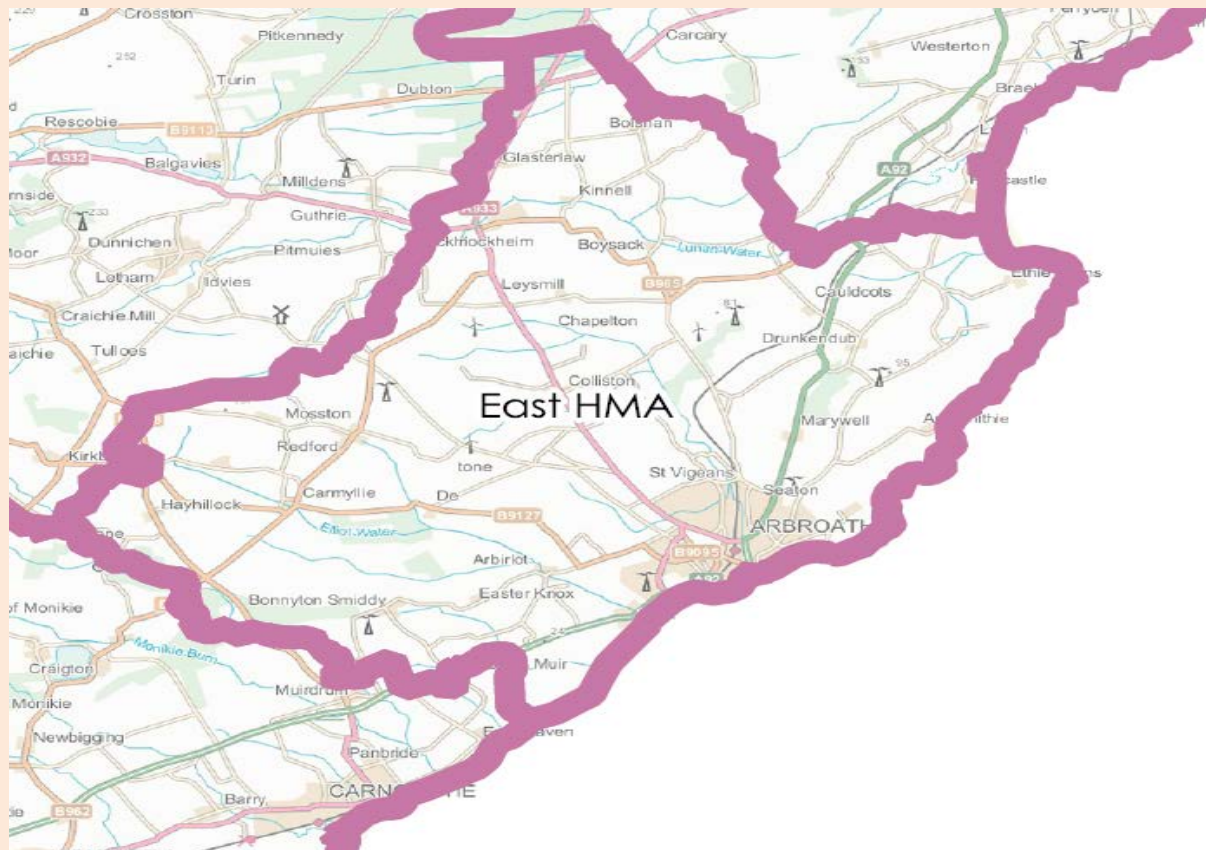


# Housing Market Area Profile

## East Housing Market Area



<b>Population</b>	31,902 (2017)
<b>Households Estimate</b>	13,345
<b>Dwellings</b>	13,902
<b>Housing Tenure</b>	
Owner-occupied	7946 (57%)
Social Rented	3901 (28%)
Private Rented	1644 (12%)
Vacant	411 (3%)
<b>Median House Price</b>	£110,000 (2016, CHMA)
<b>Median PRS Rent (2 bed)</b>	£540 per month (2017, BRMA) £488 per month (2017, Sector Analysis)
<b>Median Household Income Estimate</b>	£24,670 (2018)
<b>Housing Supply Target</b>	85 units per annum
Market Housing	51
Affordable Housing	34
Social Rent	25
Intermediate Tenures	9

## Demographics

The 'Angus Profile' highlights the differing projections between the latest sub-national population projections (2016) and the previous release (2012) which included sub-council area projections.

