



Appendix 1

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North Yorkshire Strategic Housing Market Assessment

Appendix 1: Craven-specific SHMA Analysis

November 2011



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For and on behalf of GVA Grimley Ltd

1. Introduction to the Appendix Document

- 1.1 GVA was commissioned to undertake a Strategic Housing Market Assessment (SHMA) on behalf of the North Yorkshire Strategic Housing Partnership (NYSHP) in March 2010. The findings of this research will be used to inform the development of emerging strategic planning documents across the sub-region, including Local Development Framework (LDF) Core Strategy documents, and development control decisions.
- 1.2 The purpose of the SHMA, as explored in more detail in the context of Government guidance within the main report, is two-fold:
- To provide a SHMA undertaken in accordance with Government guidance and meeting PPS3 requirements; and
 - To assist in supporting the Council to fulfil their strategic housing role in planning for housing investment that meets the needs of the community.

Purpose of the Document

- 1.3 It was agreed at the outset of the commission that the main North Yorkshire SHMA report would present analysis at the North Yorkshire level, identifying key findings of note at Local Authority level.
- 1.4 In line with the requirements of SHMA guidance sub-areas below Local Authority level have been identified¹ and reflected in primary data collection and where possible secondary data collection and analysis².
- 1.5 Given the scale of the North Yorkshire sub-region, specifically the number of sub-areas identified below Local Authority level, and the need to provide a clear and useable SHMA report sub-Local Authority level analysis is documented within this Appendix document. It should be read alongside the main North Yorkshire SHMA report, providing more locally specific detail.

¹ The geography of analysis applied in relation to York is summarised in the following section of this document.

² The full methodological approach to primary and secondary sources of data utilised within the SHMA are considered within full in Section 1 of the main report.

Report Structure

1.6 This appendix document follows a similar structure to the North Yorkshire SHMA report. It draws on both primary and secondary data where appropriate, and should, as previously noted, be read alongside the North Yorkshire SHMA.

- 1: Introduction – Introduces the purpose of the document and its structure;
- 2: Context – This section sets out the geography of analysis applied in relation to Craven specifically including a definition of the sub-local authority areas used and presented through this Appendix;

Part 1: The Current Housing Market

- 3: Demographic and Economic Context – Whilst the dynamics of the housing market are complex, the consideration of the demographic and economic context based on current snapshot and past trends represents a fundamental foundation upon which to understand supply and demand currently and in the future. This section presents an assessment of key demographic and economic drivers concluding with analysis of the functional relationships between the local authority sub-areas identified within Craven;
- 4: The Housing Stock – This section provides an assessment of the current profile of the housing stock across Craven. This includes estimates of the current 'housing offer' in Craven in terms of the number of current dwellings broken down by size, type, condition and tenure;
- 5: The Active Market – The relationship between supply and demand manifests itself in the operation of the active market. House prices, rental levels and key measures of demand including the number of households on waiting lists are all symptoms of market behaviour which are clear indicators of the current health of the market and the future direction of travel. An assessment of the active market is undertaken using both primary and secondary data, with key issues around affordability examined in detail;

Part 2: Future Housing Market and Need

- 6: Future Housing Market – The North Yorkshire SHMA report provides a comprehensive assessment of future household projections and analysis of the implications of change relating to a number of economic and demographic drivers in terms of future demand for housing, including demand for different sizes of property. Using the datasets available for this research it is not possible to break

this analysis down below local authority area. This section therefore represents the headline findings of Section 7 in the North Yorkshire SHMA report alongside local authority specific tables and charts in order to make the findings easier to interpret;

- 7: Housing Need – As with Section 6 the North Yorkshire SHMA report provides a comprehensive assessment of housing need at a North Yorkshire and individual authority level. This section includes additional local authority specific data and methodological explanation, including a more detailed comparison with previous survey work. In addition the analysis of housing need is broken down to a local authority sub-area level. Ward level breakdowns of housing need are available as well in Appendix 12; and
- 8: Drawing the Evidence Together – Conclusions – The research concludes the key findings and recommendations emerging with specific reference to Craven. Conclusions drawn are presented to directly respond to the core outputs set out in Figure 1.1 of the CLG Guidance.

1.7 Note: The Authority Appendix does not include comparative sections 3 and 9 from the North Yorkshire SHMA Report. Section 3 in the main report provides a strategic policy and market context which is not duplicated in this Appendix. Section 9 of the main report presents a detailed analysis of the housing requirements of specific groups. A large proportion of this analysis is not able to be presented at a sub-local authority level and again is therefore not duplicated within this Appendix. Key areas of analysis which can be presented at this level are integrated into sections 2 – 6 within this Appendix. The ward table in Appendix 12 provides further localised analysis of the current and future housing needs of older person households at this geographical level.

2. Context

- 2.1 Section 2 will establish the spatial context of Craven District and its local market areas to inform the analysis presented within this document.
- 2.2 Section 2 of the main SHMA report presents the spatial context for the wider North Yorkshire sub-region in full. The main SHMA report establishes that there are several sub-regional market areas operating throughout North Yorkshire at a spatial scale which is below the sub-region but above the local authority. With specific reference to Craven this includes both the Leeds City Region, which encompasses the whole of Craven Local Authority Area as well as the local authority areas of Harrogate, Selby and York, and the Remote Rural Sub Area which covers the majority of Craven to the north of Skipton. These sub-regional market areas are considered in more detail within Appendix 11.

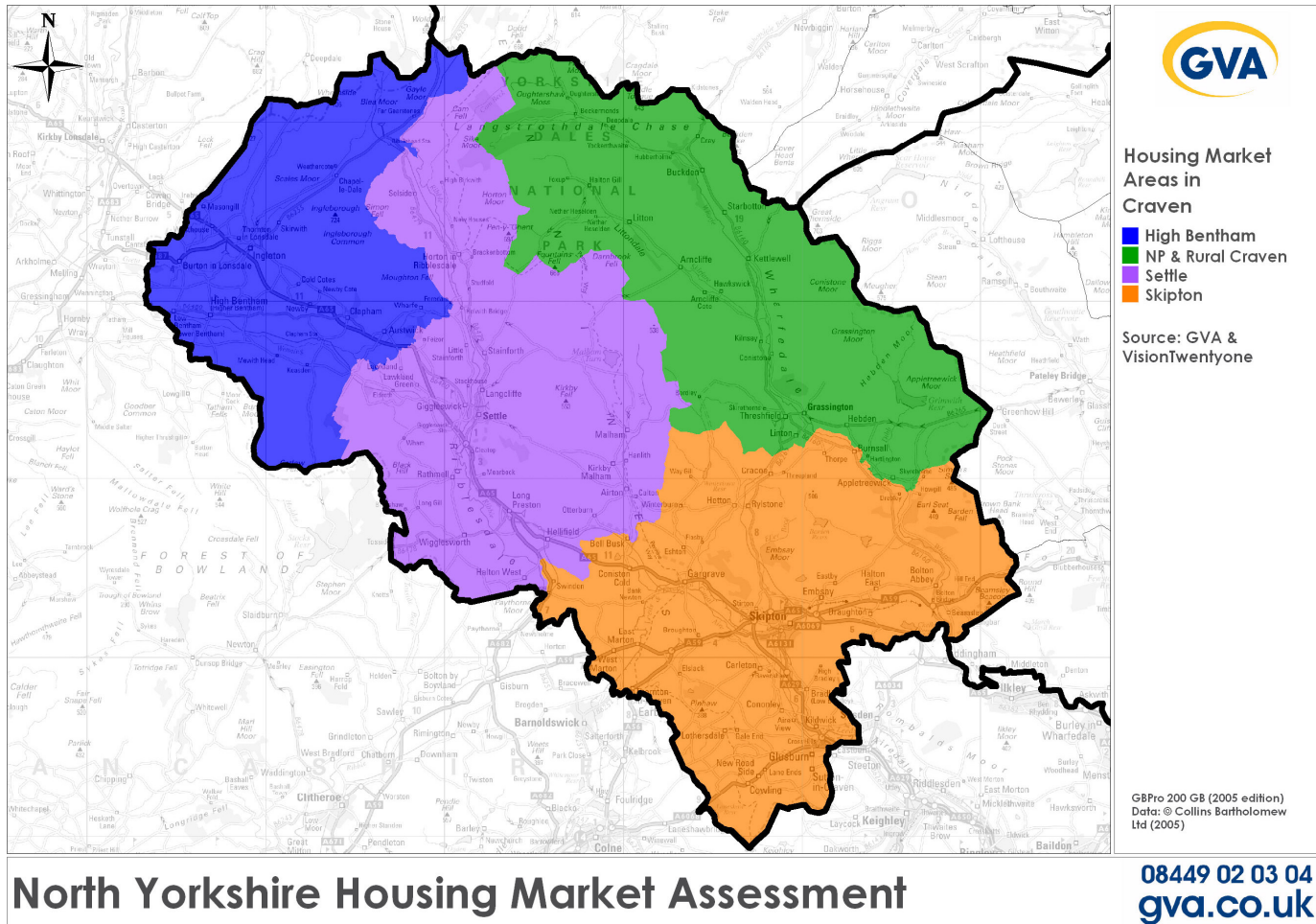
Craven District

- 2.3 The following summary of the geography and general character of Craven is taken from the Core Strategy Preferred Option draft (October 2007).
- 2.4 The total area of Craven is 1179 square kilometres which is split into two administrative authorities with Craven District Council's administrative area covering 370 square kilometres and the remainder of the district (808 square kilometres) falling within the Yorkshire Dales National Park. Skipton is the area's main settlement with the remainder of the district characterised by small towns and large villages, usually on or adjacent to main transport routes, which act as local service centres. The dispersed pattern of small villages and hamlets reflecting the rural nature of the District, particularly in the north and west of the plan area.
- 2.5 The landscape of Craven District outside the National Park is often overshadowed by the landscapes within the National Park. The plan area, however, contains a variety of high quality landscapes which have a distinct, in some cases unique, character and many of which are of national and regional importance. There is no single landscape which characterises the plan area, but rather a variety of inter-connected, high quality landscapes.
- 2.6 The total population of Craven in 2009 was estimated to be almost 56,000, with approximately 27% of the population residing in Skipton.

Craven Local Market Areas

- 2.7 In line with the CLG Guidance the SHMA must define market areas and the key drivers associated with these areas. This will include consideration of geographies below the District level.
- 2.8 Craven has no currently identified market areas. Consequently its market areas have been identified through analysis of house price data and migration trends available at postcode-sector level, and in liaison with Craven District Council.
- 2.9 A total of four sub-areas have been identified across Craven District including Bentham, National Park and Rural Craven, Settle, and Skipton and South Craven. These market areas are mapped in Figure 2.1 overleaf.

Figure 2. 1: Craven District Sub Areas



Local Policy

Craven District Council Preferred Option Draft 2007

- 2.10 Craven District Council's Core Strategy, currently at Preferred Options stage, forms an essential element of the Local Development Framework which covers the area of Craven that lies outside the Yorkshire Dales National Park. The Craven Core Strategy aims to encourage self sufficient, vibrant and prosperous communities by providing a range of local shops and services, social facilities, open spaces and employment and environmental assets connected by an accessible, regular, integrated and affordable transport system.
- 2.11 The Core Strategy seeks to deliver a mix of housing, both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural. The Core Strategy Preferred Options paper has a particular emphasis on affordability, especially providing for families, young people and the elderly.
- 2.12 The Core Strategy aims to meet the housing needs of all the community by providing an adequate amount and range of housing including affordable and special needs housing. The proposed distribution of housing development in the Core Strategy Preferred Option was reviewed by the Council's Policy Committee on 10th June 2009 following the preferred option consultation responses. The Council is currently developing its evidence base in preparation for consultation on a revised Core Strategy report along with other evidence and will be used to determine a new annual housing target for the District.

Economic Development Strategy for Craven District 2010- 2016

- 2.13 The vision for Craven District economy is 'to create a more vibrant and prosperous local economy' where investment is encouraged, skills are developed and new and existing businesses are supported. The strategy will aid the delivery of local economic growth by providing a framework for partnership working and resource allocation.
- 2.14 Craven will create a sustainable economy by concentrating on four key themes,
- Enabling Business Growth – addressing business performance, encouraging business start-ups, expansion and reinvestments; providing the right "physical environment" such as sites and premises, technology and transport.

- Developing the Rural Economy – providing opportunities for rural communities to meet their own employment needs by supporting traditional and new industries; providing access to the necessary goods and services.
- Revitalising our Towns and Villages – enhancing the role of the local market towns as the economic hubs for goods and services including seeking to improve the physical environment.
- Capitalising on Education and Skills – ensuring with partners that a diverse range of training and educational opportunities are available to people and businesses to ensure a healthy labour market.

Part 1: The Current Housing Market

3. Demographic and Economic Context

The relationship between the economy, household composition and the housing stock represents a key driver in determining the balance between supply i.e. the stock of housing as explored in Section 4 and demand.

This section examines the two principal long-term drivers of demand, the demography of an area and the health of the economy to present clearly how Craven's housing market has evolved in response.

The changing demography (population, household size, age structure etc) of an area impacts strongly on the housing market and the type and quantity of housing required.

The role of the economy in shaping demand is also important with, for example, the level and type of employment available in an area playing an important role in determining the levels of disposable income available to households and therefore their ability to exercise choice in the market an issue which is considered in greater detail within Section 5. The linkage between employment opportunities and the housing offer also manifests itself in the relationship between work and home. The section concludes with analysis of commuting patterns to demonstrate current levels of containment in the District and the relationships with surrounding authorities.

Demography and Household Types

Demographic Trends

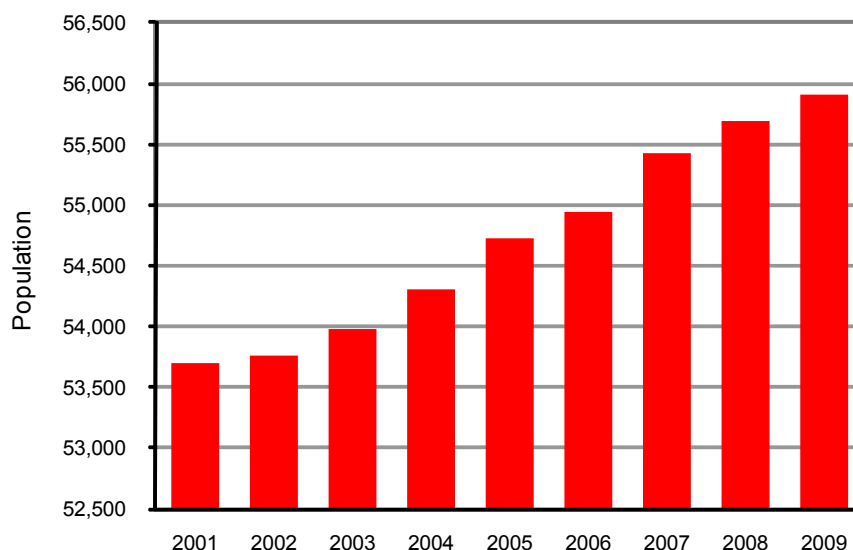
- 3.1 Traditionally demographics have been a key component of determining both the current shape of housing markets and their future trajectory. Changing demographic conditions strongly influence the housing market, including the overall housing stock required and the requirements of the stock to meet the needs of specific groups, for example the elderly.
- 3.2 It is therefore vital to have a clear understanding of the population and household structure when assessing current and future housing demand.

Current Demography and the Components of Change

- The 2001 Census provided the most recent, definitive count of the resident population of Craven identifying 53,367 people within the area.
- Since 2001, the Office for National Statistics (ONS) has produced 'Mid-Year Estimates' (MYE) of local authority populations, taking account of the annual impact of births and deaths (natural change), internal migration and international migration (the components of change). The latest MYE for Craven (2009) suggests that its population has increased by 2,200 since 2001, a 3.9% rise over the nine year period, compared to an increase of 4.1% across North Yorkshire.

Current Demography

Figure 3. 2: Population Change, Craven, 2001 - 2009



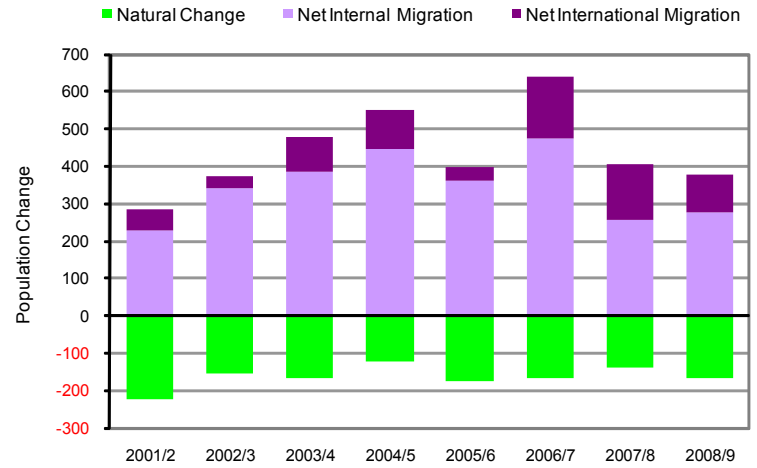
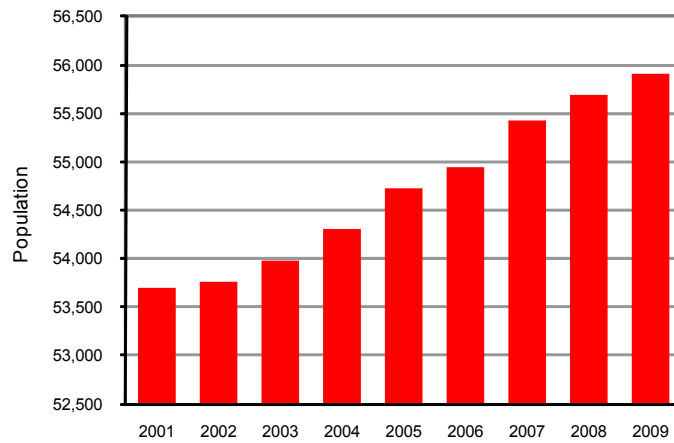
Source: ONS, 2010

- The population change for Craven has been disaggregated into its 'components of change' in order to determine the relative importance of estimates of natural change, net internal migration and net international migration since 2001. Between 2001/02 and 2008/09 natural change has been responsible for a decline in Craven's population of 1,308 (-59.5%). This has been countered by population growth of 2,768 (125.8%) due to the net impact of internal migration, compared to approximately 740 (33.7%) attributed to net international migration.

- Total population growth across North Yorkshire over the same period was driven by net international migration, accounting for population growth of 22,500 between 2001 and 2009 (53% of net population growth), compared to 21,508 (51% growth in population) attributed to net internal migration. Natural change accounted for a slight decrease in total population over the period of 1,608.

Figure 3. 3: Craven Components of Change Estimates, 2001 – 2009

Craven

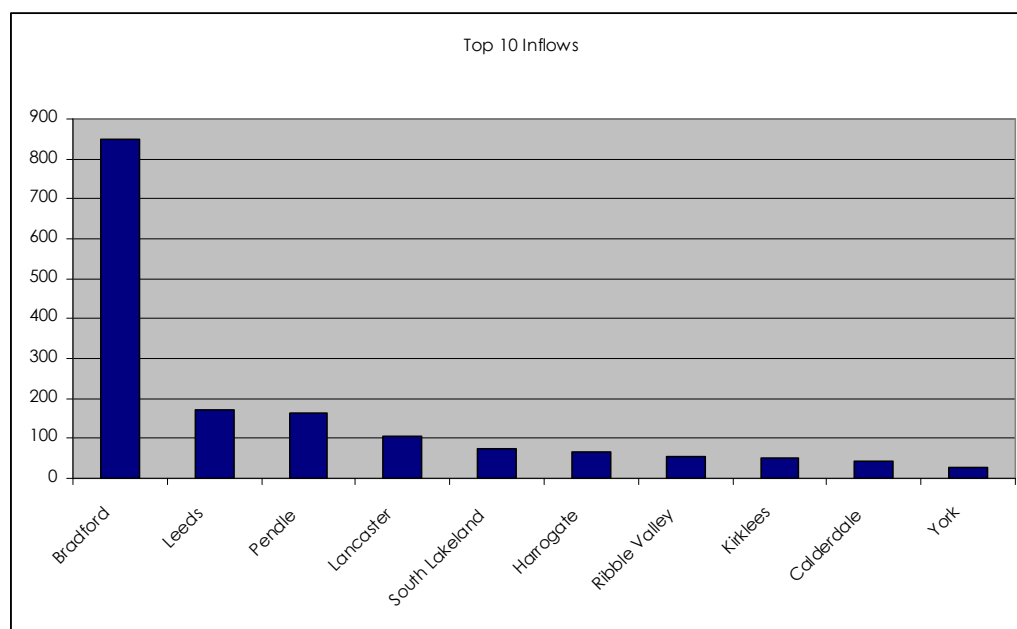


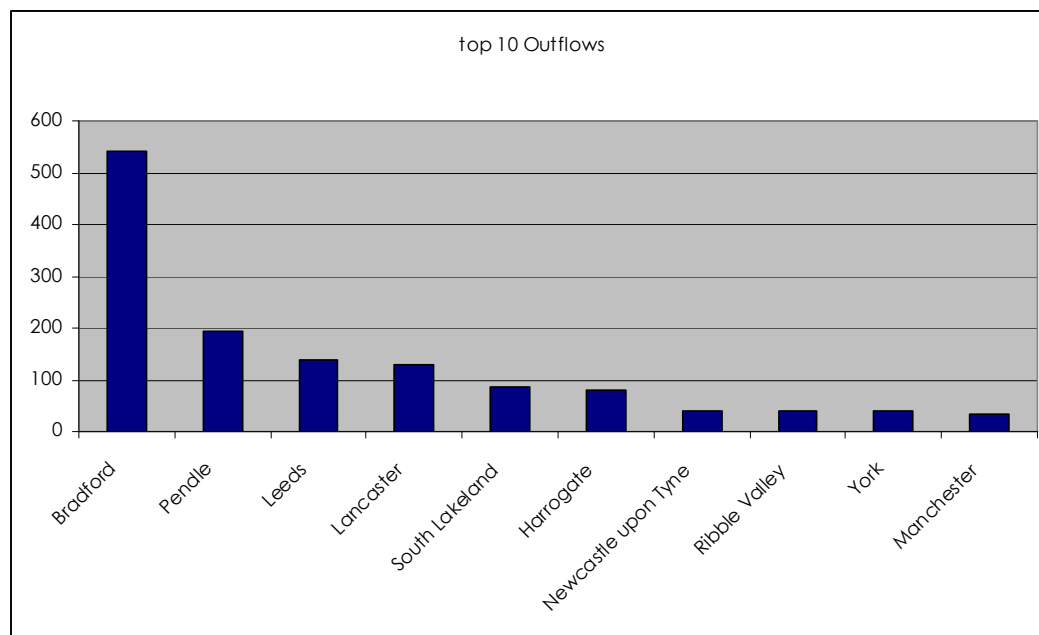
Source: ONS, 2010

Considering Internal Migration

- The migration of people into the authorities of North Yorkshire has been an important driver in the changing population profile of the area since 2001. Over the period 2002 to 2008 Craven is noted to have experienced a net inflow of residents.
- The most significant inflow of residents to Craven over this period is noted to be from Bradford, followed by Leeds and Pendle. The top outflows noted from Craven annually over this period support recognition of the important links with these three authorities, with the top three outflows from Craven to Bradford, Leeds, and Pendle. The annual balance to these three authorities is 307, 34 and -31 over the period 2002 to 2008.

Figure 3. 4: Migration Inflows and Outflows, Annual Average 2002 – 2008

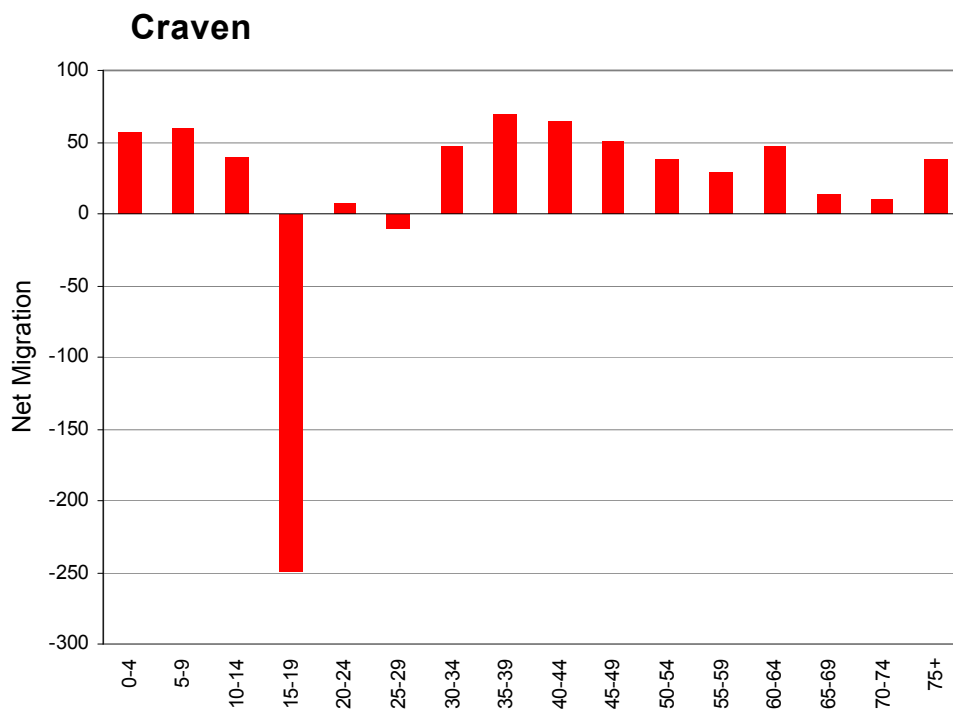




Source: Patient Registration Statistics, ONS, 2010

- In aggregate terms, averaging age-group flows 2002 to 2008, North Yorkshire gained population through net migration in all age-groups, with the exception of young adults aged between 20 and 29. Young families with children all saw positive net migration gains, as have each of the older adult age groups, across the sub-region.
- The data for the Craven shows a similar trend with the Local Authority experiencing population gains through net migration for all age groups apart from young adults aged between 15-19 and 25-29. The outflow for the 15-19 age group, is by far the largest net change (-249) and can be attributed by a large number of young adults leaving the area to attend university.

Figure 3. 5: Migration Inflows and Outflows Age Profile, Annual Average 2002 – 2008

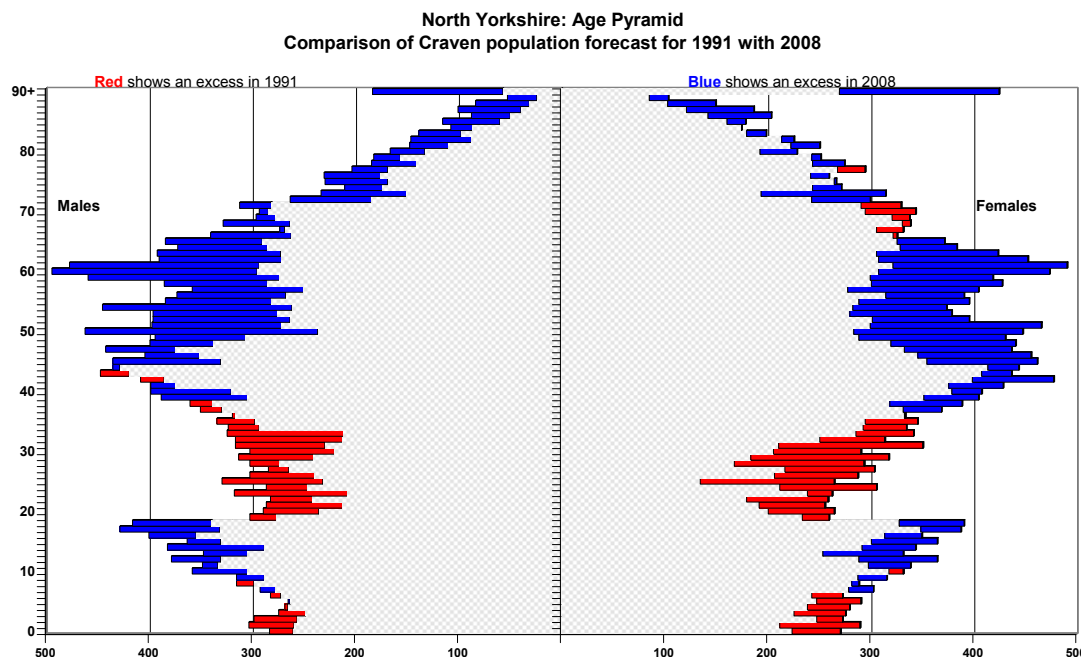


Source: Patient Registration Statistics, ONS, 2010

A Changing Age Profile

- Population gains across North Yorkshire are noted across most age groups, although there are noted to have been significant reductions in those aged under 10 years and between 20 and 35 years, across both the male and female populations.
- Craven has similar population gains across age groups as North Yorkshire. However the reductions in those aged under 10 and those aged in their twenties and early thirties are much more pronounced in Craven than across the sub region as a whole, suggesting that young adults and young families are leaving the district, potentially to seek employment opportunities elsewhere. Simultaneously Craven's older population is noted to have increased significantly between 1991- 2008 across both the male and female populations.

