

# Oldham Housing Needs and Demands Study

**Revised October 2008**



**Oldham**  
Council

## **Acknowledgments**

This report has been produced by officers at Oldham Council using guidance provided by the Department of Communities and Local Government (CLG) and in liaison with GVA Grimley and other AGMA members.

## **Changes in methodology**

After a meeting between Association of Greater Manchester Authority officers and representatives of GVA Grimley, it was decided that there should be changes made to the methodology suggested in guidance from Communities and Local Government. It was felt that the guidance provided was very much open to interpretation and that as a result the figures produced using the were unrealistic. The changes were agreed to ensure consistency across the ten Greater Manchester Authorities. In order to be consistent the period for feeding into the Greater Manchester Strategic Housing Market Assessment concludes at 31<sup>st</sup> March 2008.

Some percentages may not total 100 due to rounding off figures.

These changes and the resulting figures can be found in Appendix 4 and 5.

## **Enquiries**

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<b>Welcome to the Housing Needs and Demand Study for Oldham.....</b>	<b>6</b>
<b>Executive Summary .....</b>	<b>7</b>
<b>The Housing Needs and Demands Study in Context .....</b>	<b>11</b>
National Context .....	11
Regional Context .....	11
Sub-Regional Context .....	11
Local Context .....	12
<b>Setting the Housing Context .....</b>	<b>13</b>
Housing Provision in Oldham .....	13
Housing Tenure in Oldham .....	14
Barriers to Housing and Services .....	14
<b>The Housing Market in Oldham .....</b>	<b>15</b>
The cost of renting a property in Oldham .....	15
Entry Level Owner Occupation Housing (Lower Quartile) .....	16
Average Sale/Re-Sale Prices .....	17
<b>The affordability of Housing in Oldham.....</b>	<b>20</b>
Levels of Deposit Required .....	20
How to measure affordability .....	22
Re-Sale and New Build Housing Market Affordability .....	22
Average Housing Market Affordability.....	23
<b>Cross Borough affordability .....</b>	<b>24</b>
Household First time buyer Affordability .....	24
Lone First time buyer Affordability .....	24
Mortgage Possessions.....	26
<b>Housing Demand.....</b>	<b>27</b>
Sales volume by housing market.....	27
Volume of sales by property type .....	28
Volume of Re-Sales by value band 2004/5-2008/9 .....	29
Proportion of Re-Sales by value banding .....	29
Volume of new Build sales by Value band 2004-2008 .....	30
Proportion volume new build sales by value band. ....	30
Private Sales per 1000 properties .....	31
Right to Buy.....	32
Leasehold Sales.....	34
<b>Housing Supply and Demand Conclusions .....</b>	<b>35</b>
<b>Section One: Current Housing Need .....</b>	<b>36</b>
1.0: Current housing needs (gross) .....	36
1.1: Homeless households and those in temporary accommodation.....	36
1.2: Overcrowding .....	36
1.3: Identification of other groups.....	38
1.4: Identification of total current housing need (gross) Calculation.....	38

<b>Section 2: Future Need .....</b>	<b>39</b>
2.1: Newly formed households likely to be in housing need.....	39
2.2: Proportion of newly forming households unable to rent in the market.....	39
2.3: Existing households falling into need (LA Stock).....	39
2.4: Total newly arising housing need (gross per year) Calculation.....	40
<b>Section 3: Affordable Housing Supply .....</b>	<b>41</b>
3.1: Identification of affordable dwellings occupied by households in need.....	41
3.2: Identification of surplus stock (HSSA) .....	41
3.3: Identification of committed supply of new affordable housing.....	42
3.4: Identification of units to be taken out of management.....	42
3.5: Total affordable housing stock available (Calculation).....	43
3.5a: Total Affordable Housing Stock Available Conclusion .....	43
3.6: Identification of the annual supply of social re-lets (net).....	43
3.7: Identification of the future annual supply of intermediate affordable housing .....	44
3.8: Identification of the future annual supply of affordable housing Calculation.....	44
<b>Section 4: Local Authority housing requirements for households in need .....</b>	<b>45</b>
4.1: Identification of the choices within the existing affordable housing stock.....	45
4.2: Identification of the requirements for affordable housing of different sizes.....	45
<b>Section Five: Estimate of Net Annual Housing Need .....</b>	<b>46</b>
5.1: Estimate of net annual housing need.....	46
5.2: Key issues for future policy/strategy.....	46
5.3: Joining up across the assessment.....	47
<b>Section 6: Housing requirements of specific household groups.....</b>	<b>48</b>
6.1: The housing needs of older people .....	48
Older Persons housing in Oldham.....	49
Income deprivation affecting older people .....	49
Older people helped to live at home.....	50
Tenure and Health of Older People .....	51
6.2: The housing needs of disabled people in Oldham.....	52
Disability by Ward.....	52
Disability and Incapacity Benefits.....	53
Ethnicity and Limiting Long Term Illness.....	54
Current Circumstances of Disability/Serious Medical Condition .....	55
6.3: BME Housing Needs.....	56
Ethnic group composition .....	56
Household Type by Ethnicity.....	57
Bedroom Need by Ethnicity.....	58
Location of BME Applicants .....	59
6.4: Young People.....	60
6.5: Specific Housing Needs Conclusion.....	60
6.6: The Low Cost and Intermediate Affordable Housing Market.....	61
<b>Appendices.....</b>	<b>63</b>
Appendix 1a: % Owner Occupation Households Census 2001 .....	63
Appendix 1b: % Council Tenant Households Census 2001 .....	64
Appendix 1c: % Housing Association Tenants Census 2001.....	65
Appendix 2: Indices of Deprivation 2007: What do they mean for Oldham? .....	66

Source: Oldham Council Corporate Research Team.....	66
Appendix Three: Charts and Tables .....	69
Appendix Four: Summary of Changes to methodology .....	71
Appendix Five: Figures Submitted for SHMA.....	72
Appendix Six: Data Source Summary .....	73
Appendix Seven: Definitions .....	75
Appendix 7: Abbreviations used .....	76
GIS Mapping .....	77

# Welcome to the Housing Needs and Demand Study for Oldham.

Improving Oldham's housing offer is recognised by the Council and the Oldham Partnership as a major challenge for the long-term regeneration of the Borough. The quality of housing and need for new homes, particularly affordable homes, are issues which form key elements of our new Local Area Agreement and will inform our new Oldham Housing Strategy 2009-11 and our future activity as a housing partnership.

We want to improve the quantity, quality and variety of housing to satisfy current needs and future housing demand within the constraints of the planning system and available funding sources

The Oldham Housing Needs and Demands Study 2008 is a follow up to the previous study conducted in 2004. The Study provides an indication as to the nature of the housing market and levels of housing needs and affordable social housing within the Borough. It follows Government guidance as set out by Communities and Local Government (CLG) and newly established guidance developed to align with the Greater Manchester Strategic Housing Market Assessment (SHMA). This will provide an evidence base for Oldham Council and Oldham Housing Partnership to develop more effective strategies to improve housing within the Borough.

An earlier draft of this Study was completed by Oldham Council in January 2008 to inform the Local Authority's commitment to the impending Greater Manchester Strategic Housing Market Assessment (SHMA) which is being coordinated by the Association of Greater Manchester Authorities (AGMA). For the purposes of the SHMA, Greater Manchester has been split into four housing market areas. The North East Housing Market Area includes Oldham, Rochdale, Tameside and parts of North Manchester.

As part of the process Oldham has been asked to complete a Housing Needs and Demands Study (HNDS). This HNDS provides an indication of levels of current housing provision, housing need and future housing need. This Study was revised in October 2008 to reflect changes in methodology arising from the Greater Manchester Strategic Housing Market Assessment.

Although there is a large Registered Social Landlord (RSL) presence in the Borough of Oldham, AGMA members agreed that Local Authority re-lets are to be solely utilised for consistency throughout the methodology of analysis. It was decided to leave Registered Social Landlord data out of the overall analysis. This was due to concerns over double counting as not all authorities operated a joint-waiting list with RSLs. It was considered that many of the households in need would apply for both Local Authority and RSL homes.

Details of the following can be found in the appendices

- Changes in methodology agreed by AGMA authorities
- Figures submitted for SHMA
- Sources used
- Definitions
- Abbreviations

# Executive Summary

The Oldham Housing Needs and Demand Study highlights a number of key issues and challenges that Oldham will need to address. The evidence from this study will be used to help inform the Oldham Housing Strategy 2009-11 and the work of the Oldham Housing Partnership.

This Study shows a wide range of issues affecting the full spectrum of Oldham's housing market. There are issues over the levels of affordability, access to housing and the quantity of new housing being built. A number of other areas arise around the needs and aspirations for particular groups now and in the future.

Findings in the Study show that the issues are not all concerned with Council or Housing Association properties, but with the Private Rented Sector and Private Housing in general. If Oldham is going to be able to offer real quality and choice, there are a number of findings from the study which need to be addressed.

## Oldham's Housing Stock

- In 2007-8, of the 93,757 homes in the Oldham Borough, 78.6% were privately owned and just over a fifth (21.3%) were managed by either the Council or a Registered Social Landlord (RSL)
- Through a variety of reasons such as demolition, transfer and right to buy, Local Authority (LA) stock has decreased. Within the period 2005-6 to 2007-8, levels of social housing in the borough reduced from 21,137 to 19,993 (-5%) and there was an increase in privately owned stock from 71,998 to 73,721 (+2.6%)

## Affordability- pre Credit Crunch

- Between 2002 and the end of March 2008 the value of entry level (lower quartile) owner occupation housing rose by 180% in Oldham Borough compared to a 163% rise for Greater Manchester and a 108% rise for England as a whole.
- Between April 2005/6 and March 2007/8 the average Re-Sale price of a property in Oldham Borough increased from £93,725 to £125,047.
- Similarly, the new build market saw an increase in values from £108,466 in April 2005/6 to £194,540 at the end of March 2007/8.

## Affordability- post Credit Crunch

- Since the end of 2007/8, there has been a decline shown in entry level house prices as a result of the credit crunch.
- In the year between second quarter (July – September) 2007/8 and the same period for 2008/9, the average value of housing in Oldham, reduced by 7.4% from £128,964 to £119,495. Only in East Oldham (+3%) did prices rise.
- By the start of April 2007/8 the average resale value had reduced to £119,495, a reduction of 4.4% in the period. By the end of the second quarter 2008/9, average new build values were shown to be £134,037, a reduction of 31.1%.

- Despite recent decreases in entry level house prices, it is still virtually impossible for any lower quartile income single person and household buyers to enter the housing market. Single buyers would require lending of 6.5 times income and a household 4.9 times income.
- As with entry level first time buyers, first time buyers on an average income would find it virtually impossible to afford an average priced property.
- Based on average property prices for each former committee area, many first time buyers with a household income would be unable to remain in the areas where they currently reside. For first time buyers living in East Oldham and West Oldham, the whole of the Borough is unaffordable.
- For single first time buyers, nobody could afford to stay in their own areas based on average income and average house values. Only average earners in Chadderton, Saddleworth and Lees and Shaw and Royton could reasonably afford to buy in any part of the Borough.

### **Property sales**

- Since October 2007 to the end of second quarter 2008/9, the volumes of both re-sales and new build sales have reduced across all property types. The sales of flats and detached properties have been particularly affected.
- In the 12 months between the second quarter 2007/8 and second quarter 2008/9, there has been a decrease of 61% and 81% in the volume of Re-Sale and New Build markets respectively.
- Data taken from the first half of 2008/9 shows that there has been a reduction in the volume of sales across all value bandings from the previous year, particularly those valued at over £150,000
- The previously buoyant Right to Buy market has been affected by the current housing crisis. The number of sales reduced from 226 in 2005/6 to 23 in the first six months of 2008/9.
- It is known that the levels of Right to Buy purchases have been affected by the increased difficulty in securing a mortgage. Another reason is the lower levels of available three bedroom houses to buy.

### **Housing Need**

- The 2001 census shows that 7% of Oldham's housing stock is overcrowded, with around 6,400 households. This is the second highest level of overcrowding in Greater Manchester.
- By tenure, overcrowding is highest in private renting (and those living rent free), affecting 13% of such households. Owner occupation, in contrast, has the lowest levels of overcrowding, affecting just 5% of households. According to census 2001 there were 2311 overcrowded households in the social rented sector in Oldham (11.48%)



- Based on “Reasonable Preference Groups” a constant source throughout AGMA and recognised national definitions. Figures taken from end of 2007-8 indicate that Oldham had 2,436 households in need.
- Using data taken from the Greater Manchester forecast model, it was projected that an average of 431 new households would form in Oldham each year.
- It was calculated that 155 of newly formed households could not afford to enter the Private Rented Sector.
- Using a three year average from 2004/5 to 2007/8, it was calculated that there were 370 existing households (as opposed to newly arising households) who might fall into housing need.
- Using CLG guided calculation the estimated net annual housing need for social housing in the Oldham Borough is 321.
- The figure of 434 committed supply of units is an indication of developments that have been granted planning permission; however there is a high likelihood that many of these developments will not be completed.

### **Local Authority Housing**

- There are very high numbers of bids received for all Council properties in Oldham. In 2007/08, 1 bed properties received on average 55 bids per vacancy, 2 bed received 72, 3 bed received 73 and 4 bed and higher received 63.
- Only 4, 4 bed or larger Council properties became available to rent over 2007/08.
- Despite of the higher turnover of bedsits and one bedroom properties, the highest proportional demand is for two and three bedroom properties. It also illustrates that the lack of availability of four bedroom plus properties means that demand is high when they do become available.
- There are over 11,000 people on the waiting list for Local Authority properties in October 2008.

### **People**

- The proportion of Oldham’s population from BME groups is forecast to increase from around 16.6% in 2007, to around one fifth (19.4%) in 2012 and to one quarter (24.6%) in 2022. This is predominantly associated with the growth of Oldham’s Pakistani and Bangladeshi heritage communities.
- There is a greater need for three bedroom or larger houses amongst the BME applicants for Local Authority housing.
- Older people in socially rented accommodation are proportionally more likely to have some form of limiting long-term illness than those in owner occupation.

- In future years the population of older people is projected to increase significantly in Oldham. In Oldham, specialist housing provision mostly through Housing 2, although some are provided through FCHO and RSL's
- Compared nationally Oldham has a proportionally young population. Currently around a fifth are currently aged 15 or less
- Currently around 27.5% of children aged under 15 years are from BME groups.
- Oldham has the highest proportions of disabled working people in Greater Manchester (38.2%)
- Oldham also has the highest proportion of people who are employed and both disabled and work-limited disabled (33.2%).
- Understandably the highest proportion of older people aged 75 and over come from a white background; however, the table shows a decline this population in the 15 years.
- In contrast it is clear that levels of older people across other ethnicities are projected to increase. This is particularly evident in Pakistani and Bangladeshi communities

### **Using the Information**

- A number of cross tenure and geographically diverse findings are reflected in this Study. It will be important to consider a range of innovative measures to tackle some of these issues. Oldham will need to develop a robust and deliverable action plan and strategy to ensure that all partners are aware of the aims and their responsibilities to meet the housing challenge in these difficult times.
- The Government agenda for maintaining independence in the home, and the forecasted increase in the number of older people reinforce the need to improve links between housing, social care and public health.

# The Housing Needs and Demands Study in Context

## National Context

Government guidance in the form of Planning Policy Statement 3 on Housing (PPS3) requires the preparation of Strategic Housing Market Assessments (SHMA) to inform preparation of policies relating to affordable housing and the provision of an appropriate level of housing.

PPS3 states that the assessment should be prepared collaboratively with stakeholders and jointly where two or more local planning authorities form a housing market area. Practice guidance for the completion of Strategic Housing Market Assessment (SHMA) has been prepared by Communities and Local Government<sup>i</sup>. In summary, PPS3 states that the SHMA should:

Provide estimates of housing need and demand in terms of affordable and market housing, identify how distribution of need and demand varies across the plan area; and consider future demographic trends and identify the accommodation requirements of specific groups.

## Regional Context

The North West Regional Spatial Strategy (RSS), published September 2008, requires local authorities to develop an understanding of local and sub-regional housing markets by undertaking SHMA's<sup>ii</sup> in order to:

- Understand and influence housing supply across all types, sizes and tenures
- Improve the quality of housing; Support housing market restructuring and renewal
- Tackle issues of affordability; and ensure the needs of the wider population are met.

In line with PPS3, RSS states that SHMAs should be undertaken regularly by groups of local authorities working in partnership with key stakeholders.

## Sub-Regional Context

Led by the Association of Greater Manchester Authorities (AGMA), a Greater Manchester SHMA has been prepared, in line with PPS3 and the RSS.

For the purposes of the Greater Manchester (GM), the ten districts have been split into four housing market areas identified through the Making Housing Count exercise. Oldham Borough falls within the North Eastern Housing Market Area (HMA) alongside Rochdale and Tameside as well as the Moston and Blackley neighbourhoods of Manchester.

When work on the Greater Manchester SHMA started, the most up to date assessment available for Oldham Borough was the 2004 Housing Needs Study. In agreement with AGMA, a draft Housing Needs and Demands Study was prepared to inform preparation of the Greater Manchester SHMA. The Study has since been updated and this report forms the culmination of that work.

The Greater SHMA is near completion and will form an important part of the evidence base for preparation of the Council's Local Development Framework and will also help to inform preparation of the Oldham Housing Strategy 2009-11 and also future activity undertaken by Oldham Housing Partnership.

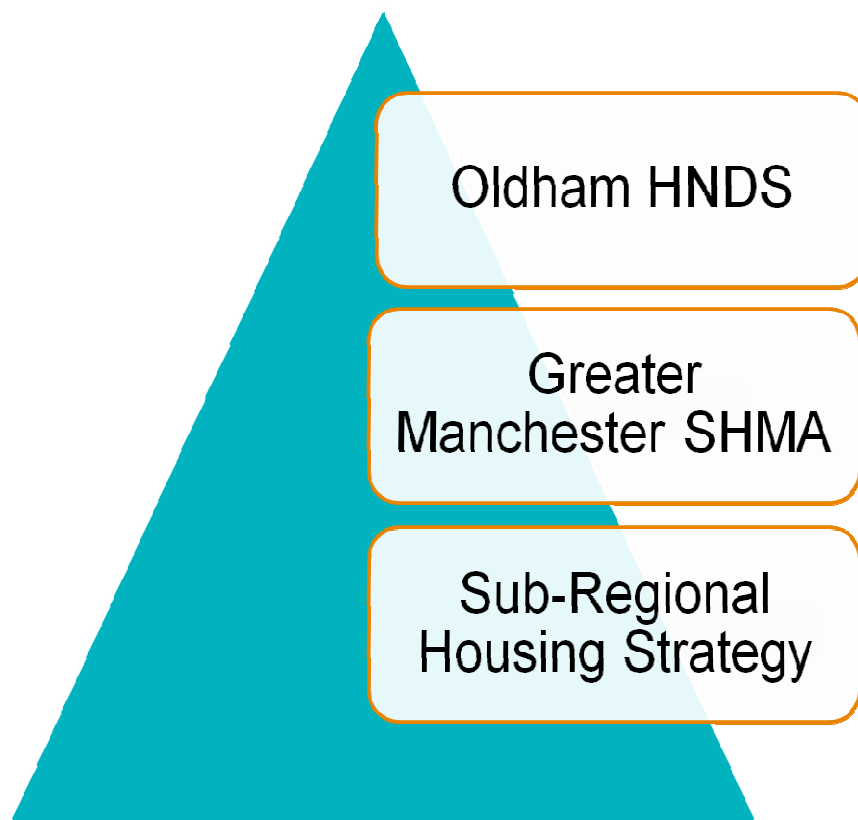
## Local Context

This Local Housing Needs and Demands Study have been prepared to inform preparation of the Greater Manchester SHMA. It has been prepared in line with the Practice Guidance on SHMAs published by CLG, as whilst the guidance encourages local authorities to assess housing need and demand in terms of housing market areas, it is also sets out a framework that is relevant at the local level.

In line with requirements set out in Planning Policy Statement 12 on Local Development Frameworks (PPS12) the Practice Guidance states that:

**‘A strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria’.**

Given that the Oldham Housing Needs and Demands Study was prepared to inform preparation of the Greater Manchester SHMA and as such may not in itself provide all of the core outputs or meet the process criteria identified within the Practice Guidance.



# Setting the Housing Context

## Housing Provision in Oldham

Table one shows the provision of housing in Oldham on an annual basis from 2005-6 to 2007-8.

In the year between 2005/6 and 2006/7 the overall level of stock reduced from 93,135 to 92,711. At the same time, levels of Local Authority stock reduced from 14,755 to 14,504 (-1.8%) Levels of private stock and HA/RSL stock also reduced.

In the year 2006/7 to 2007/8 the amount of overall stock increased to 93,757. This was as a result of a further 52 new homes provided by Housing Associations (HA) and Registered Social Landlords (RSL) in the Borough.

The figures shown for Local Authority owned stock include around 1,600 properties managed through the PFI2 Sheltered Schemes and around 13,000 managed by First Choice Homes Oldham (FCHO -The council's Arms Length Management Organisation) Table one shows clearly that in the three years shown, levels of Local Authority housing have continued to decline. This is most likely due to demolition through Housing Market Renewal (HMR), Private Finance Initiative (PFI) and Right to Buy.

Tenure	2005-6 (% Total Stock)	2006-7 (% Total Stock)	2007-8 (% Total Stock)
Private Stock	71,998 (77)	71,773 (77)	73,721 (79)
HA/RSL Stock	6,382 (7)	6,434 (7)	5,762 (6)
LA Stock	14,755(6)	14,504 (16)	14,231 (15)
<b>Grand Total</b>	<b>93,135</b>	<b>92,711</b>	<b>93,757</b>

Table 1: Housing Provision in Oldham by provider 2005-8: Source: Housing Strategy Statistical Appendix

## Vacancy Rates by Tenure (HSSA)

Tenure	2003/4	2004/5	2005/6	2006/7	2007/8
Local Authority	5.0%	4.0%	4.0%	5.0%	6.0%
Registered Social landlord	3.0%	4.0%	2.0%	1.0%	1.7%
Private Sector properties	4.0%	5.0%	3.0%	6.0%	7.8%
<b>Total Properties</b>	<b>4.0%</b>	<b>5.0%</b>	<b>3.0%</b>	<b>6.0%</b>	<b>5.7%</b>

Table 2: Vacancy rates by tenure. Source: Housing Strategy Strategic Appendix (HSSA) 2007/8

Vacancy rates are calculated by taking the number of long term empty/void properties (over six months) and calculating their proportion against the total stock. Table two indicates that the vacancy rate of all properties increased from 4% in 2003/4 to 6% in 2006/7. However, in the year 2007/8 this has reduced to 5.7%. The most prominent increase in vacancy rates is seen in the Private Sector. This may be as a consequence of impending HMR activity within parts of the

borough. This has led to a number of properties remaining empty for long periods of time through Compulsory Purchase Orders (CPO) awaiting either refurbishment or demolition.

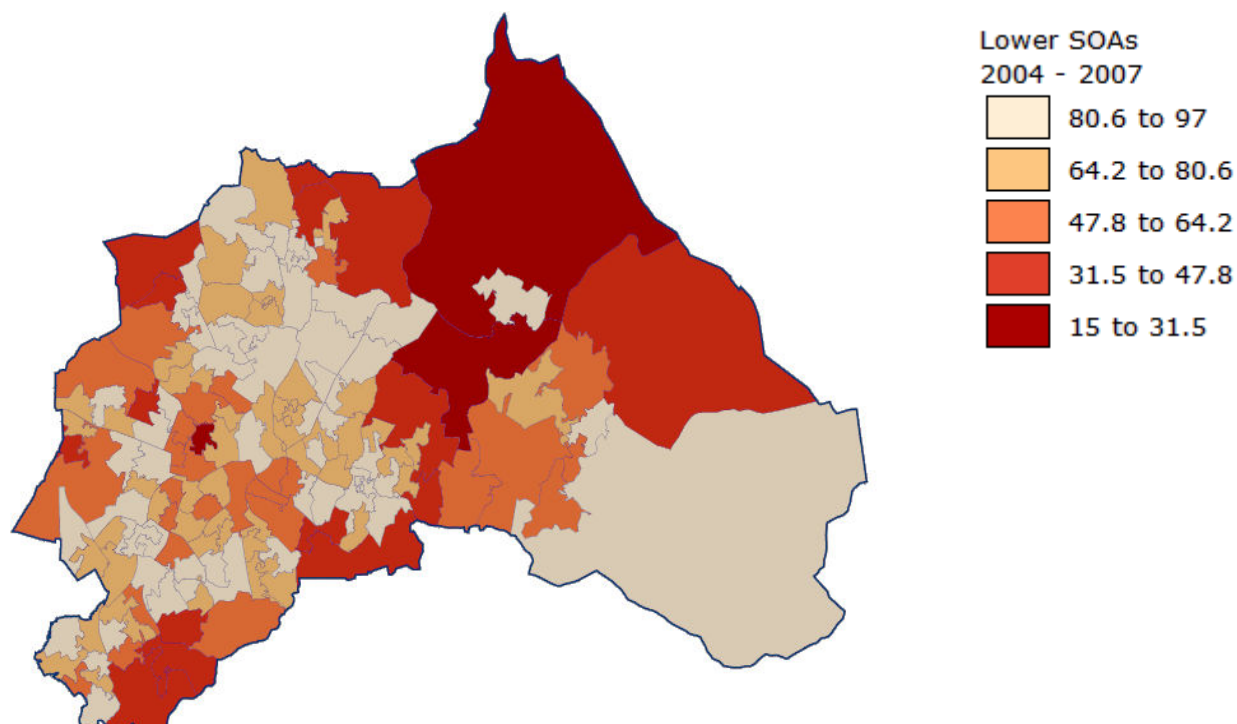
### Housing Tenure in Oldham

The areas with the highest concentration of Owner Occupied stock are in Shaw and Royton and West Oldham. Local Authority stock is distributed throughout the Borough. The highest concentration of LA stock is to be found in West Oldham and Shaw and Royton and the lowest levels are to be found in Saddleworth and Lees. The maps in Appendix 1a- 1c display tenure by geographical location.

