

## Case Study

# Housing in Hertsmere

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### Introduction

- 1.1 Research into the housing markets across Hertsmere is currently being carried out. The aim is to provide good information on the operation of the open housing market in the borough.
- 1.2 The new Affordable Housing Development Funding regime was introduced in February 2011, and new developments under the regime are now starting construction. Under the new regime, Social Housing Grant has been reduced to very small quantities, and affordable rental income is now the main funding source for new affordable housing. A limited number of registered housing providers have signed affordable housing development contracts with the Homes and Communities Agency which will enable them to develop new homes using affordable rental income.
- 1.3 Cross-subsidy remains a source of income for affordable housing development for a wider range of registered housing providers. Cross-subsidy funding is usually obtained through housing developments which contain a mix of tenures. For example, market housing and low cost home ownership could subsidise the cost providing houses, bungalows and flats for social rent.
- 1.4 We intend to provide good quality housing market information to registered housing providers who wish to develop new homes in Hertsmere. We hope that this information will inform registered housing providers of the sort of homes which would be popular and easy to sell or rent in each settlement in Hertsmere
- 1.5 Since September 2011 interviews have been carried out with a total of fourteen estate agents in Hertsmere. The numbers of estate agents within each settlement who have been interviewed currently stands at: 5 in Borehamwood, 3 in Potters Bar, 2 in Shenley, 1 in Elstree, 1 in Radlett and 2 in Bushey. More interviews will be carried out in Elstree, Radlett and Bushey before the research exercise is complete. The estate agents have been asked:
  - a) Their general views on the area in which they work; the operation of the market, what makes the area desirable, what makes the area less attractive.
  - b) The types of properties which are most popular, in terms of both property type and price band, and the types of properties which are least popular.

## PRELIMINARY FINDINGS

### 1. Borehamwood

#### General features of the housing market.

- There is a very distinct north-south divide in Borehamwood, demarcated by Shenley Road (Borehamwood High Street). The south side of Borehamwood is very buoyant partly due to the construction of the new Jewish College. This is attracting a lot of property buyers from the north London Jewish community – young couples and young families.
- The Borehamwood housing market has weathered the recession very well.
- People from north London see Borehamwood as having prices which are more reasonable than their existing area, so wish to move to the town. A lot of families are moving to Borehamwood from Stanmore, Finchley, Edgware and Enfield – they are often selling one bedroom flats for £300,000 and then buying family-sized homes in Borehamwood.
- The north side of Borehamwood is perceived very differently from the south. It is seen as having a much more “social housing environment” than the south side.
- There is a general feeling that the Leeming Road area is in need of some form of regeneration.
- Borehamwood is an attractive area for older people who wish to downsize to smaller accommodation. This includes older people from Elstree. The main reasons for wanting to move is that they cannot manage the stairs or garden in their existing home. However, privately owned flats which have one bedroom, are warden-controlled and do not have a lift are not popular. More housing for older people is needed in Borehamwood, preferably ground floor accommodation with two bedrooms.
- There is still a lot of the “older” generation in Borehamwood who settled in the town in the 1950s and 1960s. They do periodically come to estate agents seeking smaller homes.
- There is *lots* of demand for low cost home ownership in Borehamwood from first-time buyers. This is for both flats and houses.
- The highest need group is first-time buyers, mainly young families but also young single people.
- There needs to be a greater range of shops in the High Street. This would be a big selling point for the town.

#### Highest demand homes in Borehamwood

- Low cost homeownership homes
- Privately owned homes with two bedrooms for older people
- Small houses priced under £250,000 for young families

## **2. Potters Bar**

### General features of the housing market

- Lots of households are moving to the area from Enfield, Southgate and Barnet. The town is very popular for London commuters and families with children. The schools in the town are very popular, making it a very attractive destination for families with children. Potters Bar is a “family town”.
- Three bedroom semi-detached houses are in short supply and in very high demand. Three bedroom townhouses are also very popular.
- A lot of older people from areas such as Brookmans Park wish to downsize to Potters Bar because of the large number of attractive bungalows. L
- There is a very young environment in the town, with a lot of young people wanting to live there. One and two bedroom starter homes would be very much in demand by first-time buyers.
- More provision for first-time buyers is urgently needed in Potters Bar, preferably flats in the town centre. Investors are often looking to purchase smaller properties in the town centre. The existing flats over shops are already very popular.
- The most urgent need is for housing for young people in the town. Lots of young people want to buy but cannot access the finance via conventional mortgages.
- There are empty office blocks in Potters Bar. There would certainly be demand for flats converted from offices if this was a possibility.
- Low cost home ownership has been very popular.
- Small starter homes would be very popular.
- Potters Bar does not need any more retirement housing. At any one time a prominent estate agent in the town has four or five retirement flats on its books.
- The traditional Potters Bar bungalows remain very popular, but there is no need for any more to be developed.
- There needs to be a review of the retail outlets in Potters Bar town centre. There need to be more brand names, more butchers and green grocers and specialist shops.

