

ISLE OF MAN GOVERNMENT

**PRIVATE SECTOR HOUSING STOCK CONDITION
SURVEY 2018/20**



EXECUTIVE SUMMARY

Prepared on behalf of Isle of Man
Government by



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Ref: E

1.0 INTRODUCTION

- 1.1 David Adamson & Partners Ltd. were commissioned by the Isle of Man Government to complete a review of housing and household conditions across the private housing sector. Information from the current study provides an up to date benchmark for private sector housing locally, against national housing conditions where applicable and provides a base of information for the review and further development of private sector housing strategies.
- 1.2 The 2018/20 study has involved a comprehensive survey programme across a sample of 1,497 dwellings representing just under 4.3% of an estimated private sector housing stock comprising 35,151 dwellings. Survey investigation has included the measurement of local housing standards (The Fitness Standard), energy efficiency (SAP 2012) and the circumstances and attitudes of occupying households.
- 1.3 The house condition survey was designed and implemented according to national guidelines issued by the Ministry of Housing, Communities & Local Government in England. Based on a sample of 1,497 private dwellings the survey permits analysis not only Island-wide but for nine sub-zones embracing the major settlements and their rural hinterlands.

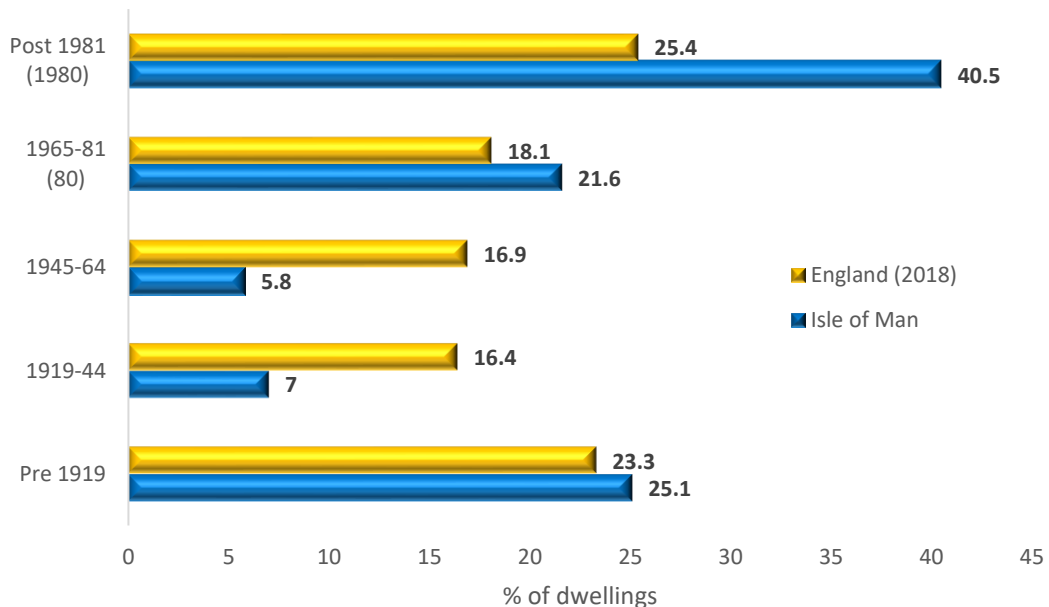
SURVEY SUB-ZONES	
SUB-ZONE	POSTCODES
Ramsey	IM7, IM8
Laxey	IM4
Douglas	IM1, IM2
Onchan	IM3
Port St. Mary	IM9 4, IM9 5
Castletown	IM9 1, IM9 2, IM9 3
Port Erin	IM9 6
Peel	IM5
Kirk Michael	IM6

- 1.4 During the initial phase of surveying in 2018, 932 dwellings were visited and information collected. Due to BREXIT requirements the surveying of properties had to be temporarily halted. Data relating to a further 565 dwellings was compiled during late 2019 and into early 2020. Response to the survey was varied, with a number of boost samples being required. Across the final sample the following response was achieved:
- *Full physical and household information in 1,396 dwellings;*
 - *Full physical information in 63 dwellings; and*
 - *External physical information in 38 dwellings, the majority of which were vacant*
- 1.5 Information from surveyed dwellings and households has been extrapolated through the use of statistical weights to represent total private sector dwellings and households across the Island. Due to the use of sampling techniques estimates presented represent midpoint values within a range of sampling error. Accuracy levels associated with the sample survey average +/- 1% Island wide.

