



Lewes District Council

Affordable Housing Needs Assessment 2013 – 2018

January 2014

With Input From:

Azza Rahman



Contents

SUMMARY.....	4
1. AIMS.....	5
2. METHODOLOGY	6
3. KEY DEFINITIONS.....	7
4. CONTEXT	9
5. DATA	12
6. SUMMARY.....	19
7. CONCLUSIONS.....	20
APPENDICES	i - xii

Table of Figures

Figure 1 LHA Rates - Lewes DC BRMA and Wards 2013-2014	12
Figure 2 BNAM Test for Rental Property Availability.....	13
Figure 3 Entry Level Rent pcm, LHA and Social Rent	15
Figure 4 Lewes DC Median House Prices and Private Sector Rent Levels by BRMA.....	15
Figure 5 Price change comparison	15
Figure 6 Affordability - Entry Level Rent as a Percentage of Low Income	16
Figure 7 Housing development pipeline 2013/14 to 2017/18.....	17
Figure 8 Lewes DC Housing Register Applications 2009/10 to 2013/14	16
Figure 9 Lewes DC and Housing Association Properties	18
Figure 10 Future Housing Register Application and Development Pipeline 2013-2018	22
Figure 11 Additional Units Required to Clear Housing Register Backlog by 2018	22

Summary

The decision to carry out a Housing Needs Assessment was taken by Cabinet in January 2013. This followed two reports conducted by the Scrutiny Committee into the development of affordable housing in both rural and urban areas. The stated aim of the assessment was to provide a robust assessment of current and future affordable housing need within the Lewes District, specifically to inform:

- The Affordable Housing Policy being developed in the Core Strategy document
- Wider housing policies and initiatives that are developed by the District Council.

The assessment provides an estimate of affordable housing need for the next five year period, which takes into account any current backlog of provision that exists, as well as any newly arising need.

Conclusions

The key findings from the study:

- The number of households in assessed need on the housing register at the end of each year will continue to rise from the 2013/14 level of 1,019 households.
- An average increase of 549 additional households in assessed need is expected to join the register each year (approximately 10 households per week.)
- An average of 33 households per year would be assessed as in need, but who choose not to join the housing register.
- There will be an average of 244 Council and Housing Association homes that will become empty and re-let each year, with a variable number of new affordable homes completed to boost the supply - factoring in the policy target of 40% that will apply to dwellings completed towards the back end of this period.
- Each year a review of the housing register is carried out to remove households who may no longer be in housing need. On average 175 households will be removed from the register through this process.

To clear the residual backlog by the end of 2017/18:

An additional 389 affordable housing units would need to be built / supplied annually.

This is on top of the projected completions based on existing permissions and sites that are expected to be developed during this period.

1. AIMS

- 1.1. To provide a robust assessment of current and future affordable housing need within the Lewes District, which seeks to inform the affordable housing policy being developed in the Core Strategy document as well as wider housing policies and initiatives that are developed by the District Council.
- 1.2. To provide an assessment of the quantity of households in the District who are unable to access suitable housing without financial assistance and are therefore eligible for affordable housing. Such an assessment will provide an estimate of affordable housing need for the next five year period, which takes into account any current backlog of provision that exists, as well as any newly arising need.
- 1.3. To assess the needs of households who cannot currently afford suitable housing locally and who may represent undocumented affordable housing need in the future.

2. METHODOLOGY

- 2.1. The local need for affordable housing within the Lewes District is investigated and analysed using the model set out in Government Guidance on Strategic Housing Market Assessments known as the Basic Needs Assessment Model (BNAM). It should be recognised that in establishing housing requirements, evidence of both housing need and demand should be considered. This report is only concerned with addressing housing need specifically. The approach assumes that secondary data will be used where appropriate and feasible including the Lewes District Council (LDC) housing register.
- 2.2. The housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing (and that within the development pipeline), which can be used to meet housing need. On this basis estimates of housing need are provided for the five year period 2013-2018.
- 2.3. Data on the local housing market and Local Housing Allowance, market values and rents has been gathered at Broad Rental Market Area (BRMA) and local ward level for the 14 LDC wards. Market value and rent information will be collected from [UK National Statistics website](http://www.statistics.gov.uk)¹ as well as [Zoopla property website](http://www.zoopla.co.uk/)². LDC housing register information with household type, priority band and property types has been provided by LDC Housing Services Department.
- 2.4. Planning information and developer pipeline information is drawn from the housing land supply monitoring database and housing trajectory work produced and held by LDC.

¹ <http://www.statistics.gov.uk/hub/people-places/housing-and-households/housing-market>

² <http://www.zoopla.co.uk/>

3. KEY DEFINITIONS

- 3.1. Key definitions relating to housing need, affordability and affordable housing are set out below.

Housing Need:

- 3.2. The number of households who lack their own housing or who live in unsuitable housing and cannot afford to meet their own housing needs in the market. In this assessment this measure is based on information on the housing register.

Current Housing Need (gross one year):

- 3.3. Current housing need, including backlog recorded as on the local housing register. Some households in affordable housing need may not register while some households who have registered may not be in genuine housing need but may have registered in order to transfer to social housing of another size or another area. Backlog housing need forms a part of the current and future affordable housing need.
- 3.4. Data on current housing need are derived from the LDC housing register, 2011 Census, [English Housing Survey](#)³ figures for homeless households and those in temporary accommodation, overcrowded and concealed households and hostel move-on.

Future Housing Need:

- 3.5. Gross annual estimate of newly arising households in need of affordable housing, with affordability measured at entry level prices and rents and data drawn from Census 2011 and Survey of English Housing and local housing market information.
- 3.6. For this report, where historic data is used; it is for the period from 2009/10 up to 2013/14. The five year period for assessing affordable housing need is the years 2013/14 to 2017/18.

