

Communities Scotland
Angus Council
Perth and Kinross Council

Angus Council Local Housing Needs Assessment – Housing Market Area Profiles

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A Report by



Planning, Economic & Development Consultants



1 INTRODUCTION AND METHOD

INTRODUCTION

1.1 This report summarises the housing market level findings for the Angus Housing Needs Assessment. Each section covers:

- the local economic context
- the structure of the housing stock
- characteristics of local residents
- levels of housing need
- long-term projections of the housing structure
- key issues for the area.

1.2 Before moving onto the housing market area reports, this section summarises the approach taken to quantifying housing need and developing long-term projections.

THE ELEMENTS OF HOUSING NEED

1.3 The DETR Guidance on measuring Housing Need suggests the need to reflect different dimensions of need. The main elements discussed are - homelessness or insecurity, the mismatch of households and dwellings, dwelling amenity and condition and social requirements.

1.4 Under each of these headings, the following data were collected –

- homelessness and insecurity -
 - homelessness data (from Council data)
 - accommodation being too expensive (using an objective measure of 25% of disposable income being spent on rent/mortgage and a subjective measure of perceived difficulty paying for rent/mortgage) – from the household survey
- the mismatch of households and dwellings -
 - lack of space (less than one room per person) – from the household survey

- failing the DETR Bedroom Standard (based on the ages of children and the relationships of adult in the household) – from the household survey
- dwelling amenity and condition –
 - the property being expensive or difficult to heat – from the household survey
 - sharing amenities with other household members – from the household survey
 - households with particular needs whose dwelling poses a problem (from the household survey)
 - poor condition – survey respondents perception (problems of condensation, dampness, rot or poor condition)
- social requirements
 - living somewhere where neighbours cause severe problems – from the household survey
 - wanting to live independently (concealed households). In the survey, this is households where the respondent believes a household member (or members) would prefer to live in separate accommodation if that were possible.

ESTIMATING THE NEED FOR SOCIAL RENTED HOUSING

- 1.5 To explore housing need, two types of housing need were examined in addition to the individual need elements from the household survey. These two aspects of need are
- 1) housing need where alternative accommodation is required (primary housing need) and
 - 2) housing need where an ‘in situ’ response may be possible – such as repairs or improvements or adaptations.
- 1.6 The following indicators were taken to be those where alternative accommodation was needed:
- accommodation being too expensive (using an objective measure of 25% of disposable income being spent on rent/mortgage and a subjective measure of perceived difficulty paying for rent/mortgage) – from the household survey
 - failing the DETR Bedroom Standard (based on the ages of children and the relationships of adult in the household) – from the household survey
 - sharing amenities with other household members – from the household survey

- households with particular needs whose dwelling poses a problem (who would prefer to move rather than have their property adapted)
 - households containing a concealed household.
- 1.7 The other elements of need identified in the survey may require a policy response, where households cannot meet their own needs in the market (through having central heating installed, repairs completed or funded by grants, dealing with anti-social neighbours etc.). However, there would not necessarily need to be a property move. These issues are discussed in Section 7 of the main report.
- 1.8 To estimate the overall level of need for social rented housing, the same assumptions were made in the Housing Market Area (HMA) analysis as in the main report:
- 29% of the concealed households would be expected to be social renters
 - 20% of households in need of alternative accommodation (excluding those with only a concealed household) would not be able to afford a mortgage.
- 1.9 To this the number of homeless households is added (from Council records, adjusted to take account of possible double-counting with the survey). A higher and lower estimate is used – the higher estimate includes all homeless households while the lower estimate includes only those in priority need.
- 1.10 In calculating the likely demand for affordable housing in each HMA, we have assumed the same proportions of the following:
- Current social renters in housing need who receive their main income from employment (33%)
 - Households not currently social renters that are unable to afford a mortgage to meet their housing need, who receive their main income from employment (55%).
 - 31% of concealed households expecting to be owners would have an income of less than £1,000 a month, placing limits on the affordability of properties.

ESTIMATING OWNER OCCUPIER HOUSING DEMAND

- 1.11 The housing demand measures are developed in the same way as in the main report, by considering the likely numbers entering and leaving owner occupation in the next two years against the likely supply of housing within that period (from out-moves and terminations).

- 1.12 However, as the number of cases in each area is small, we have made a number of assumptions in calculating the demand for owner occupied properties in each area.
- In Angus overall, 4% of owners – an estimated 930 households overall – are likely to leave the sector. This is less than 20 households from the survey. This number of interviews does not allow robust sub-area analysis, so we must assume that the same proportion of owners (4%) will leave the sector in each area.
 - Likewise, 26% of the non-owners who are likely to move (7% of non-owners) expect to own in future. Again, as numbers are small, this is assumed to be the case in all four HMAs. Therefore, 7% of all non-owners are assumed to be likely to move into owner occupation.
 - To estimate the number of newly formed households in each housing market area, we have allocated the 2,555 expected newly-forming owner occupier households in proportion to the % of all concealed households expected to move into owner occupied housing. That is 45% of the concealed households in each area.

ANNUALISED NEEDS MEASURES

- 1.13 We have presented the needs estimate as annualised figures, which it would be reasonable to assume could hold for the medium term (around five years). From this analysis we identify two sets of needs: backlog of need and new/emerging needs.
- 1.14 Backlog of need. This comprises existing households currently in need and whose need cannot be resolved in situ/by transferring within the social rented sector. These are treated according to the conventions of the DETR Guidance, which suggests that the backlog of need should be addressed over a five year period - that is, that one fifth of the backlog of need will be met each year.
- 1.15 New need. This is made up of newly emerging households that are likely to move into the social rented sector, homeless households, in-migrants and existing households falling into need. Information on the first of these is available from the survey, while information on the second is available from Council records. However, there is no information on the number of in-migrants in housing need. We have used the number of households from outside Angus housed in the council sector as a proxy for this. Nor is there information on the rate at which existing households fall into need. We have assumed that households fall into need at the rate of one fifth of the existing backlog per year.
- 1.16 The area estimates are produced in the same way as for the main report (see Section 7 of that report).

- 1.17 The total level of need is compared with the supply of housing. This follows broadly the same approach as in the main report (Section 7), with supply composed of council lets, RSL relets and RSL new build.

LONG TERM PROJECTIONS

- 1.18 The long term projections for Angus concern the outlook for housing need/demand by tenure over the next 20 years. They have been produced for Angus overall and for each of the four housing market areas.
- 1.19 The Angus projections were produced first. These take account of the interplay of two factors:
- the overall number of households - the number of households used in the projections is drawn from the Scottish Executive 2000-based projections to 2014, and extended from the linear trend to 2022.
 - the tenure split of those households - the tenure projections are derived separately for each of the four main household types used in the household projections: single person, lone parent, two-adult and two-adults plus children households.
- 1.20 We have used data from the household survey to estimate the tenure split at year one (2002) for each of these household types. In recognition of the inherent uncertainty that attaches to such long-term forecasts, we have developed three scenarios that reflect alternative assumptions regarding the key determinants of overall housing demand for each of these household groups for each of the tenures.
- *Base scenario* - the year-one tenure split for different household types remains constant over the 20 years
 - *Shift 1* - a moderate shift towards owner occupation for all household types except lone parents
 - *Shift 2* - a substantial shift towards owner occupation for all household types except lone parents.
- 1.21 Our conclusion was that the Shift 1 scenario was the most likely, in terms of fit with past trends.

- 1.22 The HMA projections have been derived from the Angus projections, by taking each area's share of each of the tenures. It is assumed that the tenure share remains constant throughout the projection period. For example, from the survey, Arbroath has 23% of all the owner occupiers in Angus. The HMA is therefore allocated 23% of households in owner occupation in each year of the projections.
- 1.23 This approach ensures that the total number of households and the total number of households in each tenure remains consistent between the main report and the HMAs report. However, it is noted that the household growth rate will differ between areas (and within areas over the different scenarios) in response to the different tenure profiles of the areas. Thus, as owner occupation shows the greatest increase over the period, areas with a relatively high rate of owner occupation will increase their households more quickly than those with a relatively low rate of owner occupation.

2 FORFAR, KIRRIEMUIR AND THE ANGUS GLENS

INTRODUCTION

- 2.1 The Forfar, Kirriemuir and Angus Glens housing market areas (HMA) covers the main settlements of Forfar and Kirriemuir as well as a significant part of the rural area of Angus. It is, geographically, the largest of the four housing market areas in Angus and contains an estimated 13,000 households.

ECONOMY

- 2.2 Some 11,800 people were employed in Forfar, Kirriemuir and Angus Glens in 2000, around a third of the total employment in Angus as a whole. Overall the structure of employment in Forfar and Kirriemuir is broadly similar to that seen across Angus, though with a higher than average concentration of employment in Finance and Business services. As is the case for all the HMAs, employment in the area is significantly over-represented in Manufacturing and Construction; and significantly under-represented in Finance and Business Services and Transport and Communications¹.
- 2.3 Over the period 1995 to 2000, the number of jobs based in Forfar, Kirriemuir and Angus Glens has shown little change, compared to the rapid growth seen across Angus as a whole. Of the two largest sectors in the area, Manufacturing employment has remained steady, while Public Services employment has declined².
- 2.4 Fourteen companies in the area were identified as having more than 100 employees including public administration, food processing and manufacture of textiles companies. The largest of these were the council, two textile companies Don & Low Ltd and J & D Wilkie Ltd, and an engineering company, Ross & Bonnyman Group Ltd³.
- 2.5 Some 400 unemployed claimants were recorded in Forfar, Kirriemuir and Angus Glens in September 2000, representing 19% of the total number of claimants in Angus as a whole. As such, the area accounts for a far smaller share of the regions' unemployment claimants than employees in employment. With 100 claimants having been unemployed for more than six months, the area also has a lower share of long term claimants than the average across Angus and the rest of Scotland.

¹ Annual Business Inquiry (NOMIS)

² Annual Business Inquiry (NOMIS)

³ UK Business Browser; Angus Business Directory, Angus Council

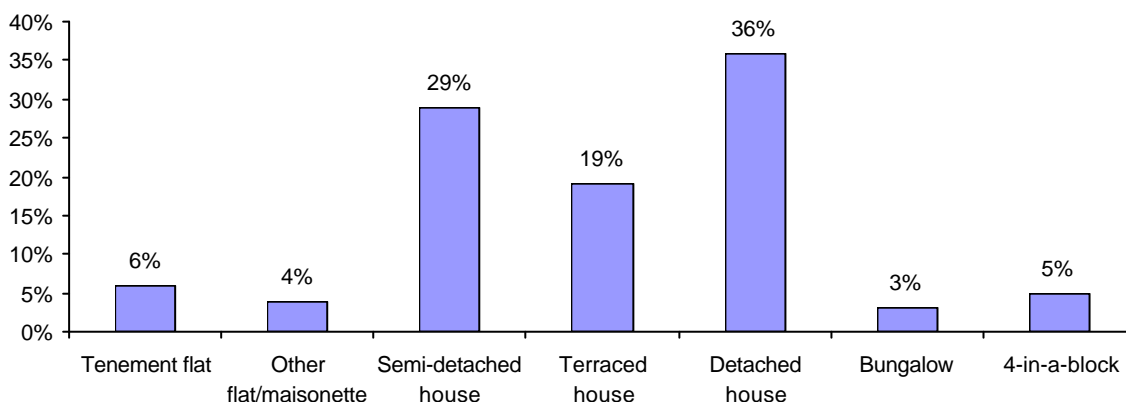
- 2.6 Over the last two years unemployment in Forfar, Kirriemuir and Angus Glens has fallen at a slightly faster rate to that seen across the rest of Angus, showing a net drop of 33% or just over 191 claimants. During the period, however, the area does exhibit a slightly stronger seasonal pattern than the rest of the region, indicating higher than average rates of casual or temporary employment⁴.

THE HOUSING STOCK

Property Characteristics

- 2.7 Properties in the Forfar, Kirriemuir and the Angus Glens HMA are primarily houses rather than flats, with detached and semi-detached properties most common (Figure 2.1). Only 10% of households in the survey occupied flats, while 5% lived in 4-in-a-block properties.

Figure 2.1: Property type



Base: 182
Source: Household Survey, 2002

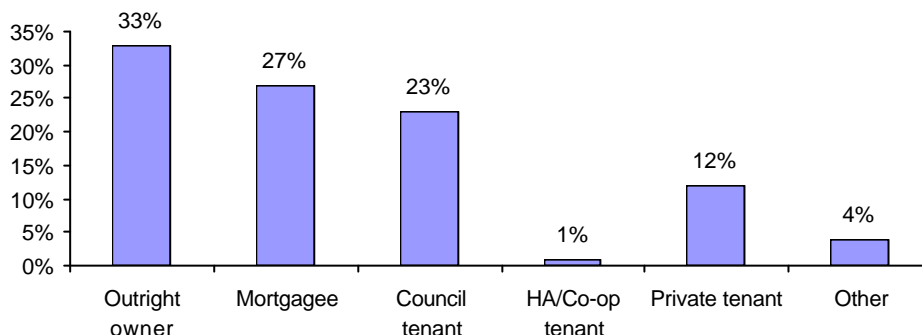
- 2.8 96% of households in the area have access to a garden, with 94% having their own garden and 2% sharing a communal space.
- 2.9 There are 2,938 Council dwellings and 549 RSL dwellings in the area, accounting for 28% of the total social rented stock in Angus.

⁴ Source: ONS Claimant Counts (NOMIS)

Tenure

- 2.10 Owning is the majority tenure in the Forfar, Kirriemuir and the Angus Glens HMA, as in Angus generally. A third of respondents own their own property while a further 27% are buying with a mortgage. One in five owners bought their property through the Right-to-Buy.
- 2.11 Social renting houses 24% of households, while 12% are housed in the private rented sector.

Figure 2.2: Tenure

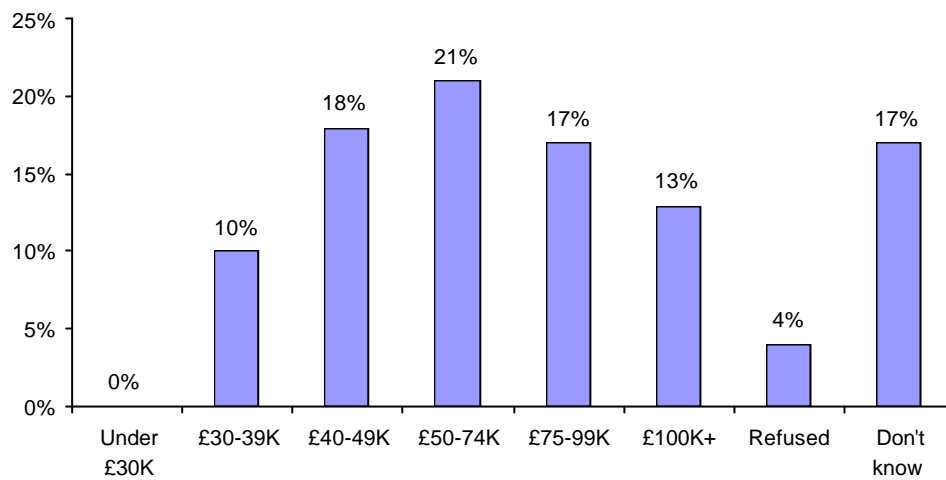


Base: 182
Source: Household Survey, 2002

House Prices

- 2.12 Over the period 1995-1999, prices for non-RTB properties have risen by around 16%, in line with the general increase in prices for Angus (excluding Carnoustie/Monifieth). At the start of 2000, the average non-RTB price was £62,940, somewhat higher than the Angus average of £57,620. Prices for new build properties were particularly high at £90,560, compared to £84,870 for Angus.
- 2.13 The estimated market values, provided by household survey respondents, had a median value of £58,000, with a clustering of property values estimated around the mid-range of prices at between £50,000 and £74,000. Only 10% of properties are believed to be worth under £40,000.

Figure 2.3: Estimated property prices (respondent)



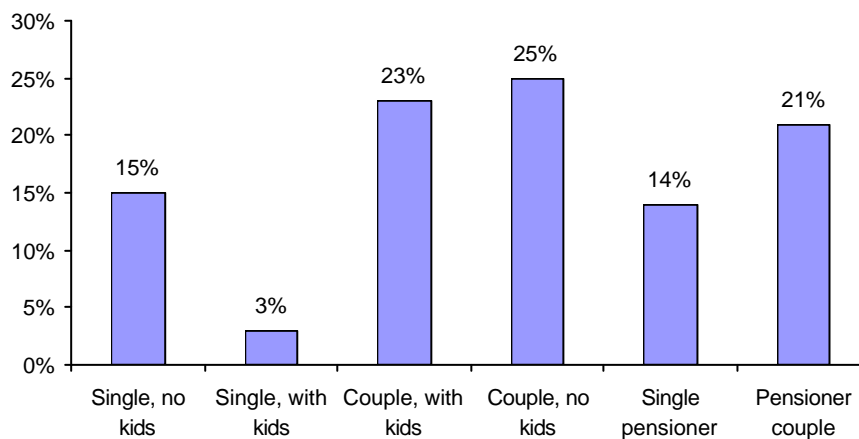
Base: 182
Source: Household Survey, 2002

HOUSEHOLD CHARACTERISTICS

Household Type

2.14 Just over a quarter of the households in the Forfar, Kirriemuir and Angus HMA contain children, while 35% are pensioners. There is the same proportion of single adults as found in Scotland as a whole⁵.

Figure 2.4: Household type



Base: 182
Source: Household Survey, 2002

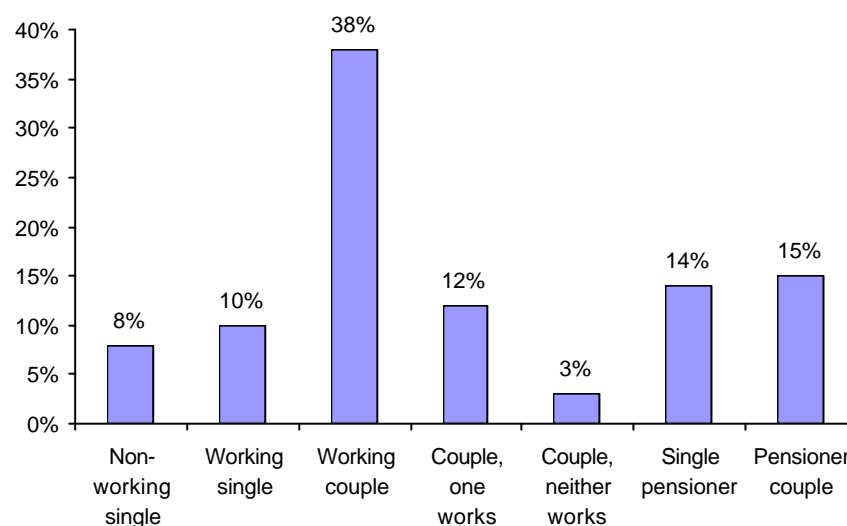
⁵ *Scotland's People. Volume 3: Results from the 1999/2000 Scottish Household Survey*, Scottish Executive, 2001.

- 2.15 26% of survey respondents were aged over 65 years, while 2% were aged under 25 years. 31% were aged between 25 and 44 years and 40% were aged between 45 and 64 years.

Household Working Status, Incomes and Employment

- 2.16 The largest group of households in the area (38%) is households containing a working couple, with a further 12% containing a couple where one person works and 10% being single working people. 11% of households are non-working single people, or couples, of working age and 29% are retired (single people or couples⁶).

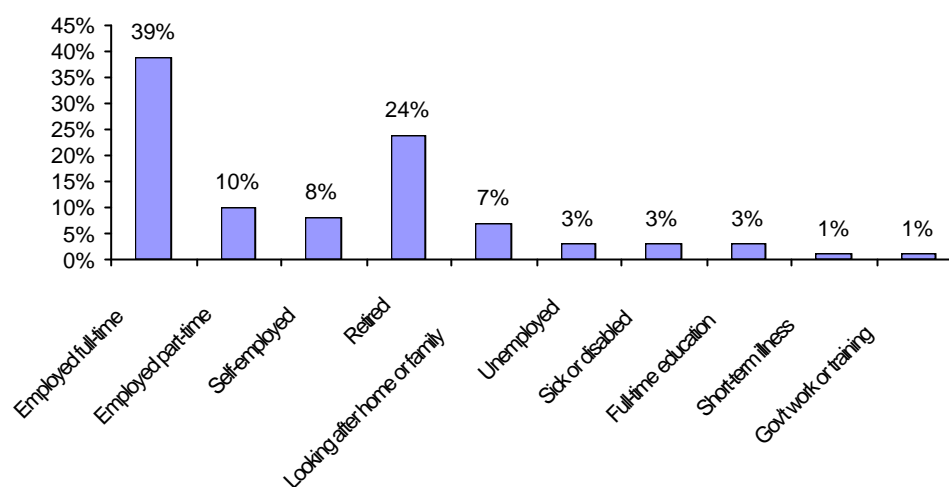
Figure 2.5: Household Working Status



Base: 182
Source: Household Survey, 2002

- 2.17 It follows that the main income source of households is employment for 59% of households. State pensions account for the main income of 25% of households while 9% rely on other benefits and 4% receive their main income from an occupational or personal pension.
- 2.18 37% of household survey renters receive Housing Benefit, with 21% receiving partial Housing Benefit and 16% receiving full Housing Benefit.
- 2.19 Figure 2.6 shows the economic activity of all household members, with over half being employed (8% self-employed, 39% working full-time and 10% part time). The proportion of unemployed people (3%) is similar to the overall level for Angus of 4%.