Figure 3. 6: Population Age Pyramid, Craven, 1991 – 2008

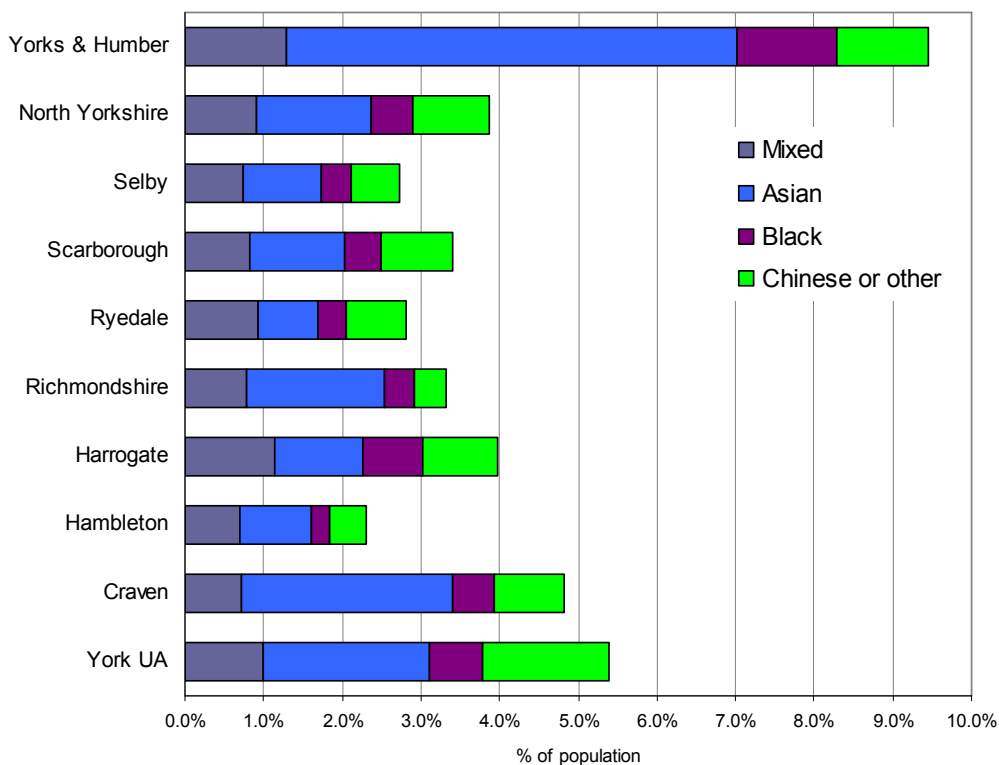


Source: ONS, 2010

Population and Ethnicity

- Whilst Yorkshire is noted to be an ethnically diverse region a large proportion of its ethnic population is concentrated in the urban areas of West and South Yorkshire. Just under 4% of the North Yorkshire population was identified to be 'non-white' in the ONS 2007 population estimates compared to 10% across the region.
- Craven is noted to have one of the most ethnically diverse populations in North Yorkshire with 4.8% classed as 'non- white'.

Figure 3. 7: Ethnicity, 2007



Source: ONS, 2010

Households

3.3 Household numbers are directly related to housing stock and the supply of housing. Examining the change in household numbers is therefore a critical element of assessing the dynamics of the housing market.

Current Households

- At the time of the Census in 2001 there were approximately 315,000 households across North Yorkshire. There were approximately 22,700 households within Craven at the same time, representing 7.2% of the sub-regional total.
- The majority of these households (14,612) were located in the Authority's major urban area, Skipton and South Craven. The more rural sub areas such as the National Park and Rural Craven sub area had much fewer households.

Figure 3. 8: Number of Households by Sub Area, 2001

Sub Area	Number of Households	Proportion of Households
High Bentham	2,938	13.0%
National Park and Rural Craven	1,721	7.6%
Settle	3,389	15.0%
Skipton and South Craven	14,612	64.5%

Source: Census, 2001

- More recent estimates³ suggest that there were just under 340,000 households across North Yorkshire in 2009, a growth of circa 25,000 (8%) from 2001. Craven's estimated growth in households was around 1,750 additional households over period representing 8% growth within Craven specifically.
- The change in headship rate applied within the estimation of household numbers over the period 2001 to 2009 in Craven demonstrates the DCLG projection that household size has continued to fall over the time period considered.

³ Population estimates are converted to household estimates with the application of 'headship rates', which model the propensity of a person (by age and sex) to be 'head' of a household. Household populations exclude those individuals living in institutional accommodation.

Figure 3. 9: Change in Households, 2001 – 2009

Authority	Number of Households - Sub-National Household Projections (SNHP)				
	2001	2009	Change 2001 - 2009	% Change 2001 - 2009	Annual Average Change 2001 - 2009 (8 years)
Craven	22,743	24,488	1,745	8%	218
North Yorkshire	314,878	339,424	24,546	8%	3,068

Source: DCLG Sub-National Household Projections, 2010

Figure 3. 10: Change in Headship Rates, 2001 – 2009

Authority	Household Size - Mid-year Estimates, ONS / Sub-national Household Projections									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	Change 2001 - 2009
Craven	2.30	2.29	2.28	2.28	2.27	2.26	2.25	2.24	2.23	-0.08
North Yorkshire	2.31	2.31	2.31	2.30	2.30	2.29	2.28	2.28	2.27	-0.04

Source: DCLG Sub-National Household Projections, 2010

- An important factor behind the estimated fall in household sizes is the forecast structure of change around different household types. Across North Yorkshire growth has been particularly concentrated in house types commonly associated with one person households and interestingly a shift away from young families. In line with sub-regional trends one person households have grown significantly in Craven and, simultaneously the number of young couples with dependent children, has been falling.

Figure 3. 11: Household Change by DCLG Household Types, 2001 – 2008

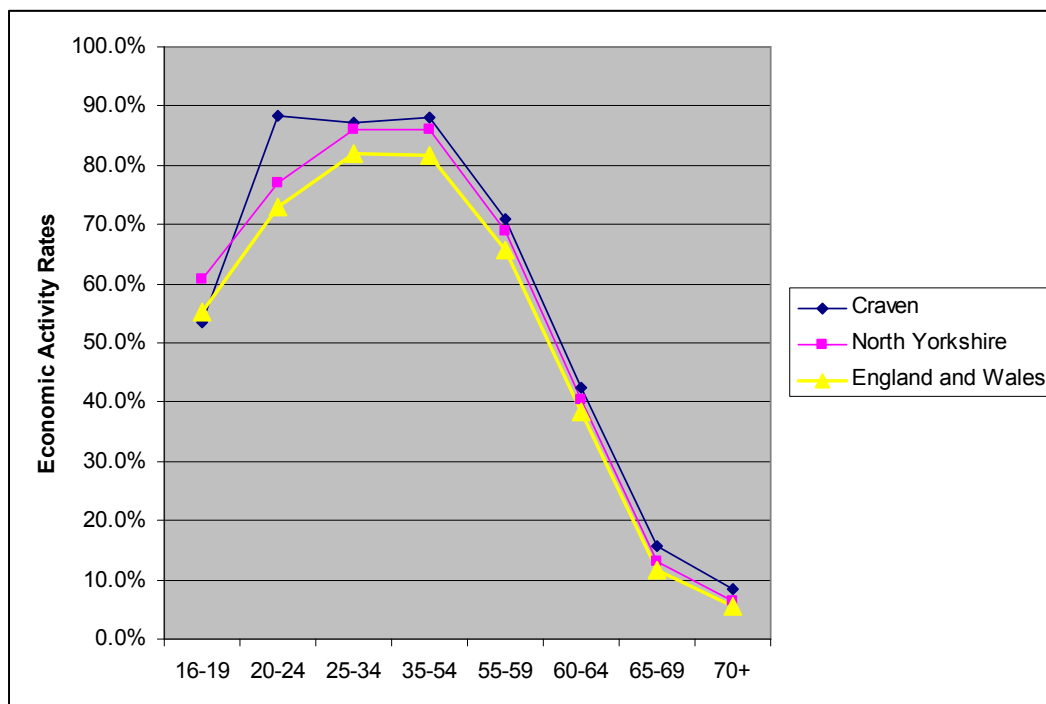
Household Type	Description	Household Change 2001 - 2009 Sub-National Household Projections	
		Craven	North Yorkshire
OPMAL	One person households: Male	674	8,560
OPFEM	One person households: Female	234	6,157
FAM C0	One family and no others: Couple: No dependent children	1,495	15,597
FAM C1	One family and no others: Couple: 1 dependent child	-15	503
FAM C2	One family and no others: Couple: 2 dependent children	-56	-1,849
FAM C3	One family and no others: Couple: 3+ dependent children	-51	-198
FAM L1	One family and no others: Lone parent: 1 dependent child	33	2,176
FAM L2	One family and no others: Lone parent: 2 dependent children	32	1,040
FAM L3	One family and no others: Lone parent: 3+ dependent children	15	281
MIX C0	A couple and one or more other adults: No dependent children	-290	-4,396
MIX C1	A couple and one or more other adults: 1 dependent child	-181	-1,823
MIX C2	A couple and one or more other adults: 2 dependent children	-5	-445
MIX C3	A couple and one or more other adults: 3+ dependent children	-5	-172
MIX L1	A lone parent and one or more other adults: 1 dependent child	-10	-174
MIX L2	A lone parent and one or more other adults: 2 dependent children	-1	-7
MIX L3	A lone parent and one or more other adults: 3+ dependent children	3	4
OTHHH	Other households	-127	-709
0	0	0	0
Total	Total	1,745	24,546

Employment Levels and Structure

Current Economic Activity

- Economic activity rates in 2001 across North Yorkshire were consistently above the wider England and Wales averages across all working-age cohorts. In Craven economic activity rates are broadly similar with sub-regional and national trends. However the economic activity rate amongst the 20-24 age group in Craven is significantly above the North Yorkshire average, at 88.3% compared to the sub-regional average of 77.0%.

Figure 3. 12: Economic Activity Rates, Craven, 2001



Source: ONS, Census, 2001

- Over the period 2004 to 2009, unemployment within North Yorkshire was on average 1.9% lower than the national (England) rate, suggesting these levels of economic activity were sustained post-200 and a strong employment base across the sub-region. Utilising the latest 2010 unemployment rate (claimant count) data -Craven has an unemployment rate of 1.9% which is below the North Yorkshire average of 2.4%

- The North Yorkshire economy performs well when benchmarked against regional and national economic indicators. The claimant count in 2010 stands at 2.4% which is below both regional (4.1%) and national (3.5%) averages. The sub region has a high proportion of Managers and Senior Officials (16.2%), Professional Occupations (22.0%) and Associate Professional and Technical Occupations (13.7%).
- Craven's economy also performs well when benchmarked against national and regional economic indicators but displays some weaknesses when compared to the sub-region. In particular the economic activity rate is 77.8%, slightly below the sub-regional average of 79.3%. Although Craven has a high proportion of Managers and Senior Officials (17.1%), the proportion of Professional Occupations (11.5%) and Associate Professional and Technical Occupations (8.8%) is significantly below the sub-regional average.

Figure 3. 13:: Summary of Key Economic Indicators, Craven, North Yorkshire, Yorkshire and Humber, England and Wales

	Total Working Age Population (mid-2009)	Economic Activity Rate, Aged 16- 64 (April 09- March 2010)	Unemployment Rate (Claimant Count, November 2010)	Proportion of Total Employment (July 2009- June 2010)			Commuting Ratio(2001)
				Managers and Senior Officials	Professional Occupations	Associate Professional and Technical Occupations	
Craven	31,500	77.8%	1.9%	17.1%	11.5%	8.8%	1.07
North Yorkshire	481,800 ⁴	79.3%	2.4%	16.2%	14.4%	13.7%	-
Yorkshire and Humber	3,273,400	75.4%	4.1%	16.0%	14.0%	14.6%	-
England and Wales	33,882,200	76.6%	3.5%	14.6%	12.2%	13.5%	-

Source: ONS/ AXIOM/ Edge Analytics

⁴ North Yorkshire Total Working Age population includes all the authorities within North Yorkshire. This figure differs from the North Yorkshire figure in the original ONS data set as it is inclusive of York Unitary Authority. The original data set does not include data for York District Authority which may differ from York UA.

Changing Economic Circumstances: Impact of the Recession

- 3.4 The 2011 Housing Needs Survey, undertaken as part of this SHMA, included a number of questions directly targeted at tracking the changing economic circumstances of households over the last couple of years, i.e. post the onset of the recession. This provides a unique insight to the impact of the wider national economic crisis has had on individual household circumstances.
- 3.5 The purpose of the responses to these questions is to highlight, beyond the standard indicators of the levels of economic activity and inactivity, the changing structure of the economy which will have impacted on the expectations of households in terms of their current and future housing requirements.
- 3.6 The following analysis tracks the changing employment status of Craven's households, using response data provided for the head of the household, from 2008 to 2010.
- It is evident that across all tenures there has been a fall in full-time employment levels over this period, with a total fall of 5.5%. Households within the owner occupied (no mortgage) tenure have been affected to the greatest extent with a fall of 7.5%.
 - Households in the private rented sector overall appear to have been affected most in terms of economic activity with has fallen in full, part and self-employment and a 3.9% rise in unemployment. In part reflecting the demographic findings which showed an ageing population. Craven has seen a 5.3% rise in households classified as retired with this including a relatively high number of owner-occupiers without mortgages.

Figure 3. 14: Change in Household Employment Circumstances, 2008 – 2010, by Tenure, Craven

Employment Circumstances Status (% Change 2008-10) by Current Tenure - Craven										
Tenure	Full-time employment	Part-time employment	Self Employed (Full or Part-time)	Retired	Unemployed	Long term sick or disabled	Student or trainee 16-17	Student or trainee 18+	Homemaker	Full-time Carer
Owner-occupied (no mortgage)	-7.5%	-0.8%	-1.1%	8.7%	0.1%	0.1%	0.0%	0.2%	0.4%	-0.1%
Owner-occupied (with mortgage)	-3.9%	0.2%	0.2%	1.8%	1.9%	-0.1%	0.0%	-1.7%	0.8%	0.7%
Social Rented	-6.4%	-4.1%	2.9%	7.7%	1.8%	-0.8%	-1.6%	0.0%	-0.4%	0.8%
Private Rented	-3.3%	-1.1%	-0.8%	3.9%	2.5%	-0.2%	0.0%	-1.9%	1.9%	-0.8%
Total	-5.5%	-0.7%	-0.2%	5.3%	1.3%	-0.1%	-0.1%	-0.9%	0.7%	0.2%

Source: 2011 Household Survey

Changing Economic Circumstances: Future Employment Projections

- The latest employment forecasts for North Yorkshire drawn from the Regional Econometric Model (REM) suggest a post-recession recovery from 2011 onwards, including additional job creation of 31,300 to 2026.
- Craven will be an important driver of this projected sub-regional job growth with an additional 3,800 jobs forecast over the same period.

3.7 These projections are used within the analysis in Section 6 in the development of an employment-constrained household projection.

Figure 3. 15: Forecast New Job Creation, Craven, 2011 to 2026

Local Authority	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Craven	400	300	200	200	200	200	400	300	200	200	200	300	200	300	200
North Yorkshire	2900	2500	800	1200	1200	1800	2700	2000	2000	2000	2300	2500	2100	2500	2800

Source: Regional Economic Monitoring, 2010

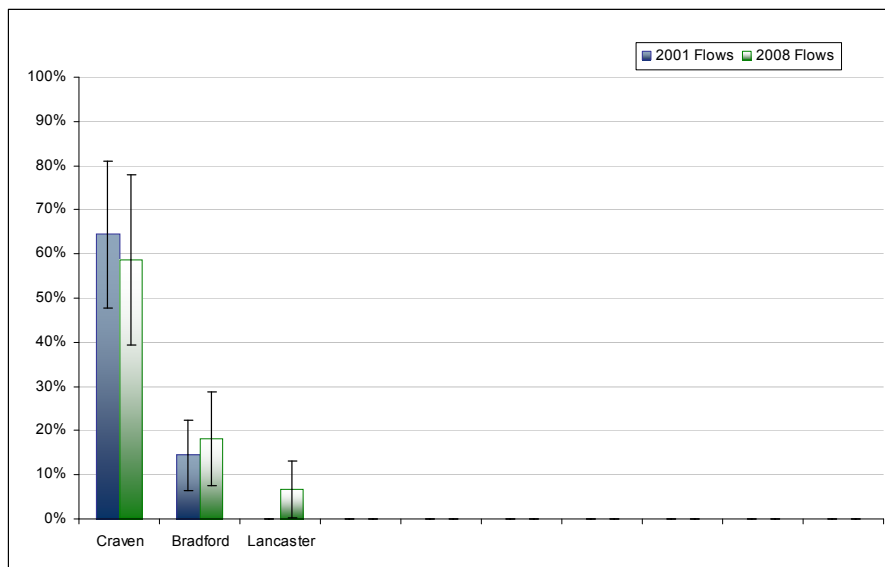
Linking Employment and Housing – Commuting Trends and Relationships

3.8 The relationship between work and home is played out on a daily basis and is able to be measured through commuting patterns. The encouragement of sustainable lifestyles and a reduction in the use of energy requires a shortening of commuting journeys and by default an increase in the level of containment of the labour force. This is an important consideration therefore in planning to match economic growth aspirations with the housing offer, with the latter playing an important defining role in achieving the wider sustainability objective.

Commuting Trends

- Craven's current commuter ratio is 1.07. A commuter ratio can be defined as the difference between households travelling into and out of an area for work. A commuter ratio above 1.00 indicates a net outward flow of residents for employment. The ONS released a partial update to the travel to work data showing flows for 2008 contrasting with data from 2001⁵. The updated data shows there have been changes to flows since the analysis of the 2001 census, with 58.7% of residents working in Craven, compared to 64.4% of residents in 2001. Craven has outward resident flows to places of work outside of the North Yorkshire sub region, namely Bradford and Lancaster. The data also enables an analysis of the origin of workers in Craven, which show a slight decrease between 2001 and 2008.
- Consideration of the more comprehensive 2001 data indicates that both Leeds and Pendle formed important employment destinations for Craven's residents – with 4% and 3% of workers travelling to these authorities. This, however, is not referenced in the 2008 partial update.

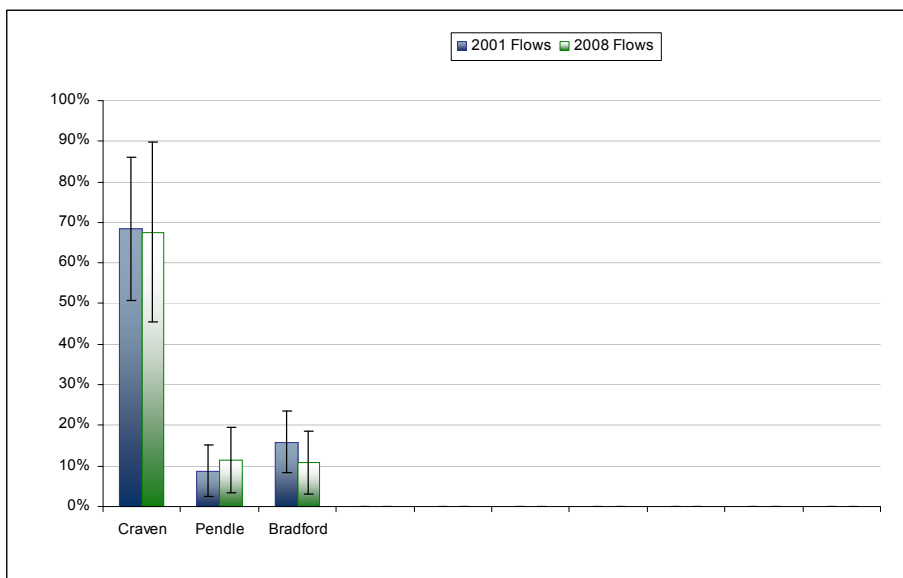
Figure 3. 16: Local Authority of Work for Craven Residents, 10 Biggest Flows, 2001 / 2008 Comparison



Source: Census 2001 / ONS 2010

⁵ Note: this is not directly comparable for 2001 as this analysis uses the Labour Force Survey as opposed to the Census data cited above

Figure 3. 17: Local Authority of Residence for Craven Workers, 10 Biggest Flows, 2001 / 2008 Comparison



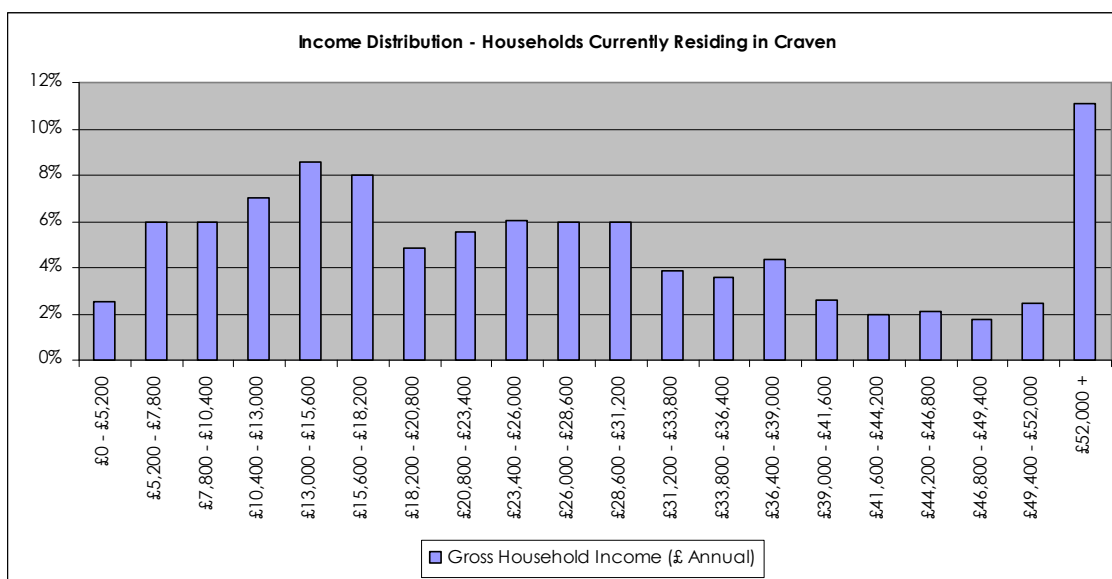
Source: Census 2001 / ONS 2010

Incomes and Earnings

Local Income Levels

- 3.9 Income levels are directly related to employment opportunities and particularly the quality of employment and have an important relationship with the ability of households to exercise choice in the housing market and indeed the level of need for affordable housing products.
- 3.10 The 2011 Household Survey asks a number of questions with regard to household's financial situation including annual gross (pre-tax) income, savings and debts. The following tables and charts present an overview of the gross household income profile and financial capacity of households across North Yorkshire.
 - Craven shows a fairly uneven income distribution, with a cluster of households with incomes in the lower income brackets and significantly less in the higher income brackets. This is demonstrated when considering that 63.8% of Craven's households earn between £5,200 and £31,200, compared to just 22.6% earning between £31,200 and £52,000.

Figure 3. 18: Income Distribution, Households Currently Residing in Craven



Source: 2011 Household Survey

- The Household Survey demonstrates that the financial capacity of households in Craven varies significantly between tenures. Households in the owner occupied tenures have significantly higher median incomes, savings and equity levels than those in intermediate, social rented and private rented tenures.
- Households in the social rented tenure have the most limited financial capacity with median annual household incomes at £11,700 – well below the Craven average of £22,100. In addition, households in the social rented tenure have no savings, equity or other financial resources.

Figure 3. 19: Financial Capacity of Households in Craven, by Tenure

Current Tenure	Household Financial Position by Tenure (£) - Craven			
	Median annual gross household income	Median household savings	Other Financial Resources (e.g. parents)	Median Equity
Own outright	£22,100	£12,500	£0	£175,000
Own with mortgage or loan	£29,900	£2,500	£0	£112,500
Intermediate	£14,300	£2,500	£0	£17,500
Social Rented	£11,700	£0	£0	
Private Rented	£16,900	£2,500	£0	
Average (Median)	£22,100	£2,500	£0	£137,500

Source: 2011 Household Survey

3.11 Financial capacity varies between the sub areas, which is illustrated in the table below. Settle records the highest median incomes, although all four sub-areas show relatively similar average income levels. In terms of median equity the National Park and Rural Craven Sub-area stands out as having the highest level with this reflecting the value of properties in this sub-area. This sub-area also records the highest level of savings and equity within the households.

Figure 3. 20: Financial Capacity of Households in the Sub Areas

Location	Household Financial Position by Sub-area (£)			
	Median annual gross household income	Median household savings	Other Financial Resources (e.g. parents)	Median Equity
Craven: High Bentham	£22,100	£2,500	£0	£137,500
Craven: National Park & Rural Craven	£22,100	£12,500	£0	£250,000
Craven: Settle	£24,700	£2,500	£0	£175,000
Craven: Skipton & South Craven	£22,100	£2,500	£0	£112,500
Craven: Total	£22,100	£2,500	£0	£137,500

Source: 2011 Household Survey

Bringing the Evidence Together

3.12 The purpose of this section has been to undertake analysis to provide an up-to-date assessment of the demographic and economic characteristics of Craven, set in the context of the wider North Yorkshire position presented in the main report.

3.13 The key issues and findings emerging from the analysis are summarised below:

- Demographic change:** Craven's population has grown by 3.9% since 2001 which has been predominately driven by internal migration. Significant net migration outflows have occurred in the 15 to 19 age group. Consequently Craven has experienced a reduction in population in their twenties and thirties, with significant increases in older age cohorts which illustrates the extent to which Craven's population is ageing.
- Ethnic composition:** Craven has one of the most ethnically diverse populations in comparison to the other Local Authorities with 4.8% of Craven's population classified as 'non white' in the 2007 ONS population estimates, compared to 4% of the total North Yorkshire sub region.

-
- **Household composition:** The 2001 Census recorded a total of 22,700 households across Craven with 14,612 of these households located in the Skipton and South Craven Sub Area. By 2009 DCLG household estimates identified a total of 24,488 households in Craven. Headship rates in Craven have decreased by 0.08 from 2001- 2009, which is significantly more than the North Yorkshire average of 0.04. Household change by household type has shown that increases have occurred in 'one person households' (+908 households) and the 'one family and no others: Couple (no dependent children,)' (+ 1,495 households), with a decline in the number of family households with 2 or more children over the period of 68. This is indicative of Craven's ageing population, with increasing amounts of people living alone. The current total number of households represents a growth of 1,745 over the period 2001 and 2008, equating to 7.1% of the total North Yorkshire growth.
 - **Economic activity:** Craven's economic activity rate is similar to the North Yorkshire and benchmark of 79.3%, with an average economic activity rate of 77.8%. Unemployment rates between 2004 and 2009 were on average 3.2% in Craven which is notably below the North Yorkshire rate of 3.6%. In both cases the 2009 figure was a peak, although Craven's unemployment rate in 2010 was markedly below the North Yorkshire average. Unemployment has been focused amongst those in full-time employment with a decline in employment of 5.5%. Despite Craven's predominately rural nature its economy performs relatively strongly when compared to wider economic benchmarks with the authority having a high proportion of Managers and Senior Officials. The latest economic projections suggest strong post-recession recovery within Craven with 3,800 job growth forecast between 2011 and 2016.
 - **Commuting trends:** Craven has a net outflow of workers (1.07), which indicates that Craven's residents commute to work in other authorities, with Bradford, Leeds, Pendle and Lancaster identified as key commuter destinations for Craven's residents.
 - **Income and Earnings:** More than 60% of households across Craven had incomes below £31,200. However the polarity of incomes is evident with approximately 11% of households across Craven having incomes in excess of £52,000. Household incomes tend to be higher for those living in owner occupied dwellings with lower incomes concentrated amongst social renters. The levels of households savings varies across tenures, with those in owner occupation having larger savings than those in the private and social rented sector.

4. The Housing Stock

Current Dwelling Position

In order to identify areas where change is required it is important to understand the position from which you are starting. An understanding of the current 'Housing Offer' is fundamental to arriving at conclusions and recommendations regarding future requirements.

