



Final Report

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London Borough of Haringey Strategic Housing Market Assessment

May 2014 V2



Haringey Council

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Executive Summary

The purpose of this report is to provide a fully guidance compliant Strategic Housing Market Assessment (SHMA) for the London Borough of Haringey (LB Haringey), utilising secondary data sources and following the methodology and best practice set out in the DCLG Practice Guidance Version 2 'SHMA' August 2007, the National Planning Policy Framework (NPPF) and the draft Planning Practice Guidance 2013.

The SHMA provides an understanding of the Haringey housing market in both current and future terms, relating to housing growth, needs and regeneration. It identifies levels of housing demand, estimates of households in affordable housing need, existing and future housing supply, and provides a calculation of affordable housing requirements for the Borough. Importantly, it also considers the impact of Welfare Reforms on meeting affordable housing need across the Borough.

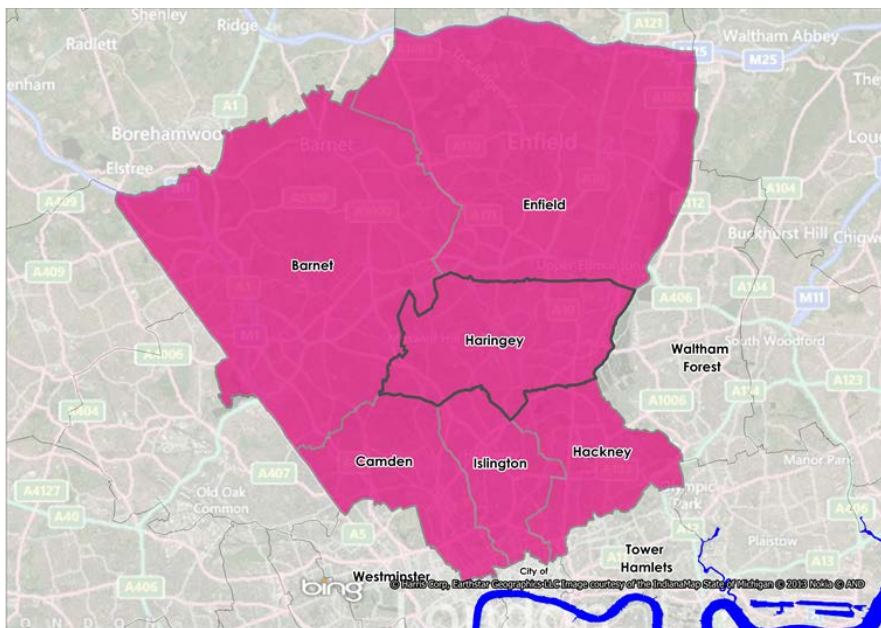
The Borough had its Local Plan: Strategic Policies (formally referred to as its Core Strategy prior to the publication of the NPPF) adopted by Full Council on 18 March 2013. The findings of this research will be used to inform policy for the long-term delivery of housing within Haringey, and will also inform negotiations on planning applications.

Haringey is a dynamic urban Borough, with significant population growth and in and out migration. The Borough displays significant differences in socio economic and housing market measures between the west and east of the Borough. The west of the Borough includes higher value market locations and strong relationships with central London for employment and outer north London for housing. The east of the Borough has traditionally had lower value market housing, a higher concentration of social rented stock and strong associations with industrial employment in the Upper Lea Valley. The east of the Borough is undergoing significant change. Significantly upgraded Victoria Line tube services from Tottenham Hale and Seven Sisters, on-going delivery of regeneration at Tottenham Hale, rising prices in Hackney and Islington and the rapid growth of employment at Kings Cross are all driving interest and market value increases in the South East of the Borough. At the same time, higher values and more intensive use of stock in the west of the Borough is evident. It can be expected that against a back drop of a growing London population, market demand for housing in Haringey will continue to grow. At the same time, affordable housing requirements from the local population will continue to be significant.

Housing Market Area (HMA)

The wider Housing Market Area (HMA) is identified using travel to work patterns, migration data and housing trends. This reflects the key functional linkages between places where people live and work, beyond the confinement of administrative boundaries. The analysis shows that the wider housing market area comprises, either in part or as a whole, Haringey, Barnet, Camden, Enfield, Hackney and Islington, which have the strongest migration relationships with Haringey.

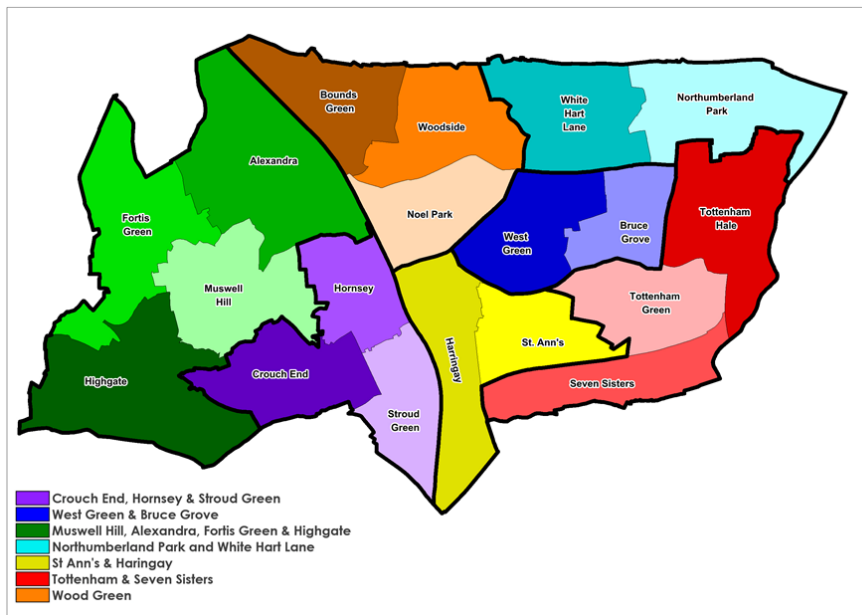
Housing Market Area



Source: GVA, 2013

Further analysis is undertaken within this study of sub-areas of Haringey to identify Local Housing Market Areas (LHMAs). These area collections of existing ward groupings used for analysis by the Council, constituting the Borough's seven area committees. This organisation broadly reflects differences in housing stock and type, as well as physical structure, including the role of railways, open spaces and retail corridors.

Haringey Local Housing Market Areas



Source: GVA, 2013

Current Housing Stock

According to the 2011 Census Haringey has a population of 254,926 and 101,955 households, housed in 106,099 household spaces. This equates to 16% of the population, households and household spaces in the wider Housing Market Area.

The total number of dwellings in Haringey has increased by 10,535 dwellings (11%) from 93,638 in 2001 to 104,173 in 2011, with particular growth observed in the Bounds Green, Woodside and Noel Park Local Housing Market Areas.

From 2007 – 2012 there have been a total of 3,250 net additional dwellings Haringey, which equates to an average annual rate over the period of 650 additional dwellings. This may suggest an increase in sub-division as well as replacement of existing stock.

Compared to the wider HMA, Haringey has a particularly high level of terraced properties and flat conversions, and a lower proportion of purpose built flats and semi-detached properties. Key distinctions are evident in these stock type distributions across different Local Housing Market Areas within Haringey. Considering changes in stock type from 2001 – 2011, the increase in detached properties and flats in commercial buildings has been significant in Haringey, compared with the HMA.

Two bedroom properties make up the highest proportion of houses in Haringey, followed by 1 bedroom, then 3 bedroom properties. This is a very similar composition to the HMA.

In terms of stock tenure, approximately 39% of households in Haringey are Owner Occupied, 2% are Intermediate tenure (Shared Ownership), 27% are Social Rented (PRP and LA) and 32% are Private Rented. This is comparable to the HMA and London.

Despite minor variations across the LHMA's within Haringey, Haringey has a good overall basic quality of stock, based on the proxy of households with central heating.

There were 1,597 vacant units in the Borough in 2013 (1.5% of total stock), of which 1,359 (85%) were private and 238 (15%) were social tenure units.

There are some overcrowding issues in Haringey, with 16% of households in the Borough being at least one bedroom short compared to their requirement based on size. Other indicators also highlight issues of overcrowding.

Demographic and Economic Trends

The population in Haringey has grown by 33,675 people (15%) between the 2001 and 2011 Census. Based on the 2012 mid-year estimates a further 2% growth is observed since 2011, constituting 17% growth from 2001 – 2012. Within this, population growth in the Local Housing Market Areas has varied from 11% in Muswell Hill, Alexandra, Fortis Green and Highgate, to 24% in Wood Green.

The Borough has a relatively young population, with 43% of the population below the age of 30, and 71% of the population below the age of 45. In terms of its age structure, Haringey has a high proportion of working age population, particularly the 30-44 age category, with 28% of the total population in 2011. This impacts on the proportion of children within the Borough, as it is a fertile age group. It has the potential to create pressure for school places, and family housing.

Natural change among the resident population was the most significant source of growth. International migration was significant, but also outweighed by a net loss of population within the category of internal UK migration.

The 2011 Census counted 101,955 households in the Borough, a growth of approximately 11% over the ten year period. At the Local Housing Market Area Level growth in households ranged from 5% in Muswell Hill, Alexandra, Fortis Green and Highgate, to 17% in Wood Green.

The economy of Haringey is influenced by its location as part of the North London region, exhibiting an outer London nature and characteristics in combination with economic and employment challenges typically found in inner city locations. The Borough is influenced by

its commuting connections with Westminster, the City of London as well as its position within the London-Stansted-Cambridge-Peterborough Growth Area. Strong employment interactions with neighbouring Boroughs are also evident.

Considering occupation levels, 51% of Haringey's employed population are categorised within broadly higher occupation groups. Within the borough the proportion of this group is highest in the west of the Borough in Muswell Hill, Alexandra, Fortis Green and Highgate, and Crouch End, Hornsey and Stroud Green. LHMA's in the East of the Borough have a lower representation of these groups.

Housing Trends

Housing affordability has become a key issue nationally, driven by house price growth and relatively low income growth. The ability of households to access affordable housing that meets their needs, is fundamental to ensuring that the Borough's stated housing objectives are achieved.

The 2012/13 overall average house price in Haringey was £418,326. There is, however, a wide range of prices in Haringey. The most expensive properties for all stock types are found in the West in the Muswell Hill, Alexandra, Fortis Green and Highgate Local Housing Market Area. The least expensive properties for all stock types are found in the East in the Northumberland Park and Whitehart Lane LHMA.

The Lower Quartile house price in Haringey in 2011 was £230,000. This compares to an average Lower Quartile house price of £254,167 for the Housing Market Area. Lower quartile house prices have grown 326% in the period from 1996 to 2011 in Haringey, compared with a growth of 315% in the HMA.

As a measure of access to entry level or lower cost housing, the lower quartile affordability ratio in Haringey in 2012 was 11.35, higher than the HMA, London and England ratios. The Median Affordability Ratio in Haringey in 2012 was 10.96, also higher than the HMA, London and England. This suggests that as well as entry level affordability issues, there is difficulty in Haringey moving up the property ladder once you are on it.

In Haringey 30% of households have incomes below £20,000 per annum, 50% below £30,000 and 65% below £40,000, and 4% of households have incomes above £100,000 per annum. Compared with London, Haringey has a higher proportion of households clustered around lower income categories and a smaller proportion at higher income categories. Mean household income levels are highest in the West of the Borough and lowest in the East. Lower quartile household incomes follow the same pattern.

The cost of servicing a typical repayment mortgage on a lower quartile house in Haringey would be in the region of £911 per month (with a 75% Loan To Value ratio mortgage). This comes with the important caveat that the potential buyer would need to have access to a deposit of approximately £57,500. The minimum deposit required to attain a mortgage of any type for the purchase of a property in the Borough would be £11,000, however this 95% Loan To Value ratio mortgage would require monthly payments in the region of £1,154.

Household income spend of 30% and 40% reflect the localised housing pressures and issues within London and specifically Haringey (above the 25% level more generally accepted for England). Considering the affordability pressures in Haringey identified through the resident's survey and the household income levels for the Borough, 40% is adopted as the most realistic assumption of household spend on housing for the purpose of this Study.

In Haringey, the income required to purchase a Lower Quartile house, based on spending up to 40% of household income, would be £27,330 per annum, assuming 75% LTV ratio and the ability to pay a £57,500 deposit. The household income data reveals that 50% of households would not be able to afford this annual payment.

Under the assumption that spending up to 40% of household income on housing is affordable, households on the Median Average Income should be paying a maximum of £1,010 per month on housing costs, couples and single parents claiming £500 per week housing benefits should be paying a monthly maximum of £867 and single people claiming £350 per week should be paying a monthly maximum of £607 on housing costs.

The cost of privately renting a 2 & 3 bedroom property for the mean average level in Haringey (£1,417) is slightly lower than for the HMA (£1,642) For lower quartile rents the Haringey values (£1,155) is also below that of the HMA (£1,355). Haringey is slightly below the national average level, but above the national lower quartile level.

The income required to enter the private rented market in Haringey for 2 & 3 bedroom properties would be £34,650 per annum, based on a spend of up to 40% of household income. The household income data reveals that 58% of households would not be able to afford this annual payment.

The income required for affordable rent in Haringey (at 80% of mean market rent) for 2 & 3 bedroom properties would be £34,008 per annum, based on a spend of up to 40% of household income. The household income data reveals that 58% of households would not be able to afford this annual payment.

Considering the social rented sector, Local Authority rent in 2012-13 for Haringey was approximately £376 per month, approximately £61 higher than for England (£315 per

month). The Private Registered Provider rental level for Haringey in 2013 was £437 per month, approximately £83 higher than for England (£354).

In 2013 there were approximately 8,364 people on the Waiting List, with 2,507 of these within the highest two priority level bands (30%). A geographic division is evident with significantly more people on the Waiting List from the East of the borough than the West.

Objectively Assessed Housing Requirement

Population and household projections are only as good as the assumptions made. The ONS/DCLG 2008, 2010 and 2011-based projections and GLA 2013 round projections all have their limitations. The study reviewed these projections and considered the 2011-based projection provides the best estimate of future population to 2021. The GLA 2013 round projection (central variant scenario) which are based on the 2011 projections, provide the best estimate of future population and households to 2026, as well as incorporating appropriate consideration of the future economic context, and therefore future migration trends in London. The GLA 2013 round household projection is therefore considered to constitute the objectively assessed requirement at this time.

The emergence of improved migration data and further releases from the 2011 census provides a future opportunity to investigate the robustness of the published national projections. National projections published in Spring 2014 will include this.

The demographic based projections predict an average growth in population across Haringey of 37,311 people over the projection period (2011 – 2026). This equates to annual average growth of 2,487 people per annum, approximately 1%.

As a result of the projected population growth, approximately 20,361 new household spaces could be formed in Haringey, including 1.5% vacancy to allow for housing market churn. This translates into an annual new housing requirement of 1,357 in Haringey, approximately 14% of the overall HMA requirement.

Change in Households & Household Spaces (2011 - 2026)

Area	2026 Projected Population	2026 Projected Households	Additional Households	Additional Households allowing for market churn	Annual Households allowing for market churn
Haringey	293,749	122,273	20,060	20,361	1,357
HMA	1,891,483	800,727	148,441	150,668	10,045

Source: GLA, 2013, Census, 2011 & GVA, 2014.

In terms of distribution by housing size and need based on household projections, there could be an annual requirement for 67% of household spaces to have 1 and 2 bedrooms,

compared with 17% for 3 and 4+ bedrooms. However, this could be skewed towards requiring more larger homes considering trends in families, HMOs and house sharing in the East of the borough. These proportions also vary in line with different assumptions for over and under-occupancy and down-sizing in older age groups.

Proposed Distribution in New Household Spaces by Size based on Assumed Bedroom Requirement

Total	1 Bed	2 Bed	3 Bed	+4 Beds	Other	Total
2011 Requirement	50,109	18,440	12,201	8,559	14,437	103,747
%	48%	18%	12%	8%	14%	100%
2026 Requirement	59,217	24,086	12,197	9,170	19,437	124,107
%	48%	19%	10%	7%	16%	100%
Annual Requirement	3,948	1,606	813	611	1,296	8,274
%	48%	19%	10%	7%	16%	100%

Source: GLA, 2013 and GVA, 2014

Based on the Housing Register (for both waiting lists) there could be between 55%-70% requirement for 2 and 3 bedroom housing, which suggests this is the most significant requirement for the future distribution of affordable housing units, reflecting the need for family sized units. Approximately 61% of 2 and 3 bedroom properties could represent an appropriate level for future distribution of affordable units, accompanied by approximately 32% of 1 bedroom units and 7% of 4+ bedroom units. This takes into account the faster turnaround of smaller properties in comparison to larger properties, and a general preference for people to live in a home larger than their requirement entails. As such, the 1 bedroom percentage is reduced and the 2 & 3 and 4 bedroom percentage is increased.

Estimated Size Requirement for Affordable Housing Based on Current Housing Register

	Estimated Size of Affordable Housing Required			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Waiting List (General Need)	40%	34%	21%	6%
Reasonable Preference Waiting List (Bands A-C)	21%	37%	33%	10%

Source: Haringey Council, 2014, GVA Analysis, 2014

If the objectively assessed requirement is benchmarked against net dwelling completion trends, Haringey would require an additional 77 completions compared with the 2011/12 level, a 6% increase in the completions rate. An additional 707 completions compared with the average completions from 2007-12 would be required, equating to a 55% increase in the completions rate.

Meeting the objectively assessed requirement as projected for Haringey would require the identification of land to provide an additional 537 net dwellings per annum. This equates to

approximately 5.4ha per annum over the plan period, based on GLA SHLAA density assumptions.

Housing Needs Survey: Resident Need and Aspirations

Consideration of the residents' needs and aspirations from the Housing Needs Survey, demonstrated a preference towards larger homes, with the highest proportion of residents identifying a preference for 3, followed by 2 bedrooms (both significantly higher than the 1 bedroom preference).

Meeting the Affordable Need of Households

The total net affordable housing need over the plan period (2011 – 2026) is calculated at 20,172, which equates to 1,345 affordable homes per annum.

This identifies an affordable housing requirement deficit of 11,757 homes over the plan period, and 784 homes annually, which as a proportion of total net housing requirement (all tenures) equates to 59%.

Allowing 1.5% vacancy for housing market churn increases the total net affordable housing need to 20,475 over the plan period, and 1,365 as an annualised figure. It increases the net affordable housing requirement deficit to 11,933 homes over the plan period and 796 homes annually, remaining at the deficit proportion of 59%.

Based on current household income and mortgage finance, the future provision of intermediate affordable housing will have limited overall impact on meeting affordable housing needs (considering 25%, 50% and 75% equity shares). However, it could have a role in freeing up stock in other affordable tenures. Affordable rent would need to be set below 70% or 60% of market rents, to contribute to meeting affordable housing needs, as would social rent affordable housing:

The distribution and availability of tenures at the Local Housing Market Area level in different parts of the Borough is likely to play an important role in aligning the affordability of different tenures to their take-up within the Borough.

Considering Welfare Reforms, the Housing Benefit, Benefit Cap and Universal Credit System are all likely to impact the affordability and accessibility of housing within Haringey. The Housing Benefit Cut will increase the level of demand for smaller properties, particularly 1 and 2 bedroom units, increasing the pressure on their supply and potentially displacing households to different Local Housing Market Areas within the Borough. The Benefit Cap will further increase the affordability and accessibility pressures for affordable housing within

Haringey by causing a pattern of out-migration from Central London to comparably less expensive outer areas (including Haringey). The Universal Credit System could inhibit the private rented sector, as support is no longer paid directly to Landlords. It could also increase short-term demand for social housing, which would further increase pressure on its supply, especially in combination with the other aspects of Welfare Reform.

Housing Requirement for Specific Groups

Older person households (65+ for males and 60+ for women) are projected to grow at a significant level to 2026. The projected growth levels are 17.4% for males, 30.1% for females, and 24.2% of the population overall.

The majority of older person households will continue to live in their family home, possibly with adaptations. The provision of new homes specifically designed to be adaptable will help improve choice and flexibility. This should be complimented with further policy which encourages the downsizing of properties in older age groups;

Demand for housing and schemes that provide care will increase as the population ages, with POPPI data suggesting for example, that there will be a 24% rise in the number of people requiring to live in a care home.

Household projections suggest that an additional 2,495 60/65+ single person households will form over the plan period. Despite uplift in the growth of single person male households, 30% greater than for females, a significantly higher number of single person female households in 2026 are projected; 6,540 compared to 4,485 for males;

An additional 2,557 60/65+ households with a couple and no dependent children are projected to form over the plan period. This shows a fairly even divide between the amount of older person households which will be occupied by couples and single people;

In 2011 BME (non-‘White’ ethnic groups) constituted approximately 39% of the population in Haringey, 19% of which was made up of the ‘Black’ ethnic group. Of the 1,004 residents included in the Housing Needs Survey, West Green and Bruce Grove and Northumberland Park and Whitehart Lane had the highest minority proportions (39% and 34% respectively) compared with approximately 5% in Muswell Hill, Alexandra, Fortis Green and Highgate and 7% in Crouch End, Hornsey and Stroud Green.

Average household size requirements for BME groups are likely to be substantially higher than for the White British population, particularly for Bangladeshi and Pakistani households, and to a lesser extent, Indian households. This could result in increased demand for larger

houses in Haringey, however it may not be as pronounced as in the wider HMA or London based on the lower proportion of 'Asian' ethnic groups in the Borough.

Considering the projected increases to 2020 in the number of people with learning and physical disabilities and personal care disabilities, it is likely that the overall capacity of suitable stock will need to continue to grow in Haringey in order to meet needs. This will require careful consideration at a strategic level.

Conclusions and Recommendations

There is a significant affordable housing requirement within Haringey. As a priority, Haringey Council should continue to place those in most need into affordable housing as it becomes available or is delivered. An important decision on the acceptable size of the full housing waiting list must be made, to identify targets for clearing the list annually and over the plan period. This should also take into consideration the waiting times that are acceptable for different property sizes and different household priority levels.

Enhancing Access to the Market

House price to income ratios make it clear that there is an affordability gap for many Haringey residents. Increasing the supply of affordable housing will be an important response. However, it is also recommended that the Borough investigate mechanisms that can ease the challenge in accessing mortgages for those on lower incomes.

In addition, the other variable is the incomes of residents. Addressing local affordability challenges will require strategies that stabilise and increase household incomes, through access to London's better paying jobs as well as local economic development.

The Council should ensure homes are developed to encourage under-occupiers to relocate, with high quality in terms of design and management. Relative affordability of existing Council tenures and Affordable Rent development will need to be addressed. This is important considering the issue of housing need versus housing supply.

Enhancing Housing Delivery

While the affordability of market housing remains an issue due to access to mortgage finance and deposit requirements, there is a continued need to maintain housing supply of all tenures to address demand.

We recommend that Haringey Council continues to stimulate the supply of new affordable housing. The Council should seek to encourage all sources of delivery including where

viable, the direct delivery of affordable housing and self-build opportunities. Affordable housing approaches must aim to be realistic and deliverable, and set against wider objectives of maintaining an adequate supply of market housing to meet demand, and delivering mixed income and tenure communities across the Boroughs Local Housing Market Areas. However, this could prove to be particularly challenging considering the significant East-West polarisation.

The Council should continue to pursue estate regeneration and intensification opportunities within the Borough, specifically in the Tottenham and Northumberland Park areas, whilst striving towards achieving as varied a mix of housing sizes, types and tenures as possible.

We anticipate strong potential for a significant increase in market interest in the south east of the Borough following change in the role and function of Tottenham Hale, rapid residential value growth to the east in Waltham Forest and improved public transport connections to high employment growth locations such as Kings Cross via the Victoria Line and Stratford and Canary Wharf via upgraded rail links.

Suitable Locations of Housing

The Council should seek to increase the mix of housing types and tenures across the seven LHMA's, and deliver appropriate residential development throughout the Borough. Over the long term, delivery could focus specifically on the east of the Borough as a suitable housing location.

Ensuring a Housing Mix: Tenure

Haringey Council should seek to deliver a range and mix of sites that allow different housing products to be brought forward across LHMA's, including the delivery of certain tenures where they are not traditionally located. This mix should be guided by the requirements identified within this Report, particularly Section 7. It is critical that a range of tenures are delivered across the Borough.

Housing affordability issues are driven by lower incomes and high house pricing. A strategic approach is therefore recommended; to raise household income levels through access to appropriate skills training, and therefore increase access to employment both locally and in the wider Housing Market Area.

Given the social characteristics within different LHMA's within the Borough, there will be a need to consider viability and set tenure requirements on a site-by-site basis. Associated policy and strategic approaches should be conditioned by affordability.

The role of the Private Sector

Many households with insufficient income or equity to purchase housing may choose to meet their needs in the private sector. The private rented sector plays an increasingly important role in catering for the needs of younger households, or those who are attracted by the flexibility which renting provides (particularly in the short-term housing market).

It is important that investment is made in order to ensure that existing rental stock is fit-for-purpose, particularly as the existing stock is likely to comprise the majority of the rented stock for the foreseeable future. Close review and monitoring will be required to ensure the quality and condition of stock is actively managed, to address any overcrowding and to maximise the role which the sector plays in meeting housing need.

However, there is potential for increasing private rented sector interest in Tottenham Green, Tottenham Hale and Seven Sisters, considering the growth and regeneration focus for the area, and the growth of employment at Kings Cross, which is now very well connected to this area via the Victoria Line.

Ensuring a Housing Mix: Size

The Council should set out specific targets regarding the size of affordable housing provision required, based on an appraisal of the scale of current waiting list and projected demographic growth. It should also take into account particular acute need within the housing waiting list.

Whilst aiming to achieve a mix of all property sizes appropriate to the localised requirements and demographics within each LHMA, 1 bedroom units and 3+ bedroom units should receive particular focus. The small 1 bedroom units provide an important mechanism to free up the supply of existing stock, reflecting the Borough's ageing population and higher number of smaller households. The larger, family-sized units meets the acute affordable housing need and allow social housing provision to better use existing stock by creating a 'chain of lettings' to right size households to their housing requirements. There is potential to support older households to downsize, releasing supply of larger housing for other groups.

Overall, the Council should ensure provision of a diverse range of housing by number of bedrooms, to meet a range of needs and provide sufficient flexibility within the Borough's stock.

Future Monitoring

In order for the findings of the assessment to continue to inform and help shape policy, it will be necessary for Haringey Council to monitor changes in the housing market and the underlying drivers examined in this assessment. Changes to the assumptions will have an impact on plan period and annual projections of household demand and the requirements for different tenures and sizes of housing.

The figures presented within this report are based upon up-to-date data and information, largely utilising the 2011 Census, which is the most comprehensive and reliable recent data available. Evidence of marked deviation from the future trends and assumptions presented will need to be taken into account in the development of strategy and policy approaches.

This SHMA has utilised a range of secondary data sources. This information will continue to be refined and updated by data providers such as the ONS, DCLG, CACI, Rightmove and Land Registry. The use of secondary data sources makes monitoring a simpler process with an annual update examining changing trends an important exercise for Haringey Council.

1. Introduction

- 1.1 The purpose of this Strategic Housing Market Assessment (SHMA) is to understand the current and future housing market and how this relates to the London Borough of Haringey's (LBH) housing growth, needs and regeneration. The SHMA will identify levels of housing demand, produce estimates of households in affordable housing need and incorporate qualitative results from a resident survey. It will inform understanding of the local housing market in the short, medium and long-term. The SHMA will also consider the impact of Welfare Reforms on meeting affordable housing needs across the borough.
- 1.2 The findings of the research will be used to inform policy for long-term delivery of housing within the Borough. They will also inform negotiations on planning applications.

Background

- 1.3 The SHMA provides a fit for purpose basis to develop housing and planning policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand.

SHMA Requirements: The NPPF (2012), Planning Practice Draft Guidance (2013) and DCLG SHMA Guidance (2007)

- 1.4 The publication of the National Planning Policy Framework (NPPF) in March 2012 forms an important consideration for this SHMA research. This was augmented with the publication of Planning Practice Guidance in August 2013.
- 1.5 At the heart of the NPPF is the presumption in favour of sustainable development. This states that local planning authorities should positively seek opportunities to meet the development needs of their area. However this should not be the case if any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF as a whole or if specific policies in the NPPF indicate development should be restricted. This may include, for example those policies relating to sites protected under the Birds and Habitats Directives and/or designated as SSSI, Green Belt and/or area at risk of flooding.
- 1.6 Core planning principles are set within the NPPF. One of these in particular represents an important consideration with regards to this evidence base document. This states that planning should:

- Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.

1.7 The NPPF requires local planning authorities to have a clear understanding of housing requirements in their area. They should prepare a Strategic Housing Market Assessment to assess their full housing requirements, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period which:

- Meets household and population projections, taking account of migration and demographic change;
- Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and
- Caters for housing demand and the scale of housing supply necessary to meet this demand.

1.8 It is important to emphasise that whilst the strategic housing market assessment provides key evidence for local plan preparation, it only forms one aspect of the required evidence. Paragraph 158 of the NPPF advocates the use of a “proportionate evidence base”:

“Each local planning authority should ensure that the Local Plan is based on adequate up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals” (National Planning Policy Framework 2012, paragraph 158).

1.9 The Draft Planning Practice Guidance (August 2013) was published to complement the NPPF and provide advice on how to deliver its policies. Part of the guidance was specifically related to assessment of housing and economic development needs.

1.10 The primary objective of the draft guidance was to identify the future quantity of housing needed, including a breakdown by type, tenure and size. Need was defined as follows:

- Need for housing in the context of the guidance refers to the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand;
- Need for all land uses should address both the total number of homes based on quantitative assessments, but also on an understanding of the qualitative requirements of each market segment; and
- Any assessment of need should be realistic in taking account the particular nature of that area (for example geographic constraints and the nature of the market area). Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

1.11 The Draft Guidance also states that plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.

1.12 Local planning authorities should assess their development needs working with the other local authorities in the relevant housing market area in line with the duty to cooperate. This is because such needs are rarely constrained precisely by local authority administrative boundaries.

1.13 The Draft Guidance describes a housing market area as a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. The HMA should be defined using house prices, rates of change in house prices, household migration and search patterns and contextual data e.g. travel to work area boundaries, retail and school catchment areas.

1.14 Plan makers were advised to avoid expending significant resources on primary research as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data to inform their assessment which are identified within the guidance.

1.15 The Draft Guidance requires plan makers to use household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need. Although these may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends.

For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing.

1.16 The projections may also take account of migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last five years demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people. They may also take into account:

- Land Prices;
- House Prices;
- Rents;
- Affordability;
- Rate of Development; and
- Overcrowding.

1.17 Once an overall housing demand figure has been identified, local authorities are required to break this down by tenure, household type (singles, couples and families) and household size. Plan makers should therefore examine current and future trends of:

- The proportion of the population of different age profiles;
- The types of household (e.g. singles, couples, families by age group, numbers of children and dependents);
- The current housing stock size of dwellings (e.g. one, two+ bedrooms); and
- The tenure composition of housing.

1.18 When considering future need for different types of housing Local Authorities will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people. They should look at the household types, tenure and size in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs. They should also seek to quantify the needs of the following groups:

- The private rented sector;
- People wishing to build their own homes;
- Family housing;
- Housing for older people; and

- Households with specific needs.

- 1.19 The calculation of affordable housing need involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of housing stock.
- 1.20 The total need for affordable housing should be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow.
- 1.21 The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.
- 1.22 Prior to the publication of the Draft Planning Practice Guidance, The DCLG had published SHMA guidance 'Strategic Housing Market Assessments – Practice Guidance' in August 2007 (hereafter 'the Guidance'). The Guidance sets out a framework that local authorities and regional bodies can follow to develop a good understanding of how housing markets operate. It remains the most up-to-date Guidance for undertaking research of this kind.
- 1.23 The Guidance recognises that housing markets are dynamic and complex and as a result strategic housing market assessments are not intended to provide definitive estimates of household need, demand and market conditions. SHMAs can, however, provide valuable insights into how housing markets operate both now and in the future. They should also provide a fit for purpose basis upon which to develop planning and housing policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand.
- 1.24 The approach taken within this SHMA follows this Guidance, in combination with the Draft Planning Practice Guidance (August 2013). It addresses each of the core outputs as set out in Table 1 below, with an additional column outlining within which section of this SHMA report the core output is addressed.

Table 1 - Compliance with DCLG Guidance Core Outputs

SHMA Guidance – Core Outputs Table 2.1	Report Section in which Key Outputs are presented and analysed
Output 1 - Estimates of current dwellings in terms of size, type, condition, tenure	Section 3
Output 2 - Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	Sections 3,4 & 5
Output 3 - Estimate of total future number of households, broken down by age and type where possible	Section 6
Output 4 - Estimate of current number of households in housing need	Section 7
Output 5 - Estimate of future households that will require affordable housing	Section 7
Output 6 - Estimate of future households requiring market housing	Section 6 & 7
Output 7 - Estimate of the size of affordable housing required	Section 7
Output 8 - Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc...	Section 8

Source: *DCLG SHMA Guidance (2007)*

- 1.25 This research has utilised a range of methodological approaches drawing upon new and updated secondary data to develop a robust understanding of the operation of the housing market area, including data emerging from the 2011 census. It has also involved the undertaking of a new housing needs survey. This approach aligns with the Guidance, which advises that the SHMA research can draw from a range of primary and/or secondary data sources:

“Whether a strategic housing market assessment is based upon secondary or survey data should not be a factor in determining whether an assessment is robust and credible. No one methodological approach or use of a particular dataset(s) will result in a definitive assessment of housing need and demand. The quality of the data used is the important consideration in determining whether an assessment is robust and credible rather than its nature” (DCLG Strategic Housing Market Assessments Practice Guidance – Version 2, 2007, para. 11).

- 1.26 The Housing Needs Survey, conducted by telephone, involved the participation of 1,004 Haringey residents, with a minimum of 10% of respondents (100 people) from each of the 7 Local Housing Market Areas identified within the Borough. This total number of 1,000+ interviews facilitates accuracy of +/-3.1% for the survey data at the 95% confidence level.

-
- 1.27 The Survey included a maximum of 111 questions, depending on the responses and follow-ups for individual respondents, covering a range of housing, demographic, economic, employment and aspirations based questions. By undertaking pilot interviews prior to commencing, the suitability of the Survey questions can be tested and refined if necessary. The sampling profile for the Survey, replicated the demographic profile of the Borough and its Local Housing Market Areas where possible.
- 1.28 Where data is available from a number of sources a process of triangulation has been conducted. The purpose of triangulation in qualitative research is to increase the credibility and validity of the results. Triangulation is a technique that facilitates validation of data through cross verification from more than two sources. In particular, it refers to the application and combination of several research methodologies in the study of the same topic.
- 1.29 Throughout the assessment the application of this technique has involved comparing, contrasting and, where relevant, aligning information from a variety of sources to ensure, based on the professional judgement of the research team and agreed by LBH, that the most up-to-date and locally reflective information has been utilised. This serves to further ensure that the findings of the SHMA are robust and credible.

Report Structure

- 1.30 This report is structured around the following sections. These largely align with the steps set out in the DCLG Guidance to assist in extracting key information from the report:
- **Section 2: Defining The Housing Market Area** – This section identifies the housing market in which Haringey sits and the sub areas within the Borough. The section includes a review of the latest migration and travel to work trends, house price data and other market signals in order to identify these areas;
 - **Section 3: The Current Housing Stock** – This section provides a short overview and update, of the current profile of the housing stock across the HMA and Borough, utilising datasets such as the 2011 census;
 - **Section 4: Demographic Trends** – This section presents a detailed assessment of key demographic drivers in the area, including a short review of the economic drivers in Haringey, which represent a key factor for housing supply and demand currently and in the future;
 - **Section 5: Housing Trends** – The relationship between supply and demand manifests itself in the operation of the active market. The section will provide a comprehensive assessment of the operation of the housing market. This focuses on headline trends around changes to house prices, rental levels and key measures of demand for

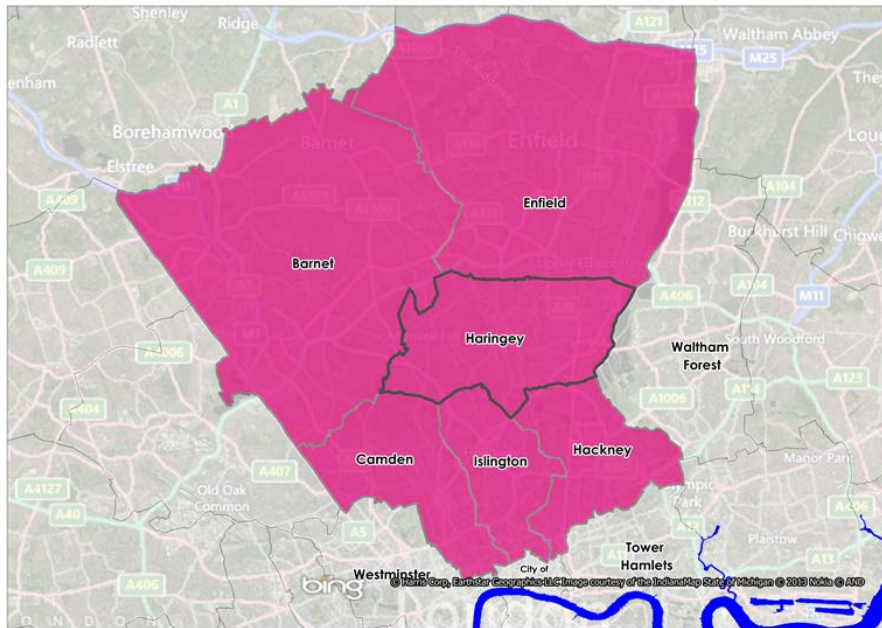
affordable housing, including the number of households on housing waiting lists and the accessibility of different tenures;

- **Section 6:** Objectively Assessed Housing Requirement – This section considers population and household projections, in order to develop an objectively assessed understanding of the future housing requirements likely to be experienced in Haringey. This section also provides an indication of the housing aspirations of Haringey’s residents, based on responses from the Housing Needs Survey (2013);
- **Section 7:** Meeting the Affordable Need of Households – A calculation of the short-term level of housing need for affordable housing is undertaken following the stepped process set out in the DCLG Guidance. The section concludes with an estimation of the breakdown by size of the affordable housing identified as being required over the next five-ten years, reflecting on patterns within the waiting list data;
- **Section 8:** Housing Requirement for Specific Groups – This section draws upon the quantitative outputs of the modelling processes presented in Sections 3 – 7, to assess future demand of a number of specific demographic household classifications including, younger households, BME and older person households. Information from other recent studies of the housing market issues facing each group is used to complement this analysis; and
- **Section 9:** Conclusions and Recommendations – This report concludes with a section outlining the conclusions and recommendations arrived at through the research. Conclusions are presented to directly respond to the core outputs in the DCLG Guidance.

2. Defining the Housing Market Area

- 2.1 The London Borough of Haringey is part of the North London region, yet its outer London nature and characteristics are combined with challenges reflective of an inner city location.
- 2.2 The Borough is a desirable location to live, considering its commuting connections to the City and Stansted Airport, as well as its position within the London-Stansted-Cambridge-Peterborough Growth Area. It demonstrates some strong interactions with neighbouring Boroughs.
- 2.3 Housing market areas are geographical areas defined by household demand and preference for housing. They reflect the key functional linkages between places where people live and work, recognising that interrelationships in the real world transcend local authority administrative boundaries.
- 2.4 The LBH Housing Market Area (HMA) encompasses a wider area beyond the Borough to include:
- Haringey;
 - Barnet;
 - Camden;
 - Enfield;
 - Hackney; and
 - Islington.
- 2.5 The extent of the HMA and sub areas reflects best practice guidance in identifying functional housing market areas, using travel to work patterns, migration patterns and house price data. In particular, the focus has been on the travel to work data and migration data from the Census (2011), housing market data (particularly house prices) from DCLG, and Demographic data from the Census (2011).
- 2.6 Figure 1 highlights the HMA identified by this process.

Figure 1 - Housing Market Area



Source: GVA, 2013

- 2.7 The HMA identified incorporates those local authorities which have the strongest and most consistent migration and commuting relationships with Haringey, as well as linkages in house prices, rate of change and affordability levels. It comprises: Barnet, Enfield, Haringey, Camden, Islington and Hackney.
- 2.8 To contextualise this HMA, it is often considered and analysed in line with the following areas:
- North London (Barnet, Enfield, Haringey and Waltham Forest);
 - Inner London (Camden, City of London, Hackney, Islington, Kensington & Chelsea, Lambeth, Southwark, Wandsworth and Westminster);
 - London; and
 - England & Wales.

Migration Trends

In-Migration

- 2.9 Haringey has a strong relationship with Barnet, Enfield, Camden, Islington and Hackney. Approximately 42% of those moving to the Borough came from these locations, based on average flows for 2009 – 2012, as shown in Table 2.

Table 2 – Average Flows into Haringey (2009 - 2012)

Borough	Number of People	% of New Residents
Enfield	2,074	10.9
Islington	2,020	10.6
Hackney	1,650	8.7
Camden	1,167	6.1
Barnet	989	5.2
Waltham Forest	534	2.8
Lambeth	444	2.3
Tower Hamlets	390	2.1
Brent	387	2.0
Westminster	350	1.8

Source: ONS, 2013

- 2.10 In 2012 more than 8,200 people moved into Haringey from Islington, Enfield, Hackney, Camden and Barnet, as shown in Table 3. This equates to approximately 43% of all movement into the Borough.

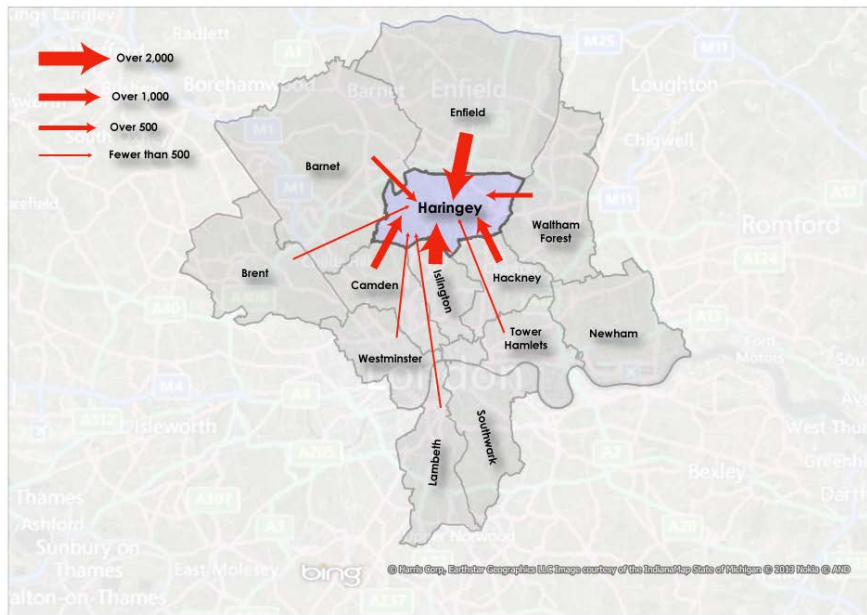
Table 3 –Flows into Haringey (2012)

Borough	Number of People	% of New Residents
Islington	2,222	10.5
Enfield	2,037	11.5
Hackney	1,750	9.1
Camden	1,258	6.5
Barnet	974	5.0
Waltham Forest	568	2.9
Tower Hamlets	479	2.4
Lambeth	465	2.5
Westminster	361	1.7
Brent	330	1.9

Source: ONS, 2013

- 2.11 Figure 2 demonstrates the relative scale, and significance, of flows into Haringey. Barnet, Enfield, Camden, Islington and Hackney demonstrate particularly strong links with the Borough. Their average annual inward flows between 2009 and 2012, equate to more than 5% of new residents (more than 1,000 people), which is also true for 2012 inward flows.

Figure 2 - Migration Flows Into Haringey (2012)



Source: ONS & GVA, 2013

Out-Migration

2.12 Haringey also has strong outward migration flows to the other five authorities identified as comprising the HMA (Barnet, Camden, Enfield, Hackney and Islington). Approximately 38% of outward moves from Haringey are from these HMA authorities, based on average flows from 2009 – 2012, as shown in Table 4.

Table 4 – Average Flows out of Haringey (2009 – 2012)

Borough	Number of People	% of Outward Moves
Enfield	4,444	19%
Barnet	1,664	7%
Islington	1,324	6%
Hackney	1,260	5%
Waltham Forest	972	4%
Camden	714	3%
Lambeth	452	2%
Tower Hamlets	399	2%
Southwark	379	2%
Newham	359	2%

Source: ONS, 2013

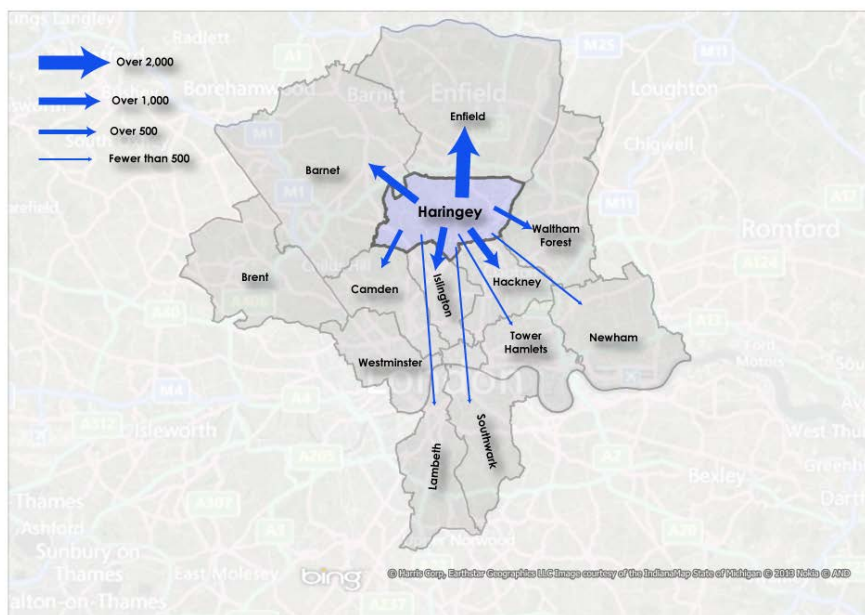
2.13 In 2012 more than 9,600 people moved from Haringey into these five HMA authorities (Barnet, Camden, Enfield, Hackney and Islington), as shown in Table 5.

Table 5 - Flows out of Haringey (2012)

Borough	Number of People	% of Outward Moves
Enfield	4,244	19%
Barnet	1,766	7%
Hackney	1,292	6%
Islington	1,227	5%
Waltham Forest	1,027	4%
Camden	685	3%
Lambeth	460	2%
Tower Hamlets	425	2%
Southwark	386	2%
Newham	358	2%

Source: ONS, 2013

- 2.14 The strongest outward migration relationship is with Enfield. More than 4,200 Haringey residents (19%) moved to Enfield in 2012. Barnet, Hackney and Islington are also popular destinations. There is an identifiable but lesser relationship with Waltham Forest and Camden. This relative scale of out-migration from Haringey is demonstrated in Figure 3.

Figure 3 - Migration Flows Out of Haringey (2012)

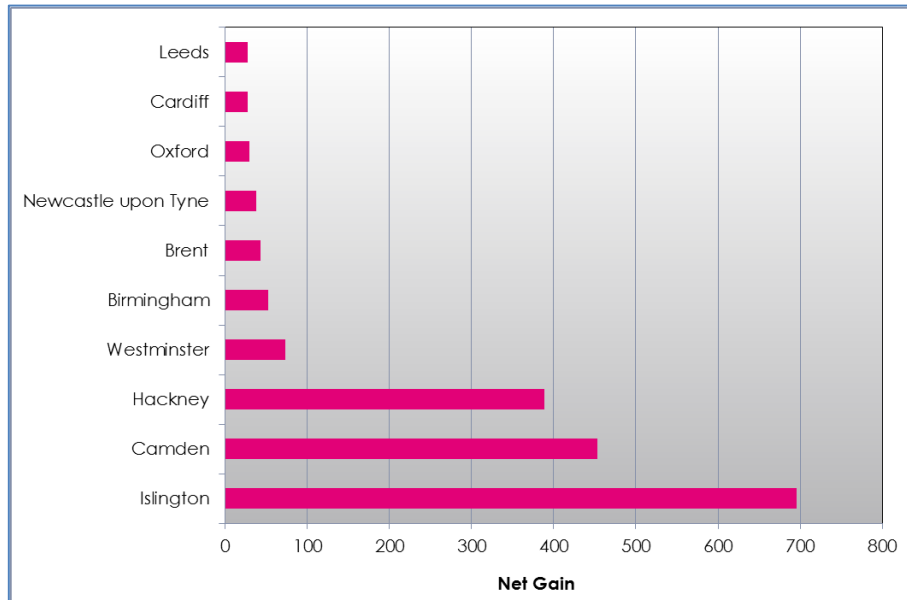
Source: ONS & GVA, 2013

Aggregate Migration

- 2.15 Aggregate migration considers the combined net gain and net loss for Haringey. Figure 4 shows the boroughs and cities which have resulted in the highest levels of net gain for Haringey.
- 2.16 Three of the top ten Authorities from which residents are moving to Haringey are the neighbouring boroughs of Islington, Camden and Hackney. This reflects the strong inward

migration from boroughs to the south. The significantly greatest net gain to Haringey is from Islington, with an average net gain of 696 people from 2009 – 2012.

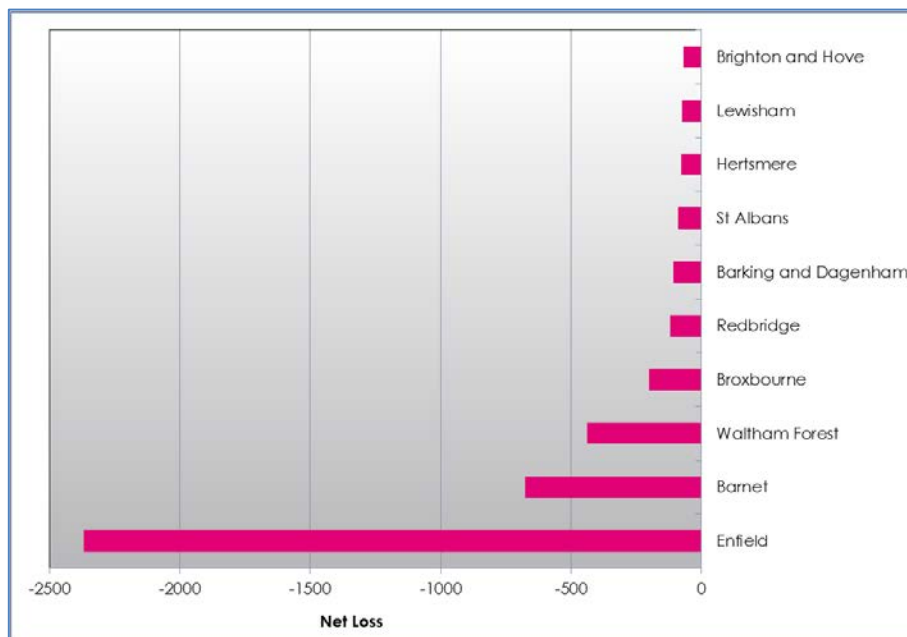
Figure 4 – Net Gain In-Migration Authorities to Haringey (2009 - 2012 Average)



Source: ONS 2013

2.17 As demonstrated in Figure 5, three of the top ten net out-migration destinations from Haringey are neighbouring London Boroughs; Enfield, Barnet and Waltham Forest. The significantly greatest net loss is to Enfield, with an average loss of 2,369 people from 2009-2012.