**The latest projections indicate overall population increase (+2.3%) and this will therefore likely be conveyed to East HMA population.**

Around 75%(24,000) of the East HMA population reside in the principle town of Arbroath, with the remainder residing in rural areas and the surrounding villages such as Inverkeillor.

**The shift will mean a population swing in East HMA of around 1500 from 800 depopulation, to a growth of 700, likely impacting across all age groups.**

2016 Sub-national Population Projections 2017 to 2037			
Area	2017	2037	% change
Angus	116,520	119,229	+2.3%
2012 Sub-council Area Population Projection			
Area	2017	2037	% change
Angus	116,441	115,327	-1%
East HMA	31,902(27%)	31,177	-2%
2016 Baseline Population Projections (2012 Baseline Population %age per HMA)			
	2017 estimate	2037 estimate	
Angus	116,520	119,229	
East HMA	31,460 (27%)	32,192 (27%)	

2012 Sub-council Population Projections 2017 - 2037			
Area	2017	2037	% change
East HMA	31,902	31,177	-2%
Arbroath East & Lunan	15,772	17,169	+9%
Arbroath West & Letham	16,130	14,007	-13%
Angus	116,441	115,327	-1%
Age Group	East HMA	Arbroath East & Lunan	Arbroath West & Letham
Children (0-15yrs)	-8%	+3%	-21%
16 to 25	-18%	-7%	-30%
26 to 35	-13%	+2%	-31%
36 to 45	-6%	+21%	-10%
46 to 55	-20%	-5%	-33%
56 to 64	-16%	-6%	-26%
65 to 74	+8%	+14%	+4%
Over 75s	+62%	+73%	+55%
<b>All</b>	<b>-2%</b>	<b>+9%</b>	<b>-13%</b>

2012 projections indicated a **2% reduction in East HMA population**, with Arbroath West & Letham experiencing large reductions (-13% overall) across most age groups, whilst Arbroath East & Lunan would see large increases (+9%).

The 2016 projections will impact local level estimates and it is likely that depopulation will not be as severe resulting in the overall shift from depopulation to growth.

**Both areas will see large increases in those aged over 65, particularly in Arbroath East & Lunan.**

**By 2037 there is projected to be around 2295 more people aged over 65 – by 2025 there will be around 900 more, meaning the provision of housing suitable for older people is an immediate issue.**

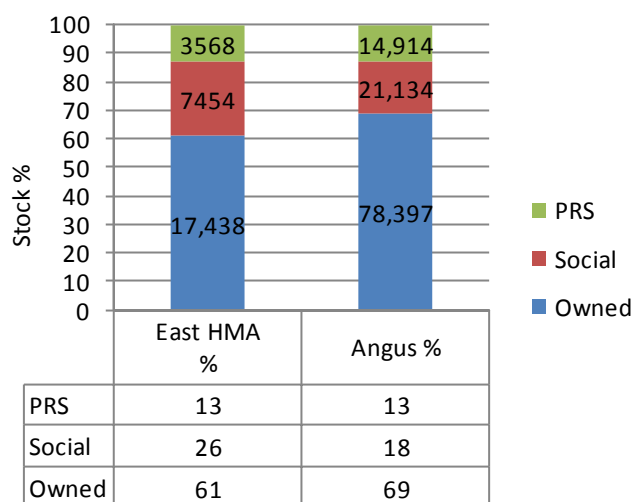
**Census data (2011) shows East HMA has a lesser proportion of people living in owner-occupied properties (61%) compared to Angus (69%).**

