



## RESEARCH INTO THE POTENTIAL MARKET FOR MID MARKET RENT IN GLASGOW

**ANNEX to the final report  
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## Case study area analysis

### 1.1 Introduction

The purpose of this section is to provide some case study examples of the key market characteristics of MMR on a specific neighbourhood basis, and then to draw conclusions from these on the suitability of MMR for these different types of areas. Estimates of the market for MMR by all neighbourhoods has been provided in Chapter 5 of the final report.

In consultation with the Research Steering Group, and based on a comparison of the City-wide and area analysis above, the following areas were selected for further exploration. They represent a mix of pressured areas, identified through higher house prices and private rental costs and social renting demand, and Transformational Regeneration Areas (TRAs).

1. North Toryglen (TRA)
2. East Govan / Ibrox (TRA)
3. Maryhill (TRA)
4. Shawbridge (TRA)
5. Gallowgate (TRA)
6. Hyndland, Dowanhill and Partick East (pressured area)
7. Dennistoun (pressured area)
8. Temple / Anniesland (pressured area)
9. Laurieston (TRA)
10. Woodlands (pressured area)

For each of the ten areas, an estimate of the market for mid market rent is provided. A few important points to note here are –

- The MMR estimates are based on the prevalence rates, with conclusions also drawing on the market indicators provided in Chapter 5 of the final report and summarised for each area below. The prevalence rates are not intended to be used to generate household estimates, but provide a steer on where the market for MMR may be greatest.
- Some of the average private rents data should be viewed with caution as, in some areas, there are few properties traded. The research team has attempted to validate the Citylets data through trawling web-sites.
- The neighbourhoods are large and will include different types of locations. This means that the overall average income, house price or rents data will vary. The income data in particular is available at the intermediate datazone level, which leads to some data anomalies. There are also locations where the data may be skewed by the inclusion of some very affluent or poor areas.
- The market for MMR in any of the areas is likely to extend beyond the current household population and the limitations of exploring existing households needs to be acknowledged.
- As discussed in Chapter 5, the area summaries are designed to be a general guide or initial scoping stage. More detailed analysis of rents and markets will be required for specific development proposals.

## **1.2 Toryglen neighbourhood with North Toryglen TRA**

North Toryglen is likely to be the next area for TRA activation. One multi-storey and some low rise properties have already been demolished, with the majority of the remaining stock also earmarked for demolition. 50 homes will remain on the site once the demolition programme is complete. North Toryglen has historically been an isolated single tenure estate, with unpopular poor quality housing stock, located close to an industrial area. However, the area has good potential for redevelopment. Barratt Homes have successfully completed and marketed a family housing development directly opposite the site. The site is adjacent to a supermarket and the new national indoor football training pitches, and has good public transport links to the city centre and the popular Shawlands area in the South side. The area has also recently benefited from being located close to the on/off ramps of the new M74 motorway link. Market testing for the TRA suggested this is the most popular with developers – it is near to private housing areas, has good amenities and is of a scale to create a new neighbourhood focusing on family housing.

### **Area profile summary**

The Toryglen area is still predominantly social rented properties, with a large proportion of older households and more families than singles/couples (see profile below). It has a lower proportion of C1C2 and economically active households than found across Glasgow as a whole. GCC's analysis of deprivation suggests Toryglen is included within the worst 1-5% areas of persistent deprivation, although some parts are moving out of deprivation. The nearest planned MMR development is the Home (Scotland) development of 26 units at Cathcart Road.

Toryglen is quite accessible for the M74 motorway for commuting but the nearest train station is Rutherglen, which makes it less well-connected in terms of public transport than some of the other case study areas.

### **Prospects for mid-market rent in North Toryglen**

House prices are lower than average, and rent differentials are low - mean private rents are 11% lower than the LHA rate. Housing for sale and private rent would be affordable for incomes of approximately £900 and £1,300 although it is unlikely households would have the required savings to purchase. The market indicators and prevalence rates suggest below average prospects for MMR for Toryglen and so would require further market appraisal to justify a MMR proposal, based on regeneration objectives. The tenure mix suggests that in reality, private renting will not be readily available in some parts of this neighbourhood, in particular around the TRA. In the absence of any significant supply of private rented housing in this area, a new build MMR supply would provide something different that is currently not on offer. One option for MMR in this area would be to use it as a stepping stone to ownership as a rent to mortgage product – the relatively low rents possible in this areas, combined with low house purchase prices would make a 'save for deposit' scheme much more feasible than it would be in higher priced areas. Focus group participants for the North Toryglen area said they would be willing to pay a higher rent for something 'brand new', and some (but not all) were also in favour of MMR providing an opportunity for ownership, especially for family households, and those households including a disabled adult or child.

