



Bracknell Forest Housing Market Assessment

A Report to
Bracknell Forest Council

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Executive Summary

Over the last 10 years, most of the population growth within Bracknell Forest has been driven by the 45-64 age group reflecting the ageing of the baby boom generation. Bracknell has also experienced relatively significant absolute growth in the 15-24 year old age group – students and young professionals. In percentage terms, there has been significant growth in the advanced age group 75+ but this is from a smaller population base.

The current population (2010) in Bracknell Forest has a high proportion of 25-44 year olds, reflecting a large working age population. In all other age groups, Bracknell Forest is similar in profile to neighbouring areas although there is a larger proportion of children than in the South East.

The population of Bracknell Forest has grown by around 25% over the last two decades. A significant part of this growth has been driven by the long standing and gradual trend toward an ageing population. Migration is a factor in population change within Bracknell's housing market but changes in migration patterns can be more rapid and are much more difficult to predict.

The most significant source of in-migrants to the Borough in 2010 was London, followed by the adjacent Boroughs - Slough and Windsor and Maidenhead. The implication is that households are moving into Bracknell from areas of higher house prices and are likely to have greater equity, and probably earnings, than existing residents of the Borough. Bracknell experiences net outmigration of people and households to Wokingham and West Berkshire.

Over 2006-2026 (the plan period), household projections anticipate an additional 8,000 single households will form within Bracknell Forest, along with 2,500 couple households and 1,600 lone parent households.

DTZ expect that these household projections, based on 2008 population estimates, may over-estimate household formation because they do not take account of the fundamentally different economic environment post 2008. While over the long term average household size will continue to fall, the pace of decline may be slower than that assumed currently by CLG due to the economic challenges of the next decade.

Despite the majority of future household growth coming from single person households, only 32% of the homes these households are likely to occupy will be 1 bedroom properties. A significant factor in this is the ageing population. Many of the single households which form in Bracknell will be older people living alone, and frequently occupying properties larger than their basic needs require. This report suggests that almost half of the growth in households 2006-2026 is likely to result in demand for 3 bedroom or larger properties.

Bracknell Forest's economy is a key driver of household growth and demand for housing. Job growth over the last decade created the need for in-migration to fill jobs. Bracknell experienced a rate of employment growth just over 13% between 1998-2008. It also led to the growth of earnings and household incomes amongst residents. Household income growth is strongly correlated to increased demand for housing. Research suggests that a 1% increase in household incomes tends to result in a greater than 1% increase in the demand for homes.

It is too early to say whether there has been a significant decline in employment within Bracknell – particularly because of the change in methodology used by the ONS in collecting employment data but indicators suggest unemployment levels are rising although still comparatively low. There is some consensus amongst economic forecasters that the recovery

will be gradual rather than a rapid rebound. It is important to stress that economic forecasts are highly uncertain. This could have the following implications:

- Lower job growth could result in reduced in-migration as fewer workers relocate to Bracknell to take up jobs
- Reduced in-migration would be likely to result in lower levels of household growth
- But the outcome will also depend on job growth in other areas. If job growth in adjacent markets and in London outstrips that in Bracknell, the Borough could still experience in-migration as households move in to take advantage of relatively lower house prices and decide to commute out of the Borough to work.

Despite the housing market downturn house prices within the Borough and adjacent market areas have almost doubled over the last 10 years. Although individual earnings and household incomes have grown over the same period they have not grown by the same scale and the result has been declining affordability of home ownership. Lower quartile house prices within Bracknell Forest in 2010 were £182,500. Assuming households require a minimum of a 10% deposit to access a mortgage and can borrow three times their household income; households need to have a minimum income of £54,750 in order to purchase a property. This is above the average earnings of residents though within the reach of households with two earners on average earnings. The mean average **household** income in Bracknell in 2010 was around £44,500 – generally below the income level required to purchase with the exception of cheaper properties in Bracknell town.

Analysis of house prices, rents and households incomes within Bracknell suggests that a significant proportion (36%) of households are unable to access the market (to rent or buy) within the Borough. The Housing Need Assessment Update demonstrates the need for around 180 additional affordable homes each year to address the backlog of housing need and the likely needs of newly arising households. This figure takes into account affordable housing supply within the existing stock as households transfer and properties are re-let and an estimate of future affordable housing supply.

Amongst those households in highest priority housing need (Bands A, B and C) the profile of homes required falls into the following indicative split :

- 30% 1 bed homes
- 21% 2 bed homes
- 49% 3 bed or larger

This suggests a much higher requirement for 3 bed and larger properties than evident from the headline waiting list figures. It is also interesting to note that this split broadly mirrors the estimates of the size of households required to accommodate future household growth in the Borough

There is substantial interest in intermediate affordable housing amongst households within Bracknell. 690 households who live within Bracknell are actively interested in accessing such products. The majority of these households are single or couple households without children but there is representation from all household groups, including families who are unable to access the size of homes they require either to buy or rent.

1. Introduction

- 1.1 A strategic housing market assessment (SHMA) is required by Planning Policy Statement 3: Housing as part of the evidence base to inform and support housing and planning policies within local authorities. The draft National Planning Policy Framework, which will replace PPS3, also states that housing policies need an evidence base.
- 1.2 A SHMA for Berkshire, which covered Bracknell Forest, was completed in 2006/07, consistent with the CLG guidance. Given the strategic scale of this assessment it did not provide analysis or guidance on policies at the sub-district level. Bracknell Forest Borough Council therefore wish to examine the housing market that relates to the Borough in more detail to inform localised policies and interventions.
- 1.3 There are a number of key objectives that Bracknell Forest Borough Council wish to focus on through the development of this Borough specific HMA:
 - Examining how the characteristics of households and dwellings vary across the Borough and how this might influence future dwelling provision on the proposed strategic development sites.
 - Establishing the *mix* of different households likely to require housing in the future, in terms of age, household type and size and the implications for dwelling provision.
 - Updating evidence on the need for affordable housing within the Borough, using the same methodology as the Berkshire SHMA.
- 1.4 It is relevant to note that this study builds on the Berkshire SHMA evidence base which was undertaken across the County in 2006/07. Collectively, this evidence will help to inform the Borough Council's housing and planning activities.
- 1.5 The rest of the report is structured as follows:
 - The geography of the housing market
 - Population and households
 - Economy
 - Stock and supply
 - Prices, rents and affordability
 - Housing need
 - Policy implications

2. The Geography of the Housing Market

- 2.1 In 2004 DTZ was commissioned by the South East England Regional Assembly and Regional Housing Board to undertake a study to identify the spatial extent of sub-regional housing markets across the whole of the South East Region. The findings of the study were used to inform the development of the Regional Housing Strategy and Regional Spatial Strategy.
- 2.2 DTZ concluded that Berkshire was covered by two sub-regional housing markets – the ‘Reading M4 West’ sub-region and the ‘Inner West Slough Hounslow’ sub-region. These sub-regional housing markets were further analysed and refined through the Berkshire SHMA which examined household migration and travel to work movements in more detail.
- 2.3 Household migration patterns highlighted a very strong relationship between the urban areas of Reading, Wokingham and Newbury. The centres of Maidenhead, Slough and Windsor also demonstrate a high level of integration, but show limited connection to the High Wycombe urban area. The Bracknell urban area was subject to influences from a wider range of urban centres, including Reading, Blackwater Valley, Wokingham and Slough.
- 2.4 The analysis showed that the Reading urban area has particularly close labour market linkages with Bracknell, with a significant proportion of Bracknell’s (13%) urban area jobs filled by people living in Reading. More broadly the patterns reflect a high level of integration of the Reading, Newbury and Thatcham, Wokingham and Bracknell economies and confirm the existence and operation of a ‘West Central Berkshire’ labour market. Travel to work movements also revealed the connection of West Central Berkshire to the Blackwater Valley area in terms of its labour market links to both Reading and Bracknell.
- 2.5 The data examined in the Berkshire SHMA shows the strong functional relationship between West Berkshire, Reading and Wokingham Unitary Authorities, which comprise the West Central Berkshire sub-region and also revealed that Bracknell Forest has a more significant relationship to the West Central Berkshire area than previously anticipated.
- 2.6 Bracknell exhibits higher levels of connectivity (in both household movement and travel to work terms) to Wokingham and Reading than to the districts in the East Berkshire area, such as Windsor and Maidenhead and Slough.
- 2.7 On the basis of the available evidence, therefore, DTZ concluded that it was more appropriate for Bracknell Forest to be grouped within the West Central Berkshire sub-region than in the East Berkshire sub-region.
- 2.8 The Blackwater Valley HMA (2005) also identified relatively large numbers of household movements between Hart, Surrey Heath, Bracknell Forest and Basingstoke and Deane Districts. Parts of Surrey Heath and Bracknell Forest can be viewed as part of the Blackwater Valley sub-regional housing market. Ward level household movements into and out of Hart district show that moves into Surrey Heath and Bracknell Forest are into the areas of these districts immediately adjacent to Hart.
- 2.9 Given the overlaps between the two market areas in Berkshire and the fact that Bracknell Forest is influenced by household migration and travel to work patterns from a wide range of

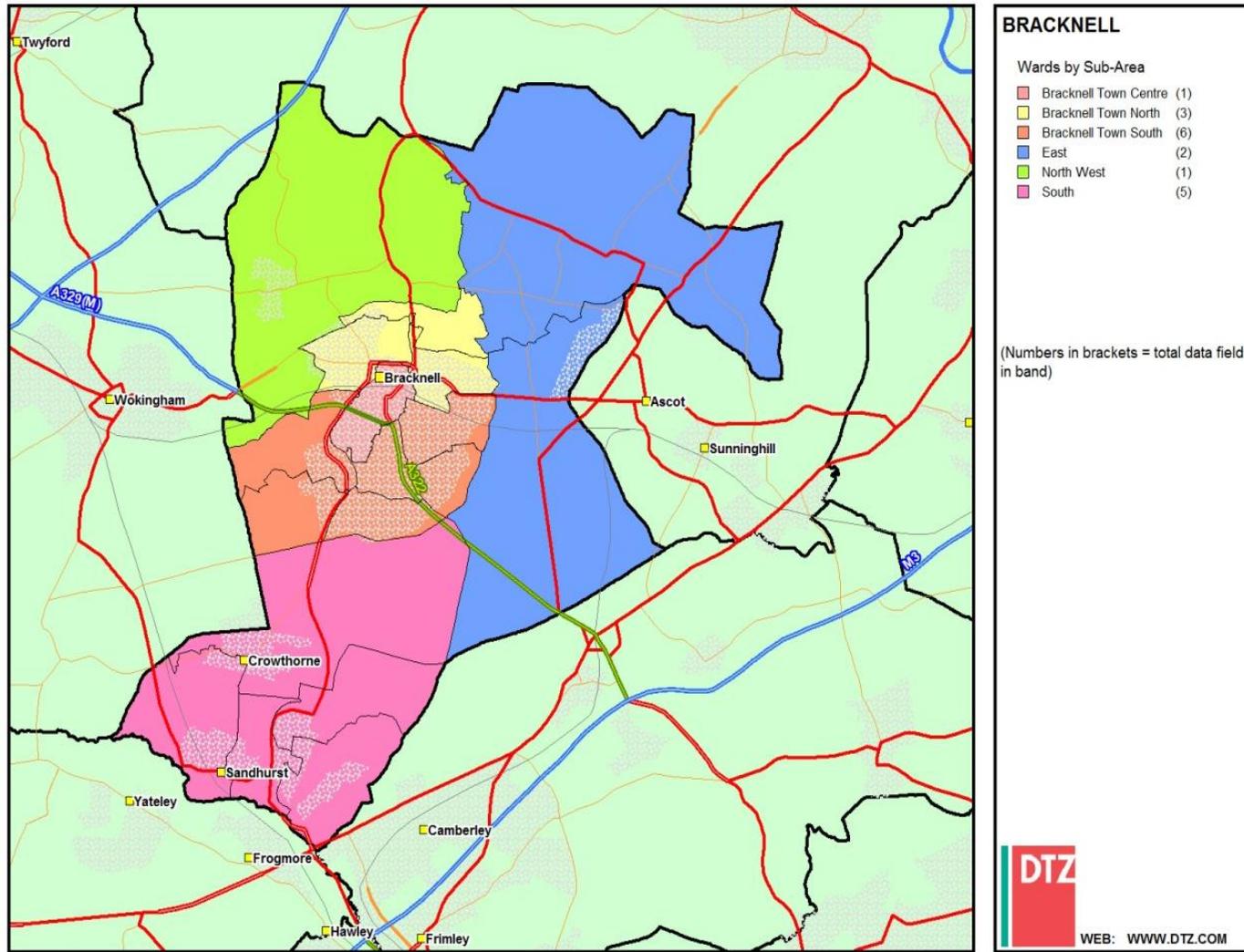


surrounding authorities, we analyse and present data for the following benchmarks in this Borough specific HMA:

- West Central Berkshire (Reading, Wokingham and Bracknell Forest) – we have excluded West Berkshire authority area given the distance from Bracknell and limited relationship between the two authorities, though in the Berkshire SHMA West Berkshire is included in this sub-regional market because of its strong relationship with Reading.
- East Berkshire (Slough and Royal Borough of Windsor and Maidenhead)
- Blackwater Valley Borders (Hart, Rushmoor and Surrey Heath).
- South East region
- London – we have included London as a comparison in some cases given that there are relatively significant movements of households out of the capital into Bracknell

In this report, all references to Bracknell relate to Bracknell Forest authority area. Where evidence is presented on Bracknell town, this is clearly indicated in tables and text.

Figure 2.1: Sub-District Areas within Bracknell Forest



- 2.10 A key objective of this Borough specific HMA is to provide analysis and guidance to inform the policies concerned with the strategic sites which are proposed for housing development over the plan period.¹ In order to provide analysis at a more localised level this HMA examines data at the ward level, where available. Discussion with Bracknell Forest housing and planning officers suggested that the wards within the Borough could be grouped together to some extent to provide a more meaningful picture of how housing market characteristics vary across the areas being discussed for possible development (see Figure 2).
- 2.11 DTZ has therefore split Bracknell Forest authority area into 6 sub-district areas based on wards (wards in brackets):
- **North West** (Binfield with Warfield) – included former Broad Areas 4, 5 & 6 and Preferred Option urban extensions at Amen Corner North and Blue Mountain. Also includes Amen Corner South and the majority of Warfield (agreed in principle through the Core Strategy)
 - **East** (Winkfield & Cranbourne and Ascot) – included former Broad Areas 7 & 8. Also includes Amen Corner South and part of Warfield (agreed in principle through the Core Strategy)
 - **Bracknell Town North** (Priestwood & Garth, Warfield Harvest Ride and Bullbrook). Also includes part of Warfield (agreed in principle through the Core Strategy)
 - **Bracknell Town Centre** (Wildridings & Central)
 - **Bracknell Town South** (Great Hollands North, Great Hollands South, Old Bracknell, Hanworth, Crown Wood and Harmans Water) – included part of former Broad Area 3
 - **South** (Crowthorne, Little Sandhurst & Wellington, Central Sandhurst, College Town, Owlsmoor) – included former Broad Areas 1, 2 & 3 and Preferred Option urban extensions at Broadmoor and TRL.
- 2.12 Where data is available we analyse housing market characteristics for these sub-district areas as well as the sub-regional housing market benchmarks described above.

¹ Bracknell Forest Borough Council's Issues and Options consultation on Site Allocations floated 8 Broad Areas for possible development. Following the receipt of responses and further evidence, 4 of these areas were discounted and certain parcels of land within the remaining 4 were worked into 4 urban extensions that became the Council's Preferred Option.

3. People and Households

3.1 Before analysing the characteristics of the current and future population of Bracknell it is worth re-capping on the West Central Berkshire market area, analysed in the Berkshire SHMA:

- The overall growth in population over the period 1981-2004 was 19% in West Central Berkshire, compared to 8% – in the context of 12% growth in the South East.
- The number of households in the West Central Berkshire area increased by 13% between 1991 and 2001 (an additional 26,600 households), compared to the rate of growth observed in the South East (11%) and England (9%).
- The age profile of West Central Berkshire is similar to Berkshire as a whole with a greater proportion of 25-44 year olds than the South East and a slightly lower proportion of the population over the age of 75.
- Over the period 1991 to 2001, there was a significant growth in the number of people in the 45-64 age group in West Central Berkshire and notable growth in all benchmarks in the population aged 75 and over.
- The number of couple households without dependents is high in the West Central Berkshire area (27%) compared to the South East (25%). The proportion of couples with dependent children is also higher in West Central Berkshire (24%) compared with the South East (21%). Average household size in the West Central Berkshire is above the average for the South East.
- Owner-occupation is high in the West Central Berkshire area (75%), whereas in the East Berkshire (70%) market area owner occupation is lower than the level for the South East (74%). Levels of social renting are relatively low but the distribution of social renting tends to be concentrated in particular locations.

3.2 Bracknell has experienced population growth of more than double the rate of growth in the South East since 1981 and higher than the West Central Berkshire area for many years.