⁶ This is higher than in Figure 1.4 due to early retirement.

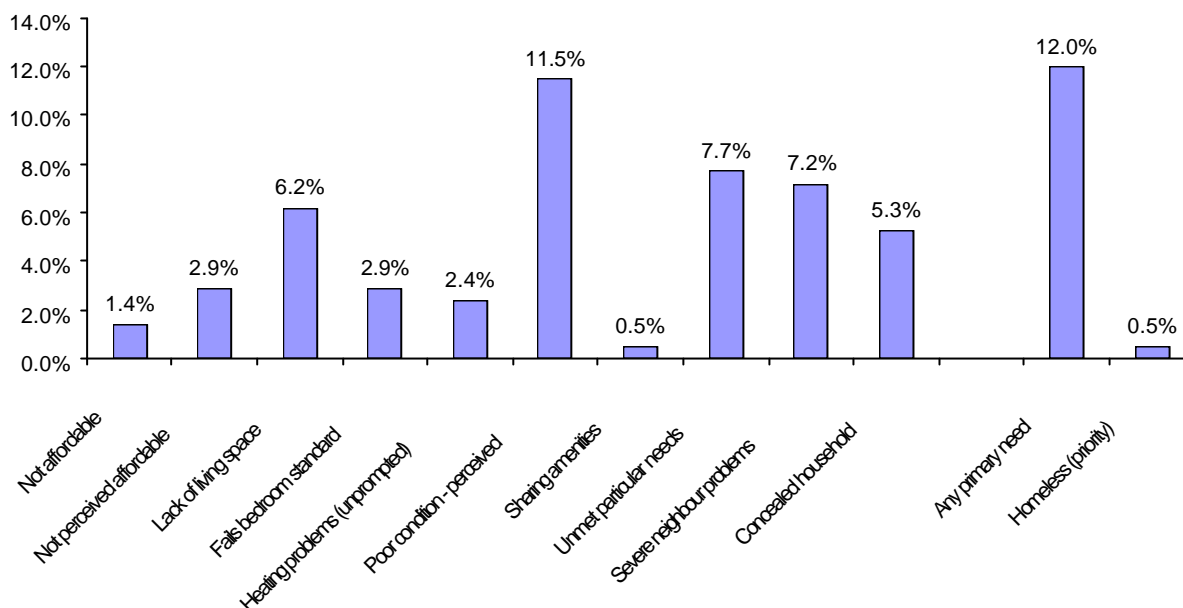
Figure 2.6: Employment status of household members

Base: 347
Source: Household Survey

HOUSING NEED

- 2.20 The housing need indicators used in the household survey covered a range of issues, to explore the unsuitability of housing to capture homelessness or insecurity, the mismatch of households and dwellings, dwelling amenity and condition and social requirements⁷.
- 2.21 Figure 2.7 summarises the housing need elements measured in the survey, showing the proportion of households in need, for each measure.

⁷ Based on the classification in Local Housing Needs Assessment: A Guide to Good Practice, Bramley and Pawson, 2001. See Section 5 for a full explanation of the measures.

Figure 2.7: Housing need elements (survey)

Note: primary need is where alternative accommodation is required. See Section 1.
0.0% figures do not mean there are no problems – no respondents, or fewer than 0.05% when weighted mentioned this issue.

Base: 182

Source: Household Survey, 2002

Affordability Issues

- 2.22 Just under 2% of households fail the ‘objective’ affordability test, with a rent or mortgage in excess of a quarter of their disposable income. As in the main report, those for whom income or rent/mortgage data is missing are treated as having affordable housing. This test also does not recognise the costs of Council Tax, home repairs, etc. This means the estimate of 2% is a conservative one.
- 2.23 However, the fact that 3% of respondents say they have difficulty paying their rent/mortgage (6% of all those who pay towards their rent/mortgage) suggests this is not too low an estimate. However, a further 17% of respondents (30% of all those paying rent/mortgage) say they ‘just manage’ to afford what they pay.
- 2.24 2% of households had at some point in the past had difficulties trying to get a mortgage while 3% of those who are not likely to move in the next 2 years say this is because they cannot afford to buy.
- 2.25 Overall, 9 out of 10 households in Angus that pay more than a quarter of their disposable incomes in rent or mortgage are not on the waiting list for social rented housing. This pattern is also observable in the Forfar, Kirriemuir and Angus Glens area.

- 2.26 Across Angus, three-quarters of all renters with affordability problems pay full rent, while a quarter receive Housing Benefit. Over 2 in 5 of these households are employed while a quarter are pensioners. Most are paying over £200 per month in rent.
- 2.27 Looking at the ratio of monthly median net household incomes to median rent/mortgage of the households who pay rent or mortgage in each area (Table 2.1) shows that the ratio of median incomes to rents is higher in Forfar, Kirriemuir and the Glens and in Carnoustie, Monifieth and Sidlaws. This supports the suggestion that unaffordable housing is less common among **current** households in Forfar, Kirriemuir and the Glens than in other parts of Angus.
- 2.28 Affordability among newly forming households is explored more fully below, in relation to responding to housing need.

	Median income (A)	Median rent mortgage (B)	Ratio (A/B)
Area			
Forfar, Kirriemuir, Angus Glens	£1,370	£180	7.6
Montrose and Brechin	£1,130	£182	6.2
Arbroath	£1,278	£185	6.9
Carnoustie, Monifieth and Sidlaws	£1,947	£210	9.3
Angus	£1,350	£192	7.03

Source: Household Survey 2002

Base: 350 (All rent/mortgage payers where income/rent information available)

Overcrowding and Under-occupation

- 2.29 Two overcrowding measures are presented – the stricter, DTLR bedroom standard based on the age, sex and relationship of household members and a more generous standard assuming the need for one person per room (for example, an extra public room) to provide more personal space. By the strict overcrowding measure, 3% of households fail the bedroom standard while 6% have insufficient space to allow a room per person.
- 2.30 There is some evidence of under-occupation, with 29% of households having two or more bedrooms than the bedroom standard suggests the need for. However, no-one said their property was too large when asked what problems they had with their property.

Heating, Condition and Amenity

- 2.31 When asked whether they had any problems in their current property, 2% of those in the Forfar, Kirriemuir and the Angus Glens HMA said they had expensive or poor heating. 12% said they had a problem with the condition of the property, with dampness, condensation or dry or wet rot.
- 2.32 However, when prompted on the issue of heating, 11% of respondents said they were only kept warm a little, or were never kept warm in the colder months. A further 10% said they were kept warm some of the time, 12% said most of the time. Almost 70% of respondents said they were kept warm all of the time.
- 2.33 Less than 1% of households shared amenities – kitchen, living room, bathroom or WC – with another household.

Particular Needs

- 2.34 8% of households contain someone for whom the property causes difficulties. As with Angus as a whole, the main issues were problems with stairs, accounting for almost three-quarters of difficulties. Other issues were problems getting out of the bath and wheelchair access.
- 2.35 16% had some adaptation in their current property, with these mainly comprising handrails inside or outside, while 5% have an adapted bathroom. Other adaptations mentioned by a few respondents were external ramps and stair-lift.
- 2.36 4% of households receive help from someone outside the household, mainly in the form of housework. A further 4% felt they might benefit from this type of help, or additional help.

Neighbour Problems

- 2.37 7% of households experience serious neighbour problems in the Forfar, Kirriemuir and the Angus Glens HMA.

Concealed Households

- 2.38 5% of households contain someone who would prefer to be living in alternative accommodation if that were possible. All of these were a son or daughter and all were single people.

Homelessness

- 2.39 Around 200 homeless applicants in Angus were assessed as being homeless and in priority need⁸. It is estimated that around 30% of these people presented in Forfar, Kirriemuir and the Angus Glens. This means a further 60 households in priority need have to be added to the estimate of housing need in this area. This rises to 100 if non-priority homeless households are included.

Table 2.2 Summary of needs estimates		
	% of households	Estimated no. of households +
Affordability problems	1.44%	187
Perceived affordability problems	2.88%	374
Lacks space	6.24%	810
Fails bedroom standard	2.88%	374
Poor heating	2.40%	312
Never/little warm	10.57%	1,371
Poor property condition	11.53%	1,495
Shared amenities	0.48%	62
Particular needs	7.68%	997
Particular needs – prefer alternative housing	3.84%	498
Neighbour problems	7.20%	935
Concealed households	5.28%	700
Failing bedroom standard (excluding concealed households)	1.44%	187
Homeless – total*	0.7%	100
Homeless – priority need*	0.5%	60
Source: Household Survey 2002 Except * Source: Scottish Executive/Angus Council Confidence intervals range from = ±1.0% to ±4.6% or 130 to 598		

⁸ The total number of priority homeless was 268. This number has been adjusted downwards to 200 to take account of possible double-counting with the survey. An area breakdown of 2001/02 homelessness statistics is not available. The area proportions have been derived from area data presented in the Angus Homelessness Review.

The Need for Social Rented Housing

- 2.40 12% of households in the Forfar, Kirriemuir and Angus Glens HMA have some element of primary housing need, where alternative housing is likely to be required to alleviate the need. That is an estimated **1,560** households. However, not all will need additional social rented housing.
- 2.41 The analysis of affordability among those with a need for additional housing used in the main report (Section 7) has been replicated for the HMA⁹. This suggests that **210** households are concealed households likely to be social renters and **170** households are in need of alternative accommodation but could not afford a mortgage.
- 2.42 This suggests that an estimated **380** households are in need of social housing in Forfar, Kirriemuir and the Angus Glens. To this we must add the **60-100** homeless households, giving an estimated total need of **440-480**. The confidence intervals attached to the HMA data are $\pm 2.4\%$ (312) so these estimates should be interpreted with caution.
- 2.43 There are likely to be around 460 council lets over the next two years (based on the number of lets to the active list in 2001/02) in the Forfar, Kirriemuir and Angus Glens area, in line with the level of those in need (440-480).

ANNUALISED NEEDS ESTIMATES

- 2.44 An alternative comparison of needs and supply is to consider the overall estimate of needs and supply on an annual basis for the next five years. Needs are separated into the backlog of need¹⁰ and emerging needs, then compared with the supply of social rented housing, from the council and RSL sectors.
- 2.45 Table 2.3 sets out the estimates. It shows that the existing backlog of need is around 170 households, of whom we might expect 35 to be housed each year. In addition, there are likely to be around 70 newly emerging households, 60 homeless households, 20 in-migrants and 35 existing households that have fallen into need, requiring housing each year. This gives a total of around 215 households in each of the next five years.

⁹ See Section 1 for details of the assumptions made in the analysis.

¹⁰ The analysis in paragraphs 2.37 - 2.41 is based on meeting the backlog of need over the next two years. For the annualised figures, the backlog of need is assumed to be met over five years, considered by the DETR guidance to be a somewhat more realistic timeframe.

- 2.46 This compares to just under 300 lets from existing stock (310 if RSL new build is included). Clearly, the supply of social rented housing is sufficient to meet the level of need identified here. In practice, as was noted in the main report, there are additional households on the waiting list who will also require housing over this period.

Table 2.3		
Alternative Estimate of Need - Annualised Level of Need for 5 Years – 2003-2008		
Forfar, Kirriemuir and the Glens		
Element	Number	
	Total	Annual
Need		
Backlog		
Backlog of need ¹	170	
Annual Equivalent (over 5 years)		34
New Need		
New Households ²		68
Non existing households in need (Homeless)		61
In-migrants		18
Households Falling into Need (20% backlog)		34
<i>Total need</i>		<i>215</i>
Supply		
AC lets		229
RSL lets		65
RSL new build ⁴		19
<i>Total supply</i>		<i>313</i>
Balance	Excess supply = 98	
<p>Note 1: The backlog of need is households who were assessed as being in housing need, who are not currently social renters and who could not afford a mortgage</p> <p>2: The survey found that 700 households contain at person/secondary household that wished its own accommodation in the next two years. Overall in Angus, around 29% of concealed households wish to become social renters: equivalent to 205 households. However, it likely that not all of these will wish to form an independent household over the two years. Others may join with another person to form a household or will join with an existing household. To take account of the fact that the actual number of emerging households is likely to be lower than that in the survey, we have assumed that one third of the 205 will emerge as independent households each year.</p> <p>3: Homeless is the number assessed as priority homeless, weighted to take account of possible double-counting with the survey</p> <p>4: This figure is based on the 2002/03 programme. The actual size and area distribution of the RSL development programme varies considerably year to year.</p>		

AFFORDABILITY, SOCIAL HOUSING NEED AND SOCIAL RENTING

Those Currently in Housing Need

- 2.47 The above table summarises the likely need for social rented housing. However, some of those that we have identified as in need of social rented housing may also feasibly access intermediate housing options such as Low Cost Home Ownership (LCHO) or shared ownership.
- 2.48 We have assumed that the likely ‘market’ for LCHO or other affordable housing solutions will be those currently in employment, who would be more likely to be able to secure mortgage finance. This said, of course, some households will be unable to secure a mortgage due to employment insecurity or other issues. Also, some of these household may choose not to use LCHO options for whatever reason.
- 2.49 This pool of potential users of LCHO or other affordable housing options would include those who have housing needs but are currently social renters and those who cannot afford a mortgage in the open market.
- 2.50 An estimated **90** of the 270 current social renters in need receive their main income from employment while **90** of 170 households who currently would not be able to afford a mortgage do (this latter 90 households is identified as part of the backlog of need for social rented housing, in Table 2.3).

Concealed Households

- 2.51 In addition, the concealed households which respondents said would not be likely to occupy social rented housing may be a potential market for intermediate or affordable housing options. Around 490 households are hoping to emerge into another tenure than social renting (or do not know), while around 330 are said to be likely to be owners. The latter figure is a realistic estimate, as almost half of those households formed in the last five years are owner occupiers.
- 2.52 Most of the concealed households not likely to move into social renting are employed sons or daughters of the main household. The majority of these households are employed and occupy owner occupation at the moment (mainly with parents). This suggests that a move may be feasible (i.e. they are not still at school and have a source of income and, possibly, parental support) but may or may not be affordable.

- 2.53 The incomes of newly-formed households Angus tend to be low, with just under a third of those in owner occupation/private renting having a monthly income of less than £1,000. We would expect to see similar incomes among our concealed households hoping to emerge in the near future. In fact, the proportion with an income of at of below this level might be higher, since their emergence has been constrained so far. However, for the purpose of analysis, we have assumed that just under a third of those likely to own (c. **100** or 31% of 330) will have an income of less than £1,000 a month.
- 2.54 An income of under £1,000 appears to be an important threshold for owner occupation, as the majority of households who say they are unlikely to move because they cannot afford to buy have a disposable monthly household income of under £1,000. These households would be able to purchase a property for less than £38,000 (assuming a 25-year mortgage and 6% interest rate). 10% of properties in Forfar, Kirriemuir and the Glens (from the survey) were valued at under £40,000 by residents in the household survey.
- 2.55 Given the local market it may be fair to assume that although a third of concealed households (c.100) likely to be owners have low incomes, the local market may be able to accommodate them. However, some may have some difficulties obtaining an affordable owner-occupied property, since we would expect this proportion of aspiring newly-formed households to have an income of less than £1,000. Affordable housing options may be attractive to this group.
- 2.56 There is also the remaining concealed households – an estimated 160 households where the respondent said the concealed household was neither likely to own nor be a social renter (or that they did not know). A proportion of these households may also be in the market for affordable housing locally, possibly after a period of private renting.

The Market for Affordable Housing

- 2.57 In summary, the market for LCHO or other affordable housing options might be:
- 90 of 170 households identified as in need of social rented housing
 - 90 social renters who receive their main income from employment
 - 100 concealed households who are likely to enter owner-occupation.

- 2.58 If these households were to be housed in the next five years, this would require 56 LCHO or affordable properties each year across the Forfar, Kirriemuir and Glens area (with a confidence interval of ± 50). Of course, 18 of these would also replace those required by the households already included in the backlog of need for social rented housing (90 across 5 years=18 per year). Further, where existing social renters moved into LCHO, this will release housing to meet social housing need.
- 2.59 The number of households in social renting at the moment who might be in the market for LCHO or affordable housing may also be less than 90, as these households may exercise their right to buy their current property. This would have an impact on the supply of social rented housing.
- 2.60 Of course, these households are in housing need in their current property so exercising the right to buy may not resolve their housing need in the short or medium term. Any affordable homes that **are** purchased by current social renter households will also free up existing social rented accommodation.
- 2.61 Thus, the net addition to the need for affordable housing through LCHO or other initiatives is likely to be from concealed households mainly – an estimated backlog of 100 concealed households or 20 households each year.
- 2.62 It is important to note that the provision of additional affordable housing – either as social rented housing or intermediate or affordable housing options is a matter of policy choice. Resources expended on social rented housing could be used for other affordable housing options and vice versa but spending on one would preclude spending on the other.

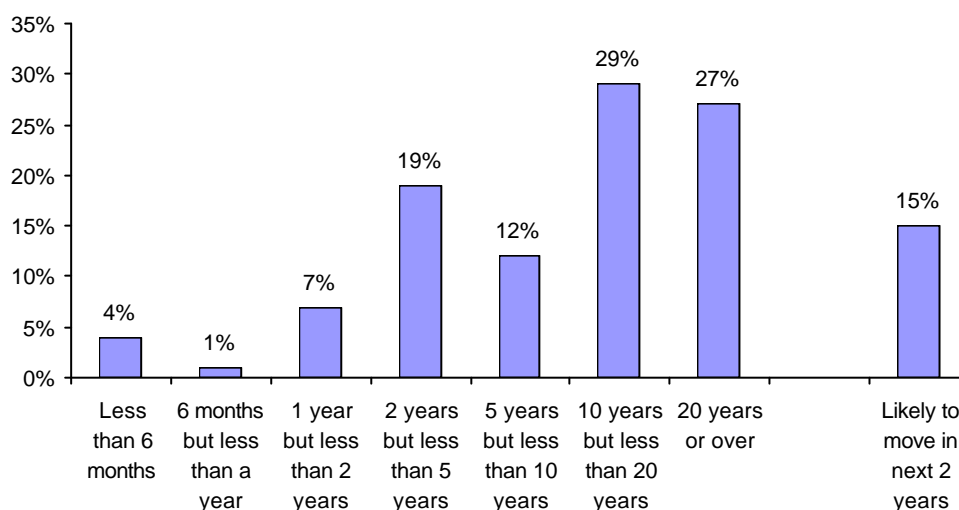
DEMAND ISSUES

Moving behaviour

- 2.63 12% of households have moved within the two years prior to the survey, while 15% say they are likely to move in the next two years (Figure 2.8). There is a high level of stability in the area, with 56% of households having been resident for over 10 years.
- 2.64 Most recent movers only considered moving to their current area. Other areas considered tended to be within the same housing market area, with little consideration of wider afield. Two-thirds had moved within the Forfar, Kirriemuir and Angus Glens HMA. A third of in-movers moved to the area from the Dundee area. A third had been on a landlord waiting list before moving, mainly the Council's.

- 2.65 Those likely to move in the future tend to plan a local move, with half planning to stay in the current area (total likely movers = 26 respondents). Of the remainder, around half were considering the wider HMA area while others were looking mainly outside Angus. The main choice would appear to be staying quite locally or moving further afield, rather than to other parts of Angus.
- 2.66 A quarter of tenants (a total number of 44 tenants were interviewed in the survey) say they plan to buy through the Right-to-Buy in the future. 66% said they were unlikely to, while 5% were unaware about eligibility for the RTB and 5% did not know whether they would or not.

Figure 2.8: Length of residence



Base: 182
Source: Household Survey, 2002

Additions to the Housing Stock

- 2.67 There has been an average of around 80 new owner occupied dwellings completed in Forfar, Kirriemuir and the Angus Glens over the last seven years. Overall, land identified for the next five years is sufficient to enable this level of development to continue.