Profile	Toryglen
Household population	2,355
OO (%)	31.5%
PRS (%)	6.5%
SRS (%)	62.0%
% 20-45 years	31.5%
% 45+ years	45.1%
% C1C2	33.1%
%single/ couples	43.9%
% families	56.1%
% econ. active	52.1%

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Toryglen
Median house price	£141,111.15
Lower decile house prices	£57,940.39
Lower quartile house prices	£76,032.63
Mean PRS 2-bed *	£439.00
RSL 3 apt	£263.07
100% LHA rent (2 bed)	£495.00
80% LHA rent	£396.00
84% LHA rent	£415.80
Lowest decile mortgage as a % of mean PRS	66%
Lowest quartile mortgage as a % of mean PRS	87%
Mean PRS as % of 100% LHA	89%
Mean PRS as a % of SRS rents	167%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price	£869.54
Monthly net income implied by lowest quartile house price	£1,141.06
Monthly net income implied by mean PRS	£1,317.00
Monthly net income implied by 80% of mean PRS	£1,053.60
Monthly income implied by 100% LHA	£1,485.00
Mean income**	£32,769.00
Mean income (net monthly)	£2,053.77
Mean PRS rent as a % of mean income	21%
Mortgage costs - lowest decile @ 4.5%	£289.85
Lowest decile mortgage costs as a % of mean income	14%
Mortgage costs - lowest quartile @ 4.5%	£380.35
Lowest quartile mortgage costs as a % of mean income	19%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	3.75%
2) <45, able to afford lowest decile prices but not having	10.96%
3) <45 unable to afford average private rents	11.59%
4) <45, unable to afford rents at 100% of the LHA	9.05%

\*This Citylets average of £439pcm compares to £498pcm obtained in the website analysis

\*\*Toryglen is one area where CACI PayCheck income data is missing. Income has been imputed from the mean income of adjacent datazones.

### **1.3 Ibrox and Kingston neighbourhood with East Govan / Ibrox TRA**

East Govan/Ibrox is the largest TRA by area, bounded to the north by the River Clyde and to the east by Pacific Quay. Inter-war tenements have been demolished and re-provisioning is underway by GHA. Lowther Homes is investing in renovations to multi-storey flats at Ibroxholm Oval for MMR. That development involves 98 MMR units.

#### **Area profile summary**

The area is predominantly social renting, with a low level of private renting and proportionately more older than younger adults. However, there is a reasonably good rate of economic activity and more C1 and C2 employees than found in other areas. The Govan/Ibrox area is described by GCC as among those described as in 'persistent deprivation'.

Govan and Ibrox benefit from their proximity to the Underground network and also have good access to the M8 motorway. This area has the benefit of proximity to the 'media' centre and prospects of employment from the new Southern General.

#### **Prospects for mid-market rent in Ibrox and Kingston**

House prices and house price to income ratios are lower than average. Private rent levels are lower than the City average, but slightly higher than LHA level at £551. Housing for sale would be relatively affordable for those with savings, with monthly incomes of between £671 and £942 required for cheapest housing for sale. But higher incomes are required for private rented housing - £1,653 for average private rented housing. The market indicators and prevalence rates for MMR suggest very good prospects for Ibrox/Kingston neighbourhood. The focus group findings suggested the amount and condition of private rented housing available varies considerably within this neighbourhood. The focus group members were in favour of another 'affordable and quality' rented option which was easier to access than social housing. MMR in this area may widen the rented housing options where there is relatively low supply, or improve the quality of supply. Any MMR proposals in this area would likely to be supported by the proximity to large employers.

Profile	Ibrox & Kingston
Household population	6,278
OO (%)	39.2%
PRS (%)	32.2%
SRS (%)	28.5%
% 20-45 years	50.7%
% 45+ years	31.2%
% C1C2	41.9%
%single/ couples	56.8%
% families	48.2%
% econ. active	63.3%

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Ibrox & Kingston
Median house price	£91,922
Lower decile house prices	£44,728
Lower quartile house prices	£62,797
Mean PRS 2-bed *	£551.00
RSL 3 apt	£263.07
100% LHA(2 bed)	£495.00
80% LHA	£396.00
84% LHA	£415.80
Lowest decile mortgage as a % of mean PRS	41%
Lowest quartile mortgage as a % of mean PRS	57%
Mean PRS as % of 100% LHA	111%
Mean PRS as a % of SRS rents	209%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price (4.5%)	£671.25
Monthly net income implied by lowest quartile house price (4.5%)	£942.42
Monthly net income implied by mean PRS	£1,653
Monthly net income implied by 80% of mean PRS	£1,322.40
Monthly income implied by 100% LHA	£1,485
Mean income	£31,655
Mean income (net monthly)	£1,990.65
Mean PRS rent as a % of mean income	28%
Mortgage costs - lowest decile @ 4.5%	£223.75.
Lowest decile mortgage costs as a % of mean income	11%
Mortgage costs - lowest quartile @ 4.5%	£314.14
Lowest quartile mortgage costs as a % of mean income	16%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	8.96%
2) <45, able to afford lowest decile prices but not having savings	14.11%
3) <45 unable to afford average private rents	20.04%
4) <45, unable to afford rents at 100% of the LHA	16.81%

