

Housing demographics

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Tenure Profile

The Housing Strategy Statistical Appendix (HSSA) indicates a total dwelling stock on the Island of 64,816 in April 2006.

Of this 10.2% were in the social sector and 89.8% in the private sector.

Social housing stock on the Island is low in proportion to across the South East (14.3%) and across England and Wales (18.9%).

The market sector on the Island is correspondingly larger than average at 90% stock.

Table 1: Tenure Profile

	Total	Local Authority	RSL*	Other Public Sector	Private Sector
Isle of Wight	64816	0.0%	10.2%	0.0%	89.8%
South East	3498838	5.7%	7.9%	0.7%	85.7%
England & Wales	21906172	9.9%	8.6%	0.4%	81.2%

* Registered Social Landlord

Source: HSSA 2006

Table 2 indicates changes in the dwelling stock from 2002-2006.

The social sector has remained relatively consistent in absolute size. Housing growth has predominantly been in the private sector. As a result, the social sector has shrunk slightly as a proportion of total housing.

Table 2: Housing Stock by Tenure, 2002 /2006

IOW	Local Authority	RSL	Other Public Sector	Private Sector	Total
2002	0	6610	108	55266	61984
2003	0	6437	147	56160	62744
2004	0	6466	35	57119	63620
2005	6	6513	0	57629	64,148
2006	0	6,497	106	58,213	64,816

Source: HSSA

Census 2001 indicates that:

- 42%, of households own their housing outright. This is more than 10% above regional and national levels, likely partly reflecting the age structure of the population.
- Levels of owner occupiers with mortgages are below average, at 34% households on the Island compared to 42% across the region.
- 13% households live in the private rented sector and within this, the majority rent from a private landlord or letting agency
- Shared ownership is relatively small, with 0.8% households in this subsector, but this is consistent with wider patterns

Table 3: Detailed Tenure Profile, Census 2001

	Isle of Wight	South East	England & Wales
All Households	57519	3287489	21660475
Owner Occupied	76.96	73.96	68.86
Registered Social Landlord	10.06	13.96	19.19
Private Rented	12.98	12.08	11.94

Source: Census 2001

House Type Profile

As of Census 2001 more than a third (36%) of dwellings on the Island are detached. This is substantially higher than the proportion (23%). of detached houses at national level Together detached and semidetached dwellings make up 65% of the housing stock.

Just 15% of the housing stock is terraced compared to 26% nationally..

Table 4: House Type Profile;

Apr01	Isle of Wight	South East	England and Wales
Detached	36.23%	29.28%	22.77%
SemiDetached	29.07%	28.45%	31.58%
Terraced	14.96%	23.12%	26.04%
Flat/Maisonette	19.11%	18.45%	19.2%
Other	0.63%	0.69%	0.42%

Source: Census 2001

Private Sector Stock

The private sector has grown in size by 4.3% on the Island over the 2002 – 2005 period. This is above growth regionally and nationally of 3.1% and 3.7% respectively and reflects stronger housing growth overall. It accounts for almost all the growth in the housing stock

