
Report To: Environment & Regeneration Committee **Date: 17 January 2013**

**Report By: Corporate Director Environment,
Regeneration and Resources**

**Report No:
E&R/13/01-01/SJ/FJM**

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**Subject: Housing Trends Monitoring Report and Annual Monitoring and Review of
the Local Plan's Housing Strategy (2011-12)**

1.0 PURPOSE

- 1.1 To inform Committee of the annual review of the Local Plan's Housing Strategy using the findings of the first Inverclyde Housing Trends Monitoring Report.

2.0 SUMMARY

- 2.1 An annual report has been prepared for the last ten years to inform Committee of progress in implementing the housing strategy of the Local Plan, reporting on trends in house completions and the take-up and availability of housing land, by market sector and location across the Inverclyde Housing Market Area (HMA). The annual report derives from Policy H7 in the adopted Local Plan.
- 2.2 This report is likely to be the last prepared in accordance with the adopted Local Plan, with the Local Development Plan due to replace it shortly. In anticipation of this change and acknowledging the preparation of a Housing Trends Monitoring Report, this year's review is dovetailed with the annual monitoring for the Local Housing Strategy 2011-2016. It is from this joint working that the Monitoring Report attached as Annex 1 has been prepared, with those matters of most relevance to the Local Plan, and the emerging Local Development Plan, presented in this report.
- 2.3 Over the last few years housebuilding output has been dominated by the impact of the economic downturn. Both supply and demand are affected by the constraints on bank lending, for finance credit for builders on the one hand and household mortgages, on the other. Reductions in Government funding for affordable housing is now severely limiting the ability of housing associations to build, reflected now in the much reduced forward programming of houses in this sector, down 40% on last year.
- 2.4 Owner-occupied completions have fallen by 60% since 2007/08, while the social rented sector continued to be buoyant with well over 200 re-provisioning completions last year, as in the previous two years, keeping total housebuilding in the HMA over 370 units pa.

3.0 RECOMMENDATIONS

- 3.1 That Committee:

- (a) endorse the findings and interpretation of this year's annual monitoring, in accordance with the requirements of Local Plan Policy H7; and
- (b) note that there is sufficient capacity in the 'Effective Land Supply' to meet demand and therefore there is no need to increase the land supply through greenfield release in advance of the forthcoming Local Development Plan.

**Aubrey Fawcett, Corporate Director
Environment, Regeneration and Resources**

4.0 BACKGROUND

4.1 An annual report has been prepared for the last ten years to inform Committee of progress in implementing the housing strategy of the Local Plan, reporting on trends in house completions and the take-up and availability of housing land, by market sector and location across the Inverclyde Housing Market Area.

4.2 The annual report derives from Policy H7 in the adopted Local Plan, which states:

“Inverclyde Council, as Planning Authority, will monitor and review annually the housing provisions of the Development Strategy and will publish land supply and house completion information in annual monitoring statements, by market sector and location, to determine whether there is a need to increase the land supply to meet the ‘indicative targets’ set for housebuilding.”

4.3 This report is likely to be the last prepared in accordance with the adopted Local Plan, with the new Local Development Plan due to replace it this year. This year’s review is also different as it is based on a fuller and more comprehensive Housing Trends Monitoring Report for Inverclyde, prepared largely for the purposes of the Local Housing Strategy 2011-2016. This work and the final report, led by the Strategic Housing Team in Safer and Inclusive Communities with Planning Policy Team assistance on matters relevant to the Local Plan and the emerging Local Development Plan, is attached as Annex 1. In relation to matters of most relevance to the Housing Strategy of the Local Plan and Policy H7, this Annex is an extract of the Monitoring Report and covers the same housing monitoring trends reported to Committee, going back to 2002. The Inverclyde Housing Trends Monitoring Report (in full) will be reported to the January 2013 Education and Communities Committee.

Annex 1

4.4 In addition to the requirements of Policy H7, annual monitoring of housing land supply is required in order to accord with national planning policy and the recently approved Glasgow and the Clyde Valley Strategic Development Plan (GCV SDP) 2012. The procedures for monitoring the private sector land supply are agreed at City Region level and involve consulting with ‘Homes for Scotland’, the organisation representing Scottish housebuilders, for its comments before the land supply can be finalised each year. In terms of the affordable (including social rented) sector, the position is finalised after liaison with national and local RSLs, and the Strategic Housing Team.

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Summary of Development Strategy

4.5 The principal objective of the Development Strategy is to assist with the Single Outcome Agreement and Corporate Strategy of stabilising population decline, and in so doing, help stem the population drift to the west from the urban centre and east of the Authority. To achieve this aim, it was estimated that house completion rates would need to increase across the Inverclyde HMA by some 50% over the Plan Period (from an outturn of some 300 to 450 completions per annum) and to be sustained at this higher rate over the medium term. The Plan states “If.....the housebuilding completions targets are not met from the identified and programmed brownfield supply, the Council will consider the need to increase the supply of housing land by releasing green field (Green Belt) sites in the Inverclyde HMA.”

4.6 The Strategy is one of urban sustainability, maximising the use of brownfield sites for housing with their inherited infrastructure and services. To address area renewal objectives and integrate the area more fully with the City Region housing and labour markets, the majority of housing sites are in the centre and east of the Inverclyde HMA. Greenock and Port Glasgow sites are increasingly providing a wider range of house/flat types that are attractive to buyers, with waterfront sites now well-advanced. More homes in the ‘New Neighbourhoods’ are being occupied or are under construction but the development pipeline is much reduced this year due to reductions in funding. However, the imbalance in new build between the east/centre and west of the urban area is being redressed, but with the economic downturn continuing it will take some time for new

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building to pick-up again and even then the imbalance can only be addressed through restricting, not halting, the land supply in the west of Inverclyde.

Housing Need and Demand Assessment, Housing Supply Targets and the LDP

4.7 The Glasgow and the Clyde Valley 'Housing Need and Demand Assessment' 2011, is the primary evidence base for the GCV SDP and the eight local authorities in the City Region's local housing strategies and local development plans, respectively. The local housing strategies have each devised *housing supply targets* based on the GCV HNDA. The approved GCV SDP requires each local authority to translate their indicative strategic housing requirement into a housing land requirement in their respective LDPs. This exercise requires an up to date audit of the land supply, combined with their *housing supply target* as a guide.

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4.8 This year's housing land supply audit is the first to fully incorporate the Scottish Government's aim of integrating planning and housing, at both strategic and local level. First, through the GCV Housing Market Partnership's HNDA, then the derivation of *housing supply targets* for the LHS based on the HNDA, and finally this audit, which will form the evidence base for the forthcoming LDP: Proposed Plan. The differentiation of housing into private and affordable sectors and with an appreciation of the 'intermediate market', will provide the information required to support an Affordable Housing Policy in the forthcoming LDP, and help to deliver the Council's LHS 2011-2016 and Development Plan objectives.

5.0 PROPOSALS

5.1 The main findings on annual monitoring are presented in this section with more detail provided in Annex 1. The Annex is an extract of the information contained in the Inverclyde Housing Trends Monitoring Report (November 2012) of most relevance to the Local Plan's Housing Strategy and to fulfilling the requirements of Policy H7. This is set out in tables and charts on housing completions and land supply, augmenting a number of standard tables that have been published each year since 2002-03, including the newer tables on house sales introduced to correspond with the HNDA Sub Areas (Inverclyde East and Inverclyde West). A detailed commentary on this trend monitoring is also provided in the extracts from the Monitoring Report, attached as Annex 1.

Annex 1

5.2 The effective housing land supply has reduced again for the fifth year running due to the economic conditions prevailing across the UK. Although the amount of land programmed for housing over the next 5 years has also dropped, over the 7-year plan period, it is sufficient to meet the anticipated outturn of new housebuilding. Should the availability of credit and mortgage approvals improve, and economic recovery come sooner than commentators expect, there is still sufficient land to enable private developers to increase house completions over the same period and to accommodate the indicative housing requirements in the GCV SDP, approved in May 2012.

5.3 Due to the prevailing economic situation and the expectation of little improvement in build rates for another 4-5 years (and in agreement with Homes for Scotland), the land audits again this year have looked at a 10-year supply horizon. In that context it is worth noting the following development opportunities programmed in the market area:

- Greenock – Victoria and East India Harbour – 30 effective, with another potential 45 units to year 10 (2021/22);
- Port Glasgow – Woodhall (Ph 2) – over 60 programmed effective, with another potential 60 to year 10 and beyond, in addition to the RSL contribution;
- Greenock – Valley Park, Spango Valley – potential mixed tenure site with 40 programmed effective and 60 beyond; and
- Wemyss Bay – fmr Inverkip Power Station - 90 effective, with another potential 30 per annum up to year 10 and beyond.

These examples also provide an illustration of the good balance of brownfield and greenfield opportunities in the private sector land supply to allow for development across all market sectors. In addition, the established land supply continues to provide a wide

range of other longer term development opportunities – James Watt Dock/Garvel Island on the waterfront, and Strone/Wellington Park, in Greenock; and Levan Farm, Gourrock. These sites could come forward and be made effective if economic prospects and the housing market picks-up, to meet the requirements of SPP and the approved GCV SDP.

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5.4 The local housing associations are now in a similar situation with the programmed 'affordable housing' land supply considerably reduced to reflect the severe funding constraints and reductions in Scottish Government subsidy for RSL new building. This year's Strategic Housing Investment Plan 2012-15 and particularly the Strategic Local Programme, to 2015, has been severely cut back due to reductions in funding. This is clearly going to have a significant impact over the short term, at a minimum, in our ability to address the affordable housing needs identified in the HNDA.

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5.5 In light of this reduced housebuilding, there is a more than adequate land supply to meet estimated demand and needs. However, as in previous years the Service will continue to promote and bring forward established sites, where practicable, and as the Scottish Government encourages and the approved GCV SDP requires of local authorities. For example, those sites noted above and others such as emerging LDP sites will be brought forward in the forthcoming LDP: Proposed Plan, to further supplement the land supply for the affordable sector and the role that the housebuilders and RSLs will have in meeting these housing requirements. The Council has an important role in enabling this, through both its strategic housing role and Local Housing Strategy, and the LDP, particularly as we move through this difficult period of economic downturn.

Summary of Conclusions from Monitoring - Housing Stock & Land Use Changes

5.6 The majority of changes in the affordable housing stock has been and is planned to occur, in Port Glasgow, Greenock South West and in particular, Greenock Central East. These areas are the focus of the Area Renewal Strategy where improving housing quality and widening housing choice are integral to its success. Widening housing choice includes introducing more private housing into an area and private completions were at a relatively high level in Inverclyde East leading up to the downturn in the housing market in 2007/08.

**Annex 1
(Chapter 4)**

[refer Table 4.1]

[refer Table 4.2]

5.7 Private completions declined sharply once restrictions on credit and mortgage finance were introduced and demand for new housing decreased. In 2011/12, private sector completions in Inverclyde were at their lowest recorded for over a decade and were mostly only in Inverkip & Wemyss Bay, with very little new building in Inverclyde East.

[refer Table 4.2]

5.8 Looking ahead, the affordable housing sector will be subject to further changes to meet the requirements of the Scottish Housing Quality Standard (SHQS) by 2015. The sector is likely to see a reduction in the order of 1,400 dwellings over the next three years in Port Glasgow, Greenock Central East and Greenock South West, with a total stock of some 9,900 dwellings. However, the number of affordable housing completions is very likely to be far lower than this reduction and compared to previous years, as restrictions on finance continue to hinder development.

[refer Table 4.9]

[refer Table 4.3]

5.9 Programmed land supply for the private sector is more evenly distributed across the authority than the programmed affordable land supply, with the majority (57% to year 7, 2018/19) in Inverclyde East, thus assisting with Area Renewal objectives in terms of widening house choice.

[refer Table 4.4]

5.10 The assessment of the market sectors likely to be provided from the 2012 programmed owner-occupied land supply indicates there is likely to be a reasonable balance of output across all sectors, with a slight bias toward the lower end of the market. The middle market is expected to have the largest proportion of new development across both time periods (over one-third), with the lower-middle market just under one third of all anticipated housing output. Greenock (and Inverclyde East) over both periods is likely to have a larger proportion in the lower-middle market, while Gourrock has the most balanced range of sites, but with an emphasis towards the upper-middle and middle markets.

[refer Table 4.6]

Summary of Conclusions from Monitoring – Private House Sales

- 5.11 The impact of the current economic conditions on the performance of the housing market in Inverclyde is clearly evident from the information presented on private house sales. The volume of sales dropped sharply after 2007/08, as was the case for the whole of Scotland. In 2011/12 there were only 798 market sales in Inverclyde; 711 in the Inverclyde HMA and 87 in Kilmacolm & Quarrier's Village. Greenock Central East has benefitted most from the favourable economic conditions prior to 2007/08, however the this area has seen the largest reduction in the number of sales and house prices since 2007/08. Demand for owner occupied housing in this area has significantly decreased as a result of the downturn in the economy. Annex 1
(Chapter 6)
- 5.12 In 2011/12 the median house value in Inverclyde was £93,500, which is 32% lower than the Scottish median value of £137,000, and has decreased by 11% since 2007/08. Kilmacolm & Quarrier's Village had the highest median house price in the authority whilst Port Glasgow had the lowest, £60,100. In terms of lower quartile values, i.e. the proxy for entry-level housing, Port Glasgow also had the lowest in 2011/12 (£35,500), while Inverkip & Wemyss Bay had the highest (£143,500), reflecting the relatively small range of housing types in the latter area. New build dwelling values have been little affected by the downturn in the housing market, suggesting that private developers tend to lower their output rather than house prices in response to depressed demand. [refer to Charts
6.1 & 6.2 and
Tables 6.1-6.5]
- 5.13 The origin of buyers of dwellings for the three HNDA sub areas varies greatly. The two sub areas that make up the Inverclyde HMA, Inverclyde East and Inverclyde West, have far fewer buyers from outside the authority than Kilmacolm & Quarrier's Village. In 2011/12, 53% of buyers in Kilmacolm & Quarrier's Village were from outside Inverclyde; the comparative figures for Inverclyde East and Inverclyde West were 19% and 22% respectively. This large differential demonstrates the 'self-containment' of the Inverclyde HMA, which excludes Kilmacolm & Quarrier's Village. This has been a consistent trend over the last ten years, although there were more buyers from the Glasgow City Region moving into Inverclyde West and in particular, Inverclyde East, when housing market activity was at its peak. Historically, there has been very little movement by households from Inverclyde West to Inverclyde East and this continued to be the case in 2011/12. [refer Table 6.9
& 6.10]
- 5.14 Unsurprisingly, the ongoing economic downturn has affected the number of in-migrant households buying dwellings in Inverclyde, in particular in Greenock where there has been a drop of over 75% from 2007/08 to 2011/12. Kilmacolm & Quarrier's Village and Inverkip & Wemyss Bay remain popular destinations for in-migrant households. Both areas have been subject to decreased demand from in-migrant households over the last few years but not as much as other areas in Inverclyde. [refer Tables
6.1-6.5 and to
Charts 6.3-6.6]
- 5.14 Unsurprisingly, the ongoing economic downturn has affected the number of in-migrant households buying dwellings in Inverclyde, in particular in Greenock where there has been a drop of over 75% from 2007/08 to 2011/12. Kilmacolm & Quarrier's Village and Inverkip & Wemyss Bay remain popular destinations for in-migrant households. Both areas have been subject to decreased demand from in-migrant households over the last few years but not as much as other areas in Inverclyde. [refer Table 6.7
and to Charts
6.7 & 6.8]

Overall Conclusions for the Local Plan/Local Development Plan

- 5.15 The monitoring of the origin of house buyers shows that the closer integration of the Inverclyde housing market with the Greater Glasgow housing market has been halted due to the economic downturn, with a reduction in sales to people from outwith the authority since 2007/08, although the proportion of total sales has remained stable. The drift from the east to the west of the authority is being altered only marginally, with little change in the numbers and proportions of sales in Gourrock, Inverkip and Wemyss Bay to people moving from Greenock and Port Glasgow.
- 5.16 Taken together, the evidence from house completions, origin of purchasers and available land supply, suggests that the housing strategy objectives of the Local Plan – to increase house completions, particularly within Greenock and Port Glasgow, notwithstanding the impact of the economic downturn – is being fulfilled but at a slower rate since 2007/08 due to the economic and housing market downturn. Despite this setback, the forthcoming Local Development Plan should continue with the strategy of sustainable urban containment, given the progress that has been achieved.