This section uses the latest information available to create a portrait of the current housing stock across Craven. This includes an estimation of the total number of dwellings. The mix of housing in terms of tenure and type is then considered, benchmarked against a range of comparators. Quality of the housing stock as well as quantity is assessed.

In addition to the existing housing stock the section concludes with a review of the potential future capacity of residential land to provide a steer on where new development could be delivered to evolve the current housing stock picture.

Research findings relate directly to:

Core Output 1: Estimates of Current Dwellings in Terms of Size, Type, Condition, Tenure

Assessing the Changing Housing Offer – Recent Housing Supply

- 4.1 As at 2010, Craven contained a total of 26,115 dwellings, of which 788 are vacant, of which 256 are long term vacant⁶, resulting in a total long term dwelling occupancy level of 25,869 households, and a long term vacancy rate of approximately 1.0%. This is compared to a long term vacancy rate across North Yorkshire of 1.2%. The total number of dwellings within Craven represents 7.3% of the total North Yorkshire housing stock.

⁶ Vacancy data has been obtained from the 2010 Housing Strategy Statistical Appendix (HSSA) to ensure a consistent approach across the sub-region.

Table 4. 1: Gross Housing Completions, 2003/4 – 2008/9, Craven

	Gross Housing Completions						
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Craven	241	206	164	199	148	299	87
North Yorkshire	2007	3244	3370	3525	2879	2014	1918

Source: Craven District Council

- Gross housing completions within Craven saw a marked decrease from previous levels in the annual monitoring year 2007/8, with a low point noted in 2009/10 of just under 90 units. This is a significant reduction from 2008/09 of approximately 299 units.
- In 2009/10 the gross completions in Craven represented 4.5% of the total gross completions across the sub-region.

Table 4. 2: Net Housing Completions, 2003/4 – 2008/9, Craven

	Net Housing Completions						
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Craven	-	206	164	199	147	283	83
North Yorkshire	989	2714	2824	2974	2261	1504	1414

Source: Craven District Council

- The trend in net level of completions within Craven generally reflects that of the gross completions presented previously. The high points of net delivery are noted in 2008/9 and 2004/5, followed by a low point of delivery in 2009/10.
- In 2009/10 the net completions in Craven represented 5.9% of the total net completions across the sub-region.

Vacancy

- 4.2 Vacancy within the dwelling stock continues to represent an important component of Craven's housing offer and supply position. Data obtained from HSSA (2010) suggests a vacancy rate of 3.0% across the total stock in Craven generally in line with the 2.6% across North Yorkshire. The rate of long term vacant (6 months or more) is 1.0% which is very similar to the North Yorkshire average of 1.2%.

Figure 4. 3: Vacant Properties, 2010, Craven

	Dwellings	Vacant Properties (Total)		Private Sector Properties Vacant for more than 6 months	
		Absolute Number	Vacancy Rate	Absolute Number	Vacancy Rate
Craven	26,115	788	3.0%	256	1.0%
North Yorkshire	356,239	9200	2.6%	4,138	1.2%

Source: HSSA, 2010

Property Size and Type

4.3 In understanding the relationship between the supply of housing and demand for housing it is important to factor in the mix of the housing offer by both size and type.

- At the time of the Census in 2001, the North Yorkshire sub-region was characterised by a high proportion of semi detached properties (30.9%), followed by detached properties (30.9%) and terraced properties (23.0%). Conversely at sub-regional scale the 2001 data suggests that there is a low representation of flatted dwellings within the sub-region, accounting for 12% of total stock.
- The 2001 stock profile within Craven varied from the stock profile noted across the sub-region, with a much higher proportions of terraced properties (37.4%) and below average proportions of detached stock (25.8%) and flatted stock (7.5%).
- When the stock profile is disaggregated by sub area it becomes apparent that the National Park and Rural Craven, High Bentham and Settle have a dominance of detached properties, at 39%, 34% and 30% respectively, The Skipton and South Craven sub area has a high proportion of terraced properties.

Figure 4. 4: Property Type, Craven, 2001

		Dwelling Type- 2001 Census					
		House or Bungalow			Flat, Maisonette or Apartment	Other	Total
		Detached	Semi- Detached	Terraced			
Craven	Number	6283	6848	9113	1838	286	24368
	%	25.8%	28.1%	37.4%	7.5%	1.2%	100.0%
North Yorkshire	Number	103129	109990	76768	41021	2345	333253
	%	30.9%	33.0%	23.0%	12.3%	0.7%	100.0%
Yorkshire and Humber	Number	436152	809594	627890	274297	12679	2160612
	%	20.2%	37.5%	29.1%	12.7%	0.6%	100.0%
England and Wales	Number	5131821	7117662	5869878	4246029	173251	22538641
	%	22.8%	31.6%	26.0%	18.8%	0.8%	100.0%

Source: Census, 2001

Figure 4. 5: Property Type, Sub Areas, 2001

	Detached	Semi Detached	Terraced	Flats	Other
High Bentham	33.6%	26.8%	32.5%	6.4%	0.8%
National Park and Rural Craven	39.2%	25.1%	23.1%	9.5%	3.1%
Settle	30.1%	26.3%	34.5%	8.6%	0.4%
Skipton and South Craven	21.2%	29.5%	40.9%	7.5%	0.9%

Source: Census, 2001

- The 2011 Household Survey has provided an update to the 2001 Census data⁷. The stock profile in 2011 is very similar to that recorded in 2001 with a high proportion of terraced (38.1%) and semi-detached (28%) properties followed by detached (25.7%) and flatted dwellings (7.4%).
- Consequently any development that has taken place in the interim years has reflected local trends, although in more recent years there has been a marked reduction in the delivery of residential development in Craven reflecting national trends which may account for the lack of change in the stock profile in the period 2001 to 2011.

4.4 The 2011 Household Survey provides a measure of dwelling size utilising the number of bedrooms in each home. This analysis indicates that Craven's stock profile comprises predominantly larger dwellings with 3 or more bedrooms, with 43.8% of properties with 3 bedrooms and 21.1% with 4+ bedrooms. 28.7% of properties have 2 bedrooms, with bedsits (0.3%) and 1 bedroom properties (6.0%) being less prevalent within the profile.

Dwelling Profile by Council Tax Band

Figure 4. 6: Absolute Change in Dwellings by Council Tax Band, 2003/4 – 2008/9, Craven

Absolute Change in Stock 2003- 2008				
	Craven	North Yorkshire	Yorkshire and the Humber	England and Wales
Total Stock	1,098	14,344	83,171	946,519
Band A	181	2,071	3,819	13,478
Band B	98	3,077	24,519	181,108
Band C	143	3,038	21,801	262,036
Band D	330	2,851	18,289	213,054
Band E	208	1,753	8,794	120,535
Band F	103	937	4,144	99,337
Band G	40	559	1,837	39,569
Band H	1	78	119	15,054

Source: ONS, 2011

⁷ Note that the results of the 2011 Census will provide a definitive update of the stock profile in Craven.

Figure 4. 7: Percentage Change in Dwellings by Council Tax Band, 2003/4 – 2008/9, Craven

Percentage Change in Stock 2003- 2008				
	Craven	North Yorkshire	Yorkshire and the Humber	England and Wales
Total Stock	4.5%	4.2%	3.8%	4.1%
Band A	4.7%	3.9%	0.4%	0.2%
Band B	1.8%	3.8%	5.8%	4.0%
Band C	2.6%	3.7%	6.2%	5.3%
Band D	9.2%	5.8%	9.5%	6.2%
Band E	7.4%	4.7%	7.2%	5.5%
Band F	5.7%	4.4%	7.1%	8.8%
Band G	3.3%	4.2%	5.3%	4.9%
Band H	0.9%	6.7%	4.0%	12.3%

Source: ONS, 2011

- North Yorkshire saw increases in the total number of properties across all Council Tax Bands between 2003 and 2008, above both regional and national change (4.2% compared to 3.8% and 4.1% respectively). There were specific increases in the number of family houses and higher values properties.
- The change in stock Craven was more significant than across North Yorkshire within a number of Bands including Band A, Band D, Band E and Band F; conversely the change was less significant in Bands B, C, G and H. Importantly, Craven has demonstrated delivery in housing across the full range of size/value.

Dwelling Profile by Tenure

- The tenure profile of dwellings across North Yorkshire highlights the importance of owner occupation, with 74% of dwellings falling into this category, followed by the social rented tenure (13%) and private rented sector (11%).
- The dwelling tenure profile of Craven is similar to that of North Yorkshire, albeit with a higher level of owner occupation (76%) followed by the private rented sector (11%) and the social rented tenure (10%).
- The rural sub areas such as National Park and Rural Craven sub area and the High Bentham sub area are characterised by high rates of owner occupation. Although owner occupation remains prevalent in the urban sub areas of Settle and Skipton and South Craven, the proportion of social rented properties is much higher in these locations.

Figure 4. 8: Dwelling Tenure Profile, Craven

		Dwelling Tenure - 2001 Census						
		Owner occupied		Intermediate (shared ownership)	Social rented (Council & RSL)	Rented (Private & other)	Other	Total
		Owns outright	Mortgage or loan					
Craven	Number	9075	8240	102	2178	2476	609	22680
	%	40.0%	36.3%	0.4%	9.6%	10.9%	2.7%	100.0%
North Yorkshire	Number	108663	120683	1611	39485	33245	6543	310230
	%	35.0%	38.9%	0.5%	12.7%	10.7%	2.1%	100.0%
Yorkshire and Humber	Number	589026	797360	9509	434176	187810	46867	2064748
	%	28.5%	38.6%	0.5%	21.0%	9.1%	2.3%	100.0%
England and Wales	Number	6380682	8396178	139605	4157251	2141322	445437	21660475
	%	29.5%	38.8%	0.6%	19.2%	9.9%	2.1%	100.0%

Source: Census, 2001

Figure 4. 9: Dwelling Tenure Profile, Sub Areas

	Owner Occupied (no mortgage)	Owner Occupied (with mortgage)	Owner Occupied (Shared Ownership)	Social Rented	Private Rented	Other
High Bentham	43.6%	34.0%	0.3%	8.2%	9.9%	3.9%
National Park and Rural Craven	50.9%	25.7%	0.0%	7.6%	10.9%	4.9%
Settle	43.4%	30.7%	0.0%	9.1%	11.0%	5.7%
Skipton and South Craven	37.3%	39.4%	0.6%	10.2%	8.8%	3.7%

Source: Census: 2001

Property Condition and Quality

4.5 The quality of the housing stock represents an additional layer of information in understanding its capacity to match demand. The 2011 Households survey provides an estimate of the number of households that considered their dwelling to be in serious disrepair. In Craven 680 households stated their home as being in serious disrepair which is the lowest level of households classifying their house as in disrepair across each of the Local Authorities in North Yorkshire. This equates to 3.2% of occupied properties, compared to a sub regional average of 4.0%. When this is disaggregated by sub area it is possible to see that the absolute number of properties in disrepair fluctuates across the local authority area.

Figure 4. 10: Unsuitability – Households Stating home in Serious Disrepair, 2010

Location	Households Where Home is in Disrepair	
	Count	%
Craven: High Bentham	67	10%
Craven: National Park & Rural Craven	15	2%
Craven: Settle	128	19%
Craven: Skipton & South Craven	471	69%
Craven: Total	680	100%

Source: 2011 Household Survey

Craven District Council Private Sector House Condition Survey 2004

4.6 The Craven District Council Private Sector House Condition survey was conducted on 519 private dwellings. In total it is estimated that there are 22,448 private sector dwellings in the District. Of these 598 are vacant, leaving a total of 21,850 occupied dwellings. The Survey concluded that when Craven is compared with both national and regional data it is apparent that Craven has a higher proportion of owner-occupied dwellings; Craven has a significantly lower proportion of flats; and that the dwelling stock in Craven appears to be significantly more concentrated in the pre-1919 age group.

4.7 The following were some of the main findings in relation to unfitness in Craven:

- It is estimated that 2.8% of private sector dwellings in Craven are unfit (628 dwellings). This compares with a regional average of 4.3% and represents a reduction from the 1997 level of 5.4%. Furthermore 17.7% of all vacant dwellings in the District are estimated to be unfit.
- The main causes of unfitness are disrepair and food preparation.

- Private rented dwellings are most likely to be unfit, as are pre-1919 dwellings.

4.8 Survey information was used to calculate a measure of 'decent homes' based on published government guidance which takes into account unfitness, disrepair, modern facilities and thermal comfort. 29.7% of dwellings failed the standard under one or more of these headings which compares to a national figure of 33.1%. Some of the main findings relating to 'non-decent' homes were:

- 80.2% of non-decent homes failed under thermal comfort. This is also the main reason nationally.
- Over four fifths of non-decent homes failed on only one of the four factors.
- Groups with high levels of non-decency included: private rented, pre-1919 dwellings, single pensioner and special needs households.
- The District-wide cost of remedying non-decent homes is £17.6m.

4.9 The Housing Health and Safety Rating System is an alternative method for looking at the condition of dwellings in an area, taking into account the potential hazards of a dwelling. The study estimated that around 9.3% of dwellings require a mandatory response, which is higher than the estimated level of unfitness in the District of 2.8%.

Overcrowding and Under-Occupation

Figure 4. 11: Overcrowding and Under-Occupation, 2010, Craven

Overcrowding & Under-occupation - Craven						
Number of Bedrooms Required	Number of Bedrooms in Home					Total
	Studio / Bedsit	1	2	3	4+	
1	89	1,330	4,711	5,868	2,199	14,197
2	0	37	1,851	3,451	1,677	7,015
3	0	0	25	1,207	994	2,227
4+	0	0	26	102	375	503
Total	89	1,367	6,612	10,628	5,245	23,942

Under-occupied households
 Overcrowded households

Source: 2011 Household Survey

- Craven has relatively few overcrowded households, totalling 279 households which represent 1.2% of total households. Overcrowding is concentrated in households with 3 bedrooms and studio/ bedsits.
- Craven has a total of 9,744 under-occupied households which represents 39.3% of total households. Under-occupied households are predominately requiring 1 or 2 bedroom properties but are currently occupying much larger properties with 3 bedrooms or more.
- Overcrowding and under-occupation affect some of the Craven sub areas more than others. Figure 4.12 illustrates this in more detail. Particularly high numbers of households in over-crowded situations are located within the urban areas of Skipton and South Craven and Settle. However, in comparison to the number of households the more rural areas show relatively high levels of under-occupancy reflecting the household types and stock profiles of these areas.

Figure 4. 12: Overcrowding and Under-Occupation, 2010, Sub area

Location	Households			
	Under-occupied		Overcrowded	
	Total	%	Total	%
Craven: High Bentham	1,548	16%	25	9%
Craven: National Park & Rural Craven	834	9%	24	9%
Craven: Settle	1,776	18%	129	46%
Craven: Skipton & South Craven	5,586	57%	100	36%
Craven: Total	9,744	100%	279	100%

Source: 2011 Household Survey

Future Supply Capacity

Five-Year Supply of Land

- 4.10 RSS sets a minimum requirement of 1,250 dwellings over 5 years for Craven District outside the Yorkshire Dales National Park. In August 2008 the Council published a draft Strategic Housing and Employment Land Availability Assessment (SHELAA) for public consultation, which has been prepared with the aid of a Housing and Employment Market Partnership (external organisations and the Council). It must be noted that the SHELAA is not an adopted document and has not been finalised. Further work is taking place during 2011 to update and take forward the 2008 SHELAA in order to provide a robust and transparent assessment of deliverable and developable sites.

- 4.11 In order to demonstrate whether the Council has a five year housing supply, Craven District Council prepares a bi-monthly Housing Position Statement. The Council's latest Housing Position Statement (October 2011) shows a total current supply of 886 dwellings and a shortfall in the five year land supply of 364 dwellings. If 20% is taken off this figure to allow for slippage (sites not being developed due to constraints), this gives a total of 709, which is 541 units short of a five year supply.

Bringing the Evidence Together

- 4.12 The purpose of this section has been to undertake analysis to provide an up-to-date assessment of the characteristics of Craven and its sub regions' housing stock, set in the context of the wider North Yorkshire position presented in the main report.
- 4.13 The key issues and findings emerging from the analysis are summarised below:
- **Total Stock:** There are a total of 26,115 properties in Craven as recorded in the 2009/2010 HSSA dataset. Approximately 780 of these are classified as vacant suggesting that there are 25,335 occupied properties across Craven.
 - **Recent housing supply:** Between 2004 and 2010 approximately 1,344 residential properties have been built (gross) in Craven which is one of the lowest rates of delivery in North Yorkshire. Gross completions have fallen from 2004 peak levels of over 200 per annum across Craven to 87 in 2009/10. Although a decline in development activity is in line with national trends, the low delivery rate in Craven will impact on housing supplies which will be unable to satisfy the rising demand in the Authority.
 - **Vacancy:** 3.0% of properties are classified as vacant across Craven according to 2009/10 HSSA data which is one of the highest rates amongst the North Yorkshire Authorities with a sub regional average of 2.6%. Looking at long-term vacancy, Craven has a relatively low level of property empty for more than 6 months at 1.0%. The low levels of vacant properties across Craven reinforces the high demand for property and the limited amounts of surplus stock available to meet current and future housing need.
 - **Overcrowding /Under-occupation:** Craven has a low level of overcrowding in North Yorkshire at 1.2% of total households across Craven compared to 1.8% across North Yorkshire (excluding Selby). A high proportion (39%) of households are classified as under-occupying their property according to the bedroom standard.

- **Property size and type profile:** In 2001 Craven's housing stock was dominated by terraced properties (37% compared to 22% across North Yorkshire), followed by semi-detached properties (28%) and detached properties (26%). In comparison to the sub region, there is a lower representation of flatted dwellings (8% compared to 12%). Property type varies by sub area with Skipton and South Craven displaying a high rate of terraced properties with a high proportion of detached dwellings in the National Park and Rural Craven. Craven has a prevalence of larger properties as evidenced through the 2011 Household survey.
- **Dwelling profile by Council Tax band:** There has been an increase in higher value properties (Bands D, E, F, G, H) across Craven between 2003 and 2008, including a total growth within these bands of 27%, this is noted to be above the proportion of growth noted across North Yorkshire (26%).
- **Dwelling profile by tenure:** The tenure profile of Craven generally reflects that of the North Yorkshire sub region albeit approximately 76% of dwellings are in owner occupation, which is higher than the North Yorkshire average of 74%. Owner occupation levels are particularly high in the National Park and Rural Craven and High Bentham, with the more urban sub areas of Settle and Skipton and South Craven displaying higher levels of private and social rented accommodation.
- **Five year land supply:** The Council's latest Housing Position Statement (July 2011) shows Craven to be 488 units short of a 5 year housing supply.

5. The Active Market

The CLG SHMA Guidance states that understanding house price change is key to understanding the housing market. It represents a direct indicator in relation to the supply and demand balance. For example at a basic level, where demand is lower than supply, the price will fall; where demand is higher than supply, the price will rise. Whilst this formula appears simple the recent 'credit crunch' has illustrated the vulnerability of the dynamics of the market to external factors including the availability of mortgage finance and the attitudes of lenders.

This section therefore concludes the assessment of the current housing market and examines a range of secondary data alongside the outputs of the primary needs survey to paint an up-to-date and detailed picture of the operation of the housing market across Craven.

- 5.1 An overview of the active housing market across Craven is presented within this section. Market performance of different tenures represents a key indicator of the balance between housing demand and housing need.
- 5.2 Evaluating the active housing market requires an understanding of the actual cost of buying or renting a property and the level of housing need which relates to the ability to access housing. This review of the active market therefore includes a review of the key indicators of market performance for each of the tenures:
 - The Owner Occupier Sector – detailed house price analysis, examination of the relative change in house prices and the current housing market across Craven;
 - Private Rented Sector – examination of rental levels of different components of the private rented sector which continues to form an increasingly important component of the overall housing offer; and
 - Social Rented Sector – review of the changes in demand as recorded through the waiting list for social rented properties and an assessment of current average rental levels.
- 5.3 The section concludes by drawing together the analysis of the different tenures to assess the functionality of the market in terms of the ability of households to access housing. This assessment includes analysis of households' expectations and aspirations around tenure mobility as well as a contrasting of income and housing costs.

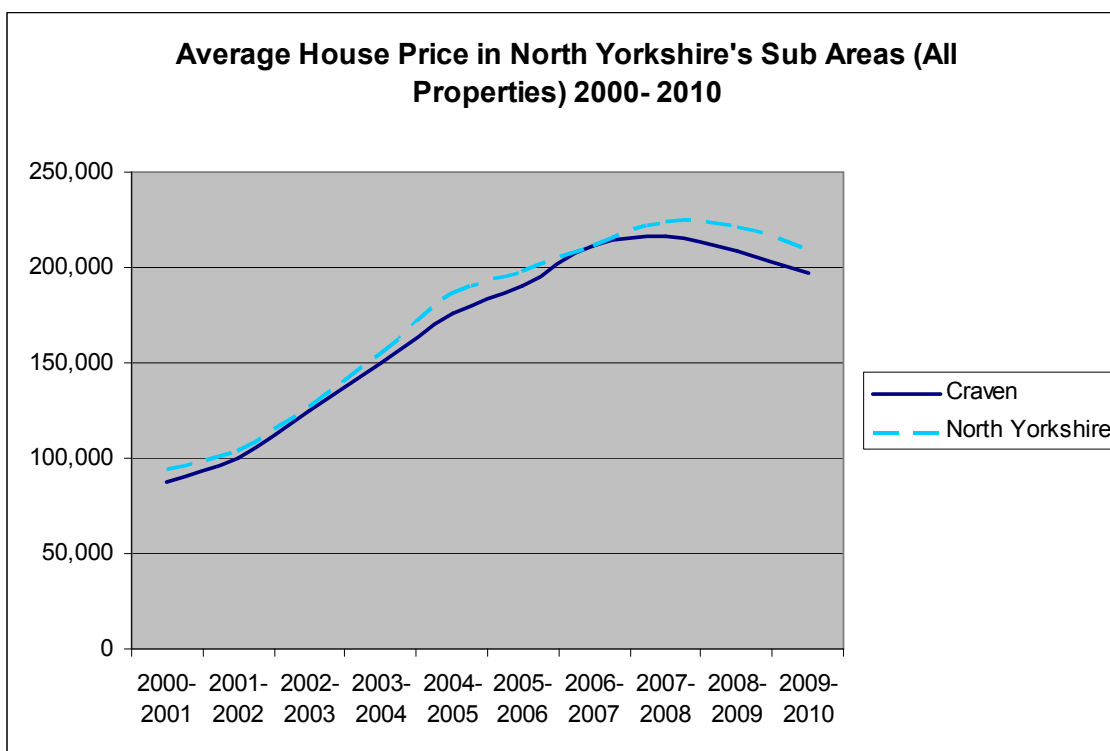
Reference should be made to the national and regional housing market trends and outlook presented within the main report as context for the remainder of the section.

Owner Occupier Sector

5.4 The following sub-sections analyse the private sector value and sales context within the Craven property market by initially tracking the change historically over time before bringing the assessment up to date through consideration of the current housing market.

House Price Trends

Figure 5. 1: Trend in Average House Prices, Total, 2000 to 2010, Craven, North Yorkshire



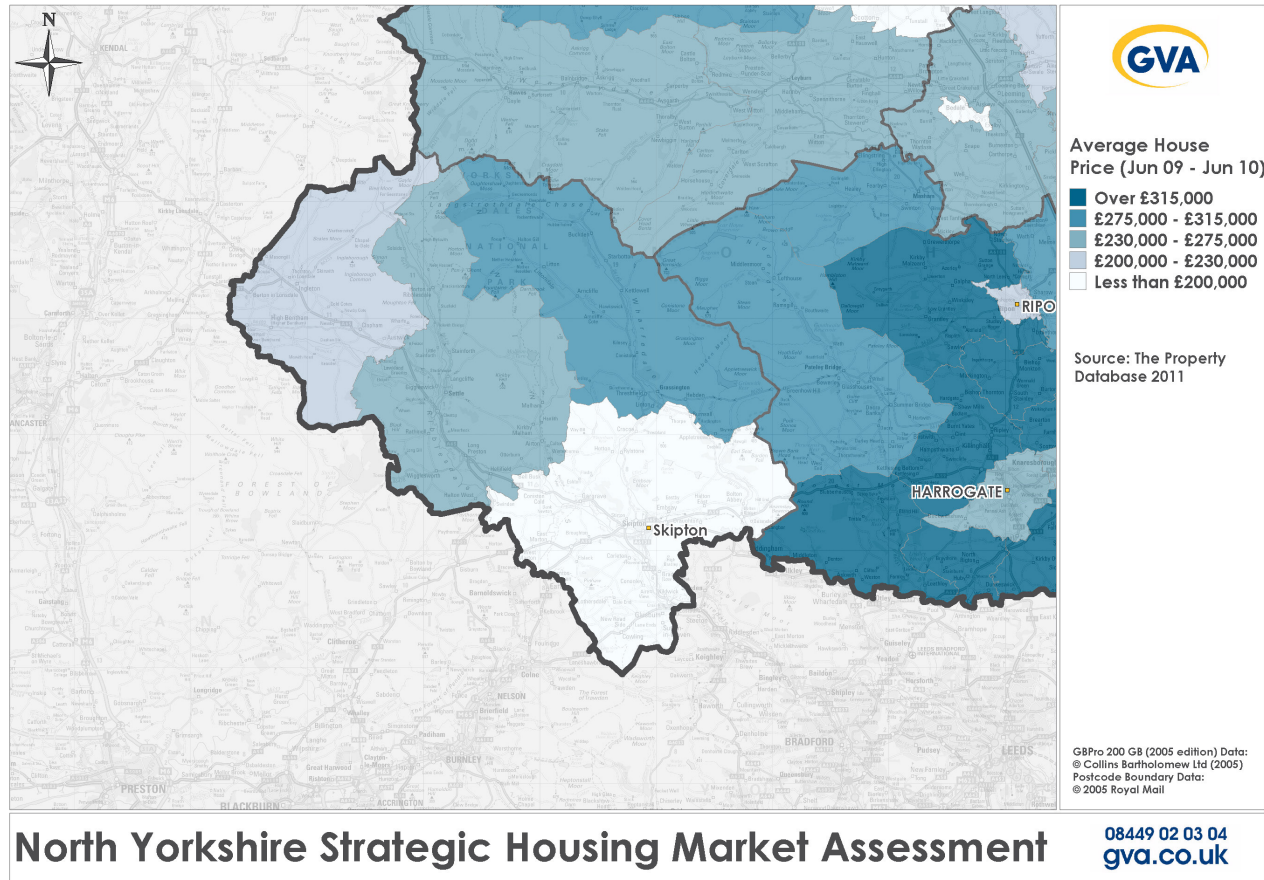
Source: CLG, 2010

- The North Yorkshire sub region has experienced a strong price increase since 2001 at 122.8%. In line with national trends average house prices within North Yorkshire have fallen 6.2% since the 2007/08 peak to £209,903.
- Since 2001 Craven has experienced average house price uplift of 124.2%, which is above the North Yorkshire average of 122.8%. This price uplift is due to Craven's

relatively low base position in 2000/01. In 2009/10 Craven's average house price was £196,994 which is 3.4% below the North Yorkshire average of £203,903.

- There are clear concentrations of higher values in the Yorkshire Dales National Park. Parts of Skipton and South Craven have some of the lowest property values in North Yorkshire.
- Figure 5.3 shows that median house prices vary across the sub regions, with the National Park and Rural Craven sub area having the highest median house prices at £290,865.

