

Housing in North Norfolk District

A Summary of Issues - 2020



Table of Contents

Main Themes	2
People and Households.....	2
Existing Housing.....	2
New Housing.....	2
Affordability of Housing	3
Housing Need and Homelessness	3
Demographic Information	4
Age	4
Household Type.....	4
Economic Activity.....	5
Life Expectancy and Mortality	5
Housing Stock	6
Housing Tenure.....	6
Housing Stock Turnover	6
Housing Stock Condition.....	7
Building Research Establishment Report.....	7
Fuel Poverty.....	7
Disrepair and Enforcement Action.....	8
IHAT.....	9
Housing in Flood Risk and Coastal Erosion Zones	10
Flood Risk	10
Coastal Erosion	11
Changes in Housing Stock.....	12
Evidence for Number of New Homes.....	12
New Housing.....	12
Registered Provider Stock Disposals	13
Housing Affordability.....	14
Private Sale Sector	14
Private Rented Sector	15
Housing Need.....	17
Strategic Housing Market Assessment.....	17
Council Housing List	17
Homelessness	19

Housing in North Norfolk District - A Summary 2020

Main Themes

People and Households

- The district has a growing population – largely driven by migration of retirees from other parts of England.
- In consequence the district’s population is old and getting older - 33% of the population are age 65+ (18% in England) and the average age is 50 (41 in England).
- By contrast, the district has few young people. Only 19% of households in the district have dependent children (26% in England).

Emerging Policy Issues

1. Provision of housing and support services to meet the needs of older people.

Existing Housing

- There are 55,000 homes in the district.
- 70% of housing in the district is owner-occupied.
- 30% of housing is rented of which 17% is privately rented and 13% is affordable rent (housing association).
- Over 10% of the homes are holiday or second homes.
- 27% of homes in the private sector have a category 1 HHSRS¹ hazard. The largest single problem is excess cold resulting from poor heat insulation in many older properties.
- 19%, nearly one in five, of tenants in private rent homes face fuel poverty².
- In the district, some homes are at risk from coastal erosion and others are located in areas at risk of flooding.
- In the private rent sector the Council’s Environmental Protection Team investigate complaints of housing disrepair and carry out programmed inspections of houses in multiple occupation.
- The Council’s Integrated Housing Adaptations Team support people who need adaptations to their homes to help maintain independent living.

Emerging Policy Issues

2. Managing the impact of holiday and second homes.
3. Improving the quality of homes in the privately owned sector. In particular poor heat insulation, which is a major cause of fuel poverty in the private rent sector.
4. Policies in the new Housing Strategy should complement policies from other areas of the Council’s activities including managing flood risk and coastal erosion.

New Housing

- To meet the needs of additional households the Council has a target of 479 new homes per year. In the five years to March 2019 new homes built averaged 475 per year.

¹ The housing health and safety rating system (HHSRS) is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. The HHSRS Category 1 hazards include excess cold hazards, falls hazards and disrepair.

² Fuel Poverty (Low income high cost) – A household that would fall below the poverty level of income if it spent the money required to maintain an adequate level of warmth.

Housing in North Norfolk District - A Summary 2020

- To meet the needs of households who cannot afford to buy or rent a home in the market the district needs 100 new affordable homes each year. In the five years to March 2019 the average number of new affordable homes was 84 per year.
- Unfortunately Right to Buy sales and voluntary sales by registered providers reduced the net number of new affordable homes in the five years to March 2019 to an average of 19 per year.

Emerging Policy Issues

5. Increasing the supply of affordable homes and managing the impact of voluntary sales by RPs.

Affordability of Housing

- House prices in North Norfolk are expensive compared to earnings. There are parts of the District, particularly the coastal and adjacent inland area from Holkham to Sheringham that are especially expensive.
- Lower quartile house prices range from £130,000 in Bacton ward to £362,500 in Wells with Holkham ward (June 2019).
- Local residents compete for market housing with holiday and second home owners and retirees.
- Most market rents exceed the Local Housing Allowance³. In a sample of 82 properties to let in June 2020 only 15 were within the local housing allowance rate. In practice this means the private rent sector is not an option for households dependent upon benefit to help pay rent.

Emerging Policy Issues

6. Helping low income households to access the private sale and private rent markets.

Housing Need and Homelessness

- As at 28th February 2020 there were 2,903 household on the Council's housing list. Of these 416 were in priority bands 1 and 2.
- In 2019/20 there were 283 properties let⁴. In 2018/19 there were 380 properties let.
- In consequence the Council allocates most available lets to applicants in priority bands 1 and 2 many of whom are homeless.
- The Council provided advice and support to 906 households in 2019/20 threatened with homelessness. For 62 households the Council accepted a main housing duty and who therefore have a priority band 1 on the housing list.
- The Council provided temporary housing for 135 households in 2019/20. The cost to the Council in rent not recoverable from the benefits system is £233,000.

Emerging Policy Issues

7. The shortage of affordable homes to let – resulting in most housing applicants having little hope of securing an affordable home.
8. The Council providing housing for use as temporary accommodation both to improve the quality of temporary housing and to reduce the cost of providing temporary housing.

³ In March 2020 the government increased LHA rates as part of the response to the Covid 19 pandemic.

⁴ Including a small number of shared ownership sales/resales.

