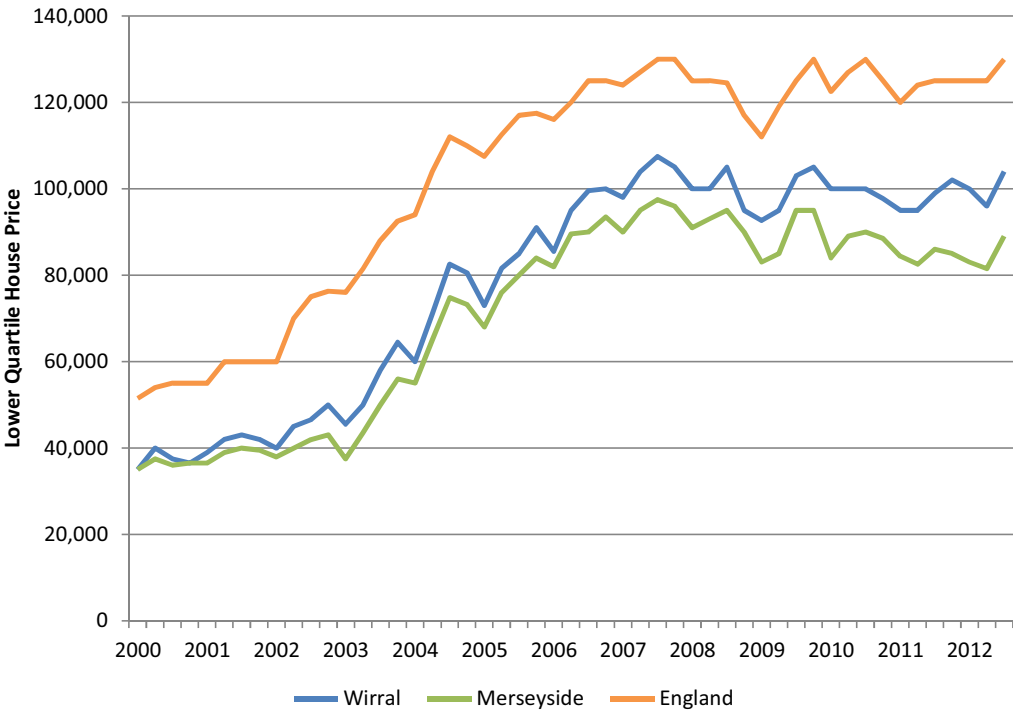


House Prices



Median House Prices

Lower Quartile House Prices



House Prices

Price Paid, Sept 2012-August 2013	Area 1) Wallasey	Area 2) Commercial Core	Area 3) Suburban Birkenhead	Area 4) Bromborough and Eastham	Area 5) Mid Wirral	Area 6) Hoylake and West Kirby	Area 7) Heswall	Area 8) Rural Areas	WIRRAL TOTAL
AVERAGE	£115,919	£75,018	£123,339	£147,694	£137,817	£234,996	£227,108	£271,564	£156,505
MEDIAN	£105,000	£84,000	£108,000	£139,500	£125,000	£206,500	£180,000	£217,500	£132,500
LOWER QUARTILE	£75,000	£50,000	£70,000	£110,000	£101,500	£148,375	£144,725	£142,000	£95,000
MINIMUM	£15,000	£20,000	£11,500	£10,500	£25,000	£40,000	£56,000	£78,000	£10,500
MAXIMUM	£475,000	£115,000	£820,000	£450,000	£448,000	£1,450,000	£1,225,000	£1,450,000	£1,450,000
NO. TRANSACTIONS	558	17	825	701	567	424	411	51	3554
INCOME REQUIRED TO PURCHASE LQ HOUSE	£21,429	£14,286	£20,000	£31,429	£29,000	£42,393	£41,350	£40,571	£27,143



Ratio of LQ House Prices to Earnings

- Wirral affordability ratio in 2012 was **5.69**
- Higher than the 4.62 average for Merseyside
- Lower than the average for England of 6.59
- Was 2.83 in 1997 and rose to a peak of 6.44 in 2007
- Consistently higher than Merseyside over this period - gap has widened in recent years

