EAST SURREY

STRATEGIC HOUSING MARKET ASSESSMENT

FINAL REPORT
2008

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CONTENTS

APPENDICES

1 INTRODUCTION

1.1 Background and Context

1.1.1 In April 2007, DCA were commissioned by the five East Surrey authorities of Elmbridge Borough Council, Epsom & Ewell Borough Council, Mole Valley District Council, Reigate & Banstead Borough Council and Tandridge District Council to carry out a Strategic Housing Market Assessment (SHMA).

1.1.2 This Strategic Housing Market Assessment aims to enable the authorities to understand the nature and level of housing demand and need within East Surrey.

1.1.3 DCA were further commissioned to undertake a local housing needs survey for Mole Valley District Council consisting of primary data collection, gathered through a postal survey to around 7,000 households across the district. 1,796 surveys were returned, a response rate of 25.7%.

1.1.4 In addition, DCA were commissioned to update the Housing Needs Surveys previously undertaken in Reigate & Banstead Borough Council and Tandridge District Council in 2005. The 2005 Elmbridge Borough Council Housing Needs Study and the 2004 Epsom & Ewell Borough Council Housing Needs Study were both updated by DCA in late 2006.

1.1.5 The purpose of collecting new primary data and updating previously collected primary data was to establish a common baseline across each of the five authorities and allow comparisons to be made across the areas.

1.1.6 The table below outlines the survey sample and response rates across the five authorities during the respective Housing Needs Surveys. All areas reached response levels based on household numbers adequate to ensure statistical validity at a confidence level of 95%.

Table 1-1 Survey Sample and Response Rate

Local Authority	Year of HNS	Year of Survey Update	Households	Postal Sample	Interviews	Total Responses	Response Rate %	Confi-dence Interval ± %
Elmbridge	2005	2006	31,881	6,960	0	2,264	32.5	1.68
Epsom & Ewell	2004	2006	28,212	8,875	500	3,120	29.5	1.43
Mole Valley	2007	n/a	35,222	7,000	0	1,796	25.7	2.36
Reigate & Banstead	2005	2007	52,432	6,660	0	1,894	28.4	1.84
Tandridge	2005	2007	31,881	6,970	0	2,264	32.5	1.68

1.2 Why Carry Out a Strategic Housing Market Assessment?

1.2.1 It is essential that local authorities understand the whole housing market and can develop sound and robust approaches to preparing Local Development Frameworks and local housing strategies.

1.2.2 The Strategic Housing Market Assessment, along with other strategies and research including Gypsy and Traveller Accommodation Assessments, Strategic Land Availability Assessments and the Economic Viability Study, are a crucial part of the evidence base for the East Surrey authorities to review local housing strategies and Local Development Frameworks. It can also inform Councils' business planning processes, as well as to identify targets for investment.

1.2.3 From a spatial planning perspective, an assessment of housing demand and need is necessary to support affordable housing policies in development plans, which will require developer contributions for affordable housing via Section 106 agreements.

1.2.4 As set out in Planning Policy Statement 3 (PPS3), housing need is defined as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’.

1.2.5 PPS3 defines housing demand as ‘the quantity of housing which households are willing and able to buy or rent’.

1.2.6 Communities and Local Government (CLG) Strategic Housing Market Assessments Practice Guidance (August 2007) specifies that a Strategic Housing Market Assessment can also contribute to the following areas:-

- enabling regional bodies to **develop long-term strategic views** of housing need and demand to inform regional spatial strategies and regional housing strategies;
- enabling local authorities to **think spatially** about the nature and influence of the housing markets in respect to their local area;
- providing **robust evidence** to **inform policies** aimed at providing the right mix of housing across the whole housing market – both market and affordable housing;
- providing evidence to inform policies about the level of affordable housing required, including the need for different sizes, types and tenures of affordable housing;
- supporting authorities to **develop a strategic approach** to housing through consideration of housing need and demand in all housing sectors – owner occupied, private rented and affordable – and assessment of the key drivers and relationships within the housing market;
- drawing together the bulk of the evidence required for local authorities to **appraise strategic housing options** including social housing allocation priorities, the role of intermediate housing products, stock renewal, conversion, demolition and transfer; and
- ensuring the **most appropriate and cost-effective use** of public funds.

1.2.7 A Strategic Housing Market Assessment differs from a Housing Needs Study in that the latter generally focuses primarily on identifying housing demand and need, whereas the SHMA takes a more holistic approach to understanding the drivers of a housing market and how these impact on housing demand and need.

1.2.8 Strategic Housing Market Assessments are not intended to replace Housing Needs Surveys. Instead it is envisaged that the studies will complement each other in order to provide local authorities with a comprehensive evidence base of both primary and secondary data and subsequently a more in-depth understanding of housing demand and need and the key drivers of the housing market.

1.3 Methodology and Report Structure

1.3.1 The methodology used in this SHMA is based on the Communities and Local Government (CLG) Strategic Housing Market Assessments Practice Guidance (August 2007). This guidance brings together and builds upon the key elements of existing guidance on housing market and housing needs assessment. Key recent guides include:

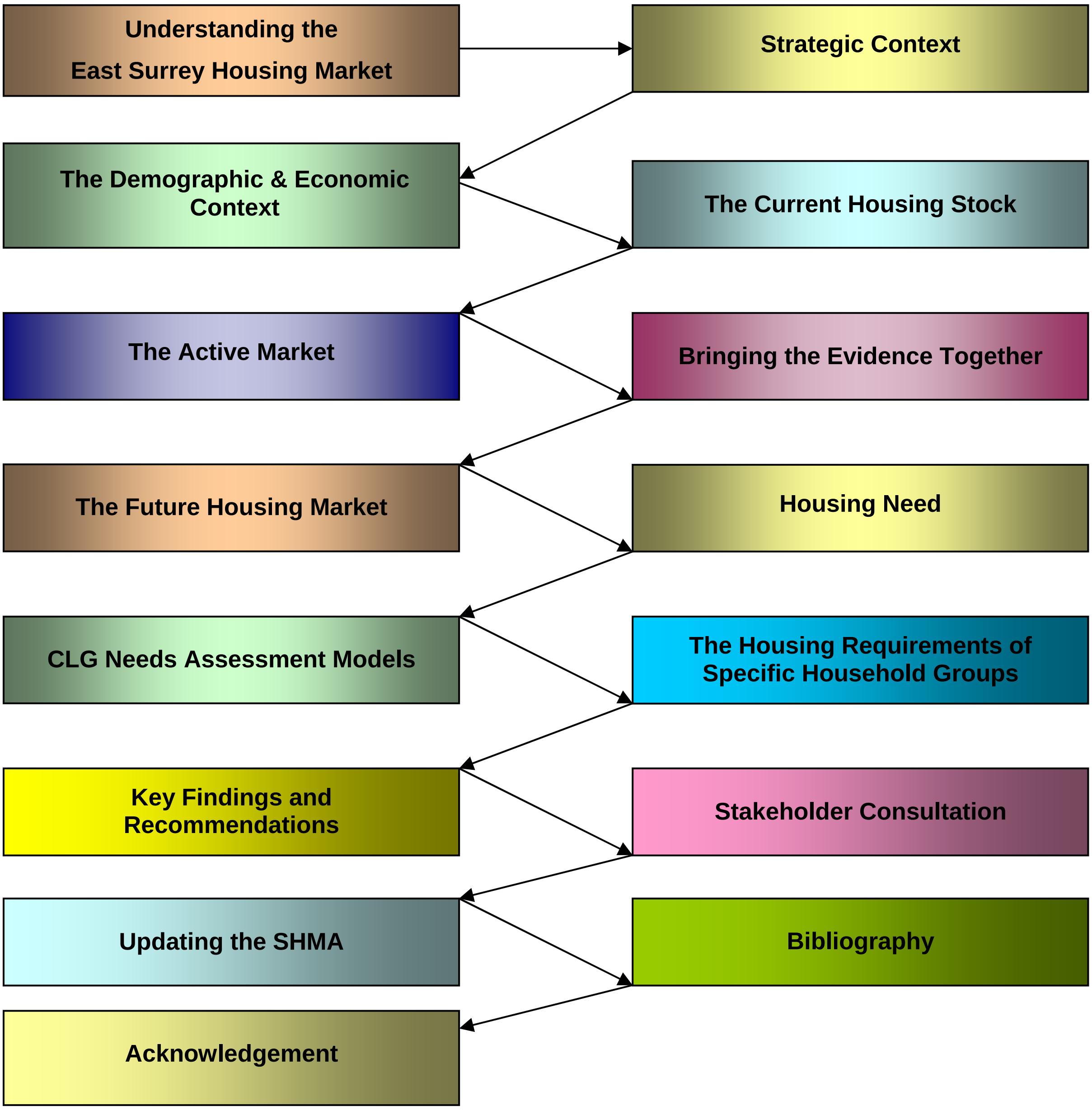
- *Local Housing Needs Assessment: A Guide to Good Practice*, DETR, 2000;
- *Housing Market Assessment Manual*, ODPM, 2004;
- *Local Housing Systems Analysis Best Practice Guide*, Communities Scotland, 2004; and
- *Local Housing Market Assessment Guide*, Welsh Assembly Government, 2006.

1.3.2 The Strategic Housing Market Assessments Practice Guidance (August 2007) replaces the DETR and ODPM good practice guide and manual published in 2000 and 2004 respectively.

1.3.3 Strategic Housing Market Assessment Practice Guidance encourages the formation of a Housing Partnership Board, consisting of a multi-disciplinary team including housing, planning, economic development and regeneration expertise. The aim of this is to involve key stakeholders in the assessment process in order to minimise objections to policies proposed as stakeholders will have had the opportunity to express their concerns on any aspect of the assessment process. In May 2007, a Partnership Board was formed. Details of the Partnership Board and the wider stakeholder consultation can be found at Section 14.

1.3.4 Figure 1-1 gives an overview of the report structure utilised in this study taken from the Communities and Local Government (CLG) Strategic Housing Market Assessments Practice Guidance (August 2007).

Figure 1-1 – Report Structure



1.4 Report Structure

1.4.1 The structure of the report complies with Communities and Local Government (CLG) Strategic Housing Market Assessments Practice Guidance (August 2007). The key processes that the Practice Guidance expects the SHMA to follow are detailed below.

Understanding the East Surrey Housing Market

1.4.2 In Section 1 the scope of the East Surrey Strategic Housing Market Assessment is established. This involves consideration of whether East Surrey can be considered to be one housing market or whether there are overlaps with other regions.

Review of the Strategic Context

1.4.3 It is essential that local authorities have a clear view about the national, regional, and local strategies and policy aims and objectives surrounding the housing market. In Section 3, existing policy is reviewed to identify the wider strategic drivers that will influence the Strategic Housing Market Assessment.

The Demographic and Economic Context

1.4.4 Following the identification of the local housing market boundaries and the key policy drivers, the next step is to explain how local demographic and economic conditions can influence the housing market. Section 4 examines:

- Demographic structure;
- Household characteristics;
- Employment levels and structure;
- Labour force and income;
- Skills and educational attainment.

The Current Housing Stock

1.4.5 Section 5 examines the characteristics and structure of the current housing stock in East Surrey. Analysis of the supply of housing entails an assessment of the range, quality, and location of the existing housing stock. More specifically, this section examines the following:

- Number of dwellings in the area by size, type, location and tenure;
- Stock condition;
- Shared housing and communal establishments.

The Active Market

1.4.6 Section 6 analyses indicators of housing market activity. It looks at changes over time to identify pressure points in the market. There are four steps to this assessment:

- The cost of buying or renting a property;
- Affordability of housing;
- Overcrowding and under occupation;
- Vacancies, turnover rates and available supply by tenure.

Bringing the Evidence Together

1.4.7 Section 7 brings together the evidence gathered in Sections 4 to 6. The research questions for this stage of the assessment are:

- How are market characteristics related to each other geographically?
- What do the trends in market characteristics tell us about the key drivers in the market area?
- What are the implications of the trends in terms of the balance between supply and demand and access to housing?
- What are the key issues for future policy / strategy?

Future Housing Requirements

1.4.8 Section 1 enables estimates of the scale of future housing demand across the housing market area. The two main stages of this analysis are:

- Projecting changes in the number of households;
- Future housing demand.

Housing Need

1.4.9 Section 10 assesses unmet need for housing, in particular those living in unsuitable housing. This is assessed by looking at:

- Homelessness data;
- Mismatch of housing need and dwellings;
- Dwelling amenities and condition;

CLG Housing Needs Assessment Models

1.4.10 Section 11 consists of the individual local authority CLG Needs Assessment Models and the overall East Surrey CLG Needs Assessment Model. The CLG Housing Need Assessment Models provide a quantitative assessment of housing need at the study area and local authority level. From this an estimate can be made of:

- current number of households in housing need;
- future households requiring affordable housing;
- future households requiring market housing; and
- the size (number of bedrooms) of affordable housing required.

The Needs of Specific Household Groups

1.4.11 Section 12 assesses the housing needs of specific household groups. These include:

- Households with support needs;
- Older people;
- Black & Minority Ethnic (BME) households;
- Gypsy and Traveller Households;
- Students.

Key Findings and Recommendations

1.4.12 Section 13 provides a range of recommendations, for both planning policy and other strategies relating to housing and support services to ensure that authorities in East Surrey are working towards delivering a mix of housing by tenure, type and size to meet the current and future requirements of all household groups in the community.

Stakeholder Input

1.4.13 Section 14 considers the role of the Housing Partnership Board and sets out the feedback gathered through the various stakeholder consultations staged.

Updating the Assessment

1.4.14 A Strategic Housing Market Assessment is not just a quantitative analysis. Section 15 provides an outline of the mechanisms to monitor the housing market drivers and update the assessment.

1.5 Glossary of Terms

1.5.1 A glossary of the technical terms used throughout this report is provided at Appendix IV.

1.6 Data Benchmarking

1.6.1 Throughout this study where possible, DCA have provided data at national, regional, County and local authority scales in order to allow comparison between East Surrey and other areas.

1.7 Key Outputs of the SHMA

1.7.1 Communities and Local Government (CLG) Strategic Housing Market Assessments Practice Guidance (August 2007) specifies that in line with PPS12[1], a Strategic Housing Market Assessment should be considered robust and credible if at a minimum it provides all the core outputs outlined in Table 1-2 below, which highlights the sources of each of the key estimates, and meets the requirements of all the process criteria as outlined in Table 1-3 below.

Table 1-2 Strategic Housing Market Assessment Core Outputs

1	Estimates of current dwellings in terms of size, type, condition, tenure.	Section 5
2	Analysis of past and current housing market trends including the balance between supply and demand in different housing sectors and price / affordability. Description of key drivers underpinning the housing market.	Section 6
3	Estimate of total future number of households broken down by age and type where possible.	Section 1
4	Estimate of current number of households in housing need.	Section 10
5	Estimate of future households that will require affordable housing.	Section 11
6	Estimate of future households requiring market housing.	Section 9
7	Estimate of the size of affordable housing required.	Section 8.6
8	Estimate of household groups who have particular housing requirements.	Section 12

Source: CLG Strategic Housing Market Assessments Practice Guidance (August 2007)

[1] PPS12 paragraphs 4.23 – 4.25 (39-40)

Table 1-3 Strategic Housing Market Assessment Process Checklist

1	Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region.
2	Housing Market conditions are assessed within the context of the housing market area.
3	Involves key Stakeholders including house builders.
4	Contains a full technical explanation of the methods employed, with any limitations noted.
5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner.
6	Uses and reports upon effective quality control mechanisms.

Source: CLG Strategic Housing Market Assessments Practice Guidance (August 2007)

1.7.2 DCA have conducted this assessment in a close working relationship with an officer project team from all five authorities with representation from housing and planning and a wider Partnership Board incorporating Government agencies, housing associations and representatives of the private sector. The process employed has utilised both primary and secondary data and has closely followed the Practice Guidance. DCA believe that this report provides a robust and credible evidence base and fully meets the requirements of the 2007 Practice Guidance.

2 UNDERSTANDING THE EAST SURREY HOUSING MARKET

2.1 Introduction

2.1.1 In order to undertake a meaningful analysis of the housing market in East Surrey, it is necessary to establish the boundary of the housing market.

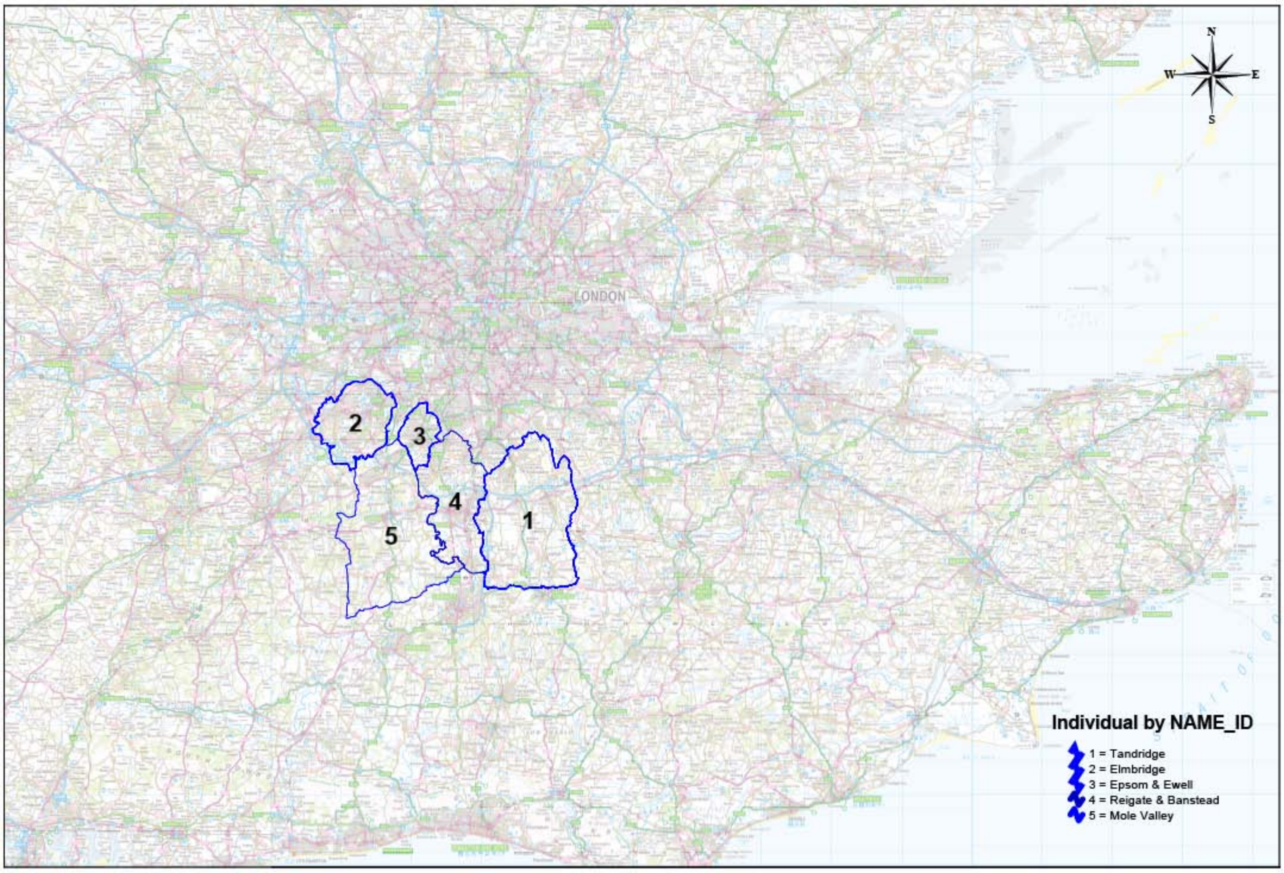
2.1.2 Communities and Local Government (CLG) Strategic Housing Market Assessments Practice Guidance (August 2007) define housing market areas as 'geographical areas defined by household demand and preferences for housing'

2.1.3 The housing market boundaries of this study were pre-defined to DCA, consisting of the five East Surrey authorities. However an element of this East Surrey SHMA is to determine whether East Surrey can be considered to be one housing market or whether there are overlaps with other study areas.

2.1.4 This section sets out the geographical context of East Surrey and the characteristics of each local authority area. The processes of identifying the housing market are then described and an analysis of migration and travel to work patterns are undertaken to investigate whether the five local authorities are linked by household demand and preferences for housing.

2.2 The Context of East Surrey

East Surrey Strategic Housing Market Area (Scale - 1:500,000)



Produced By Elmbridge Borough Council

2.2.1 Situated in the heart of South East England and to the south of London, the East Surrey study area consists of the five authorities of Elmbridge, Epsom & Ewell, Mole Valley, Reigate & Banstead and Tandridge.

2.2.2 The East Surrey study area is surrounded by the districts of Waverley, Guildford, Woking, Spelthorne and Runnymede in Surrey to the west, by Horsham, Crawley and Mid Sussex in the West Sussex County to the south, by Sevenoaks in Kent to the east and by Bromley, Croydon, Sutton, Kingston and Richmond in Greater London to the north.

2.2.3 The East Surrey authorities are situated in one of the UK's most affluent counties. With close proximity to London, a dynamic economy, immediate proximity to two of the world's largest international airports of Gatwick and Heathrow, frequent rail connections to London and a comprehensive road network including the M25 and M23. Consequently a number of multi-national companies, for example Exxon Mobil, Unilever and Pfizer are situated in the East Surrey study area due to the proximity to Europe and excellent transport links.

2.2.4 There is a strong concentration of knowledge based industries in the area. These include electronics, ICT, advanced engineering, aviation, pharmaceuticals, business services and finance.

2.2.5 East Surrey is rated highly in environmental terms with large area of woodland and significant parts of the countryside are recognised nationally as being of high landscape quality.

2.2.6 As of 2006, there were 59,450 hectares of designated green belt land in East Surrey, comprising 77.6% of the total land area of 76,607 hectares.

2.2.7 The table below outline key demographic features of each of the East Surrey areas.

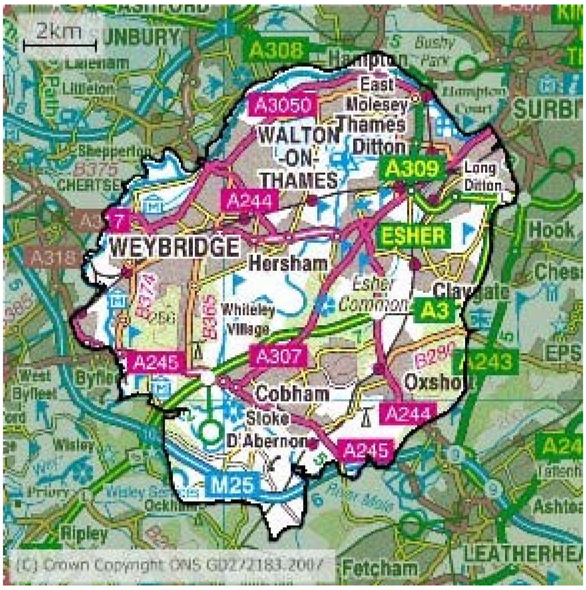
Table 2-1 Key Demographics of East Surrey Local Authority Areas

Local Authority	Population (2005)*	Households (2006)**	Land Area (Hectares)	Number of Dwellings (2007)***	Average Property Price****
Elmbridge	130,300	55,000	9,633	53,880	£513,543
Epsom & Ewell	68,500	28,000	3,408	29,418	£336,024
Mole Valley	81,100	35,000	25,833	36,108	£378,150
Reigate & Banstead	127,200	53,000	12,914	54,836	£306,918
Tandridge	79,400	32,000	24,819	33,743	£345,150
East Surrey	486,500	203,000	76,607	217,985	£375,957

*Source: * ONS 2005 Mid Year Population Estimate, rounded **2004-based Household Projections, rounded.*

**** 2007 HSSA **** Land Registry, Quarter 2, 2007*

Elmbridge



2.2.8 Elmbridge covers approximately 9,633 hectares (23,800 acres) and has a population of approximately 130,300 (2005 ONS mid year estimates). Situated 17 miles south west of London, Elmbridge is bordered by the River Thames to the North, the M25 to the south, the River Wey to the west and the boroughs of Epsom & Ewell and Kingston Upon Thames to the east and Mole Valley and Woking to the south. The River Mole runs through the centre, from south to north.

2.2.9 The borough consists of the 5 main towns of Cobham, Esher, Molesey, Walton on Thames and Weybridge. These are interspersed with many towns and villages including Claygate, Hersham, Hinchley Wood, Long Ditton, Thames Ditton, Oatlands, Oxshott and Stoke D'Abernon.

2.2.10 The borough has many large open spaces. According to CLG, 58% of land in Elmbridge is protected as green belt (5,610 hectares from a total land area of 9,633 hectares). There are 526 hectares of commons, 874 hectares of woodland and 23 conservation areas.

2.2.11 Elmbridge has a thriving economy founded upon business and enterprise and is a base for various household name companies. The borough has a number of large commercial estates including Brooklands Industrial Estate, The Heights Business Park and Hersham Industrial Estate.

2.2.12 As at March 2007, Elmbridge had 53,880 dwellings. The main tenure in Elmbridge is owner occupied with the majority of houses being detached. The house prices in Elmbridge are the highest of all the East Surrey boroughs and higher than the Surrey and South East averages. The borough also had the 5th highest average property price in England and Wales out of 375 authority areas at quarter 2, 2007 according to Land Registry data.

2.2.13 For the second quarter of 2007, Land Registry recorded the average overall sale price for the area was £513,543. The average flat or maisonette in the area sold at £266,945, with semi detached houses going for an average of £391,647 and detached selling at £1,002,320. House prices in the borough have risen by 50.1% between the second quarter 2002 and the second quarter 2007.

Epsom & Ewell

2.2.14 Epsom & Ewell covers approximately 3,408 hectares (8,428 acres) and has a population of approximately 68,500 (2005 ONS mid year estimates) making it the smallest borough in East Surrey in both population and size.

2.2.15 Epsom & Ewell lies fifteen miles from the centre of London. The borough neighbours Mole Valley District Council and Reigate & Banstead Borough Council to the south, as well as the Royal Borough of Kingston upon Thames to the north, and the London Borough of Sutton to the east.

2.2.16 The major settlements in the borough are the market town of Epsom and the villages of Ewell and Stoneleigh.

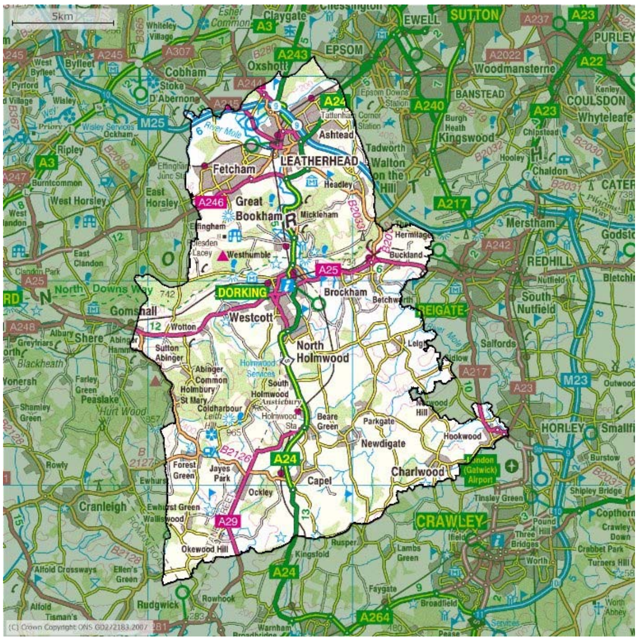
2.2.17 According to CLG, 46% of the land in Epsom & Ewell is designated Green Belt (1,560 hectares of the total land area of 3,408 hectares).

2.2.18 Epsom Common, Nonsuch Park and Epsom and Walton Downs are large areas of open space which are available for public use and make a major contribution to the distinct character of the Borough.

2.2.19 As at March 2007, Epsom & Ewell had a total of 29,418 dwellings. The main tenure and types in the borough are owner occupation and semi-detached.

2.2.20 For the second quarter of 2007, Land Registry recorded the average overall sale price for the area was £336,024. The average semi-detached property sold for £346,104, while the average flat or maisonette sold for £221,421. House prices continue to rise with prices increasing by 49.4% between the second quarter 2002 and the second quarter 2007. The borough also had the 31st highest average property price in England and Wales out of 375 authority areas at quarter 2, 2007 according to Land Registry data.

Mole Valley



2.2.21 Mole Valley has a population of around 81,100 (2005 ONS mid year estimates) and almost two thirds of residents live in the main built-up areas. The district covers an area of around 25,833 hectares.

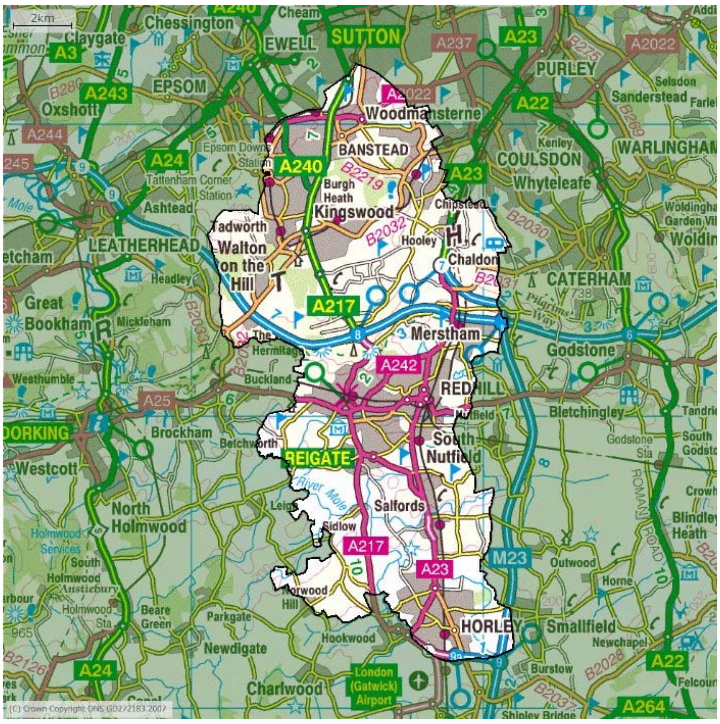
2.2.22 Mole Valley District is predominantly rural and is one of the least densely populated districts in Surrey. The two main urban centres in the district are Dorking and Leatherhead and the other built up areas are Fetcham, Bookham and Ashtead.

2.2.23 The countryside of Mole Valley is extensive and 76% of the land is in the Metropolitan Green Belt (19,660 hectares from a total of 25,883 hectares).

2.2.24 There are a good range of employment opportunities - mainly office based, although there is some light industry and a number of research establishments. Household income is the sixth highest in Surrey and unemployment levels are amongst the lowest in the Country.

2.2.25 For the second quarter of 2007, Land Registry recorded the average overall sale price for the area was £378,150. The average semi–detached house sold for £311,288 and flats or maisonettes for £212,993 during this period, whilst detached homes sold at £679,460. The average price for a home sold in the area between the second quarter 2002 and the second quarter 2007 rose by 41.7%. The district also had the 14th highest average property price in England and Wales out of 375 authority areas at quarter 2, 2007 according to Land Registry data.

Reigate & Banstead



2.2.26 The population of Reigate & Banstead is 126,500 (2005 ONS mid year estimates) made up of approximately 54,250 households and covers approximately 12,914 hectares. Reigate & Banstead is situated immediately to the south of London.

2.2.27 According to CLG, 68% of the land in Reigate & Banstead is designated Green Belt (8,800 hectares of the total land area of 12,914 hectares). The borough has areas of outstanding natural beauty, commons, lowland heath and sites of special scientific interest.

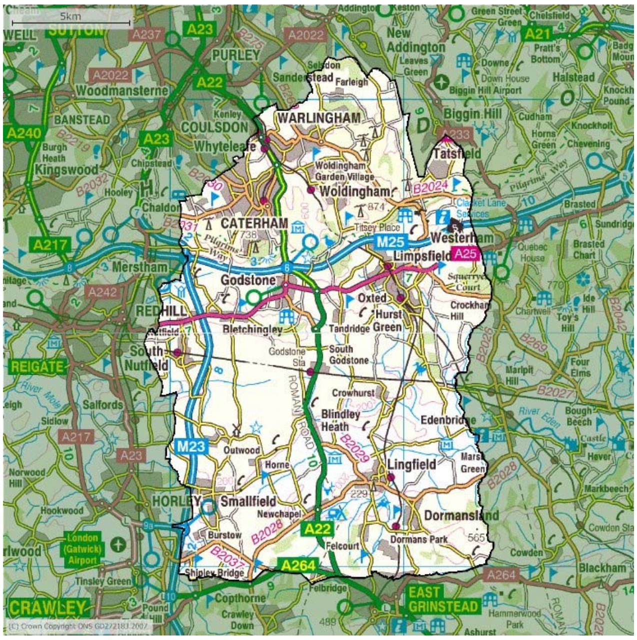
2.2.28 The residents and business benefit from good transport links into London, particularly for commuting purposes and to the south coast. It is close to major road, rail and air transportation networks with the M25 running through the area and giving access at junction 8.

2.2.29 It is located in an area of economic success and is home to several multi-national companies and a high proportion of small businesses. Situated in the neighbouring West Sussex borough of Crawley, Gatwick airport is a major employer for the residents of Reigate & Banstead. As a result the borough has a strong and thriving economy with strong pressure for development.

2.2.30 As at March 2007, Reigate & Banstead had a total of 54,836 dwellings. Over 79% of households in the borough are owner occupied, which is almost 10% higher than the average for England and Wales. The most prominent types of property in the borough are semi-detached and detached houses.

2.2.31 For the second quarter of 2007, Land Registry recorded the average overall sale price for the area was £306,918. The average semi-detached selling at £286,457 and detached at £514,819. Flats and maisonettes sold for an average of £209,316. The average price for a home sold in the area between the second quarter 2002 and the second quarter 2007 rose by 36.7%, more than regional or national price rises. The borough also had the 45th highest average property price in England and Wales out of 375 authority areas at quarter 2, 2007 according to Land Registry data.

Tandridge



2.2.32 Tandridge has a population of approximately 80,000, the third smallest in Surrey. The number of households in the district is 31,640. The district covers an area of approximately 24,819 hectares.

2.2.33 The district covers a wide geographical area and is largely rural in character, almost entirely covered by the Green Belt according to CLG, 92% of the land in Tandridge is designated Green Belt (22,820 hectares of the total land area of 24,819 hectares).

2.2.34 Tandridge is well served by the rail network. The East Grinstead and Caterham lines connect many towns and villages with London. It benefits from a good highway network including the A22 and A25, the M23 and M25 motorways and also benefits from the proximity of Gatwick Airport.

2.2.35 Approximately 70% of the population live in the main residential settlements of Caterham, Oxted, Warlingham and Whyteleafe.

2.2.36 There are more than 2,000 active businesses in the district, ranging from sole traders to multinational companies. The rate of unemployment is low – approximately 1%. Just over half of the district's working population of 38,000 commute out to major employment centres such as London and Crawley / Gatwick, suggesting the towns and villages are largely centres of residence only.

2.2.37 As at March 2007, Tandridge had a total of 33,743 dwellings. The level of owner occupation in the district is 80%, well above the national average, with most houses being detached.

2.2.38 For the second quarter of 2007, Land Registry recorded the average overall sale price for the area was £345,150. The average semi–detached house sold for £329,284 during this period with the average flat or maisonette selling for £218,545. The average price for a home sold in the area between the second quarter 2002 and the second quarter 2007 rose by 51.8%. The district also had the 27th highest average property price in England and Wales out of 375 authority areas at quarter 2, 2007 according to Land Registry data.

2.3 Identifying Housing Market Area Boundaries

2.3.1 In order to undertake a meaningful analysis of the housing market in East Surrey, it is necessary to establish the boundary of the study area housing market.

2.3.2 Before commencing the process of establishing the boundary of the study area housing market, it is important to ensure that there is a common understanding of what is meant by the term 'housing market'. It will then be possible to explain what is meant by the East Surrey housing market.

2.3.3 A market is where buyers and sellers exchange goods or services for an agreed price. A housing market is a complex market for a variety of reasons:

- Housing is a high value commodity. The decision to purchase is of great importance to individuals due to the scale of the investment and the time required to pay off this investment;
- Housing is built to last and because of this, only a fraction of the stock is for sale and available to purchase at any point in time;
- The housing market is highly regulated and the location and volume of new development is controlled through planning policies and procedures;
- Housing is a basic human requirement and resources are provided to ensure that those who cannot access market housing are adequately housed through either direct provision of housing or subsidy.
- A housing market has a strong spatial dimension. Location matters to people. Most buyers seek to move within the same market because they want to continue living in that area for reasons such as family, employment or access to particular services such as schools.
- Affordable housing and housing benefit add to the market complexities.

2.3.4 A housing market is defined in the Guidance Advice note as typically comprising an area in which around 70% of moves are contained and the market is likely to cover the administrative areas of a number of local authorities. It would also be expected that there would be a close relationship between the housing market and travel to work areas.

2.3.5 It is recognised that local authorities face a variety of challenges in their housing markets. Patterns of housing demand and need, affordability, availability and tenure can all vary from the neighbourhood upwards.

2.3.6 It is recommended in the Communities and Local Government (CLG) Strategic Housing Market Assessments Practice Guidance (August 2007) "*Identifying Sub-regional Housing Market Areas" Advice Note*[2] that local authorities should consider developing sophisticated approaches to identify the precise spatial boundaries of the local housing markets. The Guidance also requires that the approach taken in this assessment to identifying the housing market area(s) is consistent with other approaches to identifying housing market areas within the region.

2.3.7 Planning Policy Statement 3: Housing[3] (PPS3) advocates local authorities to work together on the basis of sub-regional housing market areas to produce an evidence base for the development of sub-regional development policies.

2.3.8 East Surrey forms part of the London Fringe sub-region and falls into the Inner South Housing Market. These will now be introduced, followed by a description of other SHMAs currently underway in surrounding areas.

[2] Annex to Strategic Housing Market Assessments – Practice Guidance, CLG March 2007

[3] PPS3: Housing (Communities and Local Government,2006)

The London Fringe Sub-region

2.3.9 The Draft South East Plan defines nine spatial sub-regions where specific policies apply.

2.3.10 East Surrey forms part of the London Fringe sub-region which covers a large proportion of Surrey from the London border, out to the towns of Guildford, Woking and Redhill and a small part of Kent.

2.3.11 Specifically, it includes the whole of the East Surrey boroughs of Elmbridge and Epsom & Ewell and includes parts of Mole Valley, Reigate & Banstead and Tandridge.

2.3.12 Southern parts of Mole Valley, Reigate & Banstead and Tandridge fall into the Gatwick sub-region.

2.3.13 The Draft London Fringe sub-regional Strategy (December 2005), forms part of the Draft South East Plan (Part 2). Within this strategy, provision will be made for additional housing in the London Fringe sub-region. The provision is set out below.

Table 2-2 Additional Housing Provision in the London Fringe Sub-Region

Local Authority	London Fringe Sub-Region (2006-2026, Annualised)		District Total (2006-2026)	
	Draft Plan	Panel Report	Draft Plan	Panel Report
Elmbridge	231	256	4,620	5,120
Epsom & Ewell	181	199	3,620	3,980
Mole Valley *	171	188	3,420	3,760
Reigate & Banstead *	237	462	4,740	9,240
Tandridge *	112	125	2,240	2,500
East Surrey	**932**	**1,230**	**18,640**	**24,600**

Source: Draft South East Plan Part: Draft London Fringe Sub-Regional Strategy and Panel Report Recommendations

* *Part of the LA is in the Crawley / Gatwick Sub-Region*

The Inner South Housing Market

2.3.14 The 2004 study conducted by DTZ '*Identifying the Local Housing Markets of South East England*', carried out on behalf of the South East Regional Housing Board, investigated the strategic pattern of housing markets in the region. The analysis was based on extensive analysis of data and informed consultation with stakeholders.

2.3.15 This report identified 21 sub-regional housing markets in the South East. The report also revealed that in many areas there are significant overlaps between housing markets.

2.3.16 The East Surrey authorities predominantly fall into the Inner South housing market. This housing market extends across the London boroughs of Croydon, Sutton and Bromley, into Epsom & Ewell and the Northern areas of Mole Valley, Reigate & Banstead and Tandridge. The study area overlaps into Sevenoaks to the East and with Guildford, Woking and Elmbridge to the West.

Recent Regional SHMAs

2.3.17 Other SHMAs are currently underway in neighbouring authorities. Guildford, Woking and Waverley have joined together to undertake a West Surrey SHMA. This report will be completed in April 2008. In addition, West Sussex authorities are planning to undertake a County housing market assessment.

2.3.18 Although recent housing market assessments have been undertaken in the South East region in neighbouring counties, for example the '*Housing Market Assessment of Rushmoor and the Blackwater Valley*', the '*Hart Housing Market Assessment'* and the '*Berkshire Housing Market Assessment'*, reciprocal household and travel to work movements are only analysed between the primary location of the Housing Market Assessment and areas within the west of the Surrey County. These reports do not specifically highlight any influence these housing markets would have over the East Surrey study area but simply analyse the roles of other areas in the housing market.

2.3.19 Data showing the migration trends between East Surrey and London are at this time limited. The statistics available in current studies, for example the London and Sub-Regional Strategy Support Studies Project (2005), focus on the movement between London areas and regions such as the South East. The data does not analyse movement from Greater London to local authority areas and therefore is of limited use in informing this assessment.

2.3.20 The Greater London Authority (GLA) and London Councils issued a statement in June 2007 stating that they are committed to working together on a future housing market assessment and that this will be completed in 2008. As such the results of this study are not available to support this assessment.

2.3.21 Three sources of information have been used to assess whether the five East Surrey authorities are linked by household demand, and these include:-

- Household migration, reflecting preferences and the trade-offs made when choosing housing with different characteristics;
- Contextual data, such as travel to work areas, which reflect the functional relationships between places where people work and live; and,
- House prices and rates of change in house prices, which reflect household demand and preferences for different sizes and types of housing in different locations.

2.4 Household Movements

2.4.1 Household movements reflect a variety of economic, social and environmental factors including households' proximity to work and family. Movement patterns can help to identify these relationships and the extent to which people move within an area.

2.4.2 This analysis has been conducted by examining 2001 Census data and more recent primary data from the local housing needs surveys regarding migration.

2.4.3 The 2001 Census Origin-Destination Statistics for local authorities have been analysed to determine movement patterns within the East Surrey study area.

2.4.4 The following table assesses the previous location of people currently living in the East Surrey study area. The data is taken from the 2001 Census of all people resident in the UK whose address at Census day was different from that one year before and whose previous location was one of the five East Surrey authority areas, elsewhere in Surrey or Greater London.

Table 2-3 East Surrey Study area Movement (People)

Current Location	Previous Location														Total
	Elmbridge		Epsom & Ewell		Mole Valley		Reigate & Banstead		Tandridge		Elsewhere in Surrey		Greater London		
Elmbridge	5,580	56.0%	61		183		53		15		785		3,296	33.1%	9,973
Epsom & Ewell	90		2,262	43.2%	190		235		12		130		2,319	44.3%	5,238
Mole Valley	264		287		3,265	58.0%	360		70		361		1,027	18.2%	5,634
Reigate & Banstead	83		390		351		5,570	56.1%	469		197		2,860	28.8%	9,920
Tandridge	34		48		70		389		2,178	56.0%	57		1,116	28.7%	3,892
East Surrey	**6,051**	**60.7%**	**3,048**	**58.2%**	**4,059**	**71.9%**	**6,607**	**66.6%**	**2,744**	**70.5%**	**1,530**	**-**	**10,618**	**30.6%**	**34,657**

Source: © Crown Copyright Census 2001

2.4.5 The data showed a high level of self containment within each authority, with a high level of people moving within the local authority area that they currently live in. This ranges from 43.2% in Epsom & Ewell to 58.0% in Mole Valley.

2.4.6 The data revealed a high level of movement from London to East Surrey. This is particularly evident in Epsom & Ewell where 44.3% of those moving to Epsom & Ewell had previously lived in London and 33.0% of those moving to Elmbridge. The lowest level of movement from Greater London is evident in Mole Valley (18.2%).

2.4.7 The proportion of movers from the five authorities in the East Surrey study area market show levels of 58.2% in Epsom & Ewell, rising to 71.9% in Mole Valley. Tandridge also has a level in excess of 70%. Each authority area also shows a relatively higher level of movers from immediately adjoining boundaries but fairly low levels of movement to authorities at a greater distance. Cross-boundary movement is therefore principally to an adjoining authority rather than across the area as a whole.

2.4.8 Comparisons have also been made with the most recent Housing Needs Surveys undertaken for each area (all undertaken by DCA). This provides a more detailed assessment of in-migration to and out-migration from East Surrey.

2.4.9 Each local housing need survey questionnaire consisted of different geographical options relating to previous location and proposed locations for moving households therefore the data for each authority is presented in a separate table.

2.4.10 Each survey asked respondents who had indicated a move in the last three years, where they had moved from (in-migrants). A further question asked respondents planning a move within the next three years and moving out of the current local authority area (both exiting and concealed households) where they were planning to move to (out-migrants).

2.4.11 The tables below outline the net migration pattern in each local authority area over a three year period.

Table 2-4 Elmbridge Borough Net Migration Pattern

Migration Areas	Mole Valley	Elsewhere in Surrey	Greater London	Elsewhere in the South East	Elsewhere in the UK	Abroad
Moving into Elmbridge	114	1,417	3,243	527	850	1,100
Moving out of Elmbridge Borough	141	1,810	1,093	961	1,985	968
Net Migration	**- 27**	**- 393**	**+ 2,150**	**- 434**	**- 134**	**- 132**

Source: 2006 Housing Needs Survey Update Data

2.4.12 Elmbridge experienced a net negative out migration of 27 households to the neighbouring East Surrey authority of Mole Valley. Of those who had in-migrated into Elmbridge within the previous three years, 1,417 had moved from elsewhere in Surrey whereas 3,243 of the movement had been from London. These findings reinforce the 2001 Census data in Table 2-3 in that a large proportion of in-migration to Elmbridge is from Greater London.

Table 2-5 Epsom & Ewell Borough Net Migration Pattern

Migration Areas	Elsewhere in Surrey	Elsewhere in the South East	Elsewhere in the UK	Abroad
Moving into Epsom & Ewell Borough	2,426	1,196	525	192
Moving out of Epsom & Ewell Borough	890	1,550	1,104	510
Net Migration	**+ 1,536**	**- 354**	**- 579**	**- 318**

Source: 2006 Housing Needs Survey Update Data

2.4.13 The survey data for Epsom & Ewell was limited due to the geographical options listed on the survey form at the time of the 2004 survey.

2.4.14 The survey data highlighted that 2,426 households who had moved in the last three years had migrated to Epsom & Ewell from elsewhere in Surrey. Out-migration from the area, for both existing and concealed households was focused on elsewhere in the South East and elsewhere in the UK.

Table 2-6 Mole Valley District Net Migration Pattern

Migration Areas	Elmbridge Borough	Epsom & Ewell Borough	Reigate & Banstead Borough	Elsewhere in Surrey	Elsewhere in West Sussex	Greater London	Elsewhere in South East	Elsewhere in UK	Abroad
Moving into Mole Valley District	315	524	508	863	254	1,232	386	477	359
Moving out of Mole Valley District	0	36	44	388	114	319	434	1,080	230
Net Migration	**+ 315**	**+ 488**	**+ 464**	**+ 475**	**+ 140**	**+ 913**	**- 48**	**- 603**	**+ 129**

Source: 2007 Housing Need Survey Data

2.4.15 Data on in-migration in the last three years shows that 27.4% of households who had moved to Mole Valley had in-migrated from other East Surrey authorities; 10.7% from Epsom & Ewell, 10.3% from Reigate & Banstead and 6.4% from Elmbridge, reinforcing the pattern found in the 2001 Census data in Table 2-3. The largest proportion of inward movement in the last three years was from the Greater London area.

2.4.16 When looking at out-migration however, only 5.5% (161 implied) of those planning to move out of Mole Valley were planning to move to another location in East Surrey. The majority (37%) were planning to move elsewhere in the UK, a further 17% elsewhere in the South East and 11% to Greater London.

Table 2-7 Reigate & Banstead Borough Net Migration Pattern

Migration Areas	Epsom & Ewell Borough	Mole Valley	Tandridge	Elsewhere in Surrey	Elsewhere in West Sussex	Greater London	Elsewhere in South East	Elsewhere in UK	Abroad
Moving into Reigate & Banstead Borough	527	276	480	569	313	1,297	841	674	414
Moving out of Reigate & Banstead Borough	389	96	16	700	89	651	1,292	2,312	778
Net Migration	**+ 138**	**+ 180**	**+ 464**	**- 131**	**+ 224**	**+ 646**	**- 451**	**- 1,638**	**- 364**

Source: 2007 Housing Needs Survey Update Data

2.4.17 A similar pattern of larger scale movement from other East Surrey was seen in Reigate & Banstead with the exception of more significant movement from Tandridge rather than Elmbridge. This can be attributed to the authority's central location within East Surrey and the lower property prices than that found in some of the bordering districts. In the 2005 Reigate & Banstead Housing Needs Study, almost a quarter of all moves to the borough had been from the East Surrey study area, focusing on migration from Epsom & Ewell, Tandridge and Mole Valley. However, when assessing out-migration from the area, elsewhere in the UK and elsewhere in the South East were the favoured locations.

Table 2-8 Tandridge District Net Migration Patterns

Migration Areas	Epsom & Ewell	Mole Valley	Reigate & Banstead	Elsewhere in Surrey	Elsewhere in West Sussex	Elsewhere in Kent	Greater London	Elsewhere in South East	Elsewhere in UK	Abroad
Moving into Tandridge District	27	0	315	384	32	78	1,594	582	305	78
Moving out of Tandridge District	10	49	276	323	79	80	514	783	705	155
Net Migration	**+ 17**	**- 49**	**+ 39**	**+ 61**	**- 47**	**- 2**	**+ 1,080**	**- 201**	**- 400**	**- 77**

Source: 2007 Housing Needs Survey Update Data

2.4.18 Overall household movements to Tandridge from the East Surrey districts are fairly low, with the exception of the neighbouring authority of Reigate & Banstead, however this could be due to Tandridge's position on the east of Surrey where household movements may be more likely to the neighbouring counties of Kent, West Sussex and East Sussex, or to Greater London. The 2005 Housing Needs and Market Assessment reinforces the movement into Tandridge from Reigate & Banstead with 9% of all in-migration from this area. There are also a large proportion of households moving from the Greater London area, in particular Croydon, into Tandridge making up almost half of all inward moves to Tandridge.

2.4.19 Across all areas, employment and access to work were the main reasons for households wanting to move out of their current district, however reasons such as inability to buy, lack of affordable housing and lack of affordable rented housing were also reasons given by a significant proportion of existing and concealed households in each area.

2.4.20 Greater London is the single biggest source of in-migration for the study area, whilst the most common destination for households planning to leave the study area was elsewhere in the UK, beyond the South East Region.

The Impact of Greater London

2.4.21 2001 Census data outlined in Table 2-3 shows relatively high levels of in-migration to East Surrey from Greater London, particularly to the areas of Elmbridge, Epsom & Ewell and Reigate & Banstead.

2.4.22 From the results of the previous East Surrey Housing Needs Studies and the 2001 Census data, there is evidence of interplay with London with regard to household movement.

2.4.23 The table below utilises local housing needs survey data over a three year period and summarises the pattern of in-migration to East Surrey from Greater London from existing households and out-migration from East Surrey to Greater London from both existing and concealed households. It shows a positive net in-migration of people re-locating to East Surrey from London of 4,007 households.

Table 2-9 Greater London Migration Patterns

Local Authority	In-Migration from Greater London	Out-Migration to Greater London
Elmbridge	3,243	1,093
Epsom & Ewell	-*	733
Mole Valley	1,232	319
Reigate & Banstead	928	331
Tandridge	1,594	514
East Surrey	**6,997**	**2,990**

*Source: Local Housing Need Surveys * London was not an option in the survey*

2.5 Travel to Work Patterns in and around East Surrey

2.5.1 In defining the spatial extent of housing markets, patterns of household and residential migration are augmented by the analysis of travel to work areas and travel to work patterns shown in Table 2-10.

Table 2-10 Travel to Work Patterns

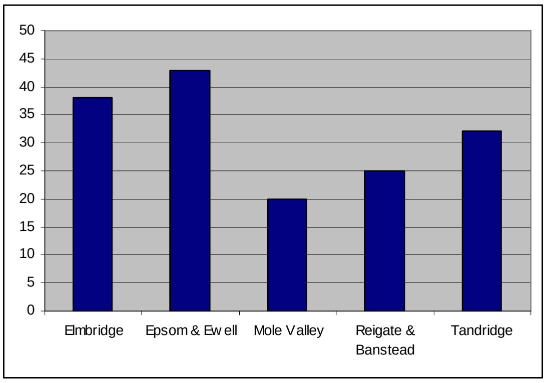
Area of Residence	Total in Employ-ment	Place of Work							
		Elm-bridge	Epsom & Ewell	Mole Valley	Reigate & Ban-stead	Tand-ridge	Else-where in Surrey	Greater London	
Elmbridge	58,766	25,519	481	781	292	52	4,640	22,217	38%
Epsom & Ewell	33,230	834	12,837	1,615	1,141	101	788	14,371	43%
Mole Valley	39,192	1,107	1,786	20,359	2,220	230	2,526	7,854	20%
Reigate & Banstead	64,153	502	2,374	3,174	30,653	1,833	1,142	15,954	25%
Tandridge	39,182	129	213	556	3,466	16,596	431	12,380	32%

Source: © Crown Copyright Census 2001

2.5.2 Between 39% (Epsom & Ewell) and 51% (Mole Valley) of people lived and worked within their respective district in East Surrey, emphasising some degree of self containment with regards to commuting and place of residence.

2.5.3 Figure 2-1 shows that a significant proportion of East Surrey residents in employment commute to Greater London, according to the 2001 Census. Epsom & Ewell had the highest levels of commuting to Greater London, at 43% of those employed with Mole Valley having the lowest figure at 20%.

Figure 2-1 Commuting to London



Source: © Crown Copyright Census 2001

2.5.4 The proportion of residents who lived in one East Surrey district but commuted to another district in the study area for work was low in all areas, ranging from 2.7% in Elmbridge to 13.6% in Mole Valley.

2.6 Is East Surrey a Single Market?

2.6.1 As discussed in 2.3.4, a housing market is normally one where 70% of moves take place. Whilst this is applicable nationally it may not be true of the market areas linked to Greater London.

2.6.2 London is a separate and different housing market to the rest of the UK. The scale of employment in the capital, especially of professional jobs has a significant impact on all markets in the fringe around the M25 motorway. The evidence appears to show that the impact of London is greater on those authorities inside the M25.

2.6.3 London is a significantly larger employment market than any other city in the UK and evidence shows that households, particularly within central London migrate out to districts just inside or outside the M25 fringe when they intend to have a family.

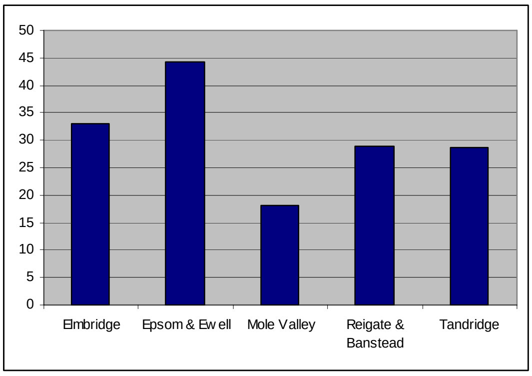
2.6.4 It is more likely therefore that the migration impact on London fringe authorities will be higher than 30% of moving households and in DCA experience of assessments in Surrey, Kent, Essex and Hertfordshire around the M25 is that migration is around 40% of household transactions. In our view a single market in the London fringe is more likely to be composed of local moves, which are 60% of total moves rather than 70% which may apply elsewhere in the country.

2.6.5 The data shows a strong correlation between actual housing moves and travel to work patterns in each district.

2.6.6 The proportion of local moves is consistent at 56% to 58% across four districts but Epsom & Ewell, at 43% the closest to Central London, has much greater in-migration from London, as shown in Figure 2-2.

2.6.7 A similar pattern applies regarding travel to work (see Figure 2-1 above).

Figure 2-2 In-Migration from London



Source: © Crown Copyright Census 2001

2.6.8 The evidence shows clearly that other than the impact of London, migration from adjoining authorities in East Surrey is relatively low with the vast majority of moves from households moving within the local authority area.

2.6.9 This is also noticeable from a recent DCA survey in Sevenoaks which is also significantly impacted by migration from London but has very small cross boundary movement to and from Tandridge, the adjoining district.

3 STRATEGIC CONTEXT

3.1.1 A review of existing housing and planning policy and practice together with other relevant literature is useful for identifying local housing assessment aims and related research questions.

3.2 National Policies

3.2.1 Government objectives in relation to housing are wide ranging and include overall supply, quality and the delivery of sustainable communities. In July 2007 the Government, in response to the Barker Review, announced the intention to increase house building to 240,000 units per annum by 2016, a significant increase on current completions nationally.

