



GL Hearn

Part of Capita plc

West Surrey SHMA – Waverley Sub Area Addendum

November 2015

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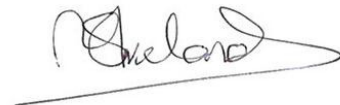
December 2015

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1 WAVERLEY SUB-AREA INFORMATION

Introduction

- 1.1 This addendum report sets out a range of key outputs for five sub-areas in Waverley. The sub-areas are the same as used in the previous SHMA for the Borough. Four of the sub-areas are based around the main settlement areas of Cranleigh, Farnham, Godalming and Haslemere and the final area covers the remainder of the borough. These sub-markets are built up from groupings of wards which we set out in the Table 1.

Table 1: Ward composition of Waverley sub-markets

Sub-market	Wards
Godalming	Charterhouse, Central and Ockford, Binscombe, Farncombe and Cattlehsall, Holloway
Farnham	Upper Hale, Hale and Heath End, Weybourne and Badshot Lea, Moor Park, Bourne, Shortheath and Boundstone, Wrecclesham and Rowledge, Firgrove, Castle.
Haslemere	Hindhead, East and Grayswood, Critchmere and Shottermill
Cranleigh	East, West, Alfold Cranleigh Rural and Ellens Green, Shamley Green and Cranleigh North
Rest of Borough	Frensham, Dockenfield and Tilford, Elstead and Thursley, Milford, Witley and Hambledon, Chiddingfold and Dunsfold, Bramley, Busbridge and Hascombe, Blackheath and Wonersh, Ewhurst

- 1.2 Two main analyses have been carried out; the first to look at affordable needs and secondly a consideration of the types and sizes of homes likely to be required. The methodology for each analysis is the same as for the Borough-wide analysis set out in the main body of the report although some additional assumptions have been made where smaller-area level data is not readily available. The outputs should therefore be treated as indicative, although they do reflect the different demographic and socio-economic profile in each sub-area.

Affordable Housing Need

- 1.3 The series of tables overleaf follow the series of analysis carried out in relation to affordable housing need. Table 2 shows estimates of lower quartile price and rents. For house prices analysis of Land Registry data has been undertaken on the same basis as for the Borough-wide analysis; for rental data, an internet search of properties has been undertaken, with lower quartile rents then being constrained back to the overall lower quartile rent as derived from Valuation Office Agency (VOA) data. The analysis shows lower quartile prices to be around £250,000 in much of the Borough, and rising to £350,000 in the Rest of Borough sub-area. This latter area also showed the

highest private rent levels with Haslemere having the lowest rents (albeit not hugely different to those found in Cranleigh and Farnham).

Table 2: Lower Quartile Sales Prices and Rents by Location (2014)

Area	LQ price	LQ rent (pcm)	Total Rental Properties Advertised
Godalming	£250,000	£670	76
Farnham	£248,300	£620	70
Haslemere	£250,000	£585	36
Cranleigh	£268,300	£605	23
Rest of Borough	£350,000	£810	69
Waverley	£260,000	£670	274

Source: Land Registry (2014), VOA and internet rent search

- 1.4 Table 3 sets out estimates entry level house prices advertised for rent by sub-area (lower quartile) for different size of properties in Waverley. The analysis shows that the highest costs for one bedroom property are in Cranleigh, the rural parts of the Boroughs have the highest costs for 2 and 4 bedroom properties and the 3 bedroom are most expensive in Godalming.

Table 3: Lower Quartile Rental Costs by Sub Area and Size (October 2015)

Area	1 Bed	2 Bed	3 Bed	4+ bed
Cranleigh	£825	£945	£1,195	£1,995
Farnham	£775	£995	£1,195	£1,875
Godalming	£795	£995	£1,650	£1,800
Haslemere	£450	£850	£1,275	£1,695
Rest of Borough	£750	£1,075	£1,495	£2,200
Waverley	£750	£995	£1,350	£2,000

Source: Rightmove

- 1.5 We have also sought to identify the level of properties being advertised for sale in each of the Sub areas. This is based on analysis of data from Rightmove from October 2014 and therefore is only a snapshot of the level of advertised properties at a given time. For comparison purposes we have also provided information relating to the level of sales in the sub areas in 2014.

