

Appendix 3

House Prices, Affordability and Housing Need



**Eastbourne and Wealden
Housing Market Assessments**

**House Prices, Affordability and
Housing Need**

Working Paper 3

April 2007

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Eastbourne and Wealden

Working Paper 3: Housing Need and Affordable Housing

A Working Paper

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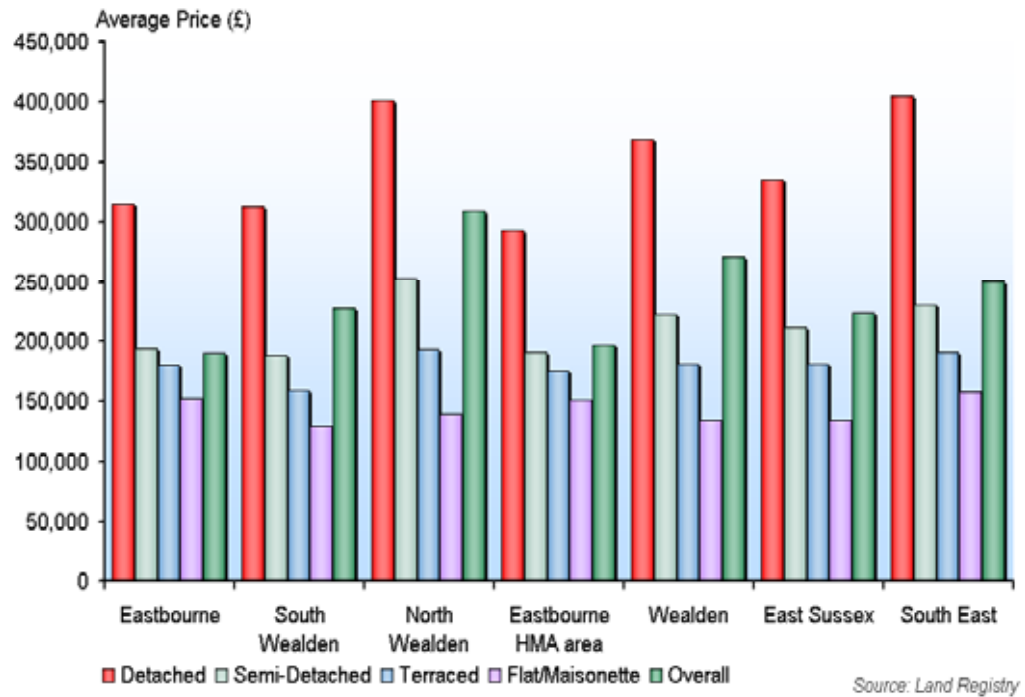
1 HOUSE PRICES, INCOME AND AFFORDABILITY

- 1.01 This paper presents evidence on the scale and nature of housing need within Eastbourne and Wealden and within the housing market areas. It is important to consider housing need within the context of house prices and affordability within Eastbourne and Wealden. Given the evidence on house prices and affordability within the market areas it is inevitable that a proportion of households find themselves unable to access housing in the open market and fall into housing need.
- 1.02 The purpose of this working paper is to establish the evidence base in relation to house prices, affordability and housing need. This paper does not present policy implications or recommendations. These will be considered by DTZ, the local authorities and their stakeholders before producing the draft HMA reports.

House Prices

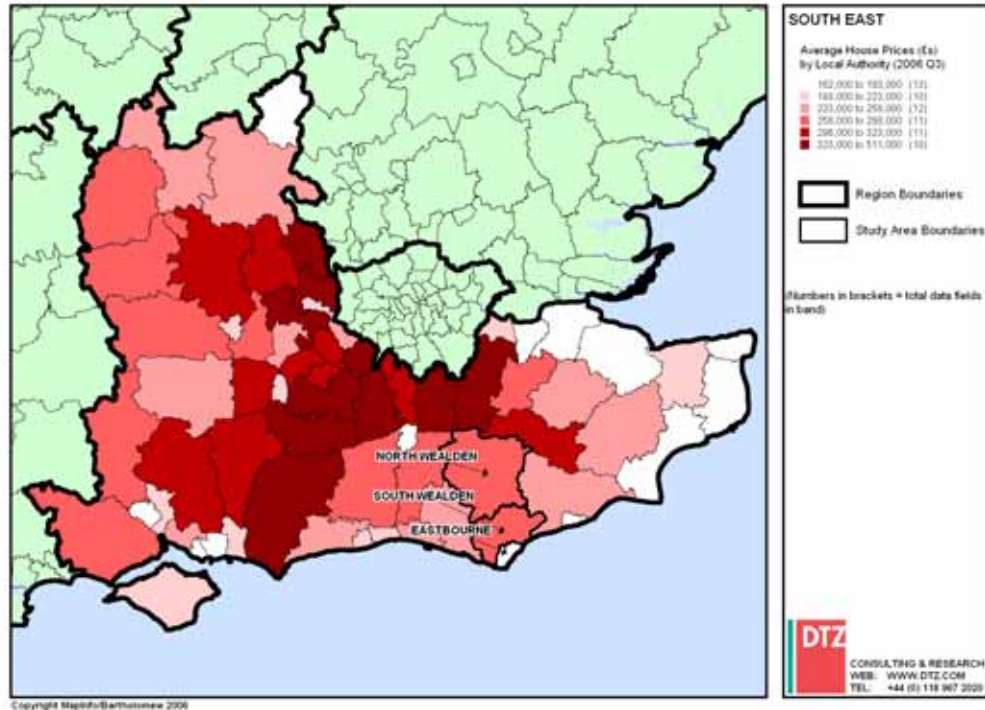
- 1.03 The latest data on house prices is summarized in Figure 1.1. Of all the areas included in this study, the highest overall average prices are found in North Wealden (£308,666). The high prices in north Wealden mean that Wealden as a whole has the second highest overall average house price (£270,433).
- 1.04 Prices in both Wealden and north Wealden are higher than the South East (£251,077) and East Sussex (£223,710) averages. Prices for south Wealden (£228,077) lie between the regional and county average, and above that for Eastbourne (£190,812). The average for the Eastbourne housing market area is approximately £7,000 higher than Eastbourne itself at £197,914.
- 1.05 Interestingly, although houses are generally cheaper in Eastbourne than the other benchmark areas, flats are more expensive in Eastbourne than in all other benchmarks apart from the South East. The South East has the highest prices in this type with Eastbourne (£152,528) and Eastbourne HMA (£150,827) areas having the second and third highest respectively. In part, this might be explained by relatively large numbers of new completions which have pushed up the average price of flats in the Borough. Wealden, which has the second highest overall house prices, has the second lowest prices for flat/maisonette. However, the price of a terraced house in north Wealden is higher than the price of a semi-detached in Eastbourne and the Eastbourne housing market area.

Figure 1.1: Current House Prices by Type, October – December 2006



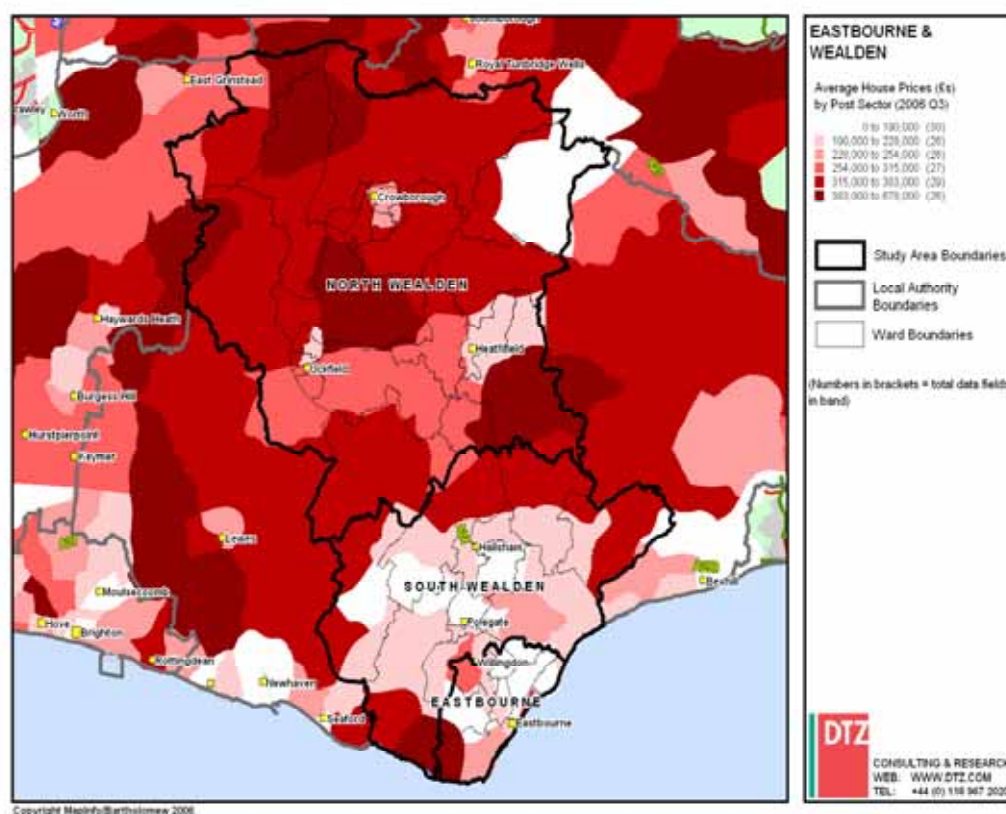
1.06 Figure 1.2 shows the distribution of house prices across the South East region. It shows that Eastbourne is one of the most inexpensive districts in the South East in which to buy a property. Wealden's current house prices, however, are higher than the South East average. The highest house prices are to be found in the districts that are further north and west than the study areas which are also closer to London.