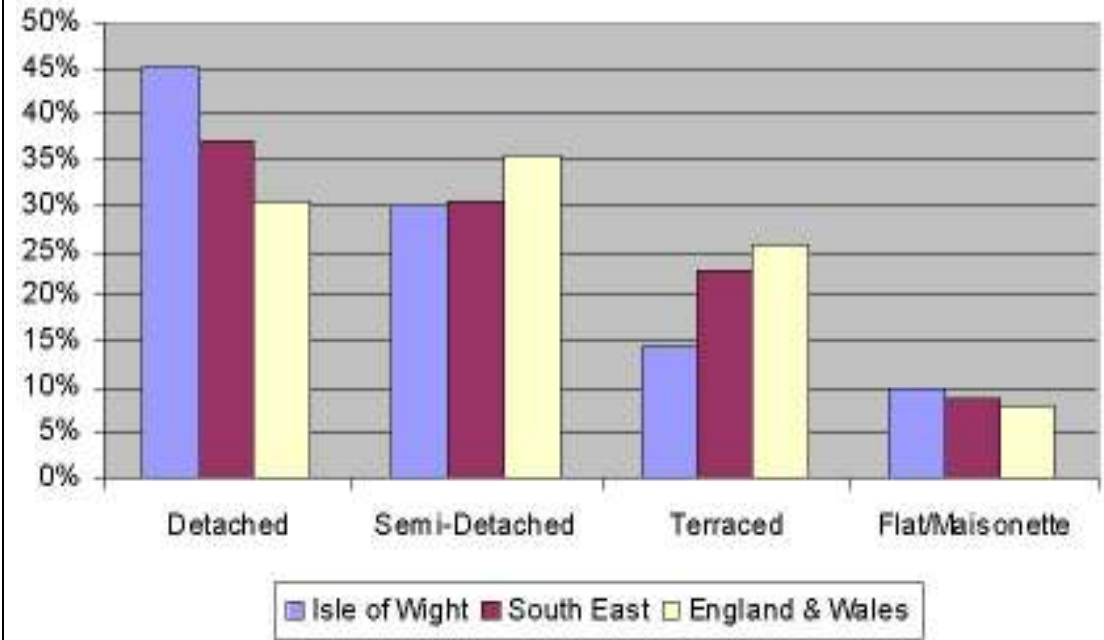
Table 5: Growth in Private Sector Stock

	Isle of Wight	South East	England
2002	55266	2,907,057	17,145,867
2003	56160	2,927,967	17,301,434
2004	57119	2,968,288	17,550,081
2005	57629	2,997,920	17,784,606
% Change: Private Sector	4.3%	3.1%	3.7%
% Change: All Sectors	3.5%	2.5%	2.0%

Source: HSSA

The Island's owner occupied sector contains a high level of detached housing (45%), compared to the South East. Semi detached housing is roughly the same as regional levels . There is also an above average proportion of flats and maisonettes.

