



GL Hearn

Nottingham Outer 2015 Strategic Housing Market Assessment

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Quality Standards Control

The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

DATE

October 2015

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Limitations

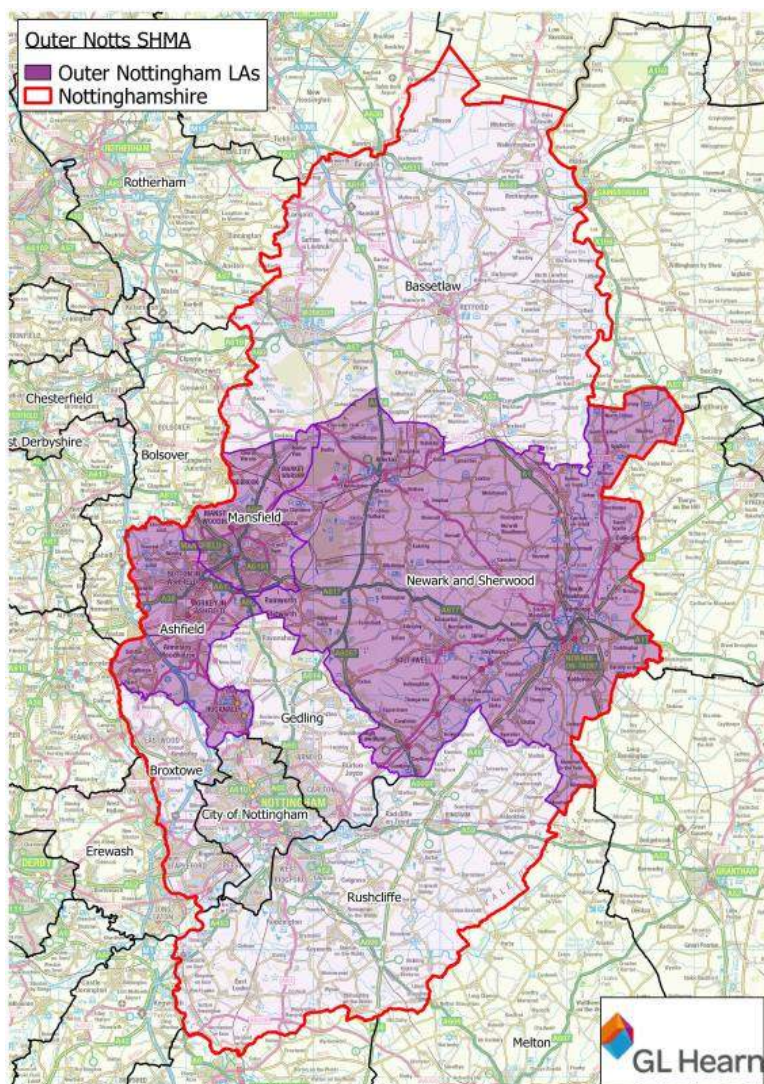
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1 INTRODUCTION

Context and Purpose

- 1.1 GL Hearn has been commissioned to prepare a Strategic Housing Market Assessment (SHMA) for the Nottingham Outer Housing Market Area (HMA). GL Hearn leads a consultancy team which includes Justin Gardner Consulting (JGC) and Chris Broughton Associates (CBA).
- 1.2 The SHMA has been commissioned by Ashfield District Council, Mansfield District Council and Newark and Sherwood District Council. The location of these Districts is outlined in Figure 1 below.

Figure 1: Commissioning Authorities within Nottinghamshire



Source: GL Hearn based on OS data, 2014

- 1.3 The preparation of the SHMA has followed relevant national policy and guidance, specifically the National Planning Policy Framework¹ and Planning Practice Guidance (PPG) on *Housing and Economic Development Needs Assessments*². It defines the Objectively Assessed Need (OAN) for housing as national planning policy requires, as well as considering the need for different types of housing and the housing needs of different groups within the community.
- 1.4 The preparation of a new SHMA has been commissioned to respond to the requirements of the NPPF and PPG to provide a fit-for-purpose evidence base to inform and support planning and housing policies, including to:
- Reflect the latest datasets including population and household projections;
 - Comply with the requirements of the NPPF, the NPPG and objectively assessed need guidance;
 - Comprehensively inform duty to cooperate requirements;
 - Incorporate and have full regard for housing and economic growth imperatives and the connections between them;
 - Enable improved alignment between housing and workspace evidence bases.
- 1.5 With the Duty to Cooperate in mind the commissioning authorities have throughout this SHMA process given neighbouring local authorities, local developers and wider stakeholders the opportunity to comment on the emerging work this includes two stakeholder events which took place on 11th of December 2014 (to discuss methodology and HMA) and on the 22nd of June (to discuss emerging findings)

National Planning Policy Framework (NPPF)

- 1.6 The National Planning Policy Framework (NPPF) was first published in March 2012. The Framework sets a presumption in favour of sustainable development whereby local plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless the adverse impacts of doing so would significantly or demonstrably outweigh the benefits or policies within the Framework, in which case that development should be restricted.
- 1.7 The NPPF highlights the Strategic Housing Market Assessment (SHMA) as a key piece of evidence in determining housing needs. Paragraph 159 in the Framework outlines that this should identify the scale and mix of housing and the range of tenures which the local population is likely to need over the plan period which:
- 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; and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.

¹ CLG (March 2012) *National Planning Policy Framework*

² <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/>

- 1.8 This is reaffirmed in Paragraph 50 of the NPPF. The SHMA is intended to be prepared for the Housing Market Area, and include work and dialogue with neighbouring authorities where the HMA crosses administrative boundaries.
- 1.9 Paragraph 158 of the NPPF also emphasises the alignment of the housing and economic evidence base and policy. Paragraph 17 in the NPPF reaffirms this, and outlines that planning should also take account of market signals, such as land prices and housing affordability. However it also makes clear that plans must be deliverable.
- 1.10 Paragraph 181 sets out that Local Planning Authorities (LPAs) will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This highlights the importance of collaborative working and engaging constructively with neighbouring authorities, as required by Section 33A of the 2004 Planning and Compulsory Purchase Act.
- 1.11 Local plans must be 'sound.' The NPPF sets out that this means that they must be positively prepared, justified, effective and consistent with national policy. This is tested by an independent inspector through the plan examination process. To be positively prepared, a Plan "*should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet needs from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.*" Thus local authorities in preparing plans must seek to work with their neighbours to consider whether there are unmet needs in one area which could be met within another – principally through joint working at a Housing Market Area level.

National Planning Practice Guidance

- 1.12 New Planning Practice Guidance was issued by Government in March 2014, although it is a continuously updating document. This includes Guidance on 'Assessment of Housing and Economic Development Needs'. This is relevant to this report in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing. The approach in this report follows that in the Planning Practice Guidance (PPG).
- 1.13 The Guidance defines "need" as referring to:

'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 this need.'

It sets out that the assessment of need should be realistic in taking account of the particular nature of that area, and should be based on future scenarios that could be reasonably expected to occur. It

should not take account of supply-side factors or development constraints. Specifically the Guidance sets out that:

“plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historical under performance, infrastructure or environmental constraints. However these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.”

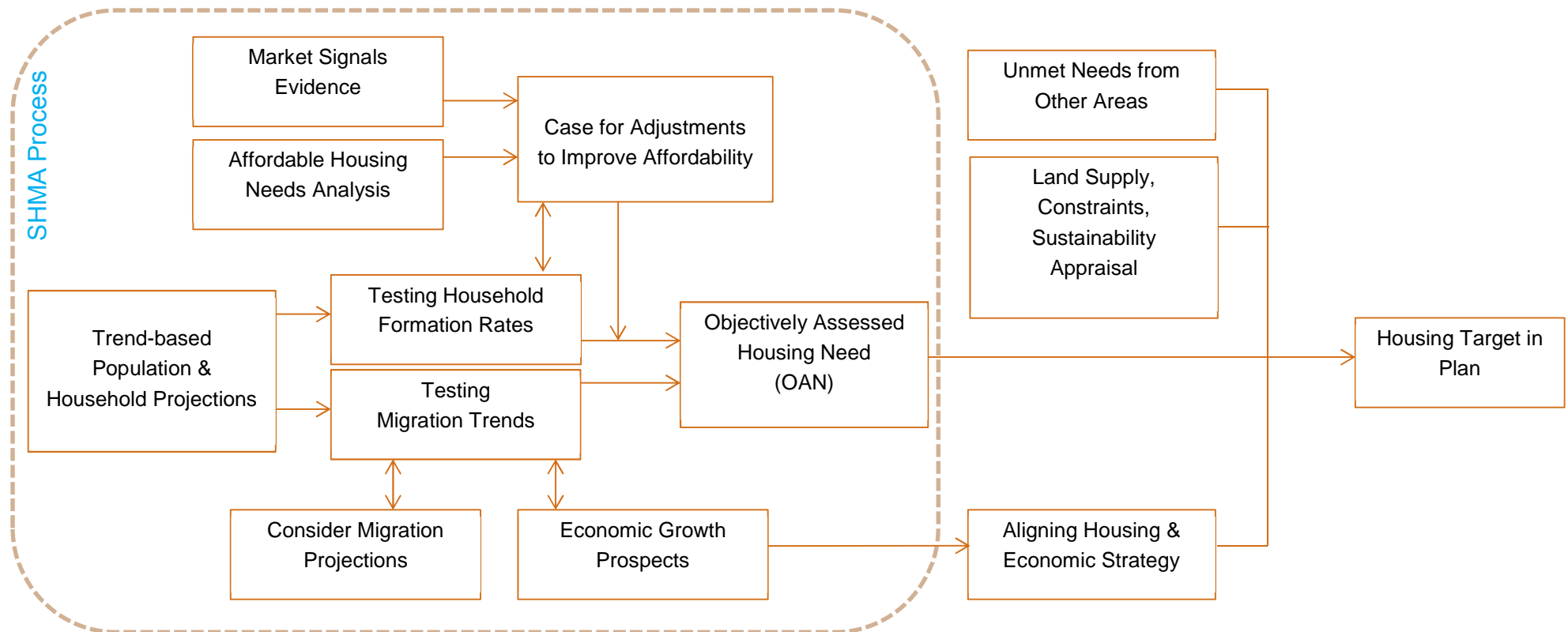
- 1.14 Against this context it is important to recognise that **the SHMA assesses the need for housing, it does not set housing targets** – which need to take account both of unmet needs from other areas and other factors including development constraints and delivery of supporting infrastructure.
- 1.15 The Guidance outlines that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need. However, the starting point for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (CLG). At the time of preparation of this report the latest projections are the 2012-based Household Projections, which were published in February 2015. These are based on the 2012 Sub-National Population Projections published by ONS in May 2014.
- 1.16 The Guidance sets out that there may be instances where these national projections require a reasonable adjustment to take account of factors affecting local demography or household formation rates, in particular where there is evidence that household formation rates are or have been constrained by supply.
- 1.17 It suggests that proportional adjustments should be made where the market signals point to supply being constrained relative to long-term trends or to other relevant comparators in order to improve affordability. The market signals we will examine include affordability ratios, the levels of overcrowding and Houses in Multiple Occupation (HMO) and changes to tenure distribution. These indicators provide a good measure of whether household formation has been constrained or not. If household formation is or has been constrained we will either adjust the formation rates or make a reasonable adjustment to the overall assessment of need. The extent of which will reflect returning household formation rates for certain key groups back to pre-recession levels.
- 1.18 Evidence of affordable housing needs is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing. In some instances it suggests this may provide a case for increasing the level of overall housing provision.

- 1.19 The Guidance also indicates that job growth trends and/or economic forecasts should be considered having regard to the growth in working-age population in the housing market area. It sets out that where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility and other sustainable options such as walking and cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing and infrastructure development could help to address these problems.

Overview of the Approach to Deriving OAN

- 1.20 The NPPF and PPG set out a clear approach to defining the Objectively Assessed Need (OAN) for housing. We have sought to summarise this within Figure 2 overleaf. This summarises the approach we have used to consider OAN. The area within the dotted line comprises the work to be undertaken as part of the SHMA.
- 1.21 Our approach to Strategic Housing Market Assessments is 'policy-off'. This means that we have not applied any policy or physical constraints to our assessment nor does it take into account historic targets or land supply factors.
- 1.22 The Objectively Assessed Housing Need (OAN) is the core output of the SHMA. This is then tested against land supply, constraints and sustainability appraisals among other tests in order to arrive at a housing target within Local Plans. The housing target could also be increased above the OAN to reflect unmet needs from other areas. Those tests however do not form part of the SHMA process.

Figure 2: Overview of Approach



2 REVIEWING THE DEFINITION OF THE HOUSING MARKET AREA

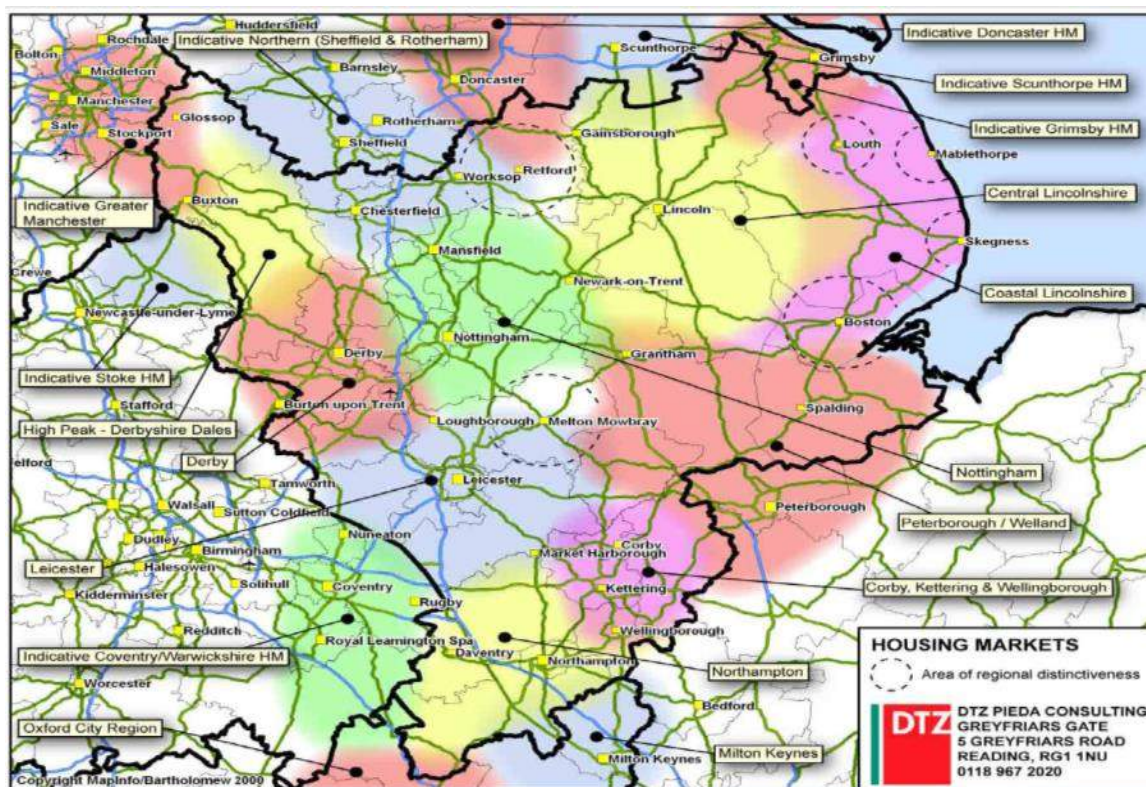
2.1 The National Planning Policy Framework (NPPF) states that local planning authorities should use their evidence base to ensure Local Plans meet the full, objectively assessed needs for market and affordable housing in their housing market area (HMA). The SHMA therefore first considers the definition of the HMA.

2.2 In simple terms, the HMA is a geographical area in which the majority of people, who move, will move within. It also reflects functional relationships between where people live and work. However, defining housing market areas is an inexact science and there is no single source of information that will clearly identify housing market areas.

Existing HMA Definitions

2.3 The Nottingham Outer Housing Market Area (HMA) was first identified in April 2005 by DTZ Pieda in their 'Identifying sub-regional housing markets of the East Midlands' paper. That paper identified a number of Sub-Regional Housing Market areas including one centring on Nottingham which included all of the commissioning authorities (see figure 3).

Figure 3: DTZ Proposed Sub-Regional Housing Markets (2005)



Source: DTZ Pieda, 2005

- 2.4 However, the report also suggests that such a large area may be “administratively cumbersome to undertake an HMA for”. Their analysis also identified a core area and a more peripheral area which comprised Ashfield, Mansfield and Newark and Sherwood districts.
- 2.5 This area is subsequently used in the previous Nottingham Outer HMA produced by Fordham Research in September 2007. It also considers in detail which HMA the town of Hucknall, located in the southern part of Ashfield District, falls within. The report concluded that Hucknall is on the boundary between two HMAs and could be viewed as part of either, but for practical reasons places it within the Nottingham Outer HMA.

Guidance on Defining HMAs

- 2.6 Planning Practice Guidance (PPG) on *Housing and Economic Development Needs Assessments* was issued by Government in March 2014 and subsequently updated. This outlines what a housing market area is, setting out:

‘A housing market area is 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.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate³.

- 2.7 The PPG sets out that housing market areas can broadly be defined using three different sources of information:

- **House prices and rates of change in house prices** – providing a market-based definition based on areas with similar house price characteristics;
- **Household migration and search patterns** – considering the extent to which people move house within an areas, with a housing market area considered to be that in which typically 70% or more of local moves are contained within (excluding long-distance moves);
- **Contextual data** - such as travel to work areas, retail and school catchments – with travel to work areas providing information regarding commuting.

- 2.8 The three strands of information look at different aspects of household behaviour, and there is no right or wrong answer regarding what weight should be applied to different factors. What the PPG says is that:

‘No single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important.

³ Reference ID: 2a-011-20140306

Plan makers will need to consider the usefulness of each source of information and approach for their purposes.'

- 2.9 The PPG largely reiterates previous guidance on defining HMAs set out within the CLG's 2007 Advice Note on *Identifying Sub-Regional Housing Market Areas*. There has been effectively no change in guidance, which continues to emphasise that there is no right or wrong answer as to how an HMA should be defined and that the approach should, in effect, reflect local market characteristics and circumstances.
- 2.10 There is a range of previous work which has been undertaken to define HMAs over the last decade, at national, regional and local levels. However, whether it is appropriate for the SHMA to review this, it should be treated with caution, not least given that a significant proportion of the past work is informed by 2001 Census data regarding commuting and migration patterns. 2011 Census flow data was issued in late July 2014.
- 2.11 There are some further practical issues which are dealt with in the recent Planning Advisory Service (PAS) Technical Advice Note on *Objectively Assessed Need and Housing Targets*.⁴ This outlines that in practice, the main indicators used to define HMAs are migration and commuting flows, but goes on to point out that:
- 'One problem in drawing boundaries is that if each local planning authority were to draw an HMA centred on its area, there would be almost as many HMAs as local authorities. This is because the largest migration flows in and out of any individual authority are usually those linking it with immediately adjacent authorities. But each of these adjacent authorities will probably find that their largest migration flows link them to their immediate neighbours, and the chain continues indefinitely.*
- Thus if each authority works independently to define an optimal HMA each authority may draw a different map, centred on its own area.'*
- 2.12 The PAS Note argues that to address this issue, it is useful to start with a "top down analysis" which looks at the whole country. This is provided by a research study led by the Centre for Advanced Urban Studies (CURDS) at Newcastle University to define HMAs across England, which was published by Government in November 2010⁵. This has defined a consistent set of HMAs across England based on migration and commuting data from the 2001 Census.
- 2.13 The PAS guidance emphasises that this should be considered 'only a starting point' and should be sense-checked against local knowledge and more recent data, especially on migration and commuting – concluding that more recent data 'should always trump' the national research. GL Hearn agrees with Peter Brett Associates' conclusions in this respect.

⁴ Peter Brett Associates for PAS (June 2014) *Objectively Assessed Need and Housing Targets*

⁵ C Jones, M Coombe and C Wong for CLG (Nov 2010) *Geography of Housing Markets, Final Report*

- 2.14 A further practical issue regards the geographical building blocks from which a HMA is defined. A key purpose of the SHMA is to define the Objectively Assessed Need (OAN) for housing. The PPG is clear that the starting point for this is official population and household projections. These are published at a national level, and for local authorities. They are not published below local authority level, nor is their data available (regarding migration and trends in household formation which are key drivers within the projections) below local authority level. On this basis we consider that housing market areas should be based on the 'best fit' to local authority boundaries; albeit that SHMAs can (and should) recognise cross-boundary influences and interactions. The PAS Guidance supports this, concluding that:

'It is best if HMA boundaries do not cut across local authority areas. Dealing with areas smaller than local authorities causes major difficulties in analysing evidence and drafting policy. For such small areas data availability is poor and analysis is complex. These complications are not offset by the benefit of greater accuracy.'

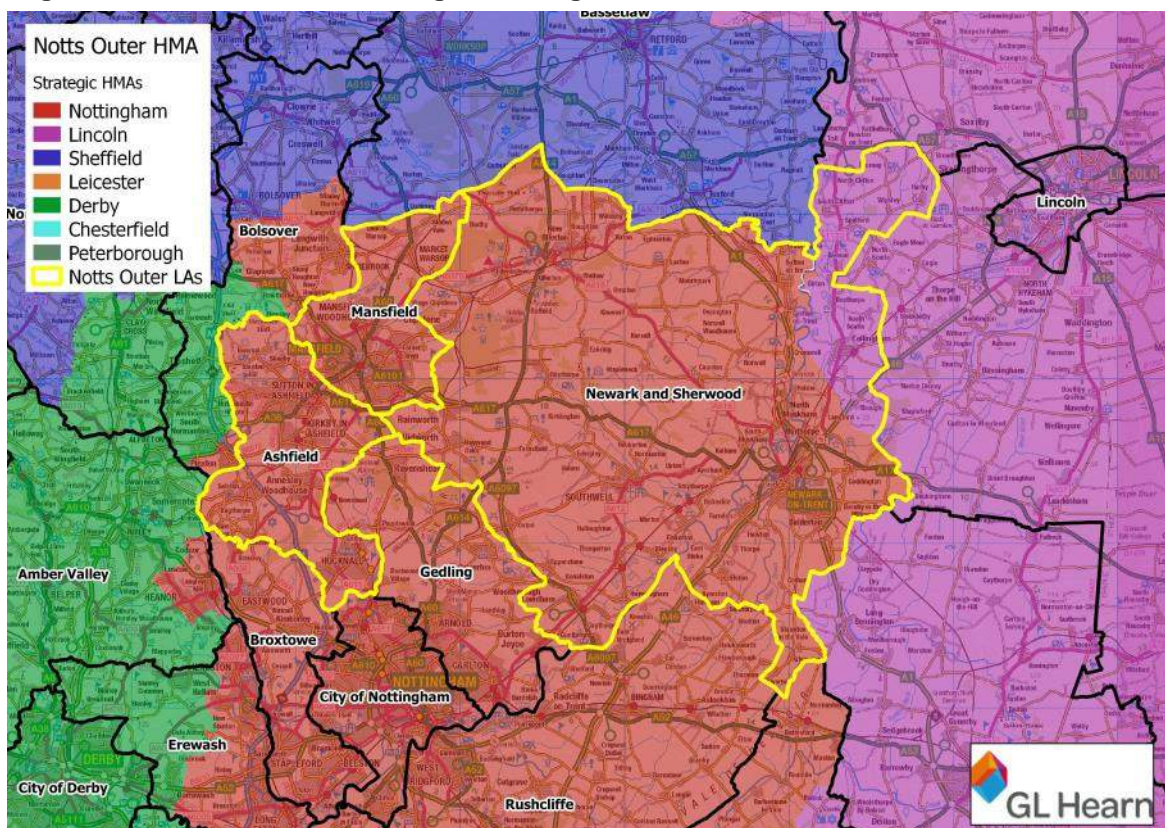
- 2.15 This approach seems widely accepted and is a practical response to data availability and one we would wish to adopt. In practical terms, we are of the view that towards the edges of most housing markets there are likely to be influences in two directions.

National Research on HMAs

- 2.16 National research undertaken for the Government by a consortium of academics led by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University has sought to define housing markets across England. As the PAS Guidance recommends, we have used this as a 'starting point' for considering the HMA geography.
- 2.17 The CURDS study for the CLG considers commuting and migration dynamics (based on 2001 Census data) and house prices (standardised for differences in housing mix and neighbourhood characteristics). This information was brought together to define a tiered structure of "Gold Standard" housing markets, as follows:
- Strategic (Framework) Housing Markets – based on 77.5% commuting self-containment;
 - Local Housing Market Areas – based on 50% migration self-containment; and
 - Sub-Markets – which would be defined based on neighbourhood factors and house types.
- 2.18 The Strategic and Local HMAs are mapped across England, with the Local HMAs embedded within the wider Strategic HMAs. Both jobs of HMAs are defined based on wards.
- 2.19 In addition the CURDS work also defines a set of single tier HMAs which align with the Framework HMAs but are based in a lower level of self-containment. Both this and the Strategic HMAs have also been defined using a "silver-standard" set of data which define the respective housing markets to local authority boundaries.

- 2.20 The Study defines a Nottingham Framework HMA which for the silver-standard encompasses all of the commissioning authorities. At a gold-standard the Nottingham Framework is slightly more nuanced whereby the north eastern wards of Newark and Sherwood District fall into the Lincoln HMA. These are shown in Figure 4.

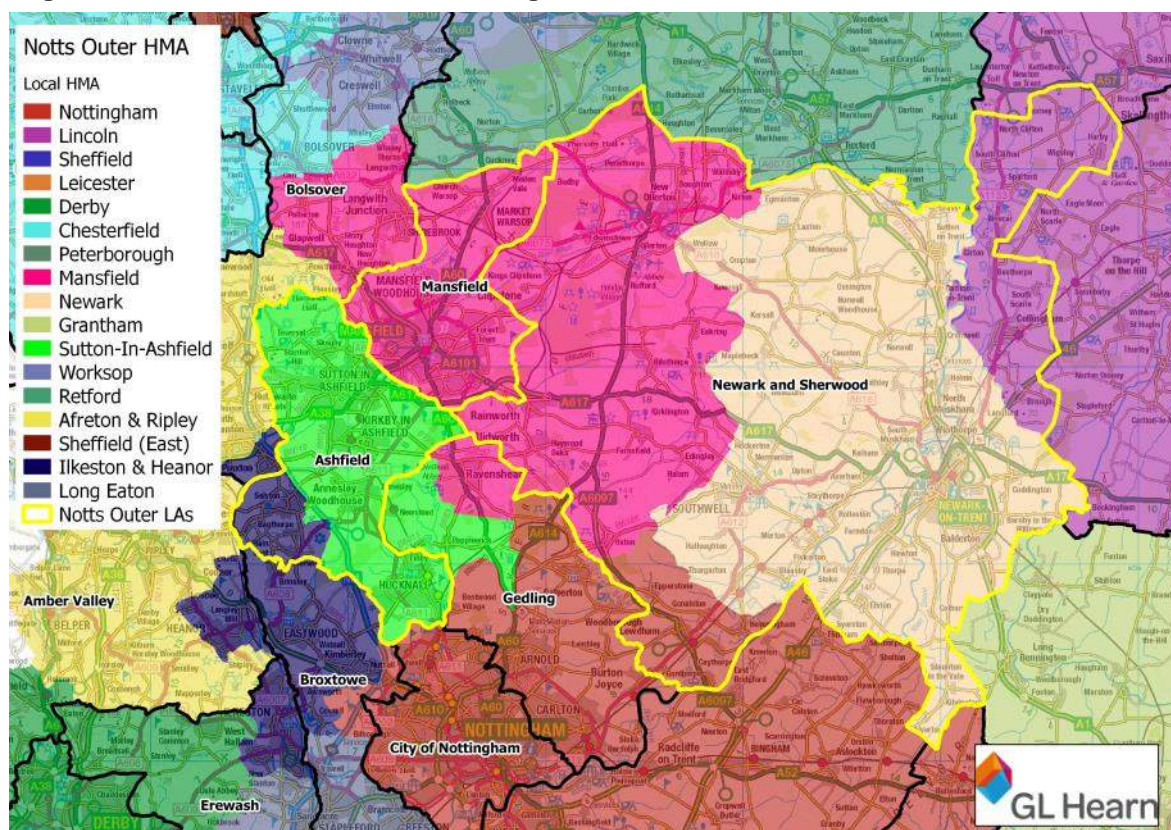
Figure 4: CURDS-Defined Strategic Housing Market Areas



Source: CURDS

- 2.21 More local housing market areas are defined within the strategic markets of urban areas, The Local HMAs defined in the CURDS analyses are shown in Figure 5. The commissioning authorities are located within six different local HMA. Mansfield district is entirely within the Mansfield LHA which also extends into Newark and Sherwood district.
- 2.22 Newark and Sherwood District is also co-located with the Lincoln HMA (to the North East), Nottingham (to the South West) and a Newark LHMA as well.
- 2.23 The Sutton-in-Ashfield LHMA dominates the Ashfield District (including Hucknall) although a small area to the south west is within the Ilkeston and Heanor LHMA.

Figure 5: CURDS-Defined Local Housing Market Areas



Source: CURDS

Considering More Recent Evidence

- 2.24 In line with the recent PAS Advice note we have produced our own top-down analysis focusing on the major settlements and employment centres in the sub-region. We have reviewed both the catchments of the major centres in and around Nottinghamshire, as well as the major commuting and migration flows within and beyond the sub-region.

Migration Patterns

- 2.25 Migration data from the 2011 Census has thus far only been published at a local authority level. It records the location of residents on Census day, and one year prior to the completion of the Census. We have sought to analyse both net and gross migration flows. Net flows identify the direction of movement with gross flows highlighting the strength of inter-connectedness.

2.26 We consider each of the Nottingham Outer local authorities. The findings are as follows:

- Ashfield: In total approximately 4,000 people left Ashfield in the year leading up to the Census. Over the same period 4,300 people arrived in the District. This reflects a small level of in migration into the District. In addition, approximately 5,911 people moved within the District over the same period.
- Mansfield: In total, approximately 3,800 people left Mansfield in the year leading up to the Census. Over the same period 2,200 people arrived in the District. This reflects a modest level of out migration from the district. In addition, approximately 6,200 people moved within the District over the same period.
- Newark and Sherwood: In total approximately 4,500 people left Newark and Sherwood in the year leading up to the Census. Over the same period 4,500 people arrived in the District. This reflects a balance level of migration relating to the district. In addition, approximately 6,100 people moved within the District over the same period.

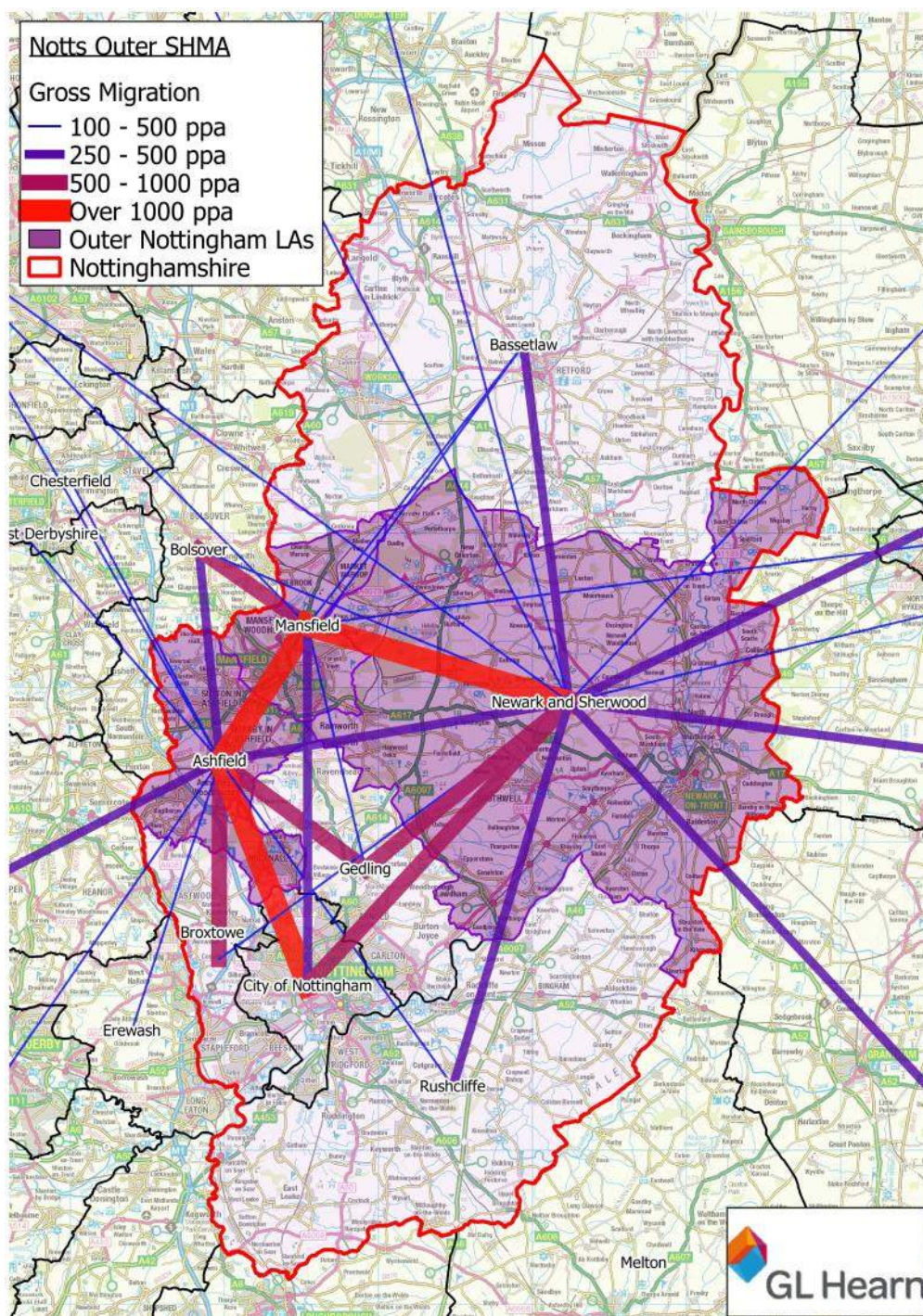
2.27 By reviewing gross flows, we can see the strength of relationships between the Nottingham Outer authorities and with other neighbouring local authorities. The most significant inter-relationship within Nottingham Outer are as follows:

- Between Ashfield and Mansfield (1,488 persons per annum);
- Between Newark and Sherwood and Mansfield (1,204 ppa);
- Between Ashfield and Nottingham (1,149 ppa); and
- Between Mansfield and Bolsover (719 ppa);

2.28 The flows between Ashfield and Newark and Sherwood are less significant at 373 persons per annum. The strongest relationship, by some way, is between Ashfield and Mansfield. Beyond the Nottingham Outer authorities there are also significant flows between the commissioning authorities the City of Nottingham and Gedling

2.29 There are also notable links between Mansfield and Bolsover and between Ashfield and Broxtowe. Flows are mapped in Figure 6.

Figure 6: Major Gross Migration Flows (2011)



Source: ONS, 2011

2.30 Typically we would expect stronger migration flow to and from highly populated local authorities such as Nottingham. To negate the impact of the different population size in different areas, we have weighted the flows based on the total population in both local authorities. This is shown as

gross flows per 1,000 head of population. As outlined in the Table 1, the largest flows are still between Ashfield and Mansfield and Mansfield and Newark & Sherwood.

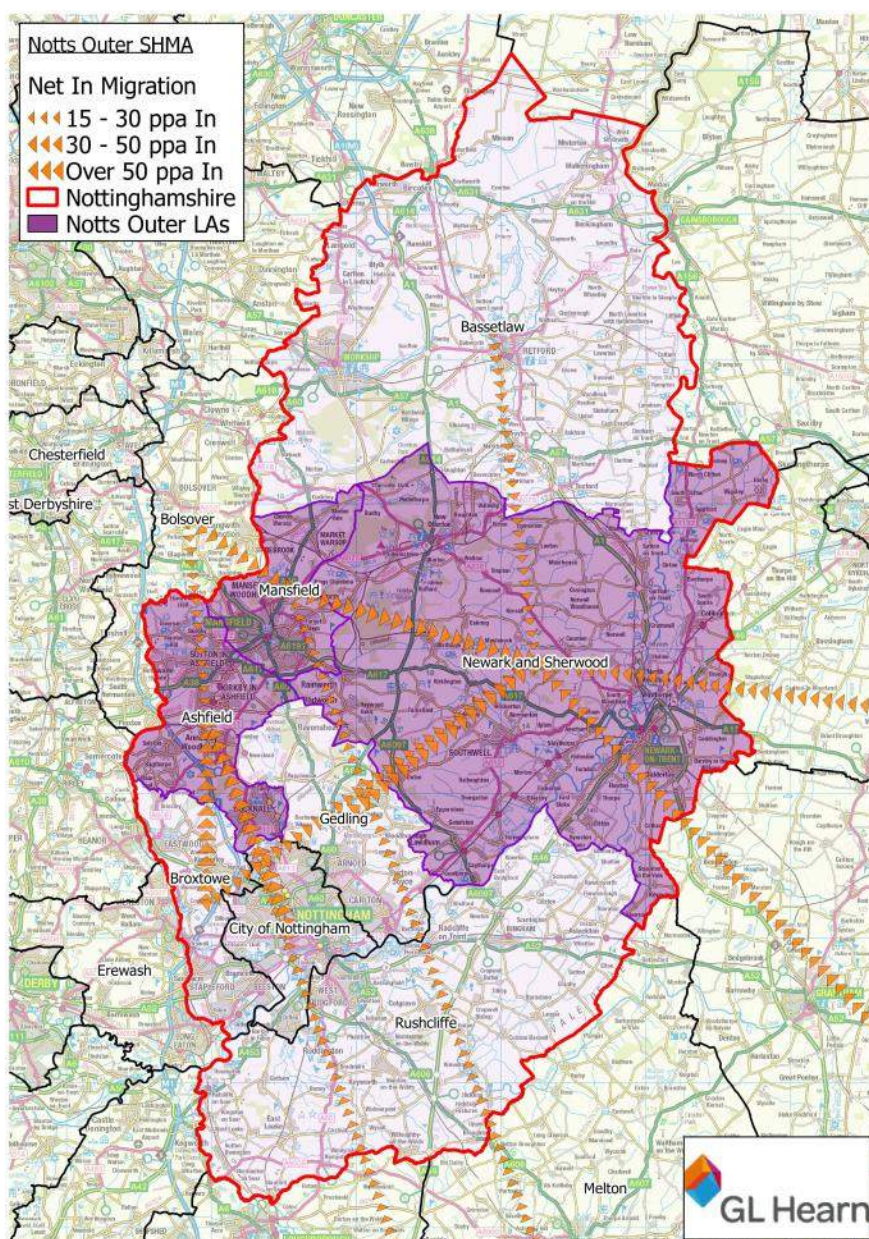
Table 1: **Top Gross Flows Weighted by Size of Population (2010-11)**

Authority A	Authority B	Gross Migration, per 1,000 head
Ashfield	Mansfield	6.6
Mansfield	Newark and Sherwood	5.5
Mansfield	Bolsover	4.0
Ashfield	Nottingham City	2.7
Newark and Sherwood	Gedling	2.7
Ashfield	Gedling	2.4
Ashfield	Bolsover	2.3
Ashfield	Broxtowe	2.3

Source: ONS, 2011

- 2.31 The analysis of gross migration flows suggests a distinct pattern of movement between Mansfield and the other Nottingham Outer authorities. There are also strong links with the City of Nottingham, which is perhaps unsurprising as the largest settlement in the County.
- 2.32 We have also examined net flows, i.e. the difference between flows in each direction. We have mapped net in-migration to the Nottingham Outer authorities in Figure 7.
- 2.33 Figure 7 shows there is a comparatively strong pattern of movement from Nottingham to Ashfield and from Newark and Sherwood and Mansfield to Nottingham.
- 2.34 In migration into the three authorities comes from all directions particularly to Newark and Sherwood which receives large flows from almost all of its neighbouring authorities including significant inflows from Gedling, Broxtowe and Mansfield.
- 2.35 Both Mansfield and Ashfield receive a net inflow from Bolsover. Ashfield is also a net recipient from Broxtowe. There is also a flow from Luton to Mansfield although as a longer distance move this should hold less weight.

Figure 7: In Migration (net) (2011)



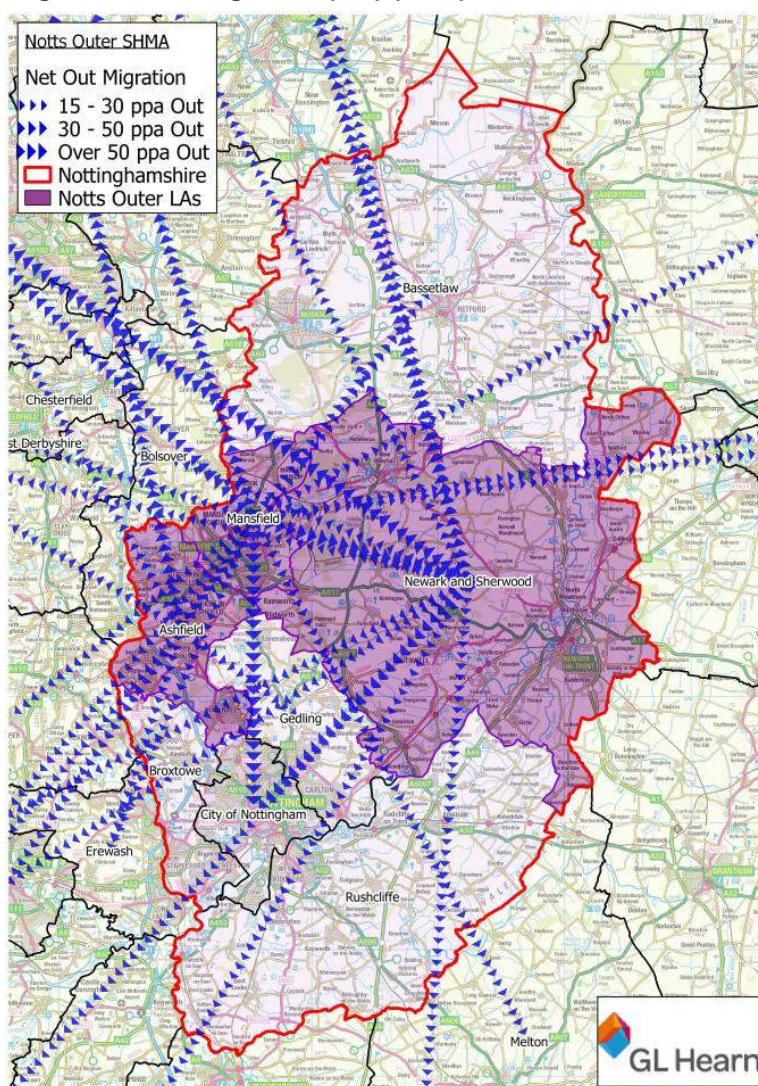
Source: ONS, 2011

- 2.36 Out migration from areas with no universities tend to have a pattern of myriad long distance moves, particularly to those major cities with universities. This area is no different, with major flows from the three authorities to Leeds, Sheffield, Manchester, Newcastle and Birmingham.

2.37 More localised out migration from the Nottingham Outer authorities are largely from Mansfield as the only net loser of population. Mansfield is a net provider of population to the following authorities:

- Newark and Sherwood (receives 112 people);
- Nottingham (receives 60 people);
- Leeds (receives 44 people);
- Sheffield (receives 34 people);
- Bassetlaw (receives 28 people);
- Lincoln (receives 28 people);
- Amber Valley (receives 27 people); and
- North East Derbyshire (receives 26 people).

Figure 8: Out Migration (net) (2011)



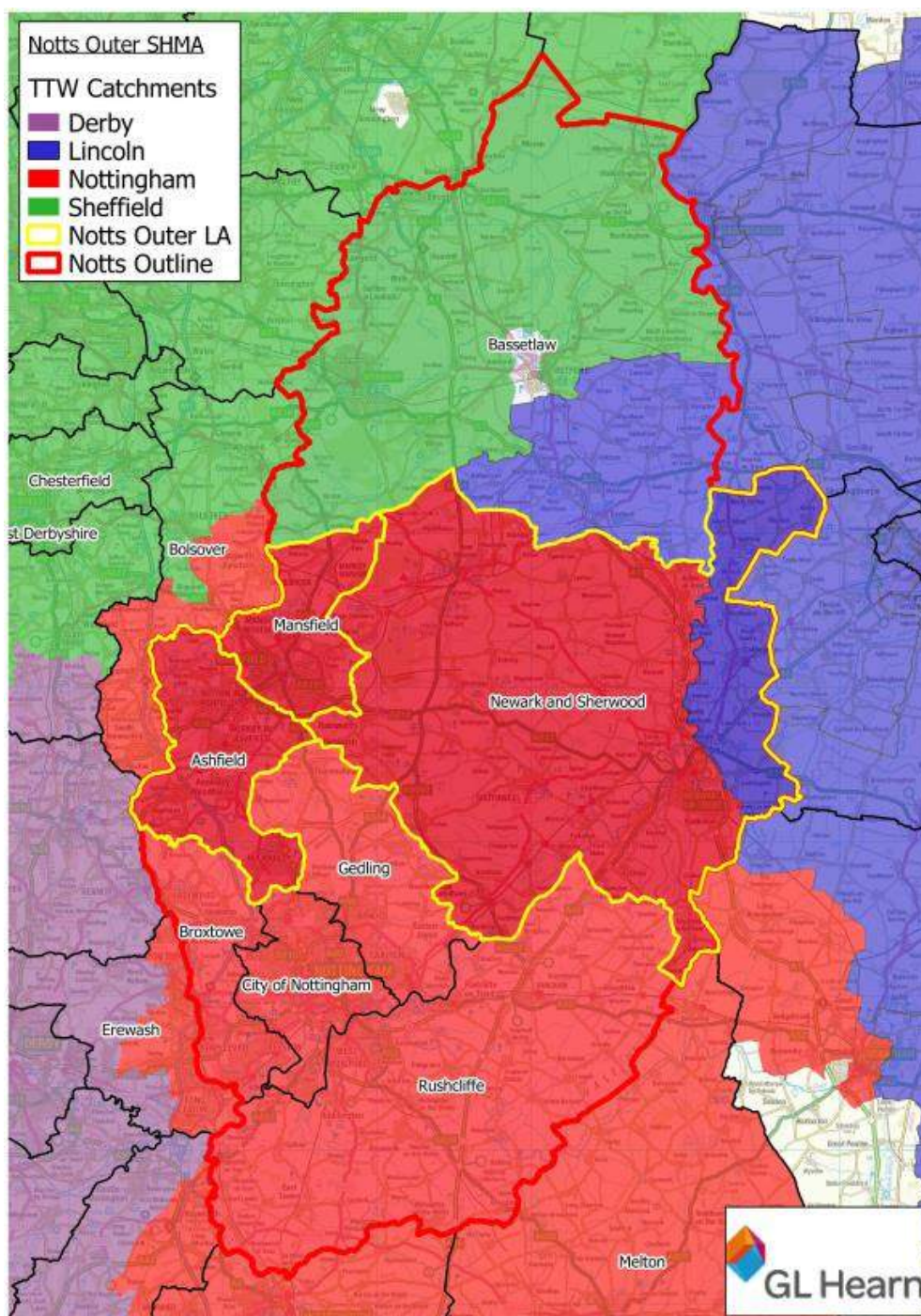
Source: ONS, 2011

- 2.38 Ashfield is only a major (over 25) net contributor to Leeds and Erewash local authorities. Newark and Sherwood is a major net contributor to the following local authorities
- Sheffield (receives 57 people);
 - Nottingham (receives 37 people);
 - Doncaster (receives 34 people);
 - Leeds (receives 28 people); and
 - Pembrokeshire (receives 28 people).
- 2.39 In summary the recent net migration trends are one of out-migration from the Nottingham Outer area although Ashfield is a net recipient of people particularly from Nottingham and Broxtowe. Because a high percentage of the out-migration is linked to students, we could expect to see an aging of the population as the younger population is not replaced.
- 2.40 There is also a clear pattern of migration between the three authorities, although most of this goes through Mansfield as the central District. By this measure alone the data would indicate that the area operates as a single housing market area. Although we should also be mindful that there are lesser links between the commission authorities and Bolsover and Nottingham. These are likely to reflect localised links around Hucknall and Nottingham and Warsop and Shirebrook.
- 2.41 Another analysis relating to migration is self-containment rates. Paragraph 11 of the PPG sets out that when defining HMAs:
- “Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (e.g. those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools.”*
- 2.42 We have undertaken this analysis for the Nottingham Outer areas this shows that of the 30,257 people that moved to the HMA in the year leading up to the 2011 census 21,296 of them moved from elsewhere in the HMA. This was the equivalent of 70.4% self-containment rate.
- 2.43 Similarly of the 30,505 people moved from the HMA in the same period. The same number of internal moves reflects a self- containment of 69.8%. While this is below the “Typical 70%” threshold for identifying a HMA it also includes long distance moves. If for example those moves to London are excluded then the self-containment rate increases to 70.4%.

Commuting Patterns

- 2.44 Commuting data from the 2011 Census was released in summer 2014. We have used this to analyse commuting patterns, based on considering the 'catchment areas' of the major employment centres.
- 2.45 For each of the major employment centre we have defined the following catchments:
- Primary Catchment – Which reflects the Middle-Level Super Output Areas (MSOAs) with the highest contribution of employees comprising up to 66% or 75% of the total workforce for the target town/ borough;
 - Secondary Catchment – Which reflects the remaining MSOAs not within the primary catchment with the highest contribution of employees comprising up to 90% of the total workforce for the target town/ borough;
- 2.46 We have approached this at two levels. One which reflects the catchments of major metropolitan areas, i.e. Nottingham, Sheffield, Lincoln and Derby. These reflect the strategic or framework HMAs which cover the local authorities and the immediately surrounding areas.
- 2.47 We have also reviewed at a more local level the catchments of the districts' major employment centres, those being Mansfield, Newark, and Sutton-In-Ashfield. In addition we have also analysed the catchments of Chesterfield and Ilkeston. For both the larger and smaller settlements we have used the entire local authority in which they fall. This also better illustrates self-containment within each of the local authority.
- 2.48 These catchments demonstrate the areas of influence of each of the employment centres. The areas may overlap. The 66% and 75% containment rate we have used for our primary catchment broadly aligns with that used by the ONS to define TTWAs. These were previously produced using the 2001 Census data, with the lower threshold (66%) used for larger settlements with higher threshold (75%) reflecting the localised centres.
- 2.49 In Appendix 1 we map the commuting catchment areas of each of the settlements we have featured. Drawing this analysis together, we plot in Figures 9-11 below. These respectively show the catchments of the major settlements, the localised centres and a combined map of the major and minor settlements.
- 2.50 Figure 9 clearly illustrates the influence of Nottingham across the three districts with all but the eastern side of Newark and Sherwood falling within the City's catchments. Linked by the A46 the eastern part of Newark and Sherwood is influenced by commuting to Lincoln.

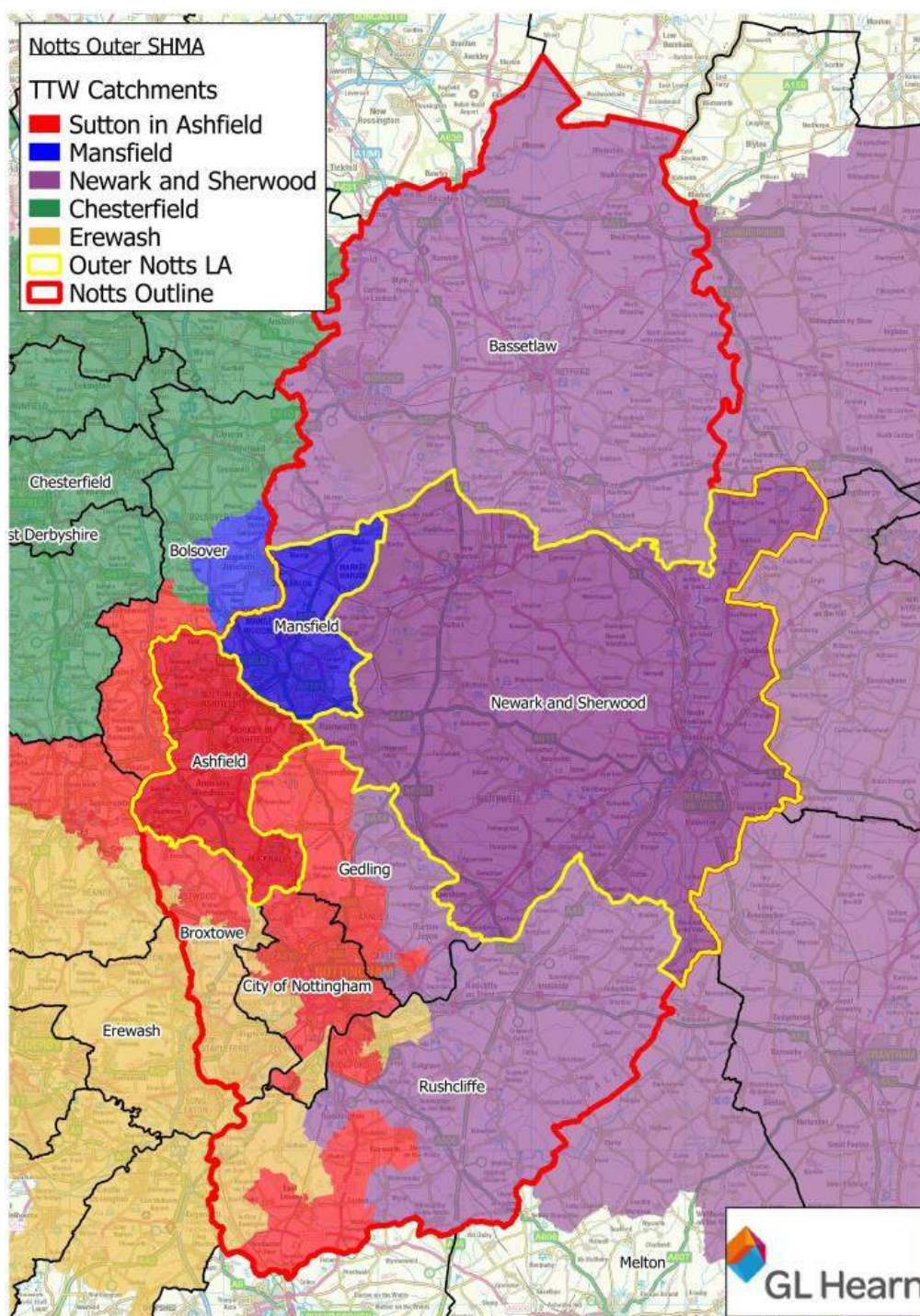
Figure 9: Catchments of Major Employment Centres (2011)



Source: GL Hearn, 2015

- 2.51 Using only the more local centres, each of the local authorities and their constituent MSOAs in their entirety are reliant on employment within their own district. We therefore need to understand the extent to which these local areas are driven more by the major centres than employment within their own district.

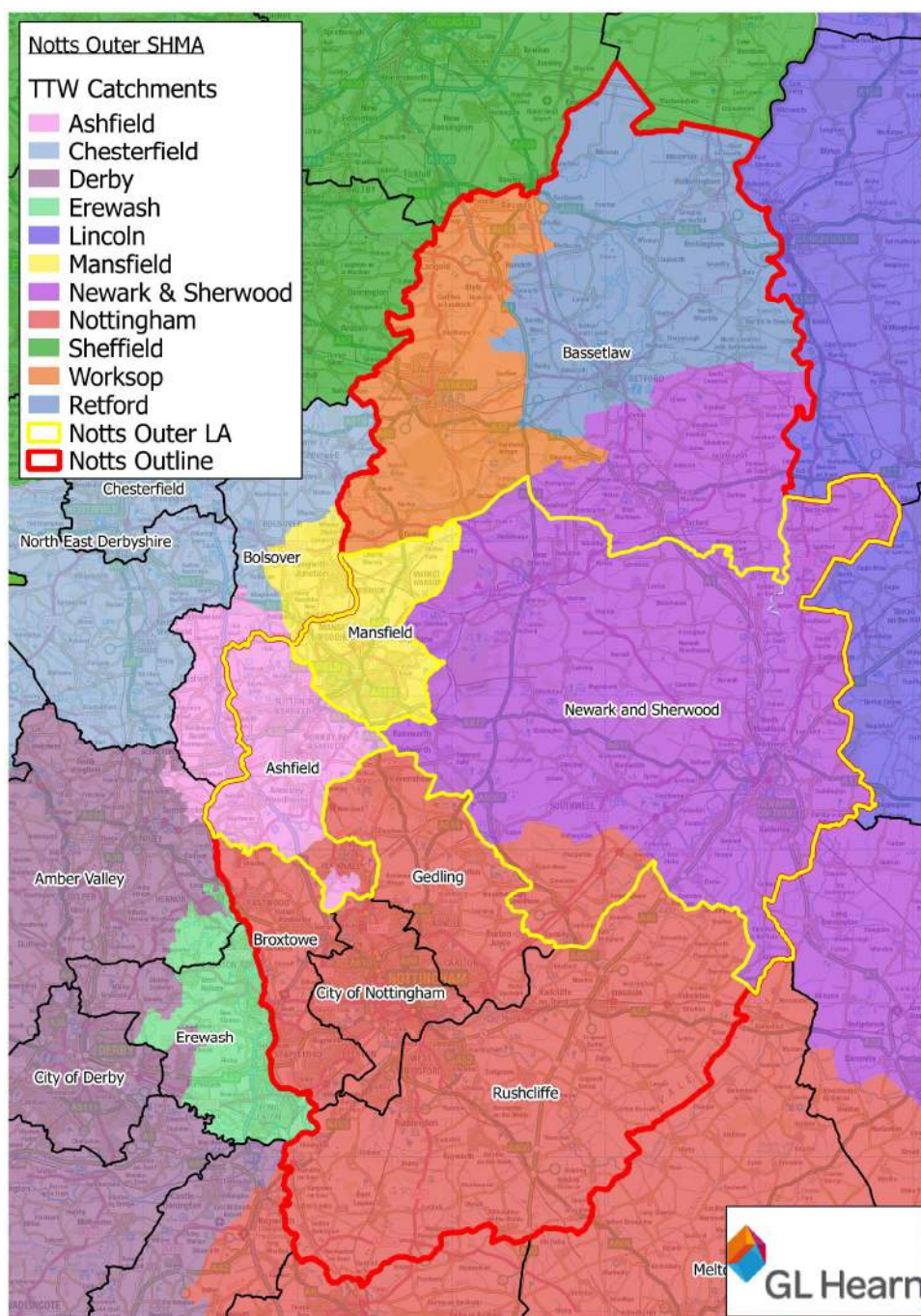
Figure 10: Catchments of Local Employment Centres (2011)



Source: ONS, Census 2011

- 2.52 As figure 11 illustrates the southern parts of Ashfield around Hucknall, and the southern most parts of Newark and Sherwood around Lowdham, are more reliant on Nottingham City for employment. This is related to the tram and train links connecting them to the City.

Figure 11: Dominant Employment Centre (2011)



Source: ONS, Census 2011

- 2.53 The remaining area which comprises the majority of the Nottingham Outer districts see commuting contained within their own authority. Both Mansfield and Ashfield's influence extend north into Bolsover. Newark and Sherwood's influence extends north into the South West of Bassetlaw, although this is a largely rural area with no major settlements in it.

2.54 We have also reviewed the commuting patterns within and between the districts. Again this shows an east/west split in the three Nottingham Outer districts. As the central district Mansfield has strong links to/from both Ashfield and Newark and Sherwood. There are only a relatively minor number of people commuting in either direction between Ashfield and Newark and Sherwood. In the wider context we can see that all three districts have significant links to Nottingham City. There are no other external links of over 2,000 commuters from the Nottingham Outer districts.

Table 2: **Commuting Patterns within Nottinghamshire**

Residence	Workplace								
	Ash-field	Basset-law	Brox-towe	Ged-ling	Mans-field	Newark & Sher-wood	Nott City	Rush-cliffe	Total
Ashfield	19,362	452	1,647	1,629	4,548	1,036	7,571	782	37,027
Bassetlaw	418	26,770	71	232	616	1,489	464	194	30,254
Broxtowe	1,573	82	11,874	1,049	385	354	15,394	1,814	32,525
Gedling	1,947	325	1,416	12,336	1,137	1,410	20,015	2,686	41,272
Mansfield	6,949	1,093	355	1,043	17,969	3,593	2,443	417	33,862
Newark & Sherwood	1,764	1,719	331	1,474	3,132	22,891	3,480	1,109	35,900
Nottingham City	2,860	188	4,890	6,117	872	1,156	67,048	6,962	90,093
Rushcliffe	656	108	1,229	1,585	323	994	15,002	14,223	34,120
Total	35,529	30,737	21,813	25,465	28,982	32,923	131,417	28,187	335,053

Source: ONS, Census 2011

2.55 Resident self-containment can be measured by the percentage of working residents in a given area who also work in the same area. We have reviewed the location of employment for all 131,973 of the three districts' working residents in 2011. This analysis shows that 81,224 of the districts' residents also work in the one of the three districts' (a modest self-containment rate of 61.6%).

2.56 Similarly we have also looked at the wider county data. This shows that there are 416,770 working residents in the county of which 335,053 also work in the County. This translates into a self-containment rate of 80.4%.

2.57 At a local authority level self-containment across the county varies from 26% in Broxtowe and Gedling to 63% in Nottingham. These areas are in effect largely suburbs of Nottingham, as such a large percentage of their working residents, around 50%, commute to the City.

2.58 We have also looked at the resident self-containment i.e. the percentage of residents in a given area who also work in the same area. This shows that 81% of the jobs in Nottinghamshire are taken up by residents of the County.

Table 3: **Residents Containment (2011)**

Residence	Working Residents	Live and Work within Area	% of Residents
Ashfield	47,216	19,362	41.0%
Bassetlaw	43,756	26,770	61.2%
Broxtowe	45,061	11,874	26.4%
Gedling	46,382	12,336	26.6%
Mansfield	41,091	17,969	43.7%
Newark & Sherwood	43,666	22,891	52.4%
Nottingham City	105,246	67,048	63.7%
Rushcliffe	44,352	14,223	32.1%

Source: ONS

- 2.59 Overall the Nottingham Outer area has a job self-containment rate of 68.1%. Ashfield has the lowest self-containment of the three Nottingham Outer districts at 43%. This is driven by large numbers of people from Bolsover, Mansfield and Nottingham entering the district for work.

Table 4: **Workforce Containment (2011)**

	Jobs	Live in Notts	Live in LA	County Containment	LA Containment
Ashfield	45,131	35,529	19,362	78.7%	42.9%
Bassetlaw	42,935	30,737	26,770	71.6%	62.4%
Broxtowe	30,879	21,813	11,874	70.6%	38.5%
Gedling	27,773	25,465	12,336	91.7%	44.4%
Mansfield	33,884	28,982	17,969	85.5%	53.0%
Newark & Sherwood	40,223	32,923	22,891	81.9%	56.9%
Nottingham City	156,783	131,417	67,048	83.8%	42.8%
Rushcliffe	35,134	28,187	14,223	80.2%	40.5%

Source: Census 2011

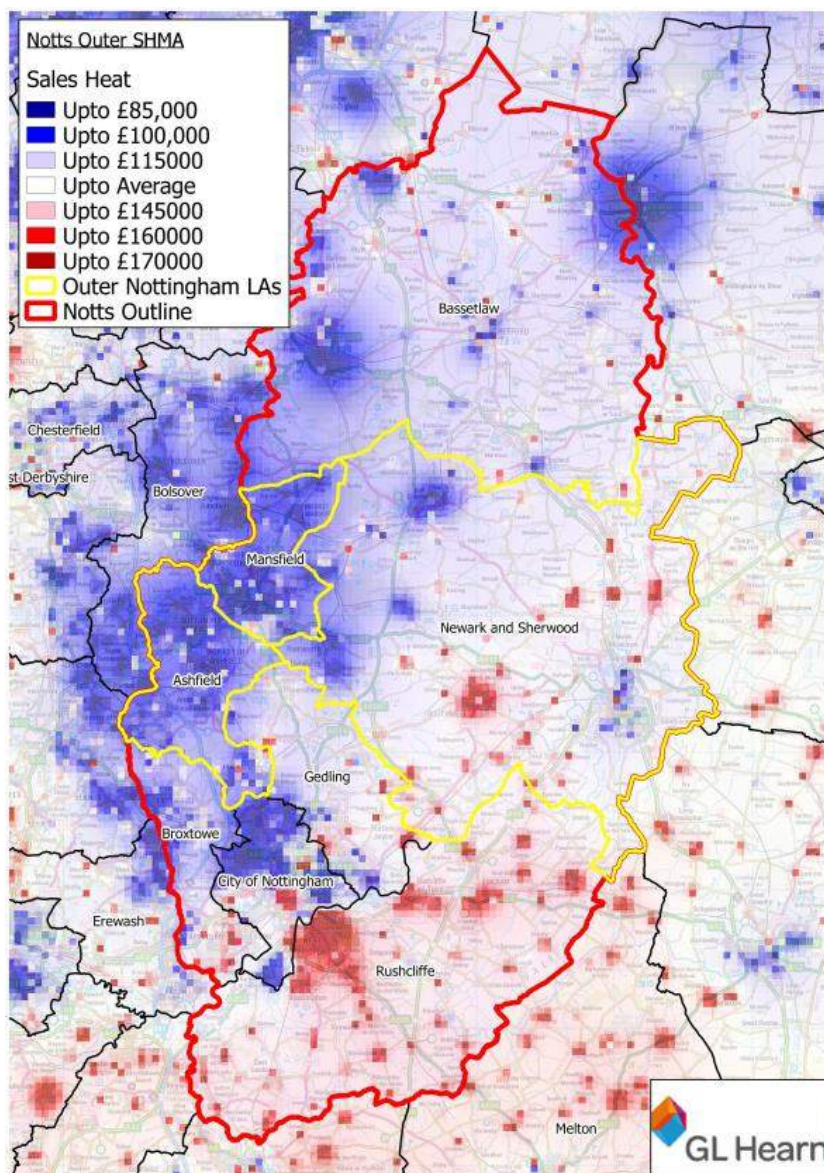
- 2.60 In conclusion, the commuting patterns suggest a modest level of self-containment within the three districts although there are also strong links to Nottingham from each. This is perhaps unsurprising given that it is by far the largest employment centre in the County.
- 2.61 As with the migration trends Mansfield, as the central of the three districts, provides both workers and employment to a large number of Ashfield and Newark and Sherwood's businesses and residents. By this measure alone the data indicates a single housing market area, but it is of course just one of a number of indicators.

House Prices

- 2.62 The National Planning Practice Guidance also recommends that house prices and house price change are considered when identifying Housing Market Areas.

- 2.63 We have taken average sales prices for both terraced and semi-detached properties across the East Midlands and Yorkshire and Humber regions. These typologies reflect mid-range property types and seeks to strip out the impact of dominant house typologies i.e. clusters of larger detached or smaller flatted properties.

Figure 12: Average Semi-detached and Terraced House Price (2013-14)



Source: HM Land Registry, 2015/ GL Hearn

- 2.64 As Table 5 sets out, there is a clear reduction in average prices in Ashfield and Mansfield Districts, (along with north Nottingham) compared to the south of the County. There are also pockets of low prices in the western parts of Newark and Sherwood around Blidworth, Rainworth, Bilsthorpe and New Ollerton.

- 2.65 Newark and Sherwood also has pockets of relatively expensive house prices, particularly around Southwell. House prices in Newark town are broadly reflective of average semi and terraced house prices across the two regions (£130,000).
- 2.66 We have also reviewed the average price of houses in each of the Nottingham authorities. Mansfield and Ashfield are two of the lower cost authorities in the county. Whereas Newark and Sherwood has the second highest average price in the county

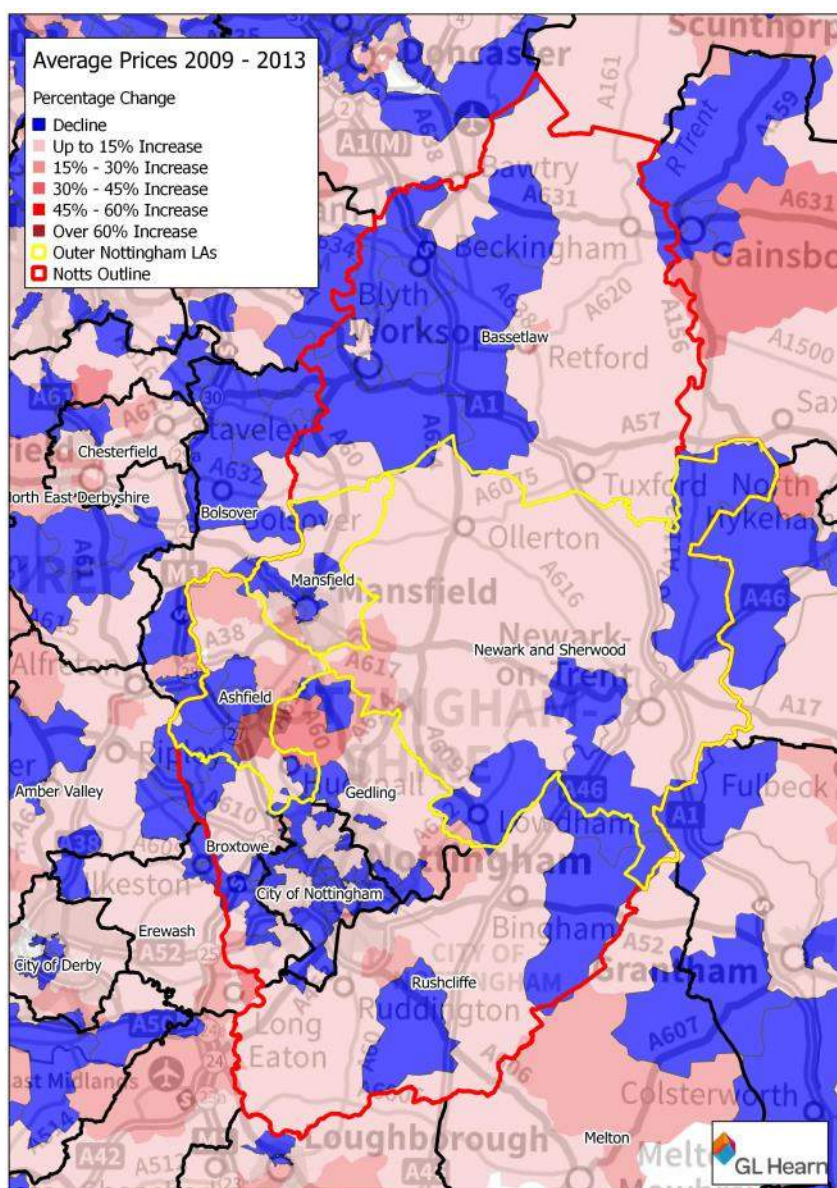
Table 5: **Average House Price (2013 – 2014)**

Local Authority	Average Price
Rushcliffe	£233,767
Newark and Sherwood	£175,711
Gedling	£156,600
Broxtowe	£154,382
Bassetlaw	£144,395
Ashfield	£124,258
City of Nottingham	£123,102
Mansfield	£122,057

Source: HM Land Registry, 2015/ GL Hearn

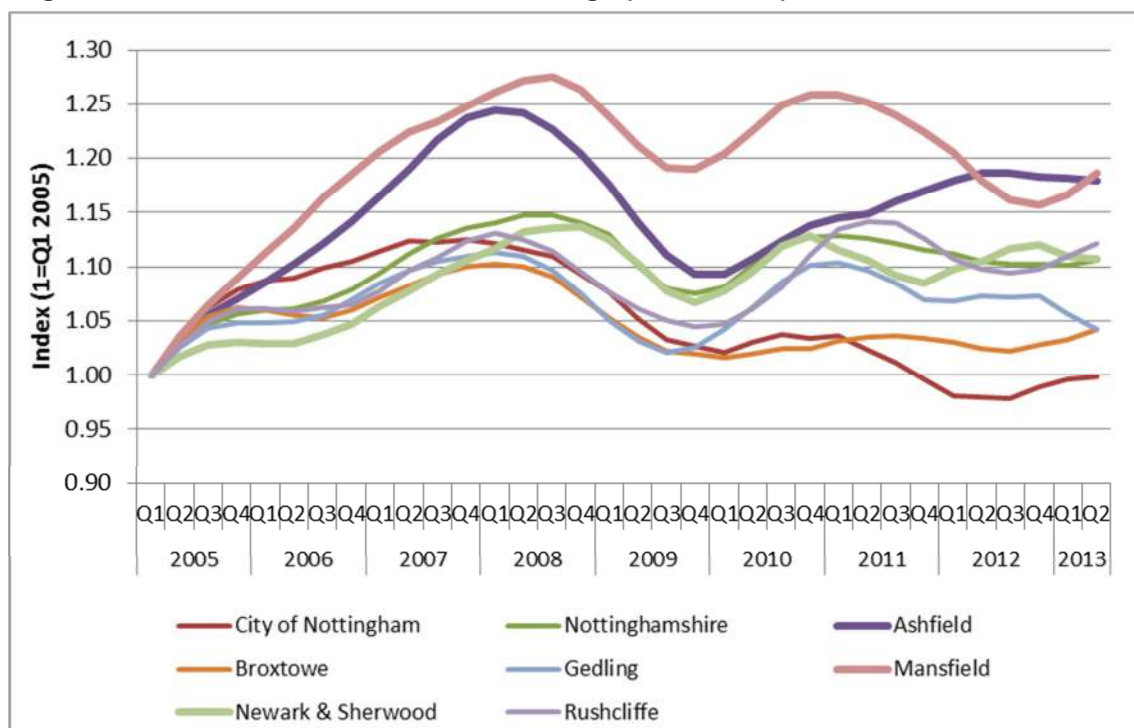
- 2.67 Figure 13 illustrates the change in average house (all types) prices between 2009 and 2013 at a postal sector level. This illustrates pockets of change across the county, most notably large parts of the City of Nottingham and Bassetlaw, both of which has seen a significant decline in prices. Much of the rest of the County has seen modest rises over this period.
- 2.68 The postal sectors in Mansfield and Newark and Sherwood have seen either a low increase or decline in average house prices over the last 4 years. Ashfield has seen a wider variation in the change in house prices. Areas around the new development between Annesley and Newstead (the latter of which falls outside of the District) have resulted in high house price growth.

Figure 13: Average House Price Change By Postal Sector (2009-2013)



- 2.69 We have also looked at house price changes in each of the local authorities as a whole, over a longer period (since 2009). As Figure 14 shows, Ashfield and Mansfield have seen similar high levels of growth compared to the other Nottinghamshire authorities.
- 2.70 Although showing similar, albeit lower, trends to Mansfield and Ashfield, Newark and Sherwood has also seen one of the largest indexed median house price gains since 2011. The three Nottingham Outer authorities along with Rushcliffe have shown the largest indexed growth since 2005.

Figure 14: Indexed Median House Price Change (2006 – 2013)



Source: CLG, 2014

- 2.71 Drawing the house price analysis together there is clear correlation between Mansfield and Ashfield. There are also similarities with these districts and the west of Newark and Sherwood. Broadly parts of Mansfield and Newark and Sherwood have also seen similar change in house prices over the last few years although longer term Mansfield is more closely aligned with Ashfield.
- 2.72 By this measure alone the data indicates more than one housing market area is in operation across the Nottingham Outer districts, with Mansfield and Ashfield more closely linked than Newark and Sherwood. However, as with the other indicators this information should not be viewed in isolation.