Figure 1.2: Average House Prices by District, South East, 2006 Q3



- 1.07 The lowest spatial level at which house price data is available is postcode-sector level. This enables analysis and mapping of data to be undertaken at a very local level, as illustrated in Figure 1.3. We are able to use these postcodes to aggregate up to define the areas of South Wealden and North Wealden, although it is important to note that postcode boundaries do not equate exactly to the boundaries of these study areas.
- 1.08 Figure 1.3 shows that within the study area the most expensive postcodes are located in north Wealden, between the towns of Crowborough and Uckfield. There are other pockets of high prices in the north and south eastern edges of north Wealden market area, the more rural areas.
- 1.09 The areas where house prices are the lowest in north Wealden are centred in the three towns of Uckfield, Crowborough and Heathfield. This is also the case for the towns of Hailsham, Polegate and Eastbourne in the Eastbourne housing market area. Prices tend to increase outside of these settlements. This partly reflects the premium that people are willing to pay for a more rural location and also the trend of larger dwellings in these locations (see Working Paper 4 for evidence of the type and size of the housing stock).

Figure 1.3: Overall Average House Prices at Postcode Sector Level, 2006 Q3



- 1.10 Postcode sector level house prices over the last ten years show that the highest house price rises have been in the rural hinterlands of Crowborough, Hailsham and Eastbourne. Other distinct pockets of high house price rises can be seen along the coast in Eastbourne and also in the western part of South Wealden.
- 1.11 Figure 1.4 and 1.5 illustrate the extent to which overall house prices have increased in the study areas between 1996 and 2006 compared to other places in the surrounding area. Eastbourne has seen the highest increases with a 236% increase in house prices since 1996. In addition, the Eastbourne market area (200%) and East Sussex (207%) have seen increases above those for the South East as a whole (188%). However, north Wealden has seen the largest *absolute* increase in average house prices of £200,131 over the ten year period, but experienced a percentage increase below that for the South East of 184%.
- 1.12 It is worth noting that whilst Eastbourne and the Eastbourne market area as a whole has the lowest overall house prices these areas have seen the highest proportional rise in house prices over the past ten years. This pattern of high increases in the lowest priced areas indicates a growing issue of affordability as households are forced to consider cheaper areas in the search for affordable properties. Affordability is examined further on in this paper.

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Figure 1.4: Change in Average House Prices 1996 Q3 – 2006 Q3

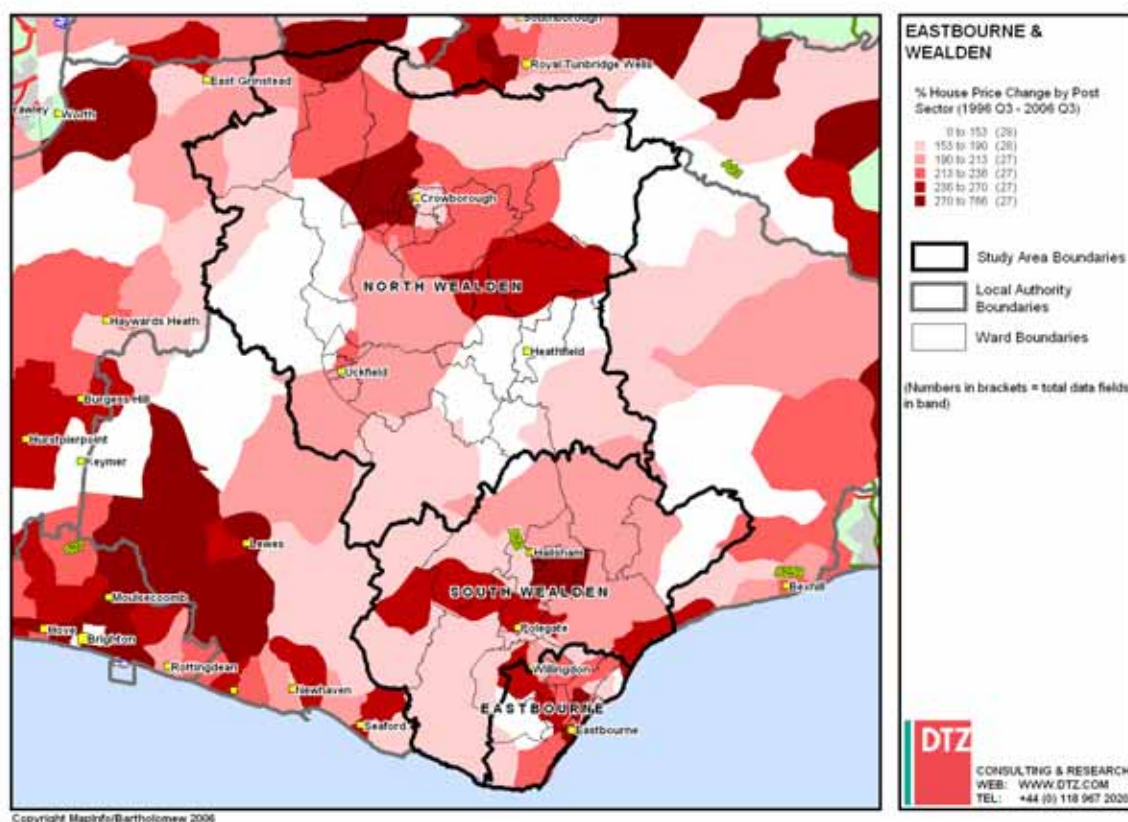


Figure 1.5: Average Overall House Price 1996 Q3 – 2006 Q3

	1996 Q3	2006 Q3	Absolute increase	% Increase
Eastbourne	£56,840	£190,810	£133,970	236%
South Wealden	£88,880	£228,080	£139,200	157%
North Wealden	£108,540	£308,670	£200,130	184%
Eastbourne HMA area	£65,870	£197,910	£132,040	200%
Wealden	£98,780	£270,740	£171,970	174%
East Sussex	£72,940	£223,710	£150,770	207%
South East	£87,190	£251,010	£163,820	188%

Source: Land Registry

- 1.13 We can further disaggregate house price data by looking at the entry-level prices for 1 and 2 bedroom flats and terraced houses in the study areas (Figure 1.6). This data is available in the Eastbourne and Wealden Housing Needs Surveys, based on surveys of local estate agents. Using ward information it is possible to convert the study areas used in these surveys into the areas considered in this HMA.

Figure 1.6: Entry Level House Prices

	1-Bed Flat	2-Bed Flat	2-Bed Terraced	3-Bed Terraced
Eastbourne	£74,520	£99,250	£123,590	£145,410
South Wealden	£88,050	£111,950	£145,280	£145,670
North Wealden	£78,980	£125,570	£152,170	£170,500
Eastbourne HMA area	£81,290	£105,600	£134,430	£145,540
Wealden	£81,420*	£109,190	£138,140	£158,820

*Based on the 3 (of 4) Wealden sub-areas that there is data for in the Housing Need Survey
Source: Eastbourne and Wealden Housing Needs Surveys 2005

- 1.14 According to the Land Registry the average price of flats/maisonettes is higher in Eastbourne than in north and south Wealden (see analysis below), yet the entry level for purchasing such a property is lower in Eastbourne. This can partly be attributed to a significant distinction in price between properties in Eastbourne that have a sea-view and those that do not. An entry level flat in Eastbourne is over £4,000 cheaper than in North Wealden and just under £14,000 cheaper than in South Wealden.
- 1.15 When analysing the entry level prices for terraced houses Eastbourne again is the cheapest with a 2 bed terraced costing £123,592. An entry level terraced house in Eastbourne is over £28,000 cheaper than in North Wealden and over £21,000 cheaper than in South Wealden. However, on average Eastbourne has the highest average price for a terraced dwelling (as shown in Figure 1.8). As above, this can partially be explained by the availability of dwellings on, or close to, the sea front and this differentiator increasing the value of dwellings in such locations.
- 1.16 We can also disaggregate the house price data by looking at the price changes across different housing types within each area. Figure 1.7 shows the change in price of flat/maisonettes over the past ten years. South Wealden experienced an increase in flat/maisonette prices of 116%, higher than its overall house price increase. North Wealden experienced a similar trend with flat/maisonette prices increasing by 78% more than average house price increases in that area. Prices rises such as these that are higher than rise in the average price of houses in an area can indicate relatively higher demand for particular types of properties, in this case, flats in Wealden.

