

Exeter & Torbay Strategic Housing Market Assessment 2007

Main Report of Study Findings
December 2007



Opinion Research Services The Strand, Swansea SA1 1AF

Jonathan Lee

Nigel Moore • Karen Lee • Hugo Marchant

enquiries **01792 535300** • info@ors.org.uk • www.ors.org.uk

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Devon County Council County Hall, Topsham Road, Exeter, Devon EX2 4QD

Pauline Warner (Regional and Strategic Planning Officer) pauline.warner@devon.gov.uk

enquiries **0845 1551015**



Exeter City Council

Exeter City Council Civic Centre, Paris Street, Exeter, Devon EX1 1JN

Ron Mayers (Strategic Housing Manager) ron.mayers@exeter.gov.uk

Nick Bickford (Forward Planner (Projects)) nick.bickford@exeter.gov.uk

enquiries **01392 277888**



East Devon District Council Council Offices, Knowle, Sidmouth, Devon EX10 8HL

Sue Bewes (Housing Strategy Manager) sbewes@eastdevon.gov.uk

Matt Dickins (Principal Planning Officer) mdickins@eastdevon.gov.uk

enquiries **01395 516551**



Mid Devon District Council Phoenix House, Phoenix Lane, Tiverton, Devon EX16 6PP

Eve Fitzgerald (Private Sector Housing Manager) efitzgerald@middevon.gov.uk

Simon Thornley (Senior Planning Officer) sthornley@middevon.gov.uk

enquiries **01884 255255**



Teignbridge District Council Forde House, Brunel Close, Newton Abbot, Devon TQ12 4XX

Dick Scott (Strategy & Partnership Officer) rscott@teignbridge.gov.uk

Tristan Peat (Principal Planner (Projects and Monitoring)) tpeat@teignbridge.gov.uk

enquiries **01626 361101**



Torbay Council Roebuck House, Abbey Road, Torquay, Devon TQ2 5TF

David Pickhaver (Senior Strategic Planner) david.pickhaver@torbay.gov.uk

enquiries **01803 201201**



Dartmoor National Park Authority Parke, Haytor Road, Bovey Tracey, Devon TQ13 9JQ

Philip Markham (Head of Forward Planning) pmarkham@dartmoor-npa.gov.uk

enquiries **01626 832093**

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Chapter 1: The Study Context

- 1.1 Opinion Research Services (ORS) was commissioned by the local authorities of the Exeter and Torbay Housing sub-region to undertake a comprehensive and integrated strategic housing market assessment for the Housing Market Areas of Exeter and Torbay.
- 1.2 The study was undertaken to inform local policies, in particular relating to the housing strategy and investment programme and planning policies surrounding affordable housing provision. It is important to note that the study does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a robust policy framework.
- 1.3 The research was based on the analysis of 3,470 interviews conducted with households (which primarily underwrote the housing needs and requirement modelling) coupled with secondary data from the UK Census, Housing Corporation, HM Land Registry, Office for National Statistics and a range of other sources along with a qualitative consultation programme with a wide range of stakeholders.
- 1.4 The commissioning partners included:
 - Devon County Council;
 - East Devon District Council;
 - Exeter City Council;
 - Mid Devon District Council;
 - Teignbridge District Council;
 - Torbay Council; and
 - Dartmoor National Park Authority.

Figure 1
Identifying the Study Area

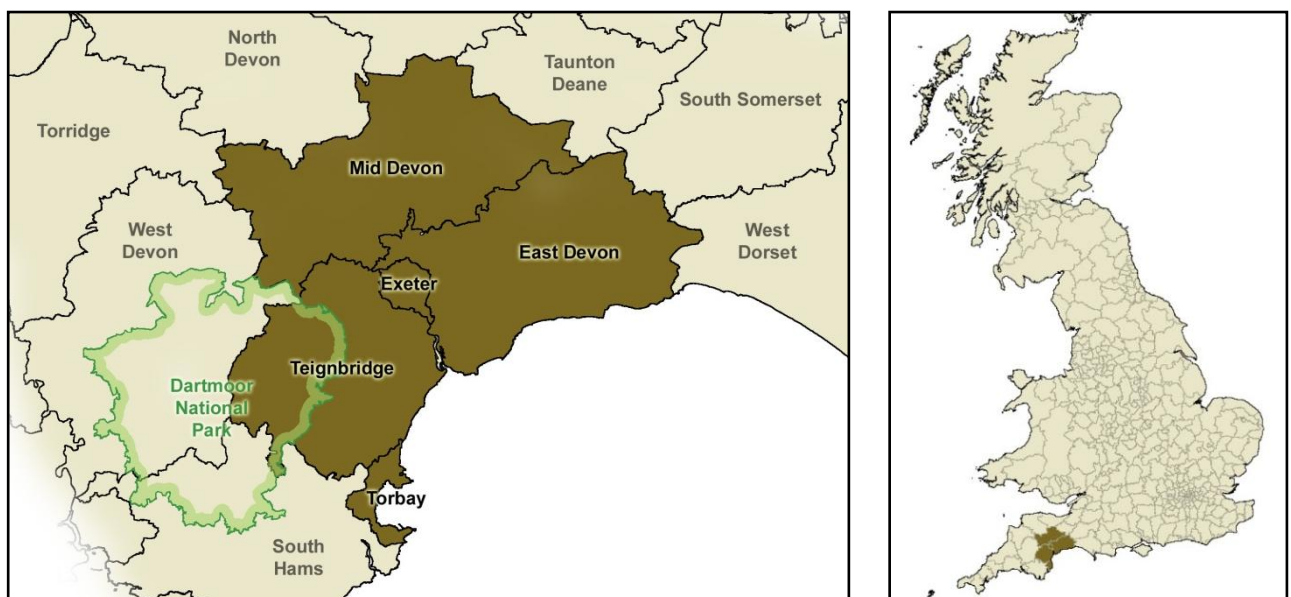


Figure 2

Overview of the Document Structure for Exeter and Torbay Strategic Housing Market Assessment



- 1.5 This document is the main report for the sub-region, which summarises the key findings of the study in particular where they relate to existing policies or have implications for future policy decisions across the sub-region.
- 1.6 Other documents include an executive summary of the study findings, a supplementary report providing further technical details on the research and analysis, and summary reports for each of the sub-region's five constituent Local Authorities and the Dartmoor National Park authority.

National Policy Context

- 1.7 Irrespective of which political party has been in power, the central tenet of UK government housing policy has been to ensure that everyone has the opportunity of living in a decent home, which they can afford.
- 1.8 In 2003, the government set out their current vision for housing in the Communities Plan. This publication has led to a period of significant change in planning systems across England and Wales, and the current housing policy document is Planning Policy Statement 3 (PPS3) which has recently replaced a series of policies including Planning Policy Guidance Note 3 (PPG3) and Circular 6/98.
- 1.9 The objectives of the Communities Plan demand that our communities:
- are economically prosperous;
 - have decent homes at affordable prices;
 - safeguard the countryside;
 - enjoy a well-designed, accessible and pleasant living and working environment; and
 - are effectively and fairly governed with a strong sense of community.
- 1.10 PPS3 supplements these aims with the requirement that people should also live in a community where they want to live. An important series of definitions are also presented in PPS3, of which several are detailed below.

Housing definitions presented in PPS3

Housing Need: The quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing Demand: The quantity of housing that households are willing and able to buy or rent.

Affordable Housing: Social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

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

Housing Market Areas: Geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work.

- ^{1.11} Notably, one of the six principles of PPS3 is that an evidence-based policy approach to housing provision is taken:

Local Development Documents and Regional Spatial Strategies policies should be informed by a robust, shared evidence base, in particular, of housing need and demand, through a Strategic Housing Market Assessment.

- ^{1.12} To deliver the Communities Plan the Government tasked the nine English regions with setting up a regional housing body or board. The South West Regional Housing Body takes responsibility for delivery in the South West. The emerging regional policy is the South West Regional Spatial Strategy (RSS) which is currently being prepared by the Regional Assembly.

The South West Region

- ^{1.13} Since 1981, the Government Office Region of the South West has had the fastest growing population among all UK regions. Inward migration from other regions led to an overall population increase of 460,000 (11%) over the period 1981-1996. More recently, high demand for housing in the region has inflated house prices as the growth in household numbers has outpaced new housing delivery.
- ^{1.14} The South West has a relatively low proportion of social rented housing – 16% of the housing stock is for rent from a local authority or a Registered Social Landlord (RSL), compared with 24% nationally. The number of local authority and RSL social rented homes fell from 334,000 in 1987 to 310,000 in 1998 as right-to-buy purchases outstripped new additions to the stock of affordable housing. There is unmet need for affordable housing across the region, both in areas of economic growth where housing costs are high and in certain rural and coastal areas where the attractive environment of the South West has given rise to a demand for second homes and the use of existing stock for holiday accommodation.
- ^{1.15} Over the past few years, the number of households on housing waiting lists and in housing need in the region has remained relatively constant at between 60,000 and 70,000. The number of households in acute housing need has been gradually increasing, from about 7,000 in 1987 to over 9,000 in 1998. These figures ignore households ineligible for “social housing” but unable to afford general market housing – notably single people.

- ^{1.16} One of the distinctive features of the region is its older than average population profile compared with other English regions. In 2001, over a million people in the South West were aged 60 and over, almost 24% of the total population. This compares with less than 21% for England as a whole.
- ^{1.17} Regional Planning Guidance 10 (RPG10) is the current guiding document at the South West regional level, whilst at the county level it is the Devon County Structure Plan. The overall net additional housing for which provision should be made annually between 1996 and 2016 in the South West is 20,200 dwellings, and it is suggested that at least 50% of all new housing should be on previously developed land (including the conversion of existing buildings).
- ^{1.18} The emerging South West Regional Spatial Strategy (RSS) suggests that higher levels of housing provision in the sub-region will be required than was previously planned – predicting that around 25,000 new dwellings a year will be needed to meet the scale of need emerging from improved economic prosperity. These forecasts are based on a predicted population growth of over 750,000 between 2006 and 2026 and the provision for between 365,000 and 465,000 additional jobs over the 20-year period.
- ^{1.19} The figure of 25,000 is heavily dependent on the accuracy of two key underlying assumptions:
- The central forecast for economic growth is 2.8% per annum for the next two decades in spite of the evidence already seen that growth is slowing in the light of oil and resources prices.
 - The rapid decrease in household size will continue to decrease unabated during the plan period, and that no fiscal measures or other changes will take place to alter these trends.
- ^{1.20} The RSS also notes that, broadly speaking, births and deaths are in balance and population growth results from people moving to the region for a variety of reasons. In-migration (principally from London and the South East) totalled 143,900 people in 2004 with 110,000 moving out. The RSS anticipates that this scale of in-migration is likely to continue for the foreseeable future, which will continue to influence the demand for housing.
- ^{1.21} Significant new provision at the New Community of Cranbrook (in East Devon) is identified by the RSS, and potential further provision post-2021, possibly in another new community. The RSS also plans for a greater level of employment provision in the sub-region, with the supply of up to 28,500 jobs being suggested in the Exeter Principal Urban Area (PUA) and 11,700 in Torbay.

Introducing the Exeter & Torbay sub-region

Exeter city

- ^{1.22} Exeter lies at the heart of a catchment area that includes the neighbouring local authorities of East Devon, Mid Devon, Teignbridge and parts of West Devon. This reflects the city's status as a major economic and commercial centre and its role in providing health, cultural, leisure and retailing facilities across much of Devon. The catchment area includes several towns with more localised roles, for example, Tiverton, Crediton and Exmouth.
- ^{1.23} The city is economically buoyant and job growth in the sub-region has exceeded national and regional rates. Forecasts suggest growth will continue, capitalising on the service industries in the town and extending the role of the knowledge economy. The relocation of the Met Office to the city is symptomatic of the potential for new jobs related to science, technology and the research

opportunities afforded by the presence of the University. This prosperity hides pockets of deprivation and across the sub-region low earnings are also an issue, making the affordability of housing an issue.

- ^{1.24} Exeter has been identified as a city where future growth is important to the South West as a whole, helping to deliver improved prosperity and housing. It is identified as a major hub for future investment and development and the provision of specialist services to serve its sub-regional hinterland. This complements more local aspirations which see Exeter taking its place as a regional “capital”.
- ^{1.25} In the past job growth has been centred on the city, while housing growth has been more widespread across the sub-region. The resultant imbalance between jobs and housing creates major inward flows of workers into the city.
- ^{1.26} The current strategy for the Exeter sub-region (set out in the draft RSS and Devon Local Transport Plan) has the following components:
- Measures to realise the full economic potential of the city, and to address the current imbalance between homes and jobs;
 - Delivery of around 1,900 new homes a year (2006-26) and 140Ha of employment land. Around 6,500 new homes will be located at the new community of Cranbrook in East Devon;
 - Regeneration of the urban area and the re-use of previously-developed land;
 - Major improvements to public transport, particularly linking development to the east of Exeter with the city centre, allied to traffic management measures;
 - Other infrastructure improvements related to the motorway; airport; intermodal freight terminal; and to improve the capacity of the road network; and
 - Cultural, visitor, sport and recreational facilities to meet increased demand.
- ^{1.27} A number of the larger settlements outside the city are able to offer a significant degree of self containment in terms of education, retailing and other facilities, but have been less successful at developing their economic base. There has been increasing travel to work from such settlements and there is evidence to suggest such flows have also increased from Newton Abbot. The spatial strategy aims to encourage a better balance between population distribution and employment and promote the retention of services and facilities in the main towns and settlements outside of Exeter and Newton Abbot.

Newton Abbot

- ^{1.28} Newton Abbot is the main town in Teignbridge and a focal point for future development and change within the District, especially in the period to 2016. Although the town has a relatively balanced employment and workforce profile, there are significant commuting flows to both Torbay and Exeter.
- ^{1.29} The strategy for Newton Abbot provides for:
- Measures to improve economic performance and provide a better balance between jobs and homes;
 - Provision of around 200 homes a year [2006-2026] and about 10-15Ha of employment land;
 - Improved transport infrastructure coupled with traffic management to address congestion, including the proposed Kingskerswell bypass/South Devon link road; and
 - Improvements to social and community infrastructure.

- ^{1.30} Options for accommodating growth include the possibility of a major urban extension to the north of the town. This option would require a comprehensive master planning approach similar to that for the new communities in Devon, to ensure integrated delivery of development and timely provision of infrastructure.

Torbay

- ^{1.31} Torbay, although a significant urban area in terms of size, has a limited influence on the surrounding area compared to Exeter. In recent years the city has struggled to prosper economically and there are significant issues relating to regeneration and the need for economic diversification and restructuring. Nevertheless, the urban area has good health, education and shopping facilities, and is an important holiday and conference destination. Complex journey to work and housing market patterns exist because of the town's proximity to the more economically successful city of Exeter. The rate of recent population growth in Teignbridge, with good accessibility to both urban areas, reflects this.
- ^{1.32} The strategy for Torbay anticipates its need for future development being accommodated within its own administrative boundaries. Proposals concentrate on stimulating the economy, investment in the physical fabric of the town and provision of key infrastructure, including the Kingskerswell/South Devon link.

Market Towns and Rural Areas

- ^{1.33} While the pace and scale of change in the future is expected to be greatest in the bigger urban areas of Devon, there are other issues affecting the market towns and rural areas. The most rural parts of the County have a population density of 56 persons per square Km (the EU benchmark of sparsity is 100 persons per square Km). Rurality is therefore a defining feature of Devon, with repercussions on the quality of life, access to jobs, homes, services and facilities, and the economy.
- ^{1.34} Across Devon the relationship between market towns, villages and countryside is complex. Historically, those living in the countryside would have worked locally, visited nearby market towns to buy, sell and take advantage of facilities and services. Today, modern transport has enabled many people to choose where they live, work and shop with the result that many rural residents live in the countryside but are travelling to nearby urban centres for work, entertainment and shopping. This has knock on effects, eroding the commercial viability of small market towns and resulting in the concentration of jobs and services in larger urban areas. Traditional land based industries which offered jobs in rural locations have also dwindled and farming patterns have changed following crises such as BSE and foot and mouth.
- ^{1.35} Across the whole of Devon high house prices and low earnings mean many people cannot afford to buy their own homes. This problem is made more acute in rural areas by the difficulties of funding affordable housing, finding suitable sites and competition from those buying in to the housing stock for investment or second homes.
- ^{1.36} To help sustain rural communities, coast and countryside assets in a coordinated way current policies aim to provide:
- Support for market towns that builds on their role and function in relation to other nearby towns and villages;
 - Intervention to support regeneration and improved prosperity, diversification of the local economy, skills and training to support it;

- Innovative measures to improve accessibility (for example, fare cars, community transport; ICT) and support for public transport;
- Measures to build community engagement, and access to finance and funding;
- Working with the grain of the environment to safeguard landscape, biodiversity and historic assets while promoting the contribution of the environment to the economy;
- Efforts to increase the supply of affordable housing;
- Toolkits and activities to help communities identify how their actions can help make their village more sustainable and deliver solutions to locally identified problems;
- Lobbying and joint actions to sustain access to public funding; and
- Sharing experience and learning from good practice.

Housing Markets in the Exeter & Torbay sub-region

^{1.37} The Exeter and Torbay Housing sub-region comprises two of the Housing Market Areas (HMAs) identified by the South West Regional Housing Board, namely:

- **Exeter HMA**, covering the local authority areas of East Devon, Exeter, Mid Devon and Teignbridge, including the area of the Dartmoor National Park Authority that falls within the Teignbridge boundary; and
- **Torbay HMA**, covering the same area as the Torbay unitary authority.

^{1.38} The 2001 Census identified that the sub-region had a population of 560,000 people, with a proportionately larger population of retirement age than England and Wales as a whole. At that time, there were 243,700 people working in the sub-region (of whom 94% also lived in the area) with a further 16,100 of the resident population commuting to jobs outside the area.

^{1.39} The sub-region had 241,700 households resident at the time of the 2001 Census, and in the subsequent five year period the dwelling stock has increased by an average of 1,915 dwellings each year. There is a higher proportion of privately rented properties across the sub-region than England and Wales as a whole, with a smaller proportion of social rented homes. The average house price in the sub-region is currently £203,900, which represents an increase of 3.2% over the past 12 months and an increase of 91.3% over the past five years.

Housing Sub-Markets in the Exeter and Torbay Housing Sub-Region

^{1.40} To understand the operation of the housing market across the sub-region, the study sought to identify the functional sub-markets operating within the Exeter & Torbay sub-region. Housing markets reflect where people both live and work, and typically represent the areas in which the majority of residents will look for housing when they move. At the time of the 2001 Census, 94% of those people working in the sub-region also lived in the area – but on the basis of migration and travel to work patterns it is possible to divide the sub-region in functional sub-markets, where the majority of the local population live, work and move within smaller geographic units.

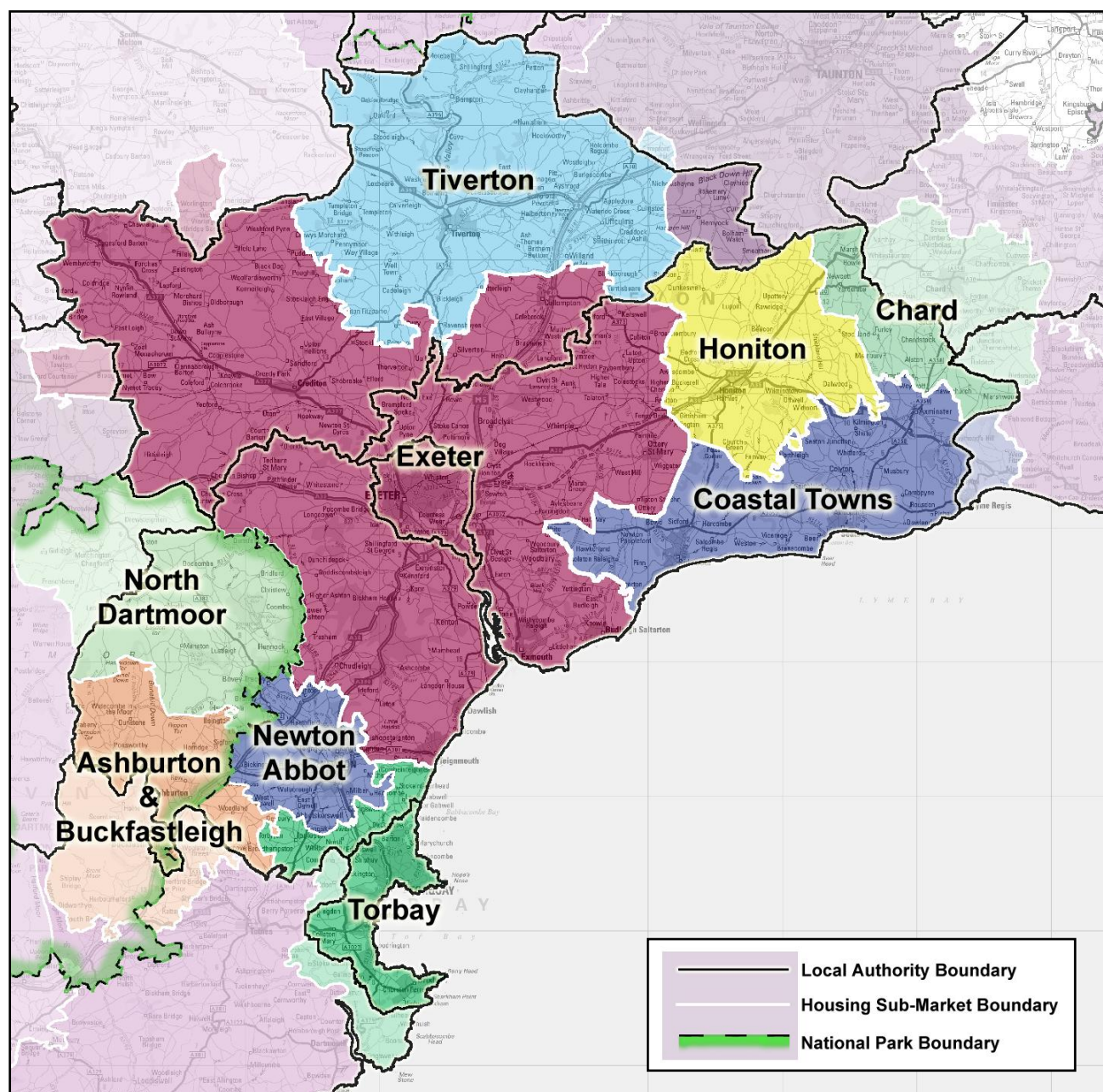
^{1.41} To identify the functional sub-market areas, data about individual Census Output Areas (COAs) was analysed. COAs with strong links in terms of migration (where a significant proportion of residents from one COA moved to another COA) or strong links in terms of travel to work patterns (where a significant proportion of the working population resident in one COA were employed in another COA) were merged to form a single combined area. This process was then progressively repeated, with the COAs with the strongest links to the combined area being identified and merged in turn.

- 1.42 At each stage of the process, the proportion of the working population who both lived and worked in the combined area and the proportion of migrants that moved within the combined area were reviewed to determine whether or not the identified area had reached an appropriate level of self-containment. Once a reasonable level of self-containment had been achieved, the process was repeated starting with a different pair of COAs with strong links – leading to a number of combined geographies being identified across the sub-region.
- 1.43 Where the combined geographies overlapped (i.e. individual COAs had been merged into more than one combined area) the relative strengths of the COA to each area were considered to determine an appropriate boundary between the combined areas. Following on from this process, the strength of links (in terms of migration and travel to work patterns) between the combined areas were considered in order to identify any interdependencies; and, where strong links clearly existed, areas were merged together.

Figure 3

Identifying the Functional Housing Sub-Markets in the Sub-Region (Source: Exeter & Torbay Strategic Housing Market Assessment 2007.

Note: Area outside the sub-region shown in lighter shading)



- 1.44 Figure 3 illustrates the outcome of the analysis, showing the nine housing sub-markets identified. In addition to Exeter and Torbay, the towns of Tiverton, Honiton, Chard and Newton Abbot each had sufficient independence from the main urban areas to be considered independently. Similarly, when considered together Ashburton & Buckfastleigh constituted an independent sub-market as did the towns along the coast of East Devon in the Coastal Towns sub-market. The final sub-market identified was North Dartmoor.
- 1.45 A full list of the parishes and wards which can be found in each sub-market can be found in Section A of the Technical Report. Figure 4 details the number of households within each of the identified housing sub-markets across the authorities within the study area.

Figure 4

Number of Resident Households (Source: Exeter & Torbay Household Survey 2006-07, grossed using information from the Valuation Office Agency)

Housing Sub-Market Area	Local Authority Area					Elsewhere in DNP	Total
	East Devon	Exeter city	Mid Devon	Teignbridge	Torbay UA		
Ashburton & Buckfastleigh	-	-	-	4,500	-	1,300	5,800
Chard	1,100	-	-	-	-	-	1,100
Coastal Towns	18,300	-	-	-	-	-	18,300
Exeter	30,100	45,300	14,500	21,100	-	-	111,000
Honiton	8,400	-	-	-	-	-	8,400
Newton Abbot	-	-	-	22,100	-	-	22,100
North Dartmoor	-	-	-	2,600	-	1,200	3,700
Tiverton	-	-	16,300	-	-	-	16,300
Torbay	-	-	-	4,100	58,600	-	62,800
TOTAL	57,800	45,300	30,900	54,400	58,600	2,400	249,400

- 1.46 The Exeter housing sub-market extends significantly into East Devon, Mid Devon and Teignbridge. However, the major towns of Tiverton, Honiton and Newton Abbot do form their own housing sub-markets. The Coastal Towns housing sub-market area represents an amalgamation of the numerous small towns along the East Devon coast. These are not closely linked to each other, but do have similar characteristics in that much of their migration is associated with areas outside the sub-region.
- 1.47 It should also be noted that the North Dartmoor and the Ashburton and Buckfastleigh housing sub-market areas extended into the administrative areas of South Hams and West Devon. These areas were also covered by the Dartmoor National Park Authority. In these cases it was agreed, with the permission of South Hams and West Devon local authorities, to conduct interviews outside of the study area. The Chard housing sub-market area is also centred outside the study in South Somerset, but extends into East Devon – fieldwork was only undertaken within the study area.
- 1.48 The local housing sub-markets have the following characteristics:
- **Ashburton & Buckfastleigh** contains 2.3% of all properties in the sub-region. It contains a high proportion of terraced dwellings with a high proportion which are private rent. Over 40% of all properties were built before 1919. Over 20% of all households have an income of over £48,000.
 - **Chard** contains 0.1% of all properties in the sub-region and, given that its population centre is outside the sub-region, its characteristics are not considered within this report.

- **Coastal Towns** contains 7.4% of all properties in the sub-region. The area contains a high proportion of detached dwellings and over 50% of properties are owned outright. Over 20% of properties are Council Tax band F or higher.
- **Exeter** contains 43.7% of all properties in the sub-region. It contains a low proportion of detached dwellings but a high proportion of flats. Many of the characteristics of Exeter are similar to the sub-regional averages – though this is to be expected, given its relative dominance in the sub-region figures.
- **Honiton** contains 3.4% of all properties in the sub-region. It contains a high proportion of detached dwellings. A low proportion is private rent, with housing benefit claims also low. Over 40% of all properties were built after 1980.
- **Newton Abbot** contains 9% of all properties in the sub-region. It contains a high proportion of detached dwellings with a low proportion which are flats. Nearly 40% of all properties were built after 1980.
- **North Dartmoor** contains 1.5% of all properties in the sub-region. It contains a high proportion of detached dwellings with a low proportion which is private rent. Nearly 50% of all properties were built before 1919. Over 20% of all dwellings are in Council Tax band F or higher.
- **Tiverton** contains 6.6% of all properties in the sub-region. It contains a high proportion of detached dwellings. Around 30% of all properties were built after 1980.
- **Torbay** contains 25.5% of all properties in the sub-region. It contains a low proportion of detached dwellings. A high proportion is flats. 17% of all households claim housing benefit which is the highest for any sub-market in the sub-region.

1.49 When we consider the travel to work patterns evident within the identified sub-markets, all have at least half of their residents working locally with four of the eight sub-markets having almost 70% or more of their residents working in the area. Nevertheless, it is clear that whilst some areas have high self-containment, they still have strong links with employment in Exeter and/or Torbay.

Figure 5
Migration and Travel to Work Patterns by Housing Sub-Market (Source: UK Census of Population 2001)

Housing Sub-Market Area	% of Movers Staying in the Sub-Market	% of Employees Living in the Sub-Market	% of Residents Working		
			Within the Sub-Market	In Exeter Sub-market	In Torbay Sub-market
Ashburton & Buckfastleigh	42%	63%	50%	7%	7%
Coastal Towns	51%	77%	69%	15%	-
Exeter	70%	82%	85%	85%	2%
Honiton	47%	68%	57%	21%	-
Newton Abbot	52%	57%	60%	13%	15%
North Dartmoor	31%	71%	54%	18%	4%
Tiverton	56%	74%	69%	17%	-
Torbay	72%	83%	79%	4%	79%

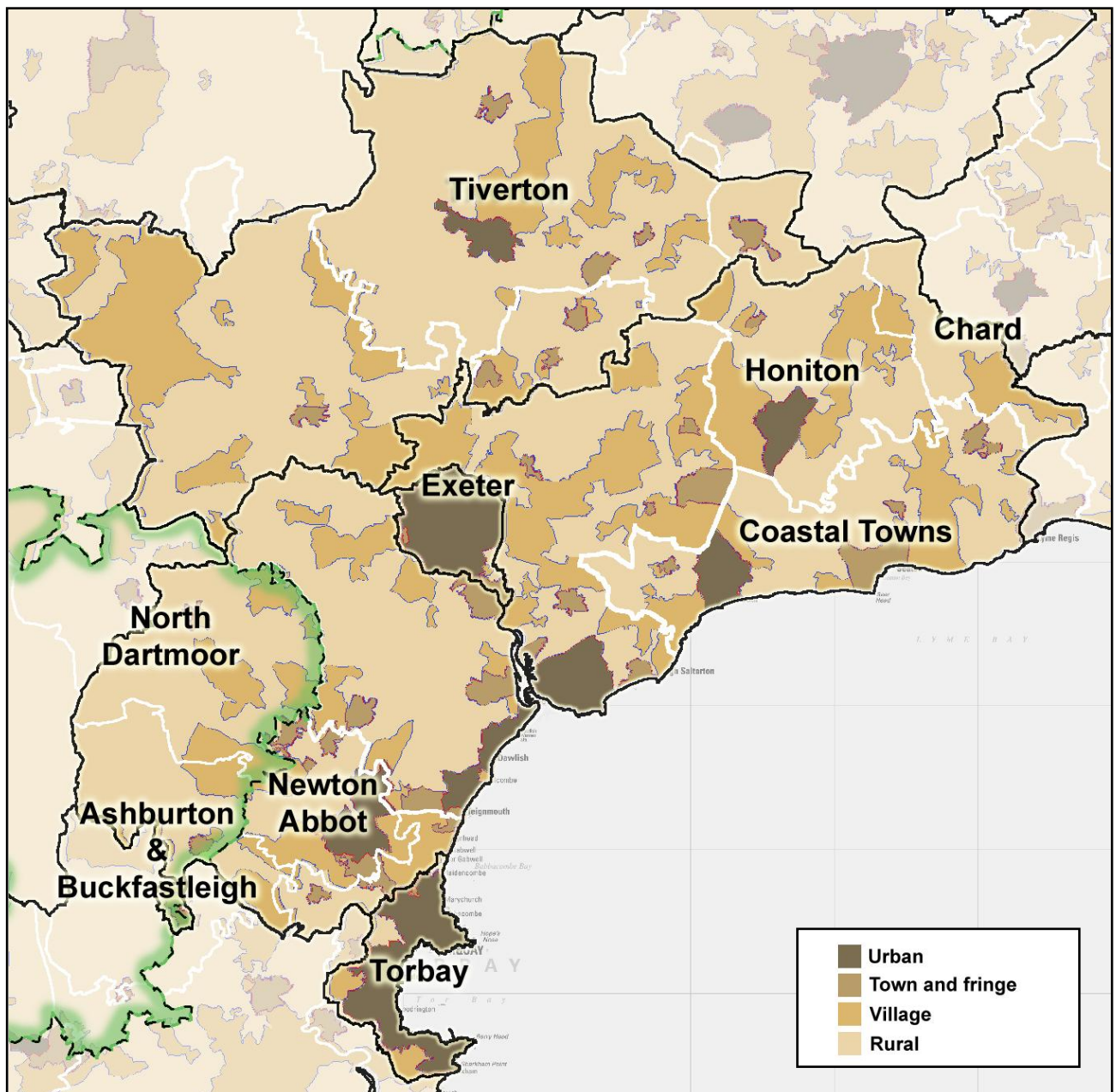
DEFRA Geographical Areas

1.50 The Department for Environment, Food, and Rural Affairs (DEFRA) classifies dwellings according to the type of settlement they are associated with. The four classifications are:

- Urban > 10k;
- Town & Fringe;
- Village; and
- Hamlet & Isolated Dwellings.

^{1.51} Figure 6 shows the distribution of these four zones across the sub-region. It is worth noting that whilst the central zones of Exeter, Torbay, Newton Abbot and other key settlements (including the urban fringe along the coast to the south of Exeter) are all classified as Urban, most of their immediately surrounding areas are classified within the Village category rather than being classed Town & Fringe.

Figure 6
DEFRA Geographical Area Classification across the Sub-Region (Source: DEFRA)



^{1.52} A summary of the characteristics for each of these types of area for the Exeter and Torbay Housing sub-region is set out below.

- **Urban > 10k:** The urban dwellings contain 65% of all properties in the sub-region. They have a low proportion of detached dwellings and a high proportion of flats. The private and social rented sectors are both larger than the sub-regional average. Household respondents are typically younger. Housing benefit claims are above the sub-regional average at 15% of all households.
- **Town & Fringe:** The town and fringe dwellings contain 18% of all properties in the sub-region. They have a high proportion of socially rented dwellings. Over 30% of all properties were built after 1980. Housing benefit claims and problems with the dwellings are below the sub-regional average.
- **Village:** The village dwellings contain 10% of all properties in the sub-region. They have a high proportion of detached dwellings with a low proportion which is privately rented. Housing benefit claims are also low.
- **Hamlet & Isolated Dwellings:** The hamlets and isolated dwellings contain 7% of all properties in the sub-region. They have a high proportion of detached dwellings with a low proportion which is socially rented. Nearly 60% of all properties were built before 1919. Over 20% of all households have an income of over £48,000 and housing benefit claims are low.

Data Sources

- 1.53 Whilst the study sought to draw on a wide range of secondary data sources, primary data was also collected through a household survey based on a stratified random probability sample. The sample was designed to ensure that enough interviews were conducted in each local authority area and sub-market within the sub-region. The Household Survey was conducted between November 2006 and February 2007 and a total of 3,476 households were successfully interviewed. Identified non-response issues were addressed by a comprehensive statistical weighting process.
- 1.54 Figure 7 shows the number of interviews which were conducted in each sub-market and local authority area. The intersection between local authority and sub-market formed the basis for the sampling strata, though some key settlements were also identified and their boundaries provided further strata for boosting the sample within these areas to provide more localised analysis.

Figure 7
Interviews Conducted by Area (Source: Exeter & Torbay Household Survey 2006-07)

Housing Sub-Market Area	Local Authority Area							Total
	East Devon	Exeter city	Mid Devon	Teignbridge planning	Teignbridge DNP	Elsewhere in DNP	Torbay UA	
Ashburton & Buckfastleigh	-	-	-	16	130	47	-	193
Chard	15	-	-	-	-	-	-	15
Coastal Towns	266	-	-	-	-	-	-	266
Exeter	259	412	118	484	-	-	-	1,273
Honiton	220	-	-	-	-	-	-	220
Newton Abbot	-	-	-	378	-	-	-	378
North Dartmoor	-	-	-	-	139	74	-	213
Tiverton	-	-	249	-	-	-	-	249
Torbay	-	-	-	25	-	-	644	669
TOTAL	760	412	367	903	269	121	644	3,476

- 1.55 Information derived from the weighted data was consistent with reliable comparable data from a range of other secondary sources – including demographic details, data from the 2001 Census, and secondary housing statistics. When considering the entire dataset, primary data for the sub-region is accurate to

within $\pm 1.7\%$ points at the 95% level of confidence based on a 50:50 split. Where there is a majority-minority split of 90:10, the data accuracy improves to $\pm 1.0\%$ points at the 95% level of confidence. Further details about the fieldwork, associated validation process and statistical accuracy of the data can be found in Section B of the Technical Report.

^{1.56} All figures from the Household Survey presented in this report have been grossed-up to represent the overall population – therefore where the report discusses specific numbers of households or dwellings, it is not the number of respondents that is referred to but the number of households or dwellings across the sub-region that they represent.

^{1.57} The secondary data sources used included:

- 2001 Census of Population;
- Database of all property sales maintained by HM Land Registry;
- Information on existing stock maintained by Valuation Office Agency;
- Details on local properties from the Royal Mail Small User Postal Address File (PAF);
- HSSA submissions from local authorities;
- Housing Corporation publications from Registered Social Landlord CORE logs (Continuous Recording) and other statistical returns; and
- Local authority housing and planning administrative records.

^{1.58} All secondary data sources used sought to correspond with the date of the primary data collection, and a reference point of March 2007 (or the nearest available date to this point) is the basis for all sources. This is also the base date for the study projections.

^{1.59} This information was complemented by a study of letting agents across the Exeter & Torbay sub-region of all properties currently advertised to let. A sequence of meetings and discussions were also held with a wide range of stakeholders, including individual client groups and professionals involved in housing management and provision across the sub-region.

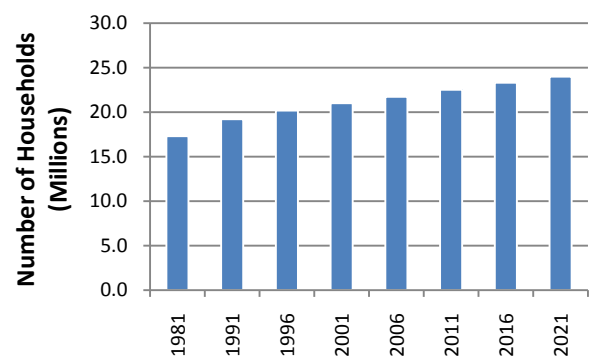
Chapter 2: Housing Market Drivers

- 2.1 This section of the report considers the local population across the sub-region, concentrating in particular on how local circumstances have changed over recent years and how they are projected to change in future. Further information is also provided on the characteristics of local households, and how local employment compares to that elsewhere.

National Level Household Changes

- 2.2 Recent figures show that the number of households in the UK has increased more rapidly than housing supply. There are several key reasons for the increase in household numbers. According to the Office for National Statistics (ONS), until the mid-1990s, natural change was the main driver for population growth. However, more recent population growth has been predominantly based upon international migration.

Figure 8
Number of Households in the UK 1981-2021 (Source: DETR)



- 2.3 Figure 9 shows that there is a natural increase in the UK population. The natural population increase between 2003/04 and 2004/05 was 126,800 people. This increase is commonly attributed to improvements in health care, which reduces child mortality rates and allows people to live for longer.
- 2.4 Figure 10 demonstrates that there has been fairly rapid growth in net UK migration, with particularly high growth between 2003/04 and 2004/05. The ONS reports that this increase was mainly due to the rise in the number of citizens coming from the ten accession countries (A10) that joined the EU in May 2004. Net in-migration of A10 citizens was 74,000 in mid-2005, compared with 10,000 in mid-2004.

Figure 9
Births and Deaths in the UK, 2001-2005 (Source: ONS, General Register Office for Scotland, NI Statistics & Research Agency)

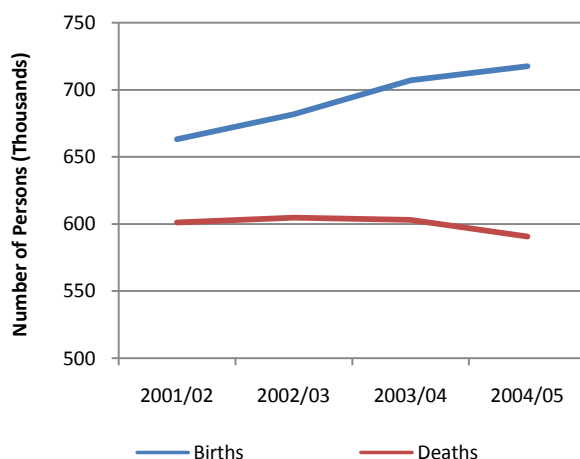
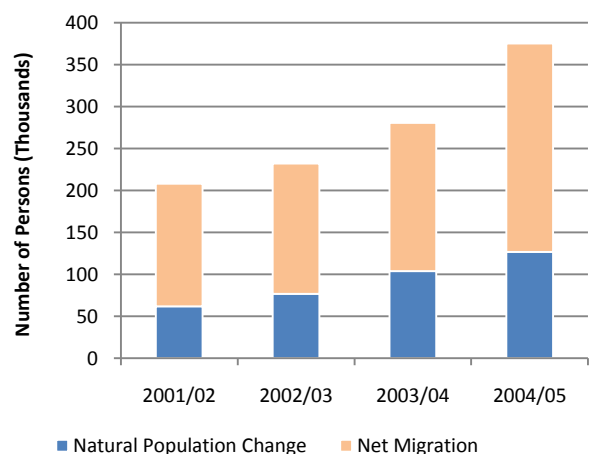


Figure 10
Population Change in the UK, 2001-2005 (Source: ONS, General Register Office for Scotland, NI Statistics & Research Agency)



- 2.5 In addition to a growing population, the size of households has been reducing over recent years, hence housing requirements have increased. The average household size in England was 2.67 in 1981 and is predicted to be 2.15 in 2021.
- 2.6 This significant reduction in household size has several possible causes. It is a common assumption that decreasing average household size is a result of young adults moving out of the parent home. In reality, it is actually more likely that increases in relationship breakdown and divorce are the key contributors. Another reason is the decrease in family size: people are choosing to have fewer children. Finally, due to advances in medical techniques, many older people who outlive their partners are continuing to live alone for significantly longer than older people lived in the past.

Local Population Trends

- 2.7 Figure 11 shows that in 2005 the 5 local authorities within the Exeter & Torbay sub-region had a population of over half a million people and the 2001 Census showed that they contained nearly a quarter of a million households.

Figure 11
Persons and Households by Local Authority (Source: UK Census of Population 2001 and Mid-year Population Estimates 2005)

Local Authority	Persons 2005	Households 2001
East Devon	129,800	55,000
Exeter city	117,600	46,600
Mid Devon	73,000	28,900
Teignbridge	124,500	51,400
Torbay UA	132,800	57,400
Exeter & Torbay sub-region	577,700	239,300

- 2.8 Exeter and Torbay is a sub-region which has seen a steady growth in its population. The long term growth of the sub-region is illustrated in Figure 12. Taking the 1981 population as a base, it shows that the population of Exeter & Torbay sub-region rose by 21.4% in the period up to 2005 from 475,900 to 577,700 people. This compares with a rise in population of over 7% for the whole of England and 15.6% for the South West region.

- 2.9 Figure 13 illustrates that the population of Teignbridge grew by over 30% between 1981 and 2005. By comparison the population of both Exeter city and Torbay grew by around 17% over the same time period.

Figure 12
Population of Exeter & Torbay sub-region, South West and England: 1981-2005 (Source: ONS Mid-Year Population Estimates)

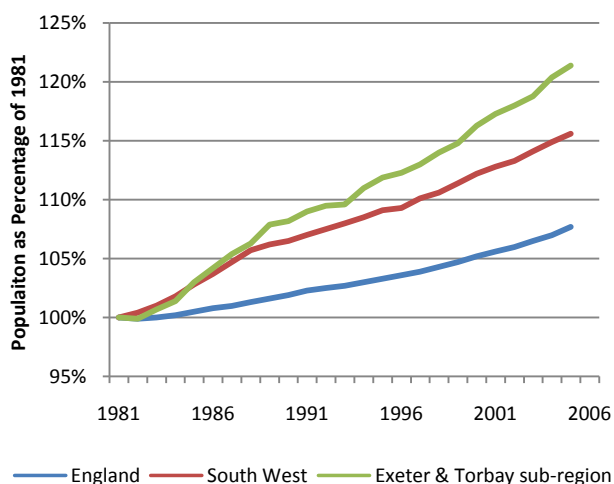
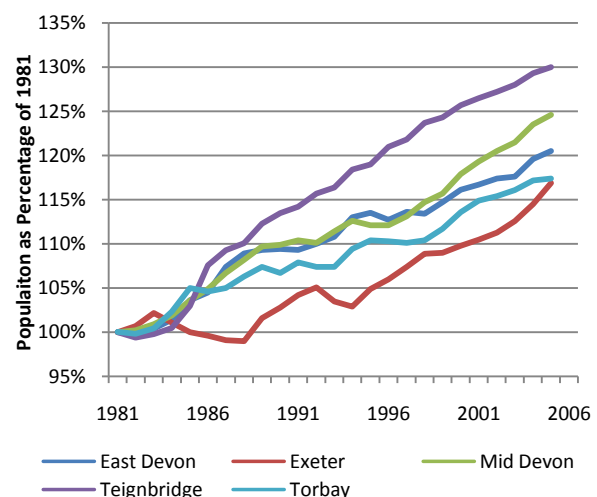


Figure 13
Population by Local Authority: 1981-2005 (Source: ONS Mid-year Population Estimates)



^{2.10} Figure 14 shows that this rise in population of Exeter and Torbay is expected to continue in the future. Based on population estimates from 2004, the Office of National Statistics estimate that the population of Exeter and Torbay will rise to 715,900 by 2029. This would represent an over 20% rise in the period 2004-2029. The population projections also show that the population of Mid Devon is expected to rise proportionally much more rapidly than that of Exeter.

^{2.11} The age structure of the population of the Exeter & Torbay sub-region (Figure 15) shows that there are far fewer young families in the area than in England and Wales as a whole. In particular there is a lower population share for those aged 25-39 years, while those aged over 50 years are highly represented in the population.

^{2.12} Figure 16 shows that over 30% of the entire population of East Devon is pensionable age or over. Pensionable age is over 60 years for females and over 65 years for males. Exeter contains proportionately the lowest number of people of pensionable age in the sub-region and has an age profile which is not dissimilar from that of England and Wales as a whole.

Figure 14
Population Projections by Local Authority 2004-2029 (Source: ONS Sub-national Population Projections: 2004 based data)

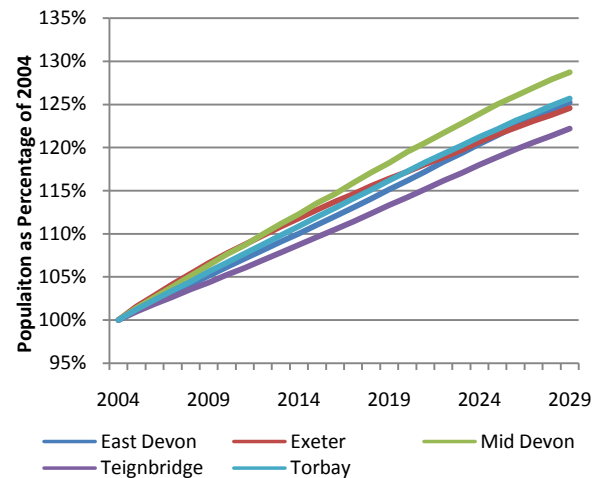


Figure 15
Age Profile for Exeter & Torbay sub-region Compared with England and Wales: 2005 (Source: ONS Mid-Year Population Estimates)

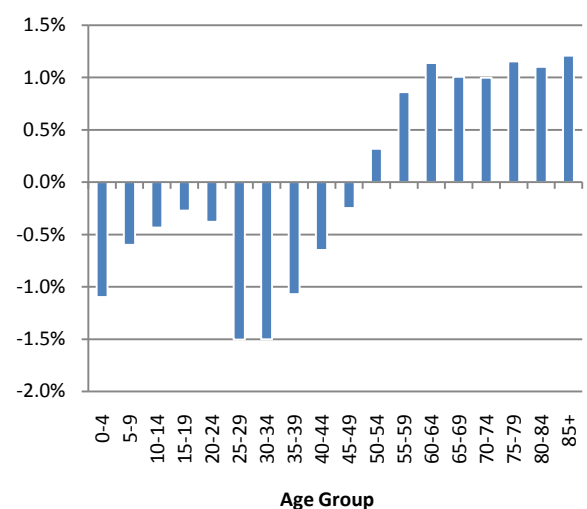
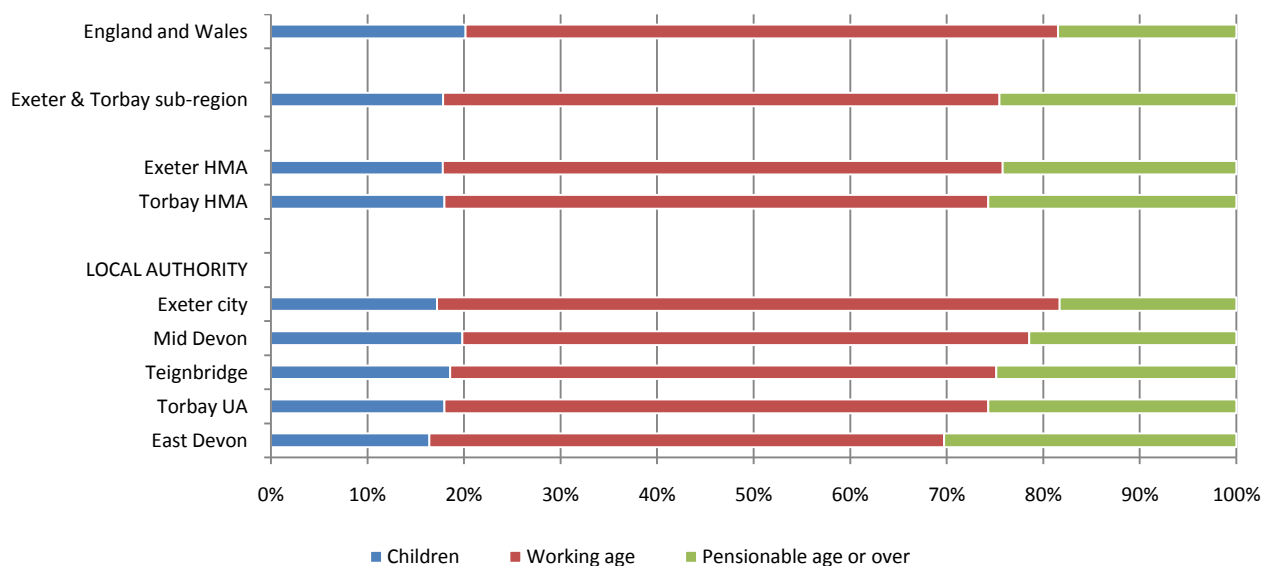


Figure 16
Age Profile by Area (Source: UK Census of Population 2001)



Migration

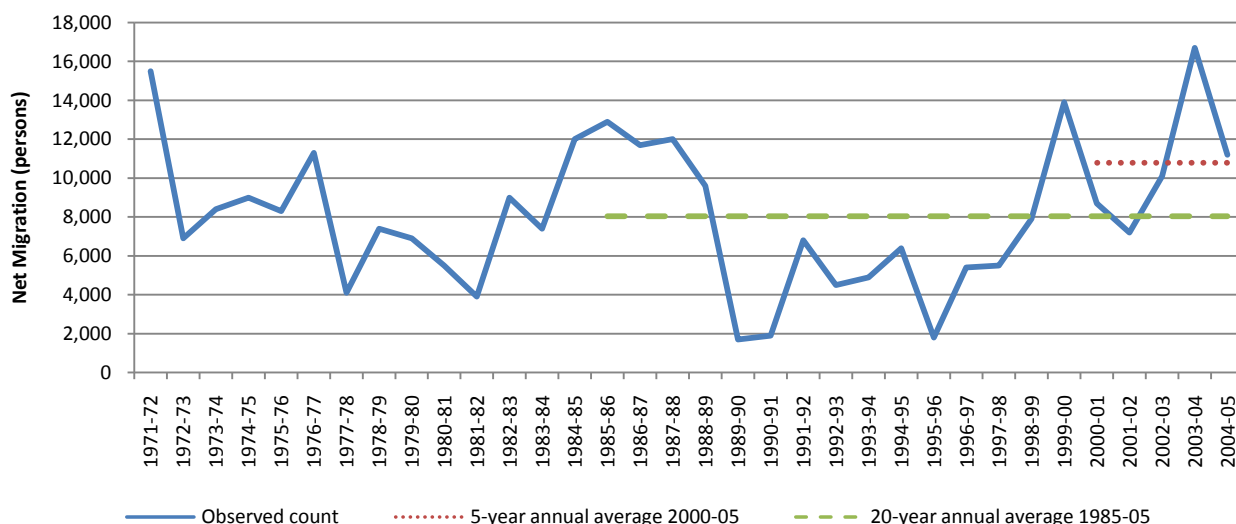
- 2.13 Data from the 2001 Census showed that of the sub-region's 557,000 residents, 66,800 (12.0%) had moved within the last 12-months. Of those that had moved, 38,750 moved within the same authority, 25,850 moved from elsewhere in the UK and 2,200 moved to the area from overseas. It is also worth noting that the sub-region gained a net 4,700 people from across the UK in 2000-2001. A further 3,900 people resident in the sub-region were recorded as having "No usual address" 12-months before the Census.