Table 4: Volume of Properties Advertised for Sale and Sales in 2014 (October 2015)

Area	2014 Sales	Advertised
Cranleigh	222	110
Farnham	759	193
Godalming	476	122
Haslemere	397	112
Rest of Borough	438	314
Waverley	2,292	851

Source: Rightmove

- 1.6 Table 5 sets out estimates average income by sub-area (data for the mean and median income is set out). The analysis shows the highest incomes to be in Haslemere and then lowest incomes in Cranleigh.

Table 5: Income levels by sub-area

	Mean Income	Median Income
Godalming	£50,930	£38,736
Farnham	£48,038	£36,537
Haslemere	£55,364	£42,109
Cranleigh	£44,534	£33,872
Rest of Borough	£54,790	£41,673
Waverley	£50,729	£38,584

Source: Derived from SEH, CACI and ONS data

- 1.7 Tables 6 and 7 show an estimate of the total number of households living in unsuitable housing (or without housing) by different categories of 'need' (as set out in the PPG). This is followed by the same analysis broken down by tenure. The analysis below is for the whole of the Borough although this is taken forward into sub-area analysis when considering the current affordable need (i.e. to include a consideration of affordability).

Table 6: Estimated number of households living in unsuitable housing

Category of 'need'	Households
Homeless households	0
Those in priority need who are currently housed in temporary accommodation	0
Households in overcrowded housing	1,173
Concealed households	374
Exiting affordable housing tenants in need	127
Households from other tenures in need	968
Total	2,642

Source: CLG Live Tales, Census (2011) and data modelling

- 1.8 In taking this estimate (2,642) forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/ living in unsuitable housing but would be unlikely to be considered as being in affordable housing need. Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

1.9 The table below shows that as of mid-2013 it is estimated that there were 1,307 households living in unsuitable housing in Waverley (excluding current social tenants and the majority (90%) of owner-occupiers) – this represents 2.6% of all households in the Borough in 2013.

Table 7: Unsuitable housing by tenure and numbers to take forward into affordability modelling

	In unsuitable housing	Number to take forward for affordability testing
Owner-occupied	831	83
Social rented	565	0
Private rented	872	849
No housing (homeless/concealed)	374	374
Total	2,642	1,307

Source: CLG Live Tales, Census (2011) and data modelling

1.10 Tables 8 to 11 show the various stages of the affordable housing needs model by sub-area. The stages are:

- Current need;
- Newly-forming households in need;
- Existing households falling into need; and
- The supply of affordable housing

Table 8: Estimated Current Need

Area	In unsuitable housing (taken forward for affordability test)	% Unable to Afford	Revised Gross Need (including Affordability)
Godalming	284	55.0%	156
Farnham	424	55.6%	236
Haslemere	171	43.6%	74
Cranleigh	152	58.6%	89
Rest of Borough	276	62.4%	172
Waverley	1,307	55.7%	727

Source: CLG Live Tales, Census (2011), data modelling and affordability analysis

Table 9: Estimated Level of Housing Need from Newly Forming Households (per annum)

Area	Number of new households	% unable to afford	Total in need
Godalming	181	39.8%	72
Farnham	331	39.0%	129
Haslemere	131	30.4%	40
Cranleigh	97	41.3%	40
Rest of Borough	205	45.2%	93
Waverley	946	39.5%	374

Source: Projection Modelling/Income analysis

Table 10: Estimated level of Housing Need from Existing Households (per annum)

Area	Number of Existing Households falling into Need	% of Need
Godalming	19	20.9%
Farnham	28	31.2%
Haslemere	11	12.5%
Cranleigh	11	12.0%
Rest of Borough	21	23.3%
Waverley	89	100.0%

Source: CORE/affordability analysis

Table 11: Supply of Affordable Housing by sub-area

Area	Social/affordable rented relets	Intermediate housing Resales	Annualised Pipeline Supply	Total supply (per annum)*
Godalming	31	3	3	37
Farnham	46	5	7	58
Haslemere	21	2	7	30
Cranleigh	17	2	3	22
Rest of Borough	32	4	3	39
Waverley	148	15	22	185

Source: Derived from CORE and Census (2011) analysis

- 1.11 The analysis above has been brought together in Tables 12 and 13 to consider overall net housing need. The first table shows the need for the whole of the Borough, with the second table splitting down the annual figures into each of the sub-areas. The analysis shows a need for affordable housing in all locations, with the scale of the need to a considerable degree being driven by the current population size in different locations. The need for affordable housing is calculated using the formula below:

$$\text{Net Need} = \text{Backlog Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Table 12: Estimated level of Housing Need (2013-33)