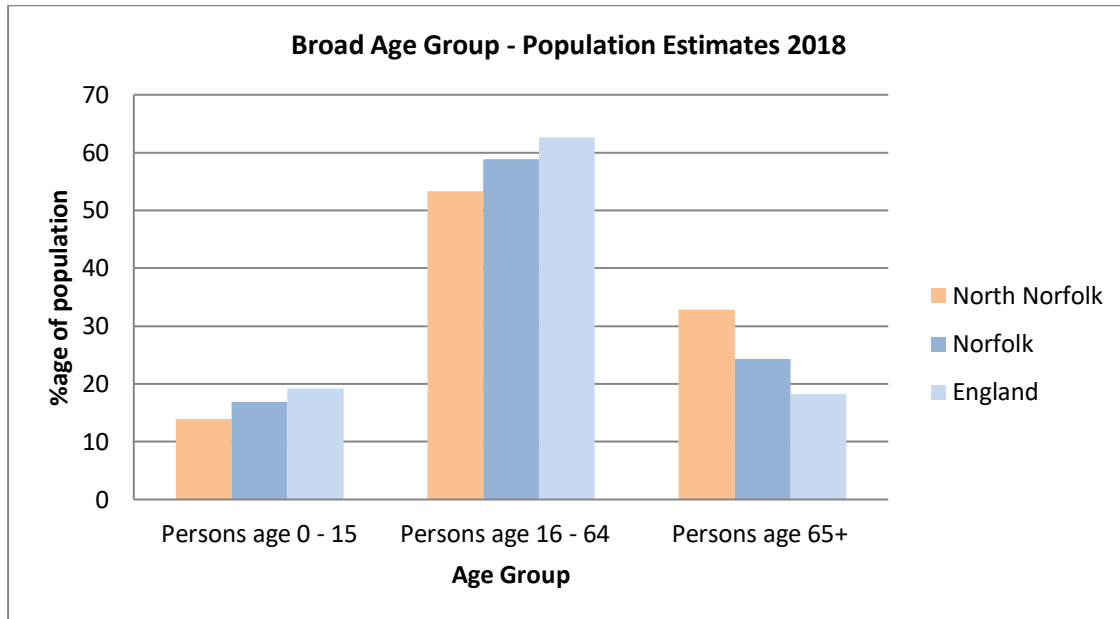
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Demographic Information

North Norfolk's population is older than the rest of Norfolk and the rest of England. Consequently, there are a high proportion of 'pensioner' households (all age 65+) and a low proportion of households with dependent children.

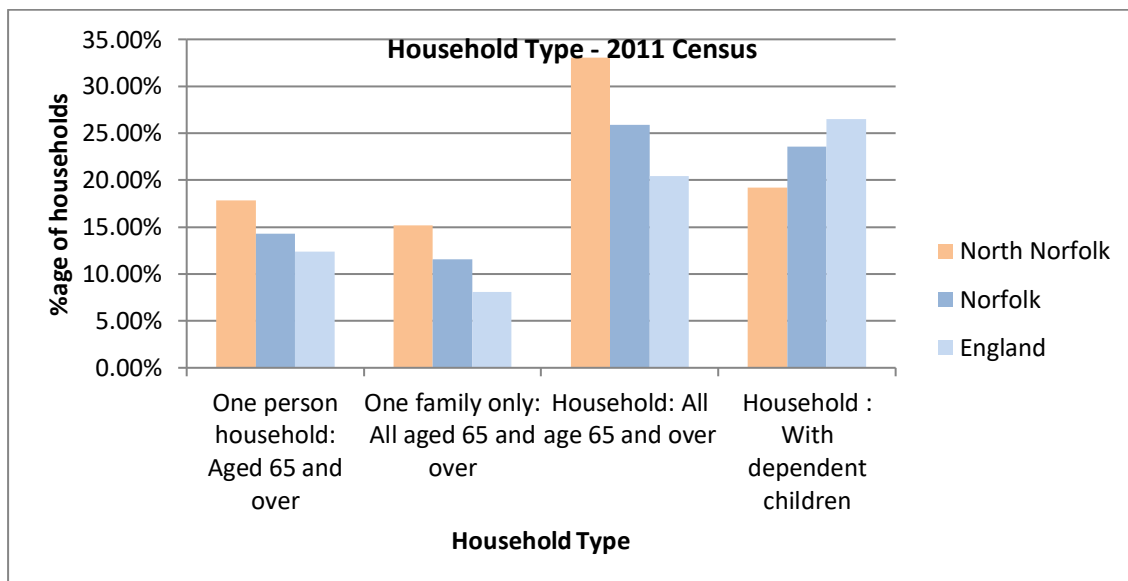
Age

North Norfolk District has a high proportion of people aged 65+ and a lower proportion of people in younger age groups. The Office for National Statistics predicts the proportion of people aged 65+ will grow from 32.8% in 2018 to 40.4% in 2041.



Household Type

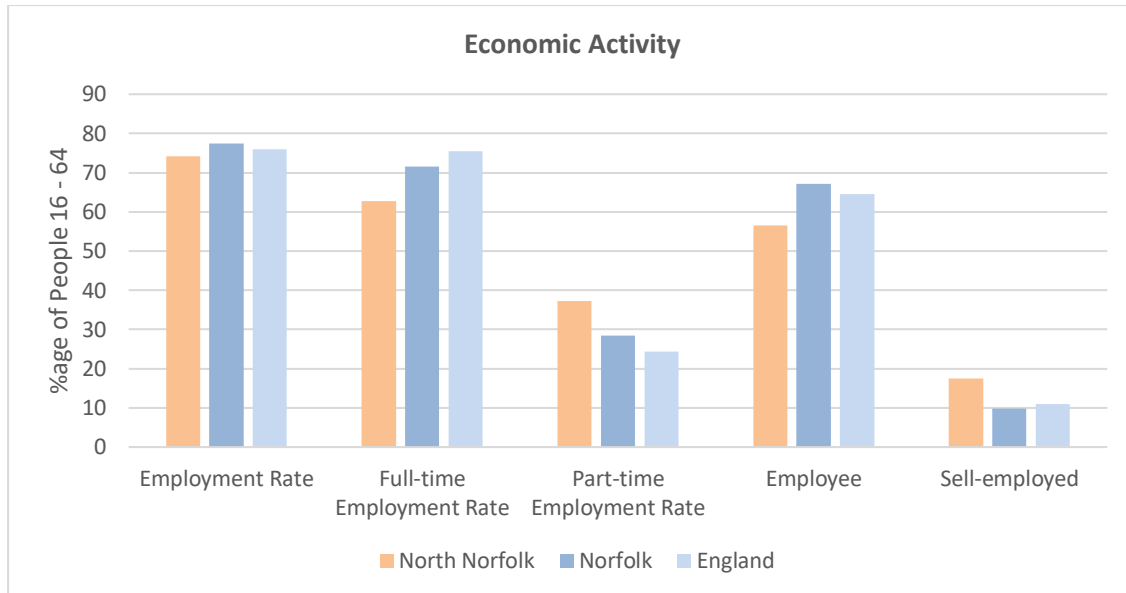
In the 2011 Census North Norfolk has a high proportion of households age 65+ and a low proportion of households with dependent children compared to Norfolk and England.