Conclusions regarding HMA Geographies

- 2.73 There is no single resource or approach for identifying housing market areas, although the NPPG suggests that they should draw on migration, commuting and house price dynamics. How these factors are weighted can affect how housing market areas are defined.
- 2.74 The Planning Advisory Service (PAS) *Technical Advice Note on Objectively Assessed Need & Housing Targets* (Peter Brett Associates, 2014) suggests that Housing Market Areas can be defined based on pre-existing relationships or partnerships between authorities, including Local Enterprise Partnerships (LEPs) and joint planning units. This definition could perhaps be expanded to include the existing relationship between the Nottingham Outer authorities. Particularly given that

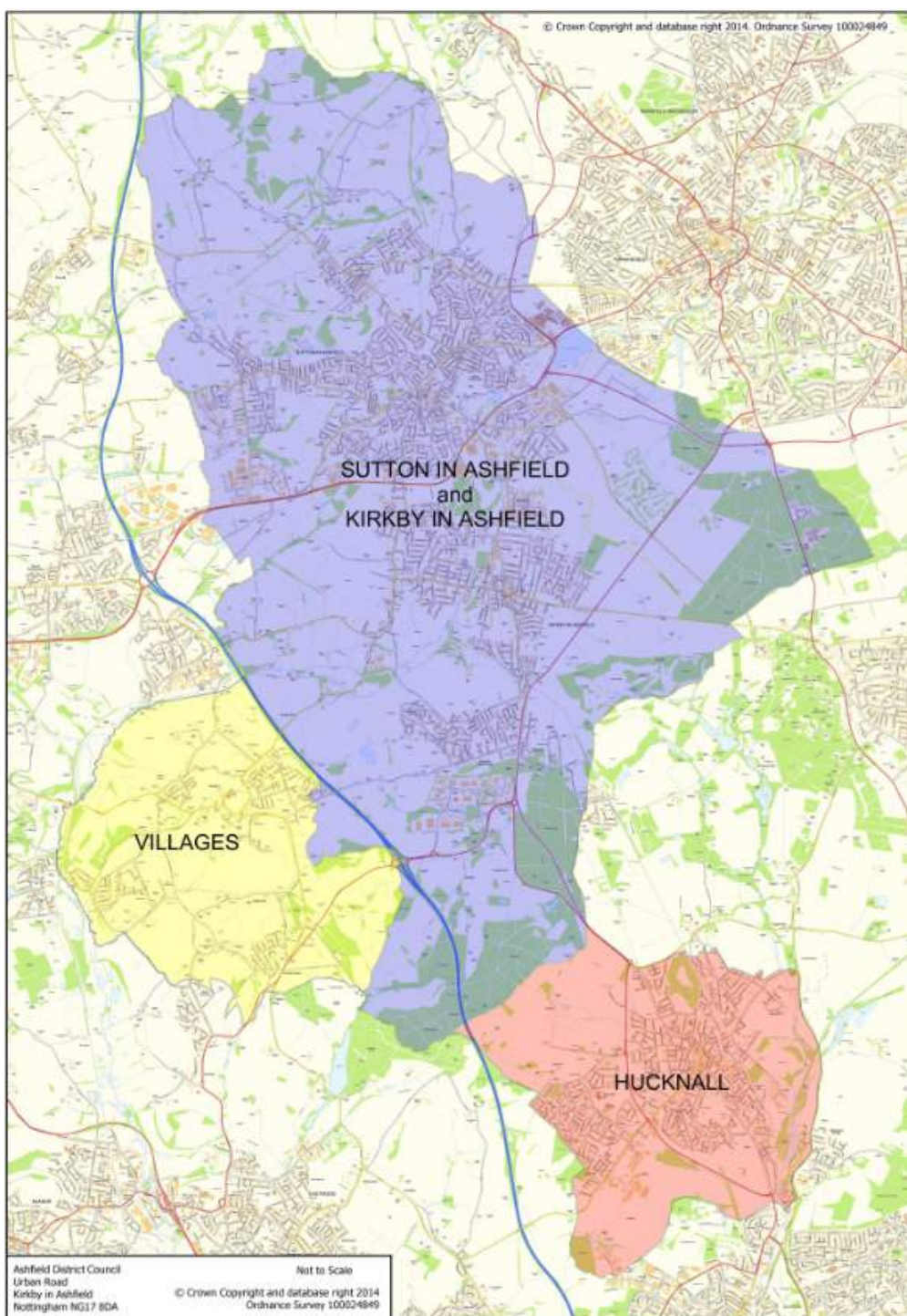
any such HMAs should be sense-checked against the CURDs geography and recent migration and commuting data, which we have done in this report.

- 2.75 In Nottinghamshire, both migration and commuting data suggests links between the Nottingham Outer authorities. This is consistent with how market areas have previously been defined. The house price data also suggests strong links between Ashfield and Mansfield and the western parts of Newark and Sherwood.
- 2.76 More widely there are also relationships with Bolsover and in particular the City of Nottingham. However, these links are largely localised and would not justify the Nottingham Outer local authorities being placed in the same HMA. Furthermore although this reflects the reality of spatial relationships, for pragmatic reasons we would recommend that HMAs are drawn on the basis of local authority boundaries. This approach is supported by the PAS Technical Advice Note and also recognises that key demographic data on migration and official population and household projections are not published below local authority level.
- 2.77 We would therefore conclude that Ashfield, Mansfield and Newark and Sherwood in view of all the current and historic evidence, as well as the existing ties, comprise a single housing market area. This is both a practical solution but also one based on the balance of evidence presented. The extent of the area reflects that shown in Figure 1.
- 2.78 However, it is important to recognise that in reality the market areas are not defined by hard and fast boundaries and in areas close to the defined boundaries, there are relationships and interactions in several directions. Similarly reflecting the geography of markets on the ground, significant housing development in a settlement may influence surrounding areas. However for strategic planning purposes, we have identified a single HMAs based on a 'best fit' to local authority boundaries as a practical solution to support analysis and policy development.

Sub Area Geographies

- 2.79 As well as the HMA geographies we have also been asked to review sub-areas within each local authority. These were previously defined by the local authorities themselves. The following maps illustrate the sub-areas which are to be reviewed.
- 2.80 Three sub-areas have been identified in Ashfield District, as shown in Figure 15. These comprise Hucknall; Sutton-in-Ashfield and Kirby-in-Ashfield; and the Villages to the west of the M1.

Figure 15: Ashfield Sub Areas



Source: Ashfield District Council

- 2.81 Five sub-areas are examined in Newark and Sherwood District. These relate to Newark, Sherwood and Southwell; and areas in the fringes of Nottingham and Mansfield which relate strongly to the adjoining urban areas.

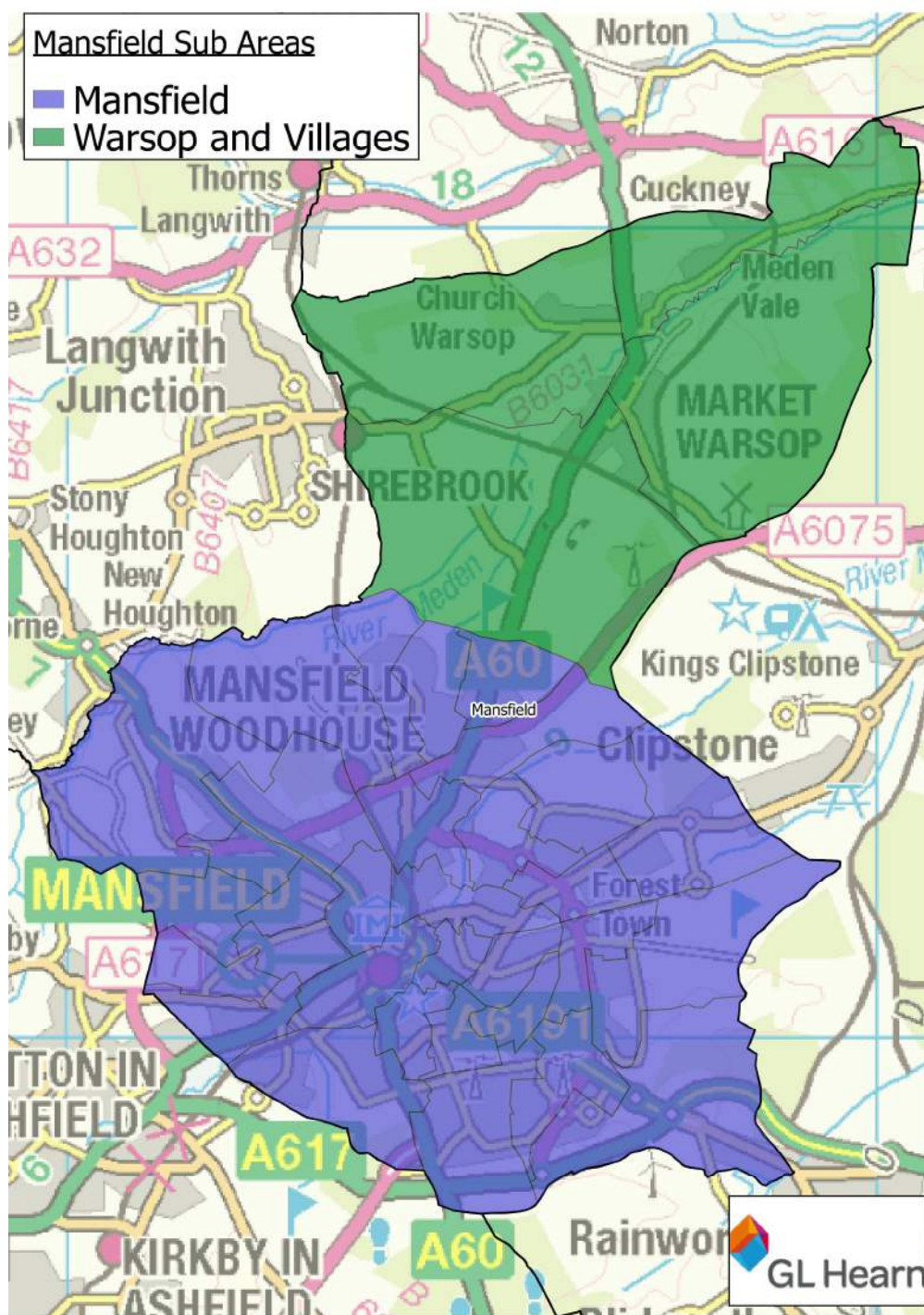
Figure 16: Newark and Sherwood Areas



Source: Newark and Sherwood District Council

- 2.82 We were asked to review two sub areas of Mansfield District. These areas reflect Mansfield Town and the immediately surrounding areas and Market Warsop and the other villages in the North of the District.

Figure 17: Mansfield Sub- Areas



Source: GL Hearn

3 UNDERSTANDING THE NOTTINGHAM OUTER HOUSING MARKET

- 3.1 In this section we consider the characteristics of the population and housing stock in the Nottingham Outer area.

Population

Population Growth

- 3.2 The population of the Nottingham Outer HMA totalled 343,666 persons in mid-2013⁶. Of the three authorities, Ashfield has the highest population, Mansfield has the smallest proportions of the HMA's population.
- 3.3 The HMA comprises 31% of the county's population (including Nottingham City) and 7.5% of the East Midlands population.

Table 6: **Nottingham Outer HMA Population, 2013**

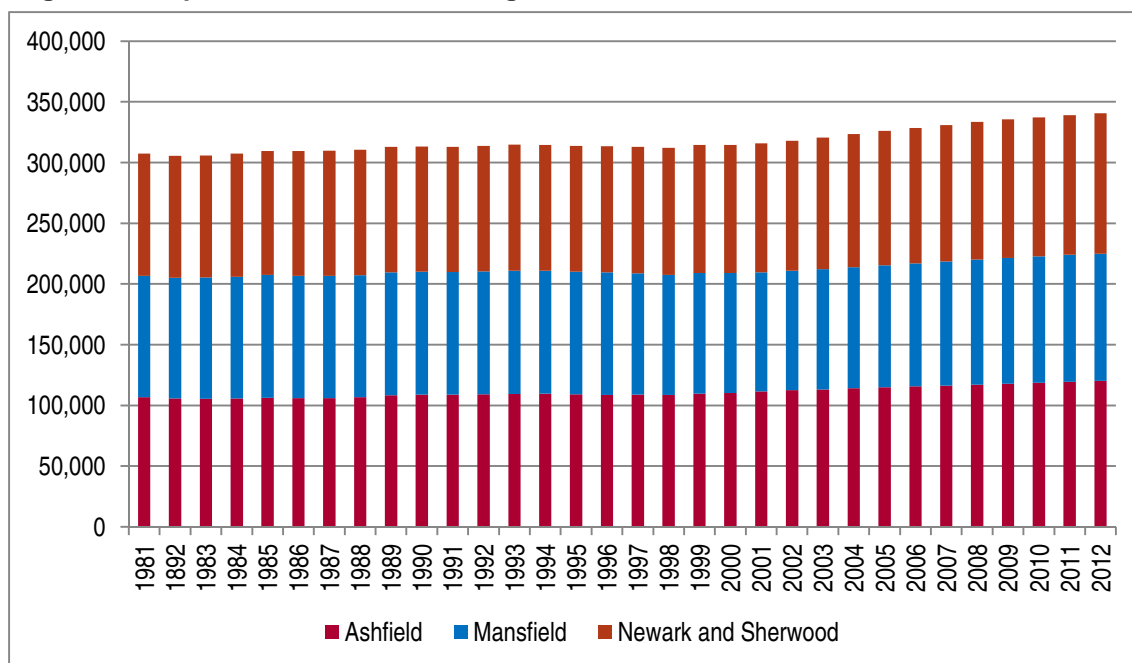
Area	Population, 2013
Ashfield	121,553
Mansfield	105,296
Newark and Sherwood	116,817
Nottingham Outer HMA	343,666
Nottingham and Nottinghamshire	1,107,100
East Midlands	4,598,729

Source: ONS Mid-Year Population Estimates

- 3.4 Figure 18 indicates how the population has changed since 1981. This shows a steady growth in the Nottingham Outer HMA's population with an annual average growth rate of 0.2%. There has been a particular high level of growth since 2001.

⁶ ONS 2013 Mid-Year Population Estimates

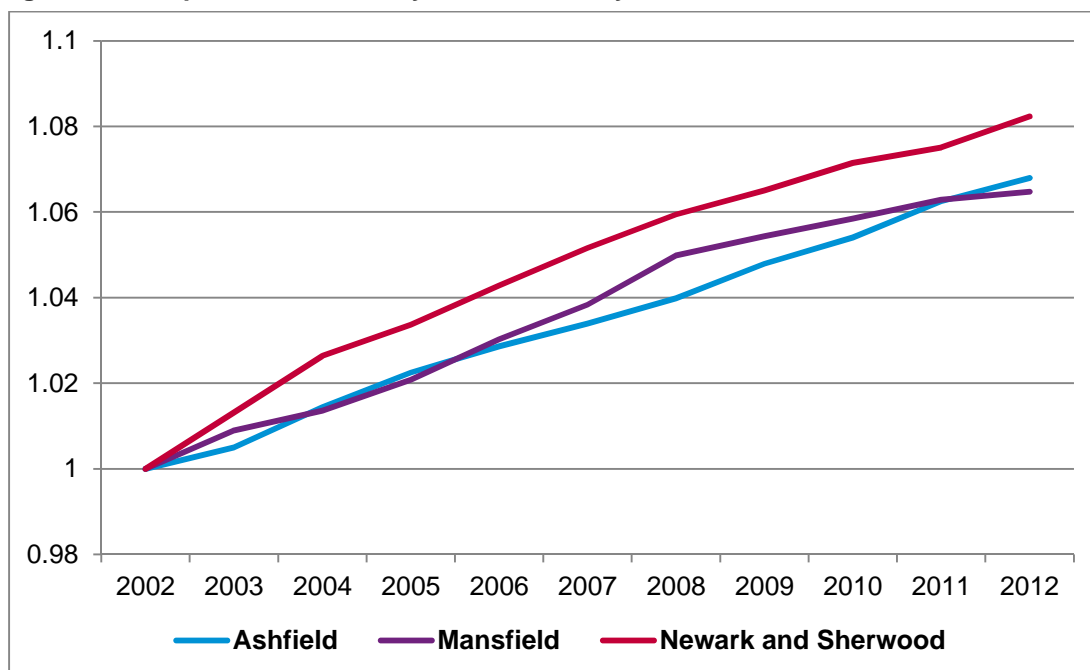
Figure 18: Population Growth in Nottingham Outer HMA 1981-2012



Source: ONS Mid-Year Population Estimates

- 3.5 Figure 19 shows the indexed population growth in each of the local authorities in the HMA. Over this period, the population in Ashfield grew by 7,083 (6%), Mansfield by 5,487 (5%) and Newark and Sherwood by 7,402 (7%).

Figure 19: Population Growth by Local Authority, 2003-12



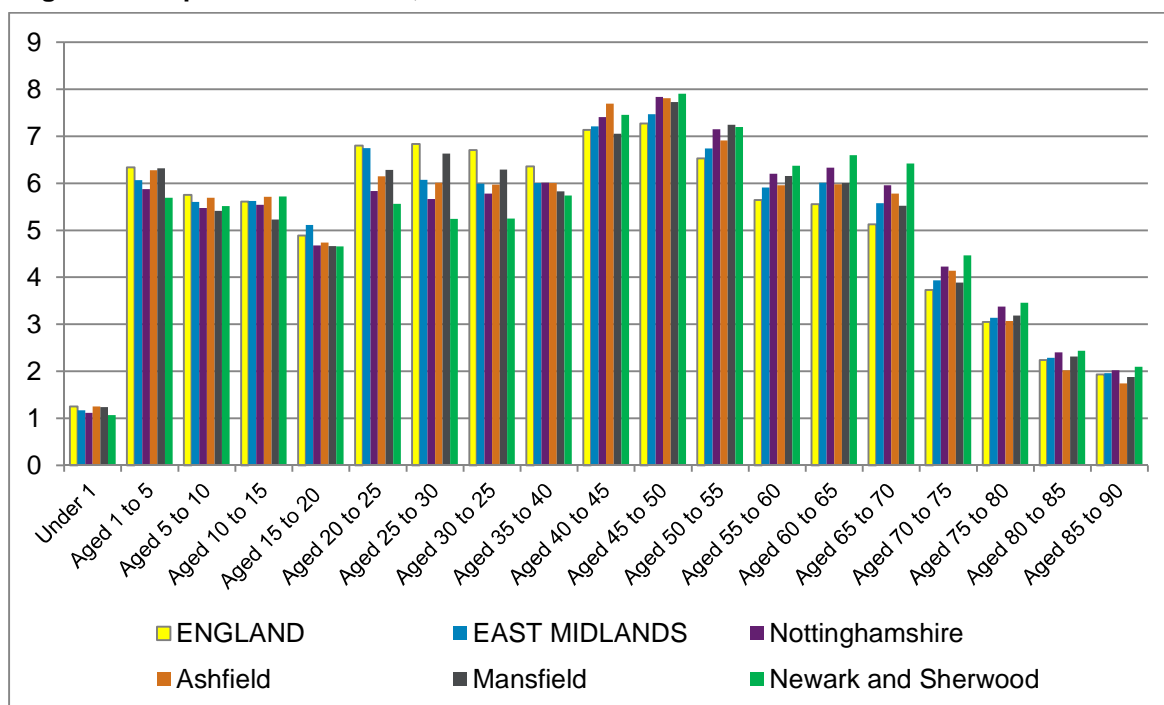
Source: ONS Mid-Year Population Estimates

- 3.6 ONS population projections (which are considered in Section 4) are based on past population trends, principally over the 5-6 years prior to the base date of the projections. The latest projections are 2012-based.

Population Structure

- 3.7 Population growth and housing need are influenced not just by the growth of the population, but by the population structure.
- 3.8 In general the HMA population structure differs very little from that of the East Midlands and England as a whole. The population structure of Newark and Sherwood has a marginally higher percentage of residents aged 40 and over.
- 3.9 Ashfield has a particular concentration of 35 to 45 the result of which is a corresponding high level of children aged 15 and under. By comparison Newark and Sherwood has a slightly older demographic with high levels of population in all age groups from 55 and over. Mansfield has the highest concentrations of those aged 20 to 35. Again this corresponds to a high percentage of younger children aged 5 and under.

Figure 20: Population Structure, 2013

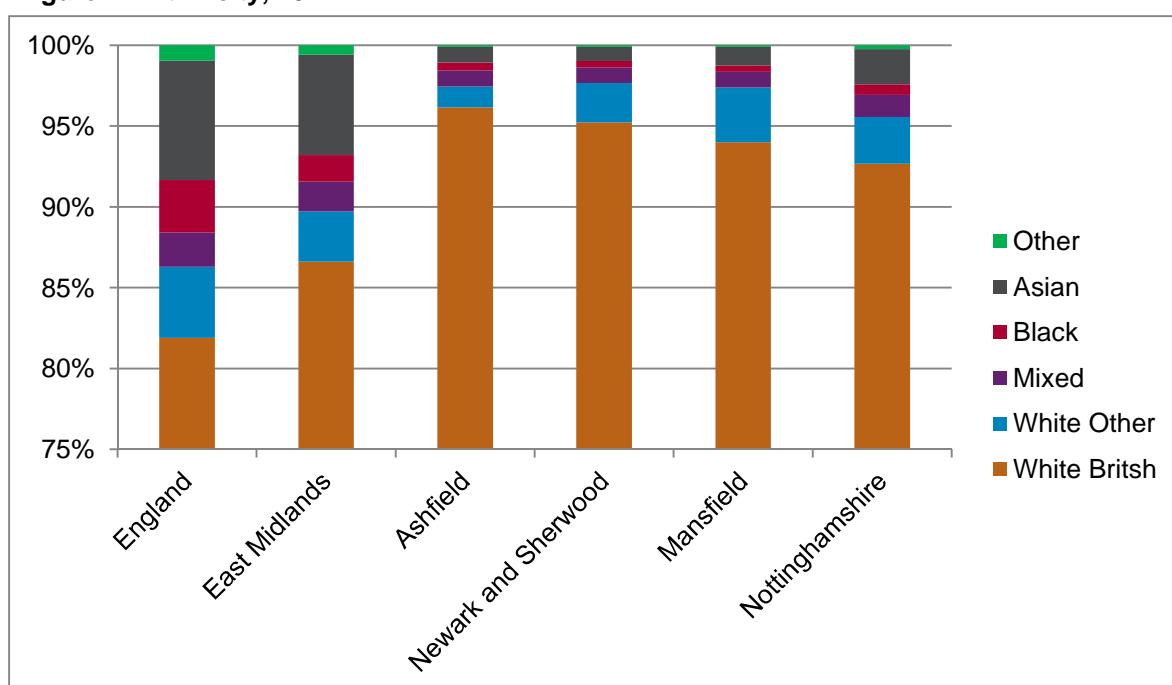


Source: ONS 2013 Mid-Year Population Estimates

Ethnicity

- 3.10 There is a broad correlation in the ethnic composition of the Nottingham Outer HMA and within the three administrative areas. The majority of the population in Mansfield, Newark and Sherwood and Ashfield in 2011 identify as White British (over 93%).
- 3.11 By comparison the equivalent figure across England is only 82% and 89% for the East Midlands Region. Other than white British the only other ethnic group with over 1% in all areas is Asian / Asian British.

Figure 21: Ethnicity, 2011

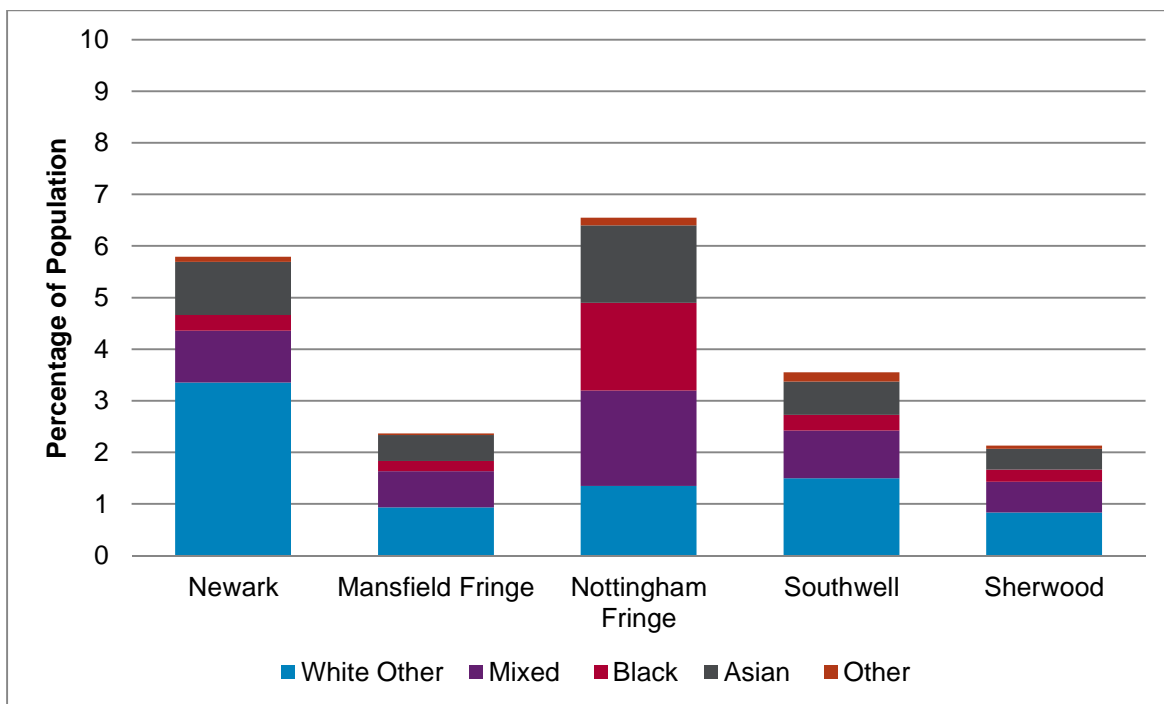


Source: ONS Census 2011

- 3.12 Mansfield has the most diverse population with largest percentage of non-white British residents at 6.2%. The other local authorities have broadly similar levels of non-white British persons at 4.9% and 3.9% of the population in Newark and Sherwood and Ashfield respectively.
- 3.13 We have also analysed the ethnic profile of the sub areas. It should be noted that the graphs in figures 22 to 24 shows only the population which is not part of the White: British Group.
- 3.14 Within Newark and Sherwood the most diverse location is the Nottingham Fringe area. This is driven by a relatively largely mixed race population as well as Black and Asian groups. The Sherwood Sub-area has the least diverse population with only around 2% of the population not identifying as white British.

- 3.15 The Newark area has the highest percentage of “White Other” persons. This includes Irish and other white European groups.

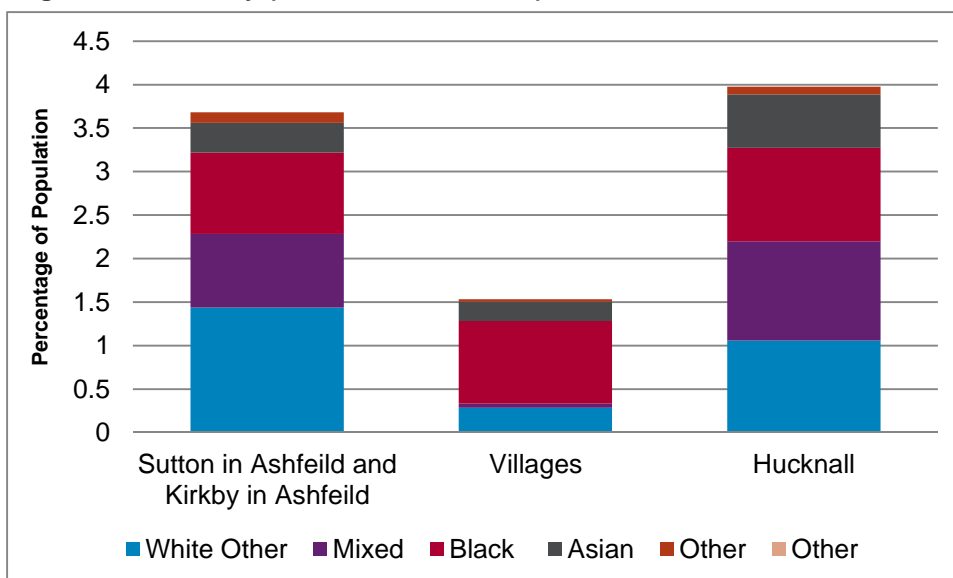
Figure 22: Ethnicity (Non “White: British”), 2011 - Newark and Sherwood



Source: ONS Census 2011

- 3.16 Similar to Nottingham Fringe (and perhaps reflecting both their proximity to the City) Hucknall is the most diverse of the Ashfield sub areas with almost 4% of the population not self-identifying as White British. The largest of these groups is the mixed race population (1.1%). The Sutton and Kirkby in Ashfield sub area has a slightly lower overall percentage of non-white British than Hucknall although it has a slightly higher percentage of White Other persons.

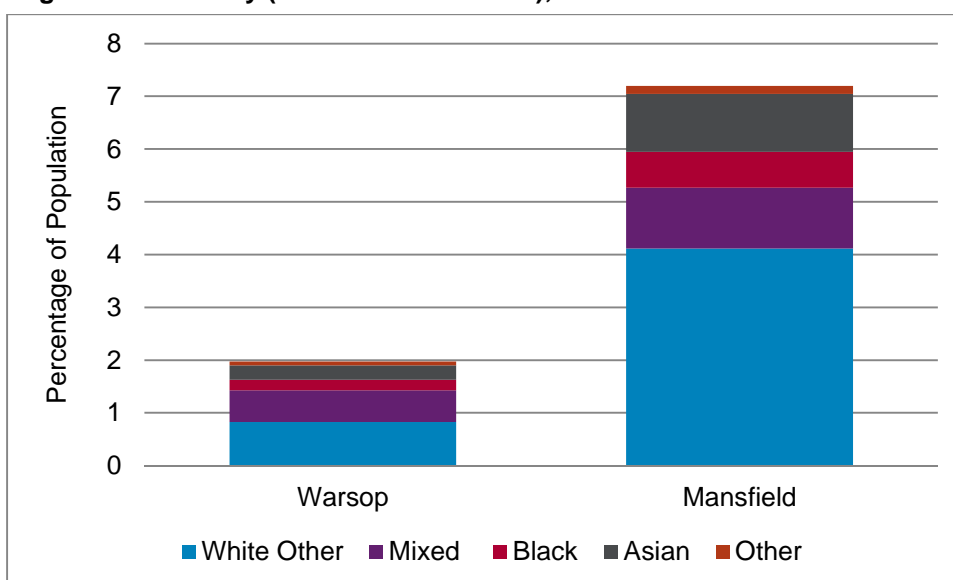
Figure 23: Ethnicity (Non “White: British”), 2011 - Ashfield



Source: ONS Census 2011

- 3.17 There is quite a significant difference in the Mansfield District sub areas with over 7% of the population in Mansfield being non-white British but only 2% of the Warsop population being of the same groups.

Figure 24: Ethnicity (Non “White: British”), 2011 - Mansfield



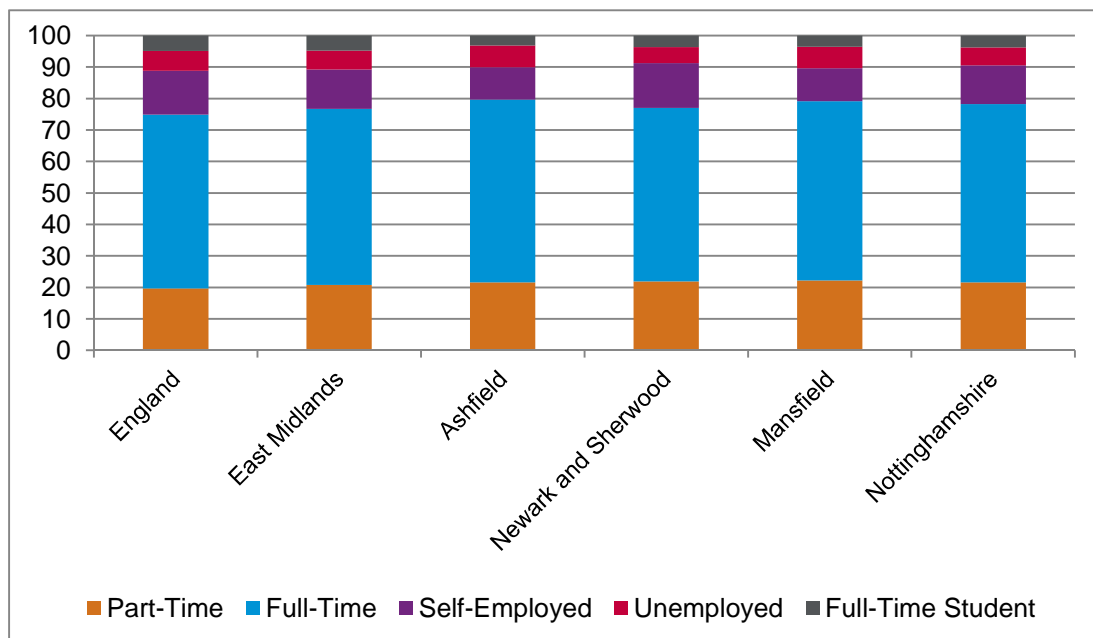
Source: 2011 Census

- 3.18 The diversity in Mansfield is largely driven by the White other group which comprises 4.1% of the entire population of the sub-area.

Labour Market Characteristics

- 3.19 In Section 5 we consider the inter-relationship between the economy and housing market. This is influenced in part by labour market characteristics, including the proportion of people in work and how the population structure is expected to change over time.
- 3.20 The 2011 Census indicated that an average of 62% of the population (aged 16 to 74) of the HMA are economically active, that is, those of working age who are either in employment or not in employment but seeking work. This figure is the same across the East Midlands and England as a whole.
- 3.21 Of the economically active population, around 87% are employees, around 11% are self-employed and 6% are unemployed. This pattern is similar to regional proportion with slightly higher levels of employment and unemployment and lower levels of self-employment.
- 3.22 Figure 25 shows the proportions of economically active residents across the Nottingham Outer local authorities, and the employment status of these residents. Newark and Sherwood has a significantly higher percentage in self-employment and lower levels of unemployment. Ashfield has the highest percentage of full-time employees whereas Mansfield has the highest percentage of part-time employees.

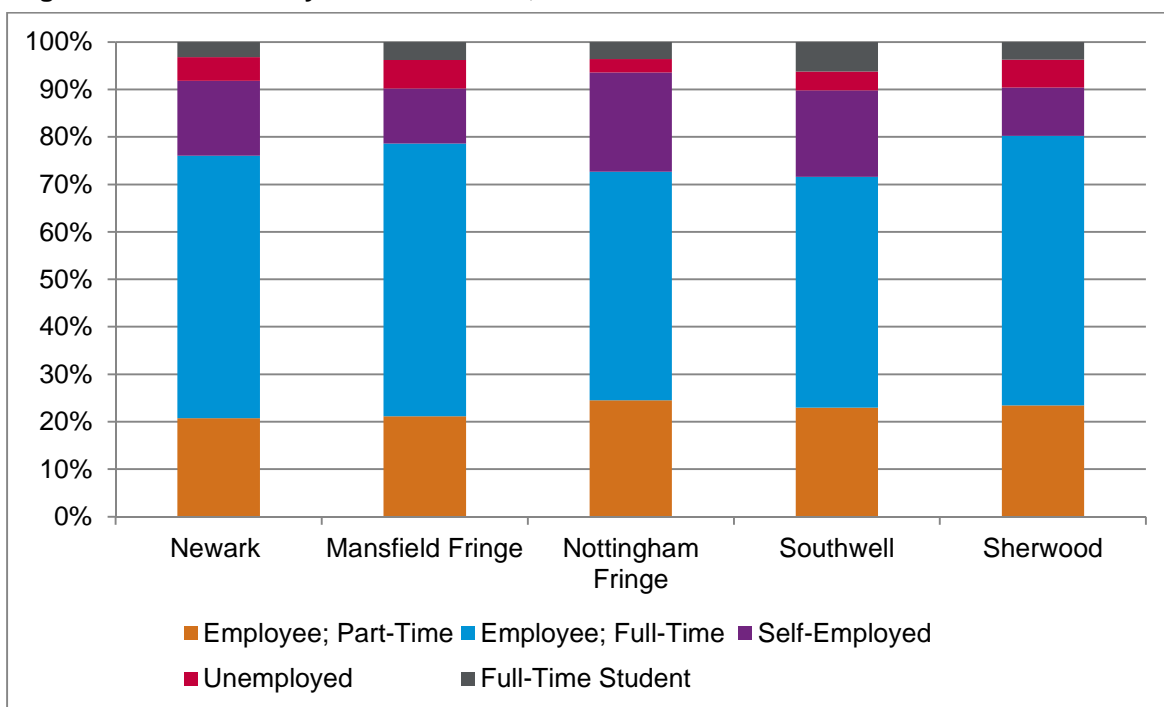
Figure 25: Economically Active Residents, 2011



Source: 2011 Census

- 3.23 Within the local authority subareas, there isn't a large discrepancy within the authorities. In Newark and Sherwood, the Nottingham Fringe area has a higher percentage in self-employment and lower levels of unemployment. The Mansfield Fringe area has the highest unemployment levels.

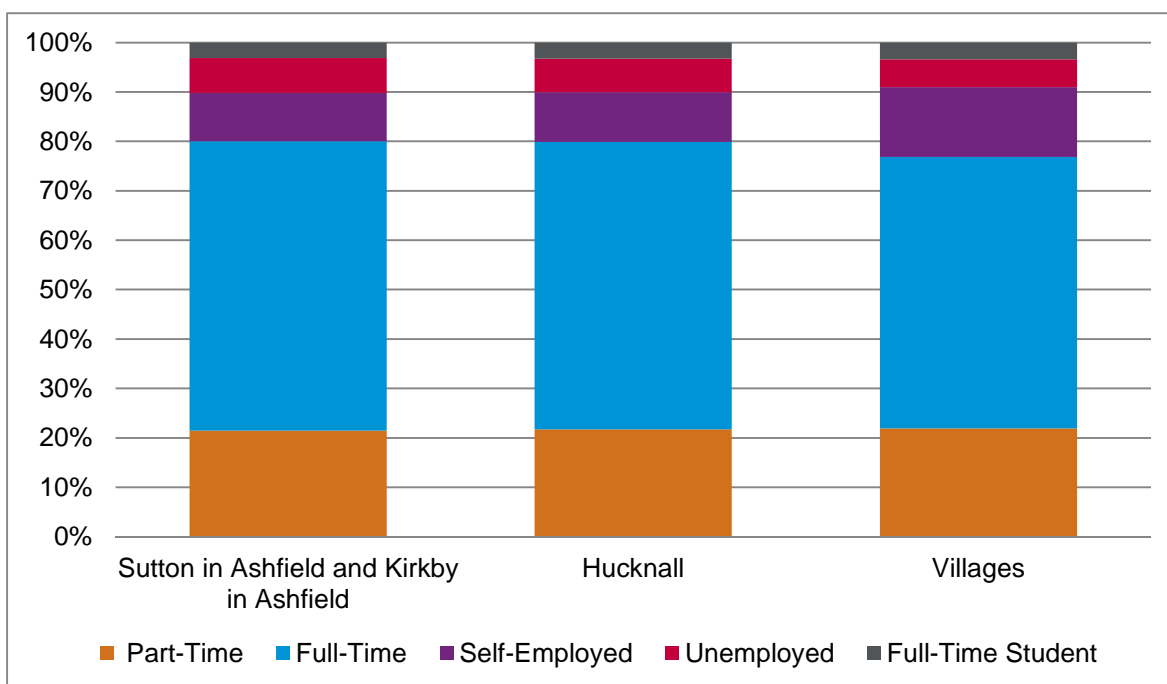
Figure 26: Economically active residents, 2011 - Newark and Sherwood



Source: 2011 Census

- 3.24 The sub areas in Ashfield district are broadly aligned although the villages have a higher percentage of self-employment and lower levels of unemployment.

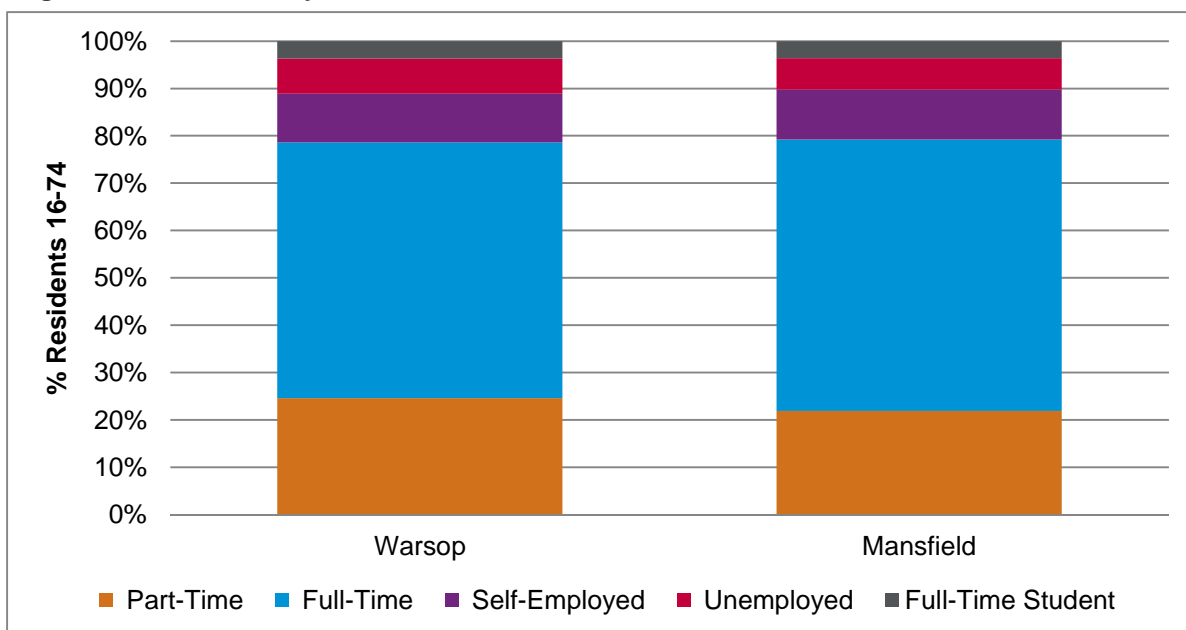
Figure 27: Economically active residents, 2011 - Ashfield



Source: 2011 Census

- 3.25 Similarly the sub areas in Mansfield district are broadly aligned although Mansfield has a slightly higher percentage of self-employment and lower levels of unemployment than Warsop.

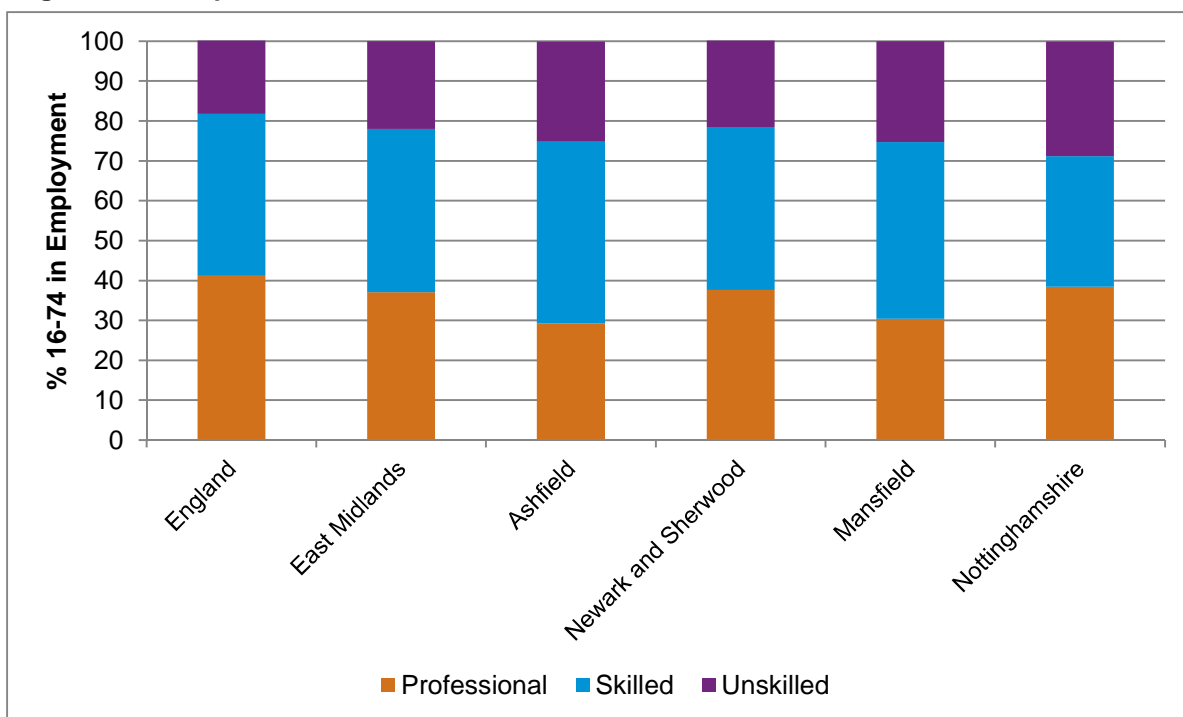
Figure 28: Economically active residents, 2011 - Mansfield



Source: 2011 Census

- 3.26 Figure 29 shows the occupational profile of Nottingham Outer HMA local authorities as a percentage of the working age population currently employed in each of the 9 major occupation groups.
- 3.27 The Local Authorities' economic profile differs from that of England as a whole as the area has a larger proportion of the working population in skilled and unskilled occupations and a lower percentage working in professional occupations.

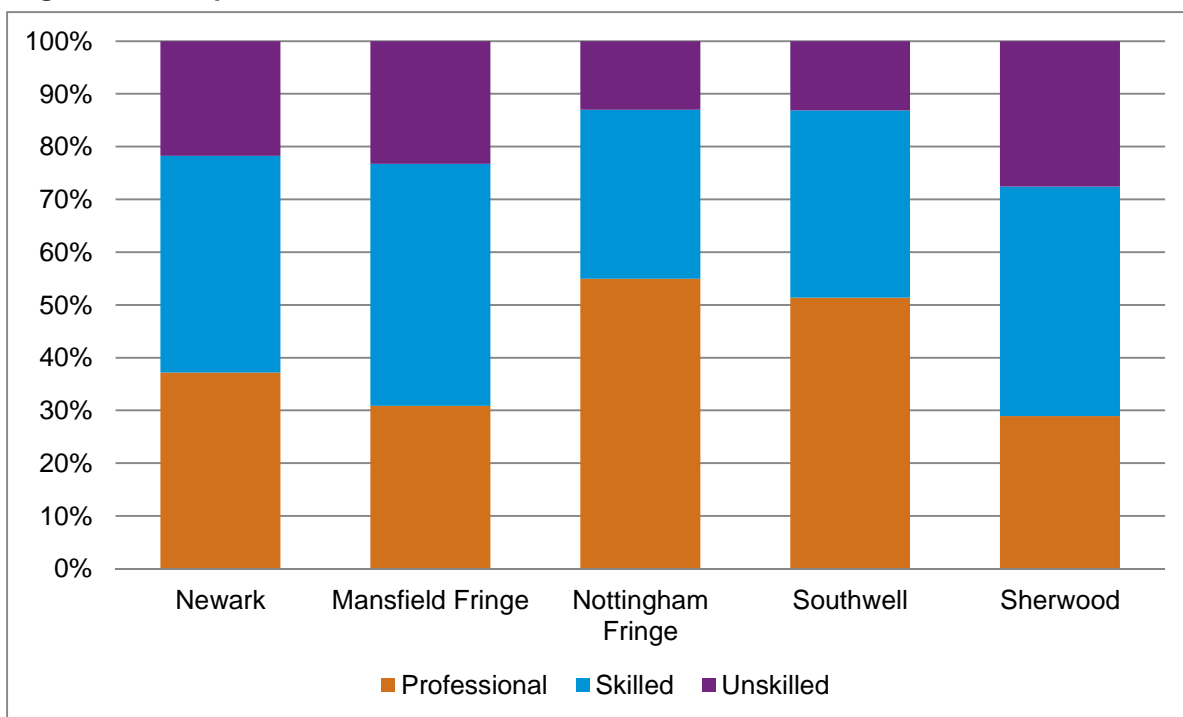
Figure 29: Occupational Profile, 2011



Source: 2011 Census

- 3.28 Within Newark and Sherwood the Nottingham Fringe and Southwell sub-areas have a significantly larger proportion of residents in professional occupations. This could reflect the areas proximity to Nottingham its self.

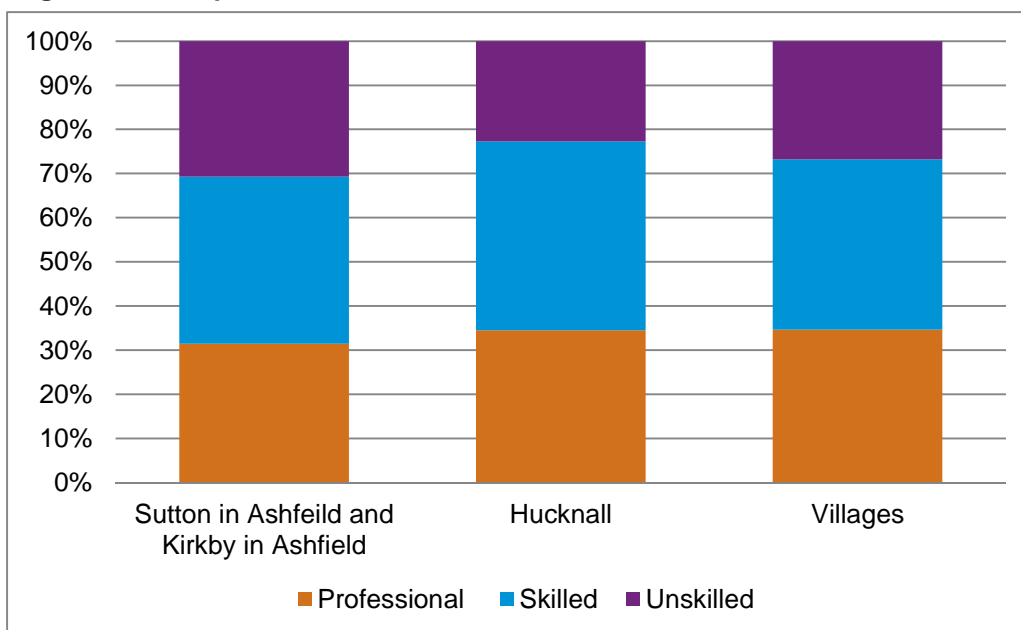
Figure 30: Occupational Profile, 2011 - Newark and Sherwood



Source: 2011 Census

- 3.29 A similar pattern is seen in Ashfield where those areas closest to Nottingham have the highest percentage of professional residents. Unskilled residents in Sutton and Kirkby in Ashfield comprise around 27% of the employed population which compares to just 18% nationally.

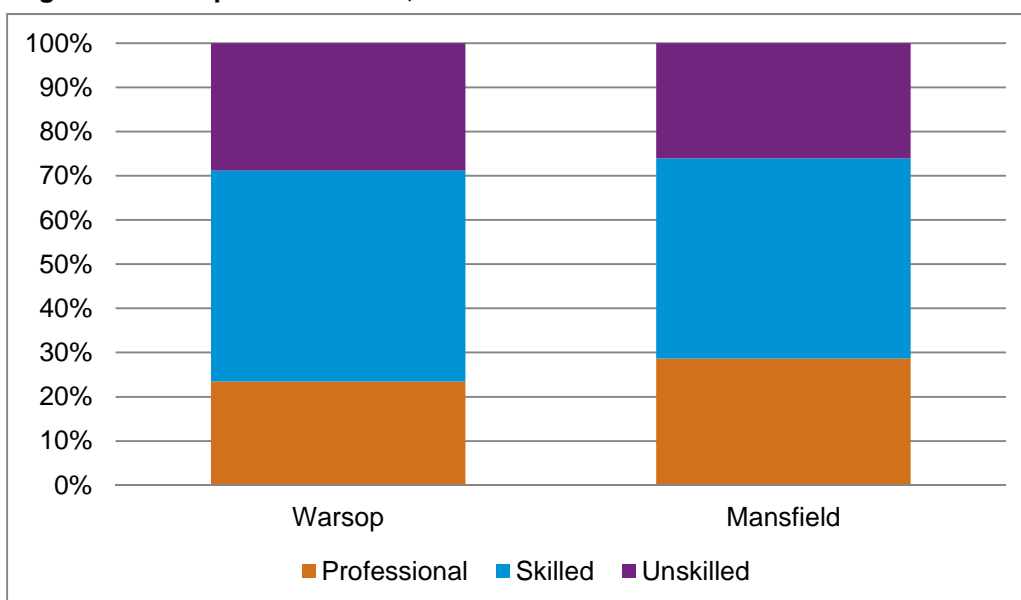
Figure 31: Occupational Profile, 2011 - Ashfield



Source: 2011 Census

- 3.30 Mansfield also has a higher percentage of residents employed in Professional occupations in comparison to Warsop. Conversely Warsop has a much higher percentage of residents in unskilled occupations (28%). This is the highest of any of the sub areas.

Figure 32: Occupational Profile, 2011 - Mansfield

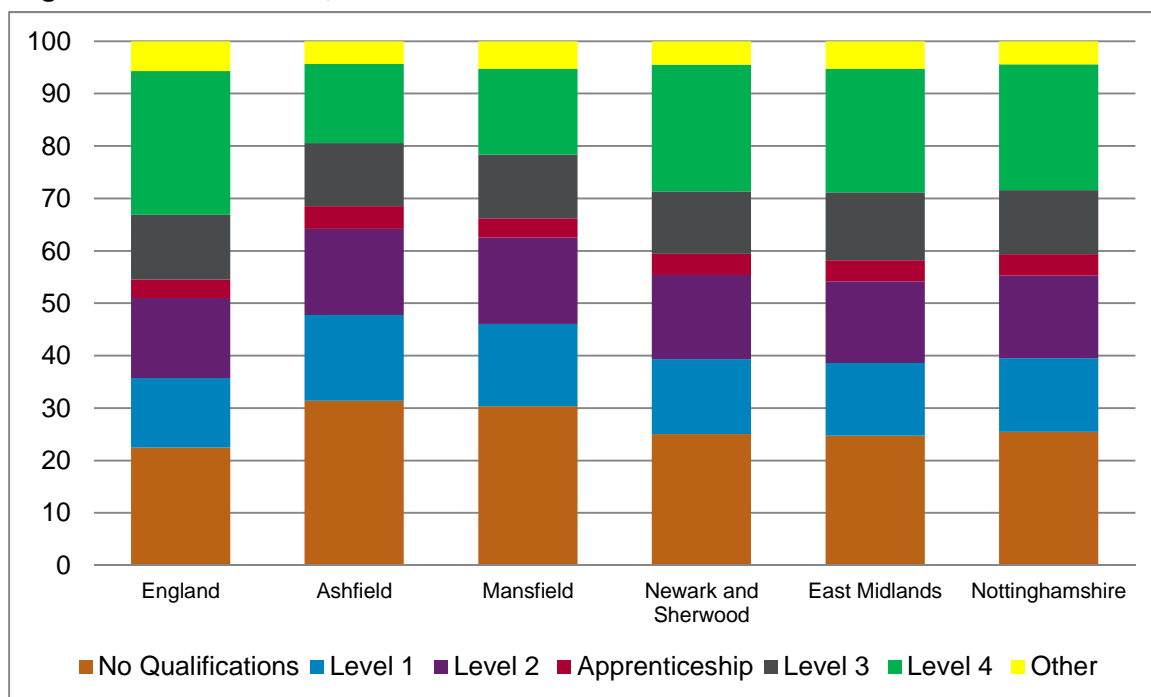


Source: 2011 Census

- 3.31 As with occupational profile, the levels of qualification of the Nottingham Outer HMA residents differ from those of both England and the East Midlands as a whole. In general the local authorities in the

Nottingham Outer have a higher proportion of those with lower level qualifications. Figure 33 shows the proportion of the population by the highest level of qualification achieved. As illustrated Ashfield and Mansfield have particularly high levels of population with no qualifications and relatively few educated to Level 4 (equivalent to a degree).

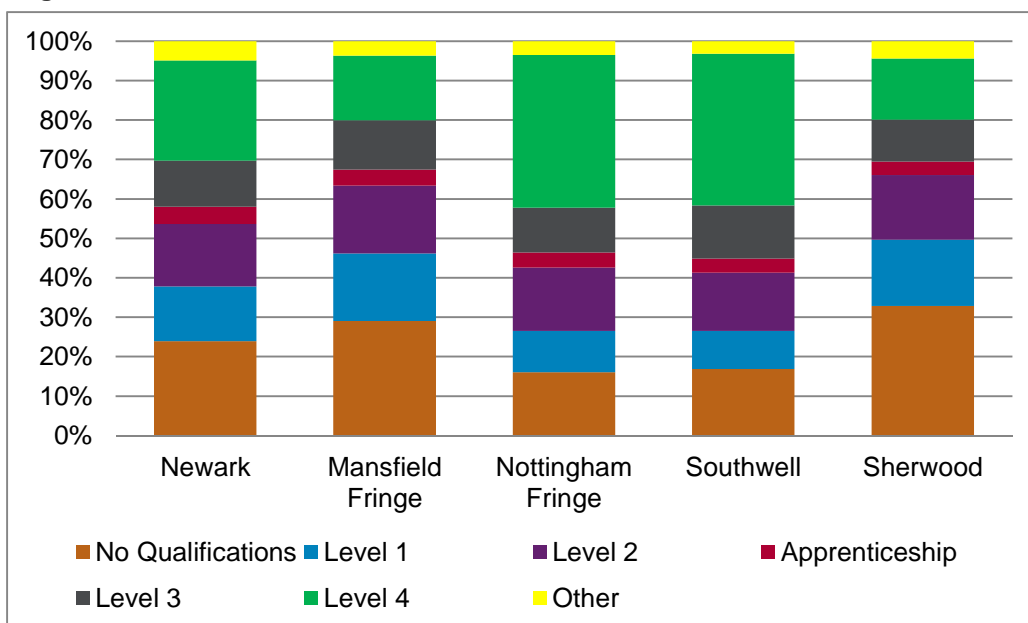
Figure 33: Qualifications, 2011



Source: 2011 Census

- 3.32 In Newark and Sherwood the Nottingham Fringe and Southwell sub-areas have a higher proportion of residents with level 4 or above qualifications. This correlates directly with the types of occupation seen within the local authority area.

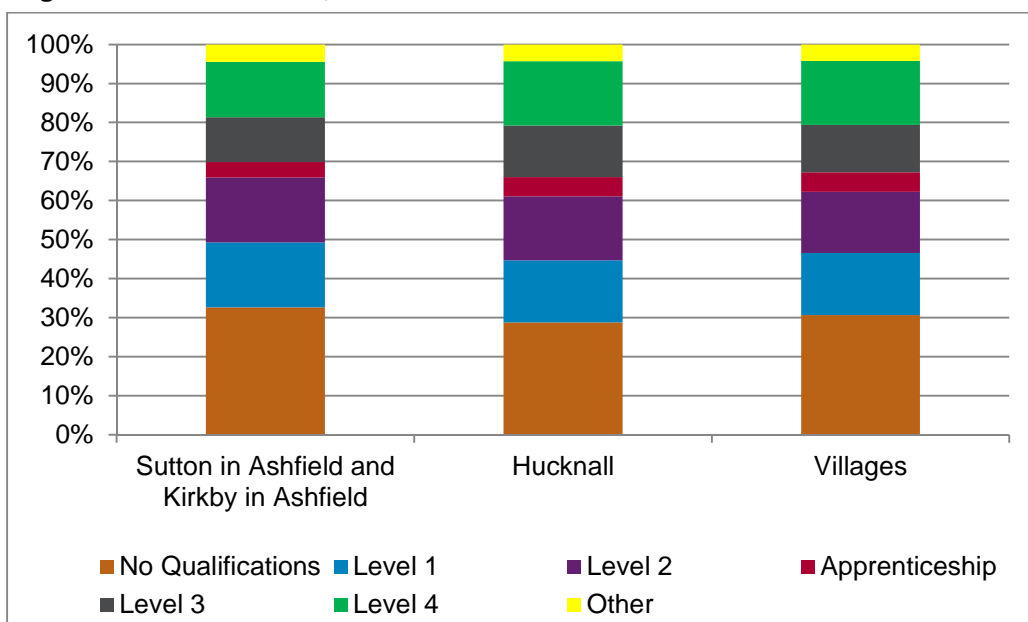
Figure 34: Qualifications, 2011 - Newark and Sherwood



Source: 2011 Census

- 3.33 Both Ashfield and Mansfield experience similar levels of qualification throughout the sub-areas. There are no notable distinctions to draw from the Ashfield sub areas.

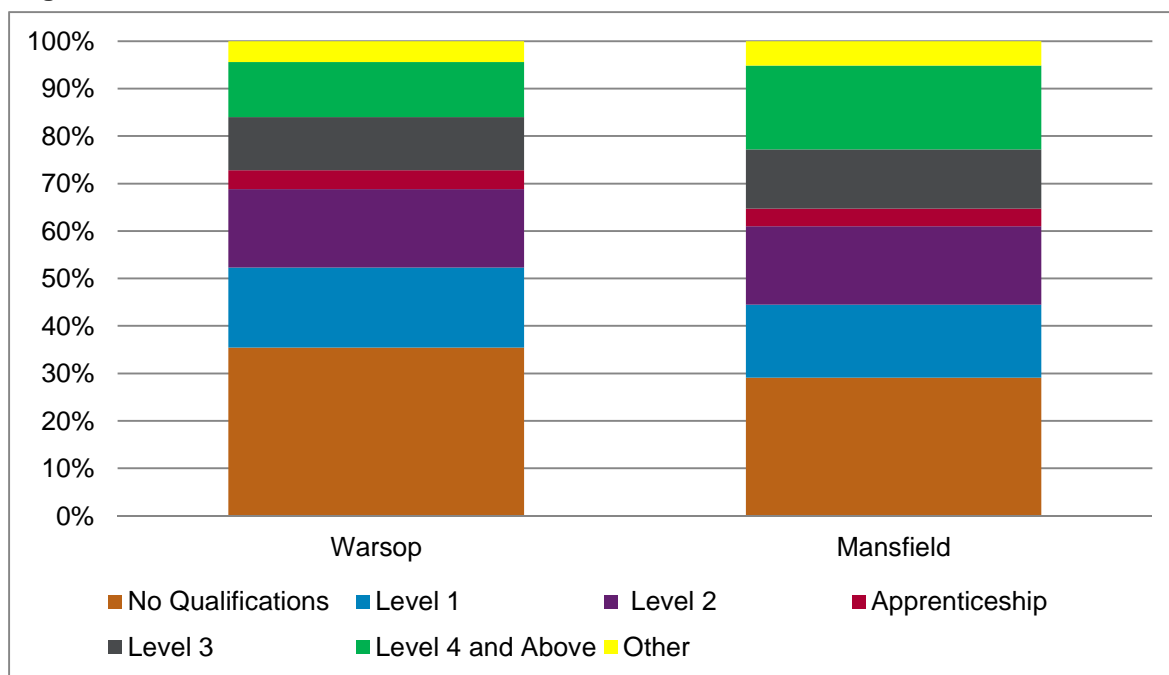
Figure 35: Qualifications, 2011 - Ashfield



Source: 2011 Census

- 3.34 As with the occupation level the profile in Mansfield is skewed to towards better qualified residents in comparison to Warsop.

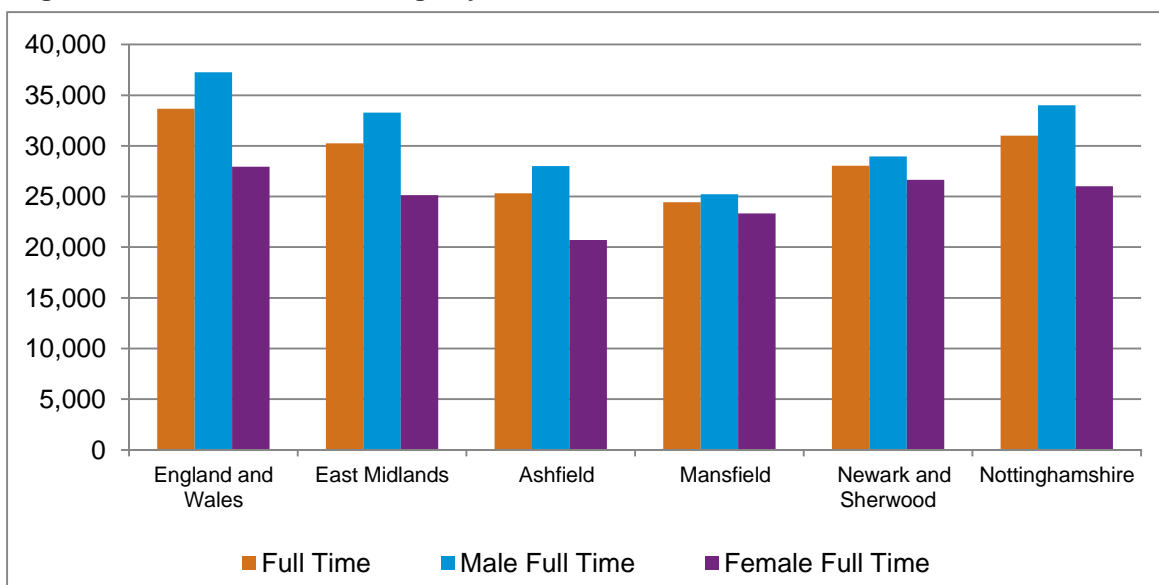
Figure 36: Qualifications, 2011 - Mansfield



Source: 2011 Census

- 3.35 Earnings affect the affordability of housing. They are a reflection in part of the skills/ qualifications profile as well as the economic structure in different areas. Figure 37 shows the average gross weekly earnings for residents in each of the local authorities in the HMA.
- 3.36 Newark and Sherwood has the highest average weekly pay (£545) and Mansfield has the lowest £496. This is broadly consistent the East Midlands average of £568 per week, but below the England average of £630 per week. None of the authorities fall above the national average.

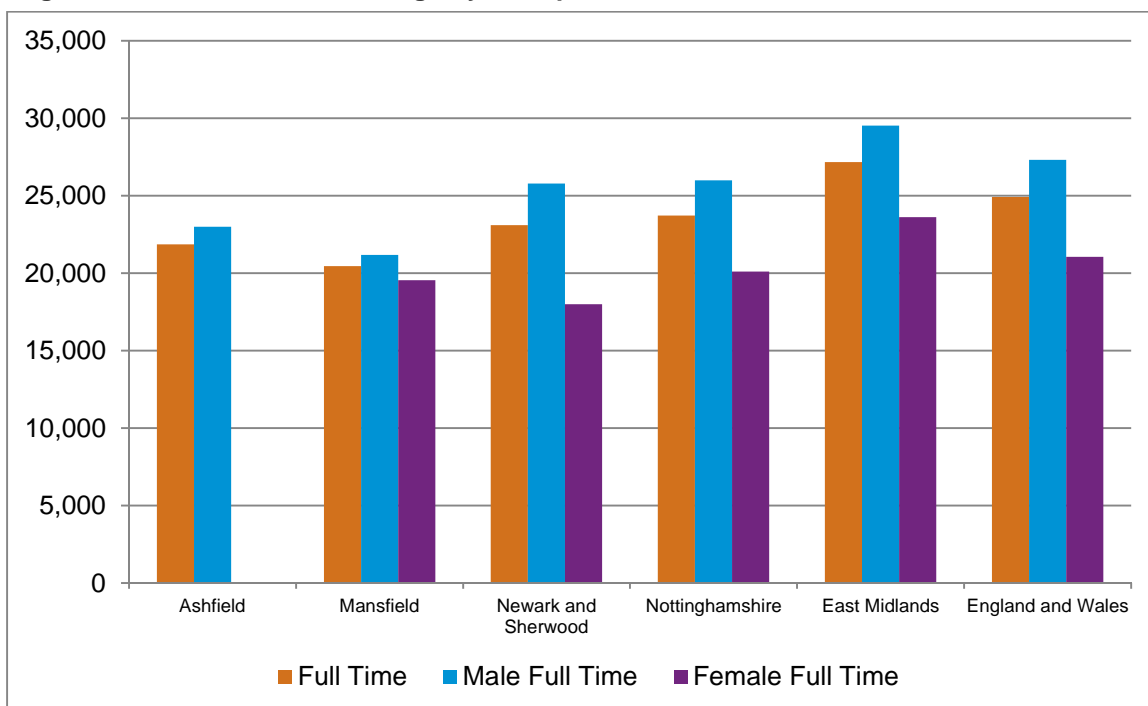
Figure 37: Annual Gross Earnings by Residence, 2013



Source: ONS, 2013

- 3.37 The difference between male and female earnings is seen in all areas, but is particularly wide in Ashfield with average male earnings £119 per week more than average female earnings, which is 46% below the average weekly pay. By comparison, the England figure is 15%.

Figure 38: Annual Gross Earnings by Workplace, 2013



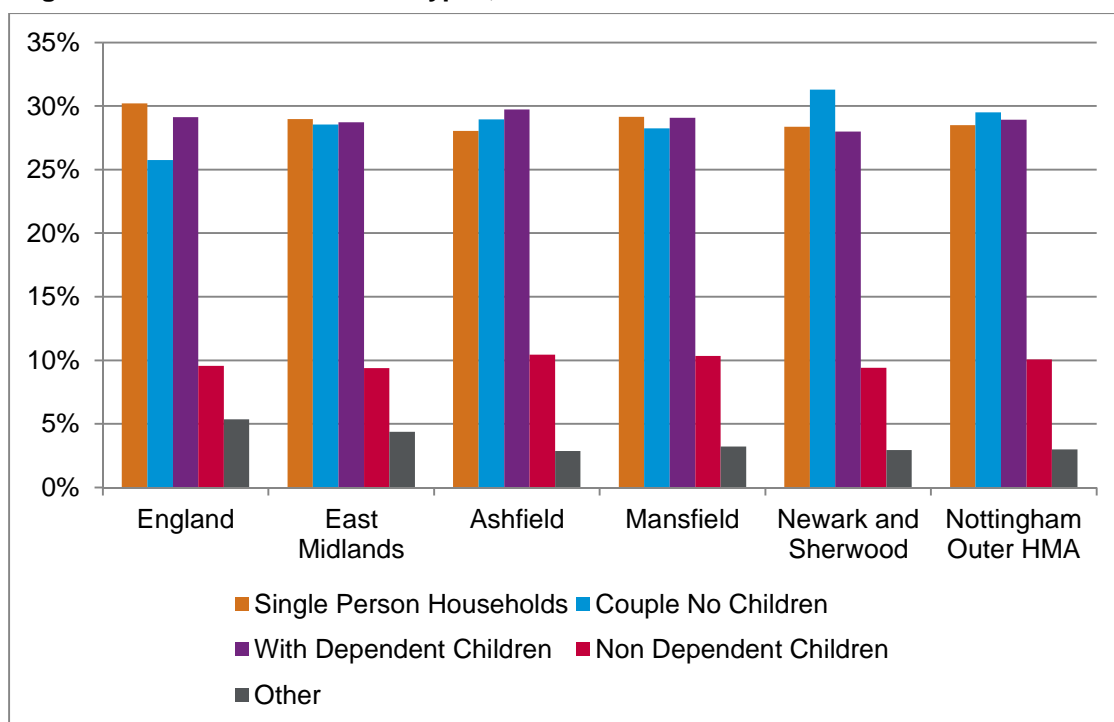
Source: ONS, 2013 (No data provided for female Full-Time earnings in Ashfield)

- 3.38 All local authorities have higher workplace earnings than they do resident earnings although the difference in Ashfield is less marked. This would suggest that the better paid jobs in the district are being taken up by residents from elsewhere.

Households

- 3.39 Figure 39 shows the proportion of selected types of households in 2011. The Local Authorities in the Nottingham Outer HMA have a higher than the national average amount of Couples (or families) with no Children (29.5%) compared to the national average of 26%. This is particularly the case in Newark and Sherwood which has a more aged population than the other districts.
- 3.40 There is also a slightly higher percentage of households with non-dependent children (particularly in Ashfield and Mansfield) compared to national and regional average. A trait which would suggest some level of household formation being constrained.

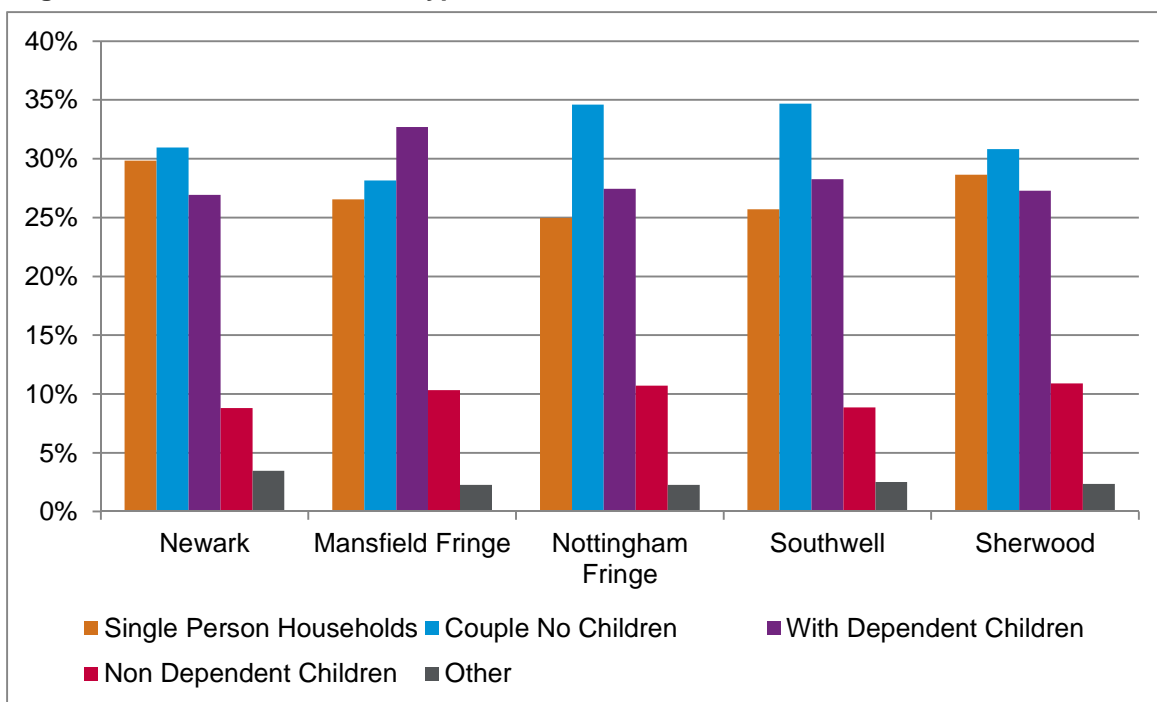
Figure 39: Selected Household Types, 2011



Source: 2011 Census

- 3.41 Conversely there is a low level of single person households and to a lesser extent households with dependent children (Ashfield is higher than the national average).
- 3.42 In Newark and Sherwood the Nottingham Fringe sub-area has a larger proportion of couples with no dependent children. This could be linked to either or a combination of retirees in the area or younger couples who wish to live close to the city centre.

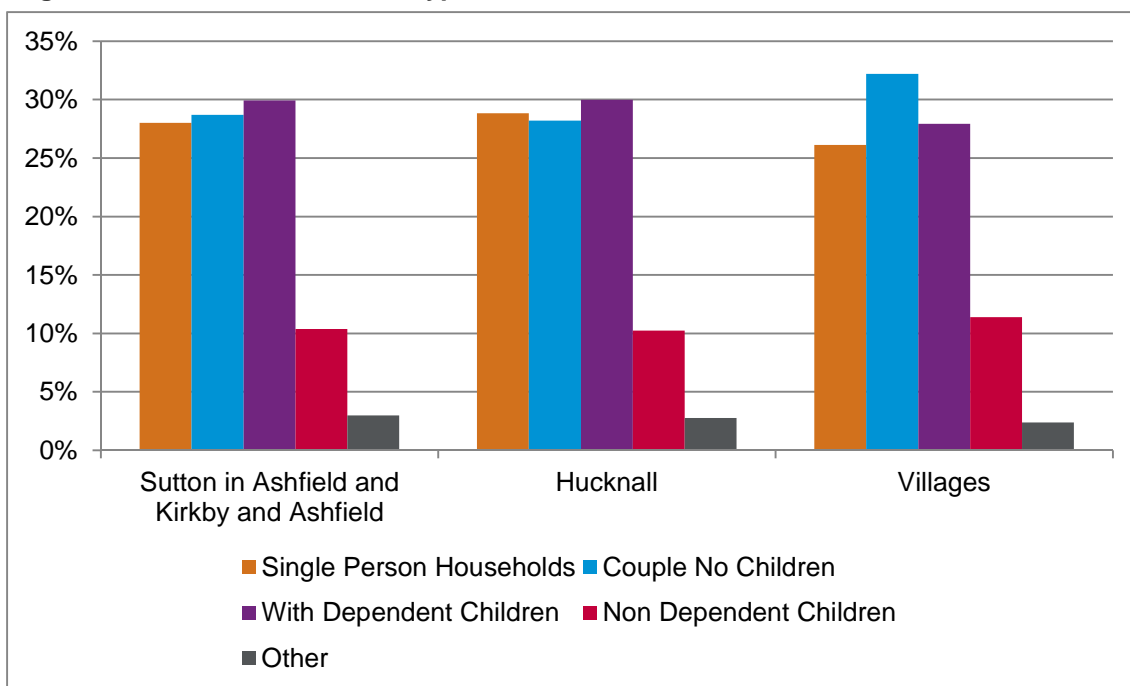
Figure 40: Selected Household Types, 2011 - Newark and Sherwood



Source: 2011 Census

- 3.43 The villages sub-area within Ashfield has a larger proportion of households with couples with no dependent children at 32% some 4% more than within Hucknall. There is a high percentage of single person households in Hucknall particularly in comparison to the Villages.

