



**Portsmouth**  
**CITY COUNCIL**



## **BUDAPEST**

**21st & 22nd April 2004**

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# HOUSING IN GREAT BRITAIN



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## HOME OWNERSHIP (70%)

- Most popular tenure
- A good investment
- Government encourage home ownership

## PRIVATE RENTING (10%)

- Landlords rent for profit

## SOCIAL HOUSING (20%)

- For those on state benefits/grants
- Income not sufficient to fund a mortgage



## Regional differences - The 'North and South' divide

	<b>SOUTH</b>	<b>NORTH</b>
House prices	HIGH	LOWER
Work/job prospects	GOOD	BAD
Land availability	LOW	HIGH
Empty Social Housing	LOW	HIGH
Demand for Social Housing	HIGH	LOW



# HOUSING IN GREAT BRITAIN

## SOCIAL HOUSING

- Traditionally provided by local councils
- 1980's 'Right to Buy' introduced
- Councils stopped building
- Housing Associations became the main providers of new social housing



# PORTSMOUTH HOUSING FACTS & FIGURES



# Portsmouth Housing Market



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## Key Facts

- Stable population (around 187,000) over the last 20 years
- Increase in household formation (up 16% between 1981 and 2001)
- Population density is 45 persons per hectare – higher than any urban area in England (excluding London)
- Dwelling stock is over 50% terraced housing
- Dwelling stock is over 50% pre-1919
- Around 6,470 properties, or 9% of the city's dwelling stock, were considered unfit for habitation in 2003. None of the City Council's dwelling stock is considered unfit.

# Portsmouth Housing Market

## Housing Tenures



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- Owner occupied – 64.8%
  
- Local authority rented – 13.3%
  - 16,500 homes (6,000 in Havant Borough Council)
  - 1,200 leaseholders
  - 250 Right to Buy applications per year
  
- Private rented – 12.9%
  
- Housing Association rented – 5.2%
  
- Other rented/tied accommodation – 3.8%



# Portsmouth Housing Market

## Property Prices

- Current average property price = €92,495
- Detached houses = €185,803
- Semi-detached houses = €106,572
- Terraced houses = €88,579
- Flats/Maisonettes = €71,686
- According to a recent report by the Joseph Rowntree Foundation, over half of the working population in Portsmouth cannot afford to buy a property in the city, even in the bottom 25% of the market



# Portsmouth Housing Market

## Rents

- Average household incomes in the “Heart of Portsmouth” are less than €114 (Net) pw
- Average private sector rent = € 82 pw (estimate)
- Average LA rent = € 36 pw
- Average RSL rent = € 42 pw



