

# **Bradford Council Tenancy Strategy 2013 - 2018**

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## **Section One – Background and Purpose of Strategy**

### **1.1 Introduction**

The Localism Act<sup>1</sup> introduced a requirement for all local authorities with housing responsibility to produce a Tenancy Strategy to which local social housing providers must have regard. The primary aim of these strategies is to introduce greater local choice and flexibility for councils and housing associations in managing social housing and to encourage opportunity and self reliance for tenants. This is to be achieved mainly by the extent to which providers make use of fixed term tenancies.

The legislation does not require social landlords to comply with the strategy but only to have regard to it. This means they need to give serious consideration to the principles and requirements contained within the strategy when formulating their business plans, their tenancy policies and other plans and strategies but may depart from it if they have good reasons to do so.

Existing tenants currently on assured or secure tenancies with Registered Providers will not be affected by these changes, and will continue to enjoy their existing security of tenure and other terms and conditions, including the right to buy /or acquire, succession rights and the right to exchange their tenancy with another secure tenant.

### **1.2 Government Tenure and related Reforms**

Changes include:

- Social landlords able to provide new tenants with a fixed-term tenancy if it is felt to be more appropriate than the offer of a lifetime tenancy, with fixed-terms of a minimum of 5 years. However, Registered Providers (RPs) will still have the option to grant lifetime tenancies.
- Social landlords able to determine the length of the fixed-term offered to each tenant on an individual basis based on their own policy setting out the criteria to be used to determine whether or not to re-issue a new tenancy at the end of a fixed-term.
- Build new homes and re-let existing homes under the new affordable rent model, which allows housing providers to charge higher rent levels of up to 80% of local market rents for accommodation than is presently charged at social rent levels. See 2.5.2 below.
- Councils to be able to discharge the homelessness duty into the private rented sector
- Flexibility for Council's to set their own allocations policies to meet local needs and circumstances
- A package of welfare changes including linking Housing Benefit payments to size of households in the social housing sector (latter effective from April 2013)

### **1.3 Links to existing Policies, Strategies and Reforms**

A range of existing policies and strategies have informed the development of this strategy.

#### **Joint Housing Strategy**

The district Joint Housing Strategy, *"Sustainable Homes and Neighbourhoods in a Successful District"* 2008-2020. The strategy sets out the broad strategic outcomes backed up with an action plan which the Council and its partners use in delivering the Districts housing objectives.

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<sup>1</sup> <http://www.communities.gov.uk/localgovernment/decentralisation/localismbill/>

Below is a link to the District Housing Strategy, "*Sustainable Homes and Neighbourhoods in a Successful District*" 2008-2020.

<http://www.bradford.gov.uk/NR/rdonlyres/5ABC5A78-A795-439B-A206-34C9FB280BCD/0/BMDCSustainableHomesandNeighbourhoods.pdf>

### **Homelessness strategy**

The Bradford Homelessness Strategy 2008 aims to provide quality services, delivered in partnership, to support people who are homeless or threatened with homelessness, to access appropriate housing and settle into their community.

Below is a link to the *Homelessness strategy 2008*

[http://www.bradford.gov.uk/NR/rdonlyres/1350C590-D66C-4C1A-BD36-F57ECD99F921/0/W20311Bfd\\_Homeless\\_Strategy.pdf](http://www.bradford.gov.uk/NR/rdonlyres/1350C590-D66C-4C1A-BD36-F57ECD99F921/0/W20311Bfd_Homeless_Strategy.pdf)

### **Housing strategy for the over 50s**

"*Great Places to Grow Old*" is Bradford's housing strategy for the over 50s and sits under the joint housing strategy for the district. The strategy is produced in the context of an ageing population and was developed in consultation with the district's Older People's Partnership.

Below is a link to the *Housing strategy for the over 50's*

<http://www.bradford.gov.uk/NR/rdonlyres/9F622797-A02A-4678-81E8-9D51CB6A12A3/0/GreatPlacestoGrowOld.pdf>

### **Tackling Empty Homes in the Bradford District: Delivery Plan 2011-2014**

"Tackling Empty Homes in the Bradford District: Delivery Plan 2011-2014" is Bradford's strategy for dealing with empty homes in the district. The strategy sets out a plan to bring more empty homes back into use and sits under the joint housing strategy for the district.