Figure 1.7: Average Flat/Maisonette Price 1996 Q3 – 2006 Q3

	1996 Q3	2006 Q3	Absolute increase	% Increase
Eastbourne	£40,950	£152,530	£111,580	273%
South Wealden	£34,920	£129,960	£95,030	272%
North Wealden	£38,440	£139,260	£100,820	262%
Eastbourne HMA area	£40,620	£150,830	£110,210	271%
Wealden	£43,830	£134,140	£90,320	206%
East Sussex	£42,200	£134,380	£92,180	218%
South East	£48,590	£157,860	£109,270	225%

Source: Land Registry

- 1.17 In all of the study areas, flat/maisonette prices and terraced house prices have increased at a higher rate than overall house prices over the same period. In turn, flat/maisonette prices have increased at a higher rate than terraced houses. This suggests that there is a relative

shortage of flats/maisonettes and possibly a lack of terraced houses. Figure 1.8 shows this is especially the case in Wealden.

Figure 1.8: Average Terraced House Price 1996 Q3 – 2006 Q3

	1996 Q3	2006 Q3	Absolute increase	% Increase
Eastbourne	£48,870	£181,200	£132,330	271%
South Wealden	£49,050	£159,630	£110,580	225%
North Wealden	£57,450	£193,080	£135,630	236%
Eastbourne HMA area	£48,900	£176,020	£127,120	260%
Wealden	£62,210	£181,630	£119,420	192%
East Sussex	£58,230	£181,280	£123,050	211%
South East	£60,040	£191,120	£131,080	218%

- 1.18 Land Registry data also shows that in Q3 of 2006 there were fewer sales of Terraced Houses than any other dwelling type. Flats/Maisonettes had the second least incidence of sales in the same period. This further supports the argument of there being a limited of stock in these two dwelling types relative to demand.
- 1.19 This issue is particularly pertinent in south Wealden where Flat/Maisonette house prices increased by 116% more than overall prices and Terraced House prices increased by 69% more than overall prices.

Tenure Profile

- 1.20 Data on the tenure profile of benchmarked areas in 1991 and 2001 can be seen in Figure 1.9 and Figure 1.10. This data illustrates that Eastbourne has experienced an increase (4 percentage point rise) in residents who privately rent at the expense of a decrease in owner-occupiers (3 percentage point fall). Overall, levels of owner occupation in Eastbourne are low when compared to the South East as a whole and neighbouring Wealden, though the level in the Eastbourne HMA area is on a par with the South East.
- 1.21 Owner occupation is currently around 85% in Wealden, though it is lower in North Wealden at 82%. Wealden as a whole has experienced little change in tenure profile between 1991 to 2001 although the decline in the proportion of household in social rented tenure is evident.

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Figure 1.9 Tenure Profiles 1991

	Total	Owned	Social Rented	Private Rented
Eastbourne	36,481	71%	17%	12%
South Wealden	20,607	85%	9%	6%
North Wealden	27,060	82%	8%	9%
Eastbourne HMA area	57,088	76%	14%	10%
Wealden	51,736	83%	9%	8%
East Sussex	194,151	77%	13%	11%
South East	2,945,333	74%	16%	10%

Figure 1.10 Tenure Profiles 2001

	Total	Owned	Social Rented	Private Rented
Eastbourne	40,927	68%	16%	16%
South Wealden	23,847	85%	8%	7%
North Wealden	34,463	82%	8%	10%
Eastbourne HMA area	64,774	74%	13%	13%
Wealden	58,261	83%	8%	9%
East Sussex	214,638	75%	12%	13%
South East	3,287,488	74%	14%	12%

Affordability

- 1.22 The housing affordability indicator used by CLG under PSA Target 5 (SR 2004) ‘Housing Demand and Supply’ is the “long term trend in the ratio of lower quartile house prices to lower quartile earnings,” which reflects entry-level affordability ratios. The Government has indicated in its response to the recommendations of the Barker Review of Housing Supply in the UK that this continues to be its headline measure of housing market affordability.
- 1.23 Figures 1.11 and 1.12 show how affordability ratios for Eastbourne and Wealden compare with the benchmark areas of East Sussex and the South East. Clearly, affordability has worsened in all areas between 2002 and 2006. Affordability for all areas has stabilised since 2004 with Wealden’s ratio growing at the slowest rate. However, since 2005 East Sussex as a whole has seen a sharp increases again.
- 1.24 Currently, Eastbourne is less affordable than Wealden with a Lower Quartile House Price to Earnings Ratio of 9.03 which reflects relatively lower incomes within Eastbourne rather than higher prices. Since 2003, Eastbourne has become less affordable than the South East as a whole, but remains more affordable than East Sussex. Furthermore, between 2002 and 2005 Eastbourne’s affordability declined at a faster rate than any of the other areas.

Figure 1.11: Lower Quartile House Prices to Lower Quartile Earnings Ratios

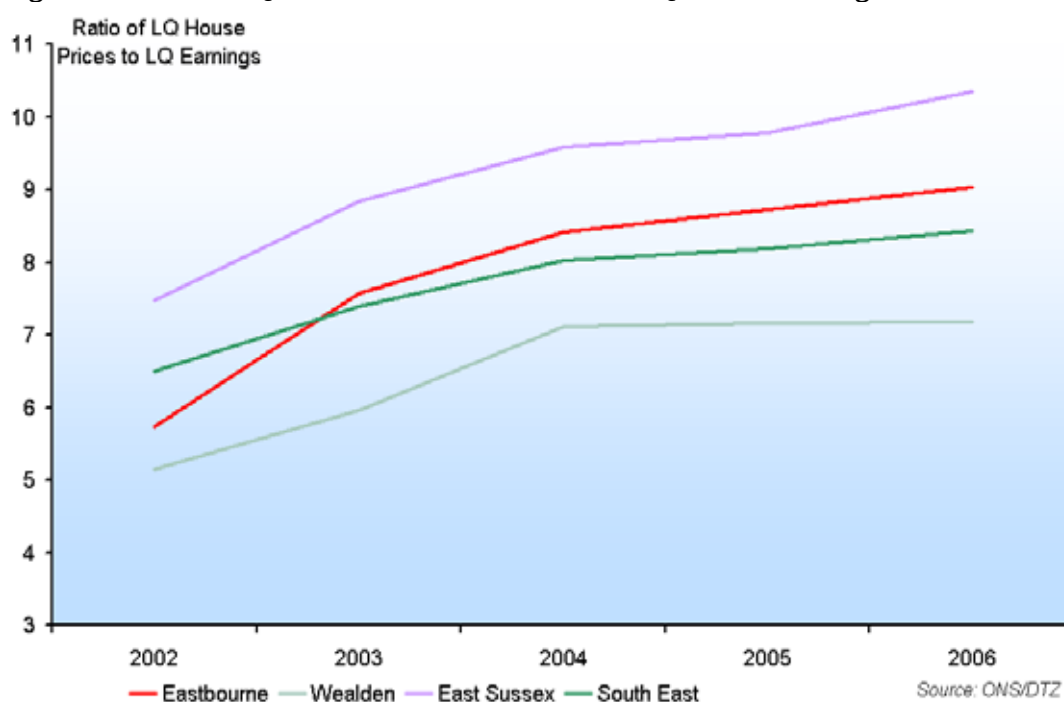


Figure 1.12: Lower Quartile House Prices to Lower Quartile Earnings Ratios

	2002	2003	2004	2005	2006
Eastbourne	5.73	7.56	8.41	8.73	9.03
Wealden	5.15	5.96	7.12	7.16	- ¹
East Sussex	7.47	8.83	9.59	9.78	10.35
South East	6.49	7.39	8.03	8.18	8.43

Source: DCLG/Annual Survey of Hours and Earnings

- 1.25 Lower Quartile data is only available at the district level, but using CACI and Land Registry data we are able to derive affordability ratios for all the study areas by using the ratio of the average overall house price for each area to mean households incomes. The lower quartile data is a more accurate indicator of affordability data for people on the lowest wages and measures that against house prices at the lowest level. It therefore highlights areas where the least well paid have the most difficulty entering the private housing market.
- 1.26 By deriving affordability ratios from CACI and Land Registry data, we take into account the income of the household as a whole, whereas the CLG data is based on personal earnings alone. Please refer to figures 1.14 and 1.15 for further analysis.
- 1.27 Affordability has wide-ranging implications for the economy, especially in high growth regions like the South East. There are currently 150,000 fewer workers than jobs in the South East² and affordability of housing acts as a labour supply constraint. One particular concern is the extent to which key workers are unable to afford to live within an area.