3.2.2 This ambition is steered by the objectives to improve affordability and to increase the overall level of home ownership. This follows on from the aim set out in the Sustainable Communities Plan 2002 of increasing housing supply in areas of high demand, and balancing it with jobs, and local infrastructure.

3.2.3 As part of the study, a number of national strategy and policy documents which may have an impact on the local housing market in East Surrey have been reviewed.

3.2.4 The following national strategies / policies and initiatives are considered and summarised below:-

- Barker Review of Housing Supply (2004);
- Planning Policy Statement 3 (PPS3) (November 2006);
- Housing Green Paper (July 2007);
- Planning and Compulsory Purchase Act (2004)
- Housing Act (2004);
- The Code for Sustainable Homes (2006)
- Sustainable Communities: Homes for All (January 2005);
- Open Market HomeBuy

3.3 Overall Supply

Barker Review of Housing Supply (2004)

3.3.1 The Barker Review of Housing Supply highlighted the imbalances in the UK housing market.

- The UK has experienced a long-term upward trend in real house prices, 2.4% per annum over the last 30 years, compared to 1.1% in the European Union (EU). To reduce the price trend to 1.8% an additional 70,000 houses each year in England may be required. However to bring the real price trend in line with the EU average of 1.1% an extra 120,000 houses each year may be required;
- In addition, the unpredictability of the housing market has intensified problems of macroeconomic instability and has had an adverse effect on economic growth. To improve macroeconomic stability and deliver greater affordability for individuals a lower trend in house prices is desirable;
- The problem of affordability has increased. In 2002 only 37% of new households in England could afford to buy a house. In the 1980's this figure was 46%. This shows potential for an even wider gap in the economic divide between those that are able to access market housing and those that are not.

3.3.2 The Barker Review final report sets out a range of policy recommendations for improving the functioning of the housing market.

- Government should set out a goal for improved market affordability with the aim of improving access to the general housing market;
- Additional investment building-up to between £1.2 and £1.6 billion per annum will be required to deliver additional social housing to meet projected future needs;
- Introduction of a Planning Gain Supplement to capture some of the development gains that landowners benefit from, to ensure that local communities share in the value of development;
- Establishment of a Regional Planning Executive to provide public advice to the Regional Planning Body on the scale and distribution of housing required to meet the market affordability target;
- Introduction of flexibility at the local level through the allocation of additional land in Local Development Frameworks, with the release of this additional land triggered by market signals;
- Establishment of a Community Infrastructure Fund to help to unlock some of the barriers to development;
- Local authorities should be allowed to "keep" the council tax receipts from new housing developments for a period of time to provide incentives for growth and to meet transitional costs associated with development.

Planning Policy Statement 3 (PPS3)

3.3.3 Planning Policy Statement 3 'Housing' (PPS3) published in November 2006, also formed part of the response to the recommendations in the Barker Review of Housing Supply in March 2004. Underpinning the PPS3 is the necessary step-change in housing delivery through a new, more responsive approach to land supply at the local level. PPS3 also requires local authorities and regions to develop a strong evidence base to inform plans and policies. There is significant emphasis on understanding housing markets and identifying land that is suitable for development.

3.3.4 The onus is on local planning authorities to make full use of their compulsory purchase powers, working in collaboration with relevant private and public partners, to bring forward brownfield or 'previously developed' sites for development so to contribute to the national annual target that at least 60% of new housing should be provided on previously developed land. It is important to note that the guidance makes it clear that the 'previously developed' land can occur in a rural setting as well as an urban location, and includes defence buildings and land used for mineral extraction and waste disposal.

3.3.5 There is a requirement from PPS3 for local authorities to undertake Strategic Housing Land Availability Assessments.

3.3.6 Policies to provide resources for infrastructure to support housing growth are under review. The issue was examined in the Comprehensive Spending Review, published in October 2007. This included the priority of increasing the spending on housing to £10 billion by 2010-11, reforming the tax and planning systems and laying the ground for new planning changes to support essential investment in infrastructure.

3.3.7 At the time of writing, CLG is currently consulting on its proposals for the Housing and Planning Delivery Grant (HPDG). The government has made it clear that this funding would be in addition to local infrastructure investment, to give local authorities the flexibility to invest in their areas and allow them to keep additional council tax receipts for new homes. These measures are expected to encourage local authorities to become actively involved in the delivery of new housing and give incentives for efficient and effective planning procedures.

3.3.8 The department stressed that 'a new grant should focus on the delivery of additional housing in line with Kate Barker's recommendations, by rewarding those local authorities that take a positive step to meet the demands for housing created by their community'. Councils will therefore be financially rewarded for delivery outcomes rather than the processes.

Sustainable Communities: Homes for All (2005)

3.3.9 '*Sustainable Communities: Homes for All'* sets out the action that the Government will take over the next five years to offer everyone the opportunity of a decent home at a price they can afford - providing more homes where they are needed whilst enhancing the environment, and revitalising communities suffering from abandoned housing and deprivation.

3.3.10 The aims of the plan are to:

- Ensure that there are enough high-quality homes across all tenures;
- Help more people to own their own home;
- Make sure that all social tenants and seven out of ten vulnerable people in the private sector have a decent home;
- Create sustainable, mixed communities in both rural and urban areas with the jobs, services and infrastructure they need to thrive;
- Provide for those who need more support to meet their housing needs and aspirations;
- Provide for those who choose alternative types of accommodation such as Gypsies and Travellers;
- Protect and enhance the environment, historic towns and cities and the countryside.

Housing Green Paper (2007)

3.3.11 The Housing Green Paper entitled '*Homes for the Future: more affordable, more sustainable* was published in July 2007. The three main proposals outlined in the paper are:

- More homes to meet growing demand;
- Well-designed and greener homes, linked to good schools, transport and healthcare;
- More affordable homes to buy or rent.

3.3.12 In terms of the quantity of new homes, the Green Paper outlines the Governments plans for delivering 2 million new homes by 2016 and 3 million by 2020.

3.3.13 The paper proposes an investment of at least £8 billion in the provision of affordable homes over the next 3 years (2008-11) and 70,000 more affordable homes are to be provided by 2010-11.

The Planning and Compulsory Purchase Act (2004)

3.3.14 The Planning and Compulsory Purchase Act (2004) substantially reformed the town planning and compulsory purchase framework in Great Britain. The Act was the Government's response to deficiencies which existed within the planning system and was intended to offer a more flexible and responsive planning system.

3.3.15 The Act amended significant parts of the planning and compulsory purchase legislation in force at the time and introduced reforms such as the abolition of Local Plans and Structure Plans and their replacement with Local Development Frameworks.

3.3.16 The over-riding obligation under the Act which impacts on the regional planning framework for South East England is the requirement to prepare a new Regional Spatial Strategy that will form part of the development plan.

3.3.17 Part 8 of the Act amends the existing power of local authorities, joint planning boards and National Park authorities to acquire compulsorily land which is suitable for and required in order to secure the carrying out of development, re-development or improvement. They will be able to acquire land by compulsory purchase if they think that it will facilitate the carrying out of development, re-development or improvement on or in relation to the land, on condition that such acquisition will be of economic, social or environmental benefit to their area.

3.3.18 A Planning Bill was published in November 2007, which will result in further changes to the development plan system.

Housing Act (2004)

3.3.19 The Housing Act 2004 introduced several reforms to protect tenants, improve housing conditions in the private rented sector, and bring empty homes back into use. Most of the changes discussed took effect from 6 April 2006.

3.3.20 Some of these changes may alter the nature of existing supply, for example:-

- The Housing Health and Safety Rating System (HHSRS) – replaced the existing Housing Fitness Standard. The emphasis has changed from the condition of the property to the health and safety risk imposed by its condition. It should provide greater protection for tenants and other visitors against the harm caused by hazards in properties;
- Changes to the definition of a House in Multiple Occupation (HMO). Mandatory licensing is now required for three storey properties that contain facilities that are shared by at least three people, where two or more are unrelated. Landlords can be prosecuted for non-registration;
- The introduction of Home Information Packs by CLG required every home put on the market from the 1st August 2007 with four or more bedrooms to produce a Home Condition Report and provide an Energy Performance Certificate. From 10th September 2007, this was expanded to include properties with three bedrooms. On the 22nd November 2007, CLG announced that this would be expanded to all properties from the 14th December 2007.
- From April 6 2007 the Tenancy Deposit Protection Schemes was launched. Under this scheme, the deposit is held by an independent broker which gives improved protection for tenants in terms of the level of deposit returned to tenants in lieu of non-wear & tear damage.

3.3.21 The Housing Act also specified that specific consideration must be given to the differing needs of households. Section 225 of the Housing Act 2004 means every local housing authority must assess the accommodation needs of Gypsies and Travellers residing in or resorting to their district. Each of the East Surrey authorities has completed Gypsy and Traveller Accommodation Assessments. Elmbridge Borough Council was part of a joint North Surrey Gypsy and Traveller Accommodation Assessment with the three Surrey authorities of Runnymede, Spelthorne and Woking, completed in June 2007. A joint Gypsy and Traveller Accommodation Assessment for the four East Surrey authorities of Epsom & Ewell, Mole Valley, Reigate & Banstead and Tandridge was completed in May 2007.

The Code for Sustainable Homes (2006)

3.3.22 In addition to recognising the differing needs of households, it is recognised that housing has an important contribution to make to the environmental sustainability agenda, and it is expected that new homes will be built to higher environmental standards within the next ten years. In December 2006, CLG published 'The Code for Sustainable Homes' – a new standard for sustainable design and construction of new homes. The code measures the sustainability of a new home against categories of sustainable design. This code is part of a package of measures towards zero carbon development.

Affordable Housing

3.3.23 Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. It is defined in greater detail in Annex B of PPS3.

3.3.24 The Government aims to increase the provision of affordable housing, both social rented and intermediate housing, to meet the needs of those who cannot afford to access housing in the open market. The 2007 Spending Review announced a planned £8 billion of funding to assist in the increase in the level of affordable housing within the proposed national house building target of 240,000 homes per annum by 2016. The budget plans are £6.5 billion for social rent and £1.5 billion for intermediate housing.

HomeBuy Products

3.3.25 There are clear ambitions to improve affordability and increase home ownership through increased housing supply and continued funding for shared equity initiatives. In 2005, the launch of the HomeBuy programme for the 2006 / 08 Housing Corporation bidding round was accompanied by a target to help over 100,000 households into home-ownership by 2010. HomeBuy products are available to all households, who are eligible for public funds, who cannot afford to meet their housing needs within their local housing market. A proportion of HomeBuy funding is specifically ring fenced for key workers. Key worker schemes are predominantly the same as that available for non key workers, although an intermediate rental scheme exists solely for key workers.

3.3.26 Three main HomeBuy products are available. New Build HomeBuy is a shared ownership product whereby a household purchases a share of a property on a new development. The household would generally purchase a 40% to 60% share of the dwelling and pay a subsidised rent on the unowned share. Their share would be owned on a leasehold basis.

3.3.27 The initial purchase can be as low as 25% in very high value areas. A Registered Social Landlord will own the remaining share, although in most cases the shared ownership lessee will have the right to buy the property outright, known as 'staircasing' to full ownership. Social HomeBuy enables existing social housing tenants to purchase a share of their current dwelling, however this hasn't proved as attractive as other schemes, such as Right to Buy, where generous discounts are offered on purchase.

3.3.28 A third HomeBuy product is Open Market HomeBuy. This scheme was launched in October 2006 and differs from the two above in that it allows the household the option to find their own property on the open market within the parameters set by the scheme.

3.3.29 The scheme provides the household with an interest free loan to assist them to purchase a dwelling on the open market. Two variations of this scheme now exist. One is for a 25% loan half provided by Government and half provided by a 'partner' mortgage company with the proviso that the household needs to procure their mortgage from company providing half the loan. The second variation provides a 17.5% loan from Government with the household able to procure their mortgage from which ever company they wish.

3.3.30 All HomeBuy products are marketed through a County-wide zone agent. All applying households need to be registered and qualified by the zone agent. Thames Valley Housing (TVH) has been appointed to the role of HomeBuy Agent for Surrey. The role of the HomeBuy agent is to simplify the application process by providing a single access point for all the HomeBuy products.

Issues and Challenges

3.3.31 There is a key challenge for policy makers and delivery agents, local authorities, house builders and Registered Social Landlords (RSLs) to continue to deliver affordable homes and offer housing choices in a market where house and land prices continue to increase at a faster rate than incomes. There is an added challenge to increase delivery on past levels; particularly housing that is supported by necessary infrastructure and services.

3.3.32 The National Housing and Planning Advice Unit (NHPAU) was established in response to the issues of housing affordability, highlighted in Kate Barker's report 'Review of Housing Supply (2004)'. The NHPAU is a non-departmental Government body sponsored by CLG and designated to provide independent advice on affordability matters to the Government, Regional Assemblies and other stakeholders with an interest in the housing market.

3.3.33 The NHPAU report 'Affordability Matters', published in 2007 sets out the negative economic and social consequences of worsening affordability and sets out the main aims of the NHPAU:

- Contributing advice on market affordability matters through the Regional Spatial Strategy process, including in the development, delivery, monitoring and review phases;
- Developing and delivering an affordability toolkit with regional partners. This will enable analysis on the impact of planned housing provision;
- Building an evidence base as a resource for regional partners and others on housing market affordability.

Summary of the Implications and Issues of National Strategies on the Housing Market

3.3.34 The housing market in East Surrey operates within a national strategic framework, and therefore the national policies and strategies outlined above have a significant impact on the local housing market. The policy objectives are to:-

- Improve affordability and home ownership through increased housing supply and shared ownership initiatives;
- Narrow the gap in the economic divide;
- Place a strong emphasis on understanding the housing market and identifying developable land;
- Increase housing supply.

3.4 Regional and County-wide Policies

3.4.1 As part of the study, a number of regional strategy and policy documents which have an impact on the local housing market in East Surrey have been reviewed.

3.4.2 The following regional strategies / policies are considered and summarised below:-

- Regional Planning Guidance for the South East (RPG 9) (March 2001);
- The South East Regional Housing Strategy, 2006 -2008;
- The draft South East Plan (SEP) (March 2006) & the Panel Report of the Draft South East Plan 2007;
- The Regional Economic Strategy, 2006-2016;
- The Surrey Structure Plan 2004;
- The Surrey Local Transport Plan 2006/07 – 2010 /11;
- Surrey Supporting People Strategy 2004-2009;
- Extra Care Housing Strategies for East Surrey and Mid Surrey.

Regional Planning Guidance for the South East (RPG 9)

3.4.3 The South East Plan (SEP) is the Regional Spatial Strategy for the South East and will replace RPG9. However, RPG 9 identifies regional issues which are also relevant for this study which are as follows:-

- The poor linkages between north-south and east-west rail links and lack of capacity to accommodate additional commuters;
- The pressure for economic and residential growth and implications for environmental constraints;
- There is a need for joint working between local authorities to tackle these issues and make the best use of the existing urban areas and infrastructure.

The South East Regional Housing Strategy, 2006 - 2008

3.4.4 The South East Regional Housing Strategy (2005) sets out the priorities for housing investment in the South East and a framework for allocating resources over the period 2006-2008.

3.4.5 The priority is to increase the supply of affordable housing due to high property prices and private sector rents, both of which out of reach for people on low and average incomes. In addition, homelessness remains a significant issue. A further concern is the large number of non decent and unfit properties across all sectors that often cause the most vulnerable members of people in the region to live in sub standard accommodation. The three main aims are to:-

- Build more affordable homes;
- Bring decent homes within the reach of people on lower incomes;
- Improve the quality of new homes and the existing stock.

3.4.6 The strategy identifies a need to substantially increase the supply of affordable homes due to a decrease in supply in recent years. A significant investment in all types of affordable housing is needed to ensure that people have a choice of accommodation type and tenure.

3.4.7 A review of the strategy is currently underway. Consultation on how to prioritise £1.3 billion of investment in housing over the next 3 years ended in April 2007. The responses will inform a review of the strategy for the period 2008-2011. The revised strategy will allocate funding to support the delivery of affordable housing and improvement of public and private sector housing.

The Draft South East Plan (SEP) (March 2006)

3.4.8 The Draft South East Plan provides a spatial planning framework for the region to 2026. The core objectives are to balance continuing economic and housing growth with rising standards of environmental management and reduced levels of social exclusion and natural resource consumption. The vision for 2026 is a healthier region, a more sustainable pattern of development and dynamic and robust economy.

3.4.9 The core of the Plan comprises cross-cutting policies as well as specific ones. Sustainable Development is the foundation for the whole Plan. It places a clear responsibility on all public bodies to contribute to the overall goal of more sustainable development. Other cross-cutting policies highlighted are:-

- ***Addressing Intra-regional Disparities*** - Tackle underperformance and making exclusion a priority for national, regional and local partners.
- ***Resource Use*** - make more prudent use of natural resources such as water, energy and minerals.
- ***Urban Focus and Renaissance*** – target of at least 60% of new development to be on previously developed land.
- ***Housing Supply*** – provision should be made for 28,900 dwellings per annum across the region.
- ***Affordable Housing Target*** – The affordable housing requirement set out within the draft South East Plan is 35%; 25% social rented and 10% intermediate housing.

3.4.10 The South East is a varied region and it is not adequate simply to adopt policies covering the whole region, therefore the Plan proposes a set of nine study areas where the majority of development will be concentrated. Each study area has its own issues that need to be addressed and the Plan sets out strategies for each area.

3.4.11 The majority of the East Surrey study area is in the London Fringe sub-region and some areas are in the Gatwick sub-region. The draft Plan has a target of 40% of the allocation as affordable housing within the London Fringe sub-region.

3.4.12 East Surrey has a critical relationship with London which needs careful management. Further growth should be supported but the limitations imposed by the Green Belt and environmental designations are recognised.

3.4.13 Research has been done to assess what is realistically achievable over the next 19 years. The Plan is designed for possible revisions and the regular monitoring and review process gives the scope to make adjustments. An annual Regional Monitoring Report is published to assess progress and the need for further action.

Panel Report of Draft South East Plan (2007)

3.4.14 The Panel Report was submitted in August 2007 following the Examination in Public of the draft South East Plan.

3.4.15 The Panel Report examined the housing provision levels outlined in the draft South East Plan. The reason for this was to offer greater flexibility to assist in meeting the backlog of need. It recommended increasing housing provision on a sub-regional and authority level. It was advised that the housing provision levels should be regarded as targets.

3.4.16 The Panel Report considered that the draft plan's housing provision of 37,360 in the period 2006 to 2026 (1,868 d.p.a.) for the whole of the London Fringe sub-region is too low. Demographic and economic factors have been given insufficient weight and too much consideration has been given to urban potential estimates and avoiding any adjustments to the green belt. The Panel Report recommended an increase in housing provision, based on an average annual increase of 438 d.p.a. for the whole of the London Fringe. This results in a revised total figure of 46,120, an annual average of 2,306. The Report also commented on housing provision on a district level as outlined below:-

- **Elmbridge –** The Panel Report recognises that the housing provision outlined in the draft South East Plan is challenging (231 d.p.a.) as 57% of the land is designated Green Belt and there are major sources of flood risk. However it is proposed that due to the advantages offered by Elmbridge including a strong economy, good transport links and easy access to services, Elmbridge would be expected to provide a higher housing provision of an additional 25 d.p.a. and in order to meet the target, the use of green belt land should be considered;
- **Epsom & Ewell** – The Borough is considered to be similar to Elmbridge in terms of the capacity for sustainable development and therefore housing provision will be based upon an increase in the annual figure of 18 units from 181 to 199;
- **Mole Valley** – Recent rates of completion are in excess of the draft South East Plan requirement of 171 d.p.a. and it is therefore ascertained that there is the scope to set a more challenging target of an additional 17 d.p.a. for the London Fringe part of the District, increasing the annual provision to 188 units. It is felt that this could be achieved by the release of reserve or safeguarded sites;
- **Reigate & Banstead** – The report considers that the draft South East Plan allocation of 387 d.p.a. is inadequate. It is recognised that due to environmental and policy constraints that there is limited scope for physical expansion but small scale review of Green Belt boundaries may be justified and a revised annual target of 465, an additional 75, is suggested for the London Fringe part of the Borough;
- **Tandridge** – Recent rates of completion in Tandridge have been more than double the draft South East Plan rate of 112 d.p.a. for the London Fringe part of the District. It is considered that a more challenging annual target of 125 units should be set, an increase of 13 d.p.a.

3.4.17 The Panel Report stated that the next version of the Regional Spatial Strategy should be informed by completed Strategic Housing Market Assessments.

Regional Economic Strategy (2006-2016)

3.4.18 The South East England Development Agency's Regional Economic Strategy recognises that the South East is one of Europe's most successful regions and is built around three key objectives:

- Achieving global competitiveness;
- Spreading the benefits of competitiveness through smart growth which involves helping more of the region's population into employment and targeting investment to raise the prospects of under performing areas and communities;
- Ensuring that economic competitiveness is consistent with the principles of sustainable development.

3.4.19 A number of the targets within the strategy overlap with those set out in the draft South East Plan and the Regional Housing Strategy, in recognition of the inter-linkages between economic success and well-functioning employment and housing markets.

3.4.20 The most relevant target is named 'Physical Development' and is to "Ensure sufficient and affordable housing and employment space of the right quality, type and size to meet the needs of the region and to support its competitiveness and create the climate for long-term investment through the efficient use of land resources".

The Surrey Structure Plan 2004

3.4.21 The Surrey Structure Plan provides the strategic framework for land use and planning in the County, shaping Surrey's future physically and environmentally, and influencing it economically and socially.

3.4.22 In South East Surrey in particular the key spatial priorities include:-

- Maintain the individual identity of settlements within the Metropolitan Green Belt along the A23/M23 corridor;
- Support Redhill as a centre of strategic importance;
- Oppose further expansion of Gatwick Airport beyond its present intended capacity as a one runway airport;
- Allow small scale development to support the role of Reigate and Oxted as market towns providing local services;
- Support sub-regional housing needs in the short to medium term through provision within the urban areas;
- Support investment in public transport infrastructure required to improve movement along the A23/M23 corridor.

3.4.23 New development in Surrey will primarily be within the existing urban areas through the re-use of previously developed land and buildings. This will provide a chance to improve the prosperity of urban areas as centres for business, shopping and social and community services and increase the option of local employment opportunities. Protection of the countryside and the Metropolitan Green Belt is very important therefore major development in the open countryside will be inappropriate.

3.4.24 The key commitments to achieve sustainable development in Surrey are:-

- use natural resources wisely;
- promote more sustainable transport;
- protect and enhance the environment;
- encourage a successful local economy;
- care for and protect people;
- encourage successful communities;
- meet people's differing needs.

3.4.25 The Surrey Structure Plan 2004 targets include:-

- 90% of new housing to be provided on previously developed urban land;
- 70% of completed houses to contain 3 or fewer bedrooms;
- 40% of new housing development by 2016 will be for affordable housing;
- 90% of additional retail development to be provided in and around town centres;
- 80% of employment development to be provided on land previously used for employment purposes.

Surrey Local Transport Plan 2006/07 to 2010/11

3.4.26 The strategy for the Local Transport Plan is to manage the demand for travel and to get the best out of the existing transport network. The main elements of the strategy include:-

- ***Tackling congestion*** - new technology, minimise disruption on the highway, junction improvements and effective parking management.
- ***Increasing accessibility*** – Improve bus services, demand responsive transport, enhances pedestrian facilities and Safe Routes to Schools initiatives.
- ***Improving safety and security*** – further road safety schemes to continue reducing the numbers killed and seriously injured in road crashes, speed management measures, 20mph zones and improved lighting and increased security.
- ***Enhancing the environment and quality of life*** – low noise road surfacing, encourage reduced vehicle emissions by using variable message signs, rural traffic management measures and increased recycling of highway waste materials.
- ***Improving maintenance of the transport network*** – major investment in highway maintenance, lighting and drainage schemes to improve local roads, ongoing bridge strengthening programme and maintenance of roads and pavements.

Surrey Supporting People Strategy 2004-2009

3.4.27 The Vision for Surrey set out in the Supporting People Strategy is:-

"Working in partnership to offer vulnerable people the opportunity to improve their quality of life. We aim to do this by providing housing related support services, which enable them to have greater independence and control in making choices within their lives."

3.4.28 The ability to achieve the Vision for Supporting People Strategy in Surrey involves two crucial elements:-

- To develop high quality, cost effective services which genuinely meet the support needs of vulnerable people; and,
- Working in partnerships.

3.4.29 The main priorities for the Supporting People Strategy in Surrey are:-

- Women at risk of domestic violence;
- Young People and care leavers (including homeless 16/17 year olds and young single parents);
- People with multiple and complex needs (often people who are homeless/at risk of homelessness with mental health, alcohol and drugs needs, a history of offending and challenging behaviour);
- Frail older persons (including those with dementia);
- People with learning disabilities.

3.4.30 Other priorities highlighted are:-

- Floating support services for people with mental health problems;
- An increased demand for accommodation for offenders;
- Targeted provision for particular client groups (those with sensory impairment, physical disability, brain acquired injuries or people on the autistic spectrum;

- Cutting across many of these issues and client groups are the needs of homeless people. Homelessness remains a relatively small but significant problem in Surrey.

3.4.31 In all of these cases the aim is to ensure that the people from various Black Minority Ethnic (BME) groups falling into each of these client groups are not bypassed.

3.4.32 The key points in meeting the strategic priorities are:-

- Develop new services;
- Re-model existing ones, where appropriate;
- Move towards "floating support" in the community rather than accommodation based services;
- Making best use of the wider social housing sector to ensure that individuals have somewhere suitable to move on to when they no longer require the support offered by a service.

3.4.33 The timeframe for the Supporting People Strategy is 5 years and has been endorsed by all eighteen statutory partners in Surrey.

Extra Care Housing Strategies for East Surrey and Mid Surrey

3.4.34 These two extra care strategies are based in terms of area around the former Primary Care Trust districts of East and Mid Surrey. The former contained Tandridge and the majority of Reigate & Banstead, while the latter contained Mole Valley, Epsom & Ewell, part of Reigate & Banstead and part of Elmbridge. The two strategies reach very similar conclusions about the needs of older adults, so can be viewed as outlining the key issues for extra care housing across the whole of the East Surrey study area.

3.4.35 In the East Surrey study area, the extra care housing strategies emphasise the importance of enabling older people to remain within their own home, where they can retain their independence with appropriate levels of support and the use of assistive technologies, such as telecare. Nonetheless the demand for both nursing and residential care home places in East Surrey is increasing both as result of an ageing population and the influx of older people from the London area. The main increase is anticipated to be in the nursing home sector, however the current demand for residential care will be enhanced by the introduction of Extra Care housing, which is considered far more appealing for older people.

3.4.36 The benefits of Extra Care Housing are:-

- Independence;
- Retention of assets;
- 24 hour on-site care;
- Flexible support services;
- Assistive technology;
- More on site facilities;
- Dignity in older age;
- Less fear of crime
- Couples / Families can remain together.

3.4.37 The delivery of Extra Care Housing in East Surrey is dependant on availability of funding and location of sites for new build schemes and / or the suitability of existing sheltered housing schemes for re-modelling.

3.5 Local Policy Context

3.5.1 There is a range of current and impending local strategy and policy documents which are likely to inform (and be informed by) the SHMA. Strategy and policy documents reviewed as part of this assessment include:-

Elmbridge

- Sustainable Community Strategy, 2006-2015
- Replacement Elmbridge Borough Local Plan( )
- Local Development Framework
- Housing Strategy 2004 – 2009.

Epsom & Ewell

- Epsom & Ewell Community Strategy
- Epsom & Ewell Local Plan (2000)
- Local Development Framework
- Core Strategy
- Housing Strategy 2005-2008

Mole Valley

- The Mole Valley Community Plan 2006-2016
- Mole Valley Local Plan (2000)
- Local Development Framework
- Housing Strategy 2006-2009

Reigate & Banstead

- Reigate & Banstead Draft Community Plan 2007-2020
- Reigate & Banstead Borough Local Plan (2005)
- Local Development Framework
- Housing Strategy, 2006-2009

Tandridge

- Tandridge Community Strategy
- Tandridge District Local Plan (2001)
- Local Development Framework
- Housing Strategy 2005-2009

3.6 Elmbridge

Elmbridge Sustainable Community Strategy 2006-2015

3.5.3 This strategy is concerned with improving quality of life within Elmbridge. It is an overarching plan, concerned with social, economic and environmental well-being. The Elmbridge Community Partnership, comprising representatives from the public, private, voluntary and community sectors, oversees the development and delivery of the strategy. The strategy has five themes:

- Protecting and enhancing the natural environment
- Promoting health and well-being
- Enhancing the local economy
- Building safer communities
- Fostering inclusion

3.5.4 The strategy acknowledges the link between the strong local economy, low unemployment and high house prices and recognises that certain parts of the borough and sections of the population who do not share the prosperity and which need support. A key target is that by 2015 everyone in Elmbridge will be able to get the basic necessities of life: decent housing, education, social and health services.

Replacement Elmbridge Borough Local Plan

3.5.5 The Replacement Elmbridge Borough Local Plan was adopted on 31 August 2000 and was intended to run to 2006, although key policies have since been "saved" pending the adoption of relevant development plan documents in the Local Development Framework.

3.5.6 The plan, underpinned by a commitment to sustainable development, sets out the strategy for delivering the balance of the 1994 Structure Plan housing allocation of 3,900 dwellings (1991 – 2006), i.e. 819 homes. The housing allocation to Elmbridge was updated in the Surrey Structure Plan 2004 to 3,370 between April 2001 and March 2016.

3.5.7 The Local Plan policy relating to the provision of affordable housing was subsequently amended and then adopted in December 2003. The threshold for affordable housing provision was reduced to sites of 15 dwellings and above, or 0.5 hectares and above, with a target of 30% set for qualifying sites. The policy was further supplemented by non-statutory policy in summer 2006 following the Council's adoption of new Informal Housing and Planning Guidance, seeking 40% affordable housing on qualifying sites.

Local Development Framework

3.5.8 The Local Development Scheme 2007-10 sets out the key milestones for the Local Development Framework. The Core Strategy, in which the Council's Affordable Housing Policies will be outlined, along with the broader vision and spatial development plans for the borough up to 2020, is scheduled for adoption in December 2010.

3.5.9 Re-consultation on the issues and options for consideration within the Core Strategy is set to take place between March and May 2008, with consultation on the preferred options occurring from January to March 2009.

3.5.10 With regard to housing policies within the Core Strategy, these will be developed within the context of the emerging South East Plan and be informed by the results of the Sustainability Appraisal and an evidence-base, including not only the results of the SHMA, but also:-

- Elmbridge Housing Needs Assessment 2006
- North Surrey Gypsy & Traveller Accommodation Assessment 2007
- Elmbridge Strategic Housing Land Availability Assessment
- Elmbridge Affordable Housing Viability Study

Housing Strategy 2004-2009

3.5.11 The Housing Strategy 2004-2009 is the Council's key document setting out its priorities and actions to tackle identified housing needs in the borough. Its key priorities are:-

- The promotion of affordable housing
- Tackling homelessness
- Private-sector renewal and energy efficiency
- Supported housing
- Tackling crime

3.5.12 There is an action plan in place to address the key priorities and a brief outline of some of those objectives are highlighted below:-

- Maintaining a supply of affordable housing
- Increasing the take-up of key-worker initiatives and ensure affordable housing is available for key workers and those on low incomes
- Assisting those on low incomes with accessing the private-rented market
- Bringing empty homes in the borough back into use
- Developing smaller units of accommodation to enable people to move on more effectively from supported housing
- Working more closely with support providers to develop a greater range of housing and support options
- Reducing the fear of crime

3.7 Epsom & Ewell

Epsom & Ewell Community Strategy

3.5.13 Epsom & Ewell's Community Strategy, prepared by the Local Strategic Partnership (LSP), was published in 2003. This adopted two overarching themes – creating opportunities for all, and supporting a society that recognises the needs of future generations. Seven further sub-themes are developed which reflect the priorities of the LSP:

- A caring society and thriving economic community
- A protected and improved environment
- A safe society
- A healthy society
- A harmonious and inclusive society
- Communities working together
- Supporting the voluntary and community sectors

Epsom & Ewell Core Strategy

3.5.14 Following examination, the Council has recently adopted (July 2007) its first Local Development Framework policy document – the Core Strategy. The strategy makes provision for 2,715 new homes for the period 2007 – 2022, in line with the submitted South East Plan figures. This equates to an annual average of 181 new dwellings per annum. Until the final South East Plan figures are approved, the Surrey Structure Plan figures (which require an annual delivery of 200 units per year), will continue to be met.

3.5.15 The strategy focuses development on previously developed land within the built up area or within the 'hospital cluster sites' (these being former NHS hospital sites within the Green Belt). It is stated that new housing developments should include a mix of dwelling types, sizes and tenures which help meet identified local housing needs. The general principle of making the best use of the existing housing stock is supported, through the adaptation and re-use of existing dwellings.

3.5.16 The Core Strategy sets out the main policy for the delivery of affordable housing, which aims to deliver 950 new affordable homes over the period 2007 – 2022. This is in line with the Council's target that overall, 35% of new dwellings should be affordable. The Core Strategy sets the following thresholds and requirements:

- Residential developments of between five and fourteen dwellings gross should include at least 20% of dwellings as affordable.
- Residential development of 15 or more dwellings gross should include at least 40% of dwellings as affordable.

3.5.17 The Council is also producing a Developer Contributions Supplementary Planning Document (Affordable Housing) which will provide the detailed mechanisms for the delivery of the affordable housing policy.

Epsom & Ewell District Local Plan

3.7.1 Many of the policies in the Epsom & Ewell District Local Plan (2000) have been superseded by the recently adopted Core Strategy. Up to date policies relating to the numbers of dwellings to be delivered overall and affordable housing are now set out in the Core Strategy. However, the Council has been directed by the Secretary of State to 'save' a number of Local Plan policies, which will gradually be replaced as further Local Development Framework Documents are adopted.

Housing Strategy Statement 2005-2008

3.7.2 The Housing Strategy Statement outlines the Council's objectives and plans for housing through to 2008. The housing priorities in Epsom & Ewell are as follows:-

- Affordable Housing;
- Housing for Key Workers;
- Meeting housing needs of the vulnerable and homeless, including new provision and support though grant aid.

3.7.3 There is a serious affordability issue in the Borough for people on low incomes. This is not helped by the high value of the land making house building expensive. The final product as a result must be highly priced to recover high costs therefore resulting in house prices in the Borough being amongst the highest in the Country. A high percentage of new forming households have inadequate incomes to be able to buy or rent a one bed flat. The current stock of one bed flats does not meet the needs of the concealed households in the Borough.

3.7.4 A high percentage of Key Workers have already left the Borough due to their inability to afford property in the area. Approximately 50% of Local Authority Staff and Education Staff and 70% of Health Staff could not afford to owner-occupy. Part of this Strategy is to bring home-ownership within reach of key workers through shared ownership housing schemes. Also 5% of all affordable housing will be allocated to Key Workers.

3.7.5 Homelessness is an acute form of housing need and its prevention is a high priority of the Council. The Council runs a housing advice service that provides assistance to those in housing need along with various initiatives such as building up a database of landlords that will work with the Council in assisting households to secure accommodation in the private rented sector and acquiring further units of temporary accommodation for use by homeless households. These initiatives have helped to reduce the number of homeless applicants in the Borough. The Council also run a scheme called The Community Housing Project which helps people with a mental health disorder or learning and physical disabilities to access privately rented accommodation.

3.7.6 The Council is fully committed to delivering the priorities in the Housing Strategy. Some of the ways in which the Council aims to address its housing issues are highlighted below to:-

- maintain a supply of new affordable housing;
- maximise the existing social stock and nomination rights with partner RSL's;
- explore with partners how to introduce choice for applicants in the allocation of affordable housing;
- ensure affordable housing is available for Key Workers and those on low incomes;
- increase the take up of Key Worker initiatives;
- ensure all temporary accommodation stock used to house homeless households meets legal standards and is suitable for the needs of its occupants;
- ensure that the Housing Services reception and interview areas are conducive to good communication and secure for staff;
- re-house homeless families outside of the Borough;
- bring empty homes in the Borough back into use to help meet local housing needs.

3.8 Mole Valley

The Mole Valley Community Plan 2006-2016

3.8.1 The Mole Valley Community Plan was developed by the Mole Valley Community Planning Group which consists of members from the private, public and community sectors. One of the key aims outlined within the Community Plan is to improve the supply of affordable housing to rent or buy in the district. It is recognised that present relationships between house prices and incomes make it impossible for many households to meet their housing needs.

3.8.2 The Plan has set a delivery target of 360 affordable homes over the next 3 years (up until 2009), of which 55% of should be social rented and 45% shared ownership or subsidised ownership tenures. The Plan also has the target of ensuring that 80 households are helped to access the second hand housing market between 2006 and 2009.

3.8.3 To help achieve the targets set within the Plan, the Mole Valley Community Planning Group aims to continue to improve affordable housing provision through a number of initiatives. These have included appointing a Rural Housing Enabler and working in partnership to increase affordable housing provision.

Mole Valley Local Plan (2000)

3.8.4 The Mole Valley Local Plan 2000 sets out the strategy for delivering the level of housing within the district between 1991 and 2006, as required by the Surrey Structure Plan 1994. The Local Plan encourages sustainable development by concentrating new housing within existing built up areas.

3.8.5 Chapter 6 'Housing' of the Local Plan sets out the policy for securing affordable housing within the district. This has however, been reviewed and was subsequently amended in 2003. Policy HSG9: Affordable Housing in Built-Up Areas, which came into effect on 1st July 2003, states that:

'In considering proposals for housing development, the Council will negotiate with landowners and developers for the inclusion of a proportion of affordable housing on sites of:

5 or more net dwellings, or are 0.2ha or larger in area in rural settlements below 3,000 population

15 or more net new dwellings or are 0.5ha in area elsewhere'.

3.8.6 The exact level of provision is a matter of negotiation, but as a broad guideline, the Council expects 30% of new dwellings that are proposed on sites meeting the above criteria should be in the form of affordable housing.

Local Development Framework

3.8.7 The Core Strategy is currently being prepared and has reached the Preferred Options Stage. The Council has concentrated on the main thrust of the strategy for Mole Valley and has not yet developed any detailed affordable housing strategy or draft policies.

3.8.8 The Preferred Options document does however, identify that Goal B is *'to provide homes to suit all housing needs and means*'. Plan objectives stemming from Goal B are to ensure the provision of :

- sufficient land to meet the district's housing requirements contained in the Surrey Structure Plan and emerging South East Plan.
- a suitable mix of tenure, type and size of housing to contribute towards meeting the housing needs of all sections of the community, including the provision of affordable housing for urban and rural communities and specific needs such as those of Gypsies and Travellers and Travelling Showpeople.

3.8.9 Preferred Options to achieve the plan objectives and reach Goal B are expressed broadly as:

- Meet the district's housing requirements, currently 171 dwellings per year to 2026 in the emerging South East Plan
- Make provision for affordable housing with regard to the Housing Needs Survey and overall regional target in the emerging South East Plan that 25% of all new housing should be social rented accommodation and 10% other forms of affordable housing.
- Make provision for rural affordable housing on small scale sites within or well-related to villages where studies show it is needed.

- Make provision for accommodation to meet specific needs, including those of Gypsies and Travellers and Travelling Showpeople, with regard to emerging needs studies.
- Make provision for a balance of new housing to ensure an appropriate mix of size, type and tenure with regard to the Housing Needs Study and community aspirations.

Housing Strategy 2006 - 2009

3.8.10 The Mole Valley strategic housing vision is: - '*The Council seeks to achieve innovative and progressive housing solutions that meet the needs and aspirations of the whole community*'.

3.8.11 The Housing Strategy has identified four key housing priorities for the Mole Valley District, these are:-

- Providing more Affordable Housing;
- Preventing Homelessness,
- Access to housing and support for the whole Community;
- Ensuring the quality of the Housing Stock.

3.8.12 The key delivery mechanism for the Strategy is the Action Plan. The Plan sets out the future objectives for each priority which include:-

- maximise delivery of affordable housing;
- continue to fund and deliver local HomeBuy scheme;
- provide self contained temporary accommodation for statutory homeless households;
- attend BME focus groups to assess accessibility of the housing service;
- provide a Housing Options package to enable work people with a disability to access the housing market;
- contribute to the delivery of an extra-care scheme for the elderly within the study area;
- meet the Decent Homes standard within vulnerable private sector households by 2010;
- inspect and licence all HMOs in the district by 2006.

3.8.13 The Mole Valley Housing Strategy outlines some of the key features impacting on the housing market locally.

3.8.14 The countryside of Mole Valley is extensive and accounts for 90% of the district's area. 80% of this is in the Metropolitan Green Belt and / or an Area of Outstanding Natural Beauty. The restrictions in preserving the area limit the nature and scale of development in the district.

3.8.15 Mole Valley has the sixteenth highest average household income in the country and the sixth highest in Surrey. Average house prices are the third highest in the county and over 76% of all the houses in the district are owner occupied. The majority of concealed households are adult children of the main householder seeking independent accommodation. A high percentage cannot afford to access the housing market.

3.8.16 24% of households are seeking to move within the next five years. Over half of these households expressed an interest to leave Mole Valley. The main reason for moving was for the lack of affordable housing (46%). Affordability is a major issue for the long-term sustainability of the district.

3.8.17 There is a clear imbalance between house prices and average earnings within Mole Valley. New forming households on average salaries and even above average salaries can no longer afford to access the housing market, leading to these groups moving outside of Mole Valley to meet their housing needs. Providing more affordable housing is therefore a key priority.

3.9 Reigate & Banstead

Reigate & Banstead Draft Community Plan (2007-2020)

3.9.1 Reigate & Banstead Borough Council and its partners on the RBBC Local Strategic Partnership are currently undertaking public consultation on a Draft Community Plan for the Borough. The Draft Community Plan contains the following draft vision for the Borough:

3.9.2 Reigate & Banstead will be one of the most desirable and attractive areas in the region. It will be a place where:-

- People who live in, work in and visit the Borough enjoy the benefits of a prosperous economy;
- Neighbourhoods are supported by effective services, infrastructure and transport options;
- The well-being of communities is supported by accessible health, leisure, education and information services;
- People enjoy active healthy and diverse lifestyles and take personal responsibility.

Reigate & Banstead Borough Local Plan (2005)

3.9.3 Reigate & Banstead's Borough Local Plan 2005 sets out the strategy for delivering the balance of the1994 Structure Plan housing allocation of 6,290 new dwellings from 2001 to 2016, including 2,600 new dwellings in Horley. The Council projects an over supply by 2016 of 2,746 against this allocation.

3.9.4 Reigate & Banstead's adopted affordable housing policy currently requires 25% of new housing to be provided as affordable housing on sites of 25 units or above, or more than 1 hectare in size. The Council has also adopted an interim approach (April 2007) to affordable housing, based on the PPS3 minimum indicative threshold of 15 dwellings, requiring an element of affordable housing to be provided on sites of 15 – 24 dwellings.

Local Development Framework

3.9.5 Reigate & Banstead's timetable for preparing its Core Strategy and the Area Action Plan for Redhill Town Centre is currently under review. However a significant amount of work has been undertaken to inform the preparation of both documents and public consultation for both documents is expected to occur in 2008. Building on the Borough's draft Community Plan vision (see above), the Core Strategy will set out a Spatial Strategy for development growth in the Borough for the period up to 2026, identifying broad locations for the provision of 7,740 dwellings. In line with the Borough's New Growth Points status, in return for additional Government funding towards infrastructure, the Council is committed to frontloading its draft South East Plan housing allocation of 7,740 (387 d.p.a. 2006-2026) by delivering at least 500 new homes per annum up to 2016 (274 thereafter to 2026).

3.9.6 The Council's emerging spatial strategy for housing delivery, to be included in the Borough's Core Strategy contains the following key elements:

- The delivery of a significant amount of housing within two new neighbourhoods in Horley, and a number of large sites with planning permission throughout the rest of the Borough.

- With the exception of new neighbourhoods in Horley, continuing to plan for future housing provision within the borough's existing urban areas, thereby safeguarding the Green Belt and the Borough's valued landscape character areas.
- Directing housing to the most sustainable locations, both through allocating new housing sites (e.g. within the Redhill AAP) and by setting a range of appropriate housing densities across the Borough's urban areas, having regard to accessibility, character, and the current and future levels and capacity of infrastructure.
- Focusing Council resources on those areas in the Borough where regeneration can provide a step change to achieve a number of social, economic and environmental objectives, namely in the Merstham and Preston Regeneration Areas and the town centres of Horley and Redhill.
- Redhill and Horley town centres in particular have the potential to enhance their role as focal points for employment, retail, leisure, cultural, community and residential uses. The regeneration of Redhill town centre will enhance its role as a centre of strategic importance and a regional transport hub.

3.8.1 The Council has undertaken an Affordable Housing Viability Study to inform the Council's future Core Strategy Affordable Housing policy. The Study recommends, from a *viability* viewpoint:

- A revised affordable housing policy, expressed as a clear target, to seek 40% affordable housing on sites of 15 or more dwellings;
- The principle of seeking financial contributions for affordable housing on smaller sites of less than 15 dwellings;
- On sites of say 10-14 dwellings the proportion sought should be reduced to no more than the equivalent of 20% affordable housing;
- This might be progressively reduced to 10% on sites of 5-9 dwellings;
- Consideration at, some time in the future, of requiring contributions based on an equivalent of up to 10% affordable housing on sites of 1-4 dwellings;
- A target, subject to appropriate funding, of 70% of affordable housing to be social housing for rent, with the remaining 30% provided as shared ownership or other intermediate affordable tenure;
- That in all cases, requirements will need to be applied as clear targets and form a basis for negotiations where viability or funding issues are satisfactorily demonstrated by landowners and developers.

3.9.7 The Council also has draft Supplementary Planning Documents for Horley Town Centre, Merstham Regeneration Area and Preston Regeneration area, as well as the emerging Area Action Plan for Redhill Town Centre.

Housing Strategy

3.9.8 The Housing Strategy is underpinned by a number of policies and action plans, including: a Homelessness Prevention Action Plan, Housing Grants Policy, Supported Housing Statement, and the East Surrey and Mid Surrey Extra Care Housing Strategies. A number of studies have also contributed to the Strategy, including research into the housing needs of older people and, together with adjoining authorities, the identification of the housing needs of gypsies and travellers.

3.10 Tandridge

Tandridge Community Strategy

3.10.1 The first Community Strategy prepared by the local Strategic Partnership (LSP) was published in 2003. A revised Community Strategy was published in 2006. Taking into account national priorities, the Community Strategy and on going topics from the 2003 strategy, three generic and one area based themes:

- Safer and stronger communities;
- Accommodating changing lifestyles;
- Sustainable travel, access and mobility;
- Caterham Town Centre improvements.

Tandridge District Local Plan

3.10.2 The Tandridge District Local Plan 2001 sets out the strategy for delivering the balance of the1994 Structure Plan housing allocation of 2,600 dwellings (1991 - 2006). The local plan encourages sustainable development by making the best use of land within the built up areas. The policy for affordable housing is to seek up to 30% affordable housing from eligible sites, 25 units/1hectare in the urban areas and 10 units/0.4 hectare in rural areas. The Plan also contains a Rural Exceptions Policy.

Local Development Framework

3.10.3 The Core Strategy is currently being prepared for submission in December 2007. The strategy seeks to deliver the South East Plan housing allocation by making the best use of previously developed land within the urban areas.

3.10.4 The strategy seeks to meet to housing needs of all sections of the community, including the elderly, the young, those with special needs and Gypsies and Travellers. The Core Strategy includes affordable housing policies which would reduce thresholds and seek increased proportions on larger sites as follows on:-

- sites within the urban areas of 10 to 14 units or sites of or greater than 0.4 hectare that up to 30% of the dwellings will be affordable;
- sites within the urban areas of 15 units or more or sites of or greater than 0.5 hectare that up to 40% of the dwellings will be affordable;
- sites within the rural areas of 5 to 9 units or sites of or greater than 0.2 hectare that up to 30% of the dwellings will be affordable;
- sites within the rural areas of 10 units or more or sites of or greater than 0.4 hectare that up to 40% of the dwellings will be affordable.

3.10.5 The Rural Exceptions policy is being carried forward and a Rural Allocations policy is being proposed.

Housing Strategy 2005-2009

3.10.6 The Tandridge Housing Strategy contains details of the Council's plans for delivering its Housing Services through to 2009. The key strategic priorities for the provision of housing services are:-

- **To maximise the provision of affordable homes** – an essential requirement of meeting the local housing needs is an adequate supply of affordable housing.
- **Dealing with homelessness** – this is an acute form of housing need and the focus should be on preventing an occurrence and providing accommodation and support to those who become homeless through no fault of their own.
- **Improve the quality of homes and the wider environment** – to ensure that people's homes meet and exceed fitness standards and that the policies contribute to healthy, safe and sustainable lifestyles.

- **Provide support to vulnerable residents to sustain independent living** – to help vulnerable residents to stay in their own homes through different forms of support packages.

3.10.7 The key housing needs issues in Tandridge include:-

- **High house prices** - The draft South East plan identifies five local authorities across the region with the largest 'affordability gaps' and Tandridge is one of those authorities. The average current house price purchase is 46% above the South East average. Even shared ownership options are becoming too expensive for average income earners.
- **Expensive privately rented accommodation** - The privately rented accommodation is almost 50% more expensive than the national average. The draft regional Strategy 2006-2009 identifies Tandridge as one of 20 local authority areas in the South East where rental levels are least affordable.
- **A shortage of affordable housing for rent or low cost home ownership –** The Council now allows applicants who live outside the district to be on their Housing Register. Because of this change the number of applicants on the Register has increased in a twelve month period by approximately 280. Due to the affordability issue for first time buyers, there is a high demand in the district for one / two bedroom rented accommodation. Even with re-lets of existing stock and a planned new-build programme there is still a shortfall of units. This is exacerbated by the reduction in the Council's stock due to the steady flow of 'Right to Buy' applications. The Council's stock has almost halved since 1980.
- **A significant element of 'hidden Homelessness' –** Approximately 4% of households in the districts contain a new / concealed household. The majority of these households are usually adult children living with a relative on a long term basis because they cannot secure separate housing. Around 11% are over 30 years of age.

3.10.8 The Council have various options for delivering their housing priorities and these are incorporated into an Action Plan. A few of the options for each priority are highlighted below:-

- Seek to maximise the proportion of affordable homes for rent on development sites, including an increasing number of one and two bed units;
- Revise the Empty Homes Strategy to consider enforcement action;
- Improve customer choice and opportunities through revised allocation methods;
- Seek to increase the quantity and quality of temporary accommodation;
- Work with landlords to increase supply of private sector housing to accommodate low income families;
- Enhance the security of sheltered accommodation;
- Implement repair and refurbishment plans to raise the quality of the Council's stock by achieving annual reductions in the number of homes failing the Decent Homes Standard;
- Enable satisfactory levels of energy efficiency in dwellings throughout the district;
- Seek to ensure that 5% of housing built each year will be for supported housing;
- Seek to process the majority of Disabled Facilities Grant (DFG) within three months;
- Work with other Surrey districts and boroughs to develop a County wide housing needs register for vulnerable people.

4 THE DEMOGRAPHIC AND ECONOMIC CONTEXT

4.1 Introduction

4.1.1 This section provides an understanding of the current housing situation in East Surrey and key drivers that affect housing demand across the East Surrey study area. The key aims of this section are to understand the current level of demand and identify the key housing demand pressure within East Surrey sub region utilising the most recent data available.

4.1.2 The factors that affect housing demand include:

- The current demographic structure;
- Household characteristics;
- Migration;
- The economic context.

4.2 The Current Demographic Structure

4.2.1 Demography is a key factor influencing the requirements for market and affordable housing. This section analyses the demographic change over the last ten years, along with the current characteristics of the East Surrey population.

Key Findings

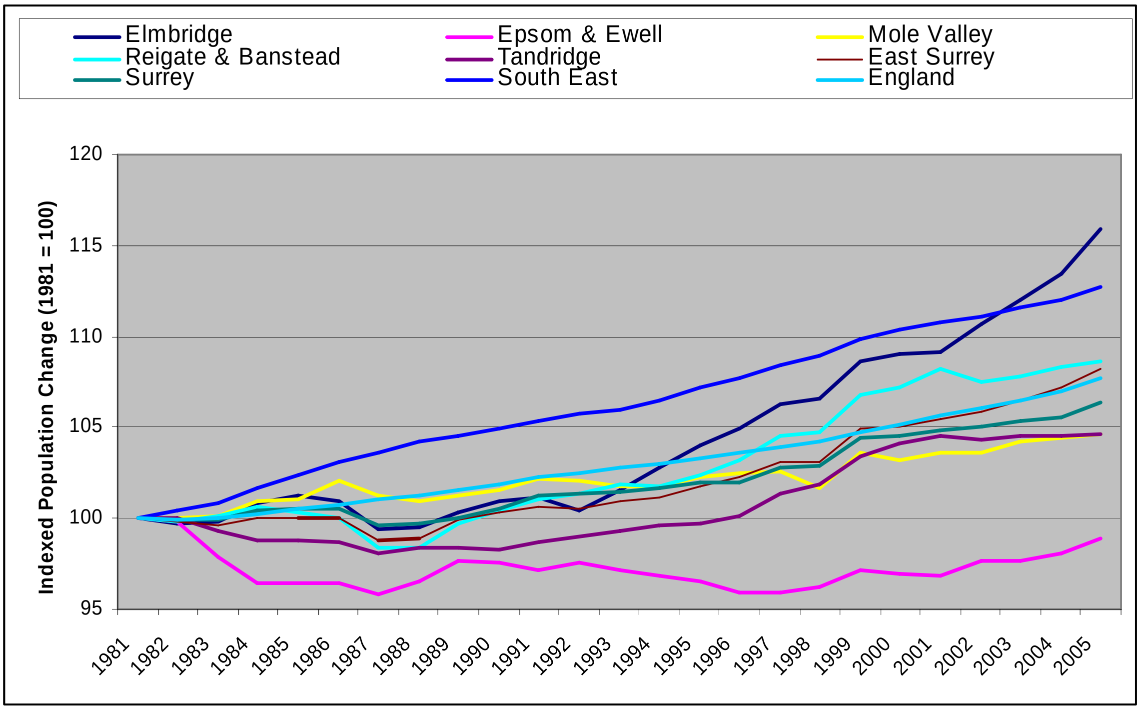
- Population across the East Surrey districts in 2005 ranged from 68,500 people in Epsom & Ewell to 130,300 people in Elmbridge, a total of 486,500 people in East Surrey;
- The highest proportion of the population across all five East Surrey districts was in the 25 to 44 age group;
- According to the 2001 Census, there was a net in-migration into East Surrey totalling 5,573 people, with the biggest net in-migration to Elmbridge (2,558);
- The largest migration group moving in and out of all East Surrey districts are those in the 25-44 age group;
- The largest proportion of households groups in East Surrey are couples, both with and without children;
- At the 2001 Census, the areas of Epsom & Ewell and Tandridge had a larger than average household size compared to county, regional and national benchmarks.

4.2.2 The population across the East Surrey study area (based on 2005 mid year estimates) ranges from 68,500 people in Epsom & Ewell to 130,300 people in Elmbridge. As a whole the East Surrey sub region has an estimated population of 486,500, accounting for almost 6% of the total population for the South East. The East Surrey study area accounts for 45.2% of the population of Surrey, which had a population (in 2005) of 1,075,500.

4.2.3 Figure 4-1 below presents the population growth in East Surrey relative to benchmark areas over the period 1981 to 2005. The data has been indexed, referring to setting data to a common starting point enabling comparisons to be made across the study areas.

4.2.4 The percentage change in population over this period was an increase of 6.5% in East Surrey and ranges from an increase of 15.9% in Elmbridge to a decrease of population of 1.2% in Epsom & Ewell. The increase of population in Elmbridge is significantly higher than the other East Surrey authorities. In comparison across the other benchmark areas, the population of England increased by 7.7%, the South East increased by 12.7% and Surrey County increased by 6.4%.