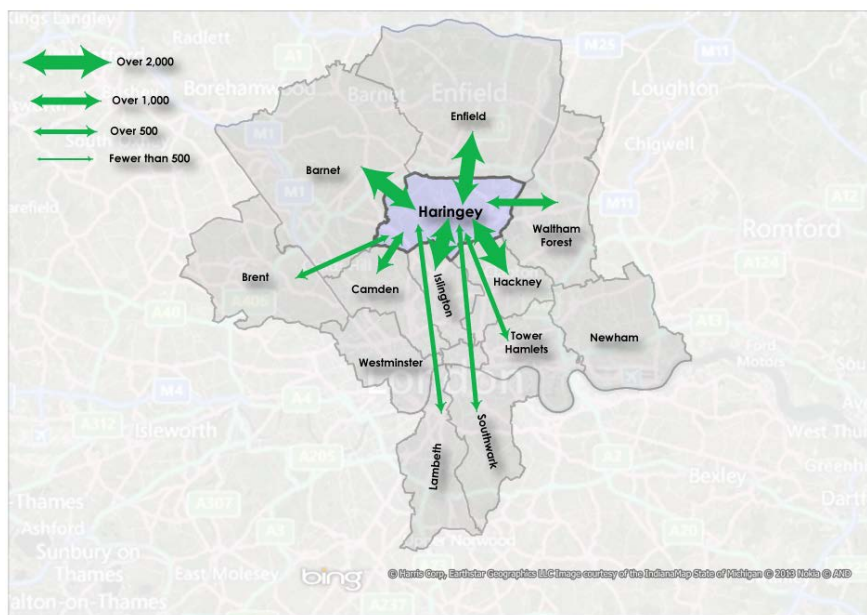
Figure 5 – Net Losses to Out-Migration Destinations from Haringey (2009 – 2012 Average)



Source: ONS 2013

- 2.18 The analysis of migration trends shows a complex interrelationship between local authorities. In general the recent trend has been for people to migrate from Islington, Hackney and Camden into Haringey, and out of Haringey to Enfield, Barnet and to a lesser extent Waltham Forest. However, based on actual numbers, the greatest net gain of people to Haringey is from Enfield, Barnet and Waltham Forest, and the greatest net loss of people from Haringey is to Enfield, Barnet and Waltham Forest.
- 2.19 The relative scale of aggregate flows, shown in Figure 6, emphasises the links between Haringey and the other HMA authorities; Barnet, Enfield, Camden, Islington and Hackney.

Figure 6 - Aggregate Migration Flows (2012)



Source: ONS & GVA, 2013

- 2.20 Data does not identify the types of households moving into and out of different parts of the Borough as part of the observed migration flows. However, in relation to the private rental market, anecdotal evidence, partly from letting agents consultation (examined later in Chapter 5), highlights factors such as increasing numbers of enquiries from LHA claimants.

Commuting Trends

- 2.21 Table 6 highlights that 71.6% of residents within Haringey are economically active

Table 6 - Economic Activity Rates for Haringey (2011)

	Total Working Age Population 16-74 (March 2011)	Economic Activity Rate 16-74	Unemployment Rate
Haringey	193,062	71.6%	8.5%
North London	866,507	70.5%	7.9%
Inner London	1,540,111	72.7%	7.2%
HMA	1,540,111	70.4%	7.8%
London	6,117,482	71.7%	7.3%
England & Wales	41,126,540	69.7%	6.3%

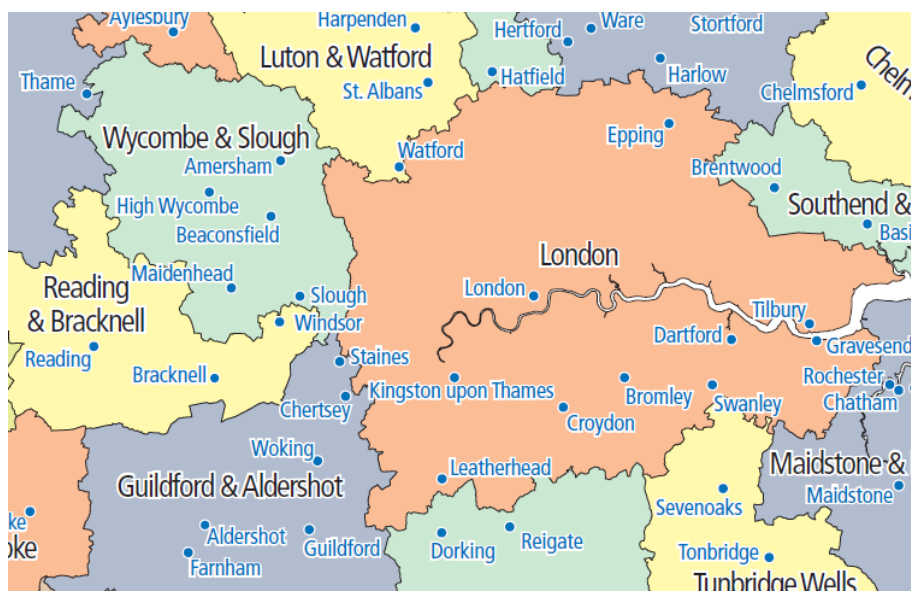
Source: Census, 2011

2.22 The level of economic activity in Haringey is similar to the HMA. The HMA has a slightly lower level than London, but is higher than the proportion of 69.7% for England & Wales.

2.23 The unemployment rate in Haringey is 8.5%. This is the highest level of all the London areas identified, 0.7% higher than the rate of 7.8% for the HMA. The unemployment rate for England & Wales is markedly lower than the other rates, at 6.3%.

2.24 Figure 7 identifies the 2001 London Travel To Work (TTW) area, which is larger than the London region itself.

Figure 7 - 2001 Travel To Work Areas



Source: ONS, 2007

In-Commuting

2.25 An average of the 2010 and 2011 Annual Business Survey (ABS) data, demonstrates that from a labour market perspective Haringey has a weak containment level. The 27,647 residents who worked in Haringey (calculated as an average of the 2010 and 2011 figures)

comprised 44% of the Borough's total workforce. For comparison, Travel To Work Areas are ideally defined at least 75% self-containment of travel to work trips. Levels are reduced down to 67% where the working population exceeds 25,000.

- 2.26 Table 7 identifies the top ten contributing boroughs to Haringey's workforce in 2010 and 2011. Commuters from Enfield constitute 14% of the Haringey workforce, followed by residents from Hackney (5%), Waltham Forest (4%), Islington (3%) and Barnet (3%).

Table 7 - Haringey Workforce Composition (in-commuting) – TTW Profile

	2010	2011	Average	% of Haringey Workforce
Haringey	27,021	28273	27,647	44%
Enfield	7,388	9565	8,477	14%
Hackney	3,410	3192	3,301	5%
Waltham Forest	2,961	1846	2,404	4%
Islington	2,165	1391	1,778	3%
Barnet	1,499	1707	1,603	3%
Ealing	1,185		1,185	2%
Broxbourne		1,114	1,114	2%
Redbridge	1,615	511	1,063	2%
Camden	488	1,062	775	1%

Source: ABS, 2010 & 2011

- 2.27 A significant majority of 74% of Haringey's workforce reside in either Haringey or its neighbouring local authorities (Enfield, Hackney, Waltham Forest, Islington, Barnet and Camden). Enfield, Hackney and Waltham Forest have strong linkages with Haringey with significant actual numbers of commuters travelling in across boundaries for employment.

Out-Commuting

- 2.28 Table 8 identifies the top ten boroughs where Haringey resident's travelled to employment in 2010 and 2011. A significant proportion of Haringey's commuters travelled to jobs in Westminster (14%), followed by Camden (9%), and the City of London (8%).

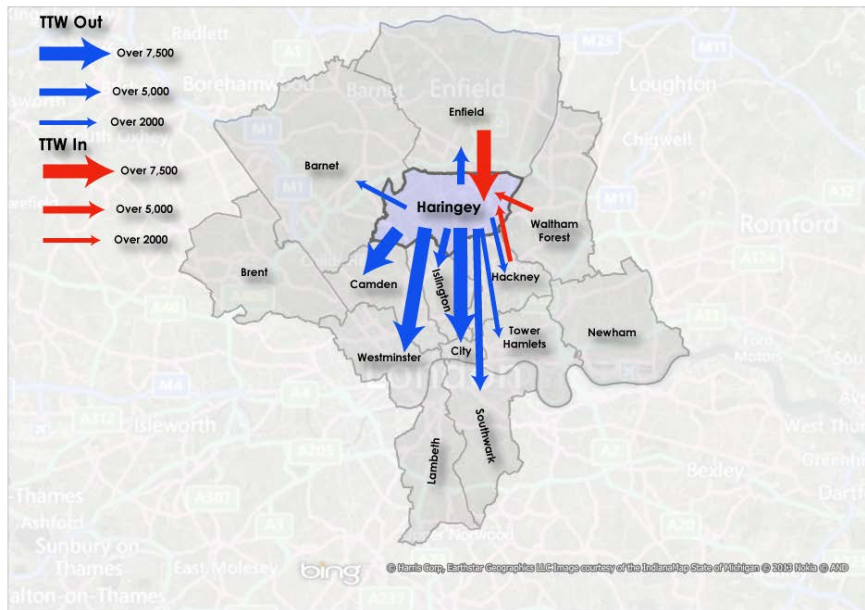
Table 8 - Proportion of Haringey Residents (out-commuting) – TTW Profile

	2010	2011	Average	% of Residents
Haringey	27,021	28273	27,647	26%
Westminster	15,832	14195	15,014	14%
Camden	6,826	11698	9,262	9%
City of London	8,552	9046	8,799	8%
Islington	6,626	4755	5,691	5%
Enfield	6,172	5112	5,642	5%
Southwark	4,406	5728	5,067	5%
Barnet	3,115	4096	3,606	3%
Hackney	2,997	2297	2,647	3%
Tower Hamlets	969	3,300	2,135	2%

Source: ABS, 2010 & 2011

- 2.29 Approximately half of all Haringey residents work within the borough or its neighbouring local authorities (52%). Haringey has particularly strong links with Westminster, Camden and City of London, given the numbers of actual residents commuting across boundaries to work there (15,014, 9,262 and 8,799 commuters respectively).
- 2.30 The key travel to work movements into and out of Haringey, and their relative scale, are demonstrated together in Figure 8.

Figure 8 - Key Travel To Work Movements Into and Out Of Haringey



Source: GVA, 2013

House Prices

- 2.31 Table 9 identifies mean average house prices for Haringey and its neighbouring authorities in 2011, and also provides the latest available 2014 data to address the continued trend in rising house prices. This is drawn from a consistent land registry database. While actual market prices have continued to rise in recent years, the relative relationship has remained broadly consistent. The highest house prices are generally to the South and to a lesser extent the West of the Housing Market Area. Lower house prices are found to the North and East.

9 - Mean Average House Prices for Haringey and Neighbouring Authorities (2011)

Authority	2011 Mean Average House Price	Jan 2014 Mean Average House Price
Camden	£721,879	£854,726
Islington	£505,398	£680,971
Barnet	£441,600	£573,311

Haringey	£413,972	£579,037
Hackney	£358,425	£507,275
Enfield	£285,647	£277,693

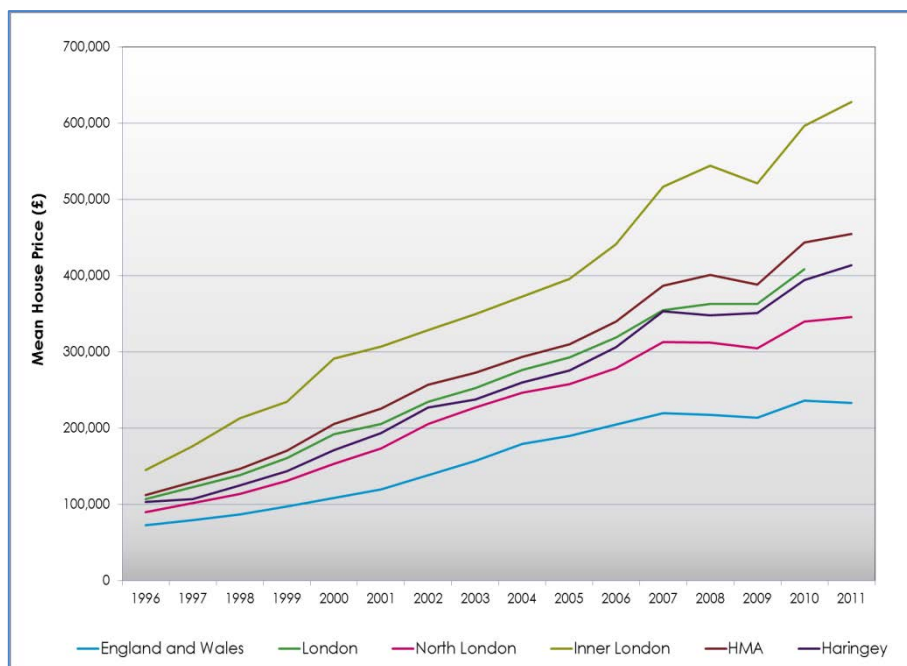
Source: DCLG Table 585 (Land Registry), 2012 & 2014

- 2.32 Based on Land Registry data, the mean average house price in Haringey in 2011 was £414,000. This compares with £627,000 for Inner London, £345,000 for Outer London, £408,000 for Greater London and £237,000 for England and Wales. The average house price in January 2014 was £579,000.
- 2.33 There is a notable difference in price across the area, with a range of £436,232 between the highest and lowest 2011 average borough house prices within the HMA. This increased to £577,033 between the highest and lowest prices in January 2014. It is evident that those boroughs with more central city characteristics (i.e. Camden and Islington) have significantly higher house prices than those considered to be more 'outer London' boroughs.

Growth Trends

2.34 Trends in house price data have been analysed over the period from 1996 to 2011. Figure 9 demonstrates the average house price trends in the HMA across this period. Despite variation in the mean average house price levels for different market areas, all areas exhibited a similar trend throughout the period. Particularly significant was the price dip for all areas in 2009. There is a strong alignment in trends between Haringey and the HMA.

2.35 **Figure 9 - Mean Average House Price Trends for Haringey, North London, Inner London, HMA, London and England & Wales (1996 - 2011)**



Source: DCLG Table 585 (Land Registry), 2012

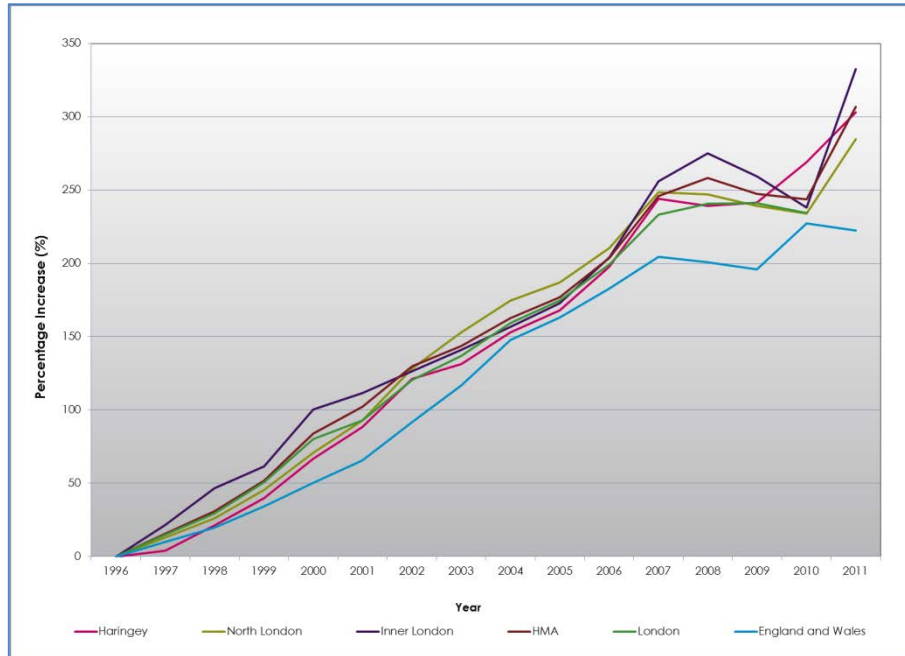
Rates of Change

2.36 Figure 10 illustrates the percentage change in mean average house prices for Haringey and its comparator areas from the 1996 base year. By 2011, average home prices in the HMA had increased by 307% from their 1996 level. This compared with an increase of 303% for Haringey, 332% for Inner London, 234% for London (to 2010) and 222% for England and Wales. There is again an alignment in changes between Haringey and the HMA.

2.37 The trends in mean average house price increase illustrated in Figure 10 are reasonably comparable, particularly between Haringey, North London, Inner London, the HMA and London. Inner London demonstrated the highest percentage increase of 332% from the 1996 base year to 2011, closely followed by the HMA with 307%, Haringey with 303%, and North London with 285%.

2.38 The trend for England and Wales deviated significantly from the other areas between 2007 and 2009, and again from 2010 to 2011.

Figure 10 - Percentage Increase in Mean Average House Price for Haringey, North London, Inner London, Inner London, HMA, London and England & Wales (1996 – 2011)



Source: DCLG Table 585 (Land Registry), 2012; GVA, 2013

2.39 Table 10 ranks the authorities within the HMA by the mean average house price for 2011, and shows percentage change since 1996 and 2006.

Table 10 - Mean Average House Price and Growth

Authority	2011 Mean Average House Price	Growth Since 1996	Growth Since 2006
Camden	£721,879	322%	46%
Islington	£505,398	306%	37%
Barnet	£441,600	293%	28%
Haringey	£413,972	303%	35%
Hackney	£358,425	371%	29%
Enfield	£285,647	241%	17%

Source: DCLG Table 585 (Land Registry), 2012

2.40 Considering growth since 1996 the closest alignment is between Haringey, Barnet and Islington, with a range of 13%.

2.41 It is evident that average house prices in the HMA as a whole and Haringey itself have been consistently and significantly above the national average. Growth in house prices has seen the gap generally widen over the period. This widening gap has been particularly evident in 2011 where mean average house price grew locally and regionally, but declined slightly in national terms.

2.42 Average prices and rates of growth will also influence patterns of migration and will contribute to movement outwards from Camden and Islington to Haringey, and from Haringey to Enfield and Barnet.

Conclusion on the housing market area

2.43 The analysis of commuting and migration data shows that Haringey is located within an area with a range of interrelationships with North London (Barnet, Enfield, Haringey and Waltham Forest) and Inner London (Camden, City of London, Hackney, Islington, Kensington & Chelsea, Lambeth, Southwark, Wandsworth and Westminster). Based on the strongest and most consistent of these relationships, the housing market is clearly defined. This does not negate the significance of Haringey's links with other London areas not included within the HMA i.e. Waltham Forest. This analysis is intended to reflect the preponderance of evidence and strongest patterns.

2.44 House price data indicates that the identified HMA provides a broad range of house prices and types to create a functional housing market area, which caters for a range of population groups. They also highlight an intermediate market position for the Haringey between the levels for North and Inner London.

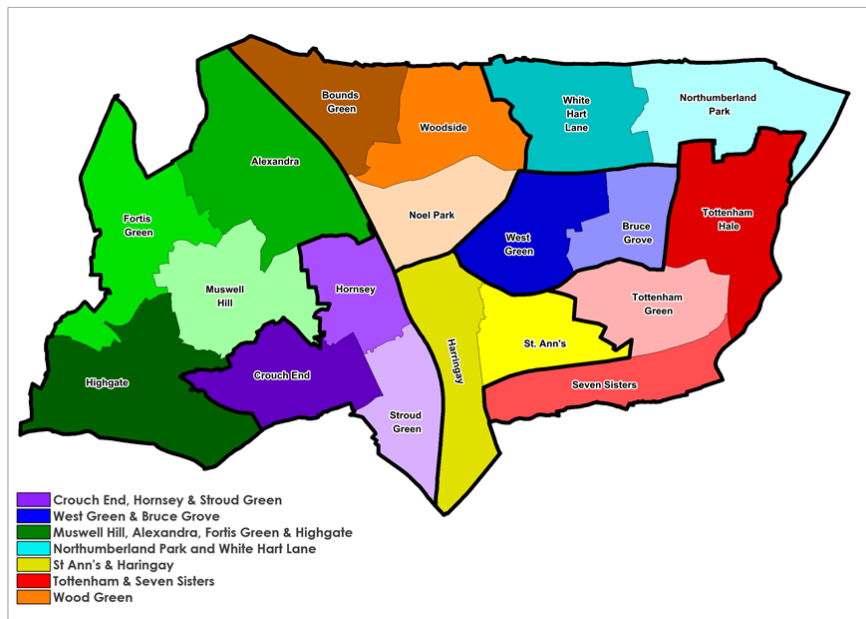
Local Housing Market Area

2.45 In addition to the spatial extents of the HMA, further analysis is also undertaken within sub-areas of Haringey. These sub areas, or Local Housing Market Areas (LHMAs) have been defined using house price trends and local level TTW and migration patterns, and in consultation with the Council. They correspond with existing ward groupings used for analysis by the Council, constituting the Borough's seven area committees. Although these sub-divisions are suitable here, they should not be considered as definitive boundaries within Haringey. Similarities in trends may still be observed between areas in different LHMAs.

2.46 The Local Housing Market Areas are as defined below and in Figure 11;

1. *Muswell Hill, Alexandra, Fortis Green and Highgate*
2. *Crouch End, Hornsey and Stroud Green*
3. *Bounds Green, Woodside and Noel Park*
4. *Harringay and St Ann's*
5. *West Green and Bruce Grove*
6. *Tottenham Green, Tottenham Hale and Seven Sisters*
7. *Northumberland Park and Whitehart Lane*

Figure 11 - Haringey Local Housing Market Areas



Source: GVA 2013

2.47 This broad organisation reflects differences in type of housing stock as well as physical structure, including the role of railways and open spaces and retail corridors.

3. The Current Housing Stock

- 3.1 In order to provide advice on future housing needs, it is important to understand the current stock levels and patterns in Haringey. This section examines the current housing stock profile and supply trends in Haringey and across the wider housing market area.
- 3.2 The most up-to-date information available is used to create a profile of the current housing stock across the Borough. The mix of housing in terms of tenure and type is considered and benchmarked against a range of comparators. Quality and quantity of the housing stock, and occupancy and vacancy levels are also assessed.
- 3.3 The potential future capacity of residential land is also reviewed, drawing on the latest information on housing capacity to provide a steer for the delivery location of new housing development.

Current Population and Dwelling Position

Population

- 3.4 The 2011 census identified a population of 1,596,511 in the six borough Housing Market Area across 650,567 households and 673,837 household spaces, as shown in Table 11. However, the latest ONS 2012 mid-year population estimates suggest a higher total population of 1,628,300 in the HMA.
- 3.5 For Haringey, the 2011 Census identified a total population of 254,926 across 101,955 households and 106,099 household spaces. This equates to 16% of the population, households and household spaces in the wider Housing Market Area. However, the latest ONS 2012 mid-year population estimates suggest a higher total population of 258,900. This update suggests an increase of 3,974 or approximately 1.5%. The 2011 Census data for population, households and household spaces is shown in Table 11. This Section is based on the 2011 Census data because it is the most comprehensive and robust recent dataset available, where the 2012 updates are only estimated.
- 3.6 The highest proportions of population in the HMA can be found in Barnet (22%), followed by Enfield (19%) and Haringey (16%). The smallest local authority in the HMA by population is Islington, which comprises just 13% of the total HMA population.

Table 11 - Population, Households and Household Spaces (2011)

Wider Area	Population	All Households	All Household Spaces
England & Wales	56,075,912	23,366,044	24,429,618
London	8,173,941	3,266,173	3,387,255
HMA	1,596,511	650,567	673,837
Haringey	254,926	101,955	106,099
HMA			
Haringey	254,926	101,955	106,099
Barnet	356,386	135,916	140,062
Camden	220,338	97,534	102,703
Enfield	312,466	119,916	122,421
Hackney	246,270	101,690	104,356
Islington	206,125	93,556	98,196

Source: Census, 2011

Table 12 - Local Housing Market Area Population and Households (2011)

Haringey LHMA	Population	All Households
Muswell Hill, Alexandra, Fortis Green and Highgate	46,699	19,482
Crouch End, Hornsey and Stroud Green	36,812	16,694
Bounds Green, Woodside and Noel Park	42,178	16,889
Harringay and St Anns	27,910	10,913
West Green and Bruce Grove	27,855	10,669
Tottenham Green, Tottenham Hale and Seven Sisters	45,612	16,864
White Hart Lane and Northumberland Park	27,860	10,444
Total	254,926	101,955

Source: Census, 2011

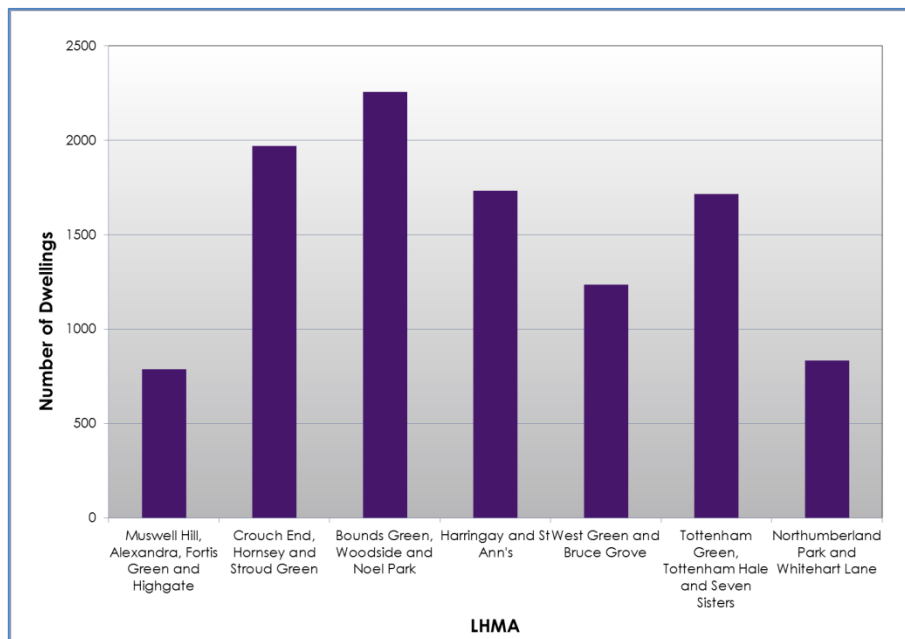
- 3.7 The above analysis is based on the 2011 Census data. At the Local Housing Market Area level within Haringey, Table 12 shows the variation in population and household levels throughout the Borough. The largest population can be found in Muswell Hill, Alexandra, Fortis Green and Highgate (18.3%), and the smallest sub-area in terms of population size is West Green and Bruce Grove which contributes just 10.9% of the Borough's population.

Change in Dwelling Stock

- 3.8 The total number of dwellings in Haringey has increased from 93,638 in 2001 to 104,173 in 2011. This is an increase of 10,535 dwellings, equating to an 11% increase. It could be speculated that the difference in population increase (16%) and dwellings increase (11%) over the Census period suggests a trend towards more intensive stock use, with an increase in HMOs and house sharing.

- 3.9 Figure 12 shows this change for each Local Housing Market Area in the Borough. The largest increase in gross dwellings over the ten year period was in Bounds Green, Woodside and Noel Park, increasing by 2,256 (21%). Whereas the smallest increase was observed in Muswell Hill, Alexandra, Fortis Green and Highgate, of only 789 (7%).
- 3.10 Bounds Green, Woodside and Noel Park, Crouch End, Hornsey and Stroud Green, Harringay and St Ann's and Tottenham and Seven Sisters are identified as the most significant growth areas in terms of dwellings in the Borough.

Figure 12 - Change in Total Number of Dwellings (2001 - 2011)

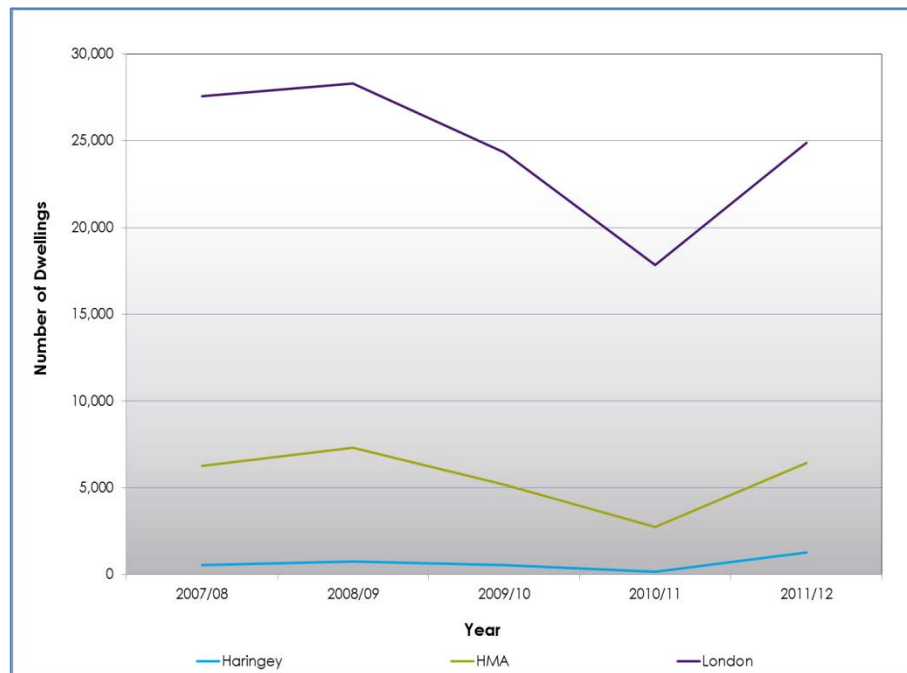


Source: Census, 2001 & 2011

- 3.11 The distribution of change in dwellings will reflect demand, development opportunity and the nature of existing stock.

Recent Completions

- 3.12 From 2007 – 2012 there have been a total of 3,250 net additional dwellings Haringey, which equates to an average annual rate over the period of 650 additional dwellings. This is reflected in Figure 13 below, which compares the trend for Haringey with that for the wider HMA and London.

Figure 13 - Net Additional Dwellings (2007 - 2012)

Source: *Housing Flows Reconciliation (HFR), GLA & Regional Assembly Joint Returns, 2012*

- 3.13 The completions levels are very different across these three areas given the size of the geography entailed, however there is close comparability between the HMA and London trends over time, with a downturn after 2008 and an upturn from 2010/11 onwards. Each of the three areas experience a dip in 2010/11, followed by an increase in the pace of completions. However, Haringey exhibits a more consistent overall trend across the five year period.

Dwelling Typology

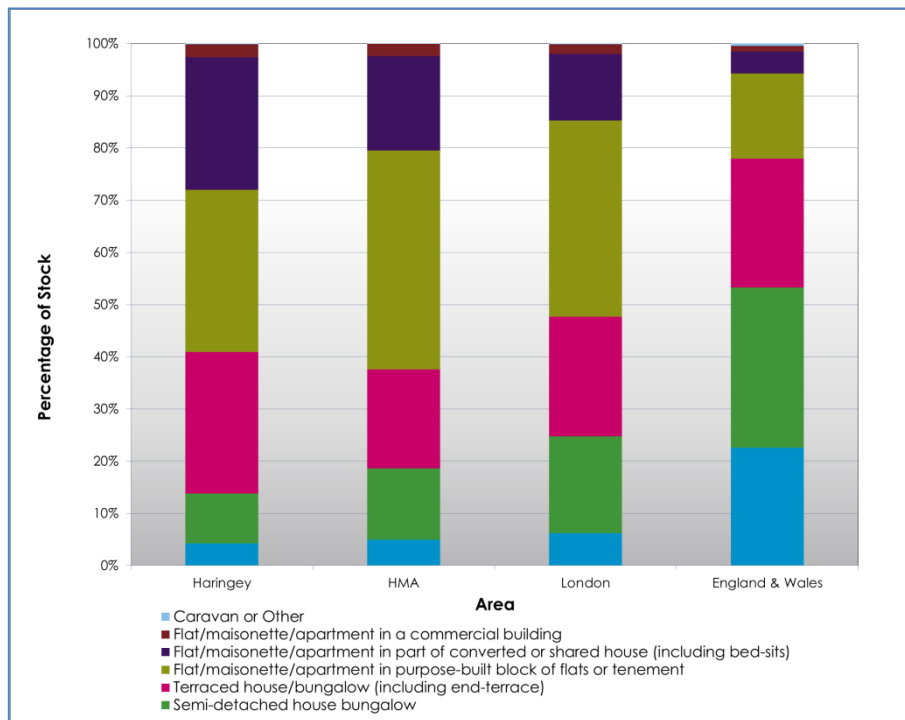
- 3.14 There is variation evident in the profile of dwelling types in Haringey compared with the HMA, London and England and Wales.
- 3.15 As demonstrated in Table 13 and Figure 14, there is a significantly higher percentage of terraced properties (8.2% higher) and flats in part of a converted or shared house (7.3% higher) in Haringey compared with the wider Housing Market Area. Whereas, the percentage of flats in purpose built blocks and semi-detached properties is lower (by 10.8% and 4.1% respectively). Within the Borough there are differences in typology, with larger house-based stock tending to be in the West of the Borough and purpose built flats concentrated in the East. The percentages of detached properties, flats in commercial buildings, and caravans and others are all much more closely aligned between Haringey and the wider HMA.

Table 13 - Dwelling Stock by Type (2011)

Wider Area	Detached	Semi-Detached	Terraced	Flats			Caravan or Other
				In purpose built block	Part of converted or shared house	In commercial building	
England & Wales	22.6	30.7	24.7	16.3	4.2	1.1	0.4
London	6.2	18.6	22.9	37.6	12.7	1.9	0.1
HMA	5	13.6	19.0	41.9	18.1	2.3	0.1
Haringey	4.3	9.5	27.2	31.1	25.4	2.5	0.1
HMA							
Haringey	4.3	9.5	27.2	31.1	25.4	2.5	0.1
Barnet	11.0	29.7	16.2	32.1	9.0	1.8	0.1
Camden	1.9	4.1	8.8	52.3	29.8	3.1	0.1
Enfield	7.0	23.5	31.1	30.3	6.6	1.5	0.1
Hackney	1.8	4.2	15.3	58.0	18.1	2.5	0.1
Islington	1.1	2.9	13.6	54.4	25.1	2.8	0.1
Haringey LHMA							
Muswell Hill, Alexandra, Fortis Green and Highgate	4.7	14.5	24.5	24.3	29.4	2.7	0.0
Crouch End, Hornsey and Stroud Green	1.6	5.4	18.8	30.3	41.0	2.8	0.0
Bounds Green, Woodside and Noel Park	4.5	9.7	28.9	33.1	21.7	2.1	0.1
Harringay and St Ann's	3.5	6.8	28.5	24.8	32.5	3.8	0.1
West Green and Bruce Grove	4.8	7.4	32.6	27.2	26.0	2.0	0.1
Tottenham Green, Tottenham Hale and Seven Sisters	5.4	8.1	30.2	38.9	14.8	2.5	0.1
White Hart Lane and Northumberland Park	6.0	13.6	30.9	40.0	7.5	1.8	0.2

Source: Census, 2011

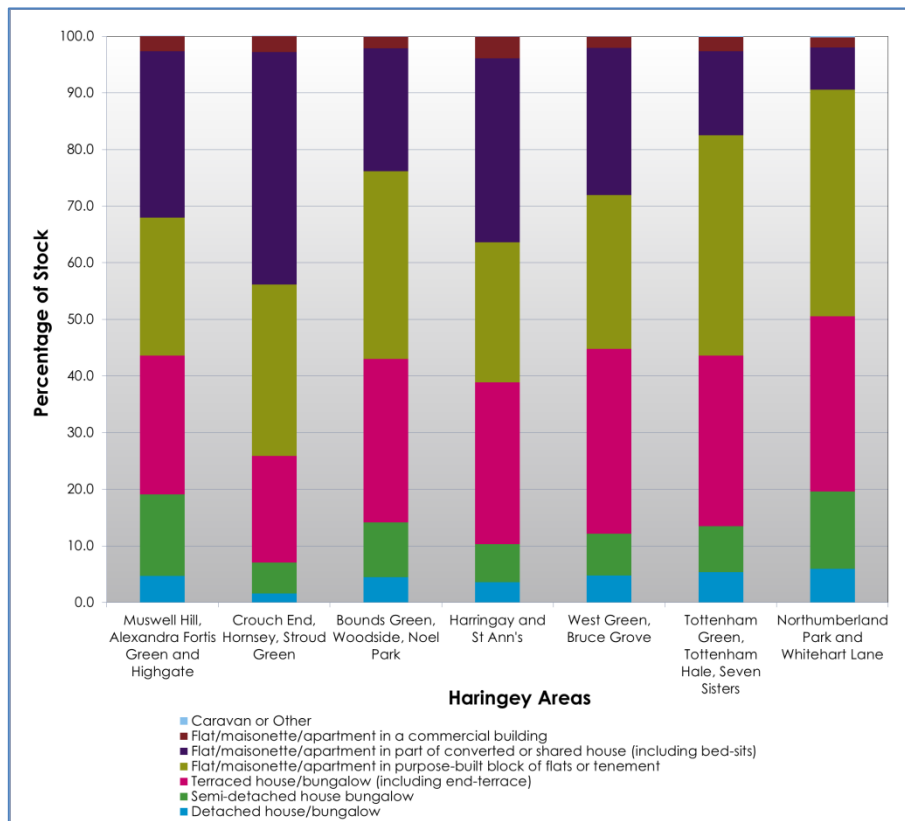
Figure 14 - Profile of Dwelling Stock by Type (2011)



Source: Census 2011

- 3.16 Within Haringey key distinctions are evident at the Local Housing Market Area, as demonstrated in Figure 15.
- 3.17 The proportion of purpose built blocks of flats is particularly large in Northumberland Park and Whitehart Lane (40%) and Tottenham and Seven Sisters (38%), compared with the lowest level of purpose built blocks of flats in Muswell Hill, Alexandra, Fortis Green and Highgate (24.3%). The proportion of flat conversions is particularly large in Crouch End, Hornsey and Stroud Green (41%), compared with the level in Whitehart Lane and Northumberland Park (only 7.5%).
- 3.18 Based on the 1,004 households in Haringey included in the Housing Needs Survey conducted as part of this Study, 45% of residents occupy terraced houses, 30% occupy flats/maisonettes and 17% occupy semi-detached houses. However, these proportions are slightly different from those using the Census data, incorporating the whole Borough.

Figure 15 - Profile of Dwelling Stock by Type for Local Housing Market Areas (2011)

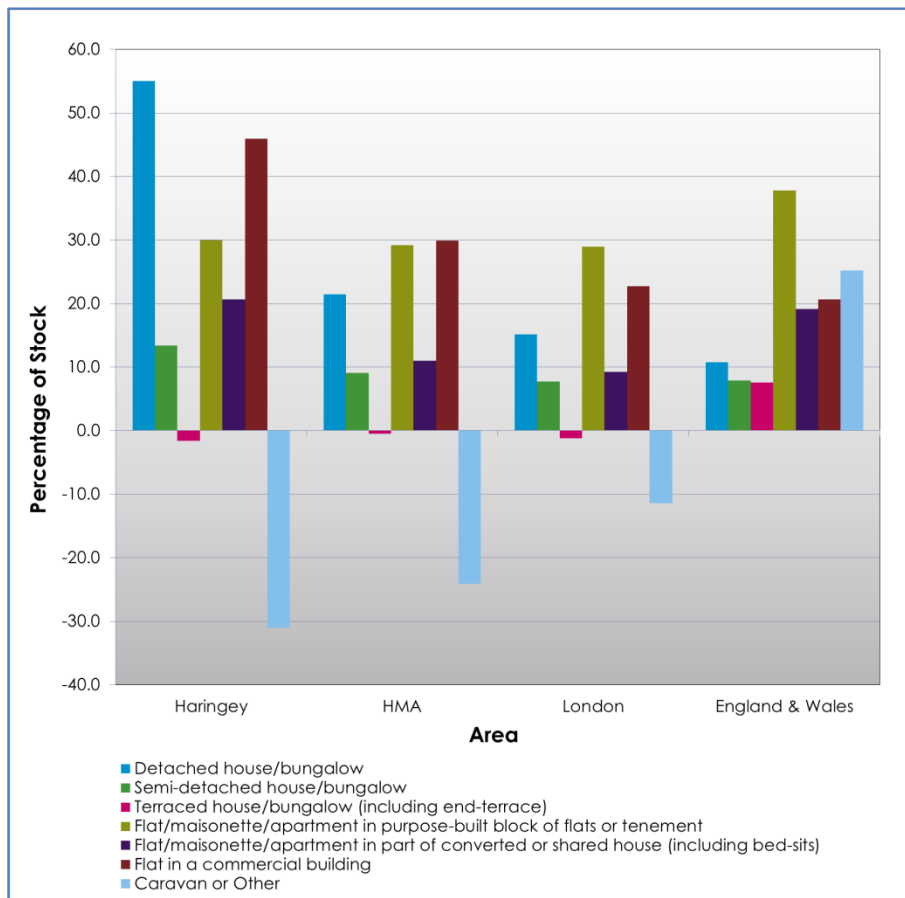


Source: Census 2011

Change in Stock Type

- 3.19 From 2001 – 2011 there have been some significant changes in the proportion of different stock types, particularly when compared with the changes in the wider HMA, London and England and Wales.
- 3.20 As demonstrated in Figure 16, the proportion of detached dwellings increased by 55%, from 2,915 in 2001 to 4,519 in 2011. This compared to a change of only 21.5% in the wider HMA for this dwelling type. Haringey also demonstrated a significant increase in flats in commercial buildings, by 46%, compared to 29.9% in the wider HMA, and in semi-detached dwellings, increasing by 13.4% compared to a 9.1% increase in the wider HMA.

Figure 16 - Percentage Change in Stock by Type (2001 - 2011)



Source: Census 2011

Property Size by Bedroom Number

- 3.21 The census provides information on the size of housing based on the number of bedrooms¹.
- 3.22 In Haringey, as shown in Table 14 and Figure 17, 2 bedroom stock has the highest representation, at 32.6% of total stock, followed by 27.2% for 1 bed units and 24.2% for 3 bed units. Only 5.7% of the total stock consists of 5 or more bedrooms.
- 3.23 This is comparable with the proportion of bedroom sizes within the wider HMA. The main differences between the Haringey and HMA proportions, and those in London, are a higher proportion of 1 bed units and lower proportion of 3 bed units.

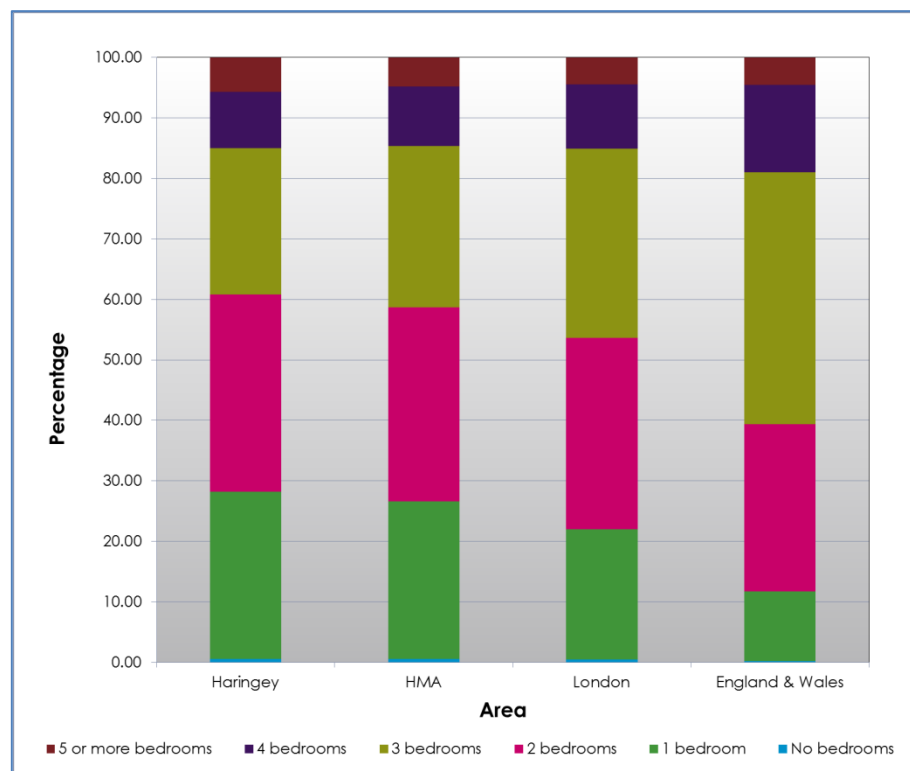
¹ Note: The census 2011 provides the following definition of bedrooms - A bedroom is defined as any room that was intended to be used as a bedroom when the property was built, or any room that has been permanently converted for use as a bedroom. It also includes all rooms intended for use as a bedroom even if not being used as a bedroom at the time of the census. Bedsits and studio flats are counted as having one bedroom.

Table 14 - Housing Stock by Number of Bedrooms (Percentage)

Area	No Bedrooms	1 Bed	2 Bed	3 Bed	4 Bed	5 Plus
England & Wales	0.2	11.5	27.6	41.6	14.4	4.6
London	0.4	21.6	31.6	31.3	10.7	4.4
HMA	0.5	26.1	32.1	26.6	9.9	4.8
Haringey	0.5	27.7	32.6	24.2	9.3	5.7

Source: Census 2011

Figure 17 - Dwelling Stock Profile by Number of Bedrooms



Source: Census 2011

3.24 Supplementing this secondary data on number of bedrooms with primary data from the Housing Needs Survey, 9% of respondents indicated that they do not think their home is adequate for the needs of their household. 62% cited their property being too small as the first reason for this, followed by 10% citing an insufficient number of bedrooms.

Quality of Stock

3.25 The quality of the housing stock in Haringey can be considered by using the percentage of households that have central heating as a very basic proxy to indicate the availability of modern facilities. Although not a perfect measure for all quality aspects, it is considered a standard indicator which can be used within Strategic Housing Market Assessments.

3.26 As Table 15 shows, by this measure, the overall quality of stock in the Borough is high, with 97% having central heating. This is only 0.2% lower than the proportion for the wider HMA

and London. Although there is slight variation in the proportion of stock with central heating in the Local Housing Market Areas, varying from 96.2% in Tottenham Green, Tottenham Hale and Seven Sisters, to 98.5% in Haringey and St Ann's, it does not raise any significant localised concerns over the basic quality of stock across the Borough.

Table 15 - Households With and Without Central Heating

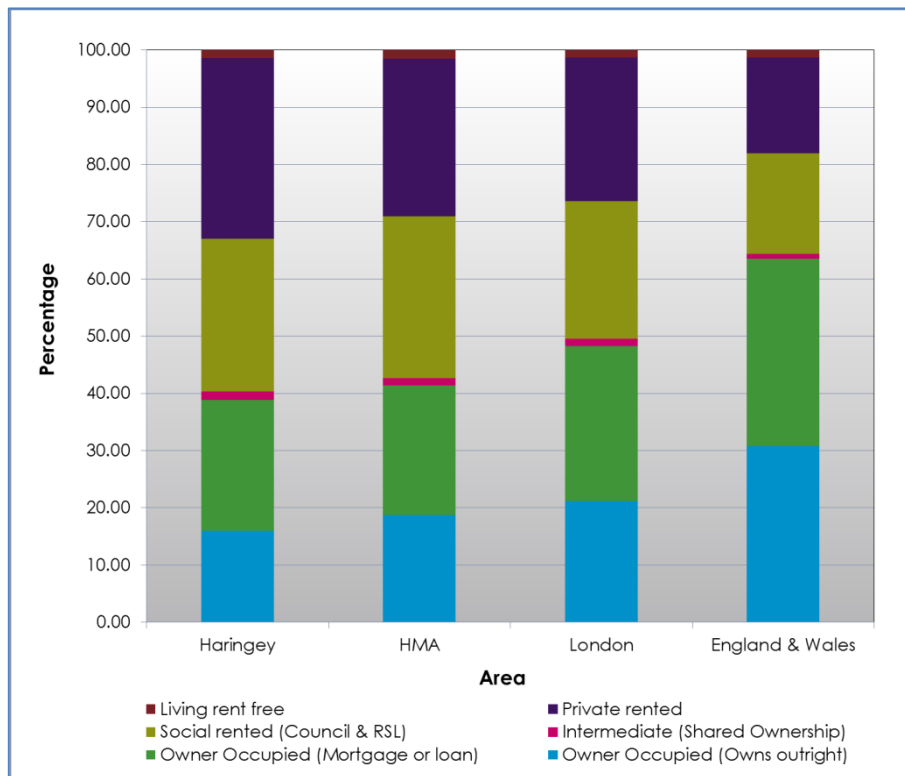
Area	Does Not have Central Heating (Number)	Does Not have Central Heating (%)	Does have Central Heating (Number)	Does have Central Heating (%)
England & Wales	624,095	2.7	22,741,949	97.3
London	92,411	2.8	3,173,762	97.2
HMA	18,417	2.8	632,150	97.2
Haringey	3,068	3.0	98,887	97.0
HMA				
Muswell Hill, Alexandra, Fortis Green and Highgate	626	3.2%	18,856	96.8%
Crouch End, Hornsey and Stroud Green	544	3.3%	16,150	96.7%
Bounds Green, Woodside and Noel Park	502	3.0%	16,387	97.0%
Haringey and St Ann's	275	1.5%	10,751	98.5%
West Green and Bruce Grove	249	2.3%	10,420	97.7%
Tottenham Green, Tottenham Hale and Seven Sisters	532	3.8%	16,219	96.2%
White Hart Lane and Northumberland Park	340	3.3%	10,104	96.7%

Source: Census 2011

Tenure

- 3.27 Based on the 2011 Census, approximately 39% of homes are Owner Occupied, 2% are Intermediate tenure (Shared Ownership), 27% are Social Rented (PRP and LA) and 32% are Private Rented. As shown in Figure 18, the tenure distribution is broadly similar to the wider HMA and London.
- 3.28 However, there is a 4% higher level of Private Rented Tenure in Haringey (32%) compared with the HMA (28%), and 2% lower level of Owner Occupation (39% compared to 41%).
- 3.29 While the housing market has been dynamic in recent years, this data does not suggest a major change in the tenure role and function within Haringey and the HMA.