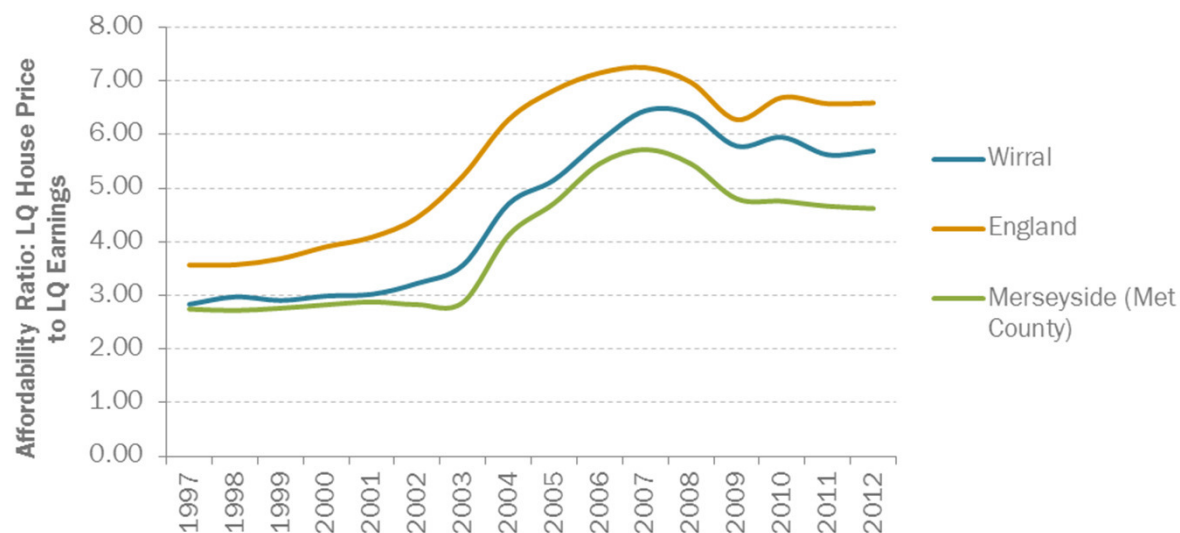
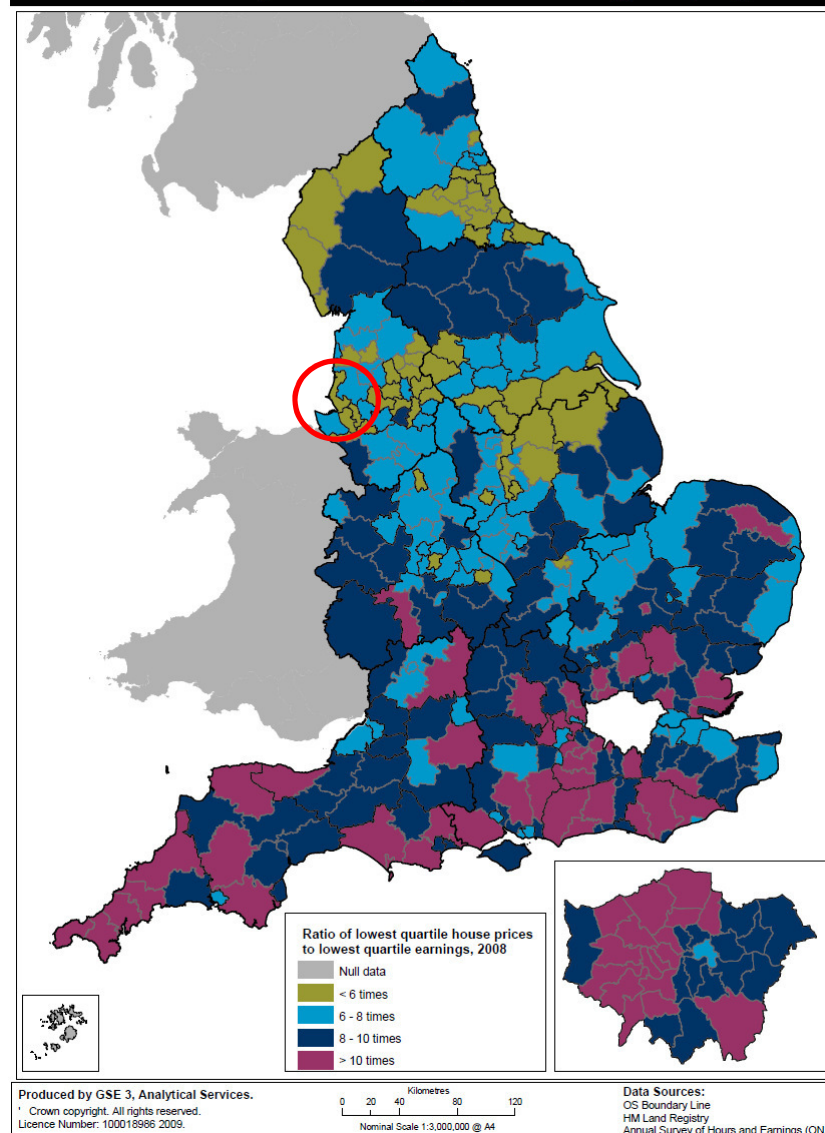


