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Report

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North Yorkshire Strategic Housing Market Assessment

North Yorkshire Strategic Housing Partnership

November 2011



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For and on behalf of GVA Grimley Ltd

Executive Summary

GVA was commissioned to undertake a Strategic Housing Market Assessment (SHMA) on behalf of the North Yorkshire Strategic Housing Partnership (hereafter NYSHP) in September 2010. The findings of this research will be used to inform each authority's housing policy, Local Development Framework and negotiations on planning applications.

The turbulent economic climate and housing market context at the point in which this research is undertaken makes it an extremely interesting time to evaluate the extent to which the market has evolved, but also presents significant obstacles in forecasting likely trajectories of change forward.

In order to reflect these issues this SHMA provides the NYSHP with a detailed analysis of key indicators, using a number of models and approaches and seeking opportunities to triangulate a range of data sources wherever possible to construct scenarios of likely change. The scenarios therefore present a set of evidence based parameters to help inform policy development.

The SHMA research has utilised a range of robust methodological approaches which have drawn upon a mix of secondary and primary data sources, including a postal household survey and publication of the household survey online to ensure opportunity for wider open engagement and comment. This aligns with the requirements of the latest CLG SHMA Guidance (Version 2 August 2007).

The wide range of primary and secondary datasets used in this assessment includes:

- A primary household survey, undertaken in January 2011. A total of 155,104 household surveys¹ were posted to residents within the sub-region.

¹ Including: 24,244 mailings in Craven, 24,844 mailing in Hambleton, 25,891 mailing in Harrogate, 18,147 mailing in Richmondshire, 18,805 mailing in Ryedale, 18,430 mailing in Scarborough, 23,157 mailing in York and 1,586 mailing to military personnel

The primary data collected through the survey has been augmented with a complete analysis of secondary data sources. Key secondary datasets analysed through this research include:

- Land Registry house price data and Rightmove.co.uk data;
- Council Tax data collated by the individual authorities across North Yorkshire;
- Planning data including historic records of completions and permissions;
- Strategic Housing Land Availability Assessment (SHLAA) data;
- The Council's Housing Strategy Statistical Appendix (HSSA);
- The 2001 Census; and
- A range of existing research documents produced by NYSHP and individual authorities.

SHMA Spatial Geographies

North Yorkshire is one of four sub-regions within the Yorkshire and Humber region. It comprises the six Borough / District Housing and Planning Authorities of North Yorkshire and the City of York Council. In addition the spatial area of North Yorkshire also includes parts of the North York Moors National Park and the Yorkshire Dales National Park planning authorities.

These authorities, alongside North Yorkshire County Council, represent an important sub-regional geography and are all partners on the sub regional housing partnership, which is monitored by the Local Government North Yorkshire and York Housing Board (LGNYH). By commissioning the SHMA on a sub-regional basis this report provides a uniform level of sub regional data about housing markets, housing needs and housing demands for all six Boroughs / Districts, the two National Parks and the City of York.

The geographical area of the study areas is significant, extending 80 miles from north to south and 130 miles from east to west. This area incorporates a significant amount of variety in physical, economic and housing market terms. The North Yorkshire sub region accounts for approximately 15% of the Yorkshire and Humber population, but over 50% of its land mass, which is illustrative of the rural nature of large parts of the geography.

Recognising the importance of developing an evidence base that enables strategic analysis to be undertaken alongside local analysis the SHMA uses a range of geographies. Differing levels of detail are available for the geographies listed below. For ward geographies and below it is important to note that the secondary and primary data becomes less robust and the findings should be considered in light of this limitation:

- North Yorkshire – analysis is presented for the whole of North Yorkshire. New primary data has not been collected for Selby. However, where possible data has been brought across from the recently conducted HMA for the authority;
- Strategic sub-markets – these sub-market areas were previously formulated to inform regional planning policy and include for example the Leeds City Region, a portion of which covers North Yorkshire and the York sub area which is defined by the functional market links to the City of York;
- Local Authorities – this geography represents the fundamental building block of planning policy and is given precedence within the research;
- Local Authority sub-markets – each authority has been broken up into a number of ‘sub-markets’. These sub-markets are intended to represent a combination of functional (i.e. travel to work areas and areas of market search) and policy definitions;
- Wards – core datasets have been disaggregated down to a ward level to help inform local policy. The data collected through the household survey has also been geo-coded to individual Parishes to enable future analysis at this small geographical level by the authorities.

Understanding the Stock Profile

An understanding of the areas housing offer, in particular the profile of its existing stock, provides a valuable foundation from which to assess both the health of the current market and the capacity for the stock to match future housing requirements. North Yorkshire contains a total of 356,239 dwellings of which 9,200 are vacant, resulting in a total dwelling occupancy level of approximately 347,039 and a vacancy rate of approximately 2.6%, as at 2009/10.

Consideration of the individual authorities reveals that City of York represents just over 20% of total housing stock across North Yorkshire, with almost 85,000 properties. Harrogate contains the second largest stock volume with almost 69,000 properties, followed by Scarborough containing 55,600. The other authorities all contain less than 40,000 properties. Ryedale and Richmondshire contain the lowest total stock numbers.

Levels of vacancy are low in all authorities and Richmondshire and Selby in particular record notably low levels of empty properties; considerably below the 3% level often associated with a general allowance for 'churn' (sales/re-let turnover). City of York has the lowest level of long-term empty homes representing just 0.5% of total stock.

The authorities of North Yorkshire have all experienced new housing development over recent years on varying scales. Between 2004 and 2010 a total of approximately 16,950 new units have been delivered across North Yorkshire. This equates to an average of just over 2,800 per annum. The pace of development has varied considerably over this time. Over recent years the highest net development level was recorded in 2006/07 with a steady fall off in subsequent years. Levels have reduced significantly in line with national trends linked to the onset of the 'credit crunch' and subsequent recessionary economic climate.

At an authority level City of York has brought forward over a quarter of all North Yorkshire's new dwellings, delivering almost 4,700 properties between 2004 and 2010. Selby, Scarborough and Harrogate have all also delivered relatively large shares of development across the area (respectively constituting 18%, 14% and 15% of the total). More detailed spatial analysis suggests that, in line with planning policies, this supply has been directed towards the existing larger urban settlements.

North Yorkshire's stock profile is heavily dominated by private sector ('market' housing), with the proportion of properties within the social rented tenure below the national average. Whilst the authorities have successfully enabled the delivery of affordable / social rented properties, in proportional terms this has not kept pace with the development levels of market housing and social rented housing now represents a reduced proportion of total stock. Moreover, the tenure profile of stock is not uniform across the authorities.

Analysis of the types of dwellings across North Yorkshire and the individual authorities, using information from the 2001 Census – which provides the latest definitive

breakdown – highlights that the area stands out as having a high proportion of detached dwellings (33.4% of total stock), when compared with a national average of 22.9%. Hambleton, Ryedale and Selby stand out in particular, with detached properties constituting more than 40% of total stock in each authority.

This stock profile has an impact on the distribution of properties by size. The 2011 Household Survey provides an up-to-date profile of the number of bedrooms in properties across the study area. Again the area demonstrates distinct trends, with a high proportion of larger 4+ bedroom properties (26% of total stock), with Harrogate and Hambleton in particular recording comparatively high proportions. However, of all occupied properties across North Yorkshire, 3-bedroom properties are the most common, representing almost 40% of stock, with this trend true across all of the authorities. A similar profile was identified through Selby's HMA - with a high proportion of larger detached properties noted as an important characteristic of the stock in the authority. Scarborough, however, does show a more unique profile in the North Yorkshire context, with a considerably higher representation of 1 and 2 bedroom properties (12% and 29% respectively) than the other authorities and conversely a lower proportion of larger properties.

The quality of the housing stock represents an additional layer of information in understanding the housing offer across North Yorkshire. The 2011 Household Survey provides an estimate of the number of households considering themselves to be living in housing suffering from serious disrepair. Across North Yorkshire the survey identified that almost 12,600 households considered their property to be in this state, constituting approximately 4% of total households. Ryedale, Hambleton and Harrogate recorded the highest percentages, although rates were relatively consistent across all of the authorities.

The Key Drivers underpinning Change in the Housing Market

Official Statistics (released by the ONS) suggest that the population of North Yorkshire has risen by approximately 42,500 since 2001, representing a 5.7% rise over nine years. This growth across the area is driven by varying levels of population change across each of the individual authorities. City of York is estimated to have seen the greatest absolute level of population increase, a growth of over 16,000 persons (9% increase). In proportional terms Richmondshire is estimated to have seen the highest level of

growth over this period, with a growth of just over 10%². Harrogate and Selby have both also seen high levels of absolute growth, at over 5,000 people each (3.5% and 7.5% increase respectively). The lowest level of growth has been recorded in Craven in absolute terms, where the population has only grown by 2,200 people (4.1% increase) and in proportionate terms in Scarborough where the population has increased by only 2.5%.

This population uplift has been driven by a range of demographic factors. Migration into North Yorkshire has represented a key driver behind this growth with the balance of natural change (births minus deaths) actually showing a negative change (i.e. a reduction in the population linked to this component of demographic change). The split between international and internal (i.e. originating from within the UK) is relatively even, with both components clearly having a significant role in the levels of growth estimated to have occurred across the area.

These migratory flows are primarily driven by people aged between 30 and 64. Across North Yorkshire there is a net outward migration trend of households aged between 20 and 29 reflecting the relatively footloose nature of people of this age and the role of movements associated with studying, working and lifestyle choices.

When considering the individual authorities, there are evident differences between the roles of the three demographic components in driving the growth in population since 2001. City of York, Harrogate and Richmondshire are all estimated to have experienced high levels of net international migration, while in Hambleton, Ryedale, Scarborough and Selby net internal migration has represented the primary driver of growth. Importantly the age of migrants also differs across authorities; the majority follow the North Yorkshire trend outlined above. However, City of York stands out as having a large level of in-migration of households aged between 15 and 19 reflecting the movement of students into the City. Selby also has a lower average age of migrants, with net growth in people aged between 20 and 44 and Harrogate has a fairly healthy net level of people migrating in aged between 20 and 24. Natural

² Note: The analysis within Section 7 highlights potential estimation errors affecting authorities to differing degrees in terms of the official population estimates and future projections. The findings of Section 7 recognise that further research is required beyond the scope of this study to validate and update these datasets.

change is the least significant component of change and in some districts, such as Scarborough, Ryedale and Craven, the trend of a natural decrease (i.e. more deaths than births) is evidenced linked to this component.

The economy also represents an important driver of population and household growth. Over recent years the area has benefited from the economic growth of its primary urban centres and their proximity to other drivers of employment growth such as Leeds. The workforce across North Yorkshire has also been consistently productive with high levels of economic activity compared to national averages and low levels of unemployment (on average between 2004 and 2009 unemployment across North Yorkshire was 1.9% lower than England). Importantly in relation to individual incomes and housing aspirations the workforce also includes a high proportion of professional occupations / managers compared to other regional and national benchmarks.

The 2011 Household Survey provides data regarding the changing economic circumstances of households following the credit crunch and 2009 recession. This reveals that across all housing tenures there has been a fall in full-time employment levels between 2008 and 2010, with households in the private rented sector appearing to have been affected to the greatest extent. Against the full range of employment indicators households in the social rented sector appear to have been most affected, with falls in full, part and self-employment and a 2.4% rise in unemployment.

These economic trends are reflected in the profiling of household incomes. Across North Yorkshire average (median) household incomes are relatively high. In addition households on average record relatively high levels of savings and/or have significant equity in property. These trends however, also mask the fact that there are a significant number of households with lower incomes whose ability to exercise choice in the housing market is considerably more limited.

Whilst household growth, employment status and the income of households form important drivers in understanding the operation of the housing market, house price transactions and private rental activity represent a direct indicator of the health of the market. Across North Yorkshire the analysis has shown that house prices now are considerably higher than they were in 2000 despite more recent market fluctuations. Considering recent trends, housing market values peaked across North Yorkshire, as

with the rest of the UK in late 2007, at which point the average property price was just over £200,000. A period of marked decline resulted in prices dropping to £167,000 by June 2009, prior to rising back to the current average of almost £180,000. Scarborough and Selby stand out as having lower average house prices across North Yorkshire. Harrogate, in particular, represents a contrast and records very high average house prices. The authority even demonstrates high values when considered within a national context, which takes account of the uplift effect of markets in London and the South East.

These high average house prices continue to pose affordability challenges with negative implications for the mobility of important component household groups within the housing market. Analysis of households' previous moves, and their expectations going forward, drawn from the 2011 Household Survey, demonstrate the impact of these problems in the market. The benchmarking of access to different tenures has highlighted that a significant proportion of households are essentially unable to exercise genuine choice within the market as a result of their current limited financial capacity (when considered against current house prices and rents). This is in part driven by a proportion of households having low incomes but also, as a result of tightening mortgage lending regulations, increasingly affecting households with higher incomes but low levels of savings or no equity in property (either first time buyers, 'second steppers' or households that bought at the peak of the market).

The private rental market has continued to play an increasingly important role in many of the housing markets across North Yorkshire. In areas such as City of York and Harrogate the development of new apartment schemes have continued to grow this sector of the housing stock in recent years. This tenure caters for a wide range of households including younger households, and also students in the case of City of York, as well as families and older person households. Looking at the distribution of private sector rents paid by households (sourced from the 2011 Household Survey) City of York and Harrogate have considerably higher proportions of households paying rents above £650 per month than the other North Yorkshire authorities, contrasting in particular with areas such as Scarborough where rents are considerably lower. These trends have also been confirmed through a detailed audit of advertised rental prices in each authority. It is important to recognise however, that the available supply of private rented properties is not evenly distributed across or with each

authority, with many of the more rural parts of North Yorkshire having limited quantities of stock of this tenure.

Estimating Future Demand for New Housing

The SHMA research has included a detailed and robust assessment of the likely future change in the number of households across North Yorkshire. The projected growth or decline in household numbers represents a fundamental consideration in understanding the likely future demand for housing.

A range of population and household scenarios have been developed in recognition of the changing nature of the markets and the wider drivers considered above. These take account of demographic, economic and policy factors. This process has utilised the POPGROUP demographic model - drawing upon the expertise of Edge Analytics.

Three core scenarios have been presented within the analysis; firstly the Sub-National Population Projection (SNPP) trend data published by the ONS, secondly a scenario showing growth solely linked to natural change with the impact of migration removed from the projection and, thirdly, a scenario which constrains the population to forecast levels of employment change.

Each of these scenarios produces a range of estimated levels of household growth across North Yorkshire. Under the SNPP scenario, after population has been converted into households, the modelling projects a growth of almost 77,000 households between 2008 and 2026. This is moderated significantly under the natural change scenario with a growth of only 34,500 households projected, recognising that this remains a hypothetical scenario which could never in reality be realised. However, under the employment-constrained scenario a higher level of growth is projected. York has been excluded from this modelling with alternative research already prepared for the authority and cited in Section 7; however, with the exception of Selby this scenario shows a higher level of growth for each of the other authorities across the County³. Whilst the research assumes that the SNPP scenario represents a

³ Note: The employment forecasts upon which this scenario are based are detailed in Section 4. It is important to recognise that these are 'policy-off' projections produced regionally and do not necessarily reflect separately produced local authority forecasts.

moderate estimate of potential growth based on the information available, a number of sensitivities are presented which suggest that levels of growth could in fact be slightly lower than this scenario implies. This relates to:

- The demographic assumptions underpinning the ONS/ DCLG released projections. In particular the analysis questions the validity of assumptions around the high levels of international migration projected forward within the datasets based on comparisons with other datasets (GP registrations, NINO – National Insurance Number applications). This is likely to impact in particular on the high levels of growth projected in City of York and Richmondshire with a more moderated level of growth considered more likely based on lower future net levels of international migration into these authorities;
- Potentially reduced commuting patterns and reductions in inward migration linked to rising travelling costs and the affordability of many parts of North Yorkshire. Whilst not quantitatively assessed for their impact these factors are considered likely to have a suppressive role on the rate of growth in the long-term;
- Historic development rates. The supply of new housing has fallen considerably over recent years and even at its peak was not delivering at the levels annually that would be required to meet the households growth projected in the SNPP scenario. At a simple level future household growth will be constrained with supply. The result of a lack of new development will potentially be a net reversal of migration trends and potentially an increase in commuting trends: and
- Future household formation rates. Affordability issues and reduced household mobility have resulted in average household sizes changing less quickly than previously assumed in iterations of the DCLG Household Projections. Without a significant uplift in the development of new housing this trend is likely to continue impacting on the number of households that are able to form and potentially exacerbate incidents of over-crowding and the number of concealed households.

The analysis of population and household projections has included a detailed breakdown by age and household type. This clearly illustrates that within any

demographic led scenario the population will age significantly across North Yorkshire, with this particularly pronounced in a number of authorities. For example, in 2001 22% of the Hambleton population were aged over 60. However, under the SNPP projection this is estimated to rise to 38% by 2026. Whilst the rates of growth are slightly lower, this trend is replicated in the other authorities. The continued assumed immigration of younger households into City of York means this trend is moderated to a greater extent within this authority, with the comparative figures rising from 21% to only 25%.

This trend is reinforced when considering changes in household type. This demographic profile is translated into projected rises in single person and couple households, many of which are classified as older persons. Many of the authorities show low levels of projected growth in family households, with the absolute numbers actually declining in a number of authorities over the projection period.

The changing population and household profile will have an impact on the types and sizes of property in demand and required in the future. The growth in single person households projected would point, in the longer-term, to a high level of demand for smaller properties. Whilst a number of the household projections suggest that across North Yorkshire the increase in family households is likely to be limited, these household types have played an important part in the growth of these areas in the past. The larger settlements of North Yorkshire, including City of York and Harrogate, have been successful at attracting business investment and generated jobs over recent years. Forecasts suggest that this trend will continue, albeit at a reduced pace. Therefore in order to ensure the generation of sustainable communities, and to curb an increase levels of commuting, it will be important for these areas to continue to be able to attract the inward migration of new working-age people. The delivery of appropriate family housing which matches household's aspirations will therefore form an important component of the overall provision of new housing. Finally, the projected increase in the numbers of older person households requires careful consideration in terms of both the types of housing which will need to be delivered as well as its location.

Understanding the Requirements in the Future for Affordable Housing

Tightening mortgage lending criteria, coupled with job losses and reductions in income, have created a significant demand pressure for non-market housing. The affordability benchmarking has clearly illustrated this issue when comparing household income levels against the price of entry into different tenures.

The SHMA research has included a calculation of housing need using the methodology set out in the CLG SHMA Guidance. This calculation of housing needs indicates that the authorities of North Yorkshire (excluding Selby) will be required to provide for a net annual affordable housing need of approximately 2,808 dwellings per annum over the next five years in order both to clear the existing backlog of households in need and meet future arising household need.

This requirement for affordable housing is distributed across the individual authorities. In absolute terms City of York, Harrogate and Scarborough have the highest levels of annual need for new affordable properties, 790, 507 and 457 respectively.

Whilst affordability issues are common across the majority of North Yorkshire, City of York, Harrogate, Scarborough and Hambleton all record the highest numbers of households classified as currently in need. Contrasting the numbers of households classified in need against the total number of households shows Hambleton as having a significant proportion of its households in housing need (5% of households). Scarborough shows the same proportion of households in need reflecting in significant part the comparably low income levels of a large proportion of the population as well as the more transient nature of elements of the population in some of the coastal settlements. In proportional terms Craven and Ryedale have the lowest proportion of households classified as in need, 2% and 3% respectively.

Testing the supply of affordable housing against need/demand requires careful consideration of the size of housing required to meet housing needs. The research suggests that a shortfall exists in smaller properties across all authorities. Given the high requirements noted above for this size of property this is not surprising, in addition the stock profile of many of the authorities is skewed towards larger family properties across all tenures.

Whilst there is a greater imbalance in the supply of smaller affordable properties, many of the authorities also have a shortfall of larger properties. Whilst the supply profile may be skewed towards larger houses, turnover of these traditionally 'family' orientated properties is also considerably lower than for smaller properties. This means that the capacity to absorb new need is reduced significantly, particularly with turnover rates falling considerably overall in recent years. City of York in particular stands out as having a greater evidenced imbalance of larger family properties. The existing stock profile is an important determining factor, with a greater proportion of existing supply made up by smaller flatted properties than in many of the other authorities.

Issues around the cost of servicing accommodation, maintaining and repairing the property and a state of serious disrepair are all important factors in driving the high numbers of households classified as in need. The demographic profile of the area, with a high proportion of older person households, has a marked impact on the types of specific support needs which are most prevalent. Almost 8,600 older person households classified themselves as having age related illness or disability driven support needs, with Harrogate, Scarborough and City of York in particular showing very high absolute numbers. This high representation of older person households is also likely to be a determining factor in the large numbers of households classifying themselves as having support needs relating to a physical disability, both for wheelchair and non-wheelchair users, which constitute over 15,000 households across North Yorkshire in total.

The 2011 Household Survey revealed a relatively high average number of households falling into need annually who previously lived in market housing. The impact of employment uncertainties, sustained high average house prices and a lack of growth in incomes are all likely to continue to place ever greater pressure on existing affordable housing. Indeed, the local level analysis of affordability issues suggests this is particularly a problem within many of the more rural areas where the availability of non-market housing, on the whole, is more limited.

Looking forward in the longer-term (i.e. beyond the next five years) it is difficult to accurately assess how house prices, and the financial requirements of households to obtain mortgage credit, will change. Clearly these are important informing influences on the future split of market and affordable housing required. Examining a number of

the longer term drivers of change, for example employment forecasts, suggests that growth in the economy will be relatively limited over the next ten years suggesting that households ability to access housing is unlikely to improve significantly. Equally the low levels of supply of new housing, both market and affordable, are likely to result in sustained elevated house prices suggesting that the demand for non-market housing is unlikely to abate over the foreseeable period.

Considering in more detail Household Groups with Specific Housing Requirements

The SHMA analysis has clearly highlighted that the demographic and economic profile of North Yorkshire and the individual authorities within is likely to change over the timeframes considered in this research. The operation of the housing market will respond to these drivers and in part play its own role in shaping their influence and direction of travel. Different household groups will be affected by these changes in different ways.

The research has focussed additional attention on the housing needs of a number of groups either considered to have specific housing requirements that require careful consideration now and in the future, or considered to represent a specific segment of the market which is likely to be particularly dynamic and therefore requiring careful monitoring, going forward. These include:

- Older person households;
- Young family and single person households;
- Households with support needs / adaptations;
- Homeless people;
- BME households; and
- Gypsies, Travellers and Showpeople

Future Monitoring

In order for the findings of the assessment to continue to inform and help shape policy, it will be necessary for the authorities and other partners to monitor future

changes in the housing market and the underlying drivers examined in this research. Changes to the assumptions will have an impact on the short and long-term projections of household demand and the requirements for different tenures and sizes of housing.

The figures presented in this report are based upon up-to-date data and information. Evidence of market deviation from future trends and assumptions presented will need to be taken into account in the development of policy. This approach is part of the plan, monitor and manage approach required for the LDF evidence base.

1. Introduction to the SHMA

1.1 GVA was commissioned to undertake a Strategic Housing Market Assessment (SHMA) on behalf of the North Yorkshire Strategic Housing Partnership (hereafter NYSHP) in September 2010. The findings of this research will be used to inform each authority's housing policy, Local Development Framework and negotiations on planning applications.

Purpose of the Assessment

1.2 The purpose of the commission as defined within the brief set by the NYSHP is two fold:

- To provide a SHMA undertaken in accordance with government guidance and meeting PPS 3 requirements; and
- To assist in supporting the Councils to fulfil their strategic housing role in planning housing investment that meets the needs of the community.

1.3 In order for the findings of the assessment to continue to inform and help shape policy, it will be necessary to continually monitor changes in the housing market and the underlying drivers examined in this assessment.

SHMA Requirements: CLG SHMA Guidance (2007) and National Planning Policy Statements PPS12 and PPS3

1.4 PPS12 clearly sets out the important role that spatial planning can make in the context of place making and delivering housing. In particular it emphasizes the importance of spatial plans in:

- Setting an appropriate supply and timing of development land for housing;
- Setting a clear framework for infrastructure provision that is essential for "sustainable communities"; and
- Facilitating delivery of affordable housing through the private sector

1.5 There is consistent emphasis throughout the PPS, as well as advice given by Planning Inspectors, on the importance of a robust evidence base upon which appropriate

local policy responses can be devised. Undertaking SHMAs, housing need assessments and tests of economic viability can all contribute to a robust evidence base for policy.

