**Derby Sub-Regional Strategic Housing Market Assessment**

# South Derbyshire 2007/8

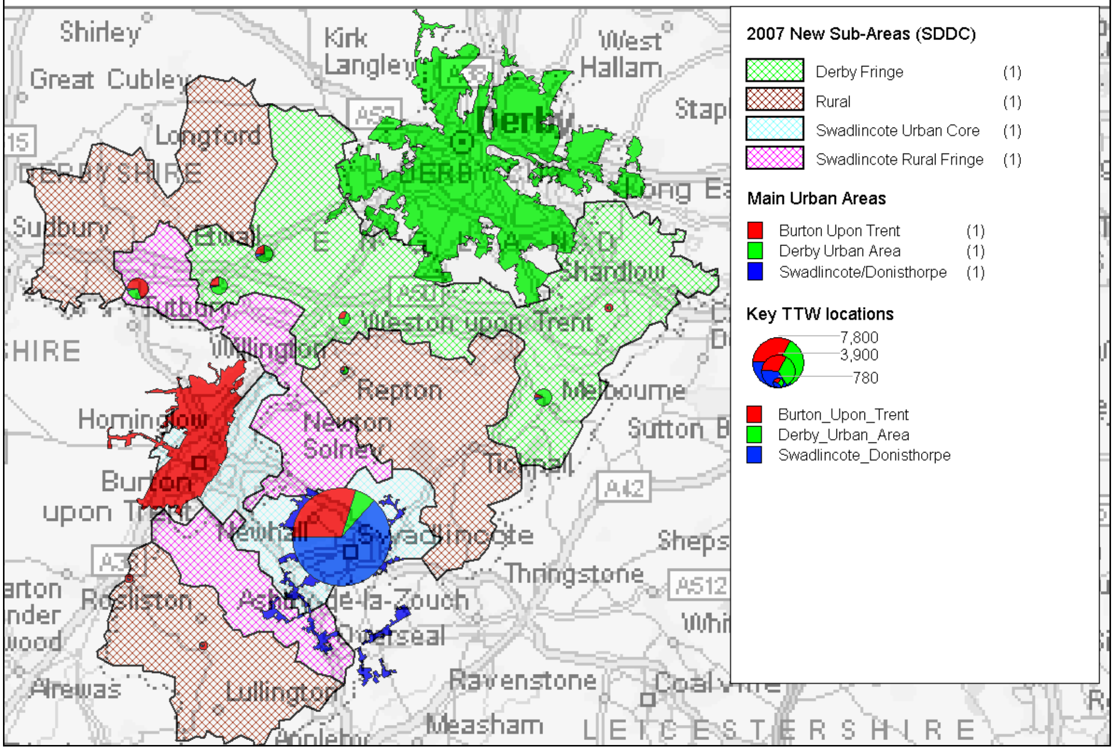
Executive Summary

South Derbyshire is a largely rural district which has three main overlapping influences on its housing markets :-

- The central Swadlincote urban area, which has stronger links to Burton upon Trent for commuting and migrations
- Derby on the northern edge, including suburbs actually on the edge of the principal urban area and villages strongly linked to the city
- Rural areas which are to a considerable extent free standing, with residents travelling to work in many diverse locations.