Affordable Housing:

- 3.7. (NPPF definition, taken from the Glossary in Annex 2) Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing:

- 3.8. (NPPF definition) Housing owned³ by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. Social housing may also be owned by other persons and provided under equivalent rental arrangements to local authorities or registered providers, as agreed with the local authority or with the Homes and Communities Agency.

³ <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

Affordable rented housing:

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

Intermediate Housing:

- 3.10. (NPPF definition) – Homes for sale or rent provided at a cost above social rent, but below market levels subject to criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans) and other low cost homes for sale and intermediate rent, but not affordable rented housing.
- 3.11. Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, i.e. small units or lower priced starter homes for private sale may not be considered as affordable housing for planning purposes.

Affordable Housing Supply:

- 3.12. The number of affordable housing units available annually that can be used to meet current and future housing need. This includes surplus stock, voids, annual supply of social re-lets, affordable units in the development pipeline, and the annual supply of intermediate affordable housing available for re-lets or resale at sub-market levels.

Housing Affordability:

- 3.13. **Affordability:** Affordability is assessed by comparing household incomes against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting (in line with the SHMA Guidance) and are summarised below:
- 3.14. A. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income;
- 3.15. B. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross income.

4. CONTEXT

National Context:

- 4.1. The UK has been in a recession since 2008 that is now ending, although household incomes are still lower than before the recession began. Manufacturing and service sectors are recovering and employment is growing albeit largely in low paid, part-time and zero-hours contract positions. The job market has contracted due to public sector job cuts since 2008 and stagnant private sector investment and hiring. This, along with increased basic living and childcare costs, means families are under intense financial pressure.

Government Housing and Benefits Strategy:

- 4.2. The government's approach to addressing housing need rests on increased discounts for Right to Buy sales of council-owned social rent properties and the Affordable Rent development programme, which provides revenue funding through higher rents in place of development grant funding for new housing construction. The Help to Buy programme where the government underwrites part of the deposit for homebuyers for new homes has been expanded to include existing properties up to £600,000 in price. Local authorities have also been given new freedoms to retain their Housing Revenue Account income for housing investment.

Recession and housing:

- 4.3. After falling since 2007, property prices have been rising steeply according to the [RICS Residential Market Survey](#), mostly limited to London and the surrounding Southeast region including Lewes District. The government's Help to Buy scheme, launched in April, 2013 for new-build homes and October, 2013 for existing properties, has helped to boost demand for residential property. This has added more pressure on the limited supply of homes. As real incomes fall, local house prices have risen from 7.3 times income to 10.3 times income in 2011⁴, making homes unaffordable for many people even at the current low interest rates. Nationally the number of households claiming housing benefit since the recession began has increased by more than 60%, with the majority of new claims being made by working households⁵. In England, families in private rented accommodation claiming housing benefit has risen from 19.5% in 2008 to 25.5% in 2011/12⁶

Planning and housing supply:

- 4.4. The Government's new planning guidance, launched online in August, 2013, brings together existing guidance on affordable housing needs assessment and expands on the policy in the previous year's NPPF. The new guidance says that affordable housing supply should be increased if market signals such as affordability indicate that this is necessary. This includes an affordability test for new affordable housing

⁴ East Sussex in Figures – Dataset Lower Quartile Affordability Ratio 1997 to 2011 - Districts

⁵ DWP Quarterly Statistical Summary 14th August, 2013 <https://www.gov.uk/government/collections/dwp-statistical-summaries>

⁶ BSHF – the Growth of In-work Housing Benefit Claimants: Evidence and Policy Implications – B. Pattison, March, 2012

provision based on the lowest quartile of local house prices and rents being affordable for people with the lowest quartile incomes.

Local Context in Lewes District Council:

- 4.5. LDC covers an area from the English Channel through the South Downs National Park and north into the Sussex Weald. The South Downs National Park itself includes Lewes town and approximately 22,500 people within Lewes District live within the park boundaries. The 97,000 residents in the District represent 42,181 and 77% of them live within the towns of Lewes, Newhaven, Peacehaven, Telscombe and Seaford with the remaining 33% inhabiting the rural parishes.
- 4.6. The LDC Employment Land Review shows that the economic vitality of the District is dependent upon a number of factors; land for commercial and retail development and housing are crucial to encouraging business investment and employment in the area which in turn attract skilled workers to the District. Lewes District has a low level of unemployment overall with 36% of working residents employed in management and professional jobs and 18% self-employed compared to 14% in the South East region.
- 4.7. Brighton and Hove, Eastbourne, Haywards Heath and Burgess Hill are the nearest urban areas outside the District that have an influence/impact on the district's residents, particularly through the provision of jobs and services. The Government's recent decision to change Broad Rental Market Area (BRMA) boundaries for the purposes of setting the Local Housing Allowance (LHA) levels has meant that large parts of Lewes District, which have had low property values and rent levels, have been included in the same BRMA as these large towns, creating an impact on local private sector rents.

Lewes District Council BRMAs:

Eastbourne	Includes all Seaford wards
Crawley & Reigate	Includes Plumpton, Newick, Chailey, Ditchling, Wivelsfield Green
Brighton & Hove	Includes all Newhaven, all Peacehaven, all Lewes, Barcombe & Hamsey, Ouse Valley & Ringmer, Kingston, East Saltdean & Telscombe Cliff

Lewes District Council Housing Strategy:

- 4.8. The LDC Housing Strategy identifies provision of suitable and sustainable housing for all parts of the community as a key aim; it also highlights the priority to address the housing needs of older people and small households, especially in rural communities. The Housing Strategy further highlights that:
 - In 2007/08, one in every thousand households presented as homeless.
 - In the five years up to 2011, there has been a 44% increase in the number of households on the LDC housing register, from 1,485 to 2,142 households.
- 4.9. Traditionally cheap homes for rent in the District, flats and terraced houses, were unaffordable by 2011 for people on a median income. New housing completions had dropped from 416 to 175 per annum between 2008 and 2011. The District has

a need for an additional 460 – 520 households per annum, as established in the Assessment of Housing Development Needs Study (October 2013).

