

3 DRIVERS OF THE HOUSING MARKET

3.1 The housing market of any area is driven by a range of demand and supply factors (see Figure 3.1). The same factors exist across the country but the way in which these factors operate differs considerably between different housing markets. It is this which gives rise to significant differences in housing markets across the country. This section outlines the generic factors, which to varying degrees impact on all housing markets before subsequent sections address the specific trends and dynamics of the housing market relating to Lewes.

Market Demand and Housing Need

3.2 In thinking about the housing market it is helpful to recognise the distinction between housing demand, housing need and housing requirement.

- **Housing Demand** is the quantity of housing of the type and quality that households both want and can afford to buy or rent in the open market without subsidy. Housing demand thus takes into account both preference and the ability to pay
- **Housing Need** is the quantity of housing of the type and quality necessary to house those households currently lacking their own housing, or living in housing which is unsuitable or inadequate and who can not afford to buy or rent suitable housing in the open market. So housing need takes account of those without adequate housing who are unable to resolve their situation without assistance
- **Housing Requirement** encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of the ability to pay. Put simply, it is the amount of housing needed to accommodate the population at appropriate minimum standards as defined by government or in local policies.

3.3 Some confusion arises in housing policy around the use of the term 'affordable housing' since the term has in the past been used to embrace entry-level market housing as well as extending to include shared ownership and social rented housing.

3.4 CLG's Planning Policy Statement 3 (PPS 3) published in November 2006 provides the full definition of affordable housing as follows: *'Affordable housing includes 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.'*

3.5 DTZ believe that it is preferable to categorise housing provision into the following market segments:

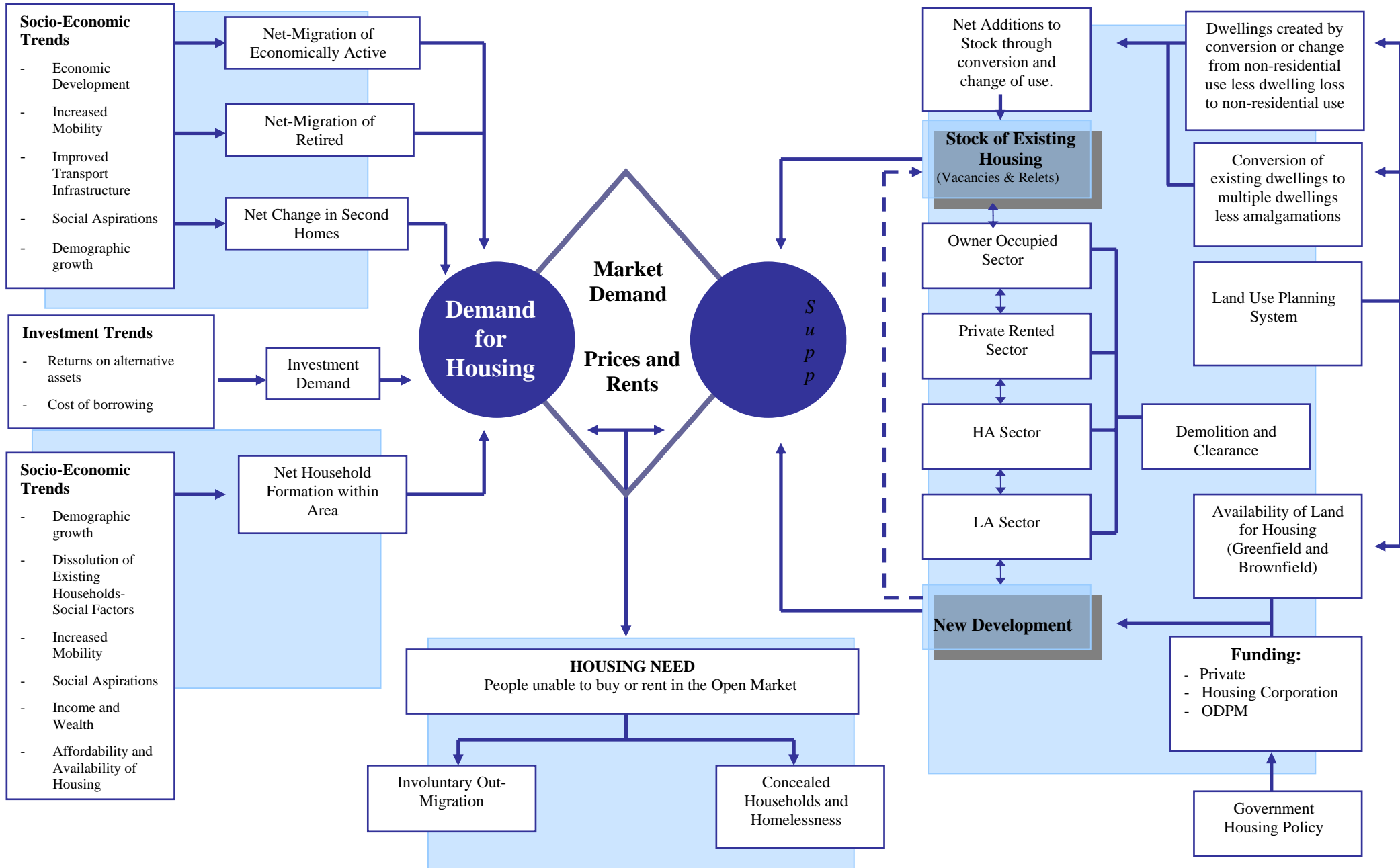
- **Market Housing** where the purchaser, owner or tenant pays the full market cost or rent without subsidy. Since the abolition of Mortgage Interest Relief in 2001 there is no longer any subsidy for owner occupiers. It is relevant to note, however, that the Barker Review estimates that private tenants incur costs around 18% higher than an owner occupier occupying an identical property. Standard entry level housing that is delivered without any subsidy and without any protection that ensures that the housing remains 'affordable' would fall within our definition of market housing

- **Social Rented Housing** where housing is allocated on the basis of need rather than ability to pay and rents are set below market levels. The development of new social rented housing is critically dependent on subsidy of development costs either from public funds or cross subsidy based on the capture of enhancements in land value associated with the award of planning permission. The social rented housing sector comprises both local authority and housing association housing for rent
 - **Intermediate Housing** is a relatively new phrase designed to describe the growing number of interventions that seek to assist those who are ineligible for social rented housing but cannot afford market housing. Such interventions include the provision of shared ownership, discounted equity and fixed equity and cost rent schemes. Such schemes typically require an element of public subsidy or cross-subsidy from commercial development secured through capturing part of the enhancement in land value associated with the granting of planning permission. Intermediate housing is defined in PPS3 as *'Housing at prices and rents above those of social rent but below market prices or rents, and which meet the (affordable housing) criteria set out above. These can include shared equity products (e.g. Homebuy), other low cost homes for sale and intermediate rent.'*
- 3.6 PPS 3 goes on: 'The definition does not exclude homes provided by public sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.'
- 3.7 The definition of what is intermediate housing, at least in terms of what may regarded as being within the remit of affordable housing policies set out in planning policies is clear. It does potentially mean that some private sector intermediate housing initiatives may not necessarily be regarded as providing affordable housing in planning terms, since they may not provide intermediate housing in perpetuity or guarantee recycling of receipts back into the provision of affordable housing.
- 3.8 It is relevant to note that key worker housing could in theory fall into any of the above categories, though in practice most schemes fall into the intermediate housing category. Key worker housing is targeted at a particular group of occupiers and is not a particular form of tenure.

The Drivers of the Housing Market

- 3.9 Figure 3.1 shows the key underlying factors, which contribute to the working of a housing market, and it is this framework, which underpins the subsequent analysis of the housing market(s) relating to Lewes.

Figure 3.1: A Conceptual Framework for the Operation of Housing Markets



The Demand for Housing

- 3.10 The overall demand for housing is a function of the number of households living in an area. Changes in the total number of households are brought about either by:
- net changes in the number of households living in the area attributable to change within the population already living in the area and average household size
 - net changes in the population, and hence households, brought about by migration into or out of the area.

The key drivers of these two components of demand are examined in brief below.

- 3.11 Demand also arises from investors, but in the main this demand seeks to derive a return from rents and growth in capital values. Both rental levels and capital values are the products of underlying demographic processes, so it is these aspects, which underpin investor demand.

Internal Drivers of Demand

- 3.12 Internal drivers of demand can be thought of as those factors that influence the rate of household formation or dissolution among the resident population of an area. The key influences are as follows:
- **The natural rate of** population growth. This refers to the growth or decline of the population of an area excluding the effect of migration into or out of the area. Broadly speaking the faster the growth of population in an area, the more rapidly one would expect the number of households to increase and the greater the demand for housing. The converse is true if the population of the area is declining. In the UK the natural rate of population growth is low since birth rates have fallen dramatically over the past century, though the rate has increased recently as a result of births to migrant families. The general decline in birth rate has been partly offset by people living longer and the associated fall in death rates
 - The rate of household formation. A major driver of housing demand in recent years has been the increase in the number of households per thousand of population associated with declining average household size. This has been brought about by a number of influences – the growing proportion of adults in the population as birth rates have fallen; the increasing number of adults who chose to live alone as people form stable relationships at a later age; and the increasing number of older people couples or singles who live alone since children have grown up and left the family home.
- 3.13 Social change underpins the changes in the rate of household formation and natural population growth described above. These include changing attitudes to marriage, to the role of women in the workplace, and changes in the number of children couples choose to have. Social change is brought about in part by economic and technological change. The decline in the average number of children per family has been associated worldwide with rising incomes and the availability of birth control. Generally, however, such changes occur relatively slowly and their impact on the housing market is fairly predictable.
- 3.14 Of more direct relevance to this study is the impact that a variety of other changes can have on the composition of demand. Rising incomes and wealth have been and will continue to be associated with demand for higher standards of housing, more space and better neighbourhoods. This aspect of demand has not been recognised explicitly as part of the South East Plan process. At the same time the availability and affordability of housing can itself influence the rate of household formation or average household size. Where housing becomes

less affordable young people may delay leaving the parental home, or there may be an increase in households comprised of unrelated individuals who share accommodation and housing costs.