6.0 IMPLICATIONS

6.1 There are no financial, legal or personnel implications arising from this report, nor any implications for other services of the Council that are not accounted for in the report.

6.2 Finance:

Financial implications – one-off costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a	n/a	n/a	n/a	n/a	n/a

Financial implications – annually recurring costs/(savings)

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a	n/a	n/a	n/a	n/a	n/a

6.3 **Equalities:** the report has no impact on the Council's Equality policy.

7.0 CONSULTATION

7.1 **Chief Financial Officer:** no requirement to comment.

7.2 **Head of Legal and Democratic Services:** no requirement to comment.

7.3 **Head of Organisational Development, Human Resources and Communications:** no requirement to comment.

7.4 Consultation has been undertaken in the preparation of the housing land supply audit with Homes for Scotland ((HfS), the national representative body for the housebuilding industry), the housing associations operating in Inverclyde, River Clyde Homes and the Strategic Housing Team, Safer and Inclusive Communities Service. While broadly in agreement with the approach taken to the assessment of effectiveness of the land supply, Homes for Scotland has still to confirm the level of dispute for 2012, but it looks to be in the region of 8-10 sites, all but 1/2 within the Inverclyde HMA.

7.5 The majority of the disputed sites are flatted developments or at least comprise an element of flatted development. This response from HfS is similar to last year but with a likely increase in the level of dispute, owing to their claim that almost all flatted residential development is no longer effective and generally, taking a harder stance on sites that have been in the land supply for over ten years. Overall, this consultation has not seriously altered our view of the adequacy of the land supply as a whole, which is more than sufficient to provide sites to meet anticipated housing requirements over the next 10 years, and beyond.

8.0 BACKGROUND PAPERS

- (1) Inverclyde Local Plan (2005)
- (2) Inverclyde Local Plan 2005 – Monitoring and Update Report (April 2009)
- (3) 2012 Housing Land Supply Audit, Regeneration and Planning Service, Inverclyde Council (October 2012)
- (4) Inverclyde Housing Trends Monitoring Report, Safer and Inclusive Communities Service, Inverclyde Council (November 2012)

Note: The Inverclyde Housing Trends Monitoring Report will be reported (in full) to the January 2013 Education and Communities Committee. The Report comprises the following chapters:

INVERCLYDE HOUSING TREND MONITORING REPORT

Executive Summary

Map of Housing and Planning Geographies

1. Population and Households
2. Socio–Economic Characteristics of Households
3. Housing Stock Characteristics
4. Changes to Housing Stock and the Land Supply (*attached as Annex 1*)
5. Social Rented Sector
6. Private House Sales (*attached as Annex 1*)
7. Private Rented Sector
8. Homelessness
9. House Condition
10. Energy Efficiency and Fuel Poverty
11. Housing Support
12. Neighbourhood and Household Well Being

ATTACHMENTS

**Annex 1 : Extracts from the ‘Inverclyde Housing Trends Monitoring Report’
(November 2012):**

- (a) Chapter 4 – Changes to Housing Stock and the Land Supply**
- (b) Chapter 6 – Private House Sales**

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Annex 1 – Chapter 4

4. CHANGES TO HOUSING STOCK AND THE LAND SUPPLY

4.1 Introduction

Changes in the number and type of residential dwellings can occur due to demolition, conversion, sub-division and extensions, new build, sales and transfers. The accumulation of these changes can impact upon the operation of the housing market and the stock of housing available, possibly attracting different types of household into the area.

The affordable housing sector in Inverclyde has been subject to significant change over the last decade, particularly over the last five years or so. The Reprovisioning Programme is a major component of the Area Renewal Strategy and involves the demolition of large numbers of poor quality, low demand dwellings (primarily small flats) and their replacement (in part) by new build, larger housing.

This chapter sets out the number of completions (comprising new build, conversions and sub-divisions/extensions) and demolitions that have occurred over the last ten years, and the completions and demolitions that are planned to occur (at present) in future years.

This chapter also provides information that assists with the monitoring and reporting of the Inverclyde Local Plan Housing Strategy. Regeneration and Planning has been preparing an annual report¹ for the last ten years to inform Committee of progress in implementing the housing strategy of the Local Plan, reporting on trends in house completions and the take-up and availability of housing land, by market sector and location across the Inverclyde Housing Market Area (HMA).

The structure of the chapter is as follows:

- Past completions – RSL and private;
- Future/programmed completions – RSL and private;
- Local Plan Monitoring – Programmed effective and established owner-occupied land supply and land values, by market sector;
- Past demolitions – RSL and private; and
- Planned demolitions – RSL and private.

4.2 Past Completions

Table 4.1 shows the number of housing completions by an RSL from 2002/03-2011/12. The vast majority of the dwellings are for social rent with a small number built for shared ownership and shared equity.

¹ Regeneration and Planning usually prepare a separate report on Local Plan Housing Strategy Monitoring. This is the first year where the monitoring has been included with housing trend monitoring.

Table 4.1 RSL Completions² by Sub Area 2002/03–2011/12

LHS Sub Area	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Port Glasgow	0	0	6	0	0	0	28	0	42	153
Greenock Central East	85	34	101	132	8	0	57	89	175	136
Greenock South West	10	0	0	0	0	15	8	230	5	2
Greenock West	0	18	0	0	0	36	0	0	0	0
Gourock	0	0	0	0	0	0	0	0	0	5
Inverkip & Wemyss Bay	0	0	0	0	0	0	0	0	0	0
Inverclyde HMA	95	52	107	132	8	51	93	319	222	296
Kilmacolm & Quarrier's Village	0	0	0	0	0	0	0	0	0	0
Inverclyde	95	52	107	132	8	51	93	319	222	296

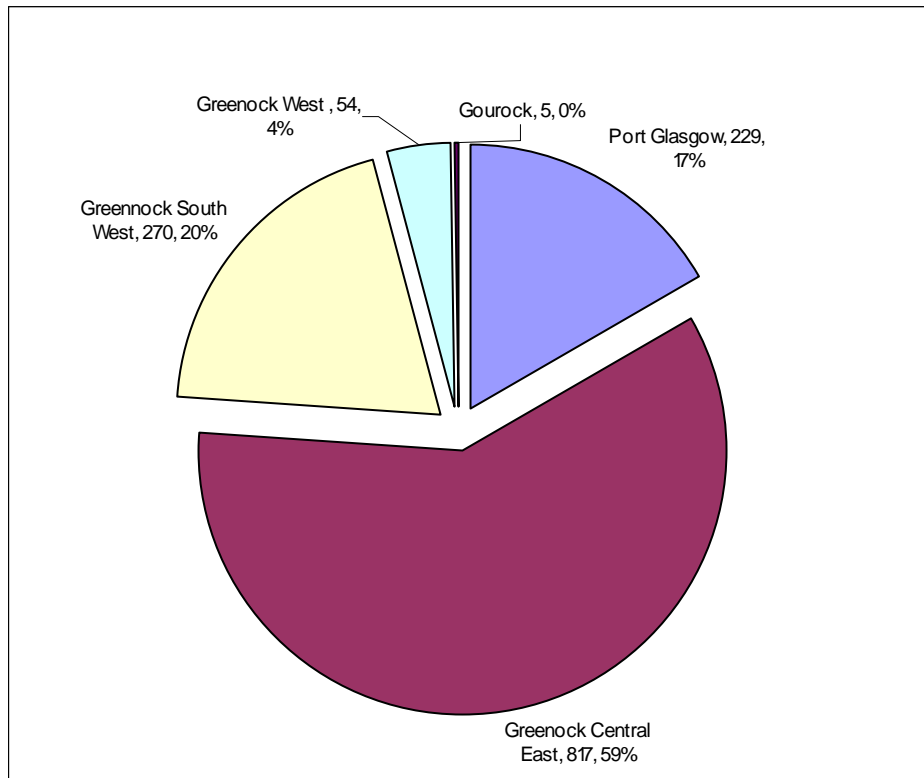
Source: Inverclyde Planning Policy Team and Housing Team

- There has been a substantial increase in the number of completions by RSLs since 2008, in particular in 2009/10 and 2011/12. These high numbers reflect the affordable housing investment that was allocated to Inverclyde after stock transfer in 2007. In 2011/12, large scale re-provisioning developments in Woodhall (Phase 1) and at various sites in the east end of Greenock were completed.
- The majority of Cloch's Maukinhill development was completed in 2009/10-2011/12 and a small number of units to complete the development are due to come off site in 2012/13.
- During the same period Oak Tree completed projects at Branchton, Grieve Road (both in Greenock South West), Robertson Street (West Greenock) and 26 shared equity dwellings at James Watt Dock (Greenock Central East).
- From 2007/08 there have been 49 shared equity and 51 shared ownership completions. The ten year average (mean) for RSL completions is 138 dwellings.

Chart 4.1 illustrates the number of and percentage of RSL completions by LHS sub area from 2002/03-2011/12.

²RSL completions include social rented, shared ownership and shared equity dwellings.

Chart 4.1 Total RSL Completions by Sub Area 2002/03–2011/12



Source: Inverclyde Planning Policy Team and Housing Team

- The vast majority of housing completions by an RSL has been in Greenock Central East, which is the largest sub area in Inverclyde (in terms of number of dwellings) and has the highest number and proportion of RSL owned dwellings in Inverclyde.
- There have been similar numbers of completions in Port Glasgow and Greenock South West, the vast majority of which have been in the last five years.
- There have been very few affordable housing completions in the western, coastal areas of Inverclyde. In Greenock West, Oak Tree developed 36 dwellings on Kelly Street and the five completions in Gourock were conversions by Key HA. There have been no affordable housing completions in Inverkip and Wemyss Bay and Kilmacolm & Quarriers Village over the last ten years.

Table 4.2 shows the number of completions in the private sector for the ten year period 2002/03 – 2011/12.

Table 4.2 Private Sector Completions by Sub Area 2002/03–2011/12

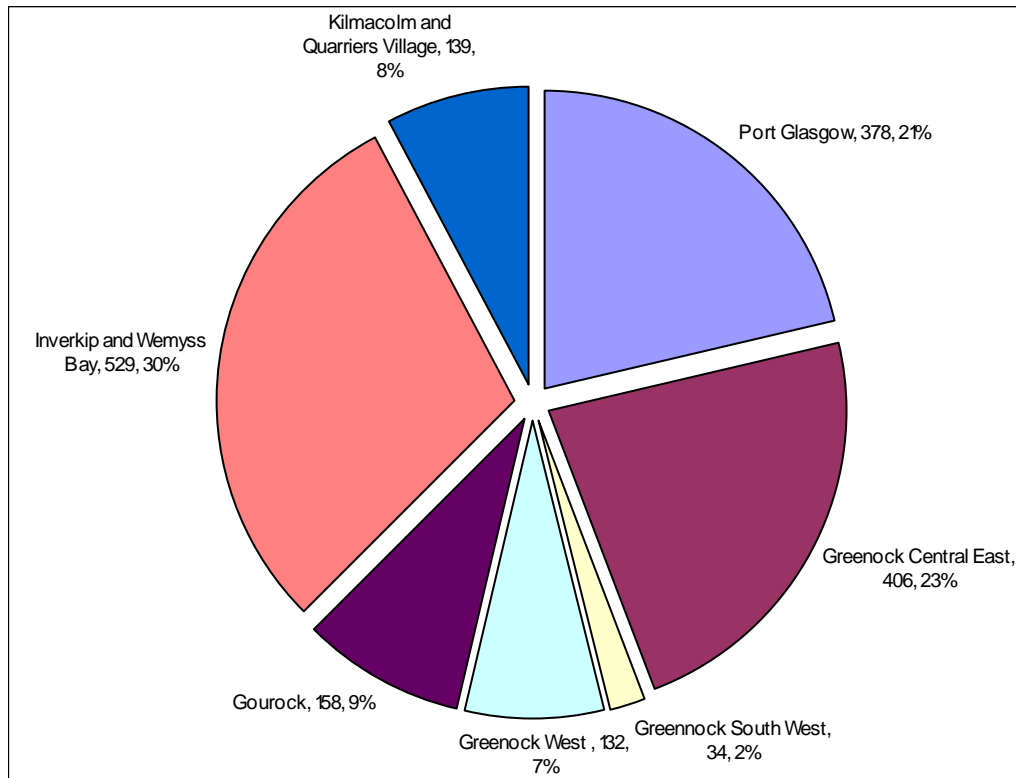
LHS Sub Area	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Port Glasgow	19	41	1	22	17	122	54	64	30	8
Greenock Central East	73	0	10	24	144	64	36	17	21	17
Greenock South West	8	12	4	3	2	0	4	0	0	1
Greenock West	4	0	40	53	4	21	10	0	0	0
Gourock	23	52	15	16	34	17	1	0	0	0
Inverkip & Wemyss Bay	116	60	67	73	20	13	45	32	48	55
Inverclyde (HMA)	243	165	137	191	221	237	150	113	99	81
Kilmacolm & Quarrier's Village	23	26	26	27	16	0	0	2	10	9
Inverclyde	266	191	163	218	237	237	150	115	109	90

Source: Inverclyde Planning Policy Team and Housing Team

- Completions by private developers have sharply decreased since 2007/08, with 2011/12 the first year private developer completions have fallen to under 100.
- Over half of private sector completions in 2011/12 were in Inverkip & Wemyss Bay, most of which were at Hill Farm and Inverkip Marina. The sub area is the only one in Inverclyde where there have been completions in each of the last ten years.
- Completions in the private sector were high in 2002/03 due to a number of developments completing in all sub areas across the authority. Completions were high in 2006/07 and 2007/08 before the start of economic downturn and these were largely driven by units coming off larger sites at Kingston Dock (Port Glasgow) by Persimmon, Ratho Street/East Hamilton (Greenock Central East) by Turnberry and at James Watt Dock (Greenock Central East) by RJM Developments.
- The annual average over the ten year period is 178.

Chart 4.2 shows the total number of private completions by sub area from the last ten years

Chart 4.2: Total Private Completions by Sub Area 2002/03–2011/12

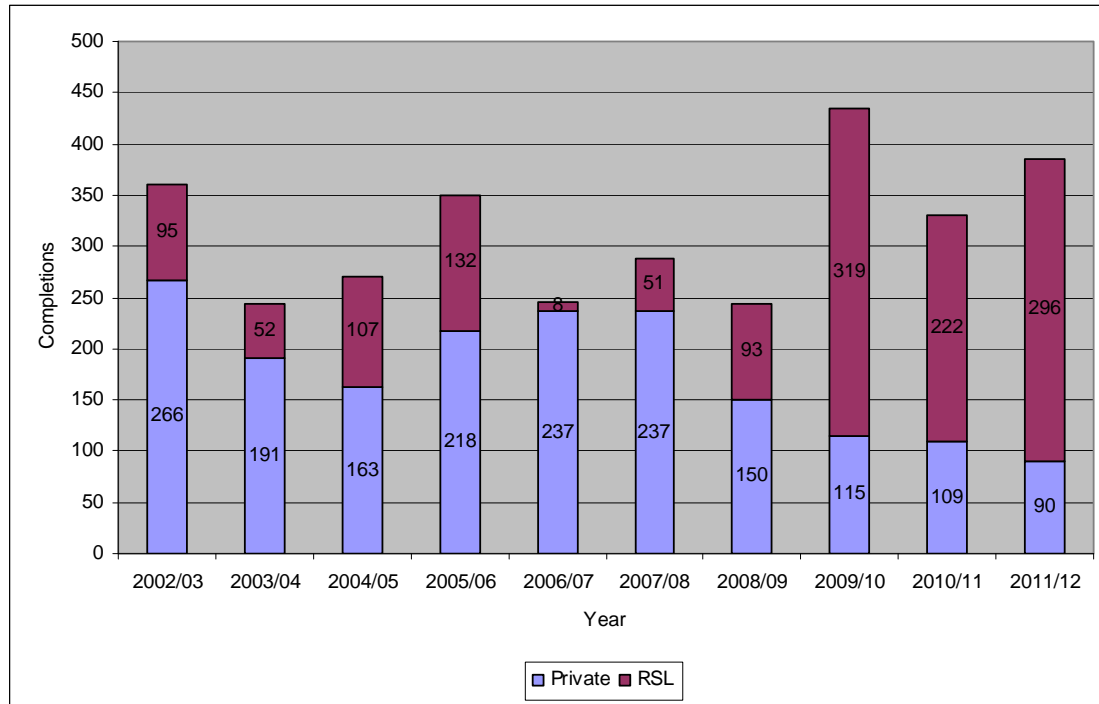


Source: Inverclyde Planning Policy Team and Housing Team

- Completions by private developers have been more evenly distributed across the local authority area than RSL completions.
- The majority of completions have been in the western, coastal areas, especially in the Inverkip & Wemyss Bay sub area where there have been 532 completions by private developers over the last ten years. The sub area is the second smallest (2,200) in Inverclyde and has undergone considerable expansion over the last ten years.
- In the early part of the ten year period, there were a number of completions in Gourock at Levan Farm and in West Greenock, but completions in these sub areas have tailed off in recent years.
- Around 44% of completions over the last ten years have been in the Greenock Central East, Port Glasgow and Greenock South West sub areas, which have the lowest levels of owner occupation and been the focus of the Area Renewal Strategy. Completions in these areas were high in 2006/07 and 2007/08 when the housing market was at its peak in terms of activity and consumer confidence, but completions have declined since with the economic and housing downturn.

