

Craven

Strategic Housing Market Assessment (SHMA)

Update 2017

Craven District Council

Final Report
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Please note that in this report some of the tables include rounded figures. This can result in some column or row totals not adding up to 100 or to the anticipated row or column 'total' due to the use of rounded decimal figures. We include this description here as it covers all tables and associated textual commentary included. If tables or figures are to be used in-house then we recommend the addition of a similarly worded statement being included as a note to each table used.

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Executive summary

Introduction

The Craven Strategic Housing Market Assessment (SHMA) Update 2017 provides the latest available evidence to help to shape the future planning and housing policies of the area. The study will help inform the production of the Council's local plan and housing strategy. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the area.

The SHMA Update 2017 has used a multi-method approach:

- A review of existing (secondary) data;
- The preparation of household and dwellings forecasts;

It also considers the findings from the 2016 Update from:

- An online survey of key stakeholders; and
- Interviews with estate and letting agents.

The findings from the study provide an up-to-date, robust and defensible evidence base for policy development which conforms to the Government's National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

The Housing Market Area

Craven is positioned within two strategic Housing Market Areas: the Lancaster Housing Market Area and one extending across Craven, Bradford and Calderdale. A detailed analysis of sub-area data confirms variations in interaction with neighbouring areas, with the North sub-area interacting with the North West authorities of Lancaster and South Lakeland; the South sub-area strongly interacting with Bradford; and the Mid sub-area interacting with Bradford but to a lesser extent.

It is therefore proposed that Craven District is considered to be a Housing Market Area for the purposes of Local Planning Policy. The SHMA has regard to the fact that there are strong interactions with Bradford, both in terms of net in-migration and travel to work patterns; and also interactions with the Lancaster area, particularly the North sub-area. It is particularly important under Duty to Co-operate discussions to explore the potential impact of economic development in Craven on increasing levels of in-migration from Bradford; and the extent to which economic development within Bradford may encourage a greater number of households to move to Craven.

The current housing market

Based on 2011 Census data (24,583 households), across Craven:

- 90.8% of dwellings are houses or bungalows, of which 25.4% are detached, 28.9% are semi-detached and 36.5% are terraced; and 9.2% of dwellings are flats, maisonettes, apartments or mobile accommodation;

- 7.7% of dwellings have one bedroom, 28.6% have two bedrooms, 42.0% have three bedrooms and 21.6% have four or more bedrooms;
- 73.1% of occupied properties are owner-occupied, 17.4% are private rented (including living rent free), 9.5% are affordable (rented from a social housing provider or intermediate tenure dwellings).

It is estimated that 18.2% of dwelling stock fails to meet the minimum standard of decent homes criteria (compared with 11.9% nationally). This is based on English Housing Survey data applied to the age profile of dwelling stock in the District.

Craven is a moderately affordable district compared with some of its neighbouring local authorities, with affordability levels like those of North Yorkshire (county). Craven is more affordable than some of the other areas in the county, including Harrogate, York, Hambleton and Ryedale. In comparison, it is less affordable than areas such as Scarborough and Selby.

Around 24.0% of dwelling stock in Craven is in higher Council Tax bands and represents an 'executive housing' offer. Most of these dwellings are detached houses.

Based on the latest housing register data, there are around 325 or 1.3% of existing households in housing need. During 2015/16, 10 households were accepted as homeless and in priority need.

The relative affordability of alternative tenure options was established by reviewing prevailing house prices and rents. For open market housing, the minimum indicative income required is £23,712 for lower quartile or entry-level renting in the District. For lower quartile or entry-level house prices (owner occupation) the minimum income required is £34,714

Overall, based on 2015 house price, private rent prices and income data, it was identified that only a small minority of households on the housing register could afford open market prices or rents. More generally, households with single earners on lower quartile or median earnings would find open market prices relatively unaffordable, whilst those on average earnings would be able to afford lower quartile house prices and rents and median rents.

Objectively Assessed Housing Need

The Objectively Assessed Housing Need for Craven over the plan period 2012-2032 is established from a baseline of 141 (rebased 2014-based SNPP to take account of population change since the 2014 population projections were released), with upward adjustments to take account of longer-term migration trends to 199 dwellings each year and a headship rate adjustment taking the total to 202 dwellings each year. It is also recommended that there is a 20% uplift to the demographic requirement to take account of market signals relating to affordability. This increases the OAN by 40 dwellings each year.

The Objectively Assessed Need figure for Craven District is 242 which is slightly higher than the 214 figure in the 2016 SHMA update. This figure takes account of the need to deliver more affordable and market housing for an increasing number of households, long-term trends in migration and supports economic growth. The full objectively assessed dwelling need over the Plan Period 2012-2032 (20 years) is for up to 4,840 dwellings.

The need for all types of housing

Market housing

A range of open market dwellings needs to be developed to reflect the aspirations of households. Market aspirations would suggest a particular focus on the delivery of 2, 3 and 4+ bedroom houses; along with the delivery of bungalows and flats .

Affordable housing requirements

Affordable housing need is defined as *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'¹*. A key element of the study is to explore the scale of affordable housing need and the extent to which additional affordable housing is needed.

The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households comparing this with the supply of affordable housing (social/affordable rent and intermediate tenure dwellings). The overall net annual imbalance is calculated to be 126 affordable dwellings each year. In terms of dwelling designation and size, Table ES1 sets out the imbalance based on existing need and supply. Although there remains considerable affordable need across Craven, the reduction in the imbalance from 145 in the previous study reflects an increasing number of lettings available to households requiring affordable housing and the positive steps the Council are making to ensure that affordable housing is delivered across the District to help meet affordable housing need.

Table ES1 Summary of size/designation recommendation based on households in need who couldn't afford by bed size/designation

No. of Bedrooms	Housing Type		
	General Needs	Older Person	Total
1	30	38	68
2	37	5	42
3	15	0	15
4	1	0	1
Total	83	43	126

In terms of tenure, a split of 15%-25% intermediate tenure and 75%-85% affordable rented would be recommended. We would recommend that the Council continues to actively promote intermediate tenure options, particularly for newly-forming households.

We also recommend that this split is further explored through economic viability work and discussions with developers and registered providers, to determine the overall

¹ DCLG Planning Policy Statement 3 and DCLG *Estimating housing need* 2010

potential for such a tenure split in the light of emerging Government policy, particularly in relation to the requirement to deliver a proportion of Starter Homes as part of future developments. Regarding starter homes, there is a potential market for 154 over 5 years or 31 each year.

Overall dwelling mix

Table ES2 provides a general view on the likely overall dwelling size split based on market and affordable development assuming a 70% market and 30% affordable split based on an objectively assessed housing need of 242 dwellings each year.

Table ES2 Suggested dwelling mix by market and affordable dwellings			
Overall dwelling size mix	Market (%)	Affordable (%)	Overall (%)
1/2 Beds	18.9	87.4	39.4
3 Beds	57.3	11.8	43.7
4 Beds	23.8	0.8	16.9
Total	100.0	100.0	100.0
Base	145	97	242

Older people

A strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Craven District area aged 65 or over is projected to increase from 14,000 in 2015 to 21,000 by 2037 (a 50.0% increase)².

Over the period 2014 to 2035, there is expected to be a 45.5% increase in the requirement for older persons' specialist provision (Table ES3). However, when the current (2014) supply of accommodation is compared with change in demand to 2035, data would suggest a need to double the current level of provision for older people, particularly the provision of enhanced sheltered, and extra care provision.

² 2014-based ONS population projection

Table ES3 Older persons' dwelling requirements 2014 to 2035

Type of provision	Housing demand per 1,000 75+	Current supply	2014 Demand	2035 Demand	Change 2014 (supply) to 2035 (demand)	% change 2014-2035
Sheltered housing	125	444	838	1,538	1,094	59%
Enhanced Sheltered housing	20	31	134	246	215	85.6%
Extra Care 24/7 support	25	50	168	308	258	80.6%
Registered care	110	668	737	1,353	685	2.5%
Total	280	1,193	1,877	3,445	2,552	53.3%

Source: Housing LIN (data covers period 2014 to 2035 only)

1. Introduction

Background and objectives

- 1.1 This Strategic Housing Market Assessment (SHMA) Update for Craven District Council (the Council) has been commissioned to provide an up-to-date evidence base to help shape the future planning and housing policies and strategies for the area.
- 1.2 The SHMA Update satisfies the requirements of the National Planning Policy Framework (NPPF, March 2012) and National Planning Practice Guidance (NPPG), *Housing and economic development needs assessments* (last updated February 2016), which replace previous guidance including the DCLG Strategic Housing Market Assessment Guidance (Version 2, 2007).
- 1.3 The SHMA Update includes a review of the Housing Market Area definition, Objectively Assessed Housing Need, Housing Market Signals and Duty to Co-operate matters. The SHMA Update takes into account latest legislative requirements and updated population and employment data.

National Planning Policy Framework (NPPF), National Planning Practice Guidance (NPPG) and other requirements

- 1.4 The NPPF and NPPG, *Housing and economic development needs assessments*, provide the planning policy context for this SHMA. The key sections which need to be taken into account in the SHMA are now summarised.
- 1.5 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
 - Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 1.6 NPPG (paragraph 2) sets out that “the primary objective of identifying need is to identify the future quantity of housing needed, including a breakdown by type, tenure, and size.”

- 1.7 NPPG (paragraph 8) states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.
- 1.8 Paragraph 47 of the NPPF makes it clear that local planning authorities should *"use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing"*. The SHMA will provide robust evidence to help the Council *"plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community"* and should *"identify the size, type tenure and range of housing that is required in particular locations, reflecting local demand"* (NPPF para 50).
- 1.9 NPPF para 173 also states that that in order to ensure both viability and the deliverability of development, careful attention to viability and costs in plan-making and decision-taking is required.
- 1.10 Moreover, the NPPF and the Localism Act 2011 both introduced the Duty to Co-operate as a replacement for Regional Spatial Strategy (RSS). Section 110 of the Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the Council will have to ensure that they are legally compliant with the Localism Act at Examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities. It also means collaborating on the evidence critical to understanding the needs of your area, and the wider economic and housing market areas, including through the preparation of a strategic housing market assessment.
- 1.11 The Housing and Planning Act 2016 has now put in place the legislative structure for the provision of Starter Homes, one of the Government's key policies to help younger households access owner-occupation. Whilst it is subject to further consultation and secondary legislation, the principle is clearly established that forthcoming housing developments will be expected to provide a proportion of Starter Homes, made available to eligible households at a 20% discount from market price up to a maximum house price of £250,000 outside of London and £450,000 within London. In many cases, the provision of Starter Homes will be made in lieu of providing on-site affordable housing, and will therefore have an impact on the ongoing provision of 'traditional' affordable housing (social/affordable rent and intermediate tenures) through the planning system.
- 1.12 Technical Appendix F provides a checklist of how the SHMA satisfies the requirements of the National Planning Policy Framework and National Planning Practice Guidance.

Definitions

- 1.13 NPPG (paragraph 3) defines need for housing as, “...*the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand.*”
- 1.14 For the purposes of this study, the term housing need refers to, “*the housing that households are willing and able to buy or rent, either from their own resources or with assistance from the state*”³.
- 1.15 Definitions relating to affordable housing have been revised in the National Planning Policy Framework (March 2012):
- **Affordable Housing:** Social Rented, Affordable Rented and Intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
 - **Social Rented** housing is owned by local authorities and private Registered Providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.
 - **Affordable Rented** housing is let by local authorities or private Registered Providers of social housing to households who are eligible for Social Rented housing. Affordable rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
 - **Intermediate housing** is homes for sale and rent provided at a cost above Social rent, but below market levels subject to the criteria in the Affordable housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and Intermediate rent, but not Affordable Rented housing.
 - Homes that do not meet the above definition of affordable housing, such as “*low cost market*” housing, may not be considered as affordable housing for planning.
- 1.16 These definitions of affordable housing are correct at the time of publication of this report (mid-2017), although revisions to the NPPF are anticipated in early 2018. Additionally, councils are required to provide **Starter Homes** under the provisions of the Housing and Planning Act 2016⁴. The NPPF (2012) outlined the key characteristics of Starter Homes⁵ and the Housing and Planning Act

³ Planning Advisory Service *Objectively Assessed Need and Housing Targets* Technical Advice Note June 2014

⁴ The Government consulted on proposals to change the NPPF (December 2015) including the definitions of affordable housing

⁵ National Planning Policy Framework, paragraph 002, Reference ID 55-002-20150318

2016 officially introduced Starter Homes into legislation, defined in Section 2 of the Act as:

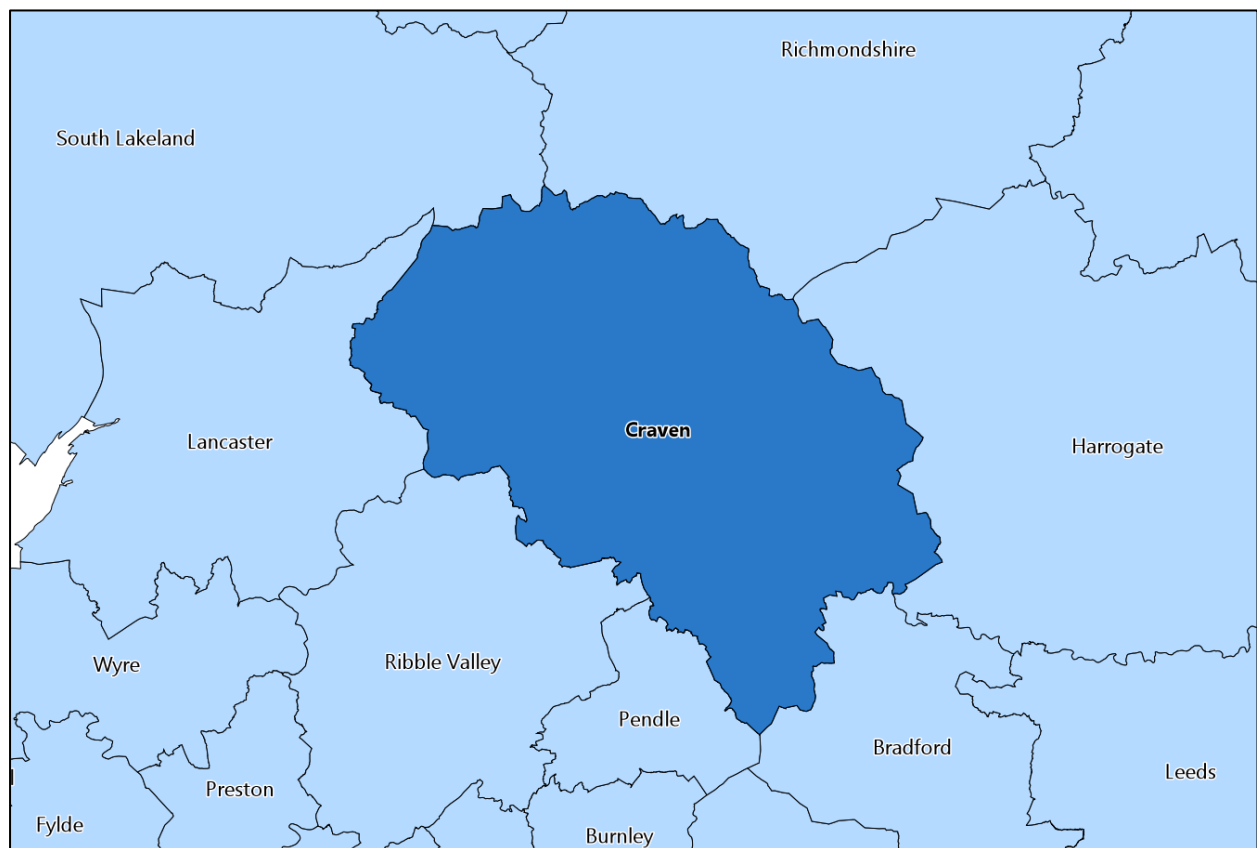
- new dwellings available for purchase by 'qualifying first-time buyers' only; these are defined as people who don't already own a home and who are aged 23-40; and
- to be sold at a discount of at least 20% of their market value, and always for less than the price cap (currently set to £450,000 in Greater London; £250,000 outside London).

- 1.17 The DCLG have recently consulted on a proposed standardised methodology for assessing housing need and which is due for publication in early 2018 along with revisions to NPPF.

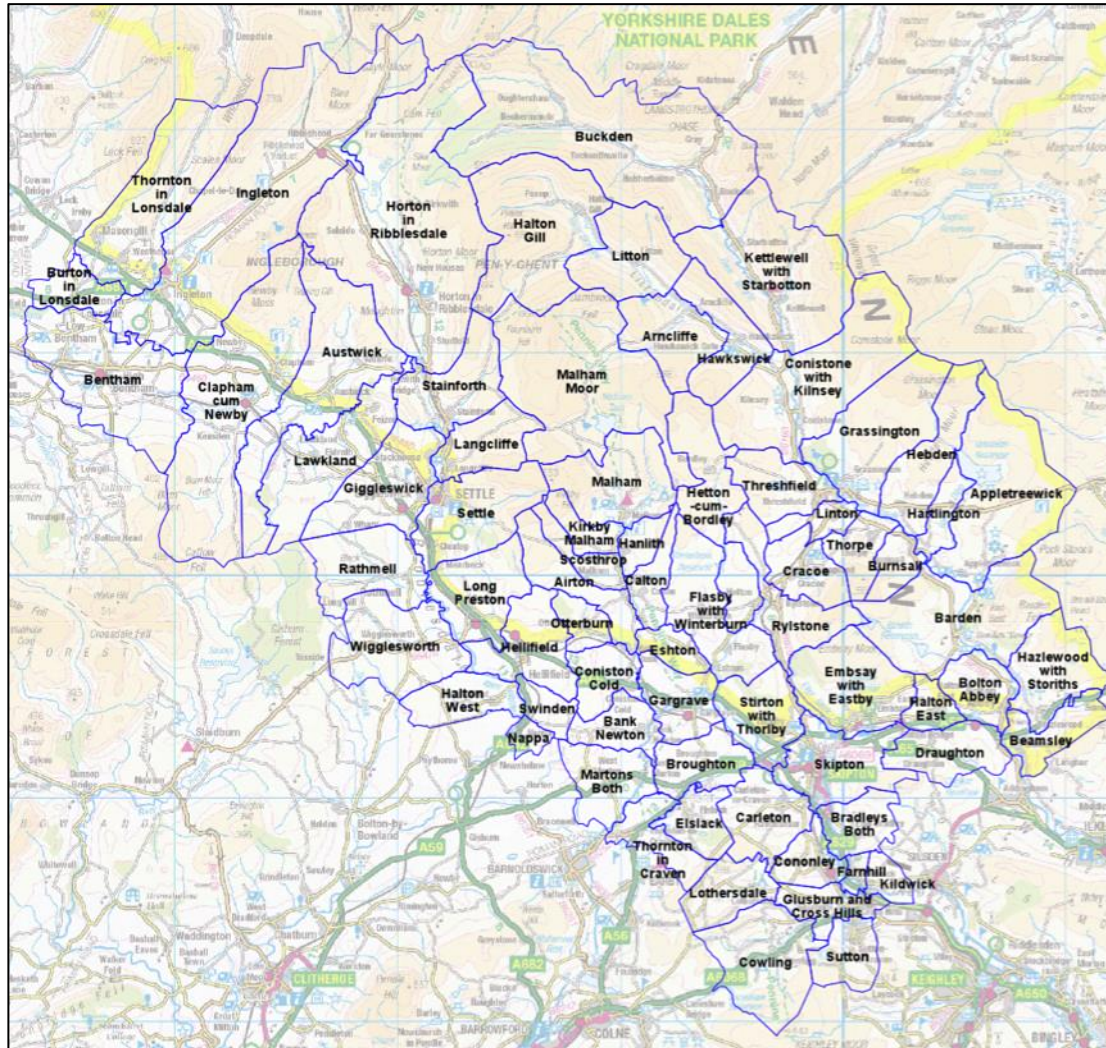
Geography

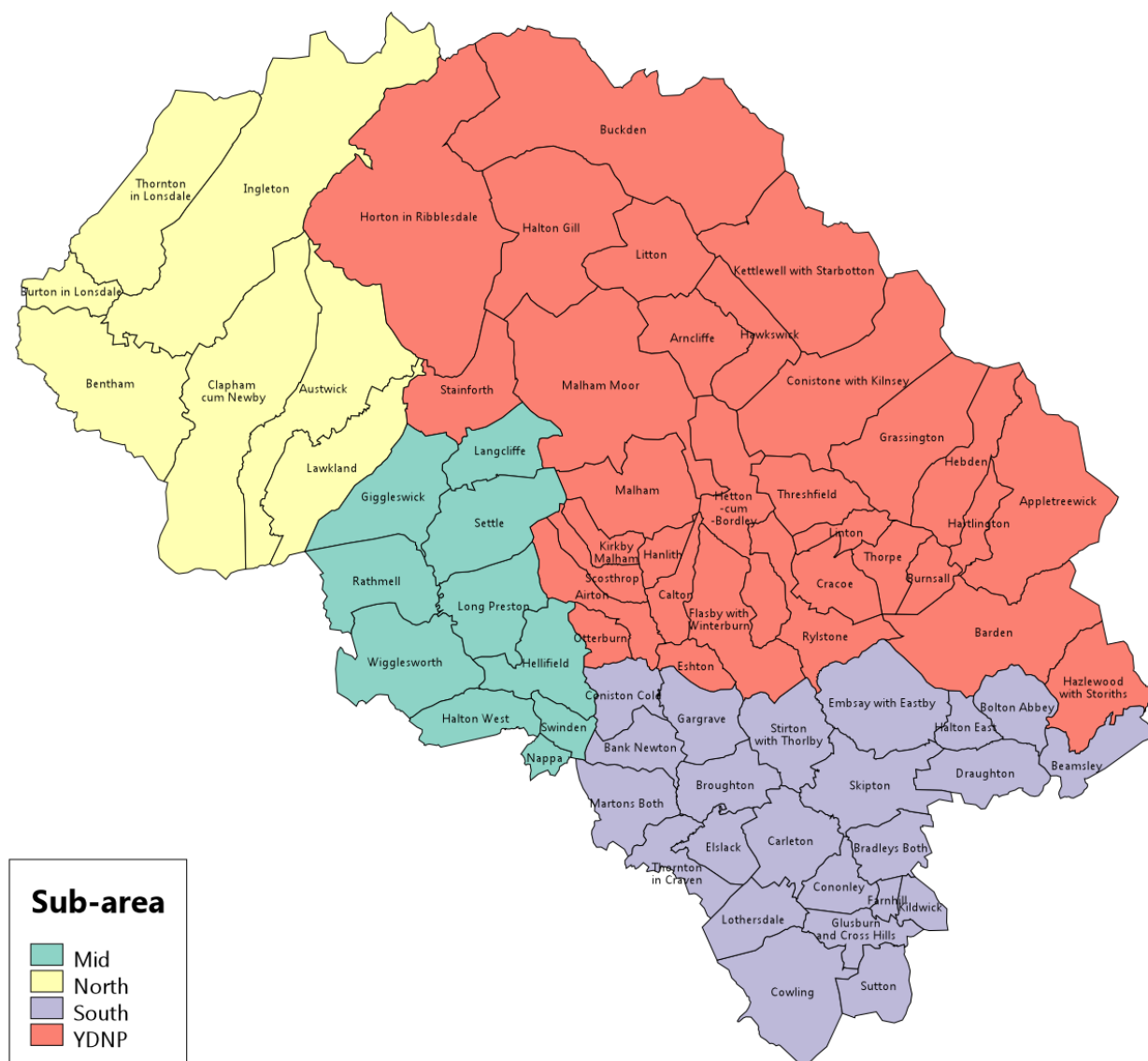
- 1.18 Map 1.1 illustrates the geographical context of Craven District and its neighbouring authorities.
- 1.19 Craven is a district authority located within the County of North Yorkshire in Yorkshire and the Humber region. It is bounded to the east by the Yorkshire districts of Richmondshire, Harrogate, Bradford and Pendle. To the west, the District is bordered by Ribbles Valley, Lancaster and South Lakeland.
- 1.20 The main population centre is Skipton and there are a series of smaller settlements, many of whom straddle the A65 which runs through the District. The northern part of Craven District is located in the Yorkshire Dales National Park.
- 1.21 The resident population of Craven is 55,900⁶.

⁶ ONS 2014-based Sub-national population projection for 2016

Map 1.1 Craven context map

1.22 Map 1.2 shows the geographical context of the parishes within the District, and Map 1.3 shows the four sub-areas of Mid, North, South and the Yorkshire Dales National Park and their constituent parishes.

Map 1.2 Craven parishes

Map 1.3 Craven sub-areas and constituent parishes

Research methodology

- 1.23 Regarding the overall methodological approach to assessing housing need, NPPG (paragraph 5) states that, *‘there is no one methodology approach or use of a particular dataset(s) that will provide a definitive assessment of development need. But the use of this standard methodology set out in this guidance is strongly recommended because it will ensure that the assessment findings are transparently prepared. Local planning authorities may consider departing from the methodology, but they should explain why their particular local circumstances have led them to adopt a different approach where this is the case. The assessment should be thorough but proportionate, building where possible on existing information sources outlined within the guidance.’*
- 1.24 NPPG (paragraph 14) comments that, *‘establishing future need for housing is not an exact science. No single approach will provide a definitive answer. Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (eg Census, national surveys) to inform their assessment which are identified within the guidance.’*
- 1.25 To deliver the SHMA Update 2017, a multi-method approach was adopted, which comprised:
- A review of relevant secondary data including the 2011 Census, house price data, private rental data, Housing Association CORE lettings data, CLG Statistics and Housing Register information;
 - A consideration of research by Edge Analytics⁷ regarding objectively assessed housing need;
- 1.26 The SHMA Update 2017 also considers the findings of work carried out as part of the SHMA Update 2016, namely:
- An online survey of key stakeholders including Local Housing and Planning Authority representatives, Registered Social Landlords (RSLs), Estate Agents, Lettings Agents, Developers and Supporting People representatives; and
 - Interviews with estate and letting agents.
- 1.27 Further information on the research methodology is presented at Appendix A.

Report structure

- 1.28 The Craven SHMA Update 2017 report is structured as follows:
- Chapter 2 reviews the national and regional policy context within which the research needs to be positioned;
 - Chapter 3 considers the definition of the Housing Market Area for Craven;

⁷ Edge Analytics, *Craven Demographic Forecasting Update* August 2016

- Chapter 4 presents a review of the Craven housing market;
 - Chapter 5 presents a review of housing market signals;
 - Chapter 6 considers the Objectively Assessed Housing Need;
 - Chapter 7 considers the need for all types of housing and includes an analysis of overall type/size mix, affordable housing need and overall tenure mix and the needs of different groups including older people; and
 - Chapter 8 concludes the report with a summary of findings and a consideration of strategic issues.
- 1.29 The report includes technical appendices, which provides detailed material that underpins the core outputs of the SHMA. The technical appendix material includes:
- Research methodology (Appendix A);
 - Policy review (Appendix B);
 - Affordable housing need calculations (Appendix C);
 - Reviewing the future profile of dwelling stock (Appendix D);
 - Monitoring and updating (Appendix E); and
 - Conformity to NPPF and NPPG checklist (Appendix F).

2. Policy and strategic review

National policy

- 2.1 The purpose of this chapter is to set out the policy and strategic context for housing delivery in Craven.
- 2.2 Under the previous Coalition Government, the five years 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity and an economic policy of deficit reduction and public spending cuts. These reforms championed localism, decentralisation and economic growth.
- 2.3 Since the election of a majority Conservative Government in May 2015 further welfare reforms have been accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice. The recent passing of the Housing and Planning Act 2016 has put in place the legislation for some of the Government's key policies, including Starter Homes, restrictions on lifetime tenancies and 'Pay to Stay'.
- 2.4 The outcome of the EU referendum in June 2016 and subsequent leadership changes within Government will clearly have an impact on the further evolution of economic, planning and housing policies in England, in addition to the market uncertainties that have resulted.
- 2.5 A detailed national policy review is presented at Appendix B.

Local strategic priorities

- 2.6 In the absence of regional planning bodies and their associated strategies and targets, local strategies and plans have become increasingly important. The need for Local Plans and Housing Strategies to have evidence-based priorities, and demonstrate how they support economic growth and reflect the economic priorities of the Local Enterprise Partnership (LEP), is increasingly important.

Local Enterprise Partnership

- 2.1 The Local Growth White Paper (October 2010) set out the Government's vision for empowering locally-driven economic growth, encouraging business investment and promoting economic development. The paper highlighted a series of measures aimed at stimulating growth including the Regional Growth Fund.
- 2.2 Local enterprise partnerships (LEPs) are partnerships between local authorities and businesses. They decide what the priorities should be for investment in roads, buildings and facilities in the relevant area. The Homes and Communities Agency (HCA) is supporting LEPs that identify housing, land and regeneration as growth priorities.
- 2.3 Craven is located in two LEP areas: the Leeds City Region LEP and the York, North Yorkshire and East Riding Local Enterprise Partnership; it also part of the Leeds City Region LEP. The LEP's vision is *"to make York, North Yorkshire*

and East Riding the place in England to grow a small business, combining a quality business location with a great quality of life”.

2.4 The LEP has identified five key priorities:

- Supporting growing businesses by coordinating existing business support;
- Growing our specialist sector ‘the Bioeconomy’ by investing funding to create and grow key assets;
- Creating a skilled workforce and inspired people;
- Infrastructure investments to unlock key housing and employment sites which will create successful and distinctive places; and
- Investing in rail, road and broadband infrastructure to ensure we have a well-connected economy.

2.5 The Strategic Economic Plan (SEP) Update 2016 identifies some of the opportunities and challenges that the LEP area faces. One of the challenges identified is affordability of housing, coupled with a lack of local plans and low house building rates in some areas (page 13).