### Barriers to Housing and Services

Oldham has a number of Super Output Areas in the top 10% most deprived in the country according to the Indices of Deprivation 2007. However, the specific indicator relating to Barriers to Housing and Services indicates that there are no Super Output Areas (SOAs) in Oldham in the 10% of most deprived SOAs in the country. In 2004 this incorporated a measure of how easy it is for people in the district to afford to become owner-occupiers. Unfortunately this was only available at a Borough level, so that no distinction was made between parts of the Borough where house prices are low and other parts, such as Saddleworth, where many local people cannot afford to buy their own home. The measure also fails to take account of the mismatch between the supply and demand for larger family homes in central Oldham. A summary report can be found in Appendix 2 to provide context to the above. Figure one shows the areas of Oldham where there are the greatest barriers to housing and services.

Figure 1: Barriers to Housing IMD 2004-7.



Source: "Indices of Deprivation 2007: What they mean for Oldham", Corporate Research Team, Oldham Council

# The Housing Market in Oldham

This section includes the analysis of the Oldham housing market, which has been collated to improve understanding about changes in demand over time and to identify pressure points within the housing market.

## The cost of renting a property in Oldham

The Strategic Housing Market Assessment (SHMA) guidance states that understanding the costs of Private Rented Sector housing is crucial to understanding the housing market. Tables three and four show Oldham Borough Local Housing Allowance weekly rates for July 2008. The bulk of the borough is found within the North-East Greater Manchester Broad Rental Market Area (BRMA) Failsworth, however, is contained within the Central Greater Manchester BRMA.

BRMA Name	1 Bed Shared	1 Bed Self Contained	2 Beds	3 Beds	4 Beds	5 Beds
Central Greater Manchester	£60.00	£98.08	£111.92	£126.92	£183.46	£230.77

Table 3: Local Housing Allowance for Central Greater Manchester BRMA, July 2008

BRMA Name	1 Bed Shared	1 Bed Self Contained	2 Beds	3 Beds	4 Beds	5 Beds
North-East Greater Manchester	£55.62	£91.15	£103.85	£121.73	£150.00	£184.62

Table 4: Local Housing Allowance for North East Greater Manchester BRMA, July 2008

Tables three and four, show that weekly rates for private rent in Oldham are considerably lower than those in Central Greater Manchester. This is most apparent with larger properties where there is a 20% difference between the average weekly rents. There is less difference between the two areas when looking at smaller properties.

Failsworth is contained within the Central Greater Manchester BRMA; however it is still within the Oldham borough and has the same income constraints. As a result, properties in Failsworth are less likely to be affordable to those wishing to enter the sector from Oldham.

## Entry Level Owner Occupation Housing (Lower Quartile)

Figure two below shows the 25% lowest house values (lowest quartile) for 2002 to 2008 in Oldham, Greater Manchester and England. This is seen as the basic entry level for the housing market and as an effective indicator of affordability.

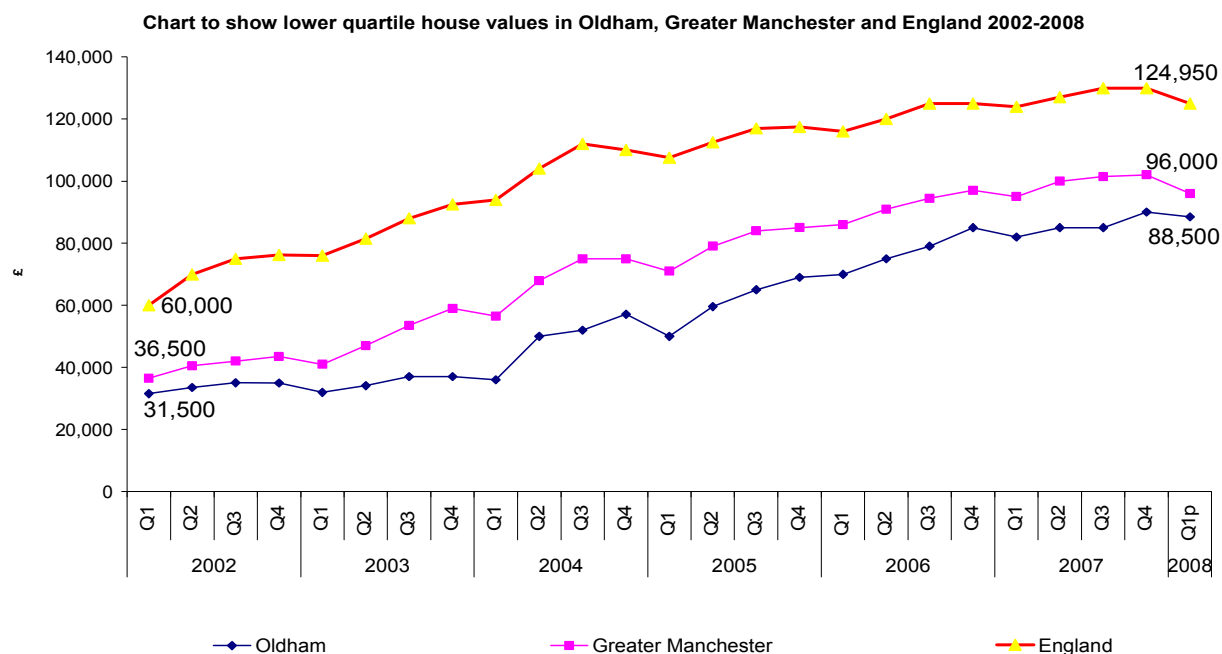


Figure 2: Lower quartile sales value Oldham 2002-82 Source: Nomis/Land Registry Data

Figure two shows how the lower quartile housing market has changed in the period 2002- 2008. It illustrates a rise of around 180% in the house values in Oldham compared to 163% in Greater Manchester and 108% in England.

Figure three shows that from the end of 2007 there has been a decline in entry level house prices as a result of the credit crunch. It shows that Oldham mirrors the trend shown across the region and the country. This increase in entry level owner occupation indicates that even low demand areas such as Oldham were affected by trends related to the property price boom since 2002.



Chart to show lower quartile house values in Oldham, Greater Manchester and England May 2007 to 2008

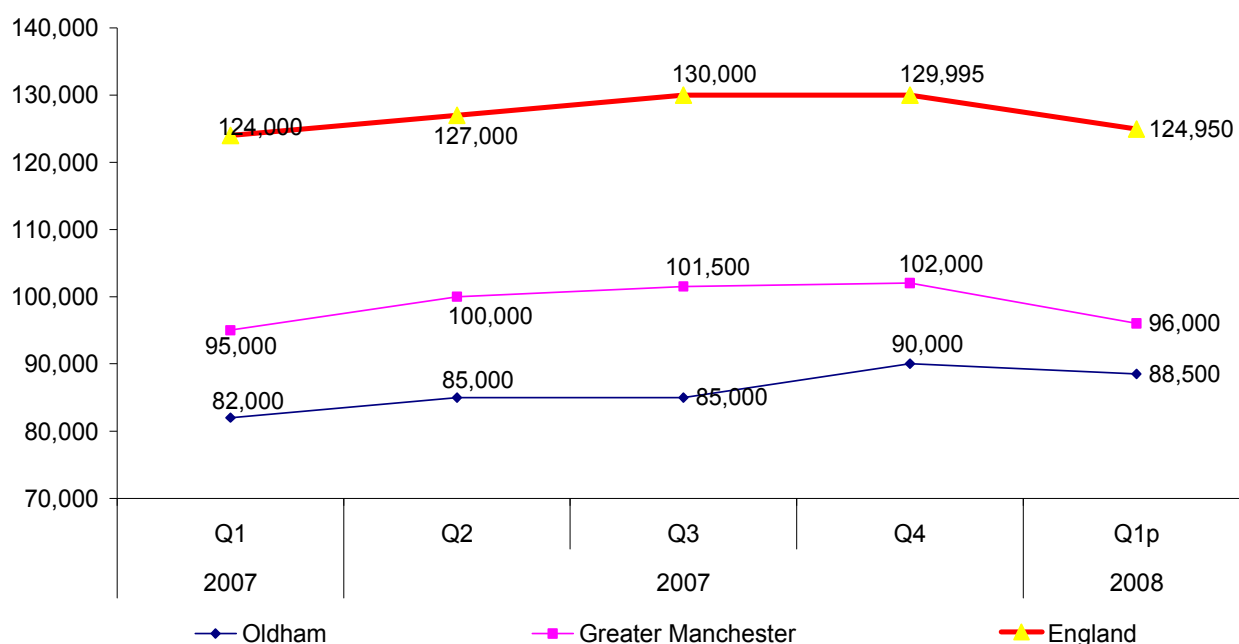


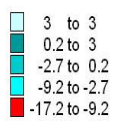
Figure 3: Lower quartile house values in Oldham 2007-8 Source: Nomis/Land Registry Data

### Average Sale/Re-Sale Prices

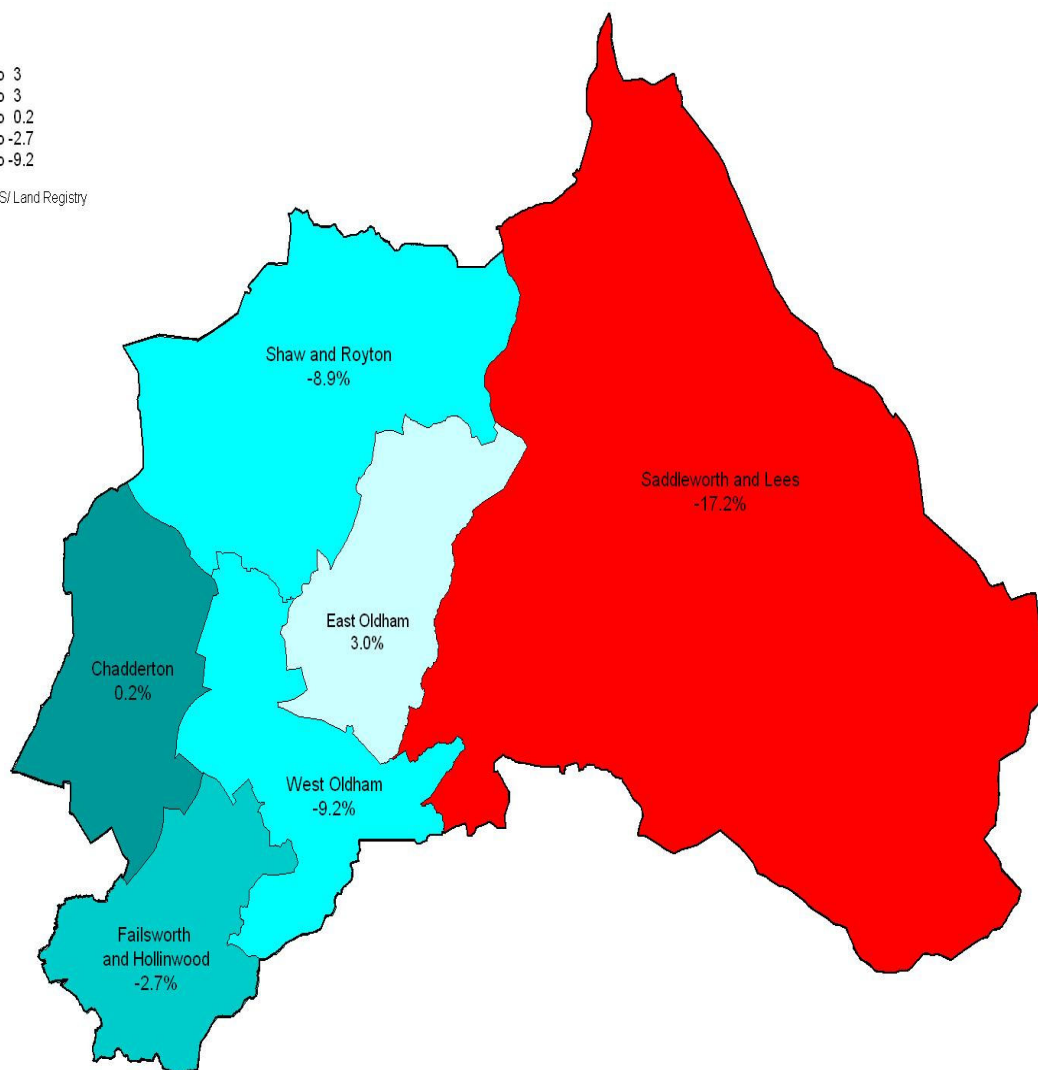
Table five shows the average Re-Sale price of property across the six former committee areas in the second quarter in both 2007/8 and 2008/9. Across Oldham, average Re-Sale values dropped from £128,964 to £119,495, a reduction of 7.4%. This decline in the market was most evident in the Saddleworth and Lees housing market where values reduced by over 17%. East Oldham and Chadderton have seen an increase, although this was only by 3% and 0.2% respectively. This is shown in the map in figure four.

Table 5: Average house price change by former area committee. Source: CDS/HM Land Registry

Former area committee	2007/8 (July-Sept)	2008/9 (July-Sept)	% Change
Chadderton	£121,113	£121,366	0.2
East Oldham	£97,313	£100,228	3.0
Failsworth & Hollinwood	£124,031	£120,683	-2.7
Saddleworth & Lees	£207,061	£171,348	-17.2
Shaw & Royton	£135,960	£123,807	-8.9
West Oldham	£101,214	£91,946	-9.2
Oldham Borough	£128, 964	£119,495	-7.4

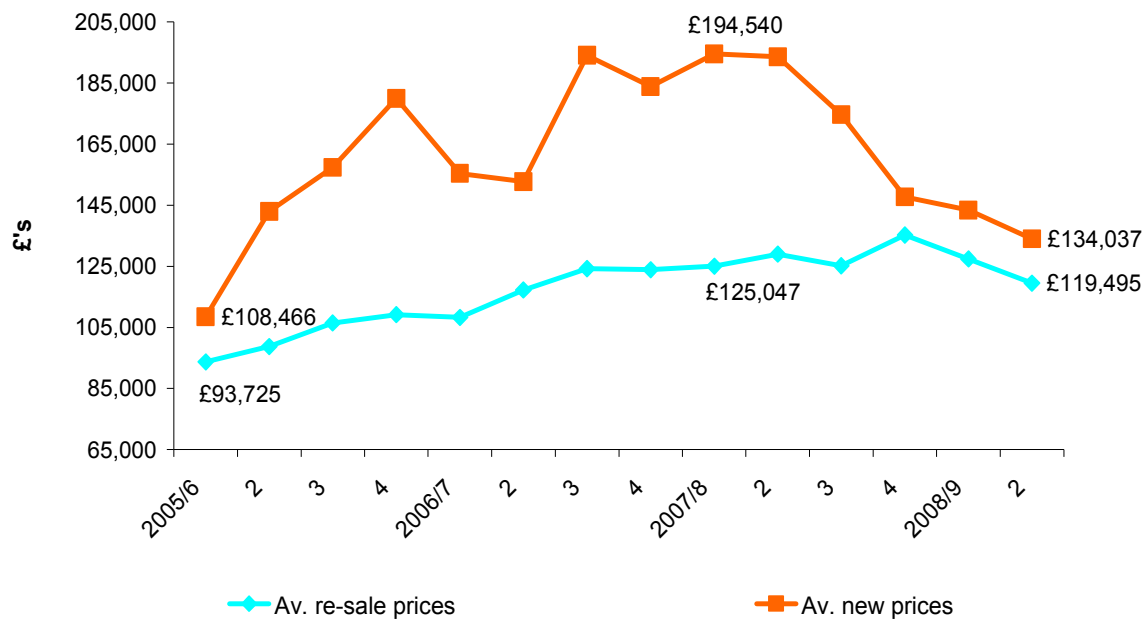


Source: CDS/Land Registry



**Figure 4: Map to show % Value change by former local Committee Area Qtr 2 2007 – Qtr 2 2008/9**

**Chart to show average re-sale and new build market values 2005/6 to 2008/9**



**Figure 5: Average and new build and Re-Sale prices Oldham 2005 – 2008 (qtr 2) Source: Source: CDS/Land Registry Data**

Figure five shows the fluctuations in house sale values in the Borough for the last three years. It displays an increase in average Re-Sale prices from £93,725 at the start of 2005/6 to £125,047 at the start of 2007/8. By quarter two 2008, this average Re-Sale value had reduced to £119,495, a reduction of 4.4% in the period.

Similarly, the New Build market saw increase in house values from £108,466 in 2005/6 to £194,540 at the start of 2007/8. By the second quarter of 2008/9, New Build values were shown to have plummeted to £134,037, a reduction of 31.1%. It is known that many developers decreased the value of homes in reaction to the credit crunch in order to encourage higher levels of sales.

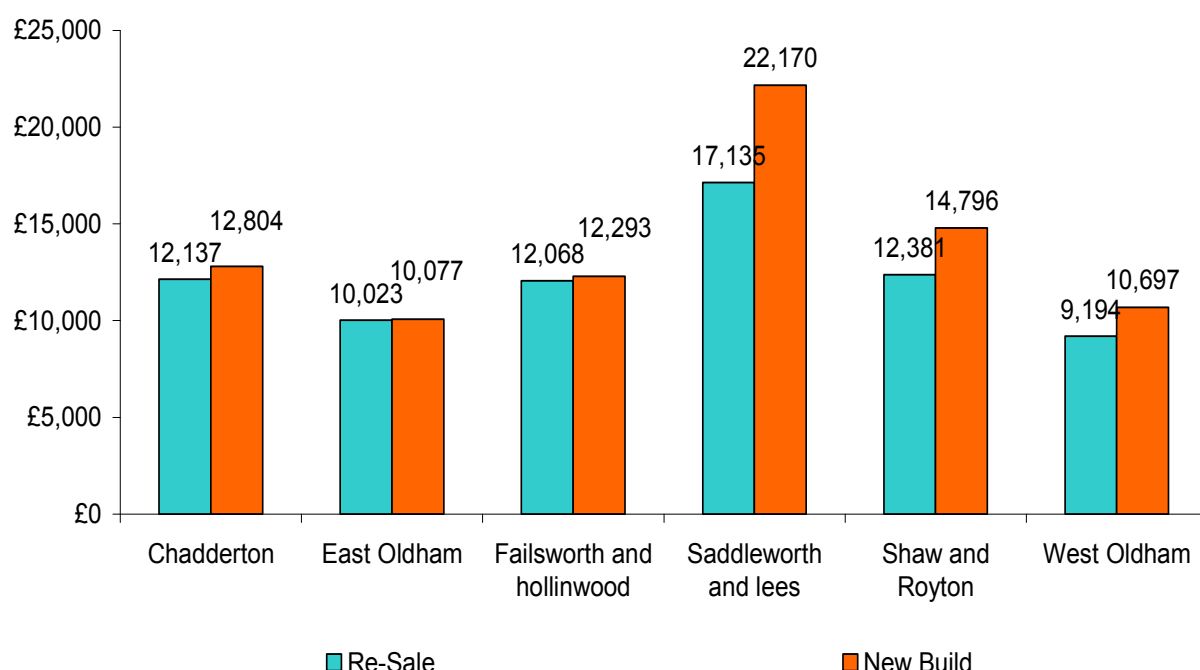
# The affordability of Housing in Oldham

The section that follows examines the accessibility of the housing market in Oldham to its residents. It takes scenarios from both the New Build and Re-Sale market for first time buyers.

## Levels of Deposit Required

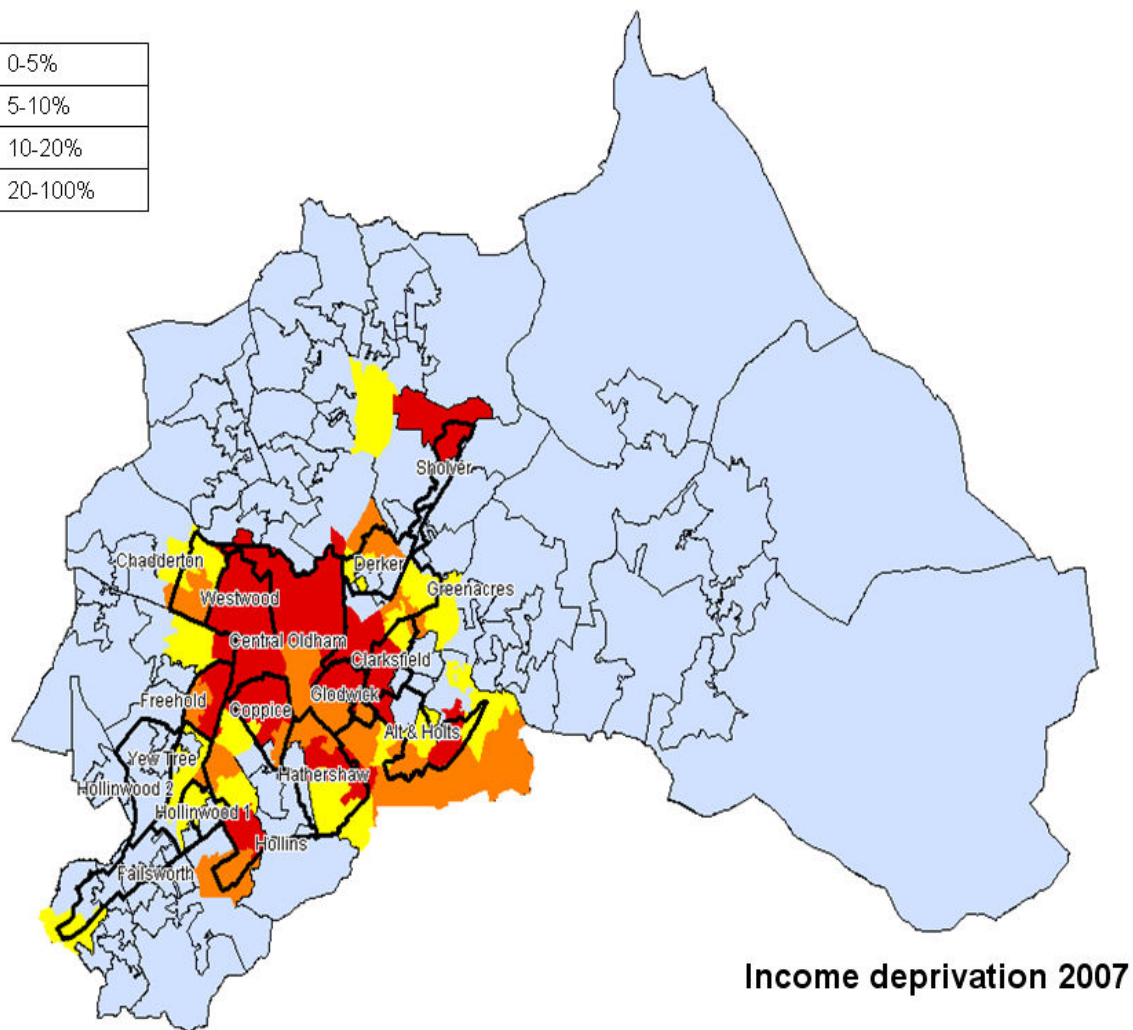
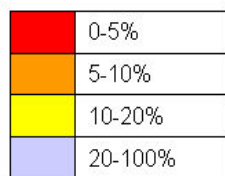
Many mortgage lenders are now requesting deposits of 10% or more. Figure six shows the average deposit required at the end of quarter two 2008/9 was £12,156 and £13,805 for Re-Sale and New Build properties respectively. Given the growing cost of living and low income levels in the Borough, it is likely that many first time buyers would not be able to reach such levels of saving.