A summary of RSL and private completion is presented in the following chart:

Chart 4.3: RSL and Private Completions 2002/03-2011/12



Source: Inverclyde Planning Policy Team and Housing Team

- Up to 2009/10 private sector completions were always higher than RSL completions. However, in recent years there has been a role reversal and the number of RSL completions has far exceeded the number of private sector completions, for reasons stated earlier.
- As a result of the increase in RSL completions, the total number of completions over the last three years in Inverclyde has been particularly high, especially in 2009/10 and 2011/12 when there were 434 and 386 completions, respectively.

4.3 Programmed Completions

Table 4.3 and Table 4.4 outline the programmed RSL and private sector completions taken from the annual Housing Land Supply (HLS) 2012 audit. The audit has taken account of affordable housing sites in the SHIP 2012 and the Draft Strategic Local Programme (SLP) from the summer of 2012 (*still to be finalised*).

Table 4.3: RSL Programmed Completions (Social Rent and Intermediate Sector)

Sub Area	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2012/13- 2018/19	Post 2019
Port Glasgow	3	0	61	20	40	0	0	124	126
Greenock Central East	40	0	0	58	75	30	106	309	135
Greenock South West	74	66	14	53	33	34	10	284	111
West Greenock	0	0	0	0	0	0	0	0	4
Gourock	0	0	0	0	0	0	0	0	38
Inverkip & Wemyss Bay	0	0	0	0	0	0	0	0	0
Inverclyde HMA	117	66	75	131	148	64	116	717	414
Kilmacolm & Quarrier's Village	0	0	0	0	0	0	0	0	15
Inverclyde	117	66	75	131	148	64	116	717	429

Source: Inverclyde Housing Land Audit 2012

- Programmed RSL completions between 2012/13-2014/15 reflect projects that are currently on site and projects that were in the draft SLP. RCH's Lot 3 project comprising of developments at Cumberland Road, Banff Road and Westmoreland Road are due to be completed in 2012/13 and 2013/14 in Greenock South West.
- All of the RSL completions are programmed to occur in Inverclyde East i.e. Port Glasgow, Greenock Central East and Greenock South West; there are no programmed completions for affordable housing in Inverclyde West and Kilmacolm & Quarriers Village before 2018/19.
- The number of affordable housing completions fluctuates more than those in the private sector, which in part reflects the recent changes in affordable housing investment funding.
- For the period, 2012/13-2018/19, the annual average programmed new build is 104 completions.
- The programmed number of completions is lower than the past ten year average number of completions (138, Table 4.1), reflecting the current constrained funding situation.

Table 4.4: Private Sector Programmed Completions

Sub Area	2012/ 13	2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2012/13- 2018/19	Post 2019
Port Glasgow	29	47	79	47	21	22	22	267	229
Greenock Central East	40	16	12	44	55	78	66	311	1142
Greenock South West	7	0	0	0	14	34	20	75	160
West Greenock	4	5	0	0	3	0	2	14	5
Gourock	6	1	5	34	34	39	0	119	358
Inverkip & Wemyss Bay	48	61	54	14	32	30	30	269	361
Inverclyde HMA	134	130	150	139	159	203	140	1055	2255
Kilmacollm & Quarrier's Village	7	1	14	16	20	20	0	78	21
Inverclyde	141	131	164	155	179	223	140	1133	2276

Source: Inverclyde Housing Land Audit 2012

- Programmed private sector completions are more evenly distributed across the authority than affordable housing completions.
- The two largest sub areas (in terms of stock numbers), Greenock Central East and Port Glasgow, are programmed to have a large number of completions over the effective period to 2018/19 and post 2019, but the Inverkip & Wemyss Bay sub area, the second smallest in the authority, is also programmed to have a large number of completions up to 2018/19, and beyond. This is a continuation of past trends, as shown in Table 4.2, reflecting the historic planning permissions granted in this area.
- The seven year average for private sector programmed completions is 160, which is less than the previous ten year average of 178 (Table 4.2).

4.4 Local Plan Housing Strategy Monitoring

Owner-Occupied Land Supply - Brownfield: Greenfield Split

Table 4.5 shows the total established and effective land supply for brownfield (BF) and greenfield (GF) sites, from 2002 to 2012.

Table 4.5: Established and Effective Land Supply (Owner-Occupied) 2002-2012: Inverclyde HMA

	Effective	BF	GF	% BF	Non-Effective	BF	GF	% BF	Established	BF	GF	% BF
2002	1464	764	700	52	2817	2137	680	76	4281	2901	1380	68
2003	1319	754	565	57	2863	1975	888	69	4182	2729	1453	65
2004	1472	819	653	56	2523	1788	735	71	3995	2607	1388	65
2005	1699	954	745	56	1835	1143	692	62	3534	2097	1437	59
2006	1867	1292	575	69	2077	1412	665	68	3944	2704	1240	69
2007	1970	1439	531	73	1806	1141	665	63	3776	2580	1196	68
2008	1864	1334	530	72	1916	1410	506	74	3780	2744	1036	73
2009	1700	1189	511	70	1952	1468	484	75	3652	2657	995	73
2010	1361	1010	351	74	2148	1609	539	75	3509	2619	890	75
2011	1285	982	303	76	2238	1678	560	75	3523	2660	863	76
2012	1055	741	314	70	2287	1788	499	78	3342	2529	813	76

Source: Inverclyde Planning Policy Team and Housing Team

- The effective land supply (that part expected to be developed in the following 7 years from the audit date), continues to decline this year and is at its lowest level in over a decade. The non-effective (the post 2019 supply), has risen further as more sites are put on hold due to the continued difficulties faced by builders obtaining finance credit and prospective buyers getting a mortgage.
- The overall established land supply has increased slightly due to sites being put forward by the RSLs through the SHIP and SLP.
- The proportion of effective brownfield sites has declined again in this year's audit and the proportion of brownfield land has fallen back slightly, indicating that more brownfield sites are constrained and considered difficult to develop in the current market.
- Overall, the brownfield supply has been stable as a proportion of the total supply for the last five years.

Owner-Occupied Land Supply – Land Values by Market Sector

For the purposes of assessing the range and quality of housing sites within Inverclyde, an assessment is undertaken of the market sector that housing developed on owner-occupied land supply sites is likely to meet. The market sectors identified are: Starter, Lower-Middle, Middle, Upper-Middle, and Upper. In the absence of a definitive methodology for defining market sectors, the approach taken in Inverclyde is based upon an estimate of the likely selling price of houses built on land supply sites, taking into consideration house type, size and location. The assessment is undertaken for the Inverclyde HMA only. The Kilmacolm and Quarriers Village sub area is not included as it makes up only a small part of the Renfrewshire SHMA and therefore would not be expected to include a full range of house types.

Table 4.6 shows estimated market sectors for programmed private sector land in the Inverclyde HLA 2012.

Table 4.6: Owner-Occupied Land Supply 2012, by Market Sector: Inverclyde HMA³

Town	Market Sector	Programmed 2012-19		Post 2019		Total Land	
		No.	%	No.	%	Supply	%
Port Glasgow	Starter	0	0	0	0	0	0.0
	Lower Middle	75	28.1	54	23.6	129	26.0
	Middle	146	54.7	175	76.4	321	64.7
	Upper Middle	46	17.2	0	0.0	46	9.3
	Upper	0	0	0	0.0	0	0.0
	TOTAL:	267	100	229	100	496	100
Greenock	Starter	30	7.5	241	18.3	271	15.8
	Lower Middle	208	52	409	31.0	617	35.9
	Middle	143	35.8	321	24.3	464	27.0
	Upper Middle	19	4.75	218	16.5	237	13.8
	Upper	0	0	130	9.9	130	7.6
	TOTAL:	400	100	1319	100	1719	100
Gourock	Starter	0	0	75	19.8	75	15.1
	Lower Middle	32	26.9	99	26.2	131	26.4
	Middle	42	35.3	75	19.8	117	23.5
	Upper Middle	38	31.9	75	19.8	113	22.7
	Upper	7	5.88	54	14.3	61	12.3
	TOTAL:	119	100	378	100	497	100
Inverkip	Starter	0	0.0	0	0.0	0	0.0
	Lower Middle	29	16.6	0	0.0	29	14.5
	Middle	111	63.4	25	0.0	136	68.0
	Upper Middle	21	12.0	0	0.0	21	10.5
	Upper	14	8.0	0	0.0	14	7.0
	TOTAL:	175	100	25	0	200	100
Wemyss Bay	Starter	0	0	60	17.9	60	14.0
	Lower Middle	30	31.9	100	29.8	130	30.2
	Middle	30	31.9	121	36.0	151	35.1
	Upper Middle	32	34	52	15.5	84	19.5
	Upper	2	2.13	3	0.9	5	1.2
	TOTAL:	94	100	336	100	430	100
Inverclyde HMA	Starter	30	2.8	376	16.4	406	12.1
	Lower Middle	374	35.5	662	28.9	1036	31.0
	Middle	472	44.7	717	31.4	1189	35.6
	Upper Middle	156	14.8	345	15.1	501	15.0
	Upper	23	2.2	187	8.2	210	6.3
	TOTAL:	1055	100	2287	100	3342	100

Source: Inverclyde Planning Policy Team

³(1) Revised and updated assessment of segmentation of housing market sectors. Undertaken October 2012.

(2) In addition to the above, the 2012 Housing Land Supply shows *Housing Association* sites with capacity for 884 units in the Inverclyde HMA, 600 of which are programmed for completion in the period 2012-19. The majority of these would be expected to fall into the Starter and Lower Middle sectors. All of these sites lie within Greenock and Port Glasgow.

The middle market is expected to have the largest proportion of new development across both time periods (over one-third), with the lower-middle market just under one third of all anticipated housing output. Greenock (and Inverclyde East) over both periods, is likely to have a larger proportion in the lower-middle market.

- For the HMA land supply as a whole, around 12% of all sites are expected to be in the starter end of the market, except in Port Glasgow, where RSL activity is expected to dominate, at least over the 'effective time period', to 2019.
- Gourock has the most balanced range of market sector sites in the HMA, but with an emphasis towards the upper-middle and upper markets (over one third combined).
- Overall, across the Inverclyde HMA there is expected to be a reasonable balance of output from the programmed land supply, with a slight bias toward the lower end of the market (middle and lower-middle combined).

4.5 Past Demolitions

Table 4.7 shows the number of demolitions undertaken by RSLs and Inverclyde Council since 2002/03, arising out of either the Council's Early Action Fund programme (pre-stock transfer), or through RCH's or Cloch HA's own demolition programmes, following stock transfer in 2007. All of the demolitions have occurred in the Inverclyde East sub areas of Port Glasgow, Greenock Central East and Greenock South West.

Table 4.7: Dwellings Demolished by RSLs 2002/03-2011/12

Sub Area	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Total
Port Glasgow	0	40	98	96	121	32	0	58	8	15	468
Greenock Central East	12	36	55	68	110	195	278	301	198	88	1341
Greenock South West	125	162	225	194	83	62	44	41	0	121	1057
West Greenock	0	0	0	0	0	0	0	0	0	0	0
Gourock	0	0	0	0	0	0	0	0	0	0	0
Inverkip & Wemyss Bay	0	0	0	0	0	0	0	0	0	0	0
Kilmacoll & Quarrier's Village	0	0	0	0	0	0	0	0	0	0	0
Inverclyde	137	238	378	358	314	289	322	400	206	224	2,866

Source: Inverclyde Housing Team and Inverclyde RSLs

- All of the demolitions undertaken by an RSL or Inverclyde Council have occurred in the sub areas which have been the subject of the Area Renewal Strategy i.e. Port Glasgow, Greenock Central East and Greenock South West. In 2011/12, over 90% of the total social rented stock is in these sub areas.
- Prior to stock transfer in December 2007, the majority of demolitions were undertaken by Inverclyde Council.
- In 2011/12, 136 demolitions were completed by RCH mostly around Cumberland Road and Westmoreland Road (Greenock South West), and 88 demolitions were completed by Cloch HA at Maukinhill (Greenock Central East).
- The number of demolitions has slowed a little in recent years due to revisions in RSL Scottish Housing Quality Standard (SHQS) investment programmes.
- It should be noted that the numbers above include dwellings that were originally in the private sector and were 'bought back' by RCH to facilitate their demolition programme. These dwellings are not necessarily demolished in the year in which they were bought by RCH.

In the private sector, a demolition usually occurs when a dwelling does not meet the Tolerable Standard and repair works are unable to improve the condition of the property. Quite often the Council will issue a closing order and subsequently a demolition order to remove a property from the housing stock. In recent years, 44 flats in Garvald Street, Greenock Central East were demolished by Inverclyde Council in 2004/05 and 2009/10 because they were unable to meet the Tolerable Standard.

4.6 Planned Demolitions

In order to continue to improve housing quality in the social rented sector, RCH has in place a demolition programme up to 2015 that will remove dwellings that are unable to meet the Scottish Housing Quality Standard. No other RSL in Inverclyde has any demolitions planned, at present.

Table 4.8: River Clyde Homes Planned Demolitions (May 2012)

Sub Area	2012/13	2013/14	2014/15	TOTAL
Greenock Central East	509	76	168	753
Greenock South West	185	78	40	303
Port Glasgow	296	177	102	575
Total	990	331	310	1,631

Source: River Clyde Homes 2012

- In total, around 1,600 social rented dwellings are planned to be removed over the three year period 2012/13-2014/15, with the majority (61%) to come down in 2012/13.
- Greenock Central East is expected to lose the largest number of dwellings over the three year period. There is a number of multi storey dwellings in the sub area that are planned to be demolished which accounts for a large proportion of the dwellings being removed.

A comprehensive plan to regenerate the Clune Park area of Port Glasgow was approved by Inverclyde Council in May 2011. The plan involves the rehousing of the existing residents in suitable alternative accommodation followed by the demolition of all 430 tenement flats which are in private ownership over the next few years. The ultimate aim is to fully clear the site and, in time, to provide new homes to address the shortfall of affordable housing in Inverclyde.

4.7 Projected Affordable Stock Change

Table 4.9 shows the projected stock number for the social rented sector by LHS sub area based on the programmed completions, planned demolitions and an estimate of the RTB sales. From the beginning of 2012/13 to the end of 2014/15, there is a planned (net) reduction of 1,433 dwellings in the provision of affordable housing.

Table 4.9: Projected Affordable Housing Stock⁴ End of 2014/15

LHS Sub Area	Stock at start of 2011/12	Programmed Completions	Planned Demolitions	RTB (estimate) ⁵	Stock end of 2014/15
Port Glasgow	2766	64	575	14	2,241
Greenock Central East	4858	40	753	26	4,119
Greenock South West	2751	154	303	15	2,587
West Greenock	340	0	0	2	338
Gourock	477	0	0	3	474
Inverkip & Wemyss Bay	33	0	0	0	33
Kilmacolm & Quarrier's Village	71	0	0	0	71
Total	11,296	258	1,631	60	9,863

4.8 Summary

The majority of changes in the affordable housing stock has been and is planned to occur, in Port Glasgow, Greenock South West and in particular, Greenock Central East. These areas are the focus of the Area Renewal Strategy where improving housing quality and widening housing choice are integral to its success. Widening housing choice includes introducing more private housing into an area and private completions were at a relatively high level in Inverclyde East leading up to the downturn in the housing market in 2007/08.

Private completions declined sharply once restrictions on credit and mortgage finance were introduced and demand for new housing decreased. In 2011/12, private sector completions in Inverclyde were at their lowest recorded for over a decade and were mostly only in Inverkip & Wemyss Bay, with very little new building in Inverclyde East.

