

Strategic Housing Market Assessment

2015

Craven District Council

Final Report
June 2015

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Executive Summary

Introduction

The 2015 Craven District Council Strategic Housing Market Assessment (SHMA) provides the latest available evidence to help 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. In particular, the SHMA considers the extent to which Craven is a Housing Market Area, Objectively Assessed Housing Need and Duty to Co-operate matters.

The 2015 SHMA comprises:

- A review of existing (secondary) data;
- The preparation of household and dwelling forecasts; and
- Interviews with stakeholders.

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 National Planning Practice Guidance (NPPG).

Housing market context

House prices

Median prices in Craven District have been consistently higher than the median prices for Yorkshire and the Humber, fluctuating around the median prices for England and Wales. Overall, median prices have increased from £57,000 in 1996 (same as the national average) to £175,000 in 2014 (compared to the national average of £187,000), an increase of 207%. Prices peaked at £182,000 during 2010.

During 2014, median prices across Craven District were £175,000 and lower quartile prices were £127,500.

Dwelling stock

Across Craven District there are a total of 26,697 dwellings. There are 764 vacant properties and 622 second homes, resulting in a total of 25,301 occupied dwellings¹. 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;

¹ April 2014 Council Tax data

- 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).

Demographic drivers

The population of Craven District was estimated to be 55,500 in 2012² and this is projected to increase to 58,800 by 2037³. A key demographic change will be the increasing number and proportion of older people. The number of people aged 65 and over is projected to increase by 66.7% (8,800 people) and the overall proportion of people aged 65 and over is projected to increase from 23.8% in 2012 to 37.4% in 2037.

Economic drivers

63.5% of Household Reference People are economically active and are in employment according to the 2011 Census, a further 31.6% are retired, 1.7% are long-term sick or disabled and 1.6% are unemployed.

64.4% of residents in employment work in Craven District. A further 15.5% work in Bradford, 4.2% work in Leeds and 8.4% in the remaining surrounding Districts;

According to the ONS Annual Survey of Hours and Earnings, lower quartile earnings in 2014 across Craven District were £18,200 each year which compares with £18,049 for the Yorkshire and Humber region and £19,396 for England. Median incomes were £23,962, compared with a regional median of £24,908 and a national median of £27,227.

Market areas

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.

² ONS 2012-based population projections

³ ONS 2012-based population projections

Objectively Assessed Housing Need

Local Authorities need to prepare a robust evidence base to consider their Objectively Assessed Need for Housing (OAN). An OAN should be derived from available evidence which is free from policy influences and the dwelling requirement included in a Local Plan can differ from the OAN to take account of policy intentions.

The Objectively Assessed Housing Need for Craven District (including the National Park) is 290 dwellings each year. This is derived from a baseline of the 2012-based CLG household projections (154 dwellings), an upward adjustment to reflect alternative headship rate assumptions between 2012 and 2010 population projections (+13 households), an upward adjustment to support job-growth (+118) and a Market Signal adjustment of five dwellings each year. This overall OAN allows for a level of net in-migration to support jobs growth and also maintain a balanced demographic profile

In conclusion, the 290 Objectively Assessed Need figure takes account of the need to deliver more affordable and market housing for an increasing number of households, support economic growth and retain the working age population at a sustainable level.

Market demand

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 bungalows and three bedroom houses; along with requirements for smaller houses, houses with four or more bedrooms and flats. The SHMA evidence helps to support the delivery of smaller 1 and 2 bedroom market homes and the need to supply new market houses for older people and households working locally in a growing economy. Housing market influences from the much larger housing market of the nearby West Yorkshire conurbation could detract from addressing local demand and supporting people to both live and work in the District.

Affordable housing

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

Affordable housing is defined as either social/affordable rented or intermediate housing which is provided and made available to eligible households (i.e. those who lack their own housing or live in unsuitable housing) who cannot afford to meet their needs through the market. Intermediate affordable housing is housing at prices and rents above those of social rents, but below market prices or rents.

The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households within each sub-area and comparing this with the supply of affordable housing (social/affordable rent and intermediate tenure dwellings). The overall net annual imbalance is calculated to be 114 affordable dwellings each year. In terms of new affordable provision, an overall split of 25% one bed, 60% two bed and 15% three or more bedroom dwellings would be recommended. In terms of tenure, a split of 25% intermediate tenure and 75%

affordable rented would be recommended. We would recommend that the Council continues to actively promote intermediate tenure options, particularly for newly-forming households.

1. Introduction

Background and objectives

- 1.1 A comprehensive Strategic Housing Market Assessment (SHMA) for Craven District Council (the Council) has been commissioned to provide an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies.
- 1.2 The SHMA satisfies the requirements of the National Planning Policy Framework (NPPF) and the February 2014 National Planning Policy Guidance (NPPG) which replaces previous guidance including the Department for Communities and Local Government (DCLG) Strategic Housing Market Assessment guidance (Version 2, 2007).
- 1.3 The SHMA also includes a review of the Housing Market Area definition, Objectively Assessed Need for Housing, Housing Market Signals and Duty to Co-operate matters.

National Planning Policy Framework (NPPF) requirements

- 1.4 The NPPF provides the planning policy context for this SHMA. The key sections of the NPPF 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 (para 8) states that housing needs should be assessed in relation to the relevant functional area, i.e. housing market area; 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.
- 1.7 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).

- 1.8 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.
- 1.9 Moreover, the NPPF and the Localism Act both introduced the Duty to Co-operate as a replacement for Regional Spatial Strategy. 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 Councils 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 Craven District, and the wider economic and housing market areas, including through the preparation of a strategic housing market assessment.

Definitions

- 1.10 NPPG 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'⁴.
- 1.11 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'.
- 1.12 Definitions relating to affordable housing have been revised in the NPPF(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

⁴ The approach to assessing need Para 003 [ID: 2a-003-20140306], NPPG, March 2014.

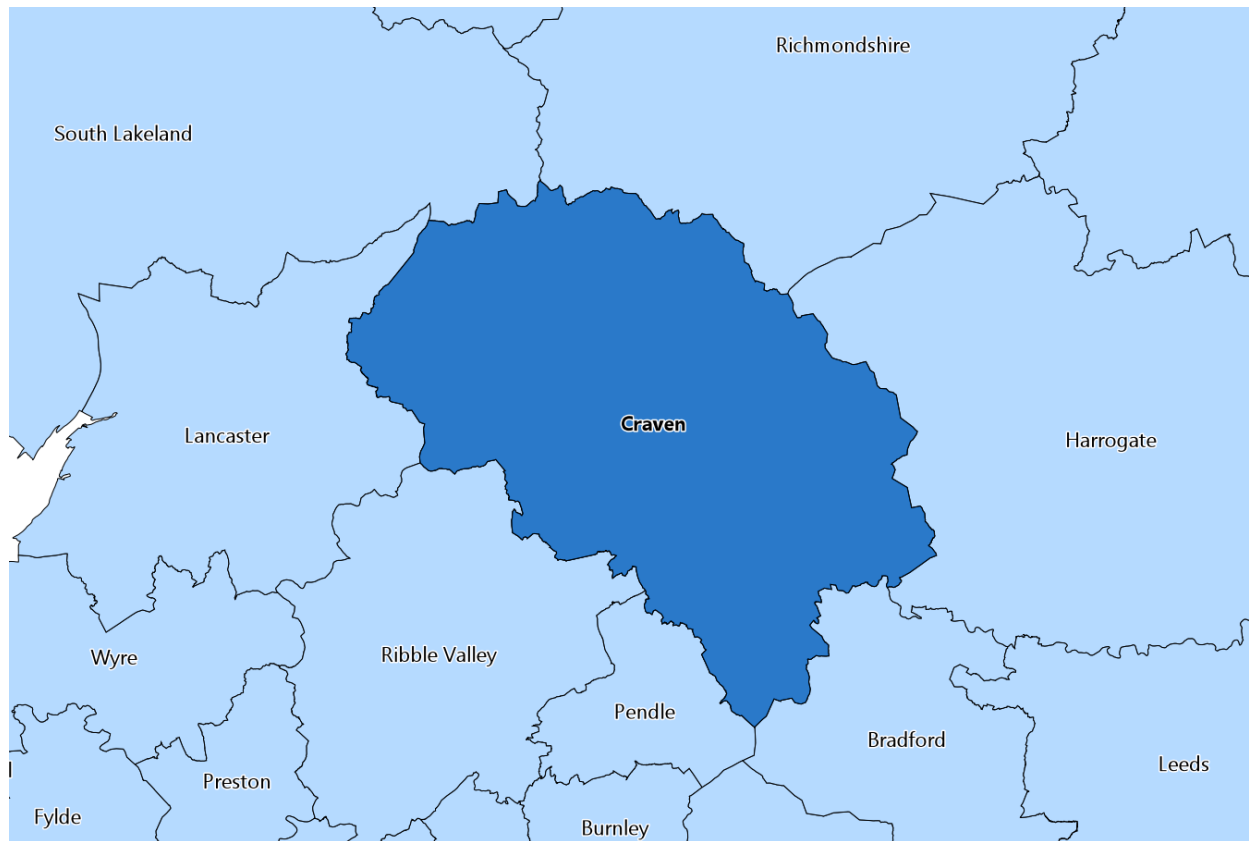
equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

- **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.

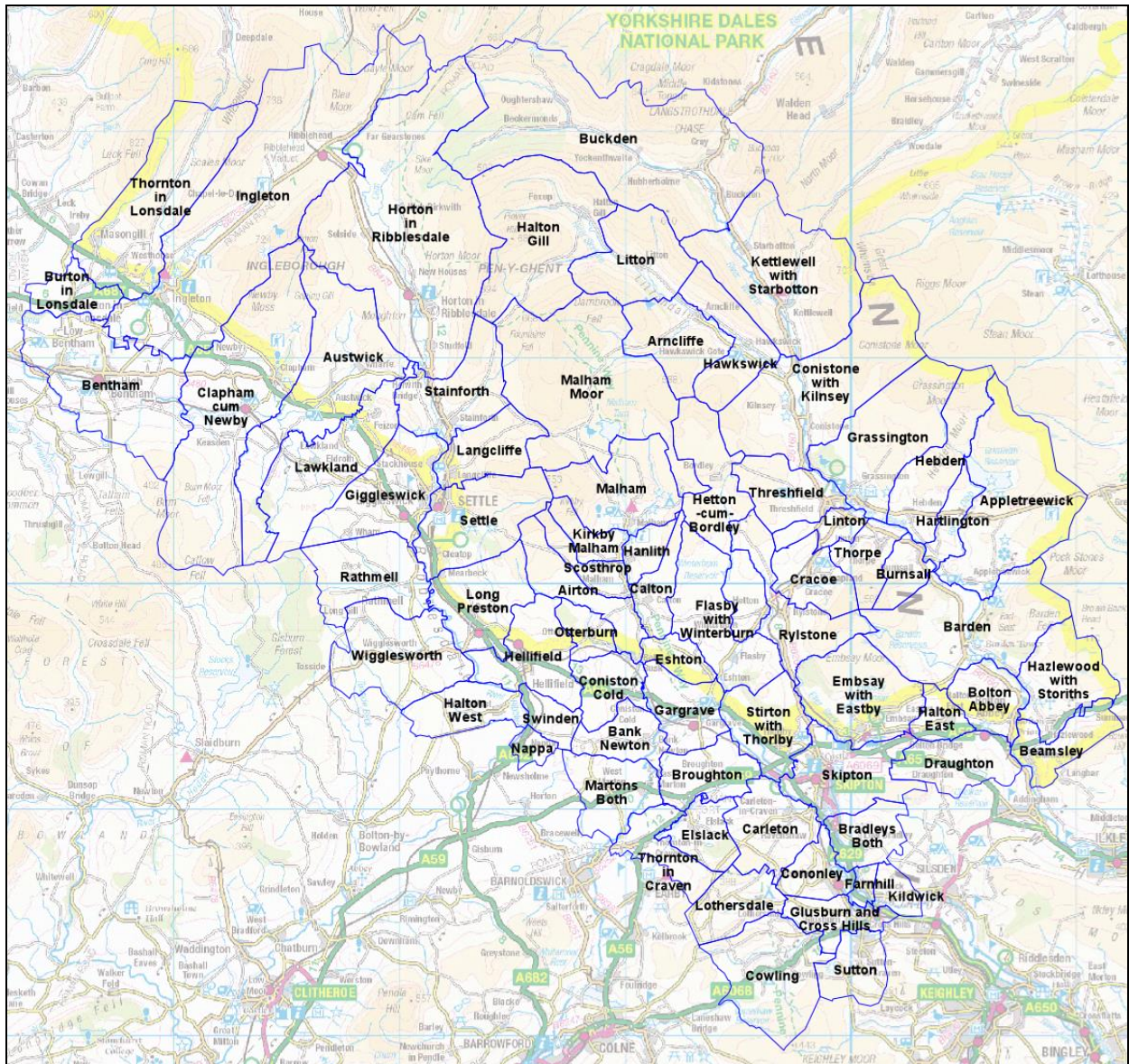
Geography

- 1.13 Map 1.1 illustrates the geographical context of Craven District and its neighbouring authorities. Map 1.2 shows the location of Parishes within the District and Map 1.3 presents the sub-areas located within the District.

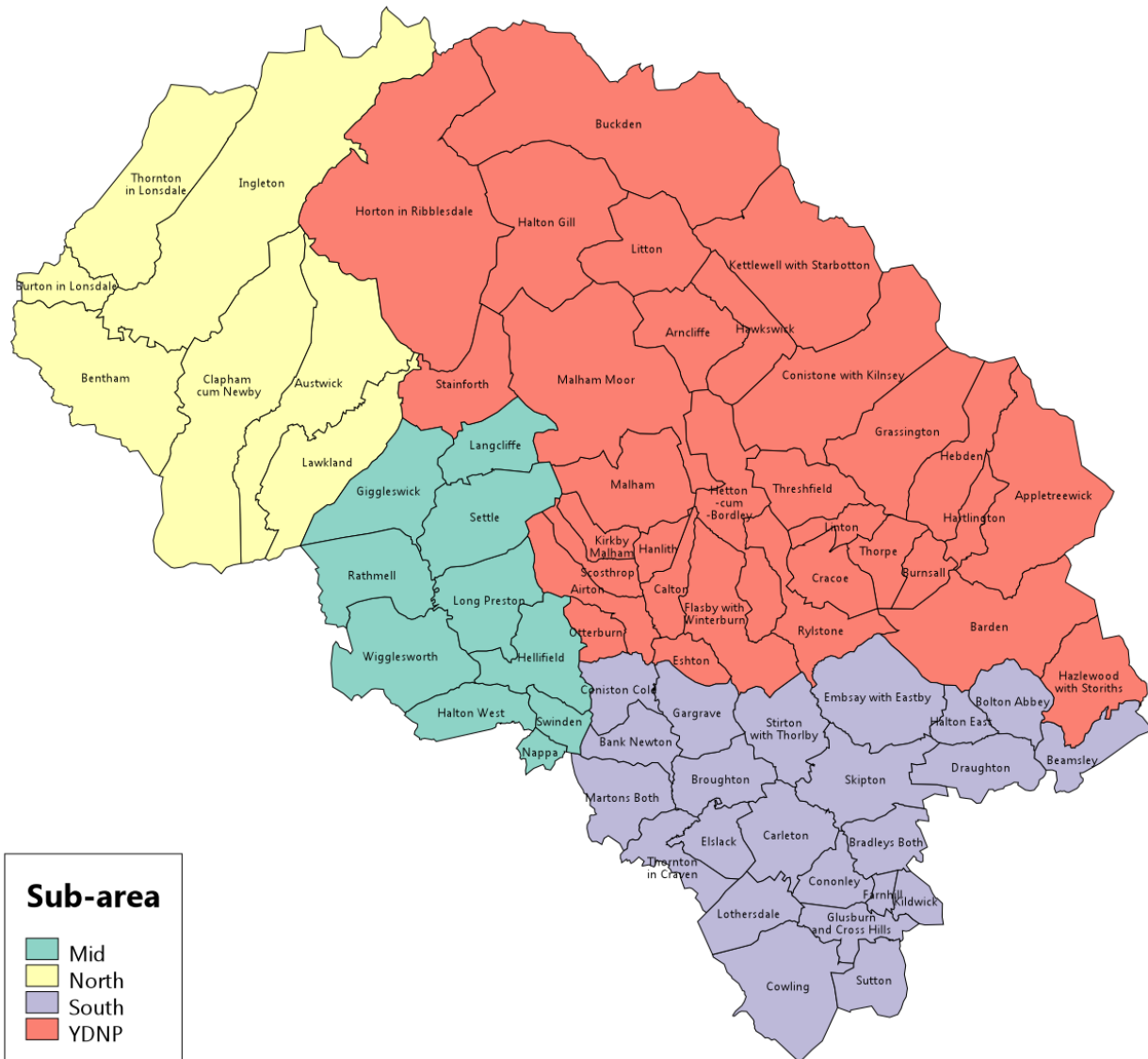
Map 1.1 Craven District context



Map 1.2 Craven Parishes



Map 1.3 Craven District sub-areas and parishes



Research methodology

- 1.14 To deliver the 2015 SHMA, 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;
 - The preparation of demographic dwelling forecasts by Edge Analytics using POPGROUP modelling; and
 - Interviews with key stakeholders including Local Housing and Planning Authority representatives, Registered Social Landlords (RSLs), Estate Agents, Lettings Agents, Developers and Supporting People representatives.

Presentation of data

- 1.15 Data are presented for Craven District and Parishes where possible.

Report structure

- 1.16 The Craven 2015 SHMA update 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;
 - Chapter 4 considers the Objectively Assessed Housing Need and Housing Market Signals;
 - Chapter 5 provides a housing market review; and
 - Chapter 6 concludes the report with a summary of findings from the update and a consideration of strategic issues.
- 1.17 The report is accompanied by two technical appendices:
- Methodology (Appendix A);
 - Housing need (Appendix B); and
 - Monitoring and updating (Appendix C).

2.

3. Policy and strategic review

Introduction

3.1 The previous five years have seen a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity. Under the coalition Government these reforms championed localism and decentralisation and economic growth. Core cross-cutting themes that ran through the coalition Government's strategic policy context included:

- Deficit reduction;
- Economic growth;
- Carbon reduction and tackling climate change; and
- Empowering people and communities.

3.2 It is unlikely that these themes will change significantly following the election in May of a majority Conservative Government; indeed deficit reduction and economic growth were central planks of the Conservative Party election manifesto.

New Government Agenda

3.3 On 27th May 2015 the Queen's speech was presented to Parliament and gave an overview of the new Government's proposed legislation and policies for the coming year. In terms of housing the following forthcoming legislation will be of relevance:

- Housing Bill;
- Full Employment and Welfare Benefits Bill;
- Immigration Bill; and
- Cities and Government Devolution Bill.

Housing Bill

3.4 The proposed Housing Bill will include measures to:

- Extend the Right to Buy to housing association tenants. Tenants will have to have held a tenancy for at least three years and discounts of up to £78,000 will be available outside London;
- Require local authorities to sell their most valuable homes when these become vacant. The proceeds of these sales will fund the extension of the Right to Buy scheme to housing association tenants, they will also provide resources to build more affordable housing in a local authority's area;
- Provide the statutory framework necessary to deliver Starter Homes (new build homes exclusively for first time buyers under 40, available at 20%

discount on market value);

- Require local authorities to provide assistance to custom and self-builders to help them identify suitable development plots;
- Introduce a statutory register of brownfield land; and
- Simplify and speed up the neighbourhood planning system.