2.0 KEY FINDINGS: HOUSING STOCK AND HOUSEHOLDS

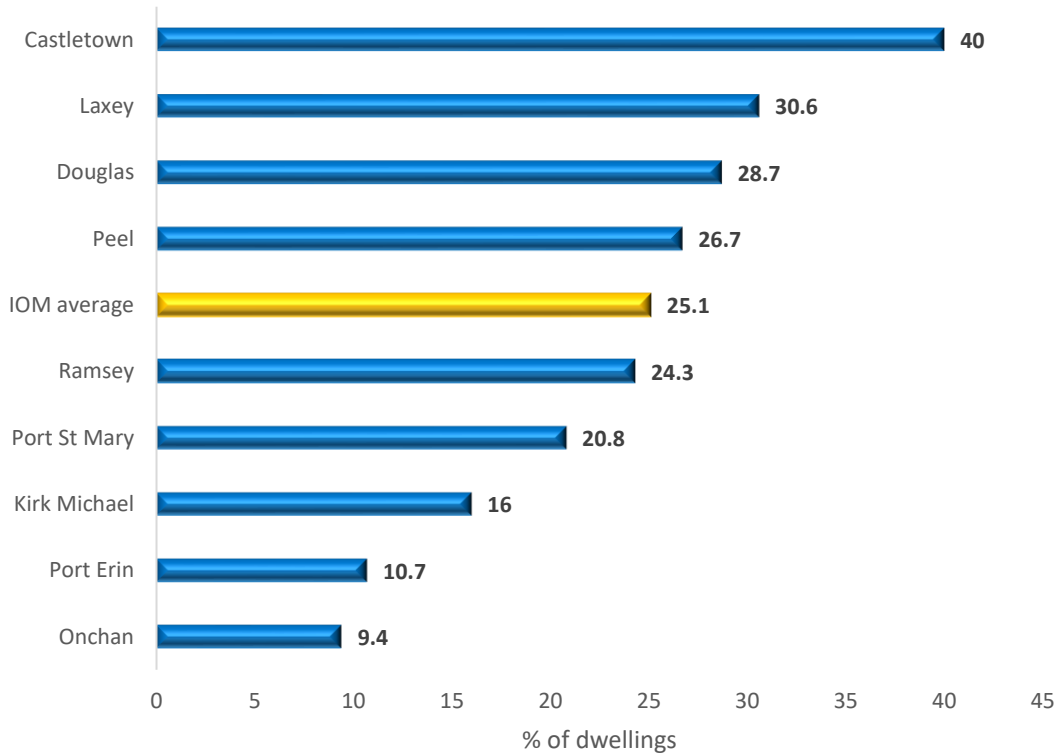
- 2.1 The Isle of Man contains a private sector housing stock estimated at 35,151 dwellings. At the time of survey 34,280 dwellings (97.5%) were occupied; the remaining 871 dwellings (2.5%) were vacant. The majority of vacant dwellings (707 dwellings – 2%) have been vacant under 6 months and are expected to return to occupancy in the short-term. These include dwellings for sale or rent and those currently undergoing major repairs and/or improvements. A further 163 vacant dwellings (0.5%) were assessed as vacant for over 6 months and are typically regarded as problematic in occupancy terms. Short-term vacancy rates are below normal housing market turnover expectations. Estimates of housing vacancy have been completed by surveyors on-site through visual assessment. Additionally, no sample controls were possible on housing vacancy which can lead to over or under representation of the vacant housing stock.
- 2.2 The age of a home is strongly associated with its condition and energy performance. The oldest homes (pre-1919) generally perform less well in these respects than newer homes. Private sector housing on the Isle of Man is representative of all building eras but is predominantly of post Second World War Construction. 23,883 dwellings (67.9%) were constructed post-1944. Of these dwellings, 14,258 dwellings or 40.6% were constructed post-1981. 11,268 dwellings (32.1%) were constructed pre-1945. Within this group, 8,823 dwellings (25.1%) were constructed pre-1919; 2,445 dwellings (7%) in the inter-war period (1919-1944). Private sector housing stock on the Isle of Man differs from the national average with significantly higher rates of post 1981 construction and lower rates of pre-1965 construction. (The English figures use 1980 rather than 1981 as a delimiter).

DATE OF CONSTRUCTION; ISLE OF MAN & ENGLAND



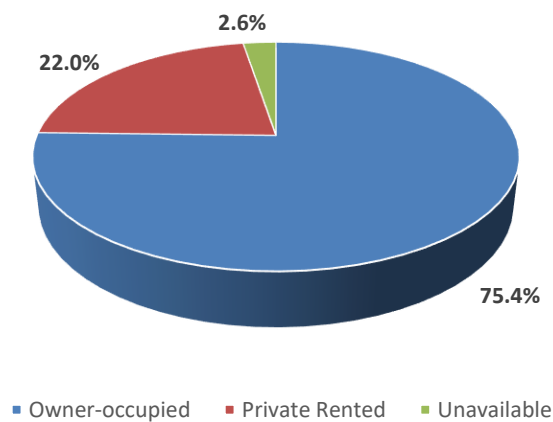
2.3 The highest concentrations of older housing (pre-1919) are recorded in Castletown (40%), while rates of post-1981's housing are highest in Peel (63.3%) and Kirk Michael (60.4%).

RATES OF PRE-1919 CONSTRUCTION BY AREA



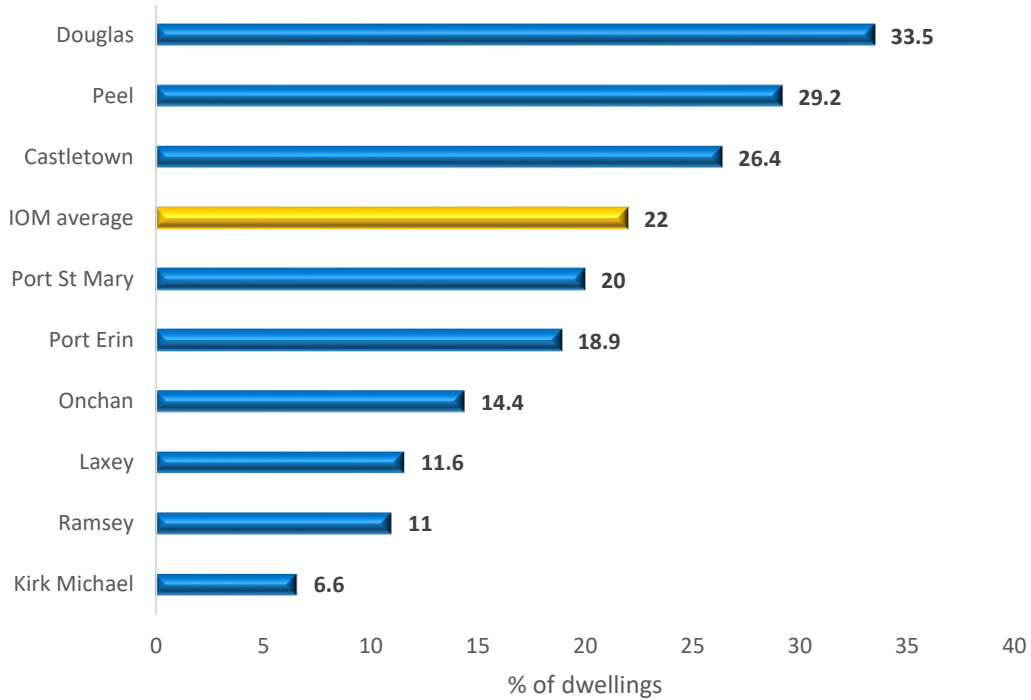
2.4 Housing tenure was estimated during the survey by occupier confirmation in occupied dwellings but also through surveyor estimates on site for vacant dwellings. Owner-occupation is the predominant form of private sector tenure accounting for 26,506 dwellings or 75.4%; 7,742 dwellings are within the private-rented market (22%) and tenure was unobtainable for 2.6% of properties.