- 4.10. There are no affordable one-bed homes for rent in 12 rural parishes.

Core Strategy Proposed Submission Document:

- 4.11. The Core Strategy Proposed Submission document sets a housing delivery target of 225 units per annum, which equates to a total of 4,500 new homes to be developed over 20 years from 2010 to 2030. Of this, housing development sites supporting between three and nine units must include a proportion of affordable housing units (schemes of 3 – 4 units will require 1 affordable unit, 5-7 units will require 2 affordable units and 8-9 units will require 3 affordable units) and schemes of ten units or more must include 40% of those units as affordable homes. The annual development target for affordable housing is split into 75% of new homes for Affordable Rent and 25% for Intermediate housing including Shared Ownership and Shared Equity.
- 4.12. LDC figures show 432 new affordable units produced from 2005 to 2013, averaging 62 units p.a.⁷ How this rate of development addresses the backlog and arising housing need for LDC housing register applicants will be investigated in this report.

⁷ Appendix 2 - Lewes District Council Affordable Housing Development 2006-2013

5. DATA

- 5.1. **Local incomes:** It is important to understand local household income levels as these, along with price/rent data, will determine levels of affordability. Median household incomes in Lewes District at £28,469 are slightly higher than England and Wales and East Sussex averages; in some LDC wards, such as Newick, Kingston, Chailey & Wivelsfield, Ditchling & Westmeston and Plumpton, the median income is 23% higher than the England and Wales average at £36,226. Lewes District has slightly lower median and mean incomes than the Southeast average and a higher percentage of households with incomes below 60% of the national median income at 26.10%. Within the district, there is considerable variation between wards on the numbers of households in classed as in poverty due to having below 60% of the national median income. In Newhaven Valley ward, 32.1% of residents have incomes below 60% of national median compared with Chailey & Wivelsfield with 16.7%. Peacehaven West and Seaford East also have nearly 30% of households with very low incomes compared to Plumpton, Streat & East Chiltington with 18.4%⁸.
- 5.2. **Benefits:** 17% of District residents, a total of 16,870 people, claim some form of benefit. Out-of-work benefits are claimed by 5,340 people, there are 2,950 Employment Support Allowance and incapacity benefit claimants, a further 1,410 residents claim Job Seeker's Allowance, and 580 lone parents (0.5%) are on benefit.
- 5.3. **Local Housing Allowance (LHA)** – With boundaries of the BRMAs that cover the Lewes District area having been recently redrawn, parts of Lewes District are now included with Brighton & Hove, Crawley and Eastbourne. The level of the LHA has been set based on the lower 30th percentile rents in these areas. This has helped to inflate the local rent levels in some coastal towns such as Newhaven rent levels were historically low.

	Room	1 bed	2 bed	3 bed	4+ bed
Eastbourne BRMA All Seaford wards BN25	£286.00	£499.98	£650.00	£775.02	£970.88
Crawley & Reigate BRMA Plumpton BN7, Newick BN8 Chailey BN8, Ditchling BN6 Wivelsfield Green RH17	£339.99	£625.00	£766.52	£945.52	£1,277.51
Brighton BRMA Newhaven BN9, Peacehaven BN10 Lewes BN7, Barcombe & Hamsey BN8, Ouse Valley & Ringmer BN8 Kingston BN7, East Saltdean & Telscombe Cliffs BN7	£340.99	£650.00	£817.61	£950.00	£1,400.04

Figure 1 Monthly Local Housing Allowance (LHA) Rates - LDC Broad Rental Market Areas (BRMA) and Wards 2013-2014

- 5.4. In accordance with BNAM guidance, a snapshot in time of the number of two

⁸ Dataset - Average Household Income in 2013 Wards - East Sussex in Figures

bedroom properties that are available for rent in the LDC BRMAs are summarised in the table below. The table shows that in the villages of Ditchling & Wivelsfield there are no two bed properties available and LHA levels are low compared to Newhaven or Seaford, and both of these towns also have more market rent homes available.

- 5.5. Local housing agents surveyed for this report confirmed that there is limited 2-bedroom stock available for private rent in the District. One agent had let only five two-bed homes in all of East Sussex in the past twelve months. The highest number of lettings over the past twelve months was 15 homes, with 90% of those being let in Lewes town.

	Lewes	Newhaven	Peacehaven	Seaford	Ditchling	Wivelsfield Green
2 bed properties available to rent:	9	2	4	14	0	0
Properties in the lower 30 %:	3	1	1	2	0	0
Average 2 bed lower 30% rent:	£895	£710	£735	£695	N/A	N/A
LHA cap:	£825	£725	£710	£695	£665	£767

Figure 2 BNAM Test for Rental Property Availability⁹

- 5.6. **Housing benefit:** 67% of housing benefit claimants in England are social housing tenants; in Lewes District, a total of 6,247 households claim housing benefit, broken down as follows:

Council tenants	2,122	34%
Private sector tenants	3,029	48%
Housing association tenants	1,096	18%

- 5.7. DCLG English Housing Survey annual report for 2011/12 records a decline in home ownership and an increase in renting throughout England. The Survey attributes this shift to the requirement for bigger mortgage deposits, a shortage of housing stock for sale and job insecurity. Private renters pay 41% of gross income for housing costs, social tenants pay 30% and owner-occupiers pay 19%.
- 5.8. House prices have risen in Lewes District steadily since 1997 when the average house price was 4.1 times household income; it is now 10.3 times household income¹⁰, making renting in the private market the only option for many families.
- 5.9. Private sector rents and property values at entry level are compared for the three Lewes District BRMAs (Crawley, Brighton & Hove and Eastbourne); the table, in Figure 4, shows the sale prices and rents for entry level one and two bed properties for each of the Lewes District BRMAs.