Full Employment and Welfare Benefits Bill

3.5 The Full Employment and Welfare Benefits Bill will propose:

- Removing the automatic entitlement to housing benefit from 18-21 year olds;⁵
- Extending the freeze on working age benefits for two more years beyond 2016/17; and
- Reducing the overall benefit cap from £26,000 to £23,000.

Immigration Bill

3.6 The proposed Immigration Bill will seek to control immigration and will include measures to make it easier to evict illegal immigrants. The Bill will also seek to extend the requirement (currently being piloted in the West Midlands) for private sector landlords to check the immigration status of prospective tenants. The policy will also apply to housing associations, although tenants nominated by local authorities will already have been checked by their nominating council. It is anticipated that hostels, care homes and student accommodation would be exempt.

3.7 The Prime Minister has also announced plans to introduce a new mandatory licencing scheme⁶ to ‘crack down’ on unscrupulous landlords housing illegal migrants in overcrowded housing. It is not clear whether this new mandatory licencing scheme would cover solely the migration status of tenants, and whether it would apply only to Houses in Multiple Occupation.

Cities and Local Government Devolution Bill

3.8 This Bill will be central to the Government’s devolution plans for England, and is seen as central to facilitating its vision of a ‘Northern Powerhouse’. The Bill will devolve power to cities with elected metro mayors. It will provide the legislative framework to deliver the Greater Manchester deal and other similar agreements elsewhere.

National Housing Strategy

3.9 The National Housing Strategy for England, Laying the Foundations: A Housing Strategy for England, was published in 2011 under the previous Administration;

⁵ The Conservative Party Manifesto previously suggested withdrawing housing benefit from under 21s in receipt of Job Seekers’ Allowance.

⁶ <https://www.gov.uk/government/speeches/pm-speech-on-immigration>

it currently remains in place. The Strategy set out ideas on the then Government's preferred shape of housing provision, which centre on 'the primacy of home ownership; social housing as welfare; and an increasing role for the private rented sector.'⁷

3.10 The Strategy presented both existing initiatives and policies, and introduced a series of other interventions and approaches, 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.

3.11 Whilst these themes provide a useful overall framework for housing practitioners, the subsequent focus for strategic housing policy has centred on the four policies for housing, which currently appear to have been retained by the new Conservative administration, these are now looked at in turn.

Policy focus for housing

3.12 The Department for Communities and Local Government 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.'*⁸

3.13 Thus the policy focus for the new Government is centred upon:

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

Building affordable housing

3.14 Increasing housing supply has been a central priority for successive governments. The impact of the global credit crunch on the housing market has been significant, with falling numbers of completions and significant issues linked to accessing investment for both development and mortgage finance.

3.15 The previous Government wanted investors, developers and local councils to increase the overall supply of housing both in terms of new build properties and

⁷ Chartered Institute of Housing *Summary Laying the Foundations: A Housing Strategy for England* November 2011

⁸ <https://www.gov.uk/government/topics/housing>

'repurposed' empty homes. To help increase housing supply the previous Government tried to:

- Remove 'unnecessary and complex' regulations (planning reform);
- Provide finance for projects that cannot otherwise proceed; and
- Provide assistance to home buyers who cannot afford to buy a home due to a lack of deposit (Help to Buy and Right to Buy).

3.16 Whilst the DCLG's stated policy focus is now '*building affordable* housing' it is assumed that the desire to increase overall housing supply remains unchanged under the new Government.

Planning reform

3.17 The coalition Government perceived planning as acting as a brake on the delivery of new housing supply. To this end a fundamental review of planning policy resulted in the introduction of the National Planning Policy Framework in March 2012. As part of its commitment to economic growth, localism and decentralisation, the Government used the Framework to streamline all existing national policy documents into one short Policy Framework.

3.18 The Framework stresses the need for councils to work with communities and businesses to seek opportunities for sustainable growth to rebuild the economy; helping to deliver the homes, jobs, and infrastructure needed for a growing population whilst protecting the environment. A presumption in favour of sustainable development means that proposals should be approved promptly unless they compromise the twelve sustainable development principles set out in the Framework.

3.19 The Framework identifies three dimensions to sustainable development: economic, social and environmental. These three dimensions (or roles) are seen as mutually dependent. The Framework also introduced new definitions of affordable housing covering social rented housing, affordable rented housing and intermediate housing. In addition, in March 2014 the National Planning Policy Guidance was published on-line as a web-based tool replacing all previous planning guidance.

3.20 In November 2014 the Government introduced new affordable housing thresholds. The objective of this change is to reduce the planning burden on small developers and increase housing delivery on small sites. Local Planning Authorities (LPAs) cannot require affordable homes to be built on sites of five dwellings or less. On sites of six to ten homes LPAs can now only request a payment in lieu of onsite provision of affordable housing (a commuted sum). This commuted sum must then be used by the LPA to fund the provision of affordable housing on a site(s) elsewhere. On sites larger than ten dwellings, LPAs are still able to require a developer to build a proportion of affordable housing, as long as there is a proven need, and it is financially viable to do so.

Financial incentives

3.21 Prior to May 2015 the previous Government introduced a range of approaches and incentives to encourage new development, these included:

- The new homes bonus;
 - The affordable rent model;
 - The Get Britain Building programme;
 - The Builders Finance Fund;
 - Housing zones to unlock development on brownfield sites; and
 - Measures to increase supply through custom build, including the Right to Build (including 11 Right to Build vanguard authorities), the Affordable Housing Guarantee Programme to enable community groups and registered providers to build affordable self-build homes, and a serviced plot repayable loan fund.
- 3.22 In addition to this, in the past, measures aimed at increasing the supply of rented homes (such as the Build to Rent Fund) and those to help people access home ownership (Home Buy and Starter Homes) were also seen as contributing to the Government's overall commitment to increase housing supply.
- 3.23 In March 2015 the Government launched a new national Starter Homes exception site planning policy *'to make it easier for developers to gain planning permission for a new generation of Starter Homes on under-used commercial and industrial land.'*⁹ Sites where these homes are to be delivered will be exempt from affordable housing requirements. The Starter Homes¹⁰ are to be made available to young first time buyers at a 20% discount on open market value. The Government is also seeking for Starter Homes to be exempt from CIL.
- 3.24 To increase the supply of affordable rented homes the Government introduced the affordable rent model¹¹, aimed at giving providers greater flexibility on rents and use of assets, whilst at the same time providing affordable housing for people in need. In July 2014 the Homes and Communities Agency announced the Affordable Homes Programme for 2015 to 2018, which aims to invest £1.7 billion in new affordable housing to deliver 165,000 new homes by March 2018.
- 3.25 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. As part of the 2013 budget, £450 million was announced to support the delivery of up to 30,000 homes in this way.

Improving the quality of rented housing

- 3.26 Whilst the stated aim of the new Government is *'improving the quality of rented housing'* a raft of measures were introduced under the previous Administration aimed at increasing both the quality and quantity of housing available in both the private and social rented sectors. These are now looked at in turn.

⁹ <https://www.gov.uk/government/speeches/housing-and-planning>

¹⁰ The Queen's Speech proposed that the delivery framework for Starter Homes be set out in the forthcoming Housing Bill.

¹¹ Allows Registered Providers to charge no more than 80% of local market rent for affordable housing.

Social rented housing

- 3.27 Since 2010 a series of social housing reforms were introduced including:
- The option of flexible tenancies for local authority tenants with a minimum five year fixed term;
 - Reforms to social housing allocations;
 - Measures to tackle overcrowding;
 - The introduction of a national home swap programme for social housing tenants;
 - Discharge of homeless duty to private rented accommodation; and
 - Self-financing arrangements for council housing.
- 3.28 Alongside social housing reforms sit reforms to the welfare system, which, with changes to benefit, eligibility and entitlement, impact significantly on housing supply and demand. The Welfare Reform Act received Royal Assent on 8th March 2012; it introduced Universal Credit as well as changes to housing benefit and other welfare benefits. The Act also introduced a new ‘personal independence payment’ to replace the existing disability living allowance.
- 3.29 In addition, the Welfare Reform Act gave the Government powers to implement housing benefit reforms outlined in the June 2010 Budget and the October 2010 Comprehensive Spending Review, including:
- Introducing a size criteria to the calculation of housing benefit for social sector tenants;
 - Up-rating future Local Housing Allowance rates in line with the Consumer Price Index rather than actual rents; and
 - Introducing household benefit caps of £500 per week for couples and £350 per week for single claimants.
- 3.30 Proposals within the pending Full Employment and Welfare Benefits Bill aimed at reducing entitlement and freezing benefits are also likely to impact upon social housing providers and their tenants.

Private rented housing

- 3.31 The private rented sector has grown significantly in recent years; it now houses 16.5% of all households in England¹². The Government sees the private rented sector as playing a vital role in meeting housing needs and supporting economic growth; it wants to see a ‘bigger and better’ private rented sector and believes that increasing the supply of private rented homes will make rents in the sector more affordable.
- 3.32 To help grow capacity in this sector the previous Government invested £1 billion in the Build to Rent Fund, to provide equity finance for purpose-built private

¹²<https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector>

rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these homes.

3.33 In a policy paper ‘2010 to 2015 government policy: rented housing sector’ (7th May 2015) the Government identifies proposals to ensure that tenants receive proper protection from their landlord, including:

- Raising standards on the condition of private rented properties;
- Protecting tenants from hidden agency fees; and
- Improving access to longer-term more family friendly tenancies.¹³

3.34 The paper also advises on the development of a model tenancy agreement and measures to ensure that all letting and property management agents are members of an approved redress scheme. In addition, £4.1 million has been allocated to 23 local authority areas to tackle rogue landlords, and £2.6 million to tackle ‘beds in sheds.’

3.35 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

3.36 The primacy of home ownership remains central to the Government’s housing policy approach. A number of measures were introduced under the previous Administration to help those currently unable to access home ownership to buy a home of their own.

3.37 Current home ownership initiatives include:

- Starter Homes scheme; from 2nd March 2015 new rules enable developers to reduce the sale price of these ‘starter’ homes by 20% thus enabling first time buyers to access owner occupation. The cost of providing the 20% discount on market value is to be met in lieu of delivering affordable housing on these sites. The scheme is seen as operating when developers bring forward unusable or surplus commercial or industrial land for housing. These sites will be exempt from affordable housing requirements in return for the provision of starter homes offered to people under 40 at a 20% discount on open market value;
- Help to Buy, which enables people to buy a home worth up to £600,000 with a 5% deposit. There are three types of Help to Buy product:
 - An equity loan, where the Government lends up to 20% of the value of a new-build home;
 - Mortgage guarantee that enables lenders to offer potential purchasers 80% to 95% mortgages. This runs until 2016; and

¹³ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector>

- NewBuy, aimed at assisting potential purchasers with at least a 5% deposit to buy a new-build home.
- Right to Buy, where maximum discounts have been increased to £77,000 outside London and £102,700 within London. The maximum cash discount will now increase annually in line with the Consumer Price Index. The maximum percentage discount on houses has been increased to 70%, bringing it in line with the maximum discount available on flats.
- The extension of the Right to Buy to housing association tenants is a flagship policy of the new Government and will form part of the proposed Housing Bill legislation for Parliament to consider; and
- In the March 2015 budget the Government announced the introduction of a new Help to Buy ISA for first time buyers. For every £200 saved the Government will contribute an additional £50, up to a maximum of £3,000 on savings of £12,000, at the point at which the purchaser buys their first home. The bonus is per person, so couples buying together will receive a maximum £6,000. The property purchased must be valued at £450,000 or less in London and £250,000 or less in the rest of the Country. The scheme will run for four years starting from Autumn 2015 and will cost up to £230 million in its first year.

Providing housing support for vulnerable people

- 3.38 To date, older people have been the predominant focus of this policy due to almost one third of all homes being occupied by older people, and an increasing number of households headed by someone aged 65 or over¹⁴. There are pressing demographic and economic reasons why addressing housing issues for older people is important.
- 3.39 Increasing numbers of people being defined as homeless, and rising levels of rough sleeping in places such as London, also mean that addressing homelessness was seen as a priority by the previous Government.
- 3.40 As a result, the coalition Government agreed to provide the following housing support to older people and to people with a disability:
- Support to those wishing to stay in their own home via the Disabled Facilities Grant, Home Improvement Agencies and Handyperson services;
 - Ensure that advice is available through FirstStop's¹⁵ national service; and
 - Strengthen choice for those wanting specialist housing through the Care and Support Specialised Housing Fund¹⁶ (see para 2.49) .
- 3.41 On the 14th May 2014 the Care Act received Royal Assent; the Act came into effect in April 2015. The Act replaces existing pieces of legislation and aims to:

¹⁴<https://www.gov.uk/government/publications/2010-to-2015-government-policy-housing-for-older-and-vulnerable-people/2010-to-2015-government-policy-housing-for-older-and-vulnerable-people>

¹⁵ FirstStop is a free, independent, national information and advice service for older people, their family and carers funded by the Department for Communities and Local Government.

¹⁶ Care and support specialised housing programme is a resource administered by the Homes and Communities Agency

- Provide a single, modern framework for the planning, funding and provision of care and support making people's entitlement to care clearer;
 - Promote a preventative approach with services built around an individual's wellbeing;
 - Give carers a right to assessment for support;
 - Promote the integration of health and social care; and
 - Place Safeguarding Adult Boards on a statutory basis.¹⁷
- 3.42 In terms of safeguarding vulnerable adults, housing has a strong role to play alongside social services, health, the police and other agencies. The Act 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.
- 3.43 The Act also includes various proposals to support integrated working, including a duty of cooperation and partnership between police, health and local authorities.
- 3.44 From the April 1st 2013 Health and Wellbeing Boards, which include 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.
- 3.45 The March 2015 Budget proposed exploring the impact of improved housing on whether this helps people with care needs stay in their homes for longer, potentially saving the NHS money.

Older people

- 3.46 In addition to Disabled Facilities Grants and Supporting People programmes, the following has been undertaken to help older people live at home longer:
- Research was undertaken into Lifetime Neighbourhoods¹⁸ (December 2011);
 - Home Improvement Agencies are in place to help private tenants and home owners, advising on potential improvements and adaptations to their home;
 - Handypersons schemes;
 - FirstStop, free and independent national information and advice service; and
 - The Housing Learning and Improvement Network knowledge hub.
- 3.47 In January 2012 the Government announced a new deal for older people to help them continue living independently, this included £51 million for Home Improvement Agencies to provide:
- Housing advice, including help to move to more suitable accommodation if needed;

¹⁷ Chartered Institute of Housing member briefing on the Care Act 2014

¹⁸ Mark Bevan and Karen Croucher for DCLG, Lifetime Neighbourhoods, December 2011

- Handyperson services, including small home repairs, home safety and security adaptations;
 - Energy efficiency advice; and
 - Arranging for adaptations and home repairs.¹⁹
- 3.48 An additional £20 million for Disabled Facilities Grants was also announced at the same time.
- 3.49 Launched in October 2012, the previous Government saw the Care and Support Specialised Housing Fund (CASSH), as part of the *'biggest reform of the care and support system in 60 years'*.²⁰ As a result of the Care Act, the focus on wellbeing and independent living has seen a shift from intervention to prevention, with suitable housing being seen as a vital part of wellbeing. The CASSH fund was designed to stimulate the market in specialised housing provision, and the £300 million capital grant fund aimed to provide up to 9,000 specialist new homes for older people to move into. The Government identified that *'Phase 1 of the Care and Support Specialised Housing Fund is already showing success in meeting the need for affordable specialised housing for older people and disabled adults. The Homes and Communities Agency (HCA) and the Greater London Authority have allocated funds for over 4,000 specialised homes to be built as part of Phase 1.'*²¹
- 3.50 Phase 2 of CASSH was launched in February 2015 with a view to delivering more specialist housing for people living with mental health conditions and learning difficulties, as part of the then Government's 'Closing the Gap'²² commitments. Specialist housing developers and providers were invited to bid for £155 million to develop accommodation for adults needing support to live independently as a result of old age or disability; priority within the programme was given to applications for people with learning disabilities or mental health issues.

Homelessness

- 3.51 In August 2012 the former Government published its Homelessness Strategy, 'Making every contact count: A joint approach to preventing homelessness'. The Strategy focuses on prevention and aims to *'make sure that every contact local agencies make with vulnerable people and families really counts.'*²³
- 3.52 The report identifies ten local challenges that need to be addressed by local authorities, these are:
- Adopt a corporate commitment to prevent homelessness which has buy-in across all local authority services;
 - Actively work in partnership with voluntary sector and other local partners to address support, education, employment and training needs;

¹⁹ www.communities.gov.uk

²⁰ HCA and DOH Care and Support Specialised Housing Fund: Phase 2 Bidding Prospectus Feb 2015 page 2

²¹ HCA and DOH Care and Support Specialised Housing Fund: Phase 2 Bidding Prospectus Feb 2015 page 2

²² DOH 'Closing the Gap: Priorities for essential change in mental health' Feb 2014

²³ DCLG Making every contact count Aug 2012 page 3

- Offer a Housing Options prevention service, including written advice to all clients;
 - Adopt a *no second night out* model or an effective local alternative;
 - Have housing pathways agreed, or in development, with each key partner and client group, which include appropriate accommodation and support;
 - Develop a suitable private rented sector offer for all client groups, including advice and support to all clients and landlords;
 - Actively engage in preventing mortgage repossessions including through the Mortgage Rescue Scheme;
 - Have a Homelessness Strategy which sets out a proactive approach to preventing homelessness and is reviewed annually so that it is responsive to emerging needs;
 - Not place any young person aged 16 or 17 in Bed and Breakfast accommodation; and
 - Not place any families in Bed and Breakfast accommodation unless in an emergency, and then for no longer than six weeks.²⁴
- 3.53 In the March 2015 Budget the coalition Government announced that it will consider options to support long term investment in private rented accommodation for homeless families.

National housing reviews

- 3.54 Over the past year a number of housing reviews were undertaken to assess the current housing situation and recommend ways in which it can be addressed.
- 3.55 In October 2014 the **Lyons Housing Review** was published. The review was commissioned by the Labour Party and identified that:
- 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.
- 3.56 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 Government post May 2015.
- 3.57 In the 2013 Autumn Statement the Government announced a review of the role of local authorities in increasing housing supply. The review culminated in the **Elphicke-House Report**, which was published on 27th January 2015. The review considered what local authorities (irrespective of whether they are stock holding or not) can do to help meet housing need in their areas.

²⁴ DCLG Making every contact count Aug 2012 page 4

3.58 The report 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 recommends:

- That there is community leadership and strategic clarity: that Government and local authorities do more to encourage community involvement on planning and development decisions in their area;
- Creating housing opportunity:
 - That Government and local authorities work together to make sure that housing market assessments are clearer, and easier for communities to understand;
 - That Government should increase building outside the HRA by reducing bureaucracy and increasing the number of homes local authorities can fund in this way; and
 - That Government consider whether there is any flexibility for additional borrowing and Right to Buy sales receipts to assist with one for one replacement of properties sold under the Right to Buy.
- Business leadership: that more support is provided for small and medium sized builders, and that more help and advice is available;
- Managing housing supply:
 - There should be transparency of ownership of all public land and assets;
 - Authorities should have the power to dispose of larger sites within their area that are publicly owned;
 - Authorities should be more proactive in identifying small sites suitable for custom build and small builders; and
 - Authorities should ensure that development on land with planning permission is progressed quickly.
- Shaping a stronger housing finance market:
 - The Government, with the Local Government Association, should establish a Housing Finance Institute (HFI) to advise and assist local authorities on the financial vehicles and options available to fund development. The HFI could also engage with developers and investors and advise them how to work with local authorities;
 - Authorities should consider setting up a housing delivery organisation and explore opportunities for accessing private finance to expand their offer beyond social rent; and
 - Investment in housing and social infrastructure should be considered by local government pension funds.