Below is a link to *Tackling Empty Homes in the Bradford District: Delivery Plan 2011-2014*

<http://www.bradford.gov.uk/NR/rdonlyres/D9B3F231-0307-45DC-B02A-B57EBC4D5D4E/0/TacklingEmptyHomesintheBradfordDistrict.pdf>

## **1.4 Consultation**

This strategy was developed in consultation with the RPs operating within the district through the Bradford Housing Association Liaison Group; through consultation individually with RPs operating in Bradford; and through consultation with the Bradford District Tenants and Residents Federation (BDTRF).

## Section two: The Strategy

Bradford Council supports the continued use of Lifetime (assured) tenancies as opposed to Fixed Term tenancies, in the social housing sector. However, Bradford council recognises that recent legislative changes allows Registered Providers to offer flexible tenancies but expects any offered would be in line with paragraphs 2.6 to 2.8 in this strategy.

This strategy seeks to achieve positive outcomes from the freedoms and flexibilities granted by government. However, securing these outcomes must not be at the expense of vulnerable tenants. The principles of flexibility and protecting vulnerable tenants will therefore be our two over arching principles which will underpin the overall Tenancy Strategy for Bradford District.

### 2.1 Principle One: Stability for vulnerable tenants

The Council is keen to ensure that these flexibilities are applied in a manner that does not undermine social investment into communities, and ensures that the most vulnerable tenants are provided with the level of stability they need to live independent and fulfilling lives.

### 2.2 Principle Two: Flexibility

Under the Government's housing reforms, housing providers will have the flexibility to determine the length of tenancy that they offer to new tenants. Bradford Council recognises that the introduction of these flexibilities may offer Registered Providers (RPs) an opportunity to address issues such as under-occupation, improve stock turnover, and encourage the best use of Bradford's limited affordable housing stock. However, the Council will not compel any RP to use these freedoms and flexibilities if the RP decides it is not in the interest of their tenants or organisation to do so.

The principles and objectives of this strategy have been informed by the local Bradford context which has been summarised in Appendix B. The key messages arising from this analysis are:

- There is significant deprivation in parts of the district
- Income levels are comparatively low and worklessness is high
- Parts of the district have relatively low house prices and low market rents
- Growing demand for housing (particularly affordable housing) that outstrips supply

The strategy is also informed by key aspects of the Joint Housing Strategy 2008-2020, the Homelessness Strategy 2008 and by the District Housing Allocations Policy.

### Housing Strategy

Our three main objectives in the Housing Strategy are:

- **More homes:** To provide new housing, much of it affordable to meet the needs of a growing population.
- **Quality:** To improve the quality of our existing housing stock both private and social, the quality of our neighbourhoods and provide quality services.
- **Inclusion:** To ensure that vulnerable people are helped to maintain a home and achieve independent living.

### Homelessness Strategy

Relevant objectives of the Homelessness Strategy 2008 include:

- Providing more settled homes
- Offering choice and stability for people who are homeless or at risk of homelessness
- Improve tenancy sustainability to reduce risks of homelessness

## Housing Allocations Policy

The strategy complements the District Housing Allocations Policy in promoting a balance between needs based allocation and offering a range of choices and tenures. This is underpinned by support for vulnerable groups to make use of the housing options available to them.

### 2.3 The aims of Bradford's Tenancy Strategy are:

- Better use of existing housing stock
- Protection for older people and other potentially vulnerable groups
- Support for first time buyers
- Support for stable communities and achieve social cohesion
- Enhanced capacity of RP's and Council services in predicting and responding to the impacts of welfare reforms and issues around under-occupation and overcrowding

### 2.4 Tenancy Strategy & Welfare Reform

The Government plans to introduce a universal credit system and benefit cap in April 2013 which will limit the amount of benefit available to families to £500 per week. When setting rents, affordable housing providers should be mindful of the potential impact of the proposed benefit cap. Research by the Council suggests that the introduction of the cap will create affordability issues for large families living in larger affordable rent homes. Therefore, in order to ensure mixed and sustainable communities and preserve affordability, the Council strongly encourages affordable housing providers to avoid setting rent levels that risk households being unable to afford their rent.