Figure 18 - Dwelling Tenure Profile (2011)



Source: Census 2011

3.30 Considering resident satisfaction, the Housing Needs Survey identified that 5.9% of included residents are 'quite' or 'very' dissatisfied with their household tenure. Across the LHMA there was variation in this level, with the highest recorded level in Northumberland Park and Whitehart Lane (15.3%). This may relate to the survey's finding that this area had the lowest proportion of households owning their property on a mortgage or outright, at 37.6%. This compared to a proportion of 68% for the Borough overall, and a range from 52.9% (Tottenham and Seven Sisters) to 85.6% (Muswell Hill, Alexandra, Fortis Green and Highgate) for the other LHMA's. Crouch End, Hornsey and Stroud Green reported the highest level of satisfaction with their household tenure, at 95.5%, followed by Muswell Hill, Alexandra, Fortis Green and Highgate, at 94.1%

Vacancy

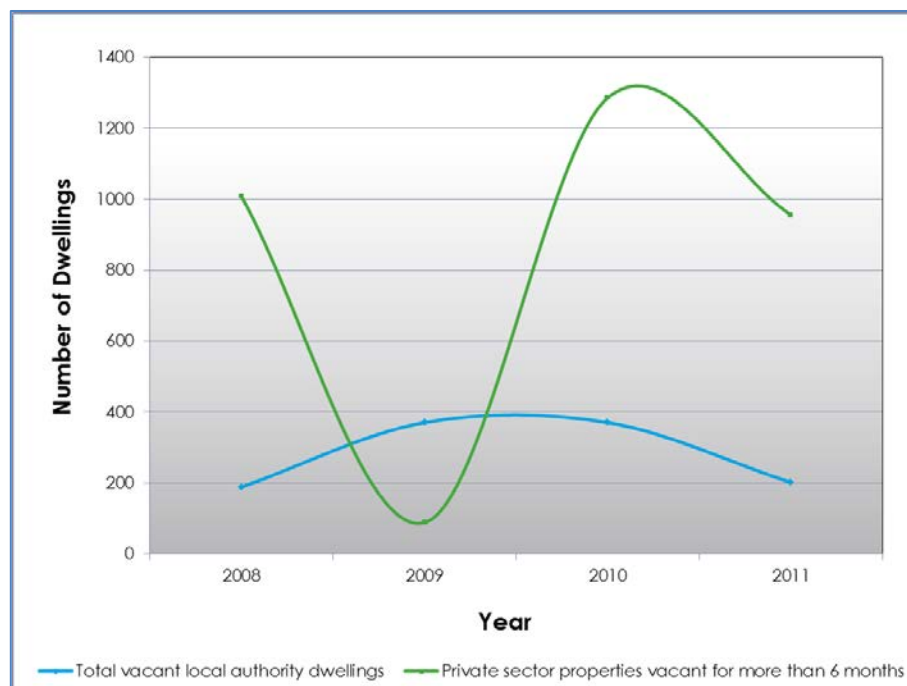
3.31 In relation to vacancy levels in Haringey, Haringey Council has indicated that its latest 2013 data suggests a vacancy rate of 1,597 units in the Borough. This equates to a level of 1.5% of total stock. It is indicated that 1,359 of these vacant units are private units and 238 are of social tenure.

3.32 The DCLG publish data on dwelling stock, which includes data on vacant dwellings drawn from several separate sources, including local authority housing statistics and the council tax

base. Figure 19 below, demonstrates how vacancy rates in Haringey have varied from 2008 – 2011 based on this data.

- 3.33 It shows that despite variation over the 3 year period, the private sector vacancy level has fallen slightly, from 1,008 to 956 homes, a reduction of approximately 5%, and Local Authority vacancy levels have increased by 13 homes, approximately 7%, although based on a small number of units. It is important to note that the 2009 private sector figure is noted as anomalous in the dataset. However, it does not change the overall difference in vacancy over the 3 year period.

Figure 19 - Haringey Vacancy Levels (2008 - 2011)



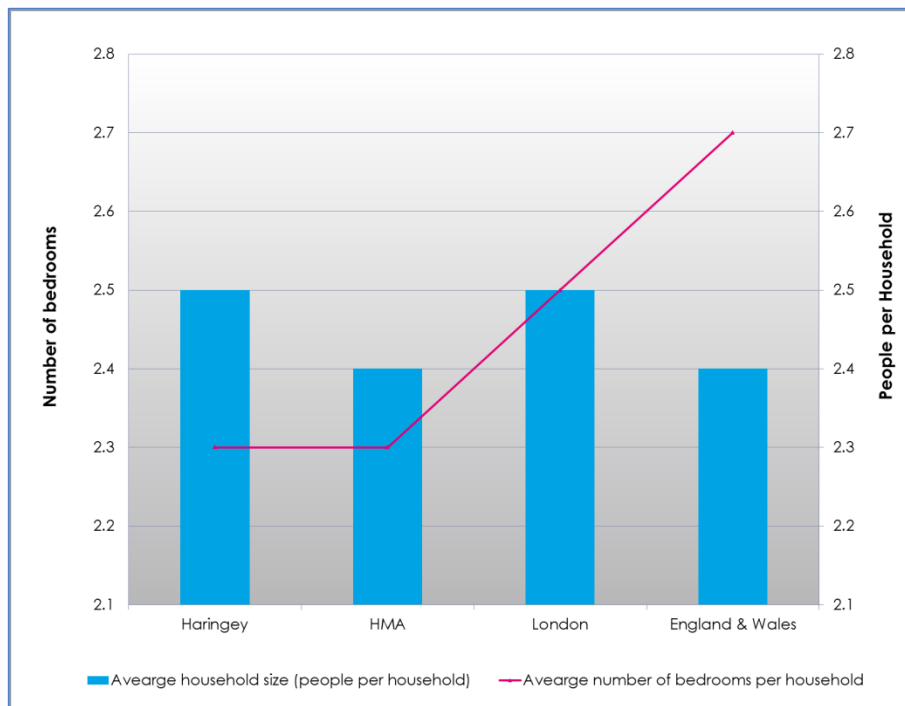
Source: DCLG, 2008 & 2009, HSSA, 2009, 2010 & 2011

Overcrowding

- 3.34 Occupancy rating provides a measure of whether a household's accommodation is overcrowded or under occupied. There are two measures of occupancy rating, one based on the number of rooms in a household's accommodation, and one based on the number of bedrooms. The ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement.

3.35 Figure 20 demonstrates a comparison between the average number of bedrooms and average number of people per household in Haringey, and other comparator areas. It is evident that Haringey and the wider HMA have a higher number of people per household than number of bedrooms, whereas the level is broadly aligned for London. For England and Wales the number of bedrooms is higher than the number of people.

Figure 20 - Average Number of Bedrooms and Household Size



Source: Census 2011

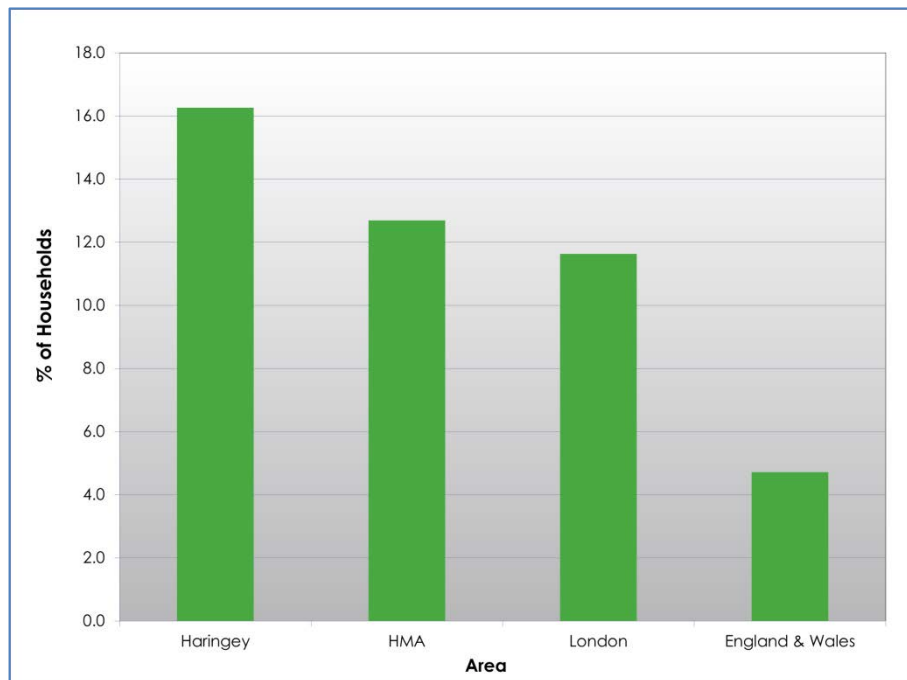
3.36 Occupancy rating data based on the number of rooms and bedrooms, is shown in Table 16, alongside average household size and number of rooms and bedrooms. To specifically consider overcrowding, Figure 21 then demonstrates the Occupancy Rating (Bedrooms) of -1 or less. This identifies where there are at least one too fewer bedrooms than required for a household based on its size.

Table 16 - Occupancy Ratings and Average Household Size (2011)

	Occupancy rating (rooms) of -1 or less	Occupancy rating (bedrooms) of -1 or less	Average household size	Average number of rooms per household	Average number of bedrooms per household
	Households (%)	Households (%)	Persons per household (No.)	Rooms per household (No.)	Bedrooms per household (No.)
England and Wales	8.5	4.7	2.4	5.4	2.7
London	21.7	11.6	2.5	4.7	2.5
HMA	25.7	12.7	2.4	4.4	2.3
Haringey	28.5	16.3	2.5	4.4	2.3
LHMA					
Muswell Hill, Alexandra, Fortis Green and Highgate	12%	8%	2.4	5.2	2.7
Crouch End, Hornsey and Stroud Green	14%	11%	2.2	4.3	2.2
Bounds Green, Woodside and Noel Park	19%	20%	2.5	4.2	2.2
Harringay and St Ann's	13%	13%	2.7	4.4	2.4
West Green and Bruce Grove	12%	13%	2.6	4.3	2.3
Tottenham Green, Tottenham Hale and Seven Sisters	19%	22%	2.6	4.2	2.2
White Hart Lane and Northumberland Park	12%	14%	2.7	4.3	2.3

Source: Census 2011

- 3.37 The occupancy rating for Haringey is approximately 16%, meaning that 16% of households in the Borough are at least one bedroom too short, and therefore considered to be overcrowded. This compares to approximately 13% for the wider HMA 12% for London.

Figure 21 - Occupancy Rating (Bedrooms) of -1 or Less

Source: Census 2011

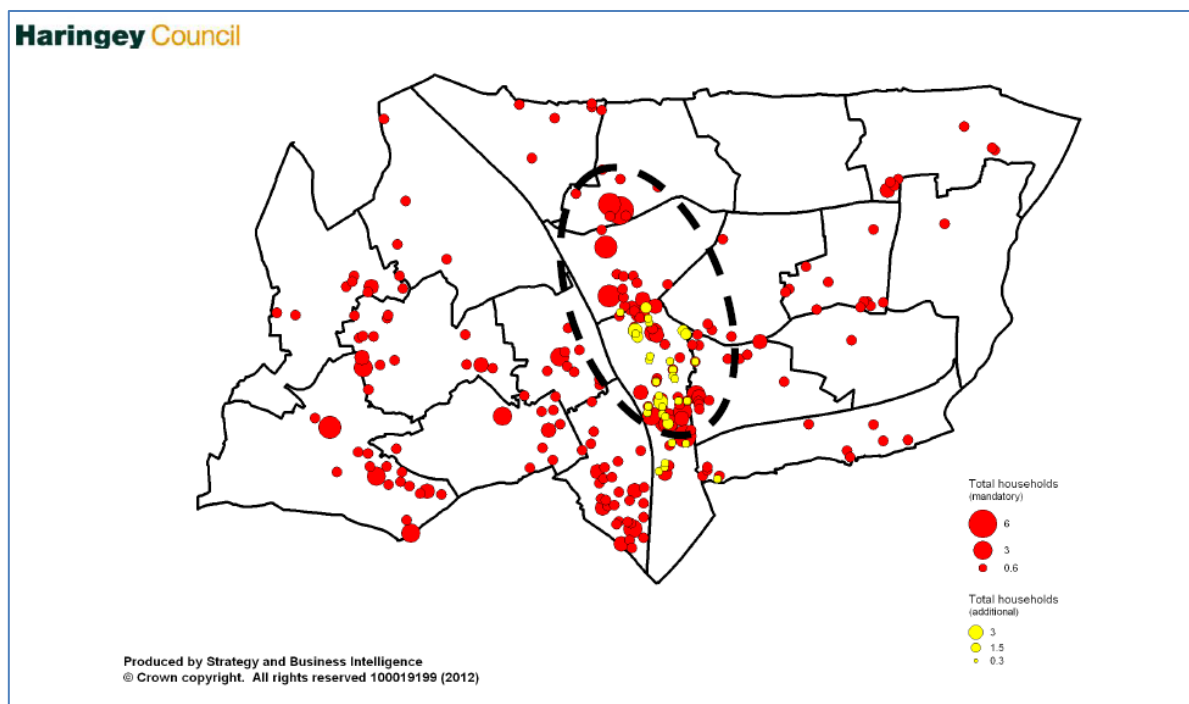
Houses in Multiple Occupation (HMO)

- 3.38 Data on dwellings, household spaces and accommodation type from the 2011 Census indicates that 25.4% (26,988) of Haringey households live in a flat/maisonette/apartment which is part of a converted or shared house (including bedsits). This is very similar to the proportion of 25.9% (24,539) that was observed in the 2001 Census. However, this figure does not solely capture multiple household occupancy. This number includes flats that may not be in multiple occupation.
- 3.39 Further information has been gathered through the Household Needs Survey. Of survey respondents, 5.6% indicated that they live in a HMO property. This proportion was particularly high in West Green and Bruce Grove (10.2%), and particularly low in Tottenham and Seven Sisters (2.3%) and Crouch End, Hornsey and Stroud Green (3.2%). This may reflect the distribution of private rented properties across the Borough as well as the nature of the built stock.
- 3.40 A research paper produced by Haringey Council in 2012² undertook baseline research into HMOs in Haringey, considering their quantum and spatial distribution, standards and impacts of their clustering. This partly focussed on licensed HMOs. It noted that general licensing is required under the Housing Act 2004 for HMOs which are 3 or more storeys and/or have 5 or more people sharing.

² Appendix 2: Haringey HMO and Planning Policy Development Research Paper, August 2012

- 3.41 The research paper indicates that there were 271 mandatory licensed properties in Haringey in July 2012, an increase of 16 (from 255) in 2011. However, this does not include HMOs which are defined as such by planning legislation (Housing Act 2004), but do not require mandatory licensing. Mandatory licensing is only required if above 3 storeys and with 5 or more people living there and sharing amenities.
- 3.42 The report provides a diagram (see Figure 22) which identifies geographic clustering of the Licensed HMO properties and “an over concentration of HMO accommodation in east Haringey” (page 18).

Figure 22 - Spatial Distribution of Licensed HMOs in Haringey under the 2004 Housing Act



Source: Haringey Council, 2012

- 3.43 In terms of housing standards, the report highlights that “*Housing in Multiple Occupation (HMOs) have been identified by the Council’s Housing Improvement Team as the subject of a disproportionately high level of complaints about private sector housing as a whole*” (page 9). 686 HMO related complaints were received from 2006 – July 2012, 222 of which were in the Harringay ward.
- 3.44 HMOs can play a role in providing lower cost accommodation and satisfying some of the increasing demand for smaller private rented properties. This is particularly driven in Haringey by the levels of inward migration. The impact of the welfare reforms add to demand further, as households look to Haringey as a more affordable alternative to higher cost locations. HMOs and house sharing can help to address the resultant increasing demand within the private rental sector. However, the report identifies issues of poor quality

and size standards of many HMOs in the Borough, and the concerns these properties create for neighbours. The report concludes that HMOs are not the most appropriate mechanism for addressing increasing private rental sector demand and meeting the Borough's housing targets.

3.45 Within its conclusions, the Council's research report recommended making an Article 4 Direction for East Haringey. This removes the permitted development rights for changing use from a C3 dwelling house to a C4 HMO, in order to control the impact of HMOs in these parts of the Borough. This was subsequently made on 30 November 2012, confirmed in October 2013 and came into force from 30 November 2013. It is applicable to Bounds Green, Bruce Grove, Harringay, Northumberland Park, Noel Park, St Ann's, Seven Sisters, Tottenham Green, Tottenham Hale, West Green, White Hart Lane and Woodside.

Key Findings

3.46 The purpose of this section has been to review housing trends across Haringey:

- Based on the 2011 Census Haringey has a population of 254,926, 101,955 households and 106,099 household spaces. This equates to 16% of the population, households and household spaces in the wider Housing Market Area.
- The total number of dwellings in Haringey has increased by 10,535 dwellings (11%) from 93,638 in 2001 to 104,173 in 2011. Particular growth was observed in the Bounds Green, Woodside and Noel Park Local Housing Market Area.
- From 2007 – 2012 there have been a total of 3,250 net additional dwellings Haringey, which equates to an average annual rate over the period of 650 additional dwellings.
- This may suggest an increase in sub-division as well as replacement of existing stock.
- Compared to the wider HMA, Haringey has a particularly high level of terraced properties and flat conversions, and a lower proportion of purpose built flats and semi-detached properties. Key distinctions are evident in these stock type distributions across different Local Housing Market Areas within Haringey.
- Considering changes in stock type from 2001 – 2011, the increase in detached properties and flats in commercial buildings has been significant in Haringey, compared with the HMA.
- Two bedroom properties make up the highest proportion of houses in Haringey, followed by 1 bedroom, then 3 bedroom properties. This is a very similar composition to the HMA.

- Despite minor variations across the LHMA's within Haringey, Haringey has a good overall basic quality of stock, based on the proxy of households with central heating.
- In terms of stock tenure, approximately 39% of households in Haringey are Owner Occupied, 2% are Intermediate tenure (Shared Ownership), 27% are Social Rented (PRP and LA) and 32% are Private Rented. This is comparable to the HMA and London
- There were 1,597 vacant units in the Borough in 2013 (1.5% of total stock), of which 1,359 (85%) were private and 238 (15%) were social tenure units.
- There are some overcrowding issues in Haringey, with 16% of households in the Borough being at least one bedroom short compared to their requirement based on size. Other indicators also highlight issues of overcrowding.

4. Demographic and Economic Trends

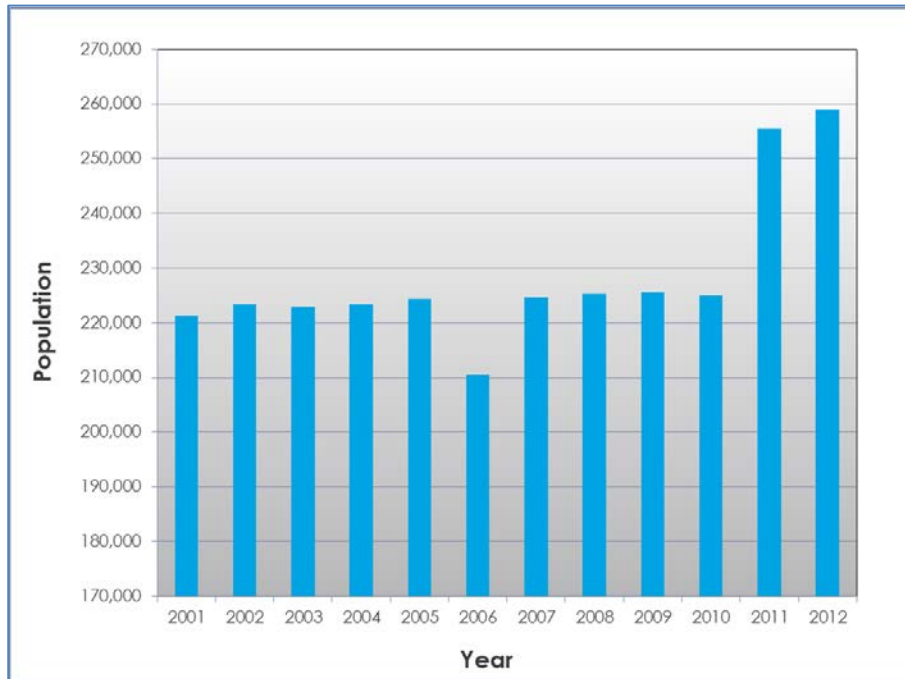
- 4.1 The changing demography (i.e. population, household size, age structure) of an area impacts strongly on the housing market and the type and quantity of housing required. This relationship between household composition and the housing stock represents a key driver in determining the balance between supply and demand. This section examines the demography of Haringey, and in some cases compares it to the wider Housing Market Area.
- 4.2 Economic performance is closely interrelated with the housing market, so an understanding of the relative economic performance of an area and the jobs that are available are major factors in attracting new households and increasing demand to live within an area. This also indicates the types of households that could move to an area and the potential income levels available to access housing. This section considers economic activity and occupation levels within Haringey, providing insight into the Haringey's economic performance. It is important to acknowledge the economic context of Haringey as a London Borough, which will be influenced by the wider economic performance of London.
- 4.3 Reviewing the key drivers of demand helps to build up a full understanding of how the housing market in Haringey operates.
- 4.4 The first step in the review of demographic trends is to establish the baseline population position, including the structure and size of the current population. This data is sourced directly from the 2011 census, which provides the most recent and robust count of population. The 2012 mid-year population estimates are also used in a supplementary manner, providing a slight update to the census data, however this data is not as robust. This step also incorporates consideration of the components of recent population change, in order to understand how the population is likely to change in the future. Following this, the baseline data for households is established, and Occupation Levels of the population are reviewed.

Population

- 4.5 The 2011 Census recorded a population in Haringey of 254,926. ONS Mid-year 2012 population estimates have updated this figure to 258,912. Taking the 258,912 figure, this reveals a growth of 37,661 people, 17%, since the 2001 Census. This equates to an annualised growth figure of 3,424 people.
- 4.6 Figure 23 below, demonstrates this change from 2001 – 2012 based on the mid-year 2012 estimate. The large re-alignment in the population level in 2011 was caused by the release

of the 2011 Census data and associated revisions to the estimated data over the preceding period. It suggests continuation of longer term growth trends.

Figure 23 - Haringey Population Change (2001 - 2012)



Source: ONS, 2012

- 4.7 Based on the 2011 Census data, the population change in the seven Local Housing Market Areas within Haringey is shown in Table 17. This indicates that Muswell Hill, Alexandra, Fortis Green and Highgate had the highest population levels in both 2001 and 2011 (41,995 and 46,699 respectively). This 2011 level constitutes approximately 18% of the Haringey's total population.
- 4.8 The Wood Green area has seen the highest rate of population growth in Haringey from 2001 – 2011, of 24%, followed by St Ann's and Harringay (21%) and Tottenham and Seven Sisters (20%). This suggests that these areas, all whose level of population growth was above 20%, could potentially feel particularly strong pressures from population growth over the plan period (to 2026). This is important to bear in mind, as it may increase housing pressures in these areas, depending on existing stock levels and their type and tenure.
- 4.9 By contrast, the lowest rate of growth was experienced in Muswell Hill, Alexandra, Fortis Green and Highgate. The level of growth from 2001 – 2011 was only 11%. Only 13% growth was evident in Northumberland Park and Whitehart Lane.

Table 17 - Population Change in LHMA's (2001 - 2011)

	2001 Population	2011 Population	Change	% Change
Muswell Hill, Alexandra, Fortis Green and Highgate	41,995	46,699	4,704	11%
Crouch End, Hornsey and Stroud Green	31,161	36,812	5,651	18%
Wood Green	33,878	42,178	8,300	24%
St Ann's and Haringay	23,128	27,910	4,782	21%
West Green and Bruce Grove	23,881	27,855	3,974	17%
Tottenham and Seven Sisters	37,873	45,612	7,739	20%
Northumberland Park and White Hart Lane	24,591	27,860	3,269	13%
Overall	216,507	254,926	38,419	18%

Source: Census, 2011

Age Structure

- 4.10 Haringey has a relatively young population, with 43% of the population below the age of 30, and 71% of the population below the age of 45.
- 4.11 There has been little change in the age distribution of the population between 2001 and 2011, as shown in Table 18. The 30-44 age group has retained the largest proportion, at 28% of the total population in both 2001 and 2011. The 60+ group has retained the smallest proportion, at 13% and 12% in 2001 and 2011 respectively. This is also shown in the population pyramid in Figure 24.
- 4.12 Considering the change in each age category over the 10 year period, the highest growth (34%) has been observed in the 45 – 59 age category. This compares with the lowest growth in the 60+ age category, of 9%.

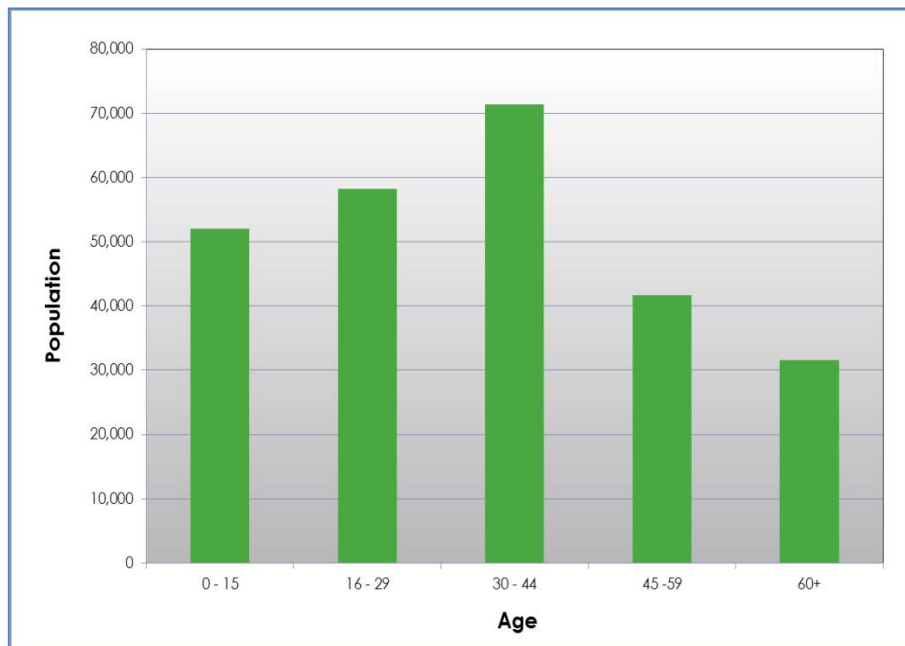
Table 18 - Haringey Population Age Distribution (2001 - 2011)

Age	2001	2001 (%)	2011	2011 (%)	Change	% Change
0-15	44,607	21%	52,070	20%	7,463	17%
16 - 29	51,991	24%	58,201	23%	6,210	12%
30 - 44	59,762	28%	71,358	28%	11,596	19%
45 - 59	31,155	14%	41,685	16%	10,530	34%
60+	28,996	13%	31,612	12%	2,616	9%
Total	216,511	100%	254,926	100%	38,415	18%

Source: Census, 2011

- 4.13 Focusing on the 2011 age distribution, Figure 24 demonstrates the age structure of the population discussed above. It also emphasises the relatively young nature of the Haringey population, with 43% of the population below the age of 30 and 71% below the age of 45.

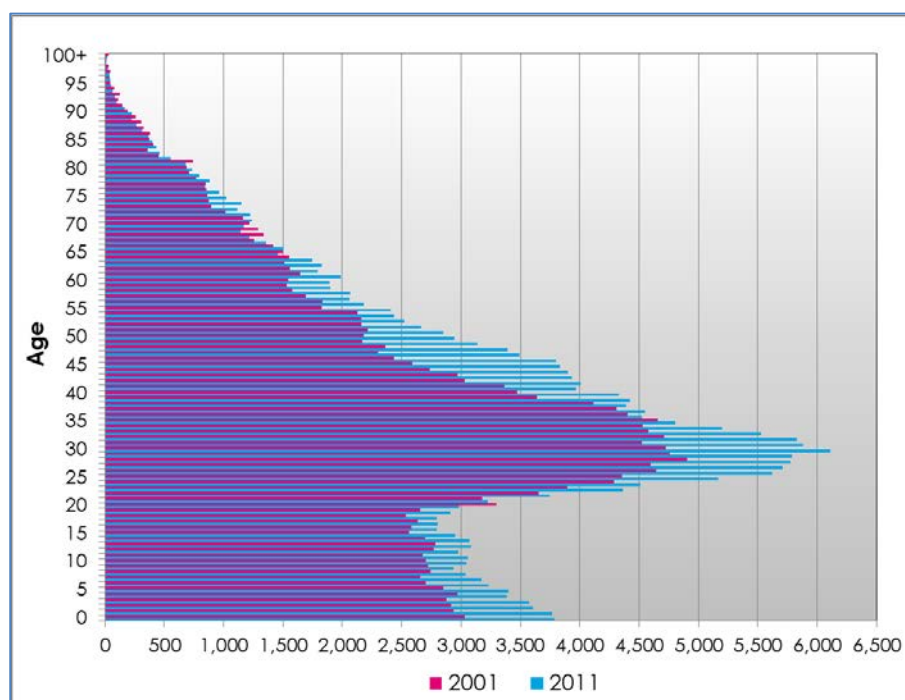
Figure 24 - Haringey Population Age Distribution (2011)



Source: Census, 2011

4.14 The impact of labour migration may explain the increased prominence of the proportion of the 30-44 age category within the population, shown in Figure 25. This will also influence the proportion of children in the population over time, because this is a fertile age group, who are likely to have children within Haringey. This group can also create specific demand for family housing, typically 2 & 3 bed units and larger, and can also put pressure on school places in the area.

Figure 25 - Haringey Population Pyramid (2001 - 2011)



Source: Census, 2011

4.15 Although there is a national trend towards an ageing population, this does not currently have a marked impact on the population’s age structure. However, this does not mean it will not prove significant in the future years over the plan period, bringing with it the potential for under-occupancy among older people with more bedrooms than required. This can exacerbate the pressure for family housing indicated above. Provision of more small units could provide more flexibility within stock for residents, allowing people to downsize and free up larger units for others.

Components of Change

4.16 Gross population change at a national level occurs as a result of two factors: a difference between the number of births and the number of deaths, and a difference between the number of people migrating into a country and the number migrating out of the country (net migration). Using the ONS Mid-year 2012 estimates, Figure 26 below sets out these components of change for Haringey.

4.17 Natural change accounted for 32,000 more people in Haringey over the period, while international migration accounted for 29,000 more people. However, internal UK migration accounted for a loss of 52,000 residents.

4.18 Natural change has remained fairly consistent in Haringey throughout the period. It is therefore evident that it is the balance between net internal and international migration that dictates the level of population change within the Borough.

Figure 26 - Haringey Components of Change Estimates (2001 - 2012)

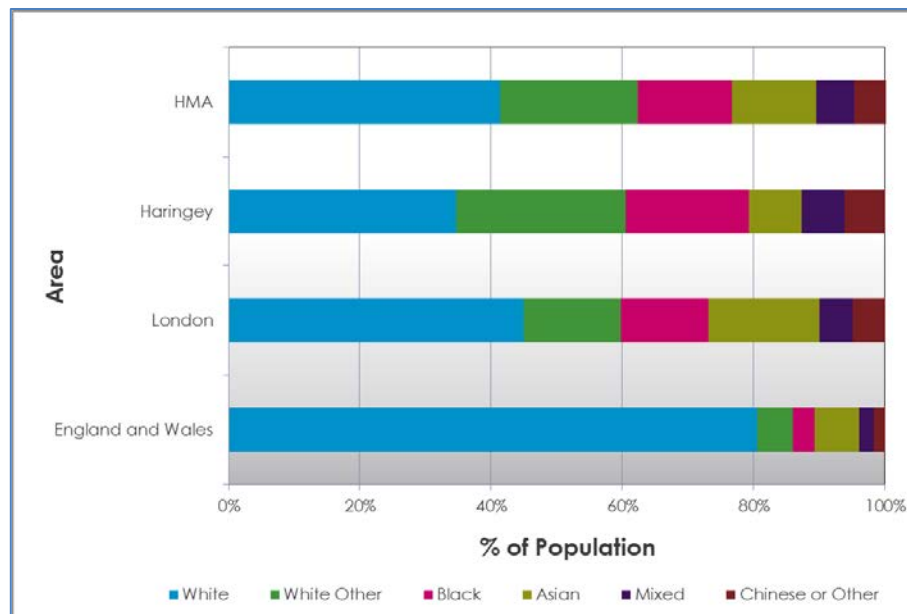


Source: ONS, 2012

Population and Ethnicity

- 4.19 As shown in Figure 27, the ethnic composition in Haringey exhibits some variation from the wider housing market area, and London and England and Wales. Only 35% of its population are White (6% lower than for the HMA), and the proportion of White and White Other makes up only 61% of the total (1% less than for the HMA). The Black proportion is higher than the HMA, London and England and Wales, with 19% compared to 14%, 13% and 3% respectively for the other areas. There is also a significantly lower proportion of the population who are Asian in Haringey (8%) compared to the HMA (13%) and London (17%).
- 4.20 Haringey has a long standing role as a destination of international migration, whether from the Republic of Ireland, the Mediterranean basin, the Caribbean, Africa and more recently from Eastern Europe.

Figure 27 - Population and Ethnicity (2011)



Source: Census, 2011

Households and Household Composition

- 4.21 The number of households in Haringey has grown from 92,170 in 2001, to 101,955 in 2011. This is a growth of approximately 9,785 (11%) over the ten year period.
- 4.22 As shown in Table 19, at the Local Housing Market Area level, Muswell Hill, Alexandra, Fortis Green and Highgate had the highest number of households in 2001 (18,500) and 2011 (19,482). St Ann's and Harringay had the lowest in 2001 (9,386) and the 3rd lowest in 2011 (10,913), West Green and Bruce Grove had the 2nd lowest in both 2001 (9,692) and 2011

(10,669), and Northumberland Park and White Hart Lane had the 3rd lowest in 2001 (9,758) and the lowest in 2011 (10,444).

4.23 Considering the change in households from 2001 – 2011, the largest rate of growth was seen in Wood Green, with an increase of 17%, followed by growth of 16% in St Ann’s and Haringay. This compares with an increase of only 5% in Muswell Hill, Alexandra, Fortis Green and Highgate, 7% in Northumberland Park and Whitehart Lane, and 9% in Tottenham and Seven Sisters.

4.24 Primary data from the Housing Needs Survey provides some insight into the internal moves. It indicates that for those who have been living in their current home in Haringey for less than 5 years, approximately 23% had moved there from another ward within Haringey. By contrast, this suggests that 77% had moved from outside the Borough.

Table 19 - Change in Households (2001 - 2011)

	2001 Households	2011 Households	Change	% Change
Muswell Hill, Alexandra, Fortis Green and Highgate	18,500	19,482	982	5%
Crouch End, Hornsey and Stroud Green	14,926	16,694	1,768	12%
Wood Green	14,479	16,889	2,410	17%
St Ann’s and Haringay	9,386	10,913	1,527	16%
West Green and Bruce Grove	9,692	10,669	977	10%
Tottenham and Seven Sisters	15,430	16,864	1,434	9%
Northumberland Park and White Hart Lane	9,758	10,444	686	7%
Overall	92,170	101,955	9,785	11%

Source: Census, 2011

4.25 In terms of household composition, considered in Table 20 and Table 21, Haringey has the same proportion of single person households and families with dependent children as the London region (32% and 31% respectively). This is 2% higher than the national level in both cases.

Table 20 - Household Composition Numbers (2001 & 2011)

2001	1 person household	Married/ Co-habiting couples Only	Single Parent Family	Families with Dependent Children	Students	Retirement age
England	6,150,264	9,170,270	1,934,878	6,022,751	79,143	4,848,302
London	1,046,888	1,104,157	335,964	872,911	14,034	555,266
Haringey	33,053	29,865	12,548	26,867	775	13,022
2011	1 person household	Married/ Co-habiting couples Only	Single Parent Family	Families with Dependent Children	Students	Retirement age
England	6,666,493	9,501,893	2,339,824	1,605,985	124,285	4,576,776
London	1,030,558	1,199,314	413,464	1,009,843	24,384	446,424
Haringey	32,524	34,189	15,342	31,983	551	10,732

Source: Census, 2001 & 2011

Table 21 - Household Composition Percentages (2001 & 2011)

2001	1 person household	Married/ Co-habiting couples Only	Single Parent Family	Families with Dependent Children	Students	Retirement age
England	30%	45%	9%	29%	0.4%	24%
London	35%	37%	11%	29%	0.5%	18%
Haringey	36%	32%	14%	29%	0.8%	14%
2011	1 person household	Married/ Co-habiting couples Only	Single Parent Family	Families with Dependent Children	Students	Retirement age
England	30%	43%	11%	29%	0.6%	21%
London	32%	37%	13%	31%	0.7%	14%
Haringey	32%	34%	15%	31%	0.5%	11%

Source: Census, 2001 & 2011

- 4.26 Between the 2001 and 2011 Census periods the national level of single person households and families with dependent children has remained constant. Regionally and within Haringey the proportion of single person households has decreased by 3% and 4% respectively. The proportion of households which are families with dependent children has increased by 2% at the regional and borough level.
- 4.27 Compared to a national proportion of 43% of households being married and co-habiting couples in 2011, London and Haringey both have lower proportions, with 37% and 34% respectively. This is a pattern that was also exhibited in the 2001 Census data.
- 4.28 Haringey exhibits a larger proportion of single parent households (15%) compared to the national and regional levels (11% and 13% respectively). Since 2001 these proportions have increased by 2 – 3%.

-
- 4.29 In actual 2011 numbers the 2011 Census recorded 551 student households within Haringey, where 775 were recorded in 2001. The reported proportion of households which were made up of students in Haringey in 2011 was 0.5%, a decrease from 0.8% in 2001. The 2011 proportion is 0.1% lower than the national and 0.2% lower than the regional levels. This is in contrast to 2001 where the proportion of student households in Haringey (0.8%) was double that of England (0.4%) and almost double that of London (0.5%).
- 4.30 There has been a noted reduction in the proportion of retirement age households between 2001 and 2011 at the national, regional and borough level by 3-4%. Within Haringey, 11% of households are of retirement age. This is lower than the proportion for London (by 3%) and England (by 10%).

Economic Activity and Occupation Levels

- 4.31 Understanding the local economy is important in considering how the housing offer will need to change to realise economic growth ambitions.
- 4.32 The economy of Haringey is influenced by its location as part of the North London region, exhibiting an outer London nature and characteristics in combination with some of the economic and employment challenges comparable to those faced in inner city locations. The Borough is influenced by its commuting connections with Westminster, the City and Stansted Airport, as well as its position within the London-Stansted-Cambridge-Peterborough Growth Area. Strong employment interactions with neighbouring Boroughs are also evident.
- 4.33 71.6% of residents within Haringey are economically active. Of this economically active proportion of the resident population, 14.9% work within the Local Authority area itself, and 23.4% work within the wider Housing Market Area. As shown earlier, a significant number work in Central London.
- 4.34 Occupation type and employment levels are an important consideration in relation to housing demand. The types of jobs available have an impact on the types of households which could move to the Borough, the income levels they would find available to access housing, and therefore their purchasing powers and ability to exercise choice in the housing market.
- 4.35 Table 22 shows the proportions of All Usual Residents within Haringey, who are aged between 16 – 74 and in employment, for each of the 9 occupation levels defined in the Census. The distribution of occupation levels between Haringey and the HMA are similar, with the most significant difference evident between the proportion in Elementary Occupations, 12%, in Haringey, compared to 9% in the HMA. However, significant variation

is evident in the proportions of different occupation levels in the Local Housing Market Areas within Haringey.

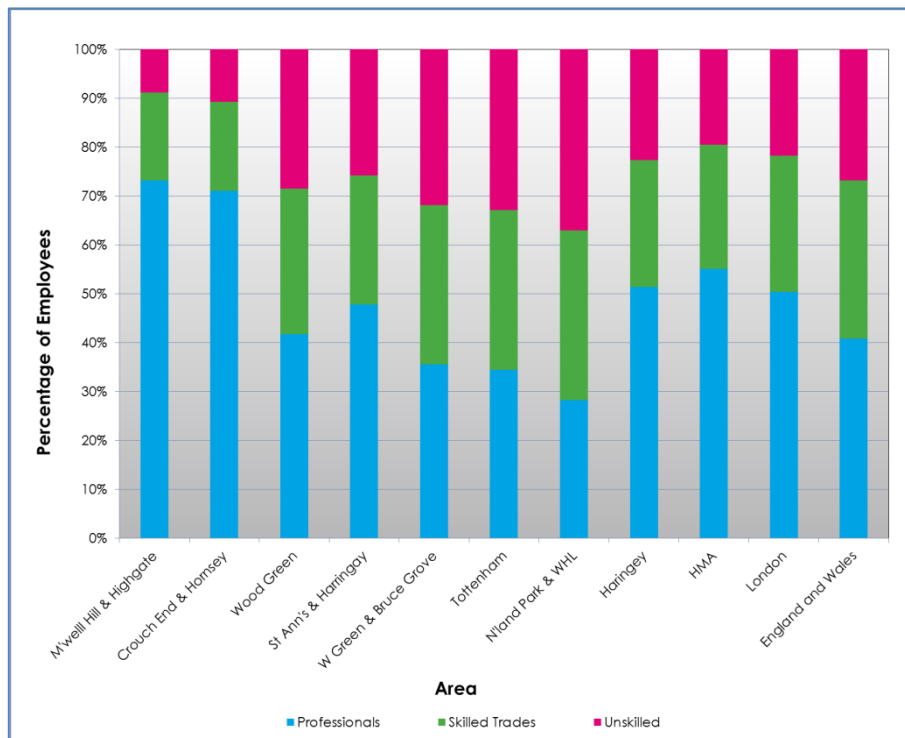
Table 22 - Occupational Level (2011)

	1. Managers, Directors & Senior Officials	2. Professional Occupations	3. Associate Professionals & Technical Occupations	4. Administrative & Secretarial Occupations	5. Skilled Trades Occupations	6. Caring, Leisure & Other Service Occupations	7. Sales and Customer Service Occupations	8. Process, Plant & machine Operatives	9. Elementary Occupations
Muswell Hill, Alexandra, Fortis Green and Highgate	15%	35%	24%	9%	4%	5%	3%	1%	4%
Crouch End, Hornsey and Stroud Green	13%	33%	25%	9%	4%	5%	4%	2%	5%
Wood Green	8%	19%	14%	10%	11%	8%	9%	5%	15%
St Ann's and Haringay	9%	22%	17%	9%	10%	7%	8%	4%	15%
West Green and Bruce Grove	7%	16%	12%	10%	12%	10%	8%	6%	18%
Tottenham and Seven Sisters	7%	16%	12%	10%	12%	10%	9%	6%	18%
Northumberland Park and White Hart Lane	6%	13%	9%	10%	12%	12%	10%	8%	19%
Haringey	10%	24%	17%	10%	9%	8%	7%	4%	12%
HMA	12%	26%	18%	10%	7%	8%	7%	4%	9%
London	12%	22%	16%	12%	8%	8%	7%	5%	10%
England and Wales	11%	17%	13%	11%	11%	9%	8%	7%	11%

Source: Census, 2011

- 4.36 Collating the 9 occupation levels above into 3 more general categories; professional (1-3), skilled trades (4-6) and unskilled trade (7-9), Figure 28 demonstrates a more informative occupation level split.
- 4.37 Muswell Hill, Alexandra, Fortis Green and Highgate and Crouch End, Hornsey and Stroud Green have the largest proportions of professionals (73% and 71% respectively). By contrast only 35% are in these categories in West Green and Bruce Grove or Tottenham and Seven Sisters, and only 28% in Northumberland Park and Whitehart Lane.

Figure 28 - Haringey Occupation Levels (2011)



Source: Census, 2011

4.38 Approximately half (51%) of Haringey’s employed population is within the highest three occupation levels. This is 5% lower than the proportion for the HMA, but 1% higher than the London level and 10% higher than the national level.

Bringing the Evidence Together

4.39 The purpose of this section has been to review demographic trends in Haringey to examine the key demographic drivers, in order to build up a full understanding of how its housing market operates. The key findings are as follows:

- The population in Haringey has grown by 33,675 people (15%) between the 2001 and 2011 Census. Based on the 2012 mid-year estimates a further 2% growth is observed since 2011, constituting 17% growth from 2001 – 2012. Within this, population growth in the Local Housing Market Areas has varied from 11% in Muswell Hill, Alexandra, Fortis Green and Highgate, to 24% in Wood Green.
- The Borough has a relatively young population, with 43% of the population below the age of 30, and 71% of the population below the age of 45.
- In terms of its age structure, Haringey has a high proportion of working age population, particularly the 30-44 age category, with 28% of the total population in 2011. This impacts on the proportion of children within the Borough, as it is a fertile age group. It has the potential to create pressure for school places, and family housing.

- Natural change among the resident population was the most significant source of growth. International migration was significant, but also outweighed by a net loss of population within the category of internal UK migration.
- The 2011 Census counted 101,955 households in the Borough, a growth of approximately 11% over the ten year period. At the Local Housing Market Area Level growth in households ranged from 5% in Muswell Hill, Alexandra, Fortis Green and Highgate, to 17% in Wood Green.
- Considering occupation levels, 51% of Haringey's employed population are categorised within a broad higher occupation group. Within the borough the proportion of this group is highest in Muswell Hill, Alexandra, Fortis Green and Highgate, and Crouch End, Hornsey and Stroud Green. LHMA's in the East of the Borough have a lower representation of these groups.

5. Housing Trends

5.1 This section examines the cost and affordability of housing across the housing market area. The review considers performance across:

- **The Owner Occupier Sector:** House price analysis, examination of the relative change in house prices and the current housing market, including a consideration of more affordable (low cost / lower quartile) elements of market housing, as well as a review of mortgage finance to identify the barriers to access for first time buyers;
- **Private Rented Sector:** Examination of rental levels of different components of the private rented sector, which forms an important component of the overall housing offer; and
- **Affordable Housing Sector:** Review of the changes in demand, as recorded through the waiting list for social rented properties within Haringey and an assessment of current average rental levels, including consideration of the 80% market rent levels.

5.2 The section concludes by considering the ability of households to access housing based upon analysis of income and housing costs.

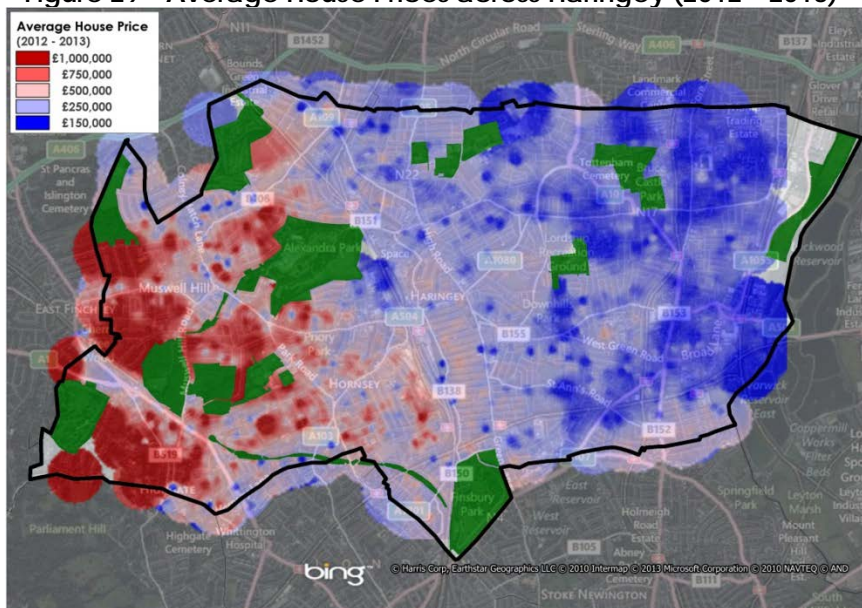
5.3 The section should also be read in conjunction with the housing data in The Current Housing Stock section.

The Owner Occupier Sector

5.4 Within Haringey, Figure 29 illustrates house prices from 2012 – 2013 across the borough. This heatmap shows the strong East-West difference across the borough, with the highest prices concentrated in the West and the lowest prices concentrated in the East. There is a large range, with £850,000 between highest and lowest recorded average home price values. The pattern does reflect variation in the nature of stock across the borough, as there is a significantly larger proportions of flats and small units in the East. However, when size of units is accounted for, there is still an identifiable difference in price.

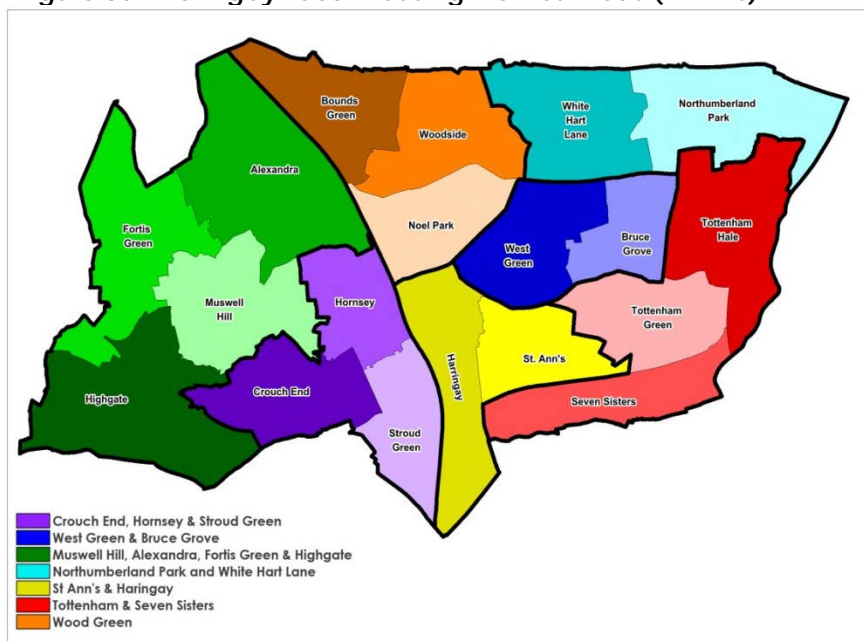
5.5 By using the Borough's own grouping of wards into Local Housing market areas, Figure 30, it is possible to identify high house price hotspots within Muswell Hill, Alexandra, Fortis Green and Highgate, and low house price locations within Northumberland Park and Whitehart Lane, Tottenham and Seven Sisters, and West Green and Bruce Grove areas.

Figure 29 - Average House Prices across Haringey (2012 - 2013)



Source: HMLR, 2012

Figure 30 - Haringey Local Housing Market Areas (LHMAs)



Source: GVA, 2013

House Price by Type of Property

- 5.6 In order to remove the impact of the housing stock, analysis of the relative values of each of the housing types has been undertaken. The overall average house price in Haringey is £418,326
- 5.7 Considering overall prices (including all house types) there is a range of £1,088,706 between the highest and lowest priced areas. The overall price in Muswell Hill, Alexandra, Fortis

Green and Highgate is £1,238,671, compared with an overall price of just £149,966 in Northumberland Park and Whitehart Lane.

- 5.8 The highest priced detached properties are found in Muswell Hill LHMA and the lowest in West Green/Tottenham HMAs.
- 5.9 The lowest priced semi-detached and terraced properties in the borough are found in the Northumberland Park and Whitehart Lane LHMA for £224,500 and £232,773 respectively and the highest priced in Muswell Hill, Alexandra, Fortis Green and Highgate for £1,032,019 and £941,444 respectively. The cheapest flats are found in Northumberland Park and Whitehart Lane for £142,590, and the most expensive are found in Muswell Hill, Alexandra, Fortis Green and Highgate for £373,420.