**Chart to show level of deposit required to enter the Oldham Housing Market**



**Figure 6: Chart to show level of deposit needed by former area committee. Source: CDS/Land Registry Qtr 2 2008/9**

According to the ONS Family Spending Survey 2007, the average weekly expenditure nationally for a family was £455.90 a week or £23,706.80 per year. It is widely acknowledged that in households with lower incomes, levels of disposable income are significantly less.



**Figure 7: IMD 2007 Income deprivation By Super Output Area 2007. Source ONS**

The map in Figure seven shows levels of income deprivation in the Borough from the 2007 Indices of multiple deprivation. It shows that a number of areas, particularly in central parts of the Borough (in red) are within the top 5% most income deprived in the country.

## How to measure affordability

The table below summarises the process required to calculate the affordability of property for First Time Buyers. The section that follows uses this calculation to identify the affordability of property in the following scenarios.

Oldham Borough Lower Quartile Entry Level  
Oldham Borough Average House Value affordability  
Average House Value affordability by Former Committee Area

Step	How Calculated	The Result
1	Lower Quartile/Average Value minus 10% deposit	Value of Lending required
2	Lower Quartile/Average Income for A: Household Income B: Single Income =	Income
3	Value of Lending required ÷ Income	Affordability Ratio

Government guidelines state that first time buyers who have a household income should have to borrow no more than 2.9 times their annual income in order for a property to be affordable. A household income is calculated as one full time and one part time salary.

The same guidelines state that a single income first time buyer should have to borrow no more than 3.5 times their annual income in order for a property to be affordable. A Single income is calculated as 75% of that of a household income.

## Re-Sale and New Build Housing Market Affordability

Table six shows the affordability of entry level (lower quartile) property in Oldham as of the end of the second quarter 2008/9. It shows the affordability of entry level property to single and household first time buyers and indicates that both would find it virtually impossible to enter the housing market in Oldham.

A first time buyer with a household income would have to borrow 4.9 times their annual income; for a single buyer it would require a massive 6.5 times income. This may not reflect the picture across the different areas of the Borough, as data is not available on a lower geography level at this time.

First Time Buyer Status	Lower Quartile Household Income	Lower Quartile Household Value	Borrowing left after deposit (10%)	Ratio of lending
Household	£16,166	£88,500	£79,650	4.9
Single Buyer	£12,124	£88,500	£79,650	6.5

Table 6: Entry Level Affordability: Source: ONS Crown Copyright Reserved [from Nomis on 30 September 2008] Land Registry (Qtr 2 2008)

## Average Housing Market Affordability

Table seven below provides an indication as to the affordability of a Re-Sale property to a First Time Buyer with a household income, in each of the six former area committees. It uses the scenario of a household wishing to purchase in the area in which they currently live. It shows that, even despite a recent decline in the average Re-Sale house prices there is still a real issue around affordability across Oldham with no areas falling within the Government recommended lending ratios of 2.9 times salary. The same issue is also evident in the New Build housing market (see Table eight).

Re-Sale Market	Average Household Income	Average Re-Sale price	Borrowing left after deposit	Ratio of lending Household
Chadderton	£31,600	£121,366	£109,229	3.5
East Oldham	£27,700	£100,228	£90,205	3.3
Failsworth and Hollinwood	£29,300	£120,683	£108,615	3.7
Saddleworth and Lees	£38,500	£171,348	£154,213	4
Shaw and Royton	£33,000	£123,807	£111,426	3.4
West Oldham area	£25,000	£91,946	£82,751	3.3

Table 7: Re-Sale Housing affordability 2nd Quarter 2008: Source: CDS/Nomis: 2nd Quarter 2008/9

New Build Market	Average Household Income	Average new sale price	Borrowing left after deposit (10%)	Ratio of lending Household
Chadderton	£31,600	£128,042	£115,237	3.6
East Oldham	£27,700	£100,768	£90,691	3.3
Failsworth and Hollinwood	£29,300	£122,933	£110,639	3.8
Saddleworth and Lees	£38,500	£221,697	£199,527	5.2
Shaw and Royton	£33,000	£147,861	£133,075	4.0
West Oldham area	£25,000	£106,974	£96,276	3.3

Table 8: New build Housing affordability 2nd Quarter 2008: Source: CDS/Nomis: 2nd Quarter 2008/9

# Cross Borough affordability

## Household First time buyer Affordability

Tables nine and ten below, show the likelihood of first time buyers from each of the six former committee areas of Oldham being able to afford property in different parts of the borough including their own. Figures in both tables are based on area committee income and house value data.

Table nine shows the comparative levels of affordability for first time buyers with an average household income. It shows that for first time buyers, as of the end of the second quarter 2008/9:

- The whole Oldham housing market is inaccessible to average income First Time Buyers from both East Oldham and West Oldham
- First time buyers in Failsworth and Hollinwood would currently only be able to afford a property in West Oldham.
- In the case of the highest earners (Saddleworth and Lees) only property in their own area would be unaffordable to them

New Location	Chadderton	East Oldham	Failsworth and Hollinwood	Saddleworth and Lees	Shaw and Royton	West Oldham
Current Location						
Chadderton	3.5	2.9	3.4	4.9	3.5	2.6
East Oldham	3.9	3.3	3.9	5.6	4	3
Failsworth and Hollinwood	3.7	3.1	3.7	5.3	3.8	2.8
Saddleworth and Lees	2.8	2.3	2.8	4	2.9	2.1
Shaw and Royton	3.3	2.7	3.3	4.7	3.4	2.5
West Oldham area	4.4	3.6	4.3	6.2	4.5	3.3

Table 9: Household Re-Sale market affordability 2nd Quarter 2008 Source: CDS/Nomis

Affordable	Not Affordable
------------	----------------

## Lone First time buyer Affordability



Table 10 shows the potential for single first time buyers to enter the housing market in areas other than their own. The table paints a bleak picture of affordability to single first time buyers in the Borough.

Only the areas of East and West Oldham offer any possibility of entering the housing market. However, only buyers from Chadderton, Saddleworth and Lees and Shaw and Royton would be able afford these properties.

New Location	Chadderton	East Oldham	Failsworth and Hollinwood	Saddleworth and Lees	Shaw and Royton	West Oldham
Current Location						
Chadderton	4.6	3.8	4.6	6.5	4.7	3.5
East Oldham	5.3	4.3	5.2	7.4	5.4	4
Failsworth and Hollinwood	5	4.1	4.9	7	5.1	3.8
Saddleworth and Lees	3.8	3.1	3.8	5.3	3.9	2.9
Shaw and Royton	4.4	3.6	4.4	6.2	4.5	3.3
West Oldham	5.8	4.8	5.8	8.2	5.9	4.4

Table 10: Re-Sale market affordability Single Buyer. 2nd Quarter 2008 Sources: CDS/Nomis

Affordable	Not Affordable
------------	----------------

## Mortgage Possessions

- Nationally, mortgage possessions have increased as owners struggle to meet repayments at interest rates above the ones they expected when buying their home. The evidence is that this is a strong trend in Oldham and Rochdale (both served by the Oldham County Court) with the percentage increase being significantly larger than Greater Manchester as a whole.
- The sub prime mortgage market in Oldham and Rochdale is large, with the OL postcode having the 6<sup>th</sup> highest percentage of sub prime mortgages in the UK (according to a Financial Times report). The same report also comments that sub prime mortgage holders are ten times more likely to be re-possessed than those with a prime mortgage.
- This would suggest that Oldham and Rochdale will continue to see a high level of mortgage re-possession.
- Local data from homelessness teams, housing advice teams and advice agencies such as CAB has been requested to ensure the issue of repossessions is monitored.
- The FCHO homelessness section reported no additional impact on homelessness services. In August 2008, there were eight presentations due to re-possession but the reasons for re-Possession were not related to the credit crunch in nearly all cases.
- In the absence of other evidence it would appear to be likely that the households who have been re-possessed have moved in with friends or family (although there is no change in overcrowding applications to FCHO) or have found accommodation in the Private Rented Sector.
- Table 11 shows that levels of both mortgage possession claims and possession orders issued by the Oldham County Court had by far outstretched those issued by all Greater Manchester Courts.

	No Mortgage Possession claims issued	% Change since Q1 2007	No Mortgage Possession Orders made	% Change since Q1 2007
Oldham County Court	400	+32%	306	+49%
All Greater Manchester Courts	2697	+25%	4474	+23%

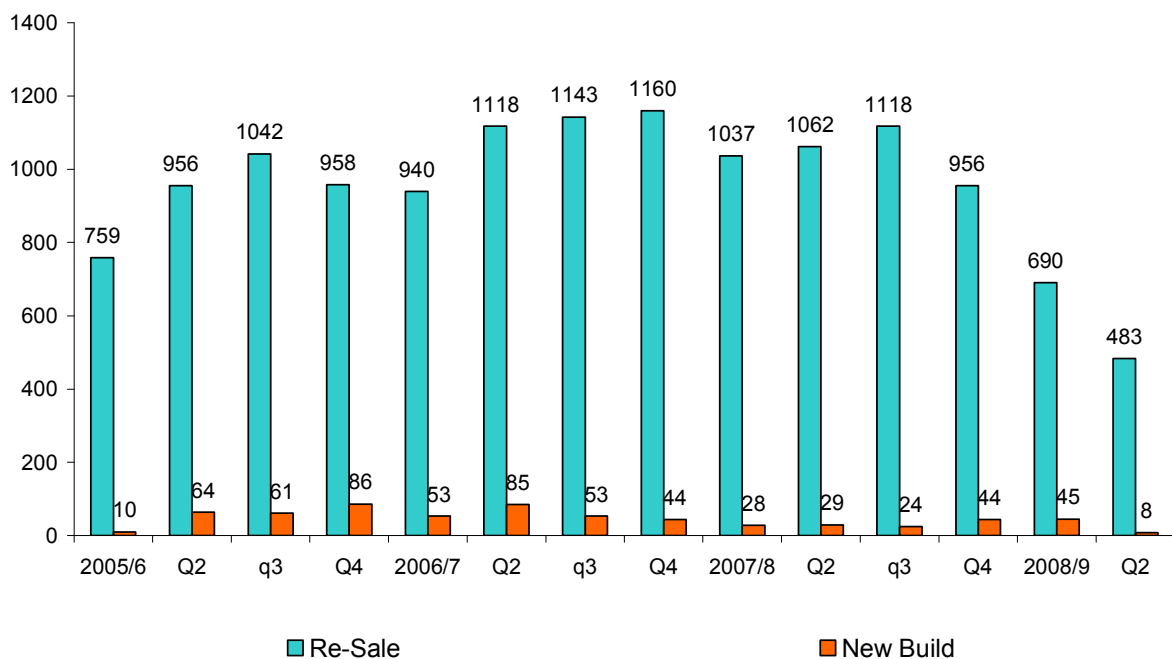
Table 11: Mortgage possessions claims issued and orders made by Oldham County Court

# Housing Demand

The section that follows looks at Housing Demand in the Borough of Oldham. It does this by looking at the value of sales and also the volume of properties sold. It does not take into account uncompleted sales or offers. However, this provides the greatest indication of demand available.

## Sales volume by housing market

**Sales Volume: Resale and New Build Markets in Oldham 2005/6 - 2008/9**



**Figure 8: Sales Volume by housing Market 2005-8: Source: CDS/Land Registry**

Figure eight shows fluctuations in the market from 2005/6 to quarter 3 2007/8 with the general trend being upwards. This decline has been particularly prominent since the third quarter 2007/8 (October) in the Re-Sale market. The volume of Re-Sale property sales has decreased by 61% and new sales by 81%. It is likely that with the current credit crunch there is a definite potential of this downward trend to continue in the interim period.

## Volume of sales by property type

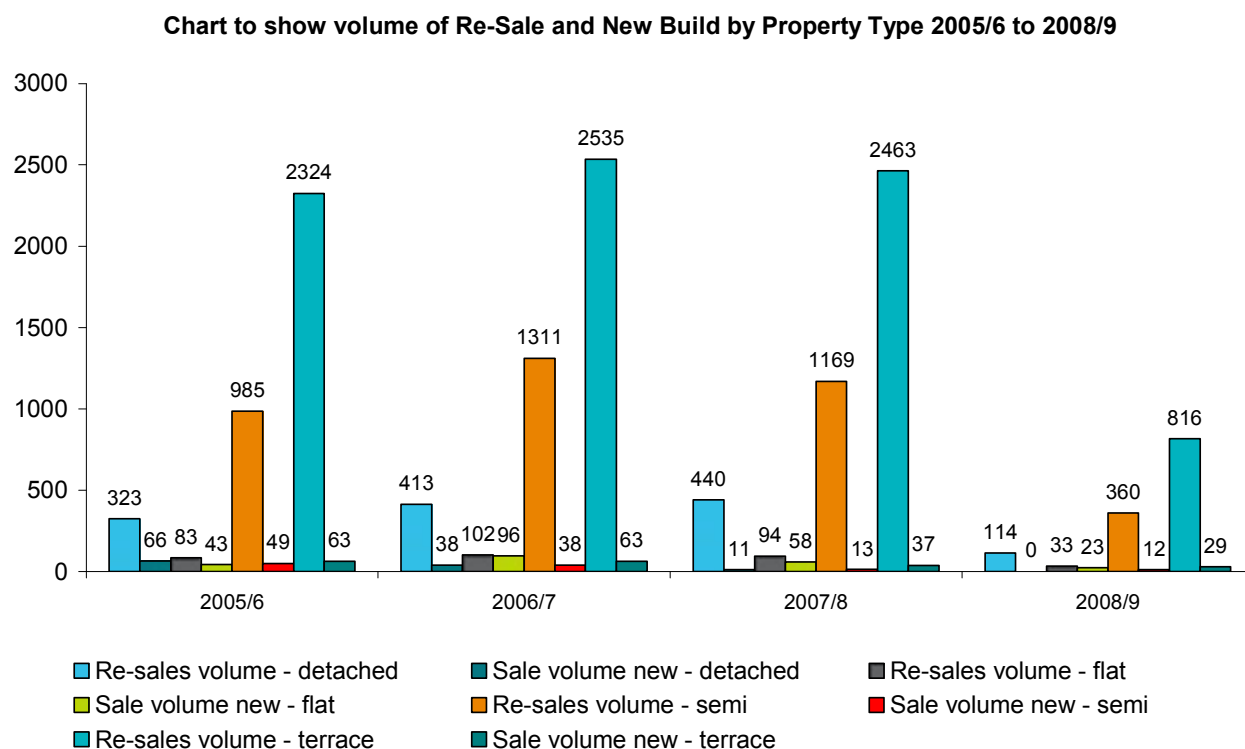


Figure 9: Re- Sale volume by property type 2000-8 Source: CDS/Land registry data

Figure nine illustrates the rise in the number of sales from 2005/6 to 2006/7, particularly re-sale detached and semi detached properties. It is also noticeable that the volume of flats sold doubled in the two year period. It shows a decline in the market from 2007/8, with the number of re-sale semi detached property sales dropping to just 360 in the first six months of 2008/9.

Although the volume of sales for terraced properties has reduced drastically in the last twelve months (by nearly two thirds) they remain the most popular purchase in Oldham as a result of their higher availability and their relatively low market value.

Table twelve shows the ratio of Re-Sales to New Build sales from October 2007 to the end of September 2008. It shows that the lowest ratio is within the market for flats. However sales of flats are considerably lower than other property types. The most radical contrast in the markets is with terraced and semi- detached properties. HM Land Registry records show no sales of New Build detached property in Oldham from April to October 2008.

Re-Sale to New Build Sales Ratio	Oct- Dec 07/8	Jan - March 08/9	April-June 08/9	July- Sept 08/9
Detached	35:1	58:1	*	*
Flat	2:1	1:1	1:1	4:1
Semi detached	315:1	25:1	18:1	128:1
Terraced	67:1	62:1	21:1	76:1

Table 12: Ratio of resale to new build sales October 2007 - Sept 08. Source HM Land Registry

## Volume of Re-Sales by value band 2004/5-2008/9

Table thirteen shows that the number of properties sold for less than £30,000 decreased from 361 in 2004/5 to 26 at the end of 2007/8. The same pattern emerged for all properties below £50,000. In contrast, Re-Sale properties valued at £50,000 or more increased in the three year period. The change in the market value of property reflects the housing boom since 2002.

Re-Sale Value Band	2004/5	2005/6	2006/7	2007/8	2008/9*
Under 30K	361	72	49	26	8
30 - 50K	832	485	189	71	26
50 - 100K	1820	1683	1808	1624	452
100 - 150K	838	870	1378	1388	409
Over 150K	607	605	937	1064	278
<b>Total Re-Sales</b>	<b>4458</b>	<b>3715</b>	<b>4361</b>	<b>4173</b>	<b>1173</b>

Table 13: Volume of Re-Sales by value band 2004/5-2007/8 Source: CDS/Land Registry

Re-Sale Value Band	2007/8	Qtr 2	Qtr 3	Qtr 4	2008/9	Qtr 2
Under 30K	7	8	7	4	4	4
30 - 50K	26	22	14	9	15	11
50 - 100K	433	391	450	350	250	202
100 - 150K	328	360	380	320	253	156
Over 150K	243	281	267	273	168	110
<b>Total Re-Sales</b>	<b>1037</b>	<b>1062</b>	<b>1118</b>	<b>956</b>	<b>690</b>	<b>483</b>

Table 14: Volume of Re-Sales by value band by quarter 2007/8 - 2008/9 Source: CDS/Land Registry

Table Fourteen shows the volume of Re-Sales by value banding since the start of 2007/8 to the end of quarter two 2008/9. It is particularly evident that the volume of Re-Sales across all bandings declines from October 2007/8 (Quarter three).

## Proportion of Re-Sales by value banding

Re-Sale Value Band	2004/5	2005/6	2006/7	2007/8	2008/9 (q2)
Under 30K	8.1%	1.9%	1.1%	0.6%	3.0%
30 - 50K	18.7%	13.1%	4.3%	1.7%	9.4%
50k - 100K	40.8%	45.3%	41.5%	38.9%	41.5%
100k - 150K	18.8%	23.4%	31.6%	33.3%	26.8%
Over 150K	13.6%	16.3%	21.5%	25.5%	19.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Table 15: Proportion of homes sold by value band 2004- 2008 (quarter 2) Source: CDS and Land Registry Data

Table fifteen above shows sales valued at less than £50,000 have almost completely disappeared over the four year period. After initially increasing from 2004/5 to 2005/6, the proportion of sales between £40-100k decreased, although they still account for the largest single proportion of the market. The proportion of sales over £100,000 rose steadily from 2004/5 to 2007/8. However, the proportion of sales over £100,000 has decreased in the first six months of 2008/9

## Volume of new Build sales by Value band 2004-2008

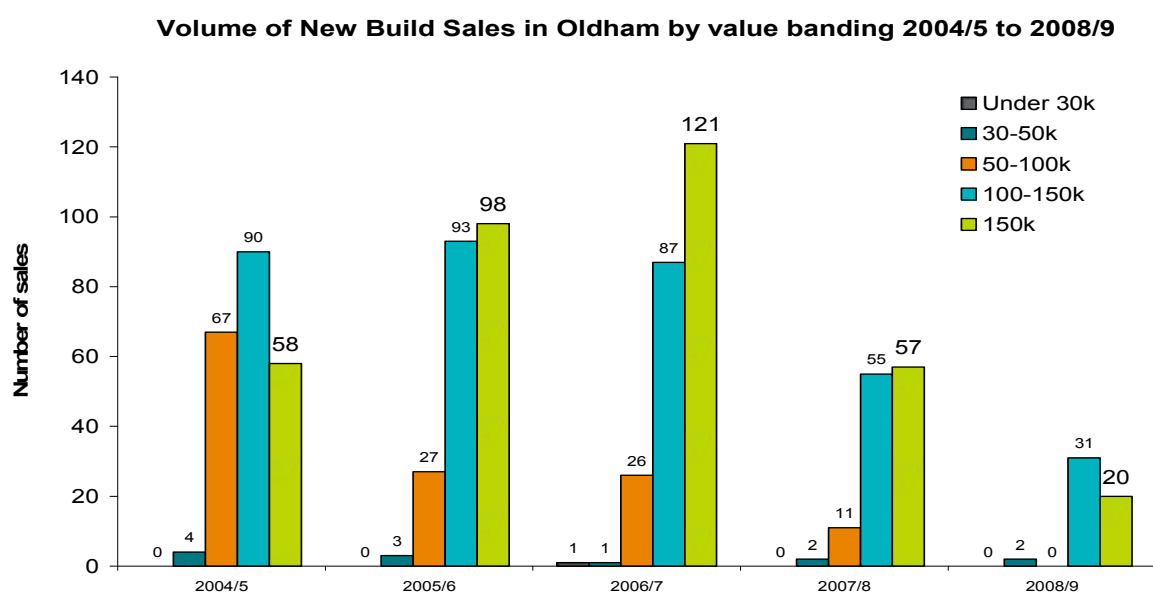


Figure 10: Volume new build sales by Value band 2004-2008 (qtr 2) Source: CDS and Land Registry Data

Figure ten shows that sales of New Build properties priced below £50,000 are now virtually non-existent. Similarly, the volume of sales from £50,000 - £100,000 has reduced dramatically over the four year period. Although, the number of sales over £100,000 showed a large upturn between 2004/5 and 2006/7, these too have seen a decrease in volume since the start of the credit crisis.

### Proportion volume new build sales by value band.

Sale volume new (£)	2004/5	2005/6	2006/7	2007/8	2008/9*
Under 30K	0.0%	0.0%	0.4%	0.0%	0.0%
30 - 50K	1.8%	1.4%	0.4%	1.6%	3.8%
50 - 100K	30.6%	12.2%	10.6%	8.8%	0.0%
100 - 150K	41.1%	42.1%	37.0%	44.0%	58.5%
Over 150K	26.5%	44.3%	51.5%	45.6%	37.7%
<b>Total Number of annual sales</b>	<b>219</b>	<b>221</b>	<b>235</b>	<b>125</b>	<b>53</b>

Table 16: Proportion volume new build sales by Value band 2004-2008 (qtr 2) Source: CDS and Land Registry

Table sixteen shows that the proportion of sales between £50-100k has reduced from 30.6% of the total new build market in 2004/5 to just 8.8% in 2007/8. Figures for sales between £100-£150k showed a general increase over the four year period with the exception of 2006/7. The proportion of sales over £150k has almost doubled over the four year period, with a high in 2006/7 of 51.5% of the total market. However in 2007/8, this market share reduced to 45.6%, as the market faltered. The proportion of sales over £100,000 rose steadily from 2004/5 to 2007/8. However, the proportion of sales over £100,000 has decreased in the first six months of 2008/9.

## Private Sales per 1000 properties

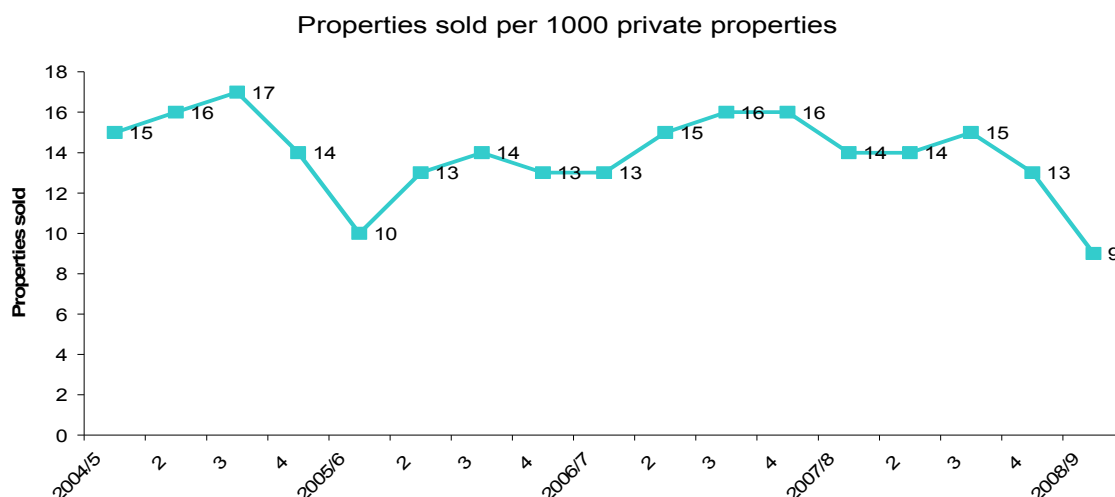


Figure 11: House sales per 1000 private properties all Oldham 2004 – 2008 (qtr 1). Source: CDS/land registry

Figure eleven illustrates the turnover of privately owned property in Oldham between 2004/5 and the end of the first quarter 2008/9. It shows that turnover peaked at the end of the third quarter 2004/5. A decline in the volume of sales from the end of the second quarter 2007/8 is evident. Given the current financial climate, this downward trend will continue in the interim period. This trend is reflected across all six former committee areas (see Figure twelve).