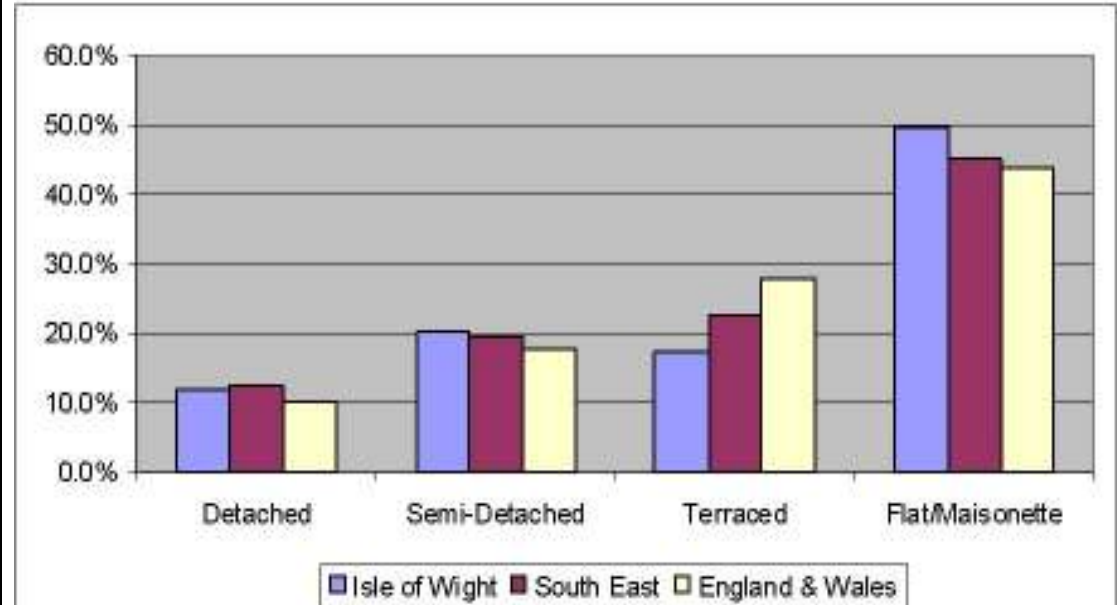
Figure 1: Private Sector Stock



Source: Census 2001

Housing in the private rented sector is biased towards the smaller and more affordable end of the property market, with 50% of properties being flats or maisonettes,

Figure 2: Private rented properties by type



Source: Census 2001

Houses of Multiple Occupation

The HSSA 2006 indicates that there were 19 Houses in Multiple Occupation (HMOs) on the Island as at April 2006 (according to the definition in the 2004 Housing Act.)

Figures from the previous year indicate 84 HMOs, although the Housing Act definition was not used.

Table 6: HMOs (April 2005)

	Number	Percentage
Isle of Wight	84	0.13%
South East	65372	1.87%
England	392230	1.79%

Affordability

Along with all regions in the South East the Island suffers from affordability issues within the housing market . Currently (2008) purchases prices for private sector housing are upwards of 9x average income

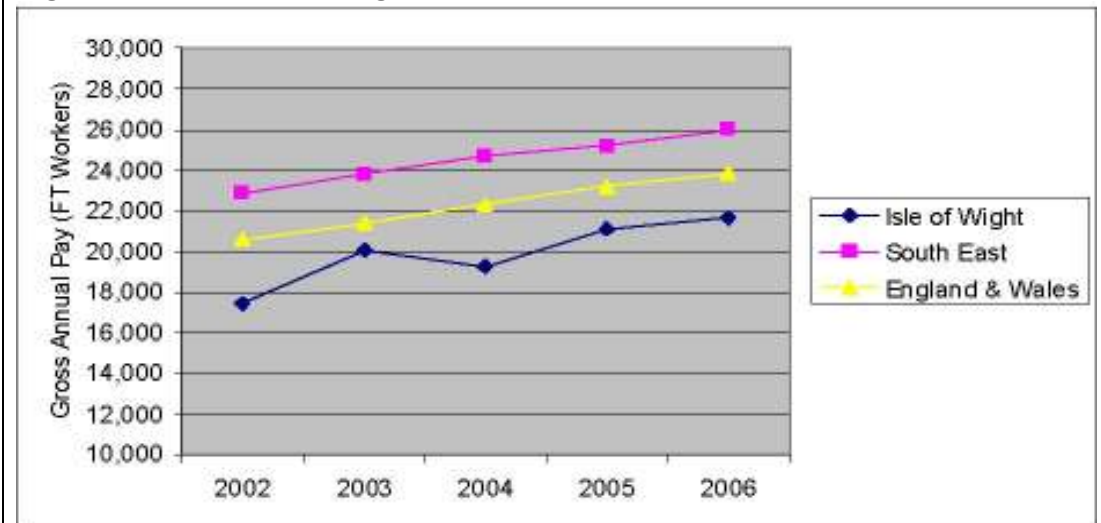
Earnings

Residence based Gross annual earnings on the Island in 2006 for all those in employment were 24% below the regional average and 18% below the national average at £16,162 (median).

Partially this reflected the high proportion of persons employed part time and in seasonal work .

Residents on the Island working full time earned on average £21,653 annually - 9.1% below the national average. This was also 16.7% below average earnings of the South East's residents overall.