- 1.6 The importance of the evidence base in the formulation of policy is emphasised throughout PPS3. The latest iteration of the national policy document sets a significant challenge for SHMAs, SHLAAs and other housing evidence to provide clear quantifiable steers regarding the balancing of housing demand and land supply to ensure that policies are predicated on a robust and transparent rationale. Paragraph 22 in particular clearly states the role of the SHMA in providing the following outputs to inform Local Development Documents (LDDs):
- The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing;
 - The likely profile of household types requiring market housing e.g. multi-person, including families and children (x%), single persons (y%), couples (z%); and
 - The size and type of affordable housing required.
- 1.7 The DCLG released in August 2007 its final guidance 'Strategic Housing Market Assessments – Practice Guidance'. This Guidance sets out a framework that local authorities and regional bodies can follow to develop a good understanding of how housing markets operate.
- 1.8 The Guidance recognises that housing markets are dynamic and complex and as a result strategic housing market assessments are not intended to provide definitive estimates of household need, demand and market conditions. However, they can provide valuable insights into how housing markets operate both now and in the future. They should also provide a fit for purpose basis upon which to develop planning and housing policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand.
- 1.9 The approach taken within this SHMA follows this guidance and addresses each of the core outputs set out in Table 1.1 and the process checklist set out in Table 1.2. Table

1.1 from the Guidance is replicated below with an additional column outlining within which section the core output is addressed within this report. Appendix 10 sets out compliance with the process checklist outlined within the Guidance and PPS3 key requirements.

Figure 1.1: Compliance with CLG Guidance Core Outputs and PPS 3 requirements

SHMA Guidance – Core Outputs Table 2.1	PPS 3 - Paras 22 & 29	Report Section in which Key Outputs are presented and analysed
Output 1 - Estimates of current dwellings in terms of size, type, condition, tenure		Section 5
Output 2 - Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market.		Sections 4 and 6
Output 3 - Estimate of total future number of households, broken down by age and type where possible	The likely profile of household types requiring market housing e.g. multi-person, including families and children (x%), single persons (y%), couples (z%).	Section 7
Output 4 - Estimate of current number of households in housing need		Section 8
Output 5 - Estimate of future households that will require affordable housing	Set an overall (i.e. plan-wide) target for the amount of affordable housing to be provided. The target should reflect the new PPS definition of affordable housing.	Section 8
Output 6 - Estimate of future households requiring market housing	The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing	Sections 7 and 8
Output 7 - Estimate of the size of affordable housing required	The size and type of affordable housing required / Specify the size and type of affordable housing that, in their judgement, is likely to be needed in particular locations and, where appropriate, on specific sites.	Section 8
Output 8 - Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people,		Section 9

young people, etc...		
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Source: GVA, 2011

Methodological Approach

- 1.10 The turbulent economic climate and housing market context at the point in which this research is undertaken makes it an extremely interesting time to evaluate the extent to which the market has evolved, but also presents significant obstacles in forecasting likely trajectories of change forward.
- 1.11 In order to reflect these issues this SHMA provides the NYSHP with a detailed analysis of key indicators, using a number of models and approaches and seeking opportunities to triangulate a range of data sources wherever possible to construct scenarios of likely change. The scenarios therefore present a set of evidence based parameters to help inform policy development.

Data Sources – Utilising Primary and Secondary Sources of Information

- 1.12 The SHMA research has utilised a range of robust methodological approaches which have drawn upon a mix of secondary and primary data sources, including a postal household survey and publication of the household survey online to ensure opportunity for wider open comment. This aligns with the CLG Guidance which advocates that the SHMA research can draw from a range of primary and/or secondary data sources:

“Whether a strategic housing market assessment is based upon secondary or survey data should not be a factor in determining whether an assessment is robust and credible. No one methodological approach or use of a particular dataset(s) will result in a definitive assessment of housing need and demand. The quality of the data used is the important consideration in determining whether an assessment is robust and credible rather than its nature.”⁴

- 1.13 The approach undertaken within this research has been to use new and updated primary and secondary data to develop a robust understanding of the operation of the housing market across North Yorkshire.
- 1.14 Where data is available from a number of sources (secondary and survey based) a process of triangulation has been conducted. The purpose of triangulation in qualitative research is to increase the credibility and validity of the results. Triangulation is a technique that facilitates validation of data through cross verification from more than two sources. In particular, it refers to the application and combination of several research methodologies in the study of the same topic.
- 1.15 Throughout the assessment the application of this technique has involved comparing, contrasting and where relevant aligning information from a mixture of sources to ensure, based on the professional judgement of the research team, that the most up-to-date and locally reflective information has been utilised. This serves to further ensure that the findings of the SHMA are robust and credible.
- 1.16 The wide range of both primary and secondary datasets used in this assessment include:
- A primary household survey, undertaken in January 2011. A total of 155,104 household surveys⁵ were posted to residents within the sub-region. The survey was also made available online to facilitate wider open comment. Following the survey a number of booster telephone interviews were undertaken across the sub-region to ensure minimum targets were reached

⁴ CLG Strategic Housing Market Assessments Practice Guidance – Version 2, 2007, pg 11

at sub-area level. A summary of the methodology adopted including the approach to representative sampling is included in Appendix 10. A total of just over 16,000 responses (representing over 5% of total households across North Yorkshire) were received from the postal survey and telephone boosters⁵. The results of this survey provide an important source for a number of the key calculations in the research, including the projection of future demand and need. Key data collected includes a robust assessment of household's current financial situation, critical in the current economic and financial climate, recent moves and future aspirations / expectations broken down into particular household groupings.

- The primary data collected through the research has been augmented with a complete analysis of secondary data sources, key datasets analysed through this research include:
 - Land Registry house price data and Rightmove.co.uk data;
 - Council Tax data collated by the individual authorities across North Yorkshire;
 - Planning data including historic records of completions and permissions;
 - Strategic Housing Land Availability Assessment (SHLAA) data;
 - The Council's Housing Strategy Statistical Appendix (HSSA);
 - The 2001 Census; and
 - A range of existing research documents produced by NYSHP and individual authorities.

1.17 The SHMA therefore draws upon the most robust data available at the point of time of the research in order to allow definitive conclusions to be reached regarding the current and future market.

⁵ Including: 24,244 mailings in Craven, 24,844 mailing in Hambleton, 25,891 mailing in Harrogate, 18,147 mailing in Richmondshire, 18,805 mailing in Ryedale, 18,430 mailing in Scarborough, 23,157 mailing in York and 1,586 mailing to military personnel

⁶ Note: In total 15,641 surveys were used within the analysis which constituted a 10.2% response rate

Household Survey

- 1.18 The household survey conducted as part of this research represents an important component of the SHMA evidence base. The survey has been designed to achieve statistically robust samples of household responses reflecting the demographic and housing structure of the authority. Survey results are targeted based on quotas, to ensure that results are statistically robust at a sub-market area level.
- 1.19 The final data collected from the surveys is weighted to ensure the survey sample is representative of the population of North Yorkshire. Two types of weighting are used as part of this process: post-stratification weighting and projection weighting ('grossing up').
- 1.20 Post-stratification weighting takes account of the extent to which the percentage of returns deviates from the percentage of households estimated to be in each category, before the sample is grossed up to population totals. Further detail of the analytical approaches adopted is provided in Appendix 10.

Figure 1.2: Sub-Area Returns

North Yorkshire Household Survey – Returns				
Local Authority	Sub-area	Number of Returns	Weighted Returns	% of Weighted Returns
Craven	Craven: High Bentham	444	3,579	13.7%
	Craven: National Park & Rural Craven	237	1,769	6.8%
	Craven: Settle	486	4,163	16.0%
	Craven: Skipton	1,510	16,554	63.5%
	Total	2,677	26,065	100.0%
North Yorkshire Household Survey – Returns				
Local Authority	Sub-area	Number of Returns	Weighted Returns	% of Weighted Returns
Hambleton	Hambleton: Bedale	113	1,477	3.8%
	Hambleton: Bedale Hinterland	358	3,724	9.5%
	Hambleton: Easingwold	117	2,186	5.6%
	Hambleton: Easingwold Hinterland	489	4,670	11.9%
	Hambleton: Northallerton	178	7,548	19.2%
	Hambleton: Northallerton Hinterland	374	3,635	9.3%
	Hambleton: Stokesley	139	4,391	11.2%
	Hambleton: Stokesley Hinterland	375	3,224	8.2%
	Hambleton: Thirsk	100	4,269	10.9%
	Hambleton: Thirsk Hinterland	419	4,147	10.6%
	Total	2,662	39,270	100.0%
North Yorkshire Household Survey – Returns				
Local Authority	Sub-area	Number of Returns	Weighted Returns	% of Weighted Returns
Harrogate	Harrogate: Boroughbridge	171	2,544	3.8%
	Harrogate: Harrogate	529	32,681	48.4%
	Harrogate: Knaresborough & Scriven	131	6,647	9.8%
	Harrogate: Knaresborough Villages	105	1,090	1.6%
	Harrogate: Lower Nidderdale Villages	247	3,157	4.7%
	Harrogate: Lower Wharfedale	137	1,552	2.3%
	Harrogate: Marston Villages	159	1,298	1.9%
	Harrogate: Masham Area	108	861	1.3%
	Harrogate: Northern Villages	132	1,459	2.2%
	Harrogate: Ripon	126	7,045	10.4%
	Harrogate: Ripon South Villages	114	980	1.5%
	Harrogate: Ripon West Villages	206	1,766	2.6%
	Harrogate: South Harrogate Villages	100	837	1.2%
	Harrogate: Upper Nidderdale	341	2,988	4.4%
	Harrogate: Upper Wharfedale	100	821	1.2%
	Harrogate: Vale of York	194	1,822	2.7%
	Total	2,900	67,547	100.0%

North Yorkshire Household Survey – Returns				
Local Authority	Sub-area	Number of Returns	Weighted Returns	% of Weighted Returns
Richmondshire	Richmondshire: Central	802	10,473	51.5%
	Richmondshire: Lower Wensleydale	395	3,246	16.0%
	Richmondshire: North Richmondshire	323	3,343	16.4%
	Richmondshire: Swaledale	128	1,193	5.9%
	Richmondshire: Wensleydale and Bishopdale	309	2,078	10.2%
	Total	1,957	20,333	100.0%
North Yorkshire Household Survey – Returns				
Local Authority	Sub-area	Number of Returns	Weighted Returns	% of Weighted Returns
Ryedale	Ryedale: Ampleforth, Sinnington, Hovingham, Amot	313	3,168	13.2%
	Ryedale: Cropton & Dales	159	1,475	6.2%
	Ryedale: Derwent	159	1,561	6.5%
	Ryedale: Helmsley	139	1,644	6.9%
	Ryedale: Kirkbymoorside	107	1,691	7.1%
	Ryedale: Malton & Norton	218	5,588	23.3%
	Ryedale: Pickering	205	3,276	13.7%
	Ryedale: Sheriff Hutton & Ryedale	159	1,463	6.1%
	Ryedale: Thornton Le Dale	179	1,607	6.7%
	Ryedale: Wolds, Rillington, Sherburn	215	2,475	10.3%
	Total	1,853	23,949	100.0%
North Yorkshire Household Survey – Returns				
Local Authority	Sub-area	Number of Returns	Weighted Returns	% of Weighted Returns
Scarborough	Scarborough: Filey / Hunmanby	109	5,828	10.4%
	Scarborough: Northern Parishes	569	6,644	11.8%
	Scarborough: Scarborough Area	433	29,143	51.8%
	Scarborough: Southern Parishes	284	3,755	6.7%
	Scarborough: Western Parishes	224	2,210	3.9%
	Scarborough: Whitby Area	243	8,632	15.4%
	Total	1,862	56,214	100.0%
North Yorkshire Household Survey – Returns				
Local Authority	Sub-area	Number of Returns	Weighted Returns	% of Weighted Returns
City of York	City of York: Central York	138	7,263	8.6%
	City of York: Suburban York	1,006	62,019	73.0%
	City of York: York Villages	586	15,641	18.4%
	Total	1,730	84,924	100%

Source: Household Survey, 2011, Vision Twentyone, GVA, Edge Analytics, A full methodological explanation of the approach taken included in Appendix 10

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- 1.21 The findings of the survey at the current point in time provide a "definitive" account of local households' opinions with regard to their current circumstances, need, expectations and aspirations.

GIS – Spatial Analysis

- 1.22 Where data is available the research presents spatial analysis using a range of Geographical Information Systems and mapping graphics. This has been undertaken using GIS mapping data obtained directly from Ordnance Survey during the course of the SHMA.
- 1.23 Recognising the importance of developing an evidence base which enables strategic analysis to be undertaken alongside local analysis the SHMA uses a range of geographies. Differing levels of detail are available for the geographies listed below. For ward geographies and below it is important to note that the secondary and primary data becomes less robust and the findings should be considered in light of this limitation:
- North Yorkshire – analysis is presented for the whole of North Yorkshire. New primary data has not been collected for Selby however, where possible data has been brought across from the recently conducted HMA for the authority;
 - Strategic sub-markets – including for example the Leeds City Region boundary covering part of the area;
 - Local Authorities – this geography represents the fundamental building block of planning policy and is given precedence within the research;
 - Local Authority sub-markets – each authority has been broken up into a number of 'sub-markets'. These sub-markets are intended to represent a combination of functional (i.e. travel to work areas and areas of market search) and policy definitions;
 - Wards – core datasets have been disaggregated down to a ward level to help inform local policy. These are presented in Appendix 12. The data collected through the household survey has also been geo-coded to individual Parishes to enable future analysis at this small geographical level by the authorities.

Report Structure

1.24 This report is structured around the following sections, where appropriate reflecting the steps set out in the CLG Guidance to assist in extracting key information from the report:

- **2: Spatial Context** – This section sets out the geographies of analysis considered within the SHMA from sub-regional North Yorkshire level to local housing market areas;
- **3: Policy and Market Context** – This section considers the complexities, priorities, opportunities and challenges across North Yorkshire as articulated through current and emerging national, regional and local strategy and policy which are considered likely to have an impact on the housing market going forward;

Part 1: The Current Housing Market

- **4: Demographic and Economic Context** – Whilst the dynamics of the housing market are complex the demographic and economic context represents a fundamental foundation upon which to understand supply and demand currently and in the future. This section presents an assessment of key demographic and economic drivers concluding with analysis of the functional relationships which define the spatial geographies of the housing market across North Yorkshire;
- **5: The Housing Stock** – This section provides an assessment of the current profile of the housing stock across North Yorkshire. This includes estimates of the current 'housing offer' of North Yorkshire in terms of the number of current dwellings broken down by size, type, condition and tenure;
- **6: The Active Market** – The relationship between supply and demand manifests itself in the operation of the active market. House prices, rental levels and key measures of demand including the number of households on waiting lists are all symptoms of market behaviour which are clear indicators of the current health of the market and the future direction of travel. A comprehensive assessment of the active market is undertaken using both

primary and secondary data, with key issues around affordability examined in detail;

Part 2: Future Housing Market and Need

- **7: Future Housing Market** – Drawing on the evidence assembled in the preceding sections within Part 1 of the SHMA, a range of household projections are presented. These scenarios have been built through an examination of a number of drivers including migration trends and future estimates of employment opportunities. The impact of households change in terms of the future demand for all tenures of housing is considered. The section concludes with an examination of long-term impacts of demographic and household structure changes on the types and sizes of properties required over the next fifteen years. This is built upon through an assessment of the expectations of households drawn from responses to the household survey;
- **8: Housing Need** – A calculation of the short-term level of housing need for affordable housing has been undertaken following the stepped process set out in the CLG Guidance. Data to populate the model has been drawn from a range of sources including the results of the primary needs survey. At every step in the calculation, where possible, data has been sourced from both primary and secondary evidence in order to enable a triangulation process to be undertaken therefore ensuring a robust end estimation of need. Income and tenure expectations are considered in order to assess the role of different 'affordable' products in meeting need, including intermediate housing and Affordable Rents. The section concludes with an estimation of the breakdown by size of the affordable housing identified as being required over the next five years at local authority, and North Yorkshire spatial levels;
- **9: Housing Requirements of Specific Household Groups** – The analysis focuses on the information collected through primary and secondary sources to draw out specific conclusions related to a series of household groups with particular housing requirements including utilisation of existing evidence that has previously been compiled across the sub-region; and

- **10: Drawing the Evidence Together – Conclusions** – The research concludes with a section outlining the conclusions and recommendations arrived at through the research. Conclusions are presented to directly respond to the core outputs set out in Figure 1.1 of the CLG Guidance.

2. Spatial Context

- 2.1 As a precursor to the analysis presented within the remainder of this report it is necessary to establish the spatial context for the SHMA. Within this section the geography at which the analysis has been undertaken and is reported is set out and explained.

North Yorkshire Sub Region

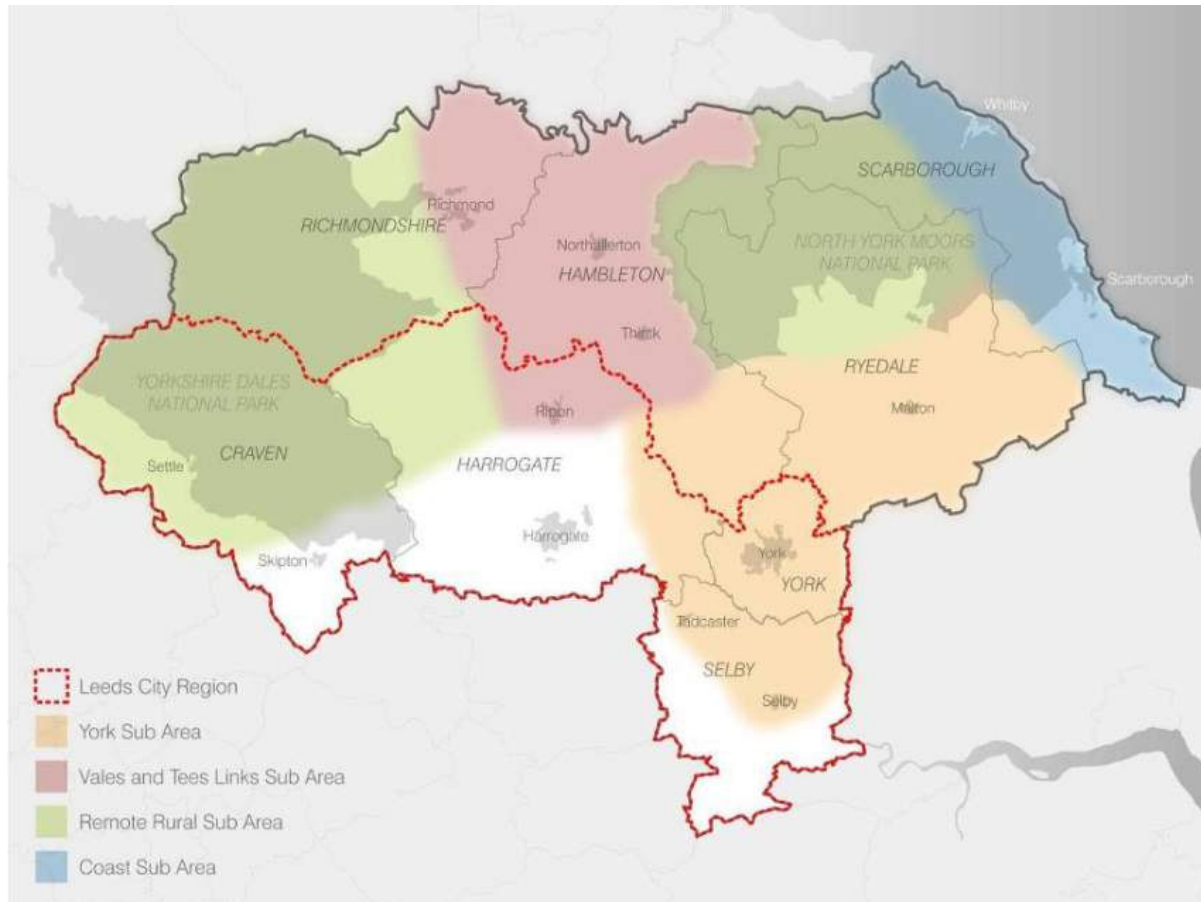
- 2.2 North Yorkshire is one of four sub-regions within the Yorkshire and Humber region. It comprises the seven Borough / District Housing and Planning Authorities of North Yorkshire and the City of York Council. In addition it is recognised that North Yorkshire County Council, the North York Moors National Park and the Yorkshire Dales National Park are partners on the sub regional housing partnership, which is monitored by the Local Government North Yorkshire and York Housing Board (LGNYYHB). By commissioning the SHMA on a sub-regional basis there is a uniform level of sub regional data about housing markets, housing needs and housing demands for all seven Boroughs / Districts, the two National Parks and the City of York.
- 2.3 The sub-region is noted to be varied, extending 80 miles from north to south and 130 miles from east to west. In 2009 North Yorkshire included a total population of approximately 793,900. This represented a growth of almost 42,500 people or an uplift of 5.7% from 2001. The North Yorkshire sub region accounts for approximately 15% of the Yorkshire and Humber population but over 50% of its land mass illustrating the rural nature of large parts of the geography.
- 2.4 Within this SHMA analysis is presented at the North Yorkshire level as well as the smaller geographies introduced below.

Sub-Regional Market Areas

- 2.5 Headline analysis is undertaken of information to present a picture of the current operation of markets within the five sub-regional market areas defined previously in the Regional Spatial Strategy (RSS) for Yorkshire and Humber⁷. These five areas, whilst forming distinct areas have implicit connections with the need to recognise dynamics between them as well as within them of relevance to the SHMA. It is also important to note that the five sub-regional market areas have relationships with areas outside of North Yorkshire, including the Leeds and Tees Valley City Regions and the wider Yorkshire and Humber region as a whole.
- 2.6 The five sub-regional market areas within North Yorkshire are illustrated and explained in the following plan and bullet points.

⁷ RSS was revoked in May 2010 as part of the Coalition Government's commitment to localism, decentralisation and the rolling back of regional government. This action was found to be unlawful after a challenge made by Cala Homes in the High Court (November 2010). As a result RSS remains relevant context for this SHMA at the time of writing. This process remains ongoing with Cala Homes failing to overturn a planning statement from Communities Secretary Eric Pickles requiring Local Authorities to take into account the government's commitment to abolish the regional planning strategies on 31st May 2011.

Figure 2.1: North Yorkshire Sub-Regional Market Areas



Source: RSS, 2008

- The Leeds City Region which centres around the city of Leeds includes the administrative areas of Skipton, Harrogate, York and Selby in North Yorkshire;
- The York sub-area, which overlaps significantly with the Leeds City Region, is an important spatial area in its own right including an influence which extends beyond the City Region into some parts of Hambleton, Ryedale, and western parts of the East Riding;
- The Vales and Tees links sub-area which covers the majority of Hambleton and parts of Richmondshire and Harrogate. This corridor connects the Leeds and Tees Valley City Regions. It is noted in the Project Brief to be primarily influenced by the Tees Valley in its northern part but also has important connections to the Leeds City Region to the south;
- The Remoter Rural sub-area of the Yorkshire Dales and North York Moors are largely centred on the National Parks but also include some of the peripheral market towns which have a strong association with the uplands and tourist economy; and
- The Coast sub-area, which includes Scarborough, Filey and Whitby. This is noted in the Project Brief to be a relatively self-contained area but does have connectivity to the East Riding to the south and the Tees Valley City Region to the north.

2.7 Key information for these sub-market areas is presented within Appendix 11. The sub-regional market dynamics i.e. commuting, house price trends and migration patterns are also considered within this SHMA report.

2.8 In addition to the sub-regional market areas listed above analysis is also undertaken of key housing need information for the two **National Parks** which fall within the North Yorkshire sub-region. Analysis is undertaken of the National Park areas falling within each of the relevant authorities within the Authority Appendices. The final section of Appendix 11 also presents a cumulative picture of housing issues facing the National Parks based on the analysis within the SHMA research.