\*This Citylets average of £551pcm compares to £468pcm obtained in the website analysis

## **1.4 Maryhill Road Corridor with Maryhill TRA**

Demolitions have been completed, with 35 homes being completed in the Botany area by Maryhill HA. The main area of development is now at Maryhill locks with ISIS being the lead developer working with Maryhill HA to provide a further 125 social rented homes in this area. The site has the advantage of proximity to the Kelvindale area of Glasgow's West End. Thereafter the remainder of the site will be for private sale, and market testing for the TRA suggested this area is likely to comprise a number of smaller housing developments targeting a range of markets from social rent, through mid-market rent to private housing for sale with a range of house types. There are also a further 24 MMR units planned by GHA at Strachur Wharf, Lambhill.

### **Area profile summary**

Social renting remains strong in Maryhill, alongside a reasonably-sized private rented sector. Pressure is evident in social housing in North Maryhill. There are lots of young people, singles/couples, economically active people and those in the C1 and C2 socio-economic groups. Maryhill is likely to straddle the more persistent areas of deprivation and the areas that are gaining position due to regeneration activity.

Maryhill is accessible to the M8 and Great Western Road and provides good bus links into the City. It is part of the train network and the nearest Underground station is Kelvinbridge, which would be accessible for some parts of Maryhill.

### **Prospects for mid-market rent**

House price/income ratios and rental prices are higher than average in this neighbourhood, although this figure may be skewed by data from the adjacent areas of Hillhead and Woodlands. Monthly incomes of between approximately £1,200 and £1,900 are required to access housing for sale or the private rented sector, and access to housing for sale will also be limited by the availability of savings. Social and private rented housing is in very high demand, and housing for sale in relatively short supply. The market indicators and prevalence rates for MMR suggest good prospects for Maryhill. Focus group members suggested that access to social housing was very restricted, private rented housing is expensive and poor quality, and housing for sale unaffordable and/or inaccessible – a number of people in this group thought MMR would be an ideal option for them, although others felt it would just be 'expensive social renting'. MMR in this area may widen the choice of good quality, affordable rented housing. There is an opportunity here to explore the feasibility of a rent to mortgage product, providing a route into ownership to diversify tenure in an area dominated by renting. However, this would be dependent on lower house values than the neighbourhood average suggests, so that the deposit saved by the tenant in the initial renting years would have sufficient leverage to help purchase the property.

Profile	Maryhill Road Corridor
Household population	6,914
OO (%)	33.9%
PRS (%)	17.4%
SRS (%)	48.7%
% 20-45 years	48.0%
% 45+ years	36.5%
% C1C2	39.0%
%single/ couples	61.1%
% families	38.9%
% econ. active	61.7%

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Maryhill Road Corridor
Median house price	£157,558.79
Lower decile house prices	£79,034.37
Lower quartile house prices	£111,012.99
Mean PRS 2-bed *	£622.00
RSL 3 apt	£263.07
100% LHA	£495.00
80% LHA	£396.00
84% LHA	£415.80
Lowest decile mortgage as a % of mean PRS	64%
Lowest quartile mortgage as a % of mean PRS	89%
Mean PRS as % of 100% LHA	126%
Mean PRS as a % of SRS rents	236%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price (4.5%)	£1,186.11
Monthly net income implied by lowest quartile house price (4.5%)	£1,666.02
Monthly net income implied by mean PRS	£1,866.00
Monthly net income implied by 80% of mean PRS	£1,492.80
Monthly income implied by 100% LHA	£1,485.00
Mean income	£28,806.00
Mean income (net monthly)	£1,816.69
Mean PRS rent as a % of mean income	24.9%
Mortgage costs - lowest decile @ 4.5%	£395.37
Lowest decile mortgage costs as a % of mean income	22%
Mortgage costs - lowest quartile @ 4.5%	£555.34
Lowest quartile mortgage costs as a % of mean income	31%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	7.80
2) <45, able to afford lowest decile prices but not having savings	13.17
3) <45 unable to afford average private rents	18.19
4) <45, unable to afford rents at 100% of the LHA	15.06

\*This Citylets average of £622pcm compares to £600pcm obtained in the website analysis



## **1.5 Pollokshaws and Mansewood with Shawbridge TRA**

Argued by some to be the 'jewel in the crown' of the TRAs, close to Shawlands which some consider to be the 'alternative West End'. This area requires a Delivery Framework to be approved before Scottish Ministers enable activation. Four multi-storeys and deck access housing have already been demolished with GHA reprovisioning complete through 93 units. Developers consulted about the TRA envisage a diverse range of tenures and house types including family townhouses, terraces, significant volumes of housing for sale and 'unsubsidised' mid-market rent.

