

HYNDBURN

REGENERATION & HOUSING

Intelligence Report



Summer 2010 (v.2)

SUMMARY

Population	81,200	2008 ONS
Enterprises*	2520	2009
Business Start Ups*	270	2009
Number of jobs	34,000	2008
Job Density*	0.70	2008
Housing Stock	36,390	HSSA 2010
Owner Occupation	76.5%	2008
Private Rented	10%	2008
Social Rented	13.5%	2008
Households	34,500	HSSA 2010
Average Household Size	2.39	2008 HNA
Average Property Price	£88,456	(Qtr 1 2010)
Median Price	£78,000	(Qtr 1 2010)
Lower Quartile Price*	£55,833	(Qtr 1 2010)
Detached	£177,634	(Qtr 1 2010)
Semi-detached	£132,851	(Qtr 1 2010)
Terraced	£69,540	(Qtr 1 2010)
Sales 2009	795	2009
Vacancy levels - Private Sector (+ 6 mths)	4.1% (1284)	(Qtr 1 2010)
Average Household Income	£30,000	2009 CACI
% Non Decent Homes*	38.6%	2008 SCS
Unsuitable Housing*	10.5%	2008 HNA
Possession Claims (Repossessions)	195	(2009)

• Definition in Glossary

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Key Messages

- Hyndburn's population estimates from the 2008 mid year estimates stands at 81,200, this figure is lower than the previous 2006 mid year estimates. The reasons for this are the change in methodologies used for improvements to the international and student migration figures.
- Hyndburn experiences a positive natural change in population (more live births than deaths), however the borough sees a negative flow of migration with more people moving outside the district.
- The district has a high proportion (21%) of younger people (0 to 15 age band), with only Blackburn with Darwen across Lancashire having a higher proportion.
- Only Blackpool has a higher population density than Hyndburn in Lancashire. In Hyndburn there are 1,112 people per km², compared to the Lancashire figure of 470 people per km².
- CLG projections have estimated there will be 8,000 extra households in Hyndburn by 2031, with two thirds from the 65 age band.
- 18% of people (8,850) of working age people receive key out of work benefits, compared with 16.4% across the North West and 13.4% nationally.
- In the 12 months prior to April 2009 Hyndburn saw 10.7% new business start ups compared with 9.3% ceasing to trade. However, start ups were slightly down on previous year.
- This indicates in Hyndburn there were 270 new business start ups, compared to 330 in 2008. Whilst there were 235 closure of businesses in 2009 compared to 215 in 2008.
- Over the past 5 years the number of enterprises in Hyndburn has risen by 10%, with an increase of 38% of VAT / PAYE enterprises.

- 10% (225) of Hyndburn's enterprises have a turnover exceeding a million pounds per year, this is higher than 8 out of 14 districts across Lancashire.
- Commercial and industrial floor space in Hyndburn (1,338,000 sqm) has risen by 9% over the past ten years with a rateable value of £32 per square metres (sqm) similar to other Pennine Lancashire authorities and significantly higher than Pendle with £24 per sqm.
- In Hyndburn there are 28,700 people who are employed; with 34,000 jobs in total (this includes self employed). These figures are slightly down on the previous year figures.
- Hyndburn has a domestic property stock of 36,390 with a significant proportion being terraced properties.
- Taken from the latest stock condition survey 2008 38.6% of stock is classed as non decent, with a large proportion being from the pre 1919 stock (which consists of 39.5% of all stock).
- 4.1% (1284) of private stock has been empty for over 6 months.
- In the last financial year (2009/10) there were 26 new house builds and 66 total completions.
- Average house price stands at £88,456 (April 2010) a fall of 19% on the last quarter, the biggest fall was with the terraced and detached property type market.
- The lower quartile house price for Hyndburn stands at £65,000.
- In 2009 there were 795 house sales, significantly lower than previous years (1,064 in 2008 and 2,060 in 2007), however the last quarter of 2009 saw a rise in sales (238), whilst the first quarter of 2010 saw another drop in sales (169).
- During 2009 the Accrington court issued 195 mortgage possession claims leading to orders, 40% lower than the previous year.

Introduction

This report provides an up to analysis of Hyndburn's economy and housing market. The commentary reflects current trends and indicators that are affecting the market, and provides reflection on the national picture. It will be produced bi-annually, updating information with the latest statistics and focussing on current trends affecting the regeneration of the borough.

1. People & Communities

1.1 Population

- Using the 2008 mid year estimates Hyndburn's population stands at 81,200. This figure is slightly lower than the 2001 Census figure of 81,487, and again slightly lower than the 2007 mid year estimate of 81,600.
- The main reasons for this decline is how methodologies carried out by the CLG for estimating the 2008 mid year figures have changed with improvements to international and student migration figures. These improvements have seen a decline in the boroughs population size and in effect reduced Hyndburn's estimated population size.
- Hyndburn experiences a greater number of births than deaths.

- Between January to December 2008 there were 1,159 births and 910 deaths, a natural change of 249.
- Focussing on migration, between 2007 and 2008 the borough saw a net outflow of people (600), which is a greater out migration compared to in migration.
- In 2008 Hyndburn saw an estimated 350 Overseas Nationals entering the UK and registering to work who were currently living in Hyndburn. The majority of these (190) were from Poland.

Table 1 - Components of change

	Mid-2007 population	Live births	Deaths	Natural change	Net migration & other changes	Total change	Mid-2008 pop
NORTH WEST	6,864,300	88,100	69,800	18,300	-6,800	11,400	6,875,700
Blackburn with Darwen	140,900	2,400	1,300	1,100	-1,300	-200	140,700
Burnley	87,500	1,300	900	400	-600	-200	87,300
Hyndburn	81,600	1,100	900	200	-600	-400	81,200
Pendle	90,000	1,300	800	500	-700	-100	89,900
Preston	131,900	1,900	1,200	700	-600	100	132,000
Ribble Valley	58,300	500	500	0	200	200	58,500
Rossendale	67,000	900	700	200	100	300	67,300

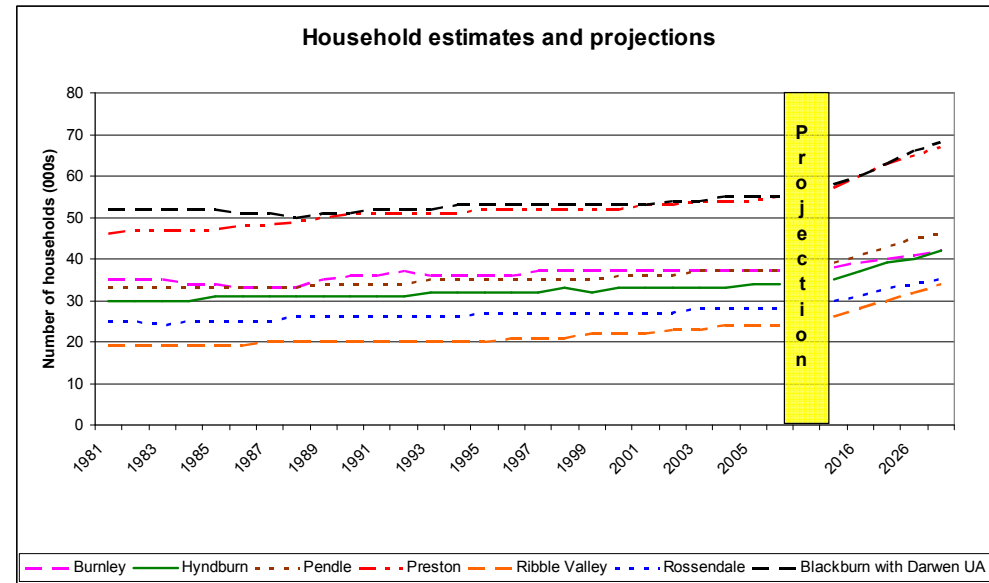
Note: Figures may not add due to rounding

1.2 Age Structure

- The age breakdown is particularly important in the estimation of new household formation and the planning of housing and services to all sections of the population.
- Age may be a factor in migration, for instance younger people may move into higher education and leave the market area after graduation if there are no job opportunities for them within the area.
- Hyndburn has a high level of 0-15 years with over 21% of its population, considerably higher than the Lancashire and North West average. Only Blackburn with Darwen and Oldham across the North West has a higher proportion. This is particularly the case in BME communities.
- In contrast Hyndburn has a lower proportion of over 65 year olds with 18.4%, considerably lower than the Lancashire average of 20.6%, and slightly below the average across England with 19.1%, whilst higher than neighbouring Blackburn with Darwen with just 15.3%.
- Hyndburn has a slightly higher proportion of households aged over 65 with 26.5%, similar to the North West figure, indicating a high number of single households.
- CLG projections have estimated those 65 plus households are to be the growth area between 2006 and 31 with two

thirds of the increase taking place in this sector in Hyndburn.

