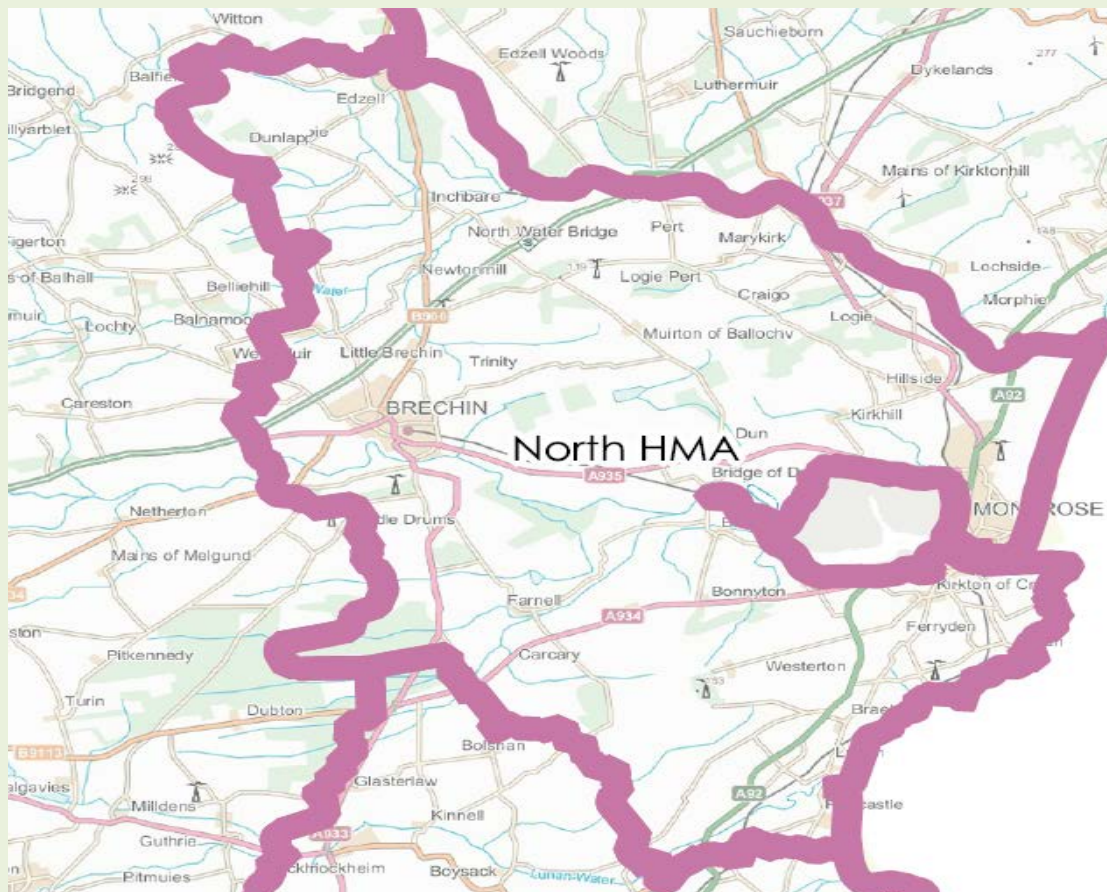


# Housing Market Area Profile

## North Housing Market Area



<b>Population</b>	<b>28,613 (2017)</b>
<b>Households Estimate</b>	<b>12,417</b>
<b>Dwellings</b>	<b>13,199</b>
<b>Housing Tenure</b>	
<b>Owner-occupied</b>	<b>7410 (56%)</b>
<b>Social Rented</b>	<b>3059 (24%)</b>
<b>Private Rented</b>	<b>2210 (17%)</b>
<b>Vacant</b>	<b>520 (3%)</b>
<b>Median House Price</b>	<b>£135,500 (2016, CHMA)</b>
<b>Median PRS Rent (2 bed)</b>	<b>£540 per month (BRMA, 2017)</b> <b>£456 per month (Sector Analysis, 2017)</b>
<b>Median Household Income Estimate</b>	<b>£25,198 (2018)</b>
<b>Housing Supply Target</b>	<b>75 units per annum</b>
<b>Market Housing</b>	<b>45</b>
<b>Affordable Housing</b>	<b>30</b>
<b>Social Rent</b>	<b>22</b>
<b>Intermediate Tenures</b>	<b>8</b>