Other nearby MMR developments include the 26 MMR units and 40 social rented units at Cathcart Road and the 24 MMR units at Tantallon Road.

### **Area profile summary**

Owner-occupation is the predominant tenure and there is a large private rented sector, with a high level of economic activity and predominantly singles/couples. There is a larger minority ethnic community than in some other TRAs. In terms of deprivation, Shawbridge is classed as moving out of deprivation.

The area is accessible to the City Centre by bus and rail, with stations at Pollokshaws West, Pollokshaws East, Shawlands and Langside. It is adjacent to Pollok Country Park and relatively near to Langside College and the Victoria Infirmary

### **Prospects for mid-market rent**

House prices are lower than average, although house price to income ratios slightly above average at 5.5 reflecting relatively low household income. Private rents are between LHA rates and the City average. Monthly incomes of between £964 and £1,200 are required for access to the cheapest housing for sale, but higher incomes of £1,600 are required for private rented housing in the area. Again though, access to home ownership, requiring savings for mortgage deposit, may will be difficult for most first time buyers. The market indicators and prevalence rates show average or lower prospects for MMR for Pollockshaws and Mansewood neighbourhood, but much stronger indicators and prevalence rates in the adjacent Langside and Battlefield and Shawlands and Strathbungo. Any MMR proposal for this area should therefore be supported by a more local market appraisal to establish demand for the TRA area. About half of the focus group participants in this area suggested there would be demand for a product that provided a stepping stone to ownership; the lower than average house prices are such that a rent to mortgage product may be viable, assuming household with modest income could save for deposits when living in the rented properties in the initial years. Again, the viability of this option would have to be tested through detailed development appraisal.

Profile	Pollokshaws & Mansewood
Household population	5,838
OO (%)	47.8%
PRS (%)	11.6%
SRS (%)	40.6%
% 20-45 years	32.2%
% 45+ years	47.6%
% C1C2	42.1%
%single/ couples	44.2%
% families	55.8%
% econ. active	59.1%

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Pollokshaws & Mansewood
Median house price	£116,612
Lower decile house prices	£64,177
Lower quartile house prices	£80,897
Mean PRS 2-bed *	£536.00
RSL 3 apt	£263.07
100% LHA	£495.00
80% LHA	£396.00
84% LHA	£415.80
Lowest decile mortgage as a % of mean PRS	60%
Lowest quartile mortgage as a % of mean PRS	76%
Mean PRS as % of 100% LHA	108%
Mean PRS as a % of SRS rents	204%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price (4.5%)	£963.13
Monthly net income implied by lowest quartile house price (4.5%)	£1,214.07
Monthly net income implied by mean PRS	£1,608.00
Monthly net income implied by 80% of mean PRS	£1,286.40
Monthly income implied by 100% LHA	£1,485.00
Mean income	£26,055
Mean income (net monthly)	£1,673.31
Mean PRS rent as a % of mean income	32%
Mortgage costs - lowest decile @ 4.5%	£321.04
Lowest decile mortgage costs as a % of mean income	19%
Mortgage costs - lowest quartile @ 4.5%	£404.69
Lowest quartile mortgage costs as a % of mean income	24%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	3.51%
2) <45, able to afford lowest decile prices but not having savings	8.70%
3) <45 unable to afford average private rents	9.96%
4) <45, unable to afford rents at 100% of the LHA	7.88%

\*This Citylets average of £536 pcm compares to £540pcm obtained in the website analysis

## **1.6 Calton and Bridgeton neighbourhood with Gallowgate TRA**

Demolitions have been completed and 62 rented homes for GHA commenced in 2011. A Regeneration Delivery Framework for the remainder of the site has also recently been approved for the private sector. There are some constraints associated with the site, but it has the advantage of having open links to Dennistoun which is now a mixed community including a range of tenures and where there has been a considerable increase in private rented housing. West of Scotland Housing Association recently provided New Supply Shared Equity housing in Camlachie but found the properties took longer to sell than anticipated. Market testing for the TRA suggested this would be a good site for 'affordable' family housing for sale provided close to the city centre.

### **Area profile summary**

The Gallowgate area is multi-tenure, although social renting is still a large sector. Singles and couples outnumber families and around 40% of the population is adults aged less than 45 years. Gallowgate is another area that is likely to straddle datazones with persistent deprivation and those moving out of deprivation.

Gallowgate is accessible to the City Centre with bus and rail links (at High Street and Bellgrove) and also accessible to the M8 for commuting.

