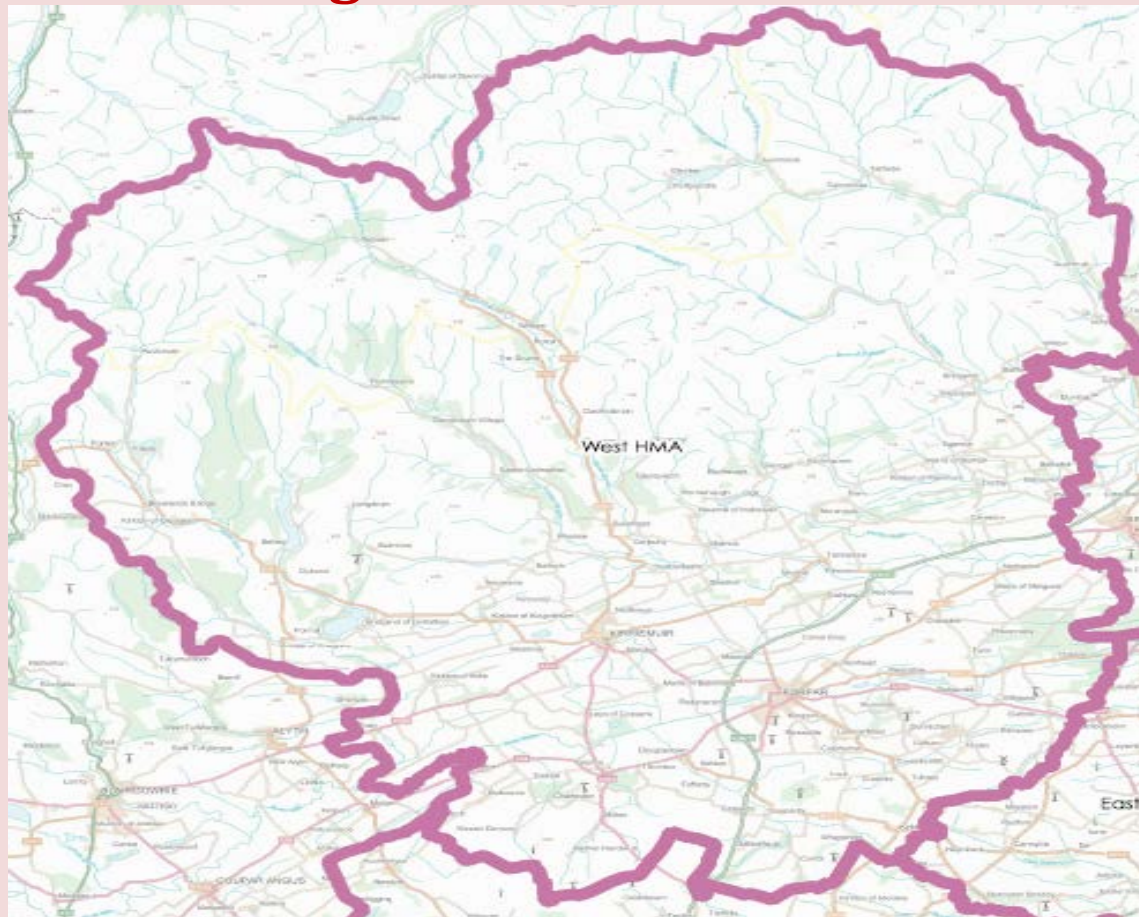


Housing Market Area Profile

West Housing Market Area



Population	25,692 (2017)
Dwellings	14,898
Households	14,292
Housing Tenure	
Owner-occupied	8874 (60%)
Social Rented	3117 (21%)
Private Rented	2295 (15%)
Vacant	612 (4%)
Median House Price	£100,000 (2016, CHMA)
Median PRS Rent (2 bed)	£540 per month (2017, BRMA) £451 per month (2017, Sector Analysis)
Median Household Income Estimate	£28,519 (2018)
Housing Supply Target	80 units per annum
Market Housing	48
Affordable Housing	32
Social Rent	24
Intermediate Tenures	8

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 West HMA population.

Around 78% (20,000) of the West HMA population reside in the principle towns of Forfar and Kirriemuir, with the remainder residing in rural areas (the Glens) and the surrounding villages such as Letham, Inverarity, Glamis.