Local Authorities

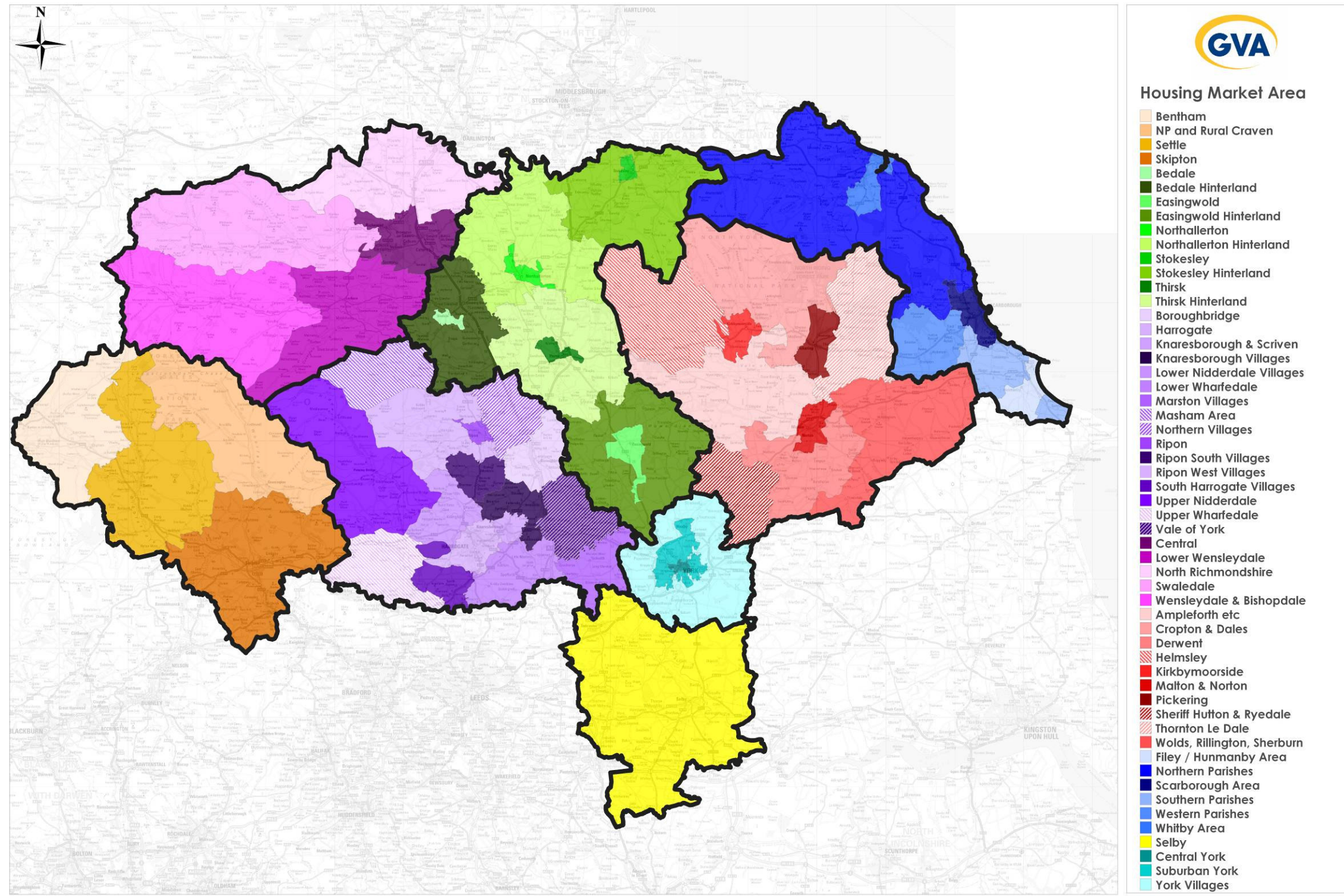
- 2.9 The North Yorkshire sub region covers the seven Borough / District authorities of North Yorkshire, including Craven District Council, Hambleton District Council, Harrogate Borough Council, Richmondshire District Council, Ryedale District Council, Scarborough Borough Council, and Selby District Council, and the City of York Council.
- 2.10 Local authority boundaries continue to represent the principal geography for developing policy and strategy. This geographical definition is therefore given precedence within this main SHMA report with separate Authority Appendices (Appendices 1 – 8) including additional detail from the evidence.
- 2.11 The SHMA will form a fundamental part of the evidence base for the progression and implementation of the Local Development Frameworks of the seven individual Boroughs / Districts, two National Parks and the City of York. The SHMA therefore provides results and analysis to present a robust assessment of housing need and demand at this Borough / District level.

Smaller Geographies of Analysis

- 2.12 In line with the CLG Guidance the SHMA also includes analysis at geographies below Borough / District level.
- 2.13 Analysis has been undertaken at sub-area level within each local authority across the sub-region. A number of the authorities had pre-defined sub-areas from previous analysis undertaken prior to commencement of the SHMA. These are summarised below.
- Hambleton: Bedale (and hinterland), Easingwold (and hinterland), Northallerton (and hinterland), Stokesley (and hinterland), Thirsk (and hinterland);
 - Harrogate: Boroughbridge, Harrogate, Knaresborough & Scriven, Knaresborough Villages, Lower Nidderdale Villages, Lower Wharfedale, Marston Villages, Masham Area, Northern Villages, Ripon, Ripon South

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- Villages, Ripon West Villages, South Harrogate Villages, Upper Nidderdale, Upper Wharfedale, and Vale of York;
- Richmondshire: Central, Lower Wensleydale, North Richmondshire, Swaledale (YDNP), Wensleydale and Bishopdale (YDNP);
 - Scarborough: Scarborough area, Whitby, Filey / Hunmanby, Northern Parishes (NYMNP), Southern Parishes, and Western Parishes; and
 - York: Central York, Suburban York, York Villages.
- 2.14 In addition, sub-areas have been identified for both Craven and Ryedale through liaison with the client team and analysis of postcode-sector level house price data and migration trends. The identified sub-areas are detailed below.
- Craven: High Bentham, National Park and Rural Craven, Settle, and Skipton; and
 - Ryedale: Ampleforth, Sinnington, Hovingham and Amot; Cropton & Dales; Derwent; Helmsley; Kirkbymoorside; Malton & Norton; Pickering; Sheriff Hutton & Ryedale; Thornton Le Dale; and Wolds, Rillington, and Sherburn.
- 2.15 The sub-areas applied within the research are illustrated in the map over the page.
- 2.16 Within this main report the analysis is presented at North Yorkshire and local authority level. Analysis at sub-area level for each local authority is presented within the individual Authority Appendices (Appendix 1 to 7). Key statistics from the analysis are also presented at ward level within Appendix 12.
- 2.17 The household survey responses have also been geo-coded to individual Parishes. Due to the size of a number of the Parishes across the sub-area and data confidentiality it is not possible to present the findings to this level within the main report, however, this data can be analysed by the authorities. It is important to recognise given the numbers of households in these areas that data presented at this low geographical level can not be considered as robust for analytical purposes.

Figure 2.2: North Yorkshire Local Authority Sub-Areas



North Yorkshire Strategic Housing Market Assessment

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3. Policy and Market Context

3.1 In recognition of North Yorkshire's unique housing market challenges and opportunities this section provides an important wider context to the research. This is important to frame the conclusions reached in relation to the SHMA research objectives through the subsequent sections.

3.2 This section sets the context in relation to North Yorkshire's policy and strategy objectives which comprises a brief review of key documents including established aspirations and priorities in place across the sub-region focused on improving its housing offer as part of a wider process of economic regeneration. This section considers the geographies relevant to the SHMA as articulated in the previous section including:

- The North Yorkshire Sub- Region;
- The North Yorkshire Sub- Regional Market Areas;
- The Local Authorities and National Parks; and
- Local Market Areas.

3.3 Recognising the need to coalesce the contrasting objectives and the underpinning overall approach for strategies in place across the sub-region, whilst recognising not only the unique nature of the whole housing market but also the individual qualities and distinctions of lower-level markets is a clear aim of this SHMA. This is firstly placed in the context of national and regional policy and strategy priorities.

National and Regional Policy Priorities

National Policy and Strategy

3.4 The national planning policies for housing are set out in **Planning Policy Statement 3: Housing (PPS3)**. This document establishes the framework for regional and local policy and is one of a number of Planning Policy Statements (PPS) produced by the DCLG. A new version of PPS 3 was published in June 2011 including updated technical definitions of affordable housing in Annex B. PPS3 draws on **Planning Policy Statement**

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- 1: Delivering Sustainable Development** (PPS1) and places emphasis on good design, efficient use of land and helping to deliver sustainable communities.
- 3.5 Nationally there has been increasing emphasis placed on the need to have a detailed understanding of housing markets in order for local authorities to plan effectively, a priority reflected in PPS3. **Draft guidance on the preparation of Housing Market Assessments** was produced by the DCLG alongside the issuing of PPS3, the aim being to provide an update to the previous guidance. This guidance provides clear instructions to guide local authorities in assessing housing need and demand and understanding the characteristics of their housing market and how they function. This SHMA will follow the latest DCLG guidance, subsequently released in August 2007.
- 3.6 The Government has continued to highlight the importance of delivering new housing to meet the growing needs of the nation. This is reflected in the Conservatives Green Paper published before the summer 2010 election and the Comprehensive Spending Review in October 2010 and the Government's Growth Plan published in 2011. The emerging national policy context as understood at the time of writing is considered in the sub-section titled 'Emerging National Policy Context'.
- 3.7 Emphasis also continues to be placed in emerging policy and publications on the importance of the Core Cities in achieving economic growth and the competitiveness of the UK.
- 3.8 **Planning Policy Statement 4: Planning for Sustainable Economic Growth** (PPS4) sets out the Government's comprehensive policy framework for planning for sustainable economic development in urban and rural areas. It combines previous national policy guidance relating to 'Industrial, Commercial Development and Small Firms', 'Simplified Planning Zones', 'Planning for Town Centres', and economic development sections of 'Sustainable Development of Rural Areas'. It was published in December 2009.
- 3.9 PPS4 re-states the Government's overarching objective to ensure sustainable economic growth, defined as: "growth that can be sustained and is within environmental limits, but also enhances environmental and social welfare and avoids greater extremes in future economic cycles". The objectives stated within PPS4 are to:
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- Build prosperous communities by improving the economic performance of cities, towns, regions, sub-regions and local areas, both urban and rural;
 - Reduce the gap in economic growth rates between regions, promoting regeneration and tackling deprivation;
 - Deliver more sustainable patterns of development, reduce the need to travel, especially by car and respond to climate change;
 - Promote the vitality and viability of town and other centres as important places for communities; and
 - Raise the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural communities whilst continuing to protect the open countryside for the benefits of all.

Emerging National Policy Context

- 3.10 The Green Paper 'Open Source Planning' (February 2010) set out some of the principles that are now being pursued by the Coalition Government. The 'Open Source Planning' concept refers to a planning system where there is a national framework of planning priorities and policies, within which local communities can produce their own distinctive local policies.
- 3.11 The Coalition Government is currently in the process of introducing reforms that will significantly alter the planning system. The Localism Bill was published on 13th December 2010 and was subject to its second reading in the House of Lords on 7th June 2011. The bill, which is scheduled to be enacted in late 2011, includes proposals to empower local communities to form a neighbourhood forum and produce a neighbourhood plan for developments in their area. As long as these plans are consistent with the national planning framework and the local plan, development can be granted through a neighbourhood development order. In addition a new homes bonus to incentivise Local Authorities has been introduced to encourage housing development (from 2011-12).
- 3.12 The Localism Bill seeks to give a legal foundation to the revocation of Regional Spatial Strategies (following a series of legal challenges from CALA Homes on the initial revocation of the regional tier of planning in June 2010). The Bill seeks to impose a duty on local planning authorities to co-operate and provide constructive, active and

ongoing engagement in decisions relating to sustainable development or strategic infrastructure. Authorities will maintain their strategic responsibilities in setting Planning Policy which plans for future growth. In addition it proposes the abolition of the Infrastructure Planning Commission and transfers its functions to the Secretary of State. Under the Bill, Parliament will approve National Policy Statements.

3.13 Under the Localism Bill the local planning system will undergo a process of change, with neighbourhood planning providing communities with increased ownership of local development decisions. Parishes or designated forums will be empowered to deem consent for certain categories of development within a defined area under a neighbourhood development order. In addition, neighbourhood development plans will set out policies in relation to development and use of land in a particular neighbourhood specified in the plan.

3.14 Importantly the DCLG have recently published a statement confirming the definition of a presumption in favour of sustainable development, which has formed an important pillar of emerging planning reform publications. This definition is set out below:

“There is a presumption in favour of sustainable development at the heart of the planning system, which should be central to the approach taken to both plan-making and decision-taking. Local planning authorities should plan positively for new development, and approve all individual proposals wherever possible” (DCLG, 2011)

3.15 In addition the DCLG also announced the introduction of the New Homes Bonus in April 2011. This is intended to incentivise Local Authorities to encourage housing development and will match-fund additional Council Tax for each new home and property brought back into use, for each of the six years after a home is built.

Local Housing Allowance Changes and the Introduction of Affordable Rent

3.16 The latest iteration of PPS 3 (June 2011) includes Affordable Rent as a separate sub-type of the overall definition of Affordable Housing. The full definition is replicated in Section 8 where analysis is undertaken of the role of the product in the North Yorkshire market.

Local Housing Allowance Changes

- 3.17 The Coalition Government announced a series of changes to Local Housing Allowance (LHA) in the Emergency Budget on 22nd June 2010, considered necessary in order to "provide a fairer and more sustainable housing benefit scheme".
- 3.18 Commencing April 2011 the following changes have been introduced:
- Removal of £15 weekly excess;
 - Restriction of the bedroom entitlement from five bedrooms to a maximum of four; and
 - Introduction of capping of LHA rates so they cannot exceed £250 for a one-bedroom property, £290 for a two bedroom property, £340 for a three bedroom property, and £400 for a four bedroom property.
 - LHA rates to be set at the 30th percentile of Private Rented Sector (PRS) rents.
- 3.19 The Coalition Government are also going to triple its contributions over the next three years to local authority funding for Discretionary Housing Payments. They will increase from the current £20 million to £30 million from 2011/12, and to £60 million from 2012/13.

Implications of Local Housing Allowance Changes

- 3.20 The following bullet points summarise some key implications of changes to LHA:
- The changes to LHA mean that 3 in 10 properties will be affordable in an area for people on housing benefit (30th percentile), rather than 5 in 10. These new rates will mean that the housing choice available for housing benefit recipients aligns more closely with the choice of housing affordable to low income working households not on benefits⁸;

⁸ Valuation Office Agency, The Rent Office and Local Housing Allowance fact sheet

- Under the removal of the five-bedroom rate will increase alignment between those on housing benefits seeking affordable housing and the choices of larger households who do not claim benefits⁹; and
- Through the increased Central Government funding to local authorities under Discretionary Housing Payments there will be opportunity to support those most negatively impacted following the changes to the LHA.
- Extension of the Shared Room Rate (SRR) to people aged up to 35 – the shared room rate currently applies to under 25s who are single and live alone. Housing Benefit is based upon a single room in a shared house as opposed to a self-contained 1 bedroom property. Evidence has suggested a lack of suitable accommodation and a mis-match between benefits and rental levels¹⁰. Under current proposals the intention is to extend this rent definition to households aged under 35, affecting 88,000 households nationally¹¹. This is likely to result in increased demand for shared properties and increase affordability challenges for households where there are limited numbers of low priced smaller properties.

3.21 The Department for Work and Pensions (DWP) estimate that the impact of the measure as set out in the June 2010 Budget includes a total number of people who will see a benefit decrease will be 642,160 with an average loss of £9 a week, with a total of 297,050 not being affected¹².

3.22 The Valuations Office Agency (VOA) is responsible for calculating LHA. In calculating LHA the VOA use a list of rents that are paid for private sector tenancies across the Broad Rental Market Area (Broad Rental Market Area Local Reference Rent) (BRMALRR) for each category of property including those from high-end and low-end

⁹ Department for Work and Pensions (2010), The Impacts of Housing Benefit Proposals: Changes to the Local Housing Allowance to be introduced in 2011-12

¹⁰ 'Single room rent – the case for abolition' Citizens Advice

¹¹ http://www.privaterentedsector.org.uk/viewNews.asp?news_id=59

¹² Ibid.

of the market. The LHA is then determined by taking the mid-point of these figures for each category¹³.

Changes to Affordable Rent

3.23 Revisions to affordable rent are proposed by the Tenancy Services Authority (TSA), with the publication of a decision statement in March 2011 after an 11-week consultation period, closing on 2nd March 2011. The Government introduced the Affordable Rent Model from 1st April 2011.

3.24 The final product includes the following parameters:

- The capping of affordable rent at 80% of market rent, overriding the Retail Price Index (RPI) + 0.5% maximum annual rent increase (which is required to rebase the rent every time a new tenancy agreement is completed) ensuring that the rent set at the beginning of a tenancy does not exceed this and remains affordable (Localism Bill and Social Housing, 2010); and
- Move away from every social tenancy being for life, regardless of the households particular circumstances (although these tenancies will still be available). Instead, the Government wishes to encourage affordable rent on fixed term tenancies to contribute to cohesive communities (Localism Bill and Social Housing, 2010).

3.25 As identified previously under changes to the LHA, the VOA is responsible for setting and calculating the BRMALRR for a local area.

Regional Policy and Strategy

3.26 As identified under the National Policy Review in June 2010 the regional policy tier was revoked and then reinstated in November 2010 following the CALA Homes decision. Statements from the Government clearly outline that the revocation of the regional planning tier is scheduled to occur in 2011 and that the decision to remove plans should be treated as a material consideration. On 31st May 2011 Cala Homes

¹³ Source: Valuation Office Agency, Local Reference Rent Scheme, http://www.voa.gov.uk/rent_officer_functions/LRR-FAQs.htm

failed to overturn a planning statement from Communities Secretary Eric Pickles requiring Local Authorities to take into account the government's commitment to abolish the regional planning strategies in developing policy, except under 'extreme circumstances'.

3.27 This tier of policy includes the **Regional Spatial Strategy for Yorkshire and Humber (RSS), Regional Economic Strategy (RES) and Regional Housing Strategy (RHS 2005-2021)**. The removal of this tier of planning will mean that previously defined housing targets set through RSS will no longer form part of the statutory evidence base. Subsequent publications from the CLG have identified that authorities are able to reach local decisions around suitable housing targets for inclusion in local plans. In recognition of this departure from a statutory regional document this research includes detailed examination of longer-term demand projections of household numbers (Section 7) which will provide a foundation for authorities to develop an evidence based policy target.

3.28 Whilst the regional strategies have uncertain statutory status they provide an important context in the absence of the development of future national and local policy. **RSS** Policy H1(B) 'Housing' sets a target for each of the North Yorkshire Authorities to provide new homes for the period 2008 – 2026 (net of clearance replacement). This is demonstrated in the following table:

Figure 3.1: Annual Average Additions to Dwelling Stock 2008 - 2026

Authority	Annual Average Additions to Dwellings Required 2008 – 2026
Craven	250
Hambleton	280
Harrogate	390
Richmondshire	200
Ryedale	200
Scarborough	560
Selby	440
York	850
Total North Yorkshire	3,130

Source: RSS, 2008

3.29 RSS states the following regarding likely performance of the local authorities against the annual average additions to dwellings required over the period:

-
- Annual net housing growth likely to rise from below the 2008 – 2026 average to above it: Scarborough;
 - Annual net housing growth likely to remain broadly consistent with the 2008 – 2026 average: Richmondshire¹⁴, Selby, York; and
 - Annual net housing growth likely to fall from above the 2008 – 2026 average to below it: Craven, Hambleton, Harrogate, Ryedale.
- 3.30 As noted above whilst the authorities will have the ability to set new targets in the future it is understood that at the time of this research the RSS figures will continue to represent an important benchmark for policy development with this reflected in projection work and recommendations reached through this research.
- 3.31 Yorkshire and Humber's **Regional Housing Strategy** (2005-2021) has three key objectives: to create better places, deliver better homes and ensure fair access to quality housing. The strategy identifies North Yorkshire as a highly accessible and attractive sub region which has resulted in house prices being the highest in the region and consequent affordability issues being pronounced. The sub region is noted within the strategy to be experiencing a demographic shift towards an ageing population as it is an attractive location for retirees, with clear housing implications as a result.
- 3.32 A number of housing market dynamics are identified within the strategy to be in operation across North Yorkshire including:
- The Golden Triangle sub market- operating across North Leeds, Harrogate and York;
 - The Tees Valley Link sub market- affecting Hambleton, Richmondshire and Scarborough;
 - The Hambleton/ York Link sub market;
 - The A64 York/ Scarborough Link sub market; and

¹⁴ This conclusion does not factor in potential housing development by the Ministry of Defence at Catterick. Inclusion of potential housing development at Catterick by MoD would result in an increase over the period within Richmondshire.

- The Craven/ East Lancashire sub market.

- 3.33 The **Regional Economic Strategy** (RES, 2006) sets out a ten year economic strategy for the economic growth of the region to improve competitiveness and close the output gap with the average for England. The documents three strategic aims are to: enhance the potential of the region's population in terms of education and social inclusion; grow existing and new businesses to achieve sustainable economic growth; and utilise the full potential of the region's physical and cultural assets, maximising resource efficiency and conserving and enhancing the environment.
- 3.34 The RES acknowledges a number of barriers to economic competitiveness including connectivity, skills shortages and housing problems. In reference to North Yorkshire specifically, the RES highlights the importance of York and its role in the Leeds City Region. In particular York will become a focus of investment targeted at growing and improving the region's research and science base.
- 3.35 The rural economy in North Yorkshire is targeted under the Renaissance Programme which aims to build stronger market towns. In particular Scarborough has benefited from the Renaissance Programme as its tourism and culture offer has, and continues to be, improved.

Sub Regional Policy and Strategy

- 3.36 Arguably with the revocation of the regional tier of policy and strategy, the sub-region ascends the agenda in terms of importance in ensuring strategic planning in the future. The North Yorkshire Local Authorities have a history of joint working and have continued to advance their knowledge and understanding of the issues and opportunities facing the area in the future.
- 3.37 The **North Yorkshire Sub Regional Housing Strategy** provides a sub regional investment framework for future housing development across the sub region. The strategy sets a vision for the sub region as presented below:

'To make York and North Yorkshire an inclusive place where everyone can have access to decent affordable homes and effective support when they need it.'

- 3.38 North Yorkshire's housing markets are geographically complex, traversing local authority administrative boundaries. The strategy re-emphasises the housing market dynamics identified within the RHS.
- 3.39 The North Yorkshire sub area's housing market has a number of key challenges that must be addressed when considering housing delivery. North Yorkshire suffers from chronic affordability issues which are compounded by a high level of second home ownership, particularly in rural, coastal and National Park areas. An important impact of the Credit Crunch and subsequent reduction has been a stark decrease in development levels, including the numbers of affordable homes delivered, impacted on the ability of individual authorities to address these affordable housing needs.
- 3.40 North Yorkshire's ongoing demographic shift towards an ageing population also presents a significant housing market challenge, an issue explored in greater detail in Section 9 of this SHMA.
- 3.41 In this context, a number of priorities are identified within the strategy and present an important framework for the SHMA. These priorities are articulated below.
- Enabling the provision of more affordable homes;
 - Reducing homelessness;
 - Improving access to housing services; and
 - Making the best use of the existing housing stock.
- 3.42 A number of targets are set within the strategy which set an important informing framework for the development of forward looking scenarios in the SHMA research as well as the final recommendations based on the analysis of evidence.
- To deliver 2,725 additional affordable homes on top of targets (2,220 in North Yorkshire in 2007-2011 and 795 in the City of York between 2007- 2014) by March 2014;
 - 16 rural sites to be brought forward for affordable housing per year and each local authority to deliver a minimum of 2 rural affordable schemes per year;

- 10% increase in the take- up of low cost / affordable home ownership products; and
 - 75% of properties with vulnerable people living in them to be brought up to Decent Homes standard by 2012 and 10% more private sector homes brought into decency by 2014.
- 3.43 The **North Yorkshire Local Investment Plan (NYLIP)** was adopted in March 2011 and articulates what the measures required to deliver the priorities set within the North Yorkshire Housing Strategy. This therefore forms the business case and development prospectus for future investment through a place-based approach. The LIP covers the period to 2021, but delivery is in two phases; short and medium term proposals for 2011-15 and longer term plan aspirations for 2016-21.
- 3.44 Recognising the delivery of affordable homes as a key priority the LIP includes a range of measures aimed at maximising potential supply. However, the LIP acknowledges that such provision is likely to be more limited in the current economic circumstances and the Plan sets a more modest target of 2,500 new affordable homes for the period to 2015.
- 3.45 In relation to the strategic priority, improving access to housing services the LIP supports the development of further Extra Care schemes and notes that the County Council is currently exploring potential opportunities to meet current and future demand for extra care housing across the County to meet the needs of older people and also those with other vulnerabilities.
- 3.46 In terms of community renaissance, the Plan highlights three key strategic growth schemes at Derwent Park (Malton), Middle Deepdale (Scarborough) and North Northallerton.