**Just over a quarter of East HMA residents live in social housing (the largest %age per HMA) in comparison to just under a fifth Angus-wide.**

**The greater reliance on social housing tenure in East HMA outlines the importance of affordability and suggests that private sector options may be limited, whether due to under-supply or individual financial constraints.**

**Population growth will likely mean the continuing requirement for additional social sector supply, particularly for those aged over 65.**

Population by Tenure, East HMA Vs Angus



## Households

<p><b>Estimated 13,345 households in East HMA, representing 25% of Angus total (53,045)</b> This is <b>projected to increase by almost 4% (517 more households) by 2038</b>, with similar increases across each of the HMAs and the whole of Angus.</p>		<p><b>Angus Household Composition Projections</b></p> <p><b>+14% (2600) in single adult households</b> <b>+16% (500) in 1 adult &amp; 1 or more children</b> <b>-25% (1000) in 3 or more adult</b> <b>-16% (1600) in 2 or more adults with 1 or more children</b></p>						
<p>Household size projections (2014) indicate an increase in demand for smaller sized properties (1 &amp; 2 person).</p> <p><b>Angus Household Size (Change) 2014 to 2039</b></p> <table border="1"> <tr> <td>1 person</td> <td>23% increase</td> </tr> <tr> <td>2 person</td> <td>11% increase</td> </tr> <tr> <td>3 person</td> <td>8% decrease</td> </tr> </table>	1 person	23% increase	2 person	11% increase	3 person	8% decrease	<p>Household size and composition projections are only available Angus-wide, but with an increasing population and number of households at local level, it is a likely assumption that projected changes in household characteristics will be proportionately experienced in East HMA.</p>	
1 person	23% increase							
2 person	11% increase							
3 person	8% decrease							
<p>The considerable increase in population of those aged over 65 plays a significant role in the increase in smaller sized households, as older people seek more manageable properties suited to their needs.</p> <p>Projected changes in household composition will see an estimated <b>net increase of 500 households with 'single adult' head of house.</b></p> <p><b>Both the ageing population and changing dynamics of family structures will reshape housing demand toward smaller household sizes.</b></p>								

<p><b>Arbroath Locality (2011 Census)</b></p> <p>69% of all households require 1 or 2 bedrooms, but 1 and 2 bedroom properties only account for 50% of occupied housing stock.</p> <p><b>The projected increase in 1 and 2 person households will put further pressure on smaller housing stock across all tenures, particularly the households where housing choices are restricted due to financial constraints.</b></p>
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## Deprivation

<p>Based on the top 10 most deprived data zones in Angus, there are <b>4 zones in East HMA</b> that feature regularly in deprivation domains.</p>		<p><b>Income and employment deprivation are key drivers in housing choice.</b></p> <p>Arbroath's high ranking in both domains highlights that, due to financial constraints, a large proportion of the local population face restricted housing choice other than the social sector.</p>
Deprivation Domain	East HMA Data Zone	
Housing	Cliffburn, Wardykes, Harbour	
Income	Wardykes, Cliffburn, Kirkton, Harbour	
Employment	Harbour, Wardykes, Kirkton, Cliffburn	

## Income Estimates

Income Estimates, 2018	East	North	South	West	Angus
Lower	<b>£14,223</b>	£14,206	£18,654	£15,505	£15,672
Median	<b>£24,670</b>	£25,198	£33,409	£28,519	£28,739
Upper	<b>£44,834</b>	£44,996	£49,101	£46,961	£48,846

<p>The East HMA has the lowest household incomes across the region, with a median income some 14% (£4069) less than the Angus median, and 35% (£8739) less than the South HMA.</p> <p><b>The income disparities in the East HMA highlight the difficulties faced by low to median income households where less disposable income directly impacts housing affordability and choice.</b></p>	<p><i>The HMA income estimates have been calculated using the Heriot-Watt University local level household income mode (SAIE 2014), applying the same annual interest.</i></p> <p><i>Angus income estimates have been calculated using CACI (2013) as baseline, applying a modest 2% annual increase, resulting in current estimates.</i></p>
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## Stock Profile

There are approximately 13,900 properties within East HMA, around 25% of Angus stock.

