

Comments

Housing Needs and Demand Assessment 2 – Consultative Draft (06/06/14 to 01/08/14)

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Question 1a - Consultation

Section 1.6 of the Housing Needs and Demand Assessment Report sets out the broad approach taken to consulting with key stakeholders through the Housing Market Partnership. This is covered in more detail on Supporting Document 3 (Consultation Report).

Have stakeholders been adequately consulted through the wider Housing Market Partnership? NO

Question 1b - Further Comments

Are there any comments on the approach to consultation and engagement you would like to make?

There is no indication of the names or types of organisations/individuals that comprise the core HMP and wider HMP. Nor how these are selected? And nor how a balance of interests is achieved? This information needs to be clarified in the HNDA and SD3. Specific enquiry to SESplan on this matter revealed: The core HMP only includes Local Authority interests in planning, housing and economics. There is no community involvement.

Approximate data for the wider HMP for the City of Edinburgh indicate the following numbers: Housing/planning/economic interests 16; Developers 12; Community interests 3.

As set out in SD3, the community interests are inadequately represented on the wider HMP and are thus unable to make important inputs during the formative stages of the HNDA. However, we understand that an early opportunity was given to community Councils to comment on the emerging HNDA, but only 12 responses (ex Edinburgh) were received. This is disappointing and we wonder if the importance of this early opportunity to comment was sufficiently emphasised and promulgated?

It is important that community organisations with a knowledge of their local area are included such as the Edinburgh Association of Community Councils and the Cockburn Association in the City of Edinburgh.

We consider this to be a flaw in the HNDA process, especially as it translocates towards the assessments for HST and HLS.

Question 2a - The Assessment Methodology

Chapter 2 of the Housing Needs and Demand Assessment Report outlines the Assessment Methodology used for the SESplan Assessment.

Does this provide a full technical explanation of the assessment methodology and any limitations? YES/NO

Question 2b - Further Comments

Are there any comments on the Assessment Methodology you would like to make?

Yes, there are comprehensive lists of the items that comprise the methodology, but for the lay person, it is not easy to understand their significance. Worked examples of key issues might help. In addition; there does not appear to be any explanation of how the housing land supply for the commercial market element is calculated. Migration estimates, population and household projections, by their nature, contain opportunities for significant error. It is not clear how these potential flaws can be counteracted? For example, has the methodology been tested against results of known housing provision from previous forecasts to assess its co-incidence or otherwise with such historical data? Hence, for the lay person, the answer is more No than Yes.

It appears that the CHMA unit is embedded within the SG. It is important that this unit is clearly seen to be impartial and independent of the government and its policies, especially those associated with promoting growth.

Question 3a - The Demographic Context

Chapter 4 of the Housing Needs and Demand Assessment Report aims to set out the demographic context for the SESplan Assessment.

Does Chapter 4 identify the key demographic factors driving the local housing market? YES

Question 3b - Further Comments

Are there any comments on the Demographic Context you would like to make?

Table 4.6 Population Change 2001 - 2011 is not easy to follow. It would be easier if population in 2001 could be compared directly with that in 2011 in the same table that also showed the differences (cf. Table 4.13).

Estimates for migration and the projections for population and household are crucial elements in the assessment of housing land requirement up to 2035. It is important to indicate how these estimates and projections are calculated and what sensitivity analyses are carried out to ensure that predicted outcomes are credible and seen to be so. Predictions over a long period of time are particularly suspect and can lead to blight as land is allocated to housing but not built out whilst preventing any other investment in agriculture or other relevant usage.

The projected increase in smaller single person households is an important finding. It reinforces a case for more apartments at high density rather than low density family housing with gardens, as is suggested by developers. High density development is more appropriate on brownfield sites within the existing urban fabric, rather than on new sites in the Green Belt. It is important that high density, well designed developments are explored to suit the growing need for single person households such as colony style design which provide both density and amenity.

Question 4a - The Economic Context

Chapter 5 of the Housing Needs and Demand Assessment Report aims to set out the economic context for the SESplan Assessment.

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Does Chapter 5 identify the key economic factors driving the local housing market and the national economy? YES

Question 4b - Further Comments

Are there any comments on the Economic Context you would like to make?

We are concerned that the Scottish Government's policies to increase sustainable economic growth (paras 5.2, 5.3) should be properly balanced with climate, environment and quality of life considerations for current and future generations. Our strong view would be that true sustainable development requires a balanced approach to growth, giving equal weight to all its elements, as espoused in the UK Shared Framework for Sustainable Development.

The Edinburgh City Region Economic Review (2011) identified a substantial increase in the number of offices (para 5.2). For some time, we have been concerned that there could be a significant over supply of offices, as many remain empty for many years after building. This land could be better used for housing.

The Housing Supply in Scotland recommendations in February 2009 (para 5.4) to support the delivery of new housing and remove key blockages to increasing supply included *Implementing the reformed planning system*. We are concerned, along with many community organisations, that the NPF and SPPs risk promoting an unbalanced approach to growth and increasing housing supply, contrary to the principles of sustainable development set out in the UK Shared Framework for Sustainable Development.