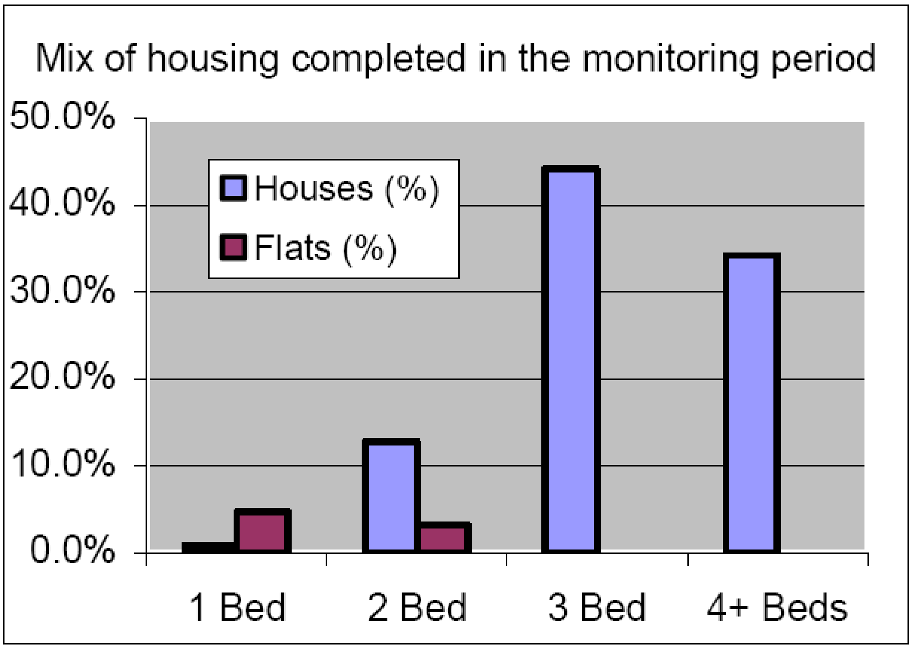
This pattern has been used to derive a conceptual framework of sub areas which, although ultimately arbitrary, can help in understanding and estimating need and demand. The map below shows the sub areas and their travel to work connections with the nearby major settlements.

**SDDC Revised Sub-Area Boundaries (based on settlement gravity and influence of key urban areas)**




Source: Census 2001 Travel to work origin:destination matrix

*Growth* The district has seen a considerable amount of development and growth over recent years, with a total of over 3,200 dwelling completions between 2001/2 and 2005/6, which have been mainly family houses.



Source: South Derbyshire Annual Monitoring Report 2006 (p.30)

South Derbyshire is attractive to families from urban areas such as Derby and Burton, and has a net gain of household from all local authorities

**Net moves to and from South Derbyshire from other local authority areas**

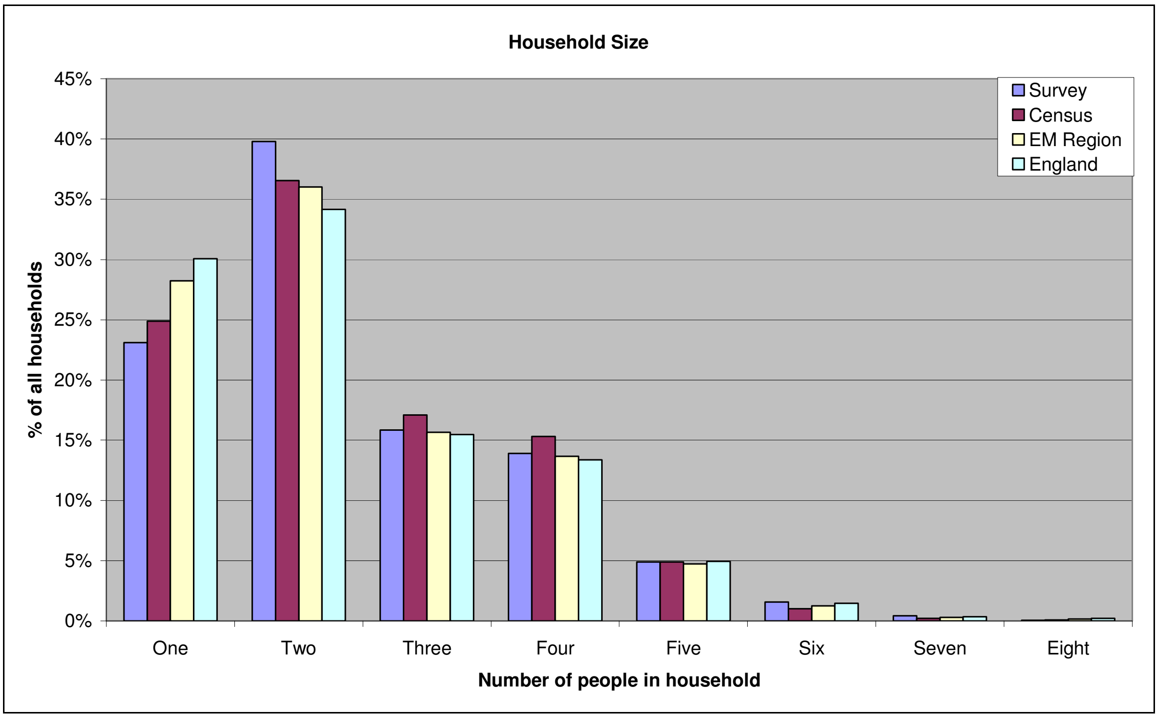
| origin | to SDDC | from SDDC | net gain/(loss) to SDDC |
|---|---|---|---|
| Derby | 1150 | 850 | 300 |
| East Staffordshire ( Burton ) | 740 | 660 | 80 |
| North West Leicestershire | 470 | 360 | 110 |
| Birmingham | 180 | 60 | 120 |
| Tamworth | 170 | 80 | 90 |
| Erewash | 100 | 70 | 30 |
| Amber Valley | 90 | 90 | 0 |
| Lichfield | 90 | 40 | 50 |
| Derbyshire Dales | 80 | 70 | 10 |
| North Warwickshire | 80 | 30 | 50 |
| Nottingham | 50 | 50 | 0 |
| Charnwood | 50 | 30 | 20 |
| Leicester | 40 | 20 | 20 |
| Hinckley and Bosworth | 40 | 20 | 20 |