Figure 4-1 Indexed Population Change, 1981-2005



Sources: © Crown Copyright (Census Data) & ONS 2005 Mid Year Population Estimate

Table 4-1 Population Change, 1981-2005

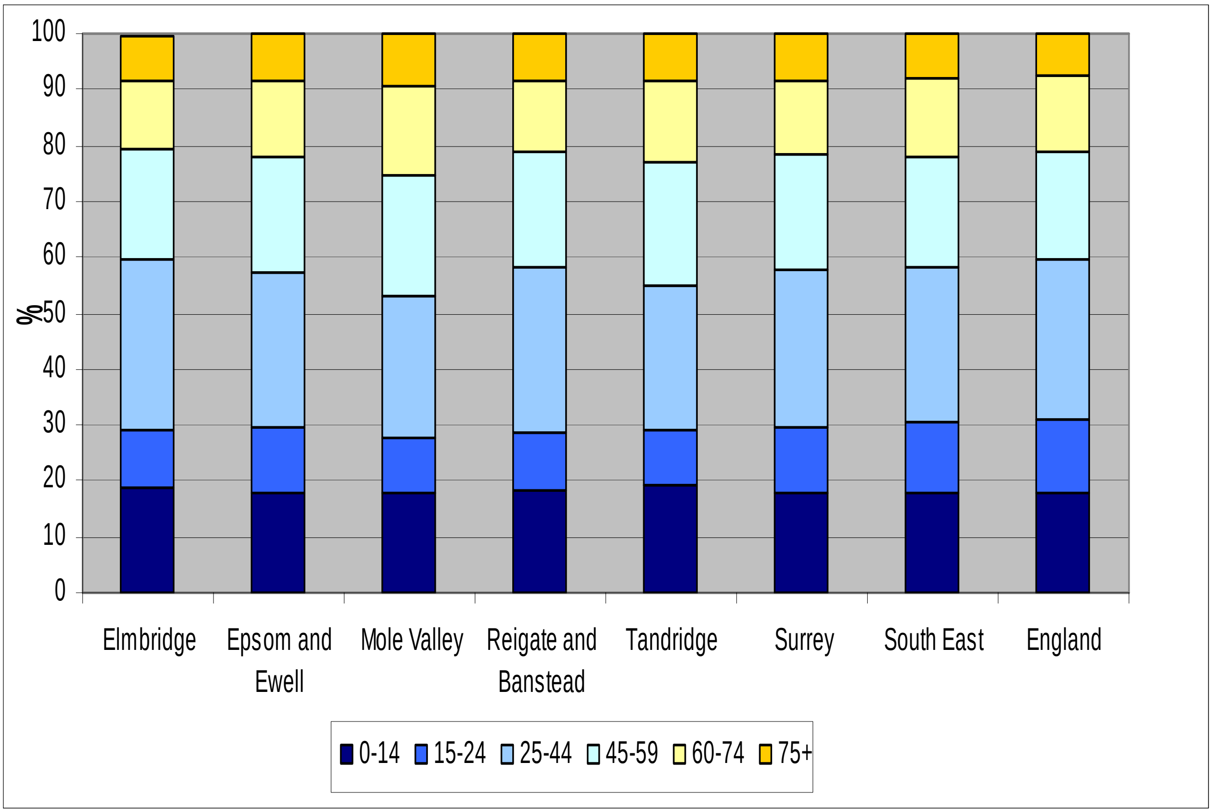
Area	Population 1981	Population 2005	Absolute Change	% Change
Elmbridge	112,400	130,300	+ 17,900	+ 15.9
Epsom & Ewell	69,300	68,500	- 800	- 1.2
Mole Valley	77,500	81,100	+ 3,600	+ 4.6
Reigate & Banstead	117,100	127,200	+ 10,100	+ 8.6
Tandridge	75,900	79,400	+ 3,500	+ 4.6
East Surrey	**452,200**	**486,500**	**+ 34,300**	**+ 6.5**
Surrey	1,010,800	1,075,500	+ 64,700	+ 6.4
South East	7,243,100	8,164,200	+ 921,100	+ 12.7
England	46,820,800	50,431,700	+ 3,610,900	+ 7.7

Sources: © Crown Copyright (Census Data) & ONS 2005 Mid Year Population Estimate

4.2.5 The age structure of the population is a reflection of the size, type and tenure of housing in an area, and also exerts an influence on future requirements. For example, evidence has shown that 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.

4.2.6 Figure 4-2 below presents the current age profile of the East Surrey study area compared with the benchmark areas. The age structure is fairly similar across the East Surrey authorities although Mole Valley has a slightly higher proportion of those over 65 years old. The profile in East Surrey is also similar to that of the county, regional and national benchmarks.

Figure 4-2 Age Structure Breakdown, 2005



Source: ONS 2005 Mid Year Population Estimate

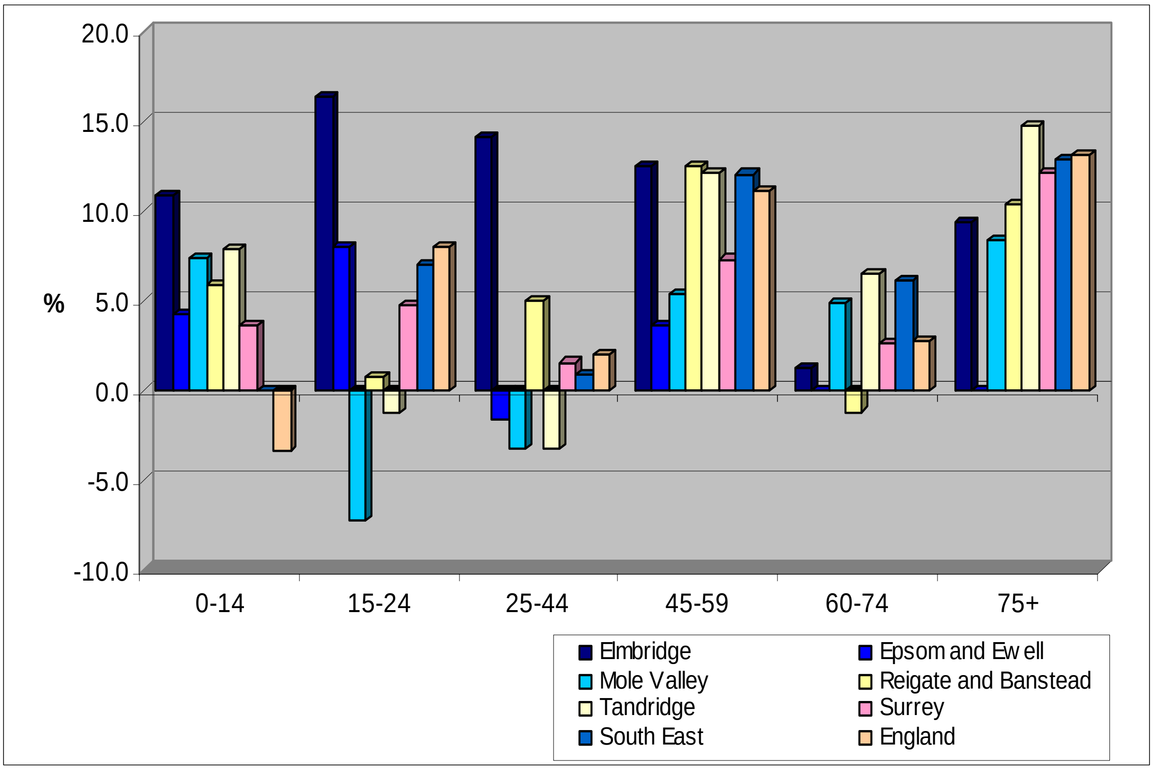
Table 4-2 Population Proportions by Age, 2005

	Total Population (Nos)	0 - 14 (%)	15 - 24 (%)	25 - 44 (%)	45 - 64 (%)	65 - 74 (%)	75+ (%)
Elmbridge	130,300	18.8	10.3	30.3	20.0	12.3	8.0
Epsom & Ewell	68,500	17.9	11.8	27.4	20.7	13.6	8.5
Mole Valley	81,100	18.0	9.5	25.4	21.6	15.9	9.6
Reigate & Banstead	127,200	18.5	10.2	29.5	20.5	12.9	8.4
Tandridge	79,400	19.1	10.0	25.9	22.0	14.4	8.8
East Surrey	**486,500**	**18.5**	**10.4**	**27.7**	**21.0**	**13.8**	**8.7**
Surrey	1,075,500	18.0	11.4	28.4	20.4	13.5	8.3
South East	8,164,200	18.0	12.4	27.9	19.8	13.7	8.2
England	50,431,700	17.9	13.1	28.6	19.3	13.4	7.7

Source: ONS 2005 Mid-year Estimates

4.2.7 It is important to examine 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. Figure 4-3 and Table 4-3 highlight the percentage change in population in the benchmark areas for the period 1995 to 2005, broken down by age group.

Figure 4-3 Percentage Population Growth by Age Group – 1995-2005



4.2.8 The chart shows that the population changes across all age bands between 1995 and 2005 vary across the East Surrey authorities. All authorities have recorded growth in the 0 – 14 age range, ranging from 4.2% in Epsom & Ewell to 10.9% in Elmbridge. This is above the regional and national benchmark averages with the South East remaining static and the national data suggesting a decline in this age group.

4.2.9 Mole Valley was estimated to see a decline in the numbers in both the 15 to 24 and 25 to 44 age groups, as also seen in Tandridge but by a smaller margin. A general increase in the population aged 45 to 59 was estimated across all East Surrey authorities, in common with both regional and national projections.

4.2.10 The increases in the 60 to 74 and 75+ age groups across the East Surrey authorities are lower in some areas than the regional and national levels. Indeed in Reigate & Banstead there is an estimated 1.2% decrease in the 60 to 74 age group across the period and the numbers in both elderly age groups in Epsom & Ewell remains static. The largest increase in the 75+ age group was estimated in Tandridge (14.8%).

4.2.11 Members of older age groups (60 – 74 and 75+) tend to own their properties and can be part of larger household groups. The implication has been an increased demand for family housing and a rise in demand for owner-occupation over private rented property as older people tend to remain in their family home even after children have left home or after the loss of a partner.

4.2.12 If historic trends persist, this pattern suggests that future population increases in East Surrey are likely to be increasingly underpinned by the growth in older age groups and those most associated with owner-occupied properties. Historically young family households have inherited owner occupied property from their older relatives. However, increased longevity and the trend for equity release may have reduced this and could impact on the housing market.

4.2.13 The increase in older householders (i.e. 75+) will have implications for support services, extra care housing, long term suitability of accommodation, equity release schemes, adaptations, and other age related care requirements.

Table 4-3 Population Growth by Age Group (%) – 1995-2005

Area	Total Population	0 - 14	15 - 24	25 - 44	45 - 59	60 - 74	75+
Elmbridge	+ 11.5	+ 10.9	+ 16.4	+ 14.2	+ 12.5	+ 1.3	+ 9.4
Epsom & Ewell	+ 2.4	+ 4.2	+ 8.0	- 1.6	+ 3.6	+ 0.0	+ 0.0
Mole Valley	+ 2.3	+ 7.4	- 7.2	- 3.3	+ 5.4	+ 4.8	+ 8.3
Reigate & Banstead	+ 6.1	+ 5.9	+ 0.8	+ 5.0	+ 12.5	- 1.2	+ 10.4
Tandridge	+ 4.9	+ 7.9	- 1.3	- 3.3	+ 12.2	+ 6.5	+ 14.8
East Surrey	**+ 5.4**	**+ 7.3**	**+ 3.3**	**+ 2.2**	**+ 9.2**	**+ 2.3**	**+ 8.6**
Surrey	+ 4.4	+ 3.6	+ 4.7	+ 1.6	+ 7.3	+ 2.6	+ 12.1
South East	+ 5.2	+ 0.0	+ 7.0	+ 0.9	+ 12.1	+ 6.1	+ 12.9
England	+ 4.2	- 3.3	+ 8.0	+ 2.0	+ 11.1	+ 2.7	+ 13.1

Source: ONS 2005 Mid-year Estimates

4.3 Household Numbers, Characteristics & Composition

4.3.1 Whilst demographic structure sets the basic framework for housing demand, it is the number, type and size of household that are directly related to the requirements for housing.

4.3.2 2001 Census data revealed that the total number of households in the whole of the East Surrey study area was 196,930 in 2001, compared to 179,126 in 1991 (an increase of 17,834 households or 9.9%).

4.3.3 2001 Census figures show that the total number of households has risen by 5.5% in Mole Valley, 6.6% in Epsom & Ewell and 8.6% in Tandridge, below the rises seen in the county (9.8%), the South East (11.6%) and nationally (9.5%). There has been a higher rate of increase in household numbers in Elmbridge (9.9%) and Reigate & Banstead (11.3%).

Table 4-4 Household Growth 1991 - 2001

Area	1991	2001	Household Growth	% Change
Elmbridge	46,064	50,621	+ 4,557	+ 9.9
Epsom & Ewell	25,662	27,362	+ 1,700	+ 6.6
Mole Valley	31,864	33,620	+ 1,756	+ 5.5
Reigate & Banstead	46,448	51,694	+ 5,246	+ 11.3
Tandridge	29,122	31,640	+ 2,518	+ 8.6
East Surrey	**179,160**	**194,937**	**+ 15,777**	**+ 8.8**
Surrey	394,572	433,176	+ 38,604	+ 9.8
South East	2,945,334	3,287,489	+ 342,155	+ 11.6
England	18,683,338	20,451,427	+ 1,768,089	+ 9.5

Source: Crown Copyright © Census 2001 & 1991

4.3.4 Actual growth in households between 1991 and 2001 across the whole of the East Surrey study area has been 15,777, and figures forecast for the next ten years anticipate a growth of approximately 2,300 households per annum.

4.3.5 The changing nature of household types has implications for housing demand. The number of couples without children has increased between1991 to 2001 (see Table 4-5). The levels of single person households and lone parent households have significantly increased in the ten-year period. Single person households have increased by 10,018 households (22%) and lone parent households by 8,637 (204%), a significant rise.

Table 4-5 Change of household types from 1991 to 2001 – East Surrey Study area

<table>
<tr><th colspan="2">Household Type</th><th>1991</th><th>2001</th></tr>
<tr><td rowspan="2">One Person</td><td>Pensioner</td><td>27,232</td><td>29,215</td></tr>
<tr><td>Other</td><td>18,060</td><td>26,095</td></tr>
<tr><td rowspan="6">Family</td><td>Pensioner</td><td rowspan="2">61,223</td><td>19,556</td></tr>
<tr><td>Couple, no children</td><td>37,489</td></tr>
<tr><td>Couple with dependent children</td><td rowspan="2">37,775</td><td>45,834</td></tr>
<tr><td>Couple with non-dependent children</td><td>12,536</td></tr>
<tr><td>Lone parent with dependent children</td><td rowspan="2">4,237</td><td>7,579</td></tr>
<tr><td>Lone parent with non-dependent children</td><td>5,295</td></tr>
<tr><td rowspan="4">Other Households</td><td>With dependent children</td><td rowspan="4">30,599</td><td>3,793</td></tr>
<tr><td>Students</td><td>129</td></tr>
<tr><td>Pensioner</td><td>730</td></tr>
<tr><td>Other</td><td>6,678</td></tr>
<tr><td>Total</td><td></td><td>179,126</td><td>196,930</td></tr>
</table>

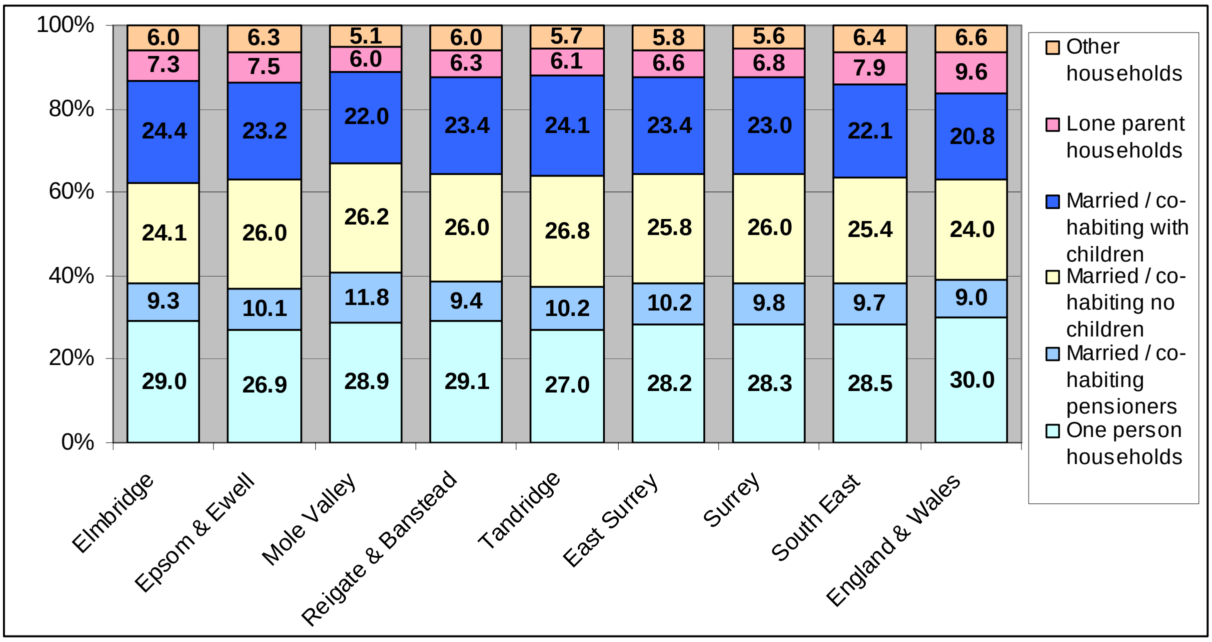
Source: Crown Copyright © Census 2001 and 1991

4.3.6 In order to gain a clearer insight into household composition in East Surrey it is important to analyse the differences and similarities across the five areas and the benchmark areas separately.

4.3.7 Figure 4-4 below presents household composition for the East Surrey authorities.

4.3.8 Household composition across the five East Surrey authorities and the local county and regional benchmarks is fairly similar. The proportion of single person households ranges from 27.0% in Tandridge to 29.1% in Reigate & Banstead, similar to the regional and national benchmarks. All five authorities have a higher proportion of couple and pensioner households than the national average and a lower proportion of lone parent households than the regional and national average, suggesting the potential for household income to be greater than elsewhere.

Figure 4-4 Household Structure

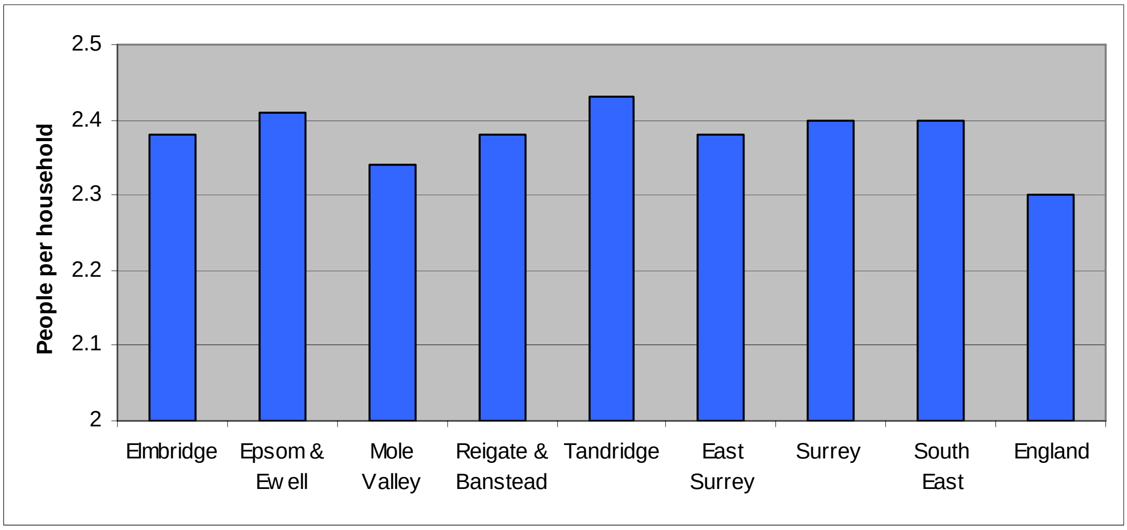


Source: Crown Copyright © Census 2001

4.3.9 Trends in household sizes and the number of households are crucial in determining the demand for future housing. Future changes in the number of households will be determined by increases in population and the extent to which an area follows the trends in reducing average household size. This also has implications as to the size of property that will be required.

4.3.10 The average number of persons per household ranges from 2.34 in Mole Valley to 2.43 in Tandridge, close to the county and regional benchmarks of 2.4 in 2004 (ONS).

Figure 4-5 Average Number of People per Household, 2001

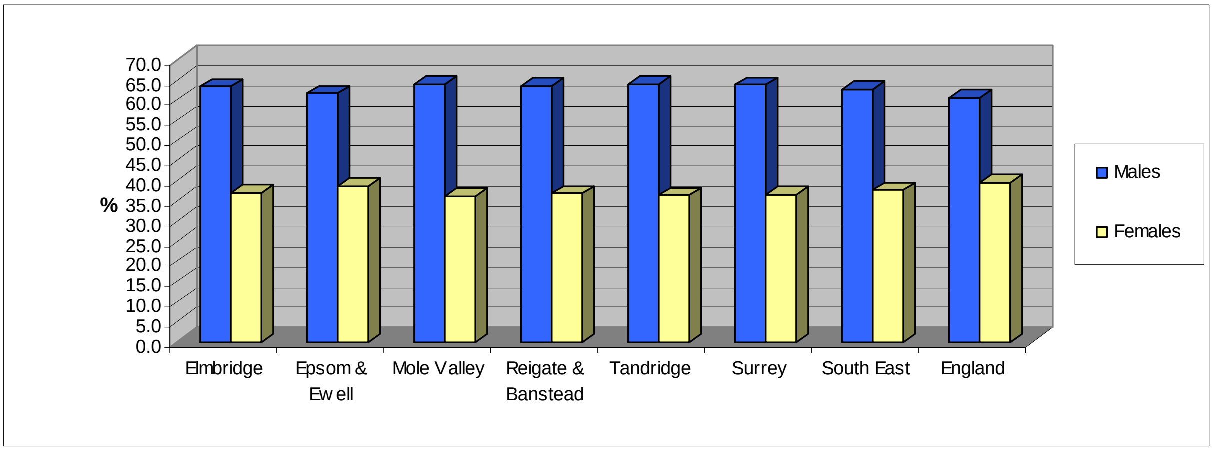


Source: Crown Copyright © Census 2001

4.3.11 Gender has an influence on the mix and location of housing need and demand. Evidence has shown that female-headed households (e.g. those where the main or only wage earner is female) tend to have lower rates of home ownership than male-headed households (e.g. those where the main or only wage earner is male). Female headed households are also over-represented in older age groups compared with male-headed households as women have a longer life expectancy.

4.3.12 Figure 4-6 shows the number of households headed by females.

Figure 4-6 Proportion of Female and Male-headed households



Source: Crown Copyright © Census 2001 (Household Reference Person - HRP)

4.3.13 The East Surrey authorities have a slightly lower proportion of female headed households than the regional (37.5%) and national (39.5%) benchmarks. Only Epsom & Ewell, with 38.5% female headed households, has a higher average than the regional average.

4.4 Migration

4.4.1 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, research has shown that migration can also be associated with lifestyle changes, such as retirement, or moving to an area with a higher quality of life.

4.4.2 The table below outlines the household movements, including in and out-migration, across the five East Surrey authorities and the regional / national benchmarks taken from the 2001 Census data.

Table 4-6 Household Movements by Area, 2000 – 2001 (including the inflow from outside of the UK)

Area	Inflow		Internal movement within the area	Outflow out of the area	Net change within the area
	Move to area from within the UK	Overseas			
Elmbridge	6,266	2,503	5,413	6,211	+ 2,558
Epsom & Ewell	3,803	598	2,202	3,662	+ 739
Mole Valley	3,703	557	3,121	3,784	+ 476
Reigate & Banstead	6,395	908	5,324	6,004	+ 1,298
Tandridge	4,016	414	2,631	4,011	+ 419
East Surrey	**24,183**	**4,980**	**18,691**	**23,590**	**+ 5,573**
Surrey	40,784	11,275	59,504	44,181	+ 7,878
South East	173,117	58,750	644,742	171,409	+ 60,458
England	82,355	311,370	4,835,503	87,502	+ 306,223

Source: Crown Copyright © Census 2001

4.4.3 The migration pattern across East Surrey districts in Table 4-6 above, from the 2001 Census, shows that there is a positive net in-migration into East Surrey of 5,573 people, ranging from 419 people in Tandridge to 2,588 people in Elmbridge. This trend is reflected regionally and nationally.

4.4.4 Of the inflow into Elmbridge 29% is from overseas. This compares to 9% in Tandridge, 12% in Reigate & Banstead, 13% in Mole Valley, 14% in Epsom & Ewell and 22% across Surrey.

Table 4-7 Net Migration Balance by age groups 2000 - 2001 (including the inflow from outside of the UK)

	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey
All Ages	+ 2,558	+ 739	+ 476	+ 1,299	+ 419	+ 5,491
0 - 15	+ 784	+ 202	+ 174	+ 224	+ 169	+ 1,553
16 - 24	+ 222	+ 150	- 73	+ 327	- 130	+ 496
25 - 44	+ 1,483	+ 401	+ 322	+ 871	+ 374	+ 3,451
45 - 59	+ 170	+ 13	+ 41	+ 33	+ 46	+ 303
60 - 74	- 100	- 29	+ 1	- 136	- 58	- 322
75+	- 1	+ 2	+ 11	- 20	+ 18	+ 10

Source: Crown Copyright © Census 2001

4.4.5 Table 4-7 shows that at 2001 the largest inflow of migrants was in the 25 to 44 age range, the most economically active group and those most likely to be settling into larger family homes in commuter areas. This group also made up the largest percentage of population at the 2005 mid year estimates.

4.4.6 Across all areas there is also an inflow of those in the 0 to 15 and 45 to 59 age ranges. However there is an outflow of migrants at retirement age across all areas in the 60 to 74 age groups, with the exception of Mole Valley which is relatively static.

4.4.7 The household composition of in-migrants and out-migrants reveals that the largest moving groups across East Surrey are single adults and couples under the age of 60, with and without children. The proportion of migrant couples with children moving into authorities in East Surrey is higher than those moving out.

Table 4-8 Household Composition of Migrants

	In-Migrant (%)					Out Migrant (%)				
	Elmbridge	**Epsom & Ewell**	**Mole Valley**	**Reigate & Banstead**	**Tandridge**	**Elmbridge**	**Epsom & Ewell**	**Mole Valley**	**Reigate & Banstead**	**Tandridge**
Single adult u/60	28.4	27.6	33.9	36.4	29.5	38.3	37.8	41.4	35.1	38.5
Single adult over 60	5.3	6.4	5.2	5.5	5.6	5.8	6.9	6.5	8.4	5.4
Couple no children u/60	24.8	24.6	27.0	26.8	28.8	25.0	22.7	21.9	26.3	22.8
Couple no children over 60	1.9	2.9	4.0	2.2	3.0	3.5	4.5	4.2	4.0	3.7
Couple with Children	30.9	28.0	23.6	22.0	25.8	20.2	20.1	17.4	18.2	19.5
Lone parent	5.4	7.4	4.0	4.2	5.3	4.5	5.4	5.7	4.8	7.9
Other - Other	3.3	3.1	2.3	2.9	2.0	2.7	2.6	2.9	3.2	2.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Crown Copyright © Census 2001

4.5 Economic Drivers of Demand

4.5.1 Demographic change within an area creates the need for different levels and types of housing provision. However the economic development of an area can be of equal importance in driving change in housing markets, especially due to the effect on migration. This section analyses the recent economic performance of the East Surrey study area and how changes have influenced and interacted with demographic and socio-economic changes.

4.5.2 It is important to highlight the reciprocal relationship between economic development and the provision of housing. While there is an obvious and established link between economic development and the requirement for new housing, or economic decline and problems of low demand, the type of housing provided within an area can also play a central role in addressing and facilitating economic development and regeneration objectives.

4.5.3 The London employment market has a significant impact on housing demand and the market in East Surrey.

4.6 The Impact of National and Regional Economic Policy

4.6.1 Local housing markets are sensitive to macro-economic policies. Interest rates, set by the Bank of England, are monitored by Central Government to achieve and maintain stable, low inflation rates. Higher interest rates can reduce the demand for housing by making it more expensive to borrow money, although households may still aspire to buy in the future.

4.6.2 Interest rates at 2007 / 08 are at a low level when compared to those over the last few decades. Recent rises in interest rates will have affected the affordability of housing and demand for mortgages. Interest rates can also affect employment levels by increasing the cost of investment. Government subsidies and grants can also influence local housing markets. Whether an area has access to regeneration budgets or to the Housing Corporation's National Affordable Housing Programme can act as an important influence on housing supply. However, it should be borne in mind that new build is a small proportion of total stock (less than 2% per annum nationally).

4.7 Key Findings

- Around 213,000 people currently work in East Surrey, the highest concentration of jobs being in Reigate & Banstead and Elmbridge. The number of jobs in East Surrey has increased since 1995, with the largest increase seen in Reigate & Banstead (32%);
- The most important broad sectors in the area are finance, IT and other business activities, distribution, hotels and restaurants and public administration, health and education. Manufacturing in particular has seen a decline since 1995;
- The economic activity rate in East Surrey ranges from 81.3% in Reigate & Banstead to 82.6% in Epsom & Ewell – with the latter above both the regional (82%) and national (79%) benchmarks. Unemployment rates in East Surrey (ranging from 2.9% to 3.6%) are lower than the regional and national averages;
- In East Surrey there is a higher proportion of the workforce in occupation groups 1 to 3 (managers & senior officials, professional occupations and associate professional & technical occupations) than across the national and regional averages;
- Across all districts, with the exception of Mole Valley, the residence-based wage figure is higher than workplace based wages, suggesting that some of the local population commute out of the area to find higher paid work;

- Elmbridge has the highest gross weekly residence pay (the gross weekly pay of those living in the borough) at £905.30 across the study area, where residence based income is approximately 52% higher than workplace based income (the gross weekly income of people working in the borough). This suggests many of the more highly paid residents commute to places of work outside the borough;
- All areas within the East Surrey study area saw an increase in both average and lowest quartile weekly wages between 2002 and 2006;
- Between 60% and 70% of households in the East Surrey authorities commute less than 20km to work.

4.8 Employment

4.8.1 The number of jobs in the East Surrey study area, as measured by the most recent Annual Business Inquiry (2005) range from 28,700 in Tandridge to 51,300 in Elmbridge (see Table 4-9).

Table 4-9 Employment Change, 1995-2005

	1995	2005	Absolute Change	Change %
Elmbridge	43,894	51,300	+ 7,406	+ 16.9
Epsom & Ewell	28,338	30,700	+ 2,362	+ 8.3
Mole Valley	32,319	39,300	+ 6,981	+ 21.6
Reigate & Banstead	47,715	63,000	+ 15,285	+ 32.0
Tandridge	26,338	28,700	+ 2,362	+ 9.0
East Surrey	**178,604**	**213,000**	**+ 34,396**	**+ 17.6**
Surrey	410,150	507,900	+ 97,750	+ 23.8
South East	3,062,032	3,762,400	+ 700,368	+ 22.9
England	19,625,234	22,921,700	+ 3,296,466	+ 16.8

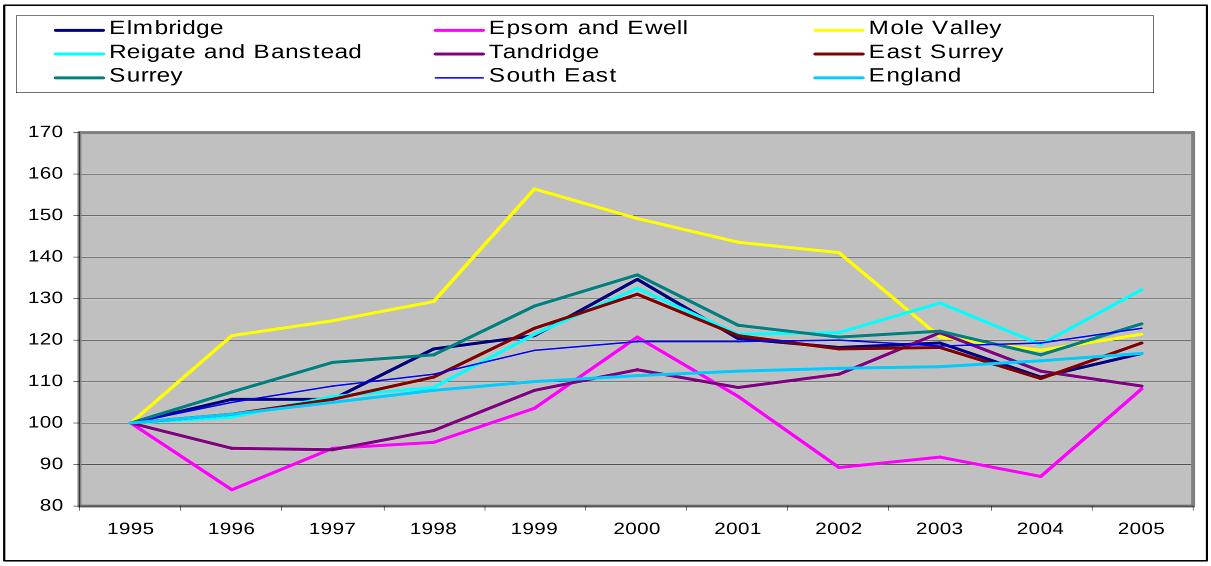
Source: Annual Business Inquiry 2005

4.8.2 Between 1995 and 2005, employment levels across the five local authorities have increased, in particular in Reigate & Banstead (32%) and Mole Valley (22%). There has also been significant growth observed at the study area, county and regional levels with the number of jobs in East Surrey increasing by 17.6%, in Surrey by 24% and in the South East by 23%. Therefore, although growth is significant it is below the Surrey and South East regional averages.

4.8.3 The increasing employment levels in the East Surrey sub region mean that mobile households are likely to relocate to the area, heightening demand on the housing stock.

4.8.4 Figure 4-7 suggests that the level of employment across the East Surrey authorities saw a rise up to 1999 / 2000 followed by a decline to 2005, although there was still overall growth across the period. The most significant growth across the period was in Mole Valley, whereas Epsom & Ewell experienced the lowest growth rate since 1995.

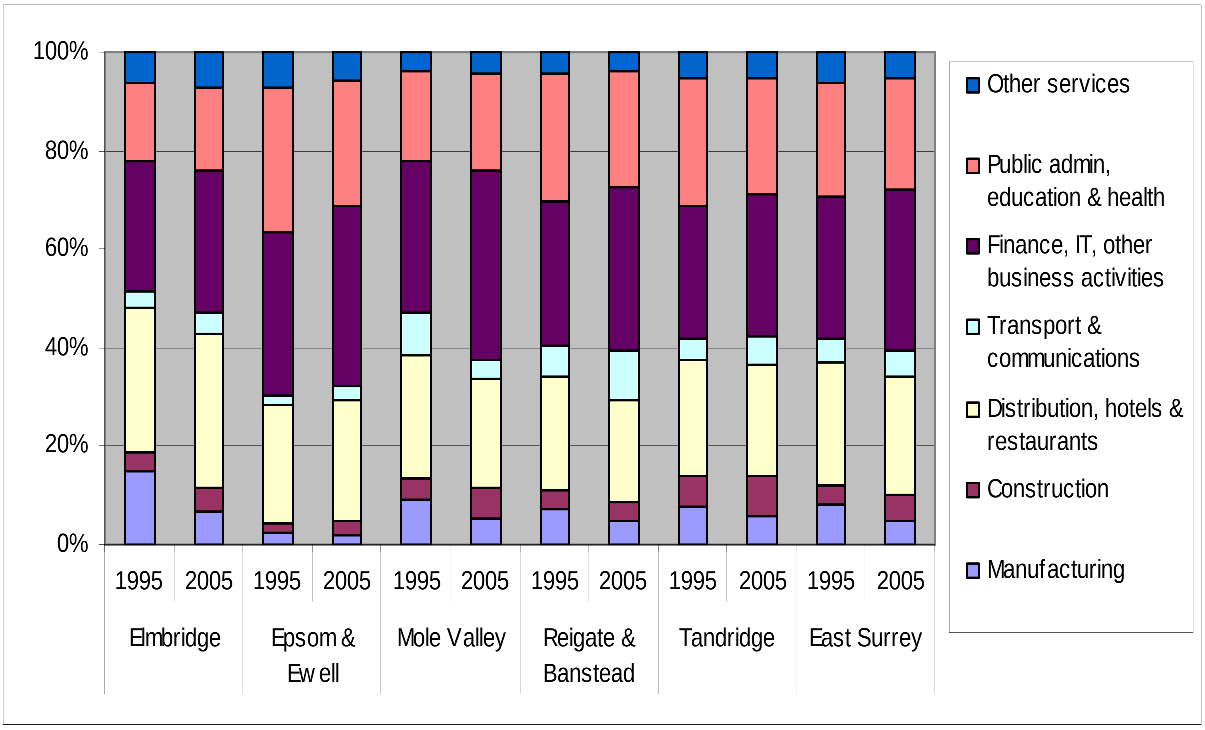
Figure 4-7 Indexed Employment Growth, 1995-2005 (1995 = 100)



Source: Annual Business Inquiry Employee Analysis

4.8.5 Figure 4-8 presents a breakdown of employment in East Surrey by broad sector, within the 10 year period from 1995 to 2005. The most important sectors within the East Surrey economy in 2005 in absolute employment terms are finance, IT and other business activities (ranging from 20.8% in Reigate & Banstead to 31.3% in Elmbridge), distribution, hotels and restaurants (ranging from 28.5% in Tandridge to 37.9% in Mole Valley) and public admin, health and education (ranging from 16.8% in Elmbridge to 25.5% in Epsom & Ewell).

Figure 4-8 ABI Employment by Broad Sector, 1995 - 2005



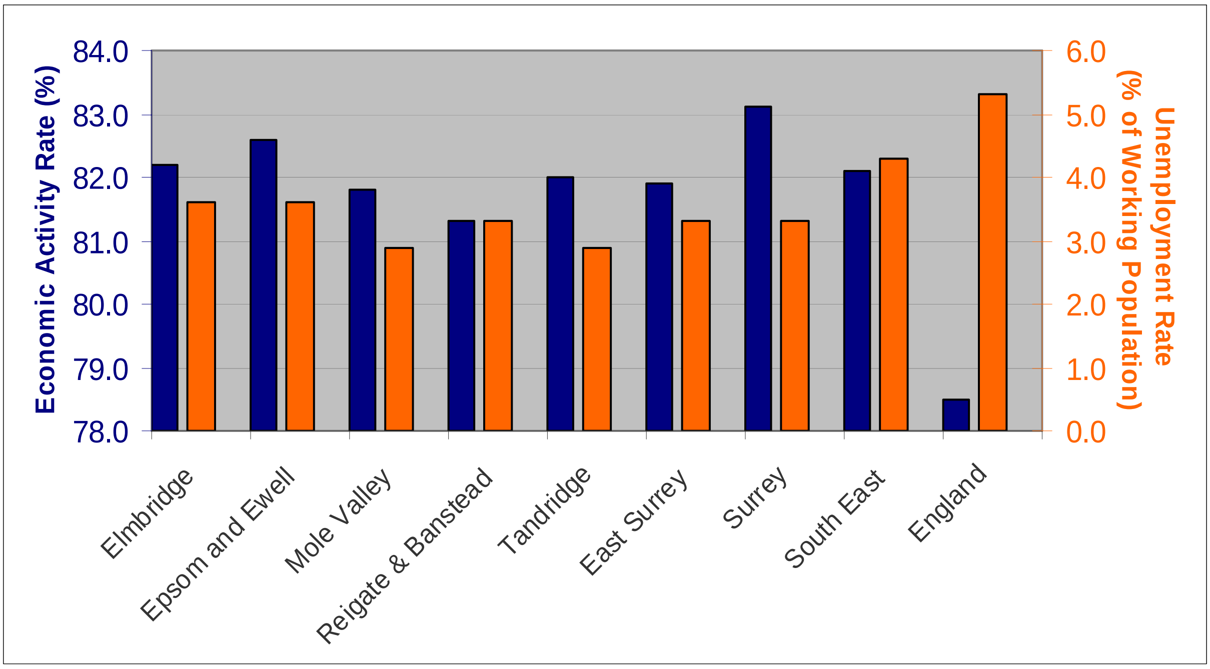
Source: Annual Business Inquiry Employee Analysis

4.8.6 All five authorities have seen a growth in finance, IT and other business activities and a smaller growth in construction. There has also been an increase in the transport and communications sector in all areas with the exception of Mole Valley. Manufacturing in all areas between 1995 and 2005 has seen a fall in employment, and this mirrors the decline of manufacturing nationally.

4.9 Economic Activity and Unemployment

4.9.1 It is important to understand the extent to which the working age population is engaged with the labour market. Data from the Labour Force Survey provides an indication of economic activity rates, the proportion of the working age population who are employed, self-employed, unemployed but available for work, or full time students. The Labour Force Survey also provides an insight into the level of unemployment within an area.

Figure 4-9 Economic Activity Rate and Unemployment Rate, 2006



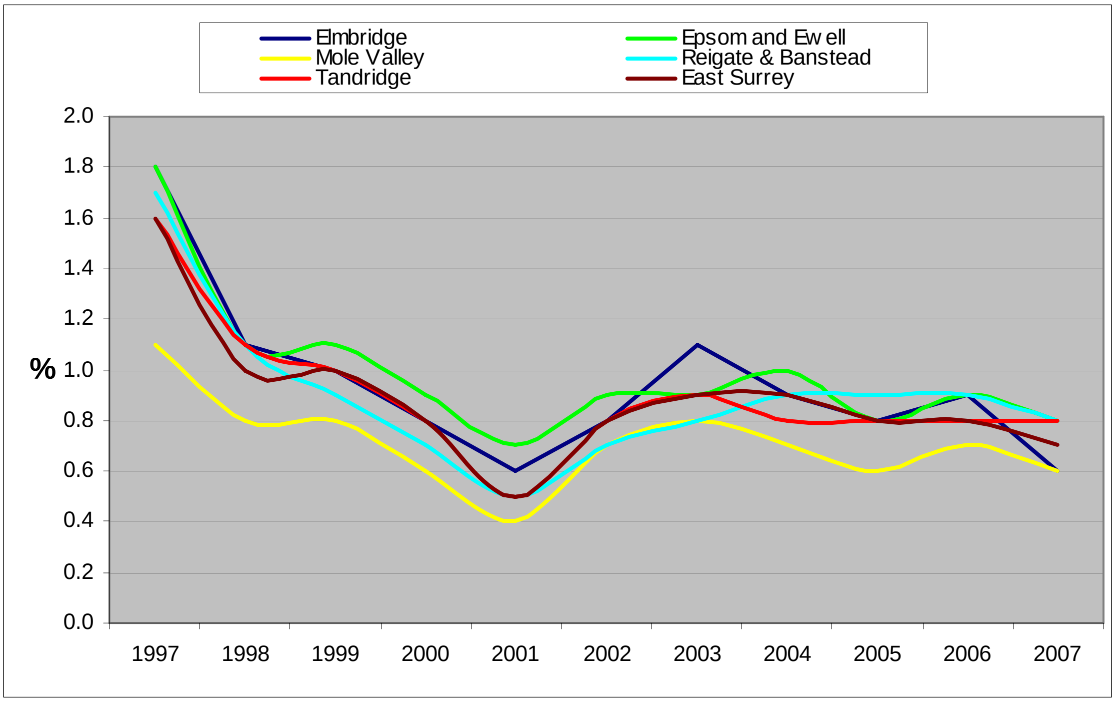
Source: ONS Model Based Statistics & Annual Population Survey

4.9.2 Figure 4-9 plots both the 2006 economic activity rate and unemployment rate for East Surrey and the regional and national benchmark areas. The chart shows that East Surrey has an economic activity rate of 81.9%. The economic activity rates range from the lowest in Reigate & Banstead of 81.3% to the highest in Epsom & Ewell of 82.6%. All five local authority areas had higher economic activity and lower unemployment rates than the national level, however economic activity was lower in all areas than the Surrey average of 83.1%.

4.9.3 The unemployment rate for East Surrey is 3.3% and ranged from 2.9% in both Mole Valley and Tandridge to 3.6% in Elmbridge and Epsom & Ewell, compared to the regional average of 4.3% and the national average of 5.3%.

4.9.4 An alternative measure of unemployment is to review the rate of the claimant count (the number of people claiming Job Seekers Allowance, previously known as Unemployment Benefit). Due to restrictions in claiming Job Seekers Allowance, this figure is likely to understate the true level of unemployment, by omitting those who are long term unemployed or people whose partners may be in work and are not eligible for benefit. Figure 4-10 below outlines the rate of claimant count from 1997 to 2007 for East Surrey.

Figure 4-10 Claimant Rate, 1997-2007

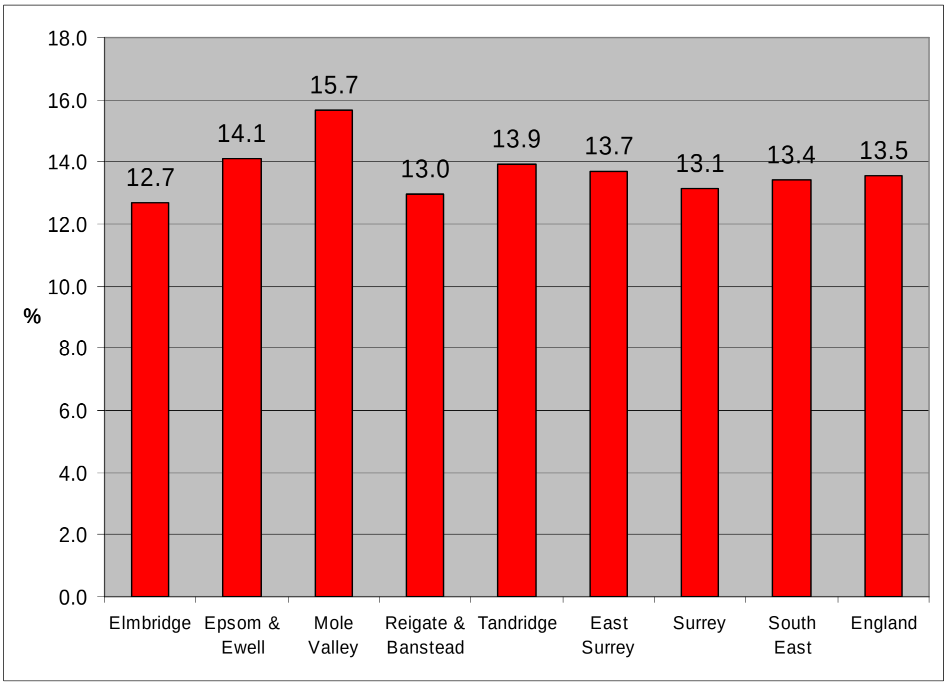


Source: ONS Claimant Count

4.9.5 Figure 4-10 above shows how the claimant rate (as a proportion of working age population) in East Surrey has changed over the period 1997 to 2007. The claimant rate has fallen in all areas between 1997 and 2007 and now ranges between 0.6% and 0.8% across all areas. Across the East Surrey study area the claimant count was at its lowest in 2001.

4.9.6 One reason for the higher than average economic activity rates within East Surrey could be a low retirement rate, however looking at the evidence below in only two areas is the level of retired population lower than the regional and national averages.

Figure 4-11 Levels of Retired Population



Source: Crown Copyright © Census 2001

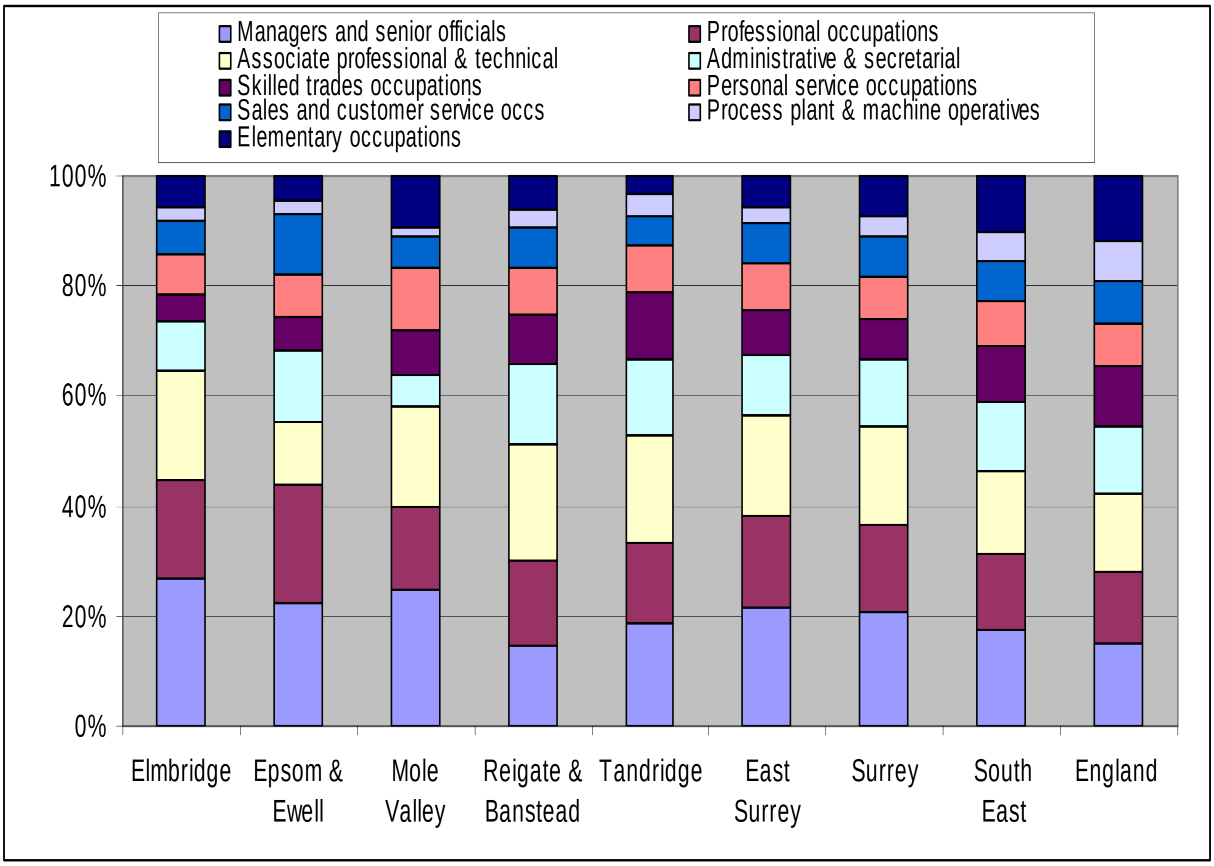
4.10 Occupational Structure

4.10.1 The occupational structure of a population can be used to assess the competitiveness of an economy. Figure 4-12 outlines the split by occupation of those who live in East Surrey and are in work, based on the Standard Occupational Classification System from the Annual Population Survey. The occupational structure of the workforce is linked with the types of industry that are prevalent within the economy.

4.10.2 Within East Surrey the largest groups in absolute terms are managers and senior officials (ranging from 15% in Reigate & Banstead to 27% in Elmbridge), professional occupations (ranging from 15% in Tandridge to 22% in Epsom & Ewell) and associate professional & technical occupations (ranging from 11% in Epsom & Ewell to 22% in Reigate & Banstead).

4.10.3 Between 13.1% and 14.4% of the working population in Epsom & Ewell, Reigate & Banstead and Tandridge work in administrative and secretarial occupations. Almost 10% of the workforce in Mole Valley works in elementary (unskilled) occupations.

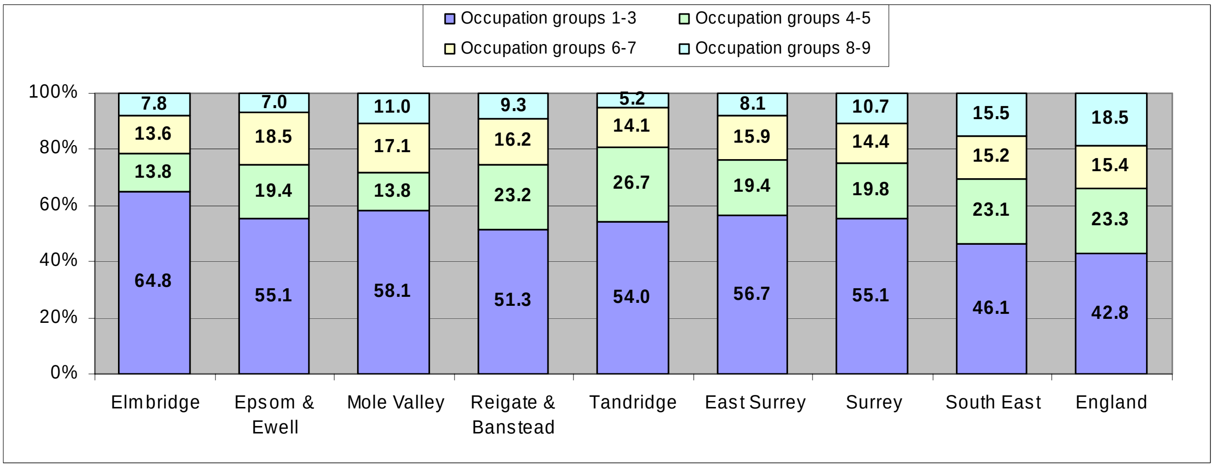
Figure 4-12 Occupational Structure, 2001



Source: Annual Population Survey 2006

4.10.4 Figure 4-13 below details the proportions of workforce employed across the nine occupation groups. Groups 1 to 3 contain managers & senior officials, professional occupations and associate professional & technical occupations, Groups 4 to 5 contain administrative & secretarial and skilled trade occupations, Groups 6 to 7 contain personal service occupations and sales & customer service occupations and Groups 8 to 9 contain process plant & machine operatives and those working in elementary occupations.

Figure 4-13 Levels of Population by Occupation Group, by Sub-area



Source: Nomis employee job estimates by industry 2006

4.10.5 Elmbridge has the largest proportion of its workforce in occupation groups 1 to 3 compared to all the other East Surrey areas (64.8%), a proportion significantly higher than the regional (46.1%) and national (42.8%) averages. This suggests that Elmbridge has a comparatively higher concentration of its labour force employed in higher wage sectors than across the benchmark areas. Tandridge has the lowest proportion of its workforce in occupation groups 8 to 9 (5.2%), with Mole Valley over double this level at 11.0%.

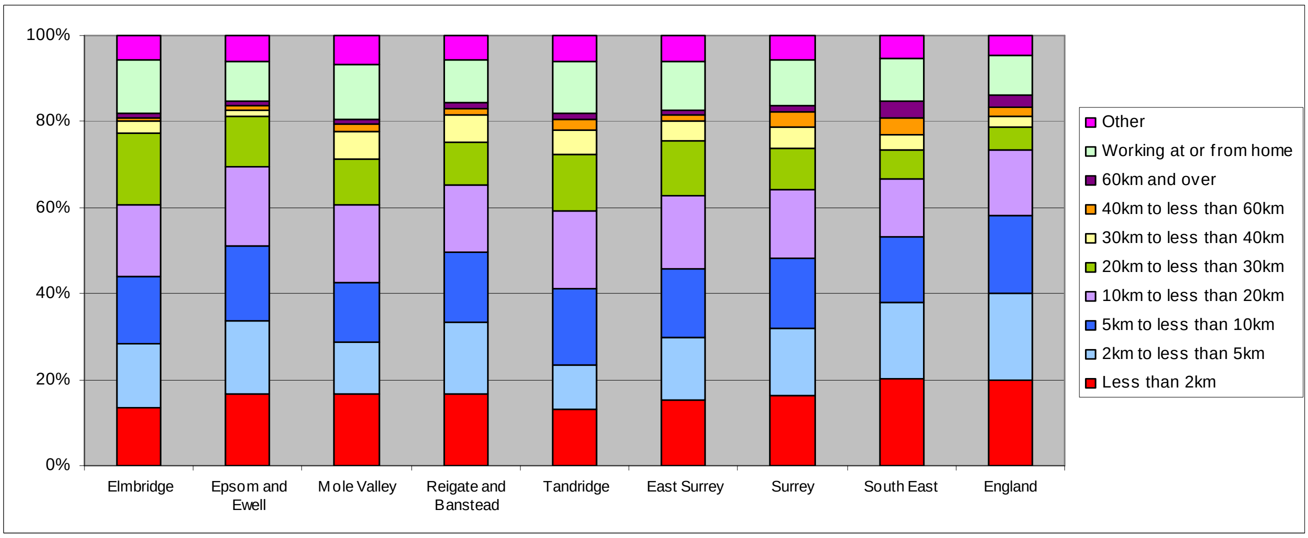
4.11 Commuters

4.11.1 It is important when analysing the dynamics of the housing market to assess patterns of commuting. Figure 4-14 presents a breakdown of workers by the distance they commute to their workplace. 59.7% of households in Tandridge commute less than 20km to work, this increases to 69.6% in Epsom & Ewell. This compares with 66.8% of people commuting less than 20 km in the South East region and 64.0% in Surrey.

4.11.2 In Tandridge, Mole Valley and Elmbridge over 12% of households work from home, compared to 9.9% in the South East and 9.2% nationally, which can indicate a need for larger housing to accommodate a room for work.

4.11.3 Compared to the benchmarks areas, more people in Tandridge and Elmbridge travel between 20 and 40 km to work, indicating a higher level of people travelling out of the respective authority areas to work.