## Population

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 North HMA population, where there was already anticipated to be notable population increase.**

Around 90% (26,000) of the North HMA population reside in the principle towns of Brechin and Montrose. The remaining population reside in rural areas and the surrounding villages such as Edzell.

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%
North HMA	28,613(25%)	30,293	+6%
2016 Baseline Population Projections (2012 Baseline Population %age per HMA)			
	2017 estimate	2037 estimate	
Angus	116,520	119,229	
North HMA	29,130 (25%)	29,807 (25%)	

2012 Sub-council Population Projections 2017 - 2037			
Area	2017	2037	% change
North HMA	28,613	30,293	+6%
Brechin & Edzell	12,321	12,824	+4%
Montrose & District	16,292	17,469	+7%
Angus	116,441	115,327	-1%
Age Group	North HMA	Brechin & Edzell	Montrose & District
Children (0-15 yrs)	+10%	+9%	+10%
16 to 25	-10%	-19%	-2%
26 to 35	-1%	-3%	-1%
36 to 45	+12%	+27%	+2%
46 to 55	-17%	-18%	-17%
56 to 64	-9%	-18%	-3%
65 to 74	+14%	+13%	+15%
Over 75s	+64%	+57%	+69%
All	+6%	+4%	+7%

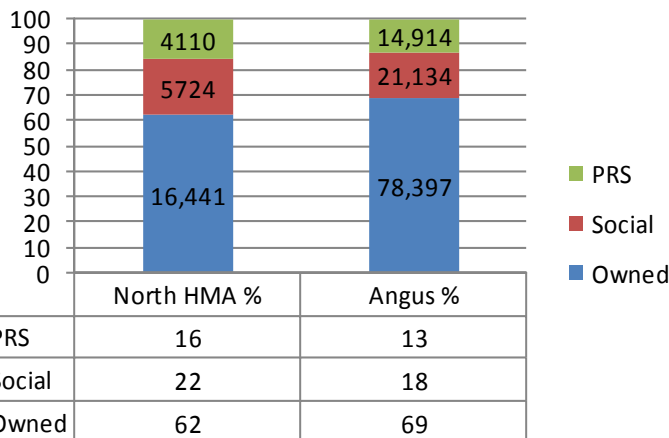
2012 projections indicated a **6% increase in North HMA population**, with Montrose & District experiencing increases across most age groups, whilst Brechin & Edzell would also see overall increase, there were notable reductions in age groups 16-25 and 46-64 year olds.

The 2016 projections will impact local level estimates and it is likely that the anticipated population increases will not be as severe resulting in a less significant growth.

**Both areas will see a similar percentage increase in the number of children and those aged over 65.**

**By 2037 there is projected to be around 2300 more people over the age of 65 in North HMA – by 2025 there will be around 900 more people, meaning the provision of housing suitable for older people is an immediate issue.**

Population by Tenure, North HMA Vs Angus



2011 Census data highlights that a lesser proportion of people in the North HMA reside in owner-occupied properties (62%) in comparison to the whole of Angus (69%).

**The social rented sector accommodates just over a fifth of the population**, which is higher than the Angus average, outlining the importance of affordability and suggesting that private sector options may be limited. **A larger proportion of the population reside in the PRS in comparison to Angus.** Often attributed to the areas oil trade links, the North HMA has the largest PRS sector per HMA.