Figure 1 Household estimates and projections



1.3 Household Formation

- Household projections do not stay static - we are coming into a “baby boomer” period where there is an expectation of a higher number of new households forming over the next decade than over the previous decade. Between 2011 and 2016, across the country an average 272,000 increase in households each year is

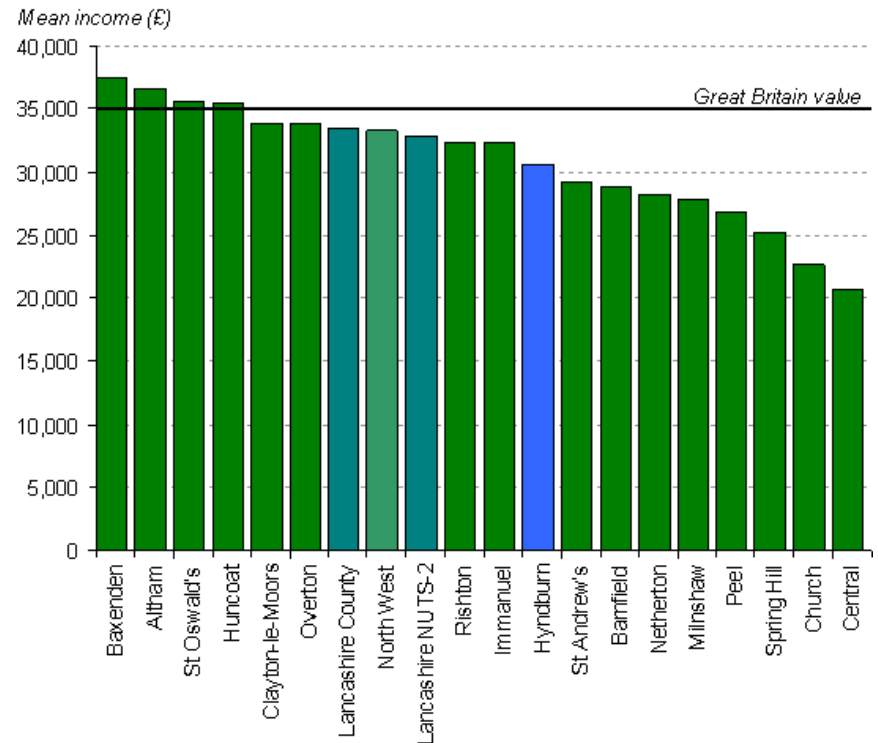
expected, followed by an average 266,000 between 2016 and 2021. This compares with an average of 199,000 new households each year between 1996 and 2001.

- However impacts of the credit crises and recession have restricted new household formation especially where lending criteria has been scaled back to such an extent (in the credit crunch) that it has become exceptionally difficult for young people to get a mortgage without external help for a deposit.
- Not surprisingly, younger adults have become even more reliant on their parents or relatives for financial support. After nudging up to 45% pre-credit crunch, the Council of Mortgage Lender’s (CML) estimate is that the proportion of first-time buyers under 30 receiving help has now escalated to around 80%. The overall effect is that for those in the formerly “typical” first-time age bracket of 25-34, the likelihood of buying at the moment is around half its level of a decade ago.
- It is projected there will be an extra 8,000 households in Hyndburn by 2031, as mentioned above two thirds will be from the over 65 age band. This will profoundly affect the profile of housing needs and demands across all neighbourhoods, tenures and market sections.

1.4 Household Income & Earnings

- 2009 CACI income data estimated the average household income in Hyndburn at just over £30,000 per year. Slightly lower than the Lancashire and North West average of £33,000 and nationally with £35,000.

Figure 2 - Household Income (2009)



Source: CACI income data 2009

- The wards of Baxenden, Altham, St Oswalds and Huncoat all have higher average household incomes than the national averages, whilst Central, Church and Spring Hill have the lowest figures.
- Average full time earnings in Hyndburn over the last few years have been going up and currently stand at £21,070. However this is 12% lower than the North West figure and 17% lower than the national figure.
- *NI 166 Median earnings of employees* in Hyndburn stand at £394.6 per week, the sixth lowest in Lancashire. The regional median stands at £460, whilst nationally the figure is as high as £490 pw.

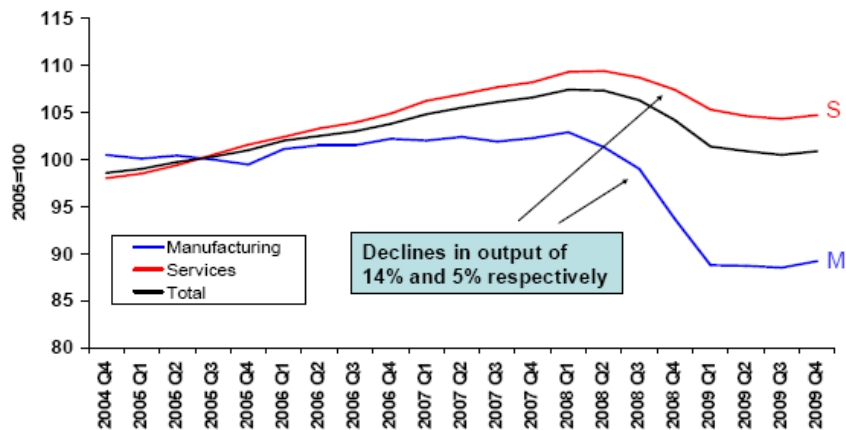
1.5 Employment

- National unemployment stands at 8%, with an estimated 8.4% in Hyndburn (*ONS - Annual Population Survey*).
- The Hyndburn figure has doubled over the past four years from 4% back in 2005.
- The proportion of working age people in Hyndburn claiming job seekers allowance (JSA) has also doubled over the same period and now stands at 4%.
- 60% of Hyndburns population is of working age, slightly lower than the NW and national figure of 62%.
- 75.8% of those are economically active, again slightly lower than the North West 76.8% and national figure of 78.9%.
- 24.2% of working age people are economically inactive.
- *The overall employment rate (NI 151)* stands at 71.2% in Hyndburn, slightly below the national average whilst similar to the North West figure.
- 18% of people of working age receive key out of work benefits (*NI 152*), compared with 16.4% across the North West and 13.4% nationally.
- Hyndburn has 11.2% of working age people on incapacity benefits compared with 7.1% nationally, whilst jobseekers allowance stands at 4% the same as the national figure.
- All key benefit claimants across Hyndburn stands at 21.1%, slightly above North West with 19.2% and 15.8% across the country.
- Of those claiming job seekers allowance 33.6% are between 18-24, slightly higher than the NW figure of 30.3% and Great Britain figure of 28.4%
- Claimants claiming JSA for over 12 months stands at 8.2% in Hyndburn, significantly lower than the NW figure of 16.9% and GB figure of 16.6%.
- *NI 117 16 to 18 year olds who are not in Education, Employment or Training (NEET)* stands at 12.2% for 2009/10. Second worst in Lancashire.

2. Economy

- Nationally, between Q2 2008 and Q3 2009 GDP fell by 6%, with 6 consecutive quarters falling in a row.
- The latest recession has been far harder for consumers and manufacturers than in previous downturns. The chart below shows that manufacturing output in GB has fallen by over 14% in this recession compared with little over 5% in services.
- Consumer spending fell by 3.9% over the same period.

Figure 3 - Manufacturing Output (Great Britain)



2.1 Business Enterprises

- VAT registrations and de-registrations are the best official guide to the pattern of business start-ups and closures.

They are an indicator of the level of entrepreneurship and the health of the business population.

- However, these figures do not give the complete picture of start up and closure activity in the economy. Some VAT exempt sectors and businesses operating below the threshold for VAT registration are not covered. However, some businesses do voluntarily register for VAT even though their turnover is below the threshold. In 2009 data shows that around a fifth of all registrations have turnover below the VAT threshold.

Table 2 - Pennine Lancashire Business Start Ups

	2009		2008		2009 Stock
	Births	Deaths	Births	Deaths	
BwD	12.1%	10.9%	14.6%	9.9%	4505
Burnley	11.5%	10.2%	10.9%	11.0%	2605
Hyndburn	10.7%	9.3%	13.2%	8.6%	2520
Pendle	9.5%	9.6%	11.8%	9.3%	2800
RV	10.4%	9.7%	11.9%	8.3%	2985
Rosendale	10.7%	9.7%	12.0%	7.7%	2675
North West	11.8%	9.8%	13.5%	10.1%	235,315

Source: ONS Business Demography: Enterprise Births and Deaths 2010

- The 12 months prior to April 2009 saw 10.7% of new business start ups in Hyndburn compared to total business stock (2520), whilst 9.3% ceased to operate. These figures

were slightly down on 2008, which saw 13.2% business start up against 8.6% of closure. However between 2005 and 2009 the number of VAT PAYE enterprises has risen by 38% from 1630 to 2225. Whilst looking at *all enterprises* the rise is only 10% over this period indicating more enterprises are becoming VAT / PAYE registered.