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Economic Activity

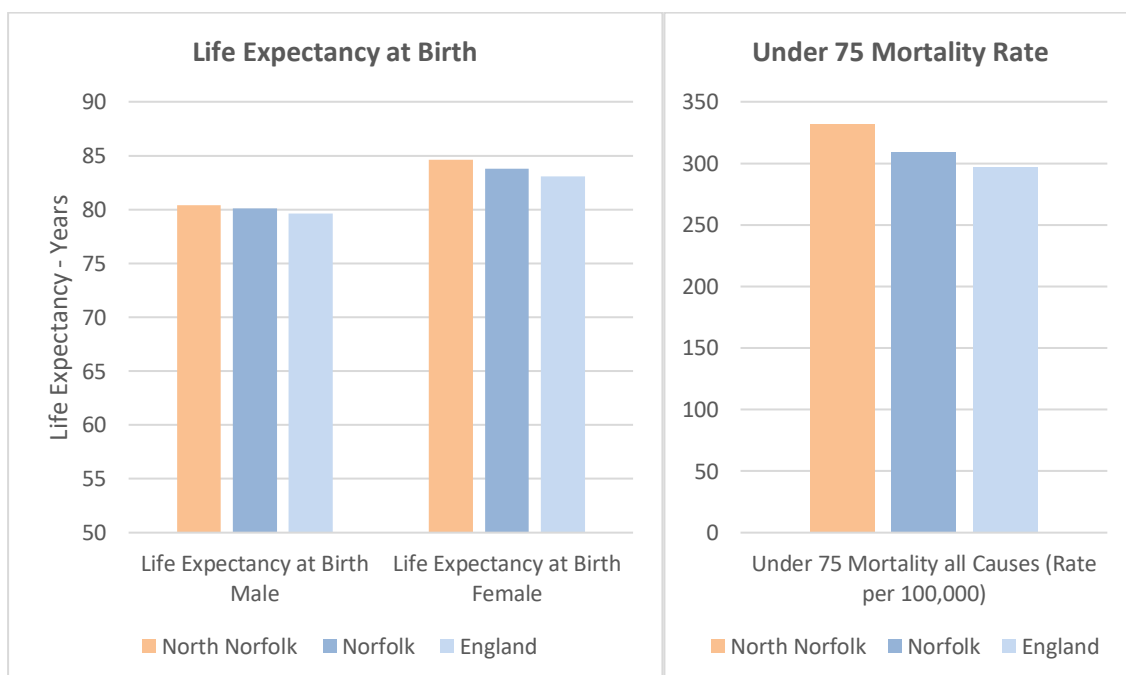
People aged 16 – 64 in North Norfolk are slightly less likely to be working than in Norfolk or England. North Norfolk residents are more likely to be working part-time and more likely to be self-employed than residents of Norfolk and England.



Source ONS (2019) Note: Full and part-time employment rate expressed as percentage of those in employment and therefore sum to 100%.

Life Expectancy and Mortality

People in North Norfolk have a slightly higher life expectancy than the rest of Norfolk and England. The under 75 mortality rate however is higher than the rest of Norfolk and England and is due to the predominance of older people (more people age 60 – 74) in the North Norfolk population.

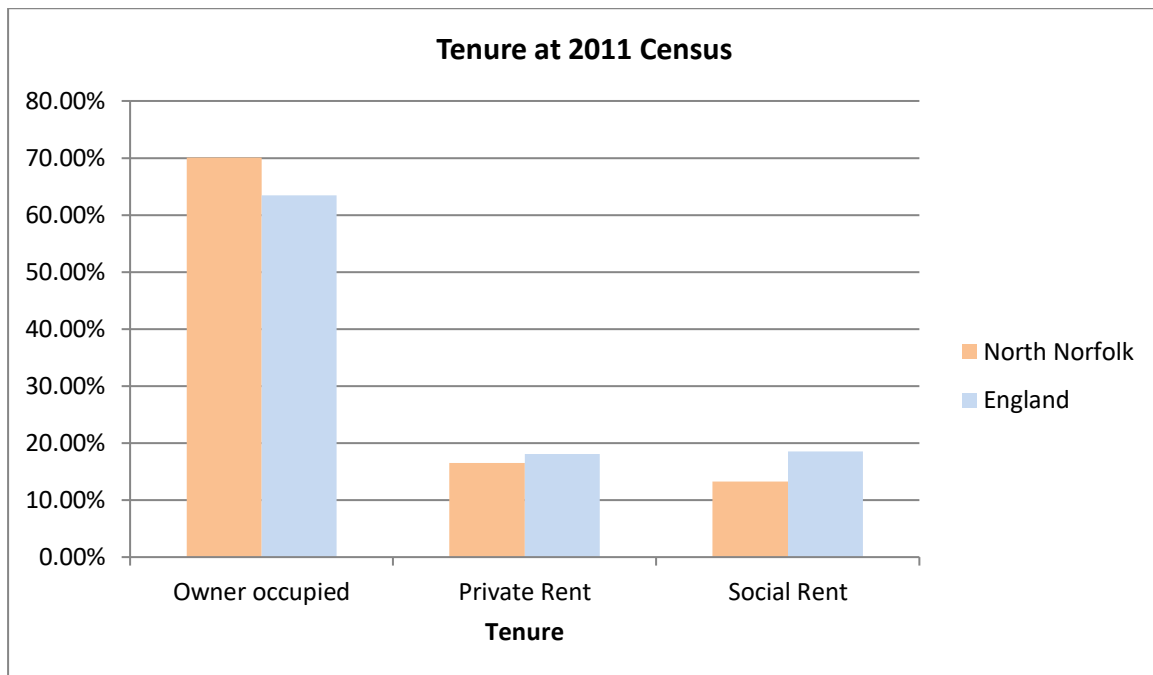


Source Public Health England

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Housing Stock

Housing Tenure



At the time of the 2011 census the tenure of housing in North Norfolk District showed owner occupation at 70.1% which is above the average for England at 63.4%. By contrast, the proportion of tenants in both the private and social sector was lower in North Norfolk than in England.