Figure 3.1: Population and Change 1981-2010

	Year					% Change		
	1981	1991	2001	2008	2010	1981 - 2010	1991 - 2010	2001 - 2010
Bracknell Forest	84,700	98,100	109,700	114,700	116,500	38%	19%	6%
West Central Berkshire	339,100	374,000	404,700	419,500	433,900	28%	16%	7%
East Berkshire	236,100	239,100	254,100	264,000	277,200	17%	16%	9%
Blackwater Valley Borders	232,900	246,000	254,800	263,600	267,700	15%	9%	5%
London	6,805,000	6,829,300	7,322,400	7,619,800	7,825,200	15%	15%	7%
South East	7,243,100	7,629,200	8,023,400	8,380,100	8,523,100	18%	12%	6%

Source: Census and 2008-based Mid Year Population Estimates from ONS

- 3.3 Over the last 10 years, most of the population growth has been driven by the 45-64 age group (Figure 3.3), consistent with the other benchmarks and reflecting the ageing of the baby boom generation. Bracknell has also experienced relatively significant absolute growth in the 15-24 year old age group – students and young professionals. In percentage terms, there has been significant growth in the advanced age group 75+ but this is from a smaller population base.
- 3.4 The current population (2010) in Bracknell has a high proportion of 25-44 year olds, consistent with the wider sub-regional market and reflecting a large working age population. In all other age groups, Bracknell is similar in profile to the other benchmarks although there is a slightly larger proportion of children in the Borough than in the South East. Figure 3.3 suggests Bracknell has experienced a fall in the number of children over the last 10 years, in common with West Central Berkshire as a whole.

Figure 3.2: Population Age Composition 2010

	0 – 14	15 - 24	25 - 44	45 - 64	65 – 74	75+
Bracknell Forest	19%	13%	31%	26%	7%	6%
West Central Berkshire	18%	14%	31%	24%	7%	6%
East Berkshire	20%	12%	32%	24%	7%	7%
Blackwater Valley	19%	12%	28%	26%	8%	7%
London	19%	12%	36%	22%	6%	6%
South East	18%	13%	26%	26%	9%	8%

Source: 2008-based Mid Year Population Estimates, ONS

Figure 3.3: Population Age Change 2000-2010

	0 – 14	15 - 24	25 - 44	45 - 64	65 - 74	75+	Total
Bracknell Forest	-1,000	1,900	-2,900	6,300	1,300	1,300	6,800
West Central Berkshire	-800	8,300	1,300	13,600	3,800	4,900	31,400
East Berkshire	4,800	2,000	5,100	9,200	0	2,600	23,800
Blackwater Valley	0	3,000	-5,500	8,100	4,100	4,400	14,200
London	71,500	25,700	238,500	249,500	-12,000	15,100	588,500
South East	4,600	143,700	-80,500	296,900	83,400	84,300	532,500

Source: 2008-based Mid Year Population Estimates, ONS

Figure 3.4: Population Age Change 2000-2010 (%)

	0 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75+	Total
Bracknell Forest	-5%	-13%	-8%	21%	17%	19%	6%
West Central Berkshire	-1%	16%	1%	15%	15%	23%	8%
East Berkshire	10%	7%	6%	16%	0%	17%	9%
Blackwater Valley	0%	11%	-7%	13%	23%	31%	6%
London	5%	3%	9%	17%	-3%	4%	8%
South East	0%	15%	-3%	15%	13%	13%	7%

Source: 2008-based Mid Year Population Estimates, ONS

- 3.5 Migration is a key determinant of population change within Bracknell’s housing market and is likely to be important over the next 20 years as new housing is delivered. But unlike the long standing and gradual trend toward an ageing population, changes in migration patterns can be more rapid and are much more difficult to predict. Figure 3.5 presents the current migration figures with data obtained from the NHS Patient Register in 2010. These are net figures taking into account inward and outward movements but exclude international migration. Figure 3.5 presents data for the main locations where in-migrants originate from and where out-migrants move to. Bracknell experiences very limited net in and out-migration from other authority areas in England and Wales (net migration of plus or minus 10 people from most other authorities).
- 3.6 Broadly, Bracknell experiences net in-migration of people and households from the east and net outmigration to the west. The most significant source of in-migrants to the Borough in 2010 was London, followed by the adjacent Boroughs to the east - Slough and Windsor and Maidenhead. The implication of this movement is that households are moving into Bracknell from areas of higher house prices and are likely to have greater equity, and probably earnings, than existing residents of the Borough.
- 3.7 Conversely, Bracknell experiences net outmigration of people and households to Wokingham and West Berkshire. Movements to and from the Blackwater Valley area –Rushmoor, Hart and Surrey Heath – are broadly balanced though there may be differences in characteristics of those households moving into Bracknell compared to those moving out.

Figure 3.5: Main Origin and Destination of Migrants to and from Bracknell in 2010

Locations of <u>main</u> movements	Migrants To Bracknell Forest	Migrants From Bracknell Forest	Net Migration
London	830	590	240
Slough	210	90	120
Windsor & Maidenhead	650	440	210
South East Region	3,860	3,490	370
Surrey Heath	240	240	0
Rushmoor	140	140	0
Reading	220	170	50
West Berkshire	90	100	-10
Hart	230	230	0
Wokingham	750	860	-110
England & Wales	6,000	5,800	200

Source: NHS Patient Register (domestic migration only)

- 3.8 Bracknell appears to experience net out-migration of people from all age groups apart from the 25-44 age group– younger working age people and the 65+ group. Net in-migration of children (and by implication families) is evident from the latest data though this varies from year to year and net out-migration has been evident in previous years.

Figure 3.6: Age of Migrants to and from Bracknell Forest in 2010

	In Migration	Out Migration	Net Migration
All ages	6,000	5,800	200
15	1,100	1,000	100
16-24	1,200	1,400	-200
25-44	2,600	2,300	300
45-64	700	800	-100
65+	300	300	0

Source: NHS Patient Register (domestic migration only)

- 3.9 Bracknell has experienced significant household growth since 1981 but the most rapid period was between 1981 and 1991 with slower (though still significant) growth in the following decade (1991-2001) and in the period since (to 2008).

Figure 3.7: Household Growth 1991-2008

	1991	2001	2006	2008	1991 - 2001	2001 - 2008
Bracknell Forest	37,000	43,000	45,700	47,000	16%	9%
West Central Berkshire	142,000	158,000	164,800	170,000	16%	8%
East Berkshire	92,000	99,000	102,300	106,000	8%	7%
Blackwater Valley	92,000	100,000	103,000	106,000	9%	6%
London	2,796,000	3,036,000	3,171,900	3,244,000	9%	7%
South East	3,028,000	3,294,000	3,401,000	3,481,000	9%	6%

Source: Census and ONS 2008-based Mid Year Estimates; DTZ estimates for 2006 based on 2008-based Mid-Year Estimates and assuming the same rate of growth between 2006-2008 as for the period 2008-2033.

- 3.10 The current profile of households in Bracknell is similar to the wider market area of West Central Berkshire. There is a relatively high proportion of family households (defined as those containing children) compared to the South East. The proportion of single person households is similar to the South East but Bracknell has a lower proportion of older single person households with a higher proportion of younger single adult households.
- 3.11 In the sub-district areas of Bracknell it is possible to make the following observations (see Figures 3.8 and 3.9):
- The 'North West' Bracknell area has a relatively high proportion of family households, particularly couples with children, compared to Bracknell as a whole and the West Central Berkshire market area. There is also a relatively high proportion of couples without dependent children – these couple include older couples whose children have grown up and left home as well as younger couples who may have children in the future. There are fewer single person households aged over 65 than the other sub-areas of Bracknell and in the Borough as a whole.
 - The 'East' Bracknell area has a household population profile which largely mirrors the Borough as a whole except for significantly higher proportion of multi-person

pensioner households. This reflects the location of older person accommodation – sheltered housing in the area.

- 'Bracknell Town Centre North' also has a household population profile which mirrors the Borough as a whole except for a higher proportion of multi-person pensioner households and a relatively higher proportion of single older households.
- 'Bracknell Town Centre' has a distinctive household population profile with significantly higher proportions of single person households – both older people and other single adults. Conversely, there are fewer family households, particularly couples with children though there is a relatively high proportion of lone parent families compared to the Borough as a whole. There is also a relatively higher proportion of other households – these are multi-person households comprised of unrelated people sharing. This profile is fairly typical of those found in town and city centre areas.
- 'Bracknell Town Centre South' is similar in profile to the Borough as a whole though has a higher proportion of family households, including a relatively high proportion of lone parent families within this.
- The 'South' Bracknell area is similar in profile to the 'North West' with a higher proportion of family households, particularly couples with children, and a lower proportion of single person households, particularly single older people compared to the other sub-district areas and the Borough as a whole.



Figure 3.8: Household Composition 2001

	Total	Single Person Households		Families with Children			Couples	Other Households		
		One person - Pensioner	One person - Other	Couple with dependent children	Lone parent	Other with dependent children	Couple with no dependents	All student	All pensioners	Other
Bracknell Forest	43,405	5,470	7,329	11,303	2,372	817	11,496	10	3,044	1,564
- North West	3,228	308	567	974	103	50	932	3	193	98
- East	3,763	517	538	962	143	61	1,023	0	402	117
- Bracknell Town North	8,540	1,267	1,331	2,133	470	151	2,158	0	753	277
- Bracknell Town Centre	2,124	406	520	350	123	22	430	0	174	99
- Bracknell Town South	15,725	1,814	2,910	3,915	1,099	366	4,137	3	823	658
- South	10,023	1,147	1,446	2,945	443	174	2,848	0	696	324

Source: Census 2001



Figure 3.9: Household Composition 2001 (Percentage)

	Total	Single Person Households		Families with Children			Couples	Other Households		
		One person - Pensioner	One person - Other	Couple with dependent children	Lone parent	Other with dependent children	Couple with no dependents	All student	All pensioners	Other
Bracknell Forest	100%	13%	17%	26%	5%	2%	26%	0%	7%	4%
- North West	100%	10%	18%	30%	3%	2%	29%	0%	6%	3%
- East	100%	14%	14%	26%	4%	2%	27%	0%	11%	3%
- Bracknell Town North	100%	15%	16%	25%	6%	2%	25%	0%	9%	3%
- Bracknell Town Centre	100%	19%	24%	16%	6%	1%	20%	0%	8%	5%
- Bracknell Town South	100%	12%	19%	25%	7%	2%	26%	0%	5%	4%
- South	100%	11%	14%	29%	4%	2%	28%	0%	7%	3%
West Central Berkshire	100%	14%	15%	23%	5%	2%	26%	1%	8%	6%
East Berkshire	100%	15%	15%	23%	5%	4%	25%	0%	8%	6%
Blackwater Valley	100%	14%	13%	26%	4%	2%	28%	0%	8%	4%
London	100%	16%	22%	18%	8%	4%	19%	0%	6%	8%
South East	100%	17%	14%	22%	5%	2%	25%	0%	10%	4%

Source: Census 2001

Red shading indicates high proportion of household type compared to Borough, market area and South East average

Blue shading indicates low proportion of household type compared to Borough, market area and South East average

- 3.12 Figure 3.10 presents projected household growth by household type 2008-2033, drawing on CLG 2008 based household estimates. The CLG estimates have been used here rather than forecasts based on policy given the uncertainty around the level of future dwelling provision following the announcement that the Government intends to revoke the South East Plan. The 2008-based projections have replaced the previous 2006-based projections, which used a different methodology. This makes it difficult to tie in the projections with Bracknell's plan period (2006-2026). We make an estimate of the number of households in 2006 and the growth between 2006-2026 in Figure 3.10 by assuming the annualised household growth 2008-2033 applies to the period 2006-2026.
- 3.13 It is important to keep in mind that these CLG projections do not take account of. planned housing provision, which is for 10,780 new homes in Bracknell 2006-2026; they rely on projecting past trends into the future. Nevertheless, they provide a useful source of information for considering the *type* of household growth that could occur in the future.
- 3.14 It is important to note that the methodology used by CLG in producing the 2008 based household projections is different to that used in previous projections (including the 2006 based projections). One particular criticism levelled at the 2008 based projections is the short time period (of 5 years data) used to project forward the growth in different household types. This has been said to explain the growth in lone parent households which is now higher than anticipated by previous projections. The latest projections have also stopped distinguishing between married and cohabiting couples because of the similarity in the birth rates – though this has no impact on this assessment.
- 3.15 Bracknell Forest's projections suggest an increase of 3,000 couple households (11% growth) mirroring trends at the national level. The projections expect an increase of 10,000 single households representing growth of 66% over the period; and no increase in other multi-person households.
- 3.16 Between 2006-2026 (the plan period), these projections anticipate an additional 8,000 single households are anticipated within Bracknell Forest, 2,500 couple households and 1,600 lone parent households (Figure 3.10).
- 3.17 DTZ expect that these household projections, based on 2008 population estimates, may over-estimate household formation because they do not take account of the fundamentally different economic environment post 2008. It might be a reasonable assumption that, while over the long term average household size will continue to fall, the pace of decline may be slower than that assumed currently by CLG due to the economic challenges of the next decade. There are a number of reasons for this:
- Slow economic growth, falling real household incomes or slow growth in household incomes, may encourage people to economise on housing costs by greater sharing.
 - Rising student fees and lack of employment for young people, graduates and non graduates, combined with rising costs of renting may encourage increasing numbers of young adults to stay in the family home.
 - There is growing reliance on the private rented sector as a consequence of difficulty in accessing mortgages, and this may encourage people to stay in shared accommodation for longer than they would otherwise have done.

- Likewise Housing Benefit changes which cap benefits according to the number of people living in a property may encourage those low income households that want to continue to live in larger properties to persuade family members to live at home.
- Housing Benefit changes for those aged 25-35 are also likely to encourage greater use of shared accommodation.

3.18 On balance, DTZ expect household formation to be lower in the short term with perhaps higher rates of multi-person (sharing) households than the CLG projections expect and lower rates of single household formation because of affordability constraints.

Figure 3.10: CLG Household Projections for Bracknell Forest 2008-2033, adapted to Bracknell Forest Plan Period 2006-2026

	Projection Period		Annualised	Plan Period		Estimated Change 2006-2026
	2008	2033	Per annum	2006	2026	Total
One person household	15,000	25,000	400	14,200	22,200	8,000
Couple households	27,000	30,000	125	26,700	29,200	2,500
Lone parent household	3,000	5,000	80	2,800	4,400	1,600
Other multi-person household	2,000	2,000	0	2,000	2,000	0
Total	47,000	62,000	600	45,700	57,800	12,000

Source: CLG 2008 Based Household Estimates. These figures are based on past trends and do not take account of planned dwelling provision of 10,780 over the period 2006-2026. Figures are rounded to nearest 100 and may not sum precisely due to rounding.

Indicative Dwelling Size Estimates for Bracknell

- 3.19 The relationship between household size and type and dwelling size and type is not straightforward. The conventional logic that household size and dwelling size have a direct correlation is misleading.
- 3.20 The complexity of the relationship between household size and dwelling size is illustrated in Figure 3.11. This shows the relationship of household type and dwelling size in the South East of England. Although around one third of single person households live in 1 bedroom properties, broadly equal proportions of single households live in 2 and 3 bedroom properties. This evidence reflects the fact that patterns of occupancy and demand for different sized homes reflect income, wealth and life stage rather than household size.
- 3.21 Bearing in mind the lack of a linear relationship between household size and type and dwelling size, which means all projections must be treated with caution, DTZ has produced indicative estimates of the types of dwellings that might be required, based on projected household growth within Bracknell. These are set out in Figure 3.12 and 3.13.

Figure 3.11: Size of Home Occupied by Household Type, South East

	Single Person	Couple	Lone Parent	Other - multi person
1 bedroom	32%	5%	1%	1%
2 bedroom	31%	19%	32%	23%
3 bedroom	29%	47%	54%	43%
4 bedroom	7%	22%	10%	25%
5 bedroom	1%	5%	3%	8%
6+ bedroom	0%	1%	0%	1%
Total	100%	99%	100%	101%

Source: Survey of English Housing 2007/08

- 3.22 Figure 3.11, based on data from the Survey of English Housing show how different types of households are currently housed. Applying these proportions to the forecast change in the numbers of different households in Bracknell produces Figures 3.12 and 3.13. This shows the size of property that new households are likely to occupy, by type of household, if growth in these types of households is achieved as expected.

Figure 3.12: Size of Dwellings Required by Future Households in Bracknell

Indicative Estimate of Size of Dwellings Required to Accommodate Growth					
	Single Person	Couple	Lone Parent	Other - multi person	Total
1 bedroom	2,560	120	20	0	2,700
2 bedroom	2,480	450	510	0	3,440
3 bedroom	2,320	1,120	860	0	4,300
4 bedroom	560	520	160	0	1,240
5 bedroom	80	120	50	0	250
6+ bedroom	0	20	0	0	20

Source: DTZ

Figure 3.13: Size of Dwellings Required by Future Households in Bracknell (%)

Indicative Estimate of Size of Dwellings Required to Accommodate Growth (%)					
	Single Person	Couple	Lone Parent	Other - multi person	Total
1 bedroom	32%	5%	1%	0%	23%
2 bedroom	31%	19%	32%	0%	29%
3 bedroom	29%	47%	54%	0%	36%
4 bedroom	7%	22%	10%	0%	10%
5 bedroom	1%	5%	3%	0%	2%
6+ bedroom	0%	1%	0%	0%	0%

Source: DTZ

- 3.23 It is interesting to note that this illustration suggests that, despite the majority of future household growth coming from single person households, only 32% of the homes these



households are likely to occupy will be 1 bedroom properties (Figure 3.14). A significant factor in this is the ageing population. Many of the single households which form in Bracknell will be older people living alone, and frequently occupying properties larger than their basic needs require. This estimate suggests that almost half of the growth in households 2006-2026 is likely to result in demand for 3 bedroom or larger properties.

