

foundations

Insights into low demand for housing

Pat Niner draws on a number of recent research projects supported by the Joseph Rowntree Foundation which give insights into the phenomenon of 'low demand' for housing.

The realities of low demand

- Areas of low demand for housing - shown in high vacancy levels, rapid turnover, short or absent waiting-lists and falling house prices - occur across all housing tenures and in all parts of the country. Low demand affects some areas very severely (especially in the North of England), even though (between 1991 and 2016) homes for an extra 4.1 million households are needed in England.
- Geographical patterns of neighbourhood dissatisfaction correspond to areas which people are moving away from and where demand for housing is low.
- Low demand is often associated with negative stereotyping of an area by the wider local population; this stereotyping seriously lowers residents' quality of life.
- Low demand allows some households to move very frequently. These households are sometimes seen as disruptive elements, but are often victims, fleeing from harassment, violence or family disputes.
- A strong sense of community is important for a neighbourhood's well-being but can sometimes create problems for newcomers, and in these cases it can contribute to low demand.

Issues for policy and practice

- National, regional, district, local and individual factors all affect low demand. Programmes and proposals for tackling the problems are therefore often needed at all these different scales.
- Tackling low demand requires a co-ordinated approach ('joined-up thinking'). Regeneration and employment initiatives, intensive housing management, local policing and resident involvement are all necessary ingredients. Responses to changing employment and migration patterns in a city or region are also required.
- Some promising policy initiatives have had unforeseen adverse consequences and what works in one place does not necessarily work in another. However, there is a wide range of successful policy and practice approaches that can be applied in conjunction with careful analysis of the local situation.

When a neighbourhood becomes so unpopular that people who can exercise choice will not move there, communities become demoralised and a sense of dereliction accompanies the boarding-up of properties. It leaves housing resources under-used and can hamper the regeneration of neighbourhoods.

These problems have shot up the policy agenda recently. This *Foundations* explores recent JRF research projects to present some of the insights they provide on the causes and implications of low demand for housing.

Low demand occurs across all housing tenures, although most attention has been focused on the social rented sector. High vacancy levels, short tenancies, high turnover, short or absent waiting-lists and high numbers of people turning down offers of housing, all indicate low demand for rented property. In the owner-occupied sector, low demand can lead to large numbers of empty houses, a stagnant market, low/falling house prices and, in the extreme, abandonment of properties. Low demand has been observed in all parts of England, but it is particularly severe in the northern regions.

Low demand in some areas coexists with increasing housing need nationally

Accounts of low demand at a time when forecasts suggest that more than four million extra homes are needed in Britain over the next twenty years seem perverse. Similarly, estimates of newly arising need for subsidised rented housing in the region of 90,000 homes a year (plus a backlog of around half a million) seem questionable when there are regular references to letting difficulties and demolition of local authority and housing association homes. Alan Holmans has examined this apparent paradox in some detail. His conclusions, that local changes in population and employment are consistent with low demand existing in some areas at the same time as national housing need is rising, are summarised in the box (right).

The case for increasing housing need

Looking at trends since 1991, Alan Holmans concludes that there is little to challenge earlier estimates of future housing needs. The adult population in England as a whole rose more rapidly than projected between 1991 and 1997, and household formation seemed to be broadly as expected. However, more of this net increase in population and households occurred in the South of England than anticipated. Especially since 1993, the net numbers of people moving out of the three Northern regions (and to a lesser extent the West Midlands) increased. The numbers moving out of the metropolitan areas have been particularly marked. This links with work by Ivan Turok and Nicola Edge on shifts in the location of employment. The twin processes of de-industrialisation and the shift of employment from urban to rural areas have led to the relative and absolute decline of employment in the major cities of Britain, with some northern conurbations being the worst affected. Thus employment change and population migration patterns are consistent with increasing 'low demand' for housing in the areas affected, whilst the overall demand for housing in England increases.