PRIVATE HOUSING BY TENURE



2.5 Highest rates of private-rental are recorded within Douglas (33.5%) and Peel (29.2%) whilst within Kirk Michael privately-rented dwellings account for just 6.6% of all private dwellings.

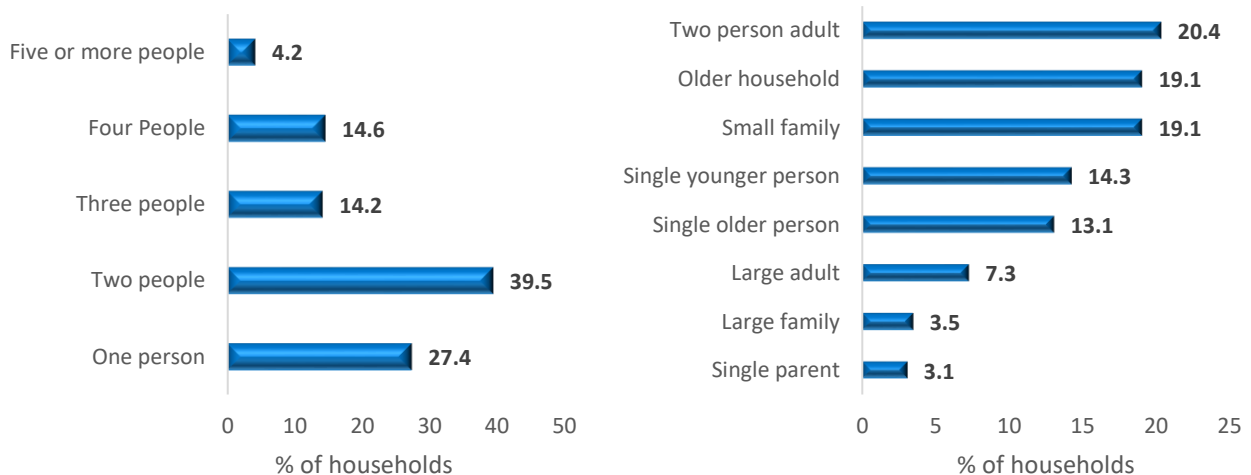
RATES OF PRIVATE-RENTED DWELLINGS BY AREA



2.6 The occupied housing stock contains 34,282 households and a private sector household population of 78,968 persons. Average household size is estimated at 2.3 persons.

2.7 Private sector households are typically small in size and in line with national trends exhibit an ageing profile. 9,400 households (27.4%) are single person in size, an additional 13,554 households (39.5%) contain two persons. Only 1,450 households (4.2%) contain five or more persons. 10,184 households (29.7%) are headed by a person aged 65 years and over.

PRIVATE SECTOR HOUSEHOLDS BY AGE AND TYPE



2.8 Significant demographic differences exist between tenures reflecting a younger private-rented sector against an older owner-occupied sector:

- **35.5% of owner-occupied households have a head of household aged 65 years and over compared to 10% of private-rented households;**
- **34% of private-rented households have a head of household aged under 35 years compared to 7.6% of owner-occupied households;**
- **28.6% of private-rented households contain a single person aged under 60 years compared to 10.1% of owner-occupied households;**
- **23.3% of owner-occupied households contain two or more persons aged over 60 years compared to 4.8% of private-rented households; and**
- **87.6% of owner-occupied households have bedrooms in excess of their requirements compared to 57.2% of private-rented households; and**

2.9 20,885 households (61%) have a head of household in full or part-time employment; 335 heads of household (1%) are registered unemployed and 10,027 heads of household (29.2%) are economically retired. 2,553 households (7.4%) are in receipt of means tested or disability related benefits and are economically vulnerable.

3.0 KEY FINDINGS – HOUSING CONDITIONS

3.1 Combining unfitness and disrepair as the two key indicators of housing condition permits an initial classification of the Island's housing stock:

SATISFACTORY - Not Unfit and in good repair;

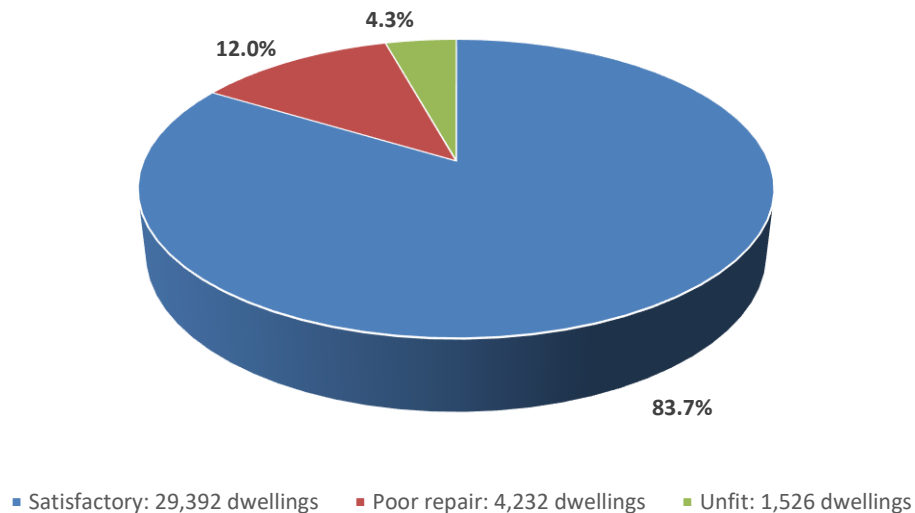
POOR REPAIR - Not Unfit but requiring major repairs; and

UNFIT - Unfit.