3.59 Post-election it is not clear how far the Government will act upon all of these insights or recommendations, however, an inaugural summit of the new Housing and Finance Institute (HFI) took place in June 2015. The HFI is supported by the Treasury and aims to help accelerate council house building, focussing on the 'business readiness' of councils. The HFI aims to provide advice and assistance to local authorities and businesses through promoting new finance models and

development opportunities, and access to its services will be via membership.

Local strategic priorities

- 3.60 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 demonstrate evidence-based priorities and demonstrate how they support economic growth and reflect the economic priorities of the LEP, is increasingly important.

Local Economic Partnership

- 3.61 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. The Paper also established 24 LEPs aimed at overseeing economic growth and job creation.
- 3.62 Given its location, Craven not only forms part of North Yorkshire, but is also part of the Leeds City Region. As a result, the Council is influenced not only by the North Yorkshire LEP, but also plans and ambitions for the Leeds City Region.
- 3.63 The vision of the York, North Yorkshire and East Riding Enterprise Partnership is for the area to be *'the place in England to grow small business, combining a quality business location with great quality of life'*. To do this the LEP seeks to:
- Create 20,000 new jobs;
 - Deliver £3 billion of growth;
 - Connect every student to business; and
 - Double house building.
- 3.64 The Leeds City Region Enterprise Partnership seeks to *'unlock potential'* and *'inspire growth'*. The LEP's vision is to unlock the potential of the City Region by *'developing an economic powerhouse that will create jobs and prosperity'*. The LEP's main aim is to *'overcome barriers to private sector growth and create more opportunities for businesses to develop and provide jobs'²⁵*. The LEP has four strategic priorities:
- Supporting growing businesses;
 - Developing a skilled and flexible workforce;
 - Building a resource smart City Region; and
 - Delivering the infrastructure for growth.
- 3.65 In July 2014, the Leeds City Region Enterprise Partnership agreed a historic £1 billion Local Growth Deal with Government to create tens of thousands of new jobs and accelerate economic growth across the City Region.

²⁵ <http://www.the-lep.com/>

Housing Strategy

3.66 Within North Yorkshire there is a well-established sub-regional strategic housing partnership that has clear priorities for investment. The partnership developed the North Yorkshire and York Housing and Homeless Strategy 2010-2015, which it reviewed in 2012. The Strategy has the following vision:

‘To make North Yorkshire and York an inclusive place where communities are sustainable and residents can have fair access to decent affordable homes and effective support when they need it.’²⁶

3.67 The Strategy identifies five key strategic priorities for housing investment, these are:

- Enabling the provision of more affordable homes;
- Maintaining and improving the existing housing stock;
- Delivering community renaissance;
- Improving access to housing services; and
- Reducing homelessness.

3.68 The North Yorkshire Strategic Housing Partnership is currently working with the Partnership Board and the LEPs to review the Strategy and develop a new set of priorities for 2015 to 2021.

Local Plan

3.69 The Current Craven District (Outside the Yorkshire Dales National Park) Local Plan was adopted in July 1999. The Council is developing a new Local Plan and consultation on an early informal draft of the new Plan took place in late 2014. The Council is currently considering feedback from the consultation, including:

- Considering suggestions for new or alternative sites to those included in the consultation draft Plan;
- Updating evidence to justify choices and policies included in the draft Plan; and
- Changing wording of supporting text and policies and wording for new policies.

3.70 The Council has started work on gathering the additional evidence required, including that set out within this SHMA and will then start work on a revised draft Plan prior to further consultation.

Concluding comments

3.71 The main purpose of this chapter has been to consider the general policy and strategic context within which this research needs to be positioned. The Government has established its housing and planning priorities within the

²⁶ <http://www.northyorkshirestrategichousingpartnership.co.uk/>

context of local decision-making and accountability, reduced capital expenditure on housing, fundamental changes to welfare, a changing role for social rented housing and a need for future housing investment to support economic growth. Economic uncertainty, job insecurity and restricted mortgage lending exacerbate the challenges faced.

- 3.72 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 provides the LEP and the Council with an excellent range of material to inform policy debate, inform the Local Plan process, help inform and influence strategic responses, and shape local and sub-regional strategic housing priorities to inform future investment plans.

4. Defining the Housing Market Area

Introduction

- 4.1 NPPG (para 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. 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.
- 4.2 NPPG 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.'²⁷
- 4.3 NPPG comments 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).
- 4.4 Craven District is located in North Yorkshire and is bounded by seven local authority areas (see Map 1.1). The resident population of Craven District is estimated to be 55,500²⁸. The District is bounded to the north and east by Richmondshire and Harrogate, to the south by Bradford and to the west by the North West districts of South Lakeland, Lancaster, Ribblesdale and Pendle. 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.
- 4.5 In reviewing the housing market context of Craven District, house price, migration, travel to work and contextual data have been assembled in line with NPPF. Firstly though, this chapter considers existing national and regional analysis on housing market areas.

The Geography of Housing Market Areas

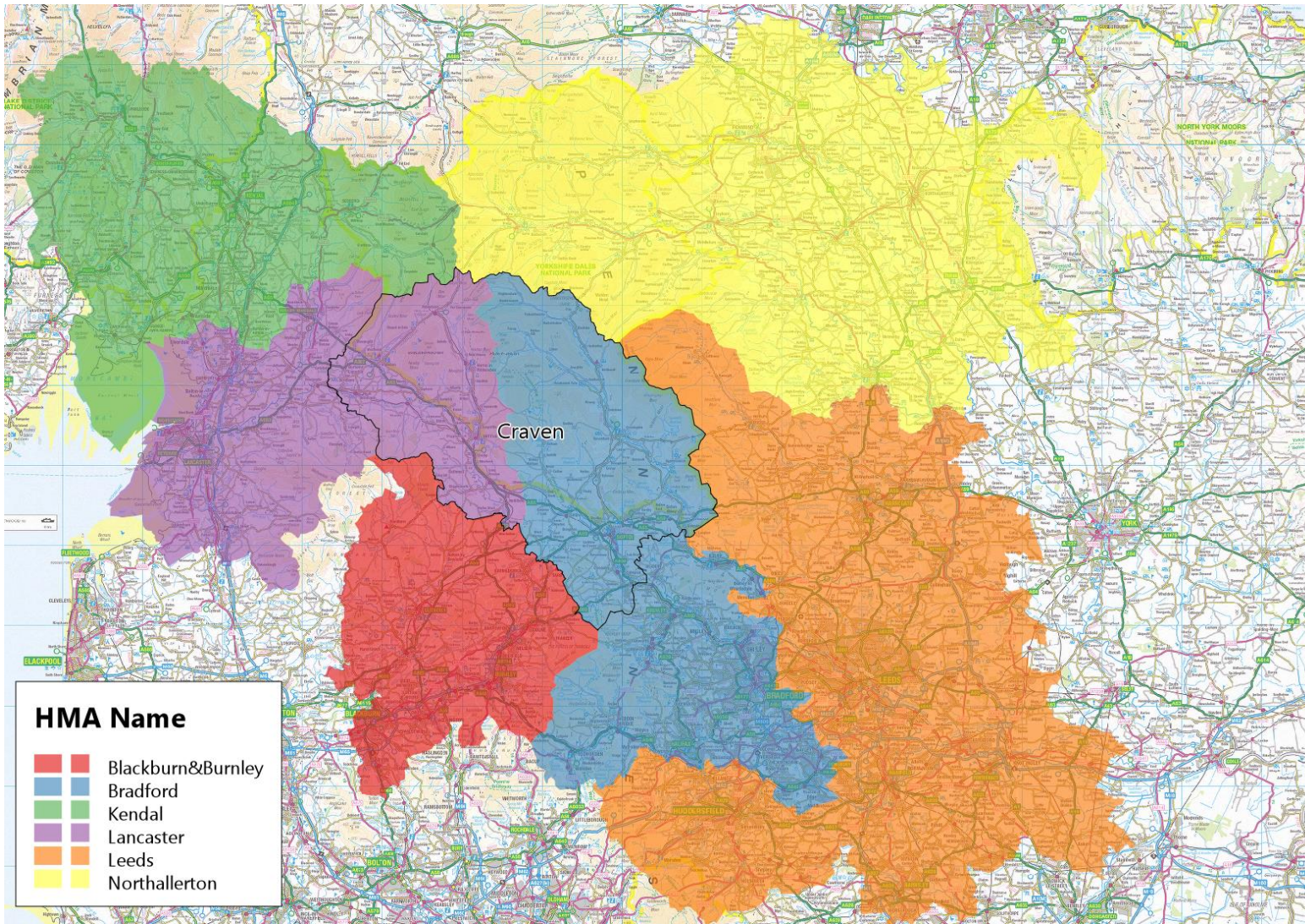
- 4.6 In 2010, the DCLG published the Geography of Housing Market areas which was commissioned by the National Housing and Planning Advice Unit (NHPAU). This national study was undertaken by a multi-university team and sought to construct a consistent geography of housing market areas for England. This research viewed housing markets as a layered system characterised as:

²⁷ National Planning Practice Guidance', paragraph 10.

²⁸ 2012-based ONS population projections

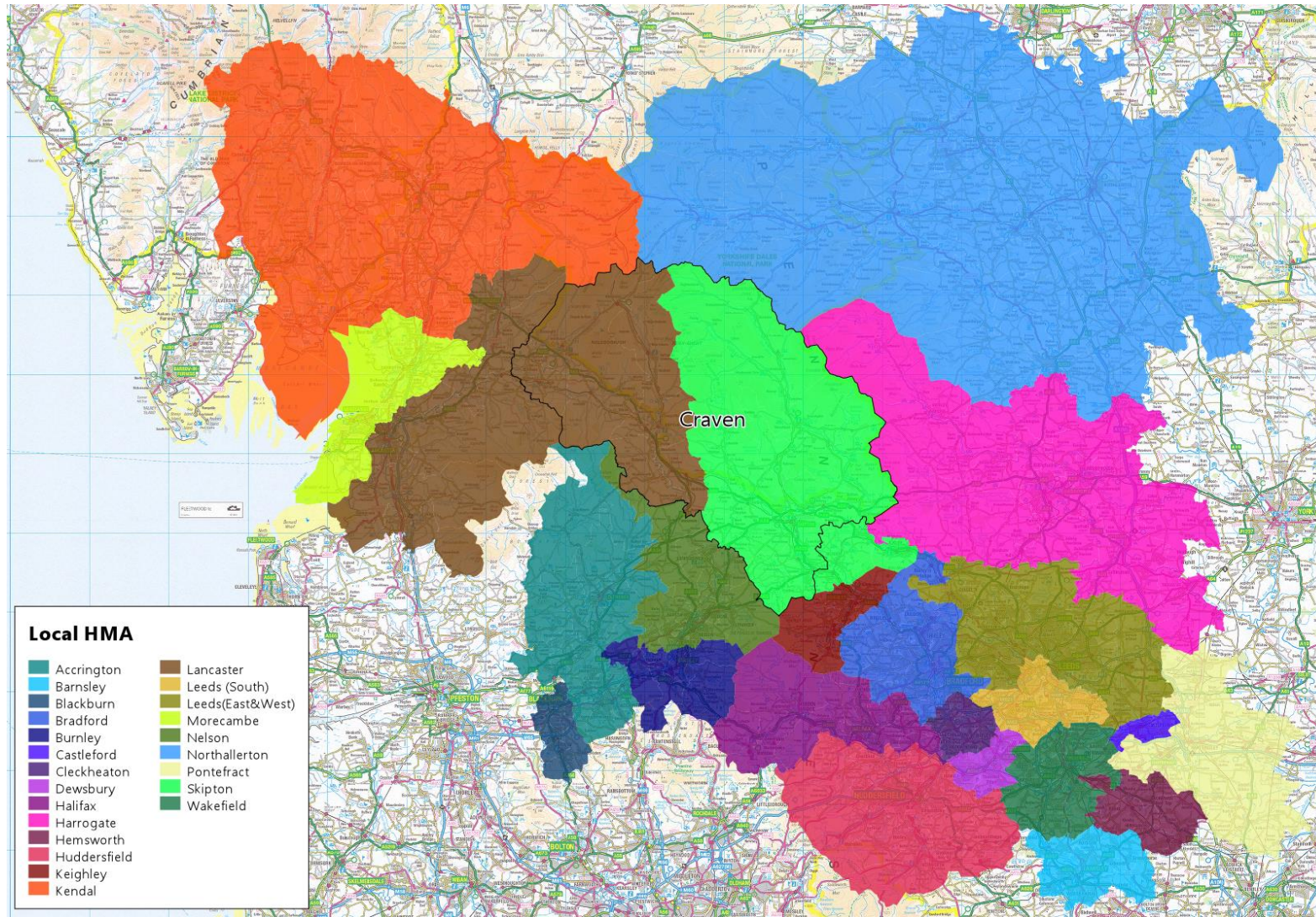
- Strategic framework housing market areas defined by long distance commuting flows and the long-term spatial framework within which housing markets operate (based on 77.5% commuting self containment);
 - Local housing market areas defined by migration patterns (based on 50% migration self-containment); and
 - Sub-markets defined in terms of neighbourhood and/or house type price premiums.
- 4.7 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.
- 4.8 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.
- 4.9 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

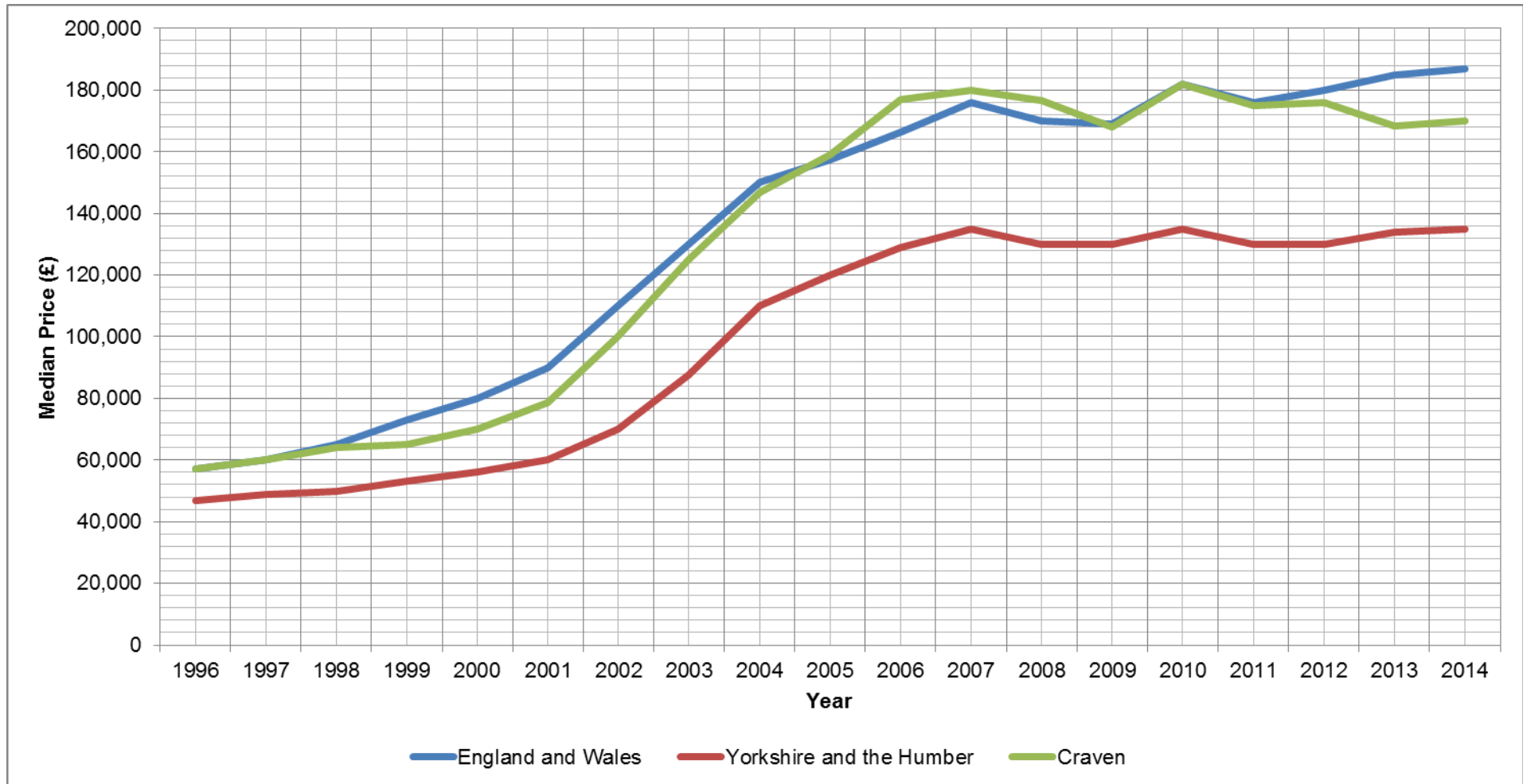
House prices and rates of change in house prices

- 4.10 Figure 3.1 shows how house prices across the area have changed over the period 1996 to 2014. Median prices in Craven District have tended to be similar to those for England and Wales. Overall, prices have increased from £57,000 in 1996 to £170,000 in 2014, an increase of 198.2%. Prices peaked at £182,000 during 2010.
- 4.11 During 2014, median prices across Craven District were £175,000 and lower quartile prices were £127,500. The distribution of median house prices during 2014 is illustrated in Figure 3.1 and indicates relatively lower prices in Parishes including Thornton in Lonsdale, Cowling, Martons Both, Langcliffe, Farnhill and Glusburn and Cross Hills. Highest prices were found in Flasby with Winterburn, Hawkswick, Halton East and Hebden.
- 4.12 Table 3.1 summarises lower quartile, median and upper quartile prices by Ward during 2013/2014 based on Land Registry address-level data.