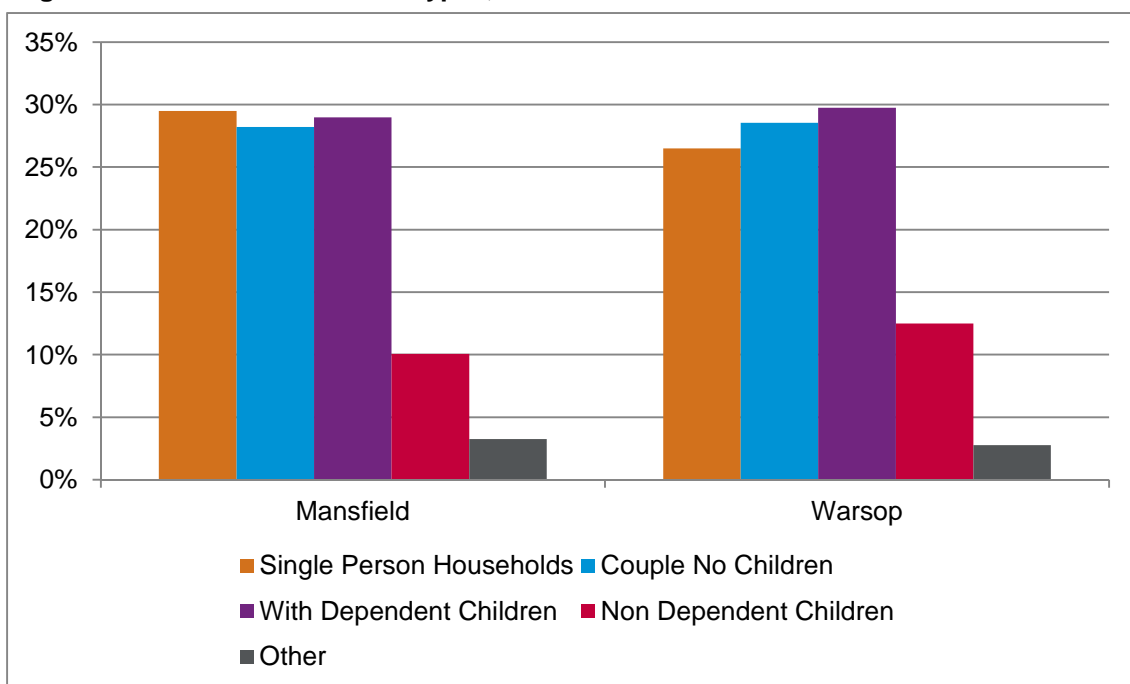
Figure 41: Selected Household Types, 2011 - Ashfield



Source: 2011 Census

- 3.44 Warsop has a comparatively high percentage of households with no dependent children in comparison to Mansfield.

Figure 42: Selected Household Types, 2011 - Mansfield

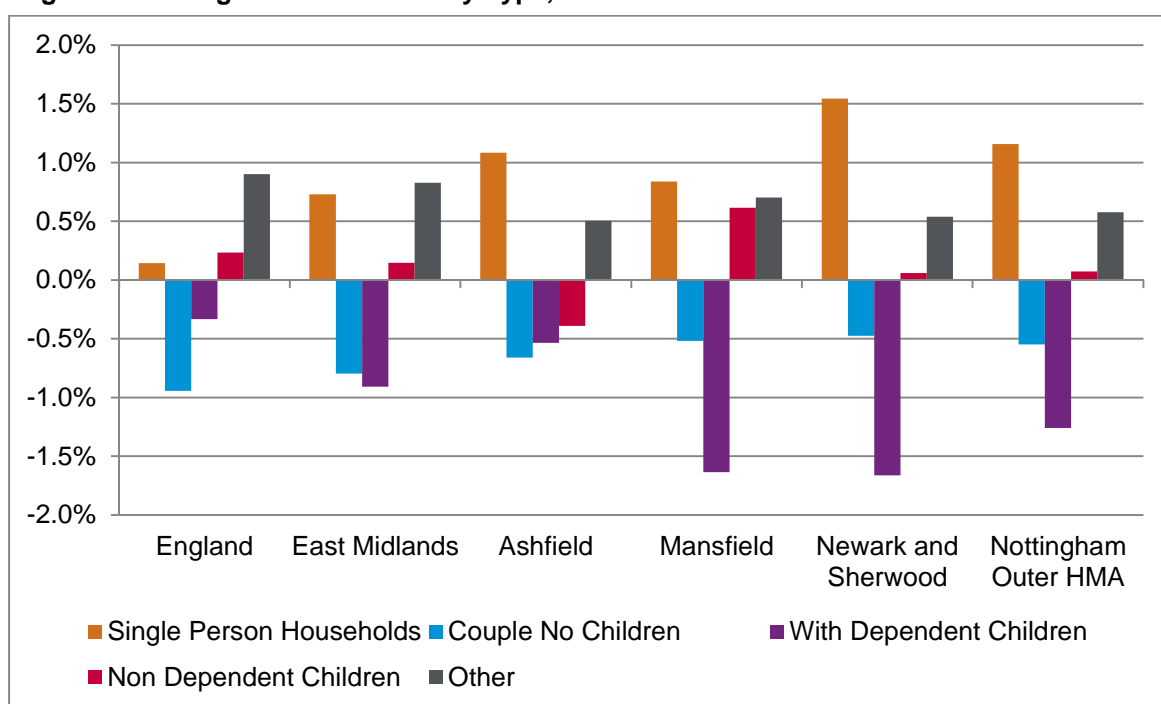


Source: 2011 Census

3.45 Since 2001 the Nottingham Outer HMA has seen a growth in single person households, households with non-dependent children and other households (including unrelated adults sharing). There is particularly a growth in Mansfield. This reflects a constraint on household formation forcing people to live with their parents for longer.

3.46 The increase in other households indicates that households are being forced into sharing accommodation when historically they may have formed households on their own. Again this is an indicator of suppressed household formation.

Figure 43: Change in Households by Type, 2001-2011



Source: Census 2011

Housing Stock and Supply Trends

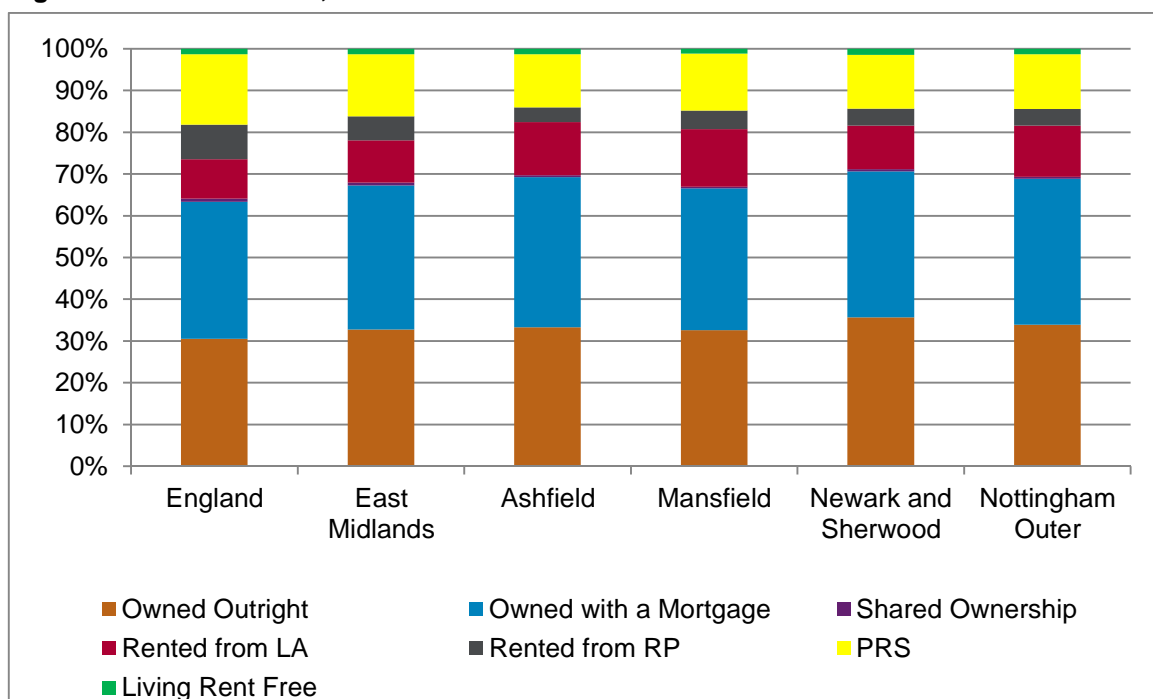
Tenure

3.47 The Census shows that the Nottingham Outer HMA has 144,536 unshared dwellings. The census also provides a detailed breakdown of the housing stock by tenure type. Owner occupation is the most common tenure type within the HMA accounting for 69% of the housing stock. By comparison, across England 63% of households are homeowners.

3.48 This figure hides some variation across the local authorities with owner occupation in Mansfield equating to 66.6% and 70.6% in Newark and Sherwood.

- 3.49 Across the HMA the Private Rented Sector (PRS) accounts for 13% which is below the national average of 16.8%. Within the HMA Mansfield has the highest figure at 13.6%. Conversely socially rented properties account for 16.2% for the whole HMA rising to 18.2% in Mansfield and as low as 14.4% in Newark and Sherwood. This compares to 17.8% nationally and 15.8% across the East Midlands.

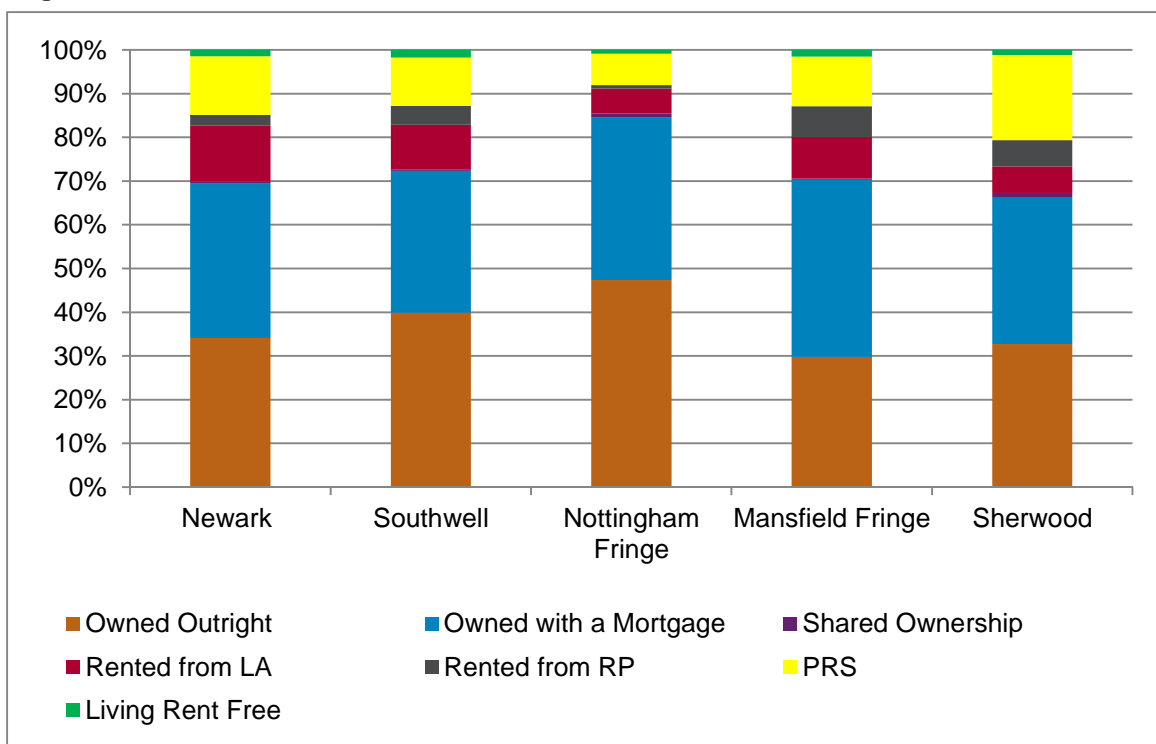
Figure 44: Tenure Profile, 2011



Source: 2011 Census

- 3.50 Within the Newark and Sherwood sub-areas the Nottingham Fringe and Southwell areas are again highlighted as more affluent as a higher percentage of properties within these two areas are owned outright or owned with a mortgage.

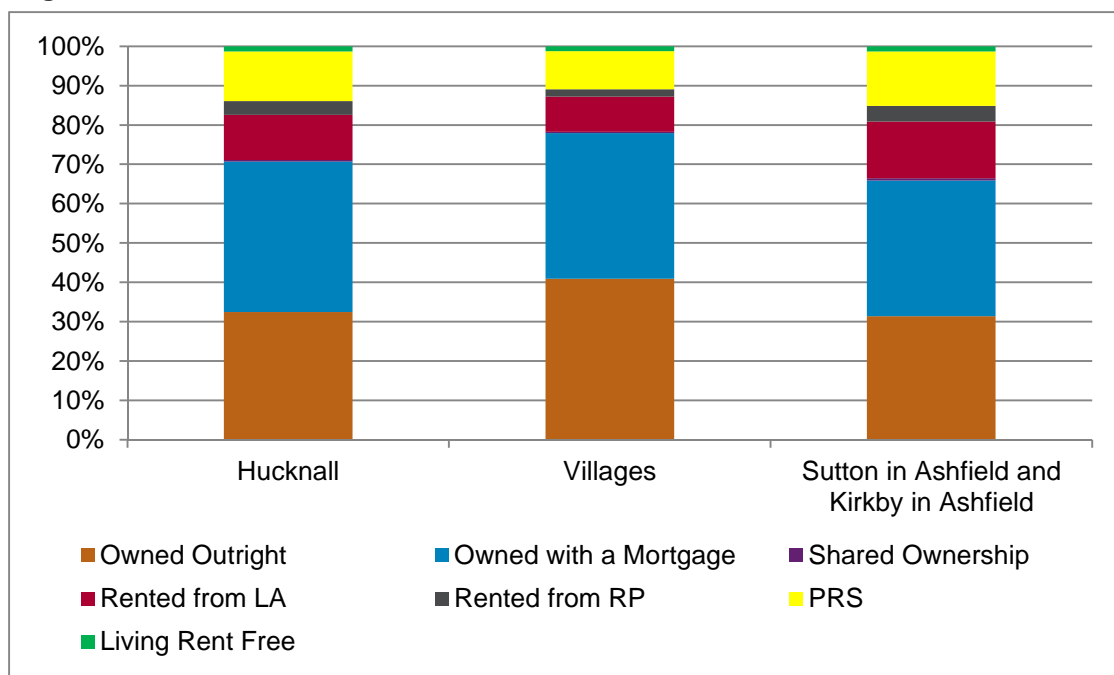
Figure 45: Tenure Profile, 2011 - Newark and Sherwood



Source: 2011 Census

- 3.51 In the Ashfield villages sub-area there is a larger proportion of owner occupied properties. The Sutton and Kirkby of Ashfield District sub-area has a high percentage of both rental from the Council and privately renting households. Conversely it has a low percentage of households in owner occupation.

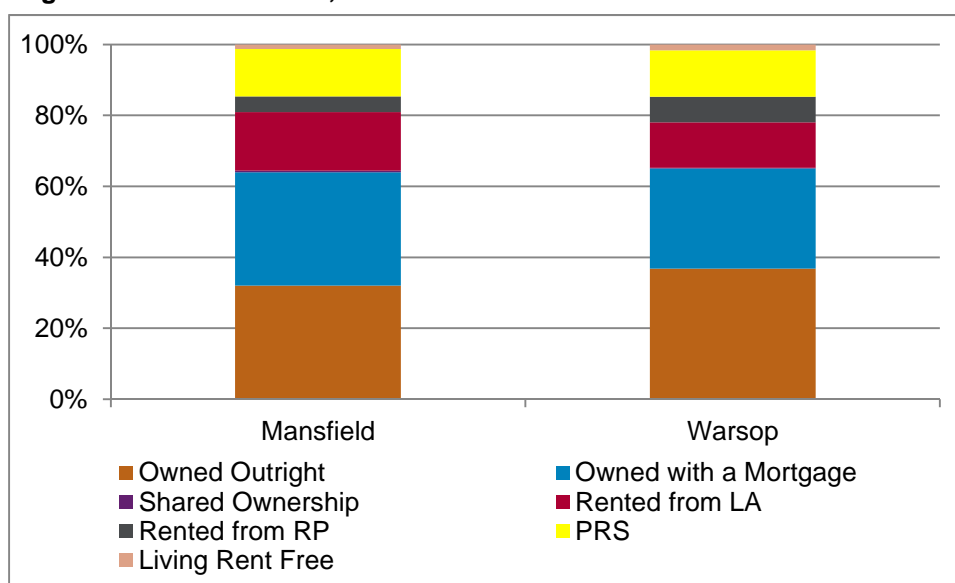
Figure 46: Tenure Profile, 2011 - Ashfield



Source: 2011 Census

- 3.52 Mansfield and Warsop sub area have similar tenure profiles although owner occupation (outright) in the latter is slightly higher as are those privately renting. Conversely those in social rental tenures in Mansfield make up a slightly larger percentage of households than those Warsop.

Figure 47: Tenure Profile, 2011 - Mansfield

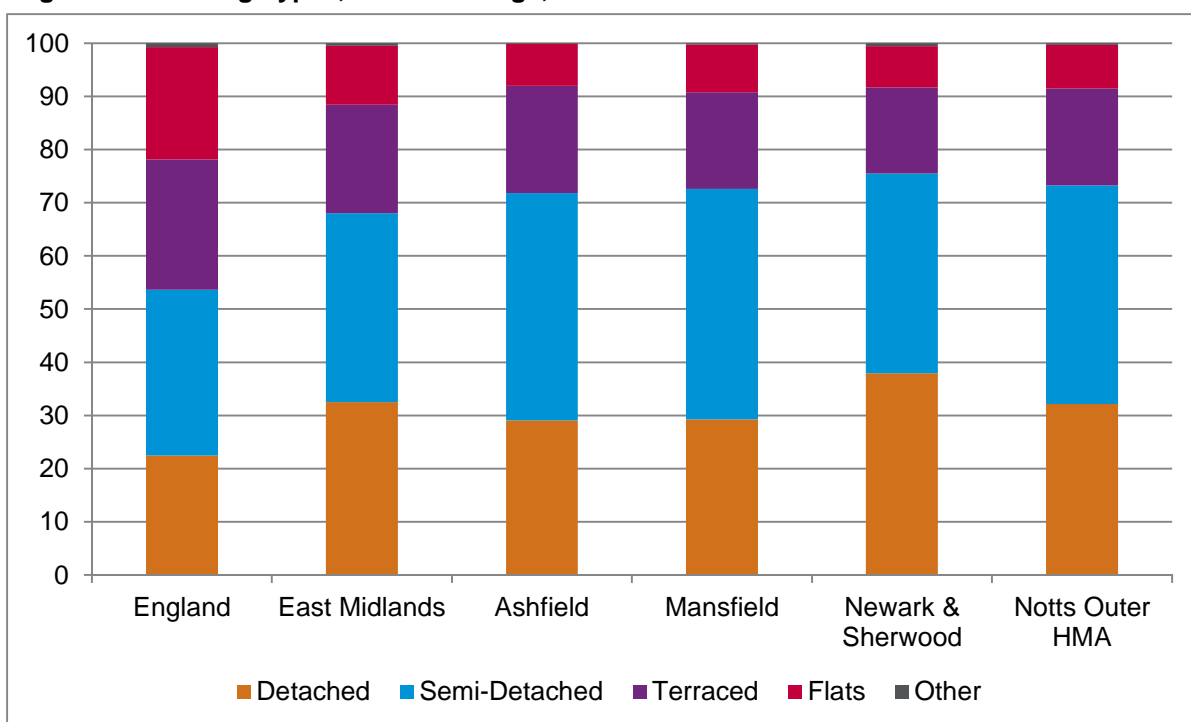


Source: 2011 Census

Housing Mix

- 3.53 We turn next to consider the mix of housing in the HMA. As Figure 48 shows, the proportion of semi-detached homes in all the Local Authorities is above regional/ national benchmarks. Each of the Local Authorities and subsequently the HMA as a whole has a percentage of detached houses consistently above the national average with the district of Newark and Sherwood falling at 38% some 15% above the national average.
- 3.54 Conversely the percentage of flats in the HMA (8.1%) falls greatly below the National Average of 21.1% with the highest proportion of flats falling within Mansfield at nearly 9%.

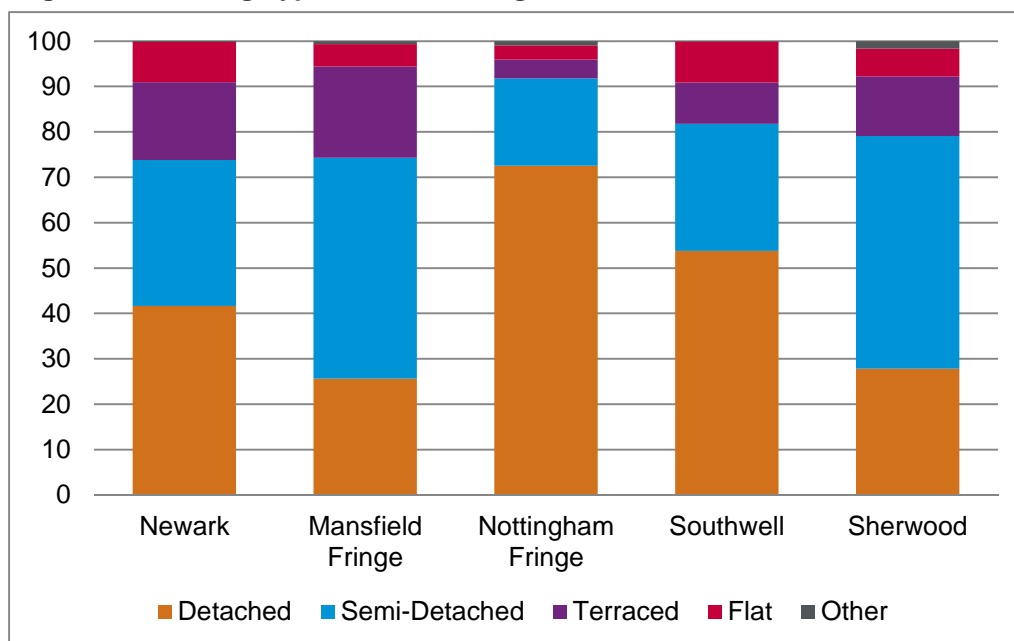
Figure 48: Housing Types, % of Dwellings, 2011



Source: 2011 Census

- 3.55 Within the Newark and Sherwood sub-areas Nottingham Fringe and Southwell both have a higher percentage of detached and semi-detached houses, 91% and 81% respectively. There is a high percentage of semi-detached properties in the Mansfield fringe.

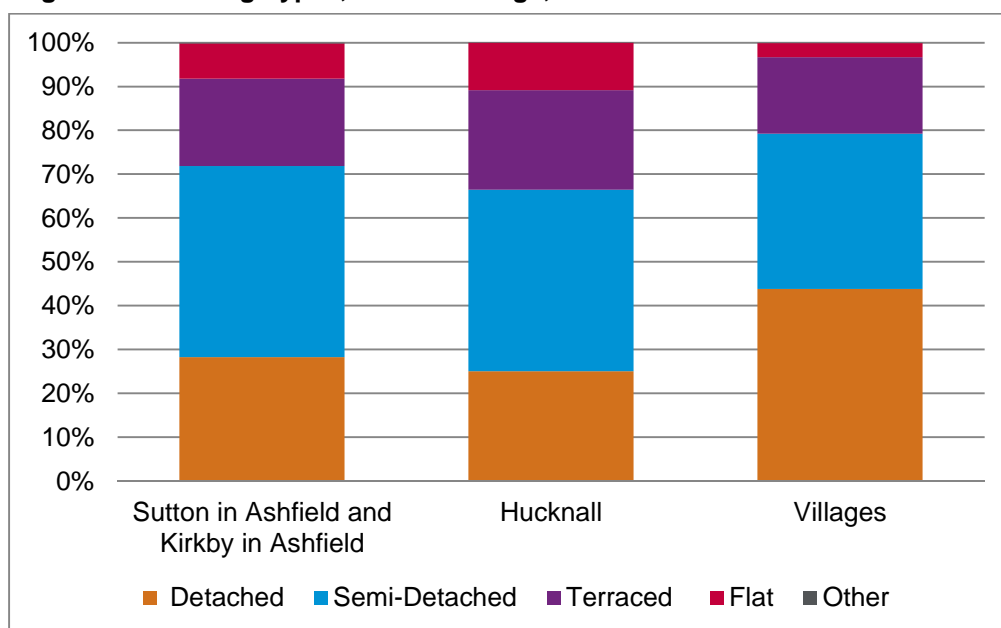
Figure 49: Housing Types, % of Dwellings, 2011 - Newark and Sherwood



Source: 2011 Census

- 3.56 Within the Ashfield sub areas there is a high percentage of flats and terraced properties within Hucknall. The villages have a high percentage of detached properties in comparison to the other sub areas.

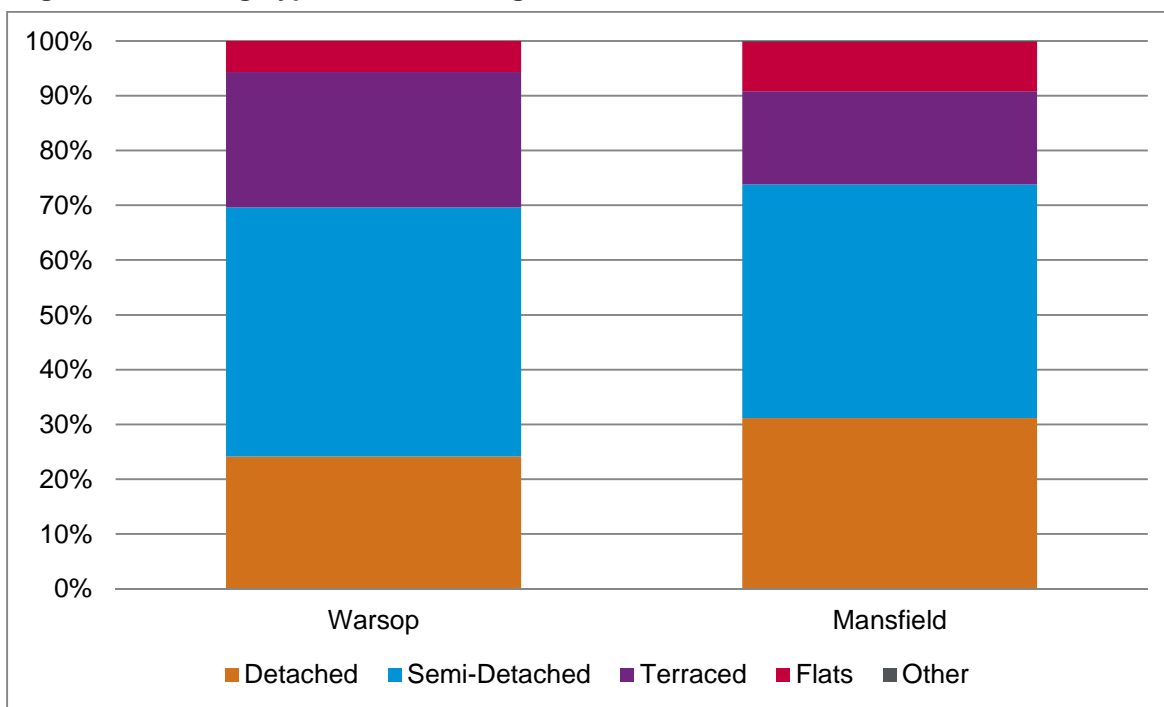
Figure 50: Housing Types, % of Dwellings, 2011 - Ashfield



Source: 2011 Census

- 3.57 Within the Mansfield sub areas Warsop has a higher percentage of mid-range terraced and semi-detached properties whereas Mansfield has more detached and flatted properties.

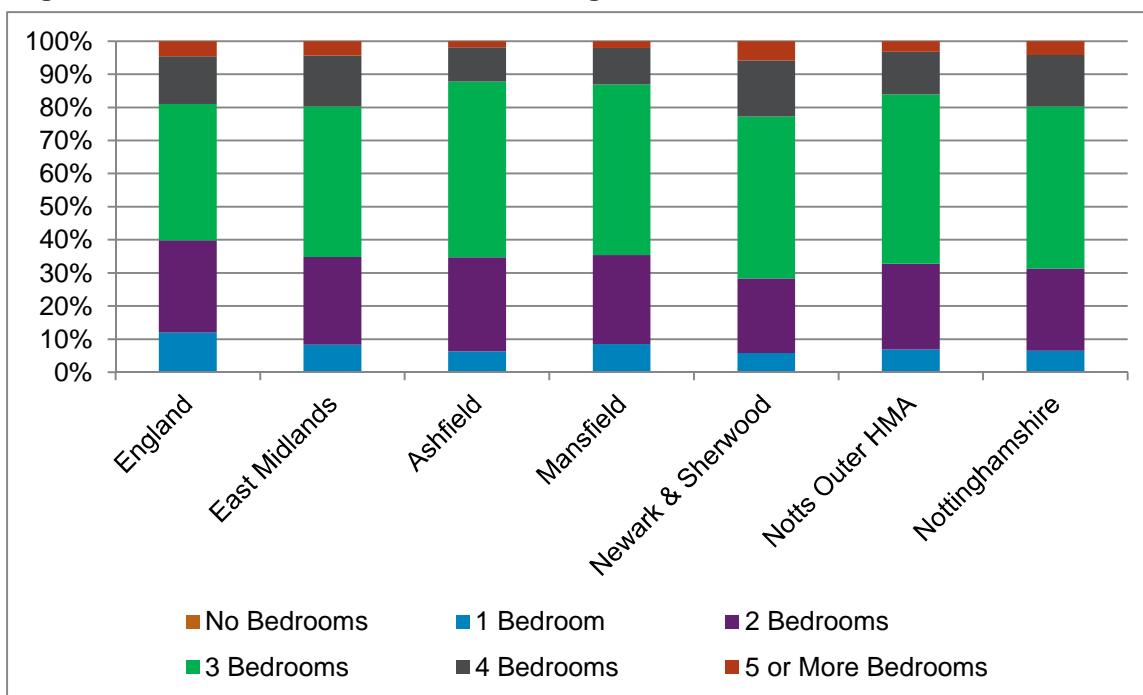
Figure 51: Housing Types, % of Dwellings, 2011 - Mansfield



Source: 2011 Census

- 3.58 Figure 52 shows the sizes of homes, in terms of the number of bedrooms. Overall the HMA has a notably high percentage of 3 bedroom properties (51%) in comparison to the National figure (41%). This is driven by a high percentage in Ashfield and Mansfield.
- 3.59 Conversely the HMA has a low percentage of 1 and 2 bedroom properties (33%) compared to the East Midlands (35%) and National figures (40%). Newark and Sherwood in particular has a low percentage of these sizes of property (28%).

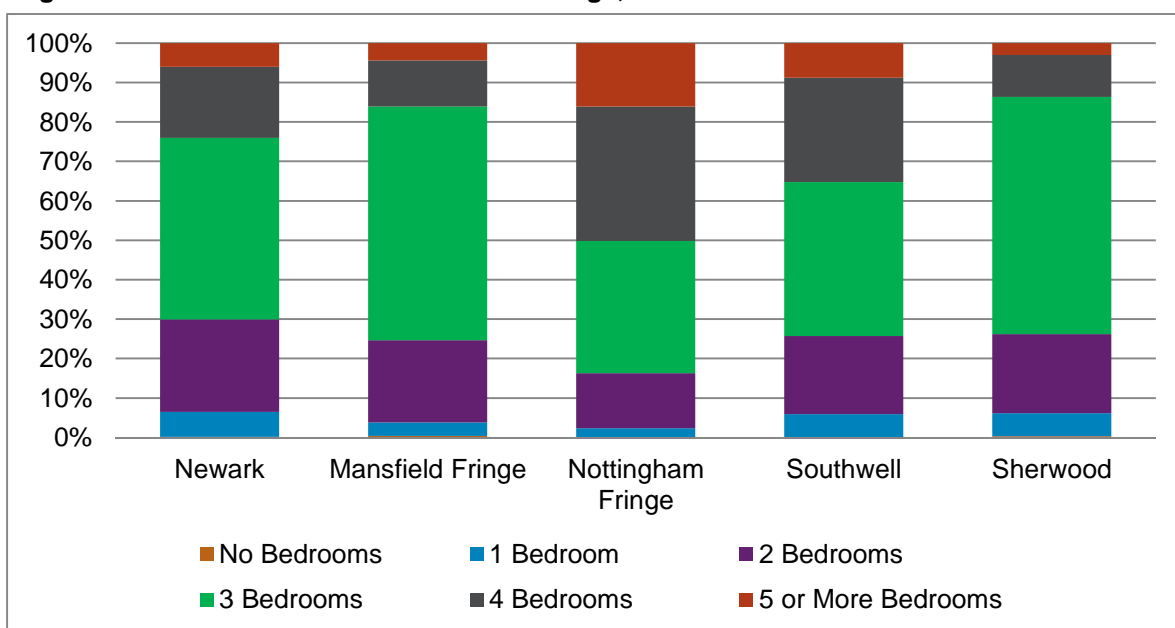
Figure 52: Number of bedrooms, % of dwellings 2011



Source: 2011 Census

- 3.60 Within Newark and Sherwood sub-areas of Nottingham Fringe and Southwell there is a significantly higher proportion of houses with 4 or more bedrooms (40% and 34% respectively).

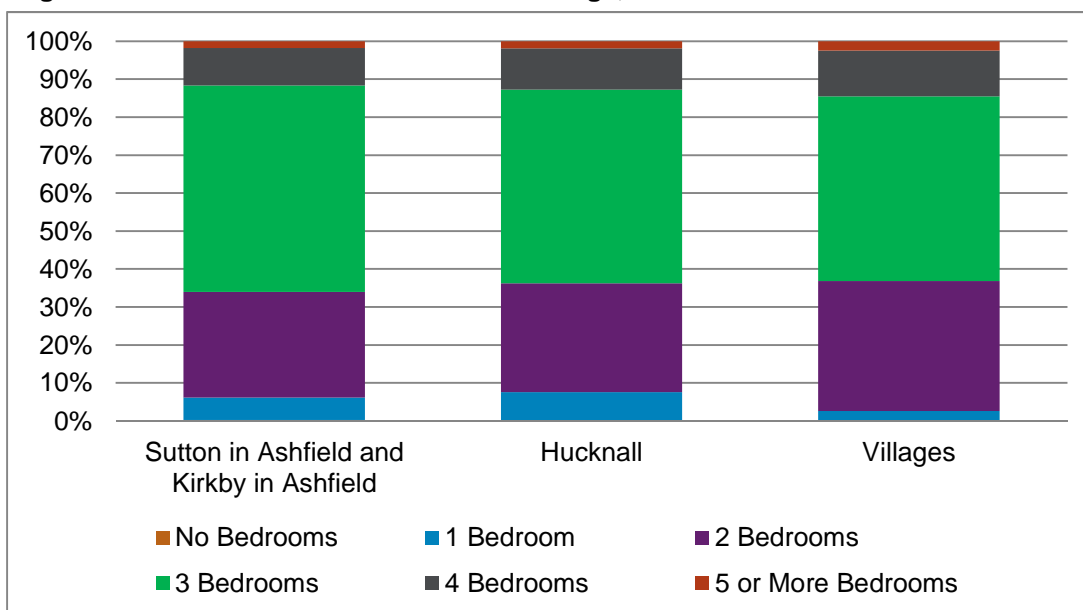
Figure 53: Number of bedrooms. % of dwellings, 2011 - Newark and Sherwood



Source: 2011 Census

- 3.61 Within Ashfield the villages sub-area contains significantly fewer 1 bedroom houses than the rest of the authority. 2% of all properties with the sub-area have one bedroom compared to 7% in Hucknall and 5% in Sutton in Ashfield and Kirkby in Ashfield. Conversely over 14% of properties had four bedrooms or more in the Villages.

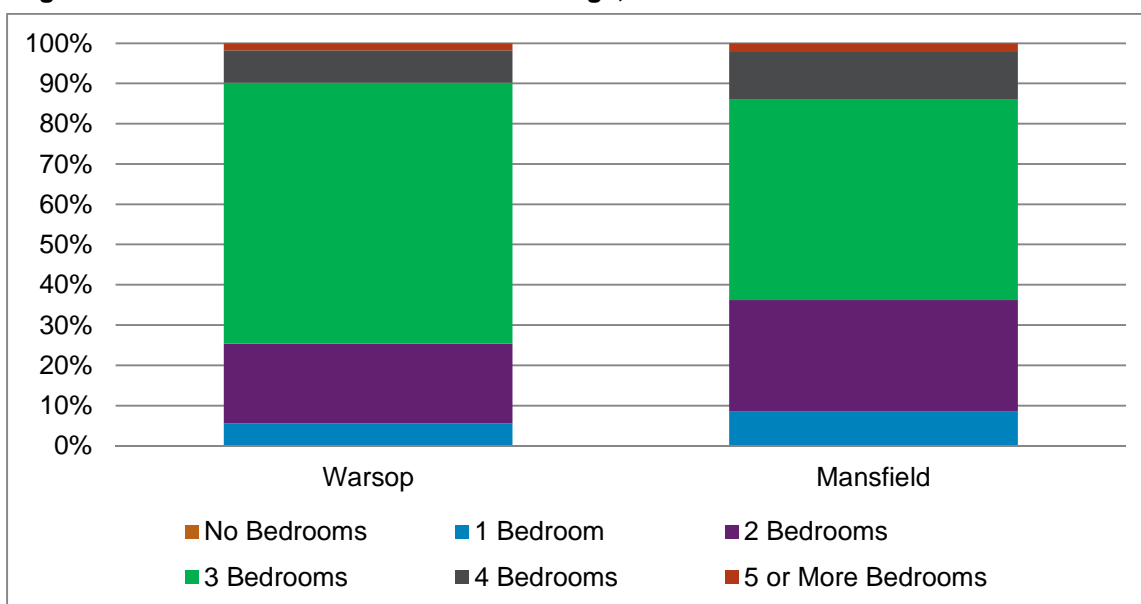
Figure 54: Number of bedrooms. % of dwellings, 2011- Ashfield



Source: 2011 Census

- 3.62 Mansfield has a slightly higher percentage of smaller one and two bedroom properties in comparison to Warsop. Almost two thirds of the properties in Warsop have three bedrooms.

Figure 55: Number of bedrooms. % of dwellings, 2011 - Mansfield

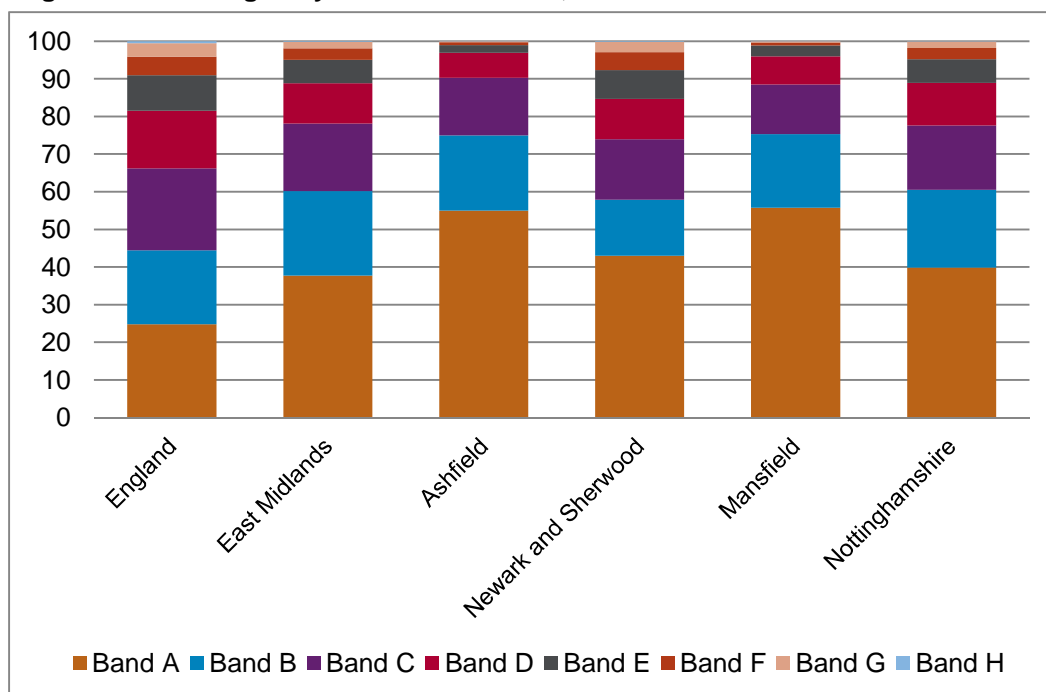


Source: 2011 Census

3.63 Finally we can also consider the profile of homes in different Council Tax Bands. Overall, Nottingham Outer HMA has a larger proportion of Band A and B properties and a smaller proportion of Band E-H properties than either the East Midlands or England as a whole.

3.64 Of the Nottingham Outer HMA authorities, Mansfield has the greatest proportion of Band A and B properties, reflecting a higher proportion of smaller dwellings in the district. Newark and Sherwood has the fewest Band A and B properties (42% and 14% respectively) but still above the national average (28% and 19%), reflecting its larger number of 2 and 3 bedroom and detached houses.

Figure 56: Dwelling % by Council Tax Band, 2011



Source: VOA/ ONS 2011

Qualitative Evidence

3.65 This part of the report presents the key findings of targeted consultation with estate and letting agents and qualitative research with other stakeholders into housing market conditions within the Nottingham Outer HMA.

3.66 The aim is to add a local perspective and provide a 'how and why' perspective to support SHMA findings. It describes market dynamics and shortages in supply at the time of the assessment in November 2014.

3.67 We have endeavoured to inform the following research questions:

- a. To what extent do agents' area of operation mirror housing market boundaries?
- b. What are the main gaps in supply for each local housing market area for new build, resale and rented housing?
- c. To what extent does new build housing meet local need?
- d. What contribution does the private rented sector make to meeting local need?

Evidence from estate agents, letting agents and new build on site sales staff

- 3.68 Our findings are based upon 16 face to face interviews with sales and lettings agents based in all of the major towns of Ashfield, Mansfield and Newark and Sherwood districts. These interviews record the perceptions of professionals that service the housing market.
- 3.69 Interviews were designed to broadly understand local housing market conditions, trends and drivers, and which parts of the market serve the needs of important groups such as local people, incomers, first time buyers, investors, those on low income and vulnerable people. The research also explores the local interfaces between the sales and letting markets and these markets with affordable housing.
- 3.70 Additional supply is mostly through development of new build housing and it is important to understand the characteristics of new build housing and households that purchase or occupy it. We interviewed 11 volume developers with on-site sales staff.
- 3.71 We also came across a large number of infill sites being developed local builders, and registered providers, none of which had on site viewing and or sales facilities. We have endeavoured to interview some of these by telephone.

Further evidence regarding social housing and housing options

- 3.72 Information was obtained from staff in the housing options teams of each local authority.

Further evidence regarding the private rented sector

- 3.73 Information was obtained from staff in the private rented sector enforcement teams of each local authority.

Rightmove data

- 3.74 Rightmove is a nationwide searchable database of property currently for sale or rent by estate and letting agents. We have used Rightmove data where appropriate to supplement the evidence from agents. This helps define an area's re-sale and rental market in terms of price range, property size, type and marketing. The data is a snapshot of vacancies and asking prices at the time our fieldwork was undertaken, November 2014.

- 3.75 Prices quoted here will differ from price analysis elsewhere in this report that are based upon agreed/sales prices. It is noteworthy that the data does not include sales and lettings offered by owners not using lettings agents which is significant in the rental market (e.g. those using Gumtree etc.). Some offers are for commercial property which we have filtered out and there are some listing errors (houses that are apartments and vice versa).
- 3.76 We believe that where used this data helps to add further insights into some of the issues raised by stakeholders and define the key differences between local housing market areas across the study area.

General findings from the consultation to date

- 3.77 For the purposes of this report we present the findings first. This is because the area based evidence that follows is detailed and might not be of interest to all readers.

Market supply and incomers

- Demand for market housing is mostly local with relatively few incoming households;
- The highest proportion of incoming households purchasing re-sale housing is found at Ollerton and Southwell;
- Rental housing attracts a higher proportion of incomers;
- New build housing on offer did not attract a higher proportion of incomers than re-sale housing.

3 categories of town

- 3 categories of town have been identified: Mining (or former mining), Rural and Market Town;
- Mining towns have large supplies of housing at lower quartile and median prices much lower than the rural towns (Southwell and Collingham). The market towns (Mansfield and Newark) have similar lower quartile asking prices but higher median prices.
- Prices have generally not recovered much of their 2007 losses. The exceptions are the rural towns (Southwell and Collingham) where prices have exceeded 2006 peak prices.
- Agents say that in many cases asking prices are not realistic and this leads to a sluggish market. Many owners believe that rapid growth in prices seen in London will be reflected locally. Agents tell us this is true only in Southwell.

Gaps in supply

- Most resale agents say that demand for bungalows is very high. They are sought after by many household groups, not limited to older people and people with disabilities. There are many bungalows across the study area but few come onto the market.
- Most letting agents say the crucial gap in supply is of good quality 3 bedroom family homes although demand continues to be very strong across the private rented sector.

New build

- Recent and current new build are much in evidence across the study area;
- Some new build phases have sought to re-plan for a larger number of smaller homes;
- The majority of sales have been assisted with the help to buy. Recent changes to lending practice including stress testing household budgets has led to some households seeking less expensive homes than they would aspire to;
- Entry level new build prices are clearly related to re-sale prices and acknowledge the lower cost of ownership of new build;

- Some of the larger developments have been under construction for 10 years or more reflecting difficult market conditions that are now improving.
- Most stakeholders thought that self-build could increase supply, provide some interesting design but was onerous on planning departments.

Investors and first time buyers

- Agents widely report that the cheapest homes on the market tend to be avoided by these groups of purchaser as they need a great deal of investment that may not be reflected in future values;
- This is particularly the case in some of the mining town estates and problem areas of terraced housing in the market towns;
- Investors are continuing to invest in homes at the lower quartile point. One investor was building to let family homes in Mansfield.

The private rented sector

- Landlords will offer tenancies to working households that claim top up benefits if tenants can offer a guarantor;
- Landlords are continuing to invest to meet demand however demand is growing as there is less churn in markets because tenants are tending to stay in tenancies longer. This is leading to a shortage of tenancies;
- Migrant workers are an important part of private rented sector demand although some long term residents are now becoming owner occupiers.

Affordable housing

- Local authorities told us that there was a critical shortage of 2 bedroom homes and some specialised accommodation for people with disabilities and learning disabilities;
- Benefit reform had been a factor in heightening demand for 2 bedroom homes;
- A significant source of urgent housing need was due to failed private rented sector tenancies.
- Registered providers told us that there were problems with developer provided new homes. 2 bedroom 3 person homes could prove more difficult to let than 2 bedroom 4 person homes. Small numbers of new homes in rural locations could be uneconomic to manage.
- Registered providers told us that the delivery of new homes would rise over the next few years.

The evidence by local authority area

Ashfield District

- 3.78 Resale agent and new build sales agent interviews were achieved at Kirkby in Ashfield, Sutton in Ashfield and Hucknall. Smaller towns were also visited but agents were mostly based in the larger towns. The exception to this the village of Jacksdale where we interviewed an independent estate and letting agent based in the village and servicing sales and lettings in nearby villages Underwood and Selston
- 3.79 According to Rightmove, the towns of Sutton in Ashfield, Kirkby in Ashfield and Hucknall have similar sales volumes, minimum (£50,000), lower quartile (£95,000) and median (£130k) prices however Kirkby in Ashfield had a greater number of higher value residences on sale.

- 3.80 Agents stressed that the location of the main towns was a housing market driver. Households can take advantage of low house prices and easy access to employment and leisure activities in Nottingham. There is easy access to the M1 (Junctions 27 and 28) and rail access to Nottingham using the Robin Hood (railway) Line.
- 3.81 All agents felt that the district's housing market was relatively self-contained with households tending to move within the district. Sutton in Ashfield re-sale agents told us that 80% of local sales were to local residents. The proportion of incomers was estimated to be higher at 40% by Kirkby in Ashfield re-sale agents. Agents in both towns told us that incomers were mostly relocating for employment, choosing Ashfield District because of its low prices and location. Some incomers were long distance re-locators.
- 3.82 Sutton in Ashfield re-sale agents told us that prices are within reach of most working households who have a deposit and a good credit rating. Terraced housing is available for a little as £50,000 but this is avoided by many first time buyers and investors as the cost of bringing them up to standard is high. There is competition between investors at the £80,000 point as a good quality semi-detached house can be found for this price.
- 3.83 Sutton in Ashfield resale agents told us that there is a shortage of mid-price bungalows in the area. They have many enquiries from older households and those with disabilities however there is very little turnover of the bungalow stock. Kirkby in Ashfield resale agents told us that there was an adequate supply of most dwelling types.
- 3.84 Agents in both towns stressed that there was little upward pressure on prices. Sellers would hold out for higher asking prices after hearing about price increases elsewhere in the country but the reality was that they would rarely sell.
- 3.85 A very similar story to that of Kirkby and Sutton in Ashfield emerged in Hucknall. We asked resale and letting agents about demand from Nottingham City residents. Local agents told us that around 80% of transactions were local households with small numbers of incomers from Nottingham or further afield. There was a steady demand from investors who would seek to buy terraced houses.
- 3.86 Agents told us that demand for small cheap terraced homes were strong even though they accounted for a high proportion of the dwelling stock. Agents said that there was always strong demand for bungalows which came onto the market rarely and sold quickly and good quality semi-detached homes for upgraders.
- 3.87 The sales agents remarked that asking prices have been static for some time however the gap between asking prices and agreed prices were narrowing. Currently an average priced home offered at the median price of £130,000 would sell for around £125,000.

- 3.88 We interviewed an independent estate and letting agent based in the village of Jacksdale servicing sales and lettings in nearby villages Underwood and Selston. The agent told us that bungalows were urgently needed to enable older households to downsize. The agent was clear that these had to be in accessible locations close to services. These are needed for home owners and those seeking affordable tenures. The agent explained that it was crucial that the middle aged and older people are supported in this way as they kept local services viable and contributed to the local community.
- 3.89 The agent told us that there was a good supply of 2 bedroom terraces for local first time buyers priced from £75,000. Demand was strong from residents in the villages but a small number of incomers were more likely to come from Alferton, Eastwood and Somercotes (west of the M1 motorway) than Hucknall, Ashfield or Nottingham.
- 3.90 We were told that investor activity had increased since the rules on pension pots had been relaxed. Regarding residential lettings the agent told us that a higher proportion of incomers (30%) took tenancies. Competition had kept rents static for around 6 years.
- 3.91 Letting agents in both towns operated across the District and into the outskirts of Mansfield. They told us that the market mainly served local households. Tenants had become very choosy and this was probably what lay behind landlords' reluctance to invest in housing at the bottom end of the market. Whilst there was strong demand in the market, supply was keeping pace and there was no upward pressure on rents. However agents told us that a greater supply of semi-detached family homes would still let. Many landlords would consider offering tenancies to working households receiving top-up benefits. Some landlords were prevented from doing so due to their buy to let mortgage terms and conditions.
- 3.92 A letting agent in Hucknall described the demand for residential lettings. He told us that there would be 10 serious enquiries for every terraced house and 20 enquiries for semi-detached houses. Bungalow vacancies were very rare.
- 3.93 Many more semi-detached homes were required for households with growing families. Bungalows were needed too for older people who needed them or wanted to release equity. The agent told us that most landlords were willing to house benefit claimants. He estimated that most of the terraced houses near to the town centre were let to benefit claimants.
- 3.94 We asked the agent to explain why rents had not risen when there was an apparent shortage of private rented sector housing. The agent explained that there was tremendous competition between landlords and between letting agents. Prospective tenants were shopping around a great deal and

- knew the market. Landlords maintained their rent levels rather than increasing them in order to maintain their cash flow and avoid rent losses and fees associated with re-letting.
- 3.95 Five interviews were obtained from new build sales agents, two in Sutton in Ashfield, two in Kirkby in Ashfield and one in Hucknall.
- 3.96 Phoenix Place on the North side of Sutton in Ashfield is being developed by a regional house builder. The agent told us that 99% of sales have been to local households. The agent believed that this was because earlier phases were smaller less expensive homes in tune with local demand. Future phases would be larger homes but still costing under £175,000 and the agent believed that a higher proportion of sales would be to incomers.
- 3.97 Topaz is a site close to Sutton in Ashfield town centre. The sales agent told us that 90% of purchasers were local people. Incomers were mostly from Nottingham and Leicester although so far a higher proportion of reservations for the next phase of development had a higher percentage of incomers.
- 3.98 The agent said that low prices, good access to the M1 and a good quality secondary school were all factors. The agent said that the development was popular with older people who liked the ease of access to town centre shops and services.
- 3.99 The agent was asked to comment on the reasons for a high proportion of sales to younger local households. The location of the development meant that car use was not necessary for shopping or family visits.
- 3.100 The agent commented that 3 bedroom homes were most in demand. We were told that the town had a sense of community and households tended to stay within the town. Two sales were from to Lincolnshire based armed forces staff. These people were taking advantage of low purchase prices ahead of their discharge from the forces.
- 3.101 Persimmon Gardens in Kirkby in Ashfield is part of a large multi phased and multi-developer development of around 70 new homes. In the current phase 10% of sales were to investor and 20% of sales were incomers, some of whom were serving members of the armed forces.
- 3.102 A noteworthy group of incomers were medical staff of one of the Nottingham hospitals. Some 90% of sales in the current phase of 2 bedroom homes were Help to Buy assisted. The agent told us that most potential purchasers were planning to use Help to Buy and were seeking 3 bedroom homes.

- 3.103 Portland Great Park in Kirkby in Ashfield is also a large multi phased development. Commenced in 2006. Construction was slowed by the credit crunch. Again the agent told us that sales were mostly to local people and a small number of investors.
- 3.104 Investors had been more interested in earlier phases. Incomers were mostly from Nottingham and there were 2 recent purchasers from the armed forces. Local demand was mostly first time buyers and elderly downsizers.
- 3.105 We achieved a detailed interview at Papplewick Green, Hucknall. The agent told us that the site in all of its phases had been popular due to its proximity to the transport interchange and the town centre. The current phase on sale was mostly 4 and 5 bedrooms and most purchasers were local upgraders with some interest from Nottingham City residents.
- 3.106 He told us that a higher proportion of sales than expected had been with the Help to Buy scheme assistance. He explained that this was enabling households to buy larger homes than they needed. Households had explained to him that they anticipated that their family size would increase over the next few years and they would not have to move home for the foreseeable future. We were told that an earlier phase had been leased by the MoD to house service men and women. Some tenants had now bought housing in the current phase in anticipation of them leaving the army.

Mansfield District

- 3.107 Four agents were interviewed in Mansfield Town, Rainworth, Mansfield Woodhouse and Market Warsop. Other parts of the district were visited notably Berry Hill and Pleasley.
- 3.108 According to Rightmove prices were similar across the district. There was little difference between lower quartile (£95-£110k) and median (£140-£150k) prices in Warsop, Mansfield Woodhouse and Mansfield Town although the town had a wider price range and some premium residences. Mansfield Town also had the largest volume of sales of anywhere in the study area. There were just over 600 homes on sale, more than double that of Newark. Agents told us that homes were slow to sell in Mansfield.
- 3.109 Resale agents told us that first time buyers were active in the market and most were seeing to buy at around £100,000 using Help to Buy. Agents told us that this was affordable to households on modest income if it was a two income household. The impact of new rules to reduce mortgage lending risk was leading to households seeking to borrow smaller amounts rather than not get onto the property ladder. Second time movers were also using the scheme and were typically seeking to pay around £120,000.

- 3.110 Resale agents told us that investors were active but were tending to avoid cheaper homes in more deprived neighbourhoods. As a consequence some dwellings could be slow to sell. One agent said that some such parts of the District were becoming saturated with rental property.
- 3.111 All agents stated that only a small proportion of purchasers of re-sale housing were incomers.
- 3.112 All agents told us that the market was 'flat'. Outside the premium and executive segments there was no upward pressure on prices which were still below their 2006 peak values. This was because many households were choosing to remain in their current property. There was little churn in the market. One agent said it was a paradox that because of interest rates and purchase prices meant it was a great time to buy but there was little supply. One agent believed that long term mortgages were partly to blame. People who purchased before the crash saw loss of equity and loan repayment was minimal if the mortgage term was over 30 years.
- 3.113 In the north of the district we noted a significant number of park homes on sale. Agents told us that they handled many sales on a monthly basis. Buyers were typically older people making a lifestyle choice and able to pay cash as they were not mortgageable.
- 3.114 Agents in Mansfield Woodhouse told us that the Robin Hood (railway) Line was not a significant driver of the local housing market with few if any households citing the station as a factor in their choice of location. Letting agents echoed the last point.
- 3.115 Lack of confidence in buying was an issue locally and the rental market was booming in the sense that demand keeps on growing. Supply was also an issue in the rental market with tenants seeking to remain for longer once they have found suitable affordable rentals.
- 3.116 All letting agents highlighted the significant steady demand from migrant (largely eastern European) workers who had found employment within and outside Mansfield district. Sports Direct (Bolsover District) was highlighted as a major employer.
- 3.117 One letting agent had recruited a Polish national onto the staff and had observed that this had benefited both prospective tenants and the business alike. Agents told us that there was a growing trend for eastern European workers, especially the Polish to seek to become home owners once they had established a good credit history.
- 3.118 All letting agents agreed that their landlords would consider prospective tenants in receipt of top up benefits provided they had a guarantor. There was significant demand from low income working households. Agents cited the policy of ending direct payments of housing benefit to the landlord as being a major factor, curbing the willingness of some landlords to house this group.

- 3.119 All agents commented on the range of people and circumstances that led them to seek private rented sector housing. They felt that in broad terms the most notable shortages of supply were small flats/apartments (new households and relationship breakdown without children) and larger homes for families especially good quality semi-detached with parking in good neighborhoods).
- 3.120 We were able to obtain interviews at new developments at Briar Lane, Berry Hill and Mansfield Woodhouse.
- 3.121 Bellway is developing phase 6 of Earlswood at Mansfield Woodhouse. The house builder is working on the final phase of 89 homes out of approximately 400 across the entire site. The sales agent told us that 95% of sales had been to local households. The smaller units had sold quickly and most had involved Help to Buy. However the larger 4 bedroom homes had been slower to sell.
- 3.122 The sales agent for Radleigh Homes at Berry Heath, Briar Lane had sold many plots quickly off plan. The development is of 30 homes. Prices were £153,000 (3 bedroom) rising to £300,000 for a 4 bedroom home. Sales were to households mainly from Mansfield, Newark and Arnold (North Nottingham).
- 3.123 At Berry Hill, Miller Homes is developing Royal View which is an 18 home development. The agent told us that the site previously contained a large dwelling in a large mature wooded plot and many of the trees had been retained.
- 3.124 It was noteworthy that most sales had been achieved using part exchange with the developer. Buyers were nearly all Mansfield households with children seeking to upsize. Prices were from £250,000 and typical part exchange values were around £150,000.

Newark and Sherwood District

- 3.125 We observed how the mining industry had shaped the character of towns and villages such as Bilsthorpe, Clipstone, Edwinstowe, Ollerton and Rainworth (the mining area). The character of these towns is different to Southwell and Collingham and their surrounding villages (the rural area). Further, Newark on Trent is a large market town with strategic importance due to its road and rail connections and local economy. As a result there are quite different functional sub housing markets within the district.
- 3.126 There are significant price differences between the mining and rural areas. Blidworth Clipstone Ollerton and Rainworth have lower quartile asking prices of £90,000 to £100,000 and median prices £110,000 to £130,000.
- 3.127 Rural towns such as Collingham and Southwell had lower quartile asking prices of £160,000 to £220,000 with median prices £210,000 and £325,000 respectively.

- 3.128 Edwinstowe has both characteristics and has a lower quartile of £145,000 but lower median asking prices due to fewer premium homes being on the market.
- 3.129 The town of Newark is the largest market by volume and has lower quartile prices of around £110,000 and median prices of around £140,000.
- 3.130 Resale agents told us that prices in the rural areas were now generally exceeding 2006 peak prices but in the mining areas many dwelling types were still well below peak prices.
- 3.131 Resale and letting agents were interviewed at Ollerton, Southwell and Newark-on-Trent. We conclude that the district housing market is serviced from these centres, although it is noteworthy that Rainworth and Clipstone are serviced mainly by agents based in Mansfield.
- 3.132 We visited Clipstone, Edwinstowe and Collingham and passed through many surrounding villages. Although we observed much recent development across the district and small developments without on-site sales agents, we achieved sales agent interviews at Bilsthorpe, Clipstone, Fernwood Village (Newark Urban Area) and Ollerton.

The Mining Communities

- 3.133 In the mining area there are many dwellings that were built by the mining industry and the local authorities. These are terraced or semi-detached houses on purpose built estates adjacent to the town or village core that pre-dates them. This is not to say towns do not have a wider housing offer. For example Edwinstowe has a thriving retail and tourist offer and its prices reflect this. According to Rightmove Edwinstowe's lower quartile (£145,000) and median (£170,000) asking prices are higher than for the other former mining towns.
- 3.134 Agents told us that mining areas contain estates which attract lower re-sale prices and a growing proportion will be owned by private landlords rather than owner occupiers. Agents also told us that landlord and owner occupier re-possession were a further factor that would lead to unusually low resale prices.
- 3.135 An Ollerton agent told us that there were 15 re-possession in the previous 12 months. Re-sale agents also told us that the mining areas tended to be low income areas and many newly forming households could only afford to rent and once housed, tended to 'stay put'.
- 3.136 The Ollerton agent told us that low prices and lack of local spending power meant that on an annual basis the proportion of incoming purchasers was high at around 50%. Younger households would come into the area and commute out to the nearby towns and cities. The agent said that extending the Robin Hood Line to Ollerton would make a huge difference to the local housing market.

- 3.137 Agents in mining areas told us that the most significant gap was that demand for bungalows could not be met. A further gap was meeting demand for higher income households seeking to move up and out of the 'pit houses'. In Ollerton this demand was being satisfied by the Miller Homes development (see below).
- 3.138 Letting agents told us that a high proportion of lettings in the mining areas were taken by incomers although they were quick to move within the local market to find the best quality housing they could afford. Demand from migrant workers was strong and workers were prepared to travel to employment in Newark and Shirebrook (Bolsover District).
- 3.139 Letting agents explained that a significant proportion of local demand was from low income workers receiving top up benefits and landlords would let to this group if tenants could produce references and a guarantor.
- 3.140 As a consequence some dwellings could be slow to sell. A Mansfield agent said that this could be the case at Rainworth where starting prices could be as low as £60,000. Rainworth and other parts of the District were becoming saturated with rental property. Agents told us that here prices for mining estates had seen little increase in price over the last few years and vendors were lucky to get within 10% of the asking price.
- 3.141 Agents pointed out that Thoresby Colliery near Edwinstowe was scheduled to close and this would end coal mining in the region. Agents believed that this was likely to have some impact on the local market affecting Ollerton and Edwinstowe.
- 3.142 Miller Homes was building phase 3 of The Meadows at Ollerton. They had been on site since 2006 and had seen sales pick up in the last few years. Around 20% of sales were to incomers re-locating and out-commuting. 5% of sales had been to investors but the sales agent said that these were small homes. Nearly all sales to owner occupiers in the last few years had been with Help to Buy.
- 3.143 Local purchasers had sought to retain their links with their family and friends whilst seeking to move on from the 'pit house'. The agent said that sales were now buoyant and 15 dwellings had been reserved on the next phase for which construction had commenced. The agent told us that there had been many enquiries for bungalows.
- 3.144 Rippon Homes was developing the Hawthornes at Bilsthorpe. The current phase is 6 bungalows offered at prices from £142,000. Previous phases were detached, semi-detached and terraced houses. The agent told us that there has been considerable interest in the bungalows. The previous phases had sold mostly to local households but the bungalows had attracted interest from Nottingham and parts of Leicestershire.

- 3.145 Taylor Wimpey is selling the latest phase of King's Acre at Clipstone. The agent told us that 2, 3 and 4 bedroom homes are on sale from £113,000 and again, interest and sales had been overwhelmingly to local households. The agent told us that the current phase had been re-planned to include more smaller homes in response to the market.

The rural area

- 3.146 The Southwell sub market (town and surrounding villages) is serviced from agents within the town. Agents told us that this was a high value sub-market due to its character (the Minster and surrounding countryside) and in high demand due to its high quality primary and secondary schools. The town also has a weekly market and a high quality retail offer.
- 3.147 Southwell prices were such that demand from low to mid income first time buyers could not be met. The small number of family homes available at under £200,000 had been subject to flooding recently and this affected supply. Agents also said that the recent price increases in London had influenced rising prices here which were now above their 2006 peak. Prices in surrounding villages had been less affected. Although there is a rental market in the town, investors are finding few opportunities to purchase homes and obtain realistic returns.
- 3.148 Southwell's rental market is more diverse than others in the housing market area. Agents told us that there are a small number of student lets. There is also higher value market as good income incomers will rent if they cannot afford to buy in order to obtain places at local schools.
- 3.149 Agents told us that the most significant gap is high quality 3 bedroom family homes that would rent for between £850-£895 pcm. There was virtually no letting to benefit claimants of working age. Demand was such that landlords did not need to house this group. Smaller town centre lettings are very popular with older people who could walk to town centre services.
- 3.150 There was evidence of significant recent new development but currently there were only small infill schemes under construction. Agents told us that nearby new development at Farnsfield was not relevant to the Southwell market as it was outside the school catchment area.
- 3.151 The Collingham sub market (town and surrounding villages) is mostly serviced from agents based in Newark. Agents regard it as part of the Newark sub market with less significant connection to the City of Lincoln to the East. They remarked that the railway station and its close proximity to the East Coast main line attracted outsiders to the village.

Newark on Trent

- 3.152 Newark has an industrial past and there is a great deal of terraced housing originally built in support of these industries. The modern tech industry is evident on the industrial parks and there has been significant investment in infrastructure especially the road network.
- 3.153 Resale agents told us that terraced housing in poor condition situated in less desirable areas would sell slowly for around £75,000. The demand was limited as many first time buyers and investors would instead compete for homes priced at around £100,000. The reason for this was because the cost of improvement was generally not capable of being reflected in value and therefore lenders would not finance improvement costs.
- 3.154 Higher income first time buyers were attracted to new build at Fernwood Village (see below) rather than older resale homes for lifestyle reasons and the house builder's guarantee. First time movers in employment would seek to upgrade to the £125,000 price point however supply was becoming limited. Agents told us that this was becoming a significant gap in the re-sale market as was the shortage of bungalows.
- 3.155 We were told that only around 10% of sales were to incomers and those incomers were likely to come from nearby cities for employment reasons.
- 3.156 Letting agents told us that the proportion of incomers was higher at around 25%. A significant driver was the number of eastern European workers who found employment in the local sugar industry and the rural food production and processing industries.
- 3.157 We interviewed the David Wilson sales agent Fernwood Village which is part of a multi-phase urban extension to the south of the town with easy access to the A1. The agent explained that demand was overwhelmingly from younger local households. Many were upsizing and attracted to the new village lifestyle which supported a pub, restaurant and convenience store etc.
- 3.158 Most sales had been achieved with Help to Buy. The agent cautioned that one lender was no longer accepting new business on the estate as they had a disproportionately large mortgage portfolio on the estate. Few older people had chosen to live on the estate due to its size and a perception that it was a young person's place.
- 3.159 Resale agents told us that Fernwood Village re-sales were not selling quickly as asking prices were close to new build asking prices and purchasers found the new home offer to be compelling. They pointed out that the recent Waters Edge apartment development at Northgate had sold quickly but due to its central location a high proportion of sales had been to investors. There were few investors at Fernwood Village.

Social housing

- 3.160 Local authority housing in Ashfield and Newark and Sherwood districts are managed by an arm's length management organisation. Mansfield District owns and manages its own Council housing stock. All are part of the 'HomeFinder' choice based letting scheme which the registered providers also use.
- 3.161 All councils told us that the most critical shortage of re-lets was for 2 bedroom flats and houses. Ashfield and Mansfield Councils added that there is a general shortage of housing for households under 65 years of age. There was also a shortage of specialist housing for applicants with learning difficulties and those with physical disability especially for wheelchair for standard housing. The only hard to let dwellings are studio flats in sheltered housing. Mansfield officers reported that some terraced homes in Mansfield and Warsop were in low demand.
- 3.162 Council officers told us that between 20% and 50% of homelessness acceptances are for failed private rented sector tenancies. Local authorities provide assistance to private rented sector tenants in need in the form of help through a bond guarantee scheme.

Private Rented Sector housing

- 3.163 Officers told us that the local landlord association was 'East Midland Property Owners' and that all 3 local authorities collaborated in a bi-annual landlord forum which were well attended.
- 3.164 There is one licensed House in Multiple Occupation (HMO) in Newark and Sherwood and 14 in Ashfield District.
- 3.165 Ashfield District officers told us that a selective licensing scheme is being introduced in the district.
- 3.166 All districts offer rent deposit and tenancy support schemes. The scheme in Newark and Sherwood is being reviewed to increase its effectiveness. Officers commented that direct payment to tenants had affected private rented sector supply to benefit claimants.
- 3.167 Local authorities told us that the most common problems reported to them were chronic disrepair, dampness and mould, excess cold and illegal eviction. Dampness mould and excess cold were sometimes an occupancy issue rather than caused by disrepair. Some private rented sector tenants claiming state benefit would be unable to afford adequate heating. In other cases heating and insulation may be inefficient and be the main factor in a household in fuel poverty. In either scenario dampness and mould can occur due to inadequate heating and ventilation.
- 3.168 Local Authorities commission stock condition surveys to quantify disrepair in the housing stock and estimate the impact of this and other factors in terms of the risk to occupants. This analysis is

outside the scope of the SHMA except to note that disrepair can amount to housing being 'unsuitable' and contribute to overall levels of housing need.

Registered Providers

- 3.169 Registered providers were asked to comment on some of the issues raised above. We asked if they had a preference for new development in rural mining or market town environments. Officers told us that the type of location was not the main consideration.
- 3.170 The main consideration was that homes would be in demand and were within easy reach of essential services for tenants. These were seen as the pre-requisite for sustainable new build. At our stakeholder conference (December 2014) registered provider and other stakeholders enlarged on this. They drew attention to the reluctance of some registered providers to accept small units of affordable housing in rural locations. There was also some discussion about accepting financial contributions instead of built units when this was the case.
- 3.171 We asked if they recognised the main gaps in supply of social rented housing. They recognised the shortage of two bedroom homes. They pointed out that there was sometimes an issue with developer provided 2 bedroom homes if they offered 2 bedroom 3 person homes. These were harder to let than 2 bedroom 4 person homes and were less flexible in the longer term.
- 3.172 Registered providers also told us that they preferred flats to be maisonette style avoiding communal entrances where possible. Whilst they would reflect this in their developments they said it was important that they provided a mix of dwellings to support the long term sustainability of the area.
- 3.173 We were told that the Homes and Communities Agency had supported most of the development proposals for the current year and developing registered providers were close to their capacity to deliver additional new homes. One registered provider told us that 8 dwellings would be completed in 2014 and 74 were planned for completion in Ashfield between now and 2018. They did not have sites in the other districts.
- 3.174 Registered providers cited barriers to delivery of more affordable housing as: low availability of land at discounted price; low levels of HCA grant funding; planning delays and delays in achieving S106 agreements.

Key Characteristics of Nottingham Outer HMA

- There are a number of clear distinctions between the Nottingham Outer HMA and the surrounding areas.
- There is a larger proportion of the working population in skilled and unskilled occupations and a lower percentage working in professional occupations. The levels of qualification of the Nottingham Outer HMA residents differ from those of both England and the East Midlands as a whole. In general the local authorities in the Nottingham Outer have a higher proportion of those with lower level qualifications. Earnings are broadly consistent with the East Midlands average but below the England average of £630 per week.
- The Local Authorities in the Nottingham Outer HMA have a higher than the national average amount of Couples (or families) with no Children.
- Since 2001 the Nottingham Outer HMA has seen a growth in single person households, households with non-dependent children and other households (including unrelated adults sharing). There is particularly a growth in Mansfield. This reflects a constraint on household formation forcing people to live with their parents for longer.
- Owner occupation is the most common tenure type within the HMA accounting for 69% of the housing stock. By comparison, across England 63% of households are homeowners.
- Across the HMA the Private Rented Sector accounts for 13% which is below the national average of 16.8%. Conversely socially rented properties account for 16.2% for the whole HMA this compares to 17.8% nationally and 15.8% across the East Midlands.
- The HMA as a whole has a percentage of detached houses consistently above the national average with the district of Newark and Sherwood falling at 38% some 15% above the national average. Conversely the percentage of flats in the HMA (8.1%) falls greatly below the National Average of 21.1% with the highest proportion of flats falling within Mansfield at nearly 9%.

4 ASSESSING OVERALL HOUSING NEED

Introduction

- 4.1 The analysis carried out follows the requirements of the National Planning Policy Framework and the more recent (March 2014) CLG advice as updated about assessing housing and economic development needs. The National Planning Practice Guidance (NPPG) effectively describes a process whereby the latest population and household projections are a starting point; and a number of “tests” then need to be considered to examine whether it is appropriate to consider an upward adjustment to housing provision. These are:
- Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?
 - How do the demographic projections ‘sit’ with the affordable housing needs evidence, and should an increase in housing supply be considered to meet affordable needs?
 - What do economic forecasts say about job growth? Is there evidence that there will be a labour force shortage in the area and how might this impact on the locations of housing?
- 4.2 In this section consideration is given to demographic evidence of housing need. The analysis begins by considering the most recent population and household projections published by ONS/CLG. The section also considers the overlap between population growth and job growth to check there will be a sufficient workforce moving forward and finishes by considering age specific household formation rates to look at the extent of suppression of household formation for particular cohorts of the population.
- 4.3 The core projections in this section look at housing needs in the period from 2013 to 2033. The start point reflects a base position for which a reasonable amount of data is available (the ONS mid-2013 population estimates) with the end date selected to provide a reasonable (20-year) period for analysis.

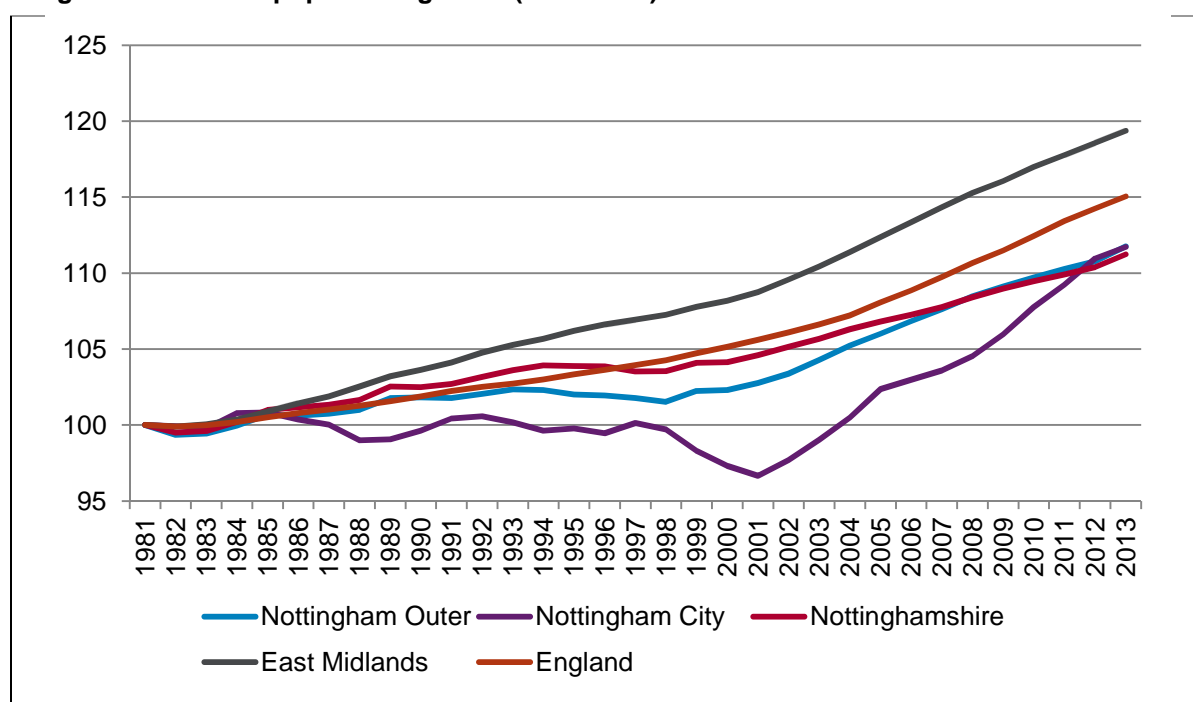
Demographic profile of Nottingham Outer HMA

- 4.4 The population of Nottingham Outer in 2013 is estimated to be 343,700, this is an increase of 27,700 people since 2001 – an 8.8% increase over the 12-year period. This level of population growth is above that seen across Nottinghamshire (6.3%) and in-line with the increase seen nationally (8.9%). Population growth has however been some way below the growth seen in the City of Nottingham (15.6%) and also below the East Midlands average (9.8%). Of the three local authorities, the data shows the most significant growth in the 2001-13 period to have been in Newark & Sherwood (9.8%) with the lowest growth being in Mansfield (7.3%).
- 4.5 We have benchmarked trends against Nottingham and Nottinghamshire as representing the wider county, and because of the potential influence of demographic dynamics in Nottingham on parts of

the HMA (i.e. Hucknall and parts of Newark and Sherwood). Nottinghamshire refers to the administrative county (i.e. it excludes the City).

- 4.6 We can also consider longer-term trends in population growth with data being available back to 1981. The figure below shows that population growth in Nottingham Outer has overall been in-line with growth seen in the County and the City of Nottingham. However, the City shows population decline until 2001 and very rapid growth thereafter. In comparison with Nottingham the growth in population in Nottingham Outer has been relatively modest over the past decade or so. Over the whole 1981 to 2013 period, the data shows that growth locally has been some way below that seen regionally and nationally.