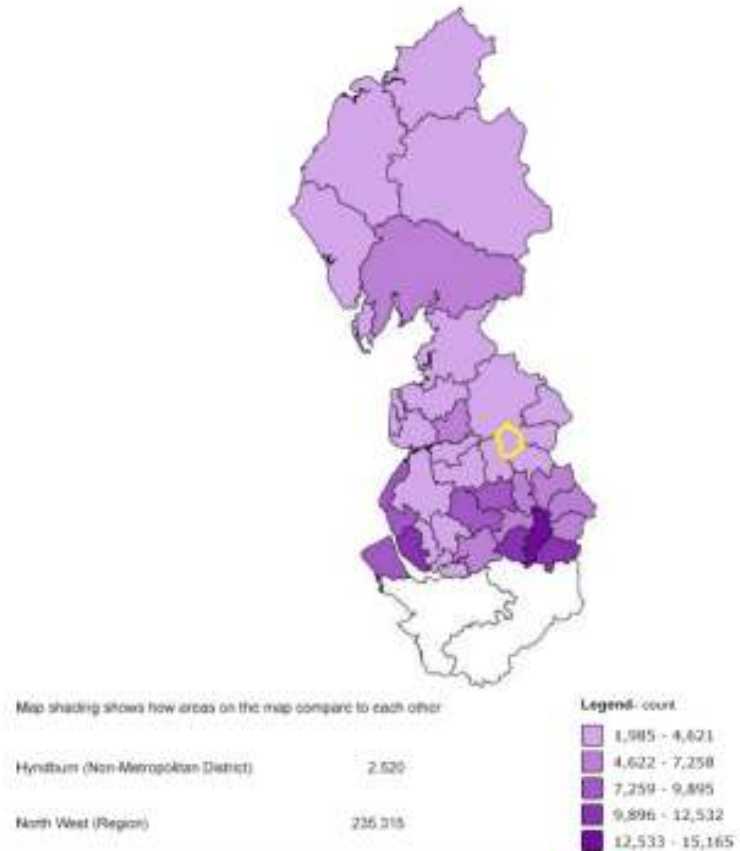
- This indicates in Hyndburn there were 270 new business start ups, compared to 330 in 2008. Whilst there were 235 closure of businesses in 2009 compared to 215 in 2008.
- Out of all those 2225 VAT enterprises 32% started up over the past three years, with 41% having been operating for the past 10 years.
- In 2008 Hyndburn had a *New Business Registration Rate (NI 171)* of 42.1 per 10,000 residents (aged over 16), slightly lower than the 2007 figure of 50.6 and worse than the national average.
- 72% of Hyndburn enterprises have less than 5 employees working for the company.
- Analysis from the North West Regional Intelligence Unit (part of NWDA) highlights an increased rate of insolvencies from a year a go. Micro businesses (or firms with less than 5 employees) are performing best, followed by large companies (over 250 employees).

Figure 4 - North West Active Enterprises

All Active Enterprises (Count, Enterprises, May09)

from dataset: Business Demography: Enterprise Births & Deaths

Hyndburn (Non-Metropolitan District) within North West (Region)



- NI 172 the percentage of small registered businesses (employing less than 50 people) showing year on year employment growth stands at 13.6% in Hyndburn, third lowest in Lancashire in 2008, deteriorating and worse than national average.
- Across the whole of Pennine Lancashire an extra 60 enterprises were in operation with 18,090 compared to 18,030 in 2008. However, like Hyndburn the whole of Pennine Lancashire saw a smaller increase in the number of business start up than compared to 2008.
- The map above (page 9) shows the number of enterprises across Hyndburn in comparison to other North West districts.
- During the 2009/10 financial year Hyndburn Enterprise Trust assisted with 90 business start ups, of those 24% were from the Construction Sector, 17% from Personal Services, 12% from Business / Domestic Services and 9% in Retail. From those new start ups over a third were previously unemployed with their bases spread out across Hyndburn with 13 from the Central ward, 11 in Spring Hill and Barnfield, whilst 13 is the Oswaldtwistle area, 10 in the Great Harwood area and 9 from Clayton-le-Moors.
- It was announced in March 2010 that Councils in 55 English sub regions are to benefit from £50million aimed at boosting small firms and supporting local economies. The money is part of the Local Authority Business Growth Incentive (LABGI) that allocates cash to groups of councils that have achieved the most recent growth in business rates. Pennine Lancashire local authorities have benefited from previous funding for 2009/10 through increases in total contribution to the National Non-Domestic Rates pool.
- Sourced from the Office of National Statistics UK Business Activity in 2009 Hyndburn had 15% of it's enterprises with a turnover of less than £49,999 pa. Whilst 10.1% of Hyndburn's enterprises had turnover exceeding a million.
- Out of the 14 Lancashire districts Hyndburn had a higher proportion of enterprises exceeding a million pound turnover than 8 other districts with a total turnover of £2,432,883,000. This figure is higher than Burnley, Pendle, Rossendale and Ribble Valley turnover for 2009.

2.2 Commercial Floorspace

- Commercial and Industrial floor space has risen by 9% over the past ten years in Hyndburn, significantly in Office space. The largest amount of floor space is within the factory premises with 623 thousand square metres; however this has fallen by 5% over the past ten years.

Table 3 Hyndburn Commercial & Industrial Floorspace

(Floor space area in thousands of square metres)

	1998	2000	2002	2004	2006	2008
Retail premises	168	187	196	207	193	196
Offices	48	62	66	73	77	88
Factories	658	694	680	628	675	623
Ware houses	351	347	359	406	395	394
Total	1,225	1,290	1,300	1,314	1,377	1,338

Source: DCLG: Commercial and Industrial Floor space statistics

- Over this period the rateable value has increased from £26,240,000 back in 1998 upto £43,061,000 in 2008.
- Floorspace and rateable value for non domestic property stands at an average of £32 per sqm in Hyndburn, similar to Ribble Valley, Burnley and Blackburn with Darwen and significantly higher than Pendle with £24 per sqm.

2.3 Labour Demand

- In total Hyndburn has 34,000 jobs (includes self employed), of these 28,700 are people who are employees slightly down on the previous years figures. However, there is a similar pattern across Lancashire and the North West, whilst this is not the case nationally.
- In total Hyndburn has 49,100 people who are of working age, and of those 37,800 are economically active (77%).
- 18.6% of working people are self employed, proportionally higher than the North West average with only the Ribble Valley in Lancashire having a higher proportion.

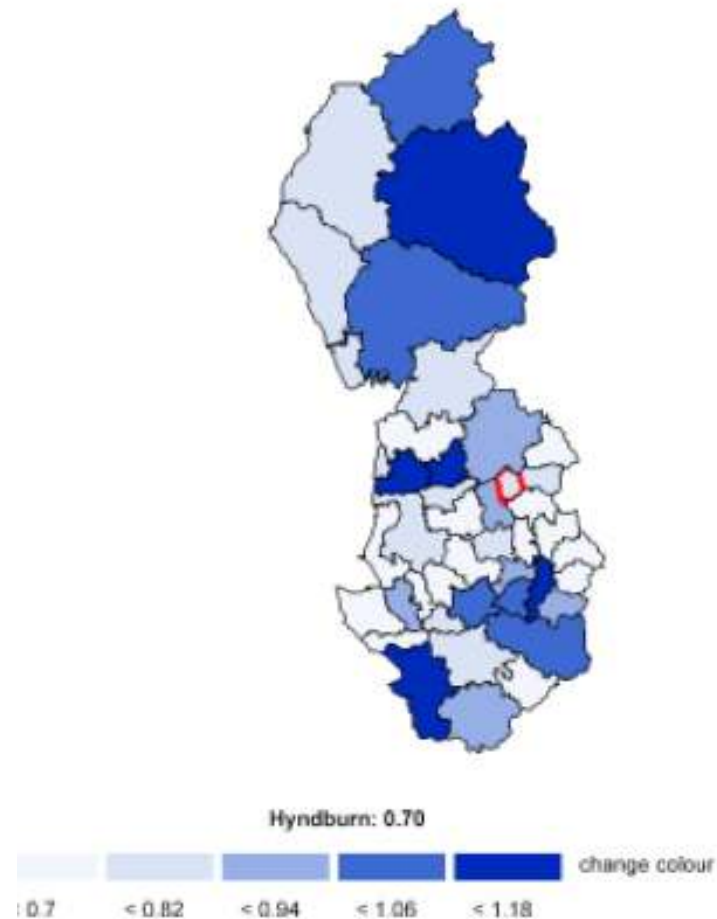
- This figure is lower than the North West and national figure, whilst among a range of Pennine Lancashire figures.