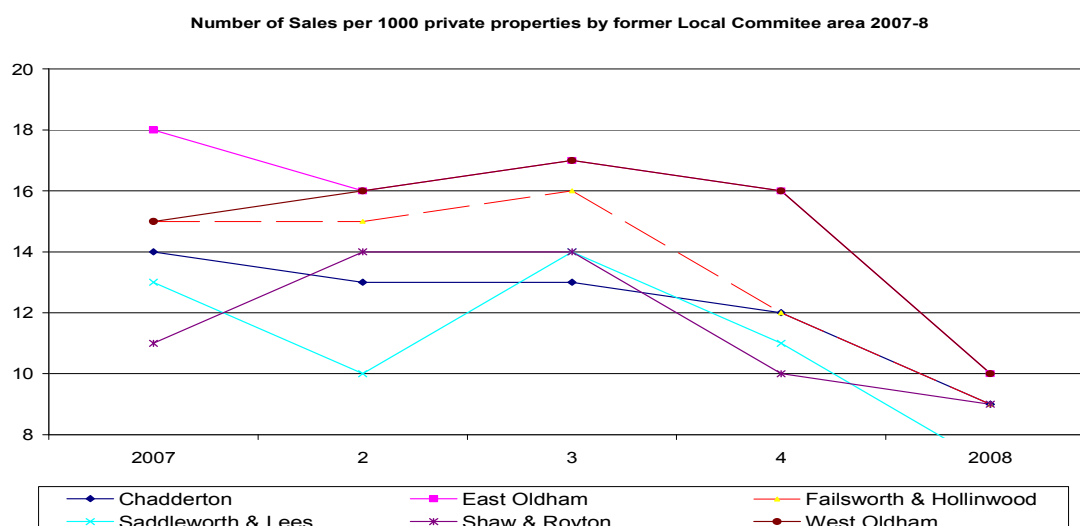


Figure 12: House sales per 1000 private properties by former area committee 2004 – 2008 (qtr 1). Source: CDS/land registry

Figure twelve shows the decline in the number of private property sales in 2007/8. Table 17 below shows the percentage change in the number of sales in this time. It shows the most affected area has been Saddleworth and Lees with a 46% drop in sales. The least affected market was Shaw and Royton.

Former Local Committee Area	% Change in numbers of sales 2007-8
Saddleworth & Lees	-46
East Oldham	-44
Failsworth & Hollinwood	-40
Chadderton	-36
West Oldham	-33
Shaw & Royton	-18

Table 17: % Change in numbers of sale 2007 to 2008. Source: CDS/HM Land Registry

## Right to Buy

Chart to show the number of properties purchased through Right to Buy 2005/6 to 2008/9 (qtr 2)

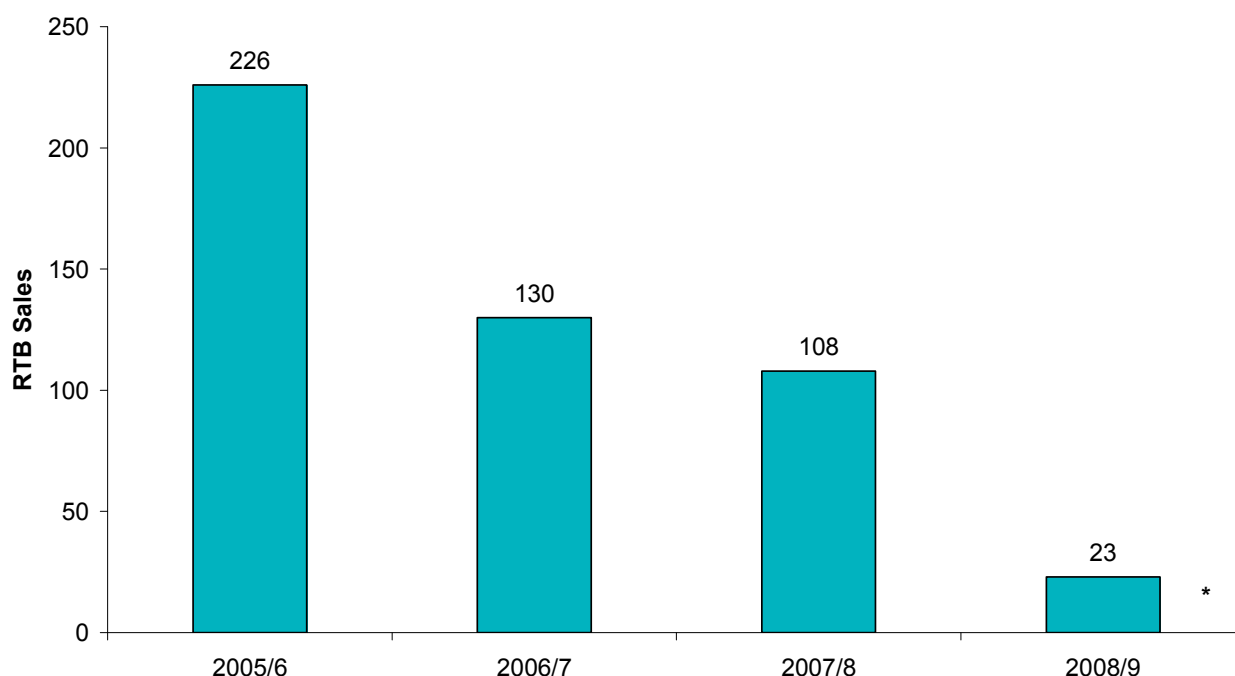


Figure 13: Levels of Right to Buy in Oldham 2004-8. Source Oldham Council

Figure thirteen shows that the levels of right to buy in the Borough have decreased in the four years from 2005/6 to the first six months of 2008/9\*. The chart illustrates a downward trend particularly from 2005/6 to 2006/7. Indications are that the number of Right to Buy sales in 2008/9 will maintain this downward trend.

It is known that the levels of Right to Buy purchases have been affected by the increased difficulty in securing a mortgage as a result of the credit crunch. Another reason is the lack of availability of three bed houses to buy.



### Right to Buy by property type 2005/6 to 2008/9

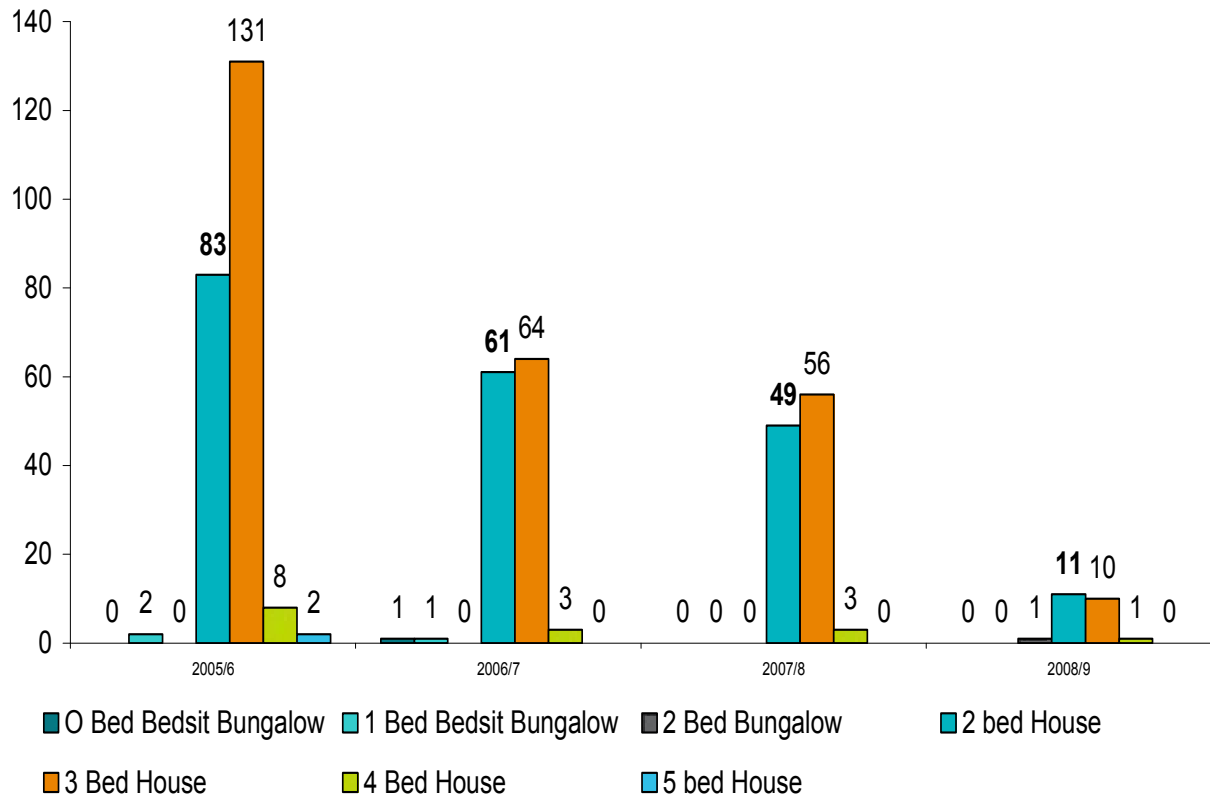


Figure 13a: Right to buys in Oldham 2005/6 to end of quarter 2 2008/9 by Property Type: Source First Choice Homes Oldham

Figure fourteen indicates the size and type of properties sold via Right to Buy from 2005/6 to end of quarter two 2008/9. It shows a steep decline in the number of Right to Buy sales in the 3 ½ year period from 226 in 2005/6 to just 23 in the first half of 2008/9. Throughout the period three bed houses have been the most popular sale with 261 of the 487 sales (53%) although in the first six months of 2008/9 there have been just ten sales.

## Leasehold Sales.

Total leaseholder Sales 2005/6 to 2008/9(2nd quarter)

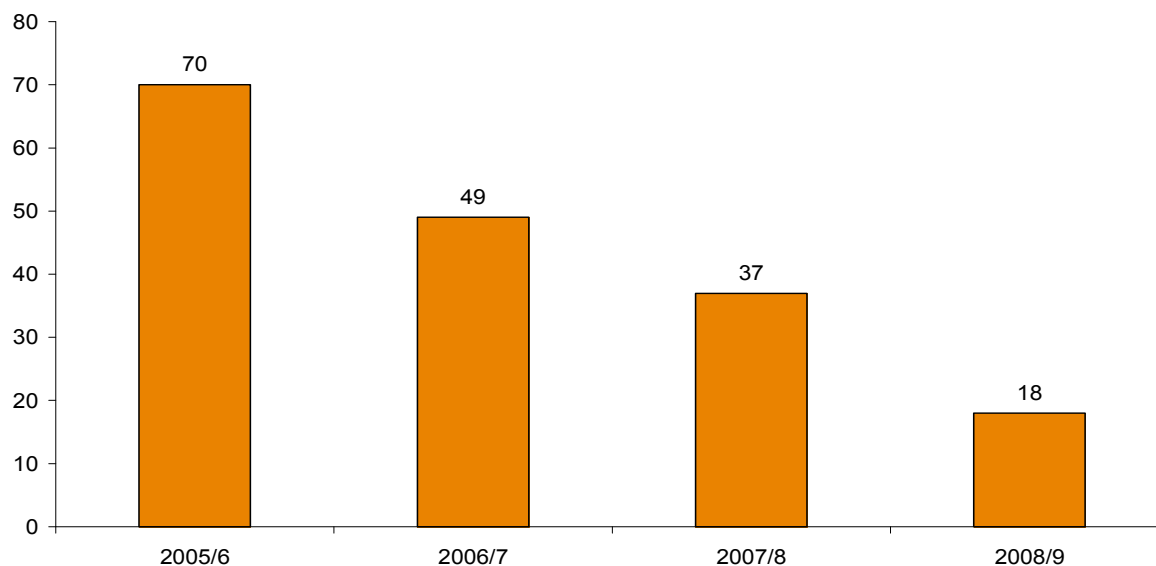


Figure 14: Leasehold Sales in Oldham 2005/6 to end of quarter 2 2008/9: Source First Choice Homes Oldham

Figure 14 above shows, as with Right to Buy sales, sales to leaseholders have reduced over the four year period. From 2005/6 to 2007/8 there was a 47% reduction in the number of leaseholder sales. Figure 14a below provides a breakdown of the 174 leasehold properties over the four year period.

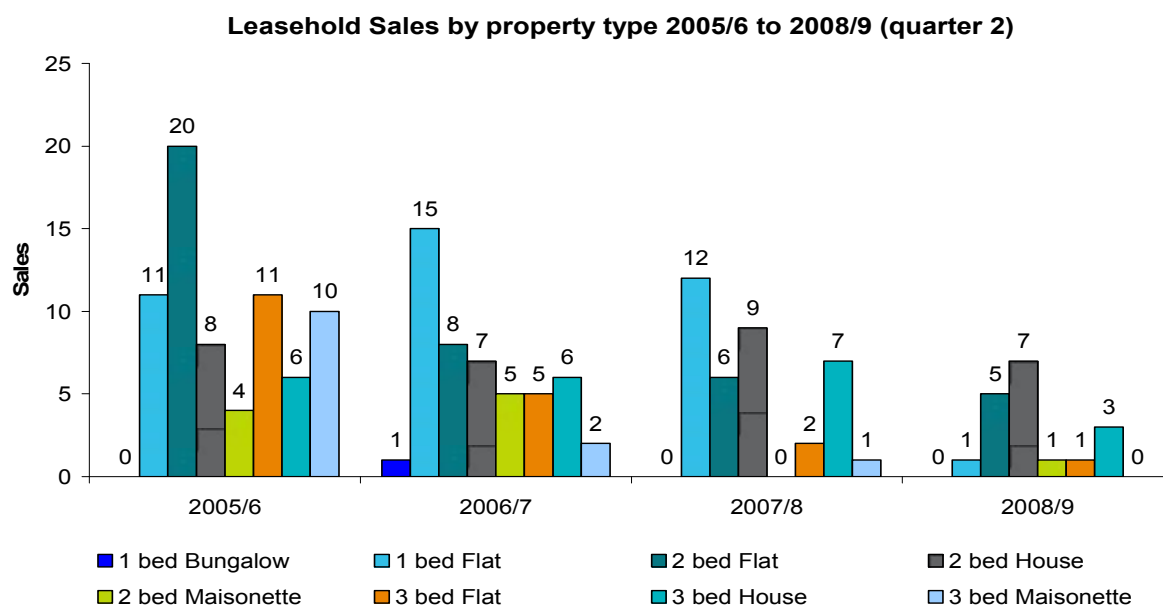


Figure 14a: Leasehold Sales in Oldham 2005/6 to end of quarter 2 2008/9 by property type: Source First Choice Homes Oldham

# Housing Supply and Demand Conclusions

- The 12 months between the 2nd Quarter 2007/8 and 2<sup>nd</sup> quarter 2008/9 has seen a dramatic change in the housing market in Oldham, both in terms of residential property values and demand for property.
- The impacts of the well publicised Credit Crunch are evident in Oldham, with both average and lower quartile residential sales values dropping in the Borough. This has been particularly apparent in Saddleworth and Lees where values have reduced by nearly a fifth (17%) in the last 12 months. Only East Oldham and, to a lesser extent, Chadderton have seen any increase in values.
- The 12 months between the 2nd Quarter 2007/8 and 2<sup>nd</sup> quarter 2008/9 have also seen a decline in the New Build market where values have reduced by almost a third, whilst the average Re-Sale property has reduced by 8%.
- In the 12 months between the 2nd Quarter 2007/8 and 2<sup>nd</sup> quarter 2008/9, there has been a decrease of 61% and 81% in the volume of Re-Sale and New Build markets respectively.
- Even with the reductions in the value of property, affordability still remains an issue with first time buyers in Oldham. The affordability to both lone and household first time buyers shows that only buyers with higher incomes, generally from Chadderton, Shaw and Royton and Saddleworth and Lees, currently have any real chance of entering the housing market. This problem is worsened by the increasingly large levels of deposits that lenders are requesting.
- The average level of deposit required at the end of quarter two 2008/9 was around £12,000. This is reflected in a steady decrease in volume of both Re-Sales and New Builds sales in the period.
- The previously buoyant Right to Buy market has also been affected by the current housing crisis. The number of sales reduced from 226 in 2005/6 to 23 in the first six months of 2008/9.
- It is known that the levels of Right to Buy purchases have been affected by the increased difficulty in securing a mortgage as a result of the credit crunch. Another reason is the lack of availability of three bed houses to buy.

# Section One: Current Housing Need

In order to identify housing need, it is therefore necessary to estimate the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.

## 1.0: Current housing needs (gross)

This section provides an understanding of the scale of Current Housing Need, including any backlog. It uses details recorded on the Local Authority housing register to determine the final figures.

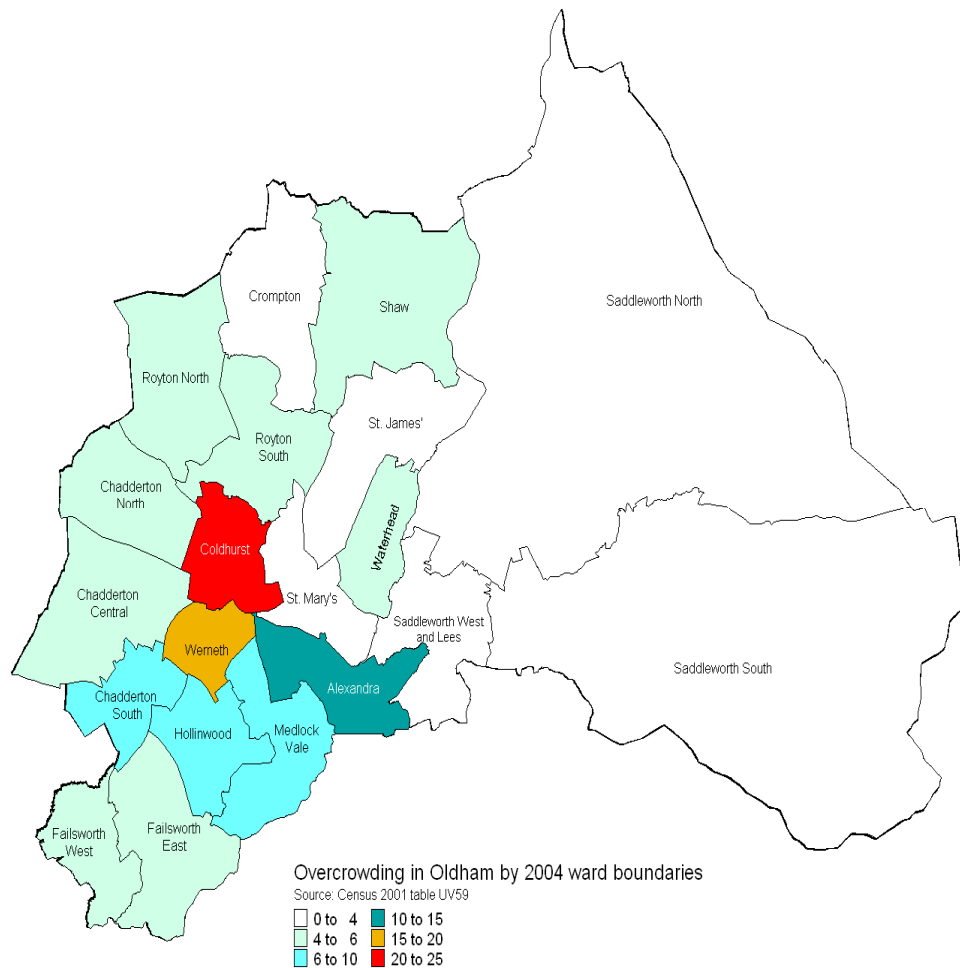
### 1.1: Homeless households and those in temporary accommodation.

Figures calculated based on the CLG guidance indicated that Oldham had 652 households either homeless or in temporary accommodation (P1e) this figure has been zeroed for the purposes of the Greater Manchester SHMA.

### 1.2: Overcrowding

The 2001 census shows that 7% of Oldham's housing stock is overcrowded with some 6,400 households. This was the second highest level of overcrowding in Greater Manchester. By tenure, overcrowding is highest in private renting (and those living rent free), affecting 13% of such households. Owner occupation, in contrast, has the lowest levels of Overcrowding, affecting just 5% of households. According to the 2001 Census there were 2,311 overcrowded households in the Social Rented sector in Oldham (11%). Figure 15 below indicates that areas with high levels of overcrowding were to be found in central areas of Oldham, where the population is predominantly BME.

Figures provided based on CLG guidance indicated that Oldham had 4,209 overcrowded households, however it was agreed by the Association of Greater Manchester Authorities (AGMA) that this figure should be zeroed to align with the Greater Manchester Strategic Housing Market Assessment. For a full explanation of the changes made to points 1.1 and 1.2 please see appendix 3 at the back of the document.



**Figure 14: Households overcrowded by ward with 2004 ward boundary estimates Source: Census 2001 Table UV59**

The map indicates that areas with high levels of overcrowding were to be found in central areas of Oldham such as Coldhurst and Werneth, where the population is predominantly BME.

### 1.3: Identification of other groups

In order to maintain consistency across the AGMA authorities it was decided to adopt “Reasonable Preference groups” as a basis for housing need. Housing Need is based only on new applicants (no internal transfers) the table below describes the criteria for these groups.

Reasonable Preference Groups	
Group	
A	Homeless households or those facing eviction
B	Households living in poor conditions (i.e. Serious disrepair; officially overcrowded; unsanitary, i.e. Without proper drainage and sewerage; or lacks basic washing and cooking facilities)
C	Households which include someone with a medical condition (i.e. Health problems, mobility problems or mental illness/depression which is made difficult/worse by their current house circumstance)
D	Households needing to live in the area to avoid hardship (e.g. household member studying at special school; close to a relative / carer).
E	Persons at risk of violence or threats (i.e. domestic violence; witness/victim of a crime at risk of intimidation; sexual/racial harassment).

At the end of 2007/8, only data for groups A –C was available from the Local Housing register. With care taken not to duplicate records, it emerged that there were 2436 households indicating a housing need in Oldham.

### 1.4: Identification of total current housing need (gross) Calculation

Task Number	1.1 + 1.2 (+1.3)	Total
1.1	Current occupiers of affordable housing in need	0
1.2	Households without self-contained accommodation	0
1.3	Other groups	2436
1.4	1.1 + 1.2 + 1.3	2436

Source: CLG Strategic Housing Market Assessments: Practice guide Version 2

Using the groups described in step 1.3 as a basis for current housing need, indicates that at the end of 2007/8 the number of households having a need for affordable Local Authority housing in Oldham stood at 2,436.

## Section 2: Future Need

Section two aims to determine the future need of affordable housing in Oldham. It does this by looking at the formation of households, affordability on the open housing market and the numbers of existing households falling into need.

### 2.1: Newly formed households likely to be in housing need.

This step requires an estimate of the number of new households likely to form per year in the future. For this purpose we have used information provided by the Greater Manchester Forecast model from 2004 to 2021

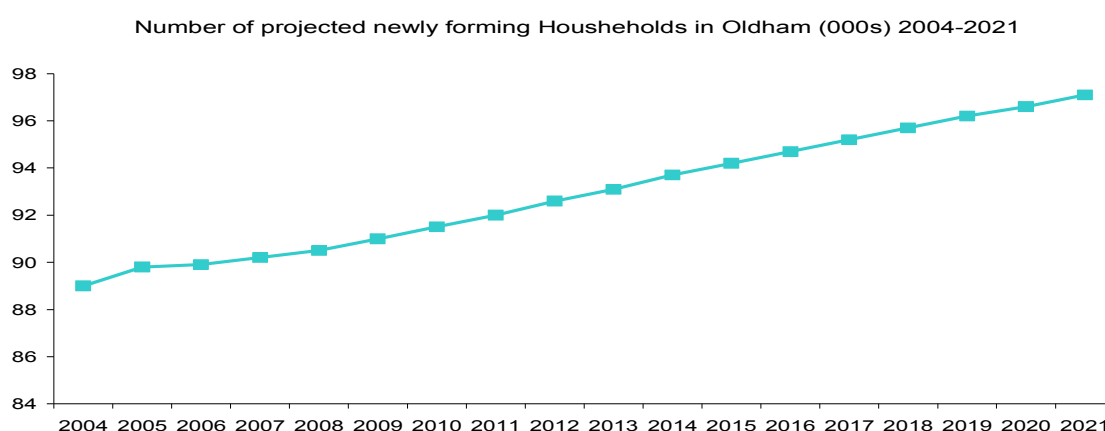


Figure 15: Household formation in Oldham 2004-2021 Source: GMFM 2007 Table H1: Households

SHMA guidance indicates that an average figure should be used to project average gross new household formation. The average gross new household formation in Oldham over a three year period is 431 per year (2004-2021). This is shown in figure sixteen.