Ward	Price (£)			No. Sales
	Lower Quartile (25%)	Median (5)	Upper Quartile	
Aire Valley with Lothersdale	£152,000	£200,000	£310,000	77
Barden Fell	£343,500	£389,000	£500,000	16
Bentham	£125,000	£169,000	£300,000	59
Cowling	£95,000	£133,750	£189,000	40
Embsay-with-Eastby	£176,000	£250,000	£326,000	29
Gargrave and Malhamdale	£190,750	£250,000	£350,000	60
Glusburn	£124,000	£147,500	£185,000	86
Grassington	£217,500	£285,000	£426,500	23
Hellifield and Long Preston	£126,500	£160,000	£240,625	44
Ingleton and Clapham	£132,000	£187,000	£285,000	62
Penyghent	£155,000	£190,000	£285,000	31
Settle and Ribblesbanks	£142,500	£177,000	£299,999	59
Skipton East	£160,000	£182,500	£203,000	61
Skipton North	£179,950	£215,000	£275,000	50
Skipton South	£115,000	£125,000	£141,000	69
Skipton West	£105,500	£124,950	£160,750	84
Sutton-in-Craven	£120,000	£143,000	£200,000	77
Upper Wharfedale	£175,000	£240,000	£345,000	31
West Craven	£129,000	£228,000	£332,500	33
Total	£127,500	£175,000	£249,950	991

Source: Land Registry Price Paid Data 2014

Figure 3.1 Median house price trends 1996 to 2014: Craven, Yorkshire and the Humber, and England and Wales



Source: DCLG; Land Registry

Relative price and affordability

- 4.13 The relative price of open market dwellings in Craven District is compared with the neighbouring Local Authorities in Table 3.2. This demonstrates that lower quartile and median prices in Craven are lower than four of the neighbouring districts.
- 4.14 Table 3.3 presents lower quartile house prices for Craven and neighbouring local authorities, lower quartile gross earnings of full-time workers and a ratio of lower quartile earnings to house prices. This indicates that Craven, with a house price to income ratio of 7.0, is the second least affordable district after South Lakeland and lower quartile prices are less affordable than all other neighbouring districts including Harrogate.

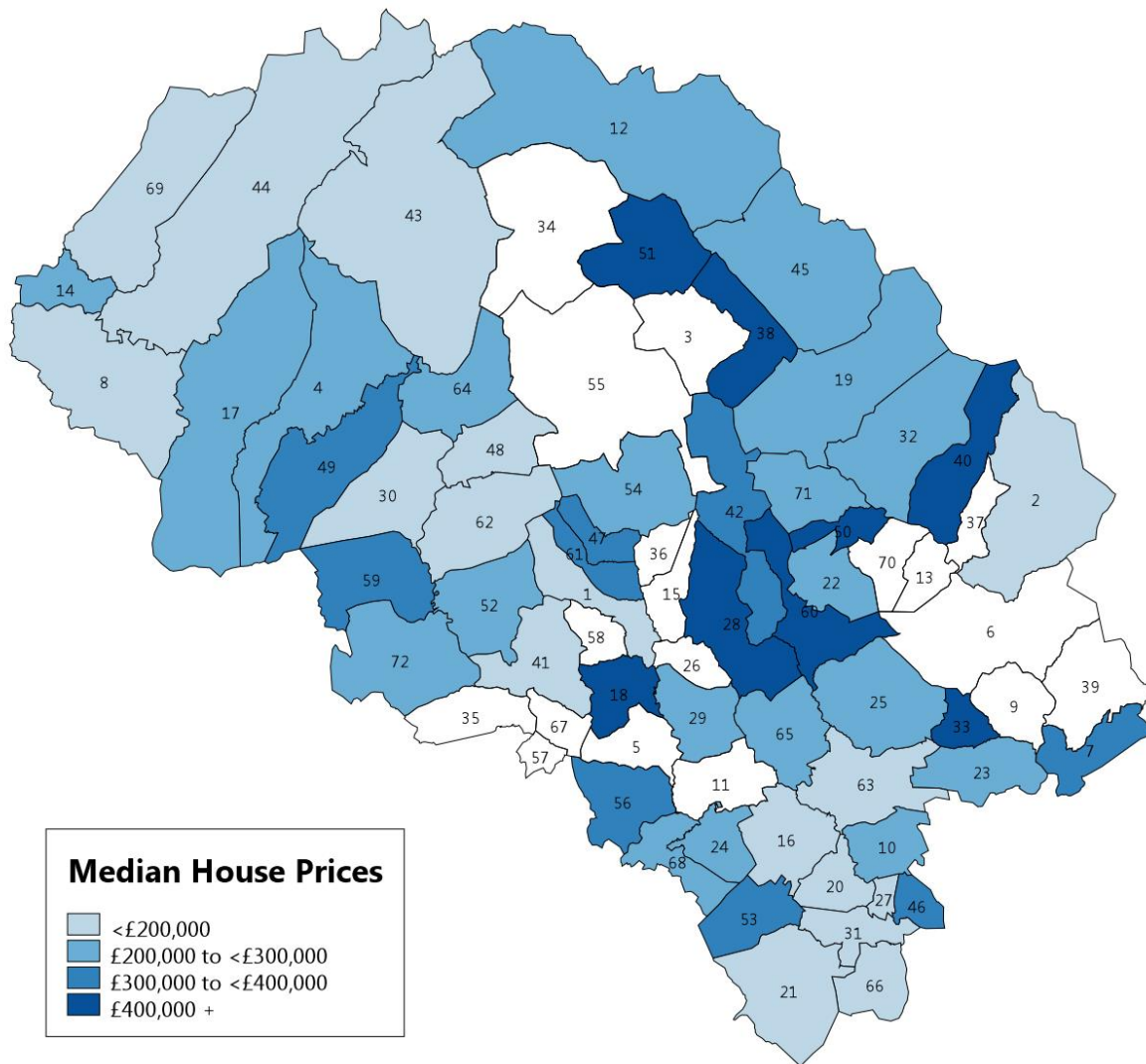
Table 3.2 Lower quartile and median prices by district (residence based)		
District	2014 house prices	
	Lower Quartile	Median
Craven	£127,500	£175,000
Harrogate	£162,500	£212,750
Richmondshire	£137,500	£183,000
Bradford	£80,000	£118,000
South Lakeland	£145,000	£200,000
Lancaster	£105,000	£134,000
Ribble Valley	£132,500	£185,000
Pendle	£56,000	£90,000

Sources: Land Registry Price Paid 2014

Table 3.3 Lower quartile and median prices by district (residence based)			
District	Lower quartile prices	Lower quartile earnings (weekly)	Ratio annual LQ earnings to house price
Craven	£127,500	£350.00	7.0
Harrogate	£162,500	£486.20	6.4
Richmondshire	£137,500	£478.50	5.5
Bradford	£80,000	£447.10	3.4
South Lakeland	£145,000	£345.20	8.1
Lancaster	£105,000	£338.40	6.0
Ribble Valley	£132,500	£404.60	6.3
Pendle	£56,000	£321.00	3.4

Sources: Land Registry Price Paid, 2014; Annual Survey of Hours and Earnings, 2014.

Map 3.3 Craven median house prices by Parish 2013/14



Source: Land Registry price paid data 1 Jan 2013 to 30 Jun 2014

1 - Airton	26 - Eshton	51 - Litton
2 - Appletreewick	27 - Farnhill	52 - Long Preston
3 - Arncliffe	28 - Flasby with Winterburn	53 - Lothersdale
4 - Austwick	29 - Gargrave	54 - Malham
5 - Bank Newton	30 - Giggleswick	55 - Malham Moor
6 - Barden	31 - Glusburn and Cross Hills	56 - Martons Both
7 - Beamsley	32 - Grassington	57 - Nappa
8 - Bentham	33 - Halton East	58 - Otterburn
9 - Bolton Abbey	34 - Halton Gill	59 - Rathmell
10 - Bradleys Both	35 - Halton West	60 - Rylstone
11 - Broughton	36 - Hanlith	61 - Scosthrop
12 - Buckden	37 - Hartlington	62 - Settle
13 - Burnsall	38 - Hawkswick	63 - Skipton
14 - Burton in Lonsdale	39 - Hazlewood with Storiths	64 - Stainforth
15 - Calton	40 - Hebden	65 - Stirton with Thorlby
16 - Carleton	41 - Hellifield	66 - Sutton
17 - Clapham cum Newby	42 - Hetton-cum-Bordley	67 - Swinden
18 - Conistone Cold	43 - Horton in Ribblesdale	68 - Thornton in Craven
19 - Conistone with Kilnsey	44 - Ingleton	69 - Thornton in Lonsdale
20 - Cononley	45 - Kettlewell with Starbotton	70 - Thorpe
21 - Cowling	46 - Kildwick	71 - Threshfield
22 - Cracoe	47 - Kirkby Malham	72 - Wigglesworth
23 - Draughton	48 - Langcliffe	
24 - Elslack	49 - Lawkland	
25 - Emsay with Eastby	50 - Linton	

Notes: Parish data based on ONS codes which may differ from local interpretation of

parishes; White areas on the map indicate no sales reported

Household migration and search patterns

- 4.15 The 2011 census can be used to review in-flows, out-flows and overall net flows by age group and origin/destination district. This helps to establish the relative interactions between Craven and other districts. Sub-district migration flow data from the 2011 census is not currently available, but analysis of household flows by sub-area is possible using data from the household survey prepared as part of the 2005 housing needs survey. This section provides a robust analysis of the interactions between Craven and other areas and how the degree of interaction varies by sub-area.
- 4.16 The 2011 census records the origin of residents who had moved in the preceding year by local authority district and age group. An analysis of this data provides a useful insight into the relative interactions between Craven and other districts. Table 3.4 summarises the overall in-flows to and outflows from Craven to elsewhere in England and Wales in the year preceding the census. This suggests an overall net inflow of 95 residents, although this masks an overall outflow of 121 residents aged 16-49 (driven by out-flows to Leeds and Manchester).

Age Group	Flow		
	Inflow into Craven	Outflow from Craven	Net flow
Aged 1-15	355	245	110
Aged 16-49	1425	1546	-121
Aged 50-64	358	301	57
Aged 65-74	131	112	19
Aged 75+	116	86	30
TOTAL	2385	2290	95

Source: 2011 census

- 4.17 Data reported in the 2011 census suggests that 52.7% of households who moved in the year preceding the Census originated from within Craven District. Table 3.5 summarises the origins of households based on 2011 Census data. Of the remaining households moving into Craven, 13.7% originated from Bradford and 6.6% from the other neighbouring districts, which equates to 73.0% of moves. However, national migration is an important market driver, with 17.5% of households originating from elsewhere in the North West, North East and elsewhere in England and Wales.

Origin of moving household	Number	%
Craven	2654	52.7
Harrogate	64	1.3
Richmondshire	10	0.2
Elsewhere N Yorks	122	2.4
Bradford	690	13.7
Calderdale	49	1.0
Leeds	163	3.2
Kirklees	44	0.9
Elsewhere Y&H	105	2.1
Pendle	136	2.7
Ribble Valley	41	0.8
Lancaster	80	1.6
Elsewhere NW	305	6.1
North East	52	1.0
Elsewhere E&W	524	10.4
TOTAL	5039	100.0

Source: 2011 census

4.18 Table 3.6 illustrates the principal interactions between Craven and other Districts, with the strongest inflows from Bradford and outflows to Leeds, Harrogate and Manchester. There are also interactions with the neighbouring Local Authority Districts of South Lakeland, Lancaster, Ribble Valley, Pendle and Richmondshire but the overall net-flow is relatively small.

District	Inflow to Craven	Outflow from Craven	Net flow
Bradford	690	508	182
Kirklees	44	20	24
Calderdale	49	30	19
South Lakeland	71	65	6
York	59	53	6
Lancaster	80	84	-4
Ribble Valley	41	50	-9
Richmondshire	10	25	-15
Pendle	136	154	-18
Leeds	163	189	-26
Harrogate	64	92	-28
Manchester	17	46	-29
Sub-total	1,424	1,316	108
All Moves	2,385	2,290	64

Source: 2011 census

- 4.19 The 2005 housing needs survey can be used to evidence the relative importance of interactions with Districts outside of Craven by sub-area. The 2005 survey identified that of households moving in the preceding five years, 52.7% had moved within Craven and 47.3% had moved into the District from elsewhere: this is precisely the same proportion as reported in the 2011 census.
- 4.20 Table 3.7 identifies the origin of moving households by sub-area. With the exception of the Yorkshire Dales National Park area, at least 50% of moving households in each sub-area originated from within Craven District. It follows that almost half of moving households originated from outside the District and the analysis of 2005 household survey data provides an insight into the nature and scale of interactions with other areas.
- 4.21 Interactions with Lancaster, South Lakeland and other Districts in the North West were strongest with the North sub-area; interactions with Bradford were strongest in the South sub-area; and households moving from Bradford accounted for just over 10% of moving households in the Mid sub-area and the Yorkshire Dales National Park.

Table 3.7 Origin of households moving in 5 years to June 2005					
Origin	Sub-area				Total
	North	Mid	South	YDNP	
Within Craven District					
North	42.3	6.3	0.0	0.0	6.7
Mid	3.6	36.2	0.7	1.3	6.7
South	3.2	7.4	50.5	12.4	33.6
YDNP	1.4	1.9	3.2	33.0	5.7
Sub-total from within	50.5	51.9	54.3	46.7	52.7
Outside Craven District					
Y&H					
Bradford (inc. Keighley)	1.3	11.1	18.6	11.3	14.3
Harrogate and District	0.9	1.4	1.1	2.0	1.2
Richmond	0.5	0.0	0.2	0.5	0.2
Elsewhere in N Yorks	1.4	0.3	1.2	0.5	1.0
Leeds	0.9	3.8	2.3	5.8	2.7
Elsewhere in W Yorks	0.5	3.8	3.3	4.7	3.2
Elsewhere in Y&H	0.9	0.8	1.3	0.5	1.1
North West					
Lancaster	7.2	0.8	0.1	0.0	1.2
Pendle	0.5	3.2	1.2	0.0	1.3
Ribble Valley	0.0	0.3	0.0	0.0	0.0
South Lakeland	4.9	0.4	0.1	0.5	0.8
Elsewhere in Cumbria	1.9	0.0	0.2	1.9	0.6
Elsewhere in NW	10.7	6.9	4.2	4.7	5.6
Elsewhere					
North East	0.5	1.1	1.1	0.0	0.9
East Midlands	0.9	1.8	1.2	0.0	1.1
West Midlands	1.4	1.6	0.8	2.4	1.2
East	4.4	2.7	1.2	4.6	2.2
London	0.0	0.7	1.4	1.6	1.1
South East	4.9	2.9	3.1	3.8	3.4
South West	2.7	0.0	0.8	2.7	1.1
Scotland	1.7	0.3	0.5	0.6	0.7
Wales	0.9	0.4	0.1	1.9	0.4
Overseas	0.7	3.7	1.7	3.5	2.0
Sub-total from outside	49.5	48.1	45.7	53.3	47.3
TOTAL	100.0	100.0	100.0	100.0	100.0
<i>Base (households moving)</i>	863	995	3888	636	6382

Source: 2005 Housing Needs Survey

4.22 In conclusion, analysis of 2011 census and the 2005 housing needs survey would clearly indicate that there are a range of migratory influences on Craven and it is appropriate to consider three sub-areas (North, Mid and South) when understanding these dynamics. The principal interaction is between Craven and Bradford and has a particular influence (both numerically and proportionately) on the South sub-area and to a lesser extent the Mid sub-area. Overall, according to the 2005 household survey evidence, 78.9% of households moving from Bradford into Craven moved into the South sub-area and 12% into the Mid sub-area. There are also interactions with North West local authorities, particularly

Lancaster and South Lakeland, and these are strongest in the North sub-area but evident across all sub-areas, although the 2011 census reports that overall there is a net out-flow to these areas from Craven.

Travel to work trends

- 4.23 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Craven District travel to other areas together with details of how many people commute into the District. The 2011 Census identified that:
- 16,514 lived and worked in Craven District (including 4,741 who mainly work at or from home);
 - 8,918 commuted into Craven District for work but lived outside the District; and
 - 9,131 lived in Craven District but commuted out of the District for work.
- 4.24 Table 3.8 summarises the workplaces of economic active households living in Craven District.
- 4.25 In addition, the 2011 Census also reports 42 residents working on offshore installations, 2,182 with no fixed place of work and 47 working outside the UK.

Origin of moving household	Number	%
Craven (inc. working mainly from home)	16514	64.4
Bradford	3963	15.5
Leeds	1088	4.2
Harrogate	384	1.5
Calderdale	137	0.5
Kirklees	78	0.3
Richmondshire	55	0.2
Elsewhere North Yorks	347	1.4
Elsewhere Y&H	96	0.4
Pendle	596	2.3
Ribble Valley	196	0.8
South Lakeland	413	1.6
Lancaster	516	2.0
Burnley	131	0.5
Elsewhere NW	562	2.2
North East	57	0.2
Elsewhere E&W	512	2.0
TOTAL	25645	100.0

Source: 2011 Census

- 4.26 Using a base of 25,645 economically active residents in Craven District, 64.4% work in Craven District, 15.5% work in Bradford, 4.2% in Leeds and 8.4% in the

remaining surrounding Districts.

- 4.27 2011 census travel to work data are available at sub-area level and Table 3.9 summarises the workplace of residents aged 16-74 by age group (note this excludes residents working from home and so the overall percentage by District will be different to Table 3.8). This analysis demonstrates that there are variations in the workplace of residents by sub-area. Overall, the majority of all residents in employment worked in Craven District (56.6%) and this was as high as 68.7% in the Mid sub-area. In terms of sub-area variations, 30.4% in the North sub-area worked in Lancaster and South Lakeland; 11.9% of residents in the Mid sub-area worked in Bradford and Leeds; and this increased to 30.8% in the South sub-area.
- 4.28 This data further substantiates the importance of recognising that Craven is part of a wider functional economic area which includes not only the Leeds City Region districts of Bradford and Leeds but the North West authorities of Lancaster and South Lakeland.

Table 3.9 Workplace of economically active residents

Workplace	Place of residence				TOTAL
	North	Mid	South	YDNP	
Mid	10.7	44.2	1.6	7.3	8.3
North	34.5	3.8	0.5	1.6	5.2
South	7.4	16.8	49.5	22.7	38.1
YDNP	1.6	4.0	2.7	29.8	5.0
Bradford	2.2	8.4	24.6	15.4	19.1
Leeds	1.4	3.5	6.2	5.5	5.2
Pendle	0.8	2.7	3.4	1.7	2.9
Lancaster	17.1	1.6	0.2	0.6	2.5
South Lakeland	13.4	1.2	0.2	0.6	2.0
Harrogate	0.4	1.3	2.1	2.6	1.8
Hambleton	0.8	1.0	1.0	1.5	1.0
Ribble Valley	1.1	3.8	0.4	0.8	0.9
Calderdale	0.1	0.4	0.8	0.8	0.7
Burnley	0.2	0.6	0.7	0.5	0.6
Richmondshire	0.4	0.4	0.1	1.0	0.3
Elsewhere Y&H	0.7	0.9	1.6	1.6	1.4
Elsewhere NW	5.7	3.5	2.0	2.8	2.7
Elsewhere England and Wales	1.7	2.0	2.3	3.2	2.3
TOTAL	100	100	100	100	100
<i>BASE</i>	<i>2584</i>	<i>2499</i>	<i>13971</i>	<i>1724</i>	<i>20778</i>
Total within Craven	54.1	68.7	54.3	61.4	56.6
Total outside Craven	45.9	31.3	45.7	38.6	43.4

Concluding comments and Market Area definition

- 4.29 The purpose of this chapter has been to consider the general housing market situation within Craven.
- 4.30 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.
- 4.31 It is appropriate for Craven District to be 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 cooperate discussions to explore the potential impact of economic development in Craven on increasing levels of commuting from Bradford.
- 4.32 In the longer-term, we recognise that transformational economic development and regeneration in Bradford could encourage a greater number of households to move to Craven, but this is not reflected in this report.