Long-term Migration Trends

- 2.14 However, trends in migration are subject to significant fluctuation from year-to-year as illustrated below. For this reason, migration rates are typically averaged over a period of time to even out any short-term highs or lows. The chart shows the most recent 5-year and 20-year averages for net migration to Devon County – where it is apparent that basing the trend on the last five years would imply almost 3,000 additional net migrants each year than if the 20-year figures were adopted.

Figure 17

Long-term Migration Trends for Devon County 1971-2005 (Source: Devon County Council. Note: Net migration assumed to be the difference between the population)



- 2.15 There are no "correct" assumptions for projecting future migration patterns – but typically the average would be based on a similar period as that of the projection, i.e. when projecting forwards twenty years it would be typical to adopt the average from the last twenty years. Nevertheless, whichever trend period is adopted could have a significant impact on the projection results – and this is one of the key reasons why such a wide range of estimates exist as to the number of additional homes that will need to be provided in the years to come.
- 2.16 Since 1996-97, the ONS has published relatively localised migration data using information from the NHS Central Register (NHSCR) which records the movement of individuals who change GP. The NHSCR data provides an effective way of monitoring changes in migration over time, but it is important to recognise the limitations of the data – for not everyone who moves will register with a doctor, so some migration will not be counted. Nevertheless, as the data provides the best available basis for analysis, the following information details migration patterns for the sub-region and the constituent authorities over the period 2001-2005.

Figure 18

Net Migration to Exeter & Torbay sub-region by England and Wales Region 2001-2005 (Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales based on patient register data and patient re-registration recorded in the NHSCR. Note: Figures may not sum due to rounding)

UK Region	2001	2002	2003	2004	2005	Total
South West	980	940	980	1,090	500	4,490
North East	40	10	(50)	(20)	10	(10)
North West	270	180	230	230	180	1,090
Yorkshire & Humberside	160	70	0	80	60	370
East Midlands	280	60	70	150	230	790
West Midlands	980	780	840	980	710	4,290
Eastern	460	540	640	840	570	3,050
London	950	1,250	1,280	1,360	880	5,720
South East	2,290	2,550	2,600	2,800	1,770	12,010
Wales	60	(50)	(130)	(130)	(10)	(260)
Total	6,470	6,330	6,460	7,380	4,900	31,540

^{2.17} Figure 18 shows the net migration to Exeter & Torbay sub-region from every region of England and Wales in the past 5 years. Overall, migration accounted for a rise in the sub-region population of 31,540 people from 2001 to 2005. This represents over 5% of the current population of the area. The major regions that migrants have moved to the Exeter & Torbay sub-region from are the South East, London, West Midlands and the rest of the South West.

^{2.18} Figure 19 shows the net migration to the sub-region between 2001 and 2005 from the rest of England and Wales. Darker shades of blue represent higher levels of in-migration and red represents out-migration. Thicker arrows are also associated with higher levels of net migration.

^{2.19} Figure 20 shows the net migration to the sub-region between 2001 and 2005 from the rest of the South West region. Darker shades of blue represent higher levels of in-migration and red represents out-migration with thicker lines again representing higher levels of net migration. This shows out-migration to Taunton Deane, but the sub-region receives net migration from all other parts of the South West.

Figure 19
Net Migration to Exeter & Torbay sub-region by the Government Office Regions of England and Wales 2001-2005 (Source: ONS Migration Statistics Unit)

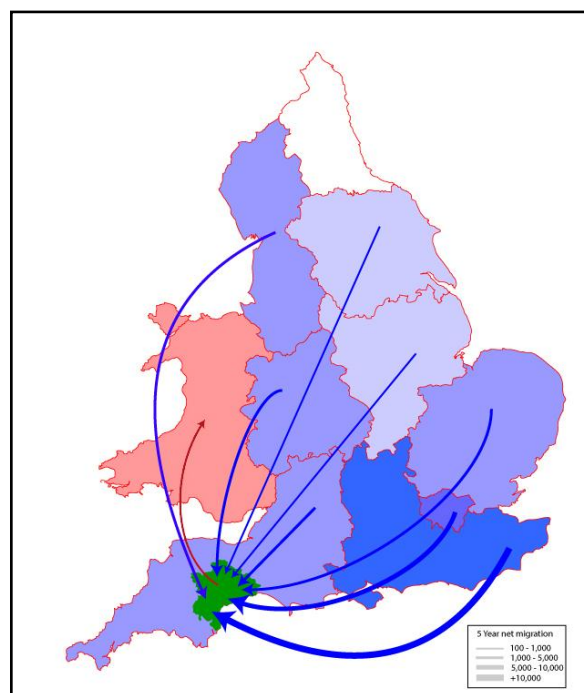


Figure 20

Net Migration to Exeter & Torbay sub-region by South West Local Authorities 2001-2005 (Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales based on patient register data and patient re-registration recorded in the NHSCR)

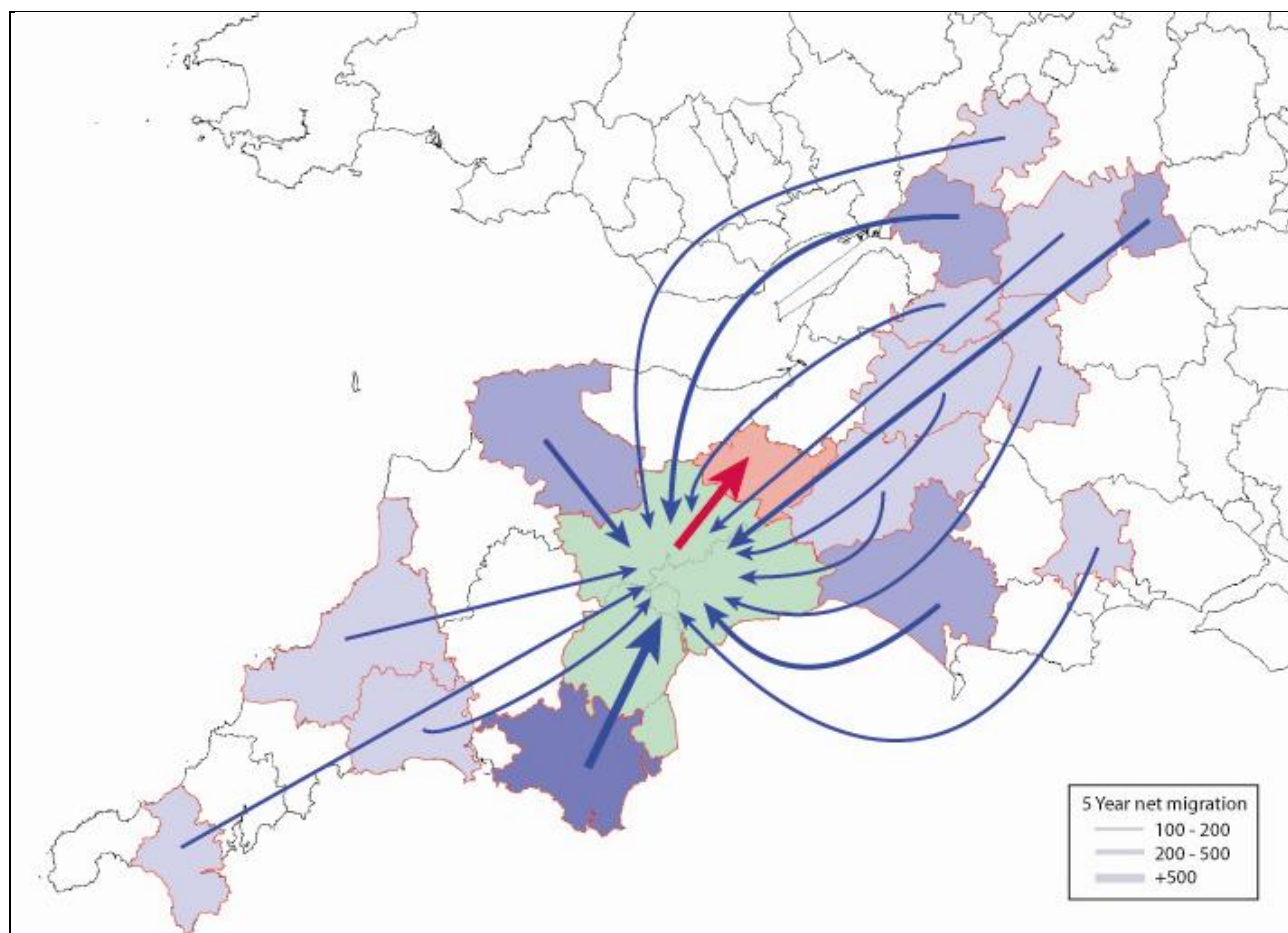


Figure 21

Top 10 Local Authorities with the Highest Net Migration to Exeter & Torbay sub-region 2000-2005 (Source: ONS Migration Statistics Unit)

Local Authority	In-migrants	Out-migrants	Net
South Hams	6,010	4,710	1,300
Birmingham	2,350	1,400	950
Bracknell Forest	1,090	210	880
Wokingham	1,190	380	810
Croydon, London	800	290	510
Hillingdon, London	760	250	510
West Berkshire	810	390	420
Basingstoke and Deane	750	350	400
Reading	870	480	390
South Oxfordshire	670	280	390

Figure 22

Top 10 Local Authorities with the Highest Net Migration from Exeter & Torbay HMAs 2000-2005 (Source: ONS Migration Statistics Unit)

Local Authority	In-migrants	Out-migrants	Net
Taunton Deane	2,570	3,270	(700)
Cardiff	1,130	1,490	(360)
Carmarthenshire	200	320	(120)
Westminster, London	330	420	(90)
Blackpool	200	280	(80)
Oxford	680	760	(80)
Durham	90	160	(70)
South Holland	20	90	(70)
Powys	180	240	(60)
Swansea	470	530	(60)

^{2.20} Figure 21 shows the individual local authorities which have had the highest net migration to the Exeter & Torbay sub-region. The neighbouring authority of South Hams has the largest net migration to the sub-region, but the other authorities on the list cover a wide area of the Midlands and southern England. Most notably there are four authorities from Berkshire in the list (Bracknell Forest, Wokingham, West Berkshire and Reading). This migration may be associated with the movement of the Met Office from Berkshire to Exeter.

- ^{2.21} Figure 22 shows the local authorities to which Exeter and Torbay lost population through migration. This again represents a diverse list of areas with the largest out-migration being to the neighbouring authority of Taunton Deane.
- ^{2.22} Figure 23 shows the net migration which occurred in each of the local authorities between 2001 and 2005. Therefore, as an example there was a net movement of 1,790 people from London to East Devon between 2001 and 2005. It should be noted that the Plymouth HMA is defined as the local authorities of Caradon, Plymouth, South Hams and West Devon. Somerset is the local authorities of Mendip, Sedgemoor, South Somerset, Taunton Dean and West Somerset.
- ^{2.23} Exeter lost large numbers of people to East Devon, Mid Devon and Teignbridge. It did however gain population from the South East and the rest of the South West region. The other authorities consistently gained population from across southern England and the Midlands – though it is worth noting that three of the five authorities did lose population to Somerset.

Figure 23

Net Migration in to Exeter & Torbay sub-region Local Authorities 2001-2005 by Area (Source: ONS Migration Statistics Unit)

From	To					Total
	East Devon	Exeter city	Mid Devon	Teignbridge	Torbay UA	
Exeter & Torbay sub-region						
East Devon	-	(1,270)	150	(50)	0	(1,170)
Exeter city	1,270	-	800	590	(170)	2,490
Mid Devon	(150)	(800)	-	(20)	50	(920)
Teignbridge	50	(590)	20	-	130	(390)
Torbay UA	0	170	(50)	(130)	-	(10)
Sub-Total	1,170	(2,490)	920	390	10	0
Rest of England & Wales						
Plymouth HMA	150	360	(60)	620	480	1,550
Somerset County	(160)	100	(300)	(30)	110	(280)
Elsewhere in the South West	1,140	880	240	290	650	3,200
North East	0	10	(10)	(10)	0	(10)
North West	310	20	130	130	500	1,090
Yorkshire and Humberside	80	40	20	70	160	370
East Midlands	210	50	40	210	280	790
West Midlands	830	460	220	810	1,970	4,290
Eastern	960	330	350	690	720	3,050
London	1,790	180	680	1,290	1,780	5,720
South East	3,720	1,890	1,880	2,490	2,030	12,010
Wales	(90)	280	(70)	(270)	(110)	(260)
Sub-Total	8,940	4,620	3,120	6,290	8,570	31,540
Total	10,100	2,200	4,200	6,900	8,600	32,000

Destination of Migrants to the sub-region

2.24 When considering migration in relation to housing sub-markets, Figure 24 illustrates that households from outside the sub-region were most likely to move to the Coastal Towns and, households from the Honiton sub-markets being least likely to move to Torbay.

2.25 The map below illustrates the relative distribution of migrants across the sub-region – where it is apparent that there is a significant concentration to the North East of Exeter city. It is also apparent that there are certain areas towards the centre of Exeter and parts of Torbay that have not attracted any significant number of recent migrants (shown in white on the map).

Figure 24
Movers from outside Exeter & Torbay sub-region in Last 3 Years by Housing Sub-Market Area (Source: Exeter & Torbay Household Survey 2006-07)

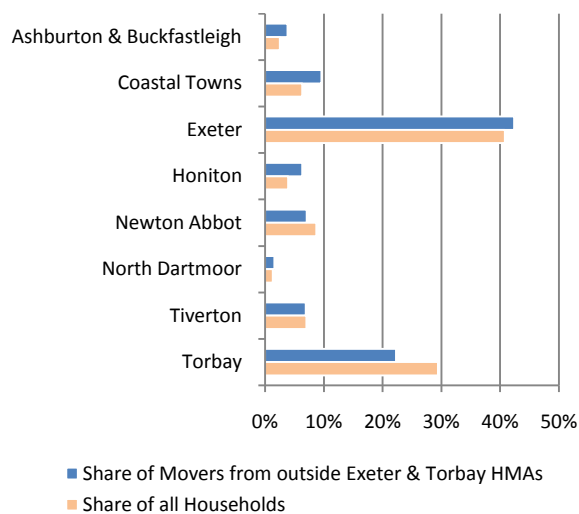
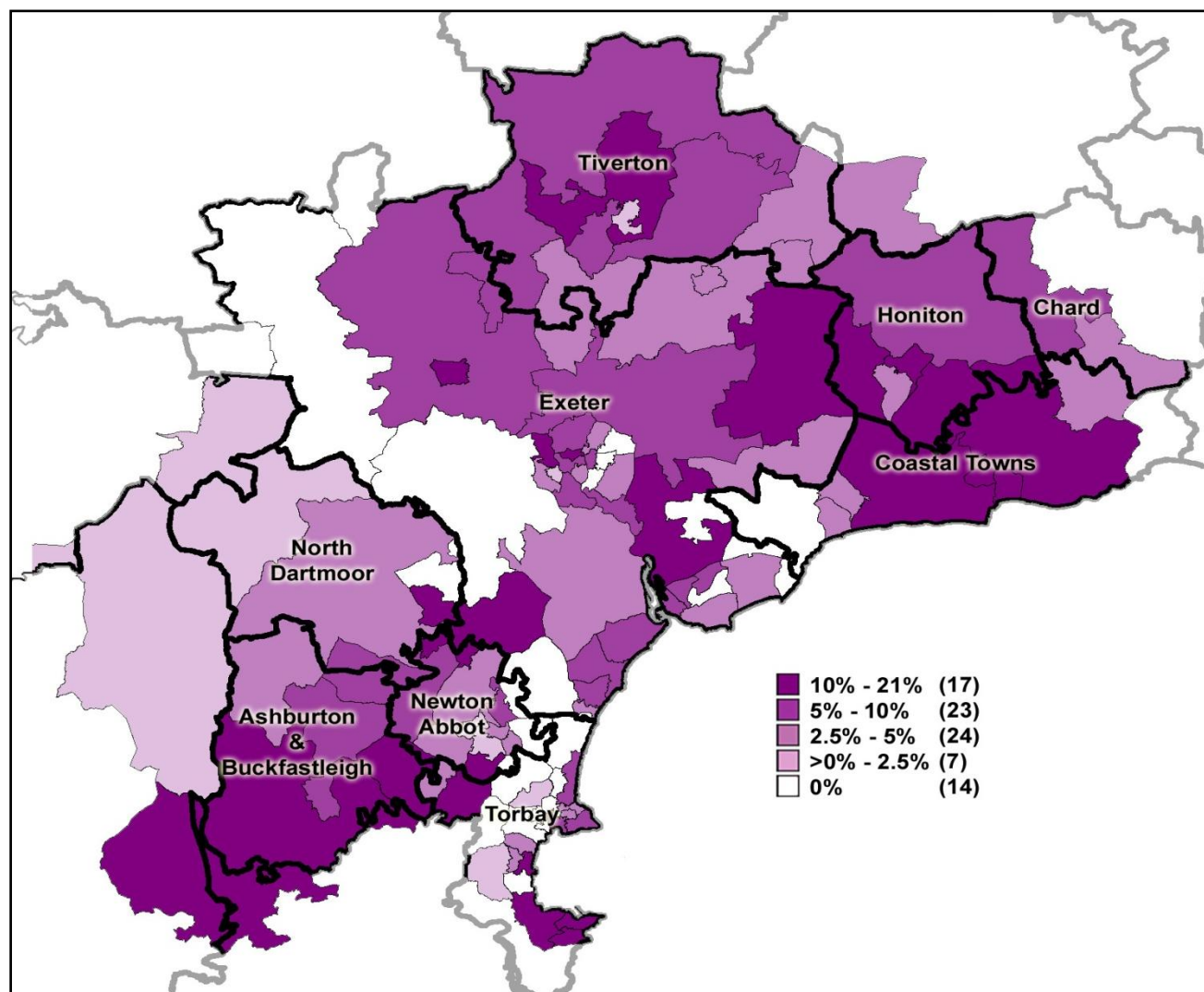


Figure 25

In-migrant Households in the last 3 years (Source: Exeter & Torbay Household Survey 2006-07. Notes: Geography is based on middle-level Super COA. Figures shown in brackets on the legend indicate number of middle-level Super COAs with results within the identified band)



Migration within the sub-region

2.26 Figure 26 shows the net migration between the local authorities in the sub-region between 2001 and 2005 with thicker lines representing higher levels of net migration. This shows that Exeter loses population to East Devon, Mid Devon and Teignbridge.

2.27 Figure 27 details the migration patterns within the sub-region, summarising the number of persons moving both to and from the identified sub-markets as a matrix of internal moves. It is apparent that whilst only the Exeter and Torbay sub-markets retain at least 70% of movers vacating homes in the area, half of all movers stayed within the Coastal Towns, Honiton, Newton Abbot and Tiverton sub-markets.

Figure 26
Migration between Exeter & Torbay sub-region Local Authorities
2001-2005 (Source: ONS Migration Statistics Unit)

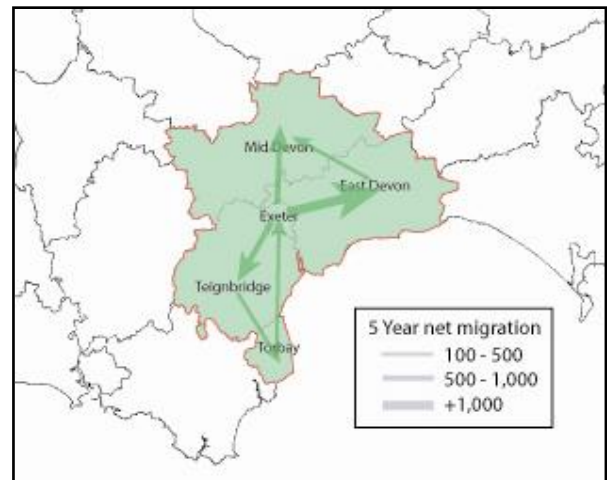


Figure 27
Migration Patterns by Housing Sub-Market Areas (Source: UK Census of Population 2001. Note: Figures may not sum due to rounding)

Local Housing Market Area		Area of Current Home									
		Buckfastleigh	Chard	Coastal Towns	Exeter	Honiton	Newton Abbot	North Dartmoor	Tiverton	Torbay	Elsewhere
% of Migrants that Moved from the Area											
Area of Previous Home	Ashburton & Buckfastleigh	42%	-	-	8%	-	11%	3%	-	6%	31%
	Chard	-	21%	17%	4%	17%	-	-	4%	-	37%
	Coastal Towns	-	1%	51%	12%	8%	-	-	-	1%	26%
	Exeter	-	-	1%	70%	1%	2%	-	1%	1%	23%
	Honiton	-	1%	10%	14%	47%	-	-	-	1%	26%
	Newton Abbot	2%	-	-	11%	-	52%	1%	-	12%	22%
	North Dartmoor	4%	-	1%	17%	-	9%	31%	1%	3%	33%
	Tiverton	-	-	-	15%	-	-	-	56%	1%	27%
	Torbay	-	-	-	4%	-	4%	-	-	72%	20%
	Elsewhere										
% of Migrants that Moved to the Area											
Area of Previous Home	Ashburton & Buckfastleigh	31%	-	-	-	-	2%	4%	-	-	
	Chard	-	12%	1%	-	1%	-	-	-	-	
	Coastal Towns	-	8%	38%	1%	10%	-	1%	-	-	
	Exeter	5%	4%	8%	55%	13%	8%	9%	10%	2%	
	Honiton	-	6%	5%	1%	35%	-	-	-	-	
	Newton Abbot	7%	-	-	1%	-	41%	8%	-	3%	
	North Dartmoor	1%	-	-	-	-	1%	25%	-	-	
	Tiverton	-	-	-	1%	1%	-	2%	50%	-	
	Torbay	4%	-	-	1%	-	9%	1%	-	57%	
	Elsewhere	51%	70%	48%	38%	40%	38%	50%	38%	37%	

Age of Migrant Persons

- 2.28 The age structure of the net migrants to Exeter & Torbay sub-region is shown in Figure 28. The area has experienced a net gain of over 15,000 migrants in the 45 and above age categories. This is the equivalent of around 2.5% of the entire population of the area.
- 2.29 Participants at the stakeholder focus groups reported there has been an increase in young professional migrants from areas such as the South East of England. It is thought that young professionals are migrating to the South West for the greater quality of life, having made sufficient money to invest in housing.

Figure 28

Migration to and from Exeter & Torbay sub-region by Age Group 2001-2005 by Year (Source: ONS Migration Statistics Unit)

Age Group	2001	2002	2003	2004	2005	Total
In Migrants						
0-15 years	4,190	3,960	4,090	3,960	3,640	19,840
16-24 years	5,950	6,150	6,160	6,060	6,050	30,370
25-44 years	8,090	7,800	8,040	8,430	7,440	39,800
45-64 years	5,210	5,470	5,160	5,390	4,480	25,710
65+ years	2,460	2,770	2,390	2,420	2,100	12,140
Total	25,920	26,190	26,040	26,560	23,580	128,290
Out Migrants						
0-15 years	2,630	2,600	2,580	2,370	2,230	12,410
16-24 years	6,260	6,250	6,190	6,120	6,280	31,100
25-44 years	6,170	6,160	6,020	6,100	5,960	30,410
45-64 years	2,620	2,930	3,080	2,810	2,720	14,160
65+ years	1,720	1,870	1,750	1,760	1,490	8,590
Total	19,450	19,860	19,580	19,180	18,680	96,750
Net Migrants						
0-15 years	1,560	1,360	1,510	1,590	1,410	7,430
16-24 years	(310)	(100)	(30)	(60)	(230)	(730)
25-44 years	1,920	1,640	2,020	2,330	1,480	9,390
45-64 years	2,590	2,540	2,080	2,580	1,760	11,550
65+ years	740	900	640	660	610	3,550
Total	6,470	6,330	6,460	7,380	4,900	31,540

- 2.30 Figure 29 shows that Exeter has experienced a net gain of over 3,500 16-24 year olds in the last five years. This is unsurprising given its status as a university city. However, the other authorities have all experienced a net out-migration in this age group, but have a large net in-migration among older groups.
- 2.31 It is also noteworthy that between 2000 and 2005 Exeter lost around 2,500 net migrants to the rest of the sub-region. However, it gained around 600 net migrants aged 16-24 years from the other authorities in the sub-region. These individuals were less likely to be students moving to the university because if they were students many would have remained in their parental home. Therefore, it is more likely that they were other young adults moving to Exeter because of the job, housing and lifestyle opportunities in the city. This implies that Exeter not only attracts young people because of the university, but that it also attracts young people from neighbouring authorities because of its employment, cheaper housing and access to services.

Figure 29

Net Migration in to Exeter & Torbay sub-region Local Authorities by Age Group 2001-2005 (Source: 2001 Census)

Age Group	East Devon	Exeter city	Mid Devon	Teignbridge	Torbay UA	Total
Net Migrants						
0-15 years	2,750	(570)	1,120	1,980	2,200	7,430
16-24 years	(1,400)	3,650	(920)	(1,620)	(390)	(730)
25-44 years	2,760	(640)	2,080	2,660	2,600	9,390
45-64 years	4,620	(460)	1,380	3,020	3,020	11,550
65+ years	1,440	(40)	170	790	1,210	3,550
Total	10,100	2,200	4,200	6,900	8,600	31,540

2.32 Figure 30 shows a breakdown of the household types that have moved in the last three years. This shows that although nearly 20% of all households who moved from outside the sub-region were all pensioners. Around 50% of the households who moved to the sub-region were an adult couple with or without children.

2.33 Nearly a third of all households who moved to the Exeter & Torbay sub-region in the last three years do not contain anyone who works, and 14% of all respondents who had moved to the sub-region in the last three years were self employed (compared to 7.5% of all households). Many of this group are likely to have brought their existing business with them and have just chosen the Exeter & Torbay sub-region as a location because of lifestyle rather than economic factors.

2.34 These results would indicate that employment opportunities were not a key factor in attracting many households to the sub-region – but it is equally worth noting that more than half of those moving to the area are employed, and the availability of jobs is likely to have been important to them in deciding to move to the sub-region. In this context, it is apparent that sustained employment opportunities are likely to be needed if existing migration rates are to continue.

2.35 It is important to consider the structure of households when assessing housing needs. An area with more single people requires more separate accommodation, while an area with

Figure 30

Household Type, Working and Employment Status of Movers in Last 3 years by Location of Previous Home (Source: Exeter & Torbay Household Survey 2006-07)

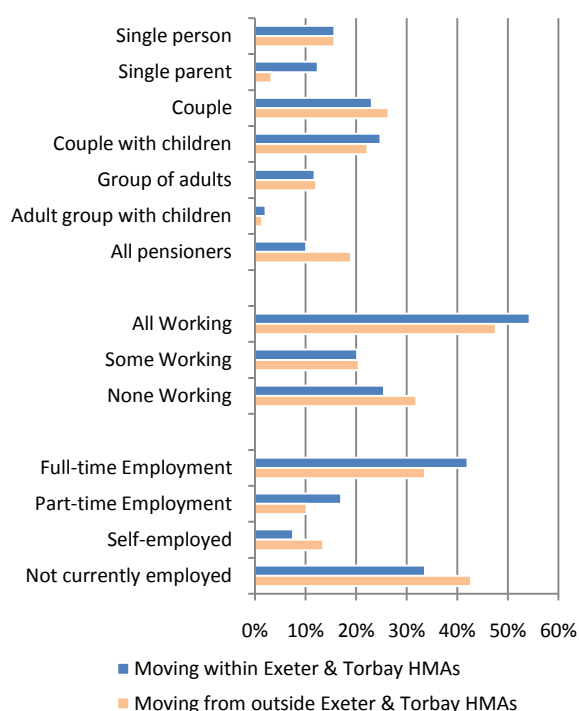
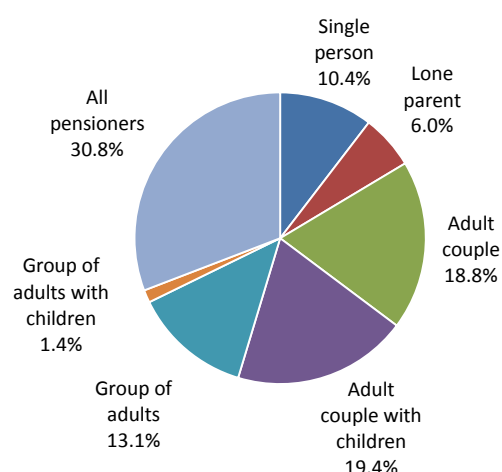


Figure 31

Household Type (Source: Exeter & Torbay Household Survey 2006-07)



large families will require larger houses to accommodate them. The household structure of the Exeter & Torbay sub-region follows from its older than average population. In particular 31% of all households were comprised of all pensioners.

- 2.36 Participants at the stakeholder focus groups felt that the aging population of the area was having a considerable impact on the housing in the sub-region. Notably, larger family homes are being under occupied and there have been some attempts to redress this imbalance by encouraging people to move out of the family home into smaller accommodation. Stakeholders also identified that a decreasing household size was the most apparent demographic change in the study area. The decrease in average household size was mostly attributed to the break-up of families and was having a major impact on housing requirements with more single people requiring accommodation.

Figure 32

Household Projections for Exeter HMA and Torbay HMA to 2026 (Source: Devon County Council, May 2007)

Household Type	2001	2006	20-yr Migration Trend		5-yr Migration Trend		
			2026	2006-26	2026	2006-26	
Exeter HMA							
Married couple	91,100	90,600	92,200	+1,600	93,600	+3,000	
Cohabiting couple	15,800	19,300	32,200	+12,900	33,100	+13,700	
Lone parent	10,100	11,400	13,400	+2,000	13,800	+2,400	
Other multi-person	10,800	11,200	13,100	+1,900	13,400	+2,200	
Single person below retirement age	19,900	25,000	39,800	+14,900	40,900	+15,900	
Single person retirement age or over	35,100	36,800	54,200	+17,400	54,600	+17,800	
All household groups	182,900	194,300	244,900	+50,600	249,300	+55,000	
Torbay HMA							
Married couple	26,000	25,300	24,600	-700	24,600	-700	
Cohabiting couple	4,800	5,700	9,200	+3,500	9,200	+3,500	
Lone parent	4,200	4,700	5,400	+600	5,400	+600	
Other multi-person	3,300	3,500	4,500	+1,000	4,500	+1,000	
Single person below retirement age	8,700	10,400	15,500	+5,200	15,500	+5,200	
Single person retirement age or over	10,500	10,700	15,000	+4,300	15,000	+4,300	
All household groups	57,600	60,300	74,200	+13,900	74,200	+13,900	
Total							
Married couple	117,100	115,900	116,800	+900	118,200	+2,300	
Cohabiting couple	20,600	25,000	41,400	+16,300	42,200	+17,200	
Lone parent	14,300	16,100	18,700	+2,600	19,200	+3,000	
Other multi-person	14,100	14,700	17,600	+2,900	17,900	+3,200	
Single person below retirement age	28,600	35,300	55,300	+20,000	56,400	+21,100	
Single person retirement age or over	45,700	47,500	69,200	+21,700	69,600	+22,100	
All household groups	240,500	254,600	319,100	+64,500	323,500	+68,900	

Figure 33

Dwelling Type and Tenure by Household Type (Source: Exeter & Torbay Household Survey 2006-07)

Household Type	Detached	Semi-detached	Terraced	Flat	Owned	Private Rent	Social Rent
Single person	9.6%	21.4%	32.7%	36.2%	54.4%	33.1%	12.4%
Lone parent	9.4%	22.3%	45.6%	22.7%	38.8%	30.2%	31.0%
Adult couple	32.8%	26.5%	27.7%	13.0%	82.8%	12.6%	4.6%
Adult couple with children	31.0%	35.3%	30.3%	3.4%	81.2%	9.6%	9.2%
Group of adults	31.6%	29.1%	31.9%	7.4%	75.6%	13.8%	10.7%
Group of adults with children	37.2%	30.3%	26.8%	5.7%	63.8%	23.0%	13.2%
All pensioners	38.0%	22.1%	18.2%	21.7%	78.1%	6.9%	15.0%

All household groups	30.1%	26.5%	27.4%	16.0%	74.2%	13.8%	12.0%
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The Local Economy

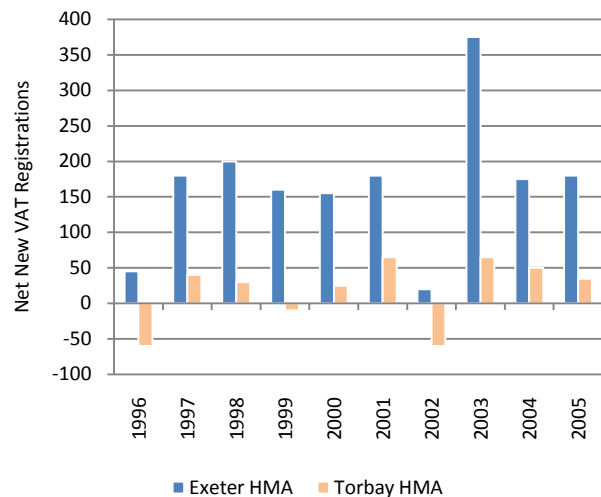
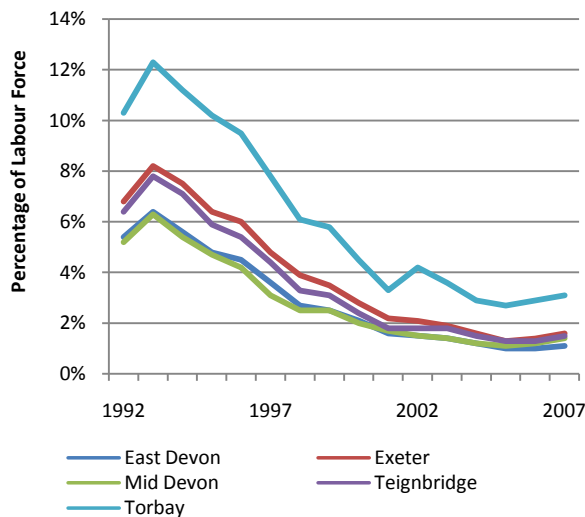
- ^{2.37} The Exeter & Torbay sub-region has undergone an economic transformation in recent years. The rural and coastal nature of much of the sub-region produced a traditional economic structure with a strong emphasis upon agriculture and tourism. However, in recent years growth in the sub-region has exceeded national and regional rates with the city of Exeter being particularly buoyant.
- ^{2.38} This growth is expected to continue focusing upon the service industries in the city and extending the role of the knowledge economy. The relocation of the Met Office to the city is symptomatic of the potential for new jobs related to science, technology and the research opportunities afforded by the presence of the University.
- ^{2.39} Nevertheless, this prosperity hides pockets of deprivation. In particular the economy of Torbay has lagged behind that in the Exeter housing market in terms of its development. The Torbay economy remains more dependent upon low paid, seasonal and part-time employment in the service sector. Earnings for residents of Torbay are below those for the rest of the sub-region and unemployment is higher.

Economic Activity

- ^{2.40} Figure 34 shows that unemployment has been in long-term decline in all the local authorities in the sub-region. Therefore, the majority of those who are economically active are in employment.
- ^{2.41} A measure of innovation and entrepreneurship is the number of new VAT registered businesses in a year. A business must register for VAT if its turnover exceeds £61,000 per year. It can de-register if its turnover falls below £59,000. In practice most de-registration is likely to be due to the business being acquired, merged or liquidated. Figure 35 shows the net new VAT registrations in Exeter and Torbay per annum. In total, since 1996 the number of VAT registered businesses in the Exeter HMA has grown by 1,670 while the number in the Torbay HMA has grown by 180. This would indicate that much of the growth of businesses in the sub-region has been concentrated on the Exeter HMA.

Figure 34
Unemployment Rate for Working Age Population by Local Authority:
1992-2007 (Source: Claimant Count. Note: Data relates to January each
year)

Figure 35
Net New VAT Registered Businesses in Exeter HMA and Torbay
HMA: 1996-2005 (Source: VAT Registrations)

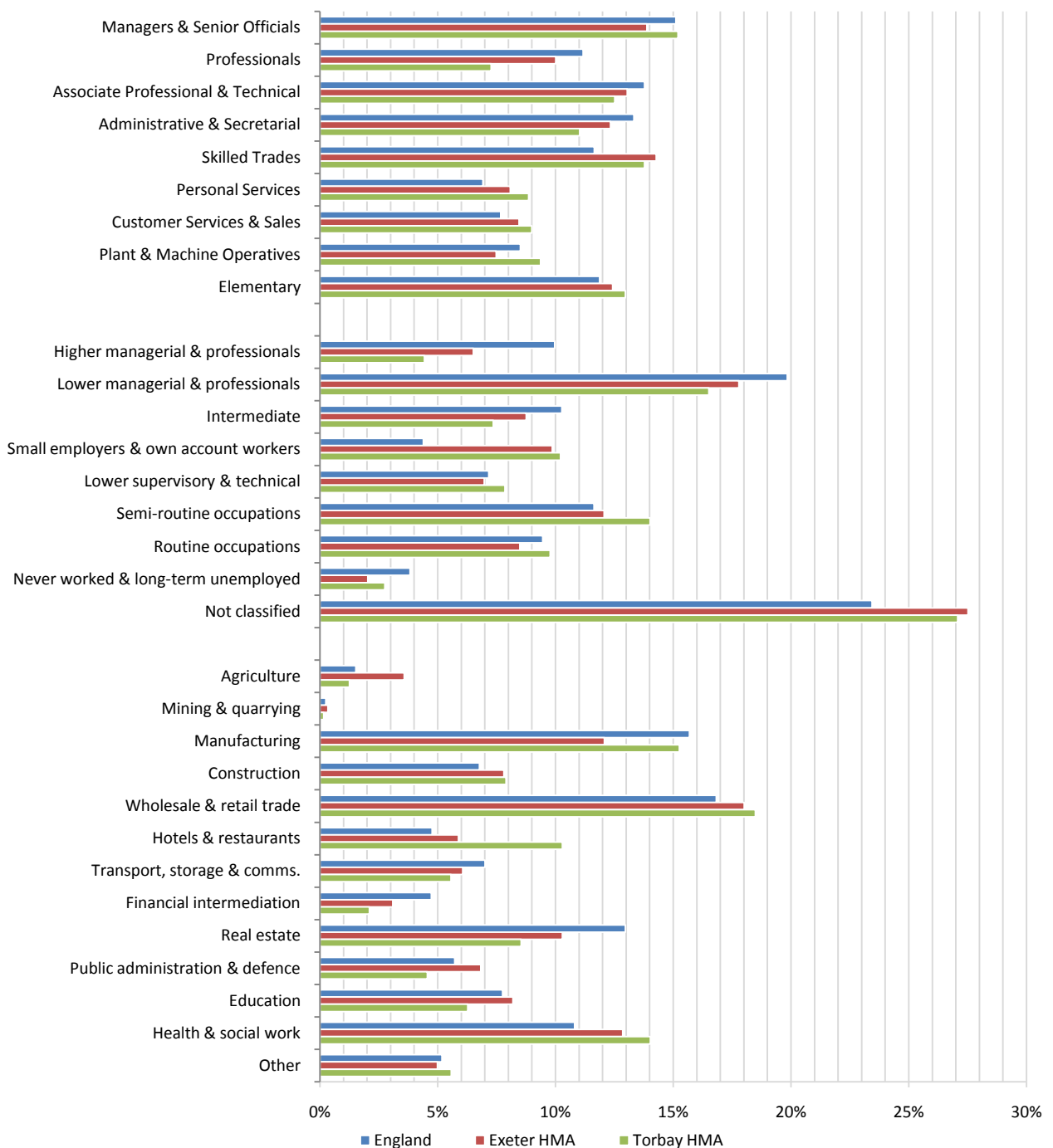


2.42 The range of occupations of Exeter and Torbay residents do not differ widely from those of the overall population of England, but that there are fewer people employed in professional and administrative occupations and more in skilled and service areas. When the Exeter HMA is compared with the Torbay HMA, it can be seen that the Exeter HMA contains a higher share of people in professional occupations. Torbay HMA contains a higher proportion of occupations classified within the “services and plant and machine operatives” category.

2.43 The National Statistics Socio-economic Classifications (NS-SeC) is not an objective measure such as industry of employment or occupation, but it is a construct to reflect the socio-economic circumstances of the individual. Each person in a NS-SeC category has a similar socio-economic status. An explanation for each of the categories can be found in Section C of the Technical Report.

Figure 36

Occupation, NS-SeC and Industry of Employment for Exeter HMA and Torbay HMA compared to England (Source: UK Census of Population 2001)



2.44 The population of Exeter and Torbay contains proportionally more small employers and own account workers with proportionally fewer people in managerial and professional categories. The Exeter HMA contains a higher share of people in managerial and professional categories. Meanwhile the Torbay HMA contains a higher share of people in routine occupations.

2.45 When considering the types of industry providing residents' employment, it is apparent that hotels and restaurants and health and social work are relatively very important to the Exeter and Torbay economy. Manufacturing and real estate form a much smaller share of employment than they do in England as a whole. The relative importance of hotels and restaurants to the Torbay HMA economy is clear, but the sector still only accounts for around 10% of all employment in the area. Wholesale and retail trade, manufacturing and health and social work all employ more people in the Torbay HMA.

Incomes and Earnings

2.46 Alongside economic activity the other key component of the economy of an area is the wages earned by workers. There are two separate ways to analyse average earnings in a local authority. One is to examine only those who are employed within the authority. The other is to examine the earnings of the residents of the authority.

2.47 Since 2002 the New Earnings Survey (NES) and subsequently the Annual Survey of Hours and Earnings (ASHE) has recorded both measures for all local authorities. There are some concerns about the sample sizes within ASHE at district level – nevertheless, it is worth emphasising that this data is shown for information only, in order to understand how relative incomes have changed over time. This data is not the basis of the affordability analysis – which utilises data from the 3,470 interviews conducted for the study.

2.48 Figure 37 shows the comparisons for each authority for mean gross annual earnings for 2006. The results show that residents in East Devon are the highest earners in the sub-region. Those employed in Exeter typically earn more on average than those who are resident in Exeter, while for East Devon and Mid Devon residents typically earn more than those employed in the local authorities.

2.49 The evidence from Figure 38 shows that average salaries have always been higher for those employed in Exeter than in the other local authorities.

2.50 Figure 37 refers only to those in full-time employment. Exeter and Torbay HMAs are characterised by many employees working whether part-time or seasonally. Figure 39 shows the average person resident in any of the local authorities in the Exeter & Torbay sub-region earns around £4,500 less than the average full-time employee.

2.51 Figure 40 shows the gross household income levels found in the sub-region. Gross household income includes income from all sources such as earnings, pensions, interest on savings, rent from property and state benefits, but does not include housing benefit. This measure of income is more important than individual earnings for housing purposes because household income gives a greater guide as to how much a household can afford to spend on housing.

Figure 37
Mean Gross Annual Earnings for Local Authorities in Exeter & Torbay sub-region in 2006 for Full-time Employees (Source: ASHE 2006)

Local Authority	Employed in Area	Resident in Area
East Devon	£22,328	£25,663
Exeter city	£24,821	£23,245
Mid Devon	£20,687	£24,587
Teignbridge	£21,628	£23,222
Torbay UA	£22,414	£22,887

Figure 38
Mean Gross Annual Earnings for Employed in Local Authorities in Exeter & Torbay sub-region 1999-2006 for Full-time Employees (Source: ASHE 1999-2006)

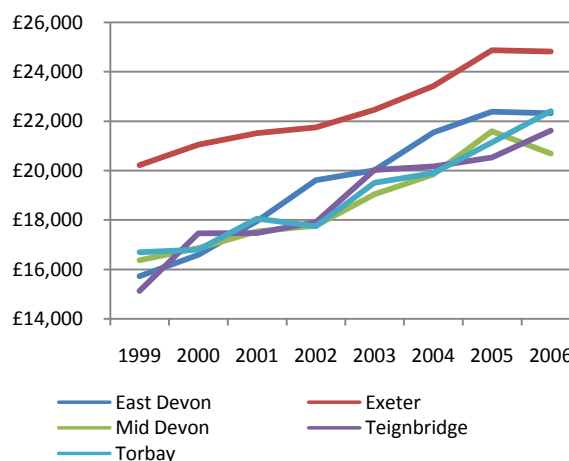


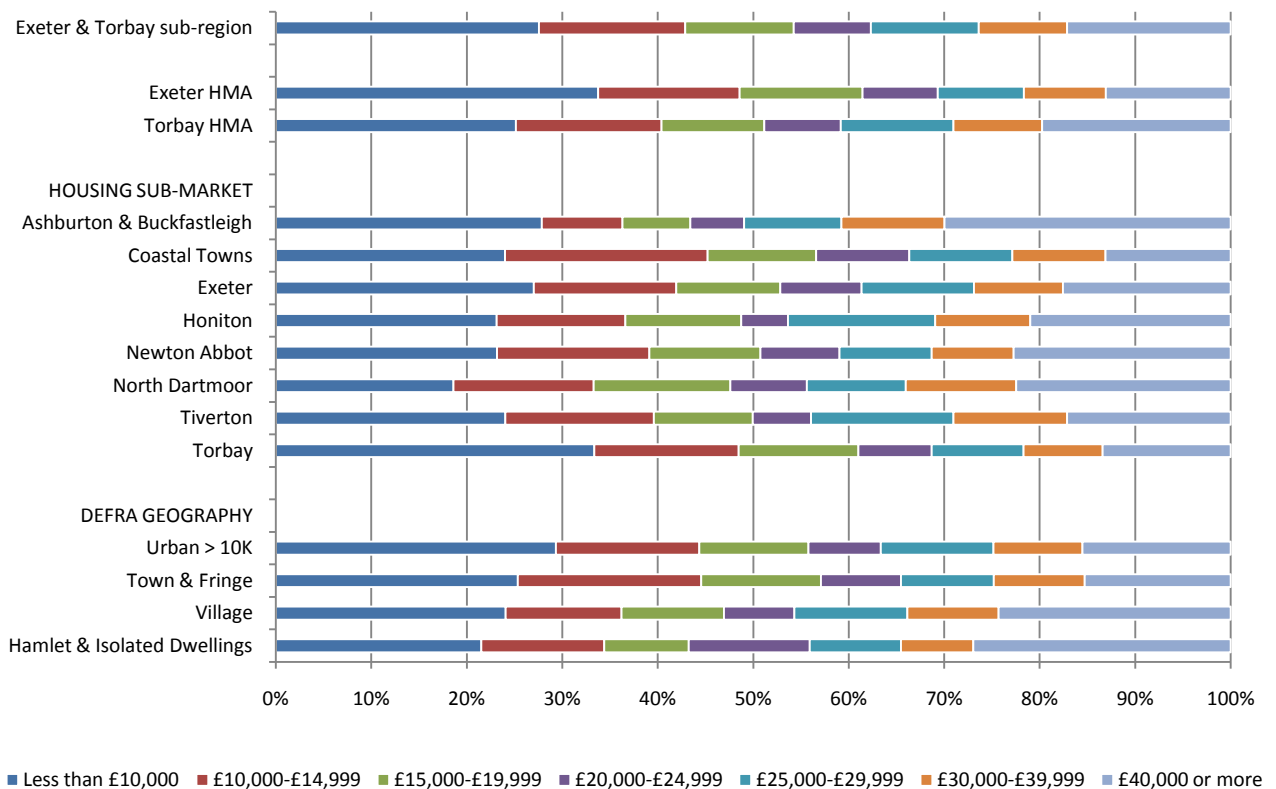
Figure 39
Mean Gross Annual Earnings for Residents in Local Authorities in Exeter & Torbay sub-region in 2006 (Source: ASHE 2006)

Local Authority	Average Earnings	
	Overall	Full-time
East Devon	£21,081	£25,663
Exeter city	£19,423	£23,245
Mid Devon	£21,251	£24,587
Teignbridge	£18,943	£23,222
Torbay UA	£18,498	£22,887

^{2.52} Figure 40 shows that while over 40% of households have a household income of less than £15,000; 27% have household incomes of £30,000 or more. Many of the rural housing markets such as Buckfastleigh and Honiton contain more households with higher incomes. Meanwhile, households living in Torbay are the least likely to have higher levels of household income. Figure 40 also shows that Hamlets and Isolated Dwellings and Villages were the most likely to contain households earning over £40,000 per annum.

Figure 40

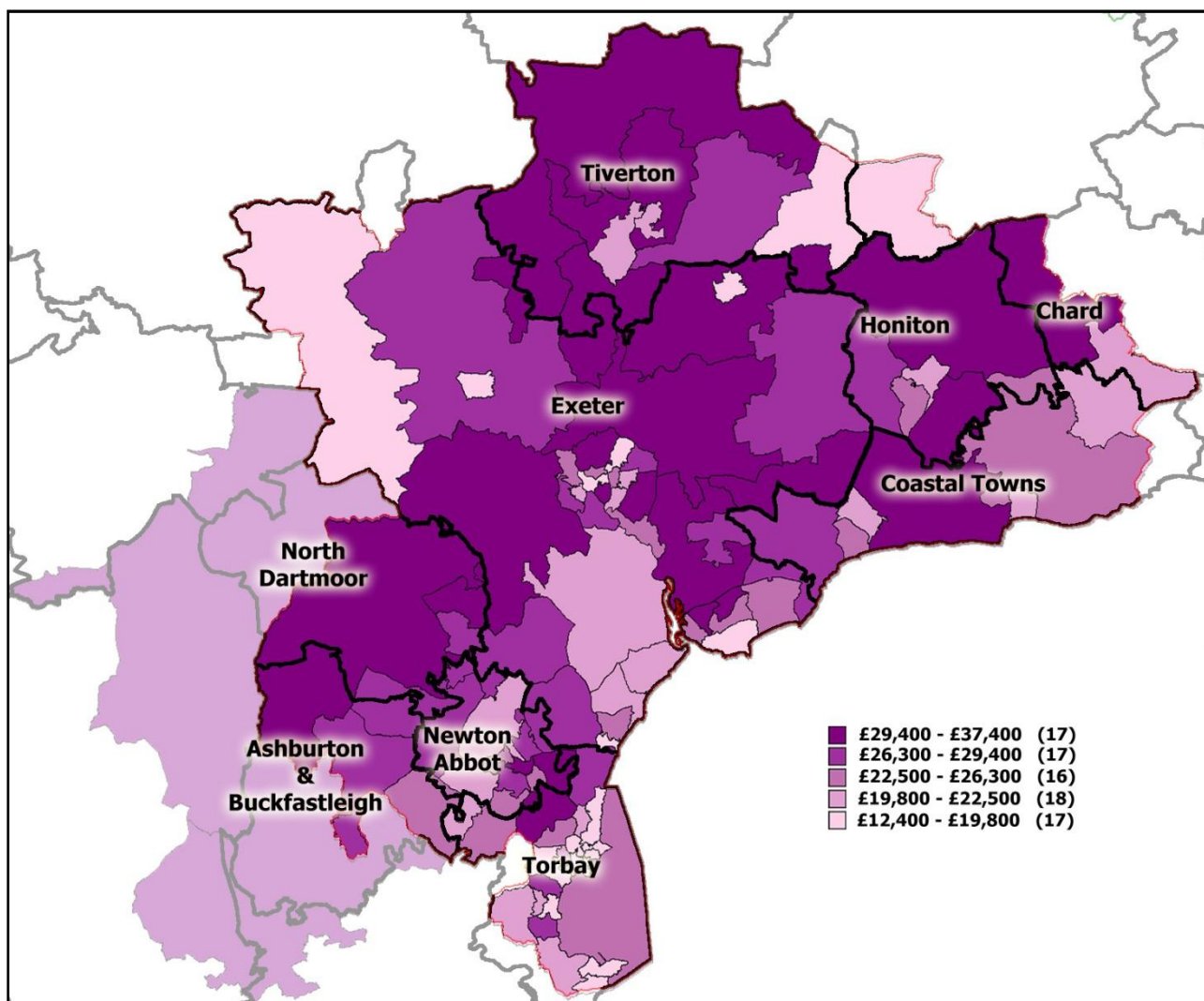
Household Income by Housing Sub-Market Area and DEFRA Geography (Source: Exeter & Torbay Household Survey 2006-07)



- 2.53 Figure 41 illustrates that household incomes are on average higher in rural areas of East Devon, Mid Devon and Teignbridge.