### 2.2: Proportion of newly forming households unable to rent in the market.

Following a meeting of AGMA officers it was decided that the Deloitte propensity (social stock divided by total stock) methodology for performing Step 2.2 should be replaced and the calculation to ascertain the proportion of households unable to buy would be calculated using the CACI Paycheck income data.

Using this as a basis, the proportion of newly formed households unable to rent in Oldham was 36%

### 2.3: Existing households falling into need (LA Stock)

This step is concerned with using the numbers of existing households (as opposed to newly arising households) who might fall into housing need. This was done by looking at how many households joined the waiting list and was re-housed in that same year. In this way, Local Strategic Partnerships can build up a picture of trends over recent years to guide their future estimates of existing households falling into need. Table 18 below shows that on average 370 households fall into need annually.

Household Type	Origin of Household	Number
General Needs & Supported Lettings	Total Lettings (A)	815
	Transfers (B)	144
New Lets (A-B)=C		671
Newly-Forming Households	Living with Family (D)	217
	Living with Friends (E)	83
	Children's Home/ Foster Care (F)	1
	Total Newly-Forming (D+E+F)=G	301
Existing Households falling into Need	Existing Households falling into Need (C-G)=H	370
	Average 2004/5-2007/8 (average of H over three years)	370

Table 18: Existing Households falling into need: Source: LA Housing Register 2008

## 2.4: Total newly arising housing need (gross per year) Calculation

Calculation required	(2.1x2.2) + 2.3
2.1: New household formation (gross per year	431
2.2: Proportion (number) of new households unable to buy or rent in the market	0.36
2.3: Existing households fallen into need	370
2.4 Total newly arising housing need	525

Table 19: Identification of total newly arising housing need (gross per year) Calculation

The calculation shown in table 19 above is the culmination of figures taken from steps 2.1 to 2.3. The CLG prescribed calculation shows that as of the end of 2007/8 Oldham had a gross newly arising housing need of 525 households per year.



## Section 3: Affordable Housing Supply

### 3.1: Identification of affordable dwellings occupied by households in need.

For the purposes of the Greater Manchester SHMA, this figure has been changed to zero. For a full explanation of this change see appendix 3 at the back of the document.

### 3.2: Identification of surplus stock (HSSA)

The SHMA guidance states that a certain level of voids (3% of total LA owned stock) is normal and that it allows for transfers and works on properties. Surplus stock is calculated in the following way:

Step	How Calculated	The Result
1	Total number of local Authority Housing Stock ÷ number of long term empty properties x 100	% Vacancy rate
2	% Vacancy rate – 3%	Surplus Stock Rate
3	Surplus stock rate ÷ 100 x Total Local Authority Stock	Total Surplus Stock

Table 20 shows the vacancy rate of Local Authority Stock from 2003/4 to 2007/8. For purposes of consistency across AGMA, figures for 2006/7 were used to feed into the GM SHMA. Consequently, 1.6% (231) of the total Local Authority housing stock was considered to be surplus.

Year	Total Local Authority Stock	Number vacant per year	% Vacant	% Surplus (% Vacant - 3%)	Number of LA Stock Surplus
2003-4	15,768	734	4.7	1.7	268
2004-5	15,128	555	3.7	0.7	106
2005-6	15,145	601	4.0	1.0	151
2006-7	14,413	668	4.6	1.6	231
2007-8	14,231	853	6.0	3.0	426

Table 20: Local Authority Surplus Stock 2003/4 -2006/7 Source HSSA 2008

The figure quoted in the Greater Manchester SHMA is for the levels of surplus stock across all tenures (121)

Total Local Authority Stock	Number vacant	% Vacant	% Surplus (% Vacant -3%)	Number of LA Stock Surplus
12,609	65	0.5	-2.5	Nil

Figures produced in Table 21 are based on a new Performance Indicator within the comprehensive Performance Assessment (CPA) known as the H18 CPA return. It shows that with the more robustly calculated figures gathered for the H18 CPA, that there is no surplus Local Authority owned property.

### 3.3: Identification of committed supply of new affordable housing

This step provides information on new (such as New Build and conversions) Social Rented and intermediate affordable dwellings that are committed at the point of the assessment. The current Unitary Development Plan (UDP) policy relating to the provision of affordable housing applies to all residential developments of 25 dwellings and above or 1 hectare and above. This threshold has since been superseded by Planning Policy Statement 3 on Housing which now requires affordable housing to be sought on all residential developments of 15 dwellings and above. The policy places a general presumption that 25% of the site capacity should be in the form of affordable housing.

Table 22 below shows the number of affordable dwellings expected to be delivered through the planning system. The information is taken from the Council's 2006/7 Housing Land Database. The information has been checked to ensure that it is up to date for the purposes of the HNDS and to include those sites that have come forward since 1<sup>st</sup> April 2007 where affordable housing is being sought. The table includes sites with planning permission, sites with planning permission subject to the signing of section 106 planning obligations and also sites under-construction. It does not include affordable housing expected to be delivered by remaining UDP housing allocations. Where an agreement is in place as part of the planning application or a signed section 106, the agreed number of affordable units has been included. These units have been identified as agreed for the purposes of this exercise.

Where discussions are still to take place over the number of affordable units to be provided, the general presumption outlined in the UDP of 25% of the site capacity has been used. Or if the site is within the HMR area, their requirement of 25% Social Rented and 5% shared ownership has been applied. These units have been identified as speculative for the purposes of this exercise.

Type	Agreed	Speculative
Sites with planning permission	186	324
Sites with planning permission subject to the signing of a section 106 planning obligation	16	93
Sites under construction	232	16
<b>Total</b>	<b>434</b>	<b>433</b>

Table 21: Affordable housing units to be delivered through the planning system. Source: 2006/07 Housing Land Database/Acolaid

The information provided above is at a point in time. It is important to note that planning permissions and the number of affordable units or committed sum to be provided can be subject to change, therefore, the information above is based on current knowledge regarding developments. New developments where affordable units are to be provided will of course also come forward.

### 3.4: Identification of units to be taken out of management

This step provides an estimate for the number of social-rented or intermediate affordable housing units that are to be taken out of management. This is through the analysis of planned demolitions or redevelopment schemes that lead to net losses of stock (and therefore households in need of re-housing). This does not include right-to-buy sales, as local authorities are not required to re-house these households. Please note that the information provided is subject to change, particularly as regeneration schemes progress and more knowledge is gained about the actual number of properties planned for demolition

Table 23 below shows the number of units identified to be taken out of management over a five year period 2006/7 – 2011/12

	2006/07 – 2011/12
Public sector / social housing proposed for clearance	565

Table 22: Affordable dwellings to be cleared 2006-7 – 2011/12: Source: Housing land availability database

### 3.5: Total affordable housing stock available (Calculation)

Total Affordable housing Stock Available (3.1+3.2+3.3-3.4)

Task	Description	2006/7
3.1	Identification of Affordable dwellings occupied by households by households in need	0
3.2	Surplus Stock	231
3.3	Committed supply of new affordable housing	434
3.4	Units to be taken out of management	565
3.5	Total affordable housing stock available	100

Table 23: Total Affordable housing Stock available. Source: CLG Strategic Housing Market Assessments: Practice guide Version 2

Table 24 above shows the total affordable Local Authority housing stock available in Oldham. It uses figures taken from 3.1 to 3.4. Using this calculation, at the end of 2006/7, there were a total of 100 Local Authority housing stock available.

### 3.5a: Total Affordable Housing Stock Available Conclusion

At the end of 2006/7, there were a total of 100 affordable homes available in Oldham. It is thought that the surplus figure of 231 may be an over estimation. This is emphasised in figures collected to support the CPA 2008/9, which suggest that Oldham actually has a shortage of affordable housing stock available (see Table 22). There is a comparable issue with the committed supply of new affordable housing units. The figure of 434 is an indication of developments that have been granted planning permission and this may be subject to change as a result of changes to planning permissions and it is likely that many of these developments will be completed.

### 3.6: Identification of the annual supply of social re-lets (net)

In a change from the original CLG guidance, it was decided to take a 2 year average for authorities where data was available from CORE. As data was only available for 2006/7 for Oldham, this single year was used. This was agreed at the Housing Needs Workshop at which all AGMA members were present, due to many of the stakeholders feeling that taking an average over the longer term (past) did not adequately and accurately represent the most up-to-date image within Local Authorities. Using this methodology, the annual supply of social re-lets in Oldham is 671

### 3.7: Identification of the future annual supply of intermediate affordable housing

Local research has shown that shared ownership purchasers have been largely single people who could not have bought outright anywhere or could not have otherwise bought the quality of product.

A local scheme with units currently available through a developer partner has not sold any units. The RSL has not actively marketed the units yet because their view is that there is little point in getting purchasers to apply for a mortgage only to have the offer lapse when the completion is not achieved. The current lack of interest may be due to property prices and awareness amongst purchasers that they would be better off delaying to see what happens to prices.

Although, when public sector investment is looked at in relation to the housing market as a whole, it is apparent that it forms a small part of the market (although potentially more significant in the current downturn). At a very local level, HMR intervention is a very small part of the market; for example in the Oldham and Rochdale area £1,138M was invested privately in the housing market in 2007, of which Buy to Let investment was around £90M and in the same year total HMR investment was £37M. The amount spent on affordability intervention (Home Plus Plan) was £0.75M. It is also estimated that the Housing Corporation spend was of a similar magnitude. Thus the impact the public sector can really have on affordability is open to debate.

The Intermediate supply taken from HSSA is very low in Oldham (3). For the purposes of the Greater Manchester SHMA, these have been omitted from final figures, as not all authorities were able to supply this figure. Secondly, affordable housing supply is covered in previous steps of the methodology (in line with the CLG guidance and PPS3); and thirdly, PPS3 excludes intermediate housing, where this could be classed as low cost market housing from its definition of affordable housing.

### 3.8: Identification of the future annual supply of affordable housing Calculation

3.8: Annual supply of affordable housing (3.6 + 3.7 = 3.8)		
Task	Description	Totals
3.6	Annual supply of social re-lets (plus)	671
3.7	Annual supply of intermediate affordable housing available for re-let or resale and sub-market levels	0
3.8	Annual supply of affordable housing	671

Table 24: Identification of the future annual supply of affordable housing Calculation

Table 25 above shows the future annual supply of Local Authority housing required in the Borough of Oldham. Using figures provided by First Choice Homes Oldham (FCHO) to the Housing Corporation, it shows that in 2006/7, 671 homes were re-let. It was decided by AGMA members that this snapshot figure was more reflective of the current demand than the three year average described in CLG guidance. The figure for 3.7 intermediate housing was changed to zero for reasons explained in appendix 3.

## Section 4: Local Authority housing requirements for households in need

### Introduction

There is no joined-up approach to lettings across Social housing in Oldham. The Local Authority operates a Choice Based Lettings system whilst various RSLs operate different systems. There is some scope for cross-lettings through the nominations scheme, although this is primarily used for those in priority or urgent need. The section that follows identifies the choices available and the choices indicated by applicants to Social Housing in the borough

#### 4.1: Identification of the choices within the existing affordable housing stock

This step provides an analysis of the Choice Based Letting system in order to identify the criteria, which affects household choices. Housing turnover information relating to different property types, sizes and locations has also been assessed as this can provide a good indicator of need. Table 26 shows that the highest turnover rates are for bedsit and 1 bed properties, with the lowest being for properties with four or more bedrooms.

	Bedsit & 1 Bed	2 Bed	3 Bed	4+ Bed
Turnover rates by property size (%) Total Stock / Available for Re-let 2007-8	13.4	8.3	4.9	2.4

Table 25: Local Authority Turnover rates by property size. Source: Local Authority Choice Based Lettings September 2008

#### 4.2: Identification of the requirements for affordable housing of different sizes.

Table 27 below provides an indication of demand by property size. It shows that, in spite of the higher turnover of bedsits and one bed properties, the highest proportional demand is for two and three bed properties. It also illustrates that the lack of availability of 4 bed plus properties means that demand is high when they do become available.

	Bedsit & 1 Bed	2 Bed	3 Bed	4+ Bed	Total
Total Local Authority Stock	5,406	5,258	3,838	165	14,212
Total bids per property size (2007/08)	27,639	25,958	11,367	250	65,214
Total LA-owned Social property by size available to let (2007/08)	501	361	155	4	1,021
Ratio of Bids Made to Properties Available to let (2007/08)	55	72	73	63	64

Table 26: Ratio of bids made to total Stock made available to let. Source: Local Authority Choice Based Lettings September 2008

## Section Five: Estimate of Net Annual Housing Need

### 5.1: Estimate of net annual housing need

Step 4 - Total Housing Need (Net Annual)		2006/7 – 2011/12
Total net need	1.4 - 3.5	2336
Annual flow	20% of total net need (Assume five year period to relieve backlog of need)	467
Net annual housing need	(2.4 + Annual flow) - 3.8	321

Table 27: Estimate of net annual housing need. Source CLG Guidance Version 2

Table 28 shows the estimate of the net annual need for affordable housing in the Borough and brings together calculations completed previously in the report. It shows that over the period 2006/7 – 2011/12 (five years) Oldham has total net need of 2,336 new affordable homes. The 20% annual flow (2336 ÷ 5) allows a five year time frame in which to meet this need at 467 per year.

The Net Annual need figure of 321 is taken using the total newly arising housing need plus the annual flow minus the annual supply of affordable homes in the Borough of Oldham.

### 5.2: Key issues for future policy/strategy

- Despite the fall in house prices due to current market conditions, entry level (lower quartile) property remains unaffordable for many residents of Oldham Borough. A single and household first time buyer would need to lend 6.5 and 4.9 times their annual income to purchase an entry level property. Furthermore, based on an average single or household income, many households are unable to afford properties in the area in which they level or elsewhere within the Borough.
- Based on an assessment of local housing allowance and levels of income, 36% of households within Oldham Borough are unable to buy or rent in the market.
- The Study identifies a net annual affordable housing need for 321 units to be delivered over five years.
- The findings of this Study and the Greater Manchester SHMA will feed into the preparation of the Local Development Framework and in particular policies around housing mix and the provision of affordable housing.
- PPS3 requires local planning authorities to undertake an informed assessment of the economic viability of any thresholds and proportions of affordable housing proposed. This assessment should include the likely impact of such thresholds and proportions on the overall levels of housing delivery and creating mixed communities. It is anticipated that this assessment will take place in house.
- The current housing requirement for Oldham Borough set out within the Regional Space Strategy (RSS), is for an annual average of 289 dwellings, to provide a total of 5,200 dwellings during 2003-2021 (net of clearance replacement). The annual affordable housing

need of 321 represents 111% of the Borough's current RSS requirement. Delivery of the identified affordable housing need through new development, is therefore, clearly unrealistic. This is compounded by recent research that suggests that maximum proportion of affordable housing on a site should be 30% in order to ensure the delivery of mixed communities.

- In addition to those affordable units that can be delivered through the planning system, the Council need consider what other alternatives there are to meet the affordable housing need. These should include the role of the private rented sector and also low cost homes as a way of bridging the gap between social-rented and home ownership.

### 5.3: Joining up across the assessment.

- The information and evidence gathered in the preceding chapters offers a key insight into the needs and demands on Oldham's housing market in these particularly challenging times. It is important that the information is considered in a joined up way, so that new policy and actions are not delivered in conflict with one another. The Study provides a wealth of evidence that can be used by the Housing Partnership and other partners to help tackle Oldham's needs. It raises a number of cross tenure issues which need to be considered holistically.
- With Oldham, there is increasing pressure to deliver more houses, but this needs to be considered across a mix of tenures and sizes. Unsurprisingly, the study identifies a need for increased provision of social housing, particularly for larger 2, 3 and 4 bed properties which have been subject to most Right to Buy applications. Research shows that there is the greatest need for 3 bed or larger houses from BME applicants; this should to be considered when thinking about geographic locations.
- As well as the need for social housing, the Study reflects the growing importance on the Private Rented Sector as an area which offers a range of properties, both in terms of size, location and affordability. It shows that this is an area which can help to play a valuable role in offering people a choice, and efforts to increase the quality and access to this sector should be encouraged.
- Recent changes in the housing market have resulted in a slow down in the number of new developments starting on site, and this is going to have an impact on all tenures of housing available for residents. The slowdown in the new build market should focus more efforts on bringing back into use Oldham's empty properties.
- There are huge geographical differences in Oldham's housing market. Saddleworth is an area of larger properties and high levels of owner occupation. The inner Housing Market Renewal areas of Oldham contain significant numbers of two bed terraces, higher numbers of social housing and a large private rented sector.
- Access and affordability are causes of concerns. Whilst levels of affordability vary greatly across the Borough, even in the relatively less expensive neighbourhoods, many first time buyers will be priced out of the market.



## Section 6: Housing requirements of specific household groups.

### 6.1: The housing needs of older people

As part of its commitment to improve housing services for the older people of Oldham, an Older Persons Housing Strategy (Delivering housing for an ageing population 2008/11) has been developed. This forms part of an overarching strategy for older people in the Borough. PPS3 recognises the need to provide housing for older people, in the context of an ageing society. The predicted increase in the number of older people is likely to have a considerable impact on the need for health and social care services. This includes housing and supported housing related to an ageing population, as well as the associated increases in the number of people with limiting long-term illnesses (LLTI) and those self-defining as disabled.

The current number of older people living within the Borough has been identified through the analysis of the 2001 Census Older People population Key Statistics.

- Oldham's population is currently estimated to be 219,600 people. Overall, the population of Oldham is expected to increase slowly (by less than 2%) to around 223,800 people by 2022.
- 32,000 people are aged 65 and older. This is expected to increase by 25% to almost 40,000 people by 2022. 4,000 people are aged 85 and older. This is expected to increase by 26% to over 5,000 people by 2020
- Around one in twenty (4.9%) people aged 65 years and over are from BME groups, as are 2.8% of people aged 75 years and over, 1.1% being of Pakistani heritage and 0.7% of Bangladeshi heritage.

There will also be changes to the numbers of older people aged 75 and over from each ethnic group. The table below shows the projected proportion of people from each ethnic group from 2007 to 2022.

Year	White	Pakistani	Bangladeshi	Indian	Black	Other
2007	97.2	1.1	0.7	0.3	0.5	0.2
2010	96.3	1.5	1	0.4	0.6	0.3
2012	95.5	1.8	1.2	0.4	0.7	0.4
2017	94.0	2.3	1.9	0.5	0.8	0.5
2022	94.7	2	1.6	0.5	0.6	0.5

**Table 28: Proportion of people aged 75+ in Oldham 2007-2022. Source: Forecast updates for Oldham with an ethnic group dimension, CCSR, University of Manchester, February 2008**

Understandably the highest proportion of older people aged 75 and over come from a white background; however, the table shows a decline this population in the 15 years. In contrast it is clear that levels of older people across BME groups are increasing. This is particularly evident in Pakistani and Bangladeshi communities



## Older Persons housing in Oldham

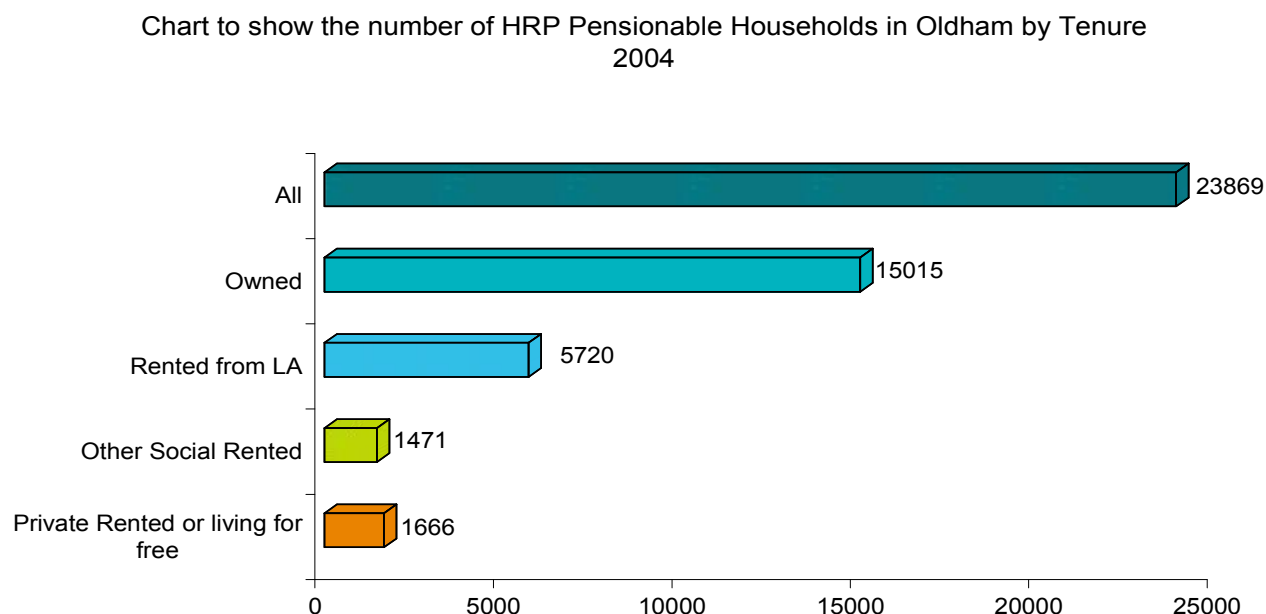


Figure 16: Tenure of HRP pensionable age 2004. Source: 2001 Census (Standard Tables), Office for National Statistics, Crown Copyright. 2004 estimates

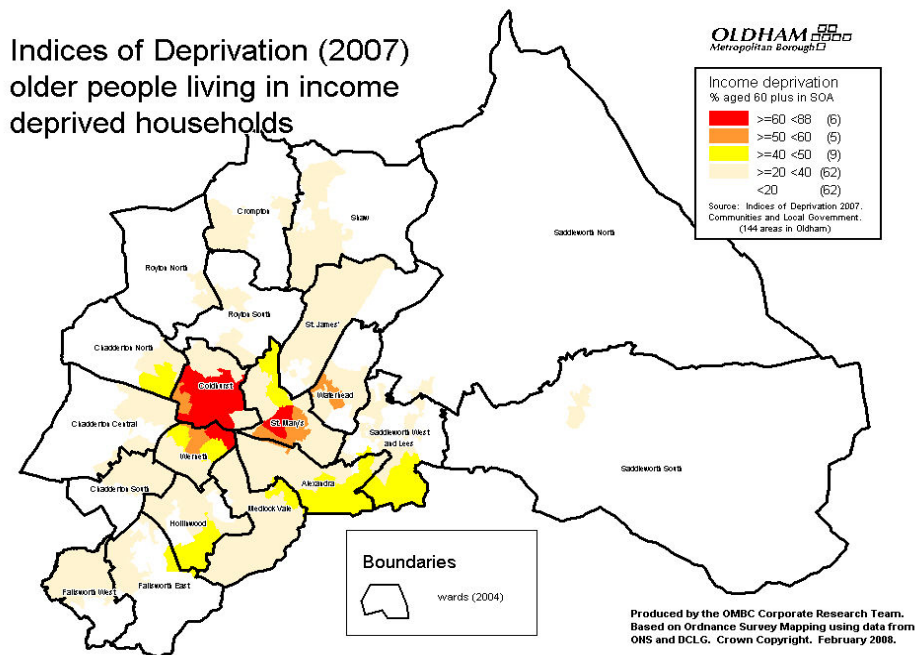
Figure seventeen above shows there are 23,869 pensioner households in Oldham. Of these, 63% are Owner Occupied, 24% are Local Authority tenants, 6% rent from the council and 7% rent from private landlords. The above figures support the fact that, for older people to maintain independence, our strategy will need to provide a range of provisions for older people who live in Owner Occupied properties.

