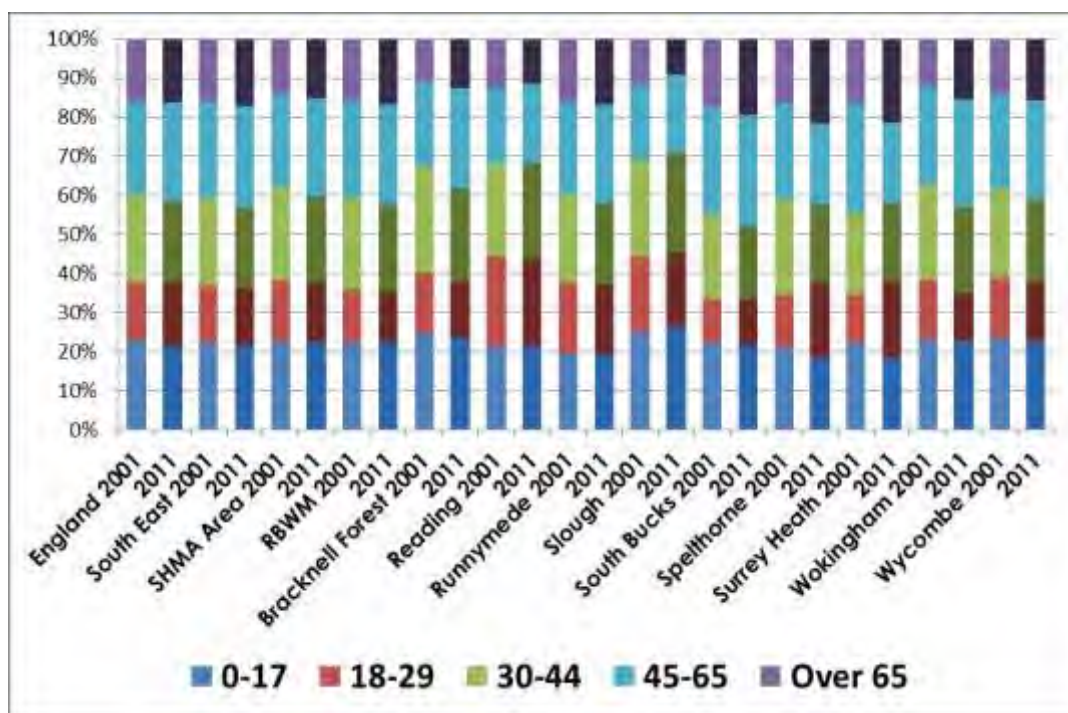
Source – Census 2001 & 2011

### Age Structure

5.12 RBWM has a very similar proportion of under 17s as the wider HMA (22.5% compared to 22.6%). Slough and Bracknell Forest have higher proportion of the population in this age group (26.5% and 23.6%). RBWM has a similar proportion of those aged 18 to 44 as the wider HMA (22.1% compared to 22.5%). Slough, Reading and Bracknell have a higher proportion of these age groups (25.6%, 24.7% and 23.5%).

5.13 RBWM has a slightly higher proportion of those over 65 than the HMA (16.7% compared to 14.7%). The wider HMA displays significant variation by authority around the average for this age group with Bracknell Forest, Reading and Slough all markedly lower (12.5%, 11.5% and 9.1%). The broad age profile of the HMA is of a generally younger population in Reading, Bracknell and Slough. RBWM has a broadly similar age distribution as the HMA.

**Figure 53 - Age Structure of the HMA, 2001 and 2011**



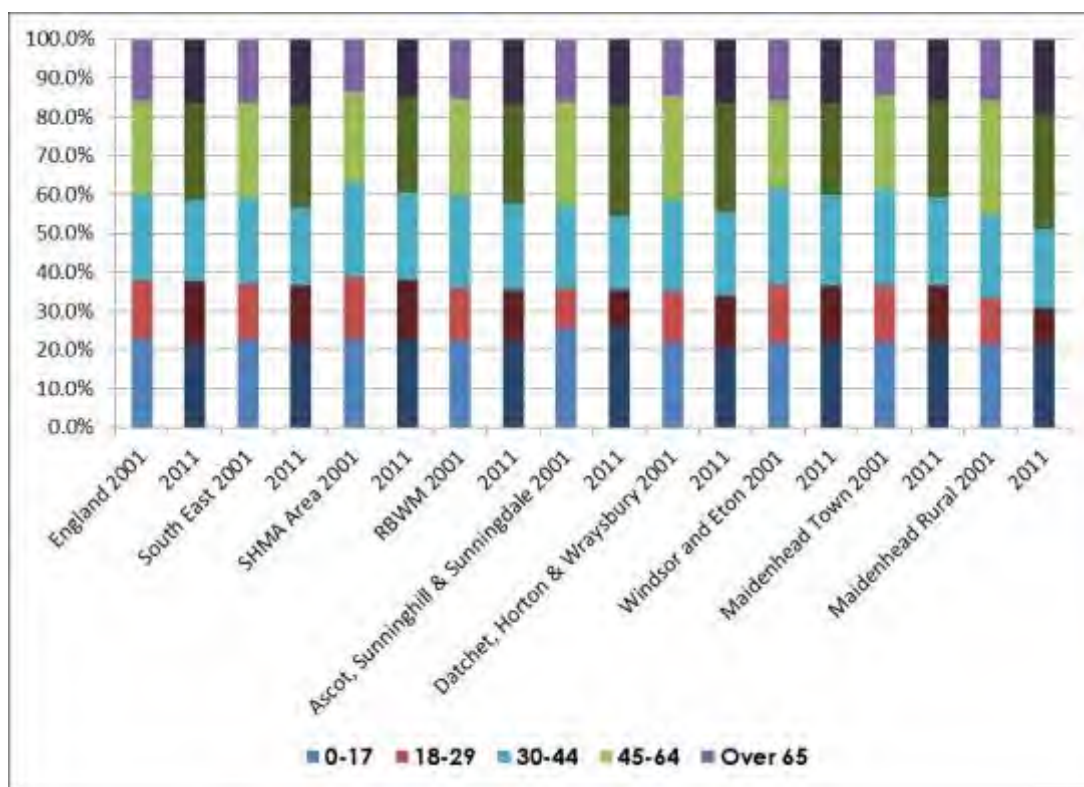
Source – Census 2001 & 2011

5.14 As shown above, whilst there has been limited change across the HMA as a whole, within certain local authorities there have been some significant shifts in the age structure of the population since the previous Census in 2001. In Reading for example,

the proportion of the population in the 18-29 aged group changed from 23% to 22% between the 2001 and 2011 Censuses; whilst the proportion aged over 65 decreased from 13% to 11%. In Slough the proportion of the population aged under 17 years old increased from 25% in 2001 to 27% in 2011, whilst the proportion aged over 65 years decreased from 12% to 9%.

- 5.15 The age structure of RBWM is generally similar to the rest of the England and the South East (see **Figure 54** below).
- 5.16 The proportion of the population aged 18-29 years is slightly lower in RBWM at 13%, compared to 16% nationally and 15% across the South East. The proportion of the more settled working age group of 45-64 year olds is marginally higher, at 26% in RBWM compared to 25% nationally.

**Figure 54 - RBWM Age Structure (2001 and 2011)**



Source – Census 2001 & 2011

- 5.17 In terms of comparison with the wider HMA, the population of RBWM is slightly younger with c.35% of the population aged under 30 years in RBWM compared to



37% across the HMA. The proportion of the population aged over 65 is nearly 2% higher in RBWM compared to the wider HMA.

- 5.18 Within RBWM, the Maidenhead Rural sub area has the oldest population, with 18% of the population over retirement age, compared to 15.9% in the rest of the LHMA. This area has 31% aged under 30 years old, compared to 36% across the LHMA. When the current age structure (2011) is compared with the age structure at the time of the last Census in 2001, the rural area has experienced the greatest proportionate change, with the population on average becoming older.
- 5.19 Across RBWM as a whole the proportion of the population aged between 18 and 29 years old has decreased by 0.8%, compared to an increase of 0.6% in the South East and 1.3% across England. In all local housing market areas, the proportion of the population aged over 65 has increased by 0.6% or more compared to 0.7% regionally compared to 0.4% nationally,

**Figure 55 – Age Structure by Location 2011**

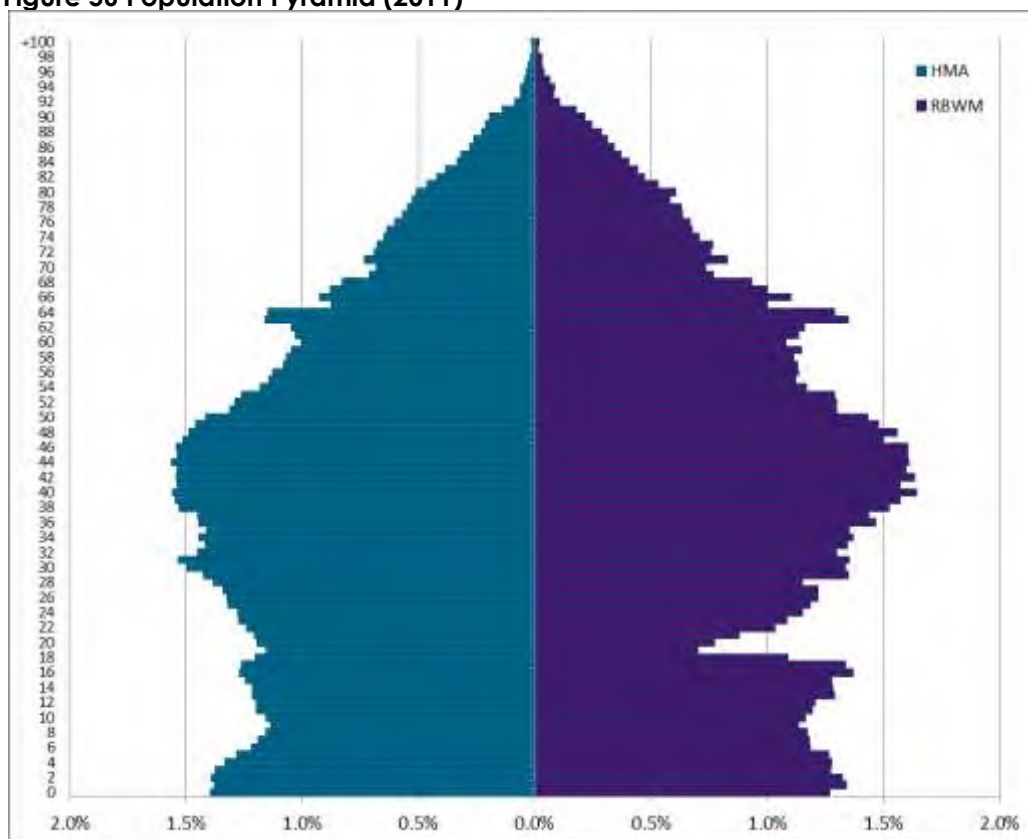
2011	0-17	18-29	30-44	45-64	Over 65
England	21.4	16.3	20.6	25.4	16.4
South East	21.5	14.8	20.4	26.1	17.1
HMA Area	22.6	15.4	22.5	25.3	15.1
RBWM	22.5	12.8	22.1	25.9	16.7
Bracknell Forest	23.5	14.5	23.5	25.9	12.5
Reading	21.5	22.2	24.7	20.2	11.4
Runnymede	19.3	17.9	20.8	25.2	16.8
Slough	26.6	18.6	25.6	20.1	9.1
South Bucks	21.5	11.8	19.0	28.3	19.3
Spelthorne	20.7	13.7	21.7	26.5	17.4
Surrey Heath	22.3	12.2	21.3	27.6	16.7
Wokingham	22.9	12.2	21.9	27.6	15.4
Wycombe	22.9	14.7	21.2	25.4	15.8
<b>Local HMA</b>					
Ascot, Sunninghill & Sunningdale	25.7%	9.6%	19.1%	28.3%	17.3%
Datchet, Horton & Wraysbury	20.6%	13.2%	21.7%	27.9%	16.6%
Windsor and Eton	22.1%	14.5%	23.3%	23.7%	16.5%
Maidenhead Town	22.6%	13.8%	22.9%	24.8%	15.9%
Maidenhead Rural	21.3%	9.4%	20.4%	29.8%	19.2%

Source – Census 2011

- 5.20 Figure 56 below shows the population pyramids for RBWM and the wider HMA as at 2011. This illustrates the issues likely to be faced by RBWM and the wider HMA area as the 'baby boomer' generation approaches retirement, further shifting the balance of

the population towards the older generations. The problem is exacerbated by the loss of school leavers in certain local authorities within the HMA, including RBWM. There is a noticeable gap in the 18 – 28 age group, which may also reflect the availability and affordability of housing stock appropriate to singles and young couples and families in this age group.

**Figure 56 Population Pyramid (2011)**



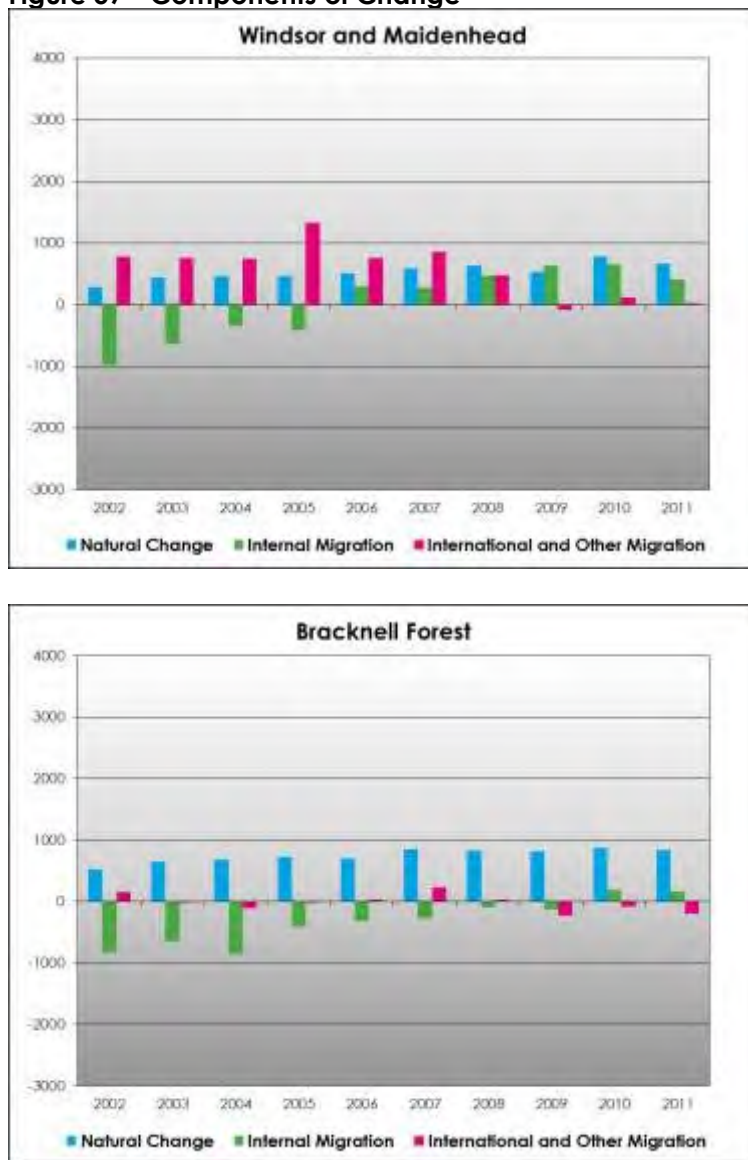
Source – Census 2011

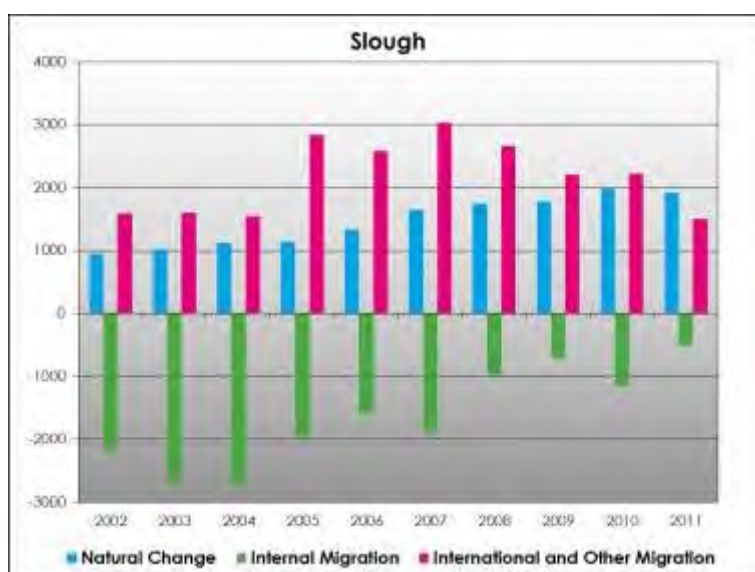
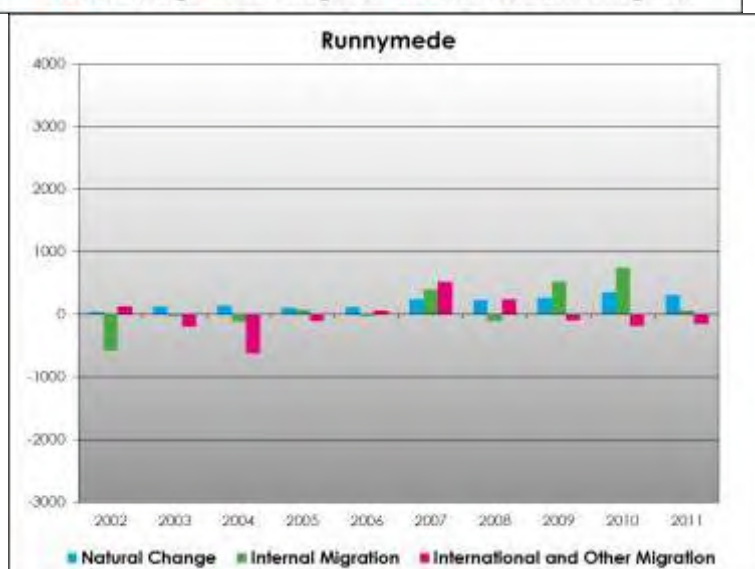
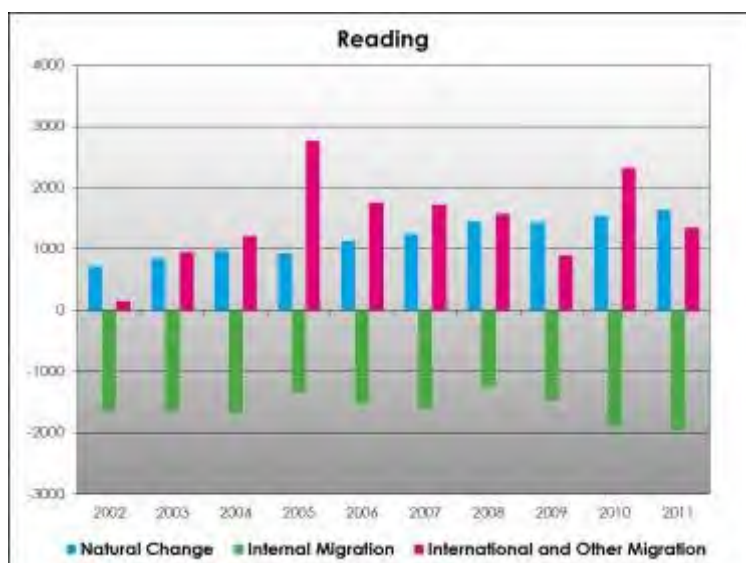
### Components of Change

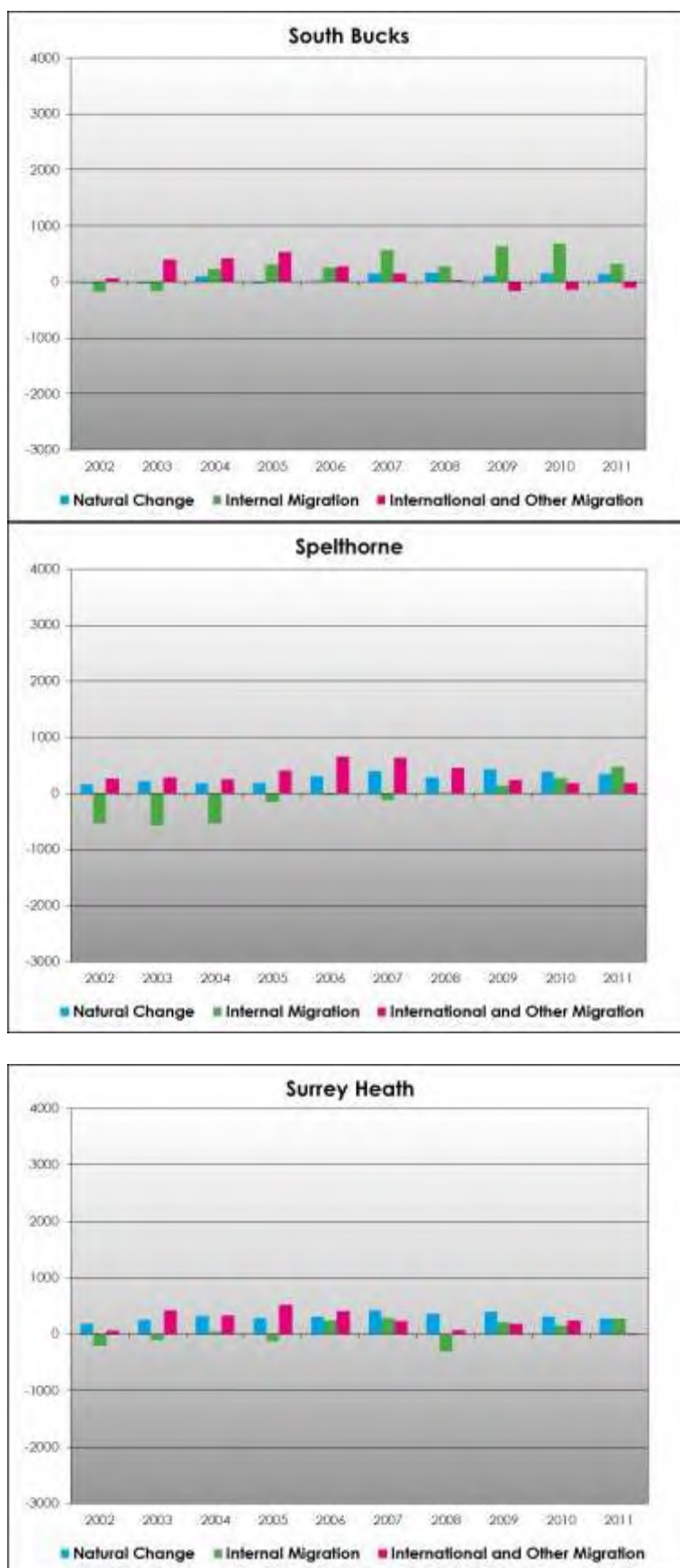
- 5.21 Gross population change at a national level occurs as a result of two factors: a difference between the number of births and the number of deaths, and a difference between the number of people migrating into a country and the number migrating out of the country (net migration). At the local level, the number of people moving between districts is also a significant driver of population change. The charts below set out the components of change across the HMA.
- 5.22 In general across the HMA natural change has been an increasingly significant driver of population change, for many local authorities, now outweighing net migration. If the size of the population change resulting from net migration is compared to the size

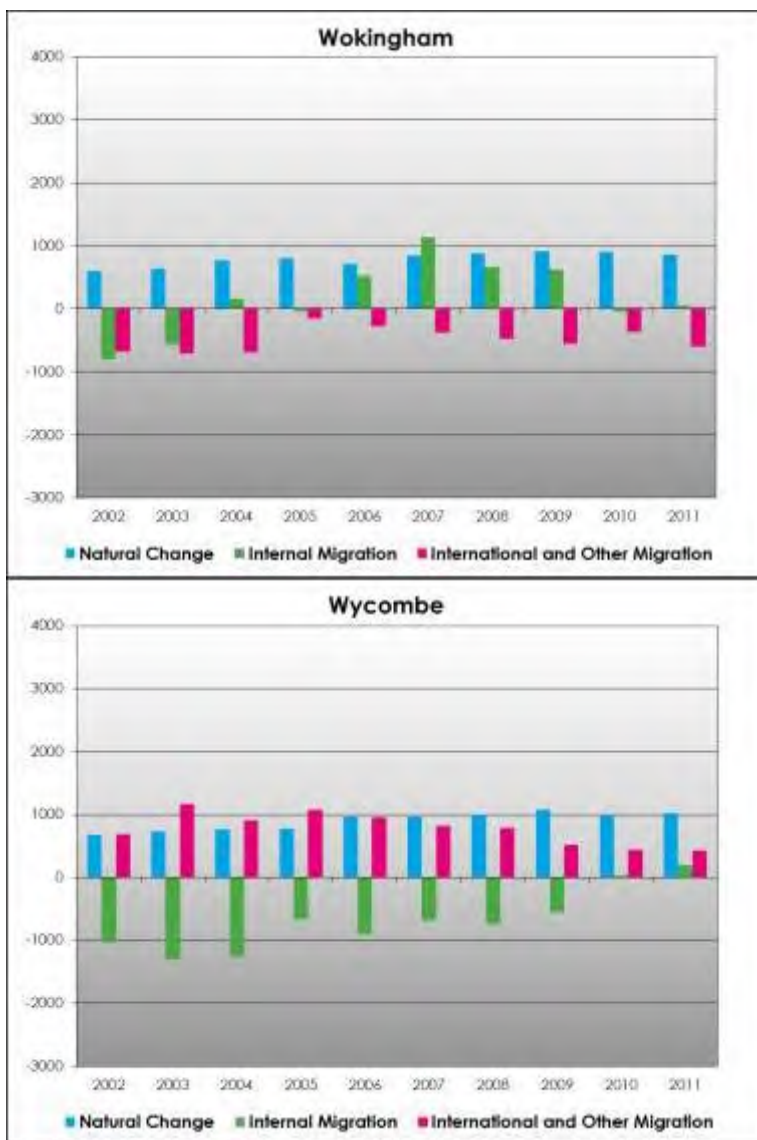
of the total population, Slough and Reading are the only authorities still seeing a net internal migration outwards, all others have now reverted to a net inwards internal migration. South Bucks has experienced the highest net internal migration inward as a percentage of total population. Note that at the time of the 2001 Census, all local authorities were seeing a net outward internal migration.

**Figure 57 - Components of Change**









Source: <http://www.ons.gov.uk/ons/about-ons/business-transparency/freedom-of-information/what-can-i-request/published-ad-hoc-data/pop/august-2013/mid-2002-to-2011-detailed-estimates-and-components-of-change.csv>.

5.23 In terms of net inward international migration, Slough experiences the highest rate of migration as a percentage of total population, whereas Surrey Heath experiences the lowest as percentage of total population. RBWM is broadly similar to the average for the HMA.

5.24 When considering all migration, Reading has been seeing a net outward migration (as has Wycombe and Slough to a lesser extent). Runnymede and South Bucks have been seeing the largest net inward flows as percentage of total population, particularly around 2007. RBWM also saw high inward flows as percentage of total population in the middle of the decade but has now dropped back to being around average for the HMA.

- 5.25 For RBWM at the start of the decade, outward migration almost balanced natural change gain as percentage of total population, however in the middle of the decade net inward migration was the main driver of population change. In 2011 natural change is twice as strong a driver as migration.

### Households and Household Composition

- 5.26 The number of households across the housing market area has grown from 407,000 in 1991, to 448,000 in 2001 and 478,000 in 2011.
- 5.27 The 2011 Census identifies that the Borough had 58,349 households within RBWM, which represented a growth of approximately 4,000 or 7.5% since 2001 (when it was 54,261 households). Although the growth in RBWM was higher than the average growth experienced across the housing market area, it is below the average growth experienced across the rest of the South East region and England as a whole.

**Figure 58 – Change in Households 2001 – 2011**

	2001 Households	2011 Households	Change
England	2,045,427	22,063,368	7.9%
South East	3,287,489	3,555,463	8.2%
HMA	447,843	478,341	6.8%
RBWM	54,261	58,349	7.5%
Wycombe	63,504	67,861	6.9%
Spelthorne	38,392	39,512	2.9%
South Bucks	24,781	26,514	7.0%
Runnymede	31,656	32,714	3.3%
Reading	57,877	62,869	8.6%
Wokingham	57,272	60,332	5.3%
Slough	44,987	50,766	12.8%
Bracknell Forest	43,392	45,878	5.7%
Surrey Heath	31,721	33,546	5.8%
<b>LHMA</b>			
Ascot, Sunninghill & Sunningdale	6,233	7,004	12.4%
Datchet, Horton & Wraysbury	3,823	4,028	5.4%
Windsor and Eton	16,021	16,963	5.9%
Maidenhead Town	20,272	22,027	8.7%
Maidenhead Rural	7,921	8,327	5.1%

*Source – Census 2011*

- 5.28 With the wider HMA, Slough experienced the largest growth in the number of households at 12.8%, which is significantly higher than the national (7.9%) and regional (8.2%) average, and is nearly double the average for the HMA (6.8%). Reading also

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experienced above average growth at 8.6%. By comparison, the number of households in Spelthorne and Runnymede grew less between 2001 and 2011, at 2.9% and 3.3% respectively.

- 5.29 Within RBWM, the largest growth in households was in Ascot, Sunninghill & Sunningdale LHMA which grew by 12.4% between the 2001 and 2011 Census periods. As with the population growth, the smallest household growth was in Maidenhead Rural LHMA which grew by 5.1%.
- 5.30 In terms of household composition, the HMA has a slightly higher proportion of married or cohabiting couples (46.7%) compared to the region (45.1%) and England (44.8%) average. It also had a higher proportion of families with dependent children at 30.3% compared to 29.4% in the South East and 29.1% in England.
- 5.31 The proportion of students across the HMA (0.3%) by household is lower than the regional rate (0.5%) and the rate for England (0.6%). However, there is variation among the local authorities: students make up 2.1% of households in Runnymede, 1.5% of households in Reading and only 0.03% in RBWM.
- 5.32 Windsor and Eton has the highest proportion of single person households (32.2%) and single parent households (8.5%) among its households. The Rural Maidenhead LHMA has 25% and 7.3% in these categories. Maidenhead Rural has the highest proportion of households comprised of solely married/cohabiting couples (42%), while Windsor and Eton has the lowest (35%).



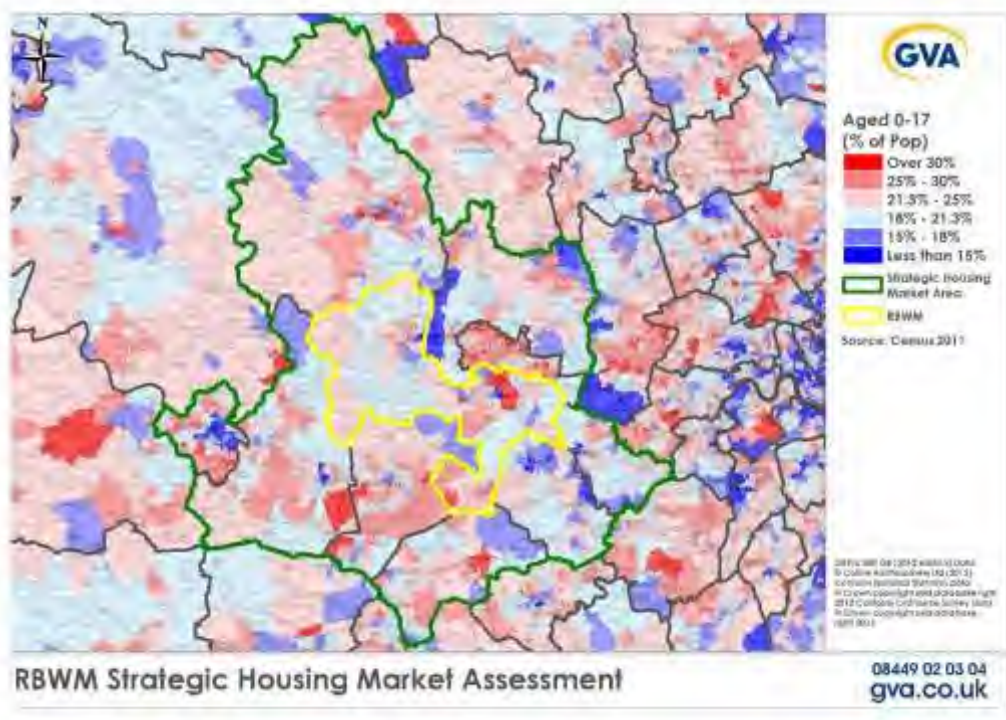
**Figure 59 Selected Household Composition (2011)**

	1 person household	Married/ Co-hab couples Only	Single Parent Family	Families with Dependent Children	Students	Retirement age
England	30.2%	33.2%	10.6%	29.1%	0.6%	20.9%
South East	28.8%	35.9%	9.2%	29.4%	0.5%	21.9%
HMA	27.2%	38.1%	9.1%	32.1%	0.3%	18.6%
RBWM	28.4%	38.7%	8.0%	30.3%	0.0%	20.8%
Bracknell Forest	27.7%	38.8%	9.7%	32.6%	0.1%	16.4%
Reading	30.6%	30.6%	10.8%	30.1%	1.5%	14.9%
Runnymede	28.5%	33.9%	12.8%	39.1%	0.2%	11.6%
Slough	26.9%	39.8%	7.6%	30.5%	0.1%	24.9%
South Bucks	28.5%	36.1%	9.3%	29.5%	0.1%	22.0%
Spelthorne	23.5%	43.5%	7.4%	32.2%	0.0%	21.1%
Surrey Heath	28.4%	38.7%	8.0%	30.3%	0.0%	20.8%
Wokingham	23.3%	45.5%	7.2%	33.2%	0.0%	19.8%
Wycombe	26.7%	38.8%	8.5%	31.4%	0.5%	20.2%
<b>LHMA</b>						
Ascot, Sunninghill & Sunningdale	28.2%	42.0%	8.1%	32.4%	0.0%	21.2%
Datchet, Horton & Wraysbury	27.9%	38.6%	7.6%	28.9%	0.0%	20.1%
Windsor and Eton	32.2%	34.7%	8.5%	28.2%	0.0%	21.2%
Maidenhead Town	26.7%	39.3%	8.0%	31.7%	0.0%	19.8%
Maidenhead Rural	25.3%	42.5%	7.3%	29.8%	0.0%	22.2%

Source: Census 2011 (note some households fall into more than one category)

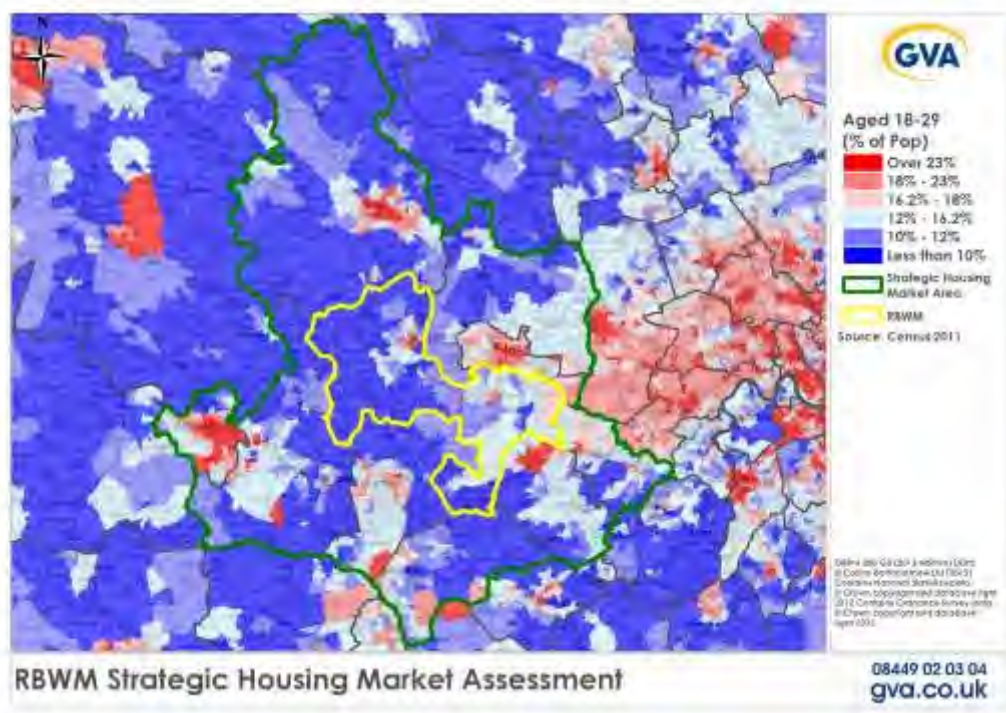
- 5.33 Ascot, Sunninghill & Sunningdale (32.4%) has the largest percentages of households of families with dependent children with the least in Windsor and Eton (28.2%).
- 5.34 Ascot and Windsor and Eton (both 21.1%) and Maidenhead Rural (22.2%) have a large percentage of all retirement age households, both above the national average (20.9%) and significantly higher than the rest of the HMA (18.6%).