Chart 5.15: Housing Market: Ratio of lower quartile house price to lower quartile earnings by local authority, 2008, England





The Assessment

The 2007 Wirral SHMA

2007 SHMA set out two approaches to identifying affordable housing need:

- A requirement based on CLG Practice Guidance (July 2007)
- A 'Balancing Housing Markets' (BHM) Assessment – involved matching size, type and tenure of dwelling supply against both housing demand and housing need
- 40% target recommended of new-build housing being affordable

2007 SHMA Annual Affordable Requirements based on CLG and BHM approach

Council Area	CLG Needs	BHM
Wirral	1,342 dpa	1,767 dpa

2010 Update:

- CLG approach requirement increased to 2,784
- Increase of 58% since 2007 ' *due to reduced affordability as a consequence of changes to the local labour market*

Changes since the 2007/2010 SHMA

Significant economic and policy changes since the previous SHMA(s) prepared:

- RS for the North West was revoked in May 2013 – no longer forms part of the Development Plan
- NPPF introduced – requirement for LAs to objectively assess need for market and affordable housing
- Changes to the benefit system including the introduction of an under occupancy penalty - the 'bedroom tax'

Demographic changes:

- 2010/2011-based SNPP/household projections
- 2011 Census data
- Ageing population and more households living alone

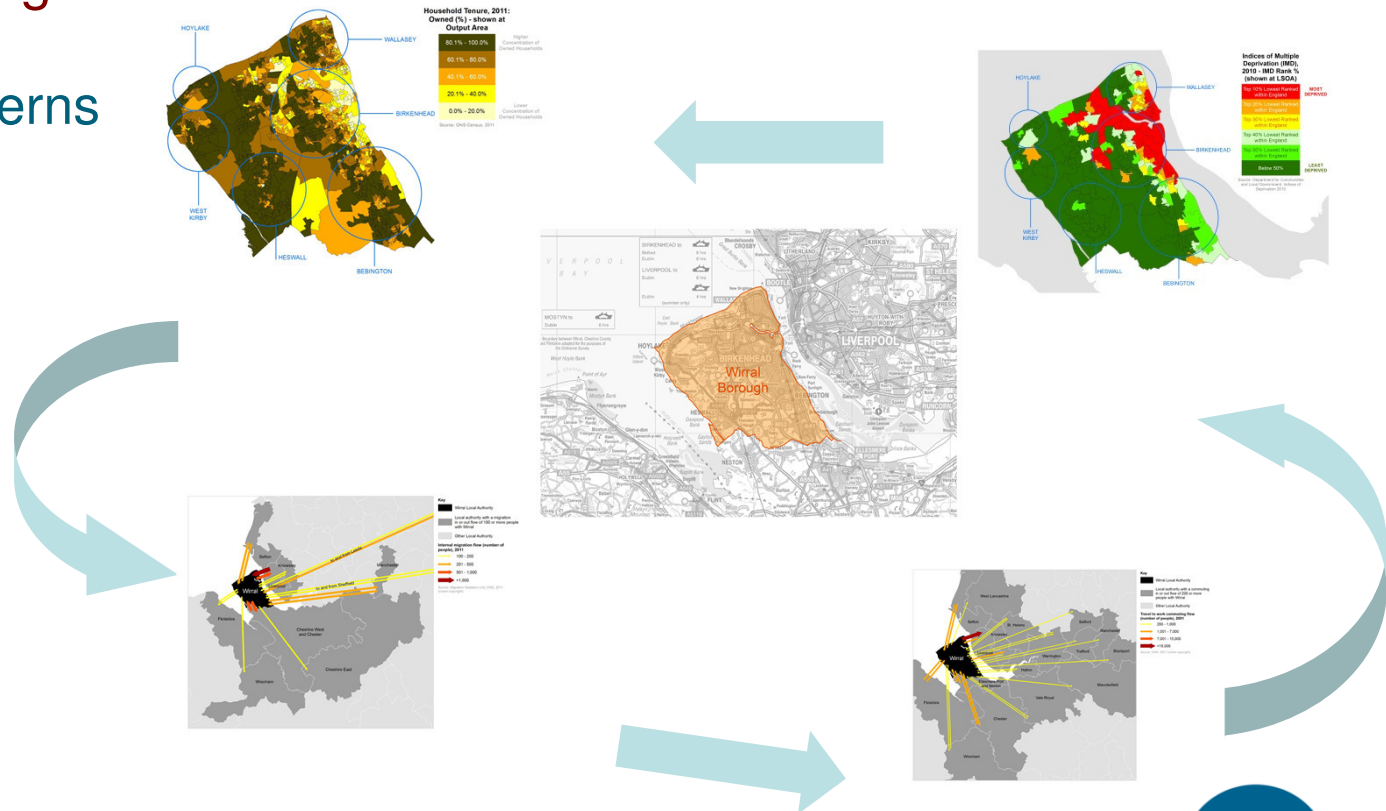
A more robust and transparent methodology enabling the LA to update the SHMA on a regular basis is therefore required

NLP SHMA

The SHMA is being prepared in accordance with CLG SHMA Practice Guidance Version 2 (August 2007) and the emerging BETA Planning Practice Guidance

The identified Housing Market Area (HMA) of Wirral is considered appropriate for a number of reasons including:

- Internal Migration patterns
- Commuting patterns
- Deprivation
- Income

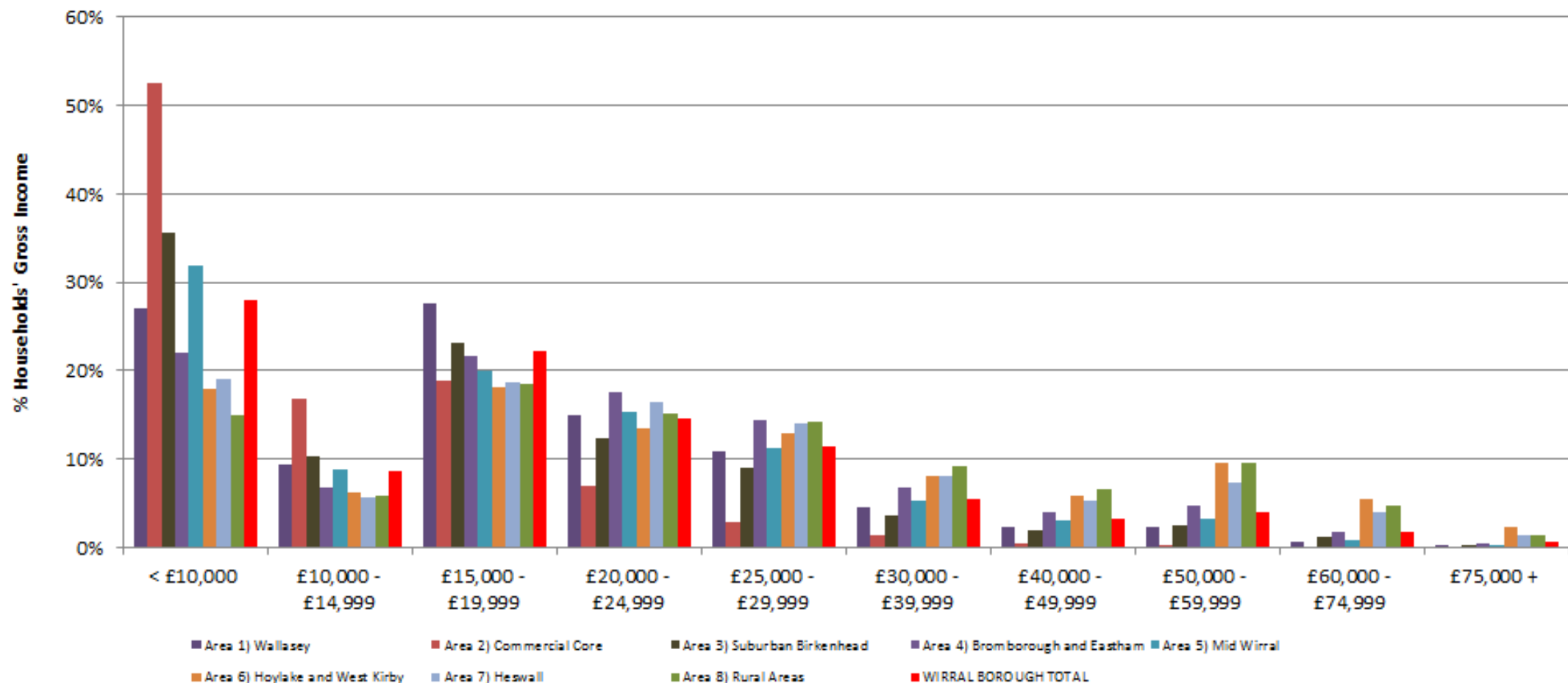


Approach Taken by 2013 SHMA

Task 1: Review of Current Housing and Market Conditions

- Demographic and Economic Trends
- Housing Stock
- Active Market and Affordability:
 - **Affordability test:** identifying the cost of entry level market housing/private rented, set against the minimum income required to access this housing (3.5 x income multiplier to purchase a home, or 25% gross household income to rent)
 - Wirral Borough: LQ House Price = **£95,000** (Income required: **£27,145**)
 - Wirral Borough: LQ Private Rent = **£460 pcm** (Income required: **£22,080**)