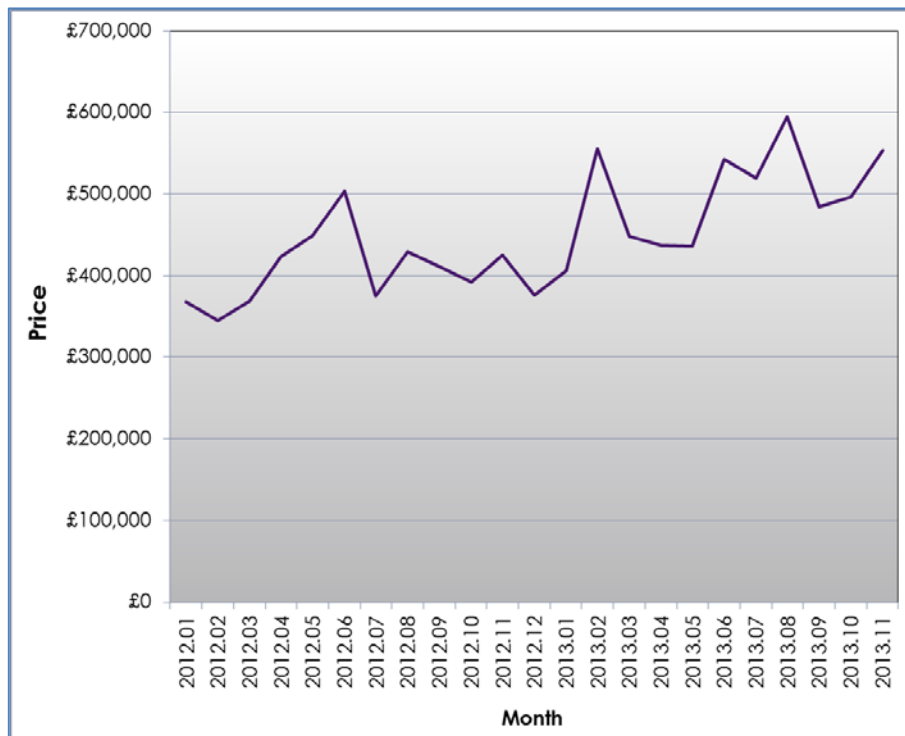
Table 23 - Average House Price by Location and Type

	Detached	Semi-Detached	Terraced	Flats	Overall
Haringey	£2,181,708	£787,136	£511,760	£298,445	£418,326
LHMA	Detached	Semi-Detached	Terraced	Flats	Overall
Muswell Hill, Alexandra, Fortis Green and Highgate	£2,607,801	£1,032,019	£941,444	£373,420	£1,238,671
Crouch End, Hornsey and Stroud Green	£1,370,045	£859,577	£747,775	£349,359	£831,689
Wood Green	£467,500	£458,898	£333,386	£216,024	£368,952
St Ann's and Harringay		£579,455	£420,373	£256,296	£314,031
West Green and Bruce Grove		£350,000	£304,744	£189,413	£211,039
Tottenham and Seven Sisters		£389,652	£306,793	£198,972	£223,854
Northumberland Park and Whitehart Lane		£224,500	£232,773	£142,590	£149,966

Source: Land Registry, 2013

- 5.10 Average house prices in Haringey over the period from January 2012 to November 2013 have increased by £185,339 overall. However, as demonstrated in Figure 31, they have fluctuated significantly throughout this period. Prices continued to increase over the last 3 months of the period, by a total of £69,185, reaching a level of £553,550 in November 2013.

Figure 31 - Haringey Average House Price (Jan 2012 - Nov 2013)



Source: Land Registry, 2013 & GVA, 2014

House Sales

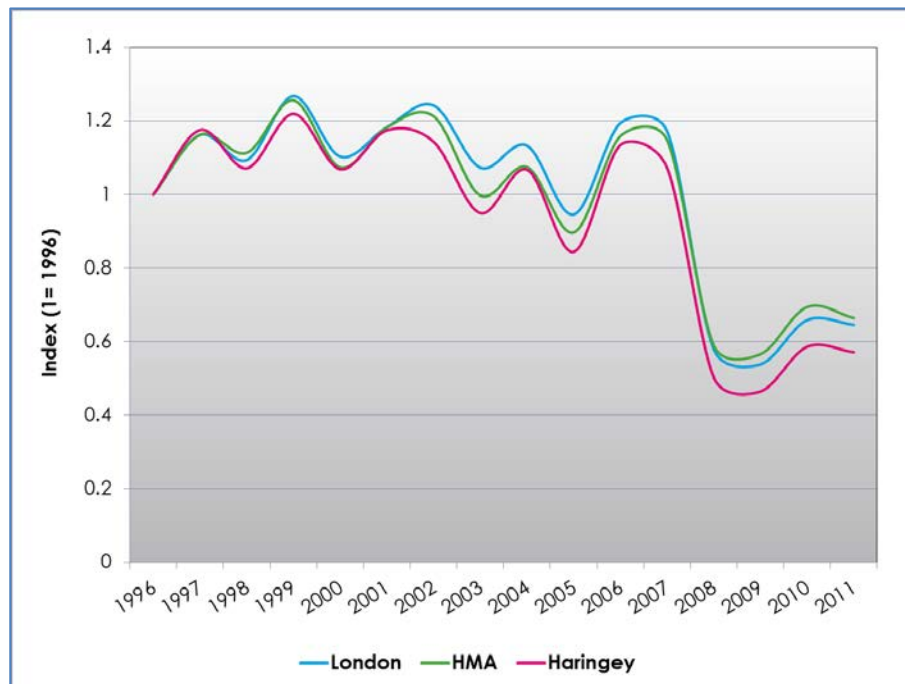
5.11 The number of house sales provides an indicator of market activity and buoyancy. The figures below show the number of house sales since 1996. There is a notable decline in sales since 2006. This reflects the downturn in the economy and clearly reflects economic conditions affecting demand for property.

Table 24 - Local Authority Home Transactions across Selected Years

	1996	2006 Peak	2009 Low	2011
London	139,496	166,578	74,977	89,988
HMA	24,640	28,546	13,934	16,353
Haringey	3,966	4,499	1,840	2,264

Source: DCLG Live table 588, 2012

Figure 32 - Indexed Levels of Transactions (1996 - 2011)



Source: DCLG Live table 588, 2012, GVA, 2014

- 5.12 It is also evident that the number of sales in Haringey fell further at a faster rate since 2008/9 than in the Housing Market Area and London.

Lower Quartile House Prices

- 5.13 The DCLG records the lower quartile house prices for each authority across the UK. The DCLG SHMA Guidance (August 2007) recommends that the lower quartile price of properties represents the lower levels of the housing market, and such properties should be considered to be those most likely to be able to be purchased by households on lower incomes or households entering the market for the first time.
- 5.14 Table 25 and Figure 33 illustrate lower quartile price trends between 1996 and 2011 for Haringey and the HMA alongside regional and national comparators; North London, Inner London, London and England and Wales.
- 5.15 In all areas lower quartile house prices have grown substantially since 1996. The most significant growth has been in Inner London, which is also the area with the highest 1996 and 2011 lower quartile prices. This is closely followed by lower quartile house price growth in Haringey (326%). The lower quartile house price growth for Haringey is 11% higher than for the HMA, however the gross 2011 price is £24,167 or 10% lower in Haringey than the HMA.

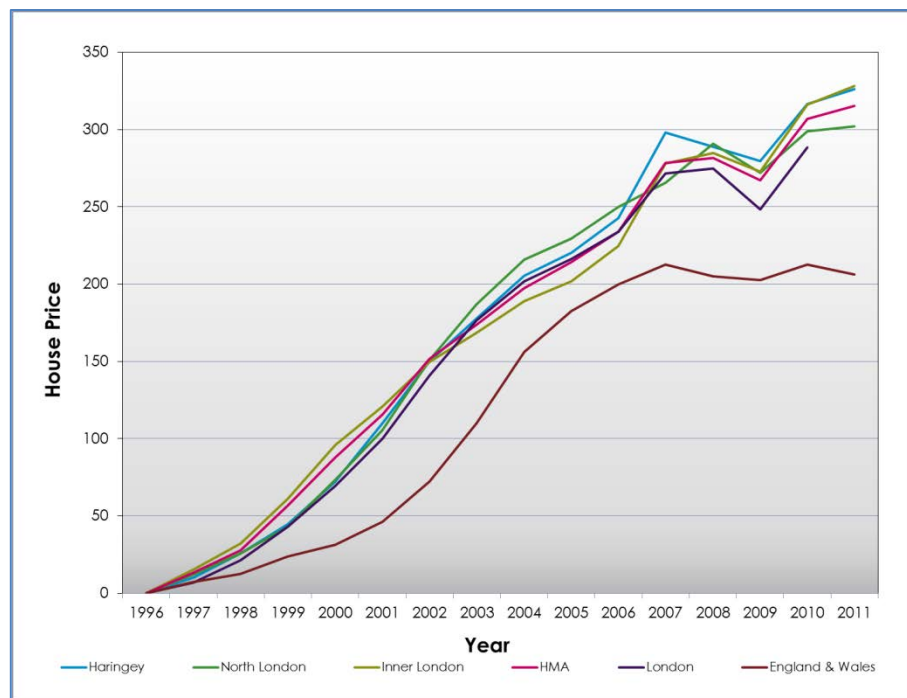
Table 25 - Lower Quartile House Prices by Local Authority

Area	1996	2011	% Change
England and Wales	40,000	122,500	206%
London	56,000	-	-
HMA	61,186	254,167	315%
North London	52,249	210,125	302%
Inner London	73,963	316,750	328%
Haringey	54,000	230,000	326%

Source: DCLG Live table 587, 2012

- 5.16 All London areas show significantly higher Lower Quartile house prices than the national level for England and Wales.
- 5.17 This contributes to growing relative affordability pressures faced in London compared with other parts of the country. This will influence affecting the level at which affordability and access to housing should be calculated.

Figure 33 - Percentage Increase in Lower Quartile House Prices from 1996 Base Year



Source: DCLG Live table 587, 2012

- 5.18 It should be noted that Lower Quartile prices for Haringey and North London fall into the broadly similar ranges as prices for flats in Wood Green, West Green and Tottenham LHMA.

Private Rented Sector

- 5.19 Nationally the private rented sector has undergone a period of significant expansion over recent years and now plays an important role in the operation of the housing market offering an alternative to owner-occupation and the social rented sector.

- 5.20 The growth in this sector has been the result of favourable investment conditions the lack of access to mortgages and a wider shift in attitude, particularly among young people, to seeing private rental property as a viable alternative to owner-occupied housing. This has also led to increased interest from institutional investors looking to build serviced rental accommodation.
- 5.21 Table 26 presents private monthly rental costs across England, London, the HMA and Haringey. It also shows a range of different rental indicators by bedroom size, with the Mean Average rent (an important link to the affordable rent product) compared to the upper, medium and lower quartile rental levels.
- 5.22 Concentrating on the average price for 2 and 3 bedroom properties as a reflection of a typical or standard unit, it is evident that the cost of renting in Haringey (£1,417) is slightly below that of the rest of the housing market area (£1,642) and London (£1,555). However, it is still significantly higher than the national average monthly rent level (£709).
- 5.23 When considering the Lower Quartile rent levels, the cost of renting in Haringey (£1,155) is below that in the HMA (£1,355), but is above that of London (£1,078) and significantly above the national level (£504). This is a significant factor for both borough residents or those from across the HMA wishing to access the entry level of the housing market in Haringey, the HMA and London.

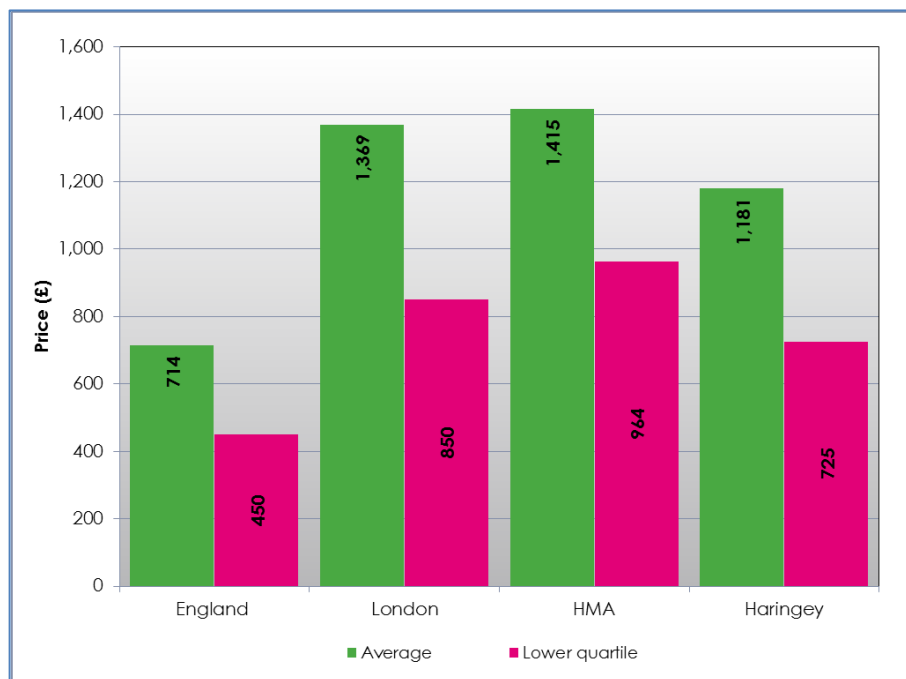
Table 26 - Private Monthly Rental Levels (2012)

All					
	Count of rents	Mean Average	Lower quartile	Median	Upper quartile
England	474,674	714	450	575	795
London	55,318	1,369	850	1,196	1,600
HMA	11,661	1,415	964	1,293	1,678
Haringey	1,496	1,181	725	1,100	1,473
1 Bedroom					
England	80,528	603	410	500	650
London	14,242	1,131	823	1,040	1,343
HMA	3,210	1,155	974	1,133	1,295
Haringey	365	1,036	825	1,040	1,192
2 Bedroom					
England	183,246	672	475	575	725
London	18,958	1,445	1,025	1,300	1,647
HMA	3807	1510	1260	1456	1674
Haringey	410	1,339	1,100	1,300	1,517
3 Bedroom					
England	113,474	770	550	650	825
London	8,127	1,811	1,200	1,500	2,058
HMA	1548	1965	1589	1841	2159
Haringey	115	1,695	1,350	1,647	1,950
4 Bedroom					
England	43,436	1,350	800	1,100	1,575
London	4,187	2,725	1,699	2,250	3,033
HMA	908	2,731	2,060	2,426	2,980
Haringey	158	2,400	1,800	2,243	2,860
2 & 3 Bedroom					
England	296720	709	504	604	763
London	35212	1555	1078	1360	1770
HMA	4715	1642	1355	1567	1814
Haringey	525	1417	1155	1376	1612

Source: ONS 2013

5.25 Comparison of the average and Lower Quartile monthly rent levels is also presented in Figure 34.

Figure 34 - Private Monthly Rental Levels (Average and Lower Quartile)



Source: ONS 2013

Advertised Rental Values and Purchase Prices

- 5.26 To supplement Land Registry house price and ONS private rental values from 2012 and 2013, advertised rents and prices from Zoopla are collated to better understand the current market position. This is generally considered to be one of the more comprehensive market driven sources of sales information.
- 5.27 Table 27 shows advertised rental values for 1, 2 and 3 bedroom flats in Haringey districts In February 2014. These prices are compared with those in four neighbouring areas; Walthamstow in LB Waltham Forest (East), Finchley in LB Barnet (West), Highbury in LB Islington (South), and Arnos Grove in LB Enfield (North). Average values are also shown for comparison.
- 5.28 Haringey, Tottenham Green & Tottenham Hale and Northumberland Park & Whitehart Lane have the joint lowest 1 bed flat rental value (£900 pcm) and Northumberland Park & Whitehart Lane has the lowest 2 bed and 3 bed flat rental values (£996 and £1,100 respectively). Highgate has the highest rental values for 1 bed, 2 bed and 3 bed flats (£1,213, £2,015 and £2,383 respectively).
- 5.29 Comparison of the average rental value for each area shows that Highbury is the highest priced rental area, followed by Haringey. Finchley and Arnos Grove are very similar, with the third and fourth highest prices respectively. The lowest rental prices are found in Walthamstow.

5.30 This simple comparison of advertised rental values, based on four local comparator areas, demonstrates that if displaced from Haringey by increasing rents, residents could look to more affordable areas to the North, East and West of the Borough.

Table 27 - Advertised Rental Values pcm (February 2014)

Haringey Areas	1 bed flat (£ pcm)	2 bed flat (£ pcm)	3 bed flat (£ pcm)
Muswell Hill	1,192	1,647	1,998
Alexandra	953	1,450	-
Fortis Green	1,105	1,950	-
Highgate	1,213	2,015	2,383
Crouch End	1,148	1,590	1,668
Hornsey	997	1,408	1,516
Stroud Green	1,170	1,625	1,900
Bounds Green	1,000	1,250	1,348
Woodside	949	1,196	1,450
Noel Park	1,000	1,250	1,650
Harringay	1,100	1,213	1,560
St Ann's	1,127	1,200	1,450
West Green	950	1,200	1,599
Bruce Grove	1,127	1,170	-
Tottenham Green & Tottenham Hale	900	1,023	1,250
Seven Sisters	950	1,192	1,250
Northumberland Park & Whitehart Lane	900	996	1,100
Average	1,046	1,375	1,580
Walthamstow Areas			
Hoe Street	850	1,096	1,600
Priory & Cedars Avenue	897	1,096	1,300
Forest Road	850	1,000	1,100
Average	866	1064	1333
Finchley Areas			
High Road	1,040	1,200	1,517
Ballards Lane	975	1,170	1,387
East End Road	910	1,387	1,473
Average	975	1,252	1,459
Highbury Areas			
Highbury Park	1,408	1,820	2,492
Green Lanes	1,300	1,800	4,312
Gillespie Road	1,343	1,733	3,445
Average	1,350	1,784	3,416
Arnos Grove Areas			
Bowes Road	900	1,100	1,250
Springfield Road	1,050	1,148	1,600
Palmers Road	-	1,200	1,350
Average	975	1,149	1,400

Source: Zoopla, 2014

5.31 The same analysis is undertaken for advertised purchase prices in Haringey, Walthamstow, Finchley, Highbury and Arnos Grove, shown in Table 28.

- 5.32 Within Haringey, Bruce Grove has the lowest priced 1 bed and 3 bed flats (£159,950 and £219,995) and Northumberland Park and Whitehart Lane has the lowest priced 2 bed flat (£195,000). Highgate has the highest priced 1 bed and 2 bed flat (£425,000 and £625,000 respectively) and Crouch End has the highest priced 3 bed flat (£750,000).
- 5.33 Comparison of the average prices for each area shows that Highbury is also the highest priced purchase area, followed by Haringey and Finchley which are very closely aligned. The lowest prices are found in Walthamstow and Arnos Grove.
- 5.34 Based on the four local comparator areas, this may suggest that if purchasing a property is unaffordable within Haringey, people may look to areas like Walthamstow and Arnos Grove, to the East and North of the Borough respectively. However, the private housing market is highly dynamic at present, with, for example, prices rising rapidly in Walthamstow as households relocate from inner east London and take advantage of improved Victoria Line connections.

Table 28 - Advertised Prices (February 2014)

Haringey Areas	1 bed flat (£)	2 bed flat (£)	3 bed flat (£)
Muswell Hill	280,000	525,000	1,295,000
Alexandra	320,000	475,000	675,000
Fortis Green	249,000	499,950	-
Highgate	425,000	625,000	700,000
Crouch End	375,000	599,950	750,000
Hornsey	269,950	425,000	450,000
Stroud Green	410,000	500,000	650,000
Bounds Green	264,950	319,000	-
Woodside	280,000	275,000	350,000
Noel Park	169,950	299,950	390,000
Harringay	200,000	450,000	-
St Ann's	200,000	255,000	300,000
West Green	174,950	290,000	239,950
Bruce Grove	159,950	220,000	219,995
Tottenham Green & Tottenham Hale	199,995	239,995	315,00
Seven Sisters	175,000	199,950	249,950
Northumberland Park & Whitehart Lane	169,999	195,000	285,000
Average	254,338	376,106	504,223
Walthamstow Areas			
Hoe Street	170,000	300,000	204,995
Priory & Cedars Avenue	250,000	300,000	325,000
Forest Road	250,000	275,000	-
Average	223,333	291,667	264,998
Finchley Areas			
High Road	-	499,950	825,000
Ballards Lane	-	350,000	499,000
East End Road	249,000	289,950	365,000
Average	249,000	379,967	563,000
Highbury Areas			
Highbury Park	325,000	725,000	825,000
Green Lanes	249,950	499,995	-
Gillespie Road	320,000	380,000	825,000
Average	298,317	534,998	825,000
Arnos Grove Areas			
Bowes Road	200,000	285,000	-
Springfield Road	220,000	299,995	-
Palmers Road	225,000	279,950	360,000
Average	215,000	288,315	360,000

Source: Zoopla, 2014

Letting Agents Consultation

5.35 As part of researching private rental trends, fifteen letting agents were consulted across a range of Local Housing Market Areas within the Borough. The following agents were consulted:

- **Bairstow Eves** (Muswell Hill);

-
- **Martyn Gerrard** (Muswell Hill);
 - **Tatlers** (Muswell Hill);
 - **Castles Estate Agents** (Hornsey);
 - **Greene & Co.** (Crouch End);
 - **Litchfields** (Crouch End);
 - **Wilkinson Byrne** (Bounds Green);
 - **WJ Meade** (Wood Green);
 - **Easy Properties (London) Ltd.** (Wood Green);
 - **Anthony Pepe & Co.** (Haringay);
 - **Brian Thomas Estate Agents** (Green Lanes);
 - **Winkworths** (Haringay);
 - **Ellis and Co.** (Tottenham);
 - **Kings Group** (Tottenham); and
 - **Cousins Estate Agents** (South Tottenham).

5.36 The consultation sought to understand the monthly rental costs across the Borough by size of property (number of bedrooms), and the demographic profile of tenants in the private rented sector.

5.37 As Table 29 shows, there are significant differences in the costs of rental properties across the Borough, reinforcing the finding of East-West polarisation identified from average house prices. The agents were asked to provide an average rental price for a typical home for each property size by bedroom number in their lettings area. Rent figures for five of the seven Local Housing Market Areas are presented, each of which are based on consultation with at least three agents. West Green and Bruce Grove and Northumberland Park and Whitehart Lane are not identified separately; however there is crossover between agents' letting areas so these areas are still covered. The rents given by the agents are averaged and rounded to the nearest £10.

5.38 Table 29 also shows the difference in the minimum and maximum rent levels identified for each property size, to help understand the variation within areas.

Table 29 - Rounded Mean Average Rental Costs in Haringey (2014)

Area	1 Bed Flat	2 Bed Flat	3 Bed Flat	2 Bed House	3 Bed House	4 Bed House
Muswell Hill, Alexandra, Fortis Green and Highgate	£1,360	£1,360	£1,740	£1,340	£1,870	£2,300
Crouch End, Hornsey and Stroud Green	£1,130	£1,400	£1,900	£1,480	£2,100	£2,900
Bounds Green, Woodside and Noel Park	£960	£1,210	£1,600	n/a	£1,540	£1,830
Harringay and St Anns	£990	£1,290	£1,700	£1,380	£1,720	£2,270
Tottenham Green, Tottenham Hale and Seven Sisters	£890	£1,130	£1,330	£1,350	£1,480	£1,900
Min.	£890	£1,130	£1,330	£1,340	£1,480	£1,830
Max.	£1,360	£1,400	£1,900	£1,480	£2,100	£2,900
Difference	£470	£270	£570	£140	£620	£1,070
Difference (%)	53%	24%	43%	10%	42%	58%
Difference per bedroom	£470	£135	£190	£70	£207	£268

Source: GVA and Local Estate Agent Surveys, 2014

- 5.39 Muswell Hill Alexandra, Fortis Green and Highgate, and Crouch End, Hornsey and Stroud Green are the higher rental value LHMA's. Tottenham Green, Tottenham Hale and Seven Sisters is the LHMA with the lowest rental costs.
- 5.40 The widest differences between different LHMA's in the borough are found in the four bedroom house and one bedroom flat rental market, where the maximum cost identified by agents is over 50% more than the minimum. The closest range between maximum and minimum identified costs is for the 2 bedroom house market, at 10%.
- 5.41 According to the agents, generally the highest demand is for 1 and 2 bedroom properties across the borough. 3 and 4 bedroom properties are identified as being in high demand specifically in Crouch End and Harringay to provide for families. In Wood Green seasonal variation is identified in bedroom requirements. Larger properties with 4+ bedrooms are sought by students in the summer, which is likely to be in preparation for the start of term. 1 bedroom properties are in highest general demand in the winter.
- 5.42 Agents were asked to provide an indication of the average age of tenants, their marital status (single people, couples or families) and where they lived previously, as well as comment on general trends and significant features within the private rental market. The following paragraphs identify the key points raised.

Age Groups

- 5.43 A wide range of ages are evident among tenants within Haringey, however specific age groups are more common in certain LHMA's. Several agents from Muswell Hill and Crouch End identified a predominance of tenants in their 30s (up to around 45), with fewer young professionals looking in these areas. This reflects the Borough's East-West polarisation, with higher rental costs, a less connected nature considering proximity to tube and train stations (therefore with greater reliance on car use), and better location for school catchment areas than in the East of the Borough. An agent in Wood Green also identified the 30-40 age group as being prominent, with many family tenants. In contrast, other agents from Wood Green, Bounds Green, Haringay and Tottenham, identified a predominance of young professionals in their 20s - 30s, as well as students (18-23) during summer months.

Marital Status

- 5.44 There is also substantial variation evident in marital status, yet specific groups are more common in certain LHMA's. Agents from Muswell Hill, Crouch End and Hornsey suggested that demand from families and couples is more common. Agents from Tottenham identified couples as the majority of renters and agents from Haringay identified the prominence of single sharers/students. A mix of families and sharers (single and couples) were identified by agents in Wood Green and Bounds Green. These trends largely correspond with age trends, where older age groups and a greater proportion of families are evident in the West. Younger age groups, singles, couples, students and sharers are more prominent in the East.

Origin of New Tenants

- 5.45 Considering internal movements where tenants originate from within the Borough, several agents indicated a pattern of tenants remaining within the same LHMA, based largely on their familiarity with the area.
- 5.46 Some agents in Muswell Hill, Hornsey, Crouch End, Haringay and Tottenham identified the prominence of new tenants originating from within the Haringey Borough. Whilst some agents in Muswell Hill, Wood Green, Haringay and Tottenham identified the prominence of new tenants originating from outside Haringey. A fairly even mix between new tenants from within and outside the Borough was identified by some agents in Crouch End, Bounds Green, Wood Green and Tottenham. It is difficult to ascertain any clear trends for the origin of new tenants in different LHMA's.
- 5.47 There is a trend of people moving to the Borough from Central London and Zone 2, driven by increasing central property prices, termed by one agent as 'the ripple effect'. Several agents highlighted that this was particularly observed for higher priced properties in the

Borough, and has been observed more frequently in the last few years. New tenants also originate from neighbouring Boroughs like Enfield, Hackney and Islington, and areas further afield like Kilburn, Stratford, Woolwich and LB Bromley.

- 5.48 Even further afield, the influence of international migration is evident, with many new tenants originating from Eastern Europe. This was particularly noted by an agent in South Tottenham who estimated 65-70% of their tenants are international migrants.

Housing Demand Drivers (price)

- 5.49 Demand levels in the Borough are influenced particularly by positioning within school catchment areas, proximity to tube stations, train stations and bus connections. These factors drive rental costs up, as does properties being in good condition/high spec, and having a garden and off-street parking (more relevant to the West of the Borough).

Welfare Reforms

- 5.50 A key consideration for Haringey is the impact of Welfare Reforms. One third of the agents consulted raised the issue of Housing Benefits, all of whom highlighted that landlords are largely unwilling to take on tenants who are claiming benefits. One of these agents explained that in their experience, infrequency of payment is one of the key reasons preventing landlords from taking these tenants. There is a perception that administrators can often suspend payments, without re-instating them as promptly as they should, or where they should not be suspended at all, which causes financial insecurity for the tenant that is consequently transferred to the landlord. Other tenants not claiming benefits therefore become a more reliable choice for meeting rental payments than those claiming benefits.
- 5.51 The caps on housing benefits (£500 and £350 per week) mean many claimants are also being priced out of Haringey, forced to areas like Edmonton in the neighbouring borough of Enfield. One agent in Hornsey indicated that 90% of their enquiries are from people who are claiming housing benefits.

Market Activity

- 5.52 Unsurprisingly within the current London housing market context, properties generally remain on the market for a short period of time, about 1-2 weeks, perhaps up to a month depending on the property's individual context. However, one agent identified that over-valued properties can often go stale on what is currently a very price-sensitive market.
- 5.53 The issue of overpricing is also linked with the condition of housing stock. An agent in Wood Green highlighted that; "stock condition in the Borough is poor" and conversions (the

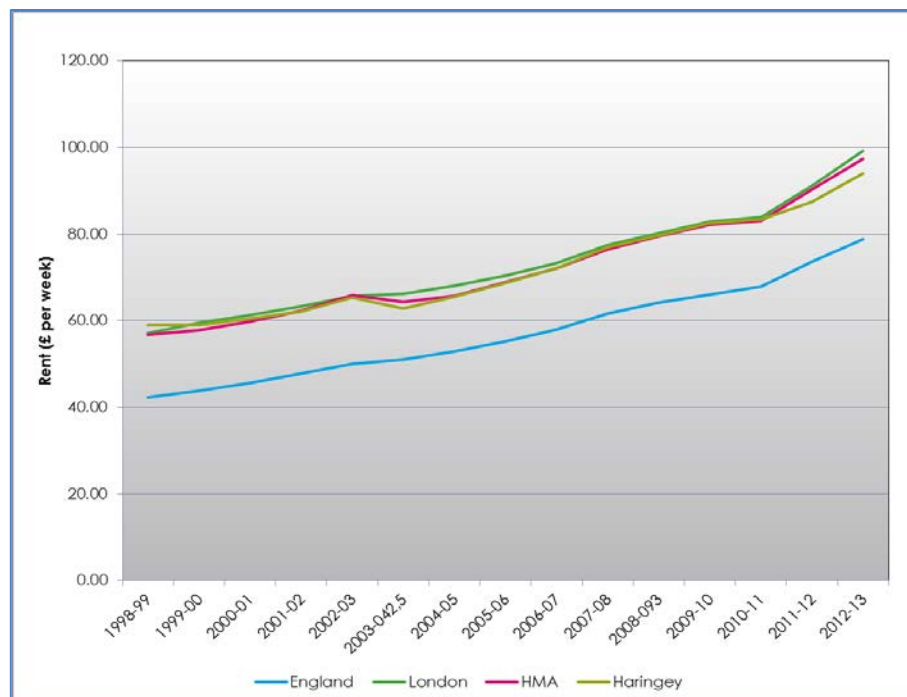
dominant stock type in the Wood Green area) result in small room sizes, often have follow-up maintenance problems, and yet still ask unfairly high rental costs. This results in tenancies ending after 1-2 years, with tenants choosing to move out of the Borough to neighbouring Boroughs, such as Enfield.

- 5.54 A lack of supply was identified by agents. Increased rental demand is seen as related to the rising cost of purchasing. Increased demand and lack of supply is driving up rental prices.

Social Rented Sector

- 5.55 The social rented sector by its nature operates differently from both of the owner occupier and private rented sectors. The tenure is intended to act as a safety net for households ensuring access to housing where household financial circumstances prevent access to other tenures.
- 5.56 Change in Local Authority and Registered Provider average weekly rents, over the period from 1997 to 2013, are shown in Figure 35 and Figure 36.

Figure 35 - Local Authority Weekly Rents (1997 - 2013)

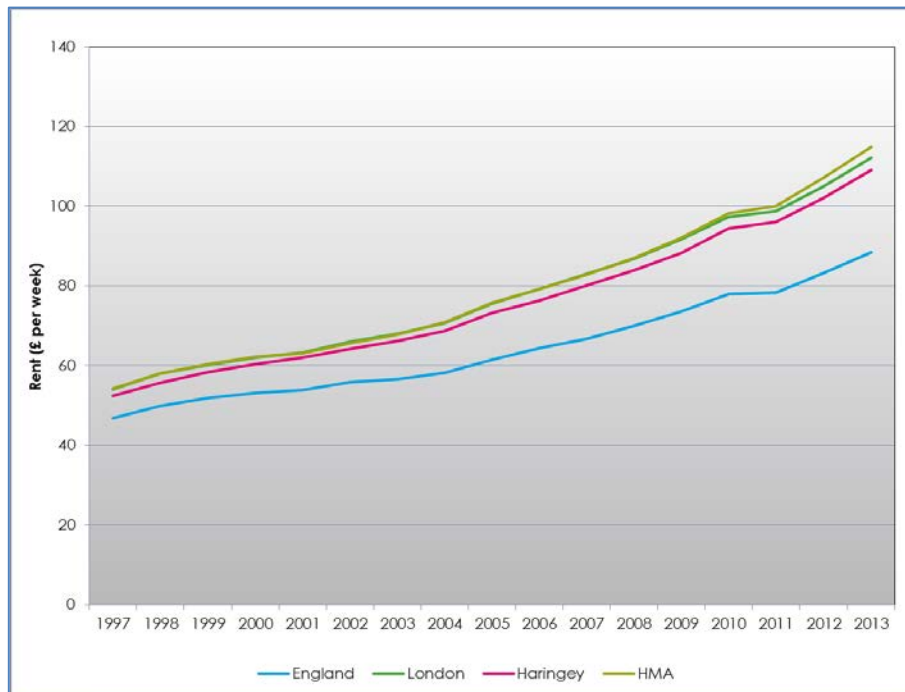


Source: DCLG Live Table 702, 2013

- 5.57 There is close alignment between Local Authority weekly rents for London the HMA and Haringey, which in 2012-13 were £99.29, £99.30 and £94.01 respectively. These levels have been consistently higher than for England, which was £78.78 in 2012-13.

- 5.58 For Private Registered Provider weekly rents averages stood at £112.09 for London, £114.76 for the HMA and £109.14 for Haringey.

Figure 36- Private Registered Provider Weekly Rents (1997 - 2013)



Source: DCLG Live Table 704, 2013

- 5.59 Per month the average Local Authority rental level for Haringey for 2012-13 was approximately £376. This is approximately £61 higher than for England (£315). The Private Registered Provider monthly rental level for 2013 was £437, which is approximately £83 higher than for England (£354).
- 5.60 Social rents in Haringey have grown more quickly over the period from 1997 – 2013 than nationally, although still remaining below the market level rents.

Social Housing Waiting Lists

- 5.61 The Haringey Housing Register is based on five housing needs bands (A,B,C,D and E) under the Housing Allocations Policy, 2011. Bands A and B have the highest levels of housing priority, and are therefore most likely to be offered social rented housing.
- 5.62 Table 30 shows the numbers and percentages of people on the Haringey housing waiting list in 2013, for each of its 7 Local Housing Market Areas. The total number of people on the list is 8,364.
- 5.63 There is evidence of geographic differences in the size of waiting lists in the different LHMA's. The smallest lists are drawn from the Western areas of Muswell Hill, Alexandra, Fortis Green

and Highgate (444 people), and Crouch End, Hornsey and Stroud Green (639 people). The largest waiting list is in the Eastern area of Tottenham Green, Tottenham Hale and Seven Sisters (2,024 people).

Table 30 - Housing Waiting List for Haringey LHMA's (2013)

Haringey Local Housing Market Area	People on Waiting List	% of Waiting List	% of Pop
Muswell Hill, Alexandra. Fortis Green & Highgate	444	5.3	18.3
Crouch End, Hornsey & Stroud Green	639	7.6	14.4
Wood Green	1485	17.8	16.5
St Ann's & Harringay	1012	12.1	10.9
West Green & Bruce Grove	1379	16.5	10.9
Tottenham Green, Tottenham Hale & Seven Sisters	2024	24.2	17.9
Northumberland Park & White Hart Lane	1381	16.5	10.9
TOTAL	8,364	100%	100%

Source: Haringey Council, 2013

- 5.64 For Haringey Borough overall, 267 on the housing waiting list in 2013 fall within Band A, and 2,307 fall within Band B. This is a total of 2,507 people on the waiting list who qualify for the highest levels of priority, ahead of the other 5,790 people within Bands C-E (also including those with no band assigned). This equates to approximately 30% of the total list who demonstrate high priority need. There is an acuteness factor as well as scale to consider.
- 5.65 Table 31 shows the distribution of the housing waiting list in Haringey's LHMA's by Housing Need Band for 2013. This demonstrates that the highest number of those falling into the high priority bands A and B is in the Eastern areas of Tottenham Green, Tottenham Hale and Seven Sisters (625 people).

Table 31 - Housing Waiting Lists for Haringey LHMA's by Band (2013)

Haringey Local Housing Market Area	Band A	Band B	Band C	Band D	Band E	No Band
Muswell Hill, Alexandra. Fortis Green & Highgate	21	101	56	160	98	8
Crouch End, Hornsey & Stroud Green	34	166	97	218	113	11
Wood Green	56	383	224	476	318	28
St Ann's & Harringay	25	331	113	333	176	34
West Green & Bruce Grove	33	409	183	462	262	30
Tottenham Green, Tottenham Hale & Seven Sisters	56	569	280	683	391	45
Northumberland Park & White Hart Lane	42	348	224	430	308	29
Total	267	2307	1177	2762	1666	185

Source: Haringey Council, 2013

-
- 5.66 Significant pressure is being applied to the social housing market, particularly in London. This correlates with the economic downturn which has affected employment levels and development rates. Reforms to housing benefit introduced in April 2013 have seen payments capped at £500 per week whilst social landlords are now able to set maximum rent at 80% of open market values.
- 5.67 The wider introduction of new policy directives, such as the benefit cap, and more general welfare reform, will fundamentally impact on the role of the social rented tenure in relation to the private rented sector. This is discussed fully in Section 7.

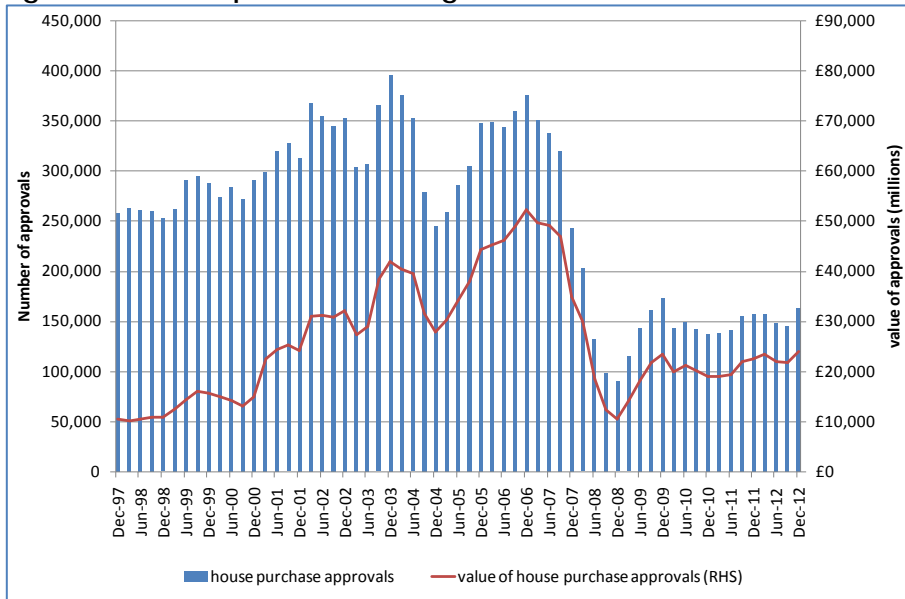
Access to Housing

- 5.68 The operation of the housing market is dependent upon households being able to move both within and between tenures. The ability of households to exercise choice and realise their aspirations for moving is predicated upon the relationship between both the active market elements assessed above but also income.
- 5.69 High property prices relative to incomes and a lack of access to mortgage products are the driving factor that limit the ability of households to enter the owner-occupier tenure. This in turn has implications for both the private rented and social rented market.

Mortgage Finance

- 5.70 One of the underlying drivers behind the lack of mobility in the housing market, in particular the owner-occupier market, remains constraint on mortgage finance by financial lending institutions (banks and building societies) since the 'credit crunch' in 2008, with the removal of all 100%, 95% and the majority of 90% mortgage products from the market. However, these products are now beginning to be reintroduced, particularly driven by home ownership schemes such as the government backed NewBuy scheme (with a minimum 5% deposit requirement) and Help To Buy Scheme (with a minimum 5% deposit requirement and maximum 20% government loan).
- 5.71 Figure 37 shows the trend in approvals for mortgages and their values from 1997 to December 2012. Both the number of approvals for house purchase and the value of approvals are over 50% lower in December 2012 than June 2007. However, the trend in approvals and values is increasing again, beginning to recover.

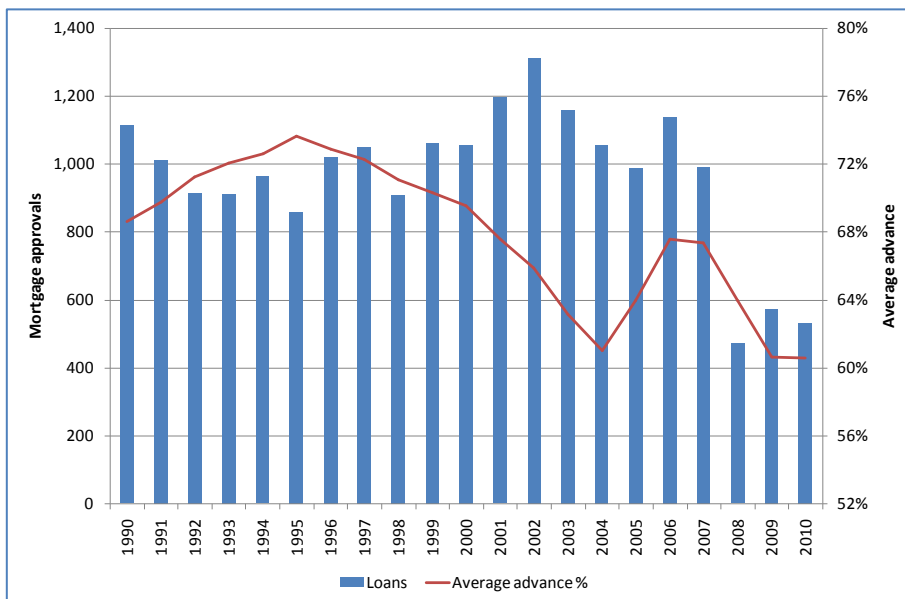
Figure 37 - House purchase lending



Source: Bank of England, 2013

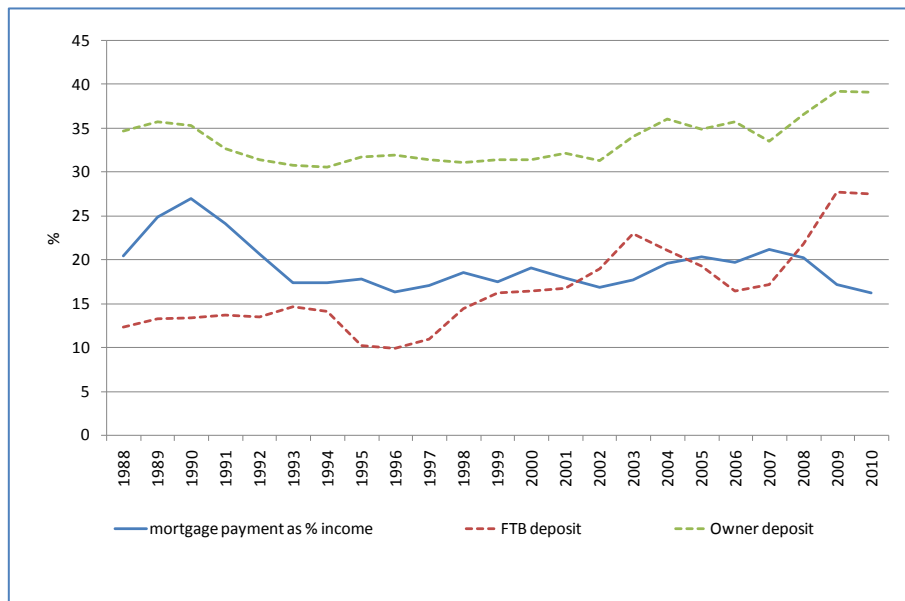
- 5.72 The result of the reduction in approvals and value of loan made available has been that prospective purchasers have had to raise increased capital deposits to access mortgage products. This has limiting effect on the ability of those households with low incomes and savings (for example first time buyers) to access the owner occupied sector.
- 5.73 This is reflected in the following two charts. The first of which show the number of mortgages approved annually since 1990 and the percentage advance (remaining mortgage minus deposit). The second shows the widening gap between the level of deposit required and the monthly payments for both first time buyers and existing owners across the UK.

Figure 38 - Total loans for house purchase and average advance



Source: CLG 2013

Figure 39 - Mortgage payments and deposits



Source: Council of Mortgage Lenders 2013

- 5.74 The trends shown in these charts appear likely to be sustained for at least the short-term, impacting significantly on the ability of households to purchase housing. This is particularly true of those areas where house prices are higher, with incomes on the whole continuing to show modest growth linked to the current slow economic climate and above target inflation. Government support schemes will have limited capacity to respond to this.
- 5.75 London is the most expensive region in the country, with a median house price to median earnings (HPE) ratio of 8.57 in 2011. This compares with a ratio of 6.69 for England in 2011.
- 5.76 The HPE for the HMA is 10.85 and is 10.96 for Haringey. This will reflect lower local incomes as well as house prices. Even more pressing is the fact that for Haringey the Lower Quartile (HPE) ratio (the 25% of house prices and lowest 25% of earnings) rises to 11.35, compared with the HMA (11.10) and significantly higher than the 2011 figure for London (8.96). This suggests that affordability pressures are a particular concern in Haringey, where even the lowest cost housing is likely to be unaffordable for a large number of potential buyers, including first time buyers.

Table 32 - Ratio of Median House Price to Median Earnings (2012)

Area	2012
England	6.74
London	8.57 ³
HMA	10.85
Haringey	10.96

Source: Live Tables 577 from DCLG, 2013

³ 2011 figure, as 2012 figure is not available for London (no longer published by DCLG at regional level)

Table 33 - Ratio of Lower Quartile House Price to Lower Quartile Earnings (2012)

Area	2012
England	6.59
London	8.96 ⁴
HMA	11.10
Haringey	11.35

Source: Live Tables 576 from DCLG, 2013

5.77 Table 34 provides selected examples of current offers in the mortgage market, with similar interest level terms to those considered within the context of this report's calculations. Despite the historically low Bank of England Base Rate, lenders are charging more to those with lower deposits to borrow. While this has always been the case it is more so in the current lending environment, as shown by the previous mortgage approval chart and deposit/mortgage share of income chart. However, there are some better rates available for lower loan to value products.

Table 34 - Mortgage Comparisons (January 2014)

Mortgage Finance – Compare All Mortgages 'Promoted Results' (January 2014)				
Supplier	Initial Interest rate	Period	Mortgage Type	Loan to Value
Norwich and Peterborough Building Society	3.84%	10 years	Fixed No Fee	75%
Woolwich Openplan FM	3.89%	10 years	Fixed	70%
Yorkshire BS Flexi	3.89%	10 years	Fixed	75%
Leeds Building Society	4.59%	10 years	Fixed	80%
Leeds Building Society	4.49%	10 years	Fixed	75%
Post Office	3.48%	2 years	Fixed	90%
Nationwide Flex 2 year	3.89%	2 years	Fixed + Cashback	90%
Clydesdale Bank	3.99%	3 years	Fixed + Cashback	90%

Source: Money.co.uk, 2014

5.78 The mortgage offers with lower Loan To Value ratios require a higher initial deposit than those with a higher ratio, however, the monthly payments are significantly reduced. Other mortgage costs aside from the deposit and monthly payments must also be noted, such as survey and legal costs and mortgage set up fees.

5.79 The following figure illustrates monthly repayment and endowment mortgage costs, for 25 year mortgages for Lower Quartile priced homes. These calculations assume:

- Lender requires a minimum deposit of 5%;
- Buyer qualify for the standard interest rate available;
- 25 year repayment period.

⁴ 2011 figure, as 2012 figure is not available for London (no longer published by DCLG at regional level)

Table 35 - Lower Quartile House Purchase Costs

Lower quartile average house price	LTV	Assumed Deposit	Mortgage advance	Interest rate	Repayment period	Monthly payments
£230,000	75%	£57,500	£172,500	4%	25 years	£911
£230,000	90%	£23,000	£207,000	4%	25 years	£1,093
£230,000	95%	£11,500	£218,500	4%	25 years	£1,154

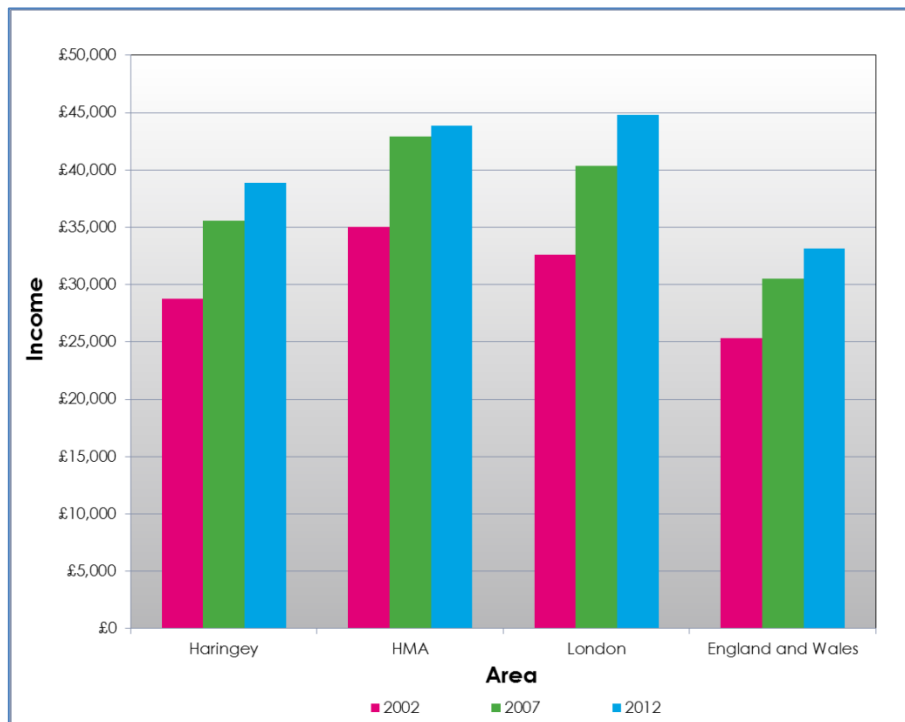
Source: HM Land Registry, 2013 & The Money Advice Service, 2014

- 5.80 The costs of servicing a typical repayment mortgage on a Lower Quartile house in Haringey would be in the region of £911 per month, with the important caveat that the potential buyer would need to have access to a deposit of approximately £57,500.
- 5.81 The minimum deposit required to attain a mortgage of any type for the purchase of a property would be £11,500, however this comes with monthly payments in the region of £1,154.

Income

- 5.82 Earnings and Income levels are directly related to employment opportunities and have an important relationship with the ability of households to exercise choice in the housing market and indeed the level of need for affordable housing products. Data on earnings has been sourced from the Annual Survey of Household Earnings (ASHE) and on incomes has been sourced from CACI, which provides an estimate of income levels.
- 5.83 The following chart in Figure 40, tracks the annual earnings distribution of residents in Haringey, benchmarked against the distribution for the HMA, London and England and Wales, for 2002, 2007 and 2012. In 2012, Haringey had average annual earnings of £38,849, compared with £43,892 for the HMA and £44,781 for London.
- 5.84 Haringey has experienced earnings growth of 35% from 2002 – 2012, 10% higher than the growth in the HMA (25%). However, this is from a lower base, and average earnings remain below those for the HMA and London.