## Income deprivation affecting older people

The proportion of people aged 60 or over living in income-deprived households is disproportionately high in Oldham and has increased compared to the Indices of Deprivation 2004. The areas where this is most prevalent are shown on the map in Figure 10 below.

- Just over one third of all SOAs in Oldham are in the 20% of most deprived SOAs nationally on this measure.
- Seven SOAs in Oldham are now in the 1% of most deprived SOAs nationally, compared with four in 2004. These high figures reflect the historical prevalence of low wages in Oldham, and the consequently small occupational pensions many local people receive on retirement.
- In 2004 there were six SOAs in the borough where at least 50% of older people were living in income-deprived households. By 2007 this had increased to 11.
- In 2004 there were 14 SOAs where more than 40% of older people were living in income-deprived households. By 2007 this had increased to 22.

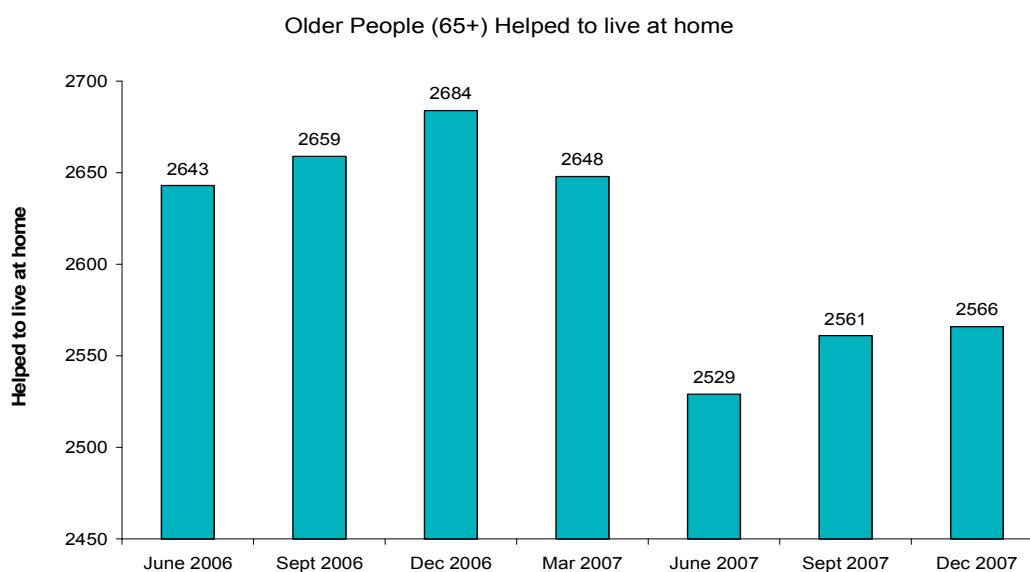
Source: Indices of Multiple Deprivations 2004-7



**Figure 17: Indices of deprivation, Income Deprivation Affecting Older People, showing percentage of older people in Oldham SOAs living in income deprived households (2007)**

## Older people helped to live at home

The majority of people receiving care-managed services are being 'helped to live at home' by services such as home care, day centres, short-term/respite placements, equipment or support from care professionals. Figure 11 shows the trends in numbers of people 'helped to live at home'. From June 2006 to December 2007, the number of older people helped to live at home has declined by 77 people to 2,566 (-2.9%)



**Figure 18: AO/C32 performance indicator number of older people helped to live at home per 1,000 of the population aged 65+. Source: JSNA 2008**

Residential and Nursing home placements	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07
Residential (age 65+)	760	767	723	712	693	691	676
Nursing (age 65+)	303	289	264	260	254	262	247
Nursing (age 18-64)	51	51	46	48	44	43	36
Residential (Age 18-64)	47	46	46	45	47	42	36
<b>All Placements</b>	<b>1,161</b>	<b>1,153</b>	<b>1,079</b>	<b>1,065</b>	<b>1,042</b>	<b>1,039</b>	<b>1,002</b>

Table 29: Residential and nursing home places June 06 – December 07

Table 29 above highlights the reduction in the number of residential and nursing home placements between June 2006 and December 2007. This trend is particularly noticeable for people aged 65 and older and reflects the increase in new services and technology available to support people being 'helped to live at home' for longer.

### Tenure and Health of Older People

Illness by tenure	55-64	65-74	75-84	85 and over
<u>Owned</u> , with a limiting long-term illness	5,977	5,032	3,573	1,160
<u>Owned</u> , without a limiting long-term illness	12,343	6,576	2,911	412
<u>Rented from council</u> , with a limiting long-term illness	1,699	1,888	1,685	664
<u>Rented from council</u> , without a limiting long-term illness	1,244	1,194	799	156
<u>Other social rented</u> , with a limiting long-term illness	447	423	447	205
<u>Other social rented</u> , without a limiting long-term illness	265	249	218	51
<u>Private rented or living rent free</u> , with a limiting long-term illness	493	464	496	199
<u>Private rented or living rent free</u> , without a limiting long-term illness	522	334	261	88
<b>All people</b>	<b>22,990</b>	<b>16,160</b>	<b>10,390</b>	<b>2,935</b>

Table 30: Tenure and health of Older People in Oldham. Source: ONS) 2001 Census, Standard

Table 30 above indicates that older people in Socially Rented accommodation are proportionally more likely to have some form of limiting long-term illness than one in Owner Occupation. The greatest number of limiting long-term illness sufferers in affordable social housing are aged 75 and over. This provides another challenge for housing services in the Borough with a potential call for extra supported housing and adaptations.

## 6.2: The housing needs of disabled people in Oldham.

Of all the Greater Manchester districts, Oldham has the highest proportion of people who are economically active and both disabled and work-limited disabled (38.2%).

Oldham also has the highest proportion of people who are employed and both disabled and work-limited disabled (33.2%).

Source: Northwest Development Agency

### Disability by Ward

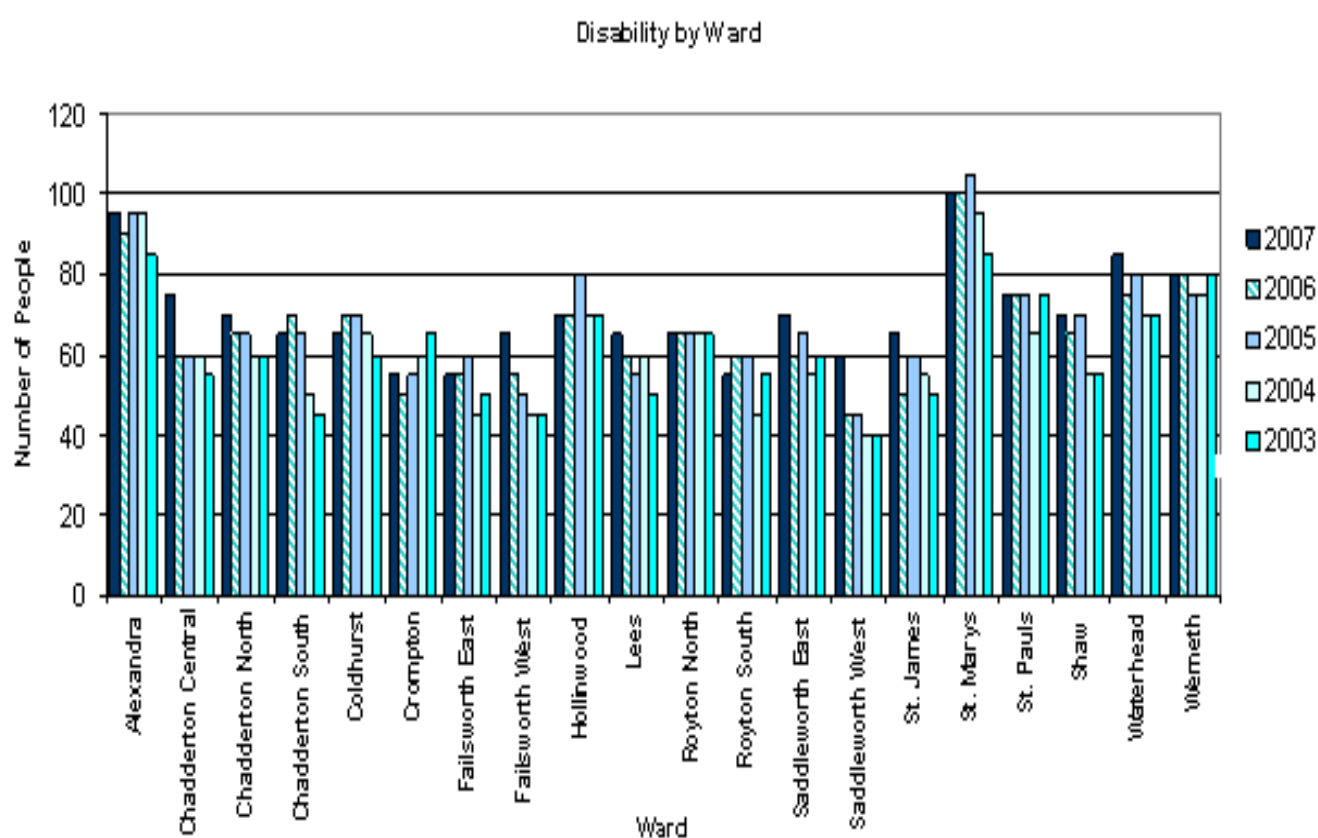


Figure 19: Disability by ward Source: Working age client group (WACG)/ Census 2001

The ward with the highest number of people with a disability across all 5 years was St. Mary's. From 2003 – 2004, the Alexandra ward and St. Mary's jointly contained the highest proportion of people with disabilities. By contrast, in 2007 Crompton, Failsworth East and Royton South jointly contained the lowest proportion of people with disabilities. From 2003-2006, Saddleworth West consistently contained the lowest number of people with disabilities.

## Disability and Incapacity Benefits

According to the Northwest Development Agency, 7.9% of people in Oldham claim Incapacity Benefit. Figure 13 below provides an annual breakdown of the overall number of people claiming benefits, Incapacity Benefit and the number of disabled people in the Borough.

Annual breakdown of number of people on Oldham who are disabled and claiming benefits

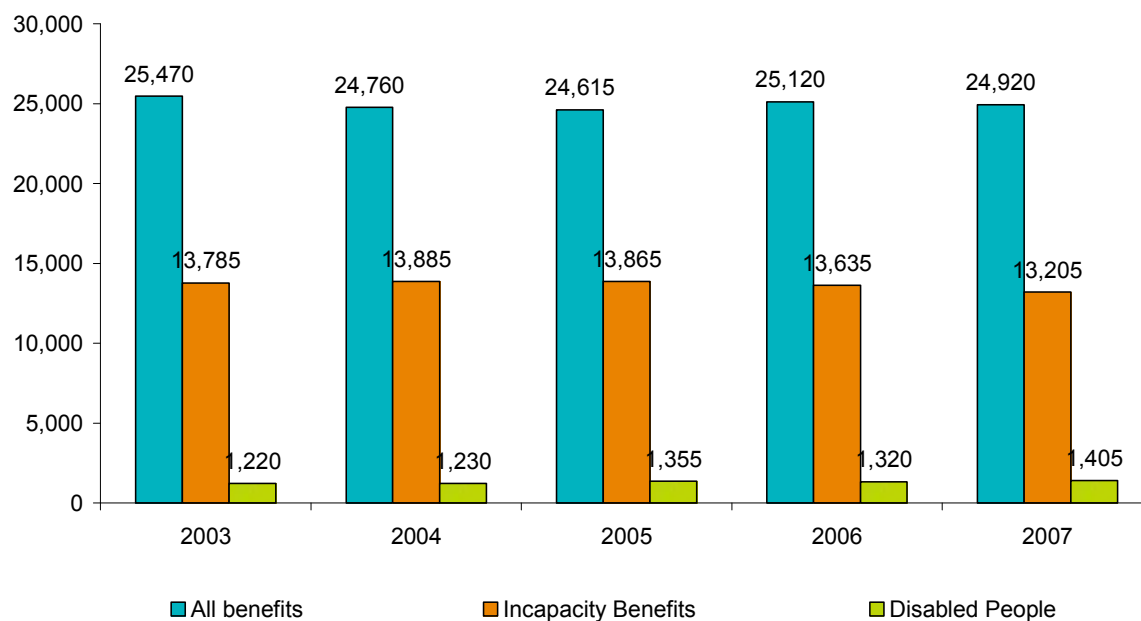


Figure 20: Annual breakdown of number of people on Oldham who are disabled and claiming benefits. Source WACG

In 2005, 56.3% of all people on benefits were claiming Incapacity Benefits; this was the highest across all 5 years. In 2007 this figure dropped to 53% of all people on benefits claiming Incapacity Benefits. In 2007 the percentage of people with a disability was at its highest at 5.6%, this figure was at lowest in 2003 (4.8%).

### Annual breakdown of Incapacity Benefits and Disability

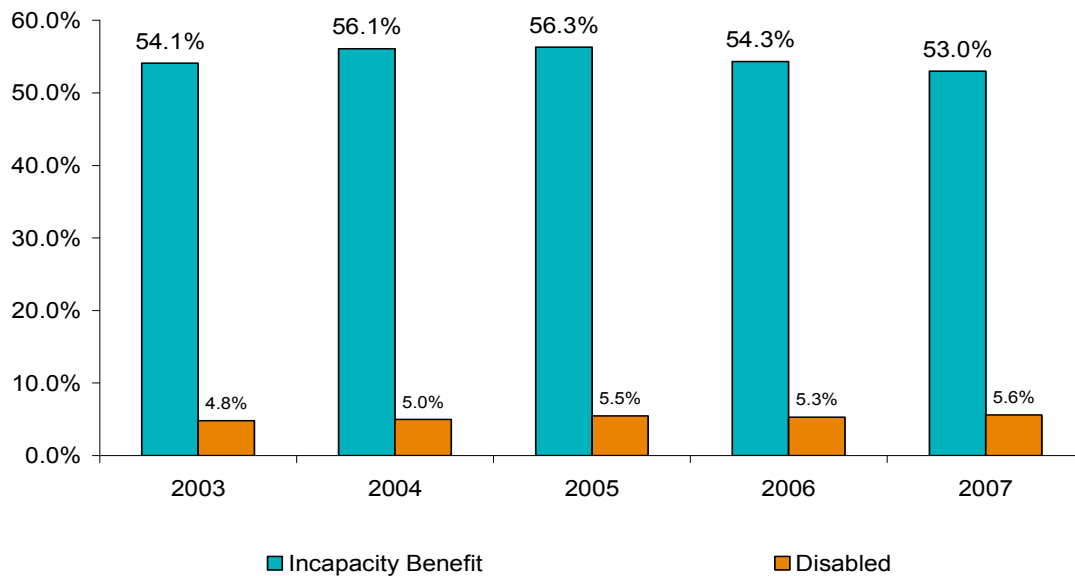


Figure 21: Annual breakdown of Incapacity Benefits and Disability. Source WACG

### Ethnicity and Limiting Long Term Illness

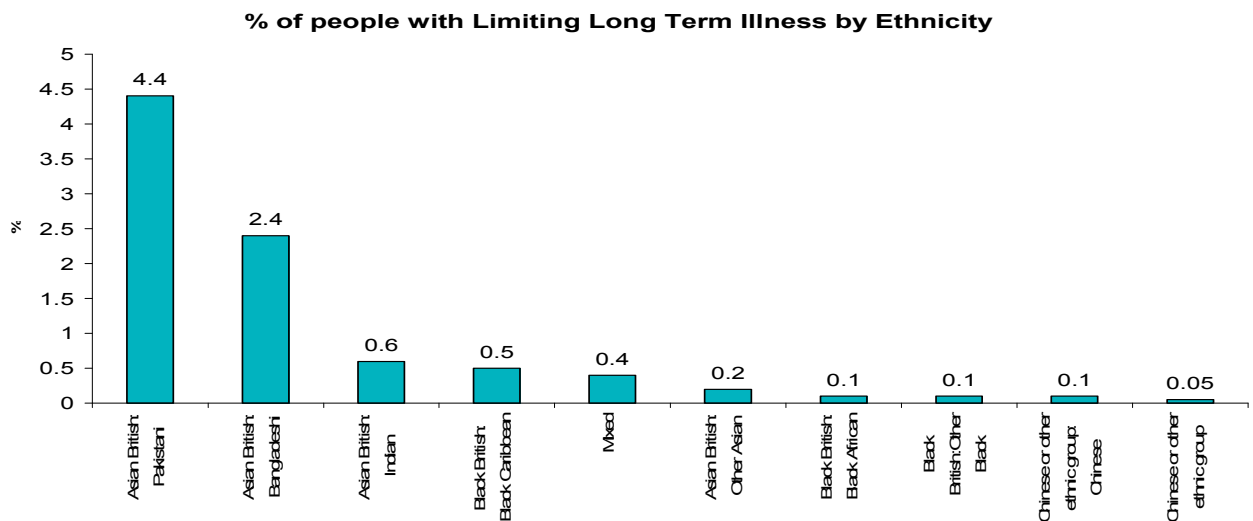


Figure 22: Ethnicity and Number of people with Long Term Limiting Illness. Source: Northwest Development Agency

The highest proportion of people from BME groups with long term limiting illness were of Asian Pakistani at 4.4% origin (1,838 people) followed by those of Bangladeshi ethnicity at 2.4% (1,019 people).

By looking at the current applications for socially rented accommodation with FCHO, it is possible to create a picture of the needs of those people who are disabled or who have a serious medical condition. Those with a serious medical condition/disability may not have the capacity to work, making independent home ownership unlikely. As well as the affordability question, the need of suitable provisions for care needs to be addressed.

Table 31 below shows those who have indicated some level of serious illness or disability. Figures from 1<sup>st</sup> October 2008 indicate that this applies to 224 main applicants. The highest numbers come from the younger groups particularly those aged 35 or less. The over 65s form only 10.2% of the total group.

Age Band	Number stating serious illness/disability	% Total stating disability
Under 25	31	13.8
25-34	55	24.6
35-44	47	21.0
45-54	37	16.5
55-64	31	13.8
65-74	19	8.5
75-84	3	1.3
85-94	1	0.4
<b>Valid Total</b>	<b>224</b>	<b>100%</b>
Unknown	1	

Table 29: Local Authority Housing Applicants with serious illness or disability. Source: Local Authority Housing Register October 2008

### Current Circumstances of Disability/Serious Medical Condition

Chart to show applicants for Local Authority Housing indicating Serious Medical Condition/ Disability

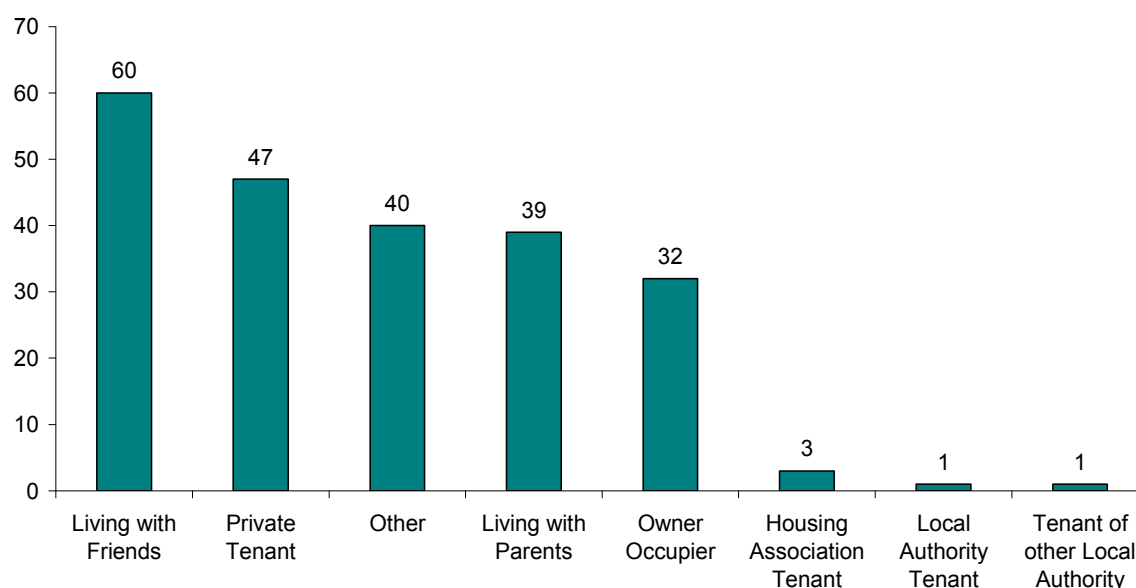


Figure 23: Local Authority Housing Applicants with serious illness or disability December 2006. Source: Housing Register October 2008 (Reasonable Preference Groups)

Figure 24 shows the current living circumstances of those applicants stating serious illness or disability or medical condition:

- 60 out of the 224 (26.9%) live with friends
- Over a fifth (21.1%) stated that they live as a Private Tenant
- Only 1 applicant is asking for an internal transfer within Local Authority Housing

## 6.3: BME Housing Needs

The following statistics are taken from the Oldham LA Joint Strategic Needs Assessment

- The percentage of Oldham's population from BME groups is forecast to increase from around 16.6% in 2007, to around one fifth (19.4%) in 2012, just over one fifth (22.0%) in 2017 to one quarter (24.6%) in 2022.
- This is predominantly associated with the growth of Oldham's Pakistani and Bangladeshi heritage communities, which currently number around 15,600 and 11,800 people respectively.

### **Ethnic group composition**

- At the time of the 2001 Census, white ethnic groups made up a lower proportion of Oldham's population (86.1%) than the average for England (90.9%) indicating a larger than average BME population.
- Oldham's Pakistani and Bangladeshi heritage populations are the largest minority ethnic groups in the borough making up 6.3% and 4.5% of the borough's population respectively. These proportions are higher than the England averages for both groups (1.4% and 0.6% respectively).
- Generally, the proportion of children belonging to BME groups is highest for the youngest age bands. Nearly one third (31.3%) of 0 to 4 year olds, one quarter (25.4%) of 5 to 9 year olds and 25.7% of 10 to 14 year olds belong to BME groups.
- Around one in twenty (4.9%) people aged 65 years and over are from BME groups, as are 2.8% of people aged 75 years and over, 1.1% of Pakistani heritage and 0.7% of Bangladeshi heritage.
- Currently around 83.8% of the borough's working age population is white. This proportion is forecast to fall to just over three quarters (77.6%) over the next ten years and to under one quarter (74.2%) by 2022.
- The proportion of the working age population of Pakistani heritage is forecast to increase from the current figure of around 7.0% to around one in ten (9.6%) by 2017 and to 11.0% by 2022.
- The proportion of the working age population of Bangladeshi heritage is forecast to increase from the current figure of around 4.8% to 7.9% by 2017 and to 9.7% by 2022.
- These proportions are higher than the England averages for both groups (1.4% and 0.6% respectively).
- Indian (0.7%) and Black (0.6%) people make up a smaller percentage of the population in Oldham than nationally (2.1% and 2.3% respectively).

Currently around 16.6% of Oldham's population are from black and minority ethnic (BME) groups, with:

- 7.1% being of Pakistani heritage;
- 5.4% of Bangladeshi heritage;



- Indian (0.9%) and Black [iii] (0.9%) groups each making up almost 1% of the borough's population and around 2.4% belonging to 'other' groups.
- Around 27.5% of children aged less than 15 years coming from BME groups. This proportion varies between age bands. Over one third (34.7%) of children under one year of age are from BME groups.
- The proportion of older people aged 75 and over from BME groups is projected to increase over the next 15 years, particularly those from Pakistani and Bangladeshi background.