Source: National Health Service Central Register 2005-6

Within these flows, there also tends to be a net gain in families and older households and net loss of younger people in a typical ‘escalator’ model of migrations.

*Area profile* This influences the demographic and socio-economic profile of the area, which overall has higher proportions of owner occupation, larger homes and better off families and 'empty nesters'.

**Household size**




*Source: SDDC Questionnaire 2007 (Sky High Market Research)*

**Property size and tenure**

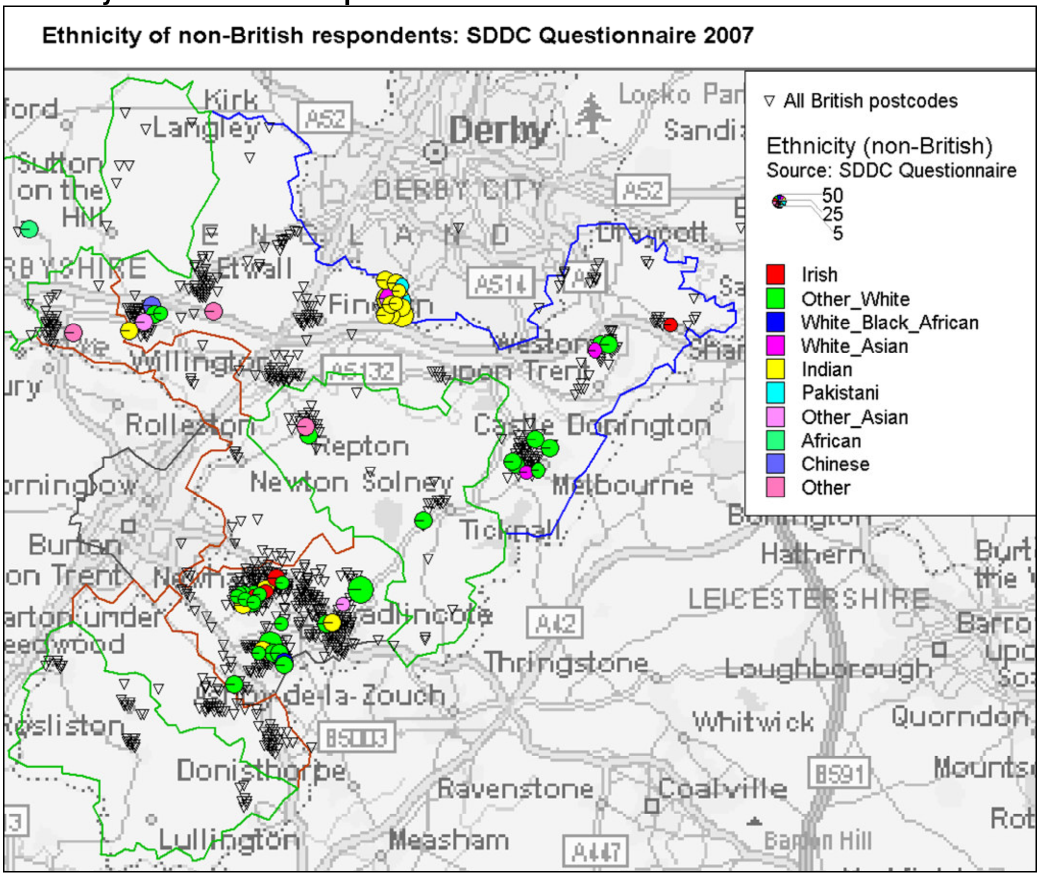
| Tenure | 1 bed | 2 bed | 3 bed | 4 bed | 5+ bed |
|---|---|---|---|---|---|
| Owner Occupied | 0.9% | 23.4% | 52.6% | 20.8% | 2.3% |
| Private rented | 6.3% | 43.0% | 46.5% | 2.8% | 1.4% |
| Rented from the Council | 15.3% | 42.8% | 40.5% | 1.4% | 0.0% |
| Rented from a Housing Association | 25.0% | 30.0% | 45.0% | 0.0% | 0.0% |
| Other | 17.6% | 29.4% | 17.6% | 23.5% | 11.8% |