Local Policy and Strategy

- 3.47 In line with Planning Policy Statement 12 (PPS12) Local Spatial Planning, every local planning authority needs to produce a **Core Strategy** which is required to set out their overall vision for the development of the area, the key issues that need to be addressed with a delivery strategy for their achievement and clear arrangements for managing and monitoring the delivery of the strategy.

-
- 3.48 Each local planning authority within the North Yorkshire sub region is at a different stage of its Core Strategy preparation and adoption.
- 3.49 In addition to the sub regional North Yorkshire Housing Strategy Statement some of the individual local planning authorities have produced local level **housing strategy statements** which establish the key challenges faced in local areas and the actions which need to be undertaken to address them.
- 3.50 The individual core strategies and housing strategy statements have been reviewed below.

Craven

- 3.51 The **Craven District Council Core Strategy** covers the areas of Craven which lie outside the Yorkshire Dales National Park. The core strategy aims to set out a unique vision for the area and to establish a framework for sustainable development. The core strategy seeks to deliver a mix of housing, both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural. The Core Strategy Preferred Options paper has a particular emphasis on affordability, especially providing for families, young people and the elderly.
- 3.52 Craven District Council Core Strategy completed its preferred option stage consultation in October 2007. The proposed distribution of housing development in the preferred option was reviewed by the Council's Policy Committee on 10th June 2009 following the preferred option consultation responses. The Council is currently developing its evidence base in preparation for consultation on a Local Development Plan in 2012/13.

Hambleton

- 3.53 The **Adopted Hambleton Core Strategy** (2007) sets out the long-term spatial vision for Hambleton and the spatial objectives and strategic policies required to deliver that vision. Hambleton is characterised by high house prices due to the high proportion of residents who commute or are retired. Consequently the Core Strategy identifies a need to provide new housing development with a particular focus on maintaining an adequate and suitable supply of affordable housing.

3.54 A number of other LDF Development Plan Documents (DPD) have also been adopted following the Core Strategy:

- Development Policies (February 2008); and
- Allocations (December 2010).

3.55 **Hambleton Housing Strategy Action Plan** (2007) outlines how new housing development will be focused in sustainable locations and sets out targets for the delivery of affordable housings The strategy establishes the several areas for action which are relevant to the SHMA:

- Addressing housing need with a particular need to address social rented and private rented shortages. Delivery milestones of 105 affordable units in 2010/11 and 95 affordable units in 2011/ 2012 are identified;
- Improving affordability, especially in rural areas, with a range of models of home ownership to bring owner occupation within reach of local people;
- Improving the quality of existing stock to comply with decent homes standards; and
- Tackling long term empty homes through developing encouragement and enforcement actions, with targets of 14 houses to be bought back into use in 2010/ 2011 and in 2011/ 2012.

Harrogate

3.56 The **Adopted Harrogate Core Strategy** (2009) sets out the direction and strategy for development and conservation in the district. Harrogate has a high house prices, underpinned by in-migration from the buoyant Leeds City Region economy. This has resulted in difficulties for local people being able to access the housing market. Consequently the Core Strategy will enable the continuous delivery of housing for at least 15 years from 2008. To maximise the provision of homes for local people the Core Strategy will give particular priority to affordable housing.

Richmondshire

3.57 The **Richmondshire Core Strategy** will set out the spatial vision for the local area and the strategic policies which will deliver the vision in the long term. It is current at

Preferred Options stage, following consultation in July 2010. A Local Strategy Statement is being prepared as a supplement to the Core Strategy due to the revocation of the Yorkshire and Humber RSS. It is expected that a submission draft will be prepared by summer 2011.

- 3.58 The Core Strategy Preferred Options paper identifies two distinct housing market areas operating in Richmondshire, namely Darlington and the Tees Valley. In-migration and rural attractiveness are strong drivers of the local housing market, which has resulted in high average house prices. This coupled with the reduced supply of social housing limits access to owner occupation for many people.

Ryedale

- 3.59 The **Ryedale Core Strategy Publication Draft** was at consultation from September to November 2010. Currently the consultation responses are being considered with plans to publish a draft consultation document in Spring 2011. The submission document is expected to be published in Autumn 2011.
- 3.60 The Core Strategy underpins the delivery of development in the local area which meets the needs of local communities by influencing the location, amount and type of new development. The core strategy identifies an immediate need to increase the supply of affordable housing to support younger people and families to support the long term vitality of the Ryedale economy.

Scarborough

- 3.61 The **Scarborough Preferred Options Core Strategy** report was published in November 2009 and is scheduled to proceed to pre-submission stage in Winter 2011/12.
- 3.62 The **Scarborough Core Strategy** sets out the direction and strategy for managing change in the Borough up to 2026. The Core Strategy allows the effective co-ordination of investment decisions and development, with a particular focus on sustainable development. The Strategy recognises that Scarborough has a combination of a generally low wage economy and above average house prices, coupled with a widespread shortage of affordable housing.

Selby

- 3.63 The **Selby Core Strategy** will provide a spatial vision for Selby District and strategic objectives to achieve that vision. Its development strategy will identify strategic development sites for housing and economic development to accommodate major growth in Selby. Selby's attractive location, in close proximity to several major urban areas, has underpinned strong demand in the area which has resulted in high average house prices and increasing affordable housing need.
- 3.64 The Selby Submission Draft Core Strategy completed consultation on 21 February 2011. The document was submitted to the Secretary of State on the 5th May 2011. The Core Strategy will now be subject to Examination by an Independent Inspector, who will assess the soundness of the document. The current timetable shows the plan being adopted in late 2011.
- 3.65 The **Selby Housing Strategy Action Plan 2007- 2010** provides a baseline for strategic housing work and identifies priorities which are an important framework for the SHMA. In particular the Housing Strategy Action Plan identifies the need to deliver decent and affordable housing. This includes the improvement of existing stock to decent homes standards and the delivery of new affordable housing.

City of York

- 3.66 The **City of York Core Strategy** will set the overall direction for the plan by driving forward the spatial planning framework for the city. The purpose of the Core Strategy is to set out a vision, strategic objectives and policies that will protect the existing assets of the city whilst ensuring that new developments are brought forward to meet local need. The York Core Strategy is moving towards the Submission Draft Stage, with an agreed version approved by Council in April 2011. The document is to be officially published for public consultation in Summer 2011.
- 3.67 The City of York Core Strategy Preferred Options paper considers that the key housing challenges for York City Council include delivering the correct type and mix of housing highlighted in the current SHMA, Economic Viability Study, Housing Strategy, and Older Persons Housing Strategy to meet the city's needs. In particular affordability is an issue in York which will need to be addressed through appropriate housing

delivery. The type of housing that has come forward in recent years is also an issue due to the focus on flat delivery, despite the high demand for family homes.

3.68 The priorities for the LDF in relation to housing delivery are:

- To deliver an adequate number of housing sites in suitable locations that maximise housing delivery, whilst reflecting the settlement hierarchy and local constraints;
- To ensure high quality affordable housing options for those who cannot afford market housing;
- To focus delivery on houses rather than flats; and
- 100% of new build housing built to lifetime home standards.

3.69 The **City of York Housing Strategy 2011- 2015** identifies the actions to be undertaken by the City of York Council and its partners to address key housing issues facing York. It highlights a number of ongoing house issues, including a lack of affordable homes, poor quality stock and a need to reduce CO² emissions.

3.70 The strategy identifies seven specific local housing priorities, which are reviewed below.

- Maximise the supply of decent market and affordable homes;
- Ensure that new homes are built to Code for Sustainable Homes Level 3 as minimum;
- Address under occupation and long term vacancy rates;
- Improve the condition of existing stock to enable the creation of attractive and sustainable neighbourhoods;
- Improve access to housing and housing services;
- Reduce homelessness and tackle the causes of homelessness; and
- Develop effective partnership working.

North York Moors National Park

3.71 The adopted North York Moors Core Strategy and Development Policies DPD sets out the spatial strategy for the National Park, providing for a scale of development that

will not have an unacceptable impact on the wider landscape and will support the character and function of individual settlements. The strategy seeks to deliver a mix of housing types and tenures to maintain the vitality of local communities. New housing development is focussed on meeting local needs and supporting the delivery of more affordable housing.

Yorkshire Dales National Park

- 3.72 The Authority has recently published the latest version of its Housing Development Plan for consultation during April / May 2011, prior to it being submitted for examination and subsequently adopted. This document is intended to precede the preparation of the Core Strategy document which will be the strategy for development in the National Park. In the interim period prior to the adoption of the Core Strategy the saved policies in the Yorkshire Dales Local Plan 2006 provide the basis for local planning policy.

Bringing the Evidence Together

- 3.73 Policy and Strategy nationally are undergoing a process of reform. This has important implications for local future policy. Housing issues remain at the forefront of many of the policy debates with new approaches to meeting housing need and demand being explored and introduced as part of wider reforms. Wherever possible this research seeks to factor in these changes in order to ensure that the evidence base represents an important point of reference for the authorities as they develop immediate and long-term policy and strategy. It is important to recognise however, that many of the planned changes have yet to be formalised and included within statute. Future changes which impact on key assumptions made within this research will need to be considered through future monitoring and research.
- 3.74 The SHMA analysis and findings, with the removal of the regional planning tier, ascend further in terms of their importance in informing planning policy. In particular this includes the new responsibility for local authorities to set local housing targets and requirements. The analysis presented within Section 7 provides an important foundation to inform future debates and papers on this issue which, for those authorities without adopted Core Strategies, are likely to represent an area of debate over the next 12 – 18 months.

PART 1: THE CURRENT HOUSING MARKET

4. Demographic and Economic Context

The relationship between the economy, household composition and the housing stock represents a key driver in determining the balance between supply i.e. the stock of housing as explored in Section 5 and demand.

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

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

The role of the economy in shaping demand is also important with, for example, the level and type of employment available in an area playing an important role in determining the levels of disposable income available to households and therefore their ability to exercise choice in the market an issue which is considered in greater detail within Section 6. The linkage between employment opportunities and the housing offer also manifests itself in the relationship between work and home. The section concludes with analysis of commuting patterns to demonstrate current levels of containment in the sub-region and the relationships with surrounding authorities.

Demographic Drivers of Change

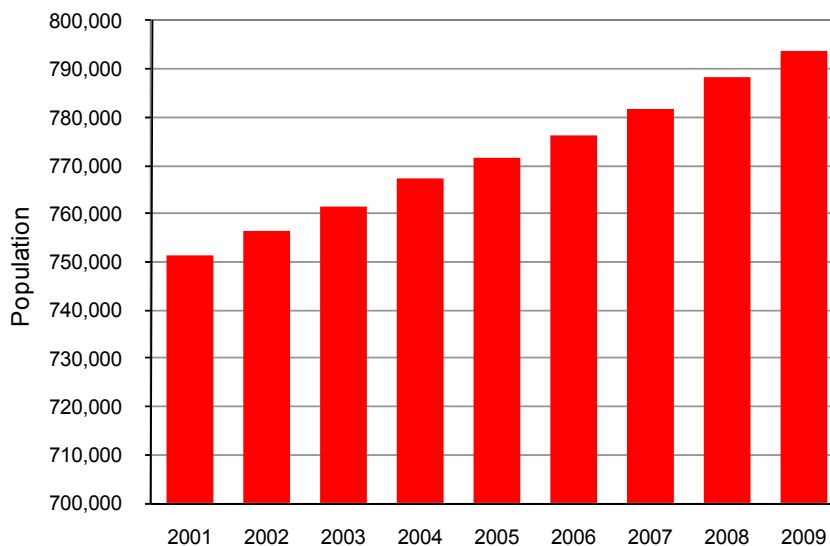
Demographic Trends

- 4.1 Traditionally demographics have been a key component of determining both the current shape of housing markets and their future trajectory. Changing demographic conditions strongly influence the housing market, including the overall housing stock required and the requirements of the stock to meet the needs of specific groups, for example the elderly.
- 4.2 Since the 1950s planning for housing policy has combined demographic projections with supply side information and spatial policy bias. It is therefore vital to have a clear understanding of the population and household structure when assessing current and future housing demand.

Current Demography and the Components of Change

- 4.3 The 2001 Census provided the most recent, definitive count of the resident population of North Yorkshire identifying 751,380 people falling within this category.
- 4.4 Since 2001, the Office for National Statistics (ONS) has produced 'mid-year estimates' (MYE) of local authority populations, taking account of the annual impact of births and deaths (natural change), internal migration and international migration (the components-of-change). The latest MYE for North Yorkshire (2009) suggests that its population has increased by approximately 42,500 since 2001, a 5.7% rise over the nine year period.

Figure 4. 1: Population Change, North Yorkshire, 1991 – 2009



Source: DCLG/ Edge Analytics

- 4.5 This growth across North Yorkshire is driven by varying levels of population change across each of the individual authorities. Using the latest mid-year estimates released by ONS the following table shows the uplift in population within each authority between 2001 and 2009.

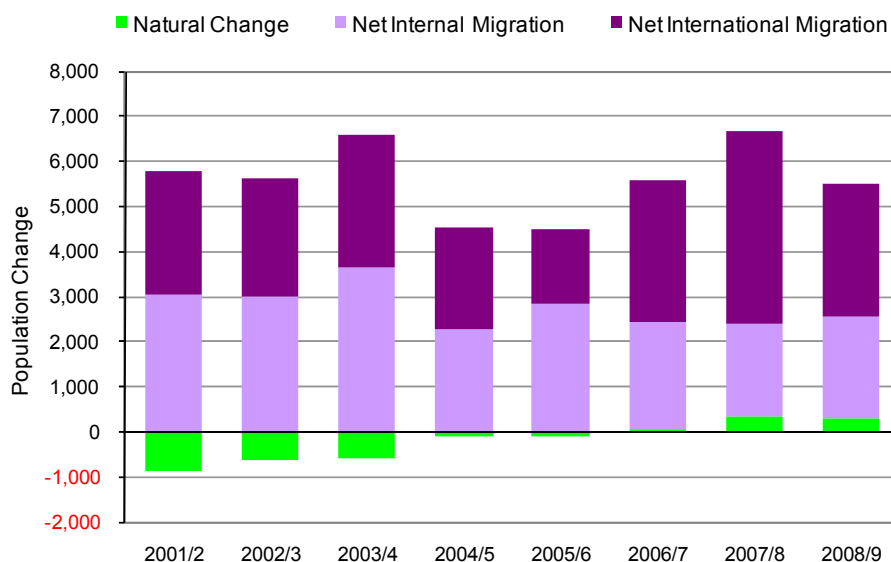
Figure 4. 2: Historic Population Change 2001 – 2009

Authority	ONS mid-year Estimates – Population			
	2001	2009	Change in Population 2001 - 2009 (8 Years)	Annual Growth 2001 – 2009
Craven	53,706	55,906	2,200	275
Hambleton	84,168	87,177	3,009	376
Harrogate	151,467	156,793	5,326	666
Richmondshire	47,067	51,835	4,768	596
Ryedale	50,910	53,462	2,552	319
Scarborough	106,221	108,852	2,631	329
Selby	76,555	82,331	5,776	722
York	181,291	197,525	16,234	2,029
North Yorkshire	751,385	793,881	42,496	5,312

Source: Edge Analytics, 2010, ONS mid-year estimates 2010

- 4.6 At an authority level it is clear that a substantial amount of the overall growth across the County is made of population increases within York. According to the ONS data York’s population has grown by over 16,000 over this 8 year period, or over 2,000 people a year.
- 4.7 Levels of growth across the other authorities are more modest. Harrogate and Selby have both seen a level of growth of over 5,000 people over this time period. Craven is estimated to have witnessed the lowest level of growth, with only 2,200 extra people within the authority between 2001 and 2009, or only 275 per annum.
- 4.8 Disaggregation of this population change into its ‘components’ of change reveals the relative importance that is assigned to estimates of natural change, net internal migration and net international migration since 2001. Of the total population growth of 45,000 to 2009, 21,508 (51%) is due to the net impact of internal migration, whilst approximately 22,500 (53%) can be attributed to the impact of net international immigration. However natural change accounts for a slight decrease in the total population of 1,608 (-4%).
- 4.9 The following chart illustrates the annual changes for each of these components at the County level. Similar charts are included for each of the individual authorities within the Authority Appendices.

Figure 4. 3: North Yorkshire components of change estimates, 2001 – 2009



Source: ONS, 2010

4.10 Again when looking at the individual authorities there are evident differences between the role of each of the three components in driving the growth in population between 2001 and 2009. The table below illustrates the cumulative impact of each of the components over the eight year period, presenting an annual average to enable comparison between the authorities.

Figure 4. 4: Impact of the three components of change on population growth – Local Authorities

Authority	Components of Population Change - Mid-Year Estimates					
	2001 - 2009 Total Net Change			2001 - 2009 Annual Net Averages (8 Years)		
	Natural Change	Internal Migration	International Migration	Natural Change	Internal Migration	International Migration
Craven	-1,308	2,768	741	-164	346	93
Hambleton	60	2,164	785	8	270	98
Harrogate	87	2,026	3,213	11	253	402
Richmondshire	861	1,435	2,471	108	179	309
Ryedale	-1,146	2,297	1,401	-143	287	175
Scarborough	-2,937	4,081	1,487	-367	510	186
Selby	1,113	4,136	527	139	517	66
York	1,661	2,602	11,971	208	325	1,496
North Yorkshire	-1,608	21,508	22,596	-201	2,688	2,824

Source: ONS, 2010

4.11 The table illustrates that in York, Harrogate, and Richmondshire net international migration is the main driver of population growth, while in Hambleton, Ryedale, Scarborough and Selby it has been net internal migration. Natural change is the least important component of change and in some districts, such as Scarborough, Ryedale and Craven, there is evidence of natural decrease. This emphasises the importance of in-migration to the population growth within North Yorkshire.

Considering Internal Migration

4.12 The migration of people into the authorities of North Yorkshire has clearly been an important driver in the changing population profile of the area since 2001.

4.13 Using Patient Registration statistics, published annually by the ONS and used as the basis for estimating internal migration flows in the ONS mid-year population estimates, it is possible to explore in more detail the directional nature of the in and out-migrations that make up these net flows.

4.14 The authority appendices explore in detail for each authority the most significant ten inflows and outflows from authorities. This analysis has taken an 'average' over the 2002 – 2008 period. Across North Yorkshire the following trends are particularly significant and present an important context for considering how areas have evolved and how they are likely to evolve in the future:

- The most significant single inflow is from Leeds into Harrogate (average of almost 1,200 persons between 2002 and 2008). This has clearly had a significant impact on the growth of the population in the authority.
- The joint second largest inflow is from Leeds into Selby, and from Bradford to Craven - each an average of approximately 850 people. Again this has served to swell the population of Selby over this time period.
- Other substantial flows include the movement of an average of 660 people from East Riding to York, 620 from Leeds to York and within the County the movement of just over 600 people from York to Selby.
- The most significant outflow has been between York and East Riding with just almost 930 persons on average making this move. Other substantial outflows include flows between Harrogate to Leeds (760), York and Leeds

(630), York and Selby (610), Craven and Bradford (540) and Selby and East Riding (510).

- 4.15 The migration of people across the County and to and from surrounding areas clearly represents a complex mix of inflows and outflows. Important drivers include factors such as student moves, moves due to housing affordability and economic linkages i.e. decisions around commuting. In net terms as identified above all of the authorities have seen a net gain in population as a result of this factor.
- 4.16 Importantly Richmondshire has seen a net decrease in internal migration flows over recent years with York also illustrating a fluctuating trend over the last 3 – 4 years.
- 4.17 Understanding the age-profiles of migration across the authorities adds a further depth of understanding to the analysis of the factors behind the recent changes to the areas population and household structure.
- 4.18 In aggregate, averaging age-group flows 2002 – 2008, North Yorkshire has gained population through net migration in all age-groups, with the exception of young adults aged between 20 and 29. Young families with children have all seen positive net migration gains, as have each of the older adult age-groups.
- 4.19 However, at a local authority level the picture is more varied. A number of important trends have been picked up with greater detail of analysis and accompanying charts provided in the authority appendices:
- All authorities exhibit a net loss in the 15 – 19 age group, with the exception of York. This trend suggests an outflow of students from all of the authorities without large higher education providers, with the University of York clearly acting as an important attractor of this age group;
 - York has a notable outflow of people aged 20-29, with little net migration thereafter. This reflects the dynamic nature of this age group and the retention of working age people linked to the city's economic role;
 - Hambleton, Harrogate, Richmondshire, Ryedale and Selby experience largely positive net migration gains with the exception of the 15 – 19 age group. This reflects their attraction as attractive places to live, particularly for families;

- Selby has a higher net migration peak in younger adults possibly reflecting its position as a more affordable housing market (as analysed in Section 6);
- Scarborough has a unique profile with net losses in the age groups 15-19, 20-24 and 25-29, balanced by gains in the older adult age ranges. This clearly reflects the attractiveness of the area for 'retirees'.

4.20 Overall these migration trends start to highlight the drivers behind an 'ageing' population across North Yorkshire, an issue explored in more detail below.

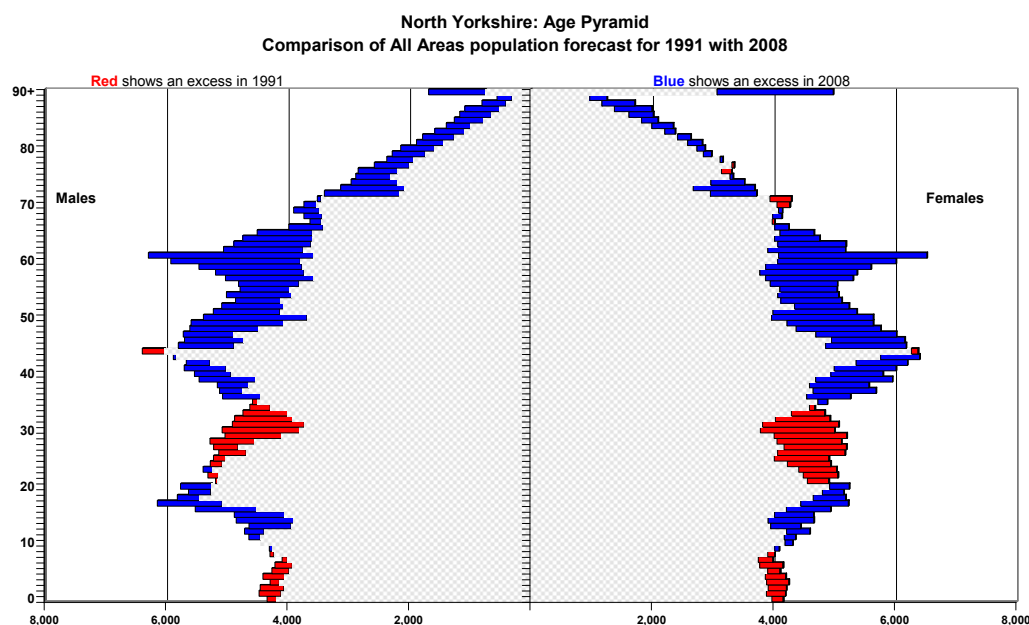
A Changing Age Profile

4.21 The growth of the population across the County and the individual authorities has resulted in changes to the age-structure of North Yorkshire's population, as illustrated in the figure below. On the age pyramid the red bars indicate higher numbers in 1991, blue indicates higher in 2008. Gains are noted across most ages, although there are notable reductions in those aged under 10 years and between 20 and 35 years, across both the male and female population.

4.22 Age pyramids for each authority are included within the authority appendices. However, in summarising these the County trend is generally replicated across all of the authorities across North Yorkshire, with the exception of York which sees a more pronounced growth in population aged between 20 and 35 years, most likely linked to student activity, post-graduate retention, and the recognition of York as an economic driver and therefore major employment hub.

4.23 As noted previously within Section 2 in the consideration of existing policy and strategy in place across the sub region, there is a clear dynamic within North Yorkshire of an increasingly aging population, noted at headline level within Figure 4.2 overleaf. This is illustrated over the period 1991 to 2008.