## Households

<p>Estimated 12,417 households in North HMA, representing 23% of Angus total (53,045)          Projected to increase 4% (almost 500 more households) by 2038.          Estimated 700 more people, and almost 500 new households by 2038.</p>		<p><b>Angus Household Composition Projections</b></p> <p>+14% (2600) in single adult households</p> <p>+16% (500) in 1 adult &amp; 1 or more children</p> <p>-25% (1000) in 3 or more adult</p> <p>-16% (1600) in 2 or more adults with 1 or more children</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="0"> <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 North HMA.</p>	
1 person	23% increase							
2 person	11% increase							
3 person	8% decrease							
<p>The increase in the number of smaller households will mean an increase in demand for smaller properties (1 &amp; 2 bedroom).</p> <p>The ageing population will play a significant role as more older people seek more manageable properties suited to their needs.</p> <p><b>Brechin &amp; Montrose Locality (2011 Census)</b>          73% of households require 1 or 2 bedrooms, but 1 and 2 bedroom properties only account for around 50% of occupied housing stock.</p> <p>The projected increase in 1 and 2 person households will put further pressure on smaller housing stock across all tenures, particularly for households where choice is restricted by financial constraints.</p>								

## Deprivation

<p>Based on the top 10 most deprived data zones in Angus, 2 North HMA zones feature regularly in the deprivation domains for Housing, Income and Employment.</p> <p>Income and employment deprivation are key drivers in housing choice where, due to financial constraints, people face restricted housing choice other than the more affordable social sector.</p>	<b>Deprivation Domain</b>	<b>North HMA Data Zone</b>
	Housing	Montrose South, Brechin East
	Income	Brechin East
	Employment	Brechin East, Montrose South

## Income Estimates

Income Estimates, 2018	North	East	South	West	Angus	<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>
Lower	<u>£14,206</u>	<u>£14,223</u>	<u>£18,654</u>	<u>£15,505</u>	<u>£15,672</u>	
Median	<u>£25,198</u>	<u>£24,670</u>	<u>£33,409</u>	<u>£28,519</u>	<u>£28,739</u>	
Upper	<u>£44,996</u>	<u>£44,834</u>	<u>£49,101</u>	<u>£46,961</u>	<u>£48,846</u>	
<p>The North HMA has the second lowest median household income across the region, behind East HMA.</p> <p>The median income is almost 12% (£3541) less than the Angus median, and 8% (£3850) less than the Angus Upper Quartile.</p> <p>The North also has the lowest 'lower quartile' income across Angus, around 9% (£1400) less than the Angus estimate.</p>						
<p>The income disparities highlight the difficulties faced by low to median income households in North HMA, where less disposable income will directly affect housing choice and affordability, illustrating why high proportions of the local population reside in social rented properties.</p>						

## Stock Profile

There are approximately 13,199 properties in North HMA, around 24% of Angus stock. Private sector stock accounts for around 76% (10,140) of dwellings, with the remaining 24% social sector.

Area	Owner-occupied	Private Rented Sector	Social Sector	Vacant Private Sector	Total
<b>North HMA</b>	<u>7410(56%)</u>	<u>2210(17%)</u>	<u>3059(24%)</u>	<u>520(3%)</u>	<u>13,199</u>
<b>Angus Total</b>	34,719(64%)	7185(13%)	11,133(20%)	1802(3%)	54,839

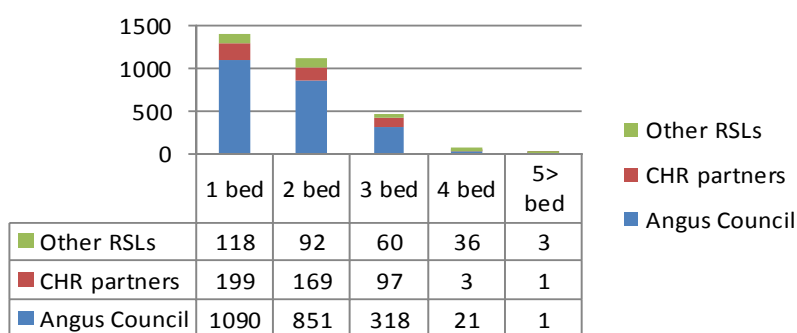
The stock percentages highlight the difference between regional and HMA level where proportionately owner-occupation in the North HMA is significantly less than at regional level, whilst the private rented sector is the largest per HMA, and social sector homes account for a larger stock percentage.