The shift will mean a population swing in West HMA of around 2500 from 1900 depopulation, to a growth of around 600, 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%
West HMA	25,692(22%)	23,758	-8%
2016 Baseline Population Projections (2012 Baseline Population %age per HMA)			
	2017 estimate	2037 estimate	
Angus	116,520	119,229	
West HMA	25,634 (22%)	26,231 (22%)	

2012 Sub-council Population Projections 2017 - 2037			
Area	2017	2037	% change
West HMA	25,692	23,758	-8%
Forfar & District	15,792	15,024	-5%
Kirriemuir & Dean	9900	8734	-12%
Angus	116,441	115,327	-1%
Age Group	West HMA	Forfar & District	Kirriemuir & Dean
Children (0-15yrs)	-15%	-10%	-21%
16 to 25	-22%	-17%	-28%
26 to 35	-19%	-15%	-28%
36 to 45	-8%	-10%	-4%
46 to 55	-32%	-26%	-41%
56 to 64	-25%	-20%	-34%
65 to 74	+9%	+7%	+11%
Over 75s	+62%	+58%	+67%
All	-8%	-5%	-12%

2012 projections indicated a **8% reduction in West HMA population**, with Kirriemuir & Dean experiencing large reductions (-12% overall) across most age groups, whilst Forfar & District would see large but less severe reductions (-5% overall).

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 Kirriemuir & Dean.

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.

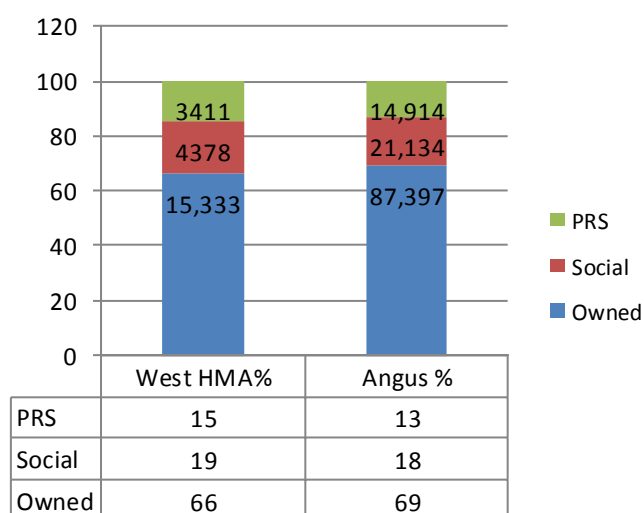
Census data (2011) shows West HMA has a lesser proportion of people living in owner-occupied properties (66%) compared to Angus (69%), but the 2nd largest proportion per HMA.

Just under a fifth of West HMA residents live in social housing, comparable to the rest of Angus.

The reliance on social housing tenure in West 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, West HMA Vs Angus



Households

<p>Estimated 14,292 households in West HMA representing 27% of Angus total (53,045) This is projected to increase 4% (551 more households) by 2038, with similar increases across each of the HMAs and the whole of Angus.</p>		<p>Angus Household Composition Projections</p> <p>+14% (2600) in single adult households +16% (500) in 1 adult & 1 or more children -25% (1000) in 3 or more adult -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 & 2 person).</p> <p>Angus Household Size (Change) 2014 to 2039</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
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. Projected changes in household composition will see an estimated net increase of 500 households with 'single adult' head of house. Both the ageing population and changing dynamics of family structures will reshape housing demand toward smaller household sizes.</p>							

<p>Forfar Locality (2011 Census) 70% of all households require 1 or 2 bedrooms, but 1 and 2 bedroom properties only account for 52% of occupied housing stock.</p> <p>Kirriemuir Locality (2011 Census) 70% of all households require 1 or 2 bedrooms, but 1 and 2 bedroom properties only account for 40% 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 the households where housing choices are restricted due to financial constraints.</p>

Deprivation

<p>Based on the top 10 most deprived data zones in Angus, there are 2 zones in West HMA that feature regularly in deprivation domains.</p> <p>Income and employment deprivation are key drivers in housing choice, with financial constraints restricting choice. The issue is particularly prevalent in Forfar West & Central where many residents face restricted housing choice other than the social sector.</p>	Deprivation Domain	West HMA Data Zone
	Housing	Forfar Central
	Income	Forfar Central, Forfar West
	Employment	Forfar West

Income Estimates

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

The West HMA enjoys the 2nd highest household incomes across the region, surpassed only by the South HMA, and sits marginally below the Angus-wide estimates.

