

**Report of Director of Environment and Neighbourhoods**

**Report to Housing and Regeneration Scrutiny Board**

**Date: 29<sup>th</sup> January 2013**

**Subject: Analysis of current housing market trends within the Leeds 6 postcode areas**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	No
Are there implications for equality and diversity and cohesion and integration?	Yes
Is the decision eligible for Call-In?	No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	No

**Summary of main issues**

1. Safer, Stronger Communities Scrutiny Board's April 2012 report into the private rented sector recommended that consideration of current market trends in the Leeds 6 area be considered and used to help predict future empty property trends.
2. Leeds 6 has been the traditional student market for the city over the last few decades. The 1990's saw an increase in the numbers of students, due to Government policy of encouraging more people into higher education, resulting in an expansion of the market out of its traditional areas of Hyde Park etc to Far Headingley, Meanwood, Burley and Kirkstall. There has also been an increase in purpose built student accommodation in and around the city centre as well as a migration of students to accommodation within the city centre.
3. However with changes in demand for places, increases in tuition fees and increased availability of new purpose built student accommodation a change in this area has been seen in the last few years, which has led various parties to express concern regarding the potential increase in empty properties in the area.
4. Unipol recently commissioned re'new to undertake a housing market assessment of inner north west Leeds. The findings of this report confirm there is a potential for the demographics of the area to change, affecting not only the housing market but also signalling a need to consider the way in which other services are provided in the area, not just by the Council but also by other partners such as the Police.

5. Since May 2012 the Council has been monitoring the level of long term empty properties within the Leeds 6 area as a result of the concerns raised by the Safer, Stronger Communities Scrutiny Board. This has shown that the level of voids within the monitored area has been below the city average for the monitoring period and is currently at a rate of 0.92% as of December 2012 (230 empty properties out of 24927 properties within the monitored area of Leeds 6).

## **Recommendations**

6. Housing and Regeneration Scrutiny Board is requested to note the progress made against recommendation 4 from the Safer, Stronger Communities Scrutiny report into the Private Rented Sector (2012)

### **1 Purpose of this report**

- 1.1 The purpose of this report is to update the Housing and Regeneration Scrutiny Board on progress against recommendation 4 of the Safer Stronger Communities scrutiny enquiry into Private Rented Sector Housing.
- 1.2 Recommendation 4 was
  - 1.2.1 That the Director of Environment and Neighbourhoods leads on undertaking an analysis of current housing market trends within the Leeds 6 postcode areas and for this to then be used to predict empty property trends within these areas over the next 2-3 years
  - 1.2.2 That the findings from this work is brought back to Scrutiny by January 2013 for consideration.

### **2 Background information**

- 2.1 The Safer Stronger Communities Scrutiny Board carried out an investigation into the Private Rented Sector in 2011 and published its report in April 2012.
- 2.2 The Board made a number of recommendations which were endorsed by the Executive Board. One general progress report has been given to the Housing and Regeneration Scrutiny Board.
- 2.3 The report noted that there is natural churn within the housing market which made monitoring trends difficult. The Board expressed concern regarding the traditional student market and the prediction of future trends of empty properties. It was recommended that current market trends be determined and future demand and the likely trends for empty properties be predicted.
- 2.4 The Board requested a specific update on this recommendation by January 2013.

### **3 Main issues**

- 3.1 Leeds 6 has traditionally been the home for students in Leeds whilst studying at its further education institutions. Under the previous Government's expansion of numbers in further education the traditional student market expanded from the pre

1919 stock close to the Universities into Far Headingley, Meanwood, Kirkstall, and Burley to take up the increased number of students entering further education.