### **Prospects for mid-market rent**

The lowest decile house prices in this area are 16% lower than the equivalent across Glasgow, and home ownership is a lower proportion than average. There is a large supply of private renting, with prices broadly in line with the City average. Housing for sale would be affordable for monthly incomes of between £800 and £1,000 although at these income levels it is very unlikely that these household would have access to deposits required for access to ownership. Private renting requires a much higher income of £1,700. Social renting is amongst the most pressured in the City. The market indicators and prevalence rates for MMR suggest good prospects for this neighbourhood, based on rent differentials and the household profile of the existing population. There are options here to provide a product which offers renting, but with a voluntary option to pursue ownership and therefore diversify tenure; there is a clear need for affordable housing in the area (pressure in the rented sector), but the relatively low supply of ownership combined with low house values also presents an opportunity for tenants to save for deposits to purchase their home (i.e. the deposits required will be relatively low, due to relatively low house prices). Focus group participants felt that MMR would be in high demand across a whole range of households, but particularly those who struggle to gain access to social housing i.e. single people, couples and families. There was a split amongst the group as to whether there should be an option for ownership, with some suggesting investment in property was good for individuals and the community, with others stating the supply of rented housing must be increased for the long term.

Profile	Calton & Bridgeton
Household population	7,846
OO (%)	31.4%
PRS (%)	24.5%
SRS (%)	44.1%
% 20-45 years	39.6%
% 45+ years	41.1%
% C1C2	35.9%
%single/ couples	55.1%
% families	44.9%
% econ. active	54.3%

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Calton & Bridgeton
Median house price	£101,493
Lower decile house prices	£51,209
Lower quartile house prices	£67,820
Mean PRS 2-bed *	£575.00
RSL 3 apt	£263.07
100% LHA	£495.00
80% LHA	£396.00
84% LHA	£415.80
Lowest decile mortgage as a % of mean PRS	45%
Lowest quartile mortgage as a % of mean PRS	59%
Mean PRS as % of 100% LHA	116%
Mean PRS as a % of SRS rents	219%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price (4.5%)	£769
Monthly net income implied by lowest quartile house price (4.5%)	£1,018
Monthly net income implied by mean PRS	£1,725
Monthly net income implied by 80% of mean PRS	£1,380
Monthly income implied by 100% LHA	£1,485
Mean income	£31,209
Mean income (net monthly)	£1,954.87
Mean PRS rent as a % of mean income	27.7%
Mortgage costs - lowest decile @ 4.5%	£256
Lowest decile mortgage costs as a % of mean income	13%
Mortgage costs - lowest quartile @ 4.5%	£339
Lowest quartile mortgage costs as a % of mean income	17%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	5.96
2) <45, able to afford lowest decile prices but not having savings	12.64
3) <45 unable to afford average private rents	15.50
4) <45, unable to afford rents at 100% of the LHA	12.49

\*This Citylets average of £575pcm compares to £536pcm obtained in the website analysis

## **1.7 Hyndland, Dowanhill and Partick East**

The area is predominantly owner-occupied, with a large private rented sector also. It is part of the postcode with the lowest availability of social lets, and Partick Housing Association has among the highest applicant to let ratios in Glasgow.

There are 22 MMR units planned in Ferry Road (Partick Housing Association) as part of a mixed development of 87 units including social rent and NSSE.

### **Area profile summary**

The area is affluent and predominantly owner-occupied, although private renting is also very strong. Younger households and singles/couples are more common than families and a high proportion of adults are economically active. There is also a dominant student population in the area which demands a high proportion of the private rented housing available. The area is one of the most affluent parts of the West End.

The area is well-served with bus and train links and Partick is also part of the Underground network. It is near to the University area and the Western Infirmary, and Hyndland in particular is accessible for Gartnavel General Hospital.

### **Prospects for mid-market rent**

The lowest decile and lowest quartile house prices are more than double the lowest decile for Glasgow as a whole. Cheapest housing for sale requires a monthly income of between £2,000- £2,500. There is a large supply of private renting which is also expensive, 16% above the average, and requires a monthly income of approximately £2,000. Social renting is amongst the most pressured in the City. The market indicators and prevalence rates suggest some of the best prospects for MMR in the City, based on rent differentials, house prices and the existing population profile. The focus groups spoke about the lack of affordable housing options in the area, and the fact that many young households had to leave their preferred areas when they wanted to move into independence. For this reason, the group felt that MMR should be prioritized towards those with a connection to the area. There were differing, and equally strong opinions on ownership options. Despite these views, the tenure profile and highly pressured nature of the market in this part of the City suggests MMR should be used to extend the offer of affordable housing in perpetuity.