Affordability Test



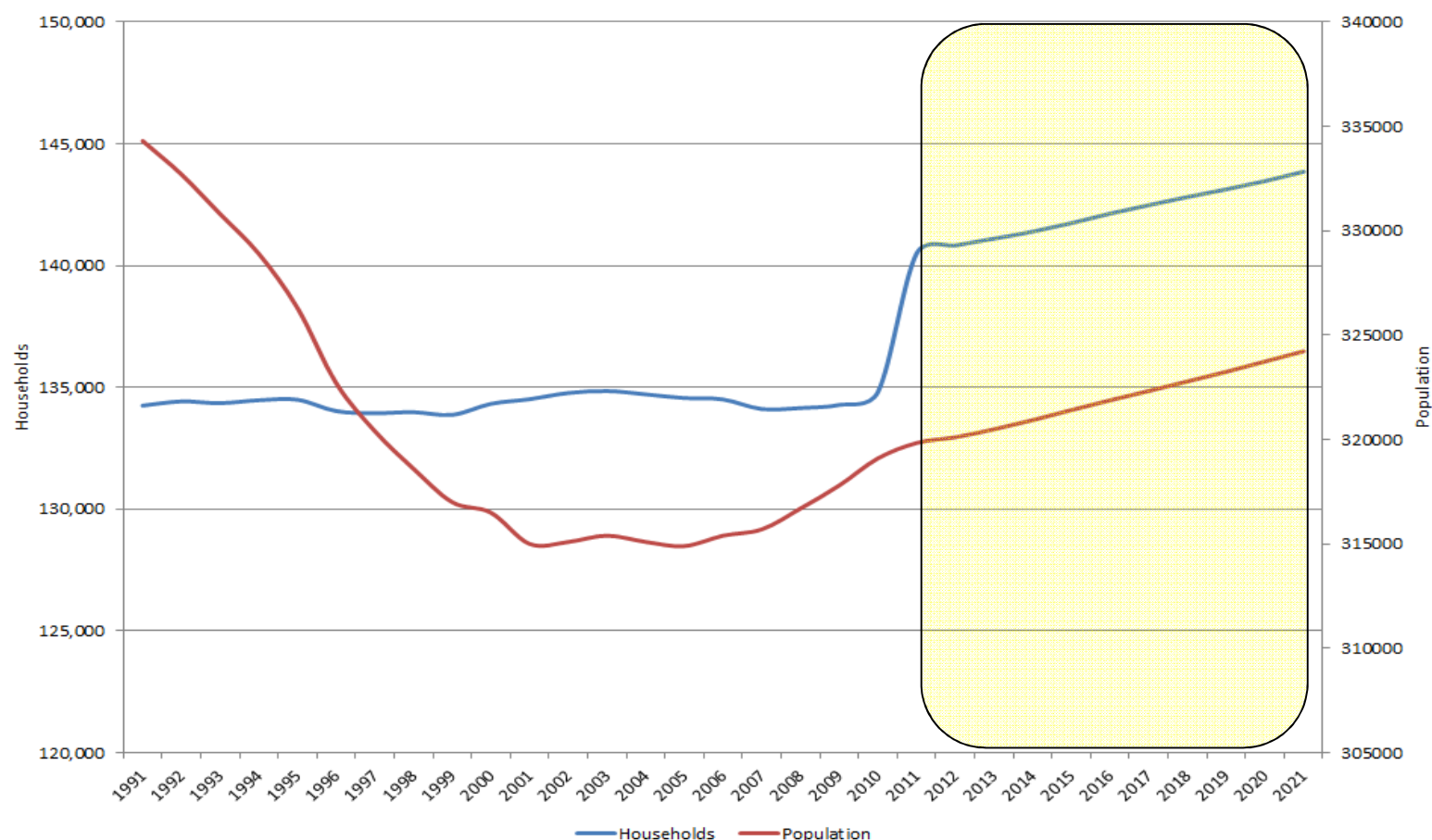
Wirral: 79% households unable to afford LQ **house**

Wirral: 65% unable to afford LQ **rent**

Approach Taken by 2013 SHMA

Task 2: Assessing Drivers of the Future Housing Market

- Projecting Changes in future numbers of households
- Future economic performance
- Future affordability



Approach Taken to 2013 SHMA

Task 3: Calculating Affordable Housing Need

Current Housing Need (Stage 1):

- Housing Needs Survey: NEMS - 200 surveys per sub-area, 100 surveys in the Commercial Zone (1,500)
- OR: Housing Register = 10,508 Wirral (3,159 Bands A-C, 1,646 excl. transfers)

Wirral SHMA

Good morning / afternoon / evening, my name is from NEMS Market Research, an independent market research company. We have been commissioned by Wirral Council to carry out an important survey to help them develop their housing and planning policies to meet the needs of people in the coming years. All answers will be treated in accordance with the Data Protection Act 1998 and no information provided will be passed to any third party for any reason. Do you have time to answer some questions? It will take about 10 minutes

Should you have any concerns concerning the validity of the survey, please feel free to contact the Housing Strategy Team on 0151 691 8151 or by email 'housingstrategy@wirral.gov.uk'

ASK ALL

AGE Can I just ask, how old are you?
DO NOT PROMPT, ONE ANSWER ONLY. IF REFUSE - READ OUT AGE BANDS AND ASK RESPONDENT TO CHOOSE