2.6 The SEP Update 2016 sets out 22 focus points, which sit within the five key priorities. Focus #14 states as follows:

“#14 Unlock the housing growth the area needs

Without action, the area could easily become an economy characterised by high living costs, low wages and an ageing population. Central to this is providing sufficient housing to enable a market which is within the means of our current and future working age population. To do this we will:

- *Ensure all local authorities have up to date local plans.*
- *Take a more collaborative approach to planning across local plan areas, including adoption of a regional Strategic Plan.*
- *Work with the Homes and Communities Agency to address market failures on major sites.*
- *Remove infrastructure barriers, and underlying issues e.g. skills shortage, preventing local plan housing allocations being fully delivered.*
- *Support the viable delivery of affordable housing.”*

Craven District strategies and plans

2.7 The Current Craven (outside the Yorkshire Dales National Park) Local Plan was adopted in July 1999.

2.8 The Council is in the process of developing a new Local Plan. Following community engagement in 2013, a consultation on a first informal draft of the new Local Plan took place in late 2014.

2.9 Work during 2015 included a focus on the Spatial Strategy and analysis of evidence relating to the objectively assessed need for housing (OAN). In December 2015, The Council agreed an OAN of 290 dwellings per year (on average, for the whole district, including the national park) and approved a

housing target of 256 dwellings per year, on average, which would provide 5,120 new homes over a 20-year plan period running from 2012 to 2032.

- 2.10 Consultation on a second informal (pre-publication) draft of the Local Plan took place in April and May 2016. A final Pre-Publication Draft Local Plan was the subject of consultation during June and July 2017 which included a proposed housing requirement of 214 dwellings per year based on the evidence provided at the time. This SHMA Update now provides the basis for the Council's consideration of the housing requirement for the Publication Draft Local Plan.

Concluding comments

- 2.11 The Government's legislative programme is prioritising measures to increase access to home ownership, further reduce welfare spending, control immigration and assist devolution to cities.
- 2.12 The importance of having robust and up-to-date information to help inform decision making at local authority level is evermore essential. In a challenging economic climate; this SHMA Update provides the Council with an excellent range of material to inform policy debate and the Local Plan process, help influence strategic responses, and shape local and sub-regional strategic housing priorities to inform future investment decisions.

3. Defining the Housing Market Area

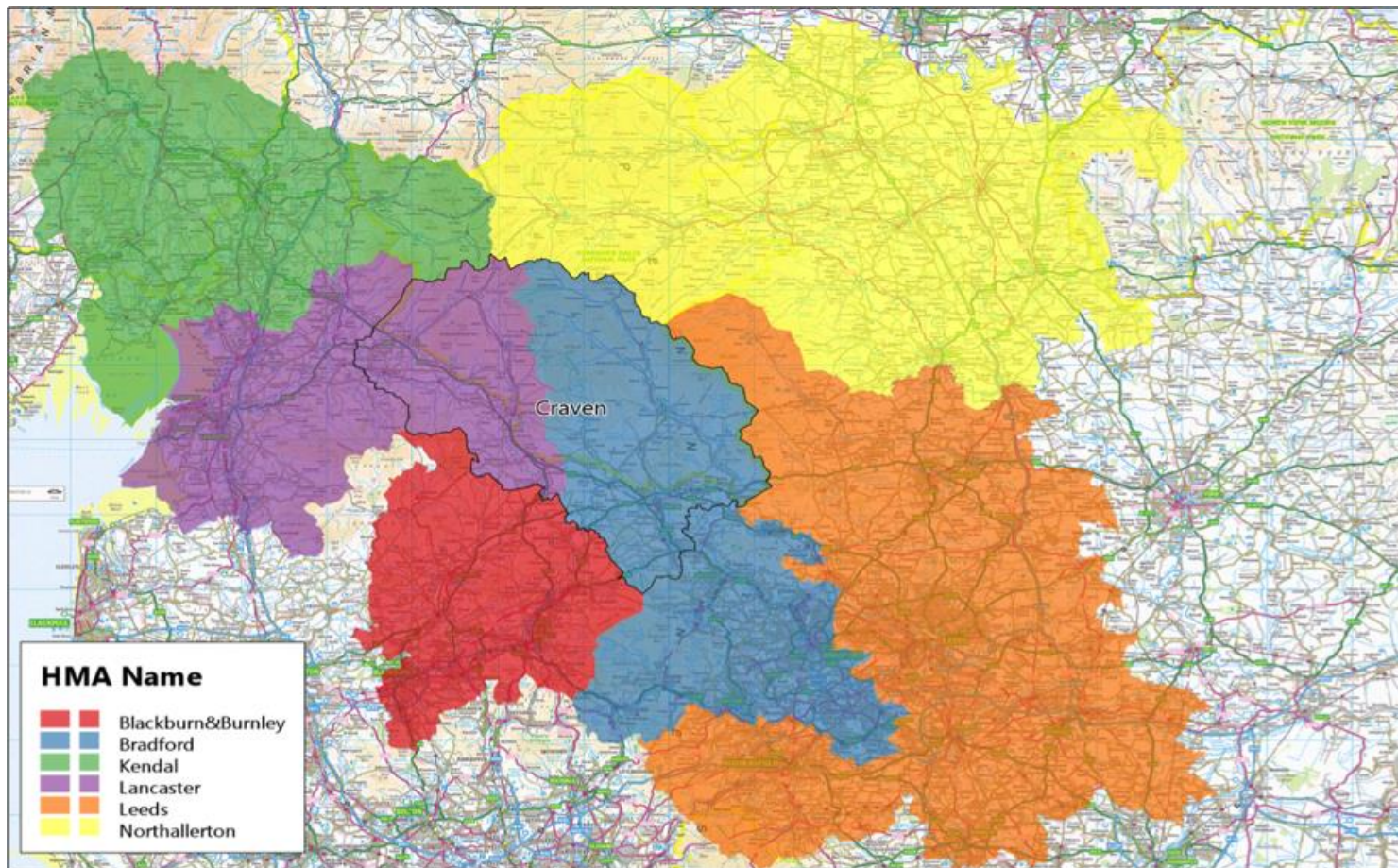
Introduction

- 3.1 National Planning Practice Guidance (NPPG), *Housing and economic development needs assessments*, paragraph 8 states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area.
- 3.2 NPPG paragraph 10 defines a Housing Market Area as, “a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap”.
- 3.3 NPPG paragraph 11 suggests that Housing Market Areas can be broadly defined by using three different sources of information as follows:
- House prices and rates of change in house prices;
 - Household migration and search patterns; and
 - Contextual data (for example travel to work area boundaries, retail and school catchment areas).
- 3.4 In line with NPPG, this SHMA Update reviews relevant data to establish the extent of the Craven Housing Market Area. Firstly, this chapter considers existing analysis on housing market areas, and then analyses house price, migration and commuting data.

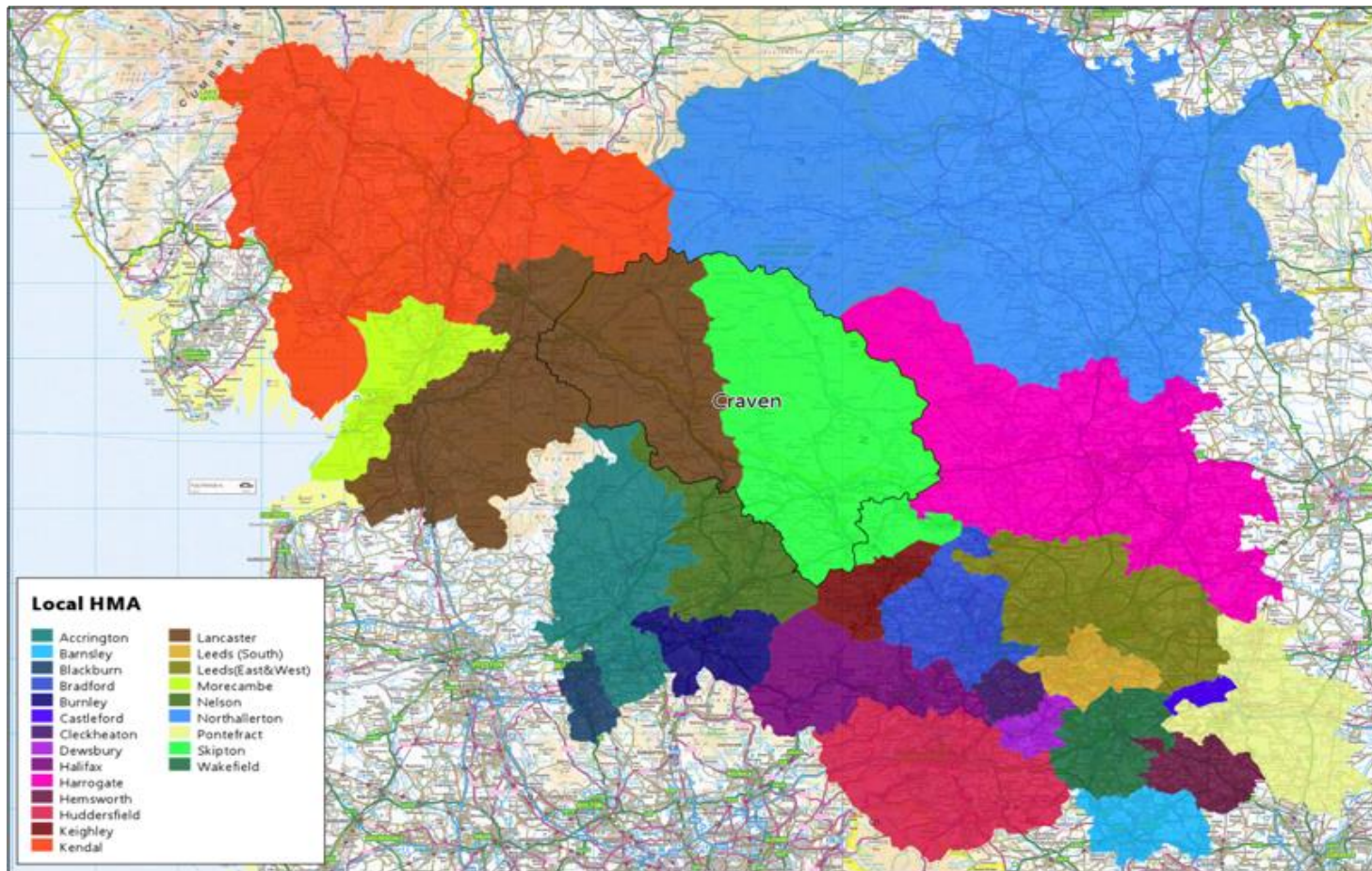
The Geography of Housing Market Areas

- 3.5 In 2010, the DCLG published the Geography of Housing Market areas which was commissioned by the National Housing and Planning Advice Unit (NHPAU). This national study was undertaken by a multi-university team and sought to construct a consistent geography of housing market areas for England. This research viewed housing markets as a layered system characterised as:
- Strategic framework housing market areas defined by long distance commuting flows and the long-term spatial framework within which housing markets operate (based on 77.5% commuting self-containment);
 - Local housing market areas defined by migration patterns (based on 50% migration self-containment); and
 - Sub-markets defined in terms of neighbourhood and/or house type price premiums.
- 3.6 This work therefore suggests that there are two principal ‘layers’ of housing markets: wider strategic functional housing markets which tend to be multi-district and smaller local housing market areas. The research produced the first theoretically-based and rigorously-defended housing market area boundaries for England, drawing upon commuting, migration and house price data.

- 3.7 The key outputs from the research were sets of 'gold standard' strategic and local housing market area definitions. They were termed 'gold standard' because their boundaries are defined to the maximum possible level, being based on ward-level migration and commuting data from the 2001 Census. A set of single tier HMAs were also devised based on a 72.5% commuting and 55% migration self-containment. 'Silver standard' outputs have also been prepared which are based on local authority boundaries.
- 3.8 The 'gold standard' analysis suggests that Craven District is split across two strategic framework HMAs: with the North and Mid sub-areas located within a Lancaster strategic HMA; and the South sub-area located within a strategic HMA that extends into Bradford and Calderdale (Map 3.1). Local Housing Market Area analysis identifies a Skipton market (which also extends into Wharfedale in Bradford District) in which the Mid and South sub-areas are located; and a Lancaster market in which the North sub-area is located (Map 3.2).

Map 3.1 Strategic housing market areas

Source: Geography of Housing Markets, NHPAU 2010

Map 3.2 Local housing market areas

Source: Geography of Housing Markets, NHPAU 2010

House prices and rates of change in house prices

3.9 NPPG paragraph 11 states that,

‘Housing market areas can be identified by assessing patterns in the relationship between housing demand and supply across different locations. This analysis uses house prices to provide a ‘market-based’ reflection of housing market area boundaries. It enables the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market ‘hotspots’, low demand areas and volatility.’

3.10 Figure 3.1 shows how the median house price in Craven has changed over the period 2000 to 2016, compared with Yorkshire and the Humber and England.

3.11 Since 2000, the median house price in Craven has increased significantly. It has generally tracked close to the national median price, with a rapid period of increase between 2000 and 2007, followed by slight declines in 2009 and 2013 followed by an upward price trajectory since 2013.

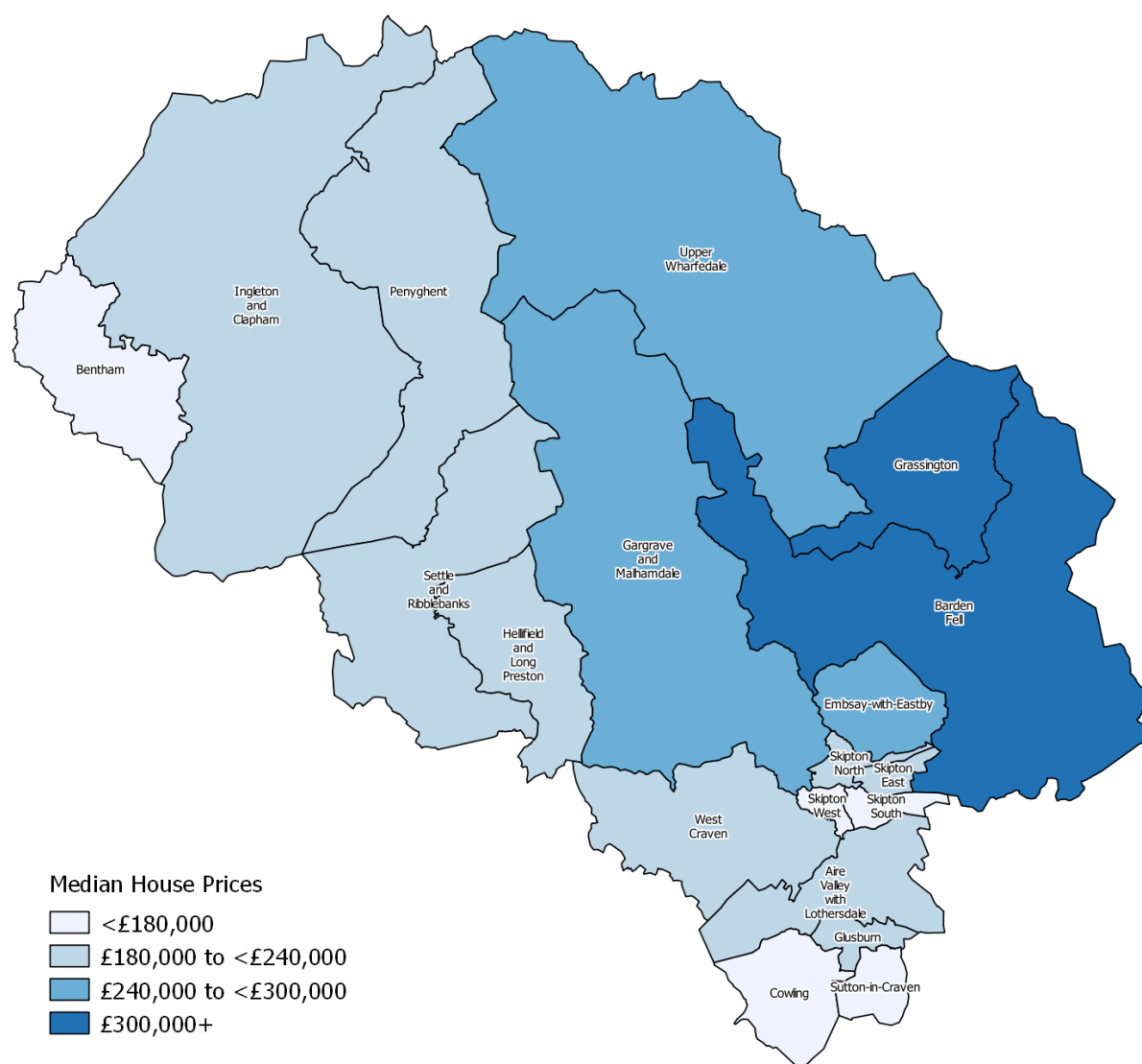
3.12 Overall, the median house price in Craven has increased from £70,000 in 2000 to £189,475 in 2016, an increase of 170.7%. The median house price in Craven rose to a peak of £180,000 in 2007; it then dropped slightly before rising to a high of £182,000 in 2010 and since 2013 prices have been increasing at around 4% each year.

3.13 The lower quartile house price in Craven has increased from £49,500 in 2000 to £140,000 during 2016, an increase of 182.8%.

3.14 The distribution of house prices based on median price in Craven during 2016 is illustrated in Map 3.3 and indicates relatively lower prices in the south and west of the District and higher prices in the east and north. The highest median house prices were in Grassington and Barden Fell.

Figure 3.1 Median house price trends 2005 to 2016: Craven, Yorkshire and the Humber and England

Source: Data produced by Land Registry © Crown copyright 2016

Map 3.3 Median house prices 2016 by ward

Source: Data produced by Land Registry © Crown copyright 2017

Migration and self-containment

- 3.15 In relation to migration, PPG paragraph 11 states:

‘Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (e.g. those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools.’

- 3.16 That said, previous CLG guidance recognised that ‘rural areas typically have less locally self-contained migration patterns, reflecting the influence of long-distance movers who are opting for lifestyle change or retirement’⁸

- 3.17 Data reported in the 2011 Census provides evidence from which the degree of self-containment of Craven can be derived. PAS guidance recommends that migration data are tested against the PPG criterion for self-containment, that at least 70% of all migration excluding long-distance migration should be contained within the HMA. A suitable test are two migration containment ratios:

Supply side (origin): moves within the area divided by all moves whose origin is in the area, excluding long-distance moves

Demand side (destination): moves within the area divided by all moves whose destination is in the area, excluding long-distance migration

- 3.18 Table 3.1 presents relevant data for Craven and Table 3.2 summaries the containment ratios derived from the data. Table 3.1 illustrates that 53.7% of all residents moving in the year preceding the Census originated from within Craven. Table 3.4 also summarises the origins of moving residents based on 2011 Census data. Of the 5,039 moving residents, 52.7% originated in Craven, 13.7% from Bradford, 11.1% from elsewhere in Yorkshire and the Humber, 4.3% from Lancaster and Pendle, 7.9% from elsewhere in the North West and North East and 10.4% from elsewhere in the UK.
- 3.19 Table 3.2 summaries the containment ratios that apply to the origin and destination of moving residents. In line with PPG guidance, this excludes long-distance migration (which is taken as moves from outside the three Northern regions of the North East, North West and Yorkshire and the Humber). The origin containment ratio is 58.8% and the destination is 60.7%.
- 3.20 In common with many rural districts, the level of containment in Craven is lower than the 70% CLG threshold but this reflects the complexity of the Craven housing market area that was evidenced in the NHPAU research. If moves to/from Bradford are included, the origin containment increases to 74.1% and destination containment to 72.3%. By including interactions with Lancaster and

⁸ DCLG Advice Note: Identifying sub-regional housing market areas 2007

Pendle, the containment ratios increase further to 78.8% origin and 77.8% destination containment. This evidence clearly establishes the interactions with neighbouring areas that result in the 70% containment threshold being achieved.

Table 3.1 Flows of residents (all moves)

Origin/ Destination	Supply Side (Origin)			Demand Side (Destination)		
	All Moves		Excluding Long Distance Moves	All Moves		Excluding Long Distance Moves
	Number	%	%	Number	%	%
Craven	2,654	52.7	58.8	2,654	53.7	60.7
Bradford	690	13.7	15.3	508	10.3	11.6
Elsewhere Y&H	557	11.1	12.3	558	11.3	12.8
Lancaster	80	1.6	1.8	84	1.7	1.9
Pendle	136	2.7	3.0	154	3.1	3.5
Elsewhere NW/NE	398	7.9	8.8	412	8.3	9.4
Elsewhere UK	524	10.4		574	11.6	
TOTAL	5,039	100.0	100.0	4,944	100.0	100.0
Base (excluding long-distance moves)			4,515			4,370

Source: 2011 Census

Table 3.2 Containment ratios

Origin	Moves within the area	Moves originating in the area	Containment Ratio
	2,654	4,515	58.8%
Destination	Moves within the area	Moves whose destination is in the area	Containment Ratio
	2,654	4,370	60.7%

Source: 2011 Census

3.21 Given this degree of containment once moves between neighbouring areas are taken into account, it is worth considering how interactions with Craven are perceived by these authorities:

- Bradford, which is the District with the strongest degree of interaction with Craven. Bradford is a largely self-contained housing market area, with over 76% of moves made within the area, but with functional links with adjoining

housing markets, including Leeds⁹. Bradford district is therefore an appropriate housing market area for the purposes of planning policy, although interactions with other areas are recognised (although Craven is not specifically mentioned);

- Lancaster is a largely self-contained housing market with housing demand largely generated by existing residents. There is limited interaction with neighbouring areas with most movements confined to existing households. The Ecotec Housing Market Areas in the North West Report confirms the status of Lancaster District as a single housing market.¹⁰ This clearly positions Lancaster as a self-contained market area.
- Pendle identifies strongest links with Burnley, with whom it shares a housing market area. It also has strong links with the authorities in Yorkshire. Prior to 1974 the northern part of Pendle around Barnoldswick and Earby was part of Craven and governed by North Yorkshire.¹¹ Although interactions with Craven are recognised, Pendle is positioned within a Pendle/Burnley Housing Market Area.

3.22 Therefore, all of the neighbouring areas are established housing market areas in their own right. Although interactions with other areas are recognised, from the perspective of these local authorities, there is no requirement to include Craven as part of their respective housing market areas. The logical conclusion is therefore that Craven has to be considered as a housing market area in its own right and for the purposes of planning policy.

Commuting patterns

3.23 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Craven travel to other areas, together with details of how many people commute into the District area. Table 3.3 presents this data and indicates that 66.7% of people who live in Craven work in Craven; and 67.5% of workers in Craven live in the district.

⁹ Bradford Core Strategy Inspectors Report August 2016

¹⁰ Lancaster Core Strategy 2003-2021

¹¹ Pendle Core Strategy Publication report 2012

Table 3.3 Craven 2011 census commuting flows: workers (aged 16-74)			
Where do people who live in Craven work?			
Live	Work	Number	%
Craven	Craven	18412	66.7
	Bradford	3953	14.3
	Leeds	1081	3.9
	Pendle	593	2.1
	Lancaster	516	1.9
	Other	3045	11.0
Workers		27600	100.0
Where to people who work in Craven live?			
Live	Work	Number	%
Craven	Craven	18412	67.5
Bradford		4259	15.6
Pendle		1710	6.3
Other		2913	10.7
Jobs		27294	100.0

Source 2011 census and Edge Analytics Table 2

- 3.24 In terms of defining market areas, NPPG does not suggest an appropriate self-containment figure. However, the ONS provides a definition of Travel to Work areas as:

*'The current criterion for defining TTWs is that generally at least 75% of an area's resident workforce in the area and at least 75% of the people who work in the area also live in the area...however, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted'*¹²

- 3.25 On this basis, it can be concluded that Craven can be considered to be self-contained in terms of travel to work.

Concluding comments

- 3.26 The purpose of this chapter has been to consider the general housing market context of Craven District and its inter-relationships with other areas. This reflects the requirements of PPG Paragraph 2a-011. By reviewing house prices, migration and travel to work patterns, the extent to which Craven is a self-contained housing market area can be determined. PPG establishes that areas within which a relatively high proportion of household moves (typically 70%) are contained although former CLG guidance recognises that containment thresholds are typically lower in rural areas.
- 3.27 Regarding migration, analysis of the 2011 census identifies containment ratios of 58.8% (origin) and 60.7% (destination). This reflects the rural nature of the

¹²<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/commutingtoworkchangelstotraveltoworkareas/2001to2011>

district and an expectation of lower containment ratios. It also reflects the complexity of the Craven market area as evidenced in NHPAU research which considered Craven to be split across two strategic housing market areas (Lancaster and Bradford/Calderdale). Indeed, by including migration interactions with neighbouring Bradford, Pendle and Lancaster, the containment ratios reach 78.8% (origin) and 77.8% (destination). However, for planning policy purposes, all neighbouring areas are established housing market areas in their own right and although they recognise interactions with other areas, Craven is not included as a component of their respective housing market areas. Therefore, a pragmatic conclusion is although there are interactions with other areas, Craven should be recognised as an appropriate housing market area for the purposes of planning policy, and that containment thresholds accord with the understanding that they are typically lower in rural areas. Regarding travel to work, it can also be concluded that Craven is a self-contained area.

- 3.28 Evidence would therefore confirm that Craven District is an appropriate Housing Market Area for the purposes of Local Plan policy making.

4. Craven housing market review

Introduction

- 4.1 The purpose of this chapter is to explore the housing market dynamics of Craven, including a review of housing stock and the three main tenures (owner occupation, private rental and affordable housing).
- 4.2 This chapter identifies the key market drivers operating in Craven District. It analyses the cost of alternative housing options.

Estimates of current dwellings in terms of size, type and tenure

- 4.3 Council Tax data (2014) reports a total of 26,396 dwellings in Craven District of which 457 are vacant and 616 are second homes, resulting in a total of 25,323 occupied dwellings (Table 5.1). The overall vacancy rate is 1.8% which compares with a vacancy rate of 2.7% across England¹³.
- 4.4 Please note that the 2011 census reported a total of 27,014 dwellings and 24,583 households and all data relating to households derived from the 2011 census uses a household base of 24,583.