Figure 41

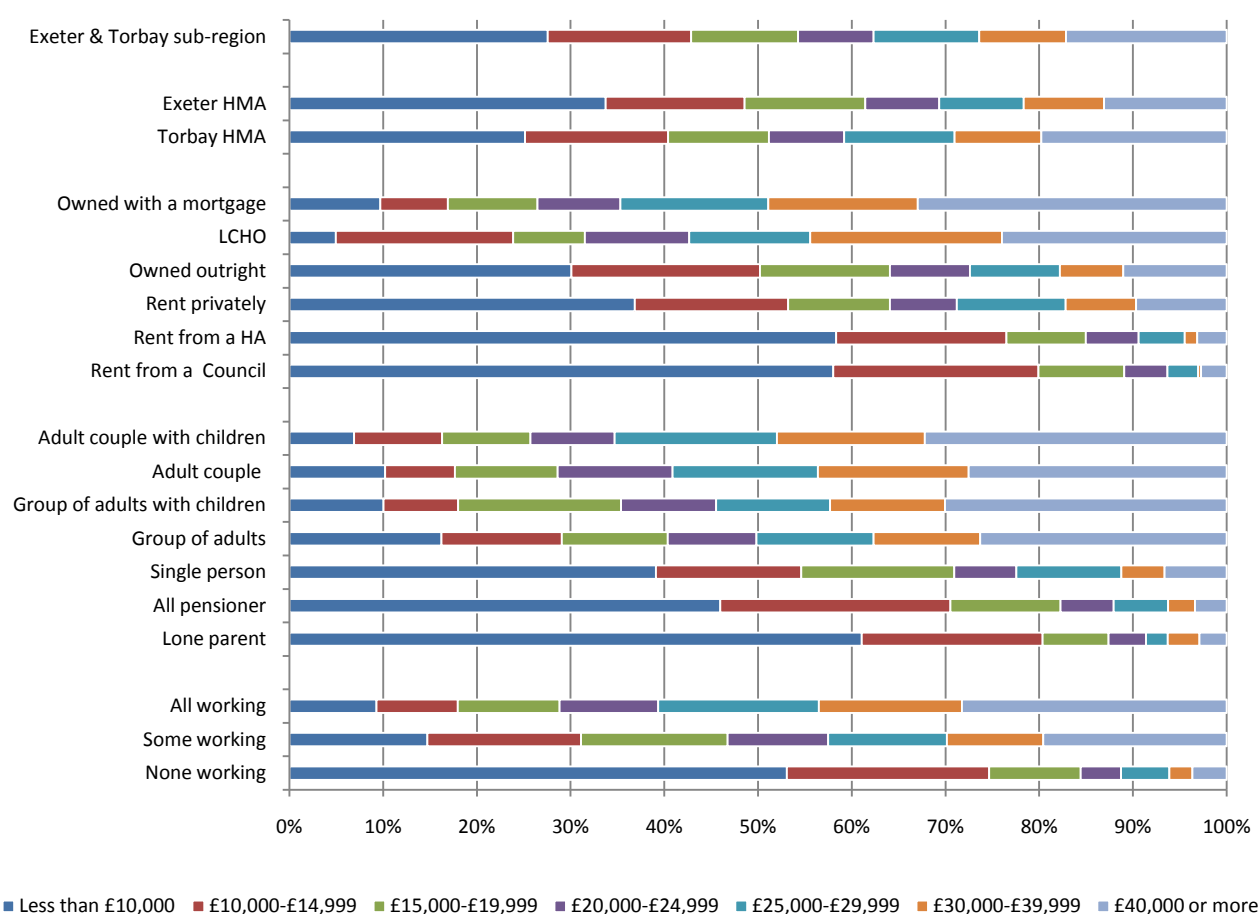
Average Household Earnings by middle-level Super COA (Source: Exeter & Torbay Household Survey 2006-07)



- 2.54 Figure 42 compares the gross household income levels by the current tenure, household type and employment status of the household. This shows that while 50% of households who own outright have a household income of less than £15,000, almost 50% of those who own with a mortgage have a household income of £30,000 or more. It is also noticeable that around 10% of households who rent from a council and 15% who rent from a housing association have incomes of £20,000 or more.
- 2.55 Approaching half of adult couples with or without children have household incomes of £30,000 or more. However, over 80% of lone parent and 70% of all pensioner households have incomes of less than £15,000. Over 50% of households with no-one working have an income of less than £10,000 while nearly half of those households where every adult member works have an income of £30,000 or more.

Figure 42

Household Income by Tenure, Household Type and Employment Status of Household (Source: Exeter & Torbay Household Survey 2006-07)



Skills and Education

^{2.56} Figure 43 shows the proportion of the population over 16 years who are educated to NVQ4 or higher level, and those with no formal qualifications. NVQ4 is considered to be the equivalent of a university degree. A full definition of qualification levels is given in Section C of the Technical Report.

^{2.57} Compared with the South West region as a whole, the population of the sub-region is over-represented in the no qualification category and under-represented in the degree and above category.

^{2.58} There is a distinct split in education levels between Exeter HMA and Torbay HMA. Torbay has a higher proportion of its population in the lower education level categories and fewer in the higher levels of qualifications.

Figure 43

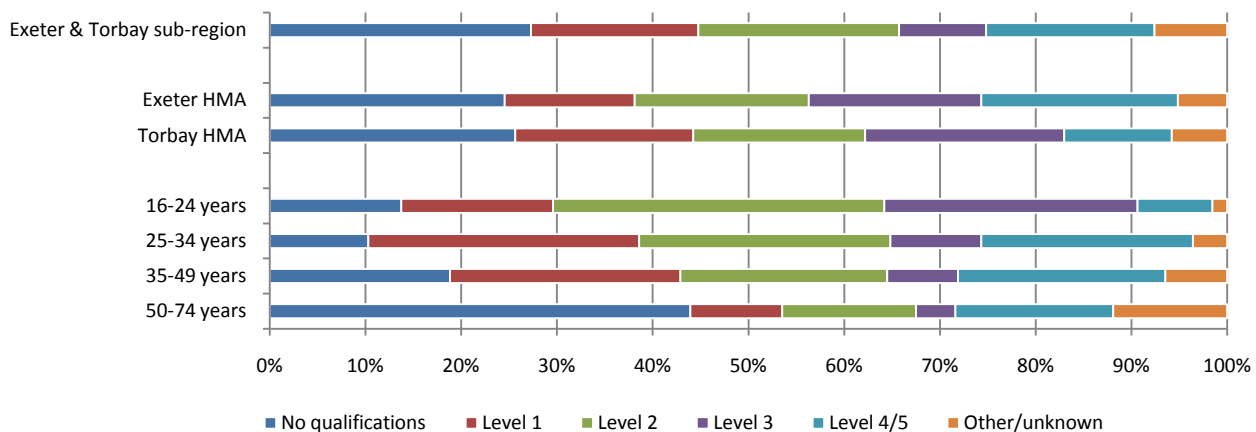
Qualification Levels for Exeter HMA, Torbay HMA, Exeter & Torbay sub-region, South West and England (Source: UK Census of Population 2001)

Education Level	England	South West	Exeter HMA	Torbay HMA	Exeter & Torbay sub-region
Level 0	28.9%	26.2%	26.3%	30.5%	27.3%
Level 1	16.6%	17.7%	17.0%	19.3%	17.5%
Level 2	19.4%	21.4%	20.9%	21.3%	21.0%
Level 3	8.3%	8.6%	9.7%	6.8%	9.1%
Level 4 / 5	19.9%	18.8%	18.8%	13.5%	17.6%
Other / unknown	6.9%	7.2%	7.3%	8.5%	7.6%

- 2.59 Figure 44 shows that nearly 45% of the population of the sub-region aged over 50 years possess no formal qualifications. The results for the young population are much more encouraging, with over 20% of everyone aged 25-49 years having the equivalent to a degree or higher.

Figure 44

Qualification Levels for Exeter & Torbay sub-region by Age (Source: UK Census of Population 2001)



- 2.60 Respondents to the household survey were also asked about any future plans they had to study. Over 30% of respondents did expect to study in the next three years, with nearly 80% of this group studying for a formal qualification. Over 40% of those who expect to study plan to do so for personal interest, but over 30% intend to study for professional development and nearly 20% are studying in order to secure a higher paid job.
- 2.61 Among the 70% who do not intend to study the main reasons given were that they were not motivated or that they did not have the time to study. Those who currently have no formal qualifications are very unlikely to expect to study in the next three years. Only around 10% of this group expect to attend any courses in the next three years. By contrast, over 50% of those respondents who had a degree expected to study in the next three years.

Travel to Work

- 2.62 We can identify travel to work behaviour through analysis of the 2001 Census data.

- 2.63 The data identifies that 223,400 people both live and work in the Exeter & Torbay sub-region. This represents around 92% of all those living in the area who have a job, and 93% of all those who work in the Exeter & Torbay sub-region. Of this group 30,050 work mainly at or from home, which represents 12.3% of all those residents of Exeter & Torbay sub-region who have jobs. This result was confirmed by the Household Survey which found that 11% of all respondents work from home.

- 2.64 Unsurprisingly the vast majority of people who travel to work in and out of Exeter and Torbay

Figure 45

Travel to Work Patterns for Residents in Local Authorities in Exeter & Torbay sub-region in 2001 (Source: Census 2001)

UK Region	Travel to Work		
	To	From	Net
Exeter & Torbay sub-region	223,417	223,417	-
Rest of the South West	14,204	14,924	(720)
North East	45	21	24
North West	151	276	(125)
Yorkshire & Humberside	192	125	67
East Midlands	151	144	7
West Midlands	296	438	(142)
Eastern	190	349	(159)
London	240	1,234	(994)
South East	350	1,526	(1,176)
Wales	213	174	39
Scotland	-	99	(99)
Northern Ireland	40	9	31
Overseas	-	973	(973)
Total	239,489	243,709	(4,220)

do so to and from other parts of the South West region. However, it is worth noting that a net 2,100 people leave the sub-region to work in London and the South East.

^{2.65} Figure 46 shows more generally the travel to work times for Exeter and Torbay residents. This shows that over a quarter of all residents of Exeter & Torbay sub-region spend less than 10 minutes travelling to work and over 80% spend less than 30 minutes. Almost 30% of employees who live in Teignbridge have a travel to work time of more the 30 minutes. This is supported by evidence from the 2001 Census which shows that residents of East Devon, Mid Devon and Teignbridge were all more likely to travel further to work.

Figure 46

Travel to Work Times by Local Authority (Source: Exeter & Torbay Household Survey 2006-07)

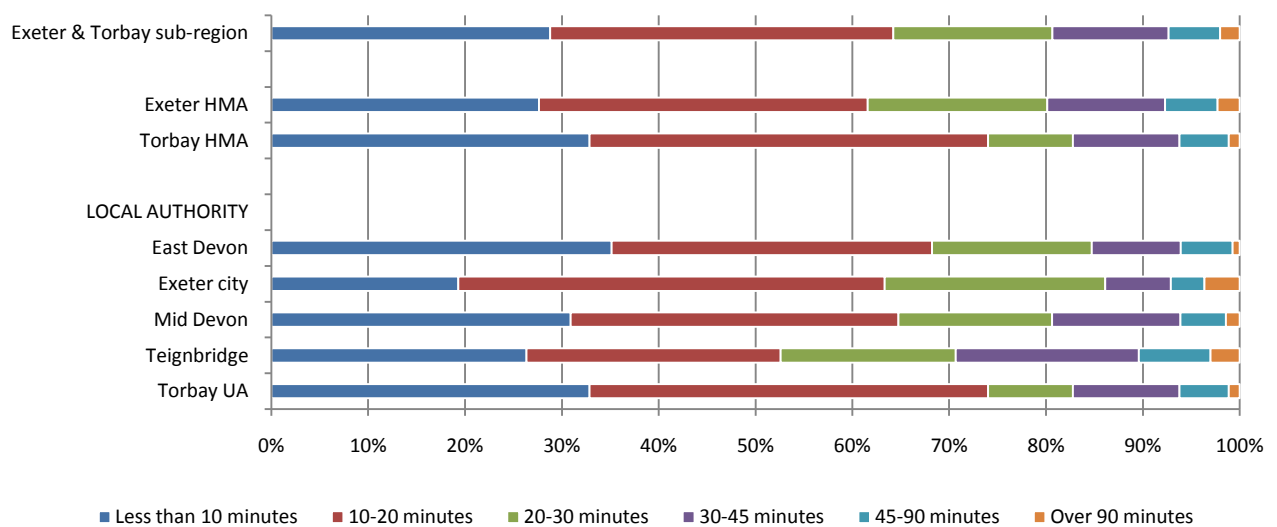
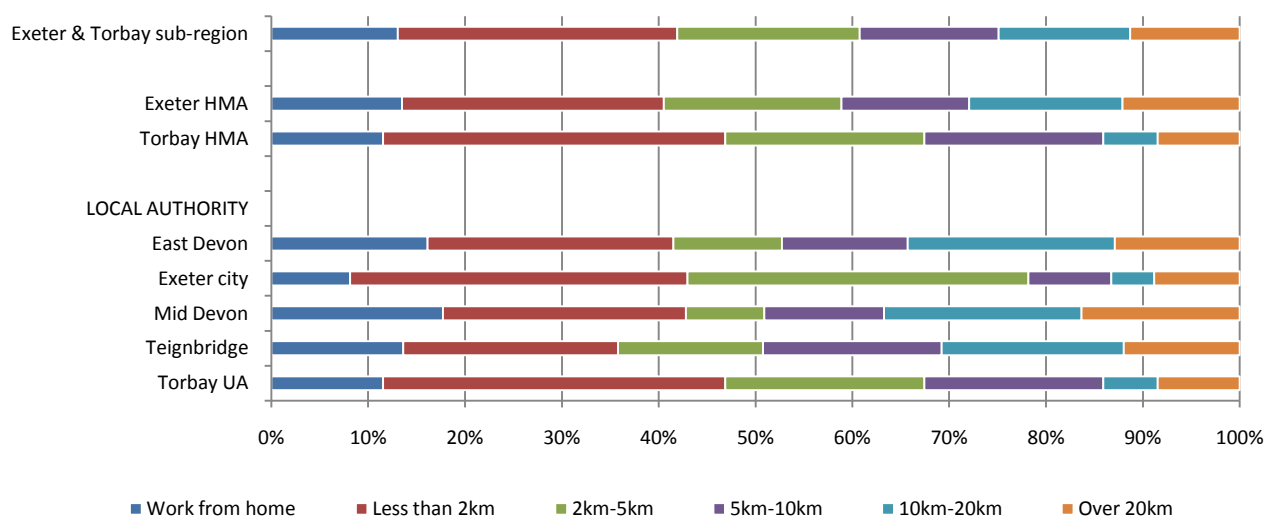


Figure 47

Travel to Work Distance by Local Authority (Source: UK Census of Population 2001)

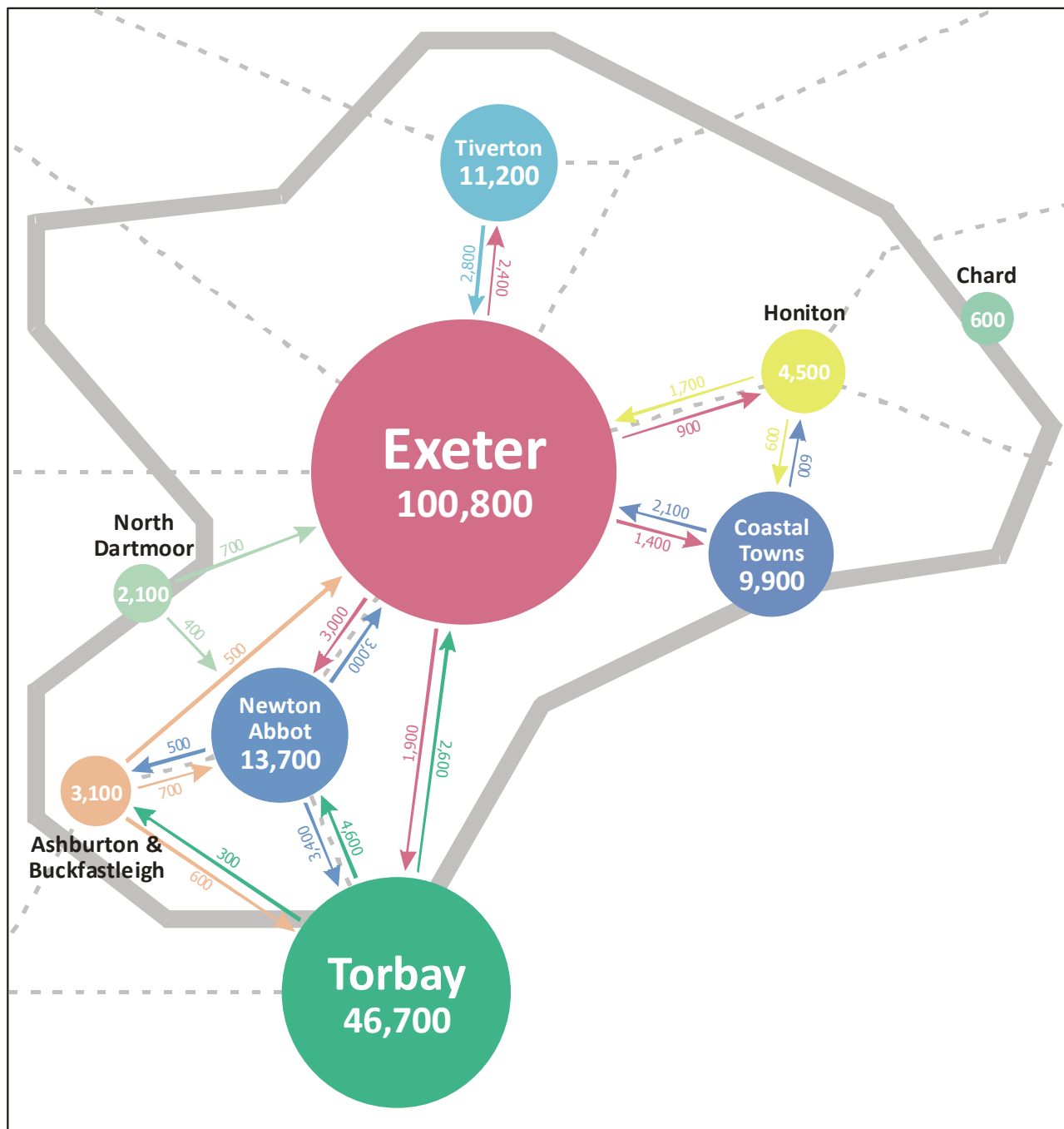


- 2.66 In terms of travel to work patterns, Figure 48 clearly shows the general independence of the local HMAs from each other, though each has strong links with Exeter itself. The figures within each location show the number of people who both live and work within the HMA, whereas the arrows show the number of people travelling between HMAs.

Figure 48

Travel to Work Patterns between Housing Sub-markets within the Exeter & Torbay Sub-region (Source: UK Census of Population 2001.

Note: Dotted lines denote major transport routes)



^{2.67} Figure 49 provides the relevant figures underwriting the travel to work maps, summarising the percentage of persons moving both to and from the identified HMAs as a matrix of internal moves and providing further details of the origin of those people travelling to the sub-region from elsewhere.

Figure 49

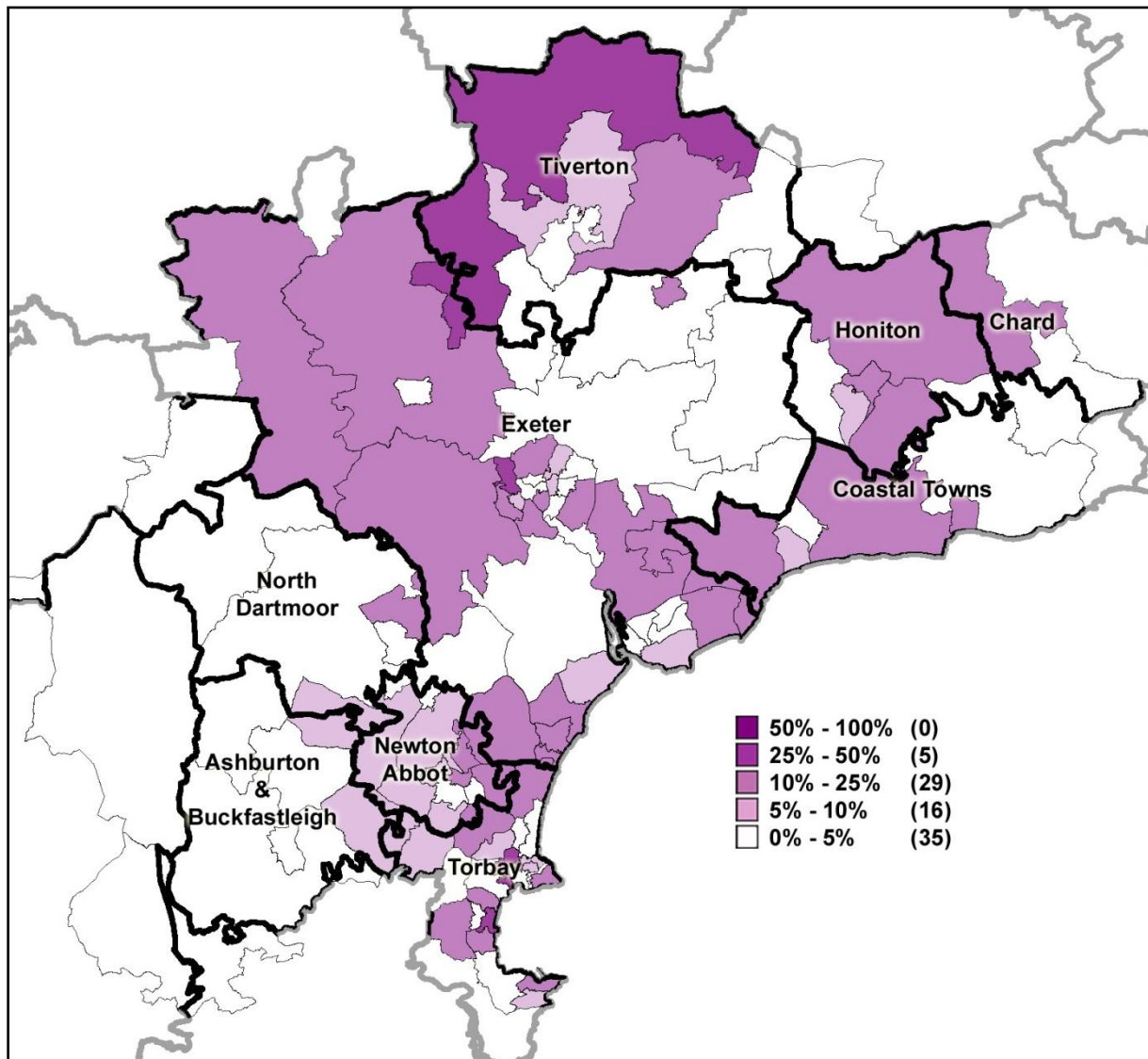
Travel to Work Patterns by Local Housing Market Areas (Source: UK Census of Population 2001. Note: Figures may not sum due to rounding)

Local Housing Market Area		Area of Work									
		Buckfastleigh	Chard	Coastal Towns	Exeter	Honiton	Newton Abbot	North Dartmoor	Tiverton	Torbay	Elsewhere
% of Employees that Work in the Area											
Area of Home	Ashburton & Buckfastleigh	63%	-	-	-	-	3%	2%	-	1%	
	Chard	-	75%	1%	-	1%	-	-	-	-	
	Coastal Towns	-	7%	77%	2%	9%	-	-	-	-	
	Exeter	5%	1%	11%	82%	14%	13%	8%	15%	3%	
	Honiton	-	3%	5%	1%	68%	-	-	1%	-	
	Newton Abbot	10%	-	-	2%	-	57%	8%	-	6%	
	North Dartmoor	2%	-	-	1%	-	2%	71%	-	-	
	Tiverton	-	-	-	2%	1%	-	-	74%	-	
	Torbay	7%	-	-	2%	-	19%	1%	-	83%	
	Elsewhere	13%	13%	6%	7%	6%	6%	8%	9%	6%	
% of Employees that Live in the Area											
Area of Home	Ashburton & Buckfastleigh	50%	-	-	7%	-	11%	1%	-	7%	23%
	Chard	-	50%	13%	6%	4%	-	-	-	-	26%
	Coastal Towns	-	-	69%	15%	4%	-	-	-	-	11%
	Exeter	-	-	1%	85%	1%	3%	-	2%	2%	6%
	Honiton	-	-	8%	21%	57%	-	-	1%	-	11%
	Newton Abbot	2%	-	-	13%	-	60%	1%	-	15%	9%
	North Dartmoor	3%	-	-	18%	-	11%	54%	-	4%	11%
	Tiverton	-	-	-	17%	1%	-	-	69%	-	13%
	Torbay	1%	-	-	4%	-	8%	-	-	79%	8%
	Elsewhere										

^{2.68} Figure 50 shows that residents of rural Mid Devon were the most likely to report that they had difficulties in accessing their employment – though it is also interesting to note problems were also apparent in some of the more urban areas of Exeter and Torbay.

Figure 50

Difficulties with Access to Employment (Source: Source: Exeter & Torbay Household Survey 2006-07. Note: Data shown at middle-level Super COA)



Access to Services

^{2.69} In considering housing choices, households are inevitably influenced by a range of factors, including the ease of access to a range of facilities. Households interviewed were asked how easy or difficult it was to access each of the following services and facilities from their home:

- Childcare facilities
- Cultural and recreational facilities
- GP
- Health, sport and leisure facilities
- Local schools
- Parks and open spaces
- Place of work
- Place of worship
- Public transport
- Shopping facilities

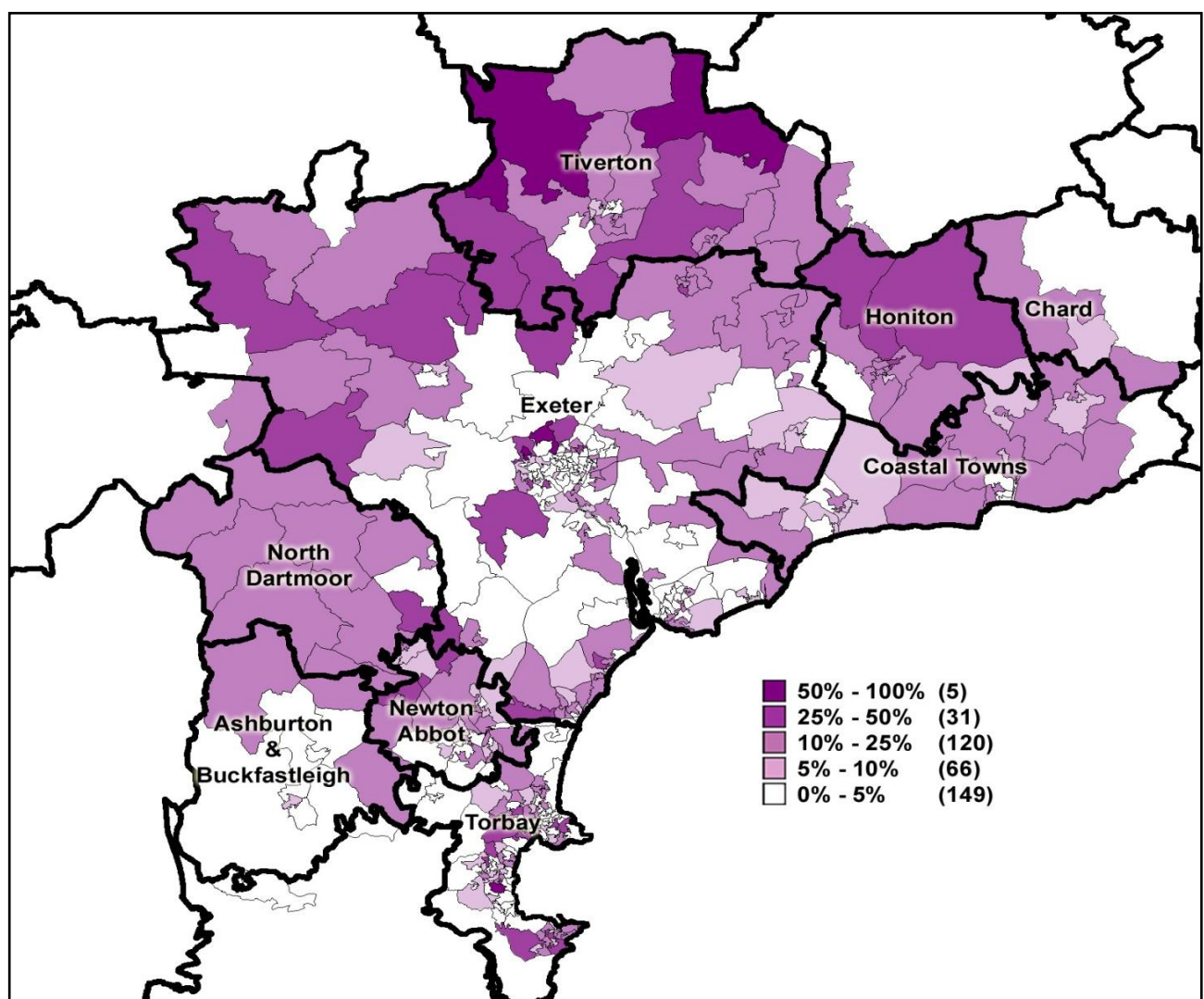
Figure 51

Difficulties Accessing Services by Housing Sub-market Areas (Source: Exeter & Torbay Household Survey 2006-07. Note: Figures highlighted in red are significantly higher and figures highlighted in green are significantly lower than the sub-region results, based on observed splits and relevant sub-sample sizes at a confidence level of 95%)

Difficulties Accessing Services & Facilities	Exeter & Torbay sub-region	Sub-market							
		Ashburton & Buckfastleigh	Coastal Towns	Exeter	Honiton	Newton Abbot	North Dartmoor	Tiverton	Torbay
Cultural and recreational facilities	15.8%	4.2%	18.0%	15.7%	29.5%	12.1%	40.8%	23.3%	12.6%
Public transport	12.6%	3.7%	11.5%	9.1%	34.4%	13.9%	54.2%	28.4%	9.6%
Health, sport and leisure facilities	9.5%	4.6%	6.7%	7.8%	11.8%	13.4%	19.2%	20.9%	8.7%
GP	8.8%	4.3%	5.9%	7.4%	10.1%	9.2%	4.5%	17.8%	10.0%
Shopping facilities	8.6%	4.7%	7.8%	8.4%	10.6%	7.4%	8.9%	18.0%	7.2%
Parks and open spaces	5.7%	3.7%	3.7%	3.6%	13.2%	7.6%	4.0%	15.0%	6.2%
Place of work	4.5%	1.0%	3.3%	3.6%	5.3%	5.2%	2.3%	6.9%	5.7%
Place of worship	3.2%	3.7%	3.1%	2.5%	3.5%	2.3%	2.6%	7.1%	3.8%
Local schools	2.0%	0.5%	0.9%	1.3%	3.7%	1.9%	1.0%	8.5%	2.0%
Childcare facilities	1.7%	0.5%	0.8%	1.0%	2.0%	1.6%	2.2%	7.7%	1.6%

Figure 52

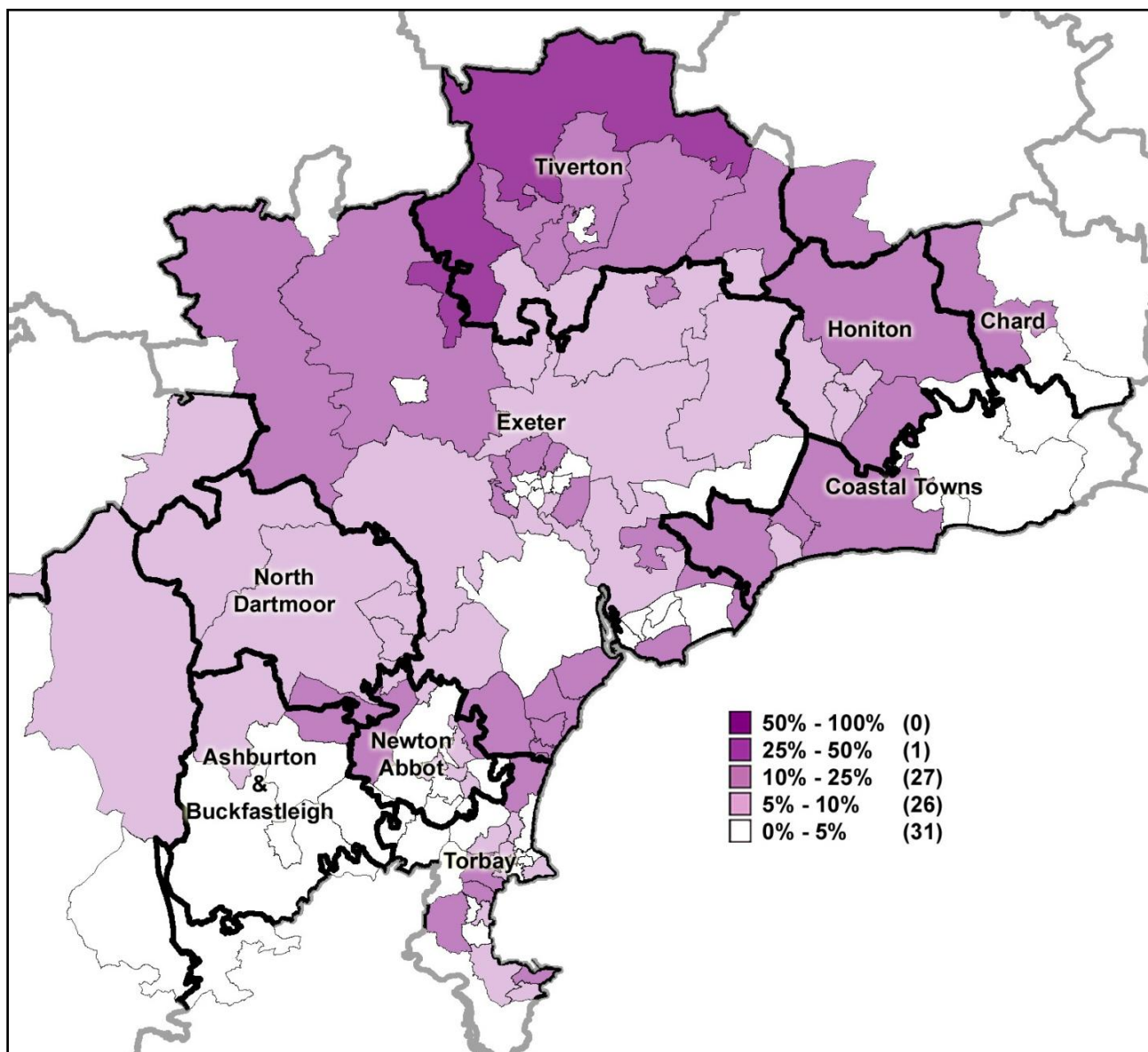
Difficulty with Access to Services (Source: Source: Exeter & Torbay Household Survey 2006-07. Note: Data shown at lower-level Super COA)



- 2.70 When considering the difficulties experienced by households in each of the housing sub-markets, it is apparent that those households in Tiverton identified problems accessing most of the services, with households in Honiton and North Dartmoor being significantly more likely to experience problems accessing public transport and cultural and recreational facilities. Conversely, households in Ashburton & Buckfastleigh have significantly better access to most services, with Exeter and Torbay sub-markets both having particularly good access to public transport and generally good access to all services.
- 2.71 The distribution of households experiencing access difficulties across the sub-region is illustrated in Figure 52, with the darker shades representing higher proportions of households who considered the identified services and facilities fairly difficult or very difficult to access from their home. Not surprisingly, those households living nearer the urban areas experienced least difficulties accessing services and facilities, with those in the more rural parts more likely to experience problems.

Figure 53

Difficulty with Access to Shopping Facilities (Source: Exeter & Torbay Household Survey 2006-07. Note: Data shown at middle-level Super COA)



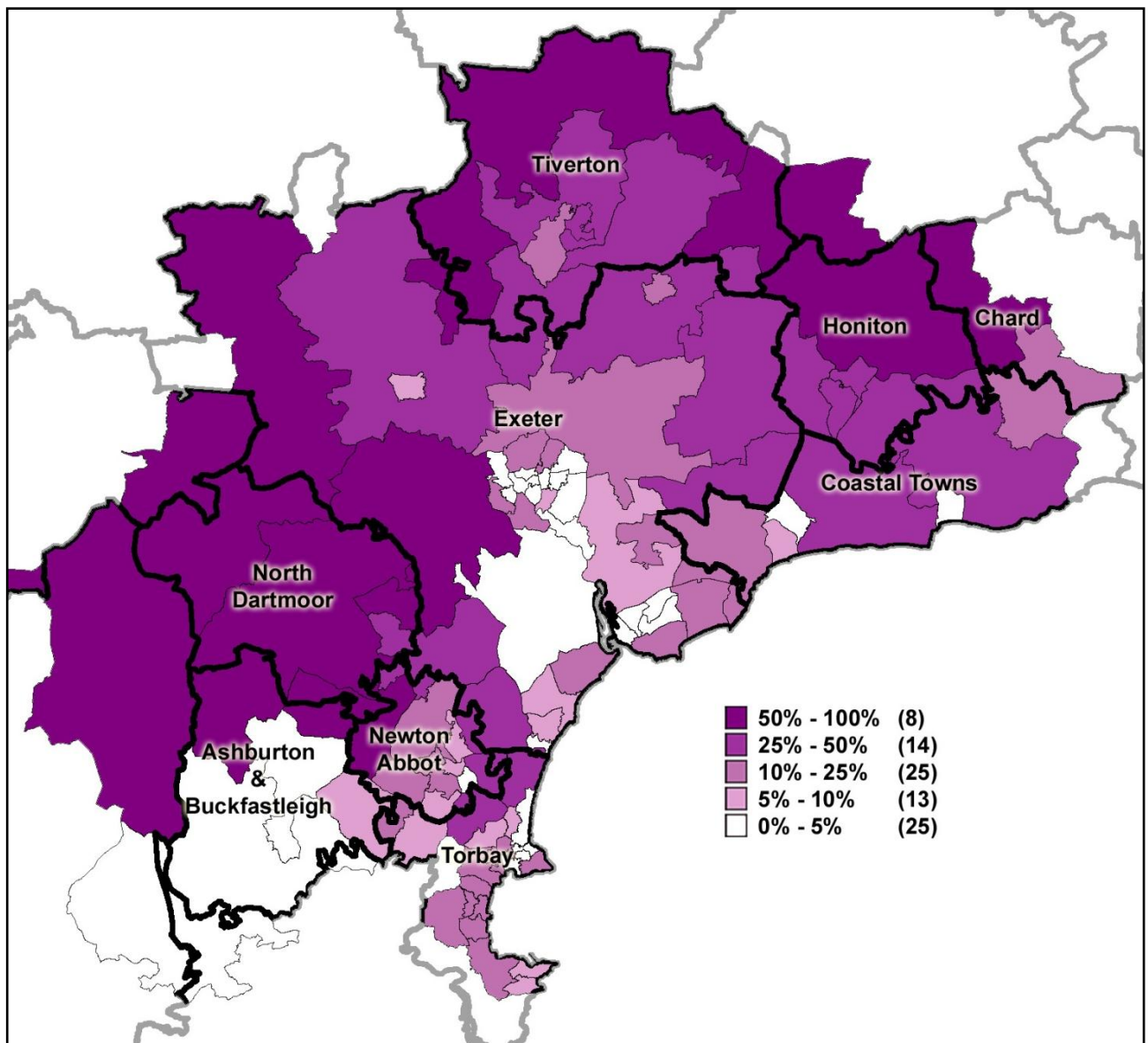
- 2.72 Figure 53 shows that households generally do not have problems accessing shopping facilities – with two-thirds of the areas shown having less than 10% of households with problems, and all areas except one having less than a quarter of households with problems. Not surprisingly, those households that

experienced most problems accessing shopping facilities tended to live in the rural areas furthest away from key settlements – in particular areas in rural Mid Devon, East Devon and Dartmoor National Park.

- ^{2.73} Figure 54 shows that far more households identified problems accessing public transport – with more than half of the identified areas having more than 10% of households stating that they experienced problems, and almost one-in-ten areas having more than 50% of households experiencing problems. Once again, it is clear that these problems are focused upon the more rural areas – in particular the National Park. Only households living in Exeter city, Torbay and some of the coastal settlements did not experience problems accessing public transport.

Figure 54

Difficulty with Access to Public Transport (Source: Exeter & Torbay Household Survey 2006-07. Note: Data shown at middle-level Super COA)

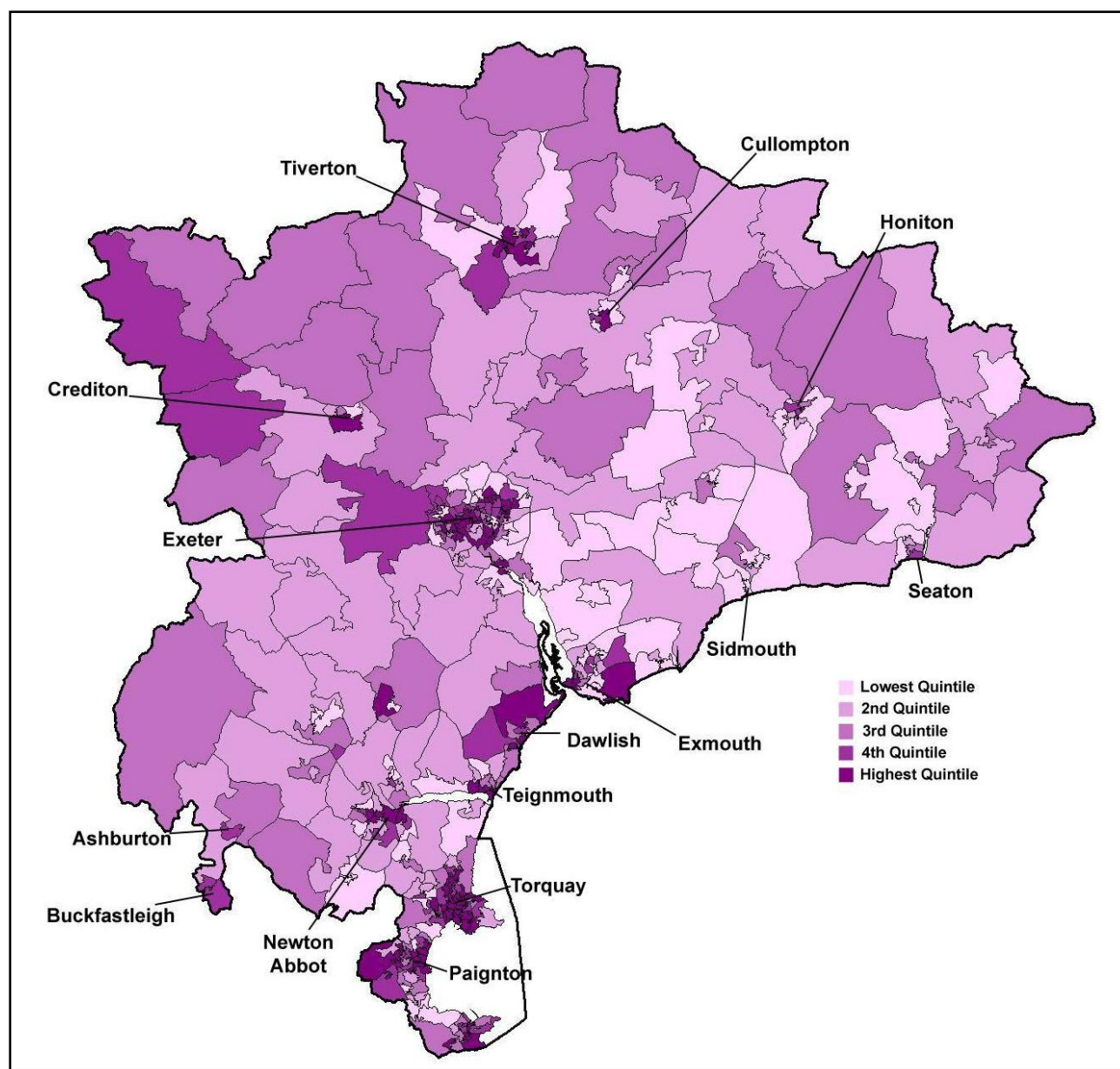


Index of Multiple Deprivation

2.74 Many of the previously listed characteristics of an area can be aggregated to generate an overall picture of the relative wellbeing of an area. This is the Index of Multiple Deprivation (IMD) and is shown in Figure 55. Darker colours on the map are associated with higher levels of deprivation and the geography represents lower super output areas. The map shows the areas with the highest levels of deprivation in the sub-region are associated with the centres of the major towns. Many areas in the centres of Exeter, Torquay, Paignton, Newton Abbot and Tiverton are associated with the highest levels of deprivation to be found in the sub-region.

Figure 55

Index of Multiple Deprivation (Source: ODPM. Note: Data shown at lower-level Super COA. Higher levels of deprivation shown in darker shading)



Chapter 3: Existing Housing Stock

- 3.1 The general character of a dwelling stock is important in understanding the type of housing available to residents of an area and the relationship that dwelling type, age and location has on dwelling condition. The mix of property type available will have a bearing on home-owners' choices in terms of accommodation and the type of investment properties available to landlords.
- 3.2 The age of a dwelling will also have an effect, for example older, pre-1919, terraced houses tend to be large in comparison to a typical modern detached house. The age of a dwelling will also tend to determine its internal layout, the provision of amenities, its level of energy efficiency and its condition. Dwelling location is also important, findings from the English House Condition Survey (EHCS) from 1996, 2001 and 2003 all indicate that rural dwellings are more prone to poor physical condition and problems with energy efficiency.
- 3.3 The following analysis examines a number of general physical characteristics of the stock before exploring the relationship between dwelling characteristics and the condition of housing across the sub-region and within local authority and housing market areas.

Figure 56

Type of Occupant for Properties by Area (Source: Exeter & Torbay Household Survey 2006-07. Notes: Main home figures include all student households even where household self-classified as not being their main home. Second home figures should be treated with caution as households in their main home may have been more likely to participate in the survey which could introduce a bias in the results. Second home figures also exclude properties with temporary residents, such as holiday lets. Figures may not sum due to rounding)

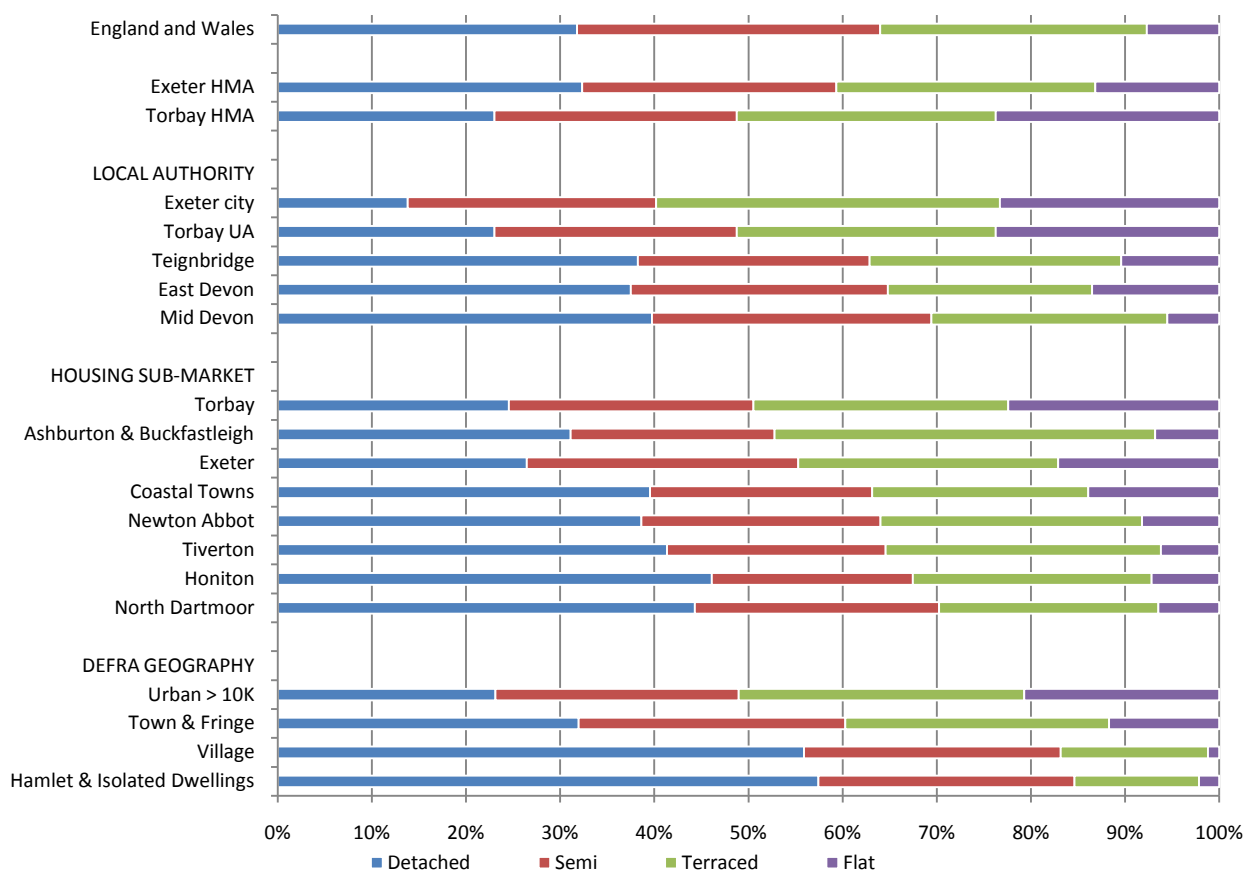
Local Authority Area	Occupied Properties			Vacant Properties	Total
	Main Home	Second Home	Total		
East Devon	57,801	3,000	60,801	1,421	62,222
Exeter city	45,257	382	45,639	1,464	47,103
Mid Devon	30,879	141	31,020	727	31,747
Teignbridge	54,418	1,380	55,798	1,119	56,917
Torbay UA	58,641	2,567	61,208	1,528	62,736
Dartmoor National Park outside Teignbridge	2,438	276	2,714	31	2,745
TOTAL	249,434	7,747	257,180	6,290	263,470

Property Type and Age

- 3.4 Figure 57 shows the mix of existing properties in Exeter HMA and Torbay HMA in terms of property type. As illustrated, in the Exeter HMA detached properties comprise around a third of the stock, semi-detached and terraced housing both comprise around a quarter of the total with flats accounting for the remaining 13%. There are far fewer detached properties in the Torbay HMA, with flats accounting for almost a quarter of all dwellings in the area.
- 3.5 The Torbay housing sub-market contains a much higher proportion of flats than any of the housing sub-markets, while the predominately rural housing sub-markets of Honiton and North Dartmoor have over 40% of their housing stock in the form of detached dwellings. In general, the Hamlets and Isolated Dwellings and Villages have a high proportion of detached dwellings while the urban areas contain a higher share of flats.