Private sector stock accounts for around 72% (10,000) of dwellings, with the remaining 28% (3900) social sector.

The volume of social sector stock is the highest across each of the HMAs and greater than that across Angus.

Area	Owner-occupied	Private rented	Social Sector	Vacant Private Sector	Total
East HMA	7946 (57%)	1644 (12%)	3901 (28%)	411 (3%)	13,902
Angus Total	34,719 (64%)	7185 (13%)	11,133 (20%)	1802 (3%)	54,839

The stock percentages highlight the difference between regional and HMA level where proportionately the East HMA, with a quarter of all housing stock and home to just over a quarter of the population, has less owner-occupied stock and more social sector homes.

## Social Stock

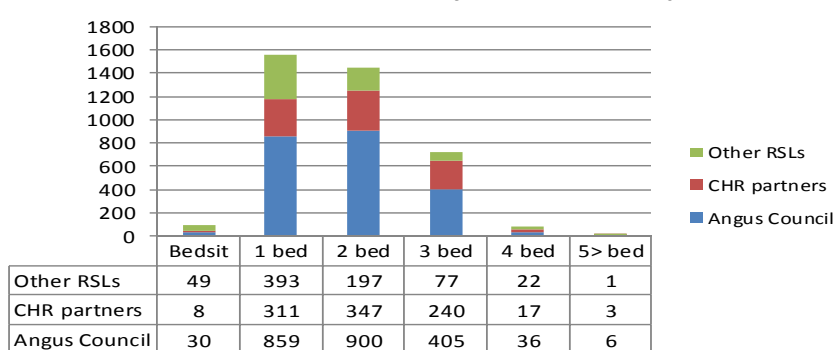
29% (2236) of Angus Council stock and 35% of the total social stock (3901) is located in East HMA.

77% of all stock is 1 or 2 bed.

The Council provide around 57% (2236) of East HMA social stock, compared to around 75% across other HMAs.

Higher than average RSL provision (1665) in East HMA.

East HMA - Social Stock by Size & Ownership



717 (9%) of all Council stock is specialist housing, with 623 retirement/sheltered units and 94 supported accommodation.

East HMA is home to 126 (17%) of these units, representing just 5% of the Council's East HMA stock.

RSL partners provide 57 specialist units in East HMA.

A high demand for social housing and ageing population will put further strain on existing East HMA specialist stock.

## Council Tenant Profile

Just over 500 (25%) of East HMA Council tenants are aged over 65, and 15% are aged 55 to 64yrs.

This means around 2 in every 5 East HMA council tenants are aged over 55.

This is a similar pattern across each HMA with the exception of South, where over 55s account for over half of tenancies.

If population projections materialise and are proportionately conveyed to current tenant profiles, it will mean that around 1 in 2 tenants will be aged 55 or over and this change will emerge from approximately mid-2020s as more older people make the natural transition through the age groups.

Age Group	East HMA	Angus
0-15	0	1
16-24	143	428
25-34	338	1156
35-44	356	1170
45-54	379	1273
55-64	314	1088
65-74	220	901
75+	286	1177
Unknown	14	117
<b>Total</b>	<b>2050</b>	<b>7311</b>

## Common Housing Register (CHR)

	1 bed	2 bed	3 bed	4 or more bed	East HMA	Angus
Waiting List Numbers	669	164	101	43	<u>977</u>	2907
Turnover (2017)	94	67	16	1	<u>178</u>	732
Pressure Status	7:1	2:1	6:1	43:1	<u>5:1</u>	3:1

34% of CHR applicants seek accommodation in East HMA.  
68% seek a 1 bedroom property  
17% seek a 2 bedroom property.  
East HMA turnover is proportionately less than that of Angus

Turnover for 2 bedroom properties is least pressured, with just over 2 applicants for every property.  
In stark contrast to 1 bedroom properties where there are 7 applicants for every 1 bedroom property that becomes available.