Figure 4. 5: Population Age Pyramid, North Yorkshire, 1991 – 2008



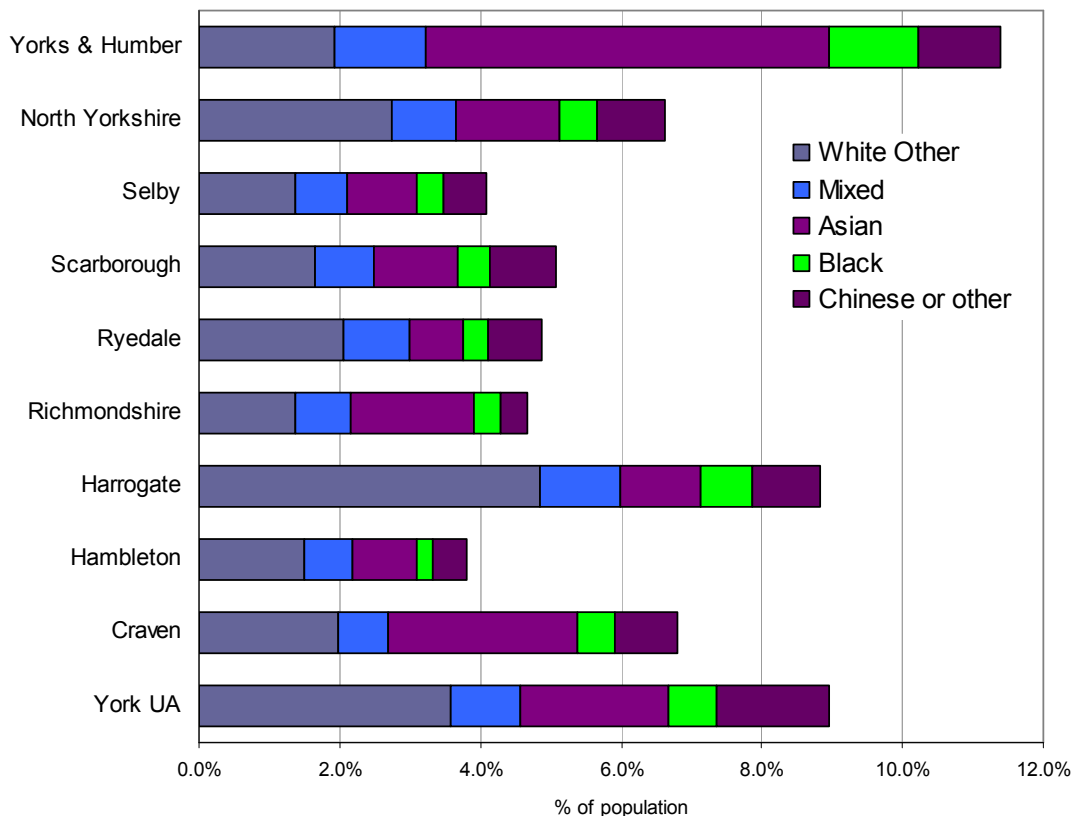
Source: DCLG/ Edge Analytics

Population and Ethnicity

4.24 Yorkshire and the Humber is an ethnically diverse region but a large proportion of its ethnic population is concentrated in the urban areas of West and South Yorkshire. In total almost 10% of the population of the Yorkshire and the Humber region were classified as 'non-white' in the ONS 2007 population estimates, compared to just under 4% in North Yorkshire. Within North Yorkshire, Harrogate, York and Craven had the most diverse ethnic mix with a non-white population above the county average.

4.25 There is also the presence of the 'white other' population to consider; demonstrating considerable variance across the region. This ethnic group accounts for 2.8% of the population across North Yorkshire, which is considerably above the 1.9% of the population in this group across the wider Yorkshire and the Humber region.

Figure 4. 6: Population and Ethnicity, North Yorkshire, 2007



Source: DCLG/ Edge Analytics

Households

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

Current Households

4.27 The 2001 Census provides the most recent, definitive count of household numbers, approximately 315,000 across North Yorkshire. Communities and Local Government (DCLG) has produced estimates for subsequent years through the application of *headship rates* to population mid-year estimates (as examined within the previous sub-section).

- 4.28 Population estimates are converted to household estimates with the application of 'headship rates', which model the propensity of a person (by age and sex) to be 'head' of a household. Household populations exclude those individuals living in institutional accommodation.
- 4.29 Headship rates are defined by household type and vary over time. The latest, 2008-based, household projections from DCLG apply headship rates for 17 household types to the Sub-national Mid-year Population Estimates. The DCLG headship rates have assumed a general reduction in household size nationally over recent years.
- 4.30 The 2009 Mid-year estimates suggest that there were just over 339,000 households across North Yorkshire in 2009. This suggests that the number of households across North Yorkshire grew by a total of just over 24,500 over the period 2001 to 2009, a growth of 8%.
- 4.31 The following table shows the change in household numbers estimated through the DCLG dataset between 2001 and 2008 by each individual local authority.

Figure 4. 7: Change in Households 2001 – 2009

Authority	Number of Households - Mid-year Estimates, ONS / Sub-National Household Projections				
	2001	2009	Change 2001 – 2009	% Change 2001 - 2009	Annual Average Change 2001 - 2009 (8 years)
Craven	22,743	24,488	1,745	8%	218
Hambleton	34,701	36,767	2,066	6%	258
Harrogate	63,199	67,639	4,440	7%	555
Richmondshire	18,159	19,969	1,810	10%	226
Ryedale	21,486	22,815	1,329	6%	166
Scarborough	46,734	48,971	2,237	5%	280
Selby	30,935	33,896	2,961	10%	370
York	76,920	84,878	7,958	10%	995
North Yorkshire	314,878	339,424	24,546	8%	3,068

Source: DCLG Sub-national Household Projections, 2010

- 4.32 At local authority level the largest contributions to this overall growth is noted within York (+7,958), Harrogate (+4,440), and Selby (+2,961). Significant growth was also noted in Richmondshire with an additional 1,810 households; a more modest number than others but a 10% growth from its 2001 figure.

- 4.33 Figure 4.8 shows the headship rate assumptions underpinning the household estimates for each authority. These clearly show that the DCLG has projected that household size has continued to fall over the time period in each authority. This is an issue which is considered in greater detail within Section 7.
- 4.34 An important factor behind the estimated fall in household sizes is the forecast structure of change around different household types. Figure 4.9 shows the change by the 17 household classifications at a County Level. Individual analysis has been conducted for each authority of the same data and is displayed within the authority appendices.

Figure 4. 8: Change in Headship Rates 2001 – 2009

Authority	Household Size - Mid-year Estimates, ONS / Sub-national Household Projections									Change 2001 - 2009
	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Craven	2.30	2.29	2.28	2.28	2.27	2.26	2.25	2.24	2.23	-0.08
Hambleton	2.38	2.37	2.36	2.35	2.35	2.34	2.34	2.33	2.32	-0.06
Harrogate	2.32	2.30	2.30	2.29	2.28	2.27	2.25	2.25	2.24	-0.08
Richmondshire	2.40	2.41	2.42	2.44	2.43	2.42	2.41	2.42	2.42	0.02
Ryedale	2.31	2.31	2.31	2.31	2.30	2.30	2.30	2.30	2.28	-0.02
Scarborough	2.21	2.21	2.20	2.20	2.19	2.18	2.18	2.17	2.16	-0.05
Selby	2.44	2.44	2.43	2.42	2.42	2.42	2.41	2.41	2.40	-0.04
York	2.28	2.28	2.28	2.28	2.27	2.27	2.26	2.25	2.25	-0.02
North Yorkshire	2.31	2.31	2.31	2.30	2.30	2.29	2.28	2.28	2.27	-0.04

Source: DCLG Sub-national Household Projections, 2010

Figure 4. 9: Household Change by DCLG household types 2001 – 2008

Household Type	Description	Household Change 2001 – 2009 Mid-Year Estimates								
		Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	North Yorkshire
OPMAL	One person households: Male	674	643	1,734	442	357	1,548	393	2,769	8,560
OPFEM	One person households: Female	234	728	1,152	359	535	535	807	1,808	6,157
FAM C0	One family and no others: Couple: No dependent children	1,495	1,951	2,964	955	978	1,763	2,086	3,405	15,597
FAM C1	One family and no others: Couple: 1 dependent child	-15	113	145	100	52	-160	110	158	503
FAM C2	One family and no others: Couple: 2 dependent children	-56	-240	-189	43	-201	-540	-349	-318	-1,849
FAM C3	One family and no others: Couple: 3+ dependent children	-51	-46	-63	-40	100	40	111	-249	-198
FAM L1	One family and no others: Lone parent: 1 dependent child	33	184	399	186	177	322	323	552	2,176
FAM L2	One family and no others: Lone parent: 2 dependent children	32	85	95	87	45	72	179	445	1,040
FAM L3	One family and no others: Lone parent: 3+ dependent children	15	32	21	5	13	73	47	75	281
MIX C0	A couple and one or more other adults: No dependent children	-290	-786	-841	-251	-336	-688	-397	-807	-4,396
MIX C1	A couple and one or more other adults: 1 dependent child	-181	-216	-377	-54	-141	-267	-178	-409	-1,823
MIX C2	A couple and one or more other adults: 2 dependent children	-5	-54	-122	-19	-14	-107	-58	-66	-445
MIX C3	A couple and one or more other adults: 3+ dependent children	-5	-8	-59	-5	-15	-13	-5	-62	-172
MIX L1	A lone parent and one or more other adults: 1 dependent child	-10	-45	-36	7	-28	-52	9	-19	-174
MIX L2	A lone parent and one or more other adults: 2 dependent children	-1	2	4	-3	7	-4	-6	-6	-7
MIX L3	A lone parent and one or more other adults: 3+ dependent children	3	-7	9	6	4	5	-1	-15	4
OTHHH	Other households	-127	-271	-397	-8	-204	-289	-109	696	-709

Total	Total	1,745	2,066	4,440	1,810	1,329	2,237	2,961	7,958	24,546
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Source: DCLG Sub-national Household Projections, 2010, ONS MYE, 2010, Edge Analytics, 2010, GVA, 2010

4.35 The table shows that growth has been particularly concentrated in house types commonly associated with one person households and interestingly a shift away from young families. This has an important bearing in terms of the future dynamics of the area, an issue explored in greater detail in Section 7 which looks at the likely future direction of population and household change.

4.36 In terms of the breakdown by authorities the following trends are apparent:

- Significant estimated increase in single person households since 2001. The number of male single person households is higher than female single person households. In absolute terms York and Scarborough record the highest levels of growth;
- Notable increase in the number of couple households over this period in all authorities. In absolute terms York and Harrogate showed the greatest growth of this household type with Richmondshire and Ryedale the smallest levels.
- High levels of decline in family households with 2 children in Scarborough, Selby and York driving an overall decline at the North Yorkshire level; and
- Declines in shared adult households – 'A couple and one or more other adults: No dependant children – in all authorities.

Economic Drivers of Change

4.37 The relative economic performance of an area and the number of jobs available are major factors which influence the operation of the housing market of an area. The types of employment available now and in the future impact on levels of household income and therefore their ability to exercise choice in the housing market and their vulnerability to affordability issues.

4.38 In addition the balance between jobs and the working-age population is an important dynamic affecting levels of commuting and therefore containment within an authority area (i.e. the % of people living and working in the same place) as well as longer-term trends of in or out migration to an area.

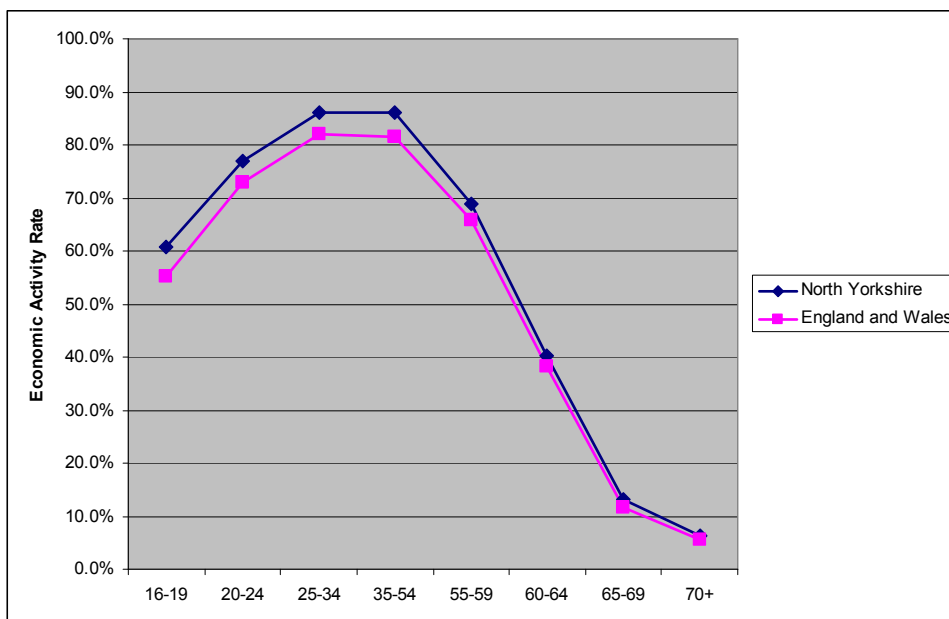
4.39 The following section therefore provides a short synopsis of the economic profile of North Yorkshire and its component authorities. This provides an important context for the assessment of future household projections and housing need in Sections 7 and 8.

Current Economic Activity

4.40 Levels of economic activity form an important indicator of the ‘health’ of an area’s economy and its labour force. The Annual Population Survey (APS) collects sample data on rates of unemployment and economic activity by age at an authority level.

4.41 Looking in detail at economic rates, in 2001, economic activity rates in North Yorkshire were consistently above the average for England and Wales in all age groups, as shown in the following chart.

Figure 4. 10: Economic Activity Rates, North Yorkshire, Local Authorities, Yorkshire and Humber, England and Wales, 2001

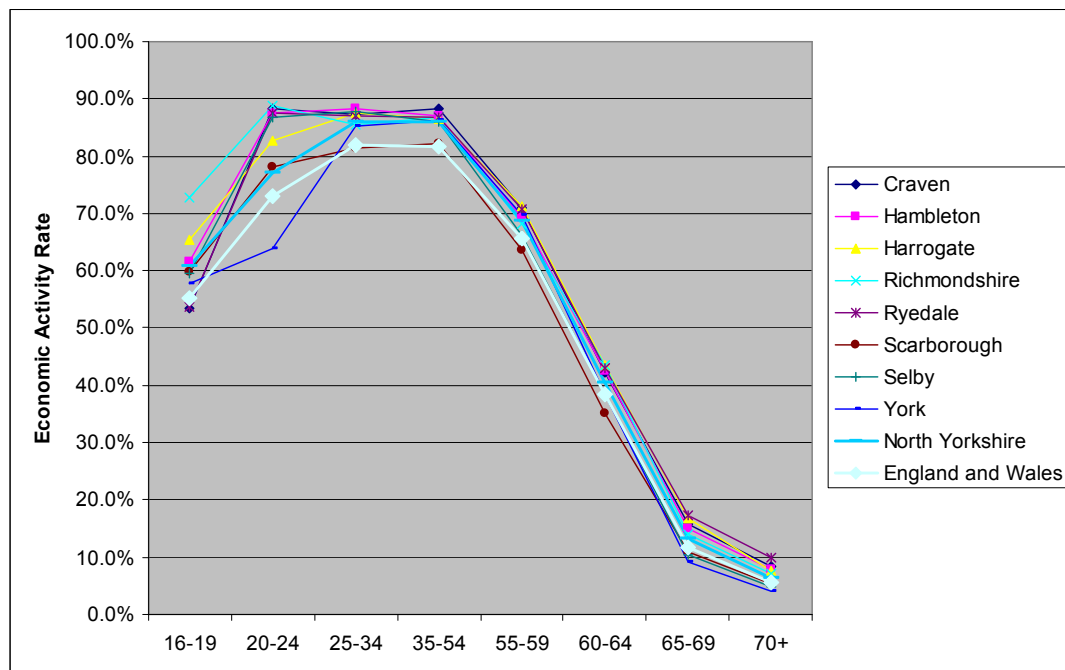


Source: ONS, 2001

4.42 The pattern is repeated to different degrees within the individual authorities as shown in the following chart. There is a considerable level of consistency between the authorities for many of the age groups. York stands out as having a lower level of economic activity for people aged between 20 – 24, although as noted in the

demographic section in absolute terms this group is particularly larger in this authority than others, with the location of the University of York an important factor.

Figure 4. 11: Economic Activity Rates, by Age, North Yorkshire, Local Authorities, Yorkshire and Humber, England and Wales, 2001



Source: ONS, 2001

4.43 For the same period (2004 to 2009) unemployment within North Yorkshire was, on average, 1.9% lower than the national rate. The following table illustrates that levels have fluctuated in line with national trends over recent years, with the recession having a significant impact on levels of joblessness in almost all parts of the UK.

Figure 4. 12: Unemployment Rate 2004 to 2009

	Unemployment Rate (%)						Average 2004-9
	2004	2005	2006	2007	2008	2009	
North Yorkshire	2.7	2.5	3.9	3.4	3.4	5.6	3.6
England	4.7	4.6	5.4	5.3	5.4	7.4	5.5

Source: APS/ Edge Analytics

4.44 The following table provides a snapshot of the economy of each Local Authority in North Yorkshire, benchmarked against sub-regional, regional and national

performance. This provides further detail around the employment structure of each of the authorities indicating the occupational breakdown of the working age population.

Figure 4. 13: Summary of Key Economic Indicators, North Yorkshire, Local Authorities, Yorkshire and Humber, England and Wales

	Total Working Age Population (mid-2009)	Economic Activity Rate, Aged 16- 64 (April 09- March 2010)	Unemployment Rate (2004-2009)	Proportion of Total Employment (July 2009- June 2010)			Commuting Ratio (2001)
				Managers and Senior Officials	Professional Occupations	Associate Professional and Technical Occupations	
Craven	31,500	77.8%	4.1%	17.1%	11.5%	8.8%	1.07
Hambleton	50,700	81.3%	3.2%	19.6%	13.4%	15.6%	1.03
Harrogate	94,100	80.7%	3.1%	19.1%	13.5%	15.5%	1.09
Richmondshire	33,000	81.7%	2.8%	12.7%	11.6%	15.9%	1.11
Ryedale	30,600	89.2%	4.0%	17.9%	22.0%	14.4%	0.97
Scarborough	61,800	73.2%	3.0%	7.5%	9.4%	13.8%	1.06
Selby	50,600	74.4%	5.6%	20.2%	15.0%	9.8%	1.24
York	129,500	76.4%	5.2%	15.3%	18.7%	15.4%	0.94
North Yorkshire	481,800*	79.3%	3.6%	16.2%	14.4%	13.7%	-
Yorkshire & Humber	3,273,400	75.4%	-	16.0%	14.0%	14.6%	-
England & Wales	33,882,200	76.6%	-	14.6%	12.2%	13.5%	-

Source: ONS/ AXIOM/ Edge Analytics

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

-
- 4.45 It is apparent that there is considerable difference between each of the North Yorkshire Local Authorities' economic profiles, despite the constrained geography of the sub- region. Broadly Scarborough can be identified as a local economy which is performing weakly compared to sub regional benchmarks with Hambleton and Harrogate functioning much more strongly in comparison.
- 4.46 The North Yorkshire economy performs well compared to Yorkshire and Humber and England and Wales against measures including economic activity rate, and proportion employed in 'top three' occupations.

Changing Economic Circumstances: Impact of the Recession

- 4.47 The analysis of unemployment levels over recent years highlighted the impact of the recession on the employment profile of the area. The 2011 Household Survey included a number of questions directly targeted at tracking the changing economic circumstances of households over the last couple of years, i.e. post the onset of recession. This provides a unique insight into the impact that the wider economic crisis has had on individual household circumstances across North Yorkshire.
- 4.48 The purpose of the analysis of the responses to these questions is to highlight, beyond the standard indicators of the levels of economic activity and inactivity the changing structure of the economy which will have impacted on the expectations of households in terms of their current and future housing requirements.
- 4.49 The following analysis tracks the changing employment status of North Yorkshire's households, using response data provided for the head of household, from 2008 to 2010.
- 4.50 Figure 4.14 over the page shows the change in employment circumstances in this period by housing tenure for the sub-region as a whole. It is evident that across all tenures there has been a fall in full-time employment levels over this period, with a total fall of 6.1%. Significantly though it is households within the private rented sector which seem to have been affected to the greatest extent with a fall of 8.1%.
- 4.51 Households in the social rented sector overall appear to have been affected most in terms of economic activity with falls in full, part and self-employment and a 2.4% rise in unemployment. In part reflecting the demographic findings which showed an ageing

population the sub-region has seen a 4.4% rise in households classified as retired with this including a relatively high number of owner-occupiers without mortgages.

- 4.52 Figure 4.15 shows the change in employment circumstances of households in all tenures by authority. In terms of full-time employment all of the authorities have seen a relatively similar decrease with Hambleton registering the largest fall at 6.8%. The registered changes in part-time employment are more varied with all of the authorities with the exception of Craven showing an increase but with Hambleton and the City of York showing growth rates of 2% or over.
- 4.53 In terms of households choosing to retire over the two years Craven and Richmondshire registered the highest proportion with both recording over 5%. Harrogate and Scarborough showed the lowest levels of households entering retirement over this period.
- 4.54 All of the North Yorkshire authorities experienced an increase in unemployed households between 2008 and 2010.

Figure 4. 14: Change in Household Employment Circumstances, 2008 – 2010, by Tenure, North Yorkshire

Employment Circumstances Status (% Change 2008-10) by Current Tenure - North Yorkshire										
Tenure	Full-time employment	Part-time employment	Self Employed (Full or Part-time)	Retired	Unemployed	Long term sick or disabled	Student or trainee 16-17	Student or trainee 18+	Homemaker	Full-time Carer
Owner-occupied (no mortgage)	-5.9%	-0.9%	-0.3%	6.8%	0.2%	-0.1%	0.0%	-0.2%	0.3%	0.0%
Owner-occupied (with mortgage)	-5.4%	2.3%	0.3%	2.5%	0.7%	0.2%	0.0%	-0.7%	-0.1%	0.3%
Social Rented	-5.5%	-0.2%	-1.1%	4.7%	2.4%	-0.5%	-0.1%	0.5%	-0.5%	0.5%
Private Rented	-8.1%	4.7%	0.5%	3.0%	1.1%	0.8%	-2.4%	0.1%	0.3%	-0.1%
Total	-6.1%	1.3%	-0.1%	4.4%	0.8%	0.1%	-0.4%	-0.2%	0.0%	0.2%

Figure 4. 15: Change in Household Employment Circumstances, 2008 – 2010, North Yorkshire, Local Authorities, Overview

Employment Circumstances Status (% Change 2008-10) by Current Tenure - North Yorkshire Authorities										
Authority	Full-time employment	Part-time employment	Self Employed (Full or Part-time)	Retired	Unemployed	Long term sick or disabled	Student or trainee 16-17	Student or trainee 18+	Homemaker	Full-time Carer
Craven	-5.5%	-0.7%	-0.2%	5.3%	1.3%	-0.1%	-0.1%	-0.9%	0.7%	0.2%
Hambleton	-6.8%	2.6%	-0.1%	4.3%	1.3%	-0.1%	0.0%	-1.0%	-0.1%	0.0%
Harrogate	-5.8%	0.7%	-0.7%	3.8%	0.1%	1.3%	0.0%	-0.2%	0.6%	0.1%
Richmondshire	-6.5%	1.0%	-0.3%	5.7%	0.3%	0.2%	-0.2%	-0.9%	0.8%	0.1%
Ryedale	-6.3%	0.5%	0.2%	4.9%	0.9%	0.1%	-0.3%	-0.3%	0.1%	0.2%
Scarborough	-5.7%	1.4%	0.8%	3.5%	0.5%	-0.8%	0.0%	0.2%	-0.2%	0.4%
City of York	-6.4%	2.0%	-0.1%	4.6%	1.2%	0.1%	-1.2%	0.1%	-0.6%	0.1%
North Yorkshire	-6.1%	1.3%	-0.1%	4.4%	0.8%	0.1%	-0.4%	-0.2%	0.0%	0.2%

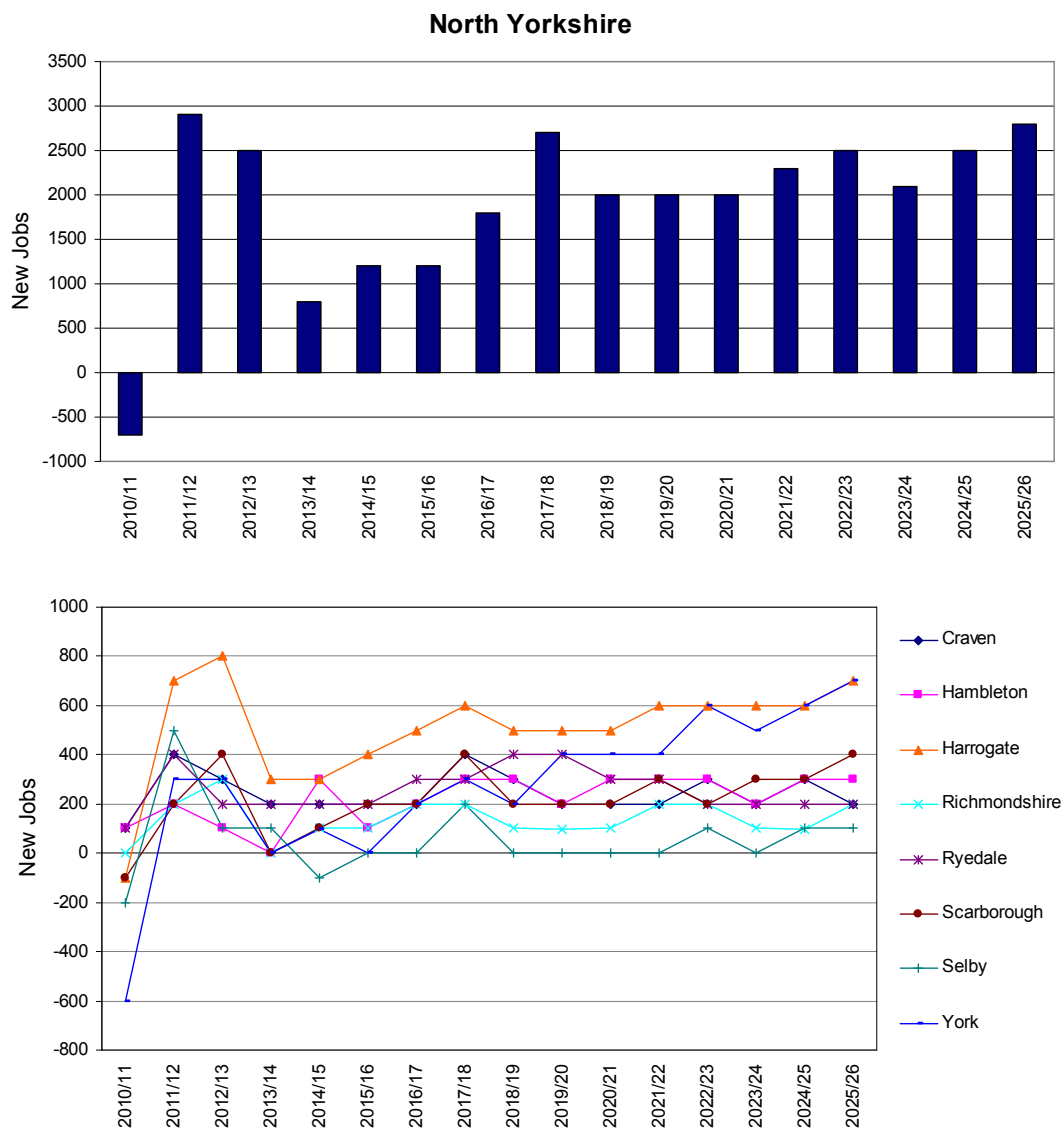
Source: 2011 Household Survey

Changing Economic Circumstances: Future Employment Change Projections

- 4.55 Whilst the recession has clearly had an impact on the workforce profile over recent years it is important to recognise the cyclical nature of the economy and that moving forward circumstances are likely to change again.
- 4.56 The latest employment forecasts for North Yorkshire, as sourced from the Regional Economic Model, suggest a strong post recession recovery from 2011 onwards, with a total of 31,300 new jobs created between 2011 and 2026¹⁵ (26,300 jobs excluding York). At local authority level these forecasts suggest that Harrogate and York are likely to perform particularly strongly with a concentration of additional jobs created within both economies respectively. Richmondshire and Selby conversely record a much lower projected job creation over the same period.

