

## Exeter and Torbay HMA Monitoring Information (June/July 2008)

Study Context	Scale	Element	Summary	Link to Source	Sheet
Economic Context	National	Economy	The latest economic forecast from the International Monetary Fund (IMF), published 9th April 08, details growth forecasts of just 1.6% for both 2008 and 2009, which will be the lowest since the early 1990s, and is nearly 1% below the trend growth rate of the economy, and government projections for 2009.	<a href="#">IMF World Economic Outlook</a>	
		Housing Market Trends	<p>Figures from Nationwide, the UK's second biggest mortgage lender, are the latest to show a big slowdown in the housing market. House prices have fallen by 2.5% during May 08, and the lender calculates that prices are now 4.4% lower than a year ago. An estimated 300,000 first-time buyers entered the market in 2007, the lowest since 1980. This compared with an estimated 900,000 at a peak in 1988.</p> <p>The British Bankers' Association (BBA) said just 35,417 new mortgages were approved in March 2008, the lowest number since it started collecting figures in this way in September 1997.</p> <p>House builders are cutting jobs and offices. In July, Persimmon announced it had cut 2,000 jobs. The building firm said that completions of house sales in the first six months of the year were down 30%, during what it described as the "most challenging period in our recent history". Rival builders Taylor Wimpey and Barratt Developments have announced 2,000 redundancies in June and early July.</p> <p>The recent publication 'Meeting the housing requirements of an aspiring and growing nation' written by the National Housing and Planning Advice Unit (NHPAU) acknowledges the current economic climate. NHPAU highlight it is important to "recognise that house prices have always moved up and down in the past, but over the last 30 years the long-term trend has been relentlessly upwards. Therefore, while there may be a short-term downturn, prices will not permanently stagnate. Any easing in prices in the next year or two will do little to help the affordability problem because falls are effectively being driven by mortgage rationing for first-time buyers."</p> <p>Included in the NHPAU report there is a graph depicting long-term trends in real UK house prices. Looking at the last drop in house prices, triggered in the late 1980s/early 1990s, prices took approximately 5 years to start to recover and around 10 years to return to the levels they were before the drop.</p>	<a href="#">Nationwide Release</a> <a href="#">BBA Statistical Release</a> <a href="#">Taylor Wimpey Release</a> <a href="#">Barratt Release</a> <a href="#">Persimmon Release</a> <a href="#">NHPAU Report</a>	
	Regional	Economy	<p>The South West England economy broadly follows trends seen in the national economy. A slow down in economic growth regionally (and nationally) is expected in 2008/09.</p> <p>Levels of household income are close to the national average and the difference across the sub-regions is considerably lower than those for productivity. The northern part of the region is the main economic engine for growth, with its urban areas consistently experiencing amongst the highest productivity levels in the United Kingdom in recent years. There are clear imbalances across the region however, with some areas, particularly rural and peripheral areas, performing far less well the rest of the country.</p> <p>The SW economy is dominated by services, which account for around 75% of regional output and employment. Although manufacturing output has remained fairly stable, its share of the overall regional economy has fallen steadily – 19% in 1998 to 14% of regional output in 2005.</p>	<a href="#">State of the SW 2008 - Economy (SWO)</a>	
		Housing Market Trends	The median house price in the region (£195,000 – CLG, Q4 2007) is about 7.7% higher than the English median (£180,000). This is 6% higher than a year previously (England: +4.5%).	<a href="#">House Price Summary</a> <a href="#">Full House Price Info</a>	1
Planning and Housing Context	National	Housing Green Paper	<p>The Green Paper signifies a fundamental updating of many areas of Housing Policy and also announces a number of proposed new measures aimed at rapidly facilitating the building of new, affordable and greener homes in more sustainable communities. The main announcements contained within the Paper include:</p> <ol style="list-style-type: none"> <li>1. Councils are to be given more flexibility to build council homes.</li> <li>2. £8 billion investment in housing from the CSR (Comprehensive Spending Review) for 2008 to 2010-11.</li> <li>3. An additional £300m for transport infrastructure to ensure the building of 'communities, not just homes'.</li> <li>4. New grant funding for proactive Councils to facilitate building in terms of environmental measures and co-ordinated partnerships.</li> <li>5. New designated 'Growth Points'.</li> <li>6. New legislation to prevent private sector business from 'landbanking', and to release public authority land.</li> <li>7. More measures to encourage shared ownership schemes for home buyers.</li> </ol>	<a href="#">Housing Green Paper</a>	