5. Objectively Assessed Housing Need

Introduction

- 5.1 The NPPF states that Local Planning Authorities should have a clear understanding of future housing needs and identify an Objectively Assessed Need for Housing. The development and presentation of demographic evidence to support Local Plans is subject to an increasing degree of public scrutiny.
- 5.2 NPPG advocates that 'official' statistics should provide a starting point for the evaluation of growth scenarios. NPPG recognises that baseline projections may require adjustment to reflect factors affecting local demographic and household formation rates which are not captured in past trends. Therefore, local circumstances, alternative assumptions and the most recent demographic evidence should be considered (NPPG, para 2a-015 and 2a-017). Evidence that links demographic change to forecasts of economic growth should be assessed (NPPG, para 2a-019).
- 5.3 The use of demographic models, which enable a range of growth scenarios to be evaluated, is now a key component of the OAN process. In accordance with NPPG, Edge Analytics has used POPGROUP (v4) technology to develop a range of growth scenarios for Redcar & Cleveland. The starting point is the latest 2012-based ONS Sub-National Population Projections (SNPP). A number of alternative trend scenarios, using varying migration and jobs assumptions, have also been developed and are compared to the 2012-based SNPP 'benchmark'

Household projections and forecasts

- 5.4 It should be pointed out that there is a difference between household projections and household forecasts. Household projections are produced by applying projected household representative rates to the population projections published every two years by the Office for National Statistics. They are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends were to be realised in practice. They do not attempt to predict the impact of future policy, economic change and other factors which may have a bearing on demography (for instance, changes in migration assumptions). Household forecasts seek to apply alternative assumptions to the underlying data, for instance, the impact of increased economic activity, changes in dwelling completions and changes in migration assumptions.

The relationship between population, households and dwellings

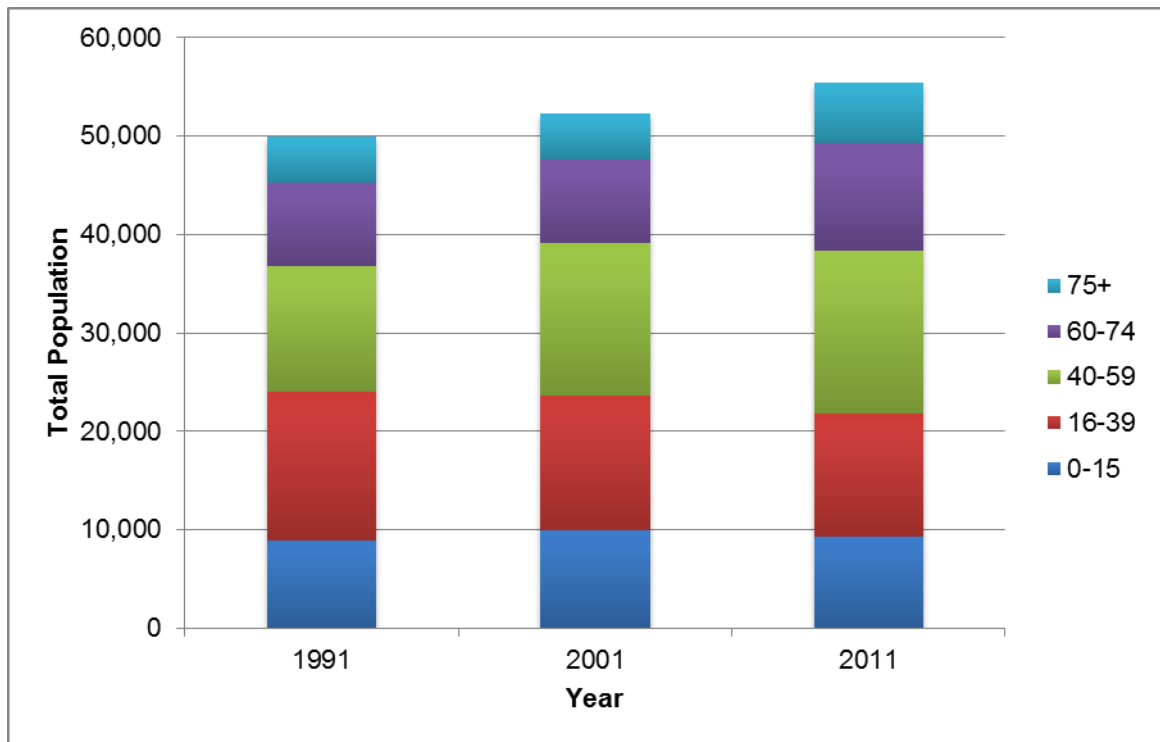
- 5.5 Implicit in the analysis underpinning the OAN analysis is a relationship between population, households and dwellings and it is helpful to set this out in broad terms.
- 5.6 Firstly, the overall population profile of Craven and how this is expected to

- change based on the latest ONS 2012-based population projections is considered. Population change results from natural change (births minus deaths) and from migration into and out of the District.
- 5.7 Secondly, the relationship between population and households is considered with reference to 'headship rates'. This is the likelihood of someone in a particular age group being a 'Household Reference Person', more traditionally termed a Head of Household. Headship rates are calculated on the basis on age and gender. Headship rates vary due to the underlying demography in each set of CLG projections. One particular influence on headship rates is the ability of younger people to form households, which can be influenced by economic activity rates and the relative affordability of housing.
- 5.8 Thirdly, the relationship between the number of households and dwellings is considered. There are normally more dwellings than households in a Local Authority District and this variation is largely attributed to vacancy levels (although second homes can have a notable impact in some areas).
- 5.9 These three factors underpin the general approach to assessing overall dwelling requirements. Scenario modelling then considers how the underlying population may change with reference to alternative migration, jobs-growth and headship rates.

Demographic context

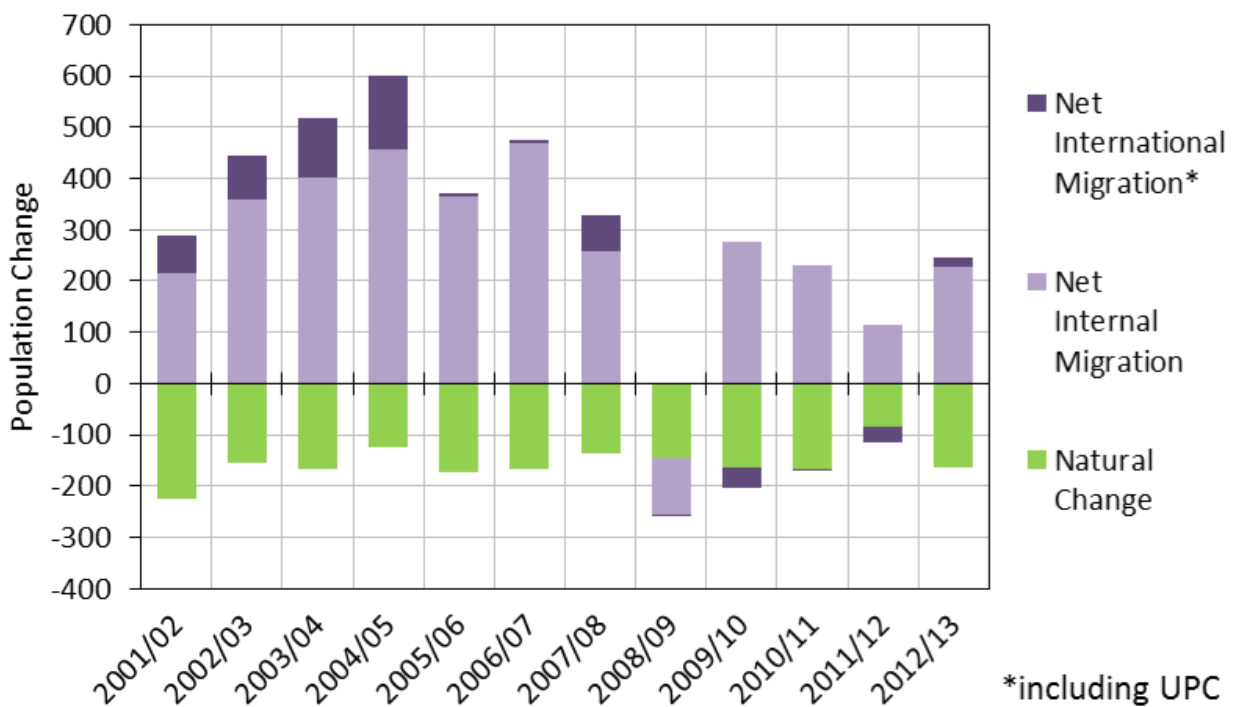
- 5.10 Before an assessment of Objectively Assessed Need for housing proceeds, it is important to establish a wider and longer-term demographic context for the analysis.
- 5.11 Over the period 1991 to 2011, the total population of Craven has increased by 11%. Over this period, the proportion aged 0-15 has increased by 4%, those aged 16-39 reduced by 16.7%, those aged 40-59 increased by 29.2% and those aged 60 and over has increased by 30% (Figure 4.1).
- 5.12 The components of population change over the period 2001/2 to 2013/13 are summarised in Figure 4.2. Throughout this period, natural change in Craven has been negative, with the number of deaths exceeding the number of births. The effect of net internal migration has been largely positive over the 2001/02–2012/13 period, with the exception of 2008/09. Between 2001/02 and 2006/07 net international migration has had a positive impact upon growth, however towards the latter half of the period, net international migration has been estimated to have a predominantly negative impact upon population change.

Figure 4.1 Population change in Craven District 1991 to 2011



Source: Census data

Figure 4.2 Components of population change 2001/2 to 2012/13



*including UPC

Source: Edge Analytics March 2015 Figure 4

Starting point

- 5.13 The starting point for the analysis of OAN are the 2012-based CLG household projections. For the period 2015-2030, this suggests an annual increase of 141 households. The ratio of households to dwellings according to Edge Analytics data is 1.09, which would imply a growth of 141 households each year and would result in a requirement for 154 dwellings. An annual dwelling requirement of 154 is therefore the starting point for this analysis.

Adjustments to baseline data

- 5.14 As NPPG recognises that baseline projections may require adjustment to reflect factors affecting local demographic and household formation rates which are not captured in past trends, future household scenarios have been prepared using the POPGROUP suite of software by Edge Analytics. In accordance with NPPG, the scenario alternatives are ‘benchmarked’ against the most recent (2012-based) official population projection from the ONS. The 2010-based official population projection is included for comparison. The scenario alternatives include trend forecasts, based on the latest demographic evidence, relating to alternative migration assumptions and jobs-led scenarios.
- 5.15 Sensitivity testing has been conducted to examine the impact of varying the rates of household formation on dwelling growth outcomes, using headship rates from both the 2011-based and the 2008-based CLG household models. Table 4.1 summarises the scenarios used in the analysis. The latest data for Craven, prepared in March 2015, are presented in Table 4.2.

Scenario Type	Scenario Name	Scenario Description
Official Projections	A. SNPP-2012	This scenario mirrors the 2012-based SNPP from ONS for Craven. This scenario is the official ‘benchmark’ scenario
	B. SNPP-2010	This scenario mirrors the 2010-based SNPP from ONS for Craven. The population is re-scaled to the 2012 Mid Year Estimate to ensure consistency with the 2012-based SNPP and the 2010-based growth trajectory is continued thereafter
Alternative trend-based scenarios	C. Natural Change	In- and out-migration rates are set to zero
	D. PG-5yr	Internal and international migration assumptions are based on the last 5 years of historical evidence (2008/9 to 2012/13)
	E. PG-10yr	Internal and international migration assumptions are based on the last 10 years of historical evidence (2003/4 to 2012/13)

Jobs-led scenarios	F. 'Jobs-led'	Population growth is determined by the annual change in the number of jobs, as defined by the Yorkshire and Humber REM jobs forecast (a total increase of +3,913 FTE jobs 2015/16 – 2029/30)
	G. 'Jobs-led' SENS1	As the 'Jobs-led' scenario, but the migration balance is determined by schedules that are more heavily weighted towards the labour force age-groups
	H. 'Jobs-led' SENS2	As the 'Jobs-led' scenario but the overall rate of economic activity for 16-74 labour force ages, is maintained at its 2011 Census level (72%)

- 5.16 The latest forecasts for Craven District, published in March 2015, are presented in Table 4.2. These forecasts take account of the 2012-based DCLG household projections. The baseline scenario based on 2012 Sub-National Population Projections/CLG 2012 household projections results in an annual increase of 155 dwellings across Craven District. Migration scenarios suggest a range of between 127 and 208 dwellings each year and jobs-led scenarios suggest a range of between 285 and 373 each year. Therefore, the Objectively Assessed Need for dwellings across Craven District based on these scenarios (including the National Park) is within the broad range of 155 (using SNPP-2012 and 2012-based CLG household projections as a base) to 373 (jobs-led scenario), excluding the natural change scenario. As trend-based demographic evidence would suggest that there is a declining labour force issue, it is important that in deriving an OAN this is taken into account.
- 5.17 Note that these scenario outputs are based on the latest headship rates derived from the 2012-based SNPP which suggest a lower rate of projected household growth and dwelling requirement compared with 2008 and 2011 headship data. Edge Analytics recommends that the scenario outcomes are reconsidered when further data is released by the CLG providing additional detail on the profile of growth by household type implied by the 2012-based household projection assumptions.

Table 4.2 Craven District household scenarios and dwelling requirements Twenty Years 2015-2030

Scenario	Craven District
A. SNPP-2012	155
B. SNPP-2010	179
C. Natural Change	-4
D. PG-5yr	127
E. PG-10yr	208
F. 'Jobs-led'	373
G. 'Jobs-led' SENS1	335
H. 'Jobs-led' SENS2	285

Source: Edge Analytics Table 5, March 2015

Market signals

- 5.18 NPPG (para 20) states that the number suggested by household projections should be adjusted to reflect appropriate Market Signals as well as other market indicators of the balance between demand for and supply of dwellings. In broad terms, these signals should take account both of indicators relating to price (e.g. house prices, rents and affordability ratios) and quantity (e.g. overcrowding and rates of development). NPPG 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.
- 5.19 In line with NPPG, Table 4.3 considers a range of Housing Market Signals for Craven District. These should be monitored on a regular (at least annual) basis and the scale of dwelling delivery should be adjusted where the Council believes it is appropriate to do so.

Table 4.3 Housing market signals					
Price/transaction indicators	2010	2011	2012	2013	2014
Lower Quartile House Prices	£130,000	£125,000	£128,000	£125,000	£127,500
Median House Prices	£182,250	£175,000	£176,000	£168,500	£175,000
Lower Quartile Rents (per calendar month)	£425	£451	£464	£459	£477
Median Rents (per calendar month)	£524	£498	£546	£524	£550
Relative affordability (LQ earnings to LQ house price)	8.3	7.3	7.5	7.7	7.0
No. Property sales	756	718	763	914	991
Quantity indicators	2010	2011	2012	2013	2014
Total dwelling stock	26,118	26,197	26,464	26,582	26,687
Total vacant dwellings	689	660	678	702	764
Total vacancy rate	2.6%	2.5%	2.6%	2.6%	2.9%
Long-term vacant dwellings (number)	237	175	190	237	540
Long-term vacancy rate	0.9%	0.7%	0.7%	0.9%	2.0%
Second homes (number)	699	693	692	682	622
Second homes rate	2.7%	2.6%	2.6%	2.6%	2.3%
Overcrowding (2011 census)		1.7%			
Net additional dwelling stock	180	79	267	118	105
No. of households on the housing register (at 1st April)	819	885	1,090	1,092	614

Notes: Sources House Prices: Land Registry Price Paid Data; No. households on housing register at 1 April: CLG Local Authority Housing Statistic. Total dwelling stock/vacancy: Council Tax . Rent data: Zoopla Overcrowding: 2011

census

- 5.20 In terms of price/transaction indicators, a key message from Table 4.3 is that the market prices have been broadly consistent over the period 2010-2014, although the number of transactions is showing signs of increasing. The number of property sales for complete years has varied between 718 and 763 during 2010-13 but increased to 991 in 2014, lower quartile prices fluctuated between £125,000 and £130,000 and median prices have ranged between £168,500 and £182,250. Relative affordability has ranged between 7.0x and 8.3x earnings, with the lowest ratio of 7.0x during 2014. Lower Quartile rents have been generally increasing, with lower quartile rents reaching £477 per calendar month in 2014, although median rents have tended to fluctuate between £498 and £550 per calendar month.
- 5.21 Table 4.4 compares house price change in Craven relative to regional and national data over the period 2010 to 2014. This would suggest that price change is lower than that experienced in Yorkshire and the Humber and England as a whole, suggesting that there would be no justification for an uplift in delivery of dwellings to help address price increases over and above regional and national trends.

Table 4.4 House price change 2010-2014			
House price change 2010-2014	Craven	Yorkshire and the Humber	England
Lower Quartile	-1.9	3.2	5.6
Median	-6.7	0.8	5.4

- 5.22 In terms of quantity indicators, there has been a growth in the total number of dwellings but vacancy rates have tended to be stable at around 2.6%, although increased in 2014 to 2.9%; this compares with the English rate of 2.6%. Long-term vacants represented around 0.8% of total dwelling stock over the period 2010-13 although increased to 2% in 2014. The number and proportion of second homes has remained at around 2.6% of total dwelling stock.
- 5.23 According to the 2011 Census, 1.7% of households were overcrowded. This compares with 3.1% 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.
- 5.24 The scale of housing need as measured by the housing register has increased from 819 in 2010 to 1,092 in 2013 and following the introduction of a new national Code of Guidance which affected the number of households qualifying for affordable housing, the number on the housing register has fallen to 614 in 2014.
- 5.25 During the five year period 2010 to 2014 inclusive, there has been a net additional increase of 749 dwellings, which is an average of 150 dwellings each year and slightly above the baseline dwelling requirement of 154 each year.
- 5.26 In conclusion, a review of Market Signal data would suggest that the housing market in Craven is relatively stable. Data should be collected and monitored on a regular basis to ensure the Council has up to date information from which to

review dwelling targets.

Establishing an Objectively Assessed Need for Housing

- 5.27 Local Authorities need to prepare a robust evidence base to consider their Objectively Assessed Need for Housing (OAN). An OAN should be derived from available evidence which is free from policy influences and the dwelling requirement included in a Local Plan can differ from the OAN to take account of policy intentions.
- 5.28 There is no single definitive view on the level of growth expected in Craven District; a mix of economic, demographic and national/local policy issues will ultimately determine the speed and scale of change. For local planning purposes, it is necessary to evaluate a range of growth alternatives to establish the most appropriate basis for determining future housing provision.
- 5.29 In accordance with NPPG, the study has considered as a starting point the latest available (2012-based) CLG household projections. The case for adjusting this figure then needs careful consideration and dwelling requirement scenarios have been prepared which consider the impact of migration and jobs growth on overall dwelling requirements. Finally, any adjustment on the basis of Market Signal information needs to be considered.
- 5.30 For Craven, the baseline position is a need for 154 additional dwellings (including the National Park) each year over the period 2015-2030 using the latest 2012-based CLG household projections (141 additional households each year) and applying a 9% vacancy rate to derive a total dwelling requirement.

Demographic and jobs-growth adjustment

- 5.31 Analysis of 2010-based and 2012-based population projections would suggest a higher level of additional dwellings ranging between 155 and 179 dwellings each year (averaging 167 each year).
- 5.32 Trends in migration would suggest a dwelling requirement range of between 127 and 208 across the District (averaging 168 each year).
- 5.33 Jobs-led scenarios point to a marked increase in dwelling requirement ranging between 285 and 373 dwellings each year (averaging 331 for the District). It would be recommended that the SENS2 scenario of 285 which maintains economic activity rates at the 2011 census level is a reasonable position for Craven.