Figure 60 – Percentage of Population Aged 0-17



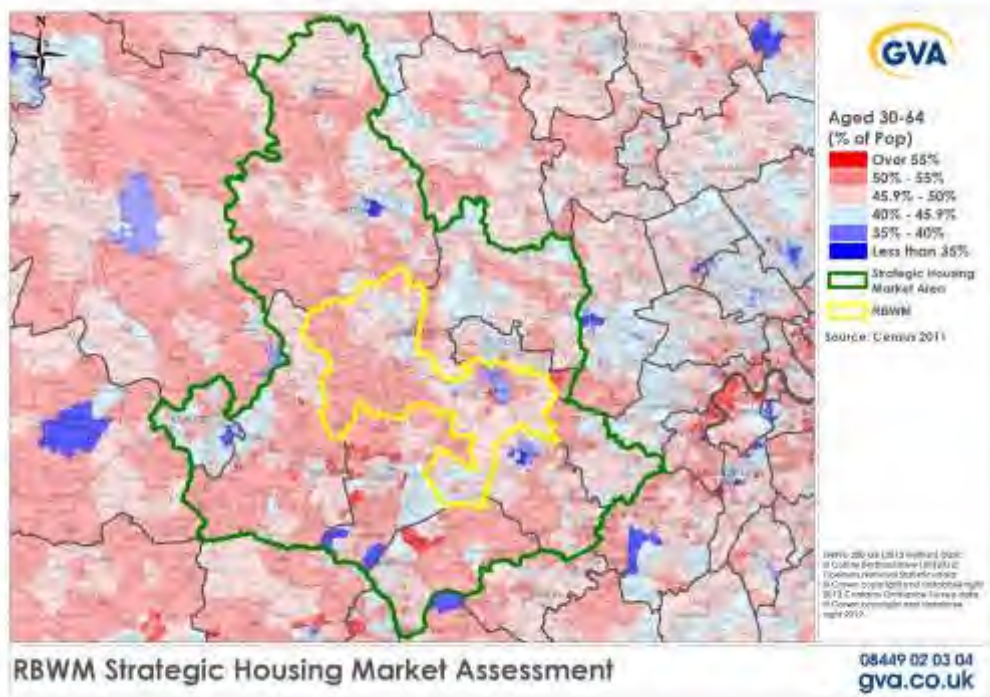
Source – Census 2011

Figure 61 – Percentage of Population Aged 18-29



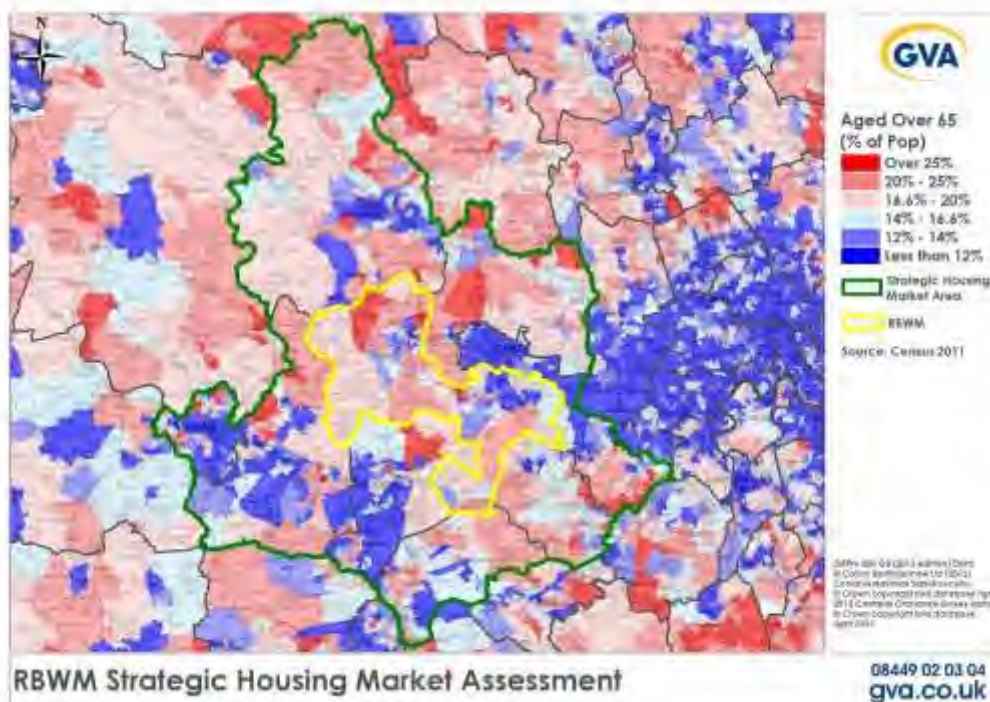
Source – Census 2011

**Figure 62 – Percentage of Population Aged 30-64**



Source – Census 2011

**Figure 63 – Percentage of Population Aged over 65**



Source – Census 2011

## Household Size

- 5.35 The 2011 Census identifies that the Borough had 60,901 dwellings of which 58,349 had at least one usual resident. At the 2001 Census the average household size in the Borough was 2.39, ranging from 1.93 in Windsor to 2.61 in Maidenhead.
- 5.36 The average household size for RBWM is calculated to be 2.4, in line with England and Wales and the South East average, but lower than the HMA as a whole.
- 5.37 Within the HMA the highest average household size is in Slough, with 2.8 persons per household. This is an outlier among a collection of local authorities which have average household sizes of 2.4 or 2.5 people.

**Figure 64 – Size of Households by Location**

	All Household Spaces with at least one usual resident	1 Person in Household	2 People in Household	3-4 People in Household	5-6 People in Household	7 Or More People in Household	Average Household Size
England	22,063,368	30.2%	34.2%	28.6%	6.3%	0.7%	2.4
South East	3,555,463	28.8%	35.1%	29.4%	6.2%	0.5%	2.4
HMA	478,341	27.4%	33.0%	31.4%	7.4%	0.8%	2.5
RBWM	58,349	28.4%	33.8%	30.7%	6.5%	0.6%	2.4
Wycombe	67,861	26.7%	34.3%	30.4%	7.7%	0.9%	2.5
Spelthorne	39,512	28.5%	33.3%	31.6%	6.2%	0.4%	2.4
South Bucks	26,514	26.9%	33.8%	31.0%	7.4%	0.9%	2.5
Runnymede	32,714	30.1%	33.3%	30.1%	6.1%	0.4%	2.4
Reading	62,869	30.6%	32.5%	28.7%	7.3%	1.0%	2.4
Wokingham	60,332	23.3%	35.6%	34.0%	6.6%	0.4%	2.5
Slough	50,766	28.5%	24.4%	32.3%	12.5%	2.4%	2.8
Bracknell Forest	45,878	27.7%	33.8%	32.3%	5.8%	0.4%	2.4
Surrey Heath	33,546	23.5%	35.6%	33.7%	6.8%	0.4%	2.5
<b>LHMA</b>							
Ascot, Sunninghill & Sunningdale	7,004	28.2%	33.0%	31.3%	7.2%	0.4%	2.43
Datchet, Horton & Wraysbury	4,028	27.9%	33.3%	30.4%	7.4%	1.0%	2.43
Windsor and Eton	16,963	32.2%	33.0%	29.0%	5.4%	0.4%	2.28
Maidenhead Town	22,027	26.7%	33.5%	31.8%	7.1%	0.9%	2.46
Maidenhead Rural	8,327	25.3%	37.3%	31.0%	6.1%	0.3%	2.41

Source: Census 2011

- 5.38 Maidenhead Town has the highest average household size (2.64 persons). This is the only LHMA with a higher average than the HMA. Within each of the areas there are

concentrations of larger and smaller households. Windsor and Eton, with the highest percentage of single person households (32.2%), also has the smallest average household size (2.28).

## Bringing the Evidence Together

5.39 The purpose of this section has been to review demographic trends across the housing market area and examine the key demographic drivers in order to build up a full understanding of how RBWM housing market operates. The key findings were as follows:

- The population across the HMA has grown 7% over the last 10 years. Within this, population growth in the local authorities has varied from 17.8% in Slough to 2.8% in Wycombe.
- The population of RBWM has increased by 8.2% since 2011; this growth has been focussed in urban rather than rural locations.
- The HMA population is generally younger than the national and regional average. Slough and Reading have the highest proportion aged under 30 years, whereas South Bucks has the oldest population structure.
- The percentage of those aged 17 or younger is similar to the wider HMA but higher than the wider South East. Within the Borough particularly around Eton there is a significantly higher school aged population due to the presence of boarding schools. However, the population associated with the Boarding school will be accommodated very largely within dormitory facilities or boarding houses. The school population is also relatively stable, drawn from a wider catchment and not driven by local fertility rates or organic growth.
- The Borough has a relatively low percentage of younger working age people aged 18-29, compared to the HMA. This is particularly the case in comparison to Reading where the local population is also supplemented by student households. By contrast the more settled working age group of 30-44 year olds is higher than the national and regional average.
- In RBWM, since 2001 the population has become proportionally older, particularly in the rural areas.
- The 2011 Census counted 58,349 households in the Borough, a growth of approximately 7.5% since 2001; this is rate of growth below the levels of the rest of the region and England as a whole.

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## 6. Economic Trends

- 6.1 This section examines economic performance which is closely interrelated with the housing market. The relative economic performance of an area and the number of jobs available are major factors in attracting new households and increasing demand to live within an area. Linking the future performance of the economy with future housing requirements is relevant. In addition, the issue of containment, i.e. the extent to which new jobs in an area equates to demand for new housing (people living in the same area), is an important area of analysis which the final part of this section examines in greater detail alongside the historical movement of households.
- 6.2 Whilst employment levels are an important consideration/driver, it is also important to examine other elements, including, for example, the types of jobs being created. This has an impact on the types of households which could potentially move to an area, as well as the income levels available to access housing. Future economic conditions are assessed in this sub-section using the latest available regional economic forecasts.

### The Current Economic Profile of the HMA and RBWM

- 6.3 The economy of RBWM and its HMA is largely influenced by its strategic location to the west of London and the proximity of key transport connections such as the M3, M4, M40 and M25 motorways, South West Trains, Chiltern and First Great Western railways and Heathrow airport.
- 6.4 A further consideration in the growth of the economy of RBWM is the close economic and transport dynamics it shares with its neighbours such as Slough and Reading and the wider Thames Valley.
- 6.5 Understanding the local economy is important in considering how the housing offer will need to change to realise economic growth ambitions and also to ensure that the benefits of this growth accrue to the residential communities of RBWM.

### Considering Economic Activity and Unemployment

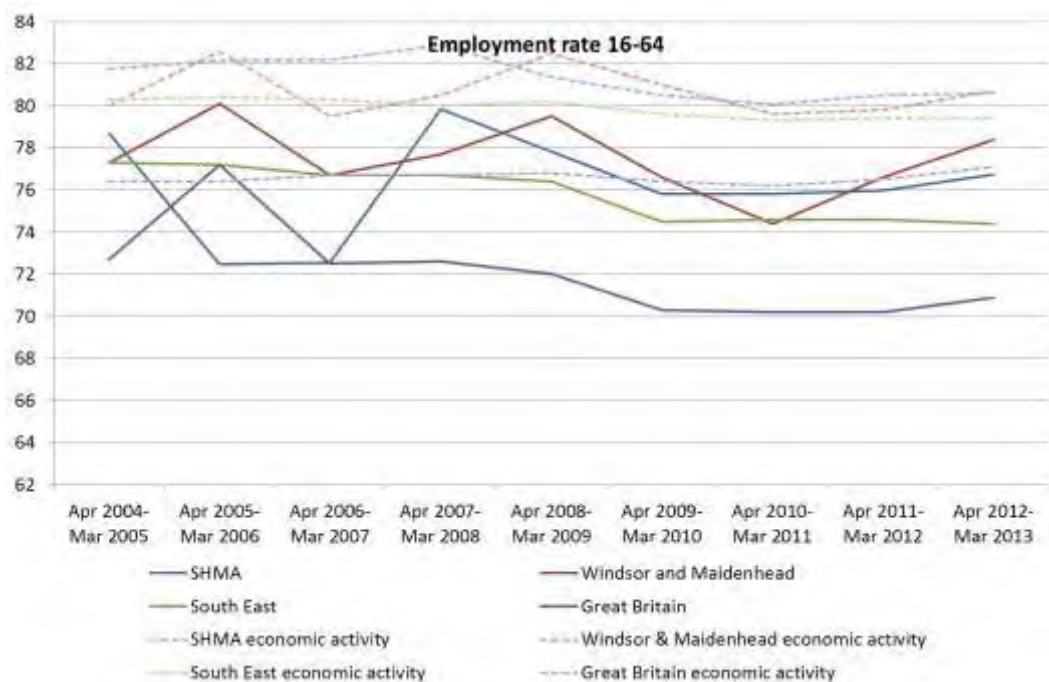
- 6.6 The financial crisis and subsequent downturn has impacted on the economic health of RBWM. Having peaked at 79.5% in March 2009, the employment rate within the Borough fell to a low of 74.4% in March 2011, at which point it also fell below the average for the South East for the first time since late 2006. Since that time the rate of employment has

recovered to 76.7%, above the national average that stood at at 70.5% (December 2012).

6.7 Across the broader HMA, the employment rate fell from 80% in 2007/08 to 76% between 2010/11 and 2011/12 before improving marginally in the year to March 2013. Current employment rates across the HMA are highest in Spelthorne (81.7%) and Wokingham (80.8%) and lowest in Slough (70.5%) and Reading (71.9%).

6.8 The difference between the number of economically active people and total employed for RBWM the difference has narrowed since 2010/11 due to an increase in jobs and a noticeable fall in unemployment within the borough.

**Figure 65 - Employment Rate**



Source: Annual Population Survey (NOMIS)

6.9 The representation of occupations in the Standard Occupational Classification (SOC) major group 1-3 covering managers, directors, senior officials, professionals and technical workers is noticeably high in both the HMA and RBWM when compared to the regional and national average. Over half of the employees in RBWM are classed within these three occupations. Including SOC major group 4-5 covering administrative and secretarial employees, the number increases to over 68%, compared to 62% for the HMA, 58% for the South East and 54% for Great Britain.

- 6.10 The number of employees in the remaining major occupations groups, based on skilled trades, customer service or elementary occupations, is much lower than the rest of the South East and UK.
- 6.11 Within the HMA South Bucks has the highest percentage of managers, directors and senior officials (20.6%), Wokingham has the highest percentage of Professional Occupations (25.9%). By contrast, Slough has the highest percentage of workers in the lowest three categories (3.1%).

**Figure 66- Jobs by classification**

Classification	HMA	RBWM	South East	Great Britain
1: Managers, Directors and Senior Officials	13.2	14.7	11.7	10.1
2: Professional Occupations	21.9	23.9	20.9	19.4
3: Associate Prof & Tech Occupations	17.2	18.9	15.7	14.1
4: Administrative and Secretarial Occupations	10.6	11.0	10.6	10.9
5: Skilled Trades Occupations	8.5	8.6	10.0	10.5
6: Caring, Leisure and Other Service Occupations	7.8	8.4	9.1	9.0
7: Sales and Customer Service Occupations	8.0	4.4	7.6	8.1
8: Process, Plant and Machine Operatives	4.3	3.4	4.6	6.3
9: Elementary Occupations	8.0	6.4	9.5	10.9

Source: Annual Population survey (NOMIS)

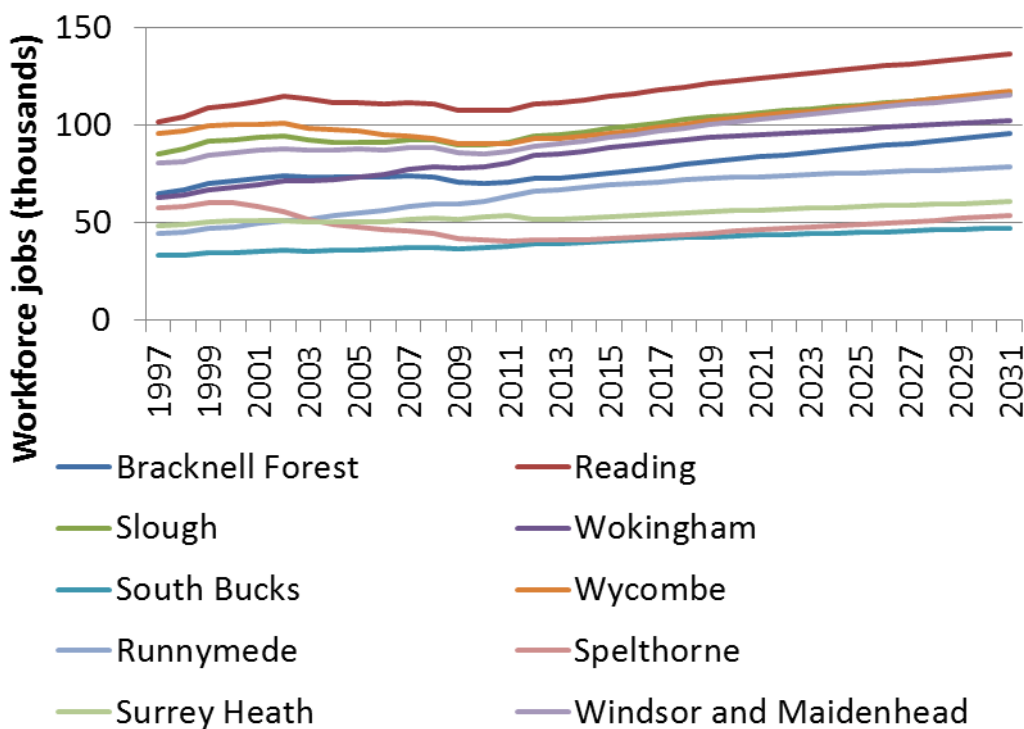
- 6.12 Experian economic forecasts are published for local authorities on a regular basis. These are based on the latest national and regional statistics and survey information. The latest forecasts date from March 2013 (using data published up to April 1st 2012) and these have been used as an important part of the evidence base within this study.
- 6.13 These forecasts factor in the impact of the recession and the latest data, at the point of development, around levels of unemployment and inactivity at an industrial sector level. However the forecasts do not take into account:
- Policy aspirations;
  - Individual business plans / investment; and
  - Unknown macro events.



6.14 The forecasts predict that total employment across RBWM will grow by just over 23,440 jobs between 2012 and 2031. This will mean the Borough will have a total of 91,980 jobs by 2031. This growth trajectory is illustrated in the following chart and table, which also illustrates a breakdown of total percentage and annualised change. This data is an assessment of all workforce jobs, which includes the number of self-employed per broad sector as well as employees.

6.15 The highest number of total jobs in the HMA is concentrated in Reading, Slough, Wokingham, Wycombe and RBWM. The highest rates of growth are forecast for RBWM, Spelthorne and Bracknell Forest, each at over 30% between 2012 and 2031.

**Figure 67 - Future employment growth**



Source: Experian, 2013

**Figure 68- Employment growth by district**

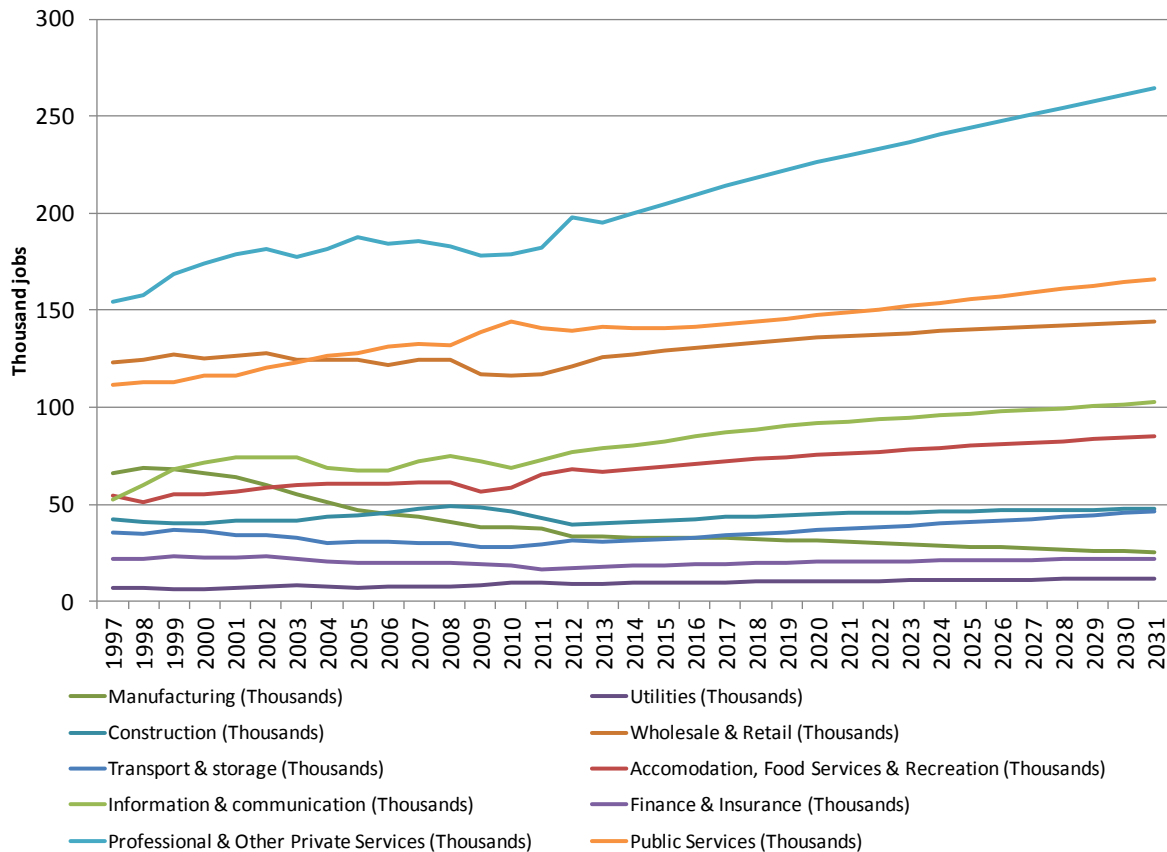
Borough	Employment Growth 2012 - 2031	Annualised
Bracknell Forest	31%	1.6%
Reading	23%	1.1%
Slough	23%	1.1%
Wokingham	21%	1.1%
South Bucks	21%	1.1%
Wycombe	27%	1.3%
Runnymede	18%	0.9%
Spelthorne	31%	1.5%
Surrey Heath	18%	0.9%
RBWM	30%	1.5%

Source: Experian 2013

- 6.16 In considering this growth, it is important to be mindful of the fact that this is built upon a period of job losses. In 2008, RBWM was estimated to have a total of 68,610 FTE jobs. In 2009 when the financial crisis was at its worst, the number of jobs fell by almost 5%, reaching a low of 64,480 FTE jobs in 2010, an overall decline of 6%. However, the recovery in job growth has been strong with the forecasted number of employees in 2013 (69,790) set to exceed the number when the economy was at its peak in 2008.
- 6.17 The sector which accounts for the largest number of jobs and one of the largest increases is the professional and private services sector. This applies to the broader HMA as well as RBWM. Across the HMA, an additional 66,000 jobs are forecast between 2012 and 2031, equivalent to a 34% increase.
- 6.18 In RBWM an additional 9,500 jobs will be within this sector, representing an increase of 44%. Overall, professional and private services account for 40% of job growth over the next 20 years in RBWM, and 37% in the HMA over the same period.
- 6.19 At a local level, the other sectors that will see a noticeable increase in RBWM are Information and Communication, rising by over 3,800 jobs (38%) and Accommodation, up 36% or by 3,670 jobs. The largest increase is Transport and Storage, up 58% with an additional 1,550 jobs.
- 6.20 Across the HMA, it is forecast that over the next 20 years, there will be an extra 26,000 public sector jobs (up 19%), as well as over 26,000 information and communication jobs, representing an increase of 34%. Wholesale and retail will provide an extra 22,000 jobs (19% increase), while the largest increase in percentage terms is Transport and storage,

up by 48% with an extra 15,000 jobs. Over the same period, manufacturing will decline by 24%, losing 8,000 jobs.

**Figure 69- Total employment growth HMA by sector**



Source: Experian 2013

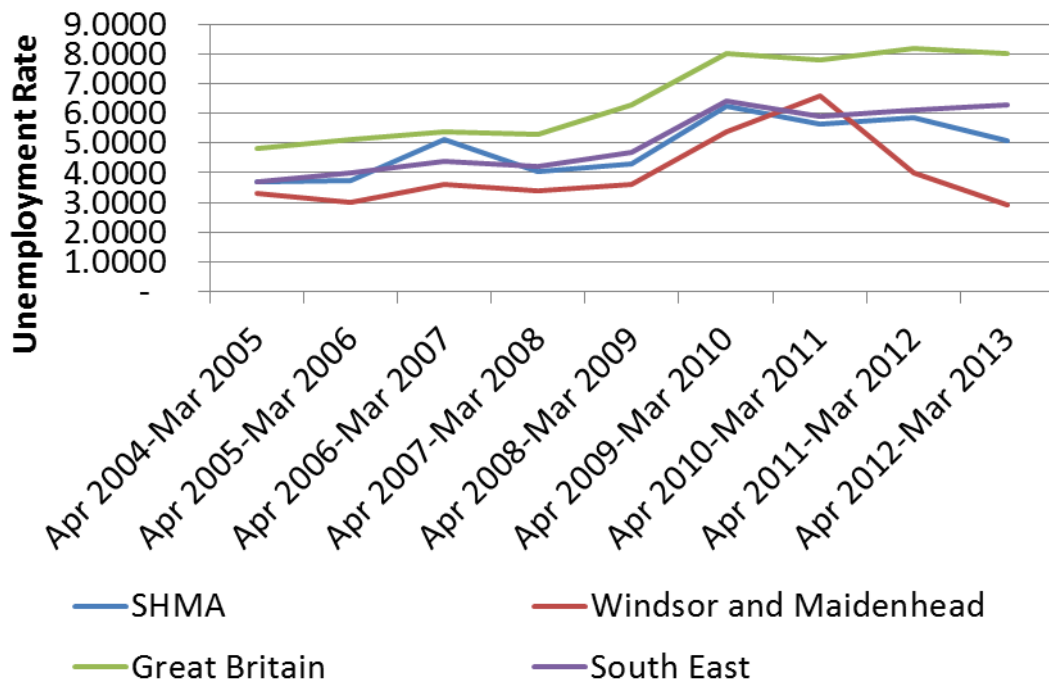
6.21 The strong rate of employment within the area is also reflected in overall levels of unemployment. Within the wider Thames Valley Local Economic Partnership (LEP) which covers RBWM, Bracknell Forest, Reading, Slough and Wokingham, unemployment levels are the fifth lowest of all the 39 LEPs in England.

6.22 Unemployment in RBWM has historically been low, never venturing above 3.6% between 2004/5 and 2008/9, whereas across the HMA to a max of 5.1% for the HMA and 6.3% nationally over the same period. Slough has the highest level of unemployment in the HMA at 7.6%, with the lowest levels in RBWM.

6.23 Having peaked at 6.6% in 2010/11, the rate of unemployment in RBWM has fallen sharply, down to 4% in 2011/12 and 2.9% for the year to March 2013. Meanwhile unemployment

has remained stable at a national level (7.8% 2010/11 – 8% 2012/13) or only fallen marginally across the HMA (5.6% 2010/11 – 5% 2012/13).

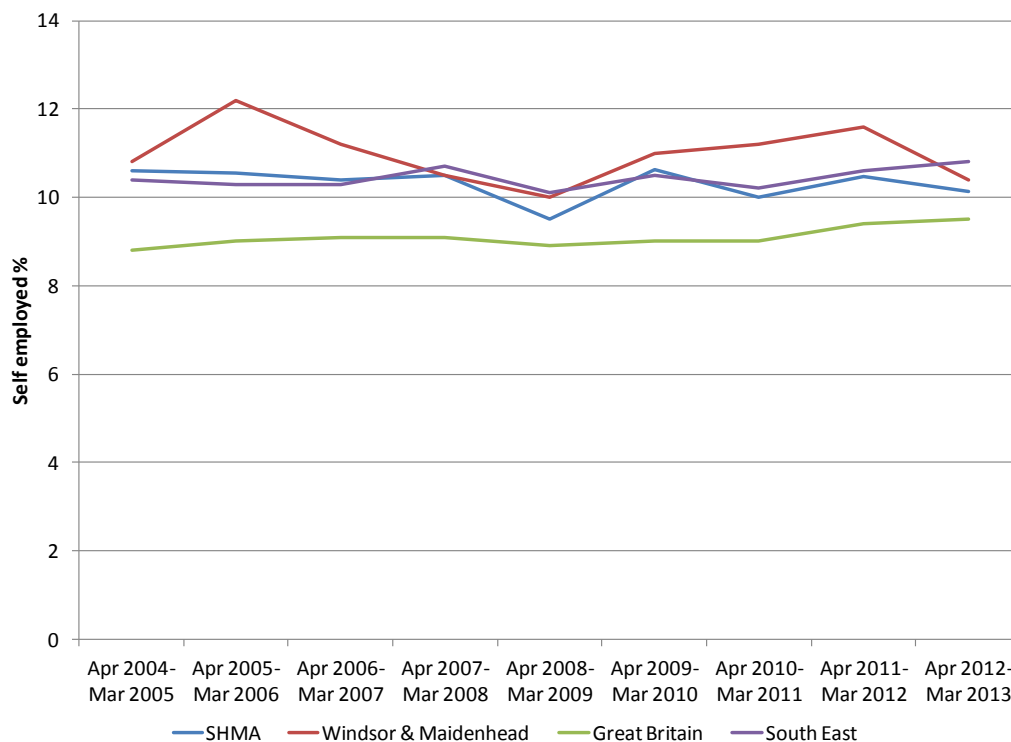
**Figure 70 - Unemployment rate Aged 16-64**



Source: Annual Population Survey (NOMIS)

6.24 Self-employment is often cited as one of the reasons behind lower numbers of unemployed over the course of the recession and economic crisis, with people taking work on an occasional basis or setting up business until an alternative job became available. At a national level, the number of self-employed has remained relatively stable, increasing from 9.1% at the peak of the previous cycle in 2007/8 to 9.4% in 2012/13.

6.25 Across the HMA, the number of self-employed has stayed at around 10%, with a slight decline to 9.5% in 2008/9 during the worst of the crisis. In RBWM, there was a modest increase from 10% in 2008/9 to 11.6% in 2011/12. Since then, the rate has fallen to 10.4%, lower than each of the boom years of economic growth during 2004/5 to 2007/8.

**Figure 71 - Self employed**

Source: Experian 2013

- 6.26 Changing working practices, improved communications infrastructure, rising fuel prices and an increased desire to operate more sustainably are also strengthening the link between housing and the economy, as more people choose to commute less and work from home.
- 6.27 These trends are driving a higher propensity of people to work from home, the provision of rural workspaces for Small to Medium Enterprises (SMEs) and greater integration between housing and commercial floorspace (both in urban centres and Business Park environments).
- 6.28 Given the nature of the local economy and in particular the high levels of entrepreneurial start-ups, this again increases the range and nature of dwelling types demanded and the locations within which they lie.

## Key Findings

- 6.29 The purpose of this section has been to review economic trends across the housing market area and examine the context in which RBWM housing market operates. This

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includes historical factors which have led to this position and which leads to and how they might it will change in the future. The key findings were as follows:

- The economy of the HMA and the Royal Borough is largely influenced by its strategic location to the west of London and the proximity of key transport connections;
- The financial crisis has impacted on the economic health of the HMA, although the employment rate has remained consistently above the national average.
- In the HMA the employment rate fell from 80% to 74% between 2007 and 2012, before improving marginally in the year to March 2013.
- In RBWM the employment peaked at 79.5% in 2009, before falling to 74.4% in 2011 although it has since recovered to 76.7% in the latest data.
- The proportion of the population of the HMA employed in the SOC major groups 1-5 job classifications (62%) is above the national (54%) and regional average (58%). Within RBWM the proportion is even higher at 68%.
- The outlook for overall employment is beginning to show signs of improvement despite the number of unemployed nationally remaining above 2.5 million. However, this is unlikely to result in a sustained improvement in underlying housing demand although the recent low level of transactions has created a pent up demand;
- Experian forecast total employment across the HMA could grow by 24% between 2012 and 2030. Bracknell Forest and Spelthorne are predicted to experience the highest rate of employment growth at 31%, followed by RBWM at 30% growth over the period.
- The professional and private services sector account for the largest proportion of jobs in the HMA and RBWM. This sector could account for 37% of job growth across the HMA, and 40% in the Borough over the next 20 years.
- Unemployment rates in the HMA (5%) and RBWM (2.9%) are significantly below the national average (8%).

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## 7. Housing Trends

7.1 This section examines cost and affordability of housing across the housing market area. The review considers performance across:

- The Owner Occupier Sector – house price analysis, examination of the relative change in house prices and the current housing market, including a consideration of more affordable (low cost / lower quartile) elements of market housing, as well as a review of mortgage finance to identify the barriers to access for first time buyers;
- Private Rented Sector – examination of rental levels of different components of the private rented sector, which forms an important component of the overall housing offer; and
- Affordable Housing Sector – review of the changes in demand, as recorded through the waiting list for social rented properties within RBWM and an assessment of current average rental levels, including consideration of the 80% market rent levels.

7.2 The section concludes by considering the ability of households to access housing based upon analysis of income and housing costs.

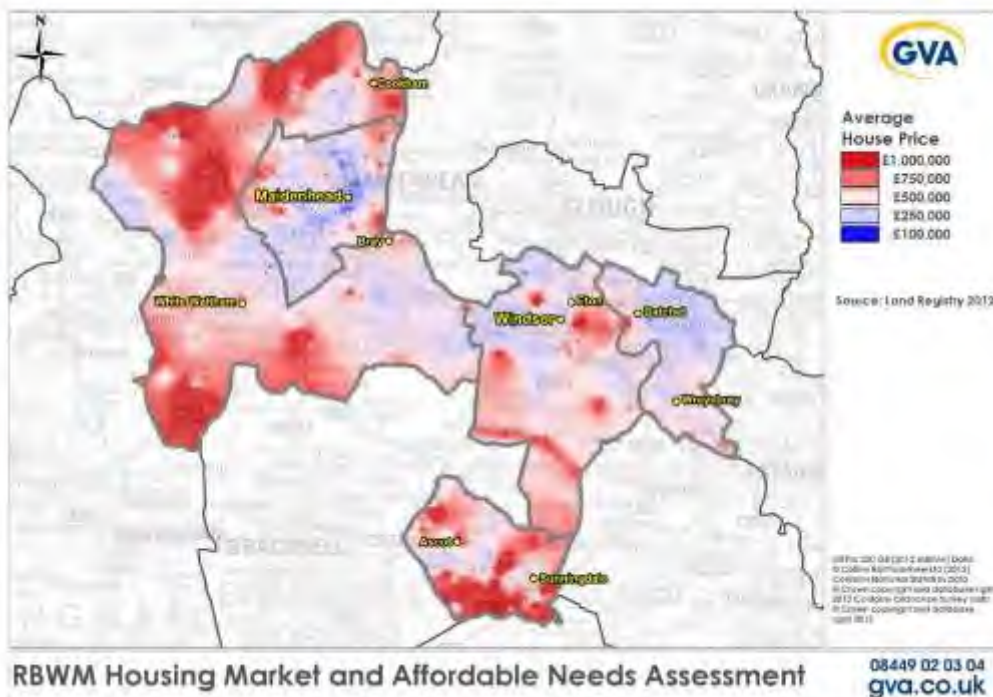
7.3 The analysis in this section should also be considered in conjunction with data in The Current Housing Stock section.

### The Owner Occupier Sector

7.4 Within RBWM, Figure 72 analyses house prices in 2012 at a smaller geographical level (6 digit postcodes). This illustrates the geographic variance with those in the South and rural areas significantly higher than the Maidenhead Town and Datchet, Horton & Wraysbury LHMA's.

7.5 Within the LHMA's it is possible to see small pockets of lower value properties. These seem to align to the type of housing stock, with those areas with a higher prevalence of flats having a lower sales value than those where detached houses are more prevalent.

**Figure 72 - Average House Prices across RBWM (2012)**



Source: Land Registry, 2012

### House Price by Type of Property

- 7.6 In order to remove the impact of the housing stock type, where locations with a higher proportion of houses than flats will have a higher mean prices, analysis of the relative values of each of the housing types has been undertaken. There are some local factors to consider, such as the larger typical size of homes regardless of type in places such as Ascot LHMA is likely to be higher than elsewhere in RBWM therefore the average price is likely to be skewed.
- 7.7 This analysis uses more recent data than previous sections and is provided by the Land Registry and covers 2012.
- 7.8 Within RBWM the Ascot, Sunninghill & Sunningdale LHMA has the highest average house price for each of the housing types. Average prices for detached properties range from £869,996 in South Bucks to just £347,336 in Slough. The most expensive semi-detached and terraced properties are in RBWM at £384,017 compared to £251,870 in Slough, although similar prices can be found in Reading and Bracknell Forest. The most expensive flats are in South Bucks at £309,567 compared to £135,425 in Slough.



**Figure 73 – Mean Average House Price by Location and Type (2012)**

HMA	Detached	Semi-Detached	Terraced	Flats	Overall
<b>HMA</b>	<b>£539,009</b>	<b>£295,260</b>	<b>£243,284</b>	<b>£192,018</b>	<b>£330,362</b>
<b>RBWM</b>	<b>£713,132</b>	<b>£384,017</b>	<b>£340,614</b>	<b>£275,853</b>	<b>£440,811</b>
Bracknell Forest	£406,693	£258,296	£207,997	£152,236	£263,904
Reading	£433,042	£252,149	£203,699	£167,610	£235,342
Runnymede	£750,259	£298,675	£247,180	£189,329	£379,559
Slough	£347,366	£251,870	£203,121	£135,425	£211,818
South Bucks	£869,996	£347,176	£324,519	£309,567	£542,260
Spelthorne	£427,260	£308,568	£254,352	£180,860	£283,567
Surrey Heath	£487,283	£277,686	£236,455	£169,498	£345,773
Wokingham	£438,254	£288,216	£234,431	£180,401	£324,033
Wycombe	£533,175	£278,198	£262,088	£175,948	£336,535
Ascot, Sunninghill & Sunningdale	£1,057,147	£499,891	£420,211	£436,175	£672,808
Datchet, Horton & Wraysbury	£509,128	£342,462	£220,296	£190,100	£364,210
Maidenhead Rural	£822,172	£442,513	£330,689	£216,019	£549,922
Maidenhead Town	£535,166	£317,824	£258,026	£219,786	£347,004
Windsor and Eton	£683,845	£423,140	£411,152	£255,754	£408,281

Source: Land Registry, 2012

- 7.9 The Maidenhead Rural LHMA has the second most expensive Detached or Semi Detached properties and Windsor and Eton has the highest value flats and terraced accommodation. This would suggest that demand for these types of properties are highest in Windsor and Eton with its urban living offer and improved transport links. Datchet, Horton & Wraysbury has the least expensive stock in all but semi-detached properties, where Maidenhead Rural is the least expensive.