Mortality Levels

- 2.68 Taking mortality into account would indicate that a further 220 owner occupied dwellings will become available over the next two years. We also assume, as in Angus as a whole, that 3% of owners will leave the area or the tenure (a total of 230 households).

- 2.69 Thus a total of around **610** owner occupied properties are likely to become available within the next two years in the Forfar, Kirriemuir and Angus Glens area (based on 80 new build per annum plus 220 from mortality and 230 from out-moves).

The Future Demand for Owner Occupation

- 2.70 If in-movement of owner occupiers to the area followed recent trends, 370 households would move to the area to own within the next two years¹¹. A further 370 non-owners would be expected to buy in future¹², while 330 concealed households would enter owner occupation.
- 2.71 This is an estimated **1,070** new entrants to owner occupation, a higher number than the properties becoming available. However, total demand is likely to be lower than 1,070, as some concealed households will join to become newly formed couples, rather than single adult households. That said, there would appear to be significant potential unmet demand in the area.
- 2.72 Demand for owner occupied housing in Forfar, Kirriemuir and the Angus Glens is fairly strong. The HMA accounts for 26% of all house sales in Angus. The total number of sales has remain steady over the period 1995-1999, at around 460 per year. Resale activity has increased over the period, while the number of new build sales has halved. RTB sales have varied over the period from 56 to 136 - the trend appears downward, but not substantially¹³. There appears to be good demand for new build properties, as noted above, the price of new build is well above the average for Angus.

Demand for Social Renting in Forfar, Kirriemuir and the Angus Glens

- 2.73 Demand in the social rented sector resembles the Angus average. The ratio of applicants to lets is in line with the Angus average, although it is noted that the ratio is much weaker in Kirriemuir, where there are just 2.3 applications for every let. One possible indication of emerging demand problems is that re-let times in Forfar are much slower than Angus overall: just 62% of properties re-let in less than four weeks compared with 88% for Angus. Conversely, in Kirriemuir where the applicants to lets ratio is poorer, re-let performance is strong, with 90% of properties re-let within four weeks.

¹¹ Craigforth *Owner Occupied, Private Rented and RSL Markets*, Appendices.

¹² 7% of all non-owners (26% of non-owners who might move, the same % as for Angus as a whole).

¹³ Craigforth *Owner Occupied, Private Rented and RSL Markets*, Appendices

LONG-TERM PROJECTIONS

- 2.74 Table 2.4 sets out the long-term projections for Forfar, Kirriemuir and Angus Glens¹⁴. Focussing first on the Shift 1 scenario, which was considered the most likely at authority-wide level, the projections would suggest that owner occupation will increase by five percentage points over the 20 years, while social renting will decline by around the same amount, and private renting will increase slightly.
- 2.75 The increase in owner occupation of 1,300 is significantly lower than we would expect were new build to continue at past levels and RTBs to continue at a reduced rate (c. 1,250 and 730 respectively)¹⁵.
- 2.76 The decline in social renting is less than that indicated from RTBs, suggesting that RSL new build, at broadly similar levels to the recent past, will be required to meet demand for social rent.
- 2.77 The Shift 2 scenario would suggest that owner occupation would grow in line with past trends, but that social renting would decline by substantially more than RTB sales.

¹⁴ Section 1 contains the approach used to produce the long-term projections.

¹⁵ We would expect RTBs to decline, both because the trend has been downward, and because the Housing (Scotland) Act 2001 reduced incentives to purchase under the scheme. We are assuming that sales in the housing market areas decline proportionate to the area decline assumed in the main report.

	2002	2004	2006	2008	2010	2012	2017	2022	Change	% change
Base										
Owners	7.73	7.77	7.80	7.84	7.88	7.91	7.99	8.08	349	-3%
Social Rent	3.32	3.39	3.44	3.51	3.57	3.64	3.80	3.96	636	2%
Private Rent	1.38	1.62	1.63	1.65	1.67	1.70	1.74	1.79	410	2%
Other	0.54	0.31	0.33	0.34	0.37	0.38	0.43	0.48	-62	-1%
Total	12.97	13.08	13.20	13.35	13.49	13.63	13.96	14.30		
Shift 1										
Owners	7.73	7.85	7.95	8.08	8.23	8.33	8.68	9.07	1340	5%
Social Rent	3.32	3.32	3.30	3.25	3.18	3.18	3.00	2.81	-513	-5%
Private Rent	1.38	1.40	1.42	1.45	1.47	1.49	1.54	1.57	184	1%
Other	0.54	0.48	0.48	0.48	0.49	0.50	0.51	0.52	-22	0%
Total	12.97	13.05	13.16	13.26	13.37	13.49	13.72	13.96		
Shift 2										
Owners	7.73	7.91	8.04	8.22	8.42	8.58	9.05	9.58	1852	10%
Social Rent	3.32	3.24	3.18	3.07	2.94	2.85	2.52	2.15	-1176	-10%
Private Rent	1.38	1.40	1.42	1.45	1.47	1.49	1.54	1.57	184	1%
Other	0.54	0.48	0.48	0.48	0.49	0.50	0.51	0.52	-22	0%
Total	12.97	13.04	13.13	13.22	13.31	13.42	13.62	13.81		

KEY ISSUES FOR FORFAR KIRRIEMUIR AND THE ANGUS GLENS HMA

- 2.78 The local economy is performing reasonably well compared with the Angus economy: while there is slower employment growth, effected by the decline in public administration employment, there is disproportionately low unemployment and relatively low long-term unemployment. However, there is a strong seasonal element to the local economy, which will influence households' capacity to take on long-term financial commitments.
- 2.79 There are declining levels of new build in the area and relatively high prices for new build properties.
- 2.80 There would appear to be significant unmet potential demand for owner occupation, based on household aspirations and recent trends.
- 2.81 There is moderate demand for Council housing in the area. The relatively slow re-let times for the Forfar housing management area may need to be investigated with a view to determining, for example, whether they are caused by differential housing management practices or are possibly an indication of emerging low demand in the area.

- 2.82 The annualised housing need projections suggest that the supply of Council housing will be greater than current housing need over the next five years. However, the data cannot distinguish between sub-areas within the HMA - for example, it may be that available supply tends to be in Forfar, while need is found elsewhere in the HMA.
- 2.83 Overall, current households within the Forfar, Kirriemuir and Angus Glens appear less likely to have affordability problems than those across Angus as a whole. However, there is evidence of some possible demand for affordable housing options, particularly among concealed households.
- 2.84 We would estimate that around 56 households each year (those in need and low income concealed households) may be in the 'market' for LCHO or other affordable housing options over the next 5 years. However, allowing for the properties freed up by social renters, this could be a net need for affordable housing of just 20 each year – for the concealed households unlikely to be able to afford to purchase otherwise.
- 2.85 It is estimated, from the household survey, that lower value properties (worth less than £40,000) make up around 10% of the stock. Although only a proportion of these will enter the market, this potential supply may be adequate to satisfy the likely demand at the lower end of the owner occupied market, from these emerging households. However, the significant level of unmet demand for owner occupied housing in the area may have an inflationary effect on house prices at the lower end of the market in future.

3 MONTROSE AND BRECHIN

INTRODUCTION

- 3.1 The Montrose and Brechin housing market area (HMA) covers these two main settlements as well as their rural hinterland. The HMA contains an estimated 11,700 households.

ECONOMY

- 3.2 Some 11,800 people were employed in the Montrose and Brechin area in 2000, 28% of the total employment in Angus as a whole. Overall the structure of employment in Montrose and Brechin is broadly similar to that seen across Angus, though with a slightly higher than average concentration of employment in Retail and Wholesale services¹⁶.
- 3.3 Over the period 1995 to 2000, the number of jobs based in Montrose and Brechin has shown rapid growth with employment expanding even faster than the 22% growth seen across Angus as a whole. Expansion in the region has been driven by rapid growth in the Public sector (growth of over 1,000 jobs) and in Manufacturing (growth of around 600 jobs)¹⁷.
- 3.4 Examples of large employers based in the Montrose and Brechin area include GlaxoSmithKline, a bulk manufacturer of pharmaceutical ingredients, and oil multi-nationals such as ABB Vetco Gray.
- 3.5 Some 600 unemployed claimants were recorded in Montrose and Brechin in September 2000, representing 30% of the total number of claimants in Angus, broadly in line with the area's proportion of employment. However, with 200 claimants having been unemployed for more than 6 months, the area has a higher share of long term claimants than the average across Angus and the rest of Scotland. The share of claimants aged under 24 is slightly below the regional average.
- 3.6 Over the past two years, unemployment in the area has fallen at a slightly faster rate to that seen across the rest of Angus, showing a net drop of 25% or 190 claimants¹⁸.

¹⁶ Annual Business Inquiry (NOMIS)

¹⁷ Annual Business Inquiry (NOMIS) It is noted that the increase in Public sector employment is not recognised by the local authority, and may be a fault in the published statistics.

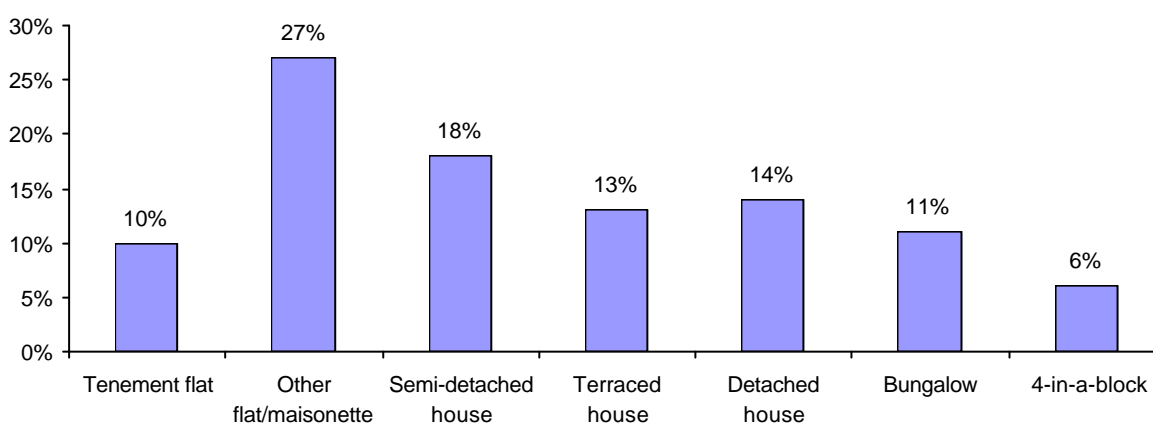
¹⁸ ONS Claimant Counts (NOMIS)

THE HOUSING STOCK

Property characteristics

- 3.7 Many of the properties in Montrose and Brechin are flats, making up 37% of the stock (Figure 3.1). 31% are semi-detached or terraced properties, while 14% are detached houses and 11% bungalows.

Figure 3.1: Property type



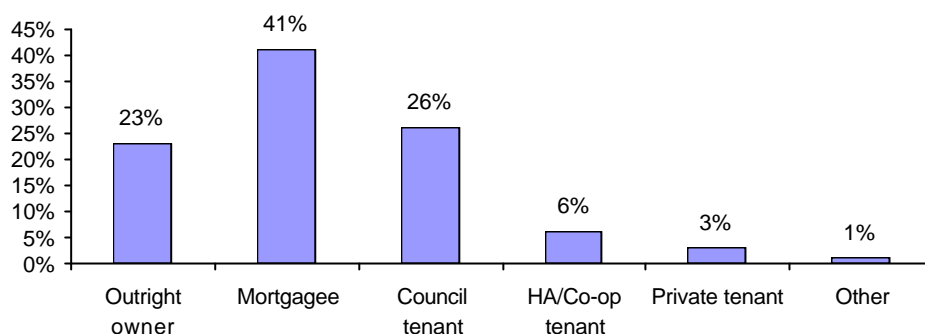
Base: 211
Source: Household Survey, 2002

- 3.8 78% of households in the area have access to a garden, with 70% having their own garden and 8% sharing a communal space.
- 3.9 There are 2,718 Council dwellings and 637 RSL dwellings in the area, accounting for 27% of the total social rented stock in Angus.

Tenure

- 3.10 Owning is the majority tenure in the Montrose and Brechin HMA, as in Angus generally. 23% of respondents own their own property while a further 41% are buying with a mortgage. 17% owners bought their property through the Right-to-Buy.
- 3.11 Social renting houses 32% of households, while there is a small private rented sector, in which 3% of households live. The remainder live in tied accommodation or rent-free housing.

Figure 3.2: Tenure



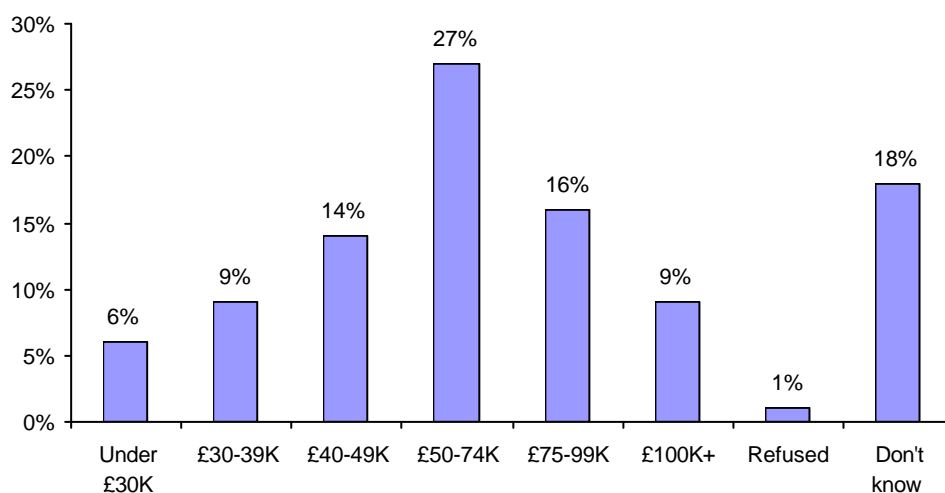
Base: 211
Source: Household Survey, 2002

House Prices

3.12 Over the period 1995-1999, prices for non-RTB properties have risen by around 23%, substantially higher than the general increase in prices for Angus (excluding Carnoustie/Monifieth). At the start of 2000, the average non-RTB price was £56,630, similar to the Angus average of £57,620. Prices for new build properties at £79,480, were somewhat lower than the £84,870 for Angus.

3.13 The estimated market values, provided by household survey respondents, had a median value of £59,000, with a strong clustering of property values estimated around the mid-range of prices at between £50,000 and £74,000. However, 15% of properties are believed to be worth less than £40,000, indicating some low value properties in the market.

Figure 3.3: Estimated property prices (respondent)



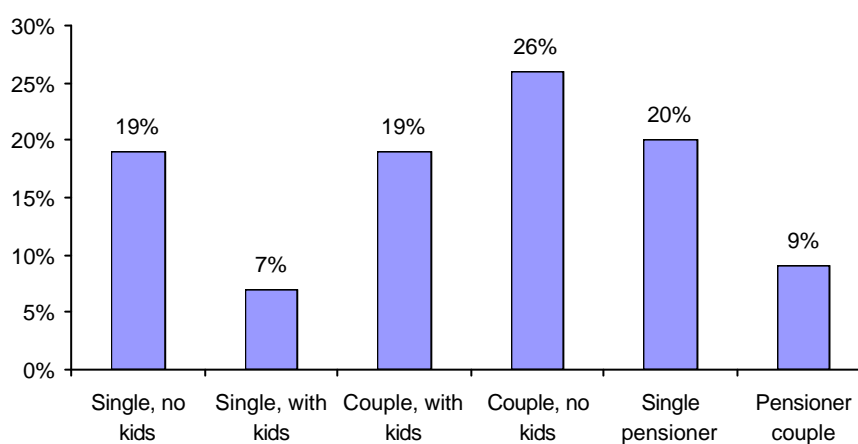
Base: 136
Source: Household Survey, 2002

HOUSEHOLD CHARACTERISTICS

Household Type

- 3.14 26% households in the Montrose and Brechin HMA contain children, while 29% are pensioners, 19% are single adults and 26% are couples below pension age.

Figure 3.4: Household type



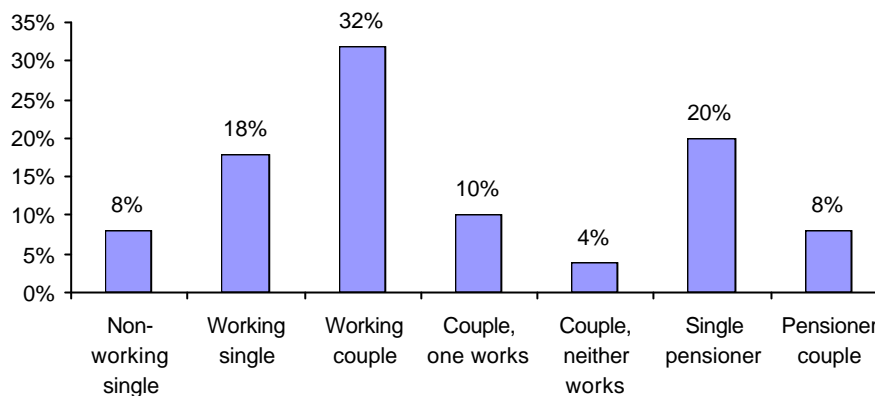
Base: 211
Source: Household Survey, 2002

- 3.15 25% of survey respondents were aged over 65 years, while 3% were aged under 25 years. 36% were aged between 25 and 44 years and 35% were aged between 45 and 64 years.

Household Working Status, Incomes and Employment

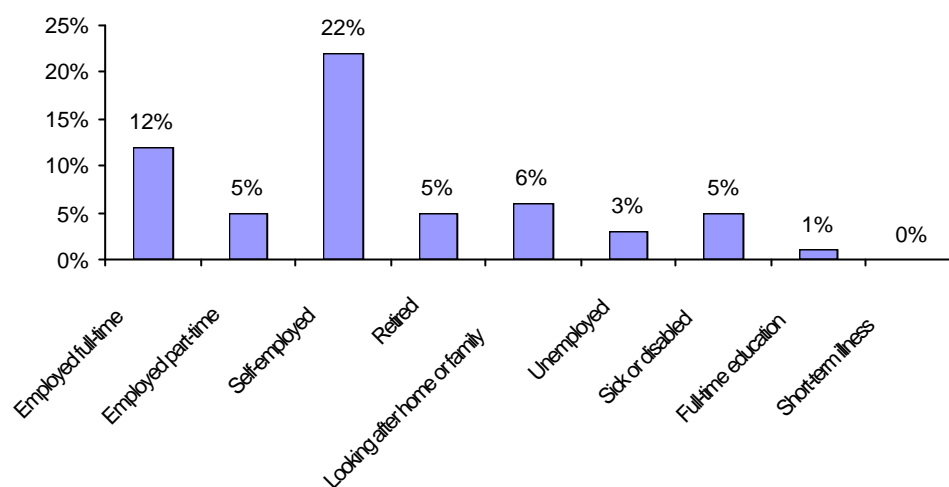
- 3.16 The largest group of households in the area (32%) is households containing a working couple, with a further 10% containing a couple where one person works and 18% being single working people. 12% are non-working single people, or couples, of working age and 28% are retired (single people or couples¹⁹).

¹⁹ This is higher than in Figure 2.4 due to early retirement.

Figure 3.5: Household working status

Base: 211
Source: Household Survey, 2002

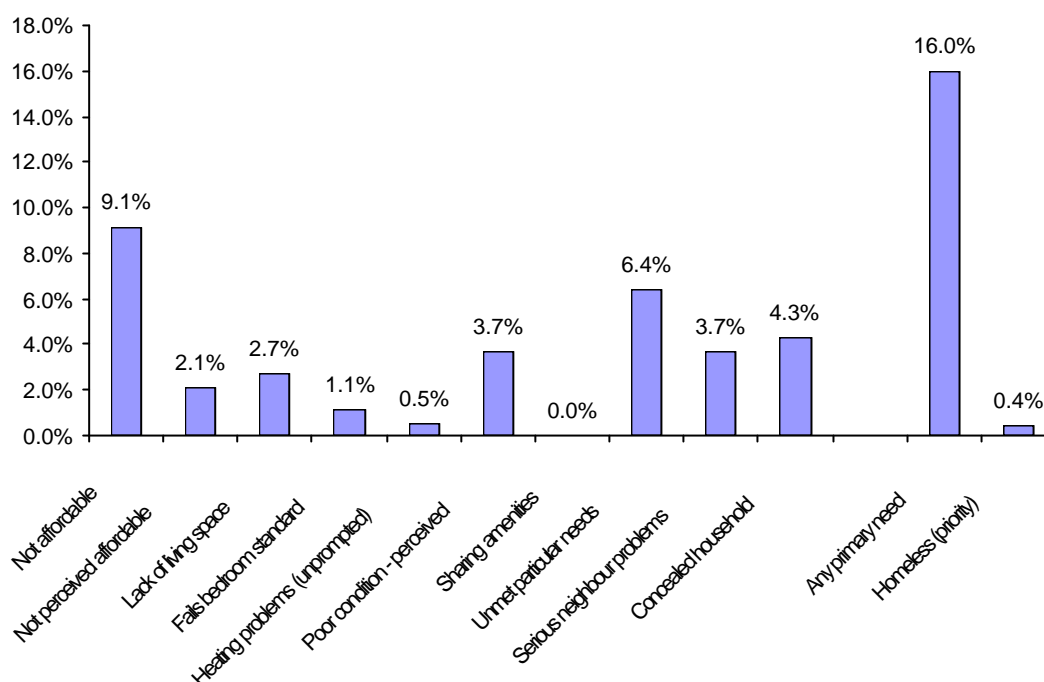
- 3.17 It follows that the main income source of households is employment for 59% of households. State pensions account for the main income of 17% of households while 9% rely on other benefits and 14% receive their main income from an occupational or personal pension.
- 3.18 39% of household survey renters receive Housing Benefit, with 12% receiving partial Housing Benefit and 26% receiving full Housing Benefit (1% did not know whether they received full or partial HB).
- 3.19 Figure 3.6 shows the economic activity of all household members. Well over half of all household members are employed (5% self-employed, 41% working full-time and 12% part time). The proportion of unemployed people (6%) is similar to the overall level for Angus of 4%.