Both Holmans and Hal Pawson note the trend to higher turnover in the social rented stock. This is due to increased use of the private sector, perhaps in response to the growing 'stigmatisation' of social housing, but facilitated by wider housing market trends which have made owner-occupied housing more affordable and increased the supply of private tenancies at a time when real rents in social housing have risen sharply. Since 1993/94 the increase in the rate of departures from social rented housing has been sharper in the North of England than in the South, leading to local surpluses of social rented housing in some areas.

These findings reinforce earlier JRF reports which indicated that simple national housing policy approaches are inadequate for the problems that different regions face.

Global, local and individual factors underlie low demand

Seeking to explain why properties in a particular street are boarded-up and impossible to let or sell therefore requires an analysis which encompasses everything from global economic shifts (and consequent employment and population movements) to reactions to the behaviour pattern of an individual family. A number of studies have identified factors at the national, regional and local level.

Anne Power and Katharine Mumford, for example, identify major historical factors leading to both people and jobs moving out of Britain's inner cities. They note:

When once a city exodus has gathered momentum, the most disadvantaged neighbourhoods suffer

disproportionate losses. Critical factors driving actual abandonment are:

- the history and reputation of an area which deters ambitious newcomers
- the decayed environment, especially where there are boarded-up and abandoned homes and other buildings
- easy access to better housing in better neighbourhoods
- the management problems facing local authorities
- the gradual breakdown of social stability leading to anti-social behaviour, crime and fear.

It is thus clear that *demand* to live in particular areas is as important as housing need in determining an area's fortunes. Analysis by Roger Burrows and David Rhodes, described in the box (below), shows that dissatisfaction with some neighbourhoods may underlie patterns of low demand.

Dissatisfaction with some neighbourhoods may underlie patterns of low demand

Housing demand, as well as housing need, now has to be considered when assessing housing requirements. In many parts of the country there is no absolute shortage of housing, and households can exercise more choice over where they live and how long they stay. In this context, the factors which make some homes and areas more attractive than others become critical.

Roger Burrows and David Rhodes looked at some of the factors associated with area dissatisfaction, drawing on the 1994/95 *Survey of English Housing*, to examine the characteristics of those residents expressing high levels of dissatisfaction with the neighbourhoods in which they live.

A number of points emerge:

- Five factors were perceived as major problems in their neighbourhoods by more than one in ten households: crime, dogs, leisure facilities, vandalism and hooliganism, and litter and rubbish. Other studies reinforce the importance of crime/fear of crime and vandalism as features of low demand areas.
- Seven per cent of owner-occupiers were dissatisfied with their area, compared with 10 per cent of private tenants and 18 per cent of social housing tenants. The increasing movement from the social rented sector to both owner-occupation and private renting may be related to this.
- The level of dissatisfaction varied with the type of accommodation; among private tenants it varied with social class and among social housing tenants it varied with employment status.
- Levels of dissatisfaction in the North of England and in London are about double the levels in the South.
- Out of 13 counties where more than 10 per cent were dissatisfied with their neighbourhoods, 10 were in the North of England. The others were Inner and Outer London and the West Midlands.

This 'geography of misery' is something of an abstraction, calculated by applying probabilities of dissatisfaction to local populations in line with their socio-economic and housing characteristics. However, patterns of household movement suggest that dissatisfaction may indeed be fuelling the household choices which underlie low demand.

Low demand is a real problem for local areas

Case-study work sheds more light on some of the local demand factors involved. This includes research by Power and Mumford in four neighbourhoods in Manchester and Newcastle, studies by Martin Wood and Clive Vamplew of two disadvantaged estates (St Hilda's in Middlesbrough and Norton Grange in Stockton-on-Tees) and by Keith Richardson and Peter Corbishley of frequent movers in the West End of Newcastle. These Northern areas were suffering (or had suffered) from low demand for housing to a greater or lesser extent, and were typified by low levels of economic activity, high population turnover and poor reputation. The studies are particularly valuable for giving the perspectives of people who live and work in the neighbourhoods. Their findings generally endorse those from other studies.

