Leeds CITY COUNCIL

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Report of the Director of City Development

Development Scrutiny Board

Date: 18th December 2007

Subject: Housing mix, city centre vacancy & city centre infrastructure

Electoral Wards Affected: All	**Specific Implications For:**
☐ Ward Members consulted (referred to in report)	Equality and Diversity ☐
	Community Cohesion ☐
	Narrowing the Gap ☐

Executive Summary

1. This report looks at three issues:

    a. the mix of housing supply in Leeds in terms of flats and houses,

    b. the levels of vacancy in city centre housing and

    c. the level of infrastructure in the city centre to support a mixed population

It is concluded that over the last decade the traditional domination of houses over flats in new housebuilding has been reversed, not just in the city centre, but across the whole of Leeds. The report considers whether this is desirable & whether the City Council ought to intervene to control delivery of a greater proportion of houses. The conclusion is that the issue is complex but some control of mix may be justified, if introduced through a planning process with public consultation.

The City Council's use of council tax records to assess level of vacancy in city centre housing in 2006 shows that vacancy is only around 14% when second homes & company lets are accounted for. It also shows that vacancy rates are higher for recently completed schemes and comparable with the MD average for older established schemes. The conclusion is that the exercise needs to be repeated for 2007 & future years, and if vacancy is found to have significantly worsened, the solution is not to restrict development but to explore what action might be appropriate to boost demand.

Sufficiency of city centre infrastructure & facilities has been under the spotlight in a number of surveys & reports with mixed conclusions. It is important for the City Council to plan for the appropriate provision of infrastructure and this needs to be achieved through proper planning, including the City Centre Area Action Plan and the City Centre Vision.

1.0 Purpose Of This Report

1.1 To inform Scrutiny Board of some of the trends affecting the supply of flats and houses in Leeds, the level of vacancy of dwellings in the city centre and of the availability of infrastructure to support a mixed population in the city centre.

2.0 Background Information

2.1 Over the last year there have been a number of pieces of research and media reports that have raised concerns about the mix of housing supply in Leeds between flats and houses, about high levels of vacancy in city centre housing and about the lack of infrastructure in the city centre to support a mixed population. This report aims to look at evidence of actual trends & forecasts to reach an informed view on these three issues.