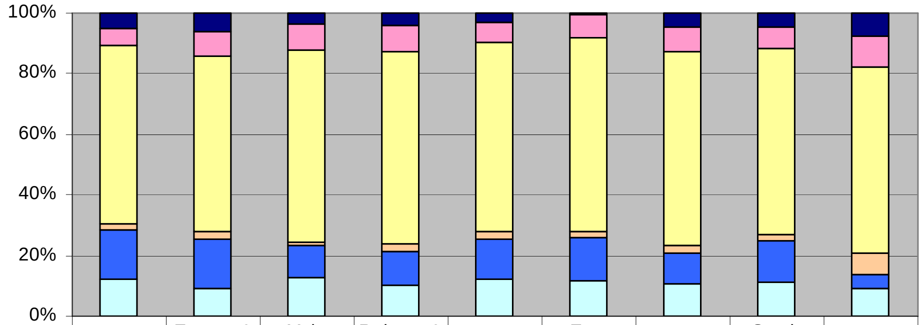
Figure 4-14 Commuting Distances of Residents within East Surrey 2001



Source: Crown Copyright © Census 2001

4.11.4 When looking at commuters' mode of transport across East Surrey, Figure 4-15 below shows that use of public transport is very limited as between 58% and 64% of all commuters travel to work by car (close to the regional and national average). 16% of commuters in both Elmbridge and Epsom & Ewell travel to work by train, above the regional and well above the national average, with London being the most common work place location for these commuter belt districts.

Figure 4-15 Commuters Mode of Transport



	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey	Surrey	South East	England
Other	5.2	6.0	3.7	4.2	3.1	0.5	4.6	4.6	7.6
On foot	5.6	8.0	8.5	8.4	6.5	7.3	8.0	7.3	10.0
Driving a car or van	58.7	58.1	63.5	63.7	62.5	61.5	64.2	61.5	61.0
Bus, minibus, coach	1.9	2.7	1.1	2.2	2.4	2.1	2.3	2.1	7.5
Train	15.9	15.9	10.6	11.3	13.4	13.4	10.3	13.4	4.2
Work mainly at or from home	12.3	9.2	12.6	10.1	12.2	11.3	10.7	11.3	9.2

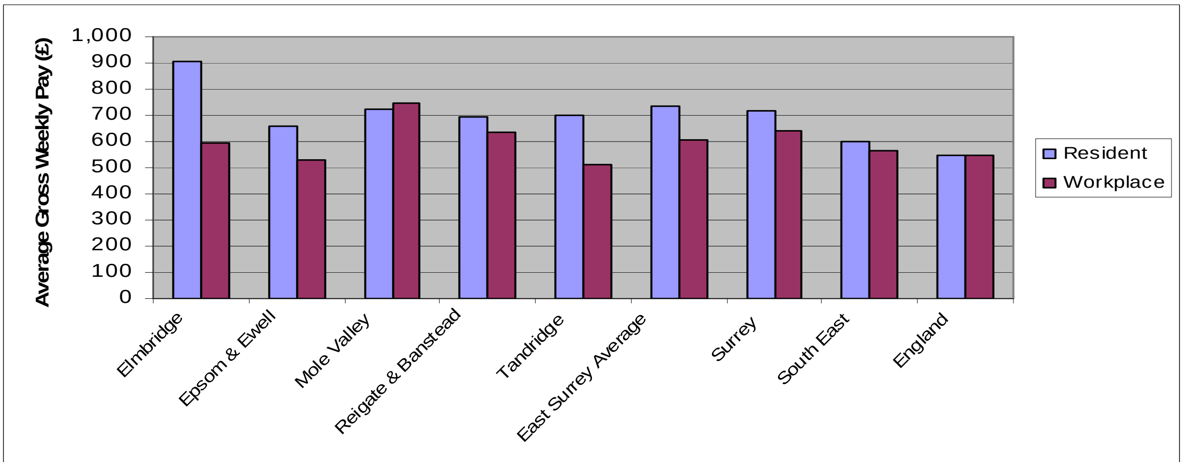
Source: Crown Copyright © Census 2001

4.12 Income

4.12.1 Income, and particularly household income, is one of the fundamental determinants of the ability of households to access home ownership or the market rented sector. Figure 4-16 and Table 4-10 average gross weekly pay by workplace (people who work in the area) and residence (people who live in the area) from the Annual Survey of Hours and Earnings (ASHE 2006), which provides information about the levels, distribution and make-up of earnings and hours worked for full-time employees in all industries and occupations.

4.12.2 The average residence pay across the East Surrey authorities is significantly higher than that observed at the regional or national level. Average workplace pay is above the average of the region and national levels in all areas except Epsom & Ewell and Tandridge.

Figure 4-16 Average Gross Weekly Pay, 2006



Source: Annual Survey of Hours and Earnings (2006)

4.12.3 Elmbridge residents have the highest gross weekly pay (£905) by a significant margin with the next highest for residents in Mole Valley (£722) being 20% less. The lowest weekly pay for residents is in Epsom & Ewell (£659), below the Surrey average (£717), however this is still significantly higher than the regional average (£598) and the national average (£548).

4.12.4 Despite having the highest average pay for residents, weekly workplace based pay in Elmbridge is only £593, over a third less than the residence pay. The highest gross weekly workplace based pay is in Mole Valley at £747, and not only is this higher than the residence pay in this area, but it is also significantly higher than all other benchmark areas. The reason for this may be the presence of blue chip companies with headquarters based in Mole Valley, for example Exxon Mobil.

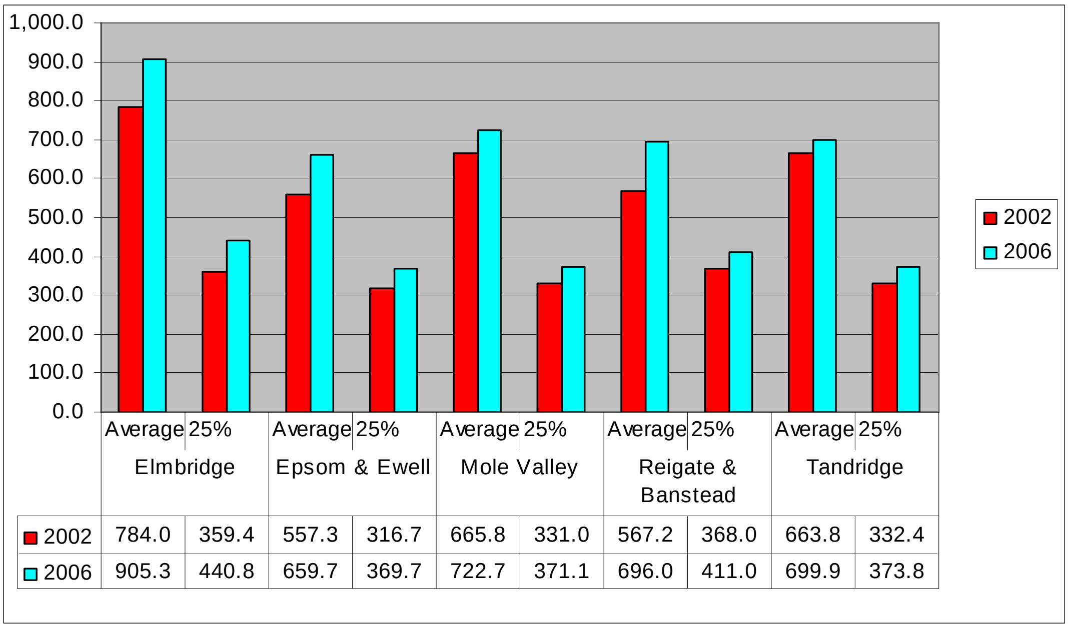
4.12.5 The fact that the wages of those living in the East Surrey districts are higher than those working in East Surrey, with the exception of Mole Valley, suggests that a relatively high proportion of the local population commute out of their area of residence for higher paid work.

Table 4-10 Average Gross Weekly Pay, £s, 2006

	Residence Based	Workplace Based
Elmbridge	905.3	593.7
Epsom & Ewell	659.7	528.8
Mole Valley	722.7	747.8
Reigate & Banstead	696.0	635.6
Tandridge	699.9	514.5
East Surrey	**736.7**	**604.1**
Surrey	717.0	640.6
South East	598.5	567.1
England	548.0	546.5

Source: Annual Survey of Hours and Earnings (2006)

Figure 4-17 Average and Lower Quartile Earnings 2002-2006 per week



Source: Annual Survey of Hours and Earnings (2006)

4.12.6 Figure 4-17 compares the average weekly residence earnings from 2002 to 2006, to the lowest quartile weekly earnings (i.e. the bottom 25%) for the East Surrey districts. Across all areas both the average and the lowest quartile weekly earnings have increased between 2002 and 2006. The largest increase in lower quartile wages was in Elmbridge with an increase of 22.6% from £359.40 per week to £440.80 per week.

4.12.7 The source of income data above assesses individual earnings (ASHE); however data on household incomes is more relevant. CORE (COntinuous REcording) is a system developed jointly by the National Housing Federation (NHF) and the Housing Corporation. CORE is used to record information on both Registered Social Landlords (RSL) lettings and sales in England.

4.12.8 The CORE data for lettings to new tenants in RSL housing in 2006 / 07, displayed in the table below, highlights the median combined household incomes of the five East Surrey districts, and the average household income of tenant households.

Table 4-11 CORE Annual Income Data (£) for New RSL Tenants

Area	Median Income	Average Income
Elmbridge	8,528	10,314
Epsom & Ewell	9,048	10,776
Mole Valley	11,440	12,713
Reigate & Banstead	10,972	13,394
Tandridge	11,440	13,020

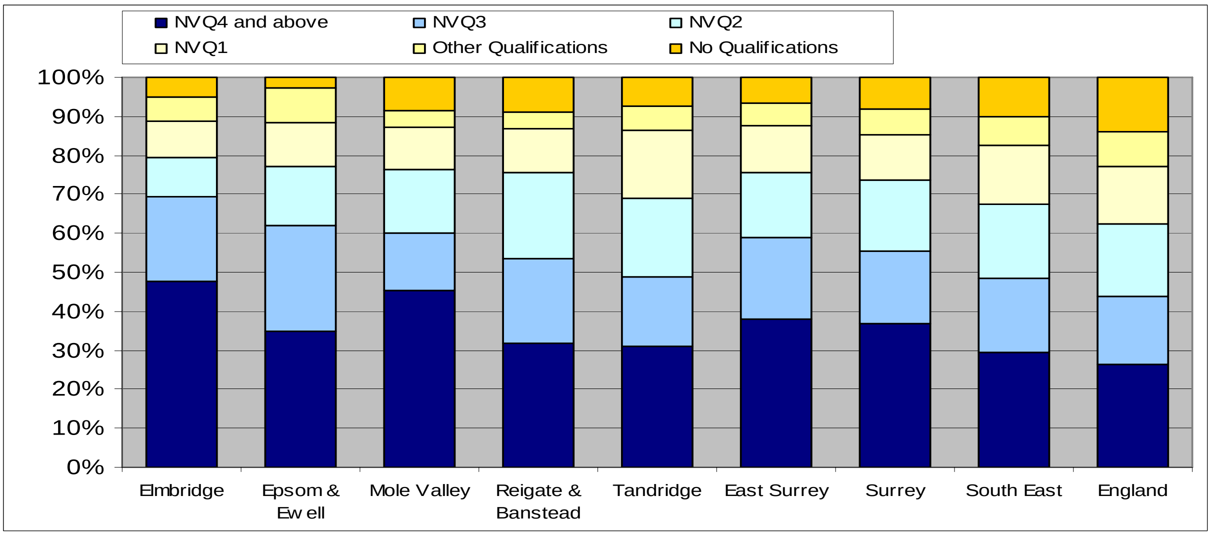
Source: CORE Housing Associations' New Lettings Data 2006 / 07

4.12.9 The median income for new RSL tenants in East Surrey ranges from £8,528 in Elmbridge to £11,440 in Tandridge and Mole Valley. Average incomes range from £10,314 in Elmbridge to £13,394 in Reigate & Banstead. Incomes of new social sector RSL tenants are, as expected, much lower than for other household groups in the private sector.

4.13 Skills and Educational Attainment

4.13.1 Central to the long term growth capacity and productivity of an economy is the level of workforce skills. Figure 4-18 presents the latest qualifications data for the working age population from January 2006 to December 2006 for East Surrey's workforce compared to the regional and national benchmark areas.

Figure 4-18 Workforce Skills



Source: Annual Population Survey (2006)
NVQ: National Vocational Qualification

4.13.2 Elmbridge and Mole Valley have the highest proportions of working age population with NVQ4 and above qualifications at 47.6% and 45.5% respectively, in contrast the regional (29.5%) and national (26.2%) benchmarks are much lower. Epsom & Ewell has the lowest proportion of working age population with no qualifications at just 2.8%, this compares to 8.7% in Mole Valley, 9.0% in Reigate & Banstead, 10% regionally and 14% nationally.

5 THE CURRENT HOUSING STOCK

5.1 Introduction

5.1.1 This section examines the characteristics and structure of the current housing supply in East Surrey. Analysis of the supply of housing allows an assessment of the range, quality and spatial distribution of housing that is currently available in the area.

5.1.2 This analysis is carried out to establish:-

- the nature of the current stock of housing, by size, type, location and tenure;
- the quality of the current housing stock;
- the extent of shared accommodation and communal establishments;
- how the housing stock has changed over the last decade.

5.2 Key Findings

- At 2001 East Surrey had a housing stock of 200,444 units. This has increased by 13,266 units since 1991.
- The 2007 Housing Strategy Statistical Appendices (HSSAs) show that the housing stock in East Surrey has risen to 207,985, an increase of 7,541 (3.8%) since 2001;
- East Surrey has a housing profile characterised by higher than average levels of owner-occupation. The 2001 Census recorded a level of 78.6% in East Surrey compared to Surrey County (77.2%), the South East (73.2%) and nationally (68.1%).
- The 2001 Census shows that East Surrey has lower than average social housing stock (11.1%), compared to 11.6% in Surrey County, 14.0% across the South East and 19.3% nationally.
- The 2001 Census showed that compared to national and regional benchmarks, East Surrey has significantly higher levels of detached and semi-detached properties.
- There are very low levels of 4+ bedroom social rented units in the study area.
- In 2001, 6,693 residents in East Surrey lived in 467 communal establishments (an establishment providing managed residential accommodation).

5.3 Housing Units

5.3.1 2001 Census recorded 200,444 housing units in East Surrey, ranging from 28,028 in Epsom & Ewell to 52,893 in Reigate & Banstead. The 2007 HSSA shows that this has risen to 207,985, an increase of 7,541, (3.8%).

Table 5-1 Housing Stock Numbers - (1991, 2001 & 2007)

Area	1991 Census	2001 Census	2007 HSSA	Change 1991 – 2007 (Nos.)	Change 1991 – 2007 (%)
Elmbridge	48,535	52,621	53,880	+ 5,345	+ 11.0
Epsom & Ewell	26,563	28,028	29,418	+ 2,855	+ 10.7
Mole Valley	33,212	34,501	36,108	+ 2,896	+ 8.7
Reigate & Banstead	48,593	52,893	54,836	+ 6,243	+ 12.8
Tandridge	30,275	32,401	33,743	+ 3,468	+ 11.5
East Surrey	**187,178**	**200,444**	**207,985**	**+ 20,807**	**+ 11.1**
Surrey	410,227	444,379	456,472 *	+ 46,245	+ 11.3
South East	3,099,387	3,391,833	3,541,679 *	+ 442,292	+ 14.3

5.3.2 The change in housing stock between 1991 and 2007 was analysed using Census data from 1991 and 2001 and 2007 HSSA returns. During this period, the housing stock in Reigate & Banstead showed the largest increase of 12.8%. In comparative terms, Mole Valley experienced a slower rate of dwelling stock growth with the smallest increase in overall stock at 8.7%.

5.3.3 In total, the dwelling stock in East Surrey has exhibited a net increase of approximately 20,807 dwellings between 1991 and 2007 (around 1,300 additional net units per annum).

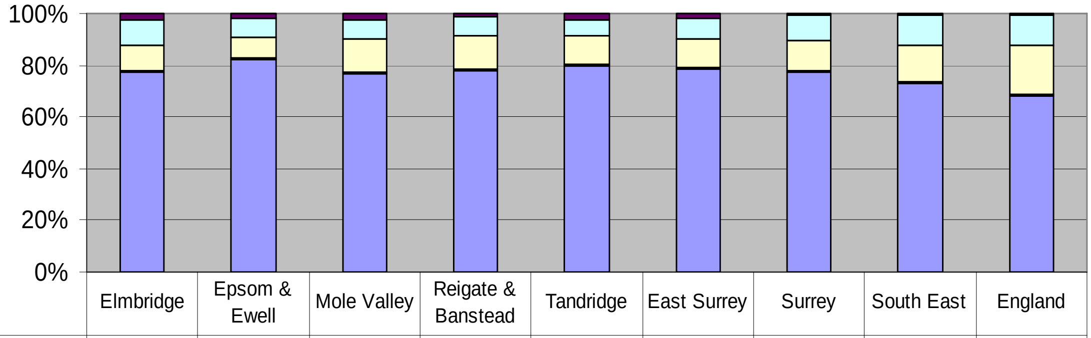
5.4 Tenure Profile

5.4.1 East Surrey has a housing profile characterised by higher than average levels of owner-occupation. 2001 Census data has been used and is the latest accurate data available as the data is only collected once every ten years. 2001 Census recorded a level of owner-occupation of 78.6% in East Surrey compared to Surrey County (77.2%), the South East (73.2%) and nationally (68.1%). The level of owner-occupation in East Surrey is highest in Epsom & Ewell at 82.3%. Owner occupation is lowest in Mole Valley (76.7%), however this figure is still high compared to the South East and nationally.

5.4.2 2001 Census recorded that East Surrey has lower than average social housing stock as a proportion of the total stock (11.1%), compared to 11.6% in Surrey County, 14.0% across the South East and 19.3% nationally. The levels of households living in social rented housing as a proportion of the total stock within each Local Authority within East Surrey ranges from 7.9% in Epsom & Ewell to 12.9% in Mole Valley.

5.4.3 2001 Census shows that private rented accommodation ranges from 6.2% in Tandridge up to 9.8% in Elmbridge, lower than the County (9.8%), regional (11.3%), and national (11.5%) benchmarks.

Figure 5-1 2001 Housing Tenure (%)



	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey	Surrey	South East	England
Other	2.2	1.6	2.7	1.5	2.3	2.0	0.8	0.8	0.6
Private rented	9.8	7.7	7.4	7.2	6.2	7.8	9.8	11.3	11.5
Social rented	10.3	7.9	12.9	12.5	11.2	11.1	11.6	14.0	19.3
Shared ownership	0.5	0.5	0.3	0.6	0.4	0.5	0.7	0.8	0.7
Owner occupied	77.2	82.3	76.7	78.2	79.8	78.6	77.2	73.2	68.1

Source: Crown Copyright © Census 2001

Table 5-2 2001 Housing Tenure (Units)

	Owner Occupation	Shared Owner-ship	Social Rented	Private Rented	Other
Elmbridge	39,074	263	5,224	4,939	1,122
Epsom & Ewell	22,525	140	2,148	2,125	424
Mole Valley	25,799	114	4,320	2,482	909
Reigate & Banstead	40,415	321	6,436	3,735	787
Tandridge	25,249	117	3,547	1,970	760
East Surrey	**153,062**	**955**	**21,675**	**15,251**	**4,002**
South East	2,405,785	25,642	458,933	288,313	108,816
England	14,777,655	138,858	4,155,364	1,889,558	698,918

Source: Crown Copyright © Census 2001

5.4.4 Table 5-3 below provides a more updated tenure profile at local authority level from the HSSA 2007. There are no major differences in tenure breakdown between 2001 Census and 2007 HSSA, however it must be noted that, as the data is from two different sources it is not directly comparable. Additionally there is no breakdown within the private sector between owner occupation and private rented.

5.4.5 The District and Boroughs of Elmbridge, Reigate & Banstead, Epsom & Ewell and Mole Valley have all undertaken a large scale voluntary transfer (LSVT), which involves the transfer of the ownership of a Local Authority's housing stock to a Registered Social Landlord (RSL). The above Councils transferred their stock to Elmbridge Housing Trust in 2000, Raven Housing Trust in 2002, Rosebery Housing Association in 1994 and Mole Valley Housing Association in 2007 respectively. The transfer RSLs are by far the largest social landlords in each of their original Council areas, although many other RSLs own stock in these areas. Tandridge District Council is the only local authority that retains ownership of social housing stock and again is the largest social landlord within its district.

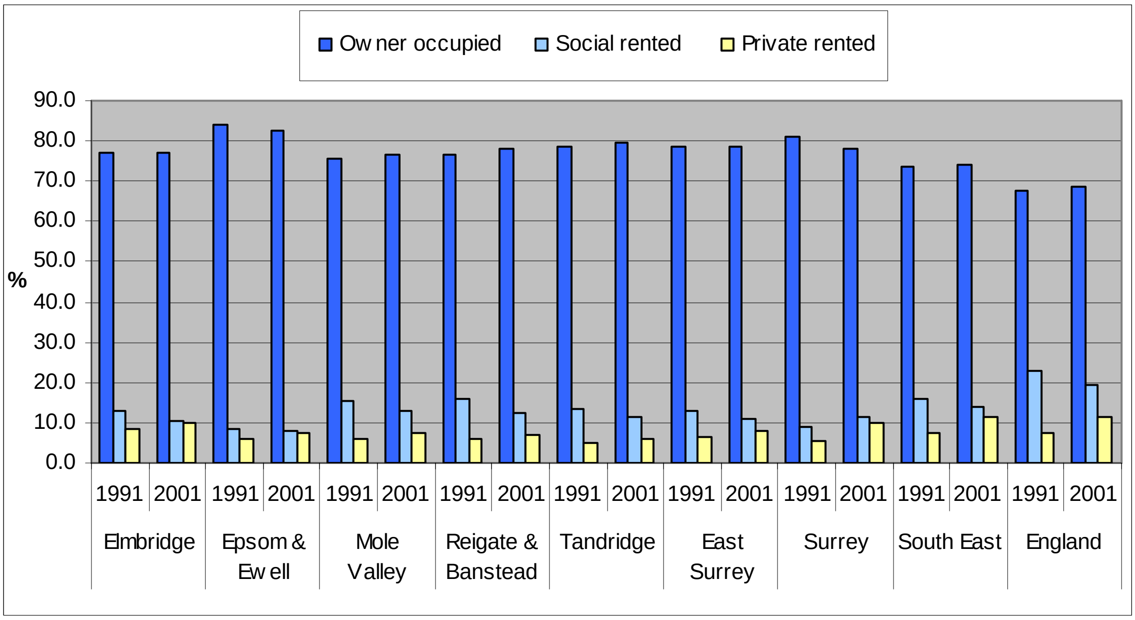
Table 5-3 Household Tenure by (%), 2007

	Local Authority	RSL	Other Public Sector	Private Sector
Elmbridge	0.0	9.4	0.1	90.5
Epsom & Ewell	0.0	9.1	0.8	90.1
Mole Valley	0.0	12.4	0.6	87.0
Reigate & Banstead	0.4	11.8	0.1	87.7
Tandridge	8.0	2.7	0.5	88.8
East Surrey	**1.7**	**9.1**	**0.4**	**88.8**
South East *	5.7	8.1	0.7	85.5

Source: Housing Strategy Statistical Appendix, 2007 (- HSSA 2006)*

5.4.6 The following graph highlights changes from 1991 to 2001 of tenure across the study areas. All areas in East Surrey show a slight increase in owner occupation, with the exception of Epsom & Ewell which shows a slight decrease (83.9% to 82.3%).

Figure 5-2 Household Tenure Change, 1991 – 2001



Source: Crown Copyright © Census 1991 – 2001

5.4.7 All East Surrey authorities, compared with national and regional benchmarks, have seen a decline in the social rented sector as a proportion of the total stock.

5.4.8 There has also been a small increase in the private rented sector in all East Surrey authorities with the largest increase seen in Reigate & Banstead, from 5.8% in 1991 to 7.2% in 2001. This increase in the private rented sector is reflected across all the study areas.

5.4.9 Recent changes in market conditions such as rising interest rates, recent investors in the private rented sector may decide to sell and it is difficult to predict how this sector will grow in the next five years.

5.4.10 Table 5-4 below outlines the social sector stock of General Needs Housing in East Surrey (i.e. excluding supported housing, intermediate housing and accommodation for the elderly). This is broken down by size (number of bedrooms) in the authorities where data at this level is available.

Table 5-4 Social Housing (General Needs) by Number of Bedrooms (March 2007)

Area	Bed-sit / 1-bed	2-bed	3-bed	4+ bed	Total
Elmbridge	1,006	1,372	1,537	105	**4,020**
Epsom & Ewell	869	894	698	52	**2,513**
Mole Valley	1,703	730	1,034	38	**3,505**
Reigate & Banstead *	1,228	2,011	2,053	165	**5,457**
Tandridge	1,371	933	943	59	**3,306**
East Surrey	**6,177**	**5,940**	**6,265**	**419**	**18,801**

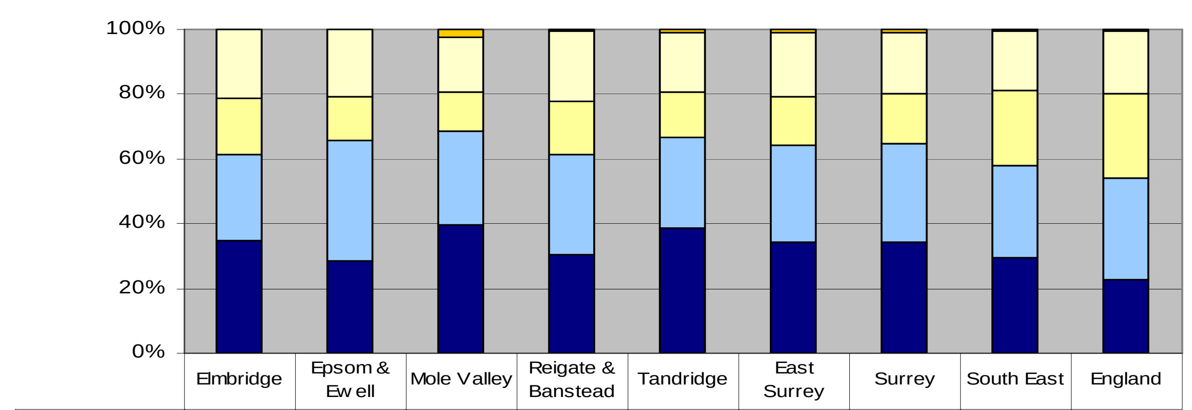
Source: East Surrey Local Authorities
** Data is obtained from RSLs*

5.4.11 The distribution regarding the proportion of different sized social rented properties varies from authority to authority, but when aggregated across East Surrey, there is very little difference between the number of one, two and three bed social rented properties. The proportion of large, social rented units (i.e. four bedrooms or more) in each authority is highest in Reigate & Banstead at 3% and is only 2.2% across East Surrey as a whole.

5.5 Type Profile

5.5.1 The current supply of housing by tenure and property types will have to be taken into account when assessing the future need for houses and affordability in the area.

Figure 5-3 Housing Type (2001)



	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey	Surrey	South East	England
Other	0.1	0.1	2.3	0.7	0.9	0.9	1.0	0.7	0.4
Flat	21.3	20.6	17.1	21.6	18.5	20.1	18.7	18.1	19.4
Terraced	17.3	13.5	12.0	16.3	13.7	14.9	15.8	23.2	25.9
Semi-detached	26.3	37.2	28.8	31.2	28.4	29.9	30.0	28.6	31.7
Detached	35.0	28.6	39.8	30.2	38.5	34.2	34.5	29.4	22.6

Source: Crown Copyright © Census 2001

5.5.2 Compared to the South East and national benchmark areas, East Surrey has low levels of terraced stock (14.9%) and high levels of detached stock (34.5%).

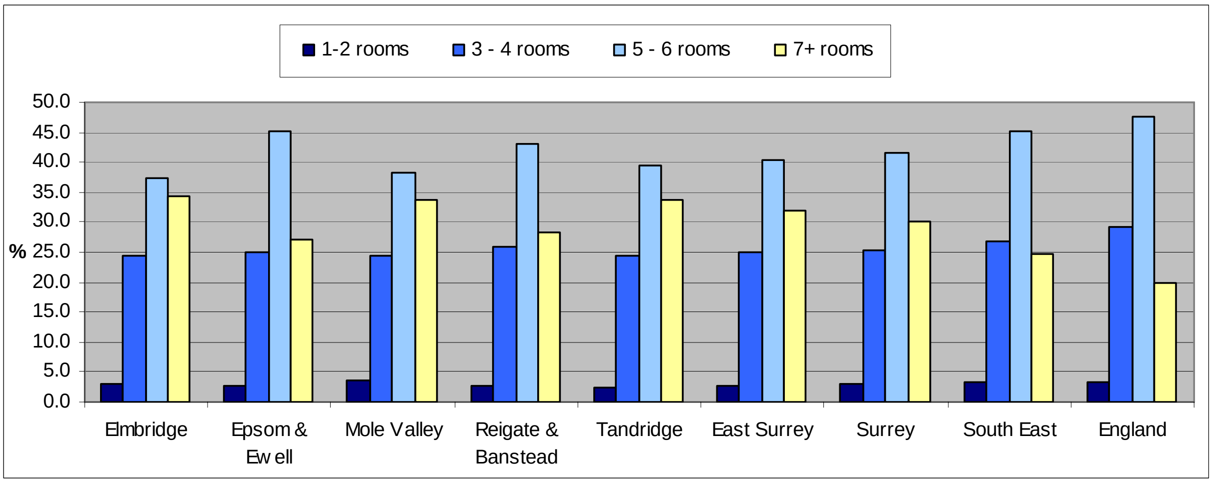
5.5.3 Reigate & Banstead and Elmbridge have higher levels of flats (21.6% and 21.3% respectively) compared to benchmark areas. Elmbridge has the highest level of terraced properties in East Surrey at 17.3% (see Figure 5-3). Epsom & Ewell has the highest level of semi-detached properties compared to local, national and regional study areas at 37.2%. Mole Valley has the highest level of detached properties in East Surrey at 39.8% and higher than the County level (34.5%), the South East (29.4%) and nationally (22.6%).

5.6 Size Profile

5.6.1 The Census does not record the number of bedrooms a property has, but the total number of rooms in a property. Figure 5-4 shows that East Surrey has higher levels of very large properties (those with over seven rooms) compared to the South East and nationally, ranging from the highest of 34.2% in Elmbridge to 27.2% in Epsom & Ewell.

5.6.2 This is compared to the national (19.8%), regional (24.6%) and county (30.2%) benchmarks. It has to be clarified that according to the Census definition the number of rooms does not include bathrooms, toilets, halls or landings, or rooms that can only be used for storage. However, all other rooms for example kitchens, living rooms, bedrooms, utility rooms and studies are counted.

Figure 5-4 Housing Size



Source: Crown Copyright © Census 2001

5.7 Intermediate Housing

5.7.1 Intermediate housing refers to housing at prices or rents above those of social rented but below market prices or rents. This includes shared ownership, shared equity and sub-market renting. Intermediate housing is developed by RSLs and developers and in most cases is marketed through the zone agent.

5.7.2 Thames Valley Housing (TVH) is currently the zone agent for Surrey and is one of a number of RSLs providing intermediate housing in East Surrey. It currently administers the Open Market HomeBuy programme for Surrey.

5.7.3 TVH liaises with local authorities and RSLs to prioritise and assist local residents in all forms of home ownership. The average initial share is around 40% with a rent chargeable on the remainder. Almost all new shared ownership projects are bought by new forming households. 2006 figures show that the average joint income levels required were £25,100 for a 1-bed property, £30,153 for a 2-bed property and £40,000 for a 3-bed property.

5.7.4 Shared ownership supply at Census 2001 in East Surrey was 955 units. This ranged from 114 in Mole Valley to 321 in Reigate & Banstead.

Table 5-5 – Shared Ownership Units in 2001 and 2007

	2001 *	2007 **
Elmbridge	263	350
Epsom & Ewell	140	277
Mole Valley	114	224
Reigate & Banstead	321	452
Tandridge	117	201
East Surrey	**955**	**1,504**

** Source: Crown Copyright © Census 2001*
*** Source: 2007 HSSAs*

5.7.5 Data from the individual East Surrey authority HSSA returns show that an additional 549 units have been built in the six years between April 2001 and March 2007, consisting of 87 in Elmbridge, 137 in Epsom & Ewell, 110 in Mole Valley, 131 in Reigate & Banstead and 84 in Tandridge, a total of 1,504. The existing stock in East Surrey generates re-sales of around 110 units per annum.

5.8 Second Homes

5.8.1 Data on second homes is available from a number of sources including:-

- **The Survey of English Housing** (a continuous, multi-purpose annual household survey);
- **The Omnibus Survey** (a regular, multi-purpose household survey conducted eight times a year by ONS which in recent years has begun asking about household members with more than one home and the use of their second home);
- **Council Tax data**;
- **The 2001 Census**.

5.8.2 DCA research has shown that the determination of an exact number of second homes either nationally or locally is difficult. Living and working arrangements in the UK are increasingly complex, for example with one member of a family perhaps working away and requiring a second home, and people living or working abroad and retaining a property in the UK.

5.8.3 The Survey of English Housing 2005 / 06 reports that around 260,000 households in England have a second home, representing a rise of 30% compared to 9 years ago. The Centre for Future Studies with Direct Line has estimated this could rise by a further 24% by 2014.

5.8.4 The most recent published data on second homes provided a snapshot as at 31 March 2005 and was gleaned from Council Tax records. Table 5-6 below sets out the number and proportion of second homes across East Surrey and compares it with the regional and national levels.

Table 5-6 Second Homes in East Surrey (March 2005)

	Number of Second Homes	% of total dwellings which are second homes
Elmbridge	761	1.4
Epsom & Ewell	131	0.5
Mole Valley	327	0.9
Reigate & Banstead	467	0.9
Tandridge	262	0.8
East Surrey	1,948	0.9
South East	26,884	0.9
England	167,225	1.0

Source: CLG

5.8.5 Elmbridge had a significantly higher number and proportion of second homes than the other East Surrey authorities, whereas Epsom & Ewell had a significantly lower proportion. The remaining authorities had a proportion of second homes similar to the national and regional levels.

5.9 Property Condition

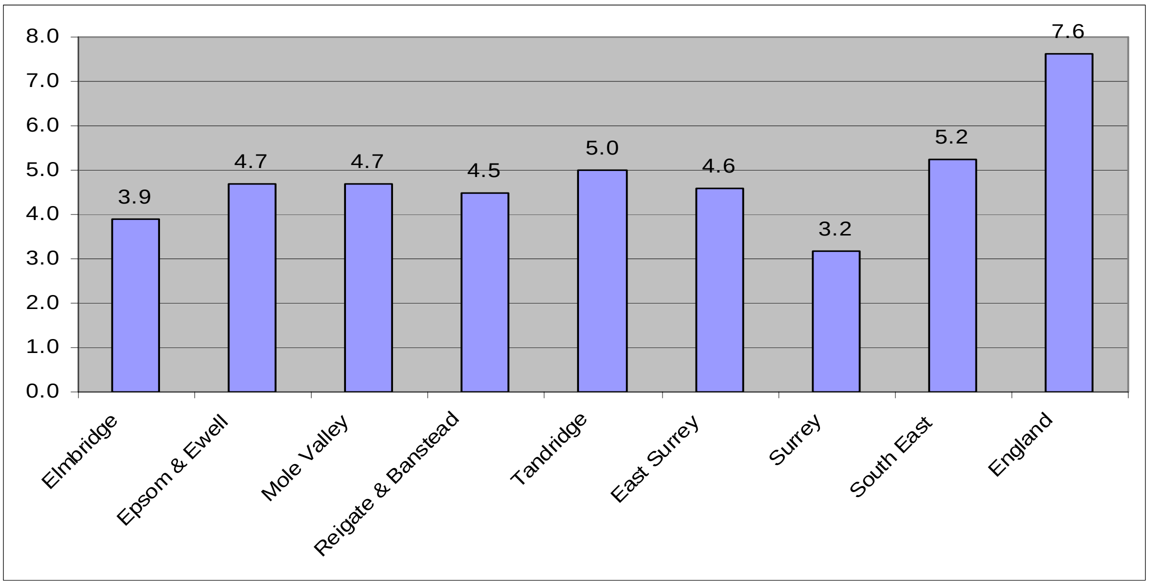
5.9.1 The numbers of unfit properties are usually assessed by undertaking a Stock Condition Survey, however in the absence of all authorities in East Surrey having undertaken a Stock Condition Survey, the 2001 Census and the 2007 HSSA have been examined.

5.9.2 Unfit dwellings are an indication of housing conditions. Trends in the number of unfit properties are hard to establish since there is no system of continuous recording. The English House Condition Survey (EHCS) carries out a survey once very five years to monitor the conditions of the housing stock in England. The most recent survey was published in 2004.

5.9.3 East Surrey authorities may need to review this section of the SHMA once a stock condition report is available for all East Surrey study areas. At present the current level of recorded data is not robust and consistent across East Surrey, therefore a more detailed assessment or conclusions cannot be completed at this stage.

5.9.4 Overall, according to the 2001 Census, 3.9% of all households in Elmbridge did not have a bath/shower and a toilet and/or central heating rising to 5.0% in Tandridge. This is significantly lower than the average of 7.6% in England and 5.2% in the South East Region (see Figure 5-5).

Figure 5-5 Property Condition – Households without Bath / Shower and Toilet and / or no Central Heating

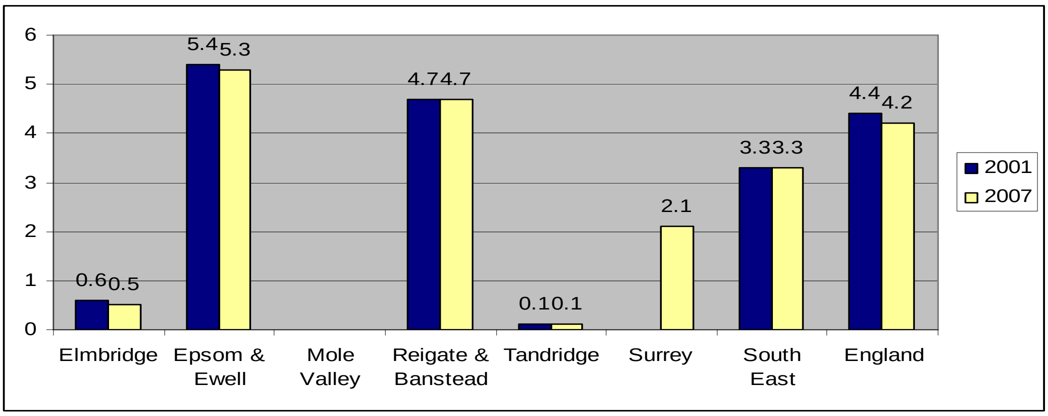


Source: Crown Copyright © Census 2001

5.9.5 The Housing Health and Safety Rating System (HHSRS) is the new risk assessment procedure for residential properties. It replaced the Housing Fitness Regime from 2006 in England and Wales. The HHSRS also replaces the fitness standards as an element of the Decent Homes Standard. The requirement is that a dwelling should be free of Category 1 hazards and authorities have a duty to take action in respect of any dwellings falling into this category.

5.9.6 Figure 5-6 shows the level of unfit dwellings as a proportion of the overall stock at 2001 from Census data and at 2007 from HSSA data. Mole Valley had not completed its assessment of Category 1 Hazards at the time of this report and the figure recorded in the 2007 HSSA represented the number of dwellings counted as 'unfit' under the previous Fitness standard, hence the available data is not comparable for the purposes of Figure 5-6.

Figure 5-6 Unfit Dwellings as a Proportion of Overall Stock 2001-2007



Source: Crown Copyright © Census 2001 & HSSA 2007 (East Surrey authorities) & 2006 HSSA (Surrey, South East & England)

Note: 2001 Census data for Surrey not available, 2001 / 07 data for Mole Valley not available

5.9.7 Recent Housing Needs Studies undertaken in East Surrey asked residents for their views regarding the amenities they had in their current home and adequacy of the stock.

5.9.8 The 2006 Elmbridge Housing Needs Survey Update revealed that 96.1% of all households had some form of central heating and 78.1% of all households had either full or partial double glazing. The survey asked if households felt their current accommodation was adequate for their needs. 87% felt that their home was adequate and 13.0% felt that their accommodation was inadequate. Of those who felt that their home was inadequate 82.0% felt that their accommodation needed repairs / improvement and 77.9% felt that their accommodation was too small.

5.9.9 The 2006 Housing Needs Survey Update undertaken for Epsom & Ewell found that 96.0% of households had some form of central heating and 87.0% had some form of double glazing. 87.9% of households in Epsom & Ewell felt that their accommodation was adequate for their needs. Of the 12.1% who felt that their accommodation was inadequate, 86.9% felt that their home needed improvement / repair and 71.9% felt that their home was too small.

5.9.10 The 2007 Mole Valley Housing Needs Survey indicated that 84.4% of households had some form of central heating. 87.2% of households felt that their accommodation was adequate for their needs. Of the 12.8% who felt that their accommodation was inadequate, 44.9% felt that their home needed improvement / repair and 41.1% felt that their home was too small.

5.9.11 The 2007 Housing Needs Survey Update for Reigate & Banstead found that 95.2% of households had some form of central heating and 86.9% had some form of double glazing. 88.2% of households in the Borough felt that their accommodation was adequate for their needs. Of the 11.8% who felt that their accommodation was inadequate, 91.1% felt that their home needed improvement / repair and 71.1% felt that their home was too small.

5.9.12 The 2007 Housing Needs Survey Update for Tandridge found that 97.4% of households had some form of central heating and 84.5% had some form of double glazing. 90.7% of households in the district felt that their accommodation was adequate for their needs. Of the 9.3% who felt that their accommodation was inadequate, 54.7% felt that their home needed improvement / repair and 37.8% felt that their home was too small.

5.9.13 It can therefore be concluded that the properties within East Surrey are in a good condition (based on the data available) relative to national figures. The local authorities in East Surrey may wish to consider undertaking further research into the condition of the accommodation in their districts to inform their Private Sector Housing Renewal Policies and related affordable warmth / fuel poverty strategies.

5.10 Over-Crowding and Under-Occupation

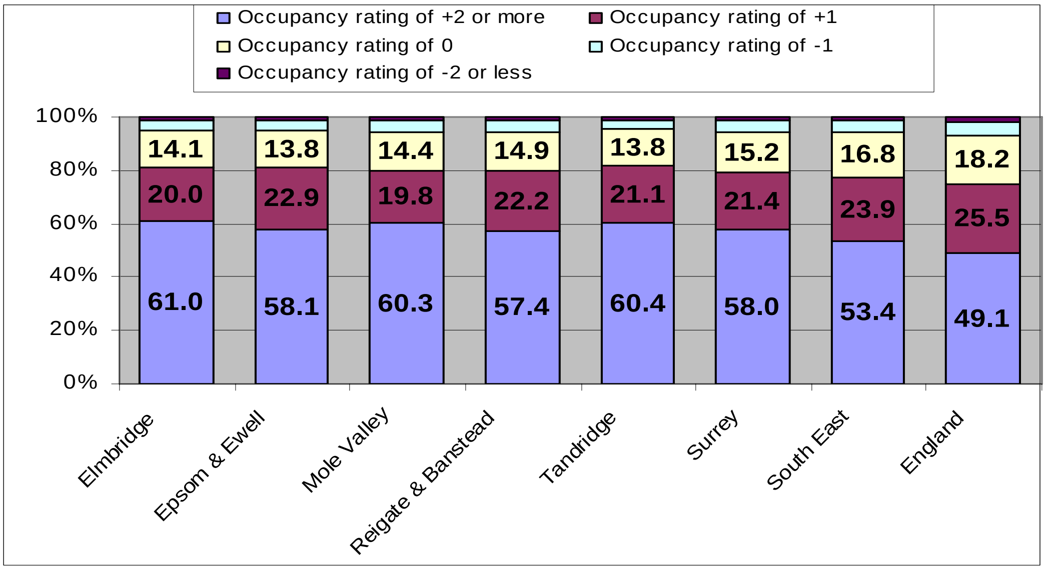
5.10.1 Over-occupation occurs when, using the ‘bedroom standard’, there are insufficient bedrooms in the property based on the number of residents and their age/sex/marital status composition. A household is under-occupying if there is more than one spare bedroom available using the bedroom standard test.

5.10.2 The 2001 Census features data on overcrowding by area, however it is important to note that it does not apply the Government ‘bedroom standard’ in its calculation, and is therefore only of value when comparing one local authority area to another. The method used to calculate over-occupation from Census data (known as “Occupancy Rating”) results in higher levels of overcrowding than would apply using the ‘bedroom standard’.

5.10.3 According to the 2001 Census, 5.2% of households in East Surrey were overcrowded, ranging from 4.7% in Tandridge, 5.0% in Elmbridge, 5.2% in Epsom & Ewell, 5.4% in Mole Valley and 5.5% in Reigate & Banstead. This is compared to the Surrey County (5.5%) and regional South East figure of 5.9%. It is not surprising that the level of over-occupation is low compared to the county and regional areas due to the high proportion of larger properties in East Surrey.

5.10.4 Occupancy rating is a measure of under-occupancy and overcrowding. A positive measure refers to the number of rooms in addition to the minimum requirements. A negative measure refers to the number of rooms short of the minimum, and gives some indication of over-crowding.

Figure 5-7 Occupancy Levels



Source: Crown Copyright © Census 2001

5.10.5 Figure 5-7 shows that the majority of households had an occupancy rating of +1 or more. This is highest in Tandridge, Elmbridge and Epsom & Ewell where more than 81.0% of all households had an occupancy rating of +1 or more. Elmbridge had the highest proportion of households with an occupancy rating of +2 or more (61.0%).

5.10.6 A broad assessment of 'under-occupation' and 'over-occupation' was conducted utilising local housing need survey data from each local authority. This was based on a detailed analysis of the family composition data.

5.10.7 The number of bedrooms required in each household was established allowing for age and gender of occupants as defined by the 'bedroom standard'. In the case of over-occupation, any dwelling without sufficient bedrooms to meet that requirement has been categorised as over-occupied. In the case of under-occupation, any dwelling with more than one 'spare' bedroom above requirement has been categorised as under-occupied.

5.10.8 The assessment of under / over occupation by tenure revealed some disparity between tenure types as indicated below.

Table 5-7 Under / Over Occupation by Tenure

<table>
<tr><th rowspan="2"></th><th colspan="2">Elmbridge</th><th colspan="2">Epsom & Ewell</th><th colspan="2">Mole Valley</th><th colspan="2">Reigate & Banstead</th><th colspan="2">Tandridge</th></tr>
<tr><th>Under Occupied</th><th>Over Occupied</th><th>Under Occupied</th><th>Over Occupied</th><th>Under Occupied</th><th>Over Occupied</th><th>Under Occupied</th><th>Over Occupied</th><th>Under Occupied</th><th>Over Occupied</th></tr>
<tr><td>Owner Occupied (with Mort)</td><td>45.8</td><td>1.3</td><td>34.2</td><td>2.9</td><td>43.5</td><td>1.8</td><td>42.9</td><td>1.4</td><td>39.6</td><td>2.0</td></tr>
<tr><td>Owner Occupied (No Mort)</td><td>64.6</td><td>0.6</td><td>59.5</td><td>0.5</td><td>61.2</td><td>0.2</td><td>64.8</td><td>0.4</td><td>63.3</td><td>0.6</td></tr>
<tr><td>Private Rented</td><td>17.9</td><td>3.4</td><td>12.2</td><td>9.2</td><td>15.2</td><td>3.8</td><td>13.8</td><td>2.4</td><td>13.8</td><td>7.1</td></tr>
<tr><td>Council Rented</td><td>n/a</td><td>n/a</td><td>n/a</td><td>n/a</td><td rowspan="2">7.9</td><td rowspan="2">4.2</td><td>n/a</td><td>n/a</td><td>14.0</td><td>4.9</td></tr>
<tr><td>HA Rented</td><td>11.3</td><td>4.3</td><td>9.9</td><td>10.1</td><td>12.7</td><td>6.2</td><td>0.0</td><td>5.6</td></tr>
<tr><td>HA Shared Ownership</td><td>42.4</td><td>0.0</td><td>29.7</td><td>0.0</td><td>0.0</td><td>0.0</td><td>6.6</td><td>13.2</td><td>0.0</td><td>0.0</td></tr>
<tr><td>Tied to Employment</td><td>27.2</td><td>9.6</td><td>62.5</td><td>0.0</td><td>19.1</td><td>0.0</td><td>49.1</td><td>0.0</td><td>15.7</td><td>0.8</td></tr>
<tr><td>Living Rent Free</td><td>n/a</td><td>n/a</td><td>n/a</td><td>n/a</td><td>46.5</td><td>0.0</td><td>n/a</td><td>n/a</td><td>16.4</td><td>0.0</td></tr>
<tr><td>All Tenures</td><td>45.5</td><td>1.6</td><td>40.2</td><td>3.0</td><td>44.3</td><td>1.6</td><td>44.1</td><td>1.8</td><td>43.3</td><td>2.1</td></tr>
</table>

5.10.9 The levels of over-occupation were significantly higher in the rented sector than in the owner occupied sector. Under occupation within the owner occupied no mortgage sector, which will include a higher proportion of elderly households, was slightly below the level of around 62.0% found in recent DCA surveys. Under-occupation in the social housing sector was low in comparison to the all tenure average and the owner occupied forms of tenure.

5.11 Shared Housing & Communal Establishments

5.11.1 The term 'Communal Establishment' is defined as an establishment providing managed residential accommodation. The three major types are nursing homes, residential care homes and any other medical and care establishments provided by local authorities, public, private and voluntary bodies. The most reliable data on communal establishments is from the Census.

5.11.2 Shared housing and communal establishments are an important type of accommodation for people needing flexible housing options and / or vulnerable to homelessness as well as for students.

5.11.3 In 2001, 9,575 residents in East Surrey lived in 467 communal establishments. The numbers of communal establishments and residents in each of the study areas are shown in Table 5-8.

Table 5-8 Communal Establishments

Area	No. of Communal Establishment	No. of Residents in Communal Establishments
Elmbridge	88	1,578
Epsom & Ewell	54	1,219
Mole Valley	70	1,441
Reigate & Banstead	157	3,264
Tandridge	98	2,073
East Surrey	**467**	**9,575**
Surrey	880	24,315
South East	7,798	190,822
England	43,972	890,681

Source: Crown Copyright © Census 2001

6 THE ACTIVE MARKET

6.1.1 This section provides an analysis of indicators of housing market activity to provide an understanding about changes in demand over time and to identify any pressure points within East Surrey.

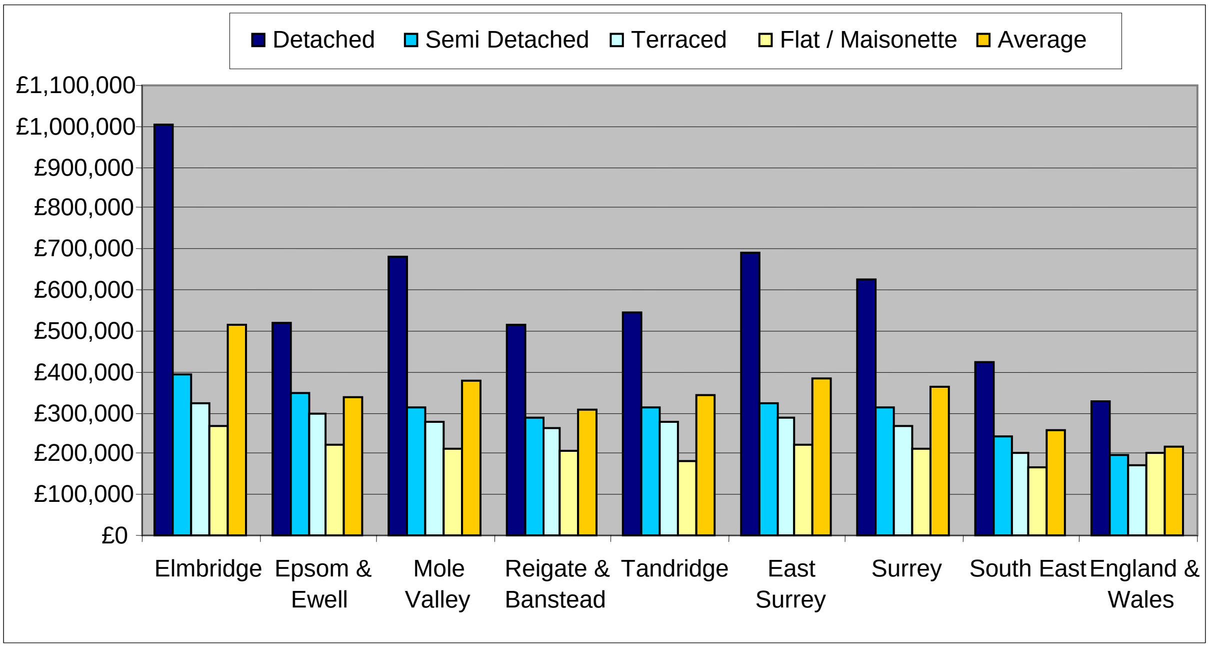
6.2 Key Points:-

- Over the last 5 years to 2007, sales prices have increased by 44.8% in East Surrey, ranging from 36.7% in Reigate & Banstead, rising to 51.8% in Tandridge;
- The average house price in East Surrey in 2007 was £383,809, ranging from £306,918 in Reigate & Banstead to £513,543 in Elmbridge. These levels are high compared to the South East (£256,149) and national (£216,100) benchmarks;
- The number of sales in East Surrey has increased in all local authority areas since 2002, except Elmbridge where a 5.3% decline was seen. This trend in the increase in sales across Surrey is contrary to the regional trend, which has seen declining sales levels over the period;
- In 2006, average social sector weekly rents ranged from around £75 in Reigate & Banstead rising to £84 in Mole Valley;
- In 2006, average private sector rents were far higher than regional and national comparators at around £143 per week in Reigate & Banstead rising to £181 in Elmbridge. This is compared to average rent levels in the South East (£113) and England (£104);
- Affordability ratios, which compare lower quartile house prices to lower quartile incomes have been climbing steeply since 2002, due to the recent sharp increases in house prices.

6.3 House Prices

6.3.1 The latest data on average house prices during the second quarter of 2007 from Land Registry are summarised in Figure 6-1 and Table 6-1 below.

Figure 6-1 Average House Prices by Type, Q2 2007



Source: © Crown Copyright Land Registry, 2nd Quarter 2007

Table 6-1 Average House Prices by Type, Q2 2007

Area	Detached	Semi-Detached	Terraced	Flat / Maisonette	All Types	National Ranking *
Elmbridge	1,002,320	391,647	321,206	266,945	513,543	5
Epsom & Ewell	520,083	346,104	296,608	221,421	336,024	31
Mole Valley	679,460	311,288	277,220	212,993	378,150	14
Reigate & Banstead	514,819	286,457	261,153	209,316	306,918	45
Tandridge	546,509	310,928	277,782	182,052	345,150	27
East Surrey	**692,958**	**325,343**	**289,091**	**224,199**	**383,809**	**-**
Surrey	628,120	311,846	269,070	214,077	362,888	-
South East	424,356	243,553	202,266	168,657	256,149	-
England & Wales	328,340	194,594	173,048	200,035	216,100	-

Source: © Crown Copyright Land Registry, 2nd Quarter 2007

** - National Ranking out of 375 Local Authorities in England & Wales*

6.3.2 Table 6-1 shows that overall the prices in the East Surrey study area, Surrey County and the South East are significantly higher than those in England & Wales. Overall, average house prices in East Surrey (£383,809) are above the South East regional average (£256,149).

6.3.3 In national terms, Elmbridge was the 5th most expensive local authority area during the quarter, with Mole Valley 14th. All local authorities in East Surrey were in the top 50 of 375 authorities nationally in terms of average price.

6.3.4 Table 6-2 and Figure 6-2 below show the extent to which house prices have increased in East Surrey in the last five years (Quarter 2, 2002 to Quarter 2, 2007), compared to the wider regional and national average.

6.3.5 Since 2002, house prices in Tandridge have increased by 51.8%, compared to the lowest increase of 36.7% in Reigate & Banstead. Although house prices across the South East have seen a sustained growth over the last five years, the rapid rate of inflation seen previously has begun to slow on a national and regional scale.