The HMA income estimates have been calculated using the Heriot-Watt University local level household income mode (SAIE 2014), applying the same annual interest.

Angus income estimates have been calculated using CACI (2013) as baseline, applying a modest 2% annual increase, resulting in current estimates.

Stock Profile

There are approximately 14,898 properties in West HMA, around 28% of Angus stock. Private sector stock accounts for around 79% (11,781) of dwellings, with the remaining 21% social sector.

Area	Owner-occupied	Private Rented	Social Sector	Vacant Private Sector	Total
West HMA	<u>8874 (60%)</u>	<u>2295 (15%)</u>	<u>3117 (21%)</u>	<u>612 (4%)</u>	<u>14,898 (27%)</u>
Angus Total	34,719 (64%)	7185 (13%)	11,133 (20%)	1802 (3%)	54,839 (100%)

The stock percentages highlight the differences between regional and HMA level where the West HMA has a similar proportion of private sector stock to Angus, but has less owner-occupied stock and more private rented homes.

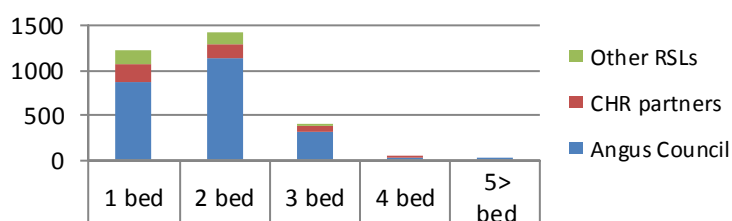
Social Stock

30% (2354) of Council stock and 28% (3117) of all social stock is located in West HMA – the largest provision per HMA.

39% (1222) are 1 bedroom
46% (1421) are 2 bedroom

The Council provide around 75% of West HMA social stock, which is comparable to other HMAs.

West HMA - Social Stock by Size & Ownership



	1 bed	2 bed	3 bed	4 bed	5> bed
Other RSLs	140	136	30	0	0
CHR partners	218	142	72	4	0
Angus Council	864	1143	313	27	7

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

West HMA is home to 235 (33%) of these units, representing 10% of the Council's West HMA stock. RSL partners provide 93 specialist units in West HMA.

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

Council Tenant Profiling

Around 632 (27%) of West HMA Council tenants are aged over 65, and around 15% are aged 55 to 64 yrs.

This means around 2 in every 5 West HMA council tenants are aged over 55; with similar patterns across each HMA with the exception of the South where over 55s account for 1 in 2 tenancies.

If population projections materialise and are proportionately conveyed to current tenant profiles, it will mean that over 55s will account for over half of tenants and this change will emerge from approximately mid-2020s as more older people make the natural transition through the age groups.

Age Group	West HMA	Angus
<u>0-15</u>	1	<u>1</u>
<u>16-24</u>	118	<u>428</u>
<u>25-34</u>	382	<u>1156</u>
<u>35-44</u>	363	<u>1170</u>
<u>45-54</u>	369	<u>1273</u>
<u>55-64</u>	333	<u>1088</u>
<u>65-74</u>	256	<u>901</u>
<u>75+</u>	376	<u>1177</u>
<u>Unknown</u>	83	<u>117</u>
Total	2281	7311

Common Housing Register (CHR)

<p>21% of CHR applicants seek accommodation in West HMA. 71% seek a 1 bedroom property 13% seek a 2 bedroom property Along with the North HMA, West HMA turnover is proportionately higher than across Angus.</p>		1 bed	2bed	3 bed	4 or more bed	West HMA	Angus
	Waiting List Numbers	409	78	58	32	577	2907
	Turnover (2017)	104	111	25	4	244	732
	Pressure Status	4:1	1:1	2:1	8:1	2:1	3:1