4. Economy

4.1 The economic performance of any area has an important impact on the performance and character of the housing market. However the broader national and international financial and economic environment will shape the patterns of demand for and supply of housing in Bracknell in the following ways:

- The availability and cost of mortgage finance will have an impact on how many people can expect to become home owners, or at what age they can expect to become home owners. Attitudes to home ownership may also have changed as a consequence of the experience of a substantial short term reduction in house prices.
- As a consequence of the downturn, unemployment may remain at a much higher level for a number of years than prior to the downturn; some people may permanently withdraw from the labour market, which will have an impact on economic activity rates. Unemployment and reduced economic activity will have an impact on household incomes, and hence the affordability of housing.
- Employment growth is a major driver of in-migration both within the UK and internationally. If the rate of employment growth in Bracknell and the West Central Berkshire market in future years is less than it would have been in the absence of the recession, or wages less attractive in an EU context because of the depreciation of the £, then the area may attract fewer in-migrants, which would reduce housing demand and relieve housing pressures.
- Bracknell and West Central Berkshire as a whole have a close relationship with London. The impact of the downturn and the restructuring of the financial services sector may have an impact on employment growth and earnings in London, and thereby on migration and population growth in London. This will very likely have knock on effects in Bracknell in terms of both household migration and commuting patterns to and from London.

4.2 It is also important to understand that the housing market also impacts upon economic performance through the way it shapes the quality of life within an area. The performance of the economy in Bracknell, as in any area, and its performance relative to other areas, is driven primarily by accessibility, skills and quality of life factors:

- The authorities within Berkshire benefit from a high degree of **strategic accessibility** afforded by the M4 motorway, proximity to the M3, M25 and M40. Reading is a key hub within the strategic rail network, providing connections to the North, South, East and West of the country. In addition, the proximity of Heathrow Airport also provides enhanced national and international connectivity for many of those living and working in the area. However, it is generally very difficult to fundamentally change accessibility.
- The **skills** base of an area is also key to its economic performance. A large highly skilled workforce will attract companies to locate, even if economic activity rates are already high.

- A key component of **quality of life** within Bracknell is the homes and neighbourhoods within the town and surrounding settlements. Research suggests that housing affordability affects business decisions and performance through the impact it has on recruiting staff, specifically those doing lower paid work. But the type, size and quality of the housing stock and the attractiveness of local neighbourhoods is a driver in the decision of highly skilled mobile workers to locate in an area and can also be a driver in the decision of businesses to locate. The quality of homes and places is something that Bracknell Forest Borough Council and its partners can influence through their housing, planning and regeneration activities in particular.

4.3 The overall wealth generating capacity of Bracknell's economy is a key factor in earnings and hence in household incomes. High levels of economic activity, which are typically associated with areas of strong job growth, are also a major influence on household incomes. Household income impacts on housing in the following ways:

- Household income growth is strongly correlated to increased demand for housing. Various academics have modelled this relationship over time. Christine Whitehead of LSE and Cambridge Centre for Housing and Planning Research finds that a 1% increase in household incomes tends to result in a greater than 1% increase in the demand for homes ie as household incomes rise households in the UK tend to spend a higher proportion of their wealth on housing.
- The distribution of household incomes impacts on household tenure choice, the type, size and quality of homes they are able to access and the requirement for affordable housing. The distribution of incomes within Bracknell is considered further in Section 6.

4.4 Furthermore, areas with high average earnings and strong employment growth act as a magnet for in-migration and hence underpin demographic growth. The buoyancy of the sub-regional economy also has an impact on demographic structure. Buoyant economies tend to have a younger age profile, and fewer older and economically inactive people. The latter may gravitate to areas where housing is cheaper because there are fewer well paid jobs.

Income and Earnings

4.5 Figure 4.1 reveals that resident incomes (individual) in Bracknell remain lower than workplace incomes and in Bracknell the gap appears to have widened due to a faster rate of growth in workplace incomes between 2002 and 2010. The incomes of Bracknell's residents have remained relatively flat since 2007.

Figure 4.1 Resident Based Earnings (Mean Average Full Time)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bracknell Forest	26,836	25,535	28,218	28,273	28,558	29,805	29,014	30,145	29,995
West Central Berkshire	26,720	27,601	27,390	28,838	29,191	30,464	32,327	32,449	31,715
East Berkshire	24,951	25,991	27,259	28,325	29,507	29,475	30,539	31,715	30,627
Blackwater Valley	26,477	28,287	29,571	29,550	31,152	31,956	30,905	31,526	32,994
London	25,235	26,201	27,046	28,177	28,671	29,841	31,097	31,948	32,008
South East	22,880	23,797	24,700	25,224	25,924	26,666	27,876	28,663	28,792

Source: Annual Survey of Hours and Earnings (ASHE) ONS

Figure 4.2: Workplace Based Earnings (Mean Average Full Time)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bracknell Forest	26,616	28,479	30,028	31,636	33,615	34,540	36,169	36,044	35,109
West Central Berkshire	27,360	28,040	28,053	28,615	29,027	31,362	30,619	32,026	33,756
East Berkshire	25,542	27,040	27,418	28,613	29,513	29,551	30,382	31,759	31,509
Blackwater Valley	27,123	28,621	28,834	29,001	29,134	30,568	30,713	33,217	31,554
London	26,467	27,455	28,750	29,882	30,355	31,484	32,813	33,701	33,998
South East	21,940	22,843	23,748	24,229	24,798	25,583	26,778	27,493	27,500

Source: Annual Survey of Hours and Earnings (ASHE) ONS

- 4.6 In 2010, Bracknell appears to have a larger gap between the earnings of residents and workers within the Borough than other benchmark areas. People who work in Bracknell earn around £35,000 per annum on average – this includes people who also live in the Borough as well as people who commute into Bracknell for work but live elsewhere. Whereas people who live in Bracknell earn around £30,000 on average – this includes people who work in Bracknell and those who live in Bracknell but work elsewhere.

Figure 4.3: Comparison of Resident and Workplace Based Earnings in 2010

	Resident Earnings	Workplace Earnings
Bracknell Forest	29,995	35,109
West Central Berkshire	31,715	33,756
East Berkshire	30,627	31,509
Blackwater Valley	32,994	31,554
London	32,008	33,998
South East	28,792	27,500

Source: ASHE

Employment

- 4.7 Total employment in Bracknell stands at around 55,400 jobs according to the Business Records Employment Survey 2009. This data replaces the Annual Business Inquiry and so the data to 2008 cannot be directly compared with 2009. The BRES does however measure employment in Bracknell at a much lower level than the ABI. DTZ believe this is mostly likely to be due to the new 'bottom up' approach to counting jobs under the BRES compared to the 'top down' approach under ABI. The latter often assumed staff were located at company head quarters rather than satellite offices elsewhere and led to over-estimates of employment in areas with high numbers of company head quarters, particularly London but this is also likely to be true in the Thames Valley area.
- 4.8 Nevertheless, the number of jobs in Bracknell exceeds the number of households (around 47,000 households in 2008) so the ratio of jobs to households is just under 1.2 – a measure which is commonly used to quickly assess whether an area has a balance between jobs and homes. This is the case in the West Central Berkshire market area as a whole where the number of jobs in the sub-region exceeds the number of households by a similar factor.
- 4.9 Employment and job growth are important drivers of the demand for housing. Bracknell has experienced a rate of employment growth in recent years (1998-2008) at a little over 13%



consistent with the market area as a whole. It is too early to say whether there has been a significant decline in employment within Bracknell – particularly because of the change in methodology used by the ONS in collecting employment data.



Figure 4.4: Number of Jobs (Workplace Based Employment)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Bracknell Forest	55,511	60,063	62,742	66,160	63,024	64,812	61,694	61,494	64,294	66,797	62,685	55,443
West Central Berkshire	145,926	156,449	164,285	165,145	165,913	162,805	164,145	159,901	157,304	164,222	165,359	212,523
East Berkshire	140,653	152,330	154,455	152,405	155,363	147,121	148,907	150,585	147,654	149,402	150,339	149,741
Blackwater Valley	116,077	126,121	128,053	125,928	122,918	123,251	120,682	124,118	120,223	122,625	123,331	126,331
London	3,763,229	3,956,284	4,059,961	4,015,808	3,931,406	3,927,895	3,968,706	4,060,590	3,993,807	4,096,896	4,167,923	4,060,443
South East	3,391,722	3,566,243	3,637,128	3,636,870	3,650,499	3,602,534	3,630,529	3,725,863	3,643,000	3,701,775	3,727,747	3,652,611

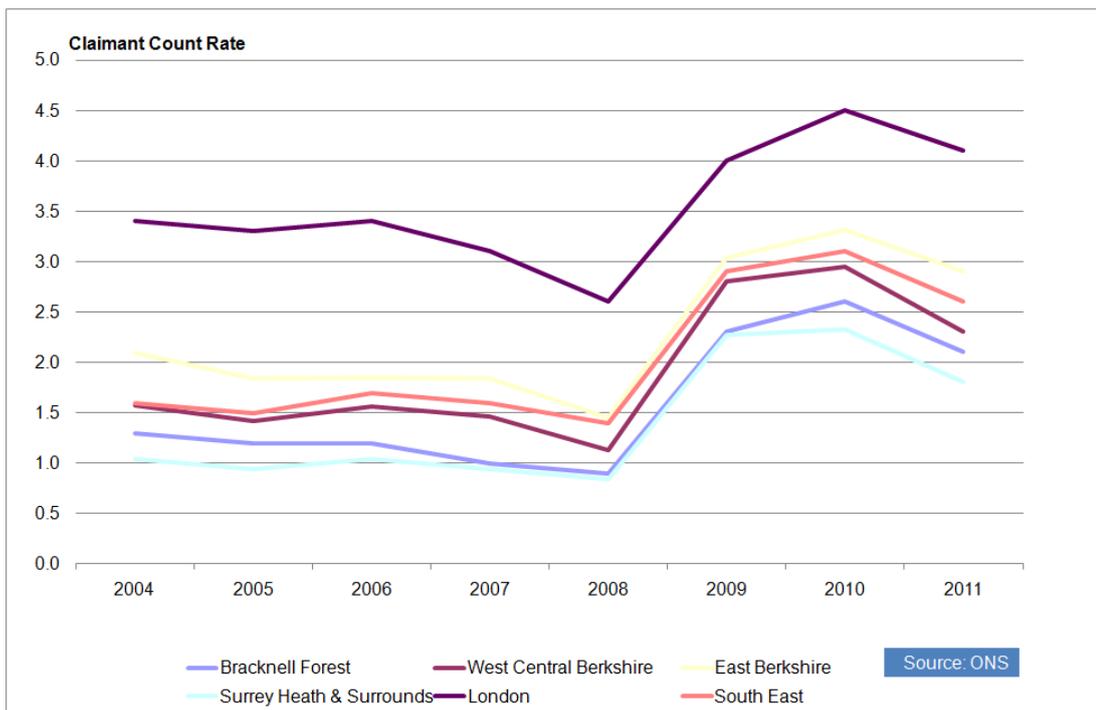
Source: Annual Business Inquiry, workplace based employment (i.e. excludes residents who work outside of the area, includes workers who live outside the area) and Business Records Employment Survey 2009

Note: Due to a change in the methodology 1998-2008 and 2008-2009 cannot be compared directly

Unemployment

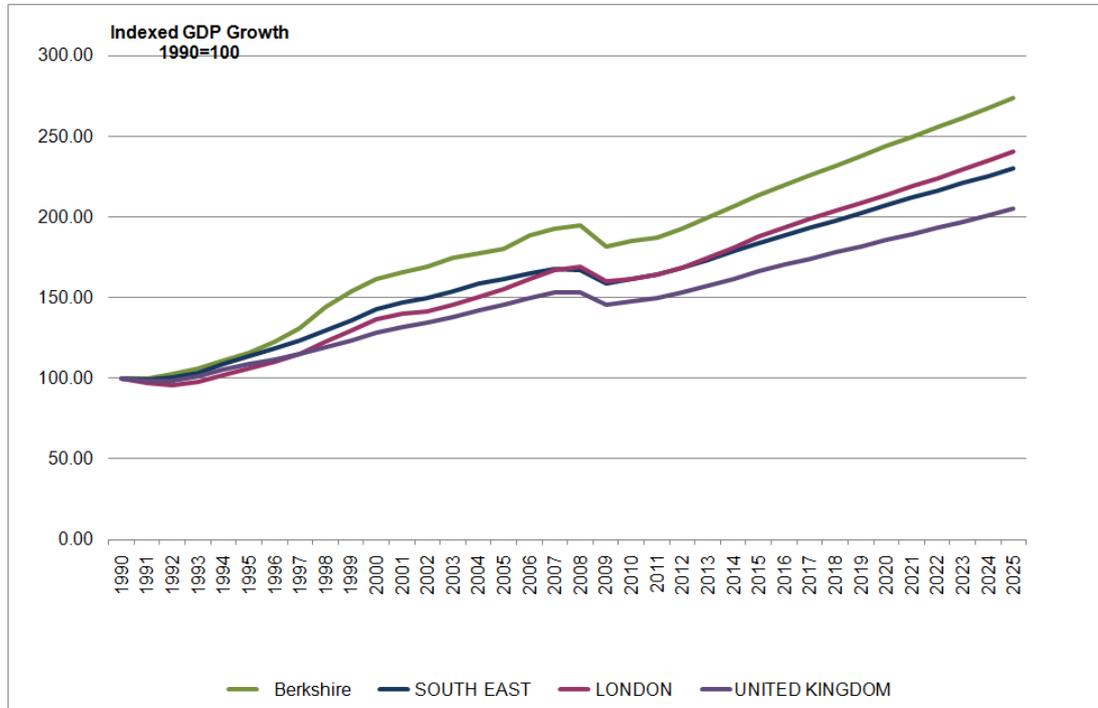
- 4.10 In 2011 (March) Bracknell had a total of around 1,600 claimants, 2.1% of the working age population and a slight fall on the previous year. This level of unemployment is more than double that of March 2008 (650 claimants). Bracknell had experienced unemployment rates lower than 2% from 2000 onwards – a rate typically associated with full employment.
- 4.11 It is possible that claimant levels may remain relatively high for a number of years even after economic growth resumes. It was noted in the South East Economy Review in June 2009 that the labour market is a lagging indicator of economic activity. The review did suggest however that the long-term prospects for the South East are ‘reasonably good’ on the condition that a strong skills base is retained, with post recession economies tending to return quite quickly to their long term growth path once they have recovered. However international studies indicate that recessions brought on by financial crises tend to have more long lasting effects on national economies than those that result from other factors.

Figure 4.5: Unemployment Rate (Claimant Count)



Source: Job Seekers Allowance Claimant Count

Figure 4.6: Projected Growth in Economic Output (GDP) to 2025



Source: Oxford Economics

Future Employment Growth

4.12 Employment forecasts by Oxford Economics presented in Figure 4.6 indicate that total employment in Berkshire and the South East as a whole is expected to recover to previous peak levels from 2013 onwards. Although employment is expected to have grown from 2010 onwards, it will take a further 3 years to reach the employment levels recorded in 2007. There is some consensus amongst economic forecasters that the recovery will be gradual rather than a rapid rebound. It is important to stress that economic forecasts are highly uncertain. Nevertheless those presented in Figure 4.6 could have the following implications:

- Lower job growth could result in reduced in-migration as fewer workers relocate to Bracknell to take up jobs
- Reduced in-migration would be likely to result in lower levels of household growth
- But the outcome will also depend on job growth in other areas.
- If job growth in adjacent markets and in London outstrips that in Bracknell, the Borough could still experience in-migration as households move in to take advantage of relatively lower house prices and decide to commute out of the Borough to work.

5. Housing Stock and Supply

- 5.1 The purpose of this analysis is to identify any broad imbalances in the housing stock, which might be addressed through or actions to influence the nature of new development in Bracknell or strategies to regenerate or renew the existing stock.
- 5.2 In most areas, even if housing completions are delivered in line with planned allocations, the majority of homes that residents will occupy in 20 years time have already been built. This is also true for Bracknell but the Borough has greater potential to change its housing stock through new supply than most other markets. If housing completions are delivered in line with current proposals² for Bracknell, this would add 1% to the stock each year and new supply would account for 19% of the total housing stock in the Borough in 2026. This is based on an estimate the stock equated to around 46,100 homes in 2006 and an estimated additional 10,780 homes planned to 2026 (see Figure 5.1).
- 5.3 An addition of 1% per annum to the housing stock of a local authority is generally considered a high rate of growth (relative to the rate of growth in the housing stock in England as a whole). As a result there is a significant opportunity within the Borough to influence the nature of its housing stock over the next 15 years.

Figure 5.1: Total Housing Stock

Area	Housing Stock 2001	Completions 2001-06	Estimated Stock in 2006	Planned Allocations 2006-26	Estimated Stock in 2026
Bracknell	44,500	1,600	46,100	10,780	55,880

Source: Census, 2001, Bracknell Forest Borough Council Completions data, planned allocation of 10,780 dwellings 2006-2026 which is currently being used by the Council for planning purposes.

- 5.4 The nature of the existing housing stock in terms of tenure, type and size should also be a key consideration for the Borough Council in influencing the nature of new housing provision. Over time, new housing provision can be used to address biases and gaps in the existing stock and widen the choice of homes available to residents.
- 5.5 The tenure of homes within Bracknell Forest is broadly similar to the market area (West Central Berkshire) and the South East as a whole although there is a higher proportion of social renting within Bracknell (17% in 2001).