Figure 57

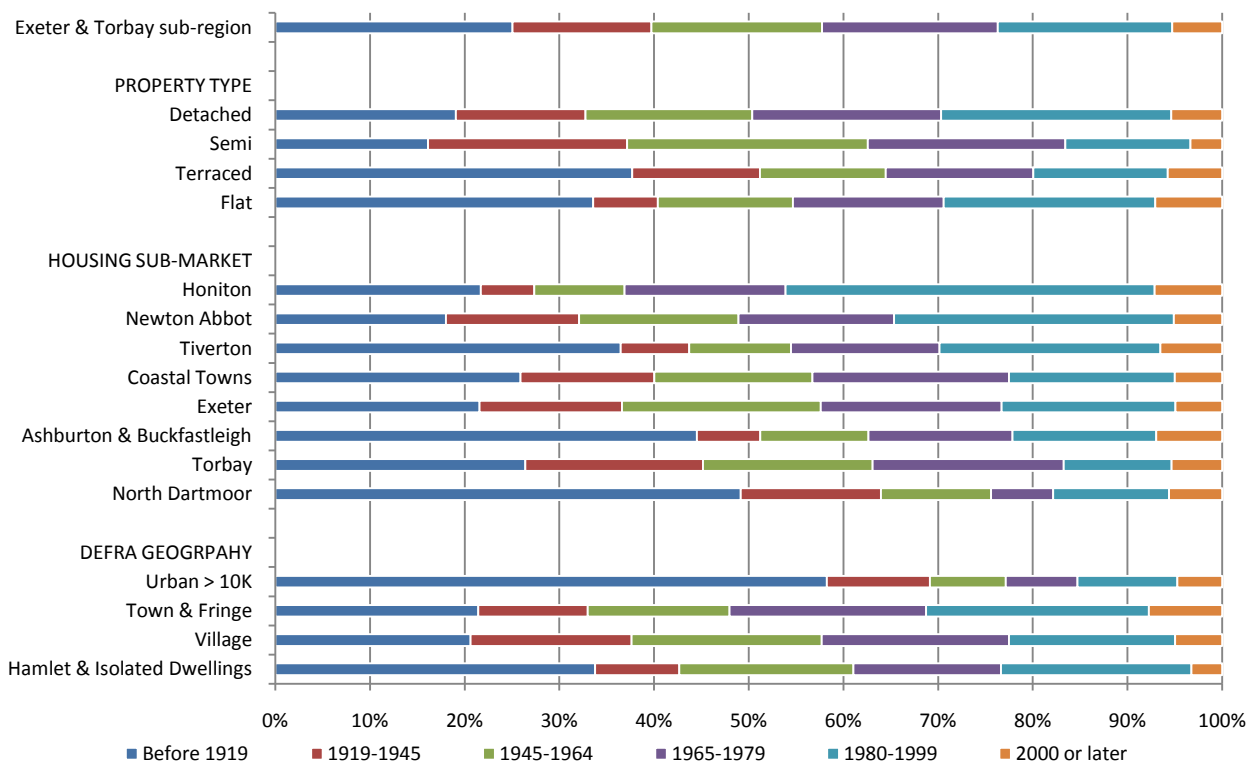
Property Type by Local Authority, Housing Sub-Market Area and DEFRA Geography (Source: Exeter and Torbay Household Survey 2006-07)



- 3.6 In terms of age, around a quarter of the households interviewed estimated that their property was built after 1980, with almost a further 19% estimating a build date of 1965-1979. 25% of the stock predates 1919, with an estimated 15% being built between the wars.

Figure 58

Property Age by Property Type, Housing Sub-Market Area and DEFRA Geography (Source: Exeter and Torbay Household Survey 2006-07)



- 3.7 Over 30% of the stock of terraced housing and flats were built before 1919. Many of these older flats are likely to have been created through the sub-division of large houses. However, 30% of flats were also built post-1980. It is also the case that over 30% of the detached housing stock has been built since 1980.
- 3.8 Honiton, Newton Abbot, and Tiverton have the highest proportion of their stock built since 1980. This indicates that it is these housing markets which have grown most rapidly since this time. This result is also reflected in the Town and Fringe area being the group with the highest proportion of housing built after 1980. This is in contrast to the Urban areas, characterised by more than half of the stock being pre-1919 and only 15% being built after 1980.

Problems with Condition of Stock

- 3.9 A total of 15.1% of households across the sub-region reported that there was at least one serious problem with their property. Figure 59 illustrates how the proportion varies between local authorities and housing sub-markets, where it is apparent that the condition of properties would appear to be poorest in Mid Devon and Teignbridge, with Exeter city and East Devon having the best quality stock.
- 3.10 When considering the differences by housing sub-market, whilst Teignbridge is above the sub-region average when the district is considered as a whole, it is apparent that levels in Newton Abbot are particularly high with relatively low levels in Ashburton & Buckfastleigh and North Dartmoor. Similarly low levels can be seen in the Coastal Towns sub-market, with the highest levels to be found in Tiverton and Honiton.
- 3.11 Figure 60 provides further detail on the nature of problems experienced by households across the study sub-areas. The most common problems are damp penetration or condensation, window repairs and a lack of fixed heating.

Figure 59
Proportion of Households with Serious Problems with their Property by HMA, Local Authority Area, and Sub-market Areas
(Source: Exeter & Torbay Household Survey 2006-07)

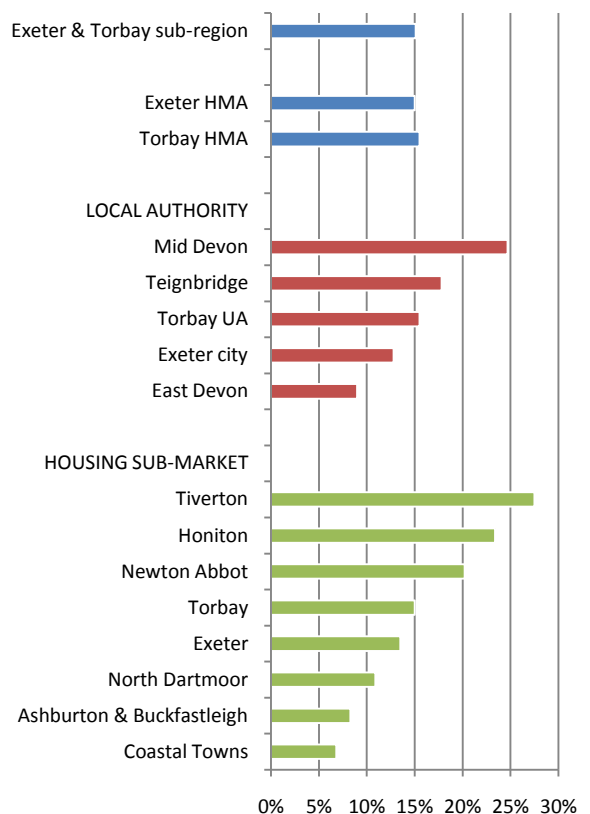


Figure 60

Serious Problems with Properties by Housing Sub-markets (Source: Exeter & Torbay Household Survey 2006-07. Note: Figures highlighted in red are significantly higher and figures highlighted in green are significantly lower than the sub-region results, based on observed splits and relevant sub-sample sizes at a confidence level of 95%)

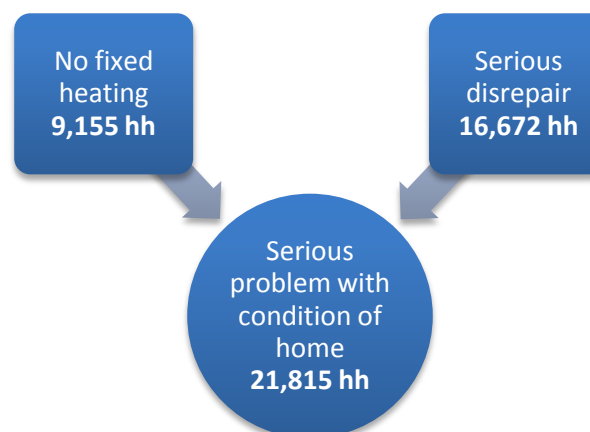
Serious Problem with Property	Exeter & Torbay sub-region	Sub-market								
		Ashburton & Buckfastleigh	Coastal Towns	Exeter	Honiton	Newton Abbot	North Dartmoor	Tiverton	Torbay	
Group A										
Interior structural repairs	0.9%	0.0%	0.4%	1.4%	0.0%	1.0%	0.0%	1.1%	0.3%	
Exterior structural repairs	0.9%	0.0%	0.9%	0.5%	1.6%	1.3%	0.0%	0.4%	1.3%	
Roof repairs	2.7%	2.1%	5.5%	1.7%	6.5%	2.6%	4.0%	8.4%	2.6%	
Rising damp	0.9%	0.5%	1.0%	0.3%	1.5%	0.2%	1.1%	4.5%	1.0%	
No fixed heating system	3.7%	0.0%	1.2%	3.1%	4.4%	6.1%	1.1%	7.9%	1.0%	
Group B										
Damp penetration or condensation	5.1%	1.5%	2.1%	4.7%	7.8%	5.0%	4.3%	9.3%	5.8%	
Window repairs	2.9%	2.5%	1.5%	2.9%	5.2%	4.4%	2.9%	5.3%	1.7%	
Electrical or wiring repairs	1.4%	1.4%	0.4%	1.7%	2.1%	0.8%	1.7%	2.3%	0.9%	
Gas supply or appliances	0.1%	0.0%	0.0%	0.0%	0.1%	0.5%	0.0%	0.0%	0.3%	
Heating or plumbing	2.2%	1.6%	0.3%	1.8%	3.7%	4.3%	1.8%	3.3%	2.1%	
Drainage problems	0.8%	0.5%	0.8%	0.2%	2.1%	1.4%	0.2%	1.3%	1.3%	
Repairs to gutters or down pipes	0.9%	1.0%	0.7%	0.6%	3.3%	1.1%	0.6%	2.1%	0.6%	
Group C										
Interior decoration	2.0%	0.0%	0.0%	1.7%	2.9%	3.3%	0.0%	2.1%	2.7%	
Exterior decoration	1.1%	0.0%	0.4%	1.0%	2.9%	2.0%	0.0%	1.8%	1.0%	
Sub-totals										
Any 1 or more problems	15.2%	8.3%	6.8%	13.5%	23.4%	20.2%	10.9%	27.5%	15.0%	
At least 1 problem from Group A or 2 or more problems from Group B	8.8%	2.5%	4.9%	7.2%	15.0%	12.5%	6.6%	20.0%	8.0%	

3.12 It is important to note that this assessment is based solely on the occupier perception, and is not based on the expert opinion of a qualified surveyor. Furthermore, the figure considers neither the true severity of any identified problems nor the occupiers' ability to afford any required repairs – but it does provide a possible basis for targeting the sample of any future stock condition survey work.

3.13 Of the households across the whole sub-region, 8.8% identified at least one problem from Group A or two or more problems from Group B shown in Figure 60. This equates to 21,815 households whose housing we would consider to experience serious problems with its condition (on the caveat that this is still based on occupier perceptions).

3.14 Of these households 9,155 had no fixed heating whilst 16,672 experienced other disrepair problems.

Figure 61
Households with Serious Problems with the Condition of their Home (Source: Exeter & Torbay Household Survey 2006-07)



- 3.15 Those households lacking fixed heating were asked if they intended to install fixed heating over the next 12 months, but only 11.4% had firm plans to do so with a further 7.0% unsure if they would or would not install fixed heating within the next year.
- 3.16 Of the 16,672 households experiencing serious disrepair, 15.3% stated that they could afford the work required and would undertake the repairs as time permitted. 23.1% of households indicated that they were currently saving (or in the process of borrowing funds) and a further 6.5% said that their landlord was to undertake the repair – but both groups expected the problem(s) to be repaired soon.
- 3.17 18.4% of households said that they were responsible for the repairs but felt that they would be unable to afford the repairs at all (equivalent to 3,000 households). A further 30.7% (5,100 households) stated that the repairs were their landlord's responsibility, but that they did not expect the work to be undertaken soon, if at all. The remainder (6.1%) felt that the identified problems did not affect the household or provided other details on their individual circumstances – such as awaiting consents associated with listed buildings, insurance claims to be settled or permissions from the local authority.

Figure 62

Likelihood of Installing Fixed Heating within next 12 Months
(Source: Exeter & Torbay Household Survey 2006-07)

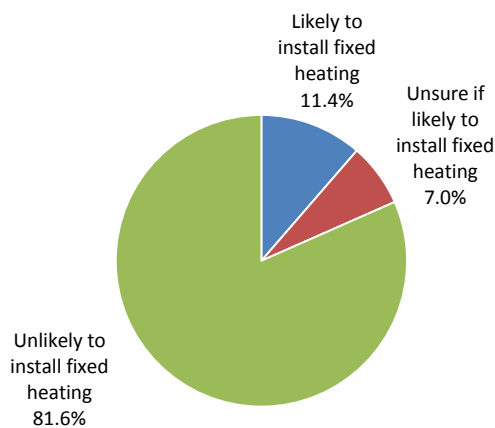
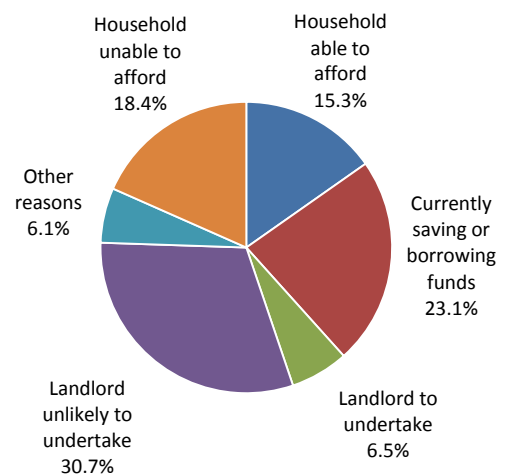


Figure 63

Expectations of Resolving Identified Disrepair Problems
(Source: Exeter & Torbay Household Survey 2006-07)



Housing Tenure

3.18 Figure 64 shows the proportion of dwellings in each of the local authorities in the South West that were classified as social housing in 2005. It is apparent that the overall proportion of social housing in the Exeter & Torbay sub-region is lower than both the English and South West averages – but this masks key differences between the authorities.

3.19 Whilst Exeter has the third highest proportion of social housing in the South West (at 17.5% of all dwellings), East Devon, Teignbridge and Torbay have amongst the lowest proportions at 10% or less.

3.20 Figure 65 shows the overall tenure of housing stock in the sub-region, confirming that the dominant form of housing is owner occupation. 75% of all properties across the area are owned outright or owned with a mortgage. Around 12% of the stock is rented from social landlords with the remaining 13% in the private rented-sector.

Figure 65
Housing Tenure (Source: Exeter & Torbay Household Survey 2006-07)

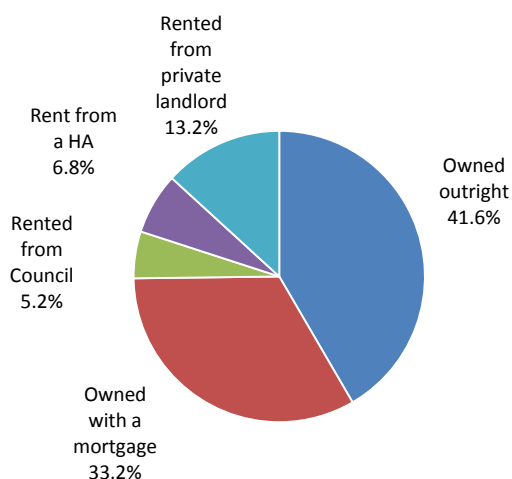
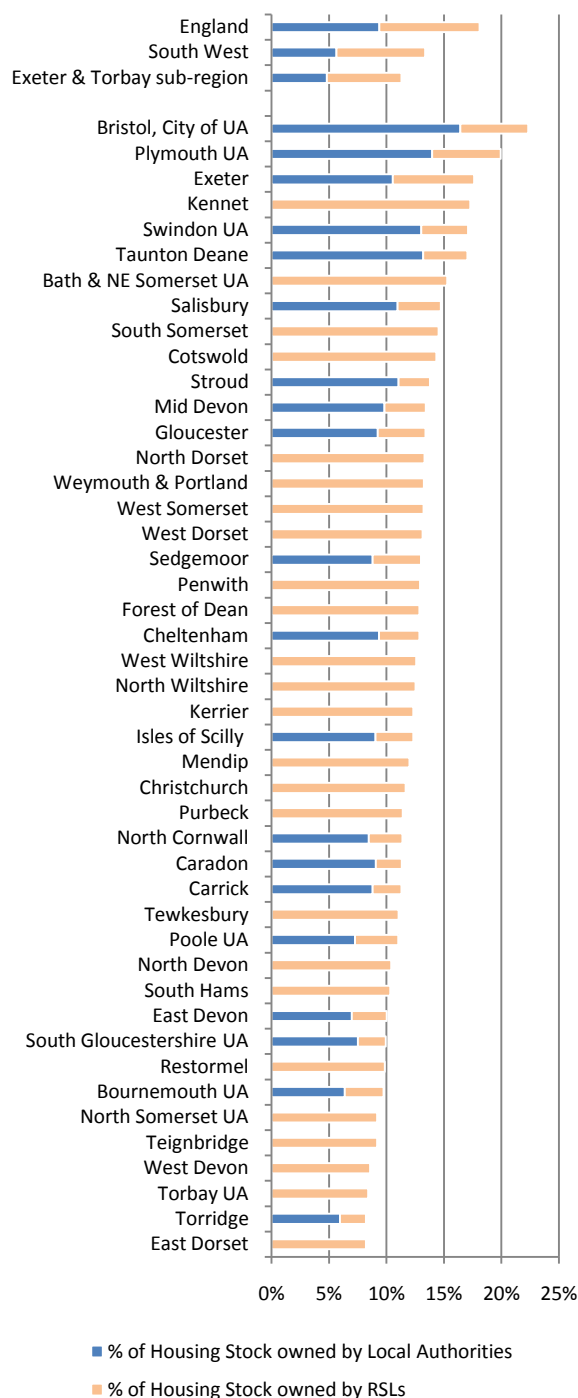


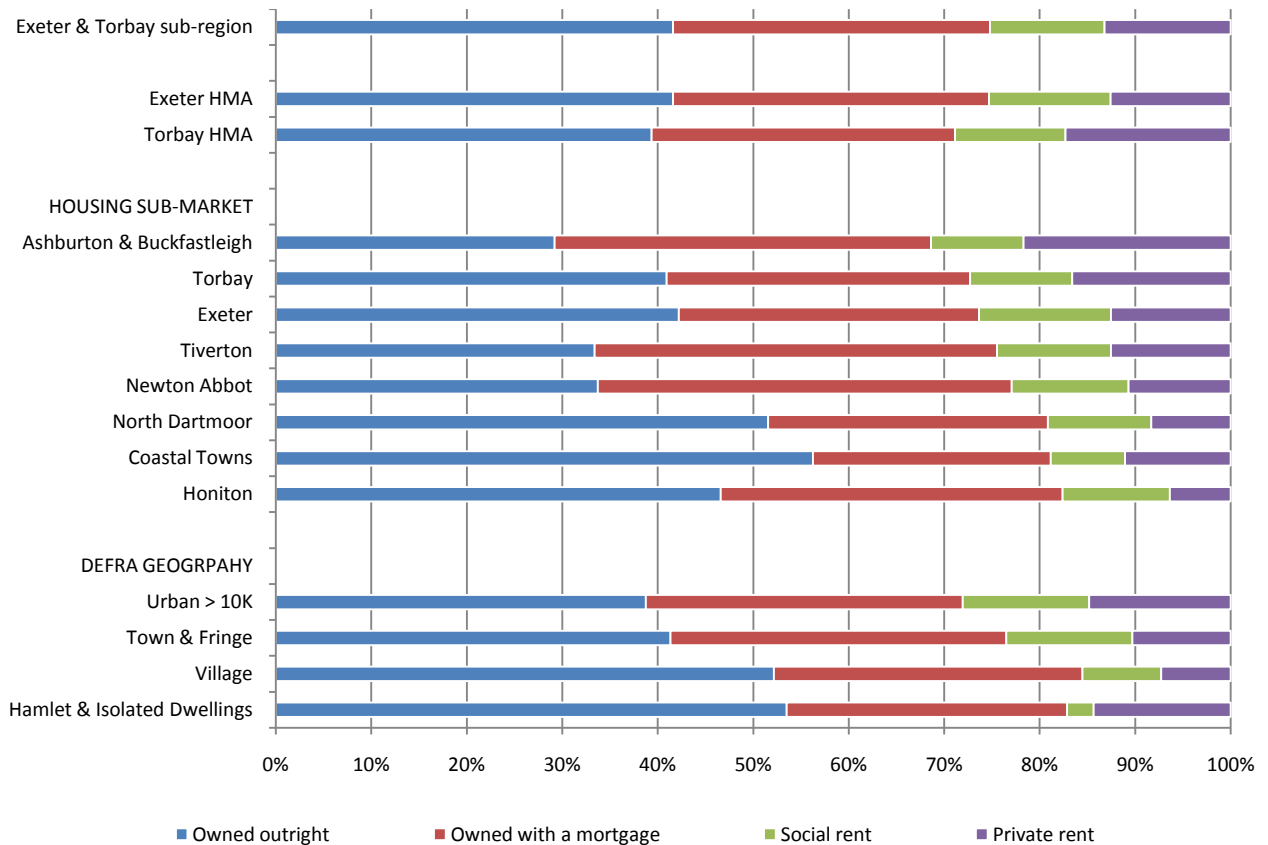
Figure 64
Proportions of Social Rented Housing in the South West Region by Local Authority (Source: Housing Strategy Statistical Appendix, DCLG)



- 3.21 Over 50% of the housing stock in both the Coastal Towns and North Dartmoor housing markets is owned outright. Meanwhile, Torbay housing market contains the highest proportion of private rented stock in the sub-region. These results are reflected in Hamlet and Isolated Dwellings and Villages containing a higher proportion of detached dwellings while the urban areas contain a higher proportion of flats.

Figure 66

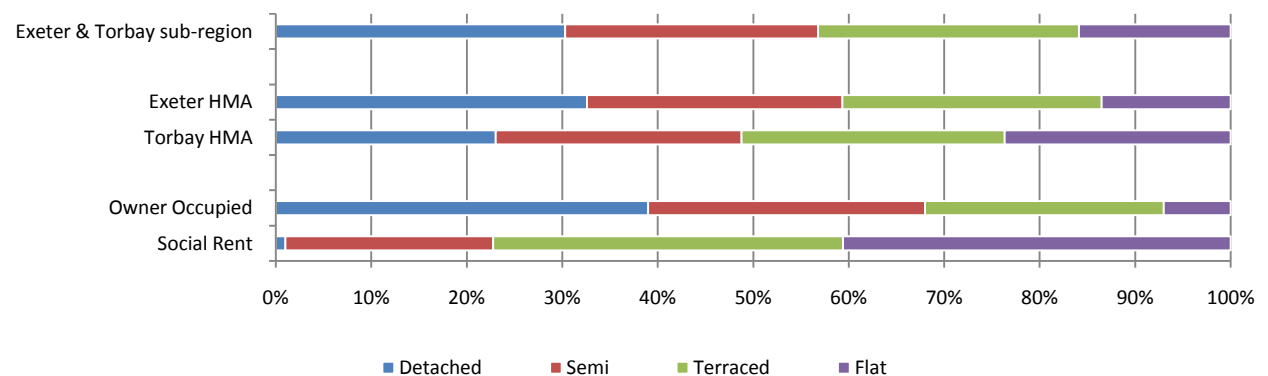
Tenure by Housing Sub-Market Area and DEFRA Geography (Source: Exeter and Torbay Household Survey 2006-07)



- 3.22 Figure 67 shows the difference in property type which exists between owner-occupied and social housing in the Exeter & Torbay sub-region. 30% of market housing in the Exeter & Torbay sub-region is detached with a further 27% being semi-detached. In contrast, 37% of all social housing is terraced and 41% flats or maisonettes.

Figure 67

Property Type by Tenure (Source: Exeter and Torbay Household Survey 2006-07)

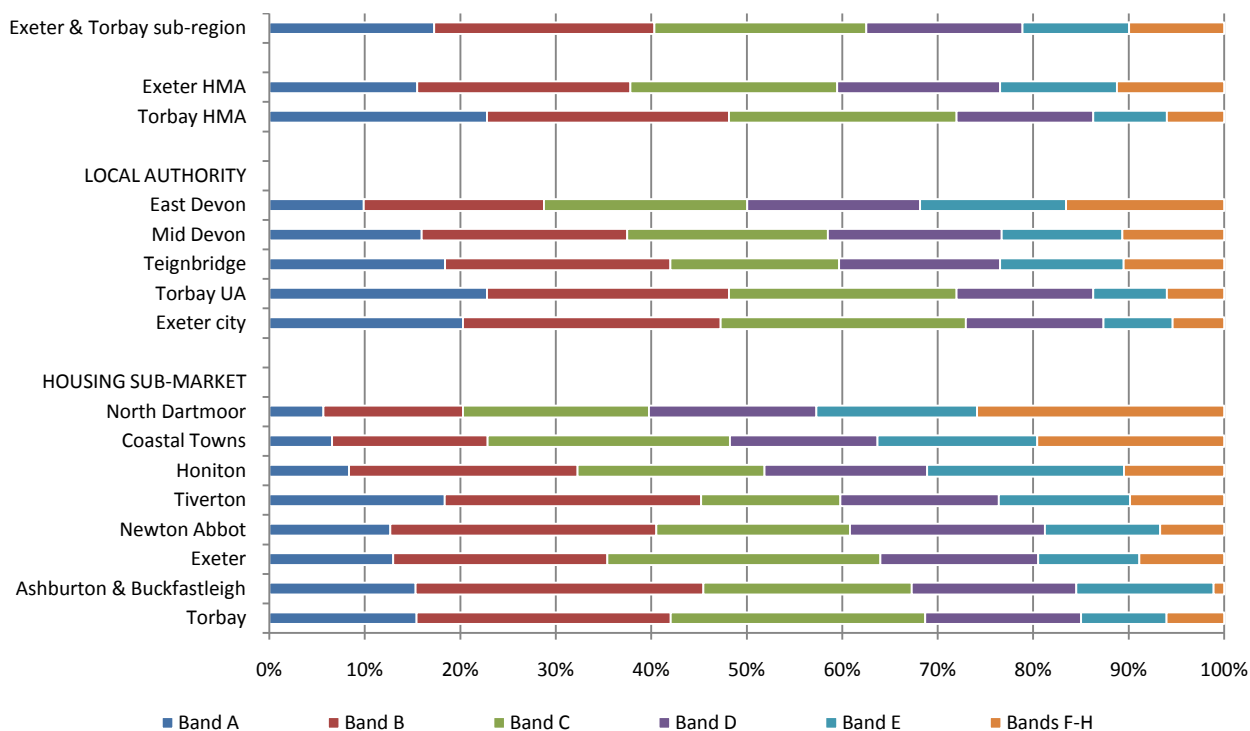


Value of Housing Stock

- 3.23 Figure 68 considers the stock mix in terms of property valuation – where it is apparent that as much as 60% of the total stock falls into tax bands A, B or C. Only 10% of the stock falls into band F or above. Properties in East Devon are the most likely to fall in the higher Council Tax bands. The North Dartmoor and Coastal Towns housing markets contain over 50% of their properties in Band D or above and that over 20% are in Band F or above.

Figure 68

Council Tax Band by Local Authority and Housing Sub-Market Area (Source: Valuation Office Agency and Exeter and Torbay Household Survey 2006-07)



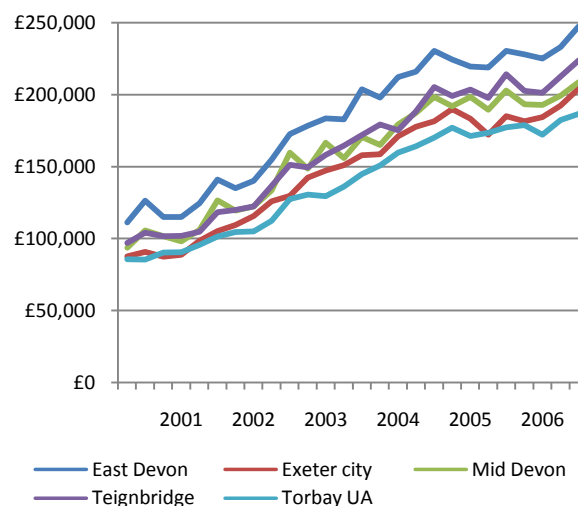
Local House Price Trends

- 3.24 Figure 69 shows the average property prices in the Exeter & Torbay sub-region for each quarter from the second quarter of 2000 until the third quarter of 2006. It should also be noted that discounted local authority properties bought under 'right-to-buy' are not included in the statistics.

- 3.25 During this time period the average property price in East Devon rose by 123%, in Exeter by 133%, in Mid Devon by 123%, in Teignbridge by 131% and in Torbay by 118%. Much of the increase in property prices occurred between 2001 and 2004, with average prices in 2005 remaining more stable before starting to rise again in 2006.

Figure 69

Average Price of Properties Sold in Exeter & Torbay sub-region: Q2 2000-Q3 2006 (Source: HM Land Registry)



- 3.26 The average property price for an area provides only a limited amount of information about the conditions in a local housing market. The overall picture of the housing market is much more dependent upon the spread of property prices which are to be found in it, and how these relate to incomes in the area.

Figure 70
House Prices in Exeter HMA and Torbay HMA as a Percentage of the South West Average: Q2 2000-Q3 2006 (Source: HM Land Registry)

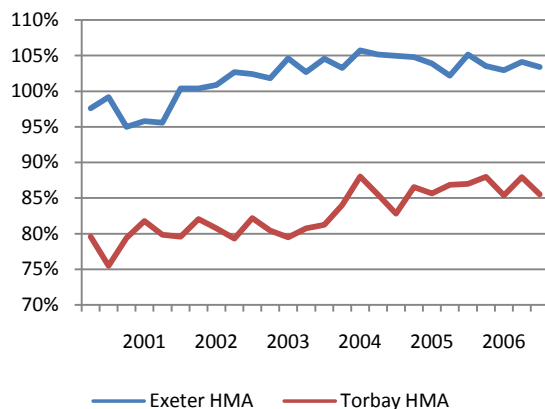
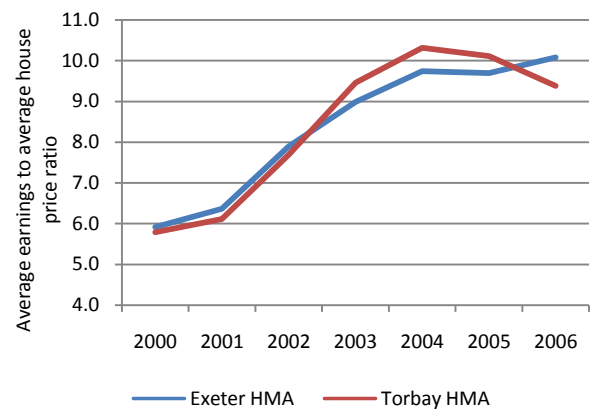


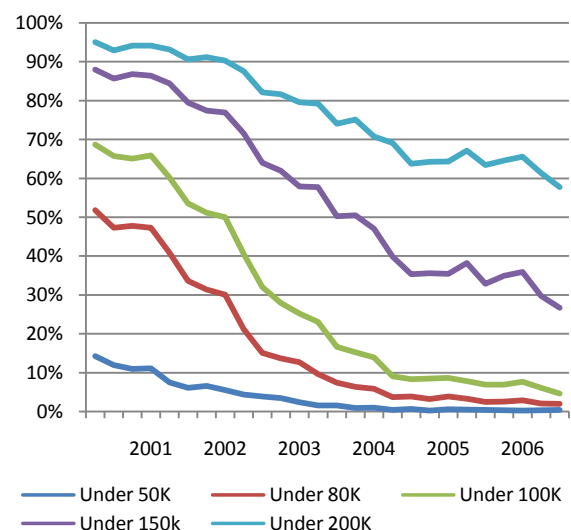
Figure 71
Average Full-time Earnings to Average House Price Ratio for Properties Sold in Exeter HMA and Torbay HMA (Source: ASHE and HM Land Registry)



- 3.27 Figure 70 shows how relative property prices in Exeter HMA and Torbay HMA have changed since 2000. This figure compares the prices of properties in Exeter and Torbay with those in the South West as a whole. In 2000, the average house price in Exeter HMA was marginally below the South West average, with properties in Torbay HMA costing about 80% of the regional average. More recently, the relationship has remained relatively stable since around the first quarter of 2004, with prices in Exeter HMA around 105% of the South West average and prices in Torbay HMA at about 85% of the regional figure – implying that average property prices in Exeter and Torbay have increased faster than the rest of the South West.

- 3.28 Figure 71 shows how relative property prices in Exeter HMA and Torbay HMA compare to average incomes earned in the area. In 2000, the price of an average property in both Exeter HMA and Torbay HMA was around 6 times the average earnings of someone working in the area. By 2004 this had risen to around 10 times the average earnings. Whilst such a comparison is relatively simplistic (for there will often be more than one earner in each household, and the household's capacity to borrow is only one of the elements that determine affordability), the relationship between local purchase prices and local incomes is clearly important. The relationship is particularly relevant for single person households without existing equity – for they often are relying exclusively on their capacity to borrow (though even they may not earn the average income or need to purchase an average size and price home).

Figure 72
Percentage of Houses Sold for Less Than Key Price Bands in Exeter & Torbay sub-region: Q2 2000-Q3 2006 (Source: HM Land Registry)



- 3.29 Figure 72 illustrates how property prices have changed in Exeter and Torbay. In the second

quarter of 2000, over 50% of all completed property sales were priced at less than £80,000. This figure was below 5% of all sales in 2005 and 2006.

3.30 £80,000 is a key price band because it is around the maximum mortgage which is likely to be available to single first-time buyers from key worker groups such as teachers, nurses and police officers. Therefore, affordability for this group of workers has declined sharply. Conversely, the number of houses selling for over £150,000 has risen from just over 10% of all completions to around 75% of the total. The surge in property prices in Exeter and Torbay in 2001-2004 is clearly shown in the falling proportion of properties that sell for less than any of the given categories.

3.31 The stabilising of house prices in 2005 is reflected in the number of properties selling for under any particular price band also remaining stable. However, the renewed rise in house prices in 2006 is reflected in even fewer properties selling for any less than any price band and the vast majority of properties in Exeter and Torbay are currently beyond the reach of most first time buyers.

3.32 Beyond looking at the obvious measure of a housing market – i.e. the prices at which properties are sold – it is also worth exploring the volume and composition of sales, for this can tell us more about the dynamics of the housing market.

3.33 Figure 73 shows the volume of annual property sales since 2001. It is apparent that the number of completions peak at almost 16,000 sales in 2002. There was a slightly smaller peak over the 12 month period from late 2003 to early 2004, but after this time the number of sales has sharply declined – to only 10,800 transactions in the year to mid 2005. However, the number of transaction did start to increase again in 2006.

Figure 73
Volume of Properties Sold Annually in Exeter & Torbay sub-region:
Q2 2000-Q3 2006 (Source: HM Land Registry. Note: Figures show
rolling annual total based on quarterly data)



3.34 Therefore, 2005 saw not only a levelling of property prices in Exeter and Torbay, but also a sharp reduction in the number of properties selling. The slowdown in the number of completions may well reflect a lack of demand in the housing market with potential buyers thinking the market was over-priced. However, prices and transaction both increased together in 2006 indicating a renewed confidence in the housing market.

3.35 When we consider the mix of properties being sold (in terms of property type), it is apparent that composition of sales has not changed significantly over time – so the rise in house prices has not been driven by a relative rise in sales of more expensive detached dwellings, but it reflects a true rise in house prices of all types.

3.36 In measuring housing need (and effective housing demand – where the household both wants to move and can afford to do so) it is necessary to determine reasonable access thresholds for home purchase. The above information is drawn from the Land Registry, as this is widely recognised as the only fully comprehensive source of reliable information about property sales in England and Wales.

Cost of Local Housing by Property Size

- 3.37 By using the information published by the Land Registry in combination with the information from the survey about the relationship between property price, property size and property type, we are able to identify the distribution of housing prices in terms of the number of bedrooms and determine appropriate thresholds. Of course, whilst the absolute threshold would be the minimum property price for each sized home, very few properties are likely to become available at this extreme – so merely being able to afford the minimum price would not guarantee households appropriate homes. For this reason, the lowest quartile is normally used – for households able to pay this amount should be able to afford at least a quarter of the appropriately sized properties sold.
- 3.38 The lowest decile, lowest quartile and average (median and mean) purchase prices for properties of different sizes have also been calculated. It is apparent that the mean price is significantly higher than the median price – suggesting that very expensive properties are artificially inflating the typical “average” price quoted. Further detailed information on local house prices can be found in Section D of the Technical Report.

Figure 74

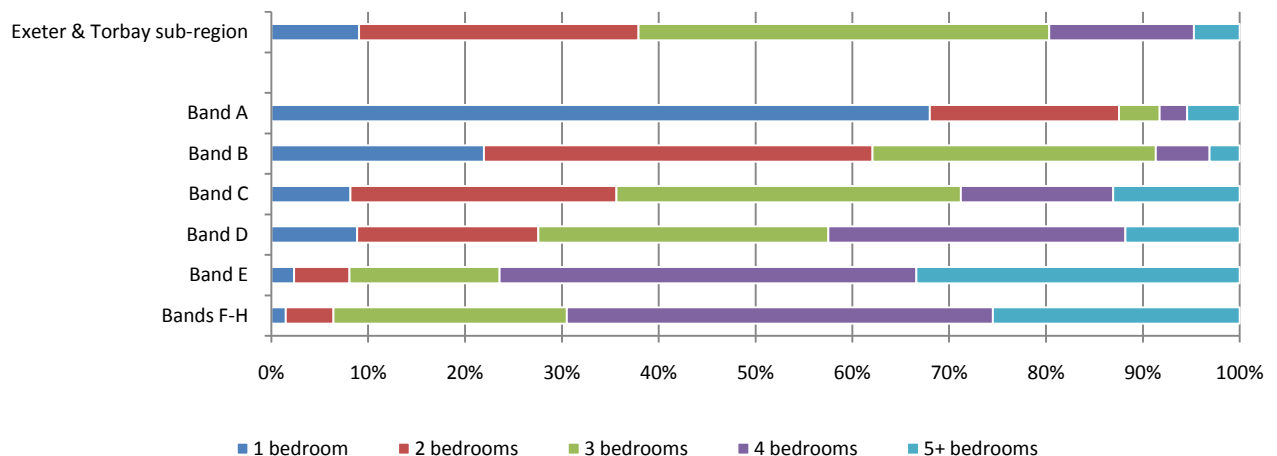
Exeter & Torbay sub-region Property Prices for Owner Occupation by Property Size (Source: Computed based on HM Land Registry Q1 2006-Q4 2006 and Exeter & Torbay Household Survey 2006-07)

Property Size	Lowest Decile	Lowest Quartile	Average	
			Median	Mean
1 bedroom	78,000	90,000	113,500	116,300
2 bedrooms	109,000	129,000	155,000	166,300
3 bedrooms	134,500	152,500	179,500	202,800
4 bedrooms	177,000	210,000	260,000	291,200
5+ bedrooms	226,000	260,000	329,800	381,500

- 3.39 Further considering the size mix of the existing stock, it is clear that over four in ten (42%) of all properties have three bedrooms. Around 40% of all properties have one or two bedrooms (9% and 29%) with 20% having four bedrooms or more. As would be expected, the majority of properties in tax band A (80%) have only 1 or 2 bedrooms, with 70% of properties in band F or higher having at least 4 bedrooms. The full distribution of sizes is shown in Figure 75.

Figure 75

Property Size by Council Tax Band (Source: Exeter & Torbay Household Survey 2006-07)



Overcrowding and Under-occupation

- 3.40 When we consider the match (or mismatch) of households and properties in terms of property size, it is interesting to note that whilst the majority (80%) felt that they had about the right number of rooms, as many as 15% of those households interviewed felt that they had too few rooms, with around one-in-twenty considering their current home to be too large.

Figure 76

Overcrowding and Perceived Size Problems (Source: Exeter & Torbay Household Survey 2006-07. Note: Figures may not sum due to rounding)

Occupancy Level	Household Perception			Total
	Too Many Rooms	About Right	Too Few Rooms	
2 bedrooms too few	-	200	400	600
1 bedroom too few	-	1,880	3,880	5,760
Correct number of bedrooms	330	37,240	16,950	54,520
1 bedroom too many	1,560	79,470	12,090	93,120
2 bedrooms too many	5,790	59,670	2,830	68,290
3+ bedrooms too many	5,380	17,130	800	23,300
Total	13,060	195,580	36,950	245,590

- 3.41 Overall, a total of 6,360 households are currently living in technically overcrowded housing – though as many as 2,080 of these households (33%) consider their home to be about the right size. Nevertheless, it is apparent that whilst most households consider their home to have “about the right number of rooms”, as many as 156,300 of these households (80%) technically under-occupy their property – nearly half of these by two bedrooms or more. It is also interesting to note that as many as 15,700 households who already under-occupy their property still consider that they have too few rooms.

Understanding Local Rents

- 3.42 The following table details existing weekly rents, noting the current average rent for properties rented from Registered Social Landlords (RSLs) as well as the target rent set by the Housing Corporation for the social rented sector. Also included is information about the lowest quartile and average weekly rents in the private rented sector identified by the Survey of Letting Agents, further detail of which can be found in Section E of the Technical Report.

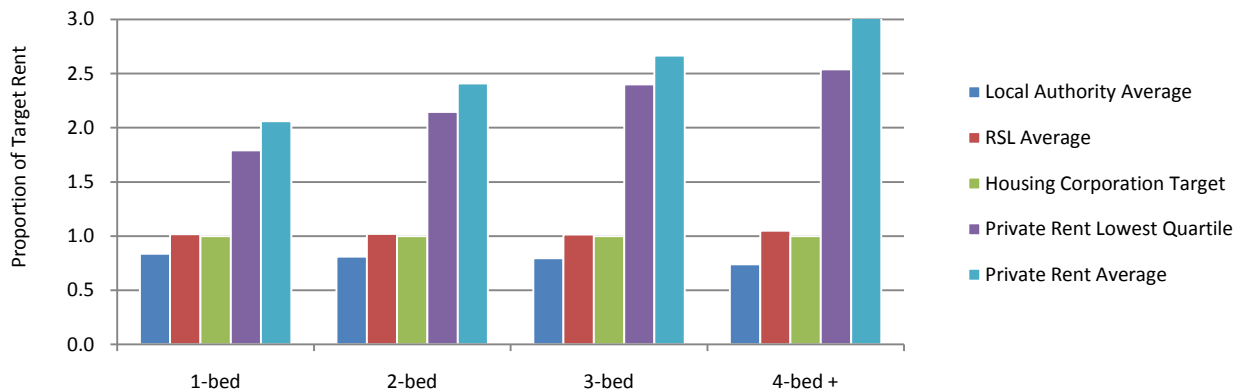
Figure 77

Exeter & Torbay sub-region Weekly Rent by Property Size and Tenure (Source 1: Housing Corporation Data March 2006. Source 2: Survey of Letting Agents in Exeter & Torbay sub-region 2006-07)

Property Size	Average Social Rent		Target Rent	Private Rent	
	LA	RSL		LQ	Average
Bedsit/1 bedroom	43.08	52.41	51.57	92.31	106.16
2 bedrooms	47.96	60.36	59.18	126.92	142.48
3 bedrooms	51.57	65.67	64.87	155.77	172.90
4+ bedrooms	53.63	76.17	72.69	184.62	231.98

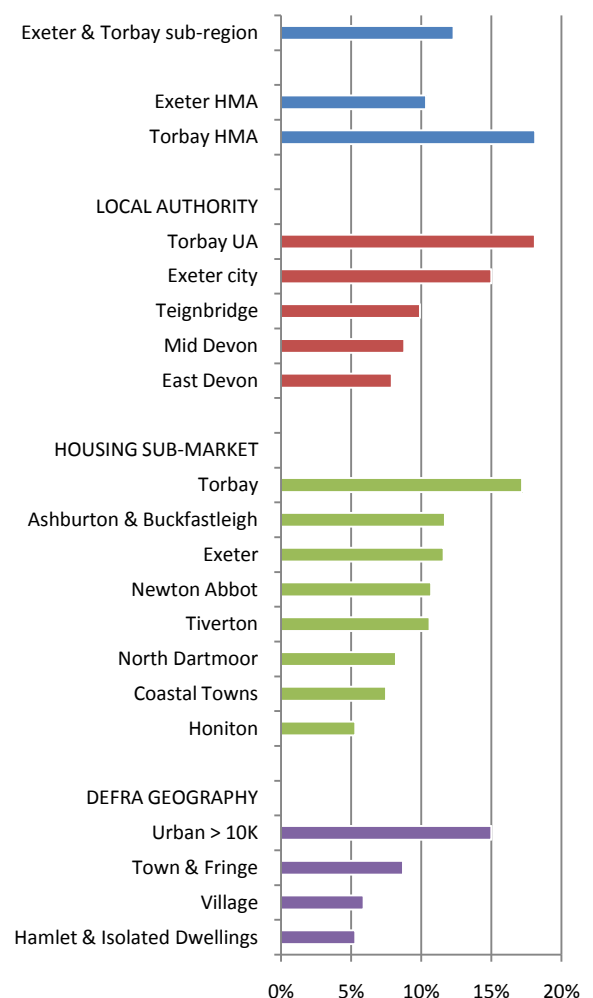
- 3.43 Existing rents in the RSL sector tend to be around the target rent set by the Housing Corporation, with local authority rents marginally below this amount. Nevertheless, even the cheapest properties in the private sector typically cost double this amount as illustrated below.

Figure 78
Rents Relative to Target Rent by Property Size



- 3.44 Figure 79 shows the percentage of all households in each of the Local Authorities in the Exeter & Torbay sub-region who are in receipt of housing benefit. The results from the Household Survey are confirmed by those published by the Department of Work and Pensions in the Housing Benefit and Council Tax Benefit Quarterly Summary Statistics for May 2006, where the Local Authority results from the survey were identical to the reported figures for both Exeter and Torbay, and only fractionally below the reported figures for the other three LAs.

Figure 79
Housing Benefit Receipt (Source: Exeter & Torbay Household Survey 2006-07)



- 3.45 Around 17% of households in the Torbay housing market were in receipt of housing benefit which was much higher than for any of the other housing markets. Furthermore, those living in urban areas were significantly more likely to be in receipt of housing benefit.
- 3.46 When we consider the tenure of those households in receipt of Housing Benefit payments, 38.3% currently rent privately, 35.9% rent from an RSL with the remaining 25.8% renting from the Local Authority. When we consider all households in the social rented sector, over 65% have their housing costs supported by Housing Benefit.

Houses of Multiple Occupation and Communal Establishments

3.47 When looking at housing needs it must be remembered that not all people live in standard households. Many households occupy houses of multiple occupation (HMOs). The precise definition of an HMO is complex, but includes the following groups:

- A bedsit where you share the bathroom with tenants of other bedsits
- A flat in a house whether you share the bathroom facilities with other tenants or not
- A room in a shared house where you share the bathroom and kitchen facilities with the tenants of the other rooms but do not live with the other tenants as part of a 'household', for example you don't cook for one another and eat together like a family would
- You are a lodger renting a room from a resident landlord (as long as there are at least 3 other lodgers in the house)
- You live in a bed and breakfast hostel
- You live permanently in a hotel or guest house

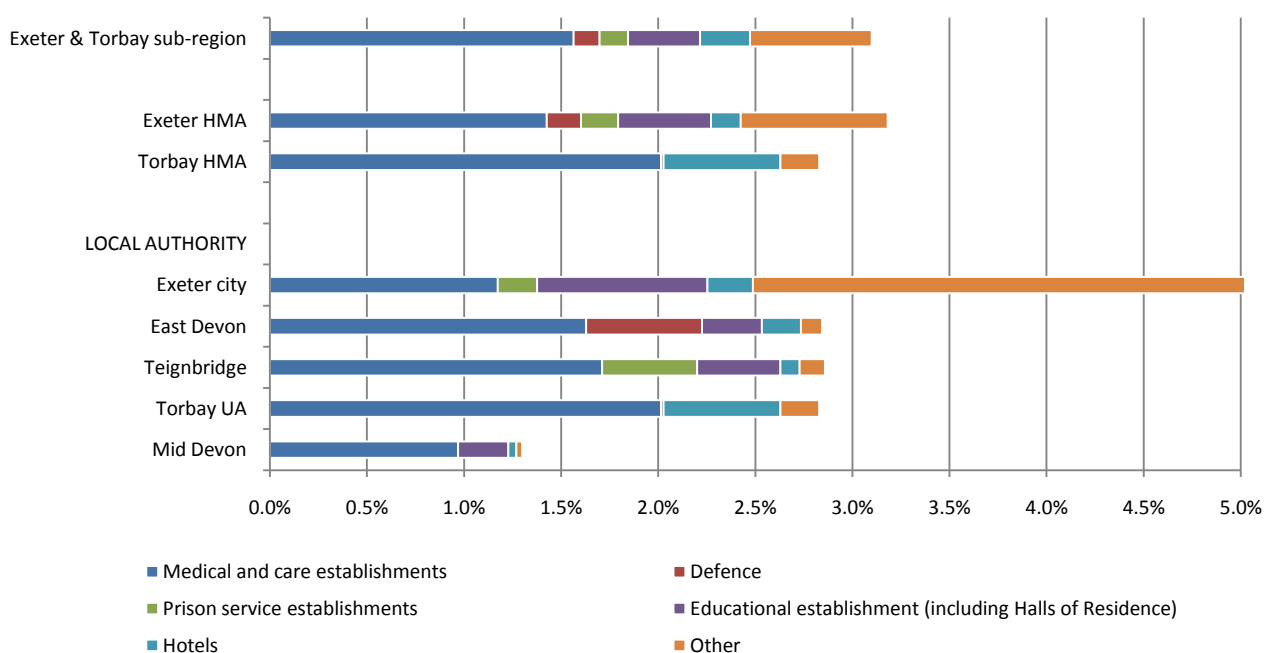
3.48 Across the sub-region HMOs form a significant part of the private rented housing stock. The impact of student households in Exeter leads to it containing an estimated 1,500 HMOs. Meanwhile it is estimated that East Devon contains 300 HMOs and Torbay has 200 HMOs.

3.49 It is also important to note that not all people live in traditional household units. Figure 80 shows that 3% of the population of the Exeter & Torbay sub-region live in communal residences with this being as high as 5% in Exeter city.

3.50 Whilst there is no further information available about the nature of “other” communal housing, the Census does identify that around 3% of Exeter city’s population are students living in communal housing – therefore it is likely that the “other” communal housing in Exeter is accommodation provided for students by organisations other than the University, i.e. privately operated halls of residence.

Figure 80

Proportion of People in Communal Housing by Type of Establishment in the Exeter & Torbay sub-region (Source: UK Census of Population 2001)



Chapter 4: Existing Households in Housing Need

Established Households Living in Unsuitable Housing

- ^{4.1} An important element of housing requirements is housing need – households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some form of assistance (Bramley & Pawson, 2000).
- ^{4.2} Overall, a total of 38,831 households were assessed as living in unsuitable housing due to one or more factors. The unsuitability problems experienced are shown below (Figure 81), with further details concerning the derivation of the figures provided in Section F of the Technical Report: Identifying Unsuitably Housed Households.