Housing Stock Turnover

There were 3,443 property sales and lets in 2018/19. Most will result in a change of property occupier. (However, a property sale in which a landlord sells with a sitting tenant will not result in a change of occupier). As we would expect private rent property turns over more frequently than social rent property, there are more lets as a proportion of the stock than for social rent.

Tenure	Number of Sales/Lets (2018/19)	Sales/Lets as %age of Properties ⁵
Property Sales	2,090	5.4%
Private Rent Lets	960	10.6%
Affordable Rent Lets	393	5.4%
Total	3,443	6.2%

⁵ The VOA calculates there are 55,040 homes in North Norfolk in 2019. We use the 2011 census to apportion these by tenure.

Housing in North Norfolk District - A Summary 2020

Housing Stock Condition

Building Research Establishment Report

In 2019 North Norfolk District secured a grant of £44,000 to undertake research into the condition of housing in the district with particular focus on the estimated 11,000 privately rented homes in the district. The Building Research Establishment (BRE) carried out the research on behalf of the Council using a number of datasets. Some of the headline interim results (April 2020):

- There are 55,111 dwellings in North Norfolk of which 68% (70.2% at the 2011 census) are owner occupied, 20% (16.5%) private rented and 12% (13.2%) social rented.
- 13,106 dwellings in the private sector have category 1 Housing Health and Safety Rating System (HHSRS) hazards⁶. This equates to 27% of properties. The proportion of 27% is the same for both owner-occupied and private rented properties.
- By contrast only 710 dwellings in the social sector have category 1 Housing Health and Safety Rating System (HHSRS) hazards. This equates to 11% of properties.
- The total cost of mitigating category 1 hazards in North Norfolk's private sector stock is estimated to be £49.1million – with £38.0 million in the owner occupied sector, and £11.2 million in the private rented sector.

Nationally 18.8% of housing is non-decent⁷ (English Housing Survey 2017-18). The BRE report identifies 13,816 homes (all tenures) which have a category 1 HHSRS hazard. This represents 25% of the housing stock and all these properties are, by definition, non-decent.

Fuel Poverty

In their report BRE looked at two measure of fuel poverty;

1. Fuel Poverty (10%) – A household that spends more than 10% of its income to maintain an adequate level of warmth.
2. Fuel Poverty (Low income high cost) – A household that would fall below the poverty level of income if it spent the money required to maintain an adequate level of warmth.

This second measure illustrates how fuel poverty is particularly a problem in the private rented sector.

⁶ The housing health and safety rating system (HHSRS) is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. The HHSRS Category 1 hazards include excess cold hazards, falls hazards and disrepair.

⁷ The English Housing Survey is an annual analysis of English housing. When considering the condition of a property it uses the decent homes standard. A decent home:

1. Is free of hazards which provide an immediate risk to health and safety.
2. Is in a reasonable state of repair.
3. Will have modern facilities.
4. Provides a reasonable level of thermal comfort.

A non-decent home will fail one or more of these tests.

Housing in North Norfolk District - A Summary 2020

	Owner Occupied Homes		Privately Rented Homes		Affordable Rented Homes	
	Number	%age	Number	%age	Number	%age
Fuel Poverty (10%)	5,741	15%	1,485	13%	671	10%
Fuel Poverty (low income high cost)	3,097	8%	2,048	19%	610	9%
Low income Households	3,727	10%	5,185	47%	3,892	61%

In affordable rented homes 61% of households have low incomes but only 9% are in fuel poverty (low income high cost). This is because their social landlords try to ensure the homes they let have good heat insulation and are therefore inexpensive to heat. By contrast only 47% of privately rented tenants have low incomes but 19% are in fuel poverty (low income high cost). In the private rented sector many homes are expensive to heat.

Disrepair and Enforcement Action

North Norfolk District Council's Environmental Protection Housing team investigate complaints of housing disrepair in the private rented sector and carry out programmed inspections of houses in multiple occupation. The Environmental Protection team serve an improvement notice if an inspection identifies one or more Category 1 HHSRS hazard.

The most common hazard is Excess Cold. In the example below the Environmental Protection team identified a Category 1 hazard following receipt of a complaint about damp and mould in an early 1900s built bungalow. The team served an improvement notice requiring insulation of the vaulted ceilings and the solid North facing external walls and the mechanical insulation of the bathroom. The following winter, condensation and black mould were all but absent.

Before enforcement notice



Following works required by enforcement notice



Housing in North Norfolk District - A Summary 2020

The following statistics for the financial year 1 April 2019 to 31 March 2020 show the volume of work undertaken by the Environmental Protection Housing team:

- Number of complaints received: **78**
- Number of those complaints resulting in inspections: **53**
- Number of those dwellings inspected with category 1 hazards: **27**
- Number of dwellings made decent of those above dwellings assessed: **16**
- Total number of dwellings made decent: **16 + 11 = 27** (i.e. includes 11 cases where initial complaint was made before 01 April 2019 but made decent within last financial year).

IHAT

The Council integrated housing adaptations team (IHAT) support people who need adaptations to their homes. Members of this team visit applicants in their homes to assess their needs. On rare occasions the team find that properties in the private sector are in such a poor state of repair that they cannot proceed with adaptations.