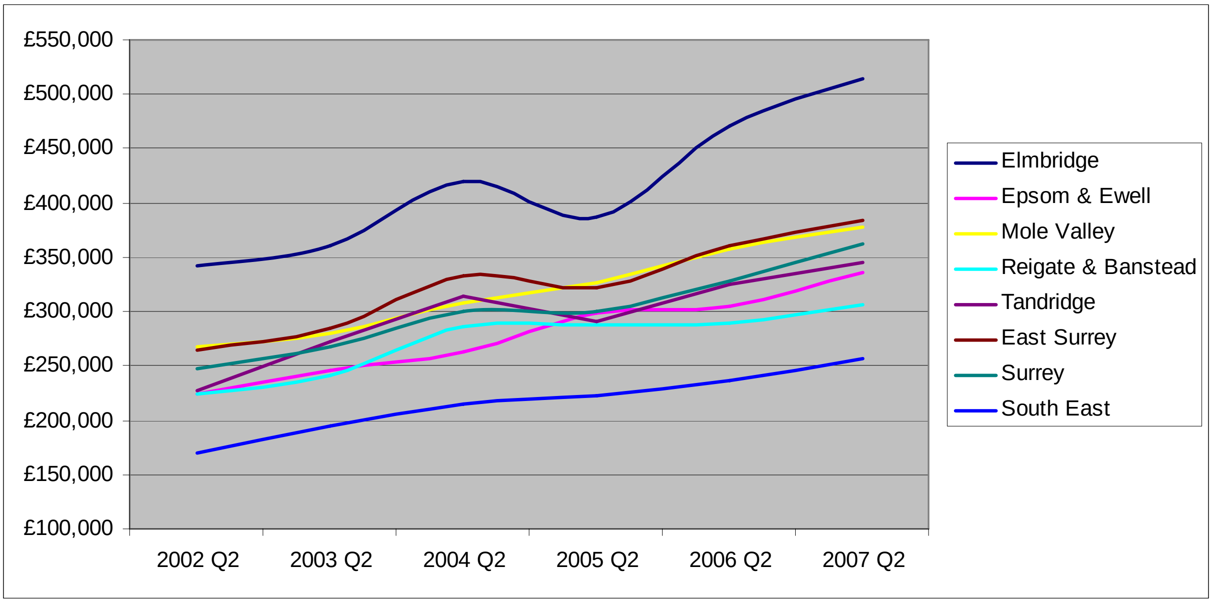
6.3.6 These price increases will affect the affordability of owner occupation and impact upon the number of households who are able to access this form of tenure. The most logical impact is an increased demand for low cost home ownership initiatives and more private rented accommodation.

Table 6-2 Change in House Prices - 2002 to 2007

Area	2002 Q2	2003 Q2	2004 Q2	2005 Q2	2006 Q2	2007 Q2	% Change 2002 -2007
Elmbridge	342,040	360,298	420,339	386,602	471,635	513,543	+ 50.1
Epsom & Ewell	224,905	245,463	262,381	297,904	304,642	336,024	+ 49.4
Mole Valley	266,960	280,599	307,759	327,053	357,475	378,150	+ 41.7
Reigate & Banstead	224,494	241,193	286,688	288,448	289,017	306,918	+ 36.7
Tandridge	227,288	272,876	314,810	290,979	325,732	345,150	+ 51.8
East Surrey Average	**265,147**	**284,085**	**332,822**	**322,419**	**360,715**	**383,809**	**+ 44.8**
Surrey	247,665	267,136	300,797	299,937	328,761	362,888	+ 46.5
South East	169,691	194,887	214,606	223,346	237,016	256,149	+ 50.9

Source: © Crown Copyright Land Registry, 2nd Quarter 2002 to 2nd Quarter 2007

Figure 6-2 Average House Prices - 2002 to 2007



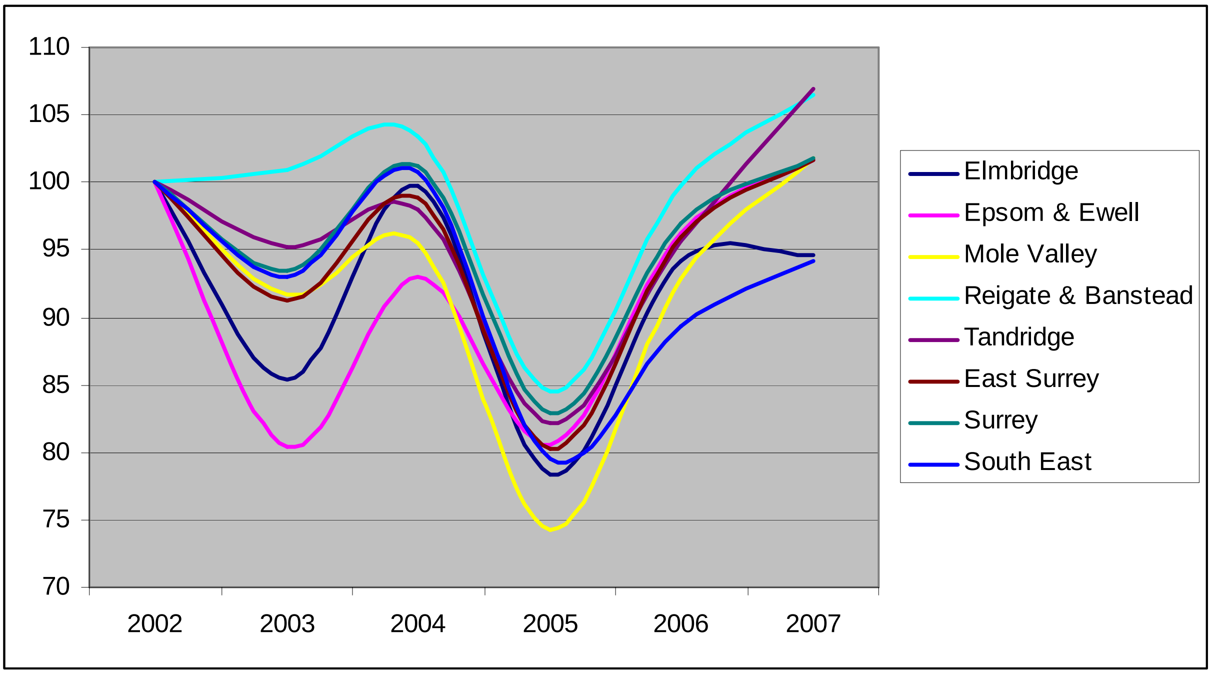
Source: © Crown Copyright Land Registry, 2nd Quarter 2002 to 2nd Quarter 2007

6.3.7 The indexed trend in the overall number of sales recorded in each of the areas between 2002 and 2007 is shown in Figure 6-3 below (absolute sales figures can be seen in Table 6-3 below).

6.3.8 The data shows that sales levels in all East Surrey Districts decreased between 2002 and 2003, followed by an increase in 2004 then a sharp drop in 2005, but have since increased in 2006 and 2007. Between 2002 and 2007 sales increased in all local authority areas except Elmbridge where a decrease of 5.3% was seen. The largest increases were in Tandridge and Reigate & Banstead (6.9% and 6.4% respectively).

6.3.9 With an overall increase in sales of 1.7% for East Surrey and 1.8% for Surrey over the period 2002 to 2007, it is clear that the county has been less affected by declining sales levels than the South East region, which saw a drop of 5.8%.

Figure 6-3 Indexed Trend in Sales Volumes 2002 to 2007



Source: © Crown Copyright Land Registry, 2002 to 2007

Table 6-3 Absolute Trend in Sales 2002 to 2007

Area	12 months to						% Change 2002 - 2007
	Jun 2002	Jun 2003	Jun 2004	Jun 2005	Jun 2006	Jun 2007	
Elmbridge	3,821	3,261	3,814	2,996	3,596	3,617	- 5.3
Epsom & Ewell	1,837	1,478	1,709	1,479	1,768	1,866	+ 1.6
Mole Valley	1,960	1,798	1,871	1,456	1,820	1,996	+ 1.8
Reigate & Banstead	3,458	3,489	3,574	2,922	3,451	3,681	+ 6.4
Tandridge	1,975	1,881	1,934	1,624	1,889	2,111	+ 6.9
East Surrey	**13,051**	**11,907**	**12,902**	**10,477**	**12,524**	**13,271**	**+ 1.7**
Surrey	27,993	26,173	28,328	23,222	27,139	28,487	+ 1.8
South East	313,671	291,518	316,031	249,421	280,463	295,591	- 5.8

Source: Land Registry, 2002 to 2007

6.3.10 The table below shows the volume of sales by property type in the previous year to Quarter 2, 2007.

Table 6-4 Volume of Sales by Type (Q2 2006 – Q2 2007)

Area	Detached	Semi-Detached	Terraced	Flat / Maisonette	All Types
Elmbridge	1,378	1,063	929	1,269	4,639
Epsom & Ewell	534	746	414	662	2,356
Mole Valley	799	624	420	636	2,479
Reigate & Banstead	1,125	1,276	795	1,400	4,596
Tandridge	839	699	476	632	2,646
East Surrey	**4,675**	**4,408**	**3,034**	**4,599**	**16,716**
Surrey	10,782	9,752	6,812	9,341	35,981
South East	89,782	98,126	102,169	82,353	372,430
England & Wales	314,737	421,163	488,703	299,816	1,496,831

Source: © Crown Copyright Land Registry, 2nd Quarter 2006 – 2nd Quarter 2007

6.3.11 Across East Surrey as a whole, the volume of sales are fairly evenly distributed across the four property types. The lowest level of sales in each area relates to terraced properties.

6.4 Affordability Issues

6.4.1 In 2007, Hometrack, a leading UK housing intelligence business, published the results of a study undertaken across Great Britain examining the ability of working households, both existing and newly forming, to become homeowners.

6.4.2 The study entitled '*Can't Buy – Can Rent*' conducted by Professor Steve Wilcox provides a detailed analysis of private sector market affordability in 2006. The report uses Hometrack data to analyse the affordability of local private sector rents as well as the affordability of home ownership.

6.4.3 The Hometrack Study sets out the top forty individual authorities with the most acute affordability difficulties. Nine of these are in the South East. Mole Valley is the only East Surrey authority featuring in this list and ranks 35th with a house price-to-income ratio of 5.66 to 1.

6.4.4 Table 6-5 highlights the data and house price to income ratio for East Surrey, the South East and the national benchmark. The house price data is based on 2/3 bedroom house prices which represent modest family sized dwellings and comprise the bulk of the national housing stock. The incomes are based on those younger working households aged 20 to 39 from a combination of individual incomes from the 2006 Annual Survey of Hours and Earnings (ASHE).

Table 6-5 House Price to Income Ratios (2006)

Area	2006 Prices	Income	Ratio
Elmbridge	289,485	68,141	4.25
Epsom & Ewell	252,382	54,816	4.60
Mole Valley	283,373	50,037	5.66
Reigate & Banstead	240,884	49,616	4.85
Tandridge	240,883	55,161	4.37
South East	201,841	43,223	4.67
England	177,403	40,771	4.35

Source: Hometrack Report 'Can't Buy: Can Rent' (2007)

6.4.5 The house price to income ratio in Elmbridge (4.25 to 1) is below that of the South East regional benchmark (4.67 to 1) but above the national benchmark. Elmbridge has the lowest house price to income ratio across the five East Surrey authorities which range from 4.25 in Elmbridge to 5.66 in Mole Valley.

6.4.6 The study also relates to the ability of the intermediate market to assist younger working households aged 20-39 to buy in their local housing market.

Table 6-6 Working Households Unable to Buy

Area	Narrow IHM * (%)
Elmbridge	31.3
Epsom & Ewell	37.1
Mole Valley	40.3
Reigate & Banstead	38.5
Tandridge	26.9
South East	30.2
England	25.2

** The proportion of working households that could afford to pay more than HA rent without benefit but could not afford a 2/3 bedroom dwelling.*

Source: Hometrack Report 'Can't Buy: Can Rent' (2007)

6.4.7 The data gives a general indicator that 26.9% of working households in Tandridge cannot afford to buy a 2 / 3 bedroom dwelling, rising to 40.3% in Mole Valley. This compares to levels of 30.2% across the South East and 25.2% nationally.

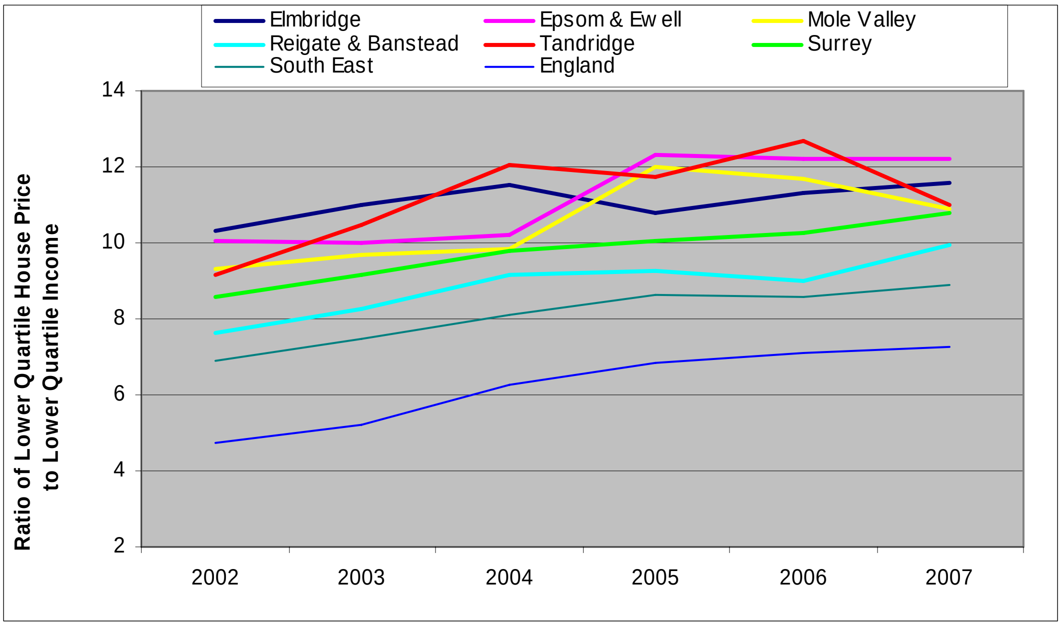
6.4.8 The price to income ratio is exacerbated for those working households on lower incomes as is demonstrated in Table 6-7 below. This table displays the lower quartile house prices to lower quartile income ratios for East Surrey and the regional (Surrey and the South East) and national (England) benchmarks, across the five year period to 2007. The data, taken from CLG, uses data on lower quartile house prices (from the Land Registry) against data from the Annual Survey of Hours and Earnings (ASHE) on annual gross pay by place of work for all jobs over the period.

Table 6-7 Lower Quartile House Prices to Lower Quartile Income Ratios

	2002	2003	2004	2005	2006	2007
Elmbridge	10.34	11.01	11.55	10.77	11.29	11.57
Epsom & Ewell	10.06	10.01	10.23	12.31	12.19	12.20
Mole Valley	9.33	9.68	9.86	11.98	11.66	10.89
Reigate & Banstead	7.65	8.25	9.16	9.27	9.02	9.95
Tandridge	9.16	10.45	12.07	11.75	12.67	11.02
Surrey	8.56	9.14	9.81	10.05	10.25	10.80
South East	6.90	7.48	8.09	8.62	8.58	8.89
England	4.72	5.23	6.27	6.82	7.12	7.25

Source: CLG/Land Registry and Annual Survey of Hours and Earnings

Figure 6-4 Lower Quartile House Prices to Lower Quartile Income Ratios



Source: CLG, ASHE & Land Registry

6.4.9 House price to income ratios across all the benchmark areas have increased over the five year period, reinforcing the suggestion that affordability is a significant issue and the problem is increasing year on year.

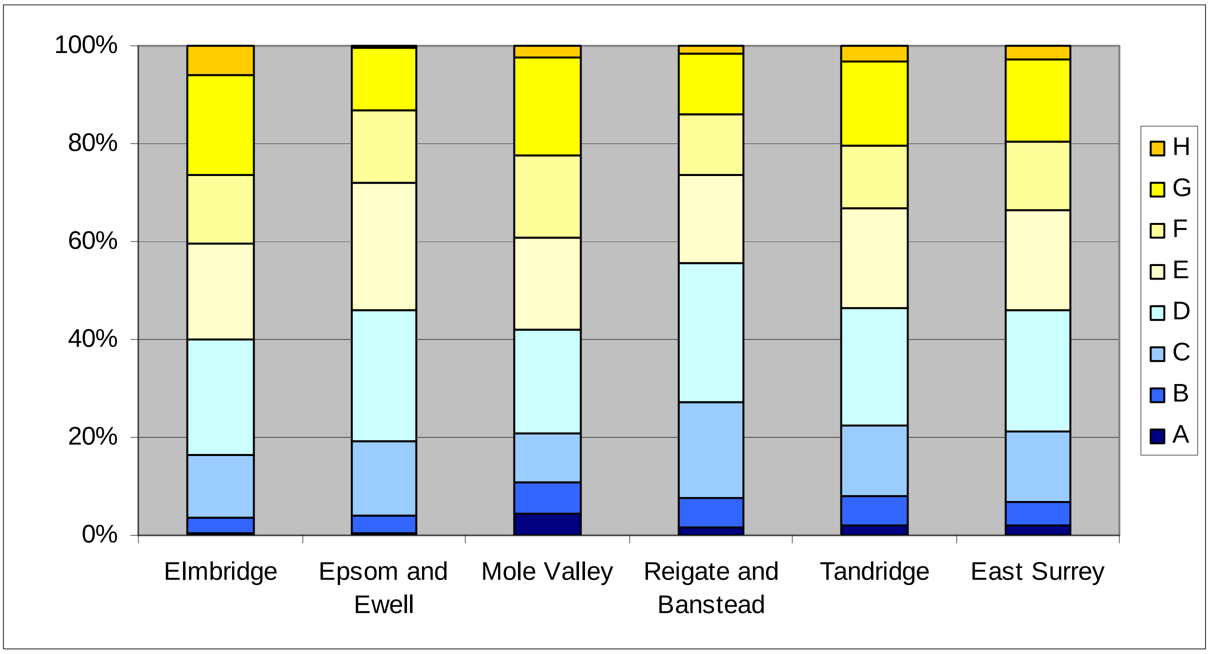
6.4.10 In 2007, ratios range from the lowest in Reigate & Banstead (9.95) to the highest in Epsom & Ewell (12.20). Across all five areas lowest quartile house price to income ratios have increased significantly over the period from 2002. Across all the benchmark areas, house price to income ratios are higher than the regional and national benchmarks, indicating the local problems of affordability within the study area.

6.4.11 Council tax bands were examined to determine whether there are concentrations of high or low valued properties within the five districts. Figure 6-5 shows the spread of council tax bands across the five East Surrey districts.

6.4.12 The areas show similarities. Across the East Surrey study area as a whole there are low numbers of properties in the lowest bands, A and B, which would be the ‘entry level’ homes for those wishing to access the owner occupied market, suggesting that affordable homes are not readily available in the study area. This is compared to nationally for England and Wales where 26% of homes are valued in the A band.

6.4.13 Elmbridge has the lowest number of properties in the A and B bands and the highest number of properties in Bands G and H, the highest bands, suggesting that affordability may be an issue in this area and may restrict access to the owner occupied market.

Figure 6-5 Properties by Council Tax Band



Source: East Surrey Local Authorities

6.5 Lowest Quartile Entry Sales Levels in East Surrey

6.5.1 First-time buyers as new entrants to the housing market do not purchase houses at average prices as they will often have lower than average incomes. Neither do new entrants have the benefit of equity from an existing property. Therefore, although average prices are useful for comparisons in general they are not the purchase levels used in assessing the ability of households to enter local markets. In broad terms new purchasers of either flats or terraced properties buy in the lowest quartile of prices i.e. the bottom 25%.

6.5.2 Entry to the market is clearly dependent on availability, a factor which is particularly critical for low income households who can only enter the market in any numbers where there is an adequate supply of affordable dwellings.

6.5.3 Internet / telephone surveys of local estate agents were undertaken to ascertain the cost of the cheapest units available i.e. the lowest quartile stock costs for sale in each of the authority areas. This involved gathering data from property papers, online property sites and conducting telephone interviews with estate agents regarding the housing market across East Surrey.

6.5.4 The data gathering for Elmbridge and Epsom & Ewell were carried out at the time of the Housing Needs Survey Update in November 2006. They were then further updated in August 2007. The property price data gathering in Mole Valley, Reigate & Banstead and Tandridge were conducted in April 2007.

6.5.5 The average of the lowest quartile prices was calculated. The borough / district wide entry level prices for the East Surrey authorities are outlined in the table below.

Table 6-8 – Lower Quartile Average Sales Prices (2007)

Property Type	Elmbridge	Epsom & Ewell	Mole Valley
1-Bed Flat	162,781	149,546	137,353
2-Bed Flat	197,701	159,769	189,862
2-Bed Terraced	257,467	205,912	218,440
3-Bed Terraced	284,983	223,361	243,294

Property Type	Reigate & Banstead	Tandridge
1-Bed Flat	121,595	133,372
2-Bed Flat	155,932	159,019
2-Bed Terraced	200,280	215,392
3-Bed Terraced	223,740	232,761

Source: Source: DCA Estate Agency Survey 2007

6.5.6 1-bed flats ranged from £121,595 in Reigate & Banstead, rising to £162,781 in Elmbridge. 2-bed flats ranged from £155,932 in Reigate & Banstead rising to £197,701 in Elmbridge. 2-bed terraced properties ranged from £200,280 in Reigate & Banstead rising to £257,467 in Elmbridge. 3-bed terraced properties ranged from £223,361 in Epsom & Ewell rising to £284,983 in Elmbridge.

6.5.7 In order to further analyse house prices in the area, each authority was divided into sub-areas. The authority level house price data can be found in Appendix III.

6.6 Purchase Income Thresholds

6.6.1 This section assesses the position in 2007 and the income levels required to enter the local market in each East Surrey local authority area through the lowest quartile stock available in reasonable supply. These are based on 95% mortgage availability and a 3.5 x gross income lending ratio. Interest rates, set by the Bank of England, are monitored by central Government to achieve and maintain stable, low inflation rates. Higher interest rates can reduce the demand for housing by making it more expensive to borrow and as a result the income required to meet loan re-payments also increases.

6.6.2 The table below outlines the income thresholds needed to enter the market in each of the East Surrey authorities.

Table 6-9 – East Surrey wide Purchase Income Thresholds 2007

Area	Income Thresholds (£)		
	1 Bed Flat	2 Bed Flat	2 Bed Terrace
Elmbridge	52,200	62,600	83,300
Epsom & Ewell	47,400	50,600	65,200
Mole Valley	43,500	60,100	69,200
Reigate & Banstead	38,500	49,400	63,400
Tandridge	42,200	50,400	68,200

Source: DCA Estate Agency Survey 2007

6.6.3 An income of around £38,500 is required to purchase a 1-bed flat in Reigate & Banstead, rising to £52,200 in Elmbridge. A 2-bed flat requires an income of around £49,400 in Reigate & Banstead rising to £62,600. A 2-bed terraced requires an income of around £63,400 in Reigate & Banstead rising to £83,300 in Elmbridge.

6.6.4 In order to further analyse the income ranges needed to enter the market, each authority was divided into sub-areas. The authority level purchased income threshold data can be found in Appendix III.

6.7 Renting a Property

6.7.1 Table 6-10 below provides details of RSL weekly rents between 2002 and 2006. In 2006, rents in Reigate & Banstead are lower than in any of the local benchmark areas for the period shown. RSL rent levels have increased by 24% in Elmbridge, 30% in Epsom & Ewell, 25% in Mole Valley, 15% in Reigate & Banstead and 15% in Tandridge over the period. This is likely to reflect changes in rental policy, and changes in tenanted properties specifically delivering numbers of Large Scale Voluntary Transfer (LSVT) tenants with protected rents. The national and regional benchmarks show a smaller increase in RSL rent levels over the period (17% and 15% respectively).

Table 6-10 Average Weekly RSL Rents, 2001-2006 (All property Sizes)

	2002 (£)	2003 (£)	2004 (£)	2005 (£)	2006 (£)
Elmbridge	63.18	65.58	68.57	73.75	78.09
Epsom & Ewell	60.81	63.61	66.63	74.64	78.23
Mole Valley	67.32	69.10	71.48	77.03	84.13
Reigate & Banstead	65.13	66.51	67.76	72.45	75.84
Tandridge	67.63	71.15	73.03	78.32	82.35
Surrey	65.27	67.09	69.19	74.18	78.48
South East	63.67	65.35	66.68	71.37	74.69
England	55.81	56.52	58.23	61.49	64.32

Source: CLG, Housing Corporation

6.7.2 Table 6-11 below highlights the average private weekly rents for each of the benchmark areas in 2006 (the most up to date data available) by property size. The data is taken from the Housing Corporation's 'Guide to Local Rents 2006'. This is based on properties occupied in receipt of housing benefit and shows the rent payable had benefit not applied. These private market rent levels were significantly higher than social rents, with an average rent of £142.77 in Reigate & Banstead, rising to £181.37 in Elmbridge.

Table 6-11 Average Private Weekly Rents (£), 2005 / 06

	Bed-sit	1-bed	2-bed	3-bed	4+ bed	All
Elmbridge	121.01	163.73	193.74	226.22	285.46	181.37
Epsom & Ewell	112.30	157.35	186.12	215.62	264.91	165.78
Mole Valley	105.70	135.85	160.94	194.64	248.42	145.09
Reigate & Banstead	110.01	135.52	166.74	200.01	226.89	142.77
Tandridge	93.44	137.95	167.45	200.83	247.25	157.26
East Surrey Average	**108.49**	**146.15**	**174.99**	**207.46**	**254.58**	**158.45**
Surrey	112.13	145.48	175.00	206.72	259.04	157.31
South East	87.02	110.75	138.71	156.33	185.47	121.02
England	92.89	101.15	122.69	140.33	163.54	111.47

Source: Housing Corporation 2005 / 06

6.8 Private Sector Entry Level Rents in East Surrey

6.8.1 DCA undertook a survey of the main estate / letting agents in each authority area to gather data on the entry rent levels for each area.

6.8.2 The overall average and entry rent levels for each of the East Surrey authorities are outlined below. Entry level rents are those in the lowest quartile (i.e. the cheapest 25%).

6.8.3 The use of the private rented sector through the provision of housing benefit will therefore increase demand at the lower end of the private rented sector.

Table 6-12 – Overall monthly average and entry rent levels (£) by authority area

Property Type	Elmbridge		Epsom & Ewell		Mole Valley	
	Average	**Entry**	Average	**Entry**	Average	**Entry**
1-Bed Flat	894	**763**	723	**677**	659	**573**
2-Bed Flat	1,058	**845**	908	**773**	894	**810**
2-Bed Terraced	1,157	**946**	957	**900**	854	**794**
3-Bed Terraced	1,341	**1,076**	1,164	**1,062**	1,025	**960**
2-Bed Semi	1,215	**1,020**	1,034	**969**	849	**795**
3-Bed Semi	1,574	**1,343**	1,209	**1,072**	1,201	**1,081**

Property Type	Reigate & Banstead		Tandridge	
	Average	**Entry**	Average	**Entry**
1-Bed Flat	631	**578**	672	**607**
2-Bed Flat	759	**701**	799	**719**
2-Bed Terraced	791	**737**	793	**765**
3-Bed Terraced	908	**837**	1,061	**898**
2-Bed Semi	833	**782**	775	**750**
3-Bed Semi	1,059	**943**	1,046	**908**

Source: DCA House Price Surveys 2007

6.8.4 Entry rental costs in the private rented sector vary by authority area within East Surrey. The private rented sector can be accessed from £573 per month for a 1-bed flat, the smallest unit, in Mole Valley, rising to £763 per month in Elmbridge. 2-bed flat entry levels are £701 in Reigate & Banstead rising to £843 in Elmbridge.

6.8.5 In the case of 2-bed terraced houses, entry rent levels were found to be £737 p.m. in Reigate & Banstead, rising to £946 p.m. in Elmbridge. 3-bed terraced properties cost from £837 per month in Reigate & Banstead rising to £1,076 in Elmbridge.

6.8.6 Semi-detached properties can be rented from £750 p.m. in Tandridge rising to £1,020 for a 2 bed property in Elmbridge. Rents for 3-bed semi detached properties range from £908 in Tandridge rising to £1,343 in Elmbridge.

6.8.7 In order to further analyse rental prices in the area, each authority has been analysed by sub-area. The authority level rental data can be found in Appendix III.

6.9 Rental Income Thresholds

6.9.1 The entry-level rental prices of the smallest units were assessed in order to calculate the rental income threshold levels. These are based on rent at 25% of gross income.

6.9.2 The table below outlines the income ranges needed to enter the rental market in each of the East Surrey authorities.

Table 6-13 – East Surrey-wide Rental Income Thresholds 2007

Area	Income Thresholds (£)		
	1 Bed Flat	**2 Bed Flat**	**2 Bed Terrace**
Elmbridge	36,600	40,600	45,400
Epsom & Ewell	32,500	37,100	43,200
Mole Valley	27,500	38,900	38,100
Reigate & Banstead	27,700	33,600	35,400
Tandridge	29,100	34,500	36,600

6.9.3 Based on rent at 25% of gross income, a 1-bed flat in Mole Valley requires an income of £27,500 per annum, rising to £36,600 in Elmbridge. A 2-bed flat requires an income of £33,600 in Reigate & Banstead rising to £40,600 in Elmbridge. A 2-bed terraced house requires an annual income of £35,400 in Reigate & Banstead, rising to £45,400 in Elmbridge.

6.9.4 The income levels needed to enter the private rented market in each East Surrey local authority area without any financial assistance by sub-area can be found in Appendix III

6.10 Vacancies, turnover rates and available supply by tenure

6.10.1 Vacant dwellings provide an important indication of the efficiency in utilisation of the housing stock within an area and reflect the extent of any potential spare capacity in the housing market.

6.10.2 The following table shows that the level of empty homes across East Surrey have reduced between 1991 and 2007.

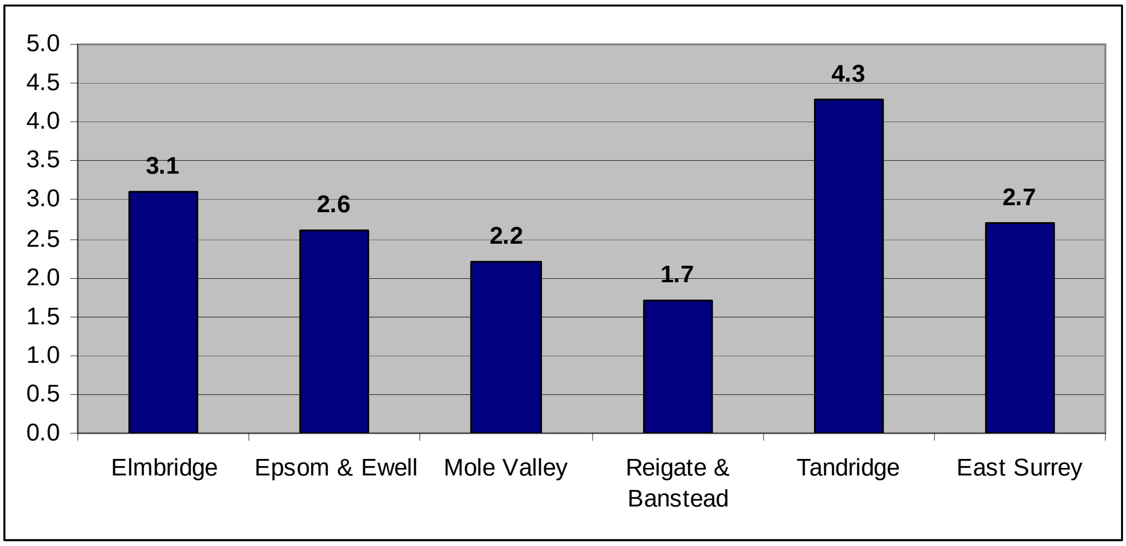
Table 6-14 Vacant Dwelling Stock 1991-2007

	Census *		HSSA				
Authority	**1991**	**2001**	**2002 / 03**	**2003 / 04**	**2004 / 05**	**2005 / 6**	**2006 / 07**
Elmbridge	2,083	1,757	649	1,621	1,605	1,622	1,660
Epsom & Ewell	786	612	473	419	814	831	775
Mole Valley	1,130	740	1,152	1,393	758	508	809
Reigate & Banstead	1,927	1,067	950	1,166	2,268	1,355	951
Tandridge	1,009	672	1,533	1,203	1,172	1,040	1,454
East Surrey	**8,926**	**6,849**	**4,757**	**5,802**	**6,617**	**5,356**	**5,649**
South East	142,666	90,301	80,690	83,371	91,232	80,745	- nd -

** Crown Copyright © Census 1991 & 2001, nd – No Data*

6.10.3 Figure 6-6 below shows the proportion of vacant dwellings over time in East Surrey, along with regional and national comparisons. In 2007, the proportion of vacant dwellings ranged from 2.2% in Mole Valley to 4.3% in Tandridge, a level of 2.7% across East Surrey.

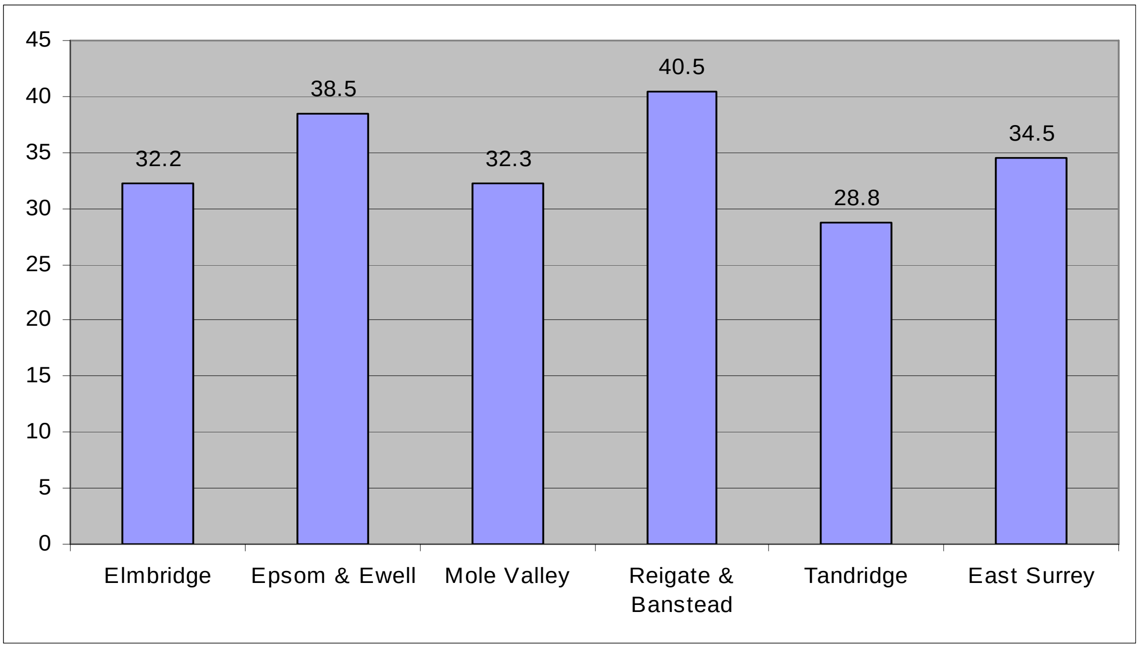
Figure 6-6 Proportion of Vacant Homes (2007)



Source: HSSA 2007

6.10.4 The 2007 HSSA recorded the proportion of dwellings that had been vacant in East Surrey for over six months. As shown in the figure below, 28.8% of the vacant stock in Tandridge had been vacant for more than six months, rising to 40.5% in Reigate & Banstead.

Figure 6-7 - % of Vacant stock empty for more than six months



Source: HSSA 2007

6.11 Turnover Rates

6.11.1 It is important to consider not just the supply of social housing but also turnover or flow. These can help to calculate the number of homes becoming vacant each year.

6.11.2 Tandridge District had a turnover rate of 8.3% for the year to 31/03/07 and Mole Valley had a turnover rate of 6.3%.

6.11.3 In Epsom & Ewell, the largest RSL in the borough provided data on re-let rates for the year 2005/06. Out of a total of 1,806 tenancies, 90 properties became vacant, a turnover rate of 5%.

6.11.4 Reigate & Banstead had an annual average of 249 net re-lets over the last three years, a turnover rate of 3.8%.

6.11.5 Elmbridge had a re-let rate of 2.7% in the year 2006 / 07, a total of 110 re-lets.

6.11.6 In total 210 council and housing association homes have been sold to existing tenants through right to buy (RTB) and preserved right to buy (in the case of tenants of LSVT housing associations) during the three years to 2006 / 07. This is an average of 70 RTB sales per annum in East Surrey.

Table 6-15 Right to Buy Sales in East Surrey (3 years)

Area	2004 / 05	2005 / 06	2006 / 07
Elmbridge	24	11	7
Epsom & Ewell	12	3	1
Mole Valley	31	24	13
Reigate & Banstead	24	4	6
Tandridge	14	17	19
East Surrey Total	**105**	**59**	**46**

Source: East Surrey Local Authorities

7 BRINGING THE EVIDENCE TOGETHER

7.1 Introduction

7.1.1 The evidence gathered in Sections 4 to 6 provided an insight into the current housing market and past trends in terms of the demographic and economic context, the current housing stock and housing demand. This section will bring this evidence together in order to answer:-

- How are market characteristics related to each other geographically?
- What do the trends in current market characteristics tell us about the key drivers in the market area and what are the implications of the trends in terms of the balance between supply and demand and access to housing?
- What are the key issues for future policy / strategy?

7.2 The East Surrey Market

7.2.1 A housing market area is normally one where 70% of moves take place. Whilst this is highly probable nationally it may not be true of the market areas linked to Greater London.

7.2.2 The impact of migration, because of the huge significance of London as an employment base suggests that migration is around 40% in our experience of studies all round the London Fringe. It is not possible to cross check the findings of this assessment because the London SHMA has not yet commenced and the monitoring of this study should check the findings of the London analysis once it is completed. The Kent SHMAs are also likely to be undertaken in 2008.

7.2.3 Evidence from other SHMAs bordering in Hampshire have given no evidence which would assist a more informed position as far as East Surrey is concerned.

7.2.4 Broadly the markets in East Surrey are very similar with only slight variance in the nature of property types, tenure and housing cost. As in all markets there is what can be described a ‘hot’ central core i.e. the majority of households who move in the market do so locally within each authority. There is a limited scale of cross boundary movement between authorities in the study area but all are impacted upon by a high level of positive net in-migration from London.

7.2.5 In our view, East Surrey is a single market, although there will need to be a review of the movement from other Surrey authorities when the SHMAs are completed for the adjacent housing market areas. Evidence in this assessment does not show high levels of movement from elsewhere in Surrey outside the study area.

7.3 Trends and Drivers

7.3.1 Demand trends such as housing costs and key demographic and economic factors enable housing partnerships to better understand the key drivers in the housing market in East Surrey.

7.3.2 The demographic structure of a population sets out the basic framework for housing demand and household characteristics and composition directly relate to the number, type and particularly the size of properties required in both market and affordable sectors.

Demographic trends and drivers of demand

7.3.3 2001 Census figures show that the total number of households in East Surrey have increased by 8.8% in the last ten years, impacting on the quantity of housing required.

7.3.4 The population of East Surrey is increasing in line with the national average. Since 1981 the population in East Surrey has increased by 6.5% to 486,500. During this same period the population in Surrey increased by a similar level of 6%. In the period 1995 -2005, the largest increase in East Surrey was in the 45-59 age group which increased by 9.2% and the 75+ age group which increased by 8.6%.

7.3.5 East Surrey has a young, mobile population. 2005 ONS mid-year estimates record that the highest proportion of the population in East Surrey are in the 25-44 age group (27.7%). This age group is highly mobile. 2001 Census recorded a net in-migration of 3,341 people in this age range into East Surrey in the year 2000-2001, the highest level across all the age groups.

7.3.6 People in the 25-44 age range are the most economically active group and are most likely to require family homes in commuter areas. A population that is younger and more mobile tends to have a higher demand for private rented accommodation and face greater difficulties accessing the owner occupied market than older households.

7.3.7 East Surrey also has an ageing population. According to 2005 ONS mid-year estimates, 22.5% of the population is aged 60 or above and this proportion grew by 10.9% between 1995 and 2005.

Issues for Future Policy / Strategy

- Take account of the impact of demographic change on future housing requirements, especially on the significant rise in the numbers of older people creating a need to develop comprehensive Older Persons Housing Strategies covering integrated housing and care support and assessing the need for specialist sheltered and extra care accommodation.
- The increase in older households, particularly those aged 75+ will have implications for the long term suitability of accommodation, support services, sheltered and extra care housing, equity release schemes, property adaptations and other age related care requirements.
- These care and support needs to enable people to remain in their current home where possible and provision of specialist sheltered and extra care housing for some households, will need to be addressed by the statutory authorities covering East Surrey.

Economic Drivers of Demand

7.3.8 Around 213,000 people currently work in East Surrey; the number of jobs in the study area has increased since 1995 by 17.6%, against national (17%) and regional (23%) growth trends. Increasing employment levels in the East Surrey study area means that mobile households are likely to relocate to the region, heightening demand on the housing stock within the area.

7.3.9 2006 Annual Population Survey revealed that the economic activity rate is East Surrey (81.9%) is higher than regionally and nationally. The unemployment rate (3.3%) is lower than regionally and nationally.

7.3.10 The most important broad sectors in the area are finance, IT and other business activities, distribution, hotels and restaurants and public admin, health and education.

7.3.11 The 2006 Annual Population Survey found that in East Surrey there is a higher proportion of the workforce in occupation groups 1 to 3 (managers & senior officials, professional occupations and associate professional & technical occupations), a level of 56.7%, higher than at County, regional and national levels. This is reflected in the high level of earnings in this area.

7.3.12 The average residence pay across the East Surrey authorities is significantly higher than that observed at the regional or national level. Average workplace pay is above the average of the region and national levels in all areas except Epsom & Ewell and Tandridge.

7.3.13 The fact that the wages of those living in the East Surrey districts are higher than those working in East Surrey, with the exception of Mole Valley, suggests that a relatively high proportion of the local population commute out of the area to higher paid work, particularly to London.

7.3.14 East Surrey has a high quality and modern economy which is unlikely to be severely impacted by a national economic downturn to the same degree as other parts of the country. However, there is a danger of continuing out-migration of young households earning average and just above average incomes who sustain the service sector economy because they cannot access suitable housing to either rent or buy which is affordable to them.

Issues for Future Policy / Strategy

To address the major affordability problem, authorities should:-

- Assess all possible options to address the needs of households unable to access the housing market. At local level affordability is a major problem for those on lower incomes, who are important in sustaining employment levels in the local services sector.

Household Characteristics & Composition

7.3.15 The 2001 Census data across all tenures revealed that the number of single person households and lone parent households have increased in the ten year period since 1991 by 10,018 and 8,637 respectively. In addition, CLG figures show that both regionally and nationally, average household size is decreasing.

7.3.16 This decline in average household size, combined with a higher number of people living alone generates significant demand for additional housing units as a given population requires a greater number of dwellings to house it.

7.3.17 The 2001 Census also revealed that around a quarter of households in East Surrey are couples with children. Demand from this group is likely to be for family sized accommodation consisting of two or more bedrooms. Over 60% of households in East Surrey are either single person or couple households, including pensioners, with no children, with a potential requirement for smaller units.

The Current Stock Supply

7.3.18 As at 2001 East Surrey had a housing stock of 200,444 units, this has increased by 13,266 units since 1991. The 2007 HSSA shows that the housing stock in East Surrey has risen to 207,985, an increase of 7,541 since 2001 (3.8%).

7.3.19 There is a high level of owner occupation in East Surrey, 78.6% of the housing stock, well above the national average of 68.1%. The overall proportion of affordable housing has declined from 13.1% in 1991 to 11.1% in 2001. This is lower than in the region (14%) and nationally (19.3%) in 2001.

7.3.20 There are around 19,246 general needs social rented homes in East Surrey, 12,117 of which are 1 and 2 bedroom properties. 3 bedroom units for families are marginally the greatest by number (6,265) but the 4 bedroom stock is only 419 units in total. The largest concentrations of stock are in Reigate & Banstead and Elmbridge but social rented units are only 9.5% to 12.3% of stock across authorities.

7.3.21 The East Surrey dwelling stock is of a larger size compared to the South East and nationally, ranging from 27.2% of homes in Epsom & Ewell, which have in excess of 7 rooms to 34.2% in Elmbridge. East Surrey has significantly high levels of detached (34.2%) and semi-detached (29.9%) properties.

7.3.22 Within East Surrey there are very low numbers of properties in the lower council tax bands A and B, which would be the 'entry level' homes, this highlights that affordability will be a key issue across the study area. Epsom & Ewell and Reigate & Banstead have higher levels of homes with 3-4 rooms and more flats and may attract those households unable to buy in other East Surrey authority areas, although prices will also be a key factor.

Stock and Household Size

7.3.23 The stock has high level of under occupation particularly in the market sector. Households with 2 or more spare bedrooms are 40.2% of all households in Epsom & Ewell rising to 45.5% in Elmbridge. 60% to 65% of owner occupiers with no mortgage under-occupy by two or more bedrooms across all authorities.

7.3.24 In the social sector under occupation is much lower ranging from 7.9% in Mole Valley to 12.7% in Reigate & Banstead, although no under-occupation was found in Tandridge.

7.3.25 Affordable housing delivery is constrained by a number of factors including overall housing delivery and public funding support levels. Therefore it will be important to develop strategies to make best use of the existing stock if the needs of families are to be addressed.

7.3.26 The current private and social housing stock has opposite proportions by size. In the private sector over 60% of stock is 3 bedrooms or more and in the social sector only 35% of the stock is 3 bedrooms or more. There is a need for more small units in both sectors but there are significant needs for family units in the social sector.

Issues for Future Policy / Strategy

- Address the need for a greater proportion of small units in both sectors to address current and future household requirements.
- Develop strategies and initiatives to address under-occupation in the social stock, to more effectively address the housing and core needs of older people and create greater re-let opportunities for families.

Market Stock Prices

7.3.27 Average house prices within East Surrey are £375,958, higher than in the County, regionally and nationally, ranging from £305,918 in Reigate & Banstead to £513,543 in Elmbridge.

7.3.28 Over the last 5 years, prices have increased by 44.8% in East Surrey, compared to 46.5% in Surrey, and 50.9% in the South East.

7.3.29 The number of sales in East Surrey has decreased by 11.4% since 2002. This is similar to the County average and reflects the South East trend over this period.

7.3.30 Affordability ratios, which compare lower quartile house prices to lower quartile incomes, have been climbing steeply since 2002, due to the level of increases in house prices above wage inflation.

7.3.31 East Surrey displays significant affordability issues. Lower quartile house price to lower quartile income ratios range from 9.95 in Reigate & Banstead to 12.20 in Epsom & Ewell, compared to a ratio of 10.80 for Surrey, and 8.89 for the South East. A ratio this high implies that a very high proportion of households will have problems accessing the housing market in East Surrey, even if they earn above average incomes.

Issues for Future Policy / Strategy

- House price to income relationships of this scale suggest a market which is not sustainable. New households in particular with no access to equity from an existing home require a significant deposit or parental financial assistance to be able to remain in the study area. As discussed earlier this could have wider community and economic sustainability impacts unless more affordable housing is delivered in future.

8 THE FUTURE HOUSING MARKET

8.1 Introduction

8.1.1 This section provides an understanding of the scale of future housing demand across the East Surrey study area. The key aims of this section are to build upon the understanding of the current housing situation in East Surrey derived in Sections 4 - 6 and consider how the current drivers of housing markets shape future changes in housing demand.

8.1.2 This section investigates:-

- How the total number of households and household structure may change in the future;
- How economic factors might influence total future demand;
- Whether affordability is likely to worsen or improve;
- What the key issues are for future policy / change.

8.2 Population Projections

8.2.1 Demography is a key factor influencing the requirements for market and affordable housing. The future changes in population will have an impact on future demand in the housing market.

8.3 Key Findings

- Over the period 2004 to 2026, the population across East Surrey is forecast to increase by 73,300 people (14.5%), with the biggest increase by some margin being forecast in Elmbridge (31.6%; 40,300 people).
- The most significant increases overall are projected to be in the 65+ age group where the population is forecast to rise by 38.4% in East Surrey, ranging from between 32.2% in Epsom & Ewell and 42.8% in Tandridge;
- Growth in the 80+ group is higher in all areas except Elmbridge. These households are more likely to have a need for support services, adaptations or specialist accommodation;
- The total number of households in East Surrey is forecast to increase in the period 2004 to 2026 by between 17.6% in Mole Valley and 40.0% in Elmbridge, from 200,000 across the study area to 249,000, a total rise of 49,000 households;
- The number of new homes to be built is likely to be at least 24,600 between 2006 and 2026, based on the Panel Report on the draft South East Plan;

8.3.1 The general demographic forecasts in the tables in this section have been provided by Surrey County Council and are ONS 2004-based sub-national population projections. The 2001 Census data has been taken into consideration in the production of these population projections.

8.3.2 The population projections for East Surrey as a whole and the five East Surrey authorities, as forecast from 2004 to 2026, are shown in the following tables. Overall, the population in East Surrey is projected to increase by 73,300 people (14.5%) by 2026. The largest increase is seen in the 65+ age group (38.4%), a rise of 31,400 people by 2026.

8.3.3 These are trend based assumptions and show what will happen if recent trends continue and do not take into account any future policy changes.

Table 8-1 Population Age Band Forecast, East Surrey, 2004 – 2026

	2004	2006	2011	2016	2021	2026	Change	Change (%)
0 - 19	117,300	118,800	119,100	121,000	124,100	127,900	+ 10,600	+ 9.0
20 - 29	46,800	50,200	55,000	57,800	56,400	55,400	+ 8,600	+ 18.4
30 - 44	111,400	110,800	106,800	106,000	111,200	115,100	+ 3,700	+ 3.3
45 - 64	149,300	152,500	159,400	161,500	166,200	168,300	+ 19,000	+ 12.7
65 +	81,800	82,100	88,300	98,000	104,600	113,200	+ 31,400	+ 38.4
TOTAL	**506,600**	**514,500**	**528,900**	**544,200**	**562,600**	**579,900**	**+ 73,300**	**+ 14.5**
80+	25,100	25,500	27,200	29,200	31,900	36,900	+11,800	+ 47.0

8.3.4 The following tables show the demographic forecasts for each East Surrey authority.

Table 8-2 Population Age Band Forecast, Elmbridge, 2004 – 2026

	2004	2006	2011	2016	2021	2026	Change	Change (%)
0 - 19	31,200	32,000	33,400	35,100	37,100	39,000	+ 7,800	+ 25.0
20 - 29	13,100	15,300	17,900	19,000	18,800	18,600	+ 5,500	+ 42.0
30 - 44	31,500	32,200	32,900	34,300	36,700	38,300	+ 6.800	+ 21.6
45 - 64	31,600	33,100	36,900	39,300	41,900	43,700	+ 12,100	+ 38.3
65 +	20,200	20,200	21,600	23,900	25,900	28,300	+ 8,100	+ 40.0
TOTAL	**127,600**	**132,800**	**142,700**	**151,700**	**160,300**	**167,900**	**+ 40,300**	**+ 31.6**
80+	6,500	6,500	6,800	7,200	7,800	8,900	+ 2,400	+ 34.0

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ONS 2004-based – rounded to the nearest hundred

Table 8-3 - Population Age Band Forecast, Epsom & Ewell, 2004 – 2026

	2004	2006	2011	2016	2021	2026	Change	Change (%)
0 - 19	16,400	16,800	16,900	17,400	18,000	18,600	+ 2,200	+ 13.4
20 - 29	7,100	7,700	8,500	8,900	8,600	8,500	+ 1,400	+ 19.7
30 - 44	15,300	15,100	14,500	14,500	15,200	15,800	+ 500	+ 3.3
45 - 64	17,800	18,000	18,600	18,800	19,300	19,500	+ 1,700	+ 9.6
65 +	11,500	11,400	12,300	13,700	14,300	15,200	+ 3,700	+ 32.2
TOTAL	**68,100**	**69,000**	**71,000**	**73,100**	**75,500**	**77,600**	**+ 9,500**	**+ 14.3**
80+	3,500	3,500	3,700	3,900	4,300	4,900	+ 1,400	+ 40.0

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ONS 2004-based – rounded to the nearest hundred

Table 8-4 - Population Age Band Forecast, Mole Valley, 2004 – 2026

	2004	2006	2011	2016	2021	2026	Change	Change (%)
0 - 19	19,000	19,100	18,700	18,600	18,600	19,000	0	+ 0.0
20 - 29	6,700	6,900	7,300	7,700	7,500	7,300	+ 600	+ 9.0
30 - 44	17,200	16,800	15,500	14,900	15,500	15,900	- 1,300	- 7.6
45 - 64	22,300	22,800	23,600	23,700	24,000	23,800	+ 1,500	+ 6.7
65 +	15,700	15,900	17,200	18,800	20,000	21,400	+ 5,700	+ 36.3
TOTAL	**80,900**	**81,400**	**82,300**	**83,600**	**85,400**	**87,400**	**+ 6,500**	**+ 8.0**
80+	4,700	4,800	5,100	5,600	6,100	7,100	+ 2,400	+ 51.0

ONS 2004-based – rounded to the nearest hundred

Table 8-5 - Population Age Band Forecast, Reigate & Banstead, 2004-2026

	2004	2006	2011	2016	2021	2026	Change	Change (%)
0 - 19	30,700	30,900	30,600	30,500	30,800	31,400	+ 700	+ 2.3
20 - 29	13,300	13,500	14,200	14,900	14,400	14,100	+ 800	+ 6.0
30 - 44	30,200	29,900	28,300	27,300	28,300	29,200	- 1,000	- 3.3
45 - 64	32,100	32,900	35,100	35,600	36,400	36,400	+ 4,300	+ 13.4
65 +	20,600	20,700	22,000	24,700	26,300	28,600	+ 8,000	+ 38.9
TOTAL	**126,900**	**128,100**	**130,300**	**133,100**	**136,500**	**139,700**	**+ 12,800**	**+ 10.1**
80+	6,400	6,500	6,900	7,400	8,100	9,400	+ 3,000	+ 47.0

ONS 2004-based – rounded to the nearest hundred

Table 8-6 - Population Age Band Forecast, Tandridge, 2004-2026

	2004	2006	2011	2016	2021	2026	Change	Change (%)
0 - 19	20,000	20,000	19,500	19,400	19,600	19,900	- 100	- 0.5
20 - 29	6,600	6,800	7,100	7,300	7,100	6,900	+ 300	+ 4.5
30 - 44	17,200	16,800	15,600	15,000	15,500	15,900	- 1,300	- 7.6
45 - 64	45,500	45,700	45,200	44,100	44,600	44,900	- 600	- 1.3
65 +	13,800	13,900	15,200	16,900	18,100	19,700	+ 5,900	+ 42.8
TOTAL	**103,100**	**103,200**	**102,600**	**102,700**	**104,900**	**107,300**	**+ 4,200**	**+ 4.1**
80+	4,000	4,200	4,700	5,100	5,600	6,600	+ 2,600	+ 65.0

ONS 2004-based – rounded to the nearest hundred

8.3.5 Percentage change is measured between year bands, not from the base population. This is a better representation of the incremental change.

8.3.6 In the 0-19 age range, Elmbridge shows the biggest increase over the forecast period (+7,800; +25.0%). In Mole Valley, the population in this age group fluctuates during the forecast period but shows no change overall. The 0-19 age group in Epsom & Ewell increases by (+2,200; 13.4%) and in Reigate & Banstead by (+700; 2.3%). In Tandridge, this age group shows a slight decrease of 100 (0.5%).

8.3.7 The 20 – 29 age range comprises mainly new households forming and will have implications for the future as affordable housing will be needed both in the short and longer term. Overall this age group shows an increase in all districts, the largest being in Elmbridge (+5,500; 42.0%) and the smallest in Tandridge (+300; 4.5%). Epsom & Ewell Borough shows an increase of 1,400 (19.7%), Mole Valley shows a rise in this age group of 600 (9.0%) and in Reigate & Banstead this group increases by 800 (6.0%).

8.3.8 Statistics for the 30 – 44 age group, comprising both new forming and young family households, varies across the forecast period to 2026. The highest increase over the forecast period is in Elmbridge (+6,800; 21.6%) followed by Epsom & Ewell (+500; 3.3%). However numbers are forecast to fall in Mole Valley (-1,300; 7.6%), Reigate & Banstead (-1,000; 3.3%) and Tandridge (-1,300; 7.6%).

8.3.9 There is growth in the 45 – 64 age group over the forecast period in all districts apart from Tandridge, where it falls slightly (-600; 1.3%). The largest increase is in Elmbridge of 12,100 people (38.3%).

8.3.10 All districts show a significant increase in the population in the 65+ age group. Elmbridge shows the largest increase (+8,100; 40.0%) and Epsom & Ewell shows the smallest increase (+3,700; 32.2%).

8.3.11 The “older” retired group, those 80 and above, again increases in all districts over the forecast period. Reigate & Banstead shows the largest growth, (+3,000 people; 47.0%) by 2026. This group has the highest percentage growth relative to all other groups in all districts, except Elmbridge.

8.3.12 This growth in the retired and older population is a common pattern found in the vast majority of local authorities, reflecting the reduction in births from the 1970s and the reduction in deaths in older people due to better housing, working conditions and healthcare. This age group is much more likely to have care and support needs which need to be assessed in detail by the statutory authorities in East Surrey.