Figure 81

Established Households Living in Unsuitable Housing (Source: Exeter & Torbay Household Survey 2006-07)

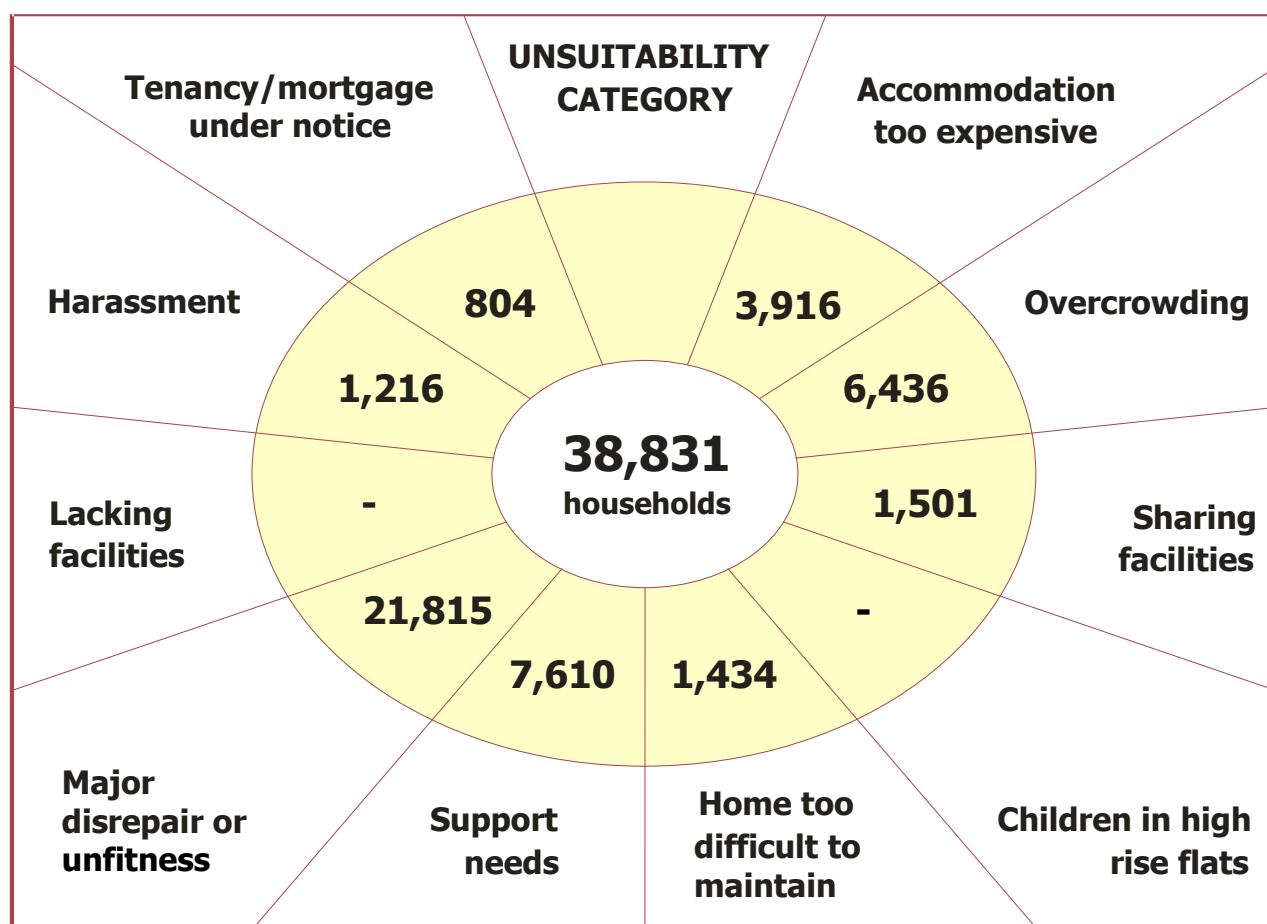


Figure 82

Established Households Living in Unsuitable Housing in Exeter & Torbay sub-region and Local Authority areas (Source: Exeter & Torbay Household Survey 2006-07. Notes: Households experiencing problems in more than one unsuitability category are only counted once within the overall total. Figures highlighted in red are significantly higher and figures highlighted in green are significantly lower than the sub-region results, based on observed splits and relevant sub-sample sizes at a confidence level of 95%)

Unsuitability Category	Exeter & Torbay sub-region	East Devon	Exeter City	Mid Devon	Teignbridge planning area	DNP within Teignbridge	Torbay UA
Homeless or with Insecure Tenure							
Tenancy under notice, real threat of notice or lease coming to an end	0.3%	0.0%	0.3%	0.6%	0.3%	0.4%	0.5%
Accommodation too expensive	1.6%	1.2%	2.0%	2.7%	1.2%	0.9%	1.4%
Mismatch of Household & Dwelling							
Overcrowding	2.6%	1.8%	3.2%	3.4%	2.4%	1.0%	2.8%
Households having to share a kitchen, bathroom, washbasin or WC with another household	0.6%	0.7%	0.9%	0.2%	0.8%	0.8%	0.3%
Home too difficult to maintain	0.6%	0.7%	0.2%	0.6%	0.6%	0.0%	0.8%
Children living in high-rise flats	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Households with support needs	3.1%	2.3%	2.3%	3.9%	2.8%	2.4%	4.4%
Dwelling Amenities & Condition							
Major disrepair	8.8%	6.0%	5.7%	17.2%	11.2%	5.4%	8.0%
Lacking facilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Social Requirements							
Harassment	0.5%	0.6%	0.5%	0.0%	0.4%	0.9%	0.6%
One or more problems	15.8%	11.7%	13.8%	23.8%	16.0%	10.8%	16.3%

- 4.3 It is worth noting that overall, this equals 15.8% of all established households in the study area, though many of these households may not need to move to resolve the identified problems as in-situ solutions may be more appropriate.
- 4.4 There are notable differences between the proportion of households in unsuitable housing based on their current tenure – with only 11.1% of owner occupiers being unsuitably housed, compared to 29.6% of those who rent privately and 29.3% of households renting from a social landlord. The reasons for households' housing being classified as unsuitable by tenure are detailed in figure 83.

Figure 83

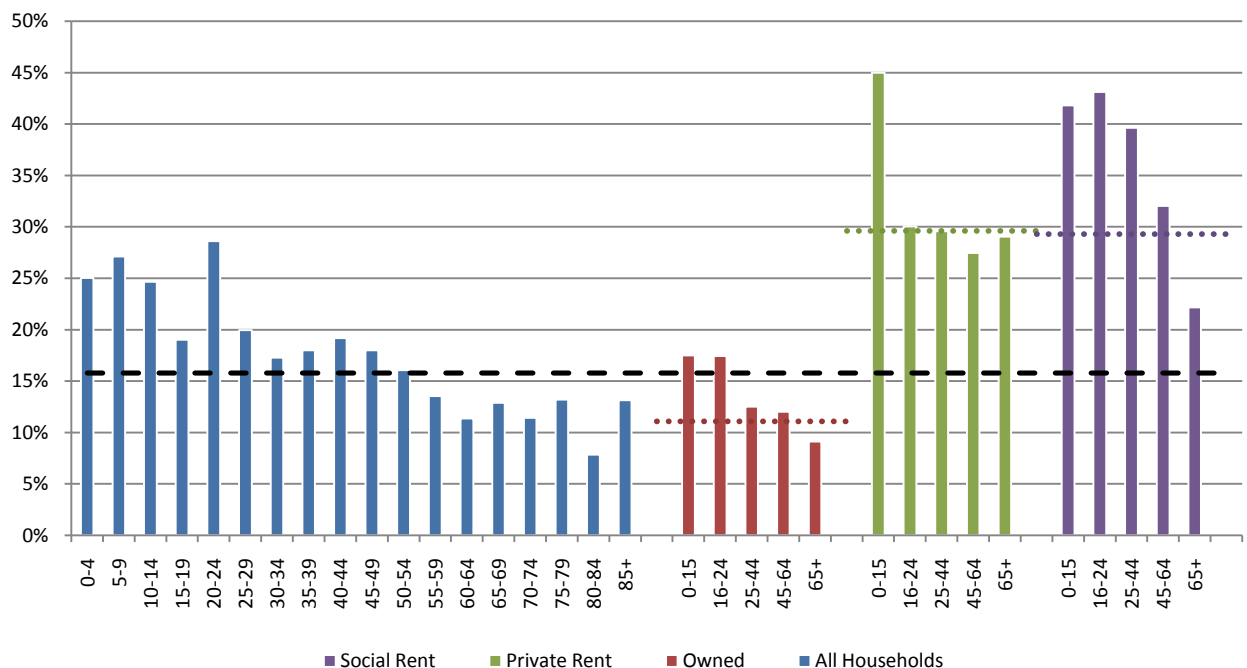
Proportion of Established Households in Unsuitable Housing by Problem Category (Source: Exeter & Torbay Household Survey 2006-07.

Notes: Households experiencing problems in more than one unsuitability category are only counted once within the overall total. Owned figures include shared ownership properties. Private rent figures include rent free housing, tied housing and other properties rented from employer)

Unsuitability Category	Tenure			Total
	Owned	Private Rent	Social Rent	
Homeless or with Insecure Tenure				
Tenancy/mortgage under notice	0.1%	1.6%	0.1%	0.3%
Accommodation too expensive	0.2%	5.1%	6.1%	1.6%
Mismatch of Household and Dwelling				
Overcrowding	1.4%	6.5%	5.8%	2.6%
Sharing facilities	0.2%	1.2%	2.5%	0.6%
Home too difficult to maintain	0.6%	0.2%	0.9%	0.6%
Children in high-rise flats	-	-	-	-
Support needs	2.1%	4.7%	7.4%	3.1%
Dwelling Amenities and Condition				
Lacking facilities	-	-	-	-
Major disrepair or unfitness	7.2%	16.9%	10.1%	8.9%
Social Requirements				
Harassment	0.4%	0.4%	1.0%	0.5%
TOTAL	11.1%	29.6%	29.3%	15.8%

4.5 Figure 84 shows that young adults and households with teenage children are most likely to live in unsuitable housing, and that the likelihood of living in unsuitable housing is generally much lower for older persons.

Figure 84

Proportion of Persons Living in Unsuitable Housing by Age and Tenure (Source: Exeter and Torbay Household Survey 2006-07. Note: Dashed line shows overall average. Dotted lines show tenure averages)

4.6 When we consider household characteristics, 28.3% of lone parent households, 27.3% of adult groups with children and 18.8% of groups of adults with dependent children are living in unsuitable housing. Of course, this corresponds with the high proportion of young persons living in unsuitable housing. For those households without children, only 19.2% of single persons, 11.6% of adult couples and 17.4% of adult groups currently live in unsuitable housing.

4.7 The high level of properties with major problems in Honiton and Tiverton is reflected in the number of households living in unsuitable housing. In each of these areas over 25% of established households were living in unsuitable housing. For areas such as Coastal Towns, and Ashburton & Buckfastleigh, the figure was less than 10% (Figure 85).

4.8 Those living in a Hamlet or Isolated Dwelling were the most likely to be living in unsuitable housing (Figure 85).

Figure 85
Proportion of Established Households in Unsuitable Housing by Local Authority, Local Housing Market Area and DEFRA Geography
(Source: Exeter & Torbay Household Survey 2006-07)

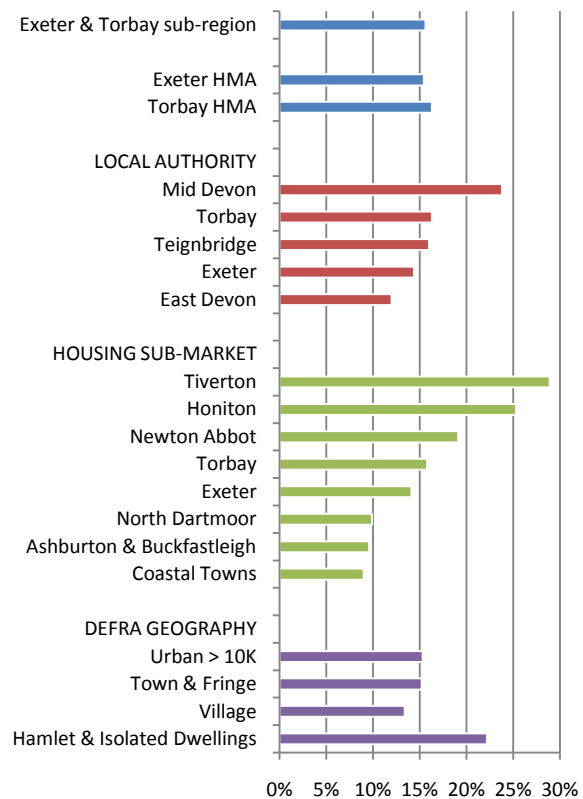


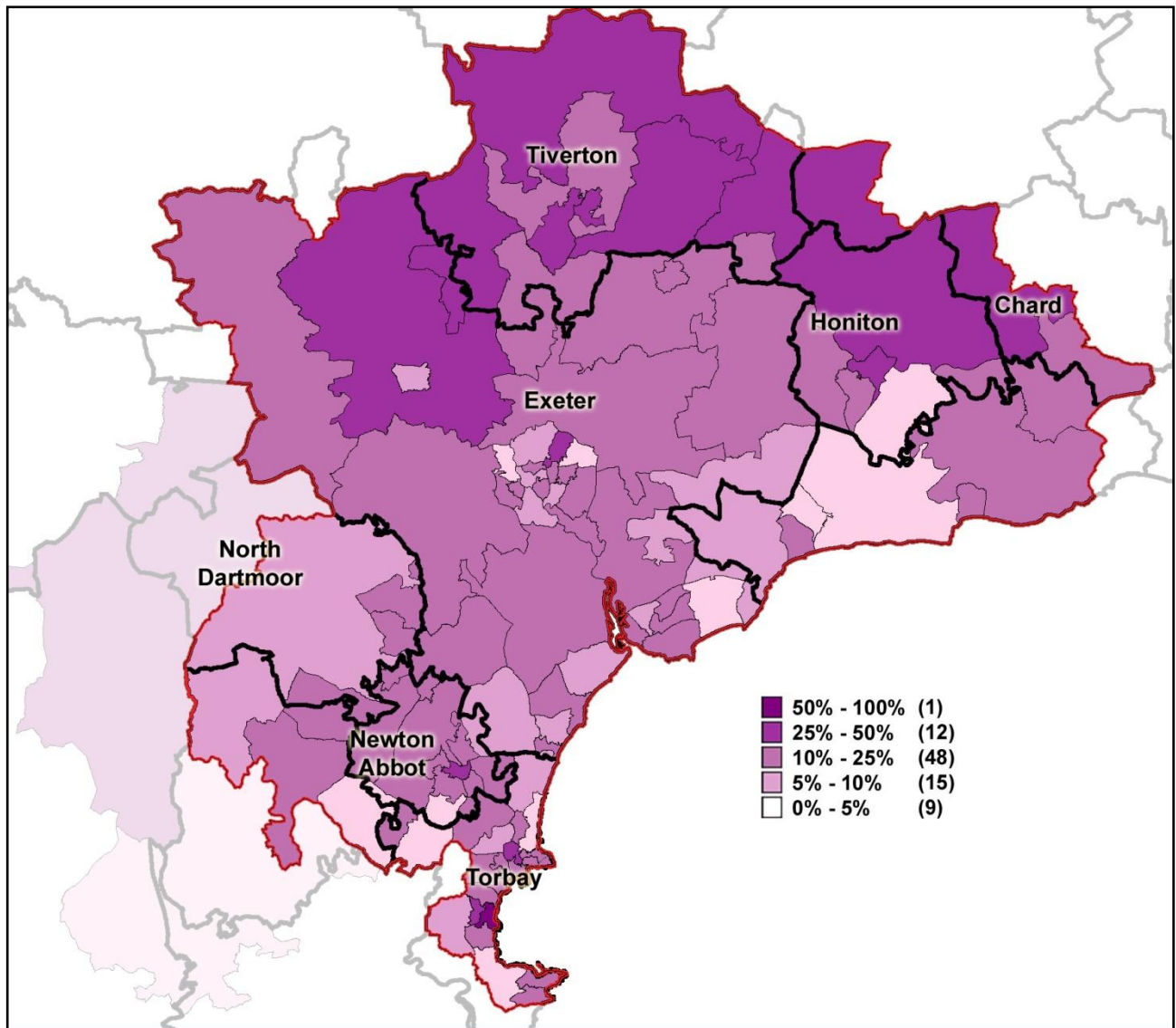
Figure 86

Proportion of Established Households in Unsuitable Housing by Local Authority and Tenure (Source: Exeter & Torbay Household Survey 2006-07. Notes: Owned figures include shared ownership properties. Private rent figures include rent free housing, tied housing and other properties rented from employer)

Unsuitability Category	Tenure			Total
	Owned	Private Rent	Social Rent	
East Devon	8.7%	22.8%	27.9%	12.0%
Exeter city	9.8%	18.8%	26.4%	14.4%
Mid Devon	17.4%	51.7%	34.2%	23.8%
Teignbridge	10.9%	36.9%	31.2%	16.0%
Torbay UA	11.4%	28.6%	30.1%	16.3%
ALL HOUSEHOLDS	11.1%	29.6%	29.3%	15.8%

Figure 87

Proportion of Established Households Living in Unsuitable Housing (Source: Exeter & Torbay Household Survey 2006-07. Note: Data shown at middle-level Super COA)



Resolving Housing Unsuitability

- ^{4.9} Not all housing unsuitability problems require the households involved to move from their current home. In-situ solutions may be more appropriate to resolve some of the problems identified. For example, overcrowding could be resolved by one or more member(s) of the household leaving to live elsewhere, or an alternative solution could be to extend the existing property. Similarly, homeowners or landlords may undertake repairs to resolve problems with the condition of the property. In these cases (and many others) the problems identified can be resolved without the need for relocation to alternative accommodation.
- ^{4.10} Whilst in practice it is important to resolve the housing needs of individual households, a strategic analysis is primarily concerned with addressing overall housing need. In this context, it is particularly relevant to consider housing suitability issues concerned directly with the dwelling stock – such as major disrepair or unfitness. Resolving such individual household needs (through enabling a move to alternative housing) will not reduce the overall level of housing need because the vacancy that arises

will inevitably (over time) be occupied by another household, who will once again be in housing need. In such cases, it is investment in the existing stock (or in extreme cases, clearance and redevelopment) that is required to reduce the numbers unsuitably housed.

- 4.11 It should be noted that any dwellings that are lost from the stock through clearance programmes would need to be replaced in addition to the number of additional housing units identified by this study – that is, our analysis considers the housing requirement in the context of a net increase in dwelling stock.
- 4.12 Where a move is appropriate and required to resolve a housing problem, some households may need to move to homes outside the area (for example, those moving for care or support), and others will choose to move further afield for other reasons. Where unsuitably accommodated households are likely to willingly leave the area, their needs should not be counted within the estimate of net need. Nevertheless, in discounting the needs of likely out-migrants, any needs of in-migrants to the area will add to the total requirement.
- 4.13 Finally, a proportion of the households remaining will be able to afford to buy or rent an appropriate dwelling at (or above) threshold market prices. Therefore, when considering households who are in housing need, we must also discount from the total those who are able to afford such prices.
- 4.14 The impact of each of these stages is summarised in Figure 88.

Figure 88

Resolving Housing Suitability Problems (Source: Exeter & Torbay Household Survey 2006-07. Note: Figures may not sum due to rounding)

Factor	Number of Households	
	Discounted	Remaining
Households assessed as currently living in unsuitable housing	-	38,831
Households with an objectively assessed in-situ solution	19,658	19,173
Households with a subjectively assessed in-situ solution (where the household neither wants nor expects nor needs to move)	10,021	9,152
Households that need to move, but that will leave the area	569	8,538
Households that need to move, but will be moving into institutional housing or join another household	160	8,423
Households that need to move, but can afford to rent or buy market housing	2,551	5,872
Households that need to move, but cannot afford to rent or buy market housing		5,872

- 4.15 After discounting the households whose needs do not require alternative housing provision in the Exeter & Torbay sub-region, only 5,872 (15.1%) of the identified 38,831 unsuitably housed households remain. The remaining households previously identified can either afford to resolve their housing problems without financial subsidy or their needs will be satisfied without having to move from their current home.

Homelessness

4.16 A key duty of local authorities is to administer cases of homelessness. The Housing Act 1996 states that if the authority is satisfied that the applicant has a priority need, they shall:

- secure that accommodation is available for their occupation for such period as they consider will give him a reasonable opportunity of securing accommodation for his occupation, and
- provide them with advice and assistance as they consider appropriate in the circumstances in any attempts he may make to secure that accommodation becomes available for his occupation.

4.17 Cases can be found to be not homeless and in priority need because they may have made themselves intentionally homeless. Examples of people who have made themselves intentionally homeless might be those who:

- Deliberately made themselves homeless by leaving home knowing they could reasonably have stayed; or
- Deliberately caused a serious nuisance or withheld rent or mortgage payments.

Households Defined as being in Priority Need

The following groups of households were originally defined as being in priority need under the 1996 Housing Act:

- pregnant women;
- persons with whom a pregnant woman resides, or might reasonably be expected to reside;
- persons with dependent children, or with whom dependent children might reasonably be expected to reside;
- persons who are vulnerable – because of old age, mental or physical disability, or other special reason;
- persons who are homeless in emergency.

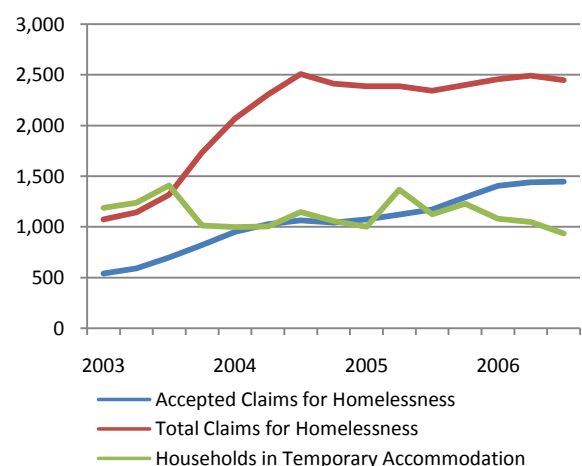
The following categories were added to this list by the Priority Needs Order 2001:

- 16 to 17-year-olds (not *relevant children* under the Children's Act 1989 and Children Leaving Care Act 2000);
- young persons under 21 who are looked after/accommodated between 16 and 18;
- young persons under the age of 21 who are vulnerable as result of being looked after/accommodated/fostered;
- those who are vulnerable as result of being in HM forces;
- those who are vulnerable as a result of custodial sentence/remand to custody/contempt of court/kindred offence;
- those who are vulnerable as result of leaving accommodation because of threats of violence.

4.18 Figure 89 indicates that whilst the total number of claims for homelessness rose steadily during 2003 and 2004, the number levelled off at around 2,500 claims annually since 2005. Nevertheless, the number of households accepted as being homeless and in priority need has continued to rise, reaching almost 1,500 in the 12-months to the end of quarter 3 of 2006.

4.19 The number of households held in temporary accommodation peaked at around 1,400 in quarter 3 of 2003 and again at quarter 2 of 2005 – but this number had reduced to 936 households by quarter 3 of 2006.

Figure 89
Unintentionally Homeless and in Priority Need Applications and Households in Temporary Accommodation for Exeter & Torbay sub-region 2003-2006 (Source: Local Authority P1E Homelessness Data. Note: Number of cases based on 12-months to end of quarter)



Consultation with Homeless Support Service Providers

- 4.20 Detailed telephone interviews were conducted with six representatives of housing, homelessness and prolific ex-offender services. The overall objective of the interviews was to gain an insight into issues pertaining to groups of the population who typically have complex housing needs. In particular, respondents represented different stages of service provision in the homelessness field. Further details from the stakeholder consultation can be found in Section H of the Technical Report.
- 4.21 Most interviewees believed that the total homeless population has remained fairly constant over the past ten years. Generally, the homeless population are male, as females can reportedly hold their tenancy more effectively. Youth homelessness is thought to be increasing, particularly amongst those aged 15-17 years.
- 4.22 Most interviewees commented that service users are often unable to maintain a tenancy. One reason for this problem is that service users often have mental health, drug, or alcohol issues and have limited life skills so they fail to pay their rent or are involved in disputes and have their tenancy ended. Many service users have received little schooling and little real life experience so they develop coping strategies which are inadequate.
- 4.23 According to interviewees, substance misuse issues are central to many of the problems faced by homeless people. Many housing providers will not accept current drug users, hence the availability of accommodation is limited. There are shelters and accommodation that specifically cater for active drug users but there are limited spaces in these.
- 4.24 Most service users are unable to find or maintain employment. As a consequence of limited employment opportunities and often a lack of desire to work, service users cannot afford to rent accommodation and are entirely reliant on social support.
- 4.25 At present a large volume of support and information is available to service users in the area. Most organisations offering support to homeless people, even those whose main focus is on accommodation provision, will provide at least some information and advice. This ensures the availability of advice and information, irrespective of the stage at which a person chooses to access services.
- 4.26 Many of the homelessness organisations provide some form of accommodation support. The types of accommodation vary in levels of permanence and associated support. For instance, St Petrocks provides a day centre which only offers a shower and food, whilst Shilhay hostel offers a 40-bed hostel for men, as well as 2-3 houses which offer a greater degree of independence.
- 4.27 In order to increase service user prospects of gaining employment, several homelessness organisations provide education and training. According to one participant, what is important about projects is the process of attending classes between set hours, rather than the actual skills that are learnt. The project prepares participants for the routine associated with most occupations.
- 4.28 Generally, there was a feeling that the local authority housing process is complex to negotiate so information on how the process works would be beneficial.
- 4.29 The most commonly cited potential service change is a proposed one-stop shop which would house all homelessness organisations. Currently, many services are only available between 9am and 5pm on weekdays, whereas a one-stop shop would allow resources to be shared and services made available outside of these hours and at weekends.

Households in Housing Need

^{4.30} When considering all current housing needs (including those established households living in unsuitable homes, homeless households in temporary accommodation and people sleeping rough), the study identified a total of 6,466 households in need.

^{4.31} It is worth noting that all of these figures relate to the reference period for the study, which corresponds with the fieldwork period for the interview sample.

Figure 90

Summary of Existing Households in Housing Need (Source 1: Exeter and Torbay Household Survey 2006-07. Source 2: Local Authority P1E Homelessness Data Q3 2006. Source 3: Local Authority Housing Strategy Statistical Appendix (HIP) Data 2006. Note: Figures may not sum due to rounding)

Local Authority	Number of Households
Households currently living in unsuitable housing that need to move and cannot afford to rent or buy market housing ¹	5,872
Households accepted as statutorily homeless currently housed in housing leased temporarily from the private sector (PSL housing) ²	447
Households accepted as statutorily homeless temporarily housed in Bed & Breakfast or hostel accommodation ²	127
Single people currently sleeping rough ³	20
Total	6,466

Chapter 5: Housing Market Dynamics

- 5.1 Aside from understanding existing housing needs, it is important to consider the dynamics of the housing market – to understand how housing demand effectively interacts with housing need, and how existing housing need is likely to change in future.
- 5.2 Figure 91 shows the dynamism of the Exeter & Torbay sub-region housing market – with one in every nine households (11.3%) having moved within the last 12 months, a further 7.7% moved within the last two years.
- 5.3 The level of movement differs quite markedly between the local authority and local housing market areas. Across the entire sub-region 11.3% of households had moved in the last year. However, in Exeter City as many as 14.4% of households have moved within the last 12 months while only around 9% of households have moved during the last 12 months in both East Devon and Teignbridge.

Figure 91
Length of Time at Current Address (Source: Exeter and Torbay Household Survey 2006-07)

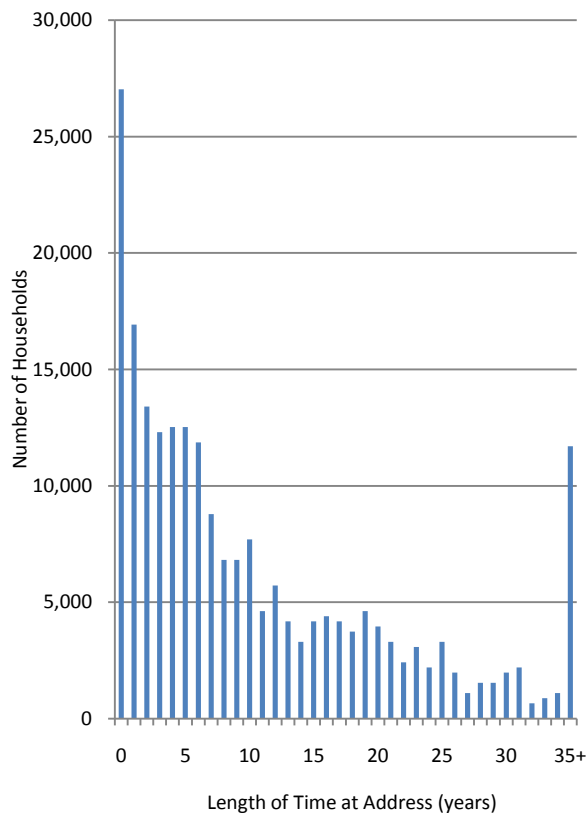
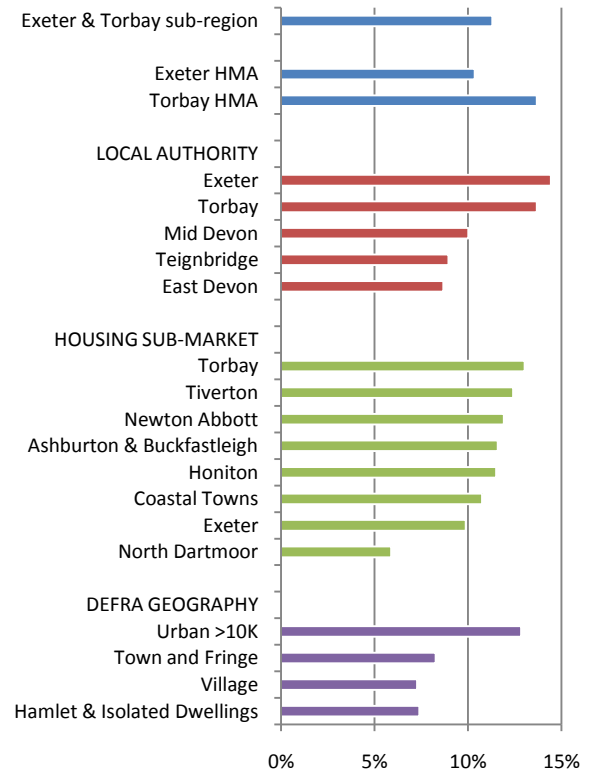


Figure 92
Households Moving in Last 12 Months by Local Authority, Local Housing Market Area and DEFRA Geography (Source: Exeter & Torbay Household Survey 2006-07)



- 5.4 When we consider those people that have moved within the last 12 months in more detail, it is apparent that young adults in their twenties through to their mid thirties are particularly mobile as are those with young dependent children.
- 5.5 Very few households who own outright (3.7%) have moved within the last year, although as many as 10.8% of those who own with a mortgage moved to their current home during this period. In terms of affordable housing, 11.0% of households currently renting from the Council or one of the local RSLs were housed in the last year. Nevertheless, undoubtedly the most significant turnover was in the private rented sector – with as many as 35.3% of tenants having lived at their current address for less than a year.
- 5.6 Of all the households that have been living at their current address for less than a year, 43% are private sector tenants – equivalent to 11,922 households across the sub-region. Of the remaining households that have recently moved, 12,464 (45%) currently own their home either outright or with a mortgage or loan, and a further 12% now live in affordable housing.

Figure 93
Persons Moving in Last 12 Months by Age (Source: Exeter & Torbay Household Survey 2006-07. Note: Data is smoothed based on 3-year averages)

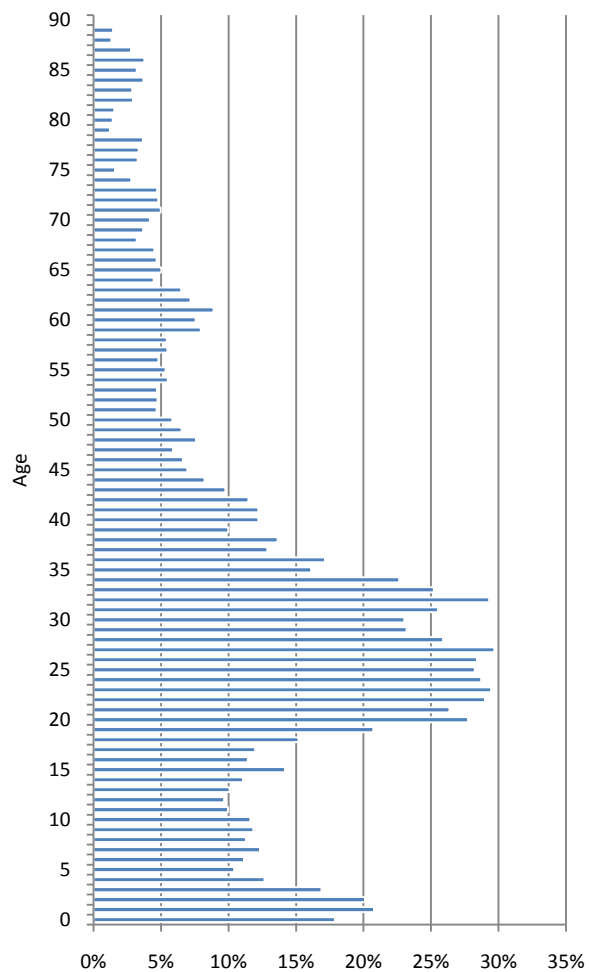


Figure 94
Household Moves in Last 12 Months (Source: Exeter & Torbay Household Survey 2006-07. Notes: Private Rent category also includes Tied Housing and Other Rented. Figures may not sum due to rounding)

Current Housing Circumstances	Previous Housing Circumstances					
	Established Households			Living With/ Rent a Room	All Households	
	Owner Occupation	Private Rent	Affordable Housing			
Housing Tenure						
Owner Occupation	7,737	3,269	177	1,281	12,464	
Private Rent	1,948	6,079	315	3,580	11,922	
Affordable Housing	49	1,201	705	1,371	3,326	
All Households	9,734	10,549	1,197	6,232	27,716	

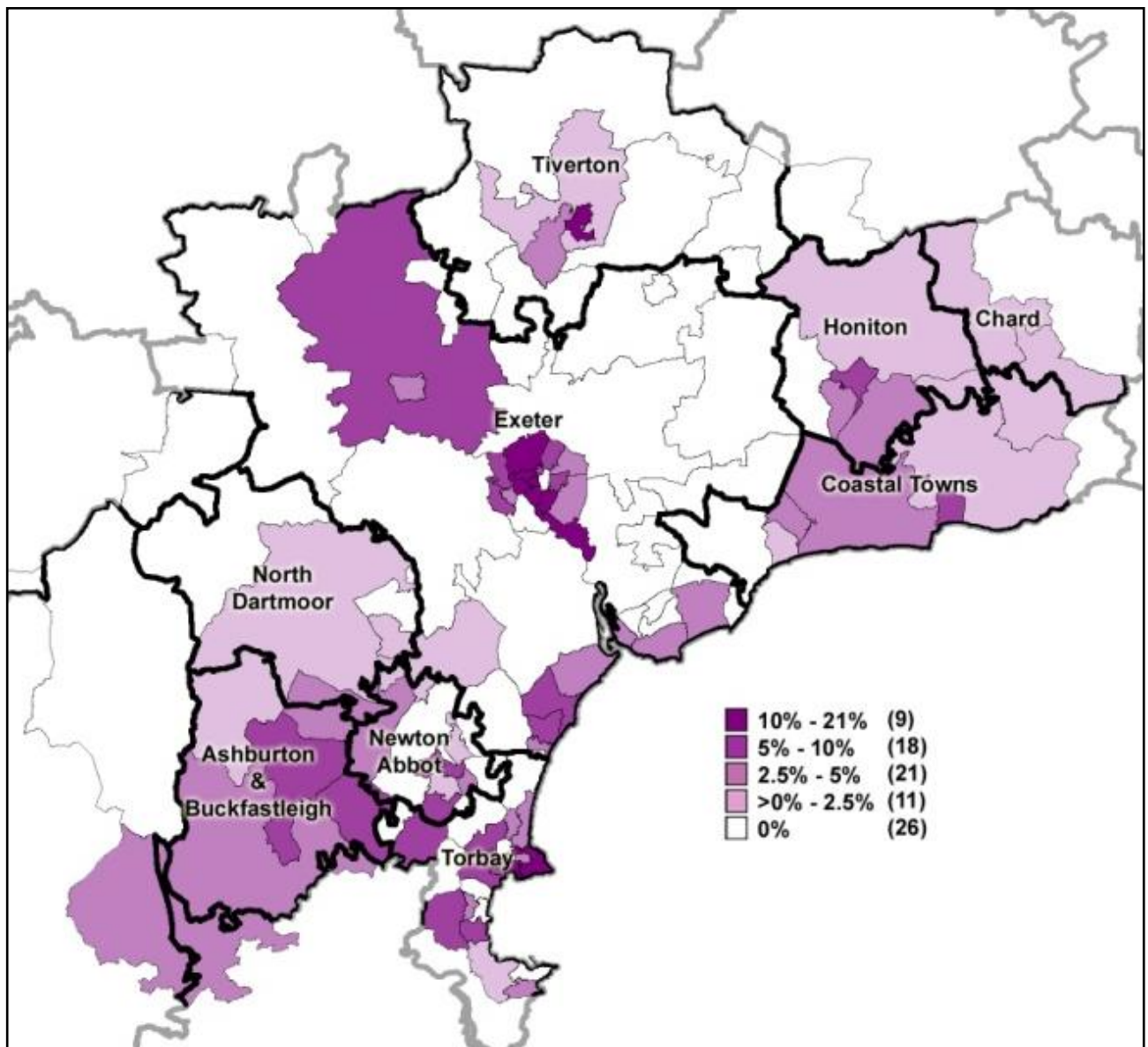
- 5.7 Of all households that moved in the last year, 38.1% moved from other private rented accommodation to their current home, 35.1% were previously in owner occupied accommodation and 4.3% lived in affordable housing.
- 5.8 Whilst many of the moves within the private rented sector were to other properties within the sector, a significant number of the properties that were vacated were due to cross-tenure moves. As many as 3,270 owner occupiers that had moved within the last year were identified as previously living in the

private rented sector – accounting for 26.2% of home purchases for owner occupation during the period. It is also worth noting that 1,281 purchases (10.3%) involved households previously “living with family or friends”, “renting a room in lodgings”, being homeless or in temporary accommodation.

- 5.9 When we consider those currently in affordable housing – 41.2% of new tenants (1,370 households) were formerly “living with family or friends”, “renting a room in lodgings” or housed temporarily in hostels or other similar accommodation. Households previously in owner occupation accounted for only 49 new households in the affordable housing sector.
- 5.10 A total of 6,232 households were identified as previously living with family or friends (including those households who were previously living in communal housing) – so at the time they moved, they were forming a new household. Figure 95 illustrates the distribution of recently formed households across the sub-region, where it is apparent that particular concentrations exist within Exeter city and areas of Torbay. It is also apparent that there are concentrations in other urban areas, including Newton Abbot, Tiverton, Honiton and settlements along the coast such as Dawlish and Exmouth.

Figure 95

Newly Formed Households in the last 3 years from host households living in the sub-region (Source: Exeter & Torbay Household Survey 2006-07.
Note: Data shown at middle-level Super COA)



- 5.11 To avoid double-counting, Figure 96 considers those households identified as moving in the last 12 months in the context of their previous housing circumstances and the location of their last home. It is apparent that 5,803 of the 6,232 newly forming households formed from host households living within the sub-region – the remaining 429 were in-migrants.

Figure 96
Household Moves in Last 12 Months by Previous Housing Circumstances and Location of Previous Home (Source: Exeter & Torbay Household Survey 2006-07.
Note: Figures may not sum due to rounding)

Previous Housing Circumstances	Location of Previous Home		All Households
	Within sub-region	Elsewhere	
Established Household	15,257	6,227	21,484
Concealed Household Living with Family or Friends	5,803	429	6,232
All Households	21,060	6,656	27,716

Assessing Affordability

- 5.12 Household affordability critically underpins the housing requirement analysis – determining both the ability to afford market housing (and be an effective housing demand) and the inability to afford market housing (and be a real housing need). Affordability is a complex issue and can be assessed in a number of different ways, but each method depends on common factors that are crucial to the analysis. The affordability of any particular household will depend on the relationship between:
- The cost of appropriate local housing, and
 - The amount that the household is able to afford.
- 5.13 Having established the cost of local rented housing, it is also important to consider the amount that households are able to afford. The National Housing Federation have traditionally promoted that it is appropriate for households to spend up to 30% of their net income on rent or mortgage payments, and in providing affordable housing, Local Authorities and RSLs have often based affordability tests on this relatively straight-forward calculation. Nevertheless, whilst this may be suitable for households expecting to pay relatively low rents in the social sector, the implications become somewhat unrealistic in considering the payments for more expensive properties in the private sector.
- 5.14 The London Housing Federation “Mind the Gaps” document recognises that households may be expected to contribute as much as 50% of net income towards their total housing costs – noting that it is not the proportion of income that is the over-riding factor, but that the most important consideration is the amount of residual income available after the identified costs have been paid.
- 5.15 The affordability tests used for the study seek to ensure that households are not committed beyond their means, but do not allocate affordable housing to households who are realistically able to afford housing in the private sector.

Assessing Affordability for Owner Occupation

- 5.16 In terms of the affordability assessment for owner-occupiers, whilst private renters will be expected to meet recurring costs each week or month it is accepted that owner occupiers will normally rely upon a loan or mortgage from a building society or other lender. Therefore, in the context of owner occupation, it is important that the householder is not only able to afford the repayments of such a loan but that also such a loan is accessible to that household. For this reason, a mortgage multiplier is normally applied to determine the amount households are able to afford when considering home purchase.

- 5.17 The assessment of mortgage eligibility adopted for this analysis is based upon the method proposed by Government in the emerging guidance for Local Housing Assessments – with lending for single incomes assumed to be 3.5x the income and lending for joint incomes based on a 2.9x multiplier. It is also important that the assessment of affordability for owner occupation considers other household resources, including:
- Savings;
 - Debts;
 - Equity (positive or negative) from current home (for current owners); as well as the
 - Amount that can be borrowed.
- 5.18 Perhaps the most important additional resource is any equity that a household may have in their existing home because, whilst the early years of a mortgage may not impact significantly on the amount of capital repaid, increases in house prices can bring significant additional resources.
- 5.19 In summary, the amount affordable for owner-occupation is therefore: savings minus debts plus/minus positive/negative equity plus the borrowable amount.

Assessing Affordability for Weekly Rent

- 5.20 Unlike with owner-occupation, the rental market does not require a single capital payment to be made upfront that has to be funded from a source such as a mortgage. Instead, it is based exclusively on a recurring payment taken from the individual household budget. Once again, the assessment for rent has been based upon that proposed in the emerging guidance, with 25% of household gross income assumed to be available for rent.
- 5.21 In practice, the use of gross income (as oppose to the net income) reduces the assumed payments for lower income households – because they are typically liable for less deductions (such as income tax and national insurance) from their income. Where households have no deductions from their earnings, they are assumed to pay only 25% of their net income on housing cost – but this increases to a maximum contribution of 31.5% of net income for those households earning up to £15,000 gross.

Modelling the Housing Market

- 5.22 For any housing market assessment, the key or core issues are:
- How many additional units are required?
 - How many additional units should be affordable homes?
 - For what type of open-market housing is there demand?
 - How will ‘demand’ and ‘need’ change over time?
- 5.23 The ORS Housing Market Model addresses these issues by analysing the whole housing market. Instead of focusing only or primarily upon poorer households and social sector need, it interprets the interaction of requirement and supply across all sectors of the housing market. Social sector needs are interpreted within the context of market housing demands. This takes account of the interaction of effective and ineffective demands and needs, and the likely supply from the range of properties vacated within the existing stock.
- 5.24 The Model interprets the market dynamically – by likening the interchange between households and vacancies to “musical chairs”. The “musical chairs” analogy brings out the dynamic relation between

requirement and supply – most households find suitable vacancies only because others move or suffer dissolution. In this context, the Model is primarily concerned with households likely to (or that otherwise need to) move. Of course, some households likely to stay in their current home may still have housing needs that should be addressed – but, by definition, the appropriate solutions for such problems will be provided in-situ and will therefore not impact on the mix of additional housing provision.

- 5.25 Whether households want or need to move, and what housing is appropriate for them, depends upon their characteristics, requirements and current accommodation. Effective demand is driven primarily by choice – nonetheless, even well-off households can find accommodation only if suitable vacancies arise. On the other hand, housing need is considered objectively – by evaluating households' current housing circumstances alongside their ability to afford local housing to establish a realistic assessment of housing need.
- 5.26 Through analysing the creation and take-up of vacancies the Model recognises that it is only because some households wish to and do move that others can find suitable homes. Nevertheless, the lack of suitable existing housing does not constrain the allocation process – for the mix of housing required by all households (including those currently without housing and unable to afford) is analysed, and it is the shortfalls identified in the existing stock that determine the mix of new housing required.
- 5.27 The elements of housing need and demand are detailed in Figure 97:

Figure 97
Derivation of Elements of Housing Need and Demand

Element	Derivation
Established households currently in need	Households currently living in unsuitable housing that need to move to resolve their housing problems and cannot afford to buy or rent market housing (including homeless households temporarily accommodated in PSL housing). By definition, all households require affordable housing – but the split between intermediate and social rent is based on affordability. The size of property required is based on household composition. It is assumed that the identified existing need is addressed over a 10-year period, therefore 10% of the total is counted annually.
Newly arising need from established households	The future projection for this flow is based on recent trend figures for the last 12 months. Households currently living in unsuitable housing who were suitably housed one-year ago are assumed to constitute new need during the period, together with households who were forced to move during the period and were re-housed in affordable housing due to a problem that would have not been identified 12 months ago. By definition, all households require affordable housing – but the split between intermediate and social rent is based on affordability. The size of property required is based on household composition.
Effective demand from established households	The future projection for this flow is based on expectations of existing households moving within the sub-region over the next 12 months. Households are only counted if they are able to afford to buy or rent market housing, therefore by definition all will require market housing. Size of property required is based on household expectations in the context of expressed demand.

Element	Derivation
In-migrant households to the sub-region	The future projection for this flow is based on recent trend figures for the last 12 months, with five-year projections adjusted on the basis of ONS migration data for the last five years. Households are allocated to market, intermediate or social housing on the basis of affordability. Size of property required is based on trends in terms of the number of bedrooms in properties occupied by recent in-migrant households.
Hidden households emerging as new households	The future projection for this flow is based on recent trend figures for the last 12 months. The figure only includes newly forming households from host households in the sub-region. Households are allocated to market, intermediate or social housing on the basis of affordability. Size of property required is based on trends in terms of the number of bedrooms in properties occupied by recent newly forming households.
Homeless households housed in hostels and B&B accommodation	Households currently living in communal housing that require re-housing in traditional housing. It is assumed that the identified existing need is addressed over a 10-year period, therefore 10% of the total is counted annually.

5.28 The extent to which the market clears depends upon the match or mismatch between the households seeking housing, on the one hand, and the available stock, on the other. The sources of housing supply are detailed in Figure 98.

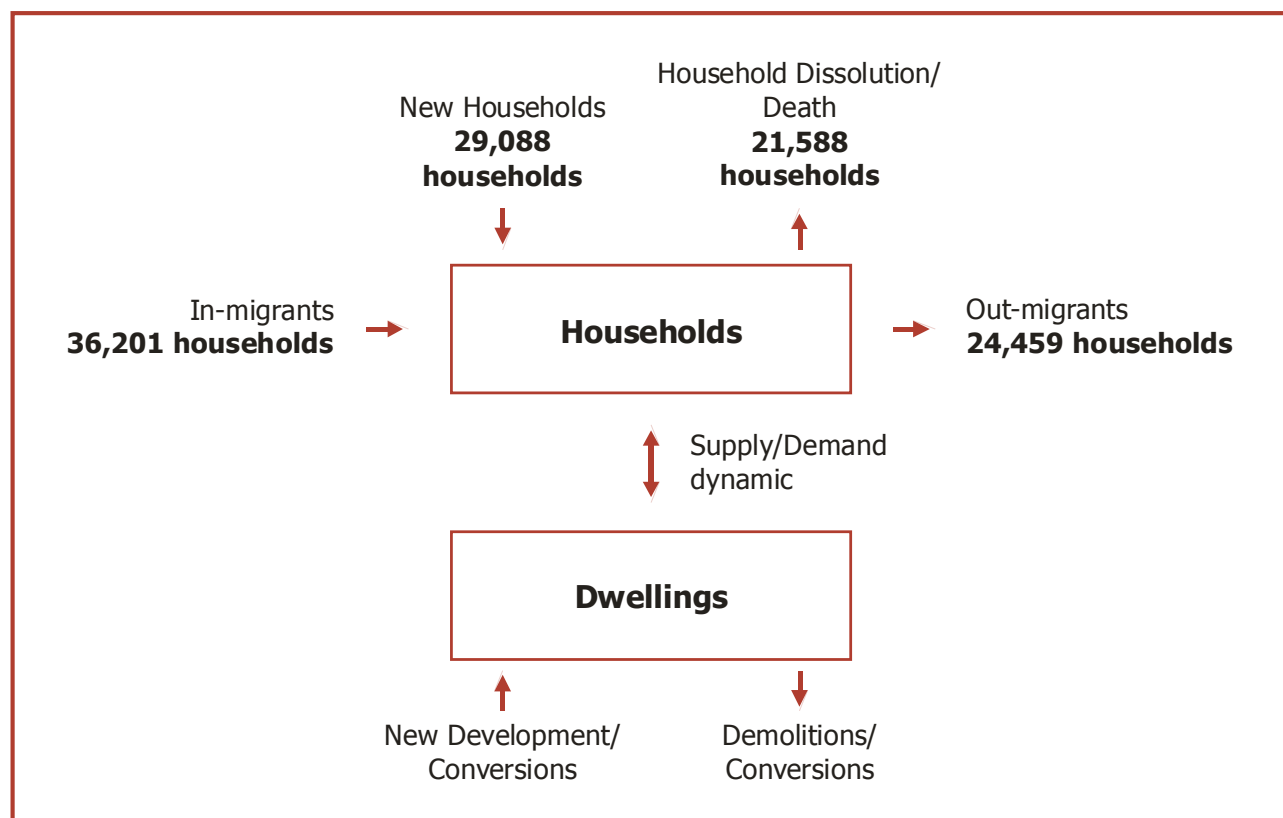
Figure 98
Derivation of Elements of Housing Supply

Element	Derivation
Property vacated by established households moving home	The future projection for this flow is determined by the three flows of established households considered within the elements of housing need and demand: – Established households currently in need; – Newly arising need from established households; and – Effective demand from established households. All established households moving are assumed to vacate their current home. The type and size of property counted within the supply is based on the actual tenure and number of bedrooms in the current home, i.e. the property being vacated.
Property vacated by out-migrant households leaving the sub-region	The future projection for this flow is based on expectations of existing households moving away from the sub-region over the next 12 months. All out-migrant households are assumed to vacate their current home. The type and size of property counted within the supply is based on the actual tenure and number of bedrooms in the current home, i.e. the property being vacated.
Property vacated following household dissolution due to death or household merging	The future projection for this flow is based on the structure of individual households coupled with ONS survival rate statistics. Each household is allocated a probability of survival such that a residual probability of dissolution can be derived. All households identified as moving to “live with” another household, moving to communal housing or otherwise no longer requiring independent housing are also counted as vacating their current home. The type and size of property counted within the supply is based on the actual tenure and number of bedrooms in the current home, i.e. the property being vacated.

- 5.29 Of course, new housing development and property conversions will also contribute to housing supply in the sub-region – but these components are not considered by the Model, for it is seeking to understand how the existing housing stock will (or more importantly will not) be able to house future households in the area.
- 5.30 To do this, the Model notionally assigns – or matches – available housing to households. Through matching gross housing requirements with supply (vacancies created), the model identifies net housing requirements – i.e. those households who are unlikely to find suitable housing within the existing housing stock. Such an approach was recognised by Bramley and Pawson (2000) in the DETR Good Practice Guidance, where it was noted that:
- The value of this approach is that it makes the connections between what is happening in the private sector and the social sector explicit. It keeps track of households, who can't just disappear without trace, and draws particular attention to the roles of migration.*
- 5.31 Such an approach has subsequently been adopted by DTZ Pinda Consulting in the “Housing Market Assessment Manual” produced for the Office of the Deputy Prime Minister (ODPM) – where the supply/demand dynamic between households and dwellings is considered at various levels of abstraction.
- 5.32 Detailed outputs from the Housing Market Model are provided in Section G of the Technical Report – but the projected flows of housing need, demand and supply are summarised below. In considering this combination of inward and outward household flows, we can determine the likely pressure placed upon the dwelling stock – and the implicit requirement for additional housing provision.

Figure 99

5-Year Requirement/Supply Flow Analysis (Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment 2006-07)



5.33 Figure 100 details the net gains and losses of each pair of flow streams, where it is apparent that a net 19,200 additional dwellings should be provided over the 5-year period to sustain the existing supply/demand imbalance. If this number of homes is not provided, one or more flows will have to change.

5.34 As previously noted, the migration assumptions used within the Housing Market Model are based upon observed trends for the last five years – but the study has also recognised that migration is subject to significant fluctuation from year-to-year. In this context, Figure 101 shows how the model outputs vary in relation to migration flows when 20-year trends are adopted. Whilst the local household flows do not change, the 5-year net requirement from migrant households reduces from 11,700 households to 8,800 households.

5.35 In this context, we would conclude that the overall housing requirement for the next five years is likely to be between 16,300 and 19,200 additional dwellings across the sub-region. Nevertheless, in understanding the appropriate mix of housing, we have considered the outputs in relation to the 5-year migration trends – for it is these flows that are currently driving other factors associated with the housing market, such as the cost of local housing.

Understanding the Required Housing Mix

5.36 In seeking to understand the required housing mix, household affordability has been grouped into three classifications. In allocating households to specific types of housing, the determining factor is affordability:

- **Social rented housing** – for those households unable to afford any more than target social rents;
- **Intermediate housing** – for those households able to afford more than target social rents, but unable to afford to buy owner-occupied housing and unable to afford to rent privately at rents at the market rent threshold; and
- **Market housing** – for those households able to afford to buy owner-occupied housing or able to afford to rent privately at rents at or above the market rent threshold.

Figure 100
Summary of 5-Year Housing Requirements by Household Flows (Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment 2006-07. Note: Figures may not sum due to rounding)

Housing Type	Inward Flow	Outward Flow	Net Requirement
5-Year Requirement			
Migration – households moving to and from the sub-region	36,201	24,459	11,742
Indigenous change – household formations and dissolutions	29,088	21,588	7,500
Established household moves	66,139	66,139	-
Total	131,428	112,186	19,243

Figure 101
Summary of 5-Year Housing Requirements by Household Flows based on 20-year migration trends (Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment 2006-07. Note: Figures may not sum due to rounding)

Housing Type	Inward Flow	Outward Flow	Net Requirement
5-Year Requirement			
Migration – households moving to and from the sub-region	27,000	18,242	8,758
Indigenous change – household formations and dissolutions	29,088	21,588	7,500
Established household moves	66,139	66,139	-
Total	122,227	105,969	16,258

5.37 When considering the appropriate housing supply, the following sources of supply are considered:

- **Social rented housing** – social housing provided to rent from local authorities and Registered Social Landlords;
- **Intermediate housing** – dedicated intermediate housing products (such as shared ownership, discount market sale, sub-market rent, etc.) and a proportion of the housing in the private rented sector with rents below the market rent threshold (i.e. within the lowest quartile); and
- **Market housing** – owner-occupied housing and housing in the private rented sector.