		Hill's Report	<p>The report, by Professor John Hills of the Centre for Analysis of Social Exclusion at the London School of Economics, concludes that while social housing plays a crucial role in the lives of nearly four million households, much more needs to be done to:</p> <ul style="list-style-type: none"> <li>- Increase the attention given to existing homes and current tenants.</li> <li>- Create a better income mix in areas dominated by social housing.</li> <li>- Address worklessness and support the livelihoods of tenants.</li> <li>- Offer a wider range of choices to tenants and others in housing need, but without removing security of tenure.</li> </ul>	<a href="#">Summary of Hill's Report</a> <a href="#">Full Hill's Report</a>	



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Planning and Housing Context (Cont.)	Regional	Relevant HMA Policy Statements from dRSS EIP Panel Report	<p><b>Policy SR4.1 Sub-Regional Approach</b> Devon County, Exeter City, East Devon District, Teignbridge District and Mid Devon District Councils should plan for the balanced growth of the HMA to meet the longer-term needs of the area. This will require co-operation, particularly at cross-boundary locations, through joint work on LDDs addressing the distribution of financial contributions arising from Section 106 agreements and other funding mechanisms to deliver key infrastructure.</p> <p><b>Policy SR4.2 Role and Function</b> The main strategy directions should be as follows: 1. Development within Exeter will focus on the regeneration of the City's urban area through the re-use of previously developed land and buildings, maximising densities whilst seeking high quality design. Efforts should be made to attract employment development as well as housing in mixed use developments and to accommodate further retail services, tourism attractions and cultural facilities. 2. The location of growth at Exeter will focus on the eastern side of the city, including the new community of Cranbrook, and will require joint working between East Devon and the City of Exeter. Development in this area should complement the city centre rather than compete with it. 3. LDDs should identify where opportunity can be taken to maintain the viability of the towns and villages in the HMA through the accommodation of local employment growth and housing requirements.</p> <p><b>Policy SR4.3 Employment Provision</b> Provision should be made for growth of 40,600 jobs within the HMA of which 28,500 jobs are to be within the Exeter TTWA. This provision should include the following: 1. Employment land provision should be made for 40 hectares within Exeter's urban area (Exeter City's administrative area) and 100 hectares adjacent to Exeter in Exeter City and East Devon District administrative areas. 2. Provision for at least 20 hectares of employment land associated with Area of Search K. 3. LDDs should identify where opportunities for job growth within the other towns in the HMA should be promoted.</p> <p><b>Policy SR5.1 Sub-Regional Approach</b> Development at Torbay will reflect the requirement to accommodate subregional demand for housing and employment development. There will be a need to maximise the contribution from its existing urban areas through the reuse of previously developed land and buildings, but the planning of the housing and transportation needs of the area, including the consideration of urban extensions, will require wider consideration of the relationship with Newton Abbot in Teignbridge District and the rural fringe with South Hams District. Co-operation will be required, particularly at cross-boundary locations, through work on LDDs, addressing the distribution of financial contributions arising from Section 106 agreements and other funding mechanisms to deliver key infrastructure. Investment will be made in key infrastructure to enable the achievement of the development proposed in this policy.</p> <p><b>Policy SR5.2 Role and Function</b> Development at Torbay will reflect Torbay's role as a major coastal resort and as a major service centre. Measures to promote these roles will include: • Support for tourism development in Torquay, Paignton and Brixham; and • Support for the enhancement of the role of Torquay, Paignton and Brixham as nodes for the delivery of commercial and community services.</p> <p><b>Policy SR5.3 Employment Provision</b> Provision for job growth in the Torbay TTWA should be made for about 11,700 jobs over the plan period. Some 29 ha of employment land should be made available in Torbay within the plan period.</p>	<p><a href="#">Draft RSS EIP Panel Report</a></p> <p><a href="#">Draft RSS EIP Appendix containing Policy Statements</a></p>	

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Household Changes	Exeter and Torbay HMA	RG Mid Year Estimates	The 2006 Mid Year estimates show 2 different structures of age distribution in the HMA. East Devon, Teignbridge, Mid Devon and Torbay have almost identical age structures, with a significant proportion of residents aged 35 plus. Those aged 55-64 formed the largest age group. Exeter has a distinctly different age structure, with a significant proportion of residents aged between 16 and 34. Those aged 16-24 formed the largest age group.	<a href="#">Summary RG Mid Year Estimates</a> <a href="#">Full RG Mid Year Estimates</a>	2