Looking ahead, the affordable housing sector will be subject to further changes to meet the requirements of the Scottish Housing Quality Standard (SHQS) by 2015. The sector is likely to see a reduction in the order of 1,400 dwellings over the next three years in Port Glasgow, Greenock Central East and Greenock South West, with a total stock of some 9,900 dwellings. However, the number of affordable housing completions is very likely to be far lower than this reduction and compared to previous years, as restrictions on finance continue to hinder development.

Programmed land supply for the private sector is more evenly distributed across the authority than the programmed affordable land supply, with the majority (57% to year 7 of the effective period, 2018/19) in Inverclyde East, thus assisting with Area Renewal objectives in terms of widening house choice.

⁴Self contained and non-self contained social rented dwellings

⁵ Estimated 20 RTB sales per year, based on sales numbers from 2010/11 and 2011/12.

The assessment of the market sectors to be provided from the 2012 programmed owner-occupied land supply indicates there is likely to be a reasonable balance of output across all sectors, with a slight bias toward the lower end of the market. The middle market is expected to have the largest proportion of new development across both time periods (over one-third), with the lower-middle market just under one third of all anticipated housing output. Greenock (and Inverclyde East) over both periods is likely to have a larger proportion in the lower-middle market, while Gourock has the most balanced range of sites, but with an emphasis towards the upper-middle and middle markets.

Annex 1 – Chapter 6

6 PRIVATE HOUSE SALES

6.1 Introduction

Owner occupation is the tenure of aspiration for many households and it is also seen by Inverclyde Council and the Scottish Government as a mechanism to achieve long term policy objectives. Achieving an informed understanding of the operation of the tenure and how it has evolved in recent years, in particular since the downturn in the economy, is critical to understanding the extent to which households and the Council are likely to achieve their aspirations.

The aim of this chapter is to provide an overview of private housing sales over the last five to ten years in Inverclyde which will provide an understanding of the operation of the housing market in Inverclyde and how it differs across the authority area. The chapter includes the following topics:

- Volume of sales – new build dwellings and established dwellings by Housing Market Area, LHS Sub Area and HNDA Sub Area;
- Purchase patterns of in-migrant households – the origin of buyers, value of dwellings and new build and established dwellings by LHS Sub Area and HNDA Sub Area;
- Purchase patterns of Inverclyde households – the origin of buyers, value of dwellings and new build and established dwellings; and
- Mean, median and lower quartile values of dwellings by LHS Sub Area and HNDA Sub Area.

This chapter also provides information that assists with the monitoring and reporting of the Inverclyde Local Plan Housing Strategy. Regeneration and Planning has been preparing an annual report for the last ten years to inform Committee of progress in implementing the housing strategy of the Local Plan, reporting on trends in house completions and the take-up and availability of housing land, by market sector and location across the Inverclyde Housing Market Area (HMA). Section 6.3 sets out the monitoring information for the Housing Strategy and sections 6.4-6.6 provide more comprehensive analysis of the monitoring information to aid further understanding of the housing market in Inverclyde, with additional information on Kilmacolm & Quarriers Village.

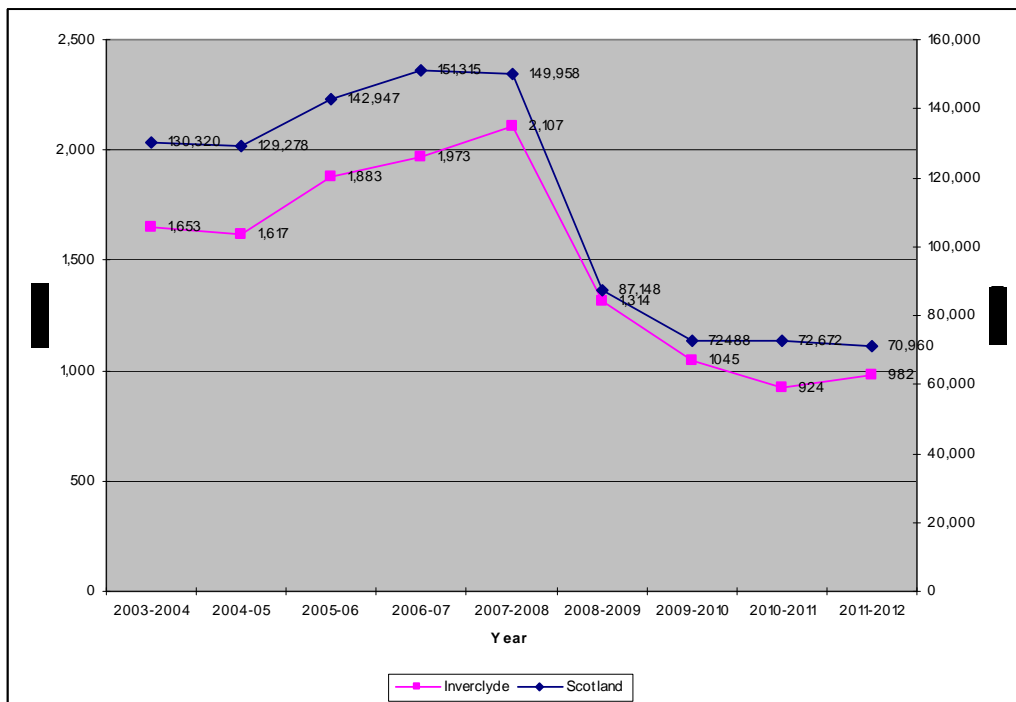
The chapter contains analysis by a number of geographies. The relationship of the geographies is set out at the beginning of the report. Inverclyde has two HMAs (for the private sector) operating within the local authority boundary: Inverclyde HMA (discrete) and the Renfrewshire Housing Sub Market Area (HSMA) which includes the Kilmacolm and Quarriers Village sub area. However, the majority of the charts are presented by LHS Sub Area but where the available information can not be presented or analysed at this smaller geography, then HNDA Sub Areas have been used for presenting purposes.

6.2 Volume of Sales

The volume of sales represents the number of market sales that have occurred. Registers of Sasines record all changes in the ownership title of dwellings and a sale of a dwelling is one of many reasons why a change in title occurs. To achieve an accurate analysis of sales that have occurred in the housing market, non-market sales have been removed from the analysis. Some agencies remove the top and bottom percentiles of sales to achieve an analysis that is less prone to fluctuations, which explains why the reported number of market sales can vary across publications.

The volume of sales for Inverclyde and Scotland from the Registers of Scotland analysis is illustrated in Chart 6.1.

Chart 6.1: Volume of House Sales for Inverclyde and Scotland 2003/04– 2011/12

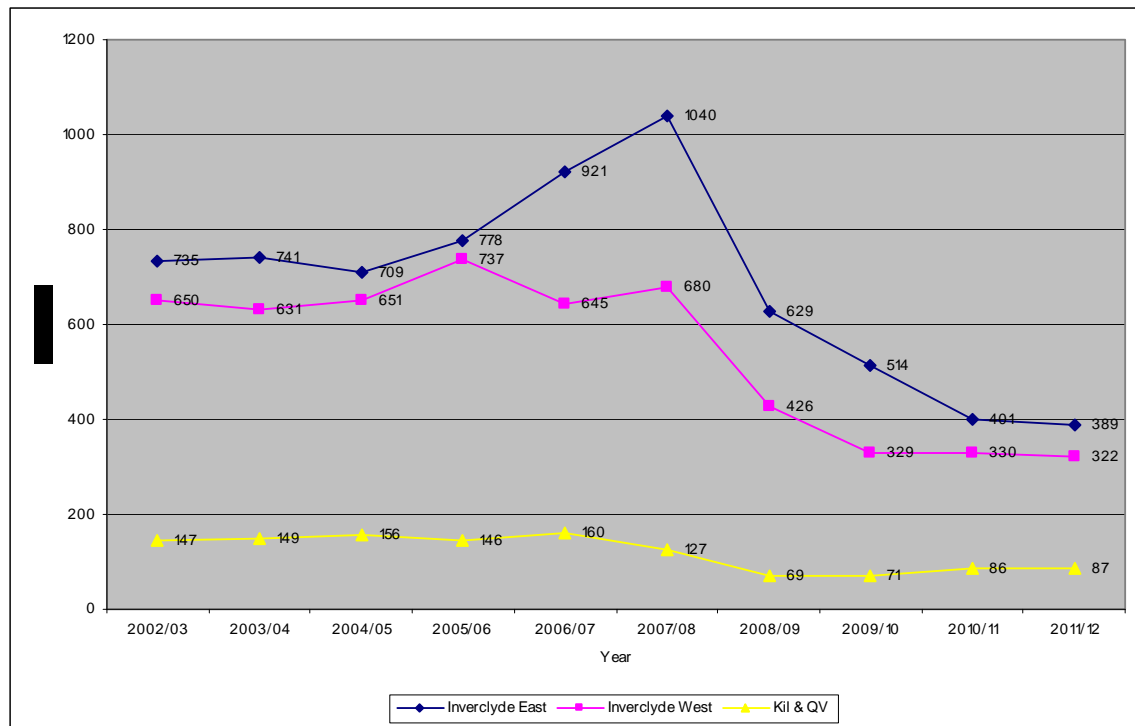


Source: Registers of Scotland, Quarterly Statistics Time Series

- The impact of the economic downturn on the volume of sales is clearly illustrated in the chart. The start of the downturn was in 2007/08, in particular the ‘credit crunch’ when lenders sharply reduced the availability of credit, has resulted in a reduction in the number of sales in Inverclyde and Scotland, from 2007/08 to 2008/09, which continued the following year.
- In 2011/12 there were 981 house sales in Inverclyde which is a reduction of 53% in the number of sales compared to 2007/08. The corresponding percentage for Scotland is also 53%.
- The rate of decline in the volume of sales from 2009/10 has slowed, flattening out’ for both Inverclyde and Scotland. Market activity in Inverclyde and Scotland remains subdued and the number of annual transactions in 2011/12 is lower than the number of sales 10 years ago, in 2002/03.

Chart 6.2 illustrates the volume of sales for a ten year period by HNDA Sub Area.

Chart 6.2: Volume of Sales by HNDA Sub Area 2002/03-2011/12



Source: Register of Sasines with further analysis from Planning Policy Team and Housing Team

- Inverclyde East appears to have been affected most by the change in access to relatively cheap finance after 2007/08 with subsequent restrictions on credit having a greater effect than the rest of Inverclyde. Housing market activity increased by 43% from 2004/05 to 2007/08 but then the number of sales rapidly decreased once the restrictions to mortgages were introduced, with a drop of 62% in the number of sales from 2007/08 to 2011/12 (395 sales). During the same period, sales in Inverclyde West fell by 51% from 680 in 2007/08 to 332 in 2011/12.
- The number of dwellings in Inverclyde East is over twice as much as the number of dwellings in Inverclyde West¹ however this trend is not reflected in the volume of sales for the two sub areas. In 2011/12, there were only 63 more sales in Inverclyde East than Inverclyde West, suggesting the housing market in the western, coastal areas is relatively more active than the eastern, regeneration areas of the authority.
- Kilmacolm & Quarriers Village has also been affected by the downturn in the housing market, although prior to 2007/08, sales had only increased by 9% from 147 in 2002/03 to 160 in 2006/07. Sales then declined by 57% to 69 in 2008/09 but subsequently, sales increased to 87 in 2011/12, although sales are significantly below the 2006/07 level, when the housing market was at its peak.

¹ Chapter 3: Dwelling Profile

6.3 Local Plan Housing Strategy Monitoring – Volumes of Sales by Inverclyde HMA

Monitoring of the origin of buyers in Inverclyde was introduced five years ago to inform an understanding of the implementation of the Housing Strategy of the Local Plan. This is undertaken by analysis of the Register of Sasines which provides information on all house sales in Scotland².

Table 6.1: Origin of house buyers - Inverclyde HMA

Origin of buyers in Inverclyde HMA – New build					Origin of buyers in Inverclyde HMA - All sales				
	From within Inverclyde	% of total	Into Inverclyde	% of total		From within Inverclyde	% of total	Into Inverclyde	% of total
2002/03	139	67%	70	34%	2002/03	1135	82%	250	18%
2003/04	100	70%	42	30%	2003/04	1097	80%	276	20%
2004/05	74	59%	51	41%	2004/05	1083	80%	277	20%
2005/06	73	50%	72	50%	2005/06	1202	79%	313	21%
2006/07	108	53%	95	47%	2006/07	1174	75%	392	25%
2007/08	161	72%	63	28%	2007/08	1384	79%	375	21%
2008/09	115	72%	45	28%	2008/09	798	77%	237	23%
2009/10	81	64%	46	36%	2009/10	674	80%	169	20%
2010/11	51	65%	28	35%	2010/11	587	80%	144	20%
2011/12	47	69%	21	31%	2011/12	567	80%	144	20%

- Newbuild – Following an increase in the proportion of people moving into Inverclyde over the early-mid years of the last decade in response to the upturn in new house building, both the number and proportion of all new build sales has since declined. For the last 3 years, the proportion of new build sales to in-migrants has been quite consistent at around one third of the total.
- All sales – The number of sales to in-migrants has leveled out at a much lower level (down from over 60% since 2006/07), reflecting the difficult economic and housing market conditions since 2007/08. Overall sales, including to buyers from within Inverclyde, has not fallen to quite the same extent, but still is over a 50% decline. Despite this decline, the proportion of sales to in-migrants has remained fairly stable over the last 5 years, following an increase in the year prior to the downturn in the economy.

² Information on where people are moving to/from Inverclyde is not so readily collected, but is monitored for Strategic Development Plan purposes. These data sets have been examined fully through the preparation of the Glasgow and the Clyde Valley 'Housing Need and Demand Assessment' (HNDA), for the first Strategic Development Plan (approved May 2012), providing an important evidence base for the Local Housing Strategy 2011-2016, and in turn, the forthcoming Local Development Plan for Inverclyde.

Table 6.2: Origin of House Buyers – Gourrock, Inverkip and Wemyss Bay

Origin of buyers in Gourrock, Inverkip and Wemyss Bay – New build					Origin of buyers in Gourrock, Inverkip and Wemyss Bay - All sales				
	From within Inverclyde	% of total	Into Inverclyde	% of total		From within Inverclyde	% of total	Into Inverclyde	% of total
2002/03	64	52%	60	48%	2002/03	350	72%	135	28%
2003/04	59	60%	39	40%	2003/04	343	72%	135	28%
2004/05	33	47%	37	53%	2004/05	312	72%	119	28%
2005/06	18	36%	32	64%	2005/06	359	74%	129	26%
2006/07	29	48%	31	52%	2006/07	333	73%	123	27%
2007/08	26	54%	22	46%	2007/08	371	77%	112	23%
2008/09	29	63%	17	37%	2008/09	228	77%	70	23%
2009/10	23	59%	16	41%	2009/10	169	77%	51	23%
2010/11	26	59%	18	41%	2010/11	187	77%	56	23%
2011/12	27	66%	14	34%	2011/12	180	75%	59	25%

Table 6.3: Origin of House Buyers - Inverclyde West

Origin of buyers in Inverclyde West – New build					Origin of buyers in Inverclyde West - All sales				
	From within Inverclyde	% of total	Into Inverclyde	% of total		From within Inverclyde	% of total	Into Inverclyde	% of total
2002-03	65	52%	60	48%	2002-03	480	73%	176	27%
2003-04	59	60%	39	40%	2003-04	461	72%	175	28%
2004-05	59	57%	44	43%	2004-05	486	76%	156	24%
2005-06	58	53%	52	47%	2005-06	561	76%	177	24%
2006-07	32	51%	31	49%	2006-07	480	74%	168	26%
2007-08	34	61%	22	39%	2007-08	543	77%	159	23%
2008-09	48	73%	18	27%	2008-09	332	79%	88	21%
2009-10	36	68%	17	32%	2009-10	263	80%	66	20%
2010-11	27	60%	18	40%	2010-11	264	80%	66	20%
2011-12	28	67%	14	33%	2011-12	251	78%	71	22%

- Newbuild – A larger proportion of house buyers than the HMA as a whole are in-migrants to Gourrock, Inverkip and Wemyss Bay (more so for the Inverclyde West sub area, which included West Greenock), accounting for well over one third of total new build sales over the last four years. However, this is a decline from around 40 to > 50% prior to the downturn and equally, a decline in actual numbers of buyers. The number and proportion of new build sales to people moving within Inverclyde to the west of the authority has remained fairly constant since 2006/07, at over 60%.
- All Sales – The proportion of in-migrants buying is lower than for only new build sales (c 23% compared to well over one third). This proportion has remained fairly stable despite the dramatic decline in numbers of sales since 2007/08 (a decline of 65% for the three settlements and 50% for the Inverclyde West sub area).