### House Sales

- 7.10 The number of house sales provide an understanding of market activity and buoyancy. The figures below show the number of house sales since 1996. There is a notable decline in sales since 2007 with little recovery to date. This reflects the downturn in the economy and clearly demonstrates economic conditions affect demand for property.
- 7.11 The largest number of transactions within the HMA occurred in Wokingham, Wycombe and Reading in 2011. Although as a percentage of the household spaces Surrey Heath and Wokingham had the largest number of sales.

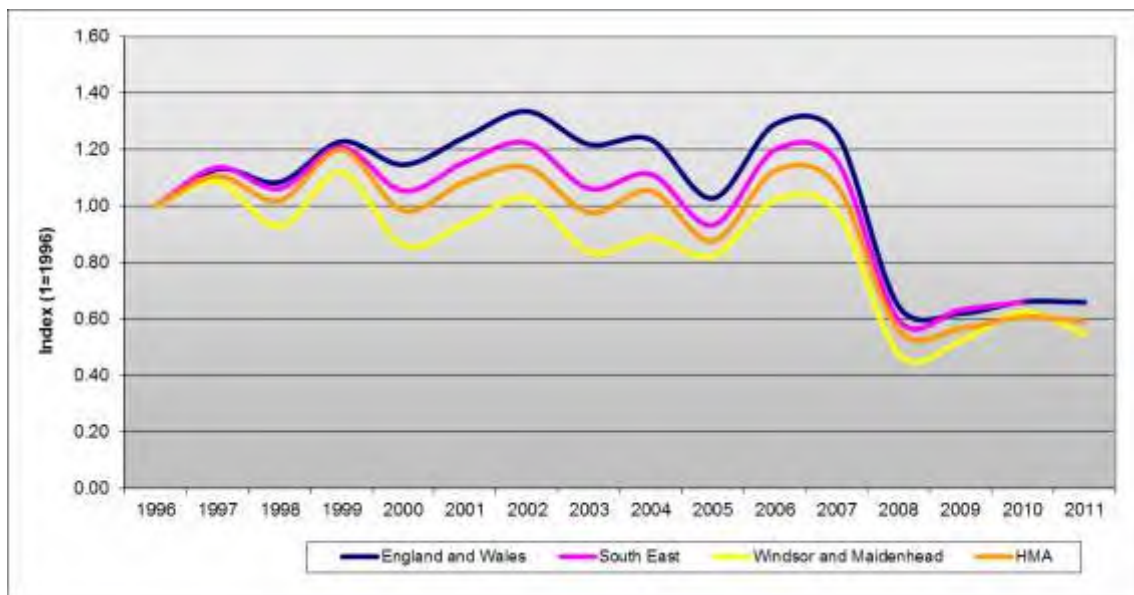
**Figure 74 –Transactions by LA area: Selected Years**

	1996	2007 Peak	2009 Low	2011	2011 Sales as % of Stock
RBWM	3,401	3,469	1,772	1,859	3.1%
Bracknell Forest	2,857	2,840	1,529	1,525	3.2%
Reading	3,232	4,049	2,185	2,004	3.0%
Runnymede	1,834	2,180	1,092	1,209	3.5%
Slough	2,298	2,816	1,118	1,152	2.2%
South Bucks	1,361	1,498	859	932	3.4%
Spelthorne	2,010	2,377	1,138	1,267	3.1%
Surrey Heath	2,093	2,208	1,092	1,229	3.5%
Wokingham	3,692	4,213	2,153	2,229	3.6%
Wycombe	3,530	3,936	1,946	2,137	3.0%
HMA	28,304	29,586	14,884	17,554	3.1%

Source: DCLG Live table 588, 2011

7.12 As a percentage of household spaces the lowest level of transactions occurred in Slough. This may illustrate the issues with first time buyers or lower price purchasers accessing mortgage products to enter the lower end of the market and the relative buoyancy of the upper end of the market.

**Figure 75 - Indexed levels of transactions 1996 – 2011**



Source: DCLG Live table 588, 2011

7.13 It is also evident that the number of sales in RBWM fell further in 2007/8 than in the rest of the housing market area, the South East and England and Wales. Despite fewer properties coming on to the market, the inability to access mortgages, lower purchaser confidence, higher unemployment and stagnant wages has resulted in house prices

remaining relatively stable. It is also evident from the figures how far the number of transactions has fallen in each of the areas

### Lower Quartile House Prices

- 7.14 The DCLG records the lower quartile house prices for each authority across the UK. The DCLG SHMA Guidance (August 2007) recommends that the lower quartile price of properties represents the lower levels of the housing market, and such properties should be considered to be those most likely to be able to be purchased by households on lower incomes or households entering the market for the first time. This, and the use of lower quartile household income data, is explained in more detail later within this section when considering the benchmarking of household access to different housing tenures.
- 7.15 In all local authorities, Lower Quartile House Prices have grown substantially since 1996. The largest growth has been in Slough which has grown from a relatively modest base of £45,000. Growth in Lower Quartile prices has been smallest in Surrey Heath.
- 7.16 Despite starting with the most expensive lower quartile prices South Bucks has seen one of the highest levels of growth. As a result the Borough continues to have the most expensive Lower Quartile Housing.

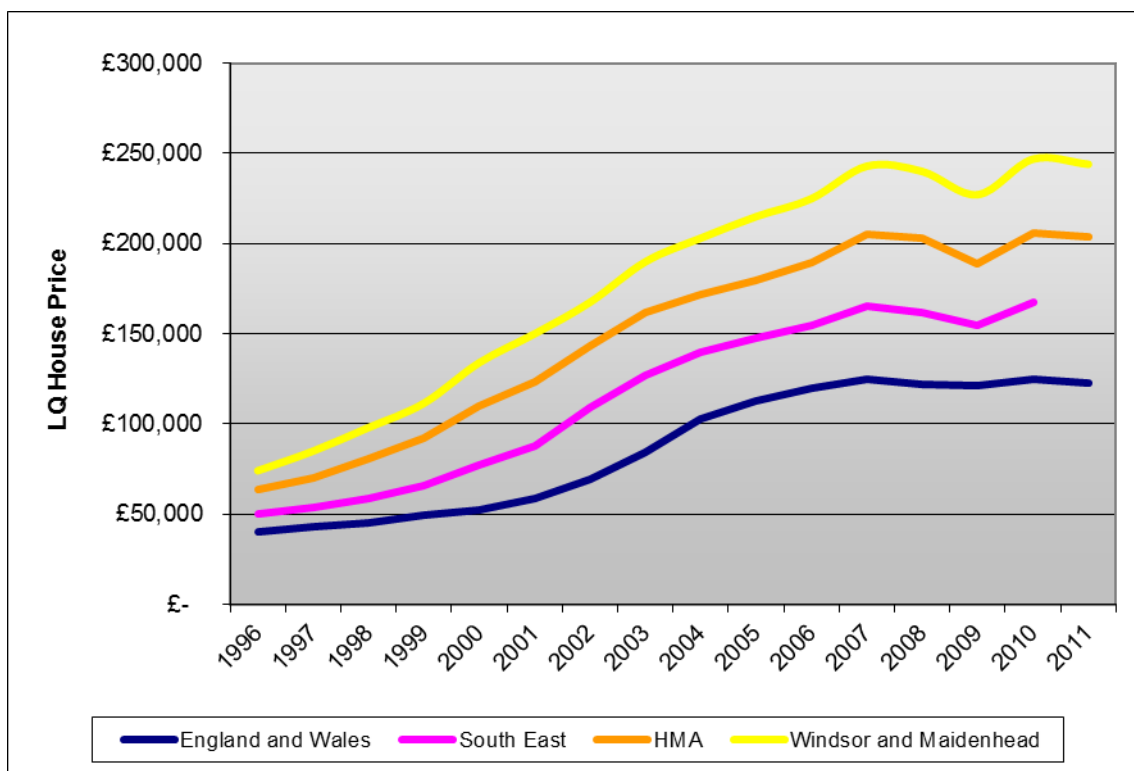
**Figure 76 – Lower Quartile House Prices by Local Authority**

Local Authority	1996	2011	% Change
RBWM	£ 74,125	£ 244,000	229%
Bracknell Forest	£ 60,000	£ 179,000	198%
Reading	£ 48,500	£ 160,000	230%
Runnymede	£ 67,300	£ 214,950	219%
Slough	£ 45,000	£ 155,000	244%
South Bucks	£ 79,000	£ 270,000	242%
Spelthorne	£ 62,000	£ 196,000	216%
Surrey Heath	£ 71,500	£ 205,000	187%
Wokingham	£ 70,000	£ 217,500	211%
Wycombe	£ 60,000	£ 195,000	225%
HMA Average	£ 63,743	£ 203,645	220%

**Source: DCLG Live table 587, 2011**

- 7.17 Figure 77 illustrates these lower quartile price trends between 1996 and 2011 in the HMA. Comparators are included in the form of regional and national levels in order to contextualise the differing performance.

**Figure 77 - Lower Quartile House Prices 1996 – 2011**



**Source: DCLG Live table 587, 2011**

7.18 Figure 77 shows the difference between the Lower Quartile house Prices in England and RBWM.

7.19 In line with the wider housing trends, the lower quartile price for housing in RBWM trends above the average for England. On average Lower Quartile house Prices in the Borough are 92% higher than the rest of the country up until 2011, the last year of DCLG data.

**Figure 78 – Lower Quartile House Prices (£)**

Lower quartile house prices	2008	2009	2010	2011
ENGLAND	£124,950	£112,000	£122,500	£120,000
RBWM	£239,999	£220,000	£240,000	£230,000
% Difference	192%	196%	196%	192%

Source: DCLG

7.20

7.21 Figure 79 below illustrates the geographical distribution of lower quartile prices within RBWM for 2012, which is sourced directly from the Land Registry. As

7.22 Figure 79 shows, there is considerable variance of lower quartile prices even within a single borough. This is an important consideration in assessing localised affordability pressures.

**Figure 79 – Transaction and Lower Quartile Sales Price by Location 2012**

Area	Sales 2012	Lower Quartile House Price
Ascot, Sunninghill & Sunningdale	253	£330,000
Datchet, Horton & Wraysbury	107	£232,000
Maidenhead Rural	248	£305,000
Maidenhead Town	592	£230,000
Windsor and Eton	485	£258,000
RBWM	1685	£250,000

Source: HMLR 2012

- 7.23 Maidenhead Town and Datchet, Horton & Wraysbury LHMA's remain the most affordable in terms of lower quartile house prices with entry level housing £230,000 and £232,000 respectively. By contrast the higher price Maidenhead Rural and Ascot LHMA's have lower quartile house prices in excess of £300,000.

## Private Rented Sector

- 7.24 Nationally the private rented sector has undergone a period of significant expansion in recent years and now plays an important role in the operation of the wider market, offering an alternative to owner-occupation and the social rented sector.
- 7.25 The growth in this sector has been the result of favourable investment conditions on the supply side as well as mortgage constraint and a wider shift in market appeal, particularly in the younger generations, who see the private rental property as a viable alternative to owner occupation. This has also led to increased interest from institutional investors looking to build serviced private rental accommodation. Within RBWM private rental market provision varies considerably between different areas. The towns of Maidenhead, Windsor and Eton have seen the largest growth in the sector as a result of new apartment schemes. Figure 80 presents the average rental levels across England, the South East, the housing market area and RBWM, as recorded by the Valuation Office Agency. This shows a range of different rental indicators.

**Figure 80 - Private monthly rental levels 2012**

All					
	Count of rents	Mean Average	Lower quartile	Median	Upper quartile
England	474,674	£714	£450	£575	£795
South East	79,382	£834	£575	£725	£925
HMA	8,844	£1,089	£737	£930	£1,220
RBWM	1,118	£1,222	£750	£1,000	£1,350
Room					
England	45,128	£348	£290	£325	£388
South East	6,110	£370	£325	£368	£410
HMA	793	£420	£372	£407	£471
RBWM	129	£433	£375	£428	£480
Studio					
England	12,027	£556	£370	£475	£650
South East	2,657	£483	£420	£475	£550
HMA	298	£545	£510	£536	£577
RBWM	33	£555	£519	£519	£550
1 Bedroom					
England	80,528	£603	£410	£500	£650
South East	16,135	£597	£500	£585	£675
HMA	1,865	£717	£668	£709	£752
RBWM	174	£769	£700	£750	£795
2 Bedroom					
England	183,246	£672	£475	£575	£725
South East	28,776	£769	£650	£725	£850
HMA	3,015	£952	£836	£909	£1,024
RBWM	374	£1,089	£900	£1,025	£1,225
3 Bedroom					
England	113,474	£770	£550	£650	£825
South East	16,841	£939	£750	£875	£1,050
HMA	1,680	£1,172	£994	£1,108	£1,277
RBWM	218	£1,360	£1,050	£1,200	£1,480
4+ Bedroom					
England	43,436	£1,350	£800	£1,100	£1,575
South East	9,028	£1,678	£1,160	£1,440	£1,895
HMA	1,209	£2,019	£1,504	£1,808	£2,316
RBWM	180	£2,498	£1,693	£2,100	£3,000

Source: VOA 2013

7.26 RBWM has a higher overall rental cost profile than the wider HMA. This is the case for all categories except the mean and median for studio units.

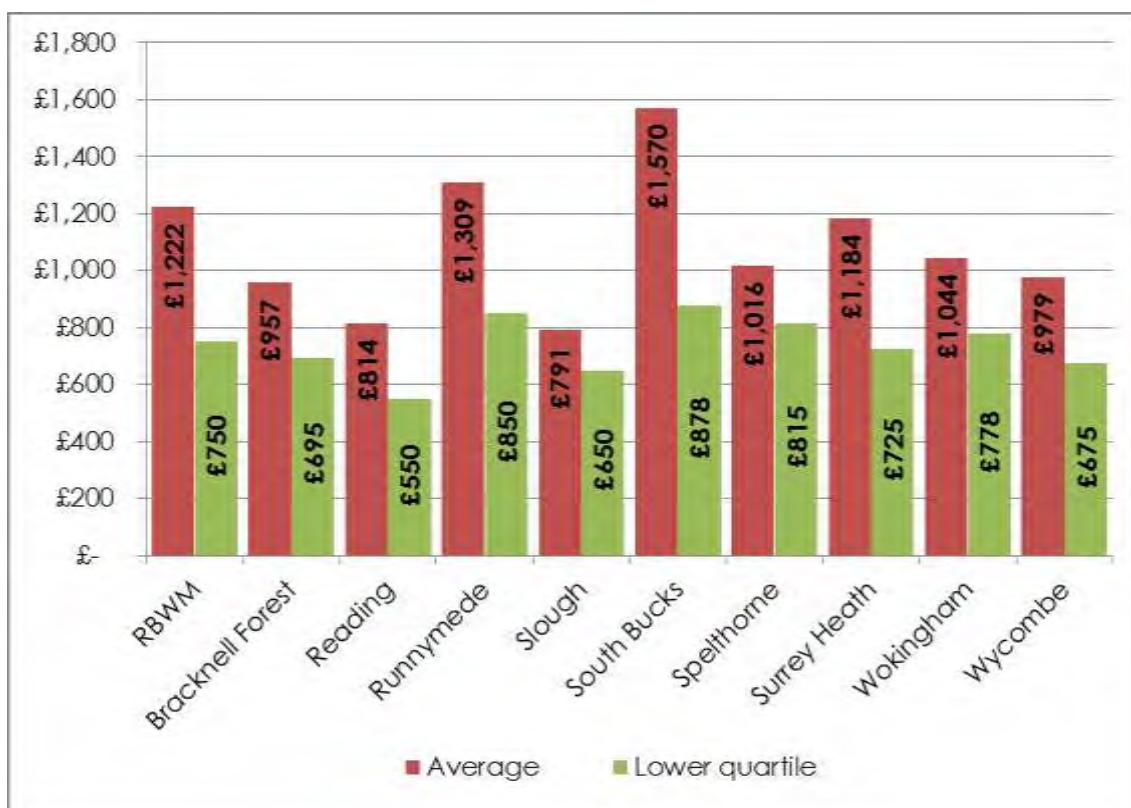
7.27 Average lower quartile rents in RBWM track closely with those for the HMA (£375 vs. £372)

7.28 Reviewing the average price for 2 and 3 bedroom standard properties, it is evident that the cost of renting in RBWM exceeds that of the rest of the housing market area), South East and England.

7.29 Within the HMA private rental costs vary significantly. For four bed units South Bucks at has the highest average rent (£1,570) with Slough (£791) and Reading (£814) less expensive. There will be differences in stock size between these communities, although it is unlikely that 4 beds in South Bucks are almost double in size. Other market preference factors will have an influence.

7.30 South Bucks also has the highest lower quartile rental prices at £878 followed by Runnymede at £850. This puts a significant constraint on those wishing to enter even the lower end of the housing market in these areas. Reading, by some margin, has the least expensive lower quartile properties at £550 per month.

**Figure 81 - Private Rental Costs by Local Authority in the HMA**



Source: VOA 2013

Letting Agents Consultation

7.31 The following letting agents were consulted as part of researching private rental trends:

- Campsie;
- Edwards and Elliott;
- Frost Partnership;
- Gregory and Company;
- Hardings;
- Murray Management;
- Roger Platt;
- Romans;
- Savills; and
- Stephen Uren.

7.32 The consultation sought to understand both the prices paid in each of the LHMA's within RBWM by size of property and profile of tenants in the Private Rental Sector. As Figure 82 illustrates there are significant differences in the costs of rental properties across the Borough. The agents were asked to provide an average rental price for a typical home for each size of property in their area. These have subsequently been averaged to reflect the area each of these agents covered and rounded to the nearest £10.

7.33 As with the purchase market the higher value areas remains the Maidenhead Rural, and Ascot, Sunninghill and Sunningdale LHMA's with the least expensive property in the Datchet, Horton and Wraysbury LHMA.

7.34 The widest differences are found in the one bedroom flatted rental market where the maximum cost is 30% more than the minimum, compared to around 25% for the other property sizes. According to the agents the highest demand was for 2 bedroom flats, followed by two and three bedroom properties. Areas which were closer to transport links also increased the rental values.

**Figure 82 – Rounded Mean Average Rental Costs in RBWM 2013**

Area	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House
Ascot, Sunninghill & Sunningdale	£1,020	£ 1,190	£ 1,330	£ 1,650
Datchet, Horton & Wraysbury	£910	£ 1,040	£ 1,170	£ 1,370
Maidenhead Rural	£1,180	£ 1,270	£ 1,440	£ 1,710
Maidenhead Town	£940	£ 1,020	£ 1,150	£ 1,360
Windsor and Eton	£960	£ 1,120	£ 1,250	£ 1,470

Source: GVA and Local Estate Agent Surveys 2013



7.35 Each of the agents were asked to provide an indication of the average age of tenants, whether they were single people, couples or families, where they lived previously and comment on general trends in the private rental market. The following comments were made:

- Demand for rental properties and rental prices have grown since the start of the recession. However, this was after a sustained period of either price reductions or stagnation;
- Although a wide range of ages were evident among tenants, the average age of new tenants tended to be mid 20's – late 30s. Younger people are particularly attracted to the town centre locations;
- The largest percentages of new tenants are couples, followed by single people then families;
- New tenants originate from a variety of locations although in Datchet, Horton and Wraysbury and Ascot, Sunninghill and Sunningdale tend to see more new tenants moving into those areas from London than is experienced elsewhere in the Borough. The other areas tend to see more people moving from another part of the Borough;
- RBWM has a large number of overseas and ex-pat house buyers attracted to the historic nature of the area, transport links to London and proximity to Heathrow. This is likely to lead to higher rents in the area as the demand for property grows; and
- The more affordable parts of RBWM have seen an increase in buy to let investors as they have good yields and according to one agency Maidenhead was recently voted one of the best places to invest in the country<sup>12</sup>.

### Social Rented Sector

7.36 The social rented sector by its nature operates differently from both of the owner occupier and private rented sectors. The tenure is intended to act as a safety net for households ensuring access to housing where household financial circumstances prevent access to other tenures.

7.37 Significant pressure is being applied to the social housing market, particularly in London. Waiting lists for social housing have increased by 9.7% in England between 2007 and 2011. This correlates with the economic downturn which has affected employment levels and development rates. Reforms to housing benefit introduced in April 2013 have

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<sup>12</sup> <http://www.telegraph.co.uk/property/rentingproperty/9608854/The-top-20-places-to-make-money-from-property.html#?frame=2368892>

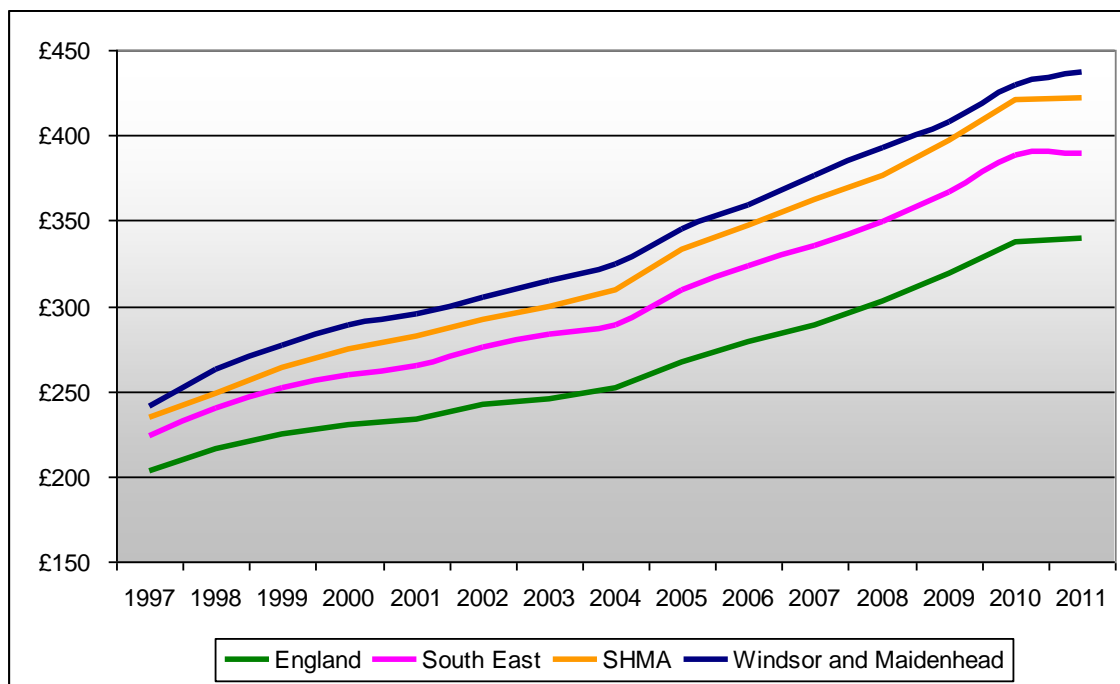
seen payments capped at £400 per week whilst social landlords are now able to set maximum rent at 80% of open market values.

7.38 At the time of the publication of this research the Government is in the process of transforming the way in which the tenure operates in terms of rental levels and the allocation process for households. The wider introduction of new policy directives, such as the benefit cap will fundamentally impact on the role of the social rented tenure in relation to the private rented sector.

7.39 Given the current policy transition in this area the trend and current data is used to inform the SHMA analysis which reflects the operation of the tenure largely under the previous Government's policy.

7.40 Average monthly rents in registered social landlord managed housing over the period from 1997 is shown in the following figure.

**Figure 83 - Registered Provider Weekly Rents 1997- 2011**



Source: DCLG Live table 704, 2012

7.41 Registered Providers outlined an average rental level of approximately £437 per month in 2011 for properties in RBWM. This is approximately £100 more per month than England as a whole (£339). With the exception of Wokingham the average Social Rent in RBWM is highest in the housing market area.

7.42 Social Rental costs in RBWM have grown more quickly than those regionally and nationally, although the growth is around the average compared to the housing market area. On average weekly rents from Registered Providers are still 29% higher in the Borough than in the rest of England.

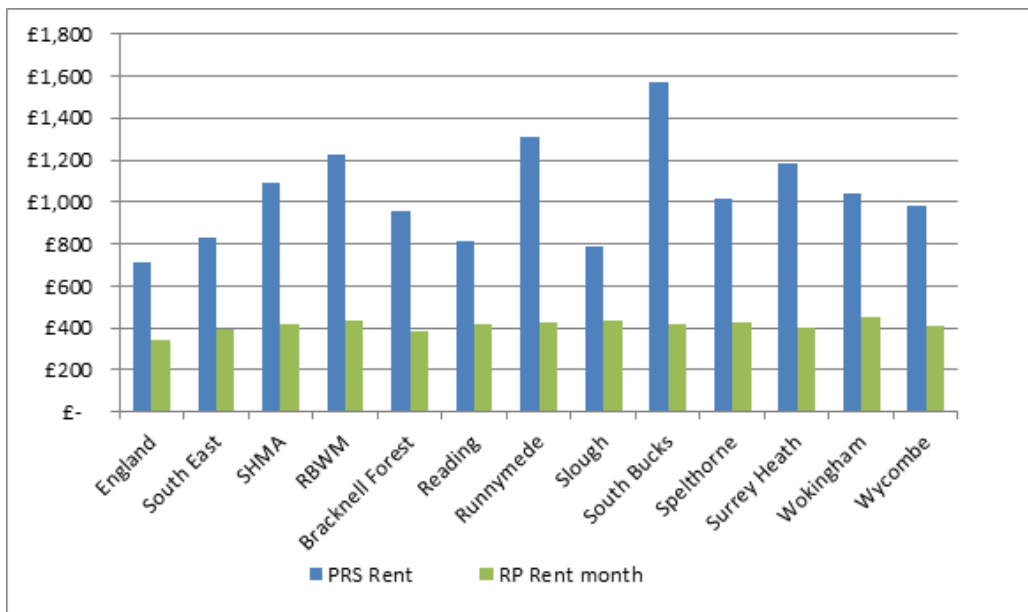
**Figure 84 - Average weekly Registered Provider rents (£)**

Average weekly housing association rents (£)	2007	2008	2009	2010	2011
England	£66.67	£69.96	£73.51	£77.91	£78.28
RBWM	£86.8	£90.72	£94.06	£99.15	£100.82
% Difference	130%	130%	128%	127%	129%

Source: DCLG Live tables 704

7.43 The chart below also illustrates that rental levels in social housing are significantly below market rents across all local authorities. Social rents are relatively similar across authorities while there is wider variation in private rents.

**Figure 85 - Private Rent compared to Registered Provider Rents**



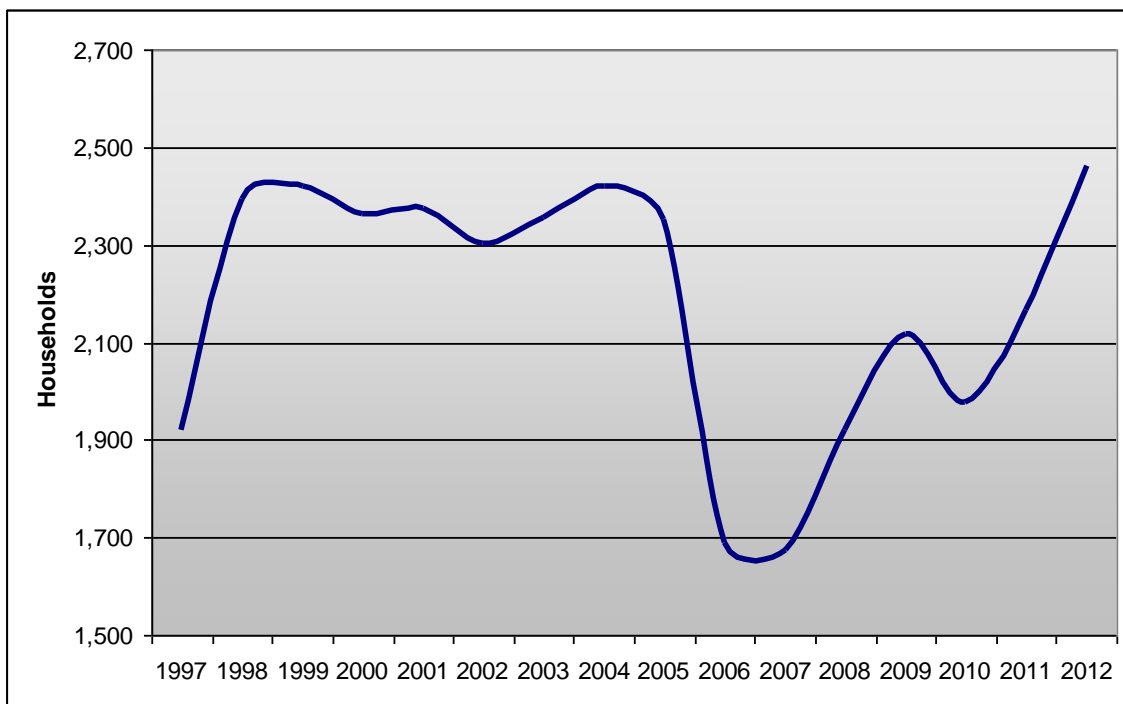
Source: DCLG 2013 Table 704 Rents and VOA 2013

### Social Housing Waiting Lists

7.44 Whilst rental levels in this tenure provide a poor indicator of demand given their central fixing, the number of households recording requirements for properties through the waiting list provides a more informative position.

- 7.45 RBWM housing list is broken down into 29 geographical areas with many households registered for multiple areas. As of March 2013 there were around 2,100 households registering a total of 20,525 applications for affordable housing in all of these areas. Of these applications 82 households were in the reasonable preference categories.
- 7.46 The Waiting List in RBWM has fluctuated since 1997, although in the last three years as house prices and unemployment growth there has been continuous growth, as illustrated in Figure 86 below.
- 7.47 The fall in 2005 is due to a new application process which required households to re-register. As a result a number of households failed to return their application and were subsequently removed from the waiting list.
- 7.48 The likely reason behind the growth of the housing waiting list since 2007 is the recession with job losses impacting upon the number of people requiring housing assistance.

**Figure 86 - RBWM Waiting list 1997 -2012**



Source: DCLG, Live Table 600: Rents, lettings and tenancies 2013

- 7.49 The Council's most recent estimate (March 2013) of households on the waiting list is 2,100 households.

## Access to Housing

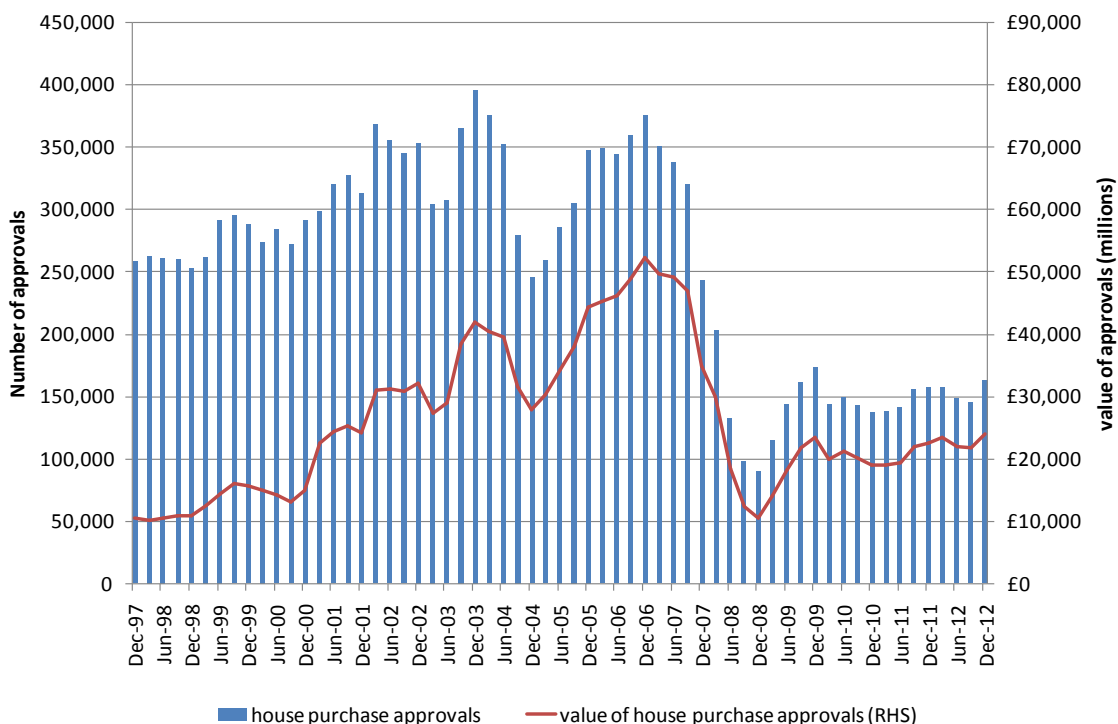
7.50 The operation of the active housing market is dependent upon households being able to move both within and between tenures. The ability of households to exercise choice and realise their aspirations for moving is predicated upon the relationship between both the active market elements assessed above but also income and importantly the availability of finance.

7.51 High property prices and a lack of access to mortgage products limit the ability of households to enter the owner-occupier tenure. This in turn has implications for both the private rented and social rented market. This is further explored in the following sub-section.

## Mortgage Finance

7.52 One of the underlying drivers behind the lack of mobility in the housing market, in particular the owner-occupier market, remains the tightening of mortgage finance by financial lending institutions (banks and building societies) since the 'credit crunch' in 2008, with the subsequent removal of all 100%, 95% and the majority of 90% mortgage products from the market. Both the number of approvals for house purchase and the value of approvals are over 50% lower in December 2012 than June 2007.

**Figure 87 - House purchase lending**

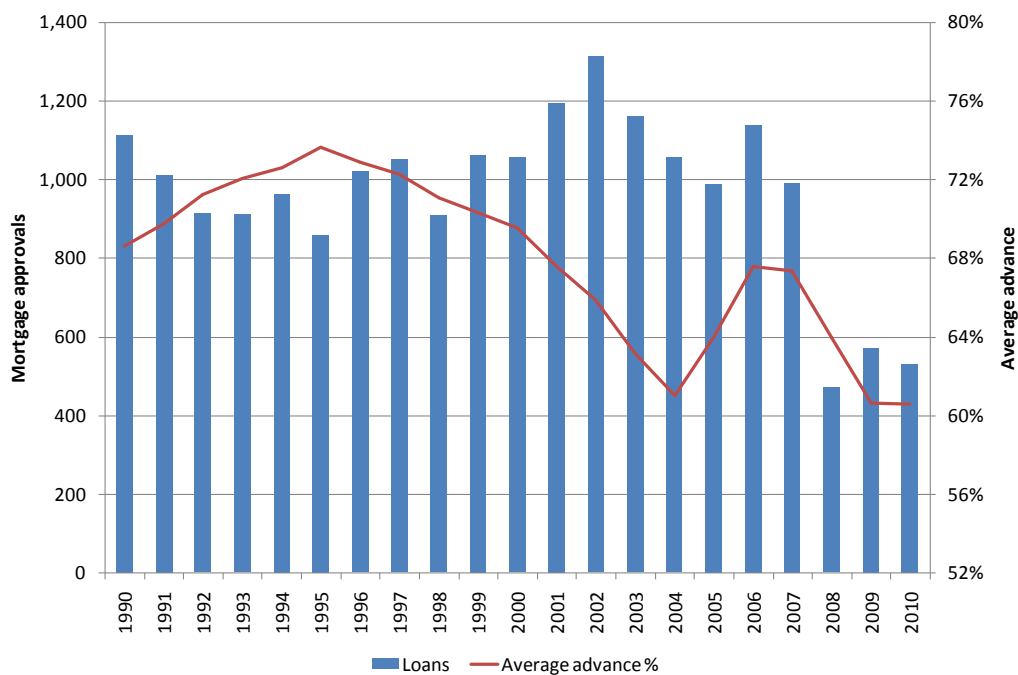


Source: Bank of England, 2013

7.53 The result has been that prospective purchasers have had to raise increased capital deposits to access mortgage products, which has had a limiting effect on the ability of those households with low incomes and savings (for example first time buyers) to access the owner occupied sector.

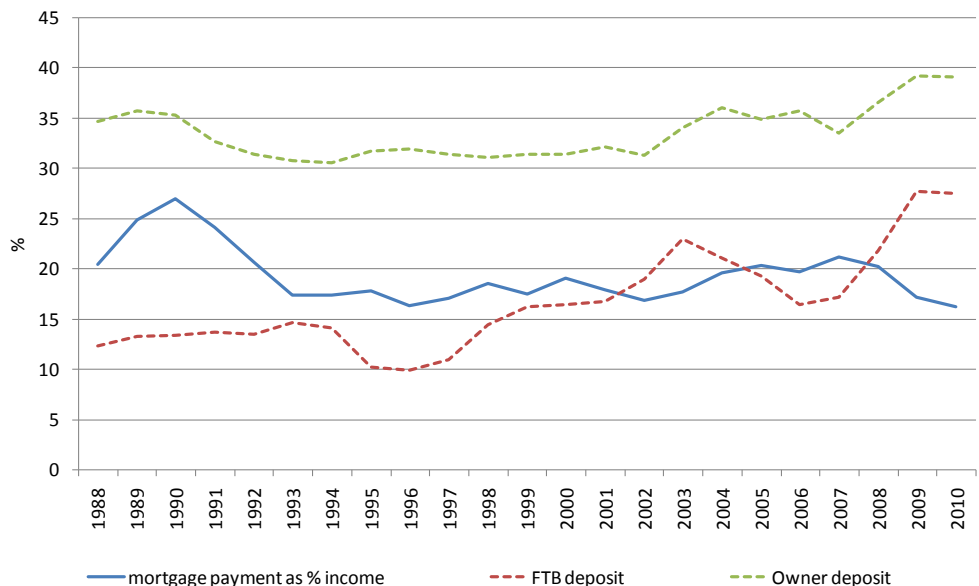
7.54 This is reflected in the following two charts. The first of which show the number of mortgages approved annually since 1990 and the percentage advance (remaining mortgage minus deposit). The second shows the widening gap between the level of deposit required and the monthly payments for both first time buyers and existing owners across the UK.