² Following the revocation of the approved South East Plan, Bracknell Forest Borough Council is planning on the basis of the housing allocation originally submitted in respect of the draft South East Plan (10,780 dwellings per annum – Option 1 figure)

Figure 5.2: Tenure of Homes in 2001

	Owned	Social Rented	Private Rented or Living Rent Free
Bracknell Forest	73%	17%	10%
- North West	80%	6%	14%
- East	83%	6%	12%
- Bracknell Town North	71%	21%	8%
- Bracknell Town Centre	54%	35%	11%
- Bracknell Town South	68%	24%	9%
- South	81%	8%	10%
West Central Berkshire	76%	11%	13%
East Berkshire	70%	16%	13%
Blackwater Valley	79%	11%	11%
London	57%	26%	17%
South East	74%	14%	12%

Source: Census 2001

Red shading indicates high proportion of tenure type compared to Borough, market area and South East average

Blue shading indicates low proportion of tenure type compared to Borough, market area and South East average

5.6 To assess likely changes in tenure since 2001 it is necessary to examine data from the Survey of English Housing from 2001 onwards in the South East. Key points to note are:

- Since 2001 the proportion of households who are home owners has fallen from 75% to 72%, and the absolute number of households owning a home has fallen by around 110,000 from a peak of 2.586 million in 2005.
- Since 2001 the proportion of households renting from a social landlord has fallen from 14% of households to 13% of households. There were around 12,000 fewer households renting from a social landlord in 2008, than 2001.
- The proportion of households renting from a private landlord has increased from 11% in 2001 to 14% in 2008, representing an increase in the number of households that rent from a private landlord of 142,000, meaning that around ½ million households in the South East of England are private tenants.

5.7 If these patterns have been replicated in Bracknell Forest and West Central Berkshire, and there is a reasonable expectation that they will have been, then the proportion of households who rent privately will have increased from 10% to around 13%; and the numbers of both owner occupiers and social housing tenants will have fallen slightly in absolute terms, and in percentage terms with the bigger fall in terms of the share of all households being attributable to declining numbers of home owners.

5.8 This means that all the growth in households in Bracknell since 2001 is likely to have been accommodated by the growth of the private rented sector, and this sector has claimed 'market

share' even of the base population at 2001. The absolute number and proportion of the market accounted for by owner occupiers appears to have peaked in 2005. On balance the downturn in the housing market, linked as it is to a shortage of mortgage finance, is likely to reinforce the trend to growth of the private rented sector at the expense of owner occupation.

5.9 Figures 5.3 and 5.4 present data on the type of homes within Bracknell. Within the Borough as a whole, the following key differences are evident when the stock is compared to the wider market area and the South East region:

- Bracknell has a significantly higher proportion of terraced housing (33% of the stock) compared to West Central Berkshire and the South East (though discussions with Bracknell Forest officers suggest that this includes a large proportion of larger terraces)
- Bracknell has a lower proportion of semi detached properties compared to West Central Berkshire and the South East
- The proportion of detached properties and flats within Bracknell is broadly similar to West Central Berkshire and the South East
- There is a relatively significant proportion of households who live in non-standard types of homes. These include mobile homes and there is a particular concentration within the 'East' area of Bracknell Forest, which contains the ward of Winkfield where a large mobile home park is located (Figure 5.4).

Figure 5.3: The Type of Homes within Bracknell and Surrounding Market Areas

	Bracknell Forest	West Central Berkshire	East Berkshire	Blackwater Valley	London	South East
Detached	29%	30%	23%	37%	6%	29%
Semi	20%	29%	28%	28%	19%	29%
Terraced	33%	24%	25%	19%	26%	23%
Flat	16%	17%	23%	14%	48%	18%
Other	2%	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%

Source: Census 2001

Figure 5.4: The Type of Homes within Bracknell (Sub-District Analysis)

	Detached	Semi	Terrace	Flat	Other	Total
North West	50%	21%	18%	10%	1%	100%
East	43%	34%	7%	7%	9%	100%
Bracknell Town North	29%	18%	35%	15%	4%	100%
Bracknell Town Centre	10%	17%	35%	38%	0%	100%
Bracknell Town South	15%	16%	50%	19%	0%	100%
South	43%	24%	19%	13%	1%	100%

Source: Census 2001

5.10 Figure 5.4 shows that within Bracknell there is significant diversity in the type of homes in different parts of the Borough and this may have implications for the type of properties delivered on the proposed strategic development sites:

- In the North West of the Borough half of the housing stock is detached and there are relatively few smaller dwellings (flats and terraces).
- A similar pattern is observed in the East and South sub-district areas with both areas having a bias towards detached properties (43% of stock) and relatively few flats and terraces.
- This is unsurprising given the characteristics of these areas which are outside of the main urban area and relatively rural in nature. However, it is worth noting that the majority of strategic development sites proposed are within areas characterised by larger properties and lower density development.
- In Bracknell Town Centre and Town Centre South there is a strong bias towards terraces and flats – higher density development consistent with the urbanised nature of the areas. Interestingly, Bracknell Town Centre North appears to have a balance of different dwelling types which mirrors the Borough as a whole.
- This implies that new development could do much to improve the choice of properties in these areas but this needs to be considered against the character of these existing areas and the strategic needs of the Borough (and wider market as a whole).

5.11 It is difficult to source definitive data on the size of properties within any area in terms of numbers of bedrooms because the Census (the only comprehensive source of information) only records information on the number of rooms. The number of rooms listed does not include bathrooms, toilets, halls or landings, or rooms that can only be used for storage. All other rooms are counted – although two rooms converted into one are counted as one room. Rooms shared between more than one household (i.e. a shared kitchen) are not counted.

5.12 Nevertheless, it is possible to make broad estimates about property size based on this data. DTZ work with the following assumptions regarding the relationship between habitable rooms and the number of bedrooms in a property, which is the more generally understood yardstick of dwelling size:

- 1-4 room dwellings equate to a 1-2 bed property – if we assume this includes a kitchen, and could include 1 or 2 reception rooms
- 5-6 room dwellings equate to a 2-3 bed property – if we assume a kitchen and 1 or 2 reception rooms
- 7 plus room dwellings equate to 4 bed properties or larger – if we assume a kitchen and 2 reception rooms

Figure 5.5: The Size of Homes within Bracknell and Surrounding Market Areas

	1-2 bedrooms (1 - 4 Rooms)	2-3 bedrooms (5 - 6 Rooms)	4+ bedrooms (7+ Rooms)	Total
Bracknell Forest	31%	41%	28%	100%
West Central Berkshire	27%	44%	28%	100%
East Berkshire	34%	44%	21%	100%
Blackwater Valley	24%	43%	33%	100%
London	49%	38%	13%	100%
South East	30%	45%	25%	100%

Source: Census 2001, adapted by DTZ

- 5.13 Figure 5.5 demonstrates that Bracknell has a slightly higher proportion of smaller (1 and 2 bedroom) properties than West Central Berkshire, neighbouring markets of East Berkshire and the Blackwater Valley and the South East as a whole. This is unsurprising given the high proportion of terraced properties in the Borough. The number of larger properties (4 bedrooms or more) is broadly on a par with the market area and South East as a whole.

Figure 5.6: The Size of Homes within Bracknell (Sub-District Analysis)

	1-2 bedrooms (1 - 4 Rooms)	2-3 bedrooms (5 - 6 Rooms)	4+ bedrooms (7+ Rooms)	Total
North West	27%	31%	42%	100%
East	24%	41%	35%	100%
Bracknell Town North	32%	38%	30%	100%
Bracknell Town Centre	45%	36%	18%	100%
Bracknell Town South	34%	46%	20%	100%
South	25%	40%	34%	100%

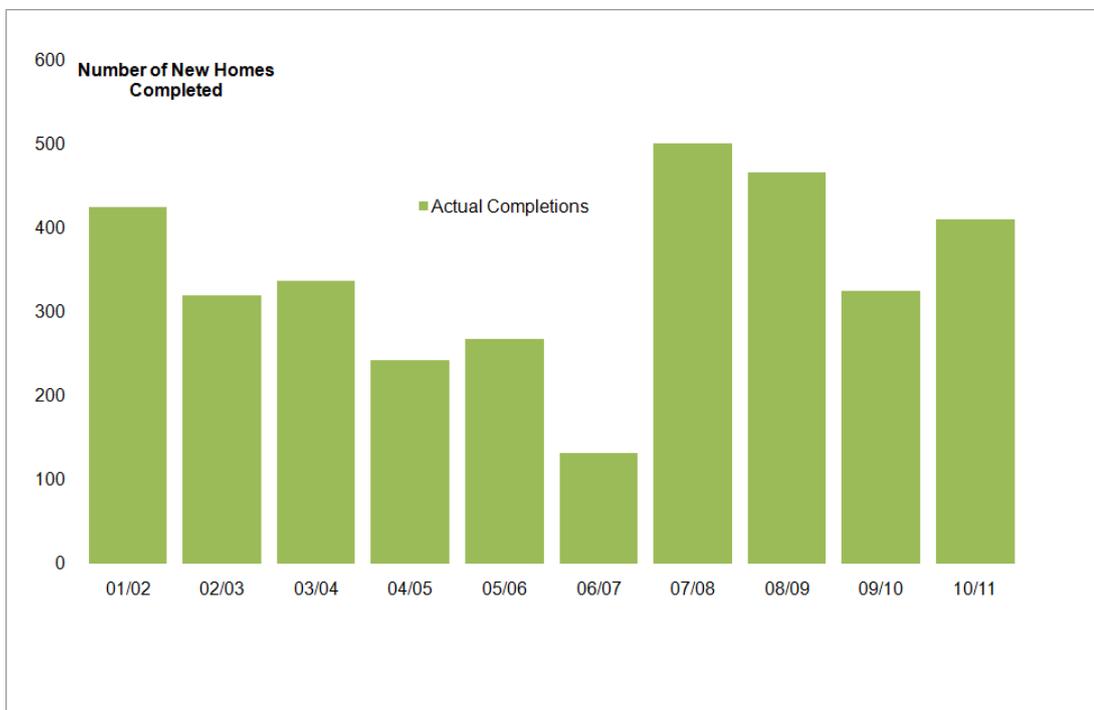
Source: Census 2001, adapted by DTZ

- 5.14 Figure 5.6 shows that within Bracknell there is significant diversity in the size of homes in different parts of the Borough and, as with dwelling types, this may have implications for the size of properties delivered on the proposed strategic development sites:

- In the North West of the Borough 42% of the housing stock contained 4 bedrooms or more and there are relatively few smaller dwellings (1 and 2 bed properties) when compared to the Borough and the South East as a whole.
- A similar pattern is observed in the East and South sub-district areas with both areas having a bias towards larger properties (35% and 34% of the stock respectively) and relatively few smaller dwellings. This is consistent with the dwelling type analysis earlier in this section.
- Bracknell Town Centre and Bracknell Town South have a bias towards small dwellings (1 and 2 bed properties) and few large properties of 4 bedrooms or larger. Whilst this is characteristic of urbanised areas it means that there is more limited choice for those needing larger family sized accommodation and these households are likely to look outside of the town centre for suitable housing.

- 5.15 The size of the housing stock changes relatively slowly over time because new completions add less than 1% to the stock each year so the data from the Census 2001 is likely to be broadly representative of the nature of homes within the Borough. It is possible to estimate how the housing stock may have changed in relation to new completions by analysing data on the nature of new housing supply.
- 5.16 However, research for SEERA in 2007 suggested that more 4 bedroom homes have been added to the housing stock over time through householders extending their homes than have been delivered through new housing development.³ The study estimated that in the 10 years to March 2005 around 74,000 large houses (four bedrooms) were produced through changes in the existing stock, compared to 66,000 produced through new building in the South East. It is important to keep in mind therefore that the size of the existing stock may change through conversion and extension activities as well as new supply.
- 5.17 Since 2001 (up to 2010/11) the number of new homes built within Bracknell was 3,425, with a significant proportion having been delivered over the last 4 years. This suggests that the housing stock has grown by almost 8% since 2001 through new completions. There have been 1,834 net completions over the plan period (2006/07 – 2010/11).

Figure 5.7: Housing Completions in Bracknell 2001/02 – 2010/11



Source: Bracknell Forest Borough Council

³ Cambridge Centre for Housing and Planning Research and Forum for the Future (2006) The Use of Existing Stock in the South East for the South East England Regional Assembly

5.18 Data is available on the nature of new completions since 2004/05 (see Figures 5.8 and 5.9) and this provides a clear indication of how new supply may have changed the broad patterns in the housing stock recorded in 2001. The key observations are:

- The majority (54%) of completions over the last 6 years have been flats
- Terraced properties have accounted for the largest proportion of house completions over the last 6 years (23% of all completions and just under half of all houses completed)
- Two bedroom properties have accounted for around half of all completions over the last 6 years – driven by the large proportions of flats and terrace houses developed
- Just over one third (40%) of completions over the last 6 years have been 3 bedroom and larger properties, though only 25% of completions were detached or semi detached homes which means that some of these larger properties are terraces (larger town houses) and a small proportion maybe 3 bedroom flats.

Figure 5.8: Size of New Housing Completions (Gross) in Bracknell 2004/05 – 2009/10

	Number of Bedrooms (%)					Total
	1	2	3	4	5	
2009/10	6%	35%	33%	21%	5%	325
2008/09	15%	40%	29%	14%	2%	479
2007/08	19%	45%	19%	12%	5%	540
2006/07	8%	59%	13%	16%	4%	236
2005/06	13%	62%	18%	4%	3%	294
2004/05	15%	43%	16%	23%	3%	295
Total (Number)	296	997	480	318	79	2,169
6 Year Average (%)	14%	46%	22%	15%	3%	100%

Source: Bracknell Forest Borough Council Annual Monitoring Reports 2004/05 – 2009/10

Figure 5.9: Type of New Housing Completions in Bracknell 2004/05 – 2009/10

	Flat	Terrace	Semi	Detached	Other*	Total
2009/10	37%	32%	13%	18%	-	325
2008/09	46%	30%	14%	10%	-	479
2007/08	48%	17%	15%	20%	-	540
2006/07	55%	15%	9%	16%	5%	236
2005/06	75%	14%	5%	4%	2%	294
2004/05	54%	25%	11%	10%	0%	295
Total (Number)	1,108	490	261	295	18	2,169
6 Year Average	51%	23%	12%	13%	0.8%	100%

Source: Bracknell Forest Borough Council Annual Monitoring Reports 2004/05 – 2009/10

*Only recorded in 2004/05-2006/07

- 5.19 It is interesting to consider how recent completions compare to both the nature of properties in the existing stock and indicative projections on the size of homes future households are likely to occupy:
- Delivery of relatively significant proportions of terraced properties would appear to reinforce the bias in the existing stock within the Borough
 - Delivery of significant proportions of flats would appear to have provided wider choice within the housing stock, given the relatively low proportion of flats in 2001
 - Whilst delivery of 1 bedroom properties was modest (14% of completions over the last 6 years), alongside completions of 2 bedroom properties (46%) this would appear to have reinforced the bias in the existing stock within the Borough which had a relatively high proportion of smaller homes in 2001
 - Indicative estimates of the size of properties that future households might occupy suggests an even split of around 50% 1 and 2 bed properties and 50% 3 bedroom and larger (Figure 3.13). This suggests there may be demand for a slightly greater mix of larger properties in the future.

6. Prices, Rents and Affordability

6.1 House prices, affordability and housing need in Bracknell Forest are a product of the nature of demand and supply – evidence of which is presented earlier in this report. There are a number of reasons to analyse house prices (current and past):

- Allows assessment of affordability and provides evidence of the extent to which households are priced out of the market and may need subsidised housing
- Provides evidence on the relative price of homes in different locations, which is one of the factors that influences migration and commuting patterns alongside employment opportunities
- Provides evidence of the relative prices of different sized homes, one of the factors which indicates preference or demand for particular sizes of homes and can reflect shortages of certain sizes of properties relative to others – a useful indicator for Bracknell Forest Borough Council considering policies on the mix of new homes in their areas

6.2 The latest data on house prices (2010) are summarised in Figures 6.1 and 6.2. Of the benchmark areas London and the East Berkshire market area have the highest overall average prices (£408,384 and £313,718 respectively). Whilst it is unsurprising that London has significantly higher average prices than Bracknell Forest and the West Central Berkshire market area, it is important to note since Bracknell receives net in-migration from London households. There is also net in-migration from East Berkshire (Slough and Windsor and Maidenhead) which also has higher average prices.

Figure 6.1: Current Average House Prices and Long Run House Price Change

	2000	Peak (Q3 07 - Q1 08)	Trough (Q3 08 - Q1 09)	2010
Bracknell Forest	£148,563	£264,991	£225,628	£274,303
West Central Berkshire	£157,412	£285,928	£243,759	£271,651
East Berkshire	£177,499	£328,134	£285,503	£313,718
Blackwater Valley	£170,685	£352,998	£265,721	£294,379
South East	£141,908	£280,585	£235,699	£284,379
London	£191,970	£373,041	£342,790	£408,384

Source: CLG/ Land Registry

6.3 Figure 6.2 shows that, despite the housing market downturn, triggered by global events from mid 2007, house prices within the Borough and adjacent market areas have almost doubled over the last 10 years. Although individual earnings and household incomes have grown over the same period (see Section 4) they have not grown by the same scale and the result has been declining affordability of home ownership.

6.4 Bracknell Forest appears to have experienced similar peak to trough house price falls as the West Central Berkshire market and the South East as a whole. This pattern is consistent with house price change recorded by national indices including Nationwide and HBOS house price indices. Column 4 of Figure 6.2 also shows that prices have recovered by 22% since the trough within the Borough, and appear to be higher than the peak of the market in 2007. It is

difficult to place too much weight on this data as transactions are significantly lower than in previous years. The downturn has not fundamentally changed the position of Bracknell Forest in relation to the surrounding market areas – the Borough remains relatively cheaper on average than adjacent market areas (East Berkshire, the Blackwater Valley) and is less expensive than the South East as a whole (see Figure 6.1). This pattern of house prices is part of the driver for net in-migration from these areas into Bracknell Forest Borough.