Figure 3: Resident Earnings 2006

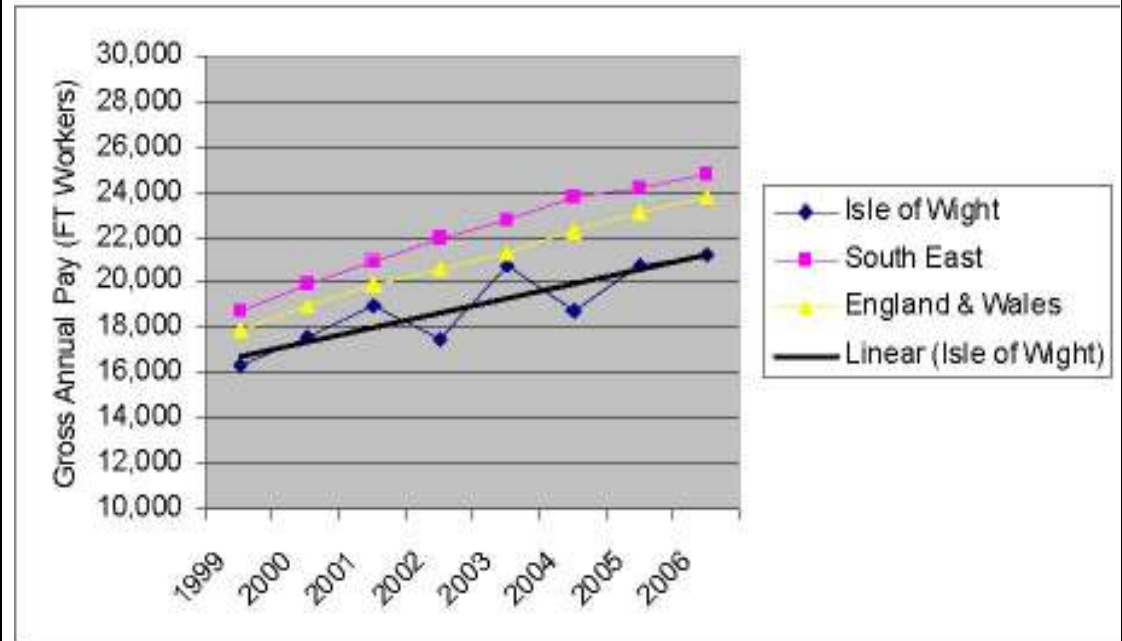


Earnings

Similarly, analysis of workplace based wages –those employed on the Island –is also divergent with regional and national trends. Reflecting limited patterns of commuting on or off the Island to work, residence and workplace based earnings on the Island are very similar, showing an annual differential of just £400 in 2006.

For 2006, figures for the Island showed the fifth lowest residence based earnings of all 67 local authorities in the South East region.

Figure 4: Workplace Earnings 2006



Market-led trends

Market-led trends

Recent years have witnessed significant and consistent upward trends in house prices across the country. The South East has experienced some of the strongest growth, with average prices rising by over 60% over the last five years.

Halifax’s House Price Index Report

In 2006, the average house price across the South East region stands at £233,000, 30% above the UK average of £179,000.