Table 4 Pennine Lancashire Labour Demand (2008)

Hyndburn	0.70
BwD	0.84
Burnley	0.72
Pendle	0.68
Rossendale	0.61
Ribble valley	0.87
North West	0.80
GB	0.83

- Hyndburn has a jobs density of 0.7. This means that out of all those people of working age 0.7 are working.

Figure 5 North West Job Density 2008



Source: ONS jobs density

3. Housing

3.1 Housing Stock

- Hyndburn housing stock consists of over 36,390 properties.
- A significant proportion are terraced with 53.4%, compared to 31% across the North West and 26% Nationally.
- Findings from the latest Pennine Lancashire Stock Condition Survey 2008 indicate the borough has a high proportion of medium / large terraced properties compared with the North West, whilst the proportion of small terraces are only slightly above the NW figure.
- Within Hyndburn 38.6% of stock can be classed as Non Decent under the Housing, Health & Safety Rating Scheme.
- The area also has a large proportion of pre-1919 dwellings (39.5%), with a large proportion of these classed as non-decent (52.5%) and a high proportion unfit.
- 4.1% of the borough's private stock is long term empty (empty for more than 6 months), this is significantly higher than the 1.5% national figure.
- The highest numbers of private sector long term empty dwellings are in the Housing Market Renewal intervention areas, especially around parts of Woodnook, Church, Central and Spring Hill.

Table 5 House building and demolitions figures for the past 10 years

	Housebuilding Completions					Demolitions			
	Private Sector	RSL	LA	Total		Private Sector	RSL	LA	Total
2000/01	195	0	0	195		0	20	0	20
2001/02	No Information			268		No information			
2002/03	147	9	0	156		0	0	58	58
2003/04	149	3	0	152		0	0	0	0
2004/05	170	10	0	180		2	0	0	2
2005/06	280	10	0	290		156	0	16	172
2006/07	80	10	0	90		40	19	0	59
2007/08	71	21	0	92		25	0	0	25
2008/09	96	27	0	123		43	0	0	43
2009/10	58	8	0	66		9	0	0	9

Source: Housing Flow Reconciliation 20010 / HSSA 2010

3.2 New Build

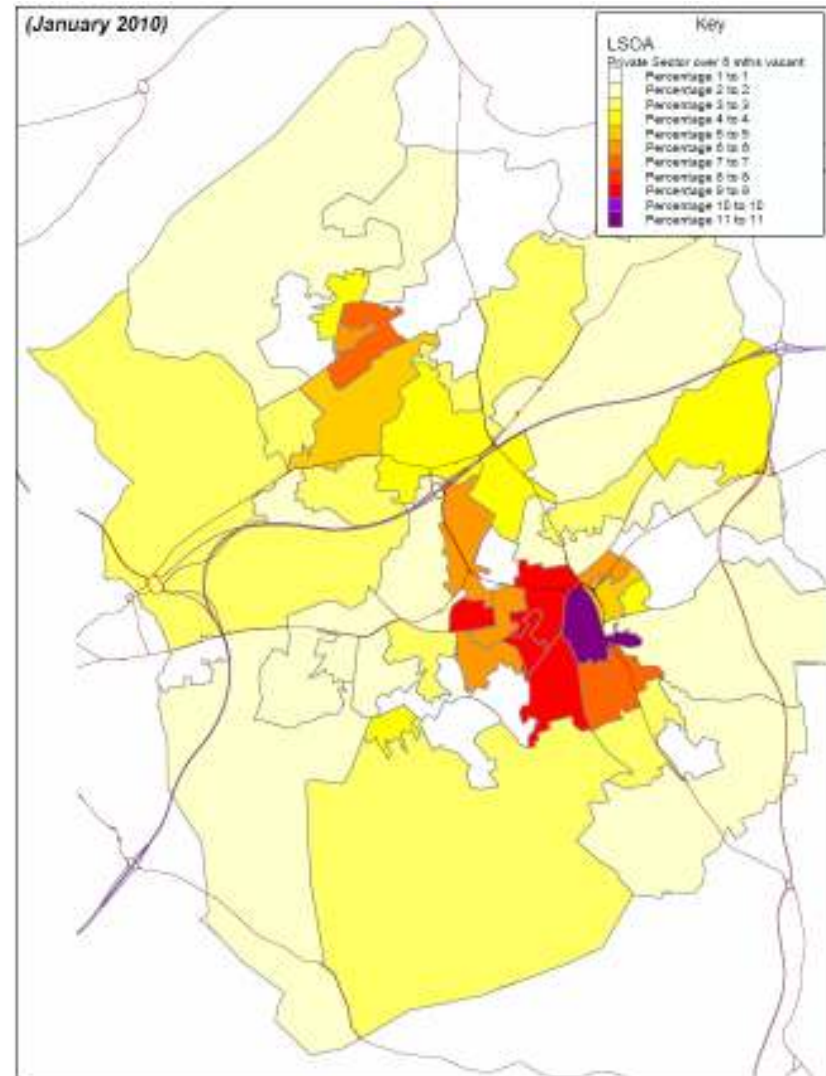
- The recession has had a real impact on new build numbers with only 26 built in the last financial year, with developers restricting the number of new developments due to demand / affordability, low value and how much profit they could make on a site and how much public finance they would be provided with. In total there were 66 completions for 2009/10.
- 2010/11 will see the development of the Phoenix Project with a £1.7million of gap funding supporting the development of 82 new homes along Blackburn Road in Accrington.

- The recession has made the delivery of affordable homes more challenging than ever. At present developers, who play a key role in ensuring the delivery of affordable housing, cannot afford to do so with lack of access to public finance. Government and local authorities have been working to cover more of the affordable housing build costs than they would normally.

3.3 Vacancy Levels

- There are currently 1,284 private sector long term vacants
- The map adjacent shows the areas with a high proportion of vacant dwellings. The orange and red and purple areas show the high vacancy hot spots.
- The hot spots cover the areas of Woodnock, Central, Church and Spring Hill area.
- The maps show the low vacancy levels in the rural parts of Netherton, Rishton, Altham, Immanuel, St Oswalds, Baxenden and parts of Huncoat and Barnfield.

Figure 6 Private Sector Long term Vacants 2010



Source: Council Tax

The colour key above shows the percentage of private sector long term vacant dwellings by lower super output area as at 1st Jan 2010.

3.4 Housing Market

National Overview

Sourced from market commentary from the *Council of Mortgage Lenders* website the housing market over the past two years has been worsened by the extra disruption to supply caused by the credit crisis. As John Stewart (*Home Builders Federation*) put it, *the backlog of undersupply, added to the pent-up demand suppressed so far by the recession, combined with high levels of projected household growth mean that a serious under-supply crisis emerges.*

He estimated that from the low point reached in 2009/10, growth in house-building would need to average 18% per year for the new build targets by 2020 to be met. Given that the average rate of growth between 2001 and 2007 - the booming pre credit crunch era - was less than 5% per year, this rate of growth looks somewhere between unrealistic and impossible.

And all of this has social consequences. As Kay Boycott (*Shelter*) outlined, the impact of the shortage of housing of all tenures manifests itself in a variety of ways. She noted 1.8 million people on housing waiting lists, over a million children living in overcrowded accommodation, and the impact of people having children later as a result of being less settled in their housing at earlier ages, labour mobility being constrained, the condition of the housing stock worsening due to owners and landlords being unwilling or unable to spend on repair and maintenance, and an

increasing polarisation between the housing “haves” and “have nots”.

Turning to one very specific group which acts as an important barometer of the housing market generally, the CML’s head of research Bob Pannell looked in depth at first-time buyers - and the group of people who might reasonably be regarded as potential first-time buyers.

The speed and intensity with which the characteristics of the typical first-time buyer have changed are stark. What is most striking is that to get into the market, today’s first-time buyer is putting in a deposit of around £30,000, equivalent to more than their total gross annual household income. Only three years ago the deposit required to enter the market was a much more manageable - but still hefty - 37% of annual household income, at £10,000.