Supply will be further strained, particularly for smaller households, should projected household changes materialise

## CHR Applicant Profiling

In 2017/18 around 42% (720) of all active applications (1713) sought accommodation in East HMA, and around **80% (577) of these were working age.**

### 2016/17 to 2017/18:

Working age applications increased 10%, whilst applications from Over 55s increased 24%

	Working Age		Over 55s	
Year	2016/17	2017/18	2016/17	2017/18
East HMA	<u>520</u>	<u>577</u>	<u>115</u>	<u>143</u>
Angus	1170	1279	351	434

### Under 55s, 577 applications in 2017/18

- 6% (37) had medical needs with 27% (10) residing in the private sector
- 17% (99) resided in private sector, with 85% (84) from private rented sector
- 17% (97) resided in inadequate accommodation, with 18 of these from the private sector

### Over 55s, 143 applications in 2017/18

- 24% (35) had medical needs, with 40% (14) residing in the private sector
- 35% (50) resided in the private sector.
- 22% (32) resided in inadequate accommodation, with 53% (17) of these residing in the private sector

The volume and reason for application outlines the need for additional properties in East HMA, specifically particular needs housing for older people.

Around 20% of over 55 applicants resided in the private sector and were required to move due to medical or inadequate accommodation needs.

## Anticipated Need for Supported Housing

Anticipated Need for Supported Tenancies to 2021 (East HMA)	As %age of anticipated need across Angus	Number of supported accommodation units (East HMA)	As %age of all supported accommodation stock across Angus
15	28%	16	14%

Anticipated need in the East is the 2<sup>nd</sup> highest across the HMAs, yet stock levels are the lowest across the four HMAs.

The anticipated need-to-supply ratio does not take account of current usage and therefore suggests there will be an under provision of suitable stock in East HMA.

## Particular Housing Need

368 (37%) of East HMA CHR applicants (977) require a specialist housing solution to cater for their age, medical, disability or support needs.

**Almost half of these require housing solely for age-related reasons.**

East HMA				
Over 65s	Medical Needs	Disability Needs	Support Needs	Total Specialist Need
176	113	73	6	<u>368</u>

**If population age group projections materialise (East HMA over 65s increase 32% by 2037) there will likely be additional specialist housing need, further straining supply and pressure status for smaller households.**

A proportion of the need will be met from existing stock turnover or redevelopment, and the need will also be used to inform investment decisions in the SHIP.

**Through the LHS, the Council has committed to deliver 20% of new affordable housing to meet particular needs, with an anticipated 47 units for delivery in East HMA over the period to 2023.**

## Private Rented Sector

**There are around 7200 PRS properties in Angus (2017), increasing 50% since 2010. East HMA experienced a 48% increase over the period 2010 to 2015, surpassed only by North HMA (87% increase).**

From 2015 to 2017 there has been a steady 4% annual increase in the total number of Angus PRS properties.

**Conveyed to HMA level, in 2018 there would be an estimated 1805 East HMA PRS properties.**

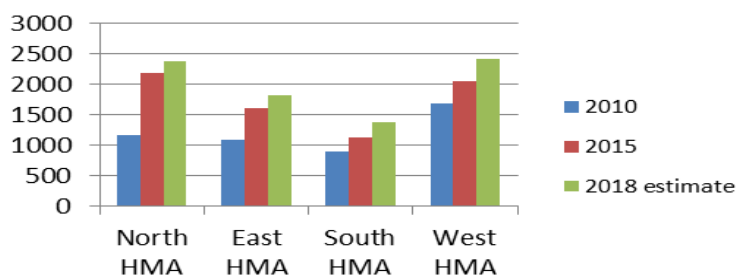
**The East has the largest HMA population but the 3<sup>rd</sup> largest number of PRS properties.**