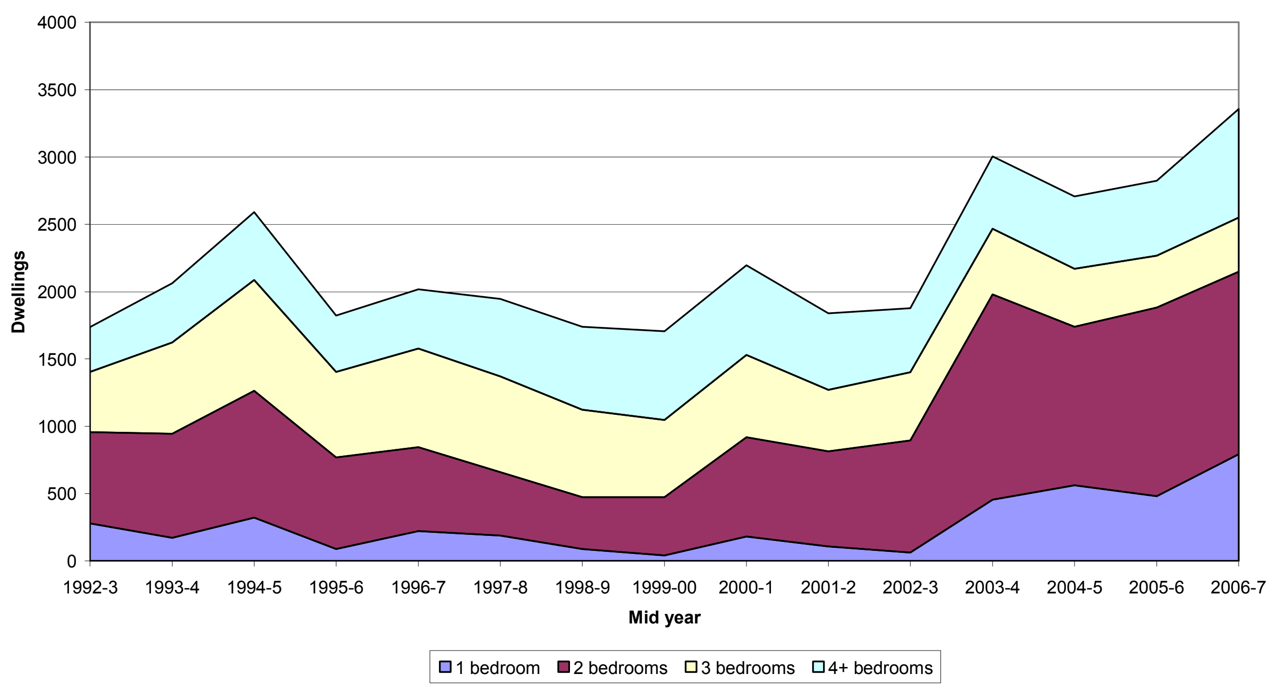
3.0 Main Issues

Housing Supply in Leeds – the mix of sizes & types

3.1 Information is given below on the size of dwellings measured by number of bedrooms and type in terms of houses, flats and bungalows. The timescale used is from the early 1990s to 2007. This gives a perspective on the influence of the major change to national planning policy – Planning Policy Guidance Note 3 - introduced in 2000. Data is given for the whole of Leeds, and particularly for the city centre which has emerged as a new subsidiary housing market in Leeds.

3.2 In terms of the size mix of all dwelling completions in Leeds, the number of 1 & 2 bedroom dwellings built per annum has more than doubled since the 1990s

NEWBUILD DWELLINGS COMPLETED 1992-2007
By number of bedrooms



3.3 In terms of the mix of sizes of flats in Leeds as a whole, over the 16 year period 1993-2007, 1 & 2 bed flats account for 87% of all flats. Virtually all of the larger flats are student accommodation (cluster flats) with a very small number of penthouses for general use. The mix is virtually identical for the city centre where 89% of flats are 1 or 2 bedrooms (1999/2000-2006/2007).

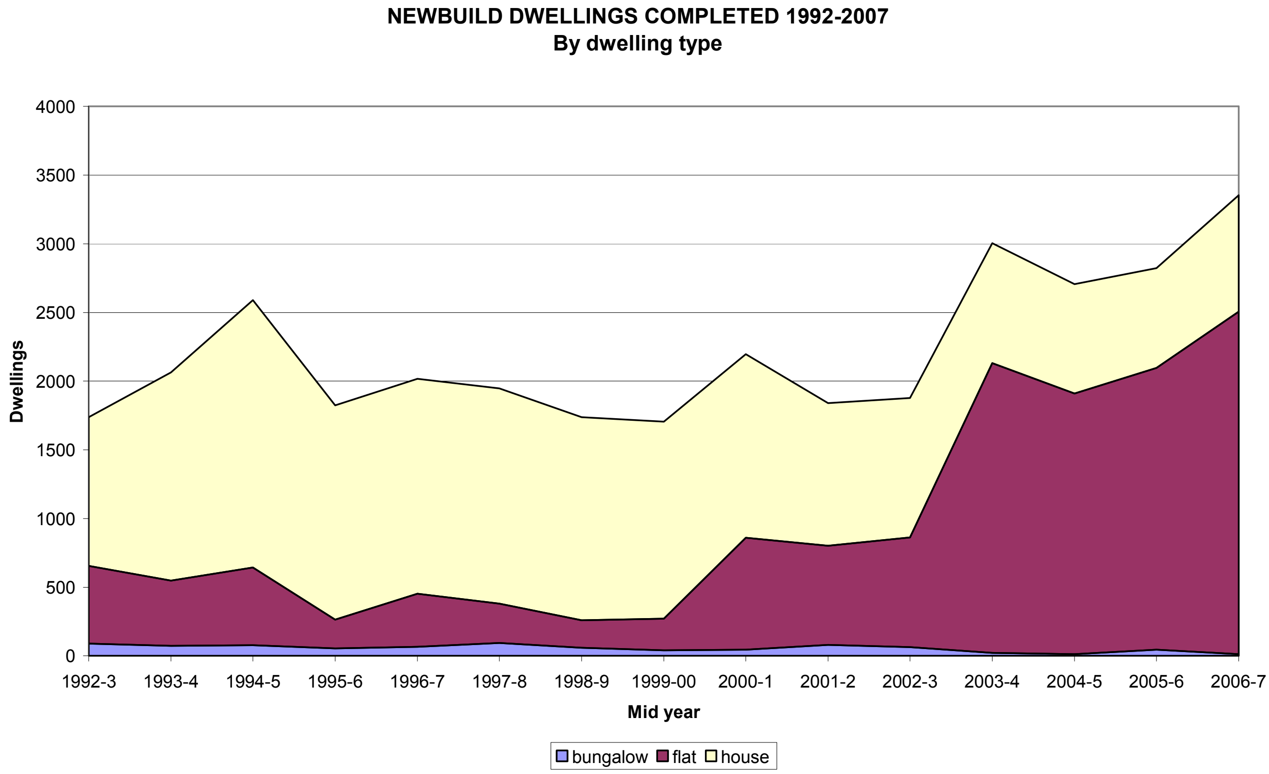
Number and % of flat sizes in Leeds 1993-2007