External Drivers of Demand

- 3.15 The other major component of demand, the effect of migration, is much less predictable than factors that change the underlying rate of household formation or dissolution. In the South of England as a whole there is increasing requirement for housing development, which reflects the strength of the economy and a growing population. However, in many areas there are significant tensions between this demand and the supply of development land.
- 3.16 Another key feature of the South East region is the relationship with London, which exerts a considerable influence over the whole of the South East. London is the largest source of in-migrants to the South East region. In 2005, 91,000 people moved from London to the South East while only 53,000 people moved from the South East to live in London. Overall, therefore, net inward migration from London to the South East is around 38,000 people per annum, according to latest estimates.
- 3.17 We have not analysed the pattern of migration as part of this study, but there is a well documented process that London experiences in-migration of young people as students, young single people and childless couples from around the country (as well as significant levels of international in-migration). As these people get older and start to purchase property or consider starting families they often move to more suburban areas, such as those found in the South East. Therefore, London acts as a form of conduit through which migrants from around the country enter into the South East.
- 3.18 These in-migrants may continue to work in London – so the pattern of in-migration is linked to the observed pattern of commuting into London, though there will also be those who move into the South East from London who also change their place of work. Those moving into the region from London will tend to have greater financial resources due to higher salaries obtained in the capital and possibly greater housing equity than local residents. This has an impact on sub-regional markets in the South East.
- 3.19 This situation has led to the designation of the Thames Gateway, Milton Keynes and Ashford as priority growth areas to help accommodate the excess demand from elsewhere in the region, arising from net in-migration, natural population growth and declining household size.
- 3.20 Migration at the regional and sub-regional level is particularly influenced primarily by changing patterns of employment, house price differentials between areas, and the lifestyle offer of different areas, particularly those within the same broad regional labour catchments area. But migration is inherently difficult to predict. Patterns of movement can change quite significantly at different stages of the economic and housing market cycles.
- 3.21 Moreover, international migration can be particularly hard to predict. Since the expansion of the European Union in 2004 the number of EU citizens migrating to the UK has increased five-fold. In 2003 the inflow of EU citizens was around 14,000. In 2004 this rose to around 74,000 – 80% of this increase is attributed to migrants from the 10 accession states.⁵ ⁶The latest Government figures state that around 447,000 migrants from these states registered for work in the UK between May 2004 and the end of June 2006, of which 265,000 were Polish

⁵ ONS 2004

⁶ The 2004 accession states were Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

migrants⁷. A survey by the Centre for Research on Nationalism, Ethnicity and Multiculturalism indicates that these figures may understate the true level of migration.⁸

- 3.22 International migration is now the main driver of population growth within the UK as a whole. Prior to 2004, more UK residents left the UK for Europe than entered the UK from Europe – the main destination of UK migrants to Europe was Spain.
- 3.23 The Audit Commission’s Report ‘Crossing Borders’ identifies the key reasons for relatively significant levels of international migration to the UK. The UK is a prime location for study and UK institutions are now dependent on international migration. International migration figures include those who come to the UK to study.
- 3.24 However the recent increase in migration between countries within the expanded EU is not counted within the Government’s population figures. The free labour market within the EU means that it is now difficult to keep track of movements. The available statistics on in-migration since 2004 are also not net – they record the number of arrivals but not those who leave. Current figures (2007) for the number of non-UK nationals with National Insurance registrations suggest that Lewes received around 420 people, the largest number from the EU accession Countries but also fairly significant numbers from India.⁹ Registrations in Brighton and Hove in 2007 were over 4,000.

The Supply of Housing

- 3.25 There are two key dimensions of housing supply that it is important to understand. First the overall stock of housing changes only slowly, though it is important to assess the extent to which housing supply responds to price signals that indicate rising demand. Second it is important to understand the inter-relationship between the stock of housing in different tenures and how tenure shifts occur in response to demand and other factors.

Changes to the Overall Stock of Housing

- 3.26 In general the overall stock of housing only changes slowly. The lack of responsiveness of housing supply to increases in house prices is examined in the Review of Housing Supply conducted by Kate Barker on behalf of HM Treasury. The Final Report published in 2004, notes that over the last 30 years real house prices in the UK have increased by around 2.4% per annum, while in Europe as a whole they have increased by only 1.1%. The Review concludes that a key factor in the inflation of house prices is persistent inadequate supply of new housing supply.
- 3.27 The Review identifies the constraints on housing supply in the UK, indicating that the underlying constraint of housing is the supply of land which is constrained by a number of factors:

⁷ Home Office (2006) Accession Monitoring Report – Note that this records the **cumulative** number of people who have register to work. It does not represent net migration.

⁸ The survey of 500 Poles in the UK found that 64% had signed the workers register

⁹ Department for Work and Pensions – National Insurance Registrations Data – People are registered in the authority of their latest known address

- The housebuilding industry, its response to risk and the speculative nature of land leading to a reluctance to build out large sites quickly
 - The increasingly complex nature of sites (especially brownfield sites) where significant remediation may be required
 - Land ownership and the incentives to bring forward for development along with the difficulties of site assembly where ownership is fragmented
 - The planning system and its influence over the amount of land which is made available and whether development is viable through the delivery of necessary infrastructure
 - Land use is politically contentious.
- 3.28 The government published its response to the Barker Review in 2005. The key commitment made by government was to increase the rate of housebuilding from the current level of around 150,000 dwellings pa to 200,000 dwellings pa by 2016, since increased to 240,000 in the Housing Green Paper (2007).
- 3.29 Within the Lewes context, however, it is the role of organisations such as SEEDA and the local authorities to overcome the constraints identified by the Barker Review through site assembly, reclamation of brownfield sites, and forward planning. The approved Regional Planning Guidance and emerging Draft South East Plan should provide an agreed framework for land use planning in the Sussex Coastal sub-region.

Changes to the Tenure Balance of the Stock

- 3.30 The stock of dwellings in different tenures has changed significantly over the past decade as a result of differential rates of development of housing of different tenure and shifts in tenure within the existing stock.
- **The overall stock of owner** occupied property has increased. The majority of new housing development has been for sale, though the emergence of the Buy-to-Let phenomenon has meant that some new development has resulted in the expansion of the private rented sector. The stock of owner occupied dwellings has also expanded as a result of people exercising the Right to Buy on housing association or local authority owned dwellings
 - The stock of local authority owned dwellings has shrunk significantly in the last decade. For all practical purposes there has been no development of new local authority dwellings. Nationally there has been a trend towards local authorities transferring stock to the management of Housing Associations (RSLs), though Lewes District has retained its stock. The stock of local authority dwellings has also continued to dwindle as people exercise the Right to Buy
 - The stock of housing association properties has increased as a consequence of new development and stock transfer (although it should be noted that Lewes has not transferred its stock)
 - The stock of private rented housing has expanded considerably over the last decade. This growth has been achieved at the expense of the owner occupied sector. By implication growth must have been achieved both through a significant proportion of new dwellings being bought under Buy-to-Let arrangements or more commercial investors; and through some of the existing owner occupied stock of housing moving into the private rented sector.

- 3.31 It is also important to understand the way in which demand for different tenures impacts other tenure sectors.
- 3.32 The owner occupied sector is the dominant form of tenure and the tenure of preference of the vast majority of residents. The sector is so dominant in terms of the housing market (since social rented and intermediate housing can be thought of outside the market mechanism) that what happens in the owner occupied sector has major implications for all other forms of tenure. Put simply, if people cannot access owner occupied housing, this will increase demand in both the private rented sector and the social rented housing sector.
- 3.33 The converse is also true as is evident in areas of the country with systemic low demand. If the owner occupied sector is easily accessed, then typically one sees the impact in terms of low demand for social rented housing and private rented housing, and abandonment of the worst privately owned properties. Understanding the dynamics of the owner occupied sector is therefore critical to social and private sector landlords.
- 3.34 Where declining affordability in the owner occupied sector leads to increased demand in the private rented sector, this can be expected to have a number of effects. Increasing demand can generally be expected to lead to increased rents, although the significant new supply of private rented properties is likely to have moderated rent increases to some extent.
- 3.35 Increased private sector rents are likely to have two important implications. First it is probable that those on the margins of owner occupation can outbid those already in the sector in the competition for the best properties. So over time, one can expect to see a process by which those on slightly higher incomes displace those on lower incomes into less good properties, and at all levels in the market people end up paying higher rents. This is likely to lead to higher Housing Benefit costs, with a consequent diversion of public sector resources from other priorities.
- 3.36 At the bottom end of the market, typically where the most vulnerable people live, tenants may find themselves unable to access rented properties. They are likely to look to social rented housing providers to assist them, putting already stretched social rented housing resources under further pressure. In many cases these tenants may not be accorded priority by social housing landlords, so they may end up sharing or on the streets. What appears therefore as house price inflation has direct knock on effects that ultimately can lead to increased homelessness and overcrowding.
- 3.37 Rising costs in the owner occupied sector therefore impact on the social housing sector, largely by displacing people from the private rented sector. It is increasingly possible to think of the local authority and housing association sectors as a single sector, albeit it is comprised of two different types of landlord, with different governance structures. Local authorities have nomination rights over a large proportion of new housing association tenancies, and increasingly housing association development priorities are agreed in conjunction with local authority partners.

4 DEMOGRAPHIC DRIVERS OF DEMAND

4.1 This section analyses the underlying components of housing demand by examining demographic change over the last two decades, alongside historic and current structures and trends of those who occupy housing within Lewes. Where possible the data for Lewes is benchmarked against Brighton and Hove, the Wider Coastal Area (incorporating Brighton and Hove, Adur and coastal Lewes and Lewes town), Wealden, Mid-Sussex, East Sussex and the South East as a whole.