¹ Data not available. Extrapolated forward using previous years

² Government response to the Barker Review, 2005.

1.28 A recent study by the Joseph Rowntree Foundation, 'Can Work, Can't Buy'³, contains analysis of the extent to which key workers are able to purchase a home. The income of key workers is expressed as the proportion of the income required to purchase a home. This is based on the following information:

- The salaries of four key workers (a nurse, police officer, social worker and teacher) have been used. In each case a point on the salary scale has been selected to correspond with a key worker that has been in post for some three to four years, and may be sufficiently settled to consider a house purchase. The basic salaries have been supplemented as appropriate with London and South East weightings, allowances or other equivalent supplements for these localities where they apply. Figures are for October 2002.
- House prices are based on lower quartile prices for 4/5 room dwellings (where a kitchen is counted as a room together with other living rooms and bedrooms). The local house price data used is Halifax plc. data for the period 1996-98 updated by regional indexes to Q4 2002 levels.

Figure 1.13: Key-Worker Affordability

	Entry level House Price	Income Required to Purchase	Key Worker Income % of Income Required
Eastbourne	£94,600	£29,960	72.6%
Wealden	£117,900	£37,340	58.3%
East Sussex	£103,490	£32,770	67.9%
South East	£124,080	£39,290	56.1%

Source: JRF – 'Can't Work Can't Buy'

1.29 As shown in Figure 1.13, average key worker earnings are considerably less than the income required to purchase a home in Wealden, East Sussex and the South East although Eastbourne appears relatively more affordable. Key workers in the South East as a whole only earn on average 56.1% of the income required to purchase an entry-level house. Wealden is less affordable than Eastbourne for key workers as their income only equates to 58.3% of the salary required to purchase a home.

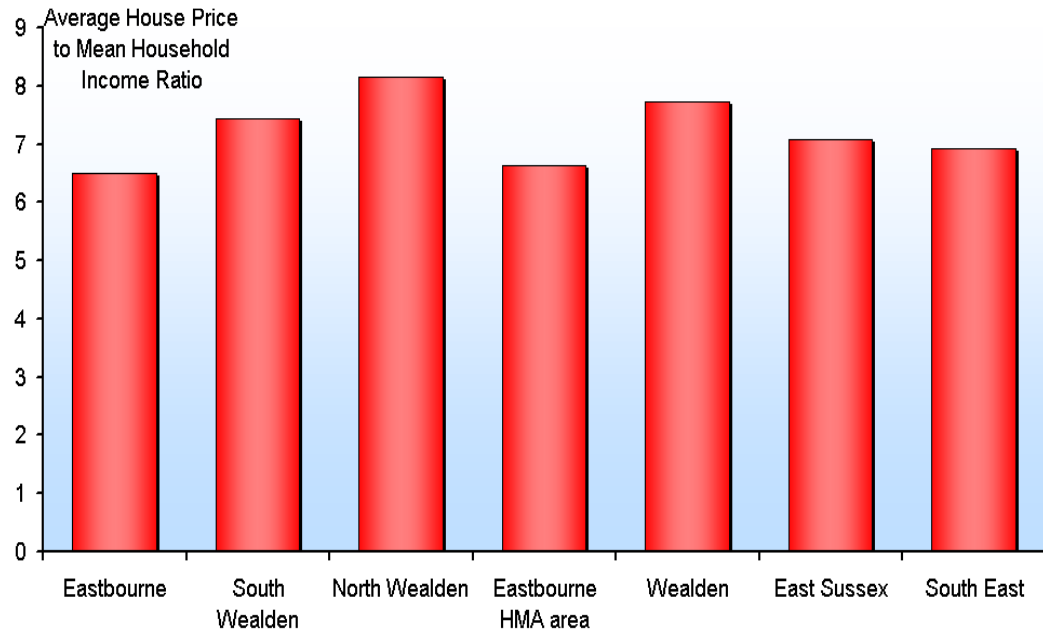
Household Incomes and Affordability

1.30 The previous analysis provides analysis of the relationship between personal incomes and house prices. An alternative method of measuring affordability is the relationship between **household** incomes and house prices, since this takes account of the relationship between personal and household incomes.

1.31 Figure 1.14 and 1.15 indicate that Wealden, overall, is less affordable than Eastbourne. This ratio covers the whole housing market and not just those in lower quartile earnings brackets (as is the case in figure 1.12) buying in the lower quartile house price bracket. As a result they are affected by the higher overall prices in north Wealden, reported in figure 1.2, and the high sales volume of larger dwelling types.

³ 'Can Work – Can't Buy, Local Measures of the ability of working households to become home owners' (Steve Wilcox), Published by the Joseph Rowntree Foundation May 2003. This data was not updated in the latest version of the Joseph Rowntree Foundation report (2005).

Figure 1.14: Overall Average House Price to Mean Household Income Ratios



Source: CACI/Land Registry

Figure 1.15: Overall Average House Price to Mean Household Income Ratios

	2006 Q3
Eastbourne	6.49
South Wealden	7.43
North Wealden	8.15
Eastbourne HMA area	6.63
Wealden	7.74
East Sussex	7.08
South East	6.91

Source: CACI/Land Registry

- 1.32 The Joseph Rowntree Foundation (JRF) study ‘Affordability and the Intermediate Housing Market’⁴ provides a useful measure of affordability, relating the average price of 2/3 bedroom dwelling to the average household income of those aged 20-39 (those most likely to be purchasing a first home). This is different to the ratios presented above due to the difference in methodology and definition of affordability ratios. In many ways this method of affordability is preferable to the official CLG measure, since it allows the affordability ratios to be compared with standard mortgage income multipliers. However, like the CLG measure it is only available at district level.
- 1.33 The results differ to the CLG measure that is based on personal income, as here Wealden is less affordable than Eastbourne. This data also differs in that Wealden is shown as less affordable than East Sussex as whole. When considering that the standard mortgage multiplier is around 3 – 3.5 times income this JRF data illustrates further the affordability issue in the study areas.

Figure 1.16: Affordability Ratios

	House Price to Income Ratio, 2004
Eastbourne	4.97
Wealden	5.08
East Sussex	5.03
South East	4.55

Source: JRF – ‘Affordability and the Intermediate Housing Market’

- 1.34 Whilst the results from the JRF study are interesting, the main shortcoming of the report is that it uses regional results for the relationship between personal and household incomes to compute household incomes at a local level. A more robust method would use household incomes based on data collected at a local level. The most sophisticated dataset of this kind is the data available from CACI, giving reliable estimates of household incomes down to ward level.
- 1.35 Using CACI data we are able to analyse the mean annual household income for each of the study areas by aggregating from ward level upwards (see figure 7.17 below). Only north Wealden, £37,900, has a mean household income above the regional benchmark of

⁴ ‘Affordability and the Intermediate Housing Market’ (Steve Wilcox), Published by the Joseph Rowntree Foundation. This report was published in 2005, and contains results relating to 2004. This is the update to the original report - ‘Can Work – Can’t Buy, Local Measures of the ability of working households to become home owners’ (Steve Wilcox), Published by the Joseph Rowntree Foundation May 2003

£36,300. With the exception of Wealden £35,000 and north Wealden all the study areas have a mean household income lower than that of the county benchmark of £31,600.

- 1.36 It is important to note the disparity of household income within Wealden. The mean household income for north Wealden is over £7,000 higher than that for the South of the District. In turn south Wealden has slightly higher households income levels than Eastbourne.