### 2.5 Registered Provider (RP) decision-making in the new tenure landscape

#### 2.5.1 *The tenure options*

Where a property becomes available for letting the RP will determine the appropriate form of tenancy and will seek to identify a suitable tenant. In determining the form of the tenancy the RP will take into account:

- the current mix of households in the locality and the aspiration to create and sustain balanced and mixed communities
- known need and demand for housing in the locality
- targets for lettings agreed as part of the nominations agreement
- any other strategic considerations relevant to the RP

When allocating a tenancy, it is expected that the RPs will consider the following in utilising the tenure options listed below:

- **Assured ("Lifetime") Tenancies** – These tenancies will usually have Assured Tenancy as their legal form, although it is common practice for RPs to offer an Assured Shorthold Tenancy for the first twelve months as a starter or probationary tenancy. Their aim is to provide quality and reliable accommodation to households who are unable to meet their housing needs through the market. They are particularly focused on the more vulnerable members of society. As with flexible tenancies a proportion of these lettings will be subject to Local Authority nominations in accordance with agreement with the RP.
- **Fixed Term ("Flexible") Tenancies** – These tenancies will usually have an Assured Shorthold Tenancy as their legal form, unless an alternative form of tenancy is introduced.

Flexible Tenancies last for a limited period and are renewable at the discretion of tenant and landlord at the end of a fixed term. The tenancies will be principally directed at those who are in housing need and where there is not a market solution readily available. It should only be offered in preference to a “Lifetime” tenancy where best use of stock can be demonstrated, with protection in place for vulnerable groups. A proportion of these lettings will be subject to Local Authority nominations in accordance with agreement with the RP.

- **Market Rent Tenancies** – These tenancies will usually have Assured Shorthold Tenancy as their legal form. Their aim is to provide quality and reliable accommodation to households who can meet their housing needs through the market and are attracted to RPs because of the quality and reliability they can offer. Such tenancies will play an important strategic role in meeting a demand and, particularly where introduced into areas undergoing change, in helping foster and sustain mixed communities. It is envisaged that this form of tenure will best meet the needs of households aspiring to buy for the first time but who are having difficulty securing a mortgage in the current economic environment.
- **Assured Shorthold Tenancy (“Probationary”)** – These tenancies will usually be for the first twelve months as a starter or probationary tenancy. Their aim is to provide quality and reliable accommodation to households who are unable to meet their housing needs through the market, while supporting the landlord to deliver effective housing management. This type of tenancy will usually then convert into an Assured or a Fixed Term tenancy.
- **Joint or separate tenancy options for single young people** – In response to reduction to Housing Benefit entitlements for young people Registered Providers (RP) are encouraged to explore means of using 2 and 3 bedroom lower demand stock to accommodate multiple single people in need.

### 2.5.2 Affordable Rent

The affordable rent model will enable affordable housing providers to set affordable rents at up to a maximum of 80 percent of the market rent for a comparable property within the same locality. Bradford’s housing market rent levels vary between localities. These variations will be reflected in the affordable rents calculated for each locality. Taking into consideration the data on rents and incomes presented below (see section 3.7 and 3.8), it is important that offers of Affordable Rent are genuinely affordable and do not place households at risk of increased dependency on Housing Benefit. However it is recognised that in some cases RPs discretion may be limited since new investment in social housing from the Homes and Communities Agency (HCA) is now usually contingent on RPs making use of Affordable Rent tenancies<sup>2</sup>.

## 2.6 Lengths of terms of flexible tenancies

Where fixed term tenancies are considered, the expectation is that fixed term tenancies will be granted for a minimum of five years. The Council however recognises the need for considerable discretion to RPs in the best interests of tenants, with discretion to RPs to let for shorter or longer periods, (or to, in fact, continue life time tenancies) where this is appropriate to the circumstances of the household or property. The reasons for this approach are:

- it is reasonable in terms of managing the resources involved in reviewing tenancies
- in order to give the tenant a reasonable time of stability to build their life chances for themselves and their possible dependants
- to allow a reasonable period for tenants to engage in the local area, which is needed for cohesion in communities

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<sup>2</sup> <http://www.homesandcommunities.co.uk/ourwork/affordable-rent>

- to allow the RP to take into account circumstances of the household or property which might merit a letting of shorter or longer tenancies than five years

The grant of a tenancy that exceeds a five year period may be appropriate for some tenants in order to provide an additional degree of stability and security and to aid neighbourhood stability.

The circumstances of households who have dependent school-aged children attending a local school, those living in adapted properties, and those with a support need that is long-term but not necessarily lifelong, should be considered when deciding on the length of the fixed-term offered by an affordable housing provider.

Tenants with a lifelong need for support that would disadvantage them in securing alternative accommodation should be offered lifetime tenancies. This applies to tenants in both general purpose accommodation and those in specialist and/or supported accommodation.

The Council is also of the view that those residing in older persons' accommodation, such as sheltered or extra care housing should continue to be granted lifetime assured tenancies.