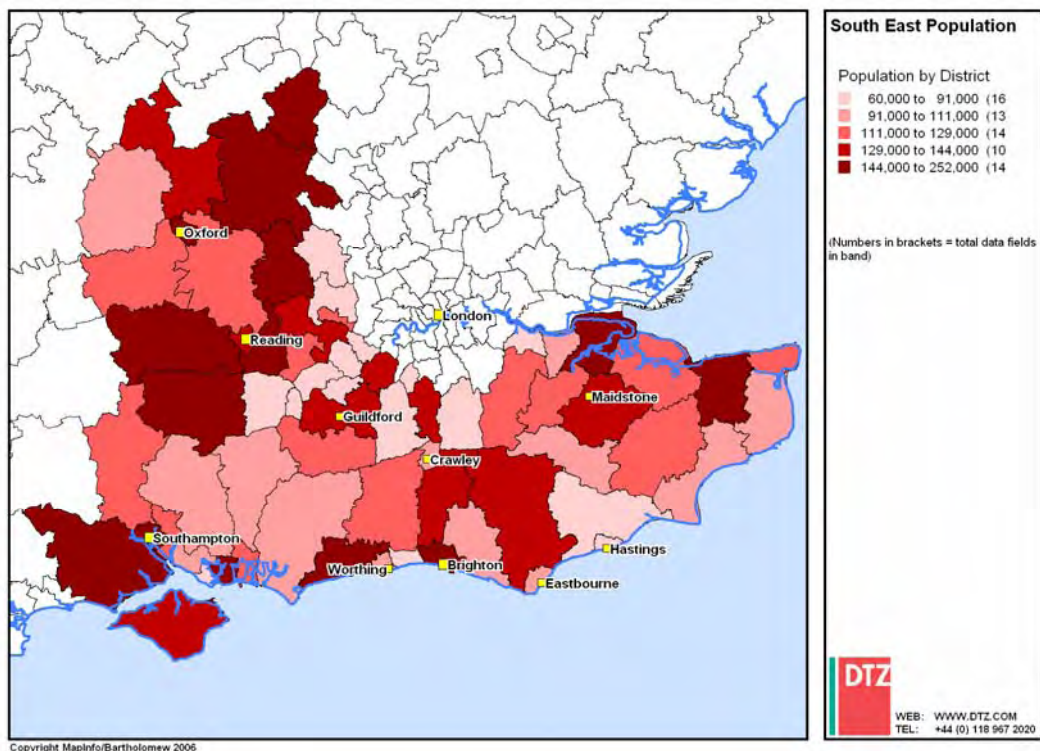
Key Points

- The current population of Lewes is around 93,900. Overall growth in population between 1981 and 2006 was 19% (above that at the county and regional level) an additional 14,900 people. However, the Wider Coastal Area has a population of almost 400,000, almost 5% of the South East's population.
- Between 1995 and 2006 there was a notable rise in the number of people in the 45-64 age group in Lewes, and to a lesser extent, the 75+ and 15-24 age groups. However, there was a decline in the number of people aged 0-14, 25-44 and 65-74.
- There was a net in-migration of 150 households into Lewes in the year to 2001, representing 0.4% of all households. This net in-flow is a product of an in-flow of 1,250 households combined with an out-flow of 1,100 households with the largest numbers from Brighton and Hove.
- The household composition of in-migrants and out-migrants reveals that the largest moving groups are Single Adults, Single Elderly, Family Households and Couple households.
- There is a higher proportion of single adult households in the out-migrant flows and a higher proportion of single elderly, elderly couple households and couple households with dependents in the in-migrant flows.
- The largest household groups comprise couples with no dependent children (23%), and couples with dependent children (20%). Single Adults account for 12% of total households, whilst the elderly account for 32% (19% single elderly and 13% elderly couples).
- Compared to the South East, Lewes has a higher percentage of single elderly and elderly couple households in Lewes, reflecting the coastal area's status as a popular retirement location. However, within the Wider Coastal Area there is a younger bias to the population, driven by the population in Brighton and Hove
- Owner-occupation is the dominant tenure and tends to be most visibly concentrated in Peacehaven, Newhaven and Seaford as well as a corridor between Lewes and Brighton and Hove.
- Private renting is mainly concentrated in the eastern parts of Lewes District, but with comparatively high levels towards Brighton and Hove and around the ward of Plumpton, Streat, East Chiltington and St John. The City of Brighton and Hove and the Wider Coastal also has a very significant private rented sector at around 24%.
- Social renting is higher around the urban areas of Lewes ward and Newhaven, with pockets of social rented housing across the northern area of Lewes district and to the south around Seaford and Peacehaven. Brighton and Hove also has a significant sized social rented sector.

Population

- 4.2 The current (2006) population of Lewes District is 93,900 accounting for around 1% of the total population of the South East and around 19% of the total population of East Sussex, which had a population in 2005 of almost half a million people (6% of the region). Compared with the rest of the South East, Lewes lies in an area of the South East that is relatively sparsely populated, though Figure 4.1 shows that Brighton and Hove has one of the strongest concentrations of population within the South East region. When the Wider Coastal Area is considered, there is a population of around 385,900, almost 5% of the South East's population – over half of which is accounted for by Brighton and Hove.

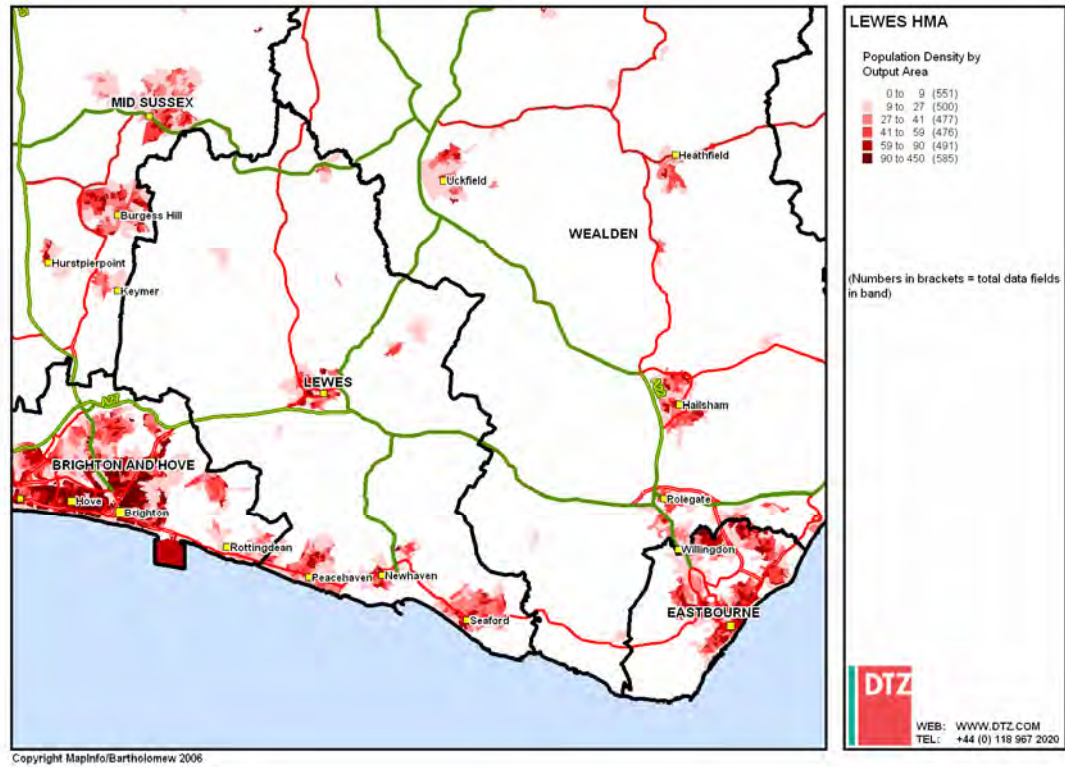
Figure 4.1: Population by District in the South East



Source: ONS 2006 Mid Year Population Estimates

- 4.3 Figure 4.1 does not take into account the size of districts, only the absolute population in each district. Therefore another useful measure in determining the concentration of the population in an area is the number of people per hectare, as shown in Figure 4.2 below, (which examines population across Lewes at a Super Output Area (SOA) level).

Figure 4.2: People per Hectare

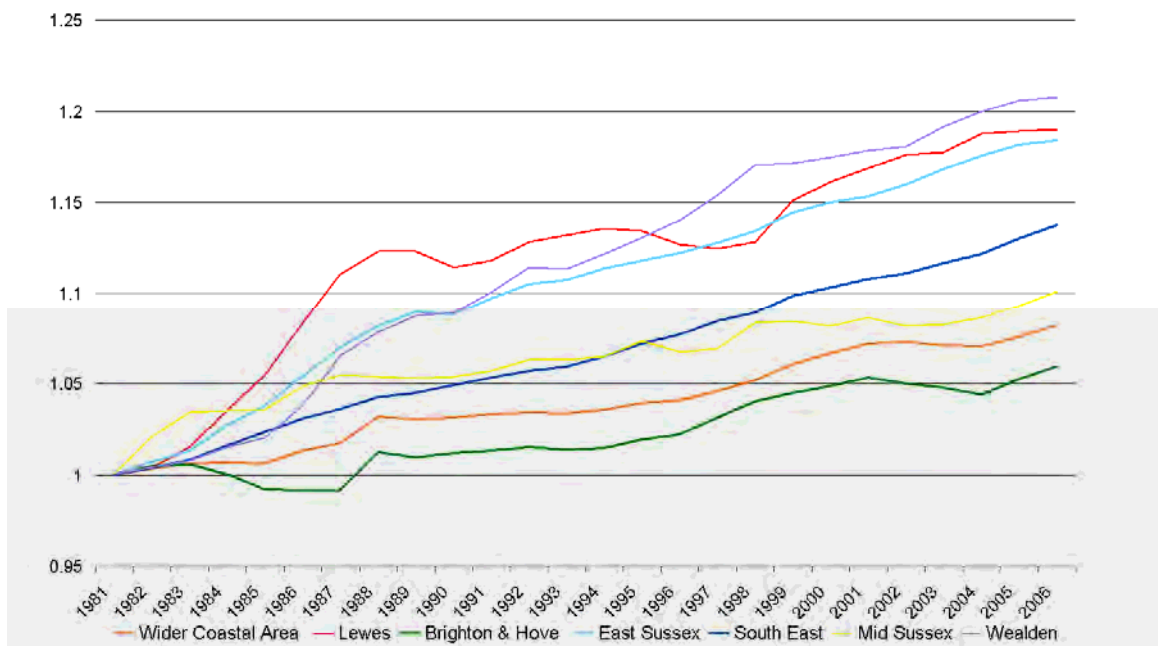


Source: Census 2001

- 4.4 Figure 4.2 highlights the main population centres in the District and the rural character of most of the land area of the District. The population of the District is concentrated in the four principal towns – Lewes, Peacehaven, Newhaven and Seaford. The three coastal towns are linked together by the A259 and to Lewes by the A26 via Newhaven.
- 4.5 To the east and west the District of Lewes is bounded by the much larger and more heavily populated urban areas of Brighton and Hove and Eastbourne, with the smaller towns of Burgess Hill and Haywards Heath lying to the north east of the District boundary.
- 4.6 The population of Lewes has grown rapidly over the past two decades. Figures 4.3 and 4.4 show that over the period 1981 to 2006 the population of Lewes increased much more quickly than in the county and region and the Wider Coastal Area. However, this growth has been erratic, with rapid growth throughout the early to mid 1980s being followed by a period of relative stability in the early 1990s, followed by steady growth since 1998. In contrast, Brighton and Hove has experienced greatest growth in the last 10 years.
- 4.7 Overall the population of Lewes grew by 19% between 1981 and 2006 (compared to 8% in the Wider Coastal Area, 18% in East Sussex and 14% in the South East). Over the period this equates to an increase of 14,900, with a total of 93,900 people living in Lewes in 2006. In contrast, the rate of population growth has been much lower in Brighton and Hove at 6% (although this remains significant in absolute terms with an increase of 14,200 over the period) and growth has been relatively rapid over the last 10 years.