Figure 6.2: Long Run House Prices Change and Peak to Trough Change

	% Change 2000-2010	% Change Peak to Trough	% Change from Peak to Q4 2009	% Change Trough to Q4 2010
Bracknell Forest	85%	-15%	4%	22%
West Central Berkshire	73%	-15%	-5%	11%
East Berkshire	77%	-13%	-4%	10%
Blackwater Valley	72%	-25%	-17%	11%
South East	100%	-16%	1%	21%
London	113%	-8%	9%	19%

Source: Land Registry

- 6.5 Figure 6.3 illustrates the current profile of house prices in Bracknell and the surrounding market areas by size of property in terms of number of bedrooms. Bracknell Forest has lower average prices than all of the surrounding market areas which border the Borough though there is not a significant difference between Bracknell and the wider market area of West Central Berkshire.

Figure 6.3: Current Price of Property by Type and Size (June 2010)

	1 bed flat	2 bed flat	2 bed house	3 bed house	4 bed house
Bracknell Forest	£126,786	£168,145	£197,566	£240,058	£398,783
West Central Berkshire Border	£133,207	£178,760	£203,620	£249,000	£403,278
East Berkshire	£148,384	£200,375	£247,169	£296,571	£445,012
Blackwater Valley Border	£141,750	£175,164	£233,915	£281,985	£444,490

Source: Hometrack

- 6.6 It is possible to analyse the price gaps between different ‘rungs’ of the housing ladder using data on house prices by dwelling size. This can demonstrate where households, particularly families, may face difficulties in trading up in the local market, even where they have been able to buy their first home in the area. It is assumed that the next step up the ladder is a dwelling with an extra bedroom, or in the case of a household currently inhabiting a two bedroom flat the next step is assumed to be a two bedroom house.
- 6.7 The difference between the price of a one and two bedroom flat in Bracknell is 33% which is broadly consistent with the surrounding market areas. Caution needs to be applied in interpreting the figures for a single district area given the low level of transactions in the current market. Nevertheless, the data suggests that trading up from a 1 bedroom to two bedroom property involves significant additional cost and the gap in percentage terms is

greater than trading up from a 2 bed to a 3 bed property. The data illustrates that households at the foot of the housing ladder, many of which may be young couples or families needing to occupy larger dwellings, face a significant jump in prices to trade up.

- 6.8 The price differential is highest between a 3 bed house and a 4 bed house. In Bracknell Forest, households would have to pay 66% more for a 4 bed house than they would on average for a 3 bed house. This price gap is likely to reflect a variety of factors however, not simply the supply (or lack) of larger, 4 bedroom homes. It may be the result of differences in quality of 3 and 4 bedroom homes, the location, garden size, or relative attractiveness of the neighbourhood in which they are found.

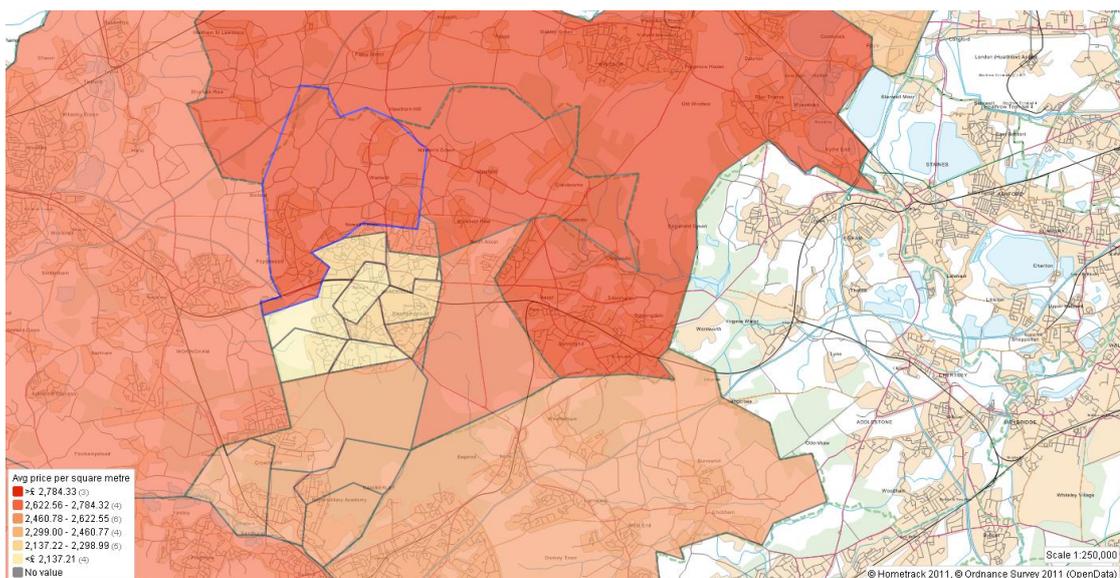
Figure 6.4: Additional Cost of Trading Up the Housing Ladder (June 2010)

	1 bed flat – 2 bed flat	2 bed flat – 2 bed house	2 bed house – 3 bed house	3 bed house - 4 bed house
Bracknell Forest	33%	17%	22%	66%
West Central Berkshire Border	34%	14%	22%	62%
East Berkshire	35%	23%	20%	50%
Blackwater Valley	24%	34%	21%	58%

Source: DTZ using Hometrack data

- 6.9 Figure 6.5 illustrates the variation in house prices on a per square metre basis. Price per sq m controls differences in the type and size of property in different locations and is therefore a clearer indicator of how demand pressure varies within and between authority areas.

Figure 6.5: Demand Pressure - Prices Per Square Metre in Bracknell and Surrounds



- 6.10 Figure 6.5 shows that Bracknell town has the cheapest property prices within the Borough. The highest prices are found within the West and East sub-district areas (the wards of Binfield and Warfield, Winkfield and Cranbourne and Ascot). The difference in the price of property in

different parts of the Borough is reflected in affordability with some locations unaffordable to the vast majority of Bracknell residents. Figures 6.6 and 6.7 provide evidence of the income required to purchase homes in different market areas and within sub-district areas of the Borough.

- 6.11 Lower quartile house prices within Bracknell Forest in 2010 were £182,500. Assuming households require a minimum of a 10% deposit to access a mortgage and can borrow three times their household income; households need to have a minimum income of £54,750 in order to purchase a property. This is significantly above the average earnings of residents though within the reach of households with two earners on average earnings. The mean average **household** income in Bracknell in 2006 was £42,200. Although we do not have up to date data on household incomes, uplifting this figure by the growth in earnings 2006-2009 (5.5%) suggests average households incomes in 2010 are around £44,500 and remain below the income level required to purchase. The implication of this analysis is that properties within the Borough are purchased by Bracknell households on above average incomes and those with higher incomes (and equity) moving in from outside of the Borough.

Figure 6.6: Purchase Income Thresholds in Bracknell and Surrounding Market Areas

	Lower Quartile House Prices (Q4 2010)	Income Required to Purchase (assuming 10% deposit and 3x income multiple)	Average Resident Earnings (Individual Full Time)	Price of House Residents can Afford (assuming 10% deposit and 3x income multiple)	Affordability Gap (difference between what residents can afford and LQ prices)
Bracknell Forest	£182,500	£54,750	£29,995	£98,984	£83,517
West Central Berkshire	£188,833	£56,650	£31,715	£104,660	£84,174
East Berkshire	£200,250	£60,075	£30,627	£101,069	£99,181
Blackwater Valley	£196,567	£58,970	£32,994	£108,879	£87,688
South East	£165,000	£49,500	£28,792	£95,014	£69,986
London	£217,500	£65,250	£32,008	£105,626	£111,874

Source: Land Registry, Annual Survey of Hours and Earnings 2010

- 6.12 Within Bracknell Forest households on average incomes would be able to purchase a lower quartile property within Bracknell Town Centre (see Figure 6.7) but the other sub-district areas would be beyond the means of the average household (unless they have access to significant savings, equity or family assistance).

Figure 6.7: Purchase Income Thresholds in Sub-District Areas within Bracknell Forest

	Lower Quartile Average Price November 2010	Minimum Deposit Required (10%)	Purchase Income Threshold (Household Income Required to Purchase)
Bracknell Forest	£188,000	£18,800	£66,000
- North West	£220,000	£22,000	£83,800
- East	£279,250	£22,925	£56,200
- Bracknell Town North	£187,333	£18,733	£46,500
- Bracknell Town Centre	£155,000	£15,500	£53,500
- Bracknell Town South	£178,390	£17,839	£64,470
- South	£214,900	£21,490	£59,350
West Central Berkshire	£197,833	£19,783	£61,950
East Berkshire	£206,500	£20,650	£67,500
Blackwater Valley	£225,000	£22,500	£56,400

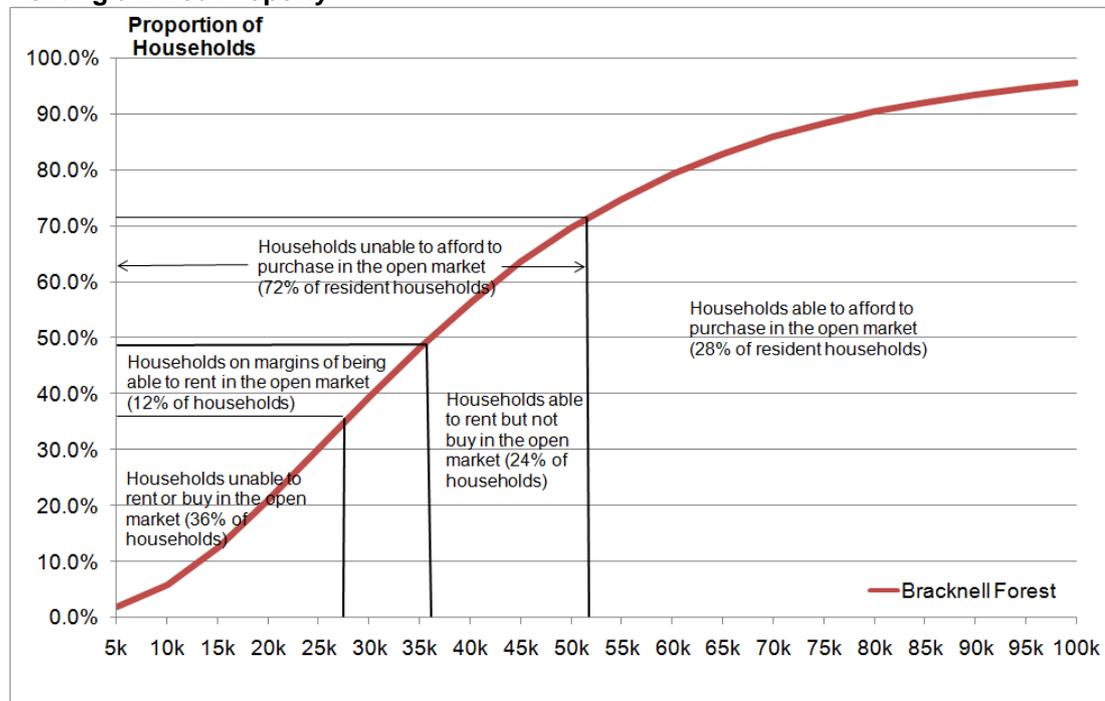
Source: Hometrack for Prices (note different time period to price data in Figure 6.5)

Note: Hometrack data is based on sales and valuations so differs from Land Registry data which is based on transactions only

- 6.13 Figure 6.8 provides a graphical illustration of the income distribution of Bracknell households in £5,000 income brackets and the point at which different housing options become affordable or unaffordable depending on household income. According to our analysis of lower quartile house prices, households require an income above £54,750⁴ in order to purchase a property within the Borough (see Figure 6.6). Figure 6.8 shows that 72% of Bracknell households have incomes below this level and are therefore priced out of homeownership on the basis of their household income. Of course, many of these households are already home owners, having been able to purchase properties when their income was higher and prices lower (particularly older people who are now retired). What Figure 6.8 illustrates is that if *newly forming households* have incomes that are similar in distribution to the population as a whole, the majority (72%) will be unable to afford to purchase a home in the Borough.
- 6.14 At the other end of the income spectrum, Figure 6.8 demonstrates that around 36% of households would be unable to afford to rent a 2 bedroom property within the open market. A further 12% are on the margins of being able to afford to rent in the open market on the basis of their household incomes though many of these households may stretch themselves to do so and some may be able to opt for cheaper rental arrangements including sharing.
- 6.15 Figure 6.8 concludes that 24% of households would be able to rent within the open market but would be unable to purchase, based on their incomes. On the basis of their incomes (which are below £60,000), these households would be eligible for intermediate products and this demonstrates the extent of overlap between the private rented sector and intermediate housing (low cost home ownership).

⁴ This also assumes that the household has access to a deposit of 10% of the value of the property

Figure 6.8: Bracknell Income Distribution and Costs of Purchasing a LQ Property and Renting a 2 Bed Property



Source: DTZ using CACI household income distribution data and Land Registry Lower Quartile House Price data

- 6.16 Figure 6.8 measures affordability at a snapshot in time (2011). However, similar analysis was undertaken in the Berkshire SHMA (2007) which also demonstrated that the majority of households would be unable to afford to buy in the open market on the basis of incomes and house prices. DTZ does not expect this pattern to change fundamentally over the plan period (to 2026). Although house prices may remain relatively stable (or even fall) whilst the economy remains fragile, household incomes are not expected to rise on average in the short to medium term. Nor do we expect a sudden improvement in the availability and cost of credit which would allow new households to access mortgage finance to the same extent as the previous decade.
- 6.17 Whilst there are some things within the control of the Borough Council (identifying development sites, granting planning permission) the future pattern of house prices, incomes and access to mortgage finance will be influenced by the macro economy and activities of lenders which are outside of the Council's control.
- 6.18 It is important to understand the affordability of the private rented sector as well as home ownership as this has a direct impact on the number of households who fall into housing need because they are unable to meet their accommodation requirements within the market.
- 6.19 Figures 6.9 and 6.10 illustrate the household income required to afford to rent in the open market for both 1 and 2 bedroom properties. These are calculated on the basis that households can afford to spend 25%-33% of their income on rental costs. In Bracknell, the income required to rent a 2 bedroom property is around £26,930 to £35,913. Therefore, approximately 36-48% of households are unable to afford to rent a 2 bedroom property.

Figure 6.9: Income Required to Rent a 2 Bedroom Property in the Open Market

	Average Annual Private Rent (2009)	Annual Income Required to Rent (Assuming Households Spend 25-33% of Gross Income)
Bracknell Forest	£8,978	£26,930- £35,913
West Central Berkshire	£8,850	£35,402
East Berkshire	£9,427	£37,708
Blackwater Valley	£8,475	£33,901
London	£11,008	£44,031
South East	£7,369	£29,478

Source: Private Rents – Dataspring (2009 latest available data)

Figure 6.10: Income Required to Rent a 1 Bedroom Property in the Open Market

	Average Annual Private Rent (2009)	Annual Income Required to Rent (Assuming Households Spend Up to 25%-33% of Gross Income)
Bracknell Forest	£7,533	£22,599-£30,135
West Central Berkshire	£7,084	£28,339
East Berkshire	£7,538	£30,153
Blackwater Valley	£6,613	£26,454
London	£8,955	£35,822
South East	£5,775	£23,100

Source: Private Rents – Dataspring (2009 latest available data)

- 6.20 Two bedroom properties are used in this analysis as a proxy for the size of home the average household will require even though there are cheaper 1 bedroom or house share options available since these are only suitable for the smallest households.
- 6.21 Nevertheless, in order to rent a 1 bedroom property within the Borough, households would need an income of £22,600 which would still leave around 25% of households unable to rent in the open market on their current incomes.

7. Housing Need

- 7.1 In the context of house prices and affordability within Bracknell Forest, in common to most of the South East region, there is inevitably a proportion of people who are unable to meet their housing requirements within the market.
- 7.2 This section demonstrates the broad scale and nature of housing need within Bracknell Forest. DTZ has repeated the housing need assessment which was undertaken for Bracknell and the other Berkshire authorities in 2006 as part of the Berkshire SHMA. A consistent methodology has been followed with three exceptions: data from the Council's new Choice Based Lettings System has been used, household projections have been amended and DTZ has reviewed the proportion of households unable to buy or rent in the market. These differences are explained in more detail below.
- 7.3 Figure 7.1 summarises the assessment and suggests there is a need for an additional 180 affordable homes each year to address current and newly arising housing need within the Borough.

