

# Housing Need and Demand Assessment

Full Report  
2011



Clackmannanshire Council

# Clackmannanshire Council

## Housing Need and Demand Assessment

### 1.0 Introduction

Establishing a clear picture of housing need and demand in Clackmannanshire is essential to inform Council policy in relation to future housing provision.

As such, this Housing Needs and Demand Assessment (HNDA) has been carried out in line with the national HNDA Guidance (Scottish Government, March 2008). The findings of this study will be appraised by the Scottish Government Centre for Housing Market Analysis (CHMA), to ensure a robust and credible assessment.

Clackmannanshire Council last undertook a detailed housing needs survey in 2004, with the information forming the basis for the Council's previous Local Housing Strategy (2004 - 2009). The information gathered in that study will be expanded on to form an accurate picture of how the housing market has changed over the past decade.

The findings will assist the Council and its partners in developing an evidence based Local Housing Strategy and Local Development Plan (as set out in LHS guidance and Scottish Planning Policy 3). These documents will be complementary and will be aligned to achieve the effective delivery of new homes - of the right type and tenure and in the right places - based on a solid foundation of evidence.

Through the analysis it contains, the Housing Needs and Demand Assessment (HNDA) will allow the Council and its partners to develop a greater understanding of how the local housing market operates.

### 1.1 **Aims, Objectives and Outputs**

#### 1.1.1 Aim

The **aim** of this research is to get a better understanding of the complex workings and relationships within the local housing market so that the Council can adopt informed policies to help address unmet need and demand.

#### 1.1.2 Objectives

The key **objectives** include:

- identifying the key drivers in the housing market;
- establishing the balance between supply and demand across different tenures;
- identifying and understanding the interaction between demand for market housing and the need for affordable housing;
- forecasting future housing need and demand over a 10 year period, to be reviewed every 5 years, and;
- providing robust evidence to inform strategic planning.

### 1.1.3 Outputs

The main **outputs** of the assessment required in order to meet the objectives are to analyse and gain a better understanding of the:

- current housing market;
- future housing market;
- housing need of specific household groups;
- current housing need and demand across all sectors;
- future housing need and demand over a 15 year timescale;
- Housing Market Areas, and;
- Housing Market Partnerships.

## 1.2 Methodology

### 1.2.1 Data Source

The majority of the study will be drawn from secondary data sources where appropriate, and follows the Scottish Government Guidance published in March 2008<sup>1</sup>.

### 1.2.2 Consultation

Consultation will be used to inform the findings and some small primary research may be considered if there are any significant gaps in the available evidence.

In order to gain an understanding of the current functioning of the housing market locally, a questionnaire was devised and sent out to local estate agents. This piece of primary research has been used extensively throughout the document to aid the endorsement of certain assumptions made in terms of house prices etc.

### 1.2.3 Market Areas

The study is based on housing market areas identified within the Clackmannanshire administrative boundary. The housing market areas have been established by building on previous research carried out in 2006 by Entec UK Ltd<sup>2</sup>.

## 1.3 Housing Market Areas

The Scottish Government issued guidance on Housing Need and Demand Assessment (HNDA) to Councils in March 2008. Housing market analysis undertaken identified the functional housing markets in operation within and around Clackmannanshire. This provided the evidence on which to base the spatial requirements of housing need and demand.

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<sup>1</sup> Scottish Housing Need & Demand Assessment Guidance, Scottish Government, March 2008

<sup>2</sup> The potential for Additional Development in Clackmannanshire to 2025, Entec UK Ltd, April 2006.

### 1.3.1 HMA Background

The study will be undertaken at housing market area (HMA) level. This will provide, for each HMA an estimate of the:

- number of households in housing need;
- number of new affordable houses required;
- type and size of houses required, and;
- number of private houses required.

The analysis builds on previous research carried out by Entec UK Ltd in 2006, and uses house price data to examine house sale transactions. This determines the origin and destinations of house purchasers, firstly for major settlements within Clackmannanshire and then for Stirling and Falkirk. This approach is one of the recommended approaches in the HNDA guidance. Where necessary (i.e. for smaller settlements), the origin and destination based self containment analysis has been supplemented with an element of local knowledge.

Examining patterns of household movement (migration) across the Forth Valley area focuses on the flow of households between Clackmannanshire, Falkirk and Stirling. The original study covered a five-year period (2000-2005), and this information has been updated to cover the period 2003-2008.

The analysis of Sasines data reveals trends in house prices and migration patterns within HMAs. This is helpful when identifying areas of particular pressure in terms of high prices or high levels of inward migration.

The HMA analysis undertaken is based on the methodology published by Communities Scotland (*Housing Market Areas in Scotland: Definition and Review, December 2003*).

### 1.3.2 Defining HMAs

The major settlements in Clackmannanshire were agreed by the Council as:

- Alloa;
- Alva;
- Clackmannan (including Forestmill and Kennet );
- Coalsnaughton (including Devonside and Fishcross);
- Dollar (including Muckhart);
- Menstrie;
- Sauchie;
- Tillicoultry, and;
- Tullibody (including Cambus).

The analysis examines the percentage of purchasers originating from each of these major settlements. Where this percentage exceeds a defined target (the Communities Scotland methodology suggests 10%), then it is assumed that the settlements fall within the same housing market area i.e. the area in which purchasers will contain their search for a new home.

Table 1 below shows the movement patterns of house purchasers in each settlement.

Table 1: Degree of Self-Containment by Settlement (2003-08) All sales excluding RTB

	Alloa	Alva	Clac	Coal	Doll	Men	Sauc	Tillic	Tulli
Buyer origin Alloa	33%	5%	17%	13%	1%	4%	21%	7%	11%
Buyer origin Alva	3%	34%	3%	3%	1%	6%	4%	8%	4%
Buyer origin Clackmannan etc	3%	1%	22%	3%	1%	0%	4%	1%	2%
Buyer origin Coalsnaughton etc	1%	1%	1%	14%	0%	1%	3%	3%	1%
Buyer origin Dollar etc	2%	1%	1%	3%	37%	2%	1%	4%	1%
Buyer origin Menstrie	1%	3%	0%	2%	1%	14%	2%	1%	3%
Buyer origin Sauchie	6%	3%	5%	7%	1%	2%	20%	3%	4%
Buyer origin Tillicoultry	3%	6%	2%	11%	3%	4%	5%	32%	2%
Buyer origin Tullibody/Cambus	7%	4%	7%	3%	1%	4%	8%	4%	23%

Source: Register of Sasines (2003-2008)

Households in Alloa mainly move within Alloa (33%), but 17% will purchase in Clackmannan, 21% in Sauchie and 11% in Tullibody/Cambus. As a large percentage of people moving house in these settlements sought a dwelling within this area, it would conclude that these settlements make up the Alloa HMA.

The Coalsnaughton/ Devonside/ Fishcross area is showing links to the settlements of both Alloa (13%) and Tillicoultry (11%) as a destination. Due to the very small number of transactions involved, the analysis at this level is inconclusive. Geographically, Fishcross is more likely to be influenced by the Alloa HMA and Coalsnaughton and Devonside by the Hillfoots HMA. Fishcross will therefore move into the Alloa HMA.

Menstrie is also only showing tenuous links to the rest of the Hillfoots HMA, and is probably more linked to Stirling's HMA. There is further evidence to suggest this as 63% of purchasers of properties in Menstrie are not from Clackmannanshire i.e. inward migration. However, as this study is primarily relating to the predefined Clackmannanshire local authority area, Menstrie remains in the Hillfoots HMA. Further consideration to this will be given later on in the study.

Dollar remains unlinked to any other settlement and has its own unique stand-alone housing market.

The analysis shows three spheres of influence existing within the Clackmannanshire boundary, these are the three HMAs and are identified as follows:

**HMA 1: Alloa/Clackmannan/Tullibody**, including the 'lower level' settlements:

- Sauchie;
- Forestmill;
- Kennet;
- Cambus, and
- Fishcross.

**HMA 2: Alva/Menstrie/Tillicoultry** including the 'lower level' settlements:

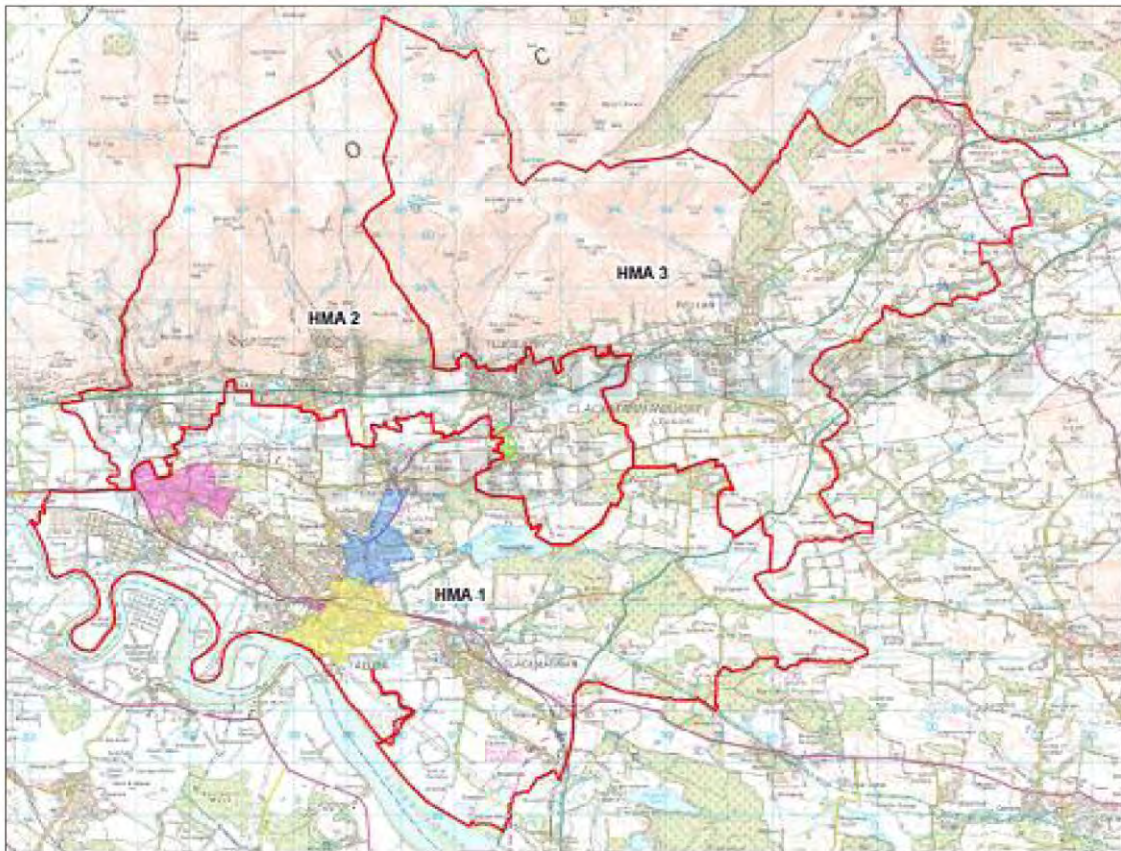
- Coalsnaughton, and;
- Devonside.

**HMA 3: Dollar** including the 'lower level' settlements:

- Muckhart.

The defined housing market areas are set out on the map below.

Map 1 - Housing Market Areas



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## 1.4 Housing Market Partnerships

### 1.4.1 Housing Market Areas - Crossing Council Boundaries

The guidance recommends the creation of housing market partnerships to promote cross border working. The partnership would then jointly produce a housing need and demand assessment.

Containment analysis, carried out as part of the updated work on HMAs, shows that the level of self-containment within Clackmannanshire is comparatively low, with an average of only 57% of house purchases being made by people who originate from within the area. The adjoining area of Falkirk has an average self-containment level of 69%<sup>3</sup>, as does Stirling<sup>4</sup>.

The percentage of inward migration to Clackmannanshire was 38% in 2000<sup>5</sup>, rising to 43% currently. This suggests that the local Clackmannanshire market has become more open to the influence of demand from elsewhere. Of the 43% inward migration, 16% of purchasers originate from Stirling, and only 3% from Falkirk.

It would conclude that Clackmannanshire is a sub market of Stirling, as more than 10% of inward migration originates from Stirling. The HMA study carried out by Stirling also comes to this conclusion, with Clackmannanshire being included in the Stirling HMA boundary. The Stirling study also found that there was considerable in-commuting from Clackmannanshire to Stirling.

Based on the same approach, Falkirk does not seem to have a strong link with Clackmannanshire, with only 3% of house purchasers originating from Falkirk. The study carried out by Falkirk Council found that inward migration is mainly from Edinburgh or West Lothian.

### 1.4.2 Joint Working Arrangements

There has been support from Clackmannanshire, Stirling and Falkirk Councils to coordinate housing need and demand assessments, sharing best practise and information where possible. The guidance also suggests the inclusion of the house-building and property industries to include Homes for Scotland, as well as local health, employment and community partners.

There have been several meetings between the partner Councils, involving housing and planning colleagues and representatives from the Scottish Government. Minutes of these meetings can be found at appendix 1 of this document. Further exchanges of information and experiences will be ongoing.

The housing and planning services intend to fully consult with the full range of stakeholders in order to finalise the HNDA and the Main Issues Report.

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<sup>3</sup> Identifying the Falkirk Housing Market, Falkirk Council, August 2009.

<sup>4</sup> Stirling Housing Market Area Study - Final Report, May 2009.

<sup>5</sup> Newhaven Research Ltd, Clackmannanshire HSB Issues Paper, 2004

## **2.0 Context**

This section highlights the key policy and socio-economic context which the HNDA will operate within.

### **2.1 National Policy Context**

The most influential policy changes at National and Local level to affect this study are:

- The emphasis placed by the Scottish Government on using an HNDA as the evidence base to inform the Local Housing Strategy (LHS) and the Development Plan.
- The publication of new guidance on the development of Local Housing Strategies. The main changes include having no separate Homelessness, Supporting People or Fuel Poverty strategies.
- The publication of the Scottish Government paper, *Firm Foundations: The Future of Housing in Scotland*, setting out the vision of an increased housing supply, more choice of housing, sustainable, mixed communities and social housing that provides better value for public expenditure.
- Scottish Planning Policy reforms.
- The Draft Housing (Scotland) Bill, 2009, proposes to encourage social landlords to improve performance with the introduction of a Scottish Social Housing Charter. This will clearly define the outcomes that social landlords should be achieving. The Scottish Housing Regulator would assess landlord performance against the outcomes set out in the Charter.
- The Draft Housing (Scotland) Bill, 2009, proposes right to buy (RTB) reforms, safeguarding social rented housing for future generations.
- A greater emphasis on the use of the private rented sector to assist in meeting housing need, particularly for homeless households.

### **2.2 Local Policy Context**

Clackmannanshire's 9 local priority outcomes, agreed through the Single Outcome Agreement (SOA) have an influence on the policy direction of the range of plans and strategies the Council has in place. These priority outcomes are that:

- The area has a positive image and attracts people and business;
- Our communities are more cohesive and inclusive;
- People are better skilled, trained and ready for learning and employment;
- Our communities are safer;
- Vulnerable people and families are supported;
- Substance misuse and its effects are reduced;
- Health is improving and health inequalities are reducing;
- The environment is protected and enhanced for all, and;



- Improved quality of public services.

The key local context within these priorities relevant to this study are:

- Growing population;
- Clackmannanshire's impressive built heritage;
- Clackmannanshire is the 5th most deprived area in Scotland as measured by the Scottish Multiple Indices of Deprivation;
- There are significant inequalities within Clackmannanshire;
- There are significant concentrations of deprivation in certain small neighbourhoods;
- There is a shortfall in affordable housing;
- Amongst the highest levels of homelessness in Scotland, and;
- Potential of urban growth to threaten the natural environment.

These local priorities have been carefully considered when presenting the findings of the HNDA, strengthening the relevance for the Council.

## **2.3 Demographic Trends**

### **2.3.1 Population Profile**

The population of Clackmannanshire fell from 48,100 in 2001 to 47,680 in 2003, but has grown to just under 50,540<sup>6</sup> in 2009. Clackmannanshire accounts for just under 1% of Scotland's overall population of 5,168,500.

The last examination of the housing market in 2004 by Newhaven Research Ltd, was based on 2004 General Registrar Office for Scotland population estimates, which suggested that the population in Clackmannanshire was in decline and would reach only 46,605 by 2011. Graph 1 shows that this has not been the case, the population has grown and is projected to grow over the next 20 years.

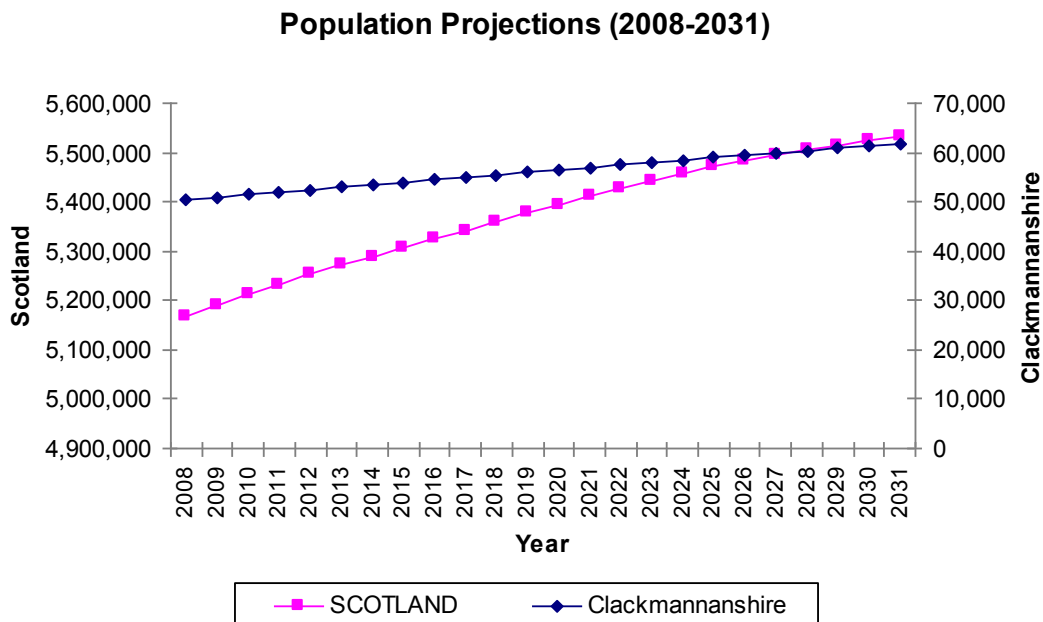
Graph 2 shows the overall percentage age distributions over time in Clackmannanshire. The percentage of older people aged 65+ has remained reasonably level between 1998 and 2008, from 14% to 15% total population in this age group. The 55-64 age group has grown by 3% (1650 people), and it is this group of the population that will require more specialist needs housing over the next 10 years as they reach retirement age and beyond.

The projected population profile shows that there will be around a 1% growth annually in Clackmannanshire to 2031. This equates to an additional 500 people each year. The projected average increase in Scotland's population is shown at around 0.3% growth, so Clackmannanshire is expected to see a higher than average growth rate over the next 20 years.

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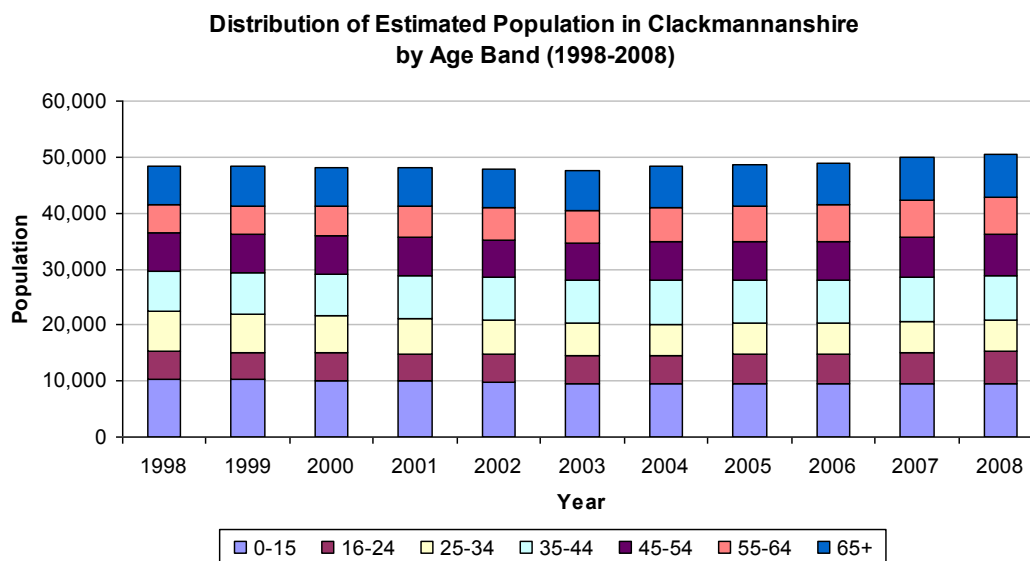
<sup>6</sup> Source: Scottish Neighbourhood Statistics at [www.sns.gov.uk](http://www.sns.gov.uk)

Graph 1 - Population projections 2008 - 2031



Source: GROS (www.gro-scotland.gov.uk (2008-31))

Graph 2 - Distribution of Estimated Population in Clackmannanshire by Age Band (1998-08)

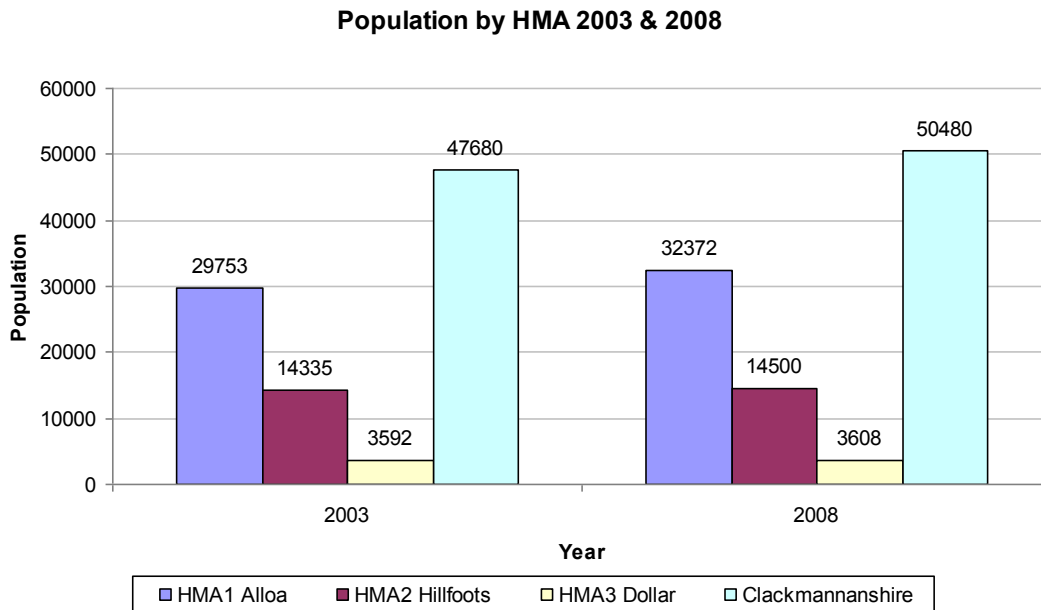


Source: GROS (www.gro-scotland.gov.uk (1998-2008))

### 2.3.2 Population by Housing Market Area

Graph 3 shows that the majority of the population of Clackmannanshire reside in the Alloa HMA (65%). The population of this area increased almost 9% between 2003 and 2008, compared to the overall population growth of around 6%.

Graph 3 - Population by HMA (2003 & 2008)

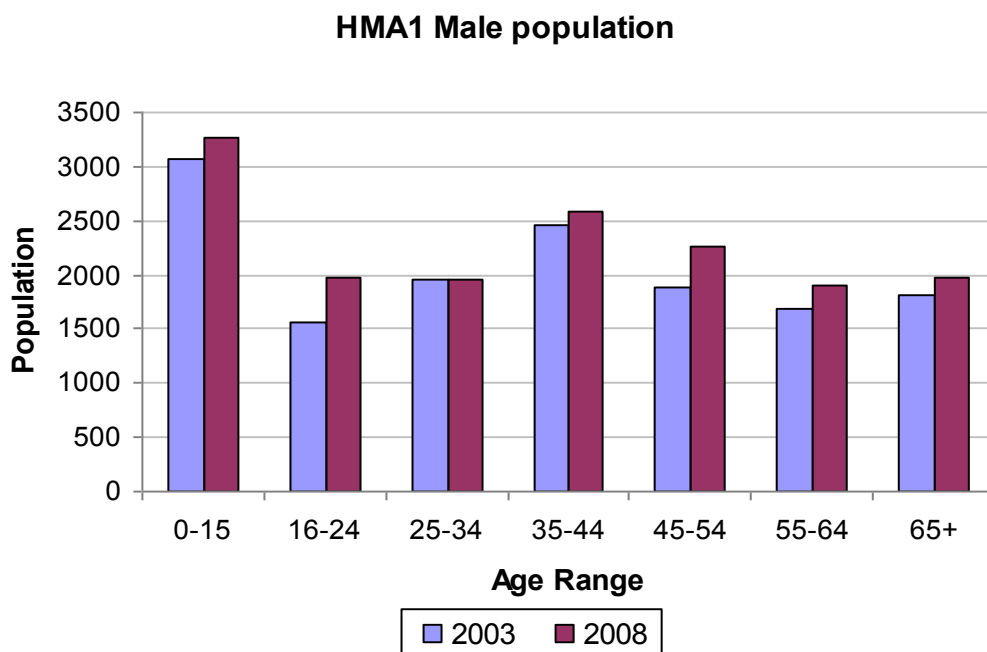


Source: Scottish Neighbourhood Statistics (2003 & 2008)

Graphs 4-9 show the population breakdown by HMA, age range and sex.

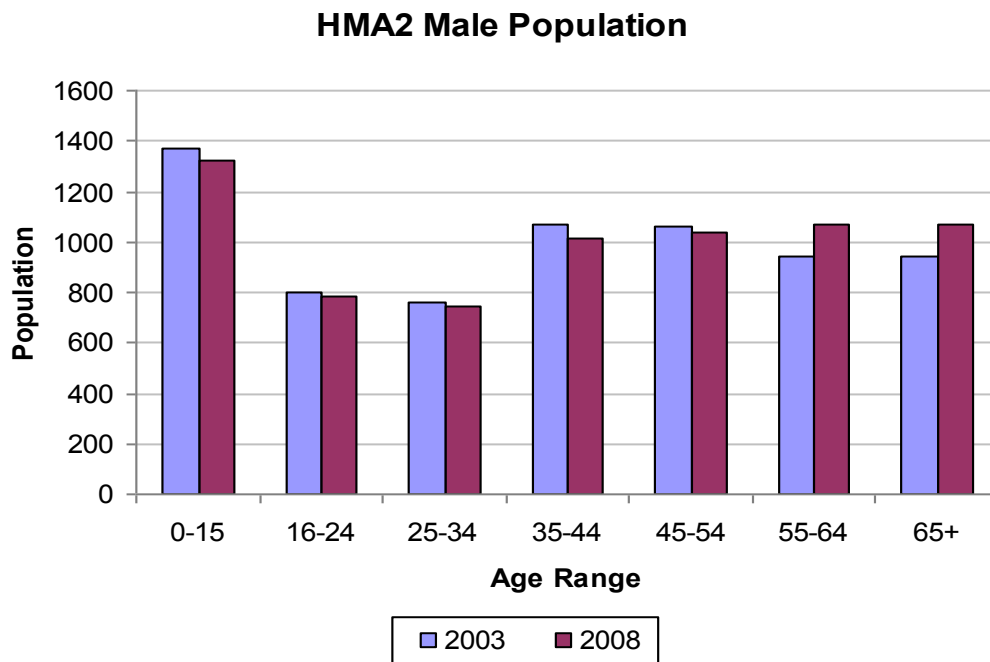
The increases in population in Alloa HMA are more equally distributed across the age ranges than they are in the other HMAs, where there will be larger increases in the older age groups across both genders, particularly for those aged 55 and over. As such, there may be an additional requirement for specialist housing in these areas over the next 10 years.