In 2019/20 the IHAT completed 110 grants and spent £1,165,764. By tenure the breakdown is:

Registered Provider: 71 grants – spent £790,313

Privately Rented: Nine grants – spent £71,534

Privately Owned: 30 grants – spent £303,917

Housing in North Norfolk District - A Summary 2020

Housing in Flood Risk and Coastal Erosion Zones

Flood Risk

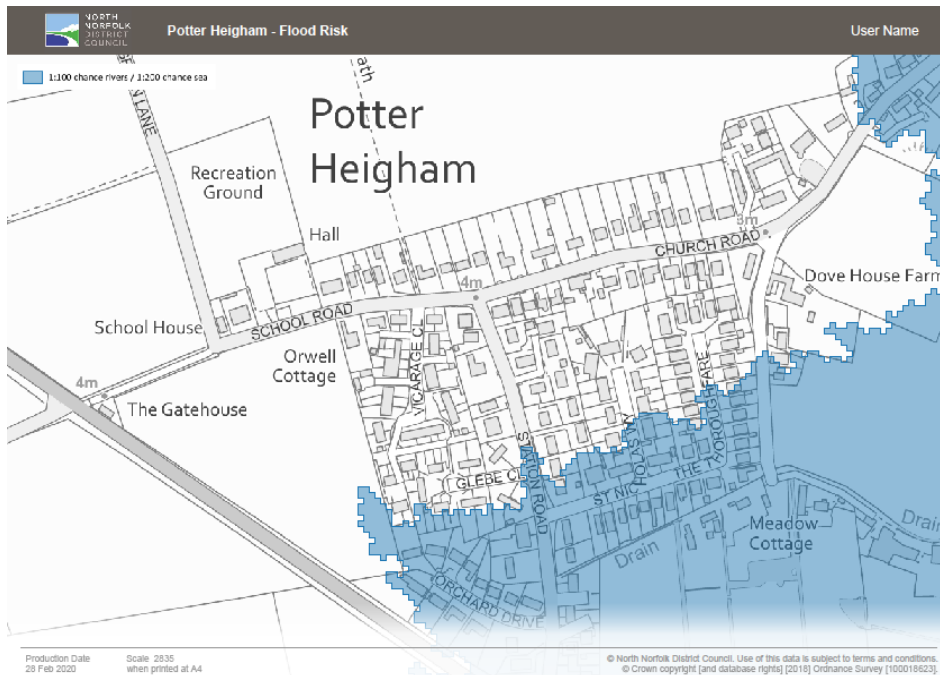
The Strategic Flood Risk Assessment (SFRA) identifies land at risk of flooding within the district.

Flood Risk Zone	Description	Risk Level – Annual Probability of Flooding	
Zone 1	Low	Less than 1 in 1,000	
Zone 2	Medium	Greater than 1 in 1,000	Less than 1 in 100 risk from river Less than 1 in 200 risk from sea
Zone 3a	High	Greater than 1 in 100 risk from river Greater than 1 in 200 risk from sea	
Zone 3b	Functional Flood Plain	This zone comprises land where water has to flow or be stored in times of flood.	

Nearly all new housing development will be in Zone 1. Only in exceptional circumstances, will the Council permit development in other flood risk zones. Parts of the district, particularly in the Broads area to the south of the district, have extensive areas in zones, 2, 3a and 3b. This will restrict the opportunities for housing development in these areas.

There are many existing homes outside of Zone 1. These homes are at greater risk of flooding.

Example of Homes in Flood Risk Zone 3A in Potter Heigham

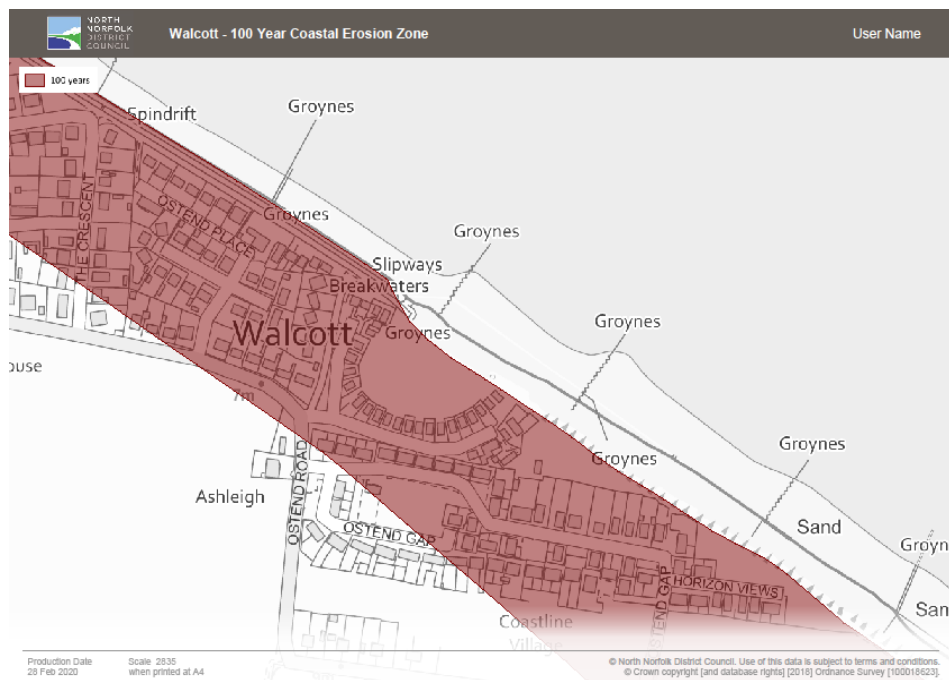


Housing in North Norfolk District - A Summary 2020

Coastal Erosion

Large parts of the North Norfolk Coastline are at risk of coastal erosion. There are 450 to 1,300 homes assessed in the Shoreline Management Plan (covering Kelling Hard to Lowestoft Ness)⁸ as potentially at risk in the period to 2105. The emerging local plan proposes that property owners at risk (within the next 20 years) may seek to relocate their home. This relocation can take place within the existing community.

Example of Predicted Impact of Coastal Erosion on Homes in Walcott



⁸ This Shoreline Management Plan covers part of the North Norfolk Coast and areas of coast south of the district.

Housing in North Norfolk District - A Summary 2020

Changes in Housing Stock

North Norfolk District has a growing number of people and households. The District requires new homes for these additional households. Different research methodologies result in differing estimates of the number of new homes needed ranging from 420 to 553 per year.