### Household Type by Ethnicity

FCHO classify the housing type into three areas, these being "Household", "Family" and "unclassified". Put simply, any family with children over the age of 16 are classed as needing household accommodation and those with children under the age of 16 as needing Family accommodation

Chart to show Local Authority Household Type for Ethnic Group

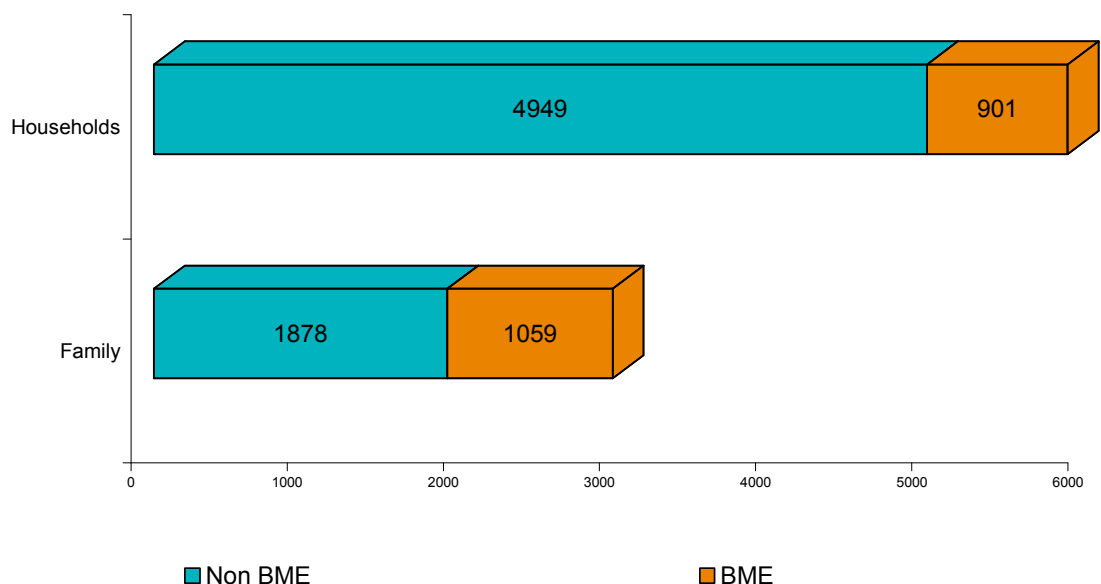


Figure 24: Household type by ethnicity Source: Housing Register October 2008

Figure 25 above shows that numerically there is a greater need for family accommodation amongst the non-BME community than the BME Community.

A higher proportion of BME applicants (55%) require family accommodation than 27.5% of Non-BME applicants requiring family accommodation.

## Bedroom Need by Ethnicity

Chart to show bedroom need by Ethnicity

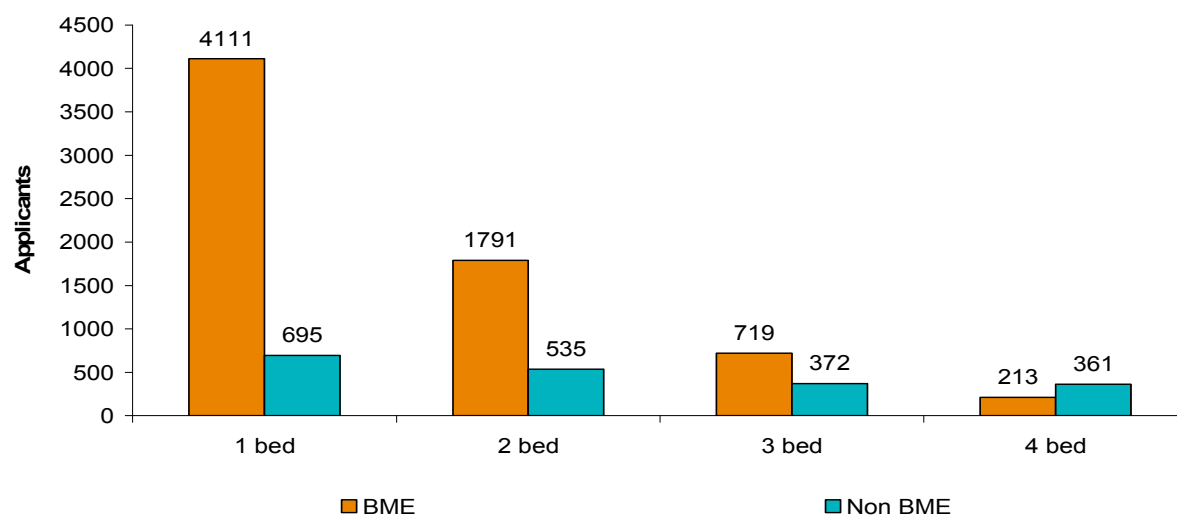


Figure 25: Bedroom need by ethnicity Source: Housing Register October 2008

Figure 26 shows that the bedroom need of BME and non-BME group reflects the overall need for family housing as shown in Figure 17. The numeric need for 1-3 bed properties is far higher from the non-BME community. For properties of 4 beds or more, this numeric difference is reduced substantially.

Table 32 below shows the proportion of BME/Non-BME applicants by bed need. It shows that proportionally there is little difference between the two groups until properties with three beds or more are required.

	1 bed	2 bed	3 Bed	4 bed plus
BME	35.4%	27.3%	19.0%	18.4%
Non BME	60.2%	26.2%	10.5%	3.1%

Table 32: Bedroom need by ethnicity Source: Housing Register October 2008

## Location of BME Applicants

The map in Figure 27 below shows the location of BME applicants. It shows that the highest percentage of BME applicants is from the central areas of Oldham. In Coldhurst, 96% of applicants for Local Authority housing were from a BME background.

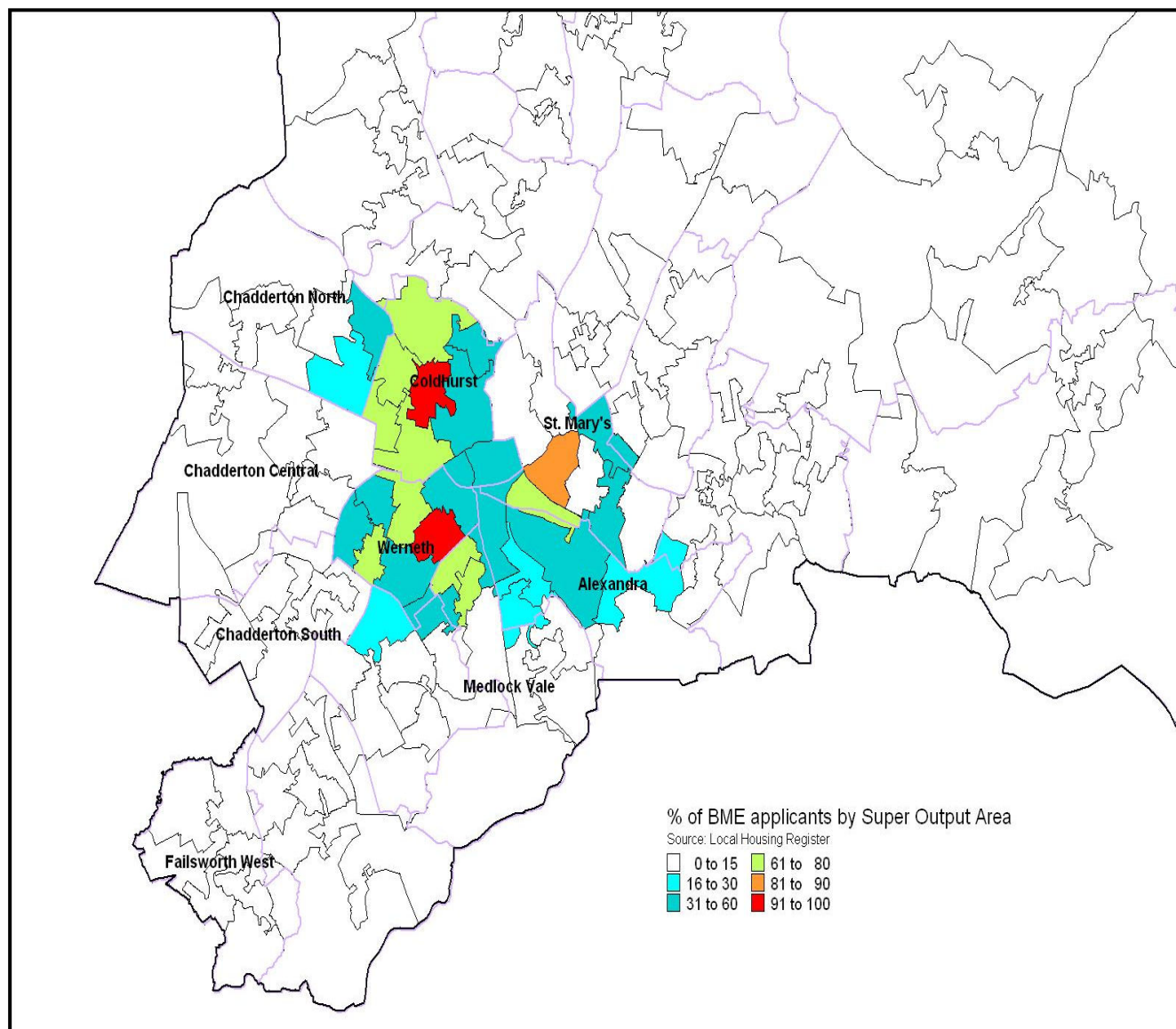


Figure 26: % of BME applicants for local Authority Housing as of 31/03/2008. Source: Local Housing Register April 2009

## 6.4: Young People

The following statistics are taken from the Oldham LA Joint Strategic Needs Assessment.

- Currently, around one fifth (20.7%) of the Borough's population are aged under 15 years. This proportion is predicted to decrease slightly to 20.0% by 2022.
- Between 2007 and 2022, the number of children aged under 5 year olds is forecast to fall by 400, the number of 5 to 9 year olds is predicted to increase by 500, whilst the number of 10 to 14 year olds is forecast to fall by around 100.
- The proportion of 15 to 19 year olds is forecast to decrease from 7.1% of the Borough's population in 2007 to 6.4% in 2022. Between 2007 and 2022, the number of 15 to 19 year olds is predicted to fall by around 900, decreasing by around 1,800 between 2007 and 2017, and then increasing by 900 to 2022.
- The proportion of 20 to 24 year olds is predicted to decrease from around 6.6% of the Borough's population in 2007 to 5.8% in 2022. Between 2007 and 2022, the number of 20 to 24 year olds is forecast to fall by around 1,300, increasing by around 500 from 2007 to 2012, and then decreasing by 1,800 to 2022.

## 6.5: Specific Housing Needs Conclusion

As with all local authorities, Oldham faces a number of different challenges for housing in the Borough.

- Currently the population of older people (aged 65+) in Oldham is increasing and as such offers new challenges to housing and associated services. Specific challenges exist regarding provision of elderly people over the age of 85 and the increasing number of older people from Pakistani and Bangladeshi backgrounds. Specialist provision is provided mostly through Housing 21 Sheltered Accommodation, although it is provided by both FCHO and RSLs as well. There are also plans for greater levels of extra care housing. In providing flexible housing and services, Oldham Council can support the mandate for independent living until later in life.
- It is well acknowledged that Oldham has a large BME community, with a need for larger family homes. As stated above, it is apparent that the numbers of older people from the Pakistani and Bangladeshi communities are rising, and this brings about its own challenges. It is acknowledged that further work is required to fully understand the needs and aspirations of this sector, especially the impact of growing communities such as eastern European immigrants.
- Of all the Greater Manchester districts, Oldham has the highest proportion of people who are economically active and both disabled and work-limited disabled (38.2%). The highest numbers of LA Housing applicants stating serious illness or disability come from the younger groups particularly those aged 35 or less. Most commonly, applicants for Local Authority housing are currently living with friends or are in private rented accommodation.
- It is important to consider the housing aspirations of the youth of the Borough. Currently around a fifth of Oldham's population are aged 15 or under. As this population matures and the possible continued low levels of income and issues over the access to owner occupation and the Private rented sector means that it is likely that demand for LA housing amongst the under 25s will remain. These issues are examined in the Oldham Young Persons housing strategy.

- Work conducted on behalf of HMR looked at the aspirations of younger people in Oldham. It demonstrated a general view that there are affordable housing options in the short to medium term. Most would like to buy a semi in the outskirts or fringe areas of the towns, or a little further out. A terraced property is an acceptable compromise for some and/or a means to progressing to a semi later. Renting is acceptable as a short term measure.
- PPS3 recognises the importance of providing housing for families, especially those with children, in the context of creating mixed communities. Further development is required to fully explore the supply and demand issues for each of these groups.

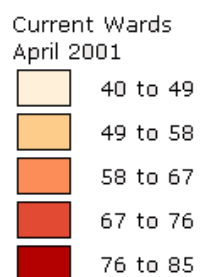
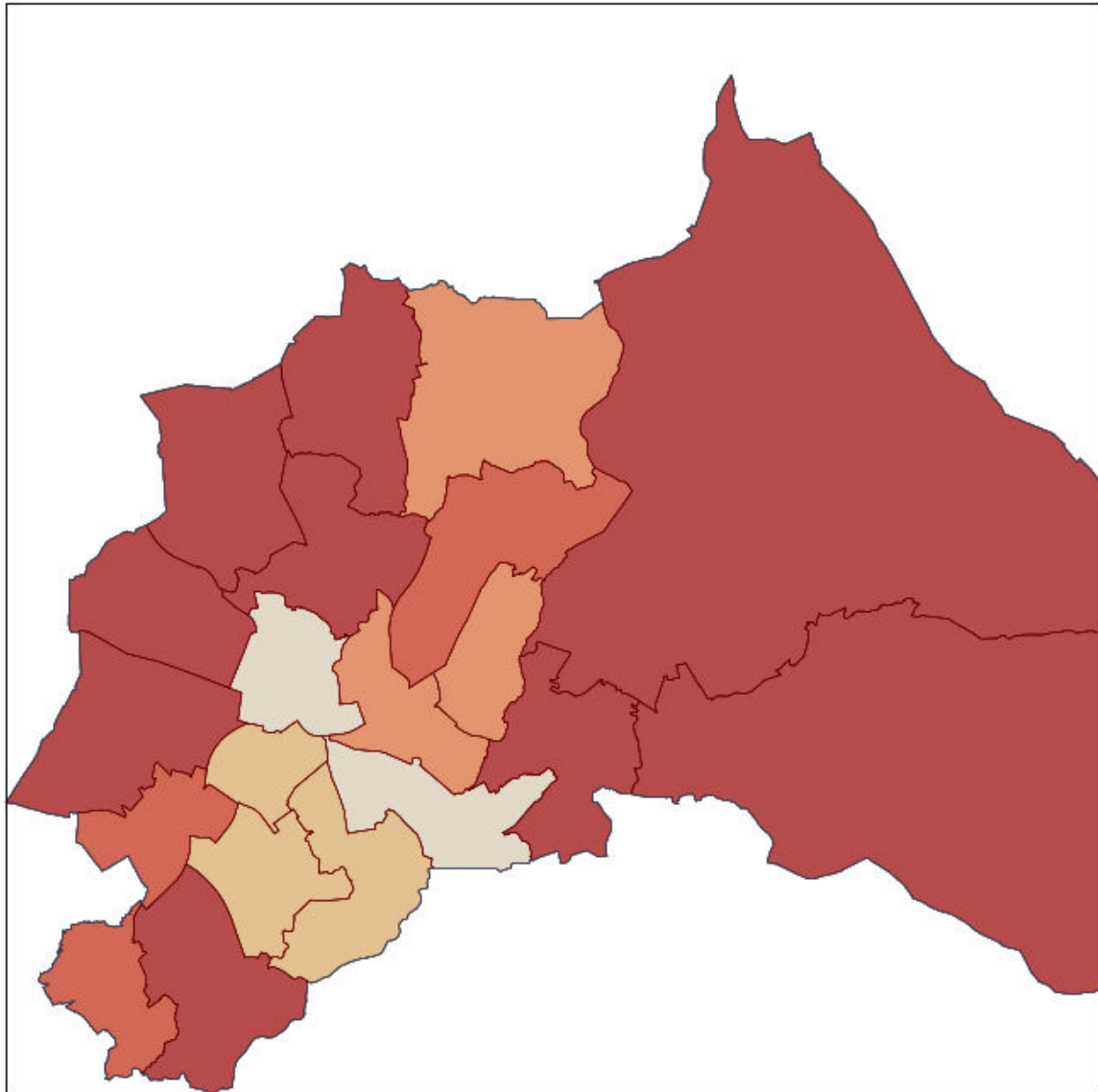
## 6.6: The Low Cost and Intermediate Affordable Housing Market

- Despite the fall in house prices due to current market conditions entry level (lower quartile) property remains unaffordable for many residents of Oldham Borough. As of October 2008, a single and household first time buyer would need to lend 6.5 and 4.9 times their annual income to purchase an entry level property respectively. Furthermore, based on an average single or household income many households are unable to afford properties in the area in which they live or elsewhere within the Borough.
- Based on an assessment of local housing allowance and levels of income, 36% of households within Oldham Borough are unable to buy or rent in the market.
- The Study identifies a net annual affordable housing need for 321 units to be delivered over five years.
- The current housing requirement for Oldham Borough set out within RSS is for an annual average of 289 dwellings, to provide a total of 5,200 dwellings during 2003-2021 (net of clearance replacement). The annual affordable housing need of 321 represents 111% of the Borough's current RSS requirement. Delivery of the identified affordable housing need through new development is therefore clearly unrealistic. This is compounded by recent research that suggests that maximum proportion of affordable housing on a site should be 30% in order to ensure the delivery of mixed communities.
- In addition to those affordable units that can be delivered through the planning system, the Council needs to consider what other alternatives there are to meet the affordable housing need. These should include the role of intermediate housing and the private rented sector, as well as low cost homes as a way of bridging the gap between social-rented and home ownership.
- Evidence shows that there is most pressure on social housing. Efforts need to be focused on reducing the pressure on entry level housing by improving the access, choice and provision of houses in the intermediate sector. Improving the access to, and the choice of intermediate housing, should enable a number of people who currently access social housing to have the opportunity to seek alternative intermediate accommodation, freeing up properties to people in most need.
- The Study shows that there are particular issues within the Borough regarding overcrowding. 7% of the Oldham's housing stock is overcrowded, which is the second highest in Greater Manchester. Research shows that there are high levels of overcrowding to be found in the predominantly BME dominated central areas of Oldham. This, alongside demographic changes, highlights need for larger family accommodation within the Borough, further emphasised by the loss of such properties through Right to Buy and the little stock available (demonstrated by the low turnover in larger social rented properties).

- The Study demonstrates that particular household groups have specific needs and that further work is required to fully explore the supply and demand issues of each of these groups. Some of the key issues are:
- The forecast increase in the number of older people (25% increase in the 65+ population to almost 40,000 by 2022) is likely to have considerable impact on the need for housing and supported housing related to an ageing population.
- The proportion of Oldham's population from BME groups is forecast to increase from around 16.6% in 2007 to one quarter (24.6%) in 2022. This is predominantly associated with the growth of Oldham's Pakistani and Bangladeshi heritage communities. Analysis of the Council's Housing Register shows that proportionally 55% of BME applicants and 27.5% of non-BME applicants require family accommodation, further highlighting the need for large family accommodation.
- Currently, around one fifth (20.7%) of the Borough's population are aged under 15 years. This proportion is forecast to decrease slightly to 20% by 2022.
- Future housing strategy and planning policies will therefore need to consider what mix of house types and tenures are required throughout the Borough and possibly within particular areas of the Borough in order to create successful mixed sustainable communities.
- The findings of this Study and the Greater Manchester SHMA will feed into the preparation of the Local Development Framework and in particular policies around housing mix and the provision of affordable housing. PPS3 requires local planning authorities to undertake an informed assessment of the economic viability of any thresholds and proportions of affordable housing proposed. This assessment should include the likely impact of such thresholds and proportions on the overall levels of housing delivery and creating mixed communities. This assessment will therefore need to be undertaken to inform preparation of the LDF and it is anticipated that it will be conducted in house.

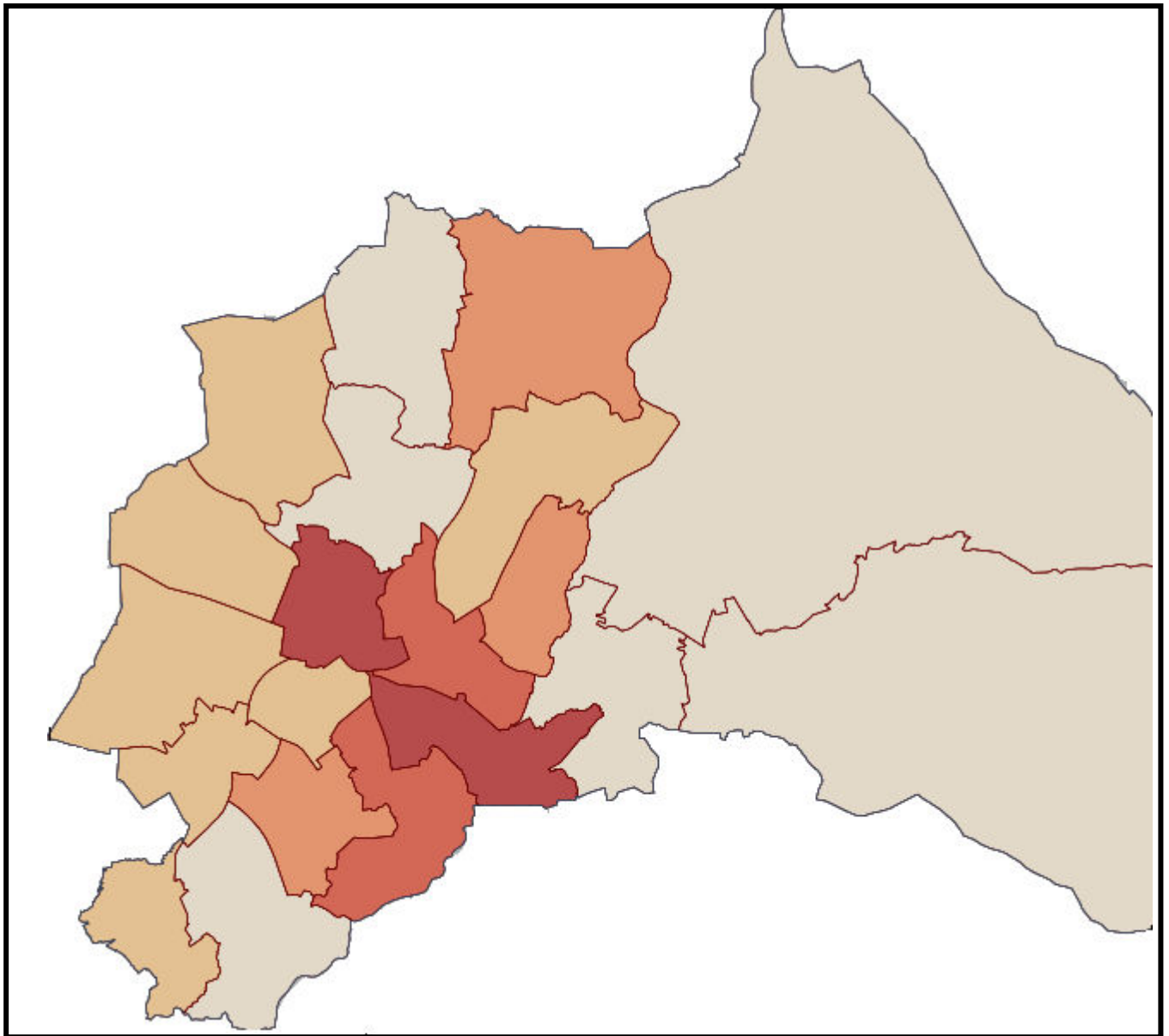
## Appendices

### Appendix 1a: % Owner Occupation Households Census 2001

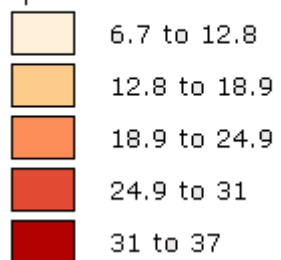




## Appendix 1b: % Council Tenant Households Census 2001

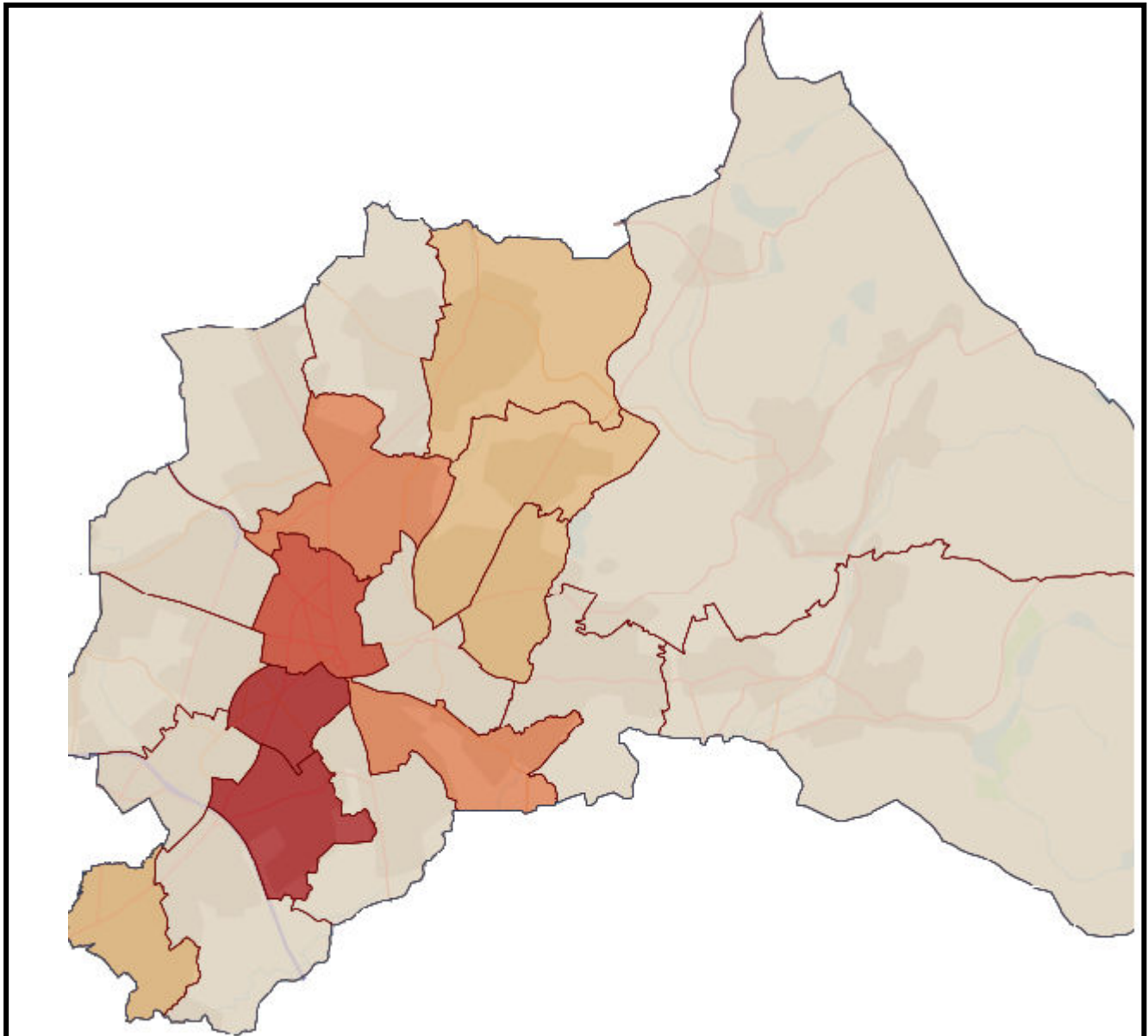


Current Wards  
April 2001

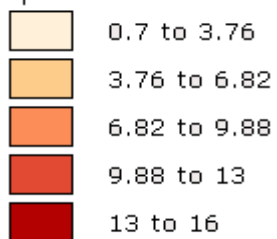




### Appendix 1c: % Housing Association Tenants Census 2001



Current Wards  
April 2001



## **Appendix 2: Indices of Deprivation 2007: What do they mean for Oldham?**

**Source: Oldham Council Corporate Research Team.**

### **Executive Summary**

Updated Indices of Deprivation for England were published by the Department for Communities and Local Government (DCLG) in December 2007. This report summarises the results for Oldham, and highlights some potential implications.