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# PORTSMOUTH HOUSING ISSUES

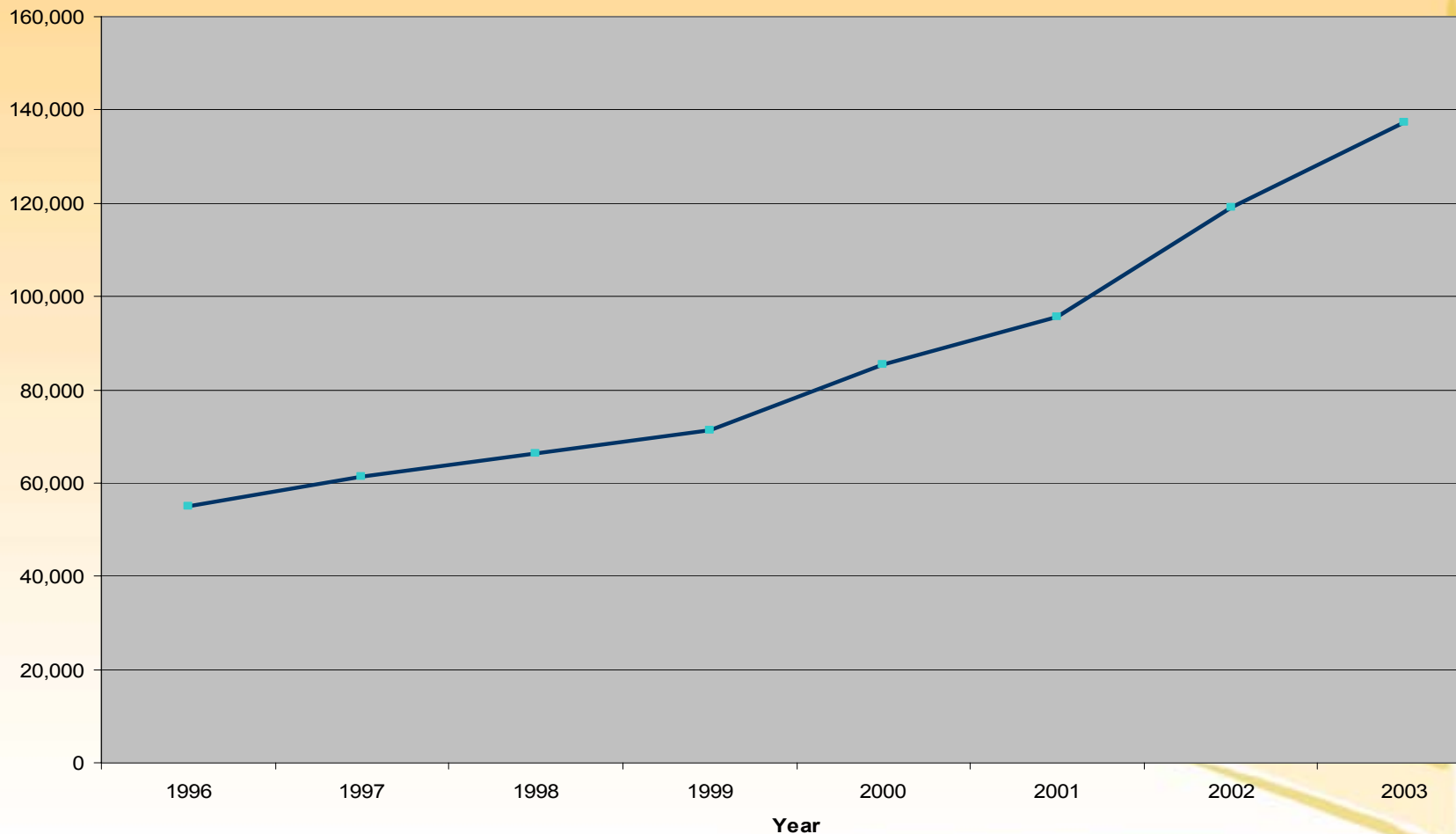


# RISING HOUSE PRICES



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## Average Property Prices in Portsmouth - 1996 to 2003