Table 4.1 Dwelling Stock

Ward	Parish	Total Dwellings	Empty Properties	Second Homes
Aire Valley-with-Lothersdale	Bradley Both	537	5	4
	Cononley	528	6	3
	Farnhill	242	5	4
	Kildwick	76	1	1
	Lothersdale	208	2	2
Barden Fell	Appletreewick	94	1	7
	Barden	33	1	0
	Beamsley	59	1	1
	Bolton Abbey	45	2	2
	Hetton-cum-Bordley	67	2	3
	Burnsall	59	2	10
	Cracow	78	0	2
	Draughton	114	6	0
	Halton East	40	0	1
	Hazelwood-with-Storiths	49	1	0
	Rylestone	56	1	0
	Thorpe	23	0	2

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¹³ 2013 CLG Dwelling and Vacancy data

Table 4.1 Dwelling Stock (continued)				
Ward	Parish	Total Dwellings	Empty Properties	Second Homes
Bentham	Bentham	1514	35	32
	Burton-in-Lonsdale	293	13	12
Cowling	Cowling	1074	17	9
Embsay-with-Eastby	Embsay-with-Eastby	881	10	15
Gragrave and Malhamdale	Airton	96	1	10
	Bank Newton	25	0	0
	Calton	24	0	1
	Coniston Cold	81	3	3
	Eshton	35	0	5
	Flashby-with-Winterburn	49	0	0
	Gargrave	897	22	13
	Hanlith	11	0	0
	Kirkby Malham	52	3	1
	Malham	68	3	1
	Malham Moor	23	0	0
	Otterburn	19	1	1
	Scosthop	34	0	2
	Stirton-with-Thorlby	82	0	2
Glusburn	Glusburn and Cross Hills	1821	30	7
Grassington	Grassington	625	14	27
	Hebden	132	3	16
	Hartlington	31	0	0
	Linton	82	1	13
Hellifield and Long Preston	Hellifield	674	12	18
	Long Preston	355	10	8
	Nappa	4	0	0
	Swinden	7	0	0
Ingleton and Clapham	Austwick	39	0	3
	Clapham-cum-Newby	296	9	13
	Ingleton	1122	20	66
	Lawkland	93	4	1
	Thornton-in-Lonsdale	131	5	1
Penyghent	Giggleswick	564	11	19
	Horton-in-Ribblesdale	227	3	19
	Stainforth	118	6	8

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Table 4.1 Dwelling Stock (continued)				
Ward	Parish	Total Dwellings	Empty Properties	Second Homes
Settle and Ribblesbanks	Halton West	29	0	0
	Langcliffe	215	5	22
	Rathmell	128	2	3
	Settle	1414	38	48
	Wigglesworth	124	3	1
Skipton	Skipton	7101	73	61
Sutton-in-Craven	Sutton-in-Craven	1662	14	6
Upper Wharfedale	Arncliffe	39	0	3
	Buckden	106	4	17
	Conistone-with-Kilnsey	65	2	5
	Halton Gill	28	0	3
	Hawkswick	35	3	4
	Kettlewell-with-Starbottom	204	0	40
	Litton	35	0	6
	Thresfield	469	3	13
West Craven	Broughton	42	2	0
	Carleton	537	11	9
	Elsack	39	3	0
	Martons Both	124	4	5
	Thornton-in-Craven	182	2	1
No Parish / Blank Field		62	21	2
CRAVEN TOTAL		26,527	462	617

Source: 2014 Council Tax Data

Indicates those parishes falling wholly or partially within the South Sub-area

Indicates those parishes falling wholly or partially within the Mid Sub-area

Indicates those parishes falling wholly or partially within the North Sub-area

Property size and type

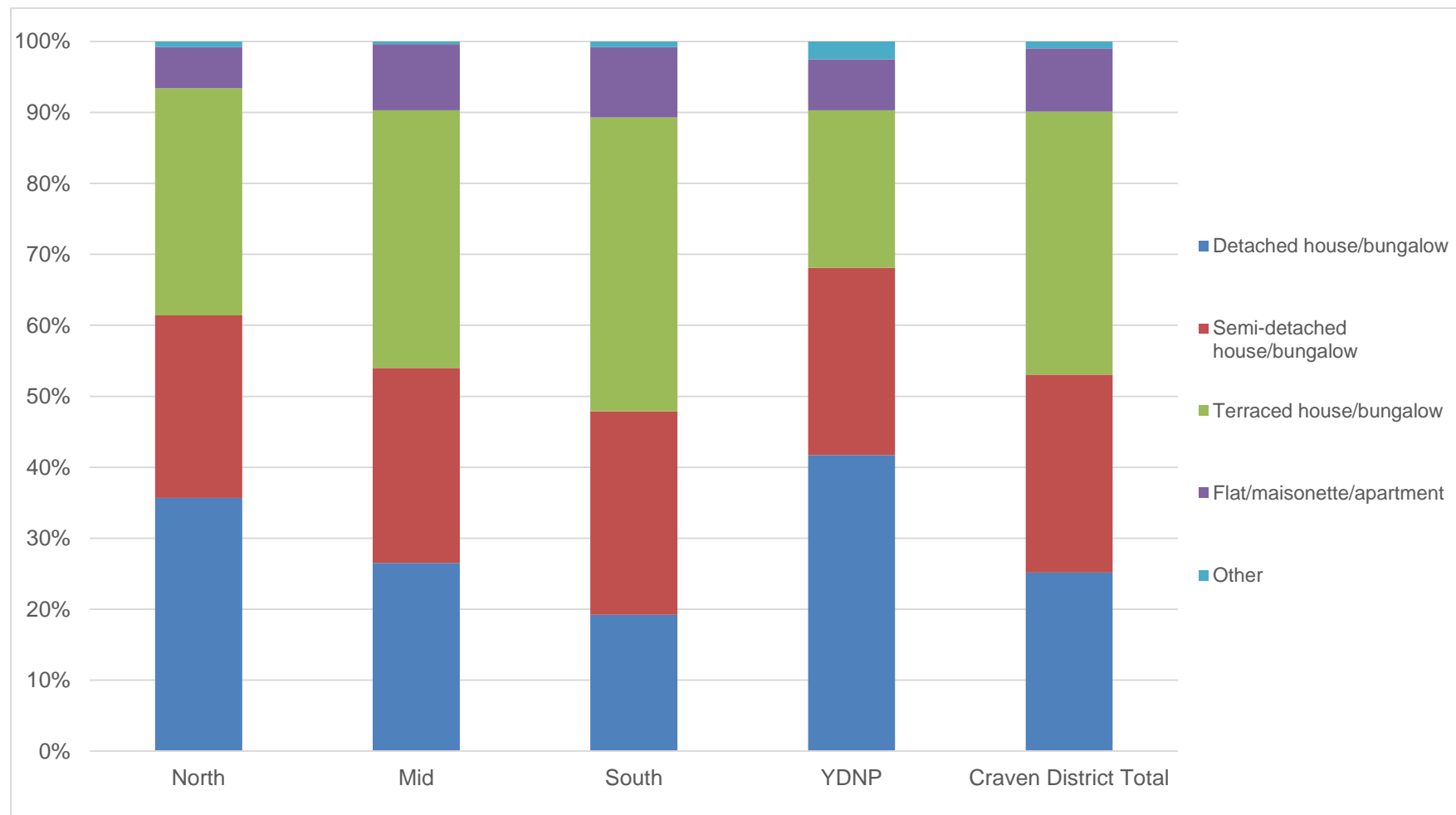
- 4.5 Table 4.2 reviews the profile of occupied dwelling stock by size and type across Craven. Overall, the vast majority (90.8%) of properties are houses or bungalows, of which 36.5% are terraced, 28.9% are semi-detached and 25.4% are detached. 9.2% of dwellings are flats, maisonettes, apartments or mobile/temporary accommodation. Of all dwellings, 7.7% have one bedroom, 28.6% have two bedrooms, 42.0% have three bedrooms and 21.6% have four or more bedrooms.
- 4.6 Overall, 63.6 % of dwellings have three or more bedrooms and 36.5% of dwellings are terraced.

Table 4.2 Property type and size across Craven

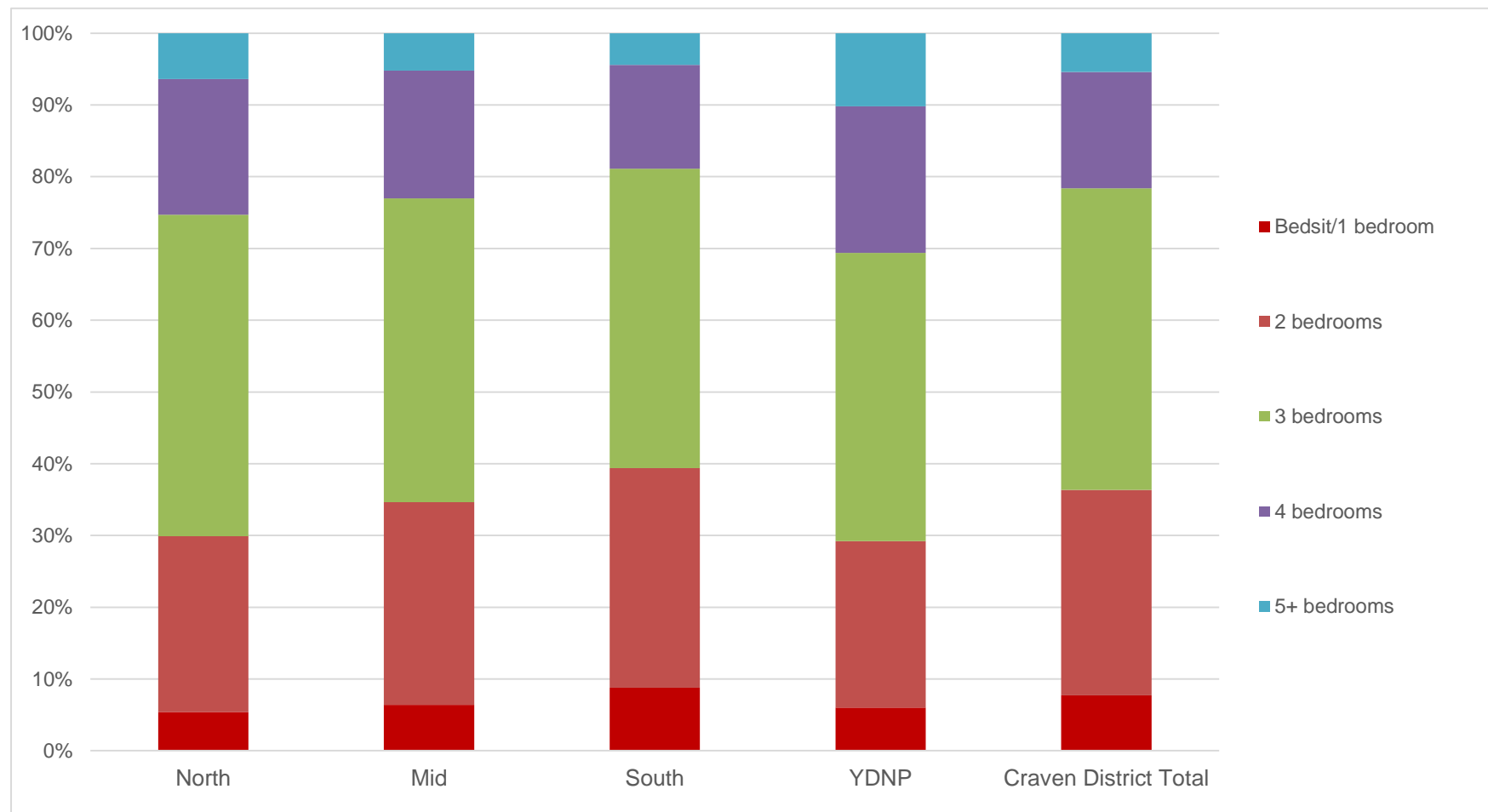
Dwelling type	Number	%
Detached house/bungalow	6,232	25.4
Semi-detached house/bungalow	7,109	28.9
Terraced house/bungalow	8,984	36.5
Flat/maisonette/apartment	2,258	9.2
Total	24,583	100.0
No. of Bedrooms	Number	%
One/Bedsit	1,904	7.7
Two	7,042	28.6
Three	10,333	42.0
Four	3,979	16.2
Five or more	1,325	5.4
Total	24,583	100.0

Source: 2011 Census

- 4.7 Figure 4.1 reviews dwelling type by sub-area. This indicates that the proportion of detached dwellings is highest in the North sub-area and in the Yorkshire Dales National Park area of Craven District; the proportion of terraced dwellings and flats/apartments is highest in the South and Mid sub-areas; and the proportion of caravan/park homes is highest in the National Park.
- 4.8 In terms of dwelling size, Figure 4.2 shows that the South sub-area has the highest proportion of smaller dwellings with two bedrooms or fewer (39.4%), across all sub-areas the proportion of three bedroom dwellings ranges between 40.2% and 44.8%; and the proportion of dwellings with four or more bedrooms is highest in the National Park (30.6%) compared with 18.0% in the South sub-area.

Figure 4.1 Dwelling type by sub-area

Source: 2011 Census

Figure 4.2 Dwelling size by sub-area

Source: 2011 Census

Property age and condition

- 4.9 The age profile of dwelling stock in Craven District is summarised in Table 4.3. A large number (38.7%) of the District's dwellings were built in the period before 1919, although a quarter (25.9%) have been built since 1983.

Table 4.3 Age of dwelling		
Age of Dwellings	Number	%
pre-1919	10,220	38.7
1919-44	2,820	10.7
1945-64	2,680	10.1
1965-82	3,880	14.7
1983-99	3,680	13.9
post 1999	3,160	12.0
Total	26,440	100.0
Unknown	570	
Grand Total	27,010	

Source: Valuation Office Agency 2016

- 4.10 The English Housing Survey produces national data on dwelling condition. Applying national trends to the stock profile of Craven District (Table 4.4) would suggest that around 29.4% of dwelling stock is non-decent, which is above the national average of 20.6%. The number of dwellings likely to fail the minimum standard of decent homes criteria is estimated to be 18.2% (compared with 11.9% nationally).
- 4.11 A full definition of what constitutes a decent home is available from DCLG¹⁴ but in summary a decent home meets the following four criteria:
- It meets the current statutory minimum for housing;
 - It is in a reasonable state of repair;
 - It has reasonably modern facilities and services; and
 - It provides a reasonable degree of thermal comfort.

¹⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf

Table 4.4 Dwelling stock condition in England and Craven estimates

England			Fails decent homes criteria				All dwellings in group (000s)	% dwellings
Dwelling age (EHS)		Non-decent	Minimum standard	Repair	Modern facilities and services	Thermal comfort		
pre-1919		40.1	28.7	11.2	3.9	11.9	4,648	20.0
1919-44		24.1	13.1	7.6	1.7	7.6	3,930	16.9
1945-64		16.6	8.0	3.6	2.0	5.7	4,505	19.4
1965-80		17.5	8.8	1.8	1.9	7.6	4,757	20.5
1981-90		17.6	4.7	*	.9	13.5	1,953	8.4
post 1990		1.5	1.5	*	*	*	3,460	14.9
Total		20.6	11.9	4.6	1.9	7.5	23,254	100.0
Craven			Fails decent homes criteria (estimate)				All dwellings	% dwellings
Dwelling age (EHS)	Dwelling age (VOA)	Non-decent	Minimum standard	Repair	Modern facilities and services	Thermal comfort		
pre-1919	pre-1919	4100	2932	1145	394	1219	10220	38.7
1919-44	1919-44	678	370	213	48	214	2820	10.7
1945-64	1945-64	446	213	98	52	153	2680	10.1
1965-80	1965-82	678	340	71	74	294	3880	14.7
1981-90	1983-1992	648	174	*	35	496	3680	13.9
post 1990	Post 1992	46	46	*	*	*	3160	12.0
Total		6597	4075	1526	603	2376	26440	100.0
% of all stock		29.4	18.2	6.8	2.7	10.6		
National %		20.6	11.9	4.6	1.9	7.5		

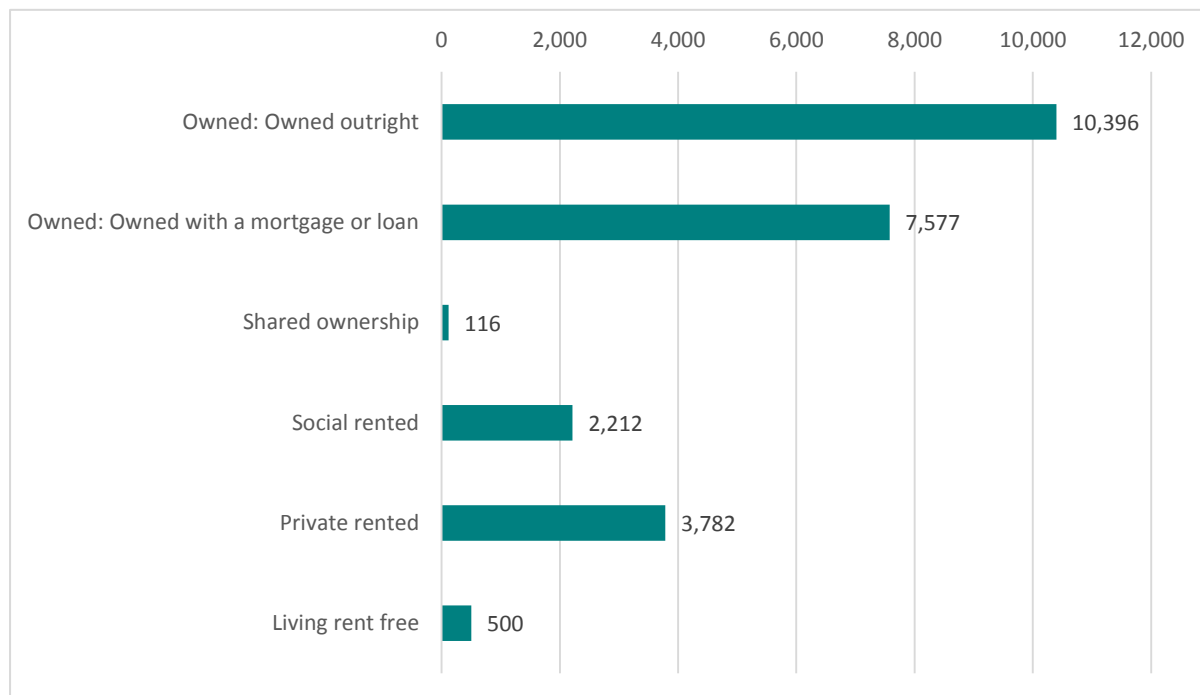
Source: English Housing Survey July 2016 data applied to Valuation Office Agency dwelling stock age profile 2016 data

Note '*' indicates sample size too small for reliable estimate

Property tenure

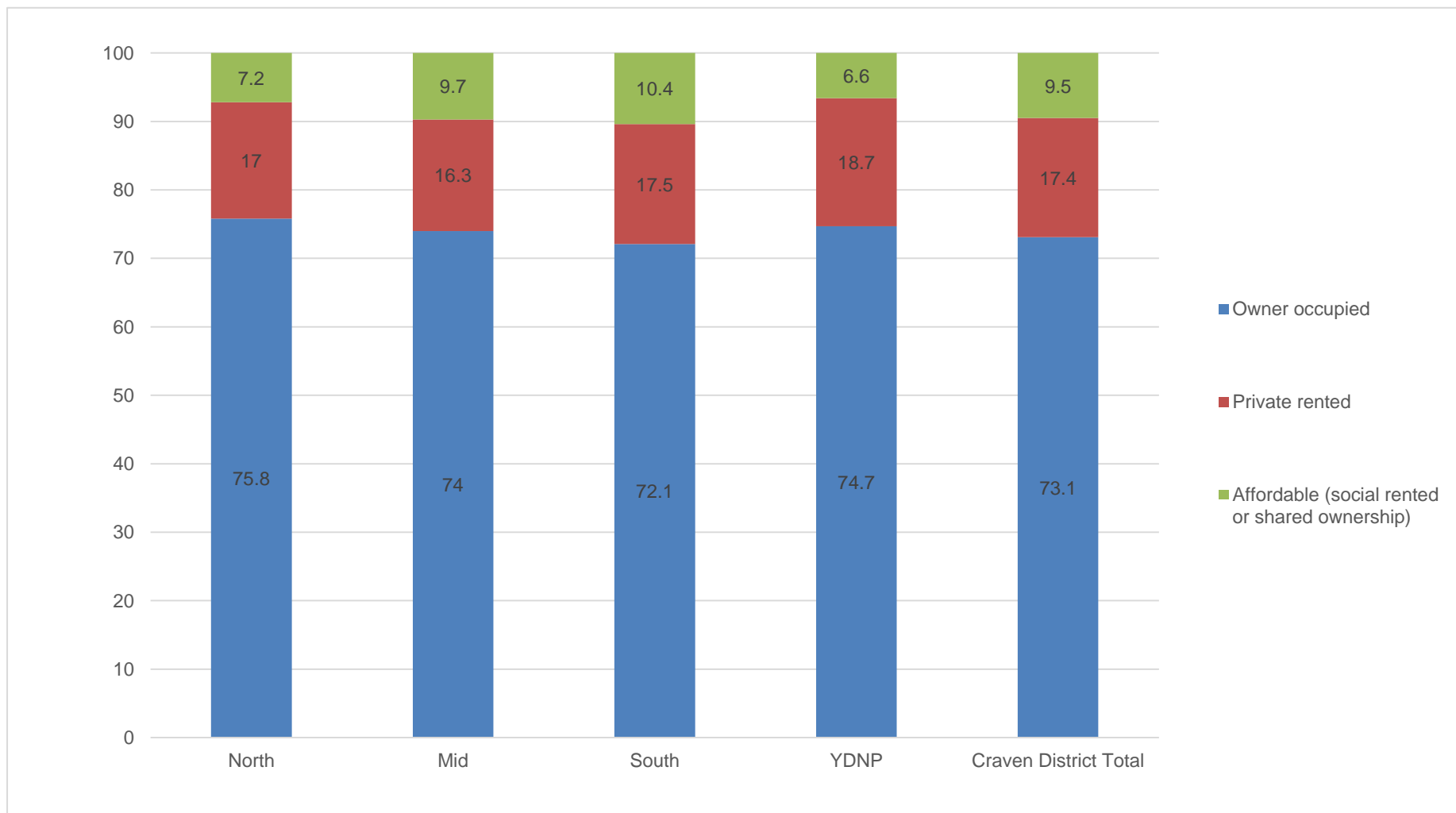
- 4.12 The tenure profile of Craven District is summarised in Figure 4.3. Overall, based on the 2011 Census, 73.1% of occupied dwellings are owner-occupied, 17.4% are private rented (including living rent free) and 9.5% are affordable (rented from a social housing provider or intermediate tenure dwellings).

Figure 4.3 Craven: tenure profile of occupied dwellings



Source: 2011 Census

- 4.13 Figure 4.4 shows variations in tenure by sub-area. Across the District, the proportion of occupied dwellings that are owner occupied only vary slightly by sub-area, ranging between 72.1% and 75.8%. The proportion of affordable tenure dwellings is highest in the South sub-area at 10.4% and here 17.5% of occupied households live in private rented dwellings. Conversely in the National Park, 18.7% rent privately and only 6.6% live in affordable dwellings. This figure is only marginally higher in the North sub-area, where 7.2% of households live in affordable dwellings.

Figure 4.4 Craven District tenure profile by sub-area

Source: 2011 Census

Tenure characteristics

Owner-occupied market

- 4.14 According to the 2011 Census, 73.1% (17,973) of households across Craven District are owner occupiers. 42.3% of all households (10,396) own outright and 30.8% of all households (7,577) have a mortgage.
- 4.15 The 2011 Census provides the following information on owner occupied (including shared ownership) stock:
- Most owner-occupied properties are houses or bungalows, with 35.3% terraced, 30.5% semi-detached, 30.0% detached and 4.2% flats/maisonettes;
 - 46.3% of properties have three bedrooms, 26.4% have four or more bedrooms, 24.7% have two bedrooms and 2.5% have one bedroom; and
 - The highest proportion of owner occupied properties is found in the North sub-area, at 75.8.
- 4.16 Over the period 2000 to 2015, lower quartile and median house prices across Craven District have increased dramatically as summarised in Table 4.5. As explored in Chapter 3, this in many respects mirrors the increases in prices seen across North Yorkshire (county) and the country as a whole during that period.
- 4.17 It is interesting to note that in 2000, a household income of £12,729 was required for a lower quartile price to be affordable (based on a 10% deposit and a 3.5x income multiple); by 2015 this had increased to £34,714. In comparison, an income of £18,000 was required for a median priced property to be affordable in 2000 compared with £46,929 in 2015.

Table 4.5 Lower Quartile and median price and income required to be affordable				
Craven	House Price (£)		Income to be affordable*	
	2000	2016	2000	2016
Lower Quartile	49,500	135,000	12,729	34,714
Median	70,000	182,500	18,000	46,929

Source: Data produced by Land Registry © Crown copyright 2016

*Assuming a 10% deposit and 3.5x income multiple is required for mortgage

- 4.18 The relative affordability of open market dwellings in Craven compared with other areas is considered in Chapter 5.
- 4.19 A range of socio-economic and demographic information on residents has been obtained from the 2011 Census. Some interesting observations relating to owner-occupiers include:
- In terms of household type, 29.1% of owner occupiers are older (65 or over) singles and couples, 26.4% are couples with children, 23.5% are couples

(under 65 with no children), 6.0% are lone parents, 11.6% are singles (under 65) and 3.4% are other household types;

- The majority of Household Reference People (Heads of Household) living in owner occupied dwellings (including shared ownership accommodation) are in employment (64.2%) and a further 33.7% are wholly retired from work;
- Of those who are in employment, 76.6% of owner-occupiers work in managerial and intermediate occupations (NS-SeC Categories 1-4); and
- 87.8% of owner-occupiers have one or more spare bedrooms, 11.1% have sufficient bedrooms and just 1.1% of households are overcrowded (relative to the bedroom standard).

Estate agent review of the housing market

- 4.20 Views were sought about market activity from a range of stakeholders in relation to the SHMA 2015. The stakeholder analysis is also included within this SHMA Update 2016, reported in the relevant sections of the report.

Overview of the market

- 4.21 The last two years have seen positive trends in both the rental and sales markets within Craven District. Agents identified that the last year had been particularly positive and believed that a boost in confidence in the housing market and the economy was driving these trends. The overall housing market was described as strong but is restricted to specific geographical areas - most noticeably Skipton. Properties within the area can move quite quickly however, all agents identified that the area was price sensitive despite high levels of demand. Furthermore, properties in the more rural areas of the District can take a long time to sell.
- 4.22 Housing sales have remained fairly consistent over the last year and demand from first time buyers is present. Agents believed this was due to many lenders offering 95% mortgages allowing many to get on to the property ladder and they highlighted a growing trend towards parents helping their children out with deposits and mortgages. Furthermore, demand from investors and people looking for second homes continues to allow the market to remain buoyant although agents were keen to stress this can vary greatly within the more rural areas of the District.
- 4.23 All properties are in demand on both the rental and sales market. The area boasts a mixed demographic who are seeking a range of different properties at a range of price brackets. Agents felt this was a positive trend across the market. They felt that the varied demand had ensured additional pressure was not placed on one particular section of the market and had allowed the housing market to be consistently active thus contributing to recovery throughout the last year.
- 4.24 Agents highlighted that a growing trend is for parents who are looking to downsize now opting to rent their properties to their children who are unable to buy instead of selling. This could mean some of the larger properties can

- remain in families for years and agents believe that if this trend continues, there may be problems with supply.
- 4.25 The scenic nature of the area ensures it continues to be a popular location for tourists and second homes. These properties are often the more 'niche' properties in some of the more rural locations. Agents believe their popularity has increased during the recession and feel that this may be due to the decline in holidaying abroad.
- 4.26 The presence of good schools, transportation links to Leeds and London and the local infrastructure contribute to the area's desirability. All agents suggested that the community feel, positive press in national newspapers and excellent views were also a real draw to the area.
- 4.27 More general views from stakeholders regarding the housing market were obtained from the stakeholder survey. Respondents identified that Craven is a popular area which people want to move to. Evidence from Bradford Council indicates that there is a net outflow of people moving from Bradford to Craven.
- 4.28 One respondent identified that there is a limited interaction between the Craven housing market and the Burnley and Pendle Housing Market Area:
- 4.29 *'A similar number of people move between the Craven area and the Pendle area. The proximity of the towns of Barnoldswick and Earby to Skipton provides an alternative location for people who wish to live in the Skipton area. The average house prices in these towns are notably lower (Barnoldswick £117,782; Earby £131,806; and Skipton £161,522) and this may have some impact on the demand for housing in the wider area'.*
- 4.30 In terms of the current housing market, respondents identified that house prices are high, as is demand for housing. In the National Park, house prices were identified as being in decline during 2012/2013, however, it is possible that relatively low levels of sales may mask longer-term trends. Again, in the National Park, house prices are significantly higher than the regional average. A number of respondents identified that mortgage lenders are now reluctant to lend on anything less than completely unrestricted open market housing in the National Park and that, due to insufficient income, local people are unable to access restricted shared equity homes.

The sales market

- 4.31 Agents stated that property prices and demand levels vary greatly across Craven and this is heavily dependent upon location. Properties in the more rural areas can affect the averages from the District as they present a much slower market than that present in areas such as Skipton.
- 4.32 All agents advised that the sales market across Craven has picked up over the last two years and felt that this was in line with the gradual economic recovery. The consensus is that demand for property is high however, the housing market is still considered price sensitive. Nevertheless, agents said; *"Anything will sell if it is at the right price"*.
- 4.33 Most people who seek to buy property in the area tend to be local and thus, have a good idea of where they are looking for a property. Agents indicated that those who are not from the area tend to prefer rental properties initially due

to the rural nature and pace of life in many areas. Many will choose to rent initially prior to committing to purchasing a property.

- 4.34 All agents recognised that the types of properties and locations that are in highest demand were generally very similar in the rental and sales markets. Rural properties are considered 'niche' and often take much longer to sell. Agents stated that this is typical of the market however; rural cottages often perform well for those seeking holiday homes. Skipton receives the highest overall demand from all demographics and agents identified the sales market here as '*consistently fast paced*'.
- 4.35 Families are the most active within the sales market. Traditional properties offering 3+ beds, gardens and parking in a good location are the highest in demand. Proximity to transportation links and school catchment areas are key to cater to family demand.
- 4.36 Agents noted that difficulties obtaining mortgages often act as a barrier for people who wish to get on to the property ladder in the area. Nevertheless, demand from first time buyers is good. Agents felt that the first time buyer market was showing very positive trends and stated that when compared with 3-5 years ago it has dramatically improved. Agents believe that the introduction of 'Help to buy' schemes in 2013 has encouraged activity whilst others believed that the downturn in the economy ensured that many remained living at home paying reduced or no rent to their parents. Furthermore, many parents are offering to help first time buyers get on the property ladder and assisting with deposits on homes. As a result, first time buyers are now often in a much stronger financial position and would rather invest their savings into a deposit as many now view renting as a 'waste of money'.
- 4.37 Other trends highlighted were older first time buyers who are those now looking to purchase their first property but who are considerably older than a typical first time buyer would have been five years ago. Agents believed this was simply because it took them longer to save for deposits as many pay for rented accommodation until they are able to buy.
- 4.38 First time buyer demand is focused towards houses. Agents stated that the size of a property was of great interest to buyers who deemed a bigger property as a better investment due to the longevity it presents. Properties offering three bedrooms, ideally semi or detached, were deemed as very desirable however, agents stated that these properties were often unattainable for this demographic due to financial limitations. As a result, many opt for two bed-terraced properties that fall within the £130,000 - £140,000 price range and agents indicate that these buyers often opt to keep this property to rent out when they decide to move. The location of a property is considered very important to this demographic and Skipton is considered the most desirable area.
- 4.39 Demand from older people is high across the District. The older persons market is considered very strong and agents indicated that demand from this demographic was a lot higher in Craven than in other areas. Nevertheless, they felt this was mainly due to a large overall elderly demographic within the area and suggested the lifestyle offered in the Borough is typically what appeals to this demographic. Most have lived in the area for a long time and own larger family homes but seek smaller properties in less rural areas to allow them to

- downsize. Agents highlighted this market as very active and predicted as the economic recovery continues, demand will only continue to grow.
- 4.40 Good family homes and terraced properties in a central location, e.g. Skipton, can sell within a matter of weeks and sometimes quicker. Agents recognized that as the market has picked up, offers are becoming more in line with asking prices and felt this was a very positive trend.
- 4.41 The consensus amongst agents is that demand in the area remains strong however; the housing market in Craven is still price sensitive. Agents believe that the presence of the Internet has made some sellers unrealistic about market values. Agents believed another reason buyers were often unrealistic about the value of their properties is that the national average prices presented in the media tend not to reflect prices in many areas of Craven. On the positive side, agents indicated that despite not receiving the housing price increases suggested by the national trends, Craven was also not as badly affected when housing prices dropped during the housing crash as some other areas. They argued that this offered homeowners in the area a slightly more stable housing market when compared with national averages and may have contributed to the continued sale of property during the economic downturn.
- 4.42 Agents believed the housing crash has made many people more cautious and savvier with their attitude towards investment in property. Survey reports can often put people off a property even if what is reported is normal and agents felt this was simply a reflection of the hesitation still present. They also highlighted schools and distance from the town as key considerations for family buyers. Older people like smaller properties closer to the town centre as this allows them to remain independent whilst agents felt they viewed smaller properties as 'lower maintenance'.
- 4.43 Holiday homes remain in demand across Craven. Agents noted a dip in demand during recent years due to the economic challenges faced. However, agents felt that this has now led to more people seeking holiday homes in the UK instead of abroad. Agents believe that traditional properties and small cottages perform best within this market whilst semi-rural properties tend to receive good levels of demand.