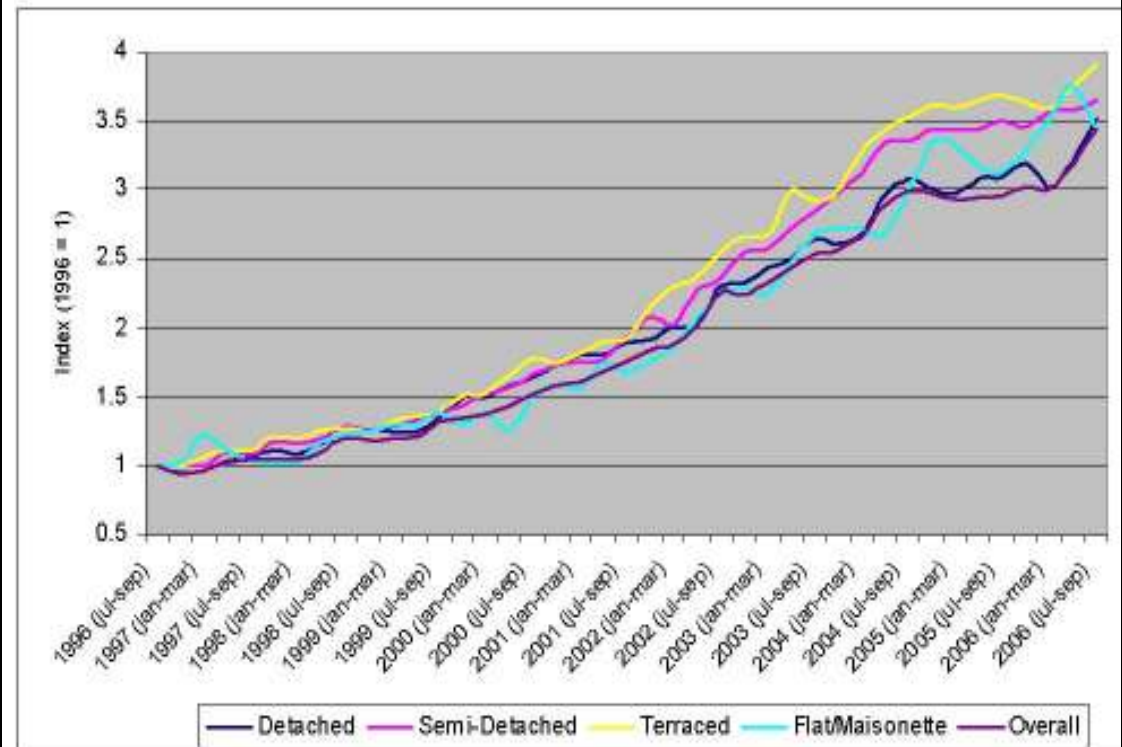
Table 7: Average House Prices, July – September 2006

	Detached	Semi-Detached	Terraced	Flat/Maisonette	Overall
Isle of Wight	£293,880	£179,755	£159,271	£130,860	£206,929
South East	£404,899	£230,705	£191,116	£157,860	£251,007
England & Wales	£319,746	£189,929	£167,259	£189,868	£211,453

Source: HM Land Registry

Figure 5 indicates growth in prices for different house types over the last decade (1996 – 2006). It indicates that overall price growth has been strongest in the terraced and semi detached markets which performed particularly well between Winter 2001 and Spring 2004. However, since then there has been strong growth in prices for flats. Also in the last six months of 2006 there was been a strong price growth for detached housing.

Figure 5: Price Trends by type - IOW



Source: HM Land Registry

Housing Demographics

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Table 8 shows proportional growth in prices by property type. It indicates that prices on the Isle of Wight have grown more in proportional terms than those across the region or country. Average prices on the Island have grown by 96% as against 71% across the South East and 59% nationally over the last five years.

Proportional growth on the Island has been strongest for terraced housing and flats/maisonettes, both of which have grown in value by over 100% in the five year period. This is consistent with the regional picture.

However, detached and semi-detached houses have seen a price growth which has exceeded 85%.

Table 8: Change in Average House Prices (Q3 2001 – Q3 2006)

	Detached		SemiDetached		Terraced		Flat/Maisonette		Overall	
	Change	%	Change	%	Change	%	Change	%	Change	%
Isle of Wight	£136,100	86.3%	£84,270	88.3%	£81,007	103.5%	£66,630	103.7%	£101,302	95.9%
South East	£140,296	53.0%	£87,649	61.3%	£76,996	67.5%	£64,462	69.0%	£93,503	59.4%
England & Wales	£133,535	71.7%	£83,736	78.9%	£68,426	69.2%	£67,810	55.6%	£87,597	70.7%

Source: HM Land Registry

Privately Rented Property

Table 9 indicates the number of properties being marketed for rent according to Rightmove in Summer 2006, together with median rental levels. It indicates that the cheapest entry level properties (one/two bed flats) are in Ventnor and Newport. Prices on average are higher in Cowes than the other main rental markets