Figure 5. 2: Average House Prices, Total, 2009 to 2010, Craven, Postcode Sector (Plan)



Source: The Property Database, 2011

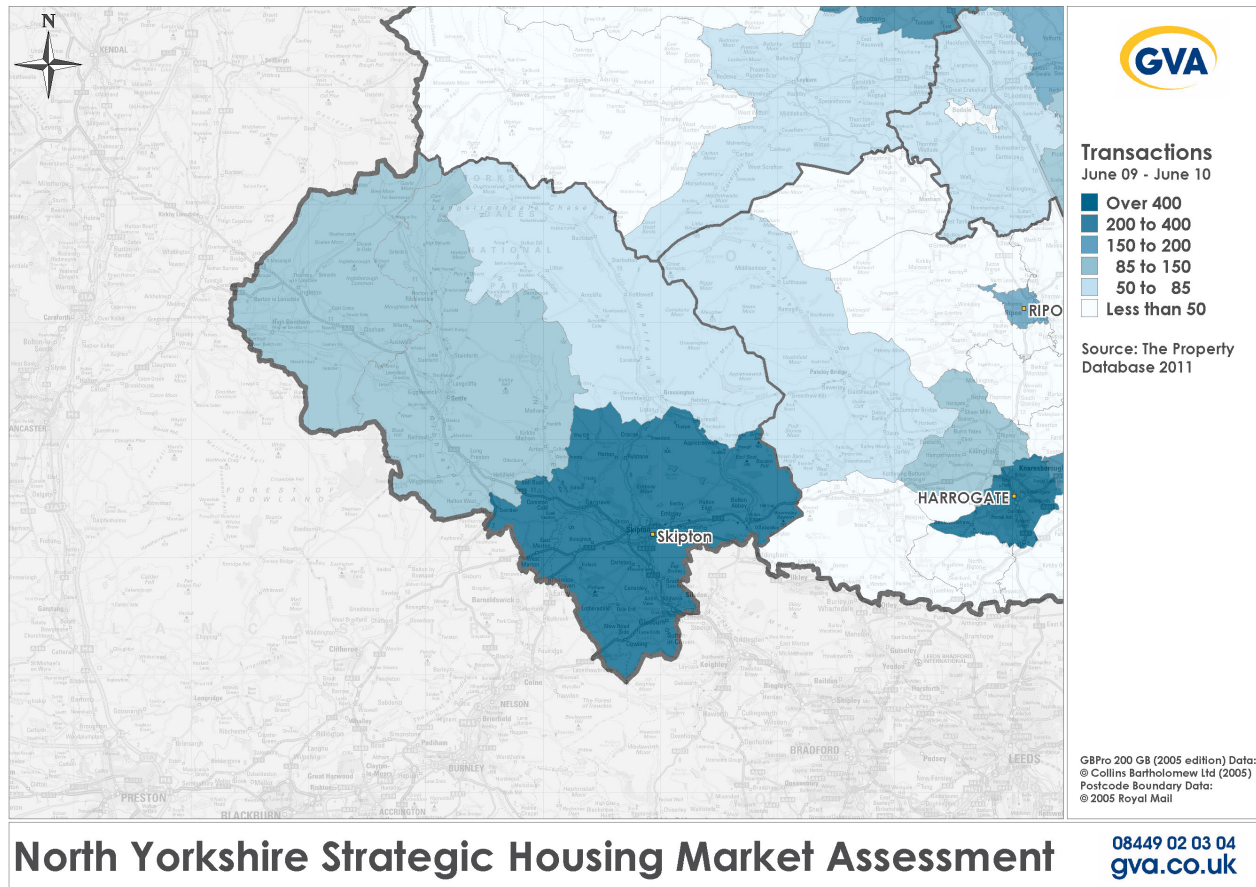
Figure 5. 3: Median House Prices, Sub Areas

Sub Areas	Median House Price
High Bentham	£229,699
National Park and Rural Craven	£290,865
Settle	£248,732
Skipton and South Craven	£188,578

Source: *The Property Database, 2011*

- Skipton and the surrounding area have experienced very high rates of residential property transactions in comparison to the rest of the sub-region. The areas surrounding the Yorkshire Dales National Parks have significantly lower transaction rates than the Skipton and South Craven area.

Figure 5. 4: Volume of Residential Property Transactions, 2009 to 2010, Craven (Plan)

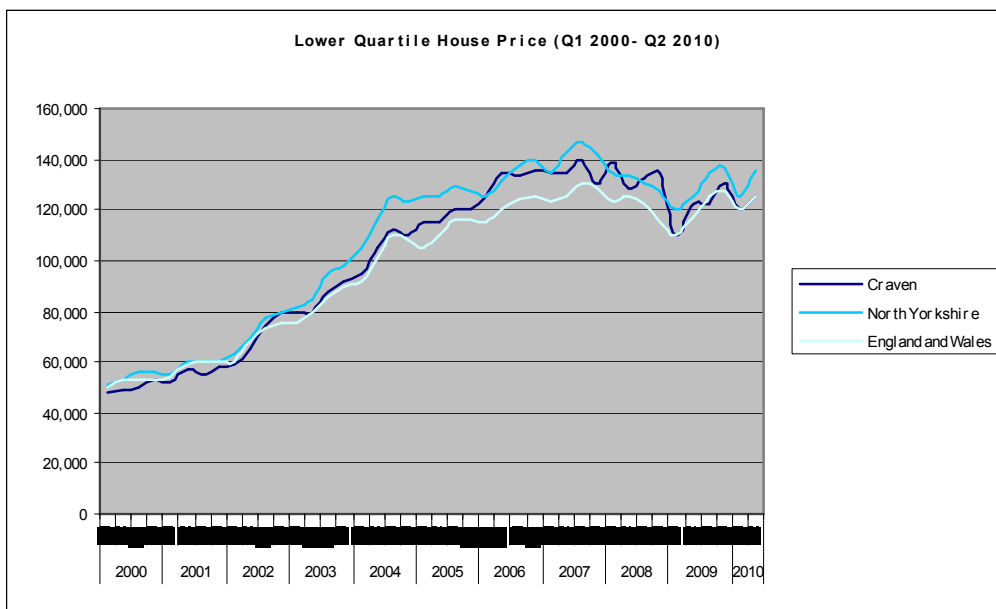


Source: The Property Database, 2011

Lower Quartile House Prices

5.5 The Department for Communities and Local Government (CLG) records the lower quartile house prices for each authority across the UK. The CLG SHMA Guidance (August 2007) recommends that the lower quartile price of properties represents the lower levels of the housing market, and such properties should be considered to be those most likely to be able to be purchased by households on lower incomes or households entering the market for the first time. This, and the use of lower quartile household income data, is explained in more detail later within this section when considering the benchmarking of household access to different housing tenures.

Figure 5. 5: Lower Quartile House Prices, 2000 to 2010, Craven



Source: CLG, 2010

- It is clear that for the majority of the timeframe considered, Craven has maintained lower quartile house prices below North Yorkshire but above England and Wales. The Craven lower quartile house price has occasionally fluctuated above the North Yorkshire average but is currently at £125,500 and below the sub-regional lower quartile house price.
- There was a clear reduction in lower quartile house prices across all three geographies during the period Q3 2007 to Q1 2009, although in all cases recovery (and resulting increase in lower quartile prices) is noted in the period since Q1 2009.

- In 2011 Skipton and South Craven had the lowest sub area lower quartile house prices at £116,875 which is 43% lower than the National Park and Rural Craven's Lower Quartile house price of £205,700.

Figure 5. 6: Lower Quartile House Prices, Sub Areas

Sub Areas	Lower Quartile House Price
High Bentham	£149,950
National Park and Rural Craven	£205,700
Settle	£152,500
Skipton and South Craven	£116,875

Source: *The Property Database, 2011*

5.6 Property equity is the difference between the open market value of a property and the outstanding balance of all debts on the property (e.g. mortgage). The acquisition of equity occurs as homeowners (in owner-occupation or intermediate tenures) pay down their mortgage or loan on their property or if the open market value of their property appreciates. Homeowners often use equity as a key driving factor in their financial capacity to place a deposit on a mortgage for a new home when moving. A lack of equity or presence of negative equity (where the property is worth less on the open market than the debt placed against it) makes it increasingly expensive to move home.

- The profile illustrates the relatively high value of property across the area with a clustering of households estimating their equity in property to be between £150,001 and £500,000.

Figure 5. 7: Estimated Property Equity, Craven

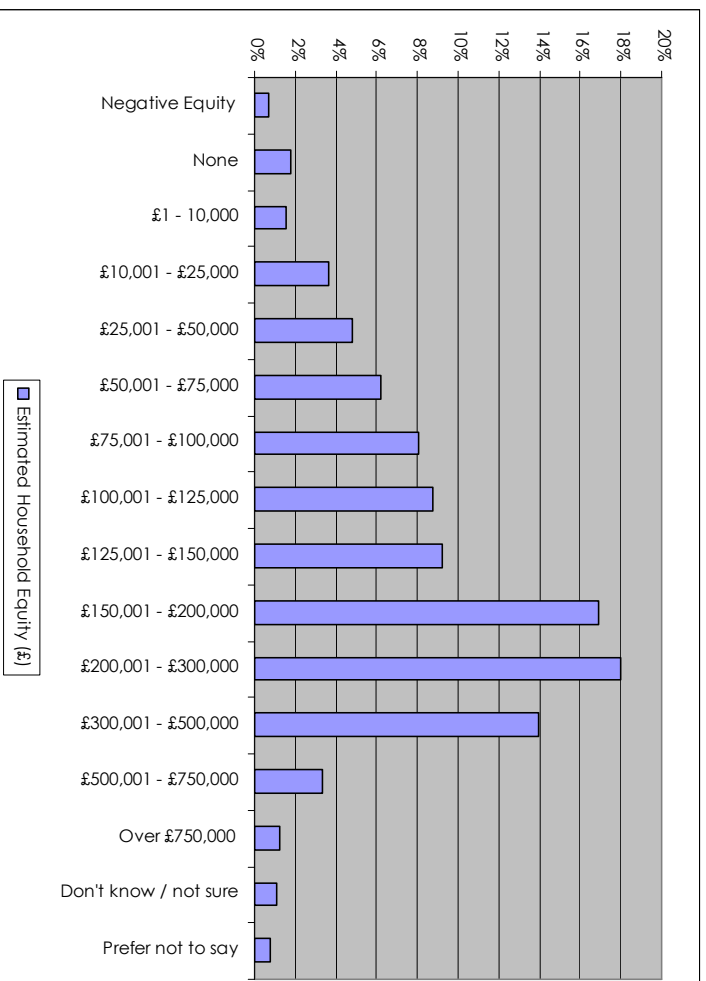
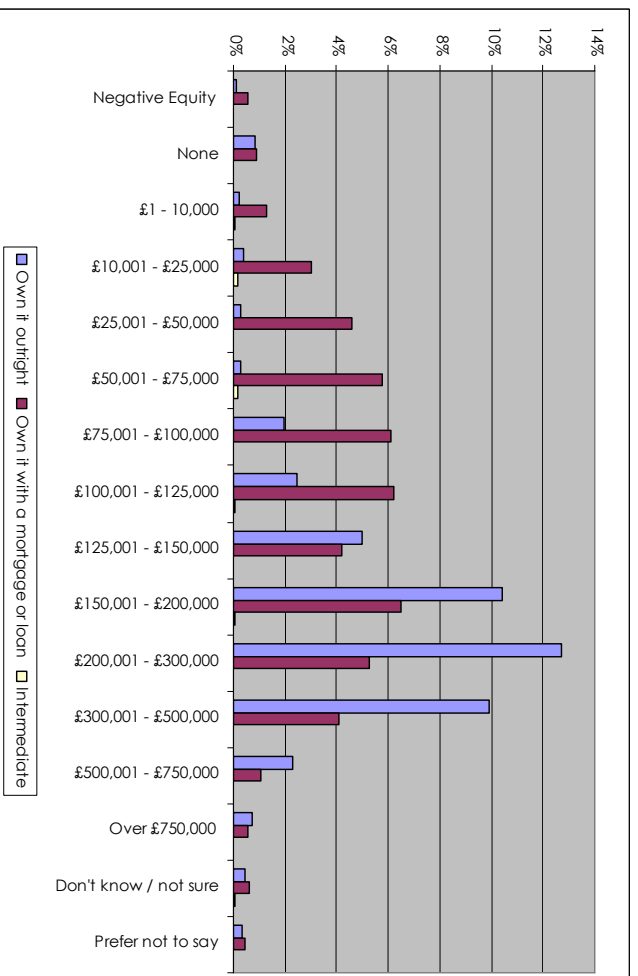


Figure 5. 8: Tenure Balance of Estimated Property Equity, Craven



Source: 2011 Household Survey

- The data for households who own their property outright is a direct proxy for values across the area. This shows again the high value of property in the area with the majority of households with no mortgage valuing their property at between £150,001 and £500,000.
- Significantly though over 50% of households have more than £50,000 of equity in their property suggesting they would be able to use this equity to put down a deposit on a new property. Very low proportions of households across the area assess themselves as being in negative equity.

Private Rented Sector

5.7 Nationally this tenure has undergone levels of unprecedented growth and now continues to play an important role in the operation of the wider market offering an alternative to owner-occupation and the social rented sector.

Figure 5. 9: Private Sector Rent, Craven

Authority	Size (Beds)	Average Monthly Rent	Average Weekly Rent
Craven	1	£345.00	£79.62
	2	£552.50	£127.50
	3	£640.00	£147.69
	4+	-	-

Source: Rightmove, 2011

- The 2011 Household Survey enables analysis of the rent paid by households residing in Craven's private rental sector. The following figure presents this information. In Craven there is a significant proportion of households residing in the private rented sector paying between £347 and £650 per calendar month; 72% in total. Those paying high rents are predominantly renting from private landlords, estate or letting agent.
- Anecdotally residential agent consultation⁸ has determined that Craven has experienced a buoyant lettings market, with strong demand across the authority area, with a particular focus in Skipton. The high levels of demand for rental stock

⁸ Bairfow, Skipton and Dareson and Hartley; Skipton.

have led to a constrained supply of good quality rental properties. 3 bedroom properties with gardens are particularly popular. The strong lettings market has been attributed to the subdued sales market and people's constrained ability to access finance/ mortgages.

Figure 5. 10: Household Expenditure (in Rent on Monthly Basis) on Private Rented Accommodation, Craven

Rental Per Week / Month (£)	Household Expenditure on Housing Rent Per Month in Private Rented Sector - Craven			
	Rent from a Private Landlord, Estate or Letting Agent	Student Household Renting from Private Landlord	Rent it from a Relative / Friend of a Household Member	Total
Under £20 per week / under £86 Per calendar month	2.3%	0.0%	0.8%	3.1%
£20 to under £40 per week / £86 to under £173 per calendar month	3.0%	0.0%	0.8%	3.8%
£40 to under £60 per week / £173 to under £260 per calendar month	1.1%	0.0%	1.2%	2.3%
£60 to under £80 per week / £260 to under £347 per calendar month	6.5%	0.4%	0.8%	7.7%
£80 to under £100 per week / £347 to under £433 per calendar month	21.8%	0.0%	0.4%	22.1%
£100 to under £150 per week / £433 to under £650 per calendar month	49.3%	0.0%	0.7%	50.0%
£150 to under £200 per week / £650 to under £867 per calendar month	7.3%	0.0%	0.2%	7.5%
£200 to under £250 per week / £867 to under £1,083 per calendar month	1.2%	0.0%	0.0%	1.2%
£250 to under £300 per week / £1,083 to under £1,300 per calendar month	0.6%	0.0%	0.0%	0.6%
£300 or more per week / £1,300 or more per calendar month	1.5%	0.0%	0.0%	1.5%
Total	94.6%	0.4%	5.0%	100.0%

Source: 2011 Household Survey

Social Rented Sector

- 5.8 The social rented sector by its nature operates differently from both of the market tenures examined in this section. The tenure is intended to act as a safety net for households ensuring access to housing where household financial circumstances prevent access to other tenures. At the time of the publication of this research the Government is in the process of transforming the way in which the tenure operates in terms of rental levels and the allocation process for households. The delivery of new policy directives will fundamentally impact on the role of the tenure in relation to in particular the private rented sector and this will need to be considered as the research is monitored and updated in the future.
- Average weekly rents across the North Yorkshire social rented sector in North Yorkshire stand at around £63 per week for Local Authority tenants, compared to £72 for RSL tenants.
 - Average weekly rents in Craven, in comparison, show lower RSL rents at £69.97 per week.

Social Housing Waiting Lists

- 5.9 The North Yorkshire sub-region has 14,115 households registered as awaiting housing on local authority waiting lists as at 2010 which represents 3.8% of all North Yorkshire households. Craven has 819 households on its waiting lists which represents 3.4% of all households.

Figure 5. 11: RSL and Local Authority Average Weekly Rents, Craven

		Average Weekly Rents										
		2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Craven	Local Authority Rent	44.61	46.75	49.70	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT
	RSL Rent	53.78	54.51	56.22	57.45	52.88	55.55	63.31	62.77	65.35	66.05	69.97
North Yorkshire	Local Authority Rent	44.10	46.06	47.97	48.82	50.43	52.28	54.61	57.16	60.51	62.16	63.18
	RSL Rent	47.88	49.24	50.94	52.95	53.16	57.49	60.70	62.50	65.05	68.26	72.41
Yorkshire and the Humber	Local Authority Rent	36.95	39.44	41.70	42.48	44.18	46.03	48.28	51.74	53.87	55.63	56.89
	RSL Rent	48.15	47.49	49.23	49.04	50.41	51.07	53.90	54.81	58.02	62.00	65.28
England	Local Authority Rent	45.62	47.87	49.93	51.02	52.90	55.27	57.93	61.62	64.21	66.05	67.36
	RSL Rent	53.11	53.90	55.81	56.52	58.23	61.49	64.32	66.67	69.96	73.51	77.91

Source: CLG Live Tables (2010)

Considering Household Expectations and Aspirations

5.10 The 2011 Household Survey provides an insight into the expectation and aspirations of households regarding the areas that they choose to live. In the last 2 years Craven has demonstrated a relatively high level of containment with the majority of household moves occurring within the Local Authority area. However households have also moved to the area from other local authorities within North Yorkshire such as Scarborough and 12.4% of moves are households moving to Craven from elsewhere in the UK

Figure 5. 12: Household Movements, Households in Last 2 Years, Craven

Previous Location	Households Moving in Past 2 Years - Current and Previous Location: Craven				
	Existing Location				
	Craven: High Bentham	Craven: National Park & Rural Craven	Craven: Settle	Craven: Skipton & South Craven	Proportion of Total Moves
Craven: Airton	.0%	.0%	2.4%	.0%	.4%
Craven: Appletreewick	2.0%	.0%	.0%	.0%	.2%
Craven: Austwick	1.6%	.0%	.0%	.4%	.5%
Craven: Barden	.0%	.0%	.0%	.3%	.2%
Craven: Beamsley	.0%	.0%	.0%	1.8%	1.3%
Craven: Bentham	19.2%	.0%	1.4%	.0%	2.0%
Craven: Bradleys Both	.0%	.0%	.0%	2.5%	1.7%
Craven: Burnsall	.0%	.0%	1.2%	.3%	.4%
Craven: Burton in Lonsdale	3.3%	.0%	.0%	.0%	.3%
Craven: Calton	.0%	.0%	.0%	.5%	.3%
Craven: Carleton	.0%	.0%	.0%	1.6%	1.1%
Craven: Clapham Cum Newby	.9%	.0%	.7%	.0%	.2%
Craven: Conistone with Kilnsey	.0%	9.9%	.0%	.0%	.6%
Craven: Cononley	.0%	.0%	.0%	1.7%	1.2%
Craven: Cowling	.0%	.0%	.0%	1.1%	.8%
Craven: Cracoe	.0%	.0%	.0%	.3%	.2%
Craven: Draughton	.0%	.0%	.0%	.2%	.1%
Craven: Embsay with Eastby	.0%	.0%	.0%	1.8%	1.3%
Craven: Gargrave	.0%	.0%	.0%	.8%	.5%
Craven: Giggleswick	.0%	.0%	4.3%	.0%	.6%
Craven: Glusburn & Cross Hills	.0%	1.2%	.6%	1.5%	1.2%
Craven: Grassington	.0%	12.0%	.0%	.0%	.7%
Craven: Harlinton	.0%	.0%	.0%	.3%	.2%

Craven: Hellifield	2.4%	.0%	5.8%	.3%	1.3%
Craven: Hetton	.0%	1.8%	.0%	.2%	.2%
Craven: Horton in Ribblesdale	.0%	.0%	.0%	.5%	.4%
Craven: Ingleton	6.0%	.0%	.0%	.0%	.6%
Craven: Kettlewell with Starbottan	.0%	.0%	.0%	.4%	.3%
Craven: Lothersdale	.0%	4.6%	.0%	2.1%	1.7%
Craven: Malham Moor	.0%	.0%	3.6%	.0%	.5%
Craven: Rathmell	.0%	.0%	4.1%	.0%	.6%
Craven: Settle	.0%	.0%	14.4%	.5%	2.4%
Craven: Skipton	.0%	.0%	1.3%	28.5%	20.1%
Craven: Stainforth	.0%	.0%	6.6%	.0%	1.0%
Craven: Sutton	.0%	2.5%	1.4%	2.5%	2.1%
Craven: Thornton in Lonsdale	.0%	.0%	.6%	.0%	.1%
Craven: Thorpe	.0%	.0%	.0%	.2%	.2%
Craven: Other	.0%	3.1%	4.9%	4.5%	4.1%
Harrogate	.0%	.0%	.0%	.4%	.3%
Ryedale	.0%	.0%	.0%	.4%	.3%
Scarborough	.0%	.0%	1.8%	1.1%	1.0%
Selby	.0%	.0%	1.7%	.0%	.3%
York	.0%	.0%	.0%	1.3%	.9%
Leeds	.0%	3.3%	1.7%	2.3%	2.1%
Hull / East Riding of Yorkshire	.0%	8.8%	.9%	.3%	.9%
Bradford	.0%	6.2%	5.8%	12.5%	9.9%
Elsewhere in Yorkshire and Humber	5.7%	3.8%	2.8%	6.5%	5.7%
North East	.0%	.0%	.0%	1.7%	1.2%
North West	41.6%	4.4%	19.3%	5.9%	11.1%
East Midlands	.0%	2.3%	.8%	.6%	.7%
Elsewhere in the UK	17.3%	32.9%	10.9%	10.2%	12.4%
Outside of the UK	.0%	3.2%	.9%	2.1%	1.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2011 Household Survey

Figure 5. 13: Where Households would Realistically Expect to Move, Craven

Expected Location	Where Households Planning to Move in Next 2 Years Realistically Expect to Move to - Craven				
	Existing Location				
	Craven: High Bentham	Craven: National Park & Rural Craven	Craven: Settle	Craven: Skipton & South Craven	Proportion of Total Expected Moves
Craven: Airton	.0%	.0%	1.0%	.0%	.2%
Craven: Appletreewick	.0%	.0%	.0%	.2%	.2%
Craven: Arncliffe	.0%	2.7%	.0%	.0%	.2%
Craven: Austwick	5.0%	.0%	.0%	.0%	.7%
Craven: Bank Newton	.0%	.0%	.0%	.8%	.5%
Craven: Barden	.0%	.0%	.0%	.7%	.4%
Craven: Beamsley	.0%	.0%	.0%	1.2%	.7%
Craven: Bentham	23.1%	.0%	2.4%	.0%	3.5%
Craven: Bolton Abbey	.0%	.0%	.0%	.8%	.5%
Craven: Bradleys Both	.0%	.0%	.0%	.8%	.5%
Craven: Broughton	.0%	.0%	.0%	.5%	.3%
Craven: Buckden	.0%	.0%	1.8%	.0%	.3%
Craven: Burnsall	.0%	.0%	.0%	1.7%	1.1%
Craven: Burton in Lonsdale	4.6%	.0%	.0%	.0%	.6%
Craven: Carleton	.0%	.0%	.0%	1.6%	1.0%
Craven: Clapham Cum Newby	2.9%	.0%	.0%	.0%	.4%
Craven: Coniston Cold	.0%	.0%	1.1%	.0%	.2%
Craven: Conistone with Kilnsey	.0%	3.2%	.0%	.0%	.2%
Craven: Cononley	.0%	.0%	.0%	1.6%	1.0%
Craven: Cowling	.0%	.0%	.0%	2.2%	1.4%
Craven: Embsay with Eastby	.0%	.0%	.0%	3.4%	2.1%
Craven: Gargrave	.0%	.0%	.0%	2.8%	1.8%
Craven: Giggleswick	.0%	4.4%	4.0%	.3%	1.1%
Craven: Glusburn & Cross Hills	.0%	.0%	.0%	3.2%	2.0%
Craven: Grassington	.0%	38.7%	.0%	1.7%	3.3%
Craven: Hebden	.0%	1.6%	.0%	.0%	.1%
Craven: Hellifield	.0%	.0%	6.8%	.0%	1.2%
Craven: Horton in Ribblesdale	.0%	.0%	2.9%	.0%	.5%
Craven: Ingleton	18.7%	.0%	1.4%	.0%	2.8%
Craven: Linton	.0%	3.2%	.0%	1.2%	.9%
Craven: Long Preston	.0%	.0%	8.7%	.0%	1.5%
Craven: Malham	.0%	.0%	1.0%	.0%	.2%
Craven: Malham Moor	.0%	.0%	.9%	.7%	.6%
Craven: Martons Both	.0%	.0%	.0%	.6%	.4%
Craven: Rathmell	.0%	.0%	.0%	.2%	.1%
Craven: Settle	7.5%	.0%	26.8%	.5%	6.0%
Craven: Skipton	.0%	17.9%	5.3%	35.6%	24.5%
Craven: Stirton with Thorlby	.0%	.0%	.0%	.3%	.2%

Craven: Sutton	.0%	.0%	.0%	6.1%	3.8%
Craven: Thornton in Craven	.0%	.0%	.0%	.4%	.3%
Craven: Thornton in Lonsdale	1.8%	.0%	.0%	.0%	.2%
Craven: Threshfield	.0%	2.6%	.0%	.0%	.2%
Craven: Wigglesworth	.0%	.0%	.8%	.0%	.1%
Craven: Kildwick	.0%	.0%	.0%	.5%	.3%
Craven: Other	.0%	.0%	.0%	2.5%	1.6%
Harrogate	.0%	.0%	4.2%	1.2%	1.5%
Richmondshire	.0%	.0%	1.9%	.6%	.7%
Ryedale	.0%	.0%	3.4%	.3%	.8%
York	1.1%	.0%	1.4%	.0%	.4%
Leeds	.0%	7.1%	.0%	2.4%	1.9%
Bradford	.0%	4.6%	.0%	.3%	.4%
Elsewhere in Yorkshire and Humber	3.7%	11.8%	3.3%	8.4%	7.1%
North East	2.8%	.0%	2.2%	.0%	.8%
North West	18.5%	.0%	9.5%	2.5%	5.7%
Elsewhere in the UK	10.4%	2.2%	9.2%	9.9%	9.4%
Outside of the UK	.0%	.0%	.0%	2.5%	1.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2011 Household Survey

5.11 The 2011 household survey can also be utilised to understand household moves and expectations by tenure.

- Predominately the households in Craven who are planning to move in the next 2 years expect to remain in Craven itself, with Skipton proving to be the most popular destination, especially amongst those already living in Skipton and South Craven and the National Park and Rural Craven. Harrogate is the most popular destination within North Yorkshire with 1.5% of households planning to move here in the next two years. 9.4% of households plan to move elsewhere in the UK.
- In Craven 36.7% of households planning to move in the next 2 years are expecting to move to the own with a mortgage or loan tenure, compared to 36.8% across North Yorkshire. Owning outright and social renting are also popular choices with 36.4% and 23.7% respectively expecting to live in these tenures. In comparison to the other North Yorkshire Local Authorities, Craven has a much proportion of households expecting to own their property outright.
- In the last two years households who have moved have predominately remained within their own tenure. Owner occupation has proven a popular tenure choice accounting for 9.8% of moves from the private rented tenure and 4.9% of living with family or friends.

Figure 5. 14: Housing Tenure Expectations, Craven⁹

Authority	Households Planning to Move in the 2 Years - Tenure Expectation: Local Authorities & North Yorkshire								
	Expected Tenure								
	Own Outright	Own with Mortgage or Loan	Intermediate	Social Rent	Private Rent	Tied Accommodation	Living with Family or Friends	Managed Student Accommodation	Other
Craven	36.4%	36.7%	6.2%	23.7%	20.1%	1.1%	0.5%	0.0%	0.0%
North Yorkshire	22.8%	36.8%	8.2%	36.7%	26.6%	0.4%	1.2%	0.5%	0.6%

⁹ Respondents treated this question as a multiple choice question and as a consequence some respondents chose more than one expected tenure to move to in the next two years. As a result the rows in table 5.13, in some cases, add up to more than 100%.