**Figure 88 - Total loans for house purchase and average advance**



Source: DCLG 2013 (table 544)

**Figure 89 - Mortgage payments and deposits**



Source: Council of Mortgage Lenders 2013

- 7.55 The trends shown in these charts appear likely to be sustained for at least the short-term, impacting significantly on the ability of households to purchase housing. This is particularly true of those areas where house prices are higher, while incomes show modest growth. The government is currently helping buyers with additional measures such as funding for lending and help to buy to stimulate demand and help buyers bridge inherent funding or affordability gaps within the market. These measures are temporary, ending in 2015, and will have a limited number of households they can help.
- 7.56 RBWM is one of the most expensive areas in the South East, with a median house price to median earnings (HPE) ratio of 9.97 in 2012, compared to 6.74 for England. Even more pressing is the fact that for the lower quartile HPE ratio (the cheapest 25% of house prices and lowest 25% of earners), the ratio rises to 10.7, compared to 6.59 nationally. This means that even the lowest cost housing is likely to be unaffordable for a large number of potential buyers, in particular first time buyers.
- 7.57 The most expensive district in the HMA is South Bucks, with a ratio of 12.49 in 2012. The only two districts within the 10 that comprise of the HMA with an average earnings ratio lower than the average for England are Reading and Slough. This emphasises the role of the urban areas in providing more affordable housing.

**Figure 90- Median house price to earnings ratio**

Area	2012
<b>England</b>	<b>6.74</b>
Bracknell Forest	7.01
Reading	6.46
Slough	6.13
RBWM	9.97
Wokingham	8.18
South Bucks	12.49
Wycombe	8.47
Runnymede	7.37
Spelthorne	7.18
Surrey Heath	8.75

Source: DCLG Live Tables 577

- 7.58 Since the onset of the 'credit crunch' the number of mortgage products on offer to the UK house buyer has shrunk dramatically. The table below provides selected examples of current best buys in the mortgage market. Despite the historically low Bank of England Base Rate, lenders are charging more to those with lower deposits to borrow. This, and other credit criteria have held the level of mortgage lending back, as shown by the mortgage approval chart and deposit/mortgage share of income chart. However, there are some better rates available for lower loan to value products.

**Figure 91 - Best Mortgage (Sept 2013)**

Mortgage Finance - 'Best Buys' (March 2011) - 90% LTV				
Supplier	Interest rate	Period	Mortgage Type	Loan to Value
HSBC	1.50%	2 years	Fixed	60%
First Direct	2.10%	Term	Tracker	65%
HSBC	2.30%	Term	Tracker	70%
Principality	2.45%	2 years	Fixed	75%
HSBC	3.00%	Term	Tracker	80%
First Direct	3.90%	Term	Tracker	90%

Source: Money.co.uk

- 7.59 At present the average home buyer purchasing an a lower quartile priced property (circa £250,000) requires an average deposit of £62,500, if they were to avoid paying an additional £343 per month for a mortgage with a higher Loan to Value ratio (and buyers would have other costs such as survey, legal costs and mortgage set up fees to pay as well).
- 7.60 The following figure illustrates monthly repayment and endowment mortgage costs, for 25 years mortgages for Lower Quartile houses. These calculations assume:

- Lender requires a minimum deposit of 10%;



- Buyer qualify for the poorest interest rate available;
- 25 year repayment period.

**Figure 92 - Lower quartile house purchase costs**

Lower quartile average house price	Assumed Deposit	Mortgage advance	Monthly payments	Interest rate	LTV
£250,000	£62,500	£187,500	£832	2.4%	75%
£250,000	£25,000	£225,000	£1,175	3.9%	90%

Source: DCLG; FSA 'Money Made Clear' Mortgage Calculator

7.61 Costs of servicing a typical repayment mortgage on a lower quartile house in RBWM would be in the region of £832 per month with the important caveat that the potential buyer would need to have access to a deposit of approximately £62,500. The minimum deposit required to attain a mortgage of any type for the purchase of a property would be £25,000. However, this would then require a monthly payment of £1,175.

### Income

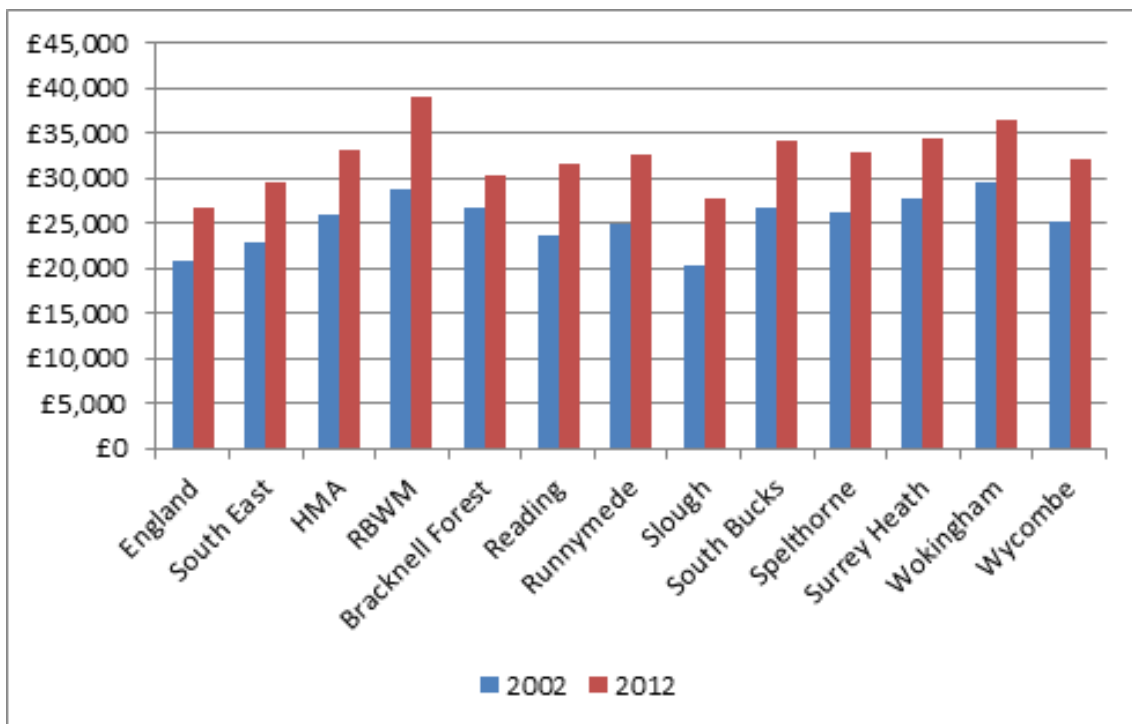
7.62 Income levels are directly related to employment opportunities and have an important relationship with the ability of households to exercise choice in the housing market and indeed the level of need for affordable housing products.

7.63 Data for RBWM on *gross household incomes* has been sourced from CACI which provides an estimate of income levels. This is complemented by wider area individual earnings data from the Annual Survey of Hours and Earnings (ASHE).

7.64 The following chart in Figure 93 illustrates the income distribution of residents across the HMA, and how it has changed since 2002. In 2012, RBWM has the highest average annual income of all the local authorities in the HMA at £38,936, followed by Wokingham at £36,472. Both of these figures are significantly above the national average of £26,804, and the HMA average of £33,000.

7.65 Slough, RBWM and Reading have experienced the most significant growth in annual income, increasing by 35%, 35% and 33% respectively. By contrast average annual income in Bracknell Forest grew by only 13% from £26,836 to £30,243 over the same period.

**Figure 93 - Average Annual Income in the HMA (2002 and 2012)**



Source: Annual Survey of Hours and Earnings 2013

7.66

7.67 Figure 96 below shows the distribution of employment levels across the housing market area. As these illustrate, RBWM has a relatively affluent population, although there are of less wealthy areas locally within in Maidenhead, Windsor and Eton. Reading, Slough, Bracknell and Spelthorne have a less affluent population with a greater proportion employed in elementary occupations.

7.68 Figure 94) Looking more specifically at RBWM the majority of households have an income towards the lower end of the spectrum – with 24% having income levels below £20,000 per annum and 51% below £40,000. Notwithstanding this, the proportion of households with lower incomes is significantly less than the national average at 37% and 65% respectively. Conversely, there is also a significant proportion of higher income households in RBWM, with 9% of households with an annual income exceeding £100,000 compared to just 4% nationally. These figures reflect the relative affluence of households within RBWM.

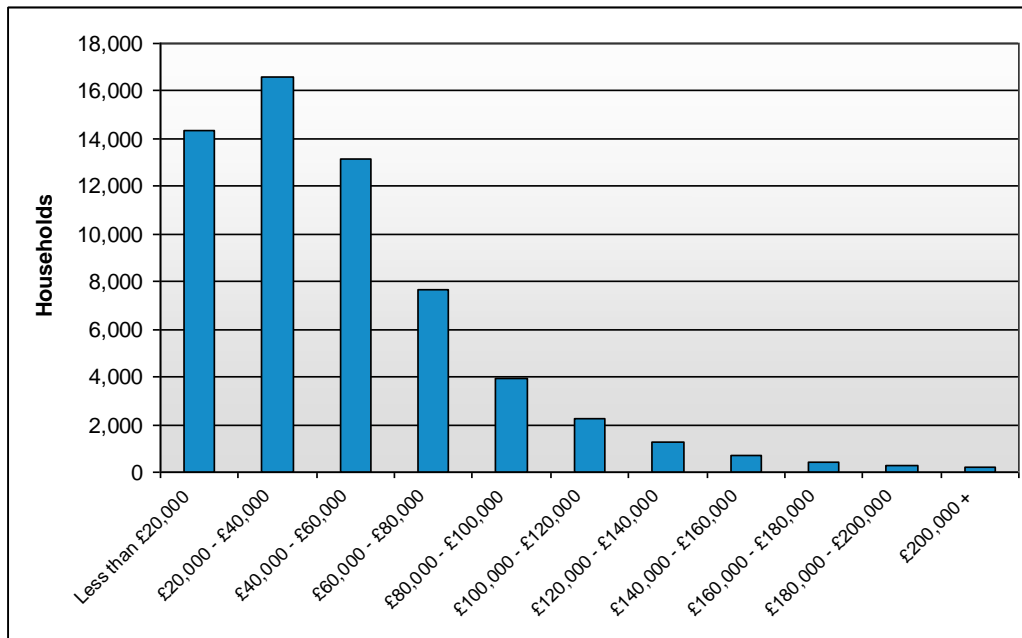
7.69 No income information is freely available below local authority level, however as a proxy this assessment reviews the employment levels with assumptions made that those working as Managers, Directors and Senior Officials on average earning more than those in Elementary occupations.

7.70

7.71

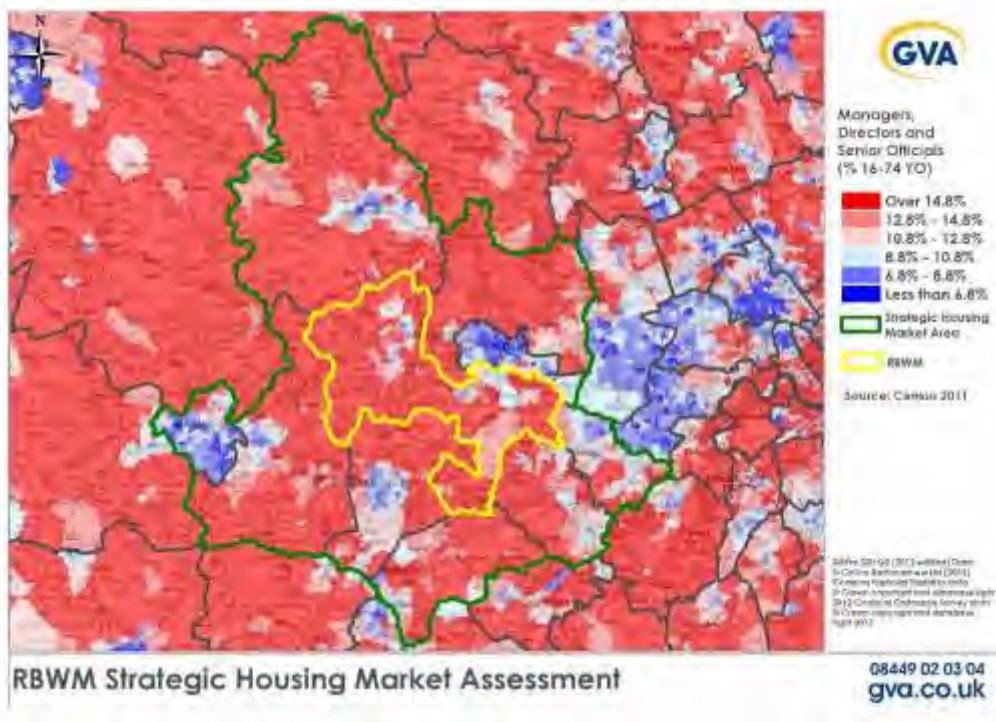
7.72 Figure 96 below shows the distribution of employment levels across the housing market area. As these illustrate, RBWM has a relatively affluent population, although there are of less wealthy areas locally within in Maidenhead, Windsor and Eton. Reading, Slough, Bracknell and Spelthorne have a less affluent population with a greater proportion employed in elementary occupations.

**Figure 94 - Income Distribution – RBWM Households**



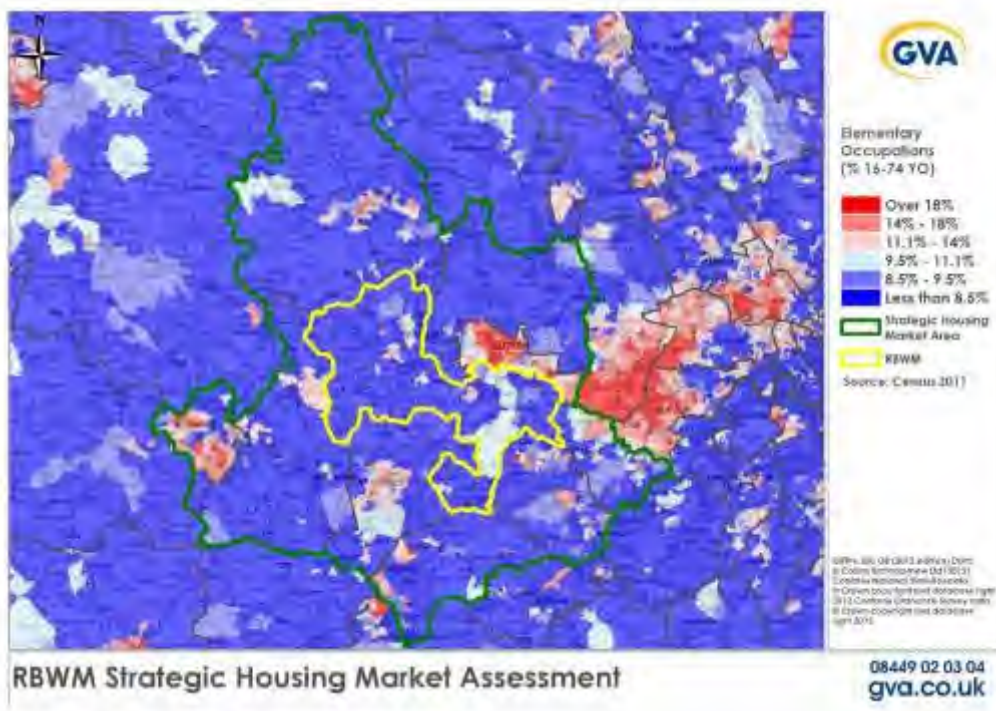
Source: CACI 2013

**Figure 95 - Managers, Directors and Senior Officials**



Source: Census 2011

Figure 96 - Elementary Occupations



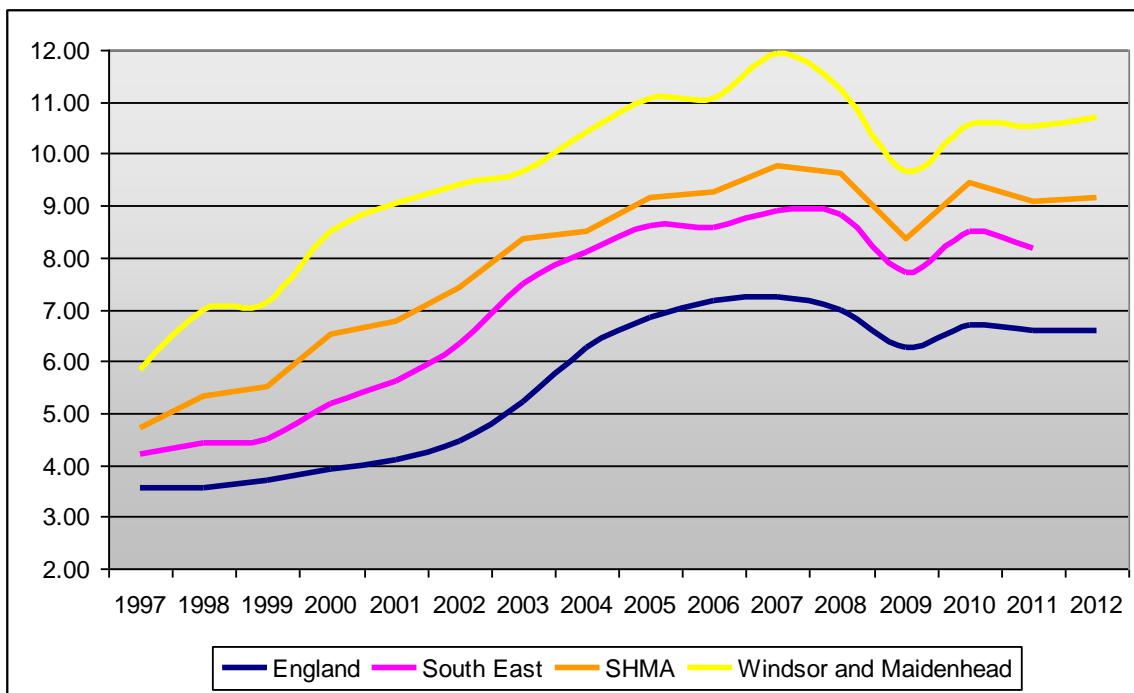
Source: Census 2011

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## Affordability

- 7.73 Assessing affordability involves comparing housing costs against the ability to pay. DCLG produces annual affordability ratios for each local authority for both median and lower quartile earnings to house prices. The ratios are calculated by dividing average and lower quartile house prices by average and lower quartile earnings. As the ratio increases the more unaffordable property becomes.
- 7.74 This initial section looks at broad affordability ratios across the HMA whereas the next section seeks to assess the actual cost of housing across tenures.
- 7.75 As Figure 97 illustrates affordability in RBWM at 10.7 of annual lower quartile wages, is more acute than elsewhere in the housing market area (9.14), the South East region (8.19) or country (6.59).
- 7.76 Along with RBWM, South Bucks (13.08) and Surrey Heath (10.25) are the least affordable local authorities in the housing market area with Slough (6.7), Reading (7.53) and Runnymede (7.97) being the most affordable areas at lower quartile levels. To some extent this reflects the urban rural split.
- 7.77 From 2009 affordability issues across all local authorities in the housing market area lessened, particularly in RBWM and South Bucks. The driver of this was likely to be a post-recession fall in lower quartile house prices linked to availability of buyers, rather than increasing wages.

### **Figure 97 - Lower Quartile Affordability Ratio (1997 – 2012)**



Source: DCLG 2013

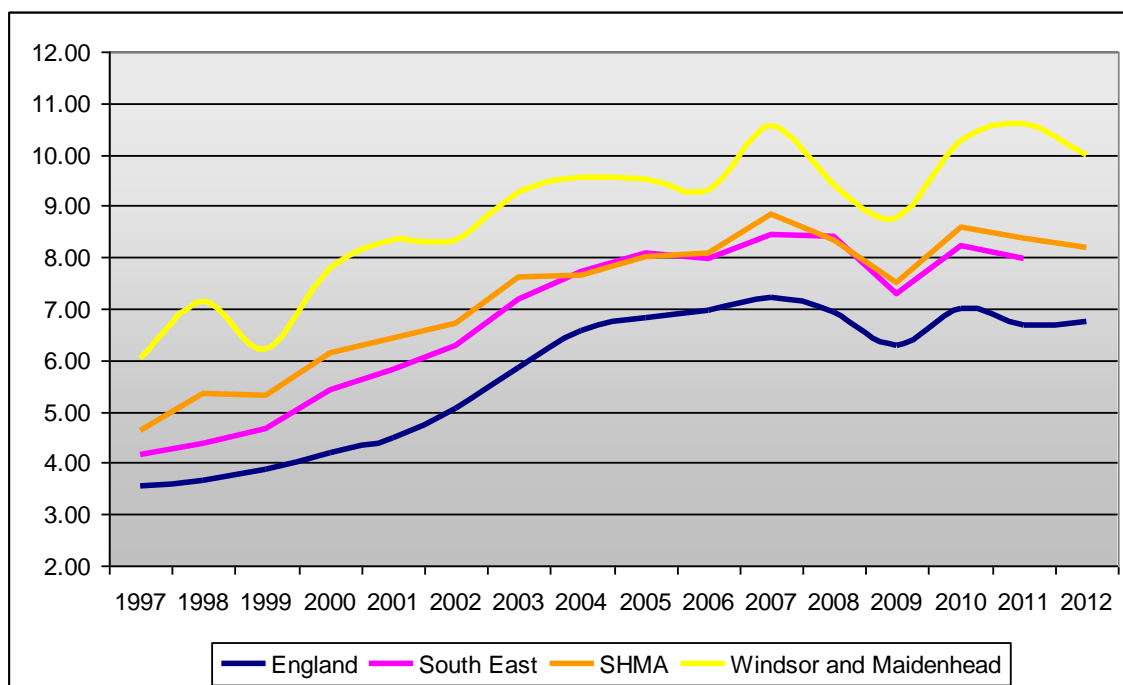
- 7.78 A similar pattern occurs with median house prices and median earnings with RBWM (9.97), South Bucks (12.49) and Surrey Heath (8.75) are the least affordable local authorities. Median Affordability Ratio differs from the lower quartile affordability in that assesses a higher level of wages against a higher cost of housing. It can be viewed as a proxy for those wishing to move up the property ladder as opposed to those wanting to move on to it.
- 7.79 Although the affordability ratio for median houses prices is lower than the lower quartile equivalent, affordability is still acute. As illustrated in Figure 99 the rate of affordability change is more erratic at median levels than the lower quartile equivalent. The housing market area as a whole also falls below the wider South East region at some stages of the last 10 years, particularly in Slough, Bracknell Forest, Reading and Spelthorne.
- 7.80 It is also evident that median affordability in RBWM is not as stark in comparison to the comparator areas at the Lower Quartile level indicating that getting on to the housing ladder in RBWM is more difficult than progressing on it.

**Figure 98 – Affordability Ratio in HMA Local Authorities**

	Lower Quartile Affordability Ratio		Median Affordability Ratio	
	1997	2012	1997	2012
England	3.57	6.59	3.54	6.74
HMA	4.70	9.14	4.63	8.20
RBWM	5.82	10.70	6.04	9.97
Bracknell Forest	4.57	8.34	3.96	7.01
Reading	3.84	7.53	3.44	6.46
Runnymede	4.66	8.26	4.04	7.37
Slough	3.21	6.70	3.02	6.13
South Bucks	5.86	13.08	7.09	12.49
Spelthorne	4.51	7.97	4.57	7.18
Surrey Heath	5.00	10.25	4.47	8.75
Wokingham	5.27	9.41	4.90	8.18
Wycombe	4.28	9.14	4.75	8.47

Source: Table 576 and 577 Live Tables from CLG 2013

**Figure 99 - Median Affordability Ratio (1997 – 2012)**



Source: DCLG 2013

### Benchmarking Access to Different Housing Tenures

7.81 The analysis of the active market has highlighted the current issues facing the housing market including RBWM, particularly the challenging environment for lower income

households to access owner occupation. The data assembled above has been drawn together in this final sub-section to present an indication of the relative affordability of different tenures of housing in relation to the financial capacity of households in RBWM.

7.82 The DCLG SHMA guidance (August 2007) suggests a number of critical levels to test against income in order to evaluate the extent of the issue of affordability. The two core elements are:

- Assessing whether a household can afford to buy a home; and
- Assessing whether a household can afford to rent a home.

7.83 A series of key assumptions used in the benchmarking assessment of these elements are set out below.

#### **Key Affordability Benchmarking Assumptions**

Within its guiding methodology for assessing affordability, the DCLG SHMA Guidance (August 2007) recommends the following standardised assumptions when assessing affordability (this is utilised within the calculation of housing need in Section 9):

- Lower Quartile house prices are utilised to represent lower market entry properties;
- An individual with a single income is considered able to buy a home if it costs 3.5 times the gross household income;
- A household is considered able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income
- 'Rent payable' is defined as the entire rent due, even if it is partially or entirely met by housing benefit; and
- Annual social housing rents are calculated from an average taken of Registered Providers rental levels.

However, house prices in the South East are significantly higher than the rest of the UK and this is not reflected to the same extent in household income. As a result this national guidance on affordability is less relevant to the South East and to RBWM. In addition, in the current economic climate banks are looking more closely at affordability and credit worthiness and so this report also considers an alternative rate outside the Guidance for whether residents can afford to buy a home relating to the proportion of income that mortgage repayments represent:



**Figure 100 - Benchmark Values for Properties of Different Tenures**

Location	Benchmark Property Values		
RBWM	House Price	Average Monthly rent	Annual Cost
<b>Market Entry</b>			
Lower Quartile Price	£250,000	n/a	£14,103
<b>Market Rented</b>			
Lower Quartile All rental properties	n/a	£750	£9,000
Lower Quartile 2 & 3 Bed properties	n/a	£955	£11,460
<b>Affordable Rent (80% of Average market rent)</b>			
1 Bed rental properties	n/a	£615	£7,380
2 Bed rental properties	n/a	£871	£10,452
3 Bed rental properties	n/a	£1,088	£13,056
<b>Social Rented</b>			
Average rents in social rented properties	n/a	£437	£5,408
Location	Benchmark Property Values		
HMA	House Price	Average Monthly rent	Annual Cost
<b>Market Entry</b>			
Lower Quartile Price	£199,000	n/a	£11,226
<b>Market Rented</b>			
Lower Quartile All rental properties	n/a	£737	£8,839
Lower Quartile 2 & 3 Bed properties	n/a	£893	£10,712
<b>Affordable Rent (80% of Average market rent)</b>			
1 Bed rental properties	n/a	£574	£6,888
2 Bed rental properties	n/a	£761	£9,132
3 Bed rental properties	n/a	£938	£11,256
<b>Social Rented</b>			
Average rents in social rented properties	n/a	£421	£5,057

Source: GVA and CLG

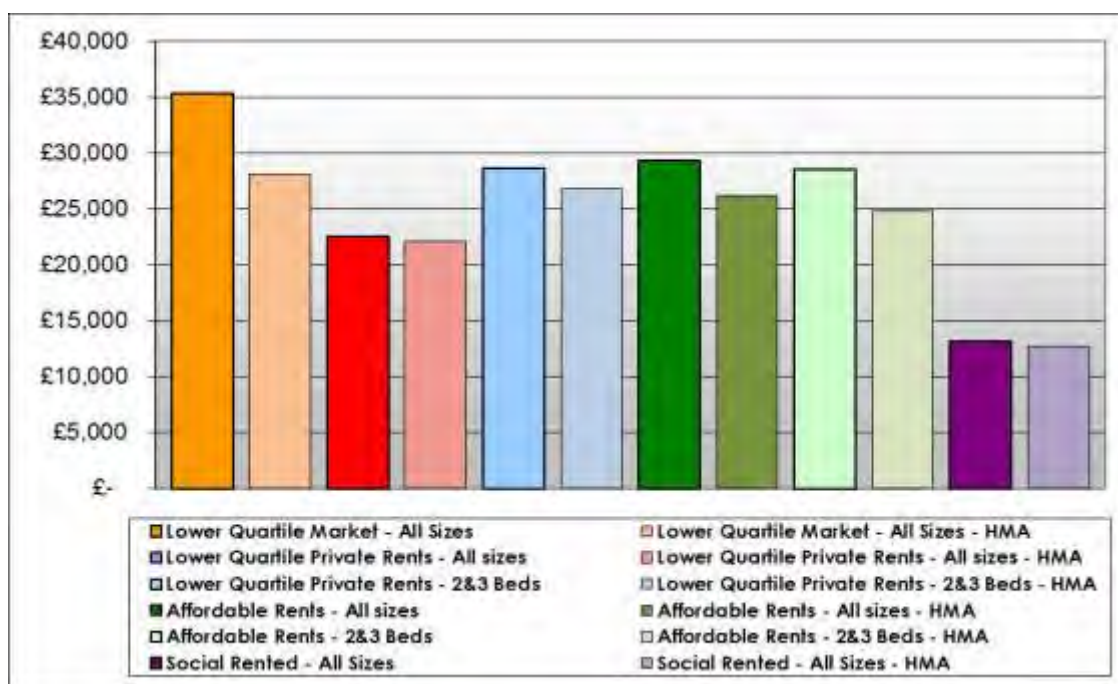
7.84 Under these assumptions the following figure indicates the income required to access these different elements of the housing market in RBWM and the HMA. These also assume that households on lower incomes haven't already purchased their home. The analysis demonstrates:

- Income required to purchase a lower quartile house in RBWM, based on 40% of a gross household Income, would be £35,258 per annum, assuming a 10% deposit and 90% Loan to Value ratio and an annual interest rates of 3.9%. The equivalent income requirement for a lower quartile house in the HMA would be only £28,065. If this is calculated on the basis of 25% of gross household Income to housing costs then the requirement would be £56,412 in RBWM and £44,904 across the HMA.
- Significantly, this identifies that the income required to enter the private rented market in RBWM is around £22,500 per annum for an average rental property, growing to £28,650 for 2 and 3 bedroom properties. This tenure provides an interim cost point between owner-occupation and social renting. If this is calculated on the

basis of 25% of gross household income to housing costs then the requirement would be £36,000 for an average property and £45,840 for 2 and 3 bedroom properties. The equivalent income requirements for a Privately Rented house in the HMA would be only £22,098 and £26,781 respectively and for 25% of household income, £35,356 and £42,848.

- An average Affordable Rent level (based on 80% of the average market rent) indicates that the average rent that would be supported by the programme would be in a similar range to the Lower Quartile rent level for the Borough and the HMA. There will be variances in this relationship according to number of bedrooms, quality and location.

**Figure 101 - Assessing Affordability: Income Benchmarks to Tenure (assuming 40% of Income to Housing Costs)**

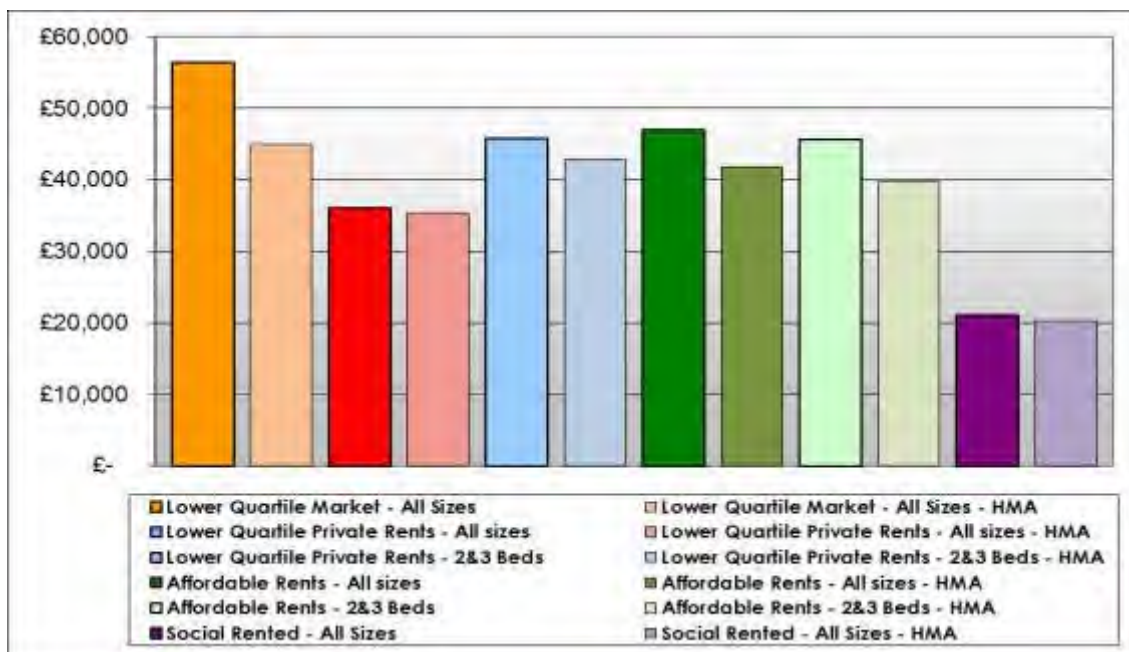


Source: GVA

7.85 The current DCLG guidance advocates an affordability multiplier of 3.5 x household income to act as a threshold for households to access open market housing (Lower Quartile owner occupation) and where the rent payable would constitute no more than 25% of gross household income.

However this is national guidance and does not reflect the local affordability pressures in RBWM nor the South East. Social housing costs are on average 30% higher than the England average and lower quartile private rental costs are considerably higher than the England average. Lower quartile house prices are almost twice the England average.

**Figure 102 - Assessing Affordability: Income Benchmarks to Tenure (assuming 25% of Income to Housing Costs)**



Source: GVA, 2011

7.86 The current DCLG guidance advocates an affordability multiplier of 3.5 x household income to act as a threshold for households to access open market housing (Lower Quartile owner occupation) and where the rent payable would constitute no more than 25% of gross household income.

However this is national guidance and does not reflect the local affordability pressures in RBWM nor the South East. Social housing costs are on average 30% higher than the England average and lower quartile private rental costs are considerably higher than the England average. Lower quartile house prices are almost twice the England average.

7.87 Therefore this study has applied an affordability threshold of a maximum spend on housing of 40% of gross household income as a worst case scenario for both purchase and rental properties are applied to reflect local issues. This also broadly reflects the Eurostat European Union Statistics on Income and Living Standards definition of affordability which measures the percentage of the population living in a household where the total housing costs<sup>13</sup> (net of housing allowances) represent more than 40% of the total disposable household income.

<sup>13</sup> The EU definition of 'total housing costs' include costs connected with the household's right to live in the accommodation: mortgage interest payments or rent payments, structural insurance, mandatory service and charges, regular maintenance and repairs, taxes and costs of utilities (water, electricity, gas and heating)

7.88 The household income data suggests that 36% of households earn less than the £22,097 per annum required to rent Lower Quartile property in RBWM based on a housing spend of up to 40% of gross income.

7.89 The household income data reveals that 44% of households earn less than the £35,258 per annum required to purchase a lower quartile property in RBWM on spend on housing of up to 40% of household income. More stringent credit scoring and low savings, coupled with low incomes may mean many more households may be technically unable to access the private owner-occupied housing market or staircase up it if already owning their own property.

## Key Findings

7.90 The purpose of this section has been to review the cost and affordability of housing across the housing market area:

- South Bucks provides housing at the upper end of the price scale for those looking to buy, followed closely by RBWM. Slough provides the most affordable housing for sale in the HMA.
- Mean average house prices in RBWM were approximately £440,000 in 2012 compared to an average across the HMA of £330,000.
- Median house prices in RBWM were approximately £327,500 in 2011 (growing to £345,000 in 2012 Q3), compared to an average across the HMA of £264,000; and a national median house price of £180,000. The lower quartile house price for RBWM stood at £244,000 in 2011 (growing to £250,000 in 2012 Q3), compared to an average for the HMA of £204,000 and a national lower quartile house price of £125,000
- The most expensive semi-detached and terraced properties are in RBWM, whilst the least expensive are in Slough. The most expensive flats are in South Bucks at £309,567 compared to £135,425 in Slough. There is a range of price points across the strategic housing market area.
- At the LHMA level, Ascot, Sunninghill & Sunningdale has the highest average house price for each of the housing types. Datchet, Horton & Wraysbury has the least expensive stock in the Borough in all but semi-detached properties, where Maidenhead Town is the least expensive;
- The cost of servicing a typical repayment mortgage on a lower quartile house in RBWM would be in the region of £832 per month with the important caveat that the potential buyer would need to have access to a deposit of approximately £62,500. The minimum deposit required to attain a mortgage of any type for the purchase of a property in the Borough would be £25,000;

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- The cost of privately renting in the HMA is significantly above the national and regional level both in terms of mean and lower quarter rental values.
  - Average rents are highest in South Bucks (£1,570) and lowest in Slough (£791), although, to a certain extent, this reflects the difference in average property size. At a Lower Quartile level Reading has the most affordable rent (£550).
  - As with the purchase market, the higher value areas remain Maidenhead Rural, and Ascot, Sunninghill and Sunningdale with the least expensive property in Datchet, Horton and Wraysbury;
  - Average social rents in the HMA (£420 per month) are higher than the national (£340) and regional average (£390). Within the HMA social rents are highest in Wokingham (£452 per month) and lowest in Bracknell Forest (£385 per month).
  - Average monthly rents from Registered Providers indicate an average rental level of approximately £437 per month in 2011 across RBWM. This is approximately £100 more per month than England as a whole.
  - The affordable housing waiting list in the Borough has seen continuous growth in the last three years. An estimation of the unique number of households on the waiting list was given as 2,100 households, 82 of which, were in the reasonable preference categories;
  - Property in the HMA is less affordable than in England and the rest of the South East, with particularly acute affordability issues in Bucks, Surrey Heath and RBWM. Slough, Reading and Spelthorne are the most affordable based on lower quartile affordability ratios.
  - The Lower Quartile affordability ratio in RBWM stands at 10.7 of annual lower quartile wages. This falls to 9.97 based on median earnings, suggesting it is more difficult getting onto the housing ladder than moving up it.
  - There is a significant proportion of higher income households in the authority, with 9% of households with an annual income exceeding £100,000 compared to 4% nationally;
  - The Income required to purchase a lower quartile house, based on 40% of a household Income, would be £35,257 per annum, assuming 90% Loan to Value ratio and annual interest rates of 3.9%;
  - The income required to enter the private rented market in RBWM is around £22,500 per annum for all rental properties, growing to £28,650 for 2 and 3 bedroom properties;

- The household income data suggests that 36% of households earn less than the £22,097 per annum required to rent Lower Quartile property in RBWM based on a housing spend of up to 40% of gross income.