Graph 4 - Male age population by HMA1 Alloa



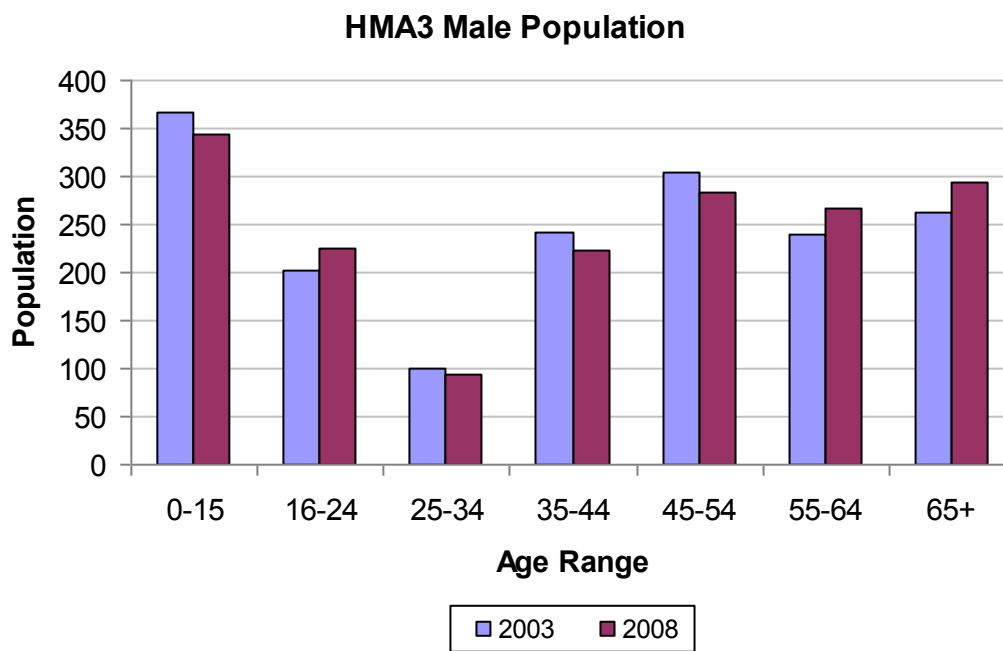
Source: Scottish Neighbourhood Statistics (2003 & 2008)

Graph 5 - Male age population by HMA2 Hillfoots



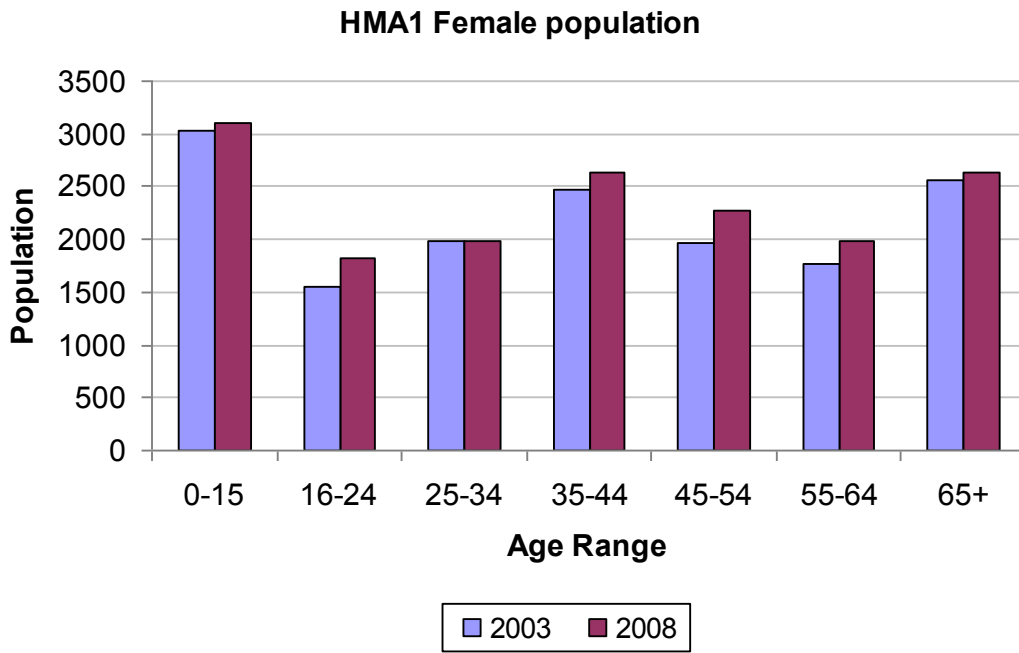
Source: Scottish Neighbourhood Statistics (2003 & 2008)

Graph 6 - Male age population by HMA3 Dollar



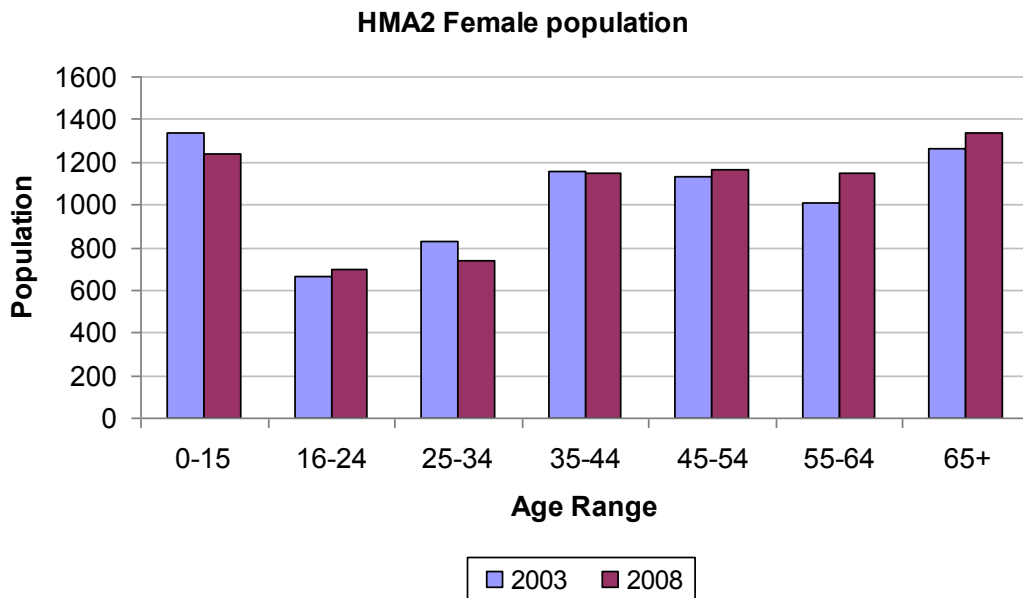
Source: Scottish Neighbourhood Statistics (2003 & 2008)

Graph 7 - Female age population by HMA1 Alloa



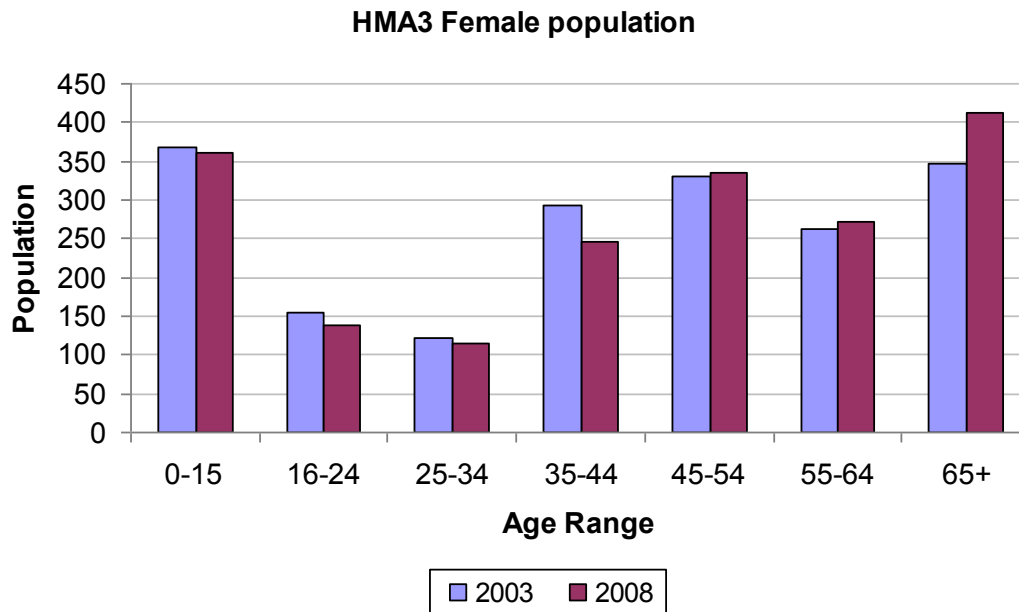
Source: Scottish Neighbourhood Statistics (2003 & 2008)

Graph 8 - Female age population by HMA2 Hillfoots



Source: Scottish Neighbourhood Statistics (2003 & 2008)

Graph 9 - Female age population by HMA3 Dollar



Source: Scottish Neighbourhood Statistics (2003 & 2008)

### 2.3.3 Household Profile

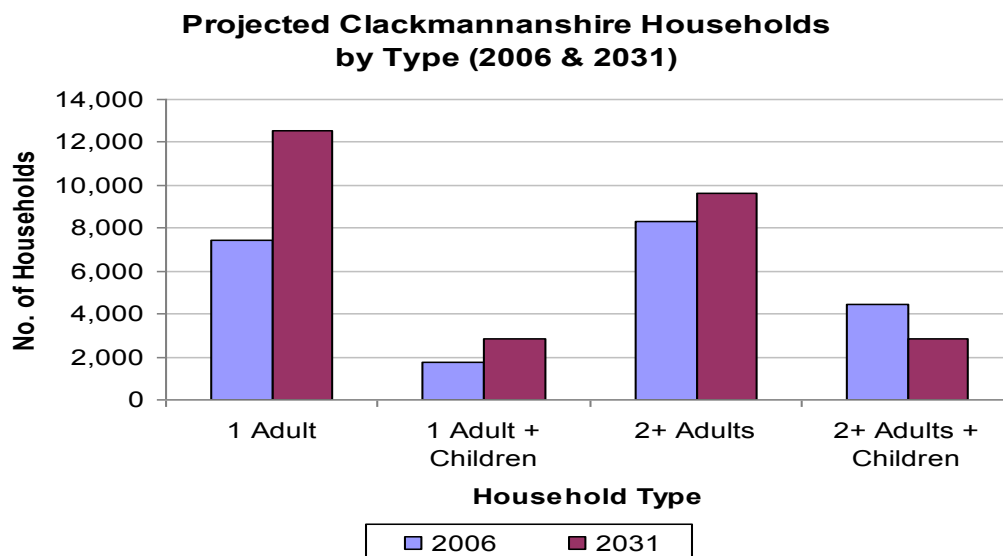
Graph 10 shows the projected household composition of Clackmannanshire from 2006 to 2031.

In 2006, of the 21,940 households in Clackmannanshire, around a third (34%) contained single adults, 8% were single parent households, 38% 2+ adults, and the remaining 20% were 2+ adult households with at least one child.

The Scottish household survey for 2006 suggests a similar household composition for Scotland with, 32% single adults, 6% single parent, 42% 2+ adults and the remaining 20% 2+ adult household with at least one child.

The projections to 2031 suggest that single person households will grow in Clackmannanshire from a third to almost half or 45% of all households will contain a single adult. Meanwhile the proportion of families (2 adults with at least one child) will halve from 20% to only 10% of the household make-up.

Graph 10 - Projected Household composition



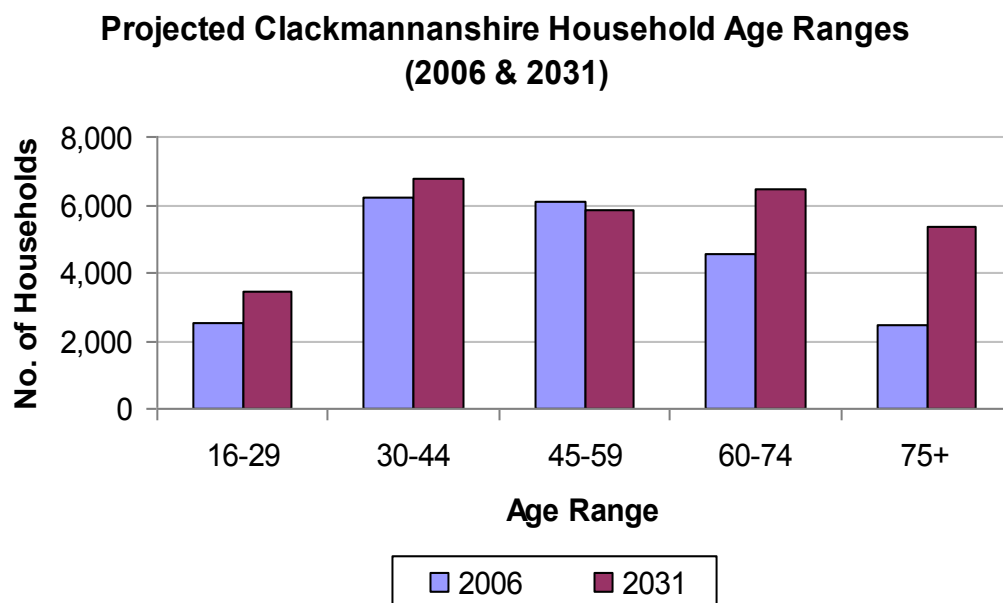
Source: Scottish Neighbourhood Statistics at [www.sns.gov.uk](http://www.sns.gov.uk)

### 2.3.4 Household Age Structure

In 2006, of the 21,940 households, 12% were younger households headed by a young adult under 30. 56% of households in the 30-59 age range, 21% 60-74 and 11% age 75+.

It is predicted that by 2031, young households will remain at 12% of overall household numbers, but that the 30-59 age group will have reduced to only 45% and the 60-74 increased to 23%. The highest proportional increase will be the 75+ age group which will account for around 19% of the household population.

Graph 11 - Projected Household age ranges



Source: Scottish Neighbourhood Statistics (2006 & 2031)

### 2.3.5 Minority Ethnic Population

The 2001 Census identified that nearly 98% of the population of Clackmannanshire define their ethnic group as white Scottish or other white British. The national average is just over 95%.

The 2001 Census identified 1,138 people from minority ethnic backgrounds living in Clackmannanshire. This is broken down as follows:

• White Irish	267	23%
• Other White	468	41%
• Indian	46	4%
• Pakistani	167	15%
• Bangladeshi	6	< 1%
• Other South Asian	8	< 1%
• Chinese	39	3%
• Black Caribbean	10	< 1%
• Black African	11	< 1%
• Other Black	4	< 1%
• Mixed	83	7%
• Other	29	2%
<b>Total</b>	<b>1,138</b>	

Source: 2001 Census, Table KS06, Ethnic Group and Language.

From these figures, around 730 stated they were white Irish or other white, making up 1.5% of the overall population. Just over 400 people were from other minority ethnic communities, stated as Indian, Pakistani, Bangladeshi, other South Asian, Chinese, Caribbean, African and other black, mixed or other origin, making up 0.8% of the total population.

The Census also measures minority faith communities, and showed that 444 individuals in Clackmannanshire are Buddhist, Hindu, Jewish, Muslim or Sikh.

ODS carried out a study on "Housing Needs of Minority Ethnic Communities in Clackmannanshire" in 2006. They found that the minority ethnic population had grown by 68% between the 1991 Census and the 2001 Census. Based on this growth rate, the estimated size of the current ethnic community is around 1832 individuals, making up around 3.6% of the total population.

The tenure breakdown of minority ethnic households from the 2001 Census was very small and should be treated with caution, but showed that there is a higher than average rate of owner occupation at around 70%.

### 2.3.6 Gypsy / Travellers

The Gypsy/Traveller population in Clackmannanshire is very small. There are 16 authorised Council pitches, which are steadily occupied throughout the year. There is rarely a waiting list for pitches, suggesting that there is no overwhelming demand for pitches. There are two very long term resident households, who have lived at the site for over ten years.



There is one private site in Clackmannanshire, which is a small family site. The Housing Service has produced a background paper on private sites<sup>10</sup>, which will be considered further in the LHS. The Planning service is currently developing a policy for dealing with applications for small privately owned sites. It is expected that a policy will be adopted sometime in 2012 as part of the new Local Development Plan.

According to the twice yearly count of gypsy / travellers, no unauthorised encampments were reported in any settlement in Clackmannanshire between 2005 and 2009.<sup>11</sup> However, based on information from the gypsy / traveller site manager there have been around 5 unauthorised encampments per year the past few years in the area. The encampments usually last around 1-3 weeks and seem to have the same group of gypsy / travellers every year. The gypsy / traveller site manager will visit any unauthorised sites to provide a range of informational materials and alternative authorised sites if possible.

A short piece of research was carried out by the Housing Service in 2009, investigating the background to, and the demand for, short stay sites in Clackmannanshire<sup>12</sup>. There has been no decision taken as to the provision of any such site in Clackmannanshire. The report findings and further actions will be considered in the Local Housing Strategy.

The 2006 ODS study is the most up to date information that the Council has. The 2011 census will provide more specific information on the gypsy / traveller population, enabling the Council to gauge what additional analysis requires to be carried out, and if further provision is required.

### 2.3.7 Growth Rates - % changes 1991 / 2001 / 2009

The population in Clackmannanshire remained stable between 1991 and 2001 from 48,100 to 48,070. The population dipped between 2002 and 2003, before rising year on year to 50, 540 in 2009. This is an overall rise of 5%, or 2470 people between 2001 and 2009.

New house building activity and improved infrastructure, all seem to have boosted inward migration to the area and reversed the trend of a decline in the population seen in the 1990s and early 2000s.

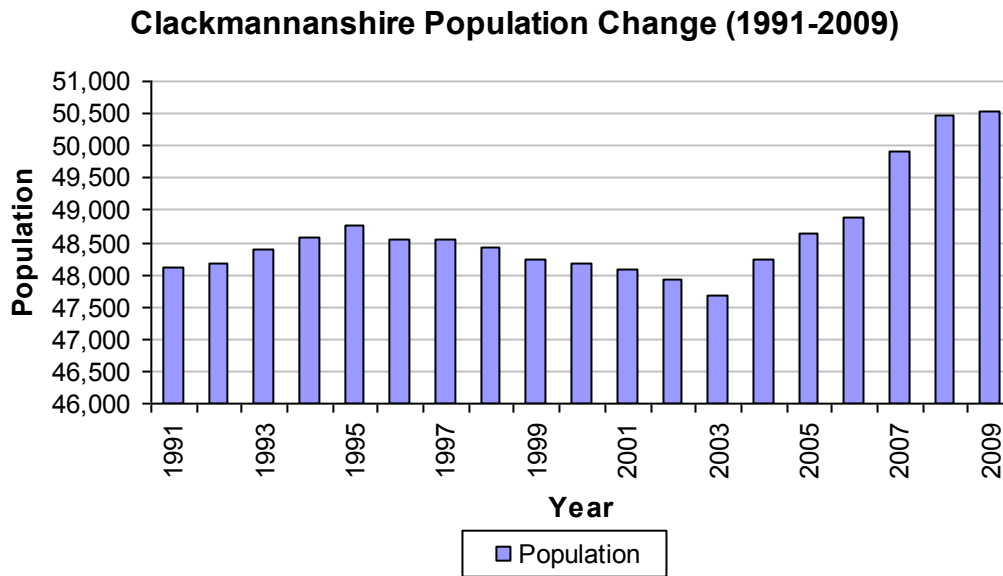
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<sup>10</sup> Gypsy / Travellers Privately Owned Sites, a Background Paper. G:\Housing Services\PPP Team\Gillian\gypsy - travellers

<sup>11</sup> Assessing the Housing Needs of Minority Ethnic Communities in Clackmannanshire, ODS, December 2006. Gypsies/Travellers in Scotland: The Twice Yearly Count - No. 15: January 2009, The Scottish Government, September 2009.

<sup>12</sup> Short stay Halting sites for Gypsies / Travellers, 2009. G:\Housing Services\PPP Team\Gene\Gypsy-Travellers

Graph 12 - Long term Population Trends (1991-2009)



Source: GROS Mid-Year Population Estimates (2009 Based)

## 2.4 Economic Trends

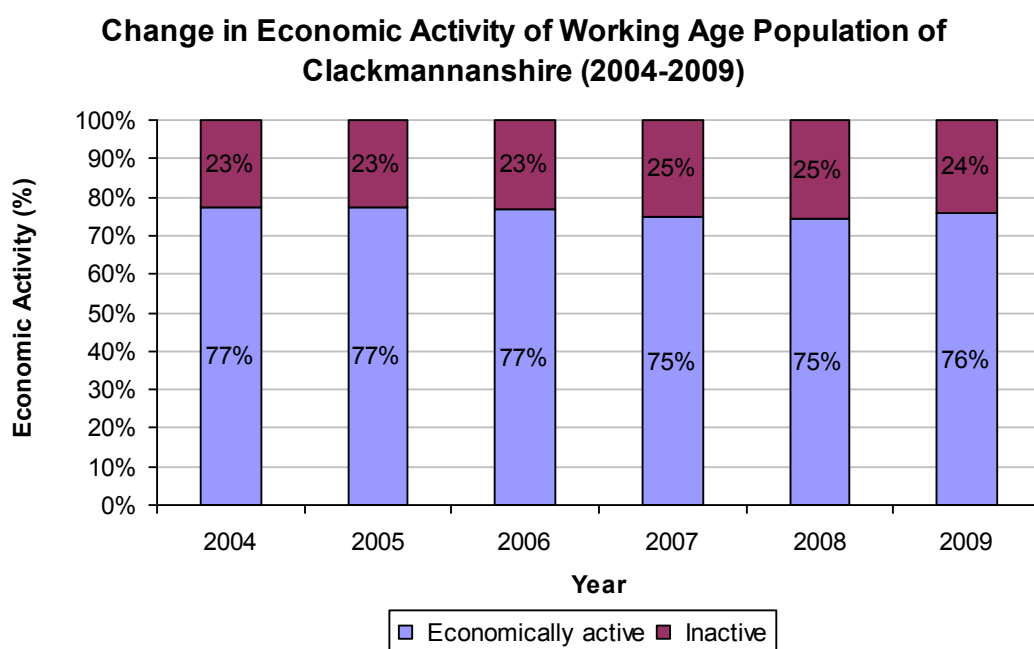
### 2.4.1 Unemployment

As Graph 13 shows, the total population in Clackmannanshire in 2009 was 50,540. The working age population was about 62.2% of the total population (31,400). Of these 31,400, around 76%, or 23,800 were economically active, (people working or seeking work ).

Of the economically active, there were approximately 22,600 who were working and 1,200 who were unemployed. The percentage of those employed, of working age, is known as the participation rate which is currently about 72%.

The economically inactive, 24% of the working age population, were retired, students, people caring for a family/home, permanently sick/disabled, or other reasons.

Graph 13 - Change in Economic Activity of Working Age Population



Source: NOMIS ([www.nomisweb.co.uk](http://www.nomisweb.co.uk))

Graph 14 shows the unemployment claimant count trends from 2000 to 2010. The number of people classed as unemployed in Clackmannanshire hit a 10 year high of almost 1800 in January 2010, this has fallen steadily again over the next 5 months of this year.

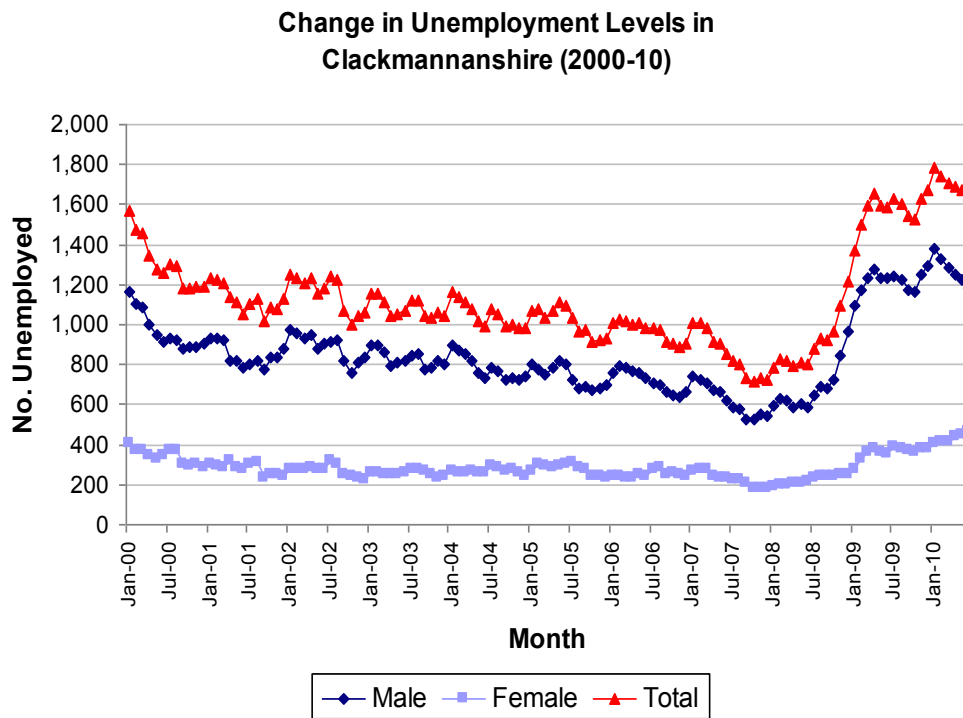
The lowest recorded level of unemployment in Clackmannanshire was at just over 700 in October 2007. Rates of unemployment then rose sharply over the next few years, by 36% to 970 in October 2008 and by another 59% to over 1500 in October 2009.

Overall, unemployment went up by 150% in less than two years, from the lowest level of 713 in 2007 to the highest level of 1787 in January 2010.

As shown by the two graphs (14 & 15), the trends in Clackmannanshire follow the general Scottish trends, and the pattern is unsurprising as Scotland's Gross Domestic Product (GDP) began to fall every quarter from quarter 4, 2007, around the same time as unemployment began to rise.

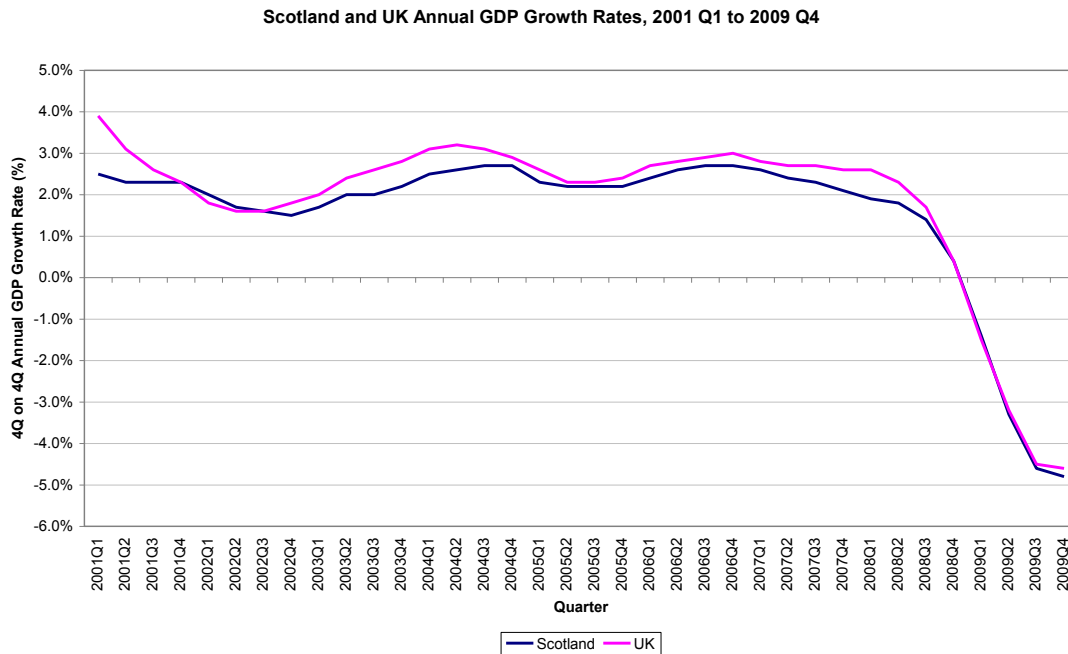
An economic recession is defined as a decline in GDP for two or more consecutive quarters, and the unemployment figures have followed the opposite, but linked, trend line as the downturn in GDP output is linked with falling employment levels.

Graph 14: Long Term Unemployment Trends (2000-10)



Source: NOMIS ([www.nomisweb.co.uk](http://www.nomisweb.co.uk))

Graph 15 : GDP Comparison Chart (2001-2009)



Source: ONS ([www.ons.gov.uk](http://www.ons.gov.uk))

## 2.4.2 Deprivation

### Clackmannanshire

As shown in graph 16 below the increase in datazones in decile one (the most deprived) has been reversed in the SIMD 2009 update though there has been an increase in decile 2.

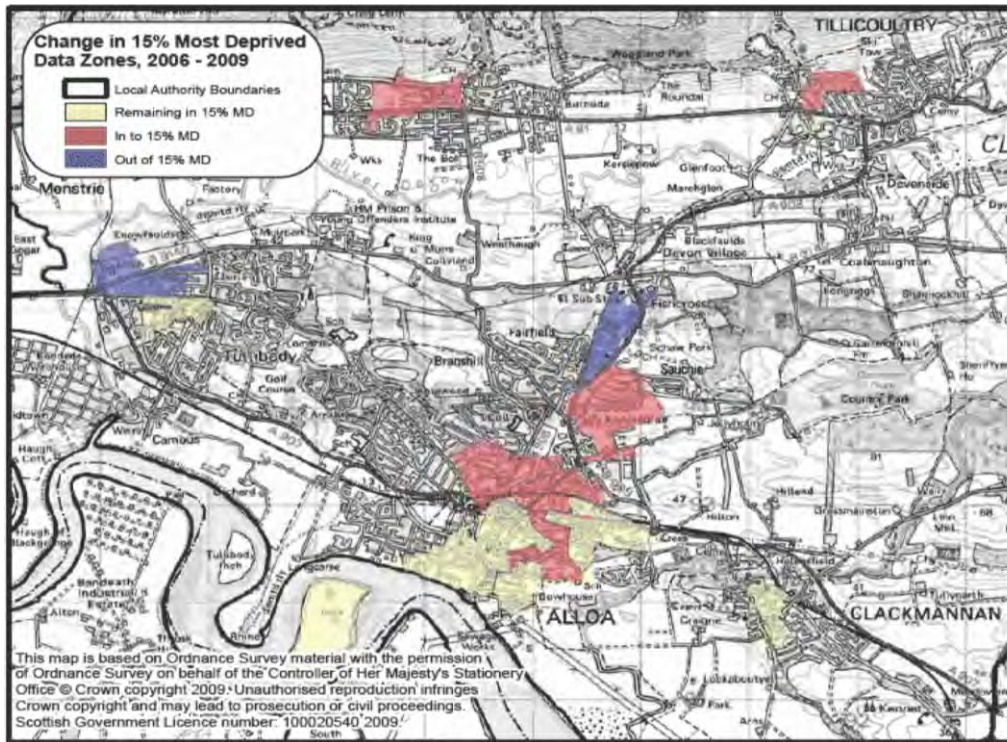
Graph 16 : Decile Graph: Distribution of LA Datazone Ranks in Each Decile in SIMD



Source: Scottish Government SIMD ([www.scotland.gov.uk/Topics/Statistics/SIMD](http://www.scotland.gov.uk/Topics/Statistics/SIMD))

Map 2, shows the changes in the most deprived data zones between 2006 and 2009. Alloa South and East, Hawkhill and part of Tullibody have remained in the 15% most deprived areas. Parts of Tillicoultry, Alva, Central and Northern Alloa have moved into the top 15% most deprived, and only two areas in Tullibody and Sauchie moving out of the top most deprived.

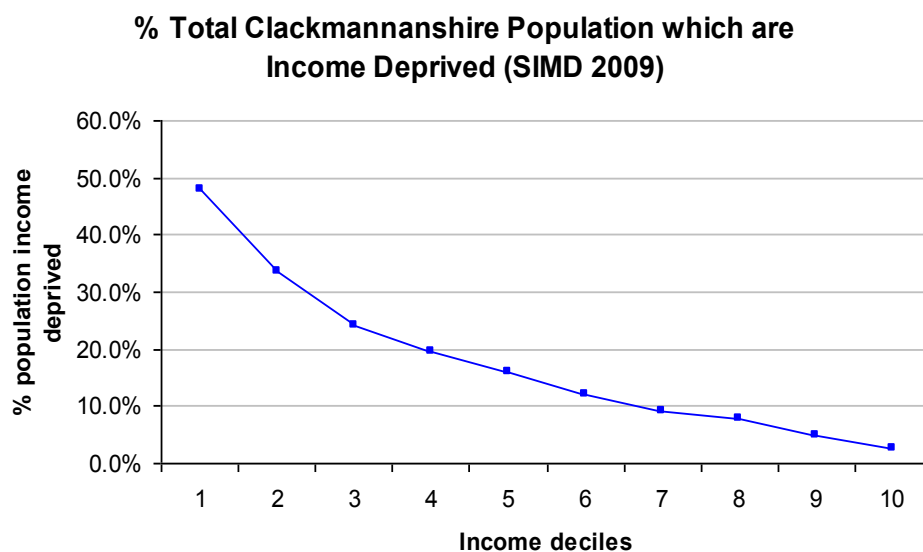
Map 2: 15% Most Deprived Datazones on the Crime Domain in SIMD (2009)



Source: Scottish Government SIMD ([www.scotland.gov.uk/simd](http://www.scotland.gov.uk/simd))

According to the 2009 figures, there are 6 data zones in Clackmannanshire which fall within decile 1 for income deprivation<sup>8</sup> with a total population of 4,347. 50% (2080) of this population are regarded as being income deprived. While over a third of the population of the data zones falling into decile 2 are regarded as income deprived. In total, 19% of Clackmannanshire's population are regarded as being income deprived. This is slightly higher than the national figure of 17%.

Graph 17: Clackmannanshire Population Income Deprived (SIMD)



Source Scottish Government SIMD ([www.scotland.gov.uk/simd](http://www.scotland.gov.uk/simd))

<sup>8</sup> Income deprivation is those households who are claiming Income Support, Job Seekers Allowance and Guaranteed Pension Credits

### 2.4.3 Earnings

Tables 2 and 3 show that the average earnings in Clackmannanshire are less than the national averages. Males are earning around 6% less than the Scottish average and 11% less than the UK average. Female workers in Clackmannanshire are, however, considerably worse off than the rest of Scotland and UK, being paid 24% and 25% less respectively.

Table 2: Weekly Earnings by residence (2009)<sup>9</sup>

	Gross Weekly Pay		
	Clackmannanshire	Scotland	UK
<b>Full-time workers</b>	£427.40	£472.20	£491.00
<b>Male full-time workers</b>	£477.70	£510.20	£534.40
<b>Female full-time workers</b>	£319.60	£419.90	£426.60

Source: Annual Survey of Household Earnings

Table 3: Hourly Pay (2009)

	Hourly Pay		
	Clackmannanshire	Scotland	UK
<b>Full-time workers</b>	£11.11	£12.04	£12.47
<b>Male full-time workers</b>	£12.45	£12.56	£13.16
<b>Female full-time workers</b>	£9.03	£11.31	£11.45

Source: ONS annual survey of hours and earnings - resident analysis

Note: Median earnings in pounds for employees living in the area.

Income levels differ within the housing market areas. The Alloa area has the lowest average income, but includes areas of major deprivation, such as Alloa South and East and Newmills, Tullibody. The highest average incomes are in the Dollar area, where we also find high levels of inward migration from around UK and further afield and very high house prices.

Table 4: CACI Average Income by HMA (2003-2008)

	Average Income			
	2003	2006	2007	2008
<b>HMA 1 Alloa</b>	£23,545	£29,796	£30,225	£31,532
<b>HMA2 Hillfoots</b>	£26,819	£31,074	£32,099	£32,473
<b>HMA 3 Dollar</b>	£39,438	£39,066	£41,628	£41,391
<b>Clackmannanshire</b>	£25,601	£30,832	£31,577	£32,472

Source: CACI Paycheck (2003-08)

<sup>9</sup> Earnings by Residence

The figures show the median earnings in pounds for employees living in the area who are on adults rates of pay and whose pay was not affected by absence. Figures for earnings come from the Annual Survey of Hours and Earnings (ASHE). The ASHE is based on a 1 per cent sample of employees, information on whose earnings and hours is obtained from employers. The survey does not cover self-employed. Information relates to a pay period in April. The earnings information collected relates to gross pay before tax, national insurance or other deductions, and excludes payments in kind.