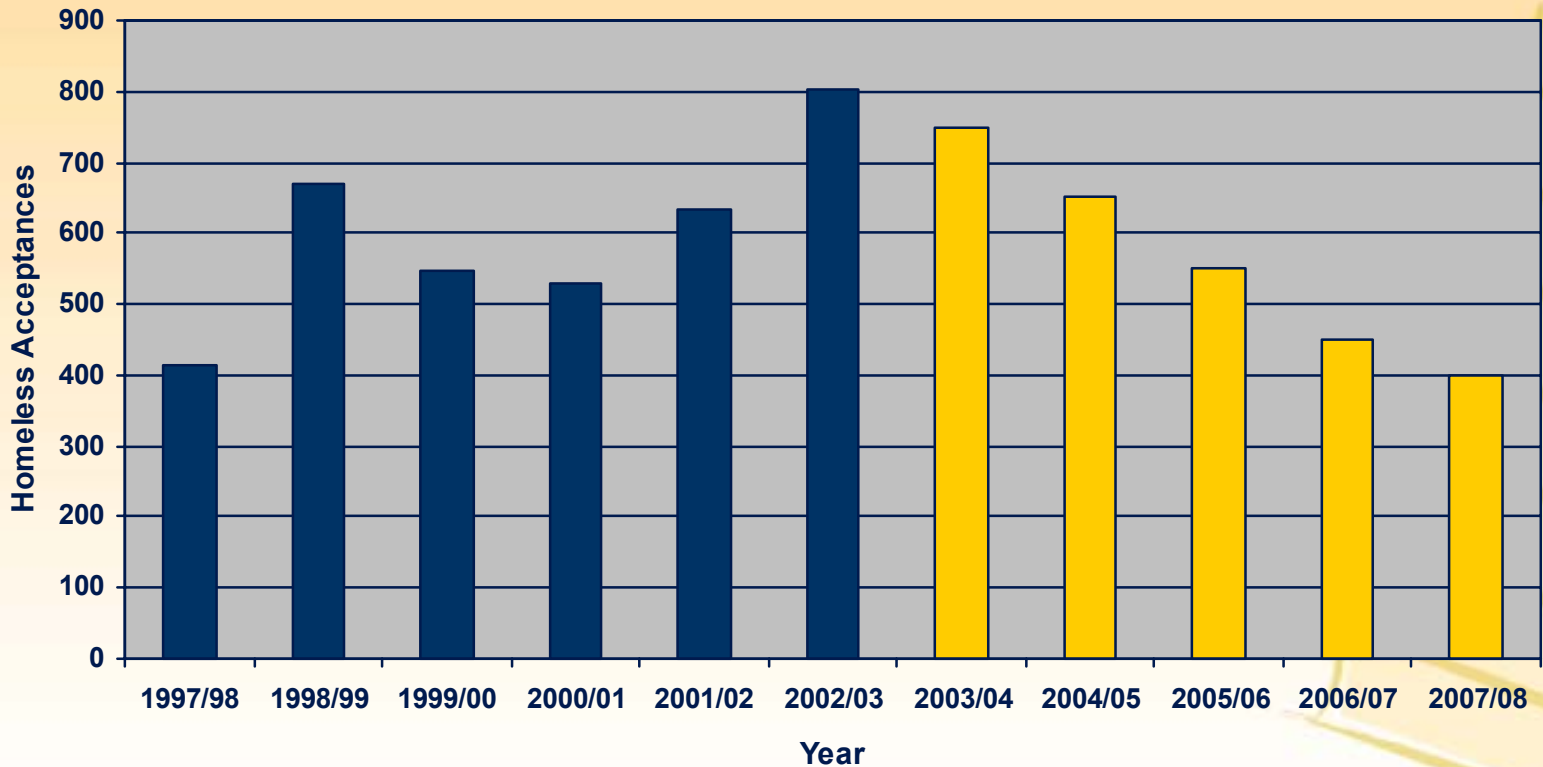


# Rising Homelessness



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## Homeless Acceptances in Portsmouth - 1997 to 2008