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## 8. Objectively Assessed Housing Requirement

- 8.1 This section examines population and household projections with a view to considering what constitutes an objectively assessed housing requirement for the Housing Market Area and the contribution towards this arising from RBWM.
- 8.2 The NPPF guidance state “Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need” and “The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends.” and “ The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates.”
- 8.3 We have used this as a guide in the production of the Objectively Assessed Housing Requirement.

### Background

- 8.4 The most recently published best practice guidance for producing an objective assessment of housing need was produced by the Planning Advisory Service (PAS)<sup>14</sup> in July 2013.
- 8.5 Although the National Planning Policy Framework refers to housing need, the PAS guidance uses the terminology of housing requirement rather than need to avoid confusion with language more commonly associated with affordable housing.
- 8.6 The PAS guidance provides best practice advice, and suggests that policy factors should not to be included in the setting of the requirement. Supply, or a criteria based approach, must not be used to determine the housing requirement.
- 8.7 For the purpose of clarity, the objectively assessed housing requirement is not the same as a housing target. An objectively assessed requirement is the theoretical requirement

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<sup>14</sup> <http://www.pas.gov.uk/pas/aio/3766545>

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for housing. The housing target is the amount of housing that is to be delivered through a Local Plan.

- 8.8 The housing target for an individual local authority within a housing market area can be equal to the objectively assessed requirement, greater than it to reflect redistribution within the housing market area or less than it to reflect constraints.
- 8.9 The guidance outlined a number of fundamental principles to be applied including:
- understanding the most up to date projections (population and household) for the plan period, exploring differences between the different projections, past information and the Census data;
  - understanding whether the evidence justifies the development of different scenarios, i.e. using the long term trend or varying migration assumptions (which must also be based on evidence); and
  - bench-marking the scenarios against economic growth ambitions and the population that will be required to deliver the number of jobs sought.

### National Population Projections

- 8.10 The three latest population projections available from the Office of National Statistics are; the 2008-based sub-national population projections (SNPP), 2010-based SNPP and finally the interim 2011-based SNPP.
- 8.11 Each of the projections use different assumptions on fertility, mortality and migration based on trends from the previous five years and start from a different base population.
- 8.12 These projections are not forecasts and do not take any account of future government policies, changing economic circumstances or the capacity of an area to accommodate the change in population. They provide an indication of the future size and structure of the population if recent demographic trends continued. Projections become increasingly uncertain the further they are carried forward, and particularly so for smaller geographic areas.
- 8.13 There are also two household projections published by DCLG to consider: the 2008-based household projections and 2011-based interim household projections. Further information on each of the projections is outlined in Figure 103 with the results for each illustrated in Figure 104.



- 8.14 The published 2011-based ONS and SNPP projections are interim reflecting known quality issues and hence they only project to 2021. RBWM have extended these projections to 2029 using POPgroup population modelling software.
- 8.15 The next full set of population projections are expected in September 2014 with the accompanying household projections following in Spring 2015.

**Figure 103 - National Population and Household Projections**

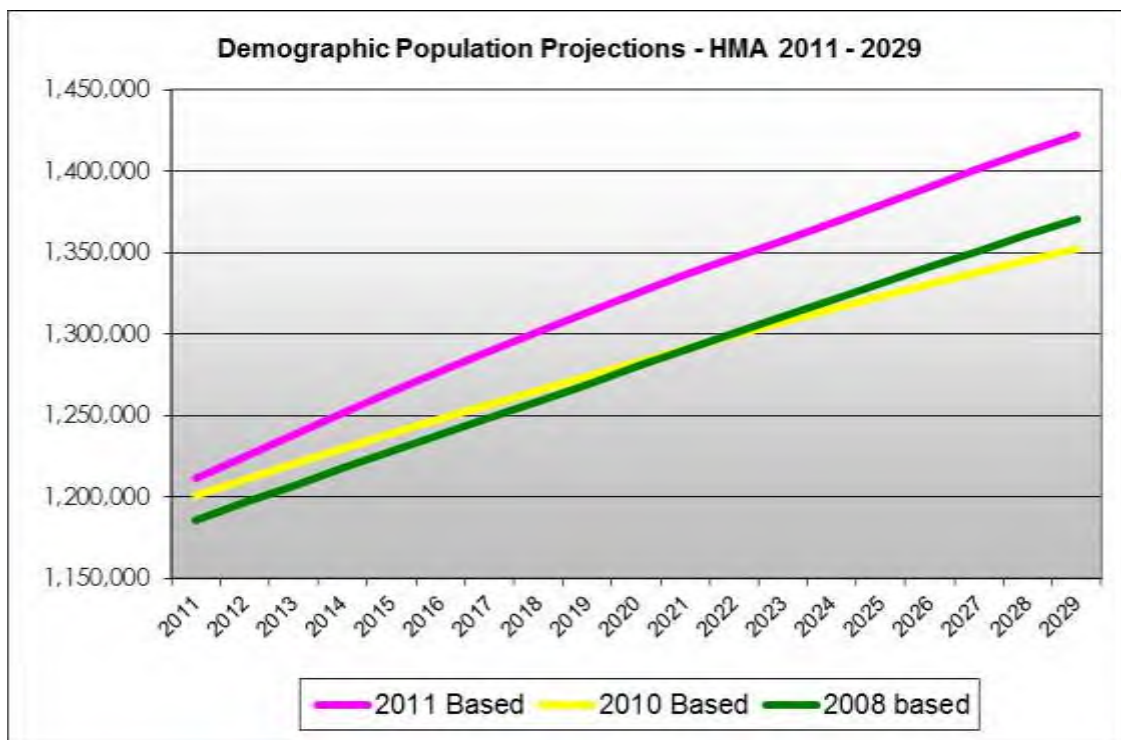
Projection	Features
2008-based SNPP	<ul style="list-style-type: none"> <li>Used demographic trends from 2004 to 2008</li> <li>Long-term projection from 2008 to 2033</li> <li>Included migration assumptions factoring in net migration from EU accession countries.</li> <li>Average annual population growth between 2011 and 2029 = 10,089 for HMA, 1,439 for RBWM</li> </ul>
2010-based SNPP	<ul style="list-style-type: none"> <li>Used demographic trends from 2006 to 2010</li> <li>Long-term projection from 2010 to 2035</li> <li>Included improved migration assumptions making use of administrative data sources to better assign student populations and international migrants to local authorities.</li> <li>Average annual population growth between 2011 and 2029 = 8,422 for HMA, 1,167 for RBWM</li> </ul>
Interim 2011-based SNPP	<ul style="list-style-type: none"> <li>Used demographic trends from 2010-based projection</li> <li>Update of 2010-based projection taking into account 2011 Census population estimates</li> <li>Short-term projection from 2011 to 2021</li> <li>These projections are known to over-project births; and where the 2011 Census population estimate was significantly different from the size and age structure of previous population estimates the migration rates may over or underestimate movements.</li> <li>RBWM have extended these projections to 2029 using POPgroup population modelling software.</li> <li>Average annual population growth between 2011 and 2029 = 11725 for HMA, 1,443 for RBWM</li> </ul>
2008-based household projection	<ul style="list-style-type: none"> <li>Used the 2008-based population projections as a base</li> <li>Household formation rates trended from 1971, 1981, 1991 and 2001 Censuses and Labour Force Survey data.</li> <li>Long-term projection from 2008 to 2033</li> <li>Average annual household growth between 2011 and 2029 = 5472 for HMA, 759 for RBWM</li> </ul>
2011-based interim household projection	<ul style="list-style-type: none"> <li>Used the interim 2011-based population projections as a base</li> <li>Household formation rates trended from 1971, 1981, 1991, 2001 and 2011 Censuses and Labour Force Survey data which resulted in lower household formation rates than the 2008-based household projections.</li> <li>Short-term projection from 2011 to 2021</li> <li>RBWM have extended these projections to 2029 using POPgroup population modelling software.</li> <li>Average annual household growth between 2011 and 2029 = 5394 for HMA, 672 for RBWM</li> </ul>

Source: RBWM 2013

### Housing Market Area Growth

- 8.16 As illustrated in Figure 103 the projections result in annual average population growth between 8,416 and 11,725 per annum across the housing market area.
- 8.17 The extended 2011-based SNPP results in a significantly higher population in 2029 across the housing market area than in the previous SNPP projections. Most of this increase this is a result of a higher starting population. The rate of growth (17.4%) is similar to the 2008-based SNPP (15.6%) but higher than the 2010-based SNPP (12.6%).

**Figure 104 – HMA Growth Demographic Based Population Projections 2011-2029**



Source: ONS, RBWM 2013

- 8.18 Both the 2008 and 2010-based SNPP overestimated the 2011 population as a whole taken from the 2011 Census, although the picture varies across the housing market area. The differences are most noticeable for Slough, Wokingham, Wycombe and Reading.

**Figure 105 - Housing Market Area Local Authority Level Projections**

Local Authority	Projection for 2011 from 2008-based SNPP	Projection for 2011 from 2010-SNPP	Census population counts	Commentary of SNPP compared to 2011 Census results
Bracknell Forest	116,300	117,900	113,696	Over-estimated
Reading	154,600	144,800	155,339	2010-based SNPP under-estimated
Runnymede	84,800	86,300	80,501	Over-estimated
Slough	129,700	131,700	140,713	Under-estimated
South Bucks	67,800	67,400	67,060	Over-estimated
Spelthorne	93,300	94,400	95,852	Under-estimated
Surrey Heath	84,400	84,400	86,378	Under-estimated
RBWM	145,600	144,300	145,098	2010-based SNPP under-estimated
Wokingham	166,300	165,000	154,943	Over-estimated
Wycombe	164,200	164,800	171,958	Under-estimated
Total	1,207,000	1,201,000	1,211,538	

Source: ONS, RBWM 2013

### Age Distribution

- 8.19 The distribution across age groups also differs between the three projections. Reviewing the distribution between Children (0-15 year olds), Working Age Adults (16 – 59 females and 16-64 males) and Pensioners (60 and over females and 65 and over males) identifies the similar percentages of growth for children (17% -19%). However there are significant difference in the distribution between the working age and retired population.
- 8.20 As Figure 106 illustrates the 2008-based SNPP and 2011-based interim SNPP both suggest that around 47% of the growth will in the retirement age population.
- 8.21 The 2010-based SNPP projection suggests this age group will only represent 27% of the growth.

**Figure 106 – HMA Population Projections - Annual Growth and Age Group Distribution (2011-2029)**

	Annual Average Growth			Age Distribution of Growth		
	2008 Based	2010 Based	2011 Based	2008 Based	2010 Based	2011 Based
Children (0-15)	1,806	1,439	2,285	18%	17%	19%
Working Age (16-59/64)	3,461	4,683	4,033	34%	56%	34%
Pensioners (+60/65)	4,789	2,294	5,407	48%	27%	46%
Total	10,056	8,416	11,725	100%	100%	100%

Source: ONS, 2013

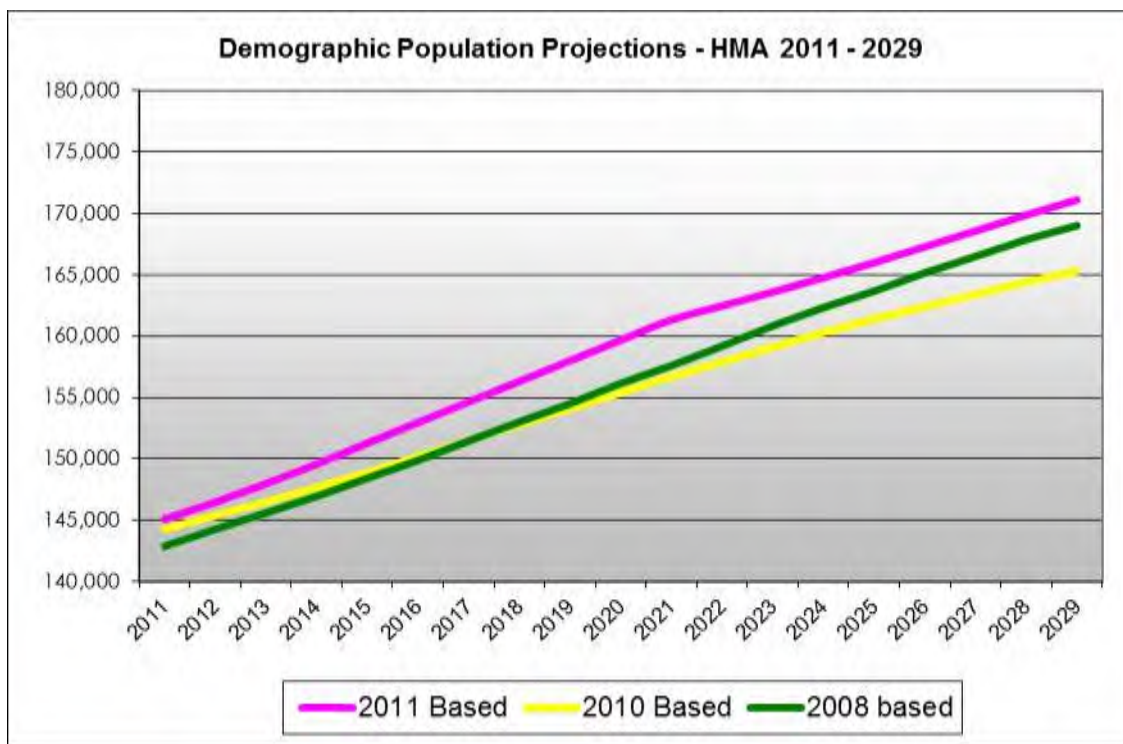
8.22 These differences have significant implications for the type of housing that would need to be planned for.

### RBWM Growth

8.23 Although the objectively assessed need is calculated at a housing market area level, from a local point of view it is worth analysing the levels of growth the 2008-based, 2010-based and interim 2011-based projections show for RBWM.

8.24 The projections for RBWM indicate a slightly narrower level of growth than the housing market area as a whole, ranging from 14.6% for the 2010-based projections to 18.3% for the 2008-based projections.

**Figure 107 - RBWM Demographic Based Population Projections 2011-2029**



Source: ONS, RBWM 2013

8.25 RBWM projections show significantly different future age distributions for the borough.

8.26 The 2008 and 2010-based projections show similar growth in children at 16% and 17% respectively.

8.27 However the working age population in the 2010-based projections are significantly higher (58%) compared to 39% for the 2008-based projections (see Figure 108).

**Figure 108 – RBWM Annual Growth and Age Group distribution (2011-29)**

	Annual Average Growth			Age Distribution of Growth		
	2008 Based	2010 Based	2011 Based	2008 Based	2010 Based	2011 Based
Children (0-15)	233	194	339	16%	17%	23%
Working Age (16-59/64)	561	672	470	39%	58%	33%
Pensioners (+60/65)	644	300	634	45%	26%	44%
Total	1,438	1,166	1,443	100%	100%	100%

Source: ONS, 2013

- 8.28 The interim 2011-based projections show a high proportion of the population growth in children (23%). By contrast the working age population is expected to contribute just 33% of the annual average population growth. This is lower than the 2010 forecasts. This latter difference is driven in part by the changing migration patterns in the 5 years used to produce the different forecasts.
- 8.29 Pensioners are expected to provide 44% of the growth, similar to the 2008-based projections, but higher than the 2010-based projections.

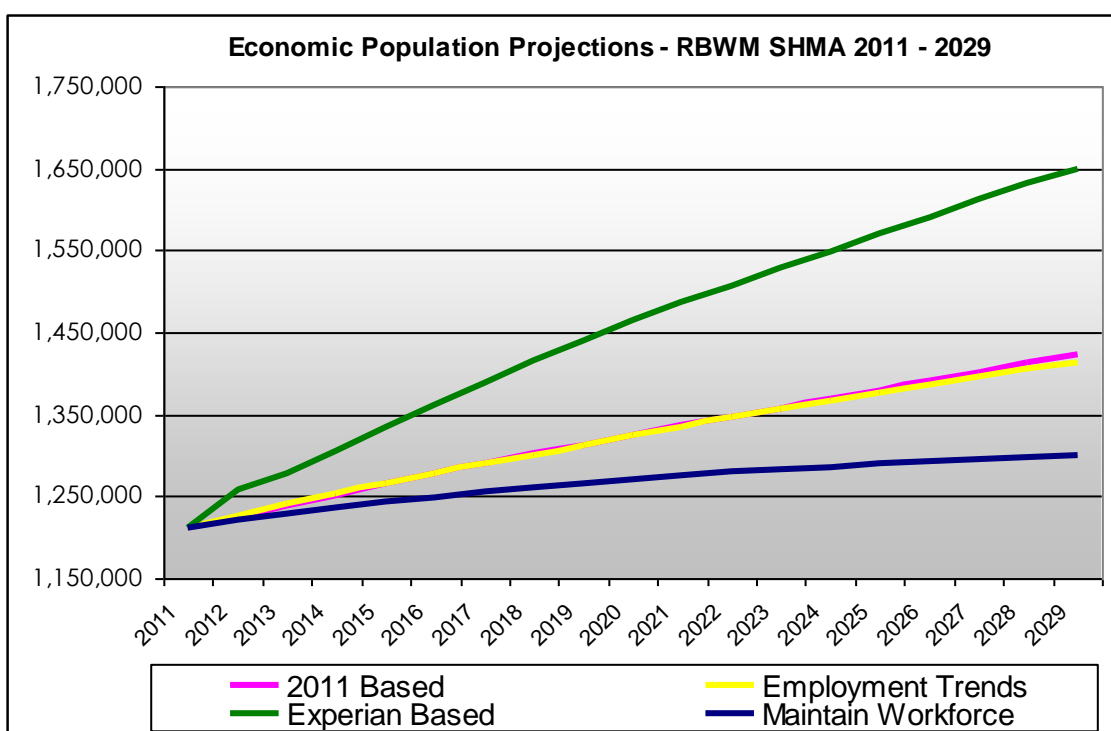
### Alternative Projections

- 8.30 The PAS guidance suggests that the population projections should be benchmarked against economic growth ambitions, and the population that will be required to deliver the number of jobs sought.
- 8.31 Therefore a series of economic projections have also been made. Largely for comparison purposes these scenarios illustrate the population change based on historic employment trends, Experian employment forecasts, and maintenance of the current workforce and the population required to service each of them.
- 8.32 The Experian projection is a constrained scenario in that it takes the 2011 Census data as its base and constrains the population to the latest employment forecasts published by Experian. These projections are a baseline run with no modifications incorporated to reflect economic policy aspirations. Experian forecasts are a nationally recognised employment forecast and are used by many governmental bodies, including the DCLG.
- 8.33 The employment trend scenario is based on the assumption that all local authorities in the housing market area continue previous employment growth trends in their authority. This reflects a level of population growth to service the economy.
- 8.34 All the scenarios assume that unemployment rates and the commuting ratios continue to reflect average recent patterns. The modelled scenarios do not incorporate any uplift in

economic activity rates of older working age groups nor rising pension ages, although the Experian projections do.

8.35 These scenarios result in very different population projections for both the housing market area and RBWM. As illustrated in Figure 109, The Experian projections show a significant population growth (36.2%) in comparison to all the other scenarios for the housing market area. It is particularly high against the 'maintain workforce' projections (7.3%).

**Figure 109 - Economic Based Population Projections - HMA 2011 – 2029**



Source: ONS, RBWM 2013

8.36 The Employment Trend and baseline demographic projections, at approximately 17% each, indicate similar levels of growth to 2029 across the housing market area. However for RBWM their projections are slightly different (21% and 17.9% respectively).

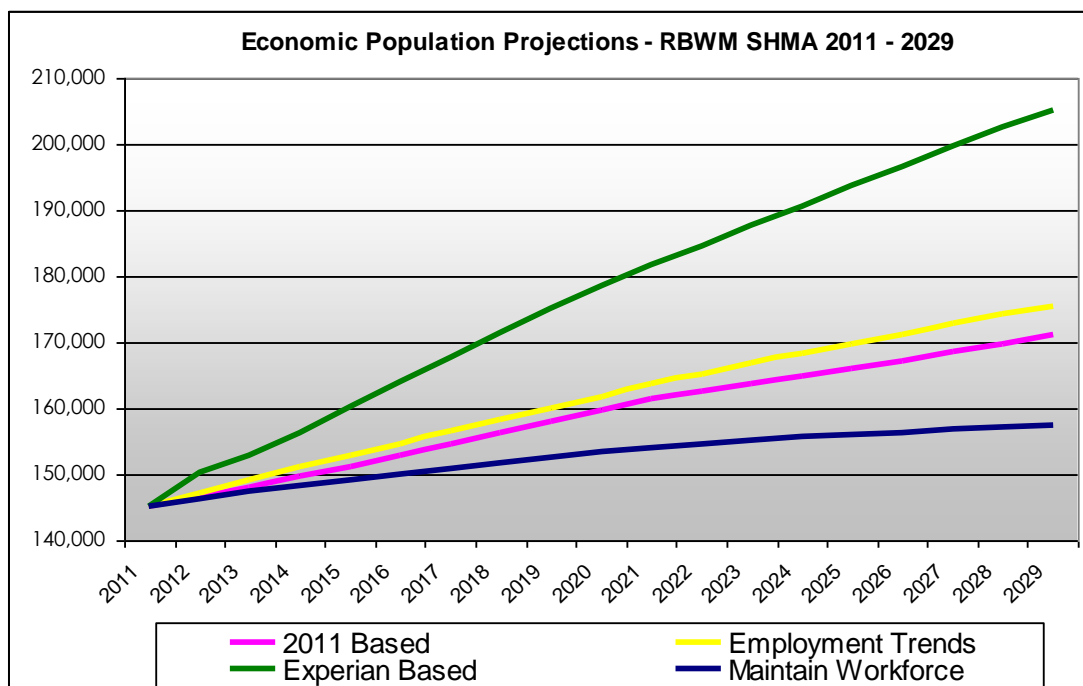
8.37 What these trends highlight are links between housing and employment and how the historic trends in each are intertwined resulting in similar growth projections.

8.38 As Figure 110 illustrates the Experian based population projection for RBWM is significantly higher than its comparators; showing an annual growth in population of around 3,300 people. There is a significant difference between the demographic-led projections and Experian-led projections. The Experian projections are based on national sector forecasts (based on ONS output data). These are then filtered down to a local level

based on the significance of each sector locally. Nationally, there is expected to be a significant growth in technology based sectors. As RBWM has a strong presence of these sectors then the jobs forecast for the Borough is likely to be high. However, we have seen that RBWM sits within a very open labour market with a self containment level of 49%. Job growth may not translate directly to local population and housing growth. The demographic-led projections would be less influenced by these sector economic factors.

8.39 The 'maintain workforce' projection (685 additional people per annum) is also significantly below the other comparator projections for RBWM, although shows a higher rate of growth in RBWM than the housing market area as a whole.

**Figure 110 - Economic Based Population Projections - RBWM 2011 – 2029**



Source: ONS, RBWM 2013

### Critique

8.40 By their very nature all population projections have a margin of error. This is due to the assumptions that are made based on historic trends which will to a greater or lesser extent continue into the future. The extent to which these trends continue directly affects the accuracy of the projections. Nevertheless, the projections set out a helpful range for consideration.

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- 8.41 Projections are not forecasts and they therefore take no account of policy nor development aims that have not yet had an impact on observed trends.
- 8.42 All the ONS projections use five year trend data on migration (international and internal), fertility rates by age and mortality rates by age. Therefore the results vary as a result of what happened in the five year previous to the projections publication.
- 8.43 All of the above population projections include large in-migration from EU accession countries which could be argued to provide an unrealistically high assumption regarding long term international in-migration and therefore an over estimation of population growth.
- 8.44 None of the projections above make use of the revised historical migration data for 2002 to 2011 published by the ONS on 30th April 2013 based on the data from the 2011 Census or consider the effects of longer term migration trends.
- 8.45 It has long been recognised that migration is one of the most difficult components of population change to measure accurately, particularly at local authority level. The above projections show the sensitivity of projections within this housing market area to shifting migration patterns.
- 8.46 The interim 2011-based sub-national population projections update previously published projections with the latest available population estimates which are based on results from the 2011 Census. This provides an improved population base from which the projections start for all areas.
- 8.47 There are issues resulting from the applying of historical trends to an updated population base. For example, ONS has since stated that the interim 2011-based projection may have overestimated fertility rates so caution should be exercised if using this projection for planning purposes at the younger (below household formation) ages.
- 8.48 However, the interim 2011-based population projection are the best estimates of the future population of English regions and local authorities currently available.
- 8.49 Finally, it may be the case that the long-term view of trends in household formation rates assumed by the DCLG household projections do not continue as anticipated. For example suppressed household formation rates witnessed in the 2011 Census may be a short-term effect of the current recession or a longer term trend resulting from gradual change in housing affordability issues.
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- 8.50 Despite the above limitations, it is considered that the interim 2011-based projections to be the most accurate, robust and available indication of what constitutes the objectively assessed requirement for the housing market area and therefore is adopted as the demographic baseline for the remainder of this report.
- 8.51 Figure 111 shows the level of population growth in each of local authorities in the HMA. As shown Wokingham is expected to grow by the largest number of households, however the highest percentage growth is expected in Runnymede.

**Figure 111 – Summary of interim 2011-based Population Projections**

	2011-2029 Population Growth	% Growth
Wokingham	45,165	29.1%
Slough	32,827	23.3%
RBWM	25,982	17.9%
Bracknell Forest	24,844	21.9%
Runnymede	24,070	29.9%
Spelthorne	15,870	16.6%
South Bucks	13,305	19.8%
Wycombe	11,280	6.6%
Reading	10,182	6.6%
Surrey Heath	7,523	8.7%

Source: RBWM 2013

## Converting to households and household spaces

- 8.52 RBWM has converted the population projections presented in the preceding analysis utilising the headship rate<sup>15</sup> assumptions included within the 2008 DCLG projections (household headship rates by household type, age and sex)<sup>16</sup>. This set of household projections assumes a fall in household size over the projection period.
- 8.53 The analysis in section 7 highlights local affordability challenges facing many new households looking to form currently. This is also likely to have played a role in moderating the fall in household sizes by preventing some household formation. The significant issues currently faced by new households in gaining mortgages and rising rental costs have been relatively short-lived in that they have been directly driven by the repercussions of the credit crunch. These conditions are unlikely to be sustained

<sup>15</sup> A Headship Rate identifies the percentage of each age-sex population category that are 'head' of a household. Headship rates by age and sex are applied to the population by age and sex to derive a total number of households (by household type).

<sup>16</sup> Once the 2010 base DCLG household projections are released consideration will need to be given as to the level of change from the 2008 base projections with regards the applied headship rates. Where there is a notable difference in the two datasets the Council may wish to update the modelling analysis of translating population into households.

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throughout a 20 year projection period with this likely to return to longer term trends of increased household formation amongst younger age cohorts including more single and couple households. Very recent market trends do suggest a return to long term trend, but not the market peaks of 2003 – 2008.

- 8.54 As previously noted, caution needs to be applied in the interpretation of household sizes on their own as a leading indicator for housing demand, as these data do not provide an indication of the propensity or likelihood of households to form in the future and in the context of improved economic and supply side conditions.
- 8.55 Again the above elements highlight the need to build a set of assumptions into the modelling but also recognise that these are likely to change in reality based on the impact of different drivers.
- 8.56 The levels of household growth projected under the various scenarios has also been translated into hypothetical household space/dwelling requirements within this section.
- 8.57 It is important to recognise that RBWM will be further developing its own evidence bases to reflect local policy and supply/capacity factors, neither of which have been considered in detail within this section. The intention here is therefore to arrive at a 'preferred' demographic scenario of household growth.
- 8.58 In calculating dwelling requirements from household projections a standard uplift of 3% has been applied to allow for 'churn' or turnover within the housing market. This could alternatively be thought of making an allowance for vacant and available housing stock within the housing market. A factor of 3% was commonly used in the evidencing supporting the regional tier of planning.
- 8.59 The household figures are below calculated using the DCLG standard household formation rates from the 2011-based interim DCLG Household Projections, which reflect wider demographic trends with more people living alone and for longer.
- 8.60 Although the number of households can show the housing requirement of those in and likely to move to the housing market area and RBWM, a further calculation is required to understand the household spaces required to allow for the housing market to function properly. The POPGROUP modelling software uses the vacancy rates witnessed in the 2011 Census for across the HMA to map households to household spaces.
- 8.61 This step has been completed on all of the projections. For clarity only the result of the baseline growth is shown in Figure 112 below.

**Figure 112 - Change in Households & Household Spaces 2011 - 2029 – Baseline**

Area	2029 Population	2029 Households	Additional Households	Additional Household Spaces	Annual Household Spaces
RBWM	171,080	70,658	12,089	12,627	701
HMA	1,422,586	576,603	97,089	100,584	5,588

Source: GVA, RBWM 2013

8.62 As a result of the projected population growth almost 100,000 new households could be formed in the housing market area by 2029. Of these, 12,089 would be in RBWM. This translates into an average annual new housing requirement of 5,588 for the housing market area and 701 in RBWM.

### Household Types

8.63 The projected household change can be analysed to consider the mix of housing that would best fit the housing requirement. The household projections are broken down in to the 17 DCLG Household Types, from which assumptions can be made in terms of the number of bedrooms they require.

8.64 How this then translates into a mix of housing by size can be done using two distinct methodologies. The first of provides a distribution by sized based purely on a minimum need rather than the aspiration.

### Distribution by Size and by Need

8.65 This method assigns an assumed bedroom requirement to each of the 17 DCLG Household Types based on the size of the household as outlined in Figure 113. These assumptions more accurately reflect the additional need rather than the aspiration.

8.66 For 2029 the requirements by size for these households are adjusted to reflect the trends of people living longer, living in single person households and living in smaller family units, and is therefore skewed towards providing higher numbers of smaller homes.

**Figure 113 – Proposed Distribution in new household spaces by size based on assumed bedroom requirement**

Total	1 Bed	2 Bed	3 Bed	+4 Beds	Other	Total
Annual Requirement	400	154	56	63	28	701
Percentage	57%	22%	8%	9%	4%	100%

Source: RBWM and GVA 2013

8.67 The one bedroom housing requirement by 2029 is significantly higher than the previous distribution at 57% with the reduction in the requirement from three and four bedroom properties falling to 17%.

**Figure 114 – DCLG Household Types and Bed Room Requirements**

Household Type	Description	Assumed Bedrooms Required	Broader Category
OPMAL	One person households: Male	1	One Person
OPFEM	One person households: Female	1	One Person
FAMC0	One family and no others: Couple: No dependent children	1	Couples on their Owns
FAMC1	One family and no others: Couple: 1 dependent child	2	Small Families
FAMC2	One family and no others: Couple: 2 dependent children	3	Larger Families
FAMC3	One family and no others: Couple: 3+ dependent children	4+	Larger Families
FAML1	One family and no others: Lone parent: 1 dependent child	2	Small Families
FAML2	One family and no others: Lone parent: 2 dependent children	3	Larger Families
FAML3	One family and no others: Lone parent: 3+ dependent children	4+	Larger Families
MIX C0	A couple and one or more other adults: No dependent children	2	Larger Families
MIX C1	A couple and one or more other adults: 1 dependent child	3	Larger Families
MIX C2	A couple and one or more other adults: 2 dependent children	4+	Larger Families
MIX C3	A couple and one or more other adults: 3+ dependent children	4+	Larger Families
MIX L1	A lone parent and one or more other adults: 1 dependent child	3	Small Families
MIX L2	A lone parent and one or more other adults: 2 dependent children	4+	Larger Families
MIX L3	A lone parent and one or more other adults: 3+ dependent children	4+	Larger Families
OTHHHH	Other households	Other	Other Households

Source: DCLG and GVA 2013

### Distribution by Size and by Occupancy Rates

8.68 The second methodology calculates the housing distribution by size based on historic occupancy rates by age and household type. Using the “What Homes Where” toolkit we can firstly simplify the 17 Household Types in to 5 broader categories as shown in Figure 115.

8.69 These calculations are based on the 2001 levels (see appendix). Assuming that these levels remain constant we can translate the growth in each household into an additional housing requirement by size of property.

- 8.70 The baseline 2011 based forecasts the growth in each of the age groups and household types, how this initially translates into new building requirement by size is outlined in Figure 114.

**Figure 115 – Projected distribution in new household spaces by size based on 2001 distribution**

Scenario	1 Room	1 Bed	2 Bed	2/3 Bed	3 Bed	3/4 Bed	4/5 Bed	Total
Annual Requirement	0	14	70	98	154	140	224	701
Percentage	0%	2%	10%	14%	22%	20%	32%	100%

Source: What Homes Where Toolkit and GVA 2013

- 8.71 Since the initial calculated distribution reflects the 2001 stock, it is somewhat skewed towards providing larger property sizes. It also reflects the aspirations of the 2001 residents rather than their need.
- 8.72 Clearly it is not realistic to assume that people will only buy property which exactly meets their needs nor is it realistic to assume that everyone's aspirations should be catered for. It can be therefore assumed that the actual distribution in housing size is somewhere between the two calculations.

### Further Distribution Scenarios

- 8.73 In addition, the toolkit also provides the opportunity to review the housing requirement by size if household occupancy levels change i.e. more or less rooms than households require and the extent to which 65+ singles and couples, particularly those who are 'empty nesters' choose to continue to live in large family homes.

### Under Occupancy

- 8.74 If as a nation we become wealthier, we may want bigger homes. Alternatively, housing shortages may force more households to accept smaller homes than they would aspire to or need.
- 8.75 The toolkit allows the user to explore the consequences of a specified percentage of households at the end of the projection period occupying an additional room and to specify the percentage of singles and couples in 3 bed properties downsizing to 2 bed homes and that the same percentage of singles and couples in 4 and 5 bed homes downsizing to 3 bed properties.
- 8.76 This additional scenario seeks to review what would happen to the size distribution if the occupancy rates increased or declined by 10%.

**Figure 116 – Projected Distribution in new household spaces by size based on Over Occupancy Assumptions**

Scenario	1 Room	1 Bed	2 Bed	2/3 Bed	3 Bed	3/4 Bed	4/5 Bed	Total
<b>Over Occupancy +10%</b>								
Annual Requirement	2	8	45	72	122	148	304	701
Percentage	0%	1%	6%	10%	17%	21%	43%	100%
<b>Over Occupancy -10%</b>								
Annual Requirement	5	18	95	127	192	128	136	701
Percentage	1%	3%	14%	18%	27%	18%	19%	100%

Source: *What Homes Where Toolkit and GVA 2013*

- 8.77 If the rate of over occupancy (homes having more rooms than the household size requires) were to increase by 10% then only 17% of the new household spaces would be required to be 2/3 bedrooms or smaller.
- 8.78 However if over occupancy were to decrease by 10% then 35% of the new household spaces required would be required to be 2/3 bedrooms or smaller.
- 8.79 Similarly if over occupancy were to increase by 10% then 64% of the new household spaces would be required to be 3/4 bedrooms or larger.

### Downsizing in Older Age Groups

- 8.80 The final scenario looks at what would happen to the distribution by size of additional homes if numbers of over 65 singles and couples continuing to live in large family homes increased by 10% or decreased by 10%.

**Figure 117 – Projected Distribution in new household spaces by size based on downsizing assumptions**

Scenario	1 Room	1 Bed	2 Bed	2/3 Bed	3 Bed	3/4 Bed	4/5 Bed
<b>Downsizing +10%</b>							
Annual Requirement	4	13	103	102	157	119	202
Percentage	1%	2%	15%	15%	22%	17%	29%
<b>Downsizing -10%</b>							
Annual Requirement	3	12	35	93	151	157	250
Percentage	0%	2%	5%	13%	22%	22%	36%

Source: *What Homes Where Toolkit and GVA 2013*

- 8.81 If the tendency to downsize in older age groups were to increase by 10% then the distribution would further shift towards smaller properties with only 47% instead of 52% of new build properties required to be 3/4 or 4/5 bedrooms.

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- 8.82 By contrast if the trend to downsize in older age groups is reduced by 10% then up to 58% of the new build properties should be 3/4 or 4/5 bedrooms.
- 8.83 Where the scenarios produce a high number of larger homes the distribution could be further adjusted to reflect the current residents tendency to expand their homes. As a result there is an argument to allow the current stock to upsize and shift the balance.