### **3.0 Clackmannanshire Housing Market and Profile**

This section looks at the housing profile of Clackmannanshire and the past and current trends. It covers the overall tenure and condition of the housing stock and examines the affordability throughout the different housing tenures and how the different housing tenures are working together.

Newhaven Research<sup>13</sup> was commissioned by the Council in June 2004 to carry out a study of how the housing market was functioning and catering for the different housing requirements of households in the area. Extracts of the information from this study are used to compare past trends to the current profile.

#### **Aims**

To identify the:

- key drivers in the housing market;
- balance between supply and demand across different tenures, and;
- interaction between demand for market housing and the need for affordable housing.

#### **3.1 Market Context**

##### **3.1.1 Scotland - Overview**

According to the Scottish Housing Market Review, April 2010<sup>14</sup>, house prices in Scotland have started to increase again since the last quarter of 2009. This growth is the first since mid 2008.

The quarterly house trends detailed in graph 19 show the seasonal fluctuations, but show the decline in house prices started around the middle of 2008. The average house price in Clackmannanshire is lower than the Scottish average, but follows the same national trends. The only fluctuation from trend in Clackmannanshire (table 5), was a reduction of 1% in house prices at the end of 2009, compared to a slight increase of 1% nationally. The Zoopla Ltd graph 18, shows an upturn in house price between 2009-2010 in both Clackmannanshire and Scotland.

The Zoopla Ltd graph shows a slightly lower than average price than our own data suggests, however, the in-house data is cleansed of anomalies and can be considered an accurate and robust figure.

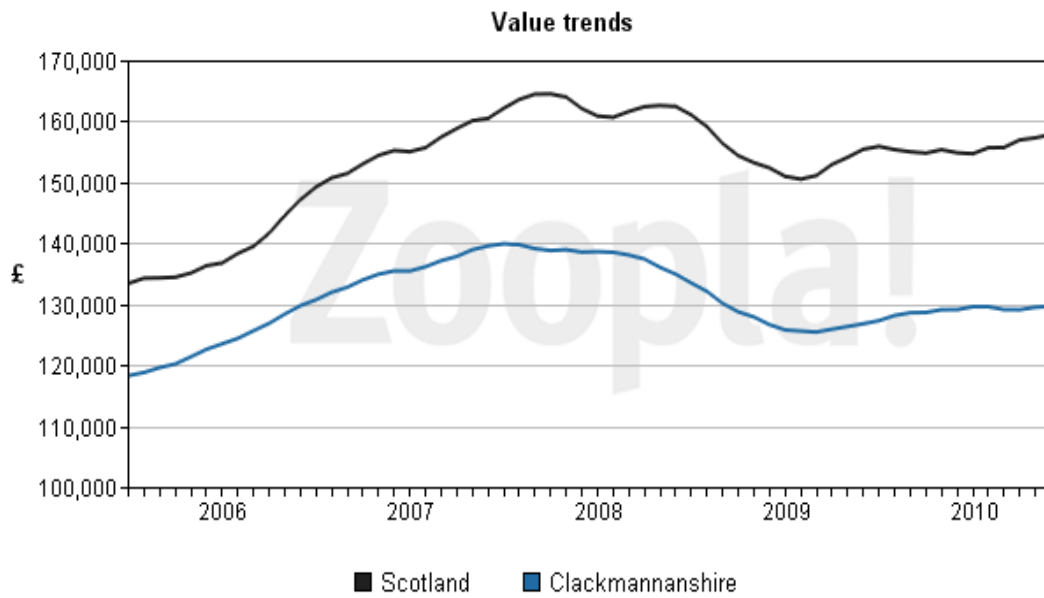
Graph 18: Scottish House Price Trends

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<sup>13</sup> Newhaven Research Ltd, Clackmannanshire Council, Housing System Balance Paper, 2004.

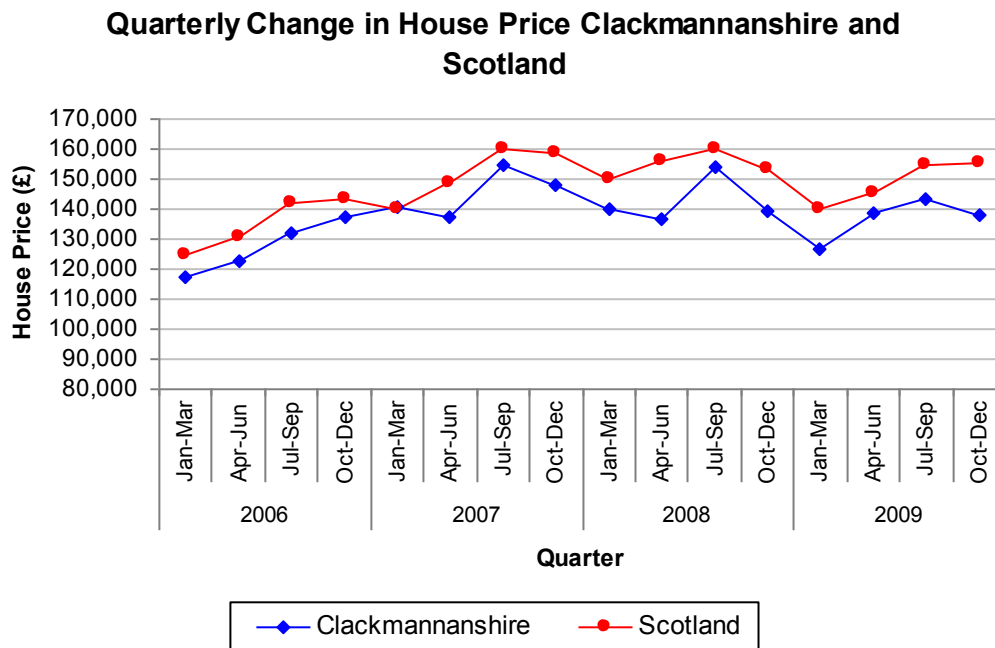
<sup>14</sup> Scottish Government Centre for Housing Market Analysis.





Source - [www.Zoopla.co.uk](http://www.Zoopla.co.uk)

Graph 19: Clackmannanshire and Scottish Quarterly House Price Trends



Source: Register of Sasines 2006-2009

Table 5: Change in Final Quarter Average House Prices - Clackmannanshire &amp; Scotland (2006-2009)

	2006 (Oct-Dec)	2007 (Oct-Dec)		2008 (Oct-Dec)		2009 (Oct- Dec)	
	(£)	(£)	Annual Change (%)	(£)	Annual Change (%)	(£)	Annual Change (%)
<b>Scotland</b>	£143,065	£158,343	11%	£153,623	-3%	£155,618	1%
<b>Clackmannanshire</b>	£137,012	£148,115	8%	£140,141	-5%	£138,327	-1%

Source: Register of Sasines 2006-2009

The number of house sales, both locally and nationally, fell by over 50% between the end of 2007 and the end of 2008. The number of sales has increased again in 2009, but is still falling well short of the number of transactions back in 2007. The number of houses sold on the open market is an indicator of how buoyant the housing market is.

Table 6: Change in Final Quarter House Sales - Clackmannanshire &amp; Scotland (2006-2009)

	2006 (Oct-Dec)	2007 (Oct-Dec)		2008 (Oct-Dec)		2009 (Oct- Dec)	
	No.	No.	Annual Change (%)	No.	Annual Change (%)	No.	Annual Change (%)
<b>Scotland</b>	41,719	41,461	-1%	19,240	-54%	21,498	22%
<b>Clackmannanshire</b>	453	397	-12%	139	-65%	171	23%

Source: Register of Sasines 2006-2009

### 3.1.2 First Time Buyers

*There were 3,900 loans to first-time buyers in Scotland (worth £326 million) in the first quarter of 2010, a 28% decline in numbers on the last three months of 2009 but a 39% increase on the trough seen a year previous. First-time buyers accounted for 40% of all house purchases in Scotland in the first three months of 2010, 2% more than during the last three months of 2009 and 2% more than the UK average.*

*First-time buyers in Scotland put down on average a 23% deposit in the first three months of 2010. This is the first time average deposits for this group have been below 25% since the end of 2008 and is evidence of some modest easing of affordability criteria for Scottish first-time buyers.*<sup>15</sup>

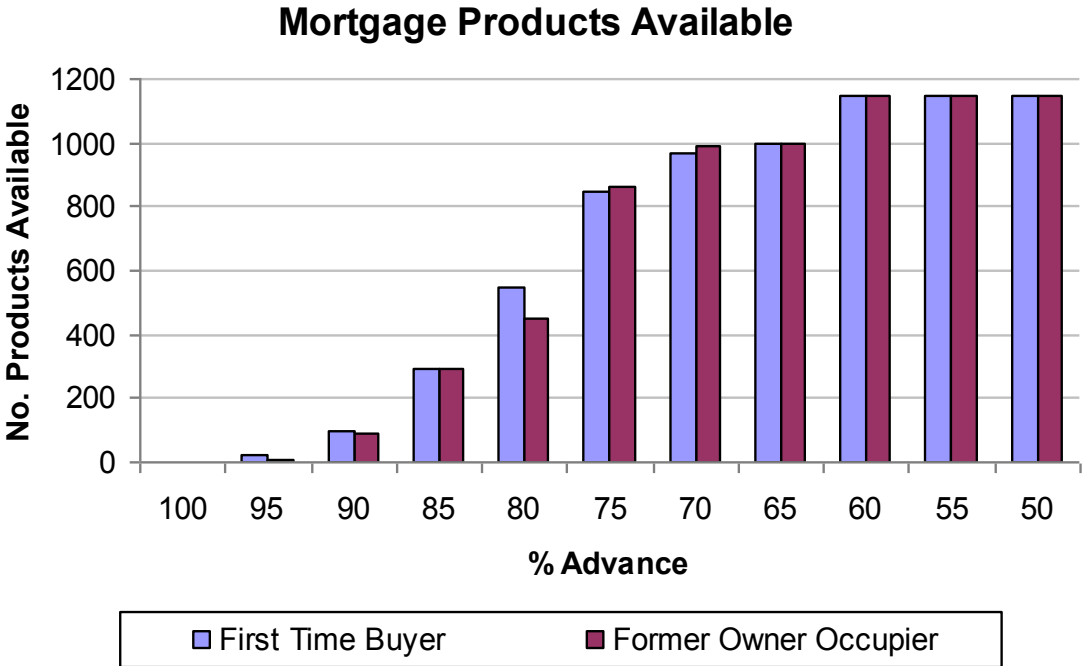
<sup>15</sup> Extract taken from CML website publication: *A Slow Start to 2010 in Scotland*. (27/05/2010)  
www.cml.org.uk/cml/media/press/2632

The number of mortgage products available has continued to rise over the last month, according to moneyfacts.co.uk. While not a measure of the quality of mortgage products, this measure does give an indication of the choice and availability of products a typical purchaser is facing.

However, as can be seen in graph 20, the majority of house purchasers are subject to at least 75% Loan to Value (LTV). Only around a quarter of first time buyers were offered a loan of more than 75% LTV.

First time buyers in Scotland, on average were advanced mortgages at 2.87 times their income in Q1 2010, compared to 3.22 times income UK-wide.<sup>31</sup>

Graph 20 - Count of Available Mortgage Products



Source: CML and Moneyfacts.co.uk

Table 7: First-time buyers, lending and affordability

Lending	No. of Loans	Value of Loans £m	Affordability	Avg Loan to Value	Avg Income Multiple	Proportion of Income Spent on Interest Payments
April 2010	14,300	1,700	April 2010	75%	3.16	13.5%
Change from March 2010	-17%	-15%	March 2010	76%	3.22	13.4%
Change from April 2009	+8%	+21%	April 2009	75%	3.04	+15%

Source: Council of Mortgage Lenders

<sup>31</sup> Extract taken from *SG Housing Market Review*, May 2010, [www.scotland.gov.uk/Topics/Built-Environment/Housing/supply-demand/chma/statistics/marketreviewmay10](http://www.scotland.gov.uk/Topics/Built-Environment/Housing/supply-demand/chma/statistics/marketreviewmay10)

Although there has been some increase this year in the number of higher loan-to-value products available, this has not yet translated into a sustained increase in loans to borrowers with lower deposits. In April 2010, the typical first-time buyer borrowed 75% and the typical home mover 67% of their property's value.<sup>32</sup>

### 3.1.3 Clackmannanshire - Overview

In May 2010, Clackmannanshire Council carried out some face to face interviews with local estate agents. This was aimed at supplementing our secondary data analysis of the local housing market in Clackmannanshire. The full questionnaire used is set out at appendix 1.

When asked about the number of first time buyers looking to purchase, the general response from estate agents was that there has been a decline in the number of first time buyers since the financial crisis. There was agreement that:

- First time buyer numbers have fallen dramatically over the last couple of years;
- The first time buyer figures were helped slightly last year [2009] by the LIFT scheme, but this was very short lived as the funding seemed to run out very quickly, and;
- The situation is generally better this year as mortgage deals for those looking to borrow more than 75% are increasing, meaning lower deposits and better terms for first time buyers.

Estate Agents advised that in their experience, the main reason for the decline in first time buyers was the amount of deposit required.

We were interested in finding out how LIFT had operated in Clackmannanshire and asked local estate agents if the introduction of LIFT schemes such as the shared ownership/shared equity initiative had any effect on the market. The general response was that the effect was limited due to lack of funds to supplement the scheme:

- "Lift didn't have a major impact as the funds ran out too quickly...."
- "Lift helped for a short period of time but the funds ran out too quickly...."; and
- "Found last year [2009] there was a slight increase in first time buyer activity due to LIFT...."

Table 8: Number of Open Market Shared Equity Sales in Clackmannanshire via LIFT (2009-10)

	2009/10		
	Alloa	Other	Total
<b>Open Market Shared Equity Sales</b>	4	2	6

Source: Housing Investment Division, Scottish Government Data Request

<sup>32</sup> Source: CML/Banksearch. <http://www.cml.org.uk/cml/media/press/2639>

Table 9: Number of Open Market Shared Equity LIFT sales split by Income band of client (2009-10).

	2009/10			
	15-20k	20-25k	25-30k	30-35k
<b>Clackmannanshire*</b>	2	1	1	1

Source: Housing Investment Division, Scottish Government Data Request

\*Figures in Table 9 do not equal 6 as they are non-responses to information provided to the Scottish Government.

The general picture of the housing market in Clackmannanshire from local estate agents is of overall decline in the number of purchasers, especially first time buyers and buy to let. Issues highlighted include:

- Investors (buy to rent) are wary about buying as mortgage deals and the growth in investment isn't there;
- Sellers have unrealistic prices in their heads as to what the property is worth, compared to what the Home Report and a buyers market dictate it is worth, and;
- Offers are being put in and are often falling through due to some issue with the mortgage lender.

Estate agents also told us that the greatest proportion of the market currently looking to purchase are already owner occupiers. However, one agent suggested purchasers are still not as prevalent as they were prior to the financial crisis. Houses are still not selling quickly and agents have, "...4 to 5 times the number of properties they would normally have on their books."

Agents suggested major characteristics of the current housing market are:

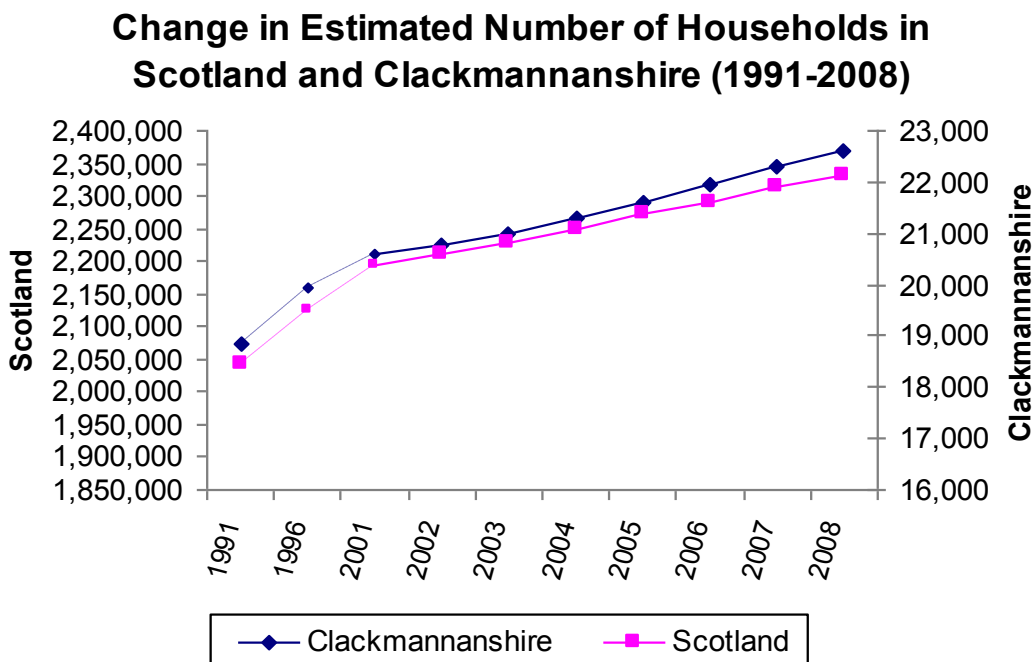
- Purchasers being locked into property chains not being able to sell;
- Size of deposits for first time buyers;
- Home valuation reports: "People unwilling to sell below their own valuation but Home Reports have done away with offers over deals...";
- A buyers market where purchasers are looking for a bargain, but sellers unwilling to sell at a lower price;
- Types of property selling best at the moment include 2 bedroom flats and 3 bedroom ex-local authority properties;
- The higher end of the market is struggling due to high deposits required;
- 1 bedroom flat sales have fallen as you can get a 2 bedroom flat for around £5,000 more than a 1 bedroom flat;
- Sales in the "poorer" areas and those at the lower end of the market are down as "there is more choice on the market and people are opting for what is perceived as better areas";
- Home-owners are downsizing due to "financial constraints", and;
- A slight increase in the number of people who have / or are likely to be repossessed.

### 3.2 Dwellings

#### 3.2.1 Local Clackmannanshire Profile

According to GROS Household Estimates, the overall number of households in Clackmannanshire has risen by 3,767 (20%) between 1991 and 2008, from 18,857 to 22,624.

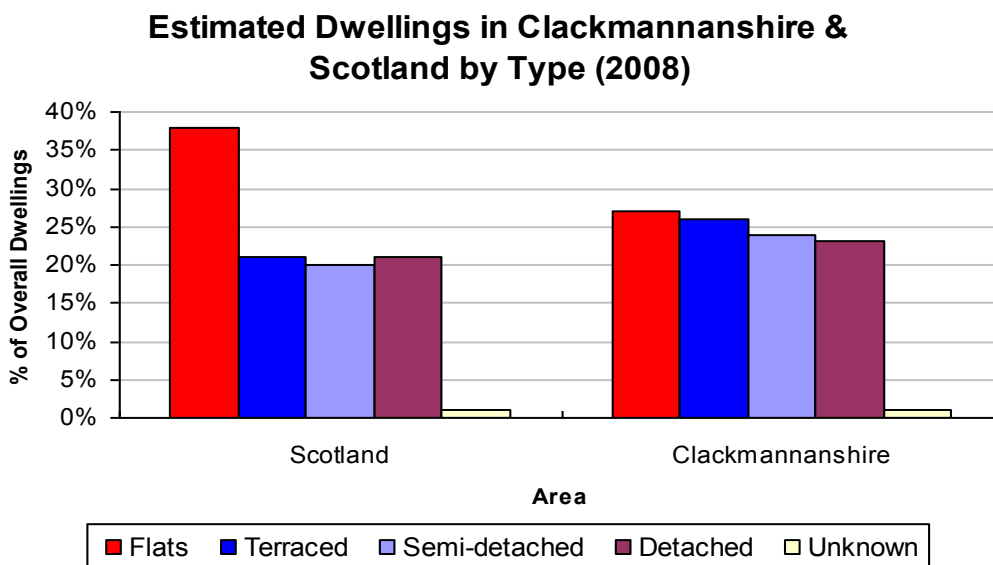
Graph 21: Estimated Number of Dwellings - Clackmannanshire & Scotland (91-08)



Source: GROS Household Estimates and Dwellings (2008 Based)

Clackmannanshire has a reasonably even spread of house types, compared to the rest of Scotland where there is a much larger proportion of flatted properties.

Graph 22: Estimated Number of Dwellings - Clackmannanshire & Scotland



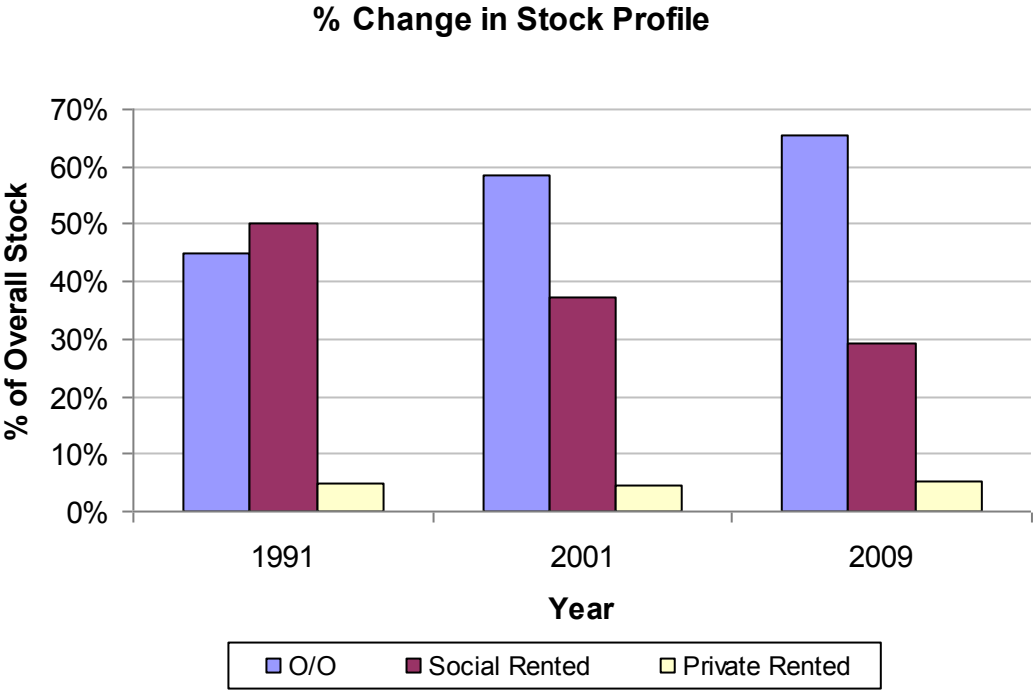
Source: GROS Household Estimates and Dwellings (2008 Based)

The 1991 census showed 45% owner occupation, 50% social rented and 5% private rented.

By the 2001 census, there were just over 20,500 houses in Clackmannanshire. Around 58% were owner occupied, 6% rented from Registered Social Landlords (RSLs), 31% rented from the Council and less than 5% privately rented.

According to the Council's own housing database records, by 2009 the number of houses in Clackmannanshire has risen to 23,434. (The latest GRO, 2008 based estimate of dwellings, quotes 23,374). The owner occupied sector had grown to 66% in 2009, while renting from the Council or an RSL has fallen by 8% to only 29% of all households. The size of the private rented sector has remained static.

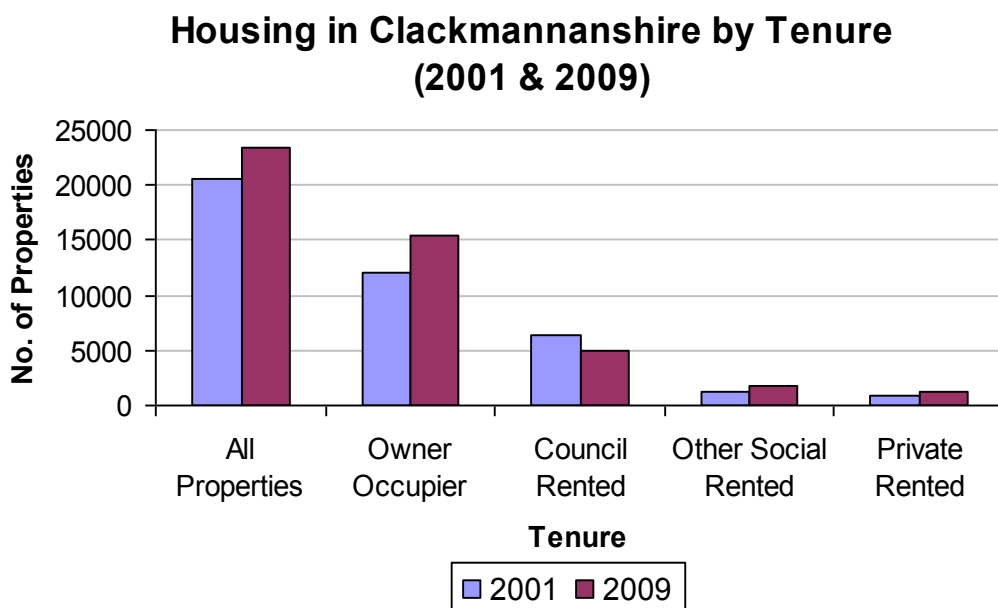
Graph 23: Change in Tenure of Stock in Clackmannanshire (91-09)



Source: Clackmannanshire Council property database, SNS 1991,2001

Graph 24 shows the increase in properties between 2001 and 2009, and the change in the tenure pattern. Owner occupation has increased, while renting from the Council has decreased. The size of the RSL sector has increased slightly through new build properties.

Graph 24 - Housing by tenure (01-09)



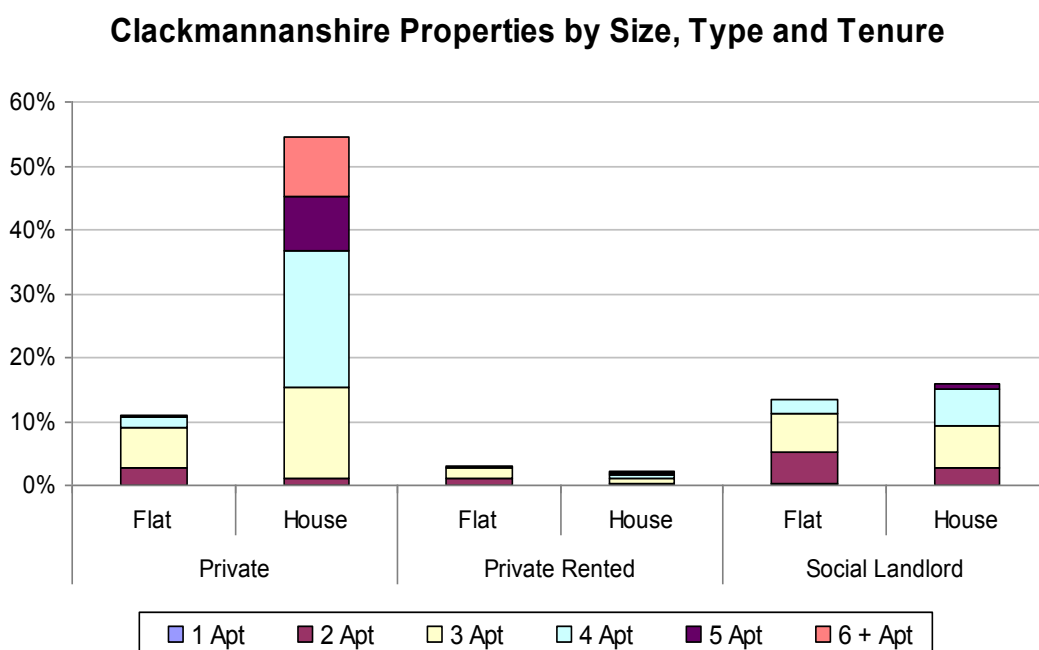
Source: SNS (2001) & Clackmannanshire Council Property Database

Graph 25 below shows the breakdown of the size and type of properties in Clackmannanshire.

There are 23,434 households in Clackmannanshire:

- 15,360 (66%) Owner Occupied;
- 1,217 (5%) Private Rented, and;
- 6,857 (29%) Social Rented.

Graph 25 - Clackmannanshire Stock Profile by Size, Type & Tenure



Source: Clackmannanshire Council Property Database (2009)



### **66% Owner Occupied**

- 12,788 Houses - 6% (256) are 1 and 2 apartment, 66% (8,347) are 3 and 4 apartment, 28% (4,185) are 5 and 6+ apartment properties.
- 2,572 Flats - 25% (647) are 1 and 2 apartment, 71%(1,833) 3 and 4 apartment, 4% (92) are 5 and 6+ apartments.

### **5% Private Rented**

- 488 Houses - 7% (36) are 1 and 2 apartment, 75% (364) are 3 and 4 apartment, 18% (88) are 5 and 6+ apartments.
- 729 Flats - 36% (264) are 1 and 2 apartment, 63% (458) are 3 and 4 apartment, 1% (7) are 5 and 6+ apartments.

### **29% Social Rented**

- 3,693 Houses - 18% (656) are 1 and 2 apartment, 78% (2,882) are 3 and 4 apartment. Less than 5% (155) are 5 and 6+ apartment.
- 3,142 Flats - 40% (1,247) are 1 and 2 apartment, 59% (1,864) are 3 and 4 apartment. Less than 1% (31) are 5 and 6+ apartment.

The owner occupied and private renting sector of the housing market has a higher proportion of larger properties (especially houses) available. There are around 28% of 5+ apartment houses in the owner occupied sector, compared to less than 5% in the social rented sector.

At the other end of the scale, only 25% of all flats available for owner occupation are 1 or 2 apartment, while the private rented sector consists of 36% small flats and 40% of all social rented flats are 1 or 2 apartments.

### **3.2.2 Vacant dwellings**

As stated above, Clackmannanshire has around 23,434 dwellings. The latest 2008 based household estimates<sup>33</sup>, suggest the number of households is 22,624. There are therefore around 850 more dwellings than there are households, suggesting that this number may be currently empty or second homes. Council tax records at 11th February 2010 suggest, however, that there are only 719 homes council tax exempt or with a 50% reduction. The exact figure is likely to lie somewhere between these two estimates.

### **3.2.3 Overcrowding / Underoccupation**

Table 10 shows an extract from the private sector stock condition survey, carried out by Adamson's for the Council in 2009, reports that there is very little overcrowding in the private sector. Less than 1% of people living in their own homes experience overcrowded conditions. Conversely, owner occupiers tend to be under occupied, with 47% having 2 or more extra bedrooms.

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<sup>33</sup> GRO, Estimates of Households and dwellings in Scotland, 2008. Crown copyright. Data supplied by General Register Office for Scotland.'

Table 10: Overcrowded/Underoccupied Properties in Clackmannanshire

	Bedroom Standard								Total	
	overcrowded		Bedrooms equal needs		Under-occupied 1 bedroom		Under-occupied 2+ bedroom			
	H'hold	%	H'hold	%	H'hold	%	H'hold	%	H'hold	%
<b>Housing Market Area</b>										
<b>Alloa</b>	213	2.2	2470	25.4	3485	35.9	3538	36.5	9706	100
<b>Hillfoots</b>	112	2.3	1075	22.3	1846	38.3	1783	37.0	4816	100
<b>Dollar</b>	36	2.7	175	13.1	301	22.5	827	61.7	1340	100
<b>Dwelling Tenure</b>										
<b>Private O/O</b>	90	0.8	2203	20.7	3337	31.4	4997	47.0	10628	100
<b>Private RTB</b>	152	4.1	919	24.5	1685	45.0	991	26.4	3746	100
<b>Private Rent</b>	119	8.0	596	40.2	610	41.0	160	10.8	1488	100

Source: Clackmannanshire Council Private Stock Condition Survey 2010

### 3.2.4 Stock Condition

#### 3.2.4.1 SHQS Attainment

The following is a breakdown of the stock which has met the SHQS in 2009-10. The information on the private sector was taken from the recent Private Sector House Condition Survey 2010.

- 87.9% of RSL stock;
- 76.6% of Council stock, and;
- 57.9% of Private Sector stock.

We can see from these figures that the repair quality of the stock in Clackmannanshire is far better in the social rented sector than it currently is in the private sector.