West HMA pressure status is lower than that of Angus, much in part due to having the lowest waiting list numbers and second highest turnover per HMA.
Turnover of 2 beds is least pressured with 1 applicant for every property (the lowest pressure status in Angus)

CHR Applicant Profiling

<p>In 2017/18 around 25% (422) of all active applications (1713) sought accommodation in West HMA, and around 72% (302) of these were working age.</p> <p>2016/17 to 2017/18: Working age applications increased 5%, whilst applications from Over 55s increased 17%</p>	Working Age		Over 55s		
	Year	2016/17	2017/18	2016/17	2017/18
	West HMA	<u>287</u>	<u>302</u>	<u>102</u>	<u>120</u>
	Angus	1170	1279	351	434

Under 55s, 302 applications in 2017/18:

- 9% (28) had medical needs
- 13% (39) of all applicants resided in inadequate accommodation, with just under a fifth of those living in the private sector.
- 18% (55) of all applicants resided in private sector, with 96% (53) from the private rented sector

Over 55s, 120 applications in 2017/18:

- 25% (30) had medical needs, with 53% (16) residing in the private sector
- 18% (22) of all applicants resided in inadequate accommodation, with 59% (13) of these residing in owner-occupation
- 36% (44) of all applicants resided in the private sector, with 70% (31) of these from the private rented sector

Around 28% (119) of all applicants were required to move due to medical or inadequate accommodation needs. For over 55s, this increases to 43% (almost 1 in every 2 applicants), and over half of these resided in the private sector.

The volume and reason for applications coupled with population projections, outlines the need for additional properties in West HMA, specifically particular needs housing for older people.

Anticipated Need for Supported Housing

Anticipated Need for Supported Tenancies to 2021 (West HMA)	As %age of anticipated need across Angus	Number of supported accommodation units (West HMA)	As %age of all supported accommodation stock across Angus
11	21%	20	17%

Anticipated need in the West HMA is almost proportionate to the current stock provision.
 The anticipated need-to-supply ratio does not take account of current usage therefore there is still a danger of under-supply, particularly when the ageing population projections will likely incur more demand for specialist housing solutions.

Particular Housing Need

330 (57%) of West HMA CHR applicants (577) require a specialist housing solution to cater for their age, medical, disability or support needs.

Half require housing solely for age-related reasons.

283 (85%) of West HMA applicants seek specialist housing in Forfar.

West HMA				
Over 65s	Medical Needs	Disability Needs	Support Needs	Total Specialist Need
167	97	52	14	330

The number of people in West HMA aged over 65 is projected to increase 34% by 2037, and the number of over 75s is estimated to increase around 62%, meaning there is likely to be further strain on the waiting list as more people seek specialist housing.

A proportion of need will be met from existing stock turnover or re-development, however these on-going needs will be used to inform investment decisions.

Through the LHS, the Council has committed to deliver 20% of new affordable housing to meet particular needs, with an anticipated delivery of 36 units in West HMA over the period to 2023.

Private Rented Sector

There are around 7200 PRS properties in Angus (2017), increasing 50% since 2010.

West HMA experienced a 22% increase over the period 2010 to 2015 – the smallest increase per HMA.

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

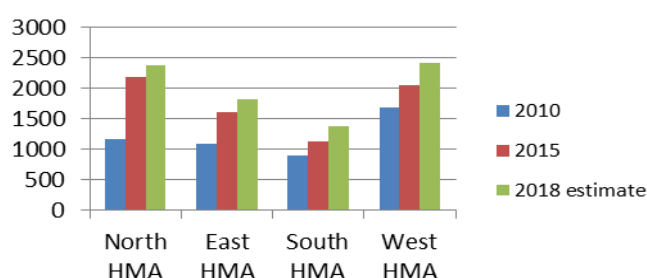
Conveyed to HMA level, in 2018 there would be an estimated 2312 West HMA PRS properties.

The West has the lowest HMA population but the 2nd largest number of PRS properties.