## Social Stock

29% (2281) of Council stock and 27% (3059) of all social stock is located in North HMA. 82% of all stock is 1 or 2 bed.

The Council provide around 74% (2281) of North HMA social stock, 15% (469) by CHR partners, and the remaining 11% (309) by other RSLs.

North HMA - Social Stock by Size and Ownership



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

North HMA is home to 279 (39%) of these units, representing around 12% of the Council's North HMA stock.

CHR partners provide 140 specialist units in the North HMA.

The North HMA is expected to see the 2<sup>nd</sup> largest population increase per HMA for over 65s, meaning further strain on existing North HMA specialist stock.

## Council Tenant Profile

Around 643 (29%) of North HMA Council tenants are aged over 65 – slightly above the Angus average (28%) and the 2<sup>nd</sup> highest per HMA, behind the South (38%).

Around 15% of tenants are aged 55 to 64, meaning that around 44% of all North HMA tenants are aged over 55.

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	North HMA	Angus
<u>0-15</u>	0	<u>1</u>
<u>16-24</u>	150	<u>428</u>
<u>25-34</u>	352	<u>1156</u>
<u>35-44</u>	350	<u>1170</u>
<u>45-54</u>	380	<u>1273</u>
<u>55-64</u>	329	<u>1088</u>
<u>65-74</u>	284	<u>901</u>
<u>75+</u>	359	<u>1177</u>
<u>Unknown</u>	4	<u>117</u>
<b>Total</b>	<b>2208</b>	<b>7311</b>

### Common Housing Register (CHR)

	1 bed	2 bed	3 bed	4 or more bed	North HMA	Angus	
Waiting List Numbers	416	102	59	18	<u>595</u>	2700	<p>22% (595) of CHR applicants seek accommodation in North HMA.</p> <p>69% (416) seek a 1 bed property 17% (102) seek a 2 bed property</p> <p>Turnover is the least pressured in comparison to the other HMAs, with an average of 2 applicants for every property.</p>
Turnover (2017)	156	66	25	3	<u>250</u>	732	
Pressure Status	3:1	2:1	3:1	6:1	<u>2:1</u>	3:1	

Turnover for 2 bedroom properties is least pressured, as are 1 and 3 bed properties. However, should projected household changes materialise the demand for smaller properties will increase.

### CHR Applicant Profiling

<p>In 2017/18 around 21% (368) of all active applications (1713) sought accommodation in North HMA, and around <b>76% (279) of these were working age.</b></p> <p><b>2016/17 to 2017/18:</b> Working age applications increased marginally, whilst applications from Over 55s increased 11%</p>	<b>Working Age</b>		<b>Over 55s</b>		
	<b>Year</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>North HMA</b>	<u>272</u>	<u>279</u>	<u>79</u>	<u>89</u>
	<b>Angus</b>	1170	1279	351	434
<p><b>Under 55s, 279 applications in 2017/18:</b></p> <ul style="list-style-type: none"> <li>7% (19) had medical needs with 15% (3) residing in the private sector</li> <li>25% (71) of all applicants resided in private sector, with 86% (61) from private rented sector</li> <li>15% (41) of all applicants resided in inadequate accommodation, with a quarter of those living in the private sector.</li> </ul>	<p><b>Over 55s, 89 applications in 2017/18:</b></p> <ul style="list-style-type: none"> <li>34% (30) had medical needs, with 30% (9) residing in the private sector</li> <li>35% (31) of all applicants resided in the private sector, with 67% (21) of these owner-occupiers</li> <li>17% (15) of all applicants resided in inadequate accommodation, with 60% (9) of these residing in owner-occupation</li> </ul>				
<p>The volume and reason for application outlines the need for additional properties in North HMA, specifically particular needs housing for older people.</p> <p>Around 20% of over 55 applicants resided in the private sector and were required to move due to medical or inadequate accommodation needs.</p>					

