


Housing Markets
Preparing for change

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Front cover pohotgraphs: Keswick School, Lorton, Salterbeck, Workington and Egremont Town Centre

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Foreword

For years, Cumbria has struggled to develop social housing. Social rented housing continues to leach away through right to buy and the development programme has failed to keep up. By 2002 there was virtually no rural programme in the county, since costs simply failed to stack up within the existing funding regimes.

The Housing Corporation has always been sympathetic to the difficulties Cumbria faced in delivering social housing. To gain more insight and understanding, several officers of the Corporation visited the region, culminating in a visit by Ivan Monckton, a Housing Corporation Board Member, in 2002.

The visit coincided with the announcement of new regional planning quotas restricting the number of new homes in the south and east of the county, the areas covered by South Lakeland and Eden District Councils. The quotas appeared to compound the existing problems faced by Cumbria in delivering the Housing Corporation's rural programme. Concern was mounting, and it was feared that poor delivery would damage Cumbria's chances of obtaining funding through the Regional Housing Board.

Of all the six Cumbrian local authorities, Allerdale Borough Council displays the greatest range of housing markets, typical of the range found across most of the country, from the low value terraced homes in towns and villages on the west coast, to the highly-competitive market within the Lake District National Park. At the same time, Copeland was about to experience the economic impact of changes to the British Nuclear Fuels operation at Sellafield, in the wake of nuclear decommissioning.

Thus, whilst future development in South Lakeland and Eden was to be curtailed by the new planning quotas, creating challenges for the delivery of new affordable housing, Allerdale and Copeland presented major challenges and opportunities for intervention across a range of housing markets. For this reason, it was agreed that this research project would concentrate on central Cumbria and the west coast, highlighting key challenges and proposing solutions within the extremes of low value/ low demand and high value/ high demand markets.

The project was commissioned through the Housing Corporation Innovation and Good Practice grant programme. Its purpose is to identify the factors which influence local housing markets, including the effect of planning policy; and to provide research-based guidance to those responsible for local, county and regional strategies.

We hope you will agree that the research not only meets these objectives, but also provides a clear model for others to follow. This will guide future understanding of local housing markets and the dynamic interaction between them. It will also ensure that strategic decisions on housing investment and planning policy make the best possible use of housing funds to deliver government's central objective of creating "Sustainable Communities".

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Executive Summary

AIMS

This is a study of local housing markets in six towns and villages in west Cumbria and the Lake District National Park. The purpose of the study is:

1 To develop and test a new model for assessing the strengths and weaknesses of local housing markets and determining which interventions will be most helpful. This is intended to be of use to strategic bodies, planners, housing authorities and housing providers elsewhere in the UK.

2 To inform and guide regional, sub-regional and local housing strategies, by:
- modelling future trends in local housing markets, including their impact on other, neighbouring markets;
- identifying specific risks and specific opportunities for intervention in each local market.

3 To develop priorities for intervention within each housing market, designed to make the best use of available investment/resources; and to maintain prosperous, stable and sustainable communities, in accordance with the aims of the Government's Communities Plan.

WHAT THE STUDY PROVIDES

This study offers a flexible step by step approach to housing and planning strategies. A detailed analysis of the six local housing markets provides the basis for:

- *classification of housing markets*: we identified three types of market, each with specific challenges, risks and opportunities. These market types exist elsewhere in the UK.
- *identification of key market drivers*: drivers are the social and economic factors which determine how local housing markets behave.
- *risk assessment and scenario planning*: we model the likely impact of future social and economic change on our case study housing markets and the dynamic interaction between them.
- *restructuring housing markets*: we select interventions appropriate to each market, and provide some principles for success.

We believe that the value of our approach is not confined to west and central Cumbria. The model can be applied to markets with similar characteristics elsewhere in the UK. The process is transparent and explicit, designed to engage stakeholders, and ensure 'buy in' to the resulting action plans.

WORK UNDERTAKEN

Work was undertaken in the following stages:

- *the selection of case study settlements;*
- *mapping the housing stock in each settlement by tenure, size and type*;
- *creating housing market profiles* covering:
  - supply of housing by type and tenure, using 2001 Census data, information from social landlords, our own mapping exercise, and Land Registry sales data;
  - demand for housing across all tenures, based on information from estate agents and social landlords, and CORE data on new housing association lettings;
  - socio-economic factors, compiled from the 2001 Census and indices of deprivation.
- *scenario planning*: we identified the broad social and economic trends which might affect each settlement over the next fifteen to twenty years, and rated them in terms of probability and impact on the housing market;
- *identifying interventions:* we drew up a list of possible interventions and indicated which interventions were most appropriate for each housing market;
- *prioritising interventions* by housing market type, and for each of the case study settlements.

FINDINGS

Housing market types

By comparing housing market profiles for the six settlements, we were able to identify three clear types of housing market with distinct patterns:

- integrated high value markets, represented by Keswick, Lorton and Cockermouth;
- integrated low value markets, represented by Egremont and Workington;
- fragmented markets, represented by Frizington.

Each market type had specific strengths and weaknesses, specific social characteristics, and specific risks and opportunities.

High value integrated markets tend to be found in market towns and villages in attractive rural and semi-rural settings. They may also exist within larger urban areas. There is a range of different types of home within the settlement, and no single house type or tenure dominates. The rungs on the housing ladder start high, but the ladder is relatively complete. However, the cost of entry into owner-occupation – the first rung – is beyond what most people on local wages can afford. There is nothing to bridge the gap between social renting and the very high cost of buying a first home. In some markets, local people have difficulty moving up a housing ladder, because the next step on the rung is too expensive.

Where planning restrictions limit new development (typically, settlements within National Parks, such as Keswick and Lorton), there is an absolute shortage of properties on the market. Intense competition between highly-paid commuters and those in search of a second, holiday, or retirement home forces up prices. Outside National Parks, high value integrated markets (for example Cockermouth) tend to have good road links to other centres of employment, and may provide some new high value homes. Demand comes mainly from commuters seeking a high quality of life in a rural or semi-rural environment, who are increasingly willing to travel between regions, or nationally.

High value integrated markets tend to have good local schools, and relatively low levels of social deprivation. Local services benefit from the spending power of better-off households, and reflect their tastes. This reinforces the attraction of these settlements, and they tend to become even more prosperous and exclusive over time.

Low value integrated markets have large numbers of homes at the bottom end of the housing ladder, and a severe shortage, or absence, of high value homes. They are characterised by large social housing estates, and large numbers of pre-1919 terraced homes, often provided for workers in dominant local industries. The erosion of the old manufacturing base, the trend for those who can afford it to move into owner-occupation, and the availability of low-cost homes to buy have led to a collapse in demand for social housing. The social profile of areas dominated by housing association and council-owned homes shows high concentrations of deprivation. Certain pockets experience high turnover and a high incidence of social problems. The profile of existing social housing tenants, including many of those who have bought their former council or housing association home, appears to be ageing. This suggests that vacancy rates will increase further over the next fifteen years.

Low value integrated markets may have positive features, such as an historic town centre, and easy access to high-quality landscape. But the lack of attractive, high value housing, and the dominance of grim municipal social housing estates prevent them from capitalising on their strengths.

Fragmented markets tend to be settlements with an industrial history close to high-quality rural areas, and within commuting distance of major towns. They have large numbers of very low value homes, usually small terraced houses built originally for workers in local industries; and a high proportion of social housing. The housing ladder lacks middle rungs, but there are some high value 'executive' style homes, often segregated from the terraced and social housing. The older terraced homes may be occupied by older people, who are unable to invest in them, or rented privately by younger, mobile households employed in local towns; increasingly, they are providing a desirable first rung on the property ladder. The social profile of fragmented markets is similarly divided. High levels of deprivation in social housing co-exist with the prosperity of executive estates. As in low value integrated markets, the availability of cheap terraced housing has recently attracted individual small investors into the buy-to-let market.

Generic housing market drivers

Source of demand	*Key factors/sensitivities*
Local Households working in lower-paid jobs in local businesses Those with family and community ties Older, long-term residents, possibly in social housing	***Influenced by*** Housing market factors – for example, available housind demand and expectations Local economic factors – for example, employment and wage levels
Regional Higher-paid regional commuters Households moving out of urban centres for lifestyle reasons Buy to let investors	***Influenced by*** Regional economic factors Settlement characteristics Geography Transport and infrastructure Social factors – schools, health Environment and location Housing market factors
National Job-movers (key workers; higher-paid managerial and professional workers; down-shifters) Higher-paid national commuters Second home buyers Buy to let investors Households seeking a retirement home	***Influenced by*** National economic factors Settlement characteristics Environment and location Housing market factors

Housing market drivers

The way the housing market behaves in any particular settlement depends on the dynamic interaction between the following, which we have termed *housing market drivers:*

- The characteristics of the settlement, and a range of social and economic factors, which are sensitive to change, in accordance with national, regional and local trends. We identify these under the heading *'Key factors and sensitivities'*.
- The types of households wishing to live there, and their housing needs and aspirations. We summarise these under *'Sources of demand'*.

We recognise that there is a hierarchy of housing markets within the country: *the national housing market, the regional housing market, sub-regional housing markets, and local housing markets within settlements, where stepping into* *the next street maybe sufficient to move into a very different housing market.* We describe the characteristics of local markets within each settlement profile. Our housing market drivers model the influence of national, regional and sub-regional markets upon these local markets.

High value markets are mainly – though not exclusively – influenced by national and regional factors. In low value and fragmented markets local factors are more important, and this tends to expose them to greater risks.

Generic housing market drivers are summarised in the table on the previous page. Based on this template, detailed drivers can be identified for each local market. For example, 'housing market factors' for Workington would include the availability of large numbers of relatively low-cost terraced houses.

By predicting what changes – social, economic, or environmental – are likely, it is possible to develop new, or amended drivers, and to model how local housing markets may behave in future. We use this technique to identify future risks and opportunities for each of the case study settlements.

HOUSING MARKET SUMMARY: KEY ISSUES

Sustainable communities and the housing markets: the link

A key finding is the role played by the location, history and built form of the settlement. This determines how successfully a particular settlement will adapt to changes in the local economy, lifestyle factors, and patterns of housing demand and housing expectations. In the main report, we compare the prosperity of modern Cockermouth with the depressed state of Egremont, and show how this can be explained by geographical location and the history of post-war development in the two towns.

The nature of the housing stock in a low value or fragmented market settlement can lock negative factors, those which hold back regeneration and positive change, into place. From this, our conclusion is a simple one: in order to make some communities sustainable, it is necessary to change the nature of the housing stock.

Relationships between markets

Our study confirms that changes in one local market have an impact on other, neighbouring ones.

In a strong, or strongly-rising national housing market, existing high value *local markets* are first to respond. Rising prices in the most sought-after areas will tend to displace demand to neighbouring low value and fragmented settlements. In Cumbria, this has taken the form of a ripple moving first from the Lake District National Park to the south of the county, and then spreading east and west.

The tendency for high house prices in one area to force up values in another, neighbouring market is well known. Households priced out of their preferred market seek the nearest equivalent elsewhere. Some compromise is involved, but the type of homes available, the neighbourhood, local schools and services, transport links and travel to work time must not be too far from the ideal. Thus, Workington, with improving secondary schools and a regenerated town centre, is currently more acceptable than Egremont to those in search of a lower-value home.

It is sometimes argued that good local schools are a pre-condition for attracting better-off households to a particular area. We would argue that the *housing market* plays an important part in the early stages of school improvement (as defined by the rather narrow terms of the league tables). There are several local examples in Cumbria where housing market factors – for example, the development of executive-style new homes in rural villages and market towns – have shifted the balance of the school population in favour of children from higher socio-economic groups, who tend to perform better in exams. Once this trend is established, it is self-sustaining, and the successful school becomes a housing market driver in its own right.

Our housing survey shows that older people play an important role in the market. The wealth created by house price inflation allows them to move from high value areas, often outside the county, to attractive settlements where housing is less expensive, whilst releasing equity. They can also use their equity to buy second or holiday homes or – anecdotal evidence suggests – to assist their children to purchase their first home.

A guiding principle behind our interventions has been to make moves between markets easier, where there are clear benefits from doing so. For example, providing higher-value homes in Workington can relieve pressure, and reduce house price inflation, in the overheated markets of Keswick and Cockermouth. It also assists the regeneration of Workington.

Balancing communities

Restructuring housing markets has social and economic benefits. As prosperous and aspiring households are drawn to the more attractive settlements (such as Cockermouth), social disadvantage concentrates in neighbouring, less favoured areas. In the desirable, high value areas, the growing population brings increased demand for public services. Correspondingly, less popular areas experience a decline in population, prompting public spending on service closure, making remaining services less cost-effective. Thus, allowing one market to grow at the expense of another effectively doubles the cost to the public purse.

Judicious intervention in housing markets can tackle the harmful social and environmental effects of concentrating deprivation in particular local areas. It can prevent high value areas becoming so exclusive that households on modest local wages can no longer afford to live there. It can ensure that public funds are used efficiently to maintain high service standards, where they already exist; and where services perform poorly, they can often be improved by stabilising population numbers, and by changing the socio-economic profile.

Social housing

The oversupply of social rented housing in low value and fragmented markets emerged as a crucial issue. Large municipal estates concentrate social deprivation, depress the urban environment, and deter better-off households from moving into the settlement. Oversupply allows 'churning' in the social housing market, with up to 40% of vacancies filled by existing tenants.[1] More astute tenants switch landlords, attracted by improvement programmes and community action schemes. The homes they vacate may be re-let to less stable tenants – often young one-person households, for whom tenancy support systems are inadequate. They become a source of social problems, and failing tenancies add to the problems of high turnover. Often, these homes, in their turn, become the target of improvement programmes. In this way, a continuous cycle of investment and re-investment in social housing estates is established.

The cost of managing oversupply and slow decline in social housing is often greater, in the long term, than tackling oversupply head-on, through clearance. Further, we consider that without significant clearance and re-development of social housing estates, the differential between the high value housing markets of central Cumbria and the low value markets further west will increase. In the long term, the low value markets will decline, whilst the high value areas become increasingly unaffordable. Without the spending power of better-off households, regeneration in low value areas may falter, whilst the opportunity to relieve pressure in overheated high value markets is lost.

The ageing profile of tenants and residents

A particular concern is the ageing profile of social housing residents – both tenants, and those (up to 50% on some estates) who have exercised the right to buy. This applies particularly to the low value and fragmented markets of the west coast towns and villages. Over the next fifteen years, we predict that turnover in social rented housing will increase significantly. The problems of over-supply, which are at present only beginning to surface in towns such as Egremont, will become acute. At the same time, the private market will be flooded with ex-right to buy homes. Given their general unpopularity, these are unlikely to find buyers in low value and fragmented markets, other, perhaps, than unscrupulous private landlords.

This opens the prospect of abandonment, a rising incidence of social problems, and market collapse. It supports the case for radical action on social housing estates in west coast towns.

Whilst the population is ageing, the popularity of social housing designated for older people is in sharp decline, aggravating problems of over-supply. Today's older people have a strong preference – confirmed by research – for remaining in their existing home, perhaps with help from domiciliary care, and/or aids and adaptations. Public policy and funding streams support this choice.

Within the overall surplus of social housing, certain types of older people's housing, particularly bedsits and one-bedroom accommodation, fail to meet modern expectations, and are at the end of their useful life.

The study also found concentrations of older households in terraced housing in the low value and fragmented markets. They may need help to carry out essential repairs, or to obtain adaptations.

Balancing housing markets

The end point of this research is a set of interventions (*what needs to be done*) designed to restructure each housing market and achieve a better balance. Our study suggests strongly that there is no single definition of 'balance' which suits all housing markets. Each market type requires a different approach.

In general terms, an efficient, balanced housing market will have these characteristics:

- People on a range of incomes can find a suitable home. The social mix will to some extent depend on the local economy and travel to work patterns, but a broad range of house types in well-graduated price bands ensures a viable community.
- Those who need to live in a location, rather than choose to live there, are not unduly disadvantaged.
- The housing stock does not concentrate deprivation in particular areas and particular house types.
- Settlements with low value and fragmented markets may have the potential to attract above-average earners, and should provide some housing which those households are likely to buy, including high value homes. There is clear evidence that the spending power of higher earners has a positive effect on local services and schools.
- People in work on average local incomes should be able to afford to buy, or at least have an equity share, at the lower end of the market.
- Growing families in small homes at the lower end of the market should have some opportunity to trade up to a larger home which is still affordable to them.

RESTRUCTURING HOUSING MARKETS: PRIORITIES FOR INTERVENTION

The interventions we propose are designed to use a limited amount of public money to kick-start housing market restructuring on the assumption that the private sector will then continue the process. Having said this, we have consistently matched our interventions to the overall needs of the market, preferring solutions which are sustainable in the long term to those which are merely cheap or quick fix.

We have identified five priorities for the case study settlements. These priorities are matched to the requirements of integrated high value, integrated low value, and fragmented markets, as well as being a response to specific local risks and opportunities. *They should be equally applicable to other areas in the county, and other regions with a similar mix of housing markets.*

Priority 1: reduction of social housing, especially on municipal estates, through the clearance of surplus or obsolete property types in unpopular areas.

1: Information from Housing Corporation CORE,©Housing Corporation, data for case study settlements

Provision of middle- to higher-value properties, using, wherever possible, brownfield sites created through clearance.

Priority 2: provision of affordable owner-occupation in high value housing markets.

Priority 3: provision of suitable property and support packages for one-person households.

Priority 4: creation of a Home Improvement Trust or similar to assist in the repair of private sector homes.

Priority 5: re-development , clearance or re-use of obsolete property designated for older people.

We use examples from the case study settlements to explain how these five priorities might be tackled, and to set out the advantages and disadvantages of each.

Our interventions for each market type are underpinned by certain principles. These are set out below.

Principles of intervention: low value and fragmented markets

Areas should be selected according to the following criteria:

- There is high turnover, high vacancy rates, high numbers of unsold properties on the market, or evidence of abandonment, and residents are dissatisfied with their neighbourhood or property.
- They can be tackled easily, because they are self-contained, and the intervention will have positive impact on the surrounding areas and the settlement as a whole.
- There is potential for re-development or alternative use, possibly realising a capital receipt.

In addition:

- Larger clearance sites are preferable to small scale brownfield sites or greenfield sites.
- Planning briefs for residential sites should seek to supply missing rungs on the housing ladder by specifying property types which are in scarce supply. Allowing homes of a type and value readily available in the settlement, or close by, may undermine existing, viable markets.

Principles of intervention: high value housing markets

- Land and buildings should be developed solely for affordable home ownership. Wherever possible, brownfield sites should be used first, followed by greenfield sites, all within the settlement boundary.
- Development should be mainly two-, three- and four-bedroom houses and two- and three-bedroom bungalows. These are more flexible than flats, and more viable in the long term.
- Any remaining gaps in the social rented housing market should be filled, where necessary.

RECOMMENDATIONS

Our recommendations are presented in two sections. Section one considers how the model we have developed might be applied to other housing markets in other regions of the UK. Section two suggests ways in which improved working by, and between, planners, housing providers and strategic bodies could make housing market restructuring easier, quicker, and more effective.

APPLYING THE MODEL

Relevance to other markets

Housing markets matching the three types identified in this report occur across the UK. Whilst our six case studies are separate towns and villages in a largely rural area, similar markets can also be found within large conurbations. Stepping into the next street in an urban area may be sufficient to move from one local market to another. Most local people carry an intuitive mental map of the different housing markets in their town or city, and a casual visitor only has to glance in the windows of a few estate agents to arrive at the same understanding.

Joint working and effective action

The stages of this research project – *mapping housing type and tenure; assessing supply and demand; classifying housing markets; identifying drivers; scenario planning and risk assessment; developing interventions* – are a blueprint which organisations responsible for housing and planning strategy can use. All joint projects are made easier by a common system, which is well understood by those involved. Housing strategies are no exception. We offer a model leading from data-collection, through analysis, to action. Its adoption gives scope for involving a wide range of stakeholders, and makes communication between partners easy.

The model is flexible, and responsive to change. The scenario planning section shows how changes in housing market drivers can be identified, and their impact on the housing market assessed. This helps to ensure that future interventions in the housing market directly address the most likely set of circumstances – by counteracting specific risks, by tackling specific challenges, or by taking advantage of specific opportunities. Only in this way can those responsible plan successful interventions in the housing market, supported by the necessary public finance.

RESTRUCTURING HOUSING MARKETS: ACHIEVING SUCCESS

Strategic responsibilities

A single agency with wide ranging strategic and funding powers should co-ordinate housing market restructuring.

This report does not advocate that the west coast of Cumbria be awarded Housing Market Pathfinder status. In other areas, the designation has proved a magnet for investment by property speculators, leading to a dramatic rise in property prices. This said, the area badly needs *a single agency with a strategic overview of housing markets, which would manage resources, and ensure that measured and appropriate interventions were delivered when and where needed*.

In the Housing Market Pathfinder Areas, this role is taken by the Pathfinder Board. Here, by contrast, each housing association works independently to its own business plan. In the most unpopular areas of estates, several housing associations own property within the same streets, effectively competing for tenants. Housing associations with marginal business plans and no money to demolish may find it easier to ignore oversupply, than tackle it. In any case, few landlords are prepared to demolish houses, until the problem is so acute that properties are abandoned and unlettable. *Only by establishing a single agency with powers similar to the Pathfinder Boards can these problems be overcome.*

Local Authorities should be encouraged and helped to use Compulsory Purchase powers where necessary.

In high value markets, negotiations with owners to acquire sites suitable for affordable housing are often protracted. Historically, some of the county's local authorities have been unwilling to test Compulsory Purchase procedures. *If legal and procedural assistance could be provided by either Government Office North West, North West Development Agency or English Partnerships, local authorities might be prepared to acquire land for affordable housing by this route.*

If, in addition, the Regional Housing Board were to develop a framework which urges local authorities to make full use of their Compulsory Purchase Order (CPO) powers, this would help speed delivery still further.

Planners and planning policy

Local plans and local development frameworks should be tailored to specific market conditions.

Currently, local authorities tend to have one local plan containing planning policies for their area. This generally applies similar policies to each settlement. It may contain separate action plans for renewal areas etc. These Local Plans will shortly be superseded by Local Development Frameworks containing core policies, proposals and action plans.

The housing market classification developed in this report offers a way of *tailoring planning policies so that they address the specific conditions of different housing markets* within a local authority area. In other words, it allows planners to plan for what the local market actually needs.

Planners should provide development briefs which promote agreed plans for market restructuring.

Following on from this, planners should ensure that suitable development briefs are provided for housing sites. These should specify types of homes which are currently in scarce supply, in order to avoid attracting buyers away from existing, viable sectors of the market, such a terraced housing. For example, demand for terraced homes in Workington and Frizington might collapse if new, small homes at the lower end of the market were built in either location.

The timing of land release should support the aims of market restructuring.

Careful thought needs to be given to the timing of land release. For example, in low value areas, releasing greenfield sites in advance of cleared social housing sites would risk flooding the market, preventing or delaying considerably the plans for housing market restructuring.

Planners should be assertive in demanding high quality design from private developers.

In some cases, we have recommended new owner-occupied housing as a way of boosting regeneration and making settlements more appealing. However, the architectural quality of much recent speculative development in the county is uninspiring, relying on a corporate style of a kind to be found all over the United Kingdom. Unless planners are clear and assertive about high standards of design – either the thoughtful use of styles and materials sympathetic to the local context, or good, genuinely contemporary design – re-development will do little to enhance the appearance of towns and villages in the short term, and in the longer term, may simply re-create the problems it was intended to solve.

Planners should consider levying a charge for planning permission.

In low value markets where additional affordable housing is not required a planning charge would be more beneficial for the housing market than a quota of homes being provided on a development site. This charge could offset the cost of clearance in low value markets, or help provide affordable homes in higher-value markets.

Planning quotas should seek a high percentage requirement for affordable housing, where the market requires it.

In high value markets, this would help to meet the local need for affordable home ownership with a minimum of public funding. A minimum requirement of 50% would not be too high. There are examples of such percentages being exacted in high value markets elsewhere, such as York and Harrogate.

Sites in public ownership

Better co-operation is needed between public bodies to secure sites in public ownership for affordable housing.

In high value areas, sites may be owned by either Local Government, or Government Agencies, who appear not to be strategically attuned to the housing needs of the area. They frequently try to obtain the highest possible capital receipt from the sale of land. This may give a short term boost to the current year's budget for local services, but in the long term, it does nothing to help the housing market, and is not in the best interests of the community as a whole.

Land retention is one of the factors which helps to create and sustain an integrated high value housing market. If sites are to be secured, local officers of Government Agencies, planners, housing professionals and County Council officers need to act strategically, in co-operation with each other, and pragmatically.

Overall aims

This is a detailed study of local housing markets in six settlements in central and west Cumbria. It develops and tests a method for understanding housing markets, including what makes them work well, and less well; it provides a way of identifying specific opportunities and risks for each market. The purpose is:

- to inform and guide local and regional housing strategies;
- to identify key drivers of high and low demand within each market, and their impact on the housing stock, the local economy, local communities, and other local housing markets;
- to maximise the benefit of housing investment, in terms of housing conditions and opportunities, the environment, the economy, and the community;

AND

- to provide a framework for analysis and planning which can be applied to other housing markets, both in Cumbria and elsewhere.

UNDERSTANDING HOUSING MARKETS: OUR APPROACH

Some key assumptions and beliefs underpin this project:

- housing markets both ***reflect*** and ***reinforce*** the social characteristics of particular settlements. Whether settlements are economically viable and socially-inclusive depends to a large extent on what the housing market provides, and how it functions.
- In order to understand local housing markets, it is necessary to analyse:
  - ***the supply side:*** the range, type and cost of property available, across all tenures;
  - ***the demand side:*** expressed demand for different properties and tenure types, and the source of that demand (commuter; buy-to-let; second/retirement homes, etc); suppressed demand (aspirations, which may not be realisable in the current market);
  - ***economic and social factors and their relationship with the housing profile of the settlement***.

Salterbeck, Workington

METHODOLOGY: CASE STUDY SELECTION

In consultation with key stakeholders from housing associations, local authorities and the Housing Corporation six settlements were selected for detailed research; Cockermouth, Egremont, Frizington, Lorton, Keswick and Workington, according to the following criteria:

- they represent a range of different market conditions and challenges within the county (see summary table below)[2];
- they fit with the current strategic plan for Cumbria, which states that housing investment should support the regeneration of the west coast and reduce pressure for housing in the areas of limited land supply, namely the Lake District National Park and its immediate hinterland;

AND

- the learning from these settlements should be applicable elsewhere.

The table below shows how each settlement fits within our initial classification of Cumbria housing markets.

The broad questions we have set out to answer for each of the six settlements are these:

- What are the current patterns of housing demand, cost and opportunity? How are they likely to change in future?
- How well does the housing market match the aspirations of people who need and want to live in that settlement?
- What is the impact of the housing stock and the housing market on the social economy of the settlement?
- Within the settlement, are there neighbourhoods and/or particular types of housing which are at risk, or might become so?

In order to answer these questions, we have, for each settlement:

- mapped the housing stock, in terms of type and tenure;
- mapped housing opportunities, showing the range of housing available, and its cost;
- collected information from estate agents on the strength of current demand, and its origins;
- collected information on social landlord properties and lettings from CORE data, and interviews with housing management staff;
- mapped the social and economic characteristics of settlements, and shown how this relates to housing type and tenure, and housing opportunity;
- undertaken a postal survey of a sample of residents in each settlement, stratified by house type and tenure; and
- conducted a telephone survey of major employers in each settlement.

Case study settlements: preliminary classification

Settlement	***National Park market town***	***National Park village***	***Market town, adjacent to National Park boundary***	***West coast major retail and employment centre***	***West coast ex-industrial small town***	***West coast ex-industrial village***
Cockermouth			**X**			
Egremont					**X**	
Frizington						**X**
Keswick	**X**					
Lorton		**X**				
Workington				**X**		

2: A 'first pass' classification of housing markets in Cumbria formed part of Cumbria Rural Housing Trust's rural housing strategy (April 2000). This was further developed by Jacqueline Blenkinship for the same document in 2002/03.

Strategic overview of the region

THE NATIONAL FRAMEWORK

In February 2003 the Office of the Deputy Prime Minister produced the communities plan*, 'Sustainable communities: Building for the future'*. The chapter*, 'Sustainable communities in the North West'* sets out the challenges for the region. It states that '*there are still areas of acute deprivation where demand for housing has collapsed. In others, demand for housing continues to outstrip supply, leading to rising house prices and shortages of affordable housing. We need a step change in our approach to tackle these problems. We need to work together to build sustainable communities in which people want to live.'*

The region's housing, economic and planning strategies should work together to deliver the aims of the communities plan:

- *to create sustainable communities in which people want to live and*:
  - are economically active;
  - have decent homes at prices people can afford;
  - safeguard the countryside;
  - enjoy well-designed, accessible and pleasant living and working environment;
  - are effectively and fairly governed with a strong sense of community.

It is within this overall framework that we consider the housing markets of central and west coast of Cumbria. Our task is twofold:

- *to identify the specific local issues which affect markets*, both within settlements, and across the area as a whole, as changes in one settlement impact on others;
- *to consider what interventions are required in local housing markets*, to align them with national and regional strategies, and meet the overall aim of community sustainability.

THE REGIONAL HOUSING STRATEGY

The north west regional housing strategy produced in 2003 sets out four main strategic priorities:

- *Urban renaissance and dealing with changing demand*. Previous interventions have mainly concerned the renovation of bricks and mortar. This priority goes further, and considers how markets might be restructured to '*keep them in tune with changing aspirations'*. The focus is on areas where previous interventions, such as estate action and single regeneration budget, have been tried, but have failed to arrest problems of low demand, falling values, abandonment, and social disintegration. Many of these areas are now covered by Housing Market Renewal Fund Pathfinders (HMRF). However, although the strategy recognised that several areas of west Cumbria demonstrate similar – if less acute – problems, to date few additional financial measures have been available to help tackle them.
- *Providing affordable homes to maintain balanced communities.* This priority recognises the mismatch between low wage levels and high house prices in the scenic and accessible areas of the county. In order to help sustain balanced communities, the strategy aims to tackle the shortage of affordable homes and support the regeneration of market towns.
- *Delivering decent homes in thriving neighbourhoods.* This priority tackles the condition of the housing stock, and the extent to which it meets, or fails to meet, the Government's decent homes standard (DHS). There are several initiatives to assist both public and private sector home owners to improve the condition of their homes.
- *Meeting the needs for specialist and supported housing.* This priority aims to ensure that there is a range of specialist accommodation and support which matches local needs. This poses specific long-term challenges in an area with such a dispersed population as west and central Cumbria.

In its role as a member of the Regional Housing Board – the body responsible for setting the regional housing strategy – the Housing Corporation has prioritised funds in the 2004 to 2006 Approved Development Programme (ADP) to allow Cumbria to tackle both low demand in settlements on the west coast, and the problems of affordability elsewhere. The Housing Corporation has also reviewed the grant framework in order to make projects financially viable.

The regional housing strategy makes reference to the '*Housing markets of the North West'* undertaken by the Centre for Urban and Regional Studies (CURS) at the University of Birmingham. The report found no evidence of homes at risk of low demand in Cockermouth, Keswick and Lorton. However, in other settlements in the study, between 31% and 100% of households were at risk. Whilst this information is not definitive, it does have the advantage of comparing settlements on a common scale, and in this way, it can help identify those in most need of intervention.

The report used the median house price for the period 1995 to 2000. In view of the dramatic rise in the Cumbrian market since 2000, the Government Office for the North West has commissioned CURS to revisit the research findings in light of new data.

Ward	Number of Households	Households at risk
Moorclose, Workington	1771	49%
Salterbeck, Workington	1228	100%
St. John's, Workington	1793	49%
St Michael's, Workington	1908	100%
Westfield, Workington	1539	100%
Egremont North	1672	45%
Egremont South	1321	31%
Frizington	967	100%

Households at risk data from the CURS north west study

THE REGIONAL ECONOMIC STRATEGY

The regional economic strategy for 2003 identifies the following objectives:

- Business development
  - exploit the growth potential of business sectors
  - improve the competitiveness and productivity of businesses
  - develop and exploit the region's knowledge base
- Regeneration
  - deliver urban renaissance
  - deliver rural renaissance
  - secure economic inclusion
- Skills and employment
  - develop the strategic transport, communication and economic infrastructure
  - ensure the availability of a balanced portfolio of employment sites
- Image
  - develop and market the region's image

The strategy further observes that:

'the quality of the built environment in many areas is a cause for concern and a deterrent to investment and jobs.'

'The quality of the housing stock in the region remains a major concern. In some areas the amount of older unsatisfactory housing for which there is no demand threatens any economic recovery.'

REGIONAL PLANNING GUIDANCE

Regional planning guidance (RPG) of March 2003 informs us that the region's core development principles embrace:

- economy in the use of land and buildings;
- enhancing the quality of life;
- quality in new development;
- promoting sustainable economic growth, competitiveness and social inclusion.

In Cumbria, development will be concentrated in Carlisle and Barrow in Furness, along with smaller towns and larger villages. Development should aim for:

- the use of brownfield land for new building;
- a reduction in vacant dwelling numbers;
- the regeneration of areas suffering from low demand and market failure.

Housing will be delivered on a 'plan, monitor, and manage' basis, using annualised development numbers or rates. This replaces the previous 'predict and provide' approach.

REGIONAL TRANSPORT STRATEGY

The regional transport strategy, incorporated within the RPG will deliver:

- enhancement of Trans-European Networks (TENS);
- effective multi-modal solutions to the conveyance of goods, people and services, especially at major hubs;
- effectively planned and significantly more efficient transport interchanges;
- attractive gateways and transport corridors;
- scope for effective use of new technology to enhance travel;
- high quality public transport in rural and urban areas;
- a safe and pleasant environment complementary to the need to improve the region's image and encourage more use of environmentally-friendly modes of transport.

TRENDS IN THE LOCAL AND REGIONAL ECONOMY

Key influences

The key factors likely to influence the development of the west Cumbrian economy over the next twenty years are as follows:

- The impact of nuclear decommissioning on the British Nuclear Fuels Limited (BNFL) Sellafield site, and the recent decision to locate the Nuclear Decommissioning Authority in west Cumbria.
- The continuing decline of the old industrial base, linked to job losses in manufacturing.
- Growth of employment opportunities in retail (especially in the context of the regeneration of Workington town centre); and in financial and professional services.
- Development of west coast tourism, including further growth in coastal and heritage tourism, and the re-development of the Broughton Moor site.

These are discussed in detail in the economic chapter (appendix 1). The conclusions are briefly summarised here:

- Job losses arising from the decline of fuel reprocessing at the Sellafield site will have a small to moderate impact on the lower half of the housing market in west Cumbria.
- The upper end of the market is likely to be protected, for several reasons:
  - the decision to locate the Nuclear Decommissioning Authority in west Cumbria will bring between 150 and 200 higher-paid jobs to the area by 2005;
  - the creation of near term work plans linked to BNFL's business plan projections for the Sellafield site will create around 1,000 additional engineering jobs by 2005/06;
  - the development of Westlakes should receive a boost from these decisions, which confirm west Cumbria as an important centre of expertise in the nuclear industry. This provides a stronger platform for the development of research activities, new technologies, and consultancy work, and should increase the number of highly-skilled and professional jobs in the area;
  - the top end of the housing market is in any case highly competitive, and the high value areas – Keswick, Lorton and Cockermouth – are influenced as much by demand for second and retirement homes and longer-distance commuting,[3] as by patterns of local employment.

The loss of employment at BNFL, (whether direct employees or contract work) may lead to some increase in the numbers of people leaving the area (out-migration), and a rise in unemployment among those who remain. This rise is most marked between 2010 and 2019. It is most likely to affect the lower end of the market, in which ex-right to buy homes figure prominently. Falling demand for ex-right to buy homes in Workington, Egremont and Frizington might contribute to the decline of these settlements.

Whilst there will be some negative effects from the decline in reprocessing at BNFL and related job-losses, these will be moderated by the growth of activity in other areas such as tourism and retail, and (possibly) research and development.

Overall, the economy is expected to adjust reasonably well over the period 2005 to 2025.

3: Evidence from responses to the housing survey conducted for this study, and detailed in appendix 2 on pages 118 to 126.

Housing market classification

Our initial classification of housing market types, set out under case study methodology on page 12 was based on:

- *the type of settlement:* rural village; market town; retail centre;
- *the nature of demand:* in particular, the extent to which it was dominated by commuters, or those seeking a holiday or retirement home;
- *the extent to which growth in the housing market was constrained by planning regulations*: specifically, whether it was within, or outside the Lake District National Park.

The research we have undertaken leads us to propose a new way of classifying housing markets, based on a further set of indicators. This is to be read alongside the original classification, and in combination, they provide a greater insight into the specific risks and opportunities which each market presents.

HOUSING LADDERS

In each settlement we have constructed a ***housing ladder,*** shown on the following page, which represents housing opportunities and their cost on a common scale. The rungs of the ladder represent different house types; the thickness of each rung shows the proportion of that house type in the settlement; and their level shows the cost of buying into any particular sector of the housing market.

Analysis of the housing ladders shows three distinct patterns among the six settlements, in terms of housing opportunity and cost. These patterns are the result of a complex interaction between the historic characteristics of the settlement; its geographical location; the extent to which growth has been constrained by planning powers; and recent social and economic change. The three patterns, which are explained in more detail in this chapter, provide a new way of understanding housing markets. This can be used to predict future trends, to identify specific risks, and to assess which interventions are likely to be most needed, and most successful.

CREATING A HOUSING LADDER

Property numbers

We used ward based data from the 2001 Census to identify the numbers and proportion of detached, semi-detached, terraced houses and flats in each settlement. Note, however, that for small settlements – in our study, represented by Lorton – the closest match to a settlement which Census data will offer is a ward or parish.

The Census does not show what proportion of each property type is owner-occupied, rented from a housing association, or rented privately. It does, however, show the total number of social rented properties within a settlement (at ward and – ultimately – parish level).

Instead, housing association's provided information about the type of properties they owned and the number sold through such schemes as right to buy (RTB). From this, a grid was prepared showing the proportion of different types of property within each sector.

In some cases, it was necessary to undertake a physical count of properties by walking round estates. The proportion of right to buy homes was estimated by surveying window and door styles, painting, etc. Whilst this is unlikely to be 100% accurate, it is a useful way – and possibly the only practical way – of making good shortfalls in information provided by housing organisations.

In developing the housing ladders, we considered it important to create a separate category for social housing properties sold under the right to buy. They may differ significantly in value, and command a different market, from other owner-occupied homes.

Parklands, Cockermouth

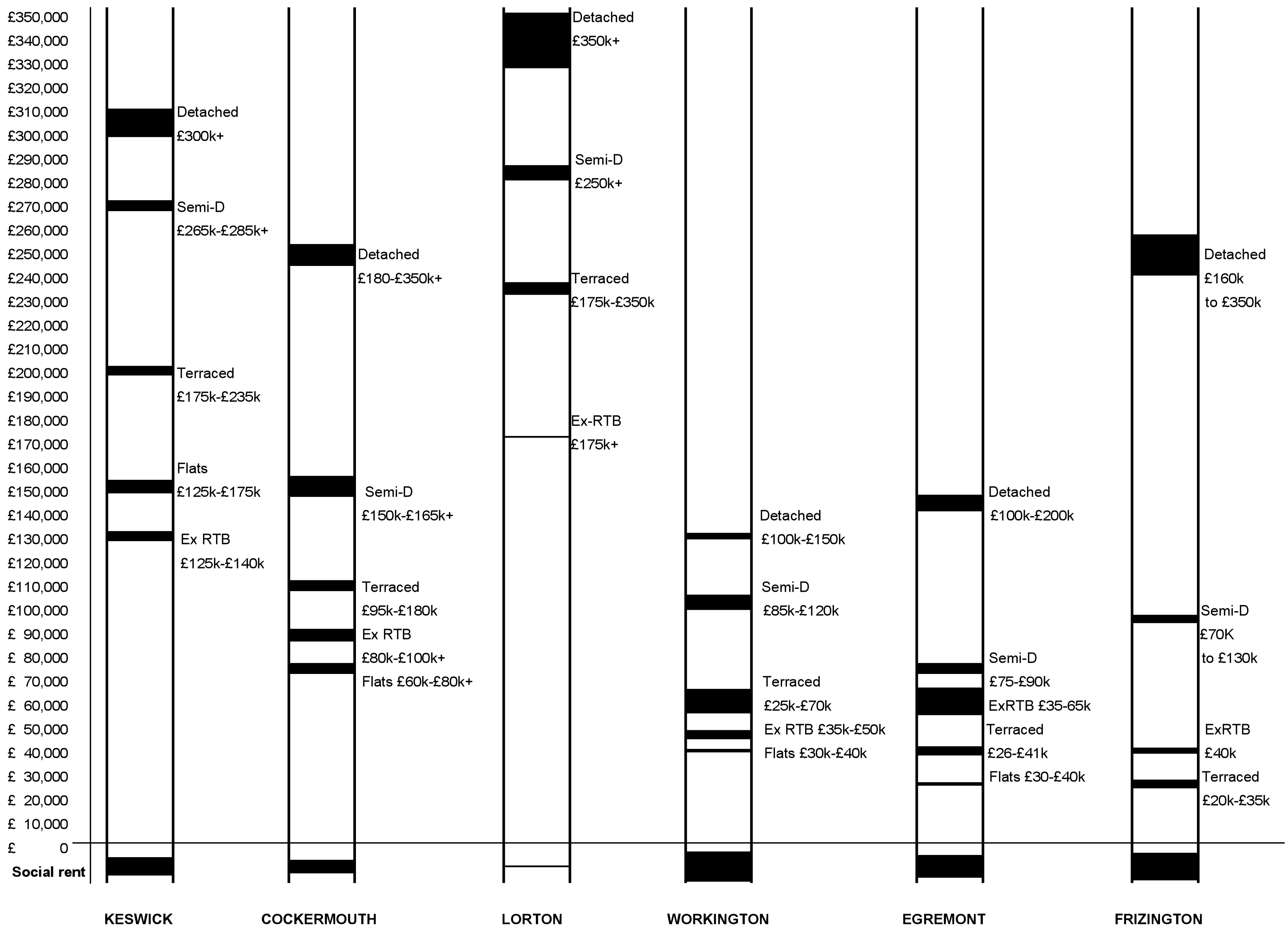
Property values

Property price bands are based on information provided through semi-structured interviews with local estate agents. They provide a snapshot of the situation in the last quarter of 2003. In this context, estate agent information is more useful than Land Registry data, which provides ***average prices*** for each property type. The best estate agents – those with good knowledge of local market conditions, who handle a high proportion of total sales – can provide the range of prices for each property type within the settlement.

On the following page, the position of the rung represents the mid-point of the price range quoted by estate agents for each property type. The figures beside the rungs indicate the range of prices. The thickness of the rung indicates the percentage of properties in each category, at the rate of a 1/2pt line thickness for each percentage point. The ladders are intended to be a simple visual demonstration of the range and cost of housing in each market. Their value is in allowing the pattern of opportunity within a particular market; and key differences between markets, to be taken at a glance.

On pages 18 to 21, we set out the characteristics of the three types of housing market demonstrated by the ladders, and identify specific strengths and weaknesses/risks for each type.

HOUSING LADDERS



The three distinct types of market shown by the housing ladders are explained below.

INTEGRATED HIGH VALUE: KESWICK, COCKERMOUTH AND LORTON

Integrated high value markets can be unconstrained (example, Cockermouth, which is outside the National Park boundary, and has seen considerable new development in recent years); or tightly constrained (examples Lorton and Keswick, which are inside the National Park, and where new development is limited).

Characteristics

- The housing stock has a relatively even distribution of different types of home, from small terraced houses to large new detached properties (see maps on page 22, 28 and 34).
- Where not constrained by planning, the supply of homes on the market shows good availability across all house types.
- The housing ladder is well-graduated, with few or no rungs missing (see housing ladder on previous page).
- Note, however, that where competition for a very limited housing stock is intense, the usual relationship between the size and type of a particular property and its value is blurred. In Lorton, factors such as views, position and garden can be more important than the number of bedrooms, and whether the property is detached, semi-detached or terraced. The rungs on the Lorton housing ladder effectively overlap, since, given certain conditions, a terraced cottage can command as high a price as a detached home.
- The first rung on the ladder is high, compared to average wages. first time buyers on local incomes would find it unaffordable (see chart comparing cost of renting and buying for sample first-time buyer households, charts section, page 53).
- The private rented sector provides accommodation for buyers who are moving to the area, or between selling one home and buying another; and for new (potential first-time-buyer) households who may not be able to afford local prices, but prefer not to rent from a social landlord.


Lorton

Strengths

Even smaller, older, and less attractive properties (for example, small terraced houses without gardens and off-street parking; ex-right to buy homes) have a relatively high value and tend to attract investment. This extends their life and improves the overall environment.

In larger settlements, high value housing markets are strongly associated with quality schools, good choice of shops and other local services. The service-based local economy benefits from high disposable incomes of residents.

Correspondingly, high value markets have lower scores on the major indices of social deprivation. The incidence of crime and anti-social behaviour is likely to be low.

Social housing for families is often (although not always) sought-after, and turnover may be low. This tends to be true even on municipal estates.

The overall trend (environmental and social) for the settlement tends to be positive. It is considered desirable, and is likely to become more so over time, as services and the general environment improve still further.

Weaknesses and risks

First time buyers are likely to find the first rung on the ladder too high. This may force them to seek homes in neighbouring housing markets which offer a supply of lower-priced homes. In the absence of other options, they may take a social rented tenancy, although in reality some form of equity share would be both *affordable* and *preferable*.

The steps between rungs are often wide. A significant increase in income/earnings may be needed to allow progression up the ladder. For example, a move from an ex-right to buy home into a semi-detached house on a private estate in Cockermouth would cost almost double (190%) the value of the existing home. In consequence, some households continue living in accommodation that is too small, in order to stay in the settlement. Others may be forced to move to nearby settlements where property values are lower.

High value housing markets which cannot grow because of planning constraints may have an absolute shortage of homes to buy, or a shortage of certain types of home (see, for example, property sales information for Keswick on page 26). This makes movements within markets difficult, especially for households who need to trade up to a larger home. Job movers may find difficulty re-locating, even if they can afford local house prices.

People working in low-paid jobs providing essential local services may be unable to live near their work. However, this is a sustainability issue, rather than an economic problem. The evidence that this contributes to recruitment difficulties, or hampers economic growth, is fairly weak[4].

In rural markets where holiday and retirement homes are an important factor (above 10%), services at the most local level (school; village shop and post office) may suffer. (Census figures for Lorton and Keswick show 12% and14.88% respectively second or holiday homes).

Some (ex) right to buy homes are poorly maintained, either by original purchasers, or when sold on. In high value markets, it may not be possible to raise additional finance to improve properties.