Figure 3.6: Employment status of household members

Base: 365
Source: Household survey

HOUSING NEED

- 3.20 As outlined in Section 1, the housing need indicators used in the household survey covered a range of issues, to explore the unsuitability of housing to capture homelessness or insecurity, the mismatch of households and dwellings, dwelling amenity and condition and social requirements.
- 3.21 Figure 3.7 summarises the housing need elements measured in the survey, showing the proportion of households in need, for each measure.

Figure 3.7: Housing need elements (survey)

Note: primary need is where alternative accommodation is required. See Section 1.
 0.0% figures do not mean there are no problems – no respondents, or fewer than 0.05% when weighted mentioned this issue.

Base: 211

Source: Household Survey, 2002

Affordability Issues

- 3.22 9% of households fail the ‘objective’ affordability test, with a rent or mortgage in excess of a quarter of their disposable income. As in the main report, those for whom income or rent/mortgage data is missing are treated as having affordable housing. This test also does not recognise the costs of Council Tax, home repairs, etc. This means the estimate of 9% is a conservative one.
- 3.23 2% of respondents say they have difficulty paying their rent/mortgage (4% of all those who pay towards their rent/mortgage). However, a further 19% (or 28% of all those paying for their housing) say they ‘just manage’ their rent or mortgage.
- 3.24 3% of households had at some point in the past had difficulties trying to get a mortgage while 1% of those who are not likely to move in the next 2 years say this is because they cannot afford to buy.
- 3.25 Overall, 9 out of 10 households in Angus that pay more than a quarter of their disposable incomes in rent or mortgage are not on the waiting list for social rented housing. This pattern is also observable in the Montrose and Brechin area.

- 3.26 Across Angus, three-quarters of all renters with affordability problems pay full rent, while a quarter receive Housing Benefit. Over 2 in 5 of these households are employed while a quarter are pensioners. Most are paying over £200 per month in rent.
- 3.27 Looking at the ratio of monthly median net household incomes to median rent/mortgage of the households who pay rent or mortgage in each area (Table 2.1) shows that the ratio of median incomes to rents is higher in Forfar, Kirriemuir and the Glens and in Carnoustie, Monifieth and Sidlaws. This supports the suggestion that there are more households whose current homes are unaffordable in Montrose and Brechin than in Angus as a whole.
- 3.28 Affordability is explored more fully below, in relation to newly emerging households and the demand for affordable housing options.

	Median income (A)	Median rent mortgage (B)	Ratio (A/B)
Area			
Forfar, Kirriemuir, Angus Glens	£1,370	£180	7.6
Montrose and Brechin	£1,130	£182	6.2
Arbroath	£1,278	£185	6.9
Carnoustie, Monifieth and Sidlaws	£1,947	£210	9.3
Angus	£1,350	£192	7.03

Source: Household Survey 2002

Base: 350 (All rent/mortgage payers where income/rent information available)

Overcrowding and Under-occupation

- 3.29 Two overcrowding measures are presented – the stricter, DTLR bedroom standard based on the age, sex and relationship of household members and a more generous standard assuming the need for one person per room (for example, an extra public room) to provide more personal space. By the strict overcrowding measure, 1% of households fail the bedroom standard while 3% have insufficient space to allow a room per person.
- 3.30 There is some evidence of under-occupation, with 28% of households having two or more bedrooms than the bedroom standard suggests the need for. That said, no-one said their property was too large in the question about what problems they have with the current property.

Heating, Condition and Amenity

- 3.31 When asked whether they had any problems in their current property, less than 1% of those in the Montrose and Brechin HMA said they had expensive or poor heating. 4% said they had a problem with the condition of the property, with dampness, condensation or dry or wet rot.
- 3.32 However, when prompted on the issue of heating, 5% of respondents said they were only kept warm a little, or were never kept warm in the colder months. A further 9% said they were kept warm some of the time, 14% said most of the time. Just over 70% of respondents said they were kept warm all of the time.
- 3.33 None of the households surveyed shared amenities – kitchen, living room, bathroom or WC – with another household²⁰.

Particular Needs

- 3.34 6% of households contain someone for whom the property causes difficulties. As with Angus as a whole, the main issue was problems with stairs, which impacted on all those with difficulties.
- 3.35 14% had some adaptations in their current property, with these mainly comprising handrails inside or outside the property, while 1 in 5 of those with adaptations (6% of all households) had an adapted bathroom. Other adaptations mentioned by a few respondents were external ramps.
- 3.36 8% of households receive help from someone outside the household, mainly in the form of housework. A further 2% felt they might benefit from this type of help, or more help.

Neighbour Problems

- 3.37 4% of households in the Montrose and Brechin HMA experience serious neighbour problems.

²⁰ This does not mean, of course, that no households in Angus experience these problems. However, the number is likely to be very low.

Concealed Households

- 3.38 4% of households contain someone who would prefer to be living in alternative accommodation if that were possible. All of these were a son or daughter and all were single people.

Homelessness

- 3.39 Around 200 homeless applicants in Angus were assessed as being homeless and in priority need²¹. It is estimated that 20% of these households presented in Brechin and Montrose. This means a further 50 people have to be added to the estimate of housing need in this area. This rises to 65 if non-priority homeless households are included.

	% of households	Estimated no. of households +
Affordability problems	9.07%	1,059
Perceived affordability problems	2.13%	249
Lacks space	2.67%	312
Fails bedroom standard	1.07%	125
Poor heating	0.53%	62
Never/little warm	4.80%	561
Poor property condition	3.73%	436
Shared amenities	0.00%	0
Particular needs	6.40%	748
Particular needs – prefer alternative housing	2.13%	249
Neighbour problems	3.73%	436
Concealed households	4.27%	625
Failing bedroom standard (excluding concealed households)	1.07%	125
Homeless – total*	0.6%	65
Homeless – priority need	0.4%	50
Source: Household Survey 2002 Except * Source: Scottish Executive/Angus Council Confidence limits range from ±1% to ±3.4% or 120 to 400 households		

²¹ The total number of priority homeless was 268. This number has been adjusted downwards to 200 to take account of possible double-counting with the survey. An area breakdown of 2001/02 homelessness statistics is not available. The area proportions have been derived from area data presented in the Angus Homelessness Review.

The Need for Social Rented Housing

- 3.40 16% of households in the Montrose and Brechin HMA have some element of primary housing need, where alternative housing is likely to be required to alleviate the need. That is an estimated **1,870** households. However, not all will need additional social rented housing.
- 3.41 The analysis of affordability among those with a need for additional housing used in the main report (Section 7) has been replicated for the HMA²². This suggests that **185** households are concealed households likely to be social renters and **250** households are in need of alternative accommodation but could not afford a mortgage.
- 3.42 This suggests that an estimated **435** households are in need of social rented housing in Montrose and Brechin. To this we must add the **50-65** homeless households, giving an estimated total need of **485-500**. The confidence intervals attached to the HMA data are $\pm 2.5\%$ (290) so these estimates should be interpreted with caution.
- 3.43 There are likely to be around 470 council lets over the next two years (based on the number of lets to the active list in 2001/02) in the Montrose and Brechin area, slightly lower than the level of those in need (485-500).

ANNUALISED NEEDS ESTIMATES

- 3.44 An alternative comparison of needs and supply is to consider the overall estimate of needs and supply on an annual basis for the next five years. Needs are separated into the backlog of need²³ and emerging needs, then compared with the supply of social rented housing, from the council and RSL sectors.
- 3.45 Table 3.3 sets out the estimates. It shows that the existing backlog of need is around 250 households, of whom we might expect 50 to be housed each year. In addition, there are likely to be around 60 newly emerging households, 50 homeless households, 10 in-migrants and 50 existing households that have fallen into need, requiring housing each year. This gives a total of around 220 households in each of the next five years.

²² See Section 1 for details of the assumptions made in the analysis.

²³ The analysis in paragraphs 2.37 - 2.41 is based on meeting the backlog of need over the next two years. For the annualised figures, the backlog of need is assumed to be met over five years, considered by the DETR guidance to be a somewhat more realistic timeframe.

- 3.46 This compares to around 310 lets from existing stock (c. 360 if RSL new build is included). Clearly, the supply of social rented housing is sufficient to meet the level of need identified here. In practice, as was noted in the main report, there are additional households on the waiting list who will also require housing over this period.

Table 3.3		
Alternative Estimate of Need - Annualised Level of Need for 5 Years – 2003-2008		
Montrose and Brechin		
Element	Number	
	Total	Annual
Need		
Backlog		
Backlog of need ¹	250	
Annual Equivalent (over 5 years)		50
New Need		
New Households ²		61
Non existing households in need (Homeless) ³		49
In-migrants		10
Households Falling into Need (20% backlog)		50
<i>Total</i>		220
Supply		
AC lets		233
RSL lets		76
RSL new build ⁴		53
<i>Total supply</i>		362
Balance	Excess supply = 142	
<p>Note 1: The backlog of need is households who were assessed as being in housing need, who are not currently social renters and who could not afford a mortgage</p> <p>2: The survey found that 625 households contain a person/secondary household that wished its own accommodation in the next two years. Overall in Angus, around 29% of concealed households wish to become social renters: equivalent to 183 households. However, it likely that not all of these will wish to form an independent household over the two years. Others may join with another person to form a household or will join with an existing household. To take account of the fact that the actual number of emerging households is likely to be lower than that in the survey, we have assumed that one third of the 183 will emerge as independent households each year.</p> <p>3: Homeless is the number assessed as priority homeless, weighted to take account of possible double-counting with the survey</p> <p>4: This figure is based on the 2002/03 programme. The actual size and area distribution of the RSL development programme varies considerably year to year.</p>		

AFFORDABILITY, SOCIAL HOUSING NEED AND SOCIAL RENTING

Those Currently in Housing Need

- 3.47 The above table summarises the likely need for social rented housing. However, some of those that we have identified as in need of social rented housing may also feasibly access intermediate housing options such as Low Cost Home Ownership (LCHO) or shared ownership.

- 3.48 We have assumed that the likely ‘market’ for LCHO or other affordable housing solutions will be those currently in employment, who would be more likely to be able to secure mortgage finance. This said, of course, some households will be unable to secure a mortgage due to employment insecurity or other issues. Also, some of these household may choose not to use LCHO options for whatever reason.
- 3.49 This pool of potential users of LCHO or other affordable housing options would include those who have housing needs but are currently social renters and those who cannot afford a mortgage in the open market.
- 3.50 An estimated **125** of the 380 current social renters in need receive their main income from employment while **140** of 250 households who currently would not be able to afford a mortgage do (this latter 140 households is identified as part of the backlog of need for social rented housing, in Table 3.3).

Concealed Households

- 3.51 In addition, the concealed households which respondents said would not be likely to occupy social rented housing may be a potential market for intermediate or affordable housing options. Around 440 households are hoping to emerge into another tenure than social renting (or do not know), while around 300 are said to be likely to be owners. The latter figure is a realistic estimate, as almost half of those households formed in the last five years are owner occupiers.
- 3.52 Most of the concealed households not likely to move into social renting are employed sons or daughters of the main household. The majority of these households are employed and occupy owner occupation at the moment (mainly with parents). This suggests that a move may be feasible (i.e. they are not still at school and have a source of income and, possibly, parental support) but may or may not be affordable.
- 3.53 The incomes of newly-formed households Angus tend to be low, with just under a third of those in owner occupation/private renting having a monthly income of less than £1,000. We would expect to see similar incomes among our concealed households hoping to emerge in the near future. In fact, the proportion with an income of at of below this level might be higher, since their emergence has been constrained so far. However, for the purpose of analysis, we have assumed that just under a third of those likely to own (c. **95** or 31% of 300) will have an income of less than £1,000 a month.

- 3.54 An income of under £1,000 appears to be an important threshold for owner occupation, as the majority of households who say they are unlikely to move because they cannot afford to buy have a disposable monthly household income of under £1,000. These households would be able to purchase a property for less than £38,000 (assuming a 25-year mortgage and 6% interest rate). 15% of properties in Montrose and Brechin (from the survey) were valued at under £40,000 by residents in the household survey.
- 3.55 Given the local market it may be fair to assume that although a third of concealed households (c.95) likely to be owners have low incomes, the local market may be able to accommodate them. However, some may have some difficulties obtaining an affordable owner-occupied property, since we would expect this proportion of aspiring newly-formed households to have an income of less than £1,000. Affordable housing options may be attractive to this group.
- 3.56 There is also the remaining concealed households – an estimated 140 households where the respondent said the concealed household was neither likely to own nor be a social renter (or that they did not know). A proportion of these households may also be in the market for affordable housing locally, possibly after a period of private renting.

The Market for Affordable Housing

- 3.57 In summary, the market for LCHO or other affordable housing options might be:
- 140 of 250 households identified as in need of social rented housing
 - 125 social renters who receive their main income from employment
 - 95 concealed households who are likely to enter owner-occupation.
- 3.58 If these households were to be housed in the next five years, this would require 72 LCHO or affordable properties each year across the Montrose and Brechin area (with a confidence interval of ± 58). Of course, 28 of these would also replace those required by the households already included in the backlog of need for social rented housing (140 across 5 years=28 per year). Further, where existing social renters moved into LCHO, this will release housing to meet social housing need.
- 3.59 The number of households in social renting at the moment who might be in the market for LCHO or affordable housing may also be less than 125, as these households may exercise their right to buy their current property. This would have an impact on the supply of social rented housing.

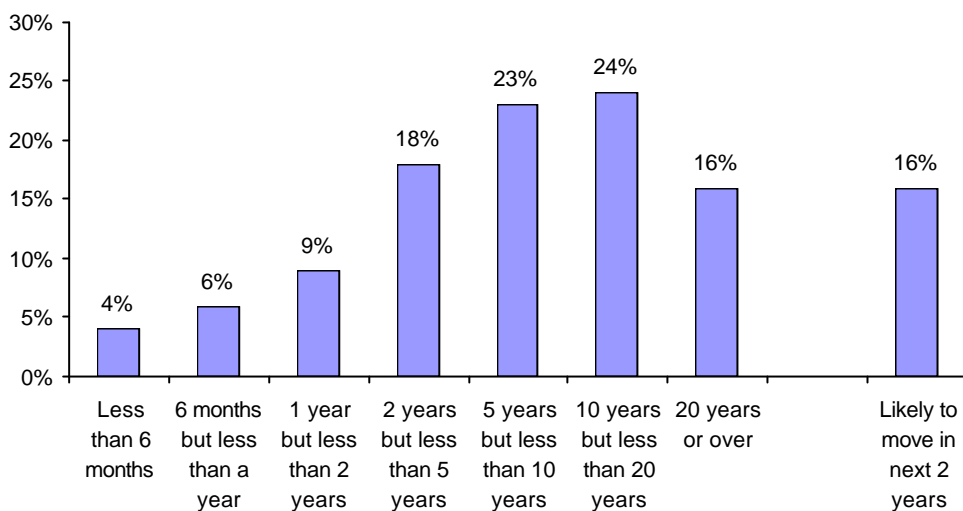
- 3.60 Of course, these households are in housing need in their current property so exercising the right to buy may not resolve their housing need in the short or medium term. Any affordable homes that are purchased by current social renter households will also free up existing social rented accommodation.
- 3.61 Thus, the net addition to the need for affordable housing through LCHO or other initiatives is likely to be from concealed households mainly – an estimated backlog of 95 concealed households or 19 households each year.
- 3.62 It is important to note that the provision of additional affordable housing – either as social rented housing or intermediate or affordable housing options is a matter of policy choice. Resources expended on social rented housing could be used for other affordable housing options and vice versa but spending on one would preclude spending on the other.

DEMAND ISSUES

Moving Behaviour

- 3.63 19% of households have moved within the two years prior to the survey, while 16% say they are likely to move in the next two years (Figure 3.8). There is a high level of stability in the area, with 40% of households having been resident for over 10 years.
- 3.64 Most recent movers only considered moving to their current area. Other areas considered tended to be within the same housing market area, with little consideration of wider afield. More than 1 in 5 had moved within the Montrose and Brechin area. A third had been on a landlord waiting list before moving, mainly the Council's.
- 3.65 Those likely to move in the future tend to plan a local move, with almost two-thirds planning to stay in the current area (total likely movers = 34 respondents). Of the remainder, around three-quarters were considering the wider HMA area while others were looking elsewhere.
- 3.66 Just 8% of tenants (a total of 67 tenants were interviewed in the survey) say they plan to buy through the Right-to-Buy in the future, while 74% are unlikely to. 10% said they did not believe they were eligible to do so, or were not aware of the RTB and 6% did not know whether they would or not.

Figure 3.8: Length of residence



Base: 211
Source: Household Survey, 2002

Additions to the Housing Stock

- 3.67 There has been an average of around 40 new owner occupied dwellings completed in Montrose and Brechin over the last seven years. Overall, land identified for the next five years is sufficient to enable this level of development to continue.

Mortality Levels

- 3.68 Taking mortality into account would indicate that a further 180 owner occupied dwellings will become available over the next two years. We also assume, as in Angus as a whole, that 3% of owners will leave the area or the tenure (a total of 220 households).
- 3.69 Thus a total of around **480** owner occupied properties are likely to become available within the next two years in the Montrose and Brechin area (based on 40 new build per annum plus 180 from mortality and 220 from out-moves).

The Future Demand for Owner Occupation

- 3.70 If in-movement of owner occupiers to the area followed recent trends, 240 households would move to the area within the next two years. A further 315 non-owners would be expected to buy in future, while 300 concealed households would enter owner occupation. This is an estimated **855** new entrants to owner occupation, a higher number to the properties likely to be becoming available. The number is, however, likely to be lower than 855 as some concealed households will join to become newly formed couples, rather than single adult households. Thus, the demand for owner occupation exceeds supply.
- 3.71 Montrose and Brechin accounts for 22% of house sales in Angus. The total number of sales has risen slightly over the period 1995-1999, ranging between 370 and 460. New build activity has remained fairly steady, while sales of re-sales have increased. As for all areas, sales of RTBs have declined²⁴. The higher than average price rises would suggest there is continuing demand for properties in the area.

Demand for Social Renting in Montrose and Brechin

- 3.72 Demand for the social rented sector in the HMA appears weaker than the Angus average. While applications are proportionate to stock levels, lets are much higher, suggesting high turnover in the area. However, it should be noted that these comments largely refer to the Brechin housing management area: Brechin has 13% of stock, but just 6% of applications and makes 16% of all lets in Angus. The resulting applications to lets ratio is just 1.2 for both all lets and for waiting list lets. Such a low ratio is usually an indication of low demand. The Montrose housing management area has applications to lets ratios slightly higher than the Angus level (3.0 for all lets and 3.3 for waiting list lets).

LONG-TERM PROJECTIONS

- 3.73 Table 3.4 sets out the long-term projections for Montrose and Brechin. Focussing first on the Shift 1 scenario, which was considered the most likely at authority-wide level, the projections would suggest that owner occupation will increase by seven percentage points over the 20 years, while social renting will decline by around the same amount, and private renting will remain stable.
- 3.74 The increase in owner occupation of 1,300 is broadly in line with what we would expect were new build to continue at past levels and RTBs to continue at a reduced rate (c. 780 and 580 respectively).