4.8 Significant levels of population growth were however experienced in Wealden, which also saw its population grow by 21% between 1981 and 2006. This suggests that more rural Districts such as Lewes and Wealden have experienced proportionately greater population increases than more urban areas, though of course the base population in 1981 was much less than in the more urbanised areas.

Figure 4.3: Indexed Population Change, 1981-2006



Source: ONS Mid Year Population Estimates

Figure 4.4: Population Change, 1981-2006

	Population 1981	Population 2006	Absolute Change	% Change
Lewes	78,900	93,900	14,900	19%
Brighton & Hove	237,300	251,400	14,200	6%
Wider Coastal Area	358,200	385,900	27,700	8%
Wealden	119,000	143,700	24,700	21%
Mid Sussex	117,300	129,100	11,800	10%
East Sussex	427,600	506,200	78,600	18%
South East	7,243,100	8,237,800	994,700	14%

Source: Mid Year Population Estimate

4.9 The age structure of a population influences the level, type and tenure of housing that it requires. For example, a population that is younger and more mobile tends to have a higher demand for privately rented accommodation and faces greater difficulties accessing owner occupied property than older populations.

- 4.10 Figure 4.5 shows that the overall age profile of Lewes is similar to that of East Sussex, with 17% of people aged 0-14 and 23% aged 65+. Lewes has a significantly lower proportion of its population under the age of 45 (49%), particularly in the 15-24 age group compared with Brighton and Hove and Mid Sussex, where 64% and 56% of people are respectively under the age of 45. The number of older people aged over 65 is rather higher in Lewes than in Brighton and Hove and in the Wider Coastal Area as a whole.

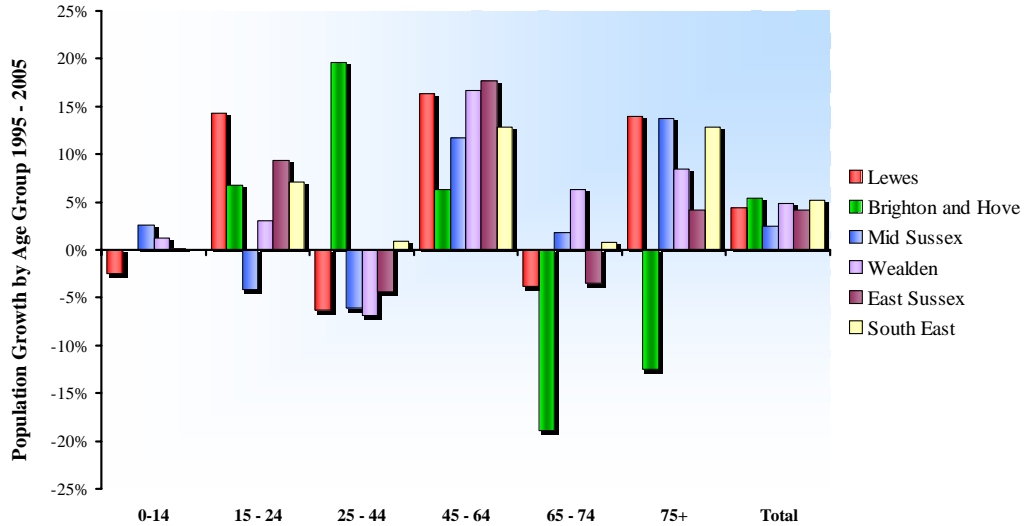
Figure 4.5: Population by Age 2005

Age	0-14	15 - 24	25 - 44	45 - 64	65 - 74	75+	Total
Lewes	17%	10%	22%	27%	11%	12%	93,900
Brighton and Hove	15%	14%	35%	21%	7%	8%	251,400
Wider Coastal Area	16%	13%	30%	23%	8%	9%	385,900
Mid Sussex	19%	11%	26%	27%	9%	8%	129,100
Wealden	18%	10%	22%	29%	11%	11%	143,700
East Sussex	17%	11%	23%	27%	11%	12%	506,200
South East	18%	12%	28%	25%	8%	8%	8,237,800

Source: Mid ONS Mid Year Population Estimates

- 4.11 It is important to establish whether population growth is being driven by expansion in one or more specific age brackets, as this may indicate demand for a particular type or tenure of housing. Figures 4.6 and 4.7 show that over the period 1995 to 2005 there has been significant proportional growth in the number of people in the 15-24, 45-64 and 75+ age groups in Lewes. The growth in the population in 45-64 and 75+ age brackets is a common feature across many housing markets associated with the aging of the baby boomers and the general aging of the population.
- 4.12 The pattern of demographic change in Lewes has been quite different to that in Brighton (and the Wider Coastal Area where change is largely dominated by Brighton and Hove). Brighton and Hove has experienced a very high level of growth in the 25 to 44 age bracket and a substantial decline in older age groups aged between 65 and 74 and 75+. This is likely to be associated with the success in establishing Brighton as an important economic and educational centre, attractive to younger age groups. The change in age profile over the last ten years and the high recorded increases in the 15 to 24 and 45 to 65 age bands suggest that Lewes has experienced growth in family type households which is consistent with migration data and driven by a range of factors including rapidly rising prices within Brighton and Hove which have encouraged some households to move out of the City.

Figure 4.6: Percentage Population Growth by Age Group – 1995-2005



Source: ONS Mid Year Population Estimates

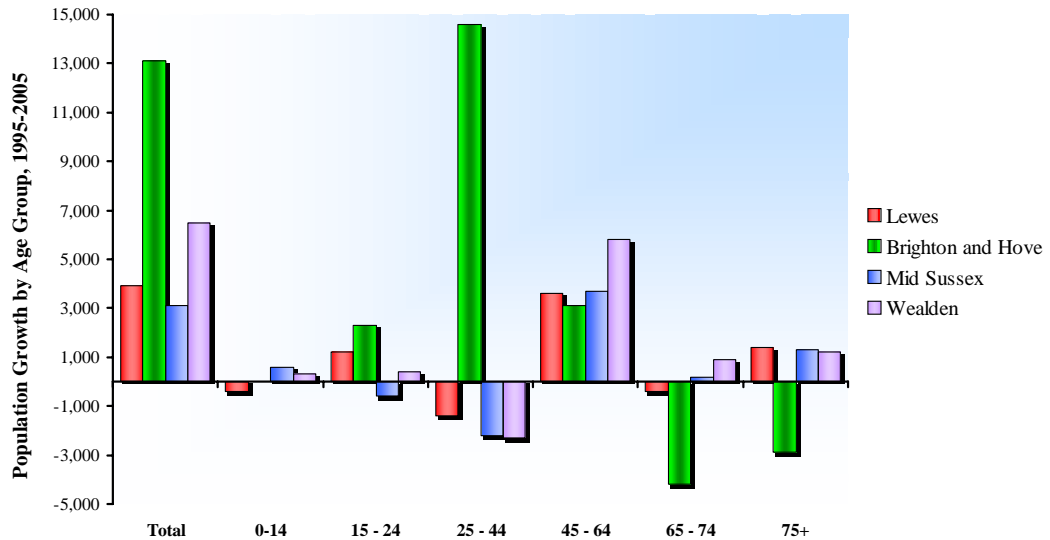
Figure 4.7: Percentage Population Growth by Age Group – 1995-2006

Age	Total	0-14	15 - 24	25 - 44	45 - 64	65 - 74	75+
Lewes	4%	-2%	14%	-6%	16%	-4%	14%
Brighton and Hove	5%	0%	7%	20%	6%	-19%	-13%
Wider Coastal Area	4%	-2%	10%	9%	9%	-5%	-5%
Mid Sussex	2%	3%	-4%	-6%	12%	2%	14%
Wealden	5%	1%	3%	-7%	17%	6%	8%
East Sussex	4%	0%	9%	-4%	18%	-3%	4%
South East	5%	0%	7%	1%	13%	1%	13%

Source: ONS Mid-Year Population Estimates

4.13 Figure 4.8 presents the same data as that shown in Figure 4.6 but in absolute terms. In order to avoid distortion of the scale of the chart, due to the higher absolute population base, we have not presented the data for the Wider Coastal Area, East Sussex or the South East. The total increase in population in Lewes between 1995 and 2005 (3,900) has largely been driven by a rise of 3,600 people aged 45 to 64 years. Whilst significant in proportional terms, in absolute terms the increase in number of people aged 15-24 was more modest at 1,200 people, around half the level of growth experienced in Brighton and Hove.