Source: SDDC Questionnaire 2007 (Sky High Market Research) n=1800

South Derbyshire has relatively few ethnic minority communities, and almost 96% of the population identified themselves as White British in the 2001 census. The largest ethnic minority groups are in the categories of 'Asian or Asian British', 'Other White', and 'White Irish'. The 'Other White' group may contain significant numbers of European migrant workers, as applications for National Insurance numbers from Polish migrants far outstripped those from other ethnicities. However, it is not known how many stay in the UK, and there are early indications that many have left and the inward flow has slowed.

Many Asian or Asian British Indian households are settled in Stenson ward just outside of Derby, which appears to form part of a secondary migration corridor out of the city.  Aside from this, ethnic groups in South Derbyshire are spread fairly evenly, though numbers are few.

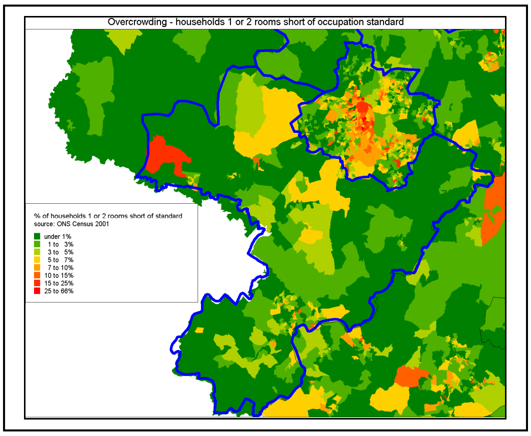
**Ethnicity of non British respondents**



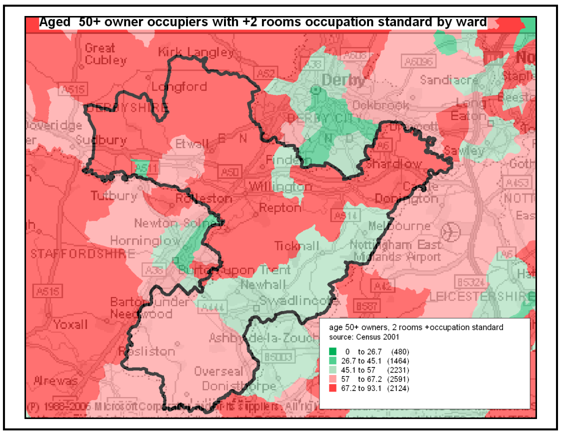

Source: SDDC Housing survey 2007 (Sky High Market Research)

Overcrowding levels were low in 2001, but have increased slightly since, and under-occupation is much more significant, especially amongst the over 50s in the rural and suburban areas.