	1	2	3	4+	All
Number	4170	8925	220	1280	15059
%	28	59	1	8	

Size of flats completed in the city centre							% of all newbuild flats in city centre
midyear	1	2	3	4+	All		
1999-2000		18	6		24		10
2000-1	28	260	17	17	322		40
2001-2	37	131			168		25
2002-3	20	100	7		127		16
2003-4	306	850	11	108	1275		61
2004-5	400	597	7	178	1182		63
2005-6	391	580	5	49	1025		50
2006-7	517	407	1	181	1106		45
2007-8	184	67			251		32
Total	1883	3010	54	533	5480		36

3.4 Whilst it is commonly thought that most flats are built in the city centre, in actual fact, only about a third of the total have been built in the city centre since 1999/2000.

3.5 In terms of types of dwellings built over the last 16 years there has been a huge increase in the number and proportion of flats as shown by the graph below. The proportion of flats to total dwellings has increased from 41% 1992-2000 to 58% 2000-7 and 65% since 2003. The actual number of flats completed per annum has more than quadrupled since the early 1990s whilst the number of houses completed per annum has fallen by about 20% over the same period. The number of bungalows completed has declined from an inconsequential amount to a negligible figure.



Total dwelling completions by type

	1992-3	2006-7
bungalow	90	13
flat	565	2493
house	1082	849

Considerations

3.6 Are so many small flats desirable? The answer depends upon your point of view, and an understanding of whether Leeds should cater for need, demand or aspiration. The latter is related to historic perceptions and traditions of housing lifestyle. Whereas many continental cities, Scottish cities & inner London have accepted traditions of living in flats, most English cities including Leeds do not. Flats are under-represented in UK housing stock. In 2001, about 45% of households in the EU 15 lived in flats; about double the UK proportion.

3.7 If we consider "need" for housing this equates to a simple requirement for sufficient internal room to suit household size. In most cases, household need can be met by sufficiently sized dwellings, regardless of housing type – flat, house or bungalow. Families with children may be considered to need safe outdoor space for recreation, but this does not have to be a private garden in the curtilage of a house; it could be private or communal gardens in the grounds of flats or suitable terraces or roof gardens. Similarly, elderly and disabled people often need easy level access to dwellings, but this need not mean bungalows; ground floor flats or upper floor flats with lifts can suffice.

3.8 However, if we consider "demand & aspiration" for housing, the implications are quite different. People usually aspire to more living space, and more rooms than they strictly need; people usually aspire to houses with gardens rather than flats, as well as living in the countryside. These preferences are regularly revealed by periodic market research surveys. Nevertheless, aspirations have to be tailored to what households can actually afford. On a city-wide scale, aspirations for housing will also be limited by public policy which values countryside, open space and compact urban areas around public transport, employment and other facilities & infrastructure.

3.9 Hence, it is not easy to plan the mix of housing supply to match demand. Housebuilders often claim that the free market is the best arbiter of matching demand with supply. National planning policy allows local authorities to influence the mix of housing through deciding planning applications on the proviso that the mix will cater for the mix of households requiring housing. Regional policy also seems set to advocate control of housing mix to meet local need, particularly family housing for sustainable communities.[1]

3.10 To help understand local need and demand in Leeds, the City Council must rely upon its Strategic Housing Market Assessment[2]. Based on a large survey of residents, the Assessment sets out preferences for households expecting to move in the next 2 years and for newly forming households. This shows a majority preference for larger dwellings and for houses as opposed to flats, although this varies according to household income & type. In contrast, the Assessment outlines the trends in household formation showing that the proportion of single person households almost doubled whilst the proportion of two parent families fell by a third between 1971 & 2002. These trends of household formation are set to continue with virtually all net growth being accounted for by smaller households. Thus the evidence of the SHMA points both toward larger dwellings to cater for public preference and toward smaller dwellings to cater for a growth in smaller households.