### East HMA – Number of Registered PRS Properties

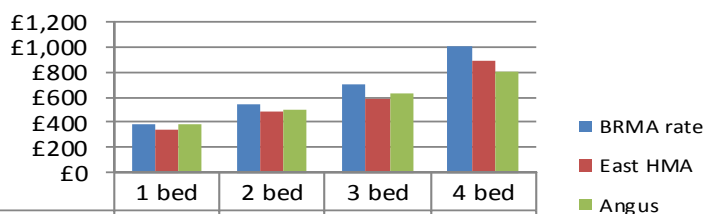
2010	2015	2018 estimate
1082	1605	1805

48% increase 2010 to 2015

### Registered PRS Properties, per HMA



### East HMA - BRMA Rents Vs Advertised Properties



BRMA rate	£385	£540	£700	£1,000
East HMA	£348	£488	£590	895
Angus	£382	£501	£631	£797

Analysis of local PRS properties shows that **properties in East HMA are commanding less rent than BRMA profiling** (which takes a snapshot of Dundee & Angus private rents) and Angus-wide rents.

**1 & 2 bedroom properties command 9% less rent than the BRMA equivalent.**

Source: Zoopla (2017)

BRMA data highlights that between 2010 and 2017, rent for a median priced 2 bedroom property has increased 12.5% (approximately 1.8% per annum).

The table below highlights that for **median income East HMA households**, the private rented sector is **only affordable if properties are let at a rate less than the BRMA rate, at around £514 per month for a 2 bedroom property.**

Rent, per month (2 bed property)	Income Requirement (based on 4 x annual rent charge)	Median Income Level		Affordability calculated as 25% spend of gross annual income.  East HMA median earners affordable rent: <b>£24,670 ÷ 4 ÷ 12 = £514 per month</b>
<b>£540</b> (BRMA rate)	<b>£25,920</b> (£540 x 12 x 4)	East	<b>£24,670</b>	
<b>£488</b> (Market Analysis – advertised properties)	<b>£23,424</b> (£488 x 12 x 4)	North	£25,198	
		South	£33,409	
		West	£28,519	

For East HMA **Lower Quartile Income Households** the PRS is **unaffordable** with a **monthly shortfall of £192 when spending 25% of income on rent**. The average 2 bed property would require income spend of 41%.

**This means that for many low income households, the social sector is the only viable housing tenure.**

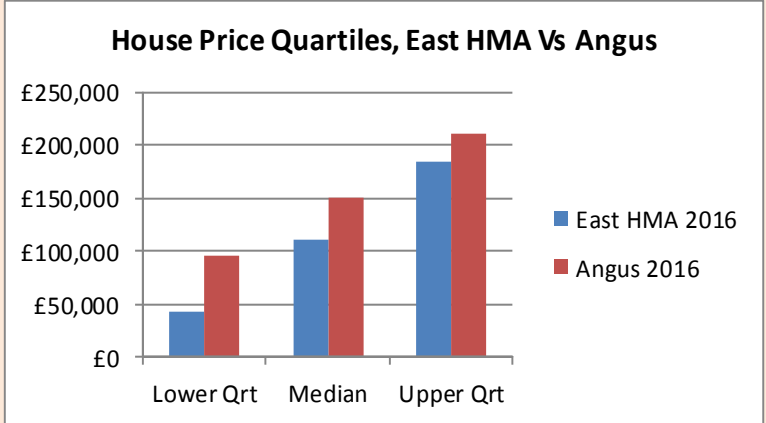
Lower Quartile Income	Affordable Rent (25% of annual income)	Median Rent	Shortfall (per month)
£14,223	£296	2 bed £488	<b>£192</b>
		1 bed £348	<b>£52</b>

### Owner-occupied

The sector accounts for 57% of all East HMA stock, the lowest per HMA. In 2016, the median house price sale value was **£110,000** (CHMA 2016), around **26% less than the Angus median**.