Market Adjustment

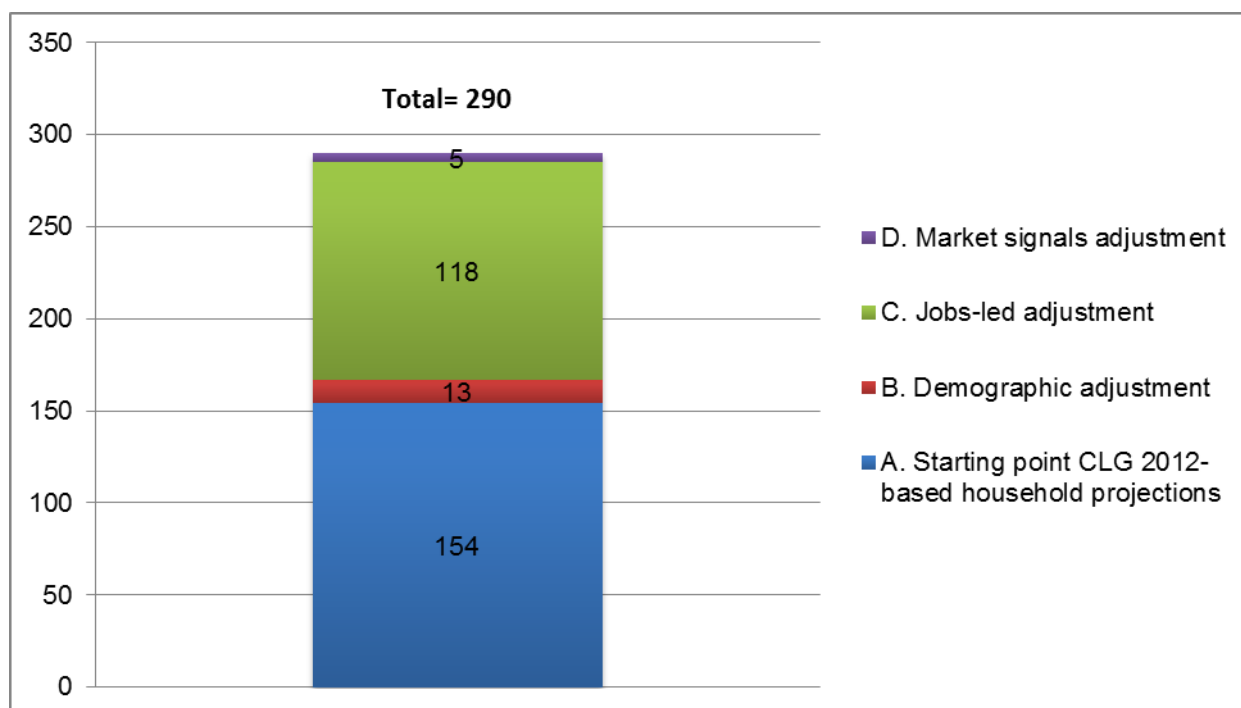
- 5.34 Market signals in terms of price and quality would suggest a reasonably stable market, and affordability has been improving over the period 2010 to 2014 (with the ratio of lower quartile earnings to lower quartile house prices reducing from 8.3x in 2010 to 7x in 2014). Although data would suggest there is no need to make an adjustment for market signals, one market observation is strong demand for market entry-level smaller dwellings in Skipton and a small market adjustment would be appropriate. This would support a strategy of increasing the number of jobs in the District overall and support the need for smaller dwellings

in the town. It is therefore recommended that there is an annual uplift of five dwellings to take account of this Market Signal.

Full Objectively Assessed Housing Need

- 5.35 Figure 4.1 summarises the different components which comprise the Full Objectively Assessed Need for Housing across Craven District.
- 5.36 It is therefore recommended that the Objectively Assessed Housing Need for Craven District (including the National Park) is 290 dwellings each year. This is derived from a baseline of the 2012-based CLG household projections (154 dwellings), an upward adjustment to reflect alternative headship rate assumptions between 2012 and 2010 population projections (+13 households); an upward adjustment to support job-growth (+118) and a Market Signal adjustment of five dwellings each year. This overall OAN allows for a level of net in-migration to support jobs growth and also maintain a balanced demographic profile.
- 5.37 In conclusion, the 290 objectively assessed need figure represents a figure which takes account of the need to deliver more affordable and market housing for an increasing number of households, support economic growth and retain the working age population at a sustainable level.

Figure 4.3 Full Objectively Assessed Housing Need for Craven District



Source: Based on Edge Analytics Scenario modelling, March 2015

Duty to co-operate matters

- 5.38 The Duty to Co-operate was introduced through the Localism Act to ensure local authorities ‘engage constructively, actively and on an ongoing basis’ with neighbouring authorities and key stakeholders to develop strategic policies and

consider joint approaches to plan-making where appropriate. This section reports on discussions and feedback from representatives from Bradford, the Yorkshire Dales National Park and Lancaster.

- 5.39 The SHMA has evidenced strong interactions with Bradford but this District is largely self-contained in terms of its housing market area and strategically this District is more closely aligned to Leeds and parts of other West Yorkshire Authorities within the Leeds City Region. Therefore, a joint study with Craven has not been practical. However, Bradford Council do recognise there are interactions between Craven and Bradford, particularly settlements in the south of Craven which are well connected by road and rail to localities in the Airedale corridor.
- 5.40 The Yorkshire Dales National Park, is partly located within Craven District, and discussions with the Authority identified support for development in areas such as Settle, Embassy and Skipton. In February 2015, as part of its Local Plan 2015-2030, the YDNPA published a paper on Objectively Assessed Need for Housing within the National Park. A target of 55 dwellings each year for the Plan Period has been derived but it is recognised that this will not meet the affordable housing shortfall for the National Park, which is identified as being 117 homes each year. One of the key Duty to Co-operate matters is establishing with the National Park a dwelling development which will contribute to dwelling targets across Craven District.
- 5.41 Lancaster City is recognised as a self-contained housing market area and the Council reports that there was no strong evidence of linkages between Lancaster and Craven according to their last housing needs survey.

6. Craven District housing market review

Introduction

- 6.1 The purpose of this chapter is to explore the housing market dynamics of Craven, focusing on: current stock profile and condition; tenure characteristics; housing need and affordable requirements; market demand and aspirations; overcrowding and under-occupancy; the needs of particular groups including older people, people with disabilities and Black, Asian and Minority Ethnic Groups.

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

- 6.2 The latest Council Tax data 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 England²⁹.
- 6.3 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.

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

²⁹ 2013 CLG Dwelling and Vacancy data

Continued overleaf/...

Table 5.1 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
Gargrave 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
	Scosthrop	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

Continued overleaf/...

Table 5.1 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
	Threshfield	469	3	13
West Craven	Broughton	42	2	0
	Carleton	537	11	9
	Elslack	39	3	0
	Martons Both	124	4	5
	Thornton-in-Craven	182	2	1
No Parish / Blank Field		62	21	2
CRAVEN TOTAL		26,396	457	616

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

6.4 Table 5.2 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.

6.5 Overall, 63.6 % of dwellings have three or more bedrooms and 36.5% of dwellings are terraced.

Table 5.2 Property type and size of occupied dwellings across Craven District		
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/mobile home	2,258	9.2
Total	24,583	100.0
No. of Bedrooms	Number	%
One	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

- 6.6 Table 5.3 reviews dwelling type and size variations 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.
- 6.7 In terms of dwelling size, 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.

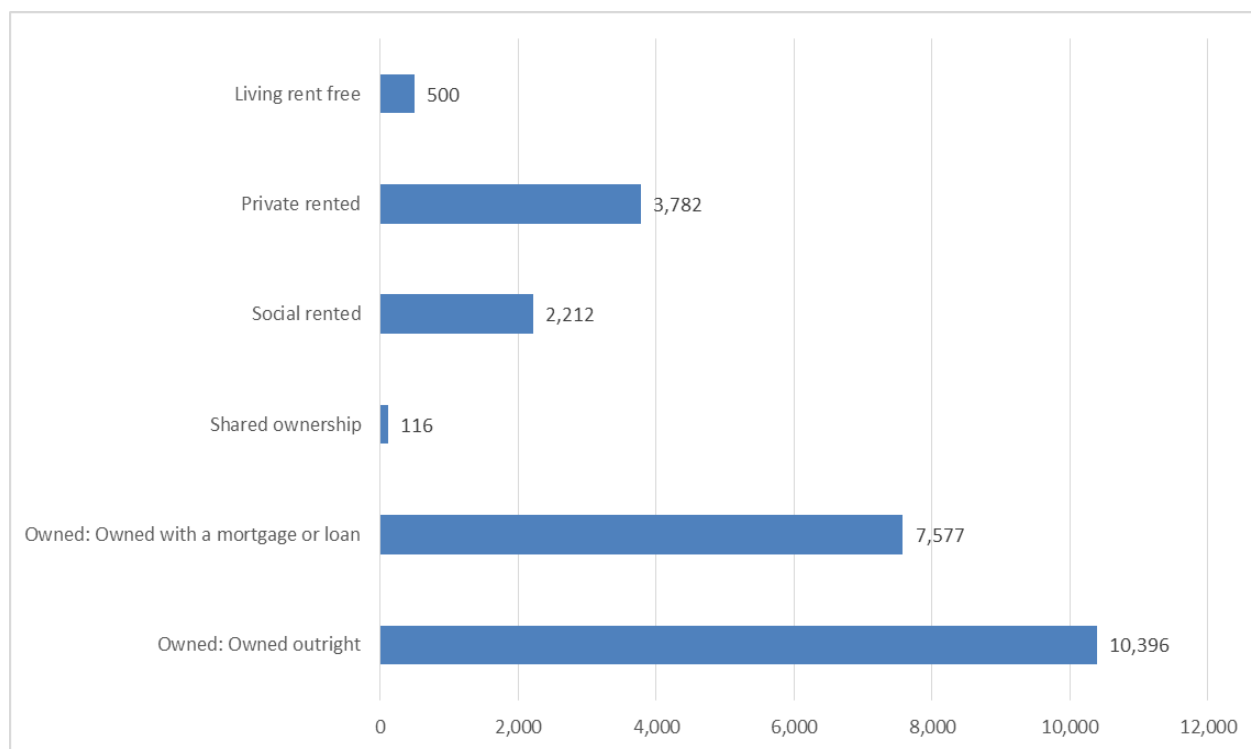
Table 5.3 Property type and size of occupied dwellings across Craven District								
Sub-area	Dwelling type					Total	Base (2011 dwellings)	
	Whole house or bungalow: Detached	Whole house or bungalow: Semi-detached	Whole house or bungalow: Terraced (including end-terrace)	Flat, maisonette or apartment	Caravan or other mobile or temporary structure			
North	35.7	25.7	32.0	5.8	0.8	100.0	3753	
Mid	26.5	27.5	36.3	9.3	0.4	100.0	3558	
South	19.2	28.7	41.4	9.9	0.8	100.0	16420	
YDNP	41.7	26.4	22.2	7.2	2.5	100.0	3289	
Craven District	25.2	27.9	37.1	8.9	1.0	100.0	27020	
Sub-area	No. bedrooms						Total	Base (2011 households)
	None (Bedsit)	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 or more bedrooms		
North	0.2	5.2	24.5	44.8	18.9	6.4	100.0	3314
Mid	0.2	6.2	28.2	42.3	17.8	5.2	100.0	3126
South	0.2	8.6	30.6	41.7	14.5	4.4	100.0	15457
YDNP	0.4	5.6	23.2	40.2	20.4	10.2	100.0	2686
Craven District	0.2	7.5	28.6	42.0	16.2	5.4	100.0	24583

Source: 2011 census

Property tenure

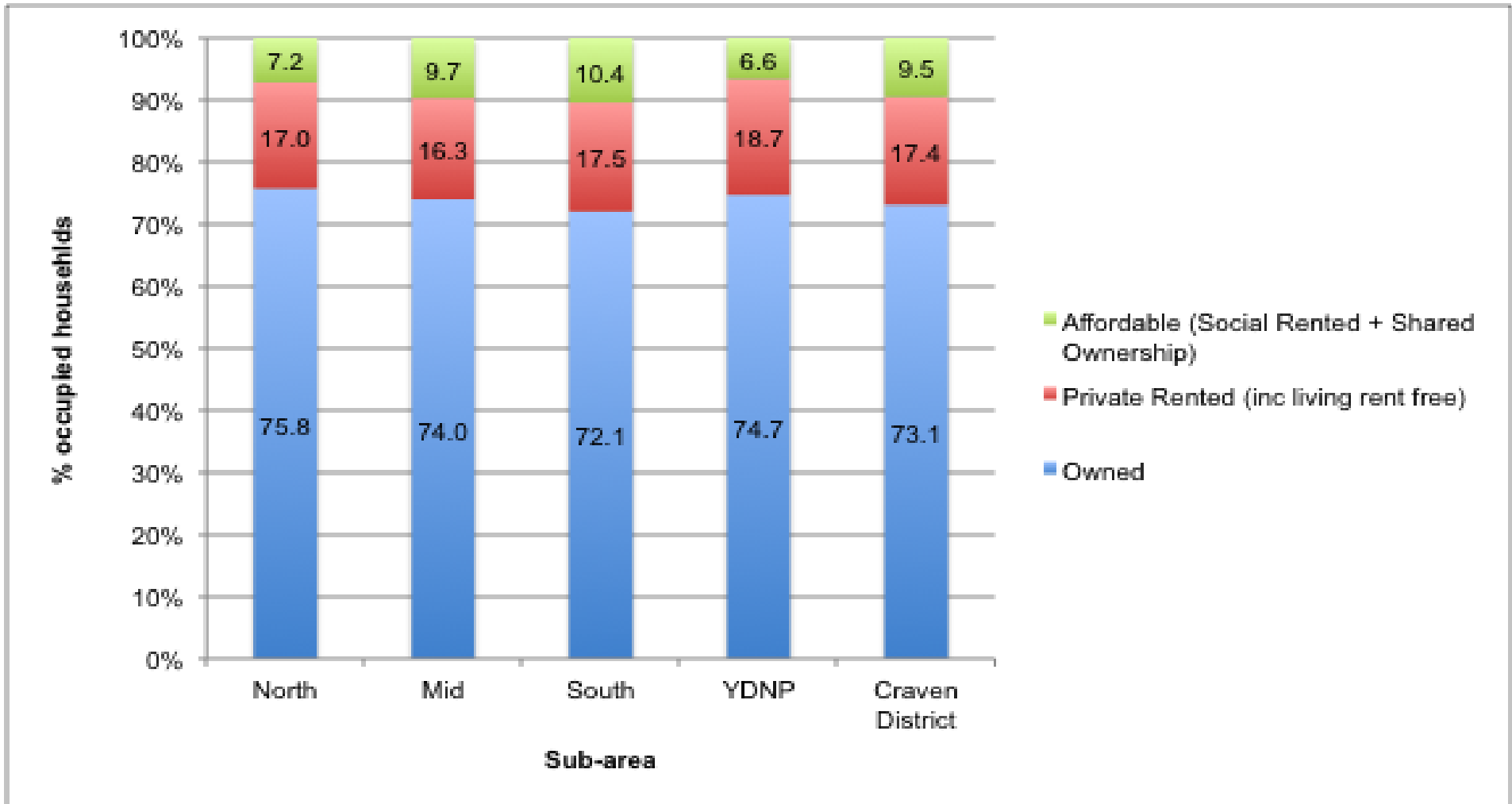
- 6.8 The tenure profile of Craven District is summarised in Figure 5.1. Variations in broad tenure groups by sub-area are summarised in Figure 5.2. Overall, based on the 2011 Census, 73.1% of occupied dwellings are owner-occupied, 17.4% are private rented (including living rent free) and 9.5% are affordable (rented from a social housing provider or intermediate tenure dwellings).
- 6.9 Across Craven District, the proportion of occupied dwellings that are owner occupied only vary slightly by sub-area, ranging between 72.1% and 75.8% (Figure 5.2). The proportion of affordable tenure dwellings (both rent and intermediate tenure) 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 5.1 Craven District: tenure profile of occupied dwellings



Source: 2011 Census

Figure 5.2 Craven District tenure profile by sub-area



Source: 2011 Census

Tenure characteristics

Owner-occupied market

- 6.10 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.
- 6.11 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;
- 6.12 Over the period 2000 to 2014, lower quartile and median house prices across Craven District have increased dramatically, as summarised in Table 5.4.
- 6.13 It is interesting to note that in 2000, a household income of £14,143 was required for a lower quartile price to be affordable; by 2014 this had increased to £36,429. In comparison, an income of £20,000 was required for a median priced property to be affordable in 2000 compared with £50,000 in 2014.

Craven	House Price (£)		Income to be affordable*	
	2000	2014	2000	2014
Lower Quartile	£49,500	£127,500	£14,143	£36,429
Median	£70,000	£175,000	£20,000	£50,000

Source: DCLG / Land Registry

*Assuming a 3.5x income multiple

- 6.14 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.

Views of estate agents

- 6.15 Views were sought about current market activity from a range of stakeholders, including estate agents, operating across Craven District. Their combined responses are now reported.

Overview of the market

- 6.16 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.
- 6.17 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.
- 6.18 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.
- 6.19 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.
- 6.20 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.
- 6.21 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.
- 6.22 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.

- 6.23 One respondent identified that there is a limited interaction between the Craven housing market and the Burnley and Pendle Housing Market Area:

'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'.

- 6.24 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

- 6.25 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.
- 6.26 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"*.
- 6.27 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.
- 6.28 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'*.
- 6.29 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.

- 6.30 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'.
- 6.31 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.
- 6.32 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.
- 6.33 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.
- 6.34 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.
- 6.35 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.

- 6.36 Agents believed the housing crash has made many people more cautious and savvy 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'.
- 6.37 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

- 6.38 Nationally, the private rented sector has established itself as an important dimension of the housing market to complement owner occupation and social renting. The sector plays a major role in facilitating labour mobility. The sector is diverse in terms of the range of households it accommodates and the types of properties available. A report 'The Modern Private Rented Sector'³⁰ provides a useful overview of the sector. Drawing upon 2001 census data, it suggests that the private rented sector has five key roles:
- A traditional housing role for people who have lived in the private rented sector for many years;
 - Easy access housing for the young and mobile;
 - Providing accommodation tied to employment;
 - A residual role for those who are unable to access owner occupation or social renting;
 - An alternative to social rented housing (for instance those wanting to move to a different area but unable to do so through their social housing provider).
- 6.39 Given the range of roles of the private rented sector, there is a considerable diversity in the characteristics of private renting tenants. Evidence from the 2001 census (Rhodes, 2006) indicates that households living in private rented accommodation:
- Tend to have younger Heads of Household;
 - Are ethnically diverse;

³⁰ 'The Modern Private Rented Sector' David Rhodes, 2006, University of York with CIH/JRF

- Singles, lone parents and other multi-adult households are over-represented compared with other tenures;
- People in professional and higher technical occupations are over-represented compared with other tenures;
- Are more likely to be highly mobile geographically and turnover rates are high; and
- Are more likely to accommodate international migrants.