### Highest demand homes in Potters Bar

- Low cost home ownership properties.
- Three bedroom semi-detached homes
- Starter homes for young people.

### **3. Shenley**

#### General features of the housing market

- Shenley is a very self-contained housing market. Lots of demand for housing is generated from inside the village itself. People appear to be able to staircase through different type of home in the village.
- There is huge demand for homes in Shenley from households from North London. The local Jewish school is very popular and a big attraction.
- Until recently the Porters Park estate was the more desirable part of Shenley but now the older part (known as “The Village”) is more popular.
- There is a very big need for low cost home ownership in Shenley. At present Halliday Close and Laxton Gardens are the only locations of low cost home ownership in Shenley and these homes almost never become available.
- It is very hard to be a first-time buyer in Shenley.
- There is a high level of need for traditional flats in Shenley – two or three storey surrounded by communal grounds.
- There is an urgent need for more housing for older people in Shenley. There are a lot of older people in the village, many of whom have lived there all their lives. A lot of older people in Shenley refer themselves to the three residential care homes in the village because they are unable to find somewhere else to live which is reasonably accessible.
- Older people may be willing to consider two bedroom flats with some sort of a garden.
- There is an urgent need for bungalows in Shenley.

#### Highest demand homes in Shenley.

- Self-contained accessible homes for older people
- Low cost home ownership properties.

### **4. Elstree**

#### General features of the housing market

- Elstree tends to act as an “upsizing destination” for households who have been living in Borehamwood. The biggest demand for homes to purchase in Elstree is for larger houses priced at £500,00+.
- Elstree is also a destination for households moving in from north London areas such as Stanmore and Edgware.
- There is very little demand for further retirement housing in Elstree. It is not uncommon of retirement flats to be for sale for up to two years with very little interest.
- Demand for all types of privately rented housing in Elstree is huge. The Elstree estate around Beethoven Road and Sullivan Way, which contains some of the village’s lowest price housing, is now almost dominated by privately rented homes. Households tend to buy them as starter homes and then rent them out at a later date.

#### Highest demand homes in Elstree

- Housing rented at open market or Affordable Rent levels.

## 5. Bushey Heath

### General features of the housing market

- Most new homes in Bushey Heath in recent years have been flats. These are reasonably popular, but the real demand in the town is for three and four bedroom houses, semi-detached or terraced.
- The bulk of demand for family accommodation in Bushey Heath is from households who are currently living in Stanmore and Harrow. The high quality schools in the area are a big draw.
- It is almost impossible for first time buyers to find accommodation which they can afford in Bushey Heath. Any first-time buyer properties tend to be in the £160,000 - £170,000 bracket. The more affordable homes are located nearer Watford.
- There is very little demand for retirement housing for older people in Bushey. The flats in the existing developments, which were built approximately 25 years ago, are no popular. This is mainly because there are so few two bedroom flats in the schemes – older people usually want at least two bedrooms in their homes.
- The recession has had an impact. There are examples of people downsizing to release sums of money. This might involve moving from a four bedroom home to a three bedroom home.
- There is a big link between the Borehamwood housing market and the Bushey housing market. This is usually in terms of divorce – the half of a couple who does not have children living with them will usually buy a three bedroom home in Borehamwood where house prices are cheaper.
- One and two bedroom flats are difficult to sell. They are in good supply, but tend to “stick” on the market. They tend to be priced within the £135,000 and £250,000 bracket. They are difficult to sell because first-time buyers are having enormous difficulty in getting mortgages. Mortgage lenders are at present very reluctant to lend and “The Bank of Mum and Dad” is often not sufficient.
- One and two bedroom flats are not even being purchased by investors. This is because Buy to Let mortgages often require a large deposit.
- The Bushey Heath housing market urgently needs new people to enter the housing market – first-time buyer initiatives are very much needed. The lack of first-time buyers who can afford smaller homes is the real problem in the Bushey Heath housing market.

### Highest demand homes in Bushey Heath

- Any first-time buyer initiatives
- Three and four bedroom semi-detached or terraced homes.