Dwellings which are unfit may also be in poor repair.

3.2 29,392 dwellings (83.7%) are not unfit and in good repair and can be regarded as satisfactory. The remaining 5,759 dwellings (16.3%) are unsatisfactory due to unfitness or poor repair. Within the unsatisfactory housing stock, 1,526 dwellings (4.3%) are unfit. The remaining 4,232 dwellings (12%) while not unfit are in poor repair and at risk of further deterioration.

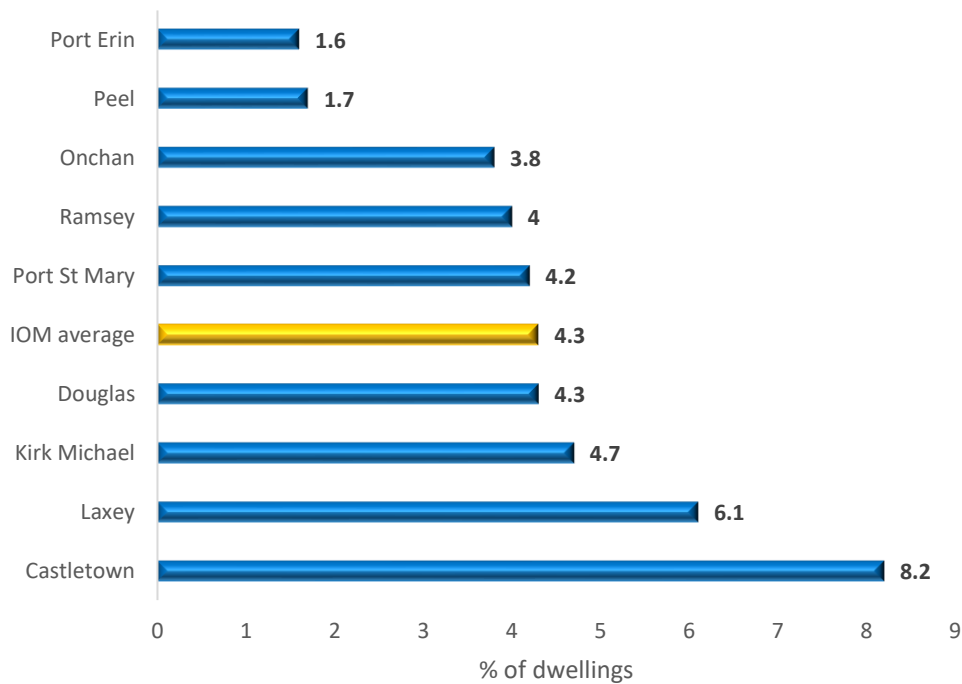
HOUSING CONDITIONS 2018/20



3.3 Rates of unfitness on the Island vary across the housing stock by area, property age and housing type. At an area level, rates of unfitness are above average for Castletown (8.2%), Laxey (6.1%) and these two areas contain significant components of pre-1919 housing stock. Lowest unfitness rates are associated with Port Erin (1.6%) and Peel (1.7%).

3.4 The cost to make unfit dwellings fit is estimated at £29.651M at an average of £19,427 per unfit dwelling. Costs are exclusive of VAT, fees, preliminaries and contingencies and are at first quarter 2018 prices. Highest average costs to make fit are associated with Port Erin and Laxey, the owner-occupied sector, with vacant dwellings and with older detached properties.