Figure 5. 15: Previous Tenure by Current Tenure (households moving in last 2 years), Craven

Previous Tenure	Households Moving in Last 2 Years - Previous Tenure and Current Tenure: Craven									
	Current Tenure									
	Own Outright	Own with Mortgage or Loan	Intermediate	Social Rent	Private Rent	Tied Accommodation	Living with Family or Friends	Managed Student Accommodation	Other	Total
Own Outright	10.5%	3.1%	0.0%	0.6%	2.7%	0.1%	0.0%	0.0%	0.0%	17.1%
Own with Mortgage or Loan	2.8%	11.9%	0.0%	2.0%	12.7%	0.2%	0.0%	0.0%	0.0%	29.6%
Intermediate	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
Social Rent	0.1%	0.2%	0.0%	4.9%	2.6%	0.0%	0.0%	0.0%	0.0%	7.7%
Private Rent	1.0%	8.8%	0.0%	5.8%	18.4%	0.0%	0.0%	0.0%	0.0%	34.0%
Tied Accommodation	0.5%	0.5%	0.0%	0.6%	0.2%	0.3%	0.0%	0.0%	0.0%	2.2%
Living with Family or Friends	0.4%	4.5%	0.5%	1.2%	2.3%	0.0%	0.0%	0.0%	0.0%	8.9%
Managed Student Accommodation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
Total	15.4%	29.2%	0.5%	15.1%	39.1%	0.6%	0.0%	0.0%	0.0%	100.0%

Source: 2011 Household Survey

Mortgage Finance

- 5.12 One of the underlying drivers behind the lack of mobility in the housing market, in particular the owner-occupier market, remains the tightening of mortgage finance by financial lending institutions (banks and building societies) since the 'credit crunch' in 2008, with the subsequent removal of all 100%, 95% and the majority of 90% mortgage products from the market. The result has been that prospective purchasers have had to raise increased capital deposits to access mortgage products, which has had a limiting effect on the ability of those households with low incomes and savings (for example first time buyers) to access the owner occupied sector.
- 5.13 Full analysis of the availability of mortgages across the UK and the Yorkshire and Humber region is provided within the main report. There are noted short term constraints to accessing mortgage finance across both geographies.

Figure 5. 16: Mortgage Repayments on Lower Quartile Homes, North Yorkshire, Craven

Authority	Mortgage Repayments for Lower Quartile Property (November 2010)					
	Lower Quartile House Price (Q2 2010)	Mortgage (25 year term)	Repayment mortgage		Interest only mortgage	
			Monthly payments	Weekly payments	Monthly payments	Weekly payments
Craven	£125,500.00	£112,950.00	£701.01	£175.25	£516.74	£129.19
North Yorkshire	£136,000.00	£122,400.00	£844.06	£211.01	£622.2	£155.55

- Assuming lenders require a 10% deposit, interest rates of 5.49%, and a 25-year repayment period, a repayment mortgage for the lower quartile average house price within Craven stands at £701 per month, with an interest only mortgage lower at £517 per month.
- In comparison to North Yorkshire, Craven is an expensive Local Authority area to become an owner occupier with mortgage payments for both a repayment mortgage and an interest only mortgage in excess of the North Yorkshire average.

Source: FSA 'Money Made Clear' Mortgage Calculator

Benchmarking Access to Different Housing Tenures

- 5.14 The analysis of the active market has clearly highlighted the current issues facing the housing market across Craven, including a reduction in activity. The data assembled above has been drawn together in this final sub-section to present an indication of the relative affordability of different tenures of housing in relation to the financial capacity of households in Craven. The CLG SHMA guidance (August 2007) suggests a number of critical levels to test against income in order to evaluate the extent of the issue of affordability. The two core elements are:
- Assessing whether a household can afford to buy a home; and
 - Assessing whether a household can afford to rent a home.
- 5.15 It is important to note that this analysis is presented for illustrative purposes, with a full analysis undertaken (utilising income multipliers for both single-occupant/income and multi-occupant/income) households within the affordable housing needs assessment conducted in Section 7 in line with the CLG Guidance.
- 5.16 A series of key assumptions used in the benchmarking assessment of these elements are set out as follows.

Key Affordability Benchmarking Assumptions

- 5.17 Within its guiding methodology for assessing affordability, the CLG SHMA Guidance (August 2007) recommends the following standardised assumptions when assessing affordability:
- Lower Quartile house prices are utilised to represent lower market entry properties.
 - A household with a single income is considered able to buy a home if it costs 3.5 times the gross household income; however in the current market banks are looking more closely at affordability and credit worthiness and so this report also considers an alternative benchmark for whether residents can afford to buy a home relating to the proportion of income that mortgage repayments represent. This alternative measure of ability to buy a home assumes that a bank will advance mortgage funding if the mortgage repayments represent no more than 20% of a households gross income. This is lower than the 25% of gross income assumed that would allow individuals to access market rented property, based on the assumption that owner occupation has additional costs such as maintenance, buildings and other insurances etc.

- A household is considered able to afford open market (private) rental housing in cases where the rent payable falls below 25% of their gross household income;
- 'Rent payable' is defined as the entire rent due, even if it is partially or entirely met by housing benefit; and
- Annual social housing rents are calculated from an average taken of RSL rental levels.

5.18 The benchmark values to access different housing tenures in Craven are shown in the following table.

Figure 5. 17: Benchmark Property Values, Craven

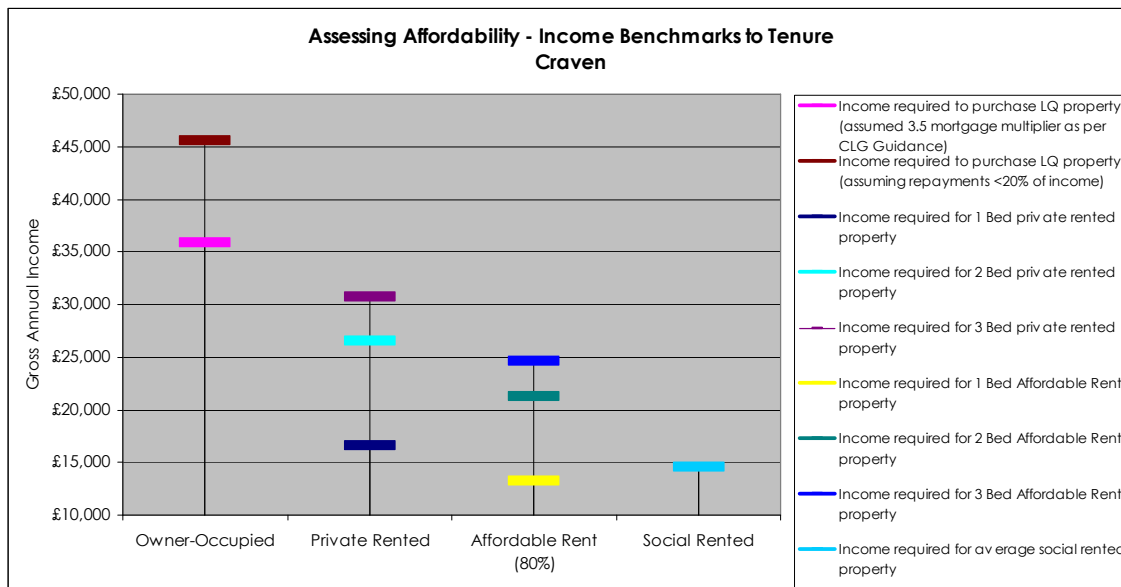
Location	Benchmark Property Values		
	House Price	Average weekly rent	Annual Rent
Craven			
Market Entry			
Lower Quartile Price (April 2009 - March 2010)	£125,500	n/a	n/a
Market Rented			
1 Bed rental properties	n/a	£80	£4,140
2 Bed rental properties	n/a	£128	£6,630
3 Bed rental properties	n/a	£148	£7,680
Affordable Rent			
1 Bed rental properties	n/a	£64	£3,312
2 Bed rental properties	n/a	£102	£5,304
3 Bed rental properties	n/a	£118	£6,144
Social Rented			
Average rents in social rented properties	n/a	£70	£3,639

5.19 Under these assumptions the following figure indicates the income required to access these different elements of the housing market in Craven.

- In Craven the income required to purchase a lower quartile house, based on a 3.5 times a single income household's earnings is £35,857. However in the current market banks tend to lend only if mortgage repayments are less than 20% of gross income. In this context the income required would be in the region of £45,566 in Craven.
- Income levels required to access the private rented sector are below the income required to purchase with the income required for a 1 bed property at £16,560, a 2 bed property at £26,520 and a 3 bed property at £30,720.

- In terms of an affordable rent property, the income level required to access a 1 bed property is £13,248, a 2 bed property is £21,216 and a 3 bed property is £24,576.
- The income required for an average social rented property stands at £14,555.

Figure 5. 18: Income Benchmarks to Tenure, Craven



- 5.20 Drawing on the 2011 Household Survey, the average (median) household income in Craven is £22,100. When this is compared to the average income level required to access the private owner-occupied housing market, which is £45,566 when a ceiling mortgage spend of 20% of a household's annual income is applied, it is apparent that the private housing market is inaccessible for many households.
- 5.21 The affordability situation in Craven is not as severe as other Local Authorities in North Yorkshire; however the private sector owner occupier tenure is inaccessible to many households. The affordability problem is reduced by the rental market, both social and private, which require lower incomes to access when compared to entering owner occupation.

Bringing the Evidence Together

- 5.22 The purpose of this section has been to undertake analysis to provide an up-to-date assessment of the characteristics of Craven and its sub regions' housing stock, set in the context of the wider North Yorkshire position presented in the main report.

5.23 The key issues and findings emerging from the analysis are summarised below:

- **Owner occupier house price trends:** Craven has experienced a rise in average house prices since 2001, peaking at a high of £216,546 in December 2007/08. Current average house prices in Craven (2009/10) stand at £196,994 which represents a market low. Values vary throughout the Local Authority area with the highest values occurring in the rural areas with particularly elevated values in the National Park, with the National Park and Rural Craven sub area recording the highest median house price of £290,865. Lower quartile house prices within Craven have generally been below sub regional levels, with the lowest lower quartile house price in the Skipton and South Craven sub area at £116,875 compared to the National Park and Rural Craven lower quartile house price of £205,700.
- **Private Rented Sector:** Craven has a buoyant lettings market with strong demand. This has been reflected in rental values with 60.8% of private renters in Craven paying in excess of £650 per calendar month.
- **Social rented Sector:** In Craven average weekly rents for RSL tenants (£69.97 per week) are below sub-regional rental levels (£72 per week). Social housing waiting lists are broadly similar with 3.4% of all households in Craven on the waiting list.
- **Household Movements:** Craven demonstrates a high rate of household retention with the majority of those planning to move in the next two years planning to remain in Craven. Owner occupation remains a popular aspiration with 73.1% of household planning to move expecting to move to this tenure. However recent trends have demonstrated that people tend to remain within their current tenure, although in Craven those who do move tenures do tend to move to owner occupied properties.
- **Access to the housing market:** Benchmarking of incomes to tenure suggests potentially significant mismatch between average income required to access the market (£45,566 in Craven assuming a ceiling mortgage spend of 20%) compared to average median household income levels across Craven of £22,100.

Part 2: Future Housing Market and Need

6. Future Housing Market

The preceding sections whilst assessing the state of the current housing market have also examined the demographic, economic and active market drivers likely to influence the future housing market.

The North Yorkshire SHMA Report includes a detailed analysis of a series of household projections in order to assemble different scenarios of household change. This is used to provide an indication of the potential quantum of households requiring housing in the future based upon an assessment of demographic and economic drivers. These projections need to be considered alongside the findings of the following section in order to assess the split in the demand this result in by tenure, at least over the short-term. In turn through analysis of detailed demographic projections and the 2011 Household Survey projections are arrived at regarding the future demand for different property sizes across all tenures. These clearly have important implications for the setting of future policy and strategy.

The purpose of this section within the Appendix is not to replicate this analysis. The data examined does not allow for a sub-area disaggregation of data, with the proceeding section providing a sub-area short-term projection of housing need. This section therefore presents the headline findings of the North Yorkshire Report Section 7 alongside a series of local authority tables and charts to provide additional information and complementary analysis to the North Yorkshire SHMA.

Research findings relate directly to:

[Core Output 3: Estimate of total future number of households, broken down by age and type where possible;](#)

[Core Output 6: Estimate of future households requiring market housing \(by size\).](#)

- 6.1 This section presents the key individual authority tables and charts presented within the main North Yorkshire report. The North Yorkshire Report provides a full account of the methodologies applied and the strengths and limitations of various datasets. The information presented here is therefore intended to aid the reader to understand the individual authority's characteristics and trends in greater detail.

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- 6.2 The North Yorkshire report presents three Core Scenarios. Whilst the North Yorkshire report presents a series of sensitivities highlighting the impact of changing specific variables underpinning these Core Scenarios these are not replicated within this Authority Appendix document. Following the presentation of the Core Scenarios analysis of the projected changes to age and household composition within the authority based on the assumptions underpinning the sub-national population and household projections is set out. The section concludes with analysis translating these long-term demographic trends and the findings of the Household Survey to arrive at estimations of the sizes of properties required to meet requirements.

North Yorkshire Findings

- 6.3 Nationally population projections indicate that the population is rising, with this growth in the overall number of people being compounded further in demand for housing by falling average household sizes. The result nationally is a well documented apparent mismatch between current and future supply and demand for housing. Under the previous Labour Government regionally set housing targets were an important component of the planning process in enabling levels of development which addressed this imbalance both locally and cumulatively at a national level. These statutory targets are in the process of being revoked and a new policy approach is starting to emerge. Until these policies are finalised the retention of housing targets remains a key element of the Core Strategy informing the authority's position in terms of its five year land supply. However, there exists considerably greater flexibility for these to be shaped to directly reflect local understanding of demand for housing.
- 6.4 Given the uncertain policy climate at the time in which this research is being written the analysis within the SHMA is intended to provide the Partnership Board and the respective local authorities across the sub-region with robust analysis of the drivers of housing demand in order to assist in the process of developing and validating future housing targets. The evidence base here is not intended to be directly transferable for authorities to translate evidence based household growth rates into housing targets within policy. It is recognised that as part of this process further consultation work will be required by individual authorities alongside further detailed analysis of individual circumstances and factors influencing potential supply and demand.
- 6.5 Section 7 of the North Yorkshire SHMA report considers the structural drivers of change – economic and demographic trends – and the implications of these for maintaining a balanced housing market. It first develops quantitative scenarios to consider the level of housing demand (i.e. household growth). Three Core Scenarios are presented drawing on national and regional datasets:

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- [Core Scenario 1 - 2008 based Sub-national Population / Household Projections \(ONS / DCLG\);](#)
 - [Core Scenario 2 – Natural Change based projection](#)
 - [Core Scenario 3 – Impact of Economic Change](#)
- 6.6 A series of Sensitivities are then presented and explored to illustrate the implications of altering assumptions within the 'official statistics' published by the ONS and DCLG.
- 6.7 The analysis in the North Yorkshire SHMA of these scenarios is undertaken at a local authority level. A number of headline conclusions are reached with their implications and the underpinning analysis for Craven considered in more detail within the rest of this section.
- 6.8 The sub-national population projections produced by the ONS form the base of all of the scenarios and show a projected increase in the population across North Yorkshire of 114,000 between 2008 and 2026. Migration represents a key driver behind this projected growth with historical trends analysed in Section 3 of this appendix being projected forward for each authority as a trend.
- 6.9 Under the Natural Change Scenario (Scenario 2), the two components of migration are removed from the projections (international and internal migration) to illustrate the impact on population assuming only the impact of natural change. Across North Yorkshire this would result in a projected growth of only approximately 13,300 people over the same time period. A number of authorities including, Craven, Hambleton, Ryedale and Scarborough would all experience a loss in their population under this scenario.
- 6.10 The final scenario, Scenario 3 – Impact of Economic Change, examines the application of a constraint to align the population, in particular the working age population, with the forecast numbers of jobs to be available in the area based upon the economic forecasts summarised in Section 3. The result of this constraint is to suggest a further level of population growth across all of the authorities except Selby compared with Scenario 1, noting that York is excluded from this Scenario¹⁰.
- 6.11 In translating the population projections analysed above into household projections the projected levels of population are divided by projected household size statistics as provided by the DCLG within their published sub-national household projections. These projections assume a steady fall in household sizes from an average of 2.28
-

across North Yorkshire to 2.12 by 2026. The application of these household sizes (or headship rates) results in average annual household growth levels of 1,900 under Core Scenario 2 (Natural Change) and 4,300 under Core Scenario 1 (SNPP). The level of household growth under Core Scenario 3 is slightly higher than core Scenario 1 for all authorities except Selby, with York excluded from the analysis. Whilst Core Scenario 2 represents a hypothetical scenario which could never be realised it serves to demonstrate that even with no migration from outside of the North Yorkshire authorities there will be a healthy level of household growth which will require a response in terms of housing development. The other two scenarios both show levels of projected household growth which exceed the RSS housing targets, this is particularly pronounced in a number of authorities.

- 6.12 The SHMA analysis presented within the North Yorkshire SHMA draws on information from the Household Survey and the latest demographic analysis being undertaken by Edge Analytics to highlight the importance of understanding the sensitivity of the Core Scenarios to a number of factors. These serve to highlight that whilst trend based projections represent a robust approach to calculating potential future demand the last few years have shown the impact of external factors. The sensitivities highlight the potential weakness in projecting estimations of international migration forward at a flat rate, particularly with this rate being particularly high in the region and indeed in York and Richmondshire within the sub-region. In addition other factors such as the impact of affordability and commuting are considered in relation to the ongoing levels of internal migration into the area likely to be seen over the longer-term. Finally the important assumption around falling household sizes is examined in light of the information presented through the Household Survey, which shows that over recent years rates of newly forming households have fallen, primarily linked to market mobility issues and the supply of new properties; These sensitivities are not re-presented within this Authority Appendix as they are intended to provide a strategic evidence base for consideration by all partners across North Yorkshire.

Craven Analysis

Core Scenarios – Projecting Population Growth

Core Scenario 1 – Sub-National Population Projections

- 6.13 The mid-year ONS estimates of population, analysed in Section 3, provide the base historical data for the **sub-national population projections** (SNPP), which are

¹⁰ Note: As referenced in the City of York Appendix Document the authority has commissioned independent local employment projections, which have in turn been used to inform a proposed level of household growth to inform the Core Strategy.

produced every two years. These datasets provide projections for a 25-year time-horizon, for each district and unitary authority. The projections represent an important part of any assessment of future household change and are specifically referenced within the DCLG SHMA Guidance.

- 6.14 Assumptions used by the sub-national population projections are based on recent evidence on births, deaths and migration, plus they incorporate evidence from an expert panel which has provided guidance on likely future trends in fertility, mortality and migration. SNPP are constrained to the total population estimated in the **national population projection** (NPP).
- 6.15 The latest 2008-based SNPP suggest that the population of North Yorkshire will increase by just over 114,000 people from a 2008 base to 2026. 2008 is used as a base date with this representing the point from which levels are projected rather than based within the ONS mid-year population estimates.
- 6.16 The following table quantifies the levels of population change estimated through the SNPP in Craven. This illustrates that Craven contributes almost 7,200 people to this growth, representing 6% of total growth across the sub-region.

Figure 6. 1: Population Projected Growth – 2008 – 2026 – Core Scenario 1

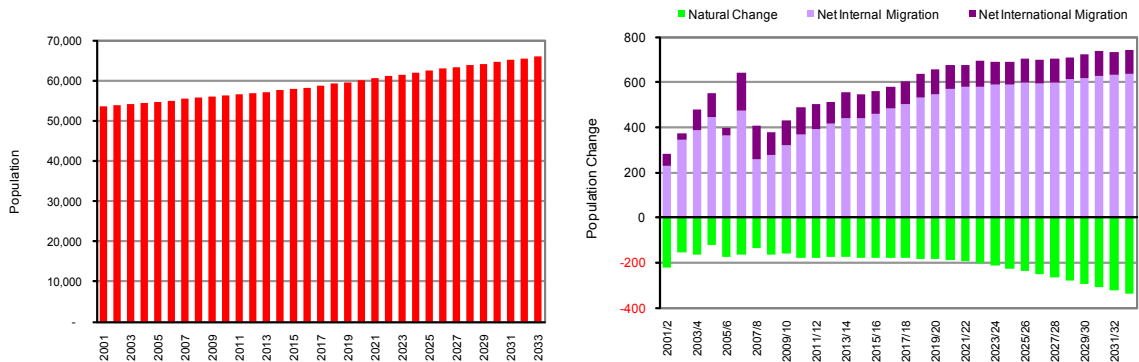
	Total Population - 2008 base SNPP							
	Population Estimates				Projected change in Population		Annual Projected Change	
	2008	2011	2016	2026	2008 - 2016	2008 - 2026	2008 - 2016 (eight years)	2008 - 2026 (18 years)
Authority								
Craven	55,694	56,484	58,271	62,886	2,577	7,192	322	400

Source: Edge Analytics, 2010, ONS, 2010

- 6.17 Under the SNPP Craven is projected to increase its population annually on average by over 400 people per annum between 2008 and 2026. The projections suggest that the population will grow more slowly over the initial forecast period (2008 – 2016) with an annual uplift of approximately 320 people.
- 6.18 The annualised projected change in population as well as the individual components of change are illustrated through the following charts.

Figure 6. 2: Population Forecast and Components of Change

Craven



Source: Edge Analytics, 2010, ONS, 2010

- 6.19 From the chart it is clear that the relative importance of the components of change across Craven, during the projection period, is relatively consistent with the trends evident between 2001 – 2009. In Craven internal migration is projected to contribute a significant proportion of growth annually, in total the authority is projected to gain almost 9,000 people from other parts of the UK in net terms between 2008 and 2026. International migration is projected to have a far lesser net impact annually, albeit a positive one, with a net increase of just over 2,000 international migrants over the projection period.
- 6.20 Significantly, the authority's demographic profile, with a high proportion of older persons, has a notable impact in terms of the projected role of natural change. Year-on-year natural change is projected to have a negative effect with greater numbers of deaths than births. This serves in net terms to reduce the overall levels of population growth annually.
- 6.21 The migration trends identified above are in part based upon historical migration trends as well as the application of assumptions around the distribution of international migrants around the UK (further detail provided as part of the sensitivity analysis within the North Yorkshire SHMA report). Future migration trends will clearly be influenced by a number of factors, including but not limited to the availability of new supply in the area, the accessibility of supply (i.e. the ability of households to afford property) and the economic rationale for locating in the area, in particular this relates to the propensity of households to commute (the impacts of rising fuel costs being one potential factor on this). These considerations are explored in greater detail in the sensitivities analysis in Section 7 of the North Yorkshire SHMA report.

Core Scenario 2 – Considering a Natural Change based Projection

- 6.22 Using the POPGROUP suite of software Edge Analytics have developed a scenario of population change which removes the impact of migration from 2008 onwards. This therefore assumes that the existing population is not expanded or changed by migratory factors and that population change is constrained only to natural change from the population as of 2008 (i.e. births and deaths).
- 6.23 The breakdown of the projections by the three core components above shows that within Craven natural change has a negative net impact on population change over the projection period. This is illustrated within the table below which illustrates the level of population growth projected under a scenario of nil migration. In order to benchmark the impact of this constraint the SNPP projections are also included for reference.

Figure 6. 3: Contrasting Projections constrained by Nil Migration with the SNPP – 2008 – 2026

Authority	Total Projected Change in Population		Annual Projected Growth	
	2008 - 2026		2008 - 2026 (18 years)	
	SNPP	Natural Change	SNPP	Natural Change
Craven	7,192	-2,510	400	-139

Source: Edge Analytics, 2010

- 6.24 The negative role of natural change in terms of driving population change is clearly evidenced. Without any migration in or out of the authority the population is projected to decrease year-on-year by 139 people on average. This represents a significant potential issue in terms of the sustainability of the area with continued migration into the authority clearly important in continuing to enable housing markets and other services to be sustained and dynamic.
- 6.25 It is important to recognise that this scenario is a hypothetical scenario with the reality of the market meaning that migration could never be artificially constrained to zero.

Core Scenario 3 – Considering the Impact of Economic Change on Population Growth

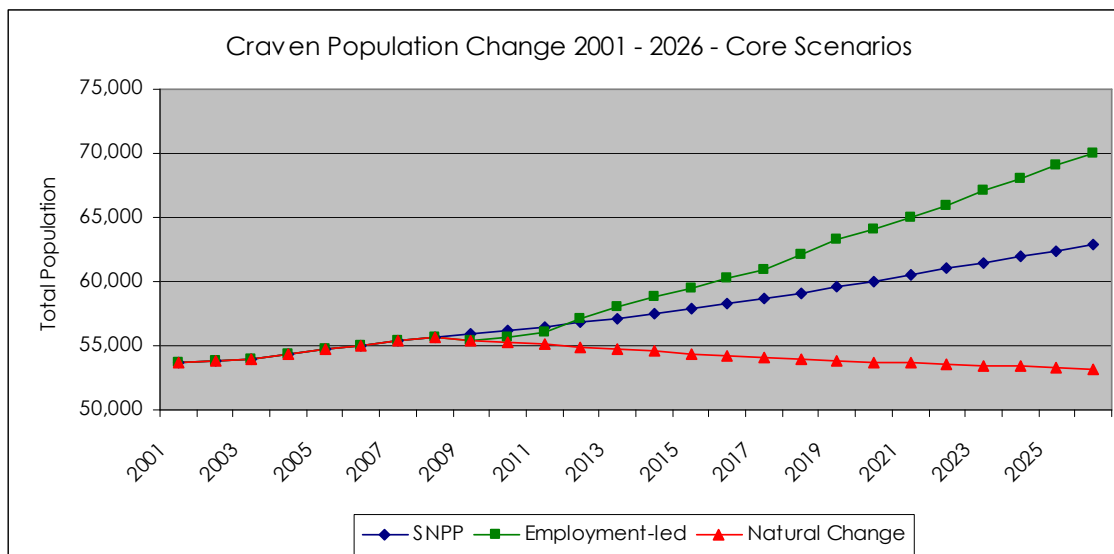
- 6.26 A third scenario has been run as part of the research by Edge Analytics. This uses the POPGROUP software to align population profiles with a projected economic future. This scenario therefore takes the SNPP scenario as its base and constrains the population to the latest Regional Economic Model job forecasts (as presented in Section 3). The projections are applied back to 2009 within the population datasets.

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- 6.27 Under the REM forecasts Craven is projected to witness relatively suppressed market conditions with relative average levels of job growth throughout the plan period as documented in Section 3.
- 6.28 The construction of this scenario is achieved by applying parameters which measure the relationship between the population and the labour force (economic activity rate) and between the labour force and the number of jobs in an area (labour force: jobs conversion factor). This takes into account the level of unemployment but also the degree to which residents live and work within the area in question. In an employment constrained scenario, net in-migration will occur if the size of the labour force is insufficient to match the number of jobs forecast to be created. This assumes that commuting patterns remain constant alongside economic activity / unemployment levels. Net out-migration will occur if there are too few jobs for the labour force.
- 6.29 Under this scenario economic activity rates, unemployment rates and the commuting ratio for each of the individual authorities continue to reflect recent performance (average 2003 – 2009) and trends as presented in Section 3 and are not altered.
- 6.30 Under this scenario in Craven the population is projected to grow at a considerably greater rate than that projected under the SNPP (Core Scenario1). This is the combined effect of projected employment growth over the plan period and a projected decrease in the working age population under Core Scenario 1.. Within this scenario therefore the working age population in particular is assumed to increase to reflect levels of forecast job growth.

Contrasting the Population Projections under the 3 Core Scenarios

- 6.31 The following chart shows the contrasting levels of population growth projected under the three core scenarios for Craven.

Figure 6. 4: Contrasting Population Growth under all three Scenarios



Source: Edge Analytics, 2010, GVA, 2010

- 6.32 This illustrates the trends discussed above. The Natural Change scenario shows a substantial sustained decrease in the population of Craven. The employment-constrained scenario shows the highest level of projected growth in population with the SNPP scenario sitting between the other two showing a relatively moderate level of growth.
- 6.33 The next section translates these projections into household estimates over the research period.

Translating Population Growth into Households

- 6.34 The analysis of current household profiles across the County within Section 4 of the North Yorkshire SHMA report explains the link between population estimates and projections and household estimates. Primarily this process involves the application of headship rates to the population forecast to produce an indication of the levels of households that would result.
- 6.35 Importantly as the analysis in the North Yorkshire SHMA identified the DCLG has assumed a falling level of household size between 2001 and 2009 with this trend continuing to be projected forward within the Sub-National Household projections produced by the DCLG

6.36 The following table illustrates the varying projected changes in private household population (institutional populations are removed from the household projections), headship rates or household size and the households under the SNPP scenario of population change (Core Scenario 1).

Figure 6 5: Population, Household Size and Household Change 2008 – 2026 – Core Scenario 1, SNPP / SNHP

Authority	Sub-National Projections (ONS / DCLG) - 2008 Base									
	Private Household Population			Household Size			Households			
	2008	2026	Change 2008 - 2026	2008	2026	Change 2008 - 2026	2008	2026	Change 2008-2026	Annual Change (18 years)
Craven	54,340	61,203	6,864	2.24	2.05	-0.19	24,232	29,878	5,646	314

Source: Edge Analytics, 2010, GVA, 2010

6.37 This shows that household sizes within Craven under the DCLG projections are assumed to fall from 2.24 persons to 2.05 persons, or a decrease of 0.19. This projected decrease in household size represents one of the greatest projected falls across North Yorkshire, with the average level across the sub-region being 0.16.