Overcrowding



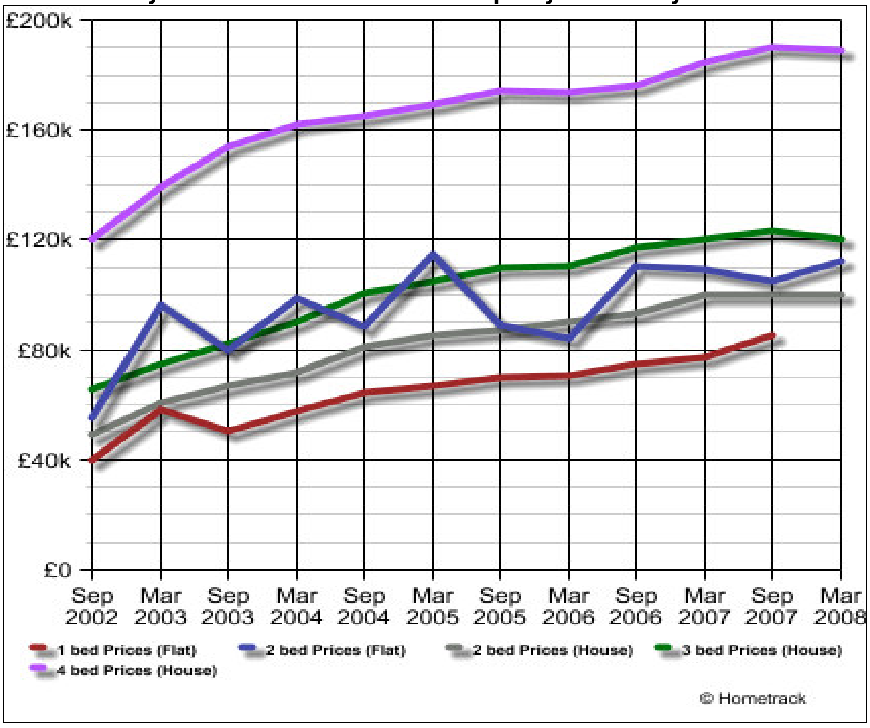

Under-occupation




Source : ONS Census 2001

*The active housing market* House prices have risen substantially up to 2008, as in the rest of the UK, increasing problems of affordability and causing housing need much higher up the incomes scale. Lower quartiles give an indication of entry level prices where households have typically 'got a foot on the ladder'.

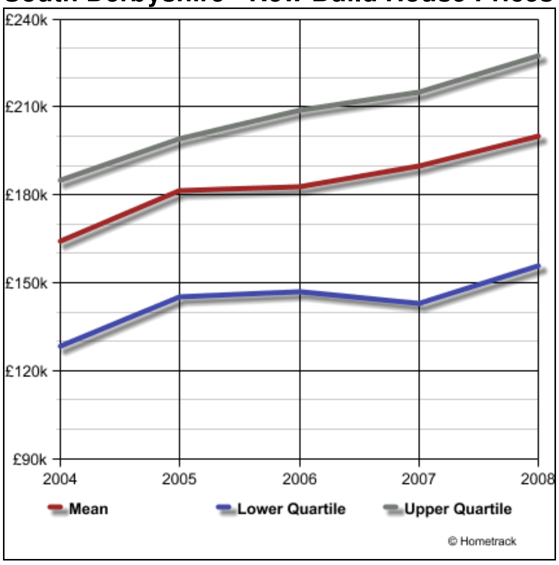
**South Derbyshire – Lower Quartile Property Prices by bed count and type**