Figure 1.17: Mean Household Income, 2006

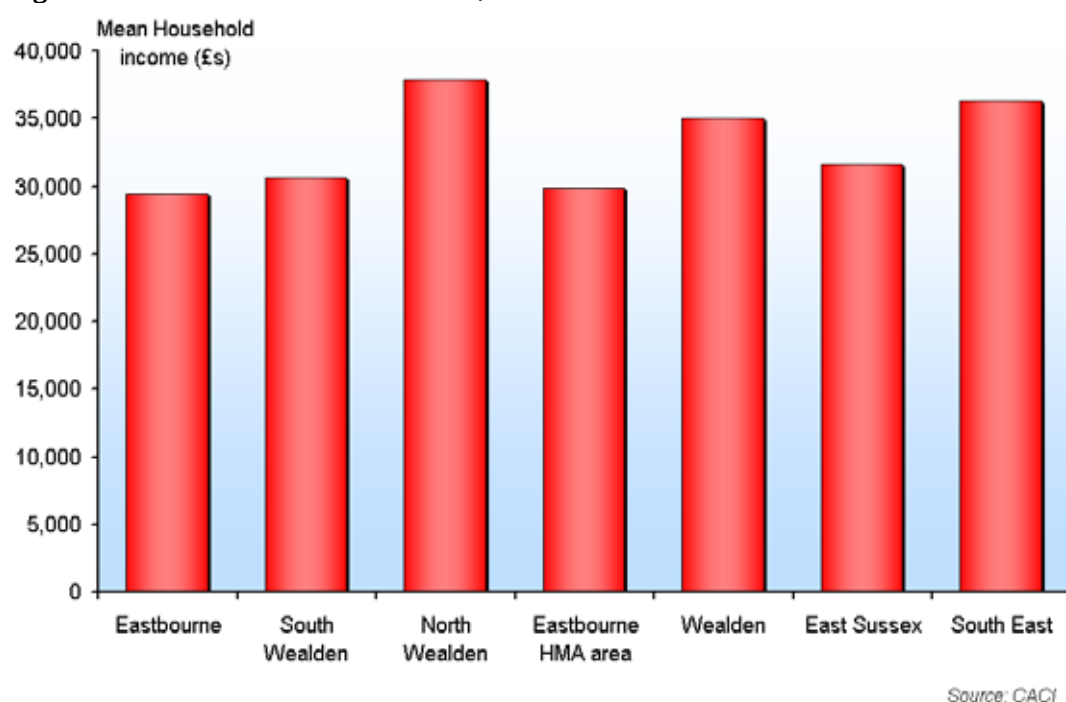


Figure 1.18: Mean Household Income

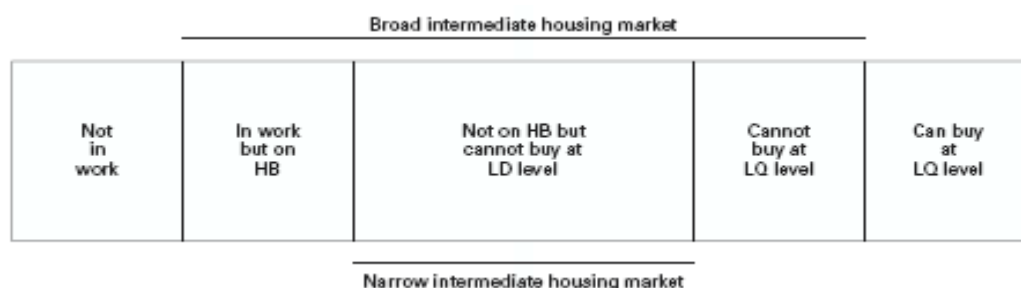
	2006 (£)
Eastbourne	£29,400
South Wealden	£30,680
North Wealden	£37,900
Eastbourne HMA area	£29,870
Wealden	£35,000
East Sussex	£31,600
South East	£36,300

Source: CACI

Purchase Income Thresholds

- 1.37 The Joseph Rowntree Foundation (JRF) study ‘Affordability and the Intermediate Housing Market’ provides analysis of the Intermediate Housing Market at the District level. Households in the Intermediate Housing Market are those that can afford more than a social sector rent but still cannot afford to buy at the very bottom end of the private housing market. The study separates its analysis by broad and narrow definitions of the Intermediate Housing Market (IHM). The relationship between the two is shown in Figure 1.19.

Figure 1.19: Broad and Narrow Intermediate Housing Markets



Source: JRF – ‘Affordability and the Intermediate Housing Market’

- 1.38 The report sets out two IHM measures – based on broad and narrow definitions. The broad definition of the IHM in each local authority area is the proportion of working households in each area unable to purchase at lower quartile house prices for two- and three-bedroom dwellings. The narrow definition of the IHM in each local authority area is the proportion of working households in each area that can afford to pay a social rent without recourse to housing benefit but cannot purchase at lowest decile house prices for two- and three-bedroom dwellings.

Figure 1.20: Narrow and Broad Definitions of households in the Intermediate Housing Market

	%		Number	
	Broad	Narrow	Broad	Narrow
Eastbourne	56.9	39.7	4,639	3,235
Wealden	56.7	38.7	5,611	3,831
East Sussex	56.4	38.0	22,964	15,447
South East	52.9	33.8	432,100	276,449

Source: JRF – ‘Affordability and the Intermediate Housing Market’

- 1.39 The broad and narrow definitions follow the same pattern with Eastbourne (56.9%) having the largest percentage of its households in the intermediate housing market followed by Wealden (56.7%). This JRF data mirrors the trends identified in the DCLG LQ data in presented earlier in this paper - in terms of lower end of the earnings and house price scales Eastbourne is less affordable than Wealden. However, a major difference is that the JRF data indicates that Wealden is less affordable than East Sussex and the South East as a whole.

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1.40 Using purchase income thresholds, income distribution data and entry level house prices from the Wealden and Eastbourne Housing Needs Surveys we are able to analyse the number and proportion of households that can not afford to enter the housing market.

1.41 Figure 1.21 shows that 68% of Eastbourne's households (27,830) cannot afford to purchase a one-bedroom flat⁵. This is 10% higher than the proportion of households in Wealden. This data corresponds with trends in the DCLG's LQ data which suggests that Eastbourne is less affordable than Wealden and also with the JRF study that shows that more people are in the intermediate housing market in Eastbourne than Wealden.

Figure 1.21: Number and Proportion of Households Unable to Purchase

	Entry level house price ⁶	Income needed to purchase	% of households unable to purchase	Number of Households unable to purchase
Eastbourne	£74,520	£25,700	68%	27,830
South Wealden	£88,050	£27,900	58%	13,830
North Wealden	£78,980	£25,000	58%	19,990
Eastbourne HMA area	£81,290	£25,740	64%	41,660

Source: Census/Eastbourne and Wealden Housing Needs Surveys

1.42 In the context of these affordability problems it is inevitable that a proportion of households are unable to meet their own needs within the market. The rest of this working paper considers the evidence on the level and type of housing need within Eastbourne and Wealden and the housing market areas.

⁵ Based on 95% mortgage availability and a 3x gross income-lending ratio (recommended in SEERA guidance).

⁶ Entry level price for one-bedroom flat from survey of estate agents in local area.

2 ANALYSIS OF HOUSING NEED

Summary of Findings From Housing Needs Surveys

- 2.01 Housing Needs Surveys undertaken by DCA in 2005 provide evidence on the shortfalls of affordable housing within Eastbourne and Wealden.
- 2.02 The Eastbourne Housing Needs Survey showed that 86% of households live in accommodation suitable for their needs but that affordability is a major issue, particularly for new forming households. The Survey concluded that around 850 affordable homes are needed each year, 370 more than existing re-let supply. To meet this shortfall, Eastbourne would need to deliver six times the amount of new affordable housing that it currently delivers.
- 2.03 Wealden's Housing Need Survey revealed that 98.1% of households live in accommodation suitable for their needs. However, affordability was found to be a major issue especially for new forming households. The stock of affordable homes is significantly lower than the national average and although around 380 re-lets occur each year there is a need for around 1,200 affordable homes each year and therefore a shortfall of around 800 homes.
- 2.04 It is not the purpose of this working paper to review these studies, rather to provide evidence of the nature of housing need within the authority areas and in particular, the nature of priority need, since it is unlikely that the totality of housing need can be addressed. According to the Housing Need Surveys, to meet the scale of need in Eastbourne and Wealden, delivery of new affordable homes in the authorities would need to increase by over 6 times existing levels.
- 2.05 The rest of this paper focuses on the nature of households in priority need and the extent to which the supply of affordable housing within Eastbourne and Wealden can meet these needs. In doing so the applicants on Eastbourne and Wealden's Housing Waiting List will be broken down into different classifications to assist in an analysis of their needs. Below is a brief glossary of definitions and terms for each classification:
- *Homechoice match* - A choice based lettings scheme enabling applicants to select a property through a bidding process and engage in the process of buying a home
 - *HA Transfer* – Applicant currently housed in a property owned by a Housing Association who is applying to be transferred to another property owned by a Housing Association
 - *HA in Temp* – Applicant placed into temporary/short term accommodation owned by a Housing Association
 - *Council Temp* – Applicants placed into temporary/short term accommodation owned by the council
 - *Council Transfer* – Applicant currently housed in a council owned property who wishes to transfer to another council owned property
 - *Transfer Retired* – As above but applicant is retired and therefore prioritised as having a specific housing need