Table 6.4: Origin of House Buyers – Greenock and Port Glasgow

Origin of buyers in Greenock and Port Glasgow – New build					Origin of buyers in Greenock and Port Glasgow - All sales				
	From within Inverclyde	% of total	Into Inverclyde	% of total		From within Inverclyde	% of total	Into Inverclyde	% of total
2002/03	75	88%	10	12%	2002/03	785	87%	115	13%
2003/04	41	93%	3	7%	2003/04	754	84%	141	16%
2004/05	32	86%	5	14%	2004/05	772	84%	149	16%
2005/06	55	58%	40	42%	2005/06	843	82%	184	18%
2006/07	79	55%	64	45%	2006/07	841	76%	269	24%
2007/08	135	73%	40	23%	2007/08	1013	79%	262	21%
2008/09	88	76%	28	24%	2008/09	573	77%	167	23%
2009/10	58	66%	30	34%	2009/10	405	77%	118	23%
2010/11	25	71%	10	29%	2010/11	400	82%	88	18%
2011/12	20	74%	7	26%	2011/12	387	86%	62	14%

Table 6.5: Origin of House Buyers - Inverclyde East

Origin of buyers in Inverclyde East – New build					Origin of buyers in Inverclyde East - All sales				
	From within Inverclyde	% of total	Into Inverclyde	% of total		From within Inverclyde	% of total	Into Inverclyde	% of total
2002-03	74	88%	10	12%	2002-03	655	90%	74	10%
2003-04	41	93%	3	7%	2003-04	636	86%	101	14%
2004-05	15	68%	7	32%	2004-05	597	83%	121	17%
2005-06	15	43%	20	57%	2005-06	641	82%	136	18%
2006-07	76	54%	64	46%	2006-07	694	76%	224	24%
2007-08	127	76%	41	24%	2007-08	841	80%	216	20%
2008-09	69	72%	27	28%	2008-09	469	76%	149	24%
2009-10	45	61%	29	39%	2009-10	411	80%	103	20%
2010-11	24	71%	10	29%	2010-11	323	81%	78	19%
2011-12	19	73%	7	27%	2011-12	316	81%	73	19%

- Newbuild – The proportion of sales to in-migrants to Greenock and Port Glasgow is less than the HMA as a whole, with an average of c 30% of all new build sales over the last four years. This represents a decline from levels of 50% at the time of higher outturn of new building, before the downturn. Overall the number of buyers of new build has declined dramatically (by 85%) since 2007/08, indicating how severe the impact of the downturn has been in these less affluent areas of Inverclyde. Moreover, it is in those parts of the authority where the beneficial effects of the Housing Strategy were being felt most and are now affected most by the continuing economic and housing market downturn.
- All sales – The proportion of in-migrants buying is lower than for new build sales (c 20% compared to c 30%). This proportion has remained fairly stable over the last 7 years, despite a slightly lesser decline than for new build (65%). This change is still considerable in terms of the overall strategy, aiming to create the conditions necessary to attract more house buyers into the Inverclyde HMA from outside and retain those already resident. A larger proportion of all sales in this

part of the HMA are to buyers from within the HMA than the Inverclyde West sub area, reflecting the extent to which it remains more 'affordable'.

6.4 Origin of Buyers

Section 6.3 provides a comprehensive overview of the origin of buyers for house sales in the Inverclyde HMA for the purpose of Local Plan monitoring.

Table 6.6 shows origin of buyers for all market sales in Inverclyde (local authority area).

Table 6.6: Origin of Buyers for Inverclyde Dwelling Sales 2002/03-2011/12

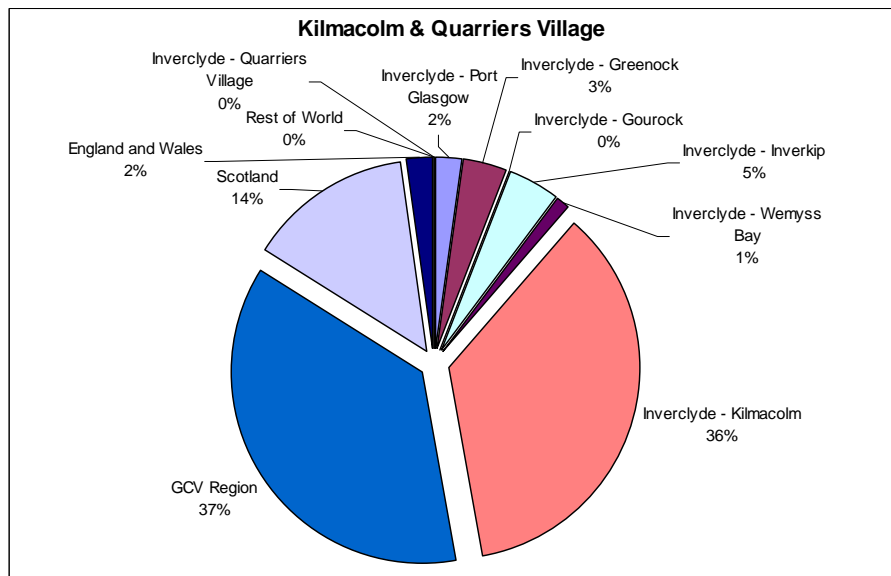
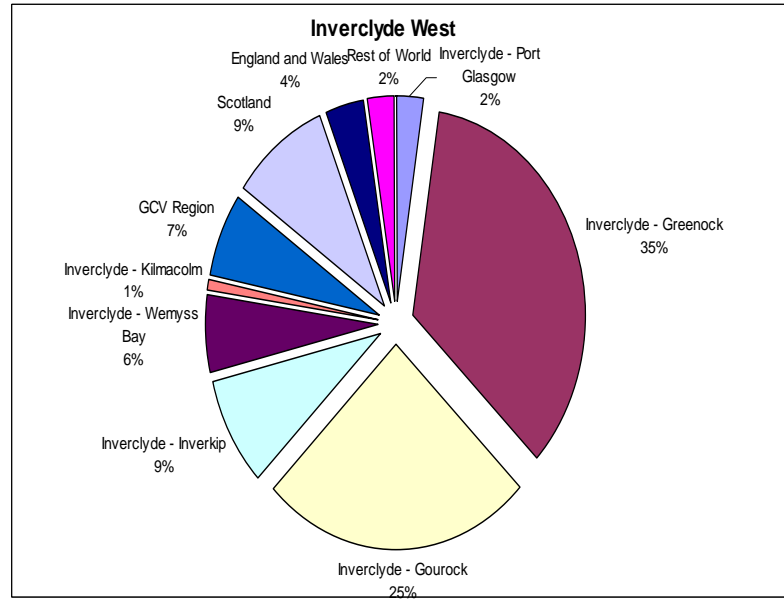
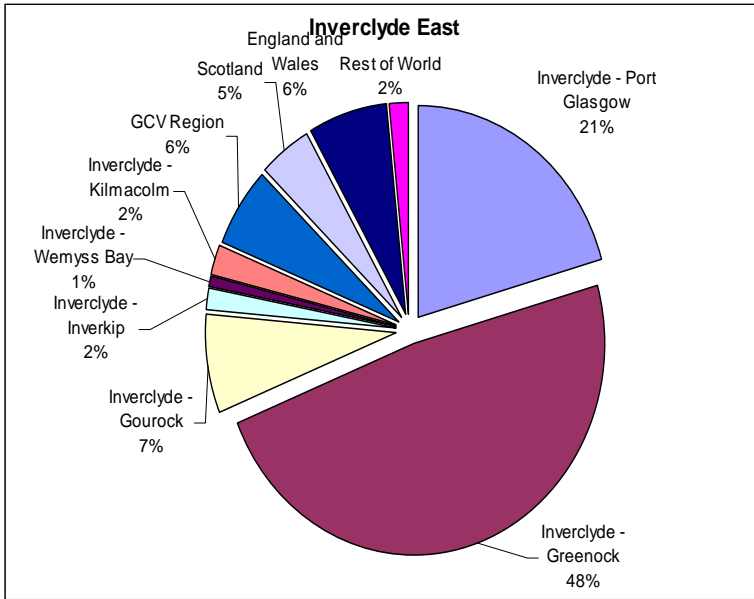
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Inverclyde - Port Glasgow	177	146	161	168	208	203	123	104	88	90
Inverclyde - Greenock	657	634	591	649	612	757	431	347	303	303
Inverclyde - Gourock	216	215	225	245	227	224	159	139	138	110
Inverclyde - Inverkip	50	62	61	58	63	55	39	38	31	39
Inverclyde - Wemyss Bay	30	33	43	66	49	61	30	27	18	24
Inverclyde - Kilmacolm	56	58	66	65	77	99	65	51	48	42
GCV Region	191	195	195	219	247	228	121	81	88	77
Scotland	87	101	89	118	113	126	81	57	58	59
England and Wales	64	63	75	59	111	71	52	48	37	39
Rest of World	4	14	10	14	19	22	23	22	8	15
Total	1,532	1,521	1,516	1,661	1,726	1,847	1,124	914	817	798

Source: Register of Sasines with analysis from Planning Policy Team and Housing Team

- Throughout the chart period, the majority of sales that occur in Inverclyde are by Greenock residents. In 2007/08 sales by Greenock residents accounted for 41% of all sales. This proportion had declined to 35% of all sales in 2011/12.
- In terms of in-migrant households, the number of GCV Region purchasers peaked in 2006/07 with 247 sales but this has decreased dramatically by 82% to 71 sales in 2011/12.
- In 2006/07 28% of all sales (490) were by households moving into Inverclyde. In 2011/12 this proportion had only declined slightly to 26%.

The following charts show the origin of buyers by HNDA sub area. Separating out the areas which have been subject to regeneration policies (Inverclyde East) and higher priced areas (Inverclyde West and Kilmacolm & Quarriers Village) provides an understanding of what type of households are moving into different areas, thus helping the Council understand the effect of past and current policies and potentially informing future policy.

Chart 6.3: Origin of Buyers 2011/12 by HNDA Sub Area

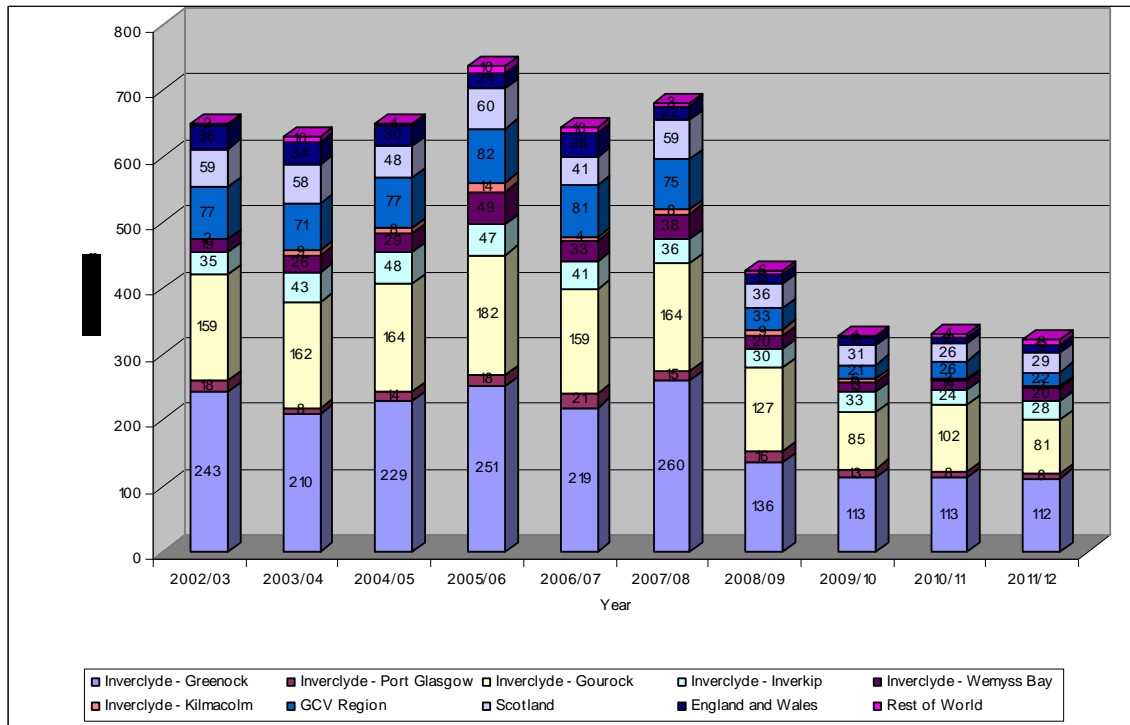


- The origin of buyers by HNDA Sub Area varies considerably. In the Inverclyde East sub area, 69% of sales are to buyers from Greenock and Port Glasgow; in Inverclyde West the proportion is 37%; and in Kilmacolm & Quarriers Village the proportion is only 5%.
- Movement from Inverclyde West to Inverclyde East is relatively small; in 2011/12 only 9% of sales were to residents from Gourrock and Inverkip & Wemyss Bay. However, the origin of buyer information does not separate out West Greenock so there is likely to be a little more movement to Inverclyde East from the west side of the authority.
- In Inverclyde West 40% of purchasers are from the sub area. This proportion may be higher due to West Greenock being included in the Greenock analysis. Sales by households from the western, coastal areas only account for 4% of sales in Kilmacolm & Quarriers Village.

- The origin of buyers for Kilmacolm & Quarriers Village is very different to other areas in the local authority and illustrates the linkages the area has with Renfrewshire and the GCV Region. In 2011/12, 58% of sales were to households from outside the local authority area. Purchases by Kilmacolm residents took up 35% of sales in 2011/12, with only 7% of total sales by residents from the Inverclyde HMA.
- Another trend to note is the difference in the proportions of purchasers from England and Wales across the authority. In 2011/12, purchasers from England and Wales accounted for 12% of sales in Inverclyde East, 4% of all sales in Inverclyde West and 2% of all sales in Kilmacolm and Quarriers Village. Further analysis shows that there have been a number of sales in the Clune Park area (Port Glasgow, Inverclyde East) to buyers from England and Wales. The area is subject to a regeneration plan and the dwellings in the area are all privately owned.

Charts 6.4-6.6 illustrate the trends in the origin of buyers for the three HNSA sub areas of Inverclyde East, Inverclyde West and Kilmacolm & Quarriers Village.

Chart 6.4: Origin of Buyers for Inverclyde East (Port Glasgow, Greenock Central East and Greenock South West) 2002/03-2011/12

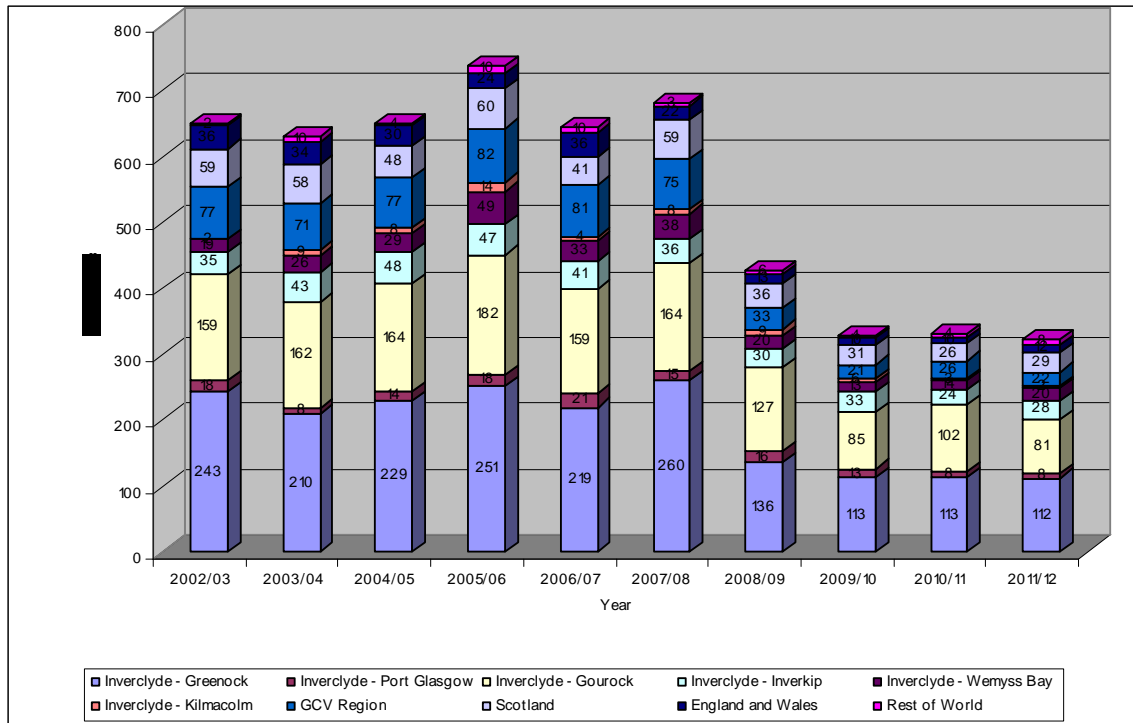


Source: Register of Sasines with analysis from the Planning Policy Team and Housing Team

- The chart shows there has been a decreasing trend in sales from Greenock and Port Glasgow residents in Inverclyde East. In 2002/03, 77% of sales were to Greenock and Port Glasgow residents but in 2011/12 the proportion had dropped to 66% of all sales. This is largely driven by sales from Greenock residents decreasing from 56% in 2002/03 to 42% in 2011/12.
- Household movement (in terms of buying dwellings) from Inverclyde West to Inverclyde East has been modest over the last ten years. Sales by residents from Gourrock and Inverkip & Wemyss Bay usually take up 8%-13% of all sales in Inverclyde East.