²⁴ Craigforth *Owner Occupied, Private Rented and RSL Markets*, Appendices

- 3.75 The decline in social renting is similar to that indicated from RTBs, suggesting that RSL new build would only be required to respond to changing profile of demand and/or to replace stock lost to demolition.
- 3.76 The Shift 2 scenario would suggest that owner occupation would increase by more than expected from past trends, requiring further new build. Social renting would decline substantially, requiring significant levels of demolition (in the region of 1,000 units, excluding stock reduction to permit new build).

	2002	2004	2006	2008	2010	2012	2017	2022	Change	% change
Base										
Owners	7.42	7.45	7.48	7.52	7.56	7.59	7.67	7.75	335	-3%
Social Rent	3.91	3.98	4.05	4.13	4.20	4.29	4.47	4.66	748	3%
Private Rent	0.36	0.42	0.43	0.43	0.44	0.44	0.45	0.47	107	1%
Other	0.13	0.08	0.08	0.09	0.09	0.10	0.11	0.12	-16	0%
Total	11.82	11.94	12.04	12.17	12.29	12.42	12.70	12.99		
Shift 1										
Owners	7.42	7.54	7.63	7.76	7.90	8.00	8.33	8.70	1286	7%
Social Rent	3.91	3.90	3.89	3.83	3.74	3.74	3.53	3.31	-603	-7%
Private Rent	0.36	0.37	0.37	0.38	0.38	0.39	0.40	0.41	48	0%
Other	0.13	0.12	0.12	0.12	0.12	0.12	0.13	0.13	-5	0%
Total	11.82	11.93	12.00	12.08	12.15	12.24	12.39	12.54		
Shift 2										
Owners	7.42	7.59	7.72	7.89	8.08	8.24	8.69	9.19	1777	12%
Social Rent	3.91	3.82	3.74	3.61	3.46	3.35	2.96	2.53	-1383	-12%
Private Rent	0.36	0.37	0.37	0.38	0.38	0.39	0.40	0.41	48	0%
Other	0.13	0.12	0.12	0.12	0.12	0.12	0.13	0.13	-5	0%
Total	11.82	11.89	11.95	12.00	12.04	12.10	12.18	12.26		

KEY ISSUES FOR THE MONTROSE AND BRECHIN HMA

- 3.77 The area has seen employment growth in manufacturing. Unemployment has been falling relatively quickly over the last two years. It now stands in line with the Angus level, and therefore higher than the Scottish level. The proportion of long-term unemployment is higher than both Angus and Scotland, which clearly has implications for housing affordability.
- 3.78 House prices have been rising rapidly in the area, and are now in line with the Angus average. However, new build prices are somewhat lower than the Angus level.
- 3.79 Demand for owner occupation appears strong, from recent Sasines data and survey evidence. However, anecdotal evidence suggests the experience between the Montrose and Brechin areas is very different, due to excess housing supply in the Brechin area.
- 3.80 Demand for social rent in the Brechin area appears low, with fairly high stock turnover and low levels of applications to lets.
- 3.81 The annualised projections suggest that the need for social rented properties is lower than expected supply of social rented housing. However, the data do not distinguish between sub-areas within the HMA. It is possible that the locations of supply of properties and the need for properties differ.
- 3.82 Households with affordability problems make up around half those in housing need (from the survey) in Brechin and Montrose. This is largely driven by low household incomes.
- 3.83 We would estimate that around 72 households each year (those in need and low income concealed households) may be in the ‘market’ for LCHO or other affordable housing options over the next 5 years. Allowing for the properties freed up by social renters, this could be a net need for affordable housing of just 19 each year – for the concealed households unlikely to be able to afford to purchase otherwise.
- 3.84 There is evidence of an already significant potential supply of properties at the lower end of the housing market, with 15% of properties estimated to be worth less than £40,000 (from the household survey). Clearly, only a small proportion of these will reach the market, but this suggests that there may be an adequate potential supply of lower value properties.

- 3.85 Potential social renters may be weighing up the relative merits of this potential supply of lower-value owner-occupied properties with the social rented sector in this housing market area, particularly in Brechin, where social housing demand is lower.
- 3.86 The prevalence of affordability problems (among existing households) alongside slowing demand for social renting suggests the need for housing management and investment solutions to encourage low-income residents into social renting.

4 ARBROATH

INTRODUCTION

- 4.1 The Arbroath housing market area (HMA) covers the town of Arbroath and the surrounding rural area. It is estimated to contain around 11,720 households.

ECONOMY

- 4.2 Some 8,500 people were employed in the Arbroath area in 2000, almost a quarter of the total employment in Angus as a whole. Overall the structure of employment in Arbroath shows very little difference from the average across Angus²⁵.
- 4.3 Over the period 1995 to 2000, the number of jobs based in Arbroath has increased by 11% (800 jobs). As such, employment in the area has grown less rapidly than the average across the rest of Angus (22%), but more quickly than the average for Scotland as a whole (6%). Growth sectors in the area include Manufacturing and Public Services, both of which showed growth of over 20%. Sectors showing a drop in employment over the period include Finance and Business Services and Transport and Communications²⁶. The council also notes that the food and drink manufacturing sector has seen a significant decline in Arbroath, with a number of closures.
- 4.4 Of the nine large employers identified in the Arbroath area²⁷, four are involved in Manufacturing and two in the retail sector. Angus College is also a major employer in the area. The council notes that the oil industry is one of the major growth industries in Arbroath, with substantial new employment during the period at Weatherford, which has two major subsidiaries in the area employing over 250 people.
- 4.5 Some 700 unemployed claimants were recorded in Arbroath in September 2000, representing 35% of the total number of claimants in Angus as a whole. As such, Arbroath accounts for a larger share of the regions' unemployment claimants than employees in employment. With 200 claimants aged 24 and under, Arbroath also has a higher share of young claimants than the average across Angus and the rest of Scotland. The share of claimants unemployed for more than 6 months is close to the regional average.

²⁵ Annual Business Inquiry (NOMIS)

²⁶ Annual Business Inquiry (NOMIS)

²⁷ Identified from UK Business Browser; the Angus Business Directory, Angus Council

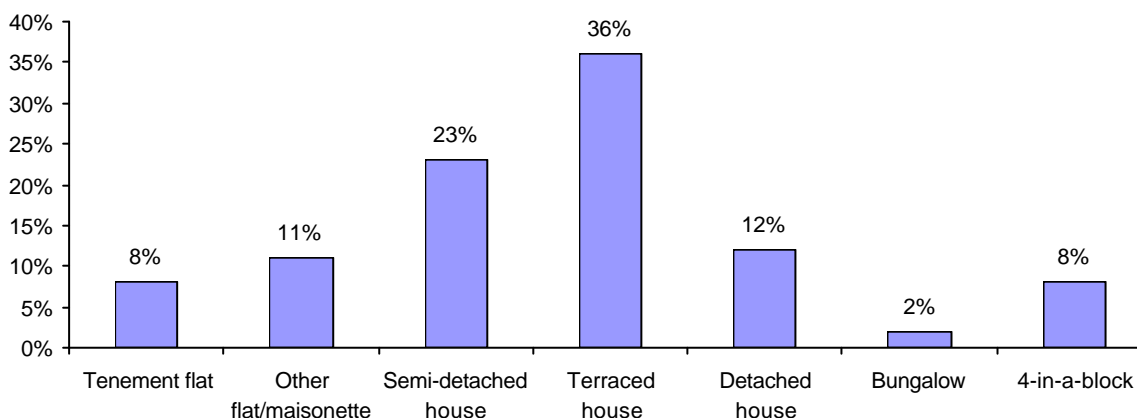
- 4.6 Over the last two years, unemployment in Arbroath has fallen at a similar rate to that seen across the rest of Angus, showing a net drop of 28% or just over 250 claimants. During the period, however, the area does exhibit a slightly stronger seasonal pattern than the rest of the region, indicating higher than average rates of casual or temporary employment²⁸.

THE HOUSING STOCK

Property Characteristics

- 4.7 Terraced houses are the most common type of property found in the Arbroath HMA, housing 36% of households. Semi-detached properties are also common, accounting for a further 23% of properties. Flats and maisonettes account for just under 20% of all properties in the Arbroath HMA.

Figure 4.1: Property type



Base: 181
Source: Household Survey, 2002

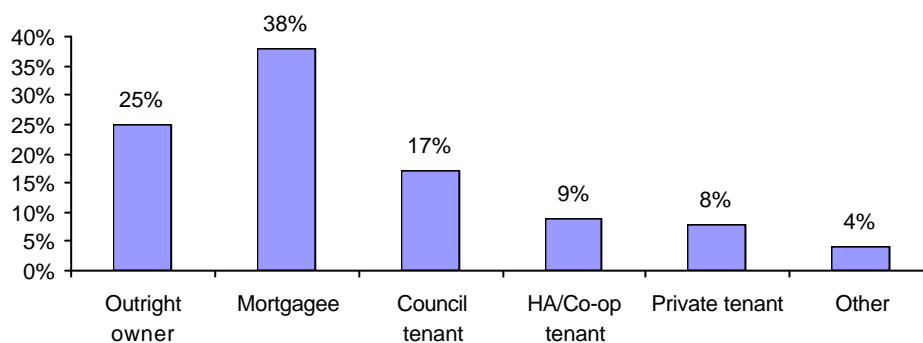
- 4.8 87% of households in the area have access to a garden, with 77% having their own garden and 10% sharing a garden with other households.
- 4.9 There are 2,831 Council dwellings and 1,432 RSL dwellings in the area, accounting for 35% of the total social rented stock in Angus.

²⁸ ONS Claimant Counts (NOMIS)

Tenure

- 4.10 Owning is the majority tenure in the Arbroath HMA, as in Angus generally. A quarter of respondents own their own property while a further 38% are buying with a mortgage. A large proportion of owners - 27% - bought their property through the Right-to-Buy.
- 4.11 Social renting houses 26% of households, while the private rented sector houses 8% of households and 4% live in other tenures (1% each renting from employers, tied housing, rent free housing and shared ownership).

Figure 4.2: Tenure



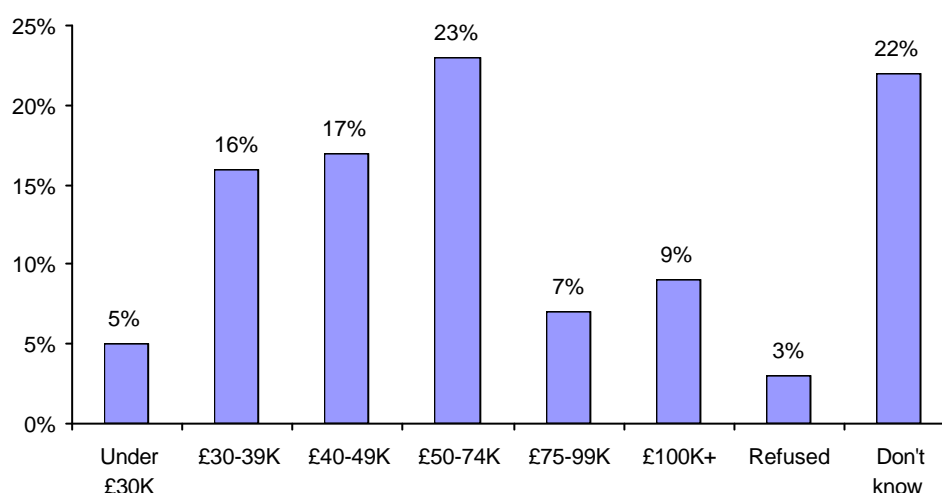
Base: 181
Source: Household Survey, 2002

House Prices

- 4.12 Over the period 1995-1999, prices for re-sales and new build properties have risen by around 10%. This is less than the general increase in prices for Angus (excluding Carnoustie/Monifieth) of 17% over the same period. At the start of 2000, the average non-RTB price was £52,470, slightly lower than the Angus average of £57,620. Prices for new build properties were particularly low at £77,150, compared to £84,870 for Angus.

- 4.13 The estimated market values, provided by household survey respondents, suggested a median property value of £49,000 in the HMA. This is low compared to the overall median for Angus of £64,000. There is a clustering of property values estimated around the mid-range of prices at between £50,000 and £74,000. There is also a significant proportion of lower value properties, with 16% estimated to be worth under £40,000.

Figure 4.3: Estimated property prices (respondent)



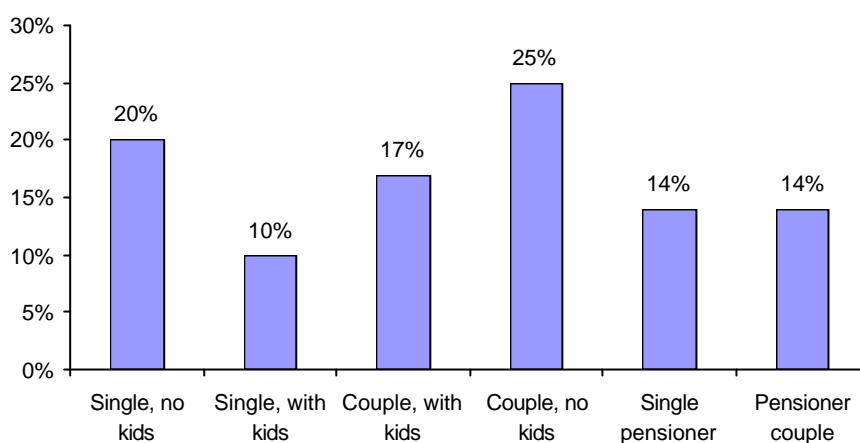
Base: 115
Source: Household Survey, 2002

HOUSEHOLD CHARACTERISTICS

Household Type

- 4.14 27% households in the Arbroath HMA contain children, while 24% are pensioners. 20% are single adults and 25% are couples without children (Figure 4.4).
- 4.15 23% of survey respondents were aged over 65 years, while 4% were aged under 25 years. 34% were aged between 25 and 44 years and 39% were aged between 45 and 64 years.

Figure 4.4: Household type

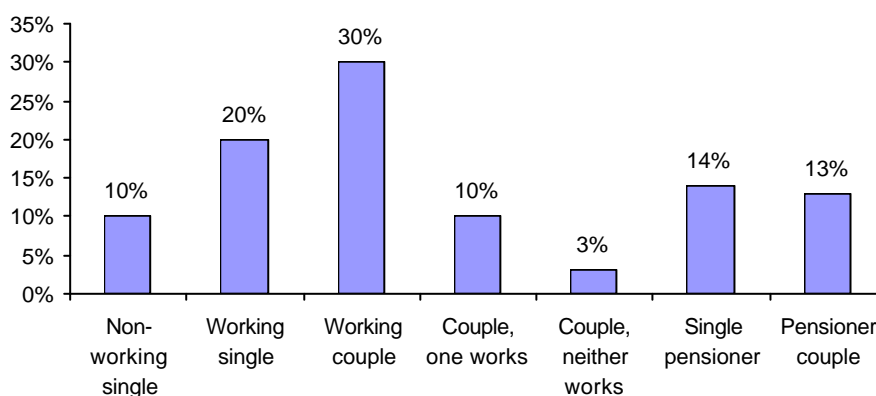


Base: 181
Source: Household Survey, 2002

Household Working Status, Incomes and Employment

4.16 The largest group of households in the area (30%) is households containing a working couple, with a further 10% containing a couple where one person works and 20% being single working people. 13% of households are non-working single people, or couples, of working age and 27% are retired (single people or couples²⁹).

Figure 4.5: Household working status



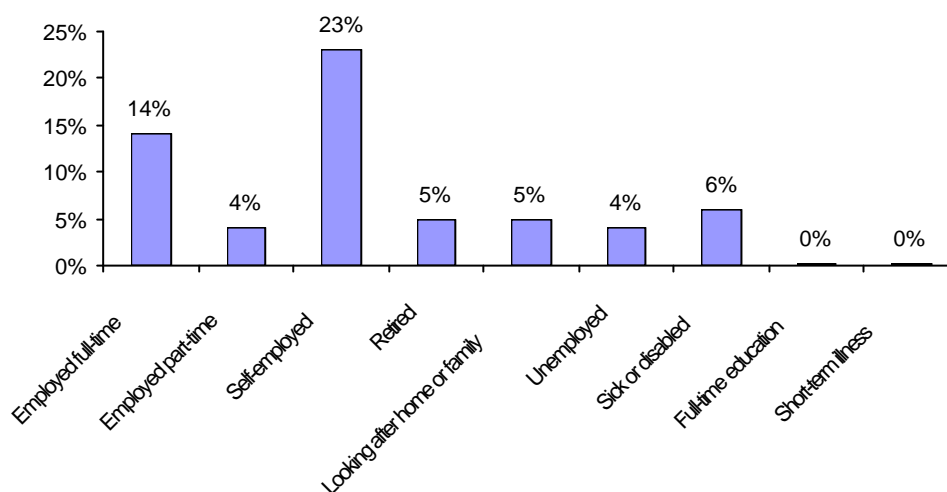
Base: 181
Source: Household Survey, 2002

4.17 It follows that the main income source of households is employment for 55% of households. State pensions account for the main income of 18% of households while 19% rely on other benefits and 8% receive their main income from an occupational or personal pension.

²⁹ This is higher than in Figure 4.4 due to early retirement.

- 4.18 56% of household survey renters receive Housing Benefit, with 12% receiving partial Housing Benefit and 41% receiving full Housing Benefit (3% do not know whether this is partial or full HB).
- 4.19 Figure 4.6 shows the economic activity of all household members, with over half being employed (4% self-employed, 39% working full-time and 14% part time). The proportion of unemployed people (5%) is similar to the overall level for Angus of 4%.

Figure 4.6: Employment status of household members

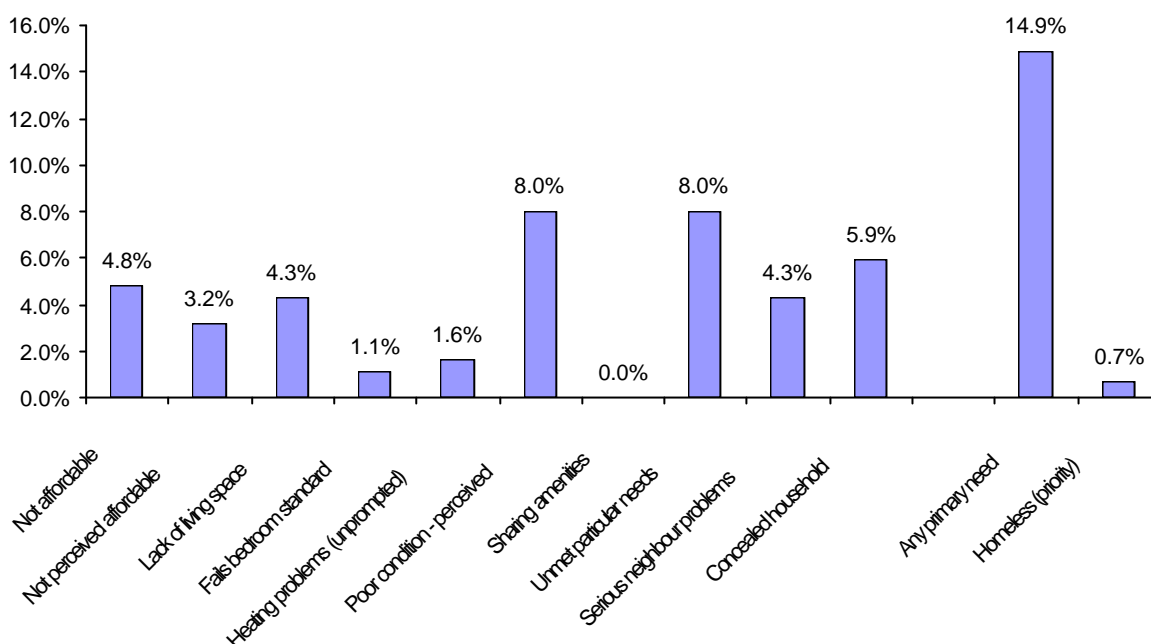


Base: 329
Source: Household Survey

HOUSING NEED

- 4.20 As outlined in Section 1, the housing need indicators used in the household survey covered a range of issues, to explore the unsuitability of housing to capture homelessness or insecurity, the mismatch of households and dwellings, dwelling amenity and condition and social requirements.
- 4.21 Figure 4.7 summarises the housing need elements measured in the survey, showing the proportion of households in need, for each measure.

Figure 4.7: Housing need elements (survey)



Note: primary need is where alternative accommodation is required. See Section 1. 0.0% figures do not mean there are no problems – no respondents, or fewer than 0.05% when weighted mentioned this issue.

