

# Chelmsford Housing Strategy 2022-2027

## Statistical Appendix

March 2022



# 1. Statistical Appendix

## 1. Introduction

This Statistical Appendix provides information on the supply of and demand for affordable housing for rent, specialist residential accommodation, intermediate homes, and temporary accommodation in Chelmsford. The information in this Appendix has been used to formulate the Vision, Priorities, and Actions in Chelmsford City Council's Housing Strategy 2022-2027.

## 2. Affordable Homes for Rent

The Strategic Housing Market Assessment (SHMA) Update 2015 provides a summary of the affordable homes needed, based on the assessed supply of homes (re-lets of existing stock and planned new homes being completed) compared with information on households in housing need (becoming homeless, over-crowded and living in temporary accommodation).

**Table 1: Size of additional units required to meet housing need in Chelmsford SHMA**

	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	339	300	39	22.5%	88.4%
Two bedrooms	283	190	94	53.6%	67.0%
Three bedrooms	113	88	25	14.2%	78.0%
Four or more bedrooms	29	12	17	9.7%	41.9%
Total	764	589	175	100.0%	77.1%

Source: Strategic Housing Market Assessment Update (2015)

In all cases, the gross annual supply has been lower in recent years than that identified in the SHMA. Between 2018/19 and 2020/21 there has only been 50% of the gross annual supply for 1- and 2-bed homes, 40% of the gross annual supply for 3-bed homes and 30% of the gross annual supply needed for 4-bed homes.

The time households in Band 2 (urgent / homeless) on the Council's Housing Register wait for settled affordable housing for rent, shows local variation between the need and supply of homes depending on household size.



**Table 2: Band Two Waiting Time**

Bedroom size	Months waiting
1 bed	5.8
2 bed	12.6
3 bed	22.2
4+ bed	43.4

Source: Chelmsford City Council Housing Register (December 2021)

Table 2 shows that all households in Band 2 needing 1-bed homes have their housing need met within a year, demonstrating that there is an adequate supply of affordable 1-bed homes, supporting the information in Table 1 above<sup>1</sup>.

Although there is a gap between the need and supply of 2-bedroom homes according to the SHMA, Table 2 shows that in practice most households are accommodated within one year. The waiting times for households needing larger 3- or 4-bed homes are considerably longer.

Table 2 also shows gross annual need, as recorded by applications to the Housing Register, is slightly higher than identified in the SHMA, at 818. This may be due in part to the backlog of larger families unable to move on from temporary accommodation.

Most of the gross annual supply should be from the re-letting of existing affordable homes, topped up by a smaller proportion of new-build affordable homes. Since 2015, when the SHMA was reviewed, the proportion of re-lets has declined, explaining why the gross annual supply shown is now lower. This seems to be a problem that is particularly relevant to Chelmsford, compared with neighbouring authorities in mid and north Essex as shown in Table 3 below:

**Table 3: Existing Social Housing Stock Lettings**

District	Social housing stock 2018/19	Percentage of lettings from existing stock 2021/22
Braintree	10,640	6.2%
Chelmsford	10,450	3.5%
Colchester	11,120	5.9%
Maldon	3,020	5.0%

Source: Continuous Recording of Lettings in Social Housing (CORE) 2018/2019

In other districts, the proportion of re-lets is higher and broadly comparable, regardless of the actual number of homes available. If the proportion of re-lets in Chelmsford was the same as Maldon, this would create an additional supply of over 150 homes a year.

<sup>1</sup>By the end of 2021, an additional 38 one-bed spaces had been provided for single homeless, achieving a balance between 1-bed gross need and supply.



Of equal relevance is the number of housing association properties that are recorded as being empty or not available for letting. Table 4 below compares long term empty and unavailable housing association homes in Chelmsford with three other stock-transfer districts. Maldon and Rochford have a much smaller number of social housing homes in their districts, whereas Braintree has a number closer to that of Chelmsford. All three of these other districts have a considerably smaller number of longer-term empty and unavailable homes since 2018.