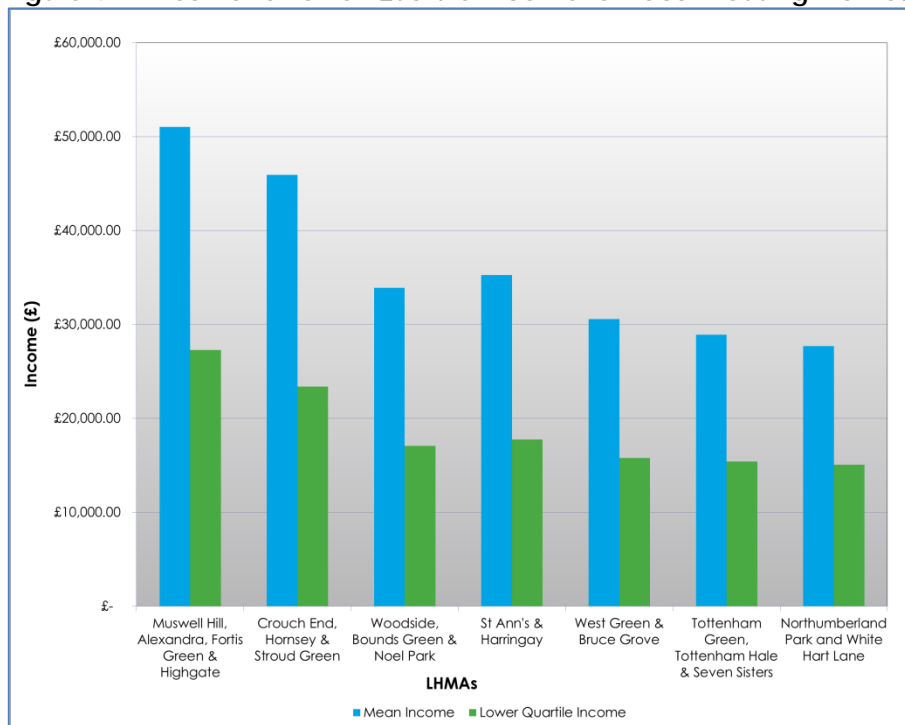
Figure 40 - Comparison of Average Annual Earnings (2002, 2007 and 2012)



Source: Annual Survey of Hours and Earnings 2013

- 5.85 In 2012 Haringey households had Mean and Lower Quartile incomes of approximately £37,770 and £19,700 respectively. Figure 41 focuses more specifically on the Mean and Lower Quartile income levels for each Local Housing Market Area. This further reinforces the East-West differences within the Borough, as the highest mean household income levels are found in the LHMA's to the West: Muswell Hill, Alexandra, Fortis Green and Highgate (£51,033), and Crouch End, Hornsey and Stroud Green (£45,946). This compares with the lowest Lower Quartile household incomes found in the East of the Borough: Northumberland Park and Whitehart Lane (£15,101) and Tottenham Green, Tottenham Hale and Seven Sisters (£15,426).

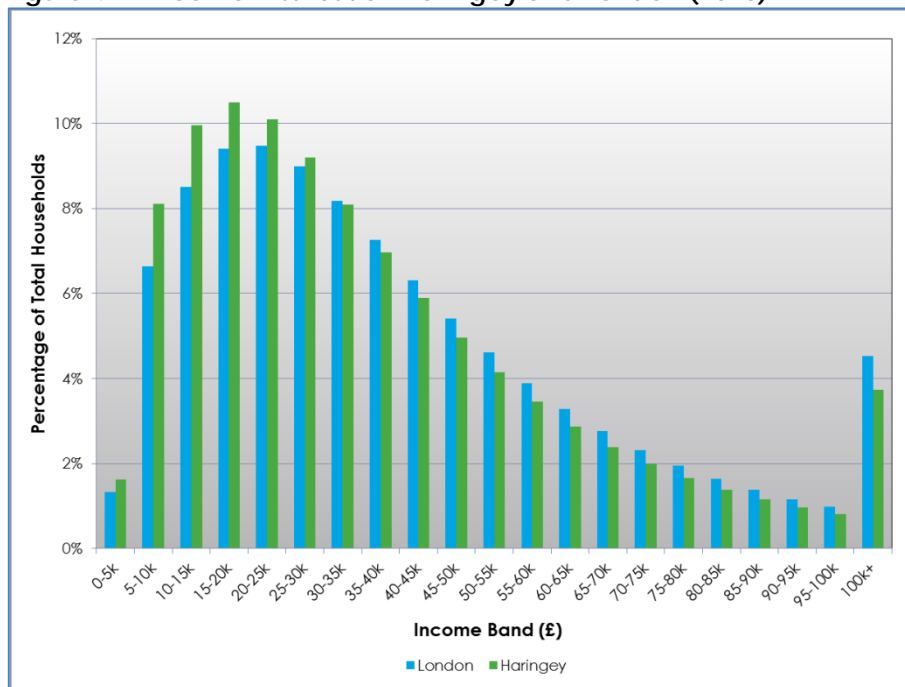
Figure 41 - Mean and Lower Quartile Income for Local Housing Market Areas within Haringey



Source: CACI, 2013

5.86 Figure 42 shows the income distribution of Haringey, benchmarked against the London distribution, in £5,000 increments. For Haringey the majority of households have an income towards the lower end of the spectrum, with 30% of households having incomes below £20,000 per annum 50% with incomes below £30,000 and 65% with incomes below £40,000. This distribution of household income is higher than for London, which has equivalent proportions at 26%, 44% and 60% respectively. However, above £35,000 per year, London has a greater proportion in all income categories than Haringey.

Figure 42 - Income Distribution Haringey and London (2010)

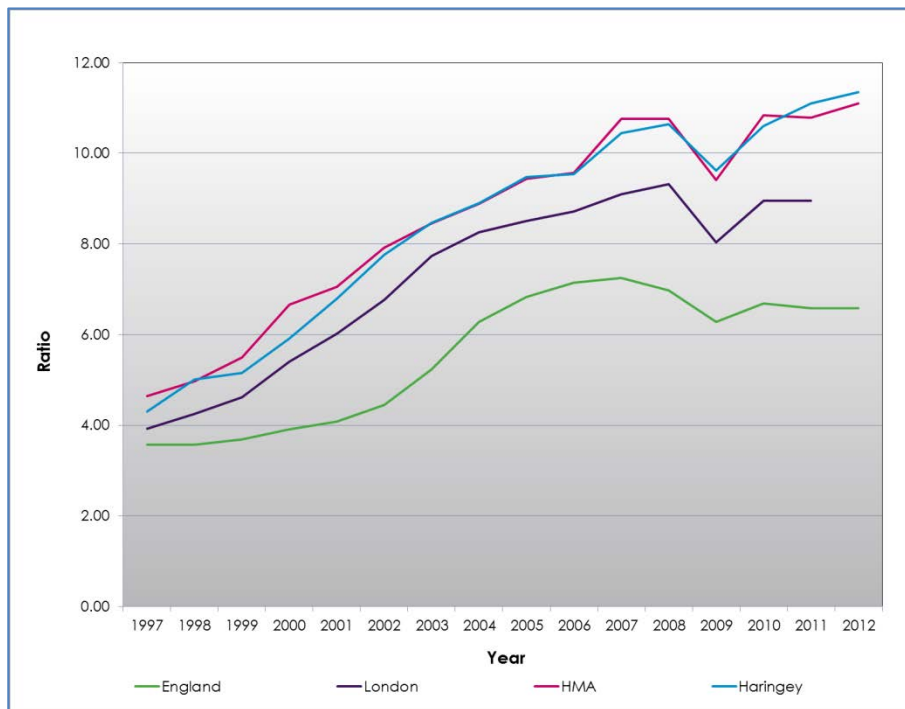


Source: CACI, 2013

Affordability

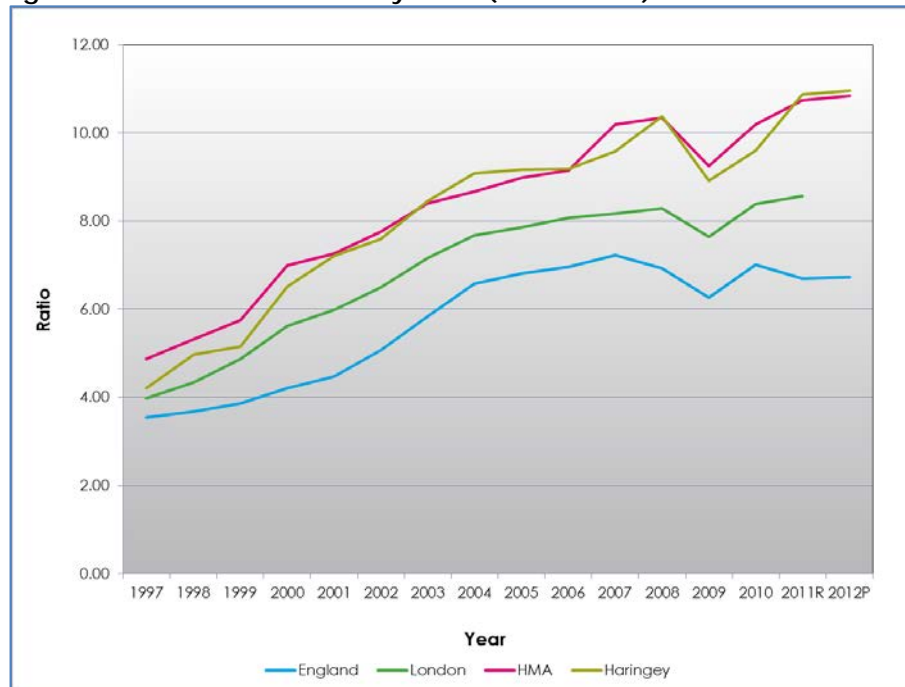
- 5.87 Assessing affordability involves comparing housing costs against the ability to pay. DCLG produces annual affordability ratio for each local authority for both median and lower quartile earnings to house prices. The ratios are calculated by dividing average and lower quartile house prices by average and lower quartile earnings. As the ratio increases the more unaffordable property within a given area is considered to be to local people.
- 5.88 The Median Affordability Ratio differs from the Lower Quartile Affordability in that it assesses a higher level of wages against a higher cost of housing. It can therefore, be viewed as a proxy for those wishing to move up the property ladder rather than those wanting to move on to it, represented by Lower Quartile Affordability.
- 5.89 Figure 43 shows the ratio of Lower Quartile house price to Lower Quartile earnings for Haringey, benchmarked against the HMA, London and England. Figure 44 shows the ratio of Median House price to Median earnings, with the same benchmarks. This is supplemented by the comparison of Affordability Ratios in Table 36, which also shows the ratios of Median house price to Median earnings.
- 5.90 Haringey has more acute affordability issues than the wider HMA and London at both Lower Quartile and medium Quartile levels. At both levels, affordability levels have become more acute since 1997.

Figure 43 – Lower Quartile Affordability Ratio (1997 - 2012)



Source: DCLG, 2013

Figure 44 - Median Affordability Ratio (1997 - 2012)



Source: DCLG, 2013

Table 36 - Comparison of Affordability Ratios

	Lower Quartile Affordability Ratio		Median Affordability Ratio	
	1997	2012	1997	2012
England	3.57	6.59	3.54	6.74
London	3.93	8.96 ⁵	3.98	8.57 ⁶
HMA	4.65	11.10	4.88	10.85
Haringey	4.31	11.35	4.21	10.96

Source: Live Tables 576 and 577 from DCLG 2013

Benchmarking Access to Different Housing Tenures

5.91 The analysis of the active market has highlighted the current issues facing Haringey, and with a wider focus the housing market area, particularly the challenging environment for lower income households to access owner occupation. The data assembled above has been drawn upon to present an indication of the relative affordability of different tenures of housing in relation to the financial capacity of households in Haringey.

5.92 The DCLG SHMA guidance (August 2007) suggests a number of critical levels to test against income in order to evaluate the extent of the issue of affordability. The two core elements are:

- Assessing whether a household can afford to buy a home; and
- Assessing whether a household can afford to rent a home.

5.93 A series of key assumptions used in the benchmarking assessment of these elements are set out below, in line with the standardised assumptions for assessing affordability recommended in the DCLG SHMA Guidance (August 2007):

- Lower Quartile house prices are utilised to represent lower market entry properties;
- An individual with a single income is considered able to buy a home if it costs 3.5 times the gross household income;
- A household is considered able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income; or no more than 20% of their gross household income where referenced;
- 'Rent payable' is defined as the entire rent due, even if it is partially or entirely met by housing benefit; and
- Annual social housing rents are calculated from an average taken of Registered Providers rental levels.

⁵ 2011 ratio provided, as not available for 2012

⁶ 2011 ratio provided, as not available for 2012

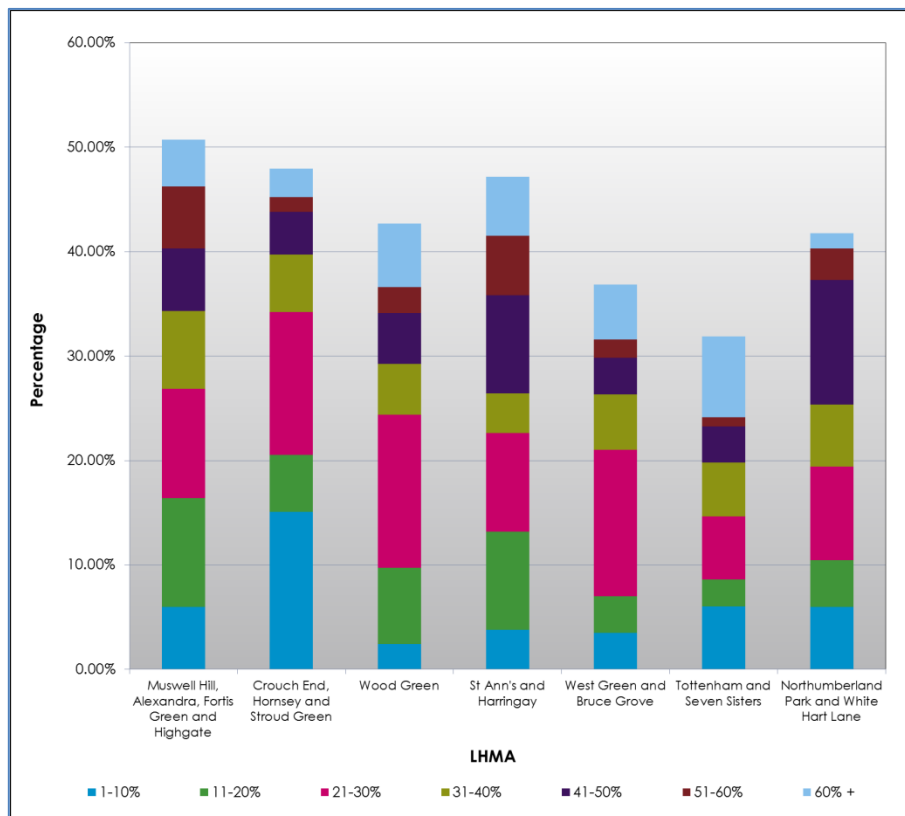
- 5.94 The DCLG guidance advocates an affordability multiplier of 3.5x (or 28.5%) household income to act as a threshold for households to access open market housing (Lower Quartile owner occupation) and where the rent payable would constitute no more than 25% of their gross household income.
- 5.95 However, this is national guidance and does not reflect the local affordability pressures in London. House prices in London are significantly higher than the rest of the UK and this is not reflected to the same extent in household income. As a result, this national guidance on affordability is less relevant to London and Haringey. This study has therefore applied three sensitivities to ascertain the affordability threshold, which are;
- Affordability threshold of maximum spend on housing (purchase and rental) of 25% of household income;
 - Affordability threshold of maximum spend on housing (purchase and rental) of 30% of household income; and
 - Affordability threshold of maximum spend on housing (purchase and rental) of 40% of household income.
- 5.96 This alternative measure of ability to buy a home assumes that a bank will advance mortgage funding if the mortgage repayments represent no more than 40% of a household's gross income property, similarly rental costs' affordability are also benchmarked against 40% of household income.
- 5.97 The 30% and 40% sensitivities reflect the localised housing pressures and issues within London and specifically Haringey. The 40% level also represents the national housing charity Shelter's definition of affordability⁷, although Shelter also include insurance, service charges, maintenance, repairs, taxes cost of utilities in this housing costs indicator.
- 5.98 It is also relevant to consider the resident's responses to the Housing Needs Survey relating to mortgage and rent payments, a question which was responded to by 515 residents (42%). When asked what percentage or fraction of their household income is spent on rent/mortgage payments, the highest proportion indicated a spend of between 21-30% (11%). This was followed by a spend of 1-10% (6%), 11-20% and 41-50% (6%), 31-40% and 60+% (5%) and finally 51 – 60% (3%). These indications demonstrate that a higher proportion of residents are spending a lower proportion of their household income than expected for a London Borough. However, when based on only 515 residents, these levels are not necessarily an entirely representative sample of the population. They do exhibit a wide

⁷ media.shelter.org.uk/home/press-releases/uk_third_least_affordable_in_europe_for_housing_costs

range in the proportion of household spend, particularly indicating a proportion of residents who are spending significantly above the 40% level.

5.99 At the Local Housing Market Area level, Figure 45 demonstrates the proportion of residents who responded to the question for each household income spend level. There are clear differences in spend levels for the different LHMA's, with Muswell Hill, Alexandra, Fortis Green and Highgate, Northumberland Park and Whitehart Lane and St Ann's and Haringay all demonstrating a higher proportion of residents spending above 40% than the other LHMA's.

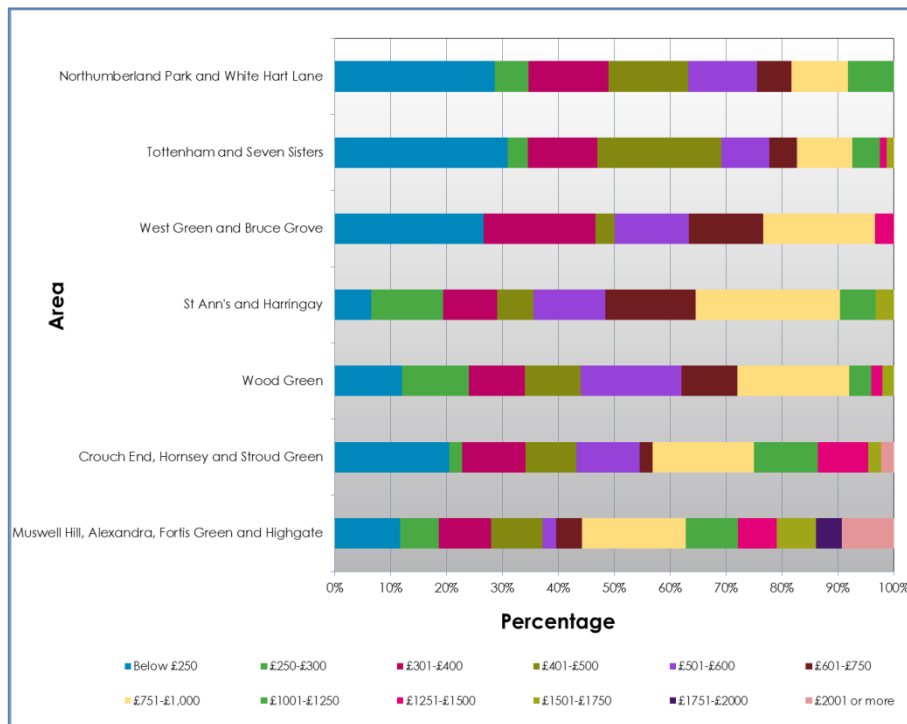
Figure 45 - Residents' Household Income Spend on Rent/Mortgage Payments (2013)



Source: Housing Needs Survey, 2013

5.100 Figure 46 demonstrates actual payment levels made by residents included within the Housing Needs Survey (excluding the 43% who did not answer the question and/or do not make mortgage/rent payments). This demonstrates significant variation across the Local Housing Market Area, with the lower payment levels likely to be capturing payments by residents in affordable housing and receiving housing and other benefits.

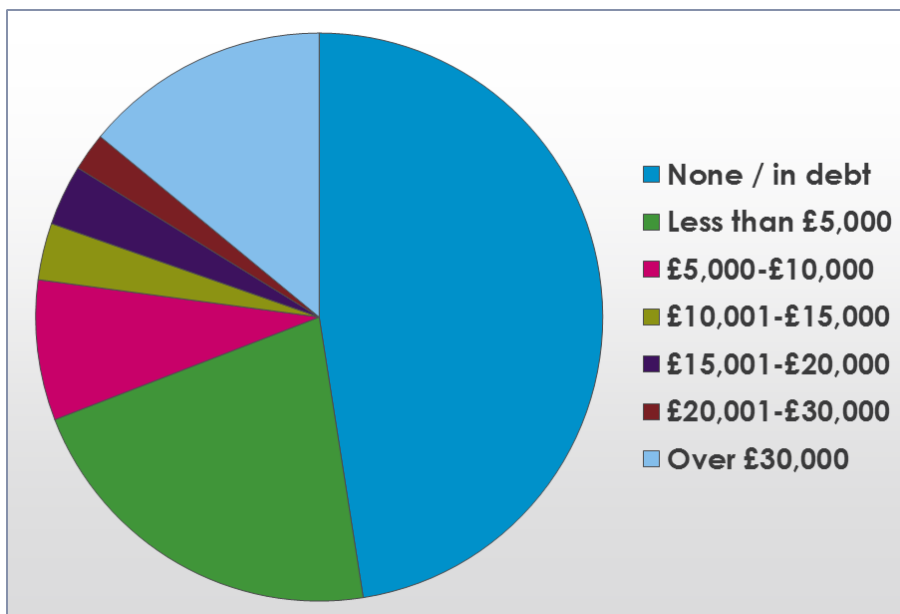
Figure 46 - Resident's Monthly Mortgage/Rent Payments (2013)



Source: Housing Needs Survey, 2013

5.101 Resident's savings levels also provide insight into the affordability of housing costs, particularly the deposit requirements for home ownership. As shown in Figure 47, 48% of respondents who answered this question (463) described themselves as having no savings or being in debt, and a further 22% have less than £5,000 savings.

Figure 47 - Resident's Savings (2013)



Source: Housing Needs Survey, 2013

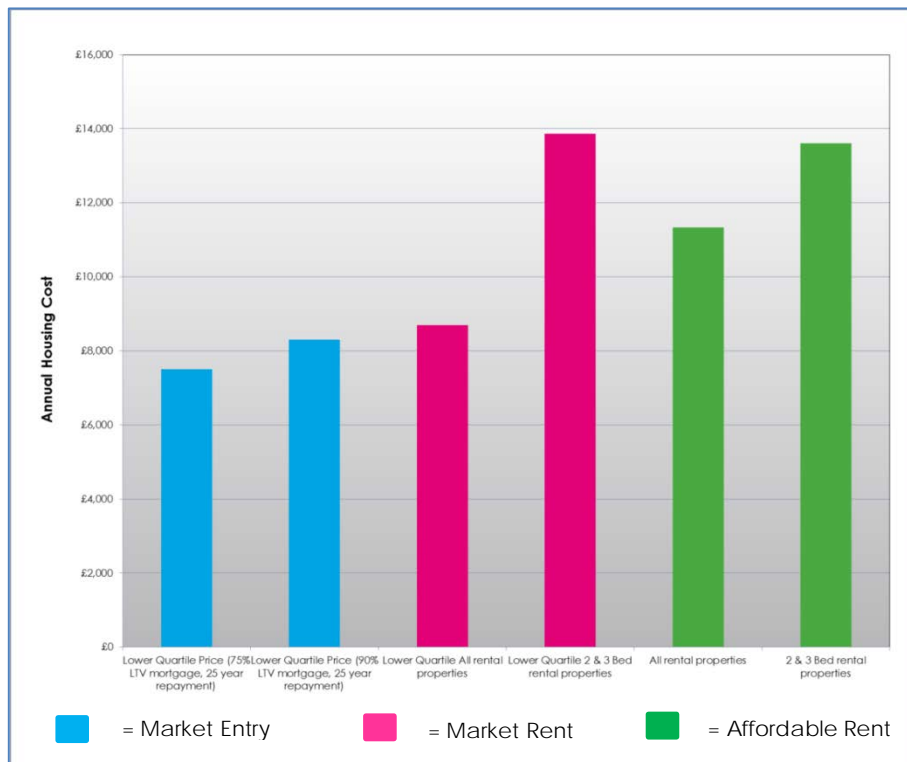
- 5.102 Based on Lower Quartile house price of £230,000 and savings, up to 23% of residents can afford a 5% deposit (£11,500), and up to 16% of residents can afford a 10% deposit (£23,000).
- 5.103 Based on average house price of £418,326, and savings, up to 16% of residents can afford a 5% deposit (£20,916), and up to 14% can afford a 10% deposit (£41,833).
- 5.104 Table 37 and Figure 48 show benchmark values for Lower Quartile Market entry and rental, Affordable rental tenures and Social rental tenures. The 2 & 3 bedroom properties within the market and affordable tenures are most relevant for consideration in Haringey and form the basis of the sensitivity analyses for benchmarking affordability. This is shown in Table 38, Table 39, Table 40 and Table 41, for affordability with 50%, 40%, 30% and 25% of household income.

Table 37 - Benchmark values for properties of different tenures

Location	Benchmark Property Values		
	House Price	Average Monthly rent	Annual Cost
Market Entry			
Lower Quartile Price	£230,000	n/a	
Market Rented			
Lower Quartile All rental properties	n/a	£725	£8,700
Lower Quartile 2 & 3 Bed properties	n/a	£1,155	£13,860
Affordable Rent (80% of mean average market rent)			
1 Bed rental properties	n/a	£829	£9,948
2 Bed rental properties	n/a	£1,071	£12,852
3 Bed rental properties	n/a	£1,356	£16,272
4 or more Bed properties	n/a	£1,920	£23,040
2 & 3 Bed properties	n/a	£1,134	£13,608
Social Rented			
Private Registered Providers	n/a	£437	£5,239
Local Authority	n/a	£376	£4,512

Source: GVA, 2013

Figure 48 - Benchmark values for properties of different tenures



Source: GVA, 2013

5.105 The Market Entry benchmarks are the lowest annually, however as discussed earlier when considering Lower Quartile House Purchase Costs (Table 35) these annual payments are also dependent on the ability to pay deposit figures of £57,500 and £23,000. For the Market Rented tenure the annual cost for lower quartile 2 & 3 bedroom properties is the highest across all levels. However, this is closely followed by the annual cost for Affordable Rented 2 & 3 bed rental properties.

5.106 Having benchmarked these property tenures, Table 38, Table 39, Table 40 and Table 41 show the sensitivity analyses for affordability with 50%, 40%, 30% and 25% of household income applied to housing costs.

Table 38 - Sensitivity 1a: Affordability of up to 50% of Household Income

	House Purchase 1 (75% LTV mortgage)	House Purchase 2 (90% LTV mortgage)	Market Rent (2 & 3 bedroom)	Affordable Rent 1 (80% of Mean market rent - £1,417) (2 & 3 bedroom)	Affordable Rent 2 (80% of Median market rent - £1,376) (2 & 3 bedroom)
Monthly payment	£911	£1,093	£1,155	£1,133.6	£1,100.8
Annual payment	£10,932	£13,116	£13,860	£13,603.2	£13,209.6
Max. percentage of income	50%	50%	50%	50%	50%
Required monthly income	£1,822	£2,186	£2,310	£2,267	£2,202
Required annual income	£21,864	£26,232	£27,720	£27,206	£26,419
CACI household income band which contains 'required annual income'	20,000 - 25,000	25,000 - 30,000	25,000 - 30,000	25,000 - 30,000	25,000 - 30,000
Number of Households within and below income band	39,508	48,527	48,527	48,527	48,527
Total number of Households	98,000	98,000	98,000	98,000	98,000
% of households who cannot afford annual payment	40%	50%	50%	50%	50%

Source: GVA, 2014

- 5.107 Under these assumptions, only 60% of households in Haringey can afford to purchase a house (at the lower quartile average house price of £230,000), assuming a mortgage with a 75% Loan To Value ratio, requiring an annual income of £21,864. However, this also assumes the ability to pay the assumed deposit of £57,500.
- 5.108 Only 50% of households can afford to purchase a house (at lower quartile average house price of £230,000), assuming a mortgage with a 90% Loan To Value ratio, requiring an annual income of £26,232. Only 50% of households can afford market rent for 2 & 3 bedroom properties, requiring an annual income of £27,720.
- 5.109 Affordable rent tenures are also only available to 50% of households, whether based on the mean or median market rent levels. However, there is no additional deposit expense for market and affordable rent.

Table 39 - Sensitivity 2a: Affordability of up to 40% of Household Income

	House Purchase 1 (75% LTV mortgage)	House Purchase 2 (90% LTV mortgage)	Market Rent (2 & 3 bedroom)	Affordable Rent 1 (80% of Mean market rent - £1,417) (2 & 3 bedroom)	Affordable Rent 2 (80% of Median market rent - £1,376) (2 & 3 bedroom)
Monthly payment	£911	£1,093	£1,155	£1,133.6	£1,100.8
Annual payment	£10,932	£13,116	£13,860	£13,603.2	£13,209.6
Max. percentage of income	40%	40%	40%	40%	40%
Required monthly income	£2,278	£2,733	£2,888	£2,834	£2,752
Required annual income	£27,330	£32,790	£34,650	£34,008	£33,024
CACI household income band which contains 'required annual income'	25,000 - 30,000	30,000 - 35,000	30,000 - 35,000	30,000 - 35,000	30,000 - 35,000
Number of Households within and below income band	48,527	56,460	56,460	56,460	56,460
Total number of Households	98,000	98,000	98,000	98,000	98,000
% of households who cannot afford annual payment	50%	58%	58%	58%	58%

Source: GVA, 2014

- 5.110 Under these assumptions, only 50% of households in Haringey can afford to purchase a house (at the lower quartile average house price of £230,000), assuming a mortgage with a 75% Loan To Value ratio, requiring an annual income of £27,330. However, this also assumes the ability to pay the assumed deposit of £57,500.
- 5.111 Only 42% of households in Haringey can afford market rent for 2 & 3 bedroom properties, requiring an annual income of £34,650. This is more unaffordable than the purchase of a house with a 75% Loan To Value ratio mortgage, but requires no additional deposit expense.
- 5.112 Affordable rent tenures are also only affordable to 42% of households, whether based on the mean or median market rent levels.

Table 40 - Sensitivity 3a: Affordability of up to 30% of Household Income

	House Purchase 1 (75% LTV mortgage)	House Purchase 2 (90% LTV mortgage)	Market Rent (2 & 3 bedroom)	Affordable Rent 1 (80% of Mean market rent - £1,417)	Affordable Rent 2 (80% of Median market rent - £1,376)
Monthly payment	£911	£1,093	£1,155	£1133.6	£1100.8
Annual payment	£10,932	£13,116	£13,860	£13,603.2	£13,209.6
Max. percentage of income	30%	30%	30%	30%	30%
Required monthly income	£3,037	£3,643	£3,850	£3,779	£3,669
Required annual income	£36,440	£43,720	£46,200	£45,344	£44,032
CACI household income band which contains 'required annual income'	£35,000 - £40,000	£40,000 - £45,000	£45,000 - £50,000	£45,000 - £50,000	£40,000 - £45,000
Number of Households within and below income band	63,282	69,067	73,929	73,929	69,067
Total number of Households	98,000	98,000	98,000	98,000	98,000
% of households who cannot afford annual payment	65%	70%	75%	75%	70%

Source: GVA, 2014

- 5.113 Under these assumptions, only 35% of households in Haringey can afford to purchase a house (at the lower quartile average house price of £230,000), assuming a mortgage with a 75% Loan To Value ratio, requiring an annual income of £36,440. However, this also assumes the ability to pay the assumed deposit of £57,500.
- 5.114 Only 25% of households in Haringey can afford market rent for 2 & 3 bedroom properties, requiring an annual income of £46,200. This is more unaffordable than the purchase of a house with a 75% Loan To Value ratio mortgage, but requires no additional deposit expense.
- 5.115 Affordable rent tenures are only affordable to 25% (80% of mean market rent) and 30% (80% of median market rent) of households.

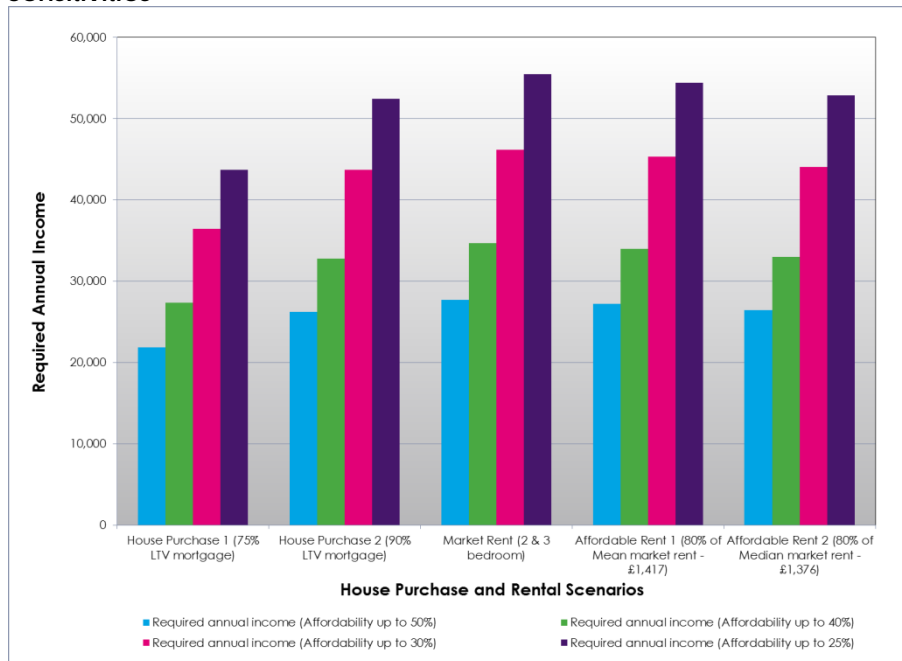
Table 41 - Sensitivity 4a: Affordability of up to 25% of Household Income

	House Purchase 1 (75% LTV mortgage)	House Purchase 2 (90% LTV mortgage)	Market Rent (2 & 3 bedroom)	Affordable Rent 1 (80% of Mean market rent - £1,417)	Affordable Rent 2 (80% of Median market rent - £1,376)
Monthly payment	£911	£1,093	£1,155	£1133.6	£1100.8
Annual payment	£10,932	£13,116	£13,860	£13,603.2	£13,209.6
Max. percentage of income	25%	25%	25%	25%	25%
Required monthly income	£3,644	£4,372	£4,620	£4,534	£4,403
Required annual income	£43,728	£52,464	£55,440	£54,413	£52,838
CACI household income band which contains 'required annual income'	40,000 - 45,000	50,000 - 55,000	55,000 - 60,000	50,000 - 55,000	50,000 - 55,000
Number of Households within and below income band	69,067	77,991.61	81,376.92	77,991.61	77,991.61
Total number of Households	98,000	98,000	98,000	98,000	98,000
% of households who cannot afford annual payment	75%	80%	83%	80%	80%

Source: GVA, 2014

- 5.116 Under these assumptions, only 25% of households in Haringey can afford to purchase a house (at the lower quartile average house price of £230,000), assuming a mortgage with a 75% Loan To Value ratio, requiring an annual income of £43,728. However, this also assumes the ability to pay the assumed deposit of £57,500.
- 5.117 Only 17% of households in Haringey can afford market rent for 2 & 3 bedroom properties, requiring an annual income of £55,440. This is more unaffordable than the purchase of a house with a 75% Loan To Value ratio mortgage, but requires no additional deposit expense.
- 5.118 Affordable rent tenures are only affordable to 20% of households, whether based on the mean or median market rent levels.
- 5.119 Figure 49 illustrates the results of these four affordability analyses.

Figure 49 - Required Annual Income Benchmarks for 50%, 40%, 30% and 25% Affordability Sensitivities



Source: GVA, 2014

- 5.120 Testing the introduction of an affordable rent model (at 80% of mean and median market rent) indicates that the costs exceed that required for Lower Quartile house purchase and are only just below those required for the Lower Quartile Private Rental Market in Haringey.
- 5.121 It is important to note that more stringent credit scoring and low savings, coupled with low incomes may increase the number of households who are technically unable to access the private owner-occupied housing market or staircase up it if already owning their own property.
- 5.122 Taking an alternative approach to using the same four sensitivities for maximum percentage of household income spend on housing, the monthly housing payments required for median average household income of £30,295 per year, for those with £500 per week income and for those with £350 per week income is calculated. The £500 and £350 per week income levels facilitate examination of the impact of Welfare Reform, as they represent the benefit cap levels for couples/single parents (2+ bedrooms) and single people without children (1 bedroom) respectively. This is shown in Table 42, Table 43, Table 44 and Table 45.

Table 42 - Sensitivity 1b: Affordability of up to 50% of Household Income

	Median Average Household Income - £30,295 per year	£500 per week Income (2+ bedrooms)	£350 per week Income (1 bedroom)
Annual Income	30,295	26,000	18,200
Monthly Income	2,525	2,167	1,517
Max. % of Income spent on housing	50%	50%	50%
Max Annual Housing Payment	15,148	13,000	9,100
Max Monthly Housing Payment	£1,262	£1,083	£758

Source: GVA, 2014

5.123 Under the assumption of spending up to 50% of household income on housing, households on the Median Average Income should be paying a maximum of £1,262 per month on housing costs. Couples and single parents claiming £500 in housing benefits per week should be paying a monthly maximum of £1,083. Single people claiming £350 per week in benefits should be paying a monthly maximum of £758 on housing costs. This provides an indication of the rent levels considered affordable (at the 50% level) for households on each of these income levels.

Table 43 - Sensitivity 2b: Affordability of up to 40% of Household Income

	Median Average Household Income - £30,295 per year	£500 per week Income (2+ bedrooms)	£350 per week Income (1 bedroom)
Annual Income	30,295	26,000	18,200
Monthly Income	2,525	2,167	1,517
Max. % of Income spent on housing	40%	40%	40%
Max Annual Housing Payment	12,118	10,400	7,280
Max Monthly Housing Payment	£1,010	£867	£607

Source: GVA, 2014

5.124 Under the assumption of spending up to 40% of household income on housing, households on the Median Average Income should be paying a maximum of £1,010 per month on housing costs. Couples and single parents claiming £500 housing benefits per week should be paying a monthly maximum of £867 and single people claiming £350 per week should be paying a monthly maximum of £607 on housing costs. This provides an indication of the rent levels considered affordable (at the 40% level) for households on each of these income levels.

Table 44 - Sensitivity 3b: Affordability of up to 30% of Household Income

	Median Average Household Income - £30,295 per year	£500 per week Income (2+ bedrooms)	£350 per week Income (1 bedroom)
Annual Income	30,295	26,000	18,200
Monthly Income	2,525	2,167	1,517
Max. % of Income spent on housing	30%	30%	30%
Max Annual Housing Payment	9,089	7,800	5,460
Max Monthly Housing Payment	£757	£650	£455

Source: GVA, 2014

5.125 Under the assumption of spending up to 30% of household income on housing, households on the Median Average Income should be paying a maximum of £757 per month on housing costs. Couples and single parents claiming £500 housing benefits per week should be paying a monthly maximum of £650 and single people claiming £350 per week should be paying a monthly maximum of £455 on housing costs. This provides an indication of the rent levels considered affordable (at the 30% level) for households on each of these income levels.

Table 45 - Sensitivity 4b: Affordability of up to 25% of Household Income

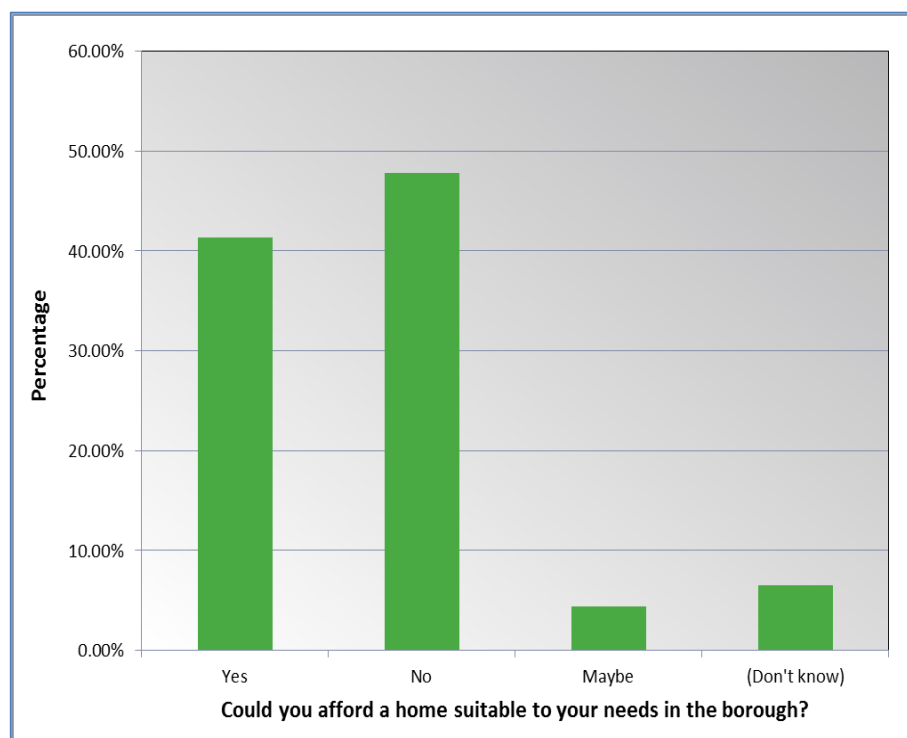
	Median Average Household Income - £30,295 per year	£500 per week Income (2+ bedrooms)	£350 per week Income (1 bedroom)
Annual Income	30,295	26,000	18,200
Monthly Income	2,525	2,167	1,517
Max. % of Income spent on housing	25%	25%	25%
Max Annual Housing Payment	7,574	6,500	4,550
Max Monthly Housing Payment	£631	£542	£379

Source: GVA, 2014

5.126 Under the assumption of spending up to 25% of household income on housing, households on the Median Average Income should be paying a maximum of £631 per month on housing costs. Couples and single parents claiming £500 housing benefits per week should be paying a monthly maximum of £542 and single people claiming £350 per week should be paying a monthly maximum of £379 on housing costs. This provides an indication of the rent levels considered affordable (at the 25% level) for households on each of these income levels.

- 5.127 Comparing the first set of sensitivities (1a, 2a, 3a and 4a) with the second set (1b, 2b, 3b and 4b) shows a significant disparity between required monthly incomes to service current house purchase, market rent and affordable rent levels in Haringey.
- 5.128 The required monthly incomes and housing payments based on current house purchase, market rent and affordable rent levels (Sensitivities 1a, 2a, 3a and 4a) show a significant disparity with those for median, £500 per week and £350 per week income levels (Sensitivities 1b, 2b, 3b and 4b). This highlights the significance of the affordability pressures for those claiming benefits under the new Welfare Reform Act (2012), as well as the high proportion of unaffordability across all tenures in Haringey reflected in the first set of sensitivities.
- 5.129 Supplementing the affordability sensitivity calculations with primary data, 5.3% of residents (53 out of 1,004) included within the Housing Needs Survey indicated that they **need** to move to a different home when asked (meaning actual need rather than just wanting to move).
- 5.130 As demonstrated in Figure 50, 48% of those that indicated they need to move to a different home also indicated they could not afford a home suitable to their needs within the Borough. This figure shows some similarity with the affordability levels calculated using Sensitivity 1 with a housing spend of up to 40% of household income, in Table 39. However, there is variation in this level across the Local Housing Market Areas within the Borough.

Figure 50 - Affordability of Suitable Home in Haringey



Source: Housing Needs Survey, 2013

Key Findings

5.131 The purpose of this section has been to review the cost and affordability of housing within Haringey, in many cases benchmarked against the HMA, regionally with London and nationally with England:

- The 2012/13 overall average house price in Haringey was £418,326. There is, however, a wide range of prices in Haringey.
- Within Haringey, the most expensive properties for all stock types are found in the West in the Muswell Hill, Alexandra, Fortis Green and Highgate Local Housing Market Area. The least expensive properties for all stock types are found in the East in the Northumberland Park and Whitehart Lane LHMA.
- The Lower Quartile house price in Haringey in 2011 was £230,000. This compares to an average Lower Quartile house price of £254,167 for the Housing Market Area. Lower quartile house prices have grown 326% in the period from 1996 to 2011 in Haringey, compared with a growth of 315% in the HMA.
- This is reinforced by mean household income levels, which are highest in the West and lowest in the East, and Lower Quartile household incomes which follow the same pattern.
- In Haringey 30% of households have incomes below £20,000 per annum, 50% below £30,000 and 65% below £40,000, and 4% of households have income above £100,000 per annum. Compared with London, Haringey has a higher proportion of households clustered around lower income categories and a smaller proportion at higher income categories.
- The Lower Quartile Affordability Ratio in Haringey in 2012 was 11.35, higher than the HMA, London and England. The Median Affordability Ratio in Haringey in 2012 was 10.96, also higher than the HMA, London and England. This suggests that as well as entry level affordability issues, there is difficulty in Haringey moving up the property ladder once you are on it.
- The cost of servicing a typical repayment mortgage on a lower quartile house in Haringey would be in the region of £911 per month (with a 75% Loan To Value ratio mortgage). This comes with the important caveat that the potential buyer would need to have access to a deposit of approximately £57,500. The minimum deposit required to attain a mortgage of any type for the purchase of a property in the Borough would be £11,000, however this 95% Loan To Value ratio mortgage would require monthly payments in the region of £1,154.
- In Haringey, the income required to purchase a Lower Quartile house, based on spending up to 50% of household income, would be £21,864 per annum, assuming 75% LTV ratio and the ability to pay a £57,500 deposit. The household income data reveals that 40% of households would not be able to afford this annual payment.

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- Under the assumption that spending up to 50% of household income is affordable, households on the Median Average Income should be paying a maximum of £1,262 per month on housing costs, couples and single parents claiming £500 per week housing benefits should be paying a monthly maximum of £1,083 and single people claiming £350 per week should be paying a monthly maximum of £758 on housing costs.
 - In Haringey, the income required to purchase a Lower Quartile house, based on spending up to 40% of household income, would be £27,330 per annum, assuming 75% LTV ratio and the ability to pay a £57,500 deposit. The household income data reveals that 50% of households would not be able to afford this annual payment.
 - Under the assumption that spending up to 40% of household income on housing is affordable, households on the Median Average Income should be paying a maximum of £1,010 per month on housing costs, couples and single parents claiming £500 per week housing benefits should be paying a monthly maximum of £867 and single people claiming £350 per week should be paying a monthly maximum of £607 on housing costs.
 - The income required to purchase a Lower Quartile house, based on spending up to 30% of household income, would be £36,440 per annum, assuming 75% LTV ratio and the ability to pay a £57,500 deposit. The household income data reveals that 65% of households would not be able to afford this annual payment.
 - Under the assumption that spending up to 30% of household income on housing is affordable, households on the Median Average Income should be paying a maximum of £757 per month on housing costs, couples and single parents claiming £500 per week housing benefits should be paying a monthly maximum of £650 and single people claiming £350 per week should be paying a monthly maximum of £455 on housing costs.
 - The income required to purchase a Lower Quartile house, based on spending up to 25% of household income, would be £43,728 per annum, assuming 75% LTV ratio and the ability to pay a £57,500 deposit. The household income data reveals that 75% of households would not be able to afford this annual payment.
 - Under the assumption that spending up to 25% of household income on housing is affordable, households on the Median Average Income should be paying a maximum of £631 per month on housing costs, couples and single parents claiming £500 per week housing benefits should be paying a monthly maximum of £542 and single people claiming £350 per week should be paying a monthly maximum of £379 on housing costs.
 - The cost of privately renting a 2 & 3 bedroom property for the mean average level in Haringey (£1,417) is slightly lower than for the HMA (£1,642) For lower quartile rents the Haringey values (£1,155) is also below that of the HMA (£1,355). Haringey is slightly below the national average level, but above the national lower quartile level.

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- The income required to enter the private rented market in Haringey for 2 & 3 bedroom properties would be £27,720 per annum (with a spend of up to 50% of household income), £34,650 per annum (with a spend of up to 40% of household income), £46,200 per annum (with a spend of up to 30% of household income), and £55,440 per annum (with a spend of up to 25% of household income). The household income data reveals that 50%, 58%, 75% and 83% of households respectively, would not be able to afford this annual payment.
 - Considering the social rented sector, Local Authority rent in 2012-13 for Haringey was approximately £376 per month, approximately £61 higher than for England (£315 per month). The Private Registered Provider rental level for Haringey in 2013 was £437 per month, approximately £83 higher than for England (£354).
 - In 2013 there were approximately 8,364 people on the Waiting List, with 2,507 of these within the highest two priority level bands (30%). A geographic division is evident with significantly more people on the Waiting List from the East of the borough than the West.
 - The income required for affordable rent in Haringey (at 80% of mean market rent) for 2 & 3 bedroom properties would be £27,206 per annum (with a spend of up to 50% of household income), £34,008 per annum (with a spend of up to 40% of household income), £45,344 per annum (with a spend of up to 30% of household income), and £54,413 per annum (with a spend of up to 25% of household income). The household income data reveals that 50%, 58%, 75% and 80% respectively, would not be able to afford this annual payment.

6. Objectively Assessed Housing Requirement

6.1 This section examines population and household projections with a view to considering what constitutes an objectively assessed housing requirement for the Housing Market Area and for Haringey.

Background

6.2 The most recently published best practice guidance for producing an objective assessment of housing need was produced by the Planning Advisory Service (PAS)⁸ in July 2013.

6.3 Although the National Planning Policy Framework refers to housing need, the PAS guidance uses the terminology of housing requirements rather than need to avoid confusion with language more commonly associated with affordable housing.

6.4 The PAS guidance provides best practice advice, and suggests that policy factors should not be included in the setting of the requirement. Supply, or a criteria based approach, must not be used to determine the housing requirement.

6.5 For the purpose of clarity, the objectively assessed housing requirement is not the same as a housing target. An objectively assessed requirement is the theoretical requirement for housing. The housing target is the amount of housing that is to be delivered through a Local Plan.

6.6 The housing target can be equal to the objectively assessed requirement, greater than it to reflect redistribution within the housing market area or less than it to reflect constraints.

6.7 The guidance outlined a number of fundamental principles to be applied including:

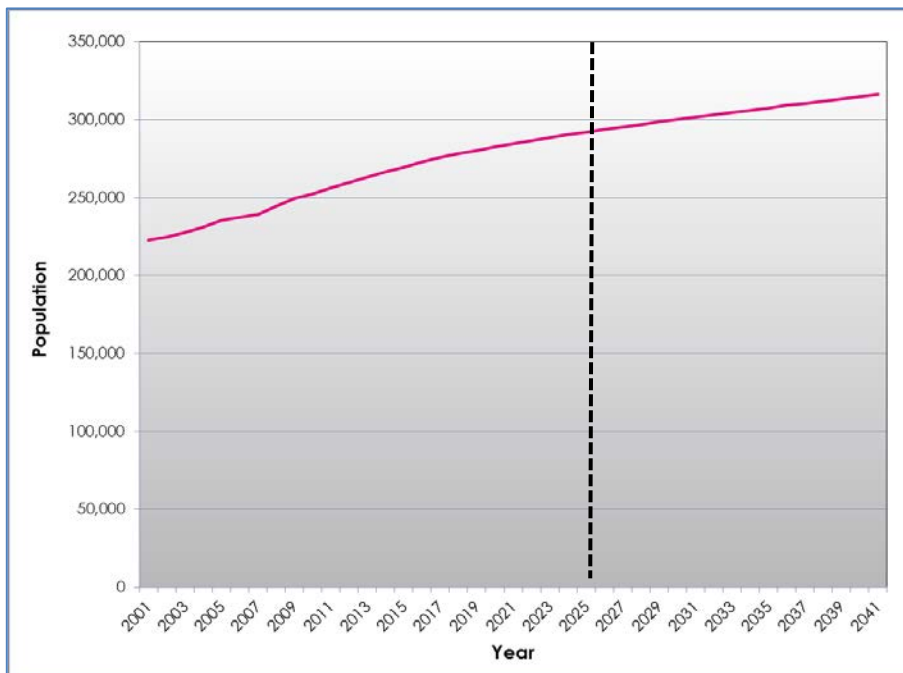
- understanding the most up to date projections (population and household) for the plan period, exploring differences between the different projections, past information and the census data;
- understanding whether the evidence justifies the development of different scenarios, i.e. using the long term trend or varying migration assumptions (which must also be based on evidence); and
- benchmarking the scenarios against economic growth ambitions and the population that will be required to deliver the number of jobs sought.