In Tables 5.10 Median Total Annual Household Income by Types of Household 2010-12 Compared with 2003-06 and 5.11 Tenure(Banded) by Household Income 2010-12, we note that the figures for Edinburgh are surprising low, is there any reason for this?

For lay people, unfamiliar with statistical techniques, it would be helpful to include some explanation or reference as to how *quartiles and percentiles* are calculated. (pars 5.8, 5.10)

Question 5a - Housing Stock

Chapter 6 of the Housing Needs and Demand Assessment Report sets out a profile of housing stock for the SESplan Assessment by size, type, condition, tenure, occupancy and location.

Does Chapter 6 address this adequately? Yes

Question 5b - Further Comments

Are there any comments on Housing Stock you would like to make?

The dominance of flats as the main housing type in the City of Edinburgh correctly reflects the

demographics (para. 6.6). Again this reinforces a case for more apartments at high density rather than low density family housing with gardens, as is suggested by developers.

What is the difference between an HMO and rented flats in a single building?(para. 6.7)
What has caused the huge increase of residents living in communal establishments in Edinburgh between 2008 -12? (para. 6.7)

76% of the stock in the SESplan area is failing the SHQS. How is it failing and what action is proposed to rectify this? (para. 6.8).

What is the disrepair by tenure - Private, RSL, Council? (para. 6.8). It is important that Councils set an example by keeping all their housing stock in good condition.

Improving energy efficiency in dwellings is important to mitigate the effects of climate change. It would appear that pensioner households lack the resources to do this properly. What support can be provided to help them? (para. 6.8)

During 2002-12, we note that the majority of additional housing in the SESplan area has been provided by the City of Edinburgh (36%). We question whether Edinburgh should continue to carry the main burden for extra houses up to 2035? (para. 6.10)

We note the reductions to Housing Stock (para. 6.10.) It would be interesting to know what is the net loss e.g. how much homes/area has been demolished and not rebuilt, as such areas would add to the brownfield priority?

How are second homes being used e.g. occupied by family members, rented or empty? (para.6.10). How many rents are long term or short and used as holiday homes? Are there any opportunities for some of such homes to be included in the available housing supply e.g. if short term rents were taxed as businesses, this might prompt availability?

Question 6a - Specialist Housing Provision

Chapter 7 of the Housing Needs and Demand Assessment Report aims to:

- 1 set out a profile of household groups who have specific housing requirements;
- 2 outline the contribution that specialist housing provision plays in enabling people to live well and independently; and
- 3 identify gaps in this provision.

Does Chapter 7 address this adequately? Yes

Question 6b - Further Comments

Are there any comments on Specialist Housing Provision you would like to make?

Dwellings for People with a Physical Disability Table 7.2. What is the reason for the loss of 122 dwellings in Edinburgh between 2010 -2012? (para. 7.6)

Restricted Activity and Adaptations Table 7.10. It is presumed that these adaptations are for long term illness/disability? It would be useful to know what types of adaptations to dwellings have been carried out (para.7.6).

National and Local Contexts - Accommodation Needs and Demands of Gypsies and Travelers. We agree that Gypsies and Travellers should *be treated fairly and with respect* and that this should be reciprocated.

Question 7a - Alternative Futures and Estimates

Chapter 10 sets out a range of alternative futures and corresponding estimates of housing need and demand (additional future housing by tenure).

After reading the assessment report, which alternative futures do you think best reflect what may happen in the future? Please tick all that apply.

Steady Recovery
Wealth Distribution

Question 7b - Alternative Futures and Estimates of Housing Need and Demand

Chapter 10 sets out an estimate of additional future housing by tenure, broken down into the number of households who are able to afford:

- 1 Owner occupation;
- 2 Private rent;
- 3 Below market rent; or
- 4 Social rent.

Does Chapter 10 explain this clearly enough? Yes

Question 7c - Alternative Futures and Estimates

Do the estimates reflect your experience and / or understanding of the housing market in South East Scotland? No

Question 7d - Further Comments

Do you have any comments on the Alternative Futures and Estimates of Housing Need and Demand you would like to make?

Headship needs to be fully explained when it is first mentioned (Chapter 9. para. 9.2 et al). Also the purpose for using headship is not clear? (para.10.3). We note that trends in household formation and headship rates are a critical input to the scenarios and projections, and that the economic downturn has slowed the formation rate of new households. The view taken on how long this is likely to persist, and whether there is ever likely to be a return to previous trends, clearly has major implications for the scenarios. It could be that this slowdown heralds significant behaviour changes, or alternatively that previous trends reassert themselves post-recession. While the assumptions made by SESPlan seem reasonably credible, we believe there remains a significant risk that household growth and hence housing demand is over-estimated. Any further reduction in household growth could mean a considerable reduction in housing demand by 2038, and in the housing land supply required. We believe there needs to be further sensitivity analysis of this key set of assumptions. Migration is also very hard to forecast, and likely to be highly sensitive to uncertain economic trends.