Financial implications for landlords and owners

Low demand appears in most accounts as an unequivocal problem. Certainly it is a problem for landlords faced with the task of managing properties where turnover is high, new tenants are hard to find, and where failure to find tenants can lead to decisions to demolish sound homes not yet paid for. It is equally a problem for owner-occupiers trapped by negative equity or by falling prices which mean an asset becomes a liability - Power and Mumford quote property values in one neighbourhood falling from £28,000 in 1989/90 to £5,000 in 1998, and from £23,995 in 1991 to having no value at all in 1998.

Negative stereotyping

Residents in St Hilda's and Norton Grange felt that their neighbourhoods were negatively stereotyped by the wider population who saw them as areas with high crime rates, children out of control and so on. Residents thought they were stigmatised and excluded from the wider population because of their address which:

- weakened their right to be protected by the police – they felt they got less response from police than other areas;
- made it more difficult for them to get jobs;
- gave them unequal access to educational opportunity – local schools generally performed less well than elsewhere;
- denied them access to credit and services – in one instance, leading to a resident being refused a dog from an animal rescue organisation.

The evidence, then, suggests that we are generally right to see low demand and its consequences as revealing and exacerbating social problems.

A strong sense of community can have negative as well as positive impacts

All the studies stress the importance of a sense of community. Residents of St Hilda's and Norton Grange frequently used the term 'community' in describing what was felt to be good about the area. Definitions of 'community' included: looking out for one another, being there for each other, caring for one another, being known and knowing everyone, and being friendly. In St Hilda's there was a sense of a golden era in the past and of 'community lost', although there was still a core community bound by close and complex ties of kinship and friendship. In Norton Grange, active residents often described their main objective as re-establishing community.

Many studies quote examples of successful community initiatives aimed at increasing security, aiding regeneration and providing inputs to housing management and housing allocations. However, a very striking common theme - less widely recognised - is the negative side of 'community':

"The negative side of community that exists is that it can be very parochial. Anyone born more than half a mile away is an alien. Anyone who's different in any way is not made to feel welcome at all."

"The attitudes stink - unless you have lived there for the last ninety years nobody wants to know you."

At the extreme, newcomers can be harassed and intimidated, their homes can be broken into and burgled. Over a third of frequent movers interviewed in a study by Richardson and Corbishley said that they had moved because of burglary or to get away from neighbours. Some had experienced frequent harassment and victimisation by neighbours:

Marie - her life includes the violence of her father to her mother, her mother's desertion, the violence of her first husband, harassment because of a murder committed by a flatmate, a criminal record, difficulties at school, the training she has to accept even though she feels it to be useless, the attitudes of the medical profession, the removal of her children, whom she lost as her mother left her, and repeatedly being 'scalped' (burgled).

Wood and Vamplew note that, to some extent, burglary and thefts may be used to 'position' newcomers by

letting them know their situation within the community, perhaps that they are outsiders stepping into another community's territory. If so, it is scarcely surprising that those who can step out again do so quite quickly. People were found to have different attitudes to crime and acceptable behaviour. Advocating that residents should take a stand against crime by reporting perpetrators could confirm someone's status as a newcomer and justify further harassment.

Frequent movers can be seen as disruptive elements in previously stable communities. Yet Richardson and Corbshley came to see many frequent movers in Newcastle's West End as victims rather than culprits. All the frequent movers they interviewed had had a traumatic childhood or adolescence; they had lived with parents or guardians who could not provide them with the support to deal with these traumas. This then led to them leaving home as soon as possible. Their experiences did not equip them for adulthood, and their attempts to provide themselves with some stability by forming their own families were often ill-fated, so they moved on, "looking for love". Surplus housing permits flight from harassment, violence or family disputes but does not cause it - nor does it solve anything.

Defensive community responses to long-term disadvantage and stigmatisation are understandable in sociological terms, but can threaten successful regeneration. Clearly the dark as well as the bright side of 'community' must be acknowledged.