Figure 7.1: Housing Need Assessment Update

BRACKNELL FOREST HOUSING NEED ESTIMATE Version 1	
Stage and Step in Calculation	Estimate
STAGE 1: CURRENT NEED	
1.1 Current Occupiers of affordable housing in need	572
1.2 <i>plus</i> households from other tenures in housing need	1,693
1.3 <i>plus</i> Households without self-contained accommodation	23
1.4 <i>equals</i> Total current housing need (gross) (1.1 + 1.2 + 1.3)	2288
1.5 <i>times</i> annual quota for the reduction of current need	20%
1.6 <i>equals</i> annual requirement of units to reduce current need (2.6 x 2.7)	458
STAGE 2: NEWLY ARISING NEED	
2.1 New household formation (per year)	539
2.2 <i>times</i> proportion of new households unable to buy or rent in the market	48%
2.3 <i>plus</i> existing households falling into need	88
2.4 <i>equals</i> Total newly arising need per year (2.1 x 2.2) + 2.3	346
STAGE 3: SUPPLY OF AFFORDABLE HOUSING	
3.1 Current occupiers of affordable housing (transfers)	117
3.2 <i>plus</i> annual Supply of social re-lets (net excluding transfers)	364
3.3 <i>plus</i> annual supply of intermediate housing available for re-let or re-sale at sub market levels	50
3.4 <i>plus</i> surplus stock	0
3.5 <i>plus</i> committed supply of new affordable units (per annum)	100
3.6 <i>minus</i> units to be taken out of management	0
3.7 <i>equals</i> annual supply of affordable units (3.1 + 3.2 + 3.3 + 3.4 + 3.5 - 3.6)	628
NET SHORTFALL (OR SURPLUS) OF AFFORDABLE UNITS PER ANNUM	
Overall shortfall (or surplus) (1.6 + 2.4 – 3.7) per annum	176

- 7.4 Note that Figure 7.1 includes supply from the future delivery of **new** affordable home of 100 units each year. This is uncertain and if this level of supply was not forthcoming the overall shortfall of affordable housing within the Borough would rise to up to 280 homes.

Approach to the Housing Need Assessment

- 7.5 The inputs in this assessment are based on a variety of data sources which, in most cases, represent **actual** numbers and the real circumstances of individual households who have approached Bracknell Forest Borough Council and housing associations in Bracknell for assistance regarding their housing situation⁵. DTZ has also used projections based on historic trends and outturns. This approach reflects the objective of the CLG SHMA guidance to undertake housing needs assessment using secondary data as far as possible.
- 7.6 The figures arising from this housing needs assessment are not directly comparable to those produced using the household survey approach. Housing need surveys record the situations and aspirations of a sample of households and these are then grossed up to provide estimates of the level of housing need among the population as a whole.
- 7.7 There are three main stages in the assessment of housing need, which are explained in the rest of this section:
- Current need (often referred to as the backlog of housing need)
 - Newly arising need
 - Supply of affordable homes to meet need

Current Need (Backlog)

- 7.8 Stage 1 of the assessment considers the number of existing and hidden households who are currently in housing need. Current need comprises three main groups of households:
- Current occupiers of affordable housing in need i.e. existing tenants in need
 - Households from other tenures in need – predominately the private rented sector
 - Households without self-contained accommodation i.e. homeless households and households living with family/friends or multi-adult households sharing facilities.
- 7.9 There are 3,470 households registered on the Bracknell Forest housing waiting list which represents around 7% of all households within the Borough.
- 7.10 The estimate set out in Figure 7.1 includes only those applicant households whose circumstances fall within the housing need criteria set out in Figure 5.1 of the CLG guidance i.e. households who are:
- Homeless or have insecurity of tenure
 - Overcrowded

⁵ As at 31st March 2010

- Living in property too difficult to maintain
- Living in accommodation where they lack/share facilities such as a kitchen and/or bathroom
- Living in unsuitable dwellings without the means to repair or adapt
- In social need due to harassment or threats of harassment which cannot be resolved except through a move.

7.11 Bracknell Forest's housing waiting list (Bracknell Forest MyChoice) allocated applicants to Bands according to their needs. Bands A to D contain households experiencing the needs described above, with Band A being most acute and covering urgent homeless cases. Band E (1,179 households) has been excluded from the need assessment because these applicants do not have a clear priority need or they are able to meet their needs in the market on the basis of their incomes.

7.12 Figure 7.1 shows that in total there are 2,288 current applicants who fall into Bands A, B, C and D and are therefore in housing need. Figure 7.1 breaks this figure down:

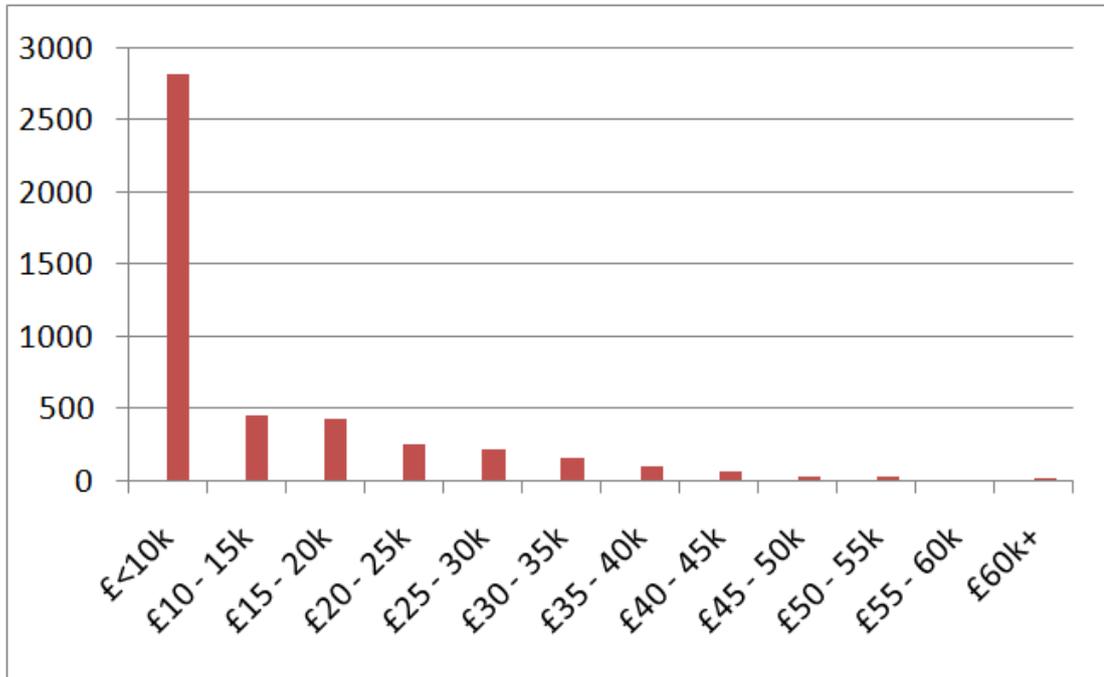
- 572 are existing social rented tenants in need of a transfer
- 23 are homeless households in acute need - an unequivocal indicator of housing need within Bracknell Forest
- 1,693 are households from other tenures in housing need (predominately the private rented sector or sharing with other households)

7.13 The need assessment assumes that this backlog of households in need will be addressed over a 5 year period. This equates to an annual backlog of 458 households.

7.14 It is worth noting that in the Berkshire SHMA DTZ recommended that the collection of income data as part of the application process would provide a useful addition to the authority's information in relation to assessing the scale of need and also the affordability of intermediate housing products to those households on local authority waiting lists. Since the Berkshire SHMA, Bracknell Forest has implemented a new housing waiting list which collects income data from applicants. This significantly increases the robustness of the need assessment.

7.15 Figure 7.2 shows the distribution of household incomes amongst those on the waiting list using this income data. This suggests that the majority of applicants would be unable to access suitable accommodation in the private rented sector (which we estimate in Section 6 would require an income above £22,500) and most would also be unable to access intermediate affordable housing products given their low incomes. Just 11% of applicants have incomes of more than £20,000 per annum. The shortfall in affordable housing set out in Figure 7.1 is therefore predominately a shortfall in social rented accommodation, although intermediate affordable housing may be used in a targeted way to address the needs of some applicants. Given that the vast majority of waiting list applicants have incomes of £10,000 or less, it is doubtful how far affordable rented accommodation (where rents are set at 80% of market values) will be able to address need in the Borough. Additional demand for intermediate affordable housing is considered further on in this section.

Figure 7.2: Number of Applicants by Income Band



Source: Bracknell Forest MyChoice (waiting list)

Stage 2: Newly Arising Need

7.16 Stage 2 of the housing needs assessment considers the number of new and existing households who are likely to fall into housing need in the future. This stage of the assessment is based upon:

- New household formation and the proportion of newly forming households unable to buy or rent in the market
- Existing households falling into need

7.17 The projected level of household growth in Bracknell is based on the assumption that 10,780 new homes will be delivered 2006-2026. This equates to 539 dwellings per annum and this is the level at which we assume household growth will take place. Given the uncertainties around future dwelling provision and the impact this will have on household growth this assessment also tests the impact of assuming higher and lower levels of households growth (see Figure 7.3).

- 7.18 The assessment then estimates the number of these new households unable to afford to buy or rent in the market place. The guidance recommends that the approach taken here is based on a comparison of minimum incomes required to access market housing against the distribution of incomes for **newly** forming households. However, while data on the distribution of incomes amongst all households is available, it is only possible to estimate the incomes of **new** households.
- 7.19 DTZ has used CACI household income data to provide the proportion of households unable to afford to *buy or rent* market housing in Bracknell Forest. The proportion of households able to access different tenures is analysed in Section 6.
- 7.20 In Bracknell Forest the household income threshold required to rent a two bedroom property is around £26,900-£35,900. This means that 36-48% of households are unable to afford to rent in the open market. In the need assessment we have assumed that 48% of households are unable to afford to rent in the open market because newly arising need refers to **new** households not the whole household population and the incomes of new households are significantly lower than households as a whole. The Berkshire SHMA demonstrated that the incomes of new households are on average around two thirds of the incomes of households as a whole. Combining estimates of household growth with the proportion unable to rent in the open market equates to 260 new households falling into need each year.
- 7.21 The second component of the estimate of newly arising need is the number of *existing* households falling into need. The CLG guidance considers that this should be estimated by the net average number of households joining housing registers each year, i.e. the gross number of new applicants adjusted to reflect those applicants who are in need. We have used the average figure for the last 5 years. Using Bracknell's new waiting list system, it is possible to analyse the needs of new applicants. Around 66% of new applicants are registered in Bands A-D (and can demonstrate housing need). We have new excluded applicants falling into Band E. This equates to 88 households falling into need each year.
- 7.22 It is important to highlight that the housing need assessment is sensitive to assumptions about newly arising need. This element of the assessment is uncertain as it relies on projections of future household growth and assumptions about affordability. It is therefore useful to examine the impact on the overall shortfall of affordable housing within the Borough when these assumptions are varied. Figure 7.3 sets out the affordable housing shortfall under different household growth and affordability assumptions.
- 7.23 Figure 7.3 illustrates that even under more optimistic assumptions about affordability and lower household growth there remains a shortfall of affordable housing within Bracknell.

Figure 7.3: Impact of Different Household Growth and Affordability Assumptions on the Affordable Housing Shortfall

Household Growth Per Annum	Basis for Household Growth Assumption (historic trend or forecast)	Proportion of New Households Unable to Afford to Rent in the Market			
		25%	35%	48%	55%
400	Rate estimated under previous projections (CLG 2003 based)	20	60	110	140
539	Rate implied by delivery of 10,780 homes 2006-2026	50	110	180	210
600	Average rate between 1991-2001 recorded by Census	70	130	210	250

Note: figures rounded to nearest 10. Figures assume delivery of 100 new affordable homes per annum – if this was not delivered each figure would be higher by 100. Figure in bold refers to baseline assumptions used in this assessment (Figure 7.1)

Stage 3: Affordable Housing Supply to Offset Need

- 7.24 Stage 3 in the assessment seeks to establish the level of supply available to offset need and takes into account:
- The number of units that will become available when existing tenants are re-housed (transfers within the social rented stock)
 - Re-lets within the existing stock
 - Any surplus social rented units e.g. long term vacant property
 - Any units that will be taken out of management e.g. demolitions, disposals.
- 7.25 The rate at which transfer applicants are re-housed depends on turnover rates, allocation policies and the priority afforded to different categories of applicants and needs groups. The assumption set out in the CLG guidance has been adopted. This assumes that those existing tenants (transfer applicants) in housing need identified in Stage 1 of the assessment will be re-housed and will therefore create a vacancy for another household in need (thus having a nil effect on the overall housing need figures). In Bracknell, 435 dwellings will become available when existing tenants on the transfer list are re-housed.
- 7.26 The annual supply of social rented re-lets is based on past trends and excludes lets to transfers, mutual exchanges, successions and assignments. This provides a net annual supply figure for social rented stock. In Bracknell, local authority and RSL re-lets taken together, excluding transfers and mutual exchanges, give an estimated supply of 360 rented units per annum.
- 7.27 The latest figure on vacant social rented dwellings within Bracknell across both local authority and RSL stock is just 20 units (HSSA return 2009). The CLG guidance states that ‘a certain level of voids is normal and allows for transfers and works on properties. However, if the rate is in excess of approximately 3 per cent and properties are vacant for considerable periods of

*time, these should be counted as surplus stock.*⁶ Voids within Bracknell are therefore not considered as part of the available supply.

- 7.28 The assessment includes an estimate of the number of intermediate tenure units becoming available for re-let each year. However, it is important to keep in mind that few of those identified as in housing need in Figure 7.1 are likely to be able to afford these options. Additional demand for intermediate affordable housing is analysed further on in this section.

Future Supply of Affordable Housing

- 7.29 Bracknell Forest Borough Council has estimated future affordable housing supply at an average of 100 new affordable units to be delivered each year over the next 5 years. This estimate takes into account Registered Provider development programmes (in bids to the Homes and Communities Agency) and future allocations. As this assessment is designed to inform and support affordable housing policies it would therefore be justifiable to exclude assumptions about the future supply of affordable homes. Nevertheless, this figure has been included in the assessment of supply and has the effect of reducing the shortfall in Bracknell to 180 affordable homes per annum. When estimates of future supply are excluded the shortfall rises to 280 per annum.

Size Requirements for Social Rented Homes

- 7.30 It is important to bear in mind in this analysis that assessments of housing need generally identify more need than can be addressed through new affordable housing development. This inevitably means that the local authority needs to prioritise who they assist. The type, size and tenure of housing to address these priority needs may well be different to the generality of need identified. For example, households with children living in overcrowded conditions are likely to be a high priority for housing on Bracknell's waiting list and this implies the need for family type accommodation. This contrasts to the need implied by looking at the generality of households on the waiting lists who 'need' a 1 bed property.
- 7.31 In reality, even those households judged to 'need' a 1 bed property may prefer a larger home but given the shortage of affordable housing, local authority allocation policies will provide households with only their minimum requirements. This means that households identified on waiting lists as needing a 1 bed property include couples, as well as single people. Many of these younger couples may go on to start a family and will therefore need re-housing in the short term.
- 7.32 Similarly, households containing two young children may be allocated a home with just two bedrooms, with the expectation that the children can share a bedroom. The size requirements of households accessing the social rented sector are therefore fundamentally different to the market sector because households are only allocated a property that meets their basic minimum requirements. In contrast, in the market sector households may be able to choose more space to allow for the expansion of their household or to provide space for other activities, visitors etc.

⁶ Step 3.2, Chapter 5, CLG (March 2007) Strategic Housing Market Assessments – Practice Guidance

7.33 In examining the size requirements of those identified as in housing need it is important to keep this rationing process in mind. Furthermore, small properties become available for re-let most frequently in Bracknell, both because they are more numerous and also because households living in these properties are more likely to move for the reasons discussed above. Similarly, larger properties are less numerous and, particularly in rural areas are more likely to have been sold through Right to Buy, and households living in larger homes are less likely to move.

Figure 7.4: Number of Households Requiring Different Sized Properties by Band

Band	Number of Bedrooms Required					Total
	1	2	3	4	5	
A	1	0	0	0	0	1
B	78	59	40	69	52	298
C	276	186	307	86	12	867
D	916	119	15	2	0	1054
E	684	278	151	11	5	1131
Total	1955	642	513	168	69	3351

Source: Bracknell Forest Borough Council

Figure 7.5: Percentage of Households Requiring Different Sized Properties by Band

Band	Number of Bedrooms Required					Total
	1	2	3	4	5	
A	100%	0%	0%	0%	0%	100%
B	26%	20%	13%	23%	17%	100%
C	32%	21%	35%	10%	1%	100%
D	87%	11%	1%	0%	0%	100%
E	60%	25%	13%	1%	0%	100%
Total	58%	19%	15%	5%	2%	100%

Source: Bracknell Forest Borough Council

7.34 Overall, almost 60% of households require a one bedroom property (Figure 7.4). However, focusing on the needs of those in the highest priority bandings A-C (1,166 households) - the households most likely to be offered re-housing because of their high priority need, suggests that the majority of these households need a property with two or more bedrooms with just under half requiring a property with 3 or more bedrooms.

Figure 7.5: Number and % of Priority Households Requiring Different Sized Properties

Bands A,B & C	Number of Bedrooms Required					Total
	1	2	3	4	5	
Number	355	245	347	155	64	1166
Percentage	30%	21%	30%	13%	5%	100%

Source: Bracknell Forest Borough Council

7.35 It is useful to consider whether affordable housing delivery in recent years has provided the kind of homes that those in priority need require (those in Bands A-C). Figure 7.6 shows that over the last 8 years, the majority (51%) of affordable homes have been delivered as 1 and 2

bedroom flats. A further 12% have been delivered as 1 and 2 bedroom houses. This means that almost two thirds (63%) of affordable completions have been 1 and 2 bedroom properties. This compares to 49% of high priority households on the waiting list requiring 1 and 2 bedroom properties and suggests relative under-delivery of larger affordable homes when compared to priority needs in the Borough.