This has resulted in some extraordinary changes in the ability of first-time buyers to enter the market. But change was already well on the way in the first-time buyer market before the credit crunch. That change took various forms, including:

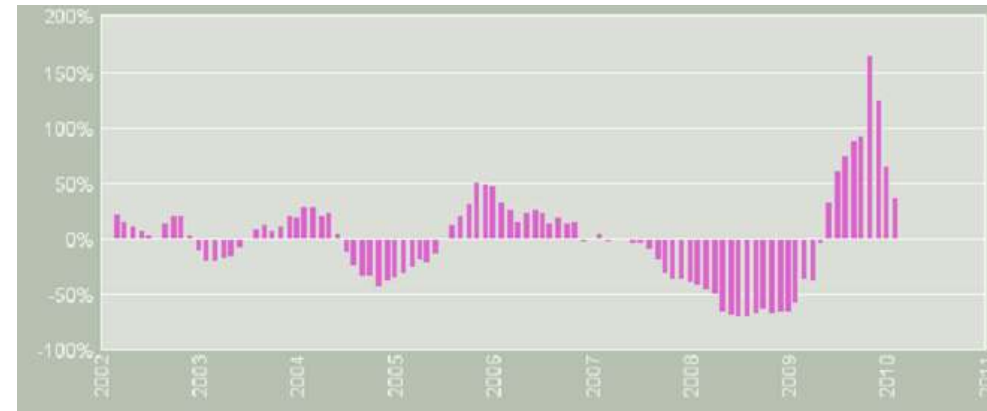
- *the phenomenon of first-time buyers who were, in fact, older “returners” to home-ownership, having taken a break from the tenure perhaps because of divorce or changes in circumstances;*

- the increasing reliance on financial support from parents (an estimated 38% of young first-time buyers in 2006 received help, up from 10% a decade earlier);
- an increasing consensus across the generations that it was becoming harder than ever before for people to buy their first home, and a call for government action (79% support) to address the problem; and
- a sharp fall in the proportion of young households with mortgages - 36% of under 30s had a mortgage in 2004, 10% lower than a decade earlier.

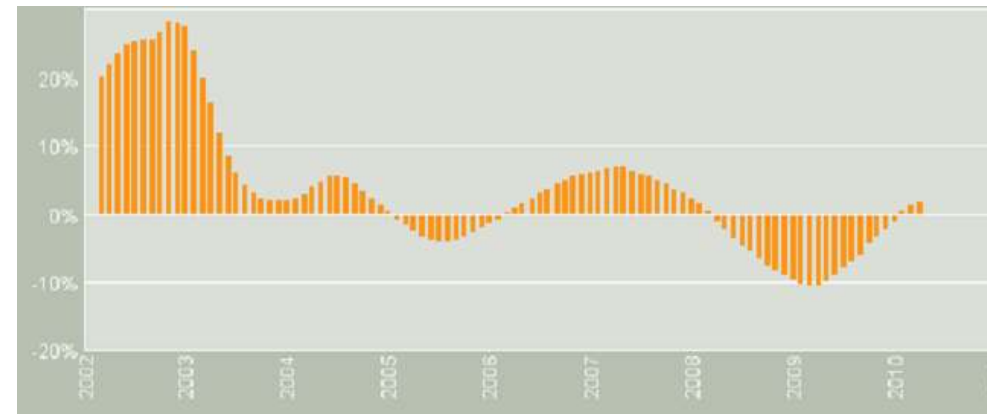
But since the credit crunch, the picture has tightened further. Despite peak-to-trough falls in house prices nationally of about 20%, the offsetting effect of tighter lending criteria has had a dramatic effect. Not surprisingly, younger adults have become even more reliant on their parents or relatives for financial support. After nudging up to 45% pre-credit crunch, the CML's estimate is that the proportion of first-time buyers under 30 receiving help has now escalated to around 80%. The overall effect is that for those in the formerly "typical" first-time age bracket of 25-34, the likelihood of buying at the moment is around half its level of a decade ago.

Source: Council of Mortgage Lenders website: "Walking very slowly to catch up: housing supply and demand".

Figure 7 Mortgage approvals (% year on year)



House Price Growth (% year on year)



Source: Council of Mortgage lenders (CML)

Hyndburn's Property Market (Land Registry: April 2010)

Average price -	£88,456	Median - (£78,000)
Lower Quartile -	£55,833	
Detached -	£177,634	(63% of NW average)
Semi Detached -	£132,851	(87% of NW average)
Terraced -	£69,540	(67% of NW average)
Sales -	795(2009), 1,064(2008), 2,060(2007)	

- House sales are still a fraction of what they were a couple of years ago.
- Whilst property sales have been falling year on year, the last quarter of 2009 saw the highest number of sales for eighteen months (238), however the first quarter of 2010 this figure has fallen back down to 169 for the first three months.
- The last quarter (Jan to March 2010) property prices saw a significant fall (19%) on previous quarter, the largest fall was with detached and terraced dwellings.
- As can be seen on the map of Hyndburn the rural areas on the edge of Hyndburn have the highest value, such as Overton, parts of Netherton and Rishton, Altham, Huncoat, Baxenden and St Oswalds where a more housing variety is available.
- The cheapest areas surround parts of Woodnook, Spring Hill and Church as shown with the dark grey area.