5.38 Following on from these definitions in relation to the range of housing types, it is possible to develop the earlier analysis through considering the housing market as a matrix of housing ‘origins and destinations’ – balancing the gross requirements for market housing, intermediate housing and social housing against the equivalent identified supply.

5.39 The gross housing requirements and likely supply are matched by the ORS Housing Market Model as detailed below. It is apparent that the gross housing requirement is equivalent to the total inward flow (including internal moves by established households) with housing supply equalling the total outward flow:

Figure 102

5-Year Requirement/Supply Housing Type ‘Origin’ and ‘Destination’ Matrix (Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment 2006-07. Note: Figures may not sum due to rounding)

Source of Requirement/ Supply		Established Households Moving To:			Out-Migrant Households	Household Dissolution	Total
		Market Housing	Intermediate Housing	Social Rented Housing			
5-Year Requirement							
Established Households Moving From:	Market Housing	46,771	289	1,673	19,927	15,948	84,609
	Intermediate Housing	5,344	948	1,114	2,094	401	9,901
	Social Rented Housing	454	1,080	8,465	2,437	5,238	17,675
New Household Formation							
In-Migrant Households							
Total		93,874	12,655	24,900			

5.40 As previously noted, the ORS Housing Market Model identified an overall requirement for 19,243 additional dwellings over a 5-year period. By matching the above column totals for total housing requirement (including both housing need and demand) against the corresponding row totals for housing supply, it is possible to consider the overall net housing requirement for the sub-region.

5.41 The balance of this net requirement between the different housing types is detailed below.

Figure 103

Summary of 5-Year Housing Requirements by Housing Type (Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment 2006-07. Note: Figures may not sum due to rounding)

Housing Type	Gross Housing Requirement	Housing Supply	Net Housing Requirement (Surplus)	
			N	%
5-Year Requirement				
Market Housing	93,874	84,609	9,265	48.1%
Intermediate Housing	12,655	9,901	2,754	14.3%
Social Rented Housing	24,900	17,675	7,225	37.5%
Total	131,428	112,186	19,243	100.0%

5.42 It is apparent that whilst market housing requirements account for 71.4% of the overall gross total, it constitutes only 9,265 units of the total 19,243 net housing requirement (48.1% of the overall net total).

5.43 In summary, the ORS Housing Market Model identifies an overall five-year requirement for 19,200 additional dwellings, with the balance between market housing, intermediate housing and social housing being 48:14:38 respectively.

5.44 Figure 104 identifies the gross requirement for housing over the next five years in terms of housing type and size.

Figure 104

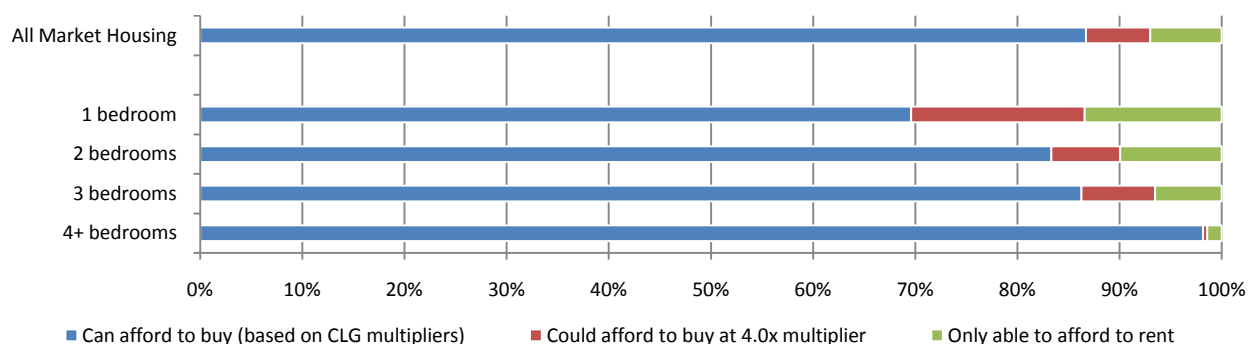
5-year Gross Housing Requirement by Housing Type and Size (Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment 2006-07. Note: Figures may not sum due to rounding)

Housing Requirement	Type of Housing			Total
	Market Housing	Intermediate Housing	Social Rented Housing	
5-year Gross Requirement				
1 bedroom	8,279	3,568	8,850	20,697
2 bedrooms	28,416	5,080	8,650	42,145
3 bedrooms	35,499	2,242	6,761	44,501
4+ bedrooms	21,680	1,765	639	24,084
Total	93,874	12,655	24,900	131,428

5.45 In the context of market housing, it is important to note that in accordance with the definition for housing need, the model only allocates households to affordable housing if they are unable to afford to buy or rent market housing – therefore some households allocated to market housing are unable to afford home purchase as illustrated in Figure 105.

Figure 105

Affordability of Households requiring Market Housing by Housing Size (Source: Exeter and Torbay Household Survey 2006-07)



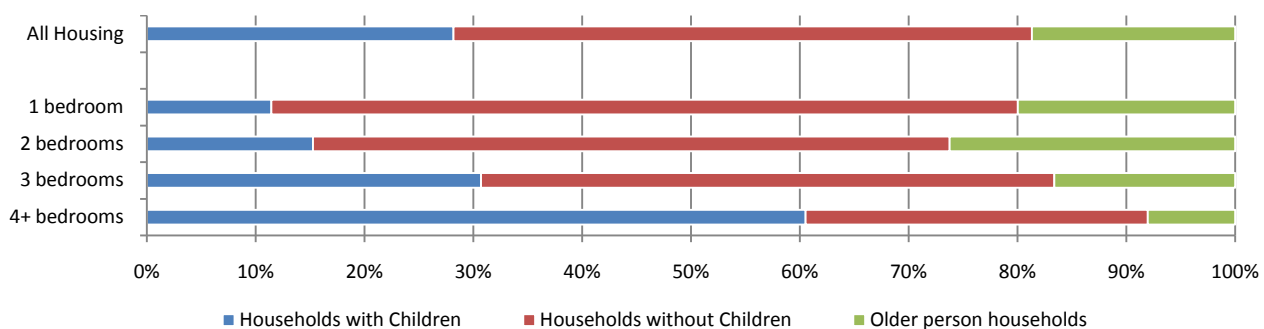
- 5.46 Overall, the significant majority of households allocated to market housing can afford to purchase their own home in the local market. Nevertheless, those households seeking larger dwellings (often having existing equity) tend to be more likely to afford home ownership than those requiring smaller homes. Of the 8,279 households requiring 1-bed market housing, as many as 30% are deemed unable to afford to purchase a 1-bedroom property on the basis single buyers borrowing up to 3.5x their income and joint purchasers having a maximum of 2.9x their joint income.
- 5.47 Adopting higher mortgage multipliers does not impact on the split between market and affordable housing – but more households already within the market housing sector are deemed able to afford home purchase. When considering those households requiring 1-bed market housing, just over half of those unable to afford on the basis of the standard affordability test would be able to afford to purchase if a 4.0x lending multiplier was applied.
- 5.48 It is important to note that some households within the market housing sector will create a demand for intermediate housing products – where in principle they could afford to rent but would prefer home ownership. In this context, the actual demand for intermediate housing products may be stronger than the model would suggest in the context of a needs-based assessment – but such additional demand would be in addition to the affordable housing need already identified.

Understanding the Nature of Households Seeking Housing

- 5.49 Figure 106 shows the type of households seeking housing of different sizes across the sub-region. Of all households seeking housing, just over a quarter have dependent children and just under a fifth are older person households. When considering the differences by size of housing, it is perhaps not surprising to note that most of the households requiring the largest housing have children. It is also interesting to note that over a quarter of two bedroom properties are sought by older person households.

Figure 106

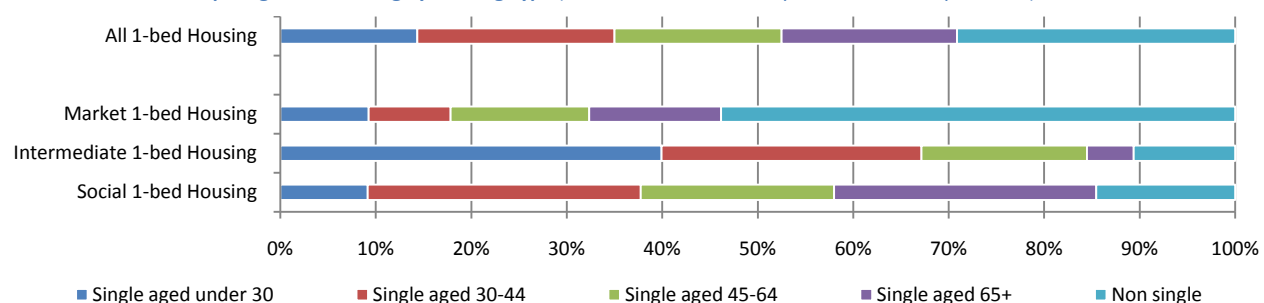
Nature of Households requiring Housing by Housing Size (Source: Exeter and Torbay Household Survey 2006-07)



- 5.50 Figure 107 provides further detail on those households seeking 1-bed housing by housing type.

Figure 107

Nature of Households requiring 1-bed Housing by Housing Type (Source: Exeter and Torbay Household Survey 2006-07)



- 5.51 It is interesting to note that over half of the 1-bed market housing is being sought by non single person households – mainly adult couples. This is perhaps an indication that many people are unable to support market housing costs, even for 1-bed properties, on the basis of a single income. This is consistent with two-thirds of households allocated to intermediate housing being single people aged under-45, including 40% aged under 30 years.
- 5.52 1-bed social housing is almost exclusively allocated to single person households – but unlike the age distribution for intermediate housing, the requirements for social housing are focussed far more on the needs of older persons, with single persons aged 65+ accounting for over a quarter of the overall 1-bed social housing requirement.

Profiling the Net Housing Requirement

- 5.53 Figure 108 details the net requirement for additional housing after the model has taken account of vacancies arising within the existing stock.

Figure 108

5-year Gross Housing Requirement by Housing Type and Size (Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment 2006-07. Note: Figures may not sum due to rounding)

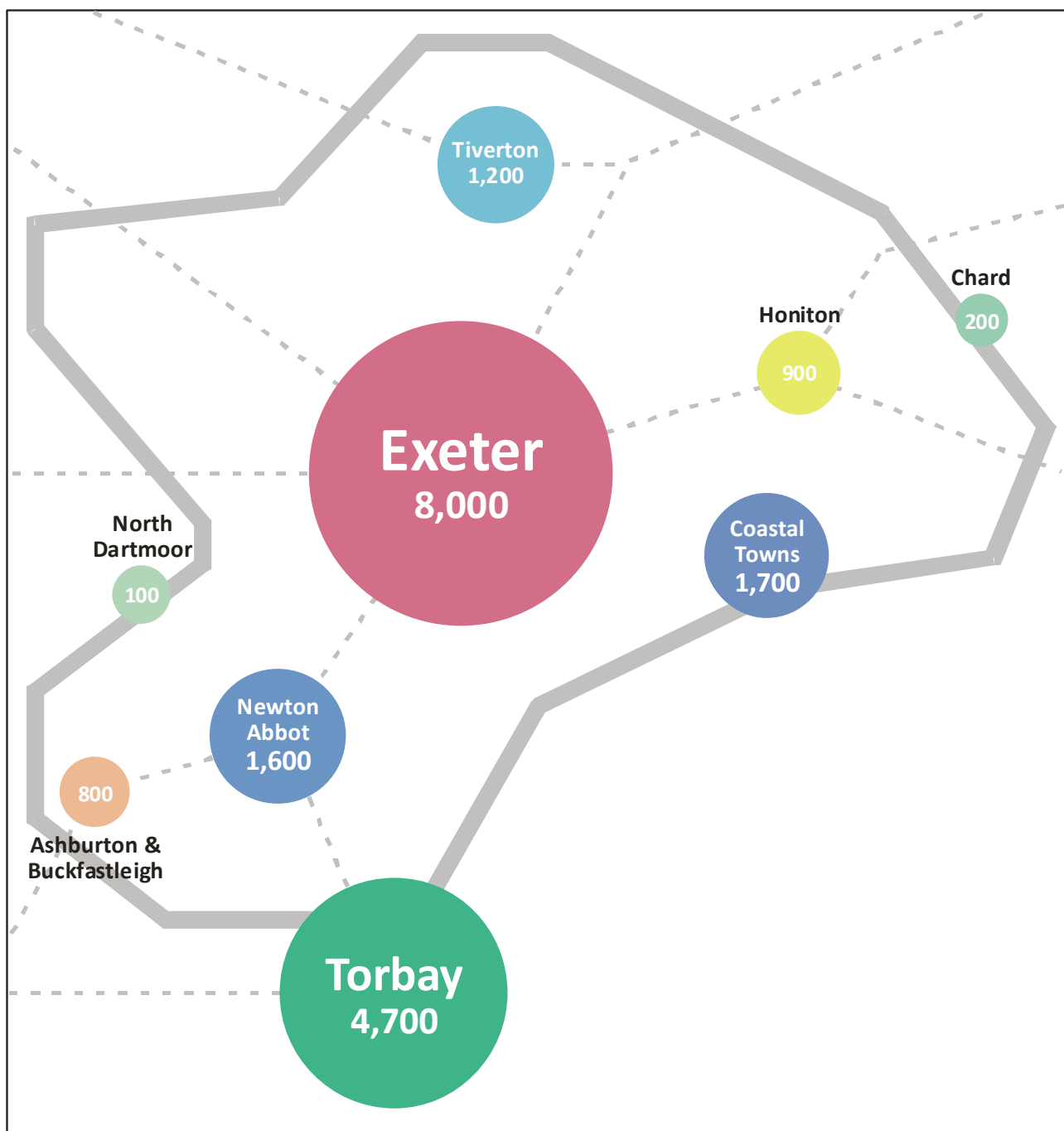
Housing Requirement	Type of Housing			Total
	Market Housing	Intermediate Housing	Social Rented Housing	
5-year Net Requirement				
1 bedroom	2,823	1,949	1,332	6,105
2 bedrooms	2,409	915	4,746	8,069
3 bedrooms	1,068	32	510	1,610
4+ bedrooms	2,964	(142)	637	3,458
Total	9,264	2,754	7,225	19,243
Net Requirement (Annualised)				
1 bedroom	565	390	266	1,221
2 bedrooms	482	183	949	1,614
3 bedrooms	214	6	102	322
4+ bedrooms	593	(28)	127	692
Total	1,853	551	1,445	3,849

- 5.54 It is apparent that almost three-quarters of the net housing requirement is for 1-bed or 2-bed dwellings – accounting for almost 14,200 of the overall 19,200 units required. In determining the mix of new housing provision, it will be important to evaluate how existing larger properties may be sub-divided into smaller units (in particular in the more urban areas) in order to reduce the overall number of new properties that need to be delivered.
- 5.55 For example, if it were possible to annually convert 100 properties across the sub-region from being large homes with 4+ bedrooms into four 1-bed units, this could yield as many as 2,000 additional small properties over a 5-year period with a loss of 500 larger homes (which would subsequently need replacing). In net terms, this would reduce the requirement for new housing provision by 1,500 units – from 19,200 dwellings down to 17,700 dwellings, with the need for new 1- and 2-bed units then accounting for only 12,200 units, equivalent to only two-thirds of this total.
- 5.56 The above scenario is only hypothetical – but it illustrates the importance of considering how the required housing is likely to be delivered across the sub-region, for this will be critical in determining the appropriate size mix of housing required.

- 5.57 Figure 109 shows the distribution of the net housing requirement across the housing sub-markets within the sub-region. Of the overall 19,200 dwellings required, around 8,000 fall within the Exeter sub-market (though not necessarily within the city boundaries) and 4,700 are in the Torbay sub-market.
- 5.58 The remaining units are distributed relatively evenly across the sub-region – with the Newton Abbot sub-market accounting for around two-thirds of the remaining dwellings required in Teignbridge and the Coastal Towns sub-market accounting for a similar proportion of the remaining dwellings required in East Devon.

Figure 109

5-year Net Housing Requirement by Sub-market (Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment 2006-07. Note: Figures may not sum due to rounding. Dotted lines denote major transport routes)



Profiling Affordability of Local Housing Stock

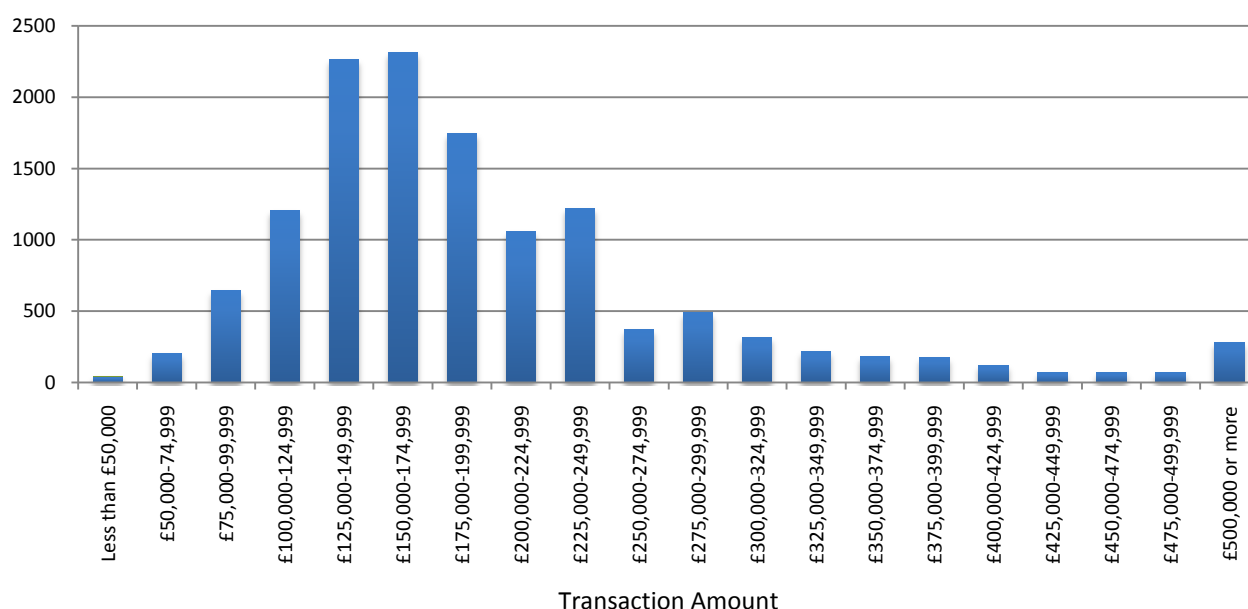
^{5.59} CLG guidance on Local Housing Assessments notes that housing requirements studies can be undertaken using either primary or secondary data sources. This section constructs a model of the housing requirements of the sub-region using only secondary data sources to act as a comparison with the primary data results presented above. It should also be noted that the secondary data model also used local authority reports for this study to profile the housing requirements of individual settlements – where secondary data is available, but primary data cannot be relied upon due to the small sample sizes involved.

House Prices and Sales

^{5.60} Figure 110 (below) shows the distribution of all property transactions in the sub-region registered with the Land Registry for the period 2005-06 broken down by price band.

Figure 110

Property Sale Transactions for Sub-region 2005-06 (HM Land Registry, All Transactions from October 2005 to September 2006)



^{5.61} It is apparent that there were very few transactions for less than £75,000, with 16.1% of properties selling for less than £125,000. Of course, it has to be borne in mind that at least some of these properties at the extreme end of the scale will not be fit for habitation in their current state, and will require a significant amount of investment to bring them up to an appropriate standard.

Affordability

^{5.62} In determining mortgage borrowing, CLG guidance for Local Housing Assessments states that it should be assumed that a single earner will borrow up to 3.5x his/her gross earnings, with two income households borrowing no more than 2.9x the joint income.

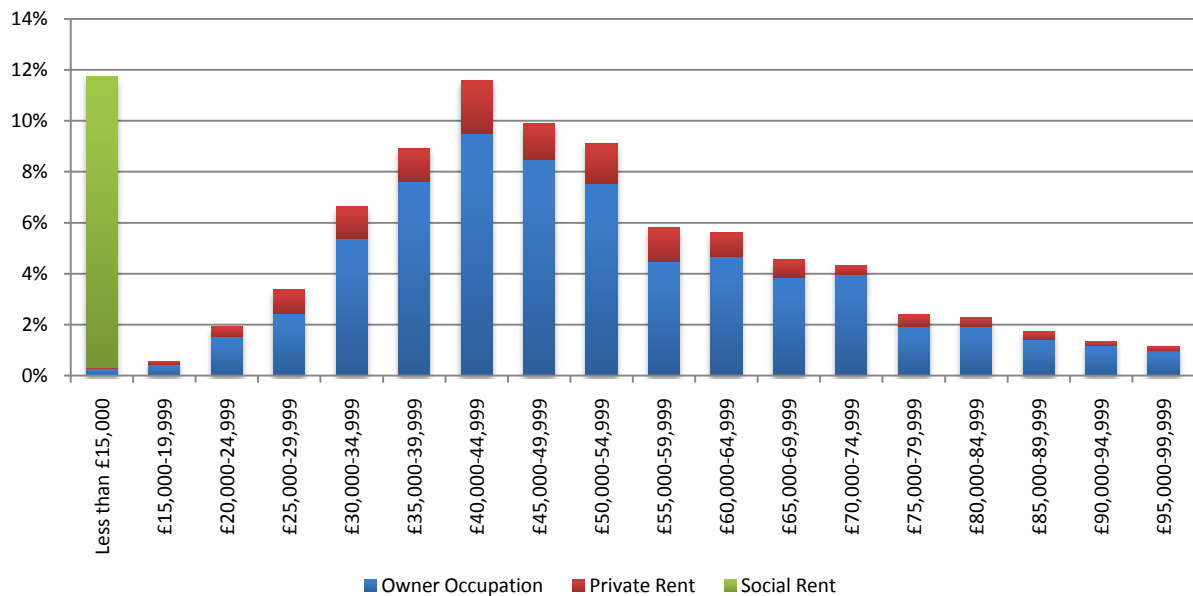
^{5.63} On this basis virtually no owner occupied housing is affordable to households earning less than £25,000 p.a., and only 14.8% of properties sold would be affordable to individual earners with incomes of less than £34,999 borrowing at the maximum 3.5x ratio. For households to be able to consider the

cheapest quarter of properties on the market, individual earners would need to earn at least £35,000-39,999 with joint borrowers needing incomes of £45,000-49,999 or more.

- 5.64 As also noted earlier emerging guidance from CLG recognises that households should contribute up to 25% of their gross income toward rent payments. Through considering the mix of rented housing (in terms of dwelling type), the cost of purchasing rented stock and the current 5.9% yield from buy-to-let properties (Source: Landlord Mortgages), we can also understand the income required to access properties in the private rented sector.
- 5.65 This shows that the private rented market is no more affordable to households than home ownership – with 4.2% of all properties in the sector affordable to households earning less than £24,999, and only those with household incomes of £50,000 or more able to access more than half.
- 5.66 To complete the analysis of the rented stock, we should also consider the cost of renting in the social sector. Unlike market housing, rents in the social sector are controlled and generally set in line with Target Rents determined by the Housing Corporation.
- 5.67 On the basis of households spending no more than 25% of their gross income on housing cost, households would require incomes of £10,750 to service the rent on a 1-bed socially rented home; £12,300 for a 2-bed social property; £13,500 for a 3-bed social rented dwelling and £15,100 for larger social sector units. Insofar as households with incomes any lower than these amounts would typically qualify for Housing Benefit support to assist with their rent, all social rented properties would inevitably be affordable to all households.
- 5.68 Figure 111 (opposite) shows the required annual income to service the cost of all housing types in the sub-region – identifying the proportion of dwellings that would be considered affordable to households on a range of incomes.
- 5.69 For households earning £15,000 or less (typically assumed to require social rented housing), 11.7% of local housing would be affordable – either in the social sector (with or without benefit support) or in the market sector (without benefit support or any existing equity).
- 5.70 Half of the stock (48.8%) requires earning of £45,000 or more, with around a third (29.7%) requiring annual incomes of £55,000+. Of course, given that nearly 80% of the stock is owner-occupied, many households will have existing equity and will not depend exclusively on the household income – but most newly forming households (and households seeking to move out of rented housing) do not benefit from this additional finance.
- 5.71 When we remove the cumulative aspect of the above analysis, and consider only those properties that become affordable within the identified band, the limited supply of housing available for those households earning £15,000-24,999 and to a lesser extent £25,000-29,999 becomes quite apparent (Figure 111 opposite).

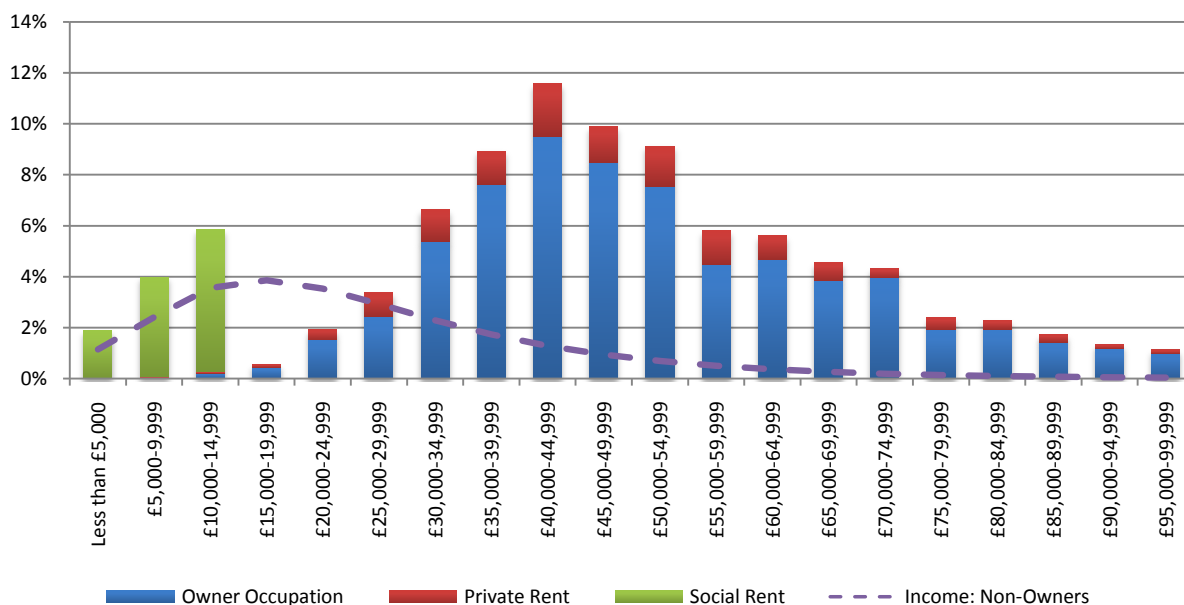
Figure 111

Available Housing Stock by Required Income in Sub-region 2005-06 (Source: Exeter & Torbay Household Survey 2006-07)



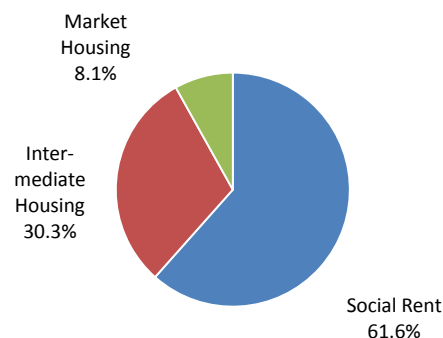
- 5.72 We can consider the available stock in the context of local household incomes – but as previously noted, the above distribution takes no account of the impact of existing equity upon affordability. We have therefore modelled local incomes (Source: CACI) to determine the income structure of those households without existing equity. The outcome of this modelling process has been overlaid on the distribution of available housing stock to identify any apparent shortfalls (Figure 112).
- 5.73 The income distribution demonstrates that the proportion of housing affordable to households earning less than £15,000 is higher than the proportion of existing households in this category, but only 15% of the required housing for existing households earning £15,000-19,999 is available within the existing stock and 55% of the housing required is available for existing households earning £20,000-24,999.
- 5.74 The model implies that there is technically enough housing available for those earning £25,000 and above. However, there is not sufficient housing available for owner-occupation for those earning £25,000-29,999 with much of the housing available to this group being in the private rented sector. It should also be remembered that only 15% of housing for owner-occupation is available to those earning less than £35,000. These properties are likely to include many in a poor state of repair and in need of considerable investment. Therefore, there is likely to be a lack of good quality owner-occupied housing for any first time buyer with a household income of less than £35,000. This would create a natural market for intermediate housing for those earning £25,000-34,999 as well as those earning £15,000-£24,999.
- 5.75 It should also be remembered that the above figures could be higher – for some of the cheaper properties may be occupied by households with higher earnings than are technically required to service the housing costs on those homes (on the basis of the proposed CLG affordability tests).
- 5.76 When considering the mix of existing housing in the area in terms of household income required to service housing costs, there are sufficient properties for those households with incomes under £15,000, but there is a clear shortfall of housing available to households with incomes from £15,000 up to £25,000. This leads to the overall modelling showing a shortfall of around 10,000 intermediate dwellings currently, but no shortfall of social rented dwellings. It is also noteworthy that the shortfall of intermediate dwellings has increase rapidly in recent years.

Figure 112
Affordability for Current Social Rented Tenants (Source: Exeter & Torbay Household Survey 2006-07)



5.77 Therefore, the ORS primary data model identified a large shortfall of social rented accommodation and a smaller shortfall of intermediate dwellings in the sub-region, while the secondary model identifies no shortfall in social rent dwellings, but a large shortfall of intermediate dwellings.

Figure 113
Affordability for Current Social Rented Tenants (Source: Exeter & Torbay Household Survey 2006-07)



5.78 A key factor in explaining the difference between the two models is shown in Figure 113. This shows that among existing social rented tenants the ORS Housing Market Model estimates that only 61.5% cannot afford any other type of housing. The model shows that 30.3% (9,000 households) are potentially able to afford intermediate housing (insofar as they are able to afford more than required to access social rented housing but unable to afford market prices) and 8.1% (2,400 households) could afford market housing.

5.79 This implies that a significant part of the social housing stock of the sub-region is being occupied by households who could afford to move elsewhere. The primary data ORS Housing Market Model would only seek to allocate these households to other types of dwellings if they were in housing need in their existing property or if they actively chose to move home.

5.80 The secondary data model shows a current need for around 10,000 intermediate dwellings across the sub-region and the primary data implies that 9,000 social rented households could afford to move into intermediate housing. Therefore, potentially an increased provision of intermediate housing could allow households to leave social rented accommodation which would free more of the social housing stock for those who cannot afford to move elsewhere. This also assumes that the cost and quality of the intermediate properties is attractive to current social rent tenants – and, critically, that these households would want to move from their current home.

- ^{5.81} However, it should also be remembered that many households will be ‘hidden’ due to a lack of access to suitable social rented housing. Therefore, if more social rented housing were to be provided there are likely to be households who would come forward to fill these properties.

Understanding Housing Supply

Allocations and Housing Trajectory

- ^{5.82} Figure 114 shows how recent housing completions in the sub-region compare with the targets which are set out for the local authorities in the Devon County Structure Plan 2001-2016. This shows that the recent completion rates in East Devon, Exeter and Mid Devon have all been close to the objectives set-out in the Devon County Structure Plan 2001-2016. The recent completion rate in Torbay has been higher than that required in the plan, while completions in Teignbridge have fallen short of their target. Overall, recent completion rates in the sub-region have been close to the targets set in the Devon County Structure Plan 2001-2016.

Figure 114

Structure Plan Allocations and Completions since 2001 by Local Authority (Source: Devon County Structure Plan 2001-2016 and Local Authority Records. Note: All figures relate to position as at 31 March 2006. Structure plan allocation for DNP assumed to be divided equally between the National Park's seven settlements, of which four are in Teignbridge)

Planning Authority	Structure Plan Allocation 2001-2016	Completions 2001-2006	% of Allocation Satisfied by 2006	Residual Requirement 2006-2016	Average Annual Delivery Rate		
					Required 2001-2016	Achieved 2001-2006	Required 2006-2016
East Devon	8,450	2,725	32.2%	5,725	563	545	573
Exeter city	6,700	2,365	35.3%	4,335	447	473	434
Mid Devon	5,850	1,938	33.1%	3,912	390	388	391
Teignbridge planning	7,500	1,953	26.0%	5,547	500	391	555
DNP within Teignbridge	515	259	50.3%	256	34	52	26
Torbay UA	4,300	2,367	55.0%	1,933	287	473	193
Total	33,315	11,607	34.8%	21,708	2,221	2,321	2,171

- ^{5.83} Figure 115 shows that the current level of commitments for planned housing would lead to all but Torbay missing their targets from the Devon County Structure Plan 2001-2016. Therefore, to meet the targets it is likely that more land will have to be allocated to housing to ensure the total level of commitments increases.

Figure 115

Planned Housing Commitments to 2016 by Local Authority (Source: Local Authority Records. Note: All figures relate to position as at 31 March 2006)

Planning Authority	Residual Requirement 2006-2016	Under Construction	Outline Planning Permissions	Development Plan & S106 Commitments	Total Commitments to 2016	Structure Plan Projected Shortfall (Surplus)
East Devon	5,725	299	1,406	3,584	5,289	436
Exeter city	4,335	925	1,103	1,368	3,396	939
Mid Devon	3,912	548	1,003	1,974	3,525	387
Teignbridge planning	5,547	575	794	2,364	3,733	1,814
DNP within Teignbridge	256	92	116	32	240	16
Torbay UA	1,933	287	2,137	650	3,074	(1,141)
Total	21,708	2,726	6,559	9,972	19,257	2,451

- 5.84 Figure 116 shows the actual number of completed dwellings and also the predicted housing trajectory for the five local authorities in the sub-region. This therefore includes all newly built private sector properties, any conversions of existing dwelling into flats and all affordable housing which has been built. This shows that cumulatively the 5 local authorities have seen an addition of just over 2,000 dwelling per annum in recent years.
- 5.85 It should be noted that these figures include the new settlement at Cranbrook where 2,900 dwellings are expected to be provided before 2016, with 2,000 being delivered in the next 5 years. This implies that the total number of expected completed dwellings in East Devon over the next 5 years is around 4,000, but around half of these will be in the Exeter Principal Urban Area and can be seen as largely providing for the housing requirements of Exeter City.
- 5.86 This total level of completions in the sub-region is expected to rise to around 3,250 dwellings per annum in the future when the impact of Cranbrook is felt, before falling away again to just over 2,500 dwellings per annum.
- 5.87 As previously noted, the Housing Market Model identified a need for a provision of 3,850 properties per annum within the sub-region. Therefore, even the higher level of projected completion to include the impact of Cranbrook will still fall short of this target.

Figure 116

Actual and Predicted Housing Trajectory by Local Authority (Source: Local Authority Records. Note East Devon figures include the impact of Cranbrook)

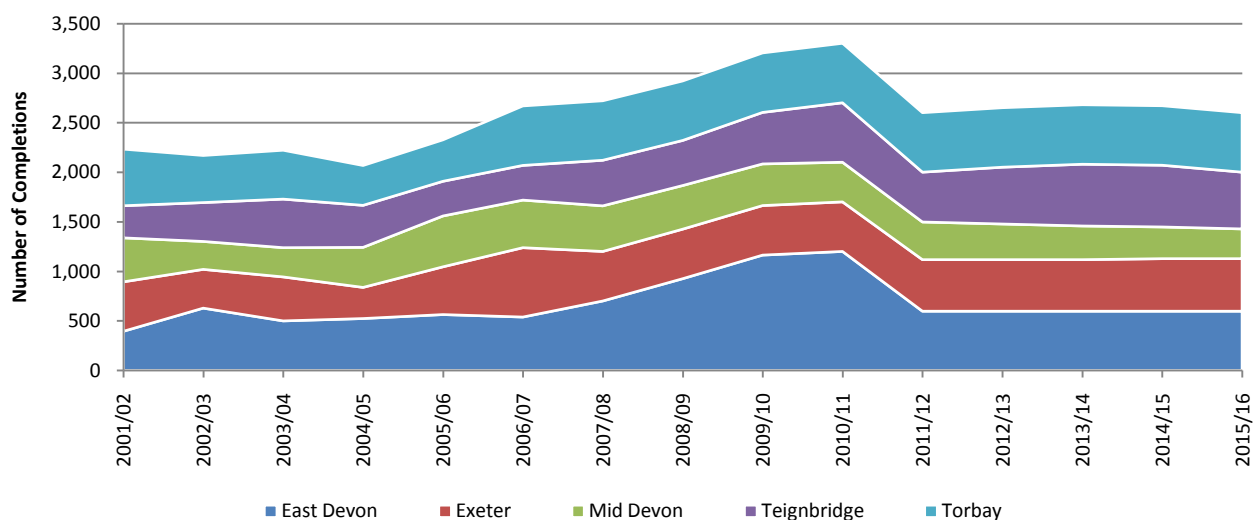


Figure 117

Actual and Predicted Housing Trajectory by Local Authority (Source: Local Authority Records. Note East Devon figures include the impact of Cranbrook)

Local Authority	Actual Completions					2001-06 Total	Projected Completions	
	2001/02	2002/03	2003/04	2004/05	2005/06		2006-11	2011-16
East Devon	395	629	500	524	564	2,610	4,531	2,990
Exeter city	499	391	444	314	482	2,130	2,700	2,620
Mid Devon	444	282	295	404	513	1,938	2,200	1,700
Teignbridge	324	392	490	424	350	1,980	2,385	2,895
Torbay UA	571	475	493	402	418	2,359	3,000	3,000
Total	2,238	2,140	2,222	2,094	2,163	11,000	14,816	13,205

Affordable Housing

- 5.88 Figure 118 shows the number of new RSL rented properties which were completed in each year from 2001/02 to 2005/06 and also the projected number of completions in 2006/07 and 2007/08. This shows that Exeter City Council had a relatively low level of completions in 2004/05. However, completions across the sub-region rose in 2005/06 and are expected to rise further in the future.
- 5.89 Figure 118 shows that prior to 2004/05 the number of new RSL shared ownership properties which were completed was very low. However, since 2004/05 the number of RSL shared ownership completions has been rising and is expected to rise further in the future.

Figure 118

Actual New RSL Dwellings 2001/02 – 2005/06 and Projected New RSL Dwellings 2006/07 – 2008/08 (Source: Local Authority Housing Strategy Statistical Appendix (HIP) Data)

Local Authority	Actual Completions					Annual Average	Projected Completions	
	2001/02	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08
Rented Dwellings								
East Devon	20	15	22	25	31	23	45	45
Exeter city	105	215	105	70	179	135	111	227
Mid Devon	21	39	51	15	34	32	34	68
Teignbridge	83	24	36	30	6	36	110	57
Torbay UA	85	31	91	42	128	75	100	97
Sub-total	314	324	305	182	378	301	400	494
Shared Ownership								
East Devon	-	-	11	9	18	8	15	15
Exeter city	-	15	5	57	53	26	61	44
Mid Devon	-	-	-	5	42	9	28	43
Teignbridge	6	10	6	20	19	12	45	51
Torbay UA	6	-	-	6	22	7	36	71
Sub-total	12	25	22	97	154	62	185	224
Total	326	349	327	279	532	363	585	718

- 5.90 Figure 119 shows the level of affordable housing which was as a direct result of the planning system, detailing how much of the provision was social rented dwellings and how much was shared ownership. This table therefore excludes any affordable housing which was provided on 100% affordable housing sites, through Housing Corporation grants or through the reintroduction of voids.
- 5.91 The most significant point is that the amount of affordable housing delivered through the planning system forms a very low share of the total housing provision. In the case of East Devon only 2.8% of all housing completed was affordable housing provided through the planning system. The highest rate of delivery of affordable housing through the planning system in the sub-region was in Exeter with over 15% of all completions falling into this category.
- 5.92 It is also worthy of note that only 13 of the dwellings provided through the planning system have been completed in the sub-region in the last five years as a product of rural exceptions policies.

Figure 119

Actual Affordable Housing 2001/02 – 2005/06 Delivered via the Planning System by Local Authority (Source: Local Authority Records)

Local Authority	Affordable Housing Delivered via the Planning System					2001-06 Total	All Housing Delivered	
	2001/02	2002/03	2003/04	2004/05	2005/06		2001-06	% as Affordable
East Devon	-	-	31	28	10	69	2,450	2.8%
Exeter city	52	46	35	91	105	329	2,130	15.4%
Mid Devon	-	39	51	14	37	141	1,938	7.3%
Teignbridge	-	34	42	50	19	145	1,980	7.3%
Torbay UA	-	-	91	6	60	157	2,359	6.7%
Total	52	119	250	189	231	789	10,857	7.3%

- 5.93 The following summary details the affordable housing policies of the local authorities and the date of their adoption – and in the context of earlier information, it is clear that the affordable housing being delivered through the planning system falls considerably short of many policy positions.
- 5.94 The highest affordable housing targets have been adopted by the more rural authorities in the sub-region – and whilst some policies have only recently been implemented, it is apparent that even those that have been operated for a number of years have only delivered a very small amount of affordable housing through the planning system.

Affordable Housing Policies by Local Authority

East Devon (Adopted July 2004) 40% affordable housing on all sites (30% social rent, 10% intermediate). In the towns of Axminster, Budleigh Salterton, Exmouth, Honiton, Ottery St Mary, Seaton and Sidmouth for 15 dwellings or more and/or are on sites of 0.5 hectares or greater. In all other areas for 5 or more dwellings. Sites should include 1/3 one bed, 1/3 two beds and 1/3 three or more beds.

Exeter (Adopted 2004) 25% affordable housing on all sites capable of providing 15 dwellings or more.

Mid Devon (Adopted February 2007) 40% affordable housing on all sites. For Tiverton, Cullumpton and Crediton sites of 0.5ha with 15 dwellings or more. For other areas on sites of 0.2 hectares with 6 dwellings or more. Sites should include at least 20% one bed, at least 30% two beds, up to 30% three beds, up to 10% four beds.

Teignbridge (Proposed Core Strategy) 50% on sites of 0.3ha with 10 dwellings or more from November 2006 onwards. In the Newton Abbot SRC, the percentage of affordable housing proposed from allocated sites is 60%, in Teignmouth it ranges from 50% to 65% and in Dawlish 60%. This figure falls in the local centres of Bovey Tracey 51% to 55% and Chudleigh 18% to 19% where there is less need. The expected range from windfall sites where it is anticipated there will be an element of affordable housing varies from 55% in Newton Abbot SRC, Teignmouth, Dawlish and Bovey Tracey to 31% in the rural areas.

Torbay (Adopted September 2003) 30% affordable housing on all sites of 0.5ha with 15 dwellings or more.

Dartmoor National Park (Adopted August 2004) 50% of all dwellings built are affordable dwellings for local people.

- 5.95 Figure 120 summarises the level of total and affordable ownership completions for each of the local authorities. This includes all affordable housing and not just that provided through the planning system. This shows that total affordable housing provided across the sub-region ranges from 8.7% of all completions in East Devon to 45.1% in Exeter. Across the sub-region as a whole, 16.7% of all new completions have been social rent dwellings and 19.1% of all completions have been affordable housing.

- 5.96 As previously noted, the Housing Market Model identified a need for a provision of 3,850 properties per annum within the sub-region of which around 52% should be affordable. Therefore, it is the case that the total provision of new dwellings in the sub-region is likely to fall short of the total identified in this study. It is also the case that the requirement for around 50% of new dwellings to be affordable is unlikely to be met given that in the past five years less than 20% affordable housing has been achieved on new dwellings.

Figure 120

Actual Affordable Housing by Local Authority (Source: Local Authority Records)

Local Authority	Completions 2001-06				Share of Completions		Affordable Housing % Target
	Total	Social Rent	Shared Ownership	Total Affordable Housing	% Social Rent	% Affordable Housing	
East Devon	2,450	113	38	151	4.6%	6.2%	40%
Exeter city	2,130	674	130	804	31.6%	37.7%	25%
Mid Devon	1,938	160	47	207	8.3%	10.7%	40%
Teignbridge	1,980	179	61	240	9.0%	12.1%	50%
Torbay UA	2,359	377	34	411	16.0%	17.4%	30%
Total	10,857	1,503	310	1,813	13.8%	16.7%	-

Stakeholder Views

- 5.97 Stakeholders at the focus groups identified both a lack of housing supply and also a lack of available building land as being problems in the sub-region. Many participants felt that the current planning system lacks responsiveness and makes significant Section 106 demands on developers which leads to too little development taking place. One desired future change might be an increase in the speed of the planning process. This change could be reported as hope rather than an expectation.
- 5.98 They also felt that competition for land with health care, commerce and other sectors is reducing housing supply. The right to buy a second home was also thought to be draining the existing supply. Moreover, it was thought that much of the building over recent years has been servicing inward migration.
- 5.99 The focus groups certainly identified disparities between current supply and demand. There was an overwhelming sense that the market is being flooded with flats. The groups believed that such developments were necessary because of the need to overcome high land values. It was suggested that the planning system must intervene and overcome this issue. However, there was also concern that local authorities might dictate the housing mix on a development. Developers do their own market research in order to ensure that their properties will sell, whereas the local authority's ability to determine the housing mix was questioned.
- 5.100 The focus groups also discussed the significant lack of affordable housing in rural and coastal areas. There is not only an issue of affordability but there also seems to be a dominance of 3-4 bedroom houses. There is little viability of sustainable communities in these areas as young people are unable to find accommodation in rural areas and as a result they move to urban areas.
- 5.101 There was general agreement that the number of households moving from social rented properties into the private sector is virtually nil. People are falling into a gap between what is social rented and market accommodation. Moreover, these people are thought to be earning good salaries. As a

consequence of this deficit in intermediate housing a log jam has been created. Representatives of RSLs recognised that RSLs are going to have to provide for this new client group.

- 5.102 Possible solutions to the increasing intermediate market include shared ownership schemes. It was generally agreed that there are negative perceptions of shared ownership accommodation, people would rather reportedly prefer to rent a property. In order to address negative attitudes towards the schemes, there is thought to be a need for better promotion and advertising. Developers favour shared ownership schemes above rented properties because they believe that people will take greater care of the development if they at least have a stake in the property.
- 5.103 Another solution to the deficit might be intermediate rented properties. This type of accommodation would be priced above social rented housing but below the market price. Traditionally such accommodation has been targeted at key workers but might be one solution to the intermediate market. In relation to this point, participants also commented that people in the intermediate market are now more likely to be willing to rent properties rather than buy. This has been assisted by investors increasingly buying properties in order to rent them.
- 5.104 Developers suggested that a greater number of future developments will be mixed-use. Several recent developments of this type have been built and it is anticipated that in order to secure land, developers will need to work alongside commercial organisations, as well as RSLs. Developers also thought that live/work housing might increase, although there was a degree of uncertainty surrounding the definition of this type of housing. It was believed that should road-pricing and congestion charges be introduced, there may be an increase in this type of housing.
- 5.105 It was anticipated that the new communities will have an impact, which may include a reduction in travel into Exeter from areas outside. The impacts of the new communities will need to be monitored closely. In addition to the new communities the bypass in Torbay is expected to reduce major traffic problems in the area. There will obviously be implications for the local housing market.

Chapter 6: Understanding Specific Sub-group Needs

- ^{6.1} Whilst we have established an understanding of the housing needs and housing requirements of the overall population across the sub-region, the following section considers the needs of certain sub-groups of the population – in particular where their needs may differ from the needs of the general household population.
- ^{6.2} The sub-groups considered by the study included:
- Housing Needs of Older People;
 - Supported Housing and Health Needs;
 - Young People;
 - Student Households;
 - Black and Minority Ethnic Population;
 - Eastern European Migration;
 - Gypsies and Travellers; and
 - Public Sector Workers.
- ^{6.3} It is important to note that whilst the following sections provide a general context for each of these identified groups, independent studies which profile the requirements in further detail already exist for some sub-groups whereas others may warrant further research to expand on and better understand some of the key issues identified. It should also be noted that further more detailed information about some of these sub-groups can be found in the feedback from the stakeholder consultation in Section H of the Technical Report.

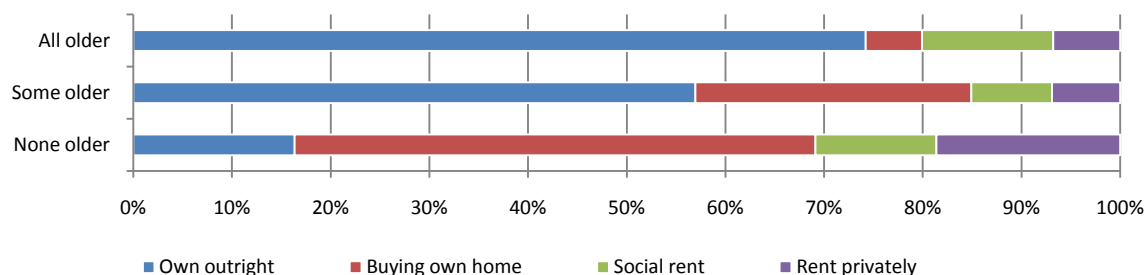
Housing Needs of Older People

- ^{6.4} For the purposes of this section we will define an older person as someone who is over the age of 60 years. The population of the Exeter & Torbay sub-region is noticeably older than that of England and Wales as a whole. Some questions within the household survey were only directly relevant to the respondent, and under these circumstances we will only use the results from respondents aged 60 years or over. For other questions the households as a whole are the most relevant source of information and under these circumstances we will use the categorisation outlined below:
- All older: At least one person in the household is aged 60 years or over and no-one in the household is aged under 50 years
 - Some older: At least one person in the household is aged 60 years or over, but at least one member of the household is aged under 50 years
 - None older: No member of the household is aged over 60 years
- ^{6.5} The household survey indicated that 39.3% of households in the Exeter & Torbay sub-region were all older and another 5.7% contained at least one older member of the household alongside younger members. 40.9% of all respondents to the survey were aged over 60 years.

Current Housing Circumstances

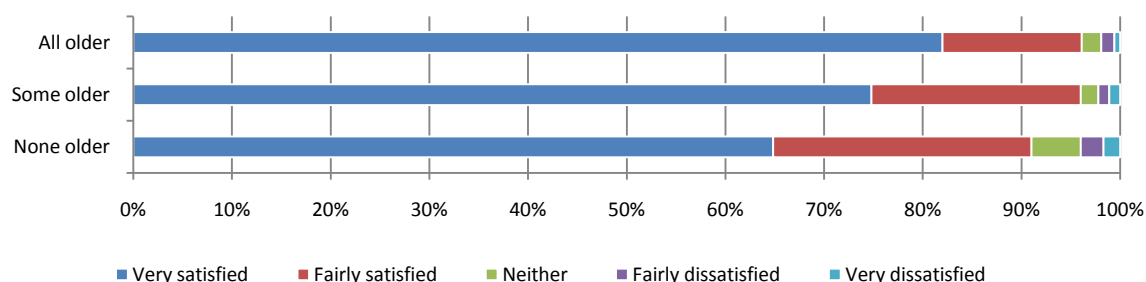
- 6.6 The household survey indicates that there are sharp differences between older and non-older households in their housing tenure (Figure 121). The vast majority of older households own their home outright. Households with no older members are more likely to be buying their own home, or renting in the private sector.

Figure 121
Tenure by Age Group (Source: Exeter & Torbay Household Survey 2006-07)



- 6.7 The majority of residents of the Exeter & Torbay sub-region are satisfied in their current home and households which contain older members are more likely to be satisfied than those which do not contain older members (Figure 122).

Figure 122
Satisfaction with Current Home by Age Group (Source: Exeter & Torbay Household Survey 2006-07)

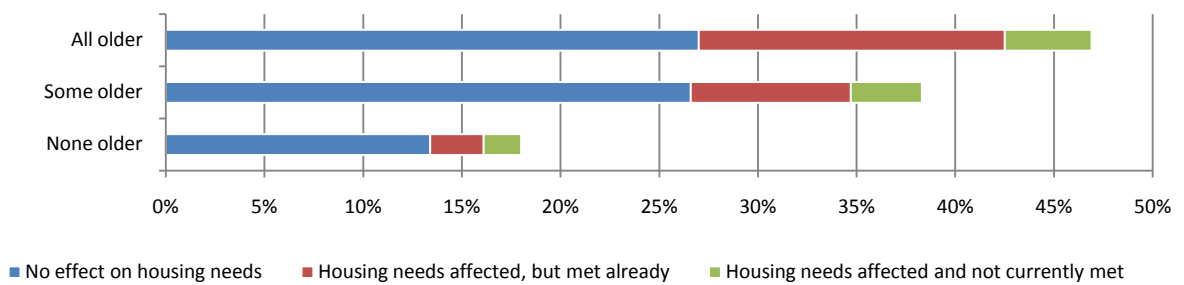


Health Problems

- 6.8 The household survey indicated that over 45% of all older households and nearly 40% of households which contain some older members have at least one member who suffers from a health problem (Figure 123). This compares with 18% of households which contain no older members.
- 6.9 Figure 123 shows how these health problems impact on the housing needs of the household. 20% of households with all older and 12% of households with some older members have their housing needs affected by the health problems of at least one member of their household. 4% of all older households and households with some older members do not currently have their housing needs met by their current home due to health problems. This amounts to around 4,700 homes across the Exeter & Torbay sub-region containing older people, which do not currently meet the housing needs of their occupants, due to health problems in the household.