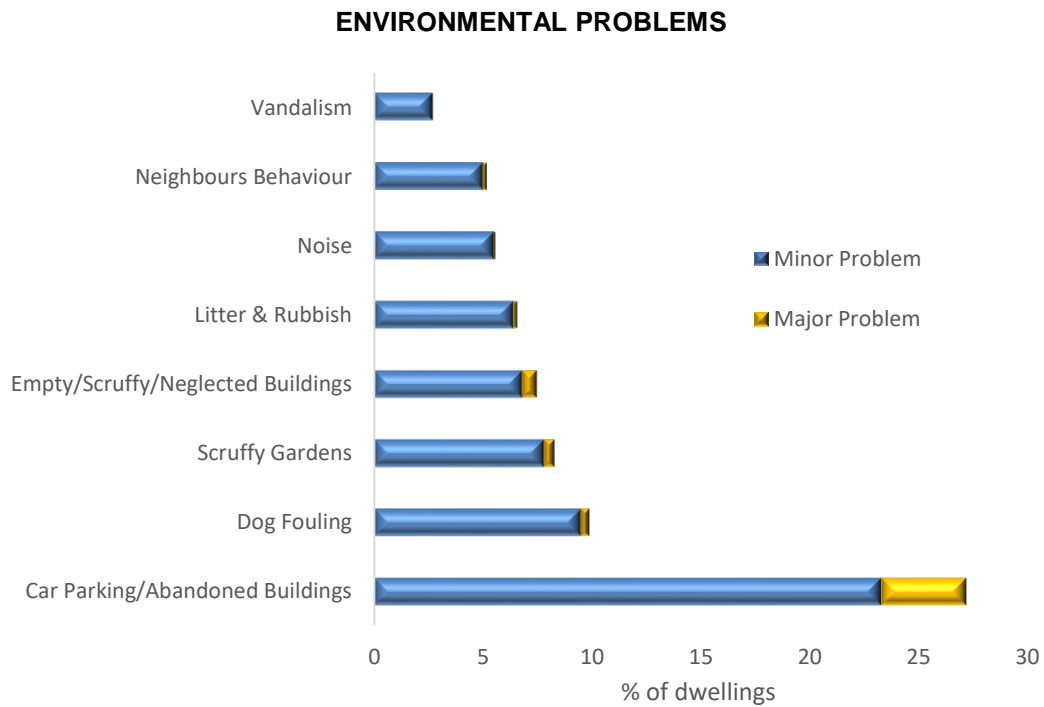
RATES OF UNFITNESS BY AREA



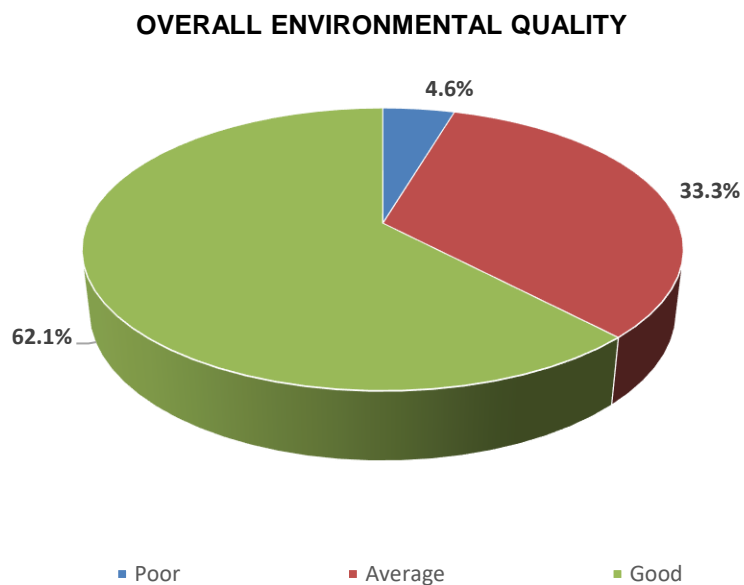
- 3.5 Housing disrepair has implications both currently and in the future for the housing stock and its occupants. Major disrepair to key building components can threaten the integrity of the building fabric leading to a compromise of wind and weatherproofing capabilities (penetrating dampness), can affect the health and safety of the occupants and can threaten the expected effective life of the building through further deterioration if repairs are not addressed.
- 3.6 Overall, 5,204 dwellings (14.8%) fail the repair requirements of the Decent Homes Standard. Secondary element failures alone are very low with the majority of defective dwellings requiring major repair to key building components.
- 3.7 Highest rates of disrepair are associated with Laxey (22.4%) and Douglas (17.3%) and these two areas account for 58.2% of all dwellings failing the Decent Homes repair criteria. Lowest rates of disrepair are associated with Port Erin and Peel. At a sectoral level disrepair is higher in vacant dwellings, in the private-rented sector, for terraced housing and for converted and mixed-use buildings. As might be expected rates of disrepair increase with dwelling age ranging from 5.6% of post-1981 dwellings exhibiting disrepair to 30.2% of all dwellings constructed pre-1919.
- 3.8 Externally the most common repair defects are associated with windows, roof coverings, external wall finishes and boundary fences. Internally, the most common repairs relate to kitchen fittings, bathroom amenities, internal wall, ceiling and floor finishes. Costs to address repair defects in those dwellings that are fit but do not meet the Decent Homes repair criteria are estimated at £40.942M averaging £9,674 per dwelling.

4.0 KEY FINDINGS – ENVIRONMENTAL CONDITIONS

4.1 In addition to the condition of individual dwellings surveyors were asked to assess the general condition of the local area or residential neighbourhood surrounding the dwelling. A range of problems have been identified although in general these have a minor impact. The most common emerging problem relates to car parking, with all other issues affecting less than 10% of dwellings.



4.2 Overall, 11,716 dwellings (33.3%) are located in residential environments of average quality for their type. For 21,816 dwellings (62.1%) environmental quality is above average or good and for 1,619 dwellings (4.6%) environmental quality is below average or poor.



5.0 KEY FINDINGS – HOUSING AND HOUSEHOLD CONDITIONS

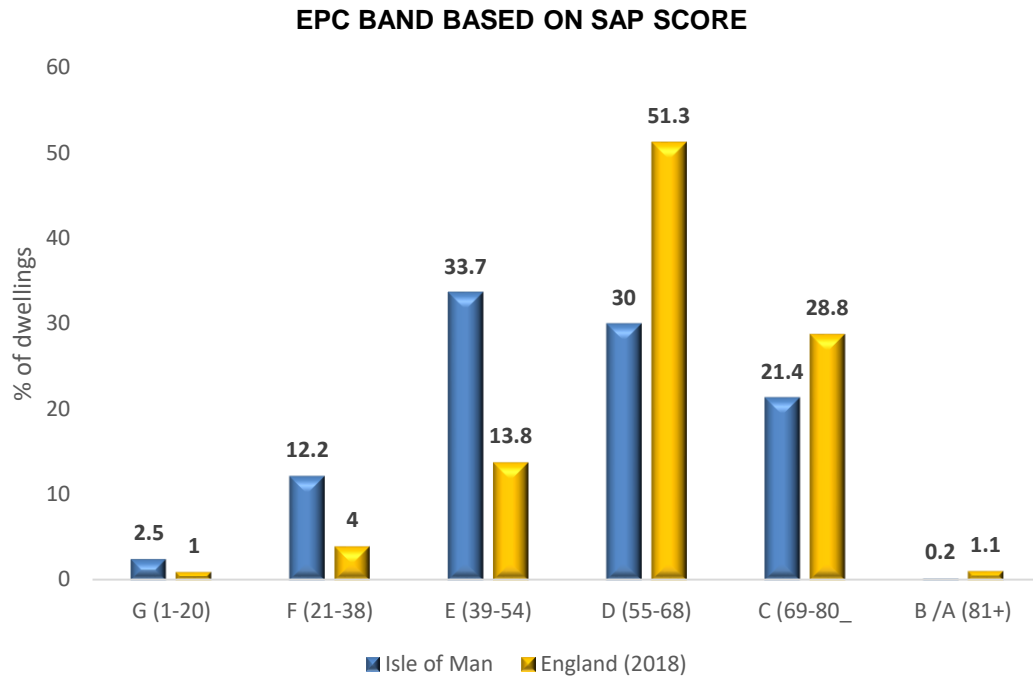
5.1 Poor housing conditions are associated with households in social or economic disadvantage:

- *431 households who occupy unfit homes have a head of household aged between 55 and 64 and these households represent 34.9% of all households in unfit dwellings. 1,100 households living in dwellings with disrepair have a head of household aged 65 or over and these households account for 27.2% of all households in dwellings with disrepair;*
- *Economically vulnerable households are over-represented in poor condition dwellings. 170 economically vulnerable households live in unfit dwellings representing 13.8% of all households in unfit dwellings;*
- *Low income households are over-represented in poor condition dwellings. 221 households with an annual household income under £15,600 live in unfit dwellings representing 17.9% of all households in unfit dwellings; and*
- *513 households in unfit dwellings are single person households, these account for 41.6% of all households living in unfit dwellings.*

Disadvantageous social or economic conditions can impair a household's ability to improve or repair their dwelling.

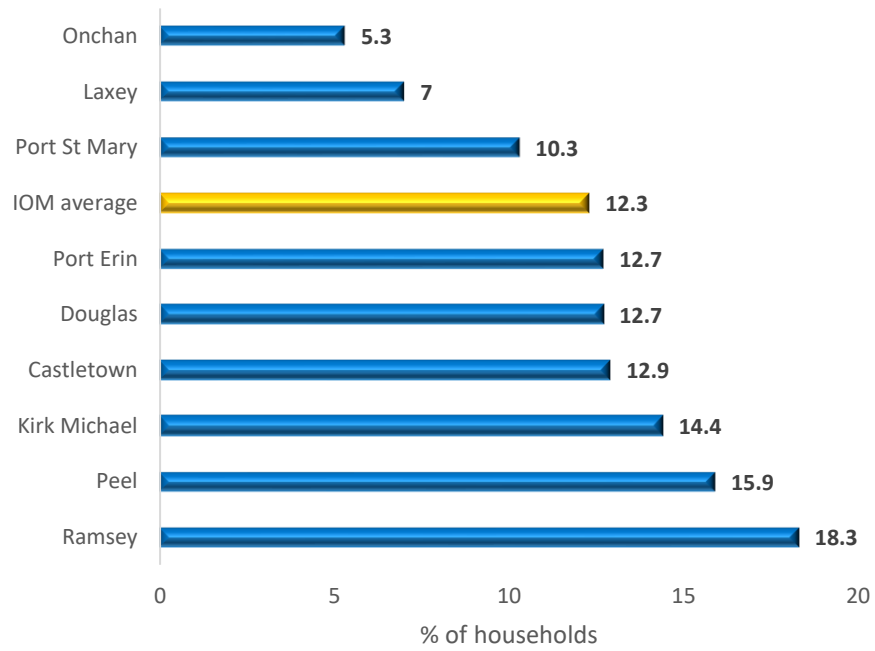
6.0 KEY FINDINGS – ENERGY EFFICIENCY & FUEL POVERTY

6.1 The current SAP rating for private housing on the Island is measured at 54.9, below the national average for all private housing in England (62.2).



- 6.2 Average dwelling annual CO₂ emissions are estimated at 6.09 tonnes resulting in total annual private sector emissions of 207,610 tonnes. Average annual energy expenditure is estimated at £1,666 per dwelling giving a total annual household energy bill of £56.753M. Below average energy efficiency ratings are recorded in the owner-occupied sector, dwellings constructed pre-1975 and detached houses and bungalows. Lowest ratings are also associated with Laxey, Port St. Mary, Castletown and Ramsey.
- 6.3 Primary heating fuels on the Island are mains gas and oil. Mains gas is present in 18,739 dwellings (53.3%) with oil representing the primary heating fuel in 12,906 dwellings (36.7%). In spite of high levels of central heating the less than universal availability of mains gas will restrict the efficiency of heating systems with an adverse effect on SAP Ratings.
- 6.4 Linking information on energy efficiency and annual fuel costs from the energy survey to household income profiles provides an indicative pattern of fuel poverty among private sector households on the Island. Fuel poverty is usually defined as an annual expenditure on fuel in excess of 10% of household income. By this definition, 4,220 households, 12.3%, are in fuel poverty.
- 6.5 Highest rates of fuel poverty are associated with households in the private rented sector, those living in dwellings constructed pre 1919 and for households who live in bungalows. Geographically, households living in Ramsey, Peel and Kirk Michael are more likely to be in fuel poverty than elsewhere on the Island.
- 6.6 At a household level, rates of fuel poverty are above average for single person households both older and younger and single parent families. Households where the head of household is not in employment are significantly more likely to be in fuel poverty, economically vulnerable households are also more adversely affected by fuel poverty.