The Council expects RPs to communicate their lettings, tenancies, policies and procedures to existing and prospective tenants and to prevent unnecessary evictions, particularly in relation to households with dependent children and vulnerable members, and to households affected by the Welfare Reform measures.

## **2.7 The circumstances in which a Registered Provider (RPs) will grant a further tenancy on the coming to an end of the fixed term tenancy**

The Council expects that tenants' needs shall be sensitively dealt with and RPs should consider the following criteria for renewal of tenancies.

Fixed term tenancies expiring may not necessarily be renewed where:

- The household is under-occupying the property subject to alternative accommodation being available or made available by the RP.
- The household's circumstances enable them to access suitably sized and located market housing and:
  - there is not a reason to seek to retain the household in the locality for purposes of community balance
  - the household has access to any support that may be appropriate and the move will not be significantly to the household's wellbeing
- A member of the household is engaged in anti-social activities within the locality of the home and/or that has a detrimental effect upon the community in which the household is placed. Anti-social behaviour is conduct causing or likely to cause nuisance or annoyance, harassment, alarm or distress, to any other person and can include criminal acts. However it is expected that RPs do everything possible to sustain tenancies where anti-social behaviour is a concern and tenancies should only be ended on this basis when all other options have been fully exhausted.
- The property was adapted during the tenancy period for someone with a disability and that person is no longer resident at the point at which the tenancy period ends; subject to alternative accommodation being available or made available by the RP.
- Where a person has been granted a property in order to receive support but then refuses to accept that support.

- Where there is evidence of a breach of tenancy agreement has occurred for example property neglect or rent arrears. Tenancies should be ended on this basis only where all other options have been fully exhausted.
- Where it is identified the property is inappropriate for an individual's needs, e.g. they are not coping in the property or they need more support than is currently being provided. The RP should support the tenant in these circumstances to access the range of housing options that are available to them.

Fixed term tenancies expiring should be renewed where:

- The household includes children of school age. Additionally, children stay with their parents well beyond school age for valid reasons, and these will be considered on an individual basis.
- The household includes a disabled person with adaptations to the home.
- The household receives some form of housing related support
- The household is playing an active role in the community
- Households where the applicant or household member is significantly vulnerable, for example, terminally ill or where a move would otherwise be substantially detrimental to them.

The Council is committed to ensuring that the decision to terminate a fixed-term tenancy does not lead to increases in levels of homelessness in Bradford. Therefore, in situations where a decision has been taken by a housing provider not to renew a tenancy at the end of a fixed-term, the provider should seek to engage with the tenant at the earliest possible opportunity to make them aware of the provider's intentions. Housing providers should provide households affected by the termination of a tenancy with any relevant advice, assistance and support that will assist them in successfully relocating to alternative accommodation. This advice, assistance and support should include:

- Advice on low-cost home ownership options and other alternative affordable housing tenures
- Specialist housing and or welfare-related advice and/or signposting to appropriate advice services
- Advice on renting in the private rented sector and assistance in identifying and securing a suitable property (this may involve assistance with a deposit where necessary)
- Support to settle into the new property and community

## **2.8 Implementation of Fixed Term Tenancies (FTT)**

It is not the intention of the Council to be prescriptive as to the mechanics of the reviewing and renewing of fixed term tenancies. This is detailed in tenancy policies which RPs will draw up. However, some practical considerations need to be taken into account in the formulation of those policies and we encourage RPs to take the following into consideration when drawing up and reviewing their own policies.

Continuing occupancy and renewal on expiry of the fixed term would still be the default position, unless certain specific conditions apply. The exception cases in which tenancy end is considered are set out in Section 2.6 above.

Implementation of FTTs should as far as possible be done in a way which minimises potential housing management problems, with any changes being as simple and transparent as possible. While there will inevitably be some households that do not benefit from these changes, they should nevertheless be made in as fair a way as possible. To help achieve this, the following may be appropriate:

- On expiry of a tenancy, the responsibility is shared between tenant and landlord to obtain evidence of a continuing need/eligibility. The landlord is required to make reasonable efforts to ascertain the household's circumstances, but where the tenant neglects to provide evidence they could reasonably be expected to provide then the landlord is entitled to make a decision based on the facts available to it. This responsibility should be an express condition within the tenancy agreement itself.

