

# **West Sussex Strategic Housing Market Assessment**

## **District Summaries: Worthing**

May 2009

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# 1. INTRODUCTION

- 1.1 In February 2008 the local authorities across West Sussex commissioned GVA Grimley, working with GL Hearn, to prepare a Strategic Housing Market Assessment (SHMA) of West Sussex County. SHMAs provide an understanding of sub-regional housing markets and predict the levels and mix of future housing provision. The assessment is one of the key evidence documents which will inform Local Development Frameworks (LDFs) and future revisions to a Regional Spatial Strategy (RSSs), as well as regional and housing strategies.
- 1.2 Two housing market areas were identified across West Sussex. The first is the Northern West Sussex Housing Market which includes three local authorities: Crawley, Horsham and Mid Sussex; and the second is the Coastal West Sussex Housing Market which contains four local authority districts: Adur, Arun, Chichester and Worthing.
- 1.3 The purpose of the West Sussex SHMA district summaries is to present the key data and conclusions relevant to each of the seven authorities in West Sussex. This summary focuses on Worthing District and includes:
- Introduction to the District
  - Current Housing Offer
  - Demographic and Economic Characteristics and Trends
  - Affordable Housing Need
  - Housing Requirements of Key Groups
  - Conclusions and Recommendations.

## 2. INTRODUCTION TO THE DISTRICT

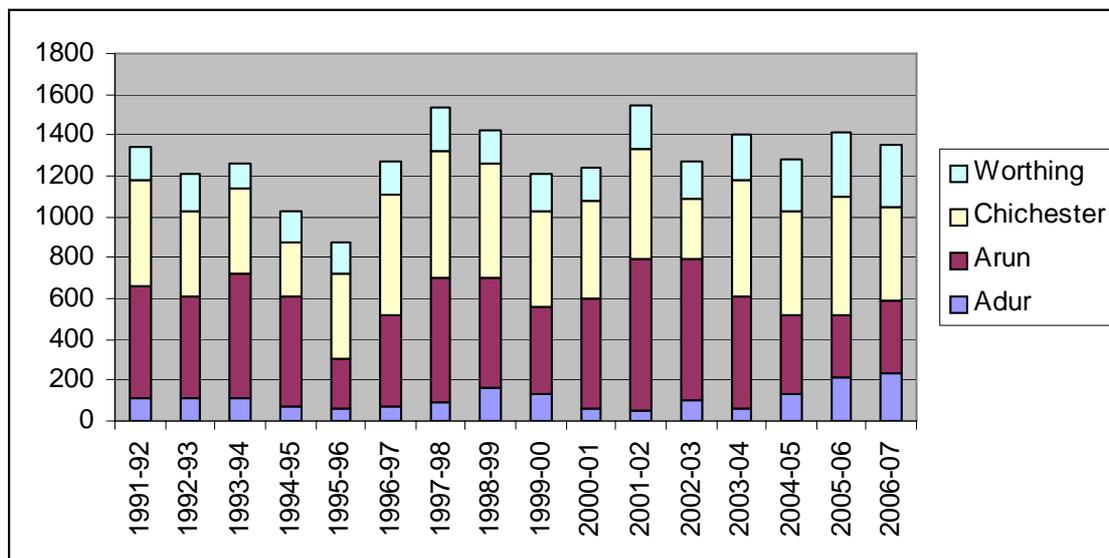
2.1 Worthing District is on the South Coast located towards the eastern side of the Coastal West Sussex Housing Market between Arun District (to the west) and Adur District (to the east). The Coastal West Sussex Housing Market extends along the South Coast from Shoreham to Hayling Island and inland from Chichester to Midhurst along the A286 Corridor. Worthing District has stronger east-west road and rail links than north-south connections, which contributes to a concentrated urban form. There are strong migration flows from London (3.5%) and Brighton and Hove (3%) to the District. Worthing's commuting catchment area includes Shoreham-by-Sea and Littlehampton as well as more widely Brighton and Hove.