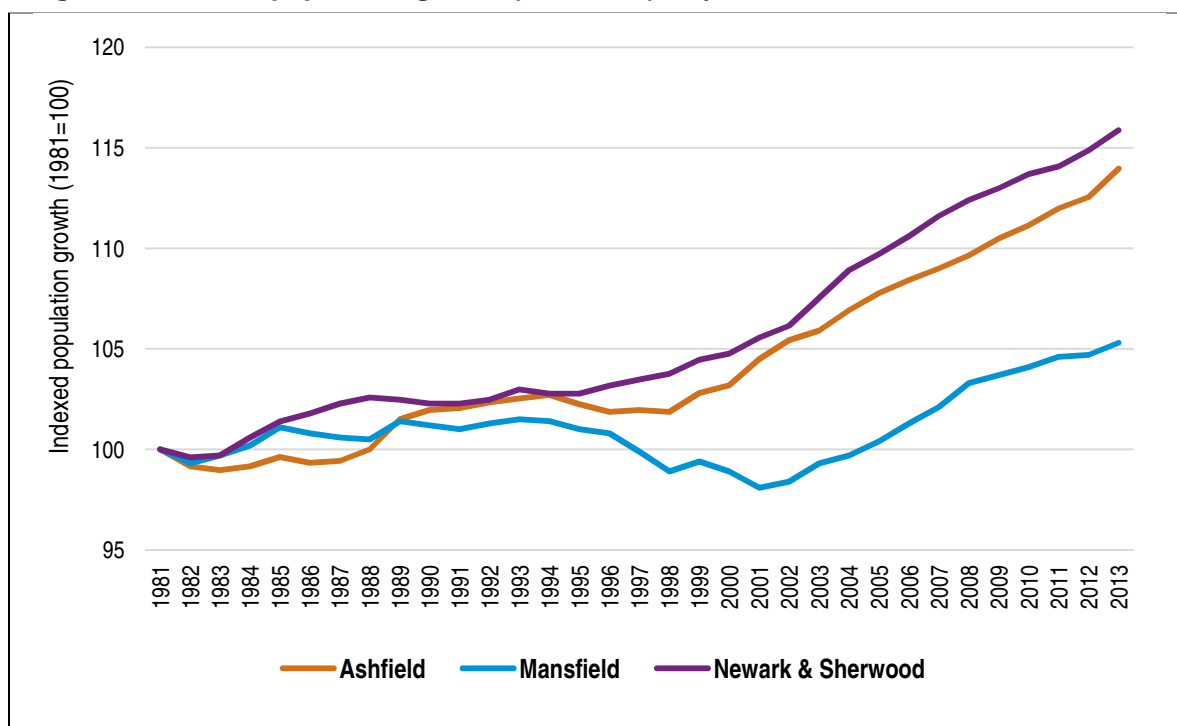
Figure 57: Indexed population growth (1981-2013)



Source: ONS

- 4.7 The figure below shows the same information for individual local authority areas. The data shows population decline in Mansfield until about 2001, followed by a period of increase. Both Ashfield and Newark & Sherwood show modest growth until the late 1990s and then a period of much stronger increases in the population.

Figure 58: Indexed population growth (1981-2013) – by District

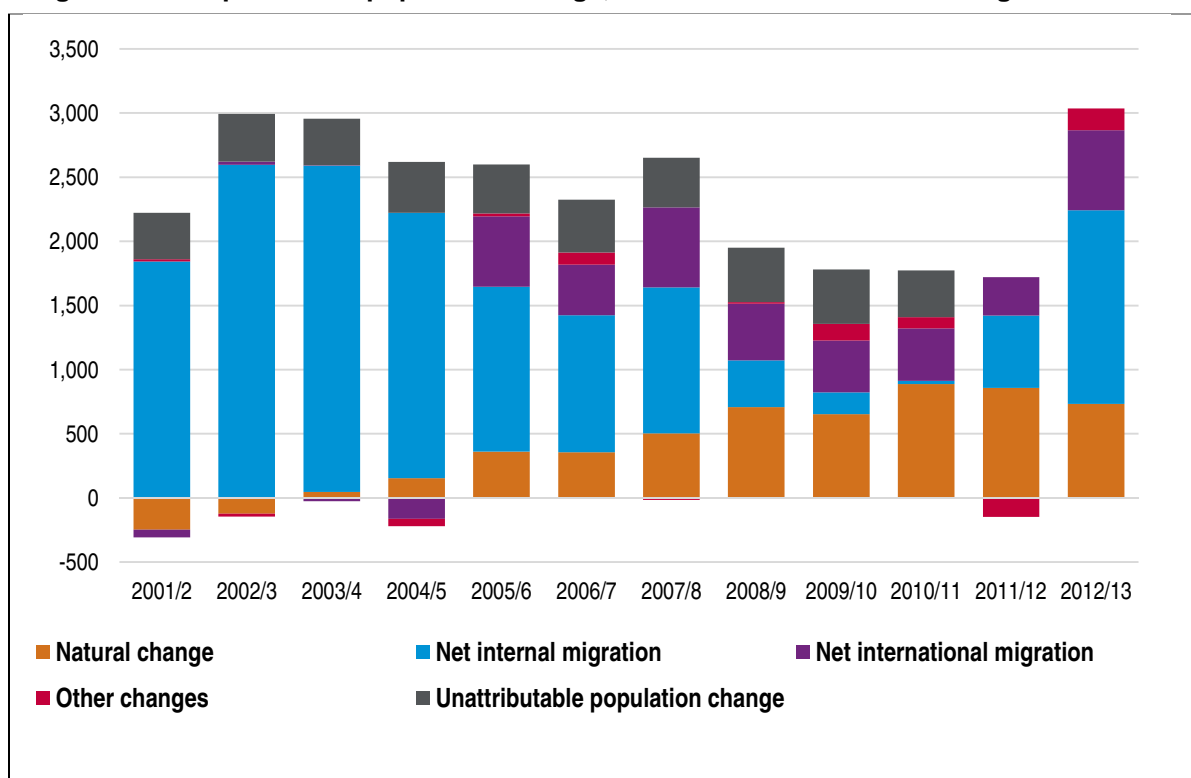


Source: ONS

- 4.8 The figure and table below consider the drivers of population change in the HMA. Population change is largely driven by natural change (births minus deaths) and migration although within ONS data there is also a small other changes category (mainly related to armed forces and prison populations) and an unattributable population change (UPC) – this is an adjustment made by ONS to mid-year population estimates where Census data suggests that population growth had either been over- or under-estimated in the inter-Censal years. Because UPC links back to Census data a figure is only provided for 2001 to 2011.
- 4.9 The data shows that natural change has been an increasingly important component of population growth in the HMA. In 2001-3 the number of deaths exceeded the number of births although over the past decade this balance has changed significantly – over the past five years for which data is available, natural change averaged about 770 per annum. The level of natural change has therefore been increasing over time, although the more recent evidence (2011-13) suggests that this may now be levelling off or even decreasing slightly. The increase in natural change has been largely offset by a reduction in net migration over time – net migration averaged about 2,130 in the five year period to 2006; however, over the past five years this has dropped to an average of just 960 per annum. This change has been driven by a significant reduction in internal migration (i.e. moves from one part of the Country to another) with international migration being higher in the more recent past than was seen at the start of the period studied (i.e. from 2001).

- 4.10 Overall, the balance between natural change and net migration has meant that population growth over the past 12-years or so has been quite steady, albeit at a lower rate in the 2008-12 period. Data for 2012/13 shows a marked increase in population growth, with ONS estimating an increase of over 3,000 people – this is a higher single year figure than observed at any point back to 2001. An uplift from typical past trends was observed in all areas in 2012/13, with Ashfield in particular seeing a high level of growth in relation to figures in previous years.
- 4.11 Other changes are quite small whilst the data shows a modest (and positive) level of UPC – the positive UPC suggests that previous ONS components of change data may have under-estimated population growth in the study area. The positive UPC seems to particularly impact on Mansfield (and to a lesser extent Ashfield). The implications of UPC for housing need is discussed later in this section.

Figure 59: Components of population change, mid-2001 to mid-2013 – Nottingham Outer



Source: ONS

Table 7: Components of population change (2001-13) – Nottingham Outer

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (un-attributable)	Total change
2001/2	-247	1,843	-60	19	361	1,916
2002/3	-122	2,596	27	-24	371	2,848
2003/4	48	2,545	-25	1	361	2,930
2004/5	155	2,068	-163	-58	397	2,399
2005/6	362	1,284	549	23	381	2,599
2006/7	357	1,067	394	96	412	2,326
2007/8	503	1,139	624	-15	387	2,638
2008/9	709	363	442	13	424	1,951
2009/10	654	170	402	131	425	1,782
2010/11	888	24	410	88	363	1,773
2011/12	857	565	300	-148	-	1,574
2012/13	734	1,508	624	171	-	3,037

Source: ONS

- 4.12 The tables below provide this information for individual local authorities. The tables show that natural change has generally been increasing with migration being highly variable but generally in a downward direction. Data for 2012/13 does buck these general trends, with natural change going down slightly (other than in Ashfield) and migration being relatively high.

Table 8: Components of population change (2001-13) – Ashfield

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (un-attributable)	Total change
2001/2	-30	1,058	-66	-3	52	1,011
2002/3	-14	521	-14	-9	76	560
2003/4	7	983	2	12	53	1,057
2004/5	86	771	-5	-8	71	915
2005/6	187	364	70	-11	74	684
2006/7	146	333	28	-2	92	597
2007/8	238	243	121	-5	73	670
2008/9	295	424	82	-3	106	904
2009/10	266	262	73	-11	101	691
2010/11	378	366	95	10	107	956
2011/12	381	153	65	10	-	609
2012/13	392	924	84	22	-	1,422

Source: ONS

Table 9: **Components of population change (2001-13) – Mansfield**

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	-67	77	-19	-3	314	302
2002/3	-13	591	9	-7	303	883
2003/4	53	164	-88	10	317	456
2004/5	75	408	-89	-6	319	707
2005/6	161	133	323	-4	321	934
2006/7	168	104	217	-14	317	792
2007/8	256	254	300	-2	322	1,130
2008/9	340	-409	188	-2	325	442
2009/10	281	-370	153	-4	349	409
2010/11	420	-501	190	-2	324	431
2011/12	333	-303	149	7	-	186
2012/13	239	-107	401	26	-	559

Source: ONS

Table 10: **Components of population change (2001-13) – Newark & Sherwood**

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	-150	708	25	25	-5	603
2002/3	-95	1,484	32	-8	-8	1,405
2003/4	-12	1,398	61	-21	-9	1,417
2004/5	-6	889	-69	-44	7	777
2005/6	14	787	156	38	-14	981
2006/7	43	630	149	112	3	937
2007/8	9	642	203	-8	-8	838
2008/9	74	348	172	18	-7	605
2009/10	107	278	176	146	-25	682
2010/11	90	159	125	80	-68	386
2011/12	143	715	86	-165	-	779
2012/13	103	691	139	123	-	1,056

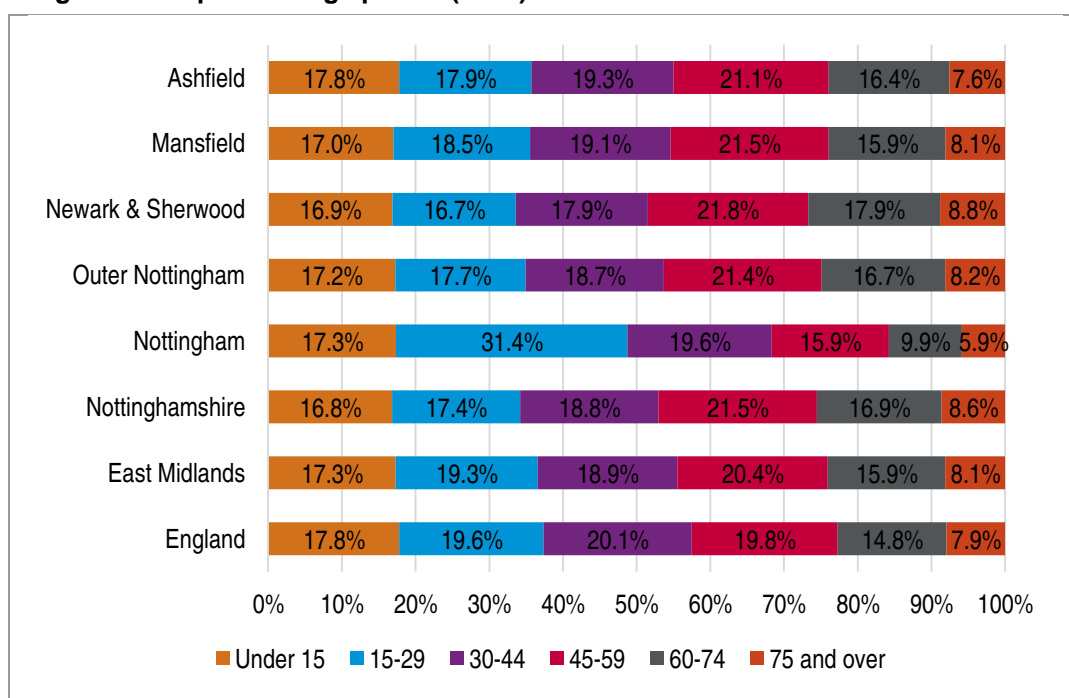
Source: ONS

- 4.13 The profile of the population of the HMA is broadly similar to that seen across Nottinghamshire and to a lesser extent the region. Compared with data for England, the data suggests a relatively old population with more people aged 60 and over. As shown in the figure below, some 25% of the population is aged 60 and over, compared with 23% for the whole of England. In comparison with Nottingham the population profile is somewhat different; this is most noticeable with the very low

proportion of older people in Nottingham (just 16% aged 60 and over) and a particularly large population aged 15-29 (although this will to some extent be influenced by student populations).

- 4.14 For individual local authority areas there are some small differences. The key one is the relatively old population of Newark & Sherwood where 27% of the population is aged 60 and over – both Ashfield and Mansfield show an equivalent proportion of 24%.

Figure 60: Population age profile (2013)



Source: 2013 Mid-Year Population Estimates

- 4.15 The table below shows how the age structure of the population has changed over the 2001 to 2013 period. The data shows the most significant growth to have been in the 60-74 and 45-59 age groups. The analysis also indicates a small decline in the populations aged 30-44 and aged Under 15.

Table 11: **Change in age structure 2001 to 2013 – Nottingham Outer**

Age group	2001	2013	Change	% change
Under 15	59,800	59,200	-600	-1.0%
15-29	52,800	60,800	8,000	15.2%
30-44	71,300	64,400	-6,900	-9.7%
45-59	63,300	73,600	10,300	16.3%
60-74	44,200	57,500	13,300	30.1%
75 and over	24,400	28,000	3,600	14.8%
Total	316,000	343,700	27,700	8.8%

Source: Mid-Year Population Estimates

- 4.16 The same analysis has been carried out for the individual local authorities and a range of comparator areas (in the table below). The data identifies that population change in each of the three local authorities has broadly followed the change seen across the HMA – this in turn is similar to the changes observed across the County (and also to some extent the region and nationally). There are however some notable differences when compared with Nottingham – most notable being the lack of increase in the population aged 60 and over within the City and hence particularly strong growth in ‘younger’ age groups.

Table 12: **Change in age structure 2001 to 2013**

Age group	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer	Nottingham	Nottinghamshire	East Midlands	England
Under 15	2.9%	-5.3%	-1.0%	-1.0%	8.9%	-2.8%	1.3%	3.2%
15-29	13.0%	15.4%	17.5%	15.2%	33.3%	10.7%	16.2%	12.7%
30-44	-8.9%	-9.5%	-10.7%	-9.7%	4.3%	-12.5%	-7.2%	-3.7%
45-59	15.8%	18.9%	14.4%	16.3%	26.7%	11.8%	14.2%	14.3%
60-74	32.7%	22.8%	34.0%	30.1%	0.7%	28.7%	29.7%	22.4%
75 and over	10.8%	13.3%	19.8%	14.8%	-1.1%	19.1%	18.2%	15.0%
Total	9.1%	7.3%	9.8%	8.8%	15.6%	6.3%	9.8%	8.9%

Source: Mid-Year Population Estimates

What is the Starting Point to Establish the Need for Housing?

- 4.17 The NPPG states that ‘household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics. Projected household representative rates are based on trends observed in Census and Labour Force Survey data’.

- 4.18 The most up-to-date projections are the 2012-based CLG household projections published in February 2015. These projections were underpinned by ONS (2012-based) subnational population projections (SNPP) – published in May 2014. Our analysis therefore initially considers the validity of the population projections and their consistency with past trends.

2012-based subnational population projections

- 4.19 The latest set of subnational population projections (SNPP) were published by ONS on the 29th May 2014. They replace the 2010- and 2011-based projections. Subnational population projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2012-based national population projections. The new SNPP are largely based on trends in the 2007-12 period (2006-12 for international migration trends). The SNPP are only population projections and do not contain headship rates (which are needed to convert into household estimates).
- 4.20 They are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.

Overall Population Growth

- 4.21 The table below shows projected population growth from 2013 to 2033 in each District and other areas. The data shows that the population of the HMA is expected to grow by around 32,900 people; this is a 9.6% increase – slightly lower than expected across Nottinghamshire and notably below figures for wider comparators.
- 4.22 It should be noted that due to inclusion within the modelling of mid-2013 population estimates for Nottingham Outer (and the individual local authorities) the figures for the County do not exactly match those in the SNPP. Figures for comparator areas are however taken directly from the SNPP

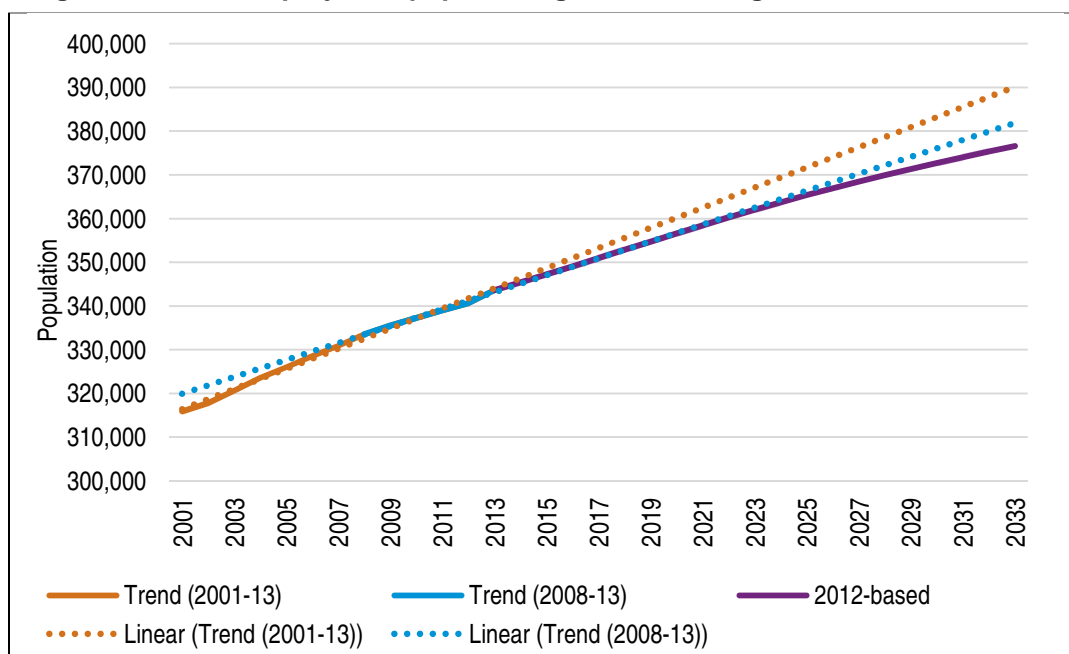
Table 13: **Projected population growth (2013-2033)**

	Population 2013	Population 2033	Change in population	% change
Ashfield	121,553	135,266	13,713	11.3%
Mansfield	105,296	111,827	6,531	6.2%
Newark & Sherwood	116,817	129,521	12,704	10.9%
Nottingham Outer	343,666	376,614	32,948	9.6%
Nottingham	310,400	345,700	35,300	11.4%
Nottinghamshire	793,900	876,700	82,800	10.4%
East Midlands	4,593,900	5,145,300	551,400	12.0%
England	53,843,600	61,022,500	7,178,900	13.3%

Source: ONS

- 4.23 The figure below shows past and projected population growth in the period 2001 to 2033 for the whole of the Nottingham Outer area. The data also plots a linear trend line for the last five years for which data is available (2008-13) and also a longer-term period from 2001 to 2013 – this being the longest period for which reasonable data about the components of population change (e.g. migration) is available. The data shows that the population is expected to grow at a rate which is in-line with recent past trends, but somewhat below the longer-term position.

Figure 61: Past and projected population growth – Nottingham Outer

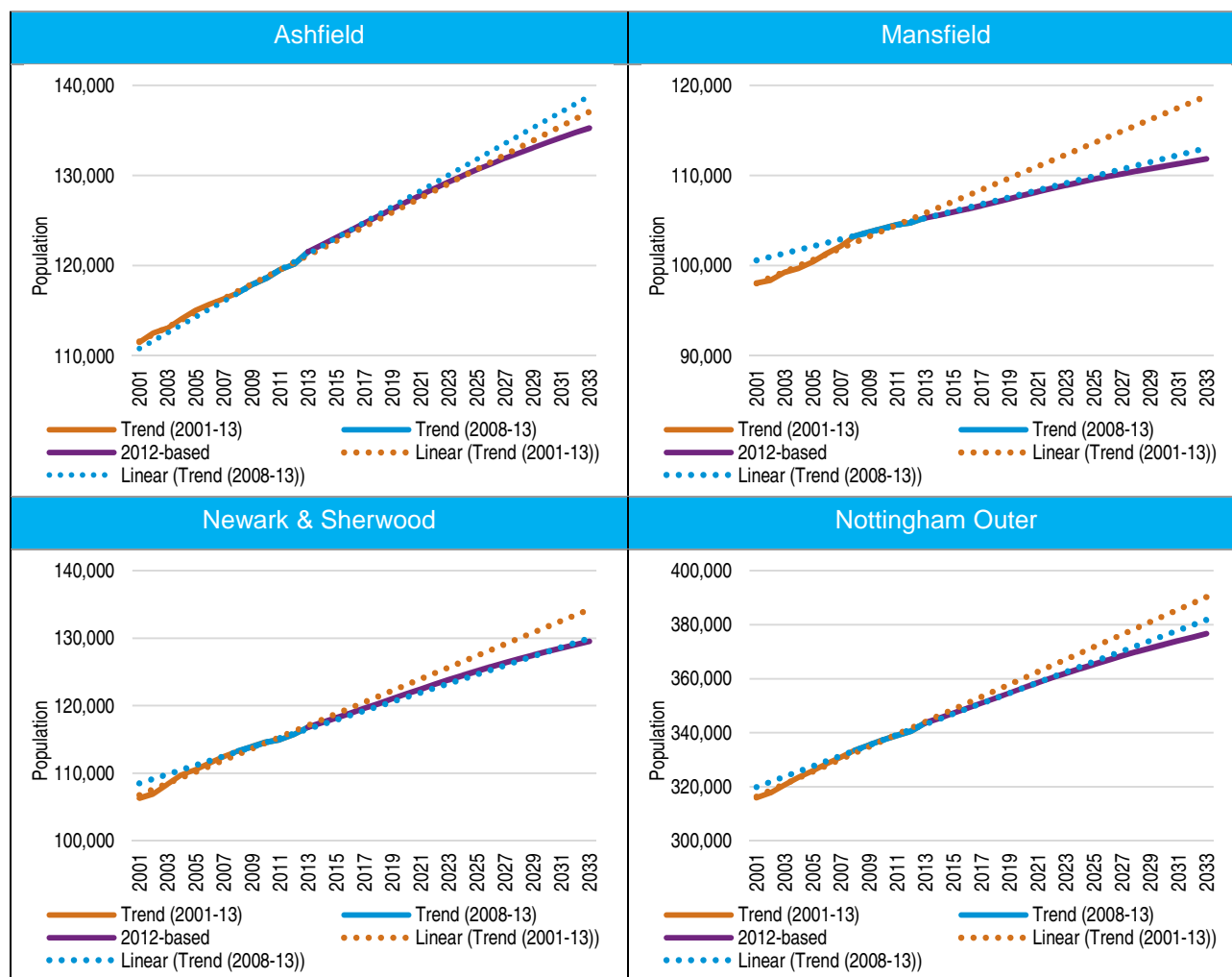


Source: ONS

- 4.24 The figures below show the same data for individual local authorities. In Ashfield the data suggests that future growth is expected to be below short-term trends and very slightly below longer-term trends. In Mansfield, future population growth is expected to be in-line with short-term trends, but

notably below the trend seen in the 2001-13 period. Finally, population growth in Newark & Sherwood is expected to be in-line with short-term trends and slightly below the typical trends recorded over the past 12-years.

Figure 62: Past and projected population growth – by District



Source: ONS

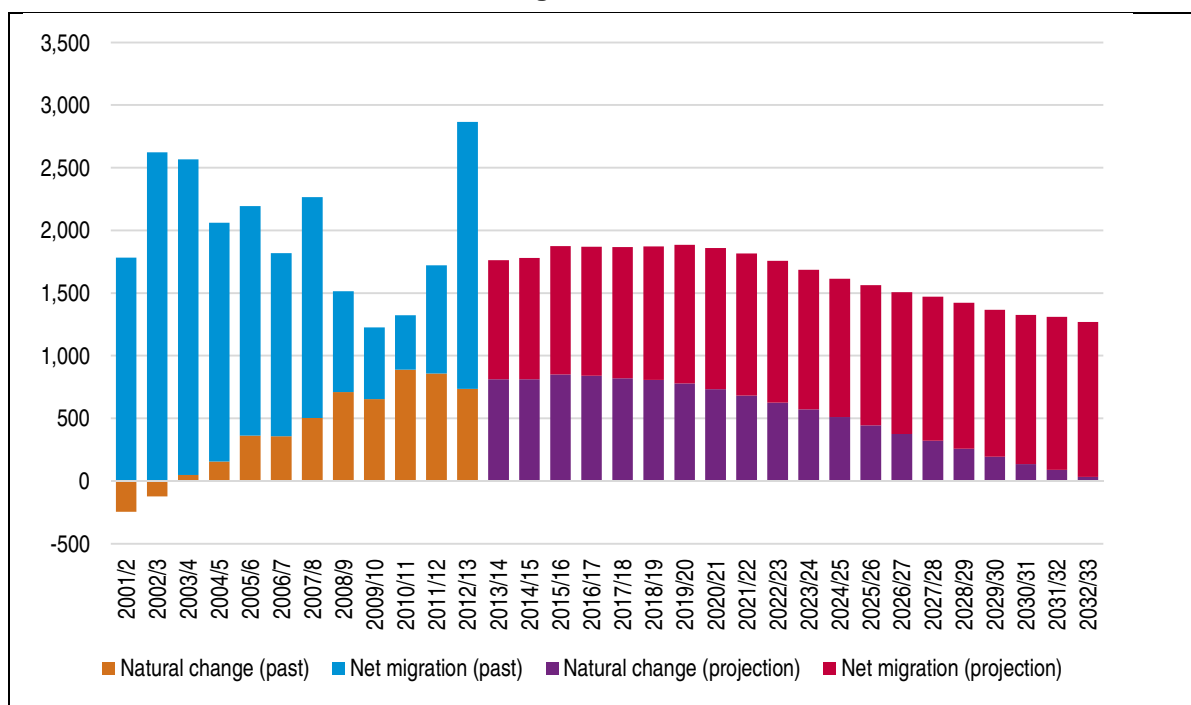
- 4.25 Overall, at the HMA level, we would conclude that the SNPP is a reasonable projection to take forward into household growth modelling. It is however notable that the level of population growth is below past trends, and as such, an uplift should be considered where there appears to have been some sort of recessionary trend (or where the past components of change may have incorrectly recorded past population growth). Analysis later in this section considers the implications of longer-term trends and the impact of Unattributable Population Change (UPC) – as discussed earlier in the section.

- 4.26 Whilst, the data shows population growth which is below longer-term trends, it should be recognised at a smaller-area level that ONS tends to consider data over a shorter period of time (typically 5-6 years). In interpreting the figures, it does also need to be born in mind that the ONS projections are not a simple roll forward of past population growth. The projections take account of the current age structure and how this will change over time. The age structure changes then feed into estimates of how migration and natural change might develop over time.
- 4.27 Given that all of the district-level projections show some consistency with short-term population growth trends it is considered that these are also broadly reasonable. Again, consideration of longer-term trends and the past components of change are tested later in this section.

Components of population change

- 4.28 The figure below brings together data about migration (both past trends and the future projection) along with information about natural change. This shows that after growing slightly at the start of the projection period, natural change is expected to decrease over time. Expected levels of migration show the opposite pattern – generally increasing over time. When compared with the past trends in migration, the projected figures look to be reasonable. For the whole of the projection period (2013-33) the average level of migration is expected to be around 1,110 people (net) per annum – this figure is higher than the level seen in short-term past trends (960 per annum) but some way below the longer-term (1,558 per annum on average from 2001 to 2013).
- 4.29 On this basis the conclusion above (about the soundness of the SNPP) seems to be supported by this additional analysis. However, the lower levels of migration in the 2008-12 period (during the recession) does mean that consideration should be given to longer-term trends.

Figure 63: Components of population change, mid-2001 to mid-2033 (summary chart) – Nottingham Outer



Source: ONS

Age Structure Changes

- 4.30 With growth in the population will also come age structure changes. The table below summarise the findings for key (15-year) age groups under the 2012-based SNPP. The data shows that largest growth will be in people aged 60 and over; it is estimated that there will be 122,800 people aged 60 and over in 2033 – this is an increase of 37,300 from 2013, representing growth of 44%. The population aged 75 and over is projected to increase by an even greater proportion, 78%. Looking at the other end of the age spectrum the data shows that there are projected to be around 6% more people aged under 15 with little change in the 15-29 and 30-44 age groups. The population aged 45-59 is expected to decline by about 13% over the 20-year projection period.

Table 14: Population change 2013 to 2033 by fifteen year age bands (2012-based SNPP)

Age group	Population 2013	Population 2033	Change in population	% change from 2013
Under 15	59,212	62,683	3,471	5.9%
15-29	60,970	60,995	25	0.0%
30-44	64,421	65,781	1,360	2.1%
45-59	73,542	64,310	-9,232	-12.6%
60-74	57,400	72,736	15,336	26.7%
75+	28,121	50,108	21,987	78.2%
Total	343,666	376,614	32,948	9.6%

4.31 The same analysis has been carried out for the individual local authorities and a range of comparator areas (in the table below). The data identifies that projected population change in each of the three local authorities is expected to broadly follow the changes expected across the HMA. Due to the lower projected population growth in Mansfield, all of the age specific changes are expected to be lower than in other parts of the HMA (or a greater decline where figures are negative). The expected population changes in the HMA are also similar to that expected across the County and region. The City of Nottingham is expected to see a slightly different change in the population profile with larger increases for all age groups up to 74 and a much lower increase in the population aged 75 and over. Nationally, population growth is also expected to be stronger in age groups up to 74 although the differences when compared with Nottingham City are more minor.

Table 15: **Population change 2013 to 2033 by fifteen year age bands (2012-based SNPP)**

Age group	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer	Nottingham	Nottinghamshire	East Midlands	England
Under 15	7.3%	2.3%	7.6%	5.9%	11.0%	7.9%	7.7%	8.9%
15-29	3.9%	-5.7%	1.6%	0.0%	6.9%	2.6%	4.0%	4.7%
30-44	3.9%	0.6%	1.6%	2.1%	4.3%	2.6%	2.4%	4.8%
45-59	-10.3%	-14.2%	-13.3%	-12.6%	0.8%	-11.9%	-7.4%	-0.7%
60-74	28.3%	26.4%	25.5%	26.7%	40.4%	24.4%	28.2%	29.8%
75 and over	80.3%	69.2%	83.7%	78.2%	39.4%	76.1%	79.5%	70.7%
Total	11.3%	6.2%	10.9%	9.6%	11.4%	10.4%	12.0%	13.3%

Source: Mid-Year Population Estimates

Household Growth

4.32 Having studied the population size and the age/sex profile of the population, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship rates is used. Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

4.33 With the publication of new 2012-based CLG household projections a new set of headship rates is now available (from the detailed 'data for modelling and analytical purposes' published with the 2012-based statistics release). These rates are considered to be more positive than the previous set (2011-based) and typically suggest higher rates of household growth for a given population. At a national level (in the 2012-21 period considered by CLG) the new projections show 10% higher growth in households, for Nottingham Outer the figure is slightly higher (at 13%).

- 4.34 The table below shows expected household growth in the 2012-based projections from 2013 to 2033 for Nottingham Outer and a range of other areas. The figures for the Nottingham Outer authorities do not exactly match the CLG projections as we have included population data for 2013, all other areas show the data as published. The data suggests an increase in households of about 20,600 over the 20-year period – this is a 14% increase; very slightly higher than expected across Nottinghamshire and somewhat higher than expected in Nottingham, the East Midlands and England.

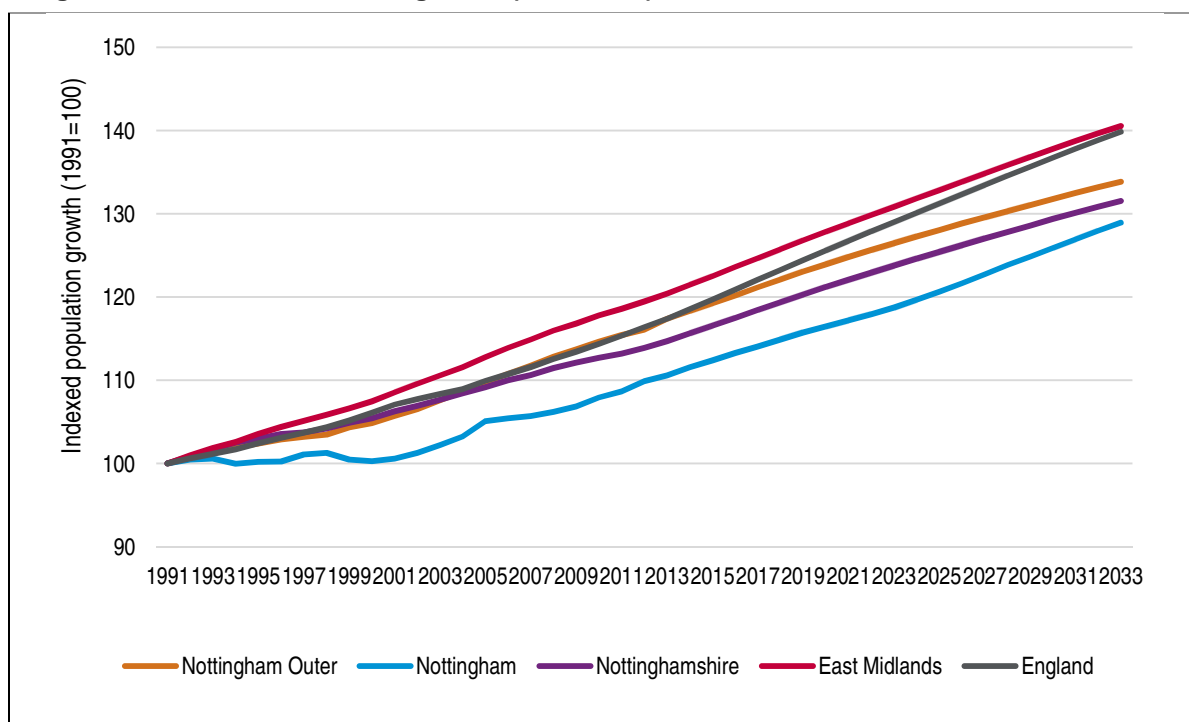
Table 16: **Projected household growth (2013-2033)**

	Households 2013	Households 2033	Change in households	% change from 2013
Ashfield	51,956	59,908	7,952	15.3%
Mansfield	45,575	50,606	5,030	11.0%
Newark & Sherwood	49,728	57,367	7,639	15.4%
Nottingham Outer	147,260	167,881	20,621	14.0%
Nottingham	127,452	148,577	21,125	16.6%
Nottinghamshire	339,217	389,045	49,828	14.7%
East Midlands	1,926,470	2,248,922	322,452	16.7%
England	22,499,536	26,797,826	4,298,290	19.1%

Source: ONS

- 4.35 The figure below shows household growth back to 1991 and projected forward to 2033. The analysis shows that growth in Nottingham Outer has generally followed trends in other areas and moving forward is expected to continue to see growth (albeit at a level slightly below the rates seen in other locations). When compared with Nottingham, the data shows that the low population growth in the City in the period to about 2001 has generated a low level of household growth; for the City the analysis shows moving forward that growth is expected to be stronger. Generally, the data shows some evidence of a slight acceleration in growth rates from about 2012 onwards – this is consistent with the view that the new projections are taking a more positive view about household formation rates.

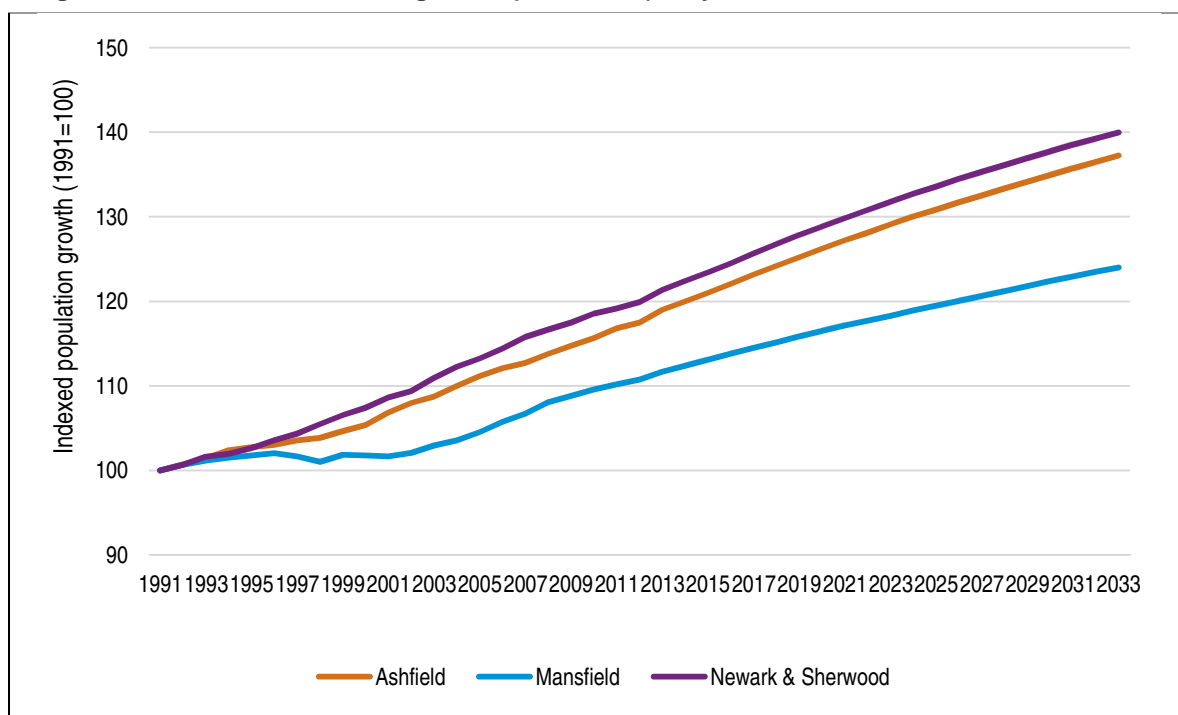
Figure 64: Indexed household growth (1991-2033)



Source: ONS

- 4.36 The figure below shows the same information for individual local authority areas. The data shows fairly consistent growth in Ashfield and Newark & Sherwood in the past and that these rates of growth are expected to continue into the future. In Mansfield the data suggests little change in the number of households until about 2003, following this, the rate of growth is positive, albeit at a rate which sit some way behind that expected in the other parts of the Nottingham Outer area.

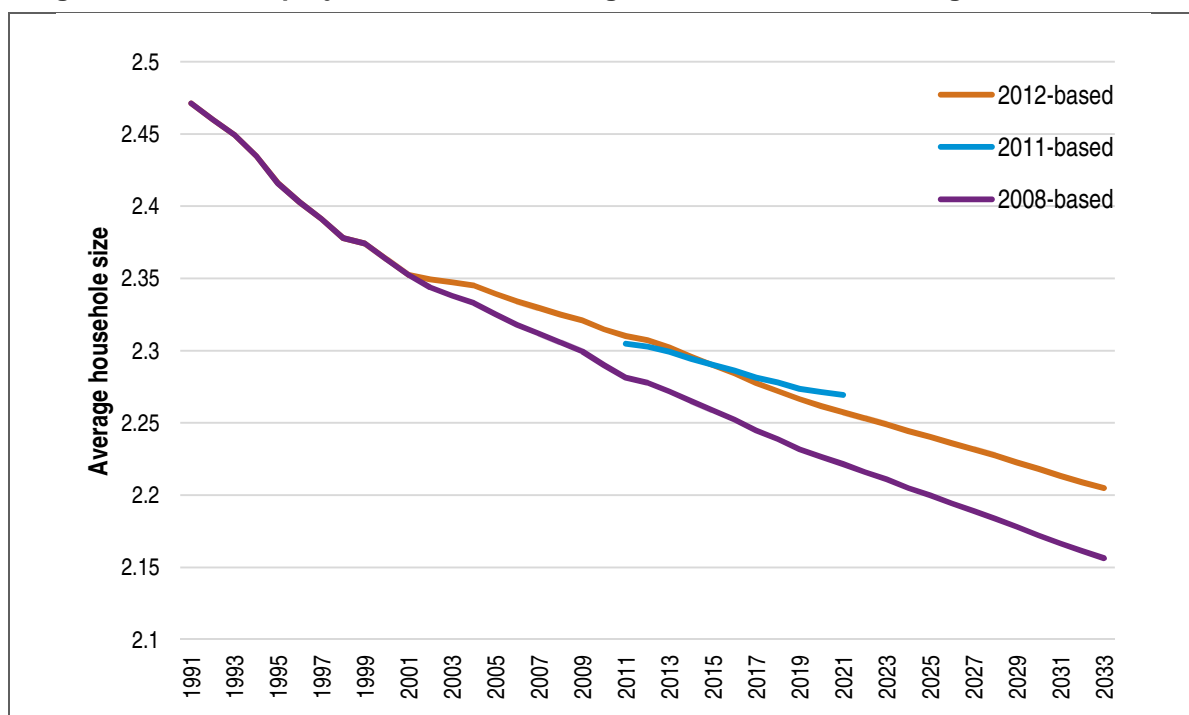
Figure 65: Indexed household growth (1991-2033) – by district



Source: ONS

- 4.37 To look at the impact of the 2012-based household projections we can make a comparison of average household sizes. The figure below shows this based on each of 2012-, 2011- and 2008-based CLG household projection data. The data does show the 2012-based figures being slightly more positive than the 2011-based version. This can be seen by the newer projections expecting a greater decrease in average household sizes over time – this would be more noticeable if we were to continue the 2011-based ‘trend’ beyond 2021.
- 4.38 Interestingly in Nottingham Outer there is a trend of decreasing household sizes from 2001 to 2011 – this is a period where it is considered that there was some suppression in the housing market and at a national level household sizes remained broadly constant over this period. Hence there is some evidence that household formation was less suppressed in Nottingham Outer than in other areas. That said, the rate of change in household sizes was far lower than seen in the previous decade (1991-2001).
- 4.39 Data from the 2008-based projections has also been included. This shows that average household sizes are above what might have been expected from this earlier release of data. However, looking at the period from 2012 the data suggests that the future trajectory in the 2012-based version is not dissimilar. Hence at face value it does look as if the new projections are returning rates of change to those experienced in the longer-term.

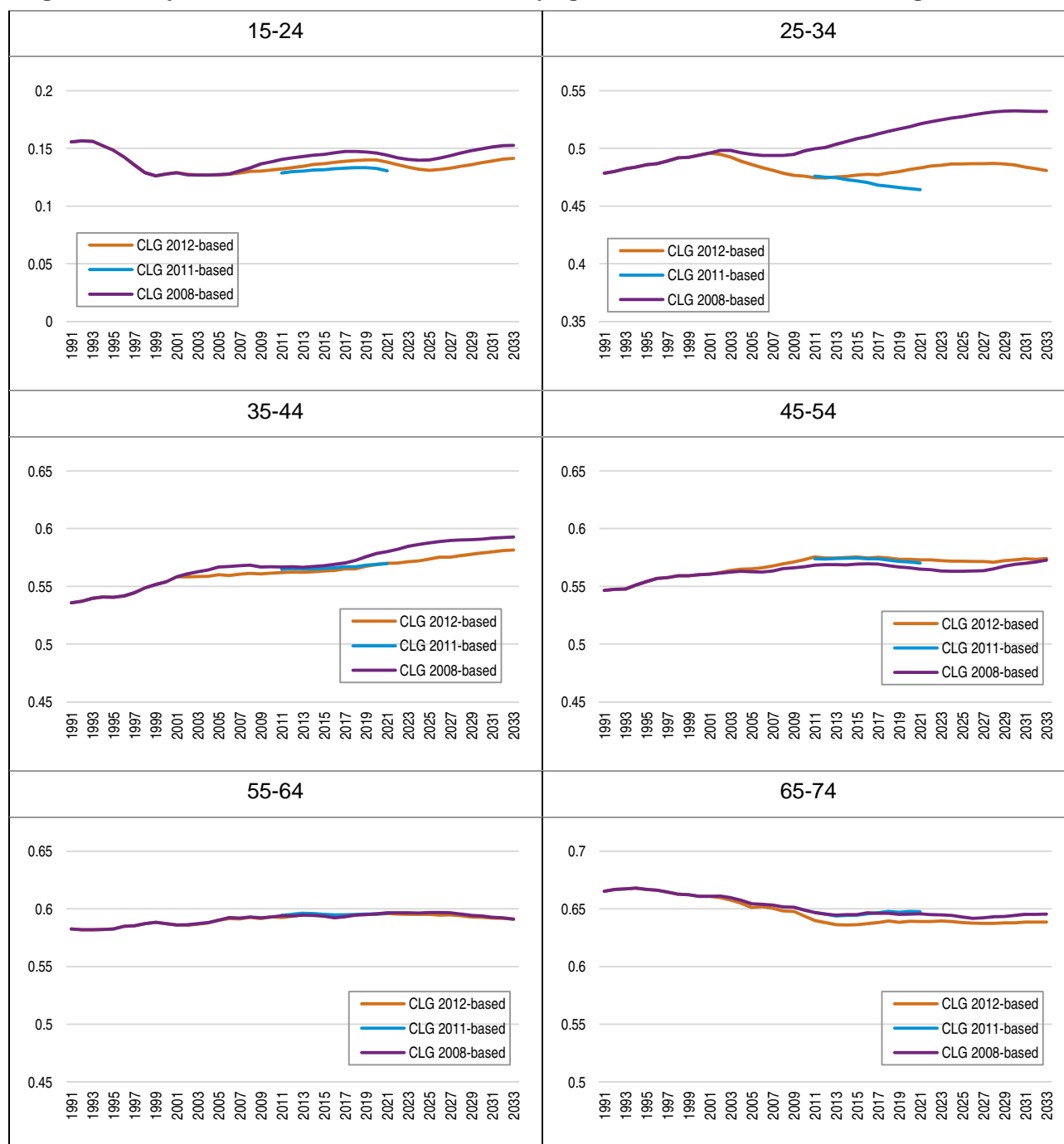
Figure 66: Past and projected trends in Average Household Size – Nottingham Outer

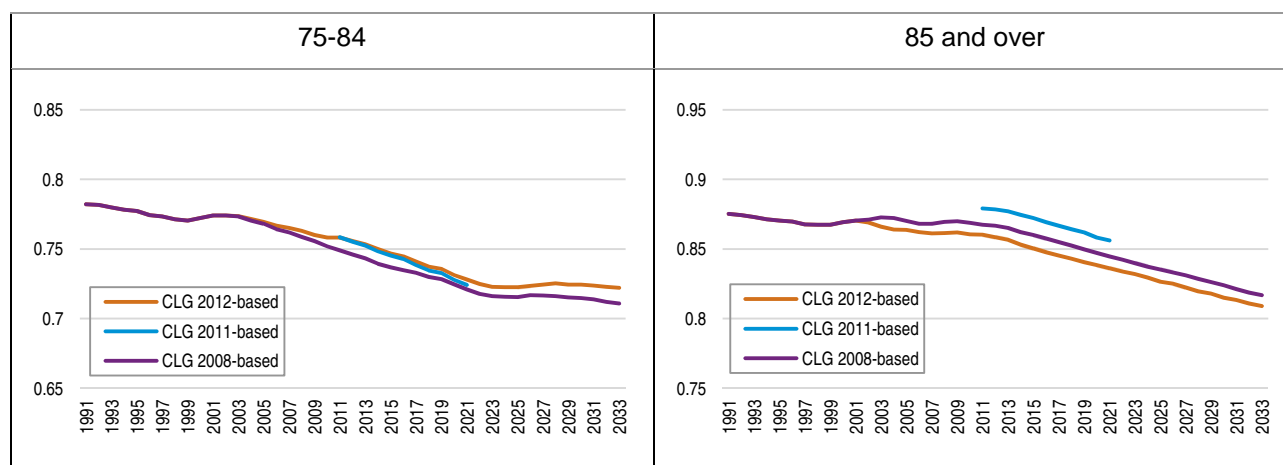


Source: Derived from ONS and CLG data

- 4.40 It is also useful to understand how the different CLG projections impact on assumptions for different age groups. The figure below shows the headship rates used in each of the projections. Overall the 2012-based projections look fairly sound with levels and rates of change being not dissimilar to those in the earlier (pre-recession) 2008-based projections. The one age group of concern is people aged 25-34 where the latest projections show quite a movement away from the figures in the 2008-based projections. Particularly in the 2001-11 period the 2012-based projections do appear to be indicating some degree of suppressed household formation – whilst some moderate improvement is expected post-2012 it still leaves the rate some way below figures in the older projections.

Figure 67: Projected household formation rates by age of head of household – Nottingham Outer

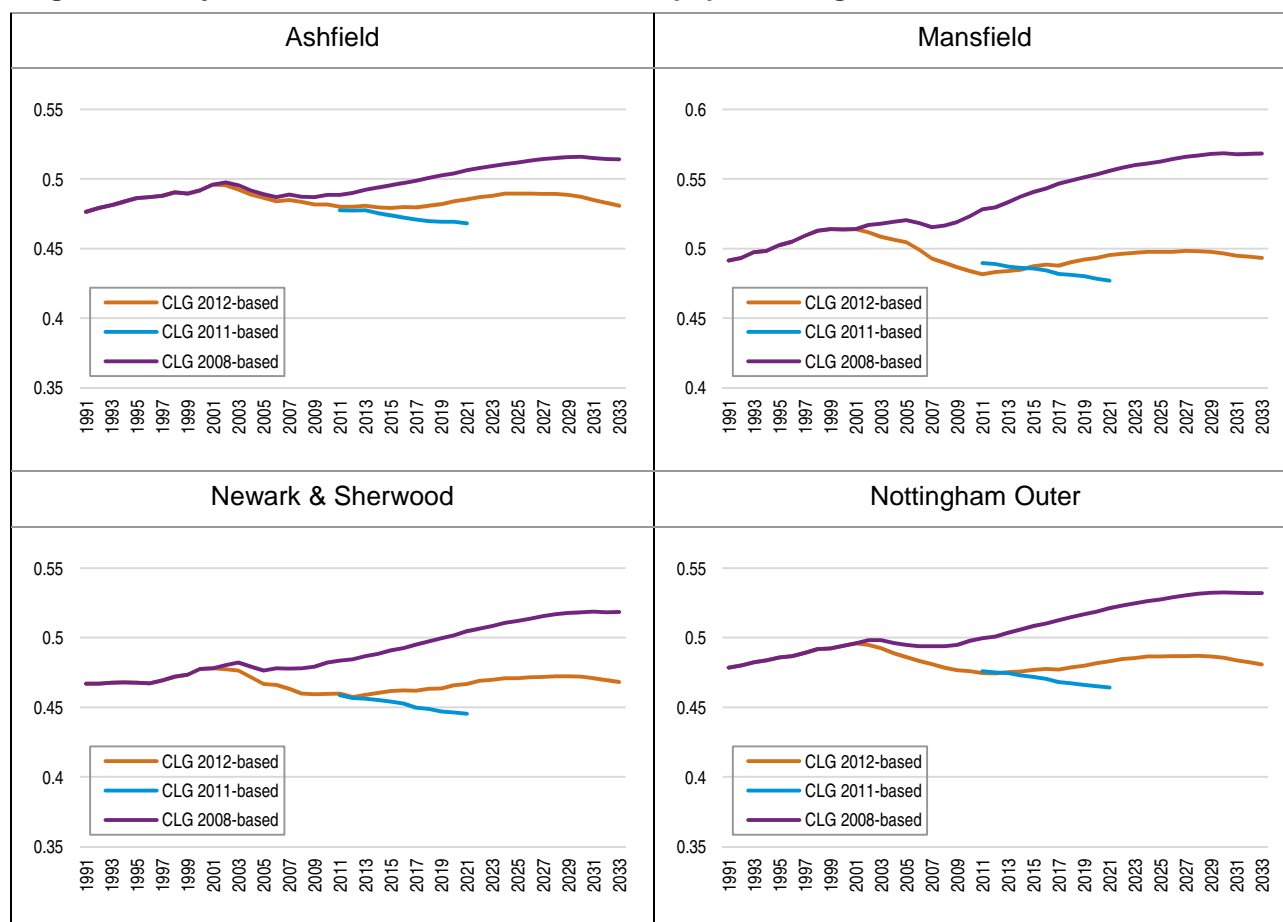




Source: Derived from CLG data

- 4.41 Data for the 25-34 age group is provided below for each local authority area (along with data for the whole HMA). The analysis shows in all areas that there has been some reduction in household formation rates between 2001 and 2011. This is most notable in Mansfield with the reduction in both Ashfield and Newark & Sherwood appearing to be fairly moderate. Moving forward it can be seen that all areas are expecting to see small increases from 2001 rates – however in Mansfield, the rate in 2033 is still some way below that observed in 2001 (the time at which the rates are shown to start declining).
- 4.42 It is considered that the decrease in household formation rates of this younger age group will to a great extent be linked to housing market factors (such as access to mortgage finance) and this therefore appears to have impacted more strongly on Mansfield than other areas. Further improvements to the formation rates of younger people will help reduce any suppression in the housing market and this is considered as part of the market signals analysis later in this report.

Figure 68: Projected household formation rates for population aged 25-34 – Individual Districts



Source: Derived from CLG data

4.43 The table below brings together outputs in terms of household growth and housing need using the 2012-based headship rates and our core projection linked to the 2012-based SNPP. To convert households into dwellings the data includes an uplift to take account of vacant homes. Analysis of 2011 Census data about unoccupied household spaces provides the following vacancy rate figures which have been used in analysis:

- Ashfield – 3.7%
- Mansfield – 4.4%
- Newark & Sherwood – 4.5%

4.44 It is assumed that such a level of vacant homes will allow for movement within the housing stock and includes an allowance for second homes.

4.45 The analysis shows an overall housing need for some 1,074 dwellings per annum across the 'HMA'. This figure would be considered as the start point in terms of the NPPG – it takes account of the most recent population and household projections.

Table 17: Projected household growth 2013-33 – 2012-based SNPP (adjusted for 2013 mid-year population data) and 2012-based headship rates

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Households 2013	51,956	45,575	49,728	147,260
Households 2033	59,908	50,606	57,367	167,881
Change in households	7,952	5,030	7,639	20,621
Per annum	398	252	382	1,031
Dwellings (per annum)	412	263	399	1,074

- 4.46 The 2012-based household formation rates increase the projected household growth in the HMA by 15% compared to using those in the 2011-based Household Projections (suitably indexed from 2021). The 2012-based rates therefore appear to show that as economic conditions improve (as they have started to) that household formation rates will also show some recovery.

Alternative demographic scenarios

- 4.47 Although we consider the 2012-based SNPP to be reasonable demographic projection when taking account of past trends in population growth we have highlighted that expected levels of population growth are below past trends and that there appears to have been some change in migration levels since the onset of recession in 2008 (particularly in Mansfield). Analysis has also highlighted that the components of past population change appear to have under-estimated population growth and that this may have a knock-on effect on the latest ONS population projections.
- 4.48 To consider any recessionary impacts and issues with data quality, two alternative projections have been developed. These can be summarised as:
- 12-year migration trends – this projection looks at the level of population and household/housing growth we might expect if migration levels in the future are the same as seen over the past 12-years. A consideration of longer-term trends is suggested as an alternative scenario in PAS guidance although we would recognise that the approach (as a standalone projection) is unlikely to be as robust as the SNPP (in terms of the methodology) as it won't take account of changes to the age structure over time and the impact this might have on migration levels.
 - UPC adjustment – as noted earlier there is a notable level of Unattributable Population change in the ONS data for 2001-11 in the Nottingham Outer area. In this instance UPC is positive, this suggests that the components of change feeding into the SNPP may slightly underestimate migration and population growth. Whilst this is a useful scenario to consider (again it is one suggested in the PAS guidance) we do not consider it, on its own, to be a robust alternative to the SNPP. The main reasons for this are that it is unclear if UPC is related to migration and more importantly, due to changes in the methods used by ONS to measure migration it is most probable that any errors are focussed on earlier periods (notably 2001-6) and therefore a UPC adjustment for more recent data would not be appropriate. When considering longer-term trends (as with the projection above) there is however a case for looking at the impact of UPC.

- 4.49 Table 18 below shows the output if a 12-year migration trend is used. It suggests a higher level of need than when using the 2012-based SNPP (for 1,285 dwellings rather than 1,074). For individual authorities the data also shows a higher level of need in all areas.

Table 18: **Projected household growth 2013-33 – 12-year migration trends and 2012-based headship rates**

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Households 2013	51,956	45,575	49,728	147,260
Households 2033	61,362	51,286	59,287	171,935
Change in households	9,406	5,710	9,559	24,675
Per annum	470	286	478	1,234
Dwellings (per annum)	488	298	499	1,285

- 4.50 We have subsequently applied to the 12-year migration trend an adjustment for UPC however we do note that there is in fact a strong link between the two. For example, where UPC is high, it is possible that this is due to migration having been under-estimated. However, it is generally considered that there are a number of factors (as well as migration) that feed into the estimates of UPC (most notably the possibility that population estimates in the 2001 Census were wrong). It is also notable that any UPC is likely to be associated with older data (particularly in the 2001-6 period – prior to ONS ‘improving’ migration statistics) and would therefore overlap with older data about migration.
- 4.51 Given this, it is considered prudent to study a projection which takes account of both longer-term migration trends and UPC – treating each of these equally (i.e. recognising that UPC could be related to migration and so the two will to some extent balance out). The output of this projection provides the following estimates of housing need.

Table 19: **Projected household growth 2013-33 – 2012-based SNPP with 12-year migration trends and UPC adjustment and 2012-based headship rates**

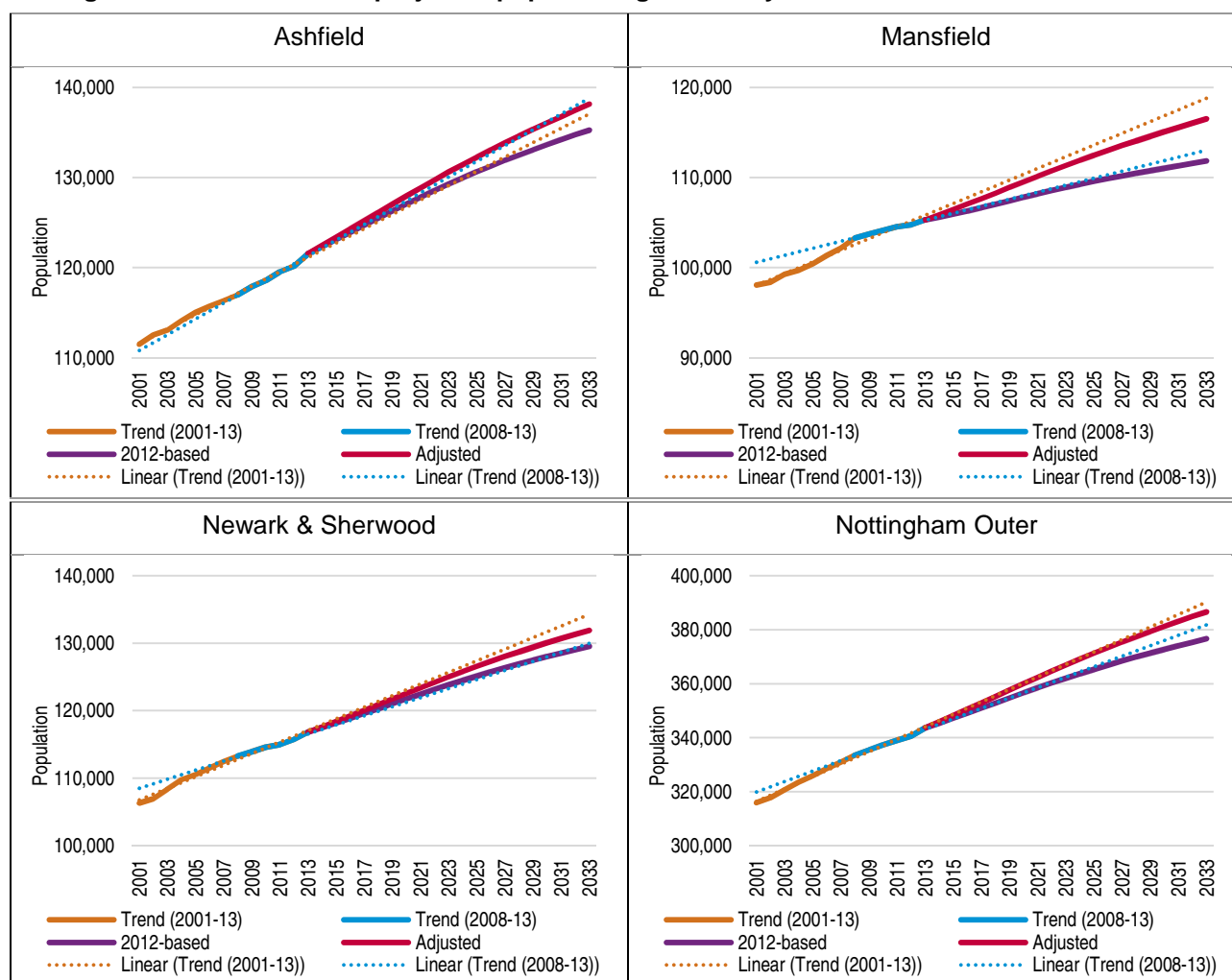
	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Households 2013	51,956	45,575	49,728	147,260
Households 2033	60,993	52,401	58,267	171,661
Change in households	9,037	6,826	8,539	24,402
Per annum	452	341	427	1,220
Dwellings (per annum)	469	356	446	1,271

- 4.52 This projection suggests a housing need of 1,271 dwellings across the HMA, with figures of 469 in Ashfield, 356 in Mansfield and 446 in Newark & Sherwood. The percentage annual increases based on these figures are 0.9%, 0.8% and 0.9% respectively. This is considered a robust alternative to

the nationally produced projections taking into account longer term migration and the effects of the recession post-2008 on migration levels.

- 4.53 The figure below shows the population growth associated with this alternative projection. As can be seen, in all areas, the expected level of population growth sits somewhere between short- and long-term trends and confirms that these are a reasonable alternative which should be considered when looking at overall housing need.

Figure 69: Past and projected population growth – by District



Source: ONS

Sub-area projections

- 4.54 The projections presented in this section have looked at housing needs for the whole of the HMA and individual local authorities. It is also of use to develop these at a smaller-area level. Smaller-area projections have therefore been developed for three sub-areas in Ashfield, two in Mansfield and five for Newark & Sherwood. These projections have been based on groupings of wards and the tables below shows how the sub-areas have been assembled.

Table 20: **2011 Wards within sub-areas**

Ashfield	
Area	Wards
Hucknall	Hucknall Central, Hucknall North, Hucknall South, Hucknall West
Villages	Jacksdale, Selston, Underwood
Sutton-in-Ashfield and Kirkby-in-Ashfield	Kirkby in Ashfield Central, Kirkby in Ashfield East, Kirkby in Ashfield West, Sutton in Ashfield Central, Sutton in Ashfield East, Sutton in Ashfield North, Sutton in Ashfield West, Woodhouse
Mansfield	
Area	Wards
Mansfield	Abbott, Berry Hill, Brick Kiln, Broomhill, Bull Farm and Pleasley Hill, Carr Bank, Eakring, Grange Farm, Holly, Hornby, Kings Walk, Kingsway, Ladybrook, Lindhurst, Ling Forest, Manor, Maun Valley, Newgate, Newlands, Oak Tree, Oakham, Park Hall, Peafields, Penniment, Portland, Racecourse, Ransom Wood, Sandhurst, Sherwood, Woodhouse, Woodlands, Yeoman Hill
Warsop and villages	Market Warsop, Meden, Netherfield, Warsop Carrs
Newark & Sherwood	
Area	Wards
Newark	Balderton North, Balderton West, Beacon, Bridge, Castle, Caunton, Collingham & Meering, Devon, Farndon, Magnus, Muskham, Sutton on Trent, Winthorpe
Southwell	Farnsfield & Bilsthorpe, Southwell East, Southwell North, Southwell West, Trent
Sherwood	Edwinstowe, Ollerton, Boughton
Mansfield Fringe	Blidworth, Clipstone, Rainworth
Nottingham Fringe	Lowdham

Smaller Area Population Projection Methodology

- 4.55 To develop projections for smaller areas the start point has again been the most recent SNPP. From this data a series of birth, death and migration schedules has been developed on the basis of the different population structure in each area. Following this, a model has been set-up for each of the sub-areas with the ability to interrogate different assumptions to see the output housing need.
- 4.56 There are a number of issues with this approach which make the outputs less robust than at the local authority level. Key ones include the fact that birth and death rates are assumed to be the same in different parts of each area (in the absence of any robust up-to-date local information) whilst the migration patterns are developed from an understanding of the current population profile in each area rather than any specific local data about the profile of the population moving into and out of each area in the past (again this is due to a lack of up-to-date information).
- 4.57 The development of a dynamic population projection model is the key part of the local projections with specific local data about employment and headship rates being taken from 2011 Census data to ensure that the outputs about the number of people working and the number of households properly reflect any local differences.

Baseline population, households and working population

- 4.58 The figure below shows the baseline population size, the number of households and the number of working people used for the analysis. The data shows the largest area in both population and household terms is the Mansfield sub-area (followed by Newark). Generally, the proportion of the population is broadly similar to the proportion of households although a lower number of households in the Nottingham Fringe sub-area of Newark & Sherwood shows a higher average household size. The proportion of the population who are working in the Nottingham Fringe sub-area is also relatively high (when compared to total population) – this is linked to the population profile which is discussed below.

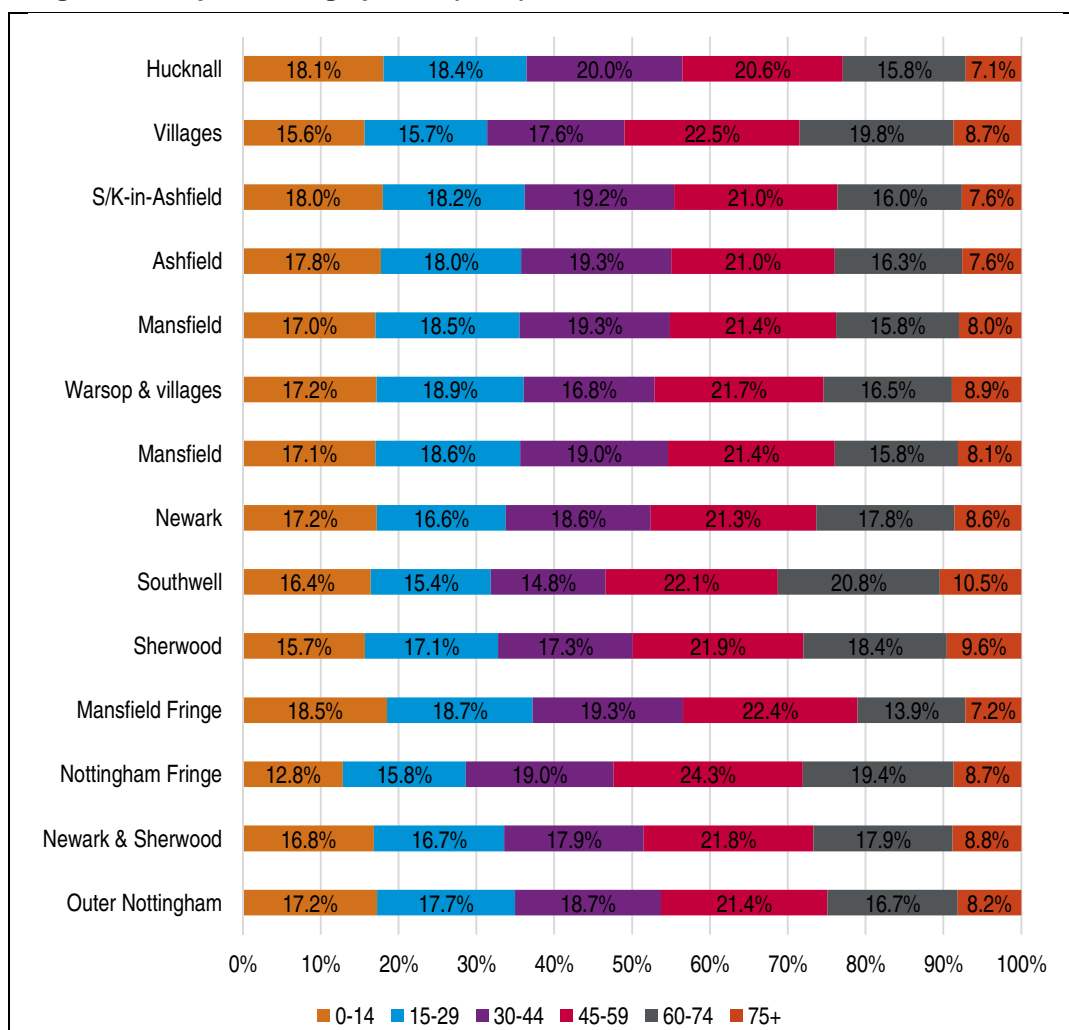
Table 21: **Population, households and working population by sub-area (2013)**

Area	Population		Households		Working	
	Number	% of LA total	Number	% of LA total	Number	% of LA total
Hucknall	32,943	27.1%	14,195	27.3%	15,837	28.2%
Villages	12,807	10.5%	5,468	10.5%	6,126	10.9%
S/K-in-Ashfield	75,803	62.4%	32,293	62.2%	34,194	60.9%
Ashfield	121,553	100.0%	51,956	100.0%	56,157	100.0%
Mansfield	93,331	88.6%	40,601	89.1%	43,802	89.6%
Warsop & villages	11,965	11.4%	4,974	10.9%	5,091	10.4%
Mansfield	105,296	100.0%	45,575	100.0%	48,892	100.0%
Newark	59,453	50.9%	26,068	52.4%	28,878	52.0%
Southwell	18,517	15.9%	7,619	15.3%	8,511	15.3%
Sherwood	16,867	14.4%	7,302	14.7%	7,680	13.8%
Mansfield Fringe	16,487	14.1%	6,802	13.7%	7,581	13.6%
Nottingham Fringe	5,493	4.7%	1,937	3.9%	2,936	5.3%
Newark & Sherwood	116,817	100.0%	49,728	100.0%	55,586	100.0%
Nottingham Outer	343,666	-	147,260	-	160,636	-

Source: Derived from mid-year population estimates, 2011 Census and demographic projections

- 4.59 The figure below shows the current estimated age structure (in 2013) in each of the above sub-areas split into six broad age bands. The data suggests that the population profile in different parts of the HMA varies quite notably. In particular the Mansfield Fringe area of Newark & Sherwood has a relatively young population whilst the profile in Southwell, Sherwood and the Villages area of Ashfield is much older. These profiles will affect housing requirements moving forward.

Figure 70: Population age profile (2011)



Source: Derived from mid-year population estimates

Projection Outputs

- 4.60 At the smaller area level a single projection has been run. This links to the 2012-based SNPP with an adjustment for 12-year migration trends and UPC – the figure below shows key outputs from the modelling.

Table 22: **Housing need by sub-area (2013-2033)**

Area	Per annum	2013-33	% in area
Hucknall	144	2,886	30.8%
Villages	25	502	5.4%
S/K-in-Ashfield	299	5,985	63.8%
Ashfield	469	9,373	100.0%
Mansfield	322	6,433	90.3%
Warsop & villages	35	692	9.7%
Mansfield	356	7,125	100.0%
Newark	242	4,847	54.3%
Southwell	40	802	9.0%
Sherwood	55	1,093	12.2%
Mansfield Fringe	94	1,885	21.1%
Nottingham Fringe	15	294	3.3%
Newark & Sherwood	446	8,921	100.0%
Nottingham Outer	1,271	25,419	-

Source: Demographic modelling

Trend-based Demographic Projections: Implications

- The 2012-based subnational population projections (SNPP) look to be a sound demographic projection. Population growth sits in-line with short-term trends but below long-term growth. Future levels of migration are slightly above past trends (based on short-term trends)
- The 2012-based population and household projections suggest a need for about 1,074 dwellings per annum to be provided across the HMA. This takes account of 2013 midyear population data.
- The 2012-based household projections also look to be reasonably sound when considering age specific household formation rates. The only age group where there is some concern is people aged 25-34 where there appears to be some degree of suppression in the past and being projected forward.
- Alternative projections using 12-year migration levels and adjusted for Unattributable Population Change (UPC) show population growth (and hence housing need) which is either below (UPC adjustment) or above (12-year trends) the SNPP – reinforcing the SNPP as broadly reasonable.
- Combining these projections suggests a housing need of 1,271 dwellings across the HMA, with figures of 469 in Ashfield, 356 in Mansfield and 446 in Newark & Sherwood. These are a reasonable alternative to the nationally produced projections.

5 ECONOMIC-LED HOUSING REQUIREMENTS

- 5.1 As well as looking at demographic trends when considering what the housing requirement should be CLG advice suggests considering economic (job growth) forecasts. In particular the guidance states that:

'Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population'

And that:

'Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems'

- 5.2 To look at the economic future of Nottingham Outer we have drawn on a December 2014 baseline econometric forecast from Experian. This provides an indication of the expected job growth at a local authority level in the period to 2031 (which has then been extended to 2033 on the basis of a linear trend for the 2011-31 period). The use of this data aligns with the work concurrently being undertaken by Nathaniel Litchfield and Partners examining the employment land needs across Nottinghamshire.
- 5.3 The table below shows the increase in the number of jobs expected from 2013 to 2033 using the Experian data. Over the 20-year period being used in the projections an increase of around 21,800 jobs is expected – this is an increase of about 15% from 2013 levels. The increase is expected to be particularly strong in Ashfield, with more moderate growth in Mansfield and Newark & Sherwood.

Table 23: **Employment increase (2013-33) – Experian**

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Jobs (2013)	54,705	42,258	51,869	148,832
Jobs (2033)	63,440	48,363	58,826	170,629
Change (2013-33)	8,735	6,105	6,957	21,797
% change from 2013	16.0%	14.4%	13.4%	14.6%

Source: Experian

- 5.4 To convert jobs into housing is not a simple process and the analysis takes account of:
- Commuting patterns;
 - Double jobbing (i.e. the number of people with more than one job); and

- Changes to employment rates (e.g. as a result of reducing unemployment or people working longer)

Commuting patterns

- 5.5 The table below shows summary data about commuting to and from Nottingham Outer and individual local authorities from the 2011 Census. The data shows that the HMA generally sees a level of out-commuting for work. Out-commuting is particularly high in Mansfield although all areas have net out-commuting.

Table 24: **Commuting patterns in Nottingham Outer (2011)**

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Live and work in LA	19,362	17,969	22,891	60,222
Home workers	4,209	3,669	7,086	14,964
No fixed workplace	3,907	3,632	3,960	11,499
Out-commute	28,006	23,291	20,962	72,259
In-commute	25,785	15,920	17,340	59,045
Total working in LA	53,263	41,190	51,277	145,730
Total living in LA (and working)	55,484	48,561	54,899	158,944
Commuting ratio	1.04	1.18	1.07	1.09

Source: 2011 Census

- 5.6 In translating the commuting pattern data into growth in the labour-force it is assumed that the commuting ratio remains at the same level as shown by the 2011 Census (i.e. assumes that 9% (net) of additional resident workers will out-commute). This essentially means that there would be expected to be a greater increase in working residents for a given number of jobs. The figures have been applied on a local authority by local authority basis using data as shown in the table above.