Tackling low housing demand requires a new policy framework

Some policies to tackle low demand have backfired

There have been policy successes. For example, regeneration has had an enormous impact on Norton Grange. A housing association development initiated by residents has resulted in an attractive estate being built on previously derelict land. Crime has often been greatly reduced. Social housing is being marketed more widely and anti-social behaviour is being tackled. But some actions carried out with the best of intentions seem to have backfired, and can now almost be seen as part of the problem.

Power and Mumford identify Britain's interventionist slum clearance and mass council housing programme as major factors in the current problems facing inner

city areas. Slum clearance broke up stable communities. The predominance of council housing in low-income cities plays a major role - originally in ensuring that the poor were housed, but today driving depopulation as the numbers wanting and able to buy have risen.

Yet these - together with suburbanisation, reduced housing densities and land-use policies which separate housing and industry - were rational responses to very real contemporary problems.

Two more specific examples of the two-edged nature of policies emerge from the studies:

- An obvious response to extreme low demand and unlettable or unsaleable housing is to remove it through selective or more wholesale demolition. Demolition, however, spreads its own blight. It explicitly signals the end of an area's useful life. There is no greater portrayal of the transience of an area than demolition. Property awaiting demolition becomes seriously vandalised, people move away from nearby homes when they can and their homes become vandalised and unusable. Small demolition plans can become bigger ones, creating greater uncertainty.
- Some regeneration initiatives have involved measures to ensure a mix of tenures, and new properties have been built by housing associations or private developers to retain local people or to attract more affluent newcomers. Once more, hindsight suggests this can backfire. In St Hilda's for example, private development has resulted in owner-occupiers being trapped in negative equity. Where housing associations built, initial lettings often attracted tenants from nearby council estates, leading to greater lettings problems there. On Norton Grange there were signs that owner-occupiers and housing association tenants were wishing to distance themselves from council tenants and to see their bit of the estate as separate, rather than diversifying and enriching the community.

A policy failure in tackling the root causes of low demand

The areas studied have been subject to selective demolition, Estate Action improvements and Single Regeneration Budget initiatives. Intensive housing management and pro-active community policing have been introduced in addition to physical works.

Residents have been involved in initiatives to a greater or lesser extent. However, despite some progress, none of the areas had unequivocally turned the corner to a sustainable future. The policies and initiatives did not seem to have affected demand for housing:

"We've got very intensive management there: allocations procedures with pre-offer checks. We've got an inter-agency task force, and we've shifted the crime and nuisance off the estate. But we have not made one jot of impact on demand."

A conclusion from the study of frequent movers sums up the situation:

In the West End of Newcastle and possibly other areas of Britain, it would appear that we have created a surplus population who live in surplus housing who have little opportunity to contribute or fully benefit from our society.

A new policy approach

Not all the conclusions are, however, as bleak as this. We are brought back to the multiple causes of low demand. These studies tell us that local problems cannot be solved solely by local action. Power and Mumford stress the importance of having programmes, powers and proposals for tackling urban and neighbourhood problems at national, regional, city, district and local

levels. The work with frequent movers highlights the importance of action for individual households too.

The studies also underline the importance of having policy approaches which bring together previously disparate strands. Tackling, managing or avoiding low demand for housing is a prime candidate for 'joined-up thinking', and initiatives under the New Deals for Employment and for Communities should have an impact. Similarly, the Social Exclusion Unit's concern with 'neighbourhood management' is a useful step.

There are no easy, ready-made answers for all circumstances. What 'works' in some places does not necessarily work everywhere and for everyone - there are no simple rights and wrongs. Can we be clever enough to understand the forces at work sufficiently to tailor approaches and to foresee the full consequences of our actions? Power and Mumford list policies and initiatives at various geographic levels and conclude that we can; that we have learned some positive lessons:

It is not inevitable that inner city areas will continue to lose people, lose control and lose viability. It is possible to make cities work. But to do so will require policies and initiatives relating to the international, national, regional local and individual level.

Reports reviewed in this *Foundations*:

Material in this *Foundations* is drawn from the following publications:

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