¹⁵ Note: The REM forecasts have been used within this research as they represent a standard set of economic forecasts for all authorities across North Yorkshire. It is important to note that all economic forecasts are estimates based on available inputs at the time of production. Forecast job changes will be affected by the performance of the national economy, with the current economic climate posing a significant challenge for economic forecasting.

Figure 4. 16: Forecast New Job Creation across North Yorkshire 2011 to 2026



Source: Edge Analytics / REM

4.57 This SHMA research has not looked to develop other economic forecasts. The REM model represents a policy-off projection i.e. it does not factor in any planned economic investment by the public or private sector but rather builds the forecast from a national model of industrial sector performance which are layered onto the industrial structures of individual authorities.

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- 4.58 As part of Core Strategy development a number of authorities have assembled up-to-date economic evidence, including 'policy-on' forecasts. York is one such example with a report published by Arup¹⁶ examining a number of potential future scenarios based not only on past performance and the current profile of the economy but also potential employment generating projects in the pipeline or economic investment aspirations for the area. The preferred economic scenario shows a greater level of employment growth for the authority up to 2026, with on average 960 jobs per annum forecast to be created. This represents a significant elevated forecast growth when compared to the average annual growth of approximately 340 per annum under the REM model, although the latter moves to an annual job growth of approximately 700 towards the end of the forecast period. Evidently if growth of this scale was realised it would have a wider impact not only on York but also other parts of North Yorkshire.
- 4.59 The performance of the economies of the major centres across North Yorkshire will require careful monitoring in the future to understand how policies need to be structured to address challenges and take advantage of opportunities.
- 4.60 Whilst the realisation of these, or any other, employment projections is uncertain it is important that the implications of change are factored into the analysis of future levels of household growth and housing need. This is explored in greater detail within Section 7 where the projections are compared and contrasted with demographic trend projections to understand how economic change may shape population and therefore household growth in the future.

Linking Employment and Housing – Commuting Trends and Relationships

- 4.61 The relationship between work and home is played out on a daily basis and is able to be measured through commuting patterns. This represents an important linkage between the two key drivers of change considered within this Section, demography and economics.

¹⁶ Source: Two research papers have been published: 'City of York Council Topic Paper – Population: Updated Version' (July 2011), 'City of York Council Topic Paper – Employment: Draft Report' (July 2011), ARUP

- 4.62 The encouragement of sustainable lifestyles and a reduction in the use of energy requires a shortening of commuting journeys and by default an increase in the level of containment of the labour force. This is an important consideration therefore in planning to match economic growth aspirations with the housing offer, with the latter playing an important defining role in achieving the wider sustainability objective.

Commuting Trends

- 4.63 Journey-to-work statistics from the 2001 Census provide the most detailed evidence on the dynamics of the labour market within North Yorkshire. Using 2001 Census TTW data, the baseline assumption for calculating the commuting ratio for each Local Authority is based on the following:

$$\text{Commuting Ratio} = \text{Employed Residents in Area} / \text{Jobs in the Area}$$

$$= [(\text{live and work in e.g. Craven}) + (\text{live in e.g. Craven, work elsewhere})] / \text{jobs in area}$$

- 4.64 This provides an important component in understanding the drivers behind population and household change and their relationship to the housing stock.
- 4.65 The districts within North Yorkshire demonstrate significant variation in their respective commuting patterns. The summaries below illustrate the relationship between the number of workers in an area and the corresponding number of jobs. A commuting ratio less than 1.0 indicates that there are more jobs than workers in a district. This means that there is a net outflow of workers in those authorities with a figure greater than 1:
- Only York and Ryedale are evidenced to have commuting ratios below 1.0 in 2001. All other districts have a net outflow in commuting terms, with Selby the highest with a commuting ratio of 1.24 a real imbalance in the number of workers and the jobs available in the local authority.
 - Craven's current commuter ratio is 1.07. The ONS released a partial update to the travel to work data showing flows for 2008 contrasting with data from

2001¹⁷. The updated data shows there have been changes to flows since the analysis of the 2001 census, with 58.7% of residents working in Craven, compared to 64.4% of residents in 2001. Craven has outward and inward resident flows to/from places of work outside of the North Yorkshire sub region, namely Leeds, Bradford and Lancaster.

- Hambleton's journey to work profile states that it has a commuting ratio of 1.03. Analysis of travel to work flows highlights that the local area retains many of its resident workers, albeit it less than 2001, with the 2008 rate standing at 61.5%. The amount of residents commuting to York has more than doubled since 2001, standing at 11.3%. Harrogate and Middlesbrough also represent major resident flows, at 4.5% and 5.2% respectively. Hambleton has a substantial number of inward worker flows from a number of other Local Authorities, both based within North Yorkshire and in other sub regional areas.
- Harrogate has a commuting ratio of 1.09. The 2008 data reinforces the analysis of the census indicating that whilst there have been some marginal changes to flows, over 70% of residents in Harrogate work within the Local Authority area. A substantial proportion of Harrogate's residents work in Leeds (11.1%), although this rate has decreased since the 2001 census. The number of significant inward worker flows has increased since the 2001 census with workers now travelling from Hambleton and Bradford.
- Ryedale has a commuting ratio of 0.97. Only York and Ryedale have commuting ratios below 1.0 in 2001 which indicates that there are more jobs than workers in Ryedale resulting in a net inflow of workers. The 2008 flows illustrate a substantial decline in the proportion of Ryedale resident workers, which in 2008 stood at 69.5% in contrast to 79.7% in 2001. Scarborough, which did not represent a significant flow in 2001, is now the Local Authority of Work for 8.1% of Ryedale residents. Since 2001 there have been decreases in the proportion of workers from Ryedale and from other local authorities identifying Ryedale as their place of work.

¹⁷ Note: this is not directly comparable for 2001 as this analysis uses the Labour Force Survey as opposed to the Census data cited

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- Richmondshire has a commuting ratio of 1.11. The proportion of Richmondshire residents working in within the Local Authority area has increased dramatically since the 2001 census, with the flow increasing from 67.5% to 79.6%. There has been a slight increase in the proportion of workers residing in Richmondshire, with the 2008 flow standing at 75.5%.
 - Scarborough's commuting ratio is 1.06. Scarborough retains a substantial amount of its resident workers. Over 83.6% of residents in Scarborough work within the local authority, with only Ryedale representing a significant outflow for Scarborough's workers. Almost 90% of workers live in Scarborough, with other flows from Ryedale, East Riding of Yorkshire and Redcar and Cleveland.
 - Selby has a commuting ratio of 1.24. Selby has a much smaller proportion of resident workers in comparison to the other North Yorkshire local authorities, despite an increase since 2001. A substantial proportion of residents work in York, with other commuter destinations including Wakefield, Leeds and the East Riding of Yorkshire. The analysis of the origin of workers in Selby shows a slight decrease in workers from Selby since 2001, with a number of flows from Wakefield, East Riding of Yorkshire, Leeds, York and Doncaster.
 - York has a commuting ratio of 0.94. Only York and Ryedale have commuting ratios below 1.0 in 2001 which indicates that there are more jobs than workers in York resulting in a net inflow of workers daily. Over 80% of residents in York work within the city. The data also shows that a significant amount of York residents work in other local authorities, both within North Yorkshire and in other sub-regional areas. 69.0% of York's workers reside within York and there are a number of worker inflows from other local authorities, in particular Selby and the East Riding of Yorkshire each providing over 5% of workers.

above

Incomes and Earnings

4.66 Household income levels are closely related to employment. The analysis of the economic profile of North Yorkshire has highlighted that whilst the area enjoys relatively healthy levels of economic activity the recession has had an impact on employment status which in turn is likely to have impacted on income levels. It is also important to note that the analysis of commuting trends highlighted high levels of out-commuting to the economic areas. Many of those commuting are travelling to relatively high paid jobs in the economic centres of the surrounding areas including Leeds in the South and Middlesbrough in the North.

Local Income Levels

4.67 The level of disposable income available to a household is directly linked to the ability of households to exercise choice in the housing market and indeed the level of need for affordable housing products.

4.68 In order to present an accurate portrait of households incomes and financial capacity across the sub-region a range of data sources have been used. Given that the household survey presents the most up-to-date and locally representative data source the analysis primarily uses the information obtained from its results.

4.69 The Household Survey 2011, undertaken as a component of the SHMA, asks a number of questions with regard to households' financial situation including income, savings and debts. The following tables and charts present an overview of the income profile and financial capacity of households across North Yorkshire. This presents a key input into the assessment of housing need in section 8.

4.70 Figure 4. 17 charts the income distribution of households within North Yorkshire utilising the responses from the 2011 household survey¹⁸.

4.71 This shows a fairly standard income profile with a clustering of households with incomes between £15,000 and £45,000 and a spike of households with high earnings.

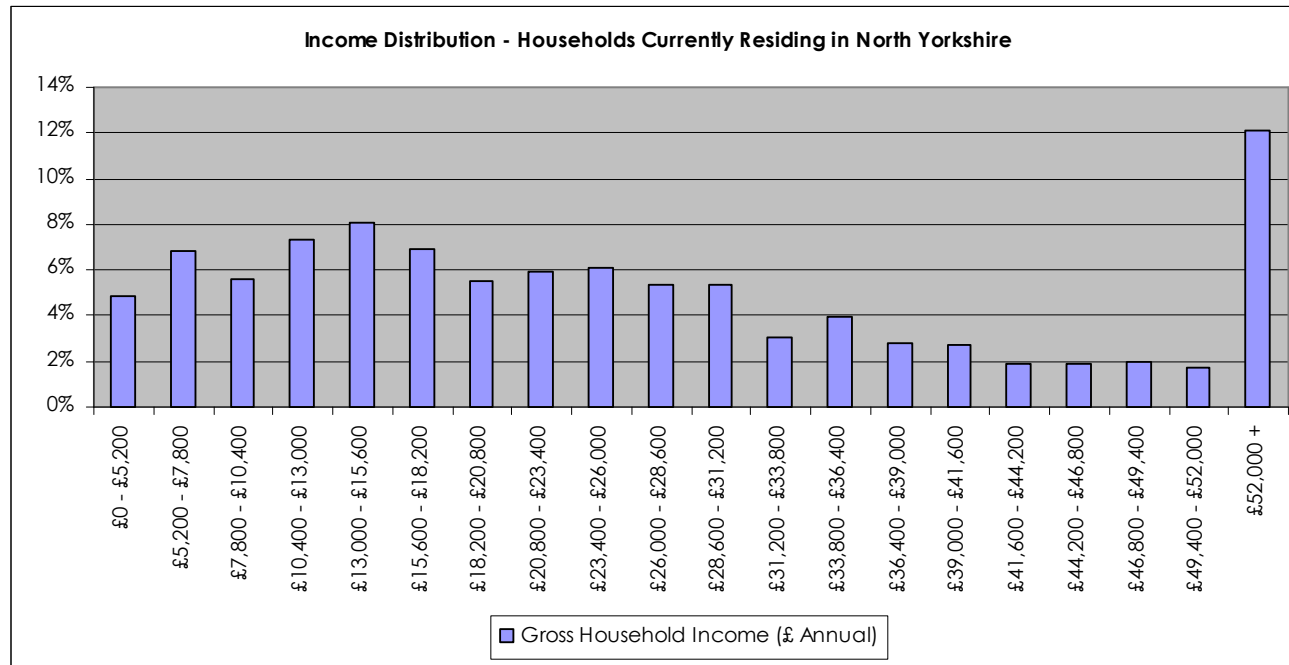
¹⁸ Households who did not provide their income have been excluded from this analysis.

Across North Yorkshire the survey revealed that 45% of households had annual incomes of below £20,800 and that 67.9% had incomes below £31,200. Interestingly though within the sub-region over 12.1% of households had incomes of above £52,000 illustrating the household income polarity within the area.

4.72 At an authority level Hambleton and Harrogate had the highest proportion of households falling into the highest income bracket with both recording almost 15% of households with incomes over £52,000. Scarborough had a notably lower proportion in this bracket at only 8.1%.

4.73 In parallel Scarborough recorded a higher proportion of households with incomes below £20,800 with almost 40% of households recording an income of less than £13,000. The other authorities recorded relatively similar proportions of households with lower incomes.

Figure 4. 17: Income Distribution, Households Currently Residing in North Yorkshire, North Yorkshire



Income Band (£)	Income Distribution (Gross Annual £) - Current Households: Local Authorities & North Yorkshire							
	North Yorkshire	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
£0 - £5,200	4.9%	2.5%	3.6%	5.8%	5.0%	3.5%	7.0%	4.5%
£5,200 - £7,800	6.9%	6.0%	5.1%	4.8%	5.2%	6.8%	12.2%	6.6%
£7,800 - £10,400	5.6%	5.9%	2.5%	5.6%	5.2%	6.1%	9.1%	4.5%
£10,400 - £13,000	7.3%	7.0%	8.2%	5.4%	7.6%	8.1%	10.2%	6.4%
£13,000 - £15,600	8.1%	8.5%	7.8%	7.5%	8.2%	9.0%	9.8%	7.2%
£15,600 - £18,200	7.0%	8.0%	7.7%	6.5%	6.1%	8.0%	6.1%	7.1%
£18,200 - £20,800	5.6%	4.8%	6.3%	4.6%	5.7%	5.6%	6.7%	5.5%
£20,800 - £23,400	5.9%	5.5%	4.7%	6.7%	6.5%	5.5%	5.8%	6.1%
£23,400 - £26,000	6.1%	6.0%	6.8%	6.7%	6.6%	5.4%	4.6%	6.2%
£26,000 - £28,600	5.4%	6.0%	5.3%	5.3%	4.6%	6.5%	2.9%	6.6%
£28,600 - £31,200	5.3%	5.9%	4.5%	6.4%	4.9%	4.8%	4.7%	5.4%
£31,200 - £33,800	3.0%	3.9%	2.9%	2.5%	3.9%	3.2%	2.3%	3.4%
£33,800 - £36,400	4.0%	3.6%	3.7%	4.1%	3.9%	3.8%	2.9%	4.8%
£36,400 - £39,000	2.8%	4.3%	3.4%	2.8%	4.1%	2.3%	1.5%	2.8%
£39,000 - £41,600	2.7%	2.6%	3.0%	2.8%	2.4%	2.1%	1.2%	3.7%
£41,600 - £44,200	1.9%	1.9%	2.8%	1.3%	1.7%	2.2%	1.4%	2.2%
£44,200 - £46,800	1.9%	2.1%	2.0%	1.5%	1.9%	2.0%	1.3%	2.5%
£46,800 - £49,400	2.0%	1.8%	2.7%	2.3%	2.7%	2.3%	1.2%	1.7%
£49,400 - £52,000	1.7%	2.4%	2.2%	2.6%	1.9%	1.6%	1.0%	1.1%
£52,000 +	12.1%	11.1%	14.9%	14.8%	11.5%	11.2%	8.1%	11.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2011 Household Survey

-
- 4.74 The Selby 2008 Household Survey determined the Selby District Income Profile (Table B9 of the Selby SHMA 2009). 9.3% of households earn under £150 per week; 12.0% earn £150 to under £250 per week; 14.5% earn £250 to under £350 per week; 11.0% earn £350 to under £450 per week; 14.7% earn £450 to under £600 per week; 11.6% earn £600 to £600 to under £750 per week; 12.0% earn £750 to under £1000 per week; and 14.9% earn over £1000 per week. This profile broadly aligns with the findings for the other North Yorkshire authorities.
- 4.75 The table below provides further detail of households' financial circumstances. Importantly it illustrates that across North Yorkshire the median income is just over £22,000 with this varying between the authorities from Scarborough (£16,900) to Hambleton and Harrogate (£24,700)¹⁹.
- 4.76 Across all of the authorities the median level of household savings is relatively low, and is £2,500 on average across North Yorkshire. This is driven by almost 50% of households stating that they had negative (debt) or no savings, whereas a similar proportion held savings above £2,500. Hence, this does mask variability in the levels of savings. At the North Yorkshire level savings are lowest for households in the private rented sector with those households who own their own home outright having the highest level of savings. When combined with equity in property this group clearly has the greatest amount of finance able to be invested in housing.
- 4.77 At an authority level Hambleton, Harrogate, Richmondshire and Ryedale stand out as having the highest levels of equity in property. In contrast Scarborough records comparatively low levels of equity in property, although overall across North Yorkshire the level of equity is high.

¹⁹ Median values are utilised as the average by evidencing the mid-point across the range. This is seen as more representative than using the 'mean', which can be skewed by a low number of high values in the upper part of the range.

Figure 4. 18: Financial Capacity of Households in North Yorkshire, by Tenure, North Yorkshire & Local Authorities

Current Tenure	Household Financial Position by Tenure (£) - North Yorkshire (minus Selby)		
	Median annual gross household income	Median household savings	Median Equity
Own outright	£22,100	£12,500	£175,000
Own with mortgage or loan	£29,900	£2,500	£112,500
Intermediate	£19,500	£2,500	£17,500
Social Rented	£11,700	£2,500	
Private Rented	£16,900	£0	
Average (Median)	£22,100	£2,500	£137,500

Authority	Household Financial Position by Tenure (£) - Local Authorities & North Yorkshire		
	Median annual gross household income	Median household savings	Median Equity (owner occupied only)
Craven	£22,100	£2,500	£137,500
Hambleton	£24,700	£2,500	£175,000
Harrogate	£24,700	£2,500	£175,000
Richmondshire	£22,100	£2,500	£175,000
Ryedale	£22,100	£2,500	£175,000
Scarborough	£16,900	£0	£112,500
City of York	£22,100	£2,500	£137,500
North Yorkshire (minus Selby)	£22,100	£2,500	£137,500

Source: 2011 Household Survey

4.78 The Selby SHMA 2009 (Paragraph B.17) presents a similar analysis of income based on the findings of the Household Survey 2008. This identified a median gross income for full-time employees in Selby was £24,310 per year, whilst not directly comparable this suggests a similar income level to Hambleton and Harrogate. When analysed by tenure again a similar trend is presented with households owning property having the highest median annual gross incomes (£32,500 with a mortgage, followed by owned without a mortgage at £22,100). The Selby Survey showed a comparatively low median annual gross income for the Social Rented sector at £9,100, and for Private Rented (furnished) £11,700 and for Private Rented (unfurnished) £14,300. Overall the alignment between the Selby survey (2008) and the North Yorkshire survey (2011) is strong highlighting the lack of movement in incomes over this period.

Bringing the Evidence Together

4.79 The purpose of this section has been to undertake analysis to provide an up to date assessment of the demographic and economic characteristics of North Yorkshire. This has included the use of the latest available trend-based data to consider demographic and economic drivers which will have an impact on current as well as future housing requirements.

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

- **Demographic change:** The North Yorkshire population has grown by 5.7% since 2001 with gains noted across most age groups, but with notable decline in population aged under 10 years and between 25 and 30 years. The evidence supports the view that North Yorkshire has an increasing ageing population. At local authority level it is notable that net in migration has been key driver of population growth over the period.
- **Ethnic composition:** Only 4% of the North Yorkshire population is classified as 'non white' in the 2007 ONS population estimates, compared to some 10% of the total Yorkshire and Humber region. At local authority level the greatest diversity in ethnic composition is noted within Harrogate, Craven and York with all recording above sub-regional average proportions of 'non white' population in 2007 (4%, 5% and 5% respectively) whilst all still remain notably short of the regional average.
- **Household composition:** DCLG household estimates identify a total of 335,925 households across North Yorkshire. The majority of these households are classified as 'one person households' (31%, 104,944 households) or 'one family and no others: Couple (including households with no dependent children, one dependent child, two dependent children, or three dependent children) (51%, 170,896 households). This current total number of households represents a growth of 21,047 over the period 2001 and 2008, equating to 6.7%. The growth noted was particularly concentrated in one person households (+12,720 households, +14%). There was decline in the number of family households with 2 or more children over the period of 1,433 (-4.1%), and across all mixed households (couples and one or more other adults or lone parent and one or more adults) (-6,287 households, -19%) with the exception of a lone parent and one or more other adults with

3 or more dependent children. At local authority level the largest contributions to this overall growth were noted to be York (+6,820), Harrogate (+3,748) and Selby (+2,484). Proportionally growth was also noticeably in Richmondshire, which experienced a 9% growth in total households since 2001.

- **Economic activity:** North Yorkshire has an average activity rate of 79.3% noted to be in excess of both the Yorkshire and Humber (74.46%) and England and Wales (76.6%) averages. This includes a higher economic activity rates across all age groups. Within the working age population, although more noticeably so in those aged between 16 and 54 than 55 years and older. Unemployed rates between 2004 and 2009 were on average 3.6% in North Yorkshire compared to 5.5% across England. In both cases the 2009 figure was a peak, although even at this time the sub-regional economy had a lower average than the national figure 5.6% in North Yorkshire compared to 7.4% across England. The relative strength of the sub-regional economy compared to wider benchmarks is further evidenced in other key indicators including the proportion of total employment concentrated in 'top three' occupations of 44% compared to 40% across England and Wales.. The latest economic projections suggest strong post-recession recovery within North Yorkshire with 31,300 job growth forecast between 2011 and 2016 (26,300 excluding York), with particularly strong growth forecast in Harrogate and York.
- **Commuting trends:** There are noted to be variances in travel to work patterns within North Yorkshire, including a clear imbalance in some instances between the number of workers resident in an area compared to jobs based on 2001 census data. This is noted to be most prevalent in Selby (community ratio of 1.24), Richmondshire (ratio of 1.11) and Harrogate (ratio of 1.09). All of the authority areas with the exception of York and Ryedale (ratios of 0.94 and 0.97 respectively) have a net outflow in community terms. Key outflows from the sub region include from Craven to areas outside of the North Yorkshire sub region, Hambleton to Middlesborough, Harrogate to Leeds (although this appears to be a decreasing trend), and Selby to Wakefield, Leeds and East Riding. Flows of worker between local authority areas in North Yorkshire suggest key

relationships between Hambleton and York (of growing relevance since 2001), Ryedale and Scarborough, and Selby and York.