⁹ Source: zoopla.co.uk, VOA

¹⁰ Data set - East Sussex in Figures

- 5.10. **Current entry level market values:** Sale prices in Lewes District, are higher than entry level prices for England and Wales overall. Entry level prices for one bed homes are affordable at median incomes. However, two bedroom homes are not affordable at median income levels and neither one nor two bedroom homes are affordable to people on low incomes, below £20,000.
- 5.11. **Local private sector entry level rents** – Entry level rents in Ditchling (BN6) are within 20% of median income for one and 24% for two bed homes. At a low income of £20,000, the percentage of income required for an entry level rent would be between 40% and 50%.
- 5.12. **Council rents:** LDC charges social rents for all lettings, including new re-lets. These rents range from 40.2% of market level for a one bed unit to 38% of market level for a three bed family home. By comparison, affordable rents charged by housing associations for new schemes and re-lets of existing homes range from 72.49% for a one bed unit to 60.2% for a three bed family unit. The highest affordable rents are in the Wivelsfield Green area. LDC policy is to require that housing association rents stay within LHA limits.

	Ditchling BN6	Lewes BN7	Barcombe BN8	Newhaven BN9	PeacehavenBN10	SeafordBN25	Wivelsfield Gn RH17
	£ No. Units	£ No. Units	£ No. Units	£ No. Units	£ No. Units	£ No. Units	£ No. Units
1 bed market rent	£550 5	£861 9	£675 6	£552 4	£552 4	£615 10	£700 2
LHA	£625	£650	£650/£625	£650	£650	£500	£625
LDC Social rent	£264.35	£264.35	£264.35	£264.35	£264.35	£264.35	£264.35
RP Social rent	£284.79	£284.79	£284.79	£284.79	£284.79	£284.79	£284.79
2 bed market rent	£665 8	£900 18	£836 8	£898 5	£860 8	£773 18	£1,042 7
LHA	£766.52	£817.61	£817.61	£817.61/766.52	£817.61	£650	£766.52
LDC Social rent	£383.72	£383.72	£383.72	£383.72	£383.72	£383.72	£383.72
RP Social rent	£369.42	£369.42	£369.42	£369.42	£369.42	£369.42	£369.42
3 bed market rent	£1,250 11	£1,115 9	£1,150 4	£954 5	£1,079 10	£980 5	£1,357 9
LHA	£945.36	£950	£950	£950	£950	£775.02	£945.36
LDC Social rent	£428.35	£428.35	£428.35	£428.35	£428.35	£428.35	£428.35
RP Social rent	£418.38	£418.38	£418.38	£418.38	£418.38	£418.38	£418.38
4 bed market rent	£1,891 3	£1,970 5	£1,400 3	0 properties	£1,199 3	£1,182 3	£1,744 8
LHA	£1,277.51	£1,400.01	£1,400.01	£1,400.01	£1,400.01	£970.88	£1,277.51
LDC Social rent	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RP Social rent	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Figure 3 Entry Level Rent pcm, LHA and Social Rent

BRMA	Crawley	Brighton	Brighton/Crawley	Brighton	Brighton	Eastbourne	Crawley
Town	Ditchling BN6	Lewes BN7	Barcombe BN8	Newhaven BN9	Peacehaven BN10	Seaford BN25	Wivelsfield RH17
1 bed	£153,622/£659	£187,791/£727	£141,650/£716	£110,100/£585	£84,908/£689	£113,607/£606	£168,300/£630
2 bed	£286,296/£873	£279,169/£1,056	£217,309/£1,029	£165,613/£720	£187,213/£796	£192,974/£835	£335,768/£1,052
3 bed	£432,989/£1,207	£442,933/£1,309	£391,378/£1,154	£229,946/£948	£258,629/£1,089	£287,116/£926	£412,255/£1,427
4+ beds	£671,911/£1,325	£609,413/£1,325	£508,217/£1,818	£312,273/£1,392	£322,228/£1,334	£399,266/£1,000	£650,362/£1,918

Figure 4 LDC Median House Prices and Private Sector Rent Levels by BRMA (source: zoopla.co.uk)

	Crawley, BN6	Brighton, BN7	B'ton/Crawley BN8	Brighton, BN9	Brighton, BN10	Eastbourne, BN25	Crawley, RH17
2012-13 (1 yr)	+3.80%	+4.36%	+3.71%	+3.9%	+3.00%	+3.77%	+3.59%
2008-13 (5 yrs)	+6.37%	+6.79%	+6.67%	+5.10%	+5.44%	+4.75%	+7.24%

Figure 5 Price change comparison

- 5.13. The SHMA Guidance advises when assessing whether a household can afford market rent is when rent payable would constitute no more than 25% of gross household income. A household is considered able to afford to buy a home if it costs no more than 3.5 times gross household income. The assessments are made using the lower quartile house/rent prices and the lower quartile incomes.
- 5.14. Low incomes amounting to less than 60% of the Lewes District median household income of £28,469, are £17,081 or less. This would represent a fulltime salary above minimum wage of someone earning just under £9.00 an hour. At this income level, market rented property is unaffordable in all Lewes District BRMAs for the 11,357 LDC households who fall into this income group.
- 5.15. For the purpose of this report, the entry level price and rent for homes is measured against data produced by the Office of National Statistics (ONS) on median income and a range of low-paid jobs, based on a 37.5 hour work week, from the current minimum wage of £6.31 per hour or £12,304 annual salary, typical earnings for a cleaner (**Low Wage 1**), £8.75 per hour (£17,063 salary p.a.) for a warehouse assistant (**Low Wage 2**)¹¹ and £10.50 per hour (£20,475 p.a.)¹² for a school catering assistant (**Low Wage 3**).