#### 3.2.4.2 Stock Disrepair

Analysis within the Private Sector House Condition Survey showed that the presence of some visible signs of disrepair in the private sector, is above average in the Alloa HMA and the Hillfoots HMA. Table 11 outlines these findings.

Table 11 - Presence of Disrepair by HMA (Private Sector Housing)

	No Repairs Required		Repairs Required		Total	
	Dwgs	%	Dwgs	%	Dwgs	%
<b>HMA 1 Alloa</b>	4,615	45	5,531	55	10,146	100
<b>HMA2 Hillfoots</b>	2,192	44	2,814	56	5,006	100
<b>HMA 3 Dollar</b>	849	58	608	42	1,457	100
<b>Clackmannanshire</b>	7,656	46	8,953	54	16,609	100

Source: Clackmannanshire PSHCS (2010)

Social sector information is currently limited. However, the Council has recently commissioned a Stock Condition Survey, and this will be used to populate future updates of the HNDA.

### 3.2.4.3 Dampness and Condensation

Problems with dampness and/or condensation affected 1,161 Private Sector properties in Clackmannanshire. This is equivalent to 7% of the total number of Private Sector stock. According to the Private Sector House Condition Survey, this is less than half the national average of 16%.

Again social sector information is currently limited, but will be extended upon in future HDNA updates.

### 3.2.4.4 Energy Efficiency

Social sector housing has seen some positive results through various initiatives within Clackmannanshire to increase energy efficiency. A target was set within the last LHS to increase energy efficiency by achieving an NHER 5 rating in 70% of Council stock by 2009. This is in line with the SHQS targets, as NHER 5 rating is a requirement to achieve the SHQS. As at 2009/10 89.9% of Council stock had attained this, whilst Paragon and Ochil View Housing Associations had achieved 98.5% and 100% respectively.

The Private Sector NHER ratings outlined in the PSHCS were split into three bandings: Poor - NHER rating of 2 or less; Moderate - NHER rating of 3-6; and Good - NHER rating of 7-10. It was found that the majority of the private sector stock had a good rating (69.1%).

## 3.3 Alloa Housing Market Area

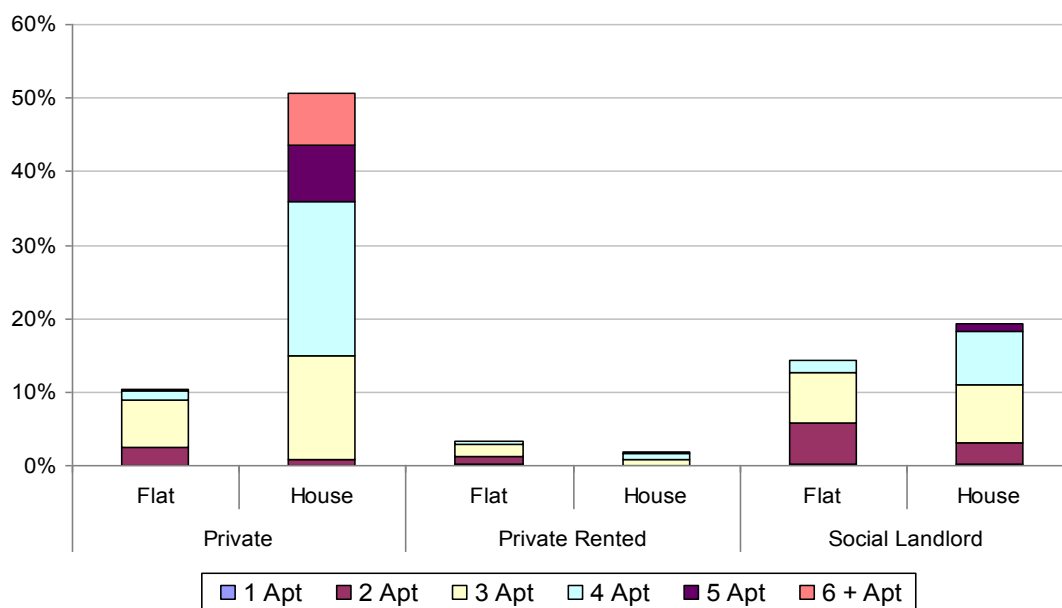
There are 15,263 houses in the Alloa housing market area:

- 9,324 Owner Occupied;
- 796 Private Rented, and;
- 5,143 Social Rented.

The area has the highest percentage of social rented accommodation anywhere in Clackmannanshire, at 34%. The remaining stock is made up of 61% owner occupation and around 5% private rented stock. Graph 26 breaks down the tenures into size and type - either flat or house. Nearly all of the larger properties (4+ bedroom) are privately owned at 2,300 compared to only 141 larger properties in the social rented sector.

Graph 26 - Alloa HMA Dwelling Profile 2009

### HMA1 Alloa Properties by Size, Type and Tenure



Source: Clackmannanshire Council Property Database by HMA (2009)

#### 3.3.1 Alloa HMA - Tenure Breakdown

The tenure split in the area has changed from 2001 to 2009 as shown:

	<u>2001</u>	<u>2009</u>
• Owner Occupied	53%	61%
• Private Rented	4%	5%
• Social Rented	43%	34%

The balance between social rented and owner occupation has changed, with owner occupation increasing by 8% and the social rented sector declining by 9%. Private rented properties have remained at a similar level.

With right to buy sales, and private developers active in Clackmannanshire over the past 8 years, this alteration in the tenure mix is expected. Further breakdown in house types shows that the dominant house type in the social rented sector is flats, and overall is made up of smaller properties, opposed to owner occupied sector being larger houses.

#### 61% Owner Occupied

- **51% (7,747) Houses** - less than 1% (139) are 1 or 2 apartment, 69% (5,331) are 3 or 4 apartment, 37% (2,277) are 5 and 6+ apartment properties.
- **10% (1,577) Flats** -25% (392) are 1 or 2 apartment, 73% (1,148) 3 or 4 apartment and 2% (37) are 5 + apartment.

#### 5% Private Rented

- **2% (301) Houses** - 4% (13) are 1 or 2 apartment, 77% (233) are 3 and 4 apartment. There are 18% (55) 5 and 6+ apartment.

- **3% (495) Flats** - 37% (181) are 1 or 2 apartment, over 63% (313) are 3 or 4 apartment, there is only 1 5+ apartment flat.

### 34% Social Rented

- **19% (2,941) Houses** - 16% (474) are 1 or 2 apartment, nearly 80% (2326) are 3 and 4 apartment. Less than 5% (141) are 5 and 6 apartment.
- **15% (2,202) Flats** - 40% (872) are 1 or 2 apartment, 60% (1326) 3 or 4 apartment, and only 4 flats are 4 apartment.

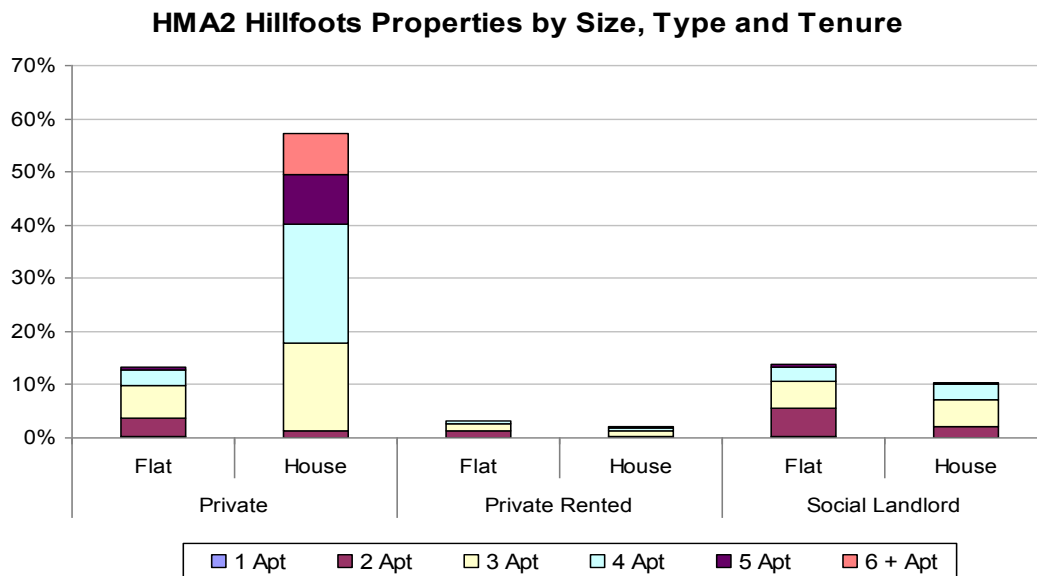
### 3.4 Hillfoots Housing Market Area

There are 6,593 houses in the Hillfoots housing market area:

- 4,659 Owner Occupied;
- 346 Private Rented, and;
- 1,588 Social Rented.

Graph 27 below shows that in 2009, the Hillfoots housing market had only 24% social rented housing. The majority of this sector is flats, and there are only 15 social sector houses in the area that have 4 bedrooms.

Graph 27 - Hillfoots HMA dwelling profile



Source: Clackmannanshire Council Property Database by HMA (2009)

#### 3.4.1 Hillfoots HMA - Tenure Breakdown

The tenure split in the area has changed from 2001 to 2009 as shown:

- |                  | <u>2001</u> | <u>2009</u> |
|------------------|-------------|-------------|
| • Owner Occupied | 64%         | 71%         |
| • Private Rented | 5%          | 5%          |
| • Social Rented  | 31%         | 24%         |

The balance between social rented and owner occupation has changed, with the private sector increasing by 7% and the social rented sector declining by 7%. Private rented properties have remained at a similar level.

Similar to Alloa, the right to buy sales, and new private developers active in Clackmannanshire over the past 8 years, have altered the tenure mix. The further breakdown in house types, shows that the dominant house type in the social rented sector is flats, and overall is made up of smaller properties, opposed to owner occupied sector being larger houses.

### **71% Owner Occupied**

- **57% (3,773) Houses** - 2% (84) are 1 or 2 apartment, around 68% (2,565) are 3 and 4 apartment and 30% (1,124) 5 and 6+ apartment properties.
- **14% (886) Flats** - 27% (244) are 1 or 2 apartment, around 68% (599) are 3 or 4 apartment, 5% (43) are 5 and 6+ apartment.

### **5% Private Rented**

- **2% (132) Houses** - 14% (19) are 1 or 2 apartment, just under 73% (96) are 3 or 4 apartment, only 13% (17) are 5 or 6+ apartments.
- **3% (214) Flats** - 38% (80) are 1 or 2 apartment, 60% (129) are 3 or 4 apartment and only 2% (5) are 5 or 6+ apartments.

### **24% Social Rented**

- **10% (676) Houses** - 21% (142) are 2 apartment, nearly 77% (519) are 3 and 4 apartment. There are only 2% (15) 5 apartment, with nothing bigger.
- **14% (912) Flats** - 40% (366) are 1 or 2 apartment, around 57% (519) are 3 or 4 apartment and 3% (27) are 5 apartment.

## **3.5 Dollar Housing Market Area**

There are 1,578 houses in the Dollar housing market:

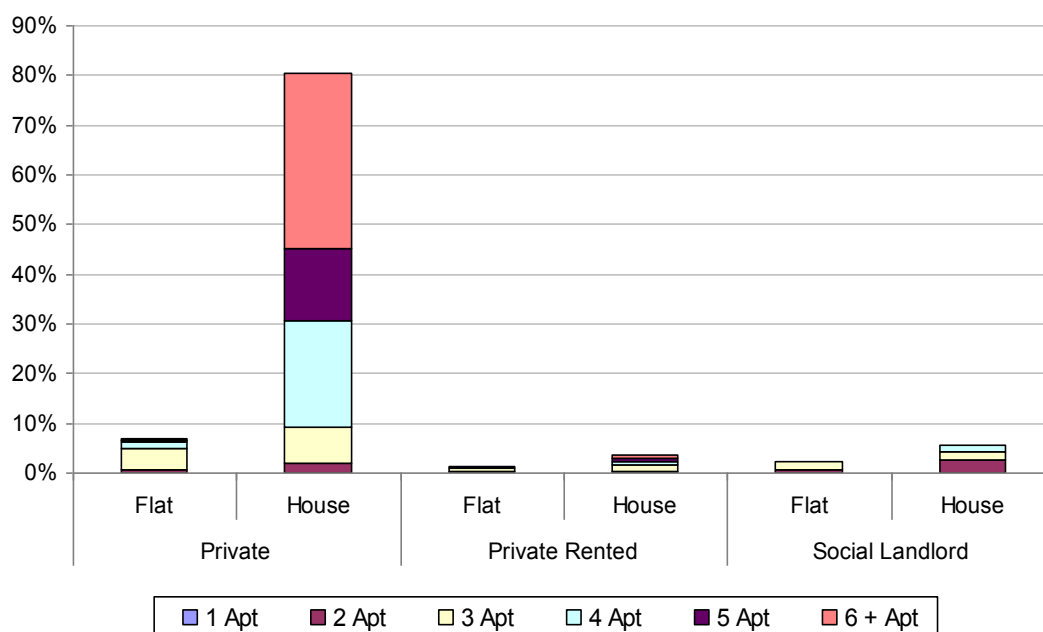
- 1,377 Owner Occupied;
- 75 Private Rented, and;
- 126 Social Rented.

In 2009, the Dollar housing market had the lowest percentage of social rented accommodation anywhere in Clackmannanshire, at only 8%. The remaining stock is made up of 87% owner occupation and around 5% private rented stock. Graph 28 below breaks down the tenures into size and type - either flat or house. There is a very large proportion (around 44%) of very large houses of 6+ apartment. As such, the average cost of buying a home in this area is much higher than elsewhere in Clackmannanshire.

This market area is very small compared to the other two, and has a very different profile and market characteristics. It is further detached by its rural village status, restricting new housing development and putting further pressure on the housing market.

Graph 28 - Dollar HMA Dwelling Profile

### HMA3 Dollar Properties by Size, Type and Tenure



Source: Clackmannanshire Council Property Database by HMA (2009)

#### 3.5.1 Dollar HMA -Tenure Breakdown

In 2001, the tenure split in the area was

The tenure split in the area has changed from 2001 to 2009 as shown:

	<u>2001</u>	<u>2009</u>
• Owner Occupied	83%	87%
• Private Rented	6%	5%
• Social Rented	11%	8%

The balance between social rented and owner occupation has changed the least in this HMA over the past 8 years, with the owner occupied sector increasing by only 4% and the social rented sector declining by 3%. Private rented properties have remained at a similar level.

The slight shift to the owner occupied sector, which was already very high, will be due mainly to right to buy sales, as there has been relatively little new housing development. The area is dominated by houses, many of which are large, privately owned properties. There is very little choice in the social rented sector, many of the Council or RSL owned properties in this area are one bedroom bungalows, normally associated with retirement properties. The over 65 age group has the largest share of the population in the area at 19.5% (this age group make up 15% of the overall Clackmannanshire population.)

**87% Owner Occupied**

- **80% (1,268) Houses** - nearly 3% (33) are 2 apartment, around 36% (451) are 3 or 4 apartment and 62% (784) 5 and 6+ apartment properties.
- **7% (109) Flats** - 10% (11) are 2 apartment, around 79% (86) are 3 or 4 apartment and 11% (12) properties are 5 or 6+ apartment.

**5% Private Rented**

- **3% (55) Houses** - just under 64% (35) are 3 or 4 apartment. 18% (10) are 6+ apartments, 11% (6) are 5 apartments and 7% (4) are 2 apartments.
- **2% (20) Flats** - 15% (3) are 2 apartment, 80% (16) are 3 or 4 apartment, and 5% (1) is a 6+ apartment flat.

**8% Social Rented**

- **6% (88) Houses** - 46% (41) are 2 apartment, 53% (47) are either 3 or 4 apartment There is only one 5 apartment, with nothing bigger.
- **2% (37) Flats** - 27% (10) are 1 or 2 apartment and 73% (27) are 3 or 4 apartment.

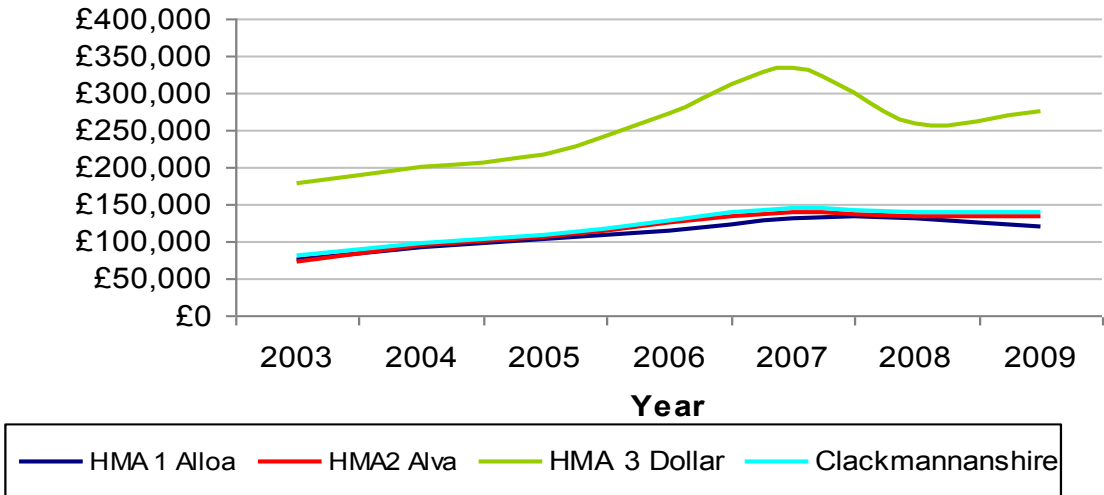
**3.6 Buying a Property**

**3.6.1 Price by Property Type, Size and Location**

Graph 29 shows the rise in average house prices by housing market area over the past 6 years (2003 - 2009.) Prices rose sharply by 83% between 2003 and 2007, before falling by 4% between 2007 and 2008. The fall in prices follows the same pattern nationally and is due to the general economic downturn, although the prices in Clackmannanshire have not fallen as steeply as other areas.

Graph 29 - Average House Price by HMA

**Change in Average House Price in Clackmannanshire (2003/09)**



Source: Register of Sasines (2003-09)



We have carried out some in-depth analysis of the 2008 Sasines data to get an indication of house prices, not only by location, but also by size and type. This was achieved by matching the address' of the sales on the Sasines data, to a property database compiled by Clackmannanshire Council which contained size and type information for each individual address. Of the 847 sales recorded for Clackmannanshire in 2008, we managed to match 836 (99%) properties.

We took the opportunity to get some feedback from the Scottish Government on the robustness of the method used, and it was determined that the prices suggested and method used were credible.

Table 12 - Average Price of flats by size and location

	1 Apt Flat	2 Apt Flat	3 Apt Flat	4 Apt Flat	5 Apt Flat	6 Apt Flat
<b>HMA 1 Alloa</b>	£47,500	£64,625	£85,413	£86,382	£142,500	N/A
<b>HMA2 Hillfoots</b>	£48,462	£66,598	£89,706	£95,856	£150,625	N/A
<b>HMA 3 Dollar</b>	N/A	£87,000	£172,437	£160,000	N/A	N/A
<b>Clackmannanshire</b>	£47,821	£65,728	£90,980	£92,743	£147,917	N/A

Source: Register of Sasines (2008)

Table 13 - Average Price of houses by size and location

	1 Apt House	2 Apt House	3 Apt House	4 Apt House	5 Apt House	6 Apt House
<b>HMA 1 Alloa</b>	N/A	£85,243	£98,681	£134,487	£182,431	£281,460
<b>HMA2 Hillfoots</b>	£45,000	£85,813	£111,649	£134,341	£186,417	£263,480
<b>HMA 3 Dollar</b>	N/A	£126,000	£131,800	£180,040	£226,389	£417,118
<b>Clackmannanshire</b>	£45,000	£89,773	£104,373	£137,372	£187,154	£257,884

Source: Register of Sasines (2008)

An average 4 apartment house in Clackmannanshire is £137,372 which is 48% more expensive than a 4 apartment flat at £92,743. Not surprisingly, houses are always more expensive than flats of the same size. The exception to the above is 1 apt properties where the price of a 1apt house is 6% lower than a 1apt flat. This is due to there being only a very small number of sales recorded (2x1apt flat, 1x1apt house). The most expensive area is the Dollar HMA, over every size and type of property where a sale was recorded.

Table 14 - Average Price of houses by location

	2003	2004	2005	2006	2007	2008	2009
<b>HMA1 Alloa</b>	£73,791	£90,524	£101,543	£113,631	£130,271	£130,392	£120,485
<b>HMA2 Hillfoot</b>	£72,254	£95,623	£105,361	£123,965	£139,452	£132,397	£133,158
<b>HMA3 Dollar</b>	£178,353	£201,316	£216,334	£273,589	£334,715	£257,206	£275,108
<b>Clack'shire</b>	£79,414	£96,927	£108,799	£128,575	£145,272	£139,616	£138,452

Source: Register of Sasines (2003-09)

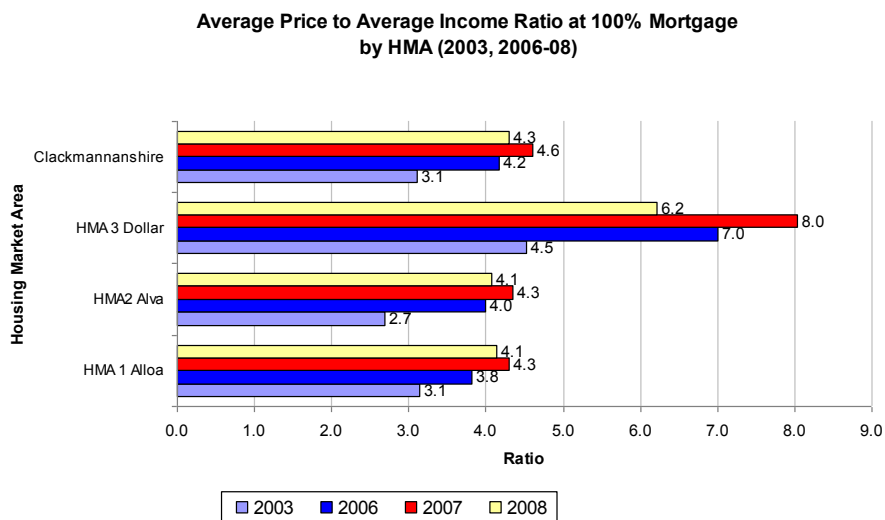
### 3.6.2 Affordability by Property Type, Size and Location

Graph 30 shows the ratio of average resale price in each HMA to average CACI Paycheck<sup>34</sup> income data for the HMA, aggregated up from postcode sector. The ratios for affordability are based on the assumptions made by Newhaven Research in 2004<sup>35</sup>, calculation is based on a household being able to access a 100% mortgage and secure a loan between 2.5 and 3 times their household income.

Over the past few years, lenders have lowered the proportion of the value of a property that they are prepared to advance - the loan to value rate. The loan to value rate is currently around 75% of the property value, while loan amounts remain at around 2.5 to 3 times household income.

Graph 30, shows the affordability ratios assuming a 100% mortgage. As this is no longer a realistic picture, graph 31 shows a recalculated income to price ratio for 2008 only. The price is calculated at 75% of the market value, which assumes that a deposit of 25% has been paid on the property. This reflects the current general lending policy.

Graph 30 - Affordability by HMA - 100% Mortgage



Source: Register of Sasines (2003-08) & CACI Paycheck 2008.

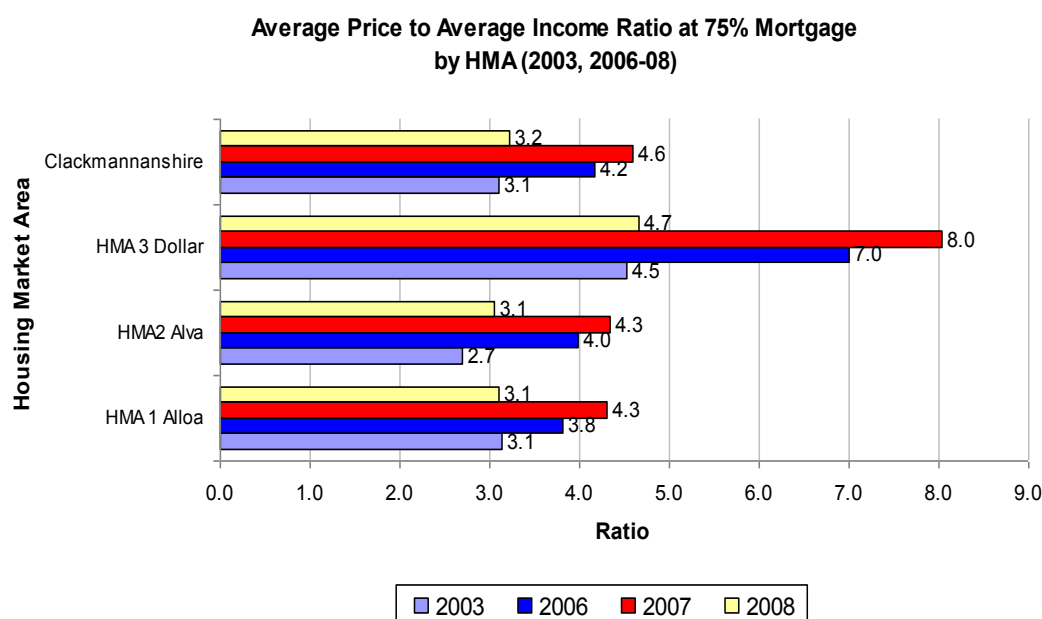
Between levelling off house prices, and recalculating the loan to value from 100% (2003, 2006-2007), to 75% in 2008, the affordability ratio on average house prices has reduced. In real terms, buyers must have access to a 25% deposit to secure a mortgage on a property, either from equity from a previous house, or from savings.

This revised affordability model takes the house price ratio down by around 1 household income (i.e. Clackmannanshire drops from 4.3 times salary to 3.2 times salary). In effect, households will generally require 1 year's gross salary as a deposit on a home.

<sup>34</sup> CACI Ltd

<sup>35</sup> Clackmannanshire Housing System: Tenure, House Price and Affordability, 2004 Update, Newhaven Research, June 2004.

Graph 31 - Affordability by HMA - 75% Mortgage



Source: Register of Sasines (2003-08) & CACI Paycheck 2008.

Tables 15, 16 and 17 show the lower end of the housing market, traditionally associated with first time buyers. The LTV rate is a major constraint for first time buyers, who typically require a 25% deposit. This is making it more difficult for households to get onto the housing ladder for the first time. In Clackmannanshire, a 2 apartment flat has a lower quartile selling price of £65,728, requiring a deposit of £16,432. This is around 97% of the £17K annual gross lower quartile income.

Although this end of the housing market is reasonably affordable in terms of affordability ratios, the requirement for a deposit will severely restrict the ability to get on the housing ladder in the first place. However, on the upside of this, households will find mortgage payments more affordable once they can gain access to owner occupation.

Table 15 - Lower End of Housing Market - Smaller Flats vs Lower Quartile Income

	Lower Quartile Income	Lower Quartile 1 Apt Flat Price	75 % Mortgage	Lower Quartile Income to Mortgage
<b>HMA 1 Alloa</b>	£16,350	No sales	N/A	N/A
<b>HMA 2 Hillfoots</b>	£17,450	£45,000	£33,750	1.9
<b>HMA 3 Dollar</b>	£22,100	No Sales	N/A	N/A
<b>Clackmannanshire</b>	£16,950	£45,000	£33,750	2.0

Source: Register of Sasines (2008) & CACI Paycheck 2008

Table 16 - Lower end of market 1 and 2 bedroom flats

	Lower Quartile Income	Lower Quartile 2 Apt Flat Price	75 % Mortgage	Lower Quartile Income to Mortgage	Lower Quartile 3 Apt Flat Price	75% Mortgage	Lower Quartile Income to mortgage
<b>HMA 1 Alloa</b>	£16,350	£58,250	£43,688	2.7	£74,125	£55,594	3.4
<b>HMA2 Hillfoots</b>	£17,450	£62,000	£46,500	2.7	£78,000	£58,500	3.4
<b>HMA 3 Dollar</b>	£22,100	£87,000	£65,250	3.0	£134,749	£101,062	4.6
<b>Clack's</b>	£16,950	£61,995	£46,496	2.7	£75,500	£56,625	3.3

Source: Register of Sasines (2008) & CACI Paycheck 2008

Table 17 - Lower End of Housing Market - Smaller Houses vs Lower Quartile Income

	Lower Quartile Income	Lower Quartile 1 Apt House Price	75% Mortgage	Lower Quartile Income to Mortgage	Lower Quartile 2 Apt House Price	75% Mortgage	Lower Quartile Income to Price
<b>HMA 1 Alloa</b>	£16,350	£0	£0	0.0	£68,000	£51,000	3.1
<b>HMA2 Hillfoots</b>	£17,450	£45,000	£33,750	1.9	£76,000	£57,000	3.3
<b>HMA 3 Dollar</b>	£22,100	No Sales	N/A	N/A	£113,000	£84,750	3.8
<b>Clack's</b>	£16,950	£45,000	£33,750	2.0	£72,000	£54,000	3.2

Source: Register of Sasines (2008) & CACI Paycheck 2008

Tables 18 and 19 give a picture of average incomes and house prices. Showing affordability for the average household against an average family home with 2 to 4 bedrooms.

These buyers will typically be upsizing and will have a deposit readily available. However, with the exception of 2 bedroom houses, average prices are still more than the 2.5 to 3 times household income previously assumed.

Table 18 - Average Housing Market - Average flats vs Average Income

	Average income	Average 4 Apt Flat Price	75% Mortgage	Average Income to Mortgage	Average 5 Apt Flat Price	75% Mortgage	Average Income to Mortgage
<b>HMA 1 Alloa</b>	£31,532	£86,382	£64,787	2.1	£142,500	£106,875	3.4
<b>HMA2 Hillfoots</b>	£32,473	£95,856	£71,892	2.2	£150,625	£11,969	3.5
<b>HMA 3 Dollar</b>	£41,391	£160,000	£120,000	2.9	£0	N/A	N/A
<b>Clack's</b>	£32,472	£92,743	£69,557	2.1	£147,917	£110,938	3.4

Source: Register of Sasines (2008) & CACI Paycheck 2008

Table 19 - Average Housing Market - Average houses vs Average Income

	Average income	Average 3 Apt House Price	75% Mortgage	Average Income to Mortgage	Average 4 Apt House Price	75% Mortgage	Average Income to Mortgage
<b>HMA 1 Alloa</b>	£31,532	£98,681	£74,011	2.3	£134,487	£100,865	3.2
<b>HMA2 Hillfoots</b>	£32,473	£111,649	£83,736	2.6	£134,341	£100,756	3.1
<b>HMA 3 Dollar</b>	£41,391	£131,800	£98,850	2.4	£180,040	£135,030	3.3
<b>Clack's</b>	£32,472	£104,373	£78,280	2.4	£137,372	£103,029	3.2

Source: Register of Sasines (2008) & CACI Paycheck 2008

Table 20 is looking at the upper end of the housing market, with larger and / or more expensive than average housing. The buyers in this segment of the market will normally have equity to enable them to make a substantial deposit. Larger 3 bedroom houses are reasonably affordable with a deposit, but for the rest of the property types there are still high affordability ratios of between 3.3 and 6.6 times income.

Table 20 - Upper End Housing Market - Upper Quartile houses vs Upper Quartile Income

	Upper Quartile Income	Upper Quartile 4 Apt House Price	75% Mortgage	Upper Income to Mortgage	Upper Quartile 5 Apt House Price	75% Mortgage	Upper Income to Mortgage
<b>HMA 1 Alloa</b>	£40,365	£165,875	£124,406	3.1	£209,473	£157,104	3.9
<b>HMA2 Hillfoots</b>	£41,985	£152,000	£114,000	2.7	£186,417	£139,813	3.3
<b>HMA 3 Dollar</b>	£53,692	£199,395	£149,546	2.8	£226,389	£252,500	4.7
<b>Clack's</b>	£41,825	£166,725	£125,044	3.0	£187,154	£212,249	5.1

Source: Register of Sasines (2008) & CACI Paycheck 2008

Table 20 cont. - Upper End Housing Market - Upper Quartile houses vs Upper Quartile Income

	Upper Quartile Income	Upper Quartile 6+ Apt House Price	75% Mortgage	Upper Income to Mortgage
<b>HMA 1 Alloa</b>	£40,365	£230,000	£172,500	4.3
<b>HMA2 Hillfoots</b>	£41,985	£272,573	£204,429	4.9
<b>HMA 3 Dollar</b>	£53,692	£475,000	£356,250	6.6
<b>Clackmannanshire</b>	£41,825	£272,198	£204,148	4.9

Source: Register of Sasines (2008) & CACI Paycheck 2008

### 3.6.3 Availability by Property Type, Size and Location

We have carried out some in-depth analysis of the 2008 Sasines data to get an indication of the number of house sales not only by location, but also by size and type. Again the methodology used makes the following assumption:

- that the profile of the sasines (sold houses) matches the overall private sector housing profile for each area. For example, if overall, the housing for the area is made up of 4% 1 bedroom flats, then 4% of house sales are assumed to be 1 bedroom flats.