The social housing stock may have pockets of low demand. These tend to be less popular property types, such as flats and maisonettes; or one-bedroomed flats and bungalows designated for older people (see, for example, turnover information for Cockermouth on page 32).

Social housing which is easy to let may suffer from under-investment. This may make sense in the short term business plan, but in the longer term, it may contribute to the decline of the social rented sector and the social housing 'brand'.

In the longer term, demand for all types of social housing may fall. This is particularly an issue in larger settlements where social housing provision is close to, or above the national average (20%). Our research shows that social housing tenants are more likely to be older people. Thus, whilst the current pattern may be one of low turnover and relative stability, turnover is likely to increase over the next five to ten years. Traditionally, social housing tenants come from the immediate locality. But the social change associated with high value/strongly rising housing markets leads to an absolute decline in the number of households requiring a social rented tenancy (even in Cockermouth 35% of lettings in the past three years were to existing social housing tenants). This can to some extent be tackled by better marketing of social rented housing through choice-based lettings systems. The estate agency 'one-stop shop' model is likely to be more effective than working from waiting lists, especially in terms of targeting job-movers and others who contribute to the local economy.

Lorton

4: Recent research work undertaken by WME for Cumbria Local Strategic Partnership and The North West Development Agency

INTEGRATED LOW VALUE: WORKINGTON AND EGREMONT

Characteristics

- Private housing stock dominated by smaller houses, often pre-1919 terraced homes. This usually reflects the social and economic history of the settlement – for example, the need at an earlier date to provide housing for large numbers of low-paid employees in local industry.
- Shortage of higher-value properties, particularly newer semi-detached and detached homes. Little new development.
- Possibly, large inter-war and post-war social housing estates. These were often built to offer the local workforce a better standard of housing (compared with small terraced homes). They may no longer be desirable, and there may be too much stock for the underlying level of demand. This is most likely where there is a high concentration of municipal homes, pockmarked by streets with a history of anti-social behaviour, giving them a reputation which is hard to shake off.
- The cost of owner-occupation tends to be lower than the cost of social renting. See chart on page 53, which clearly shows this for Workington.


Ennerdale Avenue, Workington

5: In assessing affordability of homes to people on local incomes, we have taken two notional households: a couple, where one member earns the average hotel/restaurant salary of approximately £16,000 (New Earnings Survey 2003), and the other £10,000 per annum; the second, a one-person household earning £16,000 p.a.

Strengths

Lack of new development maintains demand, and investment, in the older housing stock. This extends its life.

Good opportunities for first time buyers: there is a supply of homes affordable by people on, or below average local incomes[5] (under £65,000).

Core areas of older housing may be socially stable, and able to support local services.

Depending on other social and economic factors, may have the potential to attract higher income households from neighbouring high value markets.

Weaknesses and risks

Buyers of older, cheaper homes tend to be poorer households, who may not be able to maintain stock in the longer term.

Older stock may be at risk if new homes are developed on the periphery of the settlement.

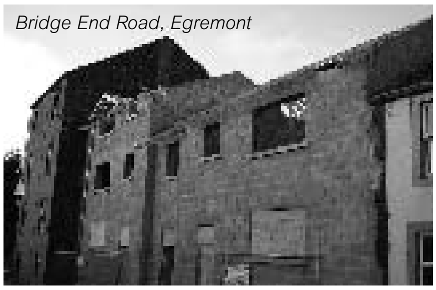
Buy-to-let: supply of cheaper homes attracts investors whose interest may be short term, and who may not maintain the stock.

Better-off households are unlikely to be attracted, because of a shortage of higher-value homes. Improvements in local services and the general environment may be hampered, because disposable incomes of local residents remain low.

More prosperous households wishing to trade up may move elsewhere, because of the lack of opportunities locally.

Opportunities for low-cost owner-occupation mean a shrinking market for social housing. Social housing tenants will tend to be increasingly disadvantaged, as those who are in work purchase their own homes, and move away.


Bridge End Road, Egremont


Bridge End Road, Egremont

A general problem of over-supply in social housing. This allows some tenants (understandably) to move up-market within the sector, choosing the more attractive properties in 'better' neighbourhoods. As a result, other areas are drawn into a vicious circle of low demand, high turnover and relatively high levels of anti-social behaviour. These patterns are intensified where there is a mismatch between the type of social housing stock available (for example, too many flats or bungalows) and demand/aspiration; and where selective improvement programmes take place on large estates.

Weak demand for ex-right to buy properties, which may suffer neglect as a result. Where there is a plentiful supply of low-cost private housing (such as town centre terraced homes), first time buyers often prefer this to ex-RTB homes on large municipal estates. Over time, there may be some 'leakage' of ex-right to buy homes into the private letting sector. Because few questions tend to be asked about tenants, these properties can become a source of serious neighbour nuisance, which social landlords have limited powers to control.

FRAGMENTED: FRIZINGTON

Characteristics

- *Large villages or small towns, rural or semi-rural, and often with an industrial history.* The core is likely to be small, poor quality older homes for low-paid workers in local industry, which has declined or disappeared. There may be a limited amount of new development, often well segregated from the core.
- *The housing ladder shows a large supply of very low value properties* and a much smaller supply of high value homes.
- *The middle rungs on the ladder are largely absent, with a high differential between top and bottom.* In practice, there is not one housing market, but two distinct and unconnected ones, widely separated in terms of price, and driven by entirely different types of demand.
- *The settlement may have relatively large amounts of social housing*, built to improve standards for households in the original, poor quality housing stock, and at a time when there was more local employment than there is today.
- *As in low value integrated markets, the cost of social renting is often greater than the cost of buying* at the bottom end of the market (see chart on page 53).

Strengths

Good supply of homes affordable by first time buyers.

Population can support basic local services.

The fact that some high value housing sells well indicates that the settlement is not without attraction. It has the potential to attract better-off commuters, and so become more socially-balanced than it is at present.

Coronation Drive, Frizington

Weaknesses and risks

The low value stock may be small and of poor quality.

At the bottom end of the market, owners tend to have low incomes, or to be buy-to-let investors. This can mean little investment, and further decline. The impact of this sector of the housing stock on the overall environment is negative, and likely to become worse.

Opportunities for trading up from the bottom end of the market are non-existent, because the gap to the next rung on the housing ladder is so great. As a result, some households become trapped in low value homes, which may be difficult to sell if the market slips back.

Social segregation by house type is reinforced by the geographical pattern of development (for example, a core of small, poor quality older housing, and peripheral estates of new executive detached homes).

There may be some surplus of social housing, with the attendant risks (see under integrated low value opposite). This is partly because of the low cost of owner-occupation locally, and partly because the social housing stock reflects patterns of local employment and housing need which are now out of date.

Local services may tend to decline over time, or be of poor quality, because local disposable incomes are low.

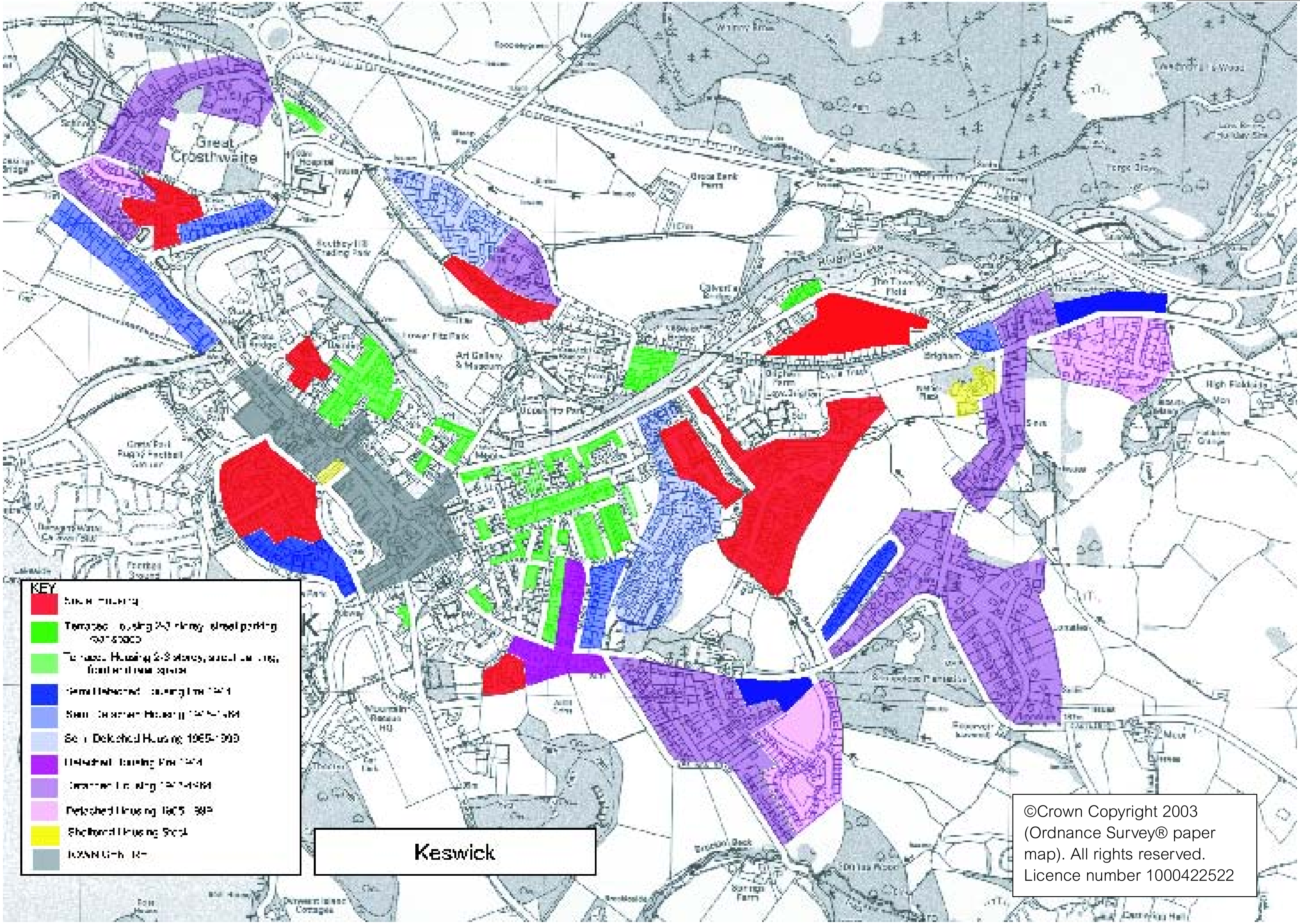
UNDERSTANDING HOUSING MARKETS: THE IMPORTANCE OF SOCIAL, ECONOMIC AND ENVIRONMENTAL FACTORS

Our approach to this project was underpinned by some key beliefs about housing markets. In particular, we wanted to test the assumption that housing markets both ***reflect*** and ***reinforce*** the social characteristics of particular settlements.

In addition to mapping housing cost and opportunity – shown in the housing ladders – we considered the following:

- the built form of the settlement and its history;
- its demographic and social structure;
- indices of social deprivation; and
- the range and quality of local schools and other basic services.

The results are set out in the following settlement profiles, maps and charts.


KEY
Keswick
Great Crosthwaite
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Keswick

HISTORY AND CHARACTER OF THE SETTLEMENT

Keswick market

Keswick is the main town and tourist centre in the north of the Lake District National Park, with a population of just under 5,500. Its status as a market town dates from the thirteenth century, but until the late nineteenth century, it remained small. In 1828, it was said to consist of one long street of stone houses. Lead mining, quarrying and pencil making were the main local industries; in addition, small independent workshops were the focus for cottage industries based on wool and leather.

The development of the Lake District as a centre for tourism gathered momentum in the late nineteenth century, and many of the older buildings in the town today date from that period, or from the early years of the 20th century. They are mainly terraced housing, with some larger properties, including a number of hotels. In the inter and immediate post-war period, private housing which might be described as suburban in character was developed around the earlier core. This reflects Keswick's transition from a working town to one chosen for the quality of its location – a place to live, rather than a place to work. Over the same period, social housing – mainly traditional two- and three-bedroom family houses – was built by Allerdale Council. It is concentrated mainly on the Windybrowe estate and several smaller adjacent estates. These estates are municipal in character, in stark contrast to the historic core of the town.

In recent times, the tight planning policies implemented by the Lake District Planning Board have confined housing development in Keswick to infill sites and the re-use of existing buildings such as Keswick School (converted for social housing in 1999).

Tourism is now the main driver of the Keswick economy, and has played a major part in shaping services and facilities in the town. Most of the larger terraced houses offer bed and breakfast accommodation; shops and other services are designed to cater for visitors (souvenirs; fell-walking and mountaineering clothing and equipment; fast food outlets, cafes and restaurants etc.). There is also the recently-rebuilt Theatre by the Lake. Reflecting the profile of businesses in the town, almost a quarter of the local workforce is employed in hotels and catering, and just over 20% in the retail category.[6] Only 8% work in manufacturing. Keswick's main manufacturing industry is, of course, the Cumberland Pencil factory, which dates back to 1832. Housing a museum, the factory is now a tourist attraction as well as a centre of production.

Local residents benefit from the range of services on offer, which include a Booth's supermarket, two primary schools, and a successful and highly-regarded 11 to 18 comprehensive school.

6: 2001Census. Retail also includes repair of motor vehicles, but this is likely to be a small part of the total.

KESWICK HOUSING MARKET

Key facts and statistics

- The Keswick market is constrained by planning regulations which protect the environment and effectively prevent further expansion of the town. The popularity of Keswick for holiday and retirement homes has led to intense competition for a limited housing stock, and correspondingly high values.
- Over 40% of homes in Keswick are in council tax band D and above.
- At the Census, 16% of homes in Keswick were classed as second or holiday homes.
- The housing stock has fairly equal representation of all the main types of home, although terraced houses (31%) are the largest group. Smaller terraced houses have been attractive to second and holiday home buyers. However, Keswick has a high proportion of very large (5+ bedrooms) terraced houses, which lend themselves to providing bed and breakfast accommodation.
- There is a trend – possibly increasing – for large terraced houses to be converted into flats. Overall, 25% of homes in Keswick are flats. Flats make good holiday and second homes, which explains why they form such a relatively high proportion of the total stock. Flats also allow the maximum purchase price or land value to be generated from development or re-development situation.
- Private renting in Keswick accounted for under 9% of the stock at the time of the Census, which is below the UK average. The lucrative holiday market, which now continues throughout the year, is a more attractive option for landlords.

- At 20% of the stock, social renting remains around the national average, and high for a rural settlement. This is despite the inroads made by right to buy.
- According to one recent study, almost a quarter of Keswick employers[7] provide accommodation for their employees. This is likely to be mainly those working in the hotel and catering industry.

Current trends in the housing market

- On our model (see page 18), Keswick has an integrated high value housing market. House prices in Keswick are the second highest in any of the six settlements studied, with Lorton being the highest. The average price of a terraced house in the third quarter of 2003 was just over £160,000. Flats averaged almost £175,000, and semi-detached and detached homes £240,000 and £286,500 respectively. These prices are significantly above the UK averages[8].
- The charts on page 53 show that of the six settlements, Keswick had the lowest proportion of stock on the market in 2003.There are a very small number of properties for sale, in absolute terms.
- It would be extremely difficult for *local* first time buyers to enter the Keswick housing market. The mortgage on an average terraced house would be two to three times what our sample households could afford,[9] page 53. The position for ex-right to buy homes is not much better.
- CORE data[10] suggests that the rate of turnover in social housing stock has increased steadily over the three years 99/00 to 01/02 – from 3.3% to 6.8%. The turnover in the stock of the main landlord, Derwent and Solway (that is, the ex-Allerdale council stock) was around 12% in 2002/2003 (CORE figures not available for that year). However, housing associations consider that property in Keswick is easy to let.
- Compared with the other settlements, a much lower proportion of new social housing tenants are wholly dependent on benefits (42% in 2001/2). High local house prices and lucrative holiday lettings mean that opportunities for people working locally to find a home outside the social rented sector are rare.
- The most common household type taking a social rented tenancy over the three years covered by the CORE data was a couple of working age without children (one third of lettings). This also suggests a link between demand for social housing, and the dearth of other housing opportunities for people working locally.
- About a third of households allocated social tenancies during this period had net household incomes over £300 per week, a level at which some form of low-cost home ownership is normally possible. Such opportunities do not exist in Keswick.
- When stock designated specially for older people is taken into account, there does not appear to be an unusually high proportion of pensioner households in social rented accommodation.

7: NWDA Affordable housing in Cumbria November 2003

8: UK average third quarter 2003: Detached house £250,715; Semi-detached £145,576; Terraced £120,685

9: In assessing affordability of homes to people on local incomes, we have taken two notional households: a couple, where one member earns the average hotel/restaurant salary of approximately £16,000 (New Earnings Survey 2003), and the other £10,000 per annum; the second, a one-person household earning £16,000 p.a.

10: CORE data is produced by the Housing Corporation using statistical returns from housing associations.

SOCIAL AND ECONOMIC PROFILE

- The population of Keswick was about 5,400 at the time of the 2001 Census, showing a small decline (just over 1%) since 1991. The lack of new development, and the tendency for Keswick to attract older households rather than families, is probably responsible for this.
- Compared with Cumbria as a whole, Keswick has a high proportion (31%) of people who are over 60. The proportion of children aged 0-15 is below the county average. In terms of households, over 35% are all-pensioner households, compared with the Cumbrian average of 27.6%. The proportion of households with dependent children is correspondingly lower than average (page 56). This is not unexpected in a settlement popular as a retirement and holiday resort.
- The proportion of very old people (75+), at 12.7%, is high compared to the Cumbrian average of 8.5%.
- Keswick's position on the indices of deprivation reflects its somewhat mixed social profile. On the one hand, high house prices mean that those buying properties in the private market tend to be better-off households. On the other hand, 20% of the town's housing is for social rent, so there is some concentration of poorer households. Overall, Keswick is 93rd most deprived in the Cumbrian league of 168 wards. In terms of child poverty, it fares worse than this, in 53rd place.
- Unemployment in Keswick is very low: below 1% in September 2003. However, although people are generally in work, pay in the tourism, catering and retail sectors tends to be low – often close to the minimum wage.

- One of the Keswick primary schools, St Kernigan's, is too small to report its Key Stage Two test results in the county league tables. The other, Trinity, occupies 109th place, on a par with schools in Frizington, outwardly a more deprived settlement. Trinity school also scores poorly for added value. Again, this may reflect the fact that primary school children are more likely come from the social housing estates in Keswick, which contain relatively high levels of social deprivation, compared with the rest of the town.
- The secondary school, Keswick School, a specialist science college, is highly successful – eighth in the Cumbrian league for GCSE results, and third from the top for A level points. It is the school of choice for many parents from outside the immediate area, and competition for places is intense.

Lakeland Park, Keswick

Millfield Gardens, Keswick

11: NWDA Affordable housing in Cumbria November 2003

Ambleside Road, Keswick

KEY ISSUES FOR KESWICK

Lack of opportunities for first time buyers, who have little choice except to take a social rented tenancy, even though they may be able to afford, and would prefer, some form of low-cost home ownership.

Extreme competition for a very limited housing stock favours buyers of second, holiday and retirement homes.

In the NWDA study[11], almost two thirds of Keswick employers thought that more affordable housing would help them overcome recruitment difficulties.

Continued erosion of social housing stock through right to buy

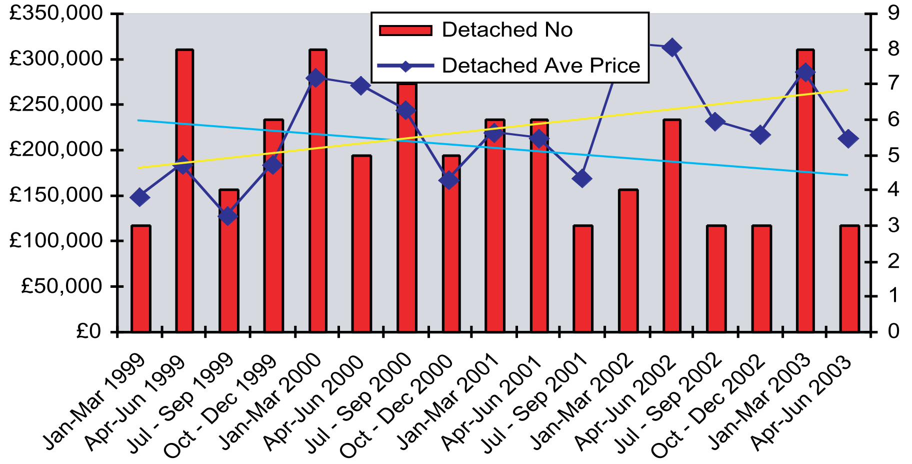
Severe shortage of sites and development opportunities for social housing and low-cost home ownership

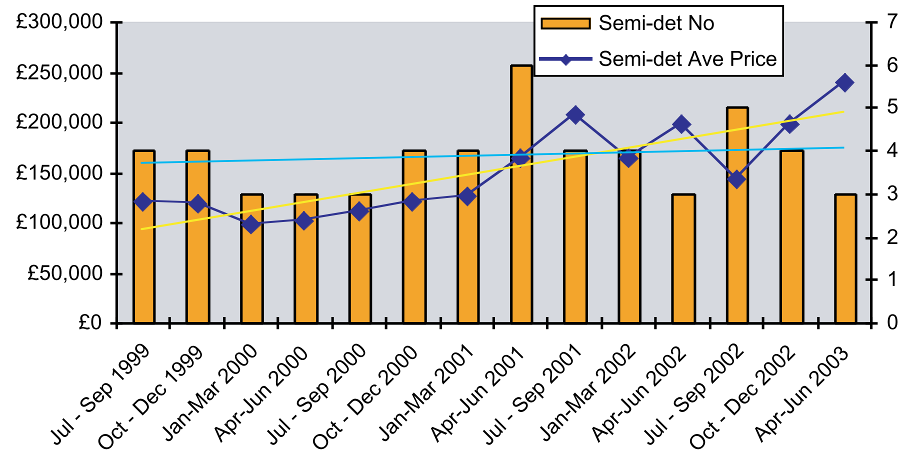
Limited opportunities to rent privately, because properties are siphoned into the more lucrative holiday market.

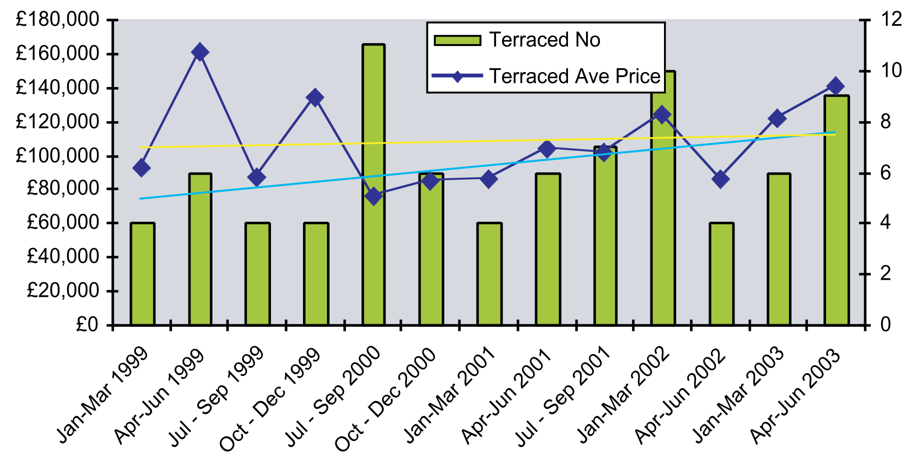
Poor maintenance of some right to buy properties, which has an impact on the whole estate.

More information is needed about lettings and turnover and underlying need in the social rented stock. Is turnover rising because people are moving on quickly, perhaps because they dislike living on a municipal estate? How would the demand for social housing be affected by future efforts to provide more low cost home ownership, and to adopt lettings practices which actively target the local workforce (choice-based systems based on the estate agent model, as opposed to the tradition waiting list approach)?

Price trends and number of sales 1998-2003: Keswick (Land Registry)







Note: blue trend line is no. of properties sold; yellow is average price.

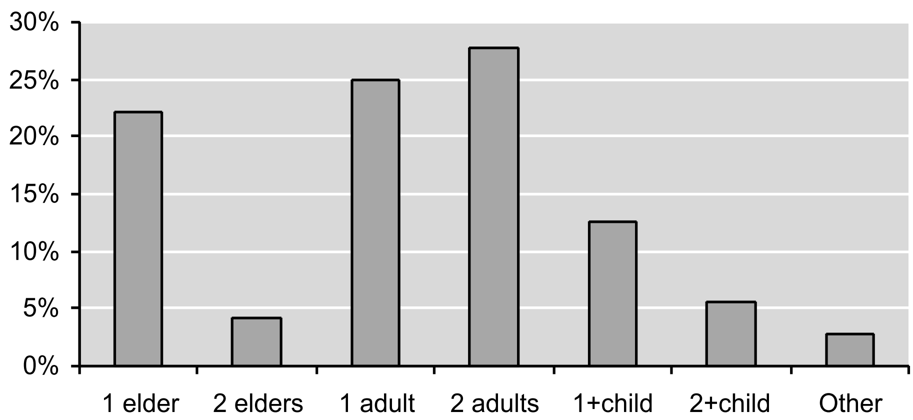
Price trends and number of sales 1998-2003: Keswick (Land Registry)

Turnover from CORE lettings 99/00 to 01/02

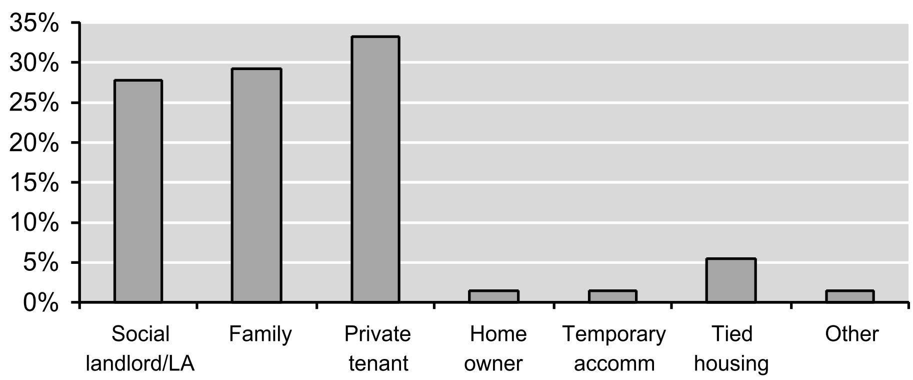
Based on 250 social housing units

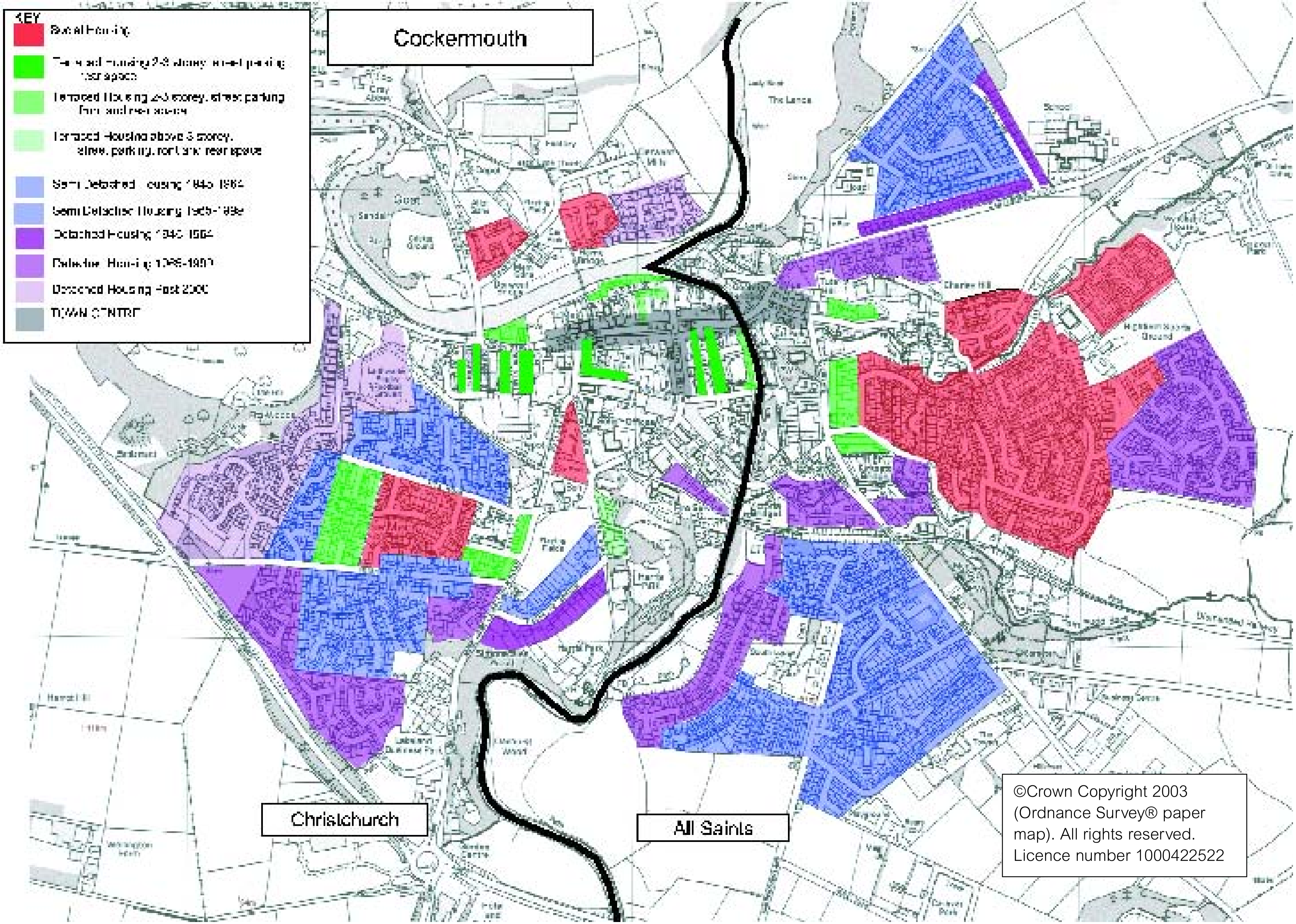
	99/00	*00/01*	*01/02*
Total lettings	16	23	33
Turnover %	3.3	4.7	6.8

Keswick: lettings by household type % 1999-2002



Keswick: lettings by previous housing circumstances 1992-2002




KEY
Cockermouth
Christchurch
All Saints
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Cockermouth


River Derwent, Cockermouth

HISTORY AND CHARACTER OF THE SETTLEMENT

Cockermouth lies just outside the Lake District National Park boundary, with good road links to west Cumbria. It grew up as the service centre and market town for a rural hinterland, and historically had little industry. There is an attractive eighteenth century town centre (with conservation area status), which includes terraced housing of various sizes, some of it of high architectural quality. There is a limited amount of nineteenth and early twentieth century housing around the core, and much more extensive post-war development. This is a mix of social housing, and semi-detached and detached homes built at various stages over the last fifty years. The Sellafield workforce is an important factor: some 415, or about 12% of the economically active population in the town work at Sellafield. It is the fifth most popular place for BNFL workers to live, after Whitehaven, Workington, Egremont and Cleator Moor.

Cockermouth has enjoyed a housing market boom in the past three years. With an excellent range of shops and services, successful schools, a pleasant environment, and easy access to the Lake District, it is an attractive option for better-off commuters. The developments at Derwentside and Parklands took place during that period, and have consisted mainly of larger executive detached homes. According to the 2001 Census, the number of second homes was below 2%.

COCKERMOUTH HOUSING MARKET

Key facts and statistics

- Cockermouth has a fairly even distribution of house types. About a quarter of the stock is terraced housing, and a similar proportion detached homes. Semi-detached houses make up just over a third of the stock, and the balance is flats. Within the stock, there is also a balance of new and older homes.
- Detached, terraced and semi-detached homes each accounted for about a third of sales in the first half of 2003 (NB: detached home sales were boosted by new development).
- In terms of tenure, social rented housing is below the national average, at around 15%. Private renting is also below the national average. Typically, social housing is concentrated in particular areas of the town (see map opposite).
- Cockermouth has expanded in recent years. About 250 new private homes have been developed in the last three years. These have tended to be for the top end of the market – that is, detached three- and four-bedroom houses.

Current trends in the housing market

Rapidly rising housing market: the price of a terraced house increased by 40% between the third quarter of 2002 and same quarter of 2003. In the last three years, the price has doubled. There is a shortage of properties, compared with potential buyers. The charts on page 31 summarise recent trends in property prices and sales.

Good range of housing within the town: terraced housing of different sizes; post-war housing from modest semi-detached homes to large new executive detached homes at the top of the market.

Housing ladder well graduated, with no missing rungs. Property sales figures show even distribution throughout the main categories of terraced, semi-detached and detached homes (page 31).

High values mean all properties for sale in the private sector are currently valuable, including smaller and older homes, which – typically for this type of market – often command prices disproportionate to their size and type. Investment in stock is likely to be maintained, or increased.

The first rung of housing ladder (first time buyer level) is very high. A mortgage of £92,500 (at 95%) would be needed to buy the average terraced home in Cockermouth, and £76,000 for the cheapest ex-right to buy home. A couple earning, respectively, the average wage for the hotel and restaurant industry (about £16,000); and £10,000 p.a. could afford a mortgage of only £66,000. A one-person household on the higher of these two wages could afford a mortgage of just £56,000.

Links to other local housing markets: first time buyers who cannot afford Cockermouth prices might tend to look for cheaper property elsewhere – for example, Workington or Maryport. The lack of higher-value homes in Workington and Maryport increases pressure on the Cockermouth market.

Social housing: most is regarded as desirable, – sometimes in despite of its appearance – and lets easily. The flats in Derwent Mill (25% turnover) and St Helen's (13% turnover) are an exception (see page 32). There are few incidences of anti-social behaviour. One housing association operates a local lettings policy for the Slatefell estate which gives preference to people who have connections with Cockermouth through previous residence, work, or family.

There are some warning signs in the social rented sector, however: over the three years 99/00 to 01/02 the proportion of lettings to existing social landlord tenants was fairly high, at 35%, suggesting some 'churning' in the stock. One-person households accounted for 35% of all lettings, partly accounted for by high turnover in flats. This is despite the fact that one-person households might be considered at a disadvantage in the private housing market. In addition, the proportion of older people in council housing in Cockermouth, especially in Christchurch ward, is relatively high (see chart on page 56). This cannot simply to be explained by the amount of stock designated for older people. The implication is that turnover will increase over the next few years.

SOCIAL AND ECONOMIC PROFILE

- The population of Cockermouth grew overall by 3.7% between the 1991 and 2001 Census (chart on page 55). Most of the increase was concentrated in Christchurch ward, which shows a population growth of 8.7% over that period. The growth is due to new development. This has consisted mainly of high value detached homes, but some shared ownership houses, (many of which are now owned outright) and leasehold bungalows for older people have also been provided.
- Cockermouth has similar numbers of children, young adults, and older people to the Cumbrian average.[12] Analysis of the demographic profile by ward (page 56) shows that Christchurch has fewer children and significantly more older people. However, this is counteracted by the profile of All Saints ward, which shows the opposite trend.
- Levels of deprivation in Cockermouth are relatively low. All Saints ward is mid-division in both the Cumbrian and national league. Castle[13] is near the top of the Cumbrian league, and comfortably within the top third nationally (charts on page 57 and 58).
- Over a third of working people in Christchurch ward, and over a quarter in All Saints, are in managerial or professional jobs. The proportion in routine occupations is correspondingly low (charts on page 59).
- Cockermouth schools reflect this. The secondary school is in the top third of Cumbrian schools for both GCSE and A level results. One primary school is in the top 15% of Cumbrian schools, and the other two are mid-division (see school tables, page 60).

Parklands, Cockermouth

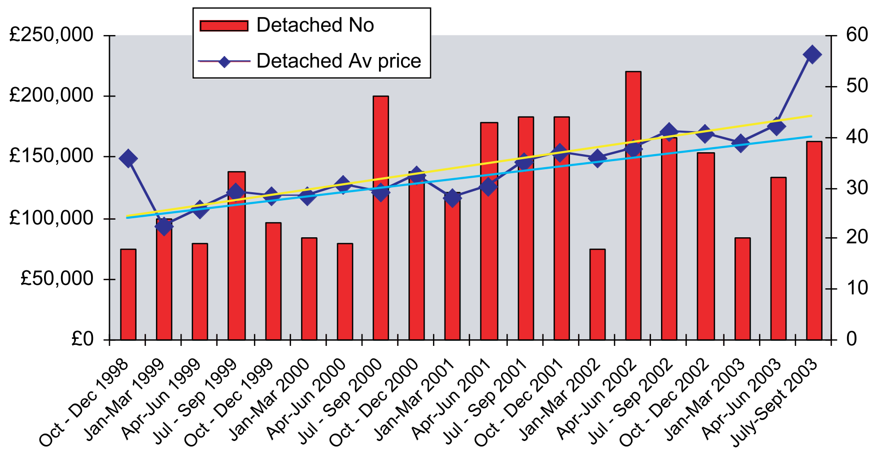
12: 2001 Census
13: Indices of deprivation are based on 1998 ward boundaries, which have since changed.

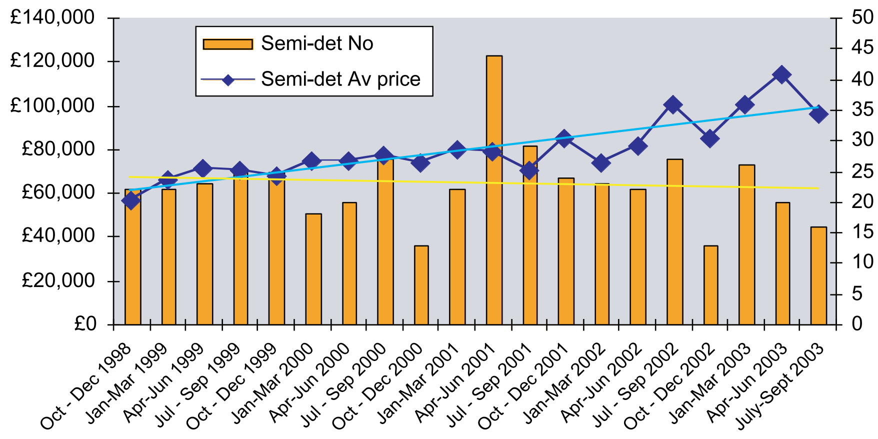
KEY ISSUES FOR COCKERMOUTH

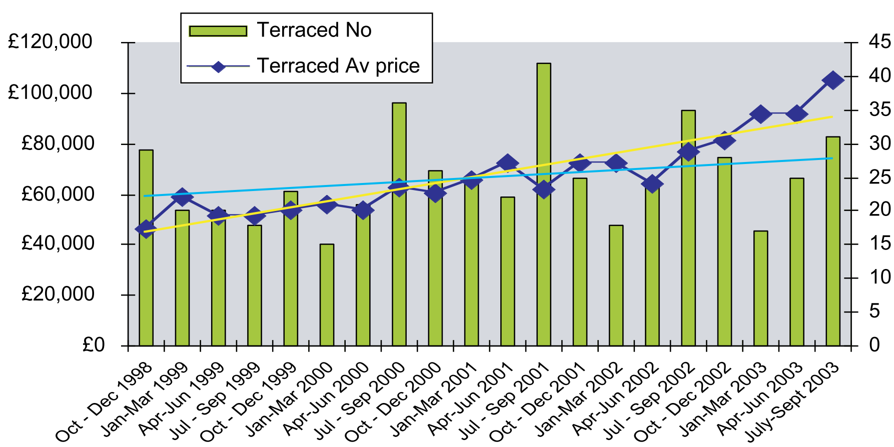
The high first rung of the housing ladder is a serious problem for first time buyers on local wages. More opportunities for equity share could overcome this. Some form of equity share is a better option than social housing for local people on lower incomes. It meets their aspirations for home-ownership; it enables some of their own disposable income to be invested, which is of direct benefit to the purchaser, whilst making public subsidy go further. Equity share might also be attractive to existing social tenants, thus releasing their present homes for other households in need.

Future demand for social housing may decline. Although the situation appears stable, there are some warning signs (the low demand for Derwent Mill, despite the high cost of properties for small households and first time buyers; the proportion of older people in social housing). This should be carefully monitored. Previous low levels of reinvestment in social housing could have serious consequences if the underlying trend in demand is downwards.

Price trends and number of sales 1998-2003: Cockermouth (Land Registry)

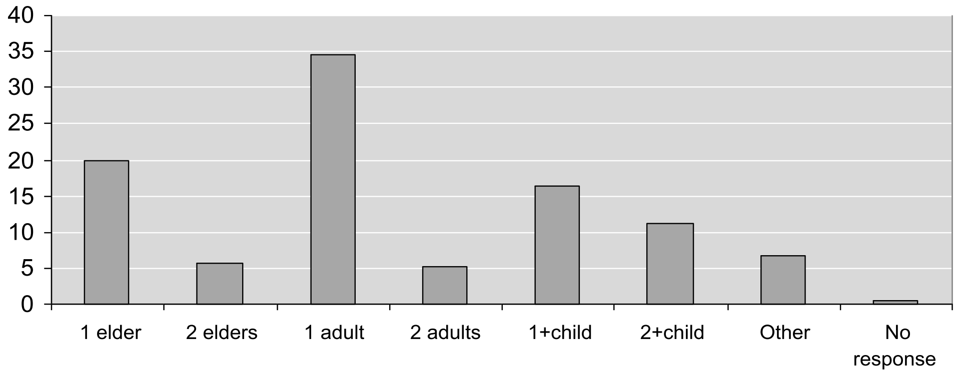




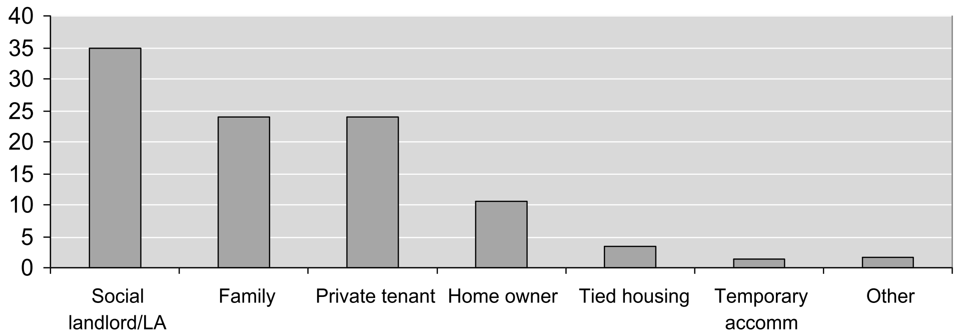


Note: blue trend line is no. of properties sold; yellow is average price.

Cockermouth: lettings by household type % 1999-2002



Cockermouth: lettings by previous housing circumstances 1992-2002



Turnover from CORE lettings 99/00 to 01/02

Based on 546 social housing units

	99/00	*00/01*	*01/02*
Total lettings	46	81	99
Turnover %	8	15	18

Cockermouth turnover 02/03 (%age)

	Home	*D&S*
Derwent Mill	25.0	
Slatefell	4.6	
St Helen's St	13.2	
The Moor	0.0	
Overall	9.0	10.0

Lorton

HISTORY AND CHARACTER OF THE SETTLEMENT

Lorton is really two settlements. High Lorton is effectively a small village, with church, post office, and primary school. Low Lorton is simply a handful of scattered farms, isolated dwellings and a pub. The terraced cottages and smaller dwellings would originally have been home to trade and craftsmen servicing the farming industry, and independent workers such as weavers.

Being within the National Park boundary, Lorton is subject to tight planning constraints, and there has been no new development in recent years, except for five homes for social rent built in 1997 by Mitre Housing Association. In the post war period, North Housing Association provided four family houses at High Lorton, all of which are now sold under the right to buy scheme.

A key factor for Lorton is its position. It is close to Buttermere and Crummock Water, in one of the most sought-after parts of the Lake District National Park, but at the same time, the main A66 is less than ten minutes drive from High Lorton. The relative isolation of the village is tempered by the accessibility of Cockermouth, with its excellent range of shops and services; and from there, the towns of west Cumbria can be easily and quickly reached. This makes Lorton an attractive and practical proposition for high income commuter households.

Agriculture remains important to the local economy, although farms are no longer significant employers of outside labour, tending to meet most of their labour requirements within the family. Not surprisingly, Lorton is also an important tourist destination, particularly for those in search of a rented holiday home in beautiful and unspoilt location. Cleaning holiday cottages and running the local teashop provides a *small* amount of local employment.

LORTON HOUSING MARKET

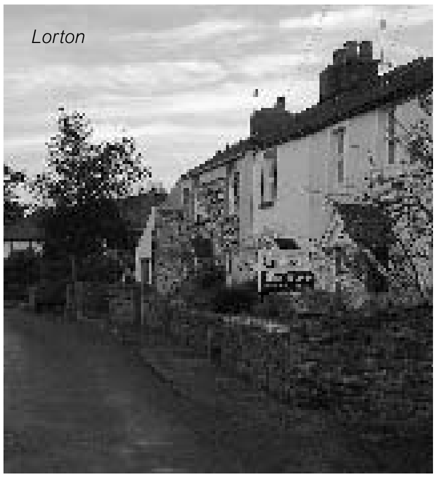
Key facts and statistics

(NB: unless otherwise stated, these statistics relate to Crummock ward. Whilst this is more extensive than High and Low Lorton, the characteristics are likely to hold good across the whole ward: in other words, what is true for Crummock ward should also be true for Lorton).

- Over 75% of homes are in Council Tax band D or above.
- Owner-occupation is relatively high, at about 76%. Private renting is higher than average, at 14%, and social renting extremely low, at just 3.4%.
- According to the Census, about 12% of homes were holiday or second homes.[14]
- Detached homes accounted for 60% of the stock, reflecting the number of (former) farmhouses and isolated dwellings.