Double jobbing

- 5.7 As well as commuting patterns we can also consider that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in each District divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests that around 3.7% of workers have a second job (data averaged from data for the 2004-14 period to recognise relatively high error margins associated with data for individual years). This gives a double jobbing ratio of 0.963 (i.e. the number of jobs can be discounted by 3.7% to estimate the required change in the workforce). Again data has been used on an individual local authority basis with the double jobbing percentages for each area being:

- Ashfield – 3.1%;
- Mansfield – 3.2%; and
- Newark & Sherwood – 4.2%

- 5.8 To work out the change in the resident workforce required to match the forecast number of jobs we can multiply the commuting ratio by the amount of double jobbing and in turn multiply this by the number of jobs – this is shown in the table below. Overall, the Experian forecast expects an increase of 21,800 jobs; if commuting patterns and levels of double jobbing remain the same then this would require a slightly higher level of growth in the resident workforce (of about 22,900 people).

Table 25: **Jobs growth and change in resident workforce (2013-33) – Experian**

	Change in jobs	Adjustment factor	Change in resident workforce
Ashfield	8,735	1.01	8,816
Mansfield	6,105	1.14	6,964
Newark & Sherwood	6,957	1.03	7,134
Nottingham Outer	21,797		22,913

Source: Experian, NOMIS and 2011 Census

Changes to employment rates

- 5.9 As well as studying commuting levels and double jobbing the analysis needs to consider how economic participation and employment rates will change in the future. Although the past few years have seen an increase in unemployment there have generally been increases in the proportion of people who are economically active (particularly for females and people aged over 50). In the future we may see a continuation of these trends – particularly in relation to people working longer (partly linked to pensionable ages) and have modelled for there to be some increase in employment rates as we move through to 2033.
- 5.10 The table below shows the age/sex specific rates assumed in the analysis. These have been based on consideration of the changes implied by the December 2014 Experian forecast (at a HMA level). The analysis also takes account of the 2011 Census and trends over the period since 2001. It should be stressed that these figures reflect what we would consider to be a reasonable set of assumptions although there would be a case for alternatives (both in an upwards and downwards direction).

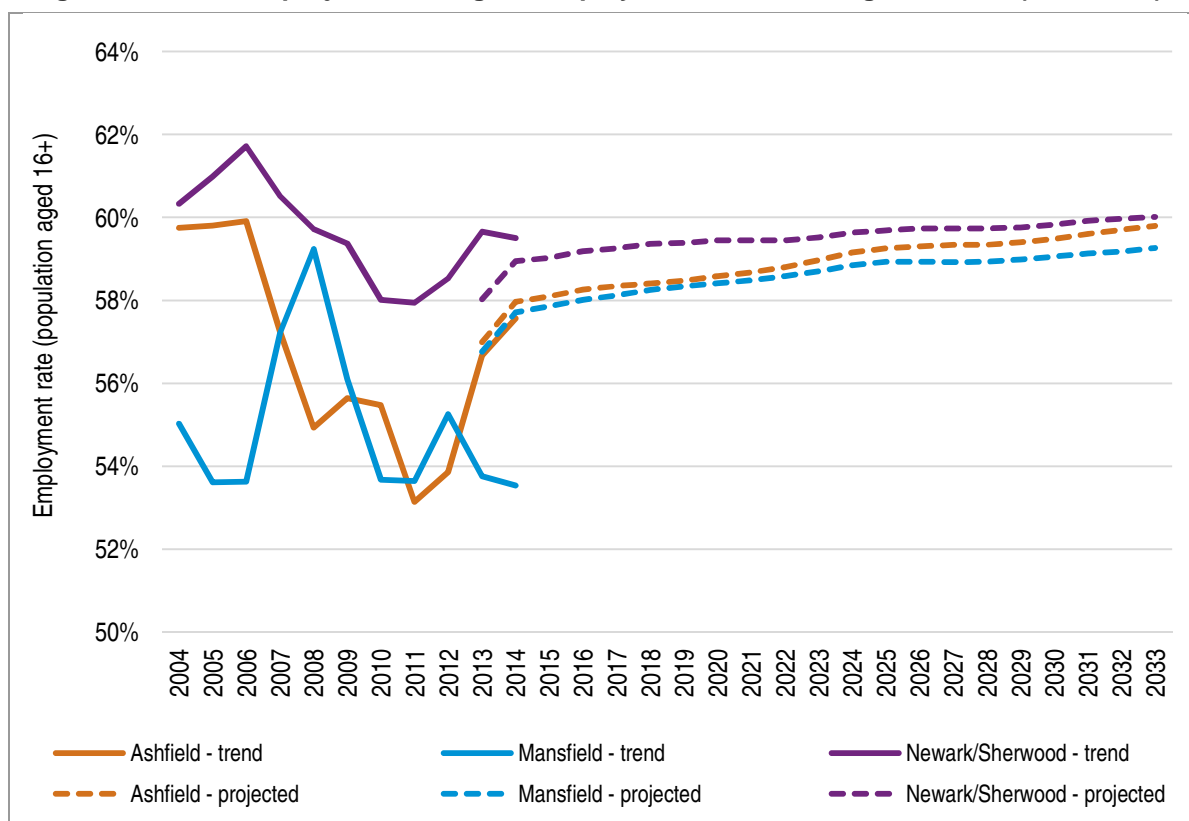
Table 26: **Employment Rates by Age and Sex – Nottingham Outer**

	Sex	Year	Aged 16 to 24	Aged 25 to 34	Aged 35 to 49	Aged 50 to 64	Aged 65 and over
Ashfield	Male	2013	55.4%	83.5%	85.4%	69.1%	10.2%
		2033	55.7%	86.4%	89.5%	81.8%	20.2%
	Female	2013	56.1%	72.5%	77.4%	58.2%	6.8%
		2033	56.4%	77.8%	85.2%	74.5%	15.6%
Mansfield	Male	2013	57.2%	83.0%	83.1%	67.1%	10.6%
		2033	57.5%	85.9%	87.2%	79.8%	20.7%
	Female	2013	55.6%	73.3%	77.1%	58.4%	7.3%
		2033	55.9%	78.6%	84.9%	74.8%	16.0%
Newark & Sherwood	Male	2013	57.2%	83.7%	87.4%	73.5%	15.9%
		2033	57.5%	86.6%	91.5%	86.2%	24.4%
	Female	2013	56.5%	75.2%	79.4%	61.9%	9.1%
		2033	56.8%	80.6%	87.2%	78.3%	16.9%

5.11 The figure below shows how the overall employment rate in each local authority is expected to change over time, a past trend analysis from the Annual Population Survey (APS) back to 2004 has also been shown although some caution should be used in comparing figures given that the sources are different. The employment rate is based on the number of people in employment divided by the population aged 16 and over. The rate is therefore affected by changes in age structure (including for instance a growing older population).

5.12 The analysis shows in all areas there is expected to be a small increase in this rate over time. The rates shown in the figure below are derived from the 2012-based SNPP and it should be noted that these change very slightly with different assumptions about population growth.

Figure 71: Past and projected change in employment rate – Nottingham Outer (2013-2033)



Source: Derived from Annual Population Survey, Labour Force Survey, Experian forecasts and demographic projections

- 5.13 To estimate what level of housing provision might be required to meet the economic forecasts, adjustments are made to levels of migration within the demographic model such that the growth in the resident workforce equals the change required to match the number of jobs (as shown in the table above).
- 5.14 **The outputs from the Experian based projection is as follows and shows that for the resident workforce to increase in line with the forecast number of jobs would require around 1,028 homes per annum to be delivered.** This figure is slightly lower than that derived through demographic modelling linked to the 2012-based SNPP (a need for 1,074 dwellings per annum) and is somewhat lower than our core alternative projection (based on longer-term migration trends and a UPC adjustment) – a need for 1,271 dwellings per annum.
- 5.15 The economic led housing need is based on applying the household formation rates linked to the 2012-based CLG household projections to the population based on increasing the resident workforce required to meet the forecasts taking into account commuting patterns and double jobbing. For individual local authorities, the Experian based projection shows a higher need in Mansfield but a lower need in other areas.

Table 27: **Meeting job growth forecasts (with 2012-based CLG headship rates) – Experian**

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Households 2013	51,956	45,575	49,728	147,260
Households 2033	59,125	51,486	56,388	166,999
Change in households	7,169	5,911	6,660	19,740
Per annum	358	296	333	987
Dwellings (per annum)	372	308	348	1,028

Source: Experian, NOMIS and 2011 Census

Alternative economic-based projection

- 5.16 The analysis above has looked at the housing need linked to an Experian forecast. This forecast has also been used by Nathaniel Lichfield and Partners (NLP) as part of their Employment Land Forecasting Study (ELFS).
- 5.17 The ELFS also developed a policy-on forecast, which was based on the Experian forecast along with an uplift to take account of their view of additional economic potential. The table below shows the job growth figures in the policy-on forecast and estimates of what this means in terms of growth in the resident workforce (again taking account of commuting and double jobbing). It can be seen that the growth in jobs in this forecast is about 9% above the baseline.

Table 28: **Jobs growth and change in resident workforce (2013-33) – Experian (with NLP policy-on scenario)**

	Change in jobs	Adjustment factor	Change in resident workforce
Ashfield	9,746	1.01	9,836
Mansfield	6,571	1.14	7,496
Newark & Sherwood	8,060	1.03	8,265
Nottingham Outer	24,377	1.05	25,597

Source: Experian, NOMIS and 2011 Census

- 5.18 The outputs from the policy-on economic based projection are as follows and show that for the resident workforce to increase in line with the forecast number of jobs would require around 1,126 homes per annum to be delivered. This figure is above that derived through demographic modelling linked to the 2012-based SNPP (a need for 1,074 dwellings per annum) but remains somewhat lower than our core alternative projection (based on longer-term migration trends and a UPC adjustment) – a need for 1,271 dwellings per annum. The outputs are again based on household formation rates linked to the 2012-based CLG household projections.

Table 29: **Meeting job growth forecasts (with 2012-based CLG headship rates) – Experian (with NLP policy-on scenario)**

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Households 2013	51,956	45,575	49,728	147,260
Households 2033	59,845	51,869	57,169	168,882
Change in households	7,889	6,293	7,440	21,623
Per annum	394	315	372	1,081
Dwellings (per annum)	409	328	389	1,126

- 5.19 Given that the outputs from the economic based projections are generally lower than the numbers coming out of demographic projections (notably when considering longer-term migration trends and a UPC adjustment) there is no evidence of a need to increase housing provision to ensure economic growth. This finding is true at both the HMA level and for individual local authority areas.

Trend-based Demographic Projections: Implications

- The December 2014 Experian Forecasts indicate that employment in the HMA can be expected to increase by c. 1,090 jobs per annum over the 2013-33 period. This is forecast growth of 15% from 2013 levels although there is some variation across the authorities.
- The analysis herein indicates that if modelled on a policy-off basis, whereby the current commuting ratio is held constant, this would require provision of 1,028 homes per annum. This level of housing need is below that derived from the demographic-led projections particularly against those which are adjusted for UPC and longer term migration trend.
- A further (policy on) economic projection derived by Nathaniel Litchfield included an uplift to take account of their view of additional economic potential. The growth in jobs in this forecast is about 9% above the baseline and resulted in a need for 1126 dwellings per annum.
- Both the baseline and policy on analysis indicate that there would not be a need to adjust upwards the housing need (from the demographic-led projections) to take account of economic factors and that the likely job growth could be met by the expected demographic growth.

6 HOUSING MARKET DYNAMICS AND MARKET SIGNALS

- 6.1 The NPPF is clear that plans should take account of market signals, such as land prices and housing affordability (Paragraphs 17 and 158). The Planning Practice Guidance clarifies this setting out that:

“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand.”

- 6.2 The PPG sets out that studies should assess house prices and rents, land values, affordability, rates of development as well as overcrowding, concealed and shared households. Appropriate comparisons should be made (in terms of absolute levels and rates of change) with trends in the HMA, similar areas and nationally. It sets out that:

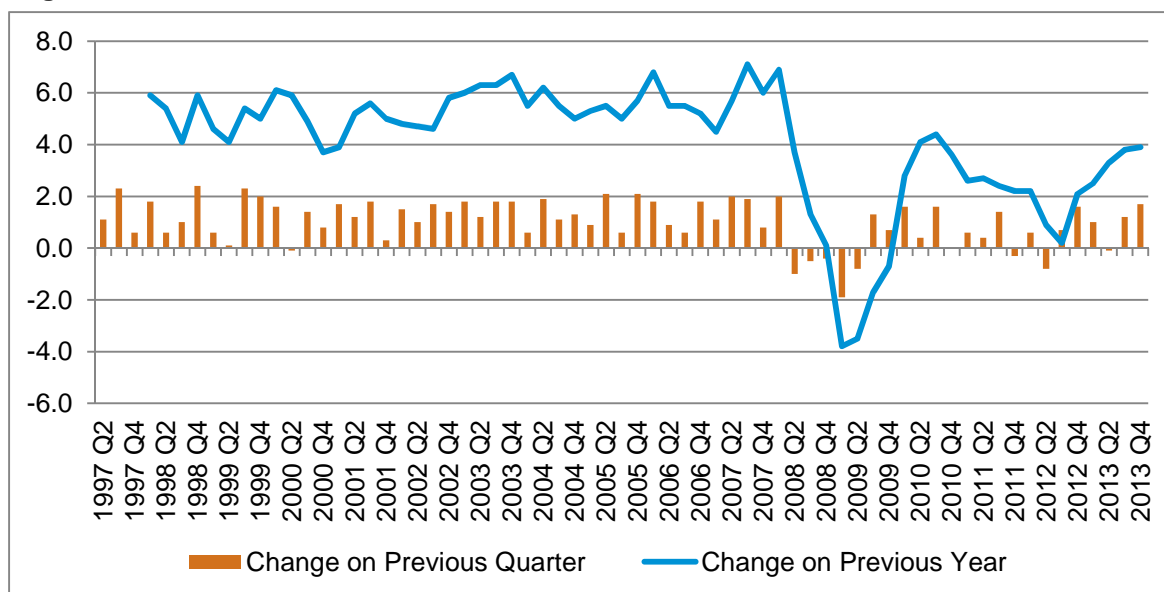
“A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”

- 6.3 In interrogating market signals we have sought to assess trends over the 2001-11 period as a sound period from which to review the market cycle. We have also considered more recent trends and current performance, to assess whether there is a case for adjusting levels of housing provision (relative to those shown in the projections thus far).
- 6.4 We have sought to analyse the indicators identified in the PPG. However in our view it is important to understand the drivers behind what has been happening in the housing market in recent years. We therefore start off by providing an overview of macro-level dynamics.

Macro-Economic Drivers of the Housing Market

- 6.5 Macro conditions have been a particular driver of housing markets nationally over recent years. Since the initiation of the credit crunch in 2007/8, the economy has gone through a long and deep economic recession, and subsequent recovery. The momentum of economic recovery is now improving with the UK economy out-performing many of its international peers.

Figure 72: UK Economic Growth, 2007-2013



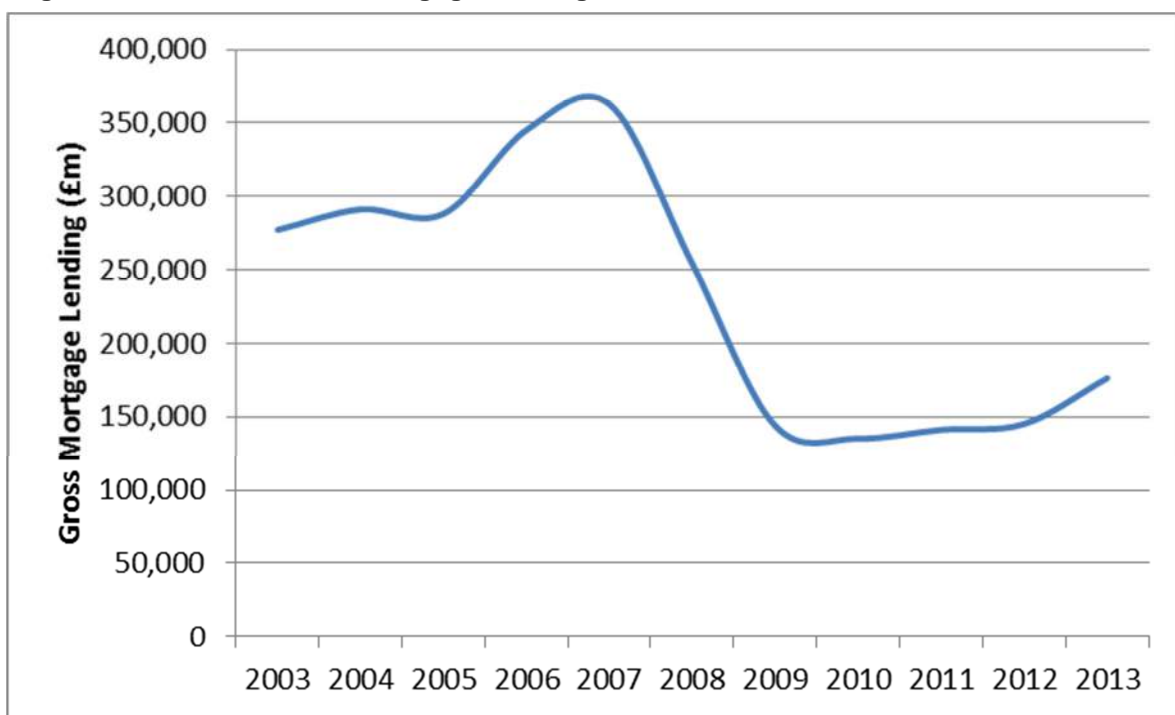
Source: ONS

6.6 The tightening lending criteria initiated by the credit crunch has had an impact on mortgage lending over the last four years, with households' ability to obtain mortgage finance influencing demand for market homes. Key issues affecting the ability of households and investors to secure mortgage finance are:

- Savings and Capital: the ability to raise a deposit;
- Earnings and Interest Rates: affecting the ability to afford repayments;
- Lending Criteria: key criteria which have to be met to secure finance.

6.7 Whilst lending remains below pre-2007 levels, lending has been increasing over the last 18 months supporting by an improving economy as well as initiatives, such as the Government-based Help-to-Buy Scheme. Figure 73 indicates trends in gross mortgage lending.

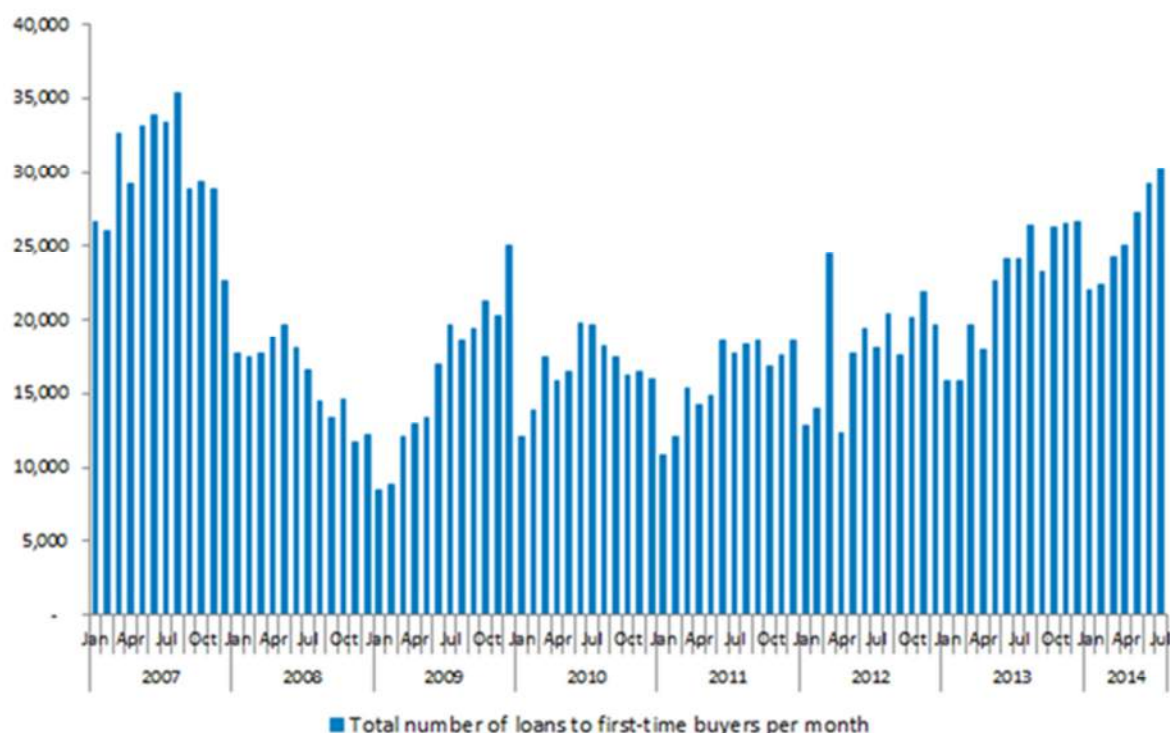
Figure 73: Trends in Gross Mortgage Lending



Source: Council for Mortgage Lenders 2013

- 6.8 This trend continues, with lending in Q1 2014, according to the CML, 36% up on Q1 2013. We have similarly seen a recovering trend in First-Time Buyer (FTB) numbers, as Figure 74 shows. The level of savings required to buy a home remains a constraining factor; with average loan-to-value ratios standing in April 2014 at 80% (i.e. the average First-Time Buyer across the UK has a 20% deposit).

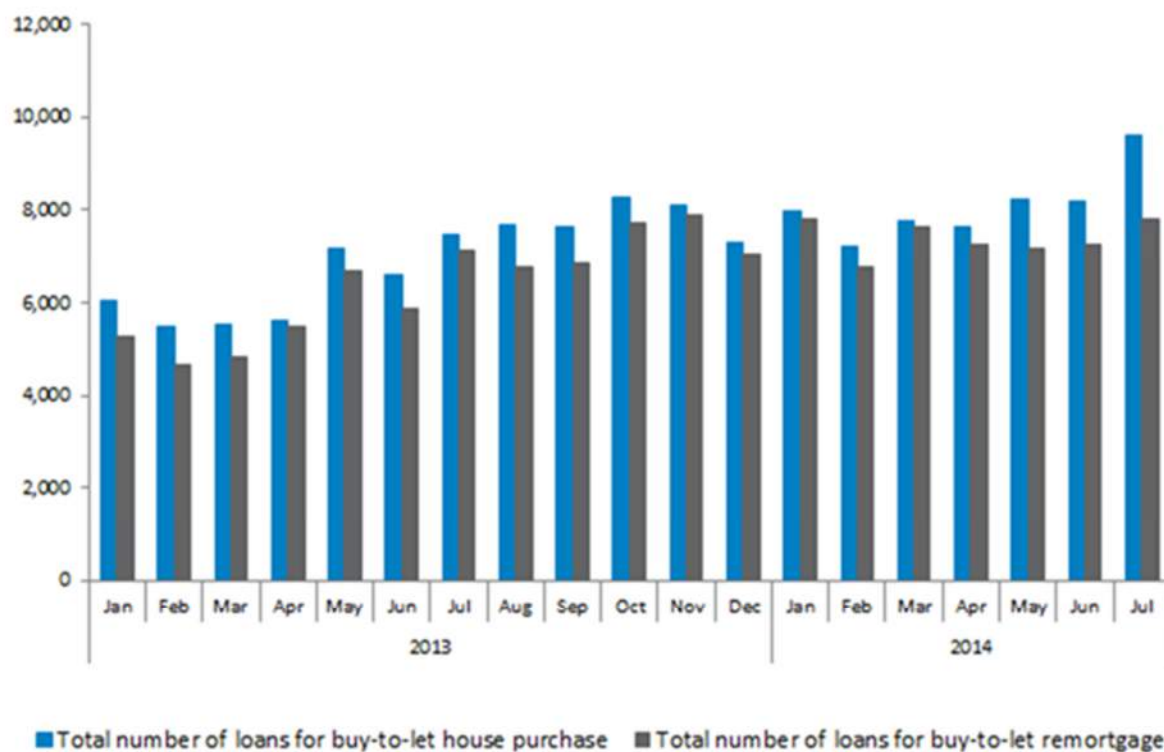
Figure 74: First-Time Buyer Numbers



Source: Council for Mortgage Lenders

- 6.9 The typical first-time buyer income multiple in April 2014 was 3.42 times their gross income. Low mortgage interest rates have kept borrowers' payment burden low over recent years.
- 6.10 Market sales are also influenced by investment activity - that is properties bought to be rented privately. The buy-to-let sector continues to grow, with the Council for Mortgage Lenders indicating that the number of new buy-to-let loans in the first quarter of 2014 was slightly up on the fourth quarter of 2013 to 47,000, up 1% on the previous quarter and 46% on the first quarter of 2013. However as with overall mortgage lending, overall buy-to-let lending remains below pre-2007 levels, as Figure 75 indicates.

Figure 75: Trends in Buy-to-Let Lending



Source: Council for Mortgage Lenders

- 6.11 Relating this through to overall housing need, an increase in household formation rates for younger households over the longer-term will be influenced by the availability of mortgage finance (such as lending criteria and deposit requirements), interest rates, and housing costs relative to incomes. The evidence above clearly shows that the credit crunch and subsequent recession has a significant impact on housing market activity, but that the situation is improving. Greater regulation of the mortgage market may however restrict a return to the sorts of lending practices seen at the height of the previous market cycle prior to 2008; whilst in the short-term it seems likely that weak earnings growth will impact on affordability and thus moderate the pace of recovery in demand for market housing.

Market Signals Analysis

House Prices

- 6.12 Across the Nottingham Outer HMA, the average (mean) house price (2014) is slightly under £145,000 whilst the median is £123,000. This compares to a mean of £162,611 across the East Midlands. Of the three local authority areas within the Nottingham Outer HMA mean prices in Newark and Sherwood were above the mean average; with prices in Ashfield and Mansfield below the mean average.

Table 30: **Average House Prices in Nottingham Outer HMA (2014)**

	Median	Mean
Ashfield	£117,340	£127,278
Mansfield	£112,500	£123,788
Newark and Sherwood	£147,750	£179,038
Nottingham Outer	£123,000	£144,925
East Midlands	£136,500	£162,611
Newark and Sherwood	Median	Mean
Mansfield Fringe	£112,000	£134,306
Newark	£145,000	£172,210
Nottingham Fringe	£233,750	£300,660
Sherwood	£100,975	£124,039
Southwell	£240,000	£272,870
Ashfield	Median	Mean
Hucknall	£120,500	£138,920
Sutton and Kirkby	£112,750	£119,342
Villages	£122,000	£136,361
Mansfield	Median	Mean
Mansfield	£115,000	£127,382
Warsop	£99,950	£105,358

Source: Land Registry Price Paid Data

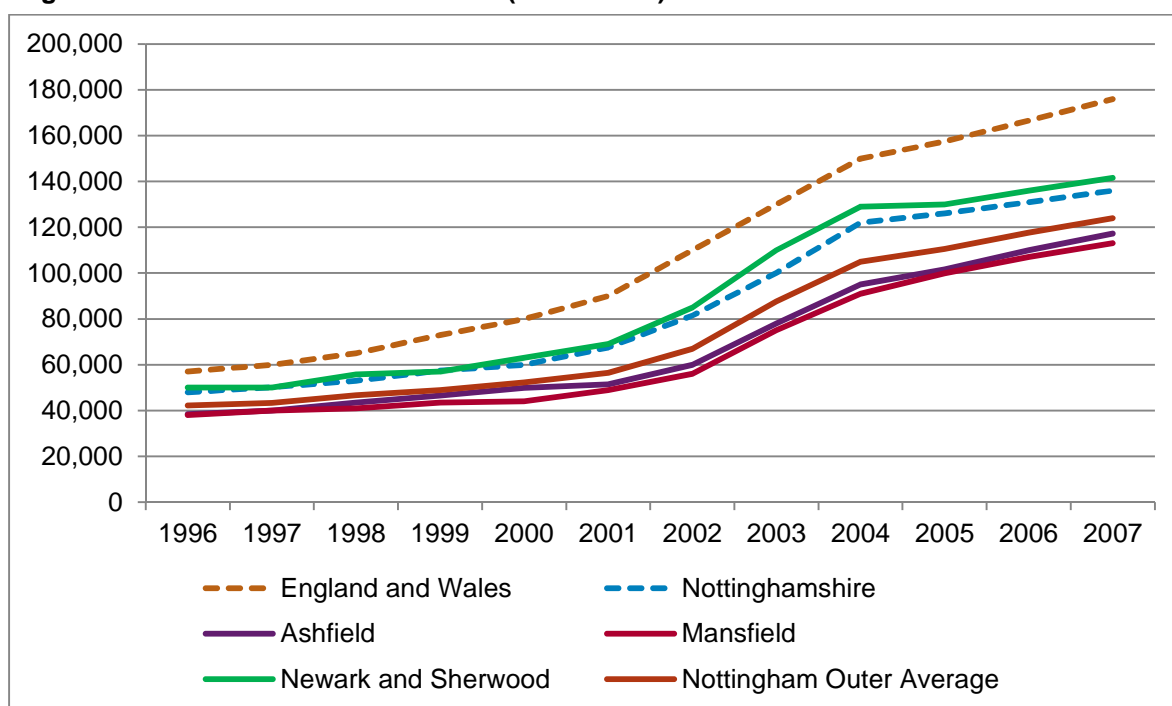
- 6.13 The sub areas show a significant variance with mean prices lowest in Warsop (£105,358) and highest in the Nottingham Fringe (£300,660). Even within Newark and Sherwood the mean prices are as low as £124,039 in the Mansfield Fringe sub-area.
- 6.14 Overall median house prices (as shown in Table 30) are skewed slightly by the proportion of each dwelling type being sold during this period which reflects the housing stock in each area. The data shows that there were considerably more detached house sales in the Nottingham fringe and Southwell sub-areas in Newark and Sherwood and the villages sub-area of Ashfield. This is influenced by the profile of housing stock in different sub areas.

House Price Change

- 6.15 Figure 76 profiles house prices in the Nottingham Outer HMA Local Authorities from 1996 to 2007 (i.e. the pre-recession decade). This shows that house price levels in the HMA closely followed the county-wide trend over this period.
- 6.16 Over the decade, median prices in Newark and Sherwood rose by £91,500 to £141,500. While this was the highest actual change as a percentage change from 1997 prices (183%) it was the lowest (Ashfield 205% and Mansfield 197%).

- 6.17 The percentage change in Newark and Sherwood was equal to the Nottinghamshire equivalent (183%) although all three local authorities were below the percentage change in median house prices for England and Wales (209%).

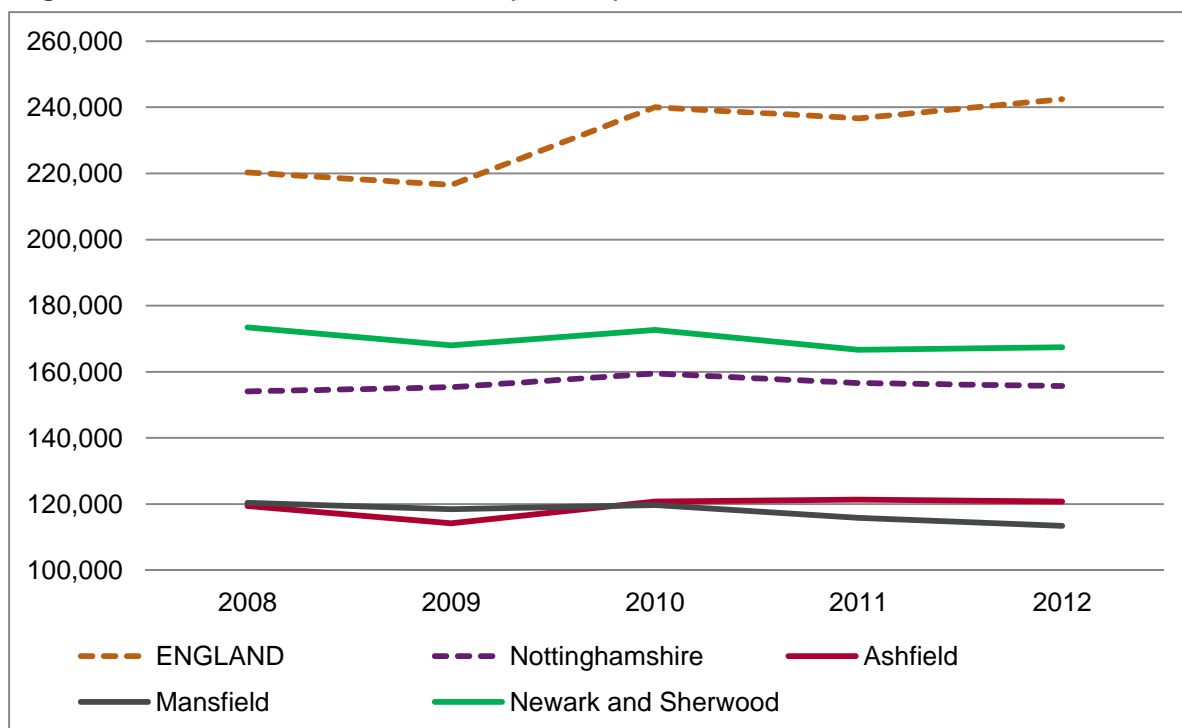
Figure 76: Median House Price Trends (1996 - 2007)



Source: DCLG/Land Registry

- 6.18 Since 2008, trends in house prices have understandably been very different reflecting the economic backdrop. Mansfield and Newark and Sherwood posted notable price falls since 2008. Ashfield also saw an initial fall but has now recovered to the 2008 rates.

Figure 77: Median House Price Trends (2008-12)



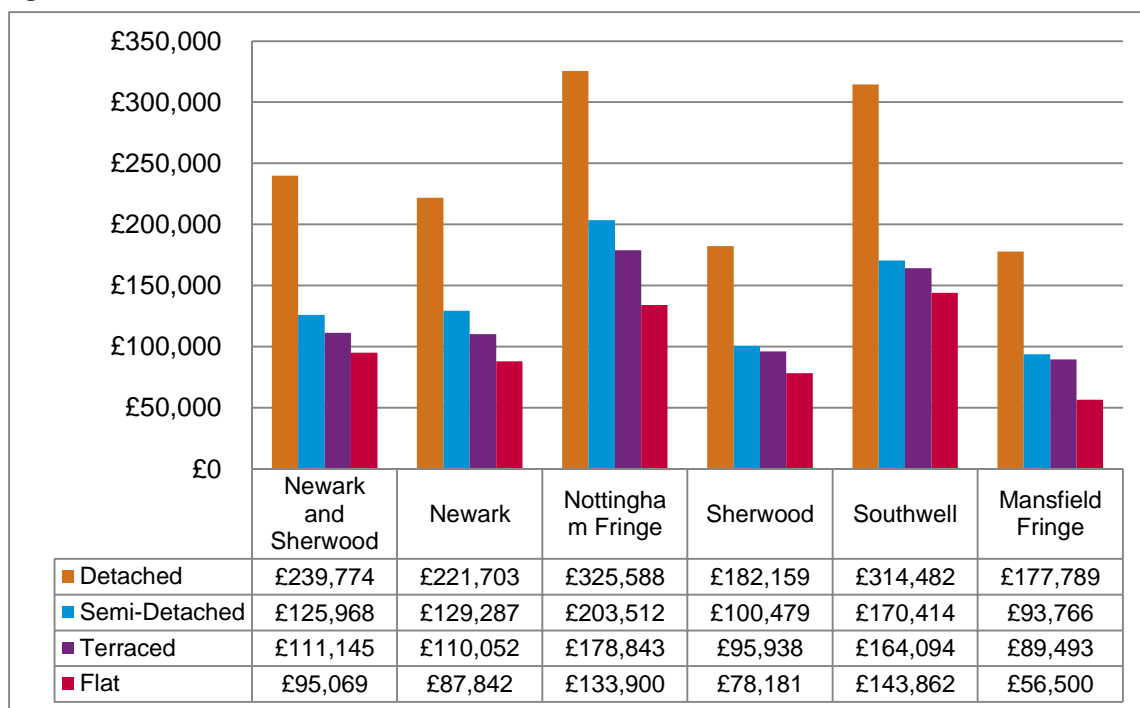
Source: DCLG Live Tables: Land Registry Data

- 6.19 On a national level median prices in 2012 were around £20,000 higher than in 2008. Nottinghamshire prices have also recovered although at a more modest level of growth (£1,500).

House Prices by Type

- 6.20 We have also analysed more recent house prices achieved over last two years (January 2013 to Dec 2014 as this gives a larger sample) in more detail to gain an understanding of the latest dynamics for different property types within the Nottingham Outer HMA.
- 6.21 Within Newark and Sherwood the house prices are again highest in each of the larger property types in the Nottingham Fringe sub-area. Although for Flats they are highest in Southwell. There is an apparent premium for flats in both areas with the respective difference for this type of property starker than each of the other types.

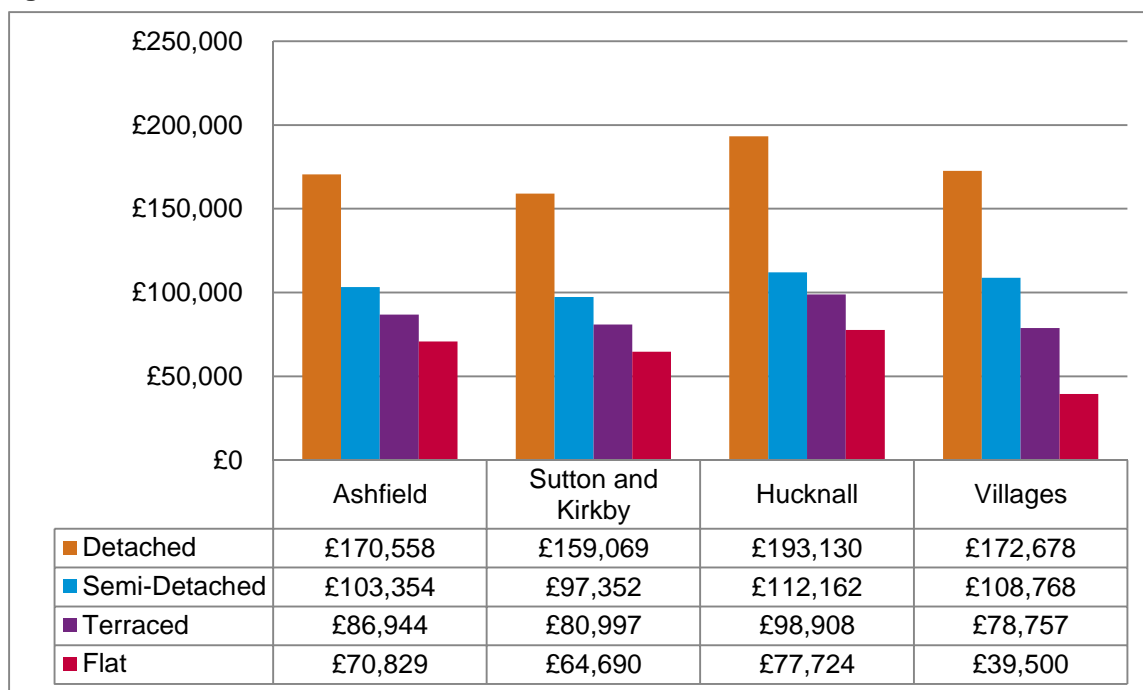
Figure 78: Median House Prices, Jan 2013- Dec 2014 – Newark and Sherwood



Source: Land Registry Price Paid Data

- 6.22 In Ashfield the Hucknall sub-area has a higher median house price in each of the property types than both of the other sub area. The villages sub area has a very low average house price for flats which reflects a single sale in the area. While likely to be still low this may reflect either a shared ownership sales or a particularly poor quality home.

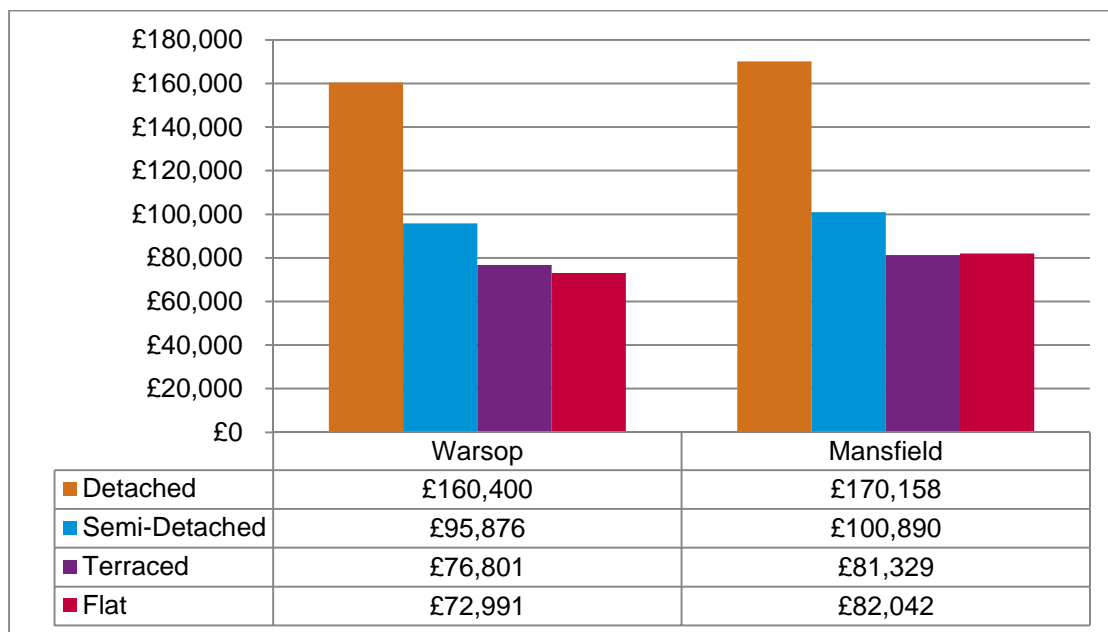
Figure 79: Median House Prices, Jan 2013 – Dec 2014 - Ashfield



Source: Land Registry Price Paid Data

- 6.23 Similarly the Mansfield Sub-area has higher house prices for each property type than the Warsop sub areas. There is a particular premium for Flats which are 6% higher compared to a range of 5%-6% for the other three property types.

Figure 80: Median House Prices, Jan 2013 – Dec 2014 - Mansfield

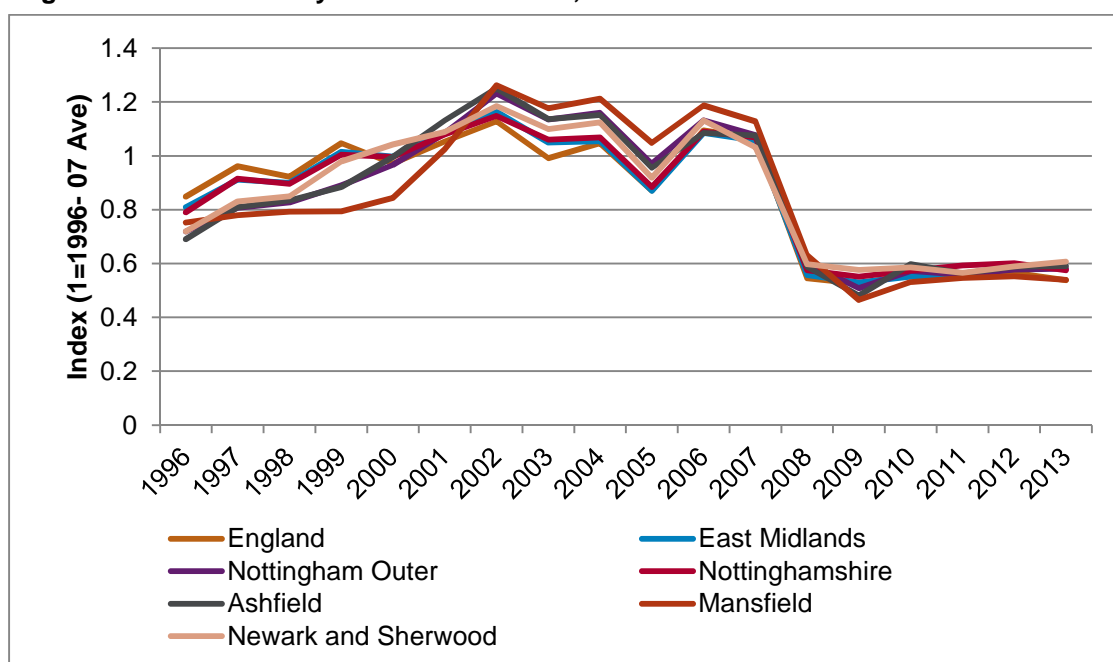


Source: Land Registry Price Paid Data

Sales Volumes and Effective Demand

- 6.24 Sales volumes are an important indicator of effective demand for market housing. We have benchmarked sales performance against long-term trends to assess relative demand for market homes for sale. Figure 81 benchmarks annual sales over the period 1998 to 2012. It uses an index where 1 is the average annual sales over the pre-recession decade, 1998-2007.
- 6.25 As illustrated in Figure 81, sales volumes nationally experienced a significant drop between 2007 and 2008. Between 2008-12 the recovery in sales volumes was very modest. The similarity between trends nationally, within the region and in Nottingham Outer highlights the influence of macro-economic dynamics on sales volumes at a local level.

Figure 81: Indexed Analysis of Sales Trends, 1998 – 2012



Source: DCLG Live Tables

- 6.26 Although taken from a separate data set, sales over the last 16 months (January 2013 to April 2014) across the HMA numbered slightly over 13,500, indicating a notable improvement on recent years, although still well below the pre-recession peak.

Rental Trends

- 6.27 The average rental value across Nottingham Outer local authorities (as of June 2014) £472 per calendar month (pcm). This is significantly below the East Midlands average of £517pcm and the England average of £595.

- 6.28 Within the Nottingham Outer HMA, the highest average rental price is in Newark and Sherwood at £495pcm. Ashfield is lowest at £450pcm.

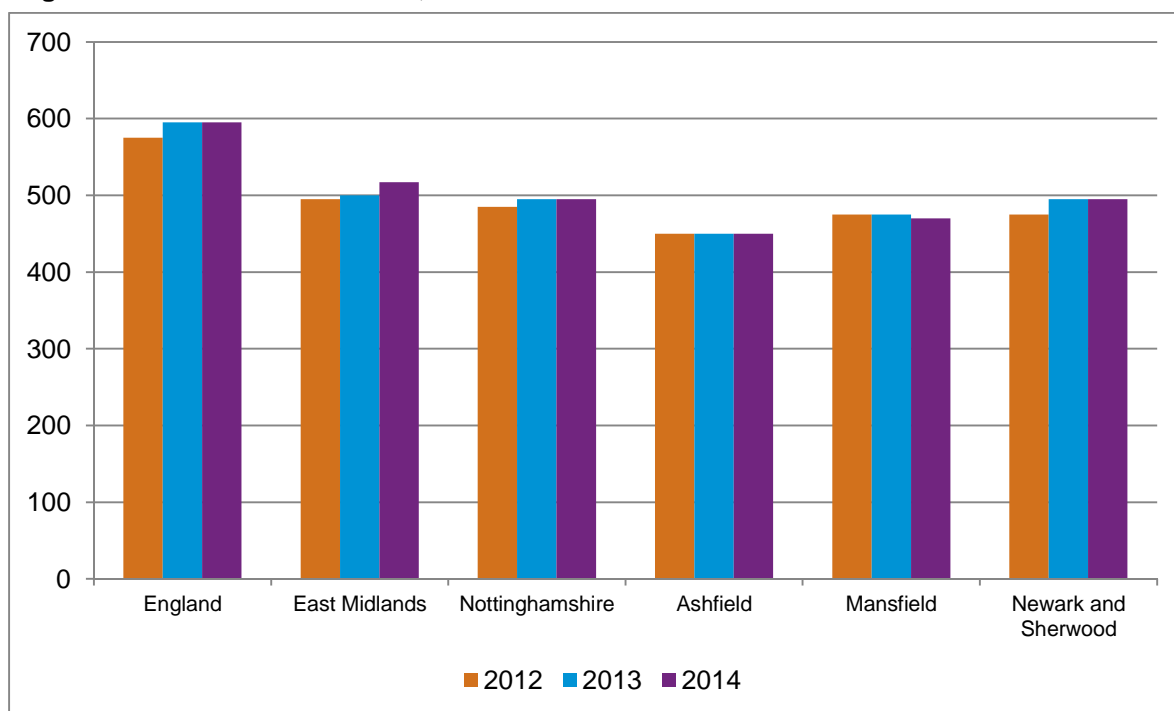
Table 31: **Median Rental Prices (June 2014)**

	Median
England	£595
East Midlands	£517
Nottinghamshire	£495
Ashfield	£450
Mansfield	£470
Newark and Sherwood	£495

Source: VOA Private Rental Data

- 6.29 Between 2012 and 2013 years,⁷ median rental values in the East Midlands have grown by just over 4.4% and 3.5% across England. On average the equivalent figure for the Nottingham Outer Local authorities was a growth of 1.1%. This was largely driven by a 4.2% growth in Newark and Sherwood; prices in Ashfield have stayed the same; whilst prices in Mansfield have fallen by 1.1%.

Figure 82: Median Private Rents, 2012-2014

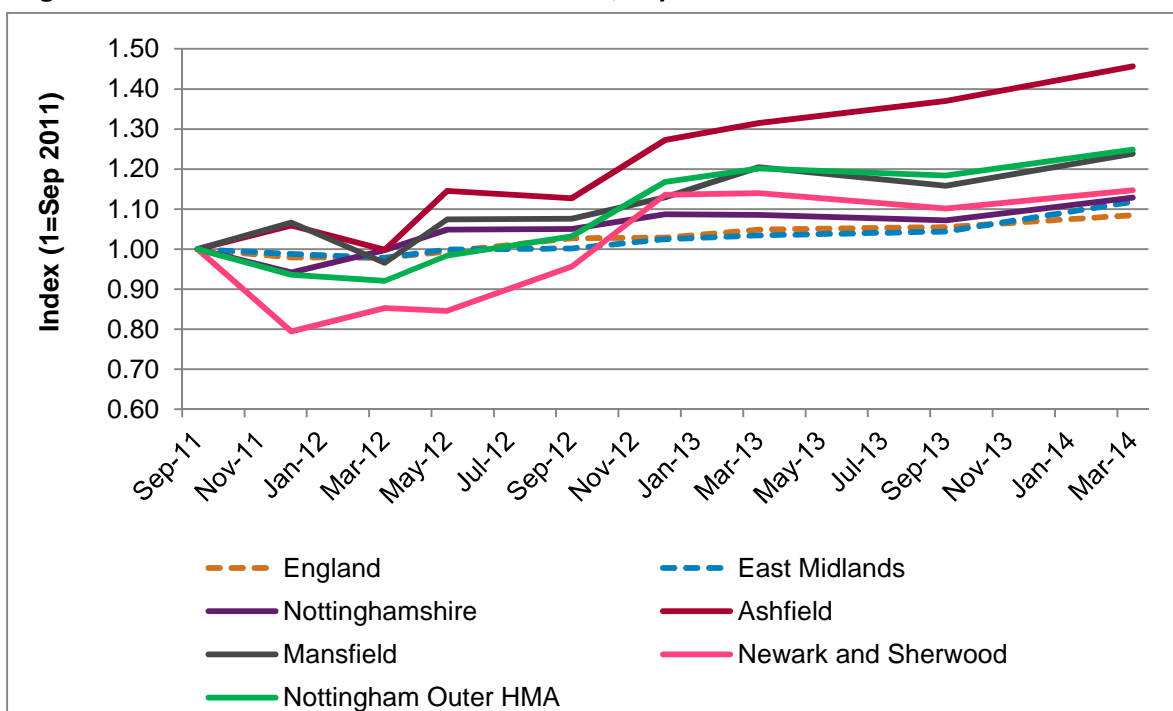


Source: VOA Private Rental Data

⁷ This is the longest period for which trend data is available at a local authority level

- 6.30 Figure 83 shows trends in the number of rents recorded by the VOA, indexed against September 2011 figures. This shows a general downward trend in the count of rents until May 2012, which is in line with the trend nationally.
- 6.31 Since this time there has been a notable increase in the number of private rental transactions in the East Midlands with Ashfield experiencing a particular spike, contrary to the national trend. Overall the number of transactions in the year up to March 2014 were 25% higher than in September 2011.

Figure 83: Trend in Private Rental Transactions, September 2011 to March 2014



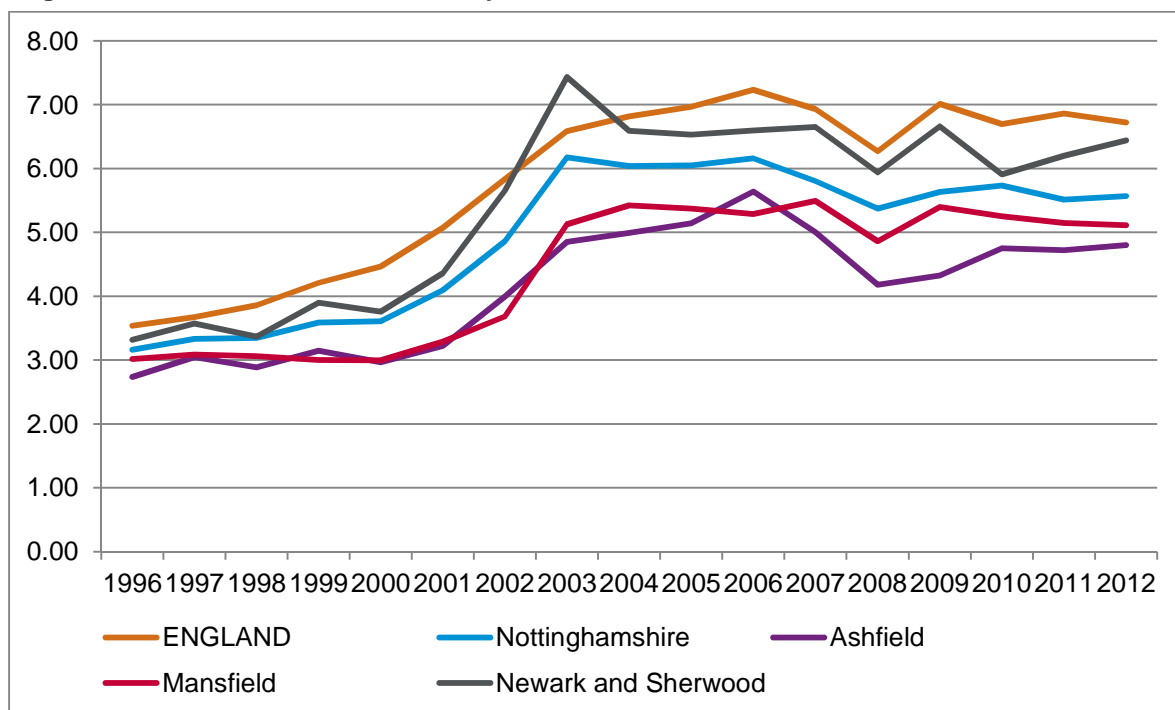
Source: VOA Private Rental Data

House Price-to-Income Ratios

- 6.32 In line with the Planning Practice Guidance, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes. Using this indicator, the affordability of market housing for sale has worsened quite markedly over the past 15 years. Affordability pressures remain an issue in the East Midlands however in the Nottingham Outer local authorities this falls below the national average.
- 6.33 Nationally, the ratio of lower quartile house prices to earnings peaked in 2006. It fell modestly over the 2007-9 period. Affordability ratios have since plateaued with current affordability ratios lower than the 2007 peak.

- 6.34 The Nottingham Outer local authorities follow the national trend, albeit with a consistently lower affordability ratio, indicating a lesser gap between lower quartile house prices and incomes.
- 6.35 Newark and Sherwood have the highest affordability ratio in the HMA with Ashfield the lowest arguably house prices in Mansfield and Ashfield are manageable compared to the National figures.

Figure 84: Lower Quartile Affordability Trend, 1996-2012

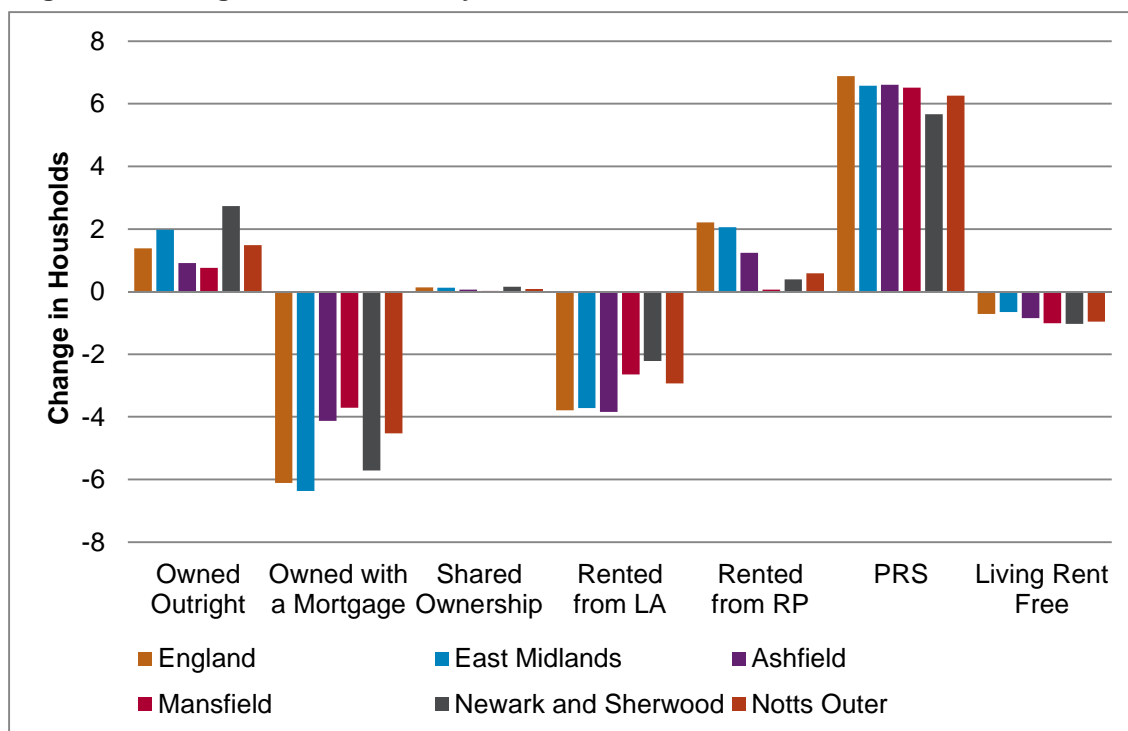


Source: DCLG Live Tables: Land Registry Data

- 6.36 A combination of the deteriorating affordability of market homes, restricted access to mortgage products and a lack of social housing supply over the 2001-11 decade has resulted in fewer households being able to buy and increased pressures on the existing affordable housing stock. This has resulted in strong growth in the private rented sector as households are being forced to rent longer.

As illustrated in Figure 85, owner occupation with a mortgage has fallen in between 2001 and 2011, particularly due to a large reduction in ownership with a mortgage or loan. Over this period there has been a substantial growth in the private rented sector (PRS). The growth in PRS and reduction in owning with a mortgage was repeated across the country, although the evidence shows that the issue isn't as pronounced in the Nottingham Outer HMA.

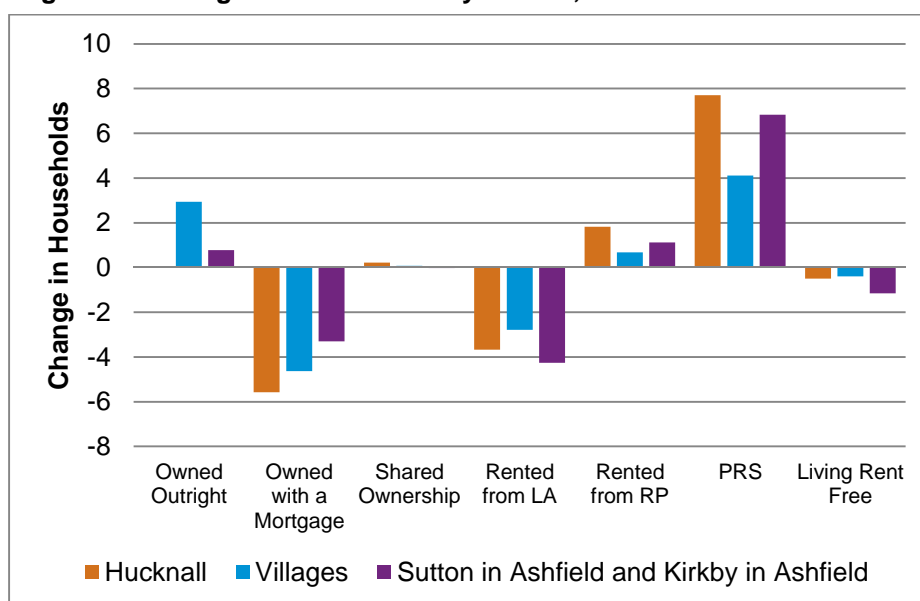
Figure 85: Change in Households by Tenure, 2001-2011



Source: Census 2011 and 2001

- 6.37 The Sutton and Kirkby in Ashfield sub area saw a significant increase in both social and private renting between the Censuses. The percentage of renting from Registered Providers actually decreased between 2001 and 2011.

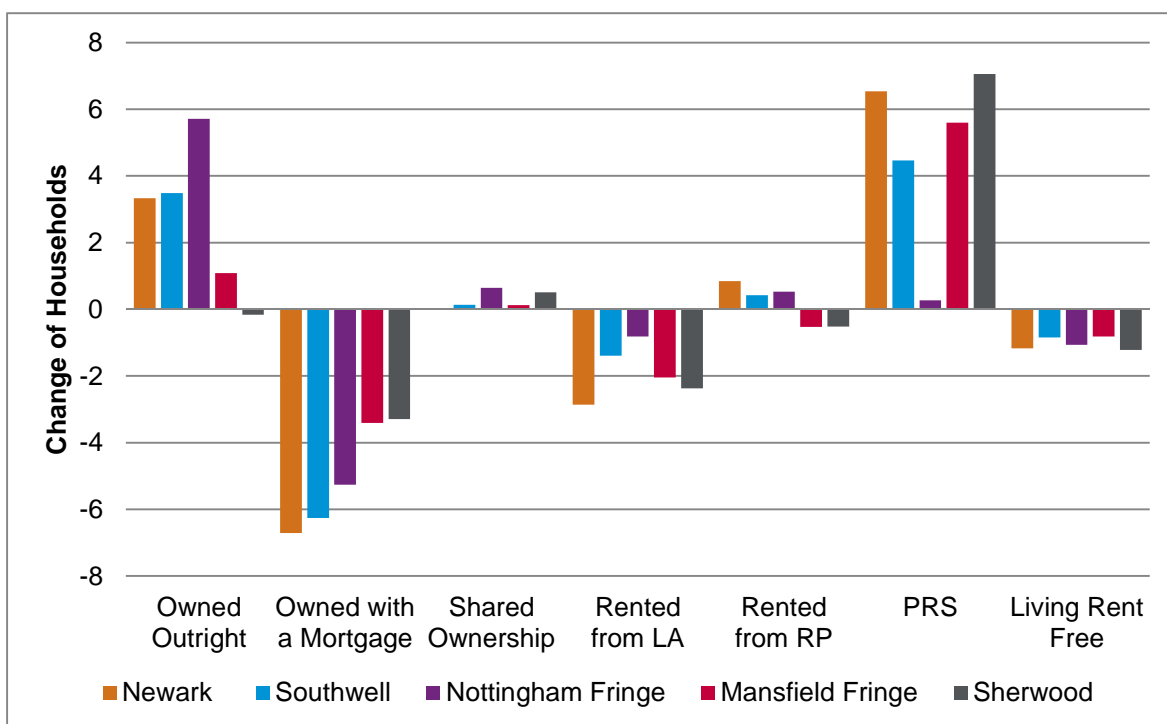
Figure 86: Change in Households by Tenure, 2001 – 2011 - Ashfield



Source: Census 2011 and 2001

- 6.38 In Newark and Sherwood the more affluent sub-areas of Nottingham Fringe and Southwell did not see the greatest increase in PRS, this was seen in Sherwood. However the largest reduction in owning with a Mortgage was seen Newark.
- 6.39 The Mansfield Fringe sub-area saw a notable increase in PRS and unlike the other sub-areas saw a decrease in the number of households which rented from a Registered Provider.

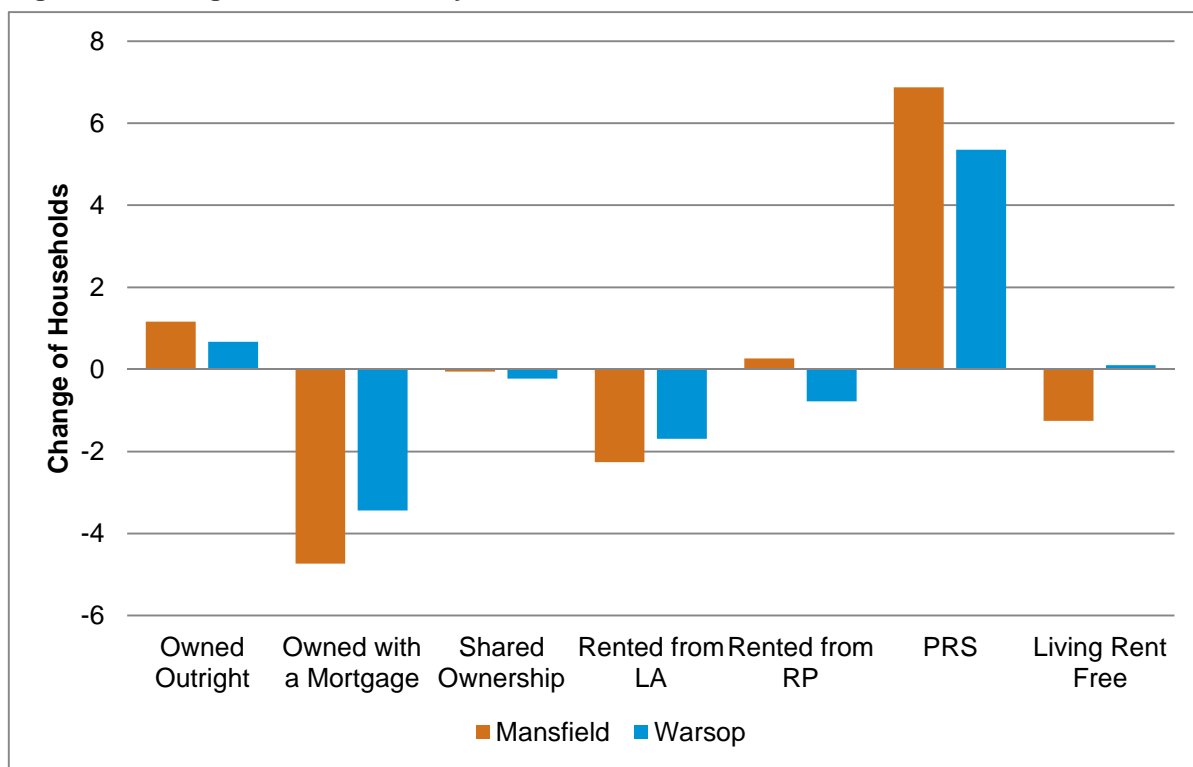
Figure 87: Change in Households by Tenure, 2001 – 2011 - Newark and Sherwood



Source: Census 2011 and 2001

- 6.40 Mansfield saw notable growth in the Number of Households renting privately whereas Warsop had a significant growth in the number renting from the Council. Both sub-areas saw a reduction in the number of households who owned their property with a mortgage.

Figure 88: Change in Households by Tenure, 2001 – 2011 - Mansfield



Source: Census 2011 and 2001

Overcrowded and Shared Housing

- 6.41 A symptom of the affordability pressures identified above, restrictions on access to mortgage finance and housing under-supply (which are related to one another) has been an increase in overcrowded households, in shared housing, as well as young people living with their parents for longer.
- 6.42 Across the HMA overcrowding has increased between 2001 and 2011 with 808 more households having at least one fewer rooms than they need (0.6%). This is a trend repeated across the country and Region although the wider areas have been affected more noticeably.
- 6.43 Ashfield had a large number of over occupied houses in 2001 but experienced the smallest growth in the 10 year period to 2011. Mansfield has seen the largest increase in the number of over occupied houses.

Table 32: **Changes in Over Occupied Houses (2001-2011)**

	2001		2011		Change	
	#	%	#	%	#	%
England and Wales	1,510,422	6.5%	1,995,860	8.5%	485,438	2.1%
East Midlands	77,146	4.1%	104,764	5.5%	27,618	1.5%
Ashfield	1,797	3.5%	2,009	3.9%	212	0.4%
Newark and Sherwood	1,349	2.8%	1,590	3.3%	241	0.5%
Mansfield	1,580	3.5%	1,935	4.3%	355	0.8%
Notts Outer HMA	4,726	3.3%	5,534	3.8%	808	0.6%

Source: 2001 & 2011 Censuses

- 6.44 The amount of people living in Houses of Multiple Occupancy⁸ increased between 2001 and 2011. This increase was seen both across England and Wales and within the HMA although again at a slightly lower rate. The largest growth was in Mansfield where the growth was in line with the regional and national figures.
- 6.45 Overall the number of households deemed as HMOs accounted for around 2.7% of the HMA compared to 4.4% and 3.5% in England and Wales and the East Midlands respectively.

Table 33: **Changes in HMOs (Houses of Multiple Occupancy) 2001 – 2011)**

	2001		2011		Change	
	#	%	#	%	#	%
England and Wales	784,745	3.6%	1,038,993	4.4%	254,248	0.8%
East Midlands	47,089	2.7%	66,068	3.5%	18,979	0.8%
Ashfield	934	2.0%	1,340	2.6%	406	0.6%
Newark and Sherwood	912	2.1%	1,271	2.6%	359	0.6%
Mansfield	899	2.2%	1,341	3.0%	442	0.8%
Notts Outer HMA	2,745	2.1%	3,952	2.7%	1,207	0.7%

Source: 2001 & 2011 Censuses

- 6.46 This links with the change in tenure across both the country and the HMA which highlights an increase in the amount of people living in rented accommodation.

Implications of Market Signals

- 6.47 There has been a fundamental shift in housing market conditions nationally since 2007, particularly in relation to confidence and credit availability. Housing market conditions have been relatively stable over the past few years.
- 6.48 House prices have remained fairly constant during this period and overall are below the national and regional comparators. Sales volumes have begun to improve over the last 18 months as confidence starts to return to the market.

⁸ Defined in this instance as Other: Other Households i.e. households which feature to non-related adults.

- 6.49 Across Nottingham Outer HMA house prices are highest in Newark and Sherwood and in particular the Nottingham Fringe and Southwell sub-areas. This to a large extent reflects the dwelling stock of this area with Newark and Sherwood's particularly high proportion of detached houses.
- 6.50 Rental prices across the area are broadly around the national average. Newark and Sherwood shows high rental values, this reflects Newark and Sherwood's access to the City of Nottingham as well as a higher quality environment to the south of the district.
- 6.51 Affordability pressures across the HMA are increasing but below the national average and for Mansfield and Ashfield's case arguably manageable. We have also seen growth in the private rental sector as households are increasingly restricted in their access to mortgage products.
- 6.52 Furthermore we have also seen some increases in the number of households which are over-crowded or in multiple occupation. Although both trends are below the wider comparators.
- 6.53 Although there is some merit in increasing overall housing provision to improve affordability in the HMA the justification for it is inconsistent. We would however consider that if there is a need to provide more affordable homes (as set out in the following sections) then the additional supply would also improve affordability.

Market Signals: Implications

- House prices in the HMA are below the national average and in Mansfield and Ashfield also below the county. Prices increased notably, and affordability deteriorated, between 2001-8 – as was the case nationally. However dynamics since 2008 have been very different. House prices have been stable in Ashfield, but have fallen in Mansfield and Newark and Sherwood
- Rents in the HMA are about average compared the wider region. Although rents have grown since 2011, this has been below inflation. And in Mansfield there was an actual decline.
- The lower quartile house price to income ratio is modestly above region in Newark and Sherwood and below in Mansfield and Ashfield and below the national averages in all three, it has been fairly stable over the last decade, although over the longer term there has been a notable increase.
- Housing delivery has fallen since 2008, as is the case across the region and nationally. The evidence points to this being a function of effective demand and market circumstances. Market conditions however improved in 2014 and we would expect completions to begin to pick-up. Sales volumes for market homes however remain notably below pre-recession levels.
- Looking at wider evidence, there are some signs of affordability pressures, with the evidence suggesting that over the 2001-11 period the number of people renting increased, as did house sharing and levels of overcrowding. The evidence however is inconsistent and provides only a modest case for considering an adjustment to housing provision relative to the demographic-led projections.

7 AFFORDABLE HOUSING NEED

Introduction

- 7.1 In this section we discuss levels of affordable housing need in Nottingham Outer HMAs and the individual local authorities. Affordable housing need is defined in the NPPF as *‘social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market’*.
- 7.2 Government guidance on Strategic Housing Market Assessments sets out a model for assessing affordable housing need (known as the Basic Needs Assessment Model). This model has been retained in the CLG advice of March 2014 and is used herein. The analysis is based on secondary data sources. It draws on a number of sources of information including 2011 Census data, demographic projections, house prices/rents and income information.
- 7.3 It should be recognised that in establishing housing requirements, evidence of both housing need and demand should be considered. This section, addressing affordable housing need specifically, should be considered alongside the evidence of demand presented; and the demographic-led projections of housing requirements. Land availability, infrastructure requirements, viability (as well as funding available for affordable housing), Sustainability Appraisal and the views of the local community and wider stakeholders also need to be considered in the development of planning policy. It is not a simple predict and provide issue.
- 7.4 The affordable housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing (through relets of current stock) which can be used to meet affordable housing need. On this basis, estimates of affordable housing need are provided in this section for the twenty-year period between 2013 and 2033.

Key Definitions

- 7.5 We begin by setting out key definitions relating to affordable housing need, affordability and affordable housing.

Current Affordable Housing Need

- 7.6 Current affordable housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Newly-Arising Need

- 7.7 Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. In this assessment we have used trend data from The Continuous Recording of Lettings and Sales in Social Housing in England (CoRe) along with demographic projections about the number of new households forming (along with affordability) to estimate future needs.

Supply of Affordable Housing

- 7.8 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the newly-arising need to make an assessment of the net future need for affordable housing.

Affordability

- 7.9 Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including CACI, the Annual Survey of Hours and Earning (ASHE), the English Housing Survey (EHS) and ONS data, against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting (in line with the SHMA Guidance) and are summarised below:

- a. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income – CLG guidance suggests using different measures for households with multiple incomes (2.9×) and those with a single income (3.5×), however (partly due to data availability) we have only used a 3.5 times multiplier for analysis. This ensures that affordable housing need figures are not over-estimated – in practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to require lower incomes for households to be able to afford access to market housing;
 - b. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% (although this can vary by area). Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40% (depending on household characteristics). This assessment therefore looks at a range of outputs based on this range (consideration is given to thresholds of 25%, 30%, 35% and 40%).
- 7.10 It should be recognised that a key challenge in assessing affordable housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is typically required for the more attractive mortgage deals. The 'help to buy' scheme is likely to be making some improvements in access to the owner-occupied sector although at present this is likely to be limited (although the impact of recent extensions to this scheme to include the second-hand market should be monitored moving forward). In many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact of deposit issues on the overall assessment of affordable housing need is limited.

Affordable Housing

- 7.11 The NPPF provides the definition of affordable housing (as used in this report). The following is taken from Annex 2 of NPPF.

"Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices;
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision."

- 7.12 Within the definition of affordable housing there is also the distinction between social rented affordable rented, and intermediate housing. Social rented housing is defined as:

“Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.”

- 7.13 Affordable rented housing is defined as:

“Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.”

- 7.14 The definition of intermediate housing is shown below:

“Intermediate affordable housing is ‘Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing.’

- 7.15 As part of our analysis in this report we have therefore studied the extent to which both social rented, intermediate housing and affordable rented housing can meet affordable housing need in Nottingham Outer.

- 7.16 It is not possible to accurately predict how house prices and earnings will change in the future and therefore predict the relationship between each. The calculations within this SHMA assume a continuation of current levels of affordability or where necessary have modelled improvements to it.

Local Prices & Rents

- 7.17 An important part of the SHMA is to establish the entry-level costs of housing to buy and rent – this data is then used in the assessment of the need for affordable housing. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an ‘affordable housing need.’
- 7.18 In this section we establish the entry-level costs of housing to both buy and rent across the study area. Our approach has been to analyse Land Registry and Valuation Office Agency (VOA) data to establish lower quartile prices and rents. For the purposes of analysis (and to be consistent with CLG guidance) we have taken lower quartile prices and rents to reflect the entry-level point into the market.
- 7.19 The table below shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £53,000 for a flat in Mansfield, and rising to £171,000 for a detached home in Newark & Sherwood. Prices for all types of accommodation are highest in Newark & Sherwood and lowest in Mansfield. Analysis of the lower

quartile price across all dwelling types in the HMA shows a range from £77,700 in Mansfield, up to £104,800 in Newark & Sherwood.

Table 34: **Lower quartile sales prices by type (2014 (to October))**

Dwelling type	Ashfield	Mansfield	Newark & Sherwood
Flat	£57,500	£52,780	£71,880
Terraced	£68,000	£60,590	£88,000
Semi-detached	£88,450	£82,470	£95,480
Detached	£137,420	£136,420	£171,000
All dwellings	£89,000	£77,730	£104,820

Source: Land Registry (2014)

- 7.20 A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – this covers a 12-month period to September 2014. For the rental data information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of between £395 per month (in Ashfield), rising to £440 in Newark & Sherwood. When compared with the price data, it is worthwhile to note that Mansfield is no longer the lowest cost area, additionally, the variation in rents across areas is generally less than the variation in prices shown in the Land Registry analysis.