### Anticipated Need for Supported Housing

Anticipated Need for Supported Tenancies to 2021 (North HMA)	As %age of anticipated need across Angus	Number of supported accommodation units (North HMA)	As %age of all supported accommodation stock across Angus
18	34%	54	45%

Anticipated need in the North is the highest across the HMAs, but stock levels are also the highest. The anticipated need-to-supply ratio does not take account of current usage therefore there is still a danger of under-supply.



### Particular Housing Need

188 (32%) of North HMA CHR applicants (595) require a specialist housing solution to cater for their age, medical, disability or support needs.

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

**140 seek specialist housing in Montrose.**

North HMA				
Over 65s	Medical Needs	Disability Needs	Support Needs	Total Specialist Need
97	60	29	2	<u>188</u>

The number of people in North HMA aged over 65 is projected to increase 37% by 2037, and the number of over 75s is estimated to increase around 64%.

If projections materialise there is likely to be increased demand for specialist housing solutions, further straining existing supply and the pressure status for smaller sized properties.

A proportion of need will be met from existing stock turnover or re-development, however it is clear that there will be a requirement for significant additional specialist unit supply.

Through the LHS, the Council has committed to deliver 20% of new affordable housing to meet particular needs, with an anticipated delivery of 29 units in North HMA over the period to 2023.

### Private Rented Sector

The number of registered private rented sector properties in Angus has increased around 44% between 2010 and 2015.

**North HMA has seen the largest increase (+87%), to become the HMA with the largest number of registered PRS properties.**

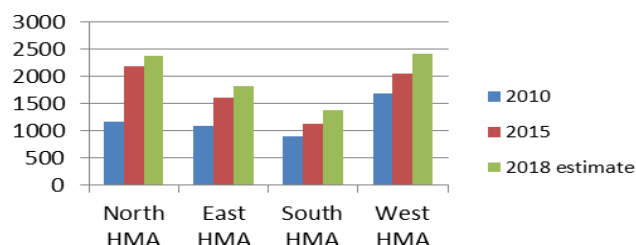
Since 2015 there has been a steady 4% annual increase in the total number of Angus PRS properties.

**Conveyed to HMA level, in 2018 there would be an estimated 2460 North HMA PRS properties**

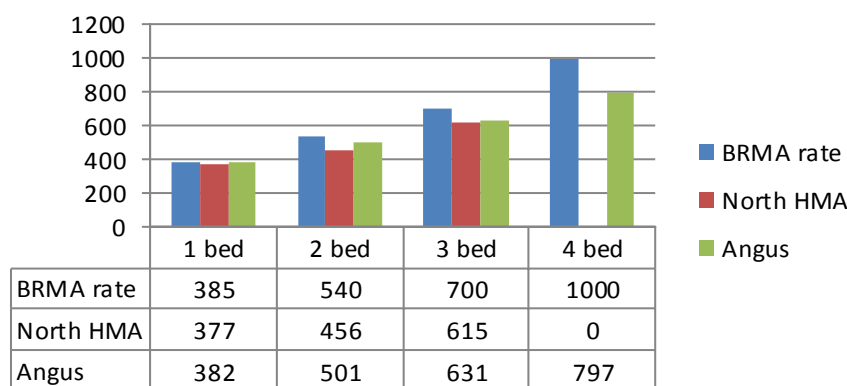
#### North HMA – Number of Registered PRS Properties

2010	2015	2018 estimate
1165	2187	2460
87% increase 2010 to 2015		

#### Registered PRS Properties, per HMA



#### North HMA - BRMA Rents Vs Advertised Properties



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).