Current trends in the housing market

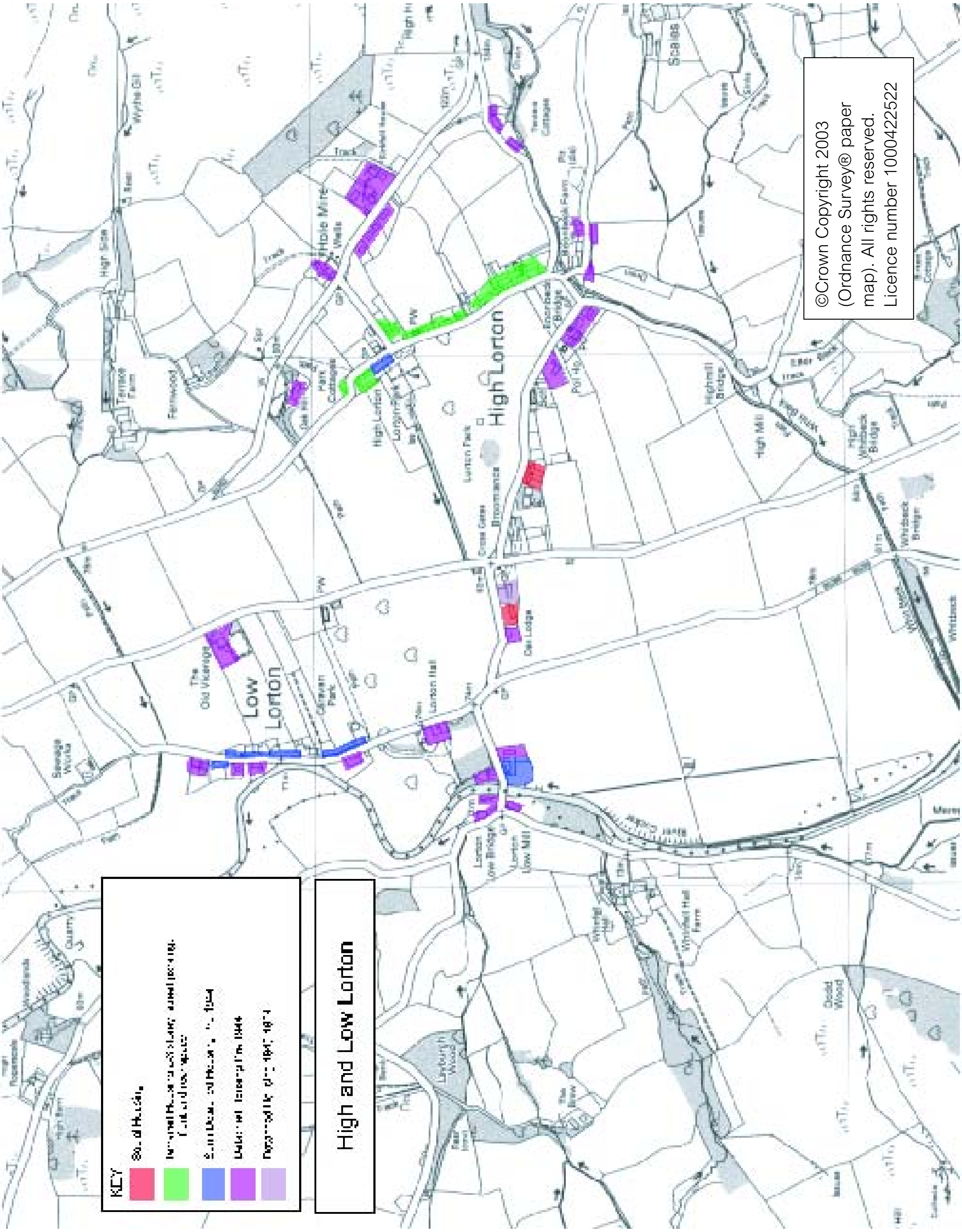
- Not surprisingly, the market is characterised by a scarcity of properties, and very high prices. Competition in this constrained market is intense, and pressure from commuters is important, alongside those in search of a holiday or retirement home. Land Registry figures are only available for postcode sectors, and the sector which includes Lorton also includes part of Cockermouth. For this reason, information is derived solely from estate agent interviews. They regarded Lorton as desirable both as a retirement/holiday home destination, and for better-off commuters seeking a rural home. The only home on the market at the time of the study was a (small) former Methodist chapel for conversion, without planning permission, which sold for in the region of £100,000. Estate agents reported that detached homes



Lorton

might be sold for upwards of £350,000, semi-detached houses for £250,000 plus, and terraced cottages for anywhere between £175,000 and £350,000. Ex-right to buy homes seldom come onto the market, but were likely to be worth around £175,000.
- Vacancies in social housing in Lorton occur so rarely that it is not possible to draw any definite conclusions from lettings statistics. However, properties let easily when they do become vacant, and local lettings restrictions apply.
- Lorton shows a pattern typical of highly constrained, high value competitive markets. Generally, the rungs on the housing ladder in a local market ascend in accordance with the type and size of properties on offer. So a detached home costs significantly more than one which is semi-detached, and a terraced house costs less than a semi. In this case, the type of property may have less influence on price than other factors such as location within the settlement, view, garden etc.

14: However, the true figure may be somewhat higher. Second and holiday homes include a proportion of vacant dwellings as determined by the enumerator. The 2001 census still shows 48 homes in Crummock ward which were recorded as vacant, rather than second or holiday homes. But it seems unlikely that all of these were vacant for other reasons.


High and Low Lorton
KEY
High Lorton
Low Lorton
The Old Vicarage
Lorton Hall
Oak Lodge
Sewage Works
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Vale Cottages, Lorton

SOCIAL AND ECONOMIC PROFILE

- Crummock ward's population of just under 1,500 has registered a fall of over 5% between 1991 and the 2001 Census (page 55).
- The proportion of the population under 16 is similar to Keswick, at 15%, and below the Cumbrian average of 18.9%. Correspondingly, Crummock ward has a much higher than average population of older people. Almost 30% of residents are over 60, (compared with the Cumbrian average of 24.1%).
- However, in terms of households, Crummock's proportion of all-pensioner households is considerably less than Keswick (28% compared to 35%), and only a little above the Cumbrian average of 27%.
- A high proportion of households are married couples of working age without children (22.7%, compared to the Cumbrian average of 12.2%). 23% of households in Crummock ward are families with dependent children. This is a little below the Cumbrian average of 27%.
- Overall, the demographic profile reflects the dual role of settlements within Crummock ward, including Lorton: they are popular both with those seeking a second and/or retirement home, and with better-off commuters, who include some families with children.
- Crummock ward is among the least deprived Cumbrian wards, with an overall ranking of 131 (out of 162). In terms of income, it ranks 143, and for child poverty, 159. This confirms that it is mainly more prosperous households who are able, and choose, to live there.
- Unemployment is extremely low, at 1.4% (September 2003).
- Of the 755 people in employment (2001 Census), about 18% are employed in agriculture. A relatively low proportion (one in 10) work in manufacturing.
- A third of those in employment are in professional and managerial occupations, and less than 12% in routine or semi-routine jobs. Less than one in five has no qualifications, and about a third are qualified to degree level or the equivalent.
- Again, this confirms that outside the agricultural sector, Crummock residents tend to be better qualified, in higher level jobs, and (by implication) better paid than in most of Cumbria.
- Lorton school is too small to be included in the school league tables. At secondary level, local children could go to Cockermouth or (subject to availability of places) Keswick School, both of which are successful and perform well in the league tables.

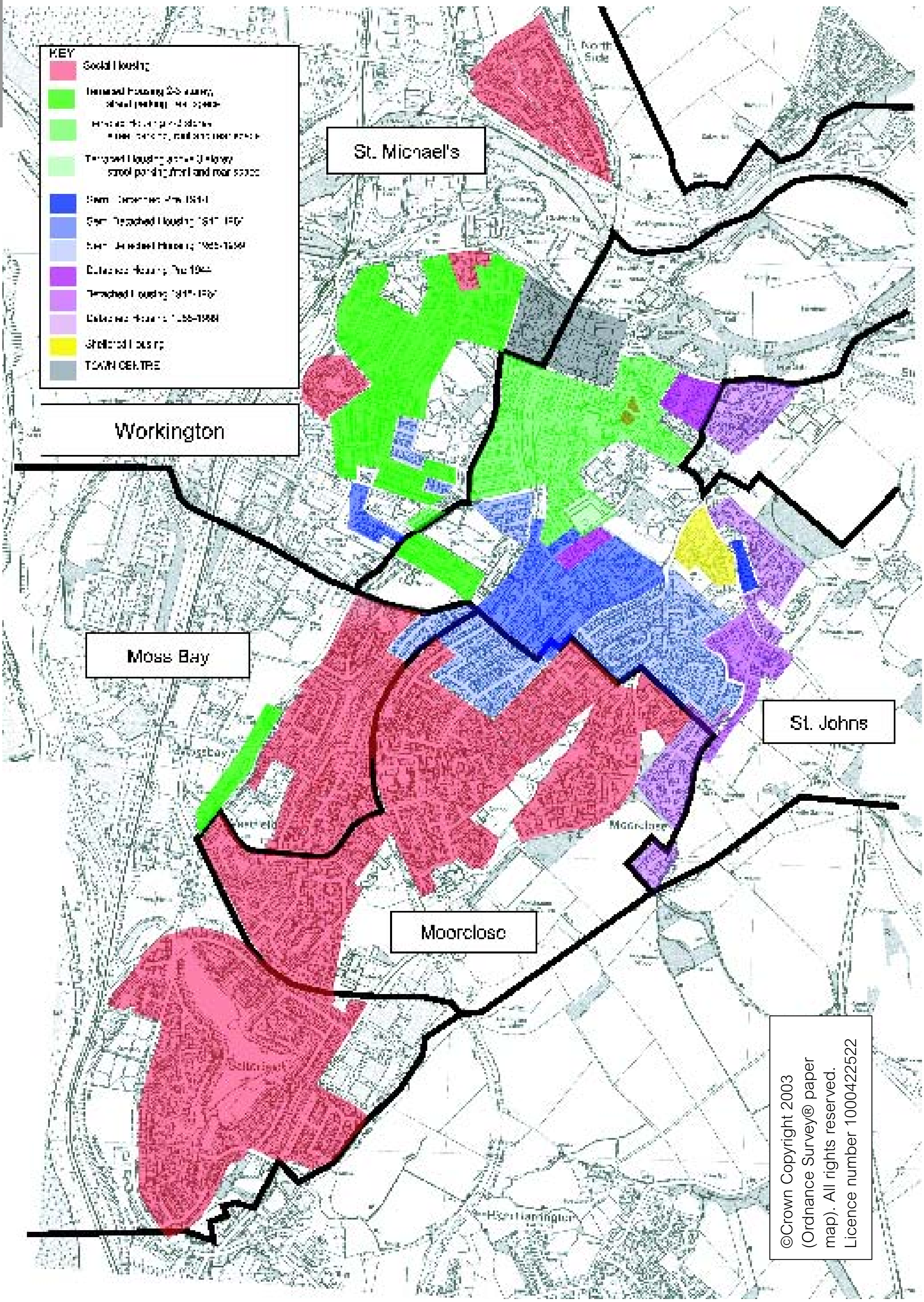
15: In reality, six new affordable homes would provide six lettings in the year of completion, and then, in all probability, no lettings at all for at least the next ten years.

KEY ISSUES FOR LORTON

Lorton's housing stock is not at risk. The strength of the market for second, holiday and retirement homes, plus interest from better-off commuters is likely to ensure that the market remains strong. Their willingness to invest in even the smallest and least prepossessing homes in this highly competitive market may well extend its life indefinitely.

The tight planning controls imposed by the National Park Authority will continue to prevent the development of open market homes. The same controls mean that opportunities for providing more social housing, were it considered necessary, are in practical terms very limited.

Whether more social housing is needed to enable local people to remain in Lorton and support local services such as shops and schools appears increasingly doubtful, given the changing nature of the community. A parish where most residents are prosperous commuters, retirees, or second home owners is unlikely to generate much demand for social housing. And given the lack of local employment opportunities and services, it might be more realistic for people in need of a rented or low-cost home ownership home to seek one in Cockermouth. If this seems harsh to those who campaign for more affordable housing to support rural communities, they should perhaps consider that new social housing provision, unless on an unacceptably large scale, is unlikely to provide a flow of lettings which matches the profile of local need. Six houses at a typical rural turnover rate of 3% might generate between one and two lettings every ten years, and the statistical probability of these vacancies coinciding in time with the needs of newly-forming households within the community is negligible[15]. A better answer might be some form of assisted purchase scheme for people with strong local connections who could not afford local house prices. However, in a settlement such as Lorton, where the flow of property on to the market is slow and unpredictable, this, too, appears impractical.


KEY
Social Housing
TOWN CENTRE
Workington
St. Michael's
Moss Bay
St. Johns
Moorclose

Workington

Portland Square, Workington

HISTORY AND CHARACTER OF THE SETTLEMENT

Workington segments easily into sub-districts of uniform house types, which reflect its historic form and the pattern of more recent development. There is a small 18th century core; extensive streets of terraced housing, constructed over a relatively short period in the late nineteenth and early twentieth century to house workers in local industry; some inter- and post-war suburban development of semi-detached homes to the east of the town centre; extensive social housing estates to the south, built mainly in the post-war period (see map opposite).

The town centre has an excellent range of shops and services. The planned re-development of the Washington Square shopping centre, including a new Debenham's department store, will consolidate Workington's position as the major retail centre for the west coast and its hinterland.

The historic town centre is a conservation area, and has already had considerable investment. The Neighbourhood Renewal Area strategy will reinforce this positive trend, both in terms of improvements to the built environment, and the development of the town's cultural heritage.

One of the town's three secondary schools has shown outstanding improvement in performance at GSCE in recent years. Three of the six primary schools are mid-division in the Cumbrian league for performance at Key Stage Two; one is in the top 20%, and two are close to the bottom.

Overall, these factors should increase the attractiveness of Workington – at least, of the town centre and its immediate surroundings – provided the right balance of housing is available. In terms of the housing market, the recent property boom in Cockermouth and the rural hinterland has already had some impact on demand, and therefore house prices, as buyers seek acceptable, cheaper alternatives to homes in those locations.

WORKINGTON HOUSING MARKET

Key facts and statistics

- In the town centre and its immediate periphery, terraced housing is the dominant form. Over three quarters of homes in St Michael's ward, and over half in St John's ward are terraced (see house type chart on page 52).
- Well over 90% of homes in Workington are in council tax bands A and B (chart on page 52).
- The rate of home ownership in St Johns, at 84%, puts it in the top quartile of Cumbrian wards for owner-occupation. Only 5% of homes in St John's are for social rent (chart on page 52).
- Overall, social housing accounts for about a third of Workington's stock, with high concentrations in Moss Bay (about 55%) and Moor Close (51%). Moss Bay ward has the lowest rate of home ownership in Cumbria, and Moor Close the third lowest.
- Most terraced housing in Workington opens off the street, has a rear yard and no garden, and is in long streets of similar housing. Cars have to be parked on the street. Internal space standards, even in the smaller two-bedroom homes, are fairly good for this type of house.
- There is a reasonable proportion of three-bedroom houses, and there are some larger three-storey terraced and semi-detached homes with four or five bedrooms. But, underlining Workington's history as a working class town, the older housing stock contains only about thirty to forty large houses with gardens (Banklands; the terrace off Park End Road). These would originally have been built for managers of local industry and the professional middle class, and are still attractive to better-off households who aspire to a character town house.

Salterbeck, Workington

- Terraced housing generally appears to be in good condition, with a few notable exceptions. Some have benefited from enveloping schemes in recent years.
- There is a small number of larger inter-war homes around Vulcan Park, and an estate of inter-war semi-detached homes to the east of the town centre. Apart from this, new private house building in the post-war period has been limited (see map on page 36).
- Detached homes are scarce, and accounted for only 17% of sales in the first nine months of 2003 (see chart on page 54). This pattern has been observed over a number of years.
- According to the 2001 Census, private renting in Workington is just below the national average in St Michael's and St John's ward, (9% and 8% respectively) and – unsurprisingly – very low in Moss Bay (under 3%) and Moorclose (under 2%). If the 2001 figures are accurate, this would mean that roughly 400 homes in the greater town centre area were for private rent. There is anecdotal evidence from estate agents that this may be increasing. Most tenants of private rented housing are said by letting agents to be in receipt of full housing benefit. This suggests that to some extent, the private sector is serving as an alternative – possibly a preferred alternative – to social renting on a peripheral estate.

Current trends in the housing market

Values in the private housing market in Workington have risen rapidly in recent months, particularly for terraced and semi-detached housing. All types of housing are in short supply. The average price of terraced housing had risen by 30% between the third quarter of 2002 and the same quarter of 2003 (Land Registry) and has continued to rise since (see page 40).

Opportunities for first time buyers: despite recent rapid rises, and some (anecdotal) evidence that first time buyers are being out-bid by buy-to-let investors, Workington still offers a choice of terraced property and ex-right to buy homes under £50,000. Average house prices and entry level to the housing market are well below the UK average,[16] and affordable by households on local incomes. Buying a terraced home in Workington still offers good value for money compared with renting privately (see chart on page 53). Compared with Cockermouth, just six miles away, the first rung on the housing ladder in Workington is two to two-and-a-half times less expensive (see charts on page 31 and 40).

Competition for terraced homes from buy-to-let investors: all of the Workington estate agents had recently sold terraced houses to buy-to-let investors, looking for a better return than the stock market, or pension funds. There is some evidence (from agents) that these individuals are replacing an older breed of private landlords, who tended to own a number of terraced houses, and specialised in letting to people on benefits. However, it is important to keep this issue in perspective, as the proportion of terraced homes let privately remains close to the national average (at the Census, around 10% of homes in the centre of Workington were privately rented. See tenure chart on page 52).

Extreme shortage of higher-value property, especially detached and semi-detached homes of good standard. This may cause people trading up to move elsewhere, or stay put. It also limits the ability of the town to attract better-off households whose spending patterns might contribute to its renewal. Some properties of this type are provided in the adjacent suburbs or Stainburn and Harrington, but insufficient to influence the overall pattern of housing supply.

At the same time, the low level of new development has probably helped to maintain interest and investment in the large areas of terraced housing.

Links to other local housing markets: Workington is much less likely to attract second- and retirement-home buyers than Cockermouth and Keswick. Less than 1% of homes in the central wards of St Michael's and St John's were recorded as second/holiday homes in the 2001 Census. However, Workington has some positive quality-of-life indicators (historic town centre; active regeneration plans; good services; easy access to Lakes; improving schools) which might tend to attract buyers who cannot afford the very high prices of properties in Cockermouth. The recent pressure on the housing market in central Workington, and the upward trends in property prices, are likely to continue.

Large blocks of social housing, municipal in character and detached from the shops and services of the town centre. These estates concentrate the poorest, most disadvantaged households in a large, unrelieved swathe to the south of the town, and a smaller swathe to the north (Northside).

16: UK average price for third quarter of 2003 was £161,665, and for a terraced house £120,685. Comparable figures for Cumbria were £111,437, and £67,887. For central Workington, the figures were £74,972 and £44,374 (Source: Land Registry).

Surplus social housing and falling demand: the availability of cheap housing to buy in Workington has reduced the market for social housing to the poorest and most disadvantaged households. A high proportion of lettings (over 40%) are to existing social housing tenants, suggesting that oversupply allows them to shop around for better properties and locations. This phenomenon is typical of areas of low demand.

Some tendency for social housing tenants to take private tenancies in the town centre, in preference to living on the large estates.

Evidence that new lettings are less sustainable. One-person households account for over 35% of social lettings (see chart on page 41), and they tend to be a mobile and less stable group. Westfield and Frostoms include a relatively high proportion of flats, which does not help. Derwent and Solway have a policy of letting only to mature people in some areas, but it can be hard to find tenants who match the desired profile.

Particular streets and groups of properties have turnover rates which are disproportionately high. (see information on page 41, based on CORE lettings). Four different housing associations own property in the area with the highest turnover (Frostoms/Westfield). This makes it difficult to tackle the problems in a co-ordinated way, and leaves landlords effectively competing for the worst tenants.

SOCIAL AND ECONOMIC PROFILE

With the exception of St John's, the Workington wards tend to have slightly more children and young people than the Cumbrian average. Otherwise, the demographic profile is close to the average (see population chart on page 56).

Between the 1991 and 2001 Census, the population of Workington ***fell*** by about 12%, from just under 23,000 to 20,230[17]. As the chart on page 55 shows, all wards reported a significant fall, but the loss was greatest in Moss Bay and St Michael's.

Iredale Crescent, Workington

Social deprivation is concentrated in those parts of the town where the dominant tenure is social housing:

- Salterbeck, Westfield and Moorclose wards[18] are among the ten most deprived wards in Cumbria in terms of income and child poverty. In terms of overall deprivation, Salterbeck and Westfield are respectively fourth and ninth in the Cumbria league, and Moorclose not far behind, at twelfth.
- All three are well inside the bottom 10% of wards ***nationally*** (see charts on pages 57 and 58).
- Moss Bay and Moorclose wards have a high proportion of residents with no educational qualifications.[19] They are respectively second and seventh in the Cumbrian league for this indicator (see chart on page 58).
- The same two wards have a high proportion of residents in routine (that is, unskilled) occupations (fifth and sixteenth in the Cumbrian league); and a correspondingly low proportion of people in professional and managerial jobs (Moss Bay is bottom of the Cumbrian league, and Moorclose tenth from bottom in this respect).
- The two town centre wards, St John's and St Michael's, are less deprived than Moorclose and Moss Bay, but St Michael's, which encompasses the most of the terraced housing to the west of the town centre, is still in the bottom 20% of wards nationally, and similarly placed in the Cumbrian league.
- School performance is variable, but some schools show marked recent improvement. Southfield College, a specialist technology college, was the eighth most improved school in England in 2003 for GCSE resluts. 50% of Southfield pupils achieved 5 A-C grades in 2003, compared with only 20% in 1999. Against the (apparent) odds, St Mary's primary school at Salterbeck is 32nd in the Cumbrian league for performance at Key Stage Two. This may reflect recent improvements on the Salterbeck estate, as well as good teaching. At the other end of the scale, Westfield primary school is in 183rd place out of 189 Cumbrian schools in terms of performance at Key Stage Two. It is also in the poorest quartile of schools nationally for added value.
- Of the three remaining schools, which are all located in or close to the town centre, one is also close to the bottom of the Cumbrian league, in 172nd place, with a particularly poor score for added value. The others are mid-division. School league tables are summarised on page 60.

17: Cumbria County Council figures

18: Index of deprivation 2000 ODPM. These figures, the most up-to-date available, are based on the 1998 ward boundaries. Census information is based on current ward boundaries.

19: 2001 Census

KEY ISSUES FOR WORKINGTON

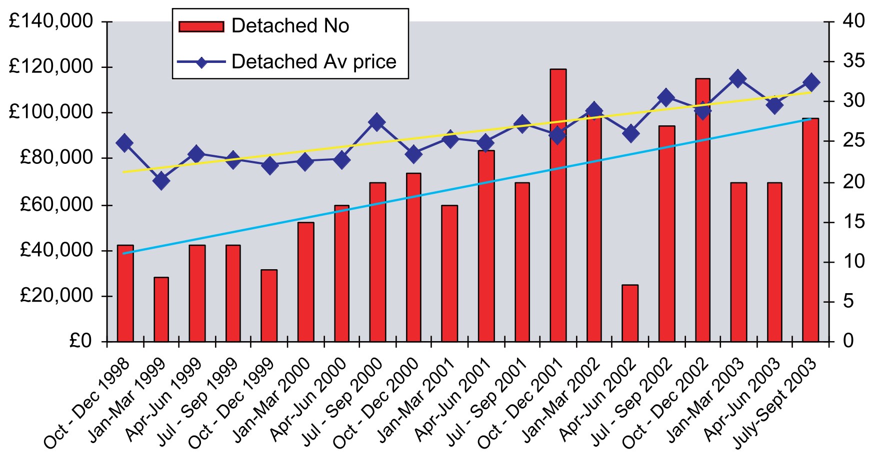
The key issues, which future interventions in the housing market would need to address, are these:

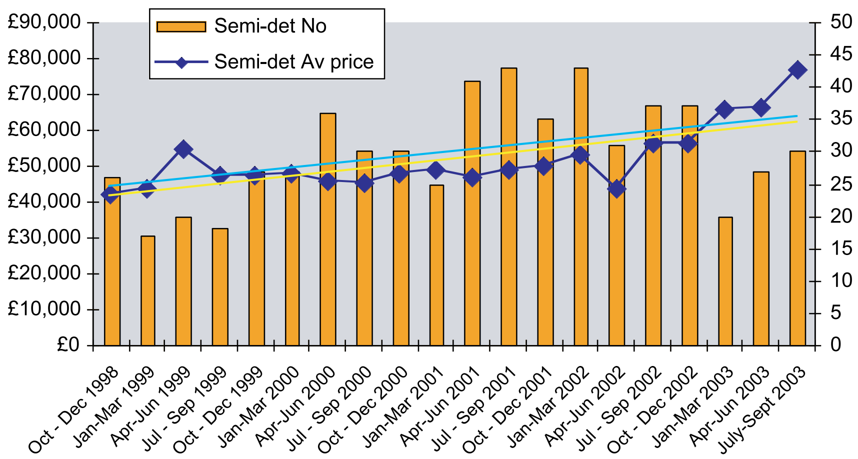
The unrelieved swathe of social housing to the south of the town, which concentrates high levels of deprivation in one area. There is already evidence that supply exceeds underlying levels of demand, and this is likely to worsen in future.

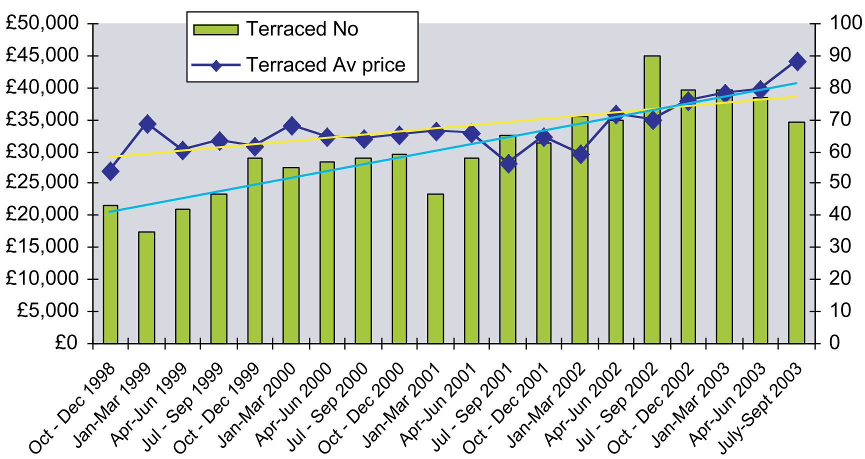
The shortage of quality higher-value homes. The town centre area is already viable, and the planned regeneration is likely to improve the attraction of Workington as a place to live. At present, there is not enough housing to attract better-off households, and capture some of their spending power for the benefit of the town as a whole.

The future of the terraced housing in the town centre: there is strong demand at present, and some has benefited from investment. Despite this, there is still considerable deprivation, particularly in St Michael's ward. Not all housing is of good quality, and street layouts (no gardens or in-curtilage parking) are not up to modern standards and expectations. Consideration should be given to retaining the best, and selective re-development of the worst.

Price trends and number of sales 1998-2003: Workington (Land Registry)

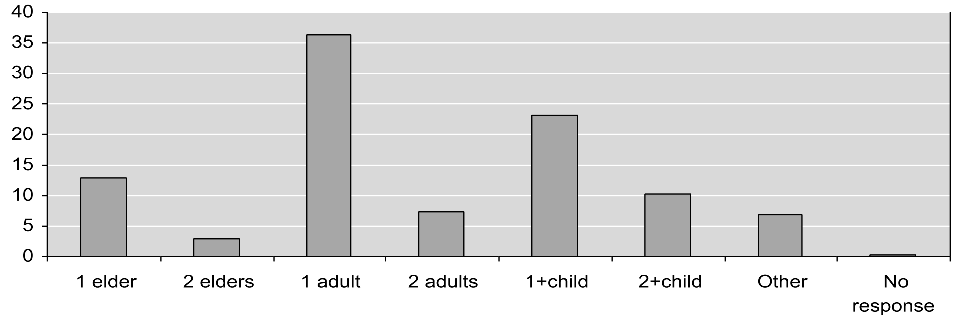




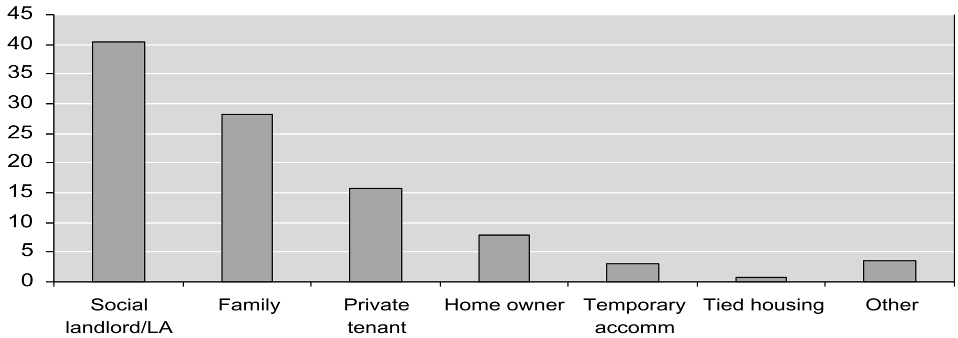


Note: blue trend line is no. of properties sold; yellow is average price.

Workington: lettings by household type % 1999-2002



Workington: lettings by previous housing circumstances 1999-2002



Turnover from CORE 99/00 to 01/02

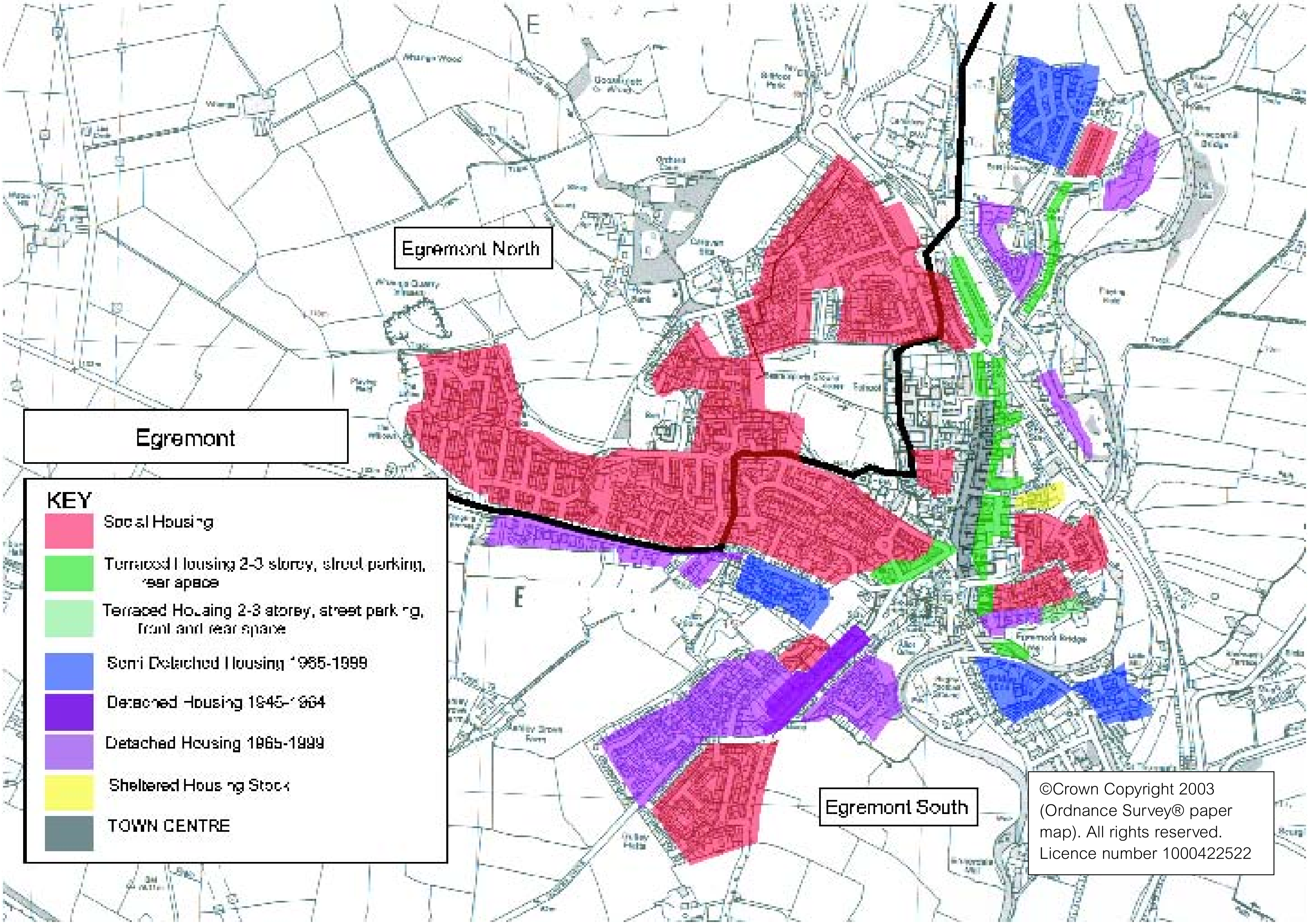
Based on 2958 social housing units

	99/00	***00/01***	***01/02***
Total lettings	429	526	569
Turnover %	15	18	19

NB Provisional figures

High turnover addresses

Turnover % 99-00 to 01/02	***Address***	***Property type***
100	Casson Rd	Older persons flats
33	Firth View Walk	1B bungalows, 1B flats, 2B houses
30	Moorclose Croft	Flats and sheltered housing
29	Firth View Walk	1B flats, 1B bungalows, 2B houses
24	Casson Rd	1B flats
23	Cusack Cres	3B houses, 1B flats
21	Iredale Rd	2/3B houses
20	Newlands Gdns	2B houses


Egremont
KEY
Social Housing
Terraced Housing 2-3 storey, street parking, rear space
Terraced Housing 2-3 storey, street parking, front and rear space
Semi Detached Housing 1965-1999
Detached Housing 1945-1964
Detached Housing 1965-1999
Sheltered Housing Stock
TOWN CENTRE
Egremont North
Egremont South
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Egremont

River Ehen, Egremont

HISTORY AND CHARACTER OF THE SETTLEMENT

Historically a market town without major industry, Egremont has much in common with Cockermouth. It is a similar size (around 3,500 households), and located on the fringe of the National Park, away from the more industrial urban centres of the west Coast. Like Cockermouth, it has an eighteenth century town centre, of some architectural quality. It is home to 754 BNFL workers, and only Whitehaven and Workington house more of the BNFL workforce. About a quarter of economically-active people in Egremont work for BNFL. This is double the proportion for the Cockermouth/Lorton postcode area.

The housing needs of Sellafield workers have been an important factor in the post-war expansion of Egremont. In direct contrast with Cockermouth, this has consisted mainly of council and housing association homes. In fact, the balance between social and owner-occupied housing in Cockermouth is reversed in Egremont, as the map clearly shows.

Town centre businesses struggle to survive in Egremont. At the time of our survey, the main street contained at least a dozen vacant or boarded up shop premises. Copeland Council recently abandoned a scheme, supported by grants from English Heritage, to help local traders renovate their town centre properties. Most felt unable to raise the owner's 50% contribution, and a more limited shop front improvement scheme is now being tried instead.

Poor scores on a range of social and economic indicators are found particularly in Egremont North, which consists largely of social housing. Wyndham comprehensive school, in the heart of the Home Housing estate, was judged to have serious weaknesses in 2003, although it out-performs both other local schools, Whitehaven and Ehenside by some margin at GCSE. Three of the four primary schools are in lowly positions in the Cumbrian league.

There has been relatively little recent housing development in Egremont, and the housing market has little property at the top end, and little to bridge the widening gap between the few detached homes, and the large number of terraced and (often ex-right to buy) semi-detached houses.

EGREMONT HOUSING MARKET

Key facts and statistics

- Council tax data shows that 81% of homes in Egremont South, and 86% in Egremont North, were in council tax bands A and B. Only 8% (both wards) were in bands D and above (see chart on page 52).
- Over 40% of homes in Egremont are terraced houses, reflecting both the character of the original town centre, and the amount of social housing, some of which is also terraced. Less than 20% are detached homes (chart on page 52).
- Social renting is slightly above the national average, and accounts for about a quarter of the stock. However, as the map shows, far more of Egremont's housing stock was originally council or housing association, and right to buy accounts for the relatively high level of owner-occupation. At around two thirds, social housing is not far below the Cumbrian and national average. (Home Housing Association has sold approximately 45% of their stock in Egremont North).
- Our resident survey suggests that a high proportion of existing tenants and right to buy owners are older people (see appendix 2).
- Estate agents find that ex-right to buy homes coming on to the market are hard to sell. Buyers tend to prefer new homes, or older terraced houses.
- Private renting is very low: just over 5% of homes in Egremont North are privately rented, and below 5% in Egremont South (see chart on page 52).

Smithfield Estate, Egremont

Brisco Mount, Egremont

Current trends in the housing market

Low level of activity. Total sales were around 100 in the first nine months of 2003, compared with just short of 250 for Cockermouth, a similar-sized settlement. However, activity – and prices – seem to have increased markedly in the third quarter of 2003, perhaps in response to market movements elsewhere in the county (see charts on page 45).

The housing market has a wide differential between the top and the bottom of the market. Terraced houses accounted for almost half the sales in 2003, and detached homes were just 17% (page 54). The average price of a detached house in the third quarter of 2003 (approximately £217,000) was about four times that of a terraced house. Although prices for 2003 show a sharp rise, particularly in the third quarter, it was still possible to buy two terraced houses in Egremont for one in Cockermouth. The cost of semi-detached homes was about 30% less than Cockermouth.

Terraced and semi-detached homes are easily affordable by first time buyers. However, there is an absolute shortage of middle and top-range properties which could either attract new, better-off households into the town, or provide opportunities for existing residents to trade up.

Relatively high turnover (approximately 14%) in housing association stock (see page 46). There are few hard to let blackspots, although Gulley Flats/Royal Drive can be difficult (flats housing older people alongside younger one-person households).

CORE data shows that 37% of lettings between 99/00 and 01/02 were to existing social housing tenants, suggesting that the underlying level of demand is below supply. The percentage of older person households in social housing is above the norm for the general population (page 56), even in Egremont North, which consists mainly of family housing. This means turnover could increase in future.

Demand for second and retirement homes is not a feature of the market in Egremont. Both wards have rates of second home ownership below 1%.

SOCIAL AND ECONOMIC PROFILE

Of the two Egremont wards, one, Egremont North (mainly social housing) has seen a 4% fall in population between the 1991 and 2001 Census. The other has seen a small growth (1.5%), due mainly to modest development of new housing, both private sector and social rented (page 55).

The demographic profile of the two wards is markedly different. Egremont South is close to the Cumbrian average in terms of the proportion of children, young adults, and older people. However, Egremont North has a much younger profile (see charts on page 56). These differences may reflect the nature of the housing stock in the two wards. Family housing predominates in Egremont North, whilst Egremont South has a higher proportion of private owner-occupied homes, and social housing designated for older people.

Analysis of the resident surveys suggests that older people make up a relatively high proportion of Copeland Council tenants and right to buy owners. These tend to be living in family homes.

The index of deprivation shows that Egremont North is the 36th most deprived in the Cumbrian league, and is in the most deprived 20% of wards nationally. Egremont South is just above the bottom third, by both Cumbrian and national standards (charts on pages 57 and 58). Almost 40% of households in Egremont North have no qualifications, and the proportion is only slightly less for Egremont South (page 58).

The Ofsted report on Wyndham School was highly critical of school leadership and management, a new head has since been appointed. The inspectors raised concerns about underachievement in years 10 and 11, and considered that the *behaviour problems of a significant minority of pupils were holding down standards*. Even so, 44% of pupils achieved 5 A-C grades at GCSE, which is considerably better than Whitehaven School, or Ehenside (page 60).

One of Egremont's four primary schools is mid-division in the Cumbrian league. The other three are in the lowest 15%, with the worst-performing, Orgill, just four places above the bottom. It should be pointed out, however, that the other three schools all perform well above average on added value, suggesting that the quality of teaching is high.

KEY ISSUES FOR EGREMONT

The unbalanced nature of the housing stock is preventing Egremont from capitalising on its positive characteristics – a market town, well-situated for the Lake District and west Cumbria, with an attractive historic town centre.

The social housing estates have created a concentration of poorer (and older) households, and may be closely linked to the failing town centre businesses, and the poor performance of local schools.

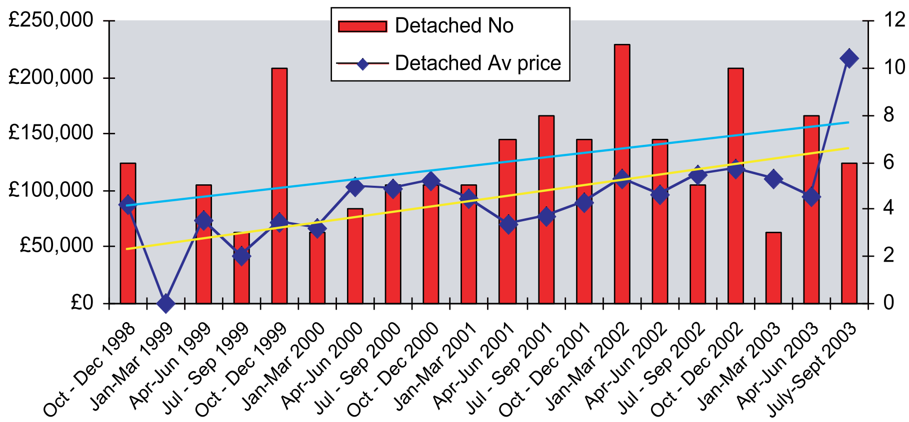
Underlying demand for social housing is declining. The proportion of older people in Copeland Council properties, including those who have bought their council home, suggests that turnover in future is likely to increase.

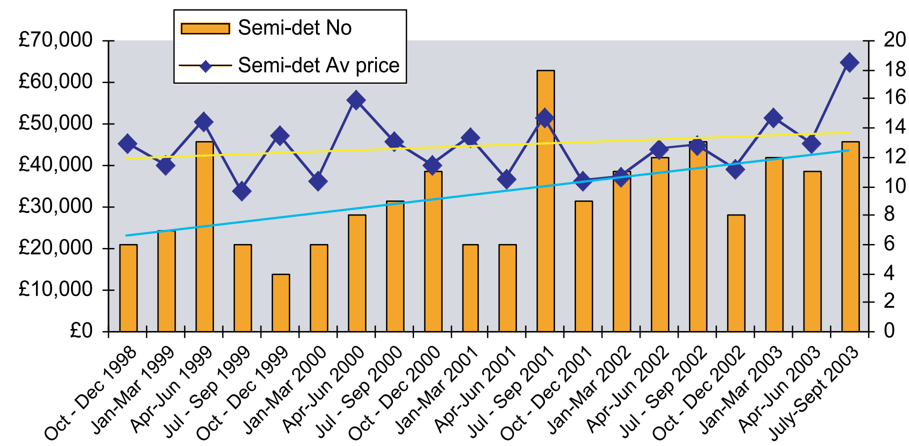
Demand for the relatively large number of ex-right to buy homes is questionable.

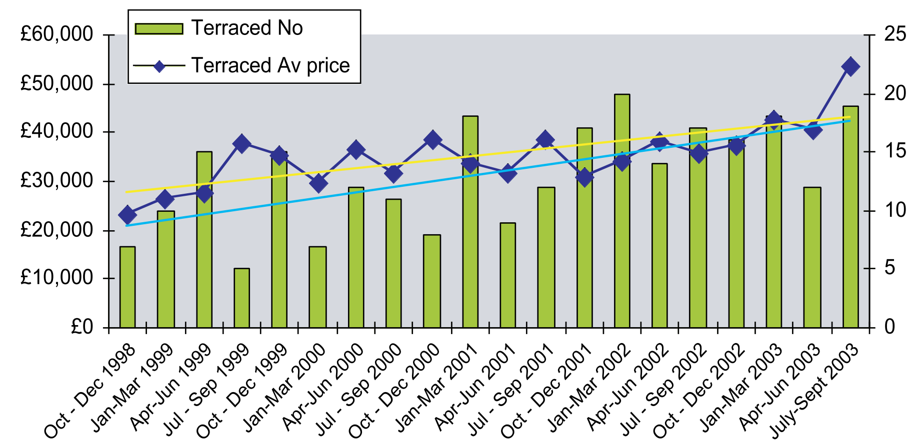
The nature and distribution of the housing stock leads to social segregation.

There is not enough choice of newer, high quality housing to attract higher-income earners, who could contribute positively to the town, including the town centre businesses, which are either struggling or failing.

Price trends and number of sales 1998-2003: Egremont (Land Registry)

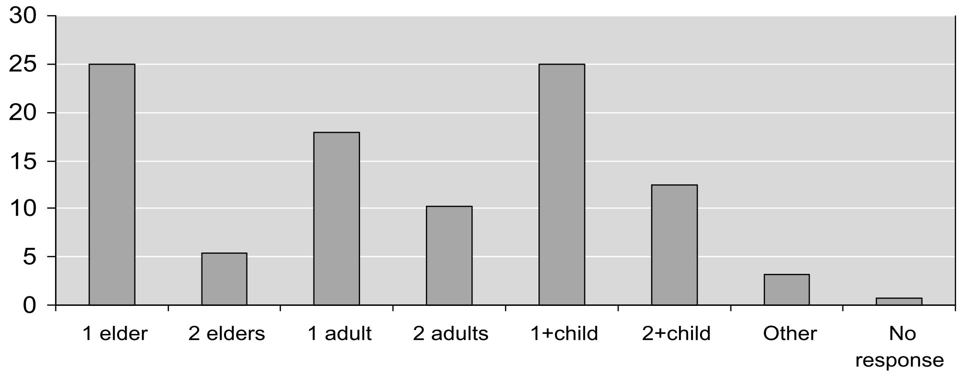




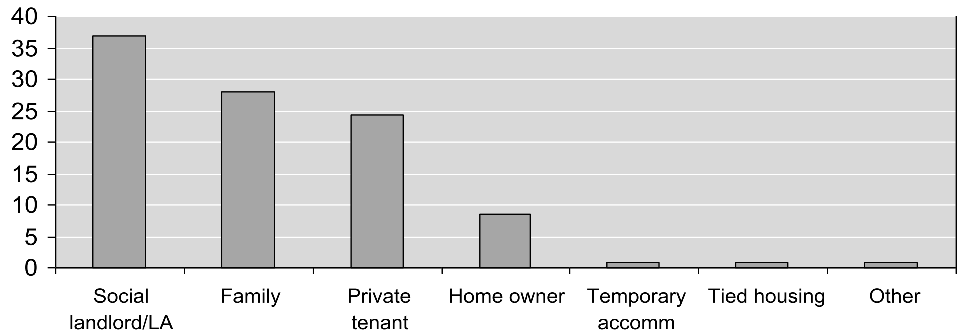


Note: blue trend line is no. of properties sold; yellow is average price.