Table 21: HMA1 Alloa - 2008 Sales - Assumed No. of Sales (based on Apt Size & Type)

Apt Size	1	2	3	4	5	6+	Total Sales
Flat	2	39	107	14	1	0	163
House	0	9	88	126	71	81	375

Source: Register of Sasines (2008)

Table 22: HMA2 Hillfoots - 2008 Sales - Assumed No. of Sales (based on Apt Size & Type)

Apt Size	1	2	3	4	5	6+	Total Sales
Flat	1	25	44	7	2	0	79
House	1	8	50	49	24	30	162

Source: Register of Sasines (2008)

Table 23: HMA3 2008 Sales Assumed No. of Sales (based on Apt Size & Type)

Apt Size	1	2	3	4	5	6+	Total Sales
Flat	0	1	8	1	0	0	10
House	0	2	5	12	9	19	47

Source: Register of Sasines (2008)

There were a total of 836 houses sales recorded in Clackmannanshire in 2008, which is around 5% of the total private stock. This is down from the previous 5 years average of around 1,500 sales, or 10% turnover.

## 3.7 Cost of Renting

### 3.7.1 Private Rented Price by Property Type, Size and Location

Table 24 - Private Renting Figures 2008 Monthly rents

Apt Size	HMA 1 Alloa	HMA 2 Hillfoots	HMA 3 Dollar	Clackmannanshire
2	£340	£336	~	£338
3	£418	£433	£460	£424
4	£526	£488	~	£511
5	£652	£475	£750	£641

Source: Websites for Rightmove & FKHomes 2008 Sample Prices

Table 25 - Private Renting 2010

Apt Size	HMA 1 Alloa	HMA 2 Hillfoots	HMA 3 Dollar	Clackmannanshire
2	£330	£253	~	£273
3	£368	£361	~	£364
4	£456	£452	£450	£455
5	£539	£538	£675	£541
6+	£735	£786	£948	£756

Source: Rent Service Scotland 2010

The cost of private renting has, on average, increased only marginally between 2008 and 2010. As this data is a snapshot taken from a sample of rental prices in 2008 and again in 2010, we do not have long term trend data available.

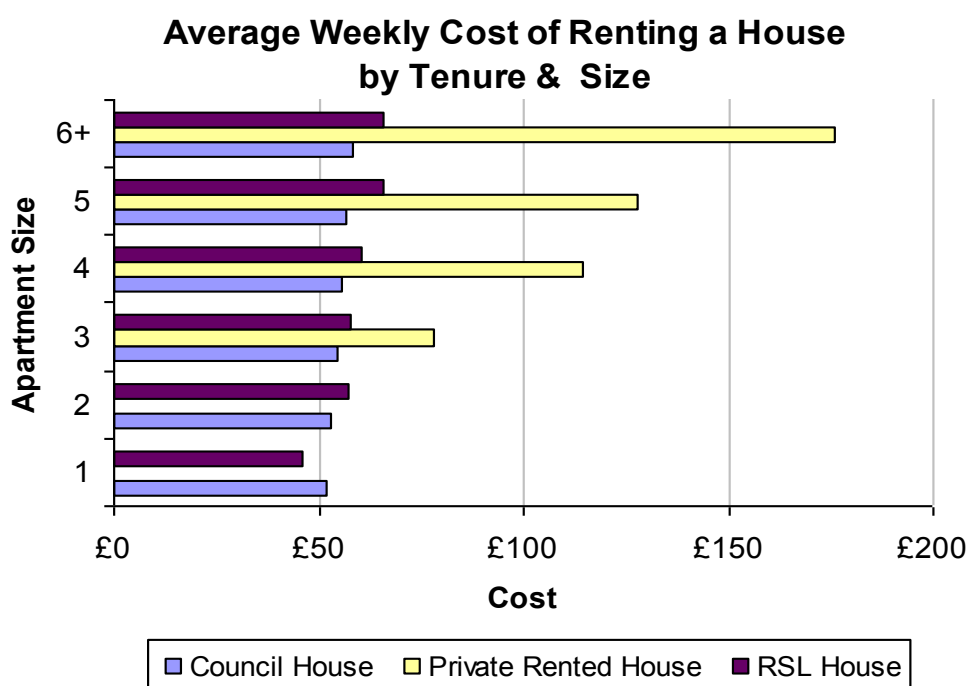
Annual increases for Council properties are around £1.40 per week and £1.75 for RSL properties. This equates to around, on average, a 20% increase in costs for both Council and RSL properties over the past 5 years (2005 - 2009)

Table 26 - Renting: All Providers 2010

	Council		Private Rented		RSL	
	House	Flat	House	Flat	House	Flat
1	£51.80	£50.86	~	~	£48.18	£53.39
2	£53.05	£52.08	~	£62.88	£57.47	£52.96
3	£54.33	£53.36	£78.08	£84.39	£57.95	£55.48
4	£55.44	£54.51	£114.34	£101.60	£60.41	£62.77
5	£56.82	£55.89	£127.54	£113.88	£65.51	£65.78
6+	£58.21	~	£176.01	£114.23	£65.51	£63.04

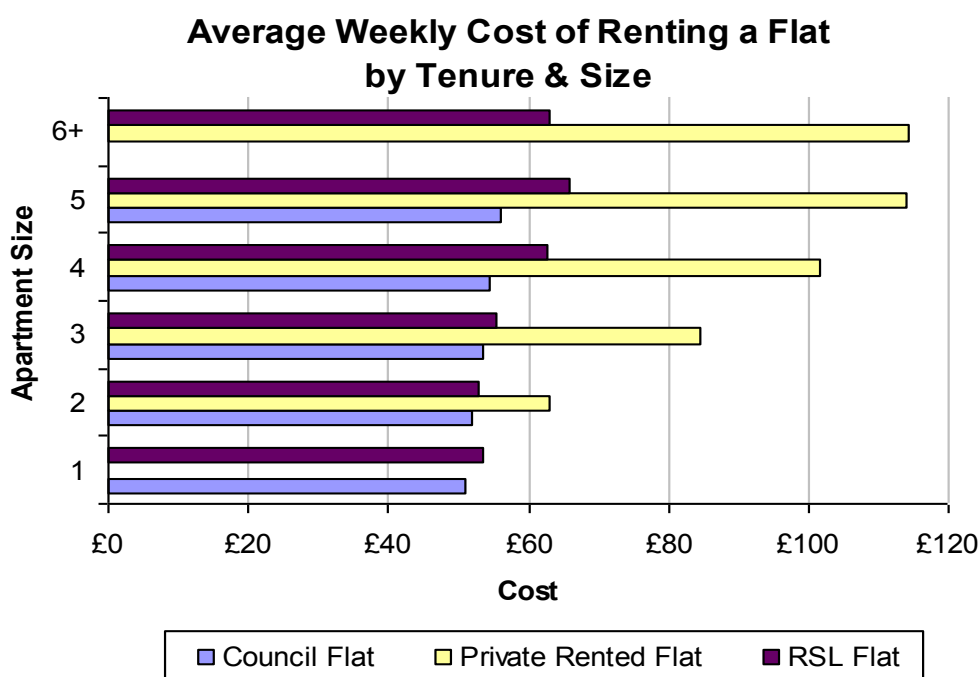
Source: Rent Service Scotland 2010

Graph 32: Renting a House



Source: Private: Rent Service Scotland 2010; Council (Lettings Team), RSL (Direct data request)

Graph 33: Renting a Flat



Source: Private: Rent Service Scotland 2010; Council (Lettings Team), RSL (Direct data request)

Graphs 32 and 33 show that the cost of privately renting is substantially higher than the social sector and the gap in price becomes much wider, the larger the property. This is due to the Council and RSL rent rates having a flat price structure. Smaller households in the private sector will not see as great a difference in cost compared to families looking to rent larger properties.

### 3.7.2 Affordability by Property Type, Size and Location

Tables 27 to 30 show the rental cost of properties in Council, RSL and private rented sectors as a proportion of gross weekly income of those falling within the lower quartile income band (e.g. those with the least income and generally facing more acute affordability constraints). It is important to note that the figures in these tables do not take account the households in receipt of housing benefit.

Renting is considerably less affordable in the private rented sector than in the social rented sector in all housing market areas. The cost of renting a three apartment private property in the Alloa HMA for instance, is equivalent of 25 to 27% weekly gross income of the lowest quartile earners. This is well above similar Council and RSL properties, at an equivalent cost of 17% to 18% weekly gross income.

The cost of renting in the private sector gets less and less affordable for lower quartile income households, as the size of the property increases. The private rented sector could possibly be used to house smaller low income households. Larger families on low incomes are unlikely to be able to meet their housing need in the private rented sector, and would be likely to seek a larger property from the Council or an RSL.

The tables suggest that there are fewer choices for people on lower incomes. With increasing affordability constraints for this earning group in terms of purchasing a property, and high rent rates in the private rented sector, this group of households



will generally require some sort of housing subsidy. This may be through housing benefit, or by renting from the Council or RSL.

Table 27 - HMA1 Alloa: Rental Cost of Properties as a proportion of Lower Quartile Gross Income (Weekly) 2008

	Council		Private Rented		RSL	
	House	Flat	House	Flat	House	Flat
<b>1 Apt</b>	16%	16%	~	~	15%	17%
<b>2 Apt</b>	17%	17%	~	20%	18%	17%
<b>3 Apt</b>	17%	17%	25%	27%	18%	18%
<b>4 Apt</b>	18%	17%	36%	32%	19%	20%
<b>5 Apt</b>	18%	18%	41%	36%	21%	21%
<b>6+ Apt</b>	19%	~	56%	36%	21%	20%

Source: Private: Rent Service Scotland, Council (Lettings Team), RSL (Direct data request). CACI Paycheck 2008

Table 28 - HMA2 Hillfoots: Rental Cost of Properties as a proportion of Lower Quartile Gross Income (Weekly) 2008

	Council		Private Rented		RSL	
	House	Flat	House	Flat	House	Flat
<b>1 Apt</b>	15%	15%	~	~	14%	16%
<b>2 Apt</b>	16%	16%	~	19%	17%	16%
<b>3 Apt</b>	16%	16%	23%	25%	17%	17%
<b>4 Apt</b>	17%	16%	34%	30%	18%	19%
<b>5 Apt</b>	17%	17%	38%	34%	20%	20%
<b>6+ Apt</b>	17%	~	52%	34%	20%	19%

Source: Private: Rent Service Scotland, Council (Lettings Team), RSL (Direct data request). CACI Paycheck 2008

Table 29 - HMA3 Dollar: Rental Cost of Properties as a proportion of Lower Quartile Gross Income (Weekly) 2008

	Council		Private Rented		RSL	
	House	Flat	House	Flat	House	Flat
<b>1 Apt</b>	12%	12%	~	~	11%	13%
<b>2 Apt</b>	12%	12%	~	15%	14%	13%
<b>3 Apt</b>	13%	13%	18%	20%	14%	13%
<b>4 Apt</b>	13%	13%	27%	24%	14%	15%
<b>5 Apt</b>	13%	13%	30%	27%	15%	15%
<b>6+ Apt</b>	14%	~	41%	27%	15%	15%

Source: Private: Rent Service Scotland, Council (Lettings Team), RSL (Direct data request). CACI Paycheck 2008

Table 30 - Clacks: Rental Cost of Properties as a proportion of Lower Quartile Gross Income (Weekly) 2008

	Council		Private Rented		RSL	
	House	Flat	House	Flat	House	Flat
<b>1 Apt</b>	16%	16%	~	~	15%	16%
<b>2 Apt</b>	16%	16%	~	19%	18%	16%
<b>3 Apt</b>	17%	16%	24%	26%	18%	17%
<b>4 Apt</b>	17%	17%	35%	31%	19%	19%
<b>5 Apt</b>	17%	17%	39%	35%	20%	20%
<b>6+ Apt</b>	18%	~	54%	35%	20%	20%

Source: Private: Rent Service Scotland, Council (Lettings Team), RSL (Direct data request). CACI Paycheck 2008

Tables 31 to 34 show the rental cost of properties in Council, RSL and private rented sectors as a proportion of the average gross weekly income.

The tables show that, while the proportion of income taken up by rental costs is less than in the lower quartile income bracket, renting continues to be less affordable in the private rented sector than in the social sector in all housing market areas.

The proportion of income required for a private rented property increases as the size of the property increases. A family looking for a 4 apartment property in Clackmannanshire would have to pay around a third of their gross weekly income.

The private rented sector could be used to house smaller average income households, as the proportion of gross weekly income required is below the 25% measure.

Larger households on average gross weekly income will also generally require some sort of housing subsidy. This may be through housing benefit, or by renting from the Council or RSL.

Table 31 - HMA1 Alloa: Rental Cost of Properties as a proportion of Average Gross Income (Weekly) 2008

	Council		Private Rented		RSL	
	House	Flat	House	Flat	House	Flat
<b>1 Apt</b>	9%	8%	~	~	8%	9%
<b>2 Apt</b>	9%	9%	~	10%	9%	9%
<b>3 Apt</b>	9%	9%	13%	14%	10%	9%
<b>4 Apt</b>	9%	9%	19%	17%	10%	10%
<b>5 Apt</b>	9%	9%	21%	19%	11%	11%
<b>6+ Apt</b>	10%	~	29%	19%	11%	10%

Source: Private: Rent Service Scotland, Council (Lettings Team), RSL (Direct data request). CACI Paycheck 2008

Table 32 - HMA2 Hillfoots: Rental Cost of Properties as a proportion of Average Gross Income (Weekly) 2008

	Council		Private Rented		RSL	
	House	Flat	House	Flat	House	Flat
<b>1 Apt</b>	8%	8%	~	~	8%	9%
<b>2 Apt</b>	8%	8%	~	10%	9%	8%
<b>3 Apt</b>	9%	9%	13%	14%	9%	9%
<b>4 Apt</b>	9%	9%	18%	16%	10%	10%
<b>5 Apt</b>	9%	9%	20%	18%	10%	11%
<b>6+ Apt</b>	9%	~	28%	18%	10%	10%

Source: Private: Rent Service Scotland, Council (Lettings Team), RSL (Direct data request). CACI Paycheck 2008

Table 33 - HMA3 Dollar: Rental Cost of Properties as a proportion of Average Gross Income (Weekly) 2008

	Council		Private Rented		RSL	
	House	Flat	House	Flat	House	Flat
<b>1 Apt</b>	7%	6%	~	~	6%	7%
<b>2 Apt</b>	7%	7%	~	8%	7%	7%
<b>3 Apt</b>	7%	7%	10%	11%	7%	7%
<b>4 Apt</b>	7%	7%	14%	13%	8%	8%
<b>5 Apt</b>	7%	7%	16%	14%	8%	8%
<b>6+ Apt</b>	7%	~	22%	14%	8%	8%

Source: Private: Rent Service Scotland, Council (Lettings Team), RSL (Direct data request). CACI Paycheck 2008

Table 34 - Clacks: Rental Cost of Properties as a proportion of Average Net Income (Weekly) 2008

	Council		Private Rented		RSL	
	House	Flat	House	Flat	House	Flat
<b>1 Apt</b>	8%	8%	~	~	8%	9%
<b>2 Apt</b>	8%	8%	~	10%	9%	8%
<b>3 Apt</b>	9%	9%	13%	14%	9%	9%
<b>4 Apt</b>	9%	9%	18%	16%	10%	10%
<b>5 Apt</b>	9%	9%	20%	18%	10%	11%
<b>6+ Apt</b>	9%	~	28%	18%	10%	10%

Source: Private: Rent Service Scotland, Council (Lettings Team), RSL (Direct data request). CACI Paycheck 2008

### 3.8 Shared Housing

As Table 35 shows, Clackmannanshire has very few Houses in Multiple Occupation. There are an estimated 72 people living in this type of shared accommodation.

Table 35 - HMO Licence in force at 31 March each year

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>HMO Licence</b>	0	0	1	3	2	6	9	9	8	9

Source: HMO returns by local authorities to the Scottish Government, Communities Analytical Services (Housing Statistics)

### 3.9 Communal Dwellings

Clackmannanshire has several communal dwellings providing residential care for around 350 people. Table 36 shows the distribution across various client groups.

Table 36: Care Homes and Registered Places by Local Authority - All Care Homes for Adults

Older People		Physical Disabilities		Mental Health Problems		Learning Disabilities		Other		All Client Groups	
Care Homes	Places	Care Homes	Places	Care Homes	Places	Care Homes	Places	Care Homes	Places	Care Homes	Places
7	288	0	0	1	14	3	48	0	0	11	350

Source: SCHC1 March 2009, Care Commission.

Table 37 shows that there are 85 more places in residential care homes for older people in 2009 than there were in 2000. This is a moderate increase, compared to the increase, and projected increase in older people.

Table 37 - Registered Places in Care Homes for Older People

	Number of Registered Places		
	Mar00	Mar09	% Change Mar00 & Mar09
<b>Clackmannanshire</b>	203	288	41.9%

Source: SCHC1 March 2009, Care Commission.

Table 38 - Children looked after by type of accommodation in Clackmannanshire, 31st March 2008

In residential accommodation					
In Local Authority home	In voluntary home	In residential school	In secure accommodation	In crisis care	In other residential care
5	0	9	1	0	3

Source: Statistical Return March 2009

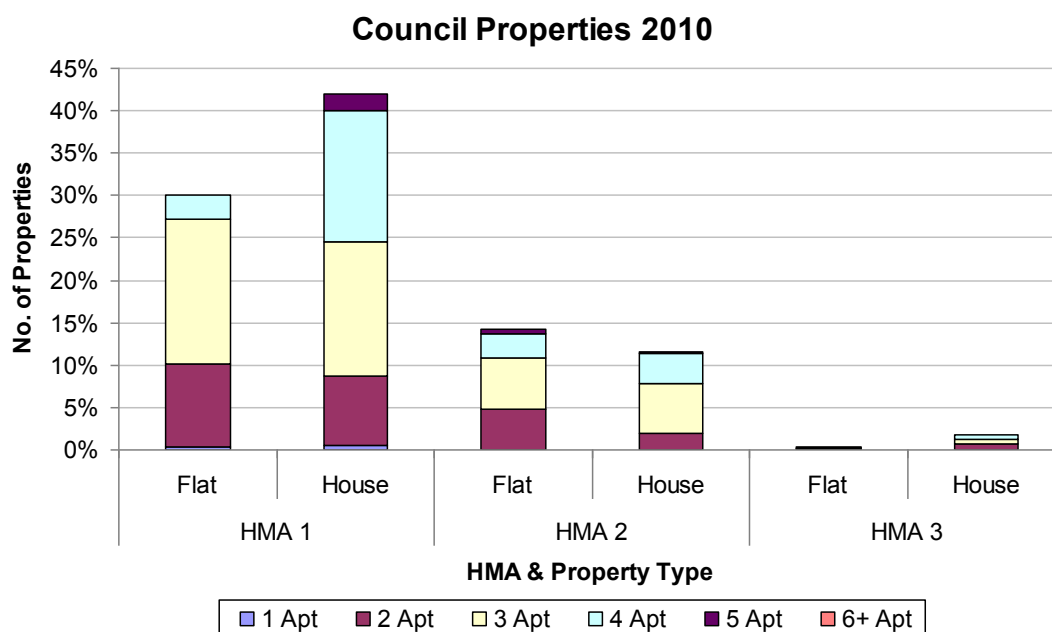
The supply of particular needs accommodation against demand is discussed more fully on page 60 at 3.12.

### 3.10 Council Stock Profile

#### 3.10.1 Profile by HMA

The Council currently owns around 5,036 properties, 20 of which are mortgage rescue properties. The stock profile is very different from the private sector stock. The majority, 46%, is made up of one bedroom properties, and only 3% are larger 4 bedroom properties. The Council currently owns two 5 bedroom properties.

Graph 34 - Council Stock Profile (2010)



Source: Council Property Database

#### 3.10.2 Income and Benefit Profile

More than half of all Council tenants are claiming housing benefit, which means 58% of all households renting from the Council are either on a low income or are claiming other benefits such as income support, job seekers allowance or pension credits etc.

Table39 - Housing Benefit Profile for Tenants

	Number of Properties	Housing Benefit Cases	% of Total Tenants Claiming Housing Benefit
<b>HMA 1 Alloa</b>	3635	2117	58%
<b>HMA 2 Hillfoots</b>	1298	746	57%
<b>HMA 3 Dollar</b>	103	53	51%
<b>Clackmannanshire</b>	5036	2916	58%

Source: Clackmannanshire Properties Database & Council Tenant Records

### 3.10.3 Waiting List Profile

A snapshot of the Council's waiting list was taken in June 2010. At that time there were just over 1900 applicants waiting to be housed, of these only 68 applicants were under occupied. This is only around 4% of the total number of applicants on the waiting list. The allocations policy aims to free up larger, under occupied properties by placing these applicants in the top priority band. However, not all current Council tenants who are under occupying will wish to move and therefore will not put in an application.

Table 40 - Under Occupation (Council Waiting List June 2010)

	Under occupation	
	Secure	HA
<b>Alloa HMA</b>	36	11
<b>Hillfoots HMA</b>	20	1
<b>Dollar HMA</b>	0	0
<b>Total</b>	56	12

There are a larger proportion of over crowded applicants on the waiting list, 319 households in total or 17%. These applicants are in band 2 or 3, so are lower priority than those under occupied.

Table 41 - Overcrowding (Council Waiting List June 2010)

	Over crowding
<b>Alloa HMA</b>	216
<b>Hillfoots HMA</b>	80
<b>Dollar HMA</b>	2
<b>Out of the area</b>	21
<b>Total</b>	319

Of the 1,900 applicants on the waiting list as at June 2010, just under 900 are non transfer applicants with housing points, and therefore have a net housing need. A breakdown of the Council applicants in net housing need is as follows.

It is worth noting that due to the way that the waiting list is categorised, some of the homeless households are categorised under different reasons. For example, the reason for a household being assessed as homeless could be because they are "living with friends", and in this case, that is how they will be categorised on the waiting list. There are currently 258 homeless applicants on the waiting list, but many of them will be categorised under a different reason.

Table 42 - Council Waiting list by reason.

Reason	Number	Reason	Number
Unknown	1	Living with parents	345
Living in B & B (Homeless)	28	Owner occupier	96
Living in a caravan	8	Other	4
Homeless	44	Released from Prison (Homeless)	1
Released from Hospital	2	Private Renting	191
In Homeless Accommodation (Homeless)	8	Roofless (Homeless)	20
Insecure Tenancy	6	Sharing with others	1
In Local Authority Care	1	Sub tenant	3
Looked after by the LA	2	Supported Accommodation	1
Living with friends	117	Tied Accommodation	13
Living with partner	20		

Source: Clackmannanshire Council waiting list, June 2010.

At June 2010, the net housing need from the Council waiting list showed that the majority of applicants in need require one bedroom properties. A full breakdown of the housing need by size is shown below.

Table 43 - Housing Need by size

Bedrooms	Number	%
1	576	64%
2	191	21%
3	86	10%
4	34	4%
5+	12	1%

Source: Clackmannanshire Council waiting list, June 2010.

It is also worth noting, that there are currently 121 applicants on the waiting list who have access rights to children and are therefore entitled to at least one extra bedroom to accommodate this.

The greatest need on the Council waiting list is for one and two bedroom properties to accommodate smaller homeless households, single or with access to child(ren).

Table 44 - Housing need by size of applicants with access to children

	1 Bed	2 Bed	3 Bed	4+ Bed	Total
Clackmannanshire	6	67	31	17	121

Source: Clackmannanshire Council waiting list, June 2010.

### 3.10.4 Lettings - % of Stock by Size

Graph 35 shows a percentage breakdown of the housing need, based on a snapshot taken of the waiting list in January 2010, by size, and the percentage breakdown of properties that have been available for letting over the last 4 years (2004 – 2009).

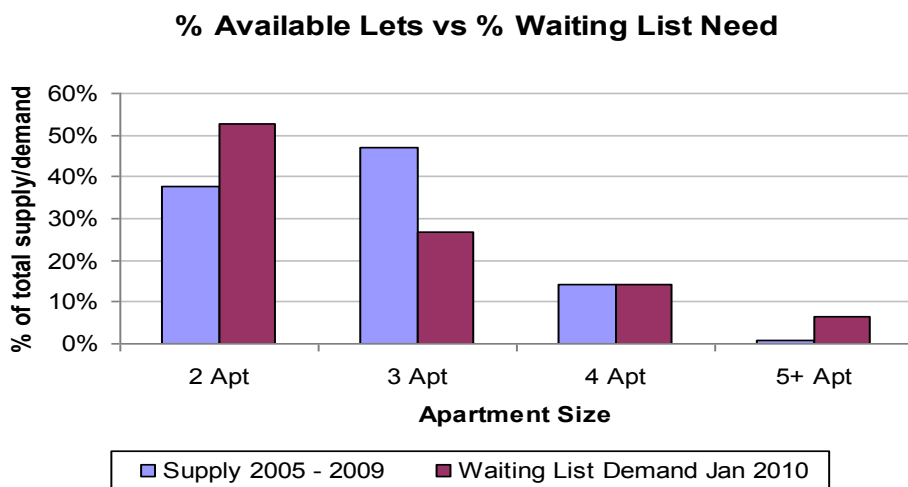
In January 2010, 14% of the waiting list required 3 bedroom properties and 14% of previous lets available (average of 5 years lets) have been 3 bedroom properties.

Just under 53% of the applicants on the waiting list required a one bedroom property, with around 37% of annual available lets being one bedroom.

The percentage of applicants on the waiting list who required a two bedroom property was around 27%, with a higher proportion becoming available at around 47%.

The gap between applicants requiring larger houses with 4 or more bedrooms is about 6%. 7% of applicants require this size of house, but less than 1% of the available stock annually is larger properties. This does not seem significant in terms of percentages, but there is a very low turnover of these properties. Only 14 large houses have become available over the past 5 years, which means that the 112 applicants currently waiting for this size of property will theoretically have to wait around 30 years to be offered suitable accommodation.

Graph 35 - Available Lettings versus Waiting List



Source: Council Void (2005-09) & Waiting List Records (2010)

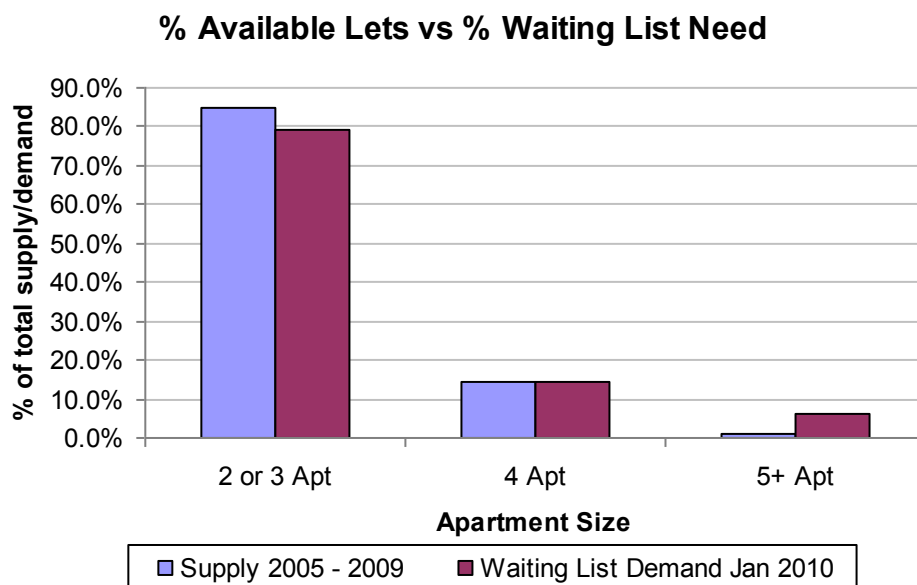
The Council's current allocation policy allows single applicants to be allocated either one or two bedroom properties. The scenario shown in graph 36 combines both the current waiting list requirement for one or two bedroom properties and the one and two bedroom properties that have become available.

Applying this policy to allocate either size of property would match the available supply of one, two or three bedroom properties to the current need on the list. The only mis-match, and therefore gap in the supply is for larger four bedroom properties.

This analysis assumes that the sizes of properties would also match with the required type and are in the right location.



Graph 36: Available Lettings vs WL Need



Source: Council Void (2005-09) & Waiting List Records (2010)

### 3.10.5 Termination Reasons

It is important to look at termination reasons in the social sector, to track how many tenants are moving on to other tenures, and reasons why tenants would want to terminate a social rented tenancy.

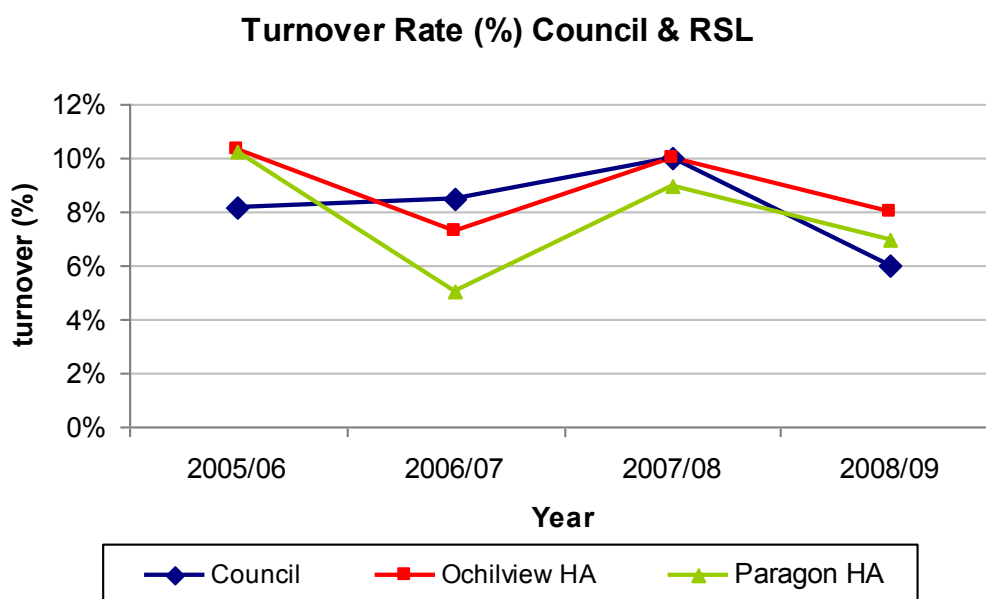
Of the 357 terminations (non transfer, net vacancies) of Council tenancies in 2009/10, 70 became vacant due to the death of the tenant (20%), 39 (11%) abandonments, 23 (6%) moving out of the area and 23 (6%) moving into private renting.

Abandonments have reduced dramatically from 72 and 68 in each of the past two years to only 39 in 2009/10. This may be due to improved support measures the Council has put in place. There are no other major differences in reasons given, but there does not appear to be any significant movement between households moving out of social renting into the private sector (renting or purchasing.)

### 3.10.6 Voids

Turnover rates for all social landlords in Clackmannanshire seem to follow the same general trends. Turnover remained at around the same level for Council tenancies in 2009/10. The RSL figures are not yet available for 2009/10.

Graph 37 - Social Housing Turnover



Source: APSR (2005-09) & Council Lettings Records (2005-09)

### 3.11 RSL Stock Profile

#### 3.11.1 Profile by HMA

Clackmannanshire has 12 housing associations operating around 1,800 properties in the area.

The two main RSLs are Ochil View Housing Association (OVHA) and Paragon Housing Associations, between them they manage 82% of all RSL stock. OVHA have 1048 properties, and are currently the only developing RSL in Clackmannanshire. They currently build around 30-40 new units per year. Paragon currently manage around 411 properties. The remaining properties are split between the other 10 associations.