Figure 123

Health Problems and Housing Need in Household by Age Group (Source: Exeter & Torbay Household Survey 2006-07)

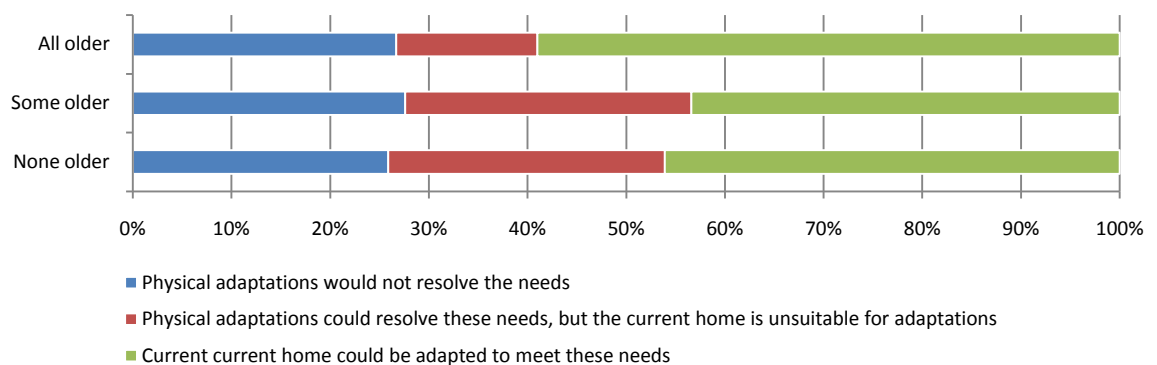


6.10 Figure 124 shows that of the households who felt that their current home did not satisfactorily meet housing needs due to health problems, around 60% of all older and 43% of some older households felt that their current home could be adapted to meet their needs. However, around 15% of all older and 30% of some older households felt that they would need to move to another home which was more suitable for their needs.

6.11 Therefore, the majority of those households containing older persons where their home was not meeting their housing needs due to a health problem did not require to move to another home. Only a relatively small number of households did require to move, but these still amounted to around 700 households across the Exeter & Torbay sub-region.

Figure 124

Needs of those experiencing difficulties by all households whose home did not satisfactorily meet the health needs of its members (Source: Exeter & Torbay Household Survey 2006-07)



Want to Move

6.12 The household survey indicated that 12% of household containing all older persons and 17% of households containing some older persons felt that they would like to move. This is lower than the 28% with no older persons who wanted to move (Figure 125).

Figure 125

Want to Move by Age Group (Source: Exeter & Torbay Household Survey 2006-07)

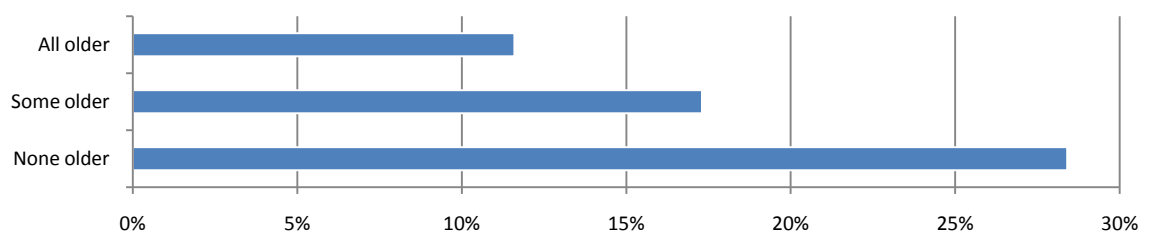
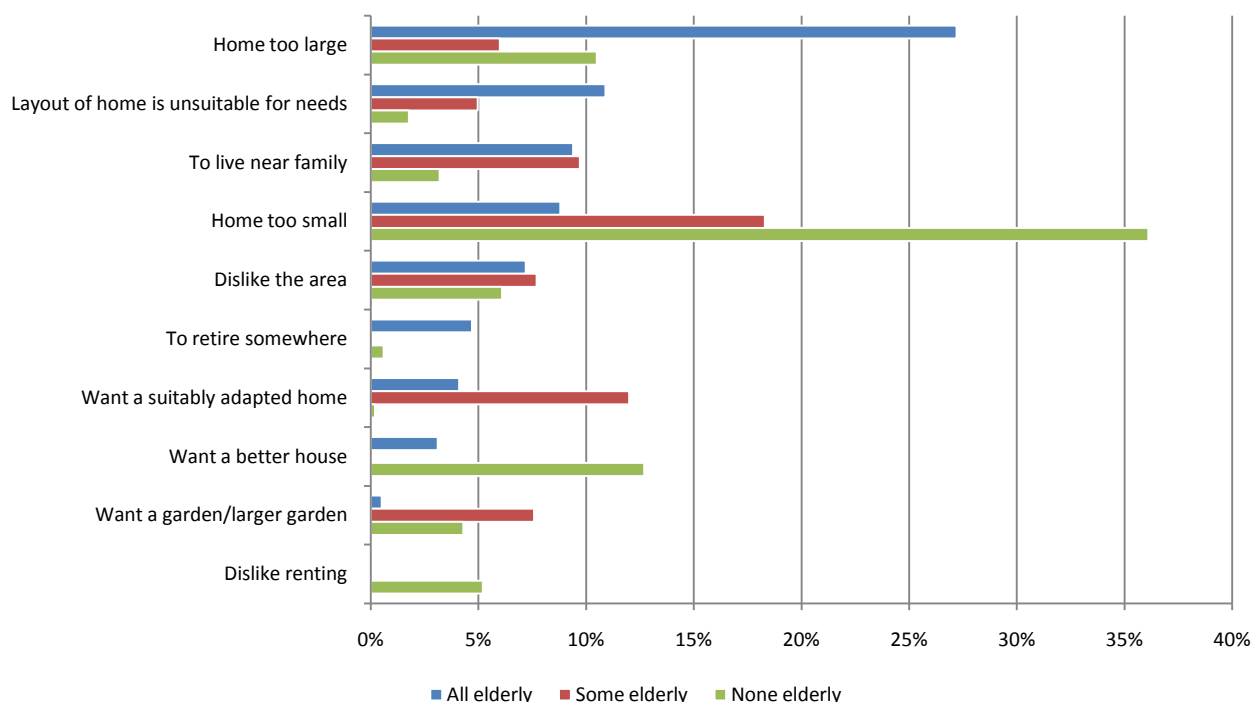


Figure 126

Reasons for Wanting to Move by Age Group (Source: Exeter & Torbay Household Survey 2006-07)

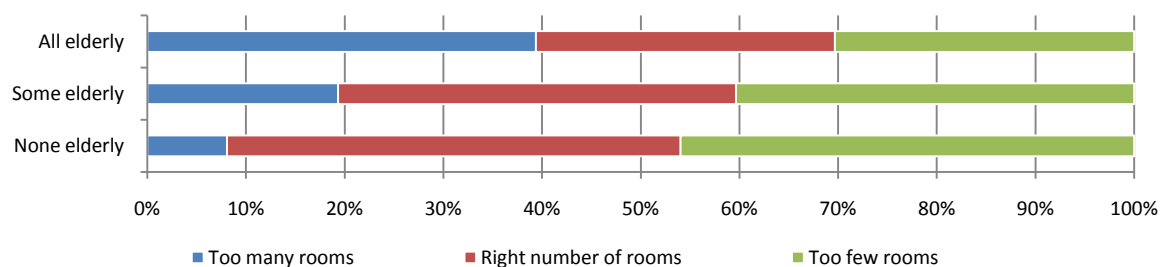


6.13 The reasons given for wanting to move were very different for those households which contained older persons when compared with those which contained no older persons (Figure 126). Those households which do contain older persons were much more likely to want to move because their current home was too large or because it was unsuitable for their needs. Those with no older persons were much more likely to want to move because their current home was too small or because they wanted a better house.

6.14 Figure 127 shows that households containing only older persons were more likely to feel that they had too many rather than too few rooms in their home. This pattern was reversed for households with some older persons within them indicating that households with a range of ages require many rooms.

Figure 127

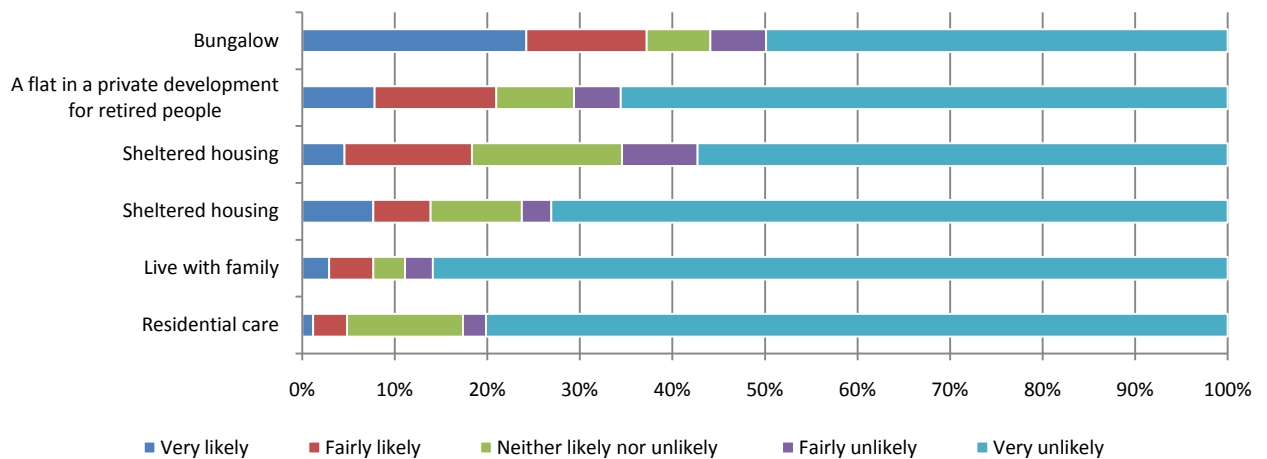
Too Many or Too Few Rooms by Age Group (Source: Exeter & Torbay Household Survey 2006-07)



6.15 Respondents who were aged over 60 years were asked about types of accommodation they were likely to consider moving to in the future. Figure 128 shows that nearly 40% of all household respondents aged over 60 years felt that it was likely they would consider moving to a bungalow in the future. Around 20% were also likely to consider a flat in a private development for retired people.

Figure 128

Likelihood of Considering Types of Accommodation as they became older for Respondents Aged 60+ (Source: Exeter & Torbay Household Survey 2006-07)



Supported Housing and Health Needs

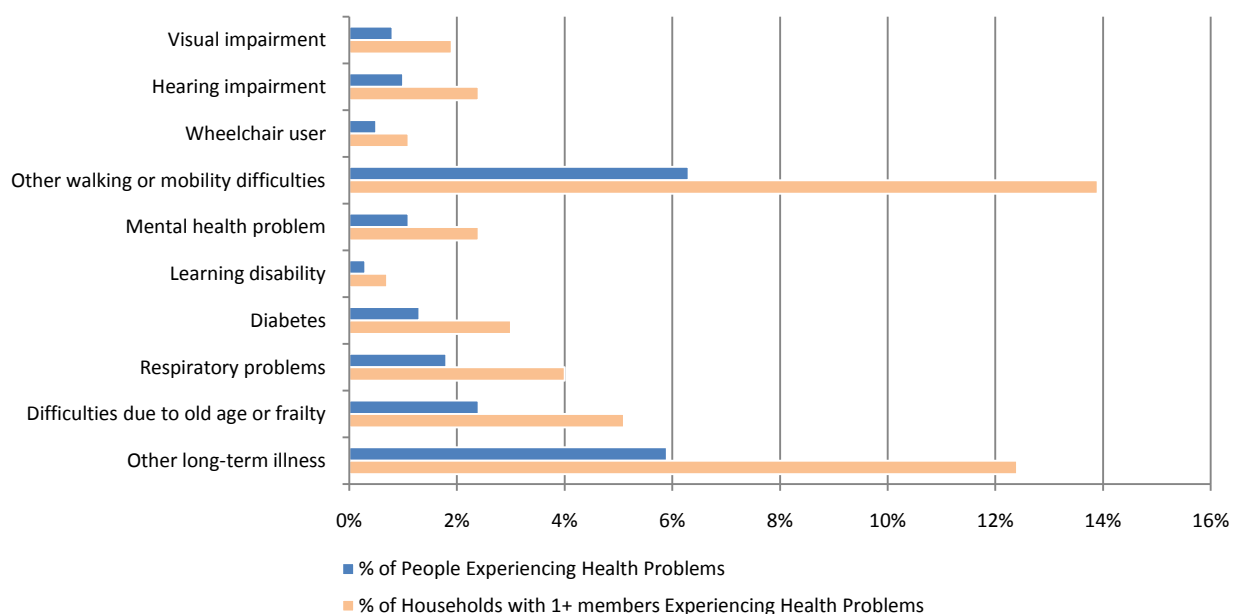
6.16 The respondents to the household survey were asked about health issues for their households. The questions were designed to discover if the household contained anyone who was suffering from long-term health problems and to assess the impact of any health problems on the housing and care needs of the household.

6.17 In total 86,250 people living in the Exeter & Torbay sub-region were reported as having health problems. This is around 15% of the total population. Some of the individuals with health issues resided in the same household. Therefore, in total 75,000 households contained at least one member with a health problem. This represents around 31% of all household in the Exeter & Torbay sub-region.

6.18 The main problems faced by some people were walking and mobility problems and difficulties due to old age.

Figure 129

Nature of Health Problems Experienced (Source: Exeter & Torbay Household Survey 2006-07)



6.19 Figure 130 shows that over 50% of households in social rented accommodation and nearly 50% of all pensioner households contain at least one person who has a health problem.

Figure 130

Households with 1+ Members Experiencing Health Problems by Tenure and Household Type (Source: Exeter & Torbay Household Survey 2006-07)

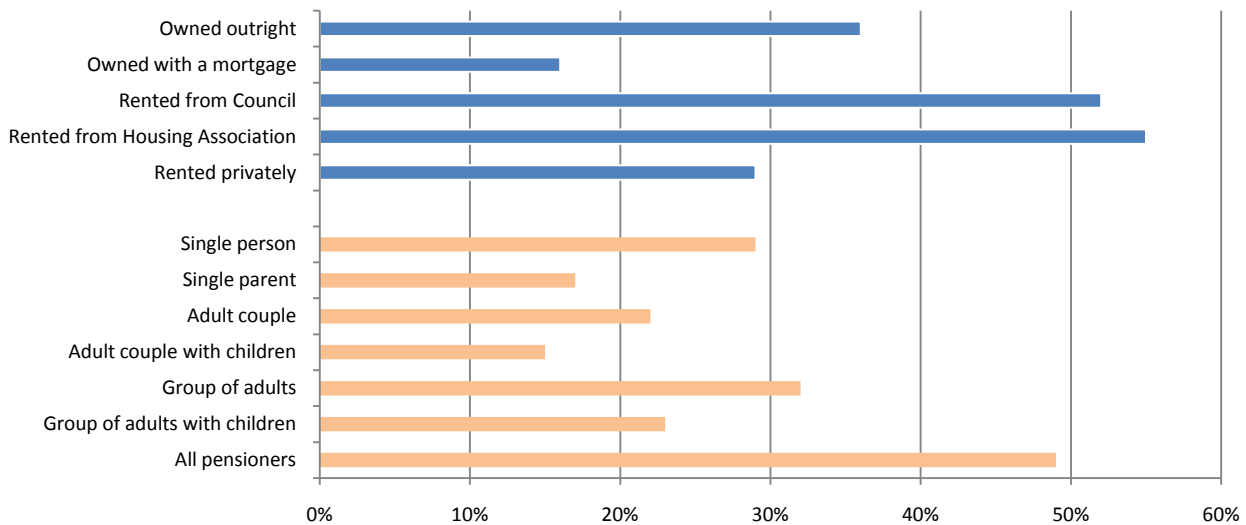


Figure 131

Health Problems by Housing Sub-market Areas (Source: Exeter & Torbay Household Survey 2006-07. Note: Figures highlighted in red are significantly higher and figures highlighted in green are significantly lower than the sub-region results, based on observed splits and relevant sub-sample sizes at a confidence level of 95%)

Health Problems	Exeter & Torbay sub-region	Sub-market							
		Ashburton & Buckfastleigh	Coastal Towns	Exeter	Honiton	Newton Abbot	North Dartmoor	Tiverton	Torbay
Visual impairment	1.9%	0.0%	2.0%	1.9%	3.6%	1.6%	0.0%	3.0%	1.6%
Hearing impairment	2.4%	1.3%	2.4%	2.7%	2.1%	2.8%	1.0%	4.0%	1.3%
Wheelchair user	1.1%	0.5%	1.2%	0.6%	2.0%	1.8%	0.5%	1.9%	1.5%
Other walking or mobility difficulties	13.7%	13.1%	12.8%	11.2%	12.1%	14.4%	5.7%	16.0%	18.2%
Mental health problems	2.4%	0.5%	1.1%	1.8%	2.2%	3.1%	1.1%	2.1%	3.7%
Learning disability	0.6%	2.8%	0.5%	0.5%	2.4%	1.1%	0.0%	1.1%	0.2%
Diabetes	3.0%	1.0%	4.8%	2.7%	2.9%	5.0%	2.5%	1.7%	2.7%
Respiratory problems	3.9%	2.9%	2.6%	2.6%	1.7%	6.0%	0.5%	4.8%	6.2%
Alcohol and/or drug problems	0.1%	0.0%	0.0%	0.1%	0.3%	0.3%	0.0%	0.0%	0.3%
Difficulties due to old age or frailty	5.0%	6.1%	10.8%	6.1%	1.7%	4.7%	11.3%	1.4%	2.5%
Other long-term illness, disability or infirmity not listed above	12.2%	6.8%	17.4%	12.9%	9.7%	13.7%	11.6%	15.4%	8.8%
Sub-totals									
One or more problems	30.0%	24.7%	35.0%	27.7%	20.6%	33.4%	24.3%	32.5%	32.8%
Problems affect housing needs	10.7%	11.8%	7.6%	10.9%	11.2%	13.3%	4.4%	11.0%	10.5%
Current housing not suitable	3.0%	2.4%	0.7%	2.0%	6.7%	4.4%	1.1%	4.7%	4.1%

Care and Support Needs

^{6.20} Figure 132 shows that of the household members with a health problem, 72% were able to care for themselves and the remaining 28% (24,600) needed some form of care or support. Figure 133 shows that of those persons with care or support needs, 87% already had them met. This still leaves 12% (3,200) with some form of care or support need unmet.

Figure 132
Care Needs of Households with 1+ Members Experiencing Health Problems (Source: Exeter & Torbay Household Survey 2006-07)

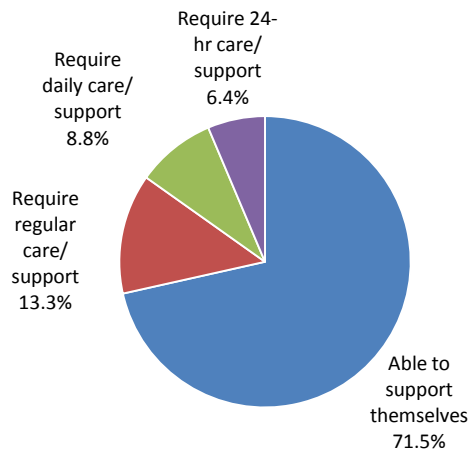
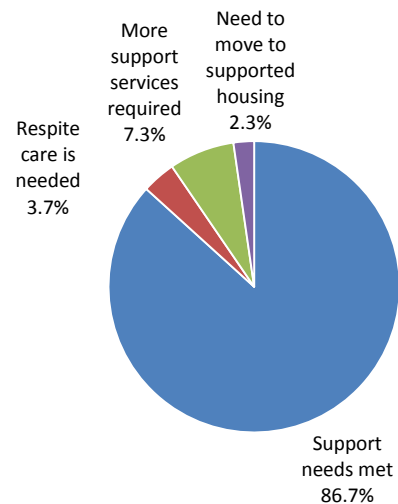


Figure 133
Support Needs of Households with 1+ Members Experiencing Health Problems (Source: Exeter & Torbay Household Survey 2006-07)



^{6.21} Of the 31% of households which contained someone who had a health problem, 36% felt that this affected their housing requirements.

^{6.22} Of those who do require special housing requirements, 72% felt that their requirements were already met by their current home, which implies that only 28% of households felt that their homes were not currently adequately adjusted to the health problems of household members. This represents around 3.0% of all households in the Exeter & Torbay sub-region.

Housing Problems and Required Adaptations

6.23 Figure 134 shows that of the 3.0% of households who felt that their house was not adequate to meet the needs generated by the health problem of persons. Major problems identified were climbing stairs, general mobility and bathing and showering. All of these are natural consequences of the health problems being linked to mobility and old age.

6.24 Figure 135 shows that of the households who felt that their current home does not satisfactorily meet housing needs due to health problems, 54% felt that their current home could be adapted to meet their needs. 20% felt that they would need to move to another home which was more suitable for their needs. Of the households who lived in homes where physical adaptations could be applied, the majority would like to see handrails and bathroom adaptations fitted.

6.25 Many properties in the Exeter & Torbay sub-region already have adaptations fitted in them. In particular, 11% of properties have handrails/grabrails fitted and 8% have bathroom adaptations fitted. In total around 18% of all properties in the sub-region have adaptations fitted. This amounts to around 44,700 properties.

6.26 Around 12,000 of these properties are currently occupied by households who have no health problems within them. This is around 25% of all properties which have adaptations in them. It may be that the need for adapted properties can be used as part of the allocation process for housing to ensure that these properties are used to their fullest advantage.

6.27 For those households who did require adaptations to their home a problem for some was the ability to afford them. Of those who required adaptations, 47% felt that they were responsible for them and that they could not afford them. This equates to around 850 households across the sub-region.

Figure 134
Activities that are difficult for Household Members with Health Problems where the Layout of the Current Home didn't meet their Health Needs (Source: Exeter & Torbay Household Survey 2006-07)

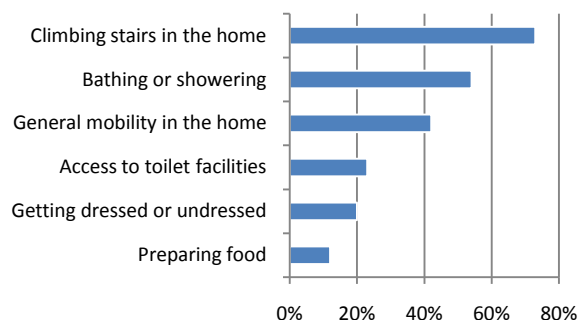


Figure 135
Options for Adaptations for Households with 1+ Members with Health Problems where the Layout of the Current Home didn't meet their Health Needs (Source: Exeter & Torbay Household Survey 2006-07)

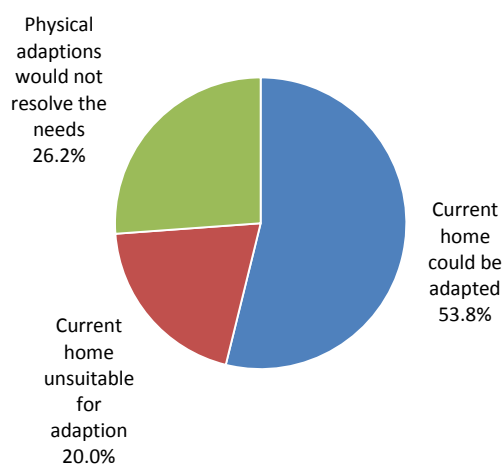
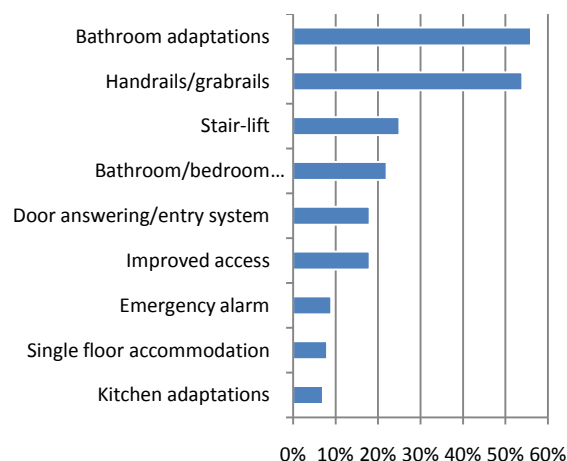


Figure 136
Nature of Adaptations Required for Households with 1+ Persons with Health Problems and Where Their Current Home Required at Least One Adaptation (Source: Exeter & Torbay Household Survey 2006-07)

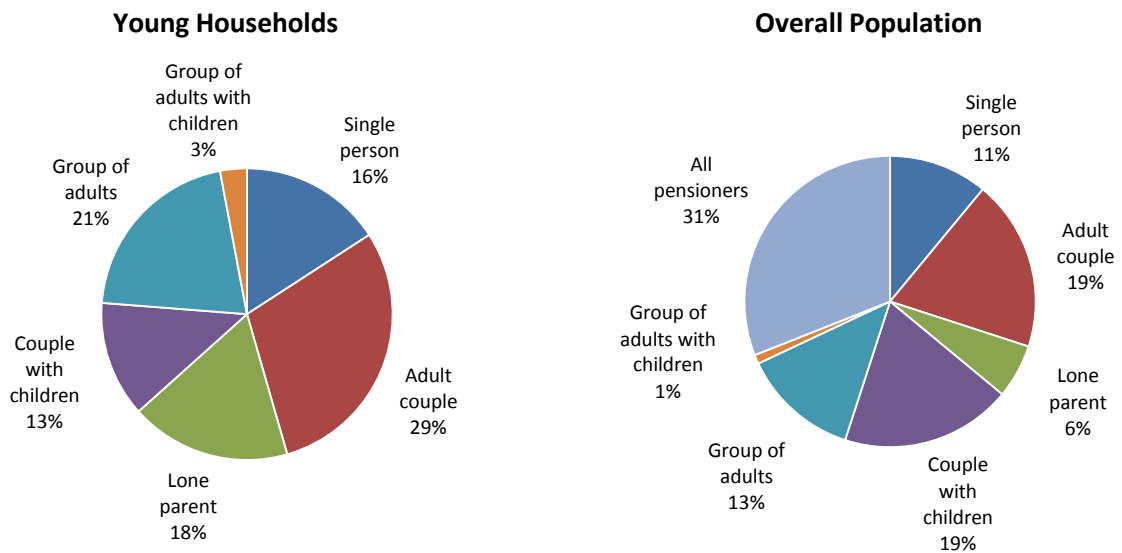


Young People

6.28 A young household is defined as a household which had a respondent who was aged less than 25 years. In the sample 115 households had a younger respondent which represents around 4% of all households interviewed. Of this group Figure 140 shows that 30% were part of an adult couple and 21% were part of a group of adults.

Figure 137

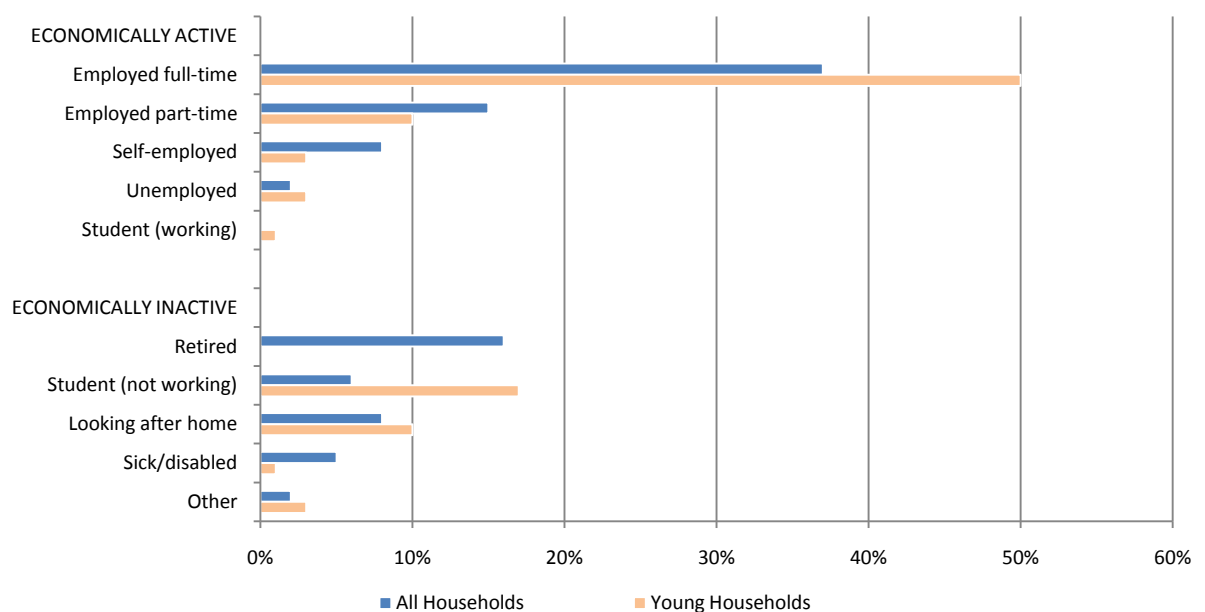
Household Type by Young Households and the Overall Population (Source: Exeter & Torbay Household Survey 2006-07)



6.29 Figure 138 shows that 50% of all people living in young households were working full-time, and a further 10% were working on a part-time basis. A further 17% were students, the majority not in paid work.

Figure 138

Economic Activity by Young Households and the Overall Population (Source: Exeter & Torbay Household Survey 2006-07)



Current Housing Circumstances

6.30 Over 50% of all young households were renting in the private sector. However, around 30% were owner occupiers (Figure 139). Nearly 50% of young household occupied flats and over 30% resided in terraced dwellings (Figure 140).

Figure 139

Current Tenure by Young Households (Source: Exeter & Torbay Household Survey 2006-07)

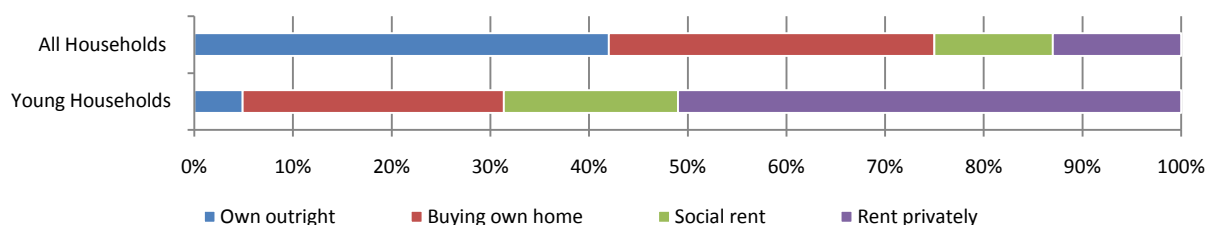
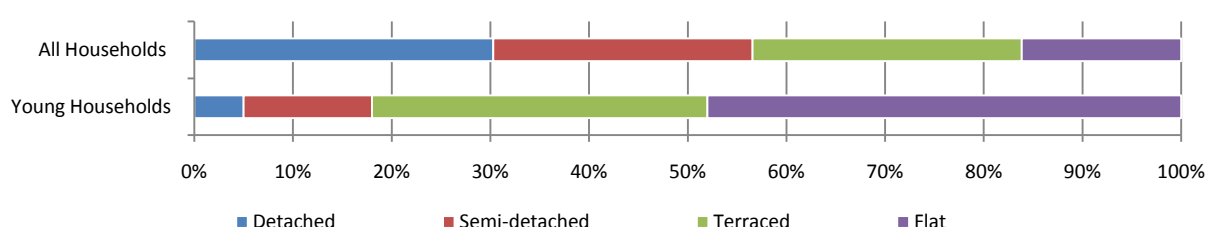


Figure 140

Type of Housing by Young Households (Source: Exeter & Torbay Household Survey 2006-07)



6.31 Nearly 75% of young households lived in one or two bedroom accommodation, and whilst less than 10% were overcrowded, around 50% occupied an appropriately sized home for their household.

Household Incomes and Housing Costs

6.32 A third of young households had an income of less than £10,000 per year. Where young households were paying all or part of their housing costs they were asked whether they considered these within their budget. Overall, less than 15% of young households reported that the costs put a strain on their finances or that they were causing extreme difficulties – but half considered their costs to be at best “just manageable”.

Figure 141

Household Income by Young Households (Source: Exeter & Torbay Household Survey 2006-07)

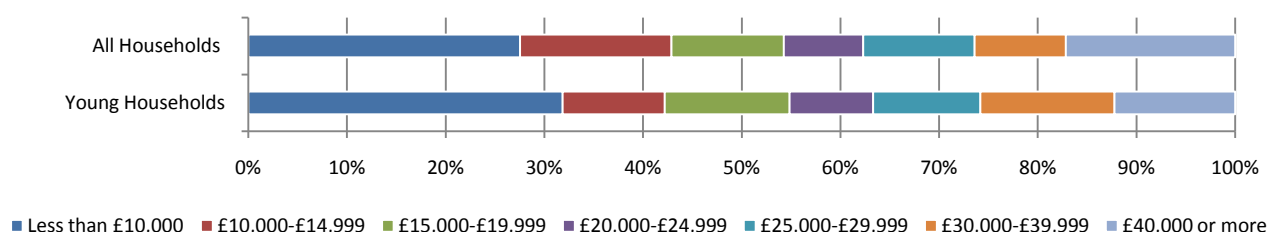
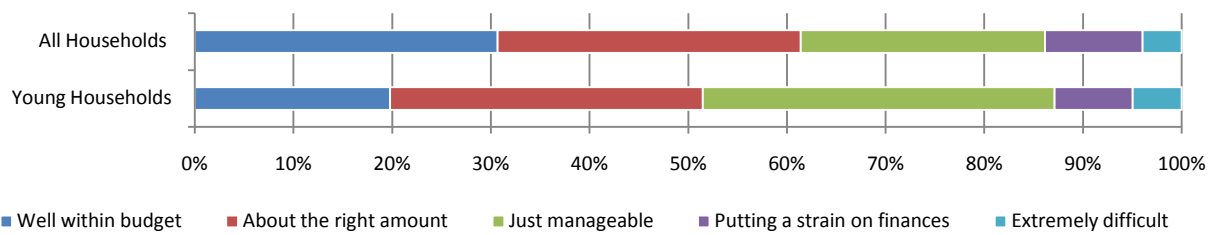


Figure 142

Affordability of Housing Costs by Young Households (Source: Exeter & Torbay Household Survey 2006-07)



Physical Condition of the Housing Stock

^{6.33} 24% of young households stated they had serious or minor problems with their home. 20% of all households had a problem including 15% who had a serious problem (Figure 143). 79% of young households were satisfied with their home and 11% were dissatisfied which compares with 3% of all households who were dissatisfied with their home (Figure 144).

Figure 143

Problems with Home by Young Households (Source: Exeter & Torbay Household Survey 2006-07)

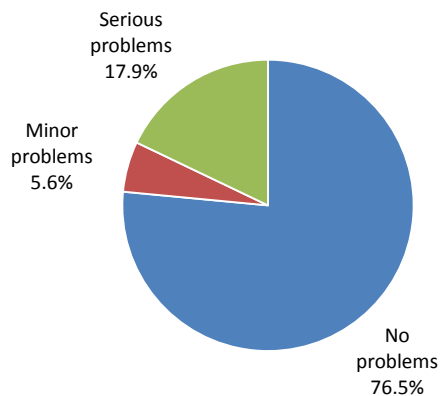
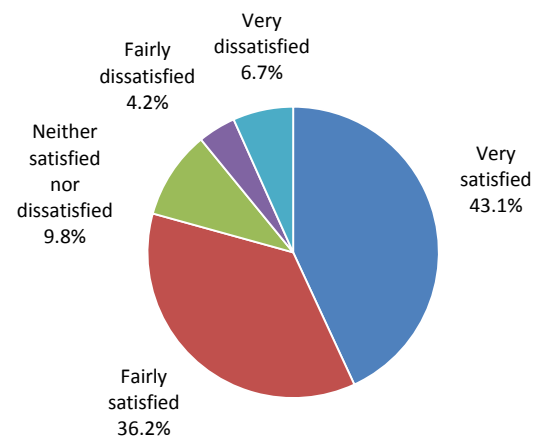


Figure 144

Satisfaction with Home by Young Households (Source: Exeter & Torbay Household Survey 2006-07)

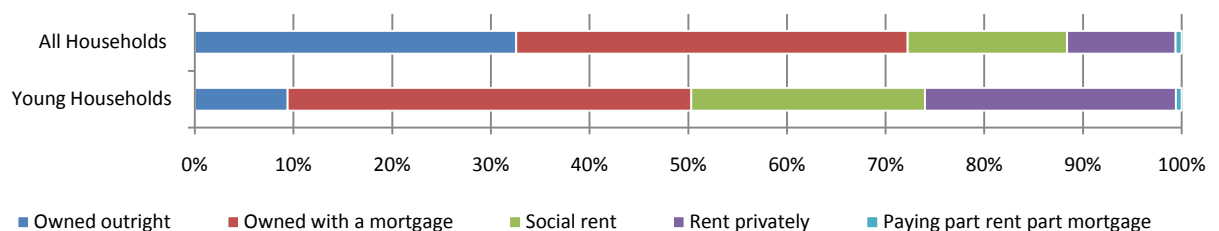


Want to Move

^{6.34} 50% of young households would like to move. This figure is higher than the 21% of all households who would like to move. Of those young households who want to move, 40% of households are likely to move to a property they own with a mortgage. 25% are likely to move to a private rented property. Therefore many young households see themselves as moving out of private rented properties into owner occupation.

Figure 145

Likely Future Tenure by Young Households who are seeking to move (Source: Exeter & Torbay Household Survey 2006-07)

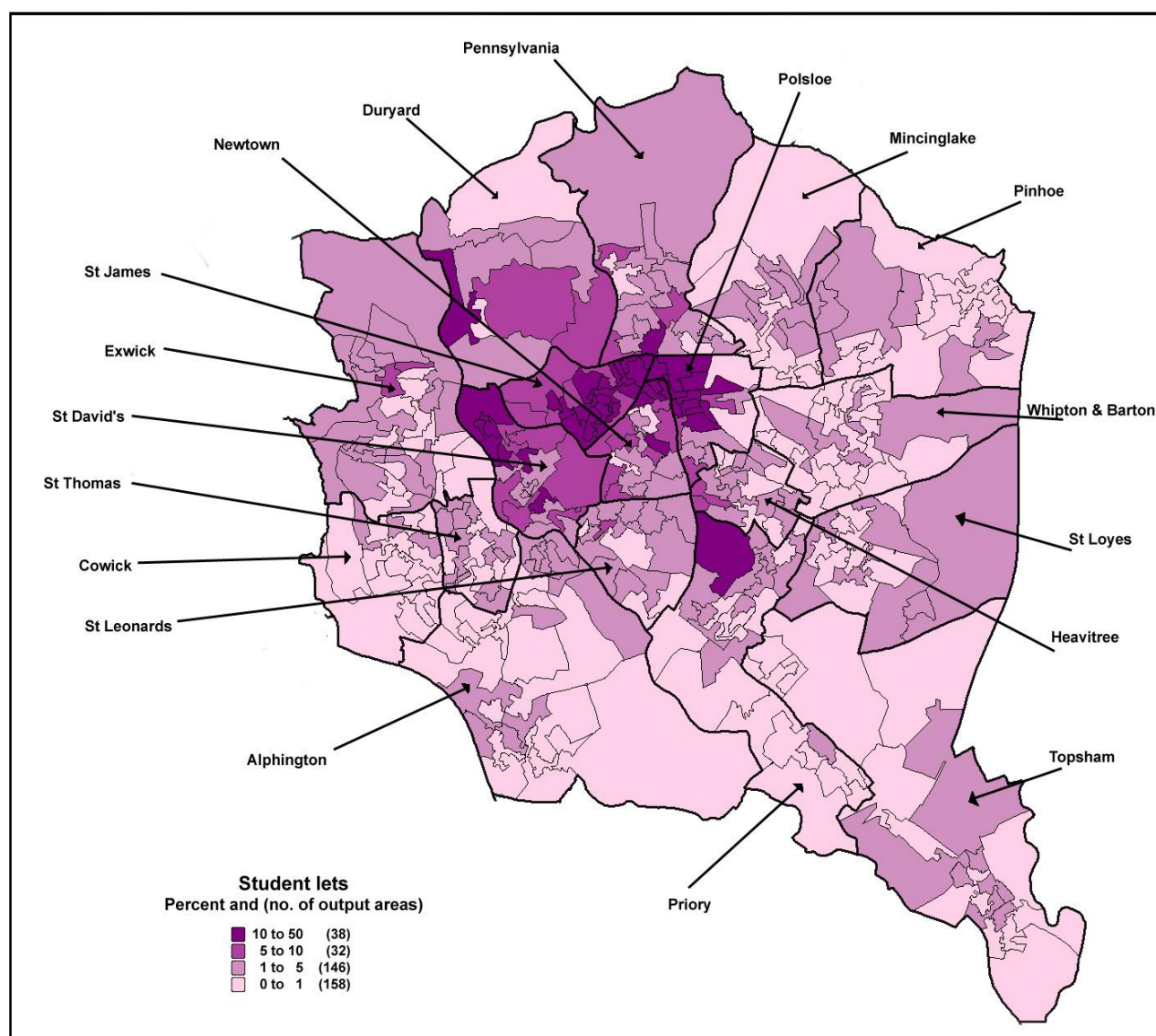


Students

- 6.35 The presence of the University of Exeter with its 14,000 students in the sub-region as well as a campus for the University of Plymouth in Exeter City implies that students will have large impact on the housing market.
- 6.36 Properties which are occupied entirely by students are exempt from Council Tax. Figure 146 shows the proportion of properties which were entirely occupied by students in Exeter City. This shows that the students households are predominately concentrated in a relatively small area near the city centre. Therefore, student households will be having a large impact on the housing market of this particular area of the city.

Figure 146:

Student Dwellings in Exeter (Source: Exeter City Council Stock Condition Survey 2006. Note: Data shown at Census Output Area)



- 6.37 The household survey included 32 interviews with student households, which represent nearly 1% of the sample. This is the equivalent of around 4,000 households across the sub-region which are occupied entirely by students. Almost all of these interviews took place in East Devon and Exeter local authorities and therefore, students are likely to play a key part in the housing market of these two

authorities. Unfortunately, 27 of the 32 respondents did not consider their term-time home to be their main home – so less detailed information was gathered than for those households residing at their main address. In this context, only five full interviews were conducted with student households and this is too small a sample to draw meaningful conclusions.

- 6.38 Nevertheless, information from the Higher Education Statistics Agency (HESA) is illustrated in Figure 147 which shows the nature of housing occupied by students attending the University of Exeter in both 2000/01 and 2004/05. Between these years, the number of students attending the university rose by 2,600 – but it is clear that the number of students living outside university maintained properties remained relatively constant.

Figure 147

Term-time Accommodation for Students 2000/01 and 2004/05 (Source: Higher Education Statistics Agency)



- 6.39 In this context, recent growth in the size of University of Exeter seems unlikely to have had any impact on the general Exeter housing market – but any future growth planned by the university could place pressure upon the housing market if the planned increases in student numbers are not complemented with an equivalent provision of additional bed-spaces in university accommodation.

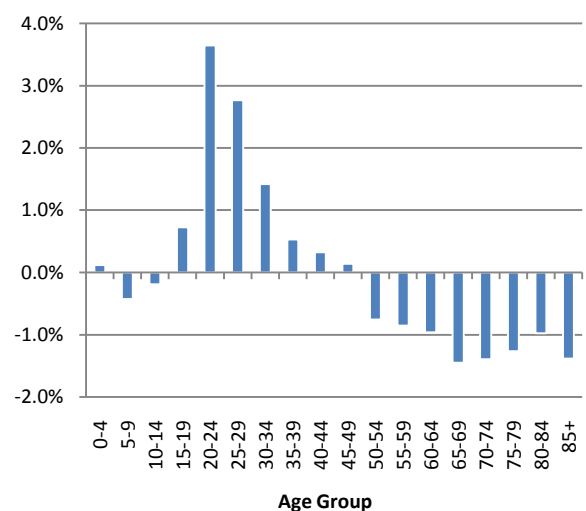
Black and Minority Ethnic Population

- 6.40 The BME population in the Exeter & Torbay sub-region comprised 3.3% of the total population—including 2.0% of the population who were White, but not White-British, and a further 1.3% who could be considered as a visible Non-White population.

- 6.41 When we consider the age profile of the BME population in relation to that of the population as a whole (Figure 148), it is apparent that the ethnic minority population tended to generally be younger with fewer people of retirement age or over. The most noticeable result is the high share of the population in the 20-29 age category. This is likely to be linked to students attending the University of Exeter.

Figure 148

Age Profile for BME Population in Exeter & Torbay sub-region Compared with Overall Population (Source: UK Census of Population 2001)



- 6.42 The importance of the University of Exeter to the BME population of the sub-region can be further illustrated by analysing people who live in communal establishments. Over 20% of the Chinese and Other Black populations of the Exeter & Torbay sub-region lived in communal accommodation with a very high share of the Chinese population residing in educational halls of residence.

BME Households

- 6.43 Detailed analysis of 2001 Census data indicates that around 50% of ethnic minority persons that lived in couple households must have been in mixed ethnicity couples, which implies that much of the Exeter & Torbay sub-region ethnic minority population has integrated with the indigenous White population. The degree of ethnic mixing is important in that it makes discussing ethnic minority housing needs very difficult if the ethnic minorities are integrated with the White population. Instead it may be that in many cases in the Exeter & Torbay sub-region area the housing issues facing ethnic minorities are the same as those facing the general population.
- 6.44 Despite the high proportion of mixed ethnic group households in the sub-region the structure of ethnic minority households was distinct from that of the White British population. The ethnic minority population was more likely to be living alone, which probably reflects its relative youth. The White British population was much more likely to be living in pensioner only households.
- 6.45 Only 15% of White British households had two or more dependent children, but as many as 43% of Bangladeshi households fell into this category. Meanwhile, the Mixed White and Asian, Chinese, Other Ethnic Group and Other Asian populations all had over 25% of their households with 2 or more dependent children.
- 6.46 The pattern of single parents also varied widely across ethnic groups. The highest instance was for the Mixed White and Black African households – where 24.5% were living as lone parents. The proportion of Other Black, Other Asian and Mixed White and Asian households which contained single parents were also high, all exceeding 10% of all households.

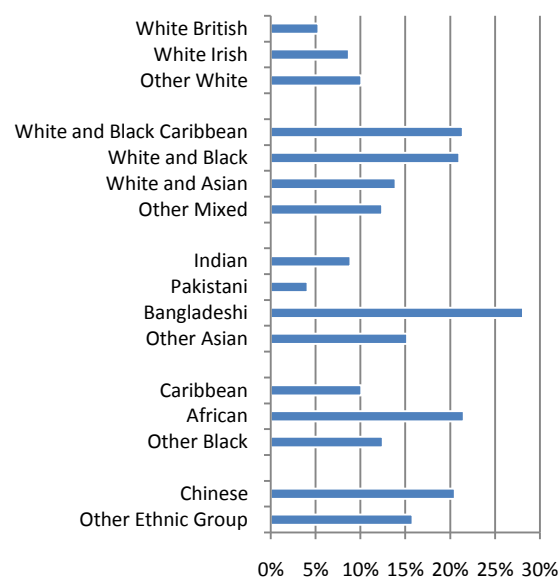
Indicators of Housing Need

- 6.47 Figure 149 indicates households which had at least one room too few for the needs of its occupants. The results indicate that over 20% of all the Bangladeshi, Black African, Mixed White and Black Caribbean households, the Black African households and Chinese households were overcrowded.

- 6.48 An important household characteristic which may reflect on housing needs is the health of the population. A population which is suffering from more ill health may require greater care in residential homes, or special provision of housing to help them cope with their illness.

- 6.49 Many BME groups had a high proportion living with a long-term illness in the 50 years and over categories. It is a very big assumption that because the current older generation of an ethnic minority are more illness prone, then this will continue as future generations become older – but if the trend does continue, then as the current younger ethnic minority populations do get older they are likely to experience greater housing and care needs than are needed for the White British population because of their poorer health.

Figure 149
Percentage of Overcrowded Households by Ethnic Group
(Source: UK Census of Population 2001)



Homelessness

6.50 Figure 150 identifies that there is no significant ethnic minority dimension to homelessness acceptances across the Exeter & Torbay sub-region.

6.51 Of all households accepted as being homeless and in priority need in the period 2002-06, around 1.7% were from visible Non-Whites, which is consistent with their share of the total population.

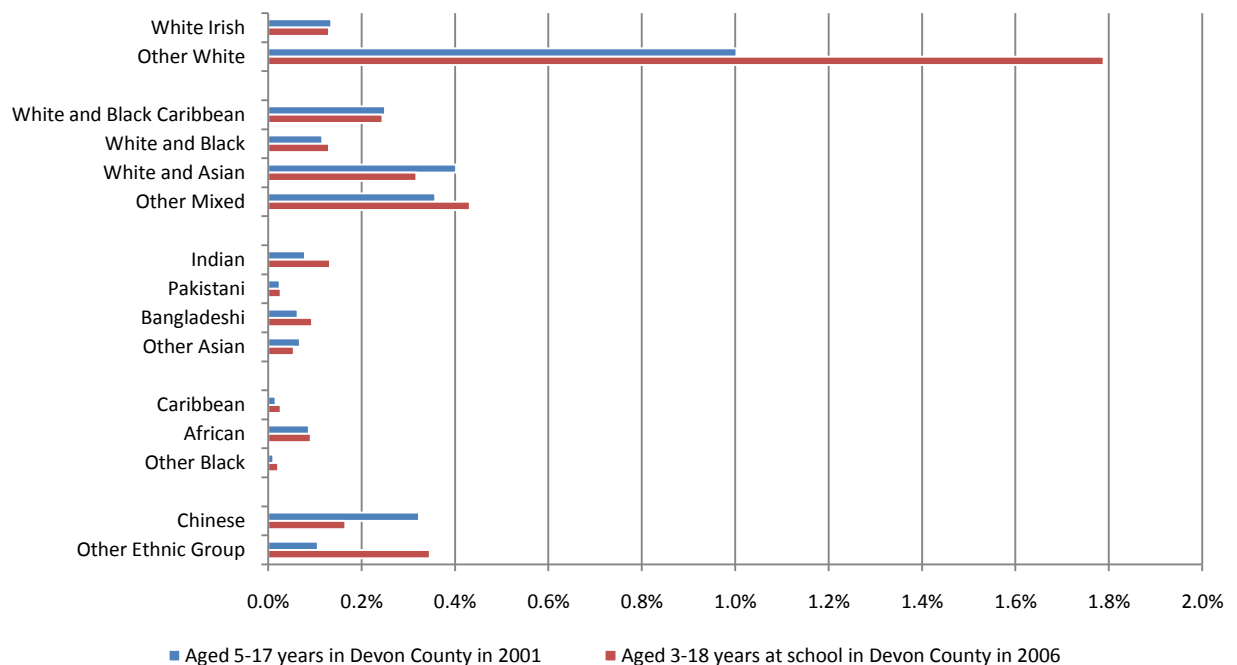
Figure 150
Homeless and in Priority Need by Ethnic Group Q3 2002-Q3 2006
(Source: P1E Returns to CLG)

Ethnic Group	Homelessness Cases
White	4,228
African, Caribbean	17
Indian, Pakistani, Bangladeshi	13
Other ethnic group	45
Ethnic origin unknown	100
Total	4,403

Changes in the BME Population

6.52 To help understand the nature of more recent changes in the BME population, Figure 151 compares the share of children from each ethnic group in the 2001 Census with evidence from the Devon Pupil Level Annual Schools Census (PLASC) from autumn 2006. The data showed the share of children who came from each of the ethnic groups within Devon County. This geographical area does not include Torbay, but does include the local authorities of North Devon, South Hams, Torridge and West Devon. It should also be noted that the PLASC survey is of children aged 3-18 years whereas the 2001 Census only allows us to analyse the group aged 5-17 years, but these two groups should be broadly comparable.