		Migration Data	Between 2005 and 2006 all parts of the HMA had a net increase in population through internal migration. East Devon received the most significant net gain in population, with the addition of 1600 persons (double the next highest figure, which was in Teignbridge - 800 persons). Comparing the data with previous years, there is a decrease in the numbers of persons migrating to the HMA area. Figures from Mid 2003-2004 show a net gain of 7400 persons through internal migration, this figure has dropped consistently since, with Mid 2005-2006 seeing the HMA only gain 4300 persons through internal migration. In terms of inter-regional migration (for the year ending Sept 2007) the majority of persons moving to the SW came from the SE and London. When looking at where residents of the SW moved to, the SE dominated. This is consistent with migration movements of previous years.	<a href="#">Summary LA Migration Data</a> <a href="#">Full LA Migration Data</a>	3
			<a href="#">Summary Inter Region Migration</a> <a href="#">Full Inter Region Migration Data</a>	4	
		Household Projections	The Communities and Local Government household projections were updated in February 2008 by Anglia Ruskin University to take account of revisions to the Office for National Statistics (ONS) 2004 based population projections. The revised population projections used an improved methodology for estimating the distribution of migrants around the country. This has tended to reduce the projected rate of population growth in London and increased the projected rate in other regions. The household projections are trend based and indicate what will happen if past demographic changes continue. Figures for the South West have see amendment with the new system. The 2004-2026 projected household number was 26,900 per annum; under the new system this figure has risen to 28,600 households per annum.	<a href="#">Summary Household Projections</a> <a href="#">Full Housing Projections</a>	5
Earnings/ Income	Exeter and Torbay HMA	Earnings	Comparison of annual percentage change in earnings between 2006 and 2007 exhibits mixed fortunes across the HMA. When looking at persons employed full time in the HMA there was a mean average increase in wages in all areas. Torbay saw the largest percentage increase of wages at 11.9%. Mid Devon saw the smallest percentage change for workers in the area, with a mean annual increase of 0.4%. The above pattern is not consistent with earning for residents of the HMA for 2006 - 2007. In Torbay, where workers earned more by mean average, residents earned 0.8% less. Exeter also saw a fall in mean average full time earnings (-1.3%). Teignbridge saw the largest increase in residents earnings with a percentage increase of 10%.	<a href="#">Summary Earnings Data</a> <a href="#">Full Earnings Data</a>	6
		VAT Registrations	Across the HMA all districts and Torbay saw a net increase in VAT registrations in 2006. Of the net gain of 430 VAT registrations across Devon, the HMA represented 74% of this figure. With variations in the distribution of VAT registrations across the HMA, year on year the increasing number of VAT registrations is broadly consistent.	<a href="#">Summary VAT Reg. Data</a> <a href="#">Full VAT Reg. Data</a>	7
Existing Housing Stock	Exeter and Torbay HMA	Devon House Conditions Survey	<i>Information to be added on completion of survey.</i>		
		Council Tax Banding	Assessing Council Tax bandings it is possible to consider the stock mix in terms of property valuation. It is apparent in the HMA that as much as 60% of the total stock falls into tax bands A, B or C (2006 data). These figures are broadly consistent with data used in the ETHMA study. Properties in East Devon and Teignbridge are most likely to fall into the higher Council Tax bands.	<a href="#">Summary Council Tax Band Data</a> <a href="#">Full Council Tax Data</a>	8
		Earnings to Price Ratio	Ratios calculated, using 2007 data, on median house price and median earnings show that house prices in the South West are 10.3 times earnings (Eng: 8.9). Earnings in the SW had a +2.5% annual change (Eng +2.8%). In East Devon the affordability ratio is as high as 11.13 times median quartile earnings/house prices, and 10.22 times lower quartile earnings/housing price. Exeter has the lowest median and lower quartile affordability ratios in the HMA, scoring 8.05 and 9.07 respectively. Affordability ratios for median earnings and house prices in 2007 increased from 2006 for all parts of the HMA, except Mid Devon, which saw a very minor fall. This trend was similar to the lower quartile earnings and house price ratios, were Mid Devon and East Devon both saw minor ratio falls.	<a href="#">Summary Earnings Ratio Data</a> <a href="#">Full Earnings Ratio Data</a>	9
		Threshold Incomes required to Purchase	East Devon requires a £46,139 household income to qualify for a 95% mortgage for an average lower quartile house price. Torbay UA is the most affordable area of the HMA, requiring a household income of £38,297 to purchase an average lower quartile house price. Between Q4 2006 and Q4 2007 the threshold income to afford a lower quartile house price has increased by an average £1904 across the HMA. This represents an income increase of 4.75%. Earnings in the SW actually had a +2.5% annual change.	<a href="#">Summary Threshold Income Data</a> <a href="#">Full Lower Quartile House Price Data</a>	10