The tables below give a breakdown of the RSL stock by housing market area, detailing housing suitable for particular needs and also by size.

Table 45 - RSL Profile by Alloa HMA

RSL	General Units	Amenity	Sheltered	Very Sheltered	Wheelchair Accessible	Learning Disability	Total
Ochil View HA	702	219	0	0	14	26	961
Paragon HA	325	0	0	0	0	0	325
Trust HA	0	9	54	14	4	0	81
Castle Rock HA	47	0	0	0	1	0	48
Margaret Blackwood HA	0	8	0	0	8	0	16
Hanover HA	0	0	56	0	0	0	56
Key HA	0	0	0	0	0	6	6
Ark HA	1	0	0	0	0	0	1

Source: Clackmannanshire Council Property database 2009

Table 46 - RSL Size Profile by Alloa HMA

RSL	1 Bed	2 Bed	3 Bed	4+ Bed	Total	%
Ochil View HA	235	363	336	27	961	64%
Paragon HA	7	187	119	12	325	22%
Trust HA	76	5	0	0	81	5%
Castle Rock HA	12	23	11	2	48	3%
Margaret Blackwood HA	5	8	1	2	16	1%
Hanover HA	56	0	0	0	56	4%
Key HA	4	0	0	2	7	<1%
Ark HA	0	0	1	0	1	<1%

Source: Clackmannanshire Council Property database 2009

Table 47 - RSL Profile by Hillfoots HMA

RSL	General Units	Amenity	Sheltered	Very Sheltered	Wheelchair Accessible	Learning Disability	Total
Ochil View HA	36	33	0	0	5	0	74
Paragon HA	86	0	0	0	0	0	86
Trust HA	0	0	28	0	0	0	28
Link HA	0	42	0	0	0	0	42
Barony HA	15	0	0	0	1	0	16
Cairn HA	4	0	0	0	0	0	4
Hanover HA	0	0	26	0	0	0	26

Source: Clackmannanshire Council Property database 2009

Table 48 - RSL Size Profile by Hillfoots HMA

RSL	1 Bed	2 Bed	3 Bed	4+ Bed	Total	%
Ochil View HA	52	19	3	0	74	27%
Paragon HA	1	23	59	3	86	31%
Trust HA	28	0	0	0	28	10%
Link HA	42	0	0	0	42	15%
Barony HA	16	0	0	0	16	6%
Cairn HA	0	3	1	0	4	1%
Hanover HA	26	0	0	0	26	9%

Source: Clackmannanshire Council Property database 2009

Table 49 - RSL Profile by Dollar HMA

RSL	General Units	Amenity	Sheltered	Very Sheltered	Wheelchair Accessible	Learning Disability	Total
Ochil View HA	0	13	0	0	0	0	13
Link HA	5	0	0	0	0	0	5
Abbeyfield Society	0	1	0	0	0	0	1

Source: Clackmannanshire Council Property database 2009

Table 50 - RSL Size Profile by Dollar HMA

RSL	1 Bed	2 Bed	3 Bed	4+ Bed	Total	%
Ochil View HA	1	12	0	0	13	68%
Link HA	4	0	1	0	5	26%
Abbeyfield Society	1	0	0	0	1	5%

Source: Clackmannanshire Council Property database 2009

### 3.11.2 Income and Benefit Profile

58% of Council tenants claim housing benefit, and it is a similar profile in housing association stock, again showing that the majority of tenants are on a low household income.

Table 51 - RSL Tenants Claiming Housing Benefit

RSL	Number of Properties	Housing Benefit Cases	% of Total Tenants Claiming Housing Benefit
Ochil View Housing Association	1048	688	66%
Paragon Housing Association	411	231	56%
Trust Housing Association	~	Not available	~
Hanover Housing Association	82	40	49%

### 3.11.3 Waiting List

In June 2010, Paragon had around 120 applicants on their waiting list for Clackmannanshire.

Ochilview operate their waiting list around the Homehunt system, and as of June 2010, had 1672 active applicants.

Trust Housing Association had 106 applicants at February 2010, Hanover have 55.

We have no detailed breakdown of the housing requirements of these applicants and have no up to date information on the numbers of applicants who may be on multiple lists. Newhaven Research Ltd conducted some research on this in 2005, which will be used as the basis of the assumptions made when calculating the housing need.

### 3.11.4 Lettings - % of Stock by Size

The tables below show the types and sizes of properties available annually in each housing market. There were a total of 145 RSL re-lets in 2009, 8% of the total stock. In 2009, 61 of these were 1 bedroom or bedsit properties, 49 were 2 bedroom, 32 were 3 bedroom and only 3 properties were at least 4 bedroom.

Table 52 - RSL Turnover (%) in Clackmannanshire (2004-09)

	2004-05	2005-06	2006-07	2007-08	2008-09
<b>No. of Relets</b>	158	147	133	160	145
<b>RSL Stock</b>	1,756	1,771	1,792	1,778	1,789
<b>Turnover (%)</b>	9%	8%	7%	9%	8%

Source: SCORE Data 2004-09 & Clackmannanshire Property Database.

Table 53 - RSL Turnover (%) in HMA1 Alloa by Property Size (2009)

	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt	6+ Apt
<b>No. of Relets</b>	6	40	46	30	3	0
<b>RSL Stock</b>	28	367	586	468	43	2
<b>Turnover (%)</b>	21%	11%	8%	6%	7%	0%

Source: SCORE Data 2004-09 & Clackmannanshire Property Database.

Table 54 - RSL Turnover (%) in HMA2 Hillfoots by Property Size (2009)

	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt	6+ Apt
<b>No. of Relets</b>	4	11	1	2	0	0
<b>RSL Stock</b>	19	146	45	63	3	0
<b>Turnover (%)</b>	21%	8%	2%	3%	0%	0%

Table 55 - RSL Turnover (%) in HMA3 Dollar by Property Size (2009)

	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt	6+ Apt
<b>No. of Relets</b>	0	0	2	0	0	0
<b>RSL Stock</b>	1	5	12	1	0	0
<b>Turnover (%)</b>	0%	0%	17%	0%	0%	0%

Source: SCORE Data 2004-09 & Clackmannanshire Property Database.

Table 56 - RSL Turnover (%) in Clackmannanshire by Property Size (2009)

	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt	6+ Apt
<b>No. of Relets</b>	10	51	49	32	3	0
<b>RSL Stock</b>	48	518	643	532	46	2
<b>Turnover (%)</b>	21%	10%	8%	6%	7%	0%

Source: SCORE Data 2004-09 & Clackmannanshire Property Database.

### 3.12 Housing for Particular Needs

#### 3.12.1 Profile by Client Group

The table below shows the overall stock in Clackmannanshire which is suitable for households with particular needs.<sup>36</sup>

Table 57 :Housing for particular needs by type

	Amenity	Sheltered	Very Sheltered	Wheelchair Accessible	Learning Disability	Other Adapted (Major)	Total
<b>RSLs</b>	325	164	14	33	32	0	<b>568</b>
<b>Council</b>	244	0	0	0	0	2	<b>244</b>
<b>Total</b>	<b>571</b>	<b>164</b>	<b>14</b>	<b>33</b>	<b>32</b>	<b>2</b>	<b>812</b>

Source: Clackmannanshire Council Property database 2009

There are 1173 Telecare enabled properties in Clackmannanshire. The table below shows the breakdown by tenure.

Table 58 - Telecare Provision

Tenure	Local Authority	RSL	Private	Total
<b>No of Properties</b>	418	232	523	<b>1173</b>

Source: MecasAlertsDwellings2009

Clackmannanshire has a total of 12 registered care homes/supported accommodation providers, catering for various client groups, with the majority of places being for older people.

Table 59 - Number of Registered Care Places in Clackmannanshire

Accommodation Type	Older People	Dementia	Mental Health	Learning Disabilities (including Autistic)	Young People	Complex Needs (inc Physical Disabilities)	Total
<b>Care Home</b>	119	29	14	35		91	<b>288</b>
<b>Care Home Respite</b>	1	1				1	<b>3</b>
<b>Supported Accommodation</b>				30			<b>30</b>
<b>Children's Home</b>					5		<b>5</b>
<b>School Care Accommodation</b>				28			<b>28</b>
<b>Total</b>	<b>120</b>	<b>30</b>	<b>14</b>	<b>93</b>	<b>5</b>	<b>92</b>	<b>354</b>

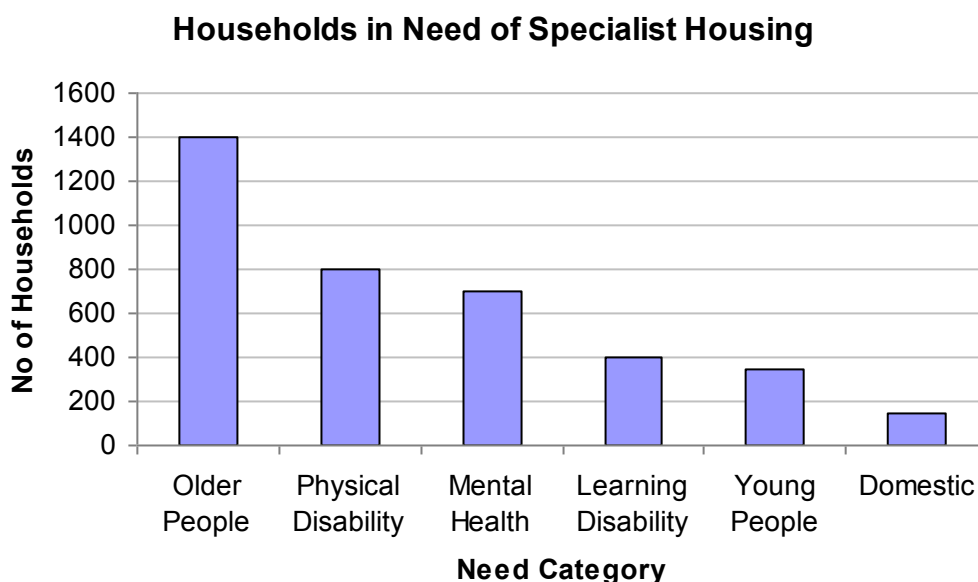
Source: SpecialistAccommodationDataRegisteredCareSummary

<sup>36</sup> This is likely to be an underestimate of the number of Council properties that are suitable for households with particular needs. An information system containing a definitive list of adapted properties is currently being developed.

### 3.12.2 Estimated Scale of Housing Need

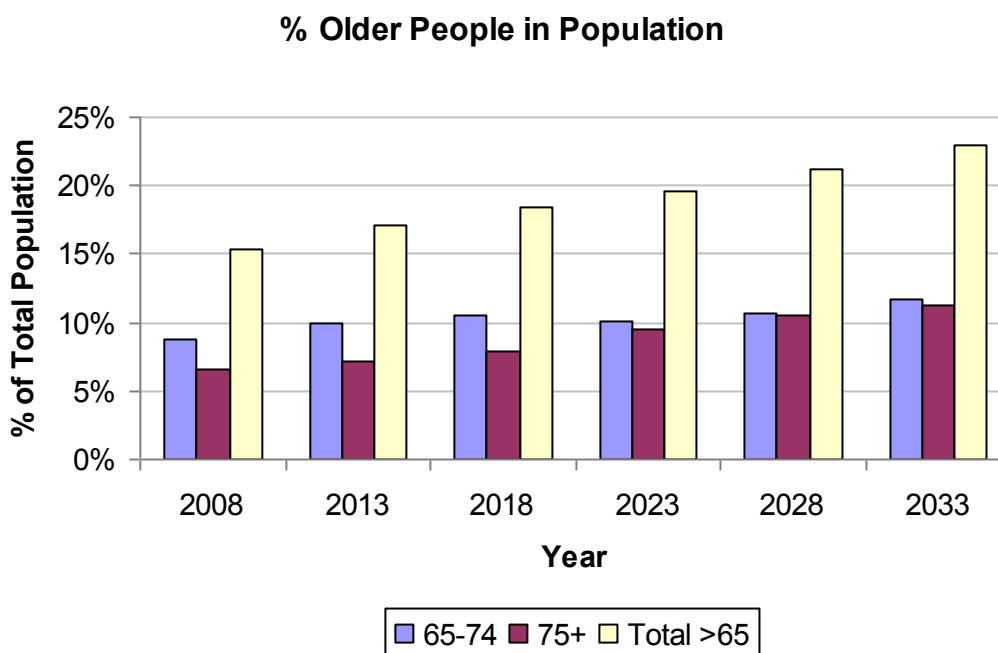
Craigforth consultants carried out a study into particular needs housing in Clackmannanshire in 2005. The table below gives an overall estimate of the types and numbers of housing requirements that exist. The study did not break down the household types or locations of the housing need. It is also worth noting that the majority of these households will be counted on one of the housing waiting lists, or will be in a position to meet their own housing requirement without intervention.

Graph 38 - Estimation of Households in need of specialist housing



Source: Particular Needs Housing Assessment for Clackmannanshire, Craigforth, 2005.

Graph 39 -Population Projections - Percentage of Older People (2008 based)



Source: General Register Office for Scotland

The ageing population projections are a key driver in the housing market and will be considered as part of the housing need analysis further on in the study, where the need for smaller units for older households is reflected in the key issues.

In 2010 the Scottish Government launched a new strategy 'Reshaping Care for Older People' that requires local authorities and the NHS to work in partnership with other agencies to improve local health, housing, social care and community support services for older people. Change Plans are being developed for implementation over the next 5 years.

Housing will play a partnership role in these plans, the Local Housing Strategy and the Reshaping Care for Older People plan will contain complimentary outcomes. Clackmannanshire Council has appointed a dedicated implementation officer, who will work with all partnership agencies and jointly with Stirling Council to ensure the plan is delivered effectively. The full plan can be accessed via the following link <http://www.clacksweb.org.uk/site/documents/consultation/reshapingcareforolderpeopleinclackmannanshire201015>.

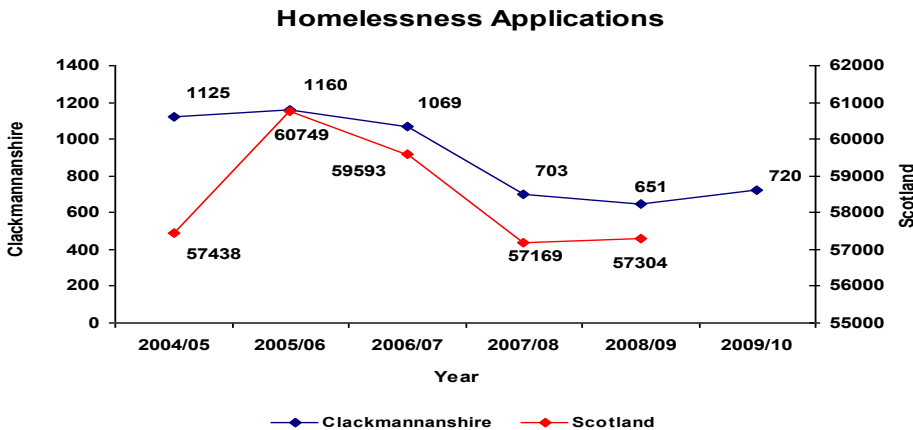
**3.13 Homeless Households**

As at 5 August 2010, there were 213 priority homeless cases and 45 non priority homeless cases on the Council waiting list.

**3.13.1 Profile of Applicants**

The graphs below show the number of homeless applications that are made to the Council on an annual basis, and of these, the total households assessed as being homeless. Homeless applications have reduced steadily from 1125 in 2004/05 to 651 in 2008/09. There was an increase of 70 applications in 2009/10, and indications so far this year show that the number of applications are rising again. The current economic situation may contribute to the increase, with cuts in jobs and incomes, as well as a stagnant housing market.

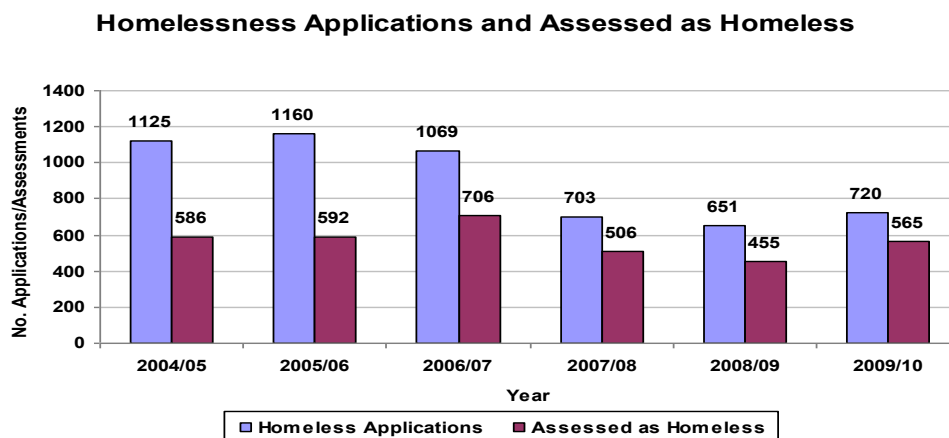
Graph 40 - Change in Homeless Applications



Source: Operation of the Homeless Persons Legislation in Scotland - Detailed tables



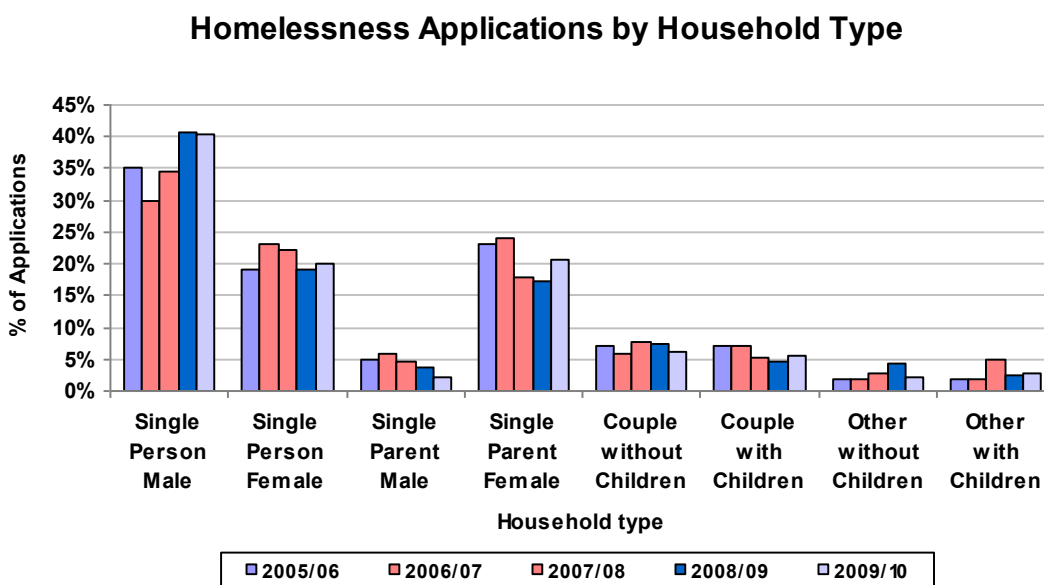
Graph - 41 Change in Homeless Applications and Assessed as Homeless



Source: Scottish Government Supplementary HL1 Analysis

The types of households applying as homeless has remained relatively similar over the past five years, with single males being the most likely to make an application (around 40% of all applicants.)

Graph 42 - Homeless applications by household type



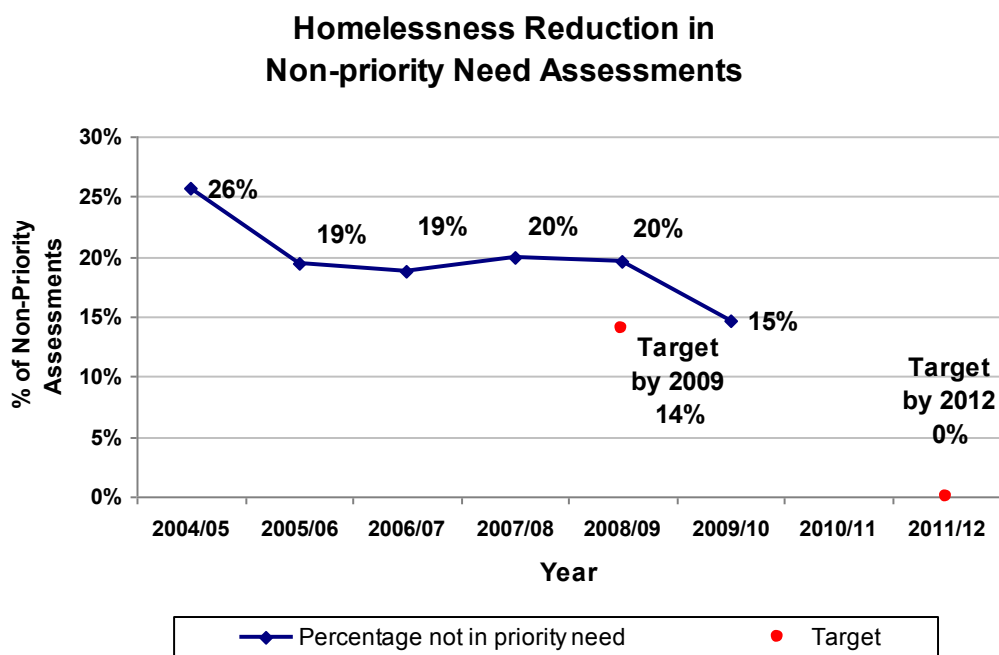
Source: Operation of the Homeless Persons Legislation in Scotland - Detailed tables

### 3.13.2 Abolition of non-priority homeless need

There is a statutory requirement for all local authorities across Scotland to abolish non-priority homeless need by 2012. Clackmannanshire has reduced the percentage of non-priority homeless cases annually from 26% in 2004/05 to 15% in 2009/10.

The Council will shortly include all 16 to 24 year olds (assessed as homeless) as being in priority need. As this age group is made up of mainly single households, there will be a greater need for small one or two bedroom properties to house these applicants.

Graph 43 - Non-Priority Homeless Need.



Source: Scottish Government Supplementary HL1 Analysis

### 3.14 Stock Condition

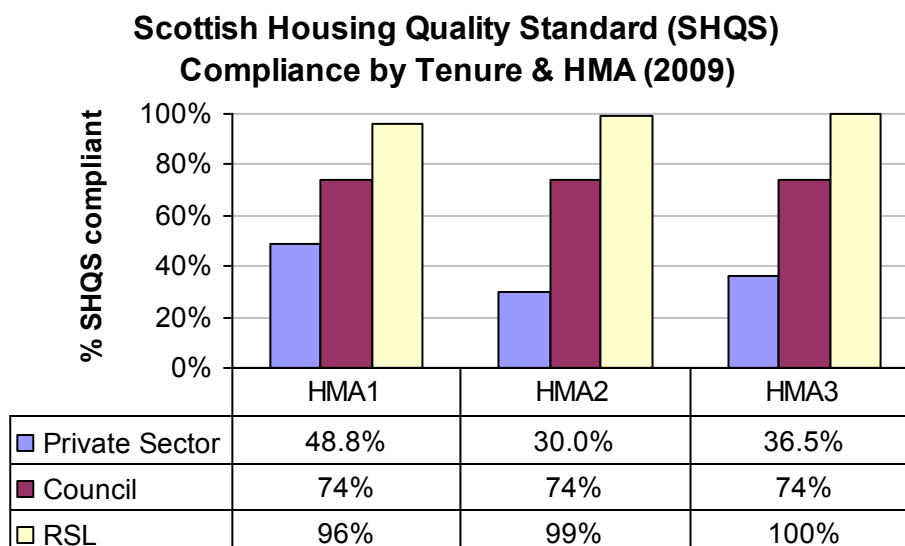
#### 3.14.1 Compliance with SHQS

The Council has been investing heavily in its own stock over the past five years, and has achieved an SHQS compliance rate of 74% of all stock. This has improved year on year, as only 56% of Council stock achieved the standard in 2004/05. The Council has a committed future capital programme, which is aiming to meet 100% SHQS by 2015.

The main RSLs in the area, Paragon Housing Association and Ochil View report 100% compliance of their housing stock.

Private sector stock is at a consistently lower standard. The Private Sector Stock House Condition Survey 2004, suggested that only 31% of stock was compliant. The recent 2009 private sector stock condition survey revealed that currently, 43% of the private sector stock is SHQS compliant.

Graph 44 - SHQS compliance by tenure & area



Source: Private Sector House Condition Survey 2009 & Locally held data from Council and RSL's.

The private sector stock is, overall in the poorest condition, with around 43% on average SHQS compliant. The RSL stock is in the best condition with around 99% compliance.

## 4.0 Summary Information

### 4.1 Housing Profile

#### 4.1.1 The Overall Housing Stock

There are around 23,434 dwellings in Clackmannanshire. The profile of the stock is as follows:

- 15,360 (66%) Owner Occupied;
- 1,217 (5%) Private Rented;
- 1,821 (8%) RSL;
- 5,036 (21%) Council;
- 65% of the dwellings are in the Alloa area, 28% in the Hillfoots and 7% are in Dollar;
- 61% of the dwellings are owner occupied in Alloa, 71% in the Hillfoots and rising to 87% in Dollar;
- Private rented properties account for only 5% of stock over each of the housing market areas and Clackmannanshire as a whole;
- Clackmannanshire Council currently owns 5,036 properties, with 72% situated in the Alloa area, 26% in the Hillfoots and only 2% in Dollar;

- There are 1,821 RSL properties, with 83% of these in the Alloa area, 16% in the Hillfoots and only 1% in Dollar;
- Affordable housing (Council and RSL stock) makes up around 29% of all stock in Clackmannanshire. However, affordable houses account for 33% of dwellings in Alloa, 24% in the Hillfoots and 8% of dwellings in Dollar, and;
- There is an overall estimated occupancy rate of around 96.5%, translating to around 850 empty homes<sup>37</sup>.

#### 4.1.2 Owner Occupied Stock

- 17% of owner occupied properties are flats and 83% are houses;
- Around 6% of owner occupied properties have one bedroom, 31% have two bedrooms, 35% three bedrooms and the remaining 28% are four bedrooms or larger;
- The private sector house condition survey 2009<sup>38</sup> stated that 6.5% of private sector housing was Below Tolerable Standard (BTS), and that 57.9% failed the SHQS;
- Owner occupation dominates the Clackmannanshire housing system, with two thirds, or 66% of all households being owner occupiers, and;
- The Scottish Household Survey suggests that around 39% of owner occupiers are over 60, while only 11% are under the age of 35;

#### 4.1.3 Market Activity

- House prices are highest in the Dollar HMA, with average prices in 2009 being £275K, compared to a Clackmannanshire average of £138,500. There is also a large proportion of larger houses in the Dollar area, which means less choice in the market;
- As Clackmannanshire is a sub market of Stirling, there is evidence of inward migration from Stirling to Clackmannanshire (especially new build) for lower priced housing;
- There has been strong price growth across all of Clackmannanshire over the 5 year period prior to the 2008 market downturn. Average house prices rose by 83% between 2003 and 2007 from £79,400 to £145,272. House prices have been dropping by around 2% annually to £142,272 in 2008 and to £138,452 in 2009;
- The numbers of housing being sold on the open market has dropped since 2007, and;

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<sup>37</sup> Council Tax Records.

<sup>38</sup> *Clackmannanshire Council Private Sector House Condition Survey 2009*, David Adamson & Partners Ltd, May 2010.

- First time buyers are being excluded from the market, as lenders require a minimum of 25% deposit.

#### 4.1.4 Private Rented Sector

- There are around 5% or 1200 private rented properties available in Clackmannanshire;
- The Scottish Household Survey suggests that around 44% of 16-24 year olds are renting privately, this is compared to only 32% renting from a local authority or RSL. Over 75's account for only 3% of the private rented sector, and;
- The 2009 private sector stock condition survey found that 5% of the private rented sector properties were below tolerable standard. 67% are not SHQS compliant.

#### 4.1.5 Social Rented Sector

- There were 6,857 affordable houses in Clackmannanshire at January 2009. 74% local authority stock, 26% housing association stock. Overall, the sector accounts for 29% of the total stock of the area;
- The affordable housing stock is concentrated in the Alloa area. Overall, the Alloa housing market area contains 75% (5,130) of all affordable housing in Clackmannanshire;
- Demand for local authority stock remains high. At September 2010, there were 1,900 households on the Council waiting list, and;
- Demand for council housing far exceeds supply: There is particular pressure on small, 1 bedroom properties and for larger 4 bedroom properties.

## 4.2 Economic Profile

### The Local Economy

Clackmannanshire has some significant differences across the area in terms of economic prosperity. There are several communities, such as Alloa South and East, Hawkhill, part of Clackmannan, Sauchie and Newmills that experience significant levels of deprivation across a number of indicators.

Some key features of the local economy include:

- The average household income of households in Clackmannanshire was estimated at £32,472 per annum in 2008 (compared with £33,220 for Scotland). At housing market area level, the average household income for Alloa is just below the Scottish average, at £31,532, while the Dollar average household income was £41,391;

- Unemployment rates in Clackmannanshire in 2010 have been on average around 5.5%. This is compared to 4.6% across Forth Valley and 4.5% for Scotland<sup>39</sup>, and;
- The area with the highest rate of unemployment in Clackmannanshire is Alloa Mar, with an average rate of 11.5% unemployed, compared to only 1.8% unemployment in Dollar.

### **4.3 Demographic Profile**

#### **4.3.1 Population and Households**

- There are currently 22,620 households in Clackmannanshire with an average household size of 2.18. This is projected to drop to only 1.91 by 2031<sup>40</sup>;
- The 2008 based population projections predict an annual growth rate of around 1%, which is higher than the national predicted growth of 0.3%;
- By 2031, the age structure of Clackmannanshire will age. The percentage of over 75s will grow from 11% of the population to 19%, and;
- 3.6% of the population of Clackmannanshire are from minority ethnic backgrounds. Around 70% of these households are owner occupiers, which is above the average rate.

### **4.4 Changes Over Time**

#### **4.4.1 Properties**

- The overall number of properties in Clackmannanshire has risen by 2,916 or 14% between 1991 and 2009, from 18,857 to 22,262;
- The 1991 census reported 45% owner occupation, 50% social rented and 5% private rented;
- The 2001 census reported that, there were just over 20,500 properties in Clackmannanshire. Around 58% were owner occupied, 6% rented from RSLs, 31% rented from the Council and less than 5% privately rented.
- According to the Council's own housing database records, by 2009, the number of properties in Clackmannanshire had risen to 23,434. (The latest GRO, 2008 based estimate of dwellings, quotes 23,374). The owner occupied sector has grown to 66% in 2009, while renting from the Council or an RSL has fallen by 8% to only 29% of all households. The size of the private rented sector has remained static at 5%.

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<sup>39</sup> Research & Information, Monthly Unemployment Claimant Count Trends, May 2010.

<sup>40</sup> Household Projections for Scotland, 2008 based, (C) Crown copyright. Data supplied by General Register Office for Scotland.

## 4.4.2 Population

- The population in Clackmannanshire was in decline from 1995 until 2003, when it was around 47,680, with around 62% of people living in the Alloa HMA, 30% in the Hillfoots and 8% in Dollar. The population has grown from then by almost 6% to 50,480 in 2008.<sup>41</sup>
- There are currently 22,620 households in Clackmannanshire with an average household size of 2.18. This is projected to drop to only 1.91 by 2031.<sup>42</sup>
- The profile of the population is expected to change over the next 25 years. The number of people aged 30-59 is projected to decline, while the number of people aged 60 and over is expected to increase substantially, and will account for 42% of the population by 2031.

## 5.0 **Key Drivers in the Clackmannanshire Housing Market**

### 5.1 Introduction

The study has so far identified the main characteristics and key drivers of the housing market in Clackmannanshire.

The main characteristics of the economic and demographic profile of the area are the main drivers of how the housing market operates i.e. the level of local incomes, economic prospects and how the population is predicted to grow, all determine the number, type, size and tenure of new housing requirements.

In 2005, Newhaven Research Limited reported, "*over the next 5 to 10 years, overall demand [in Clackmannanshire] will continue to shift in favour of owner occupation unless underlying housing market and labour market conditions change dramatically.*"<sup>43</sup>

The Clackmannanshire housing market has indeed undergone a dramatic shift since 2005, seeing a large increase in private house building and average house prices. This has meant a shift in affordability, as incomes have not increased in line with house prices. The result of this has been a marked increase in the need for affordable housing.