Table 9 : Rents in the Private Rented Sector

Town	Marketed Properties	1bed Flat	2bed Flat	3-Bed House	4-bed House
Cowes	51	£460	£550	£610	£995
Newport	61	£400	£500	£640	£725
Ryde	40	£420	£500	£610	
Sandown	14	£435	£525	£695	
Shanklin	7		£535	£625	
Ventnor	15	£380	£495	£650	
Freshwater	4	£400			
Totland	11		£575	£795	£850

Source: www.rightmove.co.uk / GVA Grimley
February 2007

Households on the housing register

Table 10: Households on the housing register at 1st April

2004	2005	2006	2007
2865	3967	3508	4995

Source: HSSA

Table 11: Households on the housing register at 1st April, requiring:

	2004	2005	2006	2007
1 bedroom	2392	1859	1671	2447
2 bedrooms		1353	1165	1605
3 bedrooms	392	564	513	680
More than 3 bedrooms	81	186	152	215
Unspecified (or register more than once)	0	5	7	8

Source HSSA

Statutory homeless household Acceptances 2005/6

Table 12: Households accepted as unintentionally homeless

Households accepted as unintentionally homeless, eligible for assistance and in priority need	212
of which: with dependent children or a pregnant woman 2005/06	154

Table 13: Homeless households in temporary accommodation

Homeless households in temporary accommodation at 31st March 2005/6	334
of which: with dependent children or a pregnant woman	278
of which: in Bed and Breakfast-style accommodation	10
Average stay (weeks) all	6.2
Average stay (weeks) with dependent children or a pregnant woman	3.3
Average stay (weeks) single person household	8.6

Source: HSSA

Performance

<p>Performance</p> <p>The Housing Department has been ensuring that it keeps an accurate picture of its overall performance through the monitoring of key indicators. These key indicators show the overall Direction of Travel for the department. The following performance has been achieved over the last three years:</p>	<p>Table 14: Key Indicators of Housing Performance</p> <table border="1"> <thead> <tr> <th></th> <th>2003/04</th> <th>2004/05</th> <th>2005/06</th> <th>2006/07</th> </tr> </thead> <tbody> <tr> <td>Number of Empty Properties brought back into use</td> <td>32</td> <td>32</td> <td>8</td> <td>56</td> </tr> <tr> <td>Number of affordable Housing units completed</td> <td>81</td> <td>61</td> <td>256</td> <td>151</td> </tr> <tr> <td>Number of Statutory Homelessness Acceptances</td> <td>391</td> <td>314</td> <td>212</td> <td>138</td> </tr> <tr> <td>Number of Properties made fit by Local Authority Action</td> <td>41</td> <td>49</td> <td>47</td> <td>N/a</td> </tr> </tbody> </table>		2003/04	2004/05	2005/06	2006/07	Number of Empty Properties brought back into use	32	32	8	56	Number of affordable Housing units completed	81	61	256	151	Number of Statutory Homelessness Acceptances	391	314	212	138	Number of Properties made fit by Local Authority Action	41	49	47	N/a
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Drivers of Change

Shifts in demographics, social conditions and economic change have brought about changes within the housing market. And to respond to this the council has commissioned Housing Market and Socio-economic Study to gather evidence to under pin the Housing Strategy .

Key Messages from the Housing Market and Socio Economic Study

- The Isle of Wight is a separate functional and relatively self-contained housing market. Across the Island ten housing sub-markets have been defined.