Evidence for Number of New Homes

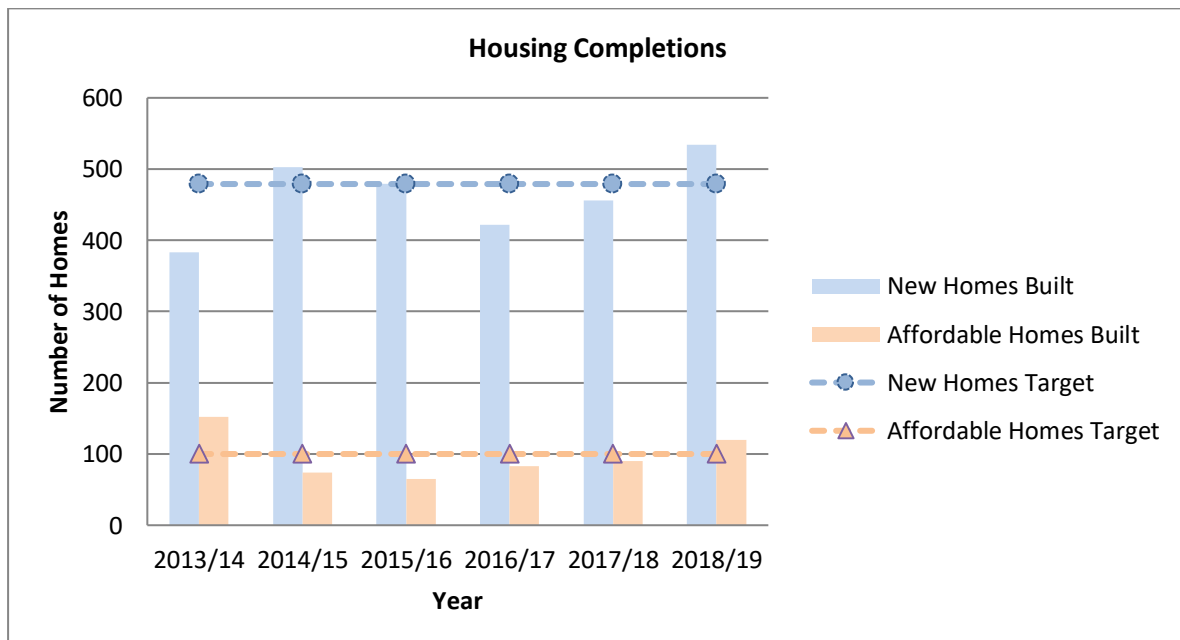
To inform planning policy North Norfolk District Council jointly with other Norfolk District Councils commissioned Opinion Research Services (ORS) to carry out a Strategic Housing Market Assessment (SHMA) for Central Norfolk, including North Norfolk.

This research completed in 2017. For North Norfolk District, ORS identified a need for 408 new homes per year in the 21-year period 2015 – 2036. The National Planning Policy Framework requires local councils to add a 5% buffer to the need and so the new homes target for North Norfolk was 420 homes per year. Within this total, the District needs just under 100 of the new homes to be affordable to meet the needs of households who cannot afford to buy or rent a home in the market.

In 2019, the government established a revised formula to calculate the need for new homes. This new formula increased the number of new homes required per year in North Norfolk District to 553. ORS carried out a further study for the Council in 2019 to see if the Council could challenge this revised number of new homes. ORS believes there are grounds to challenge the governments figure and as a result, the Council are now working on a revised target of 479 new homes per year.

New Housing

The table shows housing completions for the six years to March 2019. The target for new homes (479 per year) is the revised target. The target for new affordable homes (100 per year) is from the original 2017 ORS SHMA.



Housing in North Norfolk District - A Summary 2020

Registered Provider Stock Disposals

Stock disposals by Registered Providers (RPs) do not change the amount of housing in the district. In most cases,⁹ a stock disposal will move the property into the private market and result in a loss of an affordable home. As a result, stock disposals have a significant negative impact on the Council's ability to deliver our affordable housing target.

Stock disposals take two forms:

1. Sale to the tenant under the Preserved Right to Buy or, more rarely, the Right to Acquire.
2. Voluntary sales.

In the case of voluntary sales, the RP will choose to sell because the property will cost too much to bring up to a reasonable standard of repair.

Year	New Affordable Homes	Right to Buy Sales	Voluntary Sales	Net Change in Affordable Homes
2014/15	74	20	40	14
2015/16	65	30	44	-9
2016/17	83	24	38	21
2017/18	90	23	56	11
2018/19	107	16	45	46

⁹ In a small number of cases, North Norfolk District Council has helped a Community-led housing group to buy the property and so retain the property as an affordable home.

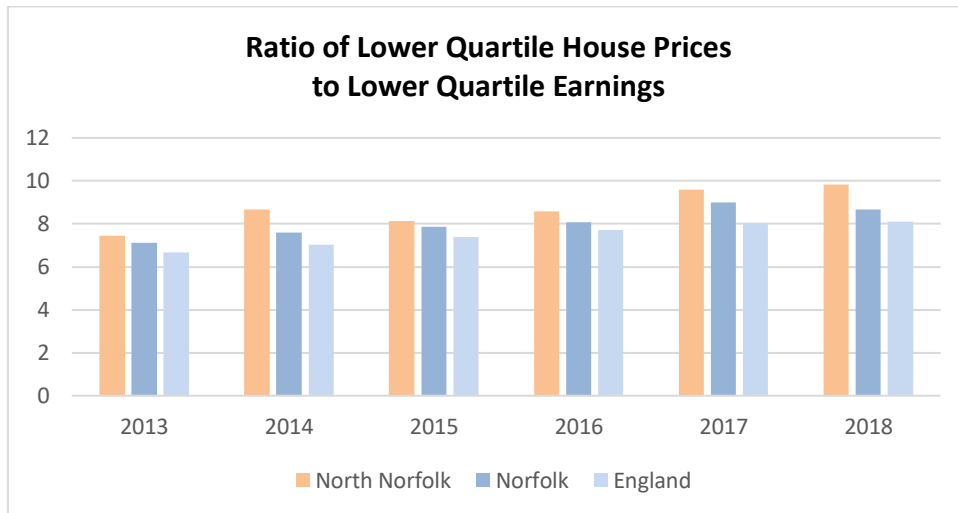
Housing in North Norfolk District - A Summary 2020