### Towards a housing target

- 8.84 The National Planning Policy Framework states that Local Plans should meet objectively assessed requirement, with sufficient flexibility to adapt to rapid change, unless: any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the framework taken as a whole, or specific policies in the framework indicate development should be restricted.
- 8.85 Sites protected under the Birds and Habitats Directive, Sites of Special Scientific Interest, land designated as Green Belt, Local Green Space, an Area of Natural Beauty, Heritage Coast or National Park, designated heritage assets and locations at risk of flooding or coastal erosion are given as examples of policies which indicate development should be restricted.
- 8.86 RBWM is subject to significant areas where the National Planning Policy Framework indicated development should be restricted. These restrictions also apply to some of the other local authorities within the housing market area.

**Given this context, it is worth benchmarking the objectively assessed the availability of developable land not subject to such constraints, targets and estimated capacity.**

- 8.87 Figure 118 is not comparing like for like, it indicates that Reading and to a lesser extent Surrey Heath have identified capacity above that required in the interim 2011-based projections. It also indicates that Slough, RBWM, Bracknell Forest and Runnymede, among others, may have delivery issues when compared to the projected household growth.

**Figure 118 - SHLAA Capacity Against Former Targets and Interim 2011-Based SNPP Projections**

Local Authority	South East Plan (annual average requirement 2006-2026)	2011 Based – Annual Household Growth 2011-2029	Estimated Housing Delivery from AMR (2012-2029)
Bracknell Forest	639	729	339
Reading	611	289	672
RBWM	346	701	290
Slough	315	882	340
Wokingham	623	1019	731
South Bucks	94	327	92
Wycombe	390	389	354
Runnymede <sup>17</sup>	286	596	278
Spelthorne	166	419	216
Surrey Heath	187	239	243

Source: GVA and RBWM 2013

- 8.88 The objectively assessed requirement indicated that by 2029 there would be 576,603 households across the housing market area of which 70,658 would be in RBWM. This is a significantly higher rate of growth than that set out within the South East Plan.
- 8.89 The most significant increase from the former South East Plan target is in Slough. Conversely Reading has a housing growth target less than the former South East Plan target (though this may in part be as a result of quality issues with the 2011-interim projections).
- 8.90 On a per annum basis the objectively assessed requirement for the housing market area is 5,588 additional household spaces per annum over the next 18 years. The contribution to this arising from RBWM is 701 additional household spaces
- 8.91 In terms of completions within RBWM, net dwelling completions<sup>18</sup> have not risen above 474 dwellings in any single year and have averaged only 311 net completions since 1993/94. More recent trends from 2001/2 onwards show an average net completion rate increase to 334.

<sup>17</sup> The figure for Runnymede included 2,500 homes for the reuse of the former DERA site at Chertsey to be delivered in the period between 2016-2026. Between 2006-2015 the annual requirement was be 161 dwellings per annum.

<sup>18</sup> As defined by <https://www.gov.uk/definitions-of-general-housing-terms>



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- 8.92 In terms of completions within the wider HMA, net dwelling completions have not risen above 4,710 dwellings in any single year and have averaged only 3,586 net completions since 2004/5.
- 8.93 Meeting the objectively assessed requirement as projected for the housing market area would therefore require an increase of over 55% of previous completion rates to meet this level of growth set out.
- 8.94 Meeting the contribution towards the objectively assessed requirement projected to arise for RBWM would therefore require a doubling of previous completion rates to meet this level of growth set out.
- 8.95 Turning to the amount of developable land within RBWM, early indications from the emerging SHLAA suggest that only 390 units per annum could be built on the available land which isn't subject to restrictive policies in the National Planning Policy Framework or where development could be achieved in line with the its requirements.
- 8.96 The expansion of settlements or the creation of new settlements would impact upon areas where the National Planning Policy Framework indicates that development should be restricted.
- 8.97 Meeting the objectively assessed requirement as projected to arise from RBWM would require the identification of developable land to provide an additional 311 net units per annum.
- 8.98 Based on a broad density calculations of 30 dwellings per hectare with an additional 35% for Social Infrastructure the additional housing requirement would translate to an additional housing land requirement of 14 Ha per annum to 2029 (252 Ha in total).
- 8.99 In order to reflect the requirement of the National Planning Policy Framework regarding constraints and to achieve an effective and deliverable plan, RBWM might reasonably anticipate that housing provided in other less constrained local authorities can contribute to meeting its own housing needs and that a housing target for the Borough Local Plan which is below the objectively assessed requirement could be justified. The level should be informed by consideration of robustly evidenced sustainability impacts including the effect on the size of the local workforce and following discussions with the other local authorities within the housing market area.
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8.100 Should the chosen level of housing target be higher than past completions, a staggered housing target might be required to reflect the lead-in time to achieve higher completion rates, particularly if reliant on the expansion of settlements.

## Key Findings

8.101 This purpose of this section was to examine the range of population and household projections with a view to considering what constitutes objectively assessed need (requirement) for the housing market area. The key messages arising from the analysis are:

- Population and household projections are only as good as the assumptions made. The ONS / DCLG 2008, 2010 and interim 2011-based projections all have their limitations. Of the available projections, the interim 2011-based projection provides the best estimate of future population and is considered to constitute the objectively assessed requirement at this time.
- The emergence of improved migration data and further releases from the 2011 Census provides a future opportunity to improve the robustness of the projections. Sub-national projections published in Spring 2014 will include this additional 2011 Census data.
- The demographic based projections predict an average growth in population across the HMA of between 8,500 to 11,800 per annum. Wokingham is expected to grow by the largest number of households, however the highest percentage growth is expected in Runnymede.
- The projections for RBWM indicate a slightly narrower range of growth than the housing market area as a whole, ranging from 14.6% for the 2010-based projections to 18.3% for the 2008-based projections.
- As a result of the projected population growth, almost 100,000 new households could be formed in the housing market area by 2029. Of these, 12,089 could be in RBWM. This translates into an annual new housing requirement of 5,588 for the housing market area of which 701 arising from RBWM.
- In terms of distribution by housing size and need, the one bedroom housing requirement by 2029 (where only need is met) is significantly higher than the historical distribution (based on actual occupation rates) at 57% with the reduction in the requirement for three and four bedroom properties falling to 17%. However, households tend to aim for larger properties than their actual need suggests.

- The HMA is subject to significant areas where the National Planning Policy Framework indicated development should be restricted.
- If the objectively assessed requirement is benchmarked against the availability of developable land not subject to constraints, previous housing targets and historic completions rate of dwellings, Reading and to a lesser extent Surrey Heath have identified capacity above that required in the 2011-based interim projections. Review of the interim projections is likely to continue.
- Slough, RBWM, Bracknell Forest and Runnymede, among others, may have delivery issues when compared to the projected household growth.
- Meeting the objectively assessed requirement as projected for the housing market area would therefore require an increase of over 55% of previous completion rates to meet this level of growth set out.
- Meeting the contribution towards the objectively assessed requirement projected to arise for RBWM would therefore require a doubling of previous completion rates to meet this level of growth set out.
- Meeting the objectively assessed requirement as projected to arise from RBWM would require the identification of developable land to provide an additional 311 net units per annum.
- Taking the National Planning Policy Framework as a whole, RBWM might choose to set a housing target below the objectively assessed requirement. The level should be informed by consideration of robustly evidenced sustainability impacts and discussions with other local authorities within the housing market area. This will ensure balanced delivery across the HMA while regarding the wider requirements of the NPPF.

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## 9. Meeting the Affordable Need of Households

9.1 The preceding sections have considered the operation of the housing market and the requirement for housing overall. This section examines the specific need for affordable housing; that is housing provided for people who are unable to access suitable homes in the open market. This includes consideration of the overall need for affordable housing and the type of tenure.

### Defining Affordable Housing Needs

9.2 'Housing need' refers to households that lack their own housing or live in unsuitable housing and who cannot afford to meet their needs in the market. It is for those in housing need (i.e. those who cannot meet their housing requirements in the private sector) that the state needs to intervene in the market to ensure that all households have access to suitable housing.

9.3 Establishing an estimation of the level of current and future housing need ensures that policy aimed at providing new affordable housing is responsive to the needs of households within the authority.

9.4 Affordable housing is housing provided to eligible households who are in housing need. The National Planning Policy Framework defined affordable housing as follows:

*Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.*

*Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.*

*Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).*

*Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.*

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*Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.*

9.5 There are three core elements of future need for affordable housing:

- Backlog – There is a range or spectrum of 'need', from those in urgent need of housing (the priority list), to those who are living in overcrowded or substandard homes, and those who would like affordable housing but are not in urgent need of re-housing (the standard waiting list).
- Short-term need –housing need is likely to see a peak over the next few years, as the recession impacts on the ability of households to access either private rented accommodation or to service mortgages.
- Long-term need – Demographics, housing market trends and employment forecasts examined in the preceding section suggest that the overall demand for housing will continue to be very strong and that based on the evolving market currently, the share of requirement for affordable housing will grow. For each of these, there will be those in need of social rent and those for whom affordable rent would be sufficient to address their need.

## **Ascertaining Affordable Housing Need Utilising Secondary Data**

9.6 The DCLG SHMA: Practice Guidance advocates an approach to calculating housing needs which moves away from a purely primary survey based approach to one which is based on secondary data sources.

9.7 The approach taken in this report satisfies the requirements of the DCLG SHMA Guidance through collation and 'cleansing' of secondary data sources, including waiting list data and planned stock intervention to produce a housing needs assessment.

9.8 It is important to note that this approach differs from that taken in the previous needs assessments for RBWM which involved primary survey data. Whilst the overall calculation approach is similar, in our experience there are often differences between the scale of inputs at various phases of the calculation process as a result of the different data sources used. These are drawn out in the concluding statements of this note.

9.9 Whilst the two approaches will not directly mirror one another it is important to highlight reasons for differences and the implications regarding the final recommended level of need for the authority.

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## Calculating Affordable Housing Need

9.10 The calculation of affordable housing need is intended to provide an assessment to estimate the volume of affordable housing required on an annual basis to meet need. Periods beyond 5 years are used to avoid a disproportionate effect from clearing existing backlogs. This conforms to the DCLG SHMA Guidance<sup>19</sup>, which states:

*'Partnerships should avoid using a period of less than five years in which to meet unmet current need. If a five-year period is used, this means that 20 per cent of current unmet need should be addressed each year. The output of this should be an annual quota of households who should have their needs addressed'.*

9.11 This analysis considers a variety of timeframes for addressing the existing back log of need within RBWM in addition to annualised requirements coming both the existing population and the new households expected within the Borough.

### Key Datasets informing the Affordable Housing Needs Calculation

9.12 Figure 119 outlines the key steps in the model and the data sources used.

9.13 A number of assumptions have been made. Although liable to change during the model period, some variables have been kept constant due to difficulty projecting change. These include:

- A continuation of existing households falling into need;
- A continuation of the annual supply of social re-lets; and
- A continuation of the annual supply of intermediate affordable housing for re-let or resale at sub-market level.

9.14 In each case, transfers are excluded and trends over the last nine years have been used. This represents a credible and robust timeframe from which to assume continuing trends as it covers boom and bust years in the housing market.

9.15 Finally it is also assumed that there will be no local or national policy impact over time, that would change wage levels, employment or delivery of affordable housing and in turn local affordability patterns.

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<sup>19</sup> SHMA Practice Guidance Version 2 (August 2007) CLG p.52

9.16 Usually at this stage two scenarios are calculated for the Local Authority reflecting the meeting of needs of all households on the waiting lists and for just those on the reasonable preference waiting list.

9.17 The reasonable preference in RBWM are defined as those households which are:

- Homelessness;
- Overriding medical need;
- Special needs cases;
- Racial harassment & other service cases;
- Social Problems; and
- Statutory overcrowding

9.18 However, the relatively small number of households on the reasonable preference list in RBWM negates the requirement for separate analysis.

9.19 The model we have used is described in the following sub section and outlined in Figure 119 below.

### Current Housing Need

9.20 We have assumed for the basis of this assessment that homeless households and those currently housed in temporary accommodation are included within housing waiting list figures.

9.21 In the absence of robust alternative information, we have assumed that overcrowded and concealed households in housing need will register with the council and hence be included within housing waiting lists.

Figure 119 – Affordable Housing Needs Model and Data Sources

Step	Calculation	Data Sources & Assumptions
<b>Stage 1 – Current Housing Need</b>		
1.1 Homeless households and those in temporary accommodation		Homeless households assumed to be included within waiting list figures including those in temporary accommodation (Step 1.3). Assumed to remain constant
1.2 Overcrowded and concealed households		Assumed to be included within waiting list figures (Step 1.3). Assumed to remain constant However, It is not possible to identify actual figures for these household types
1.3 Other groups (other groups on the waiting list)		Estimate of unique households on local authority waiting list excluding transfer requests. Low estimate based on households in defined reasonable preference groups. Assumed remains constant. Figure for the waiting list fluctuates a snapshot from April 2013 has been used.
<b>1.4 Total current housing need (gross backlog)</b>	$= 1.1 + 1.2 + 1.3$	
<b>Stage 2 – Future Housing Need</b>		
2.1 New Household formation (per annum)		As set out by Local Housing Requirement Study outputs.
2.2 Proportion of newly emerging households unable to buy or rent		Comparison of housing costs for purchase (at lower quartile house prices, 2012) and for Lower Quartile rent (using VOA data) with distribution of gross households incomes (CACI Paycheck) in RBWM. Assumed to remain constant.
2.3 Existing households falling into need		CoRe Data annual average of last * years of total new general needs and supported housing lettings that were not existing affordable housing tenants.
<b>2.4 Total newly arising need (annual)</b>	$= (2.1 \times 2.2) + 2.3$	
<b>Stage 3 – Future Affordable Housing Supply</b>		
3.1 Affordable dwellings occupied by households in need		Existing tenants transfers are excluded from Stages 1, 2 and 3 as they release supply of housing, having a nil net effect.
3.2 Surplus stock		Registered Providers estimates of vacant properties which could be brought back into use. These are generally only vacant for a short period of time and availability fluctuates.
3.3 Committed supply of new affordable housing		Local authority estimates of affordable housing expected to be delivered. Assumed that 100% of supply is built. Informed by past trends.
3.4 Units to be taken out of management		Registered Provider estimates of properties currently let due to be demolished or refurbished. In addition annual right to buy sales assumed taken out of management during model period. Informed by past trends.
<b>3.5 Total new affordable housing stock available</b>	$= 3.1 + 3.2 + 3.3 - 3.4$	
3.6 Annual supply of social re-lets (net)		Estimate of annual lets, excluding transfers <sup>20</sup> , in both local authority and RP sectors based on CORE Lettings Data for 2004/5-2012/13. Trends assumed to remain constant.
3.7 Annual supply of intermediate affordable housing re-lets / sub-market re-sales		Assumed 10% annual turnover of current stock. Trends assumed to remain constant.
<b>3.8 Annual future supply from existing of affordable housing</b>	$= 3.6 + 3.7$	

<sup>20</sup> CORE General Needs and Supported Housing lettings excluding previous tenure = General Needs PRP tenant, General Needs LA tenant, Owner occupation (low cost home ownership), Supported Housing (various), Housing for older people & Residential



- 9.22 The Stage 1 analysis based on current unique households on RBWM housing waiting lists. These are assumed to make up the backlog of housing need. The high estimate is based on all households on housing waiting lists excluding transfers. The low estimate is based on households on housing waiting lists assessed to be within reasonable preference groups. Although the housing waiting list has fluctuated in recent years, using the latest data for the calculations below provides the most accurate reflection of current unmet need. Existing tenant transfers within affordable housing stock have been discounted from all parts of the needs analysis (Stages 1, 2 and 3) as when transfers take place these occupy an affordable property but also release a property for another household to occupy, resulting in a zero net effect on housing need.
- 9.23 The fundamental approach considers the effect of addressing the net backlog of need through an annual clearance rate and then also the future requirements from the existing community and new households.

### Future Need

- 9.24 Estimates of new household formation on an annual basis have been produced for RBWM as the most up to date position. The proportion of newly-forming households who cannot afford to meet their needs in the market is established in the section relating to affordability, which compares the housing income distribution to housing cost thresholds for access to both the private rented sector and home ownership at lower quartile house prices. This was calculated as 36% of the current population. The projected numbers of newly-forming households who cannot afford to meet their needs in the market sector was identified, by applying this proportion to estimates of future new households.
- 9.25 The second main element of analysis relates to existing RBWM households falling into housing need each year. CoRe lettings data<sup>21</sup> can be used to estimate existing households falling into need by discounting newly-forming households and transfers.<sup>22</sup> Annual estimates are set out below based on averages of lettings to existing households over the past nine years. To reiterate, transfers (i.e. where previous accommodation was a social tenancy) have been excluded from the assessment of both future need and affordable housing supply.

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<sup>21</sup> The Continuous Online Recording System (CORE) is a national information source funded jointly by the Housing Corporation and the CLG that records information on the characteristics of registered providers new social housing tenants and the homes they rent and buy.

<sup>22</sup> GVA has assessed newly-forming households to include those whose previous accommodation was living with a family, staying with friends, living in a children's home or in foster care

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## Affordable Housing Supply

- 9.26 Stage 3 identifies the current stock that can be used to accommodate households in future need as well as future pipeline supply of affordable housing. It comprises the following stages:
- Step 3.1: Affordable Dwellings occupied by Households in Need
  - Step 3.2: Surplus Stock
  - Step 3.3: Anticipated Affordable Housing Supply
  - Step 3.4: Units to be taken out of Management
  - Step 3.5: Total Affordable Housing Stock Available = 3.1 + 3.2 + 3.3 – 3.4
  - Step 3.6 Annual Supply of Social Re-Lets (Net)
  - Step 3.7: Annual Supply of Intermediate Affordable Housing for Re-let/ Resale
  - Step 3.8: Annual Supply of Affordable Housing = 3.6 + 3.7
- 9.27 Steps 3.1 – 3.5 are used to estimate affordable housing stock available. This is compared against current housing need (Stage 1: the Backlog). This can be assessed against various time periods to establish an annual clearance rate. (Stage 2).
- 9.28 We discount transfer applications from Stages 1, 2 and 3. On this basis the level of affordable dwellings occupied by households in need is set at zero. The annual supply of social re-lets is also exclusive of transfers.
- 9.29 Figures for surplus stock, units to be taken out of management and committed supply of affordable housing have been provided by RBWM. Surplus stock describes current vacant social sector properties which could be brought back into use, although recognising that some vacancy is necessary to allow for turnover.
- 9.30 Units to be taken out of management include affordable housing which is to be either demolished, redeveloped or disposed of.
- 9.31 The Anticipated Affordable Housing Supply has been assessed based on planning applications data and trends of resale market property that is then converted to affordable housing. It also reflects RBWM assessment of what can realistically be expected to be delivered over the next few years.
-

9.32 The annual supply of social re-lets has been estimated using data from the Continuous Online Recording System (CORE) for lettings in with Registered providers over the past nine years. Lettings to existing social tenants (i.e. transfers) have been excluded. Existing social tenants are defined as those where their previous tenure was listed as General Needs PRP tenant, General Needs LA tenant, Owner occupation (low cost home ownership), Supported Housing (various), Housing for older people or Residential care home. Whilst some tenants previously occupying housing for older people or residential care home accommodation might have been in the private sector, counting these as existing tenants errs on the side of caution.

**Figure 120 – Social Re lets 2005-2013**

RBWM	Lettings General Need		Lettings Supported Housing		Total New tenants
	Existing tenants <sup>23</sup>	New tenants <sup>24</sup>	Existing tenants <sup>17</sup>	New tenants <sup>18</sup>	
Fiscal Calendar 2005	137	271	109	116	387
Fiscal Calendar 2006	121	213	74	86	299
Fiscal Calendar 2007	103	236	63	116	352
Fiscal Calendar 2008	158	294	117	125	419
Fiscal Calendar 2009	163	309	67	175	484
Fiscal Calendar 2010	148	222	71	158	380
Fiscal Calendar 2011	137	248	88	171	419
Fiscal Calendar 2012	90	126	52	173	299
Fiscal Calendar 2013	33	39	17	29	68
<b>Average 2005 to 2013</b>	<b>121</b>	<b>218</b>	<b>73</b>	<b>128</b>	<b>345</b>

Source: RBWM 2013

9.33 In the absence of robust data, the annual supply of intermediate housing is estimated from Census stock tenure data, assuming a turnover rate of 3% per annum for shared ownership properties.

### Net Annual Housing Need

9.34 The final element of the assessment is to bring together the various steps to set out an annual estimate of affordable housing need within RBWM.

9.35 This stage involves the following three steps:

- Calculate **Current Net Need**
- Assess an **Annual Clearance Rate**

<sup>23</sup> Previous tenure = as 24

<sup>24</sup> Previous tenure = Children's home/ foster care, Living with family or friends, Any other temporary accommodation, Prison/approved Probation Hostel, Bed and breakfast, Foyer, Hospital, Mobile home/ caravan, Owner occupation (private), Private sector, Rough sleeping, Short life housing, Temporary accommodation, Tied housing or renting with job, Other

- Calculate **Net New Annual Housing Need**

- 9.36 The above calculation is used to derive estimates of annual net affordable housing need.
- 9.37 We have calculated future affordable housing need as a percentage of the future households (672) that are likely to be unable to afford to buy or rent based on current trends (36% or 242) plus the Existing households falling into need (133) per annum for a total of 375. This is based on household formation data for the baseline scenario.
- 9.38 This assumes that the same percentage of households migrating to the area is unlikely to be able to afford to buy or rent. However it is worth noting that migrating households are more likely to be in employment to be able afford to move or indeed buy or rent in the area. They would also be ineligible for social housing immediately unless migrating to the area through a tenancy transfer scheme.
- 9.39 Future need could also be calculated based only on the natural growth of households and therefore a static figure across the scenarios. In which case the total affordable housing requirement for each scenario could be reduced accordingly.
- 9.40 RBWM is currently generating an average of 93 new affordable housing units per year which equates to a net gain of 80 units per annum. This contributes to an annual future supply of affordable housing of 401 affordable units per annum once loss of stock to Right to Buy and stock turnover has been taken into account.
- 9.41 Projected population growth and existing households projected to fall into need are expected to result in an annual newly arising need for 375 units. At current delivery rates the supply is slightly higher than newly arising demand resulting in a backlog clearance of 26 units per annum. To address the current backlog of 2100 households, an additional supply of housing units would be required above and beyond the current supply of around 80 per year. To clear the backlog in 5 years would require an additional 394 per year (i.e.  $2100/5$  less current annual backlog clearance rate of 26). Clearance over ten years would require an additional 184 units per annum. Clearance over 15 years would require an additional 114 units per annum.

**Figure 121 –Calculating Affordable Housing Need**

<b>Stage 1 - Current Housing Need</b>			
1.1 Homeless households and those in temporary accommodation	Assumed picked up in waiting lists	0	N/A
1.2 Overcrowding and concealed households	Assume that households in need will register on waiting lists	0	N/A
1.3 Other Groups	Households on waiting list excluding transfers	2100	LA Waiting list information
<b>1.4 Total current housing need (gross backlog)</b>	1.1 + 1.2 (+1.3)	<b>2100</b>	GVA Calculated
<b>Stage 2 - Future Housing Need</b>			
2.1 New Household formation (gross per year)	Agreed scenarios from Locally Generated Housing Requirement Studies	672	Agreed annualised household growth from Housing Requirement work
2.2 Proportion of households unable to buy or rent	Those unable to buy at LQ Prices or Rent Privately without Housing Benefit	36% / 242	GVA calculated from Paycheck and The Property Database and VOA
2.3 Existing households falling into need	Households falling into need and housed per annum	133	CoRe Data eight year average of total new general needs letting minus newly forming households (all excluding transfers)
<b>2.4 Total newly arising need (gross per year)</b>	(2.1 x 2.2) + 2.3	<b>375</b>	Calculated
<b>Stage 3: Affordable Housing Supply</b>			
3.1 Affordable dwellings occupied by households in need	Assume zero	0	N/A
3.2 Surplus Stock	Current vacant stock that could be brought back into use	0	Local Authority Housing Statistics - CLG
3.3 Anticipated Affordable Housing Supply (Net)	Pipeline supply and <i>Annual</i> delivery through planning system	93	LA
3.4 Units to be taken out of management	Housing currently let which is due to be demolished or refurbished and average right to buy sales	48	HA
<b>3.5 Total affordable housing stock available</b>	3.1 + 3.2 + 3.3 - 3.4	<b>45</b>	GVA Calculated
3.6 Annual supply of social re-lets (net)	LA and HA sectors exc. transfers	345	CoRe Data Eight Year Average relets
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	3% turnover of shared ownership properties being taken up by new tenants	11	Census 2011
<b>3.8 Annual future supply of affordable housing</b>	3.5+ 3.6+ 3.7	<b>401</b>	GVA Calculated

Source: GVA 2013

**Figure 122 - Net Annual Affordable Housing Need as a Percentage of Housing Requirement**

Scenario	RBWM Housing requirement	Annual Clearance of Backlog	New Annual Needs	Net Annual Affordable Housing Need	Annual Affordable Housing Need as % Housing Requirement
5-Year Clearance	701	420	26	394+80=474	68%
10-Year Clearance	701	210	26	184+80=264	38%
15-Year Clearance	701	140	26	114+80=194	28%

Source: GVA 2013

- 9.42 The needs analysis represents a snapshot picture of current affordability issues. A critical factor is that the ability to meet affordable housing need is determined to a notable extent by availability from existing affordable housing, which in turn reflects past investment decisions as well as variations over time driven by the occupier profile. The existing stock may or may not provide the current level of net re lets in the future. Monitoring will be required.
- 9.43 The private rented sector plays a growing role in meeting housing need supported by housing benefit (particularly over the short-term period given the challenging housing sales market and economic situation). However, the housing needs analysis should be regarded as an evidence base that demonstrates that in RBWM 'need' for affordable housing is greater than the 'supply' of affordable housing on an annual basis.

### The role of Intermediate, Affordable Rent and Social Rent sectors in meeting housing need

- 9.44 Having established overall need above, the following sub-section consider the role of different types of affordable housing in meeting that need.
- 9.45 The National Planning Policy Framework defines three types of affordable housing: intermediate, affordable rent and social rent. Each of these can play an important role in meeting housing need.

#### Intermediate Housing

- 9.46 Intermediate housing products can provide an important role in bridging the gap between social renting and owner-occupation, some of which allow households to 'staircase' towards owner-occupation by renting alongside acquiring equity in their property.

9.47 The DCLG SHMA Guidance cites that the number of households whose needs could be met by intermediate affordable housing is likely to fluctuate, reflecting the changing relationship between market rents, social rents and incomes alongside the variance in intermediate products available. It is important to note that the term 'intermediate' covers a broad range of products, with the following included within the wider definition:

- New build HomeBuy;
- Open market HomeBuy;
- Social HomeBuy;
- Intermediate Rent;
- Shared Equity / Ownership;
- Armed Forces Home Ownership Scheme (Equity Loan)

### Affordability of Intermediate Dwellings

9.48 Analysis of household income data from CACI (presented in section 5) provides an illustration of the income profile of households, and demonstrates that, based on 40% of household income on housing, 44% of households cannot access the open market for housing and 36% not able to afford market rental properties.

9.49 As an example of intermediate housing product, the following figure reviews what level of equity share (in an intermediate property) could be afforded by households in RBWM, with the upper limit of analysis constrained by the lower quartile house price of £250,000.

9.50 The nature of this tenure means that purchasers can buy a percentage of their house typically ranging from 25% to 75% which is paid for via mortgage. The remaining percentage is then rented at below market level.

9.51 Using the same assumptions as those outlined for Lower Quartile market housing in section 5 i.e. 90% Loan to Value, 25 year repayment period and 3.9% interest rate then the actual cost for these properties ranges up to £10,577 per annum.

9.52 This means that household earnings £26,442 or above will be required to access this type of intermediate housing if 40% of gross income goes to housing. The need for a deposit, credit ratings and moving costs may prohibit some households accessing this tenure even at this level of income.

**Figure 123 - Cost of Intermediate Affordable Housing in RBWM**

Equity Share	Equity Value	Loan Amount	Monthly Mortgage Repayment Costs	Annual Mortgage Repayment Costs
25%	£ 62,500	£ 56,250	£ 294	£ 3,526
50%	£125,000	£112,500	£ 646	£ 7,757
75%	£187,500	£168,750	£ 881	£ 10,577

Rental Proportion	80% of Lower Quartile Monthly Rent	Monthly Rental Costs	Annual Rental Cost	Total Annual Housing Costs	Required Earnings to Assume Affordable
75%		£ 573	£ 6,876	£ 10,402	£ 26,005
50%	£ 764	£ 382	£ 4,584	£ 12,341	£ 30,853
25%	£ 764	£ 191	£ 2,292	£ 12,869	£ 32,173

Source: CACI, HMLR, VOA, GVA Analysis

- 9.53 Comparing this to the income profile of residents in RBWM, this suggests that 32% of households could not afford a 25% equity share in a lower quartile value property. This would indicate that intermediate housing market could be open to up to a further 12% of the households who would otherwise not be able to purchase their own property outright, (44% at lower quartile purchase) in the event that households in this group would be in need of affordable housing.
- 9.54 Overall, the evidence suggests the potential for intermediate forms of affordable housing to contribute towards meeting housing needs. Almost a third of households could not however afford this option and thereby require other forms of assistance.

### The Affordable Rent Model

- 9.55 Affordable rent affordable housing controlled so that rent is no more than 80% of the local market rent (including service charges where applicable).
- 9.56 In February 2011, the Homes and Communities Agency (HCA) published a Framework setting out the details of the new Affordable Homes Programme of investment, inviting Registered Providers (RPs) to put forward proposals for £2.2bn of funding (out of the overall £4.5bn funding pot) for affordable housing during the 2011-15 Spending Review period. The Framework outlines the changes in affordable housing provision being introduced for



2011-15, and how this new approach will meet the Government's ambition to deliver up to 150,000 new homes over this period<sup>25</sup>.

9.57 The Affordable Rent model is key to this programme – providing a more flexible form of affordable housing that enables Registered Providers to increase revenues and reduce the level of Government grant subsidy and investment in affordable homes. As part of the funding offer, Registered Providers (RP) have the flexibility to convert a proportion of their social rented homes to Affordable Rent as part of a package agreed by the HCA.

9.58 The final product includes the following parameters:

- The capping of affordable rent at 80% of market rent, overriding the Retail Price Index (RPI) + 0.5% maximum annual rent increase (which is required to rebase the rent every time a new tenancy agreement is completed), ensuring that the rent set at the beginning (or renewed) of a tenancy does not exceed 80% of market rent and remains affordable; and
- Move away from every social tenancy being for life, regardless of the households particular circumstances (although these tenancies will still be available). Instead, the Government wishes to encourage affordable rent on fixed term tenancies to contribute to cohesive communities. However tenancies for Affordable Rent properties must be for a minimum period of two years but providers will have the flexibility to offer longer tenancies, including lifetime tenancies.

### Affordability of Affordable Rent Dwellings

9.59 Figure 124 shows the cost differentials between average open market rent and Affordable Rent if set at 80%, 70% and 60% of lower quartile open market.

**Figure 124 - Cost Differential - Open Market, Affordable Rent in RBWM**

Annual Costs	Lower Quartile Private Rent	Affordable Rent 80%	Affordable Rent 70%	Affordable Rent 60%
All	£9,000	£7,200	£6,300	£5,400
1 Bedroom	£8,400	£6,720	£5,880	£5,040
2 & 3 Bedroom	£13,068	£10,454	£9,148	£7,841
<b>Earnings Requirement</b>				
All	£22,500	£18,000	£15,750	£13,500
1 Bedroom	£21,000	£16,800	£14,700	£12,600
2 & 3 Bedroom	£32,670	£26,136	£22,869	£19,602

Source: VOA 2011

<sup>25</sup> It is important to note that the overall level of funding available to support the delivery of affordable housing has been reduced

- 9.60 According to DCLG (Table 704) an average Social Rent (Registered Provider) in RBWM currently costs £5,243 per annum. There is limited differential in cost between the social rent and affordable rent tenure charged at 60% of market rent, where this exists.
- 9.61 Analysis set out in Figure 125 shows that if Affordable Rent is set at 70% of lower quartile market prices then only 32% of the households could not afford this tenure. This means that an additional 4% of households, over and above those that could afford intermediate housing could be housed. The proportion who could not afford this tenure drops to 26% of households if affordable rent was set to 60%. The remaining households would continue to require a social rented property.

**Figure 125- Proportions of Households able to Afford Average Affordable Rent Housing at Different levels**

Tenure	Annual Costs	Annual Earnings Requirement	Households Earning less than Requirement	% of Households Earning less than Requirement
Affordable Rent 60%	£5,400	£13,500	8,178	13%
Affordable Rent 70%	£6,300	£15,750	12,227	20%
Affordable Rent 80%	£7,200	£18,000	12,461	20%

Source: VOA, CACI

- 9.62 Overall, the evidence suggests the potential for affordable rent forms of affordable housing to contribute towards meeting housing needs. Only 13% of households would not be able to afford an average size home if rent was set at 60% of Lower Quartile Market Rents, reducing to only 12% when referencing 1 bedroom households. However, viability requirements do make this difficult absent grant.
- 9.63 It is reported by Council officers that that typical Affordable Rent levels charged by housing associations are 80%. However, given that this does not meet the affordability requirements of all households, there is a requirement for the continued provision of a traditional lower-cost social rent product. It should be noted that the analysis has been undertaken at a time prior to the introduction of the Benefits cap which may concurrently reduce the proportion of households able to afford housing through this model.
- 9.64 At present the tenure distribution in the Borough is mis-aligned to what the resident population can afford. As Figure 126 illustrates only 44% of the Boroughs households could afford to buy a property in the Borough, yet 68% already do. This illustrates that at current costs many of the homeowners in the Borough would not be able to re-enter the market at the same level as they currently are. These figures also highlights the extent of the challenge to which new entrants face if they wished to purchase their own property.

**Figure 126 – Affordability Distribution by Affordable Housing Type**

Tenure	Annual Costs	Annual Earnings Requirement at 40%	% of Households that could Afford Tenure
LQ Purchase	£14,103	£35,257	44%
LQ Rental	£11,463	£28,657	36%
Intermediate Housing	£10,402	£26,004	32.0%
Social Rent	£5,244	£13,110	13%

Source: GVA, CACI 2013, Census 2011

- 9.65 It is difficult to accurately assess how house prices and the financial requirements of households to obtain mortgage credit and their ability to accumulate equity through savings will change within a single area. These are important informing influences on the future distribution of market and non-market housing required.
- 9.66 South Bucks offers less affordable rental and market housing than RBWM (see Chapter 7) . The wider area includes areas with more affordable housing than the Borough. There will also be price ranges within local authority areas. There are a number of locations across the wider housing market area where affordable housing can be provided and it is likely that some RBWM households will consider this wider catchment.

## Need for affordable housing by different sizes of property

- 9.67 The waiting list provides information on property size requirement, by number of bedrooms, for each household considered within priority need and in general need for affordable housing. Analysis shows that in absolute terms demand is greatest for 1 bedroom properties.

**Figure 127 - Estimated Size Requirements for Affordable Housing**

	Estimated Size of Affordable Housing Required			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
General Waiting List	64.8%	22.4%	12.5%	0.3%
Priority Need	10%	31.3%	56.3%	2.5%
RP Requirements	31.6%	45.2%	17.4%	5.8%

Source: RBWM

- 9.68 There is a divergence in the distribution between the priority need and the general waiting list with greatest demand from households in priority need being 3 bedroom properties. There is also further divergence from the requirements of local Registered Providers.

However, given the small size of the priority need, this divergence makes little statistical difference overall.

**Figure 128 - Estimated Size Requirements for Affordable Housing**

	Estimated Size of Affordable Housing Required			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
<b>General Waiting List</b>	<b>64.8%</b>	<b>22.4%</b>	<b>12.5%</b>	<b>0.3%</b>
<b>Priority Need</b>	<b>10%</b>	<b>31.3%</b>	<b>56.3%</b>	<b>2.5%</b>
<b>RP Requirements</b>	<b>31.6%</b>	<b>45.2%</b>	<b>17.4%</b>	<b>5.8%</b>

*Source: RBWM, GVA Analysis, 2013*

- 9.69 There is however a divergence in the distribution between the priority need and the general waiting list with greatest demand from households in priority need being 3 bedroom properties. There is also further divergence from the requirements of local Registered Providers. However, given the small size of the priority need, this divergence makes little statistical difference overall.
- 9.70 There is other evidence that demand for smaller homes may increase from an ageing population and also that demand for three bedroom and family units is acute among those currently on waiting lists. A broad distribution, subject to monitoring, of 35%, 30%, 30% and 5% for 1 bed, 2 bed, 3 bed and 4 bed units, respectively should be considered.

## Key findings

- 9.71 The purpose of this section has been to calculate and analyse affordable housing need in RBWM. The key findings are as follows:
- There is a clear need for additional affordable housing within RBWM;
  - RBWM is currently generating an average of 93 new affordable housing units per year which equates to a net gain of 80 units per annum. This contributes to an annual future supply of affordable housing of 401 affordable units per annum once loss of stock to Right to Buy and stock turnover has been taken into account.
  - Projected population growth and existing households projected to fall into need are expected to result in an annual newly arising need for 375 units. At current delivery rates the supply is slightly higher than newly arising demand resulting in a backlog clearance of 26 units per annum. To address the current backlog of 2100 households,

an additional supply of housing units would be required above and beyond the current supply of around 80 per year. To clear the backlog in 5 years would require an additional 394 per year (i.e. 2100/5 less current annual backlog clearance rate of 26). Clearance over ten years would require an additional 184 units per annum. Clearance over 15 years would require an additional 114 units per annum.

- The percentage of the objectively assessed housing requirement of 701 units per year identified in section 7 would range from 68% to 28% depending on the length of the delivery period.
- Based on current household earnings and mortgage finance, the future provision of intermediate, affordable rent (set below 80%) and social rent affordable housing can all contribute towards meeting affordable housing needs;
- Whilst RBWM is generally more expensive and less affordable, the wider housing market area offers affordable housing market locations. These areas play an important role in the functioning of the overall housing market area, as evidenced by migration and commuting data. Collaboration with neighbouring authorities is recommended.