Private rented sector

- 4.44 The Government's Housing Strategy, published in November 2011¹⁵, set out the Government's plans to boost housing supply. It recognised an increasingly important role for the private rented sector, both in meeting people's housing needs and in supporting economic growth by enabling people to move to take up jobs elsewhere and to respond to changing circumstances.
- 4.45 The private rented sector is growing; the Census figures for 2011 confirmed that the sector now totals 18.1% of housing stock in England, an increase of 31.2% from 13.8% in 2001. Increasing house prices pre-2007 and the struggling sales market when the down turn came are both factors that have

¹⁵ Laying The Foundations; A Housing Strategy for England, 2011

underpinned the growth of the rental market for both 'active choice' renters and 'frustrated would-be' homeowners. Tenure reform and less accessible social rented housing are contributing factors in the ongoing growth of the private rented sector.

- 4.46 The private rented sector now clearly plays a vital role in meeting housing needs as well as providing an alternative to homeownership. Local authorities have an important role in ensuring that the private rented sector meets both these requirements. Balancing good quality supply with demand will help to stabilise rents and encouraging good quality management will improve the reputation of the sector and encourage longer term lets and lower turnover. However, this is a challenging task where existing partners need to be encouraged to participate and new partners and investors need to be identified.
- 4.47 The private rented sector accommodates around 17.4% (4,282) of households across Craven; 3,782 are privately rented and 500 live rent free. This compares with 13.6% of households privately renting in 2001 (3,083 of households), which indicates that the proportion of households privately renting has increased by 38.8%.
- 4.48 In 2011, the proportion of private rented properties was fairly similar across the four sub-areas, at around 16-19% of housing stock. The proportion of private rented stock is highest in The Yorkshire Dales National Park sub-area (18.7%) and lowest in Mid sub-area (16.3%).
- 4.49 43.1% of occupied private rented properties are terraced houses/bungalows, with a further 20.3% semi-detached, 19.2% flats/maisonettes and 17.4% detached.
- 4.50 41.3% of households living in private rented properties have two bedrooms, 33.7% have three bedrooms, 13.9% have one bedroom and 11.2% have four or more bedrooms.
- 4.51 In terms of private rented sector prices, Table 4.6 presents Zoopla data for the District for 2010-2016. This indicates that median rents have been relatively stable during the six-year period, generally at around £550 per month. Lower quartile rents have fluctuated during the period, from £446-494 pcm.

Table 4.6 Private sector rental prices in Craven 2010-2016

Year	Price per calendar month (£)			
	Lower quartile	Mean	Median	No. Rentals
2010	446	610	546	110
2011	472	619	524	173
2012	472	590	546	281
2013	459	601	550	174
2014	477	643	550	308
2015	494	617	550	138
2016	494	665	563	81

Source: Zoopla 2016

- 4.52 The characteristics of private sector tenants are diverse and the 2011 Census identified that the private rented sector accommodates singles under 65 (26.6%), couples with children (20.0%), couples no children (19.3%), lone parents (13.2%), older person households (14.8%) and other types of household (6.1%).
- 4.53 74.0% of household reference people (heads of household) living in private rented accommodation are employed, 15.9% are retired, 3.6% are unemployed, 3.1% are long-term sick or disabled, 1.4% are looking after home or family and 1.2% are other economically inactive.
- 4.54 Occupancy data shows that 66.4% of private rental tenants have one or more spare bedrooms in their home. 30.3% rent a home with sufficient bedrooms to meet their needs. However, 3.3% of households in private rented accommodation are overcrowded, with inadequate bedrooms relative to the bedroom standard.
- 4.55 74.1% of Household Reference People (heads of household) living in private rented accommodation are employed, 15.9% are retired, 3.6% are unemployed, 1.5% are full-time students and 4.9% are otherwise economically inactive. Of those who are in employment, 44.3% of private rental tenants (or living in tied accommodation) work in managerial and intermediate occupations (NS-SeC Categories 1-4) while 55.7% work in lower supervisory or routine/semi-routine occupations or have never worked (NS-SeC Categories 5-8).

Lettings agent views on the private rented sector

- 4.56 Agents defined that demand within the rental market was consistently high in parts of Craven, most noticeably Skipton and the surrounding areas. Agents did note a significant increase in demand after Christmas due to marital break downs over the holiday period. Demand for holiday homes also increases over the Christmas period. Agents suggest this is due to family plans for the year often being made during this period and believed this encouraged many to seek property in time for the summer holidays.
- 4.57 A range of properties are in demand and agents were able to identify that working professionals, families and the elderly are generally the most active within the market. However, they were keen to stress that this demand is often not in line with the housing stock available.
- 4.58 Demand for larger rental homes is increasing and agents felt this was a result of the increasing property prices in the area. Agents felt that this was currently a gap in the market as some are still unable to afford a 3+ bed home to purchase however, have now outgrown their smaller rented property. The family orientated nature of the area and many properties being passed down through families were also highlighted as a potential matter further contributing to this.
- 4.59 Older people are becoming increasingly active within the rental market and over 55 schemes within the area have increased in popularity. Agents suggest

- that this trend will continue and have advised that they hope that future housing will support this demand.
- 4.60 Agents highlighted that there has been a significant increase in foreign workers moving to the area in order to find work. This is mainly within the tourism sector via hotels and restaurants. Many move with their families and seek rental accommodation in the area as a temporary measure as they are usually not in a position to buy.
- 4.61 All agents recognised that tenants now seek to stay in properties longer than they would have 3-5 years ago and are much more specific about what they are looking for. Agents indicated that most leases are minimum of 6-12 months however; they recognized that many decide stay in rented accommodation for between 1-3 years. Some use this time to save for deposits whilst others have decided to rent in order to accommodate their growing family, as they cannot afford to buy. Furthermore, agents stated that extremely high demand levels within Skipton often result in many staying in their rental property, as they are fearful of not being able to obtain another.
- 4.62 Concerns were raised by agents that many people were at risk of becoming 'trapped' in the rental market. They believed that cultural changes amongst the younger generations who are now thought to hold a positive image of rental properties combined with a lack of finances could create problems in the future if people do not wish to, or cannot afford to, buy property.
- 4.63 All agents felt that renters are now much savvier than they were previously. Many believe that because they are staying in properties longer, they are much more concerned about the aesthetic nature of the property and are far more aware of their rights. Agents recognized that the standard of properties on offer in Craven tends to be good quality yet felt that due to the high levels of demand in Skipton most properties rent regardless of their condition. The market in the area is considered fast paced and those seeking property must act quickly if they see a property that is of interest. Most properties receive several applicants with many landlords operating on a first come, first served basis. However, thorough checks are carried out on all tenants and this can often affect the application process.
- 4.64 The most desirable areas are considered to be Skipton and the surrounding areas and agents noted that Gargrave also receives demand from families. Agents stated this is due to the close proximity to Leeds and links to A65 and A59. They indicated that often many people commute to Leeds for work but prefer to live in a more rural location. The image/status and excellent views within these areas are believed to have boosted the desirability of parts of the District and families will often seek rental properties in the Aire Valley to ensure they are in the catchment areas for particular schools.
- 4.65 Three bedroom family homes with parking and gardens were considered most popular for families. Overall, two bed terraced properties located closer to Skipton Town Centre were noted as holding the greatest demand. Agents felt that this was mainly due to an increased demand from a younger demographic and the excellent transportation links and retail facilities available in the town centre. Properties that allow pets are considered much more desirable and tend to let quicker than those that do not as most tenants in the area now have pets.

- 4.66 Unfurnished properties are in most demand. All agents stated they had little to no furnished properties to rent and that most advised landlords to only offer unfurnished properties. Stricter legislation for landlords regarding furnishing homes has left many leaving properties unfurnished. Agents highlighted that furnished properties often take longer to let than unfurnished properties and suggested that the changing demographic of the rented sector was influencing this. They stated that previous homeowners that were downsizing already had furniture and wanted to create a 'familiar' feel to their property with a personal touch whilst young professionals appear to be investing the money they would have previously used for a deposit for furniture thus, enabling them to furnish their own properties when they are able to buy. Despite this, properties rented for holiday lets remain furnished.
- 4.67 Properties will let on average within a week of coming on to the market. One agent indicated that many will '*rush to complete application forms*' with the agents in order to try to obtain properties. Furthermore, because demand for rentals is now so high, they will no longer email new properties out to their waiting lists however, will still do this for properties for sales. Good properties can let within days of coming on the market and most take no longer than one month to rent. Any delays are usually as a result of admin hold ups or rental prices being too high.
- 4.68 Agents suggested that due to the varied properties and locations available across Craven, average market rental values were difficult to specify - however they were happy to offer a general guide to prices in the area:
- 1 / 2 bed flat or apartment – £450-£500
 - 2 bed terraced (no parking/gardens) - £500 - £550
 - 3 bed semi detached house (parking and gardens) - £600+
 - 4 + bed family home - £850 +
- 4.69 Agents suggested Landlords are divided into two key categories:
- Local investors – Who seek 2/3 bed terraced housing in need of general cosmetic work that fall under the level of stamp duty. Agents believed most of these investors are from the area and suggested that many hold a background within the building trade. Thus, they have a good understanding of the housing market in the area and are able to complete any work needed on the properties themselves. Agents felt that properties in the area offered a great investment opportunity as properties presented excellent yields, only required a small amount of renovation work and demand is consistent.
 - Family landlords - All agents have noted an increase in 'family landlords' over recent years. Many homeowners will now choose to rent their property to their children or family members who may be struggling to afford their desired property in the area. Parents now saw this as a way to help their children get on the property ladder whilst keeping a former family home as an asset and agents predict this trend will continue.

Stakeholder views on the private rented sector

- 4.70 There was no consensus of opinion from stakeholders about the size of the private rented sector locally. Two respondents felt that it was about the right size whilst one thought that it was too big and two thought that it was too small. One respondent thought that it was a form of tenure chosen by older people looking to limit their outgoings. One respondent felt that private lets were plentiful compared to demand and that the issue was more to do with a lack of regulation and maintenance of decent standards of private rented accommodation. One respondent identified as problematic the lack of private rented accommodation for single people, shared housing and houses in multiple occupation.
- 4.71 Respondents identified the following as key characteristics of private rented housing in Craven:
- Two and three bed family housing;
 - High rental costs – above benefit levels;
 - Terraced and semi-detached houses, not many flats;
 - Mainly in good condition; and
 - Not enough single person properties.
- 4.72 Private rented housing is located throughout the District, although supply in more remote rural locations is more limited. One respondent identified that the most private rented homes are located in Skipton.
- 4.73 The following were identified as the areas of highest demand for private rented housing:
- Skipton;
 - Settle;
 - Sutton;
 - Crosshills;
 - Bentham; and
 - Ingleton.
- 4.74 Demand tends to be very limited in remoter rural locations with poor public transport links. Respondents were unclear what role buy to let landlords played in the local housing market.
- 4.75 A broad range of households seek to rent privately in Craven, with demand generally being from lower income households. One respondent identified that single person households form a significant element of demand for private rented sector properties in Craven, as well as couples and older people. Another respondent identified that demand is from households that are unable to access owner occupation but do not qualify for affordable/social housing, as well as social housing tenants wishing to move but who do not qualify for an internal transfer.
- 4.76 Respondents identified that welfare reforms have had the following impact:

- Benefit caps have affected some people – those who were under-occupying have either moved or are capable and willing to remain and pay the extra cost;
 - Increased demand for private rented stock;
 - In neighbouring areas it has impacted on the number of landlords that are willing to accept households in receipt of housing benefit; and
 - Under 35 single person households have been priced out of the market by Housing Benefit cuts and high rental costs.
- 4.77 Respondents did raise some concerns about the sector, these included:
- The high cost of Agents' fees;
 - Property condition in some instances;
 - High costs and rents; and
 - Not renting to people on Benefit.
- 4.78 Whilst Skipton has the largest ethnic minority population in North Yorkshire, there was limited awareness from respondents about demand for private lets from minority ethnic groups. One respondent identified that despite a thriving Asian community within Craven, applications for housing from this group tend not to come through the Housing Register. There are a number of Asian landlords and one respondent identified that their properties tend to be the most poorly maintained, however, residents are unlikely to report defects to the Council.
- 4.79 One respondent noted that there is movement from the social housing sector into the private rented sector. Another respondent identified that a lot of households lose their accommodation in the private rented sector and want to move into social housing but few achieve this due to the low turnover in social housing in Craven. These people often end up moving out of the District.
- 4.80 In terms of key strategic messages about the sector to be identified in the SHMA, stakeholders identified the following:
- More affordable housing;
 - More single occupancy dwellings;
 - Incentives for the private rented sector to be more 'community' friendly;
 - More good quality, cheap (affordable) lets for younger people;
 - That properties are inspected and more powers are made available to stop unfit properties from being used; and
 - Limits to what can be charged for properties.

Affordable sector

- 4.81 The 2011 Census reports that there are around 2,328 households who live in an affordable (social rented or shared ownership) property across Craven District, accounting for 9.5% of all occupied dwellings. There are a total of

- 2,212 households (9.0%) renting affordable housing and 116 (0.5%) in shared ownership properties.
- 4.82 33.8% of social rented dwellings (not including shared ownership properties) are terraced houses/bungalows and 33.1% are semi-detached houses/bungalows; a further 30.7% are flats/maisonettes and 2.5% are detached houses/bungalows.
- 4.83 38.7% of households living in social rented properties have one bedroom, 36.2% have two bedrooms, 23.2% have three bedrooms and 1.9% have four or more bedrooms.
- 4.84 39.9% of households living in social rented and shared ownership dwellings are older singles and couples, a further 21.0% of households living in affordable dwellings are singles under 65, 14.4% are lone parents, 13.0% are couples with children, 8.9% are couples with no children and 2.8% are other household types.
- 4.85 36.7% of Household Reference People living in social rented housing are in employment. A further 44.6% are wholly retired from work, 8.7% are long-term sick/disabled, 4.9% are unemployed, 2.0% look after the home/family and 3.1% are other economically inactive.

Stakeholder views on affordable housing

- 4.86 Affordability was identified as an issue in Craven by 12 out of 13 respondents. One respondent identified that it is difficult under the current grant regime to provide affordable rented accommodation in Craven that is financially viable. For schemes to be viable, rents have to be increased which impacts upon their affordability, even leading to the homes being unaffordable for people on low to moderate incomes.
- 4.87 Decent homes standards were identified as having been met. Providers responding to the survey have a range of properties in the District. A couple of respondents were currently developing affordable housing for rent in Craven. One bed accommodation was identified as being in strong demand. One respondent identified that areas where anti-social behaviour is an issue are harder to let. Two bed flats in some areas are also proving more difficult to let due to housing benefit restrictions.
- 4.88 Generally, anti-social behaviour was not identified as an issue, although one respondent identified that there were issues where drug/alcohol abuse exacerbates mental health issues.
- 4.89 Satisfaction levels of residents in affordable housing were identified as being high, although one respondent did identify issues linked to affordable warmth in loft conversions.
- 4.90 In terms of key strategic messages about the sector to be identified in the SHMA, stakeholders identified the following:
- Availability of land for development – there needs to be a rolling programme of opportunities;
 - Early engagement in Section 106 opportunities;

- More affordable homes being built;
- More access;
- That affordable housing remains a priority for the Council; and
- That in determining planning applications, officers and members apply a robust, rigorous and viable policy to ensure provision of affordable housing is maximised on every site.

Executive housing

- 4.91 Although it is difficult to define executive housing, distinctive features include:
- High property values linked to desirable locations, with high incomes/ equity required to support the purchase; and
 - High quality construction including exterior and interior fittings.
- 4.92 Overall, in Craven, executive housing provision will have a role in supporting economic growth by providing niche dwellings for high income households.
- 4.93 Across Craven there are around 3,370 dwellings in Council Tax bands F, G and H representing 12.5% of dwelling stock. This compares with 4.6% across Yorkshire and the Humber. Of the dwellings in Craven in bands F, G and H, 67.1% are detached houses (72.6% have four bedrooms, 23.0% have three bedrooms and 4.4% have 2 bedrooms), 22.9% other types of house and 10.0% bungalows. There is therefore a good provision of high-end market dwellings across Craven.

Key market drivers

- 4.94 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic, economic and dwelling stock characteristics, as summarised in Table 4.7.

Table 4.7 Primary market drivers		
Primary Driver	Attributes	Impact on overall demand through:
Demography	Changing no. of households, household structure, ethnicity	Natural Change
Economy	Jobs, income, activity rates, unemployment	Economic migration
Housing stock and aspirations	Quality vs. aspirations, relative prices, accessibility, development programmes	Residential migration

- 4.95 In summary, the following demographic drivers will continue to influence the operation of the Craven Housing Market Area:

- An increasing population size overall, with a 5.0% increase (2,800 additional people) between 2016 and 2039¹⁶;
- There is an overall decrease in all cohorts aged under 65 years, particularly the 40-64 age cohort which is projected to decrease by 15.8% (3,200 less people) by 2039 (Table 4.8);
- The number of people aged 65 and over is projected to increase by 46.2% (6,700 additional people), with the proportion of the total population aged 65 and over increasing from 26.0% of the population in 2016 to 36.2% in 2039 and the proportion of the total population aged 75 years and over increasing from 11.8% in 2016 to 21.0% in 2039; and
- The 2011 Census indicates that the following range of household groups live in Craven District: couples with no children (21.4%), couples with dependent children (18.1%), singles 65 and over (16.0%), singles under 65 (15.1%), couples over 65 (11.7%), lone parents (8.1%), couples and lone parents with adult children (5.9%) and other household types (3.8%).

Table 4.8 Projected population change, 2016-2039

Age Group	2016	2032 (end of the plan period)	2039	Change 2016-2039	% Change 2016-2039
0-14	8,300	8,300	8,100	-200	-2.4%
15-39	12,700	12,100	12,200	-500	-3.9%
40-64	20,200	17,700	17,000	-3,200	-15.8%
65+	14,500	19,800	21,200	+6,700	+46.2%
TOTAL	55,800	57,900	58,600	+2,800	+5.0%
% aged 65+	26.0%	34.2%	36.2%		
% aged 75+	11.8%	18.7%	21.0%		

Source: ONS 2014-based sub-national population projections

4.96 The following economic drivers underpin the operation of the housing market in Craven:

- 63.5% of Household Reference People are economically active and are in employment according to the 2011 Census; a further 31.6% are retired, 1.6% are unemployed and 3.3% are other economically inactive;
- 64.4% of residents in employment work in Craven District. A further 15.5% work in Bradford, 4.2% work in Leeds, 2.3% work in Pendle, 2.0% work in Lancaster, 1.6% in South Lakeland, 1.5% in Harrogate, 0.8% in Ribbles Valley and 0.2% in Richmondshire; and
- According to the ONS Annual Survey of Hours and Earnings, lower quartile earnings in 2016 across Craven District were £16,349 each year which compares with £18,817 for Yorkshire and the Humber and £20,253 for

¹⁶ According to ONS 2014-based sub-national population projections

England. Median incomes were £22,512, compared with a regional median of £25,957 and a national median of £28,503.

4.97 In terms of dwelling stock, across Craven District, data from the 2011 Census reveals that:

- 90.8% of dwellings are houses or bungalows (of these 25.4% are detached, 28.9% semi-detached and 36.5% terraced) and 9.2% are flats, maisonettes, apartments or mobile accommodation;
- 7.7% of dwellings have one bedroom, 28.6% have two bedrooms, 42.0% have three bedrooms and 21.6% have four or more bedrooms;
- 73.1% of occupied properties are owner-occupied (42.3% owned outright and 30.8% owned with a mortgage), 17.4% are private rented/living rent-free, 9.0% are rented from a social landlord and 0.5% are shared ownership properties.

Views of key stakeholders on market drivers

4.98 Stakeholders were asked to identify what they perceive to be the main drivers of housing demand in Craven. The following were mentioned:

- Quality of life – an attractive environment;
- Popular tourist area, demand for second homes and holiday homes;
- Impact of welfare reform;
- Demographic factors – household growth, increasing number of smaller households, a lot of older people move to Craven to retire;
- Economic – commuting is an issue. People commute to work in Leeds/Bradford and in the urban areas of East Lancashire;
- Demand in more isolated rural areas is lower;
- Limited land availability for new development in key settlements;
- Welfare reform – there is little or no provision for single person households, including the under 35s where benefit changes have caused serious problems;
- Shortage of family housing; and
- Limited opportunities to deliver affordable housing.

4.99 Respondents identified a number of economic and demographic factors as influencing demand for housing in Craven, these include:

- The increasing cost of accommodation in the private rented sector, which has increased demand for affordable rented homes as people can no longer afford private rents;
- Lack of housing stock fuels high rents;
- Ageing population causes increased demand for ground floor accommodation (especially bungalows) and elderly care solutions;

- There is a need to create demand from younger age groups to want to live within rural communities, especially within the National Park;
 - Increased demand for one bed homes;
 - Increased longevity means that older people stay living in their own homes for longer, often under-occupying family sized accommodation; and
 - High housing costs means that younger people live at home longer and cannot access the housing market.
- 4.100 Stakeholders were asked to identify what they felt to be the current gaps in the housing market in Craven, these include:
- Limited housing available within the National Park for less than £170,000;
 - Access to mortgage finance, deposits and income to sustain a mortgage;
 - There needs to be a greater emphasis on delivering rural housing;
 - Provision of accommodation for people with specialist housing needs;
 - There is a need for more affordable housing both for rent and for sale; and
 - There is a need for more affordable market homes.

Current households in need

- 4.101 A robust and defensible assessment of housing need is essential for the development of affordable housing policies. Housing need can be defined as: *'The quantity of housing required for households who are unable to access suitable housing without financial assistance.'*¹⁷
- 4.102 The SHMA has used a range of secondary data to provide the robust and transparent evidence base required to assess housing need across Craven District. This is presented in detail in Appendix C of this report and follows CLG modelling guidance.
- 4.103 Across Craven District, the latest housing registers report 325 existing households in need, which represents 1.3% of all households (some households have multiple needs).

Homeless households

- 4.104 Homelessness statistics for 2015/16¹⁸ indicate that a total of 46 decisions were made on households declaring themselves as homeless across Craven (Table 4.9). Of these households, 10 were classified as homeless and in priority need. Over the seven years 2009/10 to 2015/16, an annual average of 47 decisions have been made across Craven and an average of 12 households each year have been declared as homeless and in priority need.

¹⁷ DCLG *Estimating housing need* 2010

¹⁸ DCLG Homeless Statistics [Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area](#)

Table 4.9 Homeless decisions and acceptances 2009/10 to 2015/16

Year	Decisions Made	Accepted as homeless
2009/10	29	8
2010/11	37	4
2011/12	44	12
2012/13	48	16
2013/14	60	15
2014/15	64	16
2015/16	46	10
Total	328	81
Annual Average	47	12

Source: DCLG Homelessness Statistics

Relative affordability of housing options

Tenure costs

4.105 The relative cost of alternative housing options across Craven and by sub-area is explored in Table 4.10. This includes affordable and market rent options, owner occupation and intermediate tenure options, as well as Starter Homes. Table 4.11 shows the income required for alternative tenure options to be affordable by sub-area. Assumptions underpinning these calculations are set out in Table 4.12.

Table 4.10 Cost of alternative tenure options

Tenure option	Price by area (2016)				
	North	South	Mid	YDNP	Craven Total
Social Rent (average)	£379	£379	£379	£379	£379
Affordable Rent (80% of average private rent)	£520	£440	£470	£1,602	£440
Market Rent - Lower Quartile	£550	£494	£550	£1,993	£494
Market Rent – Median	£650	£550	£587	£2,002	£550
Market Sale - Lower Quartile	£135,000	£139,500	£145,000	£214,000	£140,000
Market Sale – Median	£183,000	£179,000	£210,000	£312,500	£189,475
Market Sale – Average	£211,860	£215,249	£223,698	£352,941	£227,044
Starter Home	£146,400	£143,200	£168,000	£250,000	£151,580
Shared ownership (50%)	£105,930	£107,625	£111,849	£176,471	£113,522
Shared ownership (25%)	£52,965	£53,812	£55,925	£88,235	£56,761
Help to buy	£211,860	£215,249	£223,698	£352,941	£227,044

Source: Data produced by Land Registry © Crown copyright 2016, Zoopla, CLG

Table 4.11 Income required for alternative tenure options

Tenure option	Income required by area (2016)				Craven Total
	North	South	Mid	YDNP	
Social Rent	£18,192	£18,192	£18,192	£18,192	£18,192
Affordable Rent	£24,960	£21,120	£22,541	£76,877	£21,120
Market Rent - Lower Quartile	£26,400	£23,712	£26,400	£95,664	£23,712
Market Rent - Median	£31,200	£26,400	£28,176	£96,096	£26,400
Market Sale - Lower Quartile (assumes 10% deposit)	£34,714	£35,871	£37,286	£55,029	£36,000
Market Sale - Median (assumes 10% deposit)	£47,057	£46,029	£54,000	£80,357	£48,722
Market Sale - Average (assumes 10% deposit)	£54,478	£55,350	£57,522	£90,756	£58,383
Starter Home	£43,583	£44,280	£46,018	£72,605	£46,706
Shared ownership (50%)	£42,443	£43,114	£44,713	£68,486	£45,423
Shared ownership (25%)	£35,407	£35,964	£37,283	£56,763	£37,882
Help to buy	£30,266	£30,750	£31,957	£50,420	£32,435

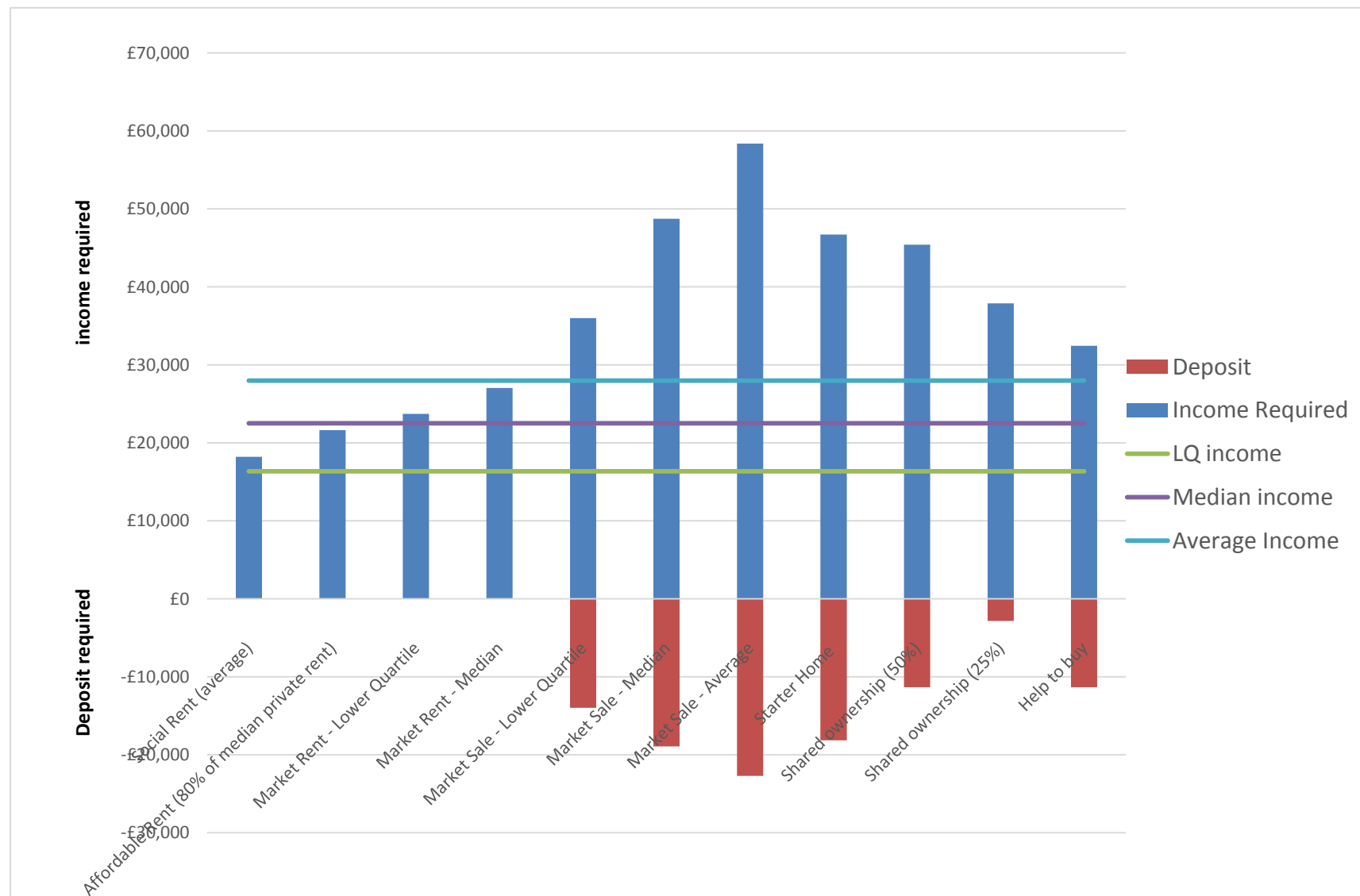
Source: Data produced by Land Registry © Crown copyright 2016, Zoopla, CLG

Table 4.12 Assumptions in assessing income required for alternative tenure options

Tenure	Tenure price assumptions	Affordability assumptions
Social rent	Prevailing prices	Affordability 25% of income
Affordable rent	80% of average market rent	Affordability 25% of income
Market Rent – lower quartile	Prevailing prices	Affordability 25% of income
Market Rent – median	Prevailing prices	Affordability 25% of income
Market Sale – lower quartile	Prevailing prices	90% LTV, 3.5x income
Market Sale – median	Prevailing prices	90% LTV, 3.5x income
Market Sale - average	Prevailing prices	90% LTV, 3.5x income
Starter Home	20% discount on full value (assumed to be median), 10% deposit on discounted portion, remainder mortgage based on 3.5x income	90% LTV, 3.5x income
Shared ownership (50%)	Total price based on median price and 50% ownership. Mortgage based on 40%. 10% deposit required, annual service charge £395, Annual rent based on 2.75% of remaining equity	90% LTV, 3.5x income for equity and 25% of income for rental element
Shared ownership (25%)	Total price based on median price and 25% ownership. Mortgage based on 20%. 5% deposit required, annual service charge £395, Annual rent based on 2.75% of remaining equity	90% LTV, 3.5x income for equity and 25% of income for rental element
Help to buy	Total price based on median price. Mortgage based on 75% equity. 20% loan and deposit of 5%. Loan fee of 1.75% in year 6 of outstanding equity loan increasing annually from yr7 at RPI+1%	70% LTV, 3.5x income

Relative affordability of tenure options

- 4.106 This analysis indicates that for open market housing, the minimum indicative income required is £23,712 for lower quartile or entry-level renting in the District as a whole. For lower quartile or entry-level house prices (owner occupation) the minimum income required is £36,000.
- 4.107 Figure 4.5 compares incomes required for alternative tenures with prevailing lower quartile, median and average earnings. This demonstrates that single earner households can only afford lower quartile rents based on income alone. There is a greater range of housing options that are affordable to average earners, although even lower quartile, median and average house prices would still be unaffordable.
- 4.108 Table 4.13 then considers the relative affordability of different tenures for households on the housing register. This demonstrates that without housing benefit/universal credit properties are largely unaffordable across all tenures. Table 4.14 then considers what equity elements of a property could be afforded by households on the register based and shows that 39% could afford an equity share of £50,000 but the proportion who could afford up to £75,000 falls rapidly to 15.2%.
- 4.109 Table 4.14 has implications for what would be an appropriate tenure split for Craven District. On the basis of this analysis, a tenure split of 85% rented and 15% intermediate tenure would be suggested.