6.40 The report 'The Private Rented Sector: its contribution and potential'³¹ identified that the private rented sector is complex and distinct sub-markets include:

- Young professionals;
- Students, whose needs are increasingly being met by larger, branded, institutional landlords;
- The housing benefit market, where landlord and tenant behaviour is largely framed by housing benefit administration;
- Slum rentals at the very bottom of the PRS, where landlords accommodate often vulnerable households in extremely poor quality property;
- Tied housing, which is a diminishing sub-sector nationally but still has an important role in some rural locations;
- High-income renters, often in corporate lettings;
- Immigrants whose most immediate option is private renting;
- Asylum seekers, housed through contractual agreements with government agencies;
- Temporary accommodation, financed through specific subsidy from the Department for Work and Pensions; and
- Regulated tenancies, which are a dwindling portion of the market.

6.41 The report concludes that the PRS needs to become a flexible, well-functioning element of the housing market. To this end, its recommendations include:

- More policy to encourage a better understanding of managed rented housing and mandatory regulation of managing agents to ensure better quality management standards and Registered Providers should be encouraged to enter this market place;
- Initiatives to 'grow' the business of letting, encouraging smaller, good landlords to expand their portfolios and view this as a business;
- Equalising rental choice so low-income households can make a real choice between a social or private let and see both as being equally desirable; and
- Light-touch licensing and effective redress to encourage local authorities to target the very worst landlords and a permit/licence would be required by all

³¹ The Private Rented Sector: its contribution and potential' Julie Rugg and David Rhodes, Centre for Housing Policy The University of York 2008

landlords that would be revoked if the landlord did not meet statutory requirements on housing management and quality.

- 6.42 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%.
- 6.43 In 2011, the proportion of private rented properties was highest in Hazelwood with Storiths (78.1%) and Broughton (78.0%) parishes.
- 6.44 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.
- 6.45 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.
- 6.46 The characteristics of tenants are diverse and in particular 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%).
- 6.47 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.

Lettings agent views on the private rented sector

- 6.48 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.
- 6.49 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.
- 6.50 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.
- 6.51 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.

- 6.52 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.
- 6.53 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.
- 6.54 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.
- 6.55 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.
- 6.56 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.
- 6.57 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.
- 6.58 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.

- 6.59 Properties will let on average within a week of coming on to the market. Carling Jones 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.
- 6.60 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 +
- 6.61 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

- 6.62 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.
- 6.63 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.
- 6.64 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.
- 6.65 The following were identified as the areas of highest demand for private rented housing:
- Skipton;
 - Settle;
 - Sutton;
 - Crosshills;
 - Bentham; and
 - Ingleton.
- 6.66 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.
- 6.67 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.
- 6.68 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.

- 6.69 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.
- 6.70 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.
- 6.71 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.
- 6.72 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

- 6.73 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.
- 6.74 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.
- 6.75 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.
- 6.76 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.

- 6.77 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

- 6.78 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.
- 6.79 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.
- 6.80 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.
- 6.81 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.
- 6.82 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.

Suggested future development profile of market dwellings

- 6.83 The current stock of open market dwellings by sub-area along with overall District-level household aspirations is summarised in Table 5.5. This analysis would suggest a particular focus on the delivery of bungalows and three

bedroom houses; along with requirements for smaller houses, houses with four or more bedrooms and flats. This evidence helps to support the delivery of smaller 1 and 2 bedroom market homes and the need to supply new market houses for older people and households working locally in a growing economy. Housing market influences from the much larger housing market of the nearby West Yorkshire conurbation could detract from addressing local demand and supporting people to both live and work in the District.

Table 5.5 Open market dwelling stock and preferences

Dwelling type/size	Dwelling stock, likes and expectations					
	North	Mid	South	YDNP	District	District aspiration
House 1/2 Beds	16.0	19.4	23.9	15.0	21.3	11.4
House 3 Beds	43.4	41.7	42.2	37.0	41.7	22.1
House 4 or more Beds	23.1	25.1	20.5	32.6	22.9	14.7
Bungalow	14.3	7.8	9.5	6.4	9.5	33.1
Flat	2.5	5.1	3.2	3.9	3.4	13.8
Other	0.7	0.9	0.8	5.1	1.3	4.9
Total	100	100	100	100	100	100
<i>Base</i>	<i>2431</i>	<i>2299</i>	<i>11623</i>	<i>2162</i>	<i>18515</i>	<i>4462</i>

Source: 2005 Household Survey

6.84

Housing Completions

6.85 Over the period April 2008 to July 2014 (a 6.25 year period) a total of 767 dwellings have been built in Craven District (Table 5.6). Of these, 14.2% were built in the North Sub-area, 15% in the Mid sub-area and 70.8% in the South Sub-area. Table 5.6 considers the range of open market dwellings built over this period by size, type and location and the data are further summarised in Table 5.8.

6.86 Overall, across Craven District 53.7% of newbuild/converted market dwellings have had one or two bedrooms, 29.2% have had three bedrooms and 17.1% have had four or more bedrooms. In terms of dwelling type, flats have constituted 36.5% of newbuild, terraced houses 25.9%, detached houses 20.6%, semi-detached houses 15.1% and caravans 2% of properties.

6.87 Although this range of provision has helped to address market demand, an increase in the delivery of bungalows would better reflect the aspirations of households across the District.

Table 5.6 Housing Completions by sub-area April 2008 to July 2014 (6.25 years)

Sub-area	Market	Affordable	Holiday	Total
North	72	24	13	109

Mid	80	23	12	115
South	358	180	5	543
TOTAL	510	227	30	767
Annual Average	82	36	5	123

Source: Craven DC Planning Dept

Table 5.7 Open market housing Completions by sub-area April 2008 to July 2014 (6.25 years) and dwelling type and no. bedrooms

Dwelling Type	No. Bedrooms	Sub-Area			Total	Total as % of development
		North	Mid	South		
Flat	1	3	10	55	68	13.3
	2	21	10	84	115	22.5
	3			3	3	0.6
	4				0	0.0
Detached	1			3	3	0.6
	2	1	6	6	13	2.5
	3	5	10	28	43	8.4
	4	9	9	19	37	7.3
	5		1	8	9	1.8
Semi-Detached	1		1	2	3	0.6
	2	2	4	8	14	2.7
	3	6	6	15	27	5.3
	4	3	2	27	32	6.3
	5			1	1	0.2
Terraced	1	2		7	9	1.8
	2	6	5	28	39	7.6
	3	2	16	58	76	14.9
	4	3		5	8	1.6
	5				0	0.0
Caravan/Chalet	1			1	1	0.2
	2	9			9	1.8
TOTAL		72	80	358	510	100.0
% by sub-area		14.1	15.7	70.2	100.0	

Source: Craven DC Planning Dept

Table 5.8 Summary of open market housing Completions by sub-area April 2008 to July 2014 (6.25 years) and dwelling type and no. bedrooms

No. Bedrooms	Sub-Area			Total	Total as % of development
	North	Mid	South		
1	5	11	68	84	16.5
2	39	25	126	190	37.3
3	13	32	104	149	29.2
4	15	11	51	77	15.1
5	0	1	9	10	2.0
TOTAL	72	80	358	510	100.0
Dwelling Type	Sub-Area			Total	Total as % of development
	North	Mid	South		
Detached	15	26	64	105	20.6
Semi-detached	11	13	53	77	15.1

Terraced	13	21	98	132	25.9
Flat	24	20	142	186	36.5
Caravan/Chalet	9	0	1	10	2.0
TOTAL	72	80	358	510	100.0

Source: Craven DC Planning Dept

Stakeholder views on new provision

- 6.88 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.
- 6.89 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).
- 6.90 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.
- 6.91 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.
- 6.92 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.
- 6.93 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.

6.94 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.

6.95 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.

6.96 The key messages that respondents wanted to see in the SHMA regarding housing markets 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.

Key market drivers

6.97 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic, economic and dwelling stock characteristics, as summarised in Table 5.9.

Table 5.9 Primary market drivers

Primary Driver	Attributes	Impact on overall
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		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

6.98 In summary, the following demographic drivers will continue to influence the operation of the Craven District housing market area:

- An increasing population, with a 5.9% increase (3,300 people) between 2012 and 2037, although there will be a decrease in all age cohorts with the exception of the 65 and over age cohort (Table 5.10);
- The number of people aged 65 and over is projected to increase by 66.7% (8,800 people) and the overall proportion of people aged 65 and over is projected to increase from 23.8% in 2012 to 37.4% in 2037;
- 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 5.10 Projected household change, 2012 to 2037

Age Group	2012	2024	2037	Change 2012-37
0-14	8,500	8,400	8,100	-400
15-39	13,100	12,200	12,100	-1,000
40-64	20,700	18,700	16,600	-4,100
65+	13,200	17,600	22,000	8,800
TOTAL	55,500	56,900	58,800	3,300
% aged 65+	23.8	30.9	37.4	
% aged 75+	11.4	16.7	21.8	

Source: ONS 2012-based population projections

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

- 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;

- According to the ONS Annual Survey of Hours and Earnings, lower quartile earnings in 2014 across Craven District were £18,200 each year which compares with £18,049 for the Yorkshire and Humber region and £19,396 for England. Median incomes were £23,962, compared with a regional median of £24,908 and a national median of £27,227.

6.100 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.

Stakeholder views on housing market drivers and market weakness

6.101 Stakeholders were asked to identify what they perceive to be the local housing market drivers in Craven, these include:

- 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.

6.102 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.

6.103 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

6.104 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'.

6.105 The 2015 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 B of this report and follows CLG modelling guidance.

Affordable housing imbalance

6.106 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.

6.107 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.

6.108 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). Table 5.11 summarises the gross affordable housing requirements, that is before likely capacity is taken into account.

6.109 Table 5.12 summarises the net affordable housing requirements which factors in the likely availability of existing stock to address need. Modelling suggests a net imbalance of 114 affordable dwellings each year across Craven District as shown in Table 5.12.

Table 5.11 Gross annual affordable housing imbalance by property size and designation 2014/15 to 2018/19

Designation	No. bedrooms	No. households
General Needs	1	88
	2	79
	3	26
	4	2
Older Person	1	30
	2	5
	3	0
TOTAL gross shortfall		231

Sources: 2014 Housing Register

Table 5.12 Net annual affordable housing imbalance by property size and designation 2014/15 to 2018/19

Designation	No. bedrooms	Shortfall
General Needs	1	67
	2	22
	3	-1
	4	1
Older Person	1	27
	2	-2
	3	0
TOTAL Net shortfall		114

Sources: 2014 Housing Register; RP CORE Lettings and Sales

6.110 The actual scale of affordable housing imbalance was previously reported as 288 (2005 housing needs survey) and 231 (2010 Strategic Housing Market Assessment). The latest assessment reflects a changed methodology which focuses on the use of secondary data. The 2015 SHMA has used data from the Housing Register to calculate the affordable housing need imbalance

Size of affordable dwellings

6.111 On the basis of gross requirements, an overall general split of 25% one bed, 60% two bed and 15% three or more bedroom dwellings would be suggested.

Note that although the need for one bedroom dwellings was higher, it is important to provide dwellings which are flexible to support the needs of households as they grow, resulting in a higher recommended proportion of two bedroom dwellings.

Tenure of affordable dwellings

6.112 Affordable housing includes social rented, affordable rented and intermediate tenure dwellings. New affordable development by Registered Providers will be affordable rented (with rents of up to 80% of open market rent). The actual split between intermediate tenure and social/affordable rented dwellings based on the income and savings of households on the housing register would be around 25% intermediate tenure and 75% affordable rented. We would recommend that the Council continues to actively promote intermediate tenure options, particularly for newly-forming households.

Estimates of household groups who have particular housing requirements

Introduction

6.113 There are a range of household groups who have particular housing requirements and this chapter focuses on the needs of families, older people and people requiring specialist support.

Families

6.114 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.

6.115 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.

6.116 Stakeholders identified a shortage of family housing in Craven District.

Older people

6.117 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 13,200 in 2012 to 22,000 by 2037 (a 66.7% increase).

6.118 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. There would also be merit in promoting 'lifetime homes' to sustainably accommodate Craven's locally ageing population.

Specialist support requirements

6.119 The Supporting People team have a particular responsibility to ensure that there is adequate accommodation and support provision for a range of specialist client requirements, e.g. domestic violence, HIV/Aids, offending/ex-offending and teenage pregnancy.

6.120 Table 5.13 summarises the type of client groups accommodated in social rented housing across Craven District area over the three year period 2010/11 to 2012/13. Data indicates that older people with support needs and single people with support need are the main groups provided for.

Table 5.13 Client groups accommodated in social rented sector in Craven District 2010/11 to 2012/13

Client group	Number
People with physical or sensory disabilities	0
People with learning disabilities	0
People with mental health problems	4
People with substance misuse problems	5
Offenders and people at risk of offending	1
Women at risk of domestic violence	4
Older people with support needs	247
Single homeless people with support needs	37
Young people leaving care	0
Homeless families with support needs	1
Total	299

Source: Supported CORE lettings data

Stakeholder views on specialist housing provision

6.121 Respondents to the questions relating to supported housing provision work with a range of client groups including people with mental health problems, people who are or have experienced domestic abuse, people who have experienced sexual violence, households needing housing advice and those facing homelessness.

6.122 Recent housing and political changes were felt to have impacted in Craven as follows:

- It has proved difficult to work with commissioners to secure support packages for vulnerable residents;
- There is a lack of move-on property;
- There is:

- A lack of stock;
 - High demand;
 - No specific supported accommodation; and
 - The closure of some sheltered schemes for redevelopment;
 - Single adults are no longer seen to have a priority housing need; and
 - There is a need to establish at the outset how projects are to be funded and delivered.
- 6.123 Respondents identified that there are increasing numbers of single person households, and increasing numbers of people with a disability and mental health problems. There is also an increase in the number of people with complex needs.
- 6.124 A number of barriers to delivering specialist housing were identified by respondents, including:
- Funding cuts and lack of Supported People funding;
 - Securing long term revenue support packages;
 - Shortage of schemes;
 - Availability and costs;
 - Cost of building non-standard accommodation makes it harder to show value for money when seeking grant funding; and
 - Availability of support funding can be an issue for those wanting to live in self-contained accommodation as personal budgets are often not enough to cover care unless it is provided to more than one resident in the same setting.
- 6.125 Respondents identified the following shortages in current provision:
- One bed flats for under 55/60's;
 - Lack of single person accommodation
 - Bungalows for older people;
 - General lack of housing;
 - Two bedroom bungalows are extremely popular for both rent and shared ownership applicants; and
 - Housing for single people.
- 6.126 In terms of adapted properties, respondents felt that there were issues with the suitability of existing dwellings for refurbishment for adaptation – existing properties are old and not easily adapted.
- 6.127 Stakeholders were asked to identify what sort of property should be developed to meet the needs of older people, the following points were made:
- There is already a substantial amount of older persons' accommodation in Craven and extra care schemes are also being progressed by the County Council, no more are required;
 - Bungalows for older people are currently being developed;

- Multiple occupancy with a small amount of support available;
- More bungalows and sheltered schemes; and
- Homes to meet market demand, although accepting that it is not feasible to build everyone a bungalow. Developments that include a small number of bungalows on the same site as extra care apartments seem to work well as they help boost the viability of the communal facilities provided in the extra care building.

6.128 To meet the housing needs of people with additional support requirements, respondents identified the following as being required:

- 24 hour supported accommodation;
- Extra housing may not be needed for those with physical disabilities;
- Flats for single people; and
- Good quality affordable housing.

6.129 In terms of key messages for the SHMA, respondents identified the following:

- More supported housing is required;
- Identification of the type and location of housing needed, ideally leading to a policy of providing a specialist provision through planning policy;
- Make it easier for people to access social housing via the Council's Housing Options Team; and
- On the part of the Council, greater understanding of, and responsiveness to, people with mental health issues, and an understanding of the stressful nature of being homeless.

Homeless households

6.130 Homelessness statistics for 2012/13³² indicate that a total of 48 decisions were made on households declaring themselves as homeless across Craven District (Table 5.14). Of these households, 16 were classified as homeless and in priority need. Over the three years 2010/11 to 2012/13, an annual average of 43 decisions have been made across Craven District and an average of 11 households each year have been declared as homeless and in priority need.

Year	Decisions made	Accepted as homeless
2010/11	37	4
2011/12	44	12
2012/13	48	16
Total	129	32
Annual Average	43	10.7

Source: CLG Homelessness Statistics

³² CLG Homeless Statistics [Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area](#)

Black, Asian and Minority Ethnic households

- 6.131 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%).
- 6.132 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. Caravan count data for January 2014 showed a total of 24 caravans located on private authorised (22) and tolerated (2) pitches.

7. Conclusion: policy and strategic issues

- 7.1 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 National Planning Practice Guidance February 2014.
- 7.2 The SHMA 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. Specifically, the SHMA identifies the size, type and tenure of market housing required by considering current market demand relative to supply and also identifies a continued affordable housing imbalance across Craven District.
- 7.3 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 District with other areas and relates findings to key local strategic issues.

The Housing Market Area

- 7.4 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.
- 7.5 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 immigration and travel to work patterns; and also interactions with the Lancaster area, particularly the North sub-area. It is particularly important under duty to cooperate discussions to explore the potential impact of economic development in Craven on increasing levels of commuting from Bradford; and the extent to which economic development within Bradford may encourage a greater number of households to move to Craven.

Establishing an Objectively Assessed Housing Need

- 7.6 There are many factors to consider when establishing an Objectively Assessed Housing Needs figure and after considering this evidence it is proposed that the Objectively Assessed Housing Need figure for Craven without an adjustment for market signals is 290 dwellings each year.

- 7.7 A district-wide figure of 290 each year is above the 2012-based CLG household projection requirement of 154 dwellings and allows for net in-migration to support jobs growth and also support population retention.
- 7.8 Although data would suggest there is no need to make an adjustment for Market Signals, one market observation is strong demand for market entry-level smaller dwellings in Skipton and a small market adjustment would be appropriate. This would support a strategy of increasing the number of jobs in the District overall and support the need for smaller dwellings in the town. It is therefore recommended that there is an annual uplift of five dwellings to take account of this Market Signal.
- 7.9 In conclusion, the 290 Objectively Assessed Need figure takes account of the need to deliver more affordable and market housing for an increasing number of households, support economic growth and help to retain households in the District.

Affordable housing

- 7.10 Affordable housing need is defined as *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*. A key element of the study is to explore the scale of housing need and the extent to which additional affordable housing is needed.
- 7.11 Affordable housing is defined as either social/affordable rented or intermediate housing which is provided and made available to eligible households (i.e. those who lack their own housing or live in unsuitable housing) who cannot afford to meet their needs through the market. Intermediate affordable housing is housing at prices and rents above those of social rents, but below market prices or rents.
- 7.12 The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households at District level and comparing this with the supply of affordable housing (social/affordable rent and intermediate tenure dwellings). The overall net annual imbalance is calculated to be 114 affordable dwellings each year. The actual split between intermediate tenure and social/affordable rented dwellings should be determined through economic viability assessment.

The current housing market

- 7.13 Across Craven District there are a total of 26,697 dwellings. There are 764 vacant properties and 622 second homes, resulting in a total of 25,301 occupied dwellings³³. 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;

³³ April 2014 Council Tax data

- 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).