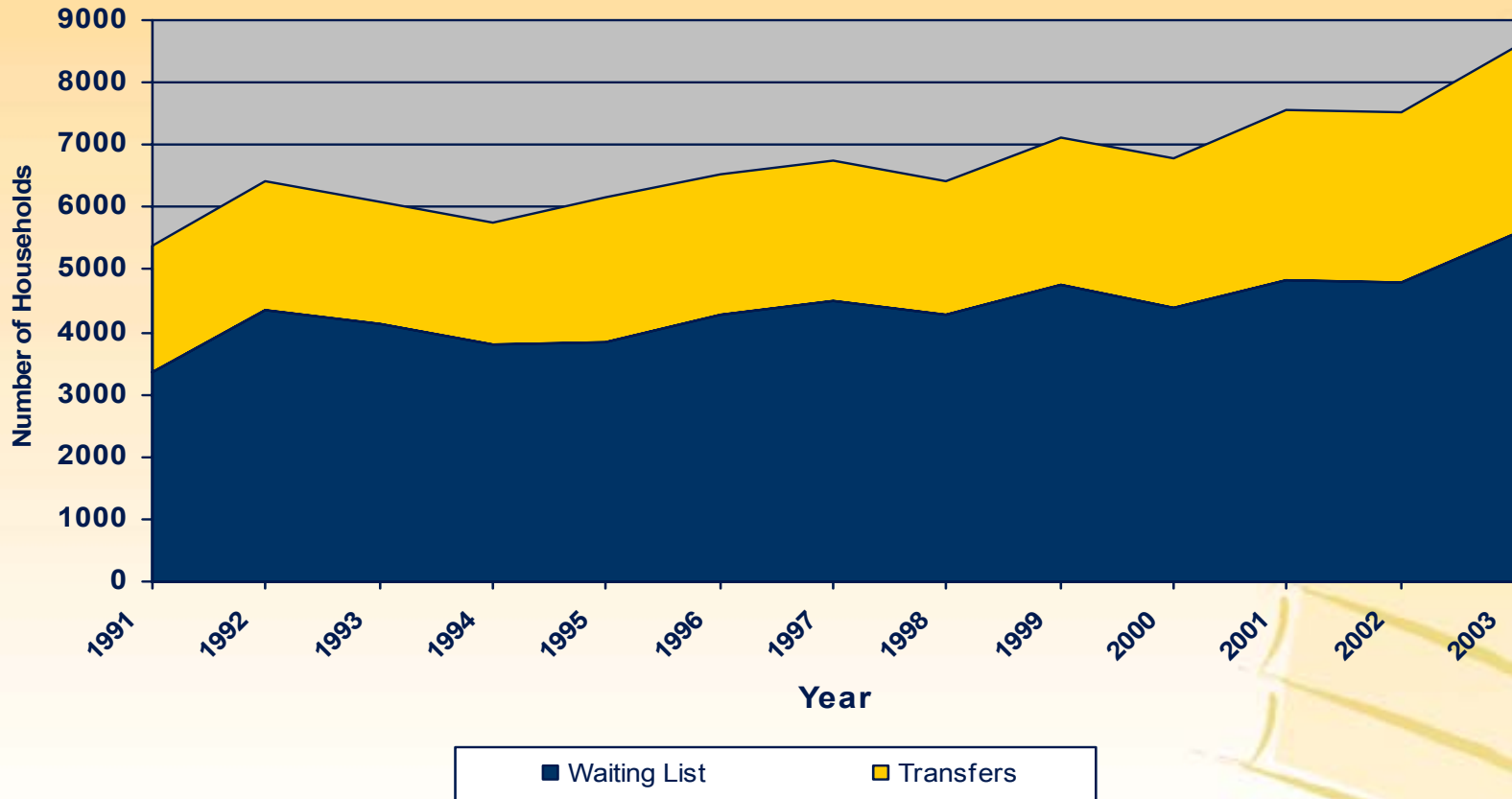


# Rising Housing Demand



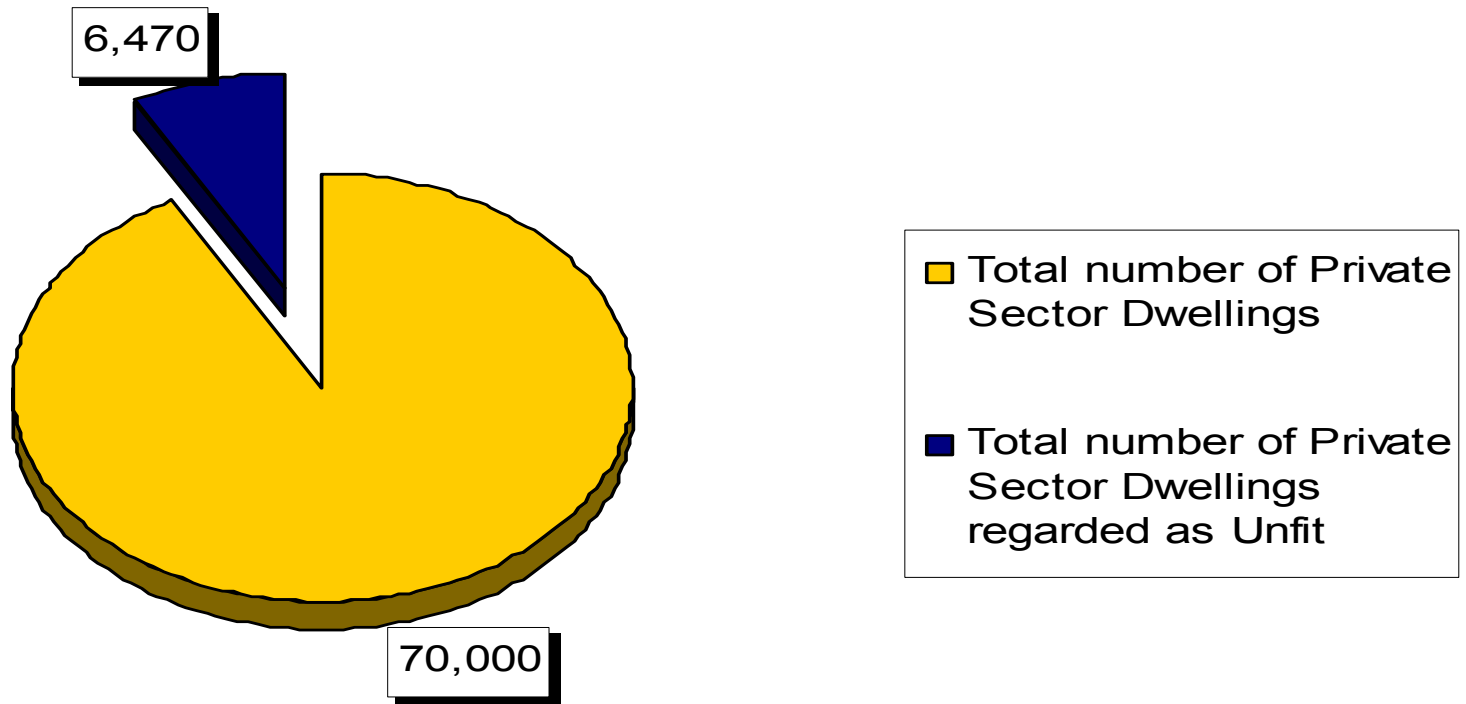
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## Portsmouth Housing Register - Waiting List and Transfers 1991-2003