Reviews should be light touch, assessing simply whether grounds for termination (non-renewal) apply. If not, the tenancy is renewed automatically. Fixed term tenancies are likely to be restricted to general needs households of working age. Families with school age children should not be asked to move if this disrupts children's schooling. Other vulnerable groups should be treated according to circumstances and not unreasonably be asked to move on.

## **2.9 Changes to the District Housing Allocations Policy**

During 2013 Bradford Council will formally review its Housing Allocations Policy. This will be carried out through a separate process of evidence analysis and consultation/engagement, but for the purposes of this strategy it may be noted that the following will be encompassed in this exercise:

- decisions on the option to discharge homelessness duty into the private rented sector
- access to housing by the uniformed services community; Bradford Council is a signatory to the Armed Forces Covenant, and
- integration of other policies such as allocations for Gypsy and Traveller sites.

In the meantime this strategy is informed by the existing housing allocations policy.

## **2.10 Monitoring of the Strategy**

The strategy will be a live document that will develop over time, informed by partnership working with RPs and others. The housing market, housing need and demand for properties are likely to change further as a result of proposed welfare reforms and changes to the economy; it is expected that further changes to the strategy will be needed in the coming months and years.

The RPs' general approach to lettings periods for flexible tenancies will form part of periodic monitoring meetings with RPs. Individual RPs will be expected to document any exceptions to this so that evidence is available to defend any legal challenges against them

The Strategy will be monitored annually through Bradford's Housing Association Liaison Group to reflect changes in local housing priority, legislation and strategic goals. Monitoring will need to consider two main areas:

- The effectiveness and extent to which the new measures are implemented. This will include measuring the number of fixed term tenancies issued, the number of affordable rent properties, changes to allocations processes and homelessness placements in the private sector.
- It will also need to consider changing market conditions and their likely impact on the demand for service provision. It will therefore also monitor:

- Housing need
- Homelessness approaches, preventions and acceptances
- Number of new homes built and in which tenure(s)
- Rent levels across all tenures
- Changing trends in welfare benefits, particularly housing benefit
- Affordability

Monitoring these activities will inform future changes to the strategy and enable our service response to remain appropriate and relevant to changing circumstances.

## **2.11 Refresh of the Strategy**

This Strategy will be valid for 5 years from 2013 with a review or refresh completed in 2018.

## Appendix A

### GLOSSARY OF TERMS

<b>ASB</b>	Anti-social Behaviour
<b>AST</b>	Assured Shorthold Tenancy
<b>CBL</b>	Choice Based Lettings
<b>CBMDC</b>	City of Bradford Metropolitan District Council
<b>DCLG</b>	Department for Communities and Local Government
<b>FTT</b>	Fixed Term Tenancies or Flexible Tenancies. At the end of the fixed term the tenancy is either renewed or terminates
<b>HCA</b>	Homes and Communities Agency – the main provider of grant funding for Affordable Housing in England
<b>HB</b>	Housing Benefit
<b>HOS</b>	Housing Options Service
<b>LA</b>	Local Authority
<b>LHA</b>	Local Housing Allowance
<b>PRS</b>	Private Rented Sector
<b>RP</b>	Registered Provider of Social Housing (usually refers to housing associations)
<b>SP</b>	Supporting People
<b>SRR</b>	Single Room Rate (of Housing Benefit)
<b>TA</b>	Temporary Accommodation

## Appendix B: Bradford Context

### 1. Summary

This section details the statistics behind the key housing issues in Bradford. It highlights key trends relating to the economic context and the housing market.