**Table 4: Long-term empty and unavailable housing association homes**

District	2016	2017	2018	2019	2020
<b>Long term empty homes</b>					
Chelmsford	44	52	73	125	186
Braintree	51	58	51	35	63
Maldon	19	16	14	20	29
Rochford	8	13	10	12	27
<b>Not available for letting</b>					
Chelmsford	12	20	28	69	71
Braintree	41	41	45	29	35
Maldon	8	1	7	6	9
Rochford	4	10	7	8	13
<b>Total</b>					
Chelmsford	56	72	101	194	257
Braintree	92	78	79	64	98
Maldon	27	21	21	26	38
Rochford	12	23	17	20	40

Source: MHCLG Live Tables

Increasing the proportion of larger affordable rented homes to address over-crowding would help improve the supply or churn from the existing housing stock.

Tables 6 -7 show how enabling an additional supply of larger homes over a five-year period (whether new build or through other means) can help improve the supply from the existing affordable housing stock.



**Table 5: Number of applicants on Housing Register due to over-crowding or other housing need other than homelessness by bedroom size (Bands 3 and 4) Supply Comparison**

Bedroom size	Number of households in Bands 3 and 4	Less available supply from meeting need of those in TA	Net outstanding need	Average gross supply 2019 to 2021 <sup>2</sup>
1	152	79	73	107
2	123	16	107	156
3	100	(9)	109	52
4+	29	(18)	47	3

Source: Chelmsford City Council Housing Register (September 2021)

Table 5 above shows how for those needing a 1-bed home, even when giving priority to those who are homeless and in temporary accommodation, there is an adequate supply through the Housing Register to meet the needs of others. These would not be households that are over-crowded but those households that can be prevented from becoming homeless and / or offered move-on from supported housing in Chelmsford.

Table 5 shows that only 16 2-bedroom homes are available to those who are over-crowded (in 1-bedroom homes), or otherwise inadequately housed.

For those needing a larger, 3- or 4-bedroom home, the current shortage means that even those in temporary accommodation will not have their needs met within a year, as also shown above in Table 2. This means that there is a risk of an ever-growing backlog if supply does not improve, even if there is a reduction in need.

Tables 6 – 7 below show the cumulative effect of an additional 10 3-bed and 8 4-bed affordable homes for rent per annum for 5 years has on the number of households in housing need:

**Table 6: Impact of Additional Four-bedroom Supply on Housing Need**

4 Bed	Households in TA	Reduction in TA <sup>3</sup>	Number of Households in Band 3 and 4	Increase in relets
Year 1	10	0	29	0
Year 2	2	8	29	0
Year 3	0	2	23	6
Year 4	0	0	15	8
Year 5	0	0	7	8
Total supply = 40 + 22 additional				22

Source: Chelmsford City Council Housing Register (December 2021)

<sup>2</sup>Calendar year. <sup>3</sup>Reduction appears in the following year.



Table 6 shows that an increase in the supply of 4-bed homes would reduce the number of households in temporary accommodation which have become homeless for the first two years, before it then begins to help those households which are over-crowded. This means that in addition to an additional supply of 40 4-bed homes as planned, there is potential to also create an additional supply from relets of 22 3-bed homes for families living in over-crowded conditions.

**Table 7: Impact of Additional Three-bedroom Supply on Housing Need**

3-bed	Larger homes becoming available (carry forward relets from Table 6)	Households in TA	Reduction in TA <sup>4</sup>	Number of Households in Band 3 and 4	Increase in relets
Year 1		49	0	100	0
Year 2		39	10	100	0
Year 3	6	23	16	100	0
Year 4	8	5	18	100	0
Year 5	8	0	18	87	13
Total supply = 50 + 13 additional	22				13

Source: Chelmsford City Council Housing Register (December 2021)

For those needing a 3-bedroom home, despite providing more additional homes a year, it takes longer to clear the backlog of those in temporary accommodation but by Year 4 this does begin to cascade down to those who are over-crowded, creating an additional supply from relets of 13 2-bedroom homes.