Egremont: lettings by household type % 1999-2002



Egremont: lettings by previous housing circumstances 1999-2002



Egremont turnover from CORE 99/00 to 01/02

Based on 250 social housing units

	99/00	***00/01***	***01/02***	***CBC 02/03***
Total lettings	57	35	36	38
Turnover %	22.8	14.0	14.4	7.2

NB: Turnover in 99/00 appears high because first letting of new town centre older persons person scheme occurred in that year.

13 % of Copeland Borough Councils new tenancies in Egremont are were tenancy successions

Frizington

Moor Place, Frizington

HISTORY AND CHARACTER OF THE SETTLEMENT

The population of Frizington is just over 2500 (2001 Census). The settlement grew up in the late nineteenth and early twentieth century to serve the needs of workers employed in the Frizington iron ore mine and other local industry. The long main street of small terraced housing conceals extensive social housing estates, developed in the post-war period to offer a better standard of accommodation to the local workforce.

Although its ex-industrial history gives the village a somewhat dour appearance, Frizington is rural, and has easy access to Ennerdale and the western fells of the Lake District. It is close to Whitehaven, and convenient for other west coast centres of employment. Demand for out-of-town executive housing has led to the development of the Rheda Close and Rheda Park estate. The latter consists of individual detached houses and bungalows at low density set in wooded parkland – originally the grounds of a large house – over a mile from the main village. The former is about half a mile out of the village, and conceived and built as an ‘executive estate’. Development is continuing along the eastern perimeter of the site. Residents of both developments consider themselves ‘Rheda’ residents rather than Frizington residents. In recent years, a number of individual homes at the upper end of the market have been constructed on infill sites within the village itself.

Until very recently, Kangol had a manufacturing base in the village centre, employing over 70 people. A high proportion of the local working population is employed directly by BNFL. At the Census, Frizington had just under 1000 economically active people between 16 and 75. 229 workers at Sellafield have a postal address in the CA26 postcode sector, which includes Frizington, and a further number (unquantifiable) are likely to be employed by contractors working mainly, or exclusively, for BNFL. It is likely that well over a quarter of the local workforce is in some way dependent on BNFL.

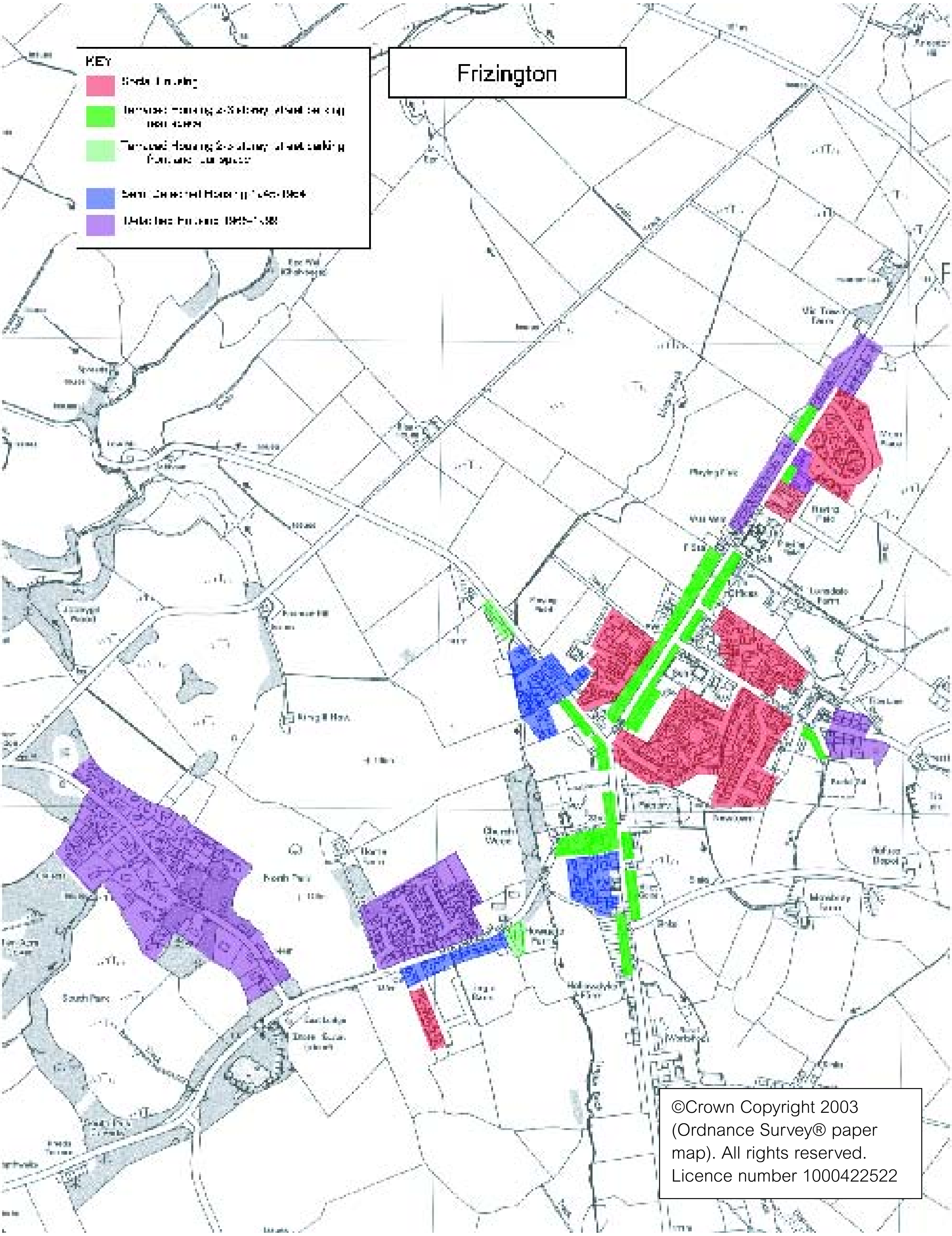
The village has good shops and services, including two butchers, a general food store, several pubs, a community centre and library, and two primary schools. There is a regular bus service to Whitehaven, and the journey takes about twenty five minutes.

FRIZINGTON HOUSING MARKET

Key facts and statistics

- In terms of house values, Frizington has a similar profile to Egremont, with over 80% of homes falling into Council Tax bands A and B. This reflects the high proportion of terraced homes and social rented accommodation. 12% of Frizington homes are in Band D or above (compared with 8% for Egremont).
- 45% of homes in Frizington are terraced, with the balance almost equally distributed between semi-detached and detached homes.
- About 30% of the housing stock is social rented homes, compared with the national average of 20%. Owner-occupation is correspondingly lower than average, at just over 60%. This includes a proportion of owners who have bought their council or housing association home under right to buy. Home Housing Association, a major landlord in the village, have sold approximately one third of their stock under the right to buy scheme.
- It is likely that a high proportion of right to buy owners are older people. In our resident survey, 14 owners of former council/housing association homes returned survey forms, and 7 of these were older people.

Rheda Close, Frizington


KEY
Frizington

Current trends in the housing market

- 75% of sales in the first nine months of 2003 were of terraced houses (charts on page 53).
- In the same period, only ten detached homes and four semi-detached homes were sold, reflecting the relative scarcity of this type of stock on the Frizington market. This is despite the completion of new detached homes at Rheda Close.
- The 43 terraced homes (8% of the terraced stock) sold in the first nine months of 2003 averaged £32,640. Despite recent increases – there was a 30% increase in the two years between third quarter of 2001 and the same quarter of 2003 – the average value of a terraced house remains low in absolute terms. The number sold appears high, and may reflect the fact that some properties had been on the market, unsold, for some considerable period of time before the upturn in the housing market in 2003 (charts on page 50).
- The market is highly fragmented. The differential between the terraced housing and detached housing actually stretched between 2001 and 2003, with detached homes going up by 40%. Values in the terraced stock are less than half the Cumbrian average, and around 25% of the UK average; values for detached homes, on the other hand, are 85% of the Cumbrian average, and 60% of the UK average (Land Registry sales data, third quarter 2003).
- Consistent with a fragmented market, mid-priced semi-detached homes are in very short supply. Ex-right to buy properties are the main source.
- The terraced housing market in Frizington is driven partly by buy-to-let investment, especially in the past year or so, when values of similar properties elsewhere (for example, Workington) have increased to the point where the economics of buy-to-let are no longer favourable.
- Only 4% of homes in Frizington were rented privately at the time of the Census. Recent developments on the buy-to-let front may have increased this slightly, and in the response to our resident survey, 13% of respondents in the older terraced housing were renting privately. However, the response rate was too small to draw a firm conclusion. It is likely that private renting is at most, no greater than the national average in Frizington, and possibly somewhat less.
- Turnover in social housing has been relatively high in recent years, and shows an increase over the period 99/00 to 01/02 from 13% to 18%. However, more recent information from the main social landlord in the village suggests a lower rate of around 5% for 2002/2003. Copeland BC saw a turnover of 7% in their own stock for that period (page 51).
- Analysis of housing association lettings by postcode shows that turnover is concentrated disproportionately on two estates. Moor Place, at the northern limit of the village, accounted for 50% of vacancies in the two years 2001/2 and 2002/3; whilst the turnover at Lingla Bank was 37% for the three years covered by the CORE data. Turnover elsewhere is lower. The fact that both these estates are somewhat detached from the main village and its services may help to account for their unpopularity. Lingla Bank is even more isolated than Moor Place.
- The information provided by Copeland Council suggests that there are particular difficulties letting accommodation for older people, particularly sheltered one-bedroom flats. Over 35% of the social rented stock in Frizington is designated for older people. Changing patterns of care for older people, and the increasing rate of home ownership mean that demand for this type of stock is likely to decline still further in future.

SOCIAL AND ECONOMIC PROFILE

- Frizington recorded a small increase in population between the 1991 and 2001 Census (1.2%) (charts on page 55).
- Frizington has relatively high scores on a number of indices of deprivation. Frizington ward is in the most deprived 12% of English LA wards, (ranked 906 out of 8414). It is the eighteenth most deprived ward in the Cumbrian league, and 30th for child poverty. Almost 30% of working people in Frizington are employed in semi-skilled or unskilled jobs (charts on pages 57, 58 and 59).
- Unemployment is higher than the Cumbrian and national averages, at 5.4%, compared with 2.1% for Cumbria and 2.6% nationally.[20]
- Almost 40% of adults in Frizington have no qualifications. To put this in context, around a quarter of adults in Keswick and Cockermouth have no qualifications, and less than one in five in the Lorton area.
- The two primary schools are ranked 108 and 129 in the Cumbrian league (number in league 189) for performance at Key Stage Two. One is average for added value, and one performs very slightly better than average (page 60).

20: Cumbria Economic Bulletin September 2003.

KEY ISSUES FOR FRIZINGTON

Low value terraced housing provides a first rung on the housing market for first time buyers – but the quality is poor.

Investment in terraced homes by low-income households and private landlords may be limited, and may therefore tend to shorten, rather than extend, its remaining life.

There are few homes which provide a step between the very low bottom end of the market and the relatively high top end. Households interested in trading up would not have the opportunity to do so.

There is a surplus of housing for older people, and current social trends are likely to make this a growing problem.

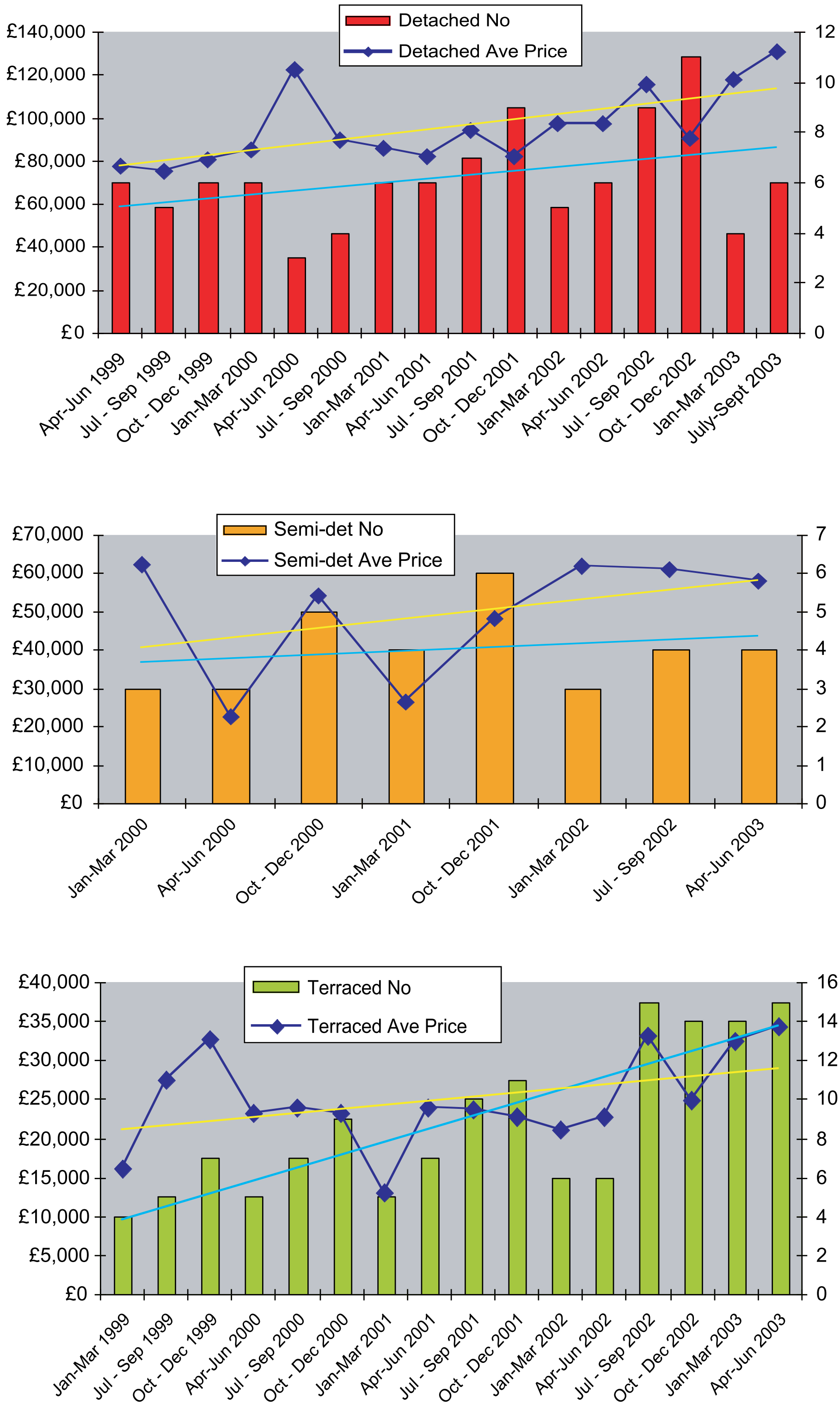
Social rented housing in the outlying parts of the village appears unpopular, and suffers high turnover.

The vacant Kangol site is an opportunity for re-development.

The location of Frizington, and the increasing popularity of out-of-town living, mean that it has the potential to attract better-off households, provided the right kind of homes are available.

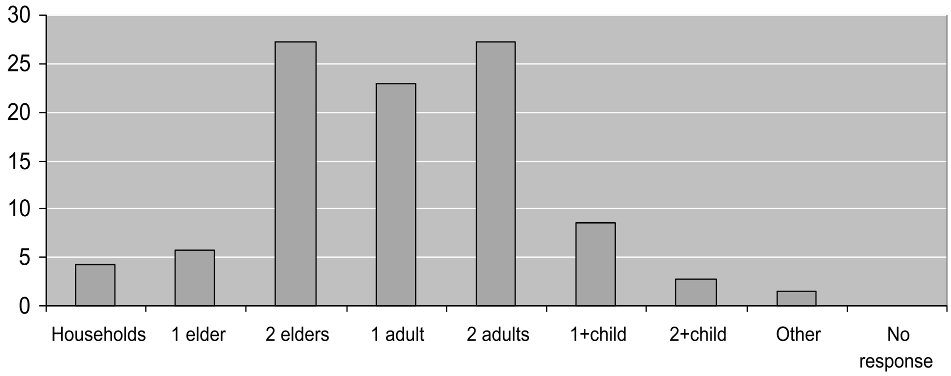
To date, higher-value development, such as Rheda Park and Rheda Close, has not been well integrated with the village. However, the recent construction of detached houses and bungalows on infill sites in the village centre suggests that this need not be the case.

Price trends and number. of sales 1998-2003: Frizington (Land Registry)

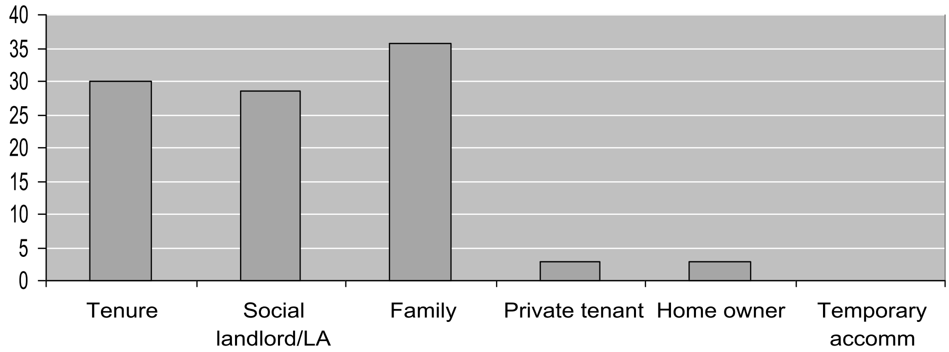


Note: blue trend line is no. of properties sold; yellow is average price.

Frizington: lettings by household type % 1999-2002



Frizington: lettings by previous housing circumstances 1999-2002



Turnover from CORE lettings
99/00 to 01/02

Based on 157 social housing units

	99/00	*00/01*	*01/02*
Total lettings	21	20	29
Turnover %	13	13	18

Frizington turnover blackspots

	Home	*Two Castles*
Lingla Bank		37%
Moor Close	13%	

10 % of Copeland Borough Councils new tenancies in Frizington are were tenancy successions

Charts and statistics

WARD BOUNDARIES AND POPULATION: A NOTE

Most social and economic information is given at ward level. 2001 Census data is not yet available at parish level. The 1999 boundary re-organisation reduced Workington from five to four electoral wards, and created the new ward of Christchurch in Cockermouth. The remaining settlements saw only minor changes. The current (post May 1999) wards are as follows:

Workington	*St John's*
	St Michael's
	Moss Bay
	Moorclose
Cockermouth	*All Saints*
	Christchurch
Egremont	*Egremont North*
	Egremont South
Lorton	*Crummock*
Keswick	*Keswick*
Frizington	*Frizington*

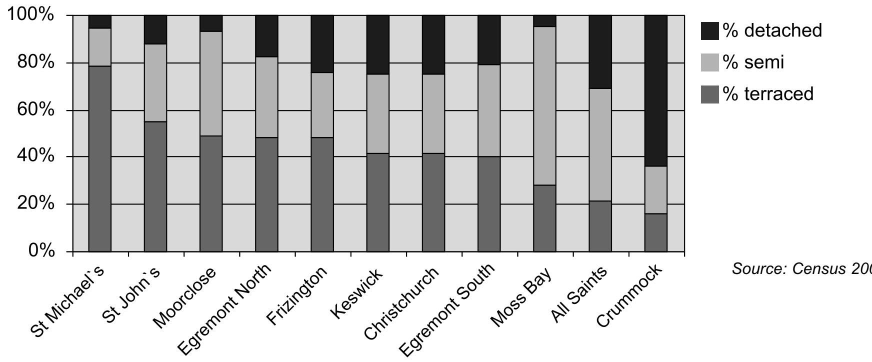
Note that Crummock ward is more extensive than the Lorton *parish*, with which this study is concerned. However, house types and social characteristics do not vary greatly across the ward, so what is true for Crummock ward will generally hold good for Lorton parish.

Some information (for example, the indices of deprivation) are only available for the pre-1998 ward boundaries. Pre-1998 wards for Workington, and Cockermouth were:

Workington	*St John's*
	St Michael's
	Moorclose
	Northside
	Salterbeck
Cockermouth	*All Saints*
	Castle

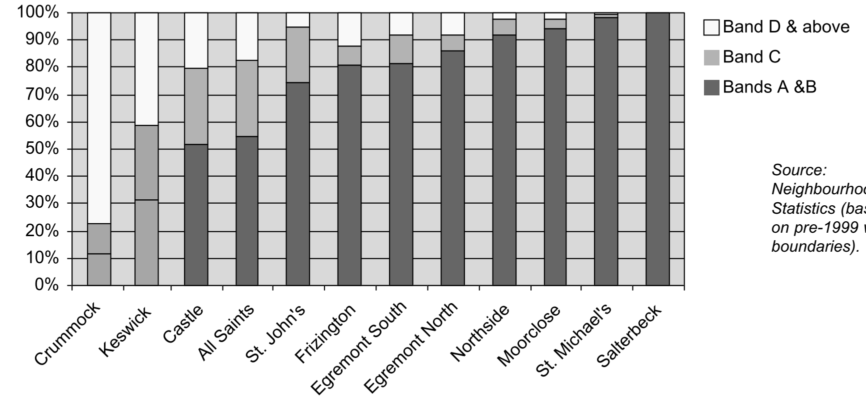
Key housing information for all settlements by ward

House types %



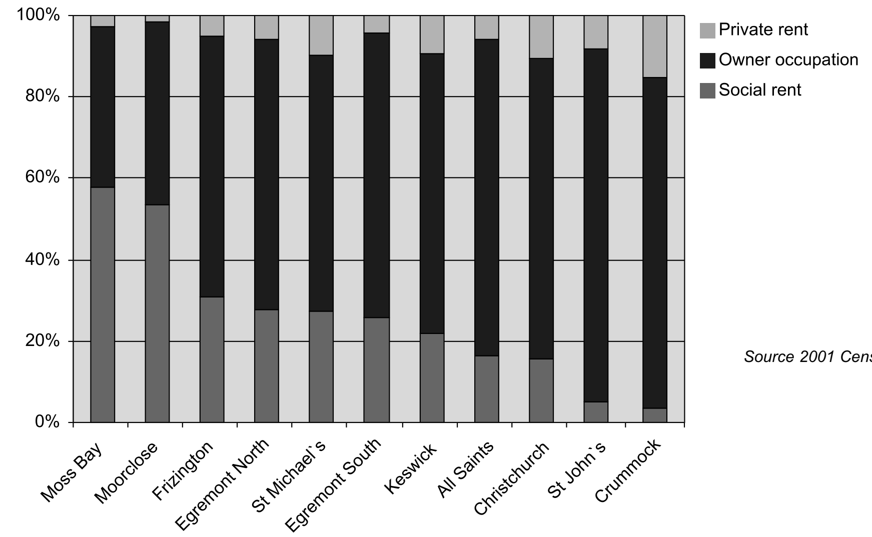
Source: Census 2001

Council Tax banding (% in each band)



Source: Neighbourhood Statistics (based on pre-1999 ward boundaries).

Household tenure %



Source 2001 Census

Notes

1 Cost of properties is average for that type in quarter 3, 2003. Source: Land Registry.

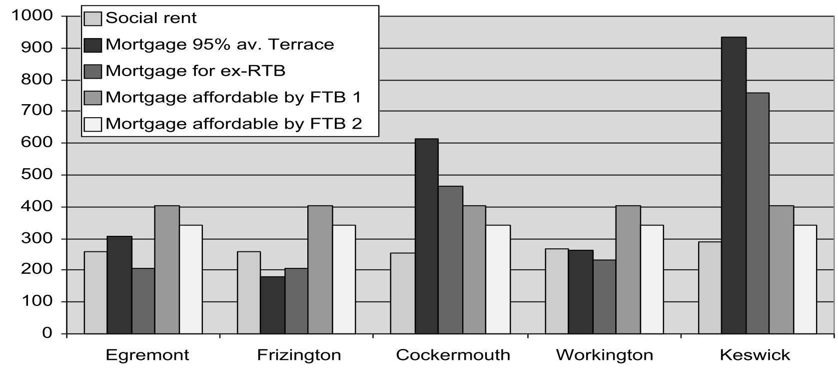
2 Social housing rent figures provided by housing associations.

3 Mortgage based on 95% of property value, over 25 years, at 5.5%.

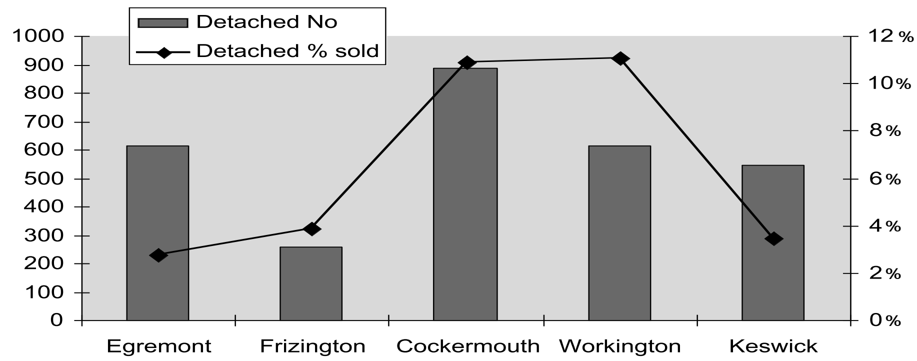
4 First time buyer 1 is assumed to have a first income of £16,000 (average wage for hotel and catering industry, New Earnings Survey 2003); and a second income of £10,000. First time buyer 2 is assumed to be a one-person household with the average hotel and catering industry annual salary of £16,000. Size of the loan is calculated at 3.5 times the first income, plus the second income (where applicable).

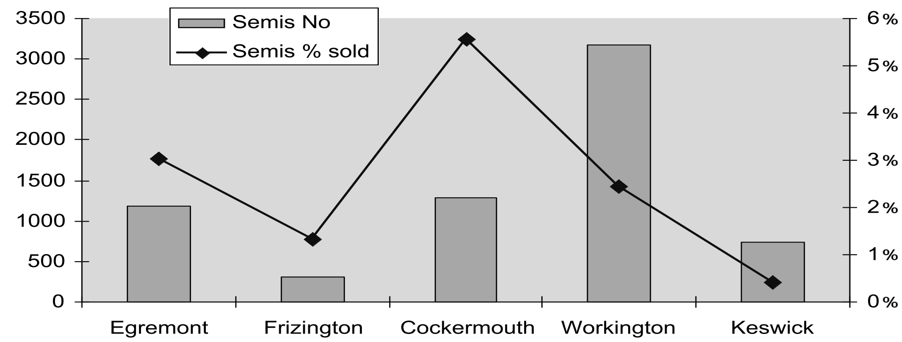
5 Separate figures for Lorton are not available. Lowest level of data from Land Registry is postcode sectors, and one of the two Cockermouth postcode sectors includes Lorton.

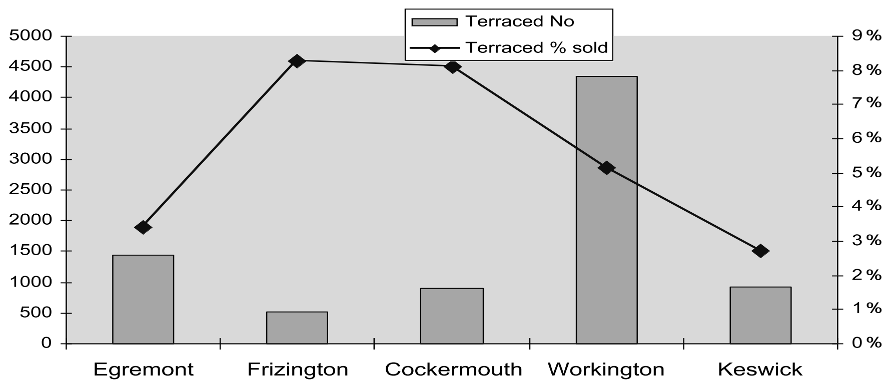
Comparison of monthly cost of social rent and mortgages required/affordable by first time buyers



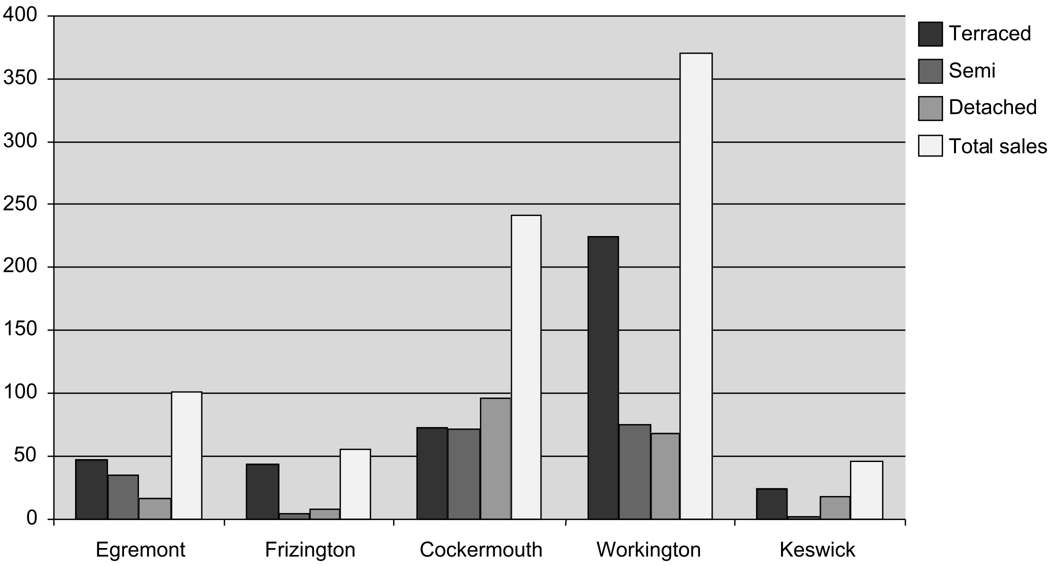
Sales in first nine months of 2003: % sold against number of that type of house in housing stock



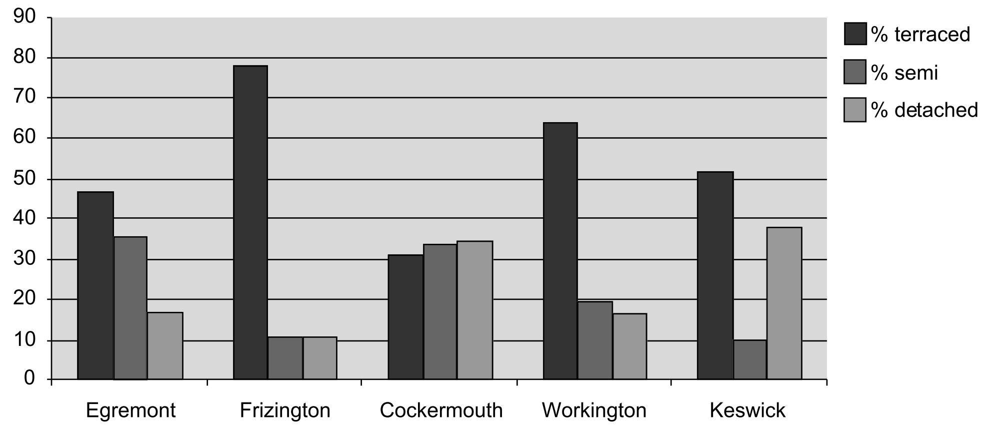




Numbers and types of property sold Jan to Sept 2003

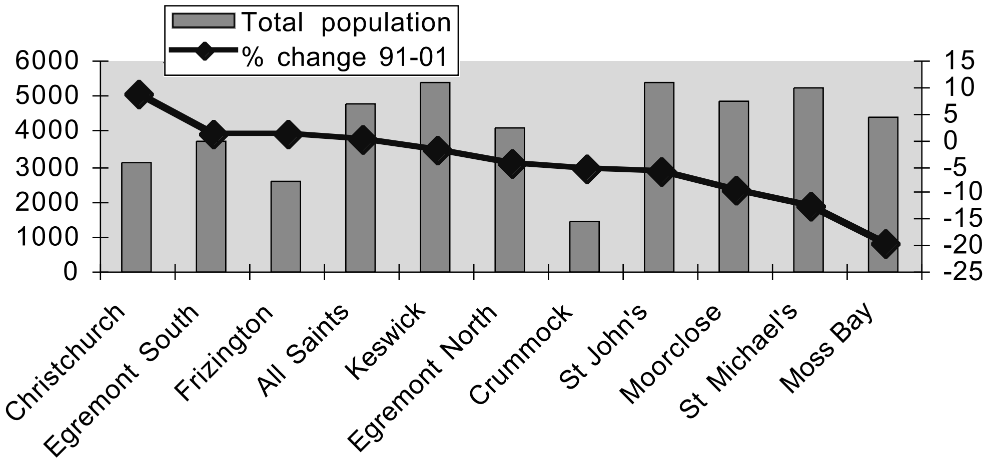


Property sales Jan to Sept 2003: house types as % of sales

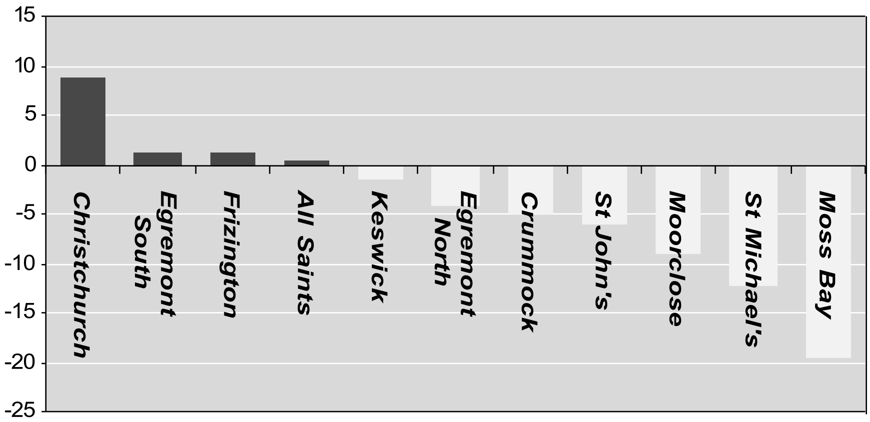


Source: Land Registry

Population at 2001 and % change since 1991 census, by ward

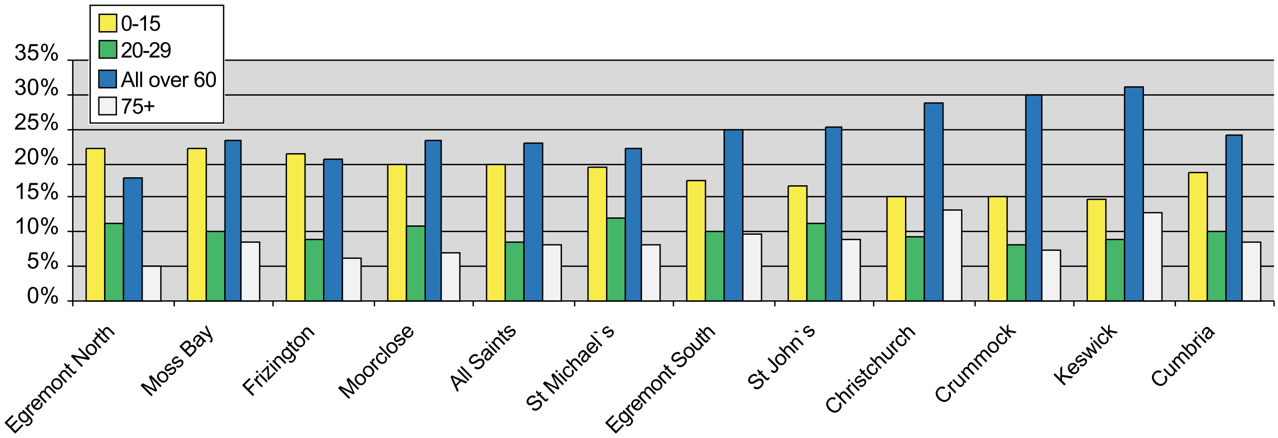


Population: % change 1991-2001 Census

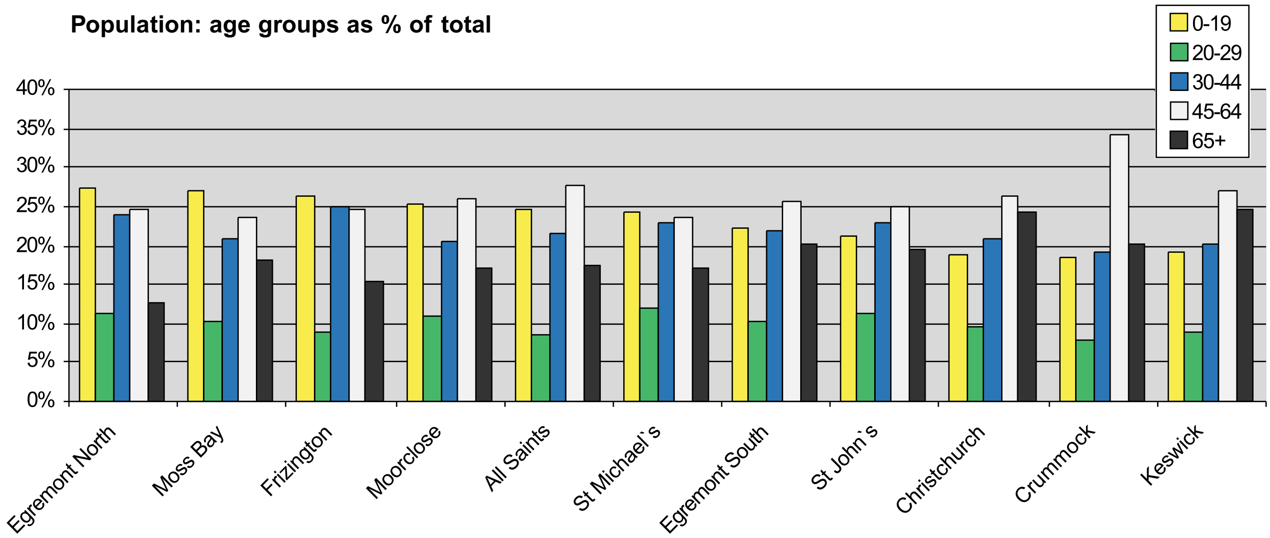


Source: Cumbria County Council Information and Intelligence

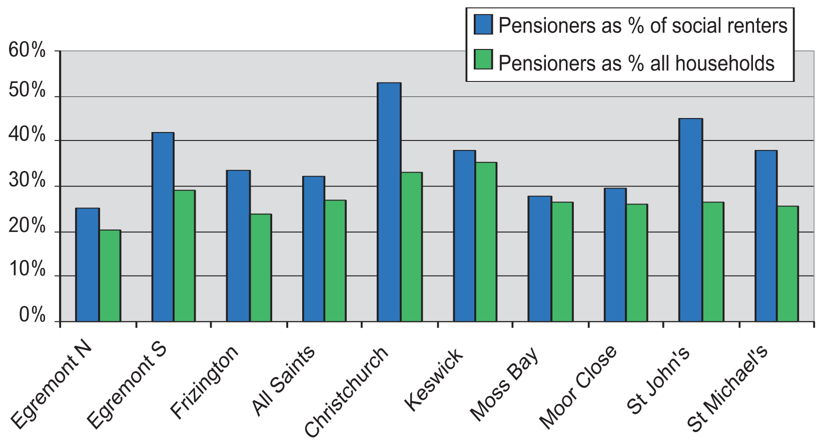
Population: sample age groups as % of total



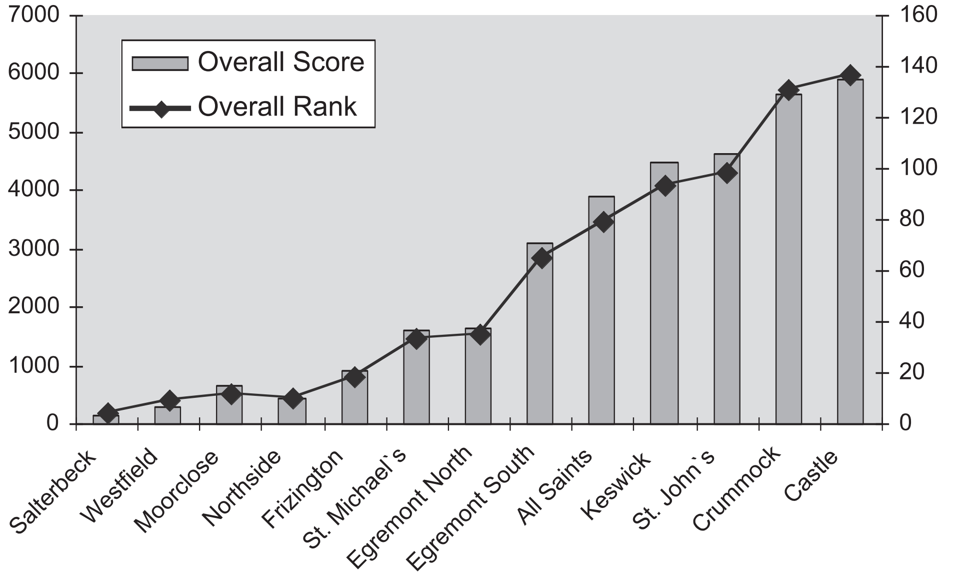
Population: age groups as % of total



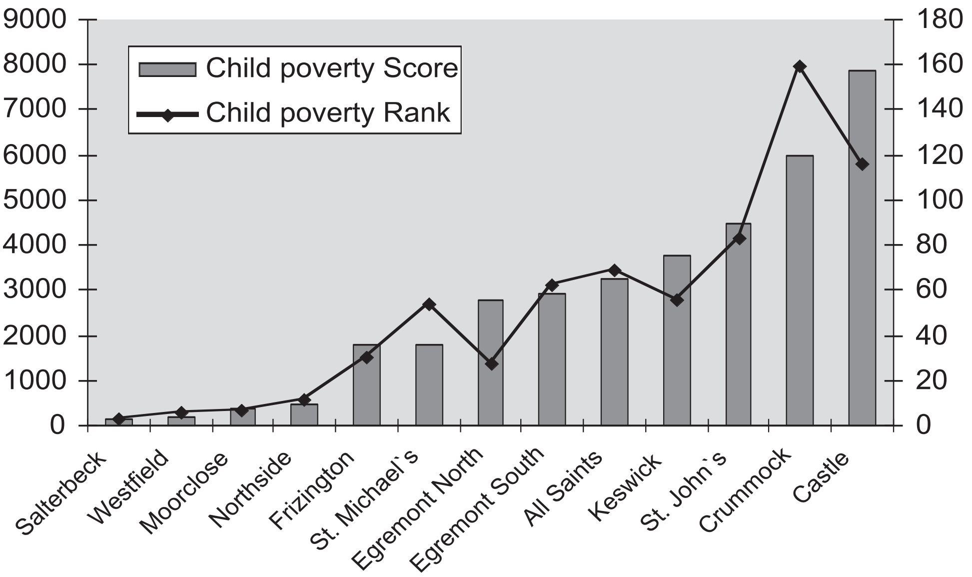
Percentage of pensioners in social rent compared with general population



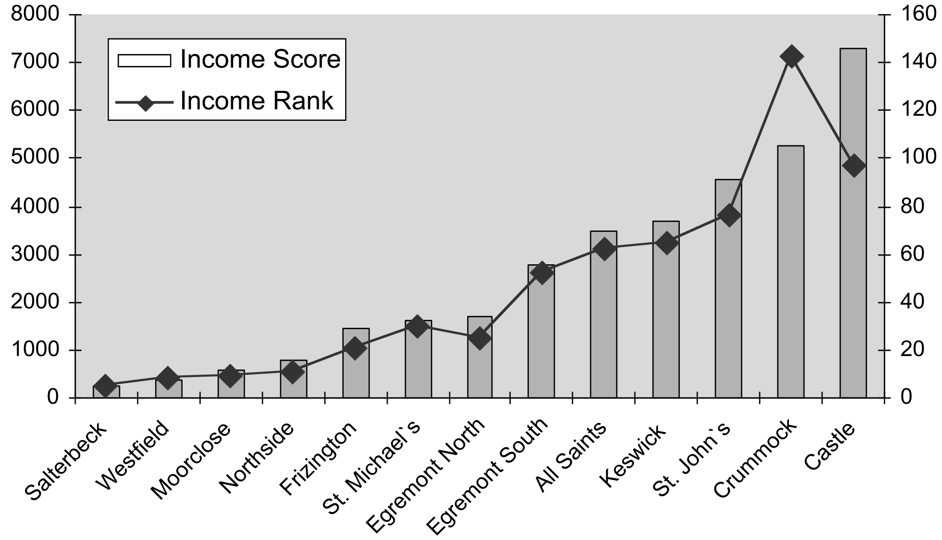
Index of deprivation:
overal score and Cumbrian ranking



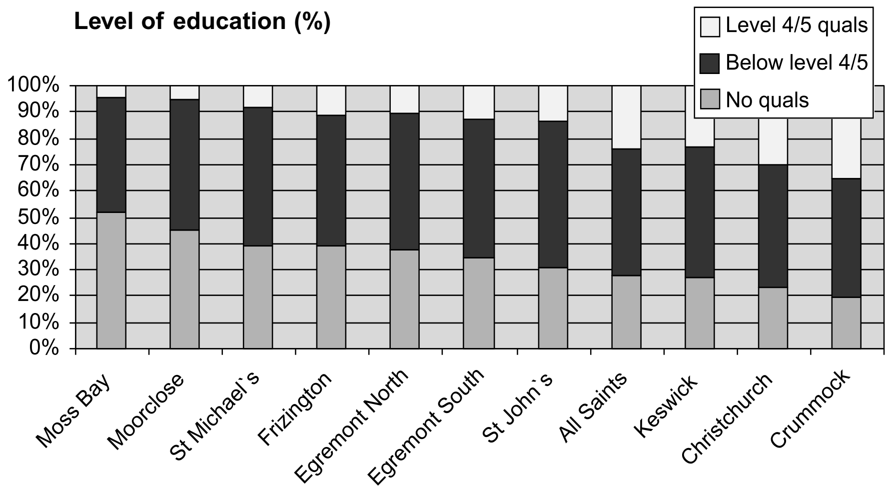
Index of deprivation:
child poverty score and Cumbrian rank



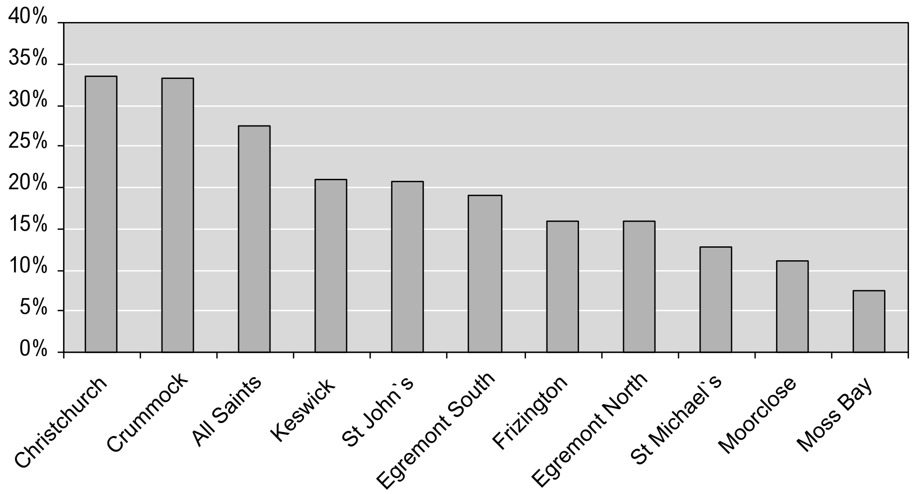
Index of deprivation:
income score and cumbrian ranking



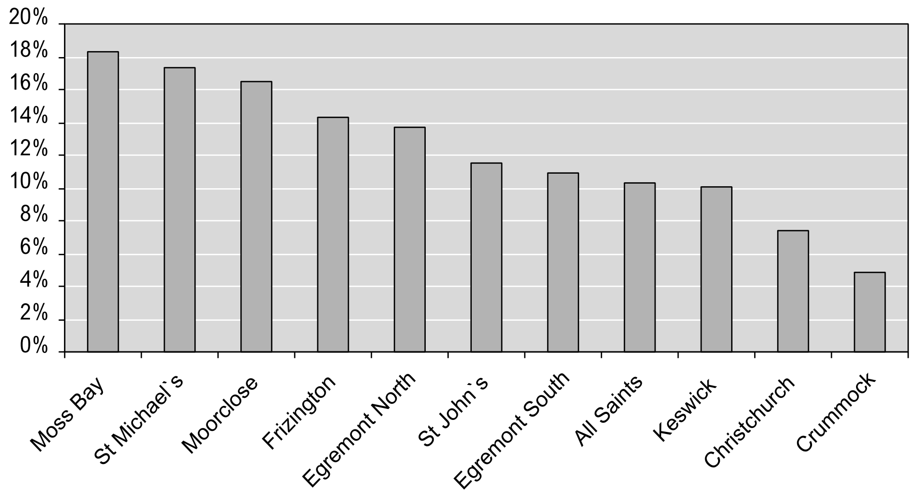
Level of education (%)



Professional and managerial occupations (%)



Routine occupations (%)



School Performance: primary schools

School	Settlement	Level 4 English	Level 4 Maths	Level 4 Science	LEA ranking	Value added
Fairfield	*Cockermouth*	***95***	***89***	***98***	***19***	***100***
All Saints	*Cockermouth*	***89***	***78***	***89***	***82***	***100.5***
St Josephs	*Cockermouth*	***82***	***76***	***94***	***92***	***98.9***
St Bridget's	*Egremont*	***55***	***41***	***52***	***75***	***100.9***
Bookwell	*Egremont*	***63***	***72***	***84***	***149***	***100.8***
Thornhill	*Egremont*	***63***	***56***	***75***	***171***	***101.1***
Orgill	*Egremont*	***50***	***47***	***65***	***186***	***99.8***
St Josephs	*Frizington*	***79***	***71***	***93***	***108***	***100.5***
Frizington Community	*Frizington*	***74***	***74***	***84***	***129***	***100***
Trinity	*Keswick*	***75***	***71***	***96***	***109***	***97.9***
Lorton	*Lorton*	***87***	***73***	***100***	***69***	***100.4***
St Marys, Salterbeck	*Workington*	***89***	***95***	***95***	***32***	***100.3***
St Gregorys	*Workington*	***83***	***80***	***90***	***91***	***99.9***
Ashfield	*Workington*	***77***	***77***	***95***	***95***	***98.8***
St Patricks	*Workington*	***86***	***72***	***90***	***96***	***99.8***
Victoria	*Workington*	***64***	***53***	***72***	***172***	***97.6***
Westfield Nursery and Primary	*Workington*	***50***	***44***	***73***	***183***	***98***
Cumbria LEA Average		***75.8***	***74.4***	***89.4***		
National average		***75***	***73***	***87***		
No. of schools in LEA (for ranking)		***189***				

School Performance: secondary schools

	GCSE						A levels	
	2002		***LEA rank***	***2001***	***2000***	***1999***	***2002***	
	% 5 A-Cs	*No in year*		*% 5 A-Cs*	*% 5 A-Cs*	*% 5 A-Cs*	*Av. Points*	*LEA ranking*
Keswick School	***76***	***136***	***8***	***70***	***70***	***64***	***90.3***	***3***
Cockermouth School	***65***	***205***	***14***	***64***	***71***	***62***	***82.7***	***10***
St Benedict's Whitehaven	***55***	***186***	***24***	***48***	***38***	***48***	***64.6***	***29***
Southfield TC Workington	***50***	***131***	***28***	***31***	***32***	***20***	***66.3***	***26=***
Stainburn SC Workington	***47***	***167***	***32***	***43***	***42***	***42***	***66.3***	***26=***
Wyndham	***44***	***187***	***34***	***44***	***45***	***37***	***70.2***	***21***
St Joseph's Workington	***43***	***91***	***35***	***37***	***41***	***30***	***NA***	***NA***
Whitehaven School	***34***	***229***	***39***	***33***	***35***	***37***	***69.2***	***22***
Ehenside School Cleator Moor	***30***	***86***	***45***	***31***	***28***	***24***	***NA***	***NA***
LEA	***52.7***	***74.9***						
National	***51.5***	***76***						
LEA league size								
47 GCSE; 32 A level								

Housing market drivers

INTRODUCTION

Our classification of housing markets (in chapter 5) suggests a strong relationship between a settlement's characteristics (in terms of transport infrastructure, geography, and social and economic factors), and the sources of housing demand. The model below expresses this relationship.