Figure 4.5 Craven District household income and housing costs comparison

Source: Data produced by Land Registry © Crown copyright 2017, Zoopla, DCLG, ASHE

Table 4.13 Percentage of households who could/could not afford the tenure option

	Income required for option to be affordable	% could afford			Basis
		Existing Households	Newly forming households	All households in need	
Social Rent	£18,192	20.1	11.9	18.8	Income
Affordable Rent	£21,619	13.3	8.5	12.5	Income
Market Rent - Lower Quartile	£23,712	11.7	5.1	10.6	Income
Market Rent - Median	£27,024	6.5	1.7	5.7	Income
Market Sale - Lower Quartile	£36,000	2.2	0.0	1.8	Affordability threshold
Market Sale - Median	£48,722	0.6	0.0	0.5	Affordability threshold
Market Sale - Average	£58,383	0.3	0.0	0.3	Affordability threshold
Starter Home	£46,706	1.2	0.0	1.0	Affordability threshold
Shared ownership (50%)	£45,423	4.9	0.0	4.2	Affordability threshold
Shared ownership (25%)	£37,882	28.9	20.0	27.7	Affordability threshold
Help to buy	£32,435	0.3	0.0	0.3	Affordability threshold

Source: Data produced by Land Registry © Crown copyright 2017, Zoopla, DCLG, CACI, Housing Register

Note: Basis refers to whether affordability is tested using income alone or the affordability threshold, which is income x3.5 plus savings/equity

Table 4.14 Equity element which could be afforded by existing and newly forming households in need

Equity element which could be afforded:	% could afford		
	Existing	Newly forming	Total
£50,000	38.6	40.7	39.0
up to £75,000	16.2	10.2	15.2
up to £100,000	7.3	0.0	6.1
up to £120,000	3.3	0.0	2.8
Base (valid data)	303	59	362

5. Market Signals review

Introduction

- 5.1 NPPG (paragraph 19) states that, *'the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings'*. NPPG paragraph 20 suggests that, *'in broad terms, the assessment should take account both of indicators relating to price (such as house prices, rents, affordability ratios) and quantity (such as overcrowding and rates of development).'*
- 5.2 This chapter therefore considers a range of market signals and compares the trends in Craven with those of comparator district, the region and England as whole. It also looks at development activity (housing completions) in the District.

Market signals

- 5.3 NPPG paragraph 20 comments that, *'market signals are affected by a number of economic factors and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, should be expected to improve affordability, and monitor the response of the market over the Plan period.'*
- 5.4 In line with NPPG, Table 5.1 considers a range of housing market signals for Craven. These include house prices, rents, affordability and overcrowding.

Price indicators

- 5.5 In terms of price/transaction indicators, a key message from the analysis is that house prices have been broadly consistent over the period 2005-2016, although they have been increasing annually since 2013. Lower quartile prices have ranged between £119,500 and £138,000 (in 2016). Median price have ranged between £159,000 and £182,500 (in 2015). Sales declined rapidly from a peak of 1,358 in 2006 and after averaging around 730 during 2008-2012, sales have been increasing and were 1,028 in 2016.
- 5.6 The affordability of median house prices has been worsening, with an increase in House Price Ratio (HPR) from 7.0 in 2005 to 8.3 in 2016 and over the 2005-2016 period has averaged 7.4.
- 5.7 Lower quartile market rents have increased during the five-year period for which data are available, from £446 in 2010 to £494 in 2016. Median rents have been relatively stable at around £550 per month. The Rental Affordability Ratio (RAR) has averaged 34.2% over the six years 2010 to 2016 and in 2016 it measured 36.3%.
- 5.8 Overall, the price indicators demonstrate that open market housing costs have been broadly consistent over the period 2005-2016 but have shown recent

signs of increase. Most recent data for the first half of 2017 suggests prices are continuing to increase, with lower quartile prices of £145,000 and median prices of £195,000. Affordability ratios would suggest there is pressure in the housing market which warrants consideration when calculating the objectively assessed need for housing. On the basis of the HPR and RAR ratios for Craven, an uplift of 20% would be recommended on the basis of the LPEG report based on the HPR ratio.

Quantity indicators

- 5.9 In terms of quantity indicators, there has been a growth in the total number of dwellings of 2,732 or 10.9% between 2005 and 2016. Vacancy rates have averaged 3.5% over this period and long-term vacants 0.96%. The vacancy rate in 2016 was 3.4% which compares with the English rate of 2.6%. Long-term vacancies have been increasing from a low of 0.7% in 2010 to 1.2% in 2016.
- 5.10 According to the 2011 Census, 1.7% of households in Craven District were overcrowded. This compares with 4.6% across England. The 2001 Census reported an overcrowding rate of 3.7% (7.1% across England), suggesting that levels of overcrowding have fallen both nationally and locally.
- 5.11 The figures for households on the housing register has fluctuated over the period 2005-2016, averaging 804 and ranging between 554 (2016) and 1,092 (2012/13). This data has been reported as it is from an official CLG source and fluctuations are more likely to do with administration of the housing register rather than large changes in underlying need.

Table 5.1a Housing Market Signals : Price/transaction indicators												
indicator	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Lower Quartile House Prices	£119,500	£133,000	£135,250	£134,125	£122,500	£130,000	£125,000	£127,250	£125,000	£129,000	£135,000	£140,000
Median House Prices	£159,000	£177,000	£180,000	£176,500	£168,000	£182,000	£175,000	£175,000	£169,000	£176,000	£182,500	£189,475
Lower Quartile Rents (per calendar month)						£446	£472	£472	£459	£477	£494	£494
Median Rents (per calendar month)						£546	£524	£546	£550	£550	£550	£550
Rental Affordability Ratio (Lower quartile rents to lower quartile earnings)						33.3%	35.0%	34.2%	32.7%	34.3%	33.6%	36.3%
ONS Table 5c LQ Earnings to LQ Price (resident-based)	7.81	8.47	7.98	6.87	7.22	7.96	7.84	7.85	7.42	7.50	7.77	8.56
ONS Table 5c LQ Earnings to LQ Price (workplace-based)	7.89	9.24	9.01	7.88	7.95	8.62	8.61	8.04	7.36	7.57	8.33	7.91
ONS Table 6c Median Earnings to Median Price (resident-based)	7.03	7.84	8.19	6.33	6.68	6.92	7.33	7.38	7.31	7.28	7.83	8.31
ONS Table 6c Median Earnings to Median Price (workplace-based)	7.70	10.10	8.81	7.36	7.68	7.91	8.01	7.77	7.28	7.24	8.12	7.70
No. Property sales	1,178	1,358	1,142	705	706	756	718	764	915	1,079	1,049	1,028

Table 5.1b Housing Market Signals : Quality indicators

indicator	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Total dwelling stock (at 1 April)	25,068	25,267	25,542	25,718	25,922	26,800	27,010	27,290	27,410	27,440	27,610	27,800
Total vacant dwellings (at October)	810	885	915	995	950	768	944	931	949	940	1,007	938
Total vacancy rate (at October)	3.23%	3.50%	3.58%	3.87%	3.66%	2.87%	3.50%	3.41%	3.46%	3.43%	3.65%	3.37%
Long-term vacant dwellings (at October)	232	244	276	353	245	186	192	204	162	295	321	333
Long-term vacancy rate (at October)	0.93%	0.97%	1.08%	1.37%	0.95%	0.69%	0.71%	0.75%	0.59%	1.08%	1.16%	1.2%
Overcrowding (2011 census)							1.90%					
No. of households on the housing register (at 1 st Apr)	645	739	838	973	840	819	885	1,090	1,092	614	560	554

Sources: Land Registry Price Paid Data; Zoopla Rental Data; Annual Survey of Hours and Earnings; Local Authority Housing Statistics and Housing Strategy Statistical Appendix; CLG Dwelling/Vacancy statistics; 2011 census

Note: Private rental data for 2005-2009 not available

Comparator areas

- 5.12 Table 5.2 considers how the market signals observed in Craven compare with similar districts and with regional and national trends.
- 5.13 Compared with comparator district, regional and national data over the more recent 2010-16 period, lower quartile house price change in Craven has been slightly higher than that in the region, but lower than England as a whole. In terms of median house prices, Craven has seen an increase but at a lower rate to the region. Lower quartile rental price increase has been higher than all of the comparator districts; it has also been higher than the region and England. By comparison, median rental prices have only increased slightly, suggesting pressure at the lower end of the market in particular.
- 5.14 The House Price Ratio (HPR), comparing median house price to median earnings (using resident-based earnings), is 8.3 which is higher than the regional and England figure. It is also higher than most comparator areas except Harrogate. Comparator districts range from a HPR of 4.0 in Pendle to 8.8 in Harrogate. The Rental Affordability Ratio (RAR) of 36.3% in Craven which is higher than the regional figure (27.6%) but lower than England (38.5%).
- 5.15 In terms of quantitative indicators, a 3.7% increase in total dwelling stock 2010-16 compares well with the national trend and higher compared with most comparator districts. Total vacancy rates and long-term vacancy rates have increased which contrasts with falls in several comparator areas, regionally and nationally. The overcrowding rate in Craven is 1.7% which compares well with England (4.6%), and is also lower than the region (3.7%) and most of the comparator districts (only Ribble Valley and South Lakeland have lower rates). The number of households on the housing register per 1,000 occupied dwellings is 21 in Craven, which is low compared with most comparator districts, the region and England as a whole (however this may be due to the administration of data rather than an expression of housing need).

Table 5.2 Housing market signals comparison with local districts, the region and England

Price/transaction indicators 2010-2015	Craven	Comparator Districts*							Yorkshire and Humber	England
		Bradford	Harrogate	Richmond-shire	Lancaster	Ribble Valley	Pendle	South Lakeland		
Lower Quartile House Prices change 2010-16	6.2	-7.0	10.2	-4.7	5.3	3.8	-12.3	6.2	5.3	12.0
Median House Price change 2010-16	4.1	0.0	9.1	-4.8	6.0	1.1	2.4	5.8	7.4	18.1
Lower Quartile Rent change 2010-2016 (per calendar month)	10.8	-0.8	0.0	5.3	-13.9	5.5	6.1	6.1	0.9	8.7
Median Rent change 2010-16 (per calendar month)	0.7	-4.4	3.2	8.8	-8.0	6.4	-3.8	4.7	4.2	23.3
House Price Ratio (Median Price to Median Earnings) 2016	8.3	5.3	8.8	6.7	5.4	7.1	4.0	7.3	5.6	7.2
Rental Affordability Ratio (Lower quartile rents to lower quartile earnings) 2016	36.3	26.0	35.5	31.9	27.5	27.7	24.0	34.1	27.6	38.5
Quantity indicators										
Total dwelling stock change 2010-16	3.7	2.8	1.9	3.5	2.1	4.7	0.9	3.2	3.3	3.9
Total vacant dwellings % change 2010-16	22.1	-26.1	-18.6	10.5	8.3	3.1	-29.4	1.0	-30.1	-20.0
Total vacancy rate 2016	3.4%	4.2%	2.9%	3.6%	4.4%	3.3%	4.8%	3.8%	2.8%	2.5%
Long-term vacant dwellings % change 2010-16	79.0	-31.5	-13.6	0.6	-8.0	-25.6	-51.0	-20.8	-39.2	-33.2
Long-term vacancy rate (at October)	1.2%	1.9%	1.1%	1.3%	1.6%	0.8%	2.3%	1.5%	1.0%	0.8%
Overcrowding (2011 census)	1.9%	6.4%	2.3%	2.1%	2.7%	1.6%	5.3%	1.6%	3.7%	4.8%
No. of households on the housing register (at 1st April 2016)	554	11385	1592	484	1598	956	1708	2974	140016	1183779
No. households on housing register per 1,000 occupied dwellings	21	56	23	21	27	38	45	56	60	51

Source: Data produced by Land Registry © Crown copyright 2016; Zoopla 2016, Annual Survey of Hours and Earnings 2016, DCLG Dwelling Statistics, 2011 Census and Office for National Statistics

Past trends in housing delivery

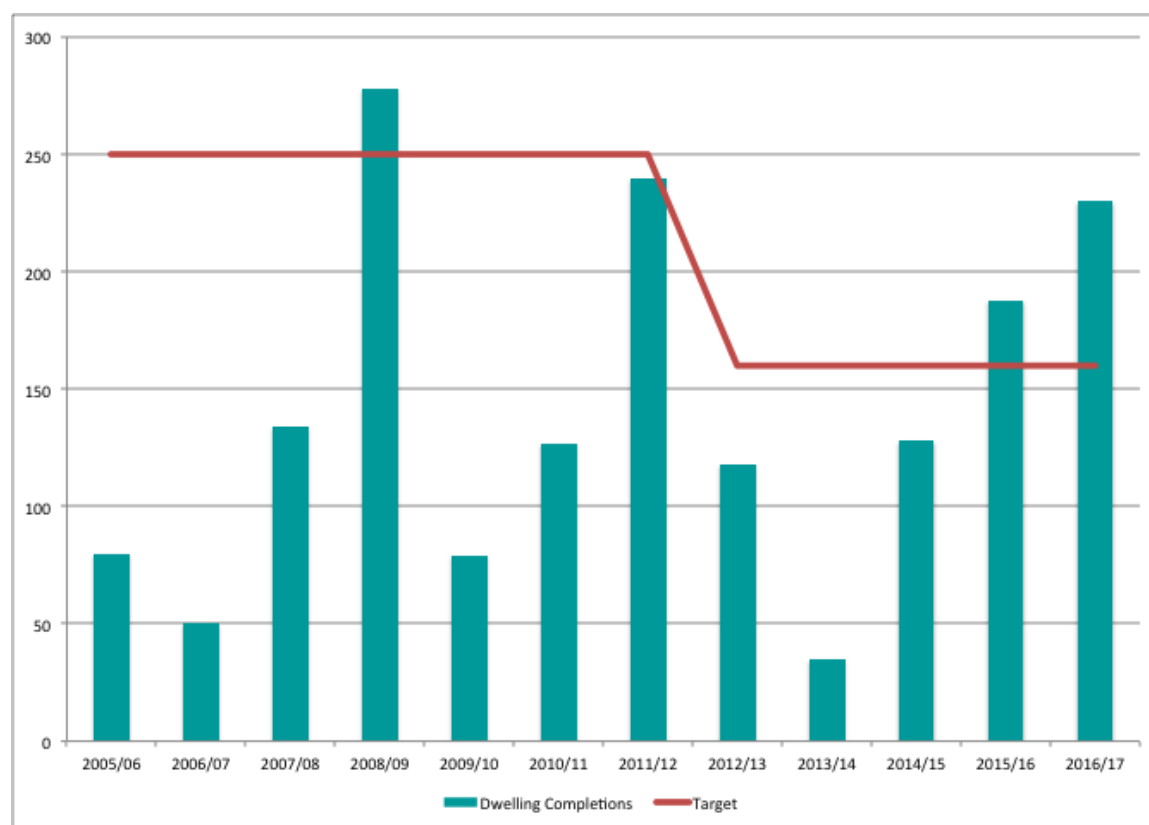
- 5.16 PPG paragraph19 refers to the rate of development as a market signal. This section therefore reviews actual housing completions data for the District.
- 5.17 Over the ten-year period 2007/08 to the end of 2016, a total of 1,391 dwellings have been built in Craven District (Table 5.3). Of these, 432 were affordable, representing 31% of completions.

Table 5.3 Market and affordable housing completions 2007/08 to 2016/17

Year	Market Housing	Affordable Housing	Total	% Affordable
2007/08	123	11	134	8.2%
2008/09	237	41	278	14.7%
2009/10	48	31	79	39.2%
2010/11	63	64	127	50.4%
2011/12	118	122	240	50.8%
2012/13	118	0	118	0.0%
2013/14	35	0	35	0.0%
2014/15	104	24	128	18.8%
2015/16	132	56	188	29.8%
2016/17	154	76	230	33.0%
Total	1132	425	1557	27.3%
Annual Average	113.2	42.5	155.7	

Source: Council Planning data

- 5.18 Figure 5.1 compares total dwelling completions with planning policy targets.

Figure 5.1 Dwelling completions and targets in Craven District

Source: Council Planning data

Note: 2015/16 covers period to 31 Dec 2016

- 5.19 Regarding past trends in delivery, this has tended to lag behind existing targets. There are however no development constraints as the Council has an adequate 5 year land supply and under-delivery is more likely to relate to market conditions and developer appetite for delivery

Stakeholder views on new housing provision

- 5.20 Stakeholders noted that there appears to be some new development taking place in Craven, some of which is for affordable housing. One respondent indicated that too much new development is for older people. One respondent identified that new build rates within the National Park area have fallen. A number of respondents (three) felt that new build rates were insufficient to meet demand/need.
- 5.21 Demand for new build homes was generally felt to be high; however, there are issues associated with local occupancy clauses that affect the saleability of properties (which applies to properties in the National Park).
- 5.22 Respondents were not clear whether demand for new housing was generated from resident households or new households seeking to move into the area. Several respondents suggested a 50/50 split, especially given the significant increase in second home ownership between 2001 and 2011 (Census data). One respondent felt that the high cost of housing within the area meant that many emerging households cannot afford to stay in the area.

- 5.23 In terms of locations for new housing, the following were proposed by respondents:
- Skipton;
 - On allocated and windfall sites within the National Park – especially within Grassington and associated settlements;
 - Rural areas;
 - Key settlements – close to infrastructure;
 - Skipton/Gargrave/Grassington/Hellifield/South Craven; and
 - Brownfield sites where possible.
- 5.24 There were a range of responses when stakeholders were asked what type of new homes should be built, including:
- One bed flats;
 - Single person accommodation;
 - Small to medium houses within the National Park area;
 - Smaller bungalows and flats for older people;
 - A range of house types; and
 - Homes that meet the identified need and demand within the District.
- 5.25 Respondents involved in development were interested in developing new homes in Craven, either because they already have stock in the local area (Registered Providers), or they believe that there is a long term sustainable demand for their accommodation.
- 5.26 Stakeholders identified the following barriers to the delivery of new development:
- Availability of finance;
 - Recent change to use of Section 106 agreements will now prevent new affordable homes on sites less than 11 units in the National Park. Going forward releasing sites larger than 11 units will be a problem due to lack of public confidence in the system as a result of the recent 'change' made by the Secretary of State;
 - Site viability has been an issue and unreasonable landowner expectations (within the National Park);
 - Shortage of suitable development land, restricted by planning policy;
 - Cost of development – site reclamation, materials, affordability assessments, which reduce the amount of Section 106 affordable homes on private sites;
 - Land costs and availability – especially for affordable housing, where high land values mean that Registered Providers cannot compete with developers to acquire sites;
 - Planning policy; and
 - Local opposition to affordable housing.

- 5.27 Affordable rent was the only affordable housing product currently being developed in Craven by respondents. No respondents had developed any shared ownership properties within the District recently. One respondent pointed out that because Craven falls within the Bradford Local Housing Allowance Band, rents are low, which adversely affects development viability for affordable rented homes.
- 5.28 The key messages that respondents wanted to see in the SHMA regarding new housing provision are:
- A regular and sustainable supply of land;
 - A presumption in favour of affordable applications being approved;
 - Greater concentration of new homes to achieve viability;
 - The broad issue of need across the whole socio/health/economic spectrum; and
 - One bed flats need to be developed.

Concluding comments

- 5.29 In conclusion, a review of market signal data would suggest that a 20% uplift on baseline demographic dwelling requirement in response to affordability indicators would be recommended.
- 5.30 Housing delivery has consistently below target, but as the Council has a 5 year land supply, this is more likely to be due to developer activity rather than a shortfall in sites for development.

6. Objectively Assessed Housing Need and Housing Requirement

Introduction

- 6.1 The National Planning Policy Framework requires that LPAs identify Objectively Assessed Housing Need (OAN) and that Local Plans translate those needs into land provision targets. Paragraph 159 of the NPPF recognises that the objective assessment of housing need must be one that meets household and population projections, taking account of migration and demographic change; meets the need for all types of housing including Affordable, and caters for housing demand and the scale of housing supply necessary to meet that demand. PPG recognises that '*establishing future need for housing is not an exact science*' (para 014 2a-014-20140306), although it should be informed by reasonable and proportionate evidence.
- 6.2 The purpose of this chapter is to draw together the evidence in this SHMA and the Edge Analytics Craven: Updating the demographic evidence (October 2017) to establish the Objectively Assessed Housing Need for Craven District over the Plan Period 2012-2032. The chapter is structured in accordance with the approach set out in PPG and also considers further guidance which supports PPG, namely the Planning Advisory Service *Objectively Assessed Need and Housing Targets Technical Advice Note*, Second Edition, July 2015; and the *Local Plan Experts Group report Local Plans: report to the Communities Secretary and the Minister of Housing and Planning*, March 2016.
- 6.3 The analysis of OAN draws upon demographic analysis prepared by Edge Analytics¹⁹. They have produced an updated rate of scenarios using the latest demographic statistics considering:
- The latest 2014-based population and household projections for Craven District;
 - Alternative migration impacts/assumptions; and
 - The relationship between jobs growth and dwelling requirement.
- 6.4 In order to establish Objectively Assessed Need, PPG recommends a logical progression of steps which also provides a general structure for this chapter:
- Establishing the Housing Market Area;
 - Make use of DCLG household projections as the starting point estimating the OAN;
 - Consider sensitivity testing specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates;
 - Take account of employment trends;

¹⁹ Craven Updating the demographic evidence Oct 2017

- Take account of market signals;
 - Consider an increase in the total housing figures where it could help deliver the total number of affordable homes.
- 6.5 Note that analysis considers an OAN for Craven District and makes recommendations as to how the OAN should be split between the two Local Planning Authorities located with Craven District: the Yorkshire Dales National Park and the Craven District (excluding the National Park) areas.

Housing Market Area

- 6.6 PPG Paragraph 2a-010 states a requirement to establish the relevant functional area to assess needs. For housing need, this is the Housing Market Area. Chapter 3 reviewed the evidence relating to defining the market area and concluded that Craven District is an appropriate Housing Market Area for planning purposes.

Demographic starting point

- 6.7 PPG Paragraph 2a-015 states that plan makers should make use of the latest household projections published by DCLG as the starting point estimate of housing need. The latest official population and household projections (2014-based) have been used in accordance with PPG Paragraph 2a-016 to generate a benchmark SNPP-2014 scenario. However, Edge Analytics comment that the SNPP-2014 has underestimated population growth evident in 2015 and 2016, so an SNPP-2014-Rebased scenario has been prepared which aligns the growth profile of the SNPP-2014 with this later population evidence. Over the **2012-2032** plan period, the 2014-based household projection model suggests a need for 141 dwellings each year and under the SNPP-2014-Rebased scenario which takes account of population change since 2014. It is proposed that this figure of 141 dwellings each year is taken as the demographic starting point.

Adjusting the projections

- 6.8 The PPG recommends adjustments be made to the household projections with reference to local demographic trends, future jobs, past delivery and market signals and other local circumstances not captured by past trends. Each of these is now considered in turn.

Local demographic trends

- 6.9 Whilst the official 2014-Rebased ONS population projections will form the 'starting point' of the assessment of housing need, the PPG states that it is appropriate to consider '*alternative assumptions in relation to the underlying demographic projections and household formation rates*' of the local area (PPG Paragraph 2a-017).
- 6.10 In line with the PPG, Edge Analytics have developed a range of alternative demographic scenarios:

- PG-Short Term: internal migration rates and international migration flow assumptions are based on the last six years of historical evidence 2010/11 to 2015/16;
 - PG-Long Term: internal migration rates and international migration flow assumptions are based on the last fifteen years of historical evidence 2001/12 to 2015/16; The small 'unattributed population change' (UPC) component is included in international migration assumptions,
- 6.11 Regarding household formation, Edge Analytics note that 'across the UK, younger adult age groups have seen the most significant change in household formation over the last ten years, due to a combination of housing undersupply and affordability issues.' An alternative headship rate has been applied which considers 'a partial return' in which the 2014-based headship rates for the 25-34 age group return to a mid-point between the 2014- and 2008-based rates by 2033. The application of the 'Partial Return' headship rates results in only a slight increase in dwelling requirement under all scenarios.
- 6.12 Table 6.1 summarises the range of scenarios and dwelling requirements under alternative headship rate assumptions in line with PPG. These outputs also assume an 8.9% dwelling vacancy rate.

Table 6.1 Dwelling requirements under alternative scenarios and headship rate sensitivities		
Scenario	Average annual dwelling requirement 2012-2032	
	2014-based	2014-based Partial Return
PG-Long Term	199	202
PG-Short Term	167	170
SNPP-2014 - Rebased	141	144
SNPP-2014	130	132

- 6.13 Having reviewed the latest demographic and household projections and considered alternative assumptions relating to migration and headship rates in line with PPG, it is recommended that:
- I. the baseline dwelling requirement under the latest (2014-based) projections (130) has been rebased to align with 2015 and 2016 mid-year estimates to establish a demographic starting point of 141 which accords with PPG Paragraph 2a-016.
 - II. That an adjustment is made to reflect alternative assumptions in relation to the underlying demographic projections and household formation rates of the local areas which accords with PPG paragraph 2a-017. This requires a consideration of migration assumptions and alternative headship rates.
 - III. Regarding migration assumptions, the PG-Long Term scenario is taken as the appropriate adjustment based on migration. This scenario takes account of long-term internal migration trends. A longer time-frame provides a good indicator of underlying long-term trends and has the

benefit of covering several economic cycles. This results in an uplift to a need to 199 dwellings each year.

- IV. Regarding alternative headships rates, these have been tested using a 'partial return' scenario in which the 2014-based headship rates for the 25-34 age group return to a mid-point between the 2014 and 2008-based rates. This results in a further increase to a dwelling need of 202 dwellings each year under the PG Long-term scenario.
- V. In summary, an analysis of *'alternative assumptions in relation to the underlying demographic projections and household formation rates'* of the local area results in a recommendation of a demographic need for 202 dwellings each year over the plan period 2012-2032. This compares with 188 dwellings in the previous (2016) SHMA update.

Employment Trends

- 6.14 PPG paragraph 2a-018 states that "plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area".
- 6.15 Employment growth forecasts for Craven District have been supplied from the Regional Economic Model (REM) dated March 2017. This provides a measure of both FTE jobs growth and the change in 'workplace-based employment'. The forecast of economic growth is underpinned by a commuting ratio that remains constant through the forecast period; an unemployment rate that reduces from 3% to 2.4%; and an aggregate economic activity rate (ages 16-89) that reduces from 61.4% in 2016 to 59.9% in 2032. Edge Analytics note that the derivation of a 'workplace-based employment' is important as, in addition to these assumptions, an improved alignment of the forecast to the demographic evidence has been possible.
- 6.16 The population, household and dwelling growth implications of the REM March 2017 employment forecast has been evaluated by Edge Analytics. Using an 'employment-led' formulation of the POPGROUP model, it is possible to estimate the population and dwelling growth implications of the REM economic forecast. Two employment-led scenarios have been considered:
 - Employment-led, which uses the economic activity rate, unemployment rate and commuting ratio assumptions direct from the REM, using these to estimate the population and dwelling growth impact of the employment growth trajectory;
 - Employment-led OBR which maintain the same trajectory of employment growth and retains the assumptions on commuting and unemployment. However it varies Craven's age specific economic activity rates in line with evidence from the OBRs labour force projections.
- 6.17 The employment-led scenarios result in an average annual dwelling need of 149. The inclusion of OBR assumptions results in a higher population growth and a dwelling growth of 161 dwellings.

Table 6.3 Demographic and economic-led scenario outcomes 2012-2032

Scenario	Population change	Average Annual Dwelling requirement
PG Long-term	5,439	199
PG Short-term	3,934	167
Employment-led (OBR)	3,821	161
Employment-led	3,232	149
SNPP-2014- Rebased	2,984	141
SNPP-2014	2,465	130

6.18 Having considered the REM March 2017 economic forecasts, it can be concluded that:

- VI. The REM 2017 results in a dwelling need of between 149 (employment led) and 161 (employment-led (OBR)). This is higher than the SNPP 2014-rebased need, but below the dwelling need under PG Short-term and Long-term scenarios.
- VII. In summary, an assessment of the *'likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area'* would suggest that no further adjustment is required to take account of employment trends as these are lower than the adjustments which take into account migration trends.