	Low wage 1 (£1,025 p/m)		Low wage 2 (£1,422 p/m)		Low wage 3 (£1,706 p/m)	
	1 bed	2 bed	1 bed	2 bed	1 bed	2 bed
Ditchling BN6	54%	65%	39%	47%	32%	39%
Lewes BN7	68%	81%	49%	58%	41%	48%
Barcombe BN8	56%	78%	40%	56%	34%	47%
Newhaven BN9	59%	71%	42%	51%	35%	43%
Peacehaven BN10	59%	71%	42%	50%	35%	42%
Seaford BN25	54%	65%	39%	49%	32%	41%
Wivelsfield Gn RH17	63%	76%	46%	55%	38%	45%

Figure 6 Affordability - Entry Level Rent as a Percentage of Low Income

Affordable housing supply:

- 5.16. LDC housing stock available for rent: 3,238 homes, of which on average 180 become void and re-let each year.
- 5.17. Housing association stock for rent: 1,077 homes of which an average of 44 become void and re-let each year.

¹¹ 20 percentile earnings – Gross Annual Pay Table 7.7a ONS Annual Survey of Hours and Earnings 12.12.2013

¹² 30 percentile earnings - Gross Annual Pay Table 7.7a ONS Annual Survey of Hours and Earnings 12.12.2013

Local housing development pipeline:

Year	Total Residential Units	Affordable Units
2013/14	130	20
2014/15	236	45
2015/16	209	47
2016/17	127	20
2017/18	162	25
Total	864	157

Figure 7 Housing development pipeline 2013/14 to 2017/18 (based on projected completion of extant permissions, as at 1st October 2013)

- 5.18. **Housing Register:** Applicants are placed in a band A to D and if they are living in overcrowded conditions or meet other criteria to be considered in priority need for affordable housing they are placed in a high band. In April 2013 there were 1,097 households in bands A-C
- 5.19. The housing register backlog of housing need and arising need calculation is detailed below. Only bands A to C are included, registered households already in affordable housing are discounted from the housing need count. Applicants in Band D have no priority housing need and may never be housed.

Applicants	2009/10	2010/11	2011/12	2012/13	2013/14	5 year average
Band A-C applicants	655	835	918	941	1,019	874
Annual supply	286	286	286	286	244	286 ¹³
Backlog	369	549	632	655	775	596
New band A-C applicants	494	507	536	568	641	549
No longer in need	28	138	227	204	277	175
Net backlog + new applicants:	835	918	941	1019	1,139	970

Figure 8 LDC Housing Register Applications 2009/10 to 2013/14

¹³ 2009-2014 average

- 5.20. The LDC housing register has a backlog of applicants at the start of 2013/14 of 1,139 households. 20 new affordable units are projected for completion in 2013/14 as part of the existing development commitments, meeting 1.76% of this year's housing register backlog. The overall housing supply of 244 homes projected for 2013/14 will meet 21.42% of the housing register need.
- 5.21. **Impact of Right to Buy on local affordable housing supply:** Much of the Council's housing stock has already been sold to residents through Right to Buy in the past. 33 units have been sold in the past five years which amounts to 0.7% of the Council's stock which does not amount to a significant loss of social rent units through sale.

Unit size	LDC	% total	Housing Association	% total
One bed	1,053	32.3%	304	28.2%
Two bed	1,189	36.5%	456	42.3%
Three bed	951	29%	301	28%
Four bed	65	2%	16	1.5%
Total units	3,258		1,077	

Figure 9 LDC and Housing Association Properties

- 5.22. One bed flats are most in demand, by 50% (1,077) of applicants, single parent families with one child place high demand on two bed units, four bed units are least in demand for families but could be considered for adult sharers subject to the shared room rate for housing benefit.

Overcrowding and concealed households:

- 5.23. Overcrowding: Households on the Lewes housing register are considered to be overcrowded if their home is overcrowded by two rooms, i.e. they need separate bedrooms for a child and an adult. In that case, they can expect to be re-housed as a priority. Overcrowded households already housed in affordable housing are not considered to be in priority for re-housing. The Council's target for housing transfers to address overcrowding is to reserve 50% of all family-sized units for families in overcrowded accommodation. 2.9% of families overall live in overcrowded rented accommodation including 7% of social tenants and 6% of private tenants. Single parent households are the most likely to be overcrowded.
- 5.24. Households are considered to be concealed where family units, including couples, lone parent families or single adults who are living within other households may form their own new household if they had the opportunity to do so. The 2011 Census recorded 376 concealed households in Lewes District; of these, 106 were lone parent families.

6. SUMMARY

Benefits:

- 6.1. Housing benefit is claimed by 6,247 of the 42,181 households in Lewes District, 14.8% of all households. Given that the unemployment rate is 6.8%, this would indicate that the majority (8%) of Lewes District housing benefit claimants are in work.

Affordability:

- 6.2. The role of the private sector in meeting housing need is dependent on the amount of the Local Housing Allowance as the lower 30% of rents in Lewes District are still 10.3 times the lower 25% of local incomes. Compared with the NPPF guideline for affordability as the lower 25% of housing prices being affordable without financial assistance by the lower 25% incomes, private housing in Lewes District is unaffordable.
- 6.3. Local median incomes and low wage incomes are compared to determine the affordability of private sector housing for local working households. Even in Newhaven where the rent for a two bedroom property is £725 and median income is £25,596, an annual income of £34,800 would be needed to afford the rent without subsidy from housing benefit. Entry level properties in each of the six BRMA towns are unaffordable for people on low incomes. In every case, a worker earning the national minimum wage would have to spend over 54% of income to afford the cheapest one bed flat.