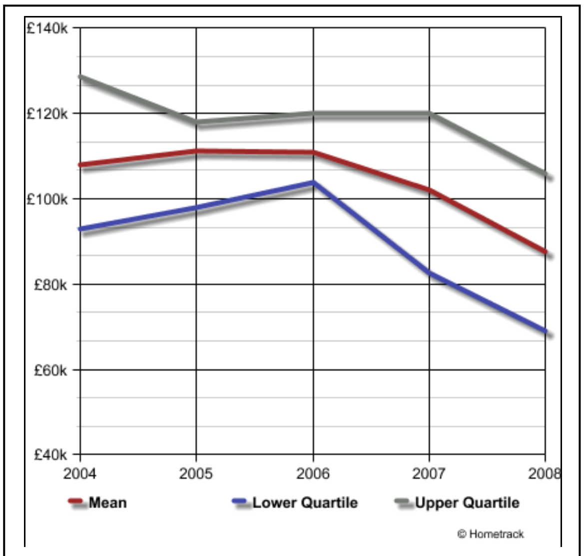

Source: Housing Intelligence System. Hometrack © Crown Copyright 2008

In late 2007 and 2008 prices started to fall , but this does not appear to be consistent across all property types and areas. New build flat prices have fallen dramatically in South Derbyshire, as in many other areas.

**South Derbyshire - New Build House Prices**



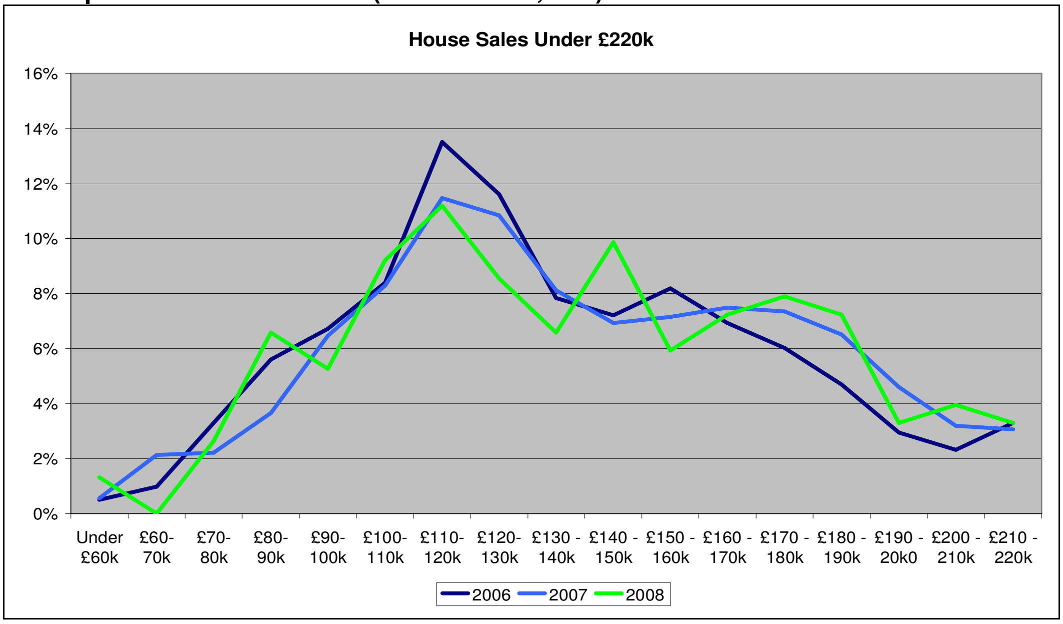

**New Build Flat Prices**




Source: Housing Intelligence System. Hometrack © Crown Copyright 2008

While many house prices are high, there is a supply of relatively more affordable housing in Swadlincote.

**Price profile of House Sales ( under £200,000 ) - 2006-2008**




Source: Land Registry

*Housing need* has been estimated using both survey and secondary data, following good practice guidance, with lower quartile house prices as the threshold entry level. This gives a net shortfall in affordable supply of just under 400 units a year for the district as a whole.

**Lower quartile and average prices by sub area**

| sub area | lower quartile price | average price | lower quartile :average |
|---|---|---|---|
| Swadlincote urban core | 103,000 | 134,800 | 76% |
| Swadlincote rural fringe | 118,000 | 181,000 | 65% |
| Derby fringe | 132,000 | 190,000 | 69% |
| Rural | 144,000 | 258,000 | 56% |

Source: Land Registry

**Summary of components of need and supply**

| Annualised need | no area given | Derby_ Fringe | Rural | Swad' Fringe_ Rural | Swad' Urban Core | **Total** |
|---|---|---|---|---|---|---|
| backlog need over 5 years | 0 | 68 | 12 | 20 | 128 | 228 |
| emerging & future need | 13 | 199 | 67 | 56 | 155 | 490 |
| Total need | 13 | 267 | 79 | 76 | 283 | 718 |
| Net affordable supply | 0 | 53 | 23 | 25 | 221 | 323 |
| *Total need - supply = net need* | *13* | *214* | *56* | *51* | *62* | *396* |

Source: Derived from SDDC Questionnaire 2007, Land Registry , and other sources (N.B. Grossing and rounding may mean that total figures do not sum accurately)

To meet this need would require approximately a doubling of the affordable housing supply.