⁸ http://www.pas.gov.uk/c/document_library/get_file?uuid=bcdabc05f-0042-4e4c-9258-653ebc11b5b1&groupId=332612

National Population Projections

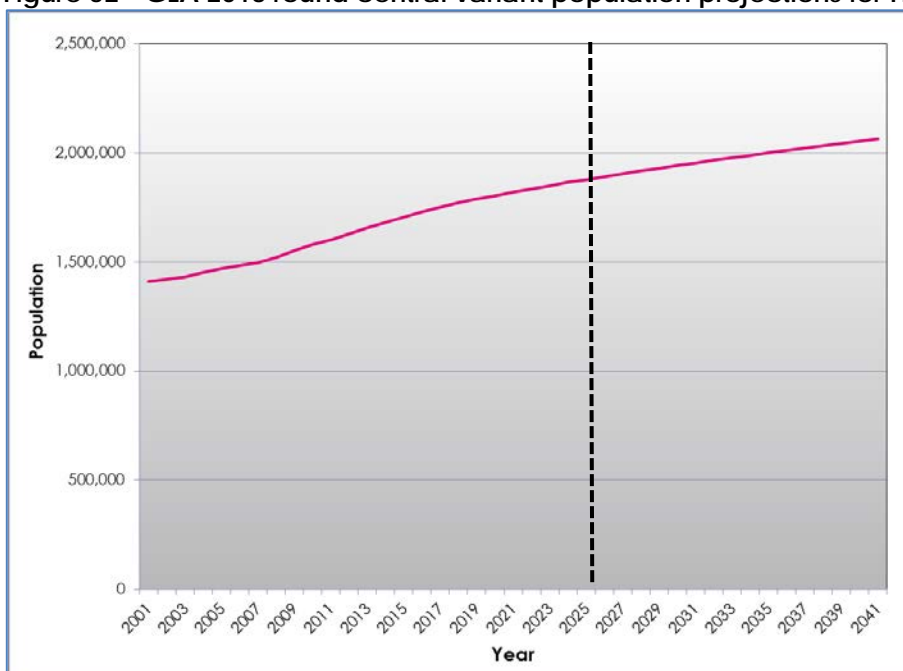
- 6.8 The three latest population projections available from the Office of National Statistics are; the **2008-based sub-national population projections (SNPP)**, **2010-based SNPP** and finally the **interim 2011-based SNPP**. Each projection uses different assumptions of fertility, mortality and migration based on trends from the previous five years, and starts from a different base population.
- 6.9 These projections are not forecasts and do not take any account of future government policies, changing economic circumstances or the capacity of an area to accommodate the change in population. They provide an indication of the future size and structure of the population if recent demographic trends continued. Projections become increasingly uncertain the further they are carried forward, and particularly so for smaller geographic areas.
- 6.10 The 2008 based and 2010 based projections extend for the full length of the plan period. The 2011 based projections provide the most up-to-date and accurate estimates, outdating those based on 2008 and 2010. This is particularly significant considering the recent changes in migration trends. The 2011-based SNPP are interim, as are the 2011-interim household projections, and only project as far as 2021.
- 6.11 These population projections can therefore be extended to 2026, in order to address Haringey's full plan period, by using the GLA 2013 round population projections. These projections provide Low, Central and High variation scenarios (based on their domestic migration assumptions from 2017 onwards). The GLA methodology uses the DCLG 2011-based interim projections and their three domestic migration assumption variants. **They are trend based, not capacity based, and do not incorporate future development assumptions.** In this context, the **central variant scenarios** are used, which "assumes recent migration patterns are partially transient and partially structural". The GLA population projections to 2041 for Haringey are illustrated in Figure 51 and shown in Figure 52.
- 6.12 The next full set of population projections is expected in September 2014 with the accompanying household projections following in Spring 2015.

Figure 51 - GLA 2013 round central variant population projections for Haringey (2001 - 2041)



Source: GLA, 2013

Figure 52 - GLA 2013 round central variant population projections for HMA (2001 - 2041)



Source: GLA, 2013

6.13 Table 46 below, shows the projected populations in 2021 for Haringey and the HMA (as a total and individually for the boroughs it is comprised of), for the 2008-based, 2010 based, 2011 based and GLA 2013 round projection figures. The significant uplift in population reflected in later projections is clear.

Table 46 - 2021 population projections for Haringey and HMA

Local Authority	2008-based SNPP projection	2010-based SNPP projection	2011-based SNPP projection	GLA 2013 round projection
Haringey	239,300	277,000	286,774	284,691
Barnet	387,500	416,000	420,462	411,334
Camden	265,200	263,000	260,825	244,869
Enfield	316,500	357,000	365,589	356,147
Hackney	227,800	259,000	271,844	284,337
Islington	205,200	236,000	240,357	239,126
HMA	1,641,500	1,808,000	1,845,852	1,820,503

Source: ONS, 2010, 2012 & 2013 & GLA, 2013

- 6.14 Table 47, below, shows the GLA 2013 round population projections (central variant scenario) for Haringey and the HMA (as a total and individually for the boroughs it is comprised of).

Table 47 - GLA 2013 round population projections for Haringey and HMA (2011 - 2026)

Year	Haringey	Barnet	Camden	Enfield	Hackney	Islington	HMA
2011	256,438	357,653	220,087	314,011	247,578	206,639	1,602,406
2012	259,635	363,957	224,902	317,562	252,630	211,306	1,629,992
2013	263,081	369,993	228,398	322,426	256,623	215,904	1,656,426
2014	266,476	376,009	231,534	327,271	260,663	220,116	1,682,069
2015	269,757	381,898	234,380	332,032	264,671	223,964	1,706,700
2016	272,917	387,661	237,004	336,709	268,612	227,496	1,730,399
2017	275,953	393,287	239,395	341,307	272,448	230,735	1,753,126
2018	278,285	397,956	240,919	345,133	275,624	233,079	1,770,995
2019	280,511	402,503	242,325	348,885	278,660	235,241	1,788,125
2020	282,647	406,996	243,628	352,552	281,565	237,251	1,804,639
2021	284,691	411,334	244,869	356,147	284,337	239,126	1,820,503
2022	286,646	415,493	246,111	359,638	286,978	240,894	1,835,759
2023	288,519	419,517	247,361	363,013	289,492	242,584	1,850,486
2024	290,321	423,371	248,580	366,270	291,881	244,198	1,864,621
2025	292,060	427,057	249,800	369,406	294,154	245,756	1,878,233
2026	293,749	430,617	251,048	372,448	296,339	247,282	1,891,483

Source: GLA, 2013

- 6.15 When considering the ONS and GLA population projections for 2011 against the actual population count for that year from the 2011 Census, see Table 48, the 2011-based SNPP projection and GLA 2013 round projection provide the closest levels to the actual count for Haringey and the HMA.
- 6.16 The proximity of these figures to the actual count for Haringey, and the closest alignment of the GLA 2013 round central variant projection with the 2011-based SNPP projection in Table 46 and Table 48, justify the use of the GLA 2013 round projections in order to project for the Haringey's full plan period to 2026.

Table 48 - Population projection scenarios for 2011 compared with 2011 Census count

Local Authority	Projection for 2011 from 2008-based SNPP	Projection for 2011 from 2010-SNPP	Projection for 2011 from 2011-SNPP	Projection for 2011 from GLA 2013 round	2011 Census population counts
Haringey	227,600	242,000	255,540	256,438	254,926
Barnet	349,800	358,000	357,538	357,653	356,386
Camden	238,000	235,000	220,087	220,087	220,338
Enfield	295,000	307,000	313,935	314,011	312,466
Hackney	215,600	227,000	247,182	247,578	246,270
Islington	192,900	206,000	206,285	206,639	206,125
HMA	1,518,900	1,577,000	1,600,567	1,602,406	1,596,511

Source: ONS, 2010, 2012 & 2013, Census, 2011 & GLA, 2013

Population Growth

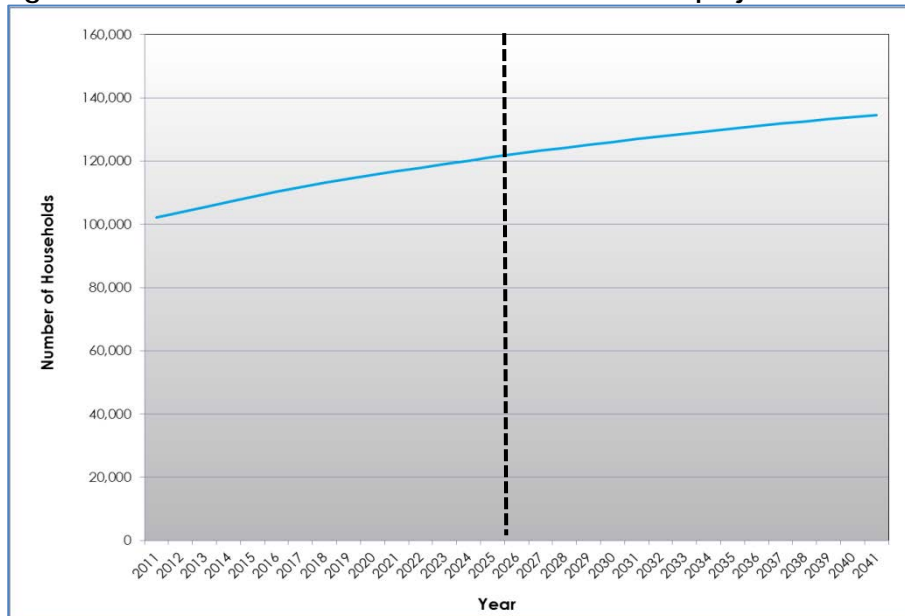
- 6.17 As shown in Table 47, the projections result in a population of 1,891,483 for the HMA in 2026. This is a total growth of 289,077 people from 2011 – 2026, which is approximately 18% growth over the period. This equates to an annual average population growth of approximately 19,272 people per annum, across the HMA, an annual growth rate of approximately 1.2%.
- 6.18 The projections result in a population of 293,749 for Haringey in 2026. This is a total growth of 37,311 people from 2011 - 2026, which is approximately 15% growth over the period. This equates to an annual average population growth of approximately 2,487 people per annum, an annual growth rate of approximately 1.0%.
- 6.19 This highlights that based on the GLA 2013 round population projections from 2011 -2026, Haringey and the HMA have a similar level of population growth. However, the population growth rate for Haringey is 3% lower than for the wider HMA.

Household Projections

- 6.20 The two most recent household projections to consider, published by DCLG, are: the **2008-based household projections** and **2011-interim household projections**. The 2011-based household projections are most in tune with changes in international and internal migration patterns over the last five years, however they only project as far as 2021.
- 6.21 These household projections can be extended to 2026, in order to address Haringey’s full plan period, by using the GLA 2013 round household projections. These projections provide Low, Central and High variation scenarios, based on their domestic migration assumptions from 2017 onwards. The GLA methodology uses the DCLG 2011-based interim projections and their three domestic migration assumption variants. They are trend based, not capacity based, and do not incorporate future development assumptions. In this context, the **central variant scenario** is used, which as already indicated above “assumes recent

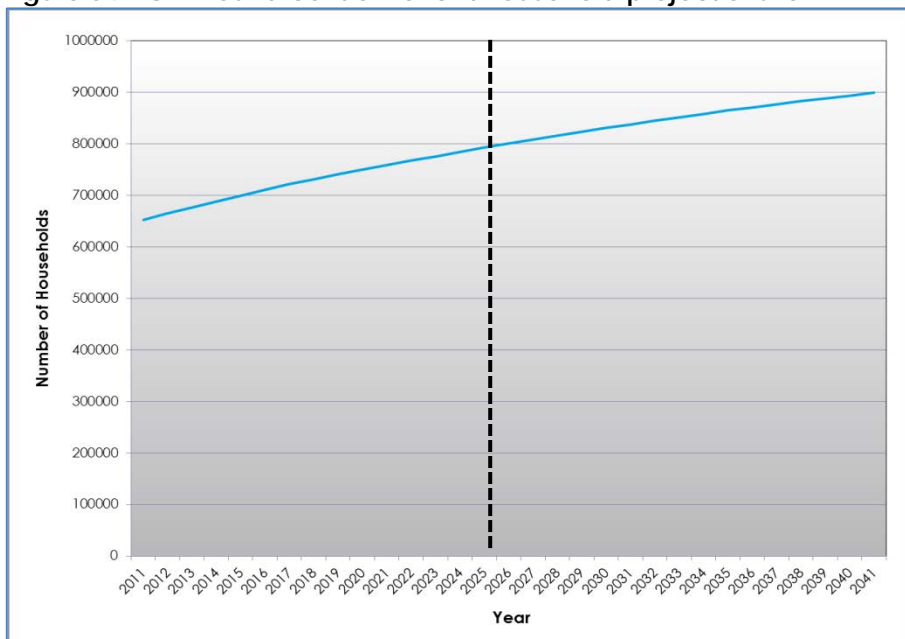
migration patterns are partially transient and partially structural". The GLA household projections to 2041 for Haringey and the HMA are illustrated in Figure 53 and Figure 54.

Figure 53 - GLA 2013 round central variant household projections for Haringey



Source: GLA, 2013

Figure 54 - GLA round central variant household projections for HMA



Source: GLA, 2013

Household Growth

6.22 Table 49, below, shows the GLA 2013 round household projections (central variant scenario) for Haringey and the HMA (as a total and individually for the boroughs it is comprised of).

Table 49 - GLA 2013 round Household Projections for Haringey and HMA (2011 - 2026)

Year	Haringey	Barnet	Camden	Enfield	Hackney	Islington	HMA
2011	102,213	136,346	97,480	120,486	102,084	93,677	652,286
2012	103,834	138,957	99,410	122,414	104,587	95,701	664,904
2013	105,459	141,386	100,842	124,602	106,656	97,616	676,561
2014	107,060	143,905	102,182	126,873	108,725	99,393	688,138
2015	108,672	146,435	103,502	129,157	110,850	101,132	699,748
2016	110,266	148,961	104,732	131,450	112,933	102,768	711,110
2017	111,812	151,452	105,883	133,743	114,963	104,278	722,132
2018	113,099	153,664	106,760	135,786	116,747	105,466	731,521
2019	114,372	155,913	107,615	137,877	118,474	106,598	740,849
2020	115,634	158,184	108,492	139,972	120,227	107,703	750,212
2021	116,869	160,444	109,350	142,047	121,922	108,758	759,390
2022	117,929	162,534	110,004	143,932	123,389	109,681	767,470
2023	119,071	164,702	110,828	145,879	124,968	110,668	776,115
2024	120,165	166,830	111,631	147,807	126,456	111,605	784,494
2025	121,232	168,929	112,406	149,700	127,922	112,507	792,695
2026	122,273	171,007	113,148	151,565	129,335	113,399	800,727
Total Change	20,060	34,661	15,668	31,079	27,251	19,722	148,441

Source: GLA, 2013

- 6.23 The household projections result in a total of 800,727 households in the HMA in 2026. This is a total growth of 148,441 households from 2011 – 2026, which is approximately 19% growth over the period. This equates to annual average growth of approximately 9,896 households per annum, across the HMA, an annual growth rate of approximately 1.5%
- 6.24 The household projections result in a total of 122,273 households for Haringey in 2026. This is a total growth of 20,060 households from 2011 - 2026, which is approximately 20% growth over the period. This equates to annual average growth of approximately 1,337 households per annum, an annual growth rate of approximately 1.3%.
- 6.25 This highlights that based on the GLA 2013 round household projections from 2011 -2026, Haringey and the HMA have a similar level of household growth. However, the household growth in Haringey is 1% lower than for the HMA.

Converting households to dwellings

- 6.26 The household figures are calculated using the DCLG standard household formation rates from the 2011-based DCLG Household Projections, which reflect wider demographic trends with more people living alone and for longer.
- 6.27 The number of households can show the housing requirement of local household growth, those in need and likely to move to Haringey. However, a further calculation, considering vacancy, is needed to understand the required household spaces to allow for the housing

market to function properly. A reasonable level of assumed vacancy within Haringey, facilitating daily churn in the housing market is around 1.5%. This is based on the Local Authority's indication of a vacancy level of approximately 1,597 units in 2013.

- 6.28 Household spaces (incorporating the consideration of housing market churn) are an important consideration for Haringey bearing in mind the amount of Homes in Multiple Occupation (HMOs) and instances of house sharing, where more than one household occupies a single house, particularly evident in the East of the Borough.
- 6.29 There were 102,213 households recorded in Haringey in 2011. When the vacancy rate of 1.5% is applied this number increases to 103,746 households. 103,746 is therefore considered as the number of households allowing for market churn. Table 50 applies this 1.5% vacancy rate to the projected growth of households in Haringey and the Housing Market Area (from Table 49). The household growth and household growth allowing for market churn for Haringey and the HMA is summarised in Table 51, evidencing annual household requirements.

Table 50 - Projected Growth in Household Spaces for Haringey and HMA (2011 - 2026)

Year	Haringey	Barnet	Camden	Enfield	Hackney	Islington	HMA
2011	103,747	138,392	98,942	122,293	103,616	95,082	662,070
2012	105,392	141,042	100,901	124,251	106,156	97,137	674,877
2013	107,041	143,507	102,355	126,471	108,256	99,081	686,709
2014	108,666	146,063	103,714	128,776	110,356	100,884	698,460
2015	110,302	148,631	105,055	131,094	112,513	102,649	710,245
2016	111,920	151,195	106,303	133,422	114,627	104,309	721,776
2017	113,489	153,724	107,472	135,749	116,688	105,842	732,964
2018	114,795	155,969	108,361	137,822	118,498	107,048	742,494
2019	116,088	158,252	109,230	139,945	120,251	108,197	751,962
2020	117,369	160,557	110,119	142,072	122,030	109,318	761,465
2021	118,622	162,850	110,990	144,178	123,751	110,390	770,781
2022	119,698	164,972	111,654	146,091	125,240	111,326	778,982
2023	120,857	167,172	112,490	148,067	126,842	112,328	787,757
2024	121,967	169,333	113,305	150,024	128,353	113,279	796,262
2025	123,050	171,463	114,092	151,945	129,841	114,194	804,586
2026	124,107	173,572	114,845	153,839	131,275	115,100	812,738
Total Change	20,360	35,180	15,903	31,546	27,659	20,018	150,668

Source: GLA, 2013, Census, 2011 & GVA, 2014.

Table 51 - Change in Households & Household Spaces (2011 - 2026)

Area	2026 Projected Population	2026 Projected Households	Additional Households	Additional Households allowing for market churn	Annual Households allowing for market churn
Haringey	293,749	122,273	20,060	20,361	1,357
HMA	1,891,483	800,727	148,441	150,668	10,045

Source: GLA, 2013, Census, 2011 & GVA, 2014.

- 6.30 As a result of the projected population growth in Haringey, 20,361 new household spaces (households allowing for market churn) could be formed by 2026. This translates into an annual new housing requirement of 1,357 houses in Haringey, approximately 14% of the requirement for the HMA overall.

-
- 6.31 Considering the principles outlined in the guidance, use of the GLA 2013 round projections provides an appropriate economic and migration context for Haringey. The GLA scenarios vary based on their migration patterns and economic context assumptions. Based on the fact that the economic recession has been linked to falling migration from London to the rest of the UK and rising flows from the rest of the UK into London, the scenarios reflect different possible return positions to pre economic crisis migration trends. The Central Variant scenario (used in this Study) assumes that recent migration patterns are partially transient and partially structural, and beyond 2018 domestic outflow propensities increase by 5% and inflows by 3% compared to the High variant scenario.
- 6.32 As such, specific migration and economic growth scenarios are not generated, with the use of the GLA projections which support the London Plan requirements ensuring an appropriate projection level for the Borough.

Household Types

- 6.33 The projected household change can be analysed to consider the mix of housing that would best fit the housing requirement. The household projections are broken down in to the 17 DCLG Household Types, shown in Table 52, from which assumptions can be made in terms of the number of bedrooms they require.
- 6.34 The translation of these assumptions into a mix of housing by size can be achieved using two distinct methodologies. The first provides a distribution by size based purely on a minimum need rather than the aspiration.

Table 52 - CLG Household Types and Bedroom Requirements

Household Type	Description	Assumed Bedrooms Required	Broader Category
OPMAL	One person households: Male	1	One Person
OPFEM	One person households: Female	1	One Person
FAMC0	One family and no others: Couple: No dependent children	1	Couples on their Own
FAMC1	One family and no others: Couple: 1 dependent child	2	Small Families
FAMC2	One family and no others: Couple: 2 dependent children	3	Larger Families
FAMC3	One family and no others: Couple: 3+ dependent children	4+	Larger Families
FAML1	One family and no others: Lone parent: 1 dependent child	2	Small Families
FAML2	One family and no others: Lone parent: 2 dependent children	3	Larger Families
FAML3	One family and no others: Lone parent: 3+ dependent children	4+	Larger Families
MIX C0	A couple and one or more other adults: No dependent children	2	Larger Families
MIX C1	A couple and one or more other adults: 1 dependent child	3	Larger Families
MIX C2	A couple and one or more other adults: 2 dependent children	4+	Larger Families
MIX C3	A couple and one or more other adults: 3+ dependent children	4+	Larger Families
MIX L1	A lone parent and one or more other adults: 1 dependent child	3	Small Families
MIX L2	A lone parent and one or more other adults: 2 dependent children	4+	Larger Families
MIX L3	A lone parent and one or more other adults: 3+ dependent children	4+	Larger Families
OTHHHH	Other households	Other	Other Households

Source: CLG and GVA 2013

Distribution by Size and by Need

- 6.35 This method assigns an assumed bedroom requirement to each of the 17 DCLG Household Types based on the size of the household as outlined above, using the household type specific GLA 2013 round household projection data. These assumptions more accurately reflect the additional household need rather than the aspiration. The use of the GLA 2013 round household projections (built from the GLA population projections and therefore incorporating demographic assumptions), means that the calculated size based requirements in Table 53 incorporate allowance of the trends in people living longer, living in single person households and living in smaller family units.

Table 53 - Proposed Distribution in New Household Spaces by Size based on Assumed Bedroom Requirement

Total	1 Bed	2 Bed	3 Bed	+4 Beds	Other	Total
2011 Requirement	50,109	18,440	12,201	8,559	14,437	103,747
%	48%	18%	12%	8%	14%	100%
2026 Requirement	59,217	24,086	12,197	9,170	19,437	124,107
%	48%	19%	10%	7%	16%	100%
Annual Requirement	3,948	1,606	813	611	1,296	8,274
%	48%	19%	10%	7%	16%	100%

Source: GLA, 2013 and GVA, 2014

- 6.36 The 1 and 2 bedroom housing requirement in 2026 is 1% higher than in 2011, while there is a reduction of 3% in the 3 and 4+ bedroom requirements.
- 6.37 Annually over the projection period there could be a requirement for 67% of household spaces to have 1 and 2 bedrooms and 17% to have 3 and 4+ bedrooms. However, the reflection of trends in people living longer, in single person household and in smaller family units, is not necessarily entirely accurate or comprehensive. There is a large number of families and HMO and house sharing evident in Haringey, particularly in the East of the Borough. This suggests that a higher proportion of units with more bedrooms will be required.

Distribution by Size and Occupancy Rates

- 6.38 The second methodology calculates the housing distribution by size based on historic occupancy rates by age and household type. Using the "What Homes Where" toolkit we can firstly simplify the 17 Household Types into seven broader categories as shown in Table 54.
- 6.39 These calculations are based on the 2001 distribution. Assuming that these levels remain constant we can translate the growth in each household into an additional housing requirement by size of property, outlined in Table 54.

Table 54 - Projected Distribution in New Household Spaces by Size Based on 2001 Distribution

Scenario	1 Room	1 Bed	2 Bed	2/3 Bed	3 Bed	3/4 Bed	4/5 Bed
Annual Requirement	38	75	224	189	138	92	96
Percentage	4.5%	8.8%	26.3%	22.3%	16.2%	10.8%	11.3%

Scenario	1 Room	1 Bed	2 Bed	2/3 Bed	3 Bed	3/4 Bed	4/5 Bed
Projection Period Requirement (2011-2026)	566	1130	3355	2841	2074	1373	1444
Percentage	4.4%	8.8%	26.2%	22.2%	16.2%	10.7%	11.3%

Source: What Homes Where Toolkit and GVA 2014

6.40 Because the initial calculated distribution reflects the 2001 stock, it is somewhat skewed towards providing larger property sizes. It also reflects the *aspirations* of the 2001 residents rather than their *need*.

Further Distribution Scenarios

6.41 In addition, the toolkit also provides the opportunity to review the housing requirement by size if household occupancy levels change i.e. more or less rooms than households require and the extent to which 65+ singles and couples, particularly those who are 'empty nesters' choose to continue to live in large family homes.

6.42 Clearly it is not realistic to assume that people will only buy property which exactly meets their needs nor is it realistic to assume that everyone's aspirations can be catered for. It can be therefore assumed that the actual distribution in housing size is somewhere between the two calculations.

Under Occupancy

6.43 Generally higher incomes are associated with larger homes. Alternatively, housing shortages may force more households to accept smaller homes than they would aspire to or need.

6.44 One approach is to explore the consequences of a specified percentage of households at the end of the projection period occupying an additional room, and also to specify the percentage of singles and couples in 3 bed properties downsizing to 2 bed homes, and that the same percentage of singles and couples in 4 and 5 bed homes downsizing to 3 bed properties.

6.45 This additional scenario seeks to review what would happen to the size distribution if the occupancy rates increased or declined by 10%. The resultant distributions are shown in Table 55 and Table 56.

Table 55 - Projected Distribution in New Household Spaces by Size Based on Over Occupancy Assumptions for Projection Period (2011 – 2026)

Scenario	1 Room	1 Bed	2 Bed	2/3 Bed	3 Bed	3/4 Bed	4/5 Bed
Over Occupancy +10%							
Projection Period Requirement	119	704	1835	2541	2672	2131	2781
Percentage	0.9%	5.5%	14.4%	19.9%	20.9%	16.7%	21.8%
Over Occupancy -10%							
Projection Period Requirement	1012	1556	4876	3140	1477	616	107
Percentage	7.9%	12.2%	38.1%	24.6%	11.6%	4.8%	0.8%

Source: *What Homes Where Toolkit and GVA 2014*

Table 56 - Projected Distribution in New Household Spaces by Size Based on Over Occupancy Assumptions (Annual)

Scenario	1 Room	1 Bed	2 Bed	2/3 Bed	3 Bed	3/4 Bed	4/5 Bed
Over Occupancy +10%							
Annual Requirement	8	47	122	169	178	142	185
Percentage	0.9%	5.5%	14.4%	19.9%	20.9%	16.7%	21.8%
Over Occupancy -10%							
Annual Requirement	67	104	325	209	98	41	7
Percentage	7.9%	12.2%	38.2%	24.6%	11.6%	4.8%	0.8%

Source: *What Homes Where Toolkit and GVA 2014*

- 6.46 If the rate of over occupancy (homes having more rooms than the household size requires) were to increase by 10% then only 40.7% of the new household spaces would be required to be 2/3 bedrooms or smaller. 59.3% of the new household spaces would be required to be 3 bedrooms or larger.
- 6.47 However, if over occupancy were to decrease by 10% then 82.8% of the new household spaces required would be required to be 2/3 bedrooms or smaller. 17.2% of the new household spaces would be required to be 3 bedrooms or larger.

Downsizing in Older Age Groups

- 6.48 The final scenario looks at what would happen to the distribution by size of additional homes if numbers of over 65 singles and couples continuing to live in large family homes increased by 10% or decreased by 10%. The resultant distributions are shown in Table 57 and Table 58.

Table 57 - Projected Distribution in New Household Spaces by Size based on Downsizing Assumptions for Projection Period (2011 – 2026)

Scenario	1 Room	1 Bed	2 Bed	2/3 Bed	3 Bed	3/4 Bed	4/5 Bed
Downsizing +10%							
Projection Period Requirement	566	1130	4114	2757	1961	1068	1189
Percentage	4.4%	8.8%	32.2%	21.6%	15.3%	8.4%	9.3%
Downsizing -10%							
Projection Period Requirement	566	1130	2597	2925	2188	1679	1699
Percentage	4.4%	8.8%	20.3%	22.9%	17.1%	13.1%	13.3%

Source: *What Homes Where Toolkit and GVA 2014*

Table 58 - Projected Distribution in New Household Spaces by Size based on Downsizing Assumptions (Annual)

Scenario	1 Room	1 Bed	2 Bed	2/3 Bed	3 Bed	3/4 Bed	4/5 Bed
Downsizing +10%							
Annual Requirement	38	75	274	184	131	71	79
Percentage	4.4%	8.8%	32.2%	21.6%	15.3%	8.4%	9.3%
Downsizing -10%							
Annual Requirement	38	75	173	195	146	112	113
Percentage	4.4%	8.8%	20.3%	22.9%	17.1%	13.1%	13.3%

Source: *What Homes Where Toolkit and GVA 2014*

- 6.49 If the tendency to downsize in older age groups were to increase by 10% then the distribution would further shift towards smaller properties with only 33% instead of 59.3% of new build properties required to be 3, 3/4 or 4/5 bedrooms.
- 6.50 By contrast if the trend to downsize in older age groups is reduced by 10% then up to 43.5% of the new build properties should be 3, 3/4 or 4/5 bedrooms.
- 6.51 Where the scenarios produce a high number of larger homes the distribution could be further adjusted to reflect the current residents' tendency to expand their homes. As a result there is an argument to allow the current stock to upsize and shift the balance.

Towards a Housing Target

- 6.52 The National Planning Policy Framework states that Local Plans should meet objectively assessed requirement, with sufficient flexibility to adapt to rapid change, unless: any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the framework taken as a whole, or specific policies in the framework indicate development should be restricted.
- 6.53 Given this obligation, it is worth benchmarking the objectively assessed requirement against the availability of developable land, previous housing targets and historic completions rate of dwellings. This is undertaken using capacity data from Haringey's AMR trajectory of

annual housing capacity, the Local Plan annual target for additional homes and the GLA Strategic Housing Land Availability Assessment (SHLAA) estimated capacity.

- 6.54 Based on past housing delivery performance, the AMR (2012) housing trajectory identifies a 15 year capacity for 11,637 units, which would accommodate an average of 834 homes annually over the plan period to 2026.
- 6.55 The Local Plan was formally adopted in March 2013. The Local Plan target, which is based on the London Plan target for Haringey, is for the provision of 8,200 additional homes from 2011/12 – 2021/22. This equates to a target of 820 additional homes annually over the plan period.
- 6.56 The most recent GLA SHLAA was published in 2013 and represents the most recent assessment of housing *capacity* for Haringey. It provides detail on land availability to meet housing targets within the Borough, and constitutes an important part of the evidence base for the London Plan, informing the housing targets within the Further Alterations to the London Plan (FALP). The SHLAA process provides an estimate of the amount of land that could potentially be available to deliver housing. The GLA SHLAA (2013) identifies an annual housing capacity of 1,502 over the plan period.
- 6.57 The most recent GLA SHMA was also published in 2013. It represents the most recent assessment of trend based housing requirement for London, however it does not provide an indication of this requirement at the Borough level. Direct comparison between its requirement figure and the figure calculated for Haringey in this SHMA is therefore not possible. However the annual requirement of 1,357 homes for Haringey can be contextualised as 2.8% of the London annual requirement of 49,000 homes. Despite being a capacity based figure with a different methodological approach and data sources to this SHMA, the GLA SHLAA identified housing capacity for Haringey provides the best comparative figure for the trend based requirement figure generated in this Study.
- 6.58 This SHMA calculates Haringey's objectively assessed requirement based on the GLA 2013 round household projections, at a requirement of 20,060 households from 2011 – 2026. This translates to a projected annual growth of 1,337 households. The objectively assessed requirement for Haringey, allowing for churn in the market, is for the provision of an additional 20,361 household spaces over the plan period (2011 – 2026). This equates to an annual requirement of 1,357 additional household spaces.
- 6.59 Table 59 benchmarks the SHMA objectively assessed housing requirement against the other identified capacities and targets.

Table 59 - Comparison of AMR Capacity, Local Plan Target, SHMA Objectively Assessed Housing Need and SHLAA Capacity Figure

AMR trajectory of annual housing capacity (2011-2026)	Local Plan annual target for additional homes (2011-2021)	SHMA objectively assessed housing requirement – households (2011 – 2026)	SHMA objectively assessed housing requirement – household spaces (2011 – 2026)
834	820	1,337	1,357

Source: GVA & Haringey Council, 2013

- 6.60 This difference of 145 units per year (11%) between the annual GLA SHLAA capacity figure (1,502) and the objectively assessed housing requirement based on GLA 2013 projections (1,357) equates to a difference of 1,885 over the remaining plan period. It is explained by considering the variation in the timeframe and calculation approach on which these figures are based. Importantly, the GLA SHLAA figure (1,502) uses a capacity based methodology, which means it represents annualised average housing capacity based on land and sites identified within the Borough, whereas the figure calculated in this SHMA (1,357) is trend-based, using the (Central scenario) GLA 2013 round projections.
- 6.61 The SHLAA figure covers the period from 2015-2025, whereas this SHMA's objectively assessed housing requirement covers the period from 2011 – 2026. The longer time period may result in structural changes which affect the overall figure and how it is annualised compared to the relatively shorter time period for the SHLAA figure.
- 6.62 Net dwelling completions within Haringey peaked at 1,280 recorded in 2011/12. When considering the level of average completions from 2007/08 to 2011/12 an additional 707 completions would be required, equating to a 55% increase in the completions rate. Since 2007/08 net dwelling completions have averaged at 650 units per year. Meeting the objectively assessed requirement as projected for Haringey would require an additional 77 completions compared with the 2011/12 level, equating to an increase in the completions rate by 6%.
- 6.63 Turning to the amount of developable land within Haringey, the GLA SHLAA (and FALP) suggests that approximately 1,502 units per annum could be built on the available land within the Borough. Based on the density calculations used within the GLA SHLAA, assuming a PTAL between 2 and 3, and the classification of Haringey as an urban area, a density figure of 100 units per hectare is considered appropriate here. Using these assumptions, the additional annual requirement would therefore translate to a housing land requirement of approximately 13.57ha per annum to 2026, approximately 203.61ha in total
- 6.64 Meeting the objectively assessed requirement as projected for Haringey would therefore, not require the identification of additional developable land at a gross level to provide any

additional net dwellings per annum. The spatial distribution of sites will be a matter for the Local Plan and wider regeneration and corporate strategies.

Methodological Note on Population and Household Projections

- 6.65 By their very nature all population and household projections have a margin of error. This is due to the assumptions that are made based on historic trends which will to a greater or lesser extent continue into the future. The extent to which these trends continue directly affects the accuracy of the projections. Nevertheless, the projections set out a helpful range for consideration.
- 6.66 Projections are not forecasts and they therefore take no account of policy nor development aims that have not yet had an impact on observed trends.
- 6.67 All the ONS projections use five year trend data on migration (international and internal), fertility rates by age and mortality rates by age. Therefore the results vary as a result of what happened in the five year previous to the projections' publication.
- 6.68 All of the above population projections include large in-migration from EU accession countries which could be argued to provide an unrealistically high assumption regarding long term international in-migration and therefore an over estimation of population growth, particularly in the context
- 6.69 It has long been recognised that migration is one of the most difficult components of population change to measure accurately, particularly at local authority level. The above projections show the sensitivity of projections within this housing market area to shifting migration patterns.
- 6.70 The interim 2011-based sub-national population projections update previously published projections with the latest available population estimates which are based on results from the 2011 census. This provides an improved population base from which the projections start for all areas.
- 6.71 There are issues resulting from the applying of historical trends to an updated population base. For example, ONS has since stated that the 2011-based projection may have overestimated fertility rates so caution should be exercised if using this projection for planning purposes at the younger (below household formation) ages.
- 6.72 However, the 2011-based population projection are the best estimates of the future population of English regions and local authorities currently available.

-
- 6.73 Based on the need to consider population and household growth to the end of the Haringey plan period (2026), the use of the GLA 2013 round population projections is justified by their use of the ONS interim 2011-based SNPP, the fairly close alignment between GLA projection figures to 2021 and those from the ONS, and the close alignment of the GLA 2011 projection figure with the actual 2011 count figure from the Census.
- 6.74 Finally, it may be the case that the long-term view of trends in household formation rates assumed by the DCLG household projections do not continue as anticipated. For example suppressed household formation rates witnessed in the 2011 census may be a short-term effect of the current recession or a longer term trend resulting from gradual change in housing affordability issues.
- 6.75 As the 2011-based population projections do not extend to the final stages of the plan period, the GLA 2013 round projections (using the central variant scenario) are considered the most accurate, robust and available indication of what constitutes the objectively assessed requirement for the HMA and more importantly, Haringey. This is particularly the case considering that they provide a scenario which incorporates the potential future London economic and migration context, in a post recessionary economic climate. This is despite the limitations of the ONS data they are based on, discussed above. These projections are therefore adopted as the demographic baseline for the remainder of this report.
- 6.76 Similarly, as the 2011-based household projections do not extend to the final stages of the plan period, the GLA 2013 round projections (using the central variant scenario) are also considered the most accurate, robust and available indication of what constitutes the objectively assessed requirement for the HMA and more importantly, Haringey.

Key Findings

- 6.77 This purpose of this section was to examine the range of population and household projections with a view to considering what constitutes objectively assessed need (requirement) for the HMA and more importantly Haringey. The key messages arising from the analysis are:
- Population and household projections are only as good as the assumptions made. The ONS/DCLG 2008, 2010 and 2011-based projections and GLA 2013 round projections all have their limitations. Of the available projections, the 2011-based projection provides the best estimate of future population to 2021. The GLA 2013 round projections (high variant scenario) provide the best estimate of future population and households to 2026 and is considered to constitute the objectively assessed requirement at this time. As

already indicated, this is particularly the case considering that they provide a scenario which incorporates the potential future London economic and migration context, in a post recessionary economic climate.

- The emergence of improved migration data and further releases from the 2011 census provides a future opportunity to investigate the robustness of the published national projections. National projections published in Spring 2014 will include this.
- The demographic based projections predict an average growth in population across the HMA of 37,311 people over the projection period (2011 – 2026). This equates to annual average growth of 2,487 people per annum, approximately 1%.
- As a result of the projected population growth, approximately **20,361 new household spaces could be formed in Haringey**, including 1.5% vacancy to allow for housing market churn. This translates into an **annual new housing requirement of 1,357 in Haringey**, approximately 14% of the overall HMA requirement.
- In terms of distribution by housing size and need based on household projections, there could be an annual requirement for 67% of household spaces to have 1 and 2 bedrooms, compared with 17% for 3 and 4+ bedrooms. However, this could be skewed towards requiring more larger homes considering trends in families, HMOs and house sharing in the East of the borough. These proportions also vary in line with different assumptions for over and under-occupancy and down-sizing in older age groups.
- If the objectively assessed requirement is benchmarked against net dwelling completion trends, Haringey would require an additional 77 completions compared with the 2011/12 level, a 6% increase in the completions rate. An additional 707 completions compared with the average completions from 2007-12 would be required, equating to a 55% increase in the completions rate.
- Meeting the objectively assessed requirement as projected for Haringey would require the identification of land to provide an additional 537 net dwellings per annum. This equates to approximately 5.4Ha per annum over the plan period, based on GLA SHLAA density assumptions.

7. Housing Needs Survey: Resident Need and Aspirations

7.1 Whilst preceding sections consider housing needs and affordable housing requirements for Haringey driven by secondary data and focused on actual requirements, primary data collected from the Housing Needs Survey can provide further insight into residents' housing need and aspirations within the Borough. Aspirations or 'wants', are not always aligned with a household's 'need' for specific housing types, tenures and sizes, however there is often a level of correlation.

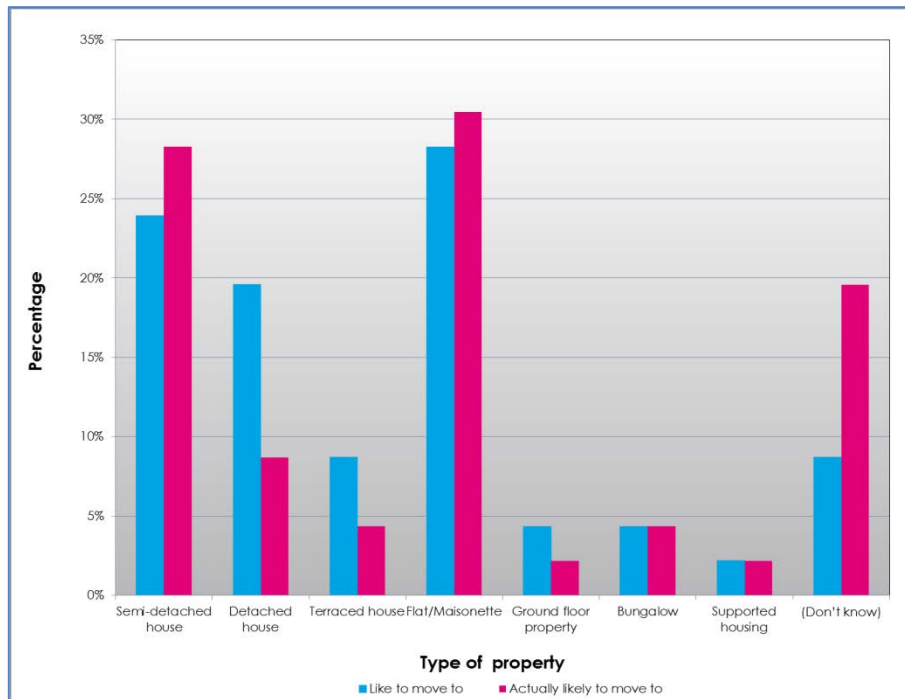
Housing Need

Type

7.2 Of those surveyed, 5.3% indicated a **need to move** to a different home. The most popular types of housing identified (that people **would like to move into**) were a flat/maisonette (28%), a semi-detached house (24%) or a detached house (20%).

7.3 However, following these responses, when asked what type of property they think they are **actually likely to move to** these proportions changed to 30% for a flat/maisonette, 28% for a semi-detached house and 9% for a detached house. A comparison of these housing type aspiration and expectation indications is shown in Figure 55.

Figure 55 - Resident's Preference for Property Type: Comparison of Aspiration and Expectation (2013)

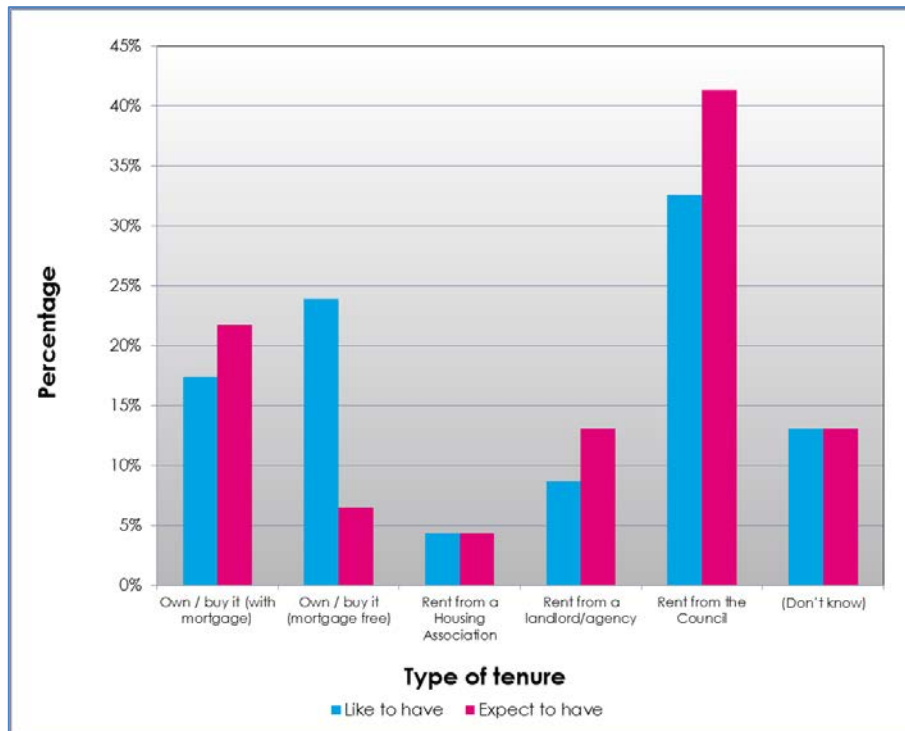


Source: Housing Needs Survey, 2013

Tenure

- 7.4 For the 5.3% of residents **needing** to move to a different home, 33% indicated they would like to rent from the Council, 24% would like to own their home outright, 17% would like to own their home with a mortgage, 9% would like to rent from a landlord/agency, and 4% would like to rent from a Housing Association.
- 7.5 However, this deviates from their **expectations** for their new housing tenure (where they think they are **actually likely to move to**), which are; 41% to rent from the Council, 22% to own their home with a mortgage, 13% to rent from a landlord/agency, 7% to own outright and 4% to rent from a Housing Association. A comparison of this is shown below in Figure 56.

Figure 56 - Resident's Preference for Property Tenure: Comparison of Aspiration and Expectation (2013)

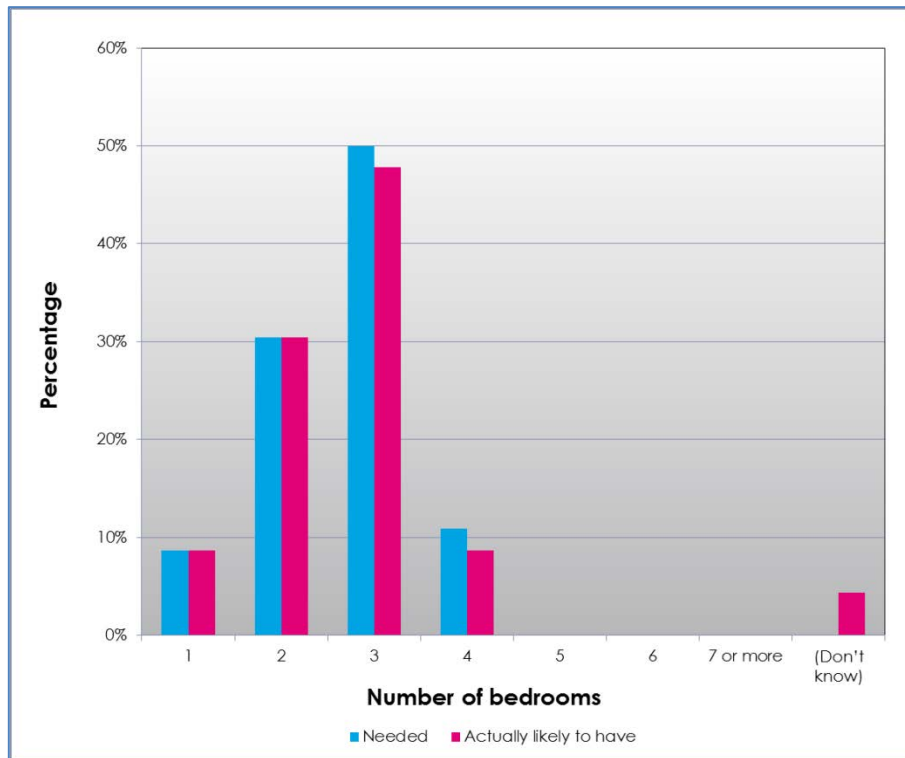


Source: Housing Needs Survey, 2013

Number of Bedrooms

- 7.6 Again considering this 5.3% of residents who indicated the **need** to move, 50% of this group indicated they would need 3 bedrooms, 30% indicated they would need 2 bedrooms, 11% indicated they would need 4 bedrooms and 9% indicated they would need 1 bedroom.
- 7.7 There was little change to these figures when asked how many bedrooms they think they would **actually be likely to have** (38% for 3 bedrooms, 30% for 2 bedrooms, 9% for 4 bedrooms and 9% for 1 bedroom). This suggests a higher level of perceived need for 2 and 3 bedroom properties, rather than smaller 1 bed units. This is consistent with other analysis. A comparison of the aspiration and expectation for number of bedrooms is shown below in Figure 57.

Figure 57 - Resident's Preference for Number of Bedrooms: Comparison of Aspiration and Expectation (2013)



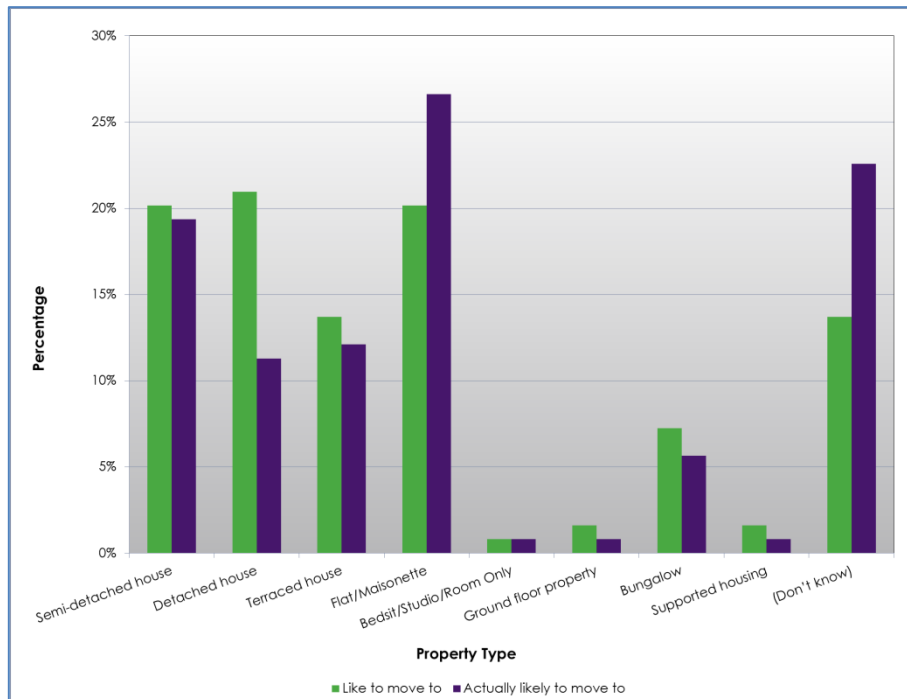
Source: Housing Needs Survey, 2013

Housing Aspiration

Type

- 7.8 Of those surveyed, 12.4% of residents indicated they **want** to move to a different home in the next 5 years. The highest proportions of this group **would like to move into** either a detached house (21%), a flat/maisonette (20.2%), a semi-detached house (20.2%), a terraced house (13.7%) or a bungalow (7.3%).
- 7.9 However, following these responses, when asked what type of property they think they are **actually likely to move to**, these proportions changed to 11.3% for a detached house, 26.6% for a flat/maisonette, 19.4% for a semi-detached house, 12.1% for a terraced house, and 5.6% for a bungalow. Figure 58 shows the comparison between resident’s aspirations and expectations for property type.