Figure 4.8: Absolute Change in Population by Age, 1995-2005



Source: ONS Mid Year Population Estimates

Figure 4.9: Absolute Change in Population by Age, 1995-2005

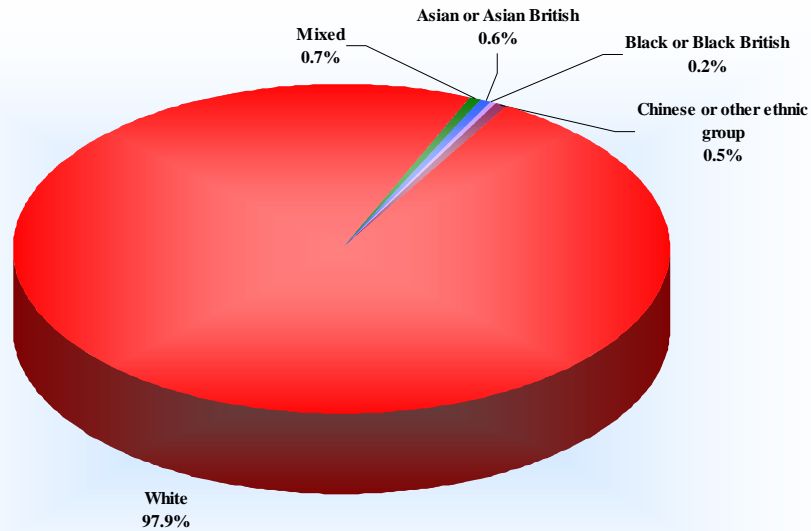
Age	Total	0-14	15 - 24	25 - 44	45 - 64	65 - 74	75+
Lewes	3,900	-400	1,200	-1,400	3,600	-400	1,400
Brighton and Hove	13,100	0	2,300	14,600	3,100	-4,200	-2,900
Mid Sussex	3,100	600	-600	-2,200	3,700	200	1,300
Wealden	6,500	300	400	-2,300	5,800	900	1,200
East Sussex	19,900	100	4,500	-5,200	20,200	-1,900	2,400
South East	401,200	400	66,700	19,800	233,400	5,000	76,100

Source: ONS Mid Year Population Estimates

Ethnicity

- 4.14 Lewes District has a predominantly white ethnic composition and only a small proportion of ethnic minorities. Figure 4.10 below shows that 97.9% of the population of Lewes are white and only 2.1% of all people are classed as 'Other' ethnic groups. Mixed race, Asian, Black and Chinese or other ethnic groups each represent less than one percent of total population within Lewes.

Figure 4.10: Population Ethnicity Composition within Lewes District

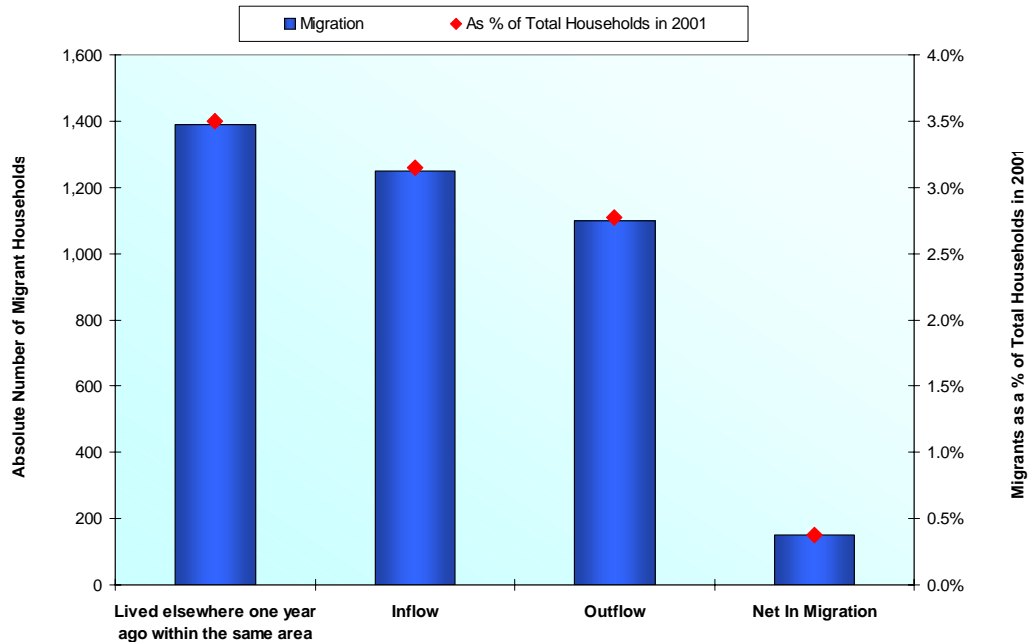


Source: Census 2001

Migration

- 4.15 The key drivers of population growth are natural changes in population, caused by a disparity between the number of births and deaths, and migration. Migration is generally associated with the relative economic prosperity of an area, with workers moving to areas where they have the best chance of finding employment. However, migration can also be associated with lifestyle changes, such as retirement, or moving to an area with a high quality of life, or cheaper housing.
- 4.16 The migration data presented in Figure 4.11 below has been obtained from the Census 2001. The data was collated through analysing the address of households at the time of the Census, and also one year previously, and thus the chart presents the number of households moving in one year. The chart shows that there was net in-migration into Lewes of 150 households in the year preceding the 2001 Census. This represented 0.4% of all households in the area in 2001.
- 4.17 The net in-flow is a product of an in-flow of 1,250 households combined with an out-flow of 1,100 households. A further 1,390 households moved within Lewes, amounting to 3.5% of total households. This net inflow of households will have exerted a moderate pressure on the housing stock and indicates rising demand for new housing in the sub-region.

Figure 4.11: Lewes Household Migration Flows, Year Preceding 2001 Census



4.18 The household composition of out-migrants and in-migrants to Lewes reveals that the largest moving groups are Single Adults, Single Elderly, Family Households (2 adults plus dependents) and couple households. Whilst the household composition of in-migrants and out-migrants is broadly similar for most types, there are some notable exceptions:

- There has been a high net inflow of **family households**, particularly households with 2 adults and 1+ dependents. In 2001 some 240 2 adult 1+ dependent households moved into Lewes compared with 160 that left, generating a net inflow of 80 of this household type
- The number of **single elderly households** increased on a net basis by 40. This was, however, countered by a net outflow of 40 **single adult households**. Therefore whilst the flows of single households remained broadly balanced, single adult households have been replaced with single elderly households. There was also a net inflow of 30 **elderly couple households**.

Figure 4.12: Household Composition of Migrants Into and Out of Lewes

	Same Address One Year Previous or Moved Within Area	%	Inflow	%	Outflow	%
All Households	36,470	100%	1,250	100%	1,100	100%
Single Elderly	7,390	20%	160	13%	120	11%
Single Adult	4,350	12%	350	28%	390	35%
Elderly Couple	5,190	14%	90	7%	60	6%
2 Adults no dependents	8,260	23%	300	24%	260	24%
2 Adults, 1+ Dependents	7,310	20%	240	19%	160	14%
1 Adult, 1+ Dependents	1,710	5%	80	6%	80	7%
1 Adult, non-dependents	870	2%	10	1%	10	1%
Other with Dependents	440	1%	0	0%	10	1%
Students	10	0%	0	0%	0	0%
Pensioner	220	1%	0	0%	0	0%
Other - Other	740	2%	20	1%	20	2%

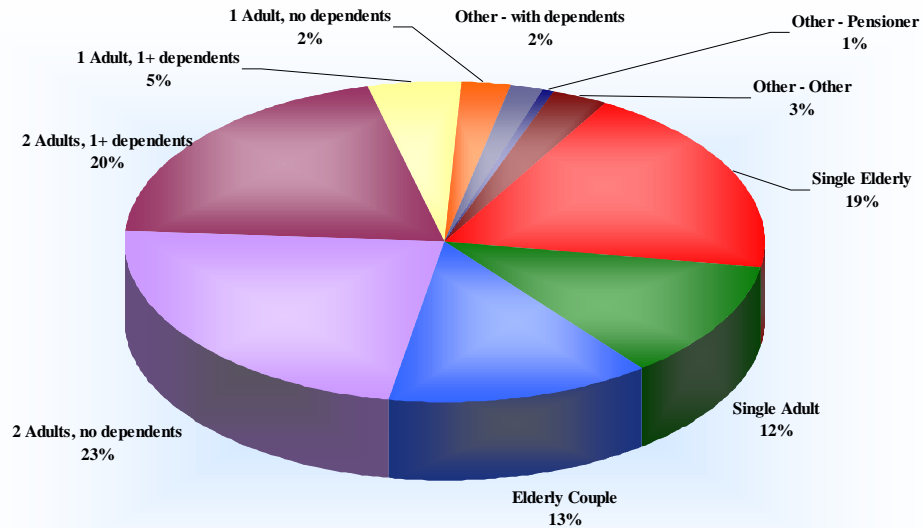
Source: Census 2001

- 4.19 The picture that starts to emerge in terms of the pattern of population change is that the Lewes District is particularly attractive to families, both with and without children. These groups are likely to be drawn to areas where larger housing is available and where there are good secondary schools. The area is also attractive to older people, but relatively less attractive to younger people of university age and single adult households and families. These groups are more likely to be more drawn to Brighton. Stakeholders also highlighted that different migration dynamics are in operation in different settlements within Lewes District. For example, Seaford was attractive to retirement migrants and therefore very different in characteristics to the other coastal settlements in the District.

Household Composition and Tenure

- 4.20 Figure 4.13 presents the breakdown of household types within Lewes according to the 2001 Census (the latest available). The largest household groups comprise couples with no dependent children (23%) and couples with dependent children (20%). Together these form almost half of the total households in Lewes. Single adults account for 12% of total households, whilst elderly people account for 32% of households (19% single elderly and 13% elderly couples).
- 4.21 The proportion of households classified as students is less than 1% in Lewes. This is due to the fact that students were counted at their term-time address in the 2001 Census. This treatment of students differs from the 1991 Census, where students were counted at their home address (the proportion of student households was 3.4% of total households in Lewes in 1991). There is relatively limited higher education provision based in the District, particularly compared with Brighton and Hove.

Figure 4.13: Household Composition, Lewes



Source: Census 2001

- 4.22 In order to gain a clearer insight into household composition in Lewes it is important to analyse the differences and similarities it shares with the benchmark areas, particularly the Wider Coastal Area (Figure 4.14). Figure 4.14 shows that relative to the Brighton and Hove and the Wider Coastal Area as a whole, Lewes has a high concentration of single elderly and elderly couple households, reflecting the area's popularity amongst older, retired households. However, the concentration of elderly households remains lower than in East Sussex and Wealden.
- 4.23 Lewes also has slightly a lower concentration of family households relative to the South East. Figure 4.14 shows for example that 27% of households in Lewes comprise households with dependents compared with 29% in the South East. However, the concentration of family households in Lewes is considerably higher than that in Brighton and Hove (23%). Relatively speaking this indicates that, within the Wider Coastal Area, Lewes appeals more to family households than neighbouring Brighton and Hove, but with a large elderly population, family households account for a smaller share of households than in neighbouring Mid Sussex and Wealden Districts. The large numbers of older people in the coastal towns of Lewes is particularly likely to influence this pattern.