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## 3. CURRENT HOUSING OFFER

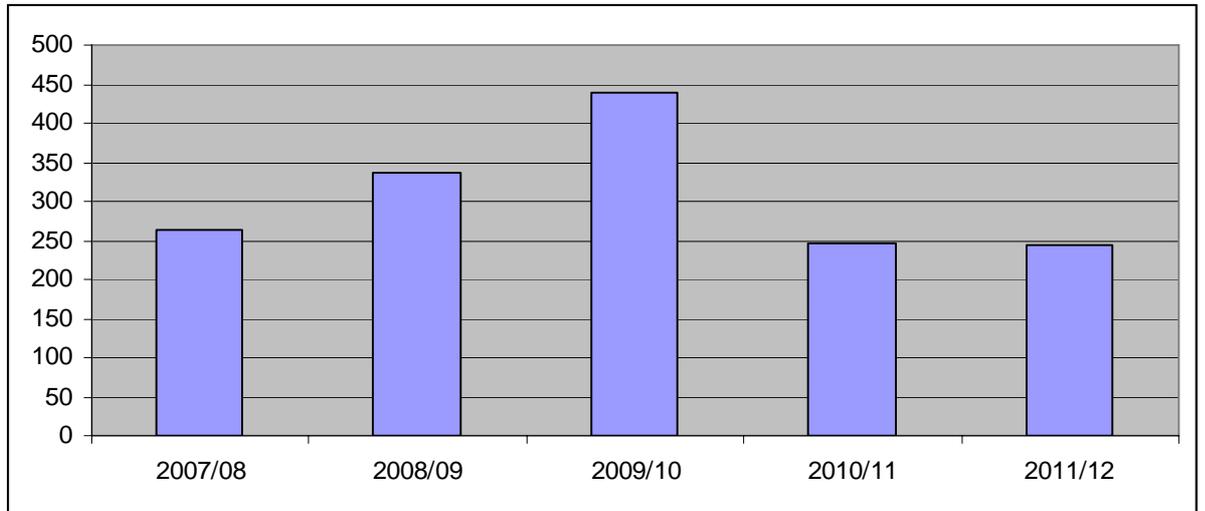
- 3.1 The Housing Strategy Statistical Appendix identifies that the Coastal West Sussex Housing Market contains 194,410 dwellings, of which 24% (46,817 dwellings) are in Worthing District.
- 3.2 The dominant housing tenure in Worthing is private sector ownership. Worthing has the lowest level of social housing across the Housing Market, (9%), notably below regional and national benchmarks. Levels of private renting in Worthing (13%) are above the Housing Market average.
- 3.3 The housing offer in Worthing is focused towards smaller properties, typically 1-2 bedrooms (40%). Flats are the dominant house type in Worthing, accounting for almost a third of the total housing stock. This is significantly higher than regional (18%) and national (19%) levels. The majority of flats are in purpose built blocks (67%), however Worthing also has a significant proportion of flats in converted buildings (30%), potentially resulting from the subdivision of larger Victorian and Edwardian properties over time.
- 3.4 Between 2002 and 2007 in Worthing the average price per sq.m was £2,296 which is at the lower end of the scale of house prices in the Housing Market. This trend might be as a result of relatively the lower value economic base and greater peripherality of the area in a regional context and relative to higher-value economic centres. However, over the last five years the District has seen the greatest house price growth (47%), particularly in detached housing, in relation to the other districts in the Housing Market. Other noteworthy features of the Worthing housing market include low levels of second home ownership at 0.6% of total stock. Overcrowding is found in 7.1% of the total housing stock in Worthing. This is higher than for the Housing Market as a whole (5.4% of households). Under-occupied housing is lower in Worthing at some 74% of dwellings, compared to the Coastal Housing Market average of 77.4% and the South East Region at 77.2%.
- 3.5 Figure 1, indicates that over the last 15 years there has been an upward trend in housing completions within Worthing District, particularly from 2001 onwards. Dividing the 15 year period into three sub-periods, analysis shows that 755 new homes were completed between 1991-1996, 831 from 1996-2001 and 1,200 from 2001-2006.