Market signals and past trends in delivery

- 6.19 Chapter 5 presented information on market signals and past trends in delivery. This considered signals relating to price and quantity and compared Craven District with neighbouring districts, the region and England. Affordability remains an issue in Craven District and an uplift is recommended. PPG does not specify the mechanism for uplift but the LPEG report recommends uplift from the demographic starting point based on two measures of affordability: House Price Ratio (HPR) and Rental Affordability Ratios (RAR). For Craven, the HPR ratio of 8.3 translates to an uplift of 20% and the RAR of 36.3% translates to an uplift of 25%. On the basis of a 20% uplift to the demographic base linked to underlying house price ratios, this results in an additional 40 dwellings each year.
- 6.20 Regarding past trends in delivery, this has tended to lag behind existing targets. There are however no development constraints as the Council has an adequate 5 year land supply and under-delivery is more likely to relate to market conditions and developer appetite for delivery.
- 6.21 Regarding market signals and past trends in delivery:
- VIII. It is recommended that the OAN is adjusted by a further 40 dwellings to take account of market signals relating to affordability;
 - IX. No adjustment is necessary to take account of past delivery.

Affordable need and housing provision targets

- 6.22 PPG Paragraph 2a-029 advises on how housing needs assessments should take account of affordable housing need: ‘the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing-led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes’.
- 6.23 The analysis of housing need suggests there is an annual imbalance of 126 affordable dwellings each year. However, this is not a target for delivery but expresses the overall need from the housing register compared with current supply of affordable housing. In reality, households in need who cannot access the market can pay proportionately more for their housing above suggested affordable thresholds, people can share dwellings to reduce housing costs, and the private rented sector can accommodate households in need.
- 6.24 PAS²⁰ guidance provides helpful guidance in interpreting affordable need in the context of objectively assessed need. Paragraph 9.6 states ‘in practical terms, there is no arithmetical way of combining the two calculations set out in PPG to produce a joined-up assessment of overall housing need. We cannot add together the calculated OAN and the calculated affordable need, because they overlap: the OAN of course covers both affordable and market housing, but we cannot measure these components separately, because demographic projections – which are the starting point for the OAN – do not distinguish between different sectors of the housing market. Para 9.7 continues ‘In summary, it seems logically clear that affordable need, as defined and measured in paragraphs 22-29 of the PPG, cannot be a component of the OAN. The OAN does have an affordable component – which cannot be measured separately but will normally be much smaller than the affordable need discussed at paragraphs 22-30. When paragraph 47 of the NPPF says that plans should meet in full ‘the need for market and affordable housing’, it is referring to that component rather than the separately calculated affordable need.
- 6.25 In summary:
- X. It is not recommended that there is any further adjustment to take account of additional affordable housing delivery. Assuming an OAN of 242 and an affordable housing policy seeking 30% of new homes to be affordable, a considerable proportion of annual affordable need would be addressed.

Objectively Assessed Housing Need

- 6.26 An OAN should be based on reasonable assumptions which take into account baseline demography, adjustments to reflect local demographic trends, past

²⁰ Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition July 2015

delivery, market signals, future jobs and other local circumstances: the SHMA has explored these factors in detail. PAS guidance suggests that the OAN should exclude any policy objectives and value judgements and evidence should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a Housing Requirement.

- 6.27 The challenge for the Council is to deliver an appropriate and proportionate level of dwelling growth that supports economic growth and carefully takes into account the current demographic profile of the District.
- 6.28 It is proposed that the Objectively Assessed Housing Need for Craven District over the plan period 2012-2032 is established from a baseline of 130 (using the rebased 2014-based SNPP), with data rebased to take account of mid-year estimates to 2016 (141) with an upward adjustment to take account of longer-term migration trends to 199 dwellings each year based on the PG Long Term scenario and an upward adjustment to take account of alternative headship rates to 202 dwellings each year. This outcome is sufficient to support the jobs growth projections of the March 2017 REM.
- 6.29 It is also recommended that there is a 20% uplift to the demographic requirement to take account of market signals relating to affordability. This increases the OAN by 40 dwellings each year.
- 6.30 In conclusion, the Objectively Assessed Need figure for Craven District is **242** (a baseline of 141, with a long-term migration adjustment to 199 and a headship rate adjustment to 202) and a further uplift of 40 to take account of market signals. This figure takes account of the need to deliver more affordable and market housing for an increasing number of households, long-term trends in migration and supports economic growth. The full objectively assessed dwelling need over the Plan Period 2012-2032 (20 years) is for up to 4,840 dwellings.

Craven District Local Planning Authority Areas

- 6.31 There are two Local Planning Authorities within Craven District: part of the Yorkshire Dales National Park and the Craven LPA. An estimated 15% of the growth of the District is likely to take place in the Yorkshire Dales National Park (Craven Local Plan, Demographic Forecasting Update: Addendum November 2017). Therefore, based on an overall district OAN of 242, the Craven District LPA OAN is 206 and the Yorkshire Dales National Park (within Craven District) OAN is 36.

From an OAN to a housing requirement

- 6.32 Having established an up to date OAN, it is necessary to translate this into a growth target for the purposes of future plan-making. This is referred to as the 'housing requirement'. The housing requirement should, in normal circumstances, reflect the objectively assessed need but can be adjusted either upwards or downwards. An OAN could be adjusted downwards due to development constraints or upwards to support economic or other growth

ambitions. The OAN is in effect a 'policy off' need for housing over the plan period. Once policy considerations have been applied to the OAN figure, the result is a 'policy on' figure for the housing requirement. The housing requirement figure will be the target against which housing supply will normally be measured.

7. The need for all types of housing

Introduction

- 7.1 NPPG paragraph 21 considers how the needs for all types of housing should be addressed. NPPG also suggests planning authorities consider the need for certain types of housing and the needs of different groups, including the private rented sector, people wishing to build their own homes, family housing, housing for older people, households with specific needs and student housing.
- 7.2 This chapter begins with an analysis of the mix of dwellings by type and size over the plan period and then considers affordable housing need as a component of future dwelling requirements.

Overall dwelling mix

- 7.3 NPPF paragraph 159 states that local authorities should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the Plan Period.
- 7.4 Having reflected upon the objectively assessed need for housing and housing requirement, this section considers the overall dwelling mix which is appropriate for consideration by the Council.
- 7.5 In order to determine the potential range of new dwelling stock appropriate for Craven, analysis has considered:
- The current stock profile of the district by type and size;
 - The profile of households by age of Household Reference Person (HRP)²¹ and how this is expected to change over the period 2012 to 2032;
 - The range of dwelling types and sizes occupied by households by age and type;
 - Future requirements for dwelling types and sizes based on the anticipated change in household profile; and
 - A consideration of affordable housing need.
- 7.6 Detailed analysis is presented at Appendix F. Table 7.1 summarises the range of dwellings by type, size and tenure based on the OAN of 242 each year. The analysis indicates that there are three key dwelling types particularly required across Craven: 2, 3 and 4+ bedroom houses in addition to on-going development of other property types and sizes as illustrated in Table 7.1

²¹ This term replaces 'Head of Household'

Table 7.1 Dwelling stock requirements 2012-2032		
Dwelling type and size	% of new dwelling stock	Number of dwellings
1 Bed House	1.8	4
2 Bed House	21.2	51
3 Bed House	38.7	94
4 or more Bed House	16.9	41
1 Bed Flat	4.4	11
2 Bed Flat	4.6	11
3+ Bed Flat	0.8	2
1-2 Bed Bungalow	7.4	18
3+ Bed Bungalow	4.2	10
Total	100.0	242

Affordable housing requirements

- 7.7 A detailed analysis of the following factors determines the extent to which there is a shortfall of affordable housing:
- Households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need);
 - New households forming who cannot afford to buy or rent in the market;
 - Existing households expected to fall into need; and
 - The supply of affordable housing through social/affordable renting and intermediate tenure stock.
- 7.8 The needs assessment model advocated by the CLG has been used and a detailed analysis of each stage of the model is presented in Appendix C.
- 7.9 Modelling suggests a gross imbalance (not taking account of affordable supply through lettings and intermediate tenure sales) of 233 and a net imbalance of 126 affordable dwellings each year across Craven District.
- 7.10 In addition to establishing the overall affordable housing requirements, the analysis considers the supply/demand variations by property designation (i.e. general needs and older person) and property size (number of bedrooms). This is set out in Table 7.2. This has been assessed by taking into account the annual need from existing and newly-forming households and comparing this with the supply of affordable housing (social/affordable rent and intermediate tenure dwellings).

Table 7.2 Summary of net annual imbalance based on households in need who couldn't afford by bed size/designation

No. of Bedrooms	Housing Type		
	General Needs	Older Person	Total
1	30	38	68
2	37	5	42
3	15	0	15
4	1	0	1
Total	83	43	126

Sources: 2017 Housing Register; RP CORE Lettings and Sales

Affordable housing tenure split

- 7.11 Determining an appropriate tenure split for housing has been traditionally based on the incomes and tenure aspirations of existing households in need and newly forming households. This is used to determine an appropriate split between rented and intermediate tenure dwellings. However, the increasing emphasis of Government policy to build affordable homes for sale through intermediate tenure options and the starter homes initiative, coupled with housing associations having to fund schemes for rent without subsidy, is expected to have a major impact on the scale and range of affordable housing to be delivered.
- 7.12 Evidence from the housing register suggests that only a minority of households could afford intermediate tenure (Table 7.3). On the basis of this analysis, a tenure split of 85% rented and 15% intermediate tenure would be suggested.

Table 7.3 Percentage of households in need who could afford alternative equity shares who are on the housing register

Equity element which could be afforded	% could afford		Total
	Existing	Newly forming	
£50,000	38.8	39.3	38.9
up to £75,000	15.4	11.5	14.8
up to £100,000	7.7	1.6	6.7
up to £120,000	4.3	0.0	3.6
Base (valid data)	325	61	386

- 7.13 For Craven, it is recommended that a tenure split is established within a range which takes account of past trends in delivery, relative affordability and potential Government policy. Therefore, a 75%-85% social/affordable rented and 15-25% intermediate tenure split would be suggested. This should be further explored through economic viability work and discussions with developers and Registered Providers to determine the overall potential for such a tenure split in the light of Government policy, with a strong emphasis on intermediate tenure and starter home development.

Starter Homes

- 7.14 The Government has introduced the concept of Starter Homes to help meet the housing needs of young first time buyers by offering properties to buy at below their open market value. The NPPF outlines the key characteristics of Starter Homes²². They are to be well-designed and suitable for young first time buyers (between 23 and under 40 years of age). Starter Homes are also available to ex-Armed Forces personnel of any age. Starter Homes are not expected to be priced, after the discount, significantly more than the average price paid by a first time buyer. This means the discounted price should be no more than £250,000 outside London.
- 7.15 Analysis of market prices indicates that a Starter Home price would be around £144,000 based on a 20% discount on the Craven median house price in 2016 (£180,000). Analysis of the potential need for starter homes considers two types of household: existing households who meet the criteria for starter homes and newly-forming households who would consider owner occupation which could be achieved through starter homes. Of existing households on the housing register, none could afford indicative starter home prices. However, other arc4 studies are suggesting that around 10% of eligible households could afford starter homes. For Craven, this would mean around 154 households based on 2011 census data would be potentially eligible and could afford starter homes²³. Assuming that need is addressed over 5 years, this would result in an annual need for 31 starter homes across Craven.

Conclusions on dwelling mix

- 7.16 On the basis of dwelling size data, Table 7.3 provides a general view on the likely overall dwelling size split based on market and affordable development assuming a 70% market and 30% affordable split.

Table 7.3 Suggested dwelling mix by market and affordable dwellings			
Overall dwelling size mix	Market (%)	Affordable (%)	Overall (%)
1/2 Beds	18.9	87.4	39.4
3 Beds	57.3	11.8	43.7
4 Beds	23.8	0.8	16.9
Total	100.0	100.0	100.0
Base	145	97	242

²² National Planning Policy Framework, paragraph 002, Reference ID 55-002-20150318

²³ Census table DC4601EW gives information on HRPS aged 16-34 and 35-49. By assuming equal distribution across these age cohorts, an estimated 882 are aged 23-34 and 658 aged 35-39 are not social renting HRPs. This results in a total of 1,540 eligible households and around 154 who are likely to be interested in and can afford starter homes based on the findings of other arc4 studies

The private rented sector

- 7.17 The role and dynamics of the private rented sector were discussed in Chapter 4.

People wishing to build their own homes

- 7.18 The Government made clear in its Housing Strategy for England, *Laying the Foundations*, that it wished to unlock the growth potential of the custom homes market and double its size over the next decade. It has defined the main critical barriers to custom build in this country as access to suitable plots to build on; access to development finance to enable the purchase of land and start of construction; and the hurdles that many custom builders face when they engage with the regulatory regimes that govern the development process.
- 7.19 As part of this agenda the Government has enacted new legislation, the Self-Build and Custom Housebuilding Act 2015, requiring authorities to keep a register of individuals and associations of individuals who wish to acquire serviced plots of land to bring forward self-build and custom house building projects. Local authorities are under a duty to have regard to these registers in carrying out their planning function. The regulations setting out the scope of these registers are yet to be approved. The Government also intend to enact further legislation in the next Parliament strengthening the role of local planning authorities in making plots of land available for custom and self build. Their current intention is that prospective custom and self builders will have a right to a plot of land from their local council to build their home.
- 7.20 The level of demand for self/custom build should be monitored closely by the Council and in particular the proportion of completions on plots for one or two houses, with this type of modest development likely to be self/custom build.

Family housing

- 7.21 Families (that is couples and lone parents with children including adult children living at home) account for around 32.1% of households across Craven District. Of this number, 18.1% are couples with dependent children, 5.9% are couples with children all non-dependent, 5.2% are lone parents with dependent children and 2.9% are lone parents with all children non-dependent.
- 7.22 Overall, 73.9% of families live in owner-occupied dwellings, 18.0% live in the private rented sector and 8.1% live in affordable dwellings.
- 7.23 Stakeholders identified a shortage of family housing in Craven District.

Older people

- 7.24 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. NPPG paragraph 21 states that *'the need to provide housing for older people is*

critical given the projected increase in the number of households aged 65 and over accounts for over half of new households’.

- 7.25 The number of people across Craven District area aged 65 or over is projected to increase from 14,000 in 2015 to 21,200 by 2037 (a 50% increase) according to ONS 2014-based population projections.
- 7.26 Census 2011 data identifies that 27.7% of households across Craven are either singles or couples aged 65 years or over. Of these older households, 77.0% live in owner-occupied properties, 6.4% live in the private rented sector and 16.6% live in Social Rented/shared ownership accommodation.
- 7.27 SHMAs elsewhere tend to show that the majority of older people (generally upwards of 65%) want to stay in their own homes with help and support when needed. It is important that councils continue to diversify the range of older persons’ housing provision. Additionally, providing a wider range of older persons’ accommodation has the potential to free-up larger family accommodation.
- 7.28 The Housing Learning and Improvement Network (LIN) Strategic Housing for Older People ‘SHOP@’ tool²⁴ helps to estimate current and future needs for specialist older person’s housing 2014-2035²⁵. Data specifically relates to people aged 75 and over.

Current need

- 7.29 The data for need is calculated by applying the prevalence rates to the 2014 population aged 75+ derived from May 2014 ONS sub-national population projections. The data on supply is the current number of specialist housing and registered care beds from the Elderly Accommodation Counsel national housing database 2014 which includes the following categories: sheltered housing, enhanced sheltered housing, extra care, residential care and nursing care. Detailed definitions are presented below:

Sheltered housing: Schemes / properties are included where some form of scheme manager (warden) service is provided on site on a regular basis but where no registered personal care is provided. A regularly visiting scheme manager service may qualify as long as s/he is available to all residents when on site. An on-call-only service does not qualify a scheme to be included in sheltered stats. In most cases schemes will also include traditional shared facilities - a residents’ lounge and possibly laundry and garden.

Enhanced sheltered housing: Schemes / properties are included where service provision is higher than for sheltered housing but below extra care level. Typically there may be 24/7 staffing cover, at least one daily meal will be provided and there may be additional shared facilities.

Extra care housing: Schemes / properties are included where care (registered personal care) is available on site 24/7.

Residential care: Where a care homes is registered with Care Quality

²⁴<http://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/>

²⁵ Note this particular dataset covers the period 2014 to 2030

Commission to provide residential (personal) care only, all beds are allocated to residential care.

Nursing care: Where a care homes is registered with Care Quality Commission to provide nursing care all beds are allocated to nursing care, although in practice not all residents might be in need of or receiving nursing care.

Future need

- 7.30 The SHOP data for Craven is presented in Table 7.4. This calculates housing demand per 1,000 residents aged 75 and over based on the population of 75+ residents in 2014 and 2035. The table also shows the 2014 profile of specialist older persons provision and highlights that against the 2014 prevalence rates there are shortfalls in provision across all types. Over the period 2014 to 2035, there is expected to be a 45.5% increase in the requirement for older persons' specialist provision. However, when the current (2014) supply of accommodation is compared with change in demand to 2035, data would suggest a need to double the current level of provision for older people, particularly the provision of enhanced sheltered and extra care provision.

Table 7.4 Older persons' dwelling requirements 2014 to 2035

Type of provision	Housing demand per 1,000 75+	Current supply	2014 Demand	2035 Demand	Change 2014 (supply) to 2030 (demand)	% change 2014-2030
Sheltered housing	125	444	838	1,538	1,094	59%
Enhanced Sheltered housing	20	31	134	246	215	85.6%
Extra Care 24/7 support	25	50	168	308	258	80.6%
Residential care	110	668	737	1,353	685	2.5%
Total	280	1,193	1,877	3,445	2,552	53.3%

Source: HousingLIN

Note this dataset covers the period 2014 to 2035

- 7.31 The SHOP data also considers the future market split for a locality based on its relative affluence / deprivation as shown in Table 7.5.

Table 7.5 Future market split of older persons' accommodation by relative deprivation/affluence of an area

Type of provision	Most Deprived		Deprived		Affluent		Most Affluent	
	Rented	Leasehold	Rented	Leasehold	Rented	Leasehold	Rented	Leasehold
Sheltered	75	25	50	50	33	67	20	80
Enhanced Sheltered	80	20	67	33	50	50	20	80
Extra care	75	25	50	50	33	67	20	80

Source: Housing LIN

<http://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPAT/Dashboard/FutureMarketSplit/>

Households with specific needs

- 7.32 Table 7.6 summarises the type of client groups accommodated in social rented housing across Craven area over the three-year period 2010/11 to 2012/13. Data indicates that older people with support needs, young people at risk and single homeless people with support needs are the main groups provided for. Table 7.7 summarises the range of client groups we recommend the Council considers when developing appropriate accommodation for households with specific needs. Analysis of the needs of these groups would warrant a separate study outside the scope of this update.

Table 7.6 Client groups accommodated in Social Rented sector in Craven District 2010/11 to 2012/13

Client group	Average Annual Number
People with physical or sensory disabilities	0
People with learning disabilities	0
People with mental health problems	4
People with drug problems	5
Offenders and people at risk of offending	1
Older people with support needs	4
Single homeless people with support needs	247
Homeless families with support needs	37
Young people at risk	0
Missing	1
Total	299

Source: Supported CORE Lettings data

Table 7.7 Client groups accommodated in Social Rented sector in Craven District 2010/11 to 2012/13

People with physical disabilities
People with sensory impairments
People with mental health issues
People with learning disabilities and profound intellectual disabilities
People with learning difficulties
People with profound/complex needs who have a combination of the above conditions which can also include long-term conditions (e.g. diabetes, heart disease)
Rehabilitation support (e.g. acquired brain injury, stroke)
Rehabilitation support for substance users (e.g. drugs, alcohol)
People with behaviours that challenge e.g. Aspergers, early onset dementia, people with complex mental health needs
People with Autism
Older people requiring specialist housing (sheltered, extra care, residential care)
Older people with support needs (including dementia/Alzheimers)
Young people with support needs (including leaving care and at risk)
People fleeing domestic violence
People experiencing homelessness

Black, Asian and Minority Ethnic households

- 7.33 The 2011 census reports that 95.4% of residents are White British and the next largest ethnic group is white other (2%). Other groups include Mixed/Multiple Ethnic (0.7%), Asian/Asian British (1.8%), Black/Black British (0.1%) and other groups (0.1%).
- 7.34 The 2011 census identified 20 households where the Household Reference Person stated Gypsy and Traveller ethnicity. 18 of these households lived in bricks and mortar accommodation and 2 lived in a caravan/other mobile or temporary structure. CLG Caravan Count data for January 2016 showed a total of 24 caravans: 20 on private sites (permanent), 2 on private sites (temporary)

and 2 on travellers' own land (tolerated). No Travelling Showperson caravans were identified.

- 7.35 A Gypsy and Traveller Accommodation Assessment was carried out by ORS in 2013 on behalf of Craven district council. The assessment estimated that one pitch is required in the next five years to address the requirements of the household on a site with temporary planning permission in the Northern area of the District.

8. Conclusion: Policy and Strategic Issues

- 8.1 This document has been prepared to equip the Council and their partners with robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. The work also takes account of the new National Planning Policy Framework which came into effect in March 2012 and Planning Practice Guidance February 2014.
- 8.2 The SHMA Update 2017 will help the Council plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community.
- 8.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets; the interactions of Craven with other areas; and relates findings to key local strategic issues.

The Housing Market Area

- 8.4 Chapter 3 reviewed house prices, migration and travel to work patterns, to determine the extent to which Craven can be defined as a housing market area. PPG establishes that areas within which a relatively high proportion of household moves (typically 70%) are contained although former CLG guidance recognises that containment thresholds are typically lower in rural areas.
- 8.5 Regarding migration, analysis of the 2011 census identifies containment ratios of 58.8% (origin) and 60.7% (destination). This reflects the rural nature of the district and an expectation of lower containment ratios. It also reflects the complexity of the Craven market area as evidenced in NHPAU research which considered Craven to be split across two strategic housing market areas (Lancaster and Bradford/Calderdale). Indeed, by including migration interactions with neighbouring Bradford, Pendle and Lancaster, the containment ratios reach 78.8% (origin) and 77.8% (destination). However, for planning policy purposes, all neighbouring areas are established housing market areas in their own right and although they recognise interactions with other areas, Craven is not included as a component of their respective housing market areas. Therefore, a pragmatic conclusion is although there are interactions with other areas, Craven should be recognised as an appropriate housing market area for the purposes of planning policy, and that containment thresholds accord with the understanding that they are typically lower in rural areas. Regarding travel to work, it can also be concluded that Craven is a self-contained area.
- 8.6 Evidence would therefore confirm that Craven District is an appropriate Housing Market Area for the purposes of Local Plan policy making.

The current housing market

- 8.7 This study provides up to date information on the housing stock in Craven and its underlying drivers. Some of the key messages from Chapter 4 are now presented.
- 8.8 Based on 2011 Census data (24,583 households) across Craven:
- 90.8% of properties are houses or bungalows, of which 36.5% are terraced, 28.9% are semi-detached and 25.4% are detached; 9.2% of dwellings are flats, maisonettes, apartments or mobile/temporary accommodation;
 - 7.7% of dwellings have one bedroom, 28.6% have two bedrooms, 42.0% have three bedrooms and 21.6% have four or more bedrooms;
 - 73.1% of occupied properties are owner-occupied, 17.4% are private rented (including living rent-free), 9.5% are affordable (rented from a social housing provider or intermediate tenure dwellings).
- 8.9 It is estimated that 18.2% of dwelling stock fails to meet the minimum standard of decent homes criteria (compared with 11.9% nationally) which reflects the age of dwelling stock in the area.
- 8.10 The housing register currently reports 325 existing households in need or 1.3% of all households. During 2015/16, ten households were accepted as homeless and in priority need.
- 8.11 The relative affordability of alternative tenure options was established by reviewing prevailing house prices and rents. This showed that households with a single earner on lower quartile or median earning would have difficulty accessing the open market; and of households in need, only 14.8% could afford intermediate tenures priced at up to £75,000.

Market signals review

- 8.12 Chapter 5 reviewed a range of market signals relating to price and quantity and compared these with comparator areas. Analysis suggested that there affordability indicators prompting a need to adjust adjusting the objectively assessed need for housing on the basis of market signals.

Objectively assessed housing need

- 8.13 Chapter 6 considered the findings of demographic work carried out by Edge Analytics. In accordance with PPG and PAS guidance, the Objectively Assessed Housing Need for Craven over the plan period 2012-2032 is 242 (a baseline of 130, rebased to 141 to take account of population change since the 2014 population projections, with a long-term migration adjustment to 199, a headship rate adjustment to 202 and a further uplift of 40 to take account of market signals). This figure takes account of the need to deliver more affordable and market housing for an increasing number of households, long-term trends in migration and supports economic growth. The full objectively assessed dwelling need over the Plan Period 2012-2032 (20 years) is for up to 4,840 dwellings.

The need for all types of housing

- 8.14 Chapter 7 built on the assessment of objectively assessed housing need to establish an appropriate mix of housing required across Craven over the plan period. It also presented affordable housing need calculations and tenure split. The chapter then considered needs from different groups.
- 8.15 Regarding an overall market mix, analysis considered the relationship between the age of Household Reference Person (HRP) and the range of dwelling types and sizes by HRP drawing upon household survey evidence from recent arc4 studies. Assuming a similar profile of dwelling requirements over the plan Period, analysis established that the development of 2, 3 and 4 bedroom houses as a key priority, along with the development of a range of other dwelling types.
- 8.16 The relative affordability of alternative tenure options was established by reviewing prevailing house prices and rents. For open market housing, the minimum indicative income required is £23,712 for lower quartile or entry-level renting in the District. For lower quartile or entry-level house prices (owner occupation) the minimum income required is £36,000.
- 8.17 Overall, based on 2017 house price, private rent prices and income data, it was identified that only a small minority of households on the housing register could afford open market prices or rents. More generally, households with single earners on lower quartile or median earnings would find open market prices relatively unaffordable, whilst those on average earnings would be able to afford lower quartile house prices and rents and median rents.
- 8.18 Analysis of affordable housing requirements evidenced an annual imbalance of 126 dwellings each year, with most of this need (87.3%) for 1 and 2 bedroom dwellings and 12.7% for 3 or more bedroom dwellings.
- 8.19 An affordable housing tenure split of 75-85% rented and 15-25% intermediate is recommended. This is based on recent past trends in delivery across Craven and accords with the split evidenced in a wider range of arc4 studies. However we recommend that this split is further explored through economic viability work, enhanced data collection on income, savings and tenure choice, and discussions with developers and Registered Providers to determine the overall potential for such a tenure split in the light of emerging Government policy.
- 8.20 Based on an overall annual delivery of 70% market/30% affordable dwellings, a suggested dwelling mix broken down by tenure and bedroom size was prepared. This indicated that 39.4% of new development should be 1-2 bedroom dwellings, 43.7% 3 bedroom dwellings and 16.9% 4+ bedroom dwellings. The vast majority of affordable dwellings are recommended to be 1-2 bedroom (87.4%) and the majority of market development to be 3 bedroom (57.9%) and 4+ bedroom stock (23.8%).
- 8.21 There is a potential market for starter homes which is estimated to be 154 households over 5 years.
- 8.22 The level of demand for self/custom build should be monitored closely and it is expected that this will contribute a small amount to new dwelling stock.

- 8.23 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Craven District area aged 65 or over is projected to increase from 14,500 in 2016 to 21,200 by 2039 (a 46.2% increase). Studies by arc4 elsewhere show that the majority of older people (generally upwards of 65%) want to stay in their own homes with help and support when needed. However, it is important to diversify the range of older persons' housing provision.
- 8.24 Using the Housing LIN Strategic Housing for Older People 'SHOP@' tool, an estimate of current and future needs for specialist older person's housing 2014-2035 for the 75+ age group. Over the period 2014 to 2030, there is expected to be a 45.5% increase in the requirement for older persons' specialist provision. However, when the current (2014) supply of accommodation is compared with change in demand to 2030, data would suggest a need to double the current level of provision for older people, particularly the provision of enhanced sheltered, and extra care provision.
- 8.25 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue development to reflect the housing choices of residents, taking into account the changing demographic profile of Craven;
 - Developing an increasing range of housing and support products for older people;
 - Delivering additional affordable housing to help offset the identified net shortfalls; and diversifying the range of affordable options by developing intermediate tenure dwellings and products; and
 - The economic viability of delivering affordable housing on sites across Craven.

NPPF requirements

- 8.26 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area. The material in this SHMA provides an evidence base to inform strategic decision making.
- 8.27 The SHMA Update 2017 has:
- evidenced the scale of affordable housing need and the specific affordable requirements necessary to offset the imbalance between supply and need;
 - reviewed market demand and the range of dwellings required to satisfy household expectations and aspirations; and
 - reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements.

Final comments

- 8.28 Appropriate housing and planning policies have a fundamental role to play in the delivery of thriving, inclusive and sustainable areas. These policies need to

be underpinned with high quality data. This study has provided a wealth of up-to-date social, economic, demographic and housing data for Craven.

- 8.29 This research has reflected upon the housing market attributes of Craven. The report signposts future strategic challenges which include the ongoing delivery of new market and affordable housing to address need and support economic growth; diversifying the range of affordable tenures available to local residents; and addressing the requirements of older people and vulnerable groups.

Introduction to Technical Appendices

- Technical Appendix A: Research methodology
- Technical Appendix B: Policy review
- Technical Appendix C: Housing need calculations
- Technical Appendix D: Reviewing the future profile of dwelling stock
- Technical Appendix E: Monitoring and updating
- Technical Appendix F: National Planning Policy Framework and National Planning Practice Guidance Checklist

Technical Appendix A: Research Methodology

Overall approach

- A.1 A multi-method approach was adopted in order to prepare a robust and credible Strategic Housing Market Assessment Update for Craven District Council:
- A review of relevant secondary data including the 2011 Census, house price data, private rental data, Housing Association CORE lettings data, CLG Statistics and Housing Register information;
 - A consideration of research by Edge Analytics²⁶ regarding objectively assessed housing need;
 - An on-line survey of key stakeholders including Local Authorities, Government agencies, public service providers, Registered Providers, voluntary agencies and private developers; and
 - Interviews with estate and lettings agents.
- A.2 NPPG (paragraph 9) comments that, *“no single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes. Local planning authorities can use a combination of approaches where necessary”*.