Profile	Hyndland, Dowanhill & Partick East
Household population	9,071
OO (%)	59.3%
PRS (%)	27.0%
SRS (%)	13.7%
% 20-45 years	55.0%
% 45+ years	31.8%
% C1C2	39.0%
%single/ couples	59.4%
% families	40.6%
% econ. active	73.0%

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Hyndland, Dowanhill & Partick East
Median house price	£219,078
Lower decile house prices	£129,542
Lower quartile house prices	£164,819
Mean PRS 2-bed *	£719.00
100% LHA	£495.00
80% LHA	£396.00
84% LHA	£415.80
RSL 3 apt	£263.07
Lowest decile mortgage as a % of mean PRS	90%
Lowest quartile mortgage as a % of mean PRS	115%
Mean PRS as % of 100% LHA	145%
Mean PRS as a % of SRS rents	273%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price (4.5%)	£1,944
Monthly net income implied by lowest quartile house price (4.5%)	£2,474
Monthly net income implied by mean PRS	£2,157
Monthly net income implied by 80% of mean PRS	£1,726
Monthly income implied by 100% LHA	£1,485
Mean income	£43,111
Mean income (net monthly)	£2,639.23
Mean PRS rent as a % of mean income	21.8%
Mortgage costs - lowest decile @ 4.5%	£648
Lowest decile mortgage costs as a % of mean income	25%
Mortgage costs - lowest quartile @ 4.5%	£825
Lowest quartile mortgage costs as a % of mean income	31%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	9.49
2) <45, able to afford lowest decile prices but not having	14.64
3) <45 unable to afford average private rents	20.80
4) <45, unable to afford rents at 100% of the LHA	16.92

\*This Citylets average of £719pcm compares to £746pcm obtained in the website analysis

## **1.8 Dennistoun**

Dennistoun is a popular mixed tenure area with a relatively large private rented sector and high demand for the remaining social rented stock.

### **Area profile summary**

The area is quite mixed, with a large private rented sector and a similar sized social rented sector. The adult population is younger, with high levels of economic activity and a fair number of people employed in C1 and C2 socio-economic groups. Dennistoun is one of a number of stable areas that have seen a move out of the most and into the least deprived 50% of datazones.

Dennistoun has good bus links into the City Centre, a rail link at Duke Street Station and is also accessible to the M8 motorway.

### **Prospects for mid-market rent**

House prices, and house price to income ratios are in line with the City average. Cheapest housing for sale is relatively affordable, requiring a monthly income of between £1,000-£1,200. There is a large supply of private renting which is also relatively affordable, just above the LHA level, although the monthly income required is greater than for ownership at nearly £1,600. Social renting in Dennistoun is amongst the most pressured in the City. The market indicators and prevalence rates suggest good prospects for MMR. The focus group felt that MMR would be a popular option, especially given the limited access to social renting, although private landlords in the area spoke of rents of £400 per month and a potential new supply of MMR may be in close competition to the current private market. Demand for MMR in this area would be a direct reflection of the shortage of affordable housing options and lower than average mean incomes.

Profile	Dennistoun
Household population	6,495
OO (%)	45.1%
PRS (%)	28.2%
SRS (%)	26.7%
% 20-45 years	49.1%
% 45+ years	34.0%
% C1C2	47.2%
%single/ couples	55.5%
% families	44.5%
% econ. active	65.8%

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Dennistoun
Median house price	£101,055
Lower decile house prices	£66,091
Lower quartile house prices	£83,164
Mean PRS 2-bed *	£526.00
RSL 3 apt	£263.07
100% LHA	£495.00
80% LHA	£396.00
84% LHA	£415.80
Lowest decile mortgage as a % of mean PRS	63%
Lowest quartile mortgage as a % of mean PRS	79%
Mean PRS as % of 100% LHA	106%
Mean PRS as a % of SRS rents	200%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price (4.5%)	£992
Monthly net income implied by lowest quartile house price (4.5%)	£1,248
Monthly net income implied by mean PRS	£1,578
Monthly net income implied by 80% of mean PRS	£1,262
Monthly income implied by 100% LHA	£1,485
Mean income	£30,302
Mean income (net monthly)	£1,902.72
Mean PRS rent as a % of mean income	37.8%
Mortgage costs - lowest decile @ 4.5%	£331
Lowest decile mortgage costs as a % of mean income	17%
Mortgage costs - lowest quartile @ 4.5%	£416
Lowest quartile mortgage costs as a % of mean income	22%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	7.95
2) <45, able to afford lowest decile prices but not having savings	13.93
3) <45 unable to afford average private rents	18.57
4) <45, unable to afford rents at 100% of the LHA	15.11

\*This Citylets average of £526pcm compares to £536pcm obtained in the website analysis



## **1.9 Temple and Anniesland**

### **Area profile summary**

The area is predominantly an owner-occupied area with a lower level of private renting and more social renting than found in some other sections of the nearby area. There are more older people (>45 years), but economic activity is in line with the City average, although the proportion of C1C2 socio-economic category is above average. Anniesland is a highly pressured social rented area, in the top 10 GHA areas for 'housing pressure'. The two closest areas of MMR development are the 22 MMR units planned in Ferry Road by Partick Housing Association, the 35 homes being completed by Maryhill HA and the 24 MMR units planned by GHA at Strachur Wharf in Lambhill. Temple and Anniesland is a mixed area and likely to contain datazones in different circumstances, ranging from more popular areas to those in decline.