Figure 8 Hyndburn House Prices

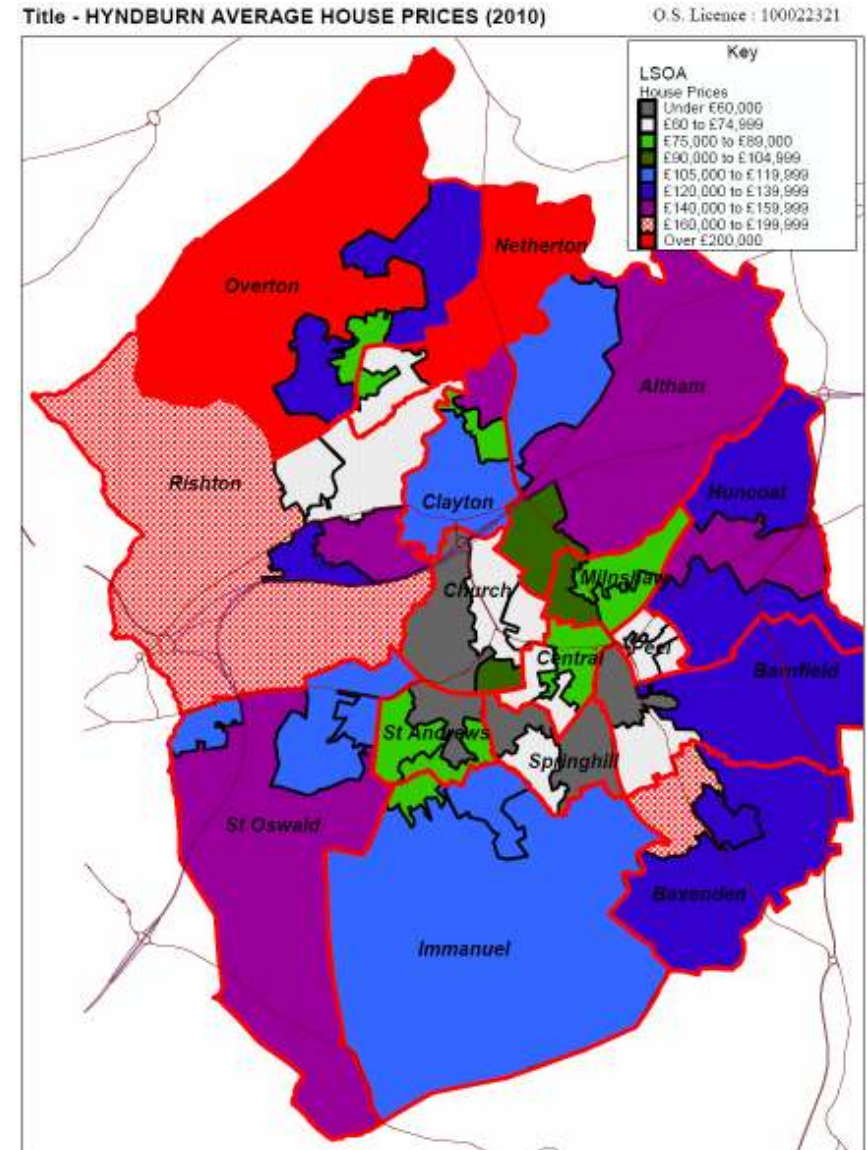


Figure 9 Pennine Lancashire Average Prices

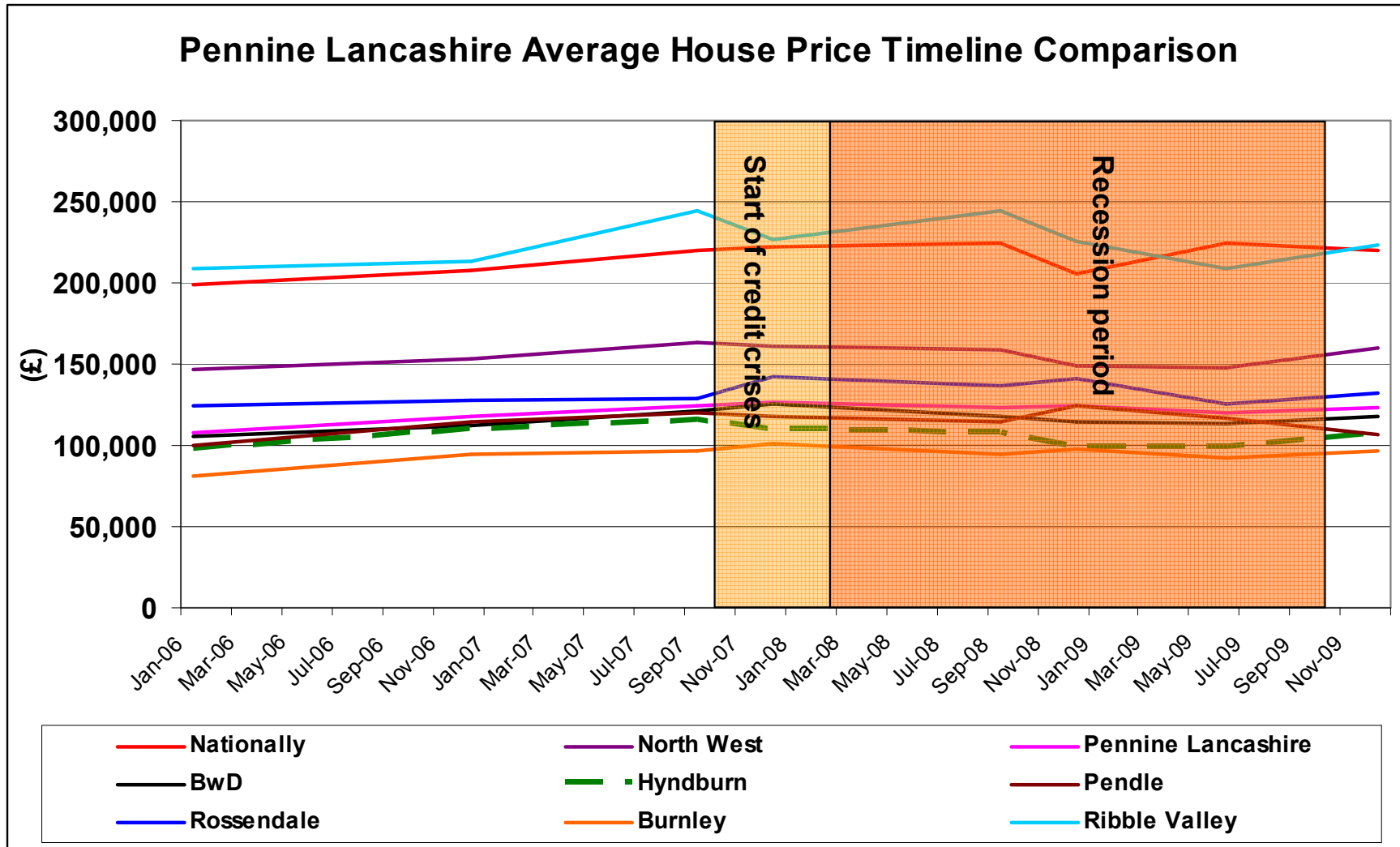
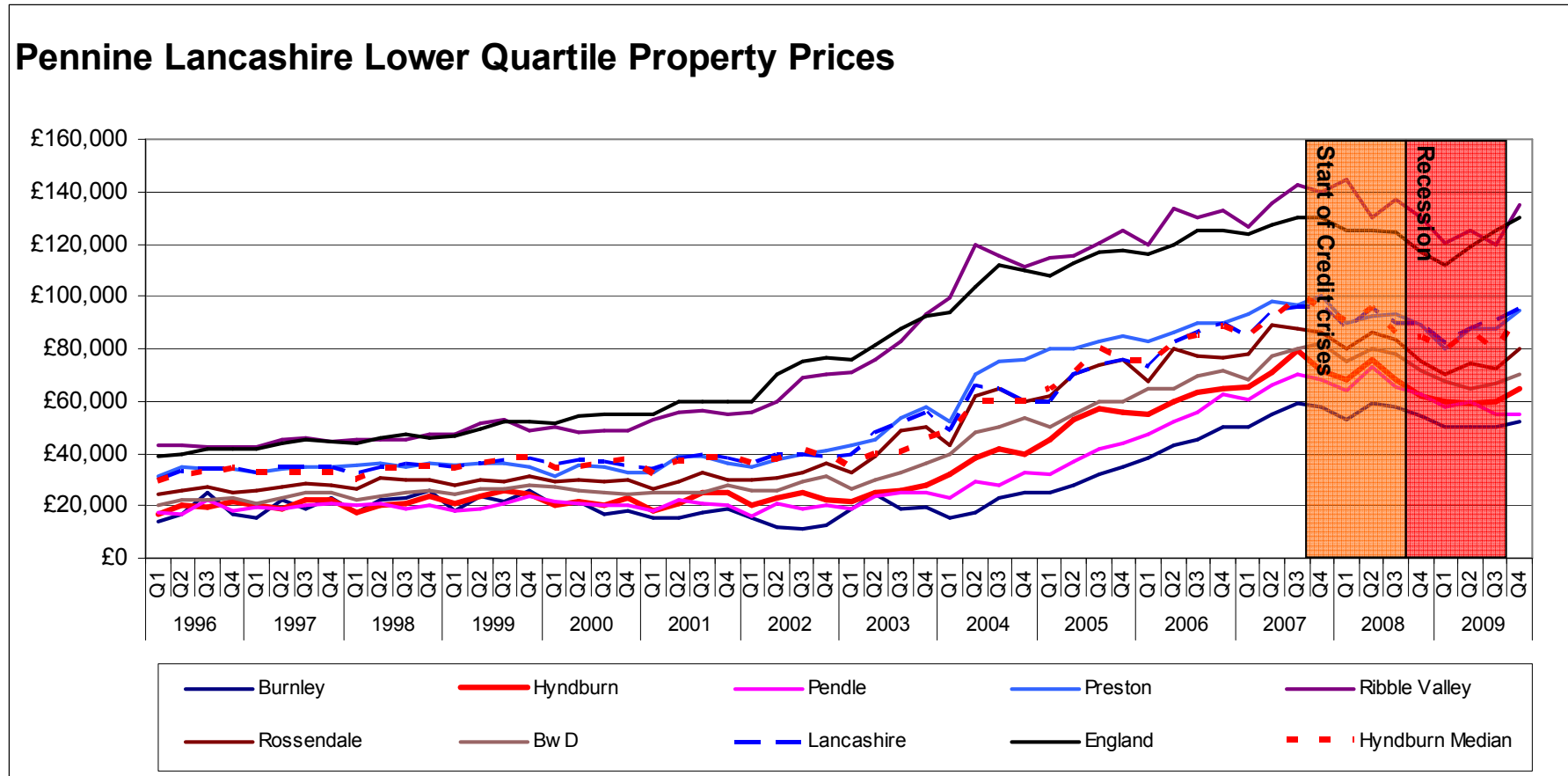
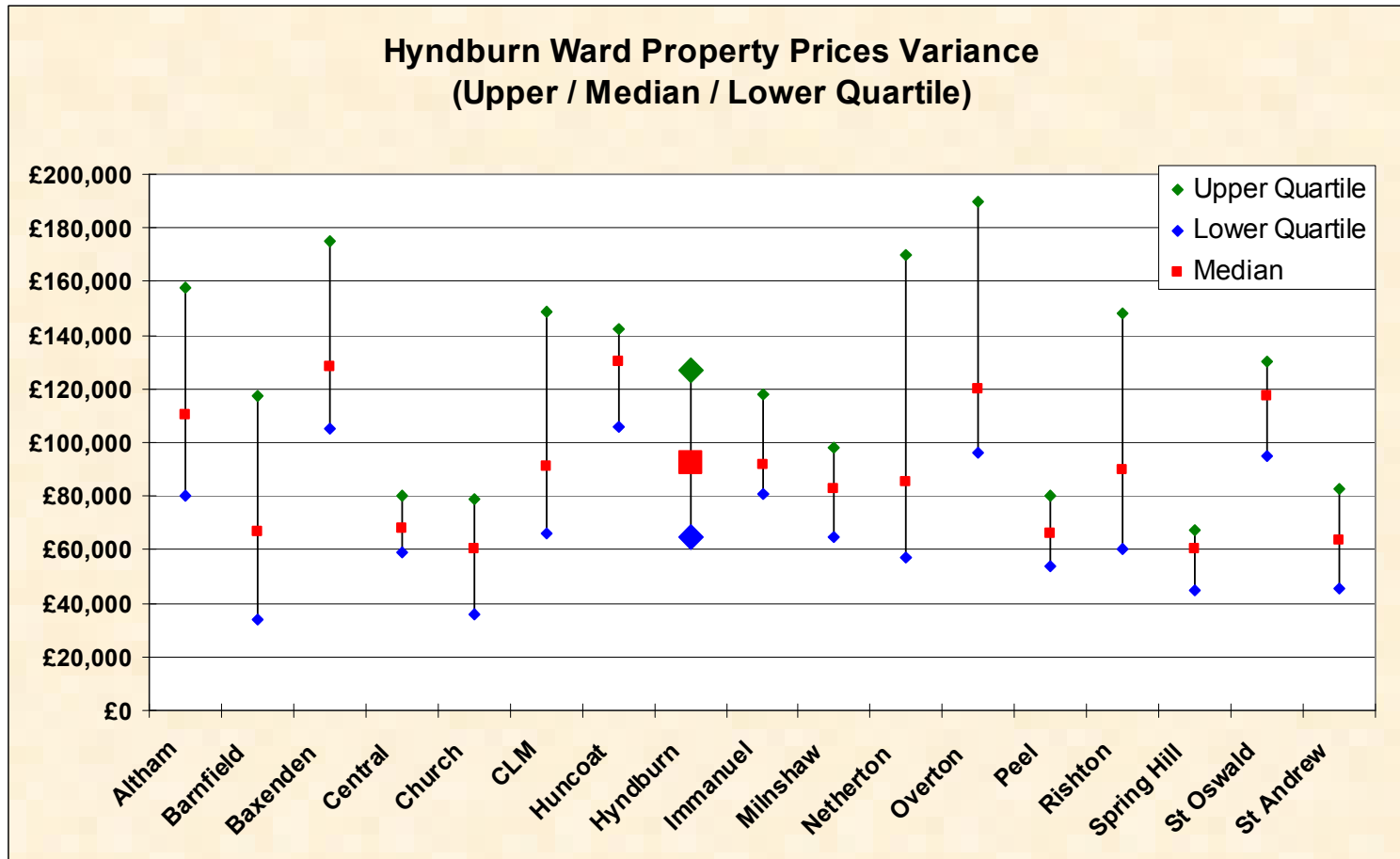