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Existing Housing Stock (Cont.)	Exeter and Torbay HMA	Price Trends	House prices were steadily on the increase in ETHMA up until Q4 of 2007. At this time Devon saw an average decrease in house price by £7000. Looking at the individual districts within the HMA, East Devon and Teignbridge saw house prices drop, Torbay remained steady, and Exeter and Mid Devon saw price increases. It will be interesting to see Q1 2008 figures to monitor the situation, particularly with heavy media coverage of house price decreases.	<a href="#">Summary House Market Data</a> <a href="#">Full House Market Data</a>	1
		Local Reference Rents	It is difficult to make clear interpretations of Local Reference Rents and their change over time because the data published by The Rent Service covers different geographical areas. In terms of rent changes over time the only comparable data available for the HMA is for Exeter. Here data shows three to five room properties have had a drop in rent cost from March 06 - March 07. When looking at Local Reference Rents for Devon, Exeter has proportionally more expensive rents when compared with other parts of Devon.	<a href="#">Summary Local Reference Rents Data</a> <a href="#">Full Local Reference Rents Data</a>	11
		Housing Benefit Receipt	All sections of the HMA have seen an increase in the proportion of households who claim Housing Benefit in the period February 2006 - May 2007. Torbay saw the largest percentage rise in housing benefit recipients over the period (+1.1% total households). Torbay's total number of households claiming housing benefits in May 2007 was 10,500 (18.8% of households). East Devon had the lowest proportion of households claiming housing benefits (9.3% of all households in LA, May 07).	<a href="#">Summary Housing Benefit Data</a> <a href="#">Full Housing Benefit Data</a>	12
	National	Number of Mortgages	Overall, the number of mortgage approvals for house purchases in the UK have steadily declined since 2001. This drop has been particularly pronounced since September 2007.	<a href="#">Summary Mortgage Approval Data</a> <a href="#">Full Mortgage Approval Data</a>	13
Households in Housing Need	Exeter and Torbay HMA	Numbers on Register	Across the ETHMA the number of households on housing waiting lists has dropped in the period Apr 06 - Apr 07. The reduced numbers are not consistently distributed across all parts of the HMA. Torbay and Teignbridge both reduced waiting lists significantly in the 06-07 time period. Exeter and East Devon saw increases in waiting list length over this same time period. Mid Devon saw a very minor rise in waiting list length.	<a href="#">Summary Housing Register Data</a> <a href="#">Full Housing Register Data</a>	14
		Numbers on Register by Required Bedrooms	Across the ETHMA one bedroom properties are in highest demand on the housing register (April 2007), this demand has increased slightly since 2006. Properties with three or more bedrooms also saw and increase in demand in the period Apr 06 - Apr 07. Two bedroom properties saw a decrease in demand since Apr 2006. At April 2007 Exeter had 2970 households on the housing register waiting for a one bedroom property.	<a href="#">Summary Housing Reg. (Bedrooms) Data</a> <a href="#">Full Housing Register Data</a>	15
		Homelessness	The number of individuals that are accepted as homeless and in priority need in Q1 2008 have dropped by 24% across the HMA, when compared to figures from Q1 2007. Exeter saw a particularly large drop in accepted homeless and priority need cases, with figures being reduced by 42%. By comparison, the figures for those which are homeless (not accepted), eligible and not in priority need (or those eligible but not homeless) are 17% higher across the HMA, when comparing data from Q1 2007 and Q1 2008.	<a href="#">Summary Homelessness Data</a> <a href="#">Full Homelessness Data</a>	16
		B&B	The number of households in B&B accommodation in the HMA at Q1 2008 is 43, this is one less case than recorded in Q1 2007. Where figures vary more greatly is in the distribution of cases across the HMA. When comparing figures from the two periods both Torbay and Teignbridge saw reductions in the number of households accommodated in B&Bs, whereas Mid Devon, Exeter and East Devon saw a rise. Exeter saw the biggest rise, with 23 cases in Q1 2007 increasing to 30 cases in Q1 2008.	<a href="#">Summary B&amp;B Data</a> <a href="#">Full B&amp;B Data</a>	16