- The percentage of sales by households from England and Wales increased from 2002/03-2011/12; in 2002/03 the proportion was 1% and increased to 12% (49 sales) in 2011/12. In 2006/07 the number of sales peaked at 67 (7% of all sales).
- Since the downturn in the economy, there has been a reduction in sales (numbers and percentage) from GCV Region households. For each year between 2006/07 and 2008/09, 10% of all purchasers were from the GCV Region but this proportion declined to 4% of all sales in 2011/12.

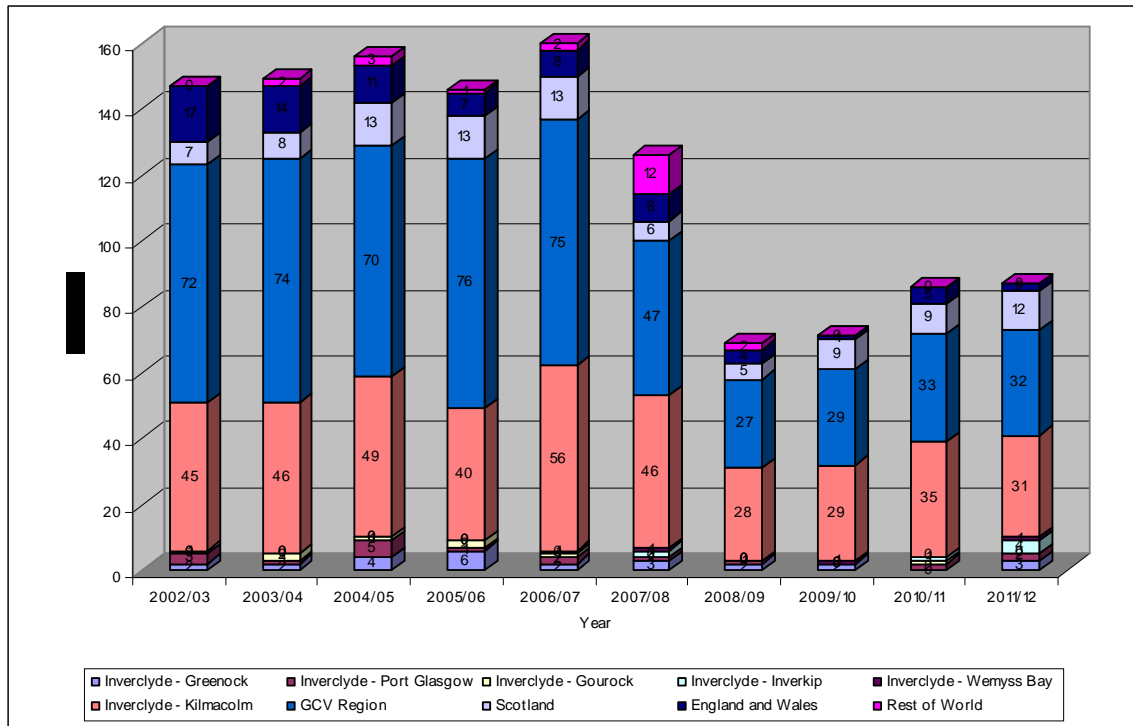
Chart 6.5: Origin of Buyers for Inverclyde West (West Greenock, Gourock and Inverkip & Wemyss Bay) 2002/03-2011/12



Source: Register of Sasines with further analysis from Planning Policy Team and Housing Team

- Internal (sub area) movement of households from Gourock and Inverkip & Wemyss Bay increased slightly since the start of the economic downturn; in 2006/07 sales were around 35% and rose to 42% in 2010/11.
- Proportionally, there are more sales in Inverclyde West by households from the GCV Region than Inverclyde East, although this number and percentage has decreased in recent years – 13% of sales in 2006/07 to 7% of sales in 2011/12.
- The proportion of buyers from Greenock and Port Glasgow has changed very little over the last ten years and is usually between 37% and 40% of sales).

Chart 6.6: Origin of Buyers for Kilmacolm & Quarriers Village 2002/03-2011/12



Source: Register of Sasines with further analysis from Planning Policy Team and Housing Team

- From 2002/03-2011/12, the proportion of sales by households from the GCV Region decreased; from 56% in 2004/05 to 38% 2011/12.
- There has been an increasing trend over the last ten years of sales by residents from Scotland (outside of the GCV Region) in Kilmacolm & Quarriers Village. In 2011/12, the proportion was at 17% (15 sales).
- Sales by Kilmacolm & Quarriers Village residents have fluctuated between 30% - 40% of all sales over the last ten years. In 2011/12 there was a drop of 7% (5 sales) from the previous year to 34% of sales.

6.5 Purchase Patterns of Households

In-Migrant Households

As described earlier in the chapter, monitoring the buying behaviour of in-migrant households can assist with understanding the impacts of current policy, and assist the development of future policy, in particular with regards to arresting depopulation and promoting regeneration.

Table 6.7 shows the number of dwelling sales and the type (new build or established) dwellings, bought by in-migrant households in Inverclyde from 2002/03 to 2011/12.

Table 6.7: Percentage of New Build / Established³ Dwellings purchased by In-Migrant Households

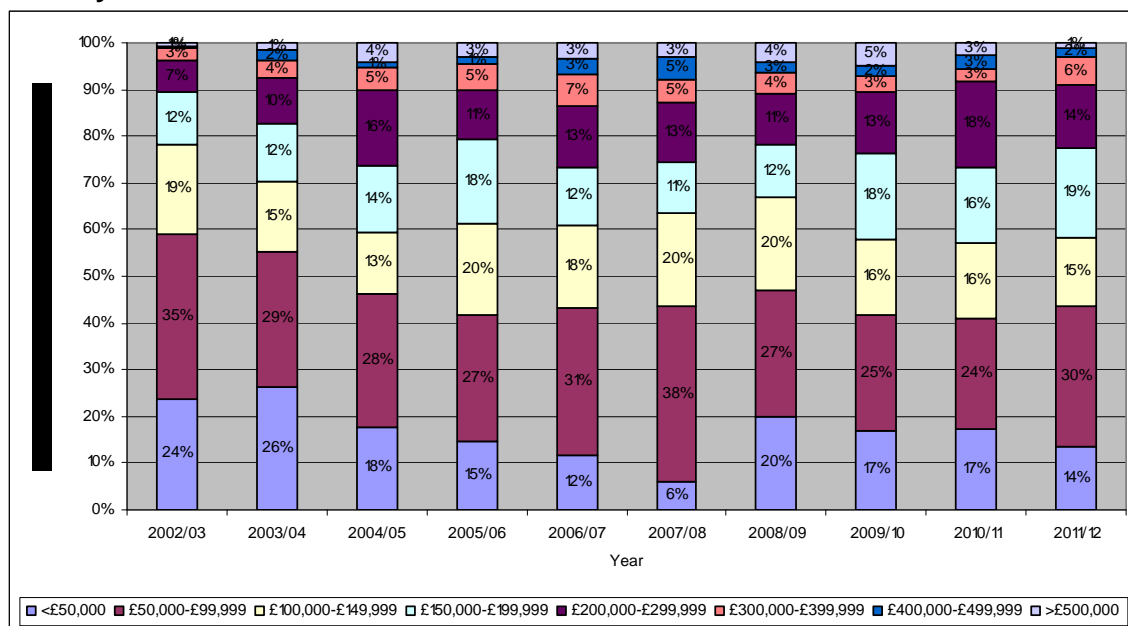
Year	Established	New Build	No. of Sales by In-migrant households
2002/03	76%	24%	346
2003/04	84%	16%	373
2004/05	82%	18%	368
2005/06	78%	22%	410
2006/07	79%	21%	490
2007/08	86%	14%	449
2008/09	83%	17%	275
2009/10	77%	22%	216
2010/11	85%	15%	191
2011/12	90%	10%	190
Ten Year Average	82%	18%	326

- House moves into Inverclyde are largely influenced by the established housing stock and the wider economy. The vast majority of in-migrant households purchase dwellings that have been occupied previously. The number of in-migrant households buying dwellings in Inverclyde has decreased by 61% from 2006/07 to 2011/12, in line with the downturn in the economy. Overall, sales by in-migrant households are at their lowest in the ten year period, or even longer.
- Sales of new build dwellings to in-migrant households have declined more than established dwellings – 103 sales in 2006/07 to 19 sales in 2011/12. This equates to a reduction of 83%.

The price of dwellings purchased by in-migrant households is illustrated in Chart 6.7.

³ Dwellings that have already been occupied and bought at least once.

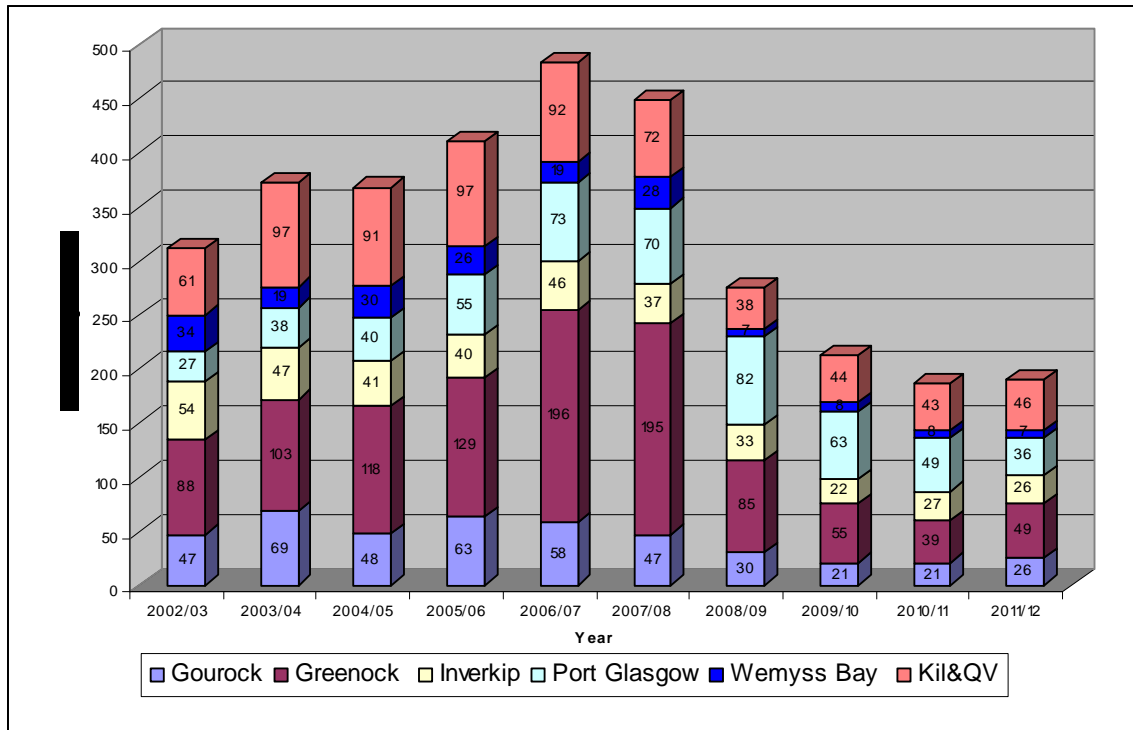
Chart 6.7: Price Band of Dwellings Purchased by In-Migrant Households for Inverclyde LA 2002/03-2011/12



Source: Registers of Sasines with analysis from the Planning Policy Team and Housing Team

- Throughout the ten years between 2002/03-2011/12, the majority of households moving into the authority tend to buy dwellings that are under £100,000; in 2002/03 this proportion was 59% of all in-migrant households, which then dropped to 43% in 2006/07 when the housing market was at peak activity. The increase in house prices over this period is likely to have reduced the availability of ‘cheaper or *more affordable* housing’ in the area. In 2011/12, this proportion increased to 51% of all in-migrant households.
- The percentage of dwelling sales between £100,000 and £200,000 has fluctuated over the ten years and averages 31%.
- On average 22% of all purchases made by in-migrant households are over £200,000. This proportion was at 26%-27% at peak market activity but in 2011/12 this dropped to 20%. In particular, house sales priced at the very top of the market have been significantly affected by the downturn in the housing market. This may suggest that the number and percentage of affluent households coming into Inverclyde has decreased since the downturn in the economy and the housing market.

Chart 6.8: Destination of In-migrant Households 2002/03-2011/12



Source: Registers of Sasines with analysis from the Planning Policy Team and Housing Team

- Every area in Inverclyde has been subject to a decrease in the number of sales by in-migrant households, but the degree of reduction varies across the authority.
- Moves to Greenock seem to have become less attractive to in-migrant households as a result of the downturn in the economy. The town has been subject to the largest drop in sales (numbers and percentage) by in-migrant households. In 2006/07, the number of sales was 196 which dropped by 80% to 39 sales in 2010/11 and then recovered slightly to 49 sales in 2011/12.
- The higher priced areas of Kilmacolm & Quarriers Village and Inverkip have been subject to a less than average decline in sales, 50% and 43% respectively, from 2006/07 to 2011/12. Both areas have shown signs of recovery in 2011/12 as sales to in-migrant buyers have increased slightly.
- In terms of other significant trends to note, sales to in-migrant households have dropped sharply in Gourock. This is likely to be connected to the reduction in new build completions. In-migrant households buying dwellings in Port Glasgow have approximately halved since the start of the housing market downturn (36 sales in 2011/12).

Inverclyde Households

As is the case with analysing the purchase trends of in-migrant households, analysing sales by households resident in Inverclyde can help understand the impact of current policy and help inform future policy. Table 6.8 and Chart 6.9 show the purchase patterns of Inverclyde households differ from those of in-migrant households.