Base: 181

Source: Household Survey, 2002

Affordability Issues

- 4.22 5% of households fail the ‘objective’ affordability test, with a rent or mortgage in excess of a quarter of their disposable income. As in the main report, those for whom income or rent/mortgage data is missing are treated as having affordable housing. This test also does not recognise the costs of Council Tax, home repairs, etc. This means the estimate of 5% is a conservative one.
- 4.23 The fact that only 3% of respondents say they have difficulty paying their rent/mortgage (6% of all those who pay towards their rent/mortgage) suggests that 5% is a reasonable estimate. That said, a further 15% of households (15% of all those paying rent or mortgage) say they just manage to pay for their rent.
- 4.24 4% of households had at some point in the past had difficulties trying to get a mortgage while 1% of those who are not likely to move in the next 2 years say this is because they cannot afford to buy.
- 4.25 Overall, 9 out of 10 households in Angus that pay more than a quarter of their disposable incomes in rent or mortgage are not on the waiting list for social rented housing. This pattern is also observable in the Arbroath area.

- 4.26 Across Angus, three-quarters of all renters with affordability problems pay full rent, while a quarter receive Housing Benefit. Over 2 in 5 of these households are employed while a quarter are pensioners. Most are paying over £200 per month in rent.
- 4.27 Looking at the ratio of monthly median net household incomes to median rent/mortgage of the households who pay rent or mortgage in each area (Table 4.1) shows that the ratio of median incomes to rents is lower in Arbroath than in Angus as a whole. This supports the suggestion that Arbroath is one area where current households more commonly have unaffordable housing, largely due to lower household incomes.
- 4.28 Affordability is explored more fully below, in relation to emerging households and the possible need for affordable housing options.

	Median income (A)	Median rent mortgage (B)	Ratio (A/B)
Area			
Forfar, Kirriemuir, Angus Glens	£1,370	£180	7.6
Montrose and Brechin	£1,130	£182	6.2
Arbroath	£1,278	£185	6.9
Carnoustie, Monifieth and Sidlaws	£1,947	£210	9.3
Angus	£1,350	£192	7.03

Source: Household Survey 2002

Base: 350 (All rent/mortgage payers where income/rent information available)

Overcrowding and Under-occupation

- 4.29 Two overcrowding measures are presented – the stricter, DTLR bedroom standard based on the age, sex and relationship of household members and a more generous standard assuming the need for one person per room (for example, an extra public room) to provide more personal space. By the strict overcrowding measure, 1% of households fail the bedroom standard while 4% have insufficient space to allow a room per person.
- 4.30 There is some evidence of under-occupation, with 21% of households having two or more bedrooms than the bedroom standard suggests the need for. However, as in other areas, the property being too large is not mentioned as problematic.

Heating, Condition and Amenity

- 4.31 When asked whether they had any problems in their current property, 2% of those in the Arbroath HMA said they had expensive or poor heating. 8% said they had a problem with the condition of the property, with dampness, condensation or dry or wet rot.
- 4.32 When prompted on the issue of heating, 4% of respondents said they were only kept warm a little, or were never kept warm in the colder months. A further 8% said they were kept warm some of the time, 18% said most of the time. Almost 70% of respondents said they were kept warm all of the time.
- 4.33 No households surveyed shared amenities – kitchen, living room, bathroom or WC – with another household.

Particular Needs

- 4.34 8% of households contain someone for whom the property causes difficulties. As with Angus as a whole, the main issues were problems with stairs, accounting for more than three-quarters of difficulties. Other issues were problems getting out of the bath as well as specific problems.
- 4.35 19% had some adaptation in their current property, with these mainly comprising handrails inside or outside, while 9% have an adapted bathroom. Other adaptations mentioned by a few respondents were external ramps, a stair-lift and other specific adaptations.
- 4.36 7% of households receive help from someone outside the household, mainly in the form of housework. A further 6% felt they might benefit from this type of help, or additional help.

Neighbour Problems

- 4.37 4% of households in the Arbroath HMA experience serious neighbour problems.

Concealed Households

- 4.38 6% of households contain someone who would prefer to be living in alternative accommodation if that were possible. All of these were a son or daughter and all were single people.

Homelessness

- 4.39 Around 200 homeless applicants in Angus were assessed as being homeless and in priority need³⁰. It is estimated that around 40% of these people presented in Arbroath. This means a further 80 households have to be added to the estimate of housing need in Arbroath. This rises to 130 if non-priority homeless households are included.

	% of households	Estimated no. of households +
Affordability problems	4.80%	561
Perceived affordability problems	3.20%	374
Lacks space	4.26%	498
Fails bedroom standard	1.07%	125
Poor heating	1.60%	187
Never/little warm	3.73%	436
Poor property condition	7.99%	935
Shared amenities	0.00%	0
Particular needs	7.99%	935
Particular needs – prefer alternative housing	3.73%	436
Neighbour problems	4.26%	498
Concealed households	5.86%	630
Failing bedroom standard (excluding concealed households)	1.07%	125
Homeless – total	1.1%	130
Homeless – priority need	0.7%	80
Source: Household Survey 2002 Except * Source: Scottish Executive/Angus Council Confidence limits range from ±1.5% to ±4% or 175 to 470 households		

³⁰ The total number of priority homeless was 268. This number has been adjusted downwards to 200 to take account of possible double-counting with the survey. An area breakdown of 2001/02 homelessness statistics is not available. The area proportions have been derived from area data presented in the Angus Homelessness Review.

The Need for Social Rented Housing

- 4.40 15% of households in the Arbroath housing market area have some element of primary housing need, where alternative housing is required. That is an estimated **1,750** households.
- 4.41 The analysis of affordability among those with a need for additional housing used in the main report (Section 7) has been replicated for the HMA³¹. This suggests that **185** households are concealed households likely to be social renters and **220** households are in need of alternative accommodation but could not afford a mortgage.
- 4.42 This suggests that an estimated **405** households are in need of social housing in the Arbroath HMA. To this we must add the **80-130** homeless households, giving an estimated total need of **485-535**. The confidence intervals attached to the HMA data are $\pm 2.7\%$ (315) so these estimates should be interpreted with caution.
- 4.43 There are likely to be around 465 council lets over the next two years (based on the number of lets to the active list in 2001/02) in the Arbroath area, slightly lower than the level of those in need (485-535).

ANNUALISED NEEDS ESTIMATES

- 4.44 An alternative comparison of needs and supply is to consider the overall estimate of needs and supply on an annual basis for the next five years. Needs are separated into the backlog of need³² and emerging needs, then compared with the supply of social rented housing, from the council and RSL sectors.
- 4.45 Table 4.3 sets out the estimates. It shows that the existing backlog of need is around 220 households, of whom we might expect 45 to be housed each year. In addition, there are likely to be around 60 newly emerging households, 80 homeless households, 15 in-migrants and 45 existing households that have fallen into need, requiring housing each year. This gives a total of around 240 households in each of the next five years.

³¹ See Section 1 for details of the assumptions made in the analysis.

³² The analysis in paragraphs 2.37 - 2.41 is based on meeting the backlog of need over the next two years. For the annualised figures, the backlog of need is assumed to be met over five years, considered by the DETR guidance to be a somewhat more realistic timeframe.

- 4.46 This compares to c. 400 lets from existing stock (c. 430 if RSL new build is included). Clearly, assuming that the backlog is addressed over a five year period, the supply of social rented housing is sufficient to meet the level of need identified here. In practice, as was noted in the main report, there are additional households on the waiting list who will also require housing over this period.

Table 4.3		
Alternative Estimate of Need - Annualised Level of Need for 5 Years – 2003-2008		
Arbroath		
Element	Number	
	Total	Annual
Need		
Backlog		
Backlog of need ¹	220	
Annual Equivalent (over 5 years)		44
New Need		
New Households ²		62
Non existing households in need (Homeless) ³		79
In-migrants		13
Households Falling into Need (20% backlog)		44
<i>Total</i>		242
Supply		
AC lets		232
RSL lets		171
RSL new build ⁴		25
<i>Total supply</i>		428
Balance	Excess supply = 186	
<p>Note 1: The backlog of need is households who were assessed as being in housing need, who are not currently social renters and who could not afford a mortgage</p> <p>2: The survey found that 630 households contain a person/secondary household that wished its own accommodation in the next two years. Overall in Angus, around 29% of concealed households wish to become social renters: equivalent to 185 households. However, it likely that not all of these will wish to form an independent household over the two years. Others may join with another person to form a household or will join with an existing household. To take account of the fact that the actual number of emerging households is likely to be lower than that in the survey, we have assumed that one third of the 185 will emerge as independent households each year.</p> <p>3: Homeless is the number assessed as priority homeless, weighted to take account of possible double-counting with the survey</p> <p>4: This figure is based on the 2002/03 programme. The actual size and area distribution of the RSL development programme varies considerably year to year.</p>		

AFFORDABILITY, SOCIAL HOUSING NEED AND SOCIAL RENTING

Those Currently in Housing Need

- 4.47 The above table summarises the likely need for social rented housing. However, some of those that we have identified as in need of social rented housing may also feasibly access intermediate housing options such as Low Cost Home Ownership (LCHO) or shared ownership.

- 4.48 We have assumed that the likely ‘market’ for LCHO or other affordable housing solutions will be those currently in employment, who would be more likely to be able to secure mortgage finance. This said, of course, some households will be unable to secure a mortgage due to employment insecurity or other issues. Also, some of these household may choose not to use LCHO options for whatever reason.
- 4.49 This pool of potential users of LCHO or other affordable housing options would include those who have housing needs but are currently social renters and those who cannot afford a mortgage in the open market.
- 4.50 An estimated **115** of the 350 current social renters in need receive their main income from employment while **120** of 220 households who currently would not be able to afford a mortgage do (this latter 120 households is identified as part of the backlog of need for social rented housing, in Table 4.3).

Concealed Households

- 4.51 In addition, the concealed households which respondents said would not be likely to occupy social rented housing may be a potential market for intermediate or affordable housing options. Around 445 households are hoping to emerge into another tenure than social renting (or do not know), while around 300 are said to be likely to be owners. The latter figure is a realistic estimate, as almost half of those households formed in the last five years are owner occupiers.
- 4.52 Most of the concealed households not likely to move into social renting are employed sons or daughters of the main household. The majority of these households are employed and occupy owner occupation at the moment (mainly with parents). This suggests that a move may be feasible (i.e. they are not still at school and have a source of income and, possibly, parental support) but may or may not be affordable.
- 4.53 The incomes of newly-formed households Angus tend to be low, with just under a third of those in owner occupation/private renting having a monthly income of less than £1,000. We would expect to see similar incomes among our concealed households hoping to emerge in the near future. In fact, the proportion with an income of at of below this level might be higher, since their emergence has been constrained so far. However, for the purpose of analysis, we have assumed that just under a third of those likely to own (c. **95** or 31% of 300) will have an income of less than £1,000 a month.

- 4.54 An income of under £1,000 appears to be an important threshold for owner occupation, as the majority of households who say they are unlikely to move because they cannot afford to buy have a disposable monthly household income of under £1,000. These households would be able to purchase a property for less than £38,000 (assuming a 25-year mortgage and 6% interest rate). 21% of properties in Arbroath (from the survey) were valued at under £40,000 by residents in the household survey.
- 4.55 Given the local market it may be fair to assume that although a third of concealed households (c.95) likely to be owners have low incomes, the local market may be able to accommodate them. However, some may have some difficulties obtaining an affordable owner-occupied property, since we would expect this proportion of aspiring newly-formed households to have an income of less than £1,000. Affordable housing options may be attractive to this group.
- 4.56 There is also the remaining concealed households – an estimated 145 households where the respondent said the concealed household was neither likely to own nor be a social renter (or that they did not know). A proportion of these households may also be in the market for affordable housing locally, possibly after a period of private renting.

The Market for Affordable Housing

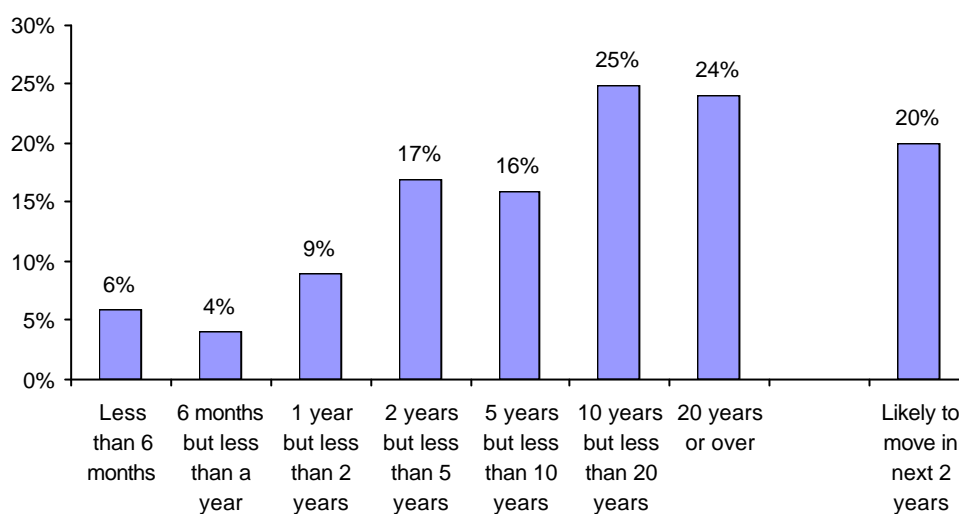
- 4.57 In summary, the market for LCHO or other affordable housing options might be:
- 120 of 220 households identified as in need of social rented housing
 - 115 social renters who receive their main income from employment
 - 95 concealed households who are likely to enter owner-occupation.
- 4.58 If these households were to be housed in the next five years, this would require 66 LCHO or affordable properties each year across the Arbroath area (with a confidence interval of ± 58). Of course, 24 of these would also replace those required by the households already included in the backlog of need for social rented housing (120 across 5 years=24 per year). Further, where existing social renters moved into LCHO, this will release housing to meet social housing need.
- 4.59 The number of households in social renting at the moment who might be in the market for LCHO or affordable housing may also be less than 115, as these households may exercise their right to buy their current property. This would have an impact on the supply of social rented housing.

- 4.60 Of course, these households are in housing need in their current property so exercising the right to buy may not resolve their housing need in the short or medium term. Any affordable homes that are purchased by current social renter households will also free up existing social rented accommodation.
- 4.61 Thus, the net addition to the need for affordable housing through LCHO or other initiatives is likely to be from concealed households mainly – an estimated backlog of 95 concealed households or 19 households each year.
- 4.62 It is important to note that the provision of additional affordable housing – either as social rented housing or intermediate or affordable housing options is a matter of policy choice. Resources expended on social rented housing could be used for other affordable housing options and vice versa but spending on one would preclude spending on the other.

DEMAND ISSUES

Moving Behaviour

- 4.63 19% of households had moved within the two years prior to the survey, while 20% say they are likely to move in the next two years (Figure 4.8). There is still a high level of stability in the area, with 49% of households having been resident for over 10 years.
- 4.64 Most recent movers only considered moving to their current area. About three-quarters of the other areas considered were also within the Arbroath area, with little consideration of wider afield. Almost two-thirds had moved within the Arbroath area. A third had been on a landlord waiting list before moving, over half with the Council and the rest with RSLs.
- 4.65 Those likely to move in the future tend to plan a local move, with three-quarters planning to stay in the current area (total likely movers = 35 respondents). Of the remainder, around half were considering the wider Arbroath HMA area while others were looking elsewhere.
- 4.66 None of the tenants said they were likely to buy through the Right-to-Buy in future, however, this was only seven respondents in Arbroath.

Figure 4.8: Length of residence

Base: 181
Source: Household Survey, 2002

Additions to the Housing Stock

- 4.67 There has been an average of around 80 new owner occupied dwellings completed in Arbroath over the last seven years. Overall, land identified for the next five years is sufficient to enable this level of development to continue

Mortality levels

- 4.68 Taking mortality into account would indicate that a further 180 owner occupied dwellings will become available over the next two years. We also assume, as in Angus as a whole, that 3% of owners will leave the area or the tenure (a total of 220 households).
- 4.69 Thus a total of around **560** owner occupied properties are likely to become available within the next two years in the Arbroath HMA (based on 80 new build per annum plus 180 from mortality and 220 from out-moves).

The Future Demand for Owner Occupation

- 4.70 If in-movement of owner occupiers to the area followed recent trends, 90 households would move to the area to own within the next two years. A further 315 non-owners would expect to buy in future, while 300 concealed households would enter owner occupation.

- 4.71 This is an estimated **705** new entrants to owner occupation, a slightly lower number than the properties becoming available. Total demand is likely to be lower than 705, as some concealed households will join to become newly formed couples, rather than single adult households. However, this suggests that demand and supply (assuming past levels of new build) will be broadly in balance.
- 4.72 Arbroath accounts for 26% of house sales in Angus. The total number of sales has fallen slightly over the period 1995-1999, from around 580 to around 520. Resale activity has remained fairly steady, but sales of new build and RTBs have declined³³. Given that average house prices in the area are lower than for Angus as a whole, this suggests that demand for owner occupied housing in Arbroath is slowing.

Demand for Social Renting in the Arbroath Housing Market Area

- 4.73 Over a third of the social rented stock is located in Arbroath: 30% of the Council stock and 52% of the RSL stock. The voids management performance data indicate that it takes a relatively long time to re-let council houses in Arbroath: with 60% of re-lets taking more than four weeks. Applications for council housing in Arbroath are also low relative to the area's share of the stock: 26% of applicants compared with 30% of the stock. Further, the ratio of applicants to lets is slightly below the average, with 2.5 applications for every let made. This falls to 2.4 applications for every let when only waiting list applications and lets are considered (ratio for Angus as a whole is 3.3 : 1)

LONG-TERM PROJECTIONS

- 4.74 Table 4.4 sets out the long-term projections for Arbroath³⁴. Focussing first on the Shift 1 scenario, which was considered the most likely at authority-wide level, the projections would suggest that owner occupation will increase by six percentage points over the 20 years, while social renting will decline by around the same amount, and private renting will increase very slightly.
- 4.75 The increase in owner occupation of 1,300 is substantially lower than we would expect were new build to continue at past levels and RTBs to continue at a reduced rate (c. 1,600 and 570 respectively).
- 4.76 The decline in social renting is slightly lower than that indicated from RTBs, suggesting that some RSL new build will be required to meet demands, but at lower levels than in the recent past.

³³ Craigforth *Owner Occupied, Private Rented and RSL Markets*, Appendices

³⁴ Section 1 contains the approach used to produce the long-term projections.

- 4.77 The Shift 2 scenario still projects lower levels of owner occupation growth than would be expected from past trends. However, the level of social rented sector decline is substantially greater than we would expect from RTB sales, suggesting that demolition of around 500 units would be required.

Table 4.4										
Arbroath: Long Term Projections (thousands)										
	2002	2004	2006	2008	2010	2012	2017	2022	Change	% change
Base										
Owners	7.48	7.52	7.55	7.59	7.62	7.66	7.73	7.82	338	-3%
Social Rent	3.06	3.12	3.17	3.23	3.29	3.36	3.50	3.65	586	2%
Private Rent	0.90	1.06	1.07	1.08	1.09	1.11	1.14	1.17	267	1%
Other	0.27	0.16	0.16	0.17	0.18	0.19	0.21	0.24	-31	0%
Total	11.71	11.85	11.95	12.07	12.19	12.31	12.58	12.87		
Shift 1										
Owners	7.48	7.60	7.69	7.82	7.97	8.06	8.40	8.77	1297	6%
Social Rent	3.06	3.06	3.04	3.00	2.93	2.93	2.76	2.59	-472	-6%
Private Rent	0.90	0.92	0.93	0.94	0.96	0.97	1.00	1.02	120	0%
Other	0.27	0.24	0.24	0.24	0.25	0.25	0.25	0.26	-11	0%
Total	11.71	11.81	11.90	12.00	12.10	12.21	12.42	12.64		
Shift 2										
Owners	7.48	7.66	7.79	7.96	8.15	8.31	8.76	9.27	1792	10%
Social Rent	3.06	2.99	2.93	2.83	2.71	2.63	2.32	1.98	-1083	-10%
Private Rent	0.90	0.92	0.93	0.94	0.96	0.97	1.00	1.02	120	0%
Other	0.27	0.24	0.24	0.24	0.25	0.25	0.25	0.26	-11	0%
Total	11.71	11.80	11.88	11.97	12.06	12.15	12.34	12.53		

KEY ISSUES FOR THE ARBROATH HMA

- 4.78 Relatively weak demand for the owner occupied sector is observed with slow price growth and falling sales. This may be linked to the relatively high level of unemployment, slow employment growth relative to the rest of Angus and relatively high levels of seasonal unemployment.
- 4.79 The demand for owner occupation in the near future is likely to be met from existing out-moves from owner occupation and new-build.
- 4.80 The annualised projections of the need for social housing suggest that there will be sufficient supply of housing to meet needs over the next five years.
- 4.81 Council house re-let times are relatively long and applications to lets ratios are below the area average. While the ratios themselves may not be a cause for concern, it may be prudent to monitor these over time and/or examine demand and turnover at a more local level.