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- *Homeless HR* – Homeless applicants under the Housing Act 1996 (amended by the Homelessness Act 2002) who are homeless and threatened with homelessness
- *Waiting List* – Applicant currently requiring social housing who does not own a property or hold a tenancy with the council or a Housing Association
- *Waiting List Retired* - As above but applicant is retired and therefore prioritised as having a specific housing need

Analysis of Waiting Lists

2.06 Figure 2.1 provides evidence of those households currently on the housing waiting list in Eastbourne. Key points to note from this data are:

- The highest need is for 1 bed properties across all types of applications. Households requiring this size of accommodation outnumber those requiring 2 bed properties at a ratio of 2:1.
- Both housing association and council transfer applicants requiring 1 bed properties are of a higher number than those requiring larger property. This reveals that transfers are made more than purely on the requirement of a larger property.

Figure 2.1: EBC Housing Waiting List Analysis

Waiting List	1 bed	2 bed	3 bed	4 bed	5 bed	Total
Homechoice	1	0	0	0	0	1
HA transfer	54	46	49	18	1	168
Homeless	93	35	16	2	0	146
Council Transfer	99	86	43	13	1	242
Waiting list	1408	573	215	39	0	2235
Total	1655	740	323	72	2	2792
%	59.3%	26.5%	11.6%	2.6%	0.1%	100.0%

Source: Eastbourne Borough Council

2.07 However, the scale of housing need evidenced by the Eastbourne Housing Need Survey and the numbers on waiting and transfer lists is unlikely to be met. There is a need therefore to consider the requirements of those in priority need.

2.08 Figure 2.2 illustrates the specific accommodation requirements of those in the Borough considered to be in priority need. Priority need in Eastbourne can be defined by those in Bands 1 and 2 on waiting lists within the authority. Band 1 households are homeless (as defined in Part VII of the Housing Act 1996 as amended by the Homelessness Act 2002) and have been placed in temporary accommodation. Applicants within this band can also include applicants eligible for Eastbourne Borough Council's transfer incentive scheme because they are under-occupying family accommodation and seeking a move to smaller accommodation.

Figure 2.2: Band 1 Housing Requirements

Band 1	1 bed	2 bed	3 bed	4 bed	5 bed	Total
Homechoice match	1					1
Band 1 HA transfer	4	4	1			9
Band 1 Homeless	74	33	15	1		123
Band 1 Council Transfer	12	23	1			36
Band 1 Waiting list	2	3				5
Total	93	63	17	1	0	174
%	53.4%	36.2%	9.8%	0.6%	0%	100%

Source: Eastbourne Borough Council

2.09 Figure 2.2 shows that around 50% of those in priority need require one bed properties. However, a significant proportion (36%) require 2 bed properties.

2.10 Figure 2.3 examines the accommodation requirements of those classed within Band 2. Band 2 includes households who have more than one element of housing need (eg they are living in over crowded conditions or accommodation unsuitable for their needs) and are eligible for social rented accommodation. Whilst a significant proportion of applicants within Band 2 require 1 bedroom homes, around one third require accommodation with 3 or more bedrooms.

Figure 2.3: Band 2 Housing Requirements

Band 2	1 bed	2 bed	3 bed	4 bed	5 bed	Total
Homechoice match						0
Band 2 HA transfer	6	7	7	1		21
Band 2 Homeless	9		1	1		11
Band 2 Council Transfer	8	13	8	2		31
Band 2 Waiting list	47	30	19	10		106
Total	70	50	35	14	0	169
%	41.4%	29.6%	20.7%	8.3%	0.0%	100%

Source: Eastbourne Borough Council

2.11 Figure 2.4 illustrates the needs of those households within Band 3 of the waiting lists within Eastbourne. These are households who are living in overcrowded or unsanitary conditions, homeless or threatened with homelessness and living in non-secure accommodation, households with a medical or welfare need to move or households that need to move to prevent hardship. Though substantial in number, these households afford slightly lower priority than those in Bands 1 and 2 because they may only meet one of the above criteria.

Figure 2.4: Band 3 Housing Requirements

Band 3	1 bed	2 bed	3 bed	4 bed	5 bed	Total
Homechoice match						0
Band 3 HA transfer	44	35	41	17	1	138
Band 3 Homeless	10	2				12
Band 3 Council Transfer	79	50	34	11	1	175
Band 3 Waiting list	1359	540	196	29		2124
Total	1492	627	271	57	2	2449
%	60.9%	25.6%	11.1%	2.3%	0.1%	100%

Source: Eastbourne Borough Council

- 2.12 Band 4 on the housing waiting list represent those applicants who do not meet the criteria of homelessness, disrepair, lack of essential facilities, shared facilities, overcrowding, medical or welfare and who wish to move or have the same level of needs as those in Bands 1 to 3 but have no local connection with Eastbourne or have the resources to meet their own needs in the market. We have assumed that because these households are not considered to be in priority need.
- 2.13 In summary, analysis of all households on Eastbourne's waiting lists suggests that around 60% of households in need require 1 bedroom accommodation. However, analysis of households in *priority* need (Bands 1 and 2), as in figure 2.5 below, demonstrates that a higher proportion of these households require accommodation that has 2 or more bedrooms.

Figure 2.5: Proportion of Applicants (Overall and Bands 1-3) Requiring 1 Bedroom and 2 Bedroom + Sized properties

	1 Bedroom	2 Bedroom +
Overall	59%	41%
Band 1	53%	47%
Band 2	41%	59%
Band 3	61%	39%

Source: Eastbourne District Council

- 2.14 Figure 2.6 details the accommodation requirements of all households on the housing waiting list for the Wealden District. Key points to note from this data are:
- Just under half of the houses on the waiting lists in Wealden require a 1 bed property
 - The majority (70%) of households registered for a council transfer are awaiting 2 bed properties. This is also true of those awaiting a Housing Association transfer.
 - Retired households on the waiting list are almost exclusively awaiting 1 bed properties

Figure 2.6: Households on Wealden District Council Housing Waiting List

Type:	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	7 bed	Total
H.O.M.E.S. Scheme	1	0	0					1
HA in temp	4	5	4	1	2	1		17
HA transfer	21	68	48	14	3			154
Council transfer	26	173	29	13	3	3		247
Transfer - retired	64	2	0					66
Homeless HR	16	9	3	2				30
Waiting list	691	411	163	66	15	2	7	1355
Waiting list - retired	259	1	0					260
WDC Temp	33	77	10	3	2			125
Total	1115	746	257	99	25	6	7	2255
%	49.4%	33.1%	11.4%	4.4%	1.1%	0.3%	0.3%	100%

Source: Wealden District Council

- 2.15 Wealden's waiting lists are structured in a different way to Eastbourne's. There is no banding system so the analysis here is not directly comparable to that for Eastbourne. However, it is possible to identify categories of households on the waiting lists within Wealden who have the most severe housing needs and are therefore those households that the Council and its partners will need to re-house as a priority.
- 2.16 The housing requirements of applicants in priority need within the District are broken down in Figure 2.7. These are households on waiting lists within the District who are homeless (as defined under the Homelessness Act 2002), households occupying unsanitary or overcrowded housing, people who need to move on medical or welfare grounds, and people who need to move to a particular locality within the local authority's district, where failure to meet that need would cause hardship to themselves or others. Wealden District Council has around 220 households currently occupying dwelling with an insecure tenancy (not included in Figure 2.7).

Figure 2.7: Wealden Housing Waiting List Applicants in Priority Need

Type:	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	Total
HA in temp	24%	29%	24%	6%	12%	6%	17
Homeless HR	53%	30%	10%	7%	0%	0%	30
WDC Temp	26%	62%	8%	2%	2%	0%	125
Total	53	91	17	6	4	1	172

Source: Wealden District Council

- 2.17 This data illustrates that only 26% of households in priority need within Wealden require 1 bedroom properties. Over 60% require a 2 bed property. However, a small number of households (particularly those in temporary accommodation) require 3 bed or larger properties. Although the overall numbers of households requiring large properties are small they are considered to be in priority need – including five families currently living within Bed and Breakfast accommodation in the District.
- 2.18 The next section considers how far the needs of households in priority need are likely to be met through re-lets within the existing stock of affordable housing. The paper then considers how far new completions have delivered the type of affordable housing required to meet priority need and to relieve pressure on certain types of dwellings within the stock of affordable housing.