- **Income and Earnings:** Over 45% of households across North Yorkshire had incomes below £20,800 with Scarborough in particular recording a high proportion of households with lower incomes. The polarity of incomes is also evident with just over 12% of households across North Yorkshire having incomes in excess of £52,000. The levels of households savings across the area is relatively low, particularly in the private rented sector. Household equity levels are highest in Harrogate, Craven and Hambleton and lowest in Scarborough and Richmondshire.

5. The Housing Stock

Current Dwelling Position

An understanding of the current 'Housing Offer' is fundamental to arriving at conclusions and recommendations regarding future requirements.

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

The section concludes with a review of the potential future capacity of residential land to provide an indication of where the stock profile can be changed through development.

Research findings relate directly to:

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

- 5.1 It is important to recognise when reading this review of the housing stock across North Yorkshire that a substantial amount of analysis of the housing profile of North Yorkshire has already been undertaken to inform previous HMA documents, the current Selby HMA, and the sub-regional housing strategy. The wealth of depth of information included within these existing baseline documents is not replicated here, but is drawn upon with the intention being to present an overview of the key defining elements of the stock profile as set in the CLG Guidance.

Assessing the Changing Housing Offer – Recent Housing Supply

- 5.2 North Yorkshire contains a **total of 356,239 dwellings of which 9,200²⁰ are vacant**, resulting in a total dwelling occupancy level of 347,039 households, and a vacancy rate of approximately 2.6% as at 2009/10.
- 5.3 Planning monitoring data provided by the individual authorities illustrates that the overall stock of housing across North Yorkshire and within the individual authorities has incrementally increased. The pace of change has slowed over recent years across all areas as shown in the following table; this reflects a national slowdown of development driven by a lack of finance and uncertainty in the market.

Figure 5. 1: Gross Housing Completions, 2003/4 – 2008/9, North Yorkshire, Local Authorities

	Gross Housing Completions						
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Craven	241	206	164	199	148	299	87
Hambleton	201	206	381	238	333	201	135
Harrogate	476	421	437	357	518	403	388
Richmondshire	-	157	256	122	193	56	40
Ryedale	194	113	121	202	233	106	151
Scarborough	-	477	424	656	312	219	241
Selby	226	471	638	876	585	228	270
York	669	1,193	949	875	557	502	606
North Yorkshire	2,007	3,244	3,370	3,525	2,879	2,014	1,918

Source: North Yorkshire Local Authorities, 2010

- 5.4 The peak of the market in terms of development levels was around 2004 – 2007 where annual levels were in excess of 3,200 units, with York and Selby in particular delivering high levels of housing development. In contrast 2009/10 saw only 1,918 dwellings being built with the next years figures, based on emerging data, lower still.
- 5.5 Over the period 2004 - 2010 Richmondshire and Ryedale have had the lowest number of completions, 897 and 926 respectively. This contrasts with Selby and York where

²⁰ HSSA, 2009/10.

completions over this period have totalled, 3,068 and 4,682 respectively. Harrogate and Scarborough have also built more than 2,300 units over this period.

5.6 The table below shows net (factoring in demolitions) completions between 2003 and 2010. This shows the relatively low numbers of demolitions on an annual basis across the area. Net development figures are not available over the full time period from Richmondshire, Craven and Harrogate and therefore the North Yorkshire figures are not included as they are not directly comparable.

Figure 5. 2: Net Housing Completions, 2003/4 – 2008/9, North Yorkshire, Local Authorities

	Net Housing Completions						
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Craven	-	206	164	199	147	299	83
Hambleton	181	188	359	209	322	180	127
Harrogate	-	-	-	-	-	-	-
Richmondshire	-	157	256	122	193	56	40
Ryedale		94	96	170	208	100	138
Scarborough	57	440	410	603	284	196	209
Selby	226	469	633	873	583	222	270
York	525	1160	906	798	523	451	507

Source: North Yorkshire Local Authorities, 2010

5.7 This supply of housing against targets has an implication for the development of future targets and the ability of the sub-region to accommodate new household demand. This is explored in further detail through the assessment of future dwelling requirements in Section 7.

Vacancy

5.8 The headline level of vacancy was introduced at the start of this section, however, further analysis is required in order to understand the existence of empty stock across the area.

5.9 Vacancy is a key indicator of the supply/demand imbalance. A certain level of vacancy within a housing market is essential to ensure a healthy turnover (or churn) in order to keep the market active. Government guidance recommends that planning policy should look to accommodate a level of 3% to ensure a healthy market. The

overall vacancy rate for North Yorkshire stands at 2.6% in 2009/10, a level below the standard assumed 'healthy' vacancy rate of 3%.

- 5.10 The following table shows a breakdown of vacancy by authority illustrating that the highest level of vacancy is recorded in Hambleton at 4.3%. When compared with many other markets in the north this level of vacancy still represents a relatively healthy level. Selby, York and Richmondshire all record levels of vacancy of under 2% suggesting very high levels of demand for property in these authorities.

Figure 5. 3: Vacant Properties, 2010, North Yorkshire, Local Authorities (Council Tax Data)

	Dwellings	Vacant Properties (Total)		Private Sector Properties Vacant for more than 6 months	
		Total Number	Vacancy Rate	Total Number	Vacancy Rate
Craven	26,115	788	3.0%	256	1.0%
Hambleton	39,164	1,675	4.3%	438	1.1%
Harrogate	68,643	2,366	3.4%	1,218	1.8%
Richmondshire	22,282	335	1.5%	335	1.5%
Ryedale	23,840	718	3.0%	383	1.6%
Scarborough	55,593	1,400	2.5%	699	1.3%
Selby	35,859	383	1.1%	357	1.0%
York	84,743	1,535	1.8%	452	0.5%
Total North Yorkshire	356,239	9,200	2.6%	4,138	1.2%

Source: HSSA, 2010, GVA 2011

- 5.11 A more stringent test of vacancy considers only those properties left vacant for more than 6-months, i.e. long-term vacancy. Against this indicator all of the authorities have very low levels of long-term vacant properties, with everyone recording 1.8% or less. York in particular has only 0.5% of properties classified as being vacant for more than 6 months. This serves to illustrate the high levels of demand for properties across the area and the absence of available existing stock to meet further demand pressures generated by new and emerging households, an issue considered in greater detail within Section 7.

Overcrowding and Under-Occupation

- 5.12 Whilst the re-use of vacant properties represents one important consideration in understanding the supply picture levels of overcrowding and under-occupation are

also important factors in presenting a full understanding of the current capacity of the dwelling stock to meet current and future demand.

- 5.13 Under-occupation and overcrowding are measured using a pre-defined calculation based on the 'bedroom requirement' standard. It is important to note that this standard is very stringent in its assessment with bedroom requirements of households assessed as an absolute minimum. Arguably households today expect more than just this minimum and indeed in terms of ensuring the future sustainability and flexibility of properties these minimum requirements are not necessarily appropriate as they do not enable a household to 'grow' into a house as it progresses through the family cycle.
- 5.14 Recognising this limitation of the assessment the results of the 2011 household survey have been analysed using this criteria to estimate the current proportions of households living in either under or over crowding circumstances.
- 5.15 Whilst overcrowding represents a fundamental challenge to households and clearly presents an indication of a mis-match between supply and demand, levels of under-occupation whilst not representing a necessary issue for households provides an indication of the additional un-used capacity which exists within the existing housing stock. The tables below present an estimation of the number of households where the size and make-up of the household and the number of bedrooms within a property suggest a household living in either overcrowded or under-occupied conditions.

Figure 5. 4: Overcrowding and Under-Occupation, 2010, North Yorkshire, Local Authorities

Overcrowding & Under-occupation - North Yorkshire (excluding Selby)						
Number of Bedrooms Required	Number of Bedrooms in Home					
	Studio / Bedsit	1	2	3	4+	Total
1	1,106	21,915	56,148	60,430	32,091	171,690
2	23	1,065	18,942	40,520	24,347	84,897
3	0	81	1,529	15,342	16,347	33,299
4+	0	13	53	1,804	4,249	6,118
Total	1,129	23,073	76,673	118,094	77,035	296,005

 Under-occupied households
 Overcrowded households

Overcrowding & Under-occupation - North Yorkshire & Local Authorities					
Authority	Overcrowded Households	% Overcrowded	Under-occupied Households	% Under-occupied	2010 DCLG Household Projected Estimate
Craven	279	1.1%	9,744	39.3%	24,771
Hambleton	247	0.7%	17,406	47.0%	37,071
Harrogate	1,223	1.8%	25,566	37.3%	68,504
Richmondshire	357	1.8%	8,092	40.0%	20,228
Ryedale	302	1.3%	9,311	40.4%	23,053
Scarborough	1,343	2.7%	18,201	36.9%	49,380
City of York	1,922	2.2%	28,547	33.1%	86,350
North Yorkshire (excluding Selby)	5,674	1.8%	116,868	37.8%	309,356

Source: 2011 Household Survey

5.16 In proportionate terms the levels of households classified as overcrowded are very low, only 1.8% across North Yorkshire. Scarborough and the City of York record the highest proportional incidents of overcrowding, both exceeding 2% of households. A similar proportion was recorded within the Selby Household Survey 2008 (Table B22 of the Selby SHMA 2009) which identified 548 households in Selby which are overcrowded, comprising 1.6% of total households.

5.17 In contrast there are very high proportions of households defined, through the bedroom standard, as under occupied, almost 38% across North Yorkshire. Hambleton records the highest proportion at 47% with Richmondshire and Ryedale also recording over 40% of households in under-occupied circumstances. The Selby Household Survey (paragraph B.54 and Table B25) identified 27,792 households in Selby which were classed as under-occupied, with 4,580 households severely under-occupied²¹. These absolute levels are comparable with Harrogate and York and in proportionate terms suggest very high levels of under-occupation in the authority (noting the slight difference in the approach taken to calculate).

Property Size and Type

5.18 In understanding the relationship between the supply of housing and demand it is important to understand the mix of the housing offer by both size and type.

5.19 The 2001 Census provides the most robust recent secondary source of data to ascertain the property type profile of North Yorkshire. This is presented in the following table, Table 5.5.

5.20 The 2001 Census demonstrates that North Yorkshire is characterised by a high proportion of semi detached properties (33.0%), followed by detached properties (30.9%) and terraced properties (23%). Conversely, there is a low representation of flatted dwellings within the sub-region, accounting for 12.3% of stock.

²¹ The under-occupation figure has been calculated in the Selby SHMA by using the bedroom standard model methodology which identifies any household with more bedrooms than needed as under-occupied. The severe under- occupation figure has been calculated by classing any households which has 3 or more spare bedroom as severe. The methodology used to calculate table 5.1 has classed under-occupation as any household with more than 1 spare bedroom. This is appropriate as many households may require a spare bedroom for care needs which is particularly relevant for older person households.

- 5.21 The North Yorkshire housing type proportions mask local distinctions, with certain local authorities demonstrating very different dwelling type profiles. Craven is characterised by a high proportion of terraced properties (37.4%), with lower proportions of detached (25.8%) and semi detached properties (28.1%). Scarborough can broadly be identified as having a much higher proportion of flatted and terraced dwellings compared to sub regional benchmarks, accounting for 21.9% and 23.4% of stock respectively.

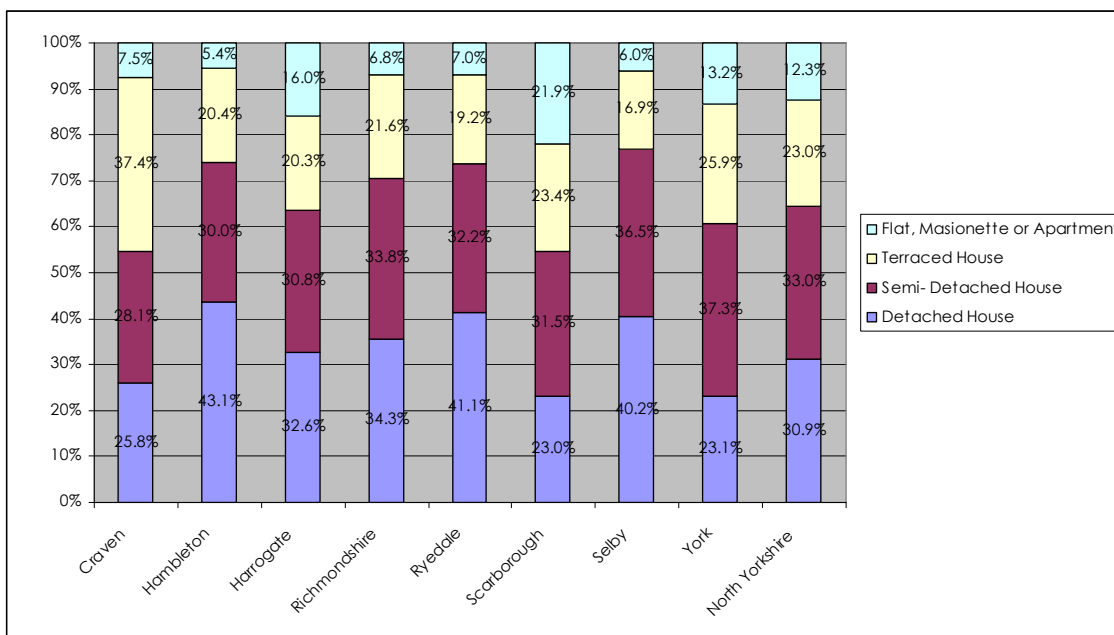
Figure 5. 5: Property Type, North Yorkshire, Local Authorities

		Dwelling Type- 2001 Census					
		House or Bungalow			Flat, Maisonette or Apartment	Other	Total
		Detached	Semi- Detached	Terraced			
Craven	Number	6,283	6,848	9,113	1838	286	24368
	%	25.8%	28.1%	37.4%	7.5%	1.2%	100.0%
Hambleton	Number	15,763	10,961	7,448	1966	447	36585
	%	43.1%	30.0%	20.4%	5.4%	1.2%	100.0%
Harrogate	Number	21,374	20,198	13,283	10,471	758	66,084
	%	32.6%	30.8%	20.3%	16.0%	0.3%	100.0%
Richmondshire	Number	7,241	7,129	4,557	1,421	129	20,477
	%	34.3%	33.8%	21.6%	6.8%	3.5%	100.0%
Ryedale	Number	9,360	7,330	4,373	1,595	126	22,784
	%	41.1%	32.2%	19.2%	7.0%	0.6%	100.0%
Selby	Number	12,866	11,671	5,415	1,903	115	31,970
	%	40.2%	36.5%	16.9%	6.0%	0.3%	100.0%
Scarborough	Number	11,892	16,260	12,074	11,314	324	51,864
	%	23.0%	31.5%	23.4%	21.9%	0.2%	100.0%
York	Number	18,350	29,593	20,505	10,519	456	79,423
	%	23.1%	37.3%	25.9%	13.2%	0.4%	100.0%
North Yorkshire	Number	103,129	109,990	76,768	41,021	2,345	333,253
	%	30.9%	33.0%	23.0%	12.3%	0.7%	100.0%
Yorkshire and Humber	Number	436,152	809,594	627,890	274,297	12,679	2,160,612
	%	20.2%	37.5%	29.1%	12.7%	0.6%	100.0%
England and Wales	Number	5,131,821	7,117,662	5,869,878	4,102,704	173,251	22,395,316
	%	22.8%	31.6%	26.0%	18.8%	0.8%	100.0%

Source: 2001 Census

5.22 This data is displayed graphically below. This further serves to illustrate the high levels of detached properties in Hambleton, Ryedale and Selby. Only York, Scarborough and Harrogate record relatively high proportions of flatted properties, with Scarborough's proportion reflecting the nature of stock in its seaside towns.

Figure 5. 6: Property Type, North Yorkshire, Local Authorities



Source: ONS, 2001 (note this excludes the 'other' category and therefore %'s do not directly align)

5.23 The following tables provide an updated estimate of the profile of occupied dwelling stock in North Yorkshire by both size and type, drawing on the 2011 household survey.

Figure 5. 7: Property Size & Type, North Yorkshire, Local Authorities

Property Type	Property Size - Number of Bedrooms by Property Type - North Yorkshire					
	Studio / Bedsit	1 Bed	2 Bed	3 Bed	4+ Beds	Total
Detached	0.0%	0.9%	13.6%	33.3%	52.1%	100.0%
Semi-detached	0.0%	2.9%	22.3%	57.7%	17.0%	100.0%
Terrace	0.1%	4.1%	37.1%	40.9%	17.9%	100.0%
Flats & Maisonettes	2.6%	46.0%	45.3%	4.6%	1.4%	100.0%
Mobile or Temporary	1.5%	13.2%	65.3%	20.0%	0.0%	100.0%
Total	0.4%	8.1%	26.4%	39.5%	25.6%	100.0%

Authority	Property Size - Number of Bedrooms: North Yorkshire & Local Authorities					
	Studio / Bedsit	1 Bed	2 Bed	3 Bed	4+ Beds	Total
Craven	0.3%	6.0%	28.7%	43.8%	21.1%	100.0%
Hambleton	0.0%	5.8%	21.1%	41.9%	31.2%	100.0%
Harrogate	0.0%	8.5%	24.5%	38.6%	28.4%	100.0%
Richmondshire	0.9%	6.1%	26.6%	42.0%	24.4%	100.0%
Ryedale	0.1%	5.8%	26.6%	42.9%	24.5%	100.0%
Scarborough	0.3%	11.8%	29.4%	36.4%	22.1%	100.0%
City of York	0.8%	8.3%	27.6%	38.1%	25.2%	100.0%
North Yorkshire	0.4%	8.1%	26.4%	39.5%	25.6%	100.0%

Source: 2011 Household Survey

5.24 As would be expected, whilst new development has occurred since 2001 this has not dramatically altered the profile of stock. The majority of housing across North Yorkshire has more than 3-bedrooms with almost 26% have 4 or more bedrooms, the majority of which are made up of detached properties.

5.25 Only just over 8% of the stock has 1-bedroom and just over 26% 2 bedrooms. This shows a considerable skewing towards larger family sized properties. At a local authority level there is some variance, for example Scarborough stands out as having a higher proportion of smaller properties (11.8% 1-bedroom properties and 29.4% 2-bedroom properties). Hambleton and Harrogate in contrast have a large proportion of properties with 4 or more bedrooms (31.2% and 28.4% respectively). Ryedale, Craven, Hambleton and Richmondshire all record over 40% of properties with 3-bedrooms.

5.26 According to the Selby 2008 Household Survey (Table 4.1 of the Selby SHMA 2009) the housing stock comprises,

- 36.9% is detached housing/ cottage;
- 28.4% is semi-detached properties;
- 13.3% is terraced stock;
- 15.4% is bungalows; and
- 5.3% is flatted dwellings.

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- 5.27 As with many of the other authorities across North Yorkshire Selby also shows a high proportion of larger detached properties compared to national benchmarks. In addition the survey showed that in Selby three bedroom properties (44.4%) are the most prevalent across the housing stock in Selby (Table 4.1 of the Selby SHMA 2009). Again in line with the North Yorkshire trend the authority also includes a high proportion of four bedroom properties in the Selby stock (24.4%).
- 5.28 The balancing of these property sizes with falling household sizes, as evidenced in Section 4, represents an important issue in the future. The relatively high levels of under-occupancy identified in the preceding sub-section illustrate that there is currently a relative imbalance in terms of the occupancy of much of the larger stock. This poses a potential opportunity as well as a challenge in terms of meeting future housing need going forward. This issue is considered in greater detail in Sections 7 and 8 for both market and 'affordable' housing.

Dwelling Profile by Council Tax Band

- 5.29 Council Tax bands serve as a further indicator of the size of property. Using this data also allows for a greater assessment of trend i.e. how the profile of stock has changed over recent years. The following table shows percentage changes in North Yorkshire's dwelling stock by Council tax band between 2003 and 2008.
- 5.30 This data shows that North Yorkshire has seen increases in the total numbers of properties across all the Council Tax Bands (4.2%) between 2003 and 2008, above both regional (3.8%) and national (4.1%) levels, reflecting the completions figures presented earlier in the section. Selby in particular has driven this increase with an uplift of total stock of 8.6% reflecting the high levels of completions compared to its overall stock.
- 5.31 At the sub-regional level there has been a significant increase in the number of family homes and high value properties, including new City Centre luxury apartment schemes in sub-market areas such as York City Centre, with an additional 5,541 properties in Bands D, E and F and an additional 637 properties in Bands G and H (% increases of 6.2%, 5.5%, 8.8%, 4.9% and 12.3% respectively). The high levels of growth in Band H properties in particular suggests that a large proportion of new development has been made up of larger aspirational family sized properties.

- 5.32 Craven, Richmondshire and Ryedale local authority areas have experienced the highest increases in Bands D, E and F properties, whereas the uplift in the numbers of high value properties, in Bands G and H, has been driven by Selby, Harrogate and Ryedale.
- 5.33 Conversely Scarborough has seen much smaller increases in stock and a decrease in the number of Band G properties, a reduction in percentage terms of 0.7%. Scarborough's stock increases have been concentrated in Bands A and B, with uplifts in percentage terms of 3.6% and 4.9% respectively. This reflects the high proportion of smaller sized properties identified through the household survey.

Figure 5. 8: Percentage Change in Dwellings by Council Tax Band, 2003/4 – 2008/9, North Yorkshire, Local Authorities

Percentage Change in Stock 2003- 2008											
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	North Yorkshire	Yorkshire and the Humber	England and Wales
Total Stock	4.5%	4.3%	3.2%	4.4%	2.9%	3.7%	8.6%	4.0%	4.2%	3.8%	4.1%
Band A	4.7%	8.6%	7.4%	4.2%	2.1%	3.6%	4.3%	0.4%	3.9%	0.4%	0.2%
Band B	1.8%	6.2%	2.4%	2.8%	2.7%	4.9%	9.1%	2.7%	3.8%	5.8%	4.0%
Band C	2.6%	3.0%	1.3%	4.3%	2.0%	3.9%	6.6%	5.0%	3.7%	6.2%	5.3%
Band D	9.2%	3.4%	4.2%	6.1%	2.0%	2.1%	2.9%	7.8%	5.8%	9.5%	6.2%
Band E	7.4%	2.4%	3.2%	4.8%	4.9%	3.6%	3.4%	3.6%	4.7%	7.2%	5.5%
Band F	5.7%	3.6%	2.4%	6.1%	6.2%	0.2%	2.1%	3.9%	4.4%	7.1%	8.8%
Band G	3.3%	5.3%	4.2%	2.7%	2.0%	-0.7%	8.2%	6.0%	4.2%	5.3%	4.9%
Band H	0.9%	5.4%	7.0%	1.5%	6.3%	0.0%	1.9%	1.0%	6.7%	4.0%	12.3%

Source: DCLG / Neighbourhood Statistics

Dwelling Profile by Tenure

- 5.34 Obtaining a full, and robust, up to date measure of the tenure profile of dwelling stock at the sub-region and local authority scale is difficult to achieve. The 2001 Census provides a statistically valid, albeit slightly dated, reference point upon which more recent data can be built. The tenure profile of North Yorkshire, drawing on 2001 Census data, is presented below in the following table.