- 4.82 One of the main factors influencing housing need in the area is affordability, with current households in Arbroath paying, on average, a higher proportion of their (relatively low) incomes in mortgages. There is likely to be demand for affordable housing among this group as well as newly emerging households.
- 4.83 We would estimate that around 66 households each year (those in need and low income concealed households) may be in the ‘market’ for LCHO or other affordable housing options over the next 5 years. However, allowing for the properties freed up by social renters, this could be a net need for affordable housing of just 19 each year – for the concealed households unlikely to be able to afford to purchase otherwise.
- 4.84 The household survey suggests that a significant proportion of owner occupied properties – around 1 in 5 – are currently estimated to be worth less than £40,000. This may mean that the potential supply of lower-value owner occupied properties would be adequate to meet likely demand for LCHO or other affordable housing options in future.
- 4.85 There may also be a large number of households weighing up the relative merits of low-price owner occupier housing market and the social rented sector. The prevalence of affordability problems among current households alongside slowing demand for social renting suggests the need for housing management or investment solutions to encourage low-income residents into social renting.

5 CARNOUSTIE, MONIFIETH AND SIDLAWS

INTRODUCTION

- 5.1 The Carnoustie, Monifieth and Sidlaws HMA includes the major settlements of Carnoustie and Monifieth as well as a large rural area towards Dundee. It contains an estimated 10,790 households.

ECONOMY

- 5.2 Some 12,300 people were employed in the Carnoustie, Monifieth and Sidlaws area in 2000, accounting for 34% of the total employment in Angus as a whole and, in employment terms, the largest of the four sub areas of the region³⁵.
- 5.3 In relation to the rest of Angus the area has a higher than average concentration of employment in Public Services and a lower than average concentration in Retailing and Wholesale services. As with the rest of Angus, employment in the area is significantly over-represented in Manufacturing and Public services and significantly under-represented in Finance and Business Services, Transport and Communications and Construction compared to Scotland³⁶.
- 5.4 Over the period 1995 to 2000, the number of jobs based in Carnoustie, Monifieth and Sidlaws has shown rapid growth with employment, expanding even faster than the 22% growth seen across Angus as a whole. Expansion in the region has been driven by rapid growth in the Public sector (growth of over 2,000 jobs) and in Retail and Wholesale services (growth of around 500 jobs)³⁷.
- 5.5 The four largest businesses identified within the area cover Construction services, Retailing and Hotels³⁸.

³⁵ Based on the postcode geography supplied for the survey sampling exercise. There may be some overlap with parts of Dundee, where postcodes are not distinct.

³⁶ Annual Business Inquiry (NOMIS)

³⁷ Annual Business Inquiry (NOMIS)

³⁸ UK Business Browser; Angus Business Directory, Angus Council

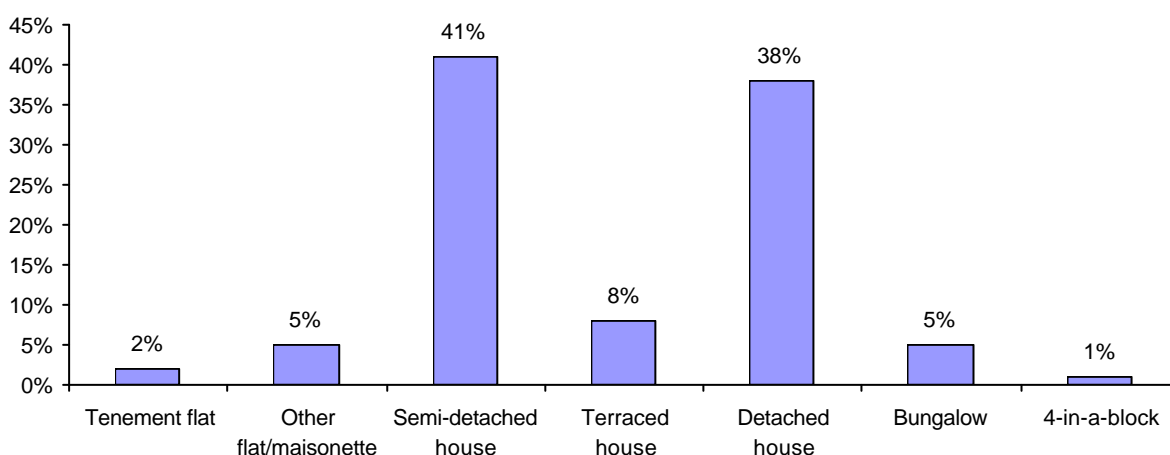
- 5.6 Some 800 unemployed claimants were recorded in Monifieth and Carnoustie in September 2000, representing 44% of the total number of claimants in Angus as a whole. As such, the area represents a higher share of unemployment claimants in the region than of employees in employment. With 300 claimants having been unemployed for more than six months, the area has a higher share of long term claimants than the average across Angus and the rest of Scotland. The share of claimants aged under 24 is slightly below the regional average³⁹.
- 5.7 Over the last two years, unemployment in the area has fallen at a similar rate to that seen across the rest of Angus, showing a net drop of 25% or 280 claimants.
- 5.8 Analysis of deprivation carried out for The Scottish Office shows that one postcode sector (DD3 0) in the Carnoustie, Monifieth and Sidlaws area was identified as being among the 20% most deprived areas in Scotland. Four sectors (DD5 3, DD5 4, DD7 6, DD7 7) were identified among the 20% least deprived areas in the country⁴⁰.

THE HOUSING STOCK

Property Characteristics

- 5.9 The stock in the Carnoustie, Monifieth and Sidlaws HMA reflects its rurality, with over 90% of households living in houses rather than flats. 41% of the stock is semi-detached houses, 38% is detached houses and 5% are bungalows (Figure 5.1).

Figure 5.1: Property type



Base: 182
Source: Household Survey, 2002

³⁹ ONS Claimant Counts (NOMIS)

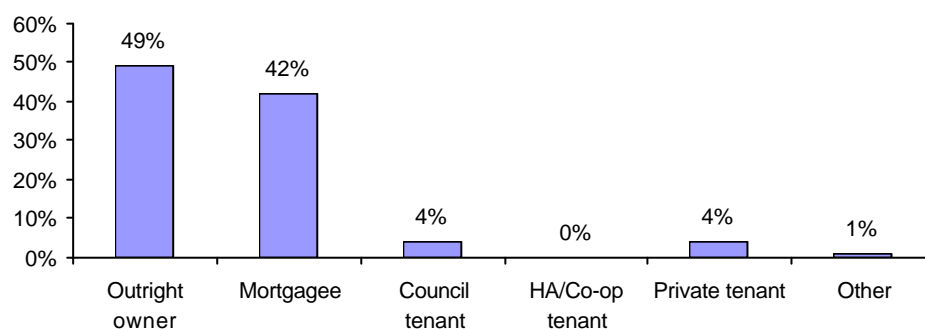
⁴⁰ "Revising the Scottish Area Deprivation Index", Scottish Office Central Research Unit, 1998

- 5.10 98% of households in the area have access to a garden, with 94% having their own garden and 4% sharing a communal space.
- 5.11 There are 1,018 Council dwellings and 114 RSL dwellings in the area, accounting for 9% of the total social rented stock in Angus.

Tenure

- 5.12 The vast majority of households in Carnoustie, Monifieth and Sidlaws own. Almost half own their own property while a further 42% are buying with a mortgage. Only 5% of owners said they bought their property through the Right-to-Buy.
- 5.13 Social renting houses 4% of households, while the remaining 5% of households live in private rented or tied accommodation.

Figure 5.2: Tenure



Base: 182
Source: Household Survey, 2002

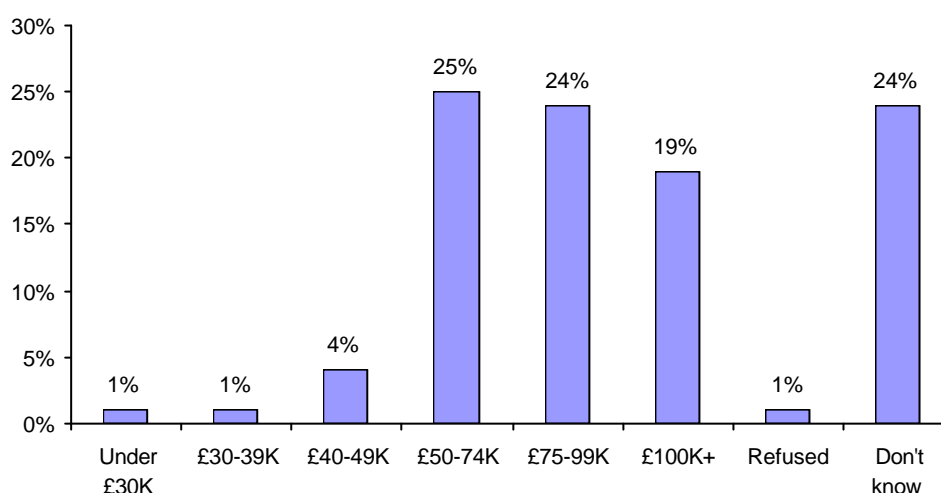
House Prices

- 5.14 Over the period 1995-1999, prices for non-RTB properties have risen by around 9%, substantially lower than the general increase in prices for the rest of Angus⁴¹. At the start of 2000, the average non-RTB price was £68,590, somewhat higher than the rest of Angus average of £57,620. While prices for new build properties were broadly similar to the rest of Angus, resale prices were substantially higher at £65,880 compared to £55,650 for Angus.

⁴¹ Note - the rest of Angus average excludes the Carnoustie Monifieth area.

5.15 The estimated market values, provided by household survey respondents, had a median value of £78,000, higher than for Angus overall (£64,000). Unlike the other housing market areas within Angus, values in the Carnoustie, Monifieth and Sidlaws area were clustered around the higher end of the market. 20% of respondents believed their property to be worth more than £100,000, while only 2% thought it was worth less than £40,000.

Figure 5.3: Estimated property prices (respondent)



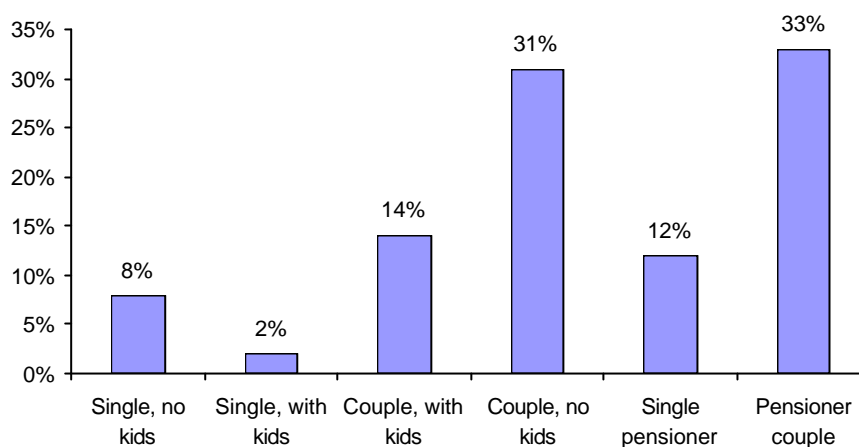
Base: 165
Source: Household Survey, 2002

HOUSEHOLD CHARACTERISTICS

Household Type

5.16 Only 16% of households in the Carnoustie, Monifieth and Sidlaws area contain children, while 45% are pensioners. Only 8% of households are single adults, compared with 16% in Angus and 15% in Scotland as a whole⁴².

⁴² *Scotland's People: Volume 3. Results from the 1999/2000 Scottish Household Survey.* Scottish Executive, 2001.

Figure 5.4: Household type

Base: 182
Source: Household Survey, 2002

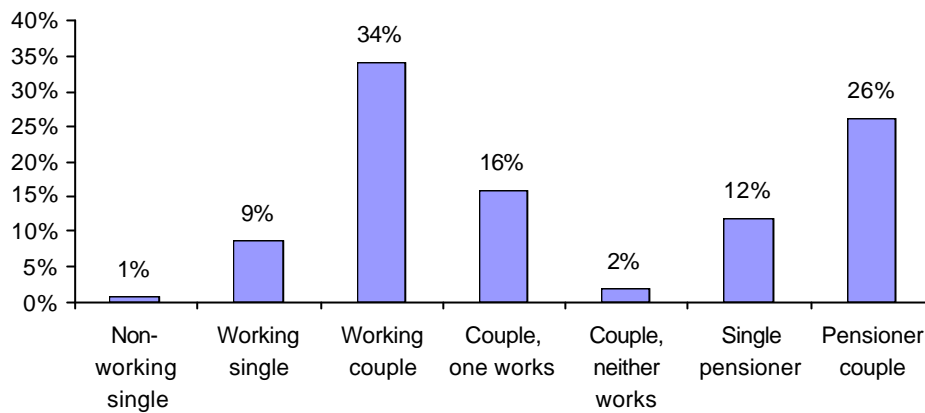
- 5.17 38% of survey respondents were aged over 65 years, while 1% were aged under 25 years. 18% were aged between 25 and 44 years and 42% were aged between 45 and 64 years.

Household Working Status, Incomes and Employment

- 5.18 Just over a third of households contain a working couple, with a further 16% containing a couple where one person works and 9% being single working people. 3% of households are non-working single people, or couples, of working age and 38% are retired (single people or couples⁴³).
- 5.19 It follows that the main income source of households is employment for 54% of households. State pensions account for the main income of 19% of households while 2% rely on other benefits. Almost a quarter of the households in the Carnoustie, Monifieth and Sidlaws area rely mainly on an occupational or personal pension.

⁴³ This is higher than in Figure 4.4 due to early retirement.

Figure 5.5: Household working status

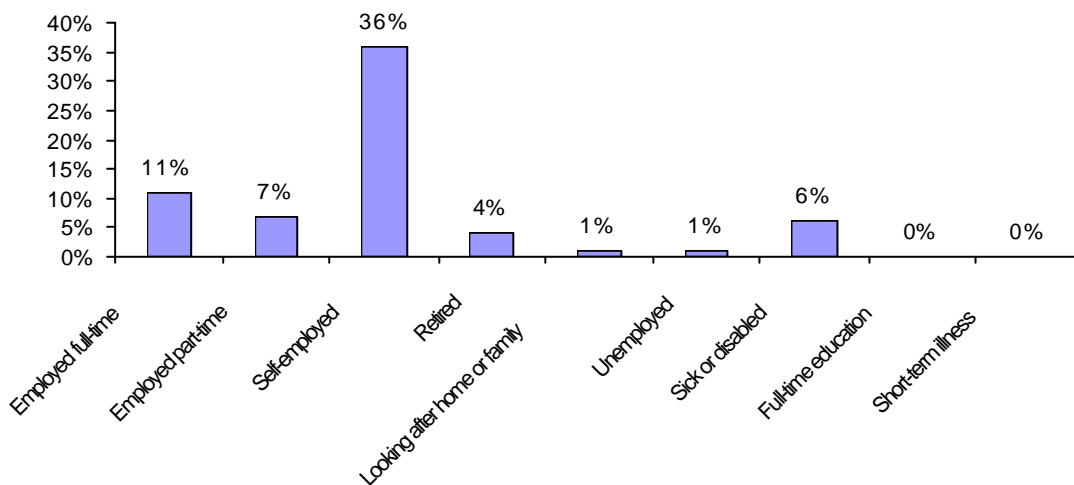


Base: 182
Source: Household Survey, 2002

5.20 35% of household survey renters receive Housing Benefit, with 23% receiving partial Housing Benefit and 12% receiving full Housing Benefit.

5.21 Figure 5.6 shows the economic activity of all household members, with just over half being employed (7% self-employed, 34% working full-time and 11% part time). The proportion of retired people is higher (36%) than the overall level for Angus of 26%.

Figure 5.6: Employment status of household members



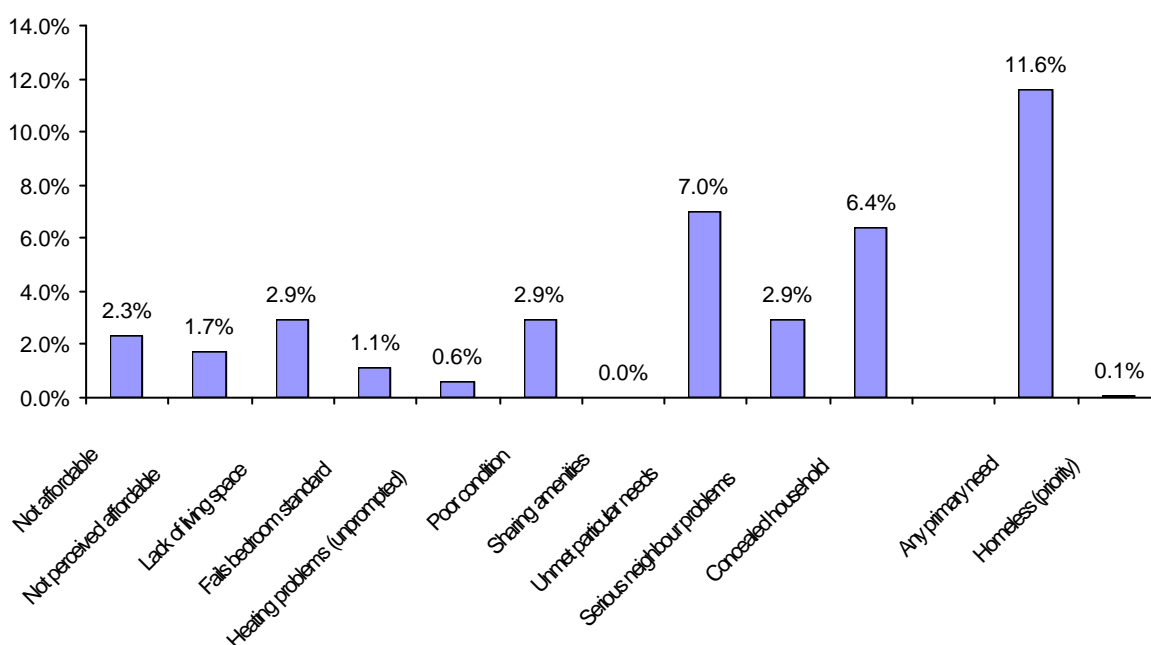
Base: 372
Source: Household Survey

HOUSING NEED

5.22 As outlined in Section 1, the housing need indicators used in the household survey covered a range of issues, to explore the unsuitability of housing to capture homelessness or insecurity, the mismatch of households and dwellings, dwelling amenity and condition and social requirements.

5.23 Figure 5.7 summarises the housing need elements measured in the survey, showing the proportion of households in need, for each measure.

Figure 5.7: Housing need elements (survey)



Note: primary need is where alternative accommodation is required. See Section 1.
0.0% figures do not mean there are no problems – no respondents, or fewer than 0.05% when weighted mentioned this issue.

Base: 182

Source: Household Survey, 2002

Affordability Issues

5.24 2% of households fail the ‘objective’ affordability test, with a rent or mortgage in excess of a quarter of their disposable income. As in the main report, those for whom income or rent/mortgage data is missing are treated as having affordable housing. This test also does not recognise the costs of Council Tax, home repairs, etc. This means the estimate of 2% is a conservative one.

- 5.25 However, the fact that 2% of respondents say they have difficulty paying their rent/mortgage (3% of all those who pay towards their rent/mortgage) suggests this is not too low an estimate. That said, a further 12% of households (or 24% of all those paying rent/mortgage) say they just manage to pay their rent/mortgage.
- 5.26 3% of households had at some point in the past had difficulties trying to get a mortgage while 1% of those who are not likely to move in the next 2 years say this is because they cannot afford to buy.
- 5.27 Overall, 9 out of 10 households in Angus that pay more than a quarter of their disposable incomes in rent or mortgage are not on the waiting list for social rented housing. This pattern is also observable in the Greater Dundee area.
- 5.28 Across Angus, three-quarters of all renters with affordability problems pay full rent, while a quarter receive Housing Benefit. Over 2 in 5 of these households are employed while a quarter are pensioners. Most are paying over £200 per month in rent.
- 5.29 Looking at the ratio of monthly median net household incomes to median rent/mortgage of the households who pay rent or mortgage in each area (Table 5.1) shows that the ratio of median incomes to rents is higher in Carnoustie, Monifieth and Sidlaws (and Forfar, Kirriemuir and the Glens). This supports the suggestion that affordability is less of an issue for **current** households in Carnoustie, Monifieth and Sidlaws than in other parts of Angus, largely due to the higher than average income of residents.
- 5.30 Affordability is explored more fully below, in relation to emerging households and the possible need for affordable housing options.