Figure 7.6: Affordable Housing Delivery by Type and Size (2002-2010)

	Flats		Houses				Other		Total
	1 Bed	2 Bed	1 Bed	2 Bed	3 Bed	4 Bed	Bungalow	Homebuy	
2002/03	8	31	0	2	4	4	0	0	49
2003/04	31	18	0	24	4	4	5	0	86
2004/05	28	27	0	3	2	0	0	0	60
2005/06	15	42	0	0	16	0	0	0	73
2006/07	4	8	0	4	12	0	1	0	29
2007/08	25	77	3	18	22	9	0	39	193
2008/09	26	60	0	41	54	11	0	38	230
2009/10	0	45	0	11	19	14	0	63	152
Total	137	308	3	103	133	42	6	140	872

Intermediate Housing Demand

- 7.36 Whilst the housing need assessment (summarised in Figure 7.1) captures a small proportion of households who might be able to afford to access intermediate housing products the vast majority of these households will need social rented accommodation (or support to access the private rented sector through Housing Benefit). Nevertheless, there is a significant number of additional households who live within Bracknell who are largely unable to access home ownership, and to some extent the private rented sector, on the basis of their incomes and who are interested in accessing intermediate housing products.
- 7.37 Over the last decade, there has been an expansion of low cost home ownership aimed at meeting the needs of households on the margins of accessing home ownership. Public subsidy has been provided through the Housing Corporation and HCA to support the development of intermediate ownership products as a proportion of new housing development. These products are now all branded under the 'HomeBuy' name. Access to, and marketing of, new intermediate homes delivered by housing associations is organised by Local HomeBuy Agents.
- 7.38 Catalyst Housing Group is the Local HomeBuy Agent which covers Bracknell and surrounding authority areas. Catalyst keeps a register of households who are actively interested in intermediate housing options. To be eligible, households must have incomes of less than £60,000.
- 7.39 The data in this section relates to households on Catalyst's register who live within Bracknell. We have filtered out those households who work but do not live in the authority area and those who live or work in adjacent authority areas. This means that in practice there is a wider range of households who may access intermediate homes within the Borough. But it is also the case that some of those households who live in Bracknell may access intermediate homes outside of the Borough.

Figure 7.7: Households Actively Interested in Intermediate Housing by Household Type

Household Type	Number	%
Single Person	258	37%
Couple (no children)	188	27%
Single Parent with Children	129	19%
Couples with Children	114	17%
Other	1	0%
	690	100%
Of which, Key Workers	132	19%

Source: Catalyst Housing Group

- 7.40 Figure 7.7 shows that there is substantial interest in intermediate affordable housing amongst households within Bracknell. 690 households who live within Bracknell are actively interested in accessing such products. The majority of these households are single or couple households without children but there is representation from all household groups, including families who are unable to access the size of homes they require either to buy or rent.
- 7.41 Figure 7.8 illustrates that the majority of these households are small, containing either one or two people. The minimum number of bedrooms these households are likely to require is estimated in Figure 7.8 but in practice many of these households would prefer a larger property and it is important to keep in mind that half of these households can afford to rent in the private sector and therefore have a choice in the housing market.

Figure 7.8: Intermediate Households by Household Size

Household Size	Number	Estimated Minimum Bedrooms Required	%
1 person	258	1	37%
2 people	255	1 or 2	37%
3 people	113	2	16%
4 people	51	3	7%
5 people	9	4	1%
6+ people	4	5	1%
Total	690		100%

Source: Catalyst Housing Group

- 7.42 The largest proportions of households interested in intermediate products are currently living with friends or family or within the private rented sector. This confirms that there is significant overlap between the private rented sector and intermediate sector. But there is a small proportion of households who currently live within the social rented sector which indicates that there is potential for targeting products at these households with the added benefit that this could release social rented homes for those in priority need.

Figure 7.9: Tenure of Households Interested in Intermediate Products

Tenure	Number	%
Private Rented Sector	236	34%
Living with Family/ Friends	273	40%
Social Rented Sector	48	7%
Owner occupation	4	1%
Shared ownership	3	0%
Other	126	18%
Total	690	100%

Source: Catalyst Housing Group

- 7.43 It is important to remember that many of these intermediate households are able to access the private rented sector and that this sector has been meeting the needs of this intermediate market for many years. Figure 7.10 suggests that just over half of those interested in intermediate affordable housing can afford to access a suitably sized property within the private rented sector. However, based on our assessment of lower quartile house prices and the income required to buy a property on the open market, few intermediate households can afford to buy in the open market. Even those with sufficient sized household incomes (of £50,000 or more) are unable to access ownership because of insufficient savings to afford a deposit.

Figure 7.10: Household Incomes of Intermediate Households

Household Income	Number	%	<i>Of which, have savings</i>	<i>% of which have savings</i>	<i>Of which sufficient for 10% deposit on a LQ priced homes</i>	%
Less than £10,000	37	5%	15	41%	2	5%
£10-20,000	99	14%	64	65%	7	7%
£20-30,000	244	35%	147	60%	13	5%
£30-40,000	157	23%	83	53%	8	5%
£40-50,000	102	15%	32	31%	2	2%
£50-60,000	51	7%	37	73%	3	6%
Total	690	100%	378	55%	35	5%
Ability to Buy or Rent in the Open Market						
Could afford market rent	373	54%				
Could afford LQ property (income + deposit)	3	0%				
Total	376	54%				

Source: Catalyst Housing Group

- 7.44 In 2008 the Government introduced intermediate rental products (Rent to HomeBuy and Intermediate Market Rent) which give households up to a 20% discount on market rents. The same eligibility criteria used for Low Cost Home Ownership has been applied to these products and so in practice they have been aimed at and accessed by households on the margins of home ownership rather than those on the margins of private renting.

- 7.45 The key reason for the introduction of intermediate rental products was in reaction to the housing market downturn which was affecting the viability of schemes. Demand for low cost home ownership collapsed for a number of reasons:
- The lack of confidence amongst buyers and fears that prices would fall further
 - The lack of availability of mortgage products without significant deposits
 - The withdrawal of most lenders from the low cost home ownership market (with those remaining only prepared to lend where applicants have a sizeable deposit)
- 7.46 The latter two factors are unlikely to improve significantly in the short term and this raises a fundamental question about the viability of low cost home ownership products within new developments in Bracknell and more broadly. Figure 7.10 demonstrates that a significant proportion of intermediate applicants in Bracknell do not have savings sufficient for a deposit. Indeed, the majority of households interested in intermediate homes within Bracknell. The implication being that these households will be unable to access low cost home ownership given lenders' current criteria. Currently, the only option for these households is to access Rent to HomeBuy products, which would allow the household a period of time to save for a deposit whilst enjoying a subsidised rent.
- 7.47 Based on the analysis of the incomes of those on the intermediate list, the introduction of Affordable Rent could be used to meet the needs of these households. Those who have indicated interest in intermediate products by and large have sufficient incomes to afford rents at 80% of market value, in contrast to those on the Bracknell MyChoice waiting list.

Figure 7.11: Households Interested in Intermediate Affordable Housing Currently Occupying Social Rented Homes

	1 person	2 person	3 person	4 person +	Total
Social Rented Tenants	16	11	11	10	48
Could afford market rent (for household size)	9	6	6	4	25

Source: Catalyst Housing Group

- 7.48 Intermediate affordable housing has been aimed primarily at households on the margins of home ownership, with an explicit purpose of extending home ownership to more households. However, there may be some scope for intermediate housing to play a greater role in addressing housing needs by helping local authorities and housing associations to free up social rented accommodation. Figure 7.9 suggests that around 7% of households registered for intermediate housing with Catalyst are social rented tenants within Bracknell. This provides potential for intermediate housing to be targeted at social tenants who are willing and able to afford it, thus freeing up social rented accommodation for households in need on local authority waiting lists. Figure 7.11 suggests that around half of these social rented tenants can afford more than a social rent, but cannot afford to buy a home in the open market. The data suggests that these households could be supported to access alternatives to the social rented sector.

8. Policy Implications

Key Policy Themes and Principles

- 8.1 The following policy themes follow from the evidence presented in this report and also relate to the key requirements under PPS3 and the draft National Planning Policy Framework⁷:
- Ensuring the delivery of new housing. This is a key requirement of PPS3 and the draft NPPF.
 - Influencing the housing mix (type and size) of market homes. Planning for a mix of homes to reflect the needs of different households and to widen choice remains a key requirement in the draft NPPF.
 - The need for affordable housing and the size of homes required. This is a key requirement in both documents.
- 8.2 The purpose of this Borough specific HMA is to analyse evidence at the sub-district level to complement the evidence of strategic housing demand and need in the Berkshire SHMA. Bracknell Forest Borough Council has identified a number of strategic sites which will contribute to housing delivery over the next 20 years. The Council wishes to develop policies in relation to these sites which reflect two overarching considerations:
- The strategic needs of the Borough and wider housing market to which it relates.
 - The characteristics and needs of the existing neighbourhoods where development sites are planned.
- 8.3 These twin considerations aim to ensure that the nature of housing development on Bracknell's development sites over the plan period respond to local characteristics as well as the Borough's strategic needs. The second point, however, raises questions about how far the Borough Council wish to try and create a more balanced mix of households or types of homes through new development, particularly where concentrations of particular groups, tenures or types of housing can be identified.

Overall Housing Provision

- 8.4 There is considerable uncertainty about the overall level of housing that local authorities need to plan for since the Government set out its intention to abolish Regional Spatial Strategies. It is reasonable to assume that local authorities will need to adopt some sort of target or housing allocation as a basis on which to plan, allocate sites and deal with applications for development. Guidance on the considerations local authorities should take into account in establishing their local allocation in the future will be provided by the Government in due course. In the meantime, Bracknell Forest Borough Council is working on the basis that it will

⁷ At the time of writing, following the change of government in May 2010, the future shape of planning for housing policy is uncertain. The policy implications outlined in this section are therefore shaped by the evidence in the HMA and the existing policy framework at the national and local level.

plan to deliver 10,780 homes 2006-2026. This was the Borough Council's suggested figure at the outset of the South East Plan process.

- 8.5 It is important to keep in mind that in order to be able to maintain the delivery of affordable housing and influence its type and size, Bracknell Forest Borough Council needs to secure the delivery of housing overall. This is made more challenging by uncertainty in the planning system, in addition to the housing market downturn which has made new housing development more difficult to deliver.
- 8.6 Bracknell Forest Council had begun to identify a number of strategic sites to deliver housing to 2026, but now the Government wishes to revoke the adopted South East Plan. In accordance with Government statements the Council is continuing to progress the Site Allocations Development Plan Document. The location of these sites is indicated in Figure 2.1 and paragraphs 2.10-2.11 in this report.
- 8.7 Bracknell Forest Borough Council will need to bear in mind that the mix of sites allocated in development plan documents will influence the mix of new housing developed – market and affordable. This will also be important to maintaining delivery in the downturn, when developers may need to change the mix on sites in order to secure their viability and whilst the market for apartments remains challenging as a result of the drop in buy-to-let investors and off plan sales.

Consider Planning for Growth of the Private Rented Sector

- 8.8 Evidence in this HMA suggests that a significant proportion of households within Bracknell will be unable to access home ownership on the basis of their household incomes. Although demand for new homes within Bracknell will arise through in-migration as well as the needs of existing residents, this HMA suggests that growth in the proportion of home owners may have peaked as a result of long term declines in affordability and fundamental changes in the availability and cost of credit following the global credit crunch and housing market downturn. The private rented sector has grown in recent years and further growth of the sector seems inevitable given the limits to owner occupation and constraints on public sector funding of subsidised accommodation (social rented and intermediate homes).
- 8.9 Bracknell Borough Council may wish to consider whether to put in place policies or activities to actively facilitate and support the private rented sector in the future. There are two main reasons why support would be justified:
- As a means of **securing the delivery of new homes** through 'build to let' and funded by institutional investment in the private rented sector. There is a significant level of funding which could be directed from institutional investors (pension funds etc) into new housing development given the right level of returns and appropriate development schemes. This is the focus of the HCA's Private Rented Sector Initiative.
 - As a means of **addressing needs of intermediate households**. Evidence in this HMA suggests that there is significant overlap between those households who are interested in or who have accessed low cost home ownership products (subsidised by Government) and those households who live in the private rented sector (unsupported by Housing Benefit). In an era of constrained resources and funds for

affordable housing the encouragement of the development of a high quality private rented sector could increasingly become the means by which the needs of intermediate households are met.

- 8.10 Whilst it is too early to tell whether institutional investment in the private rented sector will take off, and it is likely to be focused in London initially, Bracknell Forest Borough Council may wish to set out in policy (perhaps in relation to specific sites) that it will consider build to let schemes favourably, either as part of a large development scheme or on a scheme exclusively designed for private renting. A further step would be to set out in policy that the Council is willing to apply flexibility to affordable housing and Section 106 policies which may make the development of pure private rented schemes unviable.

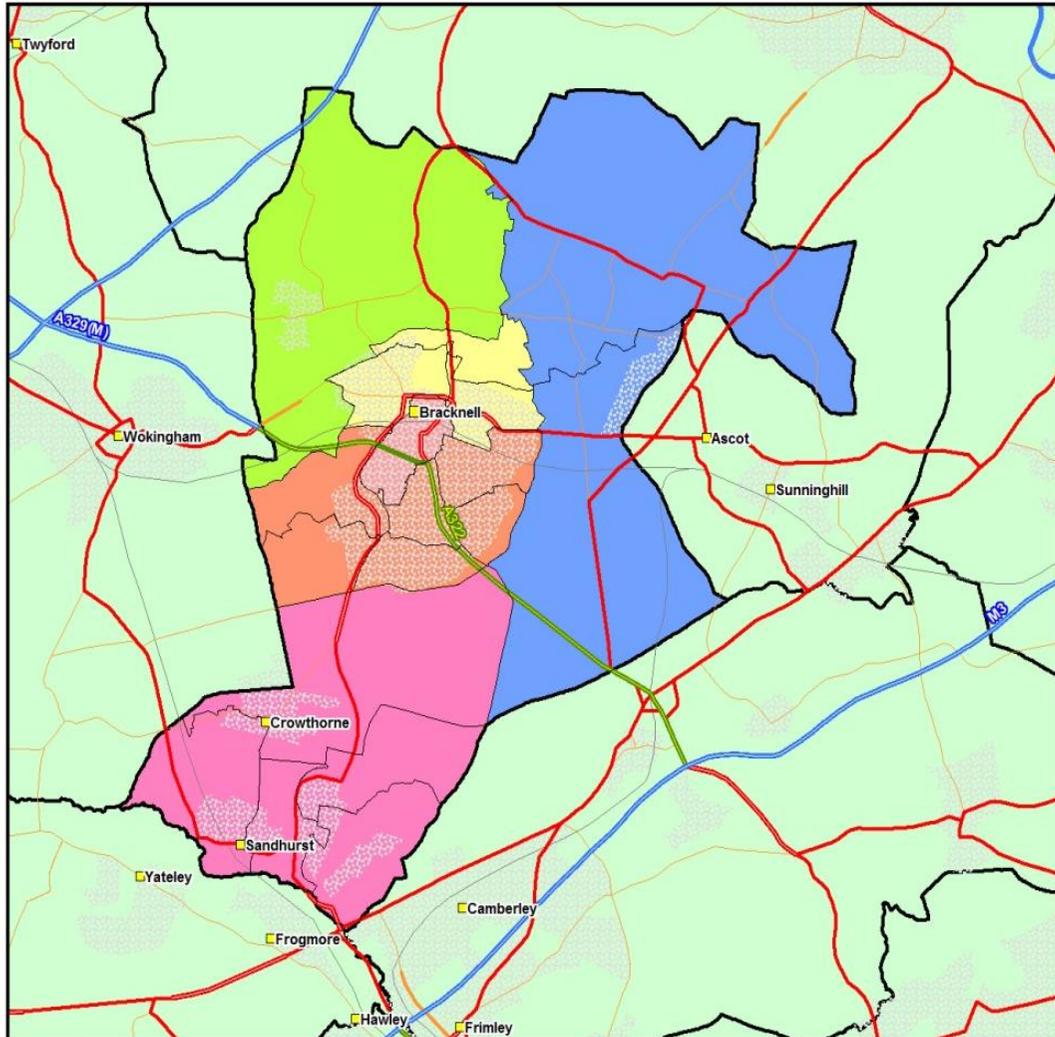
Influencing the Mix of New Homes

- 8.11 PPS3 states that local authorities should plan for market housing by setting out the **profile** of households likely to require market housing. Developers are then expected to respond by bringing forward developments that meet these broad requirements. Drawing on the evidence presented in previous sections of this report, the following points can be made about the profile of households requiring market housing in Bracknell as a whole:
- In Bracknell, around 64% of households could afford to access market housing (to rent or buy) based on their current incomes. Within this, we estimate that 28% could access home ownership and 36% could access the private rented sector without assistance (and by implication some of these could afford intermediate rent and sale products).
 - This is an estimate since some additional households may benefit from financial support from their families to access home ownership. Furthermore, in-migration is likely to boost the demand for market housing since many of these households are affluent, or have access to equity having moved from more expensive areas, including London.
 - In the past, growth in population in Bracknell has been experienced predominately amongst the older age groups (45+) with some growth in the 15-24 year old age group. Bracknell Forest has a relatively high proportion of family type households and a relatively high proportion of young single households. Single households (young and older people) are forecast to grow at the greatest rate over the next 15 years.
 - Despite the greater growth amongst single households, the majority of households living in Bracknell in 2026 will contain 2 or more people. These will include families with children and couples, including those whose children have recently left home.
 - Evidence presented in this report suggests that the relationship between households and dwellings in the market sector is complex. Demographic factors alone do not drive demand for the type and size of housing required and in fact household incomes and life stage are more important determinants in the market. The majority of single person households in the market sector occupy homes with 2 or more bedrooms. This is particularly the case amongst older households.
 - The implication for Bracknell is that around half of the anticipated household growth over the next 20+ years is likely to result in demand for homes with 3 or more bedrooms. DTZ

estimates suggest around 23% of new households will occupy 1 bedroom homes and around 29% will occupy 2 bedroom homes.