1 16-24
2 25-44
3 45-55
4 56-75
5 75+
6 (Refused)

ALL

GEN Gender of respondent
CODE FROM OBSERVATION

1 Male
2 Female

ASK ALL

Q01 What type of property do you live in?
DO NOT PROMPT, ONE ANSWER ONLY

1 Semi-detached house
2 Detached house
3 Terraced house
4 Flat / Maisonette
5 Bedrft / Studio / Room Only
6 Bungalow
7 Supported housing, including Sheltered housing
8 Caravan or Temporary Structure

ASK ALL

Q02 Which of the following is your households residential status?

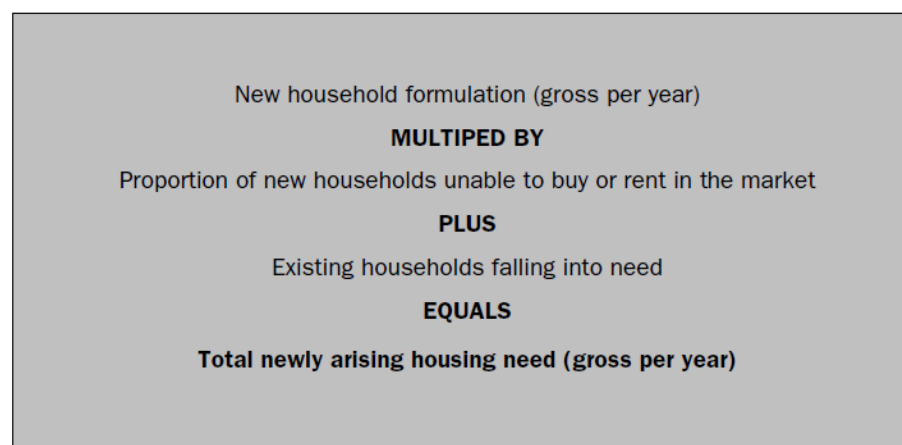
Stage of the Model	Data Items – Using Secondary and Primary Data
Stage One: Current Housing Need	
Affordability Test	Land Registry House Price Data, Rightmove, Experian Income Data
1.1: Homeless Households and those in temporary Accommodation	P1(e) returns
1.2 and 1.3: Households in Unsuitable Housing	Housing Needs Survey Results
1.4: Total Current Housing Need (Gross)	Step 1.1 PLUS 1.2 PLUS 1.3. Divide total by results of the affordability test.
Stage Two: Future Housing Need	
2.1: New Household Formulation	NLP PopGroup Modelling
2.2: Number of Newly Forming Households Unable to Buy or Rent in the Market (Annual)	Land Registry House Price Data, Rightmove, Experian Income Data
2.3: Existing Households Falling into Need	Housing Register
2.4: Total newly arising housing need (gross per year)	Step 2.2 PLUS 2.3
Stage Three: Affordable Housing Supply	
3.1: Affordable Dwellings Occupied by Households in Need	Reference to Stage 1 findings
3.2: Surplus Stock	CLG Data
3.3: Committed Supply of New Affordable Housing	Local Authority Information (or CLG data if Local Authority information unavailable)
3.4: Units to be taken out of management	Local Authority Information
3.5: Total Affordable Housing Stock Available	Step 3.1 PLUS 3.2 PLUS 3.3 MINUS 3.4
3.6: Annual Supply of Social re-lets (net)	CORE Data (Questions 17 and 40)
3.7: Annual Supply of Intermediate affordable housing available for re-let or resale at sub market levels	CORE Data (Question 21)
3.8: Annual Supply of Affordable Housing	Step 3.6 PLUS 3.7

Approach Taken to 2013 SHMA

Future Housing Need (Stage 2)

- Step 2.1: New Household Formation (PopGroup demographic modelling)
 - 534 p.a. Wirral, (2013-2030)
- Step 2.2: New Households Unable to Buy or Rent in the Market
 - 66% income of existing households (87% Wirral residents)
- Step 2.3: Existing Households Falling into Need
 - HNS or CORE lettings data (632 average over past 5 yrs)