8.3.13 The key features of population change impacting on the housing market are migration and the number of younger and economically active households; and an ageing population with increasing care and support needs. Local Development Documents will need to take account of the projected growth in demand in these sectors and the strategic implications of these projections are as such:

- Changes in the population structure will impact on demand for different house types and tenures;
- There are increases in the numbers of the 0 – 19 population in Elmbridge and Epsom & Ewell, with a small increase in Reigate & Banstead. This will impact on school utilisation;
- Growth in the 20 – 29 age group in all areas will impact on the demand for affordable housing from newly forming households;
- Lower relative growth in the number of individuals in the 30 – 44 age band, the main economically active, household forming and moving household group is unlikely to impact significantly on the demand for flats and small family sized units of accommodation because of the over-riding imbalance between supply and demand;

- Growth in the number of individuals in the 45 – 64 age group may impact on demand for market housing, whilst the increase in the number of people in the 65+ age group and in particular the 80+ age group may impact on demand for supported housing, support services and adaptations.
- Members of older age groups (65 – 74 and 75+) tend to own their properties and tend to remain in their family home even after children have left home or after the loss of a partner. The implication has been to create an increased demand for family housing from younger families and a rise in demand for owner-occupation over private rented property.
- If historic trends persist, this pattern suggests that future population increases in East Surrey are likely to be increasingly underpinned by the growth in older age groups and those most associated with owner-occupied property. Historically young family households have inherited owner occupied property from their older relatives. However, increased longevity and the trend for equity release may have reduced this possibility and could impact on the housing market.
- The increase in older householders (i.e. 75+) will have implications for support services, extra care housing, long term suitability of accommodation, equity release schemes, adaptations, and other age - related care requirements.

8.4 Forecast Change in Households 2004-2026

Household Size

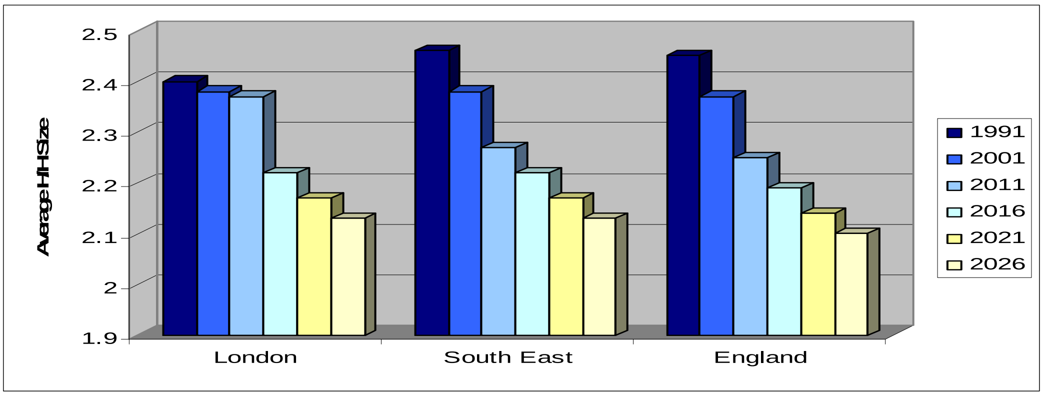
8.4.1 Trends in household sizes and the number of households are crucial in determining the demand for future housing. Future changes in the number of households will be determined by increases in population and the extent to which an area follows the trends in reducing average household size. This also has implications as to the size of property that will be required.

8.4.2 Communities and Local Government figures show that over the period 1991 to 2001, the average household size in the South East dropped from 2.46 to 2.38. Average household size has been falling for many years (see Figure 8-1 below). Average household size is expected by CLG to fall by 14.3% across England and 13.4% in the South East between 1991 and 2026, and 11.3% in London during the same period.

8.4.3 This forecast decline in household size to 2026 can be linked to the significant predicted growth in the over 60 population where more older people are living longer; the impact of relationship breakdown; and the increase in the number of single / couple households.

8.4.4 The decline in average household sizes in Southern England, combined with a growing population, generates 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.

Figure 8-1 2003 Based CLG Household Size Trends and Projections (1991-2026)



Source: CLG

8.4.5 Figure 8-1 presents data from CLG that sets out the likely change in household composition for London, the South East and England in the years to 2026

Key Findings:

- Household numbers are expected to grow at twice the rate of population growth;
- The number of married couple households is expected to decline significantly while the number of cohabiting couple households will increase by 186% in the South East to 2026;
- The number of 'other multi-person' and one-person households will grow at a similar rate to each other over the period, with the expectation that the number of one person households will increase by 83% between 2001 and 2026 in the South East.

Table 8-7 Household Composition and Population Trends and Projections, 1991-2026 (1991 = 100)

	Year	Married couple HH	Co-habiting couple HH	Lone parent HH	Other multi-person HH	One person HH	All HH	Population
London	1991	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	2001	88.8	141.6	162.7	106.8	120.4	108.6	107.7
	2016	75.9	253.5	201.8	127.0	161.1	127.6	117.9
	2026	71.8	307.0	216.0	137.9	190.3	140.4	124.4
South East	1991	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	2001	95.5	150.3	152.8	98.6	124.0	108.8	105.1
	2016	90.2	244.7	182.4	113.5	172.0	126.2	113.6
	2026	89.5	286.4	189.6	121.2	207.1	138.2	119.8
England	1991	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	2001	92.2	154.0	151.1	98.6	121.0	107.1	103.3
	2016	85.7	249.4	183.6	115.2	164.3	123.7	110.2
	2026	83.9	289.2	192.0	125.0	194.1	134.2	114.8

Source: CLG

8.4.6 As outlined in Section 4, there have been significant changes in household formation over the last decade.

8.4.7 Census figures show that the total number of households has risen by 5.5% in Mole Valley, 6.6% in Epsom & Ewell and 8.6% in Tandridge, below the rises seen in the County (9.8%), the South East (11.6%) and nationally (9.5%). There has been a higher rate of increase in household numbers in Elmbridge (9.9%) and Reigate & Banstead (11.3%).

8.4.8 Actual growth in households between 1991 and 2001 across the whole of the East Surrey study area has been 15,777, and figures forecast for the next ten years anticipate a growth of approximately 2,300 households per annum.

8.4.9 Table 8-8 outlines the household formation forecasts for the East Surrey authorities from 2004 to 2026. The forecasts are 2004-based study area household projections.

Table 8-8 Forecast Change in Households in East Surrey, 2004 – 2026

	2004	2006	2011	2016	2021	2026	Change (N^{os})	% Change
Elmbridge	53,000	55,000	60,000	65,000	70,000	74,000	+ 21,000	+ 40.0
Epsom & Ewell	28,000	28,000	29,000	31,000	32,000	34,000	+ 6,000	+ 21.4
Mole Valley	34,000	35,000	36,000	37,000	38,000	40,000	+ 6,000	+ 17.6
Reigate & Banstead	53,000	53,000	55,000	58,000	60,000	63,000	+ 10,000	+ 19.0
Tandridge	32,000	32,000	34,000	35,000	37,000	38,000	+ 6,000	+ 18.8
East Surrey	**200,000**	**203,000**	**214,000**	**226,000**	**237,000**	**249,000**	**+ 49,000**	**+ 24.5**

Source: 2004-based Household Projections © Crown Copyright

8.4.10 There is predicted to be 49,000 (24.5%) more households in the East Surrey study area in 2026 than in 2004. All local authorities within the East Surrey Study area will encounter a substantial growth in the number of households, particularly in Elmbridge with a household growth level of 40.0% to 2026.

8.4.11 Future developments in the number of households will depend on future changes in the size of households and the population in the area. CLG forecast that average household sizes will continue to decline to around 2.13 in the South East by 2026.

8.4.12 The decline in the average household size will be driven by longer life expectancy, the reduction in inter-generational households (where an extended family lives in the same household), higher labour mobility and increased social aspirations. In addition, the type of housing provided and brought forward through the planning system should be influenced by household size, although new housing represents a small proportion of all stock.

8.5 Future Size of Affordable Housing

8.5.1 Local Development Documents need to provide a clear guide on the size of future affordable housing units. Stock balance, turnover and waiting list demand analysis are vital to identify the gaps in the stock and the proportions by type and size required to address current and future need.

Social Rented

8.5.2 Although the social stock is almost evenly distributed between 1, 2 and 3 bed units across the study area, the balance at authority level varies significantly. The stock of 4 bed units in this sector is very small averaging only 2.2% at study area level but ranging between 1.1% and 3% at authority level.

8.5.3 Highest unit need is for 1 bed stock averaging 61.2% of waiting lists in East Surrey as a whole. Turnover of the smallest units is however also the highest in all authorities, averaging 61.3% of re-lets. Ratios of housing need to stock supply are greatest in Elmbridge and Reigate & Banstead, where 1 bedroom stock levels are lowest at 25% and 22.5% of the stock.

8.5.4 The number of four-bedroom social rented homes is relatively small and although the number of households requiring units of this size is low, the turnover rate is extremely low. Taking all these factors together, meeting the needs of the households requiring four-bedroom homes in the social rented sector is the most difficult to achieve. If there were no future need it would take between 13.8 years in Reigate & Banstead and 44 years in Elmbridge to address the current need from re-let supply alone.

8.5.5 The 1 and 2 bed stock has high turnover supply (around 88% of re-lets) but 3 bed units, mainly family houses, provide only 10.5% of re-let supply despite being 33.3% of the stock. Elmbridge has only a 7.4% turnover supply from a 3 bed stock level of 38.2%.

8.5.6 Overall re-let supply is 5.6% of existing stock, but 3 bed family unit turnover is only 0.8% in Elmbridge and below 2% in all authorities except Epsom & Ewell at 3.7%. However even this higher rate of turnover provides a supply of units of less than 20% of waiting list need for 3 bed units. It would take 4 years in Reigate & Banstead and almost 22 years for current supply from re-lets to meet <u>existing</u> need only, i.e. with no future need.

8.5.7 Determining future stock delivery proportions by size is however complex:-

- Need and stock re-let levels vary by authority and within each authority area;
- There is not a common shortfall pattern by size at local authority level;
- Demographic change varies by age group between authorities;
- Tackling under-occupation of family houses would make a positive contribution but it is difficult to achieve;
- Family unit turnover is low in all districts.

8.5.8 All districts have a level of social stock shortfall not met by existing turnover from re-lets which is significantly greater than can be provided from new delivery. Just over 80% of need is for one and two bed units, principally flats. However this scale is nearer 90% in Tandridge and Reigate & Banstead.

8.5.9 Family units, although numerically less significant, have very low re-let supply and meeting the needs of families is difficult to address. The relationship between need and supply in Elmbridge and Mole Valley is much more extreme than in the other authorities.

8.5.10 Four bedroom unit needs are small in terms of numbers but the most difficult to resolve due to extremely low turnover levels. Addressing the under-occupation within the existing 3 and 4 bed social stock should be a housing priority in each authority. It may be difficult for the planning system to deliver these larger affordable units on Section 106 sites bearing in mind site sizes and unit mix / types in new developments.

<u>Intermediate Housing</u>

8.5.11 Within affordable supply there is a need for further intermediate stock, primarily to assist young households who previously would have been first time buyers. The major requirement of stock provided in this sector is therefore 1 and 2 bedroom properties and therefore delivered usually in flatted developments.

8.5.12 However it is important to recognise that intermediate products both to buy and rent are increasingly required for existing households with young families needing to move to larger accommodation and at the other end of the scale for older people both in sheltered and extra care housing. The recent Mole Valley survey suggested around a third of households needing intermediate housing were existing households needing to move up through the market and therefore normally requiring 3 bedroom accommodation.

8.6 Future Social Size Balance

Table 8-9 Social Stock, Waiting List Demand, Social Turnover

		Social Stock (2007) *		Waiting List (HSSA) **		Social Turnover (annual average) ***		Waiting List vs. Stock	Supply vs. Stock	Ratio Need / Supply
Elmbridge	1-bed	1,006	25.0%	1,277	57.0%	111	63.1%	126.9%	11.0%	11.5
	2-bed	1,372	34.1%	595	26.5%	50	28.4%	43.4%	3.6%	11.9
	3-bed	1,537	38.2%	283	12.6%	13	7.4%	18.4%	0.8%	21.8
	4+ bed	105	2.6%	87	3.9%	2	1.1%	82.9%	1.9%	43.5
	Total	**4,020**		**2,242**		**176**				
Epsom & Ewell	1-bed	869	34.6%	492	51.1%	64	42.1%	56.6%	7.4%	7.7
	2-bed	894	35.6%	300	31.2%	60	39.5%	33.6%	6.7%	5.0
	3-bed	698	27.8%	133	13.8%	26	17.1%	19.1%	3.7%	5.1
	4+ bed	52	2.1%	37	3.8%	2	1.3%	71.2%	3.8%	18.5
	Total	**2,513**		**962**		**152**				
Mole Valley	1-bed	1,703	48.6%	1,274	65.9%	178	76.7%	74.8%	10.5%	7.2
	2-bed	730	20.8%	347	18.0%	35	15.1%	47.5%	4.8%	9.9
	3-bed	1,034	29.5%	277	14.3%	18	7.8%	26.8%	1.7%	15.4
	4+ bed	38	1.1%	35	1.8%	1	0.4%	92.1%	2.6%	35.0
	Total	**3,505**		**1,933**		**232**				
Reigate &	1-bed	1,228	22.5%	1,718	67.1%	140	51.3%	139.9%	11.4%	12.3
Banstead	2-bed	2,011	36.9%	624	24.4%	90	33.0%	31.0%	4.5%	6.9
	3-bed	2,053	37.6%	151	5.9%	38	13.9%	7.4%	1.9%	4.0
	4+ bed	165	3.0%	69	2.7%	5	1.8%	41.8%	3.0%	13.8
	Total	**5,457**		**2,562**		**273**				
Tandridge	1-bed	1,371	41.5%	701	57.5%	152	69.4%	51.1%	11.1%	4.6
	2-bed	933	28.2%	388	31.8%	52	23.7%	41.6%	5.6%	7.5
	3-bed	943	28.5%	120	9.8%	15	6.8%	12.7%	1.6%	8.0
	4+ bed	59	1.8%	11	0.9%	0	0.0%	18.6%	0.0%	-
	Total	**3,306**		**1,220**		**219**				
East Surrey	1-bed	6,177	32.9%	5,462	61.2%	645	61.3%	88.4%	10.4%	8.5
	2-bed	5,940	31.6%	2,254	25.3%	287	27.3%	37.9%	4.8%	7.9
	3-bed	6,265	33.3%	964	10.8%	110	10.5%	15.4%	1.8%	8.8
	4+ bed	419	2.2%	239	2.7%	10	1.0%	57.0%	2.4%	23.9
	Total	**18,801**		**8,919**		**1,052**				

*Source: * - East Surrey Local Authorities*
*** - Local Authority HSSA Returns – 2007 *** - Local Authority Data from DCA Reports*
Note - Mole Valley Turnover rates assumed from an average of other district rates by size

8.6.1 A number of different ratios have been calculated to attempt to provide a clear justification for the balance of types and sizes in Local Development Documents. The ratio of waiting list demand to supply is in effect the number of years it would take for the waiting list for individual property sizes to be met through the turnover of the existing stock. This also makes the extreme assumption that there was no future need other than the current backlog which clearly will not be the case.

8.6.2 Across the study area it would take over seven years to meet the requirements for 1, 2 and 3-bed properties but almost 19 years to address 4-bedroom requirement because of the very low stock supply and turnover of these larger properties.

8.6.3 Generally for all authorities, 80% to over 90% of turnover is from 1 and 2-bedroom units, close to the proportions of waiting list need for these units but these are significantly the highest need in unit numbers.

8.6.4 However a number of factors need to be considered in determining targets by size which clearly also influence property type. Small units turn over significantly more regularly in the existing stock than family units. Waiting list registration, particularly for one bedroom properties, will contain a large number of households who have very low priority or may be older households registering for sheltered housing as insurance for a future potential need.

8.6.5 In view of the scale of likely annual new provision, it would be reasonable overall to consider levels of 65% one and two bedroom and 35% three and four bedroom as the targets in the social sector. Clearly the very small numbers of 4+bed properties could not be applied as a percentage on individual schemes and only broad recommendations can be made.

9 CURRENT AND FUTURE DEMAND FOR MARKET HOUSING

9.1.1 PPS3 identifies the core government objectives to provide a variety of high quality market housing including addressing any shortfalls that apply in market housing. Authorities are required to plan for a full range of market housing to meet the needs of the whole community, so that provision is made for family, single person, and multi-person households. PPS3 does not indicate a requirement for specific targets for different types or sizes of dwellings in the market sector.

9.1.2 Local Development Documents will however need to provide indications of the type or size of dwellings to be provided to meet household demand. Although Guidance has made it clear that it does not envisage prescriptive targets for different types of dwelling, since this would undermine the responsiveness of the market to demand, authorities should provide an indication of the relative priority for particularly property size requirements which should be delivered in future developments to provide for a more balanced housing market.

9.1.3 Although the study area has broad similarity, there are variations between districts in terms of the types of property required to meet current and future demand for market housing. However given mobility between districts, and the fact that the area is a single housing market, it is not essential that each authority has specific requirements for future delivery, provided that study area balance is achieved. It would nonetheless be beneficial at authority level to attempt to influence future delivery to address local demand as the movement between districts is not significant.

9.1.4 The following tables identify the annual net shortfall of market properties in each authority after allowing for the flow of the existing stock, to meet the level of demand from both local and in-migrating households. All data is from the DCA Housing Surveys.

9.1.5 **Elmbridge**

Table 9-1 Elmbridge Market Housing by Size

Households	Bed-sit / 1-bed		2-bed		3-bed		4+ bed		All Sizes	
	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand
Existing		14		330		665		899		1,908
Concealed		231		204		139		0		574
In-migration		444		971		731		444		2,590
Total Demand		**689**		**1,505**		**1,535**		**1,343**		**5,072**
Moving within	91		613		515		750		1,969	
Out-migration	131		531		493		395		1,550	
Total Supply	**222**		**1,144**		**1,008**		**1,145**		**3,519**	
Net Shortfall (Surplus)		**467**		**361**		**527**		**198**		**1,553**
% Shortfall		**30.1%**		**23.2%**		**33.9%**		**12.7%**		

9.1.6 There is a shortfall of all property sizes in Elmbridge. Bearing in mind the scale of current detached housing stock and the levels of in-migration to the Borough, it is recommended that as a guideline for future development, proportions should be rounded with perhaps a reduction of 4+ bedroom to 10% and a 30% level applied to all other property sizes.

9.1.7 **Epsom & Ewell**

Table 9-2 Epsom & Ewell Market Housing by Size

Households	Bed-sit / 1-bed		2-bed		3-bed		4+ bed		All Sizes	
	Supply	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**
Existing		5		131		387		175		698
Concealed		54		62		43		7		166
In-migration		186		410		371		217		1,184
Total Demand		**245**		**603**		**801**		**399**		**2,048**
Moving within	129		229		295		122		775	
Out-migration	82		232		262		259		835	
Total Supply	**211**		**461**		**557**		**381**		**1,610**	
Net Shortfall (Surplus)		**34**		**142**		**244**		**18**		**438**
% Shortfall		**7.8%**		**32.4%**		**55.7%**		**4.1%**		

9.1.8 The projected turnover of 1 and 4+ bedroom stock provide the vast majority of future demand. The major requirement is for 3 bedroom accommodation where the shortfall is over 55% of all sizes and almost a third of the shortfall is for 2 bedroom units.

9.1.9 To assist developers in relation to a property mix which would best meet the needs of current and future households, it would be logical to round the shortfall levels to 10% (1 and 4+ bedroom units), 35% (2 bedroom units) and 55% (3 bedroom units).

9.1.10 **Mole Valley**

Table 9-3 Mole Valley Market Housing by Size

Households	Bed-sit / 1-bed		2-bed		3-bed		4+ bed		All Sizes	
	Supply	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**
Existing		98		400		622		305		1,425
Concealed		91		106		31		85		313
In-migration		301		415		710		545		1,971
Total Demand		**490**		**921**		**1,363**		**935**		**3,709**
Moving within	255		475		509		477		1,716	
Out-migration	83		138		171		155		547	
Total Supply	**338**		**613**		**680**		**632**		**2,263**	
Net Shortfall (Surplus)		**152**		**308**		**683**		**303**		**1,446**
% Shortfall		**10.5%**		**21.3%**		**47.2%**		**21.0%**		

9.1.11 The level of shortfall in 3 bedroom properties is significant. It is particularly impacted by the needs of in-migrant households which alone is a unit demand greater than all supply of that property type. A rounded guideline would therefore suggest around half of the delivery should be 3-bedroom, 20% for both 2 and 4+ bedroom properties and 10% for 1 bedroom units.

9.1.12 **Reigate & Banstead**

Table 9-4 Reigate & Banstead Market Housing by Size

Households	Bed-sit / 1-bed		2-bed		3-bed		4+ bed		All Sizes	
	Supply	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**
Existing		0		269		524		393		1,186
Concealed		83		169		0		0		252
In-migration		260		572		516		197		1,545
Total Demand		**343**		**1,010**		**1,040**		**590**		**2,983**
Moving within	270		365		532		286		1,453	
Out-migration	73		361		507		311		1,252	
Total Supply	**343**		**726**		**1,039**		**597**		**2,705**	
Net Shortfall (Surplus)		**0**		**284**		**1**		**(7)**		**278**
% Shortfall		**0.0%**		**99.6%**		**0.4%**				

9.1.13 All property sizes show a close balance between demand and supply except 2-bedroom units which represent virtually the whole of the future market requirement. The shortfall of 2 bedroom units is mainly arising from the net impact of migration and it is important therefore to provide a broad mix of units relative to the overall ratios of demand in the provision of new stock. This might suggest guidelines of 10% 1 bedroom, 30% 3 bedroom, 20% 4+ bedroom and 40% 2-bedroom units.

9.1.14 **Tandridge**

Table 9-5 Tandridge Market Housing by Size

Households	**Bed-sit / 1-bed**		**2-bed**		**3-bed**		**4+ bed**		**All Sizes**	
	Supply	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**	**Supply**	**Demand**
Existing		37		253		370		257		917
Concealed		13		54		31		0		98
In-migration		71		406		256		162		895
Total Demand		**121**		**713**		**657**		**419**		**1,910**
Moving within	68		385		309		253		1,015	
Out-migration	75		127		250		175		627	
Total Supply	**143**		**512**		**559**		**428**		**1,642**	
Net Shortfall (Surplus)		**(22)**		**201**		**98**		**(9)**		**268**
% Shortfall				**67.2%**		**32.8%**				

9.1.15 Demand for 1 and 4+ bedroom properties in Tandridge seem to be satisfied from stock turnover and there is broadly a 2 to 1 ratio requirement for 2 bedroom and 3 bedroom units.

9.1.16 **Overall Level of Demand**

9.1.17 It is an accepted norm that 90% of all housing requirements should be met by the turnover of the existing stock. There is however a total shortfall of 3,983 units after allowing for market housing turnover. This is particularly significant bearing in mind that the total annual allocation of housing in the South East Plan is 1,082 units for the study area to cover both market and affordable housing. If all authorities achieved 40% affordable housing to meet local needs in that sector, only around 650 market properties would be delivered each year.

9.1.18 PPS3 requires that there is proper annual monitoring of delivery, both in scale and by type and size and it is important that this is conducted for both sectors. Individual developments will vary between urban and rural locations and in size. This will clearly create variance in the type and size of properties able to be delivered and any variance from the broad recommendations for market housing should bias towards smaller units.

9.1.19 It is important to bear in mind that the longer term impact of reductions in household size through demographic change will create a need for a better balance than is provided in the current stock which has high levels of large properties.

9.2 Housing Completions and Regional Allocations

9.2.1 The Surrey Structure Plan 2004 requires that East Surrey delivers 17,110 net dwelling completions between 2001 and 2016 which equates to an annual rate of 1,140 dwellings per annum.

9.2.2 Table 9-6 below shows the number of net completions for each authority and for East Surrey from 2001. The average completion rate has been 1,632 dwellings per annum (i.e. above the required Structure Plan figure).

Table 9-6 East Surrey Housing Completions (Net)) 2001-2007

	2001 / 02	2002 / 03	2003 / 04	2004 / 05	2005 / 06	2006 / 07	Total
Elmbridge	384	288	416	463	362	383	2,296
Epsom & Ewell	236	222	162	193	213	308	1,334
Mole Valley	178	204	185	201	185	581	1,534
Reigate & Banstead	405	459	393	463	616	616	2,952
Tandridge	206	252	248	243	292	433	1,674
East Surrey	**1,409**	**1,425**	**1,404**	**1,563**	**1,668**	**2,321**	**9,790**

Source: SCC Monitoring Data

9.2.3 The draft South East Plan identifies a housing allocation for East Surrey of 21,640 dwellings in the period 2006 -2026. However the Panel who held the examination into the South East Plan has now recommended that this figure is increased to 24,600. The table below sets out the draft South East Plan figures, compared with the Panel's recommendations.

Table 9-7 South East Plan Housing Allocations, 2006 - 2026

	Draft Plan d.p.a.	Panel 's recommended d.p.a.	Panel's recommended total 2006-26
Elmbridge	231	256	5,120
Epsom & Ewell	181	199	3,980
Mole Valley	171	188	3,760
Reigate & Banstead	387	462	9,240
Tandridge	112	125	2,500
East Surrey	**1,082**	**1,230**	**24,600**

Source: Draft South East Plan and Panel Report Recommendations

9.2.4 The Panel has recommended that the figures be regarded as minimum targets. The Panel's recommendations are currently being considered by the Secretary of State who will publish her proposed amendments in mid-2008. Once the South East Plan is ultimately adopted, the Core Strategies of each East Surrey Local Authority will set out how the allocations will be delivered.

9.2.5 As noted above the annual average of completions for East Surrey in the period 2001 to 2007 was 1,632 and which has therefore exceeded the Panel's recommended figure of 1,230 dwellings per annum. Housing monitoring work undertaken by each of the East Surrey Local Authorities indicates that the South East Plan targets suggested by the Panel are likely to be met and may well be exceeded over the next ten years.

10 HOUSING NEED

10.1 Introduction

10.1.1 The aim of this section is to assist in estimating the number of current and future households in housing need and to provide an analysis of the available stock and requirements of existing affordable housing tenants for different sizes of properties.

10.1.2 As set out in PPS3, housing need is defined as 'the quantity of housing required for households who are unable to access suitable housing without financial assistance'. For the purposes of this assessment, the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market have been assessed.

10.1.3 The types of housing that should be considered unsuitable are listed in the table below.

Table 10-1 Unsuitable Housing

Homeless households or insecure tenure	Homeless households
	Households with tenure under notice, real threat of notice or lease coming to an end, housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
Mismatch of housing need and dwellings	Overcrowded according to the 'bedroom standard'
	Too difficult to maintain (e.g. too large) even with equity release
	Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (e.g. accessed via steps), which cannot be made suitable in-situ
Dwelling amenities & condition	Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (e.g. through equity release or grants)
	Subject to major disrepair or unfitness and household does not have the resources to make fit (e.g. through equity release or grants)
Social Needs	Harassment from others living in the vicinity which cannot be resolved except through a move

Source: page 41 CLG Strategic Housing Market Assessments Practice Guidance

10.2 Homelessness

10.2.1 The Communities for Local Government (CLG) Homelessness Strategy entitled '*Sustainable Communities: settled homes; changing lives'* aims to expand housing opportunities and reduce homelessness by offering a range of preventative measures and increasing access to settled homes, halving the number living in temporary accommodation in the UK by 2010.

10.2.2 It aims to do this by preventing homelessness, providing support for vulnerable people, tackling the wider causes and symptoms of homelessness, helping more people move away from sleeping rough and providing more settled homes. In order to deliver this strategy, a series of targets have been devised including an increase in the supply of new social housing by 50% and to make better use of existing social and private rented stock and an increase in Government funding to tackle homelessness by 23% from £60 million to £74 million by 2007-08.

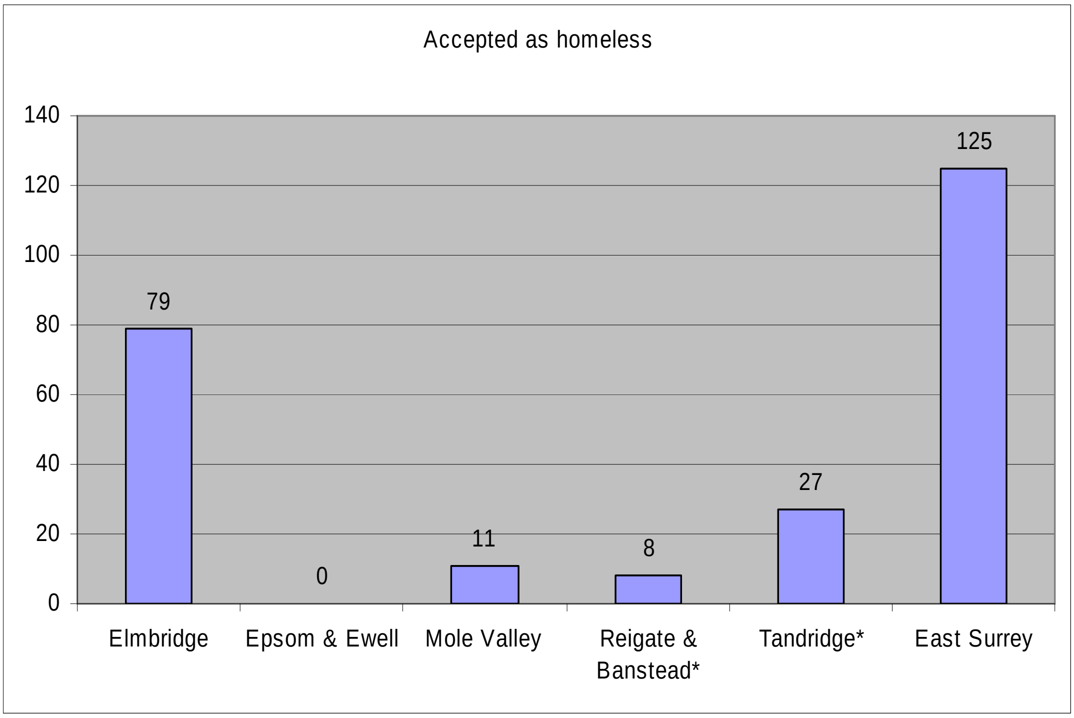
10.2.3 The implementation of this strategy has led to local authorities taking a more proactive role in dealing with homelessness and potential homelessness. This has resulted in a reduction in levels of statutory homelessness in each of the five East Surrey authorities. Each authority has made progress in terms of preventing homelessness and reducing the number of homeless acceptances and the number in temporary accommodation, in line with the Government policy. However it should be noted that the strategy may not necessarily have reduced the numbers of households at risk of homelessness or in housing need. Therefore there is a need to ensure that the reduction in official homelessness is not presented as leading to an eradication of housing need.

10.2.4 This is measured in the P1(e) returns titled *'Local Authority activity under homelessness provisions of the 1996 Housing Act'* produced by local authorities on a quarterly basis. These reports are the Communities and Local Government primary source of data on statutory homeless households.

10.2.5 The P1(e) returns for the period Quarter 2, 2006 to Quarter 1 2007 for each of the five authorities were utilised. It should also be noted that the figure for Reigate & Banstead and Tandridge as recorded in the P1e returns for the previous four quarters is low and Epsom & Ewell recorded the figure as 0. The true figure is likely to be higher due to the Homelessness and Crisis Prevention Policy operated in these study areas which is geared towards homeless prevention.

10.2.6 The P1e returns during 2006/07 recorded the number of households in East Surrey accepted for re-housing as homeless was 125.

Figure 10-1 Total Number of Households Accepted as Homeless - 2006 / 07

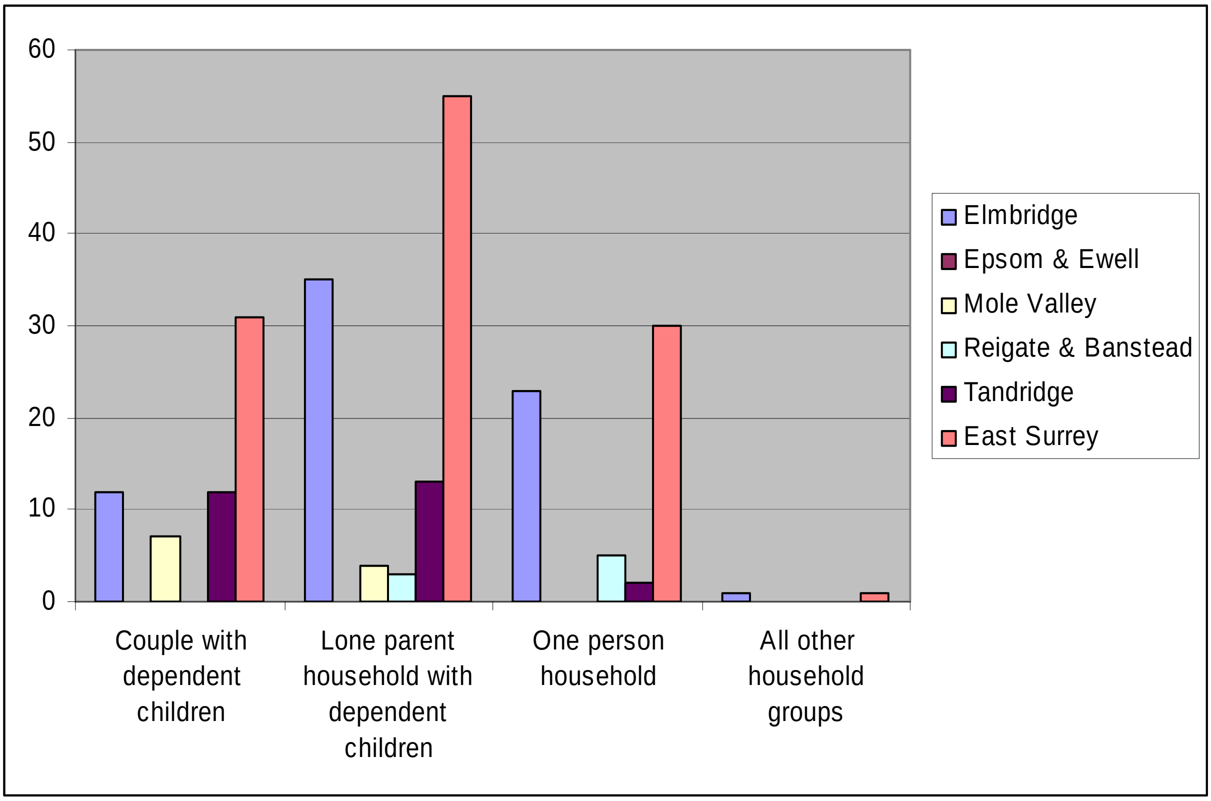


Source: East Surrey Local Authority P1E (Q2 2006 – Q1 2007)

** Figures may underestimate the number of homeless households due to the operation of the Homelessness & Crisis Prevention Policy*

10.2.7 During the year 2006/07 period, the most common size of household required is smaller accommodation to accommodate one person households and lone parent households with dependent children.

Figure 10-2 Composition of Household accepted as Homeless 2006/07



Source: Source: East Surrey Local Authority P1E (Q2 2006 – Q1 2007)

10.2.8 As at 31st March 2007, 186 homeless households were awaiting re-housing. The majority require smaller units (1 and 2 bed accommodation).

Table 10-2 Homeless households awaiting re-housing by size of property required as at 31.03.07

Size of property	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead *	Tandridge
1	20	0	0	23	5
2	60	0	5	5	27
3	22	0	0	9	3
4+	5	0	0	1	1
Total	**107**	**0**	**5**	**38**	**36**

Source: East Surrey Local Authorities

10.2.9 At 31st March 2007, Council records show that East Surrey had 187 households in temporary accommodation. In addition, utilising its Homelessness and Crisis Prevention Policy, Reigate & Banstead Borough had a further 68 households living in temporary accommodation at this time.

Table 10-3 Homeless Households in Accommodation arranged by East Surrey Authorities - (March 2007)

Type of Temporary Accommodation	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey
Bed and Breakfast (Shared)	7	0	5	0	0	12
Privately managed accommodation (self contained)	1	0	0	0	0	1
Hostel	17	0	2	10	9	38
Private sector Accommodation	66	0	0	0	0	66
Accommodation within LA stock	0	0	3	0	4	7
RSL Stock	14	0	0	19	23	56
Other	2	0	0	5	0	7
Total	**107**	**0**	**10**	**34 ***	**36**	**187**

Source: East Surrey Authorities (P1e, Q1, 2007)
** Reigate & Banstead arranged accommodation for a further 74 households in addition to the 34 outlined above in line with the Homelessness and Crisis Prevention Policy, a total of 108.*

10.3 Housing Register

10.3.1 A Housing Register is a waiting list for people in need of affordable housing and is used as a basis for allocating all the types of housing available to the council in each local authority. The number of people seeking Council / HA accommodation often far exceeds the number of available homes and authorities often operate a banding policy or points system, taking into account each households circumstances including medical and social problems to ensure that people in greater need are given high priority.

10.3.2 In order to join the register, applicants are required to complete a Housing Register Form which details their current circumstances and these details enable the local authority to decide whether the applicant is eligible to join the register, what sort of accommodation they need, which area(s) of the district they would prefer to live in and what priority to give the applicant.

10.3.3 Authorities who have undertaken a Large Scale Voluntary Transfer (LSVT) often still maintain a housing register and the Housing Association who now own the Council stock will nominate a percentage of their stock for allocation from the Council Housing Register.

10.3.4 Following a change in the law, people with no connection to a local authority and currently live outside the local authority area can apply to join the register.

10.3.5 Choice Based Lettings (CBL) schemes are a new way of allocating social housing, with the aim of providing applicants with a greater choice regarding their home. The schemes allow people to apply for advertised social housing vacancies, often through the local press or an interactive web site. Applicants can see the full range of available homes and apply for the homes to which they are matched.

10.3.6 The successful applicant is the person with the highest priority for the property which they have bid for. The Government has set a deadline for all authorities to introduce Choice based lettings by 2010.

10.3.7 The four East Surrey authorities of Epsom & Ewell, Mole Valley, Reigate & Banstead and Tandridge have joined together to create a choice based lettings scheme called East Surrey Home Choice, due to be launched in 2008. Elmbridge Borough Council is part of a similar scheme in North Surrey, with Spelthorne and Runnymede Councils and various housing associations.

10.3.8 The aim of each scheme is to promote greater choice for housing applicants (including tenants seeking transfers) and allow more movement across local authority boundaries.

10.3.9 At 31st March 2007, Reigate & Banstead had 2,983 households on the register, Elmbridge had 2,242, Mole Valley had 2,216, Tandridge had 1,216 and Epsom & Ewell had 866.

10.3.10 The available data on the total number of households on the housing register by size of property required (number of bedrooms) found that demand is the highest for one bed accommodation.

Figure 10-3 Total Number of Households on the Register as at 31st March 2007 by Size of Property Required

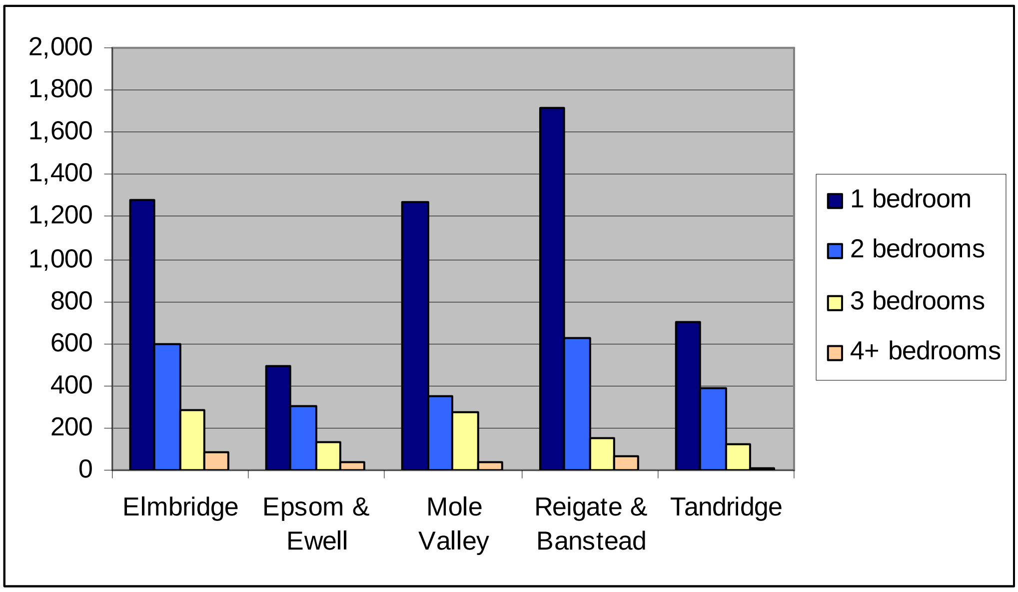


Table 10-4 Size of Property Required

Size of property required	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey
1 bedroom	1,277	492	1,274	1,718	701	5,462
2 bedrooms	595	300	347	624	388	2,254
3 bedrooms	283	133	277	151	120	964
4+ bedrooms	87	37	35	69	11	239
Total	**2,242**	**962**	**1,933**	**2,562**	**1,220**	**8,919**

Source: 2007 HSSAs

10.3.11 The number of new applicants joining the register per year has increased. Of the two authorities able to provide data for the previous three years, Mole Valley recorded 761 new applications in 2004 / 05, rising to 919 in 2006 / 07. In Reigate & Banstead there were 803 new applications in 2004 / 05 rising to 1,035 in 2006 / 07.

Table 10-5 New Applications – Previous 3 years

	2004 / 05	2005 / 06	2006 / 07
Elmbridge	-nd-	-nd-	634
Epsom & Ewell	277	295	285
Mole Valley	761	918	919
Reigate & Banstead	803	936	1,035
Tandridge	-nd-	-nd-	689
East Surrey	**1,564**	**2,149**	**3,562**

Source: East Surrey Authorities

11 CLG HOUSING NEEDS ASSESSMENT MODELS

11.1 Key Findings

11.1.1 There is a significant need for affordable housing in excess of supply levels from both re-lets and planned new delivery in all five local authority areas in East Surrey, totalling 3,108 units per annum across the study area.

Table 11-1 Annual Net Shortfalls of Affordable Housing by Local Authority

Authority	Affordable Need	Re-let Supply	Total Need	New Supply	Affordable Shortfall
Elmbridge	1,048	350	**826**	128	698
Epsom & Ewell	559	89	**470**	-*	470
Mole Valley	1,334	366	**1,066**	98	968
Reigate & Banstead	970	447	**703**	180	523
Tandridge	720	271	**505**	56	449
East Surrey	**4,631**	**1,523**	**3,570**	**462**	**3,108**

* *See 10.8.9 explanation of annual supply for Epsom and Ewell.*

11.1.2 The affordable need is highest in Mole Valley at 1,066 units per annum, and lowest in Epsom & Ewell at 470 units per annum, though all areas have high affordable need relative to re-let supply ranging from 6.3 times in Epsom & Ewell to 2.2 times in Reigate & Banstead. The shortfall of 3,108 however takes account of projected annual new delivery of 462 units across the study area, a total annual requirement of 3,570 additional units.

11.2 Data Methodology

11.2.1 This section analyses the outstanding need for affordable units in each Borough / District and for East Surrey as a whole using the CLG Needs Assessment Model.

11.2.2 Data from each Housing Needs Survey was updated to a common timeline in order to revise the affordable need projection to the current date. In the case of Mole Valley District, new primary data was gathered as part of this study, while for Reigate & Banstead Borough and Tandridge District survey data was re-weighted to 2007 household numbers and tenure proportions.

11.2.3 In the case of both Elmbridge Borough and Epsom & Ewell Borough, recent updates of these studies in late 2006 are sufficiently recent to be used for this analysis without requiring additional re-weighting. As such, the affordable housing needs assessment models for these two authorities are the same as found in their respective 2006 Housing Needs Survey update reports. The following table summarises the data used in this section for each authority.

Table 11-2 Primary and Secondary Data Used for Affordable Needs Model

Local Authority	Primary Data	Secondary Data
Elmbridge	2006 (HNS Update)	2005 / 06
Epsom & Ewell	2006 (HNS Update)	2005 / 06
Mole Valley	2007 (New HNS)	2006 / 07
Reigate & Banstead	2007 (HNS Update)	2006 / 07
Tandridge	2007 (HNS Update)	2006 / 07

11.3 Affordable Housing Needs Assessment Model

11.3.1 The overall assessment of housing need is calculated using the CLG Basic Needs Assessment Model, which is structured from the survey data to take account of the key demand sources, households requiring subsidised housing, homeless households not assessed in the survey, households living in unsuitable housing whose needs can only be resolved in a different dwelling and concealed household formation emanating from demographic change.

11.3.2 Although a model is provided in Guidance the data within it can come from a varying number of sources and calculations made in a number of different ways. Essentially assessment is a process which is commonly followed and the method of calculation in this assessment may take account of a number of changes to the format used in previous Housing Needs Survey assessments for these authorities.

11.4 Income Requirement Assumptions

11.4.1 Each category has been adjusted to ensure that proper account is taken of households who can buy the lowest quartile stock in the owner occupied market without assistance, subject to location within each local authority. The entry-level costs for the private rented sector are estimated in each authority, again subject to location.

11.5 Basic Model Structure

11.5.1 There are a total of 18 ‘stages’ in the needs assessment model, combined into three distinct sections assessing:-

- B - The Backlog of Existing Housing Need
- N - Newly Arising Need
- S - Supply of Affordable Units
- **(B + N) – S = Overall annual net shortfall (or surplus) of affordable housing.**

11.6 B – The Backlog of Existing Housing Need

11.6.1 The first stage of the backlog calculation identifies existing households in living accommodation unsuitable for their needs who need to move to resolve their difficulty.

11.6.2 Households who stated their accommodation was too small, without specifying any other reason, were tested against the CLG ‘Bedroom Standard’ to determine whether they are actually overcrowded and only those households who are technically overcrowded are assessed to be in inadequate housing.

Table 11-3 Inadequate Households Test

	Elmbridge		**Epsom & Ewell**		**Mole Valley**		**Reigate & Banstead**		**Tandridge**	
Households specifying unsuitability issues		**6,658**		**3,675**		**6,548**		**6,508**		**3,405**
MINUS Reason “Too Small” only	2,993	**3,665**	1,508	**2,167**	1,955	**4,593**	2,558	**3,950**	1,371	**2,034**
PLUS Technically ‘overcrowded’	728	**4,393**	792	**2,959**	521	**5,114**	859	**4,809**	668	**2,702**
MINUS Duplication	268	**4,125**	183	**2,776**	284	**4,830**	228	**4,581**	180	**2,522**
Assessed in inadequate housing		**4,125**		**2,776**		**4,830**		**4,581**		**2,522**

11.6.3 The net total assessed in inadequate housing in each authority area as shown in Table 11-3 above is used in **Stage 1** of each needs assessment model.

11.6.4 The second stage of the unsuitability assessment removes Council / RSL rented tenants and shared ownership households from the calculation of those in inadequate housing, because any move would release a unit of affordable housing, and it is therefore assumed that there would be no overall net effect on the annual flow model.

11.6.5 The following table shows the number of Council / RSL rented tenants living in unsuitable accommodation in each local authority, and assesses whether those technically overcrowded by the 'bedroom standard' could have their needs met by the general stock flow in the area.

Table 11-4 Council / RSL Rented Inadequacy

	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge
Council / RSL rented in unsuitable accommodation	644	408	239	1,237	273
Council / RSL rented unsuitable & overcrowded	184	197	0	396	169
MINUS – New Forming Solution	91	38	0	65	19
MINUS – Moving & Overcrowding Resolved by Stock Flow	93	94	0	190	55
Net unresolved need (4 / 5 bedroom)	**0**	**65**	**0**	**141**	**95**
Stage 2 Total	**644**	**343**	**239**	**1,096**	**178**

11.6.6 In Elmbridge, all of the unsuitable overcrowded Council / RSL households needs can be met from either new forming solution or resolved by the stock flow of 1, 2 and 3 bed units in the HA rented sector, and therefore all 644 need be removed from the total of households with an unsuitability. In Mole Valley none of the Council / RSL tenants were overcrowded and so all of these need to be removed at this stage, while in other local authorities some unresolved need tenants must remain in the model as their situation cannot be solved by stock flow and their totals for **Stage 2** have been reduced as shown in Table 11-4 above.

11.6.7 The next stage of the unsuitability assessment removes from the total those households whose unsuitability can be resolved 'in situ' (i.e. in their current accommodation). This is derived from Housing Needs Survey data testing the reason for inadequacy of those households who stated their accommodation was inadequate, mainly relating to repairs or improvements to the home.

11.6.8 Households who stated their accommodation was too small, those whose rent / mortgage was too expensive, housing was affecting their health, whose tenancy was insecure or whose home was too large are all assessed as requiring a move.

Table 11-5 In-situ solution

Local Authority	In-situ Solution
Elmbridge	1,580
Epsom & Ewell	1,017
Mole Valley	2,771
Reigate & Banstead	1,412
Tandridge	1,127

11.6.9 The total number of cases where an in-situ solution is appropriate is shown in Table 11-2 and these totals are also applied at **Stage 2** of each needs assessment model.

11.6.10 The final stage of the unsuitability assessment takes the sub-total calculated above (**Stage 1** MINUS **Stage 2**) and applies to this total the proportion of households unable to afford to buy or rent a home of a suitable size in order to resolve their difficulty.

11.6.11 The 2000 Guidance states that “for existing owner occupiers in unsuitable housing it is important to take account of the existing equity owned” as this would assist a move to suitable accommodation.

11.6.12 The 2004 SEERA Guidance however acknowledges that this is extremely complex and the data gathered might not be very accurate and suggests that best practice is to ask the specific question asked in this survey that if the household needs to move to resolve their difficulty, could they afford a home of a suitable size within the local authority area.

11.6.13 The best practice recommendation is that if they say they can they should be excluded. The question was asked of the households in unsuitable housing who need to move living in the private sector, owners and tenants. The result is shown in the following table for each local authority area, with these values applied at **Stage 3** of each needs assessment model.

Table 11-6 Stage 2 Households Unable to Afford

Local Authority	Unable to Afford
Elmbridge	76.3% (1,580)
Epsom & Ewell *	36.3% (513)
Mole Valley	74.9% (1,363)
Reigate & Banstead	69.6% (1,442)
Tandridge	79.2% (964)

** - In the case of Epsom & Ewell Borough, the SEERA Guidance question was not asked and the proportion unable to afford is based on an affordability calculation, taking into account household equity, savings and income data.*

11.6.14 Homeless households are counted in the Backlog of Need although it is ensured that they are not double counted from any other source.

11.6.15 Council records from HSSA and / or P1(E) forms provide data on the number of homeless households in temporary accommodation at a point in time, however those “homeless at home” or in other general stock would theoretically be captured in the survey data and so only those households in hostel or bed & breakfast accommodation are counted at this stage.

11.6.16 The following table shows the number for each local authority area, with these values applied at **Stage 4** of each needs assessment model.

Table 11-7 Homeless Households

Local Authority	Homeless Households
Elmbridge	22
Epsom & Ewell	1
Mole Valley	6
Reigate & Banstead	10
Tandridge	0

11.6.17 The total resultant calculated backlog having taken into account unsuitability, homeless households is then multiplied by a 20% quota at **Stage 6** to progressively eliminate the backlog calculated over a five year period, in accordance with Government Guidance, although the Council can make a Policy decision to eliminate the backlog over a longer period (e.g. 10 years or years to the end of the Local Development Framework period.

11.6.18 However individual household situations change on a daily basis and it is accepted in Guidance that whilst that backlog figure will be different in five years time and at any calculation point to the end of the Local Development Framework period, it will never be zero.

Table 11-8 Backlog of Need – Basic Needs Assessment Model

B - BACKLOG OF NEED										
Stage	**Elmbridge**		**Epsom & Ewell**		**Mole Valley**		**Reigate & Banstead**		**Tandridge**	
1		4,125		2,776		4,830		4,581		2,522
2(a)	644		344		239		1,096		178	
2(b)	1,580		1,017		2,771		1,412		1,127	
2	2,224	2,224	1,361	1,361	3,010	3,010	2,508	2,508	1,305	1,305
UNTM		1,901		1,415		1,820		2,073		1,217
3	76.3%	1,450	36.3%	513	74.9%	1,363	69.6%	1,442	79.2%	964
4		22		1		6		10		0
5		1,472		514		1,369		1,452		964
6	(20%)		(20%)		(20%)		(20%)		(20%)	
7		**294**		**103**		**274**		**290**		**193**

1 – Households in Unsuitable Housing
2(a) – MINUS Council / RSL Tenants
2(b) – MINUS in-situ solution most appropriate or leaving Borough / District
2 – Total of 2(a) + 2(b)
UNTM - Households in unsuitable housing and need to move
3 - Proportion unable to afford to buy or rent
4 - Backlog - homeless households
5 – Total Backlog Need
6 - Quota to progressively reduce backlog
7 – Annual Need to reduce backlog

11.7 N – Newly Arising Need

11.7.1 The first calculation involved in assessing newly arising need is to establish how many new households intend to form each year, then determine how many of these households have insufficient income to buy or rent in the market and therefore fall into need.

11.7.2 Good Practice Guidance recommends that the total of concealed households identified in the survey is annualised at the average level of those forming in the next two years, which is the method followed in this assessment.

Table 11-9 New Forming Households – Annual Average by Local Authority

Local Authority	Annual Average Formation	Two-person Formation Reduction	Net Annual Average Formation
Elmbridge	903	55	**848**
Epsom & Ewell	327	22	**305**
Mole Valley	832	74	**758**
Reigate & Banstead	689	45	**644**
Tandridge	287	24	**263**

11.7.3 The net annual average formation level (after couple formation reduction) is applied at **Stage 8** of each needs assessment model.

11.7.4 Based on entry-level prices of 1, 2 and in some cases 3 bedroom properties in each local authority area, the proportion of new forming households unable to access both the owner occupied and private rented market without assistance was established, based on the incomes of recently formed households. The proportions in each local authority are shown in the following table.

Table 11-10 New Forming Households – Proportion Unable to Afford

Local Authority	Unable to Buy (%)	Unable to Rent (%)
Elmbridge	97.7	73.1
Epsom & Ewell	90.2	83.8
Mole Valley	68.5	49.2
Reigate & Banstead	75.0	47.5
Tandridge	87.4	61.8

11.7.5 In all areas, the income requirements for private rental are lower than those to purchase and have therefore been used to test future new forming households ability to access market housing, based on private rental of 1, 2 and in some cases 3 bedroom units suitable for their requirements. The rental proportion is therefore applied at **Stage 9** of each needs assessment model.

11.7.6 Stage 10 of the model estimates the volume of ex-institutional households moving into the community each year. Many authorities find this information difficult to obtain and the total is also likely to double-count with other groups already analysed elsewhere in the model, and for these reasons a total of 0 is used at **Stage 10** of each needs assessment model, with the exception of Tandridge District where the detailed information provided was used and a figure of 12 was applied.

11.7.7 The calculation of existing households falling into need is based on net new registrations on the waiting list, for households whose circumstances place them in the greatest levels of need.

11.7.8 The Guidance criteria include homeless households, households with insecure tenancies, those in high or severe medical priority, and those suffering harassment.

11.7.9 Each local authority in East Surrey was asked to provide data on these households for this stage of the model, and the following table shows the number applied at **Stage 11** of the model for each area.

Table 11-11 Existing Households in Priority Need

Local Authority	Priority Need
Elmbridge	260
Epsom & Ewell	84
Mole Valley	602
Reigate & Banstead	216
Tandridge	235

11.7.10 The next stage of the model analyses in-migrant households needing affordable housing. For each Housing Needs Survey, an in-migrant level was established for those moving into social rented accommodation. Additionally, in-migrant households living in the private rented sector unable to afford market housing were also included in the group.

11.7.11 The following table shows the number in each category and the total applied at **Stage 12** of the model for each local authority.

Table 11-12 In-migrant Households Unable to Afford Market Housing

Local Authority	Social Rented	Private Rented	Total In-Migrant Need
Elmbridge	164	50	**214**
Epsom & Ewell	67	49	**116**
Mole Valley	64	21	**85**
Reigate & Banstead	95	66	**161**
Tandridge	94	23	**117**

11.7.12 The total resultant Newly Arising Need calculation for each local authority is shown in the following table.

Table 11-13 Newly Arising Need – Basic Needs Assessment Model

N – NEWLY ARISING NEED										
Stage	**Elmbridge**		**Epsom & Ewell**		**Mole Valley**		**Reigate & Banstead**		**Tandridge**	
8		848		305		758		644		263
9	33.0%	280	83.8%	256	49.2%	373	47.5%	303	61.8%	163
10		0		0		0		0		12
11		260		84		602		216		235
12		214		116		85		161		117
13		**754**		**456**		**1,060**		**680**		**527**

8 – New Household Formation

9 – Proportion unable to access the market

10 – Ex-institutional population

11 - Existing households falling into priority need

12 - In-migrant households unable to afford market housing

13 – Total Newly Arising Need

11.8 S – Supply of Affordable Units

11.8.1 The annual supply of affordable units over the last three years is used in the model as a prediction for future annual affordable housing supply which is likely to arise.