Table 35: **Lower quartile private rents by size and location (year to September 2014) – per month**

Dwelling type	Ashfield	Mansfield	Newark & Sherwood
Room only	-	£303	£282
Studio	-	-	-
1 bedroom	£325	£348	£350
2 bedrooms	£400	£400	£450
3 bedrooms	£400	£450	£495
4+ bedrooms	£595	£650	£695
All dwellings	£395	£400	£440

Source: Valuation Office Agency

- 7.21 In addition to rental costs from our internet survey we have looked at the maximum amount of Local Housing Allowance (LHA) payable on different sized properties within the area. Maximum LHA payments are based on estimates of rents at the 30th percentile and should therefore be roughly comparable with our estimates of lower quartile costs.
- 7.22 The geographical areas used to determine LHA are not however co-terminus with local authority boundaries and so any comparison is not exact. LHA levels are based on Broad Rental Market Areas (BRMA). The BRMA is an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping (as defined by the Rent Office).

- 7.23 Parts of each of the three local authorities fall into five different BRMAs. Ashfield can roughly be seen to be split between the Nottingham BRMA (Hucknall) and a North Nottinghamshire BRMA; small parts of Ashfield are also in the Derby BRMA. Mansfield is entirely within the North Nottinghamshire BRMA, although this area does go some way beyond the district boundaries – most notably this is to include the settlements of Worksop and Retford in Bassetlaw. Finally, the key settlement of Newark is in the Grantham & Newark BRMA, although as the name suggests, this area also covers a significant part of South Kesteven. Parts of Newark and Sherwood do however all fall into each of the Lincoln, North Nottinghamshire and Nottingham BRMAs.
- 7.24 Overall, in making some comparisons with the VOA data it is considered that the core areas to consider are the North Nottinghamshire, Nottingham and Grantham & Newark BRMAs. The table below shows LHA rates in each of the main BRMAs identified above. Overall, the analysis does identify a broad consistency between the LHA rates and the VOA data.

Table 36: **Maximum LHA payments by Size and BRMA (per month)**

Size	North Nottinghamshire BRMA	Nottingham BRMA	Grantham & Newark BRMA
Room only	£253	£299	£256
1 bedroom	£315	£394	£328
2 bedrooms	£403	£469	£429
3 bedrooms	£449	£521	£480
4 bedrooms	£630	£657	£676

Source: VOA data (April 2015)

Cost of Affordable Housing

- 7.25 Traditionally the main type of affordable housing available in an area is social rented housing and the cost of social rented accommodation by dwelling size can be obtained from Continuous Recording (CoRe) – a national information source on social rented lettings. The table below illustrates the rental cost of lettings of social rented properties by size in 2013/14. As can be seen the costs are below those for private rented housing indicating a gap between the social rented and market sectors. This gap increases for larger properties. The figures in the table include service charges.

Table 37: **Monthly social rent levels**

Size	Ashfield	Mansfield	Newark & Sherwood
1 bedroom – average	£250	£292	£307
2 bedrooms – average	£290	£322	£335
3+ bedrooms – average	£326	£339	£344
Lower quartile (all sizes)	£258	£287	£309

Source: CoRe (2014)

- 7.26 Changes in affordable housing provision has seen the introduction of a new tenure of affordable housing (Affordable Rented). Affordable rented housing is defined in the NPPF as being *'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)'*. In the short-term it is likely that this tenure will replace social rented housing for new delivery.
- 7.27 Affordable Rented housing can therefore be considered to be similar to social rented housing but at a potentially higher rent. The 80% (maximum) rent is to be based on the open market rental value of the individual property and so it is not possible to say what this will exactly mean in terms of cost (for example the rent for a two-bedroom flat is likely to be significantly different to a two-bedroom detached bungalow). In addition, market rents for new-build homes are likely to be higher than within the existing stock and may well be in excess of 80% of lower quartile rents. However, for the purposes of analysis we have assumed that the 80% figure can be applied to the lower quartile private rented cost data derived from VOA information.

Gaps in the Housing Market

- 7.28 The figure below estimates how current prices and rents in the three local authorities might equate to income levels required to afford such housing. The figures are based on the figures derived in the analysis above and include four different tenures (buying, private rent, affordable rent and social rent) and are taken as the lower quartile price/rent across the whole stock of housing available (i.e. including all property sizes). For illustrative purposes the calculations are based on 3.5 times household income for house purchase and 25%-40% of income to be spent on housing for rented properties. The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing.

Figure 89: Indicative income required to purchase/rent without additional subsidy



Source: Land Registry, VOA and CoRe

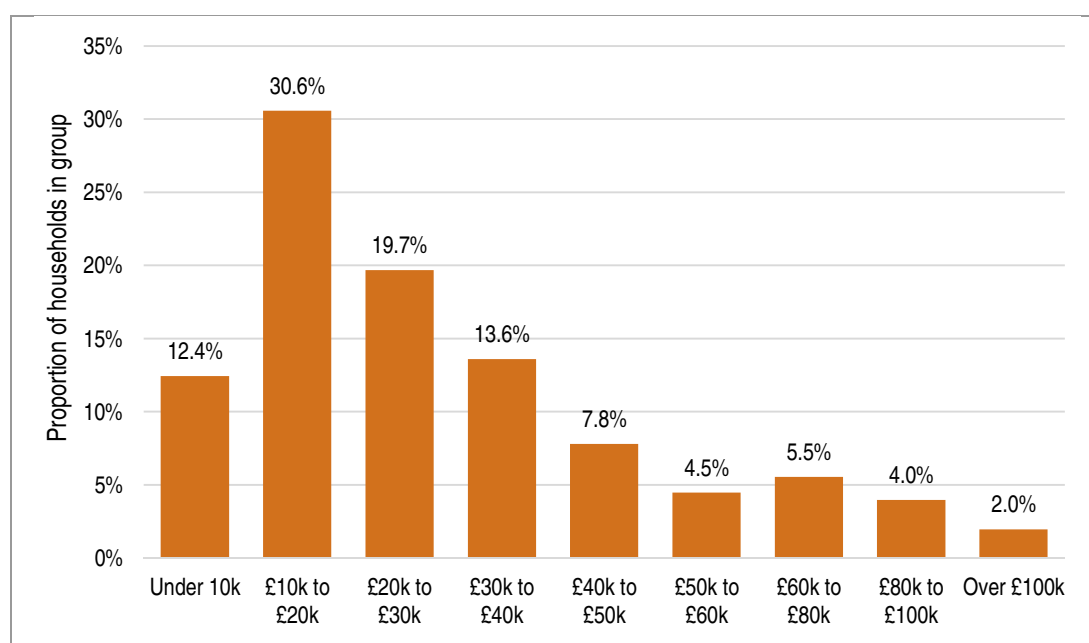
Income levels and affordability

7.29 Following on from our assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability and also provide an indication of the potential for intermediate housing to meet needs. Data about total household income has been modelled on the basis of a number of different sources of information to provide both an overall average income and the likely distribution of incomes in each area. The key sources of data include:

- CACI from *Wealth of the Nation 2012* – to provide an overall national average income figure for benchmarking
- English Housing Survey (EHS) – to provide information about the distribution of incomes (taking account of variation by tenure in particular)
- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed from 2012 to 2014 (a 1.4% increase was identified from this source for the East Midlands region)
- ONS modelled income estimates – to assist in providing more localised income estimates (i.e. for each of the local authority areas)

7.30 Drawing all of this data together we have therefore been able to construct an income distribution for the whole of the study area for 2014. The data shows that around two-fifths (43%) of households have an income below £20,000 with a further third in the range of £20,000 to £40,000. The overall average (median) income of all households in Nottingham Outer was estimated to be around £23,100 with a mean income of £30,400.

Figure 90: Distribution of Household Income in Nottingham Outer



Source: Derived from ASHE, EHS, CACI and ONS data

- 7.31 The table below shows how income levels vary for each of the three local authorities. Incomes were found to be highest in Newark & Sherwood, with Ashfield and Mansfield both showing a similar (and lower) average levels.

Table 38: **Income levels by local authority**

	Mean income	Median income
Ashfield	£28,983	£22,044
Mansfield	£29,093	£22,128
Newark & Sherwood	£33,170	£25,229
Nottingham Outer	£30,431	£23,074

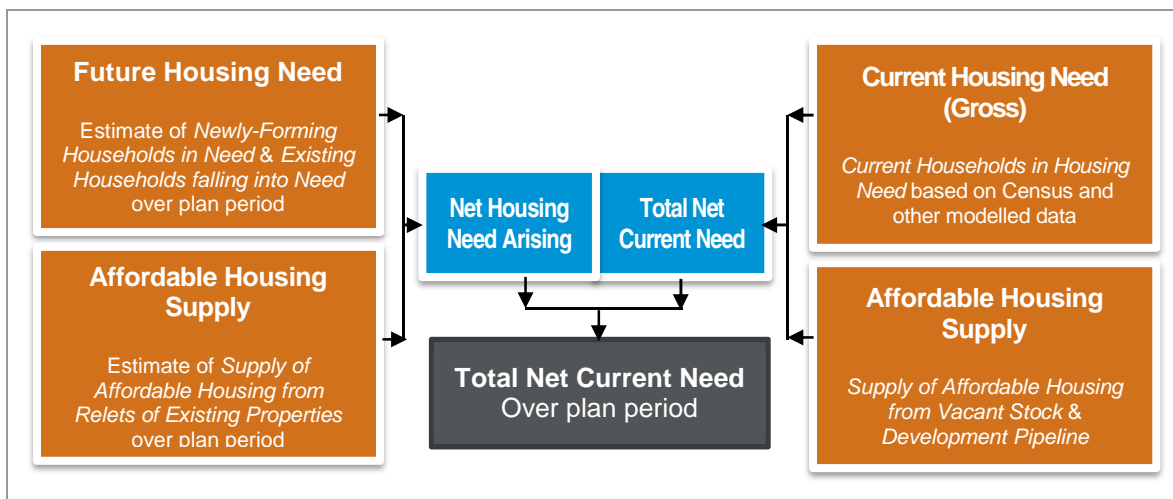
Source: Derived from ASHE, EHS, CACI and ONS data

- 7.32 To assess affordability we have looked at households ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. The distribution of household incomes is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.
- 7.33 Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households). Assumptions about income levels are discussed for specific calculations in the analysis that follows.

Affordable Housing Needs Assessment

- 7.34 Affordable housing need has been assessed using the Basic Needs Assessment Model, in accordance with the CLG Practice Guidance. This model is summarised in the chart below.

Figure 91: Overview of the Affordable Housing Needs Assessment Model



- 7.35 The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of 2011 Census data. The modelling undertaken provides an assessment of affordable housing need for a 20-year period from 2013 to 2033 (which is then annualised). Each of the stages of the affordable housing needs model calculation are discussed in more detail below.

Methodological Issues

- 7.36 Due to the analysis being based on secondary data sources only, there are a number of assumptions that need to be made to ensure that the analysis is as robust as possible. Key assumptions include considering the number of households who have a need due to issues such as insecure tenancies or housing costs – such households form part of the affordable need as set out in guidance (see paragraph 023 of the PPG for example) but are not readily captured from secondary data sources. Assumptions also need to be made about the likely income levels of different groups of the population (such as newly forming households), recognising that such households' incomes may differ from those in the general population.
- 7.37 To overcome the limitations of a secondary-data-only assessment, additional data has been taken from a range of survey-based affordable needs assessments carried out by GL Hearn over the past five years or so. These surveys (which cover a range of areas and time periods) allow the assessment to consider issues such as needs which are not picked up in published sources and different income levels for different household groups. This data is then applied to actual data for Nottingham Outer (e.g. from the Census) as appropriate. It is the case that outputs from surveys in other areas show remarkably similar outputs to each other for a range of core variables (for example the income levels of newly forming households when compared with existing households) and are therefore likely to be fairly reflective of the situation locally in Nottingham Outer. Where possible, data has also been drawn from national surveys (notably the English Housing Survey).
- 7.38 It should also be stressed that the secondary data approach is consistent with the PPG. Specifically, guidance states that:
- 'Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance.'*
- 7.39 The analysis that follows is therefore consistent with the requirements of guidance.
- 7.40 CLG guidance also suggests that the housing register can be used to estimate levels of affordable housing need. Experience working across the country is that housing registers can be highly

variable in the way allocation policies and pointing systems work. This means that in many areas it is difficult to have confidence that the register is able to define an underlying need (this is particularly an issue with multi-authority commissions such as this). Many housing registers include households who might not have a need whilst there will be households in need who do not register (possibly due to being aware that they have little chance of being housed). For these reasons, the method linked to a range of secondary data sources is preferred.

Current Affordable Housing Need

- 7.41 In line with PPG, the current need for affordable housing has been based on considering the likely number of households with one or more housing problem. A list is initially set out in paragraph 023 of the PPG and provides the following.

What types of households are considered in affordable housing need?

The types of households to be considered in housing need are:

- homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);
- households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);
- households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ
- households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;
- households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.

Source: PPG [ID 2a-023-20140306]

- 7.42 This list of potential households in need is then expanded on in paragraph 24 of the PPG which provides a list of the categories to consider when assessing current need. This assessment seeks to follow this list by drawing on a number of different data sources. The table below sets out the data used in each part of the assessment. All efforts have been made to avoid double counting; this includes excluding households living in non-hostel and B&B properties from the numbers of 'other' households in need (such households will be included in the homeless in temporary accommodation). However, there may be some issues with looking at both concealed households and overcrowding – it is likely that providing housing for some concealed households would remove an overcrowding issue – no account has been taken of this and therefore arguably the figures presented could be slightly too high.

Table 39: **Main sources for assessing the current unmet need for affordable housing**

Source	Notes
Homeless households	CLG Live Table 784 Total where a duty is owed but no accommodation has been secured
Those in priority need who are currently housed in temporary accommodation	CLG Live Table 784 Total in temporary accommodation
Households in overcrowded housing	Census table LC4108EW Analysis undertaken by tenure
Concealed households	Census table LC1110EW Number of concealed families (with dependent or non-dependent children)
Existing affordable housing tenants in need	Modelled data linking to past survey analysis Will include households with many of the issues in the first box above (e.g. insecure tenure).
Households from other tenures in need	Modelled data linking to past survey analysis Figures exclude those living in LA/HA or private sector/Other temporary accommodation)

Source: PPG [ID 2a-024-20140306]

- 7.43 The table below therefore shows the initial estimate of the number of households who potentially have a current housing need. These figures are before any consideration of affordability has been made and has been termed 'the number of households in unsuitable housing'. Overall, the analysis suggests that there are currently some 7,633 households living in unsuitable housing (or without housing) – this is 5.2% of the estimated total number of households living in the HMA in 2013.

Table 40: **Estimated number of households living in unsuitable housing**

Category of 'need'	Households
Homeless households	16
Those in priority need who are currently housed in temporary accommodation	66
Households in overcrowded housing	3,522
Concealed households	652
Existing affordable housing tenants in need	456
Households from other tenures in need	2,921
Total	7,633

Source: CLG Live Tales, Census (2011) and data modelling

- 7.44 In taking this estimate (7,633) forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. Additionally, the 'temporary accommodation' group are split depending on whether or not they are currently housed (with those temporarily housed in LA/HA accommodation then being excluded as per the analysis for affordable housing (i.e. they would be a transfer)). A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households

could technically be overcrowded/living in unsuitable housing but would be unlikely to be considered as being in affordable housing need. Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

- 7.45 The table below shows that as of mid-2013 it is estimated that there were 3,752 households living in unsuitable housing (excluding current social tenants and the majority (90%) of owner-occupiers) – this represents 2.5% of all households in the area in 2013.

Table 41: Unsuitable housing by tenure and numbers to take forward into affordability modelling

	In unsuitable housing	Number to take forward for affordability testing
Owner-occupied	2,456	246
Social rented	1,629	0
Private rented	2,814	2,808
No housing (homeless/concealed)	698	698
Temporary accommodation	36	0
Total	7,633	3,752

Source: CLG Live Tales, Census (2011) and data modelling

- 7.46 Having established the figure of 3,752, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy, because they could afford a suitable market housing solution. For an affordability test the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the level of income to 69% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing other than in temporary accommodation). A lower figure (of 42%) has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing and those in temporary accommodation. These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (and excluding social tenants and the majority of owners) along with typical income levels of households accessing social rented housing (for those without accommodation). These figures are considered to be best estimates, and likely to approximately reflect the differing income levels of different groups with a current housing problem.
- 7.47 Overall, using a 25% affordability threshold, just under two-thirds of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is reduced to 2,427 households in the HMA. With a 40% threshold the

estimated level of need is reduced to 1,598 households. The tables below shows how current need is estimated to vary across local authority areas.

Table 42: **Estimated Current Need – 25% income threshold**

Area	In unsuitable housing (taken forward for affordability test)	% Unable to Afford	Revised Gross Need (including Affordability)
Ashfield	1,250	65.3%	816
Mansfield	1,348	64.8%	874
Newark & Sherwood	1,154	63.9%	737
Nottingham Outer	3,752	64.7%	2,427

Source: CLG Live Tales, Census (2011), data modelling and affordability analysis

Table 43: **Estimated Current Need – 30% income threshold**

Area	In unsuitable housing (taken forward for affordability test)	% Unable to Afford	Revised Gross Need (including Affordability)
Ashfield	1,250	57.0%	712
Mansfield	1,348	56.4%	761
Newark & Sherwood	1,154	55.5%	640
Nottingham Outer	3,752	56.3%	2,113

Source: CLG Live Tales, Census (2011), data modelling and affordability analysis

Table 44: **Estimated Current Need – 35% income threshold**

Area	In unsuitable housing (taken forward for affordability test)	% Unable to Afford	Revised Gross Need (including Affordability)
Ashfield	1,250	49.3%	617
Mansfield	1,348	48.8%	658
Newark & Sherwood	1,154	48.0%	554
Nottingham Outer	3,752	48.7%	1,828

Source: CLG Live Tales, Census (2011), data modelling and affordability analysis

Table 45: **Estimated Current Need – 40% income threshold**

Area	In unsuitable housing (taken forward for affordability test)	% Unable to Afford	Revised Gross Need (including Affordability)
Ashfield	1,250	43.2%	540
Mansfield	1,348	42.7%	575
Newark & Sherwood	1,154	41.8%	483
Nottingham Outer	3,752	42.6%	1,598

Source: CLG Live Tales, Census (2011), data modelling and affordability analysis

7.48 The table below show the current need split by broad category of current housing. The analysis shows that between about 433 and 575 of the households do not have housing – these are the important numbers within this analysis as it is this group who will need additional accommodation to be provided. The remaining households (1,165-1,852) have a need, but if they were to move to alternative accommodation would free-up a home for use by another household (and hence no need for additional accommodation overall is required).

Table 46: **Estimated Current Need by broad type of current accommodation (25%, 30%, 35% and 40% thresholds)**

Area	@ 25% affordability threshold			@ 30% affordability threshold		
	Households in housing	No housing (homeless/ concealed)	TOTAL	Households in housing	No housing (homeless/ concealed)	TOTAL
Ashfield	606	210	816	519	193	712
Mansfield	681	192	874	583	177	761
Newark & Sherwood	565	173	737	482	158	640
Nottingham Outer	1,852	575	2,427	1,585	528	2,113
Area	@ 35% affordability threshold			@ 40% affordability threshold		
	Households in housing	No housing (homeless/ concealed)	TOTAL	Households in housing	No housing (homeless/ concealed)	TOTAL
Ashfield	442	174	617	382	158	540
Mansfield	498	160	658	430	145	575
Newark & Sherwood	411	143	554	353	130	483
Nottingham Outer	1,351	478	1,828	1,165	433	1,598

Source: CLG Live Tales, Census (2011), data modelling and affordability analysis

Newly-Arising Need

7.49 To estimate newly-arising (projected future) need we have looked at two key groups of households based on the CLGs SHMA Guidance. These are:

- Newly forming households; and
- Existing households falling into need.

Newly-Forming Households

- 7.50 The number of newly-forming households has been estimated through the demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously to provide an estimate of *gross* household formation. This differs from numbers presented in the demographic projections which are for net household growth. The number of newly-forming households are limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 7.51 The estimates of gross new household formation have been based on outputs from our core demographic projection. In looking at the likely affordability of newly-forming households we have drawn on data from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 7.52 We have therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average (i.e. the distribution of incomes has been adjusted to reflect the likely distribution if incomes are 84% of the all household total). In doing this we are able to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB). The assessment suggests that overall between 29% and 51% of newly-forming households will be unable to afford market housing depending on the affordability threshold used and that a total of 802 to 1,393 new households will have a need on average in each year to 2033.

Table 47: **Estimated Level of Affordable Housing Need from Newly Forming Households (per annum) – 25% affordability threshold**

Area	Number of new households	% unable to afford	Total in need
Ashfield	998	51.3%	513
Mansfield	843	51.7%	436
Newark & Sherwood	881	50.5%	444
Nottingham Outer	2,722	51.2%	1,393

Source: Projection Modelling/Income analysis

Table 48: **Estimated Level of Affordable Housing Need from Newly Forming Households (per annum) – 30% affordability threshold**

Area	Number of new households	% unable to afford	Total in need
Ashfield	998	42.4%	423
Mansfield	843	42.8%	361
Newark & Sherwood	881	41.7%	367
Nottingham Outer	2,722	42.3%	1,151

Source: Projection Modelling/Income analysis

Table 49: **Estimated Level of Affordable Housing Need from Newly Forming Households (per annum) – 35% affordability threshold**

Area	Number of new households	% unable to afford	Total in need
Ashfield	998	35.6%	355
Mansfield	843	35.8%	302
Newark & Sherwood	881	34.7%	306
Nottingham Outer	2,722	35.4%	963

Source: Projection Modelling/Income analysis

Table 50: **Estimated Level of Affordable Housing Need from Newly Forming Households (per annum) – 40% affordability threshold**

Area	Number of new households	% unable to afford	Total in need
Ashfield	998	29.6%	296
Mansfield	843	29.9%	253
Newark & Sherwood	881	28.8%	253
Nottingham Outer	2,722	29.4%	802

Source: Projection Modelling/Income analysis

Existing Households falling into Affordable Housing Need

- 7.53 The second element of newly arising need is existing households falling into need. To assess this we have used information from CoRe. We have looked at households who have been housed over the past two years – this group will represent the flow of households onto the Housing Register over this period. From this we have discounted any newly forming households (e.g. those currently living

with family) as well as households who have transferred from another social rented property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.

7.54 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless households applicants)'*.

7.55 Following the analysis through suggests a need arising from between 745 and 989 existing households each year.

Table 51: **Estimated level of Housing Need from Existing Households (per annum) – 25% and 30% affordability thresholds**

Area	25% affordability threshold		30% affordability threshold	
	Number of Existing Households falling into Need	% of Need	Number of Existing Households falling into Need	% of Need
Ashfield	257	26.0%	236	26.0%
Mansfield	430	43.4%	395	43.5%
Newark & Sherwood	302	30.6%	277	30.5%
Nottingham Outer	989	100.0%	909	100.0%

Source: CoRe/affordability analysis

Table 52: **Estimated level of Housing Need from Existing Households (per annum) – 35% and 40% affordability thresholds**

Area	35% affordability threshold		40% affordability threshold	
	Number of Existing Households falling into Need	% of Need	Number of Existing Households falling into Need	% of Need
Ashfield	214	26.0%	193	26.0%
Mansfield	357	43.5%	324	43.5%
Newark & Sherwood	251	30.5%	227	30.5%
Nottingham Outer	822	100.0%	745	100.0%

Source: CoRe/affordability analysis

Supply of Affordable Housing

7.56 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social/affordable rent relets and the annual supply of relets/sales within the intermediate sector.

- 7.57 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. We have used information from the Continuous Recording system (CoRe) to establish past patterns of social housing turnover. Our figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. Additionally an estimate of the number of 'temporary' supported lettings have been removed from the figures (the proportion shown in CoRe as being lettings in direct access hostels or foyer schemes (of which there were relatively few in the study area)).
- 7.58 On the basis of past trend data it has been estimated that 1,752 units of social/affordable rented housing are likely to become available each year moving forward, with a notably higher proportion of these being in Mansfield.

Table 53: Analysis of past social/affordable rented housing supply (per annum – based on data for 2012-14)

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Total lettings	840	1,049	806	2,695
% as non-newbuild	95.9%	94.6%	94.3%	94.9%
Lettings in existing stock	805	992	760	2,557
% non-transfers	65.5%	73.3%	67.4%	69.1%
Sub-total	527	728	512	1,767
% non-temporary housing	100.0%	100.0%	97.1%	99.2%
Total lettings to new tenants	527	728	497	1,752

Source: CoRe

- 7.59 The supply figure is for social/affordable rented housing only and whilst the stock of intermediate housing in Nottingham Outer is not significant compared to the social/affordable rented stock it is likely that some housing does become available each year (e.g. re-sales of shared ownership). For the purposes of this assessment we have again utilised CoRe data about the number of sales of homes that were not newbuild. From this it is estimated that around 9 additional properties might become available per annum. The total supply of affordable housing is therefore estimated to be 1,761 per annum.

Table 54: Supply of affordable housing

Area	Social/affordable rented relets	Intermediate housing 'relets'	Total supply (per annum)
Ashfield	527	4	531
Mansfield	728	3	730
Newark & Sherwood	497	3	500
Nottingham Outer	1,752	9	1,761

Source: CoRe

Net Affordable Housing Need

- 7.60 The table below shows our overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis shows with a 25% affordability threshold that there is a need for 743 dwellings per annum to be provided; with the 40% threshold the analysis shows a small surplus. This is a wide range, although this is not untypical given the nature of the assumptions that can reasonably be applied. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Table 55: **Estimated annual level of Affordable Housing Need**

	25% affordability threshold	30% affordability threshold	35% affordability threshold	40% affordability threshold
Current need	121	106	91	80
Newly forming households	1,393	1,151	963	802
Existing households falling into need	989	909	822	745
Total Gross Need	2,504	2,166	1,876	1,626
Supply	1,761	1,761	1,761	1,761
Net Need	743	405	116	-134

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis

- 7.61 The tables below show the annualised information for each local authority with both estimates of affordable housing need. Using a 25% threshold for affordability it can be seen that all areas have a notable need for affordable housing (ranging from 180 per annum in Mansfield to 284 per annum in Newark & Sherwood). With a 30% thresholds, all areas still show a net need for affordable housing (albeit a more modest one) and with a 35% threshold there is a surplus shown in Mansfield and a lower shortfall in Ashfield and Newark & Sherwood. Finally, with a 40% threshold the data shows a notable 'surplus' in Mansfield along with a small surplus in Ashfield; using the 40% threshold shows a very modest need (for 5 dwellings per annum) in Newark & Sherwood.

Table 56: Estimated level of Affordable Housing Need per annum – by location (25% affordability threshold)

Area	Current need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Ashfield	41	513	257	811	531	280
Mansfield	44	436	430	910	730	180
Newark & Sherwood	37	444	302	783	500	284
Nottingham Outer	121	1,393	989	2,504	1,761	743

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

Table 57: Estimated level of Affordable Housing Need per annum – by location (30% affordability threshold)

Area	Current need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Ashfield	36	423	236	695	531	164
Mansfield	38	361	395	794	730	64
Newark & Sherwood	32	367	277	676	500	177
Nottingham Outer	106	1,151	909	2,166	1,761	405

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

Table 58: Estimated level of Affordable Housing Need per annum – by location (35% affordability threshold)

Area	Current need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Ashfield	31	355	214	599	531	68
Mansfield	33	302	357	692	730	-38
Newark & Sherwood	28	306	251	584	500	85
Nottingham Outer	91	963	822	1,876	1,761	116

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

Table 59: **Estimated level of Affordable Housing Need per annum – by location (40% affordability threshold)**

Area	Current need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Ashfield	27	296	193	516	531	-15
Mansfield	29	253	324	605	730	-125
Newark & Sherwood	24	253	227	505	500	5
Nottingham Outer	80	802	745	1,626	1,761	-134

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

What is an appropriate threshold for affordability?

- 7.62 The analysis so far in this section has looked at the likely range of affordable housing need based on different thresholds of income to be spent on housing costs. There is good justification for considering such a range given that there is no guidance on this topic within the PPG and our own analysis shows that analysis based upon 25% to 40% could be considered a reasonable starting point.
- 7.63 However it is useful to think about what might be a reasonable figure in Nottingham Outer and the individual local authorities. The threshold of income to be spent on housing should be set by asking the question *‘what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy (e.g. through Housing Benefit)?’* The choice of an appropriate threshold will to some degree be arbitrary and will be linked to the cost of housing rather than income. Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold. It would be feasible to find an area with very low incomes and therefore conclude that no households can afford housing, alternatively an area with very high incomes might show the opposite output. The key here is that local income levels are not setting the threshold, but are simply being used to assess how many can or can’t afford market housing.
- 7.64 It is therefore useful to look at housing costs in Nottingham Outer and contrast this with other areas. The analysis in this section has shown a lower quartile rent (across all dwelling sizes) of £395 in Ashfield, £400 in Mansfield and £440 in Newark & Sherwood. These rent levels can be compared with other areas nationally; the highest rents (outside London) being in Epsom and Ewell (£995 per month) and the lowest in Liverpool (at £313 per month). More locally within the East Midlands the lower quartile rents range from £350 in Derby and Leicester to £625 in South Northamptonshire. It is clear from this that all three local authorities are within the regional range, but towards the bottom end of it.

- 7.65 Although arbitrary, if the upper rent areas were considered to be '40%' areas and lower rent areas '25%' locations then arguably the Outer Nottingham authorities would sit closer to 25% than 40%.
- 7.66 However, the key point when looking at thresholds and housing costs is one of 'residual income' – i.e. the amount of money a household has after housing costs are paid for. Using the East Midlands examples, if a household in Derby spent 25% of income on housing then their residual income would be £1,050 per month, the same threshold in South Northamptonshire would show a residual income of £1,875 – if the threshold in South Northamptonshire were increased to 40% then the residual income would be around £940. Hence it would probably be concluded that a 40% threshold in South Northamptonshire is too high; to achieve the same level of residual income as Derby the threshold would need to be set at 37%. This analysis still doesn't tell us what a reasonable income threshold is given that such an analysis would need to be predicated on a) an assumption that 25% in Derby is appropriate and b) that living costs (other than housing) are equal across areas. It does however serve to show why the cost of housing is the key input into understanding a reasonable threshold for affordability.
- 7.67 Returning to the question for Nottingham Outer, we can as an indicative analysis look at this residual income method by considering housing costs both nationally and within the East Midlands. If Liverpool is taken as a 25% benchmark then the range of income multiples to achieve the same residual income would be 30% in each of Ashfield and Mansfield and 32% in Newark & Sherwood. If Derby is taken as the 25% benchmark then these percentages drop to 27% in Ashfield, 28% in Mansfield and 30% in Newark & Sherwood.
- 7.68 Overall, this analysis is somewhat convoluted and does not definitively show what income multiple is most suitable in Outer Nottingham – indeed it confirms that no such 'single' figure exists. However, for the purpose of analysis we would suggest on the basis of the range set out above that something in the region of 30% of income to be spent on housing costs would be a reasonable benchmark (with arguably a slightly higher figure in Newark & Sherwood and lower figures in Ashfield and Mansfield).
- 7.69 Returning to income, a 30% threshold would suggest that an income of £15,800 per annum would be required to access housing in Ashfield, £16,000 in Mansfield and £17,600 in Newark & Sherwood. Although these figures are below current benefit caps (currently £18,200 for a single person) it needs to be remembered that housing costs in the area are typically low and hence the access income levels could reasonably be expected to be lower. These levels of income look to equate to a reasonable threshold for access to the market.
- 7.70 It is therefore concluded in seeking to establish the need for affordable housing that the outputs based on the 30% threshold are considered robust

Relating Affordable Need and OAN – legal judgements and guidance

- 7.71 On balance, the analysis above indicates need for affordable housing. However the link between affordable need and the OAN is complex and has been subject to a number of recent High Court decisions and also interpretation through advice from the Planning Advisory Service (in the July 2015– Technical advice note). Below we have summarised some of the key judgements and guidance in Chronological Order (some of the comments made have been paraphrased from articles published by leading planning law firms, most notably Landmark Chambers with the following link neatly summarising some of the issues).

<http://www.landmarkchambers.co.uk/userfiles/documents/resources/RMW%20Housing%20Land%20Supply%20140915.pdf>

Satnam Millennium Limited v Warrington Borough Council (February 2015)

- 7.72 In this case, a challenge to the adoption of the Warrington Local Plan Core Strategy succeeded, resulting in the quashing of the Plan's housing provision policies. With regard to affordable housing the judge found that the assessment of full, objectively assessed needs for housing had not taken account of the (substantial) need for affordable housing.
- 7.73 In paragraph 43 of the judgement it is concluded that *'the Local Plan should then meet the OAN for affordable housing, subject only to the constraints referred to in the NPPF, paragraphs 14 and 47'*. This quote has been taken by some parties to imply that the need for affordable housing (as shown in modelling such as within the section) needs to be met in full – for example, if the affordable need is 200 per annum and delivery is likely to be 20% then an OAN for 1,000 homes would be appropriate.
- 7.74 It is not clear if this is exactly what the judge in this case had in mind. What is clear that such an approach in many areas would be impractical as it would require huge increases to have any significant impact. It is also contrary to the principle that if every Council met OAN then nationally OAN would be met – not every Council can simultaneously boost affordable housing delivery.

Oadby and Wigston v Bloor Homes (July 2015)

- 7.75 In this case, a challenge by Oadby & Wigston Borough Council to the granting of planning permission through a Section 78 inquiry was dismissed.
- 7.76 The key issue in front of the Judge was whether or not the original inspector's adoption of a figure of 147 dwellings per annum as the full objectively assessed need for housing (FOAN) was sound. In essence the Council's position was that the need was in the range of 80-100 dwellings per annum

and that this was a policy-off figure based on the most up-to-date population and household projections. The appellant suggested a need in the range of 147-161 based on long-term migration trends and the needs of the local economy (in terms of matching job growth and housing need).

- 7.77 The Judge's initial conclusion was that he considered the SHMA position (of 80-100 dwellings per annum) to be policy-on. He based this on a recognition that other analysis in the SHMA had indicated a need for 173 dpa to meet economic growth and a slightly lower figure (of 160 per annum) as the affordable housing need.
- 7.78 The uncertainty in this decision is whether or not the FOAN must include all of the affordable housing need. Some of the wording of the judgment would suggest that this was the case with Judge Hickinbottom stating that the assessment of need *'becomes policy on as soon as the Council takes a course of not providing sufficient affordable housing to satisfy the FOAN'*. However, interrogation of the figures in front of him show that this is not the case.
- 7.79 The inspector in this case used a figure of 147 as the FOAN for the purposes of a 5-year housing land supply calculation. He did note that the 147 figure should not be taken as precise but as a figure which provided a reasonable indication of the need – he also questioned whether the figure was as high as 161 (the upper end of the appellant's scenarios). Overall, it can be concluded that the inspector considered the FOAN to be in the range of 147-161 and this is supported by the Judge.
- 7.80 The affordable need in the SHMA was presented by the Council as being for 160 dwellings per annum which is virtually identical to the upper end of the range considered by the inspector (and accepted by the judge). Hence it can reasonably be concluded (on the basis of this judgement) that the FOAN must in broad terms be at least as high as the overall level of affordable housing need shown in the SHMA (i.e. of the need for affordable housing is 200 per annum, then the FOAN must be at least 200 per annum – this is a different calculation to the one suggested in the Satnam decision).

Planning Advisory Service – Technical Advice note (July 2015)

- 7.81 At about the same time as the Oadby & Wigston judgement, the Planning Advisory Service (PAS) published the second edition of their technical advice note on Objectively Assessed Need and Housing Targets – this replaced/updated a version from June 2014.
- 7.82 The consideration of affordable housing need and its relationship to overall housing need is covered in some detail within Section 9 of the document. PAS set out a suggested approach for looking at the relationship between OAN and affordable housing (which is broadly in line with the approach in this report) before going on to consider their own view about the relationship.

- 7.83 They initially suggest that affordable housing is a policy consideration that bears on housing targets rather than OAN and note that they are not comparable because they relate to different meanings of the term 'need'. They also highlight that the OAN relates to new dwellings whereas much of the affordable need relates to existing households, who, when moving, would free up dwellings to be occupied by other households.
- 7.84 They therefore note that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need before concluding that the affordable need cannot be a component part of the OAN. PAS do however note that their views 'may be' contradicted by the Satnam judgement referred to above.

Kings Lynn v Elm Park Holdings (July 2015)

- 7.85 The final case of reference is Kings Lynn and West Norfolk Council vs. SSCLG and Elm Park Holdings. The case involved the Council's challenge to an inspector's granting of permission for 40 dwellings in a village. Although much of the case was about the approach to take with regards to vacant and second homes, the issue of affordable housing was also a key part of the final judgment.
- 7.86 The case was heard by Justice Dove who was an experienced former planning barrister with many years of experience in understanding the issues involved.
- 7.87 Focussing on affordable housing, Justice Dove considered the "ingredients" involved in making a FOAN and noted that the FOAN is the product of the strategic housing market assessment (SHMA) required by paragraph 159 of the NPPF. It is noted that the SHMA must identify the scale and mix of housing to meet household and population projections, taking account of migration and demographic change, and then address the need for all housing types, including affordable homes.
- 7.88 He continued by noting that the scale and mix of housing is *'a statistical exercise involving a range of relevant data for which there is no one set methodology, but which will involve elements of judgement'*. Crucially, in paragraph 35 of the judgment he says that the *'Framework makes clear that these needs [affordable housing needs] should be addressed in determining the FOAN, but neither the Framework nor the PPG suggest that they have to be met in full when determining that FOAN. This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice'*. This is an important point, given the previous judgements in Satnam and Oadby & Wigston. And indeed in relation to Oadby and Wigston he notes that *'Insofar as Hickinbottom J in the case of Oadby and Wigston Borough Council v Secretary of State [2015] EWHC 1879 might be taken in paragraph 34(ii) of his judgment to be suggesting that in determining the FOAN, the total*

need for affordable housing must be met in full by its inclusion in the FOAN I would respectfully disagree. Such a suggestion is not warranted by the Framework or the PPG’.

- 7.89 Therefore, this most recent judgement is clear that an assessment of affordable housing need should be carried out, but that the level of affordable need shown by analysis does not have to be met in full within the assessment of the FOAN.

Relating Affordable Need and OAN

- 7.90 The table below sets out the annual affordable housing need as a proportion of the need identified from the core demographic-based projection. Based upon income thresholds of 25% - 40% the affordable need represents between -11% and 58% of the demographic-need; figures vary from -35% based on a 40% threshold in Mansfield up to 64% using a 25% threshold in Newark & Sherwood. These figures are however calculated in different ways and are not strictly comparable. A 30% threshold (which is considered to be the most appropriate to use in local circumstances) shows the affordable need to be around 32% of the assessed housing need calculated from demographic projections. Whilst this analysis does indicate a need for affordable housing it should be noted that levels of affordable need are generally quite modest when compared with other areas where similar work has been carried out (e.g. in the South East of England and London).

Table 60: **Affordable Need as % Demographic-based Projections**

Area	25%	30%	35%	40%
Ashfield	60%	35%	15%	-3%
Mansfield	50%	18%	-11%	-35%
Newark & Sherwood	64%	40%	19%	1%
Nottingham Outer	58%	32%	9%	-11%

- 7.91 The Planning Practice Guidance sets out how it expects the affordable housing need to be considered as part of the plan-making process. It outline in Paragraph 029 that:

“The total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”

- 7.92 The likely delivery of affordable housing on mixed market housing-led developments will be influenced both by affordable housing policies (themselves influenced by development viability evidence), the mix of homes which are delivered and the viability of individual development schemes. Some schemes will not be able to viably deliver policy-compliant levels of affordable housing.
- 7.93 Taking this evidence together it can be concluded that provision overall might be expected to be in the range of 15%-20% across the HMA although some variation from this would be expected on a

local authority basis. Where Local Authorities have additional relevant evidence, this may be used to determine planning applications. This is a working assumption but takes account of the fact that some sites will not be able to provide the full amount of affordable housing sought (e.g. due to size or viability issues), but at the same time, it is possible that some affordable housing is provided through non-106 sites (discussed in more detail below) whilst it is also probable that viability has improved in the time since each Council's latest viability study was undertaken.

7.94 It should be borne in mind that besides delivery of affordable housing on mixed-tenure development schemes, there are a number of other mechanisms which deliver affordable housing. These include:

- National Affordable Housing Programme – this (administered by the HCA) provides funding to support Registered Providers in delivering new housing including on sites owned by RPs;
- Building Council Homes – following reform of the HRA funding system, Councils can bring forward affordable housing themselves.
- Empty Homes Programmes – where local authorities can bring properties back into use as affordable housing. These are existing properties, and thus represent a change in tenure within the current housing stock;
- Rural Exception Site Development – where the emphasis is on delivering affordable housing to meet local needs.

7.95 Funding for specialist forms of affordable housing, such as extra care provision, may also be available from other sources; whilst other niche agents, such as Community Land Trusts, may deliver new affordable housing. Net changes in affordable housing stock may also be influenced by estate regeneration schemes, as well as potentially by factors such as the proposed extension of the Right to Buy to housing association properties. Affordable housing can be met by changes in the ownership of existing housing stock, not just by new-build development.

7.96 In interpreting the relationship between affordable need and total housing provision, it is important to understand the basis of the affordable housing needs model. As the Planning Practice Guidance sets out, the calculation of affordable need involves *“adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable stock.”* The affordable housing need does therefore not represent an assessment of what proportion of additional households might require affordable housing. Instead the model considers:

- What need can be expected to arise from both existing and newly-forming household who require financial support to access suitable housing;
- This is then compared with the projected supply of affordable housing expected to arise from the turnover of existing stock, and affordable housing in the development pipeline.

7.97 The affordable housing model thus includes supply-side factors. The net need figures derived are influenced by the current stock of affordable housing and turnover of this. This has been influenced by past policies and investment decisions (at both the national and local levels). Funding

mechanisms for affordable housing have influenced past delivery, which in turn influence the need today.

- 7.98 Given that there has been some decrease in affordable housing stock over the last 15 years, the Private Rented Sector has in effect taken on an increasing role in providing housing for households who require financial support in meeting their housing needs, supported by Local Housing Allowance.
- 7.99 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF 'for planning purposes', it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS.
- 7.100 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: *'Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market'* [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning of housing markets.
- 7.101 Data from the Department of Work and Pensions (DWP) has been used to look at the number of LHA supported private rented homes. As of November 2014 it is estimated that there were around 8,250 benefit claimants in the private rented sector.
- 7.102 From English Housing Survey we estimate that the proportion of households within the private sector who are "new lettings" each year (i.e. stripping out the effect of households moving from one private rented property to another) is around 13%. Applying this to the number of LHA claimants in the Private Rented Sector gives an estimate of around 1,070 private sector lettings per annum to new LHA claimants in the HMA. This figure is derived from claimants rather than households and it is possible that there are a number of multiple LHA claimant households (i.e. in the HMO sector). This serves to illustrate that there is some flexibility within the wider housing market.
- 7.103 However, national planning policy does not specifically seek to meet the needs identified through the Basic Needs Assessment Model through the Private Rented Sector. Government's benefit caps may reduce the contribution which this sector plays in providing a housing supply which meets the needs of households identified in the affordable housing needs model herein. In particular future growth in households living within the PRS and claiming LHA cannot be guaranteed.

- 7.104 Secondly, and perhaps more critically, it is important to recognise that the model includes needs arising from both new households and existing households. Part of the needs included are from households who might require an additional home, such as:
- Newly-forming households;
 - Those in temporary accommodation;
 - Concealed households; and
 - Homeless households.
- 7.105 But the figures also include needs arising from households who will require a different form of home, but who – by moving to another property – would release an existing property for another households. These households do not generate a need for more dwellings overall. They include households who need to move as they are:
- Overcrowded;
 - Coming to the end of a tenancy;
 - Living in unsuitable housing; and
 - Cannot afford to remain in their current home.
- 7.106 Such households do not generate a net need for additional homes, as by moving they would release a home for other households. On this basis, these elements of the affordable housing need are not directly relevant to considering overall housing need and housing targets (which are typically measured in terms of net dwellings).
- 7.107 In considering the overall need for housing, only those who are concealed or homeless would result in potentially an additional need for housing. Numbers of newly-forming households in the modelling are established specifically from the demographic projections.
- 7.108 The analysis undertaken arguably provides some evidence to justify considering an adjustment to the assessed housing need to address the needs of concealed households, and support improvements in household formation for younger households. Analysis earlier in this section identifies between 433 and 575 concealed and homeless households in affordable need (with a figure of 528 when using a 30% affordability threshold). This figure can reasonably be used as the uplift to the OAN as a result of affordable housing need and represents around 26 additional dwellings per annum over the 2013-33 period.
- 7.109 We return to consider the scale of adjustment appropriate later in the report, taking account of the evidence herein and from analysis of market signals.

Sub-area Affordable Housing Need

- 7.110 As well as considering affordable needs for the whole HMA and individual districts, the analysis has provided an indication of the level of need at a smaller-area level. The methodology employed is

broadly the same as for the main affordable needs model although some additional assumptions have been made (particularly in relation to estimates of where future supply from the existing stock might arise). In line with the main modelling, data has been drawn from a range of sources, including the demographic projections and 2011 Census data.

- 7.111 One analysis which will be important to assess more localised needs is around affordability; to look at this, sub-area estimates of income (and its distribution) have been developed with the table below showing estimates of the mean and median income in each area. The data shows quite a spread of incomes across areas, varying from a median of £19,800 in Warsop & Villages (in Mansfield) up to £31,500 in the Nottingham Fringe area of Newark & Sherwood.

Table 61: **Mean and median incomes by sub-area**

Area	Mean	Median
Hucknall	£29,878	£22,724
Villages	£31,607	£24,039
S/K-in-Ashfield	£28,145	£21,407
Ashfield	£28,983	£22,044
Mansfield	£29,463	£22,409
Warsop & villages	£26,075	£19,832
Mansfield	£29,093	£22,128
Newark	£32,988	£25,091
Southwell	£39,158	£29,783
Sherwood	£29,343	£22,318
Mansfield Fringe	£28,921	£21,997
Nottingham Fringe	£41,415	£31,500
Newark & Sherwood	£33,170	£25,229
Nottingham Outer	£30,431	£23,032

Source: Derived from ASHE, EHS, CACI and ONS data

- 7.112 The table overleaf shows estimates of overall (annual) affordable housing need for the 2013-33 period; outputs for the full range of affordability thresholds have been provided. All areas show a need for affordable housing at thresholds of 25% and 30% with some surpluses being shown as the data moves through 35% and 40% thresholds. The numbers vary mainly by the overall size of the population and the number of households in each area.

Table 62: **Estimated level of Affordable Housing Need per annum – by location**

Area	25%	30%	35%	40%
Hucknall	81	49	23	0
Villages	25	15	7	0
S/K-in-Ashfield	174	100	39	-15
Ashfield	280	164	68	-15
Mansfield	157	55	-36	-113
Warsop & villages	22	10	-2	-12
Mansfield	180	64	-38	-125
Newark	150	93	44	2
Southwell	30	15	3	-8
Sherwood	40	24	11	-2
Mansfield Fringe	55	39	25	12
Nottingham Fringe	8	5	2	0
Newark & Sherwood	284	177	85	5
Nottingham Outer	743	405	116	-134

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

Considering an Uplift to Housing Numbers

- 7.113 What the PPG sets out is that consideration needs to be given to increasing overall housing delivery where it might contribute to delivering the identified need for affordable housing. This is to some extent a “policy choice.”
- 7.114 The analysis above has shown that a notable proportion of the affordable need is expected to arise from households who are already living in accommodation (existing households); Furthermore, there is a clear current and ongoing role of the private rented sector in meeting affordable need.
- 7.115 When taking these two points together the analysis would suggest that the affordable need does not provide strong evidence of a requirement to increase overall housing provision in the HMA (over and above the need shown by demographic modelling).
- 7.116 In coming to such a conclusion we are also mindful of the general logic behind increasing housing numbers in an area. If one area were to decide to provide more housing than is shown in the demographic projections then this would be expected to generate a higher level of in-migration. Such migration would have to come from somewhere else and would therefore drive a lower need in such locations (which would need to be agreed through the Duty to Cooperate and would essentially be a ‘policy-on’ position).
- 7.117 There is however a case to consider the affordable housing need alongside the evidence of market signals and apply a modest uplift to help improve overall affordability for younger households

seeking to enter the housing market for the first time. The uplift would of course result in a further supply of affordable housing through additional developer contributions.

7.118 The modest uplift is achieved without significant additional uplifts to the population (over and above the trend-based demographic projections) and would not therefore necessarily have a direct impact on other areas needing to provide fewer homes.

7.119 The Planning Practice Guidance sets out that:

“In areas where an upward adjustment [to the assessment of housing need] is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.”

7.120 The Guidance does not however set out how such an adjustment should be quantified. It simply sets out that it should be ‘reasonable.’

7.121 To consider this issue further we have sought to use the demographic analysis to assess the degree to which household formation levels have been constrained for younger age groups, and what scale of adjustment to housing provision would be necessary for these to improve.

Considering Age Specific Household Formation Rates

7.122 The projections so far developed have used data from the 2012-based CLG household projections. It is important to consider how these housing market trends relate through to demographic projections in considering, as the Planning Practice Guidance recommends, whether there is a case for adjusting levels of housing provision in effect to improve affordability over the longer-term.

7.123 National research undertaken for the RTPI by the Neil McDonald and Peter Williams at Cambridge University indicates a particular effect of the decline in affordability between 2001 and 2011 and the economic recession has been young adults living within a parental home for longer or living in shared accommodation rather than separate accommodation. The impact of this, their research shows, has been most significant for the 25-34 age group.

7.124 A detailed interrogation of demographic dynamics in Nottingham Outer indicates that in demographic terms, the deterioration in affordability of market housing and the economic recession over the 2001-11 decade is likely to have influenced – at least in part – a decline in household formation rates in younger people, particularly amongst those aged between 25 and 34. This is the one age group identified earlier as showing some degree of suppression when balancing past trends and the future projection.

- 7.125 When we consider age-specific data it is notable that those aged 25-34 have lower headship rates than was expected in the 2008-based projections and that the rates have dropped considerably from 2001 to 2011 – the 2012-based projections do however show some improvement from 2011 onwards. We have therefore run a sensitivity analysis which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to 2001 levels (i.e. before the rate started to decrease) by 2033.
- 7.126 This sensitivity in effect seeks to consider a scenario in which affordability and access to housing for younger households improves, and quantifies what level of housing provision might be associated with this, all other factors being equal. If achieved, the effect would be to reduce the proportions of shared households and persons within this age group living with parents. We term this sensitivity analysis the ‘market signals uplift.’
- 7.127 In reality, other factors such as real growth in disposable income (allowing people to save), the availability of and access to mortgage finance, interest rates and economic confidence will all influence trends in household formation. There is a complex set of factors at play, and it is difficult to predict how these factors might interact in the future and the impact on household formation rates (in the absence of any supply-side constraints). Furthermore part of the changes in household formation rates for this age group may have been due to international migration.
- 7.128 The sensitivity analysis indicates that, all other things being equal, an uplift of around 39 homes per annum across the study area would support an improvement in affordability and household formation rates amongst younger households. The analysis is based on a projection linked to longer-term migration trends and a UPC adjustment; similar analysis using other projections (e.g. the jobs-led projections) would be expected to show a similar proportionate increase.
- 7.129 It will additionally be noted that the uplift is highest in Mansfield; this is driven by the observation earlier that it is in this area where formation rates of younger people are shown to have fallen the most.

Table 63: **Projected household growth 2013-33 – 2012-based SNPP (adjusted) and 2012-based headship rates – with market signals uplift**

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Households 2013	51,956	45,575	49,728	147,260
Households 2033	61,217	52,786	58,416	172,419
Change in households	9,261	7,210	8,687	25,159
Per annum	463	361	434	1,258
Dwellings (per annum)	480	376	454	1,310
From demographic model	469	356	446	1,271
Potential uplift	11	20	8	39
% uplift	2.5%	5.6%	1.7%	3.1%

- 7.130 Whilst this increase (39 dwellings per annum) looks to be fairly modest (just 3%) it needs to be remembered that this uplift is from the 2012-based CLG projections, which are far more positive than the previous (2011-based) version. Using the same population data, and the 2011-based rates an estimated need for housing of 1,128 dwellings per annum is derived; the figure in the table above (1,310 dwellings per annum) is therefore some 16% higher than would be derived using older (and arguably more constrained) household formation rates. The increase of 39 dwellings per annum equates to about 780 additional homes over the 2013-33 period – this is higher than the number of homeless and concealed households in affordable housing need identified by earlier analysis (these are the households with a need who currently do not have housing and are not already included within the demographic projections).

Affordable Housing Need – Summary of the Evidence

- 7.131 An assessment of affordable housing need has been undertaken which is compliant with Government guidance to identify whether there is a shortfall or surplus of affordable housing in Nottingham Outer. This has estimated current housing need of between 1,598 and 2,427 households depending on the assumptions made about affordability thresholds; these figures exclude existing social housing tenants where they would release a home for another household in need.
- 7.132 The affordable housing needs model then looked at the balance between needs arising and the supply of affordable housing. Each year an estimated 1,546-2,382 households are expected to fall into affordable housing need and 1,761 properties are expected to come up for re-let.
- 7.133 Overall, in the period from 2013 to 2033, the analysis suggest a need for 405 affordable homes per annum using a 30% affordability threshold is adopted. On balance, this analysis supports a requirement for new affordable housing in the study area and the Councils are justified in seeking to

secure additional affordable housing. On the basis of viability assessments and other evidence it is estimated that each of the three authorities might expect to provide around 15-20% of future housing as affordable homes; given that this would provide a level of provision that fits within the range identified the evidence does not support any strong requirement for the Councils to plan for more housing than is suggested through the demographic projections (which in any case are suggesting a level of need which is well above that within the latest official projections).

- 7.134 Additionally, the link between the affordable housing need and the overall need for housing (or the objectively assessed need) is complex. Once we take account of the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis again does not suggest that there is any strong evidence of a need to consider additional housing to help meet the need.
- 7.135 However some additional housing could potentially be considered as part of a market signals adjustment to help improve affordability for younger households. A modest uplift would not be expected to generate any significant population growth (over and above that shown by demographic projections) such that consideration of lower housing numbers in other areas would need to be agreed through the Duty to Cooperate.

Affordable Housing Need: Implications

- With a 30% threshold for affordability (a figure considered to be appropriate given evidence about local housing costs) the affordable need is assessed at 405 households per annum. This takes account of the current stock and turnover of affordable housing.
- The evidence overall provides clear justification for policies seeking new affordable housing in residential and mixed tenure developments.
- The identified need from households requiring financial support represents up to 58% of the need arising through the demographic projections when adjusted for long term migration and UPC (and 32% when based on a 30% affordability threshold). However in considering this relationship, it is important to bear in mind that the affordable housing needs model includes existing households who require a different size or tenure of accommodation rather than new accommodation per se. Furthermore many households secure suitable housing within the Private Rented Sector, supported by housing benefit.
- Once account is taken of the range of outputs with the modelling (for different affordability thresholds) and the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis does not suggest that there is any strong evidence of a need to consider additional housing to help meet the need.
- However in combination with the market signals evidence some additional housing might be considered appropriate to help improve affordability for younger households. A modest uplift would not be expected to generate any significant population growth (over and above that shown by demographic projections) but would contribute to reducing concealed households and increasing new household formation. The additional uplift would also provide some additional affordable housing.

8 NEED FOR DIFFERENT SIZES OF HOMES

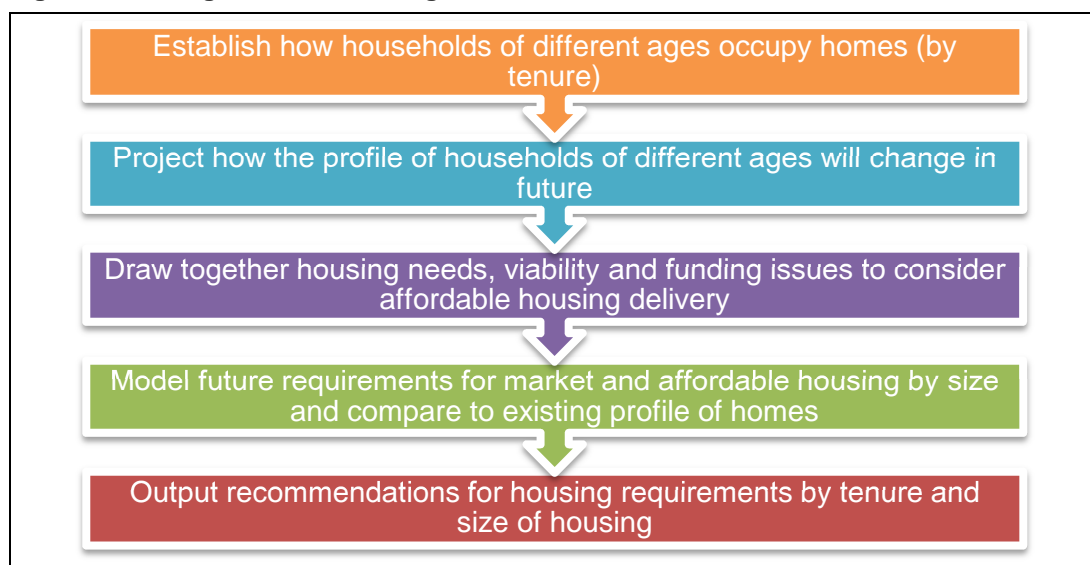
Introduction

- 8.1 As noted in Section 4, there are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes. This however needs to be brought together with an understanding of wider factors including:
- The need and opportunity to develop the housing offer;
 - The findings of the housing needs analysis which provide a short-term view of requirements;
 - Economic factors, such as trends in employment, overall and by occupation; and
 - Local policy objectives.
- 8.2 The analysis in this section seeks to use the information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future. For the purposes of this analysis, demographic change as indicated in the core demographic projection linked to long-term migration trends and a UPC adjustment has been used – delivery of 25,419 additional homes from 2013 to 2033.
- 8.3 It should be noted that this projection will not necessarily be translated into policy but has been used to indicate the likely size requirements of homes moving forward. Where a projection with a different housing figure is used then the outputs would be expected to be broadly similar.

Methodology

- 8.4 The figure below describes the broad methodology employed in the housing market modelling. Data is drawn from a range of sources including the 2011 Census and demographic projections.

Figure 92: Stages in the Housing Market Model

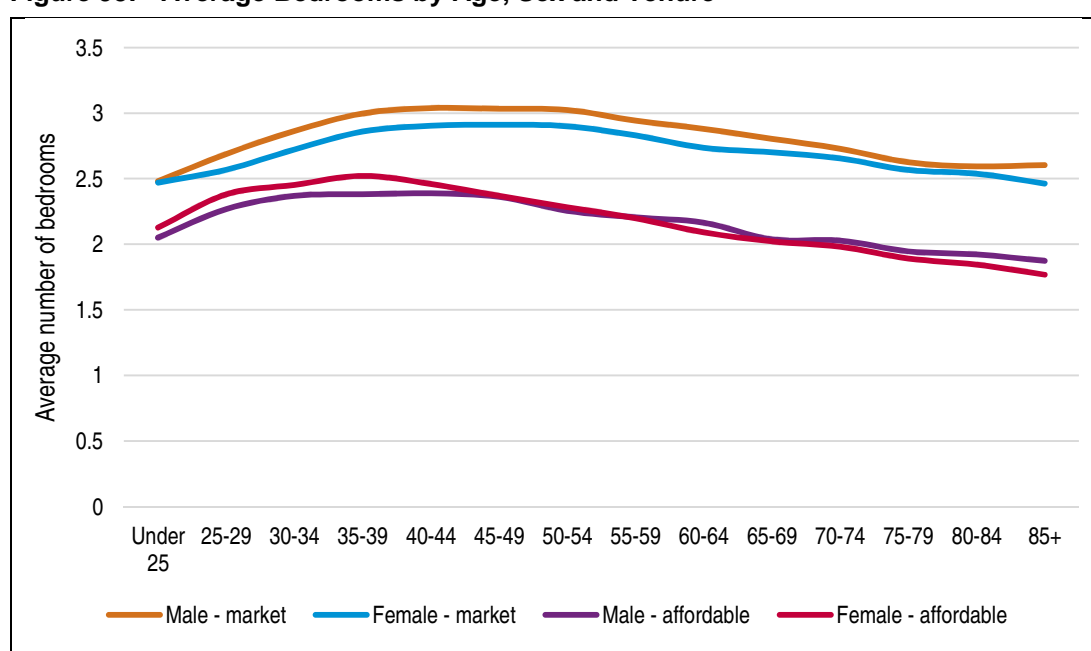


Understanding how Households Occupy Homes

- 8.5 Whilst the demographic projections provide a good indication of how the population and household structure will develop it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided. The size of housing which households occupy relates more to their wealth and age than the number of people which they contain.
- 8.6 For example, there is no reason why a single person cannot buy (or choose to live in) a four bedroom home as long as they can afford it and hence projecting an increase in single person households does not automatically translate into a need for smaller units. This issue is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to continue to under-occupy their current homes.
- 8.7 The general methodology is to use the information derived in the projections about the number of household reference persons (HRPs) in each age and sex group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table C1213 which provides relevant data for all local authorities in England) with data then calibrated to be consistent with 2011 Census data (e.g. about house sizes in different tenure groups and locations).

- 8.8 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and different sexes by broad tenure group. In the market sector the average size of accommodation rises over time to typically reach a peak around the age of 50. In the affordable sector this peak appears earlier. After this peak the average dwelling size decreases – possibly due to a number of people down-sizing as they get older. It is also notable that the average size for affordable housing dwellings are lower than those for market housing whilst in market housing male HRPs live in larger accommodation for all age groups (with no particular trend being seen in the affordable sector).

Figure 93: Average Bedrooms by Age, Sex and Tenure



Source: Derived from ONS Commissioned Table C1213 and 2011 Census

Establishing a Baseline Position

- 8.9 As of 2013 it is estimated that there were 147,260 households living in Nottingham Outer. Analysis of Census data linked to the demographic baseline provides an estimate of the profile of the housing stock in 2011, as shown in the table below. This shows that an estimated 16% of households live in affordable housing with 84% being in the market sector (the size of the affordable sector has been fixed by reference to an estimate of the number of occupied social rented and shared ownership homes in the 2011 Census along with an estimate of changes in the sector from 2011 to 2013 from data in CLG Live Table 100). The data also suggests that homes in the market sector are generally bigger than in the affordable sector with 73% having three or more bedrooms compared to 39% for affordable housing.

- 8.10 These figures are for households rather than dwellings due to information about the sizes of vacant homes across the whole stock (i.e. market and affordable) not being readily available. For the purposes of analysis this will not make any notable difference to the outcome. The household projections have however been translated into dwelling figures by including a vacancy allowance when studying the final outputs of the market modelling.

Table 64: **Estimated Profile of Dwellings in 2011 by Size**

Size of housing	Market		Affordable		Total	
	Number	%	Number	%	Number	%
1 bedroom	3,465	2.8%	6,630	27.6%	10,095	6.9%
2 bedrooms	30,068	24.4%	8,131	33.8%	38,200	25.9%
3 bedrooms	66,704	54.1%	8,663	36.0%	75,366	51.2%
4+ bedrooms	22,979	18.6%	620	2.6%	23,599	16.0%
Total	123,216	100.0%	24,044	100.0%	147,260	100.0%
% in tenure	83.7%		16.3%		100.0%	

Source: Derived from 2011 Census

Tenure Assumptions

- 8.11 The housing market model has been used to estimate future requirements for different sizes of property over the 20-year period from 2013 to 2033. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier). Thus it is necessary to consider what the mix of future housing will be in the market and affordable sectors.
- 8.12 The key assumption here is not a policy target but possible delivery. The assumption is influenced by a range of factors. The affordable housing needs analysis in this report provides evidence of notable affordable need although the viability of providing affordable housing will limit the amount that can be delivered. We have assumed delivery at 20% and this figure has been used to inform the modelling. It should be stressed that this is not a policy position and has been applied simply for the purposes of providing outputs from the modelling process.

Key Findings: Market Housing

- 8.13 As has previously been identified, there are a range of factors which can be expected to influence demand for housing. This analysis specifically looks at the implications of demographic drivers. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 20-year period from 2013 to 2033.

- 8.14 The figures below show estimates of the sizes of market housing required from 2013 to 2033 based on demographic trends for the whole of the HMA. The data suggests a requirement for homes for 19,521 additional households with the majority of these being two- and three-bedroom homes.

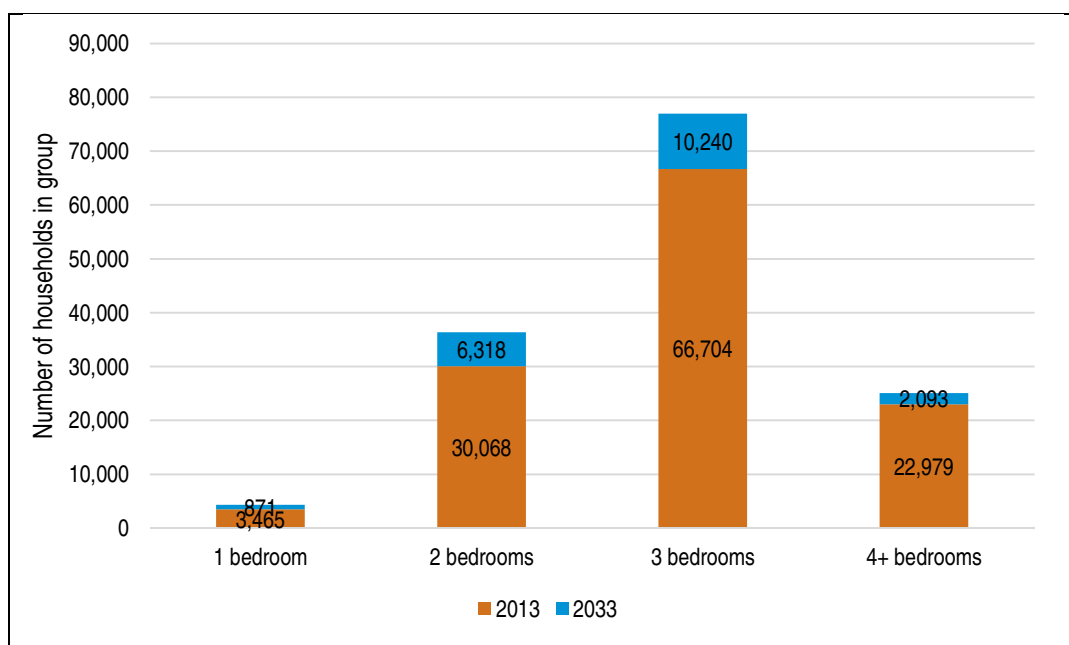
Table 65: **Estimated Size of Dwellings Required 2013 to 2033 – Market Housing**

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	3,465	4,335	871	4.5%
2 bedrooms	30,068	36,386	6,318	32.4%
3 bedrooms	66,704	76,943	10,240	52.5%
4+ bedrooms	22,979	25,072	2,093	10.7%
Total	123,216	142,737	19,521	100.0%

Source: Housing Market Model

- 8.15 The figure below shows how the estimated market requirement compares with the current stock of housing (based on households (i.e. excluding the vacancy allowance)). The data suggests that housing requirements reinforce around the existing profile of stock, but with a slight shift towards a requirement for smaller dwellings relative to the distribution of existing housing. This is understandable given the fact that household sizes are expected to fall slightly in the future (which itself is partly due to the ageing of the population).

Figure 94: Impact of Demographic Trends on Market Housing Requirements by House Size, 2013 to 2033



Source: Housing Market Model

- 8.16 The graphs and statistics are based upon the modelling of demographic trends. As has been identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand; this may include an increased demand in the private rented sector for rooms in a shared house due to changes in housing benefit for single people. In determining policies for housing mix, policy aspirations are also relevant.
- 8.17 In the short-term, stronger demand in relative terms for larger family homes might be expected as the market for smaller properties continues to be restricted by mortgage finance constraints. Over the 20-year projection period it is anticipated that there will be a continuing market for larger family homes, but the existing stock is expected to make a significant contribution to meeting this demand, as older households downsize (releasing equity from existing homes).
- 8.18 As the last few years have shown, there are a range of inter-dependencies which affect housing demand, with effective demand for entry-level market housing currently curtailed by the availability of mortgage finance for first-time buyers and those on lower earnings. This is likely to affect market demand for smaller properties typically purchased by first-time buyers in the short-term.
- 8.19 The mix identified above should inform District-wide policies and help to inform the 'portfolio' of sites which are considered and ultimately allocated through the Local Plan process. However, we would again recommend that strategic policy retains a reasonable degree of flexibility to ensure that, in applying mix to individual development sites, appropriate regard can be given to the nature of the development site, the character and existing housing stock of the area as well as the most up-to-date evidence of need/demand.
- 8.20 At the strategic level, a local authority in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

Key Findings: Affordable Housing

- 8.21 The table and figure below show estimates of the sizes of affordable housing required based on the analysis of demographic trends. The data suggests in the period between 2013 and 2033 that around four-fifths of the requirement is for homes with one- or two-bedrooms with around a fifth of the requirement being for larger homes with three or more bedrooms.
- 8.22 This analysis provides a longer-term view of requirements for affordable housing and does not reflect any specific priorities such as for family households in need rather than single people. In addition, it should be noted that smaller properties (i.e. one bedroom homes) typically offer limited flexibility in accommodating the changing requirements of households, whilst delivery of larger

properties can help to meet the needs of households in high priority and to manage the housing stock by releasing supply of smaller properties. That said, there may in the short-term be an increased requirement for smaller homes as a result of welfare reforms limiting the amount of housing benefit being paid to some working-age households.

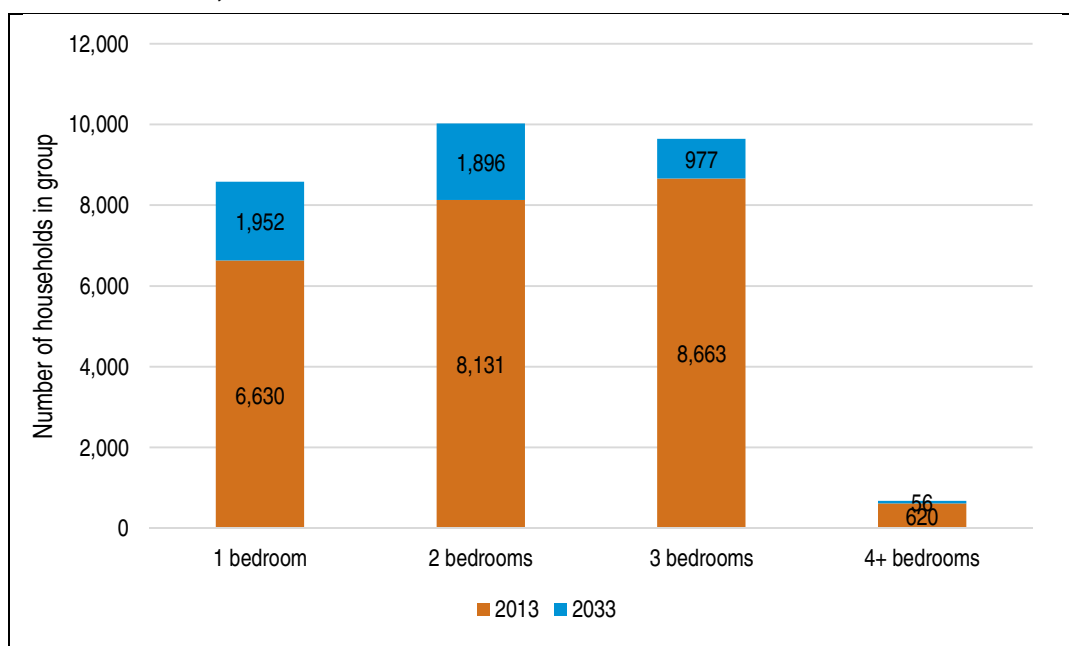
Table 66: **Estimated Size of Dwellings Required 2013 to 2033 – Affordable Housing**

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	6,630	8,582	1,952	40.0%
2 bedrooms	8,131	10,028	1,896	38.9%
3 bedrooms	8,663	9,639	977	20.0%
4+ bedrooms	620	675	56	1.1%
Total	24,044	28,924	4,880	100.0%

Source: Housing Market Model

- 8.23 The figure below shows how the estimated affordable need compares with the stock of affordable housing in 2013 – the figures are based on households (i.e. before adding in a vacancy allowance). Again, the data shows that relative to the current stock there is a slight move towards a greater proportion of smaller homes being required – this makes sense given that in the future household sizes are expected to drop whilst the population of older people will increase – older person households (as shown earlier) are more likely to occupy smaller dwellings.

Figure 95: Impact of Demographic Trends on Affordable Housing Requirements by House Size, 2013 to 2033



Source: Housing Market Model

Indicative Targets by Dwelling Size

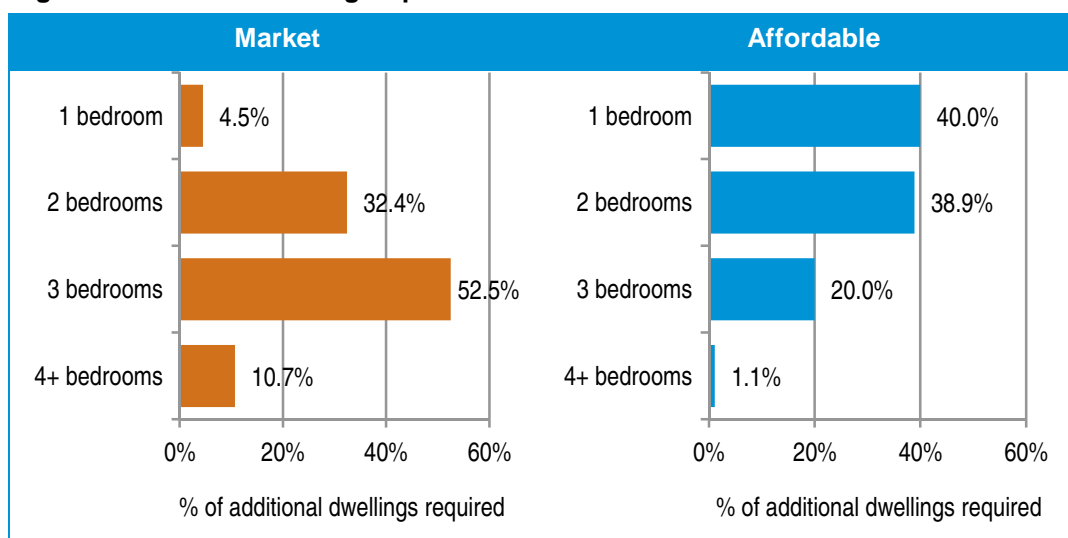
8.24 The table and figure below summarises the above data in both the market and affordable sectors under the modelling exercise. A vacancy allowance has been factored in when moving from household figures to estimates of housing need/demand (the same figures have been used as in the demographic modelling).

Table 67: **Estimated dwelling requirement by number of bedrooms (2013 to 2033)**

Number of bedrooms	Market			Affordable		
	Households	Dwellings	% of dwellings	Households	Dwellings	% of dwellings
1 bedroom	871	907	4.5%	1,952	2,033	40.0%
2 bedrooms	6,318	6,580	32.4%	1,896	1,976	38.9%
3 bedrooms	10,240	10,667	52.5%	977	1,017	20.0%
4+ bedrooms	2,093	2,182	10.7%	56	58	1.1%
Total	19,521	20,336	100.0%	4,880	5,084	100.0%

Source: Housing Market Model

Figure 96: **Size of housing required 2013 to 2033**



Source: Housing Market Model

8.25 Whilst the outputs of the modelling provide estimates of the proportion of homes of different sizes that should be provided there are a range of factors which should be taken into account in setting policies for provision. This is particularly the case in the affordable sector where there are typically issues around the demand for and turnover of one bedroom homes. Conclusions also need to consider that the stock of four bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for four or more bedroom homes is typically quite small the ability for these needs to be met is even more limited.

- 8.26 It should also be recognised that local authorities have statutory homeless responsibilities towards families with children and would therefore prioritise the needs of families over single person households and couples. On this basis the profile of affordable housing to be provided would be further weighted to two or more bedroom housing. In the short-term however there may be a need to increase the supply of one-bedroom homes due to the social sector size criteria.
- 8.27 For these reasons it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of one bedroom homes required is reduced slightly from these outputs with a commensurate increase in four or more bedroom homes also being appropriate.
- 8.28 There are thus a range of factors which are relevant in considering policies for the mix of affordable housing sought through development schemes. At a Council area-wide level, the analysis would support policies for the mix of affordable housing of:
- 1-bed properties: 35%
 - 2-bed properties: 35%
 - 3-bed properties: 25%
 - 4-bed properties: 5%
- 8.29 The strategic conclusions recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.
- 8.30 The need for affordable housing of different sizes will vary by area across the Council area and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties alongside any more localised research into housing need that the Council's may have e.g. Parish/Local Housing Need surveys.
- 8.31 In the market sector a profile of housing that closely matches the outputs of the modelling is suggested. The recommendations take some account of the time period used for the modelling and the fact that the full impact of the ageing population will not be experienced in the short-term. In addition, as noted earlier, current constraints on mortgage finance is likely to suppress demand for smaller units in the short-term (particularly those which would normally have high demand from first-time buyers).