Figure 4.14: Household Composition, All Benchmarks

	Lewes	Brighton and Hove	Wider Coastal Area	Mid Sussex	Wealden	East Sussex	South East
All Households	39,700	114,500	174,880	52,000	58,300	214,600	3,287,500
Single Elderly	19%	16%	17%	14%	17%	19%	14%
Single Adult	12%	23%	20%	13%	10%	13%	14%
Elderly Couple	13%	7%	9%	10%	14%	13%	10%
2 Adults, no dependents	23%	21%	22%	27%	26%	23%	25%
2 Adults, 1+ dependents	20%	15%	16%	24%	22%	19%	22%
1 Adult, 1+ dependents	5%	6%	6%	4%	4%	5%	5%
1 Adult, no dependents	2%	3%	3%	2%	2%	2%	3%
Other – with dependents	2%	2%	2%	1%	1%	2%	2%
Other - Students	0%	1%	1%	0%	0%	0%	0%
Other - Pensioner	1%	0%	1%	0%	1%	1%	0%
Other - Other	3%	6%	5%	3%	2%	3%	4%

Source: 2001 Census

- 4.24 Whilst owner-occupation is the dominant tenure in Lewes and accommodates 31,000 of the total 39,700 households in the district (Figure 4.15) in the Wider Coastal Area and particularly within Brighton and Hove the private and social rented sectors are significant (Figure 4.17).
- 4.25 Within the owner occupied sector in Lewes 2 adult households with and without dependents are the main household types and together account for 47% of the total. Around one fifth (18%) of the households in owner occupation in Lewes are single elderly. The corresponding absolute numbers for Figure 4.15 are presented in Figure 4.16.
- 4.26 Single elderly households heavily occupy social rented property in Lewes. As shown in Figure 4.15, 26% of Council rented and 38% of all other social rented property is made up of this household type. These households will be small, and this raises the issue of whether demand will continue to come from this group, and how well adapted the stock is in terms of size and facilities to the needs of this group. If there is demand for larger units from people in newly arising need, there maybe scope for addressing issues of under-occupation by older households.

Figure 4.15: Lewes Household Composition by Tenure

	All Households	Owned	Rented from Council	Other Social Rented	Private Rented or Living Rent Free
All Households	39,700	31,000	3,200	1,200	4,300
Single Elderly	19%	18%	26%	38%	16%
Single Adult	12%	10%	13%	16%	24%
Elderly Couple	13%	15%	10%	9%	4%
2 Adults, no dependents	23%	26%	13%	7%	19%
2 Adults, 1+ dependents	20%	21%	18%	13%	16%
1 Adult, 1+ dependents	5%	3%	12%	12%	12%
1 Adult, no dependents	2%	2%	4%	3%	2%
Other - with dependents	2%	2%	2%	1%	2%
Other - Students	0%	0%	0%	0%	0%
Other - Pensioner	1%	1%	1%	1%	0%
Other - Other	3%	3%	2%	2%	5%

Source: 2001 Census

Figure 4.16: Lewes Household Composition by Tenure

	All Households	Owned	Rented from Council	Other Social Rented	Private Rented or Living Rent Free
All Households	39,700	31,000	3,200	1,200	4,300
Single Elderly	7,600	5,600	800	500	700
Single Adult	4,800	3,100	400	200	1,000
Elderly Couple	5,300	4,700	300	100	200
2 Adults, no dependents	9,300	8,000	400	100	800
2 Adults, 1+ dependents	8,000	6,500	600	200	700
1 Adult, 1+ dependents	1,900	800	400	100	500
1 Adult, no dependents	1,000	800	100	0	100
Other - with dependents	600	500	100	0	100
Other - Students	0	0	0	0	0
Other - Pensioner	200	200	0	0	0
Other - Other	1,100	800	100	0	200

Source: 2001 Census

- 4.27 Trends in tenure between 1991 and 2001 (Figure 4.17) reveal that the number of social rented households in Lewes over the last ten recorded years has remained relatively static, falling slightly from 4,800 units in 1991 to 4,400 units in 2001. The net loss of social rented units over this period will be due to the number of newly developed socially rented units developed being more than offset by the number of households exercising their Right to Buy. By contrast, Brighton and Hove has a significant social rented sector compared to neighbouring authorities. Combined with the private rented sector in the City, Brighton and Hove is therefore likely to accommodate households seeking more affordable housing (even though the City itself has average house prices that are higher than neighbouring Districts).

- 4.28 The private rented tenure has experienced the largest relative expansion of all the tenures growing by 48%, from 2,900 households in 1991 to 4,300 households in 2001, compared with 8% growth in the owner occupied tenure (2,300 units). The private rented sector has therefore become a key source of housing for those that find themselves priced out of owner occupation and unable or unwilling to access socially rented housing.
- 4.29 The private rented sector has also expanded considerably as a proportion of the overall housing stock, rising from 8% of the stock in 1991 to 11% of the stock in 2001. Over the same period the owner occupied and social rented sector both declined as a proportion of the overall housing stock.
- 4.30 It is likely that the private rented sector in the District has expanded since 2001, facilitated by the growth of the Buy-to-Let sector, particularly within Lewes town and the coastal towns of the District. Stakeholders felt that it was difficult to tell whether the rural settlements were experiencing Buy-to-Let as it was less easy to identify as tenancies tended to be longer in rural areas and therefore the turnover of tenants was slower and less visible. On the whole, stakeholders perceived that the increase in availability of private rented properties was a positive development, allowing younger households to live within the settlements in the District in accommodation they can afford or allowing flexibility for households who do not currently wish to buy.

Figure 4.17: Tenure Change 1991 to 2001

	Lewes	Brighton and Hove	Mid Sussex	Wealden	East Sussex	South East
All Households 1991	36,500	104,200	47,000	52,400	195,200	2,967,700
All Households 2001	39,700	114,500	52,000	58,300	214,600	3,287,500
Owner Occupied 1991	79%	66%	80%	83%	77%	74%
Owner Occupied 2001	78%	62%	80%	83%	75%	74%
Rented from Council 1991	11%	13%	4%	7%	11%	13%
Rented from Council 2001	8%	10%	1%	5%	5%	7%
Other Social Rented 1991	2%	2%	8%	1%	2%	3%
Other Social Rented 2001	3%	4%	10%	3%	6%	7%
Rented privately 1991	8%	18%	9%	8%	11%	10%
Rented privately 2001	11%	24%	10%	9%	13%	12%

Source: 2001 Census

Spatial Distribution of Households by Tenure

- 4.31 The three maps below illustrate the spatial distribution of households by tenure across Lewes and encompassing areas. There are separate maps for the proportion of households in owner-occupation, private rented and social rented housing.
- 4.32 The first map (Figure 4.18) shows that there are high levels of owner occupation in the coastal towns of Peacehaven, Newhaven and Seaford and along the corridor between Lewes and Brighton and Hove. The majority of Lewes District has levels of owner-occupation above 51%, although there is a much lower level of owner occupation around the Ouse Valley and Ringmer ward (17-34%).

- 4.33 Conversely, there is a concentration of private rented housing located to the south east of Lewes town (around the Ouse Valley and Ringmer ward) that accounts for more than a third of households in this area, as shown in Figure 4.19. Brighton and Hove also has significant concentrations of private renting, particularly within the central area of the City.
- 4.34 The distribution of social rented housing tends to be more dispersed than the private rented sector (Figure 4.20). The majority of the areas in Lewes District have less than 17% of households living in social rented housing. However, there are a small number of areas that have more than a third of households in the social rented tenure. In general it appears that the level of social rented housing is most concentrated in pockets to the north of Lewes town, to the south of Newhaven and to the north of Seaford, as well as in neighbouring Brighton and Hove.