- There is limited evidence of people either moving to/from or travelling to work in the Hampshire Coast areas. Net migration flows to/from Hampshire local authorities are relatively small. However, there is evidence of long-distance migration from London to the Isle of Wight.
- The Island demonstrates similar house price trends, in terms of relatively low average prices but strong growth over the last five years, to other South Coast and Medway local authority areas.
- There is limited opportunity for those households on the Island Housing Register to access home ownership or rented accommodation without assistance from Housing Benefit.
- The Island's population has grown strongly, at a rate of 1.3% per annum since 1998, driven by in-migration. Growth has been strongest in the population of working age.
- Continued strong population growth of 11% is expected over the next decade, according to both trend-based and economic-led projections. Household projections indicate growth of 16% to 2016 reflecting growth in the population and continuing trends towards smaller households.
- The Island has an Older population structure than average with a high proportion in each cohort over 55. A low proportion of the population is aged 20-34. Related to this, there is an above average proportion of pensioner households and lower proportions of resident families with children. Average household size is therefore below regional and national benchmarks.
- The Island is in the most deprived quarter of Local Authorities in the South East region. Deprivation is particularly a function of low incomes, education and skill levels, barriers to housing and services, and living environment. It is concentrated in the main urban areas, although barriers to housing and services are more severe in rural areas.

These key messages will mean that the Housing Service has to focus its activity in ensuring:

- **That the housing needs of households brought about by natural migration to and from the Island are met.**
- **That properties to meet the needs of smaller households are developed.**
- **That the needs of older people are met by new models of housing provision for the Island.**
- **That economic led regeneration counters Island deprivation.**

Our Housing Market Analysis has shown that there is a need to develop different tenures, and property types across a broad range of locations on the Island.

Continued and improved delivery of new housing will be important in supporting economic potential as well as limiting price inflation.

Changing household characteristics and an ageing population structure will also influence future housing requirements, with demand likely to shift towards smaller properties. However it is recognised that affordability is reflected across all tenures and socio- groups and there is also need for affordable family –sized housing. There will also be increased requirements for supported and adapted housing.

Demand for Housing

The following sections show the headline demands for housing on the Island:

Table 15: Island Housing Stock

Household Sizes	% of total	Current provision	Actual need	Need in 5yrs
1 bed	15%	9600	9773	10457
2 beds	37%	24320	26728	28598
3 beds	41%	26240	28549	30551
4 beds	5%	3200	3296	3526
4+ beds	2%	1280	1331	2262

(Actual need HNS2006. 5yr need 13% new households in-migration every 10 years (Housing Market Assessment 2006)

Table 16: Social Rented Housing

Housing Demographics

Household Sizes	% of total	Current provision	Actual need	Need in 5yrs
1 bed	33%	2152	3698	4728
2 beds	32%	2097	3742	4786
3 beds	32%	2075	3719	4757
4 beds	3%	109	250	307
4+ beds	.04	5	36	46

Actual need: Number of people currently in social rented housing plus the total on the register less the proportion of those on the register who already live in social rented housing.

Need in five years: Newly forming households times the number of HNS respondents who indicated a wish for moving into social rented housing plus actual need.

Table 17: Homebuy (Shared Ownership) & Low Cost Starter homes

Current provision	Actual number who would like this option
117	3007

12% of total HNS respondents indicated wish for shared ownership or low cost housing. 80% of new first time buyers cannot afford to buy.

The Gross annual income of £48,242 needed for a 95% mortgage (average wage £17464) this makes a house price to income ratio of 10.2 needed to purchase at the average IOW price of £177,735 (lower quartile average £121,875)

Source National housing federation SE Housing Time bomb Sept 06
Average wage: ASHE 2005

Table 18: Market Rented Housing

Household	% of total	Current	Actual need	Need in
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Housing Demographics

Sizes		provision		5ys
1 bed	33	1838	2003	2143
2 beds	32	2477	2600	2782
3 beds	32	1191	1212	1297
4 beds and above	3	445	445	476

Actual need HNS2006:- no respondents indicated a need. 5yr worked out need taking into consideration new households in-migration 7%

Table 19: Intermediate Rented Housing

Household Sizes	Current provision	Actual need	Need in 5ys
1 bed	0	67	70
2 beds	0	66	69
3 beds	0	66	69
4 beds and above	0	-	-