		Intermediate Market	In the report 'Can't Buy, Can Rent' by Steve Wilcox, the South West is highlighted nationally as the region with the highest proportion (34%) of younger working households in the Intermediate Housing Market (ie able to pay more than a social sector rent, but still unable to buy even at the low end of their local housing market). Looking at the 40 local authorities with the highest proportion of younger working households in the 'narrow' Intermediate Housing Market, East Devon, Teignbridge, Mid Devon and Exeter all rank. Rent rates are also investigated in the report. Analyses are based on average rents for 2/3 bedroom dwellings, and average earned incomes of younger working households. Rent to income ratios are high in the South West, they are equivalent to 21.2% of average household earned incomes (England: 20.5%). The Government has introduced a scheme, branded as HomeBuy, to help people get a foot on the property ladder. Home2own is the government appointed HomeBuy agent for anyone currently living in the Peninsula area of the South West. There are three parts to the HomeBuy scheme: 1. New Build HomeBuy, where you share ownership of your home with a housing association; 2. Open Market HomeBuy, where you buy a property outright funded by a conventional mortgage/savings which is supplemented with the assistance of an equity loan; 3. Social HomeBuy, where housing association and local authority tenants are helped to buy their current home.	<a href="#">Can't Buy, Can Rent Report</a>  <a href="#">Home 2 Own</a>	

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Housing Supply	Exeter and Torbay HMA	Number of House Sales	From Q3 2007 to Q4 2007 (our latest figures) there is a large step change in the number of house sales across the HMA, where all areas experienced a drop in number of sales. Over the previous year, sales also fell in Q1 2007, with Q2 and Q3 being busier periods. It is reasonable to expect seasonal variations in the number of house sales, particularly in the SW. However, where Q1 across time has been a quieter period for house sales, Q4 2007 can be identified as a change in pattern when compared to other Q4 performances.	<a href="#">Summary House Sales Data</a> <a href="#">Full House Sales Data</a>	17
	Regional	Tenure	The tenure of the dwelling stock in the SW has broadly followed trend patterns seen across England. Where, like England, the SW has seen increases in proportions of households renting, using RSLs and decreases in renting from LAs; unlike England, the SW has seen a decrease in the proportion of households being owner occupied. In the SW, over the last 6 years, owner occupation has dropped by 2% (of all dwellings).	<a href="#">Summary Tenure Data</a> <a href="#">Full Tenure Data</a>	18
	Exeter and Torbay HMA	Stock Composition	Rising levels of RSL stock in the HMA remained broadly consistent in 2005-06 to previous years. All areas, except Exeter, had minor increases in the number of self-contained units/bed spaces available. Looking at the addition of affordable dwellings in the period 2006-07, different parts of the HMA made very different provision. Affordable housing figures are the sum of social rent, intermediate rent and low cost home ownership. Exeter provided the most additional affordable dwellings (220), of which 160 was social rent dwellings. Teignbridge provided 40 additional affordable dwellings in 06/07, which was 25% more than they did in 05/06. Mid Devon and Torbay provided additional affordable dwellings, however the provision was lower than the previous years. East Devon made no additional affordable housing provision in 06/07.	<a href="#">Summary RSL Stock Data</a> <a href="#">Full RSL Stock Data</a>	19
				<a href="#">Summary Additional Affordable Housing Data</a> <a href="#">Full Additional Affordable Housing Data</a>	20
				Annual Completions	East Devon and Mid Devon had a decrease in the number of housing completions between 05/06 and 06/07. Other parts of the HMA had an increase in housing completions. Torbay had a particularly large increase in completions (+78%). Comparing 05/06 with 06/07, less permanent dwellings were started across the HMA in 06/07, with the amount of new development dropping by 22%. As well as less private enterprise development, there was also a drop in the number of dwellings started by Registered Social Landlords.
Progress with LDFs / 5yr Land Supply	Dartmoor National Park and Mid Devon both have adopted Core Strategies. Exeter has consulted on their preferred options, their Core Strategy is awaited. Torbay are due to consult on their preferred options in March - Summer 2009. East Devon have commenced preparation of their LDF documents. Teignbridge withdrew their Core Strategy Nov '07 and are currently hosting community engagement events to prepare a new version. All local authorities are in the process of preparing Strategic Housing Land Availability Assessments (SHLAA). A final version of the methodology for the process is due to be agreed in July '08. Authorities have established a Stakeholder Panel to assist in the process. It is anticipated that all SHLAA Reports will be completed by the end of the year.				
Best Value Indicators	Exeter and Torbay HMA	Planning Applications	Mid Devon granted the highest number of planning permissions (in proportion to applications) in 2007, compared to other HMA areas. They also got the highest percentage scores for making application decisions within 13 weeks (for major decisions) and 8 weeks (for minor decisions). East Devon got the lowest percentage scores for making application decisions within the above time frames. Exeter granted the least planning permissions in 2007, with 42% of major applications and 59% of minor applications being granted. These percentages are well below regional and national averages.	<a href="#">Summary Planning Application Data</a> <a href="#">Full Planning Application Data</a>	22