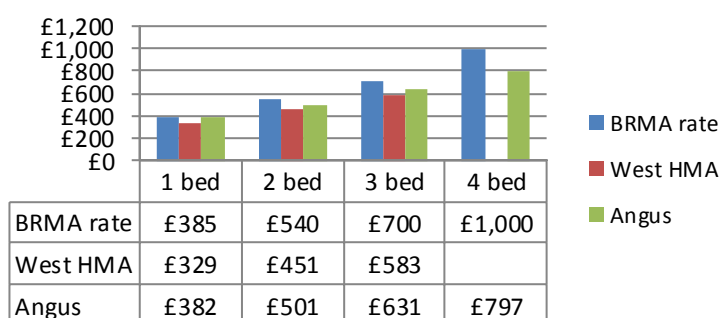
West HMA – Number of Registered PRS Properties

2010	2015	2018 estimate
1686	2056	2312
22% increase 2010 to 2015		

Registered PRS Properties, per HMA



West HMA - BRMA Rents Vs Advertised Properties



Analysis of local PRS properties shows that **properties in West HMA are commanding less rent than BRMA profiling and Angus-wide rents. 1& 2 bedroom properties command around 15% less than the BRMA equivalent.** (Zoopla, 2017)

BRMA data highlights that between 2010 & 2017, rent for median 2 beds has increased 12.5% (approx. 1.8% per annum)

The table below highlights that for **West HMA median income households**, the private rented sector is a **realistic and affordable housing option.**

Rent, per month (2 bed property)	Income Requirement (based on 4 x annual rent charge)	Median Income Level	
£540 (BRMA rate)	£25,920 (£540 x 12 x 4)	West	£28,519
£451 (Market Analysis – advertised properties)	£21,648 (£488 x 12 x 4)	North	£25,198
		East	£24,670
		South	£33,409

Affordability calculated as 25% spend of gross annual income.

West HMA median earners affordable rent:
 $£28,519 \div 4 \div 12 =$
£594 per month

<p>For West HMA Lower Quartile Income Households the PRS is largely unaffordable with a monthly shortfall of £128 when spending 25% of income on rent.</p> <p>The average 2 bed property would require income spend of 35%.</p> <p>This means that for many low income households, the social sector is the only viable housing tenure.</p>	Lower Quartile Income	Affordable Rent (25% of annual income)	Median Rent	Shortfall (per month)
	£15,505	£323	2 bed £451	<u>£128</u>
			1 bed £329	<u>£6</u>

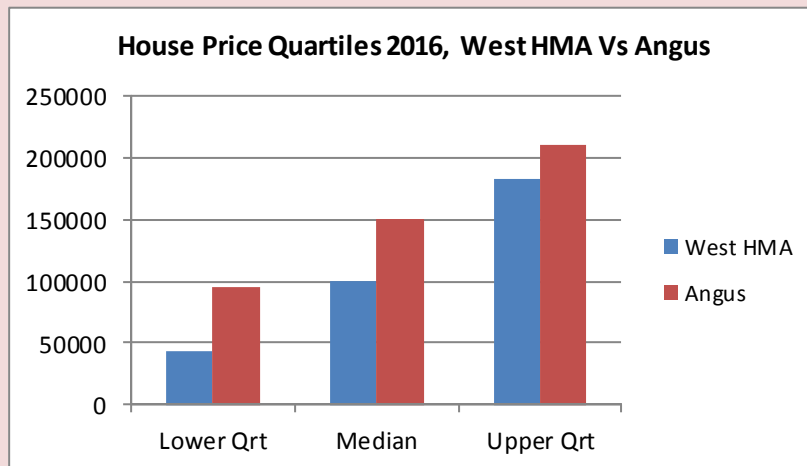
The projected increase in 'single adult' and 'single adult with children' households will place further demand on smaller (1 & 2 bed) PRS properties. These households may be financially constrained by a single source of income, raising concerns of affordability for low-to-median income households.

Owner-occupied

The sector accounts for around 60% of all West HMA stock.

In 2016 the median house price sale value was **£100,000** (CHMA 2016), around 33% less than the Angus median.

The West HMA upper quartile house price was around 13% less; and the lower quartile around 54% less in comparison to Angus prices.



To afford a mid-priced home in West HMA, buyers would require an income of **£25,000**

The median income for West HMA is **£28,519**, meaning a mid-priced home would be affordable for the average West HMA household.

	Median House Price	Income Requirement
Angus	£150,000	£37,500
West HMA	£100,000	£25,000

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

For those with home ownership aspirations, the West HMA offers greatest opportunity in comparison to the rest of Angus.