Need arising from the Swadlincote rural fringe could be met to some extent in the urban area.. In the event that no large housing sites are released in the rural areas, the deeper rural need will require whatever affordable rural provision that can be achieved through exception sites, windfalls and small developments to address it.

The overall housing requirement for the District is being established in the emerging East Midlands Regional Spatial Strategy (RSS) and site allocations will follow in the Local Development Framework (LDF). The draft RSS proposed development of 605 dwellings per annum for the period 2001 – 2026, comprising 255 dpa in the Derby Principal Urban Area and 350 dpa in the rest of the District. The Secretary of State's modifications in response to the Examination in Public (EiP) Panel Report increased this to 650 for 2001-6, and 630 for 2006-11 At these levels the affordable housing requirement that could in theory be justifiable would be in the region of 62% of total new supply. At a local level, the actual proportion would vary according to how the growth is proposed to be distributed across the sub-areas, as indicated in the above table. However, research estimates of need should not translate directly into policy, which must also take account of factors such as development viability, the need for balanced communities, environmental factors, and so on. Affordable housing targets may therefore need to be modified in the light of these factors, and especially in the fluctuating housing market situation.

*Affordable housing tenures* . The needs modelling and sub areas have been used to estimate the tenure proportions most likely to meet need best. These were:-

Derby fringe (and district overall ) – social rent 60% / intermediate up to 40%
Swadlincote urban core 90% social rent / 10 % Intermediate Housing maximum

Swadlincote urban area has lower entry level prices and Intermediate Housing such as Homebuy and Shared Ownership will not compete with this as well as in Derby fringe and rural areas.

In any rural schemes there may well be a stronger need for intermediate products, but this would depend on the market and socio-economic profile of that particular village, and any general figure would be misleading and open to misinterpretation. Local surveys should be used to investigate the needs at this level.

*Types and sizes of housing required* While demographic projections constantly show an increase in the number of smaller households , these are across all ages, and many are older separated of widowed households already in larger houses. Age and household type projections together with their likely market positions, and the profile of current stock have therefore been used to derive projected requirements for new supply size and type. These are still quite blunt , but do not crudely assume that single person households will live in one bedroom flats

| change required | | proposed annual RSS development |
|---|---|---|
| Singles- 1 bed flats | 4.57% | 28 |
| Upsizing , family -2/3/4 beds | 44.92% | 272 |
| downsizing - 2 beds - older & empty nesters | 34.52% | 209 |
| older person 2 & 1 bed | 5.84% | 35 |
| multi-person ( all ages) – larger houses, hostels, residential homes | 10.15% | 61 |
| RSS Annual target | 100.00% | 605 |

There are however some important caveats to these estimates which need to be emphasised.

- It assumes that households will move to a home that is an acceptable 'right' size for them ( for instance that empty nester households will move to a two bedroom property ) within a reasonable time of reaching that lifestage.

- If they do not move at all, or not for a long time, then more larger dwellings will be required to allow for the levels of under-occupation

- This in turn assumes that the type and quality of downsizing accommodation is good enough to attract buyers and tenants, and that the price differentials are also sufficient to tempt them to move.

These may all be considered as somewhat hopeful and unrealistic. If so then the 'downsizing' provision will need to be switched to upsizing and family provision of reasonably sized and priced, - although not too large and expensive - , houses.

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*The South Derbyshire element of the wider Derby Sub-Regional Strategic Housing Market Assessment (SHMA ) was carried out by B.Line Housing Information over 2007/8. The other parts of the SHMA for Derby and Amber Valley are intended to be completed later in 2008*