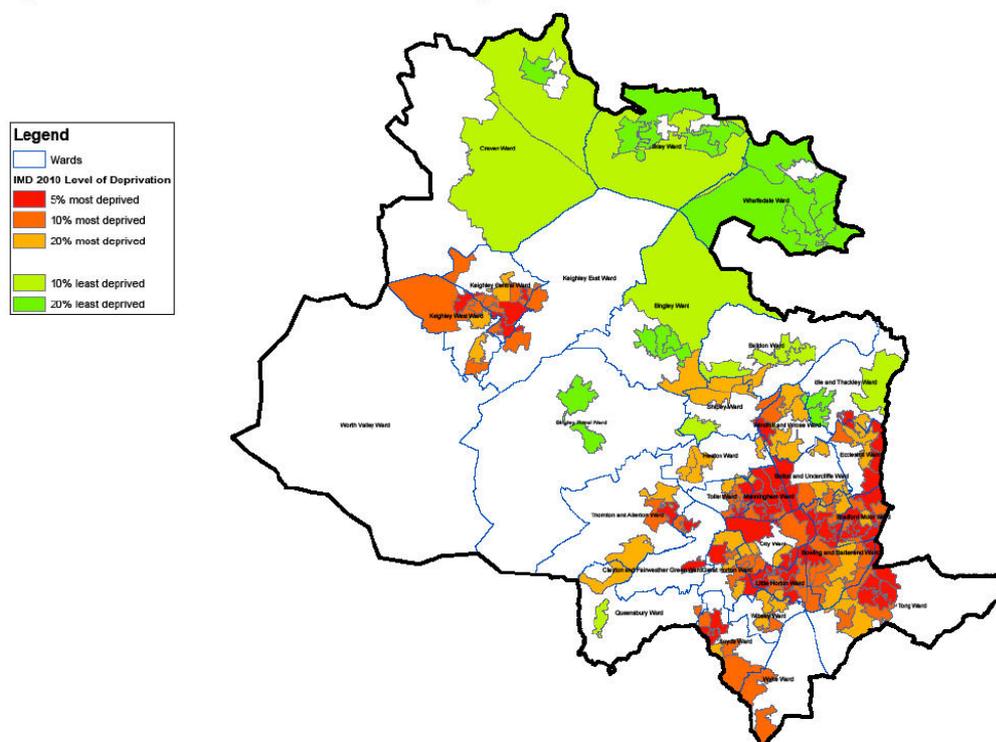
Bradford has a population of 522,500 (Census 2011). There are currently 209,745 self contained homes within the Bradford district. 198,385 of these homes are occupied, with 2.58% being long term empty (Source: CBMDC Council Tax October 2012).

### 2. Deprivation

The Index of Multiple Deprivation (IMD) is produced by Government to identify the distribution of deprivation across the nation. Information is analysed and ranked by Lower Super Output Areas (LSOA: subdivisions of wards), from the most deprived area to the least deprived area.

The map below shows the geographical distribution of deprivation across the district:

Map: Bradford District – Most and Least Deprived LSOAs



The Bradford District is the 26<sup>th</sup> most deprived Local Authority in England. Around 31% of the district's population lives in areas that are amongst the 10% most deprived in England.

Bradford is ranked 1<sup>st</sup> of all Local Authorities in England in terms of having the widest gap between the most and least deprived areas. Nearly 6% of the district population live in areas that are amongst the 10% least deprived in England.

### 3. Household Income

Household incomes across the district as a whole are lower than regionally and nationally. The median income across the district was £25,191 compared with £26,331 across Yorkshire & Humber and £28,989 across Great Britain (CACI Paycheck 2011).

About 40% of households have a household income of less than £20,000 per year (CACI Paycheck 2011).

Reflecting deprivation, average incomes vary across the district, ranging from a median of £38,000 in Ilkley to £16,000 in Little Horton.

#### **4. Worklessness**

A workless household is defined as one where all household members aged 16-64 are out of work. As of December 2011, 39,555 (24%) working age households were classed as workless in Bradford. This is a higher rate than regionally (21%) and nationally (19%) (Source: Annual Population Survey Household Dataset 2011, ONS).

The number of workless households in Bradford increased sharply by 39% between 2008 and 2010.

Across Yorkshire & Humber, the most common reason given for being workless is sickness or disability (28%). A further 21% are unemployed and looking for work. 16% are looking after the home/family.

#### **5. Housing Tenure**

As is the trend nationally, the most common tenure in the Bradford district is owner occupation (65% of households), with social housing accounting for around 15% of housing, and 18% being privately rented (Source: 2011 Census). However, Bradford has a lower proportion of social housing than Yorkshire & Humber (18%) and England as a whole (18%).

In line with the national trend, it is very likely that the level of owner occupation has fallen in recent years and that the private rented sector has continued to grow.

#### **6. Property Prices**

Taking the district as a whole, property prices in Bradford are significantly lower than the regional and national average. Property prices in Bradford are 19% lower than across Yorkshire & Humber and 42% lower than across England and Wales as a whole.

In the period between 2002 and 2008 property prices rose 135% in Bradford but have since lost around half of that gain.