Housing supply and Development pipeline:

- 6.4. From 2013/14 to 2017/18, the total output for existing committed housing development schemes in Lewes District is 864 units. Of this, 157 new units will be affordable housing (18.17% of total residential development).
- 6.5. There is currently an annual backlog of 596 applicants on the LDC housing register, based on an average of the previous five years' backlog figures. In addition, an average number of 549 new applicants join the housing register each year. The average annual supply of affordable housing has been 286 units. Over the next five years to 2018, the average number of applicants in priority housing need on the LDC housing register is estimated to be 1,477 households. If the percentage of residential developments which are required to be affordable is increased to 40%, of the 864 planned new homes for the period from 2013 to 2018, 23.7% of average registered housing need each year would be met.
- 6.6. Participation in the Sussex Homemove scheme gives LDC registered applicants access to housing in the neighbouring authorities' housing stock and vice versa; the benefit of this arrangement is limited for both authorities as stock is taken up by neighbouring tenants, increasing choice of location but not increasing quantity.

7. CONCLUSIONS

Lewes District Housing Market, Affordability and Housing Supply:

- 7.1. As the lower quartile house prices have increased from 4.2 to 10.3 times the lower quartile income, no part of the District is now affordable at low incomes. The private sector is failing to meet the need for affordable housing because there is limited supply of homes for rent in the District and housing costs are only affordable through the subsidy provided by housing benefit.
- 7.2. 14.8% of District households currently claim housing benefit to help with housing costs; at least 8% of households needing housing benefit to pay rent are in work.
- 7.3. District residents have seen their incomes drop by 1.5% in 2013 while the cost of living has increased; CPI inflation being 2.7% in September, 2013¹⁴. Local anecdotal information that households are spending over 40% of gross income on housing costs is supported by ONS data that this is also the case nationally. The drop in household incomes coupled with increases in housing costs for both private sector and social housing will become unaffordable for lower income households.
- 7.4. Over a quarter of the District's households have incomes of less than £18,000, making it virtually impossible to afford any market housing. At this income level, using 25% of household income as the measure of affordability, a household would have £375 per month for housing costs. This means that potentially more than 11,000 households would only be able to afford a council one bed unit or might just afford a housing association two bed unit at social rent only. They would not be able to afford any home at affordable rent levels and no three bed or larger home at social rent would be affordable either. Low paid households can only afford these homes with housing benefit at current levels.
- 7.5. Current social rents range up to 43% of market levels; housing association affordable rents on new schemes and re-lets are up to 76% of market levels. Government plans for further cuts to welfare spending from 2015 will almost certainly include cuts to housing benefit, jeopardising this mechanism to make housing affordable in all sectors; this will increase the likelihood of evictions for households who rely on housing benefit to pay affordable rent in addition to those renting in the private sector.

Current Need for Affordable Housing:

- 7.6. In 2013/14, 1,139 households have been accepted as being in priority housing need on the LDC housing register. This is the net number of applicants after subtracting applicants who have been housed and those considered to be no longer in housing need. These applications represent current need for affordable housing in the District without including private sector tenants or new in-migrants.
- 7.7. Arising need for affordable housing results from the formation of new households,

¹⁴ ONS Release: Consumer Price Inflation September, 2013

estimated at 1.41% annually¹⁵, overcrowded and concealed households and households falling into need. Using homeless acceptances and Census 2011 SNPP figures as a guide and assuming that 26.1% of all households are unable to afford private sector housing without subsidy, the numbers of each of these groups in housing need are as follows:

	26.1%
Households falling into need 2013/14	102
Newly-forming households in need (594)	155
Concealed households (376)	98
Overcrowded households (1,223)	319
Total annual arising need 2013/14	674 households

7.8. Part of the overall figure for arising need in 2013/14 may be represented in the 641 new applications accepted as having priority housing need on the LDC housing register. For 2013/14, this would mean subtracting 641 households from the 674 figure for arising need, leaving 33 households in housing need who are not registered with the council as such and represent current undocumented need for affordable housing in Lewes District.

7.9. Of the average 286 affordable homes available to house housing register applicants, 224 are vacant LDC and housing association homes re-let annually; the remaining 62 are the average new affordable homes built each year.

Future Need for Affordable Housing:

7.10. To determine future need for affordable housing in Lewes District, an average of new housing register applications over the past five years is added to the number of backlog applications and the concealed households, the actual numbers of planned new homes and existing property available for re-letting are subtracted to arrive at the number of households currently in need of affordable housing.

7.11. The table below shows that future housing need develops as an increasing backlog from 1,019 housing register applicants in 2013/14 to 1,609 applicants by 2018. In reality, a constant level of housing supply is uncertain, but the number of new applicants reliably increases every year as affordable housing development fluctuates while population and numbers of people in low paid and insecure employment increase.

¹⁵ Census 2011 - Interim Sub-National Population Projections (SNPP)

	2013/14	2014/15	1015/16	2016/17	2017/18
Annual band A to C backlog	1,019	1,172	1,310	1,446	1,609
Annual new A to C applicants	641	549	549	549	549
Estimated Undocumented arising need	33	33	33	33	33
Sub-total	1,693	1,754	1,892	2,028	2,191
Less new supply, re-lets	244	269	271	244	249
Less apps no longer in need	277	175	175	175	175
Residual backlog	1,172	1,310	1,446	1,609	1,767

Figure 10 Future Housing Register Application and Development Pipeline 2013-2018 (average figures)

7.12. In order to clear the backlog of priority housing register band A to C applications and annual average addition of 549 new applicants within the five year period to 2018, in addition to the existing properties re-let annually and the new homes already in the development pipeline, a further 389 units have to be provided to every year for five years up to 2018.