Source of demand	*Key factors/sensitivities*
Local • Households working in lower-paid jobs in local businesses • Those with family and community ties • Older, long-term residents, possibly in social housing	***Influenced by*** • Housing market factors – for example, available housind demand and expectations • Local economic factors – for example, employment and wage levels
Regional • Higher-paid regional commuters • Households moving out of urban centres for lifestyle reasons • Buy to let investors	***Influenced by*** • Regional economic factors • Settlement characteristics • Geography • Transport and infrastructure • Social factors – schools, health • Environment and location • Housing market factors
National • Job-movers (key workers; higher-paid managerial and professional workers; down-shifters) • Higher-paid national commuters • Second home buyers • Buy to let investors • Households seeking a retirement home	***Influenced by*** • National economic factors • Settlement characteristics • Environment and location • Housing market factors

Housing market drivers

The tables on pages 62 to 67 expand this model for each of the case study settlements. They set out the ***sources of demand*** – the kind of households who seek to buy or rent a home in the settlement; and the ***key factors and sensitivities***, which explain ***why the settlement is attractive to those households***.

The way the housing market behaves in any particular settlement depends on the dynamic interaction between the key factors and sensitivities and the sources of demand – hence our term ***housing market drivers***. Some of the factors underpinning the current profile of demand relate to the settlement itself. Others are broadly economic, social and environmental, and are sensitive to change, in accordance with national, regional and local trends.

We recognise that there is a hierarchy of housing markets which exist within the country: the national housing market, the regional housing market, sub-regional housing markets; and local housing markets, where stepping into the next street in a settlement may be sufficient to move into a very different housing market. We describe the characteristics of local markets within each settlement profile. Our housing market drivers model the influence of national, regional and sub-regional markets upon these local markets.

An important point to emerge from this study is the significance of national and regional factors in high value integrated markets.

If the key factors and sensitivities change, then the sources of demand will change also. By identifying what changes – social, economic, or environmental – are likely, it is possible to develop new scenarios based on different sets of drivers. These can be used to model how local housing markets may behave in future. In chapter 7, we use this technique to identify future risks and opportunities for each of the case study settlements.

<table>
<tr><th>Settlement</th><th>Source of demand</th><th>Key factors/sensitivities</th></tr>
<tr><td>Keswick</td><td>Local, regional, national.
• Mainly out-of-area/regional
• Households seeking second, holiday and retirement homes
• (Possibly) limited demand from high-paid west coast commuters
• Local workforce (tourism- related jobs; pencil factory, etc.)
• Social housing estates reservoir of internal demand
• NB demand from first time buyers is suppressed by the high cost of the first rung on housing ladder.</td><td>Settlement characteristics
• National Park location
• National profile as centre of tourism in the Lake District
• Market town with good range of local services, (geared to tourism)
• Commuting to west Cumbria/Penrith/South Lakeland possible, but other settlements better placed for this
Social factors
• Ageing population profile reflects popularity as retirement destination
• Highly successful secondary school
• Lake District ‘brand’ appeal for people out-of-area for holidays, recreation, retirement.
Housing market factors
• Tightly constrained by National Park planning controls
• Very low availability of houses for sale, highly competitive and high-priced
• Terraced houses and flat conversions suit second/holiday home market
Economic factors
• Disposable incomes of second home buyers
• Buoyancy of tourist/holiday home market
• National (north south) house price differentials
Transport and infrastructure
• The A66 trunk road links Keswick to Penrith to the east, and Workington to the west. Ambleside, at the centre of the Lake District, is approximately 17 miles south, via the A591.
• It is possible to commute to Sellafield from Keswick. However the journey would take approximately 1 hour and cover around 35 miles.
• The mainline train station and M6 are approximately 18 miles or 25 minutes drive away to the east.</td></tr>
</table>

Settlement	*Source of demand*	*Key factors/sensitivities*
Cockermouth	***Local, regional, national***. • Location of choice for managerial/professional workforce in west coast towns (and to a small extent, Carlisle), attracted by lifestyle factors • Job movers from outside Cumbria in the above categories • Middle-income established households in Cockermouth or west coast towns/villages, trading up/ seeking improved environment • Demand for retirement homes, some from outside Cumbria • Downshifting and quality of life moves by better-off households from outside the area • NB demand from first time buyers suppressed by the high cost of the first rung on the housing ladder.	***Settlement characteristics*** • Historic market town on Lake District borders • Good local services (shops; supermarket; eating places etc.) • Close to west Cumbrian centres of employment ***Social factors*** • Trend towards longer-distance commuting by car • Appeal of rural/market town living (compared with urban lifestyles in west coast towns) • Successful schools ***Housing market factors*** • Ripple effect from constrained markets within the National Park • Lack of quality housing in west coast towns – for example, Workington • Construction of new high value detached homes in Cockermouth • Good range of older private homes in Cockermouth (semis; detached; terraces) • House prices still value for money compared with English midlands/south ***Economic factors*** • Continuing ability of west coast economy, particularly BNFL and Westlakes, to provide managerial and project-management jobs • Public sector/health/professional employment in Cumbria • North/south housing market differentials ***Transport and infrastructure*** • The A66 trunk road links Cockermouth with Penrith to the east, and Workington to the west. Carlisle is 40 minutes drive to the north via the A595. This also links Cockermouth with the coastal towns to the south and west. • The commute to Sellafield would take approximately 40 minutes and cover around 21 miles. • The mainline train station and M6 are approximately 31 miles or 40 minutes drive away to the east at Penrith.

Settlement	*Source of demand*	*Key factors/sensitivities*
Lorton	***Regional, national, some local*** • Commuters in higher-level managerial and professional jobs (west coast; BNFL; further afield) • Second/holiday home owners (often from outside Cumbria) • Households seeking retirement home (often from outside Cumbria) • *Small* demand for affordable homes from local people with connections to the immediate area	***Settlement characteristics*** • Desirable village in one of most attractive parts of National Park • Easy access to commuting routes • Easy access to good local services in Cockermouth ***Social factors*** • Growth in commuting; lifestyle preference for rural rather than urban living • Lake District 'brand' appeal for people out-of-area, for holidays, recreation, retirement. • Good local schools, both primary and secondary ***Housing market factors*** • Few opportunities; mainly character properties • Very low turnover in social housing, and few properties available (although some consider high rents to be a cause of some turnover) ***Economic factors*** • BNFL and west coast high-salary employment • High property values in south and midlands make homes affordable for people moving into the area • Buoyancy of holiday home/tourism market ***Transport and infrastructure*** • The B5292 links the village with Cockermouth (5 miles to the north) and the A66. Otherwise, Lorton enjoys the same access and infrastructure as Cockermouth. • The commute to Sellafield would take approximately 40 minutes and cover around 21 miles. • The mainline train station and M6 are approximately 27 miles or 40 minutes drive away to the east.

Settlement	*Source of demand*	*Key factors/sensitivities*
Workington	***Mainly local, very limited regional/out of area*** • First time buyers, including social housing tenants and other newly-forming local households • May attract first time buyers priced out of neighbouring markets (Cockermouth; villages) • BNFL workforce, and employees in related industries • Employees in local manufacturing, service and retail sector • Extensive social housing stock is reservoir of demand for rented homes from disadvantaged households	***Settlement characteristics*** • Attractive and improving historic centre • Retail centre, with good services. Major renewal under way. • Reasonably good access to the National Park • Convenient access to the rest of west Cumbria; more distant commuting possible (but less easy) • Outside centre, extensive social housing development, poor terraced housing and industrial sites limit appeal ***Social factors*** • Social housing estates concentrate deprivation • Low income households in town-centre terraces • Still a local workforce with strong local attachments • Population falling ***Housing market factors*** • Most homes on the market are terraced homes at low to medium value • Little high value housing, and little new/recent development • Few opportunities for trade-up within the town • Too much social housing, and mismatch between property types and demand profile ***Economic factors*** • Regeneration of town centre and development of cultural heritage should create more local employment in retail and services • Continued decline of local manufacturing base, and the decline in BNFL site operations • Impact of BNFL/Westlakes/decommissioning may create more housing demand from better-off households moving to the area (local skill base inadequate); or those displaced from neighbouring settlements ***Transport and infrastructure*** • The town lies at the western end of the A66 trunk road at the junction of the A595 and A596.The commute to Sellafield would take approximately 40 minutes and cover around 17 miles. • The mainline train station and M6 are approximately 39 miles or 50 minutes drive away to the east.

Settlement	*Source of demand*	*Key factors/sensitivities*
Egremont	***Local, regional, national***. • Mainly local, limited regional/out of area • BNFL employees; employees of contractors working for BNFL • Local first time buyers • Households born and brought up in Egremont, wishing to maintain strong family connections (many in social housing or RTB homes) • Job-movers to west Cumbria who cannot afford more up-market settlements (for example, Cockermouth or Gosforth)	***Settlement characteristics*** • Close to west Cumbrian centres of employment • Relatively isolated from the rest of Cumbria (although willingness to travel makes this less of an issue than previously) • Market town: historic centre has some appeal, and is to be improved • Local services are basic; within the town centre small businesses are struggling to survive • Post-war development limits the attraction of Egremont as a place to live, as there is not a wide range of property types and tenures available ***Social factors*** • Stable post-war social structure (households working for BNFL in social housing) coming to an end • Contracting at BNFL has created a transient community • Ageing profile of social housing tenants and RTB owners • Apparent lack of mobility in the west Cumbrian local workforce • Relatively high levels of social deprivation, reflected in poor school performance ***Housing market factors*** • Ex-RTB and terraced housing dominates the market. However, there are low levels of activity • Little high value housing • Demand and prices now increasing owing to the ripple effect from rapid rises in neighbouring markets such as Cockermouth, and an apparent shortage of higher-value properties ***Economic factors*** • Continuing employment opportunities at BNFL/Westlakes, alongside the decline in BNFL site operations • Development of west coast tourism ***Transport and infrastructure*** • The town is 4 miles from Sellafield on the A595. Kendal – 56 miles, or 1 hour 15 minutes drive to the south – would give an alternative access to the M6 and mainline train service • The mainline train station and M6 at Penrith are approximately 48 miles and 1 hour drive away to the northeast, via the A595 and A66

Settlement	Source of demand	Key factors/sensitivities
Frizington	***Local, regional, national***. • Mainly local, limited regional/out of area • Local people with family connections (often in social housing) • Managerial and professional employees in west coast employment centres • (Private tenants) younger one-person households working at BNFL or in related industries • first time buyers (local or employed in west coast towns)	***Settlement characteristics*** • Close to west Cumbrian centres of employment • Semi-rural, with easy access to Lake District National Park • Lengthy commute to the employment centres in central and east Cumbria • Fairly good local services, geared particularly to social housing tenants/lower income households • Appeal of village centre limited by poor quality terraced housing and large social housing estates ***Social factors*** • Transitional community; historic employment patterns have changed significantly • Strong local attachments among the social housing community in particular • High proportion of social housing, with relatively high levels of deprivation • Primary schools are in the lower half of the Cumbrian league; aspiring parents could choose higher-performing secondary schools in Keswick, Cockermouth or St. Bees ***Housing market factors*** • High proportion of low value terraced housing and no middle market homes • Large social housing estates • Exclusive high value new and recent development, away from main village • Some high value homes developed on infill plots within village, over the recent 3-5 years ***Economic factors*** • Loss of major local employer, Kangol, 2001 • Continuing employment opportunities at BNFL/Westlakes, alongside the decline in BNFL site operations • Possible increase in highly-paid jobs (nuclear decommissioning; research and development and technology companies) • Whitehaven renaissance: impact on employment and housing demand? ***Transport and infrastructure*** • The village is reached via the A5086 from Cockermouth. This joins the A595 to connect the village to Sellafield. The village is 9 miles north of Sellafield and would take approximately 20 minutes by car. • The mainline railway station and M6 at Penrith are approximately 50 minutes drive away, northeast.

SUMMARY

This section summarises the learning from our analysis of the housing markets of the six study settlements, drawing on the two preceding chapters.

The housing market and the social economy

The settlement profiles (pages 22 to 51) confirm that the housing market has an impact both on the economy of a settlement, and the degree to which it can sustain itself as a socially balanced, inclusive community.

A key finding is the role played by the location, history and built form of the settlement. This determines how successfully a particular settlement will adapt to changes in the local economy, changing lifestyles, and changing patterns of housing demand and housing expectations.

This can best be illustrated by comparing two of the case study settlements. Cockermouth and Egremont are market towns of similar size and population, each with an historic and architecturally attractive town centre. Both lie just outside the Lake District National Park boundary, offering easy access to some of the finest landscape in the north of England, and the Cumbrian coast. Until the end of the second world war, they would have been very similar in terms of environment, economy, services, and the range of housing opportunities available.

The last fifty years have seen differences between the two settlements grow at an accelerating rate. The modern Cockermouth and the modern Egremont represent opposite ends of the housing market spectrum (integrated high value versus integrated low value) and have sharply contrasting socio-economic profiles (see pages 30 and 44). This can be explained by the nature of post war development in each town.

Geography, and a poor transport infrastructure meant that Egremont was more closely linked with the west Cumbrian coastal towns and the west coast economy. Reflecting this, housing development consisted mainly of social housing for the Sellafield workforce, particularly those in lower-paid jobs. Even though up to 40% of properties on Egremont's large social housing estates have now been sold under the right to buy, these estates determine the character of the modern town. A glance at the map on page 42 will confirm this.

Cockermouth, on the other hand, has the advantage – increasing, as households are prepared to travel further and further to work – of easier access to Carlisle and the more prosperous east of the county. Post war development in Cockermouth includes social housing, but is balanced by a range of good quality owner occupied housing. Unlike Egremont, the town is not dominated by one type of property and tenure. Compared with Egremont, it has been a location of choice for people working in west Cumbria in managerial and professional jobs, including, of course, higher-paid members of the Sellafield workforce.

Local shops, schools and services in Cockermouth have benefited from the growing influx of prosperous households. As a result, it has become ever more attractive to those seeking a high quality of life and good education for their children in an attractive market town close to the Lake District. The housing market is booming, buyers are prepared to invest in even the most modest homes, and the only losers are those who need to live there for work reasons, and cannot afford local house prices.

Whereas Cockermouth appears likely to become ever more desirable and prosperous, the social and economic profile of Egremont shows relative decline. The appeal of Egremont – which potentially has similar advantages to Cockermouth – is diminished by the concentration of social housing to the west of the town centre. There are few higher-income households to boost the viability of town centre businesses, and the performance of some local schools. At the same time, the underlying level of demand for social housing is falling, and there is a shortage of housing likely to attract high earners, who might otherwise be prepared to consider living in Egremont as an alternative to over-priced markets in Cockermouth and elsewhere. In other words, the ***housing profile*** of Egremont is now a major obstacle in the regeneration of the town centre, and to achieving overall prosperity and sustainability.

We would argue that the nature of the housing stock in a settlement can, as in this example, act as an obstacle to positive change and improvement. It can, effectively, lock the negative factors, those which hold back regeneration and positive change, into place. The conclusion is a simple one: in order to make some communities sustainable, it is necessary to change, or modify the nature of the housing stock.

Whilst this study concentrates on the housing markets represented by the six case study settlements in central and west Cumbria, we believe that in terms of drivers, strengths and weaknesses, other housing markets in the county show similar patterns: for example, the Kendal, Ulverston, Barrow-in-Furness corridor, and the Carlisle-Wigton-Silloth triangle.

The interaction between markets

Our study confirms the existence of sharply-differentiated local housing markets within a fairly small geographical area. But housing markets do not operate in isolation. Changes in one local market have an impact on other, neighbouring ones. The relationship between the different housing markets represented in the case study settlements is considered in more detail below.

The owner-occupied market

In high value integrated markets, the main drivers tend to be national and regional factors, rather than local ones. Demand for homes in Keswick and Cockermouth depends, among other things, on the performance of the national economy; on social factors such as the desire for a second, or retirement home in an attractive rural location; on the differential between house prices in the north and south of England; on a growing acceptance of long journeys to work as the necessary price of a prestigious, high-quality home environment.

Low value integrated and fragmented markets, on the other hand, are affected more strongly by local factors, mainly because the housing and environment in these markets are less attractive to job-movers, those in search of a second or retirement home, and high-earning commuters. This tends to expose them to different – and sometimes greater – risks.

In a strong, or strongly-rising national housing market, existing high value ***local markets*** are first to respond. Rising prices in the most sought-after areas will tend to displace demand to neighbouring low value and fragmented settlements. In Cumbria, this has taken the form of a ripple moving first from the Lake District National Park to the south of the county, and then spreading east and west. This ripple effect from the National Park has occurred at a time when the national economy is strong and local unemployment rates are low.

The recent rapid rise in the housing market in north Allerdale was entirely predictable. Within the last ten years, settlements such as Cockermouth and Wigton appeared undervalued compared with east and south Cumbria and the LDNP. Yet they offered many of the same advantages: a coveted rural lifestyle in a pretty market town close to the National Park, and relatively easy access to the main centres of employment.

Within the past two years, sharply-rising house prices in these settlements have driven households, especially those seeking a home at the lower end of the market, further west. This is reflected in terraced house prices in Workington, which saw a 30% rise between 2002 and 2003 (see chart on page 40). The cost of larger homes in Frizington, a fragmented market, has also increased sharply (see chart on page 50). As the market has moved, those who have the ability to buy have bought (and are still buying), before they are priced out of the market.

The tendency for high house prices in one area to force up values in another, nearby, local market is well known. Households priced out of a particular market seek the nearest equivalent elsewhere. Some compromise is involved, but the type of homes available, the neighbourhood, local schools and services, transport links and travel to work time must not be too far from the ideal. Thus, Workington, with improving secondary schools and a regenerated town centre, is more likely to be considered acceptable than Egremont. Workington also benefits from the fact that the central terraces and retail area are somewhat segregated from major industrial sites, and from the unrelieved swathes of social housing to the north and south of the town centre.

At present, the housing stock in central Workington – almost entirely terraced housing – means that it serves as an alternative mainly for first time buyers and those seeking a home at the lower end of the market. Providing higher-value housing in Workington would reduce competition for detached homes in Cockermouth and Keswick, and would take the pressure off those overheated markets. Our interventions are designed to take account of this.

In Frizington, the two executive estates are separate from the village proper, which no doubt adds to their attraction. However, the preference for rural and semi-rural locations over urban ones means that infill sites in the village centre are also being developed with high value individual homes. These would have been considerably cheaper than similar building plots in Cockermouth or Keswick – if plots were available in those settlements at all. In contrast, terraced homes in Frizington are likely to be less attractive to buyers from elsewhere, because of their size and condition. These are more likely to be taken by first time buyers within the Frizington community, or buy-to-let private landlords.

In this search for acceptable equivalents to the most sought-after settlements, most people consider that Egremont requires too many compromises. The main reasons are the failing town centre businesses, the schools, and the predominance of social housing.

It is sometimes argued that good local schools are a pre-condition for attracting better-off households to a particular area. There is no doubt that schools which perform consistently well in the league tables act as a magnet for households with children. Improving schools attract ambitious heads and good teaching staff, who help to ensure that success is sustained. We would argue, however, that the ***housing market*** plays an important part in the early stages of school improvement (as defined by the rather narrow terms of the league tables). There are several local examples in Cumbria (William Howard School in Brampton; Nelson Thomlinson School in Wigton) where the success of the school in recent years is clearly linked to the changing social structure of these market towns. The trend has been for better-off households to move out of urban centres into smaller towns and villages in the countryside. New development of high value homes has encouraged this. As a result, the balance of the school population has shifted in favour of children from higher socio-economic groups, who tend to perform better in exams. Once this trend is established, it is self-sustaining, and the successful school becomes a housing market driver in itself.

However, if the housing ladder does not include homes which will attract higher income groups, it becomes a barrier to this positive social change.

The private rented sector

Private landlords generally seek both a revenue return and capital growth. The period can vary, according to the interests of the individual, from five years or less, to a much longer term. The main factors influencing buy-to-let decisions are the initial purchase price, (and the cost of any improvements needed to make property lettable), the rental value, interest on any loan required, the expected capital appreciation, and the ease, or difficulty, of finding suitable tenants. Apart from this last consideration, their relative importance will depend on the circumstances of each individual landlord.

Relatively cheap properties in a strongly rising market are attractive because they offer the chance of high capital appreciation. However, when prices rise above a certain level, the prospect of a satisfactory return (capital and revenue) diminishes. At this point, interest may shift to another market where values are lower, provided that properties can still be let.

In our study, Workington and Frizington have attracted most interest from buy-to-let investors. In Workington, there are signs that rapidly rising prices over the past two years have pushed values to the point where returns on investment begin to diminish. This is tending to displace interest to cheaper settlements, such as Frizington, where (at the time of the field work for this study), terraced homes could still be bought for around £30,000, a figure which many estate agents regarded as critical.

According to estate agents, most private landlords, as individual investors, are unwilling to purchase property on larger social housing estates, choosing instead smaller terraces in areas of owner occupation. This has the effect of limiting the resale market of ex-right to buy properties on larger estates. In addition, many private landlords are unwilling to take tenants who depend on benefits, therefore attracting economically active tenants away from social housing estates.

There is little evidence of buy-to-let interest in Egremont, which, in any case, has a very small private rented sector. In Keswick and Cockermouth, the private rented sector tends to cater for better-off households moving to the area, and others who have sold their home and intend to buy again. The cost of buying now makes homes in these settlements unattractive to buy-to-let investors.

Social rented housing

Although lettings policies based on principles of rationing are giving way to more modern approaches, social housing tends to be let overwhelmingly to people already living within the settlement. In up to 40% of cases (see CORE data in chapter 5), they will be transferring from an existing social tenancy. Lettings policies still do not encourage moves between settlements, unless for work or family support.

Moves from the social rented sector to other markets within a settlement do, however, take place. In Workington, Frizington and Egremont, those who are in stable employment, and can afford it, are continuing to buy terraced and ex-right to buy homes. Moves between settlements are less common, because of strong family and community ties, and the need to live near work. Thus, the steep rise in the cost of terraced homes in Workington is likely to put a brake on further moves from social renting to owner-occupation, rather than displace demand to settlements where values are lower. It may lead to a small increase in demand for ex-right to buy homes, which sell for less than town centre terraced properties.

There is also evidence from our study (see appendix 2) that dissatisfaction with the quality of life on large municipal estates, and disenchantment with the social housing brand, lead some social housing tenants to seek a private tenancy in the centre of Workington.

The increasing proportion of lettings taken by existing social tenants has already been noted. It appears greater than could be explained by transfers on grounds of housing need alone. We have suggested elsewhere in this report (page 39) that the over-supply of social housing gives some tenants the opportunity to move to more desirable properties in better neighbourhoods. Some may switch landlords, attracted by improvement programmes and community action schemes. The homes they vacate may then be re-let to less stable tenants, becoming a source of social problems, and high turnover. Often, these homes, in their turn, become the target of improvement programmes. In this way, a continuous cycle of investment in social housing estates is established, which fails to tackle the real problem of oversupply.

Scenarios for the future: risks, challenges and opportunities

INTRODUCTION

In classifying housing markets into three broad types – integrated high value; integrated low value; fragmented – we identified some specific strengths and weaknesses for each type (housing market classification, pages 18 to 21). We also considered the current profile of demand, and the social, economic and environmental reasons which underpin demand. We have been particularly concerned to show how the historic development of each settlement explains its current built form. We have concluded that the ability of a settlement to adapt to modern needs and expectations depends to a large extent on its inherited form, and the nature of post-war development. In some cases, this imposes severe social and economic constraints, and hinders positive change; in others, it is the foundation of prosperity in the modern world, albeit sometimes at the expense of those who cannot compete in its booming housing market. Thus, Keswick and Cockermouth, once market towns serving a local, rural hinterland, are now tourist and commuter towns, able to attract additional disposable wealth. Thus Egremont and Workington contain significant concentrations of deprivation, locked into place by their built form.

In addition to developing the housing market classifications, we have drawn together predictions of how the economy and employment base in west and central Cumbria is set to change over the next fifteen to twenty years. These have helped to inform the table set out on the following page. The table sets out a series of scenarios – national, regional, and local – and one for each of the six settlements. They include changes in policy and strategic direction; associated public and private investment; and developments on the economic, employment and technological fronts. In each case, we consider how likely the change is; how strong its impact would be; and what specific effects it would have on the housing market in the case study settlement.

By identifying these scenarios and estimating their probability and impact, we can ensure that future interventions in the housing market directly address those which are most likely to happen – by counteracting specific risks, by tackling specific challenges, or by taking advantage of specific opportunities.

Only in this way can we can begin to plan to deliver successful interventions in the housing market, supported by the necessary public finance. Is this process a move away from the current regional planning guidance thinking of ***plan, monitor and manage***? Or is the process we are proposing and testing here itself a part of the ***plan, monitor and manage approach?***

Any housing market is likely to be affected by a combination of risks and/or factors for change. The combined impact of several risks will be greater than the impact of any one in isolation.

In considering specific interventions, we have first taken account of those events which might lead to changes in national and regional policy, and would therefore affect ***every*** housing market. We have then considered issues which are likely to have a local effect on individual settlements.

	Risk / Possibility			Impact			Possible effects
National	**H**	**M**	**L**	**H**	**M**	**L**	
Interest rates rise to 5-6% by 2005	**X**					**X**	May have short-term effect of slowing down the house market at the time changes announced. Minimal medium term effects.
Sudden sharp increase in interest rate			**X**	**X**			Unlikely, as interest rates now set by Bank of England (unlike in the 1980s). However, would reduce the second home, buy-to-let and private market and increase demand for social housing.
Stagnation of the housing market	**X**				**X**		One of the two possible ways in which the current housing boom might end. The likely impact of stagnation is fewer properties on the market, longer time to sell, and fewer people willing to relocate as they cannot sell their existing home. This could affect the ability of the region to attract new higher earners. Stagnation would be triggered by sharp interest rate rises and rising unemployment.
House price crash		**X**		**X**			Properties most at risk would be flats and terraced properties in poor condition. Households most at risk of negative equity would be first time buyers who have mortgaged a high percentage of the value of their home, and who can either no longer afford repayments, or need to move. A crash would be triggered by sharp interest rate rises and rising unemployment.
Reduction in available public housing finance at regional or national level		**X**			**X**		Less funds available for market remodelling and interventions. Need to monitor Government spending review.
Stamp duty increases			**X**		**X**		Limited effect, other than some stagnation in sales at prices close to stamp duty limits, (for reference see Barker Review).
Tax relief for private landlords (trusts)		**X**			**X**		Comment in 2003 budget statement – could lead to an increase in larger private landlords in the form of trusts.
Enter the Euro zone		**X**			**X**		Longer-term low rate fixed-term mortgages – stability of borrowing may increase second home, buy-to-let and private markets.
Public funding to private developers		**X**		**X**			Barker review suggestion, discussions underway. Potential increase of delivery on difficult sites, in regeneration areas. Increase in equity sharing arrangements (in high value areas).
Technology improvements – e.g. broadband	**X**			**X**			Quicker business communication, office location less important. New technology allows home-office workers to take advantage of lifestyle choices including living in/close to the National Park. Potential for further overheating of existing high value markets.

H = High   M = Medium   L = Low

	Risk / Possibility			Impact			Possible effects
Regional	**H**	**M**	**L**	**H**	**M**	**L**	
BNFL reduction in Thorpe reprocessing	X			X			Anticipated around 2008 – reduction in medium to high waged semi-skilled employment. Greatest effect would be to reduce demand for private and social housing in settlements with high % BNFL employees, particularly Egremont and Frizington.
BNFL reduction in Magnox reprocessing	X			X			Anticipated around 2012 – reduction in medium to high waged semi-skilled employment. Greatest effect to reduce demand for private and social housing in settlements with high % BNFL employees, particularly Egremont and Frizington .
Sellafield decommissioning	X			X			Work already started. Likely to increase managerial and construction workforce. Will initially boost demand for the high value markets, whilst maintaining demand for lower-value private housing and private renting.
Decommissioning Authority relocation to Cumbria	X			X			Relocation from higher-value housing markets outside Cumbria. Increase in managerial / professional workforce; more demand for the high value markets.
Broughton Moor MOD site re-development	X				X	X	Impact will depend on scheme selected. A major visitor/ tourist attraction would stabilise demand for lower-value homes by increasing lower-paid employment. Could increase demand for second and holiday homes away from the National Park.
Low cost airline route to Carlisle		X				X	Increase in tourist visitors and out-of-area commuters. Increase in demand for holiday accommodation and second homes around the National Park. Increase in higher-value homes for commuters, mainly around the Carlisle and Borders area.
Cruise liner port in Barrow in Furness		X			X		Increase in tourist visitors. More employment in the service sector economy, stabilising demand for lower-value homes in west coast case study settlements.
Cruise liner port in Workington		X			X		Increase in tourist visitors. More employment in the service sector economy, stabilising demand for lower-value homes in west coast case study settlements.
Increasing age of social housing residents and people living in ex-right to buy properties	X				X		Numbers of ex RTB housing and social tenancies coming on the market exceed demand. Major regeneration required to re-profile the market.
Construction of a new prison			X		X		Initially, increase in construction work, plus operational jobs.
New hospital in Workington	X				X		New building and old site re-development increase construction work. Health professionals from elsewhere attracted into the area.
Improved access to the M6 south/west		X		X			Infrastructure and access is a major barrier – see settlement sheets.
Reduction or cancellation of regional rail services		X			X		There would be some minor impact on some commuters from Workington. However, other settlements are not on regional rail networks, so the impact on housing markets would be small.
Reduced discount on second homes council tax	X				X		The additional cost of second homes council tax is unlikely to force the sale of second or holiday homes. A sharp increase in interest rates, along with rising unemployment and council tax increases, may force sales. However, the market in Keswick and Cockermouth is unlikely to be greatly affected, and properties would largely be unaffordable to first time buyers.

	Risk / Possibility			Impact			Possible effects
Keswick	**H**	**M**	**L**	**H**	**M**	**L**	
Closure of the pencil factory	X					X	Minimum effect on the housing market, as negligible unemployment in Keswick, and other work available.
Increase in 2nd homes as inherited properties are retained by family for holiday homes, rather than being resold.			X			X	Reduction of properties available for sale, reducing supply in an area of high demand, increasing prices further. Already very few properties for sale in Keswick.
Inability to find employees for the service sector			X		X		The recent NWDA research confirms that there is little effect on the housing market or economy in Keswick.
Decommissioning Authority relocation to Cumbria	X			X			Relocation from higher-value housing markets – increase in managerial / professional workforce, more demand for the high value markets.
Redevelopment of the railway			X		X		The combination of a rail link to the mainline train service and the growing trend for home-working made possible by technological improvements would increase demand for higher-value homes from commuters. It might also increase the demand for second homes and holiday accommodation.
Collapse of the tourist industry			X	X			Short term effects seen during foot and mouth epidemic. Unlikely to have a dramatic effect on the general housing market, although could increase sales of larger terraces/guesthouses.
Change in demands of the tourist industry		X			X		Change to day tripping; service expectations rising. This could reduce demand for the traditional guest house. Effects would be gradual over perhaps 10-20 years.

Lorton							
Increase in inheritance tax/increasing numbers in the tax threshold			X			X	Increase in the supply of high value properties for sale; numbers would be limited and the effect on the market minimal.
Increase in 2nd homes as inherited properties not resold			X			X	More competition for scarce homes in high demand areas, increasing prices further. Already very few properties for sale in Lorton and Loweswater valley.
Sellafield decommissioning	X			X			Increase in managerial/professional workforce, and more demand for the high value markets.
Decommissioning Authority relocation to Cumbria	X			X			Relocation from higher-value housing markets – increase in managerial / professional workforce, more demand for the high value markets.

	Risk / Possibility			Impact			Possible effects
Cockermouth	**H**	**M**	**L**	**H**	**M**	**L**	
BNFL reduction in reprocessing	X				X		The effect of the reduction in the medium- to high-waged semi-skilled workforce will be modified by the increase in managerial/professional work – some impact, but limited effect on medium value semi-detached homes.
Sellafield decommissioning	X			X			Increase in managerial/professional workforce, more demand for the high value markets.
Decommissioning Authority relocation to Cumbria	X			X			Relocation from higher-value housing markets – increase in managerial / professional workforce, more demand for the high value markets.
Collapse of buy-to-let market			X			X	Linked to sharp rises in interest rates plus oversupply in the market. Oversupply could be mitigated by a strong demand for private rent from contract workers or those who move with work, but do not relocate (e.g. decommissioning workforce).
Fewer jobs in local manufacturing			X		X		Follows regional trend, but not evident from local employer interviews. The largest effect would be on social housing estates, particularly right to buy. However, many own outright and could find employment in the growing service sector.
Broughton Moor MOD site re-development	X				X	X	Impact will depend on scheme selected – a major visitor/ tourist attraction would stabilise demand for lower-value homes by creating more jobs in the service sector, and more demand for second and holiday homes away from the National Park.
Allocation of land for substantial (over 10-20 units) unrestricted speculative housing	X			X			Development of yet more detached housing would occur. This would unbalance the housing ladder still further. Pressure on public services would increase, and demand for properties in the regenerated west coast would reduce.
Allocation of land for lower-value properties for sale		X		X			Local people who need to live in either the LDNP or Cockermouth would find home ownership affordable; however, there would be a small net decrease in demand for properties in the west coast.

	Risk / Possibility			Impact			Possible effects
Egremont	**H**	**M**	**L**	**H**	**M**	**L**	
BNFL reduction in reprocessing	X			X			Between 2008 and 2012, a reduction in medium to high waged semi-skilled employment. Likely to reduce demand for private and social housing.
Sellafield decommissioning	X					X	The type of homes available in Egremont are less likely to attract higher-earning professionals. However, contractors required for decommissioning could stabilise the market following the reduction in process workers.
Decommissioning Authority relocation to Cumbria	X					X	The type of homes available in Egremont are less likely to attract higher-earning professionals.
Town centre refurbishment		X		X			The town centre refurbishment alone will not materially affect demand for houses in the town, since the type of homes available are not attractive to managerial and professional people on higher earnings.
Coastal Tourism (coastal path)		X			X		Increase in second and holiday homes.
Improved transport links (rail link)			X		X		This would make commuting to other parts of the county a more realistic option. At present, the Sellafield to Kendal line takes approximately 3 hours each way.
Allocation of land for substantial unrestricted speculative housing	X			X			Development of yet more detached housing would occur. This would help to re-balance the housing ladder. Ideally, land released through regeneration initiatives should be targeted first. It should not be necessary to restrict development to 30 units per hectare on brownfield sites, as higher-value homes at lower densities are required.
Allocation of land for lower-value properties for sale	X			X			Any development of low value houses under £90,000 would undermine the existing lower-value market. Even sales values above this amount will increase the number of properties for sale as people aspire to move up the ladder

	Risk / Possibility			Impact			Possible effects
Frizington	**H**	**M**	**L**	**H**	**M**	**L**	
BNFL reduction in reprocessing	**X**			**X**			2008-2012, a reduction in medium to high waged semi-skilled employment. Greatest effect in reducing demand for private and social housing.
Sellafield decommissioning	**X**					**X**	The type of homes available in Frizington are less likely to attract higher-earning professionals. However, contractors required for decommissioning could stabilise the market following the reduction in process workers.
Decommissioning Authority relocation to Cumbria	**X**					**X**	The type of homes available in Frizington are less likely to attract higher-earning professionals.
Factory closure	**X**				**X**		Impact on social housing and lower-value homes. However, there is very little employment in the village, and most people commute.
School/Service closures			**X**		**X**		Unlikely, but would have a significant effect on all property and tenure types.
Allocation of land for substantial unrestricted speculative housing	**X**			**X**			Development of yet more detached housing would occur. This would help to restructure the housing ladder. Ideally, land released through regeneration initiatives should be targeted first. It should not be necessary to restrict development to 30 units per hectare on brownfield sites, as higher-value homes at lower densities are required.
Allocation of land for lower-value properties for sale	**X**			**X**			Any development of houses under £125,000 would undermine the existing lower-value market. Even sales values above this amount will increase the number of properties for sale as people aspire to move up the ladder.

	Risk / Possibility			Impact			Possible effects
Workington	**H**	**M**	**L**	**H**	**M**	**L**	
Town centre re-development	X			X			Demand for town centre properties from all sectors is increasing. Redevelopment plans have boosted confidence in the town centre, and will bring more service sector jobs. This will consolidate demand for lower-value homes
Historic core re-development	X				X		Improved appearance, leading to an increase in visitors. May also attract new residents to the town. However, the type of homes available in Workington are less likely to attract higher-earning professionals.
Peripheral new low value housing development		X		X			Workington is an integrated low value housing market. Developing more low value properties will only siphon demand from terraced houses or social housing estates.
BNFL reduction in reprocessing	X			X			Between 2008 and 2012, a reduction in medium to high waged semi-skilled employment. This will reduce demand for terraced housing and social rented homes.
Sellafield decommissioning	X					X	The type of homes available in Workington are less likely to attract higher-earning professionals. However, contractors required for decommissioning could stabilise the market following the reduction in process workers.
Decommissioning Authority relocation to Cumbria	X					X	The type of homes available in Workington are less likely to attract higher-earning professionals.
Fewer jobs in local manufacturing		X			X		Regional trends suggest a continuing reduction in manufacturing jobs. Workington has a higher reliance on manufacturing employment. This decline will affect lower-value properties, but the impact will be reduced by an increase in service sector jobs through the town centre re-development.
Broughton Moor MOD site re-development	X				X	X	Impact will depend on scheme selected. A major visitor/ tourist attraction would stabilise demand for lower-value homes by creating more jobs in the service sector, and more demand for second and holiday homes away from the National Park.
Collapse of buy-to-let market			X			X	Linked to sharp rises in interest rates, plus oversupply. Oversupply may be mitigated if repossessions in the private market lead to increased demand for rented properties.
Allocation of land for substantial unrestricted speculative housing	X			X			Development of yet more detached housing would occur. This would help to re-balance the housing ladder. Ideally, land released through regeneration initiatives should be targeted first. It should not be necessary to restrict development to 30 units per hectare on brownfield sites, as higher-value homes at lower densities are required.
Allocation of land for lower-value properties for sale	X			X			Any development of low value houses under £100,000 would undermine the existing lower-value market. Even sales values above this amount will increase the number of properties for sale as people aspire to move up the ladder.

Options for intervention

GENERIC OPTIONS FOR INTERVENTION

Our options for intervention are tailored to the specific strengths and weaknesses of each type of housing market (see chapter 5). The housing ladders show which rungs (and therefore which housing opportunities) are missing, which rungs are weak (not many properties), or which are too thick (too many properties of that type). The aim of intervention is to create a *balanced housing market*.

The term 'balanced housing market' is gaining currency, and it is important to be clear about its meaning. Our study suggests strongly that there is no single definition which suits all housing markets. Whilst there are some general principles (set out below), each type of market requires a different approach, depending on its drivers (chapter 6) and how they are likely to change in future.

In general terms, an efficient, balanced housing market will have these characteristics:

People *on a range of incomes* can find a suitable home. The social mix will to some extent depend on the local economy and travel to work patterns. But a broad range of house types in well-graduated price bands ensures a viable community.

Those who need to live in a location, rather than choose to live there, are not unduly disadvantaged.

The housing stock does not concentrate deprivation in particular areas and particular house types.

Settlements which *have potential to attract above-average earners* should provide some housing which those households are likely to buy, including high value homes. There is clear evidence that the spending power of higher earners has a positive effect on local services and schools.

People in work on average local incomes should be able to afford to buy, or at least have an equity share, at the lower end of the market. There should be sufficient property of that type to meet their reasonable needs.

Growing families in small homes at the lower end of the market should have some opportunity to trade up to a larger home which is still affordable to them.

GENERIC INTERVENTIONS

We have taken a two-stage approach. We begin by considering the full range of opportunities and funding streams from which action to tackle imbalances in particular housing markets might be drawn. These are set out in the table below. In each case, we have indicated the market types where they are likely to be of most use.

In the second stage, we have considered which interventions show most potential for tackling the specific problems of each of the case study settlements. These are set out on pages 101 to 111 of chapter 9.