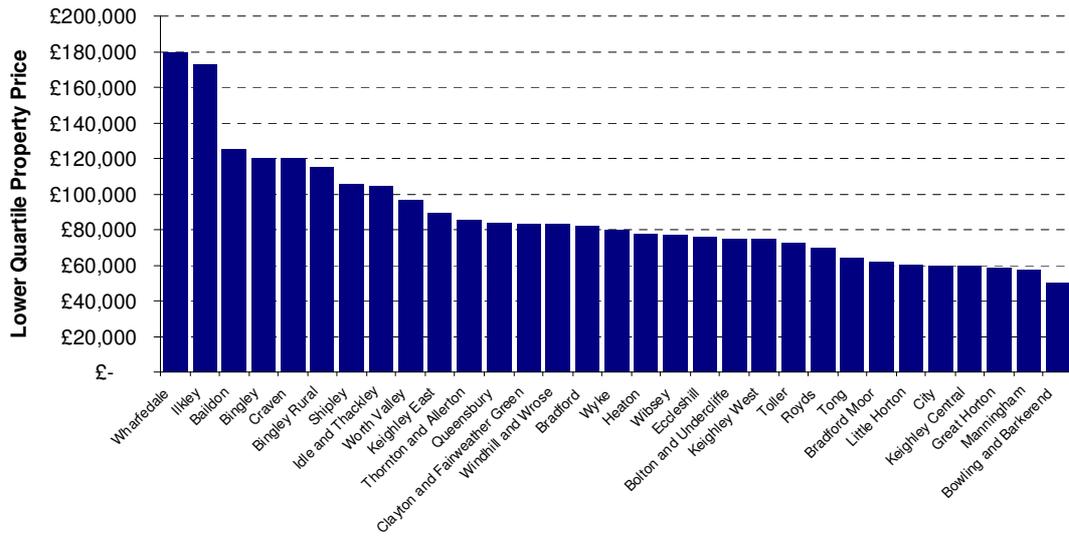
The average prices compared with regional and national trends are set out in the table below:

<b>Average Property Price</b>	<b>September 2012</b>	<b>September 2002</b>
Bradford District	£94,037	£58,471
Yorkshire & Humber	£115,853	£77,183
England & Wales	£162,561	£113,990

Source: HM Land Registry (House Price Index November 2012)

However, the social diversity of the Bradford District means the district average masks the geographical variances of property prices within the district. Lower quartile property prices are often used as a broad measure of the housing access point for first time buyers. Lower quartile property prices in Wharfedale (least deprived) are over three times that of those in the inner city (most deprived). The chart below shows Lower Quartile property prices by Ward:

### Bradford Residential Property Prices by Ward 2011 (Source: HM Land Registry)



## 7. Rental Prices

The table below sets out the average Bradford rental prices for a range of property sizes, compared with figures for the region and England as a whole.

Weekly Rental Cost		Housing Association Rent (new lettings)	Affordable Rent	Local Housing Allowance	Average Private Sector Rent
1 Bed	Bradford	£73	£71	£81	£88
	Yorkshire	£64	£75		£94
	England	£73	£110		£137
2 Bed	Bradford	£78	£86	£98	£107
	Yorkshire	£71	£104		£130
	England	£82	£122		£153
3 Bed	Bradford	£85	£100	£110	£125
	Yorkshire	£77	£104		£130
	England	£91	£142		£177
4 Bed	Bradford		£132	£127	£164
	Yorkshire		£206		£258
	England		£247		£309

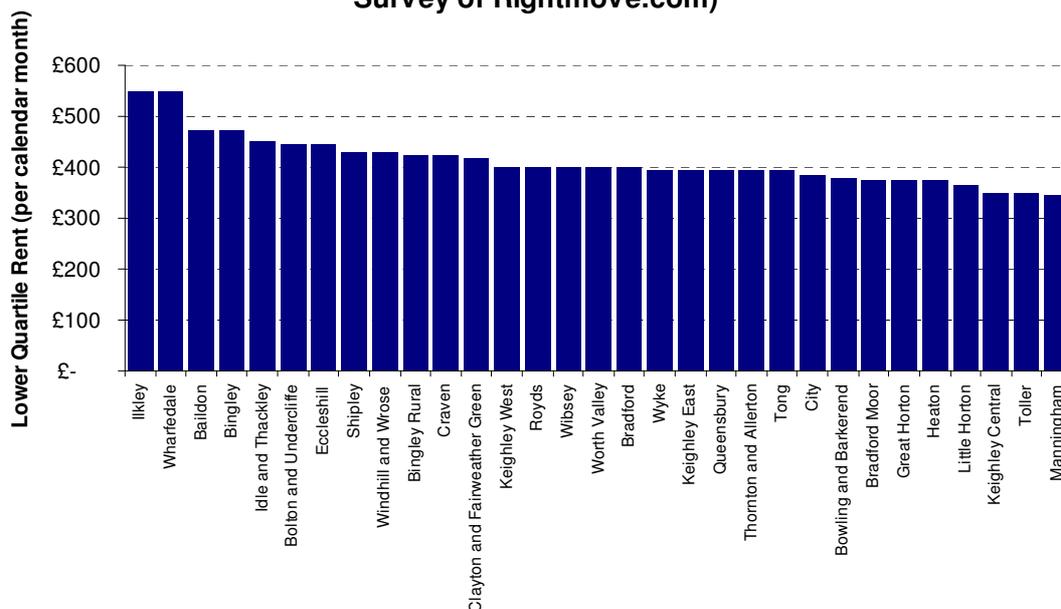
Sources: Continuous Recording of Lettings & Sales, Valuation Office