*The East HMA upper quartile house price was around 13% less, and the lower quartile around 52% less in comparison to Angus prices.*

The high income and employment deprivation in Arbroath is likely to have a strong influence over house prices.



**To afford a mid-priced home in East HMA, buyers would require an income of £27,500**

**The median income for East HMA is £24,670, meaning a mid-priced home would be unaffordable for the average East HMA household**

	Median House Price	Income Requirement
Angus	<b>£150,000</b>	<b>£37,500</b>
East HMA	<b>£110,000</b>	<b>£27,500</b>

(required income equivalence of: 4 x income spend / 3.2 x income plus 20% deposit – CHMA, 2014)

For those with home ownership aspirations, the East HMA offers greater opportunity in terms of affordability in comparison to the rest of Angus, second only to West HMA.

**The projected increase in smaller household sizes (single adults and single adults with children) may impact mortgage capabilities and, for low income households, home ownership will become even more unachievable.**

**For low earners in East HMA, the situation is stark with above average instances of income and employment deprivation meaning the only financially viable housing option is social rented sector, where demand is high and the pressure status is higher than the Angus average.**

### Intermediate Tenures

Survey results for Mid-Market Rent/Shared Equity. We found that for respondents in East HMA:

- Around 70% would consider MMR, whilst 65% would consider Shared Equity
- 94% said they would consider the products in developments containing social housing
- Safe and secure areas were most important to them in terms of location, along with proximity to schools and family/friends
- The most important features are the number of bedrooms for current need; a private garden, and car parking space
- 94% would pay MMR for refurbished social housing properties, but 100% said it should be of better quality than social housing
- Almost 50% said they would be willing to move to another town to access the products, and 90% said they would move to another area in their current town

**Feedback for both products was positive however affordability is still the key issue for many households.**

## Estimated Housing Need & Demand

### Housing Supply Target (HST)

TayPlan SDP (2016) sets a HST of 3720 new homes in Angus for the period 2016 to 2028, equating to **310 new homes per annum**. The LHS provides a consistent HST and examines potential delivery in greater detail, presenting types of affordable housing.

Housing Supply Target	East HMA	Angus
Market	<u>51</u>	186
Affordable	<u>34</u>	124
(Social Rent)	<u>(25)</u>	(92)
(Intermediate Tenures)	<u>(9)</u>	(32)
Total	<u>85</u>	310

**The East HMA HST has been set at an average of 85 new homes per annum, of which 34 will be affordable tenure.**

Affordable tenure is further broken down to guide delivery, outlining requirements for **social rent** and **intermediate tenures** (mid-market rent, low cost home ownership). In line with HNDA findings, **25% of the affordable HST will be intermediate tenures.**

### Affordable Housing Delivery and Investment

**The Council's Affordable Housing Policy (AHP) seeks a 25% contribution from new developments of 10 or more residential units or where the site area is equal to or exceeds 0.5ha.**

The Housing Land Audit (2018) provides factual statement of land supply and potential output in East HMA, informing the land requirement to deliver the Housing Supply Target (HST):

Yr	2018/19	2019/20	2020/21	2021/22	2022/23	2018 to 2023	Later Years
East HMA Potential Output (Units)	127	136	134	121	118	636	204

**Not all of these sites will contain 10 or more units or exceed 0.5ha however as an indication of output, applying the AHP, this equates to the maximum potential delivery of 127 (25 per annum) affordable units in East HMA over the period 2018 to 2023.**

The current Strategic Housing Investment Plan (2018/19 to 22/23) specifies the delivery of 311 affordable units in East HMA over a 5 year period:

East HMA Site	Ownership	Delivery	Affordable Units
Fergus Square	Private	RSL	4
Abbey Quarter	Council	Angus Council	40
Cliffburn	Council	Angus Council	8
Timmergreens	Council	Angus Council	124
East Muirlands	Private	Angus HA	71
Lochlands Drive	Council	Angus Council	8
Little Cairnie	Private	Hillcrest HA	10
Wardmill Road	Private	Angus HA	12
Baltic Mill	Private	Hillcrest	24
Railwayfield, Inverkielor	Private	Angus HA	10
		<u>Total</u>	<u>311</u>