Housing Affordability

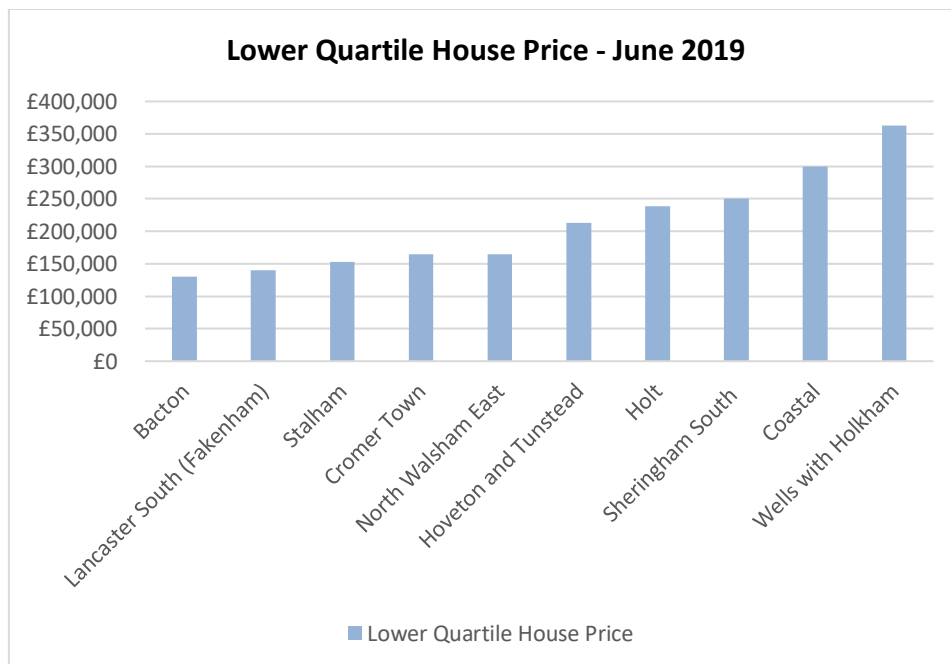
House prices in North Norfolk are expensive compared to earnings. There are parts of the District, particularly the coastal area from Holkham to Sheringham that are especially expensive.

Private Sale Sector

The ratio of lower quartile house prices to lower quartile earnings is used to measure house price affordability. The higher the ratio the less affordable are property prices. Statistics from LG inform show that affordability has been getting worse in the period to 2018. Property prices in North Norfolk are less affordable than in Norfolk as a whole and less affordable than for England.

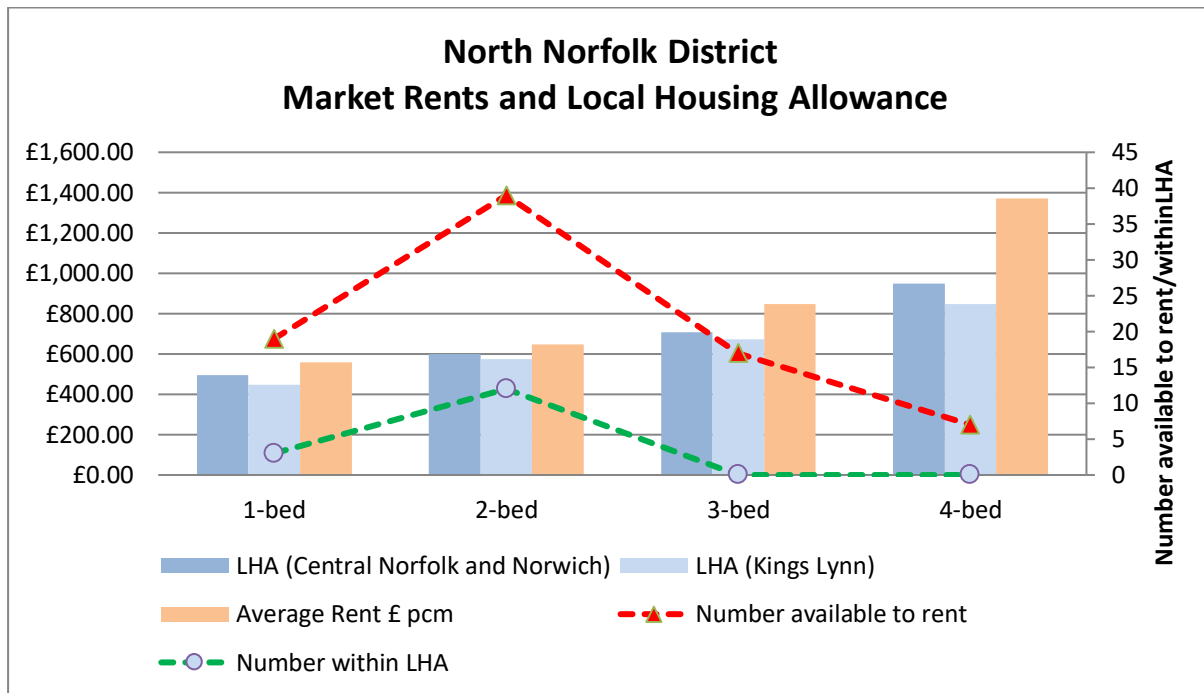


The ONS provide property prices by local authority ward. The most recent data for June 2019 shows a wide variation in property prices across the district. We show lower quartile prices as properties in the lower quartile price range of the market are those most affordable to households with low incomes. Lower quartile prices range from £130,000 in Bacton ward to £362,500 in Wells with Holkham ward.



Housing in North Norfolk District - A Summary 2020

Private Rented Sector



Properties Available to Rent				
Bedroom Size	1-bed	2-bed	3-bed	4-bed
Average Rent £ pcm	£558.42	£646.79	£848.24	£1,370.71
Number available to rent	19	39	17	7
LHA (Central Norfolk and Norwich)	£493.65	£598.35	£708.07	£947.40
LHA (Kings Lynn)	£448.76	£573.43	£673.14	£847.69
Number within LHA	3	12	0	0

In June 2020 we looked at properties advertised to let on Rightmove. We looked for properties to let within three miles of the district's main settlements of Cromer, Fakenham, Holt, Hoveton, North Walsham, Sheringham, Stalham and Wells. We found 82 properties in total with the largest concentration of 20 located in and around Cromer. By contrast, there were only two properties advertised to let within three miles of Wells.

The market rent sector provides a housing option for households who cannot afford to buy a home or choose to rent. Market rent homes are not a viable option for most low-income households.