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## 10. Housing Requirement for Specific Groups

10.1 This section considers the housing requirements of specific groups whose housing needs might differ from the majority of the population. The following specific groups are considered for RBWM and the HMA within this section:

- Older Persons – this particular group is projected to grow strongly. Older person households exhibit particular requirements and needs that require consideration, such as adaptations and support in the home to remain living independently;
- Younger households - The student market within RBWM is relatively minor with the main higher education facilities being elsewhere in the housing market area. However, a review of how the younger household element is projected to change and evolve in the future;
- Black and Minority Ethnic (BME) Groups – Migration is a significant driver of population and household change in the housing market area including RBWM;
- Groups with Specific Support Needs – Analysis is undertaken of the longer-term projections from the Projecting Adult Needs and Service Information System (PANSI) for a range of mental and physical disabilities and the propensity for such conditions in RBWM.

10.2 The use of interim Census data does present some limitation, as identified earlier. Broad patterns that policy should respond to rather than specific outputs should be inferred from the following analysis.

10.3 Due to a lack of robust data on them there are a number of other specific groups that have not been reviewed in this assessment but are worth considering.

10.4 These include self-build groups, which are difficult to quantify. However, the Council does welcome applications from self-build individuals or groups and will identify suitable sites through the SHLAA process, where these can be grouped to create sufficient scale to be included in the SHLAA.

10.5 Service families are also a small but identifiable percentage of families within RBWM. It is likely that these should be based around Windsor for Army related use. There is also reported to be RAF families around Maidenhead. Provision should include a mix of tenures, although with the Armed Forces Home Ownership Scheme there may be a move towards the private sector.

- 10.6 Gypsies and Travellers also have a noticeable presence in the Borough. However their requirements should be looked at through a separate Gypsy and Traveller Accommodation Assessment.

## Older Person Households

- 10.7 The ageing population is a national characteristic. The household projections presented in Section 7 demonstrate that the national trend will also manifest itself in the housing market area and within RBWM.
- 10.8 People aged 65+ are expected to make up a significant proportion of the projected growth in households in RBWM. The growth of households aged 85+ is particularly marked, albeit involving fewer people than other categories in absolute terms.

**Figure 129 – RBWM Proportional change by age groupings – Baseline Scenario**

Household Age Band	Baseline Scenario			
	Number of Households 2011	Number of Households 2029	Difference – 2011-2029	% Change
0-14	0	0	0	0%
15-24	985	964	-22	-2%
25-34	7,347	6,403	-944	-13%
35-44	12,090	13,882	1,792	15%
45-54	11,848	13,842	1,993	17%
55-59	4,789	6,602	1,812	38%
60-64	5,214	6,173	959	18%
<b>65-74</b>	7,918	9,566	1,648	21%
<b>75-84</b>	5,847	8,337	2,490	43%
<b>85+</b>	2,529	4,890	2,361	93%
Total	58,568	70,658	12,089	21%

Source: GVA, RBWM, 2013

- 10.9 Similarly in the wider HMA People aged 65+ are expected to make up a significant proportion of the projected growth in households. The growth of households aged 85+ is particularly marked, albeit involving fewer people than other categories in gross terms.

**Figure 130 – HMA Proportional change by age groupings – Baseline Scenario**

Household Age Band	Baseline Scenario			
	Number of Households 2011	Number of Households 2029	Difference – 2011-2029	% Change
0-14	0	0	0	0%
15-24	11,745	12,942	1,197	10%
25-34	67,972	63,185	-4,787	-7%
35-44	99,800	111,586	11,786	12%
45-54	99,409	109,516	10,107	10%
55-59	39,649	51,492	11,843	30%
60-64	39,525	48,186	8,661	22%
<b>65-74</b>	59,600	77,980	18,380	31%
<b>75-84</b>	43,843	63,500	19,656	45%
<b>85+</b>	17,969	38,215	20,246	113%
Total	479,513	576,603	97,089	20%

Source: GVA, RBWM, 2013

- 10.10 The projection can be broken down in greater detail to illustrate the types of households (relating to the 17 ONS household groupings) that will form in these age groups. Figure 131 breaks down all households where the head of household is over 65 years by these groupings with Figure 132 focusing on those households where the head of household is over 85 years old.
- 10.11 Figure 131 which shows the projected emergence of new older person households aged 65+ to 2029, indicates an even divide between the amount of households which will be single person households and couple households. In total, the projections suggest that an additional 2,970 single person households, where the head of the household is aged over 65, will form over the plan period. A further 2,646 households in this age grouping will be a couple household (i.e. two persons).
- 10.12 Significantly the proportion of couples with no children households shows a significant uplift over this period. This is also true for the number of single person male households. These trends reflect the impact of improved health amongst these demographic groups. As would be expected there are very few households in these age groupings which also contain children.



**Figure 131 - Breakdown of projected households aged 65 years plus by DCLG household types – Baseline scenario RBWM**

Household Grouping	Baseline scenario - Older Person Households (Head of household 65+)			
	Households		Change in Households	
	2011	2029	2011 - 2029	%
One person households: Male	2,195	3,284	1,088	50%
One person households: Female	5,621	7,503	1,882	33%
One family and no others: Couple: No dependent children	6,430	9,069	2,639	41%
One family and no others: Couple: 1 dependent child	6	9	3	52%
One family and no others: Couple: 2 dependent children	7	7	0	5%
One family and no others: Couple: 3+ dependent children	7	11	4	48%
One family and no others: Lone parent: 1 dependent child	59	124	65	111%
One family and no others: Lone parent: 2 dependent children	0	0	0	N/A
One family and no others: Lone parent: 3+ dependent children	9	20	11	128%
A couple and one or more other adults: No dependent children	848	1,093	245	29%
A couple and one or more other adults: 1 dependent child	23	32	9	38%
A couple and one or more other adults: 2 dependent children	2	2	-1	-37%
A couple and one or more other adults: 3+ dependent children	4	5	1	27%
A lone parent and one or more other adults: 1 dependent child	2	2	-1	-37%
A lone parent and one or more other adults: 2 dependent children	0	0	0	N/A
A lone parent and one or more other adults: 3+ dependent children	7	11	4	48%
Other households	1,073	1,622	549	51%
Total	16,294	22,793	6,498	40%

Source: GVA, RBWM, 2013

**Figure 132 - Breakdown of projected households aged 85 years plus by DCLG household types – Baseline scenario RBWM**

Household Grouping	Baseline Scenario - Older Person Households (Head of household 85+)			
	Households		Change in Households	
	2011	2029	2011 - 2029	%
One person households: Male	362	675	312	86%
One person households: Female	1,358	2,526	1,167	86%
One family and no others: Couple: No dependent children	478	964	485	102%
One family and no others: Couple: 1 dependent child	0	0	0	N/A
One family and no others: Couple: 2 dependent children	1	1	0	30%
One family and no others: Couple: 3+ dependent children	0	0	0	N/A
One family and no others: Lone parent: 1 dependent child	0	0	0	N/A
One family and no others: Lone parent: 2 dependent children	0	0	0	N/A
One family and no others: Lone parent: 3+ dependent children	0	0	0	N/A
A couple and one or more other adults: No dependent children	32	45	13	41%
A couple and one or more other adults: 1 dependent child	3	5	2	60%
A couple and one or more other adults: 2 dependent children	0	0	0	N/A
A couple and one or more other adults: 3+ dependent children	0	0	0	N/A
A lone parent and one or more other adults: 1 dependent child	0	0	0	N/A
A lone parent and one or more other adults: 2 dependent children	0	0	0	N/A
A lone parent and one or more other adults: 3+ dependent children	0	0	0	N/A
Other households	295	675	381	129%
Total	2,529	4,890	2,361	93%

Source: GVA, RBWM, 2013

**Figure 133 - Breakdown of projected households aged 65 years plus by DCLG household types – Baseline scenario – HMA**

Household Grouping	Baseline Scenario - Older Person Households (Head of household 65+)			
	Households		Change in Households	
	2011	2029	2011 - 2029	%
One person households: Male	16,089	24,643	8,554	53%
One person households: Female	40,734	56,632	15,898	39%
One family and no others: Couple: No dependent children	45,722	66,236	20,514	45%
One family and no others: Couple: 1 dependent child	190	312	122	64%
One family and no others: Couple: 2 dependent children	90	132	42	47%
One family and no others: Couple: 3+ dependent children	70	149	79	113%
One family and no others: Lone parent: 1 dependent child	545	1,294	749	137%
One family and no others: Lone parent: 2 dependent children	38	89	51	135%
One family and no others: Lone parent: 3+ dependent children	23	53	30	130%
A couple and one or more other adults: No dependent children	7,685	12,376	4,691	61%
A couple and one or more other adults: 1 dependent child	158	274	116	73%
A couple and one or more other adults: 2 dependent children	35	35	1	2%
A couple and one or more other adults: 3+ dependent children	54	85	31	58%
A lone parent and one or more other adults: 1 dependent child	66	100	34	51%
A lone parent and one or more other adults: 2 dependent children	3	0	-3	-100%
A lone parent and one or more other adults: 3+ dependent children	7	11	4	48%
Other households	9,904	17,274	7,370	74%
Total	121,412	179,695	58,283	48%

Source: GVA, RBWM, 2013

**Figure 134 - Breakdown of projected households aged 85 years plus by DCLG household types – Baseline scenario – HMA**

Household Grouping	Baseline Scenario - Older Person Households (Head of household 85+)			
	Households		Change in Households	
	2011	2029	2011 - 2029	%
One person households: Male	2,354	4,786	2,432	103%
One person households: Female	9,498	18,720	9,222	97%
One family and no others: Couple: No dependent children	3,669	8,577	4,909	134%
One family and no others: Couple: 1 dependent child	0	0	0	N/A
One family and no others: Couple: 2 dependent children	8	12	4	53%
One family and no others: Couple: 3+ dependent children	8	30	22	271%
One family and no others: Lone parent: 1 dependent child	60	194	134	224%
One family and no others: Lone parent: 2 dependent children	11	38	26	230%
One family and no others: Lone parent: 3+ dependent children	9	27	18	209%
A couple and one or more other adults: No dependent children	218	439	222	102%
A couple and one or more other adults: 1 dependent child	10	18	8	80%
A couple and one or more other adults: 2 dependent children	0	0	0	N/A
A couple and one or more other adults: 3+ dependent children	4	8	4	115%
A lone parent and one or more other adults: 1 dependent child	20	68	48	239%
A lone parent and one or more other adults: 2 dependent children	0	0	0	N/A
A lone parent and one or more other adults: 3+ dependent children	0	0	0	N/A
Other households	2,101	5,299	3,198	152%
<b>Total</b>	<b>17,969</b>	<b>38,215</b>	<b>20,246</b>	<b>113%</b>

Source: GVA, RBWM, 2013

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- 10.13 It is projected that the wider HMA will add 58,283 new older person households aged 65+ to 2029. The number will increase by 48% across the wider HMA.
- 10.14 It is projected that RBWM will add 6,498 new older person households aged 65+ to 2029. The number will increase by 40% in RBWM. The majority of additions will be one or two adult person households.
- 10.15 Rates of growth will be higher among single male households. These trends reflect the impact of improved health amongst these demographic groups. As would be expected there are very few households in these age groupings which also contain children. However, the proportion of couples with no children households sees a significant uplift over this period.
- 10.16 In terms of the aged 85+ households, growth in single person households is shown to represent the largest quantum in absolute terms (1479 households). The growth in couple households for this age grouping is most significant by percentage (485 households and 102%).
- 10.17 In terms of the 85+ households single person households (particularly single female households) are shown to represent the largest quantum in absolute terms, although the growth in couple households for this age grouping is most significant by percentage (134%).
- 10.18 The ageing population structure should also be taken into account when considering the form of future housing requirements.
- 10.19 Many people will continue to live in their home as they get older. However, these are unlikely to have been built to consider the changing needs of people as they get older. In many instances simple alterations such as widening doors and providing sloped access will be sufficient to meet the needs of older people.
- 10.20 Homes can, however be specifically designed to be adaptable to need changing needs. The Lifetime Homes Standard promoted by the Joseph Rowntree Foundation provides standards by the new developments can be judged adaptable.
- 10.21 With the increasing need to house ageing residents living as couples there will be a greater need for 2+bed adapted/custom built accommodation. This is distinct from the traditional forms of retirement accommodation. As a result this should see a move away from bedsit and small 1 bed units to two, even three bedroom units. This size of
-

accommodation is increasingly viewed as the optimum accommodation size for senior residents which provide flexibility of space to allow for visitors/carers

- 10.22 This should also be tempered with policies which encourage the down-sizing of properties in the elderly population by the promotion of suitable stock. This will release capital for the owners as well as release much needed larger properties for other residents. Such a policy will only work if preference is given to housing in areas where people would be willing to live. Practically as well as financially this is often in the urban areas.
- 10.23 As well as adaptations of existing homes and the design of new homes, the ageing population will require coordinated support services. The Projecting Older People Population Information (POPPI) service, which is part of Institute of Public Care and is managed by Oxford Brookes University, provides further information on older persons housing needs at a local authority level. The POPPI data uses data taken from Office for National Statistics (ONS) sub-national population published 28 September 2012, based on interim 2011-based population projections i.e. same dataset as RBWM baseline forecasts. However, it is only extrapolated to 2020 and based on pre 2011 trend Census data.
- 10.24 The POPPI data identifies that the demographic shift towards an ageing population is likely to lead to an increase in demand for both housing and schemes that offer an element of care.
- 10.25 In 2012, 10,373 people aged 65 and over required help with domestic tasks<sup>26</sup> in RBWM. This grows to 12,378 by 2020. However these can be accommodated in their present environment. What is more important for this assessment is growth in people requiring to live in a care home, which is expected to rise by 236 people. Note: this projection based on historical data may not reflect current changes in care practices.

**Figure 135 - Projected needs of older people- social care for RBWM and HMA**

Social Care	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
RBWM Population aged 65 and over, projected to 2020	25,200	26,400	27,300	28,200	29,100	3,900	15%
HMA Population aged 65 and over, projected to 2020	188,909	199,255	209,090	219,465	229,286	40,377	21%

<sup>26</sup> Tasks include: household shopping, wash and dry dishes, clean windows inside, jobs involving climbing, use a vacuum cleaner to clean floors, wash clothing by hand, open screw tops, deal with personal affairs, do practical activities

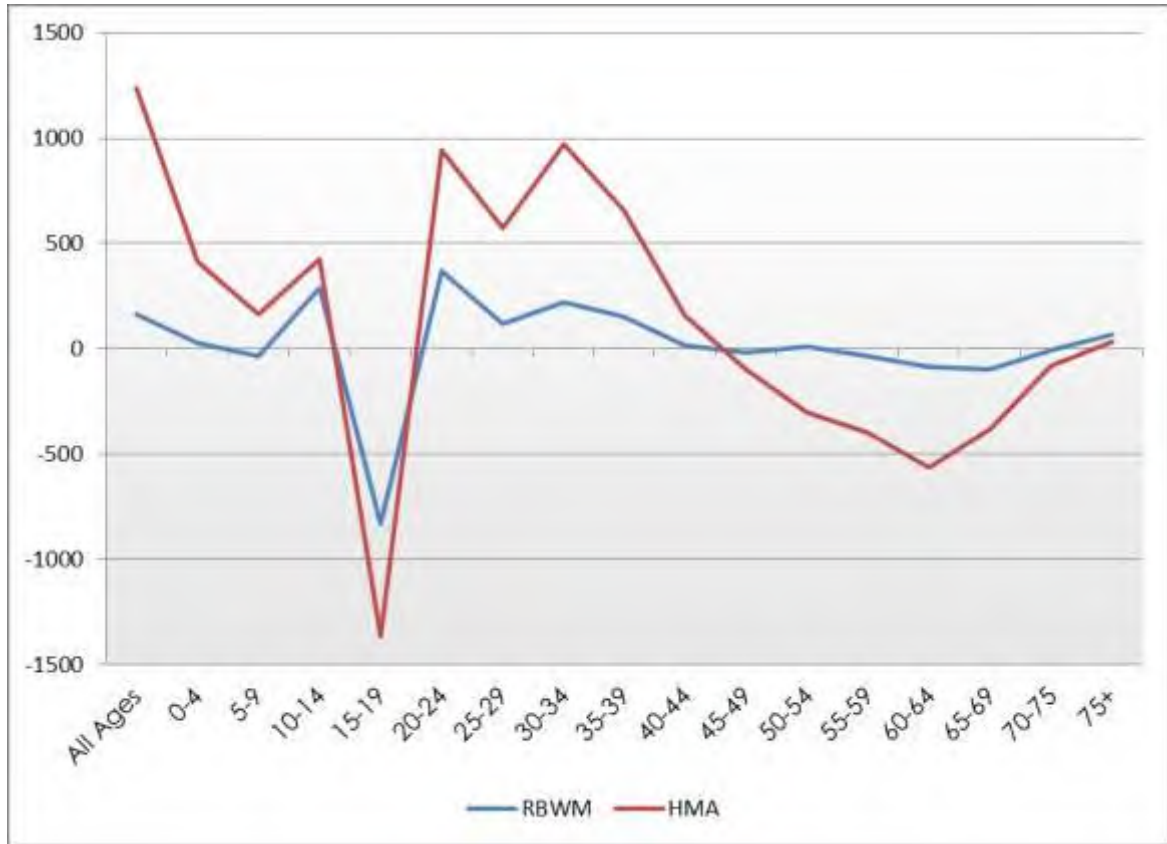
RBWM % of HMA	13%	13%	13%	13%	13%		
RBWM Living in a Care Home	855	898	950	1,025	1,091	236	28%
HMA Living in a Care Home	5433	5823	6281	6767	7256	1,823	34%
RBWM % of HMA	16%	15%	15%	15%	15%		
RBWM Requiring Help with Domestic Tasks[1]	10,373	10,888	11,347	11,920	12,378	2,005	19%
HMA Requiring Help with Domestic Tasks <sup>18</sup>	76,090	80,356	84,512	88,895	93,082	16,992	22%
RBWM % of HMA	14%	14%	13%	13%	13%		
RBWM Requiring Help with Self Care Tasks <sup>18</sup>	8,522	8,944	9,316	9,776	10,135	1,613	19%
HMA Requiring Help with Self Care Tasks <sup>18</sup>	62,436	65,946	69,384	72,882	76,244	13,808	22%
RBWM % of HMA	14%	14%	13%	13%	13%		

Source: POPPI 2013

## Younger Persons Households

- 10.26 The analysis within Sections 4 – 7 highlighted the important and growing role that the private rental market has within the HMA.
- 10.27 One of the key drivers traditionally for this tenure has been younger households, i.e. households making their first moves to form their own households either post further education or once they have a sufficiently rewarding form of employment. Whilst the private rented sector has expanded beyond this group to also house families and older persons priced out or ineligible for other tenures, understanding this particular demographic is important.
- 10.28 The following chart illustrates the change in households by age under the baseline scenario. This illustrates positive growth in the total number of households in each age group with the exception of those aged between 15 and 34. This is also shown in the population pyramid shown earlier in the report.
- 10.29 Taken alongside internal migration data for RBWM it is evident that young people between 16 and 24 are migrating out of the HMA (e.g. for further education or work). While some of this is due to private school boarders leaving the area, the numbers leaving are greater than those that arrive at age 12, indicating the local resident population also demonstrated relocation at this age.

**Figure 136 – Net Internal Migration By Age (2012)**



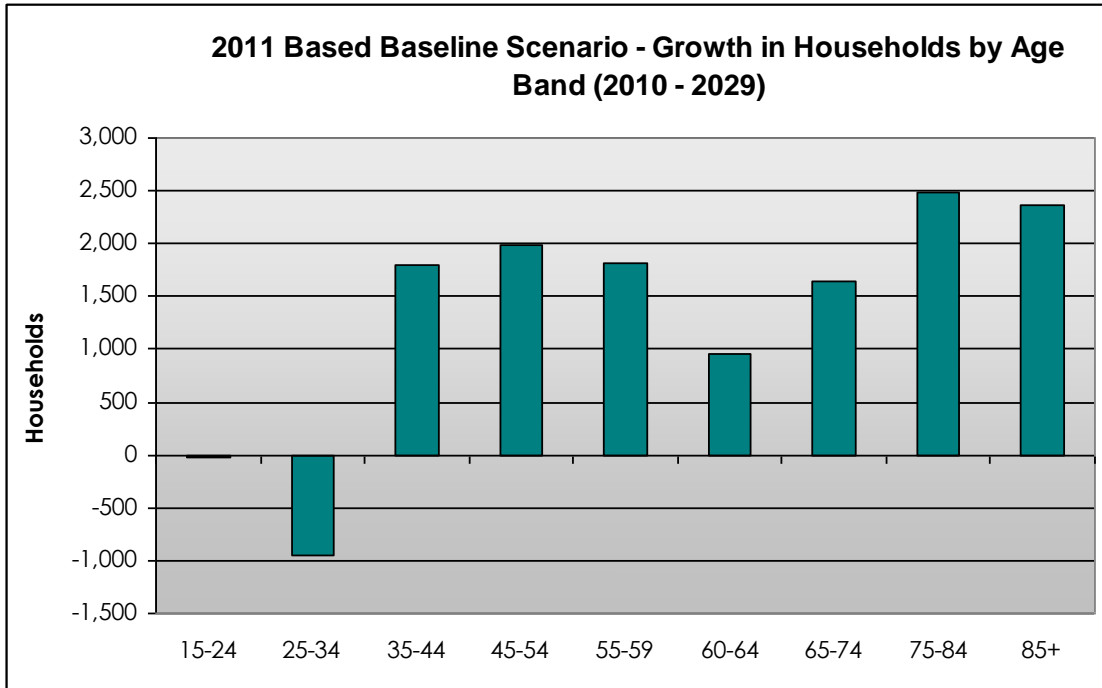
Source: ONS 2013, <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-314026>

10.30 In absolute terms 965 households where the head of household is aged between 15 and 34 are projected to be lost over the plan period for the baseline scenario in RBWM. Household change has been analysed in detail looking at households aged 15 – 34 years

10.31 in terms of the 17 ONS defined household types. This is shown in Figure 139.

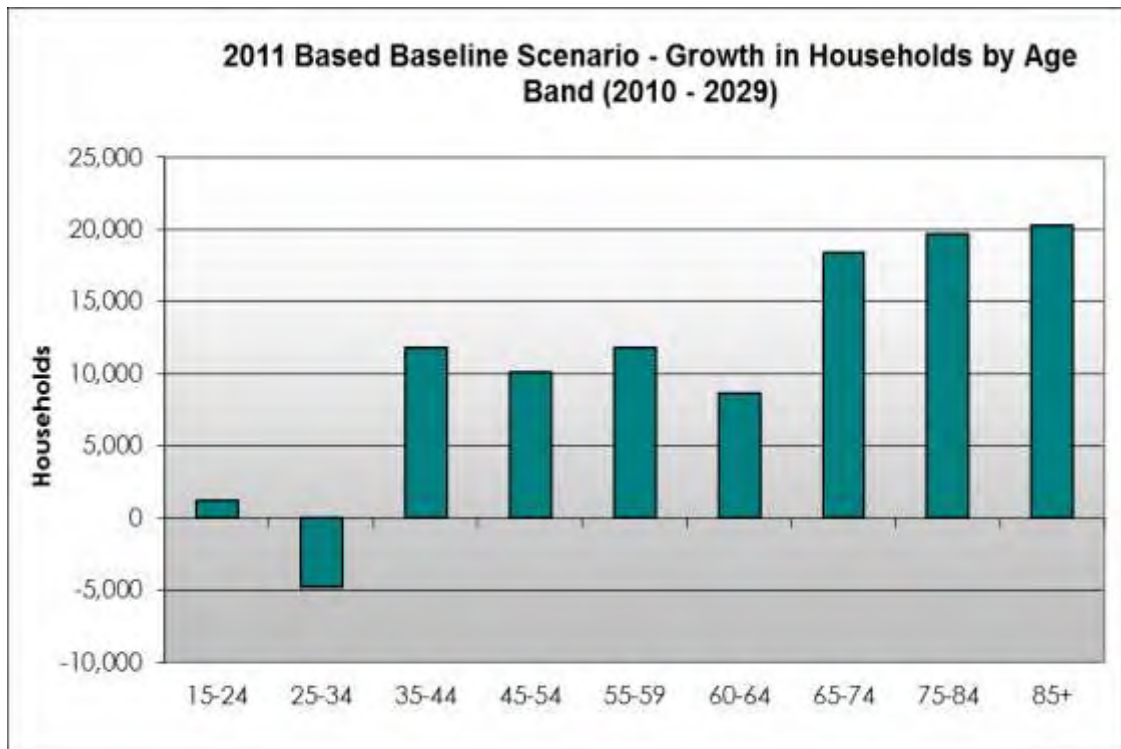


**Figure 137 – RBWM Projected household growth by age band – baseline scenario**



Source: GVA, RBWM, 2013

**Figure 138 – HMA Projected household growth by age band – baseline scenario**



Source: GVA, RBWM, 2013

**Figure 139 – RBWM Projected growth in 15 – 34 year households by DCLG household type – baseline scenario**

ONS Household Grouping	baseline scenario - Young Households (Head of household 15 - 34)			
	Households		Change in Households	
	2011	2029	2011 - 2029	%
One person households: Male	1,187	955	-233	-20%
One person households: Female	746	550	-196	-27%
One family and no others: Couple: No dependent children	1,996	1,515	-481	-25%
One family and no others: Couple: 1 dependent child	1,044	1,014	-30	-3%
One family and no others: Couple: 2 dependent children	503	297	-206	-43%
One family and no others: Couple: 3+ dependent children	186	116	-70	-40%
One family and no others: Lone parent: 1 dependent child	518	650	132	26%
One family and no others: Lone parent: 2 dependent children	282	300	18	7%
One family and no others: Lone parent: 3+ dependent children	97	93	-3	-4%
A couple and one or more other adults: No dependent children	445	540	95	22%
A couple and one or more other adults: 1 dependent child	57	47	-10	-18%
A couple and one or more other adults: 2 dependent children	47	47	-1	-1%
A couple and one or more other adults: 3+ dependent children	37	34	-3	-8%
A lone parent and one or more other adults: 1 dependent child	44	43	-1	-2%
A lone parent and one or more other adults: 2 dependent children	4	4	0	-3%
A lone parent and one or more other adults: 3+ dependent children	5	5	0	-3%
Other households	1,135	1,158	23	2%
Total	8,332	7,367	-965	-12%

Source: GVA, RBWM 2013

**Figure 140 - HMA Projected growth in 15 – 34 year households by ONS household type – baseline scenario**

ONS Household Grouping	baseline scenario - Young Households (Head of household 15 - 34)			
	Households		Change in Households	
	2011	2029	2011 - 2029	%
One person households: Male	10,613	8,756	-1,857	-18%
One person households: Female	8,425	8,100	-326	-4%
One family and no others: Couple: No dependent children	17,761	13,747	-4,014	-23%
One family and no others: Couple: 1 dependent child	9,240	9,437	197	2%
One family and no others: Couple: 2 dependent children	5,286	3,743	-1,543	-30%
One family and no others: Couple: 3+ dependent children	1,994	1,363	-631	-33%
One family and no others: Lone parent: 1 dependent child	4,860	6,328	1,468	31%
One family and no others: Lone parent: 2 dependent children	2,637	2,918	280	11%
One family and no others: Lone parent: 3+ dependent children	1,345	1,475	130	10%
A couple and one or more other adults: No dependent children	4,336	5,885	1,549	37%
A couple and one or more other adults: 1 dependent child	952	1,134	182	20%
A couple and one or more other adults: 2 dependent children	687	742	56	9%
A couple and one or more other adults: 3+ dependent children	367	418	51	15%
A lone parent and one or more other adults: 1 dependent child	798	1,042	244	33%
A lone parent and one or more other adults: 2 dependent children	331	366	35	12%
A lone parent and one or more other adults: 3+ dependent children	252	295	43	19%
Other households	9,833	10,379	546	6%
Total	79,717	76,127	-3,591	-5%

Source: GVA, RBWM 2013

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- 10.32 In absolute terms 3,591 households where the head of household is aged between 15 and 34 are projected to be lost over the plan period for the baseline scenario in the HMA. Household change has been analysed in detail looking at households aged 15 – 34 years in terms of the 17 ONS defined household types. This is shown in Figure 140.
- 10.33 For both the HMA and RBWM itself the largest number of households in this age group will be couples with no dependent Children although this will also lose the highest number of households. If this was not offset in other age groups there would be potential implication regarding the sustained requirement for flatted properties.
- 10.34 Counter to this trend there is a projected rise in the number of single parent households of this age who have a single child, again further steering the indication that demand could be accommodated within apartment schemes developed in the future. Significantly the number of single person households is also forecast to fall significantly, again reinforcing affordability issues going forward.
- 10.35 The issues facing young households in purchasing property in the current constrained market have meant that there has been uplift in the number of younger households choosing to share. These households include not only student households, which have traditionally shared, but also young working households. Younger households on lower incomes in particular are likely to seek opportunities to share housing costs. The application of the single room rate for housing benefit to all claimants under 35 is likely to result in a further increase in this trend, with the impact requiring careful monitoring.
- 10.36 Nationally, rental growth is anticipated to continue to grow and while this trend predates the recession the continued lack of finance for development and accessing mortgages is likely to accelerate growth. Investor appetite for direct let stock is anticipated to increase as is demand for high quality income producing assets.

## **Black and Minority Ethnic Households**

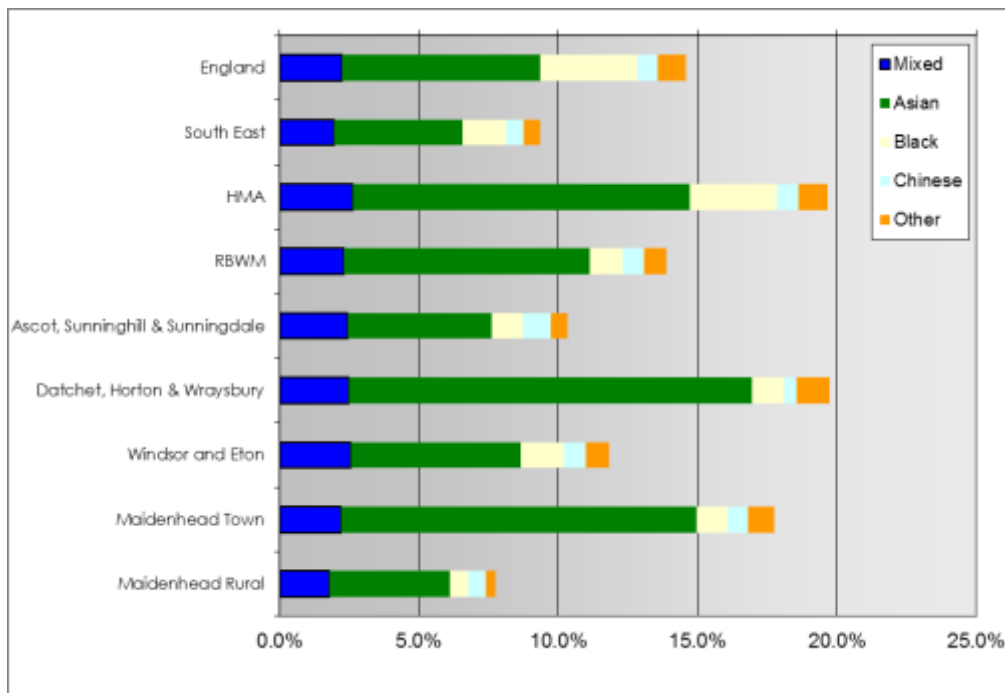
- 10.37 In 2011, non-'White' ethnic groups made up approximately 14% of the population of RBWM, increasing to 20% in the housing market area. 78% of the population of RBWM classified itself as White-British.
- 10.38 If the proportional trend continues within RBWM this would lead to an increase in the BME population of 3,637 people. Similarly across the HMA the BME population would grow by 42,210 people.
- 10.39 Further information can be derived from the 2011 Census provides the most recent, detailed statistics on ethnic composition by sub-market areas. These statistics indicate

some significant differences in the ethnic composition of RBWM sub-market areas. The chart below illustrates the ethnic group mix for the non-'White' population in 2001.

10.40 RBWM has a lower representation of the BME population than the HMA as a whole. With the exception of the Maidenhead Rural sub-area the BME population is higher than the average for the South East. Elsewhere in the Borough the ethnic mix was less diverse than the HMA as a whole.

10.41 Minority ethnic groups are most strongly represented in the Datchet, Horton and Wraysbury sub-area. The Asian population comprised 14.4% of the total, with other ethnic groups a further 5.3%. The Maidenhead Town area also had a relatively high concentration of minority ethnic group populations, with 12.7% classified as Asian in 2011.

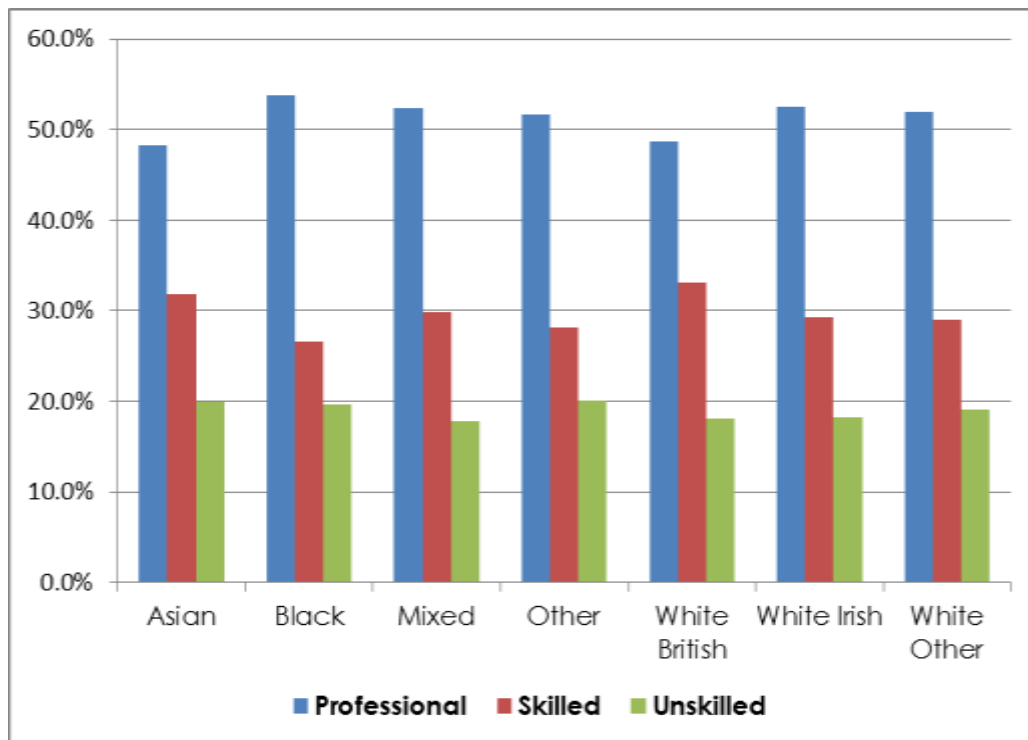
**Figure 141 - Ethnic group (non-white) profile**



Source: 2011 Census

**Traditionally BME households have faced constrained housing choices due to comparatively poor labour market position and their ties to specific neighbourhoods which have tended to be dominated by certain types of housing. However as shown in**

10.42 Figure 142 with the exception of Asian workers most BME groups have higher percentages of professional than their White British counterparts.

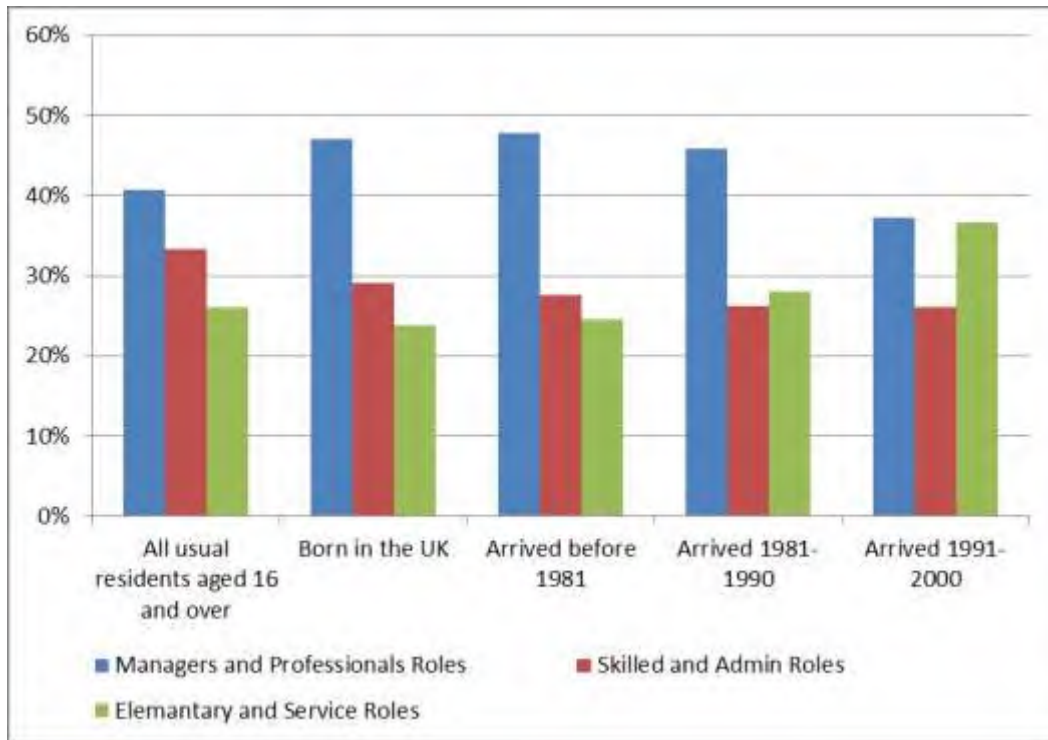
**Figure 142 – Occupation Level by Ethnicity**

Source: ONS 2011, Nomis table - LC6206EW

10.43 Looking at National trends there is a general pattern that the longer a migrant has been in the UK, the higher their occupation category. There appears to be a pattern that new migrants (less than ten years) are much more likely to be in an elementary occupations. This shifts when looking at the more settled migrant population (i.e. those arriving before 1981) where the proportion of Managers/directors is higher than those for those born in UK.