Intervention option	To address	Intervention details	Outcome	Advantages and disadvantages	*Intervention applicable to*		
					IHVM	ILVM	FM
Private speculative development	Missing rungs in housing ladder; or strengthening weak rungs in the ladder	Residential development land is released or developed to provide higher-value properties for sale	• The housing market caters for needs which it was previously unable to meet.	• Developers first preference is generally to use up green belt land • Land in wards with high deprivation indices should be prioritised • Creates a land value and requires no grant • Could/should be redirected to sites which are more complex to develop	✔	✔	✔

Intervention option	To address	Intervention details	Outcome	Advantages and disadvantages	*Intervention applicable to*		
					IHVM	ILVM	FM
Re-development of areas within social housing estates with open market housing	To change the balance of housing types in any one area/ward	Developers redevelop swathes of a social housing estates, demolishing unpopular housing stock, or stock in a poor state of repair. Housing for sale (of middle to higher market value) is provided, often with fewer houses than have been demolished.	• Changes the socio-economic mix within an area, reducing deprivation • Dramatic (positive) impact on the environment and on public perceptions. • Reduces the density of housing – positive in areas of falling populations • Meets growing aspiration (over the past 60 years) for home ownership • Reduces the number of homes failing the decent homes standard (DHS)	• The selection of areas to be redeveloped is often controversial – parties often disagree • Properties need to be empty before demolition! • The time and cost of relocating tenants and owner occupiers (especially if CPO is required) • The re-development often brings a land value	✗	✔	✔
Development or re-development of specialist housing	Provision of specialist accomm-odation	Housing projects for groups or individuals with special needs can be funded in several ways, using public and private finance. One option is for a housing association to receive a capital grant from either the Housing Corporation, or a local authority department to develop specialist accommodation – for example, for older people who can no longer manage at home. NB some forms of provision could be offered to people in their own home	• Provides for disadvantaged needs groups. • Can release social rented property for others. • Can release owner occupied property for sale.	• Need for provision is not adequately researched. • The aspirations of special needs groups are not well understood. • There is substantial provision for older people in some locations, but older people don't appear to like it!	✔	✔	✔
Development of additional social rented properties	Fills gaps in the housing ladders, or strengthens weak rungs, by either building new, or buying off the open market.	A housing association receives grant from the Housing Corporation to buy or develop properties for rent. NB Private trusts are able to build or buy properties to rent, but often do not receive grant.	• Provides for more people who cannot afford market prices and who need to live in a settlement for work or family reasons.	• Development of equity share (or similar) would meet the aspirations of tenants who can afford a mortgage, and release social rented properties. • Land availability, planning permission and timescales • Property availability and property prices	✔	✗	✗
Living over the shops	Development space above shops – usually for rent, but occasionally for leasehold sale.	Development of upper floor space, most commonly to provide flats or maisonettes. Undertaken either by the owner, a private developer, or a housing association. Grant subsidy for HA helps keep rents lower	• Aesthetic improvement to town centres or other shop buildings • Bringing life and use into redundant space and town centres	• Often the only tenure option is rent on a short lease. Owners do not want to be tied into long term commitments. • High conversion costs relative to space provided, and rental value low compared with purpose-built flats. This can mean poor capital return for the owner.	✔	✔	✔

Intervention option	To address	Intervention details	Outcome	Advantages and disadvantages	*Intervention applicable to* IHVM	ILVM	FM
Shared ownership	High first step on the ladder	Housing Corporation grant funded scheme, which subsidises the development of new homes and allows them to be sold at 25% to 75% of the market value. Any unsold percentage is rented to the buyer. NB. Shared ownership or similar is often not necessary in lower-value markets, as there is sufficient property available for buyers with limited equity and/or low wages – unless they are in negative equity.	• Development of more homes, taking pressure off lower end of the housing market, increasing demand, and reducing the rate of house price increases. • Release of social rented properties for those in greater need, as local people with secure incomes move into owner occupation.	• Grant subsidy needed. • Rent and mortgage can be expensive for the purchaser. • Grant funding rules apply • Usually on a 99 or 125 year lease. Does property revert to landlord for re-sale at term? • Land availability, planning permission and development timescales	✔	✗	✗
Shared ownership for older people	Properties designed for older people	Either privately funded or funded as above through Housing Corporation grant. NB. Where properties are funded through Housing Corporation grant, no rent is paid on the remaining 25% if someone purchases a 75% share.	• Development of more purpose-designed homes, taking pressure off adaptation grants and improvement agencies. • Releases some family homes. • Releases capital for older people, who are often asset rich but cash poor.	• Usually on a 99 or 125 year lease, what happens after lease term, reverts back to the landlord for resale? • Land availability, planning permission and development timescales	✔	✔	✔
Equity share	High first step on the ladder	Equity share can be provided either by housing associations or the private sector. Models available are: Rural Housing Trust – golden key[21] Co-operative Development Society[22] The Cumbrian equity share model[23] The Housing Foundation – delivering equity share properties without grant subsidy.	• Development of more homes, taking pressure of lower end of the housing market, increasing demand, reducing house price inflation. • Release of some social rented properties for those in greater need. • If applied to existing housing stock, could allow local people to become owners.	• Limited grant required in high value areas. • Freehold or long leasehold gives more long term comfort/inheritance asset to purchasers. • Affordable models of ownership. • Land availability, planning permission and development timescales could cause delays.	✔	✗	✗

21: Details can be found on the rural Housing Trust website

22: Details of the model can be found in 'Common ground for mutual home ownership'

23: Details can be found in 'Delivering Affordable Housing' on the Housing Corporation website

Intervention option	To address	Intervention details	Outcome	Advantages and disadvantages	*Intervention applicable to*		
					IHVM	ILVM	FM
Discount for sale	High first rung on the ladder	Equity share as used by developers for the City of York. The City of York specifies a price level it deems affordable. A developer builds the property under a section 106 agreement (as part of a larger development). The property is transferred to a housing association and they sell a proportion of the property (to the value of the affordability limit) under a 125 year lease, with no rent payable on the remaining equity. Example: Affordability level for a 2 bed house £60,000. House constructed and valued at £120,000. housing association sells 50%, and retains the other 50% without charging rent.	• Development of more homes, taking pressure off lower end of the housing market, increasing demand, reducing house price inflation. • Release of some social rented properties for those in greater need, as local people with secure incomes move into owner occupation.	• Self financing in York on the back of section 106 quota site deals. No examples in LDNP, and very rare outside LDNP. • Usually on a 99 or 125 year lease. Does property revert to landlord for resale at term? • Affordable model of ownership. • Land availability, planning permission and development timescales.	✔	✗	✗
Homebuy	High first rung on the ladder	The Housing Corporation provides grant funding to housing associations to help people into owner-occupation. The grant acts as a 25% deposit on a house purchase. On resale the owner pays back 25% of the resale value. NB – in many case study settlements owner occupation is less expensive than social rent. Potential buyers don't need help.	• Release of some social rented properties for those in greater need, as local people with secure incomes move into owner occupation	• Few properties available to buy, and in high value areas, even fewer which fall within the grant limits • Freehold ownership, rather than leasehold • Intensifies high demand and inflates prices in the first time buyer/lower price market • Few properties on the market in lower-value bracket.	✔	✗	✗
Dual Mortgage	High first rung on the ladder	Purchaser takes two repayment mortgages, one for 25-30 years on normal mortgage rates, one at a lower percentage for 10 years. As household income improves and the property value increases, either the 10 year mortgage can be paid off, or the property re-mortgaged under one conventional mortgage. Offered by some high street lenders Trust model under development in Wenslydale[24]	• Increases the numbers of people who can buy a home using their own resources.	• Increases demand on scarce properties in the lower end of the market • Only a few potentially higher earners benefit, and only in areas where values are almost certain to rise – to reduce risk for the building society.	✔	✗	✗

24: Details available in 'How to buy half a house' on the Joseph Rowntree Foundation website

Intervention option	To address	Intervention details	Outcome	Advantages and disadvantages	*Intervention applicable to*		
					IHVM	ILVM	FM
Improvement for sale	Improvement of poorer quality housing for sale	The Housing Corporation provides grant funds to a housing association to buy existing properties on the open market, and repair or refurbish them for sale at open market value	• Improves the quality of redundant or empty homes • Increases the supply of decent homes in the market	• Only really viable for at least 5-10 units – economies of scale. • In lower-value markets, improving sufficient numbers of homes will boost sales values, and prompt other owners to make improvements, supported, if necessary, by a Home Improvement Trust • In high value areas, existing properties in poor condition are either expensive, or have been modernised already. • In high value areas sale may have to be subsidised by grant to ensure affordability. It therefore depends on grant availability and funding rules. • Covenants can be imposed to manage eligibility for sale and resale.	✔	✔	✔
Housing Improvement Trust	Owner occupiers who cannot afford to maintain their home	A trust, often set up by a housing association or local authority, offers grants to owner occupiers to enable them to modernise their homes. Instead of repayment, the trust takes the equivalent proportion of the home as repayment. For example, for a £5,000 grant on a £50,000 home, the trust would take a 10% stake in the house, and second charge on the mortgage. When the house is sold the trust would recover their 10%, including any growth in value. If the house value had increased to £75,000 then the trust would recover £7,500[25]	• Improves the decency of owner occupied housing • Loans are available to those who could not obtain funds through usual borrowing routes.	• The trust is at risk of not being able to recover the grant if house prices fall, or do not rise as expected. The mortgagee would have first call on resale funds. • If house prices increase dramatically the 'interest' percentage would be very high, easily in three figures. However, interest rates could be capped within the scheme	✔	✔	✔
Home Improvement Agencies	Owner occupiers who cannot afford/ to maintain their home.	Designed to deliver Disabled Facilities Grant, and repair grants for local authorities. Most agencies are also funded through the health service to help with property adaptation and maintenance, where this will speed up hospital discharge.	• Improves the standard of owner occupied housing. Mainly targeted at older people who do not have the resources or ability to undertake works themselves.	• Some agencies struggle for funds. Schemes generally operate on a year by year basis, with little long term certainty.	✔	✔	✔

25: Provided by Regenda a group of housing associations across the M62 corridor

Intervention option	To address	Intervention details	Outcome	Advantages and disadvantages	*Intervention applicable to*		
					IHVM	ILVM	FM
Selective sale of social housing on estates – 'pepperpotting'	Falling demand for social housing; creation of mixed tenure estates.	SAVE, a programme developed by Joseph Rowntree Housing, aimed to sell alternate void properties on a housing estate to tackle decline.	• Changes the socio-economic mix within an area, reducing deprivation. • Reduces long term maintenance for the landlord.	• May save an estate for a particular landlord, but what is the impact on other, adjacent landlords, and the settlement/ housing market as a whole? • Does the town benefit from the sales receipts? • Sale covenants are essential to prevent private landlords from abusing the scheme.	✗	✔	✔
Selective demolition of social housing	To reduce the amount of social housing, remove unpopular house types, tackle general oversupply, or allow re-development on a larger scale.	The housing association landlord would cease lettings in an area, purchase any owner occupied properties or offer a homeswap (see opposite), to ensure that an area is empty of residents. Compulsory purchase powers can be used. Land would then be redeveloped for speculative housing (as above), leisure, services or other purposes.	• Reduce social housing in areas of oversupply • Improve the appearance of an area by removing abandoned properties, or properties of an unpopular size and type • Regenerate an area with alternative forms of housing, service or leisure facilities • Reduce the number of properties which do not comply with the DHS	• Unless demolition was part of the business plan, recent stock transfer landlords fight to retain stock. Losing the asset affects operational costs and loan debt • The selection of areas to be redeveloped can be controversial – parties often disagree. • Properties need to be empty before demolition! • The time and cost of relocating tenants and owner occupiers (especially if CPO is required) • The cost of re-instatement works if no re-development funds are available.	✗	✔	✔
Selective demolition of owner occupied housing	To reduce the number of poor quality houses in an area; or to remove houses which have been abandoned; or to allow re-development on a larger scale.	The local authority would purchase owner occupied properties (or offer a homeswap – see opposite); purchase properties from private landlords; and request housing associations to stop lettings. (Negotiations on compensation required). Having ensured that an area is clear of residents, they proceed with demolition. Compulsory purchase powers can be used. Land would then be redeveloped for speculative housing (as above), leisure, services or other purposes.	• Improve the appearance of an area by removing abandoned properties, or properties of an unpopular size and type. • Regenerate an area with alternative forms of housing, service or leisure facilities. • Reduce the number of properties which do not comply with the DHS, and those which would cost significant amounts to improve.	• The selection of areas to be redeveloped is often a controversial decision – parties often disagree • Properties need to be empty prior to demolition! • The time and cost of relocating tenants and owner occupiers (especially if CPO is required) • The cost of re-instatement works if no re-development funds are available	✗	✔	✔
Group repair of owner occupied housing	Condition of owner occupied housing	Local authorities can undertake group repair schemes, within defined renewal areas. They can offer grant assistance for repair work to those on low incomes, and organise repair work for other households in the area	• Reduce the number of properties which do not comply with the DHS, and those which would cost significant amounts to improve. • Improve the appearance of an area.	• Depending on specifications, results can be unappealing – for example, if all homes covered with the same pebble dash, or grey render finish.	✗	✔	✔

Intervention option	To address	Intervention details	Outcome	Advantages and disadvantages	Intervention applicable to		
					IHVM	ILVM	FM
Homezone	Improve the environment in streets of terraced houses	Pioneered by Manchester Methodists in Northmoor Manchester to improve the safety of terraced streets and create amenity space allowing children to play, and cars to navigate and park.	• Improved appearance, safety and parking on often tight inner town/city roads. • Improves the desirability of streets which would be at risk of low demand if unaltered.	• Substantial time, cost and consultation is required to deliver this very effective solution.	✗	✔	✔
Homeswap	To assist in the relocation of residents affected by demolition plans	An idea generated in Salford[26] to relocate people with negative equity and allow demolition in areas where demand and house prices are falling. Now being adopted elsewhere. Owners can swap their existing home for another one, which has been improved to a decent standard. Where the new home is worth considerably more than the old one, the developer undertaking the refurbishment could take an equity stake in the new property, or place a charge on it. Compensation is generally paid for removal expenses. Depending on the cost and availability of other suitable homes, this option is often more attractive than compensation alone.	• Allows clearance areas to be emptied for regeneration, whilst ensuring those who need to relocate move to a decent house, in an area of their choice • Reduce the number of properties which do not comply with the DHS, and those which would cost significant amounts to improve	• The availability of houses in a similar market to exchange to • The cost of refurbishments to the new house • The timescale and negotiations required to agree, the house to move to, the refurbishment needed, and the charge or equity stake in the new property • The agreement with mortgage lenders to move any existing mortgage	✗	✔	✔
Investment in planned maintenance	Condition of social housing properties	Housing associations maintain their properties to ensure that they comply with the decent homes standard (DHS)	• Improves the standard of social rented houses	• Do landlords have funds in their business plans for the necessary improvements? • Higher-value areas tend not to receive the same level of maintenance as those which are less easy to let. • Consideration needs to be given to the future sustainability of the housing stock, taking account of the size, type and layout of the property along with future projected demand. Demographics and changing aspirations are a risk for most social housing landlords. • Landlords often believe that improvement alone will reverse the fortunes of an estate with high turnover – whereas the decline may be due to longer term social and economic change.	✔	✔	✔

26: A version of Homeswap is being developed within Allerdale Borough Council to facilitate clearance programmes

PLANNING POLICY

Currently, local authorities tend to have one local plan containing planning policies for their area. This generally applies similar policies to each settlement. It may contain separate actions plans for renewal areas etc. These local plans will shortly be superseded by local development frameworks containing core policies, proposals and action plans.

Local development framework – core policies and action plans

The housing market classification developed in this research project provides a way of tailoring new planning policies to the specific requirements of particular local markets within a local authority district.

The model detailed in chapters 3 to 7 gives planning authorities the tools to assess the housing markets within their district and provide policies flexible enough to cover the full range of market conditions. It also helps them steer developers towards the specific requirements of each market type, in terms of development densities and planning obligations.

In addition, planning authorities can use the housing market classification to set development briefs for sites due to be released. This is an opportunity to restructure markets, and provide the types of property currently missing from the housing ladder. Further, it provides a basis for planning authorities to work with those responsible for regional and sub-regional spatial strategies to ensure that spatial planning is not just about developing more homes, but about recognising oversupply and restricting and balancing *new provision* in order to ensure that regeneration occurs. This cannot be achieved simply by allocating small sites in regeneration areas, or meeting current targets. It requires thinking on a *scale of significance* to plan for the longer term.

Development densities

Whilst the latest government guidance requires properties to be developed at a density of 30 dwellings per hectare, (roughly translating into semi-detached properties tightly laid out), this will not necessarily make developments any more attractive from an aesthetic point of view. Neither will it achieve the reduction in density which is a pre-condition for providing higher-value properties in low value integrated markets, and for re-developing some sectors of fragmented markets. Reducing development densities does not necessarily imply more development on greenfield sites. In areas where the population is falling, this is unnecessary, as well as undesirable.

Planning officers must have the flexibility within core policies and action plans set in local development frameworks to identify the requirements of the specific housing market where development or re-development is to occur. They need to approve planning permissions which fit the density needs of the market at that time, in the certainty that this will not de-stabilise another sectors of the market in the same or adjacent settlements.

The density requirement of 30 dwellings per hectare (or more) can only be achieved where the development consists mainly of smaller homes. This suits high value integrated markets, because the homes provided will be at the lower end of the market. Even so, without some form of equity share and local occupancy restriction, property prices may still be higher than local employees could afford.

Planning officers may be reluctant to allow developments below 30 units per hectare, since this requirement is enshrined in national planning policy. But regional planning guidance is also required to deliver the Communities Plan, which aims to:

‘create sustainable communities in which people want to live and:

- *are economically active;*
- *have decent homes at prices people can afford;*
- *safeguard the countryside;*
- *enjoy well-designed, accessible and pleasant living and working environment;*
- *are effectively and fairly governed with a strong sense of community.’*

Surely, having well thought-through planning and housing policies capable of delivering these aims would warrant the time and resources to debate the case for flexibility with regional government.

Regional development numbers

As part of regional planning guidance, Cumbria is given a fixed allocation of new houses which it can deliver each year. This is divided between the five local authorities. In recent years, the trend has been to reduce the allocation for South Lakeland and Eden, where demand is highest, and to support the regeneration of the west coast by making it the target for new housing development.

The short term effect has been to contribute to house price inflation in the high demand areas, by limiting supply, and to reduce the output of local building firms.

This situation could be improved by taking a longer term, strategic, and perhaps more radical view of the regeneration of the west coast. Cleared dwellings can be added to the overall county allocation for newly developed units. Thus, measures such as demolishing surplus homes in the social housing sector, remodelling and reducing the number of social housing properties designated for older people, and selective clearance of the poorer quality terraced homes could alleviate the restrictions on Eden and South

Lakeland, whilst providing a durable solution to the problems of the west coast. These measures might be more sustainable, and offer better value for money than tried and tested schemes such as landscape improvement and property modernisation. Such schemes generate short term popularity, but their effect is short-lived – often no more than 5-10 years – because they do not address the underlying problem of oversupply.

Planning obligations

In November 2003, the Office of the Deputy Prime Minister published a consultation paper entitled, *'Contributing to sustainable communities – a new approach to planning obligations'*. The paper detailed Government thinking on planning obligations, and in particular the new planning charge, which is a financial charge paid to a local authority by developers for every planning permission granted.

The charge will be calculated using a formula, rather than relying on individual negotiations with developers. The money can be allocated to a housing pot, either retained within the particular local authority, or pooled across several on a sub-regional basis. It can be spent on the provision of affordable housing, or on wider community projects.

The paper does not rule out developers providing a percentage of affordable homes on their development, instead of a charge. However, it does look for local authorities to seek either a charge or quota.

The anticipated planning guidance is believed to cover both options. However, our housing market classification suggests that planning obligations in any one local authority area should not be standard. According to the type of market in which they operate, they may need to achieve different objectives. For example:

In integrated high value markets with very tight development control, such as the Lake District National Park, there are few opportunities to seek a planning quota on housing sites. However, there may be opportunities to seek a charge on commercial sites and smaller 'non-affordable' housing schemes. These funds, and others generated within a local authority area, could be used to develop new homes on allocated sites for affordable housing.

Imposing a charge on affordable housing development itself would have some negative effects. It would increase development costs, which are already high. At the same time, it would raise rents, increase the need for grant subsidy, and reduce equity shares in low-cost home ownership schemes. This would defeat the object of the development in the first place.

Outside areas where development is tightly-controlled, quotas can be sought. In integrated high value markets, and in those fragmented markets where middle-value homes are required, quotas offer a way of providing homes at the right price. Without them, land value is often too high for affordable housing. The discount for sale option practised by York City Council is an example of how this might work in practice, without public subsidy (page 82).

However, in low value integrated markets, where low-cost homes are plentiful, providing affordable homes through a quota system would defeat the purpose of market restructuring. Instead, a charge calculated by formula could be used to subsidise higher-value markets, or pump prime such initiatives as Home Improvement Trusts, Equity Shares in existing properties, etc.

Restructuring housing markets: priorities for intervention

INTRODUCTION

In this chapter, we consider *what needs to be done* in each local housing market to respond to the risks and opportunities identified in chapter 7, and to build sustainable communities. The chapter is structured as follows:

The case for intervention: taking an overview of the six settlements, we summarise the problems and challenges which apply across the study area, and make the case for intervening in local housing markets.

Successful intervention: brief guidance on how to engage partners and stakeholders and make housing market interventions effective.

Intervention decisions by market type: we set out the general principles which apply to each of the three market types represented by the case study settlements.

Priorities for intervention: based on the findings in each case study settlement, we identify *five priorities*. These priorities are matched to the requirements of integrated high value, integrated low value, and fragmented markets. We explain how each priority might be tackled, using examples from the case study settlements, and we provide a realistic appraisal of the costs, advantages and disadvantages of each.

Interventions by settlement: taking each of the case study settlements in turn, we summarise briefly the case for intervention. We set out the options under the heading of *minimum interventions* – the minimum needed to ensure long-term sustainability – and *additional interventions*, which might also be beneficial. We review available sites and suggest how to make best use of them.

THE CASE FOR INTERVENTION: THEMES ACROSS THE AREA

The shift towards owner-occupation

Demand for housing in the region has changed over the generations. In west coast towns and villages, the housing market developed in the nineteenth century to serve the needs of workers in local industries. Between 1930 and the late 1960s, large municipal estates were built, to improve housing conditions for this workforce.

With the introduction of right to buy in the 1980s, social renting began to lose its dominance on the west coast. The market shifted strongly towards owner occupation, and anywhere between a third and a half of tenants (depending on location) have now taken the opportunity to buy their home.

As a consequence, settlements such as Workington, Frizington and Egremont now find themselves with housing association and council estates which have outlasted the social conditions they were built to address.

Population change

The population has declined in areas where social housing is still the dominant form of tenure, such as the Moss Bay and Moor Close wards in Workington. This decline is explained only partly by stock reduction, and marks an important social trend. The west coast is still fairly parochial, in that many people continue to live near parents and extended family. However, more and more people in the 30-44 age group are moving away, and younger people tend to find jobs outside the region on leaving University.

Only in wards where detached housing estates have been developed has the population grown. New development has attracted households moving into the area, and has provided opportunities for local people to move up the housing ladder.

In certain local areas, the population is ageing. Social housing estates appear to contain a high proportion of older households. This includes many former tenants who have exercised their right to buy.[27] Terraced housing in central Workington, Frizington and Egremont also contains a relatively high proportion of older people.

The regional economy

BNFL continues to be the major influence on local employment. Up to 20% of the working population in the study settlements is employed directly by BNFL. The number of contractors has declined over the past three years, but is still significant, affecting especially the market for private rented homes.

Despite the projected reduction in employment at BNFL, employment prospects for the study area as a whole are favourable (see appendix 1 regarding the economy). In its early stages, the downsizing of the BNFL workforce will come mainly through early retirement, having little effect on the private housing market.

New jobs created in the area are likely to be at either end of the employment spectrum: minimum-waged employment in retail and tourism; or managerial and professional jobs, with annual salaries from £25,000 to £100,000 plus. Without changes in the housing market, the latter will increase pressure in those markets which are already high value – that is, Keswick, Cockermouth, and Lorton.

Impact on housing markets

Social renting

Declining demand for social rented homes, and the changing profile of social housing tenants, is a major challenge. The effects are most marked in west coast settlements with a high concentration of social rented homes – Workington, Egremont and Frizington. Low property values and low interest rates have made it possible to buy homes in many west coast towns and villages at below the cost of renting from a social landlord (see chart on page 53). Social housing tenants in stable employment have

27: Details from the residents survey show that many residents are now in their 60-80's taken advantage of this in increasing numbers. Younger households setting up home for the first time prefer owner occupation to social renting, assuming that they have the choice. As a result, social housing tenants are more likely to be unemployed people, lone parents, retired households, and others wholly dependent on benefits (see CORE lettings statistics in chapter 5).

There is a tendency for the more astute social housing tenants to move within the social housing sector, in search of an improved home, and/or a better neighbourhood. Some prefer to rent privately. In Workington, our study shows that privately-rented terraced houses near the town centre are sought by some social tenants as an alternative to life on a large municipal estate.

There are particular difficulties letting some social housing properties for older people. This is for a number of reasons:

- Homes built between the 1940s and 1960s no longer match the expectations of older people.
- Some housing designated for older people is in unpopular areas of large estates (for example, Smithfield Estate, Egremont and Casson Road, Workington, where one housing association has seen a 100% turnover in recent years).
- Public policy and funding now make it easier for older people to receive support and personal care in their existing home. Research shows that this is often what older people would prefer.[28] Residential care is increasingly confined to those with very high care needs.

In the next few years, the housing market is likely to see increasing numbers of social housing tenancies and ex-right to buy properties becoming available. The ageing profile of residents is an important factor in this trend.

Problems of older-person housing apart, unpopular areas of social housing estates tend to share one characteristic: a high proportion of lettings to one-person households under 25. Without appropriate support, their tenancies are at risk of failure, contributing to high turnover and social problems. However, where support systems do exist, they have been proved effective.

In conclusion, we believe that the underlying demand for social housing is already below the level of supply, and will continue to decline. This is the result of long-term social and economic trends, which are unlikely to be reversed. It would take an extremely steep rise in interest rates, a sharp increase in unemployment, and a high rate of repossessions to recreate demand for social renting. None of these seems likely at present.

Owner-occupation

Keswick and Cockermouth have both seen an increase in the number of buyers from out of the area, attracted by lifestyle factors, good schools, and desirable housing.[29] Over a generation, house prices in both settlements have risen to a point where few local people can afford to buy. In Keswick, the dominance of second/holiday and retirement homes in the market has reduced the number of households with children. By contrast, Cockermouth still attracts families, thanks to easier commuting and the wide variety of housing available in the town. However, these households are drawn increasingly from higher income groups.

Our housing survey shows that older people play an important role as a source of demand in the market, taking advantage of wealth created through house price inflation either to move into attractive settlements, often lower in value than where they move from, therefore releasing equity, or to purchase second or holiday homes. There is some anecdotal evidence that they are also using their wealth to assist their children to purchase their first home.

In both Keswick and Cockermouth, those who aspire to home ownership tend to leave the immediate area, moving east or west for cheaper properties. This has assisted the regeneration of the west coast, but has further unbalanced the socio-economic profile of the higher-value markets. Both settlements may be at risk of cutting lower income households out of the local housing market altogether, perhaps in less than a generation.

Further west, in the current phase of dramatic price increases, those already on the property ladder, with secure job prospects, will be encouraged to trade up. The terraced housing of central Workington and Frizington is popular, affordable, and appears to have a viable future. Aspiring first time buyers will no doubt continue to buy these homes, and undertake some investment. Inspired by DIY makeover shows on television, their improvements are more likely to be cosmetic than structural. The only structural works undertaken are likely to be at the insistence of a mortgage lender, or part of a group repair grant-funded scheme. At the same time, the relatively high concentration of older households in terraced housing may need continuing help with organising essential repairs and adaptations.

Private renting

The reduction in BNFL contract workers over the past 3 years[30] might have been expected to lead to a downturn in the private rented market. In fact, this has not happened. Instead,

28: Sykes and Leather Grey Matters Anchor Research 1998

29: See housing research, appendix 2

30: See economic research, appendix 1

there has been a change in the type of landlord, with individual private investors tending to replace 'professional' private landlords with large holdings. In Cockermouth, there is some concern among estate agents that this market has peaked, with vacant properties outnumbering prospective tenants. However, the new breed of individual investor-landlords is likely to be more interested in long-term capital gain than short-term revenue return. They are unlikely to sell unless forced to do so by a very sharp rise in interest rates. Other areas appear able to attract non-DSS tenants from social housing tenancies, leaving social housing estates even more marginalised, with only the most disadvantaged residents remaining.

THE CASE FOR INTERVENTION: CONCLUSIONS

Across the area, the case for intervention rests on the following:

- The negative effect on west coast settlements of social housing estates where supply exceeds demand.
- The shortage of housing in the same settlements which will attract higher-income households and boost regeneration.
- The need to relieve pressure in the highly-competitive, overheated markets of central Cumbria.
- The need to ensure that lower-income households, especially those employed in local businesses, are not excluded altogether from these high value markets.
- The need to protect and maintain areas of older terraced housing, where these appear to have a viable future.

Underlying these considerations is an understanding of how the role of each settlement might continue to evolve, and what impact this would have on each housing market.[31] We have sketched out futures for the six study settlements, based on the performance of the housing market to date, economic prospects, and changing social expectations.

In addition to the above points, and perhaps even more important, is the need to balance population and demand for public services across the study area. As prosperous and aspiring households are drawn to the more attractive settlements (such as Cockermouth), social disadvantage concentrates in neighbouring, less favoured areas. In the desirable, high value areas, the growing population brings increased demand for public services – new or extended schools; more health centres and GPs, and so on. Correspondingly, less popular areas experience a decline in population, prompting public spending on service closure and withdrawal, and making remaining services less cost-effective. Thus, allowing one market to grow at the expense of another effectively doubles the cost to the public purse.

Intervening in housing markets can tackle the harmful social and environmental effects of concentrating deprivation in particular local areas. It can prevent high value areas becoming so exclusive that households on modest local wages can no longer afford to live there. It can ensure that public funds are used efficiently to maintain high service standards, where they already exist. And where services perform poorly, they can often be improved by stabilising population numbers, and by changing the socio-economic profile.

INTERVENTION DECISIONS: LOW VALUE AND FRAGMENTED HOUSING MARKETS

We set out below some general principles for intervening in low value housing markets, and for re-structuring the lower-value housing in fragmented markets.

Areas should be selected according to the following criteria:

- There is high turnover, high vacancy rates, high numbers of unsold properties on the market, or evidence of abandonment.
- Residents are dissatisfied with their neighbourhood or property.
- They can be tackled easily, because they are self-contained – for example, on the edge of an estate, whole blocks or terraces.
- The intervention will have a positive impact on the surrounding areas and the settlement as a whole.
- Sites have potential for re-development or alternative use, possibly realising a capital receipt.

In addition:

- Larger clearance sites are preferable to small scale brownfield sites or development of greenfield sites.
- Planning briefs should ensure that re-development supplies missing rungs on the housing ladder. They should avoid undermining existing markets by providing homes of a type and price readily available in the settlement, or in neighbouring markets.
- In some cases, we have recommended new owner-occupied housing as a way of boosting regeneration and making settlements more appealing. However, the architectural quality of much recent speculative development in the county is uninspiring, relying on cheap corporate style of a kind to be found all over the UK. Unless planners are clear and assertive about high standards of design – either the thoughtful use of styles and materials sympathetic to the local context or good, genuinely contemporary design – our proposals will do little to enhance the appearance of towns and villages in the short term, and in the longer term, may simply re-create the problems they were intended to solve.

31: The Housing Market Renewal Pathfinder in Hull states that an area needs a clear vision of its role in the future, before it begins regeneration.

HIGH VALUE HOUSING MARKETS

Priorities for intervention in high value markets have been developed according to the following principles:

- Land and buildings should be developed solely for affordable home ownership.
- Wherever possible, brownfield sites should be used first, followed by greenfield sites, all within the settlement boundary.
- Where no such land exists, sites adjacent to the settlement boundary should be considered.
- Sites considered suitable by the planning authority and housing developer can be acquired through a compulsory purchase order, if, after a negotiation period of six months, the owner is still unwilling to release them.
- Development should be mainly two-, three- and four-bedroom houses and two- and three-bedroom bungalows. These are more flexible than flats, and more viable in the long term.
- Planning briefs should ensure that re-development supplies missing rungs of the housing ladder. They should avoid undermining existing markets by providing homes of a type and price readily available in the settlement, or in neighbouring markets.
- Any remaining gaps in the social rented housing market should be filled, where necessary.

UNDERTAKING AN INTERVENTION

Strategic responsibilities

This report does not advocate that the west coast of Cumbria be awarded Housing Market Pathfinder status. In other areas, the designation has proved a magnet for investment by property speculators, leading to a dramatic rise in property prices. As a result, either the cost of intervention to the public purse has increased, or it has been necessary to reduce the scale of the planned interventions. This said, the area badly needs ***a single agency with a strategic overview of housing markets, who would manage resources, and ensure that measured and appropriate interventions were delivered when and where needed.***

Currently, West Lakes Renaissance, the area's Urban Development Company, has a remit from Government Office North West (via the Furness and West Cumbria Housing Market Partnership), to prepare a strategy for the low demand areas of the west coast. As a first step, West Lakes Renaissance will develop a spatial strategy. This, in turn, should help prioritise interventions across the area. It will be the responsibility of each local authority and housing provider to deliver the strategy produced by West Lakes Renaissance. How this will be managed is still to be agreed.

Three further comments are relevant here:

1. There is a real danger that if an agency's responsibilities are confined to monitoring and managing low demand areas, the interaction between those areas and neighbouring high value markets may be overlooked.

2. Decisions on regeneration schemes, or plans to restructure the supply of housing, are made through planning policy and reflected in housing strategy (and vice versa). Planning committee members are key players. It is essential that they are informed and consulted on any strategy for housing market restructuring, and that they are committed to its implementation. Otherwise, the strategy will fail, leading to higher costs at some future stage.

3. In the Housing Market Pathfinder Areas, the Pathfinder Board has the authority and the resources to intervene in the market. They provide a strategic overview, and action plan, and can offer compensation for the loss of property. Here, by contrast, each housing association works independently to its own business plan. In the most unpopular areas of estates, several housing associations own property within the same streets, effectively competing for tenants (see property blackspots in CORE data pages in chapter 5). Housing associations with marginal business plans and no money to demolish may find it easier to ignore oversupply, than tackle it. In any case, few landlords are prepared to demolish houses, until the problem is so acute that properties are abandoned and unlettable. Only by establishing a single agency with powers similar to the Pathfinder Boards can this problem be overcome.

Successful delivery – key points

This apart, successful delivery of housing market interventions depends on the following:

- The development of an action plan, setting out clear actions, timescales and responsibilities, (it may be possible to incorporate action plans into a local development framework).
- Commitment from those responsible for delivery, to allocate resources and ensure delivery.
- Communication and consultation with the community directly affected.
- Effective and timely delivery. Often, communities lose faith in action plans when they can see no action being taken. Communicating progress is the key to ensuring that people remain on board.

PRIORITIES FOR INTERVENTION

The interventions we propose are designed to use a limited amount of public money to kick start housing market restructuring, on the assumption that the private sector will continue the process. Having said this, we have consistently matched our interventions to the overall needs of the market, preferring solutions which are sustainable in the long term to those which are merely cheap or quick-fix.

The priorities for intervention highlighted below are a response to the detailed findings for each of the case study settlements, matched to the three market types. They should also be applicable to other areas in the county, and other regions with a similar mix of housing markets.

Priority 1:

Reduction of social housing, especially on municipal estates, through the clearance of surplus or obsolete property types in unpopular areas. Provision of middle- to higher-value properties, using, wherever possible, brownfield sites created through clearance.

Priority 2:

Provision of affordable owner-occupation in high value housing markets.

Priority 3:

Provision of suitable property and support packages for one-person households.

Priority 4:

Creation of a Home Improvement Trust or similar to assist in the repair of private sector homes.

Priority 5:

Redevelopment, clearance or re-use of obsolete property designated for older people.

Priority 1

Reduction of social housing, especially on municipal estates, through the clearance of surplus or obsolete property types in unpopular areas. Provision of middle- to higher-value properties, using, wherever possible, brownfield sites created through clearance.

In settlements dominated by social housing on municipal estates, where demand is falling, and turnover high, clearance on a significant scale should be considered. Clearance will undoubtedly present challenges for residents, the landlord and local councillors, but the short-term difficulties are outweighed by the long-term benefits of a radical approach.

To date, efforts at managing falling demand have concentrated on estate improvements and measures to create a mix of tenure, such as selling alternate properties as they fall vacant. These are unlikely to be effective in the long term. Improvements may only succeed in shifting problems to another part of the estate, or settlement. They do not address the fundamental problem of too many social rented homes. They are also expensive.

Creating a mix of tenure does not relieve the negative impact of swathes of municipal housing on the settlement as a whole. In Egremont, the high proportion of homes sold under the right to buy is itself a cause for concern. The ageing profile of residents suggests that increasing numbers will come on to the market over the next fifteen years, and they are likely to be difficult to sell.

In short, managing slow decline is more costly and less effective than tackling it head-on through clearance.

When clearance of social housing property is considered, housing associations are generally concerned about loan debt, asset cover, business plan income and expenditure, operating costs and overheads, as well as the cost of demolition. A strategic approach might entail some rationalisation of landlords and stock, whilst allowing economies of scale to be maintained.

Using the principles set out under *intervention decisions* on page 90, we have selected from the case study settlements properties and estates which fit the decision-making criteria, and have used them as case studies. As might be expected, all three case studies are in settlements with a concentration of low value properties.

Whilst the Communities Plan does not accept that a mix of tenure types makes for poor neighbours, higher-value developments are more easily marketed and sold if they offer an image of exclusivity. This prompts a general question about demolition and re-development in low value integrated, and fragmented markets. Should this be at the current planning requirements of 30 units per hectare? Or could this density be reduced, to meet the overall aims of housing market restructuring? (See planning section on pages 86 to 87).

Case study 1: Workington

In Workington we have identified an estate of 200 social housing properties, prominently situated at the junction of key roads in the town. To date, various forms of environmental improvement, new build social housing and traffic calming have been tried, but the area is still declining. A nearby large brownfield site of eight acres is already on the market, and is due to be redeveloped for residential use. Re-development of the whole area would provide a lift to the housing market, reduce social housing numbers and provide some of the missing property types on the housing ladder. It would also make a significant improvement to the town from an aesthetic point of view.

The costs of clearance and demolition are set out in the adjacent table.

This site would allow a private estate of 150 properties to be developed. We propose a mix of two- and three-bedroom bungalows and three- and four-bedroom detached houses.

This would not destabilise the local market for large pre-war semi-detached properties and town centre terraces. By increasing supply, it should have the benefit of slowing down house price inflation in Workington and adjacent markets.

Cost element	***Number of units***	***Cost per unit***	***Total***
Demolition	200	£3,000	£600,000
Home loss payments (excluding voids)	170	£3,100	£527,000
Disturbance payments (excluding voids)	170	£500	£85,000
Improvements to properties (necessary to facilitate movement of residents)	85	£3,500	£297,500
Compensation to landlord for loss of stock	188	£35,000	£6,580,000
Purchase of right to buy properties (including homeloss and disturbance payments)	12	£75,000	£900,000
Total cost of clearance			**£8,989,500**
Cleared land value	15 acres	£275,000	£4,125,000
Total cost of intervention to public purse			£4,864,500
Equating to (Per unit cleared)			£24,323

Case study 2: Frizington

A site isolated from the village centre, but close to an estate of high value detached homes, offers the opportunity for clearance and re-development . The presence of a small amount of social housing, with very high turnover, is blighting the re-development of the surrounding brownfield site, and preventing progress on a further 45 speculatively-developed homes. If the site were cleared, it would have a value of approximately £560,000. However, the existing social housing reduces that value to £250,000 to £300,000, if it can be sold at all.

The costs of clearance and demolition are set out in the adjacent table.

The clearance and sale of this site would free up approximately £500,000 of social housing grant. This could be recycled into another development elsewhere.

Cost element	***Number of units***	***Cost per unit***	***Total***
Demolition	17	£3,000	£51,000
Home loss payments (excluding voids)	17	£3,100	£52,700
Disturbance payments (excluding voids)	17	£500	£8,500
Improvements to properties (necessary to facilitate movement of residents)	17	£3,500	£59,500
Compensation to landlord for loss of stock	17	£30,000	£510,000
Total cost of clearance			**£681,700**
Cleared land value	0.5 acre	£140,000	£70,000
Adjacent land (increased value due to clearance)	3.5 acres	£50,000	£175,000
Total cost of intervention to public purse			£436,700
Equating to (Per unit cleared)			£25,688

Case study 3: Egremont

Social rented flats on the outskirts of the town are difficult to let. Whilst tenants can be found, turnover is high and there is no waiting list. The site adjoins the town boundary and is close to a popular owner-occupied estate. The cleared site, plus an adjacent greenfield site, could provide around 150 homes.

The costs of clearance and demolition are set out in the adjacent table.

Cost element	***Number of units***	***Cost per unit***	***Total***
Demolition	30	£1,500	£45,000
Home loss payments (excluding voids)	30	£3,100	£93,000
Disturbance payments (excluding voids)	30	£500	£15,000
Improvements to properties (necessary to facilitate movement of residents)	30	£3,500	£105,000
Compensation to landlord for loss of stock	30	£24,000	£720,000
Purchase of right to buy properties (including homeloss and disturbance payments)	5	£48,000	£240,000
Total cost of clearance			**£1,218,000**
Cleared land value	2 acres	£175,000	£350,000
Land sale with adjacent land (private sale)	3 acres	£175,000	N/A
Total cost of intervention to public purse			£868,000
Equating to (Per unit cleared)			£28,933

Advantages of intervention

- Reduction of surplus social housing stock.
- Development of private sector homes to supply missing rungs on the housing ladder.
- Achieving a better social and economic balance for the settlement, with the associated benefits to schools and shops.
- Improving the built environment by breaking up large municipal estates and providing a greater variety of homes and architectural styles.
- Attracting higher-earning property buyers, thus taking some pressure off the high value markets.
- Creating brownfield sites for new housing, rather than using greenfield sites.
- Offering compensation to a landlord to clear property, thus providing both an incentive to demolish, and a capital receipt which can be re-invested in sustainable homes.
- The possibility of recycling social housing grant originally paid on the cleared properties.
- Taking positive action at an early stage, rather than allowing estates to decline slowly to the point of abandonment.

Disadvantages of intervention

- Cost to the public purse ranging from £25,000 to £30,000 per cleared property.
- Disruption to residents.
- Impact on public services during re-development – for example, falling school rolls as pupils move out of catchment area.
- The long timescale required to deliver such projects. Planning and consultation might take between two and five years, and delivery a further two years.

We consider that without significant clearance and re-development of social housing estates, the differential between the high value housing markets of central Cumbria and the low value markets further west will increase. In the long term, the low value markets will decline, whilst the high value areas become increasingly unaffordable.

Priority 2

Provision of affordable owner occupation in high value housing markets.

Both the social rented and private rented sector include economically active households who aspire to home ownership. This is clear from our analysis of CORE data, from the housing survey, and from interviews with estate agents. In other areas of the county, they might well be able to buy a home, but in high value markets, this option is unaffordable.

Many recent studies assert[32] the need for more affordable homes for local people in the Lake District National Park. To date, the limited amount of new affordable housing provided has been for social rent, rather than home ownership.

Several models of affordable owner occupation exist. These are detailed in the generic interventions chapter on pages 81 to 83. Most depend on sites being available.

Land is available within the high value markets and, following a discussion with local planners and a review of local plans, potential sites for Keswick and Cockermouth have been identified. These are listed on pages 103 and 105. Although known to planners and housing developers for some years, negotiations to acquire them for new affordable homes have so far not succeeded. ***In order to overcome this problem, we propose that the local authority and Government Office consider using Compulsory Purchase Orders.***

Historically, some of the county's local authorities have been unwilling to test compulsory purchase procedures. It is the risk, rather than the cost of the process, which has deterred them. If legal and procedural assistance could be provided by either Government Office North West, North West Development Agency or English

32: Cumbria Rural Housing Trust, housing needs survey

Partnerships, local authorities might be prepared to acquire land for affordable housing by this route.

If, in addition, the Regional Housing Board were to develop a framework which urges local authorities to make full use of their CPO powers, this would help speed delivery still further.

The price of land can vary dramatically. In the Lake District National Park, very tight local planning policies reduce the price of land to either exception site[33] values of around £5,000 to £10,000 per plot, or to the value of a site within the local plan or settlement area, where only affordable homes for local people are permitted. This is typically around £40,000 to £45,000 per plot. In the current market, land values are being reduced by 20%-25% on sites where restrictions for affordable housing apply. However, demand for the lower-value properties is so high that the price of homes with local occupancy restrictions is not significantly lower than those without.

Development costs will depend on several factors, such as whether development is undertaken by the private sector or a housing association, and the percentage of equity sold. The lower the percentage sold, the higher the requirement for public subsidy. For the purpose of this report the ***public sector funding requirement would range from zero if the private sector were to deliver a 50-75% ownership scheme, to £30,000-£50,000 per property if a housing association were to develop the properties.***

Advantages of intervention

- Creates lower rungs on the housing ladder for affordable owner-occupation.
- Helps release social rented properties for those in most need.
- Assists in ensuring a socially and economically balanced community, with the associated benefits to local services, including schools.
- Helps retain a local labour force.
- Households can maintain family and community links.
- Various forms of affordable home ownership can be provided without public subsidy.
- Once land owners are aware that the local authority is prepared to use CPO powers, many may prefer to negotiate a sale through a less time consuming route.

Disadvantages of intervention

- Overcoming previous political reluctance to use Compulsory Purchase Orders to secure sites for affordable housing.
- Too much development will reduce demand for lower-value properties in neighbouring housing markets.
- If existing properties are purchased and resold on an equity share basis, this could increase demand and fuel house price inflation further.
- Communities may react negatively both to the development of sites for affordable housing, and the use of compulsory purchase powers.
- The timescale to acquire a site, from preliminary negotiations to final completion, is likely to be between eighteen months and two years, with a further two years to obtain planning permission and complete development.

Unless more affordable owner-occupied properties are provided in high value housing markets, the gap between the social rented sector and the owner-occupied sector will widen, affecting social deprivation indices and school performance. The viability of local businesses could be jeopardised by labour shortages, and/or the cost of transporting employees long distances.

33: Sites which would not normally be granted planning permission for any kind of development

Priority 3

The provision of suitable property and support packages for one-person households.

Much of the turnover in social housing is in tenancies held by one-person households. Derwent Mills, (Cockermouth), Casson Road, (Workington), Lingla Bank, (Frizington) and Kings Drive (Egremont) are all examples. Anti-social behaviour in areas of mixed houses, flats and bungalows often originates with one-person households in flats.

Many one-person households are living in their first independent home. They may need help to understand what is required of them as a tenant, and with everyday household budgeting. A growing number of tenants have other social needs, for example because of drug or alcohol dependence. In these cases, general housing management does not provide enough support. Those landlords who already offer more intensive support see fewer tenancy failures.

The largest concentration of one-person flats is in Workington, although the other case study settlements also provide this type of accommodation. However, they are not always in the town centre locations favoured by young one-person households, and the revenue packages needed to provide tenancy support are not in place.

In the short term, failing to provide suitable accommodation and support for one-person households can lead to homelessness and anti-social behaviour. In addition, there is the cost of high tenancy turnover, void property repairs, and social blight on an area.

The approximate revenue cost per tenant per year is about £10,000, of which a third comes from the supporting people revenue stream, and the remainder from transitional housing benefit.