A low-income household can seek help to meet their rent costs. This will take the form of housing benefit or form part of universal credit. In either case, the government caps the housing element at the local housing allowance (LHA) rate¹⁰. Across the district, 15 of the properties available for rent

¹⁰ The Valuation Office Agency on behalf of government sets LHA rates for Broad Housing Market Areas (BHMAs). The west of the district, including Wells and Fakenham is in the Kings Lynn BHMA. Most of the rest of North Norfolk, including the other six main settlements are in the Central Norfolk and Norwich BHMA. The

Housing in North Norfolk District - A Summary 2020

were within LHA rates. All 15 properties are one and two-bed and 12 are in and around Cromer and Sheringham. The government has recently increased LHA rates in response to the Covid 19 pandemic. A similar analysis in August 2019 found only five properties for rent within the LHA rates.

A low-income household seeking a market rent home faces two hurdles. Firstly, to find a market rent home which is within its budget. Secondly, to find a landlord willing to accept a tenant in receipt of benefit and who will therefore fail the usual credit referencing checks.

Data collected by the Valuation Office Agency for market rent lets is consistent with our snapshot. It also shows that there were 960 lets in 2018/19 which gives an indication of the importance of the private rented sector. For comparison, there were just fewer than 400¹¹ affordable lets in 2018/19 and 2,090¹² market sales in 2018 calendar year.

Table 2.7: Summary of monthly rents recorded 1 April 2018 to 31 March 2019

	All bedroom sizes categories				
Area	Count of rents	Mean	Lower quartile	Median	Upper quartile
North Norfolk	960	£637	£525	£600	£715

eastern edge of the district is in the Great Yarmouth BHMA. None of the properties we looked at were in the Great Yarmouth BHMA.

¹¹ From data on the Council's Locata database (housing applicants and lettings).

¹² From the Office for National Statistics – Residential freehold and leasehold sales in 2018 calendar year.

Housing in North Norfolk District - A Summary 2020

Housing Need

Two separate sources provide information about housing need in the district.

1. The Strategic Housing Market Assessment – an evidence based projection for the housing required in the district to meet the needs of an increasing number of household for both market and affordable homes.
2. The Council’s housing list – which provides a snapshot of housing need now.

Strategic Housing Market Assessment

In 2017 Opinion Research Services (ORS) carried out a Strategic Housing Market Assessment for the five central Norfolk Districts (Breckland, Broadland, North Norfolk, Norwich and South Norfolk).

For North Norfolk District, this report identified the requirement for 8,881 additional homes in the period 2015 to 2036. This represents 409 homes per year. ORS provided a breakdown of the required homes by property type and between market and affordable.

Property Type		Market	Affordable	Total
Flats	1 bedroom	171	212	383
	2+ bedrooms	204	107	312
Houses	2 bedrooms	687	912	1,599
	3 bedrooms	4,333	579	4,912
	4 bedrooms	956	187	1,142
	5+ bedrooms	232	1	233
Total		6,583	1,998	8,581

Subsequently the government introduced a change to the methodology for calculating the housing requirement. The new methodology resulted in a requirement for 533 homes per year. In a supplementary report, ORS concluded that the new methodology was flawed and that a lower figure of 456 homes per year was the correct figure. The original ORS report and supplementary report are available on the Council’s website.

Council Housing List

As at 28th February 2020 there were 2,903 household on the Council’s housing list. Of these 416 were in priority bands 1 and 2.

Priority Band	Number of Households
Band 1	225
Band 2	191
Transfer	484
Home Options	2,003
Total	2,903

Households in band 1 include:

Housing in North Norfolk District - A Summary 2020

- Those who are homeless and in priority need.
- Lack two or more bedrooms.
- Need to move for medical or welfare reasons.

To place these numbers in context in 2018/19 there were 380 affordable homes let (or sold in case of shared ownership). In 2019/20 there were only 283.

The Council operates a choice based letting system. Housing Applicants 'bid' for (express interest in) available properties. The Council allocates the property to the household with the highest priority band¹³. Where two or more household have the same priority band the Council allocates to the household who has waited longest in the band. In practice this means that nearly all lettings go to households in priority band 1.

It is no surprise that most properties receive multiple bids. In 2019/20 the 35 three-bed homes had an average of 72 bids per home and the 132 two-bed homes had an average of 187 bids per home. There are no towns or villages in the district where affordable rent properties have low demand.

¹³ On rural exceptions sites which represent about 10% of lettings the Council gives priority to households with the strongest local connection to the property. A household has a local connection if they live, work or have close family in the Parish (or an adjoining Parish) which contains the home.

Housing in North Norfolk District - A Summary 2020

Homelessness

The Council has a duty to support households who are at risk of becoming homeless or who are homeless.

In 2019/20 the housing options team provided advice and support to 906 households (927 households in 2018/19) of these the Council:

- Provided support to prevent homelessness for 151 households with successful prevention in 105 cases.
- Helped households find alternative homes for 149 households with successful outcomes for 76 households.
- Accepted a main housing duty for 62 households – in most cases the Council provided temporary housing pending the offer of a suitable permanent home.

Many households threatened with homelessness live in private rented homes. For private rented homes the landlord can end a tenancy at the end of the fixed term. The landlord may choose to do this if he can get a higher rent from another tenant, or can convert the property to a holiday let and generate more income.

In 2019/20 the Council provided temporary accommodation for 135 households¹⁴. The Council can recover some of the cost of temporary accommodation from the housing element of the household's universal credit/benefits. The amount the Council can recover is capped at 90% of the local housing allowance. This resulted in a shortfall of £233,000 in 2019/20 (£77,000 in 2018/19). The Council has to fund the shortfall from other income.

The Council provides support for people 'sleeping rough' in the district. The Council's Rough Sleeper co-ordinator identifies and keeps in contact with rough sleepers and helps them engage with support services. In March 2020 as part of the Council's response to the Covid 19 pandemic the Council provided temporary housing for 12 of the 15 known rough sleepers in the district. The remaining three rough sleepers refused offers of temporary housing.

¹⁴ These include homeless households where the Council has a temporary duty but not a main duty to help secure housing.