- 8.12 The Berkshire SHMA suggested that addressing broad imbalances in the stock of housing within the market would be appropriate but that local authorities should not seek to *prescribe* the type and size of homes that the market provides – particularly because local authorities do not have any control on how in the private sector households occupy their homes. This was to the message in PPS3, which puts the onus on developers to respond to market demand, though this needs to be consistent with the profile of households the local authority identifies. The draft NPPF asks local authorities to plan for a mix and choice of new homes but on the extent to which authorities can influence the type and size of homes in the market sector.
- 8.13 It is also important that the nature of development on specific sites needs to be considered within the context of existing stock and the characteristics of the surrounding neighbourhood. Figure 8.1 sets out headline evidence on the characteristics of households and the housing stock within each of Bracknell’s sub-district areas. Figure 8.1 makes suggestions on the implications for the nature of new development in these areas, bearing in mind both the neighbourhood characteristics and the needs of the Borough as a whole:
- Stock mix in the Borough as a whole which, although relatively balanced, contains a high proportion of large properties in the suburban and rural areas and concentration of smaller properties in the urban area.
 - Tenure mix and whether there is a concentration of a particular tenure of housing that would benefit from diversification or greater choice.
 - Household characteristics and whether there is a bias towards younger or older households, families or sharers and how the new development will fit into this context
- 8.14 However, in determining policy, the Borough Council will need to weigh this evidence against other important factors, including:
- Economic performance and whether there are any issues around deprivation and regeneration which need to be taken into account in terms of the type of housing that is developed
 - Site specific viability and development context and whether a particular mix of housing is important to ensure the development ‘stacks up’. Bracknell Forest Council have commissioned consultants to undertake viability work into strategic and other sites as part of background work to the Site Allocations DPD.
- 8.15 Delivery of a different housing mix will be challenging unless development sites allocated for housing include a mix of types, sizes and locations. The current range of sites proposed by the Borough Council suggests that there is an opportunity to deliver a range of products given the mix of large strategic sites and smaller urban and windfall opportunities. To some extent, site types, sizes and locations will influence the type of product that can be developed.

Sub-District Areas within Bracknell Forest for use with Figure 8.1 over leaf



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BRACKNELL

Wards by Sub-Area

Bracknell Town Centre	(1)
Bracknell Town North	(3)
Bracknell Town South	(6)
East	(2)
North West	(1)
South	(5)

(Numbers in brackets = total data fields in band)

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Figure 8.1: Summary Matrix to Inform Policy Considerations on Housing Mix

Bracknell Sub-Area	Strategic Sites (Preferred Options)	Household Characteristics	Housing Stock Characteristics	Affordable Housing Implications	Housing Mix Implications
North West	<p>2 proposed urban extensions at Blue Mountain and Amen Corner North, further sites in defined settlements or edge of settlements</p> <p>Also includes Amen Corner South and the majority of Warfield (agreed in principle through the Core Strategy)</p>	<p>High % of family households Lower % of single older people</p>	<p>Higher % of home ownership (80%); only 6% social renting Large % of 4 bed + homes; Half of homes detached; fewer flats and terraces.</p>	<p>Opportunity to deliver higher affordable housing quotas given low % of social renting and larger social rented properties. Intermediate products likely to be attractive given poor affordability and lack of alternatives eg PRS. Opportunity to deliver larger affordable homes.</p>	<p>Large sites available provide opportunity to deliver a range of types and sizes of homes. Opportunity to deliver smaller homes, perhaps targeted at older people, to provide greater choice locally. But also likely to be easy to deliver larger homes given existing character of area and</p>
East	<p>Sites in defined settlements or edge of settlements</p> <p>Also includes part of Warfield (agreed in principle through the Core Strategy)</p>	<p>Profile mirrors the Borough but higher % of multi-person pensioner households reflecting location of sheltered housing.</p>	<p>Highest % of home ownership (83%); 6% social renting Low % of smaller (1-2 bed homes); High % detached and semis Least affordable part of Borough</p>	<p>Opportunity to deliver higher affordable housing quotas given low % of social renting and larger social rented properties. Intermediate products likely to be attractive given poor affordability and lack of alternatives eg PRS. Opportunity to deliver larger affordable homes</p>	<p>Opportunity to deliver smaller homes because of limited number in stock. But likely to be easy to deliver larger homes given existing character of area and would provide.</p>



Bracknell Town Centre	Range of sites, including windfall	Higher % of single households – old and young. Lower % of family households, though relatively high % lone parent families Higher % of sharing households	Low % home ownership (54%), highest levels of social renting (35%) High proportion of 1-2 bed homes; low % detached and semi, high % of flats (38%) Most affordable part of Borough.	Affordable housing tenure mix may include higher % of intermediate products given existing high % of social renting and low levels of ownership. Opportunity to diversify tenure. Intermediate ownership options may be focused on families unable to afford elsewhere.	Nature of sites may constrain type of homes which can be delivered eg conversions of existing buildings, higher density neighbourhoods. Take opportunities to deliver larger homes where suitable sites are available. Limit provision of smallest flats. But opportunity to deliver high quality private rented sector attractive to institutional investment – likely to be good size 2 bed flats.
Bracknell Town North	Range of sites, including windfall Also includes part of Warfield (agreed in principle through the Core Strategy)	Profile mirrors the Borough but higher % of single older households	Similar to Borough but higher % social renting (21%) Similar stock to Borough in both type and size	Opportunity to deliver affordable housing but may wish to limit level of social rented % of quota in some locations as a means of diversifying tenure.	No particular bias in existing stock but higher % of older households may mean demand for specialised accommodation or mainstream housing in accessible locations suitable for older people. Consider lifetime homes requirements.
Bracknell Town South	Range of sites, including windfall	Profile similar to Borough as a whole but higher % of family households, including lone parent families.	Slightly lower % of home ownership (68%), relatively high social renting (24%) High proportion of 1-2 bed homes; half of stock terraces	Opportunity to deliver affordable housing but may wish to limit level of social rented % of quota in some locations as a means of diversifying tenure.	Nature of sites may constrain type of homes which can be delivered. Take opportunities to deliver larger homes where suitable sites are available. Limit provision of smallest properties given bias in existing stock.



South	2 proposed urban extensions at Broadmoor and TRL, further sites in defined settlements or edge of settlements.	Higher % of family households Lower % of single person household, particularly older single people.	High % home ownership (81%); low levels of social renting (8%) Low % of 1-2 bed homes; high % of detached homes; low % of flats and terraces	Opportunity to deliver higher affordable housing quotas given low % of social renting. Intermediate products likely to be attractive given poor affordability and lack of alternatives eg PRS. Opportunity to deliver affordable older person accommodation, to encourage downsizing of existing tenants.	Large sites available provide opportunity to deliver a range of types and sizes of homes. Opportunity to deliver smaller homes because of limited number in stock. Likely to be easier to deliver larger homes given existing character of area.
Bracknell Forest Borough	As above	Large working age population (25-44 year olds) Larger % of children than in the wider market area and South East Growth in % terms dominated by 45-64s and 75+ older age groups Net-migration from 'east' – London, RBWM, Slough Greatest % growth projected amongst single households but couple headed households will remain largest group. Approx 1/3 of demand arising from growth likely to be for 3 bed or larger homes. Half of high priority households in need require 3 or more bedrooms	73% home ownership; 17% social renting, 10% private renting. Stock similar to region as a whole but higher % of terraces (larger terraces) Relatively high % of homes with 1-2 bedrooms than surrounding markets Majority of completions over last 5 years have been flats; terraced homes have accounted for largest % of house completions. Majority of affordable completions have been 1 & 2 bed properties.	Need for additional affordable housing, priority is social rented accommodation and for larger homes to reduce pressure in stock and reflect needs of priority households. Demand for intermediate products given affordability levels but private rented sector offers an alternative.	Recognise that around half of household growth may result in demand for 3+ bed homes. Growth of older population means consider identifying areas or sites suitable for older people specialised housing, but recognise mainstream housing will accommodate most older people so new housing needs to take this into account.

The Need for Affordable Housing

- 8.16 Analysis of house prices, rents and households incomes within Bracknell suggests that a significant proportion (36%) of households are unable to access the market (to rent or buy) within the Borough.
- 8.17 The Housing Need Assessment Update demonstrates the need for around 180 additional affordable homes each year to address the backlog of housing need and the likely needs of newly arising households. This figure takes into account affordable housing supply within the existing stock as households transfer and properties are re-let and an estimate of future affordable housing supply.
- 8.18 The income profile of those households on the Bracknell MyChoice waiting list suggests that the majority would be unable to afford the new Affordable Rent tenure if it is set at 80% of open market rents. The majority of applicant households have incomes of less than £10,000 per annum. Open market rents are £7,500 per annum for a one bedroom property and around £9,000 per annum for a two bedroom property. Affordable Rents at 80% would equate to around £6,000 to £7,200 per annum – 60-70% of the income of the majority of waiting list applicants. In practice, housing associations may decide to set Affordable Rents at levels lower than 80% of market rents. Along with four other Berkshire authorities, Bracknell Forest Council has commissioned work to examine these issues further. Affordable Rents are likely to be affordable to those on the intermediate list, though this could raise serious questions about the priority given to those who can afford rather than those who need accommodation.
- 8.19 In addition to the households identified as in need of affordable (social rented) housing, there are around 690 households within the Borough who have registered as actively interested in intermediate affordable homes. DTZ's analysis of the relationship between household incomes and house prices in Bracknell suggests that around 24% of all households in the Borough can afford to rent in the open market but cannot afford to buy a home. This suggests there is significant potential demand for intermediate products such as low cost home ownership, though it is important to keep in mind that many of these households have the choice of renting in the private sector.
- 8.20 It is important to note that the majority of those Bracknell households who have registered as interested in intermediate housing products do not have a deposit (of 10%) which would be sufficient to purchase a lower quartile priced property. Just over half of households have some savings, though in many cases these would be insufficient for a deposit, even on a shared ownership property. This suggests that low cost home ownership products provided within the Borough might need to be focused on Rent to HomeBuy or similar schemes which allow households to build up a deposit whilst renting. Such products are more costly to deliver in the short term than shared ownership or shared equity schemes.
- 8.21 The Borough Council may also wish to consider targeting intermediate affordable housing at those households willing and able to move out of social rented accommodation. 7% of households interested in intermediate housing within Bracknell currently live within social rented accommodation. Whilst the numbers are small at present, activities targeted at such households to support a move into low cost home ownership or intermediate renting would release social rented accommodation and enable the Council to better address priority housing needs.

Size Mix of Affordable (Social Rented) Homes

- 8.22 Local authorities have greater leverage over the type and size of homes households in the social rented sector can access. For this reason, PPS3 asks local authorities to set out the size of affordable homes required in their local development documents. This issue was considered in the Berkshire SHMA and the points made in this report are consistent with the approach used in the original SHMA, though it has been possible to update data and expand analysis on the nature of housing need as a result of the implementation of Bracknell's new housing register (Bracknell Forest MyChoice).
- 8.23 There are three key factors that need to inform the type and size of affordable homes that the authorities seek through new housing development:
- The overall scale of housing need within Bracknell exceeds what is likely to be delivered through new development which means that the allocation of homes in the social rented stock is likely to be focused on those in priority need.
 - The stock of social rented accommodation is biased towards smaller properties (when compared to the market sector) and the pattern of re-lets is biased towards smaller properties (1 and 2 bed homes) where turnover is greatest.
 - The majority of affordable housing delivered is dependent on the delivery of market homes. Thus, the success of affordable housing delivery is inherently tied to market development and this includes the mix of homes delivered. If the majority of market housing developed is small flats and houses then the authorities are only likely to secure small affordable homes.
- 8.24 There are larger numbers of smaller households on Bracknell's total waiting list, indicative of a broad split as follows:
- 58% 1 bed homes
 - 19% 2 bed homes
 - 23% 3 bed or larger
- 8.25 However, amongst those households in highest priority housing need (Bands A, B and C) the profile of homes required is very different, indicative of a broad split as follows:
- 30% 1 bed homes
 - 21% 2 bed homes
 - 49% 3 bed or larger
- 8.26 This suggests a much higher requirement for 3 bed and larger properties than evident from the headline waiting list figures. It is also interesting to note that this split broadly mirrors the estimates of the size of households required to accommodate future household growth in the Borough (discussed in Section 3 and presented in Figure 3.13).

- 8.27 However, re-lets within the stock are biased to smaller homes which means that those households needing larger homes (and many of these may be in higher priority need as families with children) will face a longer wait to be housed.
- 8.28 Furthermore, over the last 8 years, the majority (68%) of new affordable homes have been delivered as 1 and 2 bed properties (and the vast majority of these have been flats).
- 8.29 For this reason, DTZ suggest that Bracknell Forest Borough Council prioritise the provision of 3 bed or larger homes within new affordable housing completions. Based on housing need by size, the pattern of re-lets and completions of affordable housing over the last 8 years, DTZ suggest that Bracknell aims for:
- Around 20% 1 bed properties: reflecting continued need for smaller properties but that re-lets within the existing stock are biased towards smaller accommodation so these needs can be met more easily. These properties can only be delivered as flats and therefore do not give much flexibility to cope with the changing development climate.
 - Around 20% 2 bed properties: broadly consistent with the proportion of households in need who require 2 beds and these properties provide more flexible accommodation, being able to meet the needs of a wider range of households. They can also be provided as houses or flats, giving more flexibility to cope with the changing development climate.
 - Around 50% 3 bed or larger properties: there are substantial numbers of households needing larger properties and they often wait longer to be households because of limited supply. Increasing the proportion of larger properties would help to rebalance the social rented stock and allow the authorities to meet housing need more effectively in the future. It would be worth specifying that 10% or so of these larger properties should be 4 bed homes, reflecting the need of priority households and limited supply to meet this need.
- 8.30 Provision of larger properties will require some consideration since it may mean that fewer affordable homes are delivered on some sites than if the focus was on smaller dwellings. But the provision of larger dwellings may allow the Council to create a chain of lettings within the social rented stock so the overall impact on housing need might be greater than the number of dwellings suggests.
- 8.31 Clearly these indicative proportions need to be balanced against the viability of development, the availability of public subsidy and, if they are delivered as affordable rent rather than social rent, the extent to which they can be used to address need. The proportions indicated could have the following benefits:
- It would give the authority the potential to create a chain of lettings within the social rented stock by allowing those occupying smaller properties to move up, allowing the Council to accommodate more households.
 - It would promote more flexible accommodation in the longer term, capable of housing a range of different households and not just the smallest households.
 - The affordable housing stock is biased towards smaller properties and securing a larger mix of new affordable homes would help to diversify the stock



- 8.32 DTZ recommend that the Bracknell Forest Borough Council also consider setting out criteria in their affordable housing policies alongside any specific targets for different types and size of social rented homes. Fixed targets are less capable of being reviewed in response to changing circumstances so these criteria will provide the authority with the ability to respond to changing circumstances and site specific factors. Criteria set out in policy could include:
- The characteristics of priority households on the authority's waiting list
 - The size of homes in the existing social rented stock
 - The pattern of re-lets in the social rented stock
 - The type and size of recent completions and losses through demolition or Right to Buy
- 8.33 Such a policy approach would need to be accompanied by engagement with developers, as well as housing associations, in advance of applications being submitted for development.

GLOSSARY

TERM	DESCRIPTION
Current Population	This is a midyear population estimate for 2008 for the number of people who live in an area. Members of UK and non UK armed forces are included as well as students at their term time address, and migrants staying for more than 12 months.
Population Growth	Data from the midyear population estimates (above) to provide absolute and percentage population growth.
Net Migration	Number of people in who have registered to a different health authority compared to the previous year and is a proxy for net domestic (UK internal) migration. Does not capture international migration.
Main Origin of In-migrants	Records the number of people who have registered to a different health authority from one year previous. Main origin is the local authority from which the highest volume of in-migrants originated
Main Destination of Out-Migrants	Records the number of people who have registered to a different health authority from one year previous. Main destination is the local authority to which the highest volume of in-migrant move to.
Current Employment	Total number of people (residents) employed and expresses this value as a proportion of the working age population. The working age population refers to men aged 16-64 and women aged 16-59.
Economic Activity Rate	The economic activity rate measures the percentage of the working age population who are employed or unemployed, and so are active in the labour market.
Unemployment Rate	Records the number and proportion of the working age resident population claiming jobseekers allowance.
Current Average Property Price	Current average property prices are calculated using sales and valuations data. The average price is calculated by using a 3 month mean rolling average.
Lower Quartile Property Price	This is calculated by ranking all property prices for a certain point in time in descending order. The lowest 25% per cent of prices fall into the lower quartile.
Annual Average Earnings (individual)	Obtained from an annual survey of employers conducted annually across the UK which asks for particular employee details including pay. The figures presented herein are averages for residents of the local authority.
Affordability Ratio (LQ HP: LQ Earnings)	This is the Government's preferred indicator of affordability that is calculated as a ratio of Lower Quartile House Prices to Lower Quartile Earnings (individual earnings).
Purchase Income Threshold	This is the minimum household income required to buy one of the cheapest properties in the local authority. This is calculated using the lower quartile house price and assuming that purchasers can afford an 10% deposit, and 3 times mortgage multiplier.
Private Sector Rent - Entry Level for 2 Bed Property	This is the minimum rental level to enter the private rented sector. The measure is based on the weekly rent for a 2 bedroom property.