With the exception of East HMA, median earners from all other HMAs could afford a median priced home in West HMA.

For low income households, although lower quartile homes as amongst the most affordable across Angus, mortgage availability for low earners is restricted and home ownership (along with the private rented sector) remains largely unattainable.

Intermediate Tenures

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

- Around 78% would consider MMR, whilst 60% would consider Shared Equity; and around 70% of these had household income of at least £25,000
- 75% 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, transport links and workplace
- The most important features are the number of bedrooms for current need; a private garden, and car parking space
- 82% would pay MMR for refurbished social housing properties, but 96% said it should be of better quality than social housing
- Almost 57% said they would be willing to move to another town to access the products, and 82% 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	West HMA	Angus
Market	48	186
Affordable	32	124
<i>(Social Rent)</i>	<i>(24)</i>	<i>(92)</i>
<i>(Intermediate Tenures)</i>	<i>(8)</i>	<i>(32)</i>
Total	80	310

The West HMA HST has been set at an average of 80 new homes per annum, of which 32 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 West 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
West HMA Potential Output (Units)	84	119	128	141	127	599	321

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 149 affordable units (29 per annum) in West HMA over the period to 2023.

The current Strategic Housing Investment Plan (2018/19 to 22/23) specifies the delivery of 121 affordable units in West HMA over a 5 year period:

West HMA Site	Ownership	Delivery	Affordable Units
New Road, Forfar	Private	Abertay HA	16
The Gables, Forfar	Private	Caledonia HA	21
Kingsmuir	Private	Angus HA	2
St James Road, Forfar	Private	Angus HA	16
Turfbeg, Forfar	Private	Angus HA	36
Dundee Road, Forfar	Private	Angus HA	15
Jubilee Park, Letham	Council	Angus Council	15
		<u>Total</u>	<u>121</u>

15 units (12%) in the delivery programme will be delivered out-with the Affordable Housing Policy, provided directly by Angus Council on sites they own.

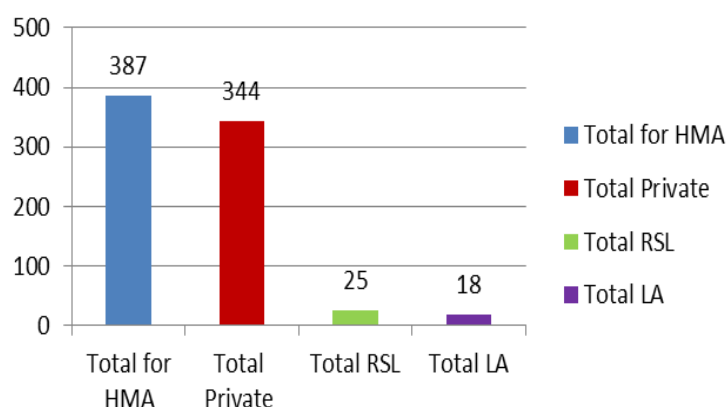
The remaining 106 units are to be provided by RSLs on privately owned sites in partnership with private developers.

Equating to 24 units per annum, Council and RSL development will make a significant contribution to the delivery of affordable housing and the affordable HST

36 units (29%) within the Council and RSL programme are to be provided for particular needs, surpassing the designated target (20%).

20 units will be intermediate tenure (shared equity), a 16 unit shortfall against the 5yr target.

**West HMA - New Supply Completions
2012/13 to 2017/18**



New Supply 2012/13 to 2017/18

There have been 43 affordable units delivered in West HMA over the past 5 years, equating to 15% of all new affordable supply.

	West HMA	Angus	As %age of Total
Private Sector	344	1131	30%
RSL	25	173	14%
Angus Council	18	113	16%
(Affordable Units)	(43)	(286)	(15%)
Total	387	1417	27%

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 more focus toward West HMA. Projected delivery (24 per annum) is slightly under the average annual affordable HST (32), further highlighting the need for delivery of more affordable homes via the housing market.

Land Valuation & Commuted Sums

Land valuations are undertaken by an independent valuer and provided for the period July to June (exclusive of VAT) <i>Date of publication June 2018</i>	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