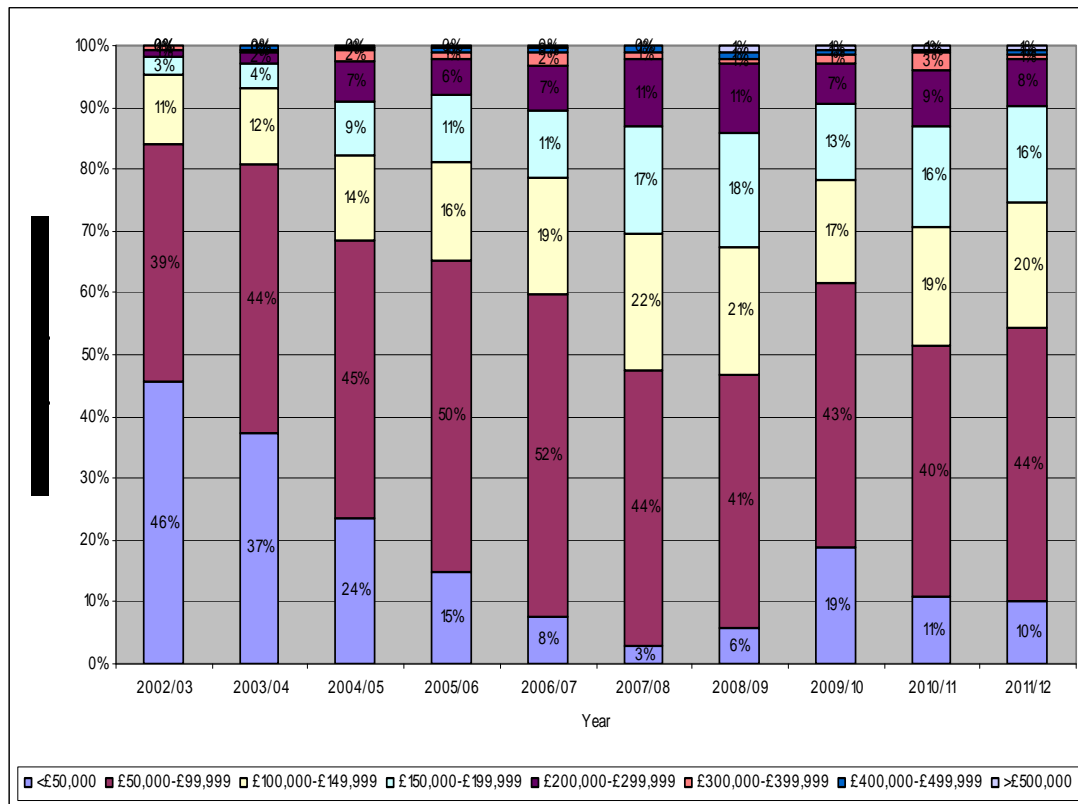
Table 6.8: Percentage of New Build / Established Dwellings purchased by Inverclyde Households

Year	Established	New Build	No. of sales from Inverclyde HHlds
2002/03	88%	12%	1186
2003/04	91%	9%	1148
2004/05	94%	6%	1280
2005/06	94%	6%	1251
2006/07	91%	9%	1236
2007/08	88%	12%	1399
2008/09	85%	14%	847
2009/10	86%	14%	779
2010/11	92%	8%	626
2011/12	92%	8%	608
Ten Year Average	90%	10%	1036

- The vast majority of sales by Inverclyde households are for the purchase of established dwellings. Over the last ten years this has averaged at 90% of sales.
- Overall, the percentage of sales of new build dwellings purchased by Inverclyde households is less than in-migrant households.
- Sales by Inverclyde households have decreased by 56% from 2007/08 to 2011/12, which is less than the percentage decrease in sales by in-migrant households (61% over the same period).

The price of dwellings purchased by Inverclyde households is illustrated in Chart 6.9

Chart 6.9: Price Band of Dwellings Purchased by Inverclyde Households for Inverclyde LA



Source: Registers of Sasines with additional analysis from Planning Policy Team and Housing Team

- The price of dwellings purchased by Inverclyde households has changed over the last 10 years and generally corresponds with wider changes in the housing market and the economy. In 2002/03, 84% of all sales by Inverclyde households were under £100,000; in 2007/08 this proportion had declined to 47% reflecting the rise in house prices in this period and the increasing difficulty accessing finance to purchase dwellings. However, in 2011/12 this proportion had increased again to 54% of sales, which probably reflects the continuing restrictions on a household's ability to purchase property, but also the slight decrease in house values in the authority.
- The proportion of dwellings between £100,000 and £199,999 purchased by Inverclyde households increased from 14% of all sales in 2002/03 to 39% in 2007/08. The reasons for this sharp increase have been highlighted earlier. In 2010/11 and 2011/12 the proportion of sales in this price bracket only dropped slightly which may be a result of house prices not having decreased, and perhaps households that are likely to purchase dwellings in the £100,000-£199,999 price bracket have been less affected by the downturn in the economy.
- The proportion of dwellings priced over £200,000 purchased by Inverclyde households increased in the period up to 2007/08, in particular dwellings priced between £200,000 and £300,000, which took up 11% of all sales in 2007/08 and 2008/09. There were few very sales priced over £300,000 to Inverclyde residents from 2002/03-2011/12.

Over the last ten years, the price of dwellings purchased by Inverclyde households has been influenced more by market conditions than purchases made by in-migrant households. The price of dwellings purchased by in-migrant households tend to be higher than Inverclyde households with usually more than half of dwellings purchased over £100,000 in value. Most purchases made by Inverclyde households tend to be under £100,000 with the exception of 2007/08 and 2008/09 when the majority of purchases were over £100,000. A comparison of the charts also shows that in-migrant households have more ability to purchase dwellings that are at the very top end of the housing market than Inverclyde households.

6.6 House Prices by Sub Area

This section sets out house prices by LHS Sub Area and HNDA Sub Area for new build and established dwellings. For clarity, the following definitions are used throughout this section.

Mean house value –this is where all of the house values have been totalled up and divided by the sample size.

Median house value – the value where half of the sample (i.e. sales) fall under or over. This measure is less biased than the mean (average) price since it is not as heavily influenced by small numbers or very highly priced sales. Median house prices tend to be less volatile than mean house prices. For statistical analysis, median house price is the most commonly used indicator.

Lower quartile house value – the house price which one quarter of all sales fall under. The lower quartile is commonly used as a proxy for determining the price of entry level housing in an area.

Upper quartile house value – the house price where three quarters of sales fall under and one quarter of sales are above.

Table 6.9 shows the median, mean, lower quartile and upper quartile house prices for Inverclyde and the LHS Sub Areas, compared with Scotland.

Table 6.9: Median, Mean and Lower Quartile House Price by Sub Area 2011/12

LHS Sub Area	HNDA Sub Area	Median	Mean	Lower Quartile	Upper Quartile
Port Glasgow	Inverclyde East	£60,780	£65,892	£35,500	£85,000
Greenock Central East	Inverclyde East	£68,000	£77,745	£51,000	£88,225
Greenock South West	Inverclyde East	£75,250	£82,356	£58,000	£97,750
West Greenock	Inverclyde West	£125,000	£134,227	£95,000	£165,000
Gourock	Inverclyde West	£104,500	£121,328	£75,000	£154,500
Inverkip and Wemyss Bay	Inverclyde West	£175,000	£193,566	£143,500	£223,000
Kilmacolm & Quarriers Village	Kilmacolm & Quarriers Village	£200,000	£228,387	£102,000	£295,000
Inverclyde		£93,500	£117,889	£61,500	£155,000
Scotland⁴		£137,000	-	£90,000	£204,995

Source: Register of Sasines with further analysis from Planning Policy Team and Housing Team, and CHMA LHS Data Pack

- Both the Scottish median and lower quartile house values are significantly higher than the corresponding Inverclyde house values. In 2011 the Scottish median house value was £137,000⁵, which is 44% higher than the Inverclyde median value and the Scottish lower quartile house price (£90,000) is 46% higher than the Inverclyde lower quartile house value.
- There are large variations in house values across Inverclyde. Median house prices are lowest in Port Glasgow, Greenock Central East and Greenock South West. Poor housing quality, high propensity of flatted accommodation and lower than average levels of owner occupation are features of these sub areas. Port Glasgow has an exceptionally lower quartile house value and this is a reflection of the large volume of lower value sales in regeneration areas.
- The Inverclyde West sub areas all have high median house values in particular, Inverkip & Wemyss Bay, where the median house value is higher than the corresponding Scottish value. Inverkip & Wemyss Bay has the highest lower quartile value in the authority, and is higher than the Kilmacolm and Quarrier's Village lower quartile value, which would suggest that there is a limited range of house values (and dwelling types) with the majority of dwellings in a similar price bracket. An exceptionally high lower quartile value suggests that affordability for first time buyers is likely to be an issue.
- Kilmacolm & Quarrier's Village has an exceptionally high median house value and is the highest in the GCV Region, but the lower quartile value is nearer the Scottish value and is likely to reflect the notable proportion of flatted accommodation in the sub area (28% of all dwellings).

⁴ 2011

⁵ Second Hand and Company Sales New Build house sales, LHS Housing Data Pack, CHMA 2012

Table 6.10 shows the lower quartile and median house values for Inverclyde and other GCV Region authorities. Please note that the analysis of house price data by the Centre of Housing Market Analysis (CHMA) removes the top 10% and bottom 10% of sales, which explains why the values for Inverclyde in Table 6.10 are different from the values in Table 6.9. The values in Table 6.10 are for the calendar year 2011, while the values in Table 6.9 are for the financial year 2011/12.

Table 6.10: GCV Region Comparative House Values 2011

Local Authority	Lower Quartile	Median
East Dunbartonshire	£125,000	£175,000
East Renfrewshire	£122,500	£176,000
Glasgow City	£82,500	£120,000
Inverclyde	£68,000	£104,000
North Lanarkshire	£72,000	£100,000
Renfrewshire	£74,400	£105,000
South Lanarkshire	£77,500	£118,000
West Dunbartonshire	£70,000	£ 95,000

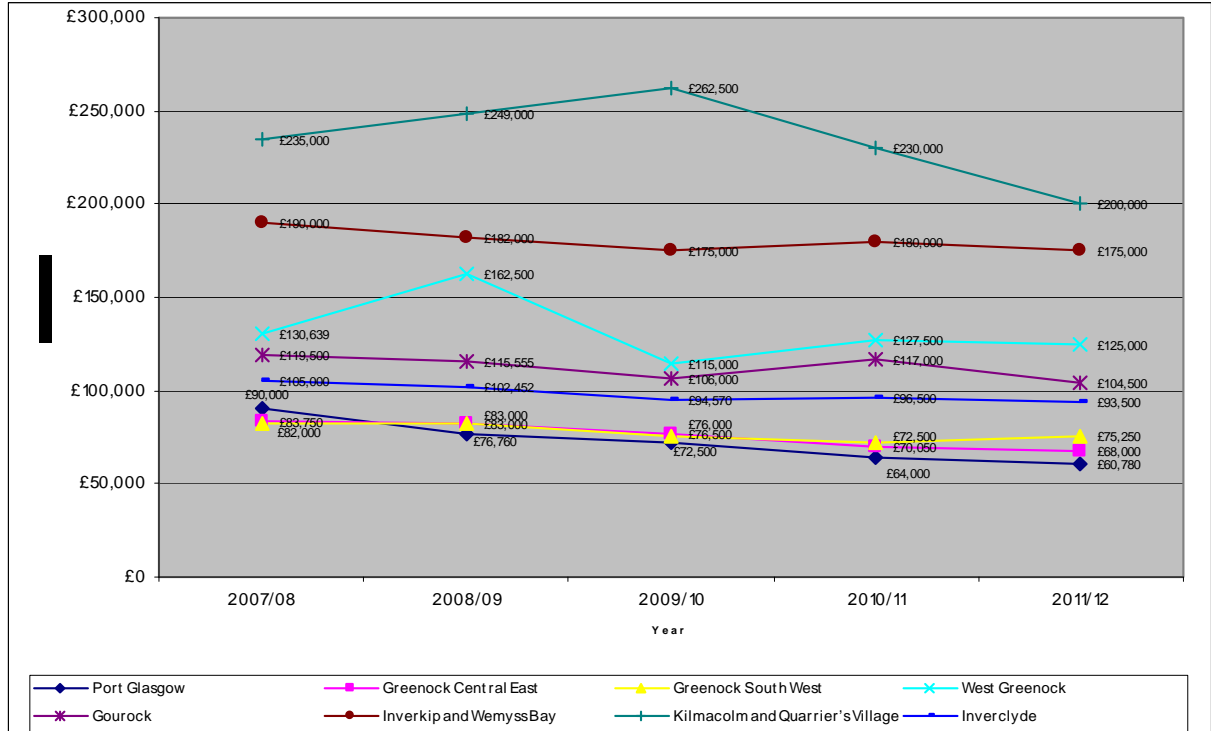
Source: Centre of Housing Market Analysis Data Pack 2012

In terms of comparing the house values of the HNDA Sub Areas in Inverclyde with other local authority sub areas in the GCV region in 2011/12, Inverclyde East had the lowest median house value and Kilmacolm and Quarriers' Village the highest median house value. Inverclyde West had the 6th highest median house value (out of 31 sub areas), behind the sub areas of West Renfrewshire, Eastwood, Bearsden and Milngavie, Central and West Glasgow and Kilmacolm and Quarriers Village⁶.

The following charts illustrate the change in house values over the last five years from 2007/08 – 2011/12. The charts place emphasis on how house prices have been affected since the beginning of the downturn in the local and national economies from August 2007. In the years up to 2007/08, local and national housing markets were subject to an increase in market activity where confidence in the market was high and households and developers had relatively easy access to credit. As a result, there were high volumes of sales and house prices were increasing annually at higher than average rates.

⁶ Data provided by the Glasgow and the Clyde Valley Strategic Development Planning Authority

Chart 6.10: Median House Prices by LHS Sub Areas 2007/08-2011/12

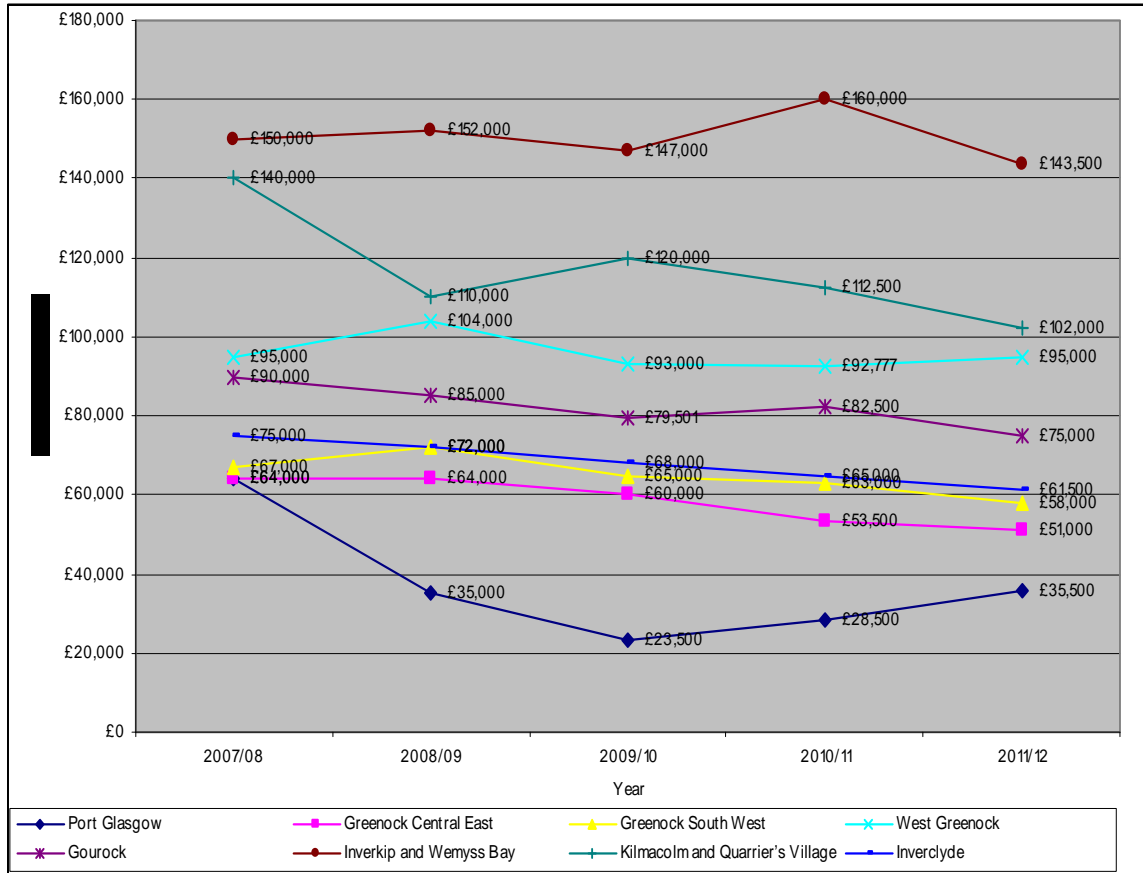


Source: Register of Sasines with analysis from Planning Policy Team and Housing Team

- The Inverclyde median house value has decreased by 11% since 2007/08. All sub areas in Inverclyde have seen a reduction in median house value but to different degrees. Generally, the sub areas with regeneration initiatives have a lower than average level of owner occupation and have had the largest reduction in median house values.
- Port Glasgow has had the largest reduction in median house values in Inverclyde. The median house value has decreased by 32% from £90,000 in 2007/08 to £60,800 in 2011/12. Median house values in Greenock Central East decreased by 19% from 2007/08 to 2011/12. These two areas form a significant part of the Inverclyde East sub area which has had sharp decreases in sales since 2007/08 (see chart 6.2) which has had an impact on the house values in these sub areas.
- The West Greenock sub area has had the smallest decrease in median house values in Inverclyde; from 2007/08 to 2011/12 there was a reduction of 4%.
- Kilmacollm & Quarriers Village has had a larger than average decrease in the median house value from 2007/08 to 2011/12, than the authority average.

Changes in the lower quartile house value by LHS Sub Area are shown in Chart 6.11.