The area benefits from close proximity to bus and rail networks. It is accessible to Strathclyde University Faculty of Education (formerly Jordanhill College) and Gartnavel General Hospital.

### **Prospects for mid-market rent**

House prices, and house price to income ratios are above the City average. Housing for sale is more affordable than private renting, requiring a monthly income of between £1,100- £1,450, compared to private renting at £1,600. However, this assumes that households are able to have available funds for deposits. The market indicators suggest average prospects for MMR. This may be driven by the distinct parts within this neighbourhood - some lower income and low demand areas in Temple, compared to much higher property values in Anniesland. The pressured nature of part of this area suggests provision of MMR in perpetuity to widen the options of affordable housing for a broader range of households than those currently being housed in the social rented sector, but the choice of areas would have to be selected carefully to ensure the right price/product mix for the right area.

Profile	Temple & Anniesland
Household population	6,104
OO (%)	57.5%
PRS (%)	14.8%
SRS (%)	27.6%
% 20-45 years	35.5%
% 45+ years	47.4%
% C1C2	47.4%
%single/ couples	49.4%
% families	50.6%
% econ. active	60.7%

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Temple & Anniesland
Median house price	£126,152
Lower decile house prices	£77,841
Lower quartile house prices	£96,615
Mean PRS 2-bed *	£544.00
100% LHA	£495.00
80% LHA	£396.00
84% LHA	£415.80
RSL 3 apt	£263.07
Lowest decile mortgage as a % of mean PRS	72%
Lowest quartile mortgage as a % of mean PRS	89%
Mean PRS as % of 100% LHA	110%
Mean PRS as a % of SRS rents	207%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price (4.5%)	£1,168
Monthly net income implied by lowest quartile house price (4.5%)	£1,450
Monthly net income implied by mean PRS	£1,632
Monthly net income implied by 80% of mean PRS	£1,306
Monthly income implied by 100% LHA	£1,485
Mean income	£27,228
Mean income (net monthly)	£1,725.96
Mean PRS rent as a % of mean income	30.5%
Mortgage costs - lowest decile @ 4.5%	£389
Lowest decile mortgage costs as a % of mean income	23%
Mortgage costs - lowest quartile @ 4.5%	£483
Lowest quartile mortgage costs as a % of mean income	28%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	4.18
2) <45, able to afford lowest decile prices but not having savings	9.63
3) <45 unable to afford average private rents	11.34
4) <45, unable to afford rents at 100% of the LHA	8.91

\*This Citylets average of £544pcm compares to £566pcm obtained in the website analysis

## **1.10 Greater Gorbals and Laurieston TRA**

The development of Laurieston is being led by Urban Union. It is the closest TRA to the city centre, close to the Crown Street/New Gorbals regeneration area where there is a proven track record in successful regeneration. Demolition of three blocks of multi-storey flats has been completed, with one block remaining to be demolished. Over 200 new homes for rent will start on site early in 2012, with a further 100 homes for sale being built, expected in 2013. Further phases of private housing will follow according to the market pace. Market testing showed concern from some developers over the current phase of 200 social rented units setting the future tone of the area and the ability to attract speculative investment, while others were more pragmatic about the proposed phasing. It is concluded the area is likely to support a mix of social rent, mid-market rent, shared equity, housing for sale and student housing.

### **Area profile summary**

The Laurieston area has benefited from the high profile regeneration of Crown Street and the New Gorbals Housing Association has among the highest applicant to let ratios in the City. The area is still very predominantly social rented, with a lower rate of private renting here than elsewhere near the City Centre. The area has benefited from major new-build projects while some areas of deprivation remain, still with a very strong reliance on social renting.

Laurieston is very near to the City Centre, with good bus links as well as Bridge Street Underground station. It is also near to the Crown Street development, so benefits from local perceptions of that successful area regeneration.

### **Prospects for mid-market rent**

House prices, and house price to income ratios are above the City average. Private renting prices are between LHA and the mean City rate. Housing for sale is more affordable than private renting, requiring a monthly income of between £1,100- £1,480, compared to private renting at £1,700. However, this assumes that households are able to have available funds for deposits. The market indicators suggest average to good prospects for MMR; this is driven by the higher than average market ratios and predominance of smaller household types. However, economic activity and level of C1C2 households is below average. This suggests a MMR product that is aimed towards diversifying tenure, providing an affordable rented product which is currently not available, and attracting more economically active households into the area. Creating a feasible rent to buy product may require lower house values than the averages currently shown for the neighbourhood as a whole.

In the focus groups, there were a few people who had moved to the area from their 'family' community so this might be a popular area for those on lower incomes moving closer to the City Centre who lack more local private renting options. The participants were younger, lower income households for whom affordability was a critical factor in renting choice, more than area.