**Figure 1: Housing Completions in Worthing District, 1991-2007**

Source: WSCC Monitoring

- 3.6 Worthing has been performing well in comparison to Government housing targets. Between 2001 and 2007 Worthing has delivered 252 houses per annum, which equates to 87% of the housing target set in the West Sussex Structure Plan. In relation to the targets set in the final South East Plan (May 2009), Worthing has outperformed, delivering 126% of the housing targets. Worthing has seen a significant shift towards the production of one and two bedroom properties, with 84% of new homes being one or two-bedrooms respectively in the last five years.
- 3.7 Over the last five years, there has been a gradual upward trend in social housing completions in Worthing. During this time, Worthing has produced the greatest proportion of new affordable housing at 20% compared to the Housing Market as a whole (17%). Almost all of the social housing stock in the District is owned by Registered Social Landlords (99%); the main provider is Worthing Homes, owning 61% of all the social housing stock.
- 3.8 Moving forward, Worthing has comparably smaller quantities of available land for future housing development compared to the other districts in the Coastal West Sussex Housing Market. Drawing on West Sussex County monitoring information, at 2007, it has been estimated that there was approximately 48 hectares of available land (including sites which are under construction, permitted or remain available), which represents some 20% of the total future housing land supply across the Housing Market. Figure 2 shows that housing delivery is expected to continue to increase up until 2010/11, reaching a peak 440 dwellings, however it is indicated that this will be followed by much lower levels of completions between 2011 and 2012.

**Figure 2: Housing Trajectory, Worthing District 2007-2012**



Source: LAA Annual Monitoring Report 2007/WSCC/GVA Grimley

## 4. DEMOGRAPHICS AND ECONOMIC CHARACTERISTICS AND TRENDS

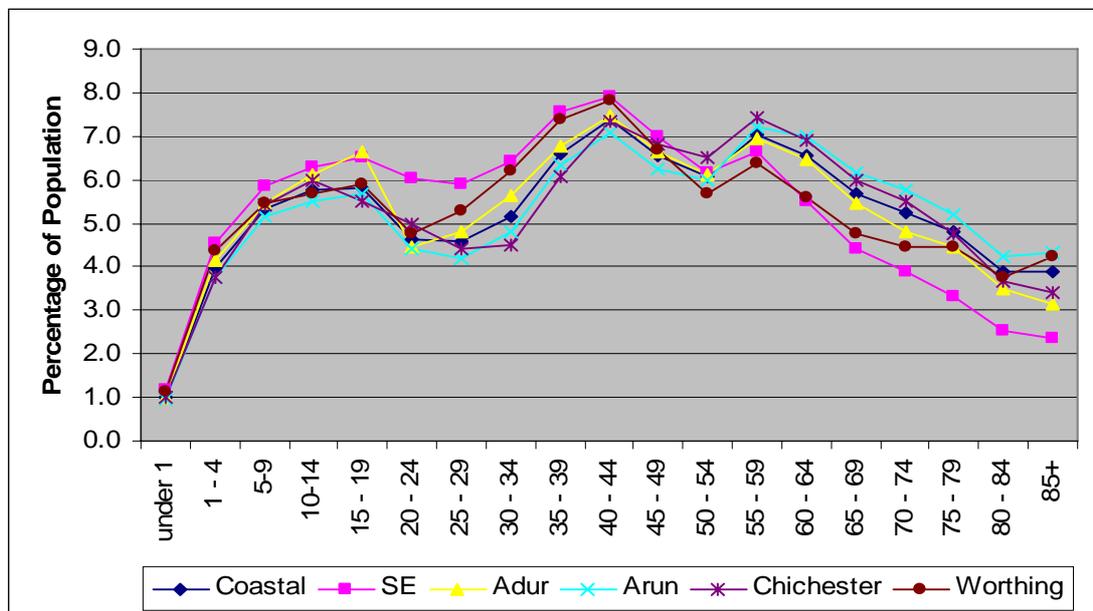
4.1 Demographic and economic trends are key structural drivers of housing demand in the long-term.