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

**2 bed properties command 15% less rent than the BRMA equivalent.**

**3 beds are 12% less.**

Source: Zoopla (2017)

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.  North HMA median earners affordable rent: $£25,198 \div 4 \div 12 =$ <b>£525 per month</b>
£540 (BRMA rate)	£25,920 (£540 x 12 x 4)	North	£25,198	
		East	£24,670	
£456 (Market Analysis – advertised properties)	£21,888 (£456 x 12 x 4)	South	£33,409	
		West	£28,519	

For North HMA Lower Quartile Income Households the PRS is unaffordable with a monthly shortfall of £160 when spending 25% of income on rent. The average 2 bed property would require income spend of 38%.  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)
	£14,206	£296	2 bed £456	£160
			1 bed £377	£81

This shows that for median income households, there are realistic and affordable private rented sector housing options in the North HMA.

The Lower Quartile Income projections demonstrate the income disparity and unaffordability of median PRS properties for those on low incomes.

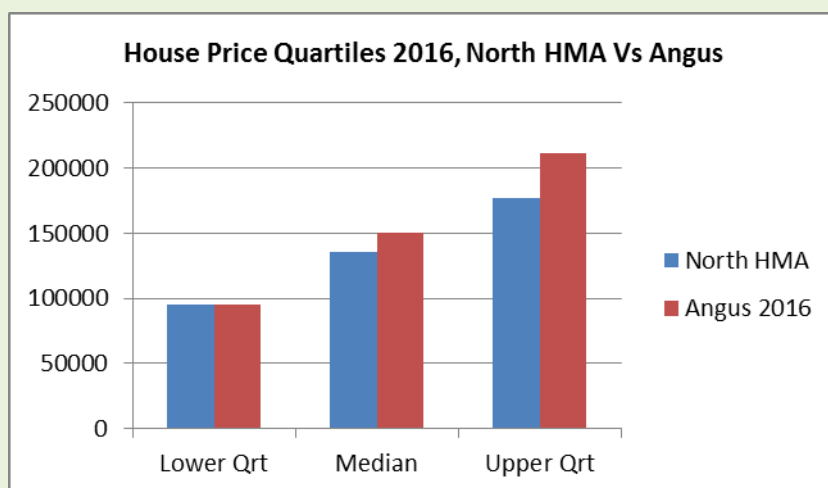
The recent expansion of the PRS in the North HMA suggests that there is strong demand for this tenure, and given the affordability issues there may be scope for products such as mid-market rent.

### Owner-occupied

The sector accounts for 56% of all North HMA stock.

In 2016 the median house price sale value was £135,500 (CHMA 2016), around 10% less than the Angus median.

The North HMA upper quartile house price was around 16% less, in comparison to Angus prices, and the lowest per HMA.



To afford a mid-priced home in North HMA, buyers would require an income of £33,875

The median income for North HMA is £25,198 meaning a mid-priced home would be unaffordable for the average North HMA household.

	Median House Price	Income Requirement
Angus	£150,000	£37,500
North HMA	£135,500	£33,875

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

To afford a mid-priced home in North HMA, buyers would require an income of £33,875 (£8677 more than the current estimated median income).

Median earners in North HMA could afford to purchase a property valued up to £100,792 (some £35,000 less than the median house price, and around £5000 more than the lower quartile house price).

The projected increase in smaller household sizes may impact mortgage borrowing capabilities and, for low income households, home ownership will become even more unrealistic.

## Intermediate Tenures

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

- Around 66% would consider MMR, whilst 57% would consider Shared Equity
- 90% 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 transport links
- The most important features are the number of bedrooms for current need; a private garden, and car parking space
- 81% would pay MMR for refurbished social housing properties, but 81% said it should be of better quality than social housing
- 45% said they would be willing to move to another town to access the products, and 100% 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 and 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	North HMA	Angus
Market	45	186
Affordable	30	124
(Social Rent)	(22)	(92)
(Intermediate Tenures)	(8)	(32)
Total	75	310

**The North HMA HST has been set at an average of 75 new homes per annum, of which 30 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 North HMA, informing the land requirement to deliver the Housing Supply Target (HST):