Advantages of intervention

- Reducing turnover and vacancy rates in social housing property.
- Reducing anti-social behaviour and its consequences, which can blight an area.
- Providing a great opportunity for young one-person households to make a positive start in life.
- Providing an alternative use for some properties designated for older people, providing they are in a suitable location.

Disadvantages of intervention

- Requires an increase in revenue grant through the ‘supporting people’ revenue stream. This is limited, and there is no guarantee of long-term funding.
- The stigma attached to housing projects catering for certain special needs groups. For this reason, support provided flexibly to individuals in their own accommodation may be preferable.

Without more revenue support for one-person households, some social housing neighbourhoods will continue to deteriorate. Landlords will continue to face high turnover, and with it, the cost of managing and repairing vacant homes.

Priority 4

Creation of a Home Improvement Trust or similar to assist in the repair of private sector homes.

In smaller terraced houses, residents tend to be owner-occupiers, and many are aged over 65 (see charts on pages 56 and 122). Over the years Allerdale local authority has undertaken several group repair schemes, offering grants to owners. However, only households within a designated renewal area can benefit, and declaring a renewal area is itself a time-consuming and costly process. Where owners are not included in renewal areas, the Home Improvement Agency can help them obtain grants, although these are subject to the constraints of local authority funding.

Home Improvement Trusts have been established in several areas around the M62, including Oldham, Rochdale, Wirral, St Helens, and Halton, using funding from either the local authority or Housing Market Pathfinder. The HIT provides home improvement loans to people who would not be able to obtain a conventional loan to undertake necessary improvements.

Typically, loans vary from £2,500 (any lower would not justify the set up fees of £615-£815 per loan), to an average of around £13,000. On this basis, ***funding of £500,000 would be sufficient for loans to between 30-40 households***. Loans are available for anything from a bathroom improvement, to a kitchen extension or re-wiring work. In return the HIT takes a legal charge on the property, based on a percentage of the property value at the time of the loan. As an example, a householder whose property is valued at £50,000 takes out a £10,000 loan. The HIT takes a 20% stake in the property. The loan is paid back when the property is sold, with 20% of the sale price returning to the HIT. In these times of high house price inflation some HITs cap the rate of return on the loan, for the benefit of residents. Loans are regulated by the Consumer Credit Act

In principle, these schemes can operate across local authority boundaries, and are more flexible than other repair schemes developed for owner-occupiers. The terms and conditions of loans can be tailored to meet local circumstances, and target those most in need.

Advantages of intervention

- Flexible enough to cover one or more local authorities, or even to create sub-regional Home Improvement Trust.
- Loans are made to those in need, and those who cannot obtain a conventional loan, irrespective of housing market type.
- Each Trust is free to set their own funding criteria, as local circumstances dictate.
- Properties in need of decent homes standard repairs can be targeted.
- The quality of housing within the local market is improved.
- Homes which might otherwise fall into disrepair are maintained.
- Living standards for lower income households are improved.

Disadvantages of intervention

- Loans depend on the funding available in any one year.
- In times of high house price inflation, the HIT is seen to charge high levels of interest on the loans, unless interest rates are capped.
- In times of falling house prices, the HIT could be at risk of not recovering the loan debt.
- Loan agreements need the approval of the Office of Fair Trading, which can be time consuming.

Setting up a HIT would allow local authorities to tackle disrepair and decent homes standard repairs within the private sector. Trust services are easy to understand, and simple to deliver. They benefit older people and others whose incomes have not risen in line with the value of their home, and who, whilst unable to increase their monthly outgoings, could release equity for essential repairs. Without this, local authorities may fail to meet the decent homes repair standards, and will continue the costly cycle of renewal area declaration.

Priority 5

The re-development , clearance or re-use of obsolete property designated for older people.

Social and demographic changes over the last 65 years have significantly altered demand for housing in the study area.

The graph on page 56 shows how the population profile of social housing residents is ageing.

The housing survey, (detailed in appendix 2), shows a desire by some to move into smaller, more modern homes. However, the numbers are small, with the great majority wishing to stay in their present home.

This view is validated by research undertaken in 2003 by Community Empowerment Network.[34] CEN surveyed and interviewed many over 55s about social and environmental issues, including community safety and housing. On housing, the main conclusions were:

- most people would prefer to own their home;
- most wanted to live close to local amenities;
- having a garden was not necessarily important;
- residential homes were not a popular option;
- most would rather adapt their existing home than move;
- many were not looking for a smaller house;
- properties for older people should be designed by older people.

Housing management staff interviewed for this study were of the opinion that bedsits and one-bedroom bungalows were not popular with older people. However, two-bedroom bungalows were considered more desirable, providing they were modern and close to amenities.

Across the six case study areas there are 122 bedsits and 65 one-bedroom bungalows, as detailed in the table below.

One option for obsolete bedsit accommodation is to convert it into one-bedroom flats with extra care facilities. This would make it possible to cater flexibly for people with varying care needs, giving the property a longer-term future. The likely cost of ***converting bedsits to one-bedroom flats*** with extra care facilities is approximately ***£60,000***[35] ***per unit***, including VAT and professional fees. On average, three bedsits can be converted into two flats.

The study shows that two-bedroomed bungalows are more popular than one-bedroomed bungalows, depending on location. The likely cost of ***converting one-bedroomed bungalows into two-bedroomed bungalows*** is approximately ***£62,000***[36] ***per unit***, including VAT and professional fees.

This figure takes into account home loss and disturbance payments, as well as the additional construction time needed for phased re-development. When redeveloping older person's accommodation, it is often difficult to undertake the construction work in one phase. Very rarely is a building or estate completely empty, and phased works can minimise inconvenience to the very old by ensuring that they only move once.

Recent ***new build costs*** for timber frame bungalows are £64,300[37] for the construction and fees, plus £3,150 home loss and disturbance and £4,000 demolition costs. This totals ***£71,450, not including the cost of land.***

The conversion of existing facilities is expensive, with no guarantees that the accommodation will be used in the longer term, as older people are more inclined to stay in their own home, supported if necessary by domiciliary care and adaptations.

Several other options are available to landlords. Some are already considering demolition and re-development for other needs groups, or simple clearance without – for the moment – any re-development. Redevelopment would have to be agreed on a site by site basis. Some sites may be less suitable than others in terms of space, access, and site levels.

A county-wide older persons working group has recently assessed the need for older person's accommodation. Any development or re-development requiring capital funding should be in the areas of highest need, where revenue packages for care services are available.

The location of bedsits and one-bedroom bungalows across the case study settlements

Town	Number of bedsits	Number of one-bedroom bungalows
Keswick	20	3
Cockermouth	21	25
Lorton	0	0
Workington	41	25
Egremont	24	12
Frizington	16	0
Total	**122**	**65**

34: The Older Peoples project was undertaken by Age Concern for the Community Empowerment Network in 2003 and is available on their website www.Westcumbrialive.com

Advantages of intervention

- Re-development would help to reduce obsolete social housing stock. However, conversion to improved accommodation for older people will only be possible if it matches need in particular locations.
- Existing buildings can be re-used to provide modern accommodation, with the flexibility to provide for a range of care needs.
- Conversion can usually be undertaken in phases, meaning that older, more vulnerable residents need move only once into a completed flat, or bungalow.

Disadvantages of intervention

- The cost of conversion compares unfavourably with the cost of new build, as phasing adds substantial time and cost.
- Existing provision is not always suitable for conversion, or in desirable locations.
- Capital projects are limited by the availability of revenue funding for care packages.

35: Figures taken from recently completed conversions around the county and across the north east.

36: See above

37: Figures taken from a recently completed timber frame bungalow project in the north east and local demolition prices

PRIORITIES FOR INTERVENTION: CASE STUDY SETTLEMENTS

This section takes each of the six settlements in turn, and suggests what needs to be done to restructure the housing market. Our proposed interventions address the strengths and weaknesses of the housing market type which each settlement represents. They are also a response to specific local risks and opportunities.

In identifying interventions for particular settlements, we have two aims. The first is to provide a useful model, illustrated by case studies, which can be applied to settlements and markets with similar characteristics elsewhere in the UK. The second is more local in scope. We hope that this section of the report will be a useful reference for housing organisations and other stakeholders working in the case study settlements.

INTERVENTIONS BY SETTLEMENT

KESWICK

Future role of Keswick

The future role of Keswick is not likely to change significantly. However, the predicted influx of more high earners to the west coast economy may increase demand from households who see Keswick as a place to live and work from, rather than a retirement or holiday destination. The Lake District 'brand' will ensure that demand for properties in Keswick remains high. Planning constraints are unlikely to be relaxed to allow more development, and supply will always be limited. In the longer term, changing demand and taste in holiday accommodation may prompt the sale of some larger terraced houses, currently used for low-cost bed and breakfast. Some will change hands for B&B use. Others will be converted into yet more self contained flats, or revert to large family houses.

Over the period from 1999 to 2002 the propoprtion of new social tenants earning over £200 per week rose from 18% to 26%, with a further rise to 33% in the year 2001-2002. This shows the difficulties faced by households earning typical local wages in tourism, retail, or the hotel and catering industry. Their choices are either to accept social rented housing in Keswick, or move away.

The Keswick housing ladder needs a new rung to address this, between the social rented sector and the first rung of owner-occupation. Interventions described under priority 2 on page 96 should be considered.

Minimum intervention

Based on the background information above, providing between 45 and 50 affordable home ownership houses in the town would be the minimum intervention. ***The public funding requirement would be anywhere between zero and £2,000,000, depending on who was to develop the homes. Development on this scale would take up five of the six sites identified in the table on page 103.***

The advantages and disadvantages of this action are detailed on page 97.

If these sites were to be developed over a short period of time, demand in other adjacent markets would be depressed. However, this is not a real danger, as any compulsory purchase procedure is likely to take between one and two years to complete. Thereafter, planning permission and development on site would require a further year or two.

Additional interventions

The conversion of redundant space above shops or commercial premises – '*living over the shops'* projects – could provide further social- or privately-rented flats. ***The development cost ranges from zero if provided by a private developer, to around* £80,000 (with a requirement of £50,000 public subsidy per property) if developed by a housing association.** Where properties are developed by a private developer, rent levels would undoubtedly be higher than those of housing associations.

Developing social rented homes above shops maximises the use of existing premises. However, there are a number of disadvantages: the need to provide tenancy support to what would certainly be a high number of one-person households; the unpopularity of flats, which may affect their long-term viability; and the effect on existing social rented housing, where vacancy rates may increase as tenants take advantage of new equity share housing in the town.

Longer-term projections depend upon the success of some form of equity sharing to release social housing; and the effect which restructuring the markets in settlements to the west may have on demand for Keswick.

Housing land and development opportunities

No specific housing needs assessment has been undertaken in Keswick, and our estimates of what is needed are based on such data as is currently available. Increasing the total number of properties in the town by 2% would provide 48 new homes. In order to keep a reasonable balance of house types, and to cater for this low- to mid-value market, the properties should be terraced. As the chart opposite shows, there are already considerably more flats in Keswick than would be necessary for a balanced market.

It is worth noting here that in higher-value markets, development of flats has become more common as the housing market, and price of land, has increased. This is undesirable. Flats effectively exclude families, who often prefer homes with gardens. In certain markets, such as Keswick, they are more likely to be acquired as second and holiday homes.

In Keswick, one potential site for affordable housing in the town centre comprises an existing building and a small brownfield site alongside. The site areas are approximately 0.1 and 0.25 acres respectively. If sold on a per plot basis for houses, the joint site could accommodate six houses, and would realise about £105,000. If, on the other hand, the land was sold per acre, the composite site of 0.35 acre would realise £266,000, the equivalent of £44,333 per plot for the six houses. Developing the same site with 18 flats would reduce the per-plot cost to only £14,777.

Under current planning policy, it would not be possible to develop property in Keswick for unrestricted outright sale. If this were possible, the site value would increase to approximately £350,000.

This example illustrates the market forces which tend to favour flats over houses in high value markets. In this case, without a development brief specifying affordable houses, *rather than flats*, the developer will secure the land with a payment two and a half times over that offered by the developer of houses.

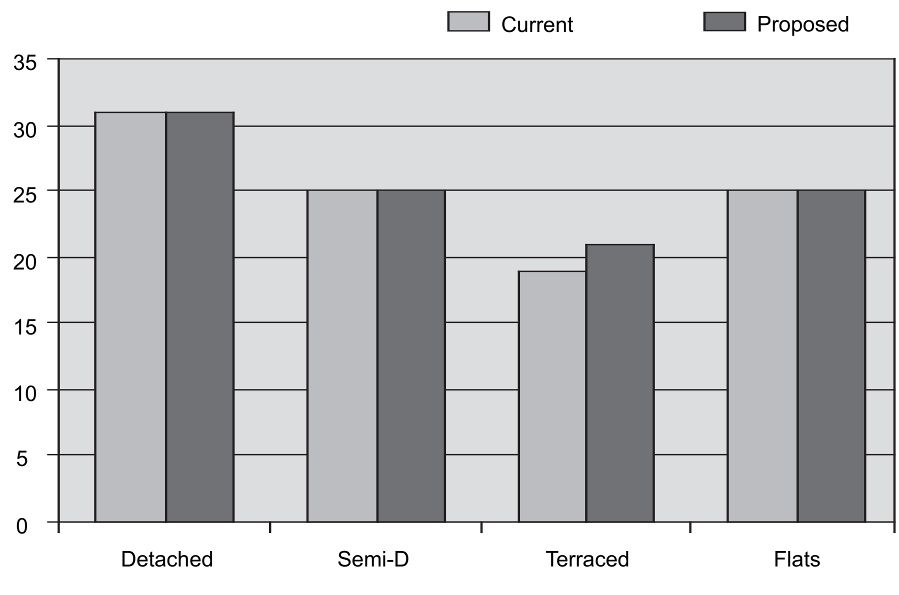
A 3% increase in the number of terraced properties would increase the town's housing stock by 72 new homes. However, it would be unrealistic to develop this number of homes in one initial phase, for the following reasons:

- the availability of land;
- the visual impact on the town;
- the effect on social housing vacancies (that is, if existing tenants left in substantial numbers to buy the newly-provided homes);
- the impact such development could have on nearby housing markets;
- the availability of public funds to subsidise such a scheme.

At the moment, no land is allocated for housing in Keswick within the Lake District National Park structure plan. However, several sites could be considered suitable for affordable housing, as defined by the latest PPG3 revisions.

An initial survey of land available has identified sites, capable of providing approximately 67 affordable houses and 50 flats.

Keswick property types as a percentage



Site Location	Greenfield Brownfield	Owner	Approx. Acreage	Approx. number of houses	Comments
Castlehead Close	Greenfield	Adjacent Church	1	18	Previous planning permission – remains undeveloped
Low Brigham Farm	Greenfield	Private owner	0.75	18	Developed together
Telephone Exchange	Brownfield	British Telecom	0.75		
Youth Club building	Brownfield	Youth Services	0.1	6	Developed together
Builders Yard	Brownfield	Local Builder	0.25		
Cottage Hospital	Greenfield	The Fitz Park Trust	1.25	25	Not preferred site of LNDP
Keswick Pencil Factory	Brownfield	Private	N/A	50 flats	Under development

Potential affordable housing sites in Keswick

These sites are all known to the local planning officer, and, with the exception of the Cottage Hospital site, which is a greenfield site prominently situated at an entry point to the town, they would all be considered as infill development. To date, negotiations with their owners to acquire them for affordable housing have been unsuccessful. However, they have few other viable uses.

COCKERMOUTH

Future role of Cockermouth

Cockermouth will continue to attract higher earners with considerable housing equity, alongside households from outside the area, who may take advantage of capital growth in their existing home to buy a second or retirement home.

Over the course of this study, property prices in the town have risen to the point where local buyers are finding it difficult to trade up, and first time buyers on lower-incomes can no longer afford home ownership. Rising house prices in Cockermouth have assisted the regeneration of the west coast. In the town itself, the retail sector has benefited from the spending power of better-off households, with an increase in the number of cafes, bars and specialist shops. School performance has also improved. If market forces are left to operate unchecked, house prices may shortly reach a plateau, but the socio-economic profile of the town will continue to change, with lower-income households increasingly excluded.

Minimum intervention

Cockermouth is very similar to Keswick in that its housing ladder requires a new rung between the social rented sector and the lowest rung of owner occupation. At 15%, the social rented sector is also below the national average (20%). Interventions described under priority 2 on page 96 should be considered. However, if Keswick and Cockermouth were in competition for funding, Keswick would take priority, as its socio-economic structure is more out of balance.

The advantages and disadvantages of this course of action are detailed on page 97.

Development in Cockermouth is not subject to the same tight planning controls as in Keswick. To date, the town has seen little benefit, in terms of affordable housing, from planning obligations imposed on private developers. It is important that the Allerdale local plan reflects the needs of the market, and in future imposes high percentage requirements for affordable housing on residential development sites. This would help meet the local need for affordable home ownership with a minimum of public funding. A requirement of 50% would not be too high, in line with percentages exacted in high value markets such as York and Harrogate.

Development costs will depend on whether development is undertaken by the private sector or a housing association, and the percentage of equity sold. Lower percentages are more affordable, but have a higher requirement for public subsidy. For the purpose of this report, ***public finance would range from zero if the private sector were to deliver a 50-75% ownership scheme, to between £20,000 and £40,000 per property for a housing association development.***

Additional interventions

We have highlighted the number of older people who are living in social tenancies, ex-right to buy properties and smaller terraced houses. In high value areas, these properties are sought by first time buyers. There has been some success in freeing up these properties by developing shared ownership for older people. Shared ownership schemes have usually comprised two-bedroom bungalows with a garage and small garden. The aim is to release family houses for first time buyers, whilst providing a modern home for those who do not wish to spend their time or money maintaining older property and large gardens.

Site Name	Total Number of Units	Number left to be started	Affordable Housing	Type of housing developed	Value
Dale View	33	7	0	Large detached	£300,000 – £350,000
Wakefield Road	18	16	0	Large detached	£250,000 +
Rear of Derwent Mills	54	0	19	Terraced and Detached	£180,000-£300,000 Rent and S/O
Mayo Park / Fitz Road	130	0	0	Detached	£180,000-£300,000
Walker Brothers	9	0	0	Terraced	£120,000 – £175,000
Bowling Green	5	0	5	Terraced	social rent
Slatefell Drive	14	0	14	Terraced	social rent
Anchor Club	6	0	6	Flats	social rent
Additional	*269*	*23*		*Sub total*	
Low Road	48	48	5	Detached	
Sullart Street Depot	50	50		Outline – 4.67 acres	
Totals	367	121	49		

Housing land available in Cockermouth[38]

Often, new bungalows are sold for 75% of their value. No rent is charged on the remaining 25%, which is owned by a housing association or trust. This helps release capital from the sale of an existing home to boost living standards in retirement. ***The cost to the public purse of these projects can range from zero to £30,000 per property, depending on development costs.***

The conversion of redundant space above shops or commercial premises – '*living over the shops'* projects – could provide further social- or privately-rented flats. The cost ranges ***from zero if provided by a private developer, to around*** **£80,000 (with a requirement of £50,000 public subsidy per property) if developed by a housing association.** Where properties are developed by a private developer, rent levels would undoubtedly be higher.

Developing social rented homes above shops maximises the use of existing premises. However, there are a number of disadvantages: the need to provide tenancy support to what would certainly be a high number of one-person households; the unpopularity of flats, which may affect their long-term viability; and the possibility that vacancy rates in existing social housing would increase, as existing tenants took advantage of any new equity share housing in the town.

Longer term projections depend on the success of some form of equity sharing to release social housing; the effect which restructuring markets in settlements to the west may have on demand for Cockermouth; and the impact of more lower-value equity share properties in Keswick on demand for homes in Cockermouth.

Housing land and development opportunities

Land available within the local plan is shown on the table above. Of the available sites:

- Wakefield Road is unlikely to be completed, as two detached houses have already been constructed there, reducing the land available for other properties. Any additional development is likely to be large detached homes.
- Dale View is a development of large individually designed detached houses.
- The old rugby ground, a development on Low Road, has planning permission, and is destined mainly for detached houses. Approximately five smaller properties for shared ownership are to be provided by a housing association. Over time, these may convert to outright owner-occupation.
- The remaining site, a council depot on Sullart Street, is one owned by the County Council. It is set on a slope, which constrains the developable area. However, it should be capable of providing approximately 55 units at the recommended density of thirty dwellings per hectare. If this site were to be allocated for affordable housing, it would increase the numbers available in the town by 2%. Although only a small increase, this is a move in the right direction in terms of adding lower rungs to the housing ladder.

The majority of the sites listed above are owned by either local government, or government agencies, who appear not to be strategically attuned to the housing needs of the area.

38: Site information has been extracted from the local plan, and from discussions with planning officers and local estate agents

Site Location	Greenfield Brownfield	Owner	Approx. Acreage	Approx. number of houses	Comments
Wakefield Road	Greenfield	NWDA	3	50	Designated employment land – unused for years
Sullart Street Depot	Brownfield	Cumbria County Council	5	70	Outline permission for residential units – windfall site
Holmewood Avenue	Greenfield	NWDA	0.9	15	Undesignated in the local plan
European Way	Greenfield	NWDA	4.75	76	Designated employment land
Brigham Road	Greenfield	Private Owner	2	32	Unallocated in the local plan

Potential affordable housing sites in Cockermouth

An initial review of potential affordable housing sites has identified sites capable of providing 243 affordable houses. It is unlikely that all of the sites would be developed for housing, as some employment land is required. However, land retention is one of the factors which helps to create and sustain an integrated high value housing ladder. If any of the above sites are to be secured, local offices of government agencies, planners, housing professionals and county council officers need to act strategically, in co-operation with each other, and pragmatically. With the exception of the one site in private ownership, it is unlikely that the local authority would need to use a compulsory purchase order.

The Sullart Street site highlights the fact that local government frequently tries to obtain the highest possible capital receipt from the sale of land such as old depots, police stations, fire stations, and schools. This may give a short term boost to the current year's budget for local services, but, in the long term, it does nothing to help the housing market, and is not in the best interests of the community as a whole (see page 90 regarding double subsidy of public services).

LORTON

Future role of Lorton

Lorton is a settlement with an increasingly exclusive socio-economic profile. Only the very well-off can afford to live there.

According to the strict criteria of market restructuring, Lorton – a high value integrated market – needs lower rungs on the housing ladder. But whilst this would make absolute sense in a larger settlement such as a market town, it is not a rule which should be applied automatically to a small village in the Lake District National Park. The numbers of new homes required are too great to deliver, on grounds of cost, environmental impact, and land availability. Even if financial resources were available, it would require a substantial relaxation of Lake District National Park planning policy to make an impact in Lorton, and this is highly unlikely.

Other factors to consider are:

- Lorton's housing is not at risk, and is unlikely to become so.
- Those who *need* to can obtain accommodation, either in the village or the adjacent market town, Cockermouth.
- The number of people who need to live in the village is arguably very small, given the lack of local employment and services.

Lorton, however, is not typical of all rural settlements, in that it can rely to a certain extent on Cockermouth to provide affordable housing. Even this opportunity is reducing, as the high cost of housing in Cockermouth's integrated high value market pushes local people further away in the search for affordable housing.

Minimum intervention

This report proposes no interventions in the Lorton housing market. However, in the central Lake District, valley settlements some distance from the nearest town could make a case for more affordable housing, where this would help to maintain the existing community and support local services. It could also reduce pressure to find housing sites in the nearest market town. ***In the higher-value areas of the region, newly developed social rented homes cost in the order of £130,000 per property, and require around £85,000 of public subsidy. Equity share costs a similar amount to develop, but requires less public subsidy. This ranges from zero if the private sector were to deliver a 50-75% ownership scheme, to £50,000 per property if a housing association were the developer.***

WORKINGTON

Future role of Workington

Workington, an integrated low value market, needs major restructuring over the next 25 years, to ensure that:

- the town thrives;
- properties remain affordable, and in demand;
- the housing aspirations of both incoming professionals, and local people forced out of higher-value markets can be met.

In order to achieve this, the Workington housing ladder needs higher rungs. Some thinning of the lower rungs is also necessary, to remove surplus stock and property in poor condition.

Without this, the town will be unable to shake off its image as a low value market scarred by its industrial history, and containing pockets of severe deprivation. This does not and will not attract higher earners moving into the area.

Minimum intervention

This report raises concerns about the future impact on the housing market of the ageing population. This relates mainly to social rented estates and concentrations of terraced housing, where a sudden influx of vacancies or sales could open the door to unscrupulous private landlords, or cause the market to collapse. Mapping the age of residents against property locations and property type would allow the future pattern of sales or tenancies to be monitored. These statistics can be compared with baseline data on current vacancies or sales, in order to establish the case for intervention.

'Market restructuring through the reduction of social housing, especially on municipal estates; the clearance of surplus or obsolete property types in unpopular areas; and provision of middle- to higher-value properties, using, wherever possible, brownfield sites created through clearance' is the minimum intervention needed if Workington is to benefit from social and economic changes anticipated for the area. See under priority 1, page 92 for further discussion, including the advantages and disadvantages of this type of intervention.

Restructuring the Workington housing market would entail clearing around 530 social housing properties and 90 terraced houses. It is suggested that this should be tackled in stages, rather than as one large-scale clearance programme. Each stage should be on sufficient scale to make a positive impact on the appearance of the town, and generate viable sites for speculative re-development. ***As indicated on page 93, the first stage could remove around 200 social housing properties, at a cost in the region of £5 million.***

Even without changes to the planning obligation system, the need for quotas of affordable housing in Workington is questionable. However, a financial charge for planning permission could offset the cost of clearance, or help to provide homes in higher-value markets (see planning section on page 86). Any residential development in the town should be covered by a development brief. This should specify types of homes which are currently in scarce supply, in order to avoid attracting buyers away from existing, viable sectors of the market, such a terraced housing.

Additional interventions

In low value markets, sustainable shared ownership schemes for older home owners could encourage them to move, releasing scarce mid-value homes for households needing to trade up. This in turn releases homes at the lower end of the market for first time buyers, and counters the inflationary effect of local competition for a limited supply of properties. Shared ownership schemes for older people – usually two-bedroom bungalows with a garage and small garden provide a modern home for those who do not wish to spend their time or money maintaining older property and large gardens. Often new bungalows are sold for 75% of their value. No rent is charged on the remaining 25%, which is owned by a housing association or trust. This route helps release capital from the sale of an existing home to boost living standards in retirement. ***The cost of these projects to the public purse can range from zero to £30,000 per property, depending on development costs.***

The creation of a Home Improvement Trust as detailed on page 99 of this chapter would specifically benefit the large number of older people who live in terraced housing in the town.

Many respondents to the housing survey commented on the lack of parking in the terraced core of the town. Improving the layout and streetscape of the most densely-developed areas of terraced housing near the town centre would give these homes a more secure future. The aim would be to provide off-street parking, and give priority to pedestrians and children at play, rather than cars. Similar, successful schemes have been carried out in central Manchester, for example, Homezone, undertaken by Manchester Methodist housing association. ***The cost of the Homezone approach is approximately £1,000 per metre of street. In the tightly-packed back to back terraces of central Workington, over 300 metres of street could benefit from the Homezone approach, costing £300,000. Other terraced properties might require over 2,000 metres of street to be improved. Home-zoning would be beneficial but expensive.***

Housing land and development opportunities

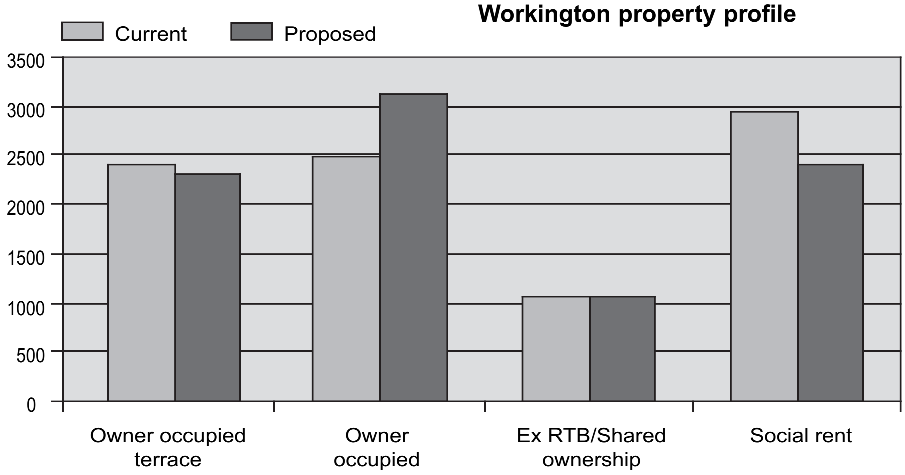
The table below shows available housing land in Workington. It is immediately obvious that few sites have been developed. Almost two thirds (63%) have had no development to date, in stark contrast to the 8.5% remaining in Cockermouth. Many allocated housing sites are in areas which would not be attractive to the region's traditional private developers, making them only really suitable for social housing. Social rented homes on the periphery of the town centre are the last thing the town needs in any great numbers.

Ashfield Road South, a large greenfield site on the edge of the town, offers an opportunity to restructure the Workington housing market in the way it so badly needs, providing private higher-value detached homes on a desirable, well located site.

Workington will require radical restructuring, in order to achieve a balanced market, and provide properties which are well-matched to the future economy of the area.

As discussed earlier, the starting point would be to consider reducing social housing numbers, as well as removing some of the poorest-quality terraced housing. The results are shown in the chart below.

Workington property profile



Site Name	Total Number of Units	Number left to be started	Affordable Housing	Type of housing developed	Notes
Walker Brow, Harrington	41	41	0	detached	sold plot by plot for detached houses
South Watt Street	16	0	16	flats – social rent	
Derwent Road	30	0			Statutory derelict with a sand tip on it off Mossbay road possibly social rent?
Station Hotel	8	0			unlikely to be developed for housing – integrated transport site
Hall Green Farm, Harrington	13	2	0	detached	
Hippodrome Cinema	14	14			Possible social rent site?
Lynfield, Northside	9	8	0	one detached	unlikely remaining land will be developed
Ashfield Road South	300	300			Greenfield site at Moorclose owned by Allerdale, will be sold on the open market for spec building (quota required)
Workington Infirmary	36	36			approved with a quota
Moor Road, Stainburn	46	0		detached	
Moss Bay Hotel Site	5	5			Hotel on Mossbay road not taken up
21 Falcon Street	6	0	6	flats – social rent	
156 Harrington Road	6	0	6	flats – social rent	
Ghyll Crest, Harrington	6	6			
Additional					
Quayside	65			semis and detached	Quota will be sought?
Quayside	25			semis and detached	Quota will be sought?
Totals	585	371	28		

Housing land available in Workington

Greenfield Brownfield	Site Location	Owner	Approx. Acreage	Approx. number of houses	Comments
Brownfield	Quayside	Allerdale Borough Council	5	65	A development brief has been written for the site for the development of middle to higher-value properties.
Brownfield	Old Infirmary site	NHS	7	85	This site is currently for sale, for residential use.

Potential re-development sites available in Workington

In total, this would entail clearance of around 90 terraced houses and 530 social houses, and the development of approximately 400-500 speculatively-built houses for owner occupation. The new properties would be mainly three-four- and five-bedroom detached houses, and two- and three-bedroom bungalows. These developments would be at various cleared social housing sites, the Infirmary and the Quayside, followed, at a later stage, by Ashfield Road South. The release of the latter, a greenfield site, would only be necessary if demand remained strong, and there was little impact on existing markets.

Careful thought needs to be given to the timing of land release. If the Ashfield Road site is released in advance of the regeneration sites of the Infirmary and the Quayside, and before re-development of cleared social housing sites, the market would be flooded, preventing or delaying considerably the opportunity for housing market restructuring within the town.

The local authority owns the site at Ashfield Road South. There is some concern that the need for a capital receipt will be allowed to outweigh the risks of early release, and the land will be sold too soon.

EGREMONT

Future role of Egremont

Of all of the case study settlements the future for Egremont is the most difficult to predict, with both positive and negative trends emerging from the scenario planning exercise (page 76).

The greatest disadvantage faced by Egremont, locking the town's housing market firmly into the local economy, is its location. It is less easy to commute to other parts of the county than from any other of the case study settlements.

As an integrated low value market, Egremont is in need of major re-structuring over the next 15 years. Among the case study settlements, it is the most challenging. Its topography, land availability, and the sheer scale of municipal social housing make re-structuring a daunting task. But it is a task worth attempting. As a market town in an attractive location, Egremont could help address the problems of supply and demand in the overheated markets further north. It can provide homes which would attract incoming professionals and local people – either those forced out of higher-value markets, or households wishing to trade up. This would have the added benefit of bringing disposable income to the town, changing the socio-economic profile, and improving the wider community and services.

Without restructuring, the future for Egremont might look like this:

- The housing markets further north continue to increase in value, forcing aspiring owner occupiers on lower incomes to look further and further afield, finally arriving in Egremont. This offers no solution to the deprivation levels the town currently faces, or the decline of shops and services in the main street .
- Over the next fifteen years, growing frailty and high mortality among the ageing population leads to high social care expenditure, and a rising number of vacancies in social housing (where waiting lists for some property types are already struggling to keep pace with vacancy rates) and lower-value properties for sale. This could lead to homes being either abandoned, or purchased by unscrupulous private landlords. The result would be growing problems of anti-social behaviour, fuelling a general decline in the town. This would in turn affect the few existing higher-value properties, reducing their value and making them difficult to sell.

Compared with other nearby settlements, (for example, Frizington and Whitehaven) the town's terraced properties appear to be in worse condition. They have benefited less from maintenance and improvement, reducing their appeal to first time buyers.

Minimum intervention

This report raises concerns about the future impact on the housing market of the ageing population. In Egremont, this relates mainly to the large social rented estates, where an influx of vacancies or sales could cause the market to collapse. Mapping the age of residents against property locations and property type would allow the future pattern of sales or tenancies to be monitored. These statistics can be compared with baseline data on current vacancies or sales, in order to establish the case for intervention.

'Market restructuring through the reduction of social housing, especially on municipal estates; the clearance of surplus or obsolete property types in unpopular areas; and provision of middle- to higher-value properties, using, wherever possible, brownfield sites created through clearance' is the minimum intervention needed if

Egremont is to benefit from social and economic changes anticipated for the area. See under priority 1, page 92 for further discussion, including the advantages and disadvantages of this type of intervention. It is crucial that development briefs are drafted by planners, to ensure that future residential development sites do not undermine the market for existing stock, but enhance choice, and assist regeneration.

We recommend that restructuring should concentrate on the north ward, as it has the larger concentration of social rented property, and higher levels of deprivation. Delivering more private development for owner-occupation in this part of the town would have a positive effect on the social and economic profile of the ward. If clearance for speculative development is not possible on a sufficiently large scale (50-100 houses at a time), smaller scale initiatives in particular roads could assist in breaking up the swathes of social rented properties.

Promoting private development of higher-value properties within the town is a must. It may be necessary to release some green belt land, but only if clearance of social housing fails to produce suitable speculative development sites. In the course of this research project, two speculative developments have begun in the town. One provides a few detached homes, but is mainly selling two-, three- and four-bedroom semi-detached houses, at prices starting from around £125,000. The other site, where development has just begun, will provide predominantly four- and five-bedroom detached houses and three-bedroom bungalows. Prices are expected to start at around £175,000. Offering choice to higher-earners and locals wishing to trade up, this is a real boost for the town. However, it does not tackle the looming problem of low demand in the social housing market. It will be interesting to see what impact the development of smaller homes has on the lower-value market in the town, and whether existing residents take the opportunity to move up the housing ladder.

Additional intervention

Home Improvement Trusts are a potential benefit to the whole west coast area. In Egremont there appear to be fewer lower-value terraces than in other case study settlements, but some, in prominent positions in the town, are in poor condition. Improving the appearance of the terraces on the main road into the town at Bridge End would provide a lift to the town as a whole. A Home Improvement Trust or a traditional group repair scheme could help to achieve this.

Detailed information on Home Improvement Trust, including their advantages and disadvantages, can be found on page 99 of this chapter.

Housing land and development opportunities

The table below shows the land currently designated for housing in Egremont.

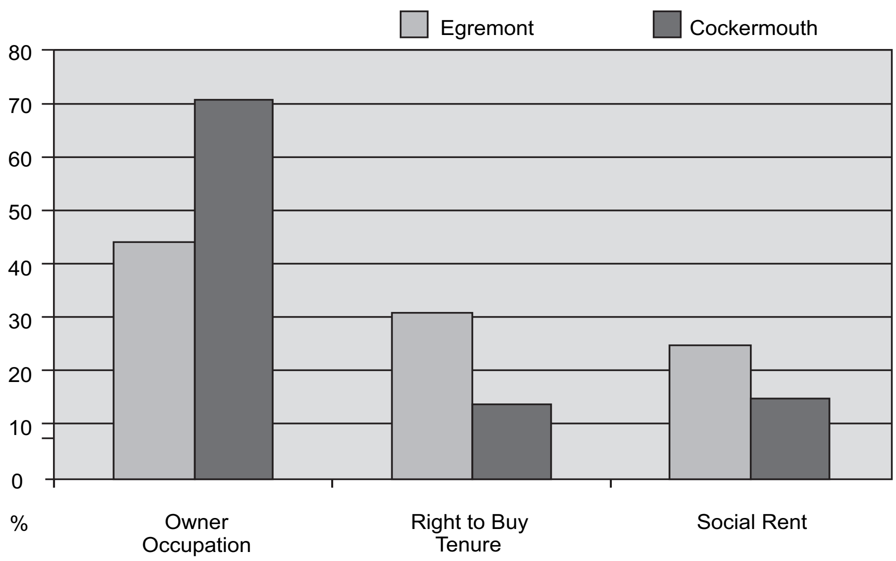
Until recently none of the sites had been of interest to private developers. A decline in available sites elsewhere in the county, along with the sharp increase in house prices across the area has increased interest in once unpopular sites.

Of the sites listed, one is part of an existing social rented estate, and another adjacent to social rented

Housing land available in Egremont

Site Name	Total Number of Units	Number left to be started	Affordable Housing	Notes
Gulley Flats, Queens Drive	20	0		affordable housing – part of HHA site
Field 5841, Gillfoot	86	0		drainage problems – now under development
High Mill	15	0		De-allocated site from new Local plan
Totals	101	0	0	

Tenure comparisons between Cockermouth and Egremont



housing (now under development for detached houses, see comments on page 109).

Egremont does not need any further social rented housing, nor does it need any low cost affordable homes. Most of the existing housing in Egremont could be classed as affordable.

Whilst we do not advocate remodelling Egremont along the lines of Cockermouth, the differences in the tenure profile of the two settlements are significant. Restructuring the market in Egremont would entail clearance of around 500 right to buy properties and 300 social rented properties, with between 500 and 700 additional owner-occupied higher-value properties being provided in their place. This is a large and expensive long-term undertaking.

FRIZINGTON

Future role of Frizington

Frizington is the only fragmented market among the case study settlements. The village is within reasonable commuting distance of Sellafield, the West Lakes business park, Workington and Cockermouth. The executive-style estates at Rheda Park and Rheda Close are evidence that the village is attractive to higher-income households. Large detached homes are now also being built on infill sites in the village centre. However, this tentative gentrification is threatened by some negative factors:

- the concentration of small, low value terraced homes;
- surplus social housing: the more isolated general needs homes, and certain properties designated for older people are unpopular;
- evidence[39] of social disorder, particularly nuisance from young people.

Some planned housing market re-structuring will be necessary in order to avoid market collapse and abandonment if the housing market experiences a downturn. This will entail reducing stock numbers and re-modelling existing homes.

The future of the terraced housing in Frizington has been questioned. However, its popularity has not suffered from the reduction of contracting staff at BNFL. Quite the contrary: the relative affordability of these terraced homes, and Frizington's proximity to the LDNP appear to have extended their life, whether as a source of affordable housing for first time buyers, a reasonable investment for a private landlord, a home for those working in the area Monday to Friday, or an acceptable second home for those who cannot pay inflated prices closer to the Lakes.

The growing popularity of terraced housing is a trend which extends to other settlements along the A5086, from Cockermouth to Egremont. Within the past 3 years, the serried ranks of 'For Sale' boards have largely disappeared. Properties have found buyers, and have been modernised and improved, with few available for resale.

Only time will tell if this is sustainable. Since economic experts cannot agree how the property market will behave, it seems best, in the meantime, to accept that terraced housing in Frizington does have a future.

Minimum intervention

Frizington is already changing under the influence of speculative development. What began on peripheral estates is now progressing to the core of the village through the construction of detached homes on infill plots, and the re-development of the redundant Kangol factory site.

This development has had a positive impact on the settlement, but there are three matters which must be addressed to sustain the positive improvements in the village.

- Resolving the problems of youth disorder mentioned in the resident's survey. Unless these are addressed, the village will develop a reputation which would take years to overcome. In the meantime, people would move away, and property values would fall.
- Providing development briefs for residential sites in the village. These should specify types of homes which are currently in scarce supply, in order to avoid attracting buyers away from existing, viable sectors of the market, such a terraced housing.
- Clearing social housing over the next 15 years, as it becomes surplus to requirements. The CORE data shows high turnover in some of the newer social housing. This may be because of comparatively high rents, or because these more recently-built estates are on the edge of the village. Tenants appear to prefer homes in the centre. At the same time, approximately 35% of the existing stock is outdated property designated for older people. As older people's expectations change, the life expectancy of this stock is less than that of general needs accommodation. The cost of clearance and re-development is detailed on page 94 of this chapter.

Additional intervention

Frizington Main Street is dominated by two rows of almost 250 terraced houses, many of which have been modernised over the past 18 months, as new buyers have moved in. However, there are notable exceptions, which tend to have a detrimental effect on the remaining houses. By introducing a Home Improvement Trust, some of this disrepair could be rectified.

The advantages and disadvantages of Home Improvement Trusts are detailed on page 99 of this chapter.

39: See housing survey information in appendix 2.

Housing land available in Frizington

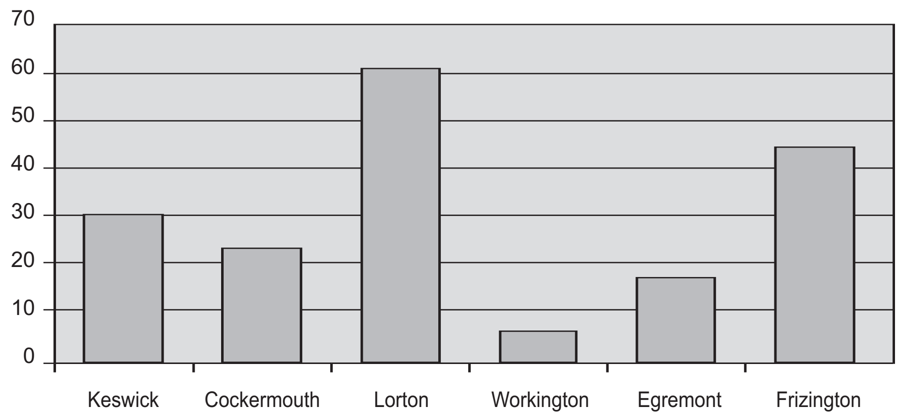
Site Name	Total Number of Units	Number left to be started	Affordable Housing	Type of housing developed	Notes
Rheda Close extension	11	0		detached	Values £150,000 plus
Phase 2 Rheda Close	39	0		detached	Values £150,000 plus
Dower House, Rheda Park	17	6		detached	Values £150,000 plus
Rheda Park	28	8		detached	Values £200,000 plus
Lingla Bank	12	0			brownfield site, ex airey houses
Field 908, Mill Street	12	9			
Mill Street extension	8	0			
Additional	127	23		Sub-total	
Kangol site	39			outline permission	
Totals	155	23	0		

Housing land and development opportunities

The housing land available is divided between sites suitable for detached high value homes, and sites which would only be suitable for social housing. Land attractive to speculative developers is being developed, whilst the latter – for example, Lingla Bank – are ignored. Only 18% of the available housing sites remain undeveloped. This excludes the former Kangol factory, a windfall site, which at the time of this report had been acquired by a private developer for residential use. It is essential that development on the Kangol site is of medium to higher-value properties, to ensure that the terraced housing market is not de-stabilised by oversupply.

The chart right shows how the recent developments of detached houses have left Frizington second only to Lorton for the proportion of detached owner-occupied properties.

Owner-occupied detached houses as a percentage of total stock by case study settlement



Appendix 1
Background research: Economy

INTRODUCTION

In this chapter, we consider how the economy of the study area may change over the next 20 years, and what this might mean for the housing market and the future of local communities. We have made particular use of the following:

- West Cumbria: Socio-economic Study ERM Economics November 2001 (for BNFL National Stakeholder Dialogue).
- An Economic Assessment of Cumbria DTZ Pieda 2002 (for Cumbria Economic Intelligence Partnership).
- Cumbria Economic Bulletin (a quarterly publication) Cumbria Economic Intelligence Partnership and Centre for Regional Economic Development, Northumbria University.

The relationship between the economy and the housing market is a complex one. The scale of economic activity in an area, the range and type of jobs available, trends in salaries and unemployment levels, all have implications for the housing market. These interact with broader patterns of social behaviour, such as preferences for certain types of housing, and certain locations; willingness to travel, and with it, continuous re-definition of travel to work areas. In drawing conclusions from the economic review in this chapter, we have concentrated on the likely impact of economic change on the following:

- the structure of employment, in particular, the balance between lower-paid and higher-paid jobs;
- trends in unemployment and inward and outward migration, as these relate to changes in economic activity, relocation of companies, industry closures, etc.; and
- travel to work patterns for different types of employees.

Key influences on the west Cumbrian economy

The key factors likely to influence the development of the west Cumbrian economy over the next twenty years are as follows:

- The impact of nuclear decommissioning, and the recent decision to locate the Nuclear Decommissioning Authority in west Cumbria.
- The continuing decline of the old industrial base, linked to job losses in manufacturing.
- Growth of employment opportunities in retail (especially in the context of the regeneration of Workington town centre); financial and professional services.
- Development of west coast tourism, including further growth in coastal and heritage tourism, and the re-development of the Broughton Moor site.

ECONOMIC SUMMARY

The increase in retail sector employment is already underway in Workington as part of the town centre re-development. This should help to stabilise demand for property in the town; it also has the potential to inject increased wealth into the property market.

All the economic surveys we reviewed predicted a continuing decline in manufacturing jobs. This, of course, includes the reductions in the BNFL workforce. However, the results of the employer survey show that this may not be the case for all manufacturing employers. Over the next 5 year period, 57% expected their business to grow.

There appears to be a mismatch between vacancies and the available workforce within certain parts of the area. For example, Keswick has a high number of unfilled vacancies in the hotel and catering industry, whilst there is some spare workforce capacity along the west coast. As house prices rise households seeking affordable housing are pushed towards the cheaper settlements of the west coast, and this trend is likely to increase. Reductions in the BNFL workforce will also add to spare capacity in this area.