Figure 10 Pennine Lancashire Lower Quarter Prices



- The chart above (figure 10) compares Hyndburn’s lower quartile house prices with the rest of Pennine Lancashire and a Lancashire and England average. Hyndburn line is marked in red. As can be seen from quarter 3 2007 with the start of the credit crises prices began to fall, however they seemed to reach rock bottom at the end of 2008 and picked slowly up since. The chart also shows with the red dotted line Hyndburn’s median price and as can be seen the median is lower than the Lancashire lower quartile.

Figure 11 Hyndburn Ward House Prices



- Figure 11 above shows the upper / lower quartiles and median property prices for all the wards in Hyndburn for the last 6 months of 2009. The Hyndburn figures are located in the centre of the chart. As can be seen some wards have a vast range of property prices like parts of Overton and Altham indicating a good range of housing mix within the area. Whilst areas like Peel, Central and Spring Hill have little variance between upper and lower quartiles indicating a limited housing choice within the wards.

- Where the chart shows the median marker closer to the upper quartile mark, this indicates a few high priced property sales raising the average and slightly distorting the market, whilst if the median marker is closer to the lower quartile marker there is the opposite factor with a few low priced property sales lowering the average.

- In the last quarter of 2009 property prices across the North West picked up in comparison to six months previously.
- However the market is still regarded as fragile and volatile.
- One of the main issues with the property market is the low number of first time buyers supporting the market and a large proportion of households unable to move due to negative equity.

Table 6 Ward Property Prices (1st July to 31st December 2009)

	Sales	Mean	Median	Lower Quartile	Upper Quartile
Altham	27	£117,936	£110,000	£80,000	£157,500
Barnfield	19	£72,723	£66,400	£34,000	£117,500
Baxenden	27	£157,516	£128,000	£105,000	£175,000
Central	37	£74,381	£68,000	£59,000	£80,000
Church	17	£62,617	£60,000	£36,000	£79,000
CLM	30	£105,261	£91,000	£66,000	£149,000
Huncoat	17	£132,176	£130,000	£106,000	£142,000
Immanuel	16	£102,671	£91,500	£81,000	£118,000
Milnshaw	24	£84,683	£83,000	£65,000	£98,000
Netherton	33	£122,968	£84,950	£57,000	£169,950
Overton	44	£151,389	£120,000	£96,000	£190,000
Peel	35	£66,885	£66,000	£54,000	£80,000
Rishton	45	£111,685	£90,000	£60,000	£148,000
Spring Hill	16	£60,809	£60,000	£45,000	£67,500
St Oswald	31	£123,375	£117,500	£95,000	£130,000
St Andrew	16	£68,566	£63,500	£45,500	£83,000

- The table below shows a time line for Pennine Lancashire average property prices in comparison with the North West and National averages.

Table 7 Average House Prices

	Jun-06	Dec-06	Sep-07	Dec- 07	Sep-08	Dec-08	Jun-09	Dec-09
Nationally	199,184	207,573	220,111	222,512	224,064	205,372	224,064	219,486
North West	146,600	153,112	162,802	161,600	158,913	148,382	147,401	160,051
Pennine Lancashire	108,113	117,483	124,289	127,007	123,381	124,066	120,336	123,278
BwD	106,077	112,335	121,236	125,386	117,223	114,843	113,338	118,022
Hyndburn	98,068	109,732	115,090	110,323	107,601	99,009	99,282	107,742
Pendle	99,762	114,469	120,399	117,239	114,112	124,747	116,769	106,483
Rossendale	124,749	127,665	128,882	142,587	136,399	140,721	125,471	132,261
Burnley	81,448	94,656	96,304	100,909	94,468	97,231	91,955	97,163
Ribble Valley	208,982	213,115	244,002	226,660	244,713	225,324	208,687	223,677

Source: Land Registry 2010

- One noticeable factor from looking at both tables (sales and average prices) for Pennine Lancashire is that property values have fluctuated over the past eighteen months (Figure 9), falling and then rising, however it

seemed sales were slowly picking up until 2010 first quarter sales figures appeared.

Table 8 Pennine Lancashire Sales Figures

	2005	2006	2007	2008	2009	2009
	Sept	Sept	Sept	Sept	Sept	Dec
<i>BwD</i>	838	946	774	345	331	439
<i>Burnley</i>	993	859	738	256	216	283
<i>Hyndburn</i>	603	619	422	220	190	238
<i>Pendle</i>	699	765	610	237	197	294
<i>Ribble Valley</i>	300	393	291	150	127	198
<i>Rossendale</i>	405	440	440	184	137	209
<i>Pennine Lancashire</i>	3,838	4,022	3,275	1,392	1,198	1,661
<i>NORTH WEST</i>	36,136	41,885	42,492	15,431	13,153	20,703
<i>ENGLAND & WALES</i>	279,791	336,785	338,119	138,487	130,157	197,981

3.5 Mortgages / The Future Market

- Over the past two years lenders have been forced to ration mortgages to those who can put down a large deposit, with widespread fears that the current mortgage drought will become even worse in the coming year.
- Net mortgage lending in 2008/09 fell by 94%
- Thus the rapid growth in borrowing seen in the past decade has slowed almost to a trickle and may slow much further under the impact of the recession.

However mortgage approvals for the last quarter of 2009 have picked up year on year comparison, suggesting that lending for house purchase may have reached its bottom and now is started to slowly rise up again.

- House purchase lending increased by 45% year on year in March 2010, making it the ninth month of year on year growth, according to figures released by Council of Mortgage Lenders (CML). Remortgaging, however, was 29% down year on year, the 23rd consecutive monthly fall.

3.6 Repossessions

- Nationally, repossessions as a proportion of all mortgages remained steady at 0.09% in the first quarter of 2010. The number of repossessions was 9,800, down from 10,600 in the previous quarter and 13,200 in the first quarter of 2009.
- There is a risk that higher interest rates or unemployment would tip into arrears a number of finely balanced households who are currently coping, and would undermine the capacity of households struggling to get back on their feet.
- CML director general Michael Coogan commented: *“With all eyes on the new government and what steps it will*

take to address the fiscal deficit, we cannot emphasise too strongly the importance of continuing to fund the support mechanisms that are proving effective in containing mortgage arrears and reposessions.”