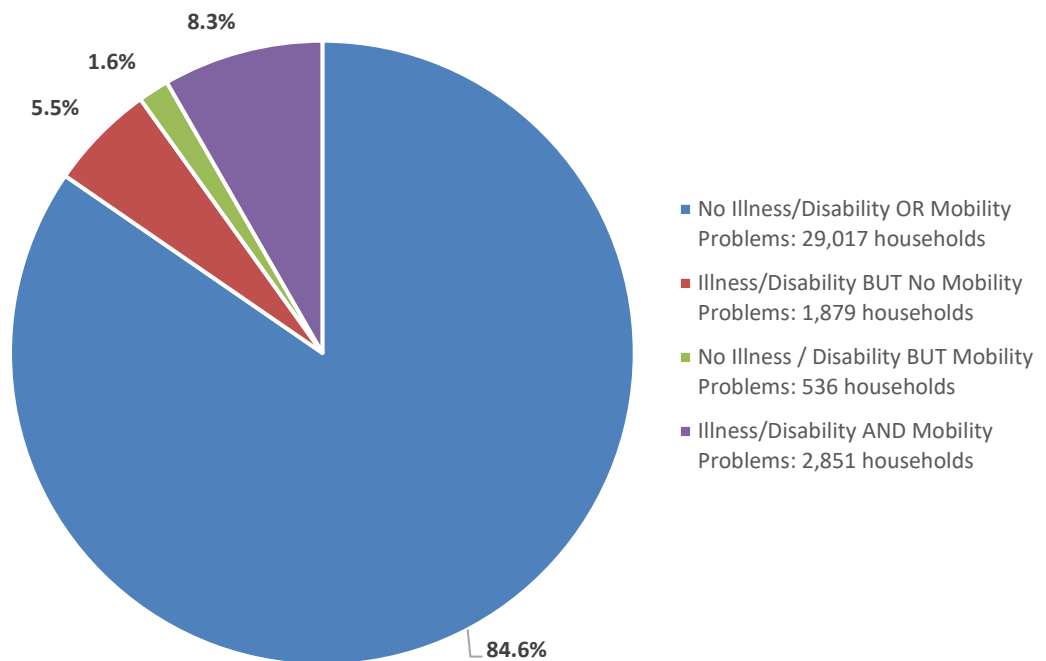
RATES OF FUEL POVERTY BY AREA



7.0 KEY FINDINGS – HOUSEHOLD ILLNESS/DISABILITY

7.1 Households were asked if any members of the household suffered a limiting long-term illness or disability. 4,730 households (13.8%) are affected. The presence of a long-term illness or disability does not necessarily imply a need for support. Of the 4,730 households with a long-term illness or disability, 1,879 households or 39.7% experienced no problems in the normal use of their dwelling. The remaining 2,851 households (60.3%) did however experience difficulties.

LONG TERM ILLNESS /DISABILITY AND MOBILITY PROBLEMS



7.2 The most common mobility problems relate to climbing steps and stairs, using bathroom amenities and access to the home.

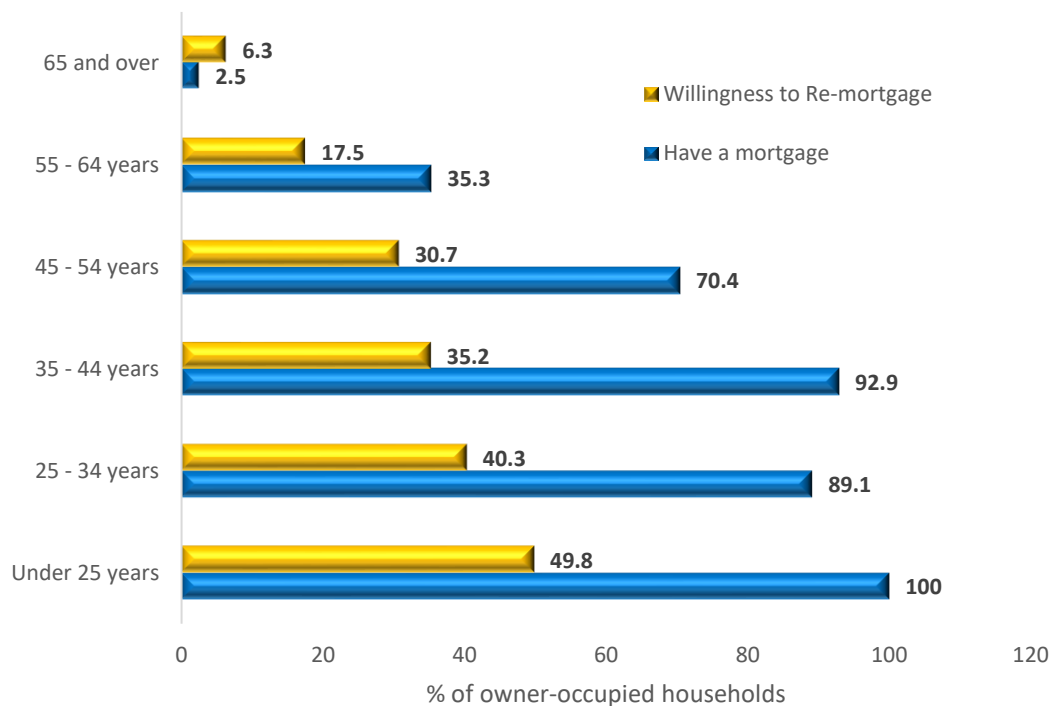
7.3 Illness/disability and mobility problems are strongly focussed on the elderly population. 3,608 households (76.3%) that contain at least one person with a limiting long-term illness or disability have a head of household aged 55 years or over; in relation to mobility problems, the same age group account for 87.3% (2,950) of households.

8.0 OWNER-OCCUPIERS

8.1 14,517 owner-occupied households (54.8%) have no existing mortgage or other financial charge against their property. The remaining 11,950 owner-occupied households (45.2%) have outstanding mortgage commitments. For households with a mortgage, average mortgage holdings are estimated at £110,000 per household.

8.2 Irrespective of property values on the Island the pattern of mortgage holdings indicates considerable owner-occupied equity potential. The issue is not the existence of this equity but its release for home repair and improvement. Household attitudes are relatively encouraging; 5,603 owner-occupiers (21.2%) indicated they would re-mortgage or otherwise the equity in their home to carry out necessary improvements or repairs. There is a strong correlation between age of head of household and willingness to re-mortgage with younger heads of household more willing to consider using the value of their home than older heads of household.