8.32 On the basis of these factors it is considered that the provision of market housing should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of market housing is recommended:

- 1-bed properties: 5%
- 2-bed properties: 35%
- 3-bed properties: 50%
- 4-bed properties: 10%

8.33 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market it does not necessarily follow that such prescriptive figures should be included in the plan making process. The 'market' is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time. The figures can however be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

District-level Housing Market Modelling Outputs

8.34 Whilst the analysis above has focused on outputs for the whole of Nottingham Outer the data itself has been built up from analysis at a District level. The tables below provide the outputs of this analysis in terms of the sizes of accommodation estimated to be required in each of the affordable and market sectors for the three local authorities. This is an indicative breakdown of size requirements based on a percentage (20%) of delivery of overall need for modelling purposes.

8.35 In the market sector, the analysis shows a greater need for family sized (3+ bedroom) accommodation in Newark & Sherwood when compared with other areas (where there is a greater focus on two-bedroom homes). In the affordable sector the key finding is a higher need for smaller homes in Mansfield. In both the market and affordable sectors, the analysis does however highlight a need for a range of properties of different sizes to meet the needs of the future population.

Table 68: **Estimated dwelling requirement by number of bedrooms (2013 to 2033) – Market Sector**

Local authority		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Ashfield	#	332	2,612	3,953	602	7,499
	%	4.4%	34.8%	52.7%	8.0%	100.0%
Mansfield	#	242	1,911	3,000	546	5,700
	%	4.3%	33.5%	52.6%	9.6%	100.0%
Newark & Sherwood	#	333	2,057	3,713	1,034	7,137
	%	4.7%	28.8%	52.0%	14.5%	100.0%
TOTAL	#	907	6,580	10,667	2,182	20,336
	%	4.5%	32.4%	52.5%	10.7%	100.0%

Source: Housing Market Model

Table 69: **Estimated dwelling requirement by number of bedrooms (2013 to 2033) – Affordable Sector**

Local authority		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Ashfield	#	738	667	444	25	1,875
	%	39.4%	35.6%	23.7%	1.4%	100.0%
Mansfield	#	751	484	181	9	1,425
	%	52.7%	34.0%	12.7%	0.7%	100.0%
Newark & Sherwood	#	544	825	393	23	1,784
	%	30.5%	46.2%	22.0%	1.3%	100.0%
TOTAL	#	2,033	1,976	1,017	58	5,084
	%	40.0%	38.9%	20.0%	1.1%	100.0%

Source: Housing Market Model

Need for Different Types of Affordable Housing

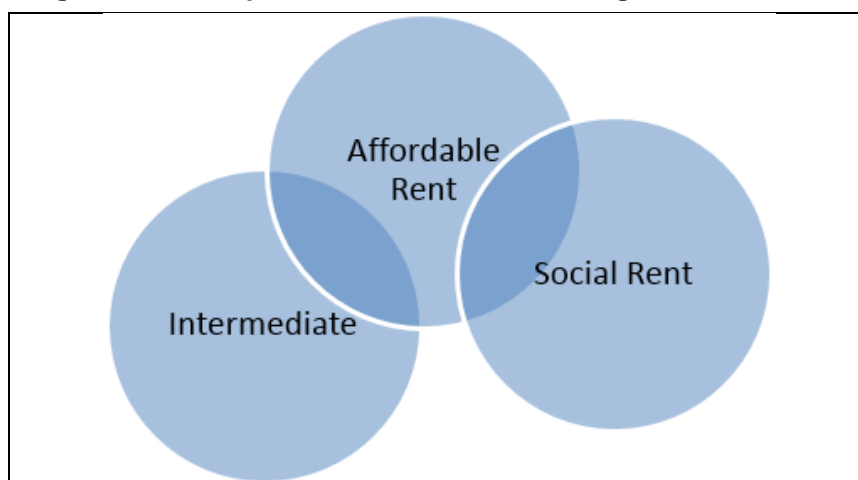
8.36 As well as considering the sizes of homes required the analysis makes an estimate of the proportion of affordable housing need that should be met through provision of different housing products. The income information used in the affordable needs analysis is used to estimate the proportion of households who are likely to be able to afford intermediate housing and the number for whom only social or affordable rented housing will be affordable. There are three main types of affordable housing that can be studied in this analysis:

- Intermediate
- Affordable rent
- Social rent

8.37 Whilst the process of separating households into different income bands for analytical purposes is quite straightforward, this does not necessarily tell us what sort of affordable housing they might be able to afford or occupy.

- 8.38 For example a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have an insufficient savings to cover a deposit. Such a household might therefore be allocated to affordable rented or intermediate rented housing as the most suitable solution. However we would expect that few Registered Providers would build intermediate rented homes, given that the level of potential occupants for affordable rented homes is greater (as it includes households who could claim housing benefit to supplement their incomes).
- 8.39 The distinction between social and affordable rented housing is also complex. Whilst rents for affordable rented housing would be expected to be higher than social rents, this does not necessarily mean that such a product would be reserved for households with a higher income. In reality, as long as the rent to be paid falls at or below LHA limits then it will be accessible to a range of households (many of whom will need to claim housing benefit). Local authorities' tenancy strategies might set policies regarding the types of households which might be allocated affordable rented homes; and many authorities will seek to avoid where possible households having to claim higher levels of housing benefit. This however needs to be set against other factors, including viability and the availability of grant funding. Over the current spending period to 2015 grant funding is primarily available to support delivery of affordable rented homes. A significant level of affordable housing delivery is however through developer contributions (Section 106 Agreements).
- 8.40 For these reasons it is difficult to exactly pin down what proportion of additional affordable homes should be provided through different affordable tenure categories. In effect there is a degree of overlap between different affordable housing tenures, as the figure below shows.

Figure 97: Overlap between Affordable Housing Tenures



- 8.41 Given this overlap, for analytical purposes we have defined the following categories:

- Households who can afford 80% or more of market rent levels;
- Households who would potentially be able to afford more than existing social rent levels but could not afford 80% of market rents;
- Households who can afford no more than existing social rent levels (or would require housing benefit, or an increased level of housing benefit to do so).

8.42 The first of these categories would include equity-based intermediate products such as shared ownership and shared equity homes. The latter two categories are both rented housing and in reality can be considered together (both likely to be provided by Registered Providers (or the Council) with some degree of subsidy). Additionally, both affordable rented and social rented housing is likely to be targeted at the same group of households; many of whom will be claiming Housing Benefit. For this reason the last two categories are considered together for the purposes of drawing conclusions.

8.43 We do not have detailed information on households' savings. For the purposes of the analysis of affordability it has been assumed that all households with an income which would allow them to afford 80% or more of market rents would represent the potential market for equity-based intermediate products such as shared ownership and shared equity homes with the remainder needing a rented product.

8.44 The table below shows the estimated proportion of households with an affordable need who might be able to afford intermediate housing at a range of affordability thresholds. Across the HMA the analysis identifies a range of between 17% and 26% with relatively little variation between areas.

Figure 98: Gross need for Intermediate affordable housing at different affordability thresholds

Area	25%	30%	35%	40%
Ashfield	17%	20%	23%	27%
Mansfield	16%	18%	21%	24%
Newark & Sherwood	17%	20%	23%	26%
Nottingham Outer	17%	19%	22%	26%

8.45 The figures in the table above should not be directly taken to be the proportion of housing that should be provided as intermediate. There are two factors which need to be considered and these are described below:

- Savings and or access to a deposit – as noted, there is no information about household savings and their ability to afford an equity-based intermediate product. In reality, many households with a modest income may not be able to afford intermediate housing due to this factor. For this reason the figures presented in the table above are arguably too high
- Supply of intermediate housing – however, the current supply of affordable housing also needs to be considered. As previous analysis has shown, the vast majority of the affordable housing stock and relets is in the social/affordable rented category with only a modest supply of

intermediate housing. Therefore, it is arguable that a higher proportion of intermediate housing would be needed due to this imbalance

- 8.46 As can be seen there are two factors which suggest that the need is either higher or lower than presented in the table above. Given this, it is suggested that a prudent response would be to consider the figures in the table as being broadly reflective of the need for intermediate products. Given the range of figures and the relative lack of difference across areas the following is suggested as a reasonable tenure mix for affordable housing across the HMA and for individual local authorities:
- 20% - intermediate housing
 - 80% - social and affordable rented housing
- 8.47 Anecdotally we understand that demand for intermediate products in this HMA is low given the low entry level house prices for full market properties making this a more attractive prospect. It is therefore worthwhile each local authority to monitor intermediates/social affordable housing delivery and the percentages of each which can feasibly be delivered.
- 8.48 In determining policies for affordable housing provision on individual sites, the analysis should be brought together with other local evidence such as from the Housing Register. Consideration could also be given to areas with high concentrations of social rented housing where additional intermediate housing might be desirable to improve the housing mix and to create 'housing pathways'.

Summary – Need for Different Sizes of Homes

There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes:

	1-bed	2-bed	3-bed	4+ bed
Market	5%	35%	50%	10%
Affordable	35%	35%	25%	5%
All dwellings	10%	35%	45%	10%

The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

The mix identified above should inform strategic District-wide policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.

The analysis of an appropriate mix of dwellings should also inform the 'portfolio' of sites which are considered through the Local Plan process. Equally it will be of relevance to affordable housing negotiations.

Some 20% of the net need identified could be met through intermediate housing, with 80% of the need for social or affordable rented homes. The types of intermediate housing could include products such as shared ownership or shared equity, although the cost of such products should be carefully considered to ensure they are genuinely affordable – this will need to include consideration of any deposit requirements which may be a barrier to access for a number of households as well as the current supply of such housing.

9 HOUSING NEEDS OF PARTICULAR GROUPS

Introduction

- 9.1 We have established overall housing requirements for different sizes of properties over the next 18-years, however there can be specific groups within the population who require specialist housing solutions or for whom housing needs may differ from the wider population. These groups are considered within this section.
- 9.2 Estimates of household groups who have particular housing needs is a key output of the SHMA guidance whilst the National Planning Policy Framework identifies that local planning authorities should plan for a mix of housing which takes account of the needs of different groups in the community.
- 9.3 The following key groups have been identified which may have housing needs which differ from those of the wider population (e.g. due to different household structures/sizes or levels of disability/care needs):
- Older Persons;
 - People with disabilities;
 - Black and Minority Ethnic (BME) households;
 - Households with children;
 - Young people;
 - Custom/Self-Build;

Housing Needs of Older People

- 9.4 The SHMA Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. A key driver of change in the housing market over the next 20-years is expected to be the growth in the population of older persons.
- 9.5 Indeed as population projections show, the number of older people is expected to increase significantly over the next few years. In this section we draw on a range of sources including our population projections, 2011 Census information and data from POPPI (Projecting Older People Population Information).
- 9.6 The context to older persons housing provision can be summarised as below:
- A need to provide housing for older people as part of achieving a good mix of housing, but recognizing that many older people are able to exercise choice and control over housing options – e.g. owner occupiers with equity in their homes;

- Falling demand for residential care in some areas, and a rapidly rising average age of people living in sheltered housing over 20-years, requiring higher levels of support. However many local authorities have struggled to contain expenditure on services for older people;
- New models of enhanced and extra care housing have emerged. These aim to meet the needs of those who require high levels of care and support alongside those who are still generally able to care for themselves. These models often allow for changing circumstances in situ rather than requiring a move; and
- Providing choice, including supporting people to stay in their own homes including through supporting adaptations to properties and through provision of floating support.

Current Population of Older Persons

- 9.7 Below we have provided some baseline population data about older persons and compared this with other areas. The data has been taken from the published ONS mid-year population estimates and is provided for age groups from 65 and upwards.
- 9.8 The data shows that, when compared with both the region and England, the HMA has a slightly higher proportion of older persons. In 2013 it is estimated that 19% of the population of the HMA was aged 65 or over compared with 18% in the East Midlands region and 17% for the whole of England.
- 9.9 Looking at individual local authorities the data shows a higher proportion of older people in Newark & Sherwood; both Ashfield and Mansfield have a proportion which is almost identical to that seen across the region (about 18%).

Table 70: **Older person population (2013)**

		Under 65	65-74	75-84	85+	Total	Total 65+
Ashfield	Popn	99,599	12,708	6,760	2,486	121,553	21,954
	% of popn	81.9%	10.5%	5.6%	2.0%	100.0%	18.1%
Mansfield	Popn	86,308	10,438	6,179	2,371	105,296	18,988
	% of popn	82.0%	9.9%	5.9%	2.3%	100.0%	18.0%
Newark & Sherwood	Popn	93,095	13,397	7,391	2,934	116,817	23,722
	% of popn	79.7%	11.5%	6.3%	2.5%	100.0%	20.3%
Nottingham Outer	Popn	279,002	36,543	20,330	7,791	343,666	64,664
	% of popn	81.2%	10.6%	5.9%	2.3%	100.0%	18.8%
East Midlands	% of popn	81.8%	10.0%	5.8%	2.3%	100.0%	18.2%
England	% of popn	82.7%	9.3%	5.7%	2.3%	100.0%	17.3%

Source: ONS 2013 mid-year population estimates

Future Changes in the Population of Older Persons

- 9.10 As well as providing a baseline position for the proportion of older persons in the HMA we can use population projections to provide an indication of how the numbers might change in the future

compared with other areas. The data for the Nottingham Outer area is based on our core projection linked to longer-term migration patterns and a UPC adjustment; data for other areas is taken from the 2012-based SNPP.

- 9.11 The data shows that the HMA (in line with other areas) is expected to see a notable increase in the older person population with the total number of people aged 65 and over expected to increase by 53% over the 20-years from 2013; this compares with overall population growth of 13% and growth in the Under 65 population of just 3%. The projected growth in the population aged 65 and over is similar to that projected for both the region and England as a whole.

Table 71: **Projected Change in Population of Older Persons (2013 to 2033)**

	Under 65	65-74	75-84	85+	Total	Total 65+
Ashfield	4.9%	32.8%	59.1%	142.0%	13.7%	53.3%
Mansfield	1.6%	36.3%	53.3%	117.6%	10.7%	52.0%
Newark & Sherwood	2.3%	31.1%	62.0%	142.3%	12.9%	54.5%
Nottingham Outer	3.0%	33.2%	58.4%	134.7%	12.5%	53.3%
East Midlands	2.6%	34.0%	58.2%	132.0%	12.0%	54.4%
England	5.4%	34.5%	50.2%	120.7%	13.3%	51.1%

Source: derived from ONS data and demographic projections

Characteristics of Older Persons Households

- 9.12 We have used 2011 Census data to explore in more detail the characteristics of older person households in Nottingham Outer (based on the population aged 65 and over). The table below shows the number of households compared with the region and England. The data shows in 2011 that around 22% of households were comprised entirely of people aged 65 and over. This is slightly higher than the figure for the East Midlands and also England. There are differences between the local authorities with Newark & Sherwood having a higher proportion of older person households than the other two areas.

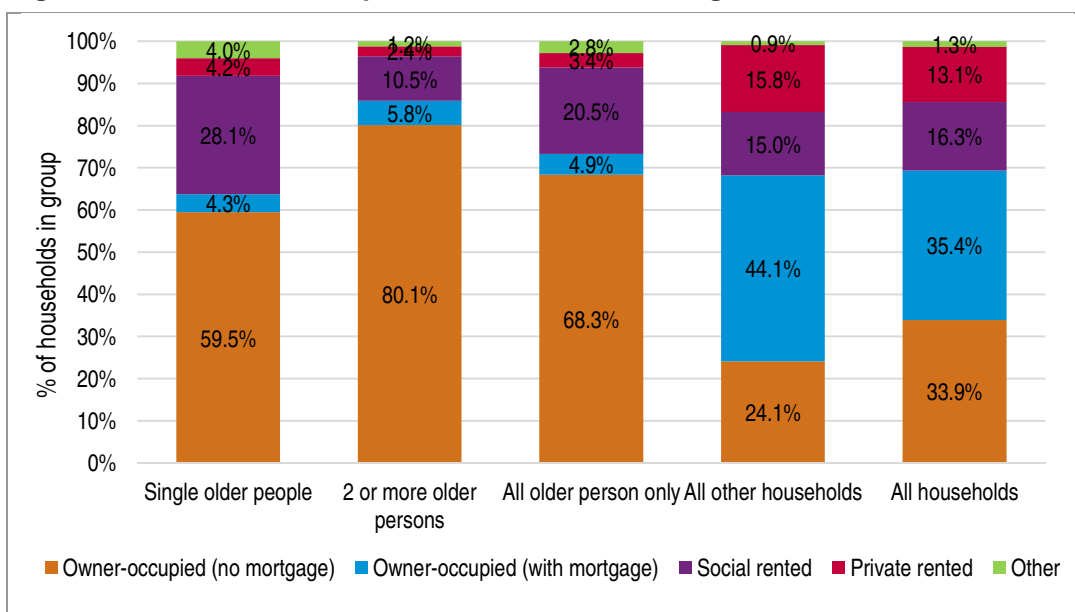
Table 72: **Older person households (Census 2011)**

		Single older person	2 or more older people	All other households	All households	Older person only
Ashfield	Households	6,082	4,588	40,261	50,931	10,670
	% of hhs	11.9%	9.0%	79.1%	100.0%	20.9%
Mansfield	Households	5,679	4,043	35,206	44,928	9,722
	% of hhs	12.6%	9.0%	78.4%	100.0%	21.6%
Newark & Sherwood	Households	6,475	5,105	37,193	48,773	11,580
	% of hhs	13.3%	10.5%	76.3%	100.0%	23.7%
Nottingham Outer	Households	18,236	13,736	112,660	144,632	31,972
	% of hhs	12.6%	9.5%	77.9%	100.0%	22.1%
East Midlands	% of hhs	12.3%	9.2%	78.5%	100.0%	21.5%
England	% of hhs	12.4%	8.4%	79.3%	100.0%	20.7%

Source: 2011 Census

- 9.13 The figure below shows the tenure of older person households – the data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that older person households are relatively likely to live in outright owned accommodation (68%) and are also slightly more likely than other households to be in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (3% compared with 13% of all households in the study area).
- 9.14 There are however notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.
- 9.15 Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population. That said, the proportion of older person households who are outright owners (with significant equity) may mean that market solutions will also be required to meet their needs. This is considered later in this section.

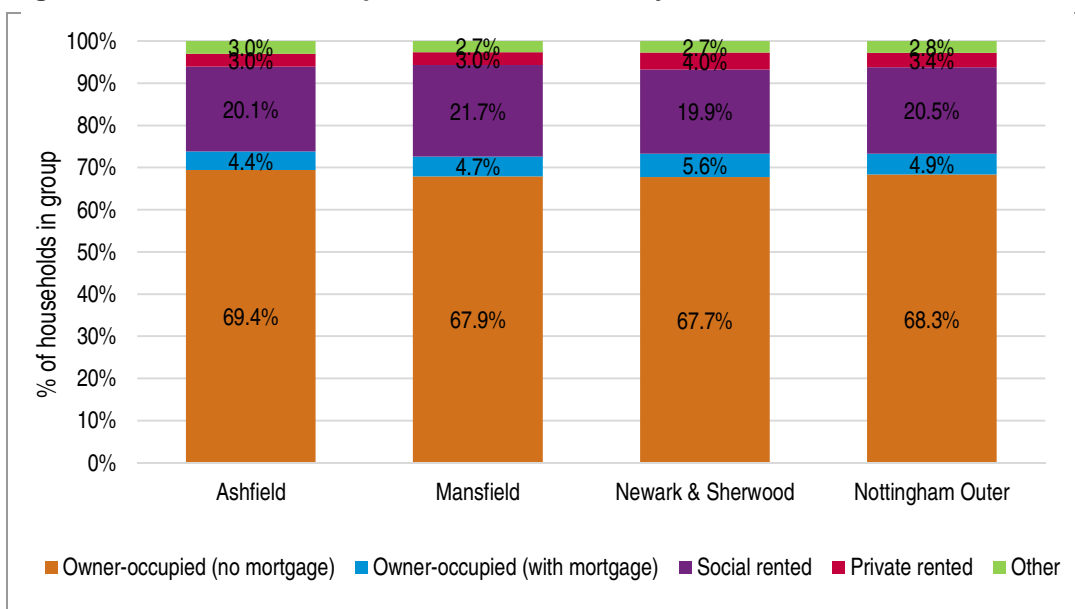
Figure 99: Tenure of older person households –Nottingham Outer



Source: 2011 Census

- 9.16 Data for individual local authorities shows that there are only modest differences between areas with over two-thirds of all older person households being outright owners in each of the three local authorities.

Figure 100: Tenure of older person households – by District

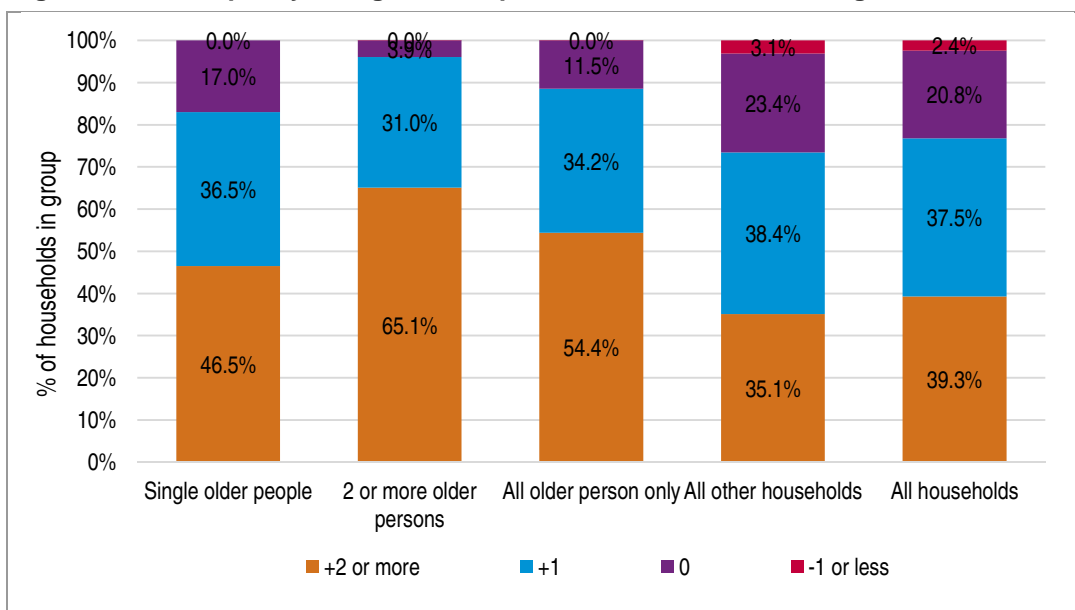


Source: 2011 Census

- 9.17 A key theme that is often brought out in Housing Market Assessment work is the large proportion of older person households who under-occupy their dwellings. Data from the Census allows us to investigate this using the bedroom standard. The Census data suggests that older person

households are more likely to under-occupy their housing than other households in the HMA. In total 54% have an occupancy rating of +2 or more (meaning there are at least two more bedrooms than are technically required by the household). This compares with 35% for non-older person households. Further analysis suggests that under-occupancy is far more common in households with two or more older people than single older person households.

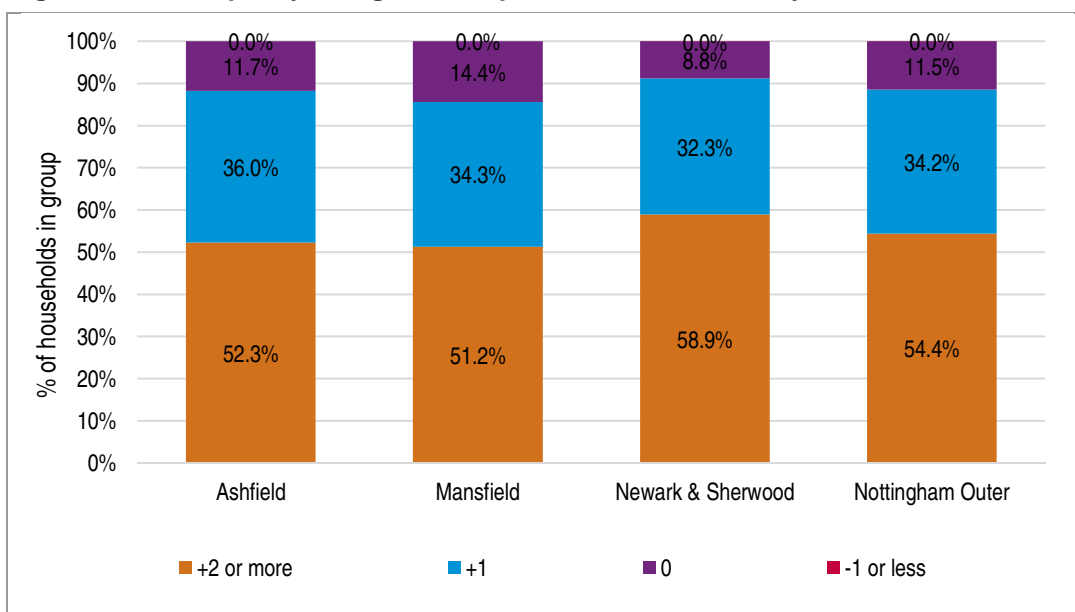
Figure 101: Occupancy rating of older person households – Nottingham Outer



Source: 2011 Census

- 9.18 The occupancy ratings of older person households also show some differences by location within the HMA. Newark & Sherwood in particular stands out as having a higher proportion of households who are under-occupied.

Figure 102: Occupancy rating of older person households – by District



Source: 2011 Census

- 9.19 It is of interest to study the above information by tenure. The figure below shows the number of older person households who had an occupancy rating of +2 or more in each of three broad tenure groups in 2011. Whilst the majority of older person households with an occupancy rating of +2 or more were in the owner-occupied sector, there were over 1,000 properties in the social rented sector occupied by older person only households with an occupancy rating of +2 or more. This may therefore present some opportunity to reduce under-occupation although to achieve this it may be necessary to provide housing in areas where households currently live and where they have social and community ties.

Table 73: Older person households with occupancy rating of +2 or more by tenure

Tenure	Single older person	2 or more older people	All older person only households
Owner-occupied	7,174	8,203	15,377
Social rented	756	300	1,056
Private rented	547	221	768
All tenures	8,477	8,724	17,201

Source: 2011 Census

- 9.20 It should however be recognised that many older households in the private sector will have built up equity in their existing homes. In the private sector many older households may be able to afford a larger home than they need (and thus under-occupy housing). Some may look to downsize to release equity from homes to support their retirement (or may move away from the area); however we would expect many older households to want to retain family housing with space to allow friends and relatives to come to stay.

- 9.21 Looking at individual local authorities it can be seen that all areas have a notable number of older person households under-occupying in the social rented sector.

Table 74: **Older person households with occupancy rating of +2 or more by tenure – by District**

	Owner-occupied	Social rented	Private rented	All tenures
Ashfield	4,892	389	234	5,515
Mansfield	4,462	275	195	4,932
Newark & Sherwood	6,023	392	339	6,754
Nottingham Outer	15,377	1,056	768	17,201

Source: 2011 Census

Health-related Population Projections

- 9.22 In addition to providing projections about how the number and proportion of older people is expected to change in the future we can look at the likely impact on the number of people with specific illnesses or disabilities. For this we have used data from the Projecting Older People Information System (POPPI) website which provides prevalence rates for different disabilities by age and sex. For the purposes of the SHMA analysis has focussed on estimates of the number of people with dementia and mobility problems.
- 9.23 For both of the health issues analysed the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates from a range of different sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.
- 9.24 The figure below shows that both of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing population. In particular there is projected to be a large rise in the number of people with dementia (up 86%) along with a 73% increase in the number with mobility problems. Newark & Sherwood looks likely to see the most significant increases.

Table 75: **Estimated population change for range of health issues (2013 to 2033)**

	Type of illness/disability	2013	2033	Change	% increase
Ashfield	Dementia	1,332	2,499	1,167	87.6%
	Mobility problems	3,798	6,576	2,778	73.2%
Mansfield	Dementia	1,224	2,164	940	76.8%
	Mobility problems	3,400	5,673	2,272	66.8%
Newark & Sherwood	Dementia	1,495	2,851	1,356	90.8%
	Mobility problems	4,187	7,393	3,206	76.6%
Nottingham Outer	Dementia	4,051	7,515	3,464	85.5%
	Mobility problems	11,385	19,642	8,257	72.5%

Source: Data from POPPI and demographic projections

Indicative Requirements for Specialist Housing

- 9.25 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with our demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future. Below are some key definitions for terms used in the analysis.

Specialist Housing

This is housing that has been specifically designed to meet the needs of people with particular needs. It can refer to housing that has been purpose designed or designated for a particular client group to assist tenants to live independently.

Sheltered Housing

Sheltered Homes are self-contained properties designated for older people that are linked to and supported by sheltered housing support staff. The support staff provides housing support to tenants to assist them live independently

Extra Care Housing

Extra Care Housing is designed with the needs of frailer older people in mind and with varying levels of care and support available on site. Extra-care housing is sometimes called very sheltered housing.

Registered Care Provision

This is housing for people living in registered care homes which are managed and run by a care provider who is responsible for all aspects of their daily needs and wellbeing. Such housing is not self-contained and is often referred to as either residential or nursing care.

Current Stock of Specialist Housing

- 9.26 The table below shows the current supply of specialist housing for older people. At present it is estimated that there are 3,781 units; this is equivalent to 134 units per 1,000 people aged 75 and over. The figures for Ashfield look particularly low with data from the Council suggesting that there are 375 sheltered units in the District. Given that the data below is largely for information, this discrepancy between sources does not impact on the outputs of the study. It is also notable that the vast majority (99%) of this housing is in the affordable sector, even though the majority of older person households are owner-occupiers.

Table 76: Current Supply of Specialist Housing for Older People

	Type of housing	Market	Affordable	Total	Supply per 1,000 aged 75+
Ashfield	Sheltered	0	150	150	16
	Extra-Care	0	0	0	0
	Total	0	150	150	16
Mansfield	Sheltered	0	1,657	1,657	194
	Extra-Care	0	0	0	0
	Total	0	1,657	1,657	194
Newark & Sherwood	Sheltered	22	1,909	1,931	187
	Extra-Care	0	43	43	4
	Total	22	1,952	1,974	191
Nottingham Outer	Sheltered	22	3,716	3,738	133
	Extra-Care	0	43	43	2
	Total	22	3,759	3,781	134

Source: Housing LIN

Projected Future Need for Specialist Housing

- 9.27 A toolkit has been developed by Housing LIN 'The Housing Learning Infiltration Network', in association with the Elderly Accommodation Council and endorsed by the Department of Health, to identify potential demand for different types of specialist housing for older people and model the future range of housing and care provision. It suggests that there should be around 170 units of specialised accommodation (other than registered care home places) per thousand people aged over 75 years.
- 9.28 The table below shows the change in the population aged 75 and over in each local authority and what this would mean in terms of provision at 170 units per 1,000 population. The analysis shows a potential need for 3,803 units across the three authorities – 190 per annum. This is around 15% of the total need identified in the core demographic modelling.

Table 77: **Projected need for Specialist Housing for Older People (2013-33)**

	Population aged 75+ (2013)	Population aged 75+ (2033)	Change in population aged 75+	Specialist housing need (@ 170 units per 1,000)
Ashfield	9,246	16,770	7,524	1,279
Mansfield	8,550	14,634	6,084	1,034
Newark & Sherwood	10,325	19,085	8,760	1,489
Nottingham Outer	28,121	50,489	22,368	3,803

Source: Derived from demographic projections and Housing LIN

Types and Tenures of Specialist Housing

- 9.29 Earlier in this section analysis has been carried out with regard to the tenure of older person households – the data was split between single pensioner households and those with two or more pensioners (which will largely be couples). The data showed that pensioner households are relatively likely to live in outright owned accommodation (68%) and are also more likely than other households to be in the social rented sector. There were however notable differences for different types of pensioner households with single pensioners having a lower level of owner-occupation than larger pensioner households as well as differences by location.
- 9.30 The information about current supply of specialist housing indicates that considerably more of this is in the affordable sector than the market. Moving forward we would suggest that additional specialist housing should be split roughly 50:50 between the affordable and market sectors. This reflects the likely ‘market’ for specialist housing products as well as the current tenure profile of older person households (i.e. the current profile of specialist housing is focussed towards affordable housing and this is likely to in part reflect the need and demand for such accommodation, however, with 70% of older persons being outright owners there is the opportunity to broaden this housing offer to a wider range of household groups).
- 9.31 The analysis is not specific about the types of specialist housing that might be required. We would consider that decisions about mix should be taken at a local level taking account of specific needs and the current supply of different types of units available (for example noting that at present the dominant type of housing is traditional sheltered accommodation). There may also be the opportunity moving forward for different types of provision to be developed as well as the more traditional sheltered and Extra-Care housing.
- 9.32 Within the different models and assumptions made regarding the future need for specialist retirement housing (normally defined as a form of congregate housing designed exclusively for older people which usually offers some form of communal space, community alarm service and

access to support and care if required), there may for example be an option to substitute some of this specialist provision with a mix of one and two bedroomed housing aimed to attract 'early retired' older people which could be designated as age specific or not. Such housing could be part of the general mix of one and two bedroom homes but built to Lifetime Homes standards in order to attract retired older people looking to 'down size' but perhaps not wanting to live in specialist retirement housing.

- 9.33 Our experience when carrying out stakeholder work as part of SHMA commissions typically identifies a demand for bungalows. Where developments including bungalows are found it is clear that these are very popular to older people downsizing. It should be acknowledged that providing significant numbers of bungalows involves cost implications for the developer given the typical plot size compared to floor space – however providing an element of bungalows should be given strong consideration on appropriate sites, allowing older households to downsize while freeing up family accommodation for younger households.

Registered Care Housing

- 9.34 As well as the need for specialist housing for older people the analysis needs to consider Registered Care. At present (according to Housing LIN) there are an estimated 3,095 spaces in nursing and residential care homes. Given new models of provision (including Extra-care housing) it may be the case that an increase in this number would not be required. There will however need to be a recognition that there may be some additional need for particular groups such as those requiring specialist nursing or for people with dementia.
- 9.35 As with the analysis of potential need for specialist accommodation, the analysis below considers changes to the number of people aged 75 and over who are expected to be living in some form of institutional housing. This is a direct output of the demographic modelling which indicates an increase of 1,824 people living in institutions over the 2013-33 period (91 per annum). These figures are important to note if the Councils intend to include C2 class uses in their assessment of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation.

Table 78: Potential Need for Residential Care Housing

	Institutional population aged 75+ (2013)	Institutional population aged 75+ (2033)	Change in institutional population aged 75+
Ashfield	722	1,372	650
Mansfield	595	1,032	437
Newark & Sherwood	768	1,505	737
Nottingham Outer	2,084	3,908	1,824

Source: Derived from demographic projections

- 9.36 Although C2 classes cover more than just elderly accommodation, the elderly age groups are the only ones expected to see a notable increase in its population

People with disabilities

- 9.37 This section concentrates on the housing situation of people/households that contain someone with some form of disability. We have again drawn on Census data although it should be recognised that an analysis of people with disabilities is very strongly linked with the above analysis about older people.
- 9.38 The table below shows the proportion of people with a long-term health problem or disability (LTHPD) and the proportion of households where at least one person has a LTHPD. The data suggests that across the HMA some 29% of households contain someone with a LTHPD. This figure is higher than the equivalent figure for both the region and nationally. The figures for the population with a LTHPD again show a slightly higher proportion when compared with regional and national figures (an estimated 22% of the population of the HMA have a LTHPD).
- 9.39 For the individual local authorities the data suggests a higher proportion of households (and population) in Mansfield having a LTHPD although all areas show proportions higher than regional and national averages.

Table 79: **Households and people with Long-Term Health Problem or Disability (2011)**

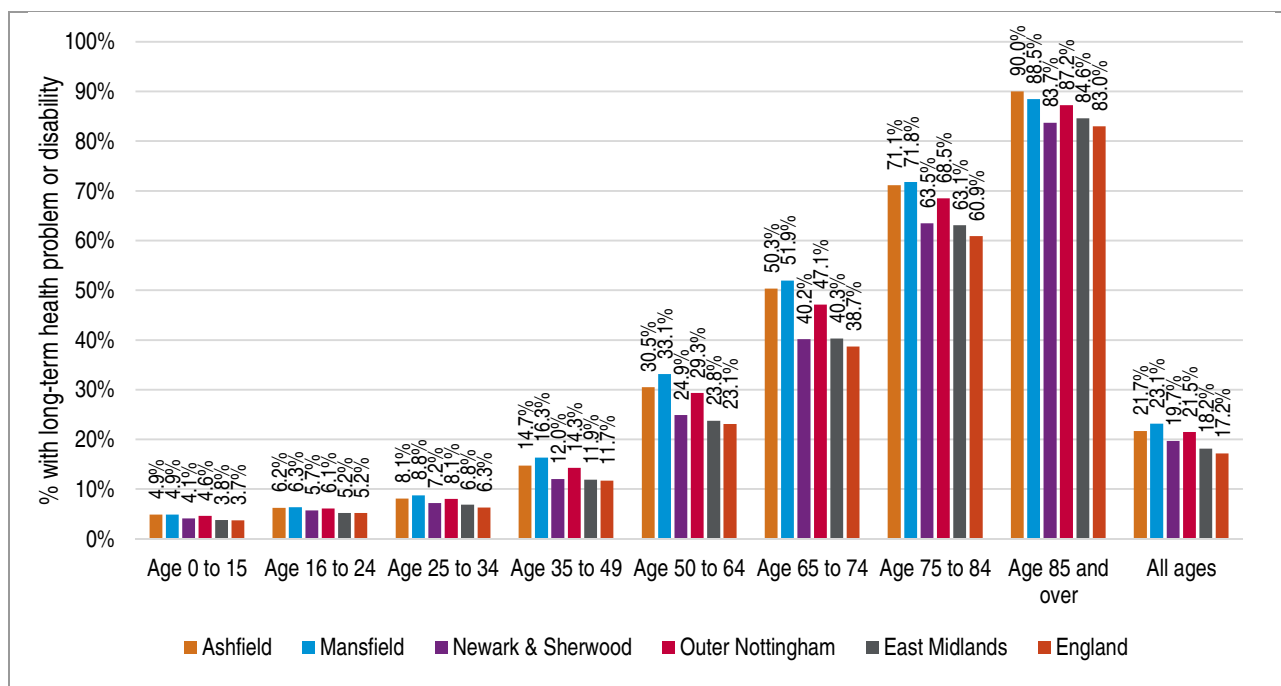
Area	Households containing someone with health problem		Population with health problem	
	Number	%	Number	%
Ashfield	14,797	29.1%	26,863	22.5%
Mansfield	13,762	30.6%	24,808	23.7%
Newark & Sherwood	13,408	27.5%	23,364	20.3%
Nottingham Outer	41,967	29.0%	75,035	22.1%
East Midlands	496,598	26.2%	844,297	18.6%
England	5,659,606	25.7%	9,352,586	17.6%

Source: 2011 Census

- 9.40 It is likely that the age profile of the area will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. Therefore the table below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD – for example some 87% of people aged 85 and over have a LTHPD. It should be noted that the base for the figure below is slightly different to the above table in that it excludes people living in communal establishments.

- 9.41 When compared with the national (and to a lesser extent regional) position, the data suggests higher levels of LTHPD for all age groups. Mansfield in particular shows high levels of LTHPD with age specific rates in Newark & Sherwood being broadly in-line with regional and national figures.

Figure 103: Population with Long-Term Health Problem or Disability in each Age Band



Source: 2011 Census

- 9.42 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to our core demographic projection (using long-term migration trends and an adjustment for UPC) it is estimated that the number of people with a LTHPD will increase by around 23,500 (a 31% increase). The level of increase varies from 27% in Mansfield to 34% in Newark & Sherwood – difference between areas will be linked to overall population growth and the expected changes to age structures.
- 9.43 Across the HMA, The vast majority of this increase (98%) is expected to be in age groups aged 65 and over. The population increase of people with a LTHPD (23,454) represents over half of the total increase in the population projected by the SNPP (32,948).

Table 80: **Estimated change in population with LTHPD (2013-33)**

Area	Population with LTHPD		Change (2013-33)	% change from 2013
	2013	2033		
Ashfield	27,449	36,046	8,597	31.3%
Mansfield	25,170	31,930	6,761	26.9%
Newark & Sherwood	23,781	31,877	8,097	34.0%
Nottingham Outer	76,400	99,854	23,454	30.7%

Source: Derived from demographic modelling and Census (2011)

BME Households

- 9.44 Black or Minority Ethnic (BME) households, as a group, are quite often found to have distinct characteristics in terms of their housing needs, or may be disadvantaged in some way.
- 9.45 From 2011 Census data we find that around 5% of the population of the HMA came from a non-White (British/Irish) background. This figure is below that found across the region (14%) and significantly lower than the figure for England (of 19%). The key BME group in the HMA is Other-White (which is likely to contain a number of Eastern European migrants) – the Other-White population makes up 2.4% of all people in the HMA. This figure is notably higher than for any other group and makes up around half of the total BME population of the HMA.
- 9.46 Looking at the individual local authorities the data shows around 6% of the population in Mansfield being from a non-White (British/Irish) group, with lower figures of 5% and 4% being seen in Newark & Sherwood and Ashfield respectively. In all areas, the main BME group is the Other-White group.

Table 81: **Black and Minority Ethnic Population (2011)**

Ethnic Group	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer	East Midlands	England
White: British	96.0%	93.2%	94.2%	94.6%	85.4%	79.8%
White: Irish	0.3%	0.4%	0.6%	0.4%	0.6%	1.0%
White: Gypsy or Irish Traveller	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%
White: Other White	1.3%	3.5%	2.5%	2.4%	3.2%	4.6%
Mixed: White & Black Caribbean	0.5%	0.5%	0.4%	0.5%	0.9%	0.8%
Mixed: White & Black African	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%
Mixed: White & Asian	0.2%	0.2%	0.3%	0.2%	0.5%	0.6%
Mixed: Other Mixed	0.2%	0.2%	0.2%	0.2%	0.3%	0.5%
Asian: Indian	0.3%	0.5%	0.3%	0.4%	3.7%	2.6%
Asian: Pakistani	0.1%	0.1%	0.1%	0.1%	1.1%	2.1%
Asian: Bangladeshi	0.1%	0.2%	0.1%	0.1%	0.3%	0.8%
Asian: Chinese	0.2%	0.2%	0.2%	0.2%	0.5%	0.7%
Asian: Other Asian	0.3%	0.2%	0.2%	0.2%	0.8%	1.5%
Black: African	0.2%	0.1%	0.1%	0.2%	0.9%	1.8%
Black: Caribbean	0.2%	0.2%	0.2%	0.2%	0.6%	1.1%
Black: Other Black	0.1%	0.1%	0.1%	0.1%	0.2%	0.5%
Other ethnic group: Arab	0.0%	0.0%	0.0%	0.0%	0.2%	0.4%
Any other ethnic group	0.1%	0.1%	0.1%	0.1%	0.4%	0.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total population	119,497	104,466	114,817	338,780	4,533,222	53,012,456
% non-White (British/Irish)	3.7%	6.3%	5.2%	5.0%	14.0%	19.3%

Source: 2011 Census

9.47 Since 2001 the BME population in the HMA can be seen to have increased significantly as shown in the table below. We have condensed some categories together due to a slightly different list of potential groups being used in the 2011 Census when compared with 2001 data. The data shows that whilst the overall population of the HMA has risen by 22,900 over the 10-year period the increase in BME groups (all groups other than White (British/Irish)) has been 10,200. The White (British/Irish) population has therefore increased by 4% compared to an increase of 152% in BME groups (all combined).

9.48 Looking at particular BME groups we see that the largest rise in terms of population has been for White-Other people – increasing by 6,100 over the ten years. This group also sees the greatest increase in proportionate terms – a 256% rise in population.

Table 82: Change in BME groups 2001 to 2011 (Nottingham Outer)

Ethnic Group	2001	2011	Change	% change
White (British/Irish)	309,099	321,796	12,697	4.1%
White – Other	2,363	8,417	6,054	256.2%
Mixed	1,609	3,325	1,716	106.7%
Asian or Asian British	1,809	3,424	1,615	89.3%
Black or Black British	689	1,369	680	98.7%
Chinese and other	272	449	177	65.1%
Total	315,841	338,780	22,939	7.3%
Non-White (British/Irish)	6,742	16,984	10,242	151.9%

Source: Census (2001 and 2011)

- 9.49 When looking at the individual local authorities (and comparing the findings with regional and national data) it can be seen that the increase in the BME community has been stronger in the HMA than across the East Midlands and England. This finding does however need to be considered in the context of a relatively low base of BME population in 2001. The analysis shows the highest BME increase in proportionate terms to have been in Mansfield, followed by Ashfield.

Table 83: Change in non-White (British/Irish) population – 2001-11

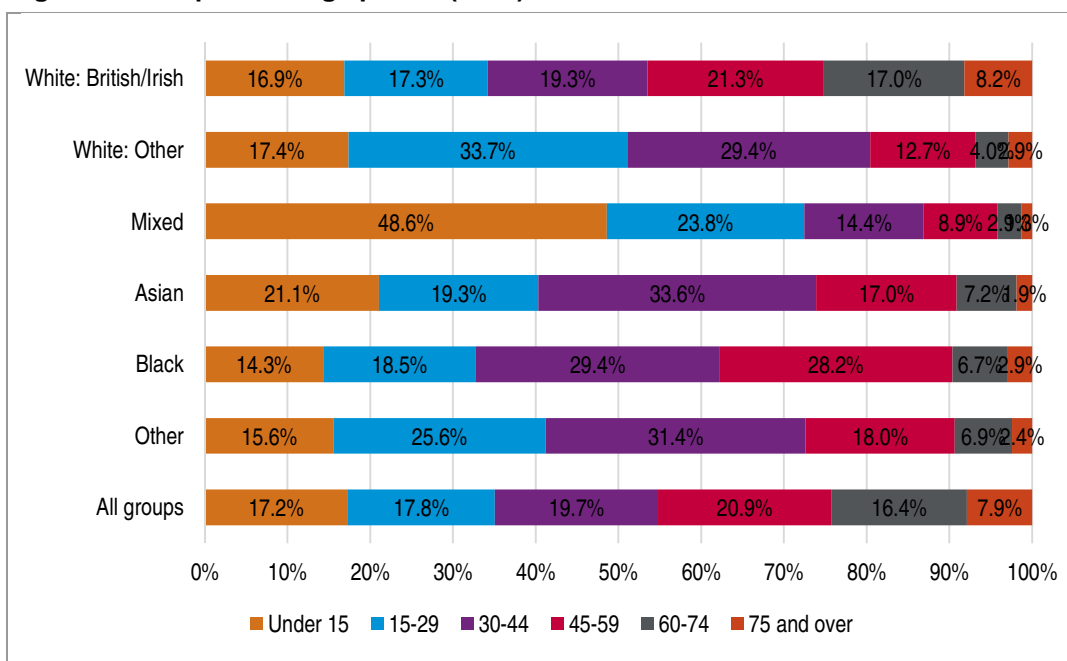
	Population (2001)	Population (2011)	Change from 2001	% change from 2001
Ashfield	1,749	4,405	2,656	151.9%
Mansfield	2,480	6,611	4,131	166.6%
Newark & Sherwood	2,513	5,968	3,455	137.5%
Nottingham Outer	6,742	16,984	10,242	151.9%
East Midland	328,965	633,400	304,435	92.5%
England	5,767,580	10,216,219	4,448,639	77.1%

Source: Census (2001 and 2011)

BME Household Characteristics

- 9.50 Census data can also be used to provide some broad information about the household and housing characteristics of the BME population in the HMA. The figure below looks at the population age structure of six broad age groups using data from the 2011 Census.
- 9.51 The age profile of the BME population is striking when compared with White: British/Irish people. All BME groups are considerably younger than the White (British/Irish) group with people from a Mixed background being particularly likely to be aged under 15 when compared with any other group. The proportions of older persons are also notable with 25% of White: British/Irish people being aged 60 or over compared with all BME groups showing proportions of no more than 10%.

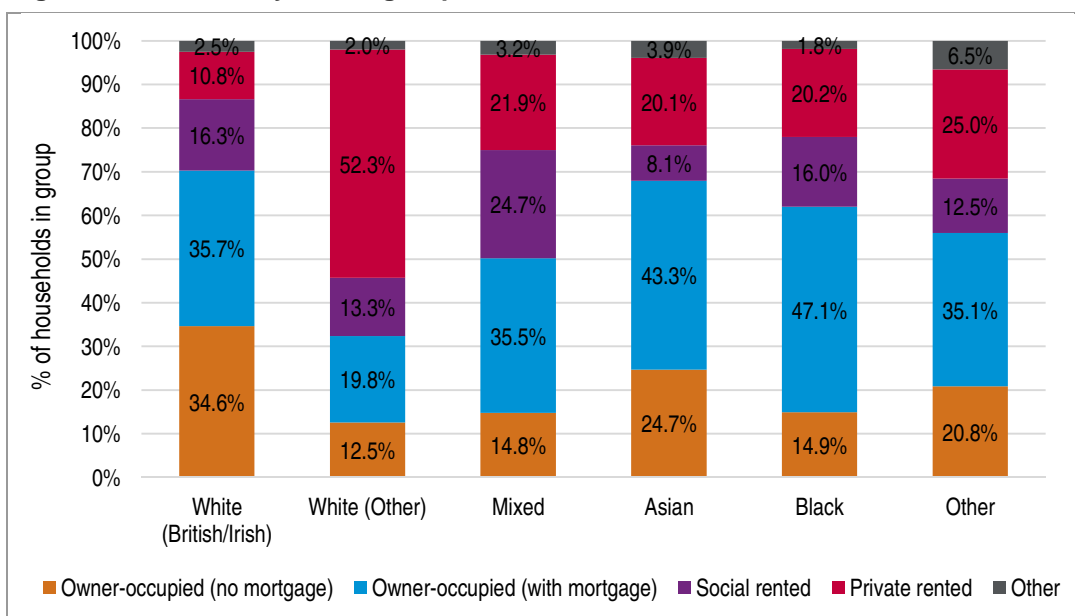
Figure 104: Population age profile (2011)



Source: 2011 Census

- 9.52 There are notable differences between the household characteristics of BME households and the White: British population. The figure below indicates that all BME groups (other than Asian) are significantly less likely to be owner-occupiers (particularly outright owners) and more likely to live in private rented accommodation. Arguably the starkest trend is the 52% of White (Other) households living in the private rented sector.

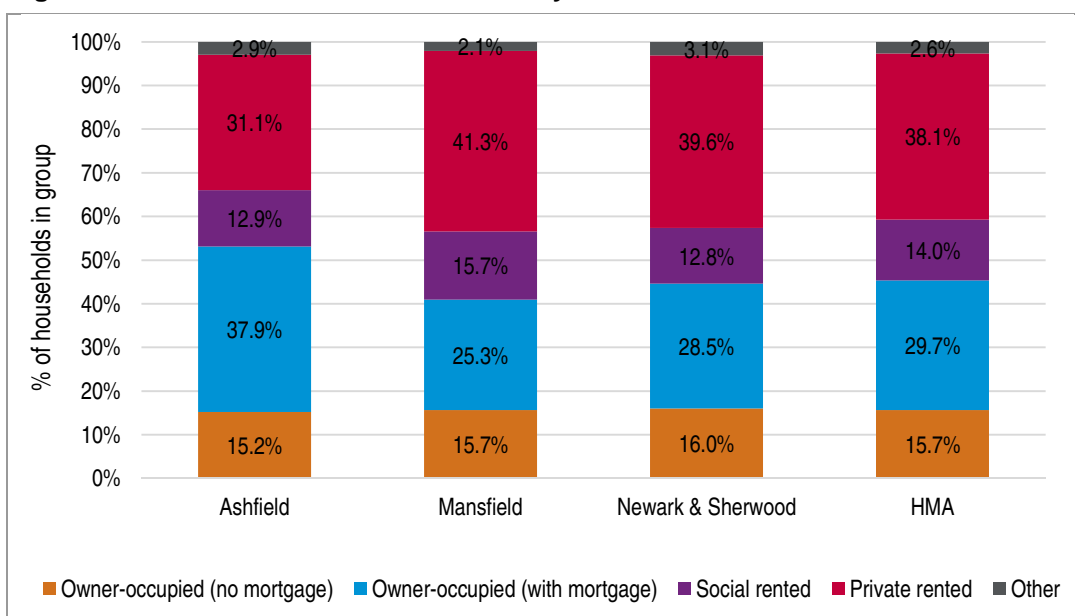
Figure 105: Tenure by ethnic group in the HMA



Source: 2011 Census

9.53 Looking at individual local authorities (figure below) the data shows some differences by location. In Mansfield, some 41% of BME households live in the private rented sector with a figure of only 31% being seen in Ashfield.

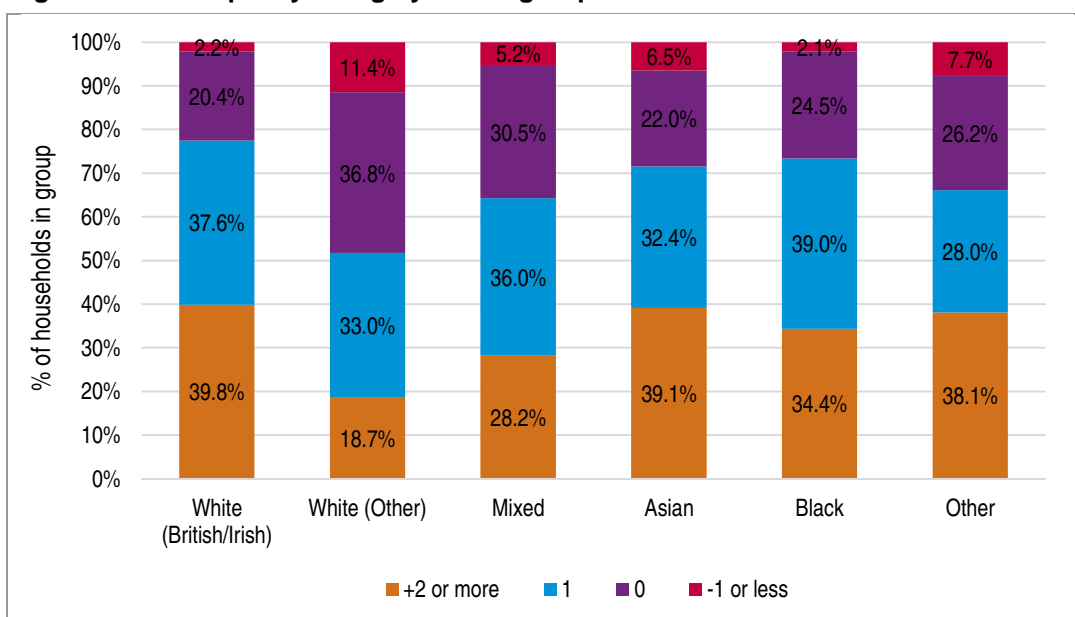
Figure 106: Tenure of BME households – by District



Source: 2011 Census

- 9.54 The strong representation of BME households in the Private Rented Sector means that they are more likely to be affected by the changes discussed to Local Housing Allowance (particularly as the sector in the HMA shows a strong representation of LHA Claimants).
- 9.55 As BME communities mature over time, the level of owner occupation may increase. The pace at which this happens may be influenced by economic opportunities available as well as the level of enterprise within the local community. For some communities there may be support mechanisms which can work within the community, such as availability of interest free loans or support raising a deposit to buy a home, depending on cultural factors.
- 9.56 The figure below shows 'occupancy ratings' by BME group; this is based on the bedroom standard where a positive figure indicates under-occupancy and negative figures suggest some degree of over-crowding. BME groups are more likely to be overcrowded (i.e. have a negative occupancy rating) than White (British) households. In particular, the Census data suggests that around 11% of White (Other) households are overcrowded – this compares with only 2.2% of the White (British) group. Levels of under-occupancy amongst BME communities are generally low.

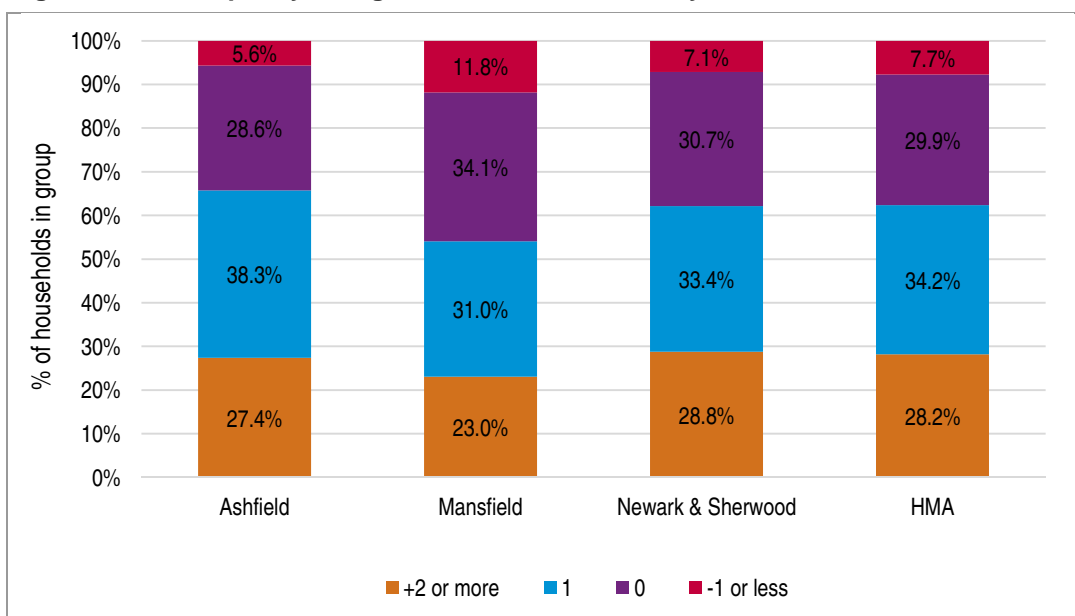
Figure 107: Occupancy rating by ethnic group – HMA



Source: 2011 Census

- 9.57 Looking at individual local authorities (in the figure below) the analysis does suggest some differences. Mansfield has a notably higher level of overcrowding and low levels of under-occupancy with the opposite being seen in the other two areas. The analysis does however suggest in all areas that BME households are more likely to be overcrowded and less likely to be under-occupying homes than White: British/Irish households.

Figure 108: Occupancy rating of BME households – by District



Source: 2011 Census

Gypsy and Travellers

- 9.58 This SHMA does not reference Gypsy & Traveller needs specifically as the Nottinghamshire Local Planning Authorities have already worked together to produce a joint methodology for undertaking Gypsy and Traveller Accommodation Assessments. This methodology has been agreed by all authorities for use in establishing the accommodation needs in their District and setting pitch provision requirements in their Local Plans.

Households with children (family households)

- 9.59 The number of families in the HMA (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 41,800 as of the 2011 Census, accounting for 29% of households. This proportion is the same as both the regional and national average. There is relatively little variation between areas although Ashfield shows a slightly higher proportion of households with dependent children than other locations.

Table 84: **Households with dependent children (2011)**

		Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Ashfield	No.	7,315	2,874	4,017	930	35,795	50,931	15,136
	%	14.4%	5.6%	7.9%	1.8%	70.3%	100.0%	29.7%
Mansfield	No.	6,237	2,508	3,347	965	31,871	44,928	13,057
	%	13.9%	5.6%	7.4%	2.1%	70.9%	100.0%	29.1%
Newark & Sherwood	No.	7,537	2,232	3,042	838	35,124	48,773	13,649
	%	15.5%	4.6%	6.2%	1.7%	72.0%	100.0%	28.0%
Nottingham Outer	No.	21,089	7,614	10,406	2,733	102,790	144,632	41,842
	%	14.6%	5.3%	7.2%	1.9%	71.1%	100.0%	28.9%
South West	%	15.3%	4.5%	6.7%	2.3%	71.3%	100.0%	28.7%
England	%	15.3%	4.0%	7.1%	2.6%	70.9%	100.0%	29.1%

Source: 2011 Census

- 9.60 The core demographic projection linked to longer-term migration patterns and a UPC adjustment suggests that the number of children (aged 15 and under) is expected to increase from 2013 to 2033 (an increase of 6,400 – 10% increase). The increase is expected to be slightly higher in Ashfield and Newark & Sherwood than Mansfield.

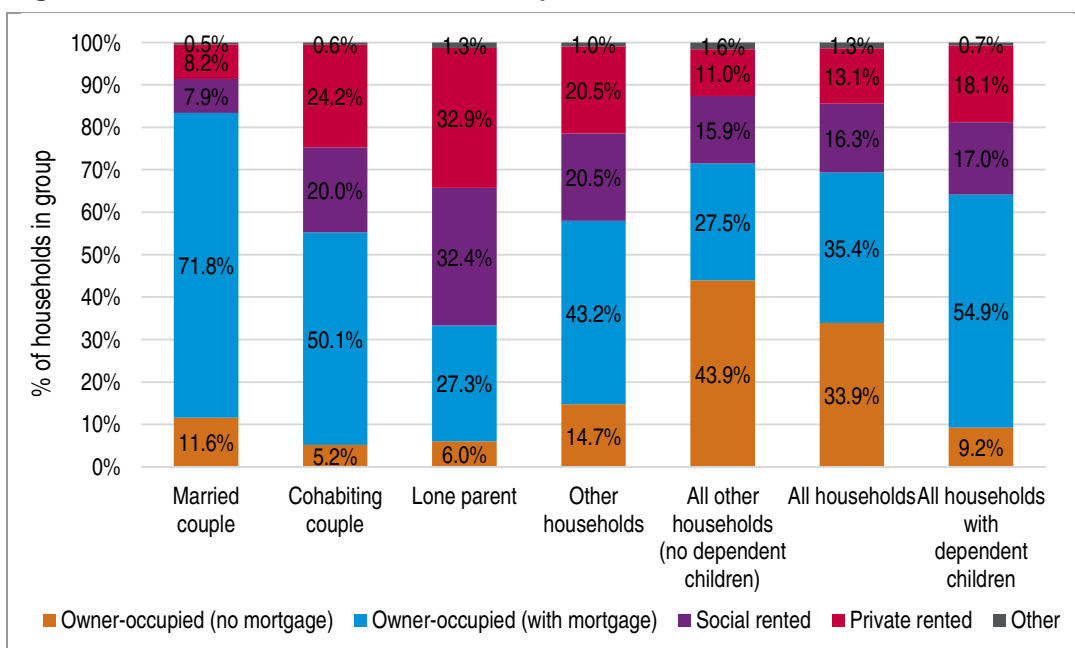
Table 85: **Estimated change in population aged 15 and under (2013-33)**

Area	Population aged 15 and under		Change (2013-33)	% change from 2013
	2013	2033		
Ashfield	23,017	25,506	2,489	10.8%
Mansfield	19,163	20,875	1,712	8.9%
Newark & Sherwood	21,021	23,254	2,233	10.6%
Nottingham Outer	63,201	69,635	6,434	10.2%

Source: Derived from demographic modelling

- 9.61 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only around a third of lone parent households are owner-occupiers compared with 83% of married couples with children.

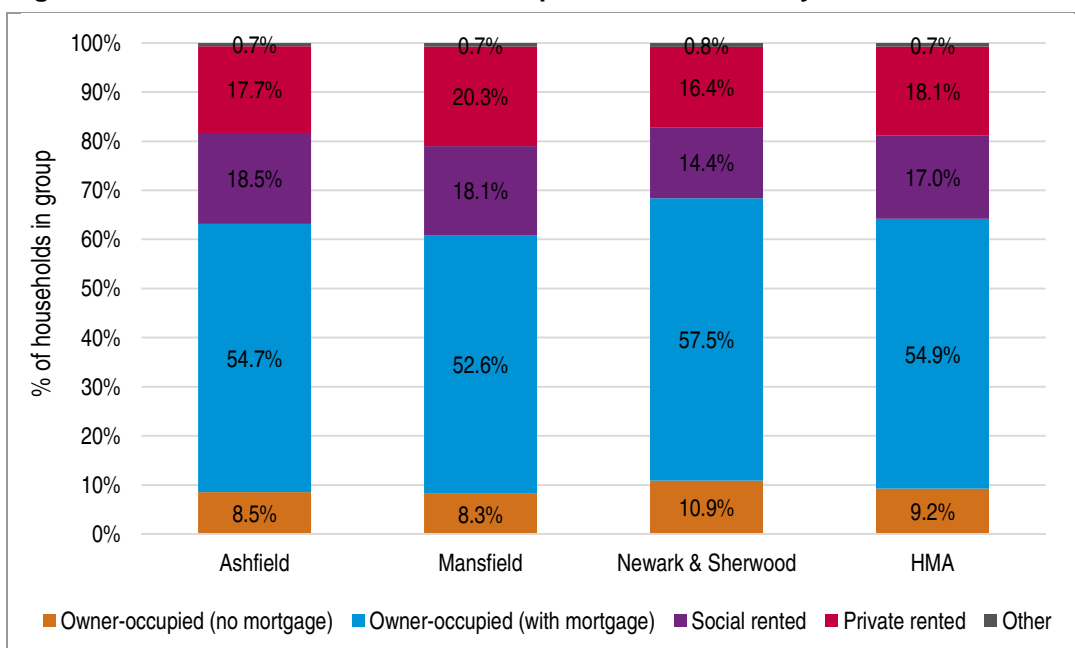
Figure 109: Tenure of households with dependent children – HMA



Source: 2011 Census

9.62 The figure below shows the current tenure of households with dependent children for each individual local authority area (the figures are for all households with dependent children combined). The data tends to show a similar pattern in each location although Newark & Sherwood stands out as having a lower proportion living in social and private rented accommodation.

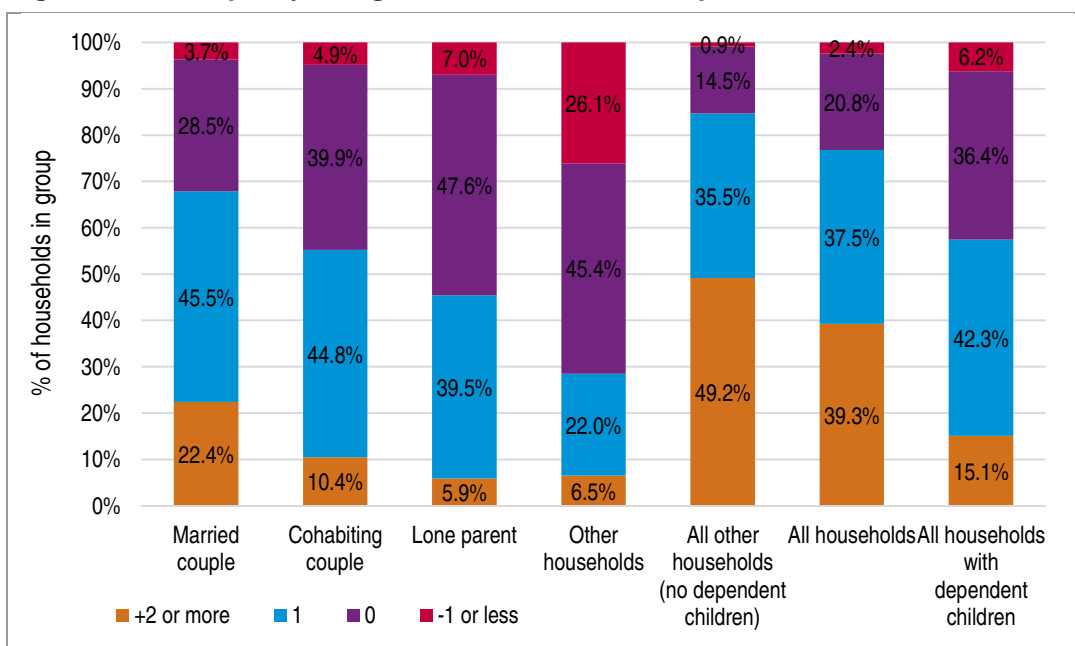
Figure 110: Tenure of households with dependent children – by District



Source: 2011 Census

- 9.63 Overcrowding is often a key theme when looking at the housing needs of households with children and the figure below shows that households with children are about six times more likely than other households to be overcrowded. In total, some 6% of all households with dependent children are overcrowded and included within this the data shows 7% of lone parent households are overcrowded along with 26% of 'other' households with dependent children. Other than for married couple households levels of under-occupancy are also very low.

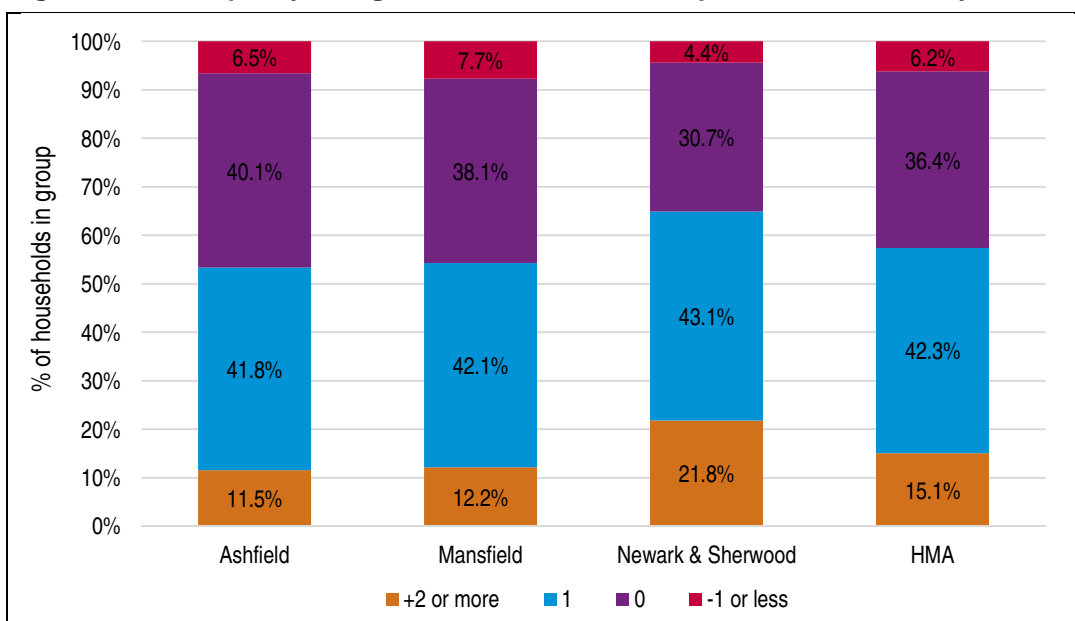
Figure 111: Occupancy rating and households with dependent children



Source: 2011 Census

- 9.64 The figure below shows occupancy rates of households with dependent children by local authority. The data shows particularly high levels of overcrowding in Mansfield, along with a low level of under-occupancy. The opposite is true for Newark & Sherwood in particular.

Figure 112: Occupancy rating and households with dependent children – by District



Source: 2011 Census

Young people

- 9.65 Providing for the needs of younger person households is an important consideration for the Councils. Given ageing populations, the ability to retain young people in an area can assist in providing a more balanced demographic profile as well as providing a vital part of the local workforce. Young people may however find barriers to accessing housing given typically low incomes and potential difficulties in securing mortgage finance due to deposit requirements. Additionally, LHA payments may limit choice for under-35s requiring private rented homes.
- 9.66 The demographic projections suggest that in 2013 there were around 24,500 households headed by someone aged under 35 and that this is set to increase by around 1,000 over the period from 2013 to 2033 (included within this is a small decline in the number of younger households in Mansfield).

Table 86: Estimated change in households headed by someone aged under 35 (2013-33)

Area	Households aged under 35		Change (2013-33)	% change from 2013
	2013	2033		
Ashfield	8,969	9,684	715	8.0%
Mansfield	8,545	8,461	-84	-1.0%
Newark & Sherwood	7,010	7,418	408	5.8%
Nottingham Outer	24,524	25,563	1,039	4.2%

Source: Derived from demographic modelling

9.67 As well as households headed by a younger person there will be others living as part of another household (typically with parents). The table below shows the number of households in the HMA with non-dependent children. In total, some 10% of households (14,600) contain non-dependent children. This may to some degree highlight the difficulties faced by young people in accessing housing. Ineligibility for social housing, lower household incomes and the unaffordability of owner occupation for such age groups all contribute to the current trend for young people moving in with or continuing to live with parents. The proportion of households with non-dependent children in the HMA is slightly higher than the regional and national average.

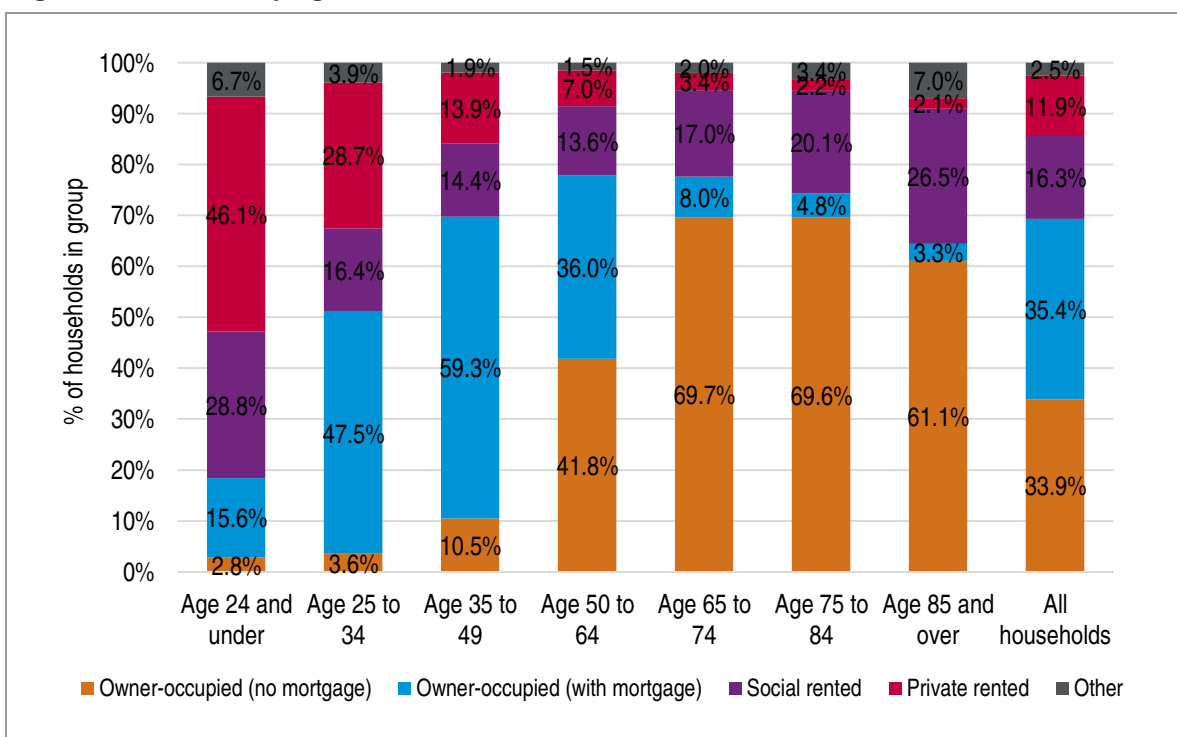
Table 87: **Households with non-dependent children (2011)**

		Married couple	Cohabiting couple	Lone parent	All other households	Total	Total with non-dependent children
Ashfield	No.	3,193	328	1,801	45,609	50,931	5,322
	%	6.3%	0.6%	3.5%	89.6%	100.0%	10.4%
Mansfield	No.	2,842	311	1,488	40,287	44,928	4,641
	%	6.3%	0.7%	3.3%	89.7%	100.0%	10.3%
Newark & Sherwood	No.	2,818	254	1,516	44,185	48,773	4,588
	%	5.8%	0.5%	3.1%	90.6%	100.0%	9.4%
Nottingham Outer	No.	8,853	893	4,805	130,081	144,632	14,551
	%	6.1%	0.6%	3.3%	89.9%	100.0%	10.1%
East Midlands	%	5.7%	0.5%	3.2%	90.6%	100.0%	9.4%
England	%	5.6%	0.5%	3.5%	90.4%	100.0%	9.6%

Source: 2011 Census

9.68 When considering households that are currently headed by a younger person we can use 2011 Census data to look at some key characteristics. The figure below shows the tenure groups of these households (compared with other age groups). The data clearly shows that very few younger households are owner-occupiers with a particular reliance on the private rented sector and to a lesser degree social rented housing.