3.11 Aside from addressing need & demand, there are other considerations concerning housing mix. It must be noted that the emerging regional housing requirement for Leeds is set to increase from 1930 to 4740 dwellings p.a. If confirmed when the final RSS is published in Spring 2008 – amounting to 85,000 dwellings to 2026 – this will be a challenging requirement. So provision of flats will have the advantage of delivering higher numbers of dwellings for a fixed amount of land. Flats also have the advantage of being cheaper to buy than houses, so can help extend affordability and access to owner occupation.

3.12 It should also be noted that the recent dominance of flats is a side effect of the Council's current UDP policy of maximizing housing development on brownfield land. The effect of this has been to stimulate the release of large numbers of small sites often in unpromising market areas where flat development is often the only viable development option. An increase in the rate of family housebuilding would almost certainly require the release of larger Greenfield sites more suited to this form of development.

3.13 The way of deciding what mix of housing is desirable for Leeds is through development of local planning policy to control housing mix. The Core Strategy of the LDF has recently gone through its Issues & Alternative Options consultation stage and Option 13 offered choices as to how this is done – either a policy requirement or release of suitable housing land for houses. The City Council is also

[1] Regional Spatial Strategy Proposed Changes, September 2007, Policy H4
[2] Strategic Housing Market Assessment, Outside Research, May 2007 – chapters 6 & 7.

considering introducing an informal policy or Supplementary Planning Document to control housing mix in the interim period. Please note that a report is to be presented to the Affordable Housing Strategic Partnership Board chaired by Cllr Andrew Carter on 13th December.dealing with these matters.

Housing vacancy in the city centre

3.14 The rapid increase in city centre housing has been accompanied by a stream of anecdotal and media reports claiming that large numbers of the new flats remain unoccupied. Unfortunately it is difficult to verify these claims and to establish the true facts.

3.15 There is no totally dependable means of measuring vacancy on a regular basis. The national census is probably the most reliable, but only happens every 10 years, and much of the current city centre housing was built after the last census. Questionnaire surveys – such as the City Living surveys conducted by the University of Leeds – aim to profile the characteristics of city centre residents, rather than establish the level of vacancies.

3.16 Officers consider that analysis of council tax records provides the most reliable method of estimating vacancy. Empty properties are generally exempt from council tax for the first 6 months of vacancy and these are tagged in the register. Thereafter if properties remain empty, exemption no longer applies in most cases, but properties continue to be identified. The main problem with Council tax data is the treatment of void properties – those where the previous occupancy status has terminated, but the new one has yet to be established. At any one time, some of these properties will in fact be occupied and some vacant, but the precise balance is not positively known so has to be estimated. Despite this, the Council Tax Register is at present the best source of continuous, consistent data on vacancies.

3.17 An assessment of Council Tax data was carried out in autumn 2006. The full report is set out in Appendix 1, which has also been available on the LCC website. The main finding was that about 25% of new city centre flats were either vacant (about 14%) or not in use as a main residence, eg second homes, company lets etc (about 11%). The report concluded that the high vacancy rate was partly the result of the very rapid expansion of the city centre housing stock. With large numbers of new flats constantly becoming available, the market could not reasonably be expected to absorb these without some delay, and any snapshot of the stock was bound to pick up large numbers of vacancies. There was evidence that in the longer established schemes, vacancy rates dropped to levels nearer to the M.D. average.

Considerations

3.18 The council tax research suggests that reports of excessive vacancy are somewhat exaggerated, although this will need to be kept under review. City Development has commenced a second assessment which will see how vacancy levels have changed in the 12 months since November 2006.

3.19 If vacancy is discovered to have worsened, the City Council would need to consider what action might be appropriate. Rationing supply by refusing planning applications is not a sensible option in the context of high levels of need in the city and the increased regional requirement. In any case, the recent postponement of the Greenbank scheme shows that developers are themselves taking action to restrict supply.

3.20 More appropriate action might be dialogue with housebuilders and agents concerned and/or a promotional campaign to highlight the benefits of living in the city centre to increase demand.