	2013/14	2014/15	1015/16	2016/17	2017/18
Annual band A to C backlog	1,019	783	576	367	185
Annual new A to C applicants	641	549	549	549	549
Estimated Undocumented arising need	33	33	33	33	33
Sub-total	1,693	1,365	1,158	949	767
Less new supply, re-lets	244	225	227	200	205
Less apps no longer in need	277	175	175	175	175
Less extra new supply	389	389	389	389	387
Residual backlog	783	576	367	185	0

Figure 11 Additional Units Required to Clear Housing Register Backlog Band A –C Applications by 2018

Appendices

Appendix 1: Ward Data Table	iii
Appendix 2: Lewes District Council Affordable Housing Development 2001-2018	3
Appendix 3: Lewes District Council Housing Register	4
Appendix 4: Lewes District Council Housing Need Data	v

Appendix 1: Ward Data Table

LEWES DISTRICT COUNCIL -									
Ward Income Data									
Name	Median Household income	Mean Household income	Household Income < 60% GB Median	% < 60% GB Median £28,024	Working age pop 16 to 74 years	in fulltime work	Unemployed % 16-74 yrs	Total Population	Unemployment Rate
England & Wales	28,024	35,994	7,720,637	29.30%	39,738,000	37,989,528	4.4	56,075,912	8
Southeast Region	31,850	40,249	897,564	24.70%	6,274,341	6,061,013	3.4	8,634,750	6.7
East Sussex CC	27,198	34,945	65,181	27.60%	374,518	361,035	3.6	526,671	7.3/ 6.0 2013
Lewes DC	28,469	36,585	11,357	26.10%	69,269	66,983	3.3	97,502	6.8
Barcombe & Hamsey	34,817	43,726	170	19.90%	1,477	1,428	3.3	2,105	5.7
Chailey & Wivelsfield	39,353	48,757	345	16.70%	3,718	3,621	2.6	5,068	5.5
Ditchling & Westmeston	33,102	42,789	224	21.40%	1,498	1,466	2.1	2,424	4.2
East Saltden & Telscombe Cliffs	29,708	37,365	790	24.50%	5,324	5,142	3.4	7,477	6.7
Kingston	35,419	45,111	165	19.10%	1,451	1,409	2.9	2,106	6
Lewes Bridge	26,242	33,640	685	28.90%	3,536	3,401	3.8	4,778	7.2
Lewes Castle	27,163	35,850	590	27.90%	3,460	3,301	4.6	4,817	9.3
Lewes Priory	30,669	40,085	777	24.60%	5,408	5,229	3.3	7,702	6.8
Newhaven, Denton & Meeching	27,595	34,647	962	26.80%	5,952	5,702	4.2	8,205	8.4
Newhaven Valley	23,597	30,123	570	32.10%	5,967	5,639	5.5	4,027	10.2
Newick	36,353	45,618	191	18.40%	1,754	1,722	1.8	2,457	3.3
Ouse Valley and Ringmer	27,916	35,788	755	26.80%	4,546	4,405	3.1	6,422	6
Peacehaven East	25,775	32,285	697	28.80%	3,549	3,421	3.6	5,011	7.3
Peacehaven North	29,654	36,986	477	24.40%	3,457	3,308	4.3	4,715	8.8
Peacehaven West	24,886	31,692	651	29.90%	3,124	3,030	3	4,341	6.2
Plumpton, Streat, E. Chillington, St. John (Without)	36,902	46,248	169	18.40%	1,730	1,701	1.7	1,111	3.1
Seaford Central	25,776	33,322	734	29.40%	3,504	3,388	3.3	4,869	6.6
Seaford East	25,371	32,811	650	29.50%	3,142	3,054	2.8	4,680	6
Seaford North	25,615	32,797	659	29.20%	3,567	3,456	3.1	5,169	6.6
Seaford South	27,419	35,739	541	27.50%	2,927	2,866	2.1	4,242	6.4
Seaford West	28,316	36,271	556	25.70%	3,178	3,099	2.5	4,611	4.8

Appendix 2: Lewes District Council Affordable Housing Development 2006-2013

Year	Affordable Housing units Completed
2006/07	35
2007/08	46
2008/09	83
2009/10	67
2010/11	46
2011/12	93
2012/13	62
Total	432