Actual need HNS2006:- no of respondents indicated a want to rent but cannot afford as proportion of available rented housing

Table 20: Sheltered and Extra Care Sheltered

Type of provision	Current provision	Actual need	Need in five years
Sheltered housing (Housing Associations and other providers)	882	1430	1575
Extra Care Sheltered	24	33	160
Private leasehold	282	284	884

Research undertaken by Housing Services 2007 into need for sheltered housing, mapped against future household growth

The housing needs data for Extra Care and Intermediate housing has to be tempered against the fact that there is limited/no provision on the Island. We need to ensure that choice is extended into the marketplace meaning that the market will have to be stimulated in these areas.

What are our targets for each tenure over the next five years?

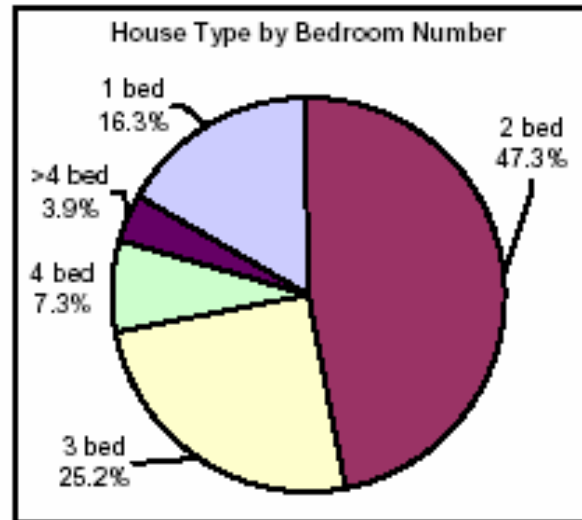
The amount of housing we enable over the next five years is dependent on the amount of funding that is made available for investment and the number of planning permissions that are granted. The following table sets out our aspirations for each tenure over the next five years:

Table 21: Tenure Targets

	2007/08	2008/09	2009/10	2010/11	2011/12
Social Rented	86	95	130	130	130
Intermediate rented	0	10	10	15	15
Discounted sale	0	0	10	10	10
Shared ownership	64	58	30	25	25
Low cost market housing	0	0	0	25	25
Total	150	163	180	205	205

Developing the right property mix for the Isle of Wight

For the period 2005/2006, the Council has also been monitoring the number of bedrooms within dwellings approved. The aim of this is to begin to monitor the type of property being developed and to be able to compare this information with the known need in the area. By monitoring approvals against bedroom size we will be able to determine whether need is likely to be met.



The chart shows approvals for 2005/06 with the vast majority of housing coming forward in the two bedroom sector.

Our Housing Needs Survey shows that the Isle of Wight has an imbalance of properties. We therefore need to effectively engage with developers, landowners and house builders so that we are building the right properties to meet the stated need.

As part of the work that we will be taking forward under the Island Plan, we will outline some development guidelines for general housing on the Isle of Wight.

As part of that process we expect that the starting point for negotiations on developments of new social rented housing should provide the following mix:

- 30% of social rented housing as 1 bedroom accommodation
- 25% of social rented housing as 2 bedroom accommodation
- 25% of social rented housing as 3 bedroom accommodation
- 10% of social rented housing as 4 bedroom accommodation
- in every substantial development where possible, one property of five bedroom and over in discussion with the housing section.

These figures have been set as a guideline in order to ensure that we limit the financial risk posed to the Local Authority of not providing larger social rented units.

We expect to see a range of intermediate and low cost market housing and will be seeking the following mix of properties:

- 50% of shared ownership, intermediate housing or low cost market housing as 1 bedroom accommodation
- 30% of shared ownership, intermediate housing or low cost market housing as 2 bedroom accommodation
- 20% shared ownership, intermediate housing or low cost market housing as 3 bedroom accommodation