This data shows that private sector rents are lower in Bradford than across the region. This in turn reduces the amount chargeable for Affordable Rent (set at 80% of the market rent) and the Local Housing Allowance (Housing Benefit level for private sector tenants). As Bradford has relatively high Registered Providers (social) rents in comparison to the region, this reduces the gap between Affordable Rent and Social Rent (with Social Rent for 1 bedroom properties being on average higher than what is chargeable through Affordable Rent). This will impact on the viability of Registered Providers to build new build social housing via the Affordable Rent model (with reduced grant funding from central Government), specifically for 1 bedroom homes.

## 8. Housing Affordability

Rents also vary geographically across the district but not to the same extent of property prices. The chart below shows Lower Quartile private rental by Ward:

**Bradford Montly Private Rental Prices by Ward (Source: Weekly Survey of Rightmove.com)**



This lower variance means that weekly mortgage costs work out to be lower than private rental costs in about a third of the district<sup>3</sup>. This generally occurs in the most deprived areas, so whilst costs would be lower in theory, affordability, especially for a deposit, causes particular problems for accessing home ownership. Current deposit requirements by mortgage lenders are compounding this issue.

As Affordable Rent tracks average rents, the more expensive areas of the district would be more viable in building homes to Affordable Rent. However, it is unlikely that these could be aimed at the households most in need of affordable housing, who tend to have stronger links with the poorer areas of the district by definition. Affordable Rent, could therefore provide sub-market housing in the most expensive parts of the district aimed at low income households working in the lower end of the local economy, although it is important that affordability for individual households is given careful consideration by Registered Providers when properties are allocated. In particular the risk of creating dependency on Housing Benefit through higher rents should be avoided wherever possible.

## 9. Housing Need & Demand

Bradford's population has grown 11% between 2001 and 2011 (Source: Census 2011) and is expected to grow a further 9% in the next ten years (Source: Interim 2011 based subnational population projections, ONS).

Work is ongoing to estimate the level of future housing requirement but it is likely to be in the region of the obsolete Regional Spatial Strategy target of an additional 2,700 homes per annum across the district.

Difficulties in the national housing market are affecting the private sector's ability to deliver additional housing. In total, just 769 additional homes were completed in 2011/12. This, along with a proactive approach by the Council and its partners, has helped significantly reduce the number of long term empty homes across the district in the last few years (down 29% since 2008) but

<sup>3</sup> lower quartile property at 95% Loan to Value ratio and current 6% average mortgage rates compared with lower quartile private rent costs

homelessness has also increased since the second half of 2010. (Sources: CBMDC Council Tax 2012 and P1E Homelessness Returns 2012).

The Bradford 2010 Strategic Housing Market Assessment estimated that within the annual requirement for an additional 2,700 homes, 749 would need to be affordable.

## **10. Welfare Reform**

Since the 2010 Strategic Housing Market Assessment was published, there have been significant changes to the way Housing Benefit is calculated. These changes will affect the ability of the private and social sectors to provide affordable housing to people reliant on Housing Benefit.

The detail of these changes is well documented but two specific changes are likely to have an impact on how social housing tenancies are offered:

- The Local Housing Allowance (Private Sector Housing Benefit) Shared Room Rate is being extended to single people aged 25-35 (previously it applied to single people under 25). This will increase the demand for one bedroom self contained accommodation in the social sector for younger single people (who are likely to be more mobile by their circumstances).
- Changes to the way Housing Benefit is calculated for working age households in the social sector so that there is a link with the actual household requirements. This will mean that there will be financial pressure on single/couples aged 45-65 to downsize after their children leave home. This will help to assist free up family housing (as long as the appropriate downsize accommodation is available) without the additional need to use fixed term tenancies.