Figure 5. 9: Dwelling Tenure Profile, North Yorkshire, Local Authorities

		Dwelling Tenure - 2001 Census						
		Owner occupied		Intermediate (shared ownership)	Social rented (Council & RSL)	Rented (Private & other)	Other	Total
		Owns outright	Mortgage or loan					
Craven	Number	9075	8240	102	2178	2476	609	22680
	%	40.0%	36.3%	0.4%	9.6%	10.9%	2.7%	100.0%
Hambleton	Number	12227	13079	66	4487	3907	922	34688
	%	35.2%	37.7%	0.2%	12.9%	11.3%	2.7%	100.0%
Harrogate	Number	21749	25779	322	5787	7752	1688	63077
	%	34.5%	40.9%	0.5%	9.2%	12.3%	2.7%	100.0%
Richmondshire	Number	5927	5924	61	2339	3277	597	18125
	%	32.7%	32.7%	0.3%	12.9%	18.1%	3.3%	100.0%
Ryedale	Number	8114	6641	87	2700	3000	909	21451
	%	37.8%	31.0%	0.4%	12.6%	14.0%	4.2%	100.0%
Scarborough	Number	17146	15637	270	6231	6342	1100	46726
	%	36.7%	33.5%	0.6%	13.3%	13.6%	2.4%	100.0%
Selby	Number	9716	14382	93	4132	1795	718	30836
	%	31.5%	46.6%	0.3%	13.4%	5.8%	2.3%	100.0%
City of York	Number	24709	31001	610	11631	7696	1273	76920
	%	32.1%	40.3%	0.8%	15.1%	10.0%	1.7%	100.0%
North Yorkshire	Number	108663	120683	1611	39485	33245	6543	310230
	%	35.0%	38.9%	0.5%	12.7%	10.7%	2.1%	100.0%
Yorkshire and Humber	Number	589026	797360	9509	434176	187810	46867	2064748
	%	28.5%	38.6%	0.5%	21.0%	9.1%	2.3%	100.0%
England and Wales	Number	6380682	8396178	139605	4157251	2141322	445437	21660475
	%	29.5%	38.8%	0.6%	19.2%	9.9%	2.1%	100.0%

Source: 2001 Census

- 5.35 The 2001 Census indicates that North Yorkshire has a tenure profile with the majority of stock within the owner occupied section (74%), followed by the social rented (13%) and the private (and other) rented (11%) tenures.
- 5.36 The North Yorkshire Local Authorities broadly follow the sub-regional tenure profile. However there are some important variations in the stock profile of individual local authorities which should be noted. In particular some local authorities have reduced owner occupier proportions, with a consequent increase in the proportion of rental properties.
- 5.37 Scarborough and City of York can be identified as having a much higher proportion of social rented stock compared to sub-regional benchmarks, 13.3% and 15.1% respectively. 18.1% of Richmondshire's stock and 14% of Ryedale's stock is private rented.
- 5.38 An update to the proportion that social rented housing makes to the whole stock is presented at an authority level through the HSSA datasets. 2001/02 data is contrasted with 2009/10 data in the following table.

Figure 5. 10: % of Social Housing – Change 2001 – 2010

Authority	2001			2010		
	Social Stock (RSL / LA)	Total Stock	% Social Stock	Social Stock (RSL / LA)	Total Stock	% Social Stock
Craven	2,240	24,376	9.2%	2,338	26,115	9.0%
Hambleton	4,549	36,737	12.4%	4,968	39,164	12.7%
Harrogate	5,997	66,434	9.0%	6,472	68,643	9.4%
Richmondshire	2,173	20,743	10.5%	2,143	22,282	9.6%
Ryedale	2,754	22,780	12.1%	2,993	23,840	12.6%
Scarborough	6,811	52,379	13.0%	6,277	55,593	11.3%
Selby	4,534	32,856	13.8%	4,448	35,859	12.4%
City of York	12,164	79,647	15.3%	12,363	84,743	14.6%
North Yorkshire	41,222	335,952	12.3%	42,002	356,239	11.8%

Source: DCLG, HSSA, 2010

- 5.39 The table shows that across North Yorkshire, whilst the absolute number of properties classified as social rented has increased over the ten years in proportionate terms they have fallen as part of the overall stock. At an authority level there are a number of exceptions to this trend, namely Hambleton, Harrogate and Ryedale, which have

all seen a proportional rise. Overall however, it is clear that the authorities all still have below national levels of social housing within their stock profile.

Property Condition and Quality

- 5.40 The quality of the housing stock represents an additional layer of information in understanding its capacity to match demand.
- 5.41 The household survey provides an estimate of the number of households considering themselves to be in unsuitable housing, due to the dwelling being in disrepair to the extent that is considered a serious problem to the household²². In North Yorkshire 12,586 households consider their property to be in serious disrepair, which equates to approximately 4% of North Yorkshire's households (note this excludes Selby).

Figure 5. 11: Unsuitability - Households Stating Home in Serious Disrepair, 2010, North Yorkshire, Local Authorities

Households Stating Home in Serious Disrepair - Local Authorities & North Yorkshire		
Authority	Total Households	% of properties (2009/10 HSSA)
Craven	680	2.7%
Hambleton	1,693	4.5%
Harrogate	3,200	4.8%
Richmondshire	809	3.7%
Ryedale	1,276	5.5%
Scarborough	2,242	4.1%
City of York	2,690	3.2%
North Yorkshire (minus Selby)	12,590	4.0%

Source: 2011 Household Survey

- 5.42 At an authority level Harrogate, Scarborough and the City of York all have the highest absolute numbers of households considering their property to be in serious disrepair. Richmondshire and Craven have considerably lower levels of households classifying their properties in this manner.

²² Note: This is based upon the views of the household and has not been independently verified by a chartered surveyor.

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- 5.43 In proportionate terms Ryedale shows the highest levels of households classifying their house as in disrepair at over 5.5% of all occupied stock (HSSA 2009/10). Hambleton, Harrogate and Scarborough also record proportions over 4%.
- 5.44 The 2008 Selby Household Survey collected similar data (paragraphs 4.5 and 4.6 of the Selby SHMA 2009) with 79.2% of households stating that they were satisfied or very satisfied with the repair of their dwellings. However 9.1% (approximately 3,116 of households) expressed degrees of dissatisfaction with their home, although only 1.5% were very dissatisfied. The 2011 North Yorkshire survey analysis draws a more moderate assessment of repairs with these levels of dissatisfaction falling either side of the averages recorded for the other authorities suggesting that problems with stock condition are broadly similar in Selby.

Future Supply Capacity

- 5.45 Section 7 presents a series of projections of future household growth. It is important to base these projections within an understanding of the capacity for delivery over the plan period, with this final part of the section presenting the latest data available to construct this capacity picture for individual authorities.
- 5.46 Nationally the ability of Council's to meet housing demand is an important priority in order to ensure that land availability is not a constraint on the delivery of housing. PPS 3 underpins the Government's response to the Barker Review of Housing Supply and the necessary step-change in housing delivery, through a new, more responsive approach to land supply at the local level. It requires planning authorities to ensure that there is an evidenced supply of deliverable sites able to meet requirements for the next 10 to 15 years.
- 5.47 The estimation of land supply within this section is based upon the findings of the respective Strategic Housing Land Availability Assessments (SHLAA) of each authority in the NYSHP. The SHLAA has involved a thorough audit and assessment of available housing sites across each authority. This assessment has included a review of the availability and deliverability of sites, allocating their potential delivery into five year phases.
- 5.48 It is important to note that whilst the SHLAA provides an evidenced assessment of the theoretical potential supply this has **not been translated to date into statutory policy**

through a land allocations DPD, with the exception of Hambleton DC who adopted their Allocations DPD in December 2010.

- 5.49 This **SHMA therefore uses the potential supply capacity identified through the SHLAAs** to inform analysis of future dwelling requirements but the actual phasing and distribution of supply will be determined through the LDF process. It is also important to stress that site allocations in the LDF are determined within the strategic context of a sustainable scale and distribution of development set out in the core strategy for an authority area. The rural nature of parts of some authorities means there are a limited number of settlements with access to a range of services and facilities. The potential scale of development that these settlements have the capacity to accommodate is limited by environmental constraints.

Five-Year Supply of Land

- 5.50 Each local authority within North Yorkshire has their five year land supply stated either within their Annual Monitoring Report (AMR) or their SHLAA. It is important to note that the figure stated for each LA's five year supply of land has been taken from the most recent document published.

Craven

- 5.51 RSS sets a minimum requirement of 1,250 dwellings over 5 years for Craven District outside the Yorkshire Dales National Park.
- 5.52 In August 2008 the Council published a draft Strategic Housing and Employment Land Availability Study (SHELAA) for public consultation, which has been prepared with the aid of a Housing and Employment Market Partnership (external organisations and the Council). It must be noted that the draft SHELAA is not an adopted document and has not been finalised. Further work is taking place during 2011 to update and take forward the 2008 SHELAA in order to provide a robust and transparent assessment of deliverable and developable sites.
- 5.53 In order to demonstrate whether the Council has a five year housing supply, Craven District Council prepares a bimonthly Housing Position Statement. The Council's latest Housing Position Statement (October 2011) shows a total current supply of 886 dwellings and a shortfall in the five year land supply of 364 dwellings. If 20% is taken off

this figure to allow for slippage (sites not being developed due to constraints), this gives a total of 709, which is 541 units short of a five year supply.

Hambleton

5.54 Hambleton District Council's SHLAA 2010 has identified a six year supply of housing land, as of December 2010:

- 2010- 2016: 1217 permissions plus 1271 allocated dwellings compared to a RSS requirement of 1740;
- 2016 to 2021: 1539 dwellings compared to a RSS requirement of 1450; and
- 2021 - 2026: 1345 dwellings compared to a RSS requirement of 1450.

5.55 The adopted Allocations DPD (December 2010) provides the site allocations and details required to deliver the Core Strategy over the plan period.

5.56 Hambleton District Council's AMR 2010 outlines that there were outstanding permissions for 1217 dwellings as at April 2010, representing a 4.2 years supply from existing commitments alone. Currently the Council has a 7.7 years supply of housing land available for the next five years and a total of 18.5 years supply is available in the 16 years to 2026.

Harrogate

5.57 Harrogate Borough Council's AMR 2010 identifies the Local Authority's Five Year Land Supply. It identifies for 2011 – 2016 a capacity for 1,876 dwellings compared to the RSS requirement of 1,950.

Richmondshire

5.58 Richmondshire District Council's SHELAA June 2010 states the five year housing supply for Richmondshire. In particular the SHELAA states that in the period 2010- 2015 there is a supply of 2100 dwellings compared to a RSS requirement of 1110. In the period 2015-2020 there is a land supply for 2100 dwellings and for 2020 – 2025 there is an available supply of 9240 dwellings.

Ryedale

5.59 Ryedale District Council has stated their five year land supply in the Strategic Housing Land Availability Assessment 2009 (SHLAA). The SHLAA concludes that Ryedale DC has

a five year land supply, from 2009 to 2014, of 1,175 dwellings, compared to the RSS requirement of 1,000.

Scarborough

- 5.60 Scarborough Borough Council has stated their five year land supply in the Strategic Housing Land Availability Assessment 2010 which states that Scarborough has a five year land supply, from 2010 to 2015, of 4,940 dwellings, compared to the RSS requirement of 2,900.

Selby

- 5.61 Selby District Council has a seven year land supply identified in their SHLAA 2009. Selby has a land supply, from 2009 to 2016, of 5,975 dwellings.

York

- 5.62 The City of York Council's SHLAA February 2009 has identified a five year supply of 1,754 dwellings compared to a RSS requirement of 1110 for the period 2009- 2014. For the period 2015- 2020 the City York has a site supply of 2955 dwellings and for 2020 – 2025 the Council has a supply of 1,709 dwellings.

Bringing the Evidence Together

- 5.63 The purpose of this section has been to undertake initial analysis to provide an up to date assessment of the current housing stock and offer across North Yorkshire. The key findings emerging from this initial analysis are summarised in the following bullet points:

- **Total Stock:** There are a total of 356,239 properties as recorded in the 2009/2010 HSSA dataset across North Yorkshire. Approximately 9,200 of these are classified as vacant suggesting that there are 347,039 occupied properties across the sub-region. York and Harrogate have the largest individual levels of stock at 84,743 and 68,643 respectively. Richmondshire and Ryedale have the lowest levels of stock, with both having under 24,000 houses.
- **Recent housing supply:** Between 2004 and 2010 almost 17,000 residential properties have been built (gross). Harrogate, Selby and York have

delivered the highest numbers of new properties over this period. Gross completions have fallen from peak levels between 2004 and 2007 of over 3,200 per annum across North Yorkshire to just over 1,900 in 2009/10 and with emerging data suggesting an even lower number in 2010/11. This trend is reflected across all of the individual authorities.

- **Vacancy:** 2.6% of properties are classified as vacant across North Yorkshire according to 2009/10 HSSA data. Hambleton has the highest level of vacancy at 4.3%, with Richmondshire, Selby and York all recording vacancy rates below 2%. Looking at long-term vacancy all of the authorities have very low levels of property empty for more than 6 months. The low levels of vacant properties across the sub-region reinforces the high demand for property and the limited amounts of surplus stock available to meet current and future housing need.
- **Over/Under crowding:** A very low proportion of households are classified as being in overcrowded circumstances, 1.8% across North Yorkshire (excluding Selby). The highest levels are recorded in Scarborough and York. A high proportion of households are classified as under-occupying their property according to the bedroom standard. It is important to recognise that this is a stringent assessment of requirements. Across North Yorkshire almost 38% of households are classified as living in under-occupancy, with Hambleton, Richmondshire and Ryedale recording the proportions of households in these circumstances.
- **Property size and type profile:** The North Yorkshire housing stock is seen to be dominated by detached properties (31% compared to 20% across Yorkshire and Humber, and 23% across England and Wales), by semi-detached properties (33%) and by terraced properties (23%) (all statistics from the Census 2001). Conversely, there is a low representation of flatted dwellings across the sub region (12% compared to 19% across England and Wales). There are clear variances to the sub regional averages at the local authority level. Both Hambleton and Ryedale have significantly above average proportions of detached properties; York had above average proportions of semi-detached properties; Craven has above average proportions of terraced properties (37%); and Scarborough has above average proportion of flatted properties (22%). Following on from this

analysis of stock profile by type, North Yorkshire has a prevalence of larger properties as evidenced through the 2011 Household survey.

- **Dwelling profile by Council Tax band:** There has been an increase in higher value properties (Bands D, E, F, G, H) across North Yorkshire between 2003 and 2008, including a total growth within these bands of 26%, although this is noted to be below the proportion growth noted across Yorkshire and Humber (33%) and England and Wales (38%). At local authority level Scarborough is noted to have experienced only marginal growth in these higher value properties over the period, below all other North Yorkshire authorities.
- **Dwelling profile by tenure:** The tenure profile of North Yorkshire generally reflects that of the Yorkshire and Humber region including circa 74% of dwelling in owner occupation, less than 1% intermediate tenure, 13% social rented, and 11% private rented. The level of owner occupation noted is above that of England and Wales average (70%). At local authority level, Craven (76%) and Harrogate (75%) demonstrate above average levels of owner occupation. Conversely, Richmondshire has below average levels of owner occupation (65%) and above average levels of private rented activity (18%). In absolute terms the numbers of social rented properties has increased across the sub-region, however, proportionately it represents a lower overall share of total stock, less than 12% in 2010.
- **Five year land supply:** With the exception of Craven and Harrogate, all of the North Yorkshire authorities have an identified five year supply of land including capacity in each case in excess of the requirements of RSS. Over the longer-term the availability and deliverability of land-supply is less certain and will require careful consideration through policy.

6. The Active Market

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

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

- 6.1 An overview of the active housing market across North Yorkshire is presented within this section. Market performance of different tenures represents a key indicator of the balance between housing demand and housing need.
- 6.2 Evaluating the active housing market requires an understanding of the actual cost of buying or renting a property and the level of housing need which relates to the ability to access housing. This review of the active market therefore includes a review of the key indicators of market performance for each of the tenures:
- The Owner Occupier Sector – detailed house price analysis, examination of the relative change in house prices and the current housing market across the sub-region and the Local Authorities including a review of mortgage finance to identify the barriers to access for first time buyers;
 - Private Rented Sector – examination of rental levels of different components of the private rented sector which continues to form an increasingly important component of the overall housing offer; and
 - Social Rented Sector – review of the changes in demand as recorded through the waiting list for social rented properties and an assessment of current average rental levels.
- 6.3 The section concludes by drawing together the analysis of the different tenures to assess the functionality of the market in terms of the ability of households to access

housing. This assessment includes analysis of households' expectations and aspirations around tenure mobility as well as a contrasting of income and housing costs. The national and regional housing market trends and outlook are presented initially as context for the remainder of the section.

National and Regional Market Trends and Outlook

National Housing Market Context

- 6.4 Following the boom and bust of the late 1980's / early 1990's, the UK housing market saw almost a decade of sustained very strong house price growth from late 1996 (when house prices were below trend and house price to earnings ratios were low) to early 2005. Indeed, from the end of 1996 to the end of 2004, prices rose by 178% (or 13.6% per annum) according to Nationwide.
- 6.5 The market then cooled in 2005, as a reaction to the modest interest rate rises in 2004, and a lack of affordability, notably for first time buyers, with growth bottoming out in September 2005 at 2.2% per annum. Following the slowdown in activity during 2005, the housing market saw price growth accelerate again during 2006, as interest rates decreased and economic growth accelerated.
- 6.6 Nationwide figures suggest that prices peaked in October 2007, as the 'credit crunch' began to have an impact on the market. Initially, there was a reduction in the supply of mortgages and the cost of obtaining mortgage finance increased (through higher interest rates and an increase in required deposits). This was followed by a sharp fall in the demand for mortgages, as falling house prices coupled with rising consumer prices and lack of consumer confidence fed through to buyer sentiment. As the economy went into recession, sentiment weakened further, and 'real' effects began to feed through as unemployment started to increase.
- 6.7 By February 2009 prices had fallen by nearly -20% from their October 2007 peak, but then started to increase again. This took most analysts by surprise, given the severity of the recession and lack of mortgage finance. Between February 2009 and June 2010, prices increased by 12%, driven by a shortage of homes on the market and those buyers able to get mortgages taking advantage of the fall in prices in low interest rates.

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- 6.8 However, this rebound has now run out of steam. Prices fell by -1% since mid-2010, and are broadly the same level as a year ago. However more recently there has been a slight recovery in prices, with national average house prices in April 2011 standing at £165,509.
- 6.9 The volume of housing transactions has been extremely low over the last two years, averaging just 45,400 per month compared with the long-term average (since 1987) of 93,500 per month. There has been some recovery since the low point of 27,000 recorded in November 2008, but the last six months to December 2010 have still seen an average of only 48,000 per month.
- 6.10 The housing market supply / demand ratio, calculated by GVA utilising the RICS Housing Market Survey, fell sharply during 2009 from 7.7 homes per sale to just 3.2 homes per sale by the year end, due to a combination of rising sales and falling stock. This appears to have been a key factor behind the increase in house prices that occurred during the second half of 2009.
- 6.11 However, 2011 has seen a modest rise in the supply / demand ratio 4.4 (April), as sales levels have reduced somewhat and further reductions in supply have not occurred. Whilst this does not suggest the same level of supply relative to demand that existed during late 2008 / early 2009, it is likely to have been a factor in the reversal of house price growth during the second half of 2010.
- 6.12 During the recession, housing supply did not see the significant increase that might have been expected given its severity. A key reason for this has been the relatively low number of 'forced sellers'. In the 1990's housing crash, repossessions were an important factor in the extent of house price falls. This time around the rise in repossessions was relatively modest and levels are now falling.
- 6.13 A further factor in limiting supply has been the rapid fall in the level of house building over the last two years, as house builders have responded to adverse market conditions. In the five years from 2003 to 2007, housing starts in England averaged 172,000 per annum. This plummeted to 99,500 in 2008 and just 88,000 in 2009. However, the market appears to have turned the corner, with annual starts bottoming out in Q2 last year at 68,500, a figure which has risen steadily to 102,670 as at Q3 2010.
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Future Outlook for the Housing Market

- 6.14 The UK economy and the UK housing market are both cyclical, and there is a close relationship between the two. The UK is slowly emerging from a recession and as yet there is little strong evidence of a confident return to rising employment levels. Therefore whilst economic output is now rising it will not feel like the end of the recession for many households as further unemployment increases occur associated with continuing public and private cuts, and credit remains restricted. It is also important that the fear of redundancy has a very significant effect on buyer confidence.
- 6.15 As a result it is unlikely that there will be a sustained improvement in underlying housing demand and market prices in the short term although the low level of transactions over the last two years has created a significant degree of pent up demand for property. The extent to which this demand is realised could be heavily contingent on how long interest rates remain so low, as future increases will act as a break on demand being realised in the market.
- 6.16 With recent falls in prices, the market is now broadly in line with its long term trend. However, prices have not reduced significantly enough to make a real difference to first-time buyers wanting to enter the market, with this further compounded by the higher deposit requirements of lenders (deposits of at least 10% are commonplace).
- 6.17 At the same time, prices are -10.9% below their previous peak in October 2007, meaning that many existing home owners who bought near the top of the market at high LTV ratios have little or no equity in their houses, or are in a negative equity position.
- 6.18 Significant changes in house prices are not envisaged during 2011, with a modest fall in prices appearing the most likely outcome. However, the continued very low level of transactions underpinning the market means that the demand / supply balance could alter rapidly.
- 6.19 Over the medium term, as the economic backdrop improves, the considerable pent up buyer demand that has built up will be released. This will contrast with a supply shortage, particularly for new homes, as developers have scaled back their building programmes, which will take several years to ramp up.

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- 6.20 This points to a potential period of above trend growth in the medium term, although the timing is very uncertain. However, a combination of rising prices and rising interest rates will eventually mean deterioration in affordability, which will limit the extent to which prices can increase.
- 6.21 In the longer terms there are clear threats to supply including the continued issues faced by house builders including access to debt finance, scaled down capacity which will take time to re-gear, and cost pressures including Code for Sustainable Homes. It is considered likely that housing demand will continue to exceed supply over the long term, unless there is a step-change in construction activity which appears highly unlikely.

Regional Housing Market Commentary

- 6.22 In line with national trends, the Yorkshire and Humber region's housing market has experienced a downward revision of house prices in recent years due to the wider economic recession and the lack of credit available to potential purchasers. However the Nationwide House Price Index has noted that improvements in the Yorkshire and Humber region and in Q1 2011 it was one of the best performing regions in the UK, with house prices rising 3.4%.
- 6.23 The North Yorkshire housing market is one of the strongest performing markets within this region, with average house prices in Q1 2011 standing at £184,394 in North Yorkshire and £204,568 in York. The housing market in the sub region is partly driven by its proximity and partial inclusion in the wider functional economic and housing market area of the Leeds City Region.
- 6.24 The Leeds City Region's economic performance and the number of jobs available are major factors in attracting new households to live within the sub region. The strong functional links which exist with the neighbouring authorities in North Yorkshire has resulted in a high proportion of people who work in Leeds deciding to live in the North Yorkshire authority areas. This increased level of demand in North Yorkshire has placed upward pressure on house prices and supported buoyant transaction levels.

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- 6.25 A number of agents have been consulted as part of the SHMA research to assess the performance of the North Yorkshire Housing Market²³. In line with national trends the housing market has performed weakly over recent years, with falling sales and transactions levels. The beginning of 2011 was an extremely strong period for the North Yorkshire housing market with high demand for both sales and rental products. Although the market may have cooled slightly in recent months, agents report that they remain busy and are confident about future market performance.
- 6.26 Low interest rates, coupled with increasing levels of confidence, have resulted in more buyers entering the market. In particular first time buyers and buy to let investors have begun to enter the market which has created churn, facilitating increased moves from those higher up the housing ladder. Simultaneously sellers are becoming increasingly pragmatic and are becoming more realistic about pricing and are more likely to take an offer. Consequently there has been an increase in transactions. However, house prices have not experienced uplift in line with the increase in transactions; rather they have reached a plateau which is set to continue in the short term.
- 6.27 In terms of types of buyers that are active in the sales market, agents stated that there was demand from all age groups and circumstances. Popular locations tend to be larger settlements due to their accessibility for commuters to Leeds and York and the close proximity of employment and amenities. The lettings market has performed very strongly throughout the economic downturn, both in terms of the amount of lettings and increasing rents. The strongly performing lettings market has been driven by the lack of mortgage finance with potential owner occupiers being prevented from accessing the housing market and are consequently forced to rent. Furthermore agents believe this ongoing tenure shift is exacerbated by changes in people's aspirations with rental properties being viewed as more desirable than owner occupation. This is illustrated by the diversification in demand for rental properties, with larger family accommodation becoming increasingly sought after. The strength
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23 Bairtow, Skipton; Dareson and Hartley, Skipton; Joplings, Ripon; Bairstow Eves, Whitby; Charltons, Richmond; Ashton, Scarborough; Hartley and Jones, Scarborough; Cundalls, Malton; Dacre, Son and Harley, Hopkinsons, Harrogate; Irvings, Richmond; City Lets, York; Beadnall and Copley, Harrogate; Joplings; Thirsk; Churchills Estate Agents, York; Countrywide Lettings, Northallerton; and Bairstow Eves, Selby.

of the lettings market has resulted in stock shortages in almost every location and for every property type, with two to three bed houses being particularly desirable.