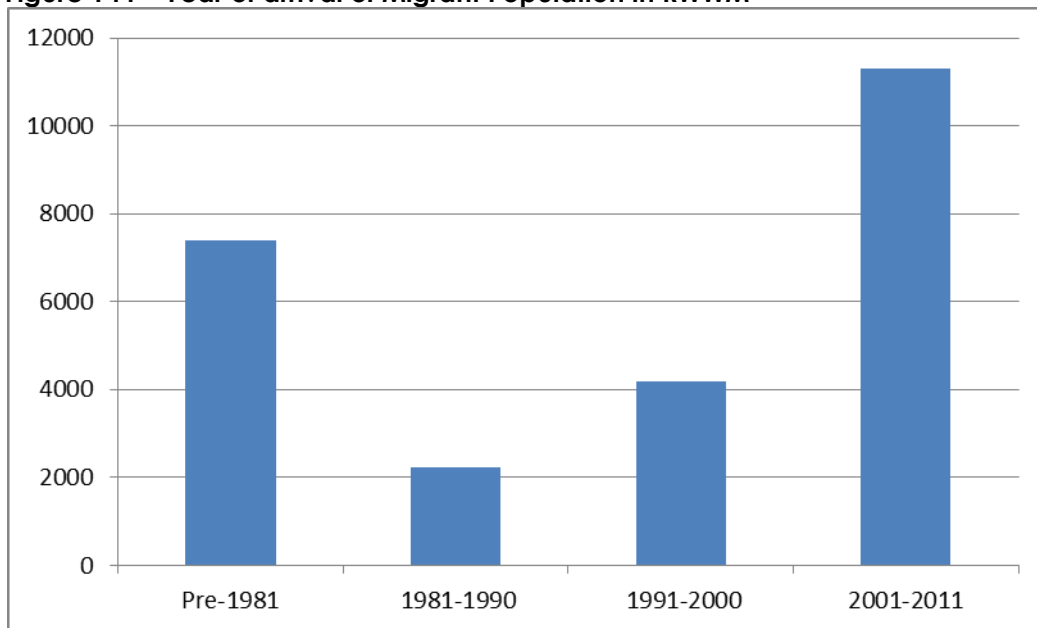
**Figure 143 – Occupation Level by Arrival into the Country**

10.44 As Figure 144 demonstrates in RBWM, the largest percentages of migrants to the area have only arrived in the last ten years. However, there remains a significant proportion that arrived before 1981 and settling into professional occupations. This situation would result in a mix of accommodation needs for the migrant population with newer migrants requiring affordable and social accommodation and older migrants larger executive accommodation. Although migrants are less likely to be given social accommodation.



Source: Census 2011

Figure 144 – Year of arrival of Migrant Population in RWWM



Source: Census 2001

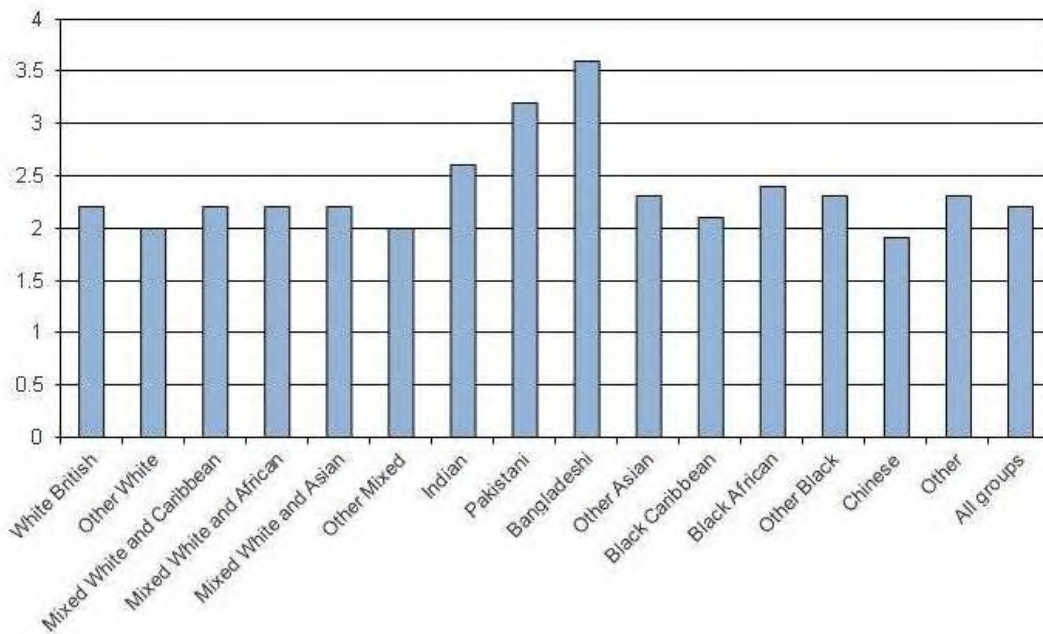
10.45 This is confirmed by local agents who noted the diversity of the BME population in RBWM, covering wealthy investors, residents of and settled residents of the various army barracks, overspill from more established communities in West London and Slough as well as migrants brought to the area due to its proximity to Heathrow Airport and the employment opportunities that provides.

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- 10.46 One study<sup>27</sup> reviewed fertility rates in the UK by Ethnic origin and showed that some groups (Black Caribbean, Other Asian), the annual total fertility has fallen to about the level of the national average. However others groups (Indian, Chinese) fertility has fallen below, and remained below, the national average.
- 10.47 Only Bangladeshi and Pakistani women retain fertility substantially above the national average, albeit with a declining trend. Fertility of Black African women, and that of the heterogeneous 'Other' category, remain somewhat above average with an uncertain trend. All show a marked tendency towards delay in childbearing. The study assumed continued decline among those populations where fertility is currently elevated, not otherwise.
- 10.48 Understanding how the wider population growth across the authority will result in a changing ethnic mix is important. In relation to the interim 2011-based projections the population is expected to increase by 25,982 between 2011 and 2029. This is largely driven by migration (56%) of which 26% is International. As a result the total BME population and people of EU accession countries would be expected to rise in the Borough.
- 10.49 It is also worth noting that as well as the BME population the Borough is also home to a number of Eastern European migrants. This is likely to result in some additional housing needs as these households grow in number and size as families are formed.
- 10.50 Not only does this have an effect on the numbers of houses required but also the size. As Figure 145 illustrates the average household size for some BME groups is substantially higher than the White British population. This is particularly the case in Bangladeshi and Pakistani households and to a lesser extent Indian Households. Given that these ethnicities comprise the largest population groups in the HMA and RBWM it can be expected to result in increased demand on larger houses.

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<sup>27</sup> Colman D, 2010, Projections of the Ethnic Minority populations of the United Kingdom 2006- 2056



**Figure 145 – Average Household Size by Ethnicity.**

Source: LFS household data sets October-December 2004 to April-June 2008, weighted proportions

## Groups with Specific Support Needs

- 10.51 Whilst there is no single data source which enables a thorough assessment to be made of households with specific needs. This analysis draws on longer-term projections of need from the Projecting Adult Needs and Service Information System (PANSI). The dataset is based on interim 2011-based population projections which are same dataset as RBWM baseline forecasts. However, it is only extrapolated to 2020.
- 10.52 The Projecting Adult Needs and Service Information System developed by the Institute of Public Care (IPC) for the Care Services Efficiency Delivery Programme (CSED) provides projections of future numbers of households with physical and learning disabilities. In addition, the POPPI dataset provides similar information for older person households. These households, alongside others, are likely to require some form of support within their properties. This therefore provides a useful indication of the levels of demand on existing stock and future requirements to deliver new suitable properties and / or adaptations.
- 10.53 The POPPI dataset suggests that between 2012 and 2020 the number of individuals aged 65+ in the local authorities with learning difficulties is anticipated to rise by around 17% over the next eight years.

**Figure 146 - Forecast Learning Disabilities Aged 65+ in RBWM and HMA, 2012-2020**

	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
RBWM Learning Disability	519	545	565	586	605	86	17%
HMA Learning Disability	3837	4050	4230	4422	4583	746	19%
RBWM % of HMA	14%	13%	13%	13%	13%		

Source: POPPI, 2013

10.54 The PANSI system suggests that the total number of individuals aged 18-64 with a learning disability will increase in RBWM, across all age groups with the exception of those aged 18-24, by 2020. This is presented in Figure 147.

**Figure 147 - Forecast Population with Learning Disabilities in RBWM and HMA, 2012 – 2020**

	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
RBWM Learning Disability	2,136	2,143	2,179	2,211	2,245	109	5%
HMA Learning Disability	18,548	18,783	19,043	19,281	19,482	934	5%
RBWM % of HMA	12%	11%	11%	11%	12%		
RBWM Moderate or Severe Learning Disability	480	484	494	504	514	34	7%
HMA Moderate or Severe Learning Disability	4164	4236	4315	4386	4448	284	7%
RBWM % of HMA	12%	11%	11%	11%	12%		
RBWM Severe Learning Disability	126	126	129	131	133	7	6%
HMA Severe Learning Disability	1107	1124	1144	1159	1175	68	6%
RBWM % of HMA	11%	11%	11%	11%	11%		
RBWM Moderate or Severe Learning Disability & Living with Parent	173	173	175	177	179	6	3%
HMA Moderate or Severe Learning Disability & Living with Parent	1573	1598	1622	1639	1654	81	5%
RBWM % of HMA	11%	11%	11%	11%	11%		

Source: PANSI, 2013

10.55 PANSI also provides projections on the change in population with both moderate, and serious, physical disabilities. As in the case of individuals aged 18-64 with learning disabilities, the PANSI data suggests that the number of individuals aged 18-64 with moderate, and serious, physical disabilities will increase in the Borough. Again this is

across all age groups with the exception of the youngest 18-24 age group. This is presented in Figure 148.

**Figure 148 - Forecasts of Population with: Physical Disabilities in RBWM and HMA, 2012 – 2020**

	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
RBWM Moderate Physical Disability	12,237	12,230	12,231	12,360	12,374	137	1%
HMA Moderate Physical Disability	57,810	58,574	59,724	60,935	62,025	4,215	7%
RBWM as % of HMA	21%	21%	20%	20%	20%		
RBWM Serious Physical Disability	3,535	3,514	3,538	3,553	3,573	38	1%
HMA Serious Physical Disability	16,804	17,009	17,400	17,843	18,264	1,460	9%
RBWM as % of HMA	21%	21%	20%	20%	20%		

Source: PANSI, 2013

- 10.56 Adults with physical disabilities require different levels of care depending on the severity of their disability. Individuals with a moderate personal care disability can perform tasks such as getting in and out of bed, dressing, washing and feeding with some difficulty. A severe personal care disability can mean that the task requires someone to help.
- 10.57 The number of individuals with moderate or serious personal care disabilities is predicted to increase by 2020 in all age groups except the youngest 18-24 age group. This is presented in Figure 149.

**Figure 149 - Forecasts of Moderate or Serious Personal Care Disability in RBWM and HMA, 2012 – 2020**

	2012	2020	Change 2012-2020	% Change 2012-2020
RBWM Moderate or Serious Personal Care Disability	4,211	4,620	409	10%
HMA Moderate or Serious Personal Care Disability	34,494	37,348	2,854	8%
RBWM as % of HMA	12%	12%		

Source: PANSI, 2013

- 10.58 On this basis it is likely that the overall ability of stock to meet specific need will need to grow in RBWM.

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## Key Findings

10.59 The purpose of this section has been to consider the housing requirements of specific groups whose housing needs might differ from the majority of the population. The key findings are as follows:

- Older person households i.e. 65+ are projected to grow at a significant level to 2029. The growth of over 85 year households in particular is marked, with this group showing the highest overall increase, over 93% in RBWM and 113% in the HMA;
- In total the baseline scenario suggests that an additional 2,970 single person households, where the head of the household is aged over 65, will form by 2029 in RBWM and 24,452 in the HMA ;
- The majority of older person households could continue to live in their family home, possibly with adaptations. The provision of new homes specifically designed to be adaptable will help improve choice and flexibility. This should be complimented with further policy which encourages the downsizing of properties in older age groups.
- Demand for care will increase as the population ages. Increased demand is also projected to arise from residents with learning difficulties;
- In both the HMA and RBWM the number of households aged between 15 and 34 was projected to decline over the full period. The baseline scenario highlights growth of single parent households. In absolute terms the largest number of households in this age group will be couples with no dependent children;
- In 2011, the non-'White' ethnic groups made up approximately 14% of the population of RBWM, increasing to 20% in the HMA. With increases in the population projected this is likely to result in a larger gross number of BME populations.
- A review of fertility rates by Ethnic origin showed that Bangladeshi, Pakistani and Black African women have above average fertility. These groups comprise 4.7% of the Borough population therefore it could be expected that growth in the BME population will also grow as a percentage;

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## 11. Conclusions & Recommendations

11.1 Strategic Housing Market Assessments are intended to provide a clear understanding of housing issues including the need for both market and affordable housing. In this concluding section the assessment returns to the core outputs of the former DCLG Guidance and the wider research objectives introduced in Section 2 of the SHMA. In addition, this structured approach to conclusions highlights key issues and opportunities which should represent an important consideration for future policy and investment priorities by RBWM.

### Core Output 1: Estimates of current dwellings in terms of size, type, condition and tenure

11.2 RBWM has seen a significant increase in its total housing stock over recent years. Between 2001 and 2011, the Census shows a total of approximately 4,386 household spaces have been delivered. This equates to an average of 439 household spaces per annum. Across the wider HMA an additional 35,562 additional household spaces were delivered at an average of 3,556 household spaces per annum.

11.3 The pace of development has varied over this time. The highest net development level was recorded in 2008/09. Across the HMA delivery also peaked in 2008/09. Recent data suggests that more recent delivery levels have reduced significantly, in line with national trends and linked to the onset of the credit crunch and recessionary economic climate. Wider delivery rates have recovered slightly over the last two years.

11.4 Looking at the location of delivery in RBWM, this has focused towards the larger urban settlements of Maidenhead and Windsor and Eton, with these LHMA's accommodating over 70% of all new dwellings in the last three years. In terms of the types of property delivered almost 70% of new stock being 1 or 2 bedroom homes, coinciding with the focus on urban areas. It should also be noted that delivery in the southern LHMA's has been constrained by environmental designations.

11.5 Of the current stock just over 13% across both the Borough and HMA is classified as social or affordable housing. The remainder is distributed between either owner occupation or private rental. Market evidence suggests that the share of stock in the private rental market has increased in RBWM and HMA since 2001 where it constituted just over 17% of total supply.

11.6 There is a high proportion of detached properties (31.2%) within RBWM compared to the rest of the HMA (28%) which itself is higher than England (22.3%). It is, however, level with

the average for the rest of the South East (28%). However, recent development trends have increased the proportional share of flatted properties to 23.7% (20.2% in 2001). RBWM has a slight under-representation of semi-detached and terraced properties (25.3% and 18.8% respectively) against the rest of the HMA (27.8% and 20.9%).

- 11.7 The 2011 Census identified that almost 35% of properties in RBWM had two bedrooms or fewer compared with 40% in England, approximately 56% had three or four bedrooms at both scales. However, RBWM has 29% of its stock in four or five bedroom units while the comparable amount for England is 19%. The stock is generally larger than the national profile. Recent developments of 1 or 2 bedroom units will have had some effect on this distribution, but the gross scale of delivery of smaller flatted units has not had a major impact on the overall unit size distribution as yet. The rest of the HMA balances RBWM stock somewhat, with a higher proportion of 1 bedroom properties and 3 and 4 bedroom properties. However, there is a local need within RBWM for smaller units.

### Core Output 2: Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market

- 11.8 The Census calculated that over 1.2 million people lived in the HMA, a growth of 7.1% since the previous Census (1.1 million people). RBWM has grown by just over 10,000 people between over the same period, (8%). The current population of RBWM is estimated to be approximately 144,560 people (2011).
- 11.9 Prior to 2004/5 population growth was largely driven by Natural Change with international and internal migration almost cancelling each other out. Since 2004/5 once the EU Accession countries were free to enter the UK, population growth was largely driven by international migration. However, in the last year of data internal migration has overtaken international migration. At the same time natural change (Births – Deaths) has become the largest driver of population change. Internal migration into RBWM has been a net contributor to the population growth of the Borough since 2005/6.
- 11.10 The Census calculated that in 2011 there were 58,349 households in RBWM. This is an increase of 4088 households from 2001. Over this period the evidence suggests that household sizes have remained stable with the average household size in 2011 calculated as 2.4 persons per household as it was in 2001.
- 11.11 The breakdown of population and households by LHMA highlights contrasting rates of growth over this period. The Ascot, Sunninghill & Sunningdale sub-area is estimated to include just over 7,000 households in 2011 a substantial uplift from 2001 where it is

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estimated there were 6,233 households, a growth of 12.4%. Maidenhead Town (8.7%) also experienced significant growth in households over this time. By contrast the Maidenhead Rural area has grown by only 5.1% over the same period.

- 11.12 The wider economy across RBWM also represents an important driver of population and household change. A large proportion of residents work outside RBWM in the wider Thames Valley and London economy, which have fared relatively strongly. The Borough is seen as an important residential resource by the wider labour market.
- 11.13 House prices present a direct indicator of the performance of the housing market. The median property price for RBWM was £327,500 in 2011. This compared to £190,000 in Slough and £390,000 in South Bucks.
- 11.14 Prices reflect the mix of stock as well as the value placed on the Borough as a location to live. When compared against the other authorities in the HMA, RBWM has a more expensive housing offer than all but one (South Bucks). However, there are also differences within RBWM itself with areas such as Ascot, Sunninghill & Sunningdale having considerably higher average prices and different stock types than Maidenhead Town or Datchet, Horton & Wraysbury.
- 11.15 Taking into account these geographical differences, incomes levels and sustained issues around mortgage finance it is clear that some households, particularly the younger and lower paid households across the Borough face significant issues in terms of market entry and mobility. Affordability issues mean that purchasing property is outside the means of a significant proportion of households, particularly first time buyers. Using a threshold of 40% of household expenditure on housing costs, 44% of households are not able to purchase a lower quartile house and 36% are unable to access lower quartile rental properties.

### Core Output 3: Estimate of total future number of households, broken down by age and type where possible

- 11.16 Section 7 presented scenarios which show a range in the potential uplift in population between 2011 and 2029, varying from 17.4% (2011-Based SNPP) to 12.6% (2010-Based SNPP).
- 11.17 The baseline scenario for RBWM showed an uplift in household numbers which equates to approximately 672 per annum to 2029. This household growth projection was translated into a net household space requirement of approximately 701 per annum. However, previous assessments of the capacity in the Borough under current planning and environmental constraints would impact the ability to achieve this level of

development. Cooperation with neighbouring local authorities and across the wider HMA may be required.

- 11.18 Whilst the above scenarios are considered robust assessments of long-term demand, the assessment of recent trends, the impact of the market on delivery rates and the capacity of households to purchase suggests that this demand may not be easily met in the short-term demand.
- 11.19 Analysis has been undertaken of the projected demographic profile of households under the baseline scenario. The projected trends suggest that RBWM is likely to see the highest proportion of growth among households defined as: lone parent; one or more other adults; and over 3 dependent children.
- 11.20 The largest growth in numbers is attributed to single-person households and households of cohabiting couples without children. RBWM is also projected to increase its older working age population significantly. There will also be significant increase in the number of households aged over 65 representing an important consideration for the size and type of property that should be delivered.

#### Core Output 4: Estimate of current number of households in housing need

- 11.21 The application of the affordability measure of 40% of household income spent on housing indicates that approximately 36% of households are unable to access market housing at a price that is affordable to them. This reinforces the sustained demand for 'affordable' properties across RBWM.
- 11.22 An interrogation of RBWM waiting list identifies approximately 2,100 unique households of which 82 are identified as being in severe or priority need including 36 households classified as homeless or in temporary accommodation. Approximately 65% of the households on the waiting list required a 1 bedroom property, with just 0.3% requiring four or more bedrooms.

#### Core Output 5: Estimate of future households that will require affordable housing

- 11.23 There is a clear need for additional affordable housing within RBWM.
- 11.24 RBWM is currently generating an average of 93 new affordable housing units per year which equates to a net gain of 80 units per annum. This contributes to an annual future supply of affordable housing of 401 affordable units per annum once loss of stock to Right to Buy and stock turnover has been taken into account.



- 11.25 Projected population growth and existing households projected to fall into need are expected to result in an annual newly arising need for 375 units. At current delivery rates the supply is slightly higher than newly arising demand resulting in a backlog clearance of 26 units per annum. To address the current backlog of 2100 households, an additional supply of housing units would be required above and beyond the current supply of around 80 per year. To clear the backlog in 5 years would require an additional 394 per year (i.e.  $2100/5$  less current annual backlog clearance rate of 26). Clearance over ten years would require an additional 184 units per annum. Clearance over 15 years would require an additional 114 units per annum.
- 11.26 The percentage of the objectively assessed housing requirement of 701 units per year would range from 68% to 28% depending on the length of the delivery period.

### Core Output 6: Estimate of future households requiring market housing

- 11.27 The DCLG Guidance notes that the net annual need figure should be compared to the estimate of total future annual change in total number of households, in order to arrive at an estimate of market housing required in the future. Based upon this calculation, the implication is that up to 300 households per annum would requiring market housing over the short-term (next five years), assuming an annual average household space requirement of 701, and clearance of affordable housing requirements within that five year period. The amount of annual market housing rises to 500 and 568 respectively if the affordable housing backlog and new requirement is cleared over a 10 or 15 year period respectively.
- 11.28 The demographic trends in household formation and the overall profile of projected households in 2029, alongside the expectations and aspirations of households will have an impact on the types and sizes of properties required.
- 11.29 A rising demand for smaller properties based on the projected increase in two and single person households is likely. Based on assumed bedroom requirements it is estimated that around 65% of demand for new stock will be for one or two bedroom properties. However, forecast increases in family households alongside recognition of the aspirations of households within RBWM for larger properties suggests that a healthy supply of larger three and four bedroom properties will also be required. The analysis suggests that 35% of demand will be generated for three or more bedroom properties. However, the reality is that the market will build what is demanded of it rather than what households will actually need. Therefore there is likely to be a skewing towards larger properties than what is needed.

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## Core Output 7: Estimate of the size of affordable housing units required

- 11.30 Examination of the waiting list presented in Section 8 illustrates that the greatest gross demand exists in 1 and 2 bedroom properties across RBWM (87%). However priority need is greatest in 3 bed properties (56%).
- 11.31 The most *acute* rather than gross need tends to be for larger properties which do not become available as often, therefore causing households that need this size to wait longer. The shortage of such larger properties is having an effect on the Borough's ability to address its backlog of housing need, and to meet the needs of new households in the future. A focus on family affordable housing delivery is required.

## Core Output 8: Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc.

- 11.32 The SHMA analysis has highlighted that the demographic and economic profile of the Borough is likely to change over the plan period, with the active housing market reacting, and in part feeding back, into these changes. Different parts of the HMA will be affected by these changes in different ways. The analysis presented in Section 10 selects out a number of specific groups either considered to have specific housing requirements which need to be carefully considered now and in the future, or considered to represent groups which are likely to represent a particularly dynamic part of this changing profile.
- 11.33 The groups examined are set out below, alongside the key conclusions emerging from the analysis:
- **Older Persons** – in line with national trends and the rest of the HMA, RBWM is projected to experience uplift in the number and proportion of households where the head of household is over 65. The projections indicate that around 40% of these households will consist of couple households, and just under half (47%) being single person households. Significantly, the projections also show an increase in households in the higher age brackets e.g. over 85 years old. This is likely to place increasing pressure on supported and adapted housing including Extra Care facilities. Delivering these schemes within the authority may become increasingly difficult as a result of reduction in public sector funding and there is a potential danger that supply will become increasingly out of line with growing demand. However, some of the required supply could be delivered through the private sector.
  - **Younger households and the private rental market** – preceding sections have identified the increasing role the private rental market has had within the HMA. The

projections suggest that whilst there will be an increase in older person households the number of younger households will fall. In order to maintain or increase employment levels within the borough this is likely to require more suitable households for younger people or risk seeing an increase in in-commuting. This could be alleviated by guiding delivery to suitable locations, for example urban areas in particular, with the products appealing to this demographic. To some extent this could also be aided through delivery of housing in more popular areas with young persons such as the larger urban centres.

- **Black and Minority Ethnic Groups** – RBWM has a significant BME population, reflecting the economic appeal and labour market requirements of the wider HMA area. In terms of future growth research into fertility rates coupled with continued trends in international migration suggests that the BME population of the HMA and RBWM may continue to grow.
- **Households with Specific Needs** - The POPPI dataset suggests that between 2012 and 2020 the number of individuals aged 65+ in the local authorities with learning difficulties is anticipated to rise. The PANSI system suggests that the number of individuals aged 24+ with a learning disability, and persons with moderate, and serious, physical disabilities will increase in the Borough between 2012 and 2020. The number of individuals with moderate or serious personal care disabilities is also predicted to increase by 2020 in RBWM. On this basis it is likely that the overall capacity of suitable stock will need to continue to grow in RBWM in order to meet needs and this will require careful consideration at a strategic level.

## Recommendations

- 11.34 The severity of the housing market crisis is lessening particularly in London and the South East, including RBWM. Market Values have improved in the last year and help-to-buy has increased housing finance and mortgage availability. Developer financing has increased as investors seek a position in what is perceived to be a rising market. Employment is rising and consumer confidence is returning. All suggest that market delivery will begin to return to long term trend. However, there is still a significant estimated level of affordable housing need evident in the HMA and RBWM which may not be met through the market. Encouraging delivery of affordable housing to meet local needs should be a priority.

### Enhancing Housing Delivery

- 11.35 The potential to maintain or improve rates of housing delivery is presently curtailed by the current housing market and economic climate. While the affordability of market housing

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remains an issue due to access to mortgage finance and deposit requirements, there is a continued need to maintain housing supply to address demand.

- 11.36 It is unlikely that the existing market and funding context will support the requirement of affordable housing delivery in the short term and will be pushed in the medium and longer term even as the market regains its underlying value.
- 11.37 We recommend RBWM works to stimulate the supply of new affordable housing. There are a range of policy tools which can be used to achieve this, such as seeking to encourage all sources of delivery including where viable, the direct delivery of affordable housing and self-build opportunities.
- 11.38 RBWM should investigate utilising public sector land to bring forward new affordable housing, based on land value subsidy (e.g. the Council accepts a reduced site receipt for enhanced delivery of affordable housing).
- 11.39 The Council should work towards delivering a clear and coherent planning policy framework through the Borough Local Plan as quickly as possible. This will provide a strong policy framework to support housing land allocations and planning applications.
- 11.40 This should include affordable housing policies that are justified in terms of the level of need identified through this SHMA. They must also be realistic and deliverable; and set against wider objectives of maintaining an adequate supply of market housing to meet demand and delivering mixed income and tenure communities at a local level.
- 11.41 The Council should take a responsive and realistic approach to the viability testing of housing schemes in the short term and in the negotiation of contributions to affordable housing in order to ensure delivery across tenures continues to occur as far as possible.

### Ensuring a Housing Mix: Size

- 11.42 A mix of housing types by size will be required for both affordable and market rate housing. The Council is encouraged to set out specific policies regarding the size of affordable housing provision required based on an appraisal of the scale of current waiting list and the likely demographic growth. It should also take into account the particular difficulties in meeting the need for larger homes (three bedroom and larger).
- 11.43 Whilst the majority of households on waiting lists often require smaller properties, those in need of larger properties often have to wait much longer for a home, reflecting the limited current supply of larger properties and lower turnover rates. Provision of larger, family-sized affordable housing meets both this need and allows social housing provision

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to better use existing stock by creating a 'chain of lettings' to right size households to their housing requirements.

- 11.44 The majority of household growth is expected to result from increasing single person households. However a high proportion of these are existing older households who already have housing. There is some, albeit limited, potential to support older households to downsize, releasing supply of larger housing for other groups.
- 11.45 There is other evidence that demand for smaller homes may increase from an ageing population and also that demand for three bedroom and family units is acute among those currently on waiting lists. A broad distribution, subject to monitoring, of 35%, 30%, 30% and 5% for 1 bed, 2 bed, 3 bed and 4 bed units, respectively should be considered.

### Ensuring a Housing Mix: Tenure

- 11.46 RBWM should seek to deliver a range and mix of sites that allows different housing products to be brought forward across local housing market areas. This will include delivering tenures in areas where it has not been traditionally located.
- 11.47 If the housing market remains suppressed and annual housing need is not being met then the affordable housing mix should reflect that required by the priority groups rather than that set out above.
- 11.48 We recommend that on larger sites the local authorities look to achieve a mix of housing tenures to deliver mixed communities and support regeneration. This would include a mix of house types and sizes, as well as housing for older persons.
- 11.49 Demand for family housing will remain strong in RBWM and within the HMA. The larger development sites by area provide the best opportunity to deliver larger homes and a broader mix of sizes and types. We recommend that when considering size distribution, a larger proportion of new homes on larger sites should be three or more bedroom properties to adequately cater for family housing needs.
- 11.50 We recommend that RBWM establish specific policies that support provision of flexible and specialist housing appropriate for older persons, through both public and private sector provision. This will also help to release supply of larger housing for younger households and improve use of the existing stock.

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## Suitable Locations for Housing

- 11.51 The Strategic Housing Land Availability Assessment (SHLAA) process provides an estimate of the amount of land that could potentially be available to deliver housing. The 2011 SHLAA identified a housing supply of approximately 290 dwellings per annum to 2026. An update to the SHLAA is being progressed. This update takes account of the preferred policy options identified in the Borough Local Plan. Whilst not completed initial the estimate is identifies a supply of round 390 dwellings per annum up to 2030. The spatial distribution of capacity is focused on Maidenhead, Windsor and Ascot. This reflects the availability of previously developed land and the rejuvenation initiatives around Maidenhead and Ascot centres.
- 11.52 The amount and distribution of future housing is a key for the wider area. Projected population growth exceeds identified land supply across the housing market area and there are a number of local authorities particularly in the eastern area including RBWM where the National Planning Policy Framework indicates development should be restricted. It is important to retain the integrity of the functional housing market area in the long term recognising inter-dependencies between housing, infrastructure and quality of place. RBWM should seek to work with the other local authorities in the HMA to ensure that this approach is embedded within their policies and of those local authorities in the wider area, and within development schemes.
- 11.53 RBWM might reasonably anticipate that housing provided in other less constrained local authorities can contribute to meeting its own housing needs and that a housing target for the Borough Local Plan which is below the objectively assessed requirement could be justified. The level should be informed by consideration of robustly evidenced sustainability impacts including the effect on the size of the local workforce and following discussions with the other local authorities within the housing market area.
- 11.54 The location of housing capacity in RBWM will see continued development of the urban living offer in the longer term, particularly associated with Maidenhead Town Centre regeneration.
- 11.55 The market for town centre and edge of centre residential development must consider the opportunities to create family sized housing as well as the smaller units currently found in flatted developments. The Council is encouraged to seek to slightly shift the balance in town centres away from the typical one bedroom properties in favour of a greater supply of 2 and 3 bedroom accommodation and/or assisted living accommodation for older people. There is a strong rationale to address this over time, to enhance the housing offer, use land effectively and support town centre renaissance.

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Town centres also have the potential to deliver assisted and adapted accommodations due to their accessibility and the range of services within close proximity.

- 11.56 Specific sites should be identified particularly for affordable housing in smaller settlements through the planning processes. This will help to safeguard the provision of affordable housing subject to the viability of individual sites.
- 11.57 Furthermore the housing capacity in RBWM is significantly less than requirements suggest. Active cooperation with other authorities is required to meet need for and across the HMA as a whole.

### The role of the Private Sector

- 11.58 Many households with insufficient income or equity to purchase housing may choose to meet their needs in the private rented sector. The private rented sector plays an increasingly important role in catering for the needs of younger households, or those who are attracted by the flexibility which renting provides (particularly in the short-term housing market).
- 11.59 Existing rental property will comprise the majority of the rented housing stock for the foreseeable future. In this context, it is important that investment is made in ensuring that it is fit-for-purpose. RBWM must work to achieve this through improvements to the standards of housing in the private rented sector.
- 11.60 There is potential for an enhanced role for the Private Rented Sector in RBWM in providing new stock in RBWM. However, close review and monitoring will be required to ensure the quality and condition of stock is actively managed, to address any overcrowding and to maximise the role which the sector plays in meeting housing need.

### Future Monitoring

- 11.61 In order for the findings of the assessment to continue to inform and help shape policy, it will be necessary for RBWM to monitor changes in the housing market and the underlying drivers examined in this assessment. Changes to the assumptions will have an impact on the short and long-term projections of household demand and the requirements for different tenures and sizes of housing.
- 11.62 The figures presented within this report are based upon up-to-date data and information. Evidence of marked deviation from the future trends and assumptions presented will need to be taken into account in the development of policy. This approach is part of the plan, monitor and manage best practice approach to local planning.

11.63 This SHMA has utilised a range of secondary data sources. This information will continue to be refined and updated by data providers such as the ONS, DCLG, CACI, Rightmove and Land Registry. The use of secondary data sources makes monitoring a simpler process with an annual update examining changing trends an important exercise for the Royal Borough.



## Appendices

**Figure 150 - 2011 Percentage of Households by Size and Type**

<b>Under 24</b>	<b>1 Room</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>2/3 Bed</b>	<b>3 Bed</b>	<b>3/4 Bed</b>	<b>4/5 Bed</b>
One Person	8%	11%	33%	27%	13%	5%	4%
Couples on their Owns	2%	15%	24%	37%	13%	5%	3%
Small Families	2%	2%	25%	49%	13%	4%	4%
Larger Families	2%	2%	6%	39%	25%	11%	13%
Other Households	1%	3%	7%	28%	18%	12%	31%
<b>25-34</b>	<b>1 Room</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>2/3 Bed</b>	<b>3 Bed</b>	<b>3/4 Bed</b>	<b>4/5 Bed</b>
One Person	3%	8%	24%	32%	20%	8%	5%
Couples on their Owns	1%	4%	13%	28%	27%	16%	11%
Small Families	1%	2%	6%	30%	27%	18%	17%
Larger Families	0%	1%	2%	17%	33%	23%	23%
Other Households	0%	1%	4%	26%	29%	19%	21%
<b>35-44</b>	<b>1 Room</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>2/3 Bed</b>	<b>3 Bed</b>	<b>3/4 Bed</b>	<b>4/5 Bed</b>
One Person	1%	5%	18%	30%	24%	12%	9%
Couples on their Owns	0%	1%	6%	17%	27%	23%	26%
Small Families	0%	0%	2%	15%	27%	24%	32%
Larger Families	0%	0%	1%	5%	22%	22%	50%
Other Households	1%	2%	4%	17%	33%	21%	23%
<b>45-54</b>	<b>1 Room</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>2/3 Bed</b>	<b>3 Bed</b>	<b>3/4 Bed</b>	<b>4/5 Bed</b>
One Person	1%	4%	15%	26%	23%	15%	16%
Couples on their Owns	0%	1%	4%	12%	22%	19%	43%
Small Families	0%	0%	1%	6%	20%	20%	54%
Larger Families	0%	0%	1%	2%	14%	17%	65%
Other Households	0%	0%	2%	9%	26%	21%	42%
<b>55-64</b>	<b>1 Room</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>2/3 Bed</b>	<b>3 Bed</b>	<b>3/4 Bed</b>	<b>4/5 Bed</b>
One Person	1%	4%	15%	22%	25%	17%	17%
Couples on their Owns	0%	0%	3%	9%	22%	21%	44%
Small Families	0%	0%	1%	5%	21%	22%	50%
Larger Families	0%	1%	2%	4%	18%	19%	55%
Other Households	0%	0%	1%	7%	25%	22%	45%
<b>65-74</b>	<b>1 Room</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>2/3 Bed</b>	<b>3 Bed</b>	<b>3/4 Bed</b>	<b>4/5 Bed</b>
One Person	1%	4%	17%	22%	25%	17%	15%
Couples on their Owns	0%	1%	5%	12%	24%	22%	36%
Small Families	0%	0%	7%	11%	18%	20%	44%
Larger Families	0%	0%	0%	0%	29%	16%	55%
Other Households	0%	1%	3%	9%	29%	28%	30%
<b>75-84</b>	<b>1 Room</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>2/3 Bed</b>	<b>3 Bed</b>	<b>3/4 Bed</b>	<b>4/5 Bed</b>
One Person	1%	5%	21%	23%	22%	17%	10%
Couples on their Owns	0%	1%	9%	15%	28%	23%	22%
Small Families	0%	0%	25%	25%	0%	25%	25%
Larger Families	0%	0%	0%	0%	43%	57%	0%
Other Households	0%	1%	5%	17%	28%	26%	24%
<b>85+</b>	<b>1 Room</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>2/3 Bed</b>	<b>3 Bed</b>	<b>3/4 Bed</b>	<b>4/5 Bed</b>
One Person	3%	6%	28%	24%	18%	14%	7%
Couples on their Owns	0%	0%	16%	21%	24%	21%	18%
Small Families	0%	0%	0%	50%	50%	0%	0%
Larger Families	0%	0%	0%	0%	0%	0%	100%
Other Households	0%	0%	2%	18%	27%	28%	25%

Source: *What homes Where Toolkit 2013*