**180 units (60%) in the delivery programme will be delivered out-with the Affordable Housing Policy, provided directly by Angus Council on sites they own.**

**The remaining 131 units are to be provided by RSLs on privately owned sites in partnership with private developers.**

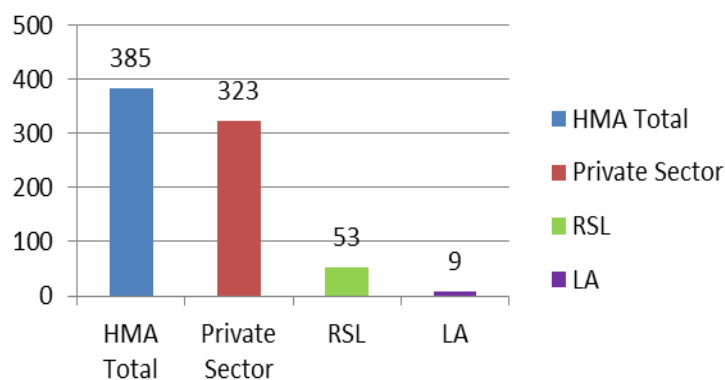
**Equating to 60 units per annum, Council and RSL development will make a significant contribution to the delivery of affordable housing and the affordable HST**

**The Councils' own delivery programme equates to the provision of 36 units per annum.**

**50 units within the Council programme (180) are to be provided for particular needs, surpassing the designated target (20%). Only 9 (7%) units from the RSL programme (131) will be for particular needs.**



### East HMA - New Supply Completions 2012/13 to 2017/18



### New Supply 2012/13 to 2017/18

There have been 62 affordable units delivered in East HMA over the past 5 years, equating to 22% of all new affordable supply.

	East HMA	Angus	As %age of Total
Private Sector	323	1131	28%
RSL	53	173	30%
Angus Council	9	113	8%
(Affordable Units)	(62)	(286)	(22%)
<b>Total</b>	<b>385</b>	<b>1417</b>	<b>27%</b>

Previous delivery programmes have been weighted toward other HMAs, with a majority of affordable completions in South and North HMAs.

Increased funding has enabled a more ambitious delivery programme with focus shifted toward East HMA where site regeneration (Timmergreens) will make a significant contribution to outputs.

Although projected delivery (60 per annum) surpasses the average annual affordable HST (34), the programme is short-term covering the next 5 years and merits justification from the fact that previous delivery programmes and future longer-term targets may not be achieved.

### Land Valuation & Commuted Sums

Land valuations are undertaken by an independent valuer and provided for the period July to June (exclusive of VAT)

Date of publication June 2018

Housing Market Area (HMA)	Value for Private Sale (£)			Value for Social Rent (£)	Commuted Payment (£)
	Range <	Range >	Typical		
North	£23,000	£29,000	£26,000	£1,000	£25,000
East	£23,000	£29,000	£26,000	£1,000	£25,000
South	£26,000	£32,000	£29,000	£1,000	£28,000
West	£23,000	£29,000	£26,000	£1,000	£25,000

The **valuation for private sale** (unrestricted plots for private sale) is informed from analysis of land sales in Angus over the 6 month period prior to publication.

The **valuation for social rent accommodation** is formed from a residual assessment where the costs of the development are deducted from the value of the completed scheme (calculated rental income over 30 years plus housing grant).

**Commuted sums** are the additional amount a housing association or local authority would have to pay over and above the affordable housing land value (social rent valuation) to obtain an alternative (private) site.

For more information visit - [https://www.angus.gov.uk/housing/information\\_for\\_developers/commuted\\_sums](https://www.angus.gov.uk/housing/information_for_developers/commuted_sums)