Tables 6 – 7 demonstrate that enabling an additional development of 90 affordable homes for rent consisting of 50 3-bed + 40 4-bed, has the potential to create a gross supply of 125 homes (90 new build and 35 relets), as well as reducing the number of households in temporary accommodation.

### 3. Specialist Residential Accommodation

By reviewing the support needs of those who become homeless and / or are currently needing temporary accommodation, we can obtain a clear estimate of the level of specialist residential accommodation required. Providing specialist accommodation for these groups will help reduce the future risk of homelessness, create a better pathway to independent living and reduce both the need and cost for temporary accommodation.

<sup>4</sup>Reduction appears in the following year.



## Domestic Abuse

As a cause of homelessness, Chelmsford has the second highest level of any district in Essex. Not all cases require specialist support but 15% of those accepted as homeless require support as well as a safe place to live. Plans are already in place with partners to increase the provision for those who are single with complex needs and for male survivors. However, there is a need for at least 14 additional larger units of accommodation with support for families (at least 2-bedroom).

## Mental Health

Mental health is the most common support need identified for homeless households. In many cases this support can be secured through accessing existing community-based services provided by primary care. There is an identified need for enhanced support provided through existing services that cater for single homeless who may have other needs as well. There is an average annual net need for 26 additional units of one bed accommodation to enable more independent living with support for those in need of specialist help to recover from mental ill health. Part of this identified need could be delivered as bedspaces (up to 12) solely for those in housing need who need more intensive specialist help to recover from mental ill-health. This type of provision (bedspaces) will be reviewed as part of the review of the Homelessness and Rough Sleepers Strategy.

## Young People

There is no specialist residential accommodation for this group and the current net need is for 20 units of accommodation with support for young people (18 to 25) who need housing and require support to plan and manage living independently. This is in addition to the planned 15 additional, short-term bedspaces provided by the night-stop scheme jointly commissioned by Chelmsford City Council with Essex County Council and Colchester Borough Council due to be delivered in Spring 2022.

## Physical Disabilities

Physical disabilities are mainly met through the Disabled Facilities Grant programme (DFGs) but there is a need for some of the temporary accommodation used by the Council to be adapted to meet the needs of both single people and families with physical disabilities. Two family size (3 or 4 bedroom) homes and two smaller (1 or 2 bedroom) units should be adapted specifically for use as temporary accommodation.

## Older People

Understanding and responding to the housing need of an ageing population is something several partners and residents have expressed an interest in, working with the Council to explore and develop a more strategic and responsive approach in the future. The Housing Strategy will support continued work to meet this broad objective over the next five years.



## 4. The Need for Intermediate Affordable Homes

These are homes that cost more than social or affordable rented homes but are less than similar homes to buy or rent on the open market. Over the last 20 years the cost of buying a home in Chelmsford has quadrupled, as shown in Table 8 below.

**Table 8: House price affordability Two Bed Terrace House**

Year	House price	Monthly mortgage payment per month	Required household income per month
2021	285,000	1,516	5,306
2016	233,000	1,240	4,340
2011	172,500	918	3,213
2006	157,995	840	2,940
2001	79,995	425	1,487

Source:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/medianhousepriceforationalandsnationalgeographiesquarterlyrollingyearhpsdataset09>

The SHMA concluded that although helpful to meet some demand for housing, there was no housing need that could be met through this type of housing. Recent comparisons of shared-ownership and fixed equity homes, like First Homes, are all more expensive than lower quartile market purchase homes and sometimes average rent levels for privately rented homes in Chelmsford.

Based on 35% gross income spent on housing costs; the following monthly incomes would be required to secure a two-bedroom terraced home in Chelmsford currently:

- First Homes (30% discounted sale) – the gross monthly household income would need to be £4,154.
- Shared ownership (part buy/part rent) the gross household monthly income would need to be £3,976.
- Private rent (median rent) gross monthly household income to secure a private rented dwelling (median rent) would need to be £3,675.

The average gross monthly household income for the CM2 area in Chelmsford is £2,833.