Figure 58 - Resident's Preference for Property Type: Comparison of Aspiration and Expectation (2013)

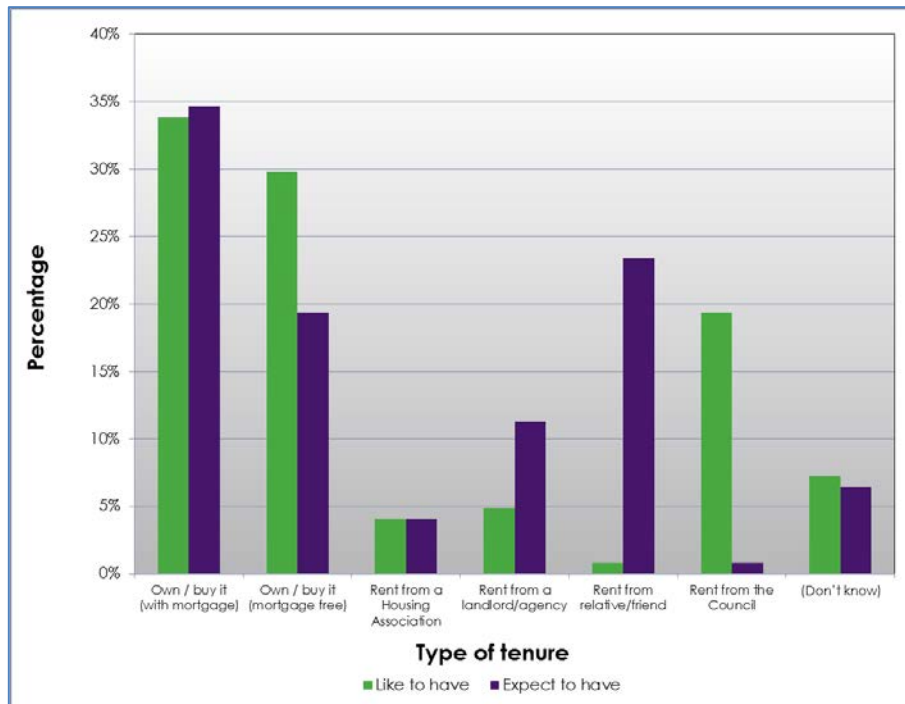


Source: Housing Needs Survey, 2013

Tenure

- 7.10 For the 12.4% of residents who **want** to move to a different home in the next 5 years, 34% would like to own their home with a mortgage, 30% would like to own their home outright, 19% would like to rent from the Council, 5% would like to rent from a landlord/agency and 4% would like to rent from a Housing Association.
- 7.11 However, this deviates from what they think they would **actually be likely to have**, where the following proportions were identified; 35% to own with a mortgage, 23% to rent from the Council, 19% to own their home outright, 11% to rent from a landlord/agency and 4% to rent from a Housing Association. Comparison between the aspiration and expectation for property type, for residents who want to move, is shown in Figure 59.

Figure 59 - Resident's Preference for Property Tenure: Comparison of Aspiration and Expectation (2013)

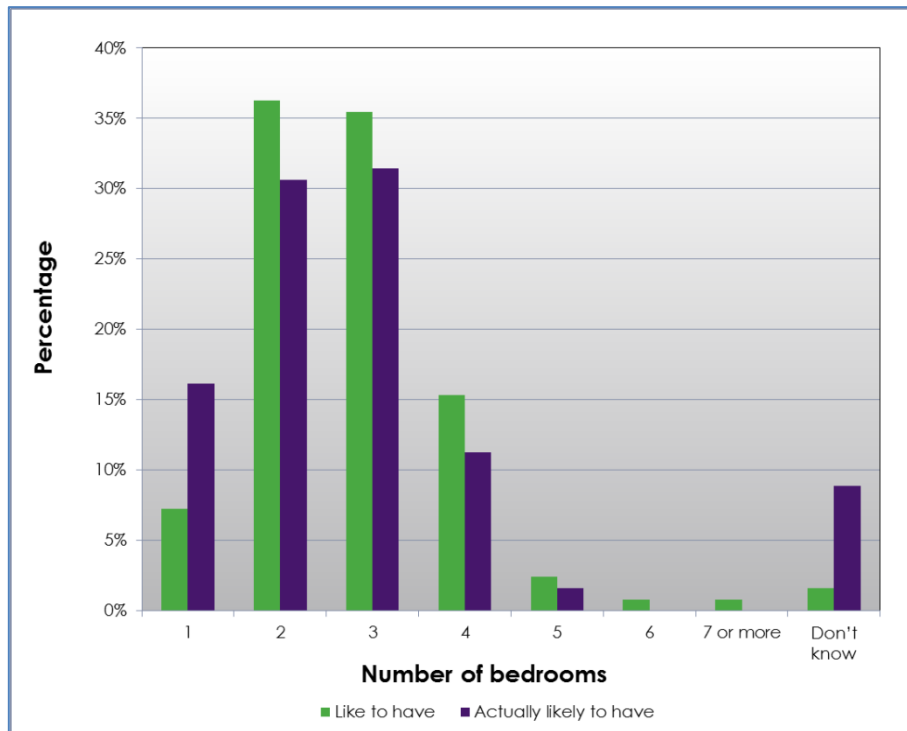


Source: Housing Needs Survey, 2013

Number of Bedrooms

- 7.12 Again considering this 12.4% of residents **wanting** to move to a different home in the next 5 years, 36% of this group indicated they would like 2 bedrooms, 36% would like 3 bedrooms, 15% would like 4 bedrooms, 7% would like 1 bedroom and 2% would like 5 bedrooms.
- 7.13 There was some slight variation in these proportions when asked how many bedrooms they think they would **actually be likely to have**; 32% indicated they would like 3 bedrooms, 31% would like 2 bedrooms, 16% would like 1 bedroom, 11% would like 4 bedrooms and 2% would like 5 bedrooms. Comparison between resident's aspirations and expectations for number of bedrooms is shown below in Figure 60.
- 7.14 The resident's aspirations for 2 and 3 bedroom properties align with their indication of their need, considered above. This provides further support for the bedroom size requirements findings calculated earlier in this Section.

Figure 60 - Resident's Preference for Number of Bedrooms: Comparison of Aspiration and Expectation (2013)



Source: Housing Needs Survey, 2013

Key Findings

- Consideration of the residents' needs and aspirations from the Housing Needs Survey, demonstrated a preference towards larger homes, with the highest proportion of residents identifying a preference for 3, followed by 2 bedrooms (both significantly higher than the 1 bedroom preference).

8. Meeting the Affordable Need of Households

8.1 The preceding sections have considered the operation of the housing market and the housing requirement overall. This section examines the specific need for affordable housing; that is housing provided for people who are unable to access suitable homes in the open market. This includes consideration of the overall need for affordable housing and specific types of tenure.

Defining Affordable Housing Needs

8.2 'Housing need' refers to households lacking their own housing or living in unsuitable housing and who cannot afford to meet their needs in the market. It is for those in housing need (i.e. those who cannot meet their housing requirements in the private sector) that the state needs to intervene in the market to ensure all households have access to suitable housing.

8.3 Establishing an estimation of the level of current and future housing need ensures that policy aimed at providing new affordable housing is responsive to the needs of households within the authority.

8.4 Affordable housing is housing provided to eligible households who are in housing need. The National Planning Policy Framework defined affordable housing as follows:

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

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

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

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as "low cost market" housing, may not be considered as affordable housing for planning purposes.

- 8.5 There are three core elements of considering future need for affordable housing:
- **Current Housing Need (Gross Backlog)**: There is a range or spectrum of 'need', from those in urgent need of housing (the priority list), to those who are living in overcrowded or substandard homes, and those who would like affordable housing but are not in urgent need of re-housing (the standard waiting list).
 - **Future Housing Need (Short and Long-term need)**: In the long-term, demographics, housing market trends and employment forecasts examined in the preceding section suggest that the overall demand for housing in Haringey will continue to be very strong. Based on cost and income characteristics, the share of requirement for affordable housing will be significant.
 - **Future Affordable Housing Supply**: There is a level of total new affordable housing stock that will become available, consisting of a combination of opportunities within the existing stock and the committed supply of new affordable housing that will be provided. There is stock which will constitute future affordable supply based on transfers and turnover of social and intermediate affordable housing. However, this must also account for the proportion of units which may be lost from the affordable supply stock.

Ascertaining Affordable Housing Need Utilising Secondary Data

- 8.6 The DCLG SHMA: Practice Guidance advocates an approach to calculating housing needs which moves away from a purely primary survey based approach to one which is based on secondary data sources.
- 8.7 The approach taken in this report satisfies the requirements of the DCLG SHMA Guidance through collation and 'cleansing' of secondary data sources, including waiting list data and planned stock intervention to produce a housing needs assessment.
- 8.8 However, as per the Consultant Brief, the inclusion of a new housing needs survey with subsequent analysis is woven into this SHMA, further enhancing the secondary data approach. The new survey is particularly important considering key demographic changes in Haringey, such as greater, more accelerated population growth, revealed in the 2011 Census. The importance of this primary qualitative data inclusion is accentuated by the fact that the previous housing needs assessment was undertaken in 2006.
- 8.9 The combination of primary and secondary data should enhance the accuracy and applicability of the final recommended level of need for Haringey.

Calculating Affordable Housing Need

8.10 The calculation of affordable housing need is intended to provide an assessment to estimate the volume of affordable housing required on an annual basis and to meet need over the plan period (2011 – 2026). This conforms to the DCLG SHMA Guidance

Key Datasets informing the Affordable Housing Needs Calculation

Table 60 - Affordable Housing Needs Model & Data Sources

Step	Calculation	Data Sources & Assumptions
Stage 1 – Current Housing Need		
1.1 Homeless households and those in temporary accommodation		Homeless households assumed to be included within waiting list figures including those in temporary accommodation (Step 1.3). Assumed to remain constant
1.2 Overcrowded and concealed households		Assumed to be included within waiting list figures (Step 1.3). Assumed to remain constant However, It is not possible to identify actual figures for these household types
1.3 Other groups (other groups on the waiting list)		Estimation of unique households on the local authority waiting lists excluding transfer requests. Low estimate based on households in defined reasonable preference groups. Assumed to remain constant. Figure for the waiting list fluctuates, but a snapshot from April 2013 has been used.
1.4 Total current housing need (gross backlog)	= 1.1 + 1.2 + 1.3	GVA calculated
Stage 2 – Future Housing Need		
2.1 New Household formation (per annum)		Projected Household Growth to 2026
2.2 Proportion of newly emerging households unable to buy or rent		GVA calculated from CACI Paycheck (Household Income), ONS (Private Rental Costs) and DCLG (LQ House Prices)
2.3 Existing households falling into need		CoRe Data 8 year average of total new general needs and supported housing lettings that were not existing affordable housing tenants
2.4 Total newly arising housing need	= (2.1 x 2.2) + 2.3	GVA calculated
Stage 3 – Future Affordable Housing Supply		
3.1 Affordable dwellings occupied by households in need		Existing transfers are excluded from Stages 1, 2 and 3 as they release supply of housing, having a nil net effect.
3.2 Surplus stock		Haringey Council estimates of vacant properties which could be brought back into use. Generally only vacant for a short period of time and availability fluctuates.
3.3 Committed supply of new affordable housing		GVA calculated from Haringey Council LDD Housing Approvals (2010-2013)
3.4 Units to be taken out of management		Council estimates of properties currently let due to be demolished or refurbished, and annual RTB sales assumed to be taken out of management. Informed by past trends.
3.5 Total new affordable housing stock available	= 3.1 + 3.2 + 3.3 – 3.4	GVA calculated
3.6 Annual supply of social re-lets (net)		Estimates of annual lettings, excluding transfers in both Local Authority and RP sectors based on CoRe Lettings data. Trends assumed to remain constant.
3.7 Annual supply of intermediate affordable housing for re-let or re-sale at sub-market levels		Assumed 3% annual turnover of current stock. Trends assumed to be constant.
3.8 Future supply from existing affordable housing	= 3.6 + 3.7	GVA calculated

Stage 4 – Bringing the Evidence Together		
4.1 Total Net Housing Need	=(1.4+2.4) - 3.5	

Source: GVA 2014

- 8.11 Table 60 outlines the key steps in the model and the data sources used.
- 8.12 A number of assumptions have been made. Although liable to change during the model period, some variables have been kept constant due to difficulty projecting change. These include:
- A continuation of existing households falling into need;
 - A continuation of the annual supply of social re-lets; and
 - A continuation of the annual supply of intermediate affordable housing for re-let or resale at sub-market level.
- 8.13 In each case, transfers are excluded and trends over the last eight years have been used. This represents a credible and robust timeframe from which to assume continuing trends. Any longer timeframes are likely to represent boom and bust years in the housing market.
- 8.14 Finally, it is also assumed that there will be no local or national policy impact over time, that would change wage levels, employment or delivery of affordable housing and in turn local affordability patterns.
- 8.15 At this stage it is important to note the distinction between the needs of all households on the waiting lists and for just those on the reasonable preference waiting list.
- 8.16 In Haringey, there are 8,364 people on the overall Waiting List, which equates to 3% of the total population. 59% of these people are found on the Reasonable Preference Waiting List, a total of 4,936 people shown below. Aside from the category where Haringey Council has accepted a full rehousing duty, this list is dominated by those who are 'overcrowded' and 'severely overcrowded'. They make a total of 1,264, or 26%, of the total list. This is followed by those with moderate, serious and critical medical need, totalling 385, or 8%, of the list.

Table 61 - Reasonable Preference Waiting List

	Total	%
Haringey Council has accepted a full duty to rehouse you.	3273	66.3
You are overcrowded.	1092	22.1
You are severely overcrowded.	172	3.5
You have a critical medical need.	37	0.7
You have a moderate medical need.	151	3.1
You have a moderate welfare need.	1	0.0
You have a serious medical need.	197	4.0
You have a serious welfare need.	2	0.0
You have a welfare need.	11	0.2
Grand Total	4936	100%

Source: Haringey Council, 2014

- 8.17 At this stage the Affordable Housing Need model reflects the scenario for meeting the needs of all households on the Waiting List, and not just for those on the Reasonable Preference Waiting List. This demonstrates the aim of clearing all existing affordable need backlog by the end of the projection period, as well as meeting the newly arising need of the existing community and future households within Haringey.
- 8.18 The model used is described in the following sub section and already outlined in Table 60 below. It is used to calculate total affordable need over the entire plan period (2011 – 2026), and as an annualised figure over this period.

Current Housing Need

- 8.19 The Stage 1 analysis is based on current unique households on the Haringey Housing Register. These are assumed to make up the backlog of current housing need. As indicated above the households within all five bands of the register are included in this backlog assumption. Although there can be fluctuations in this register, it provides the most accurate reflection of current unmet need. It is a standard source which in this context is the most appropriate and up to date source reflecting the current unmet affordable housing need (gross backlog) within Haringey.
- 8.20 We have assumed for the basis of this assessment that homeless households and those currently housed in temporary accommodation are included within housing waiting list figures.
- 8.21 In the absence of robust alternative information, we have assumed that overcrowded and concealed households in housing need will register with the Council and hence be included within housing waiting lists.

8.22 Transfers have been discounted from all parts of the needs analysis (Stages 1, 2 and 3) as when transfers take place these occupy an affordable property but also release a property for another household to occupy. This results in a zero net effect on housing need.

Future Housing Need

8.23 For Stage 2.1, estimates of new household formation over the plan period and on an annual basis have been produced for Haringey using the GLA 2013 round household projections. These projections use the DCLG 2011-based interim projections and their three domestic migration assumption variants. The application of 1.5% vacancy to allow for market churn is added at the final stage of the calculation.

8.24 For Stage 2.2, the proportion of newly emerging households unable to buy or rent is established in the section relating to Affordability (Section 6). This compares the household income distribution (using CACI Paycheck data) to house purchase costs (at Lower Quartile prices) and market and affordable rental costs (for 2 & 3 bedroom properties). The base analysis considers affordability based on a spend of 40% of income on housing.

8.25 For this Sensitivity, if spending of up to 40% of household income on housing costs was affordable, it was calculated that 58% of households cannot afford the annual payment for house purchase with a 90% LTV mortgage, or market or affordable rent (80% of market rent) for 2 & 3 bedroom properties. 50% of households were calculated to be unable to afford house purchase with a 75% LTV mortgage.

8.26 CoRe lettings data over an 8 year period, is used to estimate existing households falling into need by discounting newly-forming households and transfers, which forms Stage 2.3.⁹ To reiterate, transfers (i.e. where previous accommodation was a social tenancy) have been excluded from the assessment of both future need and affordable housing supply.

8.27 The proportion of newly emerging households unable to buy or rent is applied to the level of new household formation. This is then added to the number of existing households falling into need, in order to reach the total newly arising need which constitutes Stage 2.4.

Future Affordable Housing Supply

8.28 Stage 3 identifies the current stock that can be used to accommodate households in future need as well as future pipeline supply of affordable housing. It comprises the following stages:

⁹ GVA has assessed newly-forming households to include those whose previous accommodation was living with a family, staying with friends, living in a children's home or in foster care

- Stage 3.1: Affordable Dwellings occupied by Households in Need
- Stage 3.2: Surplus Stock
- Stage 3.3: Committed Supply of New Affordable Housing
- Stage 3.4: Units to be taken out of Management
- Stage 3.5: Total New Affordable Housing Stock Available = 3.1 + 3.2 + 3.3 – 3.4
- Stage 3.6 Supply of Social Re-Lets (Net)
- Stage 3.7: Supply of Intermediate Affordable Housing for Re-let/ Resale at sub-market levels
- Stage 3.8: Future Supply from Existing Affordable = 3.6 + 3.7

8.29 For Stage 3.1 we discount transfer applications from Stages 1, 2 and 3. On this basis the level of affordable dwellings occupied by households in need is set at zero. The annual supply of social re-lets is also exclusive of transfers.

8.30 Figures for surplus stock (Stage 3.2), committed supply of new affordable housing (Stage 3.3) and units to be taken out of management (Stage 3.4) have been provided by Haringey Council.

8.31 Surplus stock describes current vacant social sector properties which could be brought back into use, although recognising that some vacancy is necessary to allow for turnover. The committed supply of affordable housing has been assessed based on planning applications approvals data. They also reflect the Haringey Council assessment of what can realistically be expected to be delivered over the next few years. Units to be taken out of management include affordable housing which is to be demolished, redeveloped or disposed of.

8.32 Stage 3.5 combines the figures from Stages 3.1, 3.2 and 3.3, minus the units to be taken out of management from Stage 3.4, to reveal the total new affordable housing stock available.

8.33 For Stage 3.6, the annual supply of social re-lets has been estimated using data from the Continuous Online Recording System (CoRe) for lettings with Registered providers over the past eight years, excluding lettings to existing social tenants (i.e. transfers). In the absence of robust data, the annual supply of intermediate housing for Stage 3.7 is estimated by assuming a turnover of 3% per annum for shared ownership properties, assumed continued trends. The figures from Stages 3.6 and 3.7 are combined in Stage 3.8, in order to provide a figure for the future supply from existing affordable housing.

Total Net Housing Need

8.34 Stage 4, is the final element of the assessment, bringing together the previous steps to set out an estimate of affordable housing need for Haringey over the plan period, and as an annual requirement. It uses the following calculation:

(Total current housing need + Total newly arising need) – Total new affordable housing stock available

(Stage 1.4 + Stage 2.4) – Stage 3.5

8.35 Each calculation stage, culminating with the above calculation, is shown below in Table 62 and Table 63.

8.36 The calculations assume that the same percentage of households migrating to the area is unlikely to be able to afford to buy or rent. However, it is worth noting that migrant households are more likely to be in employment given their ability to afford to move, or buy or rent in the area. These household would also be ineligible for social housing immediately.

8.37 Therefore, future need could also be calculated based only on the natural growth of households and therefore a static figure across the scenarios. In this case, the total affordable housing requirement for each scenario could be reduced accordingly.

Table 62 - Affordable Housing Need Requirement Calculations (affordability of 40% of household income spent on housing for market and affordable rent - 2 & 3 bed property)

Step	Comments	2011-26	Annualised	Source
Stage 1 – <u>Current</u> Housing Need				
1.1 Homeless households and those in temporary accommodation	Assumed picked up in waiting list	0	0	N/A
1.2 Overcrowded and concealed households	Assume that households in need will register on waiting lists	0	0	N/A
1.3 Other groups (other groups on the waiting list)	Households on waiting list excluding transfers	8,364	558	LA full Housing Register (including all households in need, not just reasonable preference list)
1.4 Total current housing need (gross backlog)	1.1+1.2 (+1.3)	8364	558	GVA calculated
Stage 2 – <u>Future</u> Housing Need				
2.1 New Household formation (per annum)	Projected household growth to 2026	20,060	1,337	GLA 2013 Round Household Projections (Central Variant)
2.2 Proportion of newly emerging households unable to buy or rent	Those unable to buy at LQ prices or rent privately without benefit	58% or 11,634	58% or 775	GVA calculated from CACI (Household Income), ONS (Private Rental Costs) and DCLG (LQ House Prices)
2.3 Existing households falling into need	Households falling into need and housed per annum	4,890	326	CoRe data – eight year average of total new general needs and supported housing lettings that were not existing affordable tenants
2.4 Total newly arising housing need	= (2.1 x 2.2) + 2.3	16,525	1,102	GVA calculated
Stage 3 – <u>Future</u> Affordable Housing Supply				
3.1 Affordable dwellings occupied by households in need	Assume zero	0	0	N/A
3.2 Surplus stock	Current vacant stock that could be brought back into use	1,597	107	Haringey Council
3.3 Committed supply of new affordable housing	Pipeline supply and Delivery through planning system	750 + 1,200 + 1,170 = 3,120	208	GVA calculated from LA LDD Housing Approvals (2010 – 13)
3.4 Units to be taken out of management	Housing currently let due to be demolished or refurbished, and RTB sales	0	0	Haringey Council
3.5 Total <u>new</u> affordable housing stock available	3.1 + 3.2 + 3.3 – 3.4	4,717	315	GVA calculated
3.6 Annual supply of social re-lets (net)	LA and HA sectors excl. transfers	8,415	561	CoRe data – eight year average re-lets
3.7 Annual supply of intermediate affordable housing for re-let or re-sale at sub-market levels	3% turnover of shared ownership properties taken up by new tenants	690	46	Census 2011
3.8 <u>Future</u> supply from existing affordable housing	3.5 + 3.6 + 3.7	13,822	607	GVA calculated

Source: GVA 2014

Table 63 - Total net housing need

Stage 4 – Bringing the Evidence Together				
4.1 Total Net Housing Need	(8,364 + 16,525) - 4,717	20,172	1,345	GVA calculated

Source: GVA 2014

8.38 To calculate the proportion of housing that will need to be affordable the following steps are followed:

- **Total Borough housing requirement (all tenures) = 20,172**
- Affordable housing need backlog = 8,364
- Gross newly arising affordable need = 16,525
- **Total affordable need = 8,364 + 16,525 = 24,889**
- New affordable housing supply = 4,717
- Affordable supply from existing stock = 8,415
- **Total affordable supply = 4,717 + 8,415 = 13,132**

8.39 The net affordable housing requirement is then calculated as follows:

- **Total affordable supply (13,132) – Total affordable need (24,889) = -11,757**

8.40 This identifies an affordable housing requirement deficit of 11,757 homes, which as a proportion of the total net housing requirement for all tenures (20,172), equates to 59%.

8.41 As an annualised figure this equates to an affordable housing requirement deficit of 784 homes. This assumes the entire backlog is cleared by the end of the plan period (2026).

8.42 Allowing 1.5% vacancy for housing market churn increases this total net affordable housing requirement deficit to 11,933 homes over the plan period and 796 homes annually, remaining at the deficit proportion of 59%

8.43 The housing needs analysis should therefore be regarded as an evidence base that demonstrates that in Haringey, 'need' for affordable housing is significantly greater than the 'supply' of affordable housing on an annual basis.

8.44 There is a difference of 157 (12%) between the annualised net housing need figure of 1,345 (calculated above) and the GLA SHLAA capacity figure of 1,502 (identified earlier in Table 59, which equates to a difference of 2,041 over the remaining plan period. The housing

requirement figure is derived from population projections. The GLA figure reflects assessment of land capacity.

- 8.45 The SHLAA figure covers the period from 2015-2025, whereas the calculation of this SHMA's net housing need figure, in line with guidance, incorporates household formation figures which are derived using a trend based methodology (using the GLA 2013 round population and household projections from 2011 to 2026). The longer timeframe of this SHMA's figure may result in structural changes which affect the overall figure differently than over a shorter time period.
- 8.46 **The GLA SHLAA figure (1,502) uses a capacity based methodology, which means it represents annualised average housing capacity identified within the Borough, whereas the net housing need figure calculated in this SHMA (1,345) is population trend-based, and uses the (Central scenario) GLA 2013 round projections to inform the new household formation figure incorporated into its calculation.**

The role of Intermediate, Affordable Rent and Social Rent sectors in meeting housing need

- 8.47 Having established overall need above, the following sub-section consider the role of different types of affordable housing in meeting that need.
- 8.48 The National Planning Policy Framework defines three types of affordable housing: intermediate, affordable rent and social rent. Each of these can play an important role in meeting housing need.

Intermediate Housing

- 8.49 Intermediate housing products can provide an important role in bridging the gap between social renting and owner-occupation, some of which allow households to 'staircase' towards owner-occupation by renting alongside acquiring equity in their property.
- 8.50 The DCLG SHMA Guidance cites that the number of households whose needs could be met by intermediate affordable housing is likely to fluctuate, reflecting the changing relationship between market rents, social rents and incomes alongside the variance in intermediate products available. It is important to note that the term 'intermediate' covers a broad range of products, with the following included within the wider definition:

- [New build HomeBuy;](#)
- [Open market HomeBuy;](#)

- Social HomeBuy;
- Intermediate Rent;
- Shared Equity / Ownership.

Affordability of Intermediate Dwellings

- 8.51 Earlier analysis of household income data from CACI provided an illustration of the income profile of households, demonstrating that, based on a maximum spend of 40% of household income on housing, 50% of households cannot access the open market (with a 75% LTV ratio mortgage) and 58% cannot access the open market (with a 90% LTV ratio mortgage) or afford market rental property (based on 2 & 3 bedroom property).
- 8.52 As an example of intermediate housing product, the following figure reviews the level of equity share (in an intermediate property) that could be afforded by households in Haringey, with the upper limit of analysis constrained by the average lower quartile house price of £230,000.
- 8.53 The nature of this tenure means that purchasers can buy a percentage of their house typically ranging from 25% to 75% which is paid for via mortgage. The remaining percentage is then rented at market level.
- 8.54 Using the same assumptions as those outlined for Lower Quartile market housing (i.e. 75% Loan to Value, 25 year repayment period and 4% interest rate) and Lower Quartile average market rent for 2 & 3 bedroom properties in earlier analysis, the actual cost for these properties ranges from approximately **£11,661 - £13,131 per annum**.
- 8.55 This means that minimum household earnings of £29,153 – £32,828 or above are required to access this type of intermediate housing. The need for a deposit, credit ratings and moving costs may prohibit some households accessing this tenure, even at this level of income.

Table 64 - Cost of Intermediate Affordable Housing in Haringey

Equity Share	Equity Value	Loan Amount (75% LTV ratio)	Monthly Mortgage Repayment Costs	Annual Mortgage Repayment Costs
25%	£57,500	£43,125	£228	£2,736
50%	£115,000	£86,250	£456	£5,472
75%	£172,500	£129,375	£683	£8,196

Rental Proportion	Lower Quartile Monthly Market Rent	Monthly Rental Costs	Annual Rental Cost	Total Annual Housing Costs (Mortgage and Rental)	Required Earnings to Assume Affordable (up to 40% of household income)
75%	£1,155	£866	£10,395	£13,131	£32,828
50%	£1,155	£578	£6,930	£12,402	£31,005
25%	£1,155	£289	£3,465	£11,661	£29,153

Source: CACI, Money Advice Service, 2014, GVA Analysis

- 8.56 Comparing this to the income profile of residents in Haringey, this suggests that **58%** of households could not afford a 25% or 50% equity share in a lower quartile value property, and **50%** of households could not afford a 75% equity share. This indicates that the intermediate housing market does not create any significant opening of the housing market to households who would otherwise not be able to purchase their own property outright.
- 8.57 The affordability of shared ownership can also be considered by demonstrating the income levels required to access shared ownership for 25%, 50% and 75% equity shares, with 2% rental charges on remaining unsold equity. This is shown for maximum spend levels of 50%, 40%, 30% and 25% of household income, in Table 65, Table 66, Table 67 and Table 68.
- 8.58 Under the assumption of spending up to 50% of household income on housing (Table 656), shared ownership with a 25% equity share would require an annual income of £12,372. A 50% equity share would require an annual income of £15,544. A 75% equity share would require an income of £18,692.
- 8.59 80% of households can afford 25% equity share intermediate housing. 70% of households can afford 50% and 75% equity share intermediate housing.

Table 65 - Sensitivity 1c: Income Levels Required to access Shared Ownership with maximum spend of 50% of Household Income

	Intermediate (25% equity share)	Intermediate (50% equity share)	Intermediate (75% equity share)
Annual mortgage repayment costs	£2,736	£5,472	£8,196
Monthly mortgage repayment costs	£228	£456	£683
Value of remaining unsold equity	£172,500	£115,000	£57,500
Annual 2% rental charges (on remaining unsold equity)	£3,450	£2,300	£1,150
Monthly 2% rental charges (on remaining unsold equity)	£288	£192	£96
Total annual housing payment	£6,186	£7,772	£9,346
Total monthly housing payment	£516	£648	£779
Max. percentage of income	50%	50%	50%
Required annual income	£12,372	£15,544	£18,692
Required monthly income	£1,031	£1,295	£1,558
CACI household income band which contains 'required annual income'	10,000 - 15,000	15,000 – 20,000	15,000 - 20,000
Number of Households within and below income band	19,314	29,604	29,604
Total number of Households ¹	98,000	98,000	98,000
% of households who cannot afford annual payment²	20%	30%	30%

Source: GVA, 2014

- 8.60 Under the assumption of spending up to 40% of household income on housing (Table 66), shared ownership with a 25% equity share would require an annual income of £15,465. A 50% equity share would require an annual income of £19,430. A 75% equity share would require an income of £23,365.
- 8.61 70% of households can afford 25% equity share intermediate housing and 50% equity share intermediate housing. 60% of households can afford 75% equity share intermediate housing.

Table 66 - Sensitivity 2c: Income Levels Required to access Shared Ownership with maximum spend of 40% of Household Income

	Intermediate (25% equity share)	Intermediate (50% equity share)	Intermediate (75% equity share)
Annual mortgage repayment costs	£2,736	£5,472	£8,196
Monthly mortgage repayment costs	£228	£456	£683
Value of remaining unsold equity	£172,500	£115,000	£57,500
Annual 2% rental charges (on remaining unsold equity)	£3,450	£2,300	£1,150
Monthly 2% rental charges (on remaining unsold equity)	£288	£192	£96
Total annual housing payment	£6,186	£7,772	£9,346
Total monthly housing payment	£516	£648	£779
Max. percentage of income	40%	40%	40%
Required annual income	£15,465	£19,430	£23,365
Required monthly income	£1,289	£1,619	£1,947
CACI household income band which contains 'required annual income'	15,000 - 20,000	15,000 - 20,000	20,000 - 25,000
Number of Households within and below income band	29,604	29,604	39,508
Total number of Households ¹	98,000	98,000	98,000
% of households who cannot afford annual payment²	30%	30%	40%

Source: GVA, 2014

- 8.62 Under the assumption of spending up to 30% of household income on housing (Table 678), shared ownership with a 25% equity share would require an annual income of £20,620. A 50% equity share would require an annual income of £25,907. A 75% equity share would require an income of £31,153.
- 8.63 60% of households can afford 25% equity share intermediate housing. 50% of households can afford 50% equity share intermediate housing. 42% of households can afford 75% equity share intermediate housing.

Table 67 - Sensitivity 3c: Income Levels Required to access Shared Ownership with maximum spend of 30% of Household Income

	Intermediate (25% equity share)	Intermediate (50% equity share)	Intermediate (75% equity share)
Annual mortgage repayment costs	£2,736	£5,472	£8,196
Monthly mortgage repayment costs	£228	£456	£683
Value of remaining unsold equity	£172,500	£115,000	£57,500
Annual 2% rental charges (on remaining unsold equity)	£3,450	£2,300	£1,150
Monthly 2% rental charges (on remaining unsold equity)	£288	£192	£96
Total annual housing payment	£6,186	£7,772	£9,346
Total monthly housing payment	£516	£648	£779
Max. percentage of income	30%	30%	30%
Required annual income	£20,620	£25,907	£31,153
Required monthly income	£1,718	£2,159	£2,596
CACI household income band which contains 'required annual income'	20,000 - 25,000	25,000 - 30,000	30,000 - 35,000
Number of Households within and below income band	39508.17	48527.39	56459.55
Total number of Households ¹	98,000	98,000	98,000
% of households who cannot afford annual payment²	40%	50%	58%

Source: GVA, 2014

- 8.64 Under the assumption of spending up to 25% of household income on housing (Table 689), shared ownership with a 25% equity share would require an annual income of £24,744. A 50% equity share would require an annual income of £31,088. A 75% equity share would require an income of £37,384.
- 8.65 60% of households can afford 25% equity share intermediate housing. 42% of households can afford 50% equity share intermediate housing. 35% of households can afford 75% equity share intermediate housing.

Table 68 - Sensitivity 4c: Income Levels Required to access Shared Ownership with maximum spend of 25% of Household Income

	Intermediate (25% equity share)	Intermediate (50% equity share)	Intermediate (75% equity share)
Annual mortgage repayment costs	£2,736	£5,472	£8,196
Monthly mortgage repayment costs	£228	£456	£683
Value of remaining unsold equity (of lower quartile £230,000 house value)	£172,500	£115,000	£57,500
Annual 2% rental charges (on remaining unsold equity)	£3,450	£2,300	£1,150
Monthly 2% rental charges (on remaining unsold equity)	£288	£192	£96
Total annual housing payment	£6,186	£7,772	£9,346
Total monthly housing payment	£516	£648	£779
Max. percentage of income	25%	25%	25%
Required annual income	£24,744	£31,088	£37,384
Required monthly income	£2,062	£2,591	£3,115
CACI household income band which contains 'required annual income'	20,000 - 25,000	30,000 - 35,000	35,000 - 40,000
Number of Households within and below income band	39508.17	56459.55	63282.05
Total number of Households ¹	98,000	98,000	98,000
% of households who cannot afford annual payment²	40%	58%	65%

Source: GVA, 2014

- 8.66 Overall, the evidence advocates limited potential for intermediate forms of affordable housing to contribute towards meeting housing needs in Haringey. At least 50% of households could not afford this option (based on 5) and would therefore, require other forms of assistance. With a maximum housing spend of 25% of household income 40% - 65% of households could not afford shared ownership with varied degrees of equity share.

The Affordable Rent Model

- 8.67 Affordable rent housing is controlled so that rent does not exceed 80% of the local market rent (including service charges where applicable).
- 8.68 In February 2011, the Homes and Communities Agency (HCA) published a Framework setting out the details of the new Affordable Homes Programme of investment, inviting Registered Providers (RPs) to put forward proposals for £2.2bn of funding (out of the overall £4.5bn funding pot) for affordable housing during the 2011-15 Spending Review period. The

Framework outlines the changes in affordable housing provision being introduced for 2011-15, and how this new approach will meet the Government's ambition to deliver up to 150,000 new homes over this period¹⁰.

- 8.69 The Affordable Rent model is key to this programme – providing a more flexible form of affordable housing that enables Registered Providers to increase revenues and reduce the level of Government grant subsidy and investment in affordable homes. As part of the funding offer, Registered Providers (RP) have the flexibility to convert a proportion of their social rented homes to Affordable Rent as part of a package agreed by the HCA.
- 8.70 The final product includes the following parameters:
- The capping of affordable rent at 80% of market rent, overriding the Retail Price Index (RPI) + 0.5% maximum annual rent increase (which is required to rebase the rent every time a new tenancy agreement is completed), ensuring that the rent set at the beginning (or renewed) of a tenancy does not exceed 80% of market rent and remains affordable; and
 - Move away from every social tenancy being for life, regardless of the households' particular circumstances (although these tenancies will still be available). Instead, the Government wishes to encourage affordable rent on fixed term tenancies to contribute to cohesive communities. Tenancies for Affordable Rent properties must be for a minimum period of two years, however providers will have the flexibility to offer longer tenancies, including lifetime tenancies.

Affordability of Affordable Rent Dwellings

- 8.71 Table 69 shows the cost differentials between average open market rent and Affordable Rent if set at 80%, 70% and 60% of average open market, and the earnings requirements for these rents, again considering a maximum housing spend of up to 40% of household income.

Table 69 - Cost Differential: Open Market, Affordable Rent in Haringey

Annual Costs	Average Private Rent	Affordable Rent 80%	Affordable Rent 70%	Affordable Rent 60%
All	£14,172	£11,338	£9,920	£8,503
1 Bedroom	£12,432	£9,946	£8,702	£7,459
2 & 3 Bedroom	£17,004	£13,603	£11,903	£10,202
Earnings Requirement				
All	£35,430	£28,344	£24,801	£21,258
1 Bedroom	£31,080	£24,864	£21,756	£18,648
2 & 3 Bedroom	£42,509	£34,008	£29,757	£25,506

Source: VOA 2011

¹⁰ It is important to note that the overall level of funding available to support the delivery of affordable housing has been reduced

- 8.72 With 2013 based Social Rent (Private Registered Provider) in Haringey costing £5,244 per annum, there are significant differentials in cost between the social rent and affordable rent tenure charged at 60%, 70% and 80% of market rent for all, 1 and 2 & 3 bedroom properties.
- 8.73 This suggests that there is potential for products of this cost to 'plug' a gap in the rental market between those who require traditional social affordable housing and those who could afford to rent on the open market.
- 8.74 Based on the average annual private rental costs for 2 & 3 bedroom properties shown above (£17,004), affordable rent at 80% actually exceeds the price of Lower Quartile Private Rent (£13,857). Therefore, it would be counter-productive to set affordable rent at this level. However, at the 70% and 60% levels, affordable rent offers a cheaper alternative to Lower Quartile Private Rent for 2 & 3 bedroom properties.
- 8.75 Table 70 uses the CACI Paycheck data to show the affordability of Affordable Rent Housing set at 60%, 70% and 80% of Market Rent, for different housing types. For the 60% and 70% affordable rent levels, 49.5% of households could not afford this tenure (for 2 & 3 bedroom properties). This means that an additional 0.5 – 8.5% of households over and above those that could afford intermediate housing (depending on the proportion of equity share), could be housed. The remaining households would continue to require a social rented property.

Table 70 - Proportion of Households Unable to Afford Affordable Rent Housing at Different Levels

Tenure	Type	Annual Costs	Annual Earnings Requirement	Households Earning less than Requirement	% of Households Earning less than Requirement
Affordable Rent 60%	All	£8,503	£21,258	39,508	40.3%
	1 bed	£7,459	£18,648	29,604	30.2%
	2 & 3 bed	£10,202	£25,506	48,527	49.5%
Affordable Rent 70%	All	£9,920	£24,801	39,508	40.3%
	1 bed	£8,702	£21,756	39,508	40.3%
	2 & 3 bed	£11,903	£29,757	48,527	49.5%
Affordable Rent 80%	All	£11,338	£28,344	48,527	49.5%
	1 bed	£9,946	£24,864	39,508	40.3%
	2 & 3 bed	£13,603	£34,008	56,460	57.6%

Source: VOA, CACI

- 8.76 Overall, the evidence suggests the potential for affordable rent forms of affordable housing to contribute towards meeting housing needs. However, given that this does not meet the

affordability requirements of all households, there remains a requirement for the continued provision of lower-cost social rent products.

- 8.77 Further affordability consideration is made by identifying the subsidy levels that would be required for affordable housing (rented and intermediate) in order to make them affordable to median average household income and housing benefit level incomes. This is shown in Table 72, Table 73, Table 74 and Table 74.
- 8.78 The median average household income in Haringey is £30,295 per annum. This is £2,525 per month. If **50% of this income were spent on housing** it would be £1,262. Monthly intermediate housing costs at 25%, 50% or 75% shared equity are £972, £1,034 and £1,094 respectively. Therefore, monthly housing costs would fall below 50% of the median average household income in Haringey under each of these cases.
- 8.79 Affordable rent (80% of average market rent) in Haringey is £1,134. If 50% of median average household income were to be spent on housing then this rent level could be covered. For those with a maximum weekly income of £500, or £2,167 per month, associated with a household receiving benefits – 50% of that income would represent £1,083. This would not cover monthly payments for Shared Equity Purchase (25% equity share), but would cover monthly payments for Shared Equity Purchase (50% and 75% equity share). It would not cover monthly Affordable Rent payments.
- 8.80 For those with a maximum weekly income of £350, or £1,517 per month, also associated with a household receiving benefits – 50% of that income would represent £758. This would not cover monthly payments for Shared Equity purchase, nor would it cover monthly Affordable Rent payments.

Table 71 - Sensitivity 1d: Affordable Housing Subsidy Calculations for Maximum Housing Spend of 50% of Income

	Intermediate (25% equity share)	Intermediate (50% equity share)	Intermediate (75% equity share)	Affordable Rent 1 (80% of Mean market rent - £1,417)	Affordable Rent 2 (80% of Median market rent - £1,376)
Monthly payment	£1,094	£1,034	£972	£1,134	£1,101
Annual payment	£13,131	£12,402	£11,661	£13,603	£13,210
Max. % of income	50%	50%	50%	50%	50%
Required monthly income	£2,189	£2,067	£1,944	£2,267	£2,202
Required annual income	£26,262	£24,804	£23,322	£27,206	£26,419
Median average household income (monthly & annual)	£2,525	£2,525	£2,525	£2,525	£2,525
	£30,295	£30,295	£30,295	£30,295	£30,295
Monthly housing payment possible using max 50% of median income	£1,262	£1,262	£1,262	£1,262	£1,262
Required monthly payment subsidy	-£168	-£229	-£291	-£129	-£161
£500 per week income (monthly & annual)	£2,167	£2,167	£2,167	£2,167	£2,167
	£26,000	£26,000	£26,000	£26,000	£26,000
Monthly housing payment possible using max 50% of income	£1,083	£1,083	£1,083	£1,083	£1,083
Required monthly payment subsidy	£11	-£50	-£112	£50	£17
£350 per week income (monthly & annual)	£1,517	£1,517	£1,517	£1,517	£1,517
	£18,200	£18,200	£18,200	£18,200	£18,200
Monthly housing payment possible using max 50% of income	£758	£758	£758	£758	£758
Required monthly payment subsidy	£336	£275	£213	£375	£342

Source: GVA, 2014

- 8.81 The median average household income in Haringey is £30,295 per annum. This is £2,525 per month. If **40% of this income were spent on housing** it would be £1,010.
- 8.82 Monthly intermediate housing costs at 25%, 50% or 75% shared equity are £972, £1,034 and £1,094 respectively. Therefore monthly housing costs would fall below 40% of the median

average household income in Haringey for 25% shared equity, but would be above 40% of the median average household income in Haringey for 50% or 75% shared equity.

- 8.83 Affordable rent (80% of average market rent) in Haringey is £1,134. If 40% of median average household income were to be spent on housing then this rent level could not be covered.
- 8.84 For those with a maximum weekly income of £500, or £2,167 per month, associated with a household receiving benefits – 40% of that income would represent £867. This would not cover monthly payments for shared equity purchase, nor would it cover monthly Affordable Rent payments.
- 8.85 For those with a maximum weekly income of £350, or £1,517 per month, also associated with a household receiving benefits – 40% of that income would represent £607. This would not cover monthly payments for Shared Equity purchase, nor would it cover monthly Affordable Rent payments.

Table 72 - Sensitivity 2d: Affordable Housing Subsidy Calculations for Maximum Housing Spend of 40% of Income

	Intermediate (25% equity share)	Intermediate (50% equity share)	Intermediate (75% equity share)	Affordable Rent 1 (80% of Mean market rent - £1,417)	Affordable Rent 2 (80% of Median market rent - £1,376)
Monthly payment	£1,094	£1,034	£972	£1,134	£1,101
Annual payment	£13,131	£12,408	£11,661	£13,603	£13,210
Max. % of income	40%	40%	40%	40%	40%
Required monthly income	£2,736	£2,584	£2,429	£2,834	£2,752
Required annual income	£32,828	£31,005	£29,153	£34,008	£33,024
Median average household income (monthly & annual)	£2,525	£2,525	£2,525	£2,525	£2,525
	£30,295	£30,295	£30,295	£30,295	£30,295
Monthly housing payment possible using max 40% of income	£1,010	£1,010	£1,010	£1,010	£1,010
Required monthly payment subsidy	£ 84	£ 24	-£ 38	£ 124	£91
£500 per week income (monthly & annual)	£2,167	£2,167	£2,167	£2,167	£2,167
	£26,000	£26,000	£26,000	£26,000	£26,000
Monthly housing payment possible using max 40% of income	£ 867	£867	£ 867	£867	£867
Required monthly payment subsidy	£228	£167	£105	£267	£234
£350 per week income (monthly & annual)	£1,517	£1,517	£1,517	£1,517	£1,517
	£18,200	£18,200	£18,200	£18,200	£18,200
Monthly housing payment possible using max 40% of income	£607	£607	£607	£607	£607
Required monthly payment subsidy	£488	£427	£365	£527	£494

Source: GVA, 2014

- 8.86 The median average household income in Haringey is £30,295 per annum. This is £2,525 per month. If **30% of this income were spent on housing** it would be £757.

- 8.87 Monthly intermediate housing costs at 25%, 50% or 75% shared equity are £972, £1,034 and £1,094 respectively. Therefore monthly housing costs would be above 30% of the median average household income in Haringey under each of these cases.
- 8.88 Affordable rent (80% of average market rent) in Haringey is £1,134. If 30% of median average household income were to be spent on housing then this rent level could not be covered.
- 8.89 For those with a maximum weekly income of £500, or £2,167 per month, associated with a household receiving benefits – 30% of that income would represent £650. This would not cover monthly payments for shared equity purchase, nor would it cover monthly Affordable Rent payments.
- 8.90 For those with a maximum weekly income of £350, or £1,517 per month, also associated with a household receiving benefits – 30% of that income would represent £455. This would not cover monthly payments for Shared Equity purchase, nor would it cover monthly Affordable Rent payments.

Table 73 - Sensitivity 3d: Affordable Housing Subsidy Calculations for Maximum Housing Spend of 30% of Income

	Intermediate (25% equity share)	Intermediate (50% equity share)	Intermediate (75% equity share)	Affordable Rent 1 (80% of Mean market rent - £1,417)	Affordable Rent 2 (80% of Median market rent - £1,376)
Monthly payment	£1,094	£1,034	£972	£1,134	£1,101
Annual payment	£13,131	£12,402	£11,661	£13,603	£13,210
Max. % of income	30%	30%	30%	30%	30%
Required monthly income	£3,648	£3,445	£3,239	£3,779	£3,669
Required annual income	£43,770	£41,340	£38,870	£45,344	£44,032
Median average household income (monthly & annual)	£2,525	£2,525	£2,525	£2,525	£2,525
	£30,295	£30,295	£30,295	£30,295	£30,295
Monthly housing payment possible using max 30% of income	£757	£757	£757	£757	£757
Required monthly payment subsidy	£337	£276	£214	£376	£343
£500 per week income (monthly & annual)	£2,167	£2,167	£2,167	£2,167	£2,167
	£26,000	£26,000	£26,000	£26,000	£26,000
Monthly housing payment possible using max 30% of income	£650	£650	£650	£650	£650
Required monthly payment subsidy	£444	£384	£322	£484	£451
£350 per week income (monthly & annual)	£1,517	£1,517	£1,517	£1,517	£1,517
	£18,200	£18,200	£18,200	£18,200	£18,200
Monthly housing payment possible using max 30% of income	£455	£455	£455	£455	£455
Required monthly payment subsidy	£639	£579	£517	£679	£646

Source: GVA, 2014

- 8.91 The median average household income in Haringey is £30,295 per annum. This is £2,525 per month. If 25% of this income were spent on housing it would be £631.

- 8.92 Monthly intermediate housing costs at 25%, 50% or 75% shared equity are £972, £1,034 and £1,094 respectively. Therefore monthly housing costs would be above 25% of the median average household income in Haringey under each of these cases.
- 8.93 Affordable rent (80% of average market rent) in Haringey is £1,134. If 25% of median average household income were to be spent on housing then this rent level could not be covered.
- 8.94 For those with a maximum weekly income of £500, or £2,167 per month, associated with a household receiving benefits – 25% of that income would represent £542. This would not cover monthly payments for shared equity purchase, nor would it cover monthly Affordable Rent payments.
- 8.95 For those with a maximum weekly income of £350, or £1,517 per month, also associated with a household receiving benefits – 25% of that income would represent £379. This would not cover monthly payments for Shared Equity purchase, nor would it cover monthly Affordable Rent payments.

Table 74 - Sensitivity 4d: Affordable Housing Subsidy Calculation for Maximum Housing Spend of 25% of Income

	Intermediate (25% equity share)	Intermediate (50% equity share)	Intermediate (75% equity share)	Affordable Rent 1 (80% of Mean market rent - £1,417)	Affordable Rent 2 (80% of Median market rent - £1,376)
Monthly payment	£1,094	£1,034	£972	£1,134	£1,101
Annual payment	£13,131	£12,402	£11,661	£13,603	£13,210
Max. % of income	25%	25%	25%	25%	25%
Required monthly income	£4,377	£4,134	£3,887	£4,534	£4,403
Required annual income	£52,524	£49,608	£46,644	£54,413	£52,838
Median average household income (monthly & annual)	£2,525	£2,525	£2,525	£2,525	£2,525
	£30,295	£30,295	£30,295	£30,295	£30,295
Monthly housing payment possible using max 25% of income	£631	£631	£631	£631	£631
Required monthly payment subsidy	£463	£402	£341	£502	£470
£500 per week income (monthly & annual)	£2,167	£2,167	£2,167	£2,167	£2,167
	£26,000	£26,000	£26,000	£26,000	£26,000
Monthly housing payment possible using max 25% of income	£542	£542	£542	£542	£542
Required monthly payment subsidy	£553	£492	£430	£592	£559
£350 per week income (monthly & annual)	£1,517	£1,517	£1,517	£1,517	£1,517
	£18,200	£18,200	£18,200	£18,200	£18,200
Monthly housing payment possible using max 25% of income	£379	£379	£379	£379	£379
Required monthly payment subsidy	£715	£654	£593	£754	£722

Source: GVA, 2014

8.96 Based on the 2011 Census, the tenure distribution in the Borough demonstrates some misalignment with what the resident population can afford. Comparison of the proportion of households that can afford each tenure type with the 2011 tenure distribution, shown in Table 75, suggests that many households are currently occupying tenure which does not match their affordability level. It also suggests that the distribution and availability of tenures

at the Local Housing Market Area level in different parts of the Borough is preventing these figures from being aligned.

Table 75 - Tenure Distribution by Affordability and 2011 Census Split

Tenure	Annual Costs	Annual Earnings Requirement at 40%	% of Households who Can Afford Tenure	2011 Tenure Distribution
LQ Rental (2& 3 beds)	£13,857	£34,643	42%	32%
LQ Purchase (Average)	£11,880	£29,700	50%	39%
Intermediate Housing (25% equity share)	£13,131	£32,828	42%	2%
Social Rent (PRP)	£5,239	£13,098	80%	27%

Source: GVA, CACI 2013, Census 2011

- 8.97 It is difficult to accurately assess how house prices and the financial requirements of households to obtain mortgage credit will change. These are important informing influences on the future distribution of market and non-market housing required.

Need for affordable housing by different sizes of property

- 8.98 The waiting list provides information on property size requirement, by number of bedrooms, for each household in general need for affordable housing. Analysis, shown in Table 76, identifies that for the General Need Waiting List, demand is greatest for 1 bedroom, followed by 2 bedroom properties. Whereas, for the Reasonable Preference Waiting List, demand is greatest for 2 and 3 bedroom properties.