3 AFFORDABLE HOUSING STOCK AND THE PATTERN OF RELETS

- 3.01 Figure 3.1 provides evidence of Eastbourne Borough Council's and RSL dwelling stock within Eastbourne. The Council's stock is predominately comprised of 1, 2 and 3 bed properties and a low proportion of 4, 5 and 6 bed properties. This pattern is also reflected in Figure 3.2 showing neighbouring Wealden Borough Council's housing stock.

Figure 3.1: Eastbourne Borough Council and RSL Housing Stock by Size

Size	LA		RSL		All Social Housing	
	No.	%	No.	%	No.	%
6-bed	2	0%	0	0%	2	0%
5-bed	1	0%	1	0%	2	0%
4-bed	50	1%	57	3%	107	2%
3-bed	1,227	32%	572	27%	1,799	30%
2-bed general needs	1,031	27%	377	18%	1,408	28%
2-bed retirement	25	1%	3	0%	28	1%
1-bed general needs	887	23%	302	14%	1,189	20%
1-bed retirement	171	4%	197	10%	368	6%
Studio general needs	110	3%	63	2%	173	3%
Studio retirement	307	8%	241	12%	548	9%
Hostel stock	0	0%	9	0%	9	0%
Foyer	0	0%	31	1%	31	1%
	3,811	100%	2,094	100%	5,900	100%

Source: Eastbourne Borough Council

- 3.02 Figure 3.2 provides a breakdown of Wealden District Council's and RSL dwelling stock within the district. There is a bias in WDC and RSL stock towards 2 and 3 bed dwellings compared to Eastbourne's stock.
- 3.03 It is also possible to examine differences in the dwelling stock in the north and south of Wealden given that the south is functionally part of the Eastbourne housing market. However, it is important to note that allocations of social housing generally operate within local authority boundaries.
- 3.04 38% of Wealden's affordable housing stock lies in South Wealden, 62% in North Wealden. 31% of RSL stock in Wealden falls within South Wealden, 69% in North Wealden.
- 3.05 Figure 3.2 shows that North Wealden has a relatively high proportion of 1 bed (general needs) properties compared to south Wealden and neighbouring Eastbourne. However, the RSL stock within Wealden has a relatively limited number of 1 bed dwellings.

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Figure 3.2: WDC Housing Stock by Size and Market Area, March 2006

Size	South Wealden				North Wealden				Wealden Total			
	LA		RSL		LA		RSL		LA		RSL	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
6-bed	0	0%	0	0%	1	0%	0	0%	1	0%	0	0%
5-bed	0	0%	0	0%	1	0%	1	0%	1	0%	1	0%
4-bed	11	1%	11	3%	13	1%	13	1%	24	1%	24	2%
3-bed	381	31%	77	18%	507	26%	395	40%	888	28%	472	33%
2-bed general needs	400	33%	206	47%	521	27%	321	33%	921	29%	527	37%
2-bed retirement	5	0%	5	1%	9	0%	4	0%	14	0%	9	1%
1-bed general needs	222	18%	25	6%	545	28%	124	13%	767	24%	149	11%
1-bed retirement	104	9%	64	15%	234	12%	69	7%	338	11%	133	9%
Studio general needs	0	0%	9	2%	38	2%	4	0%	38	1%	13	1%
Studio retirement	96	8%	37	9%	82	4%	45	5%	178	6%	82	6%
Total Stock	1,219		434		1,951		976		3,170		1,410	

Source: Wealden District Council

The Pattern of Re-Lets

- 3.06 Whilst the profile of the affordable housing stock within Eastbourne and Wealden appears relatively broad – i.e. there is a spread of 1, 2 and 3 bedroom properties and in Wealden the stock of 2 and 3 bedroom properties appears to be large. However, it is the pattern of re-lets than matters in terms of the ability to house those in priority need.
- 3.07 Figure 3.3 provides evidence of the type and size of re-lets within Eastbourne over the last three years. The most frequently re-let properties are 1 and 2 bed flats. This is perhaps unsurprising considering 1 and 2 bed properties comprise 50% of total stock. However, what is interesting is the relatively low re-letting of 3 bed properties considering they make up 32% of total stock. This points towards a pattern of lower frequency of re-lets and longevity in the tenure of larger properties.

Figure 3.3: EBC Re-lets 1st Jan 2004 to 21st December 2006

	Bedrooms						Other	Total
	1	2	3	4	5	6		
Bungalow	6	2	0	0	0	0	1	9
Flat	283	118	6	0	0	0	0	407
House	2	73	80	19	1	0	0	175
Studio Flat	20	0	0	0	0	0	0	20
Sheltered Flatlet	158	1	0	0	0	0	0	159
Sheltered Flat	76	9	1	0	0	0	0	86
Sheltered Studio	35	0	0	0	0	0	0	35
Flatlet	33	1	1	0	0	0	0	35
TOTAL	613	204	88	19	1	0	1	926

Source: Eastbourne Borough Council

3.08 Figure 3.4 shows how this pattern of re-lets impacts upon the likelihood of different households being re-housed. Although this paper shows that households requiring 1 bedroom properties were most numerous, the availability of 1 bedroom accommodation through re-lets means that these households are more likely to be re-housed than those who require larger properties.

Figure 3.4: Ratio of Waiting List Applicants (Bands 1-3) to Re-Lets in Eastbourne as at March 2007

Waiting list	Re-lets					
	1	2	3	4	5	6
1	2.7					
2		3.6				
3			3.7			
4				3.8		
5					*	
6						*

Source: DTZ, based on data on waiting lists and re-lets from Eastbourne Borough Council

*Figures too small to provide reliable comparison

3.09 Figure 3.4 illustrates that for every 1 bedroom home that becomes available through a re-let, there are around 3 households waiting to be re-housed. For households requiring a 3 or 4 bedroom home there are around four households waiting for each re-let. Presenting the data in this way illustrates that the greatest pressure within the affordable housing sector is on the larger 3 and 4 bed properties. Households requiring larger homes (typically families with young children) are likely to face the longest wait for re-housing.

3.10 Figure 3.5 shows that the pattern of re-lets in north and south Wealden is different that of Eastbourne. South Wealden re-lets accounted for 34% of total re-lets in the period which is consistent with its share of the affordable housing stock in Wealden. However, there is a bias towards the re-lets of 1 and 2 bed flats and sheltered accommodation within south Wealden.

Figure 3.5: WDC Re-lets April 2004 to March 2006

	South Wealden		North Wealden		Wealden	
	WDC	RSL	WDC	RSL	WDC	RSL
Sheltered bedsit/1/2 bed	45	20	110	6	22%	13%
1/2/3 bed bungalow	19	5	22	8	6%	6%
Bed sitting rooms	0	3	64	4	9%	3%
1 Flat	50	9	158	23	30%	16%
2 Flat	65	41	52	14	17%	27%
3 Flat	0	2	1	2	0%	2%
1 House	0	0	1	2	0%	1%
2 House	25	13	17	17	6%	15%
3 House	28	14	31	18	9%	16%
4 House	0	1	2	0	0%	0%
Total lettings	232	108	458	94	100%	100%

Source: Wealden District Council

- 3.11 A high proportion of north Wealden re-lets are bed-sits (including a large number of sheltered bed-sits) and 1 bed flats. Figure 3.6 shows the ratio of all applicants on the housing waiting list to re-lets. This demonstrates how the pattern of re-lets impacts upon the likelihood of different households being re-housed in Wealden.
- 3.12 The likelihood of households who require a 4 bedroom home being re-housed is particularly limited. In contrast, households requiring sheltered accommodation are most likely to have their needs addressed due to the availability of these properties through re-lets.

Figure 3.6: WDC Ratio of all Waiting List Applicants to Re-lets as at March 2007

Waiting list	Re-lets						Sheltered
	1	2	3	4	5	6	
1	3.6						
2		3.1					
3			2.7				
4				33			
5					25		
6						6	
Sheltered							1.4

Source: DTZ, based on data on waiting list applicants and pattern of re-let provided by Wealden District Council

- 3.13 Analysis of the data in this way illustrates that the highest waiting list to re-let ratio and therefore the greatest pressure on stock within Wealden is on 4 bedroom or larger properties.