6.38 The impact of these Headship rates assumptions are shown in the overall levels of projected household growth. Within Craven the combination of a moderate rise in population and steep fall in household sizes means an increase in households over the projection period. Between 2008 and 2026 Craven is forecast to see an increase of almost 5,650 households under these assumptions, or an annual average increase of approximately 310 households per annum. This exceeds the RSS target in terms of net dwellings.

6.39 A similar exercise has been undertaken for the other two Core Population Projections. The following table presents the results in terms of the overall and annual average levels of households projected under the three scenarios.

Figure 6. 6: Projected Household Change 2006 – 2026 – All Three Core Scenarios

Authority	Total Household Change 2008 - 2026			Annual Average Household Change 2008 - 2026 (18 years)		
	Natural Change	SNPP	Employment-led	Natural Change	SNPP	Employment-led
Craven	617	5,646	8,453	34	314	470

Source: Edge Analytics, 2010, GVA, 2010

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- 6.40 As would be expected under the Natural Change Scenario, the negative levels of projected growth in population results in a very low level of household growth, just over 30 per annum. It is important to recognise that Craven's housing markets would never operate in this manner with the analysis in Section 3 clearly highlighting the role that Craven plays in terms of the wider sub-regional market in attracting in new households year on year.
- 6.41 The Employment-constrained Scenario shows a very high level of household growth, approximately 470 per annum. In reality this level of growth is unlikely to be sustained with the relationship between commuting and working across authorities likely to be further developed if the levels of employment growth projected are realised within the authority.
- 6.42 The SNPP (Core Scenario 1) shows a moderated level of household growth between the other two scenarios showing an annual average household growth of just over 310 per annum.
- 6.43 The North Yorkshire SHMA presents hypothetical dwelling requirements based around the levels of growth projected under Core Scenario 1. These are not replicated here and need to be considered in the context of the analysis of sensitivities presented within the North Yorkshire SHMA report and work being undertaken separately by each of the authorities.
- 6.44 It is important to recognise that the household projections displayed above do not take account of any housing land availability constraints. This is an issue which will need to be considered in the development of policy based upon site allocations work and the conclusions of the SHLAA.

A Projected Changing Population and Household Profile

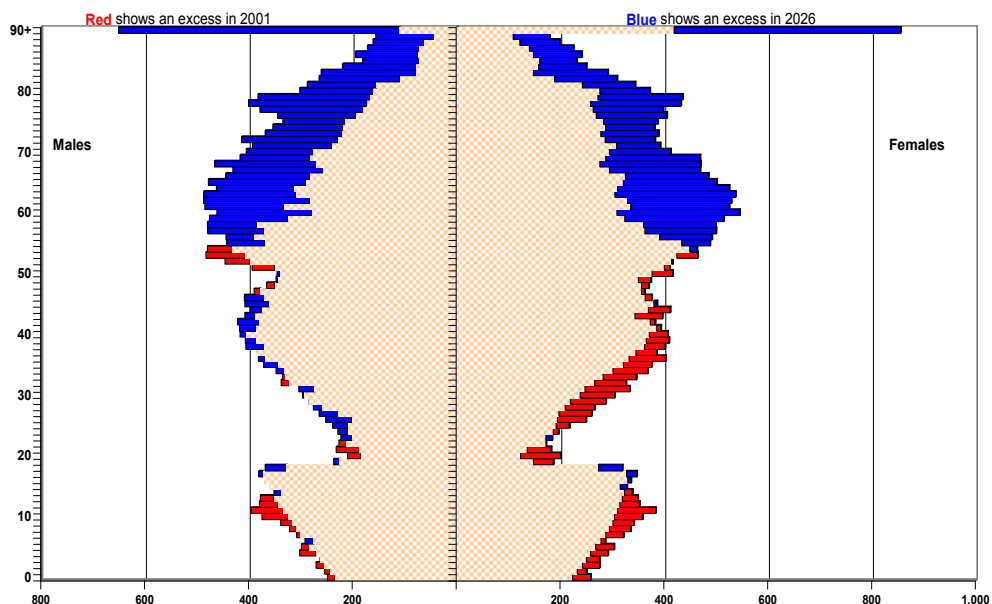
- 6.45 The analysis presented to date within this Section has clearly illustrated that the population is going to change and grow in different ways in Craven under all of the scenarios. The relative contribution of migration and natural change will have a striking impact on the demographic profile of the area alongside some nationally consistent demographic trends such as the general ageing population of the UK.
- 6.46 The changing demographic profile of the area will in turn affect the housing requirements of households going forward. This will have a bearing on important factors for policy to consider such as geographical location, connectivity to services (education, health etc...) as well as the response required through the development and adaptation of property. This section complements the detailed analysis presented through the North Yorkshire SHMA report highlighting the structural changes to the demographic and household profile across Craven. The section concludes with

a long-term assessment of the implications this will have on the sizes of property required within the authority which forms one of the core outputs set through the CLG Guidance in order to inform policy.

A Changing Population Structure

- 6.47 The analysis within the North Yorkshire SHMA report clearly highlighted that North Yorkshire as a whole is projected in the future to contain an increasingly ageing population. Whilst the area is projected to continue to attract in new migrants, a proportion of which will be of working age and below, this is not going to offset the sustained process of significant increases, from the current population as well as new migrants, in people and households classified as 'older person'.
- 6.48 This trend is demonstrated in Craven, as illustrated in the following age pyramid. The pyramid represents the change over time (2001 – 2026) in population that is evident from the 2008-based sub-national projections for the authority. Males are on the left of the pyramid, females to the right. The red bars on the pyramid represent an excess of population in 2001 (i.e. a greater number of people in that age group in 2001 than 2026). The blue bars represent an excess of population in 2026 (i.e. a greater number of people in that age group in 2026 than 2001).

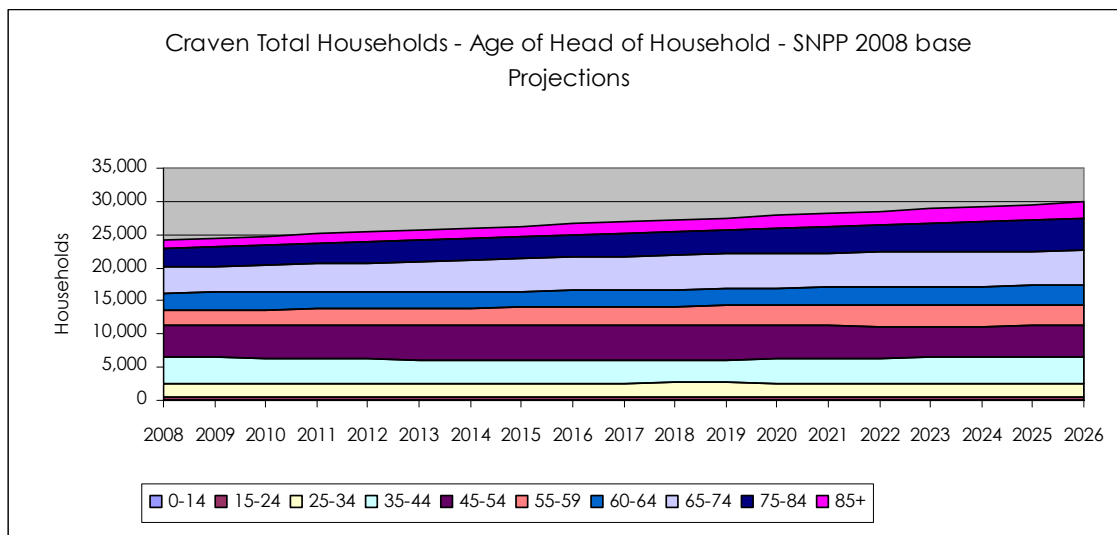
Figure 6. 7: Age Pyramid – Core Scenario 1 – Craven



Source: Edge Analytics, 2010, ONS, 2010

- 6.49 The Age Pyramid clearly illustrates the projected ageing of the population in Craven under the SNPP. All of the age groups from the mid 50s upwards show substantial increases projected between 2001 and 2026. By contrast many of the younger groups show a notable decline over this time period, particularly in terms of the female population.
- 6.50 Across North Yorkshire, ageing is accentuated with a larger existing elderly population and a net outflow of migrants in the young labour force ages. This is evidenced in the analysis of migration by age band presented in Section 3.
- 6.51 In Craven the authority's 60+ population proportion is set to rise from 26% in 2001 to 38% in 2026, a substantial rise which will, if realised, have far reaching consequences.
- 6.52 Modelling these population changes through to households highlights the impact of demographic change on the ages of households which are projected to be in place in 2026. The following chart displays the projected trajectory for Craven.

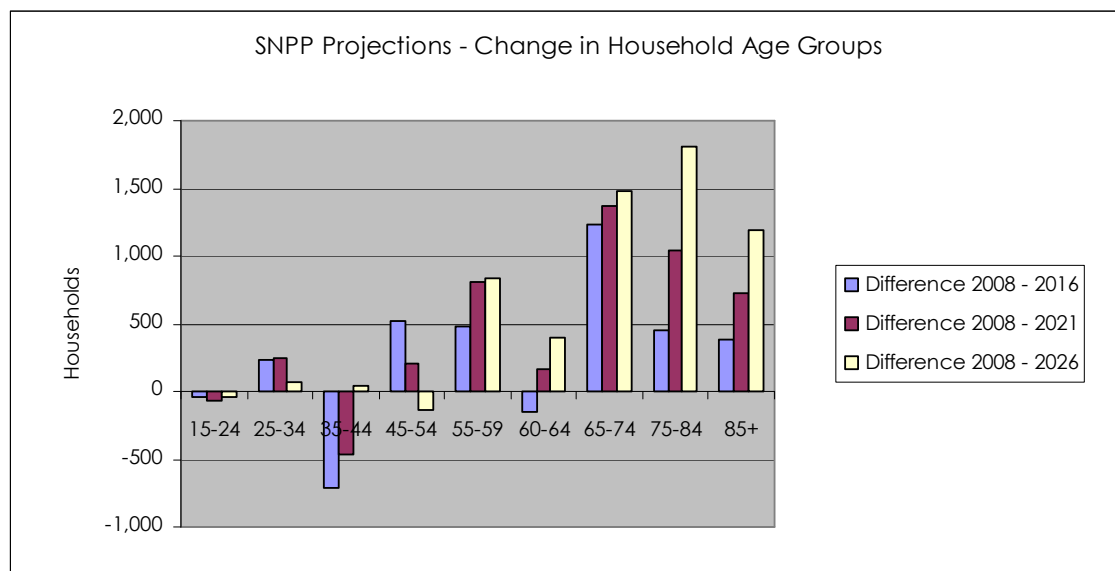
Figure 6. 8: Projected Household Change by age of Head of Household 2008 – 2026 – SNPP Core Scenario 1



Source: ONS / DCLG, 2010, Edge Analytics, 2010, GVA, 2010

- 6.53 The different levels of change over the short, medium and long-term are displayed in the chart below for Craven.

Figure 6. 9: Projected households by age of head of household – Individual Age Bands – SNPP (Core Scenario 1)



Source: ONS/DCLG, 2010, Edge Analytics, 2010, GVA, 2010

- 6.54 All of the age ranges above 65 years are projected to grow significantly with the age grouping 55 – 59 also showing a comparatively high level of growth. In contrast the age group 35 – 44 is projected to decrease substantially up to 2021 although show a slight uplift over the full projection period.
- 6.55 The absolute numbers, in terms of the changes by age of household (head of household) over the various periods are shown in the following table.

Figure 6. 10: Projected Change in the Age Profile of Households 2008 – 2026 (Core Scenario 1 SNPP)

Household Age Band	Craven - SNPP 2008 Base Core Scenario							
	Number of Households 2008	Number of Households 2016	Number of Households 2021	Number of Households 2026	Difference 2008 - 2016	Difference 2008 - 2021	Difference 2008 - 2026	% Change 2008 - 2026
0-14	0	0	0	0	0	0	0	n/a
15-24	476	429	411	438	-47	-65	-38	-8%
25-34	1,967	2,195	2,208	2,041	228	241	74	4%
35-44	4,115	3,396	3,654	4,155	-719	-461	40	1%
45-54	4,736	5,254	4,940	4,594	518	204	-142	-3%
55-59	2,375	2,856	3,178	3,205	481	803	830	35%
60-64	2,522	2,369	2,683	2,918	-153	161	396	16%
65-74	3,836	5,065	5,200	5,319	1,229	1,364	1,483	39%
75-84	2,959	3,412	3,994	4,773	453	1,035	1,814	61%
85+	1,245	1,629	1,966	2,434	383	720	1,189	95%
Total	24,232	26,604	28,234	29,878	2,373	4,002	5,646	23%

Source: Edge Analytics, 2010, GVA, 2010, ONS/DCLG, 2010

6.56 The changing demographic profile and the age structure have an impact on the types of households which are projected to form. The CLG uses 17 classifications as presented for the current profile in Section 3, however, these have been brought together under four groupings. The following table shows the projected change in household types between 2008 and 2026 for all of the authorities under both the SNPP Core Scenario 1 and the Natural Change Scenario (Core Scenario 2). This is proceeded by a more detailed table showing the change by the full 17 classification under Core Scenario only.

Figure 6. 11: Projected changes in household types 2008 – 2026, SNPP (Core Scenario 1)

Broad Household Type	Scenario	Household Change 2008 - 2026								
		Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	North Yorkshire
One Person Household	SNPP	2,910	3,636	8,789	1,938	2,938	5,996	3,733	12,154	42,093
	Natural Change	1,534	2,770	6,074	1,595	2,021	3,398	2,603	10,434	30,429
Couple Household or Mixed Adult Household	SNPP	3,116	2,459	6,601	1,476	1,783	2,276	4,322	6,440	28,472
	Natural Change	910	888	4,248	755	-7	-763	2,471	3,920	12,421
Family Household (Adults and Children)	SNPP	-194	-60	389	559	59	12	1,232	3,906	5,903
	Natural Change	-1,561	-1,363	-3,181	560	-1,033	-1,090	-1,672	3,298	-6,043
Other Households	SNPP	-186	-165	-255	303	-159	-179	56	1,037	453
	Natural Change	-267	-148	-376	253	-214	-317	13	-1,247	-2,304

Source: Edge Analytics, 2010, GVA, 2010, ONS / DCLG, 2010

Figure 6. 12: Projected Change in Household Types 2008 – 2026, SNPP Core Scenario 1

Household Type	Description	Craven Household Change - SNPP Projections					
		2008	2011	2016	2026	Change 2008 - 2016	Change 2008 - 2026
OPMAL	One person households: Male	2,990	3,304	3,823	4,977	833	1,987
OPFEM	One person households: Female	4,481	4,635	4,883	5,404	401	923
FAM C0	One family and no others: Couple: No dependent children	8,630	9,331	10,416	12,112	1,786	3,482
FAM C1	One family and no others: Couple: 1 dependent child	1,411	1,377	1,368	1,420	-43	9
FAM C2	One family and no others: Couple: 2 dependent children	2,046	1,963	1,905	1,936	-141	-110
FAM C3	One family and no others: Couple: 3+ dependent children	857	809	756	767	-101	-90
FAM L1	One family and no others: Lone parent: 1 dependent child	485	485	506	576	21	91
FAM L2	One family and no others: Lone parent: 2 dependent children	335	338	351	415	16	80
FAM L3	One family and no others: Lone parent: 3+ dependent children	99	101	108	139	9	40
MIX C0	A couple and one or more other adults: No dependent children	1,302	1,225	1,115	936	-187	-366
MIX C1	A couple and one or more other adults: 1 dependent child	282	229	168	111	-114	-171
MIX C2	A couple and one or more other adults: 2 dependent children	149	143	137	128	-12	-21
MIX C3	A couple and one or more other adults: 3+ dependent children	47	44	43	37	-4	-10
MIX L1	A lone parent and one or more other adults: 1 dependent child	99	95	90	79	-9	-20
MIX L2	A lone parent and one or more other adults: 2 dependent children	36	36	35	38	-1	2
MIX L3	A lone parent and one or more other adults: 3+ dependent children	23	23	25	29	2	6
OTHHH	Other households	959	928	876	773	-83	-186
Total	Total	24,232	25,066	26,604	29,878	2,373	5,646

Source: Edge Analytics, 2010, GVA, 2010, ONS/DCLG, 2010

- 6.57 Craven is projected to have a substantial increase in single person households under both the Natural Change and SNPP scenarios. Even under the Natural Change scenario the authority is projected to see an uplift of over 1,500 single person households which represents a significant demographic and household type shift. Within Craven the growth in couple households under both scenarios is also significant, but particularly under the SNPP scenario. Significantly the authority is projected to lose family households over the projection period as well as 'other' household types. Under the Natural Change scenario this loss of family households is particularly acute illustrating the important role that migration plays within the authority in sustaining this particular demographic and household type.
- 6.58 The following sub-section uses the 2011 Household Survey data to understand in more detail the sizes of property likely to be required over the short-term with the above trends influencing requirements over the longer term.

Housing Requirements by Property Type / Size

- 6.59 This section presents a long-term projection of the sizes of housing likely to be required to create a more sustainable balance within the housing market in Craven. Section 7 examines in detail the specific sizes of affordable housing required for those households in need, as per the DCLG Guidance (Output 7). The analysis within this section goes beyond the scope of the DCLG Guidance but provides headline analysis of the sizes of housing required across all tenures over the longer-term. This takes into account, for example, the changing household type profile for each authority presented earlier in the section and the current expectations of different components of the housing market set in the context of the existing stock, as analysed in Section 4.
- 6.60 In considering the projected long-term changes to the profile of households, the following key conclusions represent an important context to the likely size of housing which will be required in the future:
- A growth in absolute and proportional terms of older person households – the vast majority of which make-up single person or couple households;
 - Negative growth in households aged 45-54 over the full projection period. This household age group represents the age-band most likely to represent established families, with the projections showing a decrease in this household type; and
 - The current stock profile and recent trends in development. The analysis in Section 4 presented data showing that Craven's stock profile includes a comparatively high proportion of larger family stock and a lower quantum of smaller properties compared to national averages.

- 6.61 The growth in single person and couple households in particular would point, in the longer-term, to a high level of demand for smaller properties located in close proximity to key services and transport networks. This represents an important challenge for spatial planning policy and the future distribution of housing.
- 6.62 Significantly though it is important to take account of the aspirations and expectations of households regarding residential property. The following table draws from the 2011 Household Survey. This highlights the expectations of households within Craven, by broad household type, planning to move over the next two years regarding the types of property they would be looking to move into.

Figure 6. 13: House size expectations of households looking to move in the next two years

Authority: Craven	Households wanting to move in the next 2 years - Expectations by property size				
	Studio / 1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Single person households	19.3%	52.0%	22.3%	6.5%	100.0%
Single Parent Families	.0%	.0%	57.5%	42.5%	100.0%
Couple only households	.9%	39.1%	49.8%	10.1%	100.0%
Couple households with no dependent children but other occupants	5.0%	11.2%	63.7%	20.1%	100.0%
Families (Couples with dependent children)	.0%	1.3%	47.3%	51.4%	100.0%
Other households	6.4%	47.2%	39.2%	7.2%	100.0%
Total	7.3%	33.0%	41.1%	18.6%	100.0%

Source: Household survey 2011

- 6.63 Interestingly this shows a substantial preference for three bedroom properties, particularly amongst couple and multi-adult households. There is a relatively healthy level of demand for 2 bedroom properties in particular from couple households and single person households. In addition family houses in particular have a high expectation of needing a larger 4+ bedroom property. These trends are likely to reflect, at least in part, the supply profile of the area as noted above and analysed in Section 4. The table over the page aligns¹¹ these preferences of households with the types of household forecast to be forming under Core Scenario 1 within Craven. This provides an indication of the sizes of properties required in order to match the changing household profile of the authority.

¹¹ The following table illustrates that ONS household classifications have been aligned with the 2011 Household Survey dataset. Note: the assumption has been made based on the way in which the survey household types are disaggregated that lone parent households with other adults in the household are classified as 'other households' (these households make up a very low proportion of projected new households).

Figure 6. 14: Household Types change 2008 – 2026 under Core Scenario 1 aligned with the 2011 Household Survey Household Expectations (Cumulative count of individual authority figures)

Authority: Craven		Household Type (link to 2011 Survey classifications of households)	Core Scenario 1 - Sub-National Population Projections (Figures below are households - change 2008 - 2026)				
Household Type	Description		Studio / Bedsit	One Bedroom	Two bedrooms	Three bedrooms	Four + bedrooms
OPMAL	One person households: Male	Single person households	49	334	1,033	443	128
OPFEM	One person households: Female	Single person households	23	155	480	206	60
FAMC0	One family and no others: Couple: No dependent children	Couple only households	0	32	1,363	1,735	353
FAMC1	One family and no others: Couple: 1 dependent child	Families (Couples with dependent children)	0	0	0	4	5
FAMC2	One family and no others: Couple: 2 dependent children	Families (Couples with dependent children)	0	0	-1	-52	-57
FAMC3	One family and no others: Couple: 3+ dependent children	Families (Couples with dependent children)	0	0	-1	-43	-46
FAML1	One family and no others: Lone parent: 1 dependent child	Single Parent Families	0	0	0	52	39
FAML2	One family and no others: Lone parent: 2 dependent children	Single Parent Families	0	0	0	46	34
FAML3	One family and no others: Lone parent: 3+ dependent children	Single Parent Families	0	0	0	23	17
MIX C0	A couple and one or more other adults: No dependent children	Couple households with no dependent children but other occupants	0	-18	-41	-233	-74

MIX C1	A couple and one or more other adults: 1 dependent child	Families (Couples with dependent children)	0	0	-2	-81	-88
MIX C2	A couple and one or more other adults: 2 dependent children	Families (Couples with dependent children)	0	0	0	-10	-11
MIX C3	A couple and one or more other adults: 3+ dependent children	Families (Couples with dependent children)	0	0	0	-5	-5
MIX L1	A lone parent and one or more other adults: 1 dependent child	Other households	0	-1	-9	-8	-1
MIX L2	A lone parent and one or more other adults: 2 dependent children	Other households	0	0	1	1	0
MIX L3	A lone parent and one or more other adults: 3+ dependent children	Other households	0	0	3	2	0
OTHHH	Other households	Other households	0	-12	-88	-73	-13
Total			72	490	2,736	2,008	340
Proportion (%)			1%	9%	48%	36%	6%

Source: Household Survey, GVA, Edge Analytics, 2011

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- 6.64 The table highlights that across Craven the alignment of projected changes by household type between 2008 and 2026 with the expectations of different household types as of 2011 results in a sustained demand for each of the house sizes considered (with the exception of studio/bedsits).
- 6.65 A high level of demand is particularly illustrated for small / medium family sized properties within Craven (2 and 3 bedrooms). Indeed the total demand for two bedroom properties resulting from new households is approximately 48%. Demand for 3-bedroom properties is slightly lower at 36% although clearly still significant.
- 6.66 Importantly, within Craven, the analysis suggests a sustained demand for larger stock, with 6% of all demand being for properties of 4 bedrooms or greater. It is important to recognise that this needs to be considered in light of the evidence presented within Section 4 around the current levels of under-occupancy in a significant proportion of stock, with this particularly affecting larger properties.

Bringing the Evidence Together

- 6.67 The beginning of this section summarised the key conclusions arrived at in terms of future household change within the North Yorkshire SHMA report. The analysis presented within this section has provided a greater level of detail regarding the impact of projections of household change within Craven in terms of overall demand for housing as well as the sizes of housing which are likely to face greatest pressure. In drawing this section together the following conclusions stand out in relation to Craven:
- The authority is projected to see notable growth in terms of its population and the number of households. This level of growth is lowest under the hypothetical Natural Change scenario where a negative trend is projected based on a sustained ageing of the population. Under the SNPP the authority is projected to grow, with internal migration the key driver of growth. Under the employment-constrained scenario the authority is projected to grow at a substantially higher rate than the SNPP. The authority is forecast to grow economically, with this translated into positive employment growth, this growth is compounded further by the projected losses to the working age population under the other two scenarios, which are contrasted in this scenario with the working age population matched to job growth.
 - In terms of household growth the population projections translate into an annual average level of household growth of 310 per annum under the SNPP, with this further elevated to 470 per annum under the employment constrained scenario.

- The detailed analysis of the changing demographic and household type profile of the population coupled with the expectations of households looking to move in the near future from the 2011 Household Survey, identified a future demand for all property sizes. Demand is particularly high for smaller family sized properties within Craven. In addition there is a healthy level of projected demand for smaller properties reflecting the growing projected demand from single and couple older person households.

7. Housing Need

The preceding sections have identified that, in terms of both the operation of the current market and the future direction of travel projected, affordability issues are a key factor for Craven. A detailed examination of the short-term level of households in affordable housing need is therefore of importance for this research.

As set out in PPS3, housing need is defined as 'the quantity of housing required for households who are unable to access suitable housing without financial assistance'.

In line with the CLG Guidance this section assesses need under a series of stages, to arrive at a short-term (five years) assessment of the level of need for affordable housing within the authority. These stages include; current need, future need and the supply of affordable housing available.

The role of both intermediate and social rented tenures (both classified as affordable), as well as the new emerging Affordable Rent product, is explored in relation to the financial capacity of those households identified as in need currently.

As with preceding Sections the information presented here should be read alongside the North Yorkshire SHMA report. The sensitivity analysis included within Section 8 is not replicated in this section; however, further analysis is included of the levels of housing need at a sub-local authority area.

Research findings relate directly to:

- *Core Output 4: Estimate of households in housing need*
- *Core Output 5: Estimate of future households requiring affordable housing*
- *Core Output 7: Estimate of the size of affordable housing required*

- 7.1 Housing affordability has, over the last decade, become a well recognised challenge to the operation of the housing market. The ability of households to access housing in which they aspire to live, and are indeed able to afford, is fundamental in ensuring that the District's stated housing objectives are achieved.

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- 7.2 The Coalition Government is starting to release new components of its reform to the planning system. The draft National Planning Policy Framework (NPPF) (July 2011)¹² continues to highlight the importance of Local Planning Authorities setting realistic and deliverable affordable housing targets through planning policy, with the expectation that these targets will be met in full through an enabling planning system.
- 7.3 Emphasis is very much being placed on Local Planning Authorities delivering the number of affordable homes that are evidenced as being needed within their Strategic Housing Market Assessments. This is both reflective of the changing political and market context, where meeting 'local' housing requirements is becoming increasingly important and is equally challenging due to the current economic and housing market conditions.
- 7.4 It is therefore vital that Local Planning Authorities undertake a robust and evidenced approach in assessing affordable housing need within their authorities – in line with the CLG SHMA Guidance (August 2007). The analysis within this section follows this general principle and recognises the increasing pressures on establishing both realistic assessments of need and the wider challenges of delivery of non-market housing in the current property and economic climate.
- 7.5 Whilst this is an important starting point nationally looking at demand by tenure, whilst housing supply has been falling, the need for affordable housing has clearly increased. There are three core elements of future need for affordable housing:
- Backlog – There is a range or spectrum of 'need', from those in urgent need of housing, to those who are living in overcrowded or substandard homes, and those who would like social housing but are not in urgent need of re-housing.
 - Short-term need – Social housing need is likely to see a peak over the next few years, as the recession impacts on the ability of households to access either private rented accommodation or to service mortgages.
 - Long-term need – Demographics, housing market trends and employment forecasts examined in the preceding section have set out suggested overall levels of demand for housing. Considering how affordable housing will feature in this demand is important.
- 7.6 It is important to recognise that these delivery challenges are likely to represent a challenge over a number of years based upon the current financial and property
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¹² Draft National Planning Policy Framework (July 2011) CLG

climate. Whilst the analysis in this section presents an assessment of the levels of affordable housing required to address future needs, in reality a proportion of these needs could be met through alternative approaches depending on the availability of public funding. This is an issue touched upon within this section and considered through other sections of the report. Further detail is also provided within the North Yorkshire SHMA report.

Defining Affordable Housing Needs

- 7.7 'Housing need' refers to households who lack their own housing or live in unsuitable housing and who cannot afford to meet their needs in the market. It is for those in housing need (i.e. those who cannot meet their housing requirements in the private sector) that the state needs to intervene in the market to ensure that all households have access to suitable housing.
- 7.8 Establishing an estimation of the level of current and future housing need ensures that policy aimed at providing new affordable housing is responsive to the needs of households within the authority.
- 7.9 PPS3 defines affordable housing as follows:
- Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:
 - Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and house prices.
 - Include provision for the home to remain at an affordable price for future eligible households, or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.
- 7.10 Nationally looking at indicators of demand by tenure, whilst housing supply has been falling, the need for affordable housing has clearly increased. There are two core elements of establishing the current and short-term future levels of need for affordable housing:
- Backlog – At the current point in time as a result of sustained affordability issues over a number of years the majority of areas have an existing 'backlog' of households classified as in need. This backlog can be considered to be made up

of a range of types of household in 'need', from those in urgent need of housing i.e. without a current permanent home, to those who are living in overcrowded or substandard homes, and those who have an aspiration to live in non-market housing but are not in urgent need of re-housing.