Table 76 - Estimated Size Requirement for Affordable Housing

	Estimated Size of Affordable Housing Required			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Waiting List (General Need)	40%	34%	21%	6%
Reasonable Preference Waiting List (Bands A-C)	21%	37%	33%	10%

Source: Haringey Council, 2014, GVA Analysis, 2014

- 8.99 For both waiting lists the requirement for 2 and 3 bedroom housing is between 55% - 70%, which suggests this is the most significant requirement for the future distribution of affordable housing units, reflecting the need for family sized units.
- 8.100 Approximately 61% of 2 and 3 bedroom properties could represent an appropriate level for future distribution of affordable units, accompanied by approximately 32% of 1 bedroom units and 7% of 4+ bedroom units. This takes into account the faster turnaround of smaller

properties in comparison to larger properties, and a general preference for people to live in a home larger than their requirement entails. As such, the 1 bedroom percentage is reduced and the 2 & 3 and 4 bedroom percentage is increased.

8.101 When looking at some of the requirement of specific groups the recommended size requirements should be adapted to reflect their specific requirements, as outlined in the following section.

Impact of Welfare Reforms

8.102 The impact of the Welfare Reform Act 2012 is an important consideration for housing affordability, and access, within Haringey. The three relevant aspects of this reform are Housing Benefit, the Benefit Cap, and the Universal Credit System.

Housing Benefit

8.103 The new Housing Benefit rules introduce size criteria for those living in the social rented sector. It sees a cut in benefit for any working-age household considered to have a spare bedroom, and therefore be 'under-occupying'. This takes the form of a fixed percentage cut of 14% for those with one extra bedroom and 25% for those with two or more extra bedrooms.

8.104 This has been assessed by the Government as being likely to create an average £14 per week loss, and an average loss of up to £16 per week for Housing Association tenants. The DWP suggests it is likely to affect 660,000 people claiming housing benefits, a proportion of 31% of all social housing tenants who claim housing benefits.¹¹

8.105 Across all tenures 24% of Haringey residents have 1 extra bedroom and 17% have 2 or more extra bedrooms. Although many of these residents do not claim any form of housing benefits, a proportion of this group do claim benefits and will therefore be affected by this benefit cut.

8.106 As a further indication of those who could be affected, of the respondents in Haringey's Housing Needs Survey who indicated they need to move to a different home, 8.7% indicated that this is because their home is too big.

¹¹ Housing Benefit: Size Criteria for People Renting in the Social Rented Sector

(https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220154/eia-social-sector-housing-under-occupation-wr2011.pdf)

8.107 As a result of this benefit cut there will be an increased level of demand for smaller properties, particularly 1 and 2 bedroom units. This will increase the pressure on the supply of these smaller properties and may also displace households to different Local Housing Market Areas within the Borough based on supply availability and affordability.

Benefit Cap

8.108 The Benefit Cap is set at the average (median) net earnings for a working household, reflecting a total cap figure of £26,000. The cap levels are set at £500 per week for couples (with/without children) and single parents, and £350 per week for single adults without children. In relation to the £500 per week figure, no allowance is made for the number of children in the family. There are also no considerations made for housing type or tenure.

8.109 As highlighted by Haringey Council¹² this benefit cap will cause particular difficulties for larger families claiming benefits who live in areas with higher rent. It will also cause significant issues in London where affordability pressures are much more acute than other regions.

8.110 In Haringey Lower Quartile private sector rent is approximately £167 per week, which equates to one third of the benefit cap figure. This compares to the 25% threshold identified in national guidance, further emphasising the increased affordability difficulties faced by London Boroughs in response to the Benefit Cap. Based on these proportions, £668 per week would be a more affordable Benefit Cap level within London and Haringey.

8.111 The Housing Needs Survey indicated that 22% of respondents are claiming benefits, and 10% are claiming housing benefits, and therefore likely to be affected by the Cap.

8.112 The Cap is likely to cause a pattern of out-migration from more expensive areas, including Central London, to comparably less expensive areas of Outer London, including Haringey. However, this will further increase the affordability and accessibility pressures for affordable housing within Haringey, with the potential for existing residents being displaced from the Borough by those moving in.

Universal Credit

8.113 The Universal Credit system replaces many existing benefits (including Housing Benefit, Working Tax Credit, Income Support, Jobseeker's Allowance etc.), providing both in and out of work support with one single payment.

¹² Impact of Welfare Reforms – OSC Project discussion paper, Haringey Council (2013)

8.114 As a result of this change, Landlords are no longer being paid directly, as support now goes directly to claimants. This could act as a form of discouragement for private landlords.

8.115 It is also possible that young people aged 21-24 in the Borough will be worse off under this system, as there is no non-dependent deduction for Under 25 year olds on Job Seeker's Allowance. Another consequence of the change is the increased demand that could be seen for social housing in the short term, which will increase the further increase pressure on supply, particularly in combination with the other aspects of Welfare Reform.

Key findings

8.116 The purpose of this section has been to calculate and analyse affordable housing need in Haringey. The key findings are as follows:

- The total net affordable housing need over the plan period (2011 – 2026) is calculated at 20,172, which equates to 1,345 affordable homes per annum;
- This identifies an affordable housing requirement deficit of 11,757 homes over the plan period, and 784 homes annually, which as a proportion of total net housing requirement (all tenures) equates to 59%;
- Allowing 1.5% vacancy for housing market churn increases the total net affordable housing need to 20,475 over the plan period, and 1,365 as an annualised figure. It increases the net affordable housing requirement deficit to 11,933 homes over the plan period and 796 homes annually, remaining at the deficit proportion of 59%.
- Based on current household income and mortgage finance, the future provision of intermediate affordable housing will have limited overall impact on meeting affordable housing needs (considering 25%, 50% and 75% equity shares). However, it could have a role in freeing up stock in other affordable tenures. Affordable rent would need to be set below 70% or 60% of market rents, to contribute to meeting affordable housing needs, as would social rent affordable housing;
- The distribution and availability of tenures at the Local Housing Market Area level in different parts of the Borough is likely to play an important role in aligning the affordability of different tenures to their take-up within the Borough.
- Considering Welfare Reforms, the Housing Benefit, Benefit Cap and Universal Credit System are all likely to impact the affordability and accessibility of housing within Haringey. The Housing Benefit Cut will increase the level of demand for smaller properties, particularly 1 and 2 bedroom units, increasing the pressure on their supply and potentially displacing households to different Local Housing Market Areas within the Borough. The Benefit Cap will further increase the affordability and accessibility pressures for affordable housing within Haringey by causing a pattern of out-migration from Central London to comparably less expensive outer areas (including Haringey).

The Universal Credit System could inhibit the private rented sector, as support is no longer paid directly to Landlords. It could also increase short-term demand for social housing, which would further increase pressure on its supply, especially in combination with the other aspects of Welfare Reform.

9. Housing Requirement for Specific Groups

9.1 This section considers the housing requirements of specific groups whose housing needs might differ from the majority of the population in Haringey. The following specific groups pertinent to the Borough, are considered in greater detail within this section:

- **Older Persons** - The national trend of population ageing means this group is important to consider. Older person households exhibit particular requirements and needs that require consideration, such as adaptations and support in the home to remain living independently;
- **Black and Minority Ethnic (BME) Groups** – International migration is a significant driver of population and household change in Haringey, especially considering that only 61% of the population is White and White Other;
- **Groups with Specific Support Needs** – Analysis is undertaken of the longer-term projections from the Projecting Adult Needs and Service Information System (PANSI) for a range of mental and physical disabilities, and the propensity for such conditions in Haringey.

9.2 Gypsies and Travellers are not considered significant as a specific group for housing requirement focus however the Borough has considered needs in Haringey's Roma and Irish Traveller Needs Assessment¹³. Relevant national consideration for these groups is also made in the London Borough's Gypsy and Traveller Accommodation Needs Assessment (2008)¹⁴.

Older Person Households

9.3 Ageing population is a national characteristic, and will also be a specific characteristic of population growth over the plan period in Haringey. As shown in Table 77 and Table 78, 24% of total projected growth over the plan period is in the 60+/65+ age group (60+ for females and 65+ for males), 67% of which is projected to occur for females.

¹³ Haringey's Roma and Irish Traveller Needs Assessment:

http://www.haringey.gov.uk/haringey_council_roma_and_irish_traveller_needs_assessment_april_2013.pdf

¹⁴ London Borough's Gypsy and Traveller Accommodation Needs Assessment (2008)

Table 77 – Age Distribution of Projected Growth (2011 - 2026)

	Total	0-15	16-59	60+
2011	129,171	25,906	85,842	17,423
2012	131,072	25,812	87,553	17,707
2013	133,076	25,705	89,406	17,966
2014	134,990	25,680	91,107	18,203
2015	136,798	25,742	92,530	18,526
2016	138,508	25,799	93,830	18,878
2017	140,126	25,920	94,991	19,214
2018	141,349	25,994	95,765	19,590
2019	142,505	26,086	96,475	19,944
2020	143,602	26,165	96,989	20,448
2021	144,645	26,303	97,485	20,858
2022	145,639	26,376	97,969	21,294
2023	146,594	26,474	98,307	21,813
2024	147,517	26,482	98,678	22,357
2025	148,408	26,484	98,992	22,933
2026	149,276	26,465	99,339	23,472
Total	2,253,276	417,391	1,515,257	320,627

Source: GLA, 2013

Table 78 - Percentage Age Distribution of Projected Growth (2011 - 2026)

	Males	Females	Total
Children (0-15)	3.7%	2.8%	3.2%
Working Age (16 – 64/60)	78.9%	67.1%	72.5%
Pensioners (65/60+)	17.4%	30.1%	24.2%
Total	100%	100%	100%

Source: GLA, 2013

- 9.4 Using household projections, this analysis can be considered in greater detail to illustrate the types of households (relating to the 17 ONS household groupings) that will form in the older age groups. Table 79 focusses on all households where the head of household is over 65 years, ONS groupings.
- 9.5 In total, the projections suggest that an additional 2,495 single person households, where the head of the household is aged over 60/65, will form over the plan period. A further 2,557 households in this age grouping will be a couple household (i.e. two persons with no dependent children). This shows a fairly even divide between the amount of households which will be couple and single households.
- 9.6 As would be expected, there are very few households in this age grouping with dependent children.

9.7 The number of single person male households shows significant uplift of 49% over the plan period, 30% greater than the uplift for single person female households. This reflects the impact of improved health among these demographic groups. However, there are still projected to be a significantly higher number of single person female households in 2026 than male single person households (6,540 compared to 4,485).

Table 79 - Breakdown of Projected Households Aged 65+ by ONS Household Types

ONS Household Grouping	Older Person Households (Head of household 65+)			
	Households		Change in Households	
	2011	2026	2011 - 2026	%
One person households: Male	3,020	4,485	1,465	49%
One person households: Female	5,510	6,540	1,030	19%
One family and no others: Couple: No dependent children	4,042	6,598	2,557	63%
One family and no others: Couple: 1 dependent child	112	179	67	60%
One family and no others: Couple: 2 dependent children	24	40	16	68%
One family and no others: Couple: 3+ dependent children	21	31	10	44%
One family and no others: Lone parent: 1 dependent child	107	181	74	70%
One family and no others: Lone parent: 2 dependent children	8	7	0	-5%
One family and no others: Lone parent: 3+ dependent children	0	0	0	0%
A couple and one or more other adults: No dependent children	1,388	2,453	1,065	77%
A couple and one or more other adults: 1 dependent child	136	238	102	75%
A couple and one or more other adults: 2 dependent children	43	62	18	42%
A couple and one or more other adults: 3+ dependent children	40	65	25	62%
A lone parent and one or more other adults: 1 dependent child	27	20	-8	-28%
A lone parent and one or more other adults: 2 dependent children	10	12	1	13%
A lone parent and one or more other adults: 3+ dependent children	5	1	-4	-84%
Other households	1,830	2,526	697	38%
Total	16,322	23,436	7,114	44%

Source: GLA, 2013 & ONS, 2013

9.8 The ageing population structure should also be taken into account when considering the form of future housing requirements.

9.9 The majority of people are likely to continue to live in their family home as they get older. However, these are unlikely to have been built to consider the changing needs of people as

they get older, however in many instances simple alterations such as widening doors and providing sloped access will be sufficient to meet a person's needs.

- 9.10 Homes can however be specifically designed to be adaptable to need changing needs. The Lifetime Homes Standard promoted by the Joseph Rowntree Foundation is an example by which the new developments can be judged adaptable.
- 9.11 With the increasing need to house ageing residents living as couples there will be a greater need for 2+bed adapted/custom built accommodation. This is distinct from the traditional forms of retirement accommodation. As a result this should see a move away from bedsit and small 1 bed units to two, or even three bedroom units. This size of accommodation is increasingly viewed as the optimum accommodation size for senior residents which provide flexibility of space to allow for visitors/carers. Given the age of the residents it is likely to be linked to private sector housing.
- 9.12 This should also be tempered with policies which encourage the down-sizing of properties in the elderly population. This will release capital for the owners as well as much needed larger properties for other residents. Such a policy will only work if preference is given to housing in areas where people would be willing to live. Practically, as well as financially, this is often in the areas where services are closer and land less expensive.
- 9.13 As well as adaptations of existing homes and the design of new homes, the ageing population will require coordinated support services. The Projecting Older People Population Information (POPPI) service, which is part of Institute of Public Care and is managed by Oxford Brookes University, provides further information on older persons housing needs at a local authority level. This data uses data taken from Office for National Statistics (ONS) subnational population published 28 September 2012, based on interim 2011-based population projections. However, it is only extrapolated to 2020.
- 9.14 The POPPI data identifies that the demographic shift towards an ageing population is likely to lead to an increase in demand for both housing and schemes that offer an element of care.
- 9.15 In 2012, 9,120 people aged 65 and over were unable to manage at least one domestic task¹⁵ on their own in Haringey. This is projected to grow to 10,758 by 2020 (18%). However these can be accommodated in their present environment. What is more important for this assessment is growth in people requiring to live in a care home, which is expected to rise by 89 people (24%).

¹⁵ Tasks include: household shopping, washing and drying dishes, cleaning windows inside, jobs involving climbing, using a vacuum cleaner, washing clothing by hand, opening screw tops, dealing with personal affairs and doing practical activities.

Table 80 - Projected Needs of Older People (65+): Social Care for Haringey

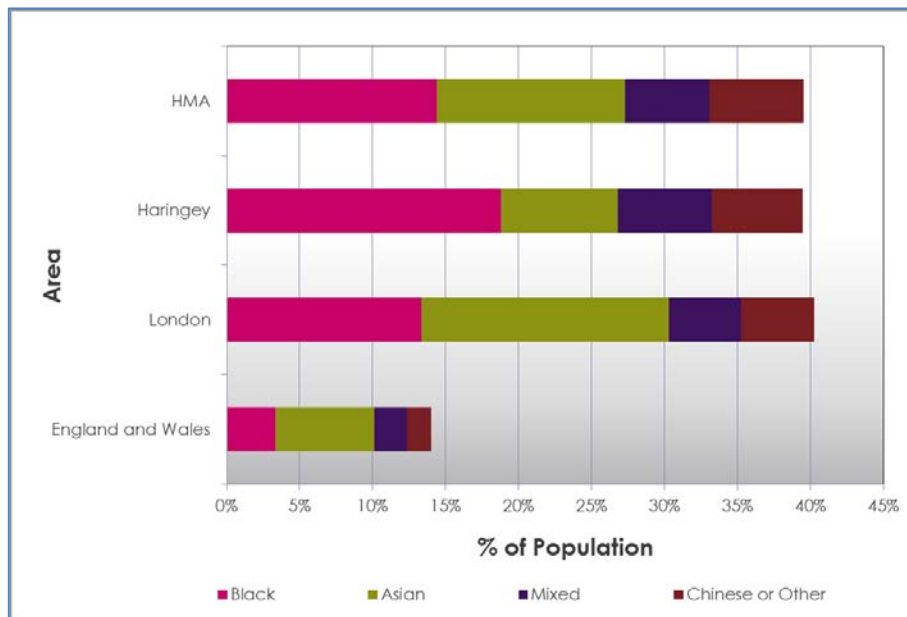
Social Care	2012	2014	2016	2018	2020
Living in a Care Home (with or without nursing)	368	384	411	437	457
Unable to manage at least one domestic task on their own	9,120	9,412	9,909	10,225	10,758
Unable to manage at least one self-care activity on their own	7,459	7,691	8,097	8,350	8,783

Source: POPPI 2013

Black and Minority Ethnic Households

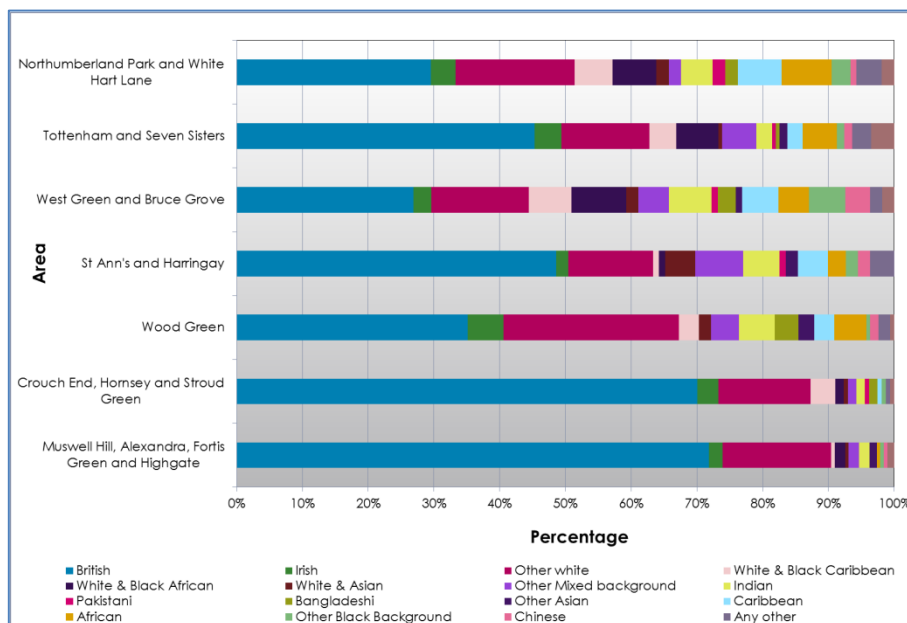
- 9.16 Considering 2011 Census data, minority (non-white) ethnic groups made up approximately 39% of the Haringey population. The 'Black' population is particularly significant considering that it constitutes 19% of the overall population a higher figure than in the HMA and London (14% and 13% respectively). This is demonstrated in Figure 27.
- 9.17 The HMA also has approximately 39% of its population consisting of non-'White' ethnic groups. Compared to Haringey it has 5% less 'Black' ethnicities, 5% more 'Asian' ethnicities and similar proportions of 'Mixed' and 'Chinese or Other' ethnicities.
- 9.18 At the Local Housing Market Area level, based on the 1,004 residents included in the Household Needs Survey, Figure 62 demonstrates the variation in ethnicity distribution across the Borough. It is evident that Muswell Hill, Alexandra, Fortis Green and Highgate and Crouch End, Hornsey and Stroud Green have the lowest proportions of minority (non-white) ethnic groups in the Borough (approximately 5% and 7% respectively). This is compared with the highest minority (non-white) proportions in West Green and Bruce Grove and Northumberland Park and Whitehart Lane (39% and 34% respectively).

Figure 61 - Population and Ethnicity (2011)



Source: Census, 2011

Figure 62 - Ethnicity of Surveyed Household Residents (2013)



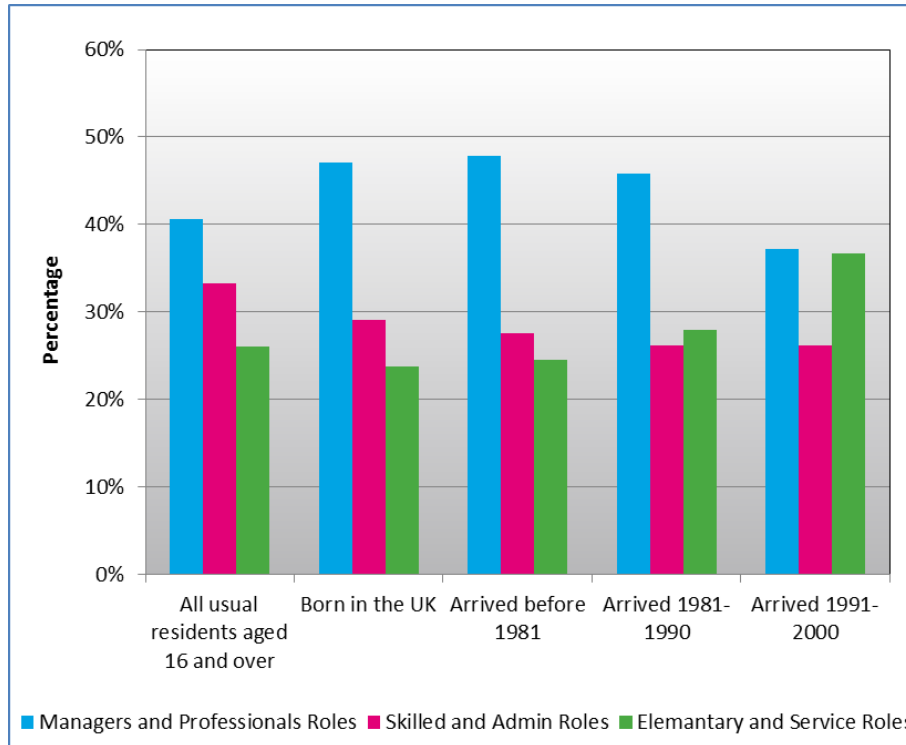
Source: Housing Needs Survey, 2013

9.19 Traditionally BME households have faced constrained housing choices due to comparatively poor labour market position and their ties to specific neighbourhoods which have tended to be dominated by certain types of housing.

9.20 Looking at National trends there is a general pattern that the longer a migrant has been in the UK, the higher their occupation category. There seems to be a definite trend that new migrants (less than ten years) are much more likely to be in an elementary occupation. This

shifts when looking at the more settled migrant population (i.e. those arriving before 1981) where the proportion of Managers/directors is higher than those born in UK.

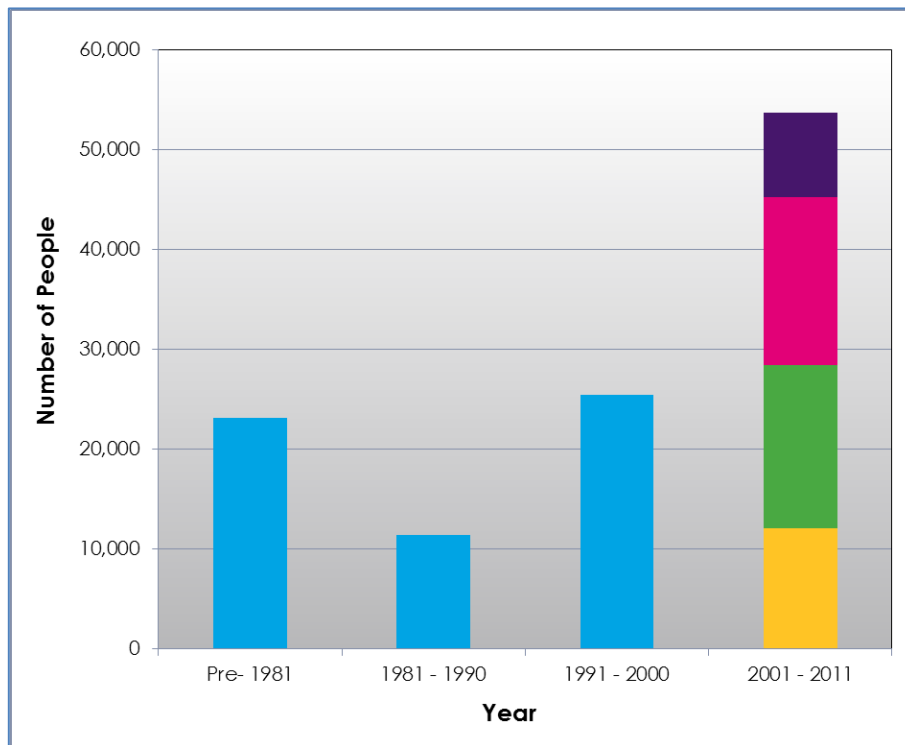
Figure 63 – Occupation Level by Arrival into the Country (National Trends)



Source: Census 2011

9.21 As Figure 64 demonstrates, in Haringey the largest percentages of migrants to the area have only arrived in the last ten years. However, there remains a significant proportion that arrived before 1981 and settled into professional occupations. This situation could result in a mix of accommodation needs for the migrant population with newer migrants requiring affordable and social accommodation and older migrants more likely to require market tenure accommodation.

Figure 64 - Year of Arrival of Migrant Population in Haringey



Source: Census 2011

- 9.22 A recent study¹⁶ reviewed fertility rates in the UK by Ethnic origin and showed that for some groups (Black Caribbean, Other Asian), the annual total fertility has fallen to about the level of the national average. However others groups' (Indian, Chinese) fertility has fallen below, and remained below, the national average.
- 9.23 Only Bangladeshi and Pakistani women retain fertility substantially above the national average, albeit with a declining trend. Fertility of Black African women, and that of the heterogeneous 'Other' category, remain somewhat above average with an uncertain trend. All show a marked tendency towards delay in childbearing. The study assumed continued decline among those populations where fertility is currently elevated, not otherwise.
- 9.24 Given the 2011 level of a 39% BME Group proportion within the Borough, it could be expected that growth in this BME population will continue over the plan period, particularly in Local Housing Market Areas including; West Green and Bruce Grove and Northumberland Park and Whitehart Lane. Not only will this have an effect on the number of houses required, but also on their size requirements. Average household size requirements for BME groups are likely to be substantially higher than for the White British population, particularly for Bangladeshi and Pakistani households, and to a lesser extent,

¹⁶ Colman D, 2010, Projections of the Ethnic Minority populations of the United Kingdom 2006- 2056

Indian households. This could result in increased demand for larger houses in Haringey, however it may not be as pronounced as in the wider HMA or London based on the lower proportion of 'Asian' ethnic groups in the Borough.

Groups with Specific Support Needs

- 9.25 Whilst there is no single data source which enables a thorough assessment to be made of households with specific needs, this analysis draws on longer-term projections of need from the Projecting Adult Needs and Service Information System (PANSI). The dataset is based on interim 2011-based population projection, however it is only extrapolated to 2020.
- 9.26 The Projecting Adult Needs and Service Information System developed by the Institute of Public Care (IPC) for the Care Services Efficiency Delivery Programme (CSED) provides projections of future numbers of households with physical and learning disabilities. These households, alongside others, are likely to require some form of support within their properties. This therefore provides a useful indication of the levels of demand on existing stock and future requirements to deliver new suitable properties and/or adaptations.
- 9.27 As shown in Table 81, the PANSI dataset suggests that between 2012 and 2020 the number of individuals aged 65+ in Haringey predicted to have learning difficulties is anticipated to rise by around 14%.

Table 81 - People Forecast to have Learning Disabilities Aged 65+ in Haringey (2012 - 2020)

	2012	2014	2016	2018	2020	Change 2012- 2020	% Change 2012- 2020
Learning Disability	479	495	515	533	548	69	14.4%

Source: PANSI, 2013

- 9.28 The PANSI system suggests that the total number of individuals aged 18-64 with a learning disability will increase in Haringey by 11.1% overall, with the exception of those aged 18-24, for whom, it will decrease by 5.1%. The change for the total population is shown below in Table 82.

Table 82 - Forecast Total Population with Learning Disabilities in Haringey (2012 - 2020)

	2012	2014	2016	2018	2020	Change 2012- 2020	% Change 2012- 2020
Learning Disability	4,858	5,016	5,163	5,293	5,396	538	11.1%
Moderate or Severe Learning Disability	1,041	1,081	1,118	1,152	1,181	140	13.4%
Moderate or Severe Learning Disability & Living with Parent	401	416	429	439	447	33	12.5%
Severe Learning Disability	264	274	283	290	297	46	11.5%

Source: PANSI, 2013

9.29 PANSI also provides projections on the change in population with both moderate, and serious, physical disabilities. As in the case of individuals aged 18-64 with learning disabilities, the PANSI data suggests that the number of individuals aged 18-64 with moderate, and serious, physical disabilities will increase in the Borough (by 12.8% and 14.7% respectively). Again this is across all age groups with the exception of the youngest 18-24 age group, which will decrease by 4.9% and 5.1% respectively. This is shown in Table 83.

Table 83 - Forecast Total Population with Physical Disabilities in Haringey (2012 - 2020)

	2012	2014	2016	2018	2020	Change 2012- 2020	% Change 2012- 2020
Moderate Physical Disability	11,995	12,389	12,794	13,194	13,536	1,541	12.8%
Serious Physical Disability	3,204	3,306	3,426	3,554	3,674	470	14.7%

Source: PANSI, 2013

9.30 Adults with physical disabilities require different levels of care depending on the severity of their disability. Individuals with a moderate personal care disability can perform tasks such as getting in and out of bed, dressing, washing and feeding with some difficulty. A severe personal care disability can mean that the task requires someone to help.

9.31 As shown in Table 84, the number of individuals with moderate or serious personal care disabilities is predicted to increase by 2020 for all age groups, by 14.4%. Again, the exception to this trend is the 18 – 24 age groups, which is projected to decrease by approximately 5%.

Table 84 - Forecast Total Population with Moderate or Serious Personal Care Disability (2012 - 2020)

	2012	2014	2016	2018	2020	Change 2012- 2020	% Change 2012- 2020
Moderate or Serious Personal Care Disability	6,852	7,085	7,337	7,600	7,836	984	14.4%

Source: PANSI, 2013

- 9.32 On this basis it is likely that the overall capacity of suitable stock will need to continue to grow Haringey in order to meet needs. This will require careful consideration at a strategic level.
- 9.33 In support of this conclusion, the Housing Needs Survey identified a proportion of 8% of residents whose home has been adapted or purpose-built for a person with a long-term illness, health problem or disability.

Key Findings

- 9.34 The purpose of this section has been to consider the housing requirements of specific groups whose housing needs might differ from the majority of the population. The key findings are as follows:
- Older person households (65+ for males and 60+ for women) are projected to grow at a significant level to 2026. The projected growth levels are 17.4% for males, 30.1% for females, and 24.2% of the population overall;
 - Household projections suggest that an additional 2,495 60/65+ single person households will form over the plan period. Despite uplift in the growth of single person male households, 30% greater than for females, a significantly higher number of single person female households in 2026 are projected; 6,540 compared to 4,485 for males;
 - An additional 2,557 60/65+ households with a couple and no dependent children are projected to form over the plan period. This shows a fairly even divide between the amount of older person households which will be occupied by couples and single people;
 - The majority of older person households will continue to live in their family home, possibly with adaptations. The provision of new homes specifically designed to be adaptable will help improve choice and flexibility. This should be complimented with further policy which encourages the downsizing of properties in older age groups;
 - Demand for housing and schemes that provide care will increase as the population ages, with POPPI data suggesting for example, that there will be a 24% rise in the number of people requiring to live in a care home.

- In 2011 BME (non-‘White’ ethnic groups) constituted approximately 39% of the population in Haringey, 19% of which was made up of the ‘Black’ ethnic group. Of the 1,004 residents included in the Housing Needs Survey, West Green and Bruce Grove and Northumberland Park and Whitehart Lane had the highest minority proportions (39% and 34% respectively) compared with approximately 5% in Muswell Hill, Alexandra, Fortis Green and Highgate and 7% in Crouch End, Hornsey and Stroud Green.
- Average household size requirements for BME groups are likely to be substantially higher than for the White British population, particularly for Bangladeshi and Pakistani households, and to a lesser extent, Indian households. This could result in increased demand for larger houses in Haringey, however it may not be as pronounced as in the wider HMA or London based on the lower proportion of ‘Asian’ ethnic groups in the Borough.
- Considering the projected increases to 2020 in the number of people with learning and physical disabilities and personal care disabilities, it is likely that the overall capacity of suitable stock will need to continue to grow in Haringey in order to meet needs. This will require careful consideration at a strategic level.

10. Conclusions and Recommendations

- 10.1 Strategic Housing Market Assessments are intended to provide a clear understanding of housing issues, including the need for both market and affordable housing. In this concluding section the assessment returns to the core outputs of the former DCLG Guidance and the wider research objectives introduced in Section 1. In addition, it highlights wider issues and opportunities which will continue to represent an important consideration for future strategy and investment priorities for Haringey Council.
- 10.2 Haringey is a dynamic urban Borough, with significant population growth and in and out migration. The Borough displays significant differences in socio economic and housing market measures between the west and east of the Borough. The west of the Borough includes higher value market locations and strong relationships with central London for employment and outer north London for housing. The east of the Borough has traditionally had lower value market housing, a higher concentration of social rented stock and strong associations with industrial employment in the Upper Lea Valley. The east of the Borough is undergoing significant change. Significantly upgraded Victoria Line tube services from Tottenham Hale and Seven Sisters, on-going delivery of regeneration at Tottenham Hale, rising prices in Hackney and Islington and the rapid growth of employment at Kings Cross are all driving interest and market value increases in the South East of the Borough. At the same time, higher values and more intensive use of stock in the west of the Borough is evident. It can be expected that against a back drop of a growing London population, market demand for housing in Haringey will continue to grow. At the same time, affordable housing requirements from the local population will continue to be significant.

Conclusions

Core Output 1: Estimates of current dwellings in terms of size, type, condition, tenure

- 10.3 Haringey has seen a significant increase in stock over recent years, with an 11% increase (10,535 dwellings) between the 2001 and 2011 Census. There has been an annual delivery rate of 650 net additional dwellings from 2007 – 2011. Delivery rates are now showing signs of increasing (post 2010/11). Within the Borough, particular growth was observed in the Bounds Green, Woodside and Noel Park Local Housing Market Areas.
- 10.4 Of the current stock within Haringey, 59% is flatted, 27% is terraced, 10% is semi-detached and 4% is detached. This profile varies compared to the wider Local Housing Market Area, with a significantly higher proportion of terraced properties (8.2% higher), and flats in part of

a converted/shared house (7.3% higher), and a lower proportions of flats in purpose built blocks and semi-detached properties (10.8% and 4.1% lower respectively).

- 10.5 Key distinctions in stock profile are also evident at the Local Housing Market Area level within the Borough. The proportion of purpose built blocks of flats is particularly high in Northumberland Park and Whitehart Lane (40%) and Tottenham and Seven Sisters (38%), compared with the lowest level of purpose built blocks of flats in Muswell Hill, Alexandra, Fortis Green and Highgate (24.3%). The proportion of flat conversions is particularly large in Crouch End, Hornsey and Stroud Green (41%), compared with the level in Whitehart Lane and Northumberland Park (only 7.5%).
- 10.6 There have been some significant changes in stock type in Haringey between the 2001 and 2011 Census. The proportion of detached dwellings has increased by 55%, the proportion of flats in commercial buildings has increased by 46%, while the proportion of semi-detached dwellings has increased by only 13.4%.
- 10.7 The 2011 Census identified that approximately 60% of properties in Haringey have 2 bedrooms or fewer. Two bedroom units constitute the highest single proportion at 32.6%. The profile for number of bedrooms in the HMA demonstrates a similar trend to Haringey, which is also fairly similar to the national level.
- 10.8 Stock quality is good throughout Haringey. Despite slight variations within the Borough, the proportion of households with central heating (a proxy for the availability of modern facilities) does not fall below the 96.2% level found in the Tottenham Green, Tottenham Hale and Seven Sisters LHMA.
- 10.9 Of Haringey's current stock in 2011, approximately 39% of households are Owner Occupied, 32% are private rented, and 29% are classified as social or affordable housing. This is a similar tenure distribution to the wider HMA and London region.

Core Output 2: Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market

- 10.10 The 2011 Census indicated that 254,926 people live in Haringey, an increase of 38,419 people (18%) since the previous 2001 Census. At the LHMA level, the Wood Green area has seen the highest level of population growth between Censuses (24%). The lowest level of growth was exhibited in Muswell Hill, Alexandra, Fortis Green and Highgate (11%).

-
- 10.11 Natural change among the exiting population accounted for 32,000 more people in Haringey over the period. International migration accounted for 29,000 more people. However, internal UK migration accounted for a loss of 52,000 residents.
- 10.12 The 2011 Census indicated that there are 101,955 households and 106,099 household spaces in Haringey, with an increase of 9,785 households (11%) and 11,483 household spaces (11%) since the 2001 Census. At the LHMA level the Wood Green area has seen the highest level of household growth between Censuses (17%) and the lowest level of growth was exhibited in Muswell Hill, Alexandra, Fortis Green and Highgate (7%).
- 10.13 House price transactions and rental activity represent a direct indicator of activity within the housing market. The overall average property price for all stock types and areas within Haringey is £418,326. Within this the average for flats is £298,445 and for detached homes it is £2,181,708.
- 10.14 The overall average price also masks significant variation across the LHMA within the Borough where East-West polarisation is evident. There are average price hot spots in the West i.e. Muswell Hill, Alexandra, Fortis Green and Highgate (£649,611) and Crouch End, Hornsey and Stroud Green (£455,460) and cooler spots in the East i.e. Northumberland Park and Whitehart Lane (£198,111) and Tottenham Green, Tottenham Hale and Seven Sisters (£239,734).
- 10.15 Lower Quartile house price has grown by 326% in Haringey between 1996 and 2011, from £54,000 to £230,000. This is a higher level of growth and price than the wider HMA and England and Wales.
- 10.16 Considering the Private Rented Sector, the cost of renting 2 and 3 bedroom properties in Haringey (reflecting a typical standard unit) is £1,417, slightly below the level for the wider HMA (£1,642).
- 10.17 The interaction of income level with the active market elements is key for the ability of households to exercise choice in accessing housing. In 2012 Haringey households had Mean and Lower Quartile Incomes of approximately £37,770 and £19,700 respectively.
- 10.18 The ratios of Median House Price to Median Earnings and also Lower Quartile House Price to Lower Quartile Earnings are high in Haringey at 10.96 and 11.35 respectively. This compares with London at 8.57 and 8.96 respectively.
- 10.19 In affordability terms, based on the Borough's household income distribution (where 50% of Haringey households earn less than £30,000 per year) and an assumed spend of up to 40% of household income on housing costs, only 50% of households in Haringey can afford to
-

purchase a Lower Quartile house with a 75% LTV mortgage. Only 58% of households can afford to purchase a Lower Quartile house with a 90% LTV mortgage, or afford market and affordable rent for a 2 & 3 bedroom property.

- 10.20 At the 40% housing spend level, those Haringey's median average household income (£30,295) should be paying a maximum of £1,010 per month. Those claiming benefits of £500 per week should be paying a maximum of £867 per month and those claiming benefits of £350 per week should be paying a maximum of £607 per month.
- 10.21 It is clear that some households face significant issues in terms of market entry and mobility in Haringey. Affordability issues mean that purchasing a property is outside the means of a significant proportion of Haringey households.

Core Output 3: Estimate of total future number of households, broken down by age and type where possible

- 10.22 Section 6 presented the GLA 2013 round population projection for Haringey, which identifies a potential uplift of 15% over the plan period from 2011 – 2026 (37,311 people). The GLA 2013 round household projection for Haringey, identifies a potential uplift of 20% over the plan period from 2011 – 2026 (20,060 households). This equates to an annual average household growth of approximately 1.3% (1,337 households).
- 10.23 Based on meeting need over the entire 15 year plan period and annually, Section 7 identifies a total Borough housing requirement (for all tenures) of 20,172 homes, which equates to an annualised requirement of 1,345 homes.
- 10.24 By assuming 1.5% base requirement as a reasonable level of vacancy to facilitate daily churn in the housing market, the projected number of household spaces by 2026 is could be considered to be 103,746, equating to annual growth of 1,357 household spaces.
- 10.25 As discussed earlier in the report, there is a 11% difference between this SHMA calculated household space requirement figure of 1,357 and the GLA SHLAA capacity figure of 1,502. This is because the GLA SHLAA figure uses a development capacity based methodology, which means it represents annualised average housing capacity identified for the Borough. This SHMA figure is population trend based (using the GLA 2013 round Central Scenario trend based projections).
- 10.26 Based on the GLA household space projections and assumed DCLG bedroom requirements, identified in Section 6, it is estimated that around 67% of demand will be for 1 and 2 bedroom properties. This reflects trends in people living longer, single person households and smaller family units. The requirement for 1 bed and 2 bed units would make up 48% and 19% of the annual requirement respectively. Smaller units will assist newly forming households as well as free up stock as older households downsize.
- 10.27 Based on the GLA household space projections and assumed DCLG bedroom requirements, 3 and 4+ bedroom units should make up 17% of the annual requirement. However, considering the number of families and HMOs/house sharing in Haringey, particularly in the East of the Borough, alongside residents' aspirations for properties with 2 and 3 bedrooms (from the Housing Needs Survey), a strong supply of larger 3 and 4 bedroom properties will also be required. 4 bedroom properties are important as they can accommodate those family groups in acute need on the housing waiting lists, which have the longest waits.

Core Output 4: Estimate of current number of households in housing need

- 10.28 Section 7 presents the assessment of housing need to identify the current backlog of households in need. 8,364 people are identified on the waiting list, of which 2,507 people qualify for the highest levels of priority (Bands A and B). This need is assumed to be addressed evenly over the 15 year plan period (2011 – 2026), therefore the annualised household waiting list figure, excluding transfers, is 558 people.
- 10.29 In addition to considering the evidence provided through waiting list data, the analysis of the ability of households to access housing, discussed in the previous Core Output, illustrates further house price affordability issues.

Core Output 5 & 6: Estimate of future households that will require affordable housing and market housing

- 10.30 To calculate the proportion of housing required to be affordable the following steps were followed:
- **Total Borough housing requirement (all tenures) = 20,172**
 - Existing affordable housing need backlog = 8,364
 - Gross newly arising affordable need = 16,525
 - **Total affordable need = 8,364 + 16,525 = 24,889**
 - New affordable housing supply pipeline = 4,717
 - Affordable supply from existing stock = 8,415
 - **Total affordable supply = 4,717 + 8,415 = 13,132**
- 10.31 The net affordable housing requirement over the plan period was then calculated as follows:
- **Total affordable supply (13,132) – Total affordable need (24,889) = -11,757**
- 10.32 Based upon the above calculation (from Section 7), there is an affordable housing requirement deficit of 11,757 homes over the plan period. As a proportion of the total net housing requirement for all tenures (20,172), this equates to 59%. At an annual rate, this is 784 affordable homes out of 1,345.
- 10.33 Allowing 1.5% vacancy for housing market churn increases this total net affordable housing requirement deficit to 11,933 homes over the plan period and 796 homes annually.

10.34 It is important to note however, when focussing on the longer term that house prices and financial requirements of households to obtain mortgage credit, as well as household incomes will change over the 15 year period. These factors are important informing influences on the future distribution of market and affordable housing required. Updated reviews of affordable housing requirements will be required over the period in order to capture the effect of these changes.

Core Output 7: Estimate of the size of affordable housing required

10.35 Examination of the waiting list presented in Section 7 shows that the greatest demand on the General Needs waiting list is for 1 bedroom properties (40%), followed by 2 and 3 bedroom properties (34% and 21% respectively). For the Reasonable Preference waiting list (Bands A-C) 2 and 3 bedroom properties have the highest requirement levels (37% and 33% respectively), and the requirement proportion for 1 bedroom properties is 21%.

10.36 The most acute need tends to be for larger properties (4+ bedrooms) which do not to become available as often therefore causing households to wait longer. The shortage of larger properties can have a disproportionate effect on the Borough's ability to address its backlog of housing need, and meet the needs of new households in the future. In comparison, 1 bedroom properties offer the greatest flexibility and level of opportunity within the housing market, and become much more commonly available than larger properties.

Core Output 8: Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc.

10.37 The SHMA analysis has highlighted that the demographic and economic profile of Haringey is likely to change over the plan period, with the active housing market reacting, and in part feeding back into these changes. Different LHMA's within the Borough will be affected by these changes in different ways and at different levels. The analysis presented in Section 8 identifies a number of specific groups considered to have specific current and future housing requirements and representing prominent and dynamic parts of the Borough's changing profile.

10.38 The groups examined are set out below, alongside the key conclusions emerging from the analysis:

- **Older Persons** – in line with national trends and the wider HMA, Haringey is projected to experience an increase in the number and proportion of households where the head of

household is over 60/65, increasing by approximately 7,114 households (44%) over the plan period. The projections indicate that by 2026 around 29% of these households will consist of couple households, and around 47% will be single person households. The POPPI data identifies that from 2012 to 2020 the number of older people (65+) living in a care home is projected to increase by 24%, and those unable to manage at least one domestic task on their own is projected to increase by 18%. This is likely to place increasing pressure on supported and adapted housing, including Extra Care facilities and a greater need custom built accommodation. Policies to encourage down-sizing of the elderly population into smaller properties could play an important role, releasing the capital for owners as well as much needed larger properties for other residents, particularly those in acute need on the housing waiting list.

- **Black and Minority Ethnic Groups** – Haringey has a significant BME population, constituting almost 40% of the total population. Within this proportion, the ‘Black’ population is particularly significant, constituting 19% of the total population. In terms of future growth, research into fertility rates coupled with continued trends in international migration suggests the ethnic mix of Haringey will continue to grow, particularly in West Green and Bruce Grove, and Northumberland Park and Whitehart Lane.
- **Households with Specific Needs** – The PANSI dataset suggests that between 2012 and 2020 the number of individuals with a learning disability is anticipated to rise considerably, by 11%. The number of individuals with moderate physical disability is anticipated to increase by 12.8% and the number of individuals with a moderate or serious personal care disability is anticipated to increase by 14.4%. On this basis, it is likely that the overall capacity of suitable stock will require continued growth in Haringey in order to meet needs. This will require careful consideration at a strategic level.

Recommendations

- 10.39 There is a significant affordable housing requirement within Haringey. As a priority, Haringey Council should continue to place those in most need into affordable housing as it becomes available or is delivered. An important decision on the acceptable size of the full housing waiting list must be made, to identify targets for clearing the list annually and over the plan period. This should also take into consideration the waiting times that are acceptable for different property sizes and different household priority levels.

Enhancing Access to the Market

- 10.40 House price to income ratios make it clear that there is an affordability gap for many Haringey residents. Increasing the supply of affordable housing will be an important

response. However, it is also recommended that the Borough investigate mechanisms that can ease the challenge in accessing mortgages for those on lower incomes.

- 10.41 In addition, the other variable is the incomes of residents. Addressing local affordability challenges will require strategies that stabilise and increase household incomes, through access to London's better paying jobs as well as local economic development.
- 10.42 The Council should ensure homes are developed to encourage under-occupiers to relocate, with high quality in terms of design and management. Relative affordability of existing Council tenures and Affordable Rent development will need to be addressed. This is important considering the issue of housing need versus housing supply.

Enhancing Housing Delivery

- 10.43 While the affordability of market housing remains an issue due to access to mortgage finance and deposit requirements, there is a continued need to maintain housing supply of all tenures to address demand.
- 10.44 We recommend that Haringey Council continues to stimulate the supply of new affordable housing. The Council should seek to encourage all sources of delivery including where viable, the direct delivery of affordable housing and self-build opportunities. Affordable housing approaches must aim to be realistic and deliverable, and set against wider objectives of maintaining an adequate supply of market housing to meet demand, and delivering mixed income and tenure communities across the Boroughs Local Housing Market Areas. However, this could prove to be particularly challenging considering the significant East-West polarisation.
- 10.45 The Council should continue to pursue estate regeneration and intensification opportunities within the Borough, specifically in the Tottenham and Northumberland Park areas, whilst striving towards achieving as varied a mix of housing sizes, types and tenures as possible.
- 10.46 We anticipate strong potential for a significant increase in market interest in the south east of the Borough following change in the role and function of Tottenham Hale, rapid residential value growth to the east in Waltham Forest and improved public transport connections to high employment growth locations such as Kings Cross via the Victoria Line and Stratford and Canary Wharf via upgraded rail links.

Suitable Locations of Housing

- 10.47 The Council should seek to increase the mix of housing types and tenures across the seven LHMA's, and deliver appropriate residential development throughout the Borough. Over the

long term, delivery could focus specifically on the east of the Borough as a suitable housing location.

Ensuring a Housing Mix: Tenure

- 10.48 Haringey Council should seek to deliver a range and mix of sites that allow different housing products to be brought forward across LHMA, including the delivery of certain tenures where they are not traditionally located. This mix should be guided by the requirements identified within this Report, particularly Section 7. It is critical that a range of tenures are delivered across the Borough.
- 10.49 Housing affordability issues are driven by lower incomes and high house pricing. A strategic approach is therefore recommended; to raise household income levels through access to appropriate skills training, and therefore increase access to employment both locally and in the wider Housing Market Area.
- 10.50 Given the social characteristics within different LHMA within the Borough, there will be a need to consider viability and set tenure requirements on a site-by-site basis. Associated policy and strategic approaches should be conditioned by affordability.

The role of the Private Sector

- 10.51 Many households with insufficient income or equity to purchase housing may choose to meet their needs in the private sector. The private rented sector plays an increasingly important role in catering for the needs of younger households, or those who are attracted by the flexibility which renting provides (particularly in the short-term housing market).
- 10.52 It is important that investment is made in order to ensure that existing rental stock is fit-for-purpose, particularly as the existing stock is likely to comprise the majority of the rented stock for the foreseeable future. Close review and monitoring will be required to ensure the quality and condition of stock is actively managed, to address any overcrowding and to maximise the role which the sector plays in meeting housing need.
- 10.53 However, there is potential for increasing private rented sector interest in Tottenham Green, Tottenham Hale and Seven Sisters, considering the growth and regeneration focus for the area, and the growth of employment at Kings Cross, which is now very well connected to this area via the Victoria Line.

Ensuring a Housing Mix: Size

- 10.54 The Council should set out specific targets regarding the size of affordable housing provision required, based on an appraisal of the scale of current waiting list and projected demographic growth. It should also take into account particular acute need within the housing waiting list.
- 10.55 Whilst aiming to achieve a mix of all property sizes appropriate to the localised requirements and demographics within each LHMA, 1 bedroom units and 3+ bedroom units should receive particular focus. The small 1 bedroom units provide an important mechanism to free up the supply of existing stock, reflecting the Borough's ageing population and higher number of smaller households. The larger, family-sized units meets the acute affordable housing need and allow social housing provision to better use existing stock by creating a 'chain of lettings' to right size households to their housing requirements. There is potential to support older households to downsize, releasing supply of larger housing for other groups.
- 10.56 Overall, the Council should ensure provision of a diverse range of housing by number of bedrooms, to meet a range of needs and provide sufficient flexibility within the Borough's stock.

Future Monitoring

- 10.57 In order for the findings of the assessment to continue to inform and help shape policy, it will be necessary for Haringey Council to monitor changes in the housing market and the underlying drivers examined in this assessment. Changes to the assumptions will have an impact on plan period and annual projections of household demand and the requirements for different tenures and sizes of housing.
- 10.58 The figures presented within this report are based upon up-to-date data and information, largely utilising the 2011 Census, which is a the most comprehensive and reliable recent data available. Evidence of marked deviation from the future trends and assumptions presented will need to be taken into account in the development of strategy and policy approaches.
- 10.59 This SHMA has utilised a range of secondary data sources. This information will continue to be refined and updated by data providers such as the ONS, DCLG, CACI, Rightmove and Land Registry. The use of secondary data sources makes monitoring a simpler process with an annual update examining changing trends an important exercise for Haringey Council.