Appendix 3: Lewes District Council Housing Register

Location	1 Bedroom		2 bedroom		3 Bedrooms		4 Bedroom		5+ Bedroom		Reg/Tsf sub total	Total
	Register/ Transfer	sub total	Register/ Transfer	sub total	Register/ Transfer	sub total	Register/ Transfer	sub total	Register/ Transfer	sub total		
<i>North(any)</i>	reg:116 tsfr: 7	123	61/8	69	reg:28/tsfr: 7	35	reg:6/tsfr:3	9	reg:1/tsfr:1	2	r218/t20	238
Barcombe	reg:15 tsfr: 3	18	reg: 9/tsfr: 3	12	reg:5/tsfr: 3	8	reg:2/tsfr: 2	4	0	0	r31/t11	42
Cooksbridge	reg: 2 tsfr: 0	2	reg: 1/tsfr: 0	1	reg: 0/tsfr: 3	3	0	0	0	0	r3/t3	6
Chailey	reg:10 tsfr: 2	12	reg:7/tsfr 1	8	reg:2/tsfr: 1	3	0	1	0	0	r20/t4	24
Ditchling	reg:3 tsfr:2	5	reg:5/tsfr: 1	6	reg:0/tsfr: 2	2	0	1	0	0	r9/t5	14
E. Chilmington	reg:2 tsfr:0	2	reg: 0/tsfr: 0	0	reg:1/tsfr: 0	1	0	0	0	0	r3/t0	3
Falmer	reg:8 tsfr: 3	11	reg: 4/tsfr: 2	6	reg: 1/tsfr: 0	1	0	2	0	0	r15/t5	20
Firle	reg:2 tsfr: 1	3	reg: 0/tsfr: 1	1	reg:0/tsfr: 2	2	0	0	0	0	r2/t4	6
Glynde	reg: 4 tsfr: 1	5	reg:2/tsfr: 0	2	reg: 0/tsfr: 0	0	0	0	0	0	r6/t1	7
Kingston	reg: 5 tsfr: 0	5	reg:1/tsfr: 1	2	reg: 0/tsfr: 2	2	1	1	0	0	r6/t4	10
Lewes	reg164 tsfr: 72	236	reg: 85/tsfr: 46	131	reg: 29/tsfr: 31	60	reg:5/tsfer:0	11	0	0	r284/t54	438
Newick	reg: 16 tsfr: 7	23	reg:7/tsfr: 1	8	reg:1/tsfr: 1	2	0	0	0	0	r24/t9	33
Plumpton	reg:5 tsfr: 0	5	reg:0/tsfr: 0	0	reg:1/tsfr:0	1	reg:0/tsfr: 1	1	0	0	r6/t1	7
Ringmer	reg:27 tsfr:12	39	reg: 17/tsfr: 3	20	reg:6/tsfr: 5	11	reg:0/tsfr: 1	1	0	0	r50/t21	71
Wivelsfield	reg: 16 tsfr: 5	21	reg:10/tsfr: 2	12	reg:4/tsfr: 3	7	reg:0/tsfr: 1	1	0	0	r30/t11	41
<i>South(anywhere)</i>	Reg:134tsfr:13	147	reg: 65/tsfr: 12	77	reg:34/tsfr: 5	39	reg:2/tsfr: 4	4	0	0	r235/t34	267
Denton	reg: 13 tsfr:0	13	reg:6/tsfr: 1	7	reg:2/tsfr: 2	4	0	0	reg:1/tsfr:0	1	r22/t3	25
Saltdean	reg: 0 tsfr: 5	5	reg: 0/tsfr:0	0	reg:0/tsfr: 0	0	0	0	0	0	r0/t5	5
South Heighton	reg: 6 tsfr: 2	8	reg:2/tsfr: 0	2	reg:0/tsfr: 2	2	0	0	0	0	r8/t4	12
Newhaven	reg:105 tsfr:22	127	reg: 51/tsfr:19	70	reg:17/reg:9	26	reg:2/tsfr: 1	3	0	0	r175/t51	226
Peacehaven	reg: 89 tsfr: 40	129	reg: 59/tsfr: 23	82	reg:25/tsfr: 12	37	reg:5/tsfr: 1	6	reg:1/tsfr:0	1	r179/t76	255
Piddinghoe	reg: 1 tsfr: 0	1	reg:0/tsfr:0	0	reg:1/tsfr: 0	1	0	0	0	0	r1/t1	2
Rottingdean	reg: 19 tsfr: 4	23	reg: 6/tsfr:0	6	reg:5/tsfr: 1	6	reg:3/tsfr: 0	3	0	0	r33/t5	38
Rodmell	reg: 3 tsfr: 0	3	reg:0/tsfr: 1	1	reg:1/tfr: 0	1	0	0	0	0	r4/t1	5
Seaford	reg130 tsfr: 33	163	reg: 81/tsfr: 31	112	reg:27/tr: 17	44	reg:5/tsfr: 2	7	0	0	r243/t83	326
Telscombe	reg: 15 tsfr: 4	19	reg: 8/tsfr: 1	9	reg:4/tsfr 1	5	reg:0/tsfr: 0	0	0	0	r27/t6	33
Swanborough	reg: 0 tsfr: 0	0	reg: 0/tsfr: 0	0	reg:0/tsfr: 0	0	reg:0/tsfr:0	0	0	0	r0/t0	0
Total	reg910/tsfr238	1148	reg487/tsfr:157	644	reg194/tsfr:109	303	reg:35/tsfr:20	55	reg:3/tsfr:1	4	1643/511	2154

Appendix 4: Lewes District Council Housing Need Data

		Lewes District Total	Lewes	Seaford	Newhaven	Peacehaven
Amount of dwelling stock (2011 data)		38,867	6,139	10,517	4,817	6,206
Stock of social housing		4638	1336	790	791	728
Average build rate (completions/annum taken as average between 92 and 2012)		233	33	55	48	35
New Affordable Housing 2005-2013		432	44	118	0	125
New Affordable Housing (Annual target 60)	2010/11	46	0	0	0	30
	2011/12	93	24	0	0	17
	2012/13	62	0	62	0	0
Average house prices (Zoopla)	Semi-detached	£236,763	£332,231	£216,912	£193,083	£204,825.33
	Terraced	£206,381	£246,344	£199,361	£169,905	£209,913.83
	Flat	£137,235	£182,123	£121,093	£126,469	£119,255.00
Median rent in private sector (Rightmove)	1-bed	£636	£700	£595	£625	£625
	2-bed	£850	£900	£750	£850	£900
	3-bed	£1050	£1100	£950	£900	£1250
Average household income (Source East Sussex in Figures)		£29,082	£28, 279	£27,017	£26,237	£26,182

Household income level required to rent housing	1-bed	£22,896	£25,200	£21,420	£22,500	£22,500
	2-bed	£30,600	£32,400	£27,000	£30,600	£32,400
	3-bed	£37,800	£39,600	£34,200	£32,400	£45,000
Housing Needs (Band A-C)		1328	272	203	163	187
Housing Waiting List (Band A-D)		2154	438	326	226	293
Housing Tenure (All)	Owned	29,682	4938	8625	3503	7450
	Private Renting	3012	568	714	439	399
	Social Renting	4383	1237	793	619	695
Persons Economically Active		48,194	8953	10,573	6360	10,816
Private Sector Leasing Cost	2-bed	£806 pcm				
	3-bed	£946 pcm				
	Length of time	12 months				
Temporary Accommodation (B&B)	Cost (4 person hsehold)	£60 per night £1825 pcm				
	Length of time	10 weeks, 6 days				
Average Time on Housing Register for 2-bed flat (Band A-D)	Band A	7 months				
	Band B	9 months				
	Band C	19 months				
	Band D	23 months				

Household size LDC stock	1-bed	1053	363	289	122	136
	2-bed	1189	390	156	163	147
	3-bed	951	330	127	188	52
	4-bed +	65	23	8	18	4
Total LDC Stock		3258	1106	580	491	339
Housing Association Stock	1-bed	304				
	2-bed	456				
	3-bed	301				
	4-bed +	16				

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