Online key stakeholder survey

- A.3 An online survey of key stakeholders was undertaken as part of the SHMA 2015. This took the form of an online questionnaire, which representatives from a range of stakeholder organisations were invited to complete.
- A.4 Responses were received from 25 separate individuals, representatives of Local Authorities, Government agencies, public service providers, Registered Providers, voluntary agencies and private developers.
- A.5 The responses have been analysed and they provide an invaluable view on the current housing market and related issues in Craven. The analysis is set out clearly within the body of the report.

²⁶ Edge Analytics, *Craven Demographic Forecasting Update* August 2016

Interviews with estate and letting agents

- A.6 As part of the SHMA 2015, arc⁴ held interviews with estate and letting agents who operate in Craven and the surrounding area. Their views were sought on the local housing market and related issues. Analysis of the findings is set out within the body of the report.

Technical Appendix B: Policy Review

- B.1 The purpose of this Appendix is to set out the national policy agenda of relevance to this housing needs assessment.

Introduction

- B.2 Housing policy in England is managed through the Department for Communities and Local Government (DCLG), but is managed by the devolved governments in Scotland, Wales and Northern Ireland. In addition to policies that apply directly to housing matters, there is significant overlap with a number of other policy areas, including planning, welfare, political devolution and the wider economy.
- B.3 Under the previous Coalition Government, the five years 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity and an economic policy of deficit reduction and public spending cuts. These reforms championed localism, decentralisation and economic growth.
- B.4 Since the election of a majority Conservative Government in May 2015 further welfare reforms have been accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice. The Housing and Planning Act was passed in May 2016, setting out the legislative framework for the Government's flagship Starter Homes scheme and including provisions relating to other important aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- B.5 However, the European Union Referendum of 23rd June 2016 and subsequent changes in Government leadership are beginning to impact emerging policy. 'Brexit' discussions have created uncertainty regarding economic issues and the new Conservative Party leadership have signalled some changes in policy direction in their Autumn Statement and the Housing White Paper (February 2017).

Legislative and policy background

- B.6 Following the Coalition Agreement of May 2010, the previous Government passed the **Localism Act 2011**, with the express intention of devolving power from central government towards local people. The Localism Act sets out a series of measures to seek a substantial and lasting shift of powers including:
- new freedoms and flexibilities for local government, including directly elected mayors and empowering cities and other local areas;
 - new rights and powers for communities and individuals;
 - reform to make the planning system more democratic and more effective, including the abolition of regional spatial strategies (RSS), the introduction of the 'Duty to Cooperate', neighbourhood planning, Community 'Right to

Build', reforming the community infrastructure levy and reforming the Local Plan process; and

- reform to ensure that decisions about housing are taken locally.
- B.7 In terms of housing reform, the Localism Act reforms aim to enable more decisions about housing to be made at the local level, making the system fairer and more effective. Local authorities have greater freedom to set their own policies about who can qualify to go on the waiting list in their area. In addition, the Act allows for more flexible tenure arrangements for people entering social housing, with social landlords able to grant tenancies for a fixed length of term rather than lifetime tenancies for all. In respect to homelessness, the Act allows local authorities to meet their homelessness duty by providing private rented accommodation, rather than in temporary accommodation until long-term social housing becomes available. The Act also reforms social housing funding, allowing local councils to keep the rent they collect and use it locally to maintain their housing stock. It facilitates a national 'Home Swap' scheme to facilitate house moves between social housing tenants. In addition, the Localism Act reforms the regulation of social housing, promoting tenant panels and changing the way complaints are handled.
- B.8 The National Housing Strategy for England, ***Laying the Foundations: A Housing Strategy for England***, was published in November 2011 under the Coalition Administration and it currently remains in place. The Strategy acknowledges some of the problems within the housing market and sets out the policy response, along the following themes:
- Increasing supply: more homes, stable growth;
 - Social and affordable housing reform;
 - A thriving private rented sector;
 - A strategy for empty homes;
 - Quality of housing experience and support; and
 - Quality, sustainability and design.
- B.9 The measures set out promote home ownership, including a new-build mortgage indemnity scheme to provide up to 95% loan-to-value mortgages guaranteed by Government and a 'FirstBuy' 20% equity loan scheme for first-time buyers. There is an emphasis on providing new infrastructure, with the announcement of a 'Growing Places' Fund, and the freeing-up of public sector land for development. Community-led planning and design is championed, with financial incentives such as the 'New Homes Bonus' to promote increased housebuilding at the local authority level.
- B.10 The National Housing Strategy acknowledges the importance of social housing and the need for more affordable housing. However, the document reaffirms the programme of reforming this sector, including *'changes to the way people access social housing, the types of tenancies that are provided and the way the homelessness duty is discharged'*²⁷. The private rented sector is considered to

²⁷ *Laying the Foundations: A Housing Strategy for England* (Nov 2011), page 22 para.11

play ‘an essential role in the housing market, offering flexibility and choice to people and supporting economic growth and access to jobs’²⁸. The document sets out an intention to support the growth of the private rented sector through innovation and investment, to meet continuing demand for rental properties.

- B.11 The National Housing Strategy reaffirms the commitment to bringing empty homes back into use, using the New Homes Bonus as an incentive. It also set out the objectives of preventing homelessness, protecting the most vulnerable and providing for older people’s housing needs. It confirms a radical package of welfare reforms, including a reduction in Housing Benefit, changes to the Local Housing Allowance (Housing Benefit in the private sector) and the introduction of ‘Universal Credit’ to replace other means-tested working age benefits and tax credits. Finally, the Housing Strategy addresses environmental concerns, with energy efficiency and reduced carbon emissions being required from both new and existing homes in order to promote sustainability.
- B.12 The **National Planning Policy Framework (NPPF)** was published in March 2012. It sets out the Government’s planning policies for England and how these are expected to be applied. The NPPF formed a key part of the Coalition Government’s planning system reforms, simplifying national guidance (previously contained in multiple Planning Policy Statements and Planning Policy Guidance) and reducing the quantity of policy pages. Fundamentally, it must be taken into account in the preparation of local and neighbourhood plans and is a material consideration in planning decisions. The document states that *‘at the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.’*²⁹
- B.13 The NPPF sets out 12 core planning principles to underpin both plan-making and decision-taking. It also establishes 13 aspects to achieving sustainable development, which include delivering a wide choice of high quality homes (#6) and promoting healthy communities (#8). The Framework also introduces new definitions of affordable housing covering social rented housing, affordable rented housing and intermediate housing.
- B.14 The NPPF is to be read alongside other national planning policies on Waste, Travellers, Planning for Schools Development, Sustainable Drainage Systems, Parking and Starter Homes³⁰. National **Planning Practice Guidance (NPPG)** on a range of more detailed topics has been revised and updated and made available through an online system since March 2014³¹. NPPG topics include Duty to Cooperate, Housing and Economic Development Needs Assessments, Housing and Economic Land Availability Assessment, Housing - Optional Technical Standards, Local Plans, Neighbourhood Planning, Rural Housing and Starter Homes.
- B.15 Following the election of a majority Conservative Government in May 2015, the Government’s **Summer Budget 2015** was presented to Parliament by the

²⁸ *Laying the Foundations: A Housing Strategy for England* (Nov 2011), page 33 Summary

²⁹ National Planning Policy Framework (November 2012), para. 14

³⁰ <http://planningguidance.communities.gov.uk/>

³¹ <http://planningguidance.communities.gov.uk/>

then-Chancellor George Osborne in July 2015. The Budget set out proposed reforms to the welfare system, including a four-year freeze on working-age benefits; a reduction in the household benefit cap; restrictions on Child Tax Credit; training requirements for those on Universal Credit aged 18 to 21; the removal of automatic entitlement to Housing Benefit for those on Universal Credit aged 18 to 21; and the removal of the Family Premium element of Housing Benefit for new claims from April 2016. Alongside these welfare cuts, it was announced that rents for social housing will be reduced by 1% per year for four years, while tenants on incomes of over £30,000, or £40,000 in London, will be required to pay market rate (or near market rate) rents. A review of 'lifetime tenancies' was confirmed, with a view to limiting their use to ensure the best use of social housing stock. Support for home ownership measures was reiterated with measures such as the extension of the Right to Buy to housing association tenants and the introduction of Help to Buy ISAs.

- B.16 Alongside the Summer 2015 Budget the Government published a 'Productivity Plan', ***Fixing the foundations: Creating a more prosperous nation*** (10th July 2015). This sets out a 15-point plan that the Government will put into action to boost the UK's productivity growth, centred around two key pillars: encouraging long-term investment and promoting a dynamic economy.
- B.17 Of particular relevance to housing are the following points in the plan:
- Planning freedoms and more houses to buy: In order to increase the rate of housebuilding and enable more people to own their own home, a number of actions are identified including a zonal system to give automatic planning permission on suitable brownfield sites; speeding up local plans and land release, stronger compulsory purchase powers and devolution of planning powers to the Mayors of London and Manchester, extending the Right to Buy to housing association tenants, delivering 200,000 Starter Homes and restricting tax relief to landlords.
 - Resurgent cities, a rebalanced economy and a thriving Northern Powerhouse: In order to rebalance the economy, which is skewed towards London and the South East, the Government is committed to building a Northern Powerhouse through £13 billion of investment in transport in the North of England during this Parliament, backing new science, technology and culture projects, devolving significant powers to an elected Mayor for Manchester, taking steps to enable the Midlands Engine for Growth to reach its full potential and working towards devolution deals with the Sheffield City Region, Liverpool City Region and Leeds, West Yorkshire and partner authorities.
- B.18 The **Spending Review and Autumn Statement 2015** of November 2015 continued these policy themes:
- Plans to extend the 'Local Housing Allowance' to social landlords so that the Housing Benefit paid to tenants living in housing association properties will be capped at the LHA rate;
 - A new 'Help to Buy Shared Ownership' scheme, removing restrictions on who can buy shared ownership properties to anyone with a household income of less than £80,000 outside London and £90,000 in London;

- 'London Help to Buy' – an equity loan scheme giving buyers 40% of the new home value (as opposed to 20% under the Help to Buy scheme);
 - 200,000 'Starter Homes' to be built over the following five years;
 - From 1st April 2016 an extra 3% in stamp duty to be levied on people purchasing additional properties such as buy-to-let properties or second homes;
 - Right to Buy extension to housing association tenants;
 - £400 million for housing associations and the private sector to build more than 8,000 new 'specialist' homes for older people and people with disabilities;
 - Consulting on reforms to the New Homes Bonus, with a preferred option for savings of at least £800 million which can be used for social care; and
 - A commitment to extra funding for targeted homelessness intervention.
- B.19 In December 2015, DCLG published a **Consultation on proposed changes to national planning policy**, which was open for consultation until February 2016. This consultation sought views on some specific changes to NPPF in terms of the following:
- broadening the definition of affordable housing, to expand the range of low cost housing opportunities for those aspiring to own their new home;
 - increasing residential density around commuter hubs, to make more efficient use of land in suitable locations;
 - supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing allocated in plans; and
 - supporting the delivery of Starter Homes.
- B.20 The publication of a revised NPPF document has been delayed during 2016 and is still awaited.
- B.21 The **Cities and Local Government Devolution Act 2016** received Royal Assent on 28th January 2016. This Act makes provision for the election of mayors for the areas of, and for conferring additional functions on, combined authorities established under Part 6 of the Local Democracy, Economic Development and Construction Act 2009. It makes provision about local authority governance and functions; to confer power to establish, and to make provision about, sub-national transport bodies; and for connected purposes. This Act is central to the Government's devolution plans for England, facilitating its vision of a 'Northern Powerhouse'.
- B.22 The **Welfare Reform and Work Act 2016** received Royal Assent on 16th March 2016. The Act makes provisions relating to a range of welfare benefits and employment schemes, including the benefit cap, social security and Tax Credits, loans for mortgage interest, social housing rents and apprenticeships. Secondary legislation (Social Housing Rents Regulations, March 2016) sets out that the 1% cut to social housing rents will not apply to households with an income of £60,000 or more.
- B.23 On 16th March 2016, the **Budget 2016** was announced. This continued the policy emphasis of promoting home ownership and facilitating first-time buyers

to enter the market. A new 'Lifetime ISA' was announced, extending the principle of the Help to Buy ISA by incentivising saving for under-40s. Of relevance to the private rented sector were stamp duty increases for institutional investors and the withholding of capital gains reductions from companies investing in residential property. In seeking to deliver more homes for ownership, announcements were made of further planning reforms; releasing public land for development; and a £1.2 billion Starter Homes Fund for brownfield remediation. The anticipated 'duty to prevent' homelessness was not announced, but instead the Chancellor committed £115 million to preventing and reducing rough sleeping.

- B.24 A **Technical consultation on Starter Homes regulations** was announced on 23rd March 2016. This sought views on the framework to be established in the forthcoming regulations, including the restrictions that should be placed on Starter Homes, how age eligibility criteria should work, what threshold (size of site/development) should apply, what the percentage requirement should be, whether exemptions should apply and whether off-site payments should be acceptable. The consultation document set out that, in terms of the period within which Starter Homes should not be sold at full market value, the DCLG does not support a period of longer than 8 years. The paper proposes that the requirement to provide 20% of dwellings as Starter Homes should apply to sites of 10 dwellings or more (or 0.5 hectares). Secondary legislation relating to Starter Homes is still awaited from Parliament.
- B.25 The **Housing and Planning Act 2016** received Royal Assent on 12th May 2016 after a range of oppositions and amendments by both the House of Lords and the House of Commons. The Act sets out the legislative framework for the Government's flagship Starter Homes scheme and includes provisions relating to other important aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.

Emerging policy and legislation

- B.26 Announced in the Queen's Speech (May 2016), the **Neighbourhood Planning Bill 2016-17** was laid before Parliament on 7th September 2016. With the objective of speeding up the delivery of new homes, relevant clauses of the Bill include strengthening neighbourhood planning, limiting the use of pre-commencement planning conditions, the planning register and reform of compulsory purchase. The Bill has been subject to amendments, including proposed changes to the Local Plan process to allow the Secretary of State to intervene and invite County Councils to prepare or revise Local Plans where districts have not delivered and to allow the preparation of joint Local Plans where there are cross-boundary issues between two or more local authorities. This follows the recommendations of the Local Plans Expert Group (LPEG) report of March 2016³². The Bill has been through the House of Lords, who have returned it to the Commons with amendments.

³² Local Plans Expert Group, Local Plans: Report to the Communities Secretary and to the Minister of Housing and Planning, March 2016

- B.27 The **Autumn Statement (2016)** was announced on 23rd November by Chancellor Philip Hammond. With an important focus on housing, the Statement has revealed some key changes in policy direction from the Cameron/Osborne era. Provisions include:
- £1.4 billion of extra cash to build 40,000 affordable homes, with a relaxation of restrictions on grant funding;
 - £2.3 billion Housing Infrastructure Fund to pave the way for up to 100,000 new homes to be built in areas of high demand;
 - £3.15 billion of the Affordable Homes Programme will be given to London to deliver 90,000 homes;
 - New regional pilots of the Right to Buy extension, allowing more than 3,000 tenants to buy their properties;
 - £1.7 billion to pilot 'accelerated construction' on public sector land;
 - Letting agents in the private rented sector to be banned from charging fees; and
 - Confirmation that compulsory Pay to Stay will not be implemented for councils.
- B.28 In keeping with various statements and comments made by Sajid Javid (Communities Secretary) and Gavin Barwell (Housing Minister) during Autumn 2016, the Autumn Statement indicates a clear shift in Government policy, away from an exclusive focus on homeownership and towards boosting overall housing supply. A removal of grant-funding restrictions will allow housing associations to increase the delivery of sub-market rented housing, including affordable rented, shared ownership and rent-to-buy homes.
- B.29 The Autumn Statement announced a second pilot scheme for the extension of Right to Buy. Lasting five years, these 'large-scale'
- B.30 Regional Right to Buy pilots will expand on the five pilots launched in November 2015, allowing 3,000 tenants to purchase their homes from housing associations. A £250 million fund has been set aside to finance these pilots up to 2021.
- B.31 Many of the 'flagship' housing policies of the Conservative Manifesto have their legislative basis in the provisions of the Housing and Planning Act 2016, but require further secondary legislation. Their implementation is subject to the ongoing evolution of housing policy under the new Government leadership and are subject to significant delay and/or amendment:
- The extension of Right to Buy to housing association tenants has been delayed. Guidelines for the Voluntary Right to Buy programme now have no fixed publication date. In addition, the new pilot scheme announced as part of the Autumn Statement is interpreted to signal a significant delay to the full roll-out of the Right to Buy extension;
 - Detailed regulations relating to the higher value asset levy, which was intended to fund the building of new homes to replace those sold through the extension of Right to Buy, have been delayed. These were expected to be published in draft form by July 2016. Whilst the levy was expected to

commence in April 2017, the lack of statutory consultation will result in a delay to implementation; and

- Similarly, compulsory Pay to Stay was originally scheduled to be implemented in April 2017, but Gavin Barwell (Housing Minister) announced in November 2016 that this scheme will no longer be compulsory for councils.

B.32 The **Housing White Paper, *Fixing our broken housing market***, was published in February 2017. The White Paper proposes a number of changes to reshape the approach to housebuilding and increase housing supply. These changes are centred around the following four areas:

- *Planning for the right homes in the right places*, by making it simpler for local authorities to put Local Plans in place and keep them up-to-date, ensuring sufficient land is allocated to meet housing needs and building upon neighbourhood planning to ensure communities have control over development in their area. The White Paper aims to make more land available for homes by maximising the contribution from brownfield and surplus public land, regenerating estates, releasing more small and medium sized sites, allowing rural communities to grow and making it easier to build new settlements. It reaffirms that the existing protections for the Green Belt remain unchanged and emphasises that authorities should only make exceptional amendments to Green Belt boundaries.
- *Building homes faster*, by increasing certainty around housing numbers, aligning new infrastructure with housing, supporting developers to build more quickly and improving transparency. White Paper proposals include amending the NPPF to give local authorities the opportunity to have their housing land supply agreed on an annual basis and fixed for a one-year period, in order to create more certainty about when an adequate land supply exists. Authorities taking advantage of this would have to provide a 10% larger buffer on their five-year land supply. In addition, the White Paper suggests changing the NPPF to introduce a housing delivery test for local authorities. If delivery falls below specified thresholds extra land would be added onto the five-year land supply as well as further thresholds which would allow the presumption in favour of sustainable development to apply automatically.
- *Diversifying the market*, by establishing a new Accelerated Construction Programme, supporting more Build to Rent developments, supporting housing associations to build more housing and boosting innovation. The White Paper proposes ensuring that the public sector plays its part by encouraging more building by councils and reforming the Homes and Communities Agency.
- *Helping people* through Help to Buy, Right to Buy, the Shared Ownership and Affordable Homes Programme (SOAHP), the new Lifetime ISA, amendments to Starter Homes requirements and the announcement of a new statutory duty on planning to meet the needs of older and disabled people.

Overview of housing policy themes

- B.33 The 'Housing' Policy Area of the Department for Communities and Local Government website states that:

*'The government is helping local councils and developers work with local communities to plan and build better places to live for everyone. This includes building affordable housing, improving the quality of rented housing, helping more people to buy a home, and providing housing support for vulnerable people.'*³³

- B.34 Therefore, the policy focus for Government can be broken down into four areas:

- Building affordable housing;
- Improving the quality of rented housing;
- Helping more people to buy a home; and
- Providing housing support for vulnerable people.

Building affordable housing

- B.35 In line with successive governments, the Conservative Government has continued to seek an increase in the rate of housebuilding. Ongoing reform of the planning system and removing complex regulations are intended to speed up delivery. The policy focus of the Cameron/Osborne era was increasingly towards home ownership, with a shift away from traditional social rented affordable housing to Starter Homes.
- B.36 A national Starter Homes exception site planning policy was launched in March 2015 through a written ministerial statement *"to make it easier for developers to gain planning permission for a new generation of Starter Homes on under-used commercial and industrial land."*³⁴ Sites where these homes were delivered were to be exempt from affordable housing requirements and the Community Infrastructure Levy (CIL).
- B.37 In January 2016, the Prime Minister announced³⁵ that the Government will step in and directly commission thousands of new affordable homes, seeking to fast-track housebuilding on publicly-owned land starting with five pilot sites including Northstowe (Cambridgeshire), Daedalus Waterfront (Hampshire), Old Oak Common (London), Connaught Barracks (Kent) and Lower Graylingwell (Chichester).
- B.38 A range of financial incentives to encourage new housing development have been implemented. Since early 2016, a £1.2 billion Starter Homes Fund has been announced³⁶, designed to prepare brownfield sites for at least 30,000

³³ <https://www.gov.uk/government/topics/housing>

³⁴ <https://www.gov.uk/government/speeches/housing-and-planning>

³⁵ <https://www.gov.uk/government/news/pm-the-government-will-directly-build-affordable-homes>

³⁶ <https://www.gov.uk/government/news/pm-the-government-will-directly-build-affordable-homes>

homes, along with £6.3 million of Housing Zones funding³⁷ for the 20 Housing Zones designated in March 2015.

B.39 Other projects to help finance housing development include:

- Get Britain Building programme,
- Builders Finance Fund,
- New Homes Bonus,
- Build to Rent Fund, and the
- Community Right to Build.

B.40 To increase the supply of affordable rented homes the previous Government introduced the affordable rent model³⁸, aimed at giving providers greater flexibility on rents and use of assets, whilst at the same time providing affordable housing for people in need.

B.41 In addition to the affordable rent model, the Affordable Homes Guarantee scheme was launched in 2013 to support the building of new affordable homes. The scheme offers a guarantee to providers on debt that they raise to deliver additional new build affordable homes. The guarantee aims to help reduce the borrowing costs of providers thus enabling them to provide more homes.

Improving the quality of rented housing

B.42 The Government have implemented a number of actions to improve the quality and quantity of properties for rent.

Social rented housing

B.43 Between 2010-2015 a series of social housing reforms were introduced including:

- Allowing local flexibility on waiting lists (allocations) and tenancy arrangements;
- Helping social landlords stop tenant fraud and anti-social behaviour;
- Changing the housing revenue account subsidy system to a locally-controlled system where local authorities are responsible for their housing services;
- Funding local authorities to refurbish their housing stock;
- Introduction of a national home swap scheme for social housing tenants;
- Supporting tenants to play a bigger role in managing their accommodation through the tenant empowerment programme; and

³⁷ <https://www.gov.uk/government/news/tens-of-thousands-of-homes-supported-by-housing-zone-funding>

³⁸ Allows Registered Providers to charge no more than 80% of local market rent for affordable housing.

- Allowing local authorities to discharge their homelessness duty in the private rented sector.
- B.44 Alongside social housing reform sit reforms to the welfare system, which, with changes to benefit, eligibility and entitlement, impact significantly on housing supply and demand. From 7th November 2016, the overall benefit cap has been cut to £20,000 (or £23,000 in London), with implications for households living in both social and private rented sectors.
- B.45 The Autumn Statement 2015 set out a policy of capping housing benefit at Local Housing Allowance (LHA) levels. A range of concerns were expressed in relation to this proposal, particularly the impact the policy would have on supported housing. As a result, implementation has been delayed (originally planned for April 2016). In November 2016, Lord Freud (Work and Pensions Minister) announced that the cap for general needs accommodation will now be stalled until 2019. However, it will now apply to all tenants on Universal Credit, rather than just those who start new tenancies (the previous policy).
- B.46 Along with the plans to cap benefits at LHA levels, the 1% rent cut for social renters that was announced as part of the Summer 2015 Budget has significant implications for new affordable housing development. Due to financial uncertainties, many housing associations have put development plans on hold or scaled back their building programmes.
- B.47 In October 2015, English housing associations were reclassified by ONS as being part of the public sector, adding £60 billion of debt to the national balance sheet. The consequent economic and political implications led to the Government immediately pledging to bring in changes to reverse this decision. Deregulatory provisions were included within the Housing and Planning Act 2016; however, secondary legislation to implement these changes is yet to be issued and is expected early in 2017. Once these changes come into force it is anticipated that the Government will ask ONS to carry out a new review.

Private rented housing

- B.48 The private rented sector has grown significantly in recent years and the Government sees it as playing a vital role in meeting housing needs and supporting economic growth. Measures to promote the private rented sector in recent years have included:
- The Build to Rent Fund, providing equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these homes;
 - Proposals to ensure tenants receive proper protection from their landlords, including a new model tenancy agreement;
 - The Housing and Planning Act 2016 includes provisions to tackle 'rogue landlords' and create a central database of rogue landlords and property agents;
 - £4.1 million funding allocated to 23 local authority areas to tackle rogue landlords and £2.6 million to tackle 'beds in sheds'; and

- The Government has also set up a Private Rented Sector Taskforce to improve the quality and choice of rented housing available to tenants nationally. The Taskforce is made up of developers, investors, and housing management bodies.

Helping more people to buy a home

B.49 The primacy of home ownership remains central to the Government's housing policy approach. A number of measures promote homeownership³⁹, including:

- Starter Homes, a major element of the Housing and Planning Act 2016, available to first-time buyers aged under 40 years old. New-build homes will be offered for sale with a 20% discount to eligible households. The maximum cost of a home will be £250,000, or £450,000 inside London. However, the cost for the developer of providing the 20% discount may be met in lieu of delivering affordable housing on these sites. Draft regulations have been consulted upon but finalised legislation is still awaited.
- Help to Buy, which includes several current products⁴⁰:
 - Help to Buy ISA – since Autumn 2015 first time buyers can save money towards a new home deposit and the Government will boost the value of their savings by 25%. The minimum bonus is £400 and the maximum is £3,000, meaning individual savers need to save between £1,600 and £12,000 to be eligible. The bonus is available on homes worth up to £250,000, or £450,000 in London.
 - Help to Buy Equity Loan, where the Government lends up to 20% of the value of a new-build home so buyers only need a 5% cash deposit.
 - Help to Buy Mortgage Guarantee, enabling lenders to offer more high-loan-to-value mortgages (80% to 95%).
 - Shared Ownership, where purchasers can buy between 25% and 75% of their home and pay rent on the remaining share. From April 2016, Help to Buy Shared Ownership will lift the existing limits so that anyone with a household income of less than £80,000, or £90,000 in London can buy a shared ownership home, with only military personnel being given priority.
- Discounted Sales, where councils and housing associations build new homes for sale and sell some at a 25-50% discount. There are a number of criteria, including some set locally by the relevant council and housing associations who run the scheme. Buyers must usually have a local connection to the area.
- Right to Buy, where council tenants with at least five years' tenancy might be eligible to buy their homes. Maximum discounts have been increased to £77,000, or £102,700 within London. In the case of secure council tenants living in their home when it was transferred to a housing association or

³⁹ <https://www.ownyourhome.gov.uk/>

⁴⁰ <https://www.help2obuy.gov.uk/>

similar there is also a 'Preserved' Right to Buy. A smaller discount has also been available under the Right to Acquire.

- Voluntary Right to Buy is a pilot scheme amongst a small number of housing associations, trialling the Conservative Government's flagship policy of extending the Right to Buy to housing associations. The Government plans to extend the Right to Buy beyond those in the pilot scheme but this will have significant funding implications.
- Self-Build, where households find a plot of land and build or commission the construction of their own home, or work with a group in a Community Self Build project. Self-Build was promoted by the Coalition Government, with eleven authorities announced as Right to Build 'vanguards' in September 2014. The Self-Build and Custom Housebuilding Act 2015 and subsequent Self-Build and Custom Housebuilding (Register) Regulations 2016 require authorities to maintain a register of those who have expressed an interest in buying serviced plots. Local authorities are under a duty to have regard to these registers in carrying out their planning function.
- The March 2016 Budget included plans for a new 'Lifetime ISA'. Available to individuals aged under 40 in April 2017, the Government propose to add £1 for every £4 saved, to be used to buy homes worth up to £450,000 or for retirement funds. The proposals have been criticised for causing confusion between ISAs and pensions, but the scheme is intended to facilitate younger households saving, either towards a house purchase or their pension.