The recommendation for a *modest increase* in the City of Edinburgh's income growth that could increase average income from £31,500 currently to £57,800 in 2032, based on an average annual growth of 3.5%, seems too high(para 10.7). Given that output and productivity growth have been at exceptionally low rates since 2008, and total output has only just returned to its 2008 level, this projection from the Oxford Economics modelling can only be regarded as quite speculative and uncertain. In this respect, it would be interesting to compare a scenario for a mid-point between no real growth and modest recovery, say 2.8%.

The income distribution forecasts (para 10.6) do not show evidence of trends prior to the base year of 2011. This makes the forecasts hard to assess. Reliance on US research evidence seems questionable without some reason to believe that economic rents and structures are likely to be similar. It is hard to judge from the evidence provided how far these projections are evidence-based, or largely speculative.

The selection of percentages for the various scenarios is key for the achievement of realistic results (para. 10.7) How are these determined?

The methodology for calculating/forecast Need seems reasonable/acceptable, but Demand calculations may be more problematical/subjective (para. 10.7 and see later comments 10.11)

The projections by tenure, para 10.9, seem to imply a relatively small increase in owner-occupied Housing at 27% of the new housing estimate in the wealth distribution scenario, compared with a 63% share of the housing stock. Social rent housing with a 22% share of the housing stock accounts for 43% of the estimated housing demand increase. It is not clear how this relates to the nature of housing demand, and the people needs and preferences. It would seem to imply a swing back towards social housing which would be unprecedented in recent times. It is unclear how this might be financed at a time when public expenditure and available resources are likely to be tightly constrained.

The statement *with an ageing population and changing household structures, this also puts more pressure upon the need and demand for smaller units and for smaller units which can be adapted, requiring additional resources* (para. 10.10) agrees with earlier demographic findings that more people are living in smaller households (para. 10.8) However, whilst a number of elderly people may require smaller units others may not be able to care for themselves and would require accommodation in care homes etc. It is not clear whether such a distinction has been made?

It is also unclear how student accommodation is accounted for, especially in a city like Edinburgh where some communities have as much as 60% student populations.

We do not understand the following statement, *However while the nuclear family unit is no longer the norm and reconstituted families are on the increase, this means that on paper households may look smaller but the reality is a growing need and demand for larger properties with some flexibility* (para. 10.10). We haven't found the evidence for this?

It would be helpful if the meaning of *mainstream accommodation* for elderly people could be explained? (para. 10.10)

We note that that the HNDA will inform the calculation of the Housing Supply Targets (HST) and the Housing Land Supply (HLS), but will not be the same, as the latter are derived from separate calculations from a range of factors (para. 10.11). We consider it is crucial that the evidence, calculations and weights used to determine HST and HLS are fully explained and transparent in order to demonstrate a credible result. Moreover, the factors assessed must include community views and environmental and quality of life aspects, in accordance with the requirements of the emerging Community Empowerment (Scotland) Bill.

We are therefore very disappointed that SPP 2014 Enabling Delivery of New Homes directs that the HNDA results should be increased by 10-20% to provide a generous margin for housing requirements. Whilst this is designed to minimise the risk of a housing shortage, there are also adverse consequences arising from creating a housing surplus, relative to the environment (further loss of greenbelt/greenspaces) and quality of life issues.

In view of this subjective direction in SPP 2014, we do not see how the HNDA processes can be perceived as robust and credible, when the methodology has been devised by the SG, the result is required to be inflated and local authorities have to follow SG direction without challenge, otherwise their findings will not be accepted by the SG. If this is the case it would seem that any representations that are not perceived to follow SG growth policies will be ignored!

Are there any other comments you would like to make on the SESplan Housing Need and Demand Assessment Consultative Draft Report?

Achieving the best possible requirements for housing is important because of their consequential impacts upon the environment and quality of life issues. Hence, we consider that a system for independent verification of the HNDA/HST/HLS outcomes should be devised, as a matter of urgency. Resources to do this should be provided by SG either to local authorities or to community bodies.

CHAPTER 8: ESTIMATING EXISTING NEED

8.2 APPROACH TAKEN TO ASSESSING THE EXISTING NEED FOR NEW AFFORDABLE HOUSING

We do not agree with the statement, *Housing need that could be met via in-situ solutions (such as through repairs or adaptations) or by planned interventions (such as the return of empty homes) are not considered within the tool.* Surely these are important factors to include in the available housing stock? (para. 8.2)

CHAPTER 9: THE FUTURE HOUSING MARKET

We note that *net migration is the key driver of projected population change for all areas with the exception of West Lothian.* We are not clear how net migration is calculated? (para. 9.2)

Although a *zero migration variant* of population change is mentioned in para.9.2, we have not found any details of this variant nor of a population decline variant? We also note that the CoE population appears to increase whatever the population variant? (para. 9.2)

Q 1-7 The black or white Yes/No answer does not adequately express the several shades of grey that respondents wish to express in their answers. More diversity in the required responses should be provided.

SESplan currently uses many forms of communication including the website, circulation of E-Bulletins and Twitter. As we progress towards the publication of Main Issues Report (MIR) 2, are there any other forms of communication you would like SESplan to use?

Reading around 200 pages of dense text/graphs/tables, etc from a computer screen is neither easy nor customer friendly. Paper copies of long documents should be offered.