Chart 6.11: Lower Quartile Prices by LHS Sub Area 2007/08-2011/12



Source: Register of Sasines with analysis from Planning Policy Team and Housing Team

- The Inverclyde lower quartile value decreased by 18% from £75,000 in 2007/08 to £61,500 in 2011/12. The percentage decrease is more than the median value percentage, suggesting that there have been, proportionally, more sales of lower value properties than median value properties.
- As with the median house value, Port Glasgow has seen the largest decrease in lower quartile values in the authority. From 2006/07 to 2009/10 there was a sharp decrease of 66% from £64,000 to £23,500; the value then increased to £35,500 in 2011/12 but since 2006/07, there has still been a decrease of 45%.
- The lower quartile value in Greenock Central East decreased by 20% over the chart period which is close to the median value reduction at local authority level.
- The Inverkip & Wemyss Bay lower quartile value has risen and decreased over the five year period and in 2011/12 it stood at 4% lower than it was in 2006/07. The relatively low reduction in house values in comparison with other areas suggests that the price distribution of house sales has not been affected as much from the downturn in the economy and the housing market.
- The reduction in the lower quartile value in Kilmacolm & Quarriers Village (27%) is the second highest in the authority and is greater than the median house value reduction suggesting there have been more sales at the lower price end of the market than at the middle and upper levels.

6.7 House Prices by Dwelling Type

Table 6.11 shows the values for the main dwelling types for Inverclyde and Scotland between July and September 2012. The data source provides this information on a quarterly basis so the most recent publication is presented in order to give an indication of current values in Inverclyde and how they compare with Scotland. The annual change in value by dwelling type is also presented.

Table 6.11: Value by Dwelling Type Inverclyde and Scotland Jul-Sept 2012

Dwelling Type	Inverclyde	% annual change	Scotland	% annual change
Semi-detached	£103,000	-1.9%	£130,000	0.0
Detached	£250,000	+17.0%	£205,000	-5.1%
Terraced	£84,000	-16.0%	£103,000	-4.6%
Flatted	£70,000	-11.4%	£96,000	-8.6%

Source: Registers of Scotland, Quarterly Time Series

- The median value for detached properties in Inverclyde is by far the highest in the authority and is even higher than the Scottish median value. The relatively more affluent areas of Kilmacolm & Quarriers Village, Gourrock and Inverkip & Wemyss Bay contain the largest proportions of detached dwellings. Detached dwellings are the only type of property that had an increase in value over the last year (17%).
- All other dwelling types had a reduction in value, in particular terraced dwellings and flatted accommodation. These properties are in large concentrations in Greenock Central East and Port Glasgow where there has been a sharp decline in demand.
- The reduction in values for terraced and flatted dwellings is even greater than the reduction in median values for Scotland.

6.8 New Build and Established House Values

Tables 6.11 and 6.12 show the changes in new build house values and established (second hand) values from 2007/08 to 2011/12 for Inverclyde.

Table 6.11: New Build Sales Values 2007/08-2011/12

	Median	% change	Mean	% change	Lower Quartile	% change
2007/08	£169,995	2.9%	£198,324	-10.0%	£130,000	7.7%
2008/09	£184,998		£202,955		£159,995	
2009/10	£170,000		£187,718		£145,000	
2010/11	£179,995		£184,667		£151,995	
2011/12	£175,000		£178,517		£140,000	

Table 6.12: Established Sales Values 2007/08-2011/12

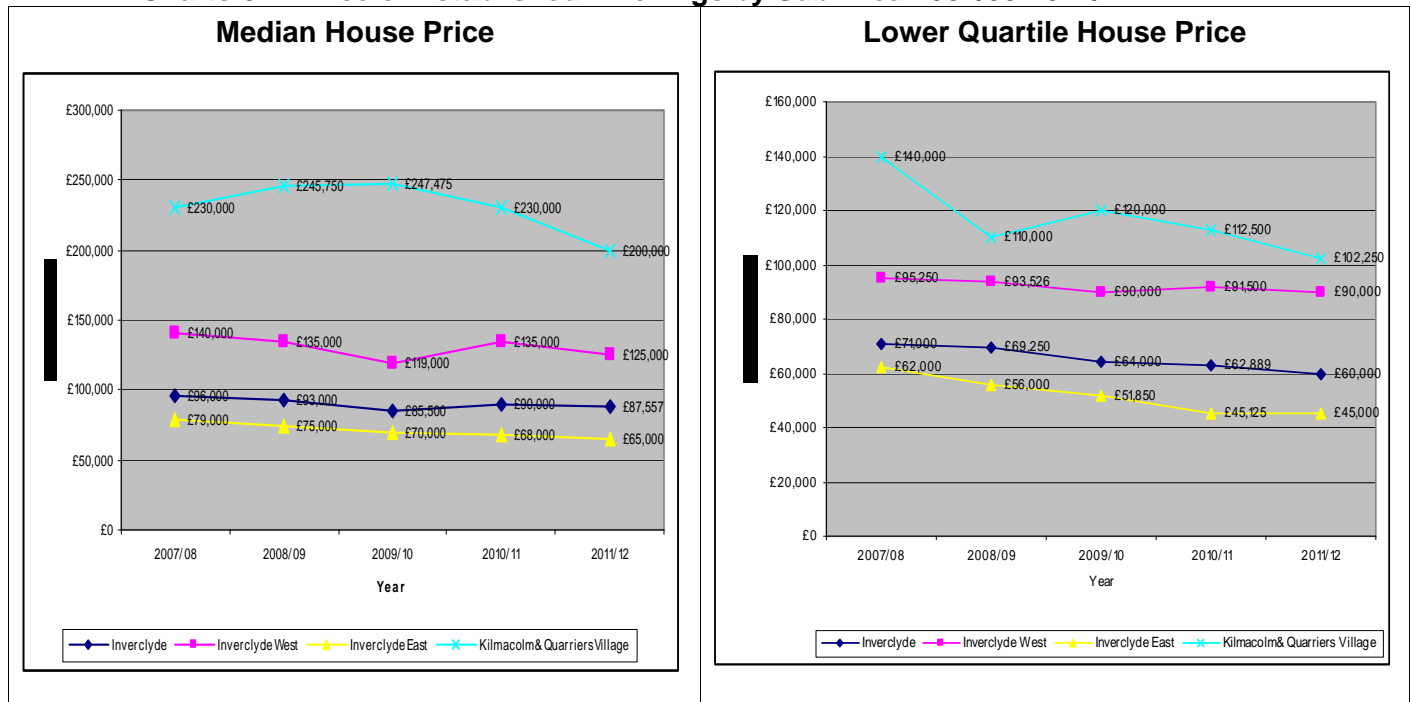
	Median	% change	Mean	% change	Lower Quartile	% change
2007/08	£96,000	-8.8%	£129,947	-13.3%	£71,000	-15.5%
2008/09	£93,000		£123,696		£69,250	
2009/10	£85,500		£114,827		£64,000	
2010/11	£90,000		£121,886		£62,889	
2011/12	£87,557		£112,703		£60,000	

Source: Both tables, Register of Sasines with further analysis from Planning Policy Team and Housing Team

- In 2011/12, the median and lower quartile values for new build dwellings are twice as high as the corresponding values for established dwellings.
- From 2007/08, despite a significant drop in the number of sales, new build sale values have increased: 2.9% for the median house value and 7.7% for the lower quartile house value. The mean house value decreased for new build sales whilst the median increased which suggests that there has been a reduction in sales at the upper value end of the market. The new build sales that have occurred tend to be closer in value which has led to the median and mean house values being closer together in 2011/12.
- Established sale values have all decreased since 2006/07 showing the effects of decreased demand and a reduction in the number of sales. The almost static median and lower values for new build suggest that developers have not adjusted the prices of their product and are only reducing the numbers built to adjust to the reduction in demand.
- The established lower quartile value has been subject to the largest reduction and is likely to be a reflection of proportionally more sales occurring at lower values in 2011/12 than was the case in 2006/07.

Charts 6.7 and 6.8 show the changes in the established and new sales values by HNDA Sub Area from 2007/08 to 2011/12. HNDA Sub Areas were chosen for this analysis as the new build sales for some LHS Sub Areas were either very small or none were recorded.

Charts 6.7: Price of Established Dwellings by Sub Area 2007/08-2011/12



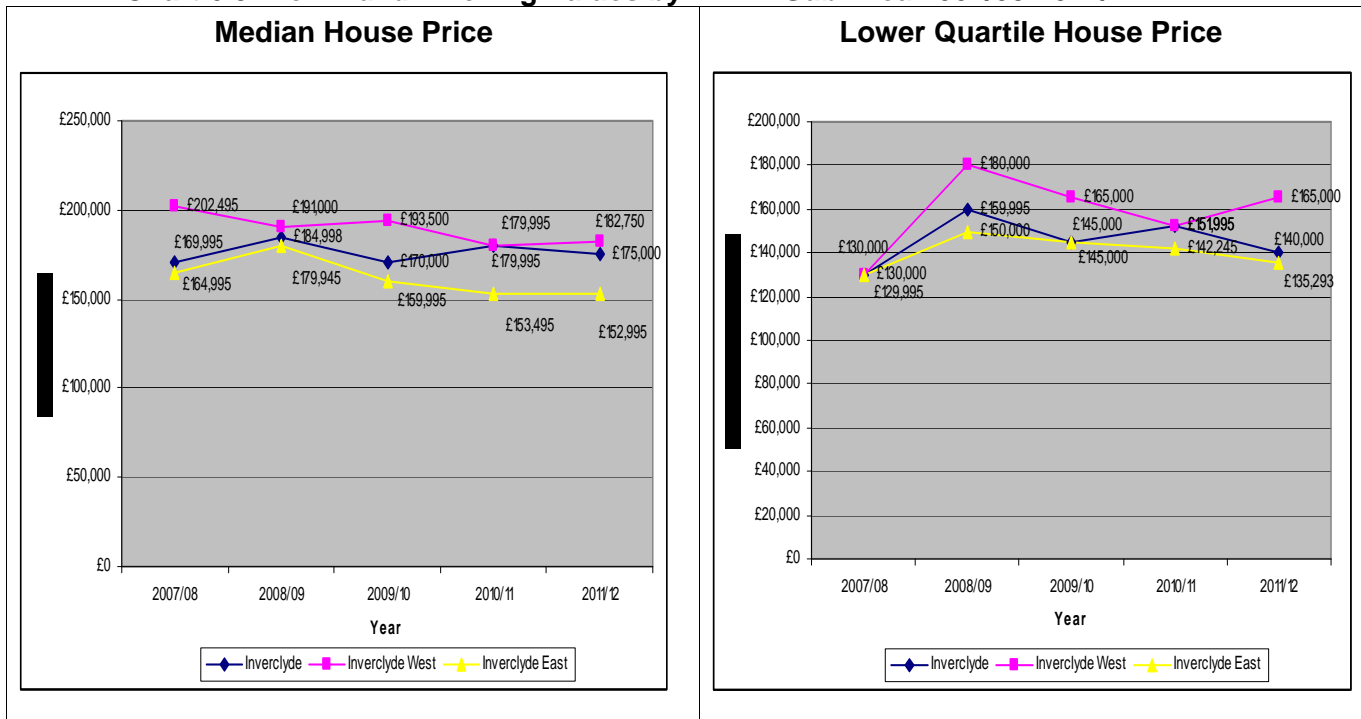
Source: Register of Sasines with further analysis from Planning Policy Team and Housing Team

- The distribution of median house values across the sub areas is unsurprising. Throughout the chart period, Inverclyde East has had the lowest median house value for established sales and the largest reduction of median house value for established dwellings (18%) in the authority. The authority reduction is 9% for the same period. This is likely to be a reflection of the sub area having the largest reduction in the volume of sales over the same period.
- The median value for established sales for Kilmacolm & Quarriers Village is the highest in the authority and rose after the start of the downturn in 2006/07 but has since declined to £200,000 in 2011/12. This represents a reduction of 13% over the five year period, which is more than the authority reduction.
- Lower quartile values for established sales have been subject to the largest decreases since the start of the economic and housing market downturn in 2006/07. A larger reduction in the lower quartile value suggests that proportionally there have been more sales at the lower end of the market than sales at middle and upper values. The lower quartile value in Inverclyde East decreased by 27% from £62,000 in 2007/08 to £45,000 in 2011/12. This is largely driven by the sharp reduction in the lower quartile values in the Port Glasgow sub area.
- The median house value for established sales in 2011/12 (£65,000) in Inverclyde East is only marginally higher than the lower quartile value for the sub area in 2006/07 (£62,000).
- Kilmacolm and Quarriers Village also experienced a sharp drop in the lower quartile value (27%) for established sales, from 2007/08 to 2011/12.

- Lower quartile values in Inverclyde West have been affected least by the economic downturn and were at £95,520 in 2007/08 and fell to £90,000 in 2011/12, representing a drop of only 6%.

Chart 6.8 shows new build dwelling values by HNDA Sub Area. There have been very few sales in Kilmacolm and Quarrier's Village over the period so the sub area has been removed from the analysis.

Chart 6.8: New Build Dwelling Values by HNDA Sub Area 2007/08-2011/12



Source: Register of Sasines with analysis from Planning Policy Team and Housing Team

- Over the chart time period, values for new build sales have been far more consistent than established sales and geographically, there is far less variation in the values compared with established sales. This is likely to be a reflection of new build dwellings being essentially a more consistent product than established dwellings, where factors like age and house condition can greatly influence the value of a dwelling. This also shows developers do not reduce the price of their product (that much) in reaction to decreased demand and tend to reduce the number dwellings that become available in anticipation of sales occurring at some point in the future that will meet the costs of purchased land and development.
- New build dwelling values in Inverclyde East are the lowest in the authority and in 2011/12 they were 10% lower than the authority average. They have decreased by 15% from a peak of £179,945 in 2008/09.
- Median new build values have dropped by 10% in Inverclyde West since 2007/08 and are marginally higher than the authority average in 2011/12. Given that the Inverclyde value has increased and the sub areas have decreased, this suggests that proportionally there have been more sales in Inverclyde West at a higher value in 2011/12 than in 2006/07

6.9 Summary

The impact of the current economic conditions on the performance of the housing market in Inverclyde is clearly evident from the information presented on private house sales. The volume of sales dropped sharply after 2007/08, as was the case for the whole of Scotland. In 2011/12 there were only 798 market sales in Inverclyde; 711 in the Inverclyde HMA and 87 in Kilmacolm & Quarrier's Village. Greenock Central East has benefitted most from the favourable economic conditions prior to 2007/08, however this area has seen the largest reduction in the number of sales and house prices since 2007/08. Demand for owner occupied housing in this area has significantly decreased as a result of the downturn in the economy.

In 2011/12 the median house value in Inverclyde was £93,500, which is 32% lower than the Scottish median value of £137,000, and has decreased by 11% since 2007/08. Kilmacolm & Quarrier's Village had the highest median house price in the authority whilst Port Glasgow had the lowest, £60,100. In terms of lower quartile values, i.e. the proxy for entry-level housing, Port Glasgow also had the lowest in 2011/12 (£35,500), while Inverkip & Wemyss Bay had the highest (£143,500), reflecting the relatively small range of housing types in the latter area. New build dwelling values have been little affected by the downturn in the housing market, suggesting that private developers tend to lower their output rather than house prices in response to depressed demand.

The origin of buyers of dwellings for the three HNDA sub areas varies greatly. The two sub areas that make up the Inverclyde HMA, Inverclyde East and Inverclyde West, have far fewer buyers from outside the authority than Kilmacolm & Quarrier's Village. In 2011/12, 53% of buyers in Kilmacolm & Quarrier's Village were from outside Inverclyde; the comparative figures for Inverclyde East and Inverclyde West were 19% and 22% respectively. This large differential demonstrates the 'self-containment' of the Inverclyde HMA, which excludes Kilmacolm & Quarrier's Village. This has been a consistent trend over the last ten years, although there were more buyers from the Glasgow City Region moving into Inverclyde West and in particular, Inverclyde East, when housing market activity was at its peak. Historically, there has been very little movement by households from Inverclyde West to Inverclyde East and this continued to be the case in 2011/12.

Unsurprisingly, the ongoing economic downturn has affected the number of in-migrant households buying dwellings in Inverclyde, in particular in Greenock where there has been a drop of over 75% from 2007/08 to 2011/12. Kilmacolm & Quarrier's Village and Inverkip & Wemyss Bay remain popular destinations for in-migrant households. Both areas have been subject to decreased demand from in-migrant households over the last few years but not as much as other areas in Inverclyde.