Profile	Greater Gorbals
Household population	4,555
OO (%)	26.7%
PRS (%)	11.6%
SRS (%)	61.7%
% 20-45 years	38.6
% 45+ years	44.3
% C1C2	30.3
%single/ couples	59.1
% families	40.9
% econ. active	50.3

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Greater Gorbals
Median house price	£126,937
Lower decile house prices	£78,622
Lower quartile house prices	£98,419
Mean PRS 2-bed *	£564.00
RSL 3 apt	£263.07
100% LHA	£495.00
80% LHA	£396.00
84% LHA	£415.80
Lowest decile mortgage as a % of mean PRS	70%
Lowest quartile mortgage as a % of mean PRS	87%
Mean PRS as % of 100% LHA	114%
Mean PRS as a % of SRS rents	214%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price (4.5%)	£1,180
Monthly net income implied by lowest quartile house price (4.5%)	£1,477
Monthly net income implied by mean PRS	£1,692
Monthly net income implied by 80% of mean PRS	£1,354
Monthly income implied by 100% LHA	£1,485
Mean income	£28,562
Mean income (net monthly)	£1,802.66
Mean PRS rent as a % of mean income	30.2%
Mortgage costs - lowest decile @ 4.5%	£393
Lowest decile mortgage costs as a % of mean income	22%
Mortgage costs - lowest quartile @ 4.5%	£492
Lowest quartile mortgage costs as a % of mean income	27%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	4.1
2) <45, able to afford lowest decile prices but not having savings	12.05
3) <45 unable to afford average private rents	13.66
4) <45, unable to afford rents at 100% of the LHA	10.87

\*This Citylets average of £564pcm compares to £600pcm obtained in the website analysis

## **1.11 Woodlands**

Woodlands is close to Glasgow University and the more affluent Kelvindale area with a mix of higher-rent properties and HMOs. The closest areas of MMR development would be those around Maryhill and Lambhill.

The tenure profile of the area is very mixed, with a high proportion of younger, working households and a high degree of ethnic diversity. The Woodlands area is likely to be very stable in terms of deprivation, whether gaining or losing position.

The area benefits from its proximity to the University. It is close to Kelvinbridge Underground station and Great Western Road has good bus links and also offers close access to the M8.

### **Prospects for mid-market rent**

House prices, and house price to income ratios are amongst the highest in the City. Rental differentials are also high with private rents above average. A monthly income of between £1,500- £1,90 is required for purchase, compared to private renting at approximately £2,000. The market indicators suggest the area has amongst the best prospects for MMR across the City; this is driven high market indicators, and the profile of the resident population. This is a pressured area and suggests a MMR product that aimed at providing an affordable rented product which is currently not available.

Focus group participants felt that Woodlands is a very mixed area, with some low-value, low quality 'bed-sit land' accommodation but also some very high rental/owner-occupied areas. This would mean that MMR locations would need to be carefully scoped. There was considerable interest in owner-occupation options among this group.

Profile	Hillhead & Woodlands
Household population	9,813
OO (%)	42.3%
PRS (%)	31.2%
SRS (%)	26.5%
% 20-45 years	60.0%
% 45+ years	23.9%
% C1C2	41.1%
%single/ couples	63.5%
% families	36.5%
% econ. active	63.4%

Source: CACI Updated Demographics, GCC estimates (households and tenure)

### Summary of prices and affordability

House prices	Hillhead & Woodlands
Median house price	£184,378
Lower decile house prices	£101,024
Lower quartile house prices	£131,693
Mean PRS 2-bed*	£635.00
RSL 3 apt	£263.07
100% LHA	£495.00
80% LHA	£396.00
84% LHA	£415.80
Lowest decile mortgage as a % of mean PRS	72%
Lowest quartile mortgage as a % of mean PRS	94%
Mean PRS as % of 100% LHA	142%
Mean PRS as a % of SRS rents	266%
<b>Incomes</b>	
Monthly net income implied by lowest decile house price (4.5%)	£1,516
Monthly net income implied by lowest quartile house price (4.5%)	£1,976
Monthly net income implied by mean PRS	£2,103
Monthly net income implied by 80% of mean PRS	£1,682
Monthly income implied by 100% LHA	£1,485
Mean income	£34,016
Mean income (net monthly)	£2,116.27
Mean PRS rent as a % of mean income	26.7%
Mortgage costs - lowest decile @ 4.5%	£505
Lowest decile mortgage costs as a % of mean income	24%
Mortgage costs - lowest quartile @ 4.5%	£659
Lowest quartile mortgage costs as a % of mean income	31%
<b>Estimates</b>	
1) <45, unable to afford houses in the lowest price decile	10.8
2) <45, able to afford lowest decile prices but not having savings	15.67
3) <45 unable to afford average private rents	23.54
4) <45, unable to afford rents at 100% of the LHA	19.73

\* The Citylets average is £701, which is unlikely to include the wide range of bed-sits and lower value properties. The web-site analysis suggests an average of £635 which has been adopted for this analysis.