### *Demographics Trends*

4.2 The estimated population in Worthing at mid-2006 was 98,700, which equates to 24% of the total population of the Coastal West Sussex Housing Market. Worthing is the most densely populated district within the Housing Market, with 30.22 persons per hectare.

4.3 Worthing has a younger population than the other Coastal West Sussex Housing Market Districts, albeit older than the South East average. Figure 3 shows that in 2006, 26.7% of the population were between 25 and 44 years old, which is a higher proportion compared to the other districts in the Housing Market area.

**Figure 3: Age Structure by 5 Year Age Group, 2006**



Source: ONS Mid-Year Population Estimates 2006

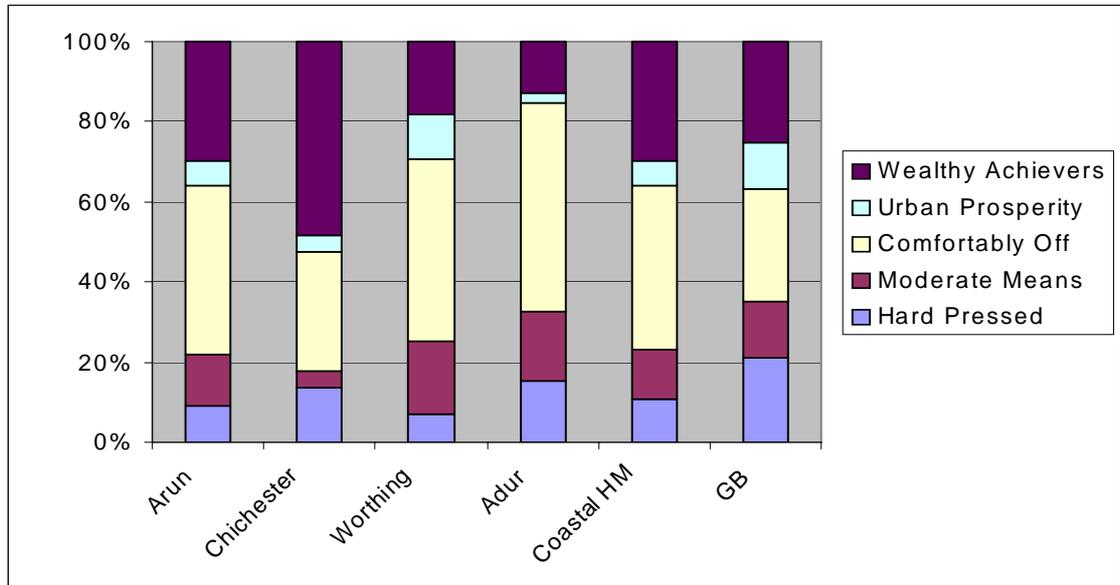
- 4.4 Between 1986 and 2006, Worthing has seen some of the lowest levels of population growth across the Housing Market, with an overall figure of growth at 3.8%. The main driver of population growth has been in-migration into the District; in particular Worthing is the most popular destination for people moving from Brighton and Hove. Over the last 20 years, Worthing has seen the sharpest decline in its population aged 65 years or more with its proportion of the total population falling by 8.1% (7,000 in real terms), at a time when this age group has actually grown across the South East region and elsewhere. In contrast there have been comparatively significant increases in older families (4.5%) and family makers (4.3%) within the District.
- 4.5 Worthing has a more balanced mix of household types compared to other districts in the Housing Market. There are however above average proportions of single person and pensioner households. Worthing is the most ethnically diverse local authority area, (from a low overall base population) within the Housing Market with a BME population equating to 4.6% of the total population.