There is considerable continuity with the Indices of Deprivation 2004 since, in order to maximise comparability, very few changes have been made. The domains and methodology are the same and as far as possible most indicators are equivalent to their ID2004 counterparts. Therefore, between ID2004 and ID2007 most change is likely to reflect real relative change between the two time periods.

The Indices of Deprivation 2007 continues to use Super Output Areas (SOAs) as the geographical base. The scores for all the SOAs in a district are combined at a district level to produce six summary measures. These measures can be used to compare patterns of deprivation in Oldham with those in other areas. The Borough's relative position has deteriorated between ID2004 and ID2007 on five of the six summary measures.

The Indices of Deprivation 2007 results suggest that at a Borough-wide level, relative deprivation has increased in Oldham since ID2004.

Oldham is now ranked as the 42<sup>nd</sup> most deprived local authority area overall (average of area scores, ID 2007), one position worse than its ranking of 43<sup>rd</sup> in ID 2004;

Oldham now has the 23<sup>rd</sup> highest local concentrations of deprivation, three positions worse than under ID 2004, when it had the 26<sup>th</sup> highest local concentration of deprivation.

Oldham now has the 39<sup>th</sup> highest number of residents who are income deprived, nine positions worse than in ID 2004, when Oldham was reported to have the 48<sup>th</sup> highest number of income-deprived residents;

Employment deprivation has improved five positions from 44<sup>th</sup> in ID 2004 to 49<sup>th</sup> in ID 2007. It is noteworthy, however, that this relative reduction in employment deprivation has not been accompanied by improved rankings with respect to income deprivation, local concentration of deprivation or overall deprivation (average of area scores) – but rather the opposite.

What the Indices of Deprivation have highlighted in the past in Oldham is the severity of deprivation in particular parts of the Borough. Oldham's worst ranking has consistently been on the "Local concentration" measure, indicating the severity of deprivation in the worst "hot spots" and this continues to be the case.

Between ID2000 and ID2004 Oldham's ranking improved substantially on this measure suggesting that, as compared with other districts, improvement had been most marked in the most deprived neighbourhoods. It is a matter of some concern that the Borough has now slipped back on this measure from 26<sup>th</sup> to 23<sup>rd</sup> most deprived.

It is notable that Oldham is the only district in Greater Manchester to have experienced deterioration in its relative position between 2004 and 2007 on the average of scores measure.

The ID2007 is subdivided into seven different “domains”: Income Deprivation; Employment Deprivation; Health Deprivation and Disability; Education, Skills and Training; Barriers to Housing and Services; Crime; and the Living Environment. The results for these domains are combined to produce the Index of Multiple Deprivation (IMD). The Income domain also provides separate measures of the numbers of children and older people who live in low income households.

On the overall Index of Multiple Deprivation (IMD):

- The Borough now has two SOAs (compared with one SOA in ID2004) that are among the 1% most deprived SOAs in England.
- The number of SOAs in Oldham within the 5% most deprived SOAs nationally has increased to 21 of the 144 SOAs in Oldham (or 15%) in ID2007, from 19 (or 13%) in ID2004.
- 37 SOAs – just over one-quarter (26%) of the 144 SOAs in Oldham – are now within the most deprived 10% SOAs in England. This represents three additional SOAs since ID2004, when thirty-four SOAs (24%) were among the most deprived 10%.
- The number of SOAs in Oldham among the 20% most deprived SOAs in England has decreased to 58 (40%) in ID2007. This is an improvement on ID2004, when 62 (43%) of Oldham’s 144 SOAs were among the 20% most deprived in England.


The biggest deterioration in relative position between the Indices of Deprivation 2004 and 2007 has been on the Income Scale. To an extent this may reflect the changing composition of the Borough’s population, with an increase in the number and proportion of people from our Pakistani and Bangladeshi communities in particular. These communities are disproportionately more likely to be living in low income households. With a few exceptions this is reflected in the changes between 2004 and 2007 on the Index of Multiple Deprivation. The relative position of those areas, where our Pakistani and Bangladeshi heritage communities are living and moving to has deteriorated. Deprivation has spread, reflecting the over-representation of low income households within these communities. The number of Income Deprived SOAs has increased within the 1%, 5%, 10% and 20% most deprived bands.

These findings highlight the importance of further improving the targeting of resources to meet need, using the detailed results available from the ID 2007 for small areas within the Borough.

The Corporate Research Team will be undertaking further, more detailed analysis of the ID2007 and considering patterns of change since ID2004 at SOA level for each component of the Indices. Further analysis of the links between deprivation and the movement of communities within the Borough will be undertaken

## **Conclusions**

- The Indices of Deprivation provide a consistent, nationally recognised, system for assessing how deprived different parts of England are in comparison with each other. The latest results are a matter of concern for the Borough. As noted above, Oldham is the only district in Greater Manchester to have experienced deterioration in its relative position between 2004 and 2007 (on the average of scores measure).
- It is important to note the biggest deterioration in relative position between the Indices of Deprivation 2004 and 2007 has been on the Income Scale. To an extent this may reflect the changing composition of the Borough’s population, with an increase in the number and proportion of people from our Pakistani and Bangladeshi communities in particular. These communities are disproportionately more likely to be living in low income households. With



a few exceptions this is reflected in the changes between 2004 and 2007 on the Index of Multiple Deprivation. The relative position of those areas where our Pakistani and Bangladeshi heritage communities are living and moving to has deteriorated. Deprivation has spread, reflecting the over-representation of low income households within these communities.

**These findings highlight the importance of:**

- Further improving the targeting of resources to meet need, using the detailed results available from the ID 2007 for small areas within the Borough, as well as other sources; and Continuing to improve the delivery of services, through further development of joint commissioning processes and pooled budgets, better inter-agency co-ordination of delivery, and by making services more responsive to the needs of local people.
- The ID 2007 will be used to inform the developing Joint Strategic Needs Assessment for Health and Wellbeing and could be used to inform the Customer Access Strategy, amongst other things.
- The Corporate Research Team will be undertaking further, more detailed analysis of the ID2007 and considering patterns of change since ID2004 at SOA level for each component of the Indices. Further analysis of the links between deprivation and the movement of communities within the Borough will be undertaken.

## Appendix Three: Charts and Tables

Figure 1: Barriers to Housing IMD 2004-7.....	14
Figure 2: Lower quartile sales value Oldham 2002-82 Source: Nomis/Land Registry Data .....	16
Figure 3: Lower quartile house values in Oldham 2007-8 Source: Nomis/Land Registry Data .....	17
Figure 4: % Value change by former local Committee Area Qtr 2 2007 – Qtr 2 2008/9.....	18
Figure 5: Average and new build and Re-Sale prices Oldham 2005 – 2008 (qtr 2) .....	19
Figure 6: Chart to show level of deposit needed by former area committee.....	20
Figure 7: IMD 2007 Income deprivation By Super Output Area 2007.....	21
Figure 8: Sales Volume by housing Market 2005-8.....	27
Figure 9: Re- Sale volume by property type 2000-8 .....	28
Figure 10: Volume new build sales by Value band 2004/5-2008/9 (qtr 2) .....	30
Figure 11: House sales per 1000 private properties all Oldham 2004 – 2008 (qtr 1).....	31
Figure 12: Sales per 1000 private properties by former area committee 2004 – 2008 (qtr 1). ....	31
Figure 13: Levels of Right to Buy in Oldham 2004-8. ....	32
Figure 13a: Right to buys in Oldham 2005/6 to quarter 2 2008/9 by Property Type .....	32
Figure 14: Leasehold Sales in Oldham 2005/6 to end of quarter 2 2008/9 .....	33
Figure 14a: Leasehold Sales in Oldham 2005/6 to end of quarter 2 2008/9 by property type ...	33
Figure 15: Households overcrowded by ward with 2004 ward boundary estimates .....	37
Figure 16: Household formation in Oldham 2004-2021 .....	39
Figure 17: Tenure of HRP pensionable age 2004. ....	49
Figure 18: Indices of deprivation, Income Deprivation Affecting Older People (2007).....	50
Figure 19: Older people helped to live at home per 1,000 of the population aged 65+.....	50
Figure 20: Disability by ward .....	52
Figure 21: People on Oldham who are disabled and claiming benefits. ....	53
Figure 22: Annual breakdown of Incapacity Benefits and Disability. ....	54
Figure 23: Ethnicity and Number of people with Long Term Limiting Illness. ....	54
Figure 24: Local Authority Applicants with serious illness or disability December 2006. ....	55
Figure 25: Household type by ethnicity .....	57
Figure 26: Bedroom need by ethnicity .....	58
Figure 27: % of BME applicants for local Authority Housing as of 31/03/2008. ....	59

Table 1: Housing Provision in Oldham by provider 2005-8 .....	13
Table 2: Vacancy rates by tenure (HSSA) 2007/8 .....	13
Table 3: Local Housing Allowance for Central Greater Manchester BRMA, July 2008 .....	15
Table 4: Local Housing Allowance for North East Greater Manchester BRMA, July 2008 .....	15
Table 5: Average house price change by former area committee .....	17
Table 6: Entry Level Affordability (Qtr 2 2008) .....	22
Table 7: Re-Sale Housing affordability 2nd Quarter 2008 2008/9 .....	23
Table 8: New build Housing affordability 2nd Quarter 2008/9 .....	23
Table 9: Household Re-Sale market affordability 2nd Quarter 2008/9.....	24
Table 10: Re-Sale market affordability Single Buyer. 2nd Quarter 2008/9.....	25
Table 11: Mortgage possessions claims issued and orders made by Oldham County Court.....	26
Table 12: Ratio of resale to new build sales October 2007 - Sept 08 .....	28
Table 13: Volume of Re-Sales by value band 2004/5-2007/8 .....	29
Table 14: Volume of Re-Sales by value band by quarter 2007/8 - 2008/9 .....	29
Table 15: Proportion of homes sold by value band 2004/5- 2008/9 (quarter 2) .....	29
Table 16: Proportion volume new build sales by Value band 2004/5-2008/9 (qtr 2) .....	30
Table 17: % Change in numbers of sale 2007/8 to 2008/9 .....	32
Table 18: Existing Households falling into need 2008.....	40
Table 19: Identification of total newly arising housing need (gross per year) Calculation.....	40
Table 20: Local Authority Surplus Stock 2003/4 -2006/7 .....	41
Table 21: Affordable housing units to be delivered through the planning system. ....	42
Table 22: Affordable dwellings to be cleared 2006-7 – 2011/12 .....	43
Table 23: Total Affordable housing Stock available .....	43
Table 24: Identification of the future annual supply of affordable housing Calculation.....	44
Table 25: Local Authority Turnover rates by property size September 2008.....	45
Table 26: Ratio of bids made to total Stock made available to let.September 2008 .....	45
Table 27: Estimate of net annual housing need. ....	46
Table 28: Proportion of people aged 75+ in Oldham 2007-2022. ....	48
Table 31: Local Authority Housing Applicants with serious illness or disability. October 2008 ....	55

## Appendix Four: Summary of Changes to methodology

Step by Step	Revised Methodology
1.1 Number of Homeless households and those in temporary accommodation	Zeroed to reduce risk of double counting with those in “other Groups” contained within reasonable preference groups contained within point 1.3
1.2 Number of Overcrowding and concealed households	Zeroed to reduce risk of double counting with those in “other Groups” contained within reasonable preference groups contained within point 1.3.
1.3 Other Groups	Based on “Reasonable Preference Groups” a constant source throughout AGMA and recognised national definitions. Figures taken from end of 2007-8 create much more up to date definition.
2.1 New Household formation	431 based on 3 year average new household formation GMFM.
2.2 Proportion of households unable to buy	Changed to take into account PRS, as seen as next viable option up from social housing. PRS rents taken from Local Housing Allowance figs
2.3 Existing households falling into need	Local authority housing register only. Based on reasonable preference groups who have applied for a local authority home and have been housed with in 12 months
3.1 Affordable dwellings occupied by households in need	The number at 3.1 previously utilized the number of households in 'priority need' (as per the CLG reasonable preference groups) requesting transfer from existing social rented stock. Transfers had previously been subtracted from the equation (from the waiting list) at Step 1.3 (note: excluding transfers), if there were to be subtracted again at Step 3.1,
3.2 Surplus Stock <sup>2</sup>	No change in methodology
3.3 Committed supply of new affordable housing	No change in methodology
3.4 Units to be taken out of management	No change in methodology
3.6 Annual supply of social re-lets (net)	2 year average for authorities where data was available from CORE. As data was only available for 2006/07 for Oldham, this single year was used.
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	



## Appendix Five: Figures Submitted for SHMA

Task	AGMA Agreed Methodology	CLG Guidance
1.1 Number of Homeless households and those in temporary accommodation	0	652
1.2 Number of Overcrowding and concealed households	0	4209
1.3 Other Groups	2436	3986
1.4 Total current housing need (gross) = 1.1 + 1.2 (+1.3)	2436	8195
Step 2 - Future Housing Need (Net Annual)		
2.1 New Household formation	431	333
2.2 Proportion of households unable to buy	36%	40%
2.3 Existing households falling into need	370	3262
2.4 Total newly arising need (gross per year) = (2.1 x 2.2) + 2.3	525	3395
Step 3 - Affordable Housing Supply (Net Annual)		
3.1 Affordable dwellings occupied by households in need	0	1866
3.2 Surplus Stock	231	121
3.3 Committed supply of new affordable housing	434	434
3.4 Units to be taken out of management	565	176
3.5 Total affordable housing stock available = 3.1 + 3.2 + 3.3 - 3.4	100	2245
3.6 Annual supply of social re-lets (net)	671	2355
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	0	3
3.8 Annual supply of affordable housing = 3.6 + 3.7	671	2358
Step 4 - Total Housing Need (Net Annual)		
Total net need = 1.4 - 3.5	2663	5950
Annual flow (20% of total net need)	467	1190
Net annual housing need = (2.4 + Annual flow) - 3.8	321	2227



## **Appendix Six: Data Source Summary**

The following data sources have been used in the completion of this research:

### **ALMO Current Tenants/ ALMO Housing Register**

The data has been provided by the Information Systems Team at First Choice Homes Oldham (FCHO) and is based on information provided by tenants or applicants and entered on the internal SX3 management system. Although, the housing register provides an excellent starting point into the demand for housing within Oldham, there are limitations that need to be taken into consideration. The overall number of applications may be unclear as households may have one or more applicants either joint or separate applications and ethnicity and age recording is not 100% complete and as such there is the chance of many unknown/hard to reach groups that require further research. Clarity is required from FCHO regarding the calculation of Bed Need. There were several occasions where the bed need shown did not add up

### **Oldham-Rochdale Housing Market Renewal database**

The Oldham-Rochdale Housing Database is a monitoring system set up by the Oldham-Rochdale Partnership. This database has been established to support the Housing Market Partnership. It contains data on key housing and related measures. Data is sourced from government sources and from data held within Oldham and Rochdale MBC. The geographies for which data is held comprise the boroughs, the Rochdale township areas, the Oldham Committee areas and smaller neighbourhoods defined by the partnership

### **CORE lettings Log**

CORE (COntinuous REcording) is a national information source funded jointly by the Housing Corporation and the DCLG that records information on the characteristics of both housing association and local authority new social housing tenants and the homes they rent and buy. Registered Social Landlords are required to send regular updates of data collected through questions asked to each new tenancy. Through CORE we are able to create a picture of tenants of socially rented accommodation in the borough. It details all income, reasons for leaving previous property and previous tenure amongst others.

### **HM Land Registry**

When a house sale completes, the solicitors may not register the change at HM Land Registry straight away, and may leave it a couple of months until they inform the HM Land Registry (solicitors tend to send all returns to the Land Registry in bulk). Therefore, house sales completed in say November and December may not yet be recorded at the Land Registry.

## **The Working Age Client Group**

Working Age Client Group (WACG) data provides counts of working age claimants of key benefits. It shows breakdowns by their statistical group (their main reason for interacting with the benefit system) gender and age. The main advantage of this dataset is that the double counting of claimants on more than one benefit has been removed so that users will get a more accurate picture of benefit claiming and Worklessness at a small area level. Each file covers the whole of Great Britain.

## **CACI Paycheck**

Paycheck is a powerful classification providing consistent and reliable estimates of gross household income across the UK. It allows marketers and planners to understand income patterns for targeting and mailing campaigns. The Paycheck Classification splits the population into 19 Income Types. It is designed to let you easily add a single income code to the individuals on your database in order to understand the incomes of your key customer types. The Mean, Median & Mode Income Files is ideal for understanding and mapping the relative levels of income between areas, and the most common incomes within areas. Household Income Profiles complement the Mean Median & Mode files and enable you to highlight areas with high concentrations of particular income bands. These profiles detail the number of households falling into £5,000 income bands ranging from £0 to £5k up to £100k+.

## **2001 Census**

Since 1801, every ten years the nation has set aside one day for the census - a count of all people and households. The information the census provides allows central and local government, health authorities and many other organisations to target their resources more effectively and to plan housing, education, health and transport services for years to come.

## **Annual survey of hours and earnings (ASHE)**

The Annual Survey of Hours and Earnings (ASHE) provide information about the levels, distribution and make-up of earnings and hours worked for employees in all industries and occupations.

## **Population forecasts for Oldham Borough, with an ethnic group dimension**

Cathie Marsh Centre for Census and Survey Research, University of Manchester in May 2005.

This report was commissioned by Oldham and Rochdale Metropolitan Borough Councils (on behalf of the Oldham Partnership and Rochdale Interagency Information Group respectively) and the Rochdale and Oldham Housing Market Renewal programme. The Cathie Marsh Centre for Census and Survey Research (CCSR), University of Manchester, will also provide forecasts of the number of households and the labour force in Oldham Borough, disaggregated by ethnic group, and parallel reports for Rochdale Borough.

## **Housing Strategy Statistical Appendix (HSSA)**

A wide range of local authority housing information is collected in the annual HSSA returns. The Homelessness section collects summary data on a financial year basis. The data are consistent with those collected in the quarterly P1E return, but because of their different collection dates and potential data revisions, these common data may not match precisely. HSSA's Lettings section also collects information on lettings of homeless households in priority need.

## **OMBC Housing Land Monitoring Database**

The Council's Housing Land Monitoring Database is managed by the Strategic Planning and Information section within the Regeneration Directorate. It records information on sites with planning permission, sites subject to the signing of Section 106 planning obligation, sites under construction and remaining UDP housing allocations. The database monitors starts and completions, breaking down information to include on a plot by plot basis, the type of housing being delivered and the number of bedrooms amongst many others. It also records information on the number of affordable housing units to be delivered.

## **Appendix Seven: Definitions**

### **Affordable Housing**

Affordable housing is defined in PPS3 as:

'Affordable housing includes social rented and intermediate housing, provided to specify eligible households whose needs are not met by the market. Affordable housing should:

Meet the needs of eligible households including availability at a low cost enough for them to afford, determined with regard to local incomes and local house prices

Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.

### **Assessing Affordability**

The needs assessment uses household incomes and entry level house prices to estimate the need for affordable housing, through:

Assessing whether current households who are in unsuitable housing can afford suitable market housing; and

Applying affordability test to the incomes of newly forming households, to establish the numbers who are likely to be in need of affordable housing. Assessing whether a household can afford home ownership. A household is considered able to afford to buy a home if it costs:

- 3.5 times the gross household income for a single earner household; or
- 2.9 times the gross household income for dual-income households.

## **Assessing whether a household can afford market renting**

A household is considered able to afford to market house renting where the rent payable is up to 25% of their gross household income. 'Rent payable' is defined as the entire rent due, even if it is partially or entirely met by housing benefit.

## **Income**

Gross household income is used to assess affordability. Benefits are excluded. If the data is available, working tax credits may be included.

## **Intermediate Affordable Housing**

PPS3 defines intermediate affordable housing as:

'Housing at prices and rents above those of social rent, but below market prices or rents, and which meet the criteria set out above. These can include shared equity products (e.g. Homebuy), other low cost homes for sale and intermediate rent.'

## **Social Rented Housing**

PPS3 defines social rented housing as:

'Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant'.

## **Appendix 7: Abbreviations used**

Association of Greater Manchester Authorities (AGMA)  
Broad rental Market Area (BRMA)  
Communities and Local Government (CLG)  
First Choice Homes Oldham (FCHO)  
Greater Manchester Forecasting Model (GMFM)  
Housing Association (HA)  
Houses in Multiple Occupations (HMO)  
Housing Market Renewal (HMR)  
Housing Needs and Demand Study (HNDS)  
Housing Strategy Statistical Appendix (HSSA)  
Local Authority (LA)  
Local Housing allowance (LHA)  
Manchester City Region (MCR)  
Manchester Methodist Housing Association (MMHA)  
Northern Counties Housing Association (NCHA)  
Oldham Housing Management System (OHMS)  
Planning Policy Statement 3 on Housing (PPS3)  
Planning Policy Statement 12 (PPS12)  
Registered Social Landlord (RSL)  
Strategic Housing Market Assessment (SHMA)  
Super Output Area (SOA)  
Survey of English Housing (SEH)  
Unitary Development Plan (UDP)

WACG: Working Age client group

## **GIS Mapping**

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<sup>i</sup> Strategic Housing Market Assessments, Practice Guide Version 2; Communities and Local Government; August 2007

<sup>ii</sup> Policy L2, The North West of England Plan Regional Spatial Strategy to 2021, September 2008

<sup>iii</sup> Black Caribbean, black African and black other 2001 census categories, in the population projections all 'mixed' groups are included in the 'other' category