Housing for older and vulnerable people

- B.50 The **Care Act 2014** came into effect in April 2015, replacing existing legislation and positioning housing as a key factor in the overhaul of the care system in England. The Act encourages providers to establish and develop services that help drive change, services which:
- Promote people's independence, connections and wellbeing;
 - Prevent or postpone the need for care and support;
 - Put people in control, ensuring that services respond to what people need;
 - Give carers a right to assessment for support; and
 - Promote the integration of health and social care.
- B.51 In addition, the Care Act introduces a cap on care costs, whereby people will be responsible for their own care costs up to a capital limit of £72,000. This may have an impact on the provision of supported housing.
- B.52 The NHS Five Year Forward Review (October 2014) recognises the role that housing can play in promoting wellbeing and in particular keeping older people independent and healthy. This provides evidence of the strong and growing links between housing, health and social care.
- B.53 Schemes to support older and vulnerable people in their housing needs include:

- Disabled Facilities Grant, funding adaptations to properties to allow people to live in their homes for longer. This is now part of the Better Care Fund, which aims to better integrate health and adult social services. In 2016/17 there is £394 million funding available and in his Autumn Statement 2015 the Chancellor committed to making a further £500 million available by 2019/20;
 - Care and Support Specialised Housing Fund, to stimulate the market in specialist housing provision. The Government committed an additional £400 million to build 8,000 new specialist homes in the Autumn Statement 2015. A further allocation of £84.2 million announced in March 2016 is intended to provide a further 2,000 homes.
 - Supported housing has been exempted from the 1% rent cuts and potential exemption from the LHA cap is also being considered by Government, although wider welfare and funding reforms have already had a significant impact on the financial viability of both existing and proposed supported housing schemes;
 - FirstStop, an independent, impartial and free service offering advice and information to older people, their families and carers about housing and care options for later life;
 - Home Improvement Agencies, providing help and advice to older and disabled people, housing associations and charities; and
 - Handyperson services, delivering small home repairs and adaptations.
- B.54 Other projects of relevance to housing include the previous Prime Minister's Challenge on Dementia. Launched in 2012, the Challenge sought to deliver major improvements in dementia care and research by 2015, including raising awareness of the housing, care and support needs of people living with dementia and their families. In February 2015, the *Prime Minister's Challenge on Dementia 2020* was published, highlighting progress and launching the next phase of the work.
- B.55 Also relating to older people's housing is the World Health Organisation's Age Friendly Cities programme, which in 2014 saw Manchester recognised as the UK's first 'Age Friendly' city. Launched in February 2016, the NHS's Healthy New Towns initiative seeks to deliver 76,000 new homes on 10 sites throughout the UK.
- B.56 In terms of safeguarding vulnerable adults, housing has a strong role to play alongside social services, health, the police and other agencies. The Care Act 2014 set out a new safeguarding power and places a duty on local authorities to respond to safeguarding concerns by making enquiries as necessary to decide on whether, and what, action is needed.
- B.57 From the April 1st 2013, Health and Wellbeing Boards (including Directors of Public Health) became statutory committees of local authorities. They are responsible for encouraging integrated working on health and wellbeing issues, including development of Joint Health and Wellbeing Strategies, and Joint Strategic Needs Assessments.
- B.58 In August 2012 the Government published its Homelessness Strategy, ***Making every contact count: A joint approach to preventing homelessness***. The

Strategy focuses on prevention and identifies ten local challenges that need to be addressed by local authorities. These include having a Homelessness Strategy setting out a proactive approach; not placing any young person aged 16 or 17 in Bed and Breakfast accommodation; and not placing any families in Bed and Breakfast accommodation, except in an emergency and for no longer than six weeks.

- B.59 In order to prevent and tackle homelessness and rough sleeping, a range of Government funding has been provided in recent years, including:
- The Homelessness Prevention Fund, providing grants for local homelessness services;
 - The Homelessness Transition Fund, supporting 'No Second Night Out'; and
 - The Crisis Private Rented Sector Access Development Programme to help single homeless people find privately rented accommodation.
- B.60 On 17th December 2015 the DCLG announced '*a radical new package of measures to help tackle homelessness and ensure that there is a strong safety net in place for the most vulnerable people in society*⁴¹'. At the same time, the Communities and Local Government Committee announced a parliamentary inquiry into the causes of homelessness and the approaches taken by national and local government to prevent and tackle homelessness.
- B.61 The March 2016 Budget included a commitment of £100 million to build accommodation for rough sleepers; £10 million to fund new ways to prevent and reduce rough sleeping; and a £5 million increase to funding for the Rough Sleeping Social Impact Bond. However, Ministers the imposition on local authorities of a new legal 'duty to prevent' was not included in the March Budget as expected.
- B.62 The Conservative MP Bob Blackman tabled the Homelessness Reduction Bill in September 2017. It proposed the introduction of new duties on councils, including requiring them to provide emergency accommodation for 56 days for people with a local connection but not in priority need. Following negotiations, a new version of the Bill was published in October 2016. This does not include the above clause, which was considered would place too much pressure on local authorities and would be too costly. The central thrust of the Bill remains, however, which is to place duties on councils to take steps to prevent homelessness. The Bill has been backed by Government and has progressed to its third reading in the House of Lords (23rd March 2017).

National housing reviews

- B.63 Over recent years a number of housing reviews have been undertaken to assess the housing situation and recommend ways in which it can be addressed.
- B.64 In October 2014 the **Lyons Housing Review** was published. The review was commissioned by the Labour Party and identified that:

⁴¹ <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

- Insufficient land is being brought forward for new housing and that communities are not able to take responsibility for the homes required, or are using planning powers reactively; and
- The capacity to build more housing has reduced significantly as it has become concentrated in the hands of a small number of volume house builders, whilst the number of smaller builders has reduced.
- Overall the report recommended that the delivery of new homes be increased to 200,000 per annum by 2020. It also recommended that capital investment should be made in housing and that housing should be a priority for the new (post-election) Government.

B.65 The **Elphicke-House Report** (January 2015) reviewed the role of local authorities in increasing housing supply. It recommended that local authorities become housing delivery enablers in their areas, to proactively assess and lead on facilitating new housing development in their areas. To enhance the role of authorities as delivery enablers, the report recommended increased community involvement; clearer housing market assessments; increased housebuilding by reduced bureaucracy and more flexible funding.

Technical Appendix C: Affordable housing need calculations

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Stage 1: Current housing need (gross backlog)

- Step 1.1 Homeless households and those in temporary accommodation
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- Step 1.3 Other groups
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- Step 2.1 New household formation (gross per year)
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- Step 3.1 Affordable dwellings occupied by households in need
- Step 3.2 Surplus stock
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- Step 4.1 Total backlog need
- Step 4.2 Quota to reduce over 5 years (2)
- Step 4.3 Annual backlog reduction
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- Step 4.5 Total annual affordable need
- Step 4.6 Annual Social Rented capacity
- Step 4.7 Net Annual Shortfall

Introduction

- C.1 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*⁴². Housing Register data provided by the Council provides a robust range of information to quantify housing need in Craven District and, by reviewing affordable capacity, the extent to which additional affordable housing is required.
- C.2 Housing needs analysis and affordable housing modelling has been prepared in accordance PPG Paragraph 2a-022 and involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable stock.
- C.3 The model used to derive affordable need is based on the CLG model advocated in former SHMA guidance. Analysis has been carried out at borough-wide level and in summary the needs assessment model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
 - Stage 2: Future housing need
 - Stage 3: Affordable housing supply
 - Stage 4: Estimate of annual housing need
- C.4 Table C1 summarises the different steps taken in assessing housing need and evidencing the extent to which there is a surplus or shortfall in affordable housing across Craven District. Please note that in Stage 1, Step 1.4 reports the total number of households in need and avoids double counting as in some cases households have more than one housing need.

⁴² DCLG Estimating housing need 2010

Table C1 CLG Needs Assessment Summary for Craven District

Step	Stage and Step description	Calculation	Craven District
		Total households>>>	25235
	Stage1: CURRENT NEED		
1.1	Homeless households and those in temporary accommodation	Annual requirement	325
1.2	Overcrowding and concealed households	Current need	
1.3	Other groups	Current need	
1.4	Total current housing need (gross)	Total no. of households with one or more needs	
	A. TOTAL cannot afford open market (buying or renting) (88%)	Total	284
	Stage 2: FUTURE NEED		
2.1	New household formation (Gross per year)	based on national household formation rate of 1.55%	391
2.2	Number of new households requiring affordable housing	Based on actual affordability of households forming	61
2.3	Existing households falling into need	Annual requirement	22
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	83
	Stage 3: AFFORDABLE HOUSING SUPPLY		
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	118
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0
3.3	Committed supply of new affordable units	Total annual	16
3.4	Units to be taken out of management	None assumed	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	166
3.6	Annual supply of social re-lets (net)	Annual Supply (3 yr ave)	107
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply	0
3.8	Annual supply of affordable housing	3.6+3.7	107
	Stage 4: ESTIMATE OF ANNUAL HOUSING NEED		
4.1	Total backlog need	1.4A-3.5	150
4.2	Quota to reduce over 1 year		
4.3	Annual backlog reduction	Annual requirement	150
4.4	Newly-arising need	2.4	83
4.5	Total annual affordable need	4.3+4.4	233
4.6	Annual affordable capacity	3.8	107
4.7	Net annual imbalance	4.5-4.6 NET	126

Source 2017 Housing Register; RP Core Lettings and Sales data

Data may be subject to rounding errors

Stage 1: Current need (Unmet gross need)

C.5 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*. PPG Paragraph 2a-23 identifies the following types of household to be considered in housing need:

- Homeless households or insecure tenure;
- Households where there is a mismatch between the housing needed and the actual dwelling;
- Households containing people with social or physical impairment or other specific needs living in unsuitable dwellings;
- Households that lack basic facilities;
- Households containing people with particular social needs which cannot be resolved except through a move

C.6 Table C2 summarises the likely range of housing needs of households in Craven District.

Table C2 Summary of current housing need across Craven	
Category	Factor
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model
	N4 Too difficult to maintain
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move
Total no. households in need (with one or more housing need)	
325	
Total Households (2016 estimate)	
25,235	
% households in need	
1.3%	

Source: 2017 Housing Register and arc4 surveys

- C.7 There are currently around 325 existing households in need on the housing register for Craven. This is equivalent to 1.3% of all households but this is an annual figure as the housing register is refreshed regularly.

Step 1.1 Homeless households and those in temporary accommodation

- C.8 CLG SHMA guidance suggests that information on homeless households and those in priority need who are currently housed in temporary accommodation should be considered in needs modelling. The scale of need from these types of household can be derived from several sources.
- C.9 Homelessness statistics for 2016/17⁴³ indicate that a total of 59 decisions were made on households declaring themselves as homeless across Craven (Table C3). Of these households, 13 were classified as homeless and in priority need. Over the eight years 2009/10 to 2016/17, an annual average of 48 decisions have been made across Craven and an average of 12 households each year have been declared as homeless and in priority need.

Table C3 Homeless decisions and acceptances 2010/11 to 2014/15		
Year	Decisions made	Accepted as homeless
2009/10	29	8
2010/11	37	4
2011/12	44	12
2012/13	48	16
2013/14	60	15
2014/15	64	16
2015/16	46	10
2016/17	59	13
Total	387	94
Annual Average	48	12

Source: CLG Homelessness Statistics

Source: DCLG Homelessness Statistics

Step 1.2 Overcrowding and concealed households

- C.10 The extent to which households are overcrowded is measured using the 'bedroom standard'. This allocates a standard number of bedrooms to each household in accordance with its age/sex/marital status composition. A separate bedroom is allocated to each married 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, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared

⁴³ CLG Homeless Statistics Table 784: Local authorities' action under the homelessness provisions of the Housing Acts

with the actual number of bedrooms (including bedsits) available for the sole use of the household.

- C.11 It is assumed that the Housing Register includes households who are currently living in overcrowded accommodation or are concealed households and are intending to move in the next year.

Step 1.3 Other groups

- C.12 Table D2 identified a series of households who were in housing need for other reasons including the property is too expensive, difficult to maintain, household containing people with mobility impairment/special need, lacking amenities, disrepair and harassment. It is assumed that the housing register includes households experiencing these needs.

Step 1.4 Total current housing need summary

- C.13 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Craven is 325. An analysis of household income and savings relative to lower quartile house prices and private rates indicates that 88% of households in need could not afford open market prices or rents. This results in a need from 284 existing households in need who require affordable housing.

Stage 2: Future housing need

Step 2.1 New household formation (gross per year)

- C.14 The needs analysis assumes that 391 new households form each year based on the national household formation rate of 1.55%. This is based on the latest three-year average national rate reported in the English Housing Survey over the period 2013/14 to 2015/16.

Step 2.2 New households unable to buy or rent in the open market

- C.15 This is based on the number of newly-forming households on the housing register which equals 61 households.

Step 2.3 Existing households expected to fall into need

- C.16 An estimate of the number of existing households falling into need each year has been established by drawing upon Registered Provider CORE lettings data. During the past three years (2013/14 to 2015/16), an annual average of 22 households moved into the Social/Affordable Rented sector because they were homeless and assumed to be in housing need.

Step 2.4 Total newly arising housing need (gross per year)

- C.17 Total newly arising need is calculated to be 83 households each year across Craven District.

Stage 3: Affordable housing supply

- C.18 PPG Paragraph 2a-026 suggests that '*there will be a current supply of housing stock that can be used to accommodate households in affordable housing need as well as future supply.*' The needs modelling takes account of the number of affordable dwellings that are going to be vacated by current occupiers that are fit to use by other households, stock surpluses, committed supply of new affordable dwellings and dwellings being taken out of management (for instance pending demolition or being used for decanting).

Step 3.1 Affordable dwellings occupied by households in need

- C.19 This is an important consideration in establishing the net levels of housing need as the movement of these households within affordable housing will have a nil effect in terms of housing need⁴⁴.
- C.20 Housing Register data suggests that 118 households living in affordable housing are in need and move to offset that need each year.

Step 3.2 Surplus stock

- C.21 A proportion of vacant properties are needed to allow households to move within housing stock. Across the Social Rented sector, this proportion is generally recognised as being 2%. Stock above this proportion is usually assumed to be surplus stock. Modelling assumes no surplus Social Rented stock across Craven District.

Step 3.3 Committed supply of new affordable units

- C.22 Latest Council data indicates a likely delivery of at least 16 affordable dwellings over the next year which is included in the model.

Step 3.4 Units to be taken out of management

- C.23 The model assumes there are no units to be taken out of management over the period 2016/17 to 2020/21.

⁴⁴ Housing Need Assessment Guidance (CLG, August 2007)

Step 3.5 Total affordable housing stock available

- C.24 It is assumed that there are 118 (affordable) rented dwellings available arising from households moving within the stock and new build of 16 affordable dwellings. This results in a total of 134 dwellings available.

Step 3.6 Annual supply of social re-lets

- C.25 PPG Paragraph 2a-27 states that *'plan makers should calculate the level of likely future affordable housing supply taking into account future annual supply of social housing re-lets (net), calculated on the basis of past trends (generally the average number of re-lets over the previous three years should be taken as the predicted annual levels), and the future supply of intermediate affordable housing.'*
- C.26 The needs model considers the annual supply of social re-lets. District-level RP CORE lettings data has been analysed for the years 2013/14, 2014/15 and 2015/16. This information can be used to assess the likely capacity of the Social Rented to accommodate new households. Modelling assumes an annual capacity of 107 Social/Affordable Rented dwellings let to new tenants i.e. households who either moved into social renting from another tenure, were newly-forming households, or who moved from supported/specialist accommodation.

Step 3.7 Annual supply of intermediate re-lets/sales

- C.27 Available data from the latest Core lettings data available (2013/14, 2014/15 and 2015/16) reports no sale or re-sale of intermediate tenure dwellings so this is assumed to be zero in the model.

Summary of Stage 3

- C.28 Overall, the model assumes an existing affordable supply of 107 rented and 0 intermediate tenure lettings/sales resulting in a total supply of 107 affordable dwellings to new households moving into affordable tenures each year.

Stage 4: Estimate of annual housing need

Overview

- C.29 Analysis has carefully considered how housing need is arising within Craven District by identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.
- C.30 This has been reconciled with the supply of Affordable dwellings. Based on the CLG modelling process, analysis suggests that there is an overall annual gross imbalance of 233 affordable dwellings and after taking into account affordable supply results in an annual net imbalance of 126 dwellings.

- C.31 Stage 4 brings together the individual components of the needs assessment to establish the total gross and net annual imbalances.

Step 4.1 Total backlog need

- C.32 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.4B minus total affordable housing stock available (Step 3.5). The total backlog need is 150.

Steps 4.2 to 4.6

- C.33 Step 4.2 is a quota to reduce the total backlog need. This assumes that the housing register evidence is refreshed annually and that any need should be met during the same year.
- C.34 Step 4.3 is the annual backlog reduction based on Step 4.2 (150 each year).
- C.35 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (83 each year).
- C.36 Step 4.5 is the total annual Affordable need based on Steps 4.3 and 4.4 (233 each year) or the gross need.
- C.37 Step 4.6 is the annual Social Rented/intermediate tenure capacity based on Step 3.8 (107 each year).

Total imbalance and linkage with objectively assessed need

- C.38 The overall annual net affordable housing imbalance for Craven District is 126 each year. This compares with 145 in the previous 2016 SHMA update, mainly due to higher levels of lettings coming forwards and the positive steps the Council is making to address affordable housing need. Note that this figure represents an imbalance and not a target. It considers overall need as expressed in the housing register and current supply of affordable housing. In reality, households in need who cannot access the market can pay proportionately more for their housing above suggested affordable thresholds, people can share dwellings to reduce housing costs, and the private rented sector can accommodate households in need.
- C.39 PAS⁴⁵ guidance provides helpful guidance in interpreting affordable need in the context of objectively assessed need and housing requirement. Paragraph 9.6 states 'in practical terms, there is no arithmetical way of combining the two calculations set out in PPG to produce a joined-up assessment of overall housing need. We cannot add together the calculated OAN and the calculated affordable need, because they overlap: the OAN of course covers both affordable and market housing, but we cannot measure these components separately, because demographic projections – which are the starting point for

⁴⁵ Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition July 2015

the OAN – do not distinguish between different sectors of the housing market. Para 9.7 continues ‘In summary, it seems logically clear that affordable need, as defined and measured in paragraphs 22-29 of the PPG, cannot be a component of the OAN. The OAN does have an affordable component – which cannot be measured separately but will normally be much smaller than the affordable need discussed at paragraphs 22-30. When paragraph 47 of the NPPF says that plans should meet in full ‘the need for market and affordable housing’, it is referring to that component rather than the separately calculated affordable need.

- C.40 PAS guidance (para 11.6) concludes that affordable need, defined and calculated as per paragraphs 22-29 of the PPG, is policy consideration rather than a component of objectively assessed need.

Technical Appendix D: Reviewing the future profile of dwelling stock in Craven

Introduction

- D.1 In order to satisfy the requirements of the NPPG, the SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period. In order to determine the potential range of new dwelling stock appropriate for Craven, analysis has considered:
- Current stock profile by type and size by the age of Household Reference Person (HRP);
 - The profile of households by age of Household Reference Person (HRP) and how this is expected to change over the period 2012 to 2032 using 2014-based CLG household projections;
 - Future requirements for dwelling types and sizes based on the anticipated change in household profile and the Objectively Assessed Need.

Current stock profile of Craven by type and size

- D.2 Latest data from the Valuation Office Agency on dwelling type and size is presented in Table D1. This data relates to all dwellings and not just occupied households and therefore varies slightly from the 2011 Census data.
- D.3 Overall 78.6% of dwellings are houses (with 38.7% of all dwellings 3 bedroom houses), 9.8% are flats and 11.6% are bungalows.

Table D1 Percentage of households living in different types/sizes of dwelling	
Dwelling type/size	%
1 Bed House	1.8
2 Bed House	21.2
3 Bed House	38.7
4 or more Bed House	16.9
1 Bed Flat	4.4
2 Bed Flat	4.6
3+ Bed Flat	0.8
1-2 Bed Bungalow	7.4
3+ Bed Bungalow	4.2
Total	100.0
Base (valid data) (2017 Valuation Office Agency)	26,280

Profile of households by age of Household Reference Person 2012-2032

- D.4 The 2014-based CLG household projections show the number of households across Craven by age of the Household Reference Person (HRP) or head of household and how this is expected to change over the next few decades. Table D2 shows the change in households by HRP age over the period 2012-2032. Data indicates an overall increase of around 2,400 households over this period.

Table D2 Change in number of households by HRP 2012-32				
Age Group of HRP	Number of households			% change
	2012	2032	Change 2012-32	2012-32
15-24	426	359	-67	-15.7
25-34	1,892	1,568	-324	-17.1
35-44	3,593	3,445	-148	-4.1
45-54	4,866	4,105	-761	-15.6
55-59	2,431	2,191	-240	-9.9
60-64	2,538	2,701	163	6.4
65-74	4,376	5,260	884	20.2
75-84	3,153	4,684	1531	48.6
85 and over	1,396	2,719	1323	94.8
Total	24,671	27,032	2361	9.6

Source: DCLG 2014-based household projections

Range of dwelling types and sizes occupied by households by age and type

- D.5 There is a range of secondary data available including the English Housing Survey and the 2011 Census which can provide data relating to dwelling type and size. That said, the link between household type/age of HRP and dwelling type/size is more difficult to ascertain from these sources. However, data from other arc⁴ studies can be used to determine this link. Data from five recent household surveys has been assembled to explore the relationships between dwelling type/size and household type/age. Given that this results in a combined sample of 12,200 household interviews weighted to reflect a total of 416,352 households, this is a reasonable dataset from which relationships can be established⁴⁶. The profile of dwelling type and size by HRP derived from the household survey datasets is presented in Table D3.

⁴⁶ Household surveys from 2015 Wrexham/Flintshire Local Housing Market Assessment, Bolton 2015 Housing Needs Assessment, Stockport 2015 Housing Needs Assessment, North Tyneside 2014 Strategic Housing Market Assessment

Table D3 Dwelling type/size by age group of Household Reference Person

Dwelling type/size	Age group of HRP						Total
	15-24	25-34	35-44	45-59	60-84	85+	
1 Bed House	0.0	0.7	0.2	0.5	0.6	0.0	0.5
2 Bed House	29.8	28.7	18.8	17.4	14.1	13.3	17.6
3 Bed House	22.1	42.7	44.3	40.5	37.2	30.4	39.5
4 or more Bed House	3.1	8.0	23.1	22.6	15.9	7.0	18.0
1 Bed Flat	10.4	6.7	4.9	6.3	7.1	11.9	6.7
2 Bed Flat	34.2	10.1	5.6	6.2	6.2	8.7	6.9
3+ Bed Flat	0.0	1.0	0.8	0.7	0.7	0.5	0.7
1-2 Bed Bungalow	0.4	1.5	1.2	3.5	11.6	21.7	6.5
3+ Bed Bungalow	0.0	0.6	1.0	2.3	6.5	6.7	3.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	5376	42157	59943	139706	157901	11265	416348

Source: arc4

Future dwelling requirements based on the anticipated change in household profile

- D.6 Table D4 summarises the overall profile of dwellings based on the likely profile of households by HRP and household type in Craven. It uses data from the 2014-based CLG household projections for the period 2012-2032 to ascertain the likely change in households by age group and, assuming that the dwelling types/sizes by age group remain consistent over the period 2012-32, the likely change in dwelling requirements by type and size. An adjustment is also made to take account of the District dwelling stock profile. This establishes the range of additional dwellings that are likely to be required to support the changing demography of Craven.

Table D4 Overall dwelling requirement change by type/size 2016-33					
Dwelling type/size	No. households				% change
	2012	2032	Change 2012-32	Adjustment to local stock profile	
1 Bed House	119	126	7	42	1.8
2 Bed House	4226	4450	224	501	21.2
3 Bed House	9617	10356	738	913	38.7
4 or more Bed House	4343	4557	215	399	16.9
1 Bed Flat	1691	1933	242	104	4.4
2 Bed Flat	1737	1886	149	108	4.6
3+ Bed Flat	174	186	12	19	0.8
1-2 Bed Bungalow	1799	2343	544	175	7.4
3+ Bed Bungalow	964	1193	229	100	4.2
Total	24671	27032	2361	2361	100.0

Final market mix

- D.7 The final stage in analysis is to reflect upon the overall market mix (type, size and tenure). This brings together findings from housing need analysis, the OAN and likely split between market and affordable housing delivery to derive a market mix for future housing development. This analysis also takes into account the dwelling size need for affordable and assumptions regarding affordable dwelling types.

Table D5 Overall market mix 2012-2032 (annual)				
Dwelling type	Annual OAN/ Housing Requirement	Tenure		
		Market	Affordable	Total
	242	70% overall	30% overall	
1 Bed House	4	4	0	4
2 Bed House	51	41	10	51
3 Bed House	94	85	9	94
4 or more Bed House	41	40	1	41
1 Bed Flat	11	-12	22	11
2 Bed Flat	11	3	8	11
3+ Bed Flat	2	2	0	2
1-2 Bed Bungalow	18	-5	23	18
3+ Bed Bungalow	10	10	0	10
Total	242	169	73	242

Concluding comments

- D.8 The purpose of this analysis has been to consider the likely dwelling type and size requirements of households in Craven linked to the OAN of 242 dwellings each year 2012-2032. Analysis has drawn upon the 2014-based CLG household projection data relating to age group of the HRP and arc4 survey material which considers the variation in dwelling type/size occupied by households by HRP age group.
- D.9 The analysis concludes that there are three key dwelling types particularly required across Craven: 2, 3 and 4 bedroom houses; in addition to on-going development of other property types and sizes as illustrated in Table D5.

Technical Appendix E: Monitoring and updating

A framework for updating the housing needs model and assessment of affordable housing requirements

Introduction

- E.1 Having invested considerable resources in obtaining an excellent range of primary and secondary data, it is vital that this information be used to the maximum effect and updated on a regular basis. The purpose of this appendix is to establish a framework for updating the housing needs model and affordable housing requirements. In addition, it recommends the regular monitoring and review of housing market activity and regular reflections on the wider strategic context.

Updating of baseline housing needs and affordable housing requirements

- E.2 A baseline assessment of housing need across Craven District has been derived from secondary data. This information should be taken as a baseline from which annual reviews of key aspects of the model proceed. It is recommended that the baseline information is updated on an annual basis using the latest housing register information, which has a shelf-life of three to five years (with a recommended refresh of household information after 2018/19 through primary surveying).
- E.3 Key elements of the needs assessment model can be readily updated on an annual basis to reflect:
- Changes in house prices and rental costs;
 - Capacity of the Social Rented sector; and
 - Availability of intermediate tenure housing.

Changes in house prices and rental costs

- E.4 It is recommended that the annual purchase of address-level house prices to complement the existing dataset continues. This will result in an annual refresh of house price data by survey area and provide an indication of changing lower quartile prices. In turn, these can be applied to **Step 1.4** of the needs assessment model which considers the extent to which households in need can afford open market prices. As part of this analysis, updated information on private rented sector rents needs to be secured. Several websites can provide a snapshot of private rents and help inform this element of the update.
- E.5 Lower quartile prices and private sector rents should also be compared with the income profile of newly-forming households at **Step 2.2** of the needs assessment model.

Capacity of the Social Rented sector

- E.6 The capacity of the Social Rented sector needs to be reviewed annually using RP CORE lettings data (**Step 3.6**).

Availability of Intermediate tenure housing

- E.7 CORE Sales data can identify the availability of Intermediate tenure housing (**Step 3.7**).

Annual adjustments to Affordable requirements

- E.8 Datasets can be provided from which annual reviews of Affordable requirements can proceed. This will point to any adjustment in net requirements by survey area, designation and property size.

Determining an appropriate tenure split

- E.9 We would recommend that the Council encourages the managing agents of housing registers to record applicant income, access to savings and tenure preferences to further refine the tenure split of affordable dwellings across Craven.

Updating of contextual information

- E.10 This report has presented a range of contextual information relating to the economy, demography (including population projections and migration) and dwelling stock. This information should be updated where possible and in particular progression with economic growth and diversification should be carefully monitored.

Reflections on the general strategic context and emerging issues

- E.11 As part of its strategic housing function, all LAs need to understand the general strategic housing market context and respond to emerging issues. Given the dynamic nature of housing markets, the Central and Local Government policy agenda and bidding for resources, any update of housing needs must be positioned within a wider strategic context.
- E.12 Ongoing stakeholder consultation and engagement with local communities is also vital to maintain up-to-date intelligence on housing market issues.

Concluding comments

- E.13 It is vital that mechanisms are in place to derive robust, credible and defensible estimates of housing need and affordable requirements across Craven. We believe that this study provides a robust evidence base which has the capacity to be updated.

- E.14 Having established a baseline position on affordable housing and advice on open market provision to reflect aspirations, it is essential that housing market activity is regularly monitored. This is highly relevant given current housing market uncertainty. A range of methods have been suggested to ensure that housing need and affordability modelling is revised on an annual basis. Annual reviews should also take into account the changing strategic context and impact on housing market activity.

Technical Appendix F: National Planning Policy Framework and Planning Practice Guidance Checklist

National Planning Policy Framework

F.1 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should:

- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where Housing Market Areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
 - Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.

F.2 The SHMA has delivered the requirements of the NPPF.

Planning Practice Guidance

Paragraph (no.)	Response
Methodological Approach (014)	Guidance states that establishing future need is not an exact science and no single approach will provide a definitive answer. This SHMA has used a multi-method approach involving secondary data analysis, stakeholder consultation and a review of demographic scenario analysis
Starting point for establishing the need for housing and use of projections (015)	Household projections published by the DCLG have provided the starting point to establish the need for housing through work carried out by Edge Analytics. The latest projections (2014-based) have been used
Adjusting household projections (017)	The SHMA has considered work carried out by Edge Analytics. In this work, sensitivity testing of CLG household projections using alternative assumptions in relation to underlying demographics and household formation rates has taken place
Employment trends (018)	The likely change in jobs numbers using economic forecasts has been considered in scenario work.

Paragraph (no.)	Response
Market signals (019)	The SHMA has considered market signals relating to dwelling price and quantity. This has included comparative analysis of trends in similar districts, Yorkshire and the Humber and England
Response to market signals (020)	Market signals have been considered but would suggest an uplift in dwelling delivery is required
Need for all types of housing (021)	The SHMA has considered the range of market and affordable dwellings required for all household types, including family housing, housing for older people, people wanting to build their own homes and households with specific needs. The role of the Private Rented Sector has also been considered
Calculating affordable housing need (022)	Current unmet need and projected future housing need has been calculated and subtracted from the current supply of affordable housing stock
Households considered to be in need (023)	Analysis has considered the groups specified in guidance, namely: homeless households or insecure tenure; mismatch between need and dwelling; social or physical impairment and living in unsuitable housing; lacking basic facilities; particular social needs with the assumptions that such households are represented on the Housing Register.
Calculating unmet gross need (024)	This has been calculated using housing register evidence
Newly arising affordable need (025)	Calculations have taken account of the proportion of newly-forming households who cannot afford lower quartile market housing (to buy or rent)
Total affordable supply (026)	Calculations take account of current supply of affordable housing through households in need moving, surplus stock, committed supply and units taken out of management
Future relets and intermediate tenure sales (027)	Calculations take account of the likely level of dwellings being let/sold based on the most recent 3 year trends in lettings and sales
Total affordable need (028)	Annual flow (imbalance) of affordable need has been calculated based on total need from existing households and newly-forming households minus supply. The split between rented/intermediate tenure (including Starter Homes) dwellings has been considered along with the size (no. beds) and designation (general needs/older person) of affordable dwellings.