#### ***Economics Trends***

- 4.6 In Worthing there is an estimated 44,805 employees, which represents 29% of the total employees in the Coastal Housing Market. Worthing's economy is one of the larger in the Housing Market and the District has a good jobs density of 0.91 (the ratio of filled jobs to working age resident population) that is above average for the South East region (0.88). Worthing has achieved similar rates of employment growth per annum (1.05%) compared to the rest of the Coastal West Sussex Housing Market. Since 2005 economic activity rates have also declined slightly from 89.5% to 84.8% following a similar trend across each of the four Coastal West Sussex Housing Market districts.
- 4.7 Worthing's economy is in a relatively poor position within the Coastal West Sussex Housing Market. The District is particularly low in higher skill occupations and has comparably higher amounts of lower skilled jobs (elementary/process plant/machine operatives). This occupational pattern is similar for both residents and workers in Worthing. An analysis of the sectoral composition of Worthing shows that there is a strong representation in financial intermediation, reflecting the presence of a number of larger employers in this sector. Public administration is also strongly represented, which includes the Borough Council and HM Revenue and Customs; as are the health and education sectors.

4.8 Figure 4 shows the focus in Worthing is on middle-class households who are comfortably off. The District has lower amounts of wealthy achievers (19%) in comparison to the rest of the Housing Market.

**Figure 4: Occupational Profile within the Coastal West Sussex Housing Market**



Source: EGi/CACI 2006

4.9 Worthing has lower skills and qualification levels (NVQ3 and NVQ 4) than other Coastal West Sussex districts. Residents earnings are higher in Worthing (£452 per week) compared to workers earnings (£420 per week) reflecting the higher wealth of the resident working population, especially those who commute out to work elsewhere.

## 5. AFFORDABLE HOUSING NEED

- 5.1 There is an acute affordable housing need identified in Worthing District. The need for affordable housing is as a result of a combination of market conditions, low earning bias and the size of the existing social housing stock.
- 5.2 The SHMA's housing needs analysis provides a snapshot assessment of requirements for affordable housing in accordance with the Government's guidance. The housing needs assessment undertaken is strongly influenced by the actual numbers of households whose real circumstances have been assessed and defined as in housing need by the Council. It shows acute pressures on affordable housing, partly influenced by the significant barriers to market entry which currently exist. While house prices relative to earnings are now falling and interest rates are low, there remain significant barriers to home ownership linked to the availability of mortgage products and high deposit requirements of the banks.
- 5.3 Figure 5 sets out the results of the housing needs assessment for Worthing, which estimates that the net annual housing need in Worthing is between 161 and 261 households (low and high estimates). This compares to an annual housing requirement for 200 homes per annum in the final South East Plan (May 2009). The lower estimate is based on acute need for social rented housing from those in defined reasonable preference groups. The higher estimate is based on meeting the need of all those on the Council's waiting list. These estimates assume that the backlog of need is met over a ten year period which is longer than assumed in other needs assessments (usually based on a five year period).

**Figure 5: Comparison of Net Annual Housing Need and RSS Targets**

	<b>Worthing</b>	<b>Coastal West Sussex HM</b>
Net Annual Housing Need (High)	261	1876
Net Annual Housing Need (Low)	161	1194
RSS Housing Target	200	1550
<b>% Low (High)</b>	<b>81% (131%)</b>	<b>77% (121%)</b>

- 5.4 Analysis shows the level of households on waiting and transfer lists requiring different sizes of property. Using CORE lettings data from 2007/08, analysis in Figure 6 shows the greatest demand in Worthing is for smaller properties, with 62% people requiring one bedroom properties and 28% two bedrooms.