City centre infrastructure

3.21 Infrastructure to support a residential population can include many things. The city centre has a great deal of essential infrastructure already in-situ such as employment, streets, pavements and public transport. It also has a range of exceptional infrastructure which most residential areas do not normally have on their doorstep such as theatres, cinemas, hospitals, further education, comparison shopping, bars, restaurants & nightclubs. However, when quizzed in the City Living survey[3], residents have identified a number of facilities that are inadequate in the city centre. These include:

- Food facilities
- Parking facilities
- Green areas / spaces
- Healthcare facilities

3.22 The Leeds City Centre Audit research[4] surveyed residents of Leeds, workers in the city centre and visitors) for their opinion on performance with regard to a number of shopping facilities & features of the city centre. This was measured on a scale of 1 - 5, (1 = v. poor, 5 = v. good). The findings show that none of the facilities scored lower than 2.6. The worst performing facility was the provision of public conveniences (score 2.6); parks & greenspace came next (score 3.3); and safety & street entertainment came next (score 3.4).

3.23 The Leeds Housing Market Assessment[5] survey asked a large sample of residents across Leeds how easy or difficult they found access to a variety of services from where they live. Contrary to popular belief about the city centre, the results show that the residents in the city centre find access to facilities easier than the respondents of all other areas. Virtually 100% of city centre respondents considered access to the following facilities “easy”: doctor, hospital, chemist, post office, local shop, supermarket, library & place of worship.

3.24 No surveys have touched on access to primary schools, probably because there are a negligible number of families with children at school living in the city centre. Research for the City Centre Area Action Plan looked at proximity of existing primary schools and walking distances to the city centre. There is a ring of primary schools around the city centre serving long established residential communities. Most of the city centre is within 20 minutes walk of one of these schools. At present, most of these schools are at full capacity although Blenheim, Quarry Mount & Little London primary schools to the north-west have spare places. However, according to demographic modeling, these are projected to take close to their collective admissions limit in the next 4-5 years.

Considerations

3.25 The city centre gets considerable attention as an area of the city with a new population. The facilities of the city centre also serve residents of the rest of Leeds either as shoppers, workers, students or users of leisure & cultural facilities. It is

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[3] City Living in Leeds 2007, Dr Rachel Unsworth, 2007, Figure 14.
[4] Leeds City Centre Audit, An Overall Research Report, Becki Jarvis & Matthew Lund, October 2007, Fig 17
[5] Strategic Housing Market Assessment 2007, Outside Research May 2007, Table 93.

also the “shop window” to Leeds for many visitors to Leeds. So the City Council must consider the level of service & infrastructure seriously.

3.26 The City Council has been preparing a City Centre Area Action Plan (CCAAP) over the last 2 years. This is a town planning document – part of the Local Development Framework – which can address a number of infrastructure/facility issues. It has addressed the following key issues:

- Convenience shops – allowing a wider spread of small shops and designating a number of “service centres” without endangering the health & vitality of the prime shopping quarter
- Provision of new public spaces as part of major new developments
- Parking control – rationing the number of commuter car parking spaces associated with new development whilst promoting more short-stay car parking
- Controlling the mix of sizes of flats to provide a small proportion of larger flats that could suit family occupation

3.27 The CCAAP considered the issue of city centre population mix. Different viewpoints have been expressed. One the one hand, the city centre is seen as too dominated by people in their 20s & 30s and in need of diversification. A mix of older people & families will dampen down excess & produce a more durable long term population which will develop as a community. The City Council is expected to plan for provision of family dwellings and appropriate facilities such as schools & GPs. On the other hand, the city centre is seen as an inherently unsuitable environment for families and provision of 3 bed flats will only end up being occupied by sharing adults rather than families.

3.28 The City Council is about to embark upon development of a City Centre Vision, which will provide opportunity to address some of the wider issues of city centre infrastructure & facilities.

4.0 Conclusions

4.1 The three matters covered in this report – housing mix, city centre vacancy and city centre infrastructure – are related, in that growth in supply of flats is seen as a cause of vacancy and prompts the question as to whether city centre housing ought to appeal to a wider population group. This in turn raises the question whether the city centre needs new infrastructure to attract a broader population. This report raises the importance of having good evidence and understanding to inform policy choices. The questions raised need to be properly aired through preparation of plans that are subject to public consultation with a variety of interests.

5.0 Recommendations

5.1 Scrutiny Board is invited to note the contents of this report and comment.