The beginning of the "credit crunch" in 2008, led to a lack of available borrowing and shifting of the underlying housing market conditions. Households who were previously able to access 100% mortgages were required to have substantial deposits, or were denied access to mortgage products entirely. The cut back in credit has also eased economic spending, leading to business failures and a rise in unemployment.

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<sup>41</sup> Population Projections for Scotland, 2008 based, (C) Crown copyright. Data supplied by General Register Office for Scotland.

<sup>42</sup> Population Projections for Scotland, 2008 based, (C) Crown copyright. Data supplied by General Register Office for Scotland.

<sup>43</sup> Clackmannanshire Council, Housing System Balance Issues Paper: Final Draft, Newhaven Research Limited, 2005.

This shift in the underlying drivers of the housing market has affected the way the housing market currently operates. A main theme is an increase in demand for tenures other than owner occupation, such as social or private renting.

Added to this, the population projection estimates have dramatically increased in Clackmannanshire, with the current population being almost 52,000<sup>44</sup>, compared to 46,600 as projected in the 2004 based GROS projections.

## 5.2 Defining Housing Need and Demand

The housing system describes the ways in which housing **need** and **demand** works together and is affected by the underlying economic conditions and affordability of housing across all tenures.

The definition of housing **need** is as follows:

*'households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some assistance.'*

Housing **demand**, as referred to in this context, is the demand for open market housing. Market housing is housing where a household pays the full market price without subsidy. It includes lower priced private housing built for the first time buyers market, without any form of public subsidy.

## 5.3 Households and Population

The GROS 2008 population projections point to a growing population in Clackmannanshire of around 1% each year to 2033. This equates to 400-500 extra people each year, amounting to around 300 new households. Larger households will reduce, while single, older person households<sup>45</sup> will increase by around 80% from 3,050 in 2010, to 5,490 in 2033.

The current housing supply in Clackmannanshire does not match the household profile, in terms of the size of properties compared to the size of households. Adding to this, it has been evidenced that households will reduce in size, and that requirements in the future will increasingly be for smaller properties of all tenures.

The figures show that real population growth has been achieved, and that recent growth over the past few years has been driven by in-migration. The future levels of growth, predicted by GROS, could be adversely affected by the current reduction in new build housing and resulting dip in supply.

However, the Council's current Structure and Local Plan promote a vision of growth in Clackmannanshire. This has been based on the new and improved rail and road links, new schools, increased house building, Alloa town centre upgrade and provision of strategic employment land.

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<sup>44</sup> GROS, (2008-33).

<sup>45</sup> Single households over the age of 65. GROS 2008 based household estimates.



It is unclear at the present time if the Council will achieve their strategic vision of sustaining population growth at its recent level, certainly in the short to medium term, but the 2008 projections were considered by partners to be the preferred option.

#### **5.4 Economic Prospects**

The current national economic downturn makes it difficult to predict the future general economic prospects for the area. Unemployment in Clackmannanshire is at a ten year high of 5%, which is 1% higher than the rest of Forth Valley and Scotland.

If unemployment levels remain high, new house building rates remain low and access to finance remain difficult, we would expect extra pressure on the social rented sector and the lower end of the owner occupied and private rented sectors. In the longer term, once there is an improvement in the economy, smaller, more affordable properties may encourage households to enter into owner occupation, or to downsize to more manageable properties as households head towards retirement age.

Overall, these key characteristics have a distinct influence on how the housing market is currently operating, and how it may operate in the future. The factors and conditions described have been carefully considered when making decisions on the assumptions made in the modelling process, described in section 6.

#### **6.0 Estimating Housing Need and Demand - Summary Information**

This section of the assessment brings together evidence from the key data gathered earlier in the study. The estimated number of affordable and market housing required in the area over the next 10 years has been calculated. In order to estimate this accurately, a detailed Clackmannanshire model has been developed.

In order to give an overview of the rationale behind the modelling process and to present the main findings, this is a summary of the more detailed information presented in section 7.

In order to test the model, we have set out various scenario assumptions, based on predicting different assumptions of future growth. We have devised 3 potential growth patterns, based on differing levels of future income, house price inflation and rent inflation. This has enabled us to see clearly how changes in the underlying housing drivers could affect future housing requirements. It will give us the ability to review and adjust the assessment on a regular basis.

This section is designed to be read-alone to give a broad explanation of the process, findings, inputs and assumptions used during the assessment. It can however, also be read in conjunction with the full assessment detail set out in section 7.

## 6.1 Key Findings

Key Findings based on **low growth** prediction:

- The emerging housing need in Clackmannanshire over the next ten years is for 4,546 affordable properties and 1,178 owner occupied properties.
- The vast majority (75%) of affordable housing needs to be social rented. The remaining 25% will require to be either shared equity or mid market rent.
- Need for affordable housing exists in all of the Housing Market Areas (HMAs.)
- Newly forming households are least able to afford to buy or rent. Overall, more than 70% of younger households have insufficient income to secure unsubsidised housing.
- 50% of in-migrant households are currently unable to afford an average priced property in Clackmannanshire. This will rise to 57% by 2012 and to 67% by 2018.
- Affordability in Alloa HMA and the Hillfoots HMA is of a very similar profile to that of Clackmannanshire overall.
- Figures show that Dollar is the most affordable for newly forming households but, due to increased income levels, only for new households already residing in the area. This should, however, be treated with caution due to the limited number of small properties available in Dollar HMA.
- Overall, Dollar has the most acute affordable housing problem. The housing profile of the area is out of character with the rest of Clackmannanshire, with a disproportionate number of large properties.
- Over the next ten years, the most social housing is required in Alloa HMA (2,601) followed by Hillfoots HMA (1,544) and then Dollar (166).
- Compared to the current household profile of each HMA, there is no apparent disproportionate amount of need in any one area. However, the Dollar HMA is the least accessible to movers from the rest of Clackmannanshire.
- There is a particular need for small (1 or 2 bedroom) properties in the private sector.
- There is a particular need for larger housing in the social rented sector, which rarely becomes available for re-letting and has been a significant subject of right to buy over many years.

## 6.2 Housing Need and Demand: The Clackmannanshire Modelling Process

In order to identify the housing need and demand over the next 10 years, we have developed a model of housing need. The model is based on the approach set out in the *Local Housing Needs Assessment: A Guide to Good Practice*, published by the Office of the Deputy Prime Minister (ODPM) in 2004 and contains all the elements recommended in the HNDA guidance.

**GROS Household projections provide a broad estimate of the expected change in the number of households in Clackmannanshire, and are the starting point to estimate the number of new houses that will be required. However, this does not provide any indication of how much affordable housing will be required within this. In addition, the number of households who currently require a house (backlog) is not considered.**

In order to come to an estimate of both affordable *and* market housing, additional input data is required: -

- Analysis of current housing waiting lists, and actual housing turnover, has enabled us to determine the location of current need and supply.
- Estimates of current and future affordability based on income and house prices help determine what the future need and demand will be.
- Analysis of the existing household profile against the existing housing stock profile enables an estimate of the types of housing required.

The model contains all the elements recommended in the HNDA guidance. The basic calculation used to estimate housing need consists of:

Estimate of current need - converted to backlog need.  
**Plus**  
Newly forming households falling into need (from GROS projections)  
**Plus**  
Existing households falling into need  
**Equals**  
Total annual housing need  
**Minus**  
Total available annual supply of affordable housing  
**Equals**  
Net annual housing need

## 6.3 Key Inputs: The Clackmannanshire Model

The Clackmannanshire model has been developed to explore housing need at Housing Market Area level (methodology in section 1.) The base year for data is 2010. The input data is sourced through either official or local data sources. Where assumptions are made, these will be set out explicitly in 6.4.

The steps and data used in the model for each HMA are:

- Estimate the current housing need: the number of households on a waiting list for social housing. Exclude transfer applicants and applicants with no housing need points.

- Convert the existing housing need into a backlog flow i.e. house all current households in need over a ten-year period.
- Estimate the number of additional households annually (GROS 2008.)
- Compare incomes and house prices to estimate the percentage additional households who cannot afford to buy or rent (official house price and income data sources: Sasines, CACI)
- Estimate the number of existing households annually whose current house will become unsuitable and will require affordable housing.
- Profile the existing affordable stock, from Clackmannanshire stock database.
- Estimate future RTB sales and demolitions.
- Estimate the number of re-lets available, from local data on available affordable lets, average of past three years information.
- Estimate the new affordable housing supply, as per Strategic Housing Investment Plan 2010-2015.
- The net demand is the overall need minus the supply.

#### **6.4 Key Assumptions: The Clackmannanshire Model**

The assumptions made at each stage of the model have been discussed and agreed by a steering group consisting of council officers and external stakeholders. A summary of the **key**, although not exhaustive, assumptions are set out below. A more detailed breakdown of can be found in section 7.

- After discussion with partners, the model uses the 2008 based GROS household projections. The rationale behind this is to remain in line with Clackmannanshire Council's growth strategy and vision to maintain the current level of household growth.
- From analysis of migration patterns derived from Sasines (house price) data, it was calculated that around 44% of additional households are in-migrant households.
- It was concluded that the remaining 56% of additional households would be newly forming households.
- In-migrant households are profiled from Sasines data as buying average priced properties and having an average income.
- Newly forming households will be younger, smaller households earning lower quartile incomes.
- It was decided to reflect current lending practises by assessing need based on a 75% loan to value mortgage measure.
- Responsible lending practises are reflected in our agreed lending multiplier of 2.9 for all households.
- The above mortgage and lending multiplier assumptions were applied to average and lower quartile incomes to assess ability to afford to buy for the two household types.
- Renting affordability is set at 25% of gross weekly income and this assumption is applied to weekly rental rates to assess ability to afford private renting for the two household types.
- Right to buy sales are assumed to decrease over time. Sales have declined dramatically over the past 3 years and, due to new legislation, are not expected to recover to pre 2008 levels.

- Analysis of local waiting lists shows 479 new applicants (newly arising need) joined a waiting list in 2009/10. This shows housing need increasing by 32%. It has been assumed that newly arising need will continue at this rate for at least the next 10 years.

## **6.5 Scenario Modelling**

In order to try to predict the housing requirement over the next 10 years in Clackmannanshire, 3 scenarios have been tested which work on low, high and medium growth projections. A summary of these scenarios is shown below. It was agreed among partners to keep the annual growth of new households constant at 2008 GROS estimates. The Council has actively pursued a strategy of growth over the past few years, which has been achieved through upgrades in infrastructure and attracting new business into the area. It is the aim of the Council to maintain the level of future household growth at this rate.

### **6.5.1 Income Assumptions**

The Office of National Statistics (ONS) has shown average income inflation over the last 5 years has been 4% pa.

Taking 4% as the average (medium growth), it is considered reasonable to represent lower income inflation (low growth) as 2%, and higher income inflation as 6% (high growth.)

### **6.5.2 House Price Inflation Assumptions**

According to Sasines data, over the past 5 years house prices have increased in Clackmannanshire by around 10% per annum.

Taking 10% as the average (medium growth), it is considered reasonable to represent lower house price inflation (low growth) as 5%, and higher house price inflation as 15% (high growth.)

### **6.5.3 Private Rental Inflation Assumptions**

As rental rates are closely linked to property prices, the same assumption has been used to calculate likely inflation rates i.e. low growth (5%), medium growth (10%) etc.

### **6.5.4 Scenarios and Impact**

- Low Growth - Average 370 new households annually (2008 GROS),  
2% increase in income,  
5% increase in house prices,  
5% increase in rent rates.
- Medium Growth - Average 370 new households annually (2008 GROS),  
4% increase in income,  
10% increase in house prices,  
10% increase in rent rates.

- High Growth - Average 370 new households annually (2008 GROS), 6% increase in income, 15% increase in house prices, 15% increase in rent rates.

The impact on the requirement for affordable housing from these scenarios is calculated over the 10 year period at:

### Low Growth

- Over the 10-year period, the average proportion of new households unable to buy is 68% in Alloa HMA, 68% in Hillfoots HMA and 67% in Dollar HMA. The average numbers of affordable properties required annually would be 278 in Alloa HMA, 161 in Hillfoots HMA and 17 in Dollar.

### Medium Growth

- Over the 10-year period, the average proportion of new households unable to buy is 78% in Alloa HMA, 76% in Hillfoots HMA and 69% in Dollar HMA. The numbers of affordable properties required annually would be 308 in Alloa HMA, 172 in Hillfoots HMA and 17 in Dollar.

### High Growth

- Over the 10-year period, the average proportion of new households unable to buy is 81% in Alloa HMA, 81% in Hillfoots HMA and 78% in Dollar HMA. The numbers of affordable properties required annually would be 331 in Alloa HMA, 181 in Hillfoots HMA and 20 in Dollar.

This information is summarised below: -

Table 60: Summary of Requirement for Affordable Housing

		Scenario		
		Low Growth	Medium Growth	High Growth
Average new households unable to buy (Annually)	Alloa HMA	68%	78%	81%
	Hillfoots HMA	68%	76%	81%
	Dollar HMA	67%	69%	78%
Average number affordable properties required annually	Alloa HMA	278	308	331
	Hillfoots HMA	161	172	181
	Dollar HMA	17	17	20
	<b>Total*</b>	<b>455</b>	<b>497</b>	<b>531</b>

Long term prospects for the economy do not suggest that a major upturn or downturn is probable and that continued low growth will be the pattern over the next few years at least, during the recovery period.

\*The Total for Medium & High Growth differs from the total reached when adding each of the HMAs individually because of rounding.

Recent reports from the financial sector predict that lending criteria will not improve, and indeed may be further tightened especially for first time buyers. This will keep house price inflation low in the short term.

## 7.0 Estimating Housing Need and Demand – Full Workings

The summary findings and rationale behind the Clackmannanshire Housing Need and Demand model have been summarised in section 6.0. This section will set out the detailed calculations that led to the main outputs of the study.

Some elements are repeated over both sections, but this is necessary to allow section 6 to be a stand alone chapter.

The model of housing need and demand developed by the Council contains all of the elements recommended in the HNDA guidance.

All assumptions discussed in sections 6 and 7 have been discussed and agreed by a steering group consisting of Council officers and external stakeholders.

### 7.1 Methodology

The Scottish Government suggest calculating housing need in the following way:

- Estimate of current need - converted to backlog need.
- Plus**
- Newly forming households falling into need
- Plus**
- Existing households falling into need
- Equals**
- Total annual housing need
- Minus**
- Total available annual supply of affordable housing
- Equals**
- Net annual housing need

The data used as input to the Clackmannanshire model has been sourced through recognised local and national datasets. The information has been triangulated where necessary, to ensure local information is accurate and not skewed in any way. Please see appendix 3 for a table which outlines the components of the need calculation which were triangulated.

Some assumptions were also made when forming the need calculations. We will set out these assumptions explicitly when going through the modelling process, and have sought agreement from partners that these are clear and accurate.

#### 7.1.1 Main Components

The main components required in order to calculate housing need are:

- i) Current Housing Need;
- ii) Newly Forming Households in Need, and;
- iii) Total Available Annual Supply of Affordable Housing.

Tables 60 to 62 detail how each of the components is calculated.

i) Current Housing Need

The current need is calculated from the number of households currently on waiting lists for affordable housing (Council and RSL). The count excludes applicants with no housing need points and transfer requests in need are discounted, to show the **net** housing need figures. A further calculation is applied to eliminate double counting of households on more than one waiting list.

Owner occupiers with a housing requirement are assumed to be able to afford to live in their current property and be able to resolve their housing issue in the market or in-situ, using equity from their property. Any owner occupiers who may be unable to find their own housing solution are assumed to have already applied for social housing and will be counted on the social housing register.

Table 61: Calculating Current Housing Need

Current Housing Need = $x - (y + z)$	Households in need	x
	Number resolved in the market	y
	Number resolved in-situ	z

Source: Housing Need and Demand Assessment Guidance, Scottish Government, March 2008.

The current housing need is converted into backlog need, and is divided by the number of years over which it is assumed that this need can be eliminated. The time period recommended is 10 years.

ii) Newly Forming Households in Need

The annual scale of newly arising need is calculated by the method summarised in Table 62 below. The 2008 based GROS figures have been applied as new household formation. The detailed calculations carried out to estimate the percentage of new households unable to afford to buy or rent in the market, and existing households falling into need, are set out on pages 79 - 82.

Table 62: Calculating Newly Arising Housing Need

Newly Arising Housing Need = $(a \times b) + c$	New household formation (GROS)	a
	Percentage of new households unable to afford to buy or rent in the market.	b
	Existing households falling into need (number of new applicants annually)	c

Source: Housing Need and Demand Assessment Guidance, Scottish Government, March 2008.

iii) Total Available Annual Supply of Affordable Housing

In order to ascertain the shortfall in affordable housing, the annual existing available stock is estimated, based on the past 3 years average available turnover. New supply is estimated from the Strategic Housing Investment Plan (SHIP) figures. Planned demolitions and sold stock are deducted.



Table 63: Calculating Stock Available to Meet Housing Need

Total affordable housing stock available annually to meet Housing Need = (d + e) - f	Affordable housing that becomes available for occupation annually (non -transfer lets)	d
	Planned supply of new affordable housing	e
	Units to be taken out of management (demolitions/ transfers/sold)	f

Source: Housing Need and Demand Assessment Guidance, Scottish Government, March 2008.

## 7.2 Current Housing Need

Table 64 shows the total number of households **currently** in housing need, broken down by HMA and by the various categories of need.

The figures also show households in need in the private sector. However, the guidance states that it is reasonable to expect households in current owner occupation or private renting to meet their own housing need. These households are therefore shown as having a requirement, but one that can be met either through the open market or in situ (it is assumed that, should these households fall into a housing need, they will apply for affordable housing and will therefore be counted as either current need or newly forming need).

Analysis of the Council's waiting list showed that 85% of all applicants requested to live within their current housing market area as a first choice. This would suggest that the vast majority of those in housing need could satisfy their housing situation within their current HMA. This figure may be higher in reality, as applicants usually specify more than one choice of location.

It has not been possible to break down the housing need of RSL applicants so a separate category has been made. The assumption made in terms of housing market areas, has been to apply a percentage split based on the Council waiting list split. The table has not been broken down into categories of need as it was not possible to do so. The overall level of housing need from both the Council and RSL waiting lists, and the proportionate split, is shown below. This is then broken down to categories in table 63. The table also includes housing requirements from the private sector (both owner occupation and private renting) although these households are not counted when calculating the overall current housing need figures. The main information used to complete the table below is:

- In 2010<sup>46</sup>, 1,123 net households have a housing requirement with an RSL in Clackmannanshire;
- A snapshot of the Council's waiting list in September 2010 showed 914 households in a net housing need (non-transfer applicants with housing points);
- The housing need from the Council waiting list is split as follows, 65% Alloa HMA, 34% Hillfoots HMA and <1% in Dollar.
- There is <1% error rate in the totals due to rounding.

A detailed breakdown of how the categories of need were calculated is shown in section 7.2.2. This includes any assumptions that have been made.

<sup>46</sup> Waiting list figures correct at February and June 2010, see 7.2.1

Table 64: Current households in housing need (gross of ability to resolve in market)

	HMA 1 – Alloa		HMA 2 – Hillfoots		HMA 3 - Dollar		Unknown <sup>47</sup>	Total
	Council /RSL	Private Sector	Council /RSL	Private Sector	Council /RSL	Private Sector		
Homeless	153	N/A	54	N/A	1	N/A	38	246
Concealed Households	365	Unknown	115	Unknown	5	Unknown	43	528
Overcrowded Households	34	213	19	112	0	36	12	426
Support Needs	51		14		0		2,065 <sup>48</sup> 7	2,137
Poor Quality Housing	0	211	1	849 <sup>49</sup>	0	15	2	1,078
Harassment	0	0	0	0	0	0	0	0
<b>Total Council</b>	<b>603</b>		<b>203</b>		<b>6</b>		<b>102</b>	<b>914</b>
<b>Total RSL</b>	<b>730</b>		<b>382</b>		<b>11</b>			<b>1,123</b>
<b>Total Private</b>		<b>424</b>		<b>961</b>		<b>51</b>	<b>2,065</b>	<b>3,501</b>
<b>Minus in-situ</b>		<b>-424</b>		<b>-961</b>		<b>-51</b>	<b>-2,065</b>	<b>-3,501</b>
	<b>1,333</b>	<b>0</b>	<b>585</b>		<b>17</b>		<b>102</b>	<b>2,037</b>
<b>Total Households in need</b>	<b>1,333</b>		<b>585</b>		<b>17</b>		<b>102</b>	<b>2,037</b>
<b>Total Household Number</b>	<b>15,263</b>		<b>6,593</b>		<b>1,578</b>			<b>23,434</b>
<b>% of Households in Housing Need</b>	<b>8.7%</b>		<b>8.9%</b>		<b>1%</b>			

<sup>47</sup>Households with an unknown preference are due to either an out of the area application, or being no fixed abode.

<sup>48</sup> Clackmannanshire Council Private Sector House Condition Survey 2009.

<sup>49</sup> There are a very high proportion of pre 1919 properties in the Hillfoots, which makes the housing stock susceptible to BTS.

There are 2,037 households in net need, who are on a housing waiting list, with an identified housing need.

This housing need will be addressed over a 10-year period, giving around 200 households to be housed each year. This is broken down by HMA below:

Table 65: Backlog Housing Need

	HMA 1 – Alloa	HMA 2 – Hillfoots	HMA 3 - Dollar	Unknown*****	Total
<b>Total H'hold in Need</b>	<b>1,333</b>	<b>585</b>	<b>17</b>	<b>102</b>	<b>2,037</b>
<b>Current Need to be addressed annually</b>	130	58	2	10	200

The unknown were then split proportionally amongst the other HMA's based on their proportion of overall need. This meant the total annual current housing need is:

- HMA1 Alloa - 137
- HMA2 Hillfoots - 61
- HMA3 Dollar - 2

7.2.1 Current Housing Need - Detailed Calculations

Table 66 below shows waiting list information for the Council and main RSLs for Paragon and Ochil View Housing Associations.

Transfer tenants on the Council's waiting list, and those who have not been awarded any housing points, have been removed from the final figures in order to get the number of applicants who have a **net** housing need.

Although many transfer applicants have an indentified housing need (e.g. overcrowded) there is no additional housing requirement as they have a tenancy to free up.

Applicants in band 4 have been discounted from having a new housing need, firstly as the majority are in owner occupation, private rented or tied accommodation and again will have a house to free up when moving. Additionally, many of these applicants will be in a position to resolve their housing requirements in the open market.

Categories of need for applicants on the Council's waiting list are not exactly matched to the categories required for this study, and a certain number of assumptions are required. The assumptions made when placing Council applicants in appropriate categories are detailed under each of the headings below.

Although we have information on the total number of RSL applicants, we have no detailed breakdown of their housing requirements and have no current information on the numbers of applicants who may be on multiple lists. Newhaven Research Ltd

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\*\*\*\*\* Households with an unknown preference are due to either an out of the area application, or being no fixed abode.

conducted research on this in 2005, which the Council updated in 2009, and we have therefore applied the same methodology and assumptions as made previously when making our calculations.

When Newhaven Research Ltd carried out a housing needs assessment in 2005, they found the following:

- 90% of the RSL waiting lists were, on average, non-transfer applicants;
- 68% of all RSL applicants had not applied to the Council, and;
- 6% of RSL applicants were on all lists.

In June 2009, the Council updated this information and found that 92% of Ochil View applicants and 89% of Paragon Housing Association applicants were non-transfer. The rate of 90% non-transfer applicants for all RSLs remains the assumption used.

As at June 2010, there were a total of 1,953 RSL applicants. In order to calculate the net housing need of non-transfer applicants, and to adjust for double counting, the following adjustments and calculations have been made:

$$\begin{array}{rcl}
 1,953 \times 90\% & & 1,758 \text{ Number non transfer applicants} \\
 1,758 \times 68\% & & 1,195 \text{ Number adjusted for applicants who applied to RSL} \\
 & & \text{only} \\
 1,195 \times 6\% & & - \underline{72} \text{ Number of applicants who are on more than 1 RSL} \\
 & & \text{list} \\
 & = & \underline{\underline{1,123}}
 \end{array}$$

The table below shows the calculations applied broken down by each RSL. There is information on four out of the eleven RSLs currently operating in Clackmannanshire. The remaining RSLs collectively have a small percentage of stock, but it is still worth noting that there may be an element of under counting for RSL applicants.

Table 66: Total waiting list applicants in Clackmannanshire

	<b>Snapshot Date</b>	<b>Gross (Transfer included)</b>	<b>Net RSL Housing Need</b>	<b>Total Net Housing Need</b>
<b>Council</b>	Sept 2010	1,900		914
<b>Ochil View (Homehunt)</b>	June 2010	1,672	960	960
<b>Paragon Housing Association</b>	June 2010	120	69	69
<b>Trust</b>	Feb 2010	106	63	63
<b>Hanover</b>	Feb 2010	55	31	31
<b>Total</b>		<b>3,141</b>	<b>1,123</b>	<b>2,037</b>

At the time the information was made available for this assessment in 2010, there was a total estimated 2,037 households in net housing need, 914 on the Council's waiting list and 1,123 on RSLs' waiting lists.

The number of applicants on Ochil View Housing Association's waiting list has increased dramatically since the operation of "Homehunt" from a total of 827 in June 2008 to 1,672 in June 2010.

## 7.2.2 Calculation of the Different Groups in Current Housing Need

In order to examine the key characteristics of unmet need, the guidance requires that the total households in current housing need as identified above is available broken down into key priority groups. These groups are:

- Homeless Households and those in Temporary Accommodation;
- Concealed Households;
- Overcrowding;
- Support Needs;
- Poor Quality, and;
- Harassment.

It is worth noting that the way that the waiting list is categorised differs from the key groups above. We have therefore had to match the categories of need from the Council waiting list into the most appropriate key priority group. The assumptions made in order to do this are detailed below.

### 7.2.2.1 Homeless Households

The homeless figures are derived from the households **assessed** as homeless and on the Council waiting list as September 2010. The total homeless figures include households in priority and non-priority need.

### 7.2.2.2 Concealed Households

Concealed households are defined as "*households containing unrelated adults sharing amenities.*"

Concealed households on waiting list are those classified as insecure, this will include "Living with Friends", "living with partner", "sub-tenants" and "tied accommodation." It also includes "living with parents", and although they are related adults, this is the closest fit with the defined categories.

### 7.2.2.3 Overcrowded Households

The Clackmannanshire Council Private Sector House Condition Survey, 2009 defines overcrowding in the private sector as a household having "*insufficient bedrooms to meet their family needs*" and estimates that 361 households in the private sector are overcrowded.

Overcrowding in the social sector is calculated net of households already in the social rented sector.



### 7.3.1 New Households

An estimate of the number of households that are likely to arise in the future will inform decisions about the amount of additional housing required. The household formation rates for each scenario are based on GROS estimates 2008. These predict a 41% increase in Clackmannanshire's household numbers between 2008-33. These predictions are higher than previous years, and are based on the recent increase in population driven by large amounts of new house building, in-migration and smaller household sizes in the future.

The HNDA partnership group agreed to keep the household formation constant at this level, as the growth strategy currently adopted in Clackmannanshire supports this level of household formation.

### 7.3.2 Percentage of New Households able to Buy or Rent on the Open Market

In order to calculate the newly forming households who could afford to buy or rent on the open market, we have estimated what proportion will be made up of newly forming households and who will be in-migrant households.

Analysis of Sasines data 2003 - 2008 showed that the average percentage of inward migration was 42% in Alloa HMA, 46% in the Hillfoots HMA and 53% in Dollar HMA. This is the basis on which the split between newly forming households and in-migrant households has been made. Of the newly forming households annually we assume that:

Table 67: Split of new household types

HMA	% Inward Migrant Households	% Newly forming Households
Alloa	42	58
Hillfoots	46	54
Dollar	53	47

The ability of these new households to buy or rent on the open market will vary depending on if they are new households (newly forming under 35) or if they are households moving into the area. In order to calculate the % able to buy or rent, the model makes the following assumptions:

- Newly forming households are either single or couples, younger households and will earn lower quartile incomes, and;
- Inward migrant households are larger more established households with earnings in the average range of incomes.

### 7.3.3 Newly Forming Households

#### 7.3.3.1 Cost of Buying

Newly forming households are assumed to earn a lower quartile income, (£16,950pa or £326 weekly for Clackmannanshire), and a 1 or 2 adult size household first time buyer, so the entry level property type matching this household profile is 3 apartment flat costing around per £80 week. The affordability threshold is based on a lending

multiplier of house price to gross income as 2.9. The table below demonstrates the current (baseline) affordability at this level of income to buy a small, entry level flat.

The housing need and demand model applies affordability measures across the lower quartile income distribution to calculate the percentage of these households who are unable to buy.

Table 68: - Affordability at Lower end of market 1 and 2 bedroom flats

	Lower Quartile Income	Lower Quartile 2 Apt Flat Price	75 % Mortgage	Lower Quartile Income to Mortgage	Lower Quartile 3 Apt Flat Price	75% Mortgage	Lower Quartile Income to mortgage
<b>HMA 1 Alloa</b>	£16,350	£58,250	£43,688	2.7	£74,125	£55,594	3.4
<b>HMA2 Hillfoots</b>	£17,450	£62,000	£46,500	2.7	£78,000	£58,500	3.4
<b>HMA 3 Dollar</b>	£22,100	£87,000	£65,250	3.0	£134,749	£101,062	4.6
<b>Clack's</b>	£16,950	£61,995	£46,496	2.7	£75,500	£56,625	3.3

Source: Register of Sasines (2008) & CACI Paycheck 2008

### 7.3.3.2 Cost of Private Renting

The lower quartile income of newly forming households translates to a weekly gross income of £326. The guidance states that renting is affordable if it is no more than 25% of the gross weekly household income. The cost of renting a 3 apartment houses or flat is £84 per week, and as is shown below, is within the affordability threshold. The housing need and demand model applies affordability measures across the lower quartile income distribution to calculate the percentage of these households who are unable to rent privately.

Table 69: Rental Cost of Properties as a proportion of Lower Quartile Gross Income (Weekly) 2010

	Private Rented – Alloa HMA		Private Rented – Hillfoots HMA		Private Rented – Dollar HMA	
	House	Flat	House	Flat	House	Flat
<b>2 Apt</b>	~	20%	~	19%	~	15%
<b>3 Apt</b>	25%	27%	23%	25%	18%	20%
<b>4 Apt</b>	36%	32%	34%	30%	27%	24%
<b>5 Apt</b>	41%	36%	38%	34%	30%	27%
<b>6+ Apt</b>	56%	36%	52%	34%	41%	27%

Source: Private: Rent Service Scotland (2010)

### 7.3.4 In-Migrant Households

#### 7.3.4.1 Cost of Buying

In-migrant households are assumed to be in the average income bracket, which is £32,473pa or £624 weekly in Clackmannanshire. A household on average income can afford a mortgage of £94,172. This is around the price of an average 3 apartment house, and as can be seen from the table below, at a 75% mortgage is



well within the affordability threshold. The most common household type of 2 + adults would match to this type of property. The housing need and demand model applies affordability measures across the average income distribution to calculate the percentage of these households who are unable to buy this type of property.

Table 70: Average Housing Market - Average houses vs Average Income

	Average income	Average 3 Apt House Price	75% Mortgage	Average Income to Mortgage	Average 4 Apt House Price	75% Mortgage	Average Income to Mortgage
<b>HMA 1 Alloa</b>	£31,532	£98,681	£74,011	2.3	£134,487	£100,865	3.2
<b>HMA2 Hillfoots</b>	£32,473	£111,649	£83,736	2.6	£134,341	£100,756	3.1
<b>HMA 3 Dollar</b>	£41,391	£131,800	£98,850	2.4	£180,040	£135,030	3.3
<b>Clacks</b>	£32,472	£104,373	£78,280	2.4	£137,372	£103,029	3.2

Source: Register of Sasines (2008) & CACI Paycheck 2008

### 7.3.4.2 Cost of Private Renting

The average income of in migrant households translates to a weekly gross income of £624. The guidance states that renting is affordable if it is no more than 25% of the gross weekly household income. The cost of renting a 5 apartment house or flat is between £114 and £128 per week, and as is shown below is, on average, within the affordability threshold. The housing need and demand model applies affordability measures across the average income distribution to calculate the percentage of these households who are unable to rent privately.