**Figure 6: Overall Housing Size Requirements, Coastal West Sussex Housing Market**

	<b>1-Bed</b>	<b>2-Bed</b>	<b>3-Bed</b>	<b>4-Bed</b>	<b>Total</b>
Worthing	1411	640	216	28	2295
%	62%	28%	9%	1%	100%
Coastal West Sussex HM	6639	4018	1932	363	12952
% of Total	51.30%	31.00%	14.90%	2.80%	100%

**Figure 7: Affordable Housing Requirements by Bed Size in Worthing – General Needs**

	<b>1-Bed</b>	<b>2-Bed</b>	<b>3-Bed</b>	<b>4+Bed</b>	<b>Total</b>
Waiting List	1411	640	216	28	2295
Lettings Per Annum	114	77	38	3	232
Ratio	12.4	8.3	5.7	9.3	9.9

- 5.5 Figure 7 shows the requirements by bed-size in Worthing and indicates demand for all sizes of affordable housing. The greatest pressure is on one and four bedroom homes. The pressure on four bedroom properties is particularly acute given the length of time for such properties to become available to those on the waiting list (the lettings per annum ratio shows the significance of this requirement).
- 5.6 As well as providing a snapshot assessment of housing needs, the SHMA has considered in detail wider drivers of housing demand and the implications of these over longer-term horizons. The current housing market situation represents to some extent conditions of market failure. Recovery of the market is likely to be linked to improved availability of mortgage finance; which is not expected before 2010. It may take longer still before we see levels of housebuilding return to previous levels. In the short-term therefore we are likely to continue to see a polarisation between those 'equity-rich' households with a stake in the market and those without.

## 6. HOUSING REQUIREMENTS OF SPECIFIC GROUPS

- 6.1 The SHMA assessment analysed the housing requirements of specific groups whose housing needs may be different from the main population.

### *Older People*

- 6.2 Between 2006 and 2026 it is estimated that there will be low levels of growth in the number of people aged 65 years and over. During this time, Worthing is expected to have a 4% increase in the population aged over 65 and is predicted to see a reduction in its population over 85 (-19%).

- 6.3 Even with the predicted lower levels of growth in the population aged over 65 years, it is still important to provide an appropriate choice of housing for older people. This should include both specialist accommodation, particularly in the form of supported and extra-care housing as an alternative to residential care, which should be considered at an early stage in planning for larger developments. More broadly advice services and help with adaptations will be important in helping older people to remain living in their own homes. It is also suggested that further work is undertaken in partnership with other local authorities and service providers to explore in more detail the potential to develop registers of accessible housing, Life Time homes and shared equity housing which could enable older people to downsize and release equity in their homes to support their retirement.

### *Black Minority and Ethnic Groups*

- 6.4 Worthing is the most ethnically diverse local authority area in the Coastal West Sussex Housing Market (albeit measured from a low overall base) and anecdotal evidence suggests there is an increasing movement of migrant population from EU Accession countries in Eastern Europe into the area. In housing terms, the increasing migrant population generally exhibit low levels of household income and therefore are only able to access the housing market through the lowest value private rental sector properties and in many cases are housed in temporary accommodation in close proximity to their places of employment. In reviewing housing policies, local authorities must engage with Black Minority Ethnic communities to identify particular housing and support needs and take action to ensure that these are being met through working with communities and partner agencies.

### *Gypsy and Travellers*

- 6.5 The West Sussex Gypsy and Travellers Study (2006) identifies that there are two existing pitches in Worthing. There is a need for one additional pitch in Worthing up to 2011 based on existing locations and a need for one additional pitches based on ideal locations using modelling techniques within the West Sussex Gypsy and Traveller Study. SEERA carried out a consultation in 2008 on gypsy/traveller sites/pitches in the South East and identifies a need for between two and four additional pitches in Worthing between 2006 and 2016. In comparison to the other districts in the Housing Market, Worthing has the smallest quantity and demand for gypsy and traveller sites. SEERA's forthcoming Preferred Option (June 2009) on new sites and pitches 2006-2016 identifies a need for two additional permanent pitches within Worthing.