Figure 151:
Children in Devon County in 2001 and 2006 by Ethnic Group (Source: UK Census of Population 2001 and Pupil Level Annual Schools Census January 2006)



6.53 The key result from the PLASC survey was that 1.8% of all school children in Devon come from the White Other group. This compares with 1.0% of all children aged 5-17 years in the 2001 Census – which indicates that whilst the population is still small, there has been a relatively significant growth since 2001. Most of this growth is associated with the “Other White” category, which may be linked to recent migration from Eastern Europe which is discussed further below.

Eastern European Migration

6.54 In recent years the UK has experienced a noticeable increase in the number of migrant workers arriving from overseas. Records of the location of these workers are imperfect, but one measure of where they moved to is the number of new National Insurance numbers issued to workers in particular locations.

6.55 Figure 152 shows that in 2005/06 a total of 3,250 new National Insurance numbers to non-UK nationals were issued in the Exeter & Torbay sub-region. This group of workers represent around 0.5% of all people residing in the 5 local authorities.

6.56 Figure 153 shows that over a third of all new national insurance registrations in the Exeter & Torbay sub-region were issued to Polish nationals. This group therefore represents around 0.2% of the total population of the sub-region.

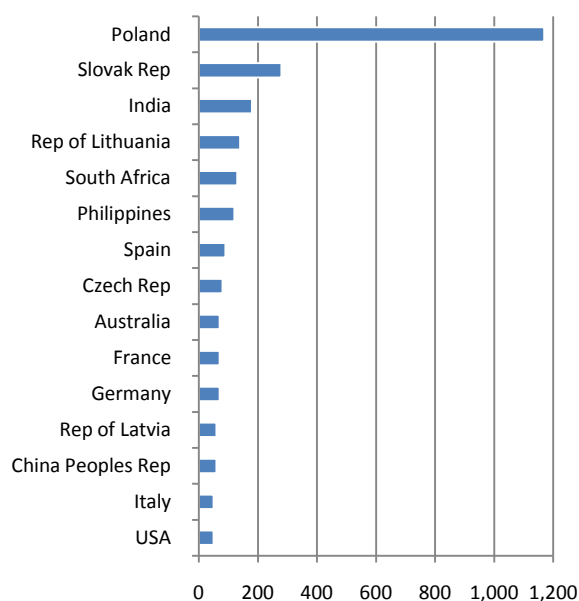
6.57 In the household survey only 9 interviews took place with respondents from recent accession states in Eastern Europe and another 6 household members from these countries were also identified. This is around 0.25% of all interviews which took place.

6.58 Some of these individuals were long-term residents in Exeter and Torbay, but most were recent migrants. Therefore, the results from the household survey do support the evidence that recent migrants to the sub-region from Eastern Europe form a very small share of the population. The small number of interviews also means that no meaningful results can be read into an analysis of them.

Figure 152
New National Insurance Registrations of Non-UK Nationals in Exeter & Torbay 2005/06 by Local Authority (Source: DWP)

Local Authority	New NI Registrations of Non-UK Nationals
East Devon	500
Exeter	1,180
Mid Devon	300
Teignbridge	370
Torbay	900

Figure 153
New National Insurance Registrations of Non-UK Nationals in Exeter & Torbay 2005/06 by Country of Origin (Source: DWP)



Gypsies and Travellers

6.59 Local authorities are required to undertake accommodation needs surveys for Gypsies and Travellers under the terms of the Housing Act 2004, and the local authorities of Devon have recently undertaken a joint Gypsy and Traveller Needs Study. In this context, this section summarises the general context relating to the Gypsy and Traveller communities in the Exeter & Torbay sub-region, but should not be seen as a comprehensive assessment of their needs.

Local Context

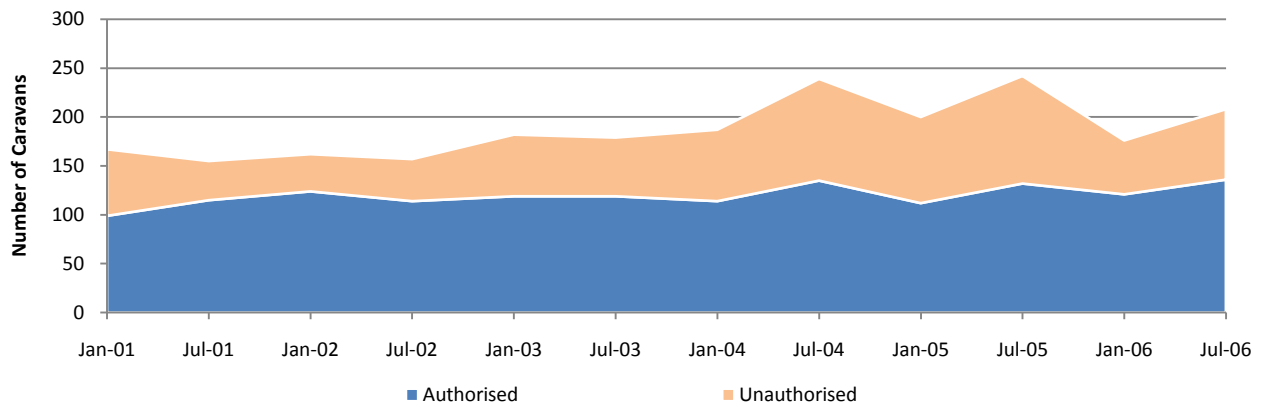
6.60 A major omission from the 2001 Census was that it did not record Gypsies and Travellers as being a separate ethnic group despite Roma Gypsies being recognised as a separate ethnic group by the Race

Relation Act (RRA) 1976 and Travellers of Irish Heritage being recognised as a separate ethnic group by the 2000 amendment to the RRA.

- 6.61 The best quantitative information available on the Gypsy and Traveller communities derives from a bi-annual survey of Gypsy and Traveller caravans which is conducted by each local authority in England. Figure 154 shows a historical perspective on the number of Gypsy and Traveller caravans in the Exeter & Torbay sub-region since 2001. This shows that the number of caravans on unauthorised sites has risen during the summer count in recent years.

Figure 154

Gypsy Caravan Count for Exeter & Torbay sub-region January 2001 – July 2006 (Source: CLG Bi-annual Local Authority Caravan Count)



- 6.62 Figure 155 shows an average result for each of the local authorities for the last 4 counts which cover January 2005 to July 2006. On average there were 207 caravans present in the sub-region in the last 2 years of which 81 were on authorised sites and the remaining 126 caravans were on unauthorised sites.

Figure 155

Average of Last Four Counts of Gypsy Caravans in Exeter & Torbay sub-region (Source: CLG Bi-annual Local Authority Caravan Count)

Local Authority	Authorised Sites		Unauthorised Sites	Total
	Socially Rented	Privately Owned		
East Devon	8	9	16	33
Exeter city	12	0	4	16
Mid Devon	0	31	4	35
Teignbridge	0	66	57	123
Torbay UA	0	0	0	0
Total	20	106	81	207

Gypsies and Travellers Living in Bricks & Mortar Housing

- 6.63 The ODPM backed caravan count is a very useful tool for analysing the long-term trends in the Gypsy and Traveller population who reside on sites. However, it does inevitably exclude any Gypsies and Travellers who are housed in more traditional dwellings.
- 6.64 This is an important omission because there are estimated to be twice as many Gypsies and Travellers living in socially rented accommodation as there are in caravans (United Kingdom National Report 2004 for the European Observatory on Homelessness: Statistical Update). It is also an important omission because the new ODPM guidance on Gypsy and Traveller Needs Assessments identifies that assessments should include the needs of Gypsies and Travellers living in bricks and mortar housing as well as those who reside on caravan sites.

6.65 The household survey featured 37 interviews with respondents who identified themselves as being Gypsies or Travellers who were now living in bricks and mortar housing and another 2 households where the respondent was not a Gypsy or Traveller, but another member of the household was.

6.66 39 interviews represents a small sample comprising 0.6% of all of the interviews, but is drawn from a random sample of households and therefore is likely to be representative of the Gypsy and Traveller population in bricks and mortar accommodation.

6.67 Figure 156 shows that 15 of the interviews with Gypsies and Travellers took place in Teignbridge, 9 in East Devon, 7 in Exeter, 6 in Torbay and only 1 in Mid Devon.

Figure 156

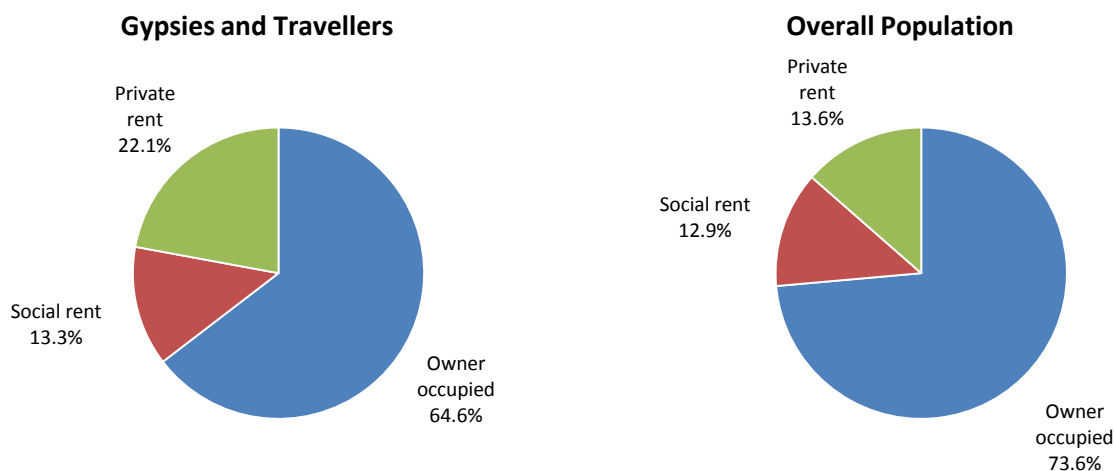
Gypsy and Traveller Interviews by Local Authority (Source: Exeter & Torbay Household Survey 2006-07)

Local Authority	Number of Interviews	Percentage of Interviews
East Devon	9	1.2%
Exeter city	7	1.8%
Mid Devon	1	0.3%
Teignbridge	15	1.3%
Torbay UA	6	1.0%
DNP outside Teignbridge	1	0.9%

6.68 Figure 157 shows that interestingly a majority of the Gypsy and Traveller population (64%) were living in owner-occupied accommodation. Therefore, the tenure group as a whole is not that different from the overall population of the sub-region. However, among the 35% of Gypsy and Traveller households who are not owner occupiers around two-thirds claim housing benefit. Therefore, in total around 25% of Gypsy and Traveller households claim housing benefit.

Figure 157

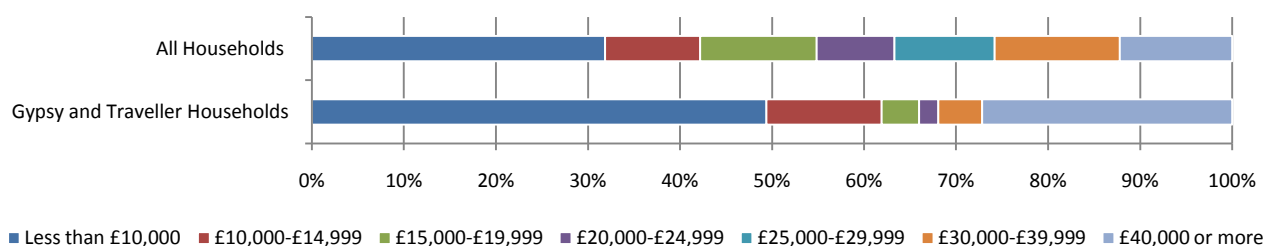
Tenure by Gypsy and Traveller Households and the Overall Population (Source: Exeter & Torbay Household Survey 2006-07)



6.69 Figure 158 shows that half of all Gypsy and Traveller households had an annual income of less than £10,000. This is a much higher proportion than for all households in the Exeter & Torbay sub-region, confirming that Gypsy and Traveller households typically have much lower incomes than average.

Figure 158

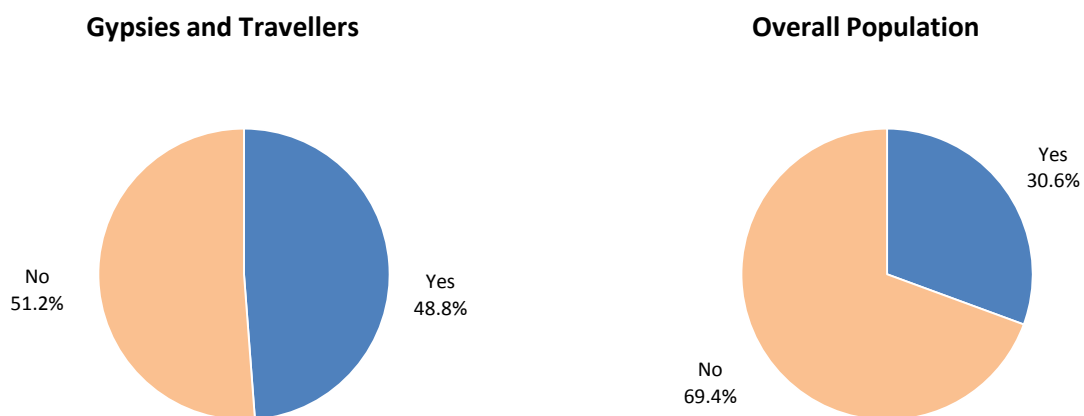
Gross Annual Household Income by Gypsy and Traveller Households (Source: Exeter & Torbay Household Survey 2006-07)



- 6.70 22% of the Gypsy and Traveller households want to move from their current home, almost identical to the 21% of all households in the sub-region who want to move. Among those Gypsy and Traveller households who want to move, it is interesting to note that all would like to move to alternative bricks and mortar housing.
- 6.71 This result is of interest from the perspective of Gypsy and Traveller site provision, because it indicates there is not a strong desire among the Gypsy and Traveller population in bricks and mortar to move to a caravan site. Therefore, when considering future site provision for Gypsies and Travellers, there appears to be little necessity to allow a significant amount of extra provision for Gypsies and Travellers moving from bricks and mortar housing.
- 6.72 Another key result for the Gypsy and Traveller households is that 48.8% contained at least one member with a health problem, which compares with 30.6% of the non Gypsy and Traveller households. Therefore, the health of the Gypsy and Traveller population (who are not living in caravans) does appear to be relatively poor.
- 6.73 It is possible that many of the Gypsy and Traveller population moved to bricks and mortar accommodation due to health problems in their households, which could more easily be addressed within such accommodation. When combined with a lack of space on existing caravan sites this may explain the lack of interest in leaving bricks and mortar accommodation.

Figure 159

Health Problems in the Household by Gypsy and Traveller Households and the Overall Population (Source: Exeter & Torbay Household Survey 2006-07)



Public Sector Workers

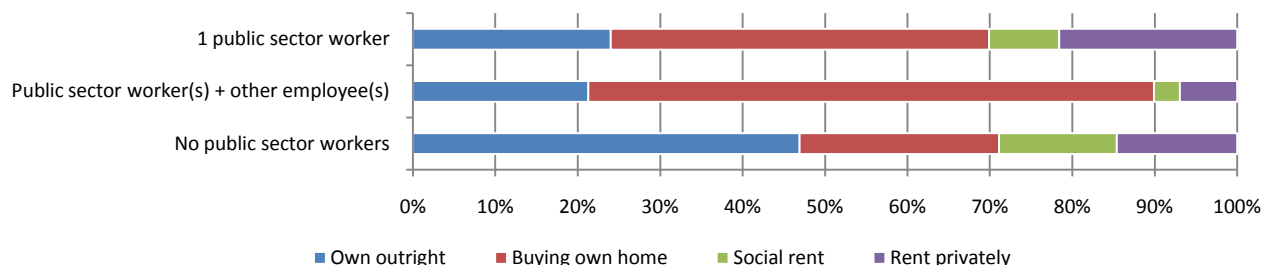
- 6.74 This section concentrates on any household which contains an individual who works in the public sector. Therefore, this group of workers would be closely associated with Key Workers and the housing provision which is available for this group.
- 6.75 In the household survey, 24 % of all households contained at least one respondent or their partner who worked in the public sector. 6.6% of households had one public sector worker as their only employee, and 17.5% of households contained a public sector worker along with other employees (Some of whom may also work in the public sector). Around 16,500 households had only one person employed, where they were employed in the public sector.

Current Housing Circumstances

6.76 Figure 160 shows how the tenure of public sector worker households compared with non-public sector employee households. This shows that households with one public sector employee were more likely to be found in the private rented sector.

Figure 160

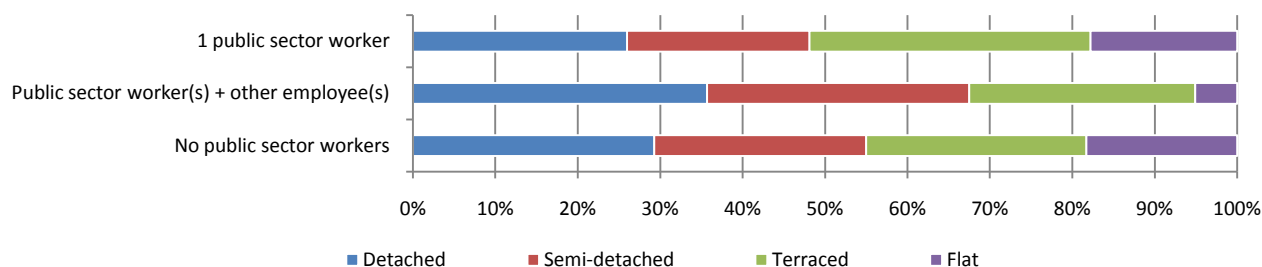
Tenure by Public Sector Worker Households (Source: Exeter & Torbay Household Survey 2006-07)



6.77 Figure 161 shows that households with one public sector worker were more likely to be in terraced properties.

Figure 161

Dwelling Type by Public Sector Worker Households (Source: Exeter & Torbay Household Survey 2006-07)

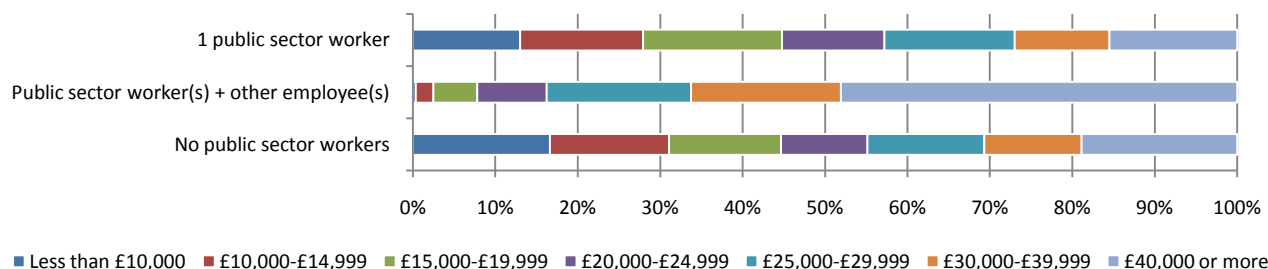


Affordability and Equity

6.78 Figure 162 shows that almost half of households with public sector workers plus other employees had household incomes of £40,000 or more. However, almost half of households with only one public sector employee had an income of less than £20,000.

Figure 162

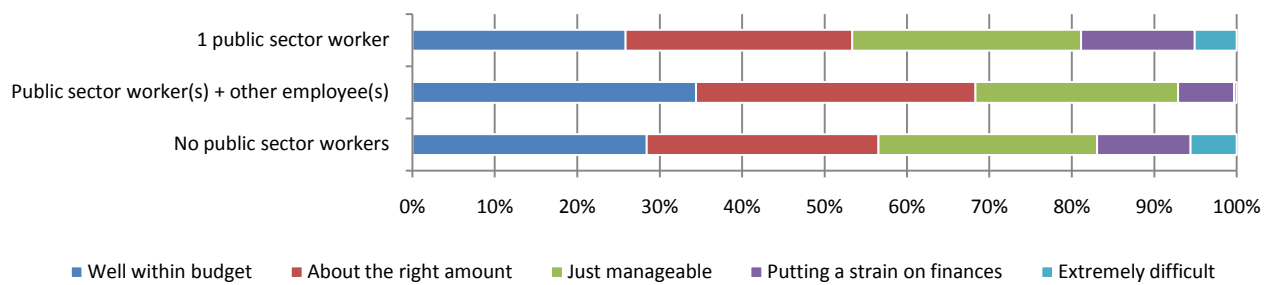
Gross Annual Household Income by Public Sector Worker Households (Source: Exeter & Torbay Household Survey 2006-07)



6.79 Figure 163 shows that among those households with a public sector worker and other employees very few found that their housing costs were placing a strain on their finances and none reported that they were causing extreme difficulties. However, around 20% of households with a public sector employee as their only employee reported that their housing costs were putting a strain on their finances or proving to be extremely difficult to meet.

Figure 163

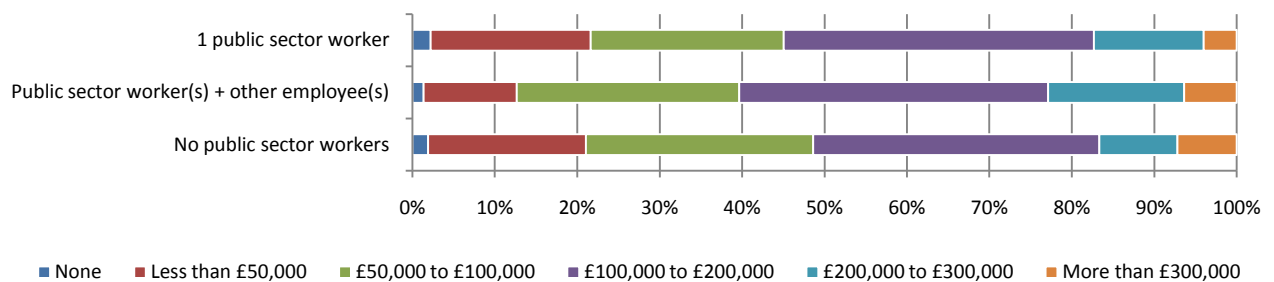
Affordability of Current Home by Public Sector Worker Households (Source: Exeter & Torbay Household Survey 2006-07)



^{6.80} Figure 160 showed that the majority of households containing public sector employees were owner-occupiers. Figure 164 shows that for this group, only around 2% felt that their home contained no equity. For the majority the equity in their home was over £100,000 and for around 20% of public sector employee households the equity in their home was over £200,000.

Figure 164

Equity Released if Home Sold by Public Sector Worker Households who are Owner-Occupiers (Source: Exeter & Torbay Household Survey 2006-07)

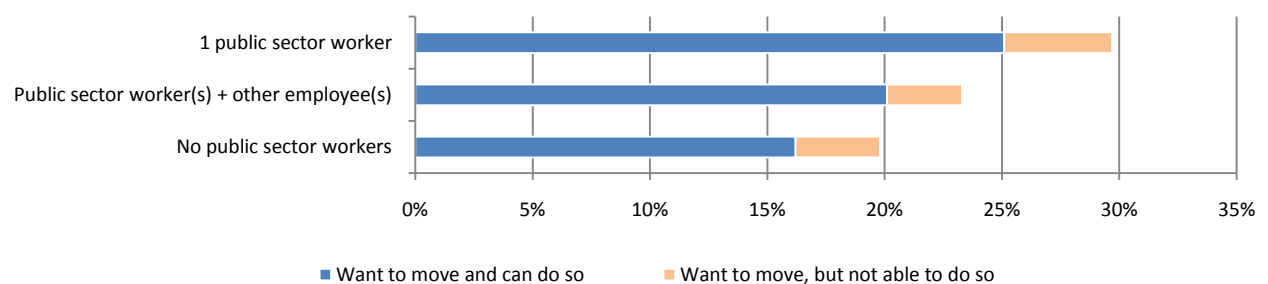


Want to Move

^{6.81} Around 30% of all households which contained one public sector employee and 23% of those with a public sector employee plus other workers would have liked to move. Figure 165 shows all the households who would like to move as a whole, broken down by those who felt they were able to do so and those who felt they could not do so. This shows that there was little evidence of problems in wanting to move. Around 4% of households which contained public sector employees would have liked to move, but felt unable to do so.

Figure 165

Want to Move as Whole Household by Public Sector Worker Households (Source: Exeter & Torbay Household Survey 2006-07)

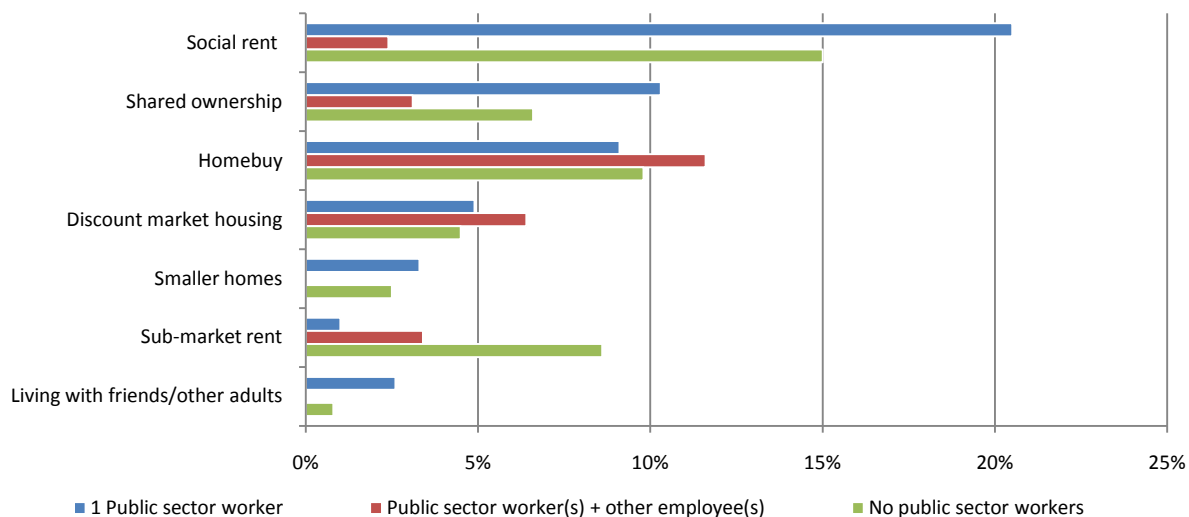


^{6.82} Around 10% of public sector worker households who would have liked to move felt they could not do so because of high local house prices. Some one public sector employee households couldn't move because of their inability to save enough for a deposit, or difficulties in obtaining Council or Housing Association tenancies.

Key Worker Housing Schemes

6.83 Figure 166 shows that very few public sector worker households who wanted or needed to move would consider the housing products which are designed for Key Workers. Around 10% of all households which contained only one public sector worker were interested in open market Homebuy and shared ownership, and over 10% of those households with two or more public sector workers or public sector workers with other employees were interested in open market Homebuy.

Figure 166
Housing Options that Would be Considered by Households Wanting or Needing to Move by Public Sector Worker Households (Source: Exeter & Torbay Household Survey 2006-07)



6.84 In terms of providing assistance to public sector workers, eligibility should also be based upon whether or not employers are facing difficulties in recruitment or retention specifically related to local housing costs, and are unable to respond to such problems themselves. Such expected responses may include increasing wages, though this may be at the expense of regional competitiveness or indeed not feasible because of constraints by national salary scales. It may also aggravate the problem through sustaining higher house prices and encouraging employees away from other lower paid positions. Alternative solutions include employer assistance specifically for housing costs, either through providing tied housing with sub-market rents, or through providing low cost (or interest free) loans to specifically assist employees to buy in the open market (though such support would often be withdrawn if employees were to subsequently leave the employer).

Chapter 7: Conclusions and Implications

- ^{7.1} The Government's drive for sustainable communities and The Barker Review of housing have placed increased housing delivery as a high priority nationally – but the number of homes to be delivered is only one of many Government priorities. In response to a rising housing crisis the Government has said it wishes to increase the amount of homes being built and a Cabinet position of Housing Minister was introduced in June 2007.
- ^{7.2} Whilst the problems associated with delivering enough housing across the UK have been recognised by the Government at a national level, there is a continued expectation that Local Authorities will also need to respond to the issue by improving local housing delivery. In this context, the evidence base from Strategic Housing Market Assessments will help ensure that both new and existing housing effectively provides for the needs and aspirations of local households.

National Housing Market Drivers

- ^{7.3} Nationally, a number of trends are evident and these are reflected to a greater or lesser extent in the Exeter and Torbay housing sub-region. Recent years have seen an increasing number of births coupled with a declining number of deaths – which together have led to a natural increase in the size of the population. Furthermore, the rate of net migration to the country has also seen significant increases in particular since the ten accession countries (A10) joined the EU in May 2004.
- ^{7.4} The increase in population in itself clearly leads to a need for more homes in the country – but alongside this population growth, people are living in smaller household units, reflecting the changing way in which society lives:
- The ageing population is already increasing the number of single person households and this trend that is expected to continue;
 - Many younger people are choosing to live independently rather than form traditional family units; and
 - The changing nature of families is influencing household size, for where couples are forming many still choose to not have children immediately.
- ^{7.5} Collectively, these factors increase the pressure for additional homes.

Assessed Housing Requirement in the Exeter & Torbay Housing Sub-region

- ^{7.6} Within this national context, it is perhaps to be expected that there is also a significant requirement for additional housing to be provided in the Exeter & Torbay sub-region. Whilst the UK is experiencing a natural growth in its population, the population in the sub-region is currently reducing – but substantial net migration from across the UK and further afield is driving an overall growth in the number of residents.
- ^{7.7} Although the sub-region's indigenous population is projected to reduce over future years, the changing structure of households (in particular as households become smaller) still leads to an increase in the number of local households. The modelling results from this study suggest that almost 7,500 additional

homes should be provided over the next 5 years to satisfy the housing requirements of those people already resident in the sub-region.

- 7.8 In determining the overall number of additional homes required in the sub-region, the level of future migration is also a critical consideration. It may be argued by some that the sub-region should only seek to satisfy the changing household requirements of the local population – but it is essential to note that providing fewer new homes will not stop households choosing to move to the area from elsewhere. Typically, migrant households will be able to compete more effectively in the housing market than local households – so if the supply of housing is limited, it is likely to be the local households that would be most likely to find themselves unable to access appropriate housing. In this context, it is essential that these inter-relationships are taken into account when considering how the assessed requirements for additional housing should be met, so that no individual element is ignored.
- 7.9 The number of future migrants is difficult to accurately predict with certainty. The modelling results identify that in addition to the 7,500 homes required to house the growing number of local households, a further 11,700 dwellings should be provided to satisfy the housing requirements of net migrants to the sub-region on the basis of migration trends experienced over the last 5 years. Adopting longer-term migration trends from the last 20 years moderates this additional requirement to around 8,800 units – suggesting that the overall housing requirement in the sub-region is likely to be between 16,300 and 19,200 additional homes over the next 5 years.
- 7.10 Of course, this does not detract from the fact that the level of housing currently projected as being required may fluctuate in future due to many factors outside the control of the sub-regional partners. The national and international economy will influence household choices when considering their housing circumstances – with issues such as interest and mortgage rates having key influencing roles.

The study identifies an overall housing requirement of between 16,300 and 19,200 additional dwellings across the sub-region over the next 5 years

Recent Housing Provision in the Exeter & Torbay Housing Sub-region

- 7.11 Over the last 5 years, around 10,900 new dwellings were completed across the sub-region – considerably below the 16,300 lower level estimate and marginally more than half the 19,200 upper level estimate of dwellings required to satisfy the housing requirements identified for the sub-region. Given these figures and the magnitude of the identified shortfall, it is perhaps not surprising that many households seeking to access housing (in particular those seeking to establish their first independent home) are experiencing real difficulties.
- 7.12 If sufficient housing is to be provided across the sub-region to meet the identified requirement, it will be necessary to implement a step-change in the speed of new housing delivery. Facilitating such a change will pose a real challenge for the planning and housing authorities – but for the level of housing provision to increase significantly, substantially more land will need to be identified within the sub-region for the delivery of housing. The development industry, delivery agencies and funders will also need to play their part.

Over the last 5 years, around 10,900 new dwellings were completed across the sub-region. To meet the identified requirements would require a step-change in the rate of new housing provision

- ^{7.13} Given the nature of the planning system and the necessary lead-in time on land development, it may not be possible to increase delivery immediately and it seems unlikely that the identified housing numbers will be delivered within the next 5 years. Nevertheless, this does not detract from the need to increase the speed of housing delivery in order for the housing requirements of the sub-region to be satisfied in the mid- to long-term.
- ^{7.14} Whilst other planning considerations will necessarily remain material considerations within the determination of planning applications, meeting the identified housing requirements would suggest a need to look at mechanisms to bring forward additional land supply at an early stage in the LDF process, balancing the need for improved housing supply against the other land requirements required to meet the needs of the community, for example to sustain the economy.
- ^{7.15} It should be borne in mind that whilst this study identifies the housing required within the sub-region, the number of additional homes that will actually have to be provided through the development plan system will be determined by the South West Regional Spatial Strategy (RSS). The RSS will also seek to reconcile competing demands for different land uses given overall regional priorities. The RSS is currently being finalised and the draft figures for housing provision seem likely to be revised upwards given the latest information on the projected growth in household numbers.
- ^{7.16} The figures from the Draft RSS for the Exeter & Torbay sub-region propose a delivery rate of just over 2,400 units annually – significantly lower than the annual rate of 3,850 units identified by this study (or even the rate of 3,250 shown by the modelling on the basis of 20-year migration trends). The latest 2004-based forecasts from the ONS suggest a much higher requirement of 4,250 units annually. In this context, it seems very likely that the RSS will substantially increase the amount of housing that will have to be delivered across the sub-region, and whilst the required delivery may fall below 3,850 units annually, it seems reasonable to base the proposed mix of housing upon the more detailed outputs from this Strategic Housing Market Assessment.

The detailed outputs from this Strategic Housing Market Assessment provide a robust evidence base to inform the proposed mix of housing to be delivered across the sub-region

Distribution of Housing Requirements within the Sub-region

- ^{7.17} The study identified that, in addition to Exeter and Torbay, six further housing sub-markets exist within the sub-region – namely Newton Abbot, Honiton, Tiverton, Ashburton & Buckfastleigh, Coastal Towns (along the south coast of East Devon) and North Dartmoor. Each of these areas showed sufficient independence from the Exeter and Torbay sub-markets (in terms of patterns of either or both migration and travel to work) to be considered independently. It is these areas that were adopted as the primary basis for considering the geographic distribution of the study results.
- ^{7.18} Given that the sub-markets are defined by existing patterns of migration and travel to work, they are inevitably influenced by the existing transport infrastructure – for it is not the distance of travel that is of paramount importance when deciding where to live, but the time that the journey to work is likely to take. In this context, any changes to the transport infrastructure may have an influence on the functional housing sub-market boundaries – therefore it will be important to keep these under review should any significant changes be introduced.

7.19 The location of any additional housing provision will be subject to a range of planning decisions – but from the perspective of housing requirement, Figure 167 illustrates the distribution between the housing sub-markets in the sub-region.

7.20 The fringe of the Chard housing sub-market (to the East of the sub-region in Somerset) also overlaps with the sub-regional boundary, but we have not sought to consider this sub-market further as part of this study. It will be important to liaise with colleagues from Somerset to establish if any of the additional housing requirements for this sub-market should be addressed within the boundaries of the Exeter & Torbay sub-region, and vice versa.

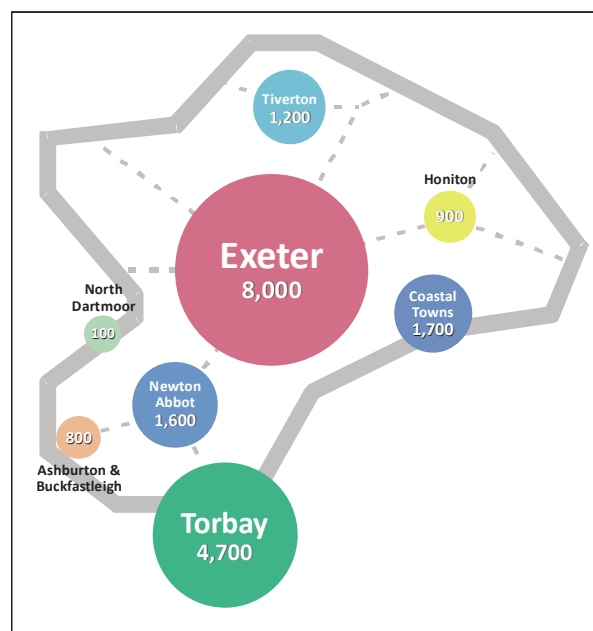
7.21 The degree to which the assessed requirement can be met in any one location will depend on the physical and environmental constraints that exist and the nature of land supply coming forward given local priorities for its use. While the assessed housing requirement relates to the sub market areas identified, it is likely that future supply may need to be considered across a wider area – in relation to the existing relationships between places, their role and function, the opportunities for sustainable travel and the physical and environmental characteristics of localities. The final distribution of housing delivered may therefore be somewhat different from the geography of assessed housing requirements, within the overall objective of a balanced housing market at sub-regional level.

7.22 For example, the assessed housing requirements for the Exeter sub-market accounts for 8,000 of the additional homes required across the sub-region over the 5-year period. In providing for the requirements of the Exeter sub-market, a significant proportion of the housing required will be provided within the city boundaries – but constraints on the availability of land imply that the city is unable to provide for all of the identified requirements within its administrative boundaries. In this context a new settlement of 2,900 new homes is already planned for Cranbrook in East Devon, which will help contribute to satisfying housing requirements for the Exeter sub-market.

7.23 Similarly, the requirements of the Ashburton & Buckfastleigh and North Dartmoor sub-markets total 900 dwellings over the 5 year period. Given that these settlements straddle the National Park boundary, constraints on new housing provision within the park make it likely that these requirements will have to be satisfied elsewhere in the sub-region. It should also be noted that the Ashburton & Buckfastleigh sub-market extends into the Plymouth HMA, and consequently it will be necessary to liaise with partners in that area.

7.24 Given this context, decisions about where best to provide additional housing in each sub-market should be informed by a Strategic Land Availability Study and a Strategic Land Viability Study, coupled with further consideration of how existing stock could be reconfigured to maximise the number of additional housing units that could be provided without the need for new dwelling provision. The results of such

Figure 167
5-year Net Housing Requirement by Sub-market (Source: ORS Housing Market Model, Exeter & Torbay Sub-regional Housing Requirement Assessment 2006-07. Note: Dotted lines denote major transport routes)



assessments may identify a number of delivery options which may not all fall within the same planning authority area. It follows that in taking work forward at a housing market area level, partners should consider adopting housing delivery targets at a sub-regional level. These could subsequently be monitored in terms of the identified housing sub-markets rather than depend exclusively upon administrative boundaries.

In planning for future housing provision, partners should consider adopting a sub-regional target for housing delivery which can be monitored by housing sub-market

- ^{7.25} Although the planning system currently remains focussed on administrative boundaries, PPS3 emphasises that decisions about future housing provision should be clearly informed by a Strategic Housing Market Assessment – and that such assessments do not focus primarily upon administrative boundaries but instead consider the natural functional boundaries of local housing markets. If the delivery of new housing is to be effectively informed by the SHMA it is apparent that targets and monitoring processes should also operate to such real-life geographies. PPS3 also identifies the need for collaborative working between planning authorities – so whilst joint-working may not be imposed at this stage, it is still likely to be recognised as good practice.
- ^{7.26} The need for joint working in relation to Housing has already been recognised at a regional level. The Government is promoting the strategic housing role of Local Authorities. Working in partnership is a key element of this and it is likely that sub-regional housing strategies based on housing market areas will be promoted in future. The Housing Corporation has also indicated that funding streams for 2008-11 will be allocated to housing market areas – so it will be important for the HMA partners in the sub-region to demonstrate that they are able to work together effectively in a cohesive manner if they are to maximise the amount of funding that they are likely to secure for affordable housing provision.

Improving the Use of Existing Stock

- ^{7.27} Even if the total requirement for 19,200 additional homes was met, this would only increase the existing stock by around 7%. In this context it is important that the best use is made of the sub-region's existing housing. A quarter of the existing stock predates 1919, and properties of this age especially those in rural areas are more prone to having problems with poor physical condition and problems with energy efficiency.
- ^{7.28} The study identified 21,800 households with serious problems with the condition of their home. Of these households, 3,000 own their home and can't afford to undertake the identified repairs and a further 5,100 are renting homes where the landlord is unlikely to repair the property. In projecting the need for additional housing, the model assumes that any problems with the condition of the existing housing stock will be resolved – so it will be important for these properties to be improved to an acceptable standard. As it is typically less expensive to invest in existing properties to maintain their useful life than to replace them with new housing, future investment should recognise the relative importance of investing in the maintenance of the existing housing stock.

Households identified problems with the condition of 21,800 homes across the sub-region, of which 8,100 are unlikely to be brought up to an acceptable standard without investment and/or intervention

- ^{7.29} Almost three-quarters of the identified net housing requirement is for 1-bed or 2-bed dwellings – accounting for almost 14,200 of the overall 19,200 dwellings required, and the study also identified significant numbers of households technically under-occupying larger homes. In determining the mix of

new housing provision, it will be important to evaluate the extent to which existing larger properties can be sub-divided into smaller homes in order to reduce the overall number of new properties that would need to be delivered. The cost and policy implications of reconfiguring the existing stock will need to be considered.

There is a significant requirement for additional smaller dwellings and in determining the mix of new housing provision it will be important to establish how existing larger properties may be converted

- ^{7.30} In the same way, it will be important for authorities to continue identifying any opportunities to reintroduce long-term vacant properties back into the housing market through Empty Homes Initiatives.

Affordable Housing Requirements within the Sub-region

- ^{7.31} The study has identified that a significant proportion of the overall housing requirement needs to be provided for households who are unable to afford market housing in the sub-region. Of the 19,200 additional homes that are required over the next 5-years, the study identified that 7,200 should be provided as social rented homes and a further 2,800 as intermediate affordable homes. Proportionately, social housing represents 37.5% of the overall housing requirement with intermediate housing accounting for a further 14.3%. Together, they represent just over half of the total housing provision required – so affordable housing constitutes a major concern in the sub-region.

- ^{7.32} As previously noted, 10,900 additional homes have been delivered in the last 5-years across the sub-region. Of these, 1,500 have been delivered as social rented units with a further 300 delivered as intermediate affordable homes – and of all of the affordable housing provided, less than half was delivered through the planning system using mechanisms such as Section 106 agreements.

- ^{7.33} Whilst the sub-region faces a challenge to increase overall housing delivery to satisfy identified housing requirements, there is clearly an even bigger challenge to increase the amount of affordable housing. Given a 5 year need for 10,000 additional affordable homes and delivery rates of 1,800 such units over the last 5 years, it is apparent that the current rate of affordable housing provision needs to quintuple if the sub-region's housing needs are to be addressed effectively.

There is a need for 10,000 affordable homes to be provided across the sub-region over the next 5 years. Delivering this number of units requires a five-fold increase in current affordable housing delivery rates

- ^{7.34} Without substantial additional funding from the Housing Corporation to enable the step-change in affordable housing provision required, it will be necessary for Local Authorities to maximise affordable housing delivery wherever opportunities arise. Many of the local authorities in the sub-region already have policies that require substantial proportions of properties delivered to be affordable housing. Not all housing sites will contribute towards affordable housing delivery – either because of their small size or high development costs associated with the site. Increasing delivery through the planning system may therefore require higher percentages of affordable housing on qualifying sites and/or the reduction of site size thresholds.

- ^{7.35} Despite affordable housing targets as high as 40% being adopted and 50% or higher proposed in the rural districts, affordable housing delivery typically accounts for no more than 12% of all completions in these local authority areas. In fact, affordable housing delivery has been far more successful in the

urban areas, which have more moderate targets for affordable housing to be delivered through the planning system – with Torbay delivering 17% affordable housing and Exeter delivering 38% affordable housing as a share of total completions in the last 5-years. It is clear that simply adopting a high affordable housing target will not in itself yield an equivalently high level of affordable housing.

^{7.36} It will also be essential for the partners to assess the viability of delivering affordable housing through the planning system and set delivery targets that maximise the number of affordable housing units delivered. Within this context, it will be important to identify if higher percentage targets are compromising the overall housing delivery programme. Requiring a slightly lower affordable housing percentage of a higher overall delivery rate may actually yield more affordable homes.

^{7.37} In certain circumstances, housing sites may be brought forward with a view to delivering 100% affordable housing. Such sites may be purchased competitively by an RSL – but given recent increases in land values, it has become difficult for RSLs to compete effectively with private developers to purchase sites in this way. Nevertheless, in certain circumstances such an approach may still be viable, in particular where funding is available. Alternatively, it may be possible for RSLs to include an element of market housing on the site to cross-subsidise the affordable housing provision.

^{7.38} Delivering affordable housing may also be considered as a priority where local authorities are seeking to dispose of their own land – with the prospect of the authority not necessarily evaluating proposals for the site on the basis of price alone but also considering the value of the proposed future land use in terms of overall social capital. In this context, where affordable housing constitutes a significant element of the proposed land use, it may be possible for an RSL (or another affordable housing provider) to purchase the land at a discounted price, with the discount facilitating a considerably larger proportion of affordable housing than would have been possible had the land been sold at market value.

Planning gain is unlikely to deliver enough affordable housing on its own – so mechanisms such as 100% affordable housing sites should also be considered (in particular when disposing of public land)

^{7.39} In the rural areas, the application of exceptions policies for affordable housing is one alternative for delivering affordable housing without cross-subsidy from open market housing. However, over the last 5 years, rural housing exception policies are recorded as only having delivered 13 new properties across the sub-region. If affordable housing exception sites were considered favourably, the needs of households in some rural areas might be satisfied without associated market housing – in particular in the context of delivering intermediate housing, where the occupier could fund the build costs independently but would typically not be able to afford local land prices.

^{7.40} To maximise affordable housing delivery on rural exceptions sites, it will be important to support the work of Rural Housing Enabling Officers and to assist with the identification of suitable sites.

In rural areas, it will be important to maximise affordable housing delivery through exceptions policies, identifying suitable sites and supporting the work of Rural Housing Enablers

^{7.41} It may also be possible for the local authorities to increase the amount of affordable housing available through the purchase of existing satisfactory properties, or similarly by purchasing and renovating vacant housing in the area in order for them to be rented to social tenants – though this is recognised as an expensive mechanism for delivering relatively small numbers of affordable homes.

- ^{7.42} The amount of additional affordable housing required may also be offset by financially subsidising households requiring intermediate affordable housing to access market housing by ensuring that schemes such as Homebuy are allocated sufficient funding.
- ^{7.43} Finally, in relation to the allocation of social housing grant, it is generally recognised that the amount of grant available is limited – therefore it is critical that the available funding is targeted correctly. The value of land is used by the planning system to subsidise planning gain packages – so if land values are low, it follows that there will be less subsidy available from planning gain. If there is less subsidy from planning gain then there is more likely to be a funding gap – so it is appropriate to target social housing grant at these sites.
- ^{7.44} In this context, delivering affordable housing without grant funding is more likely to be viable on sites with relatively high land values and relatively low development costs, therefore the available funding should typically be targeted to areas with lower land values and sites that have exceptional development costs, such as those associated with decontamination or flooding. It is also likely that affordable housing in rural areas will also require a larger proportion of grant funding than schemes in more urban areas.

The Balance between Social Rent and Intermediate Affordable Housing

- ^{7.45} The balance of appropriate provision between social rent and intermediate housing products seems open to some debate – for profiling the affordability of the local households in the context of the existing housing stock would suggest that sufficient social rented housing already exists for households who are dependent on such housing, and that it is only additional intermediate housing that the sub-region technically needs. Nevertheless, this analysis assumes that all households live in housing which is appropriate to their affordability – whereas in practice, a proportion of households currently occupying social rented housing could afford to pay more if they chose to do so.
- ^{7.46} Whilst almost two-thirds of existing social tenants clearly depend on social rented housing from an affordability perspective, around 2,400 social tenants (8.1%) could afford market housing if they chose to do so and a further 9,000 social tenants (30.3%) could afford to pay more than Housing Corporation target rents (but not afford the cost of market housing) – though it should be borne in mind that there are few incentives for existing social tenants to vacate their current housing, even if they could afford to do so.
- ^{7.47} The primary data modelling considers current household behaviour within its analysis – recognising that over the next 5 years around 450 households are likely to vacate properties in the social sector and move into market housing, with almost a further 1,100 likely to vacate social rented homes and constitute a requirement for intermediate housing products. This implies that up to around 2,000 tenants will continue to occupy social housing despite being able to afford market housing and almost 8,000 tenants will remain in social rented properties despite being able to afford more than Housing Corporation target rents.
- ^{7.48} If these 10,000 households were to vacate the social housing that they currently occupy, then it is apparent that there would not be a need to deliver further social rented homes – but in practice, these households are likely to remain in their homes and those households who need social homes will be dependent on new provision.

- ^{7.49} Given relative delivery costs of intermediate and social housing products (where it typically requires less grant to deliver an intermediate affordable home than it is to deliver a property for social rent) it may be appropriate to encourage more existing tenants to move from their social rented homes (in addition to the 1,550 already projected to move by the Housing Market Model) to increase the re-let rate within the social rented sector.
- ^{7.50} Encouraging only 10% of those households able to afford more than Housing Corporation Target Rents to move from their property during the next 5-years could yield up to an additional 1,000 social lets from within the existing stock – thereby reducing the need for additional social rented homes from 7,200 to 6,200 over the 5-year period.
- ^{7.51} The total number of homes required across all sectors would not change – and depending on the affordability of those additional households who were encouraged to vacate social housing, there might not be a change in the overall affordable housing required either. Nevertheless, the balance between social rent and intermediate housing options would shift from the 70:30 ratio of social to intermediate affordable housing originally identified by the model to a balance nearer 60:40 – and if as many as 20% of those tenants now able to afford higher housing costs were encouraged to move, the balance between social and intermediate housing would fall closer to 50:50.
- ^{7.52} There is thus scope for further research to identify what may encourage existing social tenants to consider intermediate housing options (or market housing if appropriate). This could include cash incentive schemes or other more practical support (such as providing assistance with the moving process).

It may be possible to increase the re-let rate within the social housing stock if existing tenants able to afford more expensive housing options could be encouraged to move

Meeting the Support Needs of Households with Health Problems in their Existing Homes

- ^{7.53} The study recognised the older age profile of the sub-region's population, and many older households have health problems that impact upon their housing needs. From a total of 7,600 households identified with support needs by the study, 4,100 hoped to stay in their current home – and of these, 720 identified that they required additional support, including 550 with members requiring permanent 24-hour care or support.
- ^{7.54} Of those 4,100 households with health needs not wanting to move, over 2,300 identified that their current home required adaptations to meet their housing requirements.
- ^{7.55} This has implications for the nature of homes provided and the future commissioning of health and social care services, including effective partnership working with Supporting People, Primary Care Trusts and the voluntary sector.

Around 720 households require additional support to live independently and 2,300 homes require adaptation to meet the needs of existing households

Students

- ^{7.56} The number of students at the University of Exeter has increased significantly in recent years – but this growth has been complemented by an equivalent provision of additional bed-spaces in university halls. In this context, it seems unlikely that the recent growth has had any significant impact on the general

Exeter housing market – but any future growth planned by the university will place pressure upon the housing market if the growth is not matched by further bed-space provision.

- 7.57 It will be important for the planning and housing authorities to maintain close liaison with the university to ensure that the implications of any future growth are properly managed in the context of the whole housing market.

In Conclusion

- 7.58 This Strategic Housing Market Assessment has identified a number of challenging issues that require the housing and planning authorities of the sub-region to work together with the development industry, housing associations, delivery agencies and funders to deliver the housing required across the whole housing market and to find a range of solutions to address the need for affordable housing.
- 7.59 There will be need for continued joint-working to design effective cross boundary policy frameworks to address the delivery of new housing, to provide the choice, tenure and mix of housing required and to maintain and manage the existing stock. Working together is also likely to maximise the amount of funding secured for affordable housing provision in the future.
- 7.60 This study provides the basis for working together to meet the housing requirements of the sub-region as a whole – but it must be recognised that it only constitutes the start of the process necessary to deliver a sequence of solutions which will be developed and improved over time. The Strategic Housing Market Assessment also requires monitoring and updating so that the evidence used to develop policy remains current and up-to-date, responding to market signals before trends develop into problems on the ground. Responding to the need for improved housing delivery and up to date information will require the sub-regional partnership to raise their game, leaving “no stone unturned” in seeking to rebalance the housing market.