Table 71: Rental Cost of Properties as a proportion of Average Gross Income (Weekly) 2010

	Private Rented - Alloa HMA		Private Rented - Hillfoots HMA		Private Rented Dollar HMA	
	House	Flat	House	Flat	House	Flat
<b>2 Apt</b>	~	10%	~	10%	~	8%
<b>3 Apt</b>	13%	14%	13%	14%	10%	11%
<b>4 Apt</b>	19%	17%	18%	16%	14%	13%
<b>5 Apt</b>	21%	19%	20%	18%	16%	14%
<b>6+ Apt</b>	29%	19%	28%	18%	32%	14%

Source: Private: Rent Service Scotland (2010)

### 7.3.5 Current Households Falling into Need

These households will fall into a housing need over the course of the study, this is derived from social sector waiting list information. Newhaven Research Ltd, 2005, calculated that there were around 330 households coming on to the waiting list each year. This was for RSL and Council waiting lists.

From waiting list information from the past 3 year, further information from the Council's waiting list was examined. It was necessary to make some adjustments in

order to reduce the risk of double counting. The following applications were therefore removed from the final number:

- The number of applicants leaving the list, prior to being housed i.e. households finding their own housing solution;
- Transfer applications;
- Applicants in band 4 with no housing points, and;
- Applicants currently living with parents, as they will be counted as newly emerging households.

The figures are as follows:

Table 72: Total Number of Applicants Joining the Waiting List Annually

	2007/08	2008/09	2009/10
<b>Total Non Transfer Applications</b> #####	391	421	532
<b>Non Transfer Applications Cancelled in the same year</b> \$\$\$\$\$\$\$\$\$\$\$\$\$\$\$	174	259	257
<b>% Cancelled</b>	44%	61%	48%
<b>Total Number Joining Waiting List Annually</b>	217	162	275

Drawing on the information from the past three years, the average number of annual households falling into need and joining the Council's waiting list annually is 218.

As previously discussed, we have no direct access to the RSL waiting lists, and various assumptions are required in order to estimate the number of households joining their RSL waiting lists annually.

From the information we already have, there were a further 1,123 non transfer applicants to RSLs in Clackmannanshire in 2009. This is 20% higher than the number of applicants on the Council’s waiting list, and we therefore assume that there are 20% more new applicants join RSL waiting lists annually than join the Council waiting list.

In conclusion, the total new applicants joining both RSL and Council waiting lists annually is calculated as follows:

- Average new Council applications - 218
- Average new RSL applications - 261 (Council plus 20%)
- Total new applications annually - **479**

This is an average increase of 149 since last calculated by Newhaven Ltd in 2005. This 45% increase seems a fair assumption, as the total number of applicants on housing lists has risen by 52%, from 1,327 in 2005 to 2,017 in 2010.

##### Infomaker report - nds\_applicants\_registered. (Transfer, Band 4 & "Living with Parents" removed.)  
 \$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$ Infomaker report - nds\_applications\_cancelled, (only counted if registered and cancelled in the same year)

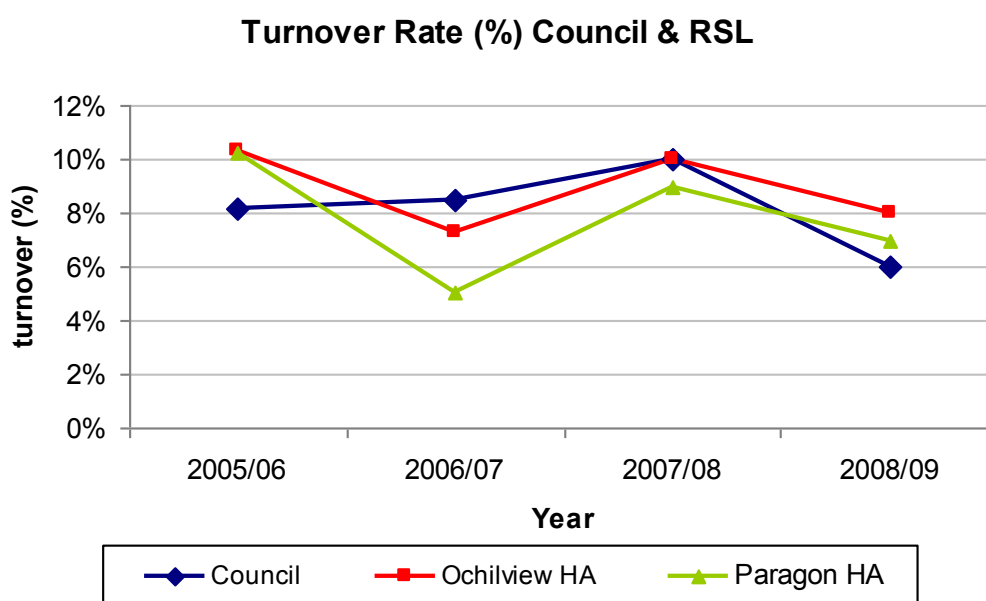
## 7.4 Total Available Annual Supply of Affordable Housing

### 7.4.1 Annual Turnover

The future annual supply of social relets is calculated by the last 3 years average turnover of both Council and RSL properties. The turnover rates included non-transfer tenants only, giving the net turnover. The rationale for including non-transfer tenants only, is that transfer tenants go from one social house to another, which does not create the need for any additional affordable properties. The additional supply shown in Appendix 4, 3.2 is net of transfer lets.

Turnover rates differ by HMA. Alloa HMA turnover is 7% of total stock, Hillfoots HMA 7% and Dollar HMA 5%.

Graph 37 - Social Housing Turnover



New lets are calculated using the 2011-2016 Strategic Housing Investment Plan (SHIP) estimates of new build affordable housing. An average of 48 units per units annum is calculated in the SHIP.

The actual numbers of affordable housing available by HMA is shown below. The figures are net of transfer lets.

Table 73: Total annual supply of affordable housing by HMA

	2007/08	2008/09	2009/10
Alloa HMA	458	324	342
Hillfoots HMA	119	107	100
Dollar HMA	7	5	6
Clacks	584	436	448

Source: APSR (2005-09) & Council Lettings Records (2005-09)

## 7.4.2 New Build Programme

New lets are calculated using the estimate of new build affordable housing projected in the Strategic Housing Investment Programme (SHIP) 2011-2016. These and the Housing Land Supply Estimates as detailed below.

Table 74: Affordable housing new build supply -LCHO

New Units to Let	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	10 Yr Tot
<b>Alloa HMA</b>	36	42	50	37	40	36	42	50	37	40	410
<b>Hillfoots HMA</b>	0	8	8	0	0	0	8	8	0	0	32
<b>Dollar HMA</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Clacks</b>	36	50	58	37	40	36	50	58	37	40	442
LCHO	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	10 Yr Tot
<b>Alloa HMA</b>	0	0	0	20	20	0	0	0	20	20	80
<b>Hillfoots HMA</b>	12	0	0	0	0	12	0	0	0	0	24
<b>Dollar HMA</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Clacks</b>	12	0	0	20	20	12	0	0	20	20	104

## 7.5 Housing Need Calculations

### 7.5.1 Scenario Plan Assumptions

The Office of National Statistics (ONS) has shown average income inflation over the last 5 years has been 4% pa, while house prices over the past 5 years have increased in Clackmannanshire by around 10% pa.

Right to buy sales over the past 3 years have averaged just less than 1% of the total social stock. There were only 20 sales in 2009/10, equating to 0.004% of total stock.

In order to try to predict the housing requirement over the next 10 years in Clackmannanshire, 3 scenarios have been tested which work on low, high and medium growth projections. A summary of these scenarios is shown below. It was agreed among partners to keep the annual growth of new households constant at 2008 GROS estimates. The Council has actively pursued a strategy of growth over the past few years, which has been achieved through upgrades in infrastructure and attracting new business into the area. It is the aim of the Council to maintain the level of future household growth at this rate.

- **Low Growth** - Average 370 new households annually (2008 GROS), 2% increase in income, 5% increase in house prices, 5% increase in rent rates.
- **Medium Growth** - Average 370 new households annually (2008 GROS), 4% increase in income, 10% increase in house prices,

10% increase in rent rates.

- High Growth - Average 370 new households annually (2008 GROS), 6% increase in income, 15% increase in house prices, 15% increase in rent rates.

The impact on the requirement for affordable housing from these scenarios are calculated at:

### **Low Growth**

- Over the 10-year period, the average proportion of new households unable to buy is 68% in Alloa HMA, 68% in Hillfoots HMA and 67% in Dollar HMA. The average numbers of affordable properties required annually would be 278 in Alloa HMA, 161 in Hillfoots HMA and 17 in Dollar.

### **Medium Growth**

- Over the 10-year period, the average proportion of new households unable to buy is 78% in Alloa HMA, 76% in Hillfoots HMA and 69% in Dollar HMA. The numbers of affordable properties required annually would be 308 in Alloa HMA, 172 in Hillfoots HMA and 17 in Dollar.

### **High Growth**

- Over the 10-year period, the average proportion of new households unable to buy is 81% in Alloa HMA, 81% in Hillfoots HMA and 78% in Dollar HMA. The numbers of affordable properties required annually would be 331 in Alloa HMA, 181 in Hillfoots HMA and 20 in Dollar.

Long term prospects for the economy do not suggest that a major upturn or downturn in the economy is probable and that continued low growth will be the pattern over the next few years at least, during the recovery period.

Recent reports from the financial sector predict that lending criteria will not improve, and indeed may be further tightened especially for first time buyers. This will keep prices house price inflation low in the short term.

## **7.5.2 Summary Calculations**

**Tables 75 to 83 below set out summary calculations for housing need over the next 10 years by housing market area and using the low, medium and high scenario assumptions. The full model, with all the workings and assumptions made can be examined more fully at appendix 5.**

The requirement for low cost home ownership has been made using the same affordability assumptions for buying or renting, but assuming a 60% mortgage and equity holding. Of the new households that could not afford to buy or rent privately, some could afford a shared equity property at 60% of the average price.

The calculation has used the average price, as the last two shared equity schemes completed by Ochil View Housing Association have been priced at between £115,000 and £135,000, with minimum equity share of 60% being between £69,000 and £81,000. The minimum equity share at this price range would remain unaffordable to lower quartile income households on around £17,000.

Dependant on the growth rate, of the total housing need, between 61% and 72% would require social rent, and between 39% and 28% could afford low cost home ownership. The full workings to break down housing need into these categories can be seen at appendix 6. It is worth noting that the average 10 year percentage calculations have been used.

Tables 75 to 83 below show the total housing need, then the further breakdown into social renting and LCHO.

The way the total housing need is calculated is:

$$\begin{aligned} & \text{(Newly arising Need + Falling into Need + Backlog Need) - Affordable} \\ & \text{Supply} \\ & = \text{Total Housing Need} \end{aligned}$$

### Low Growth

Table 75 Alloa HMA Housing Need assuming a low growth rate.

Year	Newly arising Need	Falling into Need	Backlog Need	Affordable Supply	Total Housing Need	Affordable Rent (61%)	LCHO (39%)
2010	138	350	140	359	269	164	105
2011	146	350	140	366	271	165	106
2012	179	350	140	375	294	179	115
2013	166	350	140	383	273	166	107
2014	153	350	140	387	256	156	100
2015	161	350	140	365	287	175	112
2016	161	350	140	372	280	171	109
2017	166	350	140	381	275	168	107
2018	180	350	140	390	280	171	109
2019	197	350	140	394	293	179	114
					2,778		

Table 76: Hillfoots HMA Housing Need assuming a low growth rate.

Year	Newly arising Need	Falling into Need	Backlog Need	Affordable Supply	Total Housing Need	Affordable Rent (61%)	LCHO (39%)
2010	61	127	61	105	144	88	56
2011	65	127	61	100	152	93	59
2012	74	127	61	100	161	98	63
2013	68	127	61	92	164	100	64
2014	63	127	61	92	159	97	62
2015	71	127	61	104	155	94	59
2016	71	127	61	99	160	98	62
2017	73	127	61	99	162	99	63
2018	75	127	61	92	171	104	67
2019	82	127	61	91	179	109	70
					1,608		

Table 77: Dollar HMA Housing Need assuming a low growth rate.

Year	Newly arising Need	Falling into Need	Backlog Need	Affordable Supply	Total Housing Need	Affordable Rent (61%)	LCHO (39%)
2010	12	3	2	5	11	4	4
2011	16	3	2	5	15	9	6
2012	18	3	2	5	17	10	7
2013	16	3	2	5	15	9	6
2014	16	3	2	5	15	9	6
2015	17	3	2	5	16	10	6
2016	17	3	2	5	16	10	6
2017	21	3	2	5	20	12	8
2018	22	3	2	5	21	13	8
2019	20	3	2	5	19	12	7
					166		

## Medium Growth

Table 78: Alloa HMA Housing Need assuming a Medium Growth Rate

Year	Newly arising Need	Falling into Need	Backlog Need	Affordable Supply	Total Housing Need	Affordable Rent (67%)	LCHO (33%)
2010	138	350	140	359	269	180	89
2011	157	350	140	364	283	190	93
2012	179	350	140	371	298	200	98
2013	166	350	140	378	278	186	92
2014	161	350	140	380	271	165	106
2015	208	350	140	356	342	229	113
2016	208	350	140	361	337	226	111
2017	221	350	140	368	343	229	114
2018	227	350	140	375	342	229	113
2019	209	350	140	377	321	215	106
					3085*		

Table 79: Hillfoots HMA Housing Need assuming a Medium Growth Rate

Year	Newly arising Need	Falling into Need	Backlog Need	Affordable Supply	Total Housing Need	Affordable Rent (67%)	LCHO (33%)
2010	61	127	61	105	144	96	48
2011	65	127	61	100	153	102	51
2012	74	127	61	99	162	109	53
2013	68	127	61	91	165	111	54
2014	67	127	61	90	165	111	54
2015	87	127	61	101	174	117	57
2016	87	127	61	96	179	120	59
2017	93	127	61	96	185	124	61
2018	95	127	61	87	196	131	65
2019	88	127	61	87	190	127	63
					1,715		

\* Total Housing Need figures for Tables 78-80 may not sum due to rounding.



Table 80: Dollar HMA Housing Need assuming a Medium Growth Rate

Year	Newly arising Need	Falling into Need	Backlog Need	Affordable Supply	Total Housing Need	Affordable Rent (67%)	LCHO (33%)
2010	12	3	2	5	11	7	4
2011	16	3	2	5	15	10	5
2012	18	3	2	5	17	11	6
2013	16	3	2	5	16	11	6
2014	18	3	2	5	17	11	6
2015	19	3	2	5	18	12	6
2016	19	3	2	5	18	12	6
2017	21	3	2	5	20	13	7
2018	21	3	2	5	21	14	7
2019	20	3	2	5	20	13	7
					172		

### High Growth

Table 81: Alloa HMA Housing Need assuming a High Growth Rate

Year	Newly arising Need	Falling into Need	Backlog Need	Affordable Supply	Total Housing Need	Affordable Rent (72%)	LCHO (28%)
2010	138	350	140	359	269	194	75
2011	157	350	140	361	287	207	80
2012	179	350	140	365	304	219	85
2013	175	350	140	369	296	213	83
2014	197	350	140	368	319	230	89
2015	215	350	140	340	365	263	102
2016	220	350	140	342	368	265	103
2017	226	350	140	347	370	266	104
2018	237	350	140	351	376	271	105
2019	216	350	140	351	355	256	99
					3309		

Table 82: Hillfoots HMA Housing Need assuming a High Growth Rate

Year	Newly arising Need	Falling into Need	Backlog Need	Affordable Supply	Total Housing Need	Affordable Rent (72%)	LCHO (28%)
2010	61	127	61	105	144	104	40
2011	65	127	61	99	154	111	45
2012	79	127	61	98	169	122	47
2013	73	127	61	88	173	125	48
2014	86	127	61	87	187	135	52
2015	93	127	61	97	185	133	52
2016	93	127	61	91	191	138	53
2017	98	127	61	90	197	142	55
2018	103	127	61	81	210	151	59
2019	94	127	61	79	203	146	57
					1,813		

Table 83: Dollar HMA Housing Need assuming a High Growth Rate

Year	Newly arising Need	Falling into Need	Backlog Need	Affordable Supply	Total Housing Need	Affordable Rent (72%)	LCHO (28%)
2010	12	3	2	5	11	8	3
2011	16	3	2	5	15	11	4
2012	19	3	2	5	18	13	5
2013	22	3	2	5	21	15	6
2014	20	3	2	5	19	14	5
2015	22	3	2	5	21	15	6
2016	22	3	2	4	22	16	6
2017	24	3	2	4	23	17	6
2018	25	3	2	4	25	18	7
2019	23	3	2	4	23	17	6
					199		

## 7.6 Estimate of Future Households that Require Market Housing

From the affordability model, we can set out the estimate of households who are able to buy or rent in the open market, and from the housing land estimates, we judge the supply. The tables below outline the balance in what is required and what is proposed to be delivered, for each of the housing market areas.

Tables 84 to 87 show the total housing need over 10 years. The affordable housing year 1-5 plus year 6-10 is the same total as in the low growth housing need in above tables 75, 76 and 77.

It is clear, for all HMAs, that there is likely to be a shortage in supply of affordable housing across the 5 and 10 year terms, while the proposals for market housing are likely to more than meet the potential requirement.

Table 84: Need, Demand and Supply for future households - Alloa HMA

Alloa HMA	Need & demand (prior to supply from new builds)*	Supply from newbuilds	Final Balance
<b>Affordable housing</b>			
Year 1-5	-1,608	245	<b>-1,363</b>
Year 6-10	-1,660	245	<b>-1,415</b>
<b>Market housing</b>			
Year 1-5	-414	1,047	<b>+633</b>
Year 6-10	-344	571	<b>+227</b>
<b>All housing</b>			
Year 1-5	2,022	1,292	<b>-730</b>
Year 6-10	2,004	816	<b>-1,188</b>
Notes: 1 Figures in these tables use GROS 2008 household projections and a constant rate of new supply derived from housing land audits. The table presents the average figure for each of the time periods.			
* This figure is the level of housing demand (incorporating current needs and demand from new households) minus supply from turnover, prior to taking into account projected supply of new build accommodation and LCHO.			
Final Balance is the projected level of housing need and demand after accounting for new build supply. It therefore represents the total amount of new supply required to address housing needs and demands. This correlates with the total 10 year housing need figures supplied in the low growth scenario tables 75.			

Table85: Need, Demand and Supply for future households - Hillfoots HMA

Hillfoots HMA	Need & demand (prior to supply from new builds)	Supply from newbuilds	Final Balance
<b>Affordable housing</b>			
Year 1-5	-809	28	<b>-781</b>
Year 6-10	-855	28	<b>-827</b>
<b>Market housing</b>			
Year 1-5	-185	434	<b>+249</b>
Year 6-10	-149	203	<b>+54</b>
<b>All housing</b>			
Year 1-5	994	462	<b>-532</b>
Year 6-10	1,004	231	<b>-773</b>
Notes: 1 Figures in these tables use GROS 2008 household projections and a constant rate of new supply derived from housing land audits. The table presents the average figure for each of the time periods.			
* This figure is the level of housing demand (incorporating current needs and demand from new households) minus supply from turnover, prior to taking into account projected supply of new build accommodation and LCHO.			
Final Balance is the projected level of housing need and demand after accounting for new build supply. It therefore represents the total amount of new supply required to address housing needs and demands. This correlates with the total 10 year housing need figures supplied in the low growth scenario tables 76.			

Table 86: Need, Demand and Supply for future households - Dollar HMA

Dollar HMA	Need & demand (prior to supply from new builds)	Supply from newbuilds	Final Balance
<b>Affordable housing</b>			
Year 1-5	-73	0	<b>-73</b>
Year 6-10	-93	0	<b>-93</b>
<b>Market housing</b>			
Year 1-5	-51	155	<b>+104</b>
Year 6-10	-34	597	<b>+ 563</b>
<b>All housing</b>			
Year 1-5	124	155	<b>+ 31</b>
Year 6-10	127	597	<b>+ 470</b>
Notes: 1 Figures in these tables use GROS 2008 household projections and a constant rate of new supply derived from housing land audits. The table presents the average figure for each of the time periods.			
* This figure is the level of housing demand (incorporating current needs and demand from new households) minus supply from turnover, prior to taking into account projected supply of new build accommodation and LCHO.			
Final Balance is the projected level of housing need and demand after accounting for new build supply. It therefore represents the total amount of new supply required to address housing needs and demands. This correlates with the total 10 year housing need figures supplied in the low growth scenario tables 77.			

Table 87: Need, Demand and Supply for future households - Clackmannanshire

Clackmannanshire	Need & demand (prior to supply from new builds)	Supply from newbuilds	Final Balance
<b>Affordable housing</b>			
Year 1-5	2,487	273	-2,214
Year 6-10	2,606	273	-2,333
<b>Market housing</b>			
Year 1-5	-651	1,636	+985
Year 6-10	-527	1,371	+844
<b>All housing</b>			
Year 1-5	3,138	1,909	-1,229
Year 6-10	3,133	1,644	-1,489

## 7.7 Estimate of Property Size Requirements for Future Households

In order to compare the household profile with the property profile, we examined the 2008 based household information.

As shown in table 88, when the household types are matched to size appropriate houses, there is a clear shortfall in one bedroom properties. However, there are a number of single households who require larger properties to accommodate family members on a regular basis.

Households are matched to requirements, and not to aspirations, and it is acknowledged that many households will desire a larger house than would meet their immediate needs. Equally, some households may seek to move if a suitable smaller house was available.

The key issue emerging from this information is that there is a surplus of larger properties in the private sector, but a shortage in the rented sector. Almost 94% of all properties of 4 or more bedrooms are owner occupied. Only 188, or 4% of large properties, are in the social rented sector. There is also a lack of one bedroom properties, in all sectors, which will become more chronic in the future, as single person households are predicted to grow by 3% annually.<sup>37</sup>

<sup>37</sup> Population Projections for Scotland, 2008 based, (C) Crown copyright. Data supplied by General Register Office for Scotland.

Table 88: House Size matched to Household Type

No Beds.	Owner Occupied	Private Renting	Social Renting	Total Props	Household Type	Total Households	Difference
1	903	300	1,905	<b>3,108</b>	Single Person	<b>7,870</b>	<b>-4,762</b>
2	4,780	579	2,963	<b>15,766</b>	1 adult, 1+ children/	<b>10,330</b>	<b>5,436</b>
3	5,400	243	1,801		2+ adults		
4	2,083	50	184	<b>4,560</b>	2+ adults, 1+ children	<b>4,420</b>	<b>140</b>
5+	2,194	45	4				
<b>Total</b>	<b>15,360</b>	<b>1,217</b>	<b>6,857</b>	<b>23,434</b>		<b>22,620</b>	<b>814*</b>

\*The surplus is accounted for by natural turnover, empty or second homes. Council tax records state around 719 empty or second homes.

## 7.8 Key Issues

Specific estimated requirements for "affordable housing" have been set out, using the definition below.

Affordable housing is:

*housing made available at a cost below full market value, to meet an identified need. It includes social rented housing, subsidised low cost housing for sale (discounted, shared ownership or shared equity) and low cost housing without subsidy (entry level housing for sale). Private rented accommodation available at lower cost than market rents, (mid market rent), should also be considered within the affordable housing category.*

Emerging housing need in Clackmannanshire points to a ten year requirement of around 4,500 affordable properties and around 1,230 owner occupied properties.

Increases in population, combined with a trend of decreasing household size has, and will continue to, increase the need and demand for housing. The current housing supply in Clackmannanshire does not match the current and future household profile in terms of size of properties compared to size of households.

Evidence suggests that households will continue to reduce in size in the future, and there will be an increase in the age structure of households, with over 65s accounting for 42% of the population by 2031<sup>38</sup>. The current private sector housing profile has a high proportion of larger properties of at least 3 bedrooms, while there are very few larger properties in the social rented sector.

Local and national market conditions continue to create uncertainty about future economic growth and future housing market prospects. Restricted lending and a fall

<sup>38</sup> Population Projections for Scotland, 2008 based, (C) Crown copyright. Data supplied by General Register Office for Scotland.

in confidence within the housing market have contributed to a decline in demand for house purchase, and reduction in prices.

In summary, the key issues are: -

- Emerging housing need in Clackmannanshire points to a ten year requirement of around 4,500 affordable properties and around 1,200 owner occupied properties.
- The majority of housing need, between 61% and 72%, is for social rented housing.
- Providing 25% of affordable housing need as either low cost home ownership or mid market rent, will relieve some of the pressure on social renting, and give some choice in this area of the market.
- Over the next 10 years, single person households will grow by 3% annually worsening the shortfall in one bedroom properties. Developers will be encouraged to build smaller units where possible.
- There is a shortfall of both larger and small units for social rent. These sizes will be a priority for new RSL developments.
- By 2031, the over 60 age group will have grown by 10% and will account for 42% of the population. 19% of the population will be over 75. The anticipated higher levels of mobility problems associated with an ageing population will increase the requirement for ground floor and disabled accommodation.
- Average income is around 9% lower than the Scottish average, and house prices around 11% lower than Scottish average.
- Access to market housing continues to be a concern, due to the financial restraints and high deposits required, especially for first time buyers.
- There is a shortage of land supply in the Dollar Housing Market Area, showing the need for some proportion of affordable housing in the immediate area.
- The supply of land and sites is unevenly distributed across Clackmannanshire, and there is a disproportionate amount of land supply capacity in the Alloa Housing Market Area. This leaves other areas under continued pressure for affordable housing.

## **8.0 Review and Assessment**

The Clackmannanshire Housing Needs and Demand model has been designed to allow ease of review.

It is our intention to continue to closely monitor the main inputs, and the underlying conditions affecting the assumptions that we are making. An annual review with a review group will ensure that continuous consideration and agreement can keep the modelling process an accurate reflection of the changing housing climate.

It will be challenging to meet the targets set out in the HNDA, and the Local Housing Strategy and Local Development Plan will aim to address how to best achieve this.

Although agreement was reached with partners that the 2008 based GROS household projections would be used in this study, further, more recent feedback from partners has raised some concern that this might be unrealistic, given the lack of current house construction in the area. (See consultation questions and responses at appendix 2.)

To address this concern, we recently re-ran our model based on 2006 GROS household projections. These results show that even at the lower levels of population increase and at zero growth, there is no significant decrease in the requirement for new and affordable housing. It has already been highlighted that the housing market is in a rapid period of change, and that conditions need to be monitored closely and regularly.

During this study, some areas have been highlighted for further research. In particular, the housing requirements of particular needs groups will be addressed to gain an up to date profile. We are currently working with Social Services colleagues to make this happen.

Any other supplementary information will be addressed through the production of the Local Housing Strategy to be developed in 2011.



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## Definitions

**Affordability** is a measure of whether housing may be afforded by certain groups of households.

**Affordability Ratio** is a price to income ratio. It is the basic affordability measure for housing in a given area. It is generally the ratio of average house prices to average household income.

**Affordable housing** is housing made available at a cost below full market value, to meet an identified need. It includes social rented housing, subsidised low cost housing for sale (discounted, shared ownership or shared equity) and low cost housing without subsidy (entry level housing for sale). Private rented accommodation available at lower cost than market rents, (mid-market rent), should also be considered within the affordable housing category. The term intermediate housing product has been used in this assessment to cover all types of affordable housing which are not social rented.

**A concealed household** refers to a household of unrelated adults sharing a kitchen, bathroom or WC with another household but not sharing meals.

**CACI Paycheck** Income data is an estimate of household income at postcode level. It is based on government data sources together with income data for millions of UK households collected from lifestyle surveys. The core directory provides estimates of average households income and a banding of these incomes, which can be used for profiling or classifying areas.

**Datazones** are key small-area statistical geography in Scotland. They are groups of 2001 Census output areas and have populations of between 500 and 1,000 household residents.

**Deciles** is a statistical measurement which divides sorted data into ten equal parts, so that each part represents 1/10 of the sample or population. Thus the 1st decile cuts off the lowest 10% of data, while the 5th decile cuts off lowest 50% of data.

**Economically Active** individuals are those who are either employed or are actively seeking employment.

**A forecast** of housing needs or requirements is a prediction of numbers which would arise in future years based on a model of the determinants of those numbers and assumptions about (a) the behaviour of households and the market and (b) how the key determinants are likely to change. It involves understanding relationships and predicting behaviour in response to preferences and economic conditions.

**A household** is one person living alone, or two or more people living together at the same address, which is their only or main residence and who share at least one meal a day together or who share a living room (e.g. 5 adults sharing a house like this constitute one 5-person household).

**Housing demand** is the quantity and type/quality of housing which households wish to buy or rent and are able to afford.

**Housing market area** is a geographical area which is relatively self-contained in terms of housing demand; i.e. a large percentage of people moving house or settling in the area will have sought a dwelling only in that area.

**Housing need** refers to households lacking their own housing or living in housing which is inadequate or unsuitable and who are unlikely to be able to meet their needs in the housing market without some assistance.

**Housing requirements** the total amount and type of housing necessary to accommodate a given (or projected) population at appropriate minimum standards. This includes both housing needs and housing likely to be demanded in the market.

**Housing size** can be measured in terms of the number of bedrooms, habitable rooms or floorspace. This assessment uses the number of bedrooms.

**Housing type** refers to the type of dwelling, for example, flat, house, specialist accommodation.

**Intermediate housing** is housing available at a cost below full market value to meet an identified need and includes: subsidised low cost housing for sale (discounted, shared ownership or shared equity); low cost housing without subsidy (entry-level housing for sale); and mid market renting.

**Lending multiplier** is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

**Loan-to-Value rate** is the proportion of the value of an asset that a loan makes up. For example, if a mortgage for £80,000 was taken out on a property worth £100,000, the LTV would be 80 per cent.

**Low-cost Initiative for First-time Buyers** is a Scottish Government initiative to help households get onto the housing ladder. It covers a broad range of support for first-time buyers, including: the New Supply Shared Equity Scheme to allow first-time buyers to buy a new build property; the Open Market Shared Equity Pilot, which is a pilot scheme to allow first-time buyers to buy a property on the open market in areas where affordability is a key problem for buyers (see Shared Equity Schemes)

**Lower quartile** is a statistical measurement showing the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

**Market housing** is private housing for rent or for sale, where the price is set in the open market.

**Mid-market rent** is accommodation with a rent level between affordable and full market rents, provided by either the public sector or private sector with subsidy.

**Migration** is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Migration is measured in terms of the number of individuals moving into (inward migration) or out (outward migration) of the district.

**Particular Needs Housing** is housing built with particular client groups in mind. Usually it involves either specially built or adapted housing, for example housing for older or disabled people, or houses linked to some support facility for adults with learning difficulties.

**Primary data** is information that is collected from a bespoke data collection exercise (e.g. surveys, focus groups or interviews) and analysed to produce a new set of findings.

**A projection** of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, and an extrapolation of recent trends in the propensity of different groups to form separate households.

**Private sector housing** is housing for or rent provided by private developers or other commercial organisations. The term 'owner occupied sector' excludes the private rented element.

**Relets** in this context are social rented housing units which are vacated during a period and become potentially available for letting to new tenants, or tenants transferring.

**Sasines** are the records of the transfer of ownership of land or of a building.

**Scottish Index of Multiple Deprivation** identifies small area (datazone) concentrations of multiple deprivation across all of Scotland in a consistent way. It covers 7 domains, namely: income, employment, health, education, skills and training, housing, geographic access and crime. The principle behind the index is to target government action in the areas which need it most.

**Secondary data** is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

**Shared equity schemes** enable people to buy a home in partnership with a registered social landlord. An owner generally pays between 60 and 80 per cent of the price of a home – with the remainder held by a registered social landlord using a Government grant.

**Shared ownership schemes** provide housing that is available partly to buy (usually at market value) and partly to rent.

**Social rented housing** is general and special needs housing provision by registered social landlords, local authorities and other social housing providers for rent.

## Abbreviations

**BID** - Business Improvement District.

**CHMA** - Centre for Housing Market Analysis.

**EIA** - Equalities Impact Assessment

**GROS** - General Register Office for Scotland.

**HMO** - Houses in Multiple Occupation

**HNDA** - Housing Need and Demand Assessment.

**HMA** - Housing Market Area.

**LHS** - Local Housing Strategy.

**LIFT** - Low Cost Initiative for First Time Buyers.

**LTV** - Loan-to-Value rate

**PSHCS** - Private Sector House Condition Survey

**RSL** - Registered Social Landlord.

**SIMD** - Scottish Index of Multiple Deprivation.

**SOA** - Single Outcome Agreement.