Future housing market

- 7.14 Data relating to future housing numbers and the Objectively Assessed Need for Housing has been explored in detail in this research.
- 7.15 The population of Craven District was estimated to be 55,500 in 2012³⁴ and this is projected to increase to 58,800 by 2037³⁵. A key demographic change will be the increasing number and proportion of older people. The number of people aged 65 and over is projected to increase by 66.7% (8,800 people) and the overall proportion of people aged 65 and over is projected to increase from 23.8% in 2012 to 37.4% in 2037.

Housing need and demand

Delivering new housing

- 7.16 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 bungalows and three bedroom houses; along with requirements for smaller houses, houses with four or more bedrooms and flats.
- 7.17 In terms of affordable housing, an annual net imbalance of 114 affordable dwellings has been calculated, with particular shortfalls of one and two bedroom dwellings.
- 7.18 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue development to satisfy household aspirations and support economic growth;
 - 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 District.

³⁴ ONS 2012-based population projections

³⁵ ONS 2012-based population projections

Vacant stock

- 7.19 There are an estimated 764 vacant properties across Craven District and these are mainly in the private sector. Properties can be empty for a variety of reasons which include: the properties are too difficult to repair or are in the process of being repaired, they are in the process of being sold they have been bought for capital investment or they are in probate.
- 7.20 The Council should continue to consider identifying the reasons why properties are empty and identify mechanisms for bringing them back into use. Mechanisms could include:
- Financial/professional help for repairs and improvements in the form of equity loans, grant aid for renovation and subsequent leasing to a Housing Association for a fixed term, a professional service to manage repairs or full renovation; and
 - Assistance with letting management or the sale of a property.

The ageing population and addressing the needs of vulnerable people

- 7.21 A key challenge for the Council is to ensure a greater diversity of support services are made available to older people wanting to stay in their own home and develop funding mechanisms to achieve this. Particularly noted in other SHMSs are the need for help with gardening, repair/maintenance and cleaning, bathroom adaptations, better heating and internal hand/grab rails.
- 7.22 Additionally, the range of housing options available to older people needs to be diversified, for instance through the development of open market housing marketed at older people and the development of Extra Care accommodation and co-housing.

NPPF requirements

- 7.23 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.

7.24 The material in this SHMA provides an evidence base to inform strategic decision making.

7.25 The SHMA has:

- Considered the Objectively Assessed Need for housing using the latest available evidence;
- 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;
- reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements.

Final comments

7.26 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 District.

7.27 This research has reflected upon the housing market attributes of Craven District and interactions with neighbouring areas. 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: Housing need
- Technical Appendix C: Monitoring and updating

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 for Craven District Council:
- A review of relevant secondary data including the 2011 Census, house price trends, CORE lettings data and CLG Statistics;
 - A detailed analysis of the latest housing register information;
 - Interviews with key stakeholders including Local Housing and Planning Authority representatives, Registered Social Landlords (RSLs), Estate Agents, Lettings Agents, Developers, Supporting People representatives;
 - The preparation of household and dwelling forecasts for the District; and
 - A consideration of housing market aspiration information derived from the 2005 housing needs survey household survey.

List of stakeholders interviewed as part of the SHMA process

- A.2 Stakeholders were invited to participate in a survey aimed at identifying a range of information, including establishing the key perceived housing market issues in Craven. Stakeholders were asked to respond to any of the questions within the survey. A total of 25 separate responses to the stakeholder consultation were obtained from a range of representatives including Local Authorities, voluntary agencies, and estate agents. Respondents were asked to answer only the questions that they felt were relevant to their knowledge and experience.

Technical Appendix B: Housing need calculations

Summary of contents

Stage 1: Current housing need (gross backlog)

- Step 1.1 Homeless households and those in temporary accommodation
- Step 1.2 Overcrowding and concealed households
- Step 1.3 Other groups
- Step 1.4 Total current housing need (gross)

Stage 2: Future housing need (gross annual estimate)

- Step 2.1 New household formation (gross per year)
- Step 2.2 Proportion of new households unable to buy or rent in the market
- Step 2.3 Existing households falling in to need
- Step 2.4 Total newly-arising housing need (gross per year)

Stage 3: Affordable housing supply

- Step 3.1 Affordable dwellings occupied by households in need
- Step 3.2 Surplus stock
- Step 3.3 Committed supply of new affordable housing
- Step 3.4 Units to be taken out of management
- Step 3.5 Total affordable housing stock available
- Step 3.6 Total supply of social re-lets (net)
- Step 3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels
- Step 3.8 Annual supply of affordable housing

Stage 4: Estimate of annual housing need

- Step 4.1 Total backlog need
- Step 4.2 Quota to reduce over 5 years (2)
- Step 4.3 Annual backlog reduction
- Step 4.4 Newly-arising need
- Step 4.5 Total annual affordable need
- Step 4.6 Annual social rented capacity
- Step 4.7 Net Annual Shortfall

Introduction

- B.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’. Secondary data provide a robust range of information to quantify housing need in Craven District and the extent to which additional affordable housing is required.
- B.2 Housing needs analysis and affordable housing modelling has been prepared in accordance with CLG guidance at District level. In summary, the 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
- B.3 Table B1 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.
- B.4 It should also be noted from the outset that the Housing Register is refreshed on a rolling basis so it is assumed that any backlog need is addressed within one year.

Table B1 CLG Needs Assessment Summary for Craven District			
Step	Stage and Step description	Calculation	Craven Total
Stage 1: CURRENT NEED			
1.1	Homeless households and those in temporary accommodation	Annual requirement	361
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	
1.4A	TOTAL cannot afford open market (buying or renting)	93.1% cannot afford	336
Stage 2: FUTURE NEED			
2.1	New household formation (gross per year)	1.74% of total households	428
2.2	Number of new households requiring affordable housing	Number cannot afford (based on housing register)	56
2.3	Existing households falling into need	Annual requirement	5
2.4	TOTAL newly-arising housing need (gross each year)	2.2+2.3	61
Stage 3: AFFORDABLE HOUSING SUPPLY			
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	120
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0
3.3	Committed supply of new affordable units	Annual	46
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 (3yr ave)	115
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave)	2
3.8	Annual supply of affordable housing	3.6+3.7	117
Stage 4: ESTIMATE OF ANNUAL HOUSING NEED			
4.1	Total backlog need	1.4A-3.5	170
4.2	Quota to reduce over 1 year	100%	
4.3	Annual backlog reduction	Annual requirement	170
4.4	Newly-arising need	2.4	61
4.5	Total annual affordable need	4.3+4.4	231
4.6	Annual social rented capacity	3.8	117
4.7	NET ANNUAL SHORTFALL (4.5-4.6)	NET	114

Source: 2015 Housing Register; RP Core Lettings and Sales data

Stage 1: Current need

- B.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’. The SHMA Guidance suggests types of housing that should be considered unsuitable, as summarised in Table B2. It is assumed that the housing register includes households experiencing these issues

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)	361
Total Households	24,583
% households in need	1.5%

Note: A household may have more than one housing need.

Source: 2015 Housing Register

Step 1.1 Homeless households and those in temporary accommodation

- B.6 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.

- B.7 Homelessness statistics for 2012/13³⁶ indicate that a total of 48 decisions were made on households declaring themselves as homeless across Craven District (Table B3). Of these households, 16 were classified as homeless and in priority need. Over the three years 2010/11 to 2012/13, an annual average of 43 decisions have been made across Craven District and an average of 11 households each year have been declared as homeless and in priority need.

Year	Decisions made	Accepted as homeless
2010/11	37	4
2011/12	44	12
2012/13	48	16
Total	129	32
Annual Average	43	11

Source: CLG Homelessness Statistics

Step 1.2 Overcrowding and concealed households

- B.8 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 with the actual number of bedrooms (including bedsits) available for the sole use of the household.
- B.9 It is assumed that the housing register includes households who are currently living in overcrowded accommodation or are concealed households and are intending on moving in the next five years.

Step 1.3 Other groups

- B.10 Table B3 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.

³⁶ CLG Homeless Statistics [Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area](#)

Step 1.4 Total current housing need summary

- B.11 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Craven District before any analysis of the ability of households to afford open market solutions is 336.
- B.12 The extent to which these households could afford open market prices is then considered. An 'affordability threshold' of households is calculated which takes into account household income, equity and savings. The household income component of the affordability threshold is based on 3.5 x gross annual income of the respondent and partner (if applicable).
- B.13 The affordability threshold was then tested against lower quartile property prices and the cost of privately renting. Lower quartile prices at Parish level for the period January – December 2014 were derived using Land Registry address-level data (Table B4).

Table B4 Lower quartile house prices by sub-area (Jan to Dec 2014)			
Parish	Lower Quartile Price (£)	Parish	Lower Quartile Price (£)
Airton	242,500	Hetton-cum-Bordley	300,100
Appletreewick	388,000	Horton in Ribblesdale	150,750
Austwick	198,500	Ingleton	124,000
Beamsley	410,000	Kettlewell with Starbotton	192,500
Bentham	125,000	Kildwick	310,000
Bradleys Both	172,500	Kirkby Malham	250,000
Buckden	160,000	Langcliffe	104,000
Burton in Lonsdale	200,000	Lawkland	303,750
Carleton	435,000	Linton	554,500
Clapham cum Newby	185,000	Litton	345,500
Coniston Cold	350,000	Long Preston	140,250
Conistone with Kilnsey	195,000	Lothersdale	145,000
Cononley	135,000	Malham	240,000
Cowling	95,000	Martons Both	145,000
Cracoe	200,000	Rathmell	125,000
Draughton	375,000	Rylstone	250,000
Elslack	228,000	Scosthrop	299,000*
Embsay with Eastby	176,000	Settle	154,000
Farnhill	145,000	Skipton	119,750
Flasby with Winterburn	365,000	Stainforth	184,000
Gargrave	170,000	Stirton with Thorlby	97,500
Giggleswick	180,000	Sutton	120,000
Glusburn and Cross Hills	124,000	Thornton in Craven	250,000
Grassington	217,500	Thornton in Lonsdale	203,500
Halton East	497,500*	Threshfield	157,500
Hawkswick	430,000*	Wigglesworth	143,000
Hebden	150,000	Total	127,500
Hellifield	120,250		

*No sales in 2014 so using January 2012 to December 2013 data

B.14 Information on private sector rents was based on lettings reported by Zoopla during 2014 (Table B5). The cost of letting a property according to the number of bedrooms required by a household was factored into affordability testing.

Table B5 Private rental prices – Craven District 2014	
No. Bedrooms	Lower quartile rent (£ per month)
1	390
2	481
3	576
4	776

Source: Zoopla

- B.15 Using evidence from the household survey, the extent to which households identified in Steps 1.1, 1.2 and 1.3 could afford open market prices has been assessed. Overall, a total of 336 or 93.1% of existing households in need wanted to move to offset their need and could not afford open market solutions.

Step 2.1 New household formation (gross per year)

- B.16 The needs analysis assumes a 1.74% gross household formation rate of 428 each year. This is based on the latest three year average national rate reported in the English Housing Survey over the period 2010/11 to 2012/13. It should be noted that this number is an estimate and the actual scale of new household formation and need for affordable housing is considered using housing register data.

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

- B.17 The housing register reports a total of 62 newly-forming households. Of these, 89.3% could not afford open market prices or rents. Therefore, it is assumed that 56 newly-forming households each year are unable to buy or rent in the open market each year.

Step 2.3 Existing households expected to fall into need

- B.18 An estimate of the number of existing households falling into need each year has been established by drawing upon the RP lettings data. This suggests that over the three year period 2010/11, 2011/12 and 2012/13, an annual average of 5 households moved into the social rented sector because they had fallen into housing need and were homeless.

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

- B.19 Total newly arising need is calculated to be 61 households each year across Craven District.

Stage 3: Affordable housing supply

- B.20 The CLG model reviews the supply of affordable units, taking into account how many households in need are already in affordable accommodation, 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

- B.21 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 need³⁷.
- B.22 A total of 120 households are current occupiers of affordable housing in need. Although the movement of these households within affordable housing will have a nil effect in terms of housing need (i.e. they already live in affordable housing), the types of property they would 'free up' if they moved is considered in modelling.

Step 3.2 Surplus stock

- B.23 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

- B.24 Over the 5.5 year period January 2009 to July 2014, Council data indicates that annual average of 46 affordable dwellings have been completed each year. This figure is taken as the annual committed supply of affordable housing each year in the model.

Step 3.4 Units to be taken out of management

- B.25 The model assumes there will be no social rented units taken out of management over the next five years.

Step 3.5 Total affordable housing stock available

- B.26 It is assumed that there are 166 social (affordable) rented dwellings available arising from households moving within the stock and supply of new affordable dwellings.

Step 3.6 Annual supply of social re-lets

- B.27 The CLG model considers the annual supply of social re-lets. Address-level RP CORE lettings data has been analysed for the three years 2010/11, 2011/12 and 2012/13. This information can be used to accurately assess the likely capacity of the social rented sector by location, size of property and designation (whether the property is general needs or older person). For the purposes of analysis, it is important to focus on the ability of households requiring affordable housing to

³⁷ Strategic Housing Market Assessment Guidance (CLG, August 2007)

access it. Therefore, the annual supply figures derived from CORE lettings data and used in modelling:

- **Exclude** those moving into accommodation from outside Craven District and households moving within the social rented stock; and
- **Include** households who moved from within Craven District into social renting from another tenure, newly-forming households originating in Craven District and moving in social renting, and households moving from specialist/supporting housing from within Craven District into affordable housing.

Analysis suggests that there is an annual average of 115 social rented dwellings let to new tenants, i.e. households originating in Craven District who either moved into social renting from another tenure, were newly-forming households, or who moved from supported/specialist accommodation.

B.28 Modelling therefore assumes an annual capacity of 115 dwellings for new tenants across Craven District. Table B7 illustrates how the annual capacity figure is broken down by designation (general needs and older person) and property size.

Step 3.7 Annual supply of intermediate re-lets/sales

B.29 Table B6 also presents a summary of the average supply of intermediate tenure dwellings which have either been sold or relet over the three year period 2010/11, 2011/12 and 2012/13 as recorded in CORE Sales data.

Table B6 Annual average social/affordable rented re-lets and intermediate sales/relets 2010/11, 2011/12 and 2012/13			
Designation	No. bedrooms	Annual Social/Affordable Lettings	Annual Intermediate sales/relets
General Needs	1	22	
	2	56	1
	3	27	
	4	2	
Older Person	1	3	
	2	5	1
	3	0	0
Total lettings/sales		115	2

Sources: RP CORE lettings and sales data annual average 2010/11, 2011/12 and 2012/13

Summary of Stage 3

B.30 Overall, the model assumes an existing supply of 166 affordable dwellings and an annual supply of 115 social (affordable) lettings and an annual supply of 2 intermediate tenure lettings/sales.

Stage 4: Estimate of annual housing need

Overview

- B.31 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.
- B.32 This has been reconciled with the supply of affordable dwellings which considers location, size and designation (i.e. for general needs or older person). Based on the CLG modelling process, analysis suggests that there is an overall annual net imbalance of 114 dwellings.
- B.33 For critical stages of the needs assessment model (Step 1.1, Step 1.4, Step 2.4 and Step 3.8), information is broken down by designation (general needs and older) and property size. This goes beyond the requirement of the SHMA guidance but allows a detailed assessment of the overall housing requirements of households in need and provides clear affordable requirement information. In turn, this can help identify where there are shortfalls and sufficient capacity of affordable housing, and help to shape policy responses.
- B.34 Stage 4 brings together the individual components of the needs assessment to establish the total net annual shortfall.

Step 4.1 Total backlog need

- B.35 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.4A minus total affordable housing stock available (Step 3.5). The total backlog need is 170.

Steps 4.2 to 4.6

- B.36 Step 4.2 is a quota to reduce the total backlog need. As the Housing Register is refreshed annually, it is assumed that all households on the Register are accommodated within one year. This is because the model seeks to determine the scale of imbalance between supply of affordable housing and need, and as the register is updated annually, any unmet need will be reflected in any refresh of the housing register.
- B.37 Step 4.3 is the annual backlog reduction based on Step 4.2 (170 each year).
- B.38 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (61 each year).
- B.39 Step 4.5 is the total annual affordable need based on Steps 4.3 and 4.4 (231 each year).
- B.40 Step 4.6 is the annual social rented/intermediate tenure capacity based on Step 3.8 (117 each year).

Total net imbalance

B.41 The overall net imbalance between supply of affordable housing and need is 114 each year. Table B7 summarises the overall annual net affordable housing requirements for Craven District by designation (general needs and older person) and property size.

Designation	No. bedrooms	Shortfall
General Needs	1	67
	2	22
	3	-1
	4	1
Older Person	1	27
	2	-2
	3	0
TOTAL Net Annual Shortfall		114

Sources: 2015 Housing Register; RP CORE Lettings and Sales

Tenure of affordable dwellings

B.42 Affordable housing includes social rented, affordable rented and intermediate tenure dwellings. New affordable development by Registered Providers will be affordable rented (with rents of up to 80% of open market rent). Analysis of income and savings data from the Housing Register has been used to assess the extent to which households could afford intermediate tenure dwellings based on alternative levels of equity share. This would suggest that an overall tenure split of around 25% intermediate tenure and 75% affordable rented would be appropriate for Craven District. Table B8 summarises the proportion of households who could afford different equity shares by the number of bedrooms required using household register information. We would recommend that the Council continues to actively promote intermediate tenure options, particularly for newly-forming households.

Equity Share (£)	No. Beds				TOTAL
	1	2	3	4	
50,000	22.4	22.7	27.3	60.0	23.5
60,000	13.3	13.3	12.1	60.0	13.8
70,000	9.2	9.4	9.1	40.0	9.7
80,000	7.1	3.9	3.0	20.0	5.8
90,000	3.6	2.3	3.0	0.0	3.0
100,000	2.6	0.8	0.0	0.0	1.7
110,000	1.5	0.0	0.0	0.0	0.8
120,000	1.0	0.0	0.0	0.0	0.6
<i>Base</i>	<i>196</i>	<i>128</i>	<i>33</i>	<i>5</i>	<i>362</i>

Technical Appendix C: Monitoring and updating

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

Introduction

- C.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

- C.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).
- C.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

- C.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.
- C.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

- C.6 The capacity of the social rented sector needs to be reviewed annually using RP CORE lettings data (Step 3.6).
- C.7 A dataset has been prepared for RSL CORE data for 2010/11, 2011/12 and 2012/13 as part of this research. This includes some additional variables identifying the characteristics of households (by designation, i.e. under 65 or over 65) and previous housing circumstances (from out of area, previously social renter, previously other tenure and from supported/specialist accommodation). The capacity of the social rented sector is based on the number of lettings to households from within the Local Authority District who were previously living in (non social rented or intermediate) tenure.

Availability of intermediate tenure housing

- C.8 CORE Sales data can identify the availability of intermediate tenure housing (Step 3.7). Data has been assembled for 2010/11, 2011/12 and 2012/13.

Annual adjustments to affordable requirements

- C.9 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.

Updating of contextual information

- C.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

- C.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.
- C.12 Ongoing stakeholder consultation and engagement with local communities is also vital to maintain up-to-date intelligence on housing market issues.

Concluding comments

- C.13 It is vital that mechanisms are in place to derive robust, credible and defensible estimates of housing need and affordable requirements across Craven District.

We believe that this study provides a robust evidence base which has the capacity to be updated.

- C.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.