# CONDITION OF THE PRIVATE RENTED SECTOR

## PRIVATE SECTOR HOUSING



9.00% of all private Sector housing is regarded as unfit to live in.

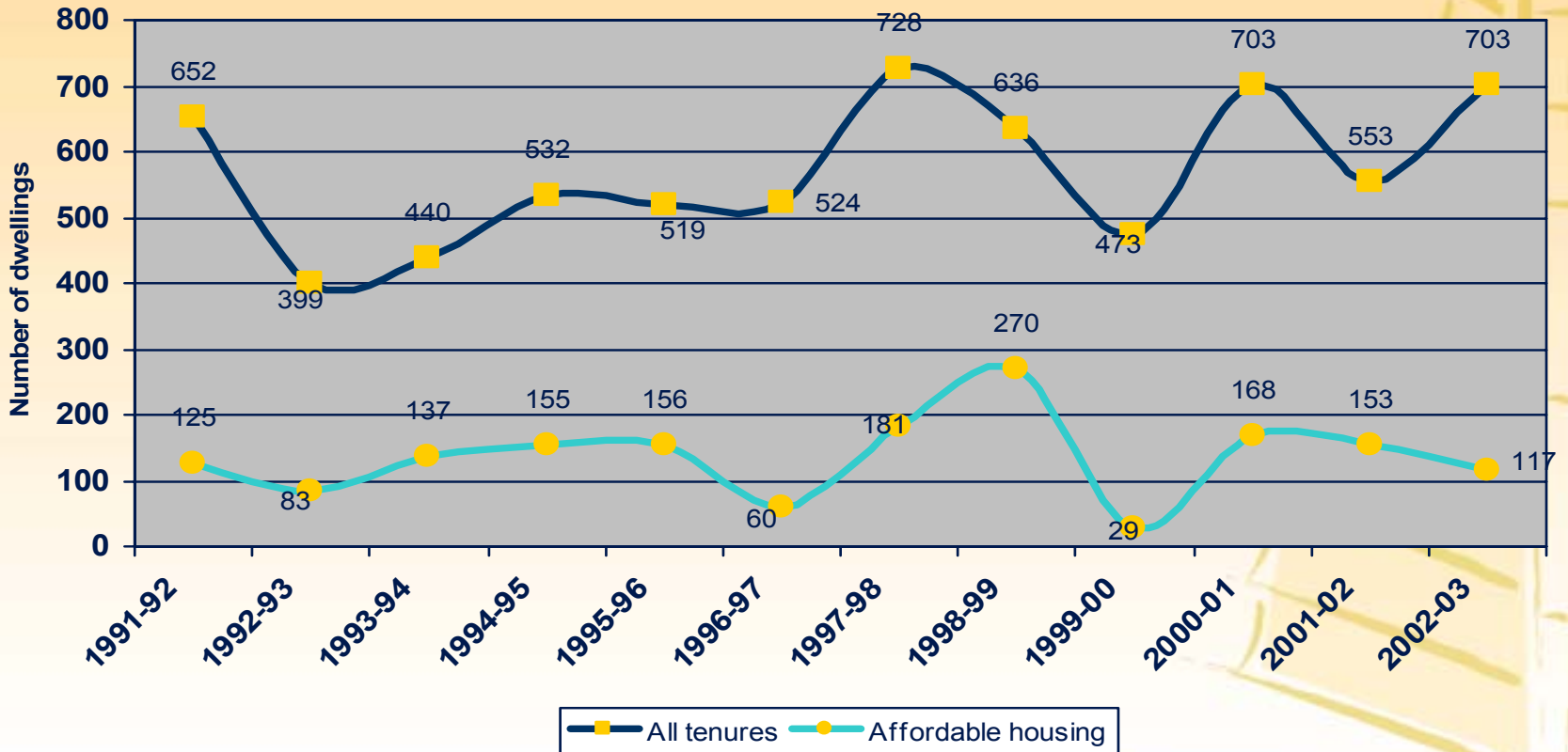
A private sector housing strategy has been developed to address this problem