- During 2009 the Accrington court issued 195 mortgage possession claims leading to orders, 40% lower than the previous year, with the 4th quarter of 2009 40% lower than the 4th quarter of 2008 with just 40 mortgage possession claim leading to orders.
- There is a similar pattern across Pennine Lancashire with 42% reduction in Blackburn with Darwen, 45% reduction in Rossendale, whilst smaller reductions in Burnley with 18% and 15% in the Ribble Valley.
- Landlord Possession claims leading to orders also fell in 2009 with a reduction of 17% in Hyndburn and 10% fall across the North West.

3.7 Affordability

- Despite some of the lowest house prices in the country, household income levels are still insufficient to allow people to access the housing market. Access to large deposits is restraining first time buyers from entering the market. This issue will continue to exacerbate other

market indicators such as sales volumes and stock condition.

- The latest 2009 position shows an average first time buyer in Hyndburn would need 3.5 times their income to buy their first home. This consists of the average house price to average household income.
- This is the lowest level since 2005, however considerably higher than the 2002 figure of just 1.8. The average across Pennine Lancashire is 4.6, with Ribble Valley being the highest with 7.6 and Burnley being the lowest with 3.1.
- As mentioned on page 14 the recession has made the delivery of affordable homes more challenging than ever. Developers, who play a key role in ensuring the delivery of affordable housing, cannot afford to do so with lack of access to public finance.
- Government has provided ‘KickStart’ funding to help restart stalled housing projects and local authorities continues to work with developers in negotiating elements of affordable housing.
- Hyndburn has successfully managed to attract £1.16m Kickstart funding on Project Phoenix to continue with the house building programme.

3.8 Affordability in the Private Rented Sector

- The private rented sector has been playing its part in helping to provide affordable housing and assisting household formation. The private rented sector is at least five times smaller than the owner occupier market, whilst accounting for the same number of households moves each year.
- The Local Housing Allowance (LHA) is an indicator measure of affordability in the private rented sector, as it provides guidance for the level of housing benefit paid to households on low incomes living in private rented sector tenancies. There is current Government review taking place on the LHA. Research by Crisis (national charity for single homeless people) suggests that the vast majority of people on housing benefit are trapped in a cycle of unemployment and poverty and are struggling to make ends meet.
- LHA data is calculated by the Valuation Office Agency. It is calculated on the basis of sharing a room for one to five bedroom properties. In Pennine Lancashire Burnley and Pendle (West Pennine) operate in one Broad Rental Market Area (BRMA) with Blackburn, Hyndburn, Ribble Valley and Rossendale operating on another (East Lancs).

- As mentioned above, LHA is based on ‘standard local rent’ (Broad Market Rental Area), which is set according to the number of rooms a household would need and how much rent private landlords charge for similar properties in the area. However, in some cases the standard local rent is lower than the amount a household maybe paying for their home, because they’ve either choose a larger property or one in a better condition. On these occasions the household would have to pay the difference and in a number of occasions households struggle to afford to pay the actual difference.

Table 9 Broad Rental Market Area (per week)

	East Lancs (Blackburn, Hyndburn and Ribble Valley)	West Pennine (Burnley & Pendle)
1 Bed Shared	£51.00	£59.00
1 Bed Self Contained	£84.89	£79.00
2 Beds	£92.05	£86.30
3 Beds	£113.92	£103.56
4 Beds	£159.95	£149.59
5 Beds	£166.85	£195.62

Source: Valuation Office Agency (June 2010)

Glossary

Affordable Housing

Includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below the cost of housing typically available in the open market.

Business Start Ups

The number of new businesses starting up in a year. This includes VAT registrations and those enterprises VAT exempt and below the threshold.

Current Need

Households whose current housing circumstances at a point in time fall below accepted minimum standards. This would include households living in overcrowded conditions, in unfit or seriously defective housing, families sharing, and homeless people living in temporary accommodation or sharing with others.

Enterprise

An **enterprise** is roughly equivalent to a single business, company or firm. Commonly used in other analyses is the local unit, which is roughly equivalent to a single branch or site. Since

many businesses have more than one branch or site, figures for local units are higher than those for enterprises. An **active enterprise** is one that had turnover and/or employment at any time during the reference year. Since some of these enterprises are not registered for VAT and/or PAYE, the number of active enterprises is higher than the number of VAT-registered and/or PAYE-registered enterprises.

Future Need

This consists of new household formation (proportion unable to buy or rent in the market), and existing households falling into need.

Housing Need Assessment

A survey carried out to provide accurate information on housing need, taking into account the existing backlog of unmet need and newly arising need. It also includes details of the accommodation required by type, size, tenure and affordability.

Intermediate Housing

Below market entry to rent or buy such as part rent part buy home share schemes.

Job Density

Job density is the ratio of filled jobs in an area divided by the number of people of working age resident in that area.

Local Housing Allowance

LHA is the new name for housing benefit for the private rented sector. Data is collected by the Valuation Office Agency (VOA) and works across a Broad Rental Market Area (BRMA).

Lower Quartile

The value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

LSOA (lower super output area)

LSOAs are new national geography for collecting, aggregating and reporting statistics. Lower level SOAs are made up from few groups of Census Output Areas, have an average of 1500 residents and nest within wards.

Median

The median is an alternative way of calculating the average. It is a middle value of the distribution where the distribution is sorted in ascending or descending order.

Non Decent Homes

The term 'decent home' means that the property has no Category 1 or 2 hazards taken from the Housing Health and Safety Rating System (HHSRS), and is in a reasonable repair, with reasonably modern facilities and with a reasonable degree of thermal comfort. The term '*non decent home*' is the number or proportion of properties not meeting the standard.

Support Needs

Relating to people who have specific needs: such as those associated with a disability.

Unsuitable Housing

All circumstances where households are living in housing which is some way unsuitable, whether because of its size, type, design, locations, condition or cost. Households can have more than one reason for being in unsuitable housing, and so care should be taken in looking at the figures: a total figure is presented for households with one or more unsuitability reason, and also totals for the numbers with each reason.

APPENDIX 1 - Statistical Information

	Population	House holds (* not Housing Stock)	Owner Occupied (%)	Social Housing (%)	Private Rented (%)	Support Needs (%)	Average Price	Median Price	Lower Quartile	Vacancy + 6mths (%)	Unsuitable Housing (%)	House hold Income (£)	Affordability Ratio
Altham	5,792	2,127	83.6	9.0	7.4	20.0	£117,936	£110,000	£80,000	2.98	4.6	£36,500	3.2
Barnfield	4,404	1,991	65.6	20.4	13.9	27.7	£72,723	£66,400	£34,000	8.24	12.2	£29,000	2.5
Baxenden	4,131	1,662	94.4	3.0	2.6	18.4	£157,516	£128,000	£105,000	1.93	4.7	£37,500	4.2
Central	5,013	1,898	67.8	20.3	11.9	28.3	£74,381	£68,000	£59,000	8.65	21.4	£20,500	3.6
Church	4,853	2,189	60.5	26.9	12.5	33.6	£62,617	£60,000	£36,000	5.81	16.4	£22,000	2.8
CLM	4,899	1,990	74.9	14.0	11.1	19.4	£105,261	£91,000	£66,000	3.66	11.8	£33,500	3.1
Huncoat	4,458	1,944	80.3	14.9	4.8	20.9	£132,176	£130,000	£106,000	2.29	7.8	£35,500	3.7
Immanuel	4,437	1,985	75.3	18.2	6.6	26.0	£102,671	£91,500	£81,000	3.28	8.0	£32,000	3.2
Milnshaw	4,477	1,881	74.0	21.6	4.4	31.6	£84,683	£83,000	£65,000	3.46	4.6	£28,000	3.0
Netherton	4,638	1,999	79.1	9.3	11.6	23.3	£122,968	£84,950	£57,000	5.56	15.1	£28,000	4.4
Overton	6,569	2,738	81.1	12.9	5.9	19.2	£151,389	£120,000	£96,000	2.65	7.4	£33,500	4.5
Peel	4,429	2,133	78.0	5.8	16.2	23.5	£66,885	£66,000	£54,000	5.17	13.2	£26,500	2.5
Rishton	6,981	2,988	79.3	9.7	10.9	26.0	£111,685	£90,000	£60,000	3.39	5.4	£32,000	3.5
Spring Hill	5,376	2,057	65.0	19.6	15.3	32.1	£60,809	£60,000	£45,000	7.96	26.3	£25,000	2.4
St Andrews	4,609	2,017	70.2	20.1	9.6	20.7	£68,566	£63,500	£45,500	2.70	8.0	£29,500	2.3
St Oswalds	6,549	2,602	96.8	1	2.2	22.7	£123,375	£117,500	£95,000	1.43	5.2	£35,500	3.5
Hyndburn	81,615	34,500	76	14	10	24.5	£88,456	£78,000	£55,833	4.08	10.5	£30,500	3.5

Source: 2009/10 data