11.8.2 It is important firstly to establish the average stock re-let level, and the HSSA returns and CORE data have been studied for the last three years in each local authority area, which show the following data.

Table 11-14 2004 / 05 to 2006 / 07 Council Re-lets

Local Authority	**Re-lets**			**3-year Average New Supply**
	2004 / 05	**2005 / 06**	**2006 / 07**	
Elmbridge	-	-	-	-
Epsom & Ewell	-	-	-	**-**
Mole Valley	185	213	241	**213**
Reigate & Banstead	-	-	-	**-**
Tandridge	204	180	158	**181**

11.8.3 Only Mole Valley District and Tandridge District have Council stock and the 3-year average council stock re-let rate for these authorities is applied at **Stage 14** of their respective needs model. Mole Valley transferred their stock after the 2006 / 07 fiscal year end to Mole Valley Housing Association.

Table 11-15 2004 to 2007 RSL Re-lets

Local Authority	Data Source	Re-lets				3-year Average New Supply
		2003 / 04	2004 / 05	2005 / 06	2006 / 07	
Elmbridge	HSSA	93	260	47	-	**133**
	CORE	228	253	150		**210**
Epsom & Ewell	HSSA	8	50	60	-	**39**
	CORE	97	83	53	-	**78**
Mole Valley	HSSA	-	32	55	31	**39**
	CORE	-	37	26	13	**25**
Reigate & Banstead	HSSA	-	167	301	205	**224**
	CORE	-	269	276	203	**237**
Tandridge	HSSA	-	46	42	13	**34**
	CORE	-	19	23	19	**20**

CORE data is Copyright © CORE, Housing Corporation

11.8.4 In the case of Elmbridge Borough, Epsom & Ewell Borough and Tandridge District, the CORE data appears to be more consistent and therefore the CORE average re-let level per annum has been used at **Stage 14** of the needs model. For Mole Valley District and Reigate & Banstead Borough the HSSA data appears more consistent and the HSSA average is therefore applied at **Stage 14**. This total in all cases is in addition to the Council re-let level for each authority (if applicable) in Table 11-14.

11.8.5 In each local authority area, the number of shared ownership units has been estimated based on 2001 Census data plus new shared ownership units built since 2001 based on HSSA records. An estimated re-sale rate has been assumed based on the re-let rate of social stock in each area to determine the likely supply of shared ownership re-sales each year, and this total has also been incorporated at **Stage 14** of each needs assessment model. The following table shows the data.

Table 11-16 Shared Ownership Re-sales / Re-lets

Local Authority	Shared Ownership Units	Re-sale rate	Annual Shared Ownership Re-sales (Stage 14)
Elmbridge	350	3.9%	**14**
Epsom & Ewell	286	3.7%	**11**
Mole Valley	346	5.7%	**20**
Reigate & Banstead	500	3.8%	**19**
Tandridge	359	5.4%	**19**

11.8.6 Stage 15 of the needs model involves assessing how increased vacancies and units taken out of management will have an effect on the annual flow of affordable housing. The calculation takes the average annual right to buy level, multiplied by the average re-let rate of the stock. The average annual right to buy level for each local authority is multiplied by the average stock re-let rate in each authority area to calculate the correct loss of future stock flow to be applied at **Stage 15** of each needs model. The table below shows the data for each local authority area.

Table 11-17 2004 to 2007 Right to Buy / Demolition Levels

Local Authority	Right to Buy / Demolition				3-year Average RTB / Dem.	Stock re-let rate	Stage 15
	2003 / 04	2004 / 05	2005 / 06	2006 / 07			
Elmbridge	85	54	11	-	50	3.9%	**2**
Epsom & Ewell	15	3	3		7	3.7%	**0**
Mole Valley	-	66	83	53	67	5.7%	**4**
Reigate & Banstead	-	44	14	14	24	3.8%	**1**
Tandridge		99	108	87	98	5.4%	**5**

11.8.7 Stage 16 of the needs model takes account of the predicted annual new affordable housing supply. The HSSA returns for the last three years in each local authority area show the following trends.

Table 11-18 2004 to 2007 New Affordable Housing Supply

Local Authority	New Supply				3-year Average New Supply
	2003 / 04	2004 / 05	2005 / 06	2006 / 07	
Elmbridge	158	69	158	-	**128**
Epsom & Ewell	101	37	42	-	**60**
Mole Valley	-	15	55	193	**88**
Reigate & Banstead	-	225	139	176	**180**
Tandridge	-	86	114	297	**165**

11.8.8 The average annual new supply total has been applied to **Stage 16** of each needs assessment model as the predicted annual new affordable supply, with the exception of Mole Valley District and Tandridge District where future planned new affordable supply was used (98 units and 56 units respectively) due to the fluctuating levels of past new delivery.

11.8.9 Future annual average planned supply over the next two years is 122 units in Elmbridge and 207 in Reigate and Banstead.

11.8.10 Although a figure of zero is shown in Epsom and Ewell for the last three years, this was used in the previous Assessment Model because supply was so varied that an average figure was meaningless. New delivery totalled 101 in 2003/04, 37 in 2004/05 and 42 in 2005/06. Expected future delivery is 106 in 2006/07 and 86 in 2007/08.

Table 11-19 Supply of Affordable Units – Basic Needs Assessment Model

S – SUPPLY OF AFFORDABLE UNITS										
Stage	**Elmbridge**		**Epsom & Ewell**		**Mole Valley**		**Reigate & Banstead**		**Tandridge**	
14a		210		78		252		249		201
14b		14		11		20		19		19
14		224		89		272		268		220
15		2		0		4		1		5
NSR		*222*		*89*		*268*		*267*		*215*
16		128		0		98		180		56
17		**350**		**89**		**366**		**447**		**271**

14(a) – Supply of social re-lets

14(b) – Supply of shared ownership re-sales

14 - Total of 14(a) + 14(b)

15 – Increased vacancies (if applicable) and units taken out of management. Right to Buy

NSR – Net social re-lets

16 – Committed units of new affordable supply

17 – Total Affordable Supply

11.9 Elmbridge Housing Needs Assessment Model

B - BACKLOG OF NEED		
1. Households in unsuitable housing		4,125
2. MINUS – RSL tenants MINUS – in-situ solution most appropriate or leaving Borough	644 1,580	
	2,224	2,224
Households in unsuitable housing and need to move		1,901
3. TIMES - Proportion unable to afford to buy or rent	76.3%	1,450
4. PLUS - Backlog - homeless households		22
5. TOTAL BACKLOG NEED		**1,472**
6. TIMES - Quota to progressively reduce backlog *	(20%)	
7. ANNUAL NEED TO REDUCE BACKLOG		**294**
N - NEWLY ARISING NEED		
8. New household formation		848
9. TIMES Proportion unable to buy (62.4%) or rent (33.0%)	(33.0%)	280
10. PLUS - Ex-institutional population moving into community		0
11. Existing households falling into priority need		260
12. In-migrant households unable to afford market housing		214
13. TOTAL NEWLY ARISING NEED		**754**
S - SUPPLY OF AFFORDABLE UNITS		
14. Supply of social re-lets (210) and Shared Ownership re-sales (14)		224
15. MINUS Increased vacancies (if applicable) and units taken out of management. Right to Buy		2
Net social re-lets		222
16. PLUS - Committed units of new affordable supply		128
17. AFFORDABLE SUPPLY		**350**
Annual need to reduce backlog (B)	294	
Newly arising need (N)	754	
TOTAL AFFORDABLE NEED (B + N)	**1,048**	**1,048**
Affordable supply (S)		350
18. OVERALL ANNUAL SHORTFALL (B + N) - S		**698**

** Elimination over a five year period is recommended in the Guidance for model purposes but the Council can make a Policy decision to do so over a longer period.*

11.10 Epsom & Ewell Affordable Housing Needs Assessment Model

B - BACKLOG OF NEED		
1. Households in unsuitable housing		2,776
2. MINUS – RSL tenants MINUS – in-situ solution most appropriate or leaving Borough	344 1,017	
	1,361	1,361
Households in unsuitable housing and need to move		1,415
3. TIMES - Proportion unable to afford to buy or rent	36.3%	513
4. PLUS – Backlog - homeless households		1
5. TOTAL BACKLOG NEED		**514**
6. TIMES - Quota to progressively reduce backlog *	20%	
7. ANNUAL NEED TO REDUCE BACKLOG		**103**
N - NEWLY ARISING NEED		
8. New household formation		305
9. TIMES Proportion unable to buy (90.2%) or rent (83.8%)	83.8%	256
10. PLUS - Ex-institutional population moving into community		0
11. Existing households falling into priority need		84
12. In-migrant households unable to afford market housing		116
13. TOTAL NEWLY ARISING NEED		**456**
S - SUPPLY OF AFFORDABLE UNITS		
14. Supply of social re-lets (78) and Shared Ownership re-sales (11)		89
15. MINUS Increased vacancies (if applicable) and units taken out of management. Right to Buy		0
Net social re-lets		89
16. PLUS - Committed units of new affordable supply		0
17. AFFORDABLE SUPPLY		**89**
Annual need to reduce backlog (B)	103	
Newly arising need (N)	456	
TOTAL AFFORDABLE NEED (B + N)	**559**	**559**
Affordable supply (S)		89
18. OVERALL ANNUAL SHORTFALL (B + N) - S		**470**

** Elimination over a five year period is recommended in the Guidance for model purposes but the Council can make a Policy decision to do so over a longer period.*

11.11 Mole Valley Affordable Housing Needs Assessment Model

B - BACKLOG OF NEED		
1. Households in unsuitable housing		4,830
2. MINUS – Council & RSL tenants MINUS – in-situ solution most appropriate or leaving District	239 2,771	
	3,010	3,010
Households in unsuitable housing and need to move		1,820
3. TIMES - Proportion unable to afford to buy or rent	74.9%	1,363
4. PLUS - Backlog - homeless households		6
5. TOTAL BACKLOG NEED		**1,369**
6. TIMES - Quota to progressively reduce backlog	(20%)	
7. ANNUAL NEED TO REDUCE BACKLOG		**274**
N - NEWLY ARISING NEED		
8. New household formation		758
9. TIMES Proportion unable to buy (68.5%) and rent (49.2%)	(49.2%)	373
10. PLUS - Ex-institutional population moving into community		0
11. Existing households falling into priority need		602
12. In-migrant households unable to afford market housing		85
13. TOTAL NEWLY ARISING NEED		**1,060**
S - SUPPLY OF AFFORDABLE UNITS		
14. Supply of social re-lets (252) and Shared Ownership re-sales (16)		268
15. MINUS Increased vacancies (if applicable) and units taken out of management. Right to Buy		4
Net social re-lets		264
16. PLUS - Committed units of new affordable supply		98
17. AFFORDABLE SUPPLY		**362**
Annual need to reduce backlog (B)	274	
Newly arising need (N)	1,060	
TOTAL AFFORDABLE NEED (B + N)	**1,334**	**1,334**
Affordable supply (S)		362
18. OVERALL ANNUAL SHORTFALL (B + N) - S		**972**

** Elimination over a five year period is recommended in the Guidance for model purposes but the Council can make a Policy decision to do so over a longer period.*

11.12 Reigate & Banstead Affordable Housing Needs Assessment Model

B - BACKLOG OF NEED			
1.	Households in unsuitable housing		4,581
2.	MINUS – RSL tenants MINUS – in-situ solution most appropriate or leaving Borough	1,096 1,412	
		2,508	2,508
	Households in unsuitable housing and need to move		2,071
3.	TIMES - Proportion unable to afford to buy or rent	69.6%	1,442
4.	PLUS – Backlog - homeless households		10
5.	**TOTAL BACKLOG NEED**		**1,452**
6.	TIMES - Quota to progressively reduce backlog *	(20%)	
7.	**ANNUAL NEED TO REDUCE BACKLOG**		**290**
N - NEWLY ARISING NEED			
8.	New household formation		644
9.	TIMES Proportion unable to buy (75%) or rent (47%)	47%	303
10.	PLUS - Ex-institutional population moving into community		0
11.	Existing households falling into priority need		216
12.	In-migrant households unable to afford market housing		161
13.	**TOTAL NEWLY ARISING NEED**		**680**
S - SUPPLY OF AFFORDABLE UNITS			
14.	Supply of social re-lets (249) and Shared Ownership re-sales (19)		268
15.	MINUS Increased vacancies (if applicable) and units taken out of management. Right to Buy		1
	Net social re-lets		267
16.	PLUS - Committed units of new affordable supply		180
17.	**AFFORDABLE SUPPLY**		**447**
	Annual need to reduce backlog (B)	290	
	Newly arising need (N)	680	
	TOTAL AFFORDABLE NEED (B + N)	**970**	**970**
	Affordable supply (S)		447
18.	**OVERALL ANNUAL SHORTFALL (B + N) - S**		**523**

** Elimination over a five year period is recommended in the Guidance for model purposes but the Council can make a Policy decision to do so over a longer period.*

11.13 Tandridge Affordable Housing Needs Assessment Model

B - BACKLOG OF NEED		
1. Households in unsuitable housing		2,522
2. MINUS – Council / RSL tenants MINUS – in-situ solution most appropriate or leaving District	178 1,127	
	1,305	1,305
Households in unsuitable housing and need to move		1,217
3. TIMES - Proportion unable to afford to buy or rent	79.2%	964
4. PLUS – Backlog - homeless households		0
5. TOTAL BACKLOG NEED		**964**
6. TIMES - Quota to progressively reduce backlog *	(20%)	
7. ANNUAL NEED TO REDUCE BACKLOG		**193**
N - NEWLY ARISING NEED		
8. New household formation		263
9. TIMES Proportion unable to buy (87.4%) or rent (61.8%)	61.8%	163
10. PLUS - Ex-institutional population moving into community		12
11. Existing households falling into priority need		235
12. In-migrant households unable to afford market housing		117
13. TOTAL NEWLY ARISING NEED		**527**
S - SUPPLY OF AFFORDABLE UNITS		
14. Supply of social re-lets (201) and Shared Ownership re-sales (19)		220
15. MINUS Increased vacancies (if applicable) and units taken out of management. Right to Buy		5
Net social re-lets		215
16. PLUS - Committed units of new affordable supply		56
17. AFFORDABLE SUPPLY		**271**
Annual need to reduce backlog (B)	193	
Newly arising need (N)	527	
TOTAL AFFORDABLE NEED (B + N)	**720**	**720**
Affordable supply (S)		271
18. OVERALL ANNUAL SHORTFALL (B + N) - S		**449**

** Elimination over a five year period is recommended in the Guidance for model purposes but the Council can make a Policy decision to do so over a longer period.*

11.14 East Surrey Affordable Housing Needs Assessment Model

B - BACKLOG OF NEED		
1. Households in unsuitable housing		18,834
2. MINUS – RSL tenants MINUS – in-situ solution most appropriate or leaving Borough	2,501 7,907	
	10,408	10,408
Households in unsuitable housing and need to move		8,426
3. TIMES - Proportion unable to afford to buy or rent		5,732
4. PLUS - Backlog - homeless households		39
5. TOTAL BACKLOG NEED		**5,771**
6. TIMES - Quota to progressively reduce backlog *	(20%)	
7. ANNUAL NEED TO REDUCE BACKLOG		**1,154**
N - NEWLY ARISING NEED		
8. New household formation		2,818
9. TIMES Proportion unable to buy or rent		1,375
10. PLUS - Ex-institutional population moving into community		12
11. Existing households falling into priority need		1,397
12. In-migrant households unable to afford market housing		693
13. TOTAL NEWLY ARISING NEED		**2,950**
S - SUPPLY OF AFFORDABLE UNITS		
14. Supply of social re-lets (990) and Shared Ownership re-sales (83)		1,073
15. MINUS Increased vacancies (if applicable) and units taken out of management. Right to Buy		12
Net social re-lets		1,061
16. PLUS - Committed units of new affordable supply		462
17. AFFORDABLE SUPPLY		**1,523**
Annual need to reduce backlog (B)	1,154	
Newly arising need (N)	3,477	
TOTAL AFFORDABLE NEED (B + N)	**4,631**	**4,631**
Affordable supply (S)		1,523
18. OVERALL ANNUAL SHORTFALL (B + N) - S		**3,108**

** Elimination over a five year period is recommended in the Guidance for model purposes but the Council can make a Policy decision to do so over a longer period.*

12 THE NEEDS OF SPECIFIC HOUSEHOLD GROUPS

12.1 Introduction

12.1.1 The Housing Act (2004) specified that specific consideration must be given to the differing needs of households. In addition, Communities and Local Government (CLG) Strategic Housing Market Assessments Practice Guidance (August 2007) indicates that housing partnerships should consider gathering information about the housing requirements of specific groups and that doing so will improve planning and housing policy.

12.1.2 This section investigates the needs of specific household groups that may have specific housing requirements which differ from the general population. Certain groups may exert influences within the housing market area which need to be better understood and planned for.

12.1.3 The housing requirements of the following household groups have been analysed:

- Households with support needs;
- Older people;
- Black & Minority Ethnic (BME) Households;
- Gypsy and Traveller Households;
- Students.

12.1.4 The data on the needs of households with support needs, older people and BME households was primarily gained from utilising primary data from each respective East Surrey authorities local housing needs surveys.

12.1.5 The data has been re-weighted where appropriate to reflect current levels, enabling DCA to identify the proportion and characteristics of households within each specific household group.

12.2 Households with support needs

12.2.1 Housing may need to be purpose built or adapted for households with specific support needs. Information about the characteristics of these households can inform the Council's Supporting People Strategies.

12.2.2 As mentioned in Section 3 of the SHMA, the *Surrey Supporting People Strategy,* (2004-2009) has two key aims to:-

- develop high quality, cost effective services which genuinely meet the support needs of vulnerable people; and,
- encourage partnership working.

Key Findings

- Overall there are around 30,916 households in East Surrey containing one or more household members with a disability;
- 20.2% of households in East Surrey have an outstanding support need;
- 8.6% of properties in East Surrey have been adapted to meet the needs of a disabled household;
- The most commonly requested adaptations required were bathroom adaptations;
- Interest in supported accommodation was focused on independent accommodation with external support.

Strategic Recommendations

- Support services rely heavily on help provided by family and friends. Carer support networks should be recognised and used to complement rather than replace statutory provision.

12.2.3 Table 12-1 below shows the proportion of households containing one or more household members with a disability in each of the East Surrey Authority areas.

Table 12-1 Households with a Disability

Area	%	Nos. implied
Elmbridge	15.3	8,123
Epsom & Ewell	16.7	4,692
Mole Valley	14.5	4,789
Reigate & Banstead	15.7	8,564
Tandridge	14.3	4,748
East Surrey	**15.3**	**30,916**

Source: Housing Need Surveys

12.2.4 The proportion of households containing a household member with a disability ranged from 14.3% in Tandridge, rising to 16.7% in Epsom & Ewell.

12.2.5 Assessment of the UK average for the proportion of households affected is difficult both because of the impact of multiple disability and the tendency to express statistics in terms of population rather than households. The Department of Social Security report of 1998 (based on a 1996 / 97 survey) suggested as many as 8.6 million disabled adults in private households - around 14 - 15% of the population. However, DCA survey results have indicated a consistently higher level in the region of 20%. The proportion in East Surrey was lower than this in all areas.

12.2.6 The local housing need surveys asked respondents whether their household is receiving sufficient care / support in order to meet their needs. The table below outlines the proportion in each local authority area with an outstanding support need.

Table 12-2 Households with an Outstanding Support Need

Area	Outstanding Support Need %	Nos. implied
Elmbridge	15.9	542
Epsom & Ewell	25.1	590
Mole Valley	25.0	777
Reigate & Banstead	15.3	593
Tandridge	19.5	341
East Surrey	**20.2**	**2843**

Source: Housing Need Surveys

12.2.7 Households with an outstanding support need ranged from 15.3% in Reigate & Banstead to 25.1% in Epsom & Ewell.

12.2.8 Those who currently received sufficient care and support services were asked who provided their support.

Table 12-3 Provider of Care / Support

Area	Social Services / Voluntary Services (%)	N^{os}. implied	Family / Friends / neighbours (%)	N^{os}. implied
Elmbridge	47.3	1,464	69.6	2,154
Epsom & Ewell	39.8	801	74.9	1,509
Mole Valley	25.8	600	85.4	1,983
Reigate & Banstead	41.4	1,463	68.8	2,431
Tandridge	40.7	689	74.9	1,268
East Surrey	**39.0**	**5,017**	**74.7**	**9,345**

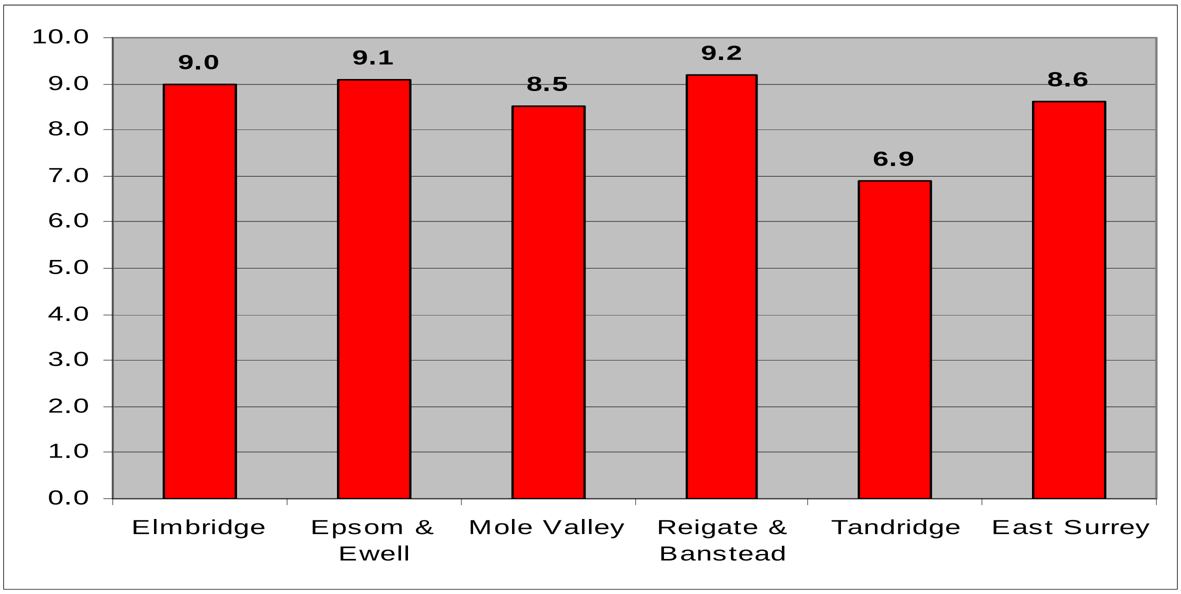
Source: Housing Need Surveys

12.2.9 In 39.0% of cases in East Surrey (5,017 implied) support was provided by Social Services / Voluntary Body. In the majority of cases (74.7% or 9,345 implied cases), support was provided by family / friends / neighbours, suggesting that around 14% receive a mix of formal and informal support.

12.2.10 Data was collected on the degree to which the home had been built or adapted to meet the needs of disabled persons and what facilities need to be provided within the next three years to ensure that current household members can remain in the property.

12.2.11 Figure 12-1 shows that the level of property adaptations to meet the needs of a disabled household member ranged from 6.9% in Tandridge to 9.2% in Reigate & Banstead.

Figure 12-1 Adapted Properties (%)



Source: Housing Need Surveys

12.2.12 A further question asked respondents what facilities / adaptations were required within the next three years to ensure that current household members can remain in the property. Table 12-4 below shows the facilities needed by authority area.

Table 12-4 Types of Facilities / Adaptations Needed

Facilities Required	Local Authority					
	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey
Wheelchair adaptations	945	270	1,018	958	681	3,872
Access to Property Adaptations	834	242	703	1,281	567	3,627
Vertical lift / stair lift	1,312	388	1,156	1,625	745	5,226
Bathroom adaptations	1,965	905	2,540	2,148	1,491	9,049
Extension	1,753	448	1,356	1,796	1,213	6,566
Ground Floor Toilet	1,099	403	983	1,327	731	4,543
Handrails / grabrails	1,489	713	1,316	1,565	1,115	6,198
Other	1,883	246	1,556	2,329	1,038	7,052

Source: Housing Need Surveys

12.2.13 The main facility required in all areas was bathroom adaptations, with the exception of Reigate & Banstead where ‘Other’ facilities were the majority.

12.2.14 Existing households moving were asked if they were interested in supported housing and what type of supported housing they required in the next three years.

12.2.15 Household surveys do not include households living in supported or sheltered accommodation and are therefore an estimate only of those living in their own home. The data in the following table will therefore under-estimate the total need for supported housing because it does not take account of households needing to move on, for instance from sheltered to extra care housing.

Table 12-5 Type of Supported Accommodation Required

Supported Accommodation Required	Local Authority					
	Elmbridge	*Epsom & Ewell*	*Mole Valley*	*Reigate & Banstead*	*Tandridge*	*East Surrey*
Council / HA sheltered housing	129	65	258	23	72	547
Independent accommodation (with external support)	204	7	238	132	147	728
Extra care housing	0	n/a*	97	45	0	142
Residential / nursing home	0	7	70	27	0	104
Private sheltered housing	8	18	46	56	27	155
Independent accommodation (with live in carer)	35	0	39	0	1	75
Total	**376**	**97**	**748**	**283**	**247**	**1,679**

Source: Housing Need Surveys
** Option not provided in survey*

12.2.16 Demand for supported accommodation (other than sheltered accommodation) is predominantly for independent accommodation (with external support). Data will vary from authority to authority and will also reflect the age structure of the population.

12.3 The Housing Needs of Older People

12.3.1 Similar to the needs of households who have support needs, housing may need to be purpose built or adapted for households with elderly residents.

12.3.2 The housing and support needs of older people in East Surrey are addressed through housing, health, and social services strategies.

Key Findings

- 2005 (ONS mid year population estimates) revealed that 22.5% of the population in East Surrey was aged 65 or over.
- The 65+ age group is forecast to increase by 31,400 people in East Surrey by 2026 (38.4%), according to 2004-based sub-national population projections.
- 6.2% of households in East Surrey (12,250 implied) indicated that a relative would need to move to the area from outside the Borough / District in the next 3 years (2007-2010).
- Data suggests a combined requirement for sheltered accommodation for older people currently living in East Surrey and those in-migrating into the study area of 5,190, 2853 in the private sector and 2,337 in the affordable sector over three years.

Strategic Recommendations

- With the retired population (65+ age group) forecast to rise by 38.4% (31,400 people) and the 85+ population by 47.0% (11,800 people) by 2026, the housing and support needs of older households must be considered at a strategic level.
- The population profile would suggest an increasing future need for extra care provision. Although a high proportion of older people may have their own resources to meet their accommodation and care needs and provision should not be exclusively in the social rented housing sector, others will need financial support to enable them to access housing support services.

12.3.3 As at 2005 (ONS mid year population estimates), 22.5% of the population in East Surrey was aged 65 or over.

12.3.4 The general demographic forecasts provided by Surrey County Council (ONS 2004-based sub-national population projections) indicate that the 65+ age group is forecast to rise by 31,400 people by 2026 in East Surrey, a rise of 38.4%.

12.3.5 The increase in older householders will have implications for support services, extra care housing, long term suitability of accommodation, equity release schemes, adaptations, and other age - related care requirements.

12.4 Older Persons Household Profile in East Surrey

12.4.1 This section looks at the housing and household circumstances of older people living in East Surrey.

12.4.2 The tables below relate to the findings for the households in each local authority area where the head of household is aged 60+.

Table 12-6 Tenure of Accommodation Occupied by Older People within East Surrey (%)

Tenure	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey	All East Surrey Tenure %
Owner Occupied (with Mortgage)	18.2	13.7	13.3	19.1	14.8	**15.8**	44.2
Owner Occupied (No Mortgage)	64.5	73.2	66.3	59.3	65.2	**65.7**	35.8
Private Rented	4.8	4.0	4.7	4.8	4.0	**4.5**	8.8
Council / HA Rented	11.8	8.9	14.9	16.4	14.5	**13.3**	10.4
Shared Ownership	0.4	0.1	0.0	0.2	0.0	**0.1**	0.2
Tied to Employment / other	0.3	0.1	0.8	0.2	1.5	**0.6**	0.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	100.0

Source: Housing Need Surveys

12.4.3 The main tenure type occupied by older households, as expected by an older population was owner occupied (no mortgage). This is compared to the general population in East Surrey where the main tenure type was owner occupied (with mortgage).

Table 12-7 Type of Accommodation Occupied by Older People within East Surrey (%)

Tenure	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey	All East Surrey Type %
Detached House	34.1	30.7	33.2	27.3	32.3	**31.5**	29.1
Semi-detached House	22.5	23.4	20.0	24.3	20.4	**22.2**	28.3
Terraced	14.8	11.3	6.6	12.1	11.2	**11.2**	14.1
Bungalow	9.2	14.8	21.4	13.3	15.4	**14.8**	8.6
Flat / maisonette / bed-sit	19.4	19.7	15.1	21.9	19.4	**19.1**	19.3
Houseboat / Caravan / Mobile home	0.0	0.1	3.7	1.1	1.3	**1.2**	0.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

12.4.4 The main property type occupied by older households was detached properties. 14.8% of older households in East Surrey lived in bungalow accommodation, higher than the all type average of 8.6%.

12.4.5 Nationwide it is acknowledged that older people on fixed incomes have difficulty maintaining their homes, especially as these are often older properties with higher maintenance needs.

12.4.6 This may have implications in East Surrey due to the high number of older people who may need help in terms of the cost in terms of the cost of maintaining and improving a larger property.

12.5 The Future Needs of Older People

12.5.1 The future needs of the elderly were addressed in the local housing needs surveys.

12.5.2 Respondents were asked whether they had older relatives (over 60) who may need to move to the respective local authority area in the next three years.

Table 12-8 Elderly relatives moving to the area in the next 3 years

Area	%	N^{os}. implied
Elmbridge	6.0	3,158
Epsom & Ewell	5.5	1,551
Mole Valley	7.5	2,478
Reigate & Banstead	5.0	2,722
Tandridge	7.1	2,341
East Surrey	**6.2**	**12,250**

Source: Housing Need Surveys

12.5.3 Overall 6.2% of households in East Surrey (12,250 implied) indicated that a relative would need to move to the area from outside the Borough / District. Levels of in-migration ranged from 5.0% in Reigate & Banstead to 7.5% in Mole Valley.

12.5.4 A further question asked respondents to specify the type of accommodation required. The responses to a multiple choice question are set out in the table below.

Table 12-9 Accommodation Required by Older Relatives in Next 3 Years

Accommodation Required	Local Authority					
	Elmbridge	***Epsom & Ewell***	***Mole Valley***	***Reigate & Banstead***	***Tandridge***	***East Surrey***
Private sheltered housing	618	329	755	354	655	2,711
Private housing	484	228	742	469	216	2,139
Live with respondent (need extension / adaptation)	907	409	737	1,062	833	3,948
Residential care / nursing home	915	370	629	688	427	3,029
Council / HA sheltered housing	706	236	288	364	213	1,807
Extra Care housing	n/a*	n/a*	277	130**	288	565
Council / HA Property	318	93	216	131	214	972
Live with respondent (existing home adequate)	233	122	169	172	203	899
Total	**4,181**	**1,787**	**3,813**	**3,240**	**3049**	**16,070**

Source: Housing Need Surveys
** Option not provided in survey*
*** Option not provided in the survey. Figure of 130 is from the Eastern Surrey Extra Care Strategy (10 year period)*

12.5.5 Demand for accommodation was focused in all areas on the options of the relative living with the respondent (need property extension / adaptation) and residential care / nursing home.

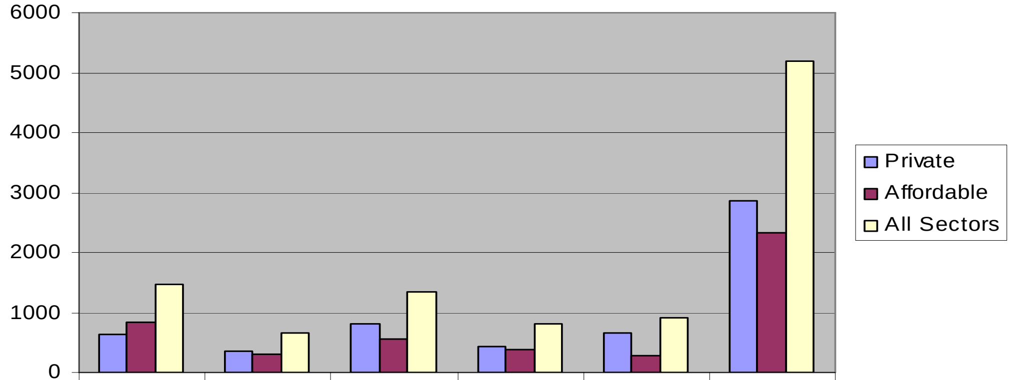
12.5.6 Demand for this group was predicted by the children of older people and, as would be expected, it shows a different pattern to that normally seen among older respondents in DCA surveys. DCA experience shows that older people seek to remain in their own homes and prefer to receive support at home. In contrast, the children of older parents tend to predict the need for supported housing.

12.5.7 The sheltered housing needs of older people within East Surrey were captured within the question on supported housing for existing households moving within each local authority area on supported housing.

12.5.8 The combined requirement for sheltered housing in both sectors from existing households living in Mole Valley and in-migrating parents / relatives is shown below.

12.5.9 Extra care is a relatively recent type of provision and will not be known to a high proportion of the population. It was not an option provided in the earlier surveys but the Extra Care Housing Strategy for Eastern Surrey (2005) shows a requirement of 130 for Reigate and Banstead and 81 for Tandridge.

Figure 12-2 Sheltered Housing Demand (Existing and In-migrant households)



	Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey
Private	623	345	801	435	649	2853
Affordable	839	308	546	374	270	2337
All Sectors	1,462	653	1,347	809	919	5190

Source: Housing Need Surveys

12.5.10 In total, the data suggests a combined requirement for sheltered accommodation for older people currently living in East Surrey and those in-migrating into the study area of 5,190, 2,853 in the private sector and 2,337 in the affordable sector.

12.6 Black & Minority Ethnic Households

12.6.1 Households from particular ethnic groups can differ in terms of their housing or accommodation requirements.

12.6.2 Data collected from the primary housing needs studies for the five East Surrey authorities enable DCA to identify the ethnic origin of households.

12.6.3 The breakdown provided in Table 12-10 below refers to the ethnicity of the household in which the respondent lives. This provides percentage breakdown of all ethnic groups who responded to the ethnicity question in the housing need studies for the respective authorities.

Table 12-10 Ethnic Origin

Type		Elmbridge	Epsom & Ewell	Mole Valley	Reigate & Banstead	Tandridge	East Surrey
		%	%	%	%	%	%
White	British	87.6	88.4	93.0	91.1	94.4	**90.9**
	Irish	1.3	1.4	0.8	1.7	0.6	**1.2**
	Other White	7.1	4.2	3.7	3.5	1.9	**4.1**
Mixed	White & Black Caribbean	0.2	0.4	0.1	0.5	0.3	**0.3**
	White & Black African	0.2	0.1	0.0	0.3	0.2	**0.2**
	White & Asian	0.8	1.1	0.3	0.7	0.5	**0.7**
	Other Mixed	0.8	0.8	0.6	0.6	0.3	**0.6**
Asian or Asian British	Indian	0.5	0.9	0.2	0.4	0.3	**0.5**
	Pakistani	0.1	0.2	0.2	0.1	0.1	**0.1**
	Bangladeshi	0.0	0.2	0.2	0.0	0.1	**0.1**
	Other Asian	0.4	1.2	0.1	0.2	0.3	**0.4**
Black or Black British	Caribbean	0.1	0.1	0.1	0.1	0.2	**0.1**
	African	0.3	0.3	0.1	0.2	0.3	**0.2**
	Other Black	0.1	0.1	0.0	0.0	0.1	**0.1**
Chinese	Chinese	0.1	0.3	0.3	0.6	0.2	**0.3**
Any Other	Any Other	0.4	0.3	0.3	0.0	0.2	**0.2**
Total		**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Housing Need Surveys

12.6.4 The BME respondents include categories of 'White Irish' and 'White Other' (in line with the Census definition). These categories represent 2.5% of households in Tandridge rising to 8.4% in Elmbridge.

12.6.5 The table above shows the proportion of households whose ethnic origin was white British. This ranged from 87.6% in Elmbridge to 94.4% in Tandridge.

12.6.6 Although East Surrey has a relatively small BME community, legislation and guidance none the less requires the local authority to adopt a strategic approach to delivering housing services to meet the differing needs of local communities.

12.6.7 The need of BME elders for independent accommodation should be further examined. In the context of an ageing population, the needs of BME elders should be considered alongside the needs of all older people in the District.

12.6.8 In general however, the BME population have similar incomes and new housing requirements which should be met through initiatives to address the needs of the whole population.

12.7 Gypsy and Traveller Households

12.7.1 Section 225 of the Housing Act 2004 means every local housing authority must assess the accommodation needs of Gypsies and Travellers residing in or resorting to their district.

12.7.2 Each of the East Surrey authorities has completed Gypsy and Traveller Accommodation Assessments.

12.7.3 Elmbridge Borough Council was part of a joint North Surrey Gypsy and Traveller Accommodation Assessment with the three Surrey authorities of Runnymede, Spelthorne and Woking, completed in June 2007.

12.7.4 A joint Gypsy and Traveller Accommodation Assessment for the four East Surrey authorities of Epsom & Ewell, Mole Valley, Reigate & Banstead and Tandridge was completed in May 2007.

12.7.5 The aims of these assessments are to inform the future Gypsy and Traveller accommodation strategies in the individual authority areas and enable these authorities to provide advice to the Regional Planning Body (RPB) and the South East England Regional Assembly (SEERA) in order that they might allocate future Gypsy and Traveller accommodation pitch requirements.

12.7.6 The North Surrey study indicated an additional need for 49 new pitches in the next five years, comprising a shortfall of 31 and an estimated family formation of 18 to the end of 2012.

12.7.7 The East Surrey study indicated a need for an additional 57 pitches in the period 2006 - 2011 consisting of a need for an additional 36 pitches up to 2011 and an estimated family formation of 21.

12.8 Students

12.8.1 East Surrey hosts three higher education academic institutions, the University College of the Creative Arts (UCCA), the North East Surrey College of Technology (NESCOT) and East Surrey College. Kingston University is considered within the report because although it is located in the Royal Borough of Kingston upon Thames, it was thought that it may have some impact on the housing market in neighbouring boroughs, for example in terms of the demand for private-rented housing.

12.8.2 The characteristics of these institutions are outlined in the table below.

Table 12-11 East Surrey Higher Education Institutions (2007)

Name of Institutions	Full Time Students	No. of Halls of Residence
UCCA	1,536	1
Kingston University	16,268	0
NESCOT	1,000	0
East Surrey College	1,500	0

12.8.3 Data has been received from Consultants acting for colleges or from discussions with personnel responsible for the accommodation requirements of students in all other institutions.

The University College of the Creative Arts

12.8.4 The University College of the Creative Arts (UCCA) is one of the UK's leading providers of specialist art and design. UCCA operates from five campuses situated at Canterbury, Epsom, Farnham, Maidstone and Rochester. The college employs approximately 802 staff members and has around 6,500 students.

12.8.5 Around 162 staff and 1,536 students are based at the Epsom campus. Student numbers studying at Epsom have grown by more than a third in the past 5/6 years. Despite having 1,500 students studying at the Epsom Campus, there are only 148 student bed spaces in halls of residence in Epsom. There were approximately 340 full time students who commenced their first year of studies in 2006/07 and UCCA, similar to many Higher Education institutions, like to accommodate as many first year students as possible in halls of residence.

12.8.6 In addition, the University College calculates that in addition to those in its Halls of Residence, there are more than 300 of its students who are living in the East Surrey area away from their home address.

12.8.7 UCCA currently has no plans to build any additional halls of residence in the Epsom area. However, there are private sector proposals for a scheme to produce more than 150 student bed spaces in Epsom & Ewell where the Council has not made a requirement for affordable housing from the planning consent for the development.

Kingston University

12.8.8 Kingston University is based in Kingston Upon Thames, a riverside town on the border of London and Surrey.

12.8.9 The University has approximately 16,268 students and approximately 2,600 permanent members of staff (2006).

12.8.10 Accommodation options for students include halls of residence and independent living in a private rented house or flat. The university has seven halls of residence, none of which are situated in East Surrey.

12.8.11 There is no evidence of any student housing requirement in East Surrey for this university.

North East Surrey College of Technology

12.8.12 NESCOT is situated in Epsom and has around 1,000 full-time students. The College does not have any halls of residence and the vast amount of students live locally or travel daily.

12.8.13 The College maintains a list of inspected accommodation with local landlords and has an agreement with a local Housing Association who provide houses for small groups of students to share. Currently only 20 students live away from home, sharing 4 Housing Association houses.

12.8.14 No growth or major change is planned for this institution.

East Surrey College

12.8.15 East Surrey College is situated outside the town centre of Redhill. There are no halls of residence available to students and most students live locally and travel to the college on a daily basis.

Planning Issues

12.8.16 In University towns, the student population mainly live in the private rented sector, in purpose built student accommodation or in rooms in a shared house provided by the private sector. Halls of residence provided by a university are normally available to first year students only.

12.8.17 Although students require lower cost accommodation they do not represent households eligible under planning definition for 'Affordable Housing'. They are not included in the Guidance Needs Assessment Model.

12.8.18 The majority of student accommodation is met in the market sector as rental income streams create viable developments able to access private sector borrowing.

12.8.19 The scale of students who require accommodation in East Surrey is very low because the nature of the further education courses provided are such that students are local and travel daily and therefore reduce the potential impact on the private rented sector.

12.8.20 The Higher Education sector is however an important element of local economies and the need for student halls of residence should be considered as part of the wider planning strategies in Districts where this requirement could apply.

13 KEY FINDINGS AND RECOMMENDATIONS

13.1.1 This assessment has analysed evidence on the projected growth in different households, the relationship between demand and supply of housing by type and dwelling size, housing need and the stock of housing across the study area.

13.1.2 A key reason for undertaking this study is to inform the development of housing and planning policies in the East Surrey study area and this section provides recommendations in relation to the following policy issues.

- The general mix of market housing by size to be delivered from future new developments;
- On the target levels for affordable housing and future unit delivery by size;
- Type and size of affordable housing to be provided in the future.

13.1.3 A stakeholder seminar with the key partners of the East Surrey authorities included some initial discussion of these policy issues and has also informed the recommendations presented in this report.

13.2 Key Points Arising from the Evidence

13.2.1 There are a number of key points to draw out from the evidence:-

- The proposed scale of future provision of housing to 2026 is much lower than that required to meet demand levels in the market sector and affordable housing need. The low minimum target numbers relative to demand will result in continuing higher house prices, more young households leaving East Surrey to the detriment of local economies and increasing travel pressures.
- These households are predominately single person, couple and small family households. In-migration, from London in particular is significant.
- This forecast decline in household size to 2026 can be linked to the significant predicted growth in the over 65 population where more older people are living longer, the impact of relationship breakdown and the increase in the number of single / couple households.
- However, some authorities (particularly Elmbridge and Mole Valley) indicate much longer waiting times for larger social rented properties and it is harder to address the needs of families and larger households, even though actual numbers of units required are relatively low.
- The majority of current households in the study area are couple households either with or without children i.e. family households.
- Single person households are the next largest group and make up a very significant proportion of all households. Growth in single person households is forecast in all areas of the study area over the next 20 years.
- Although there are differences between districts, the large growth in older households will have a major impact in the requirement for new units.
- Population change in Elmbridge however also shows high growth levels in all age groups, compared to all other authorities where younger household levels will either stay relatively constant or decline to 2026.

13.3 Key Recommendations

13.3.1 Strategic housing market assessments identify key inter-related priorities for housing, planning and care strategies to address the current and future requirements of households in the study area. Key recommendations for the area housing market and for each authority are summarised below.

- There are excessive levels of housing demand and need within East Surrey. The level of both demand and need far exceeds what could be supplied in the study area from the proposed minimum level of total new housing provision to 2026.
- Development of sustainable and balanced communities will require a much higher level of new housing provision. The affordable housing needs of the area can only be addressed in a meaningful way if there is much greater provision overall and all possible means of increasing the scale of delivery should be considered.
- Ensure that future new development provides a mix of housing type and size to meet the needs of all households;
- Focus new delivery in market housing to address the stock imbalance and the impact of future demographic and household formation change;
- Provide a guide to developers of market housing so that new stock meets local demand not addressed by existing stock turnover;
- Set affordable housing targets of at least 40% of all suitable sites;
- The tenure target balance at local authority level could range from 75% to 50% for social rent and 25% to 50% intermediate housing to address local need and are subject to a wider range of planning and development factors at site level.
- A detailed feasibility study of the practical delivery issues for Intermediate market rented accommodation should be undertaken.
- Consider affordable housing property size targets of 65% one and two bedroom units, principally flats, and 35% three and four bedroom houses to meet the needs of single, couple and family households;
- Sites will need to be assessed individually, targets being subject to wider planning, economic viability, regeneration and sustainability considerations and will require a flexible approach to specific site negotiation;
- Consider a range of site thresholds below 15 units in sub-areas within each authority, recognising that viability issues may require lower target levels or provision of commuted sums for delivery on alternative sites;
- Meeting the accommodation requirements of families and those with priority needs should be as important as the volume requirements of small units for single and couple households.
- Develop housing strategies which provide positive incentives to improve the turnover of family houses in the social rented sector, to address under-occupation and make best use of the existing stock;
- Address the current and future growth in older people and frail older households across all tenures, and their related care and support needs, through assessing:-
  - the need for support services and adaptation required to enable people to remain in their own home;
  - the type and quality of existing sheltered stock in meeting today’s housing standards and preferences;
  - the need for ‘extra care’ units for the growing frail elderly population.

13.4 The Policy Process

13.4.1 As highlighted in PPS3, strategic housing market assessments are only one of several factors which need to be taken into account in determining targets and the mix of housing to be developed in the future.

13.4.2 Although balancing the housing market is a key objective, policy formation will also be informed by evidence from strategic housing land availability assessments, spatial issues relating to environmental impact and the importance of the delivery of high quality accommodation with correspondingly high design standards, particularly in high density developments.

13.5 Creating Mixed and Balanced Communities

13.5.1 PPS3 consolidates government thinking on planning for mixed communities and what that should mean in terms of planning for a mix of tenures and housing types in new development. The government wishes to foster the creation of mixed communities though what this means in practice is not defined, nor the spatial level at which a mix is to be achieved (e.g. within neighbourhoods, or across market areas).

13.5.2 It is also important to recognise that neighbourhoods have different characteristics and that this is important to providing a variety of choice in the housing market.

13.5.3 The development of flats in urban and town centre housing will appeal particularly to young single people and couples. Suburban locations are favoured by families who place a higher priority on access to good schools and houses with gardens. Such variety should be valued as part of creating diverse and liveable towns.

13.5.4 PPS3 requires that authorities should be aware of the 'overall balance of different household types to be provided for across the plan area, to ensure housing provision is made for example for family, single person, and multi-person households. In planning at site level, it is important that a broad mix of housing suitable for different household types is provided on larger sites. The mix of housing on smaller sites should contribute to the creation of mixed communities’.

13.5.5 PPS3 does not however, indicate a requirement for specific market sector targets for different types or sizes of dwellings but it must be of value both to authority policy makers and developers to use the assessment data to achieve more balanced stock and communities.

13.5.6 Local Development Documents therefore need to provide indications of the type and size of dwellings to be provided to meet household demand within the study area, although it is clear that prescriptive targets are not to be set for different types of dwelling, since this would undermine the responsiveness of the market to demand. Authorities should provide a strategic assessment of where there are gaps within current housing provision and identify in broad terms the relative priority to be accorded to development of different types of dwelling.

13.6 Balancing the Housing Market

13.6.1 Determining what this means for the future requirement for types of dwellings is complex. The scale of under-occupation is significant and the type and size of dwelling that households demand is not necessarily driven by actual need. The requirement for the expected future growth in households can only be estimated in terms of the size of new dwellings. Providing a better balanced housing stock should however be the key criteria for each authority.

13.6.2 The table below outlines the proposed annual average dwelling provision in the Draft South East Plan between 2006 and 2026, against the market demand and affordable need for each Local Authority, after allowing for the turnover of the existing stock.

Table 13-1 Proposed Dwelling Provision against Demand and Affordable Need

	Dwelling Provision p.a.*		Affordable Need Shortfall p.a.	Market Demand Shortfall p.a.
	Draft Plan	Panel		
Elmbridge	231	256	826	1,553
Epsom & Ewell	181	199	470	438
Mole Valley	171	188	1,066	1,446
Reigate & Banstead	387	462	703	278
Tandridge	112	125	505	268
East Surrey Total	**1,082**	**1,230**	**3,570**	**3,983**

** Draft South East Plan and Panel Recommendation*

13.6.3 The scale of demand and need identified through the Strategic Housing Market Assessment is significant. Compared to either the proposed East Surrey annual provision of 1,082 units p.a. in the Draft South East Plan, or the Panel recommendation of 1,230 units, there is an identified shortfall of over 3,900 units in the market sector, strongly linked to current in-migration levels, and over 3,100 units of affordable housing, is almost 3.3 times greater than the whole dwelling provision to 2026.

13.6.4 This is particularly significant bearing in mind that the total annual allocation of housing in the South East Plan of 1,082 or 1,230 units for the study area to cover both market and affordable housing. If all authorities achieved 40% affordable housing to meet local needs in that sector, only around 650 or 738 market properties would be delivered each year.

13.6.5 East Surrey is not identified as a major growth area in the South East and dwelling provision is very low relative to the housing requirements of market and affordable sector. Unless future delivery levels are increased significantly beyond the current or Panel recommendation levels, the scale of affordable needs will increase year by year and on a pure supply and demand basis house prices should be expected to continue to rise well above income inflation levels.

13.6.6 The scale of new provision provides a very limited ability to create a more balanced housing market in terms of property type, size and tenure. The limited scale of affordable delivery could increase out-migration, particularly of service sector and key workers.

13.7 Property Type and Size

13.7.1 All future development should address the overall shortfall of small units, flats and terraced houses in both the private and affordable housing sectors. Clearly this small unit need also supports the requirement for higher densities than in the past.

13.7.2 Future development has therefore to address the imbalance of stock type and size, both by tenure and location to create a more sustainable and balanced housing market. This will require a bias in favour of smaller units on a significant scale to address both the current shortfall and future demographic and household formation change which will result in an increase in small households.

13.7.3 However, in view of the scale of allocation yet to be finalised in East Surrey (1,082 or 1,230 units per annum) even allowing for a bias towards small units, there is limited capacity to create better balance in the stock.

13.7.4 There is a need to provide a mix of house types in both market and social sectors to meet the need for flats, terraced and semi-detached units from new and existing households and provide for a more balanced housing market.

13.7.5 A detailed balance of property types for each district is provided in Section 9. Demand unmet by stock turnover in the market sector varies by authority but with consistently high levels for two bedrooms. Only Elmbridge shows a demand for one bedroom units on any scale within a mix for all property sizes. All other areas have requirements mainly for two, three and four bedrooms, except Reigate and Banstead where only two bedroom units are in shortfall. However there is sufficient unmet need to justify a range of 1 – 4 bed sizes in all districts.

13.7.6 However given mobility between the districts, and the fact that the area is a single housing market, means that there are no requirements to adhere to these levels provided that proper balance is achieved at the study area level.

13.7.7 In view of the current stock balance and the longer term demographic and household formation change impact, a level of 65% of future delivery in the affordable sector should be for small units. A detailed analysis of the balance of property types for each district is provided in Table 10-49 and it is emphasised that although family unit requirements are lower in number, they are significant in relative priorities to meet family growth and overcrowding.

13.7.8 The analysis identified a small shortfall of 229 four bed units in the social sector, but a significant number bearing in mind that re-let levels are very low (only 10 units) and the scale of need from existing overcrowded households is greater than the total in the current stock.

13.7.9 Although East Surrey has a relatively small BME community, legislation and guidance none the less requires the local authority to adopt a strategic approach to delivering housing services to meet the differing needs of local communities.

13.7.10 In general however, the BME population have similar incomes and housing requirements which should be met through initiatives to address the needs of the whole population.

13.7.11 The private rented sector has a supply shortfall to meet demand from existing, in-migrant and new forming households. In practice it does not address all of the need from new households trying to enter the private market and strategies should support the growth of this sector through delivery of higher quality units.

13.8 Future Affordable Housing Delivery

13.8.1 The tenure balance of new affordable delivery over the last three years has averaged 54% social rented units and 46% intermediate market housing.

13.8.2 The social rented stock in the study area at 11.1% is low relative to the national average of 19.3%, slightly below the South East regional average of 14.0% and does not provide adequate turnover to meet the scale of need identified. In determining the balance of tenure mix, the number of households who cannot afford private rent but would be able to enter the market through intermediate housing has to be taken into account.

13.8.3 The priority housing need in East Surrey is for additional social rented dwellings. DCA consider that this should be the priority in terms of meeting housing need within the study area. The scale of need could justify the whole allocation as social rented units and still not address the level of need, but a balanced approach is now the core of Government strategy although the majority of units are still required for social rent.

Intermediate Housing

13.8.4 However, there are advantages in providing a proportion of intermediate housing as part of the affordable housing delivery.

13.8.5 The increases in house prices of over 200% over the last ten years have excluded many ‘first-time buyers’ from the owner occupied market. DCA believe therefore that the proportion of affordable housing provided on new sites should encompass more intermediate market housing than would have been the case even five years ago when it was a more marginal element of affordable need.

13.8.6 There is no obvious solution to the affordability problem in Surrey, other than a severe market crash or significant increases in incomes above inflation to solve access to the market for people on above average incomes.

13.8.7 There is therefore a need to deliver more intermediate housing bearing in mind that the total scale of intermediate housing preference alone is greater than the whole housing allocation.

13.8.8 The significant rise in house price to income ratios over the last decade has created a large potential market for intermediate housing. It could also be more cost effective in enabling intermediate tenures through purchase and part sale of existing properties, because of the ‘premium for new’ over second hand properties.

13.8.9 Shared ownership (now HomeBuy) has been the main affordable product in this sector, but shared equity, utilising free or discounted land but without grant, also has a potentially significant role to play in the future.

13.8.10 Intermediate market rented accommodation delivery has been very small to date. Fundamentally it requires that there is a large gap between social and market rents. This situation applies to a greater degree in East Surrey than in most areas nationally and this sector could be potentially large in the study area in view of income levels, in-migration and the low levels of social rented stock.

13.8.11 As the scale of need is not able to be met from existing turnover and planned new delivery levels, it is essential that the widest range of initiatives, utilising subsidies from land and grant resources effectively are employed to maximise delivery.

13.8.12 It would provide the local authorities with some flexibility in negotiations with developers. It is also often the case that separate funding provision is made for intermediate housing. Planning for a certain level of intermediate housing provision is therefore sensible as part of a strategy to maximise the level of public funding secured for affordable housing.

13.8.13 It is likely to be appropriate in the light of affordability problems and people's housing aspirations. Home ownership is the tenure of choice of virtually all households in England regardless of tenure. Government policy has reflected this in the past through encouragement of the Right to Buy, and the current government has indicated its intention to develop new intermediate housing products such as Home Buy to meet the aspiration for home ownership.

13.8.14 Provision of intermediate housing can go some way to meeting identified needs. Not all those in housing need want or need social rented housing. It therefore makes sense in terms of an overall housing strategy to plan for a certain level of intermediate housing provision.

13.8.15 Intermediate housing can also be used by the local authorities to free up social rented stock, where households are willing and able to afford to access intermediate products. Where they do not do so already, local authorities should consider collecting information from those on their housing registers and those occupying social rented accommodation that would indicate their suitability for and interest in intermediate housing options. Ideally this information could be linked with the Thames Valley Housing list of households interested in intermediate housing.

13.8.16 Future tenure mix delivery has to take account of the low social stock levels and the scale of new households, key workers and those on average incomes and above unable to purchase in the high cost market in East Surrey.

13.8.17 At the local authority level this could range from 75% to 50% for social rent and 25% to 50% intermediate housing. Each Council will need to consider the tenure target balance which addresses local need, although the overall affordable target and the tenure mix target are subject to a wider range of planning and development factors at local site level.

13.9 Affordable Housing Targets

13.9.1 The South East Plan allocation for East Surrey is 21,640 units from 2006 to 2026 (1,082 a year). Not all of these will be on qualifying sites, nor does this total take account of completions or outline consents.

13.9.2 However the total outstanding affordable need of 3,570 is 3.3 times the full annual allocation. Clearly this is unachievable and a simple mathematical calculation to determine the overall target level, the normal process, cannot be undertaken. Targets can only therefore be set by a professional judgement based on experience of what is sustainable, viable and deliverable.

13.9.3 The scale of affordable need justifies a high target, provided it is sustainable and viable. However the SHMA is not the only basis for Council decisions on target levels, but it is a major element.