- Future need – The sustained need for affordable housing is driven by a range of factors. As with market housing there is an underlying level of demand as new households form and require a property. In the context of the current economy and the housing market a significant proportion of these newly forming households face significant challenges in gaining entry to market housing therefore driving demand for affordable housing. In addition to new households existing households also represent a driver of housing need. As a result of any number of factors households circumstances can change resulting in their current housing situation no longer being appropriate. It is more than likely that need for social housing is likely to continue to be high or indeed grow further over the next few years, as the recession impacts on the financial circumstances of households and therefore their ability to access either private rented accommodation or to service existing mortgages.

- 7.11 As the analysis in the preceding section illustrates over the long-term demographic and economic factors will continue to place increasing pressures on the existing supply of housing, with new stock required in order to maintain the long-term balance between demand and supply. Based on the short-term factors considered above and the nature of this growth in households, with this included younger households as well as a large proportion of older households, it is likely that a proportion of these households will require affordable housing. Whilst the analysis within this section focuses on the short-term this long-term sustained demand represents an important challenge and context for the interpretation of the findings and conclusions of this Section.

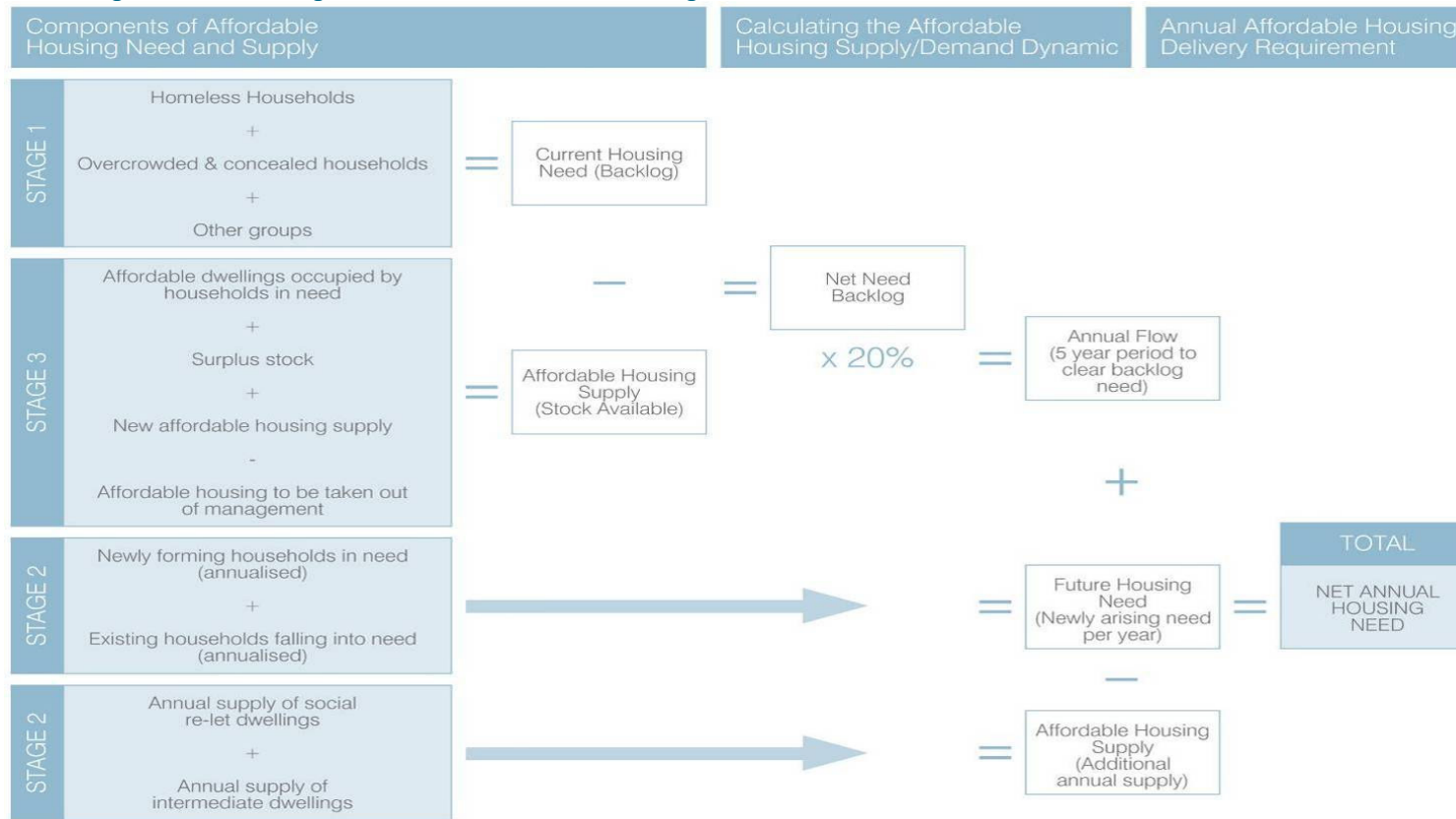
The Housing Need Calculation – CLG Stepped Model

- 7.12 The model adopted is structured around four key stages which are consistent with the CLG SHMA Guidance and are used to assess the overall surplus or shortfall of affordable housing. These are:
- Existing Need
 - Newly-arising Need

- Supply of Affordable Units
- Total Housing Need (Net Annual)

7.13 To summarise the process, the estimated net annual level of housing need is calculated through the assessment of the difference between the annual supply of affordable housing units and 'need' for them (arising from the backlog which has built up and that which is expected to arise). A key feature of the model is that both need and supply are considered in terms of annual flows. The final element of the analysis is the identification of the Total Housing Need (Net Annual). The process is illustrated in a flow diagram, presented overleaf.

Figure 7. 1: Housing Needs Calculation – Flow Diagram



Source: GVA, 2011

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- 7.14 The calculation of affordable housing need is therefore intended to provide a short-term assessment to estimate the volume of affordable housing required on an annual basis to meet of need across a 5-year period. This conforms to the CLG SHMA Guidance¹³, which states:

'Partnerships should avoid using a period of less than five years in which to meet unmet current need. If a five-year period is used, this means that 20 per cent of current unmet need should be addressed each year. The output of this should be an annual quota of households who should have their needs addressed'.

Previous Assessment of Need

- 7.15 Craven District Council previously assessed housing need in 2005 – utilising the results of a primary household survey within the Craven Housing Needs Assessment (HNA) 2005.
- 7.16 The Craven District Strategic Housing Market Assessment (SHMA) was subsequently produced in 2008. However, this utilised the results of the Craven Housing Needs Assessment 2005 (below) to inform its analysis and did not alter the concluding affordable housing requirement.
- 7.17 Craven District Council Housing Needs Assessment 2005 is informed by an extensive primary survey across the authority which included a sample survey of households in Skipton and 100% survey across the rural areas of the District.
- 7.18 The 2005 assessment found that, across Craven, there is a shortfall of 288 affordable dwellings per annum, which equates to 1,440 over five years. This is further split between the Craven District Council area (238pa) and the Yorkshire Dales National Park area (50 pa). This is broken down as follows:
- 1,702 households are in housing need in Craven as at 2005, which represents 7.2% of households.
 - 799 existing households are in affordable housing need;
 - 34 existing households per annum are expected to fall into housing need;
 - 61 in-migrating households are expected to be in housing needs;

¹³ SHMA Practice Guidance Version 2 (August 2007) CLG p.52

- An anticipated 1,226 households to form between April 2005 and March 2010, of which 920 will require affordable accommodation. This equates to 245 new households per annum, of which 184 will require affordable accommodation.
- An overall capacity of 165 units of social rented stock is available for re-let per annum in order to meet current need.

Current Housing Need

Stage 1: Existing Need (Gross Backlog)

- 7.19 Stage 1 considers the suitability of housing as well as households' ability to afford market housing, and also accounts for homeless households in arriving at a total current need for affordable housing. This represents the 'backlog' of households in need at present, and is termed 'gross' due to the capability of housing supply to meet need being tested subsequently in Stage 3.

Step 1.1: Homeless Households and Households in Temporary Accommodation

- 7.20 The CLG SHMA guidance requires that information on homeless households in priority need and households who are currently housed in temporary accommodation should be included within an assessment of backlog need. The scale of need from these types of household can be calculated utilising the local authority's P1 (E) returns to Government. Both the CLG and ONS publish annual figures recorded for homeless households accepted by the local authority as being in priority need, and for those households who are currently housed in temporary accommodation. In this case, each of the North Yorkshire Council's was able to provide the latest figures for the 31st March 2011, in advance of their publishing by CLG and ONS. This places the number of homeless households and those households in temporary accommodation in Craven at 3.

Step 1.2: Overcrowded and Concealed Households

- 7.21 The number of, and degree to which, households are overcrowded is calculated by utilising the 'bedroom standard', which is applied to all households sampled within the primary household survey. This process allocates a standard number of bedrooms to each household, in accordance with its size, composition and relationships between members.
- 7.22 Through applying this standard indicator of household occupation density, a separate bedroom is allocated to each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10 - 20 of the same sex, and each pair of

children under 10. Any unpaired person aged 10 - 20 is paired, if possible with a child under 10 of the same sex, or, if that is not possible, he or she is given a separate bedroom, as is any unpaired child under 10.

7.23 This standard is then compared with the actual number of bedrooms (including bed-sitters) available for the sole use of the household, and differences (i.e. shortfall or surplus) are calculated. Analysis indicates that there are currently 636 overcrowded households¹⁴.

7.24 The number of concealed households is calculated through analysis of the number of households that, within the primary household survey, declared that they share a kitchen, bathroom or WC with another household (i.e. couples, people with children and single adults over 25). The number of concealed households is therefore estimated in Step 1.3 as a measure of unsuitability and is therefore excluded from Step 1.2 to avoid duplication.

Step 1.3: Other Groups

7.25 Within 'other groups' the analysis has included households sampled within the primary household survey considered to be in unsuitable accommodation based on meeting at least one of the unsuitability factors, and where an in-situ solution is not identifiable, in line with the CLG Guidance. The figures calculated during Step 1.1 to 1.3 are summarised in the following figure:

¹⁴ Note: The overcrowding figure utilised in the affordable housing need assessment is not directly comparable to that presented in Section 4 due to rounding occurring during the survey weighting process.

Figure 7. 2: 'Other Groups' in Unsuitable Housing

Category	Factor	No. Households
Homeless households or insecure tenure	Homeless households	see Step 1.1
	Accommodation too expensive / rent or mortgage payments are too high	4,860
	Under real threat of notice / notice of eviction/re-possession or lease ending	189
Mismatch of housing need and dwellings	Overcrowded according to the 'bedroom standard' model	see Step 1.2
	Too difficult to maintain	1,667
	Sharing a kitchen, bathroom or WC with another household	386
	Households containing people with specific needs living in unsuitable dwelling, which cannot be made suitable in-situ	162
Dwelling amenities and condition	Lacking basic facilities - bathroom/toilet/kitchen	88
	Subject to major disrepair or unfitness	680
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move	250

Source: 2011 Household Survey

- 7.26 It is important to note that households can display multiple unsuitability factors and that the totalling of each of the categories does not therefore equate to the total households within unsuitable housing.
- 7.27 Care has therefore been taken to avoid the double-counting of households with those identified in previous steps, and in progressing to Step 1.4.
- 7.28 Section 9 of the North Yorkshire SHMA report looks in greater detail at the specific support needs of elderly households, which form an important part of this backlog of need. It is important that meeting their specific needs continues to be prioritised alongside the provision of new affordable housing as a means of addressing current housing need challenges.

Step 1.4: Total Current Housing Need (Gross) and Affordability

- 7.29 In calculating the total current housing need (gross) through Steps 1.1-1.3, it is necessary to estimate the financial capacity of households to afford open market (private sector) housing either to buy or rent. This calculation is taken on households in need, as identified through the primary household survey.
- 7.30 Household's financial capacity is calculated by generating an 'affordability threshold', which takes into account a household's income, equity and savings. Household income is based on 3.5x gross annual income for single-occupant (adults) households and 2.9x gross annual income for multi-occupant (dual income)

households (this is the approach recommended within the CLG Guidance). The analysis underpinning this approach is presented in Section 5. **Further detail is also provided in the section considering affordability benchmarking within the North Yorkshire SHMA report (Section 6).**

- 7.31 Household's financial capacity is then tested against lower quartile house prices¹⁵ and calculation of property size requirements utilising the 'bedroom standard'. Households are required to have sufficient savings or equity to afford a deposit equivalent to 10% of the lower quartile house price¹⁶. This is demonstrated through the following equation:

$$\text{Lower quartile house price} - (\text{gross household income} * 3.5 \text{ or } * 2.9) + (\text{savings} + \text{equity})$$

- 7.32 Households were subsequently tested on their financial capacity to afford private rental property, based on lower quartile rental prices as at April 2011 across the District's sub-market areas. Spending on housing (mortgage / rent) is assumed to equate to a maximum of 25% of household income per annum. This is demonstrated through the following equation:

$$\text{Lower quartile rental cost} - (\text{gross household income} * 25\%) + (\text{savings} + \text{equity})$$

- 7.33 This process represents an objective test. It does not take account of the availability of stock classified as 'affordable' (lower quartile market or rental housing). As outlined in the analysis of the stock profile of the authorities in Section 5 of the North Yorkshire SHMA report, the amount of private rented properties varies across each of the authorities and at a sub-local authority level. In housing markets and/or authorities where the balance between supply and demand is significantly out of balance the result is likely to be an even greater level of backlog need as households are not, despite their earnings and savings able to move into 'affordable' market properties in their area as a result of a lack of supply. This is an important consideration in interpreting the level of housing need identified both within Stage 1 of the calculation and Stage 4.

- 7.34 In summary, of the households identified during Stage 1, a total of 494 could not afford to move in the open market to meet their housing needs.

¹⁵ Calculated through property transactions within the District, and its sub-market areas, over the period June 2009 – June 2010. Refer to Section 6 for expanded analysis.

¹⁶ Note: A 10% deposit is seen as the appropriate level for testing affordability given the increasing availability over the past 12 months of 10% mortgage offers by lenders to first-time buyers. It is anticipated that this trend will increase over the lifetime of this assessment (i.e. the next 5 years).

- 7.35 It is important to note that this analysis of the 'backlog' of households in affordable housing need represents a 'moderate' assessment, which takes into account whether households identified within Steps 1.2 – 1.4 stated within the household survey that they have a requirement to move home.
- 7.36 It is felt that the 'moderate' methodology is most appropriate for use for the purposes of this assessment given that this takes into account those households with a recognised need to move home (and therefore generate a need for a dwelling). However, it is important to note that in reality the backlog of need is likely to be even greater than that presented within this assessment if a broader definition is adopted.

Meeting Current Household Needs in Situ

- 7.37 Whilst households are identified as being in need within Stage 1 on the basis of the unsuitable housing criteria presented above, as well as the affordability test, a proportion of these households potentially could be 'brought out of' need through investment and improvements to their existing property to bring about 'in-situ solutions' or through public sector grants to provide financial or other forms of support. This action has the potential to reduce the number of households in current housing need (backlog) at Stage 1.4, by meeting a household's needs in their current home and therefore removing a requirement for a move to an affordable home.
- 7.38 In line with the current CLG SHMA Guidance (August 2007) **estimation of this proportion sits outside of the formal assessment of need**. Moreover, calculation within the formal assessment would be inappropriate as potential funding resources are currently limited as a result of national spending cuts. However, to assist the local authority in understanding the potential application of support services, an estimation of the level of households at Stage 1.4 who could be assisted by such services is presented in the following figure.

Figure 7. 3: Households in Current Need (Step 1.4 – backlog) by Unsuitability Criteria

Category	Factor	No. Households
Homeless households or insecure tenure	Accommodation too expensive	305
	Rent or mortgage payments are too high	200
	Under real threat of notice / notice of eviction/re-possession or lease ending	104
Mismatch of housing need and dwellings	Too difficult to maintain	126
	Sharing a kitchen, bathroom or WC with another household	16
	Households containing people with specific needs living in unsuitable dwelling, which cannot be made suitable in-situ	21
Dwelling amenities and condition	Lacking basic facilities - bathroom/toilet/kitchen	16
	Subject to major disrepair or unfitness	112
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move	32

Source: Primary Household Survey, 2011

- 7.39 Of the 494 households identified during Stage 1 whom could not afford to move in the open market to meet their housing needs, it is clear from the analysis presented above that many households demonstrate multiple unsuitability criteria.
- 7.40 The number of households citing that their current accommodation is unaffordable and/or that their rent or mortgage payments are too high clearly represents a major challenge within the current backlog of households in affordable housing need. The ability of households to maintain their current home also presents a considerable issue, as does the prevalence of households whose homes are subject to major disrepair or unfitness.
- 7.41 Also, older person (elderly) households represented 17% of the 494 households identified during Stage 1 whom could not afford to move in the open market to meet their housing needs. Section 9 of the North Yorkshire SHMA report looks in greater detail at the specific support needs of elderly households.

Future Need

Stage 2: Future Housing Need (Net Annual)

- 7.42 Assessing the level of newly-arising need is a critical element of ensuring that the future development and restructuring of affordable housing meets the needs of the population. Two principle categories of arising need are tested; the number of newly-

forming households unable to access open market housing, and the number of existing households falling into housing need.

Step 2.1: New Household Formation (Gross per Year)

- 7.43 The estimate of new household formation is calculated based on household formation trends from the previous two years – drawing on the results of the primary household survey. This equates to 190 households. The use of previous trends in household formation to project future formation is the preferred approach cited within the CLG Guidance.
- 7.44 It is important to recognise that this does not draw on the long-term trend based household projections explored in Section 6. Using a short-term trend based approach is considered to better represent the current and immediate (five year) future market conditions. The formation of new households is particularly sensitive to market dynamics and the current context represents a significant step change from market conditions over the preceding market cycles. It is recognised that this is likely to represent a conservative estimate, with evidence suggesting a reduced rate of household formation over the last couple of years. Greater levels of household formation of new households would be likely to further elevate levels of housing need given the propensity of these types of households to require non-market housing compared to other elements of the market.
- 7.45 It is important to highlight that several previous housing needs assessments undertaken for North Yorkshire authorities have taken an approach to considering new household formation that departs from GVA's interpretation of the latest CLG Guidance. This approach calculated new household formation based on the number of persons stating within (previous) household survey's that they expect to move home (e.g. out of their parents/friends/other relatives homes) to create a new household. This approach is therefore not based on actual moves (trend) and is based upon individual's expectations and aspirations, which may or may not result in an actual future move. As a result, this approach potentially has the result of inflating the figure for the number of new households forming, and is not seen as an appropriate approach at this juncture given the prevailing market conditions within which the research is being undertaken. There is very little evidence currently to suggest that demand trends are going to fundamentally change from the last couple of years over the short-term, with pressures on affordability and accessibility into different tenures likely to be sustained rather than substantially alleviated.

Step 2.2: New Households Unable to Buy or Rent in the Market

- 7.46 The affordability test (as set out in Step 1.4) is applied to households who stated within the household survey that they expect to move to form a new household within the next 5 years (annualised). This measures the capacity of households that expect to move to form a new household to access open market housing and is therefore based on the financial capacity of households that expect to move home in the future. This provides a good steer regarding the levels of finance available to this component of the market in the authority rather than a test of the incomes of households that have moved in the past.
- 7.47 This proportion of households is then applied to the number of new households forming, as established at Step 2.1.
- 7.48 The survey estimates that 44% of newly forming households are unable to access open market housing when subjected to the affordability test in line with the CLG Guidance. This equates to an annual estimate of future housing need arising from newly forming households of 84 dwellings.
- 7.49 Further sensitivities around this element of the analysis are considered within Section 8 of the main North Yorkshire SHMA Report.

Step 2.3: Existing Households Falling into Need

- 7.50 This step provides an estimate of the number of existing households who will fall into housing need. As with steps 2.1 and 2.2, this step of the calculation uses primary data obtained from the primary household survey. As per the CLG Guidance, this data is calculated from past household trends – utilising households who have moved home within the last three years (annualised). Households forming in their last move are excluded from the analysis at this step to avoid duplication of Step 2.1. In addition, households moving between affordable housing tenures are excluded from the analysis at this step as their move would form a transfer and result in no change in the net supply / demand of affordable stock.
- 7.51 The calculation undertaken at Stage 2 results in a gross annual future affordable housing need of 243 dwellings.

Affordable Housing Supply

Stage 3: Affordable Housing Supply

- 7.52 This stage 'balances' the demand analysis undertaken during Stages 1-2, against the available supply of existing stock, and new affordable housing stock committed for development, to meet housing needs.
- 7.53 The existing supply includes:
- Affordable dwellings currently occupied by households in need
 - Surplus affordable housing stock (e.g. vacant dwellings)
- 7.54 The future supply includes:
- Committed supply of new (additional) affordable dwellings
 - Social-rented properties coming available for re-let to new households (annualised)
 - Intermediate properties coming available for re-let to new households (annualised)
- 7.55 Affordable units to be taken out of management (i.e. removed from use) are subtracted from the existing supply position.

Step 3.1: Affordable Dwellings Occupied by Households in Need

- 7.56 This step discounts the number of households already living in affordable housing from the calculation of need, as the movement of such households from one affordable home to another (to meet their needs) will have a nil net effect on the total affordable homes needed (i.e. the affordable home vacated will be released to accommodate another household).
- 7.57 The number of dwellings currently occupied by households in need is established during Stage 1 and equates to 43 households.

Step 3.2: Surplus Stock

- 7.58 It is deemed that the level of vacant affordable housing stock that are classed as long-term vacant, and have the potential to be brought back into use, is zero.

Vacant dwellings are only void for a short time where there is a turnover in tenancy. Units to be taken out of management are accounted for separately in Step 3.4.

Step 3.3: Committed Supply of New Affordable Units

- 7.59 The committed future supply of new affordable dwellings that are to be available for letting is drawn from the local authority's HSSA (Housing Strategy Statistical Appendix) return to Government. The figure utilised is the proposed development of both local authority and RSL/HA affordable housing (for social rent) in 2011/12 and equates to 82 dwellings.

Step 3.4: Units to be Taken Out of Management

- 7.60 The number of affordable dwellings that are to be removed from the total stock available for letting is taken to be zero.

Step 3.5: Total Affordable Housing Stock Available

- 7.61 This step forms the addition of Steps 3.1 to 3.4 to ascertain the total supply of available social rented units, which can therefore be used to accommodate the current accumulated housing need as identified in Stage 1. This demonstrates that there are an estimated 125 properties to offset the current backlog of gross housing need.

Step 3.6: Future Annual Supply of Social Re-Lets (net)

- 7.62 This step calculates the annual number of social re-lets (net), which therefore only includes lettings to new tenants (to avoid double counting with the transfers counted above) and represents the annual supply of affordable housing available to meet annual future need and in addition to assist in relieving any established backlog. This is calculated from General Needs re-lets for the last available year (2009-10) drawing on the local authority's submission to CORE (the Continuous Online REcording System) and equates to 91 dwellings.

Step 3.7: Future Annual Supply of Intermediate Affordable Housing

- 7.63 Due to the limited level of available stock, the annual supply of intermediate affordable housing available for re-let or resale at sub market levels is taken from the local authority's HSSA (Housing Strategy Statistical Appendix) return. The figure utilised is the planned development of intermediate affordable housing ((shared ownership / shared equity) in 2011/12 and equates to 8 dwellings.

Step 3.8: Future Annual Supply of Affordable Housing Units

- 7.64 This step is the sum of Step 3.6 and 3.7. This therefore represents an estimate of the future annual levels of affordable stock available to meet annually generated housing need. The total future supply is estimated to be 99 dwellings.

Stage 4: Total Housing Need – A Shortfall or Surplus of Affordable Housing?

- 7.65 To calculate total housing need the estimated stock of available affordable housing is subtracted from the gross current need for affordable housing (Step 1.4 – Step 3.5). This results in a net current need or backlog of 368 dwellings.
- 7.66 Following this, the total current need figure requires conversion to an annual flow. In line with the CLG Guidance, a period of five years is assumed to address backlog need. This necessitates the backlog (Stage 1) figure being divided by five, which provides an annual flow of households requiring their housing needs to be addressed of 74 over this time period.
- 7.67 The final element of the assessment is to add the total newly arising need (per annum) to the annual flow of backlog households requiring their needs addressing (i.e. annual need) and subtract from this the future annual supply of affordable housing. **This results in a total net annual housing need of 218 dwellings over a 5 year time frame.**

Figure 7. 4: Housing Need Assessment Model

Stage 1 – Current Housing Need (Gross Backlog)		
Step	Methodology / Source	Craven
1.1 Number of Homeless households and those in temporary accommodation	Accepted as Homeless and or in temporary accommodation (31st March 2011) - Councils Provided	3
1.2 Number of Overcrowding and concealed households	Tested using 'Bedroom Standard' Households living in unsuitable housing subjected to affordability test.	491
1.3 Other Groups		
1.4 Total current housing need (gross) = 1.1 + 1.2 (+1.3)	1.1 + 1.2 (+1.3)	494

Stage 2 - Future Housing Need (Annual)		
Step	Methodology / Source	Craven
2.1 New Household formation	Household Survey (annualised trend)	190
2.2 Newly forming households in need (annualised)	Household Survey - Newly forming households unable to afford access to private sector housing	44%
2.3 Existing households falling into need	Household Survey - Existing households moving into social rented sector (last 3 years average)	159
2.4 Total newly arising need (gross per year) = (2.1 x 2.2) + 2.3	(2.1 x 2.2) + 2.3	243

Stage 3 - Affordable Housing Supply (Annual)		
Step	Methodology / Source	Craven
3.1 Affordable dwellings occupied by households in need	Figure relates to number of households identified in 1.3 which are transfers	43
3.2 Surplus Stock	Taken to be Zero - Linked to Backlog	0
3.3 Committed supply of new affordable housing	LA & RSL Social Rented HSSA (proposed 2011/12) or Councils provided	82
3.4 Units to be taken out of management	Taken to be Zero – unless Council Confirmed Programme of Sales or Demolition	0
3.5 Total affordable housing stock available = 3.1 + 3.2 + 3.3 – 3.4	3.1 + 3.2 + 3.3 - 3.4	125
3.6 Annual supply of social re-lets (last year net)	CORE Lettings Data (General Needs lettings 2009/10)(Excludes transfers) (York - Council Provided)	91

3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	HSSA (new RSL shared ownership/equity dwellings proposed 2011/12)	8
3.8 Annual supply of affordable housing = 3.6 + 3.7	3.6 + 3.7	99

Stage 4 - Total Housing Need (Net Annual)		
Total net need = 1.4 - 3.5	1.4 - 3.5	368
Annual flow (20% of total net need)	20% of total net need (Assume five year period to relieve backlog of need)	74
Net annual housing need = (2.4 + Annual flow) - 3.8	(2.4 + Annual flow) - 3.8	218

National Parks

7.68 The Craven net annual affordable housing need calculation includes a proportion of housing need derived from with the Yorkshire Dales National Park. Details of this are provided within Appendix 11.

Establishing Housing Need at the Sub-area Scale

- 7.69 Analysis of affordable housing needs at the local authority scale can disguise the spatial differences in the levels of housing needs manifested below. This section therefore considers the disaggregation of affordable housing needs across the local authorities' sub-areas.
- 7.70 The analysis replicates the stepped methodology as set out above for the local authority, in line with the DCLG SHMA Guidance and is summarised in the following figure. This presents a gross calculation of affordable housing need at the sub-area scale, as the supply of new affordable (social rented and intermediate) dwellings are not disaggregated below the local authority scale and are therefore excluded from the supply-side of analysis. As a result – simple multiplication of the sub-area calculations will not automatically equate to the District-wide net annual housing need figure.
- 7.71 In addition, a ward-level breakdown of gross affordable housing need is presented in Appendix 12.