AGE OF HEAD OF HOUSEHOLD, MORTGAGE POSITION & WILLINGNESS TO REMORTGAGE

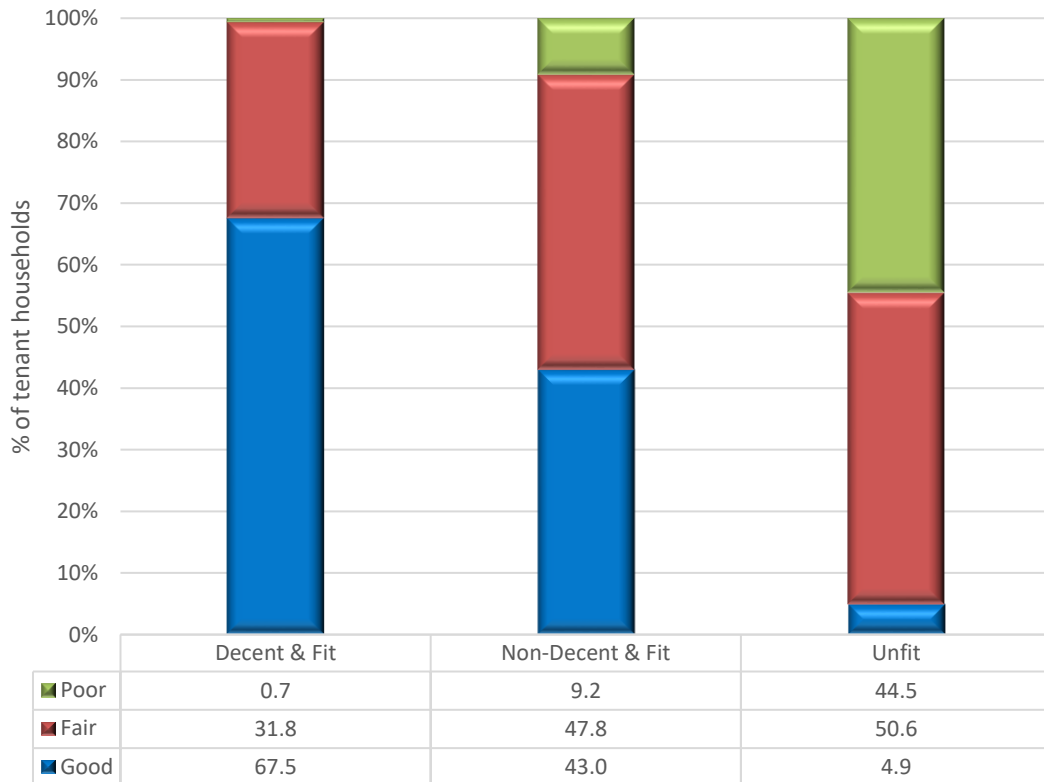


9.0 PRIVATE-RENTED TENANTS

9.1 7,815 households on the Isle of Man live in private-rented accommodation representing 22.8% of all private sector households. This is an increase in the private-rented sector of 1,985 households or 27.4% since 2008.

9.2 There is a strong correlation between the actual condition of a tenant’s home and their perception of its repair status. 44.5% of households that live in unfit dwellings believe their home to be in poor repair, conversely less than 1% of households in decent and fit dwellings thought the state of repair was poor.

TENANT PERCEPTION OF AND ACTUAL HOUSING CONDITION



10.0 CONCLUSIONS

10.1 29,392 private sector dwellings (83.6%) are not unfit and require no major repairs and can be regarded as satisfactory. 4,232 dwellings (12%) while not unfit require major repairs and 1,526 dwellings (4.3%) are unfit. Rates of unfitness on the Island have increased slightly from 3.9% in 2008.

10.2 To improve unsatisfactory housing on the Island will require a minimum expenditure of £70.593M net. A number of factors will impact on this investment framework including:

- ***Physical house condition;***
- ***Energy efficiency;***
- ***Environmental conditions; and***
- ***Household consideration.***

PHYSICAL HOUSING CONDITIONS

10.3 5,758 dwellings are in an unsatisfactory condition representing 16.3% of private-sector housing stock. Unfitness and disrepair exhibit similar patterns of concentration indicating key target areas as:

- Laxey, Castletown and Douglas;
- Converted and mixed use flats;
- Terraced housing; and
- Dwellings constructed pre-1945.

While no significant differences in unfitness exist between tenures, the private-rented sector exhibits higher levels of disrepair.

ENERGY EFFICIENCY FACTORS

10.4 Energy efficiency levels on the Island are below the average for England but do show significant improvement since 2008. Fuel poverty affects 4,220 households or 12.3% of all households on the Island. Concerning further improvements in energy efficiency the less than universal availability of mains gas will prove restrictive. Levels of central heating are already high but considerable scope exists for insulation improvements including loft and wall insulation and draught-proofing.

ENVIRONMENTAL CONSIDERATIONS

10.5 Environmental conditions on the Island are generally good, the principal concern is in relation to car parking. Environmental quality is generally below average in Peel, Douglas and Ramsey and in areas of private-rented housing and in older housing areas.

HOUSEHOLD CONSIDERATIONS

10.6 Poor housing conditions impact more strongly on households exhibiting social and or economic disadvantage. Particularly affected are the elderly, the economically vulnerable and those on low incomes. These relationships indicate a continued need for support within the private housing sector.

10.7 While support needs for private households remain, considerable equity exists within the owner-occupied sector which might be released for repair and improvements. Owner-occupied attitudes are positive with 21.2% of owners prepared to re-mortgage for home improvement and 27.4% interested in a Department

sponsored scheme for equity release. The majority of households interested would also be prepared to pay a small fee for such a service.

- 10.8 Among owner-occupiers the difficulty finding reliable workmen was quoted as the major barrier to home improvement. It is therefore not surprising that a strong interest exists in the Department providing a list of builders and contractors. Specific schemes to support the elderly might also prove of benefit given the strong association between elderly households and poor housing conditions.