	2018/19	2019/20	2020/21	2021/22	2022/23	2018 to 2023	Later Years
<b>North HMA Potential Output (Units)</b>	11	79	135	165	150	540	629

**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 potential delivery of 135 affordable units (27 per annum) in North HMA over the period to 2023.**



The current Strategic Housing Investment Plan (2018/19 to 22/23) specifies the delivery of 190 affordable units in North HMA over a 5 year period:

North HMA Site	Ownership	Delivery	Affordable Units
Damacre, Brechin	Council	Angus Council	10
High Street, Brechin	Council	Angus Council	9
Dubton Farm, Brechin	Private	Angus HA	8
Park View, Brechin	Council	Angus Council	16
Witchden Road, Brechin	Private	Hillcrest	30
Inglis Court, Edzell	Council	Angus Council	20
Coronation Way, Montrose	Council	Angus Council	10
Sunnyside, Montrose	Private	Hillcrest	87
		<u>Total</u>	<u>190</u>

**65 units (34%) in the delivery programme will be delivered out-with the Affordable Housing Policy, provided directly by Angus Council on sites they own.**

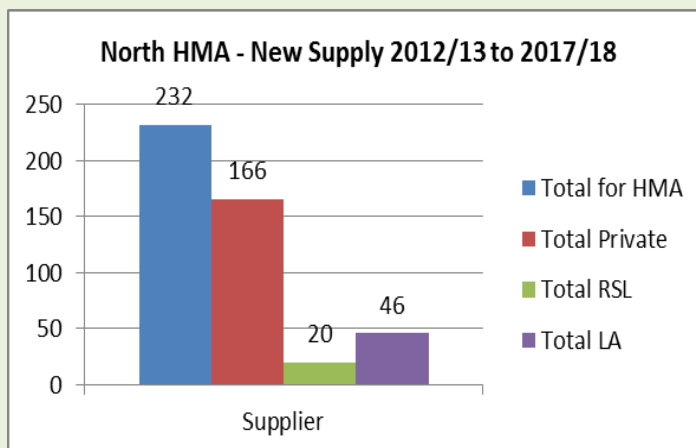
**The remaining 125 units are to be provided by RSLs on privately owned sites in partnership with private developers.**

**Equating to 38 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 around 13 units per annum. 22 units within the Council programme and 27 within the RSL programme (amounting to 24% of supply) are to be provided for particular needs, surpassing the designated target (20%). 13 units will be intermediate tenure (shared equity), a 19 unit shortfall against the 5yr target.**

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

**There have been 66 affordable units delivered in North HMA over the past 5 years, equating to 23% of all new affordable supply.**



	North HMA	Angus	As %age of Total
<b>Private Sector</b>	166	1131	15%
<b>RSL</b>	20	173	12%
<b>Angus Council</b>	46	113	40%
<b>(Affordable Units)</b>	<i>(66)</i>	<i>(286)</i>	<i>(23%)</i>
<b>Total</b>	<u>232</u>	<u>1417</u>	<u>16%</u>

**Increased funding has enabled a more ambitious delivery programme, building on the generous supply of affordable units over the past 5 years.**

**Projected delivery (32 per annum) surpasses the average annual affordable HST (30). The programme is short-term covering the next 5 years and merits justification from the fact that previous and future longer-term targets may not be achieved.**

### **Land Valuation & Commuted Sums**

<p>Land valuations are undertaken by an independent valuer and provided for the period July to June (exclusive of VAT)</p> <p><i>Date of publication June</i></p>	Housing Market Area (HMA)	Value for Private Sale (£)			Value for Social Rent (£)	Commuted Payment (£)
		Range <	Range >	Typical		
	North	£23,000	£29,000	<u>£26,000</u>	£1,000	£25,000
	East	£23,000	£29,000	<u>£26,000</u>	£1,000	£25,000
	South	£26,000	£32,000	<u>£29,000</u>	£1,000	£28,000
West	£23,000	£29,000	<u>£26,000</u>	£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)