Figure 4.18: Percentage of Households in Owner-Occupation

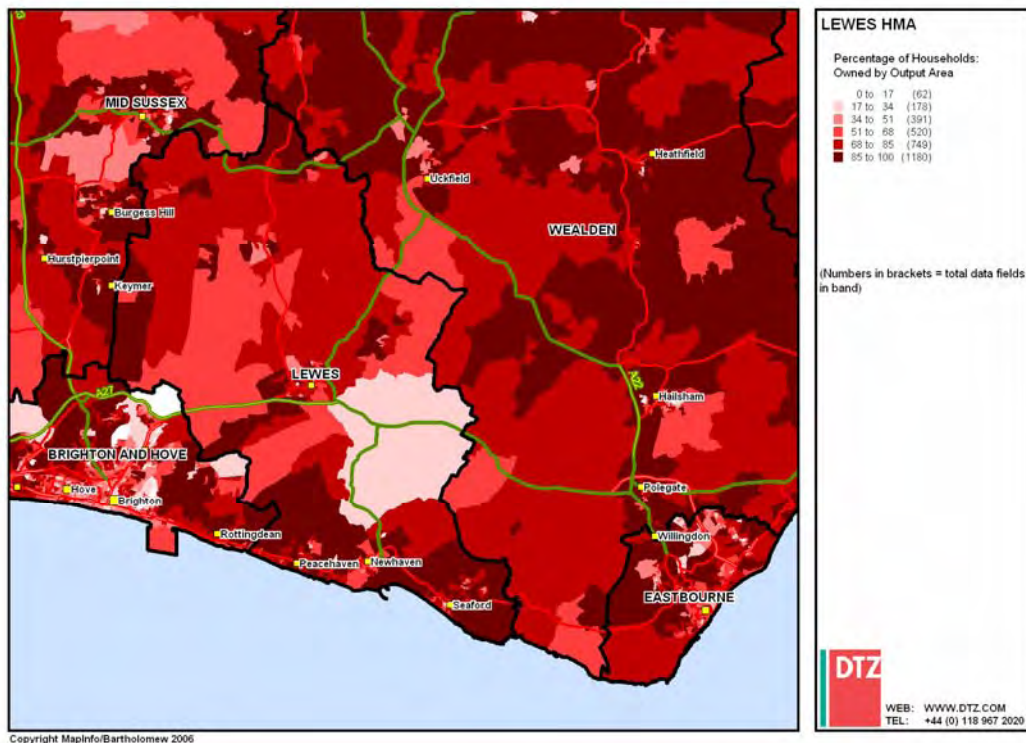


Figure 4.19: Percentage of Households Private Rented Housing

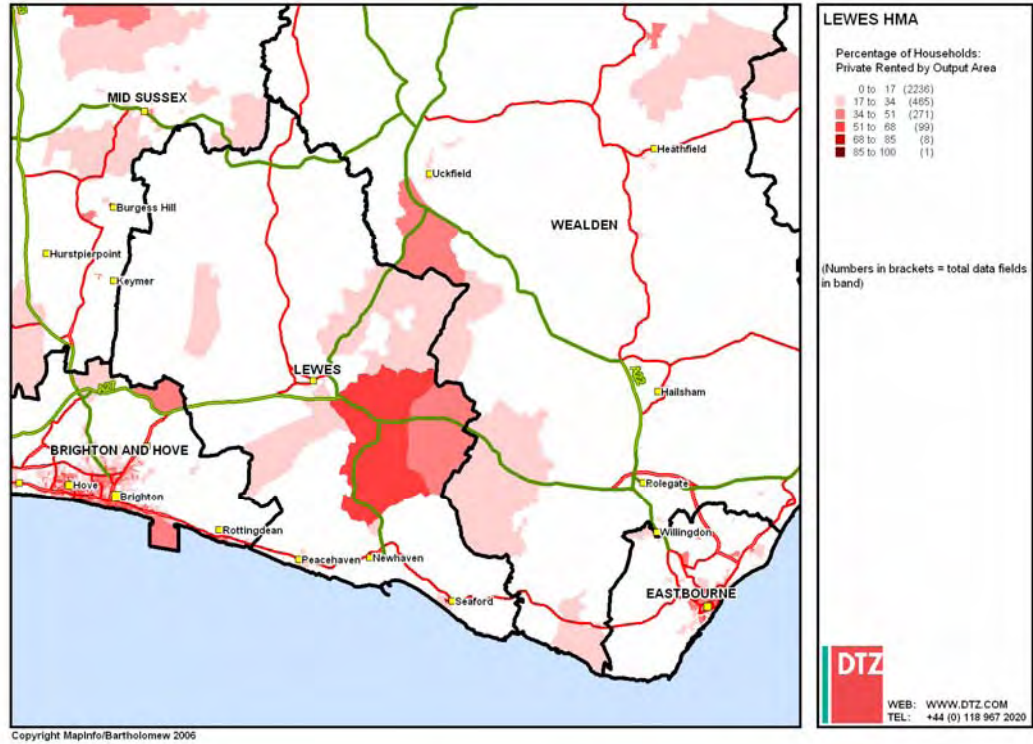
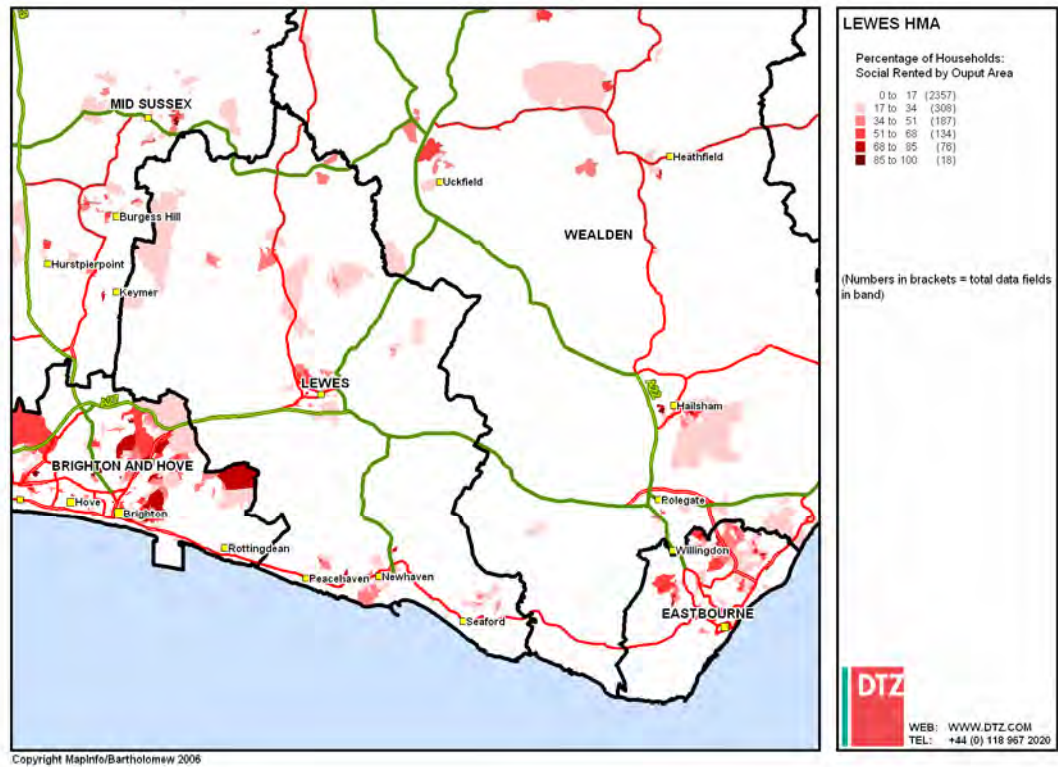


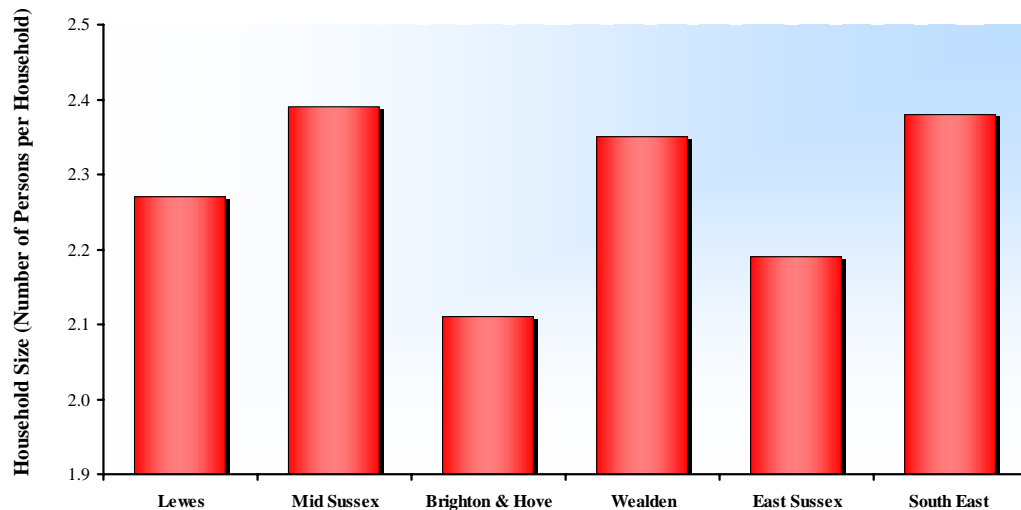
Figure 4.20: Percentage of Households Social Rented Housing



Household Size

- 4.35 Trends in household size and the number of households are crucial in determining the demand for future housing. Future change in the number of households will be determined by increases in population and the extent to which an area follows national trends in reducing average household size. This also has implications as to the size of property that will be required to house the population of an area in the future.
- 4.36 As Figure 4.21 shows, Lewes has an average household size below the average for the South East (2.27 compared to 2.38). This reflects the concentration of single elderly households, and relative under representation of family households compared to the South East. However, the household size of Lewes is larger than that of East Sussex and, in particular, Brighton and Hove, where there is a greater concentration of single adults.

Figure 4.21: Average Number of People per Household 2006



Source: SEERA Household Projections

- 4.37 CLG figures show that over the period 1991 to 2001 the average household size in the South East dropped from 2.51 to the level shown above of 2.38. The average household size has been falling for many years. Average household size is expected by CLG to fall by 14% in the South East between 1991 and 2021, and 12% in London during the same period.
- 4.38 Figure 4.22 shows the SEERA projections of household size over the next 20 years. These predict that household size in the South East will decline in the future, from an average size of 2.27 in 2001 to 2.13 in 2026. The decline in average household sizes in southern England, combined with growing population, generates a significant additional requirement for housing. Declining average household size raises the relative requirement for additional housing units, as a given population requires a greater number of dwellings to house it.
- 4.39 In Lewes the average household size is expected to decline by around 5% over the next 20 years to 2.13 by 2026. This is around half the level of decline projected for Brighton and Hove (10.5%) over the same period. It is also a smaller decline than that anticipated in the South East (8.2%), East Sussex (8.8%) and Wealden (6%). This is likely to be attributable to the fact that the average size of households in Lewes is already quite small.