Figure 7. 5: Sub-area Housing Need Assessment Model

Stage 1 – Current Housing Need (Gross Backlog)					
Step	Methodology / Source	High Bentham	National Park & Rural	Settle	Skipton & South Craven
1.1 Number of Homeless households and those in temporary accommodation	Accepted as Homeless and or in temporary accommodation (31st March 2011) - Councils Provided – equal distribution by sub-area modelled	1	1	1	1
1.2 Number of Overcrowding and concealed households	Tested using 'Bedroom Standard'				
1.3 Other Groups	Households living in unsuitable housing subjected to affordability test. Note: households in social housing (transfers) excluded	62	0	112	273
1.4 Total current housing need (gross) = 1.1 + 1.2 (+1.3)	1.1 + 1.2 (+1.3)	63	1	113	274

Stage 2 - Future Housing Need (Annual)					
Step	Methodology / Source	High Bentham	National Park & Rural	Settle	Skipton & South Craven
2.1 New Household formation	Household Survey - last 2 years (annualised)	24	5	35	127
2.2 Newly forming households in need (annualised)	Household Survey - Newly forming households unable to afford access to private sector housing	25%	55%	27%	50%
2.3 Existing households falling into need	3 Years Survey	0	8	31	120
2.4 Total newly arising need (gross per year) = (2.1 x 2.2) + 2.3	(2.1 x 2.2) + 2.3	6	11	41	184

Stage 3 - Affordable Housing Supply (Annual)					
Step	Methodology / Source	High Bentham	National Park & Rural	Settle	Skipton & South Craven
3.1 Affordable dwellings occupied by households in need	Figure relates to number of households identified in 1.3 which are transfers - where these have already been discounted	N/A	N/A	N/A	N/A
3.2 Surplus Stock	Taken to be Zero - Linked to Backlog				
3.3 Committed supply of new affordable housing	LA & RSL Social Rented HSSA (proposed 2011/12)				
3.4 Units to be taken out of management	Taken to be Zero - Linked to Backlog				
3.5 Total affordable housing stock available = 3.1 + 3.2 + 3.3 - 3.4	3.1 + 3.2 + 3.3 - 3.4				
3.6 Annual supply of social re-lets (last year net)	CORE Lettings Data (General Needs Housing - lettings 2009-10)(Excludes transfers)	9	4	11	67
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	HSSA (new RSL shared ownership/equity dwellings proposed 2011/12)	N/A			
3.8 Annual supply of affordable housing = 3.6 + 3.7	3.6 + 3.7	9	4	11	67

Stage 4 - Total Housing Need (Gross Annual)		High Bentham	National Park & Rural	Settle	Skipton & South Craven
Total need = 1.4 - 3.5	1.4 - 3.5	63	1	113	274
Annual flow (20% of total need)	20% of total net need (Assume five year period to relieve backlog of need)	13	0	23	55
Gross annual housing need = (2.4 + Annual flow) - 3.8	(2.4 + Annual flow) - 3.8	9	7	52	171

Intermediate Housing

- 7.72 Intermediate housing products can provide an important role in bridging the gap between social renting and owner-occupation, some of which allow households to 'staircase' towards owner-occupation by renting alongside acquiring equity in their property.
- 7.73 The CLG SHMA Guidance cites that the number of households whose needs could be met by intermediate affordable housing is likely to fluctuate, reflecting the changing relationship between market rents, social rents and incomes alongside the variance in intermediate products available. The latest iteration of PPS 3 (June 2011) provides an updated definition of affordable housing which suggests that intermediate affordable housing includes:
- Shared equity products (e.g. HomeBuy); and
 - Other low cost homes for sale and intermediate rent
- 7.74 Importantly intermediate affordable housing products do not include Affordable Rent housing which is defined as a separate sub-section of Affordable Housing and explored later in this Section. In addition the definition for intermediate affordable housing does not include homes provided by private sector bodies or provided without grant funding that does not meet the definition above, for example, 'low cost market' housing.

Affordability of Intermediate Dwellings

- 7.75 This section considers the potential role of intermediate housing in meeting affordable housing need through analysis of demand for intermediate products and the relative affordability of intermediate products utilising data from the primary household survey.
- 7.76 The primary household survey provides an understanding of the income profile of households currently in housing need. These households have been subjected to the standard affordability test, which has verified that they do not have the financial capacity to access open market housing to meet their requirements.
- 7.77 The following figure reviews what level of equity share (in an intermediate property) could be afforded by existing households in need, with the upper limit of analysis constrained by the lower quartile house price.

Figure 7 6: Proportions of Households Currently in Housing Need able to Afford Equity Shares in Intermediate Tenure Housing

Craven	
% affording equity share of:	Existing Households in Need (%)
£40,000	81%
£50,000	54%
£60,000	23%
£70,000	20%
£80,000	20%
£90,000	18%
£100,000	8%
£110,000	8%
Lower Quartile Price	£125,500

Source: 2011 Household Survey, CLG, 2011

- 7.78 This estimates that approximately 23% of households currently in affordable need could afford a 50% equity stake in an intermediate home at the lower quartile price. This broadly supports the future delivery of affordable housing to meet current need within Craven as 75% social rented and 25% intermediate dwellings. This would allow flexibility for households with lower incomes to purchase a 50% equity stake.
- 7.79 When considering a suitable proportion of intermediate tenure dwellings to be sought as an affordable housing contribution within policy, it is recommended that the economic viability of delivery is also considered in line with the requirements of PPS3. Consideration should therefore be made to the recommendations of the EVA.

The Affordable Rent Model

- 7.80 The Government's Decentralisation and Localism Bill, published in November 2010, included proposals for a new form of affordable housing model – the 'Affordable Rent' model – the objective of which is to enable Registered Providers (RPs) and Housing Associations (HA) to deliver flexible tenancies to social renting households and deliver a greater number of affordable homes.
- 7.81 In June 2011 PPS 3 was reissued to include technical definitions changes in Annex B. As noted in Section 3 this included a new separate entry under 'affordable housing' for 'affordable rented housing'. This defines this affordable housing product as:

“Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent

regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent" (PPS 3, Annex B: Definitions, June 2011)

- 7.82 In February the Homes and Communities Agency (HCA) published a Framework setting out the details of the new Affordable Homes Programme of investment, inviting Registered Providers to put forward proposals for £2.2bn of funding (out of the overall £4.5bn funding pot) for affordable housing during the 2011-15 Spending Review period. The Framework outlines the changes in affordable housing provision being introduced for 2011-15, and how this new approach will meet the Government's ambition to deliver up to 150,000 new homes over the next four years.
- 7.83 The Affordable Rent model is key to this programme – aiming to provide a more flexible form of social housing that will allow providers to charge up to 80% of market rent on properties, with the potential to increase RP/HA revenues and reduce the level of Government investment in affordable homes. As part of the new funding offer, providers will also have the flexibility to convert a proportion of their social rented homes to Affordable Rent as part of a package agreed by the HCA.
- 7.84 It will therefore be important for the Council to work with local RPs and HA's to agree the appropriate level of Affordable Rent for the local area to meet the optimum level of affordable housing need (as well as the provider's revenue priorities). The following section considers what level Affordable Rent could be capped at within the authority.

Affordability of Affordable Rent Dwellings

- 7.85 This section considers the potential role of Affordable Rent housing in meeting affordable housing need through analysis of the relative affordability of Affordable Rent products utilising data from the primary household survey and secondary sourced private rental data (as presented in section 6), and the Regulatory and Statistical Returns (RSR) survey 2010¹⁷.
- 7.86 The 2010 household survey provides an illustration of the income profile of households currently in housing need¹⁸. The following figure demonstrates the cost differentials

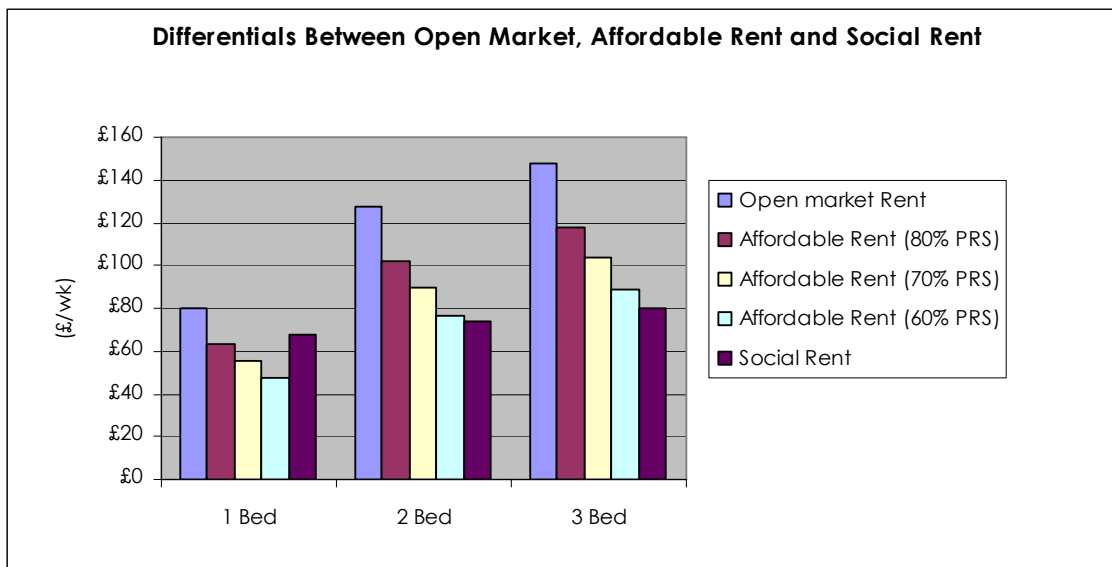
¹⁷ <https://rsr.tenantservicesauthority.org/?AspxAutoDetectCookieSupport=1>

¹⁸ As calculated at Step 1.4 of the housing needs assessment model. Note also that this analysis does not take into account the property size requirement of the household in need (i.e. Bedroom Standard), and is purely testing affordability.

between open market rent, Affordable Rent (80%, 70% and 60% of open market) and social rents¹⁹.

7.87 The analysis demonstrates that there is a negative differential in cost between the social rent and Affordable Rent tenure, charged at 60%, 70% or 80% of market rent for 1 bedroom properties in Craven. This negative differential indicates that charging at these levels would not result in a viable proposition (as it would be unlikely to appeal to tenants and would not increase returns for registered providers).

Figure 7. 7: Differentials between Open Market, Affordable Rent and Social Rent



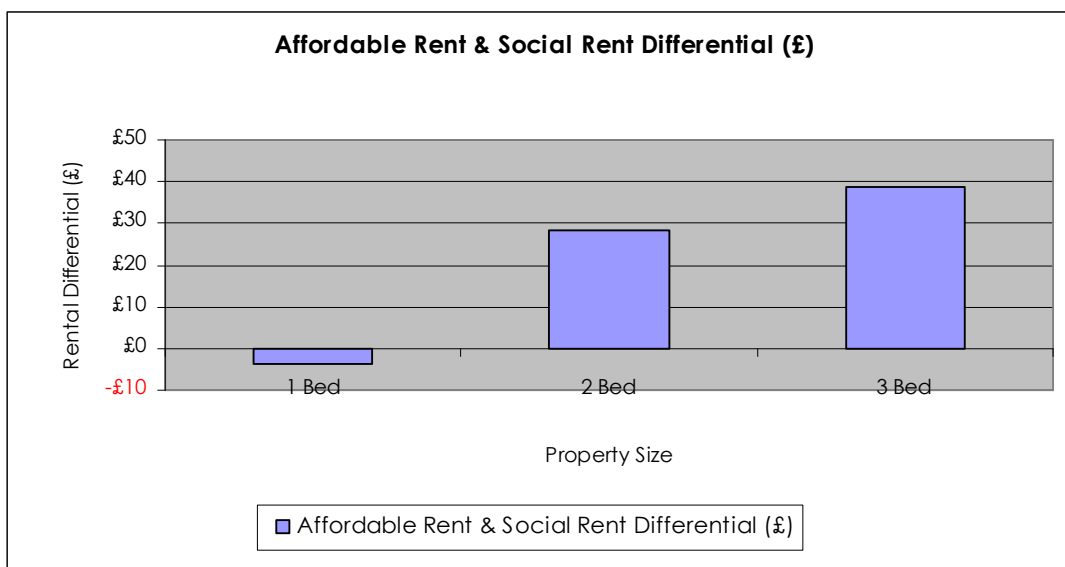
Source: Rightmove.co.uk (April 2011), RSR (2010), GVA Analysis, 2011

7.88 Greater differentials are, however, evident within the 2 bedroom and 3 bedroom stock – as dwelling size increases. Notably, Affordable Rent charged at 70% and 80% of market rent demonstrates a significant differential between the cost of a social rented home and the cost of renting privately on the open market. This suggests that there is potential for products of this cost to ‘plug’ a gap in the rental market between those who require traditional social affordable housing and those who could afford to rent on the open market.

¹⁹ The social rental prices are drawn from the RSR ‘Gross Rents’ for each property size (by bedrooms) at the local authority average (of all RP’s) from the survey.

7.89 To display this more evidently, the differential between Affordable Rent charged at 80% of the open market rent, and social rents, are presented in the following figure.

Figure 7 8: Cost Differential - Affordable Rent and Social Rent



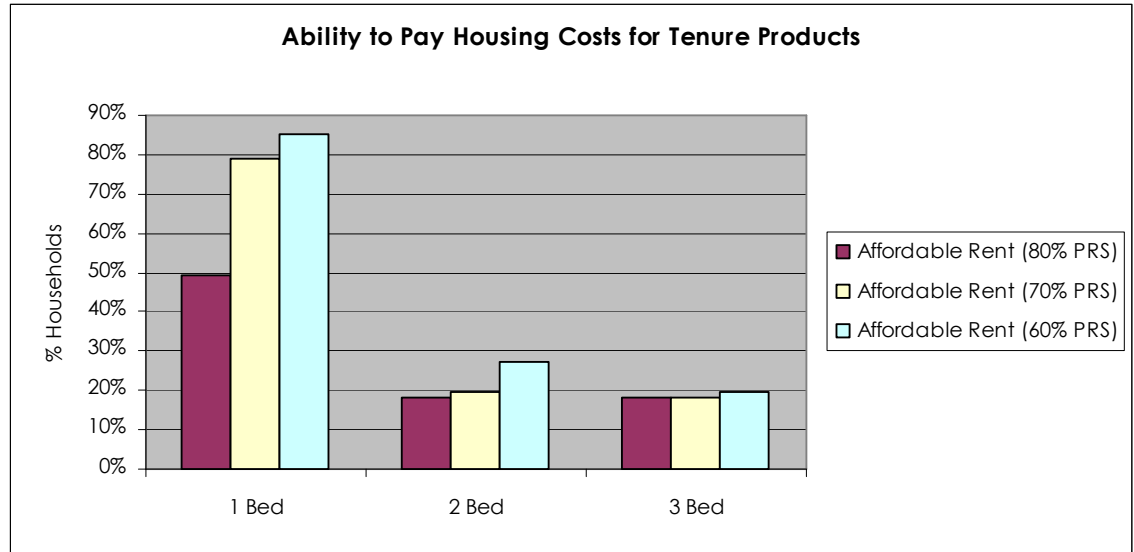
Source: Rightmove.co.uk (April 2011), RSR (2010), GVA Analysis, 2011

7.90 Figure 7.8 demonstrates that there is a -£4 differential between Affordable Rent and traditional social rent for 1 bedroom accommodation, which is likely to render it an unviable option for registered providers (as it will not provide greater rental returns). However, a positive differential is demonstrated of £28 and £39 for 2 bedroom and bedroom accommodation respectively.

7.91 To further test how Affordable Rent may be able to be priced within the local authority, analysis turns to considering the ability of households currently in need to afford Affordable Rent at 80% of market rent, and at 60% of market rent. This allows testing of both the impact of charging the 'expected' and lower Affordable Rents. The analysis is based on household expenditure on rent not exceeding 25% of total income.

7.92 The following figure illustrates the proportion of households in current need that could afford each rent level.

Figure 7. 9: Proportions of Households Currently in Housing Need able to Afford Affordable Rent Housing



Source: Rightmove.co.uk (April 2011), RSR (2010), Primary Household Survey, GVA Analysis, 2011

7.93 The analysis at 60%, 70% and 80% of market rents suggests that the affordable rent tenure, when introduced across Craven, could be a useful tenure in delivering further affordable housing and meeting some affordable housing needs:

- Approximately 50% of households in need could afford a 1 bedroom Affordable Rent home when priced at 80% of the open market rent. This is increased considerably when either 70% or 60% of open market rents are charged.
- Almost 20% of households in need could afford a 2 bedroom or 3 bedroom Affordable Rent home when priced at 80% of the open market rent. However, this increases very little when charging 60% or 70% of open market rents.
- Analysis suggests that the tenure will have a limited impact on meeting the needs of households requiring larger properties, but could be an attractive proposition for households in need requiring 1 bedroom.

7.94 Delivery of Affordable Rent properties with these rental prices is also subject to further financial considerations.

7.95 Moreover, the analysis has been undertaken at a time when the impact of amendments to Housing Benefit payments (introduced by the Government) to household incomes have not become fully clear – and the incomes reflected in the analysis will include households receiving benefits under the system pre April 2011. From April 2011 the introduction of a reduced Local Housing Allowance (LHA), benefits cap and other welfare policy amendments are likely to further decrease household incomes. This may concurrently reduce the proportion of households able to afford housing through this model.

7.96 It will be for the Council to produce a tenure strategy to address these issues. The tenure split between affordable rent, social rent and intermediate products will be addressed in future planning policies.

Need for Affordable Housing by Different Sizes of Property

7.97 Core Output 7 of the DCLG Guidance requires an estimate of the breakdown of the sizes of property required by households identified in need of affordable housing. The intention is to estimate the relative pressure on different property sizes. In particular this analysis will help to further understand how policy should be structured to assist in alleviating the current backlog of housing need and provide a profile of affordable housing which responds to the future need over the short-term.

7.98 In order to arrive at this estimate the outputs of two key datasets have been compared to produce an assessment of the proportional mis-match for each property size in terms of demand (generated by households in need) and supply (lettings of available property currently):

- Lettings data by size of property sourced from CORE lettings for 2009/10. This excludes transfers and therefore represents lettings to new households.
- Primary Household Survey data – The size requirements of households classified as in need of affordable housing, based upon the three elements identified below, have been drawn out of the responses to the primary needs survey following a similar process to assess the suitability of current housing (utilising the bedroom standard to test household bedroom requirements based on current household composition):
 - Households in current need (Stage 1 of the CLG calculation of need);
 - Newly forming households who will be in need (Stage 2); and
 - Existing households falling into need (Stage 2).

7.99 The following figure presents the number of lettings by property size across the local authority and for each sub-area.

Figure 7. 10: Absolute and Proportional Distribution of Lettings by Property Size

Re-lets to new applicant households (i.e. excluding transfers (2009/10))	Lettings by Property Size (Bedrooms)				
	1	2	3	4	5+
High Bentham	1	7	1	0	0
National Park & Rural	4	0	0	0	0
Settle	2	8	1	0	0
Skipton & South Craven	28	18	21	0	0
Craven (Total)	35	33	23	0	0
Proportion of Lettings					
High Bentham	11%	78%	11%	0%	0%
National Park & Rural	100%	0%	0%	0%	0%
Settle	18%	73%	9%	0%	0%
Skipton & South Craven	42%	27%	31%	0%	0%
Craven (Total)	38%	36%	25%	0%	0%

Source: Core Lettings (2009/10)

7.100 In terms of demand the proportional split in the property size requirements of those households classified in need (as defined above) is shown below. This includes all households in current need and therefore proportions are presented rather than absolutes, in order to avoid any assumptions around annual rate at which their needs could be accommodated.

Figure 7. 11: Proportional Split in Size of Property Required by Households in Need

Households in Need	Number of Bedrooms Required (Bedroom Standard Calculation)			
	1	2	3	4+
High Bentham	92%	8%	0%	0%
National Park & Rural	100%	0%	0%	0%
Settle	41%	56%	3%	0%
Skipton & South Craven	63%	32%	4%	0%
Craven (Total)	62%	34%	4%	0%

Source: 2011 Household Survey, 2011

- 7.101 Figure 7.11 shows demand across all property sizes, with the level of demand / need for smaller 1 and 2 bedroom properties recording the highest levels across the authority at 62% and 34% respectively. At a sub-area level there are some obvious spatial distinctions which in part reflect the existing profile of stock and households. In some areas the levels of demand recorded appear to reflect shortfalls in the current supply. For example, the proportional requirement for 1 bedroom properties is particularly high in the National Park and Rural area, as well as in High Bentham, and the proportional demand for 2 bedroom properties is elevated in Settle and Skipton.
- 7.102 The following figure balances the proportions of supply and demand against one another to identify areas of potential mis-match. A negative percentage implies a shortfall in provision. It is important to note that whilst the proportions identify shortfalls, a positive % does not necessarily mean a surplus of stock of a particular type. As the demand profile shows, and the overall calculation of need identifies, there is a substantial backlog of need across several property sizes, however, the varying pace and number of lettings of different property sizes means that there is an imbalance in the ability to address this backlog in the short-term.

Figure 7. 12: Size of Affordable Properties – Balancing the Proportion of Demand against the Proportion of Supply

The balance between households in need and lettings (proportions)	Number of Bedrooms Required (Bedroom Standard calculation)			
	1	2	3	4+
High Bentham	-81%	70%	11%	0%
National Park & Rural	0%	0%	0%	0%
Settle	-23%	17%	6%	0%
Skipton & South Craven	-22%	-5%	27%	0%
Craven (Total)	-24%	2%	22%	0%

Source: CORe Lettings (2009/10), Primary Household Survey, 2011

- 7.103 Contrasting supply and demand clearly illustrates that the greatest level of need by property size at the local authority scale is for smaller 1 bedroom dwellings, with evidence of a requirement for 2 bedroom dwellings and provides a 'check' on the demand/need figures presented in Figure 7.11. Analysis of Figure 7.12 **supports the delivery of affordable housing by size in line with the proportions set out in Figure 7.11 in order to meet housing needs going forward in the District.** This is with the caveat that it would be preferable for the need/demand for 1 and 2 bedroom properties to be met by delivery of 2 bedroom properties to most effectively meet housing needs. This would allow for future stock flexibility to changing household circumstances (e.g. start

family; carer to stay – the latter being particularly important given the ageing population within North Yorkshire and the presence of elderly people with care/support needs).

- 7.104 The shortage of smaller property types is having a disproportionate effect on the District's ability to address its backlog of housing need and to meet the needs of new households in the future.
- 7.105 Despite these District-wide conclusions it is also clear that there are sub-area discrepancies. High Bentham in particular records a shortfall in supply of 1 bedroom properties, and Skipton and South Craven records a shortfall in 2 bedroom properties, which represents a challenge if local needs are to be met.

Bringing the Evidence Together

- 7.106 This section has focussed on assessing the level of need for affordable housing over the next five years. Analysis has been undertaken using a range of data sources following the CLG Guidance process for calculating need.
- 7.107 The findings of this section directly relate to a number of the core outputs set out in the CLG Guidance. A number of key findings are however, presented below in bringing the evidence and analysis together from this section:
- The housing needs assessment indicates that Craven will be required to provide for a net annual affordable housing need of approximately 218 dwellings per annum over the next five years in order to both clear the existing waiting list backlog and meet future arising household need.
 - The analysis suggests that intermediate products could play an important role in improving housing choice and addressing an element of housing need. The potential is identified for this affordable tenure type to accommodate approximately 25% of households currently in housing need (based on their financial capacity to afford a 50% equity stake). Significantly though this tenure does not, at the moment, represent a tenure of choice as evidenced by the limited numbers of households either currently living in, or considering a move into, this tenure based on the results of the 2011 household survey. This is likely to be a function of the relative 'youth' of this product in the housing market and therefore its relatively small levels of stock across Craven and North Yorkshire more generally.

- The introduction of the Affordable Rent model, as an alternative (and addition) to traditional social housing in Craven also holds potential to accommodate households who would otherwise struggle to enter the open market. The differentials between Affordable Rent, open market rents and social rent suggest the model could form a valid 'stepping stone' between tenures for 2 and 3 bedroom accommodation, although the financial capacity of households in housing need suggests that the incomes of up to 80% of households in Craven may well be overstretched if required to reach Affordable Rent charged at 80% of the market rate for larger dwellings.
- Considering demand by property size the analysis shows the highest level of demand / need for smaller properties across Craven. The shortage of these properties is having a disproportionate effect on Craven's capability to address its backlog of housing need, and to meet the needs of new households in the future.

8. Drawing the Evidence Together – Conclusions

- 8.1 This section provides the headline findings of this individual Authority Appendix. The North Yorkshire SHMA Report provides a full concluding narrative and should be read in conjunction with the findings presented here.
- 8.2 The summary conclusions presented below are intentionally brief in order to allow easy interpretation. Findings are structured to be broadly in line with the suggested outputs in the CLG SHMA Guidance of 2007.

The Current Housing Market

Demographic and Economic Context

- 8.3 Key Findings:
- Between 2001 and 2009 Craven's population has grown by 3.9%. This growth has been predominantly driven by internal migration with the household survey showing strong links with adjacent authorities.
 - The population of Craven is ageing. Projections illustrate that younger people, 15 – 19 are projected to continue to migrate out whilst older persons plus a natural ageing of the population contribute to creating a different older population profile over the plan period.
 - The DCLG estimates that there were approximately 24,500 households within Craven, an uplift of approximately 1,800 from 2001.
 - The ONS mid-year estimates and DCLG household projections suggest that household sizes have fallen between 2001 and 2009. This reflects national wider trends and in Craven's case is exacerbated by the projected uplift in older person households which are largely made up of one and two persons.
 - Craven has historically had high levels of economic activity and low levels of unemployment. The authority demonstrates a relatively high level of containment in terms of people living and working within the authority, although there is net outflow of workers. Strong commuting links are identified with Bradford and Leeds.

- The occupation profile shows an above average proportion of professional and managerial occupations. This is translated into an income profile which shows a comparatively high proportion of high earners (11% of households earn more than £52,000). Importantly though over 60% of households earn less than £31,200.
- The Regional Economic Model forecasts that an additional 3,800 jobs will be created within the authority by 2026.

The Housing Stock

8.4 Key Findings:

- There are 26,115 properties in Craven as recorded in the 2009/10 HSSA dataset, 25,335 of which are occupied (note this suggests the DCLG household numbers may be an under-estimate). Approximately 3% of properties are classed as vacant which suggests limited capacity within the existing stock to absorb future demand.
- Over 1,300 new properties have been delivered in Craven between 2004 and 2010. Reflecting national market trends development levels have fallen since 2008 with only 87 completions recorded in 2009/10.
- A high proportion, 39%, of households are classified as under-occupying their property suggesting a significant latent capacity within the stock.
- Compared to other parts of North Yorkshire Craven has a high proportion of terraced properties, 37% compared to a North Yorkshire average. The majority of the remaining stock is split between semi-detached and detached properties with flats making up a modest proportion of the supply (8%).

The Active Market

8.5 Key Findings:

- Craven has experienced a rise in average house prices since 2001, peaking (inline with wider markets) at a high of £216,600 in 2007/08. Current average house prices stand at just under £197,000 with the National Park and Rural Craven sub area recording the highest median house price, £290,900.
- Craven's private rental sector has been historically buoyant but there is increased pressure on the available stock as a result of affordability issues. Over 60% of private renters in Craven pay in excess of £650 per calendar month.

- Benchmarking of incomes against housing costs reinforces this with a high proportion of households unable to access owner-occupation. The analysis suggest that an income of £45,600 is required to purchase a property (assuming a ceiling mortgage spend of 20% of income) compared to average household income levels across Craven of £22,100.
- In terms of household movements Craven shows a high rate of household retention. Despite the affordability issues outlined above owner occupation remains a popular aspiration with 73% of households planning to move expecting to move into this tenure.

The Future Housing Market and Housing Need

Projecting Future Demand

8.6 Key Findings:

- The authority is projected to grow significantly in terms of its population and the number of households.
- The Sub National Household Projections suggest an annual level of household growth of approximately 310 per annum. The analysis of an employment-led scenario suggest that demand may be higher if economic growth forecasts are realised.
- Under all of the modelled population projection scenarios Craven's population will age representing a challenge for the types and tenures of housing required.
- Utilising projection data and the Household Survey the analysis suggests a high demand for smaller family sized properties. In addition the projected increase in single person and couple older person households serves to suggest a sustained high demand for smaller 2-bedroom properties.

Affordable Housing Need

8.7 Key Findings:

- The housing needs assessment indicates that Craven will be required to provide for a net annual affordable housing need of approximately 218 dwellings per annum over the next five years in order to both clear the existing waiting list backlog and meet future arising household need.

- The analysis suggests that intermediate products could play an important role in improving housing choice and addressing an element of housing need.
- The introduction of the Affordable Rent model, as an alternative (and addition) to traditional social housing in Craven also holds potential to accommodate households who would otherwise struggle to enter the open market. The differentials between Affordable Rent, open market rents and social rent suggest the model could form a valid 'stepping stone' between tenures for 2 and 3 bedroom accommodation, although the financial capacity of households in housing need suggests that the incomes of up to 80% of households in Craven may well be overstretched if required to reach Affordable Rent charged at 80% of the market rate for larger dwellings.
- Considering demand by property size the analysis shows the highest level of demand / need for smaller properties across Craven. The shortage of these properties is having a disproportionate effect on Craven's capability to address its backlog of housing need, and to meet the needs of new households in the future.