<sup>5</sup>Based on acquiring 40% equity with a 25-year mortgage at 5% interest rate and paying a rent calculated as an annual cost of 2.75% of the 60% of the unsold equity.

<sup>6</sup>Based on median private rent levels sourced from Rightmove for Chelmsford Dec 2021.

<sup>7</sup>This figure includes all households, some of which may be single people or retired people.



## 5. The Need for Temporary Accommodation

Local housing authorities may need to use temporary accommodation for cases of urgent need when there are no suitable settled affordable homes available. Nationally, the need for temporary accommodation has doubled over the last ten years and this corresponds to the rise in use of temporary accommodation in Chelmsford. Through the development of the Housing Strategy, and increased monitoring of housing need, we have a better understanding of the type of temporary accommodation that is needed in the short term.

The Council relies on various sources to access temporary accommodation for households whilst waiting for more settled, suitable affordable homes to become available. The most expensive options are those that are leased by the council from private landlords - these require a rent to be paid even when void (so the council is not receiving any income) and are properties of varying age, condition, and type.

Nightly lets and Bed & Breakfast (B&B) accommodation is also more expensive than the average cost, but these have the advantage that they can often be accessed (and agreements ended) at short notice and include an element of management from the provider.

Homes that are managed by Registered Providers that also provide support are also more expensive than average. However, these have the advantage that for some households, this may be the only option that is reasonable, especially if they have more complex support needs and may otherwise struggle to live independently.

The least expensive form of temporary accommodation is those that are owned by the Council, especially 'modular units', which have lower maintenance costs compared with conventional build properties. This also reduces the void time between lettings and rent loss. Although more cost effective than more conventional properties bought by the Council, the latter do provide a longer-term investment opportunity to offset higher revenue costs.

In the short-term, we expect to see a rising need for temporary accommodation and propose to increase the supply of council owned homes used as temporary housing, through a combination of market purchases and the development of more modular units.



**Table 9 below, shows the use of and cost to the Council of different types of temporary accommodation in October 2021:**

Type	Number households accommodated	Average annual net cost to the Council
Nightly lets	88	£6,517
Private Sector Leased	61	£11,556
RP owned	57	£3,480
B&B	34	£6,799
Council owned	24	£4,161
Modular homes	18	£2,084
RP with support	14	£8,836
Total	296	£6,204

Source: Chelmsford City Council.

The overall supply of 1-bed temporary accommodation has increased since the start of the Covid pandemic in early 2020. However, the Council is on track to meet the required supply set by the SHMA for settled accommodation and aim to be able to use some of the additional supply of supported housing to prevent and relieve homelessness, reducing the need for temporary accommodation for single people in the future.

The need for 2-bed temporary accommodation continues to be high. This is in part because households with a 3-bedroom plus housing need, may also have to use smaller two-bedroom accommodation on a temporary basis due to limited supply of larger affordable homes for temporary accommodation as well as general needs affordable homes. It is less expensive to work with private landlords to help prevent and relieve homeless for families of this size, as few if any will be affected by the benefit cap, so there are some private rented options that can still be used as temporary accommodation for those households with a two-bedroom need.

The most expensive temporary accommodation is 3- and 4-bed temporary accommodation because of the size and cost of the properties needed and the long wait in temporary accommodation households requiring this accommodation are likely to face before being offered a settled home. It therefore makes sense to increase the supply of 3-and 4 bed temporary accommodation. The provision of additional larger modular units will avoid the need in future to use B&B for families. In addition, acquiring more homes on the open market for use as temporary accommodation in the short to medium term, will create an investment opportunity which the Council can realise in the future, once a better supply of affordable homes is in place.



## 6. Conclusion

The information in this Statistical Appendix has been used to inform the Vision, Priorities, and Actions in Chelmsford City Council's Housing Strategy 2022-2027. The information presented in this Statistical Appendix will be reviewed on an annual basis to assist in the monitoring of the Action Plan and Outputs set out in the Appendix of the Chelmsford Housing Strategy 2022 – 2027.