# Shortage of Housing - Supply



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## PORTSMOUTH DWELLING COMPLETION TRENDS Total and affordable completions compared



# PORTSMOUTH HOUSING ISSUES



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## A SUMMARY

- Rising House Prices
- Homelessness Hot Spot
- Rising Waiting List
- Condition of the Private Sector
- Lack of Social Housing
- Shortage of developable land



# DECENT HOMES AND ENVIRONMENT





# DECENT HOMES

- July 2000 Government spending review
- ‘Offer everyone the opportunity of a decent home’
- Raise the quality of Social Housing
- Bring all Social Housing up to a Decent Standard by 2010
- Guidance issued July 2001



# WHAT IS A DECENT HOME?

- Wind and weather tight
- Warm and has modern facilities
- Has to meet four main criteria



# DECENT HOMES



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- ‘A’** It meets the current statutory minimum standard for Housing
- ‘B’** It is in reasonable state of repairs
- ‘C’** It has reasonable modern facilities and services
- ‘D’** It provides a reasonable degree of thermal comfort

# GENERAL PRINCIPLES



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- It is a minimum standard
- Not expected to make homes decent if this is against the Tenant's wishes
- Expected to carry out only that work which contributes to making a home decent

# DECENT HOMES



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- Stock at the 1st April 2002 = 16,612
- Non-decent at the 1st April 2002 = 8,476
- Number made decent during 2002/03 = 894
- Number becoming non-decent during 2002/03 = 150
- Non-decent at the 1<sup>ST</sup> April 2003 =  $8,476 - 894 + 150 = 7,732$
- Proportion of stock non-decent at the 1st April 2003 = 46.5%
- Stock at the 1st April 2003 = 16,234
- Programmed for 2003/4 = 890



# DECENT HOMES

- From the 01/04/03 to 31/03/04 we will complete 1400 new heating systems
- Plus an extra 176 homes fitted to a new CHP system
- Since the partnership started we have installed 2,760 new heating systems



## DECENT HOMES

- 1<sup>ST</sup> APRIL 2003 we had 7,341 homes needing central heating
- By 1<sup>ST</sup> APRIL 2004 we will have only 5,765 homes to complete
- At the present rate of installations we should complete in 4 years



# HOUSING BENEFIT

## Helping People Pay their Rents



# Housing Benefit

- Helps people on low incomes pay their rent
- Is 95% funded by Central Government and 5% from Local Authority income
- Can be paid on most types of rented accommodation



# How does Housing Benefit Work?

- Central Government set minimum amounts for people to live on
- This is based on the number of people in the household
- And any special circumstances i.e. being disabled
- If the households weekly income is the same or lower than the set amounts:
  - The entire eligible rent will be covered by Housing Benefit

# Housing Benefit



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Example:

Single person with one child with an income of £113.87 per week

Central Government set amount for this household is £113.87 per week

Their eligible rent is £150 per week

**Housing Benefit will pay £150 per week**



# Housing Benefit

- If the households weekly income is more than the set amounts:
- 65% of the difference between the set amount and the income has to be paid by the claimant toward their rent.
- Housing Benefit will pay the remainder of the eligible rent

# Housing Benefit



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## Example:

Family of four (2 adults and 2 children) earning £200 per week. Central government set amount for this household is £187.79 per week

Their eligible rent is £100 per week

Earnings £200 - set amounts £187.79 = £12.21

£12.21 x 65 % = £7.94 the family pay this toward their rent

Rent is £100 - £7.94 = **£92.06 will be paid by Housing Benefit**



# Housing Benefit

## General Rule

- Greater income = less Housing Benefit
- When 65% of the income is equal to or greater than the eligible rent no entitlement to Benefit



# Housing Benefit

## General Housing Benefit Information

- People are encouraged to claim Housing Benefit when they apply for other State Benefits
- For private tenancies, Housing Benefit will only cover rent that is deemed reasonable. This is based on a valuation, which is carried out to determine how much the property is worth for rental purposes.
- Housing Benefit can be paid direct to the Landlord, to the customer or in the case of Local Authority rents, directly onto the rents accounts.
- Central Government financially reward Local Authorities who administer Housing Benefit correctly, on time and when fraud is identified.