## 7. CONCLUSIONS AND RECOMMENDATIONS

- 7.1 The SHMA sets out clear recommendations for Worthing Council as one of the four local authorities in the Coastal West Sussex Housing Market to work together to provide a clear and integrated housing policy and planning policy framework. It includes recommendations regarding housing numbers and their delivery; affordable housing policies including the mix of affordable housing; policies regarding housing size, density and design; proposals for managing the private rented sector; and for addressing the bespoke needs of other groups.

### *Future Housing Mix*

- 7.2 The findings from the SHMA emphasise that future housing in Worthing should include a mix of types and sizes to cater family, older and younger people. The developments planned within the district present unique opportunity to bring forward a balance of new housing in terms of both type and tenure, including more family housing than has been achieved over the last few years. New developments should be designed to bring forward a range of housing types, to include aspirational, larger family homes to help diversify the housing offer and contribute to the sustainability of the District; and an appropriate range of affordable housing taking account of wider infrastructure requirements and the viability of developments.
- 7.3 Worthing is also set for extensive place-based regeneration initiatives which will provide an opportunity to develop a more rounded town centre living offer aimed at younger, aspirational and economically active households. There remains a valid role for flats to play in coastal town centre developments where land supply may be tight; however flats should not form the principal type of future housing stock in the Borough.

### *Future Housing Land Supply*

- 7.4 Worthing will need to progress with its LDF Core Strategy, rolling this forward to consider the requirements of the final South East Plan to 2026. A clear and coherent policy framework must be established to bring forward development in a sustainable way and supported by adequate infrastructure. The Council should ensure a range and mix of sites are brought forward and appropriately phased to deliver a range of housing products, including flatted and family housing, to meet market demand. In addition the Council will need to assess the deliverability of potential housing sites and work to establish and programme necessary infrastructure to support this. The Council will need to work proactively to 'monitor and

manage' housing supply and maintain a five year supply of deliverable sites. It may be necessary to identify contingency provision if potential delivery risks to bringing forward major developments are identified.

#### *Affordable Housing*

- 7.5 The SHMA recommends that the Council works to maximise delivery of affordable housing and sets out a range of potential tools which could be used, including bringing vacant housing back into use and using public sector land resources. A consistent approach to LDF affordable housing policies is recommended across the Housing Market based on a 40% affordable housing requirement and a standardised approach to thresholds. Worthing's affordable housing targets should be reviewed in light of this. An 80:20 split is recommended between social rented and intermediate housing in the short-term, with the intention that this evolve to a 70:30 split in the longer-term (with this position to be reviewed within a five year timeframe). This aligns with the Regional Housing Strategy and the South East Plan.
- 7.6 Recognising difficult market conditions in the short-term particularly, it is advised that the Council exercise some degree of flexibility in how affordable housing policies are applied to help maintain delivery rates with the potential for an interim policy statement to be prepared to clarify the terms of reference for negotiations regarding scheme viability and the level of affordable housing which can be sustained. Over both short and longer timescales, the application of affordable housing policies will need to take into account the cost of wider planning obligations, increasing sustainability standards, abnormal development costs and existing use values.

#### *Intermediate Housing*

- 7.7 The SHMA recommends that further work is undertaken to raise the profile of intermediate housing products, and promotes a review of eligibility criteria where possible to increase the role which intermediate housing can play in supporting local people in making their first step onto the housing ladder.

#### *Design Standards and Sustainable Mixed Use Developments*

- 7.8 It is imperative that new housing is phased carefully to create sustainable places and the density of development is optimised to make the best use of land. At the same time, housing must be built to meet sustainability and Lifetime Homes standards. The Coastal West Sussex SHMA encourages delivery of a high quality environment, leisure, community and local services alongside homes to create vibrant and successful places to live. It urges the Council

to continue to work proactively through development of Area Action Plans and Development Briefs, to bring forward sustainable, mixed developments in a timely fashion and supported by adequate infrastructure.