The decision to site the Nuclear Decommissioning Authority in west Cumbria will bring between 150 and 200 new staff to the area by April 2005. This is likely to increase competition in high value markets with scarce supply (Keswick, Lorton, Cockermouth), pushing prices up still further. This situation is aggravated by the scarcity of higher-value properties in other settlements along the west coast.

Over the next 15 years there will be an increasing need to bring professionals and managers into the area to undertake the decommissioning work at BNFL (approximately 1,000 by 2005/06), fill posts in the public sector (for example, the new hospital in Workington), and replace the ageing professional workforce of the area. At the moment there are not sufficient numbers of higher-value homes to attract such personnel.

Over the next 10 years, many of the initial staff reductions at BNFL are expected to come from early retirements. In 2000, approximately 20% of the employees were over 50 years old. Since the socio-economic report was published, the reduction in the BNFL workforce has been 23% (2001 to 2004). This represents a 36% reduction in contractors, and a 7% reduction in process workers. This has not depressed the housing market, as might have been predicted. Over the same period, the region has seen some staggering property price increases, a staggering number of sales completed and general buoyancy in the market. However, property price increases in the west coast towns have been lower than in other areas of the country, unemployment remains higher than the national average, and higher than for Cumbria as a whole.

This leads us to question the extent to which the local economy really acts as a driver for the housing market. It is possible that it is more strongly linked to national trends, with stock market performance, return on capital, low interest rates, generally low unemployment and a feel good factor all playing a part. It is also possible that the market is to some extent driven by the failure of pensions to keep pace with the needs and spending patterns of retired people. In this case, releasing equity from an un-mortgaged home offers a realistic option for improving living standards in retirement.

The future of the nuclear industry in west Cumbria

With decommissioning rapidly approaching, the future of the nuclear industry remains a defining influence on the economic future of Cumbria, particularly the west coast and its hinterland – the area covered by this study.

The report *West Cumbria: a socio–economic study,* prepared in 2001 by Environmental Resources Management on behalf of the Environment Council and British Nuclear Fuels (BNFL), attempts to assess the impact of decommissioning on local employment patterns and local communities. The report estimated that for every 100 jobs on the Sellafield site, a further 20 were created or sustained in the wider economy.

As a result of decommissioning, the same report predicted a steep decline in nuclear-industry-related jobs from 13,000 in 2000/2001 to 7,500 by 2015, and to 3,000 by 2025. The recent decision to locate the Nuclear Decommissioning Authority (NDA) in west Cumbria will bring 150 to 200 new jobs to the area (some highly paid), together with the indirect benefits of a predicted investment of around £50bn between 2005/7 and 2025/7.These benefits are likely to be felt by the industry supply chain – that is, engineering firms and contractors engaged in clean up work and environmental restoration, (current estimates look to around 1,000 additional engineering jobs by 2005/06). At the same time, the development of new technologies, research and development activities based on decommissioning would provide another source of employment, and offer considerable benefits to other related areas of the economy.

In this context, Westlakes, noted in the regional economic strategy as an economic development opportunity, is particularly well placed to take advantage of the decision to site the NDA in west Cumbria.

At present, 90% of companies based at Westlakes are directly or indirectly dependent on the nuclear industry (30% indirect; 60% direct). This is a national cluster of nuclear expertise. Over the next three years, Westlakes expects to see numbers employed on the site rise from the present level of 700 to over 1000, and to 1500 over the following five years. These will be mainly skilled jobs, from draughtsmen and project managers upwards. The full capacity of the site will be 3,500 jobs. Whether or not this is achieved, Westlakes is the means of attracting and retaining significant numbers of higher-paid, skilled workers to west Cumbria.

Until recently, diversification away from reliance on the nuclear industry was a priority. The issue now appears to be how to build on existing strengths. Decommissioning is part of this, but also provides a platform for new initiatives which go well beyond the clean-up operation. Westlakes based companies provide some examples of how this might happen. For example, one company is now providing sewage treatment services in Taiwan. Another has MOD contracts. During Foot and Mouth, Westlakes Research Institute analysed airborne toxins from funeral pyres.

Workforce reduction and recent movements (overall increase) in house prices

Settlement / operation	Number of employees (either direct or contract)				Housing market movement Dec 2000 – Dec 2003	
	2000/01	2003/04	2012/13	2025		
Contractors	5,500	3,000	1,500	1,500	49%	Copeland
Fuel refining	7,500	7,000	6,000	1,500	53%	Allerdale
Total on site	13,000	10,000	7,500	3,000	49%	Cumbria

Source: Socio-economic study of West Cumbria ERM November 2001

Impact of BNFL-related job losses by settlement

Settlement	Number of employees living in settlement				Housing market movement Dec 2000 to Dec 2003	
Whitehaven	4,100	3,050	2,300	800		
Cleator Moor	1,050	800	600	250		
Workington	2,100	1,550	1,200	450	46%	Workington
Egremont	1,750	1,350	1,000	450	29%	Egremont

Source: Socio-economic study of West Cumbria ERM November 2001

Nuclear decommissioning: implications for the housing market

The recent decline in contract work in the nuclear industry has been paralleled by very significant rises in house prices. The table on page 113 shows the details. Between December 2000 and December 2003, the housing market has risen in Cumbria and Copeland by 49%, and 53% in Allerdale[39]. This suggests that the housing market is relatively unaffected by local job losses.

The table on page 113 shows the impact of declining employment in the nuclear industry on the main settlements where employees now live.

The ERM report recognises that location preference, cost of accommodation, and affordability are all factors in determining where BNFL staff live. The following table shows the percentages of staff at different grades living in each settlement. The chart is based on payroll data, and includes only direct employees. It has been assumed that contractors might follow a similar pattern, although this is not certain. Some contractor staff are undoubtedly part of a more transient population.

As might be expected, the proportion of more senior managerial staff (grades 2/3) is high in Cockermouth, and much lower in the other study settlements (Keswick and Lorton were not covered specifically by the report). By contrast, the proportion of the lowest grade (grade 5) is at least twice as high in Frizington and Egremont as in Cockermouth.

The overall impact of BNFL is perhaps best measured as the proportion of the overall working population who work in the industry. This ranges from 7% in Cockermouth to 16-18% for Frizington and Egremont. The numbers of BNFL dependent employees in each settlement are 556, 403 and 1388 respectively.

The report concludes that the west Cumbrian economy would adjust to the decline in jobs. Even without any site activity, it predicts that the Cumbrian economy would still function with its current level of 35,000 non-BNFL dependent full time equivalent jobs. The writers refer to the economy 'coping' with the completion of THORP and the slowdown of national and local economies in the 1980s. However, some parts of the region, particularly west coast towns and villages, would suffer disproportionately. Replacement jobs are unlikely to be at the salary level of those currently enjoyed, unemployment would rise, and out-migration would occur.

In terms of the housing market, any negative effects would tend to be noticed in lower-value homes, especially ex-right to buy properties on social housing estates.

Percentage of BNFL staff by settlement and grade

Source: Socio-economic study of west Cumbria ERM November 2001

Location	Percent total	Grade 2/3	Grade 4	Grade 5
Whitehaven	30.3	9.7	29.0	61.3
Workington	15.2	7.4	29.3	63.3
Egremont	12.8	7.4	26.7	65.9
Cleator Moor	7.3	4.2	26.8	68.9
Millom	6.5	8.0	26.7	65.3
Seascale	5.5	22.0	33.4	44.6
Cockermouth	5.1	34.5	35.8	29.7
Frizington	3.7	12.8	29.2	58.0
Maryport	2.6	5.2	22.2	72.5
St. Bees	2.4	26.3	34.3	39.4

Overall strengths and weaknesses of the west Cumbrian economy

In their Economic Assessment of Cumbria, DTZ consider that, 'west Cumbria exhibits lower rates of entrepreneurship and dynamism, following decline of heavy manufacturing industry'. They also see evidence of:

- poor service sector development – relatively low value consumer services, especially in tourism;
- restricted range of job opportunities;
- out-migration of younger and more qualified people from rural and peripheral urban areas;
- unemployment or under-employment in the remaining population.

Urban west Cumbria is described as branch-plant economy, vulnerable to restructuring, since firms located there tend to have their main base and head office in another part of the country. Another problem is that west Cumbria has a very low rate of new business formation. Barrow, for example, has only around 16 new VAT-registrations per 10,000 adult population each year, which is less than half the regional average and about one third of the national figure. New businesses are an important factor in employment creation: in any 10 year period, around half of all new jobs in the UK were generated by just four per cent of new business starts.

39: Source - Land Registry

Poor transport links (peripherality) are seen as a barrier to attracting attract inward investment. This is particularly true for the west Cumbrian coastal towns.

On the other hand, west Cumbria does have certain advantages:

- it has low costs;
- it may benefit from the trend towards relocation/outsourcing of 'back office' functions;

AND

- there is a relatively highly-skilled workforce in west Cumbria.

DTZ Pieda considered that the future of the Cumbrian – and west Cumbrian – economy depended on the following:

- More skilled and flexible labour markets.
- Growth of the knowledge-based economy.
- More demand for research and development (R&D). The decommissioning of Sellafield and the recent decision to site the Nuclear Decommissioning Authority in west Cumbria create a significant opportunity, based on existing skills and expertise.
- More flexible, less secure employment demanding a broader multi-skills base.
- Employment in heavy industry replaced by jobs in growing tourism, leisure, retail and food and drink sectors
- Increase in tourism in the longer term.
- Counter-urbanisation re-inforced by improving transport links and ICT, from urban centres outside Cumbria.
- ICT allows growth of lower-value processing activity; also promotes on-line selling/shopping, and thus overcomes problems of remoteness/accessibility in west and central Cumbria.
- New market for environmental products and services (renewable energy; pollution control measures).

However, they warn that apart from those aspects of the economy connected with nuclear power/reprocessing and the associated supply chain, the knowledge-based economy is more likely to take root in the south and east of the county than the west. They also note threats to Cumbrian economic development from increased competition from lower-cost centres of production further afield.

Employment Structure

Whilst the Cumbrian – and especially the west Cumbrian – economy remains relatively dependent on manufacturing industry, this pattern is changing. DTZ Pieda predicts that a further 4,150 manufacturing jobs will be lost by 2006. However, in the same period, the growth of other types of work in the largest sixteen workforce sectors is expected to provide net gains of 5,395 new jobs, more than compensating for manufacturing losses.

Retailing, currently the largest sector in Cumbria, is likely to increase by 7%, and accounts for the greatest number of new employment opportunities (1830 jobs). Other areas of growth include computing, (up 56.9% from around 1,000 to 1,500 jobs); professional, miscellaneous, and other business services (together likely to create around 3,500 new jobs); and health and social services (950 new posts).

This trend is already in evidence. Cumbria Economic Bulletin shows a net loss of 2203 manufacturing jobs in the period October 2001 to September 2003. There was a small net gain in other sectors of 47 jobs[40], with the positive trend becoming more pronounced over that period. The table below shows the details.

It appears from this that the growth of the service sector, the so-called knowledge economy, and public services will continue to displace manufacturing. However, our employer survey suggests that the decline in manufacturing may not be as great as anticipated. 43% of manufacturers expected their business to remain stable over the next 5 years; 57% expected it to grow. Those expecting growth included major employers, notably James Walkers bearing manufacturing in Cockermouth, who are currently doubling the size of their factory, and Thomas Armstrong Construction, based in Workington and Maryport, who manufacture concrete based products for the building industry, and undertake a large part of the region's construction work. What is not clear is whether growth would entail the creation of new jobs, or simply an increase in productivity from existing plant and personnel.

Irrespective of changes in the distribution of jobs across different industries, trends in unemployment are steadily downwards. Across the study area, all settlements showed a fall between July 2002 and July 2003. There were some marked differences in overall rates across the area. Keswick, Cockermouth and Lorton all

Net job gains and losses, manufacturing and other sectors: Cumbria

Oct 01 – Feb 02		March 02 – Sept 02		Oct 02 – Feb 03		Feb 03 – Sept 03		Totals	
Manufacturing	Other	Manufacturing	Other	Manufacturing	Other	Manufacturing	Other	Manufacturing	Other
-631	-230	-71	-120	-1409	67	-92	330	**-2203**	**47**

40: From Cumbria Economic Bulletin March quarterly editions March 2002 to September 2003. Note that this information is compiled from local press reports, and may not be wholly accurate.

Unemployment July 2003, study area wards

Settlement	***Council Ward***	***Unemployment %***	***% Drop since July 2002***
Keswick	Keswick	0.4%	-18%
Cockermouth	All Saints	1.9%	-35%
Cockermouth	Castle	1.1%	-44%
Lorton	Crummock	1.4%	-55%
Workington	Moorclose	3.5%	-32%
Workington	Northside	9.2%	-4%
Workington	Salterbeck	6.4%	-19%
Workington	Westfield	6.4%	-13%
Egremont	Egremont North	4.4%	-21%
Egremont	Egremont South	3.4%	-30%
Frizington	Frizington	5.4%	-19.5%

have exceptionally low rates of unemployment, well below the UK average (2.6%).[41] On the other hand, unemployment in Workington, Frizington and Egremont is higher than the UK average. The table above shows the details.

Unemployment is generally highest in wards with concentrations of social housing and low value private sector homes. There is a particularly high rate in Northside, Workington, which is almost entirely social and ex-social housing. It is significant that Egremont, with a similar population to Cockermouth, has almost three times the number of unemployed people (142 claimants, making an average rate for the two wards of 3.9%). Initial reductions in the BNFL workforce may be a factor. Other possible explanations are a mismatch between available skills and available jobs, and poor transport links to centres of employment.

Outside these areas, the actual number of unemployed claimants is negligible. There were nine claimants out of a population of over 5,300 in Keswick, nine out of 1,450 in Crummock ward, and 57 out of over 7,800 in Cockermouth.

Cumbria Economic Bulletin provides a breakdown of vacancy numbers in each travel to work area at July 2003. This is shown below.

This shows clearly that shortages are greatest in distribution, hotels and catering, and in the financial and public sectors. In the first of these, (distribution, hotels and catering), low pay, poor conditions and unsocial hours may be a factor in the number of unfilled vacancies, to which, in the Keswick travel to work area, difficulties in obtaining suitable accommodation may add an extra dimension. Other sectors where the vacancy rate appears well above what might be accounted for by normal turnover include the financial sector in Workington. Here, the problem is more likely to relate to skill shortages, emphasising the growing need for a more highly-skilled and educated workforce.

Vacancy numbers in each travel to work area at July 2003

	Carlisle	**Keswick**	**Whitehaven**	**Workington**
Agriculture and fishing	3	0	1	12
Energy and water	6	0	0	0
Manufacturing	64	5	13	22
Construction	26	0	18	29
Distribution, hotels and restaurants	131	53	39	58
Transport and communications	10	1	2	4
Banking, finance and insurance etc.	152	15	39	102
Public administration, education and health	75	0	32	29
Other services	51	1	7	16
Spec vacancies, unclassified by industry	0	0	0	0
Total	518	75	151	272

41: Cumbria Economic Bulletin September 2003. Figures based on claimant count rates.

The local and regional economy: implications for social and housing market trends

DTZ Pieda summarise recent trends as follows:

'Recent influences on the economy include the migration of some of the economically active population from urban to rural localities, triggered by a combination of lifestyle preferences, rising levels of car ownership, and improved road and telecommunications. This has led to increasing concentrations of employment in business and professional services in areas such as South Lakeland. These accessible areas are also likely to attract 'lifestyle workers' operating remotely or freelance'.

These trends are important for the study settlements. As prices rise in the currently more sought-after areas of south and east Cumbria, 'lifestyle workers' may look increasingly to rural and semi-rural areas of central and west Cumbria, which offer good access to the Lake District and coast, along with lower property prices.

Perhaps most important is the recognition that those with a choice no longer live close to where they work. Those living in, or seeking a home in the rural and semi-rural parts of Cumbria, including west Cumbria, are increasingly likely to travel some distance to work. Their employment depends more on the national and regional, than the strictly local economy.

EMPLOYERS SURVEYS – CASE STUDY SETTLEMENTS

Across the six case study settlements 29 employers representing various industries have been interviewed to establish the challenges they face and their future plans and predictions.

The employers represented a range of businesses, namely:

- Education
- Public administration
- Retail
- Hotel and catering
- Manufacturing
- Construction
- Vehicle repair
- Transportation

Of the businesses, 48% employed 6-49 people; 24% employed 50-249 people; 21% employed 250-500; and 3% (one employer) employed over 500 people.

Irrespective of the industry sector, there was a mix of full time, part time and seasonal workers, with slightly more seasonal work in the hotel and catering, and retail sectors. However, this was also present in public administration.

With the exception of one large factory providing a guesthouse for clients, the only employers to offer accommodation were the hotel and catering sector, however, only between 10% and 35% of staff could be accommodated.

Trends

Employers were asked if their business was likely to grow, reman stable, or decrease over the coming five years. The response was that 66% expected to grow, and 24% to remain stable. Ten percent thought their level of activity would decrease. These employers were based in Cockermouth, Frizington and Egremont, in the construction, education and vehicle repair sectors. All retail, and hotel and catering businesses reported that they expect to grow their business. Manufacturing was seen as a growth, or stable area, (57% grow, 43% stable) as was education, and transport and haulage.

Staff recruitment

About half of empoyers experienced some difficulty with staff recruitment. The following settlements – in order of difficulty – posed the most problems: Lorton, Keswick, Workington, Frizington and Cockermouth. In terms of employment sectors, education had difficulty recruiting staff, irrespective of settlement, as did public administration, and transport and haulage. Manufacturing and hotel and catering reported mixed fortunes.

The roles identified as hard to fill were listed as follows, in order of difficulty:

- semi/unskilled;
- technical/educational;
- skilled trades people;
- process/plant and machine operatives;
- professional/managerial; and
- sales/customer care.

The reasons given for these difficulties were:

- lack of skilled workers;
- low wages;
- unsocial hours;
- difficult to find people with the right skills;
- inadequate provision of training;
- transport difficulties;
- low unemployment in the area.

Employees' housing preferences

Although we did not ask specifically, many employers were keen to tell us that their employees often lived in owner occupied property. Several of the manufacturing employers informed us that their employees had purchased their rented properties.

Another comment was that people on low wages, which many employers were paying, could not afford to live in Keswick, Cockermouth, or Lorton, and travelled to work from areas where they could afford to buy.

Appendix 2
Background research: Housing

HOUSING SUMMARY

The choices open to private buyers are defined mainly by what they can afford, and what they are prepared to pay; by ease of travel to work, and how far they are prepared to commute. In other words, the economy is not the only housing market driver. If the economy is strong, but the housing on offer is not attractive to those who need or want to live in a settlement, buyers and renters will seek an alternative.

Housing market drivers (see page 61) have already been identified for each settlement. They explain the relative attractiveness of each settlement, in terms of its economy, geography, environment, services and infrastructure. The dynamic between these factors determines how far a settlement meets modern social expectations as a desirable place to live.

Some settlements, for example, Keswick, Lorton and Cockermouth, have adapted more easily to changing social and economic circumstances. This is partly because the housing available in those settlements has matched the expectations of those who wish to live there. All three provide a range of different house types, which has evolved over time. In Cockermouth, the most recent additions have been detached executive houses, which suit the aspirations of better-paid managers and professional workers. Market forces, land availability and ultimately profit, have led to new development. This has changed the balance of housing available, but not to the extent that the overall range of housing on offer has suffered. In fact, it is possible to argue that the reverse is true. New development has brought in more prosperous households, with clear benefits for schools, services, and local businesses. On the other hand, competition for a limited supply of houses has made the housing market less affordable for households on lower incomes who need to live there for work or family reasons.

Elsewhere, housing can outlast the social and economic circumstances it was built to address. Whilst property values have increased across the whole of the study area, (see charts in chapter 5), prices of ex-right to buy properties in Workington, Frizington and Egremont, and of terraced homes in Frizington and Egremont, have lagged behind. The evidence of our study suggests that settlements dominated by large municipal rented housing estates, and/or large numbers of small, low value, terraced properties remain trapped in their historic role of providing housing for a local workforce (now either shrunk, or entirely disappeared). They cannot easily adapt to changing expectations and patterns of demand. This leaves them at risk of falling property values, low investment, a deteriorating physical and social environment, and, in extreme cases, abandonment.

If significant numbers of in-migrants move to the area (particularly from areas of higher house values), more and more local people will either be forced to move into neighbouring settlements to improve their housing circumstances, or to extend their current home, if this is possible. However, this is unlikely to happen in many of the west coast towns and villages. The higher rungs on the housing ladder are absent, or very thin, and the market has little to attract either local people seeking to trade up, or middle income earners moving into the area.

The reduction of BNFL employees since 1999 has not affected the regional housing market, as the area has seen a property price boom over the same period. The exception to this rule is social rented housing, which in all areas appears to be experiencing increased turnover year on year.

There are several possible reasons for the reduction in demand for social housing:

- *the age profile of tenants:* social housing has a higher than average proportion of its tenants over 65. Over time, they die or move to alternative accommodation. Younger households, who in previous generations would have rented from the council or a housing association, now prefer to buy or rent privately, if they have any choice in the matter. As a result, they are not taking up social tenancies in sufficient numbers to fill the vacancies left by their elders;
- *move to owner occupation:* those who were in employment have sought to buy, as interest rates are relatively low, and stable; and
- *job losses:* those who were in employment, and have been made redundant have chosen to move away.[42]

SOCIAL HOUSING

The social housing in each settlement represents those homes that are still owned by housing associations, rather than the total originally developed. In addition, housing associations have added to their stock by purchasing private houses. Since 1980, a relatively high number of residents (over 40% in Egremont and Cockermouth) have exercised the right to buy their rented home. However, this has had little impact on the overall environment. Even in high value areas, social housing estates remain overwhelmingly municipal in character.

THE DOMINANCE OF SOCIAL HOUSING

The figures in the table opposite show the extent to which settlements are dominated by social housing estates (see also maps in chapter 5, which demonstrate this visually). The social housing development in any settlement reflects the history of the local economy and local employment. Most development took place between 1930

42: ERM Socio economic study believes out migration will occur as a result of BNFL reductions in workforce

The dominance of social housing

Settlement	Settlement households	Percentage social housing	Social housing numbers	Original social housing percentage	Original social housing numbers
Keswick	2796	20%	559	31%	867
Lorton	709	1%	7	2%	14
Cockermouth	3596	15%	539	31%	1115
Workington	9010	33%	2973	45%	4055
Frizington	1112	30%	334	37%	411
Egremont	3425	25%	856	56%	1918

Figures are an amalgamation of data from several different sources and must therefore be treat as approximate. On some estates (for example, Salterbeck in Workington), the fall in the proportion of social housing is partly due to demolition.

Figures presented for Lorton are for Crummock ward as a whole.

and 1970. Given the nature of social and economic change since then, (the decline in manufacturing and heavy industry; the rapid growth of home ownership, which is now the tenure of choice), there must be some doubt as to whether social housing on this scale is still needed. This is a particular issue for the low value and fragmented markets, where the proportion of social housing was historically very high.

By contrast, in the high value integrated markets of Keswick, Cockermouth and Lorton, social housing has never been the dominant tenure. In these settlements, right to buy has reduced the original holding by between a third (Keswick) and a half (Cockermouth and Lorton). Note, however, that social housing in Keswick remains at the national average, whilst in Cockermouth and Lorton it is well below it.

Social housing often outlasts the social and economic conditions which it was designed to address. The lower proportion of housing stock Cockermouth, Keswick and Lorton may help to explain why they have adapted more quickly to recent changes than settlements where social housing accounted for over 35% of the stock (Workington, Frizington, Egremont).

In Workington, Frizington and Egremont, large sections of the private housing market are low value properties. Over 40% of the housing in each settlement is terraced (chart on page 52). In these times of lower interest rates, the cost of purchasing a house is lower than the cost of social renting (chart on page 53). Low unemployment creates a more stable base for people to borrow, and rapidly rising house prices have prompted those who can to buy, before prices become unaffordable.

Estate agents invariably view ex-right to buy properties as less attractive than terraced housing. Outside high value markets, where ex-right to buy is often the only option; most first time buyers would rather purchase a terraced house than live on a municipal estate.

HOUSING SURVEY

In November and December 2003, 4,500 survey forms were delivered to houses in the case study settlements. In order to ensure that all sub-sections of the local housing market were represented, and to allow comparison between settlements, the survey sample was stratified by house type and area. For example, we identified social housing estates, new and recent private developments of detached housing and town centre terraced houses as distinct sub-markets. Full details of how the samples were constructed are detailed on pages 125 and 126.

The overall response rate to the survey was 14%, with 621 returned survey forms.

FIRST TIME BUYERS

The following table compares first time buyer responses with overall responses.

With the exception of Cockermouth, the number of first time buyers has increased over the last five years. This may be due to the fact that recent property price rises have now taken Cockermouth properties out of the reach of many first time buyers. The settlement-by-settlement analysis below shows who is buying for the first time in each location.

First time buyers in each settlement

Settlement	Returned	Moved in last 5 years	First time buyers in last 5 years	% of movers in last 5 years - first time buyers	First time buyers in last 6-10 years
Keswick	96	20	4	20%	2
Lorton	15	6	0	0%	0
Cockermouth	114	36	5	14%	8
Workington	159	52	6	12%	3
Egremont	96	17	6	35%	4
Frizington	67	24	4	17%	0

Keswick

Those buying for the first time in Keswick were mainly one-person households or couples with children. One had bought a terraced house in the town; the others had all purchased ex-council houses.

The majority of first time buyers already lived in Keswick. One had moved from Ambleside, a nearby settlement with high house values. All of the purchases took place between 2000 and 2002, with none reported in 2003. The recent sharp rise in property values may be inhibiting new first time buyers, although given the size of the response; it is not possible to say this with certainty.

All the purchasers were either key workers,[43] or in semi-skilled employment. Most had two household members in employment.

Lorton

Lorton had no first time buyers in either time band. This is not surprising, considering that house prices are higher in Lorton than in any of the other settlements in the study. However, an analysis of those who had moved into the village in the last ten years substantiates the perception of Lorton residents that most buyers come from outside the area.

Of the six households who moved in the last five years, all came from outside Cumbria. Four had moved from the south east, and two from elsewhere in the north. Two households moved for retirement. The remaining households are employed as company directors, council officers and key workers, often with two earners per household.

Cockermouth

First time buyers in Cockermouth include retired people buying their council house, couples, one-person households, and families with children.

Again buyers bought a range of properties, from ex-council houses, through terraced housing in the town centre, to homes on new estates. Again, all purchases took place between 2000 and 2002, prompting speculation that with recent price rises, first time buyers will be unable to afford new estates in the town.

First time buyers were mainly key workers, professionals or semi-skilled workers, and most had two earners in the household. Respondents had mainly moved from within Cockermouth, or from the surrounding villages. One had moved from a village near Keswick with higher house prices, in order to purchase, rather than rent.

Workington

The range of people buying for the first time in Workington includes one-person households, couples, and families with children. They are purchasing central terraced properties or ex-council houses. All were from Workington or the surrounding suburbs. They were employed as either professionals or in semi-skilled work. The moves took place between 1998 to 2003, but unlike Keswick and Cockermouth, the majority were in 2002 and 2003.

One household commented that ***'escalating house prices made them rush into buying while they could on their wages'***.

Egremont

As in Workington, the range of purchasers in Egremont includes one-person households, couples, and families with children. However, there is a marked difference in employment types, with all of the purchasers being employed in unskilled, routine or semi-skilled work.

All respondents had moved between 1998 to 2003. The majority came from Egremont or the surrounding villages, apart from one purchaser from north Wales, who bought an ex-council house in the centre of town.

Frizington

The purchasers in Frizington are divided into three groups: those who have purchased on the new estate (where prices may now have risen beyond the reach of first time buyers); and those buying ex-council homes and terraced houses.

They include one-person households, couples, and families with children, and have come either from Frizington or the surrounding villages. Employment types range from routine/unskilled work to professional occupations. There is some evidence that younger professionals are moving into the main street terraces.

PRIVATE RENT

The responses have been analysed to identify the role played by private renting in each settlement. Census statistics (see chart on page 52) suggest that private renting accounts for only a small proportion of the housing market – below the national average in all settlements except Keswick (national average) and Lorton (above average). However, local estate agents believe that 50% of lower-value properties are now being sold for buy-to-let, and there is speculation that this is fuelling house price inflation. This raises the question of who is renting these homes.

Keswick

There were two responses from people in private rented properties, a one-person household and a married couple with children. Both were living in terraced housing near the town centre. Both respondents were from villages near to Keswick, both had moved within the last 5 years, and both were employed in semi-skilled/professional roles.

Of the two, only one wished to move. They would consider private or social renting, providing the property had a garden.

Two further respondents from Keswick

43: Key workers are defined by the Housing Corporation and cover key service providers, teachers, the police force, fire service, and health professionals.

rented a property with their job. Both were employed in routine/semi-skilled work, and both had rented in this way for over 10 years. However, one household, an older couple, were expecting to move on retirement. They wished to stay in the Keswick area, and would prefer a social housing tenancy.

Lorton

There was one respondent in private rented accommodation in Lorton. The property was being used by movers from the south east who had come to the area for employment reasons and intended to purchase a property in a village.

Cockermouth

There were three respondents in private rented accommodation in Cockermouth, one living in an ex-council property and two on a private estate. They were a one-person household, a single parent, and a couple with children. One had rented for up to 5 years, one for 6-10 years and one for between 11 and 20 years. Two of the three planned to move. One intended to leave the area, whilst the other planned to buy within the town. Their occupations included key worker jobs and routine/unskilled work.

Workington

Seven respondents rented privately in Workington, five in terraced houses and two in ex-council properties. Of these, six were one-person households, including one who had retired. The remaining household was a couple. Tenancies had lasted between 1 and10 years, and four respondents expected to move on. One commented that they wished to move out of the area, as they could only find work at the minimum wage. Of the other three, one intended to buy, and two wanted another rented home, either in the private or housing association sector.

Of those in work, all had semi-skilled jobs. Half had originated from the town, and the remainder had moved into the area from outside Cumbria.

Egremont

Only one private rented property was recorded in Egremont. The property had been rented for over 20 years by a couple who were now retired. They had moved to the area for work, and had no plans to move. The property is on a private housing estate.

Frizington

Three privately rented properties were recorded in Frizington, all in the main street terraces. All of the properties had been rented over the last 5 years to local people. These were a single parent, a one-person household and a retired couple. Two planned to move, complaining about youth nuisance in the area. Of these, one planned to find another private tenancy, whilst the other wanted a housing association property with a garden. Employment details were not provided.

NEW BUILD ESTATES

The survey sample included the most recently-built housing estate in each settlement. The following is a summary of responses from these estates.

Keswick

There were three responses from Keswick. Two households were retired, and had previously lived in the south east and Yorkshire. The third, a hospital consultant, was a second home owner who expected to sell the property and buy a larger one in the area on retirement. One property had been owned for up to 5 years, one for 6-10 years and one for over 20 years.

Neighbourhood
satisfaction average = 9.33

House satisfaction average = 9.67

Cockermouth

There were fourteen responses from the newly-completed estate in Cockermouth. The majority were families with children, but there were also three older-person households and two couples. All had bought their home between 2000 and 2003. Most had moved to the estate from adjacent villages and towns. Of those coming from outside Cumbria, two had moved for work from cities in north west England; two had moved from the south east on retirement; one had moved from outside the UK on retirement; and one had moved from an ex-council property in Keswick.

Most households had two incomes. Employment was mainly in professional, managerial and key worker jobs, and included the only reported instances of entrepreneurs and self employed people.

Neighbourhood
satisfaction average = 9.21

House satisfaction average = 9

Workington

Of ten responses from this estate, four were from retired households. The remainder were one-person households, couples, couples with children and single parents. Most came from Workington and its surrounding suburbs. One had moved to Workington from Cockermouth because they *'could not afford Cockermouth prices'*.

Respondents had lived on the estate for up to ten years. Three, all couples and one-person households, planned to move on. Two were intending to buy another home in Workington. The third wanted to move back to Cockermouth and buy a property there.

Most households had just one earner, and employment types ranged from professional and managerial work, through skilled and key worker jobs, to semi-skilled and routine occupations.

Neighbourhood
satisfaction average = 8.6

House satisfaction average = 9.2

Egremont

There were seven responses from this estate. Most were families with children and couples. There were also two retired households. Respondents had moved to the estate between 1993 and 2002, the majority from Egremont. The retired households came respectively from a city in north west England, and from the USA. Both had moved to be closer to family.

Employment was mainly in key worker jobs, skilled and semi-skilled occupations, the majority having two incomes per household.

Neighbourhood
satisfaction average = 7

The reasons given for this score were the rundown nature of the town and the deterioration of the main street.

House satisfaction average = 8.14

Frizington

Most of the ten respondents from this estate were couples or families with children. There was one retired household, and one-person household. All but one had moved between 1990 and 2002 from surrounding towns and villages, including Workington, Whitehaven and St. Bees. The remaining household had moved from Oxford for work.

Three planned to move again. These were a couple, a one-person household and the retired couple. They intended, respectively, to retire to Scotland, to move to Gloucester for work and to move to a better area.

Occupations included professional/managerial positions, key worker posts, and skilled or semi-skilled occupations. Most respondents had two earners in the household.

Neighbourhood
satisfaction average = 6.55

The lowest score of the new build estates. The reasons given for this score were the rundown nature of the village and problems with youth disorder.

House satisfaction average = 8.14

SOCIAL HOUSING

Responses from the social housing estates have been analysed in terms of tenure, household type and age, satisfaction ratings for neighbourhood and house, and the number who wished to move in the next few years.

The table below shows the high incidence of right to buy, and the ageing profile of both tenants and owners.

Workington has the highest proportion of older people in social housing tenancies. These will inevitably fall vacant over the next 5-15 years (if not sooner). The same applies to a large number of ex-right to buy properties in Egremont. In the same time period Frizington will also see a high number of tenancies and ex-right to buy properties becoming available.

Whilst the age profile of tenants and owners suggests that Cockermouth can expect a relatively high turnover in social housing tenancies and ex-right to buy properties over the next 20 years, strong demand and high house prices suggest this would not create such a problem for landlords and the housing market.

Keswick

Scores for neighbourhood satisfaction and house satisfaction vary widely across the four social housing estates in the survey sample. The table opposite shows the average scores for each estate.

Of the 41 survey returns, eight residents of social housing estates envisage moving in the next few years. Two existing home owners expect to buy another home, and another two owners expect to move into a rented home. In one case, this is due to divorce; the other is seeking a smaller

The tenure and household age of the social housing estate survey responses

Settlement	Survey Returns	Tenure		
		Rent	Mortgage	Owner
Keswick	41	10	19	12
Of whom retired		4	2	7
Of whom 75 years old +		2	1	0
Cockermouth	50	27	13	10
Of whom retired		10	2	7
Of whom 75 years old +		5	0	0
Workington	75	63	3	9
Of whom retired		26	1	7
Of whom 75 years old +		5	0	2
Egremont	67	20	25	22
Of whom retired		6	6	19
Of whom 75 years old +		2	3	5
Frizington	34	20	6	8
Of whom retired		7	1	7
Of whom 75 years old +		2	0	3

Keswick Scores for neighbourhood satisfaction and house satisfaction

Estate Name	Average neighbourhood satisfaction score	Average house satisfaction score	Comments
Latrigg Close	9.09	9.00	
Trinity Way	9.40	8.20	
Millfield Gardens	5.43	8.43	Poor communal area maintenance
Windy Browe	8.38	7.88	Houses too small for modern living, no upstairs toilet

Cockermouth Scores for neighbourhood satisfaction and house satisfaction

Estate Name	Average neighbourhood satisfaction score	Average house satisfaction score	Comments
Highfield Road	7.83	7.60	Houses and flats small and damp with poor soundproofing
Slatefell Estate	8.05	8.34	

Workington Scores for neighbourhood satisfaction and house satisfaction

Estate Name	Average neighbourhood satisfaction score	Average house satisfaction score	Comments
Coniston Drive/Crescent	7.28	8.00	Litter and dog fouling
Casson Road/Cusack Crescent	5.96	7.19	Anti-social behaviour
Pearl Road, Salterbeck	7.48	8.13	Youth disorder
Far Moss, Northside	7.16	8.40	Noisy neighbours and car racing

Egremont Scores for neighbourhood satisfaction and house satisfaction

Estate Name	Average neighbourhood satisfaction score	Average house satisfaction score	Comments
Oaks and Limes	7.50	8.00	Anti-social behaviour
Central Avenue	8.08	8.89	
Smithfield Estate	6.80	7.73	

Frizington Scores for neighbourhood satisfaction and house satisfaction

Estate Name	Average neighbourhood satisfaction score	Average house satisfaction score	Comments
Coronation Drive	6.50	7.53	Youth disorder and lack of modernisation
Newtown	6.29	8.57	Poor communal maintenance
Moor Place	5.89	6.88	Poor repairs service and anti social behaviour

house. Two tenants expect to move into larger social rented properties, and another tenant would like a property without stairs. All wish to remain in Keswick.

Cockermouth

Two social housing estates were surveyed. Satisfaction scores are summarised in the table below.

Of the 51 survey returns, eleven residents envisaged moving in the next few years. Seven existing owners saw themselves moving for a variety of reasons. Advancing age, and the need to find a smaller home, accounted for about half of these, with the remainder seeking a larger house. Two respondents made further comments on their reasons for moving; one wished to move away from a council estate, whilst the other wished to move to a better area.

Four residents saw themselves moving into housing association property. These were an older home owner looking for a smaller property, and three existing tenants seeking, a property in better condition, a better neighbourhood, and a bigger house, respectively.

Workington

Scores for neighbourhood satisfaction and house satisfaction vary widely across the social housing estates in the survey sample. The table shows the average scores for each estate.

The poor score for neighbourhood satisfaction at Casson Road is no surprise, as this is the area of town with the highest tenancy turnover and the highest voids levels.

Of the 75 responses, 15 envisaged a move within the next few years. All but one respondent wishing to move was in a housing association tenancy. The exception was a home owner seeking more suitable accommodation for their retirement. Of the remaining tenants, one was looking for private rented or housing association accommodation, two wanted to buy property, and eleven wanted to change to another social landlord. Nine of this group lived in the Casson Road area. All expressed a preference to stay in Workington, and most would prefer a town centre property.

Egremont

Again, satisfaction scores vary across the three estates in the survey sample. The table on page 123 shows the average scores for each estate.

Of the ten respondents who expressed a desire to move in the next few years, eight are owner occupiers seeking a smaller home because of age or ill health. Six of these homeowners wanted to move back into suitable housing association property. One home owner wanted a newer house with a garage, and one tenant also wanted a larger house. The majority wished to stay in Egremont, although some would consider Whitehaven.

Frizington

The three social housing estates surveyed drew widely different responses in terms of satisfaction with home and neighbourhood. The table on page 123 shows the average scores for each estate.

Of the 34 respondents, eight envisaged moving within the next few years. One tenant and two existing owners intended to buy their next home; three tenants saw themselves moving into another social housing tenancy. One tenant planned to move away, but the rest wished to find another home in the same area.

No responses were received from the Lingla Bank estate. This, along with Moor Place, has the highest tenancy turnover and void rate.

TERRACED PROPERTIES

Terraced properties are often considered to be the preferred option for second home owners and private landlords. Of the 127 responses from households in terraced housing, only two, both in Keswick, classed their home as a second home. One reason for a low return rate from second home owners could be the time of year the survey was sent out; second home owners are less likely to use their homes in the winter.

Of the 127 responses, ten were renting privately, two in Keswick, three in Frizington and five in Workington. This appears roughly consistent with Census data, but is low in the context of the perceived increase in buying to let. Terraced properties were occupied by a wide range of household types, including retired people, one-person households, couples, couples with children, and single parents.

Of the 127 responses, 33 envisaged a move within the next few years. Fourteen of these households were in Keswick, three in Cockermouth, eleven in Workington, two in Egremont and three in Frizington. Of these potential movers, eight are currently renting. Seven wish to move into housing association property, twenty five wish to buy, and four would like another private tenancy[44]. Most are looking to stay in the same settlement, and most are seeking to move up or down the property ladder, according to age and family circumstances. Some state they are looking for a better neighbourhood, garden, and parking facilities.

Satisfaction scores for terraced housing neighbourhoods and houses vary, but show recurring themes, such as lack of gardens and poor parking facilities.

General comments

The detail from the survey responses is consistent with the comments throughout the document. Whilst the survey response rate of 14% cannot predict results for an entire settlement with statistical accuracy, it does provide a basis for future predictions and a general overview of the housing markets at the end of 2003.

Terraced housing scores for neighbourhood satisfaction and house satisfaction

Town/Estate Name	Average neighbourhood satisfaction score	Average house satisfaction score	Comments
Keswick			
Central Terraces	8.15	8.50	Too many holiday homes, parking issues
Cockermouth			
Central Terraces, Gote Road	9.00	8.14	Parking issues, maintenance issues, too small
Workington			
Lonsdale Street area	6.72	7.11	Anti social behaviour, due to private landlords shabby area, house needs modernising
Princes Street area	7.65	9.00	Parking, car crime, anti social behaviour
Curwen Street area	9.50	9.00	Close to town, historic town centre
Moss Bay area	6.50	7.25	Litter, vandalism, youth disorder. Small yards, no garden
Egremont			
East Road	7.25	8.25	Poor parking
Main Street	6.50	6.50	Poorly maintained area, poor condition property, but well built
Frizington			
Main Road	6.32	7.78	Youth disorder, poor parking, lack of garden

44: Three households selected two options

HOUSING SURVEY SAMPLE DETAILS

Town	Estate	Street Name	Estimate	Delivered	Returned	Return Rate	Property Type
KESWICK		Windebrowe Avenue	160	128	16	13%	A4 semis
		Trinity Way	45	45	5	11%	A2 links
	Windebrowe		205				
		Latrigg Close	75	75	12	16%	A4 semis
		Millfield Gardens	75	50	8	16%	A2 terrace
		Lakeland Park	100	79	13	16%	C3 semis
		Off Brundholme Road	30	25	3	12%	C3 semis
		Blencathra Street					B2 terraces
		Helvellyn Street					B2 terraces
		Wordsworth Street					B2 terraces
		Skiddaw Street					B2 terraces
		Southey Street					B2 terraces
		Greta Street					B2 terraces
		Eskin Street					B2 terraces
		Church Street					B2 terraces
			350	321	38	12%	
Total Keswick		**2956**	**835**	**723**	**95**	**13%**	
			28%	**24%**			
COCKERMOUTH	Windmill Lane	70					
		Slatefell Drive	65				
		Mosser Avenue	25				
		Woodside Avenue	25				
		Crummock Avenue	20				
		Kirkfell Avenue	40				
	Slatefell Estate		245	231	45	19%	A4 semis
	Highfield Road	Highfield Road	70	70	6	9%	A2 terraces
	Gable Avenue	Gable Avenue	250	219	23	11%	D3 detached
		Oaktree Crescent	65				C3 semis
		Limetree Crescent	50				C3 semis
		Cedar Lane	40				C3 semis
	Isel Road Estate		155	114	18	16%	
	The Firtz Estate	New Estate	175	126	13	10%	D4 detached
		Gote Road	30				B2 terraces
		Horseman Street	30				B2 terraces
		New Street	30				B2 terraces
		Derwent Street	30				B2 terraces
	Terraces		120	120	8	7%	
Total Cockermouth	**3721**	**1015**	**880**	**113**	**13%**		
			27%	**24%**			
LORTON		High Lorton	100	74	13	18%	B2 / B3 terraces
		Low Lorton	40	15	2	13%	B2 / B3 terraces
Total Lorton		**755**	**140**	**89**	**15**	**17%**	
			19%	**12%**			
WORKINGTON	Northside	Far Moss	120	80	6	8%	A2 1970's link social
	Town Terraces	Lonsdale Street	200	200	18	9%	B1 Terraces
	Town Terraces	Princes Street					
		Darcy Street					
		Brayton Street					
		Fraser Street	200	200	17	9%	B2 Terraces
		Horncroft Gardens	100	54	5	9%	D3 detached

Mossbay Road	Cusack Crescent					
	Casson Road					
	Iredale Crescent	300	220	27	12%	A3 semis
	Mossbay Terraces	100	100	9	9%	B1/B2 terraces
	Pearl Road					A3 semis
	Ruby Road					A3 semis
Salterbeck	Garnet Crescent	175	175	23	13%	A3 semis
	Coniston Drive					
Off Newlands Lane	Coniston Crescent	150	150	19	13%	A2 terraces
	Mason Street					
Off Newlands Lane	Ennerdale Avenue	200	187	24	13%	C2 Semis
	Nook Street					
	Cavendish Street					
Old Centre Terraces	Curwen Street	80	80	2	3%	B2 Terraces
	Chaucer Road	75	75	10	13%	D3 detached
Total Workington	**9376**	**1700**	**1521**	**160**	**11%**	
		18%	**16%**			
EGREMONT						
	South Street					
	Bridge End					
Main Street Terraces		50	32	4	13%	B2 terraces
	Baybarrow Road	150				
	Ashley Road	150				
The Limes and Oaks		300	236	24	10%	A2 terraces
	Central Avenue	100				
	St Bridgets Lane	60				
Central Avenue		160	157	27	17%	A3 semis (C3?)
	Ashley Way					
	Ling Road					
New Estate		100	79	7	9%	D3 detached
	Woodbank	40	30	6	20%	C3 semis
Brisco Mount	East Road Terraces	75	75	8	11%	B3 terraces
Brisco Mount	Dent View	100	66	4	6%	C3 Link
Smithfield Estate	Greenmoor Road					
	The Crescent					
		150	150	17	11%	
Total Egremont	**3554**	**975**	**825**	**97**	**12%**	
		27%	**23%**			
FRIZINGTON	Main Road Terraces	100				
	Main Street Terraces	150				
Terraces		250	177	23	13%	B2 terraces
Lingla Bank	Lingla Bank	30	17	0	0%	A2 terraces
Rheda Close	Rheda Close	90	79	10	13%	D3 detached
Moor Place	Moor Place	100	63	10	16%	A2 terraces
Newtown	Newtown	90	75	7	9%	A2 terraces
	Coronation Drive	75				
	Queens Crescent	50				
Coronation Drive		125	106	17	16%	A3 semis
Total Frizington	**1154**	**560**	**517**	**67**	**13%**	
		49%	**45%**			

This project has been funded by the Housing Corporation through its innovation and good practice grant programme, facilitated by Impact Housing.
The contents of the report do not necessarily reflect the views of the Housing Corporation.

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We wish to thank Carigiet Cowen for the valuation information provided for the report and Architects Plus for the drafting of the case study maps

DESIGN, ARTWORK AND PRINTING BY THE FIRPRESS GROUP 01900 68141