4 NEW AFFORDABLE HOUSING

4.01 Before considering how the completion of new affordable homes has contributed to addressing need within both authority areas it is worth considering that Right to Buy has impacted upon the stock of affordable homes available within Eastbourne and Wealden.

4.02 Figure 4.1 details the number and type of properties sold through Right to Buy in Eastbourne.

Figure 4.1: Right to Buy Sales April 1999 to December 2006 by Type, Eastbourne

	House	Flat	Total	%
1999-00	62	17	79	16%
2000-01	52	17	69	14%
2001-02	51	25	76	15%
2002-03	65	24	89	18%
2003-04	76	34	110	22%
2004-05	32	8	40	8%
2005-06	14	12	26	5%
2006	7	8	15	3%
Total	359	145	504	100%

Source: Eastbourne Borough Council

4.03 There has been a steady stream of Right to Buy sales since 1999 accounting for 13% of total stock. Prior to 2006-2007 an average of 70 properties per annum were sold through the scheme in Eastbourne. This is a significant number in light of Eastbourne's housing provision target⁷ and the level of new affordable housing that has been delivered over this period.

4.04 Figure 4.2 breaks down sales into property size and shows that 44% of homes sold through the scheme were 3 bed houses. This is also significant considering 12% of those on the housing waiting list require this size of dwelling, 21% of those classed as having a housing need in Band 2 (in priority need).

Figure 4.2: Right to buy sales by size April 2004 to December 2006

	1 bedroom		2 bedroom		3 bedroom		4 bedroom		
Year	house	flat	house	flat	House	flat	house	flat	Total
2004-05		4	8	4	23		1		40
2005-06		9	5	3	9				26
Apr 2006 - Dec 2006		4	3	3	4	1			15
Total	0	17	16	10	36	1	1	0	81

Source: Eastbourne Borough Council

⁷ 240 net additional dwellings pa until 2026 as set out in South East Plan, March 2006

Figure 4.3: Right to Buy Sales within Wealden by Type and Size

	Flat		House			
	1 bedroom	2 bedroom	2 bedroom	3 bedroom	4 bedroom	Total
Number	24	27	87	175	5	318
%	8%	8%	27%	55%	2%	100%

Source: Wealden District Council

4.05 Figure 4.3 shows that since 1999, over 300 properties have been sold through RTB in Wealden. The majority of these were 3 bedroom houses (55%), followed by 2 bedroom houses (27%). Only 16% of sales were flats. Figure 4.4 makes a distinction between north and south Wealden and the rural areas (settlements with less than 3,000 people). Over a third of RTB sales in north Wealden were in rural areas and 8% of the social housing stock in rural settlements in north Wealden was lost through RTB in this period.

Figure 4.4: Right to Buy Sales within Wealden, Total 1999-2006

	Total RTB Sales	Number Sold in Rural Areas	Sales in Rural Areas as % of all RTB sales	% of Rural Affordable Housing Stock Sold
North Wealden	188	64	34%	8%
South Wealden	130	18	14%	10%
Wealden	318	82	26	8%

4.06 Completions of new affordable homes within Eastbourne and Wealden have been relatively limited when the scale of housing need is considered and losses through RTB are taken into account. Total completions (all housing) within Eastbourne in 2005/06 were 448 dwellings. In this year, affordable completions represented 12.7% of total completions (Figure 4.5 provides a breakdown by type and size for the last 10 years). More recently, intermediate type accommodation has made up a proportion of affordable completions.

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Figure 4.5: Number of new affordable homes completed, Eastbourne

		St	1 B	2 BF	2 B H	3 B	4 B	Bg	Total	%
1995/96	Rented				16	15	3		34	100%
	Shared Ownership								0	0%
1996/97	Rented								0	0%
	Shared Ownership								0	0%
1997/98	Rented		60	59	30	86	8		243	93%
	Shared Ownership				11	6			17	7%
1998/99	Rented		30	8	4	7			49	100%
	Shared Ownership								0	0%
1999/00	Rented	31			6	13	1		51	100%
	Shared Ownership								0	0%
2000/01	Rented		5	6	3	6			20	100%
	Shared Ownership								0	0%
2001/02	Rented		9	11	20	37			77	96%
	Market Homebuy					3			3	4%
2002/03	Rented		14	8	3	1			26	35%
	Market Homebuy					6			6	8%
	Exisitng Scheme Refurb		23	19					42	57%
2003/04	Rented	9	18	6	12	4	4		53	65%
	Market Homebuy			6	7	8			21	26%
	Shared Ownership			7					7	9%
2004/05	Rented					1			1	6%
	Market Homebuy		5						5	28%
	KW Homebuy		12						12	67%
	Shared Ownership								0	0%
2005/06	Rented			16	4	9	1	2	32	56%
	Market Homebuy		2						2	4%
	KW Homebuy		23						23	40%
	Shared Ownership								0	0%
2006/07	Rented		23	21		5			49	69%
	KW Shared Ownership		6						6	8%
	Shared Ownership		12	4					16	23%
2007/08	Rented		7		1	6			14	100%
	Shared Ownership								0	0%

4.07 The overall message emerging from the Housing Needs Surveys in the two authorities and supported by this working paper is that there is a lack of supply of affordable housing overall. However, it is also important to consider the extent to which new completions are meeting the type of needs required in Eastbourne and Wealden.

4.08 Figure 4.5 shows that in Eastbourne, the majority of completions over the last 5 years have been 1 and 2 bed flats (for social rent and intermediate market). Figure 4.6 shows that this is reflected in the type of completions across the South East. In recent years, the vast majority of RSL completions have been flats (2 bedroom or less). To a large extent this follows the pattern of market completions (increasingly larger proportions of 2 bed flats) since the majority of new affordable housing is secured through new market development.

Figure 4.6: Proportion of Houses and Flats Completed by the Public Sector, South East



Source: DCLG. Note that since 2001, Completions data represents NHBC data only and not Local Authority returns. NHBC covers around 80% of completions. Data for 1980-1990 covers Rest of South East (ROSE), which includes Bedfordshire, Hertfordshire and Essex as well as the current South East region

5 Conclusions and Recommendations

- 5.01 This paper has examined the range of evidence relating to house prices, affordability and housing need within Eastbourne and Wealden and the housing market areas and can be summarised as follows.
- 5.02 In the context of house prices, incomes and the affordability of housing in Eastbourne and Wealden it is inevitable that a proportion of households are unable to meet their need in the market place without assistance.
- 5.03 The scale of need is substantial in both Eastbourne and Wealden, evidenced by the Housing Need Surveys and this working paper. Housing need in both authority areas and their housing markets far outweighs what could be delivered by way of new supply.
- 5.04 The totality of housing need unlikely to be addressed – indeed it is in excess of the overall housing numbers proposed in draft RSS for Eastbourne and Wealden and new affordable housing supply will only be a proportion of this.
- 5.05 There is a case therefore for focusing on priority housing needs within the two authorities and their market area, since these are the households that the authorities are most likely to re-house in the short to medium term. It is therefore the needs of these households that are relevant in the consideration of the stock and new supply available to meet need.
- 5.06 Evidence in this working paper suggests that the majority of households in need in both authority areas require 1 bedroom dwellings. However, their requirements reflect local authority allocation policies which mean that certain household are only entitled to 1 bedroom even though most would aspire more space if they were able to meet their own need. However, in the context of shortfall in supply overall, only basic needs are likely to be met, though the marginal cost of extra room could be justified.
- 5.07 However, when the needs of those in highest priority for re-housing are considered, a substantial proportion require larger properties. The stock of affordable housing in both areas is a mix of 1, 2 and 3 bed properties. There are limited numbers of larger homes.
- 5.08 Furthermore, it is the smallest stock that becomes available for re-let most frequently. This means that small households more likely to be re-housed and families requiring more than 2 bedrooms likely to wait longer than those requiring only 1 or 2. This appears to be particularly acute in Wealden where some large families are currently housed in B&B accommodation and there are no large properties available for re-let.
- 5.09 There appears to be pressure, in common with many other authorities in South East, on the larger affordable housing stock. This is supported by evidence on overcrowding presented in Working Paper 4, with a significant proportion of households in social rented accommodation living in over crowded conditions in Eastbourne and Wealden.
- 5.10 Finally, it is important to note that stock of affordable housing is declining over time because of Right to Buy and relatively low levels of new affordable provision. The problem of housing need will not go away, even with increased economic growth in Eastbourne and Wealden. In modern economies, economic growth tends to create both low and high value jobs. There will continue to be a proportion of households unable to meet their needs within the market. Additionally, new affordable completions have been limited and the type and size of these completions in Eastbourne and Wealden is unlikely to help to tackle pressure on larger stock.