	Per annum	20-years
Backlog need	36	727
Newly forming households	374	7,482
Existing households falling into need	89	1,773
Total Gross Need	499	9,982
Supply	185	3,700
Net Need	314	6,282

Source: Census (2011)/CORE/Projection Modelling and affordability analysis

Table 13: Estimated Level of Housing Need (per annum)

Area	Backlog need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Godalming	8	72	19	99	37	62
Farnham	12	129	28	169	58	111
Haslemere	4	40	11	55	30	25
Cranleigh	4	40	11	55	22	33
Rest of Borough	9	93	21	122	39	83
Waverley	36	374	89	499	185	314

Source: Census (2011)/CORE/Projection Modelling and affordability analysis

Sizes and Types of Homes Required

- 1.12 The final analysis for sub-areas in Waverley looks at the sizes of accommodation needed in each of the market and affordable sectors, along with a consideration of tenure requirements in the affordable sector. The methodology is the same as set out at a Borough (and HMA) level within the main report.
- 1.13 The first series of tables consider affordable need – the analysis shows that the main need will be for smaller (one- and two-bedroom) homes. There is some slight variation by sub-area with Farnham showing the greatest need for homes with three or more bedrooms and Godalming the greatest need for two-bedroom homes. Differences between sub-areas are however, relatively slight. The analysis also confirms the need for around a third of affordable housing to be intermediate products with Haslemere showing a notably higher need for this type of housing than other locations.

Table 14: Estimated Size of Dwellings Needed 2013 to 2033 – Affordable Housing

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	2,399	4,040	1,641	47.3%
2 bedrooms	1,926	2,939	1,013	29.2%
3 bedrooms	1,880	2,641	760	21.9%
4+ bedrooms	134	191	57	1.7%
Total	6,339	9,811	3,472	100.0%

Source: Housing Market Model

Table 15: Estimated Need by Number of Bedrooms (2013 to 2033) – Affordable Sector

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Godalming	41.4%	34.7%	22.4%	1.5%
Farnham	45.0%	28.7%	24.3%	1.9%
Haslemere	51.6%	26.9%	19.9%	1.6%
Cranleigh	52.0%	27.9%	18.5%	1.6%
Rest of Borough	50.3%	26.9%	21.4%	1.5%
Waverley	47.3%	29.2%	21.9%	1.7%

Source: Housing Market Model

Table 16: Estimated level of Housing Need (per annum) by type of affordable housing

Area	Intermediate			Social/affordable rented			% inter-mediate
	Total need	Supply	Net need	Total need	Supply*	Net need	
Godalming	22	3	19	77	31	46	29.5%
Farnham	39	5	34	130	46	83	29.2%
Haslemere	16	2	14	39	21	17	44.3%
Cranleigh	12	2	10	43	17	26	27.8%
Rest of Borough	25	4	21	97	32	65	24.8%
Waverley	114	15	99	385	148	237	29.4%

Source: Housing Needs Analysis (* excludes 'pipeline' supply¹)

- 1.14 In the market sector, the analysis shows a stronger need for 'mid-sized' (two- and three-bedroom) homes – there are again some slight variations by sub-area with the most notable being a greater need for larger properties in the Rest of Borough sub-area.

¹ It should be noted that analysis at a local authority level also identifies a 'pipeline' supply equivalent to 22 units per annum. Information on the affordable housing type/tenure is not available for this and so these figures are not included in the table above.

Table 17: Estimated Size of Dwellings Needed 2013 to 2033 – Market Housing

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	2,823	3,423	600	9.3%
2 bedrooms	9,604	11,677	2,073	32.1%
3 bedrooms	15,580	18,042	2,461	38.2%
4+ bedrooms	15,344	16,659	1,315	20.4%
Total	43,352	49,800	6,449	100.0%

Source: Housing Market Model

Table 18: Estimated Need by Number of Bedrooms (2013 to 2033) – Market Sector

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Godalming	12.2%	36.3%	37.4%	14.0%
Farnham	8.1%	31.9%	39.7%	20.4%
Haslemere	13.7%	32.6%	34.1%	19.7%
Cranleigh	9.1%	30.3%	38.0%	22.5%
Rest of Borough	5.9%	29.5%	39.2%	25.4%
Waverley	9.3%	32.1%	38.2%	20.4%

Source: Housing Market Model