- 3.2 There was also an expansion of new purpose built accommodation to deal with this increased demand for places which become available around 2005. This expansion of purpose built accommodation close to the city centre as well as new markets becoming available in the expansion of city centre living has led to students migrating from the further reaches of Leeds 6 back to the city centre and the pre 1919 properties close to the Universities.
- 3.3 These changes in student demand and location preference has meant neighbourhoods in Inner North Leeds are in transition. There has been an increase in demand in the area from young professionals but the perception is that this demand alone will not be sufficient to take up the available rental properties.
- 3.4 Recently there have been concerns expressed by the local community and representatives of the private rental market who have indicated that the market is changing due to increases in fees, new built student accommodations, migration to alternative areas by the traditional student market and potential reduction in student numbers. Concern has been expressed that the increasing numbers of empty properties is blighting the Leeds 6 area.
- 3.5 Unipol commissioned re'new to carry out a Housing Market Assessment of Inner North West Leeds. The report published in July 2012 has been attached as part of the background papers. The report illustrates the changes within the Leeds 6 area
- 3.6 Due to the concerns that have been expressed around the Leeds 6 market it was agreed to monitor the level of voids within the area as we have previously done for areas such as Beeston Hill, Holbeck and Harehills. In discussion with colleagues in Regeneration, Planning, Private Sector Housing and re'new an area was agreed which covers the Leeds 6 market. This area, a map of which has been attached as part of the background papers, has been monitored since May 2012. As of the end of December 2012 the long term void rate within this area was found to be 0.92% compared to the city average of 2.1%. The 0.92% equates to 230 long term empty properties out of a total of 24,927 within the monitored area.
- 3.7 Presently it is hard to determine what affect that the "churn" in the Leeds 6 area may have in the future. Last year saw student numbers remain buoyant due to the lower tuition fee levels. This year the Universities have reported that student numbers have shown a very slight decrease with numbers of applicants generally remaining high. However the affect of the increase in tuition fees is difficult to predict on the future housing markets in Leeds 6 and the implications are unlikely to be seen for at least a couple more years.
- 3.8 Informal discussions with landlords in the area indicates that many of them are adopting a "wait and see" approach. Whilst a number are reviewing their portfolios, in most cases no decisions have as yet been made. Discussions also revealed landlords are considering the opportunities which this transition brings in

terms of newer markets away from the traditional niche student market which has dominated Leeds 6 to allow them to diversify their business opportunities.

- 3.9 It is important to continue to monitor the potential change in the Leeds 6 market as it will not just affect housing issues but wider service provision across the Council and partners. Depending upon how or if the demographics of the area change then it could affect how services like education, cleansing etc operate as well as changes for partners such as the police in how it could affect their neighbourhood policing approach. Area Management have brought together a number of partners with a view to considering these issues and how services may need to change to meet changing demographics with Leeds 6. It is proposed that the Council and its partners create a process to allow these changes to be considered and to determine how they will impact on services and the market and to review service provision accordingly.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Through the Area Management proposals above stakeholders and partners will be engaged and consulted with, with a view to determining any necessary changes to service provision which may be required by the Council and partners.

### **4.2 Equality and Diversity / Cohesion and Integration (EDCI)**

- 4.2.1 The work of the Empty Property Team and the Empty Property Strategy have both been subject to EDCI assessments. Any new strategy, action plan or new service provision which may result from the work coordinated by Area Management will be subject to EDCI assessment(s).

### **4.3 Council policies and City Priorities**

- 4.3.1 The work will continue to contribute to Council priorities across a number of themes, not just empty properties.

### **4.4 Resources and value for money**

- 4.4.1 Currently the Council and partners are providing services within Leeds 6 to address the issues faced by this community. It is essential that any potential changes in this area are determined to enable appropriate resources and services to be provided to the Leeds 6 area. This will ensure that the service provision meets the new needs of any new emerging community.

### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 Officers will continue to operate within their existing powers and to work with partners to address current and emerging issues affecting Leeds 6.

- 4.5.2. The Executive Board decision was eligible to call in.

### **4.6 Risk Management**

- 4.6.1 The Council's normal risk management procedures have been and continue to be applied.

## **5 Conclusions**

- 5.1 There have been changes to the housing market in Leeds 6. The outer areas have seen a contraction of the traditional student market. There has been a rise in purpose built student accommodation and city centre living. Students have migrated towards the city centre away from Far Headingley, Meanwood and Kirkstall.
- 5.2 Currently the market has yet to determine how this change and the rise in tuition fees, and subsequent reduction in students numbers will affect the Leeds 6 market. Recent monitoring of the Leeds 6 market shows the long term empty property rate is below the city average at 0.92%. It is proposed to continue to monitor this trend to determine what, if any, affect the potential changes to the area may have on the void rate.
- 5.3 Any changes to the existing housing market and the demographics of the area will affect the current service provision in the area. The Council and its partners will need to consider the potential changes and the affect that these will have on the delivery of existing current services.

## **6 Recommendations**

- 6.1 Housing and Regeneration Scrutiny Board is requested to note progress made against recommendation 4 from the Safer, Stronger Communities Scrutiny report into the Private Rented Sector (2012)

## **7 Background documents<sup>1</sup>**

- 7.1 Safer, Stronger Communities Inquiry report into the Private Rented Sector (2012)
- 7.2 December's monitoring report on the level of empty properties and associated map to show the area being monitored.
- 7.3 Assessment of Housing Market Conditions and demand trends in Inner North West Leeds – re'new/Unipol July 2012

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.