= Estimate of Newly Arising Housing Need (Wirral = 1,096 gross per year)

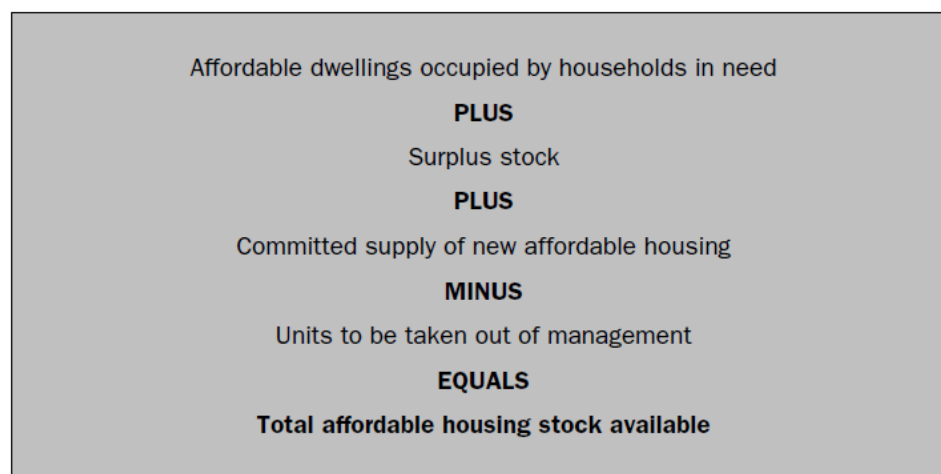


Approach Taken to 2013 SHMA

Supply of Affordable Housing (Stage 3)

- Step 3.1: Affordable Dwellings occupied by households in need (netted off)
- Step 3.2: Surplus Stock
 - Include if current level of social housing voids is over 3% (2.8% in Wirral)
- Step 3.3: Committed Supply of Affordable Units
 - Wirral: 342 dwellings
- Step 3.4: Units to be taken out of management (N/A)

= Total Affordable Housing Stock Available (Wirral = 342)



Approach Taken to 2013 SHMA

Supply of Affordable Housing (Stage 3) contd.

- Step 3.6: Future Annual Supply of Social Re-lets
 - CORE trend data over past 5 years
 - Wirral= very high, 1,873 p.a. (net)
- Step 3.7: Annual Supply of Intermediate Affordable Housing
 - CORE/ONS data – very low: Wirral = 13 p.a.



= Annual Supply of Affordable Housing Wirral = 1,886

Task 5.1: Estimate of Net Annual Housing Need	
	Wirral
Gross Current Need (Task 1.4)	1646
MINUS Total Stock Affordable Housing (Task 3.5)	342
Equates to Net Current (Backlog) Need	1304
Net Backlog: Annualised (5 years)	261
Newly Arising Housing Need (Annual) (Task 2.4)	1096
MINUS Future Annual Supply of Affordable Housing (Task 3.8)	1886

Initial data analysis suggests a low level of affordable housing need
BUT: significant mismatch between availability of stock and geographic needs; size and tenure.

HNS will provide a clearer picture...



Key Questions for the Workshops

Issues to discuss

- Do we agree on the approach taken to defining affordable housing need in the emerging SHMA?
- Are the figures underpinned by the most robust and up-to-date data sources?
- How does housing need differ across the eight sub-areas Wallasey / Commercial Core / Birkenhead / Bromborough & Eastham / Mid-Wirral / Hoylake & West Kirby / Heswall / Rural Areas?
- What is the level of demand for different sizes and types of market and affordable housing?
- What are the emerging implications of the Government's changes to the benefits system, social housing funding regimes and the 'bedroom tax'?
- What are the wider interactions between adjoining HMAs and the Wirral HMA?
- What are the particular housing requirements of the following special groups:
 - Families
 - Older residents
 - Key Workers
 - BME groups
 - Disabled residents
 - Young people
 - Those living in rural areas
 - Other 'hard to reach' groups?