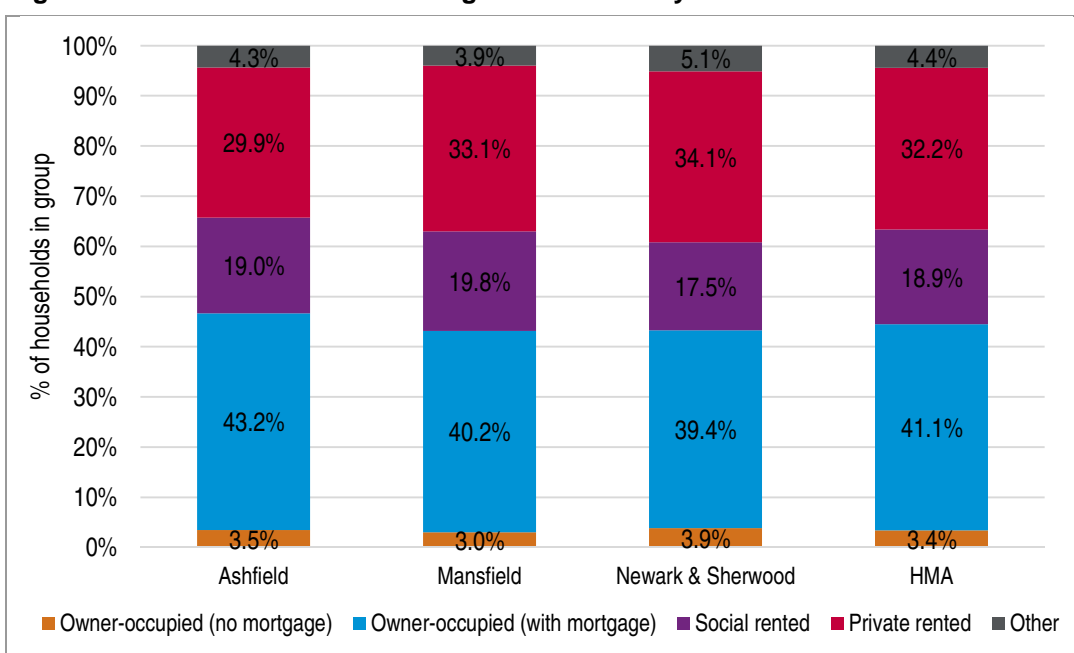
Figure 113: Tenure by age of HRP – HMA



Source: 2011 Census

- 9.69 When looking at the tenure groups of younger households by district (based on household reference persons aged under 35) the data shows similar patterns in all areas (i.e. a high reliance on the private rented sector).

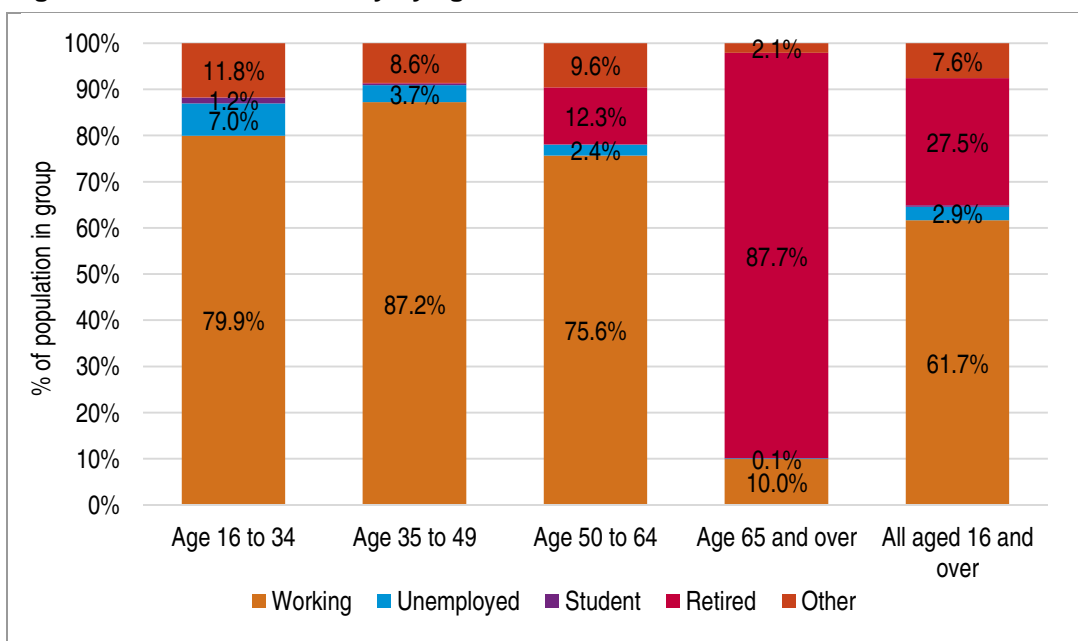
Figure 114: Tenure of households aged under 35 – by District



Source: 2011 Census

- 9.70 Census data can also be used to look at economic activity rates; including employment and unemployment levels. Data about this is shown in the figure below. The data shows that younger people are more likely to be unemployed than other age groups. The data shows that of the population aged 16-34 some 7% are unemployed with this likely to be concentrated in younger people within this age group (e.g. those aged up to 24).

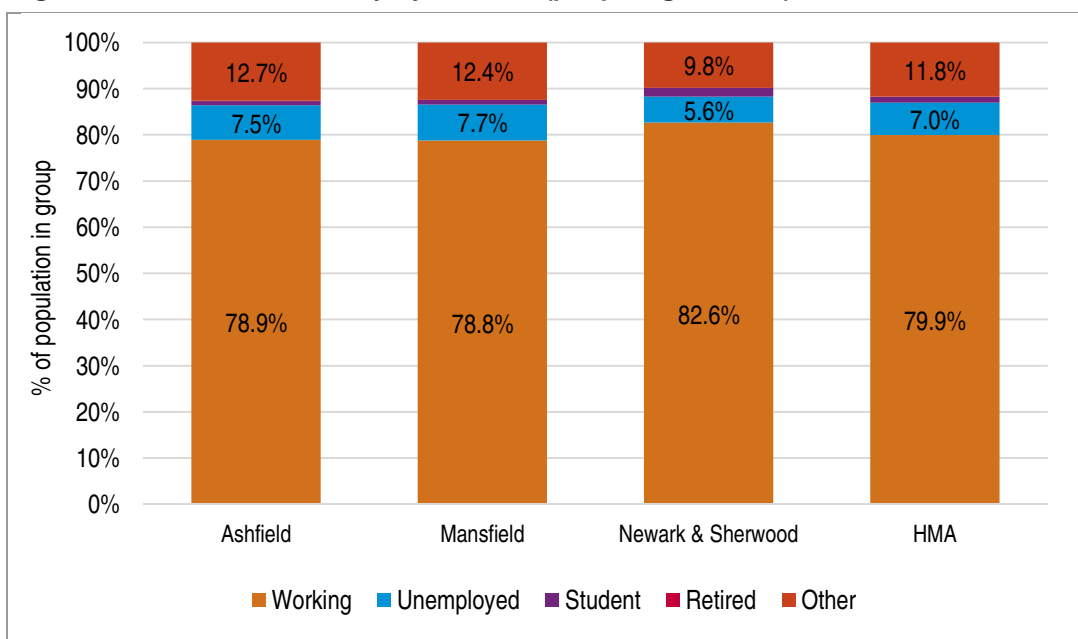
Figure 115: Economic activity by age – HMA



Source: 2011 Census

- 9.71 Data about economic activity has been provided below at a more localised level for the population aged under 35. The data shows that all areas have between about 6% and 8% of younger people who are unemployed – unemployment is lowest in Newark & Sherwood.

Figure 116: Economic activity by location (people aged 16-34)



Source: 2011 Census

Custom/Self-Build

- 9.72 SHMAs need to investigate the contribution that self-builds makes toward the local supply. Laying the Foundations – a Housing Strategy for England 2010 sets out that only one in 10 new homes in Britain was self-built in 2010 – a lower level than in other parts of Europe. It identifies barriers to self or custom-build development as including:
- A lack of land;
 - Limited finance and mortgage products;
 - Restrictive regulation; and
 - A lack of impartial information for potential custom home builders.
- 9.73 Government aspires to make self-build a 'mainstream housing option' by making funding available to support self-builders and by asking local authorities to champion the sector. Up to £30m of funding has been made available via the Custom Build programme administered by the HCA to provide short-term project finance to help unlock group custom build or self-build schemes. The fund can be used to cover eligible costs such as land acquisition, site preparation, infrastructure, S106 planning obligations etc.
- 9.74 Quantitative information regarding levels of self-build is hard to come by. We have however reviewed a number of websites dedicated to advising and assisting people to self-build including Buildstore. Some assist in the brokerage of individual building plots and this is part of our SHMA information gathering. The buildstore database indicates the following level of demand.

- Within the Ashfield Council post codes (NG15, NG17) there are 16 people registered their details on the Custom Build register and 129 members on the Plotsearch register
- Within the Mansfield council post codes (NG18,NG19,NG70) there are 7 people registered their details on the Custom Build register and 82 members on the Plotsearch register
- Within the Newark & Sherwood council post codes (NG21,NG22,NG23,NG24,NG25) there are 28 people registered their details on the Custom Build register and 148 members on the Plotsearch register

9.75 As well as an assessment of demand the build store website show a number of opportunities for self-build within the HMA including:

- Ashfield – 10 Plots (Sutton- 7 plots, Hucknall- 3 plots);
- Mansfield- 24 plots; and
- Newark and Sherwood - 7 plots

9.76 Those plots which do appear tend to be for single unit development although there were also a number for up to four units.

9.77 From a development point of view, key issues with this market are associated with skills and risk: whilst there may be notable number of people with an 'interest' in self-build, there is in some circumstances a significant financial outlay, risk and time-cost associated with self-build.

9.78 We would expect most new delivery to be on small windfall sites; although there is some potential through policy to encourage developers of larger schemes to designate parts of these as plots available for custom build. However it is likely to be difficult to demonstrate concrete evidence of demand at a local level; albeit that local authorities could develop and maintain registers of those with an interest in doing so.

Key Findings: Specific Groups of the Population

This section of the report has studied the housing circumstances of various different groups of the population. These are:

- Older people
- People with disabilities
- The Black and Minority Ethnic population
- Households with children (family households)
- Young households
- Custom Self-Build

Older persons – the key challenge here will be to meet the needs of an ageing population with the number of people aged 65 and above expected to increase by 34,500 (53%) over the 20-years from 2013 to 2033. Demographic change is likely to see a requirement for additional levels of care/support along with provision of some specialist accommodation. The analysis suggest that around 15% of additional housing needs to be 'specialist' housing for older people with an additional need for around 90 bedspaces per annum in residential/nursing care.

People with disabilities – the number of people with disabilities is closely related to the age of the population and many of the conclusions related to older persons are relevant for this group. Demographic projections suggest a 135% increase in the population aged over 85 from 2013 to 2033 with Census data suggesting that 87% of this age group have some level of disability.

BME groups – the BME population of the HMA is somewhat smaller in size than the national and regional average. It has however grown significantly over the past decade. Characteristics of BME groups (including tenure profiles and occupancy patterns) suggest that such households may be disadvantaged in the housing market. Where possible the Councils should provide advice to BME groups and in particular ensure that accommodation quality (particularly in the private rented sector) can meet the needs of such households which are disproportionately likely to contain children.

Family households – data about family households suggests that lone parents are particularly disadvantaged with a high reliance on rented housing. Projections suggest an increase in the number of children in the HMA over the next few years and if past trends are repeated this will also see a notable increase in the number of lone parents. Again advice about housing options and maintaining a good quality of accommodation will be critical to ensure that such households' needs are best met and that children are provided with a full range of opportunities (e.g. education) as they grow up.

Young person households – young people (aged under 35) are important for any area due to the long-term economic potential they can bring. As with other groups there are some indications of this group being disadvantaged with a reliance on rented accommodation and higher levels of unemployment. Given that the housing options for young people may be more limited than for other groups it will be important to monitor the accommodation quality – this will need to focus on HMOs given general trends of an increase in house sharing over time.

Custom Self Build – Custom/ self-build demand is difficult to quantify and we recommend that the councils start self-build registers although alternative databases such as buildstore could serve the same purpose. The build store database indicates demand from 51 individuals for custom build properties in the HMA and a supply of around 41 plots for development within the HMA.

10 SUMMARY AND CONCLUSIONS

- 10.1 This final section brings together the findings of the SHMA Report. It is structured to set out our conclusions in turn regarding the geography of the housing market area; the overall objectively assessed need for housing; and then findings relating to the need for different types of homes and the housing needs of specific segments of the population.

Housing Market Area

- 10.2 The National Planning Policy Framework (NPPF) states that local planning authorities should use their evidence base to ensure Local Plans meet the full, objectively assessed needs for market and affordable housing in their “housing market area” (HMA).
- 10.3 The SHMA has considered housing market geographies, taking account of existing research and through analysis of differences in housing costs; as well as migration and commuting flows. The analysis highlights a complex set of relationships at play across the HMA, however, triangulation of the evidence converges upon the three commissioning authorities being a single housing market area.
- 10.4 It is however important to recognise overlaps between other authorities and markets. Although weaker than the core relationships, there are identifiable and important functional interactions from parts of the HMA with other adjoining authorities particularly the City of Nottingham and to a lesser extent Bolsover and Bassetlaw. These reflect localised cross-boundary interactions in the south, north and western parts of the HMA.
- 10.5 In the context of the Duty to Cooperate, these authorities should be engaged in strategic housing issues not only in the preparation of the SHMA. All of these authorities have been invited to be involved in the preparation of this SHMA report, with meetings held to discuss housing market geographies and cross-boundary interactions, methodology (11th of December) and to discuss emerging findings regarding housing need (22nd of June).

Overall Housing Need

- 10.6 The NPPF sets out that plans should be prepared on the basis of meeting full needs for market and affordable housing. Planning Practice Guidance (PPG) sets out that the latest national projections should be seen as a starting point but that authorities may consider sensitivity testing projections in response to local circumstances and the latest demographic evidence. Demographics provide the starting point for assessing housing need. The PPG then sets out that consideration should be given as to whether the housing need should be increased in order to:
- Support economic growth, based on interrogation of trends and forecast for future growth in employment;

- Improve affordability, taking account of evidence from market signals and of the need for affordable housing.
- 10.7 In effect, the PPG approach recognises that demographic projections are influenced by what has happened in the past; and these further factors allow consideration of whether wider evidence suggests that there has been an imbalance between housing supply and demand, or whether in the future the evidence would suggest that housing provision needed to be increased.
- 10.8 The PPG is very clear that housing need refers to the need for both market and affordable housing, including taking account of the movement of people into the area. It is also clear that a SHMA should “leave aside” issues related to land supply, infrastructure, Green Belt and other constraints in identifying housing need – but clearly sets out that these factors are relevant in bringing evidence together through the plan-making process to identify policies for future housing provision.

The Demographic “Starting Point”

- 10.9 The PPG emphasises the use of official population and household projections as a starting point for assessing housing need, as these are based on nationally-consistent assumptions and methodology.
- 10.10 The latest official household projections are the 2012-based Household Projections published by Government in February 2015. These are based on the first official population projections which take full account of the results of the 2011 Census and what this tells us about recent population trends. These projections project household growth between 2012-37. These projections estimate a housing need of 1,074 dwellings per annum across the HMA (2013-33).
- 10.11 The 2012-based subnational population projections (SNPP) look to be a sound demographic projection. Population growth sits in-line with short-term trends but below long-term growth. These short term trends however reflect a period of market failure across the HMA which has reduced migration patterns notably against longer term trends.
- 10.12 We have therefore developed alternative population projections using 12-year migration levels and a UPC adjustment. The alternative projections show population growth (and hence housing need) which is above those set out in the 2012-based sub national population projections, but at a level which sit comfortably with past trends (when considering both short- and long-term trends). GL Hearn considers that these projections (when taken together, i.e. recognising that there may be a link between long-term migration and UPC) provide a robust basis for considering future housing provision.
- 10.13 The SHMA recognises that trends in household formation have changed notably over the 2001-11 period, and it is therefore difficult to accurately predict how household formation rates may change

moving forwards. However the formation rates used in the 2012-based household forecasts look to be a reasonably sound when considering age specific household formation rates. The only age group where there is some concern is people aged 25-34 where there does appear to be some degree of suppression in the past and being projected forward.

Table 88: **Projected household growth 2013-33 – 2012-based SNPP with 12-year migration trends and UPC adjustment and 2012-based headship rates**

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Households 2013	51,956	45,575	49,728	147,260
Households 2033	60,993	52,401	58,267	171,661
Change in households	9,037	6,826	8,539	24,402
Per annum	452	341	427	1,220
Dwellings (per annum)	469	356	446	1,271

- 10.14 The alternative projection suggests a housing need of 1,271 dwellings across the HMA, with figures of 469 in Ashfield, 356 in Mansfield and 446 in Newark & Sherwood. The percentage annual increases based on these figures are 0.9%, 0.8% and 0.9% respectively.

Considering Potential Economic Performance

- 10.15 Following the approach in the Planning Practice Guidance, the demographic-based assessment set out above provides a baseline for housing need. The Guidance recommends that consideration is given to whether economic growth could result in a need for additional housing.
- 10.16 The NPPF clearly sets out that the assessment of, and strategies in local plans for, housing and employment need to be integrated with one another⁹. The SHMA has considered the economic prospects of the HMA, as set out in emerging NLP work examining the county's employment land needs.
- 10.17 The SHMA seeks to model the relationship between jobs and homes. It models increasing employment rates, linked to an expectation that people will retire later and more women will work. It assumes that commuting patterns will remain stable in proportional terms. It also takes account of evidence that people may hold down more than one job. The modelling indicates that to support the forecast growth in employment, the following levels of housing provision would be needed:

⁹ CLG (2012) *National Planning Policy Framework, Paragraph 158*

Table 89: **Meeting job growth forecasts (with 2012-based CLG headship rates) – Experian (with NLP policy-on scenario)**

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Households 2013	51,956	45,575	49,728	147,260
Households 2033	59,845	51,869	57,169	168,882
Change in households	7,889	6,293	7,440	21,623
Per annum	394	315	372	1,081
Dwellings (per annum)	409	328	389	1,126

- 10.18 Across the HMA (and for each local authority), the level of housing provision necessary to support economic growth is lower than the baseline demographic trend-based projections. There is therefore no need to increase housing supply above the demographic projections and that these would support the planned economic growth in the HMA. This is also based on the policy on projections created by NLP and not the baseline projections which would show an even lower housing need.

Improving Affordability

- 10.19 The SHMA includes an assessment of the number of households each year who require some form of subsidy in meeting their housing needs. This is assessed using the Basic Needs Assessment Model and is a statutory requirement to support policies seeking affordable housing in new developments.
- 10.20 The SHMA analysis indicates that between -134 (i.e. a surplus) and 743 additional households per year will require support in meeting their housing needs (using income thresholds varying from 25% to 40%). The 30% threshold (which might be the most appropriate to use in local circumstances) shows the affordable need to be around 405 additional households per year.
- 10.21 Table 90 shows the annualised need in each local authority for a range of different affordability threshold scenarios. The analysis shows how the choice of threshold has a notable impact on the figures, making it impossible for the analysis to do more than provide an indication of the need and its relative scale.

Table 90: **Estimated net need for Affordable Housing per annum – by location (based on a range of affordability thresholds)**

	25% affordability threshold	30% affordability threshold	35% affordability threshold	40% affordability threshold
Ashfield	280	164	68	-15
Mansfield	180	64	-38	-125
Newark & Sherwood	284	177	85	5
Nottingham Outer	743	405	116	-134

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

- 10.22 The identified need from households requiring financial support represents up to 32% of the assessed housing need calculated from demographic projections.
- 10.23 The evidence does not suggest that this overall level of housing provision is necessary, not least as part of the identified need for affordable housing is from existing households who need alternative size or tenure of accommodation but would release their current home for another household by moving. There are also other ways of delivering new affordable housing besides through new-build development on market-led housing development schemes. Net additional needs arising would be solely from concealed and homeless households.
- 10.24 The report has then gone on to consider market signals. The NPPF¹⁰ sets out that plans should take account of market signals, such as land prices and housing affordability. The Planning Practice Guidance clarifies this and outlines that
- “the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance of the demand for and supply of dwellings. Prices or rents rising faster than the national/ local average may well indicate particular market undersupply relative to demand.”*
- 10.25 The SHMA evidence indicates that affordability pressures are not that significant in comparison to the wider region and country. House prices are below the East Midlands average although Newark and Sherwood does have notably different house prices to Mansfield and Ashfield. Entry level house prices are around five times the typical earnings of younger households compared to a ratio of 6.4 nationally.
- 10.26 However, housing costs have increased in absolute terms and relative to earnings; whilst household formation and home ownership both fell. An increasing number of households have been living in rented accommodation, shared homes and with parents.

¹⁰ CLG (2012) *National Planning Policy Framework, Paragraph 17*

- 10.27 There is therefore some merit in considering an adjustment to overall housing needs to ease affordability pressures although the signals are inconsistent particularly when measured against the wider areas.
- 10.28 In circumstances such as these where indicators point towards a supply-demand imbalance and worsening affordability, the PPG sets out that the identified housing need should be adjusted upwards to support an improvement in affordability. The Guidance does not however set out how such an adjustment should be quantified. It simply sets out that it should be 'reasonable.'
- 10.29 To assess an appropriate adjustment to the assessed housing need, GL Hearn has used the demographic analysis to assess the degree to which household formation levels have been constrained for younger age groups, and what scale of adjustment to housing provision would be necessary for these to improve.
- 10.30 The SHMA has considered the implication of returning the household formation rates of the 25-34 age group back to 2001 levels. The analysis indicates that, all other things being equal, an uplift of around 39 homes per annum across the study area would support an improvement in affordability (and provide additional affordable housing) and household formation rates amongst younger households. The uplift in each case is set out in the table below:

Table 91: **Uplift to improve affordability**

	Ashfield	Mansfield	Newark & Sherwood	Nottingham Outer
Households 2013	51,956	45,575	49,728	147,260
Households 2033	61,217	52,786	58,416	172,419
Change in households	9,261	7,210	8,687	25,159
Per annum	463	361	434	1,258
Dwellings (per annum)	480	376	454	1,310
From demographic model	469	356	446	1,271
Potential uplift	11	20	8	39
% uplift	2.5%	5.6%	1.7%	3.1%

Source: GL Hearn and CLG (numbers may not add due to rounding)

- 10.31 Using the same population data, and the 2011-based rates an estimated need for housing of 1,128 dwellings per annum would be derived. The uplifted figure of 1,310 dwellings per annum is therefore some 16% higher (182 units per annum) than would be derived using older (and arguably more constrained) household formation rates.
- 10.32 While the analysis above is based on a projection linked to longer-term migration trends and a UPC adjustment; similar analysis using other projections (e.g. the jobs-led projections) would be expected to show a similar proportionate increase. The level of uplift in each local authority reflects

the age profile and level of suppression in each district as well as what the CLG had anticipated the change in household formation rates to be in each district. For example, the uplift is highest in Mansfield; this is driven by the observation earlier that it is in this area where formation rates of younger people are shown to have fallen the most.

10.33 The uplift should address those groups who require an additional dwelling, such as:

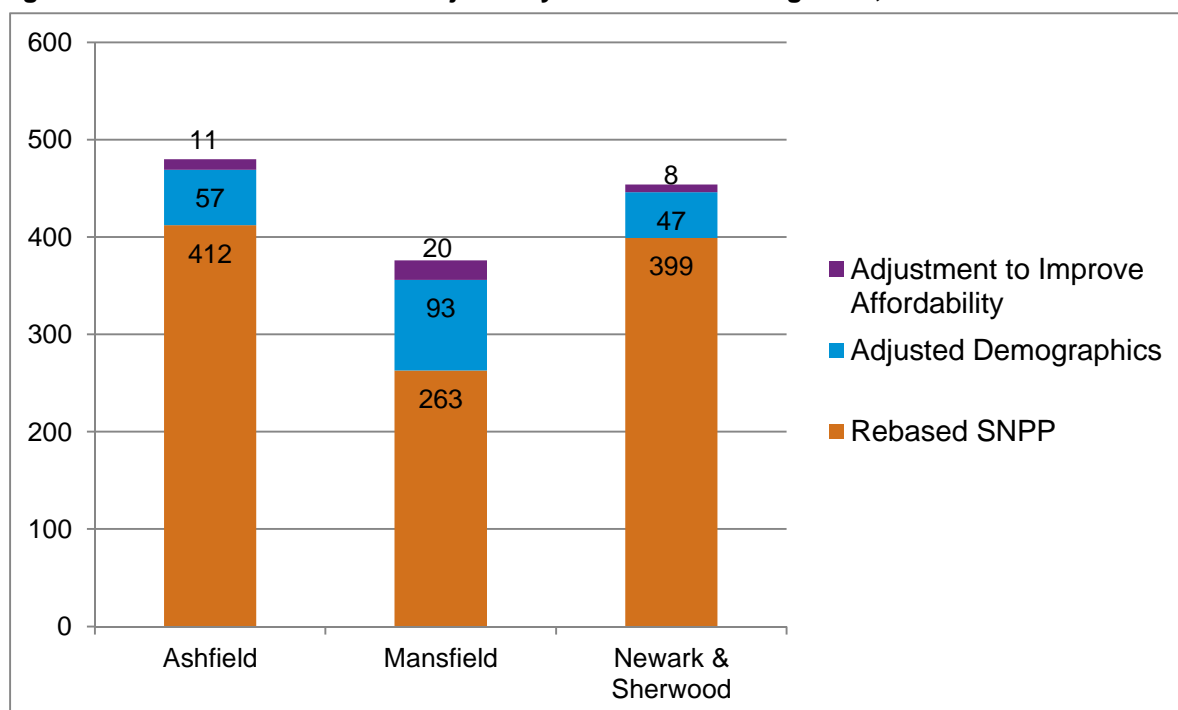
- Newly-forming households;
- Concealed households; and
- Homeless households.

10.34 It should also contribute to a fall in households living with parents or in shared accommodation.

Conclusions on Overall Housing Need

10.35 Taking account of these adjusted household formation rates for younger households and adjustment for UPC and longer term trends, the SHMA concludes on the overall need for housing over the 2013-33 period of 1,310 homes per annum (Ashfield 480, Mansfield 376 and 454 in Newark and Sherwood). The derivation of the conclusions on housing need is shown below, in Figure 117.

Figure 117: Conclusions on Full Objectively-Assessed Housing Need, 2013-33



10.36 In the absence of development constraints this could potentially be considered to represent the full 'objectively assessed need' (OAN) for housing. This represents in total an annual need for 1,310 homes per year across the HMA.

- 10.37 In accordance with the Planning Practice Guidance, this takes account of the level of housing provision which is expected to be needed to meet demographic changes, support economic growth and improve affordability.
- 10.38 Where development constraints influence the ability to meet housing need in full, we would recommend that any shortfall in housing provision is measured against the demographically-assessed need (1,271 per annum) as in these circumstances it would be unlikely that affordability would improve.
- 10.39 This SHMA report considers housing need from 2013-33. Any shortfall in housing delivery prior to the 2013 starting point has been considered and taken into account in the adjustments made to derive the SHMA conclusions regarding the Objectively Assessed Need (OAN) for housing. Therefore the Councils are not required to add any historic backlog (pre-2013) onto the overall housing need calculations. In doing so they would in effect be double-counting.

Need for Different Types of Homes

Conclusions on Housing Mix

- 10.40 In addition to considering the overall need for housing, the SHMA considers what types and sizes of homes – both market and affordable – will be needed.
- 10.41 The SHMA identifies that there is a need for a mix of house sizes across the HMA, as Table 92 indicates. The conclusions drawn take account of how the structure of the population and households are expected to change over the period to 2033 and how people occupy homes.
- 10.42 In terms of size mix, our analysis (taking account of demographic trends and market evidence) concludes that the following represents an appropriate indicative mix of affordable and market homes at a HMA-wide level. It should however be noted that this analysis is aimed at informing policies over the plan period and there will be a range of factors which will influence demand for different sizes of homes over time, particularly demographic changes, growth in real earning/savings, housing affordability and wider economic performance.

Table 92: **Need for Different Sizes of Homes across the Nottingham Outer HMA**

	1-bed	2-bed	3-bed	4+ bed
Market	5%	35%	50%	10%
Affordable	35%	35%	25%	5%
All dwellings	10%	35%	45%	10%

- 10.43 Policies for what proportion of homes in new development schemes should be affordable need to take account of evidence both of housing need and of the viability of residential development. The NPPF sets out that percentage targets for affordable housing need to take account of viability evidence.
- 10.44 Our assessment of affordable housing needs indicates that, in delivering affordable units, a HMA-wide mix target of 20% intermediate and 80% social or affordable rented homes would be appropriate. Any strategic policy should however retain a degree of flexibility both to take account of local level variations which we have identified, as well as any site specific issues with deliverability (i.e. grant funding availability).
- 10.45 In the affordable sector, we recommend that the focus of provision is on smaller properties. However, the recommended mix also recognises the potential role which delivery of larger family homes (3 and 4 bedrooms) can play in releasing supply of smaller properties for other households together with the limited flexibility which one-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. These have been balanced against the recent Government reforms to social housing and welfare, including issues associated with the changes introduced by Government to housing benefit eligibility for working-age households in the social housing sector.
- 10.46 For market housing, we recommend that the focus of new provision is on two and three-bed properties. This would serve to meet the needs of newly forming households and younger families in the District as well as demand from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay. There is however likely to be a notable level of continued need for larger family properties arising from existing growing households and those migrating into the District.
- 10.47 The mix identified above should inform District-wide policies and help to inform the 'portfolio' of sites which are considered and ultimately allocated through the Local Plan process. However, we would again recommend that strategic policy retains a reasonable degree of flexibility to ensure that, in applying mix to individual development sites, appropriate regard can be given to the nature of the development site, the character and existing housing stock of the area as well as the most up-to-date evidence of need/demand.

Older Persons Housing Needs

- 10.48 Over the period to 2033 the population of older persons in the HMA is expected to grow, with the population aged over 65 expected to increase by 53%. Many older households will remain in homes

which they have lived in for many years. However some may wish to downsize, and this has been taken into account in the conclusions drawn on the mix of homes needed.

- 10.49 Some older households will require specialist housing solutions. The SHMA identifies a need for a 3,803 additional specialist units of housing for older people between 2013-33, including sheltered and extra care homes – this represents about 15% of the need shown through the conclusions on OAN. This need forms part of the OAN.

Table 93: **Need for Specialist Housing for Older Persons, 2013-33**

	2013-33	Per annum
Ashfield	1,279	64
Mansfield	1,034	52
Newark & Sherwood	1,489	74
Nottingham Outer	3,803	190

- 10.50 In addition, the SHMA indicates a need for 1,824 bedspaces in residential care homes (Ashfield-650, Mansfield-437 and Newark and Sherwood-737). This does not form part of the household population and so is separate to the need identified for housing. It falls within a C2 use.

Monitoring and Review

- 10.51 Through a proactive monitoring process it will be possible to maintain and develop understanding of the housing market, building on the outcomes of the SHMA. It will allow the implementation of policies to be tailored to evolving circumstances and inform future policy development.
- 10.52 Long-term monitoring which addresses indicators of housing need, market signals relating to supply-demand balance, and the housing supply trajectory can inform future development and implementation of planning policies for housing provision.

11 DISTRICT SUMMARY: ASHFIELD

- 11.1 In 2013, Ashfield had a population of 121,553. Since 2002 the districts population has grown by approximately 6%.
- 11.2 Ashfield has a particular concentration of 35 to 45 the result of which is a correspondingly high level of children aged 15 and under. Ashfield also has the highest percentage of households with dependent children in the HMA but has also seen a significant growth in single person households.
- 11.3 Ashfield has the highest percentage of full-time employees in the HMA. There is a particularly high percentage of residents with no qualifications and those working in unskilled occupations in comparison to the region and nation. Residents of Ashfield earn more than those in Mansfield but less than in Newark and Sherwood.
- 11.4 The district has the highest percentage of terraced properties (20%) and at 36% Ashfield has the highest percentage of properties which are owned with a mortgage in the HMA despite a significant decline since 2001. There has been a significant growth in those privately renting.
- 11.5 Median house price in 2014 were £117,340, this is below the equivalent level in the HMA and region. House prices have increased over the last decade as have affordability issues. Lower quartile affordability is now 4.8 times lower quartile earnings. In comparison to National trends however this is fairly modest. Rental costs in the district are lower than those elsewhere in the HMA.
- 11.6 The latest sub-national population projections suggest that the population in Ashfield will grow to 135,226 by 2033. These feed into the latest household projections which (when rebased to 2013) suggest a need for 412 dwellings per annum for the period 2013 to 2033.
- 11.7 However there appears to have been some change in migration levels since the onset of recession in 2008. We have therefore developed alternative household projections which take into account longer term migration patterns over the last 12 years as well as making an adjustment for historic under or over recording of population change pre -2006. The adjusted calculation of demographic need is for 469 dwellings per annum.
- 11.8 Using this as a baseline demographic need we have then tested whether there is a requirement to increase the overall need on the basis of meeting economic forecasts, increasing affordable housing provision or responding to market signals.
- 11.9 The economic forecasts align with work currently being undertaken by NLP. The employment forecasts result in a need for 372 dwellings per annum (baseline) and 409 dwellings per annum

(policy on). This level of job growth can be met by the baseline demographic growth therefore there is not a need to uplift the demographic need on the basis of meeting economic growth forecasts.

- 11.10 Using our standard model, affordable housing need was calculated as 164 dwellings per annum for the district based on an affordability threshold of 30%.
- 11.11 Although the level of affordable housing need is equivalent of up to 60% of the overall need our analysis shows that a notable proportion of the affordable need will be from existing households and that the private rented sector will continue to meet some of the affordable housing need.
- 11.12 However, there is still a level of affordable housing need which justifies the council seeking a continuation of the affordable housing requirement based on the contribution that can be viably generated from market housing developments. Furthermore market signals evidence for the borough shows:
- Increasing in-affordability;
 - Reduced levels of mortgage access;
 - Increased over crowding; and
 - Increased levels of houses in multiple occupation.
- 11.13 These market signals combined with a desire to reduce the over-reliance on the private rented sector in meeting the district's affordable housing needs provides justification for an uplift to the overall housing need in order improve affordability.
- 11.14 While the PPG sets out that the identified housing need should be adjusted upwards to support an improvement in affordability it does not however set out how such an adjustment should be quantified.
- 11.15 To assess an appropriate adjustment GL Hearn has used the demographic analysis to assess the degree to which household formation levels have been constrained for younger age groups, and what scale of adjustment to housing provision would be necessary for these to improve.
- 11.16 The SHMA has considered the implication of returning the household formation rates of the 25-34 age group back to 2001 levels. The analysis indicates that, all other things being equal, an uplift of 11 dwellings per annum would be appropriate. **This takes the final OAN figure for Ashfield to 480 dwellings per annum.** This can be distributed across the district on the following basis¹¹:
- Sutton and Kirkby-in-Ashfield- 306 dwellings;
 - Hucknall- 148 dwellings; and
 - Villages- 26 dwellings.

¹¹ Numbers may not add up due to rounding issues

12 DISTRICT SUMMARY: MANSFIELD

- 12.1 In 2013, Mansfield had a population of 105,296. Since 2002 the districts population has grown by approximately 5%.
- 12.2 Mansfield has the highest concentrations of those aged 20 to 35 in the HMA. Again this corresponds to a high percentage of younger children aged 5 and under. Mansfield also has the highest percentage of single person households in the HMA and also seen a significant decline of households with dependent children.
- 12.3 Mansfield has the highest percentage of part-time employees in the HMA. There is a particularly high percentage of residents with no qualifications and those working in unskilled occupations in comparison to the region and nation. At £496 per week residents of Mansfield have the lowest earnings in the HMA.
- 12.4 Mansfield has the highest percentage of flatted (9%) and Semi-detached (43%) properties. At 18% and 14% respectively Mansfield has the highest percentage of social rental and private rental properties in the HMA, both of which have grown since 2001.
- 12.5 Median house price in 2014 were £112,500, this is below the equivalent level in the HMA and region. House prices have increased over the last decade as have affordability issues. Lower quartile affordability is now 5.1 times lower quartile earnings. In comparison to National trends however this is fairly modest.
- 12.6 The latest sub-national population projections suggest that the population in Mansfield will grow to 111,827 by 2033. These feed into the latest household projections which (when rebased to 2013) suggest a need for 263 dwellings per annum for the period 2013 to 2033.
- 12.7 However there appears to have been some change in migration levels since the onset of recession in 2008 (particularly in Mansfield). We have therefore developed alternative household projections which take into account longer term migration patterns over the last 12 years as well as making an adjustment for historic under or over recording of population change pre -2006. The adjusted calculation of demographic need is for 356 dwellings per annum.
- 12.8 Using this as a baseline demographic need we have then tested whether there is a requirement to increase the overall need on the basis of meeting economic forecasts, increasing affordable housing provision or responding to market signals.
- 12.9 The economic forecasts align with work currently being undertaken by NLP. The employment forecasts result in a need for 308 dwellings per annum (baseline) and 328 dwellings per annum

(policy on). This level of job growth can be met by the baseline demographic growth therefore there is not a need to uplift the demographic need on the basis of meeting economic growth forecasts.

- 12.10 Using our standard model, affordable housing need was calculated as 64 dwellings per annum for the district based on an affordability threshold of 30%.
- 12.11 Although the level of affordable housing need is equivalent of up to 50% of the overall need our analysis shows that a notable proportion of the affordable need will be from existing households and that the private rented sector will continue to meet some of the affordable housing need.
- 12.12 However, there is still a level of affordable housing need which justifies the council seeking a continuation of the affordable housing requirement based on the contribution that can be viably generated from market housing developments. Furthermore market signals evidence for the borough shows:
- Increasing in-affordability;
 - Reduced levels of mortgage access;
 - Increased over crowding; and
 - Increased levels of houses in multiple occupation.
- 12.13 These market signals, combined with a desire to reduce the over-reliance on the private rented sector in meeting the district's affordable housing needs, provides justification for an uplift to the overall housing need in order improve affordability.
- 12.14 While the PPG sets out that the identified housing need should be adjusted upwards to support an improvement in affordability it does not however set out how such an adjustment should be quantified.
- 12.15 To assess an appropriate adjustment GL Hearn has used the demographic analysis to assess the degree to which household formation levels have been constrained for younger age groups, and what scale of adjustment to housing provision would be necessary for these to improve.
- 12.16 The SHMA has considered the implication of returning the household formation rates of the 25-34 age group back to 2001 levels. The analysis indicates that, all other things being equal, an uplift of 20 dwellings per annum would be appropriate. **This takes the final OAN figure for Mansfield to 376 dwellings per annum.** This can be distributed across the district on the following basis:
- Mansfield- 340 dwellings; and
 - Warsop and villages- 36 dwellings.

The higher uplift in Mansfield reflects the higher percentage of younger households in the district.

13 DISTRICT SUMMARY: NEWARK AND SHERWOOD

- 13.1 In 2013, Newark and Sherwood had a population of 116,817. Since 2002 the districts population has grown by approximately 7%.
- 13.2 Newark and Sherwood has a slightly older demographic with high levels of population in all age groups from 55 and over. The district has the highest percentage of households with no children and has seen a significant increase in single person households.
- 13.3 Newark and Sherwood has a significantly higher percentage in self-employment and lower levels of unemployment than elsewhere in the region. There is also a significantly higher percentage of residents working in professional occupations than the other local authorities in the HMA. At £545 per week residents of Newark and Sherwood have the highest earnings in the HMA.
- 13.4 The district has the highest percentage of detached properties (38%) in the HMA. At 36% Newark and Sherwood has the highest percentage of properties which are owned outright in the HMA. This tenure has seen a small increase since 2001. There has also been a significant growth in those privately renting.
- 13.5 Median house price in 2014 were £147,750, this is above the equivalent level in the HMA and region. House prices have increased over the last decade as have affordability issues. Lower quartile affordability is now 6.4 times lower quartile earnings. In comparison to National trends however house price are slightly more affordable. Rental costs are also higher than the rest of the HMA although below national levels.
- 13.6 The latest sub-national population projections suggest that the population in Newark and Sherwood will grow to 129,521 by 2033. These feed into the latest household projections which (when rebased to 2013) suggest a need for 399 dwellings per annum for the period 2013 to 2033.
- 13.7 However there appears to have been some change in migration levels since the onset of recession in 2008. We have therefore developed alternative household projections which take into account longer term migration patterns over the last 12 years as well as making an adjustment for historic under or over recording of population change pre -2006. The adjusted calculation of demographic need is for 446 dwellings per annum.
- 13.8 Using this as a baseline demographic need we have then tested whether there is a requirement to increase the overall need on the basis of meeting economic forecasts, increasing affordable housing provision or responding to market signals.

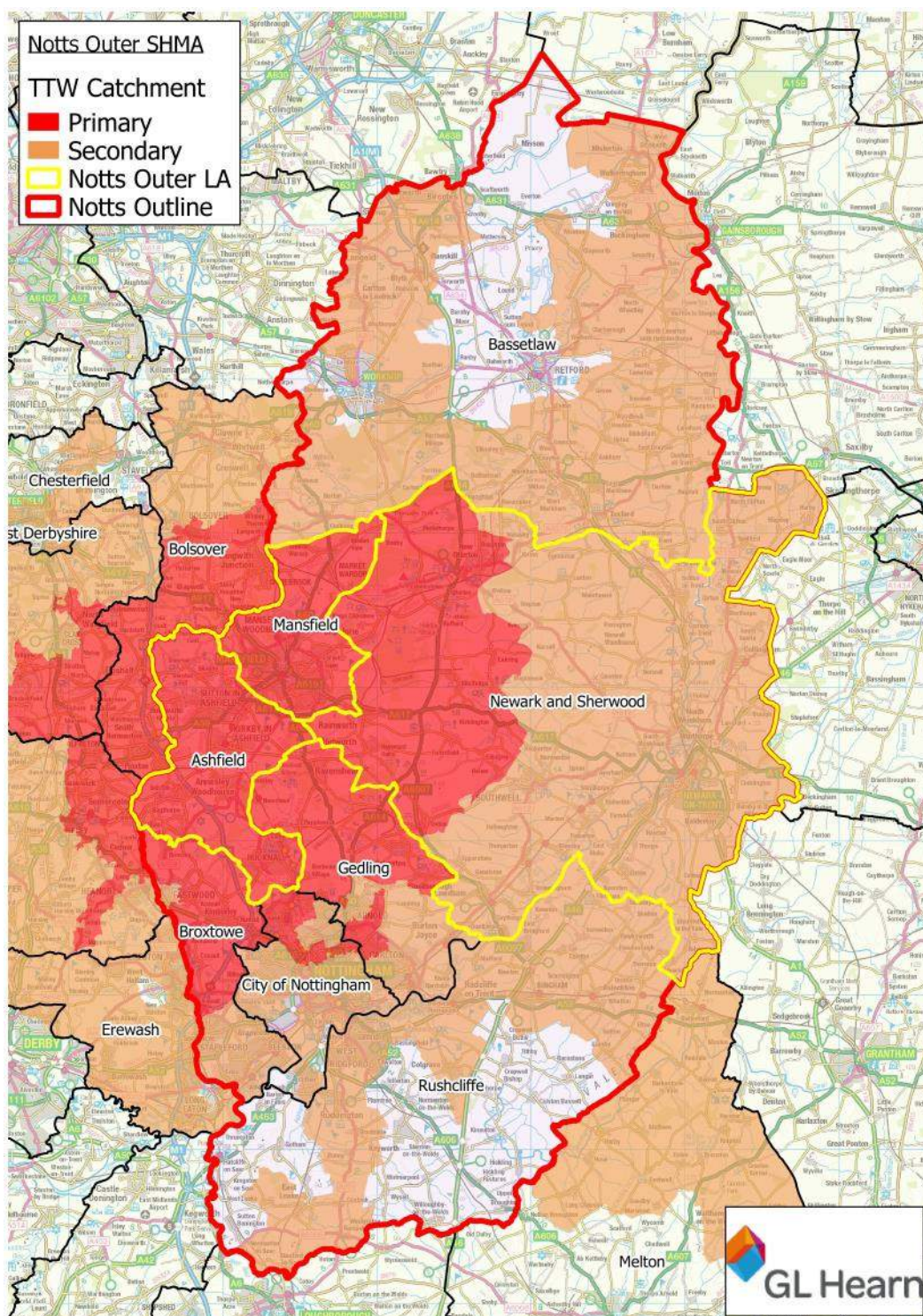
- 13.9 The economic forecasts align with work currently being undertaken by NLP. The employment forecasts result in a need for 348 dwellings per annum (baseline) and 389 dwellings per annum (policy on). This level of job growth can be met by the baseline demographic growth therefore there is not a need to uplift the demographic need on the basis of meeting economic growth forecasts.
- 13.10 Using our standard model, affordable housing need was calculated as 177 dwellings per annum for the district based on an affordability threshold of 30%.
- 13.11 Although the level of affordable housing need is equivalent of up to 64% of the overall need our analysis shows that a notable proportion of the affordable need will be from existing households and that the private rented sector will continue to meet some of the affordable housing need.
- 13.12 However, there is still a level of affordable housing need which justifies the council seeking a continuation of the affordable housing requirement based on the contribution that can be viably generated from market housing developments. Furthermore market signals evidence for the borough shows:
- Increasing in-affordability;
 - Reduced levels of mortgage access;
 - Increased over crowding; and
 - Increased levels of houses in multiple occupation.
- 13.13 These market signals, combined with a desire to reduce the over-reliance on the private rented sector in meeting the district's affordable housing needs, provides justification for an uplift to the overall housing need in order improve affordability.
- 13.14 While the PPG sets out that the identified housing need should be adjusted upwards to support an improvement in affordability it does not however set out how such an adjustment should be quantified.
- 13.15 To assess an appropriate adjustment GL Hearn has used the demographic analysis to assess the degree to which household formation levels have been constrained for younger age groups, and what scale of adjustment to housing provision would be necessary for these to improve.
- 13.16 The SHMA has considered the implication of returning the household formation rates of the 25-34 age group back to 2001 levels. The analysis indicates that, all other things being equal, an uplift of 8 dwellings per annum would be appropriate. **This takes the final OAN figure for Newark and Sherwood to 454 dwellings per annum.** This can be distributed across the district on the following basis:
- Newark- 247 dwellings;
 - Southwell- 41 dwellings;

- Sherwood- 55 dwellings;
- Mansfield Fringe- 96 dwellings; and
- Nottingham Fringe-15 dwellings.

13.17 The lower uplift in Newark and Sherwood reflects the higher percentage of older households in the district.

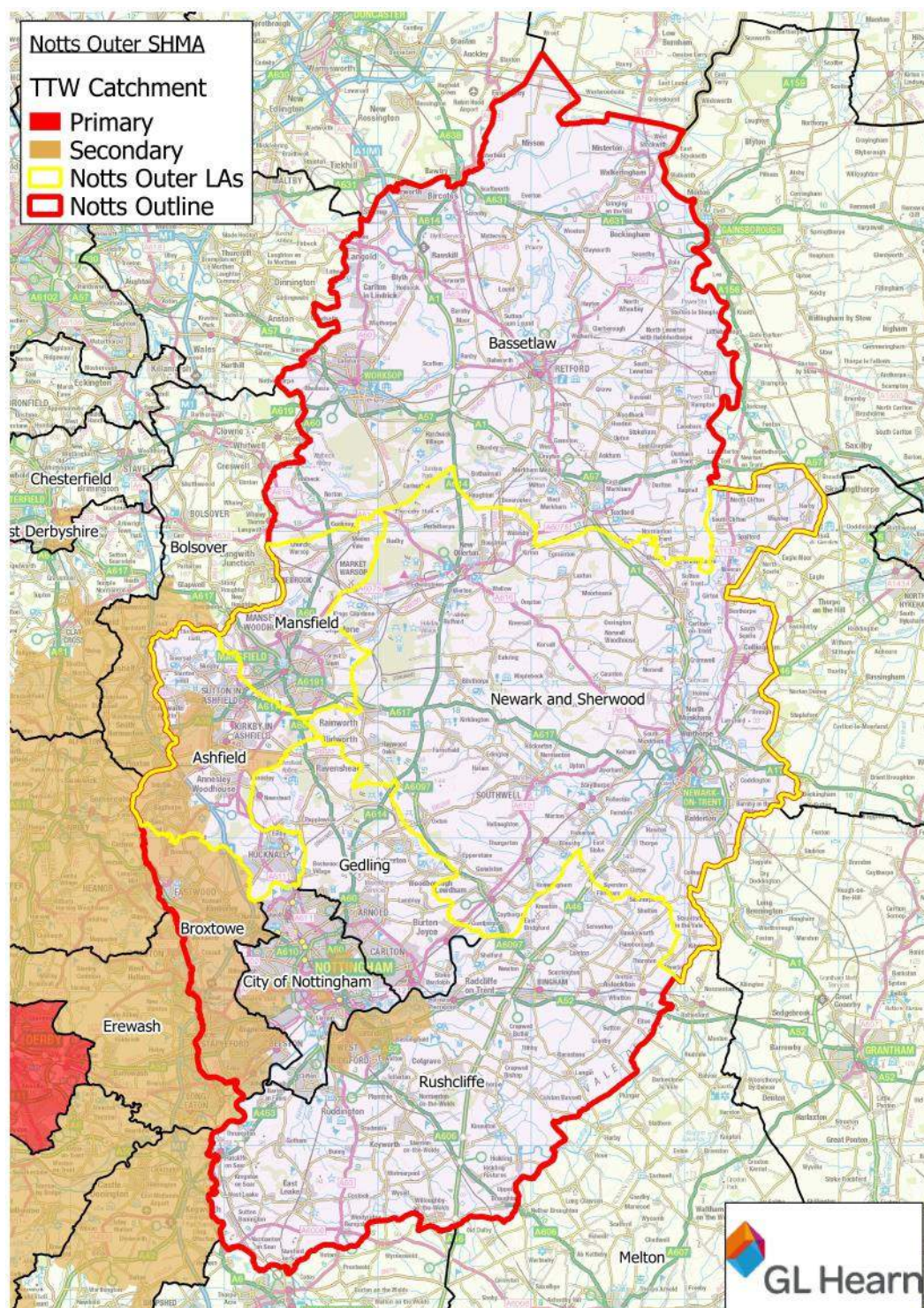
APPENDIX A: Travel to Work Catchments for selected settlements

Figure 118: Sutton in Ashfield TTW Catchment (2011)



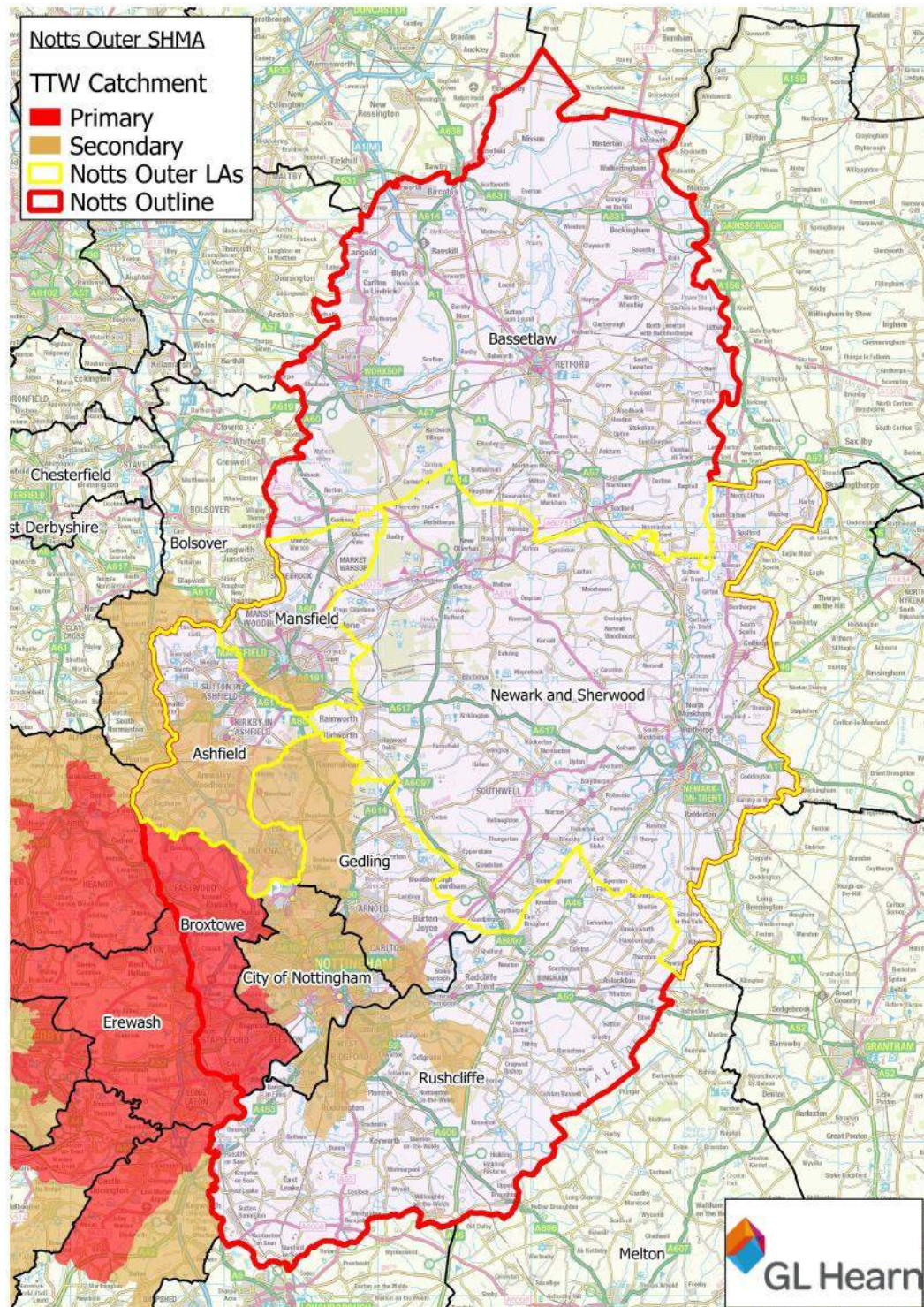
Source: ONS, Census 2011

Figure 119: Derby TTW Catchment (2011)



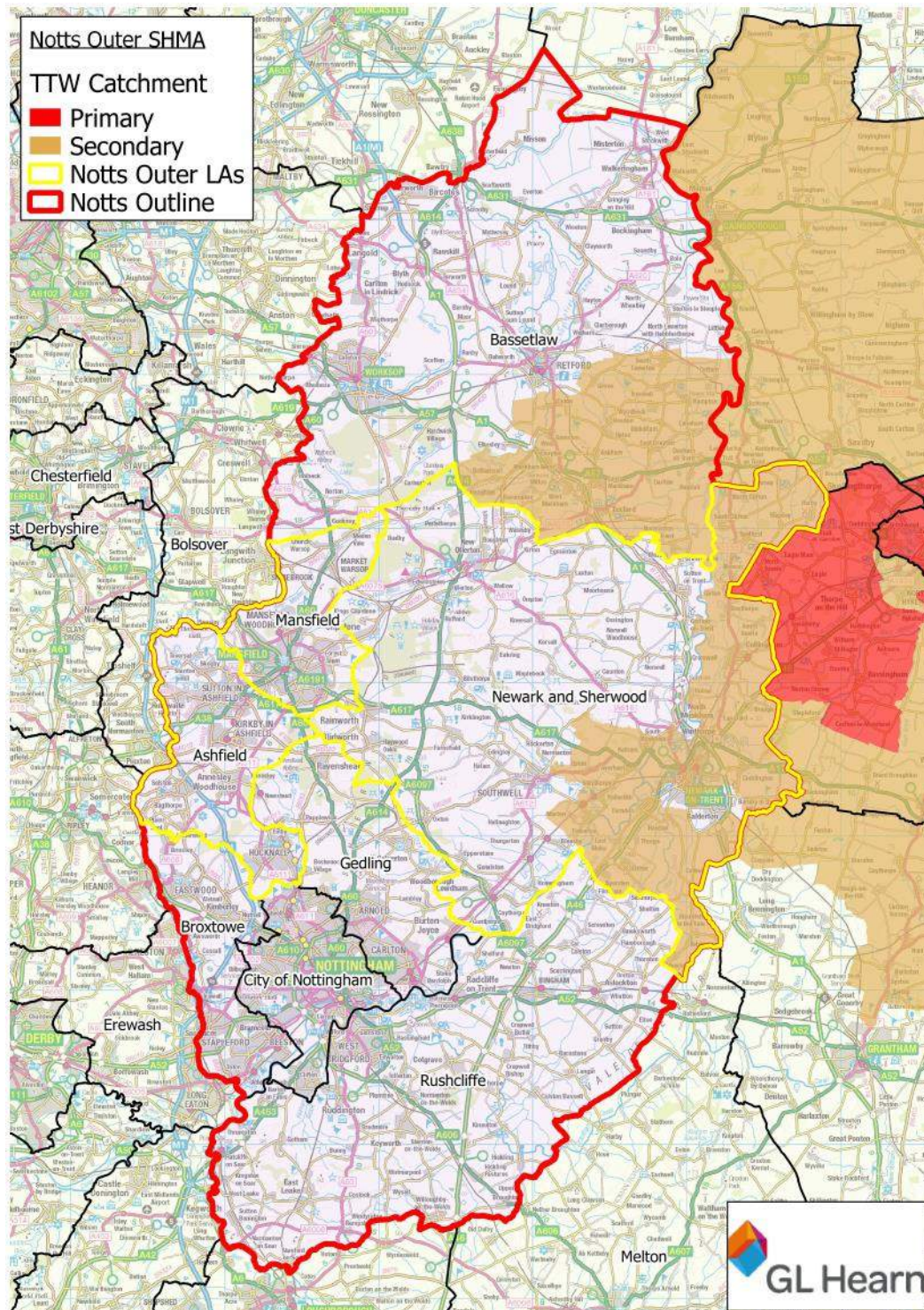
Source: ONS, Census 2011

Figure 120: Ilkeston TTW Catchments



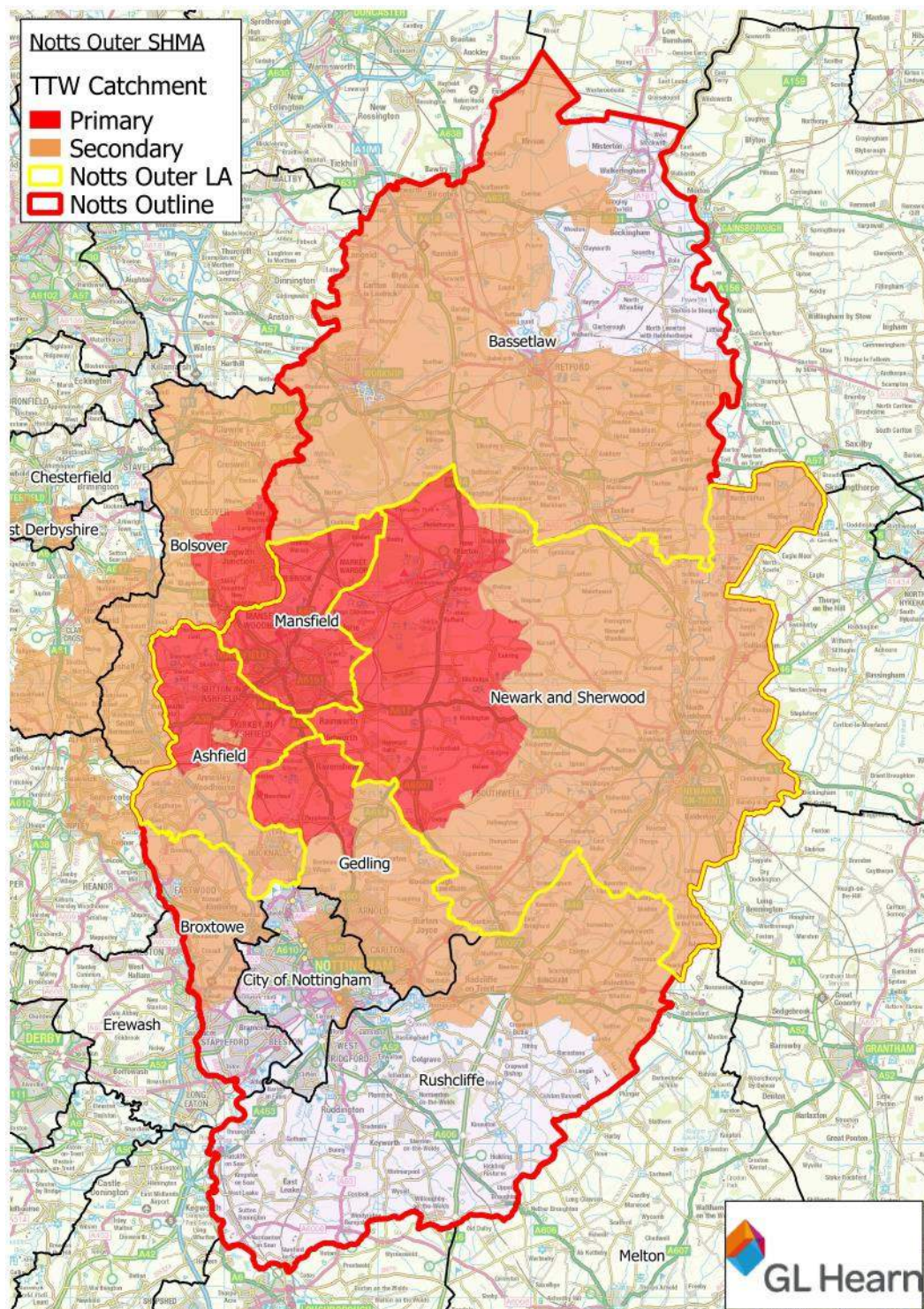
Source: ONS, Census 2011

Figure 121: Lincoln TTW Catchment



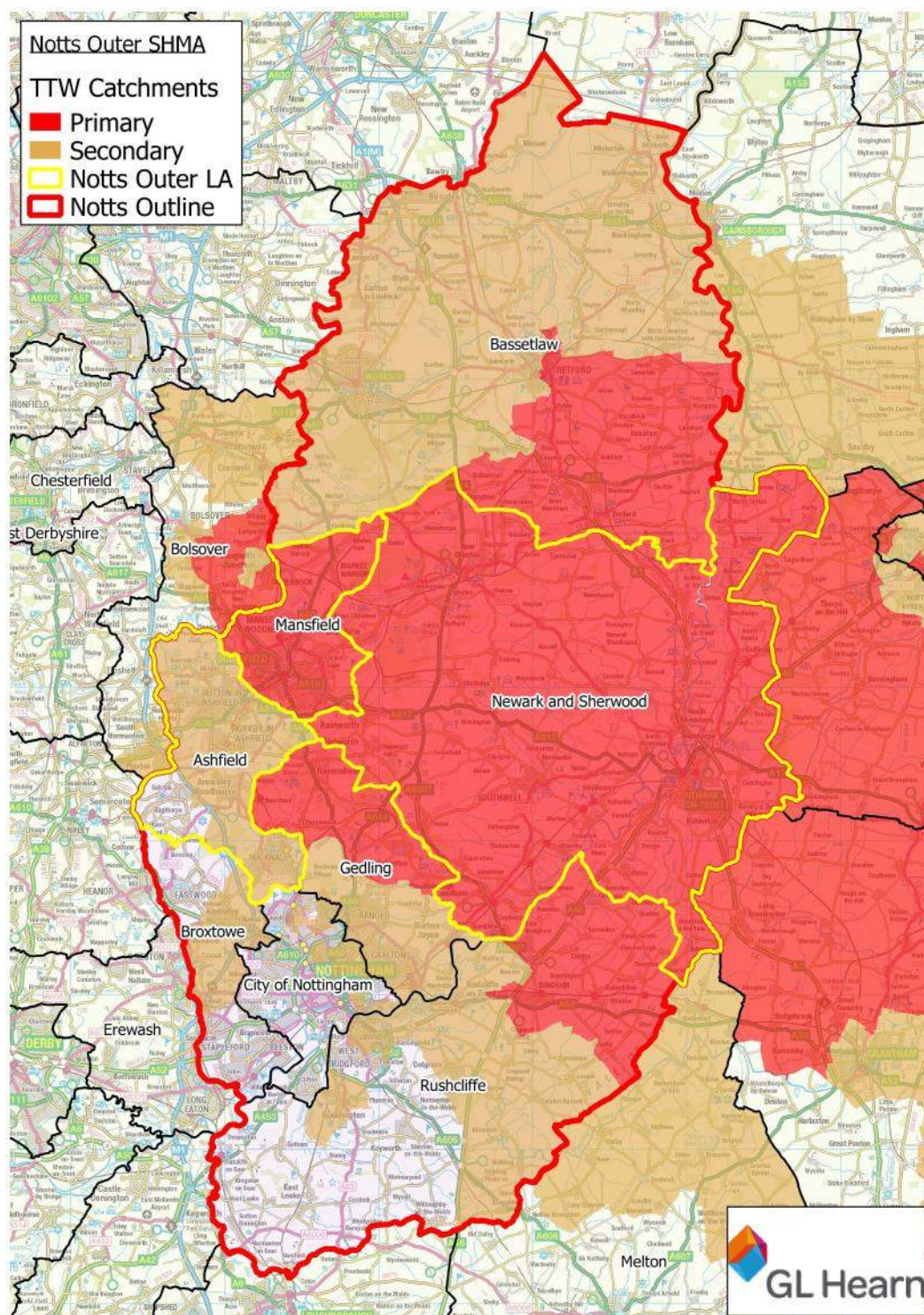
Source: ONS, Census 2011

Figure 122: Mansfield TTW Catchments



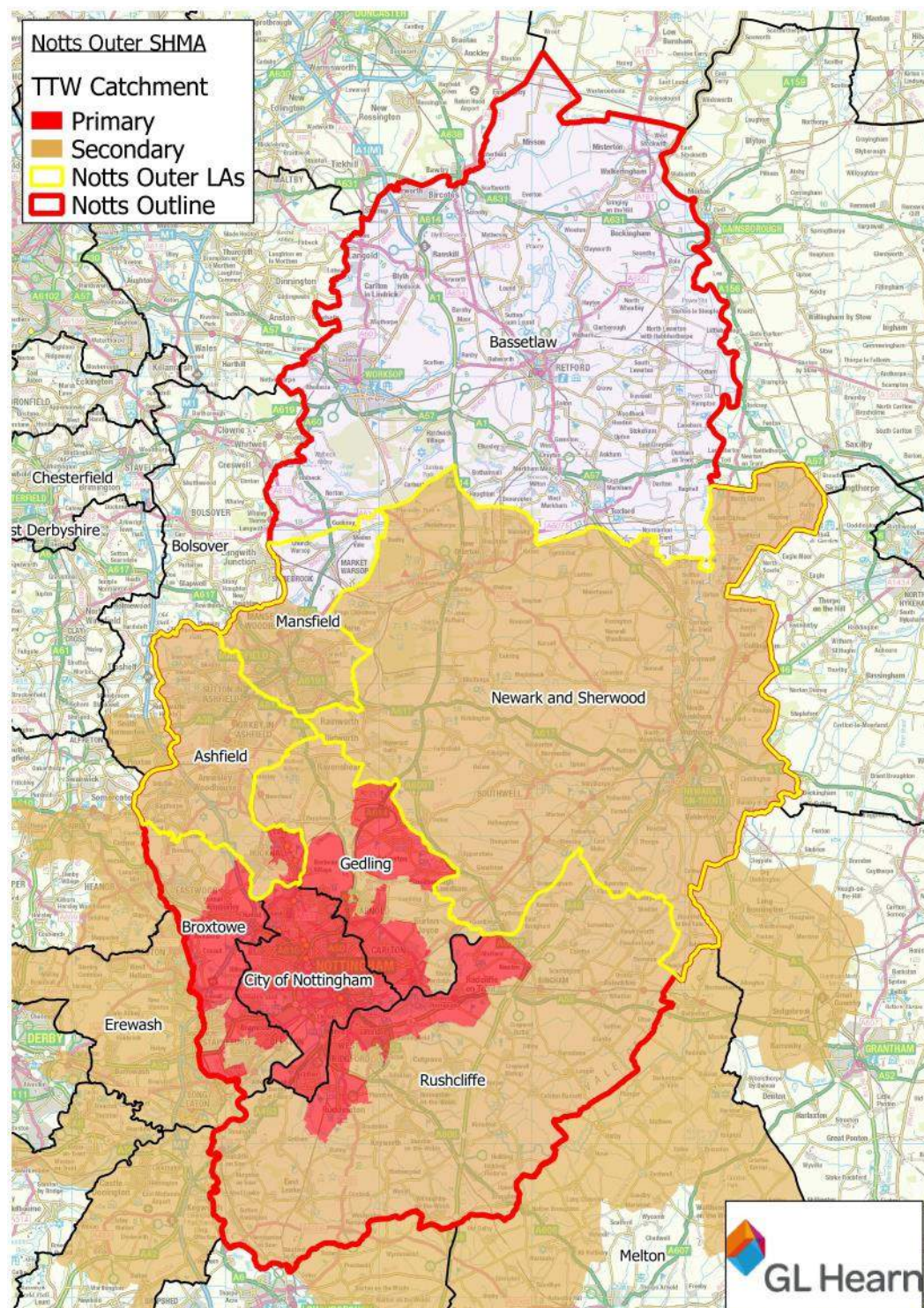
Source: ONS, Census 2011

Figure 123: Newark TTW Catchment



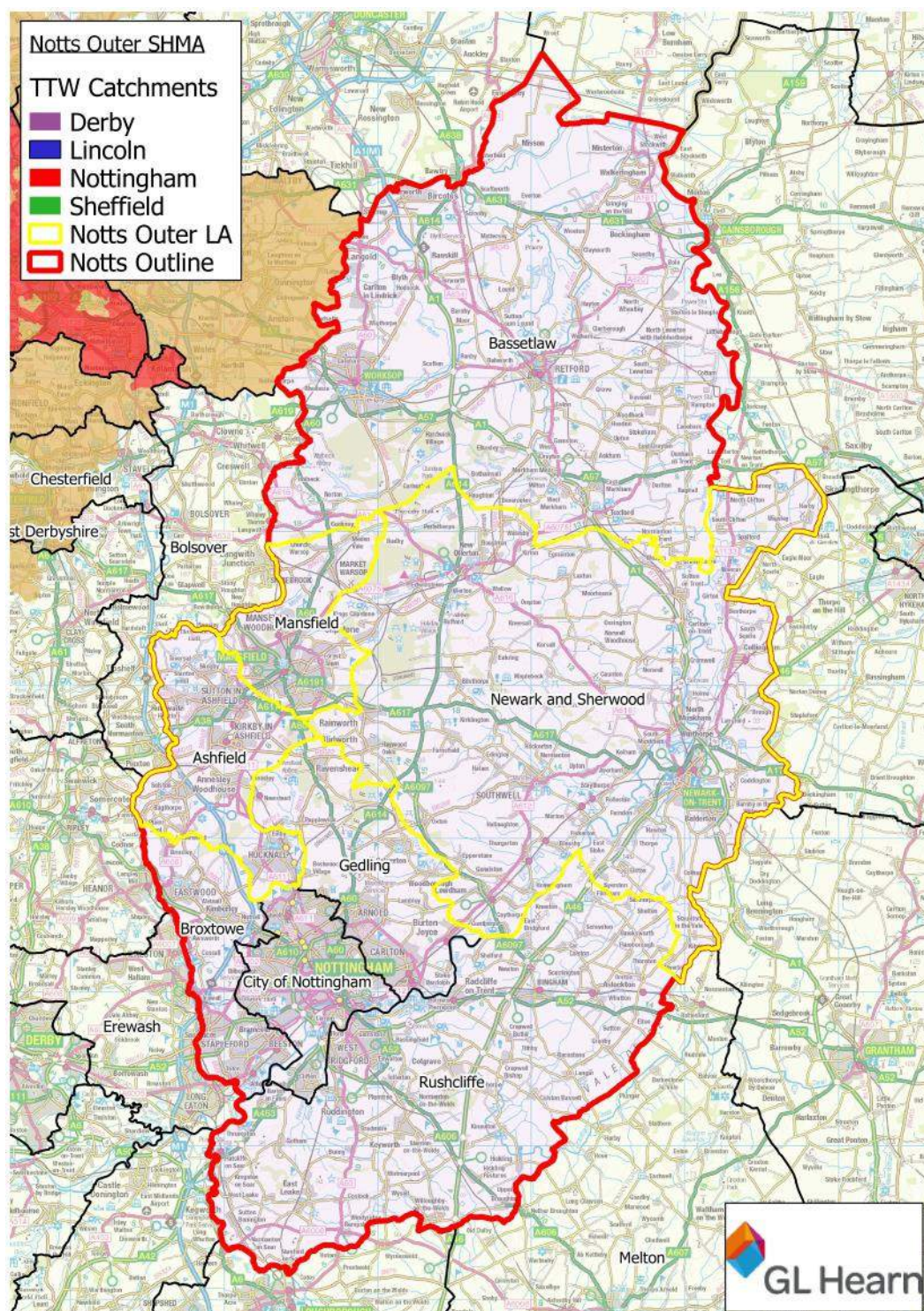
Source: ONS, Census 2011

Figure 124: Nottingham TTW Catchments



Source: ONS, Census 2011

Figure 125: Sheffield TTW Catchments



Source: ONS, Census 2011

APPENDIX B: List of Abbreviations

- AMR – Annual Monitoring Report
- ASHE- Annual Survey of Hours and Earnings
- BME – Black Minority Ethnic.
- BRMA- Broad Rental Market Area
- BRES - Business Register and Employment Survey
- CAGR - Compound Annual Growth Rates
- CCHPR - Cambridge Centre for Housing & Planning Research
- CIL - Community Infrastructure Levy
- CORE- Continuous Recording of lettings and sales of social housing
- CURDs - Centre for Urban and Regional Development Studies
- DCLG- Communities and Local Government
- DWP- Department for Work and Pensions
- EHS - English Housing Survey
- ELFS – Employment Land Forecasting Study
- FTB – First Time Buyer
- GLH – GL Hearn
- HCA – Homes and Communities Agency
- HMA – Housing Market Area
- HMLR – Her Majesty's Land Registry
- HMO- Housing in Multiple Occupation
- HRP – Household Reference Person
- ILO- International Labour Organisation
- JGC – Justin Gardner Consultancy
- LDF – Local Development Frameworks
- LEP- Local Economic Partnership
- LFS- Labour Force Survey
- LHA- Local Housing Allowance
- LIN – Learning and Improvement Network
- LPA - Local Planning Authorities
- LTHPD - Long-Term Health Problem or Disability
- MOD – Ministry of Defence
- MYE – Mid Year Estimate
- NOMIS - National Online Manpower Information System
- NPPF- National Planning Policy Framework
- OAN – Objectively Assessed Need
- ONS- Office for National Statistics
- P.A. – Per Annum
- PAS – Planning Advisory Service
- PCM – Per Calendar Month
- POPPI - Projecting Older People Population Information
- PPG – Planning Practice Guidance

- PRS – Private Rental Sector
- PTAL – Public Transport Accessibility Rating
- REM - Regional Econometric Model
- SHLAA - Strategic Housing Land Availability Assessment
- SHMA - Strategic Housing Market Assessment
- SNPP – Sub National Population Projections
- TTWA – Travel to Work Area
- VOA - Valuation Office Agency

APPENDIX C: Glossary of Terms

Affordability - Affordability is assessed by comparing household incomes against the cost of suitable market housing (to either buy or rent).

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. 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 purposes.

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).

Commuting Ratio - the ratio between those in employment living in a given area and those working in the same area regardless of where they live.

Concealed Households - A household that neither owns nor rents the dwelling within which they reside and which wants to move into their own accommodation and form a separate household.

Current Affordable Housing Need - the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Double Jobbing – The number of people may have more than one job. This can be calculated as the number of people working in each District divided by the number of jobs.

Economic Activity Rate - is the percentage of the population, both employed and unemployed, which constitutes the labour force in a given area regardless of their current employment status.

Employment Rate - a measure of the extent to which people available to work are being used. This is calculated as the ratio of the employed to the working age population.

Existing households falling into need – an estimate of the likely number of existing households which will require affordable housing but do not currently. This group represents the flow of households onto the Housing Register over a given period

Household - One person living alone or a group of people who have the address as their only or main residence and who either share one meal a day or share a living room.

Household Formation Rate – The rate to which any population group are counted as heads of a household.

Housing Market Area – A housing market area is 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.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

Where there is a joint plan, housing requirements and the need to identify a five year supply of sites can apply across the joint plan area. The approach being taken should be set out clearly in the plan.

Housing need - Need for housing in the context of the guidance refers to 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.

Need for all land uses should address both the total number of homes or quantity of economic development floorspace needed based on quantitative assessments, but also on an understanding of the qualitative requirements of each market segment.

Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

Housing type - refers to the type of dwelling, for example, detached, Semi-detached, Terraced, Flats.

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.

Lower quartile - is the lowest value below which 25% of any measure falls. In relation to house prices, it means the price of the house which 25% of sales are less expensive than.

Median- is the value which sits at the midpoint if a set of values are ranked. In relation to house prices, it means the price point of house prices which 50% of sales are more and less expensive than.

Natural Change - the difference between the number of births and the number of deaths in a given area over a given period.

Newly-Arising Need – newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. It is comprised of newly forming households and Existing households falling into need.

Newly forming households – households which form over the plan period who will require affordable housing. This group is restricted to those aged under 45.

Older people - people aged 65 and over, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

Relets – social/affordable rented housing units which are vacated during a period and become potentially available for letting to new tenants, or tenants transferring. Net relets are total relets, or turnover, minus transfers and successions (where the tenancy is transferred to an existing occupant such as the child or spouse of the previous tenant).

Social rented housing - is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Supply of Affordable Housing - drawing on secondary data sources about past lettings this is an estimate of the likely future supply of affordable housing is also made.

Vacancy Rate – an allowance which translates household growth into dwellings. The rate reflects the level of unoccupied household spaces in a given area