Figure 4.22: Average Number of People per Household

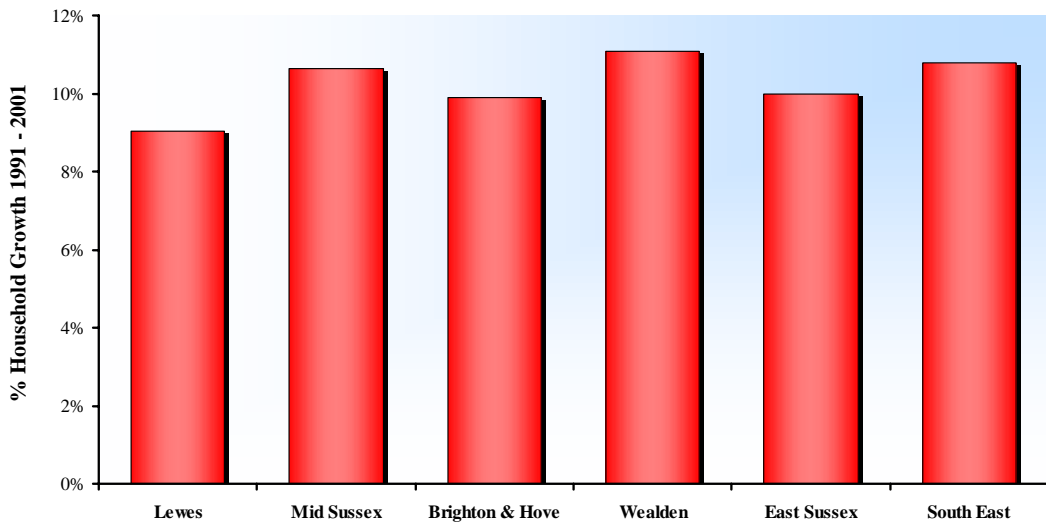
	Lewes	Mid Sussex	Brighton & Hove	Wealden	East Sussex	South East
2001	2.27	2.39	2.11	2.35	2.19	2.38
2006	2.25	2.36	2.09	2.33	2.16	2.33
2011	2.22	2.36	2.04	2.31	2.12	2.28
2016	2.18	2.34	1.98	2.27	2.06	2.23
2021	2.15	2.32	1.92	2.23	2.01	2.18
2026	2.13	2.3	1.87	2.19	1.97	2.14
% Change 06 to 26	-5.3%	-2.5%	-10.5%	-6.0%	-8.8%	-8.2%

Source: SEERA Household Projections

Household Growth

4.40 Census figures show that the total number of households in Lewes has increased over the period 1991 to 2001 by 9%, consistent with the Wider Coastal Area as a whole, compared with population growth over this period of around 5% within Lewes. This reflects the trend within Lewes towards declining average household size. Over the 1991 to 2001 period the increase equated to an additional 3,300 households (36,500 in 1991 to 39,700 in 2001), or 330 households per annum. Proportionately, this increase is below the level of growth in each of the other benchmarks including Brighton and Hove and the South East as a whole, which have experienced growth of 10% and 11% respectively.

Figure 4.23: Percentage Change in the Number of Households, 1991-2001



Source: Census 1991 & 2001

Figure 4.24: Household Growth 1991 - 2001

	1991	2001	Household Growth	% Change
Lewes	36,470	39,730	3,260	9%
Brighton & Hove	104,150	114,480	10,330	10%
Wider Coastal Area	160,260	174,880	14,620	9%
Mid Sussex	47,020	51,980	4,960	11%
Wealden	52,430	58,280	5,850	11%
East Sussex	195,180	214,630	19,450	10%
South East	2,967,750	3,287,480	319,730	11%

Source: 1991 and 2001 Census

Household Projections

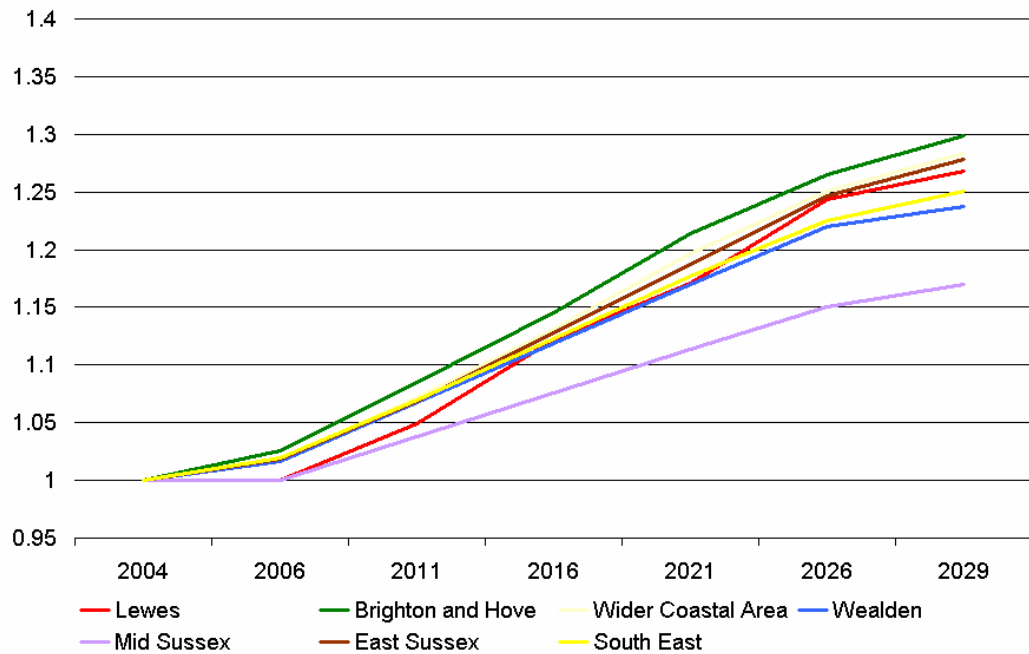
- 4.41 Figure 4.25 and 4.26 set out the Government's latest household projections, 2004 based. Projected growth in Lewes is for an additional 500 households per annum and in Brighton & Hove an additional 1,400 households each year (1,988 in the Wider Coastal Area). Both Lewes and Brighton and Hove are expected to grow by over 25%. These CLG projections are based upon the continuation of past trends; recent growth therefore will lead (indirectly) to higher anticipated household growth levels in the future.
- 4.42 It is important to realise that these forecasts are trend based; they tend to reflect the past pattern of household growth (2004 based). They therefore imply a continuation of past trends, though they also reflect the underlying demographic structure of the population. They do not take account of planned changes in the pattern of future housing provision, and linked to this, patterns of household movement between local authority areas that may change as a result.
- 4.43 Though the Draft South East Plan was completed before these projections became available the Panel Report comments on how these relate to proposed housing targets included in the plan (see Section 8). The Panel Report states that household projections are not a statement of housing need and do not take account of future policies. They are an indication of the likely increase in households given the continuation of recent demographic trends. Households projections are one of the important starting points – not least because they give a consistent view across England. The Panel go on to state that proposed housing provision levels that are significantly different from these projections should be explicitly justified.

Figure 4.25: Household Projections to 2026 (Thousands)

	2004	2006	2011	2016	2021	2026	Change Per Annum	Total Change 2006-2026
Lewes	41	41	43	46	48	51	500	10,000
Brighton & Hove	117	120	127	134	142	148	1,550	31,000
Mid Sussex	53	53	55	57	59	61	400	8,000
Wealden	59	60	63	66	69	72	650	13,000
East Sussex	219	223	234	247	260	273	2,700	54,000
South East	3,368	3,435	3,601	3,783	3,963	4,125	37,850	757,000

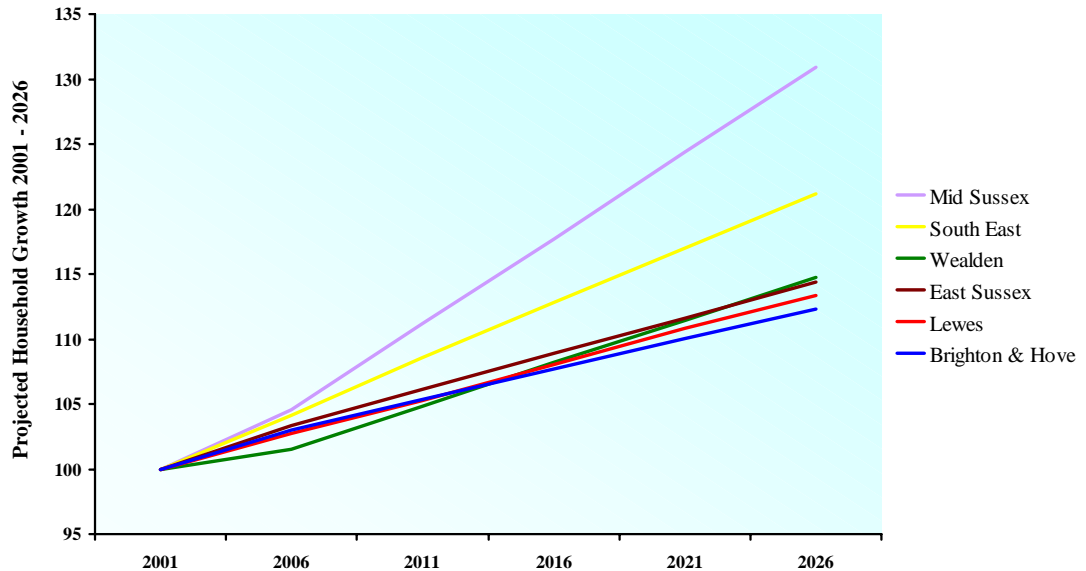
Source: CLG 2004 Based Households Projections

Figure 4.26: Indexed Household Growth Projections 2004-2029



- 4.44 SEERA household projections are policy based (as opposed to trend based) and therefore take account of proposed housing provision. Figure 4.27 shows overall growth figures from these forecasts. Between 2001 and 2026 the highest growth in household numbers is projected to occur in Mid Sussex (a 31% increase). The corresponding increase in Lewes is forecast to total 13%, around half the level of growth projected by CLG due to proposed housing delivery in Lewes of 220 per annum.
- 4.45 This is notably lower than the rate of new household growth in Lewes between 1991 and 2001, which as shown in Figure 4.24 amounted to 330 households per annum. The SEERA projections therefore imply a marked slowdown in the level of new household growth in Lewes in the future.

Figure 4.27: Household Growth Projections



Source: SEERA Household Projections

4.46 In terms of the composition of household growth, Figure 4.28 shows that the absolute number of couple households (married and co-habiting couples) is forecast to decline significantly in Lewes (1,750). The number of lone parent, multi-person households and one-person households (the largest contributor) are all expected to grow. The most notable growth is anticipated in one person households, which are expected to increase by 6,260 households (250 per annum) between 2001 and 2026. Analysis in other areas suggests that about half of the growth in single person households is likely to be elderly households.

Figure 4.28: Annualised Household Change 2001 to 2026

	2001	2006	2011	2016	2021	2026	Total Change 2001-2026	Annualised Change 2001-2026
Married couple	20,070	19,120	18,190	17,340	16,610	16,040	-4,030	-160
Cohabiting couple	3,160	3,610	4,210	4,740	5,120	5,440	2,280	90
(Total couple)	23,230	22,730	22,400	22,080	21,730	21,480	-1,750	-70
Lone parent	2,040	2,200	2,260	2,260	2,260	2,310	270	10
One person	12,360	13,630	14,860	16,140	17,400	18,610	6,260	250
Other Multi-person	2,090	2,210	2,320	2,430	2,570	2,640	550	20
Total Households	39,710	40,780	41,840	42,900	43,970	45,030	5,320	210

Source: SEERA Household Projections