	Median income (A)	Median rent mortgage (B)	Ratio (A/B)
Area			
Forfar, Kirriemuir, Angus Glens	£1,370	£180	7.6
Montrose and Brechin	£1,130	£182	6.2
Arbroath	£1,278	£185	6.9
Carnoustie, Monifieth and Sidlaws	£1,947	£210	9.3
Angus	£1,350	£192	7.03

Source: Household Survey 2002

Base: 350 (All rent/mortgage payers where income/rent information available)

Overcrowding and under-occupation

- 5.31 Two overcrowding measures are presented – the stricter, DETR bedroom standard based on the age, sex and relationship of household members and a more generous standard assuming the need for one person per room (for example, an extra public room) to provide more personal space. By the strict overcrowding measure, 1% of households fail the bedroom standard while 3% have insufficient space to allow a room per person.
- 5.32 There is evidence of significant under-occupation, with 43% of households having two or more bedrooms than the bedroom standard suggests the need for. None of these say the size of their property is problematic.

Heating, Condition and Amenity

- 5.33 When asked whether they had any problems in their current property, less than 1% of those in Carnoustie, Monifieth and Sidlaws said they had expensive or poor heating, while the same proportion said they only kept warm a little, or were never kept warm in the colder months. 3% said they had a problem with the condition of the property, with dampness, condensation or dry or wet rot.
- 5.34 A further 5% said they were kept warm some of the time in the colder months and 31% said they were most of the time. Over 60% of respondents said they were kept warm all of the time.
- 5.35 None of the households questioned shared amenities – kitchen, living room, bathroom or WC – with another household.

Particular Needs

- 5.36 7% of households contain someone for whom the property causes difficulties. As with Angus as a whole, the main issues were problems with stairs, accounting for almost three-quarters of difficulties. Other issues were problems there not being a toilet upstairs, general mobility problems or other specific problems.
- 5.37 26% had some adaptation in their current property, with 6% having indoor handrails, 14% having outdoor handrails and 13% having an adapted bathroom. Other adaptations mentioned by a few respondents were external ramps and stair-lift.

- 5.38 4% of households receive help from someone outside the household, mainly in the form of housework. A further 4% felt they might benefit from this type of help, or additional help.

Neighbour Problems

- 5.39 3% of households in the Carnoustie, Monifieth and Sidlaws area experience serious neighbour problems.

Concealed Households

- 5.40 Just under 7% of households contain someone who would prefer to be living in alternative accommodation if that were possible. Almost all were a son or daughter and all were single people.

Homelessness

- 5.41 Around 200 homeless applicants in Angus were assessed as being homeless and in priority need⁴⁴. It is estimated that around one twentieth of these people presented in Carnoustie, Monifieth and Sidlaws. This means a further 15 households have to be added to the estimate of housing need in this area. This rises to 20 if non-priority homeless households are included.

⁴⁴ The total number of priority homeless was 268. This number has been adjusted downwards to 200 to take account of possible double-counting with the survey. An area breakdown of 2001/02 homelessness statistics is not available. The area proportions have been derived from area data presented in the Angus Homelessness Review.

Table 5.2		
Summary of needs estimates		
	% of households	Estimated no. of households +
Affordability problems	2.32%	249
Perceived affordability problems	1.74%	187
Lacks space	2.90%	311
Fails bedroom standard	1.16%	125
Poor heating	0.58%	62
Never/little warm	0.58%	62
Poor property condition	2.90%	311
Shared amenities	0.00%	0
Particular needs	6.95%	748
Particular needs – prefer alternative housing	1.74%	187
Neighbour problems	2.90%	311
Concealed households	6.37%	600
Failing bedroom standard (excluding concealed households)	1.16%	125
Homeless – total*	0.2%	20
Homeless – priority	0.1%	15
Source: Household Survey 2002 Except * Source: Scottish Executive/Angus Council + = ±1.1% to ±3.7% or 120 to 400 households		

The Need for Social Rented Housing

- 5.42 12% of households in the Carnoustie, Monifieth and Sidlaws HMA have some element of primary housing need, where alternative housing is required. That is an estimated **1,245** households.
- 5.43 The analysis of affordability among those with a need for additional housing used in the main report (Section 7) has been replicated for the HMA⁴⁵. This suggests that **170** households are concealed households likely to be social renters and **130** households are in need of alternative accommodation but could not afford a mortgage.
- 5.44 This suggests that an estimated **300** households are in need of social housing in Carnoustie, Monifieth and Sidlaws. To this we must add the **15-20** homeless households, giving an estimated total need of **315-320**. The confidence intervals attached to the HMA data are ±2.4% (260) so these estimates should be interpreted with caution.

⁴⁵ See Section 1 for details of the assumptions made in the analysis.

- 5.45 There are likely to be around 110 council lets over the next two years (based on the number of lets to the active list in 2001/02) in the Carnoustie, Monifieth and Sidlaws area, considerably lower than the level of those in need (315-320).

ANNUALISED NEEDS ESTIMATES

- 5.46 An alternative comparison of needs and supply is to consider the overall estimate of needs and supply on an annual basis for the next five years. Needs are separated into the backlog of need⁴⁶ and emerging needs, then compared with the supply of social rented housing, from the council and RSL sectors.
- 5.47 Table 5.3 sets out the estimates. It shows that the existing backlog of need is around 130 households, of whom we might expect 25 to be housed each year. In addition, there are likely to be around 60 newly emerging households, 15 homeless households, 5 in-migrants and 25 existing households that have fallen into need, requiring housing each year. This gives a total of around 135 households in each of the next five years.
- 5.48 This compares to just under 70 lets from existing stock. Clearly, the supply of social rented housing is not sufficient to meet the level of need identified here. Further, in practice, as was noted in the main report, there are additional households on the waiting list who will also require housing over this period.

⁴⁶ The analysis in paragraphs 2.37 - 2.41 is based on meeting the backlog of need over the next two years. For the annualised figures, the backlog of need is assumed to be met over five years, considered by the DETR guidance to be a somewhat more realistic timeframe.

Table 5.3		
Alternative Estimate of Need - Annualised Level of Need for 5 Years – 2003-2008		
Carnoustie, Monifieth and Sidlaws		
Element	Number	
	Total	Annual
Need		
Backlog		
Backlog of need ¹	130	
Annual Equivalent (over 5 years)		26
New Need		
New Households ²		59
Non existing households in need (Homeless) ³		16
In-migrants		7
Households Falling into Need (20% backlog)		26
<i>Total</i>		<i>134</i>
Supply		
AC lets		54
RSL lets		14
RSL new build		0
<i>Total supply</i>		<i>68</i>
Balance	Excess need = 66	
<p>Note 1: The backlog of need is households who were assessed as being in housing need, who are not currently social renters and who could not afford a mortgage</p> <p>2: The survey found that 600 households contain a person/secondary household that wished its own accommodation in the next two years. Overall in Angus, around 29% of concealed households wish to become social renters: equivalent to 176 households. However, it likely that not all of these will wish to form an independent household over the two years. Others may join with another person to form a household or will join with an existing household. To take account of the fact that the actual number of emerging households is likely to be lower than that in the survey, we have assumed that one third of the 176 will emerge as independent households each year.</p> <p>3: Homeless is the number assessed as priority homeless, weighted to take account of possible double-counting with the survey</p> <p>4: This figure is based on the 2002/03 programme. The actual size and area distribution of the RSL development programme varies considerably year to year.</p>		

AFFORDABILITY, SOCIAL HOUSING NEED AND SOCIAL RENTING

Those Currently in Housing Need

- 5.49 The above table summarises the likely need for social rented housing. However, some of those that we have identified as in need of social rented housing may also feasibly access intermediate housing options such as Low Cost Home Ownership (LCHO) or shared ownership.

- 5.50 We have assumed that the likely ‘market’ for LCHO or other affordable housing solutions will be those currently in employment, who would be more likely to be able to secure mortgage finance. This said, of course, some households will be unable to secure a mortgage due to employment insecurity or other issues. Also, some of these household may choose not to use LCHO options for whatever reason.
- 5.51 This pool of potential users of LCHO or other affordable housing options would include those who have housing needs but are currently social renters and those who cannot afford a mortgage in the open market.
- 5.52 An estimated **70** of the 200 current social renters in need receive their main income from employment while **70** of 130 households who currently would not be able to afford a mortgage do (this latter 70 households is identified as part of the backlog of need for social rented housing, in Table 5.3).

Concealed Households

- 5.53 In addition, the concealed households which respondents said would not be likely to occupy social rented housing may be a potential market for intermediate or affordable housing options. Around 430 households are hoping to emerge into another tenure than social renting (or do not know), while around 290 are said to be likely to be owners. The latter figure is a realistic estimate, as almost half of those households formed in the last five years are owner occupiers.
- 5.54 Most of the concealed households not likely to move into social renting are employed sons or daughters of the main household. The majority of these households are employed and occupy owner occupation at the moment (mainly with parents). This suggests that a move may be feasible (i.e. they are not still at school and have a source of income and, possibly, parental support) but may or may not be affordable.
- 5.55 The incomes of newly-formed households Angus tend to be low, with just under a third of those in owner occupation/private renting having a monthly income of less than £1,000. We would expect to see similar incomes among our concealed households hoping to emerge in the near future. In fact, the proportion with an income of at of below this level might be higher, since their emergence has been constrained so far. However, for the purpose of analysis, we have assumed that just under a third of those likely to own (c. **90** or 31% of 600) will have an income of less than £1,000 a month.

- 5.56 An income of under £1,000 appears to be an important threshold for owner occupation, as the majority of households who say they are unlikely to move because they cannot afford to buy have a disposable monthly household income of under £1,000. These households would be able to purchase a property for less than £38,000 (assuming a 25-year mortgage and 6% interest rate). 2% of properties in the Greater Dundee area (from the survey) were valued at under £40,000 by residents in the household survey.
- 5.57 It would, therefore, be reasonable to assume that, given the local market, around a third of concealed households (c.90) likely to be owners may have some difficulties obtaining an affordable owner-occupied property, since we would expect this proportion of aspiring newly-formed households to have an income of less than £1,000. Affordable housing options may be attractive to this group.
- 5.58 There is also the remaining concealed households – an estimated 140 households where the respondent said the concealed household was neither likely to own nor be a social renter (or that they did not know). A proportion of these households may also be in the market for affordable housing locally, possibly after a period of private renting.

The Market for Affordable Housing

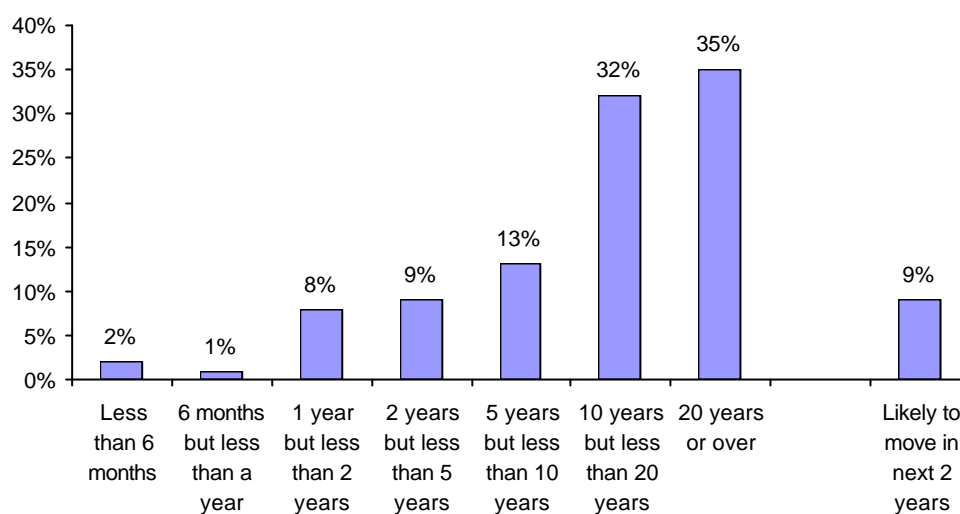
- 5.59 In summary, the market for LCHO or other affordable housing options might be:
- 70 of 130 households identified as in need of social rented housing
 - 70 social renters who receive their main income from employment
 - 90 concealed households who are likely to enter owner-occupation.
- 5.60 If these households were to be housed in the next five years, this would require 46 LCHO or affordable properties each year across the Carnoustie, Monifieth and Sidlaws area (with a confidence interval of ± 45). Of course, 14 of these would also replace those required by the households already included in the backlog of need for social rented housing (70 across 5 years=14 per year). Further, where existing social renters moved into LCHO, this will release housing to meet social housing need.
- 5.61 The number of households in social renting at the moment who might be in the market for LCHO or affordable housing may also be less than 70, as these households may exercise their right to buy their current property. This would have an impact on the supply of social rented housing.

- 5.62 Of course, these households are in housing need in their current property so exercising the right to buy may not resolve their housing need in the short or medium term. Any affordable homes that are purchased by current social renter households will also free up existing social rented accommodation.
- 5.63 Thus, the net addition to the need for affordable housing through LCHO or other initiatives is likely to be from concealed households mainly – an estimated backlog of 90 concealed households or 18 households each year.
- 5.64 It is important to note that the provision of additional affordable housing – either as social rented housing or intermediate or affordable housing options is a matter of policy choice. Resources expended on social rented housing could be used for other affordable housing options and vice versa but spending on one would preclude spending on the other.

DEMAND ISSUES

Moving Behaviour

- 5.65 11% of households have moved within the two years prior to the survey, while 9% say they are likely to move in the next two years (Figure 5.8). There is a very high level of stability in the area, with 67% of households having been resident for over 10 years.
- 5.66 Of the few people who had moved in the two years prior to the survey (15 people), almost two-thirds only considered moving to their current area. A range of other areas were considered, with some looking within the same housing market area, and other areas including Dundee and the outskirts of Dundee, or of wider afield. Around half had moved within the Carnoustie, Monifieth and Sidlaws area, with the remainder coming from mainly Dundee, with some from further afield. Just less than one in five households had been on the Angus Council waiting list before moving (despite only 4% occupying social renting at present).
- 5.67 Those likely to move in the future tend to plan a local move, with over three-quarters planning to stay in the current area (total likely movers = 18 respondents). Of the remainder, the wider HMA and adjacent parts of Dundee were being considered.
- 5.68 None of the tenants interviewed (a total of 7 tenants were interviewed in the survey) say they plan to buy through the Right-to-Buy in the future.

Figure 5.8: Length of residence

Base: 182

Source: Household Survey, 2002

Additions to the Housing Stock

- 5.69 There has been an average of around 65 new owner occupied dwellings completed in the Carnoustie, Monifieth and Sidlaws area over the last seven years. Overall, land identified for the next five years is sufficient to enable this level of development to continue.

Mortality Levels

- 5.70 Taking mortality into account would indicate that a further 230 owner occupied dwellings will become available over the next two years. We also assume, as in Angus as a whole, that 3% of owners will leave the area or the tenure (a total of 270 households).
- 5.71 Thus a total of around **630** owner occupied properties are likely to become available within the next two years in the Arbroath HMA (based on 65 new build per annum plus 230 from mortality and 270 from out-moves).

The Future Demand for Owner Occupation

- 5.72 If in-movement of owner occupiers to the area followed recent trends, 360⁴⁷ households would move to the area to own within the next two years. A further 120 non-owners would expect to buy in future, while 290 concealed households would enter owner occupation.
- 5.73 This is an estimated **770** new entrants to owner occupation, a higher number than the properties becoming available. However, total demand is likely to be lower than 770, as some concealed households will join to become newly formed couples, rather than single adult households. This suggests that demand and supply (assuming new build continues at least at past levels) will be broadly in balance.
- 5.74 Carnoustie, Monifieth and Sidlaws accounts for 26% of house sales in Angus. The total number of sales has risen over the period 1995-1999, from around 460 to around 560. Increases in sales are noted for both re-sales and new build⁴⁸. Rising prices and transactions of re-sales indicates continuing demand for owner occupation in the area.

Demand for Social Renting in the Carnoustie, Monifieth and Sidlaws area

- 5.75 Just 9% of the social rented stock is located in the area, of which only 10% is RSL housing (compared with 22% of all social rented stock). There is high demand for the housing in the area, with 6.8 applications for let made. This rises to 20 waiting list applications for every waiting list let made in the Monifieth housing management area.

LONG-TERM PROJECTIONS

- 5.76 Table 5.4 sets out the long-term projections for Carnoustie, Monifieth and Sidlaws⁴⁹. Focussing first on the Shift 1 scenario, which was considered the most likely at authority-wide level, the projections would suggest that owner occupation will increase by one percentage points over the 20 years, while social renting will decline by around the same amount, and private renting will very slightly.
- 5.77 The increase in owner occupation of 1,700 is slightly lower than we would expect were new build to continue at past levels and RTBs to continue at a reduced rate (c. 1,520 and 360 respectively).

⁴⁷ Based on Sasines data for in-movers between 1995 and 2000. 180 is the average per year across this period.

⁴⁸ Craigforth *Owner Occupied, Private Rented and RSL Markets*, Appendices

⁴⁹ Section 1 contains the approach used to produce the long-term projections.

- 5.78 The decline in social renting is substantially less than is indicated by trends in RTB sales, suggesting that RSL build would be required to meet demand for social rent.
- 5.79 The Shift 2 scenario projects an increase in owner occupation slightly above what we would expect from past trends. The decrease in social renting is slightly lower than RTBs.

	2002	2004	2006	2008	2010	2012	2017	2022	Change	% change
Base										
Owners	9.72	9.77	9.81	9.86	9.91	9.95	10.05	10.16	439	-1%
Social Rent	0.46	0.46	0.47	0.48	0.49	0.50	0.52	0.54	87	1%
Private Rent	0.48	0.56	0.57	0.58	0.58	0.59	0.61	0.62	143	1%
Other	0.13	0.08	0.08	0.09	0.09	0.10	0.11	0.12	-16	0%
Total	10.79	10.88	10.93	11.01	11.07	11.14	11.29	11.45		
Shift 1										
Owners	9.72	9.88	10.00	10.17	10.36	10.48	10.93	11.41	1685	1%
Social Rent	0.46	0.46	0.45	0.45	0.44	0.44	0.41	0.39	-70	-1%
Private Rent	0.48	0.49	0.50	0.50	0.51	0.52	0.53	0.54	64	0%
Other	0.13	0.12	0.12	0.12	0.12	0.12	0.13	0.13	-5	0%
Total	10.79	10.94	11.07	11.24	11.43	11.56	12.00	12.47		
Shift 2										
Owners	9.72	9.95	10.12	10.35	10.59	10.80	11.39	12.05	2330	2%
Social Rent	0.46	0.45	0.44	0.42	0.40	0.39	0.35	0.29	-161	-2%
Private Rent	0.48	0.49	0.50	0.50	0.51	0.52	0.53	0.54	64	0%
Other	0.13	0.12	0.12	0.12	0.12	0.12	0.13	0.13	-5	0%
Total	10.79	11.01	11.17	11.39	11.63	11.83	12.40	13.02		

KEY ISSUES FOR CARNOUSTIE, MONIFIETH AND SIDLAWS

- 5.80 There is evidence of continuing demand for owner occupied housing, with increasing numbers of re-sales and rising prices for re-sales. The demand and supply for owner occupation are likely to be broadly in balance.
- 5.81 Overall, owner occupier demand would appear to be fairly strong. There is substantial unmet demand for Council housing: the area has around 23% of all households in Angus but just 9% of the social housing stock. There are nearly seven applicants for every let made, with higher ratios applying in the Monifieth area.
- 5.82 Affordability problems are less prevalent among **current** residents in Carnoustie, Monifieth and Sidlaws, largely due to the relatively higher incomes of residents.
- 5.83 However, the overall level of housing need is substantially greater than the supply of social rented housing. As shown on the annualised needs projection, the very low level of social housing supply is likely to continue to impact on the ability to meet housing needs in the future.
- 5.84 Although current households less commonly experience affordability problems, there is a need for affordable housing options among those in housing need and concealed households, particularly due to the lack of supply of social rented housing.
- 5.85 We would estimate that around 46 households each year (those in need and low income concealed households) may be in the ‘market’ for LCHO or other affordable housing options over the next 5 years. However, allowing for the properties freed up by social renters, this could be a net need for affordable housing of just 18 each year – for the concealed households unlikely to be able to afford to purchase otherwise.
- 5.86 The potential supply of affordable housing in the Carnoustie, Monifieth and Sidlaws area is very low, with only 2% of properties estimated (from the household survey) to be worth under £40,000. This suggests that the potential supply of lower-value properties is unlikely to be able to meet emerging demand. As seen above, this is exacerbated by the limited supply of any ‘alternative’ social rented housing.