13.9.4 Based on the evidence found in this SHMA, consideration should be given to an affordable housing target to at least 40% of new units negotiated from the total of <u>all suitable sites</u> in all authorities. Where there is a need for larger affordable family units, it may be beneficial to negotiate on a habitable rooms basis, especially in flatted developments where need for large units cannot be met on site.

13.9.5 Sites will need to be assessed individually, targets being subject to wider planning, economic viability, regeneration and sustainability considerations and will require a flexible approach to specific site negotiation.

13.9.6 Meeting the total need for affordable housing involves a range of initiatives making best use of the existing stock, by bringing empty houses back into use, bringing social sector stock up to Decent Homes Standard, conversions of existing buildings and new delivery through the planning system.

13.9.7 In view of the limited amount of new unit delivery it is important that housing strategies are developed to address under-occupation in social housing to make best use of the existing stock.

13.10 Site Thresholds

13.10.1 The evidence of the scale of affordable need found in this assessment requires a significant increase in affordable delivery. This should be addressed both through an increase in affordable housing target levels from the total of developments on suitable sites and a reduction in site thresholds.

13.10.2 The national indicative minimum threshold level in PPS3 is set at 15 units. In all areas across East Surrey, the significant level of need identified is unlikely to be met even at the threshold of 15 units in the new Guidance.

13.10.3 The annual scale of affordable need is 11 times the average annual new unit delivery over the last three years and justifies an exceptional case for lower thresholds. However it is critical to test the level of increased supply which any threshold level below 15 dwellings would generate from a Strategic Housing Land Availability Assessment, taking viability into account.

13.10.4 The scale of need in each authority within the East Surrey market requires that councils should consider a range of thresholds within each area at levels below 15 units, in both urban and rural locations. Smaller sites may, because of viability, require target levels below 40% or greater use may need to be made of the provision of commuted sums to deliver on alternative sites.

13.11 Rural Affordable Housing Delivery and Site Thresholds

13.11.1 There is a clear need expressed in PPS3 to provide a range of options to deliver more housing in rural settlements.

13.11.2 The rural nature of each authority within the study area varies significantly, particularly in Elmbridge and Epsom & Ewell which are inside the M25 compared to the other authorities which have a larger proportion of rural settlements. The purpose of a SHMA is to examine market issues at a larger spatial level and not to identify specific numbers of need and demand within rural parishes in individual authorities.

13.11.3 This data is provided in detail in the Housing Need Survey conducted over the last few years for each authority. These reports are still extremely valuable documents on a wide range of issues, but particularly in addressing both market and affordable housing in rural settlements and should continue to be used to address issues at local level.

13.11.4 **Site Thresholds**

13.11.5 Site thresholds in rural areas are normally significantly lower than those which apply in either the largest urban settlements or market towns in a district as sites are normally smaller and are usually below the threshold of 15 units.

13.11.6 To improve the delivery of affordable housing in rural areas thresholds could be based upon the following levels:-

- 10 or more dwellings or 0.3 hectares in main towns;
- 5 or more dwellings or 0.2 hectares in local centres;
- 2 or more dwellings or 0.1 hectares in smaller villages with a 50% provision as highlighted in the Rural White Paper in 2000.

13.11.7 These rural site thresholds apply in the adopted local plans of many rural authorities, although the White Paper recommendation has not been adopted widely, bearing in mind that the rural affordable housing shortfall is now nationally recognised as a significant issue.

13.11.8 The Planning Policy Guidance Note 3 Housing Update on Planning for Sustainable Communities in Rural Areas issued in January 2005 provides a basis for allocation of sites solely for affordable housing and is not subject to previous population constraint. This is confirmed in PPS3 and the Councils should consider allocation of small sites for affordable housing only in the Development Plan Documents.

13.11.9 In addition to the use of site thresholds, guidance also identifies the need for both a rural exceptions policy and the allocation of sites in rural areas for affordable housing only.

14 STAKEHOLDER CONSULTATION

14.1 The Housing Partnership Board

14.1.1 The Strategic Housing Market Assessments Practice Guidance (2007) encourages the formation of a Housing Partnership, consisting of a multi-disciplinary team including housing, planning, economic development and regeneration expertise.

14.1.2 The aim of this is to involve stakeholders in the assessment process in order to minimise objections to policies proposed as stakeholders will have had the opportunity to express their concerns on any aspect of the assessment process.

14.1.3 The roles of this group are to:-

- share and provide intelligence and additional context, and engagement in outcomes;
- ultimately gain sufficient research experience/expertise to complete assessments;

14.1.4 The responsibilities of partnership includes to:-

- share and pool information and intelligence, including relevant contextual intelligence and policy information;
- support the housing market partnership core members in the analysis and interpretation of housing market intelligence;
- assist with the development of a project plan for undertaking the Strategic Housing Market Assessment and ensuring their findings are regularly reviewed; and
- consider the implications of the assessment, including signing off its outputs and agreeing follow-up actions.

14.1.5 East Surrey Councils invited various organisations to become members of the Housing Partnership Board and the table below outlines the membership.

Table 14-1 Membership of the East Surrey Strategic Housing Market Assessment Partnership Board

Name	*Organisation*
Steve Coggins (Chair)	A2 Housing Group (RSL)
Ray Langley (Vice Chair)	Reigate & Banstead Borough Council
Cath Stubbings	South East Regional Assembly
Mark Williams	South East Regional Assembly
Bryan Elphick	Royal Institution of Chartered Surveyors (Surrey Local Association)
Louise Eccles	Government Office for the South East
Sebastian Taylor	Rosebery Housing Group (RSL)
Alison Walker	Croudace (House Builder)
James Beale	Mole Valley District Council
Paul Newdick	Tandridge District Council
Nigel Eveleigh	Epsom & Ewell Borough Council
Colin Waters (Project Manager)	Elmbridge Borough Council

14.2 Stakeholders' Event

14.2.1 In September 2007, a Stakeholder Seminar to outline the key findings of the interim Housing Market Assessment was held. The aim of the event was to present the key draft findings, enable those present to discuss and comment on those findings and raise any other relevant issues that they feel have not been included, bring local knowledge to the assessment process and to provide a check on the findings of the study from the practical experience of key stakeholders and delivery partners.

14.2.2 The seminar presentation carried out covered:-

- Demographic Trends and Future Projections;
- Migration and Economic Activity;
- The Current Housing / Stock;
- Understanding the Local Housing Markets;
- Market Prices Costs and Affordability;
- Future Market Demand / Supply;
- Affordable Need and Supply;
- Older People and Special Needs Housing.

14.2.3 Approximately 140 invites to the event were issued. Those invited were key Council personnel and partners in health and social services and voluntary agencies, renewal, development and planning personnel and key delivery partners, RSLs, private house builders and estate agents, major employers within East Surrey and special interest groups.

14.2.4 The list of those who attended the event can be found at Appendix II.

14.3 Written Comments Received

14.3.1 The Stakeholder Consultation Event held on 13 September provided an opportunity to engage a wider group of interests in discussions on the East Surrey SHMA than those represented on the Partnership Board. The event was timed to allow input into the formulation of the SHMA, rather than being staged at the end of the process. A draft report was then produced in mid-October and was made available on the East Surrey SHMA website for two weeks and comments were invited from those stakeholders during this period.

14.3.2 Detailed responses were received from organisations on the Partnership Board and those off the Partnership Board.

14.3.3 Written comments were received from:-

- Home Builders Federation;
- Latchmere Properties;
- Michael Everett & Co;
- John Sharkey & Co;
- Campaign for the Protection of Rural England;
- Surrey Community Action;
- Surrey Primary Care Trust.

14.4 Response to Consultation

14.4.1 The draft report has been substantially revised in light of the comments received and further data/information/examination of these issues has been undertaken. The Partnership Board has sought to ensure that the final report has given due consideration to the results of the consultation undertaken.

15 UPDATING THE STRATEGIC HOUSING MARKET ASSESSMENT

15.1.1 This section provides guidelines as to how the findings of the East Surrey SHMA should be monitored and updated on a regular basis, as outlined in the Communities and Local Government (CLG) Strategic Housing Market Assessments Practice Guidance (August 2007).

15.1.2 PPS3 expects that regular monitoring (Annual Monitoring Report - AMR) will take place and that where market conditions change there may be a need to reassess demand and need. The SHMA will provide tools to allow regular monitoring and updating to take place, to satisfy requirements of AMR and also keep a watching brief on any changes within the market.

15.1.3 This assessment is easily and readily updated annually. It is important to recognise that there is a difference between monitoring and updating the assessment. Updating requires tracking short-term changes in the housing market conditions, to ensure policies and strategies are responsive to changes in local demands and pressures.

15.1.4 DCA commissions to undertake SHMA updates will initially focus on the three main variables identified in the 2007 Strategic Housing Market Assessment Practice Guidance as shown below.

Variable	Data source
External impacts on the market	Mid-year population and households estimates Labour market changes Interest rates Income and earnings surveys
Housing stock changes	New build completions Affordable housing delivered through S106 agreements Demolitions Remodelling Outstanding planning permissions
Affordability changes	House prices Private sector rents Changes in household incomes Shared ownership initiatives etc

15.1.5 The set of core indicators above will be used, which DCA have developed during the course of the study. These could be integrated into the new monitoring framework for LDFs (Annual Monitoring Report).

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17 ACKNOWLEDGEMENT

17.1.1 DCA and the officers of the East Surrey authorities would like to thank the Housing Partnership Board for their valued contribution to the study and would also like to thank those who attended the stakeholder group on the 13th September 2007 for their valued input and feedback regarding the SHMA.

APPENDIX I

STAKEHOLDER EVENT: INVITE & ATTENDANCE LIST

STAKEHOLDER EVENT: INVITE & ATTENDANCE LIST

Stakeholder Consultation was a major element of the East Surrey SHMA. Stakeholders were consulted:-

- By letter;
- Via the SHMA website;
- By invite to the East Surrey SHMA Stakeholder Event on 13th September 2007 at Denbies Wine Estate, near Dorking, Surrey.

The following people and organisations were consulted by letter, invited to the Stakeholder Event, or submitted written comments. Those in bold either attended the event or provided written comments.

Name	Organisation
Steve Coggins	**A2 Housing Group**
Clint Longe	Accent Peerless
	ACS Cobham International School
	Air Products PLC
Neill Tickle	Amicus Horizon Group
Gillian Peckham	Anchor Trust
	Ann Summers
	Antler Homes Southern plc
Kevin Trott	Asda Stores Ltd
	Ashcombe School
	Atos Origin IT Services UK Ltd
	Barratt Homes (South East)
	Bellwater Ltd
John Brindley	**Bellway Homes South East**
Andrew McPhilips	**Berkeley Homes (Southern) Limited**
	Bewley Homes
Geoff Coleman	Bovis Homes
	Bristow Helicopters Limited
	Brooklands College
Simon Collins	Cala Homes South Ltd
Gillian Hein	**Campaign for the Protection of Rural England**
Grant Paczensky	Canon (UK) Ltd
	Caterham School
Chris Moore	Charles Church Developments (SE) Ltd
	Chartridge Developments plc
Martin Bellinger	Cherchfelle Housing Association
Chris Bussicott	Connexions
	Copthorne Effingham Park Hotel
T Beresford-Knox	Crawley Borough Council
	Crest Nicholson plc
Alison Walker	**Croudace Homes**
Louise Hammond	**Croudace Homes**

Name	Organisation
David Saffhill	David Wilson Homes
David Couttie	**DCA**
	Dickens & Jones
Linda Jarvie	East Surrey College
Najah Ebbitt	**Elmbridge BC**
Cllr John O'Reilly	Elmbridge BC
Alison Booth	**Elmbridge Borough Council**
Janie Farquharson	**Elmbridge Borough Council**
Richard Catling	**Elmbridge Business Network**
Joy Willshire	Elmbridge Community Partnership
Colin Waters	**Elmbridge District Council**
Andrew Smith	**English Rural HA**
Councillor Michael Arthur	**Epsom & Ewell District Council**
Emma Langmead	**Epsom & Ewell District Council**
Graham Waters	**Epsom & Ewell District Council**
Susie Peck	**Epsom & Ewell District Council**
Councillor Christine Long	Epsom & Ewell District Council
Councillor Jan Mason	Epsom & Ewell District Council
Nigel Eveleigh	Epsom & Ewell District Council
Mary Whitfield	ES Domestic Violence Forum
	Esso Petroleum Co Ltd
	Fairview New Homes Ltd
Elizabeth Driscoll	Fidelity Investments
	Friends Provident
Martin Brimm	Galliford Try
David Brown	George Wimpey
	Gladedale (South East) Ltd
	Gold Star Publications Ltd
Steve Kethero	**GOSE**
Louise Eccles	GOSE
James Gleeson	Greater London Authority
Claire Beaumont	**Guildford Borough Council**
Heather Stoner	**Guinness Trust**
	Halliburton KBR
David Askew	Hastoe
	Hewitt Bacon & Woodrow
Pete Errington	**Home Builders Federation**
	Home Group Ltd
Howard Dawson	**HomeBuy Agency TVHA**
Paul Rowley	**Horsham District Council**
Cate Ison	**Housing Corporation**
Rowena Clemments	Housing Corporation
Jackie Strube	Hyde Housing Group

Name	Organisation
Reggie Lathbridge	Inquilab HA
	J Sainsbury Plc
Marie Haque	**John Sharkey & Co**
John Sharkey	**John Sharkey & Co**
Andy Redfeam	Kingston & Wimbledon YMCA
Christian Drane	Kingston University
	Kingston University London
Mark Eshelby	**Latchmere Properties Ltd**
Gina Waite	Legal and General
Dylan May	Linden Homes South East
Andrew Eperson	Local Strategic Partnership
Simon Bland	Local Strategic Partnership
Jerome Geoghegan	London & Quadrant HT (Incl. Threshold)
G Hayward	London Borough of Bromley
Ian Stone	London Borough of Croydon
Phillip Wealthy	London Borough of Richmond upon Thames
J Wilson	London Borough of Sutton
Andrew Wilson	Martin Grant Homes
	McCarthy & Stone
Michael Everett	**Michael Everett & Co**
Lisa Thow	Michael Shanley Homes
Jonathan Bryant	**Mid-Sussex District Council**
Ian Beale	Miller Homes
Krzys Lipinski	**Millgate Homes**
Martin Munnelly	**Mole Valley**
James Beale	**Mole Valley District Council**
Suzanne Parkes	**Mole Valley District Council**
Cllr Tim Hall	Mole Valley District Council
David Searle	Mole Valley Housing Association
Nick Ronald	**Mount Green Housing Association**
Meurig Lloyd	National Federation of Residential Landlords
Warren Finney	National Housing Federation
Jacqui Kavanagh	NESCOT
	Nescot
Caroline Tindall	NHS
	Octagon Developments Ltd
Sue DeSouza	Orbit Housing Association
Chris Marchant	**Paragon Community Housing Group**
Phil Hull	**Persimmon Homes (South East)**
Jens Birkenhiem	Pfizer Limited
Steven Dennington	Planning Policy
David Horne	**Raven Housing Trust**
Nick Harris	Raven Housing Trust

Name	**Organisation**
Pete Trowbridge	Raven Housing Trust
Adam Brooks	Redhill & Reigate YMCA
Cllr Adam DeSave	**Reigate & Banstead Borough Council**
Harley Dibble	**Reigate & Banstead Borough Council**
Julia Dawe	**Reigate & Banstead Borough Council**
Kevin Hetherington	**Reigate & Banstead Borough Council**
Kevin Munnelly	**Reigate & Banstead Borough Council**
Ray Langley	**Reigate & Banstead Borough Council**
Ian Watts	Richmond Upon Thames Churches Housing Trust
Sebastian Taylor	**Rosebery Housing Association**
Rachel Walls	Rosebery Housing Association
Wendy Pritchard	Rosemary Simmons Memorial Housing Association
Laura Mundy	**Royal Borough of Kingston-upon-Thames**
Bryan Elphick	**Elphick Estate Agents**
	Royal Mail
Bob Etheridge	**Runnymede District Council**
	Ruskin Homes Ltd
Phil Rowe	**Rydon Homes**
Pat Tempany	SEEDA
Ben Wood	Servite Homes
Paul Castle	**Servite Houses**
Tony Fullwood	Sevenoaks District Council
Sharon Eaton	Shelter
	Sheridan Homes
	Sony UK PLC
Shelagh Hair	**South West London Housing Partnership**
Catherine Stubbings	South-East Regional Assembly
Mark Williams	South-East Regional Assembly
Steve McGovern	**Southern Housing Group**
Jeremy Barkway	Southern Housing Group
J Brooks	Spelthorne Borough Council
Yvonne Parker	Surrey & Sussex Healthcare NHS Trust
Carolyne Taylor	Surrey Chamber of Commerce
Mona Johansson	**Surrey Community Action**
Paul Mitchell	Surrey Community Development Trust
Joanne Clarke	**Surrey County Council**
Amanda Boyton	Surrey County Council
Dave Sargeant	Surrey County Council
Faraz Baber	Surrey County Council
Jon Muller	Surrey County Council
Nigel Horton-Baker	Surrey Economic Partnership
Caryl Baughen	Surrey Fire & Rescue
Jenny Rickard	Surrey Heath Borough Council

Name	Organisation
	Surrey Oaklands NHS Trust
Alan Warren	**Surrey PCT**
Jenny Grand	Surrey Police
Jon Cox	Surrey Probation Area
Nick Oakes	Surrey Probation Area
Andrea Cannon	**Surrey Supporting People Team**
Richard Woodward	Tandridge DC
Gel Keeping	**Tandridge District Council**
Paul Newdick	**Tandridge District Council**
Councillor D Weightman	Tandridge District Council
Vince Sharp	Tandridge Local Strategic Partnership
	Tesco Stores Ltd
Adam Clennell	**The Rural Housing Trust**
Jane Davis	The Rural Housing Trust
Peter Bowden	**Thames Valley Housing Association**
	University College for the Creative Arts
	Unum Provident
Jonathan Smith	**Village Developments**
Nigel Greenhalgh	**Village Developments**
Chris Lewis	VT Four Surrey (Surrey Education)
	W S Atkins Plc
Debra Constance	Wates Homes
Sally Binns	Watson Wyatt LLP
John Anderson	Waverley Borough Council
Duncan Morrison	Wealden District Council
Kathy O’Leary	Woking Borough Council
Caroline Miles	Woolf Bond Planning
Michelle Blussom	

APPENDIX II

HOUSING MARKET ANALYSIS

HOUSING MARKET ANALYSIS

The Housing Needs Surveys for each local authority area in East Surrey provided sub-area level data on entry-level (lowest quartile) sales and rent levels, in order to ascertain the income required to access the cheapest 1 and 2-bed flats and 2 and 3-bed terraced properties by location.

The sub-area structure used in each local authority area is shown in the following table.

Table A2-1 Local Authority Sub-Area Structures

Elmbridge	Walton Esher / Claygate & Dittons Weybridge & Oatlands Hersham Molesey Cobham / Oxshott & Stoke D'Abernon
Epsom & Ewell	Epsom Town Auriol / Cuddington / Ewell Court College / Nonsuch Court / Stamford / Woodcote Ewell / Stoneleigh Ruxley / West Ewell
Mole Valley	Charlwood Leith Hill / Okewood / Capel / Leigh / Newdigate Beare Green Westcott / Brockham / Betchworth / Buckland / Mickleham / Westhumble / Pixham Dorking / Holmwoods Ashtead Common / Village / Park Fetcham / Bookham Leatherhead
Reigate & Banstead	Banstead Horley Redhill Reigate
Tandridge	Oxted Caterham Lingfield Godstone Warlingham

Table A2-2 Elmbridge Entry Sales Levels (£) - August 2007

Property Type	Walton	Esher / Claygate & Dittons	Weybridge & Oatlands	Hersham
1-bed Flat	163,483	162,000*	164,950	-nd-
2-bed Flat	173,300	212,500*	203,238	217,475
2-bed Terraced	249,950*	275,000*	259,950*	259,950*
3-bed Terraced	-nd-	260,000	338,700	-nd-

Property Type	Molesey	Cobham / Oxshott & Stoke D'Abernon	Borough-wide
1-bed Flat	199,950*	149,950*	**162,781**
2-bed Flat	219,950*	225,000	**197,701**
2-bed Terraced	275,000*	270,000*	**257,467**
3-bed Terraced	325,000*	275,000	**284,983**

*Source: DCA Estate Agency Survey August 2007 * - Low level of data nd - No Data*

Although the average price of flats / maisonettes in Elmbridge according to the Land Registry survey is £266,945, entry sales levels vary across the Borough with the lowest entry prices for a 1-bed property starting at around £149,950 in Cobham / Oxshott & Stoke D'Abernon, rising to £199,950 in Molesey. 2-bed flats cost from £173,300 in Walton, rising to £225,000 in Cobham / Oxshott & Stoke D'Abernon.

Terraced properties can be purchased at prices from £249,950 in Walton, rising to £275,000 in Esher / Claygate & Dittons and Molesey for a 2-bed property. Entry levels for 3-bed terraced properties start at £260,000 in Esher / Claygate & Dittons, rising to £338,700 in Weybridge & Oatlands.

Table A2-3 Epsom & Ewell Entry Sales Levels (£) - August 2007

Property Type	Epsom Town	Auriol / Cuddington / Ewell Court	College / Nonsuch	Court / Stamford / Woodcote
1-bed Flat	159,770	154,950	154,756	130,000*
2-bed Flat	183,725	184,730	157,558	162,450
2-bed Terraced	191,738	219,300	231,830	219,950*
3-bed Terraced	226,479	257,500	227,500*	234,950*

Property Type	Ewell / Stoneleigh	Ruxley / West Ewell	Borough-wide
1-bed Flat	159,950	164,950*	**149,546**
2-bed Flat	186,463	179,963	**159,769**
2-bed Terraced	224,950	202,475	**205,912**
3-bed Terraced	269,950	214,967	**223,361**

*Source: DCA Estate Agency Survey August 2007 * - Low level of data*

Although the average price of flats / maisonettes according to the Land Registry survey is £221,421, entry sales levels vary across the Borough with the lowest entry prices for a 1-bed property starting at around £130,000 in Court / Stamford / Woodcote, rising to £164,950 in Ruxley / West Ewell. 2-bed flats cost from £157,558 in College / Nonsuch rising to £186,463 in Ewell / Stoneleigh.

Terraced properties can be purchased at prices from £191,738 in Epsom Town, rising to £231,830 in College / Nonsuch for a 2-bed property. Entry levels for 3-bed terraced properties start at £214,967 in Ruxley / West Ewell; rising to £269,950 in Ewell / Stoneleigh.

Table A2-4 Mole Valley Entry Sales Levels (£) - April 2007

Property Type	**Charlwood**	**Leith Hill / Okewood / Capel / Leigh / Newdigate**	**Beare Green**
1-bed Flat	-nd-	-nd-	139,950
2-bed Flat	-nd-	285,000*	-nd-
2-bed Terraced	-nd-	213,475	-nd-
3-bed Terraced	-nd-	-nd-	237,500

Property Type	**Westcott / Brockham / Betchworth / Buckland / Mickleham / Westhumble / Pixham**	**Dorking / Holmwoods**	**Ashtead Common / Village / Park**
1-bed Flat	129,975	139,950	139,995
2-bed Flat	218,150	171,250	202,475
2-bed Terraced	250,000	208,750	-nd-
3-bed Terraced	264,983	237,450	-nd-

Property Type	**Fetcham / Bookham**	**Leatherhead**	**District-wide**
1-bed Flat	157,250	149,980	**137,353**
2-bed Flat	211,650	172,800	**189,862**
2-bed Terraced	222,450	227,475	**218,440**
3-bed Terraced	342,450	238,725	**243,294**

*Source: DCA Estate Agency Survey April 2007 * - Low level of data nd - No Data*

Although the average price of flats / maisonettes in Mole Valley according to the Land Registry survey is £212,993, entry sales levels vary across the Borough with the lowest entry prices for a 1-bed property starting at around £129,975 in Betchworth / Buckland / Mickleham / Westhumble and Pixham, rising to £157,250 in Fetcham / Bookham. 2-bed flats cost from £171,250 in Dorking / Holmwoods rising to £285,000 in Leith Hill / Okewood / Capel / Leigh / Newdigate.

Terraced properties can be purchased at prices from £208,750 in Dorking / Holmwoods, rising to £250,000 for a 2-bed property in Betchworth / Buckland / Mickleham / Westhumble and Pixham. Entry levels for 3-bed terraced properties start at £237,450 in Dorking / Holmwoods; rising to £342,450 in Fetcham / Bookham.

Table A2-5 Reigate & Banstead Entry Sales Levels (£) - April 2007

Property Type	Banstead	Horley	Redhill	Reigate
1-bed Flat	179,965	115,967	119,967	136,467
2-bed Flat	213,300	144,483	173,300	160,650
2-bed Terraced	254,950	205,150	183,300	262,475
3-bed Terraced	274,975	221,667	219,975	249,983

Property Type	Borough-wide
1-bed Flat	**121,595**
2-bed Flat	**155,932**
2-bed Terraced	**200,280**
3-bed Terraced	**223,740**

Source: DCA Estate Agency Survey April 2007

Although the average price of flats / maisonettes in Reigate & Banstead according to the Land Registry survey is £209,316, entry sales levels vary across the Borough with the lowest entry prices for a 1-bed property starting at around £119,967 in Redhill, rising to £179,965 in Banstead. 2-bed flats cost from £144,483 in Horley rising to £262,475 in Reigate.

Terraced properties can be purchased at prices from £183,300 in Redhill, rising to £262,475 for a 2-bed property in Reigate. Entry levels for 3-bed terraced properties start at £219,975 in Redhill; rising to £274,975 in Banstead.

Table A2-6 Tandridge Entry Sales Levels (£) - April 2007

Property Type	Oxted	Caterham	Lingfield	Godstone
1-bed Flat	159,950*	105,815	-nd-	140,000
2-bed Flat	176,738	165,780	161,250	170,000
2-bed Terraced	210,000	217,450	222,500	234,967
3-bed Terraced	249,975	214,983	-nd-	252,475

Property Type	Warlingham	District-wide
1-bed Flat	149,983	133,372
2-bed Flat	156,570	159,019
2-bed Terraced	209,983	215,392
3-bed Terraced	254,983	221,367

*Source: DCA Estate Agency Survey April 2007 * - Low level of data nd - No Data*

The average price of flats / maisonettes in Tandridge according to the Land Registry survey is £183,023, entry sales levels vary across the Borough with the lowest entry prices for a 1-bed property starting at around £105,815 in Caterham, rising to £159,950 in Oxted. 2-bed flats cost from £156,570 in Warlingham rising to £176,738 in Oxted.

Terraced properties can be purchased at prices from £209,983 in Warlingham, rising to £234,967 for a 2 bed property in Godstone. Entry levels for 3-bed terraced properties start at £214,983 in Caterham; rising to £254,983 in Warlingham.

Table A2-7 Elmbridge Purchase Income Thresholds (£) - August 2007

Area	Income Thresholds (£)		
	1 Bed Flat	**2 Bed Flat**	**2 Bed Terrace**
Walton	51,800	54,900	79,200*
Esher / Claygate & Dittons	51,300*	67,300*	87,100*
Weybridge & Oatlands	52,200	64,400	82,300*
Hersham	-nd-	68,900	82,300*
Molesey	63,300*	69,700*	87,100*
Cobham / Oxshott & Stoke D'Abernon	47,500*	71,300	85,500*

*Source: DCA Estate Agency Survey August 2007 * - Low level of data nd - No Data*

An income of around £47,500 is needed to buy a one bedroom flat in Cobham / Oxshott & Stoke D'Abernon rising to £63,300 in Molesey, and a two bedroom flat would require an income of £54,900 in Walton rising to £71,300 in Cobham / Oxshott & Stoke D'Abernon. A two bed terraced house would require an income of £79,200 in Walton rising to £87,100 in Cobham / Oxshott & Stoke D'Abernon.

The 2006 Elmbridge Housing Needs Study Update, utilising 2006 sales data identified that 33.0% of concealed households would be unable to afford to rent and 62.4% would be unable to buy the cheapest property available in the Borough.

The update report also assesses the income required by concealed households to access owner occupation based on the lowest and highest purchase income thresholds across the Borough for 1 and 2-bed flat and 2-bed terraced properties.

Based on 2006 sales data, 83.6% of concealed households are unable to buy a 1-bed flat in Weybridge and Oatlands and 99.2% a two bed flat in Cobham / Oxshott & Stoke D'Abernon. 98.3% of the concealed households were unable to buy a 2-bed terrace in Molesey rising to 98.6% being unable to buy a 2-bed terraced property in Cobham / Oxshott & Stoke D'Abernon.

Table A2-8 Epsom & Ewell Purchase Income Thresholds (£) - August 2007

Area	Income Thresholds (£)		
	1 Bed Flat	**2 Bed Flat**	**2 Bed Terrace**
Epsom Town	50,600	58,200	60,700
Auriol / Cuddington / Ewell Court	49,100	58,400	69,400
College / Nonsuch	49,000	49,900	73,400
Court / Stamford / Woodcote	41,200*	51,400	69,700*
Ewell / Stoneleigh	50,700	59,000	71,200
Ruxley / West Ewell	52,200*	57,000	64,100

*Source: DCA Estate Agency Survey August 2007 * - Low level of data*

In Epsom & Ewell, an income of around £41,200 is needed to buy a one bedroom flat in Court / Stamford and Woodcote rising to £52,200 in Ruxley / West Ewell. A two bedroom flat would require an income of £49,900 in College / Nonsuch rising to £59,000 in Ewell / Stoneleigh. A two bed terraced house would require an income of £60,700 in Epsom Town, rising to £73,400 in College / Nonsuch.

Based on 2006 sales data, the 2006 Epsom & Ewell Housing Needs Study Update identified that 83.8% of concealed households would be unable to afford to rent and 90.2% would be unable to buy the cheapest property available in the Borough.

The update report also assessed the income required by concealed households to access owner occupation based on the lowest and highest purchase income thresholds across the Borough for 1 and 2-bed flat and 2-bed terraced properties.

Based on 2006 sales data, 88.5% of concealed households are unable to buy a 1-bed flat in Court / Stamford and Woodcote and 94.0% a two bed flat in Epsom Town. 95.1% of the concealed households were unable to buy a 2-bed terrace in Ruxley / West Ewell rising to 97.9% being unable to buy a 2-bed terrace property in College / Nonsuch and Ewell / Stoneleigh.

Table A2-9 Mole Valley Purchase Income Thresholds (£) - April 2007

Area	Income Thresholds (£)		
	1 Bed Flat	2 Bed Flat	2 Bed Terrace
Charlwood	-nd-	-nd-	-nd-
Leith Hill / Okewood / Capel / Leigh / Newdigate	-nd-	90,300*	67,600
Beare Green	44,300	-nd-	-nd-
Westcott / Brockham / Betchworth / Buckland / Mickleham / Westhumble / Pixham	41,200	69,100	79,200
Dorking / Holmwoods	44,300	54,200	66,100
Ashtead Common / Village / Park	44,300	64,100	-nd-
Fetcham / Bookham	49,800	67,000	70,400
Leatherhead	47,500	54,700	72,000

*Source: DCA Estate Agency Survey April 2007 * - Low level of data nd - No Data*

In Mole Valley, an income of around £41,200 is needed to buy a one bedroom flat in Westcott / Brockham / Betchworth / Buckland / Mickleham / Westhumble and Pixham rising to £49,800 in Fetcham / Bookham, and a two bedroom flat would require an income of £54,200 in Dorking Holmwoods rising to £69,100 in Westcott / Brockham / Betchworth / Buckland / Mickleham / Westhumble and Pixham. A two bed terraced house would require an income of £66,100 in Dorking / Holmwoods rising to £79,200 in Westcott / Brockham / Betchworth / Buckland / Mickleham / Westhumble and Pixham.

The 2007 Housing Needs Study identified that 49% of concealed households would be unable to afford to rent and 69% would be unable to buy the cheapest property available in the District.

Table A2-10 Reigate & Banstead Purchase Income Thresholds (£) - April 2007

Area	**Income Thresholds (£)**		
	1 Bed Flat	**2 Bed Flat**	**2 Bed Terrace**
Banstead	57,000	67,500	80,700
Horley	36,700	45,800	65,000
Redhill	38,000	54,900	58,000
Reigate	43,200	50,900	83,100

Source: DCA Estate Agency Survey April 2007

In Reigate & Banstead, an income of around £36,700 is needed to buy a one bedroom flat in Horley rising to £57,000 in Banstead, and a two bedroom flat would require an income of £45,800 in Horley rising to £67,500 in Banstead. A two bed terraced house would require an income of £58,000 in Redhill rising to £83,100 in Reigate.

The 2007 Reigate & Banstead Housing Needs Study Update identified that 47% of concealed households would be unable to afford to rent and 75% would be unable to buy the cheapest property available in the Borough.

Table A2-11 Tandridge Purchase Income Thresholds (£) - April 2007

Area	Income Thresholds (£)		
	1 Bed Flat	**2 Bed Flat**	**2 Bed Terrace**
Oxted	50,700*	56,000	66,500
Caterham	33,500	52,500	68,900
Lingfield	-nd-	51,100	70,500
Godstone	44,300	53,800	74,400
Warlingham	47,500	49,600	66,500

*Source: DCA Estate Agency Survey April 2007 * - Low level of data nd - No Data*

An income of around £33,500 is needed to buy a one bedroom flat in Caterham rising to £50,700 in Oxted, and a two bedroom flat would require an income of £49,600 in Warlingham rising to £56,000 in Oxted. A two bed terraced house would require an income of £66,500 in Oxted and Warlingham rising to £74,400 in Godstone.

The 2007 Tandridge Housing Needs Study Update identified that 62% of concealed households would be unable to afford to rent and 87% would be unable to buy the cheapest property available in the Borough.

Table A2-12 Elmbridge Entry Rent Levels (£/month) - August 2007

Property Type	**Walton**		**Esher / Claygate & Dittons**		**Weybridge & Oatlands**		**Hersham**	
	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**
1-bed Flat	811	**675**	1,048	**998***	856	**713***	759	**713***
2-bed Flat	924	**788**	1,353	**1,024**	964	**728**	977	**817**
2-bed Terraced	1,129	**980**	1,135	**900**	1,188	**938***	1,035	**998***
3-bed Terraced	1,194	**980**	1,562	**1,325**	1,494	**1,175***	1,214	**1,073**
2-bed Semi	1,147	**998***	1,306	**1,198***	1,195	**1,015**	1,072	**1,013***
3-bed Semi	1,301	**1,148**	1,663	**1,500**	2,000	**1,600**	1,274	**1,115**

Property Type	**Molesey**		**Cobham / Oxshott & Stoke D'Abernon**		**Borough-wide**	
	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**
1-bed Flat	1,059	**717**	829	**763***	894	**763**
2-bed Flat	1,070	**915**	1,080	**800**	1,053	**829**
2-bed Terraced	1,150	**850***	1,275	**1,008**	1,148	**925**
3-bed Terraced	1,300	**950***	1,231	**950***	1,341	**1,076**
2-bed Semi	1,300	**950***	1,275	**950***	1,215	**1,020**
3-bed Semi	1,516	**1,100**	1,685	**1,598***	1,574	**1,343**

*Source: DCA Estate Agency Survey August 2007 * - Low level of data*

Entry rental costs in the private rented sector vary by location within the borough. The private rented sector can be accessed from £675 per month for a 1-bed flat, the smallest unit, in both Walton, rising to £998 per month in Esher / Claygate & Dittons. 2-bed flat entry levels are £728 in Weybridge & Oatlands rising to £1,024 in Esher / Claygate & Dittons.

In the case of 2-bed terraced houses, entry rent levels were found to be £850 p.m. in Molesey, rising to £1,008 p.m. in Cobham / Oxshott & Stoke D'Abernon. 3-bed terraced properties cost from £950 in Molesey and Cobham / Oxshott & Stoke D'Abernon rising to £1,325 in Esher / Claygate & Dittons.

Semi-detached properties can be rented from £950 p.m. in Molesey and Cobham / Oxshott & Stoke D'Abernon rising to £1,198 in for a 2 bed property in Esher / Claygate & Dittons. Rents for 3-bed semi detached properties range from £1,100 in Molesey rising to £1,600 in Weybridge & Oatlands.

Table A2-13 Epsom & Ewell Entry Rent Levels (£/month) - August 2007

Property Type	Epsom Town		Auriol / Cuddington / Ewell Court		College / Nonsuch		Court / Stamford / Woodcote	
	Avg.	Entry	Avg.	Entry	Avg.	Entry	Avg.	Entry
1-bed Flat	755	**700**	741	**700***	737	**698***	669	**638***
2-bed Flat	939	**784**	956	**837**	906	**813***	825	**724**
2-bed Terraced	950	**900**	941	**900***	967	**875**	899	**825***
3-bed Terraced	988	**938***	1,186	**1,067**	1,182	**1,100***	1,163	**1,067**
2-bed Semi	957	**900***	1,100	**1,050***	-nd-	**-nd-**	-nd	**-nd-**
3-bed Semi	1,244	**1,040**	1,263	**1,125***	1,187	**1,100***	1,081	**985***

Property Type	Ewell / Stoneleigh		Ruxley / West Ewell		Borough-wide	
	Avg.	Entry	Avg.	Entry	Avg.	Entry
1-bed Flat	725	**700***	663	**625***	723	**677**
2-bed Flat	868	**758**	813	**725**	908	**773**
2-bed Terraced	1,011	**950***	971	**950***	957	**900**
3-bed Terraced	1,290	**1,100***	1,171	**1,100***	1,164	**1,062**
2-bed Semi	975	**925***	1,175	**1,000***	1,034	**969**
3-bed Semi	1,220	**1,133**	1,188	**1,067**	1,209	**1,072**

*Source: DCA Estate Agency Survey August 2007 * - Low level of data nd - No Data*

Entry rental costs in the private rented sector vary by location within the Borough. The private rented sector can be accessed from £625 per month for a 1-bed flat, the smallest unit, in Ruxley / West Ewell, rising to £700 per month in Epsom Town, Auriol / Cuddington / Ewell Court and Ewell / Stoneleigh. 2-bed flat entry levels are £724 in Court / Stamford / Woodcote, rising to £837 in Auriol / Cuddington / Ewell Court.

In the case of 2-bed terraced houses, entry rent levels were found to be £825 p.m. in Court / Stamford / Woodcote, rising to £950 p.m. in Ewell / Stoneleigh and in Ruxley / West Ewell. 3-bed terraced properties cost from £938 in Epsom Town rising to £1,100 in College / Nonsuch, Ewell / Stoneleigh and Ruxley / West Ewell.

Semi-detached properties can be rented from £900 p.m. in Epsom Town rising to £1,050 in Auriol / Cuddington / Ewell Court for a 2 bed property. Rents for 3-bed semi detached properties range from £1,040 in Epsom Town rising to £1,133 in Ewell / Stoneleigh.

Table A2-14 Mole Valley Entry Rent Levels (£/month) - June 2007

Property Type	Charlwood		Leith Hill / Okewood / Capel / Leigh / Newdigate		Beare Green	
	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**
All types	No data for any type in all areas					

Property Type	Westcott / Brockham / Betchworth / Buckland / Mickleham / Westhumble / Pixham		Dorking / Holmwoods		Ashtead Common / Village / Park	
	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**
1-bed Flat	615	**550**	645	**525**	679	**600**
2-bed Flat	881	**825**	809	**750**	956	**875**
2-bed Terraced	875	**825**	858	**775**	-nd-	**-nd-**
3-bed Terraced	-nd-	**-nd-**	1,024	**925**	1,030	**995**
2-bed Semi	-nd-	**-nd-**	849	**795**	-nd-	**-nd-**
3-bed Semi	1,275	**1,050**	1,197	**958**	1,205	**1,100**

Property Type	Fetcham / Bookham		Leatherhead		District-wide	
	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**
1-bed Flat	651	**565**	675	**625**	659	**573**
2-bed Flat	798	**733**	968	**869**	894	**810**
2-bed Terraced	817	**775**	848	**800**	854	**794**
3-bed Terraced	-nd-	**-nd-**	-nd-	**-nd-**	1,025	**960**
2-bed Semi	-nd-	**-nd-**	-nd-	**-nd-**	849	**795**
3-bed Semi	1,350	**1,300**	1,111	**995**	1,201	**1,081**

Source: DCA Estate Agency Survey June 2007 nd - No Data

Low levels of rental data was found across Mole Valley and these results should therefore be treated with caution. Entry rental costs in the private rented sector vary by location within the District. The private rented sector can be accessed from £525 per month for a 1-bed flat, the smallest unit, in Dorking / Holmwoods, rising to £625 per month in Leatherhead. 2-bed flat entry levels are £733 in Fetcham / Bookham rising to £869 in Leatherhead.

In the case of 2-bed terraced houses, entry rent levels were found to be £775 p.m. in Dorking / Holmwoods and Fetcham / Bookham, rising to £825 p.m. in Westcott / Brockham / Betchworth / Buckland / Mickleham / Wetshumble / Pixham. 3-bed terraced properties cost from £925 in Dorking / Holmwoods rising to £995 in Ashtead Common / Village / Park.

Table A2-15 Reigate & Banstead Entry Rent Levels (£/month) - June 2007

Property Type	**Banstead**		**Horley**		**Redhill**		**Reigate**	
	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**
1-bed Flat	682	**625***	603	**548**	612	**567**	641	**572**
2-bed Flat	908	**772**	659	**608**	790	**673**	846	**750**
2-bed Terraced	-nd-	**-nd-**	751	**703**	808	**750**	810	**758**
3-bed Terraced	-nd-	**-nd-**	818	**765**	945	**858**	1,010	**888***
2-bed Semi	-nd-	**-nd-**	802	**765**	847	**782**	857	**800***
3-bed Semi	1,100	**950***	963	**837**	955	**888**	1,218	**1,098***

Property Type	**Borough-wide**	
	Avg.	**Entry**
1-bed Flat	631	**578**
2-bed Flat	799	**701**
2-bed Terraced	791	**737**
3-bed Terraced	908	**837**
2-bed Semi	833	**782**
3-bed Semi	1,037	**915**

*Source: DCA Estate Agency Survey June 2007 * - Low level of data*

Entry rental costs in the private rented sector vary by location within the Reigate & Banstead Borough. The private rented sector can be accessed from £548 per month for a 1-bed flat, the smallest unit, in Horley, rising to £625 per month in Banstead. 2-bed flat entry levels are £608 in Horley rising to £772 in Banstead.

In the case of 2-bed terraced houses, entry rent levels were found to be £703 p.m. in Horley, rising to £758 p.m. in Reigate. 3-bed terraced properties cost from £765 in Horley rising to £758 in Reigate.

Semi-detached properties can be rented from £765 p.m. in Horley rising to £800 in Horley for a 2 bed property. Rents for 3-bed semi detached properties range from £837 in Horley rising to £1,098 in Reigate.

Table A2-16 Tandridge Entry Rent Levels (£/month) - June 2007

Property Type	**Oxted**		**Caterham**		**Lingfield**		**Godstone**	
	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**	Avg.	**Entry**
1-bed Flat	668	**650**	671	**596**	625	**625**	638	**500**
2-bed Flat	854	**786**	805	**702**	764	**675**	761	**750**
2-bed Terraced	756	**700**	-nd-	**-nd-**	842	**825**	-nd-	**-nd-**
3-bed Terraced	1,048	**895**	1,107	**950**	-nd-	**-nd-**	913	**850**
2-bed Semi	-nd-	**-nd-**	775	**750**	-nd-	**-nd-**	-nd-	**-nd-**
3-bed Semi	-nd-	**-nd-**	1,100	**900**	933	**925**	1,050	**900**

Property Type	**Warlingham**		**District-wide**	
	Avg.	**Entry**	Avg.	**Entry**
1-bed Flat	738	**663**	672	**607**
2-bed Flat	727	**681**	799	**719**
2-bed Terraced	-nd-	**-nd-**	793	**763**
3-bed Terraced	-nd-	**-nd-**	1,061	**898**
2-bed Semi	-nd-	**-nd-**	775	**750**
3-bed Semi	-nd	**-nd-**	1,046	**908**

Source: DCA Estate Agency Survey June 2007 nd - No Data

Entry rental costs in the private rented sector vary by location within Tandridge. The private rented sector can be accessed from £500 per month for a 1-bed flat, the smallest unit, in Godstone, rising to £663 per month in Warlingham. 2-bed flat entry levels are £675 in Lingfield rising to £786 in Oxted.

In the case of 2-bed terraced houses, entry rent levels were found to be £700 p.m. in Oxted, rising to £825 p.m. in Lingfield. 3-bed terraced properties cost from £850 in Godstone rising to £950 in Caterham.

Table A2-17 Elmbridge Rental Income Thresholds (£) - August 2007

Area	Income Thresholds (£)		
	1 Bed Flat	**2 Bed Flat**	**2 Bed Terrace**
Walton	30,900	37,400	43,000
Esher / Claygate & Dittons	32,400*	41,600	38,300
Weybridge & Oatlands	31,400*	35,600	42,200*
Hersham	30,800*	36,100	39,600*
Molesey	34,800	41,700	41,900*
Cobham / Oxshott & Stoke D'Abernon	30,000*	40,500	44,200

*Source: DCA Estate Agency Survey August 2007 * - Low level of data*

The income thresholds for each property type vary only to a limited degree across the Borough. Based on rent at 25% of gross income, a 1-bed flat in Cobham / Oxshott & Stoke D'Abernon requires £30,000 per annum, rising to £34,800 in Molesey. A 2-bed flat requires an income of £35,600 in Weybridge & Oatlands rising to £41,700 also in Molesey. A 2-bed terraced house requires an annual income of £38,300 in Esher / Claygate & Dittons, rising to £44,200 in Cobham / Oxshott & Stoke D'Abernon.

Table A2-18 Epsom & Ewell Rental Income Thresholds (£) - August 2007

Area	Income Thresholds (£)		
	1 Bed Flat	2 Bed Flat	2 Bed Terrace
Epsom Town	29,600	37,800	42,000
Auriol / Cuddington / Ewell Court	32,000*	37,700	42,600*
College / Nonsuch	30,400*	35,600*	38,400
Court / Stamford / Woodcote	28,800*	34,100	34,800*
Ewell / Stoneleigh	31,200*	34,400	43,200*
Ruxley / West Ewell	27,600*	33,400	45,000*

*Source: DCA Estate Agency Survey August 2007 * - Low level of data*

Based on rent cost of 25% of gross income, a one bed flat in Ruxley / West Ewell requires an income of£27,600 per annum rising to £32,000 in Auriol / Cuddington / Ewell Court. A 2-bed flat requires an income of £33,400 in Ruxley / West Ewell rising to £37,800 in Epsom Town. A two bed terraced house would require an income of £34,800 in Court / Stamford / Woodcote , rising to £45,000 in Ruxley / West Ewell.

Table A2-19 Mole Valley Rental Income Thresholds (£) - June 2007

Area	Income Thresholds (£)		
	1 Bed Flat	2 Bed Flat	2 Bed Terrace
Charlwood	-nd-	-nd-	-nd-
Leith Hill / Okewood / Capel / Leigh / Newdigate	-nd-	-nd-	-nd-
Beare Green	-nd-	-nd-	-nd-
Westcott / Brockham / Betchworth / Buckland / Mickleham / Westhumble / Pixham	26,400	39,600	39,600
Dorking / Holmwoods	25,200	36,000	37,200
Ashtead Common / Village / Park	28,800	42,000	-nd-
Fetcham / Bookham	27,100	35,200	37,200
Leatherhead	30,000	41,700	38,400

Source: DCA Estate Agency Survey June 2007 nd - No Data

In Mole Valley District, a one bed flat in Dorking / Holmwoods requires £25,200 per annum rising to £30,000 in Leatherhead. A 2-bed flat requires an income of £35,200 in Fetcham / Bookham rising to £42,000 in Ashtead Common / Village / Park. A two bed terraced house would require an income of £37,200 in Dorking / Holmwoods and Fetcham / Bookham, rising to £39,600 in Westcott / Brockham / Betchworth / Buckland / Mickleham / Westhumble / Pixham.

Table A2-20 Reigate & Banstead Rental Income Thresholds (£) - June 2007

Area	Income Thresholds (£)		
	1 Bed Flat	2 Bed Flat	2 Bed Terrace
Banstead	30,000*	37,000	-nd-
Horley	26,300	29,200	33,800
Redhill	27,200	32,300	36,000
Reigate	27,400	36,000	36,400

*Source: DCA Estate Agency Survey June 2007 * - Low level of data*

In Reigate & Banstead, a one bed flat requires £26,300 per annum rising to £30,000 in Banstead. A 2-bed flat requires an income of £29,200 in Horley rising to £37,000 in Banstead. A two bed terraced house would require an income of £33,800 in Horley, rising to £36,400 in Reigate.

Table A2-21 Tandridge Purchase Income Thresholds (£) - June 2007

Area	Income Thresholds (£)		
	1 Bed Flat	2 Bed Flat	2 Bed Terrace
Oxted	31,200	37,700	33,600
Caterham	28,600	33,700	-nd-
Lingfield	30,000	32,400	39,600
Godstone	24,000	36,000	-nd-
Warlingham	31,800	32,700	-nd-

Source: DCA Estate Agency Survey June 2007 nd - No Data

A one bed flat in Godstone requires £24,000 per annum rising to £31,800 in Warlingham. A 2-bed flat requires an income of £32,400 in Lingfield rising to £37,700 in Oxted. A two bed terraced house would require an income of £33,600 in Oxted, rising to £39,600 in Lingfield.

APPENDIX III

GLOSSARY OF TERMS

GLOSSARY

ABI	Annual Business Inquiry.
ADP – Approved Development Programme	This is the Housing Corporation's total capital programme in any one year. It is normally broken down into rented housing, shared ownership and other home ownership initiatives. This is now called the National Affordable Housing Programme.
Affordability	A measure of whether households can access and sustain the costs of private sector housing. DCA use two types of affordability: mortgage and rental. Mortgage affordability measures whether households can afford a deposit and a mortgage; rental affordability measures whether a household can afford a private rental. Mortgage affordability is based on conditions set by mortgage lenders - a minimum level of household income and savings. We use a 3 times multiple of gross income. Rental affordability is defined as the rent being less than a proportion of a household's gross income. We use a 25% level of rental affordability.
Affordable Housing	Affordable housing is that provided, with subsidy[4], for people who are unable to resolve their housing requirements, in the general housing market because of the relationship between local housing costs and incomes. This definition covers housing for social rent and intermediate housing through shared ownership, shared equity and sub-market rent.
Bedroom Standard[5]	The standard number of bedrooms allocated to each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allocated to each married couple, any person aged 21 or over, each pair of adolescents aged 10 – 20 of the same sex, and each pair of children under 10. Any unpaired person aged 10 – 20 is paired, if possible with a child under 10 of the same sex, or, if that is not possible, he or she is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms available for the sole use of the household and the differences are tabulated.
BME	Black & Minority Ethnic.
CBL	Choice Based Lettings allows applicants for social housing (and tenants who want to transfer) to apply for vacancies which are advertised widely in the neighbourhood. Applicants can see the full range of available properties and can apply for any home to which they are matched.

[4] This subsidy is not always public subsidy.
[5] This definition is taken from the Survey of English Housing, CLG.

CLG	Communities and Local Government. CLG has responsibility for local and regional government, housing, planning, fire, regeneration, social exclusion and neighbourhood renewal with the ambition to create sustainable communities for all. Previously known as DETR, DTLR, ODPM and DCLG.
Concealed Household	A Concealed Household is someone living within a household wanting to move to their own accommodation and form a separate household (e.g. adult children living with their parents).
CORE	The Continuous Recording System (Housing Association and Local Authority Lettings / New Tenants).
Cost rented housing	Housing let at rents which are set to cover development and management costs only, i.e. not for profit. Cost rents are above the Housing Corporation's rent caps but below market rents.
Data Entry Checks	Checks on errors in keying survey data into computer systems.
Data Processing and Analysis	The process by which the responses on a questionnaire are converted into numbers or categories. These are then used to produce outputs such as tables and charts.
DETR	Government body superseded by CLG. (See **CLG**)
Discounted Market Rented Housing	New Units utilising the equity from the discounted or free land from the planning process where Housing Associations could build at only development cost and provide, without grant, units which would be available at lower than private rented market cost but above Housing Corporation rent caps.
Existing Household	An existing household encompasses the household in its entirety.
Existing Household In Unsuitable Accommodation	Refers to all circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition, security or cost.
Focus Group	A type of **qualitative research** in which the views of **respondents** are sought and recorded in a group setting. Also known as a 'group discussion'.
HMO	Houses in Multiple Occupation.
Homeless Household	A household is accepted as statutorily homeless by the authority if it meets the criteria set out in the Housing Act 1996.
Household	The Census definition of a household is:- *"A household comprises either one person living alone or a group of people (not necessarily related) living at the same address with common housekeeping - that is, sharing at least one meal a day or sharing a living room or sitting room."*
Households In Unregistered Need	Households in unregistered need are those households that are in need but not registered on the Council's Waiting or Transfer List.

Housing Demand	Is the quantity and type / quality of housing which households wish to buy or rent and are able to afford. It therefore takes account of preferences and ability to pay.
Housing Need	Refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the local housing market without some assistance.
Housing Register	A register of people waiting for affordable housing. It may have two components: a list for those not currently occupying affordable housing (more properly known as the Housing Register) and a Transfer List for those tenants who wish to move to another affordable home within the same District.
HSSA	The Housing Strategy Statistical Appendix.
Inadequate Housing	Housing which is inadequate or unsuitable in meeting the needs of the household, comprising a range of criteria on house condition, size, cost and security of tenure. These criteria are used to assess whether the unsuitability can be resolved by improvements to the dwelling, or whether the household has to move to another home.
Intermediate Housing	Housing at prices or rents above those of social rented but below market prices or rents. This includes shared ownership, shared equity and sub-market renting.
Key Worker [6]	A Key Worker is someone: - employed by the public sector - in a frontline role delivering an essential public service - in a sector where there are serious recruitment and retention problems.
LA	Local Authority.
LCHO	Low Cost Home Ownership.
LDF	Local Development Framework. This is a folder of local development documents that outlines how planning will be managed in your area.
NOMIS	National On-line Manpower Information System.
Over Occupation	Over occupation occurs when, using the **bedroom standard**, there are insufficient bedrooms in the property based on the number of residents and their age/sex/marital status composition. Over occupation is more common in the public sector than the private sector.
ODPM	Office of the Deputy Prime Minister.

[6] Source: CLG

ONS	Office for National Statistics.
PPS	Planning Policy Statement. PPSs are prepared by the government after public consultation to explain statutory provisions and provide guidance to local authorities and others on planning policy and the operation of the planning system.
Qualitative Research	A type of research designed to reveal a full range of views and circumstances of the population under study, giving an in-depth picture. Examples of this approach are **depth interviews** and **focus groups.** It differs from **quantitative research** in not providing statistically reliable numerical data.
Quantitative Research	Research designed to provide numerical information about a topic which is statistically reliable. If carried out using adequate methodology, quantitative data from a sample of the population can be extrapolated to assume that the results apply to the population as a whole, to greater or lesser degrees of reliability. Data is usually collected by post, telephone or by face-to face interview.
Random Sample	A sample where no member of the target population has a greater chance of being of being chosen than any other. Also known as **Simple Random Sampling**.
Relets	Local Authority or RSL rented accommodation that becomes vacant due to the departure of a previous tenant; therefore the accommodation can be re-let to another tenant or new applicant on the Housing Register.
RSL – Registered Social Landlords	A Housing Association or a not-for-profit company, registered by the Housing Corporation, providing social housing.
RTB	Right To Buy. The Right To Buy Scheme gives eligible council tenants the right to buy their property from their council at a discount. Many RSL tenants have similar rights under the Right To Acquire.
SDS – Scheme Development Standards	A set of standards published by the Housing Corporation setting out the essential and desirable standards for SHG-funded property acquired or developed as affordable housing.
SEH	The Survey of English Housing is a continuous household survey that collects information from nearly 20,000 households about the characteristics of their housing and their attitudes to housing and related issues.
Section 106 sites **(S106 of the Town and County Planning Act 1990)**	A general term to describe a housing site which is large enough to require a developer to contribute affordable housing as part of a development scheme. S106 of the Act allows Planning Authorities to negotiate planning obligations as part of a development and could include, among other things, a proportion of affordable housing.

SHG – Social Housing Grant	Capital provided by the Housing Corporation, or Local Authority, to fully or partially fund RSLs when developing social housing. SHG is paid under s18 of the Housing Act 1996.
SO – Shared Ownership	Either newly built or existing properties purchased by a housing provider, which are then sold on a part rent / part buy basis under a shared ownership lease. The shared owner buys a percentage of the property, funded by mortgage and / or savings. The remaining percentage is still owned by the housing provider who charges a rent on it.
Transfer List	A list of Local Authority and RSL tenants that have applied for alternative Local Authority housing. Housing Associations may keep their own Transfer Lists.
TTWA	Travel To Work Area. There are 243 TTWAs which were defined in 2007 from 2001 Census data using home and work addresses.
Under Occupation	A household is under-occupying if more than one spare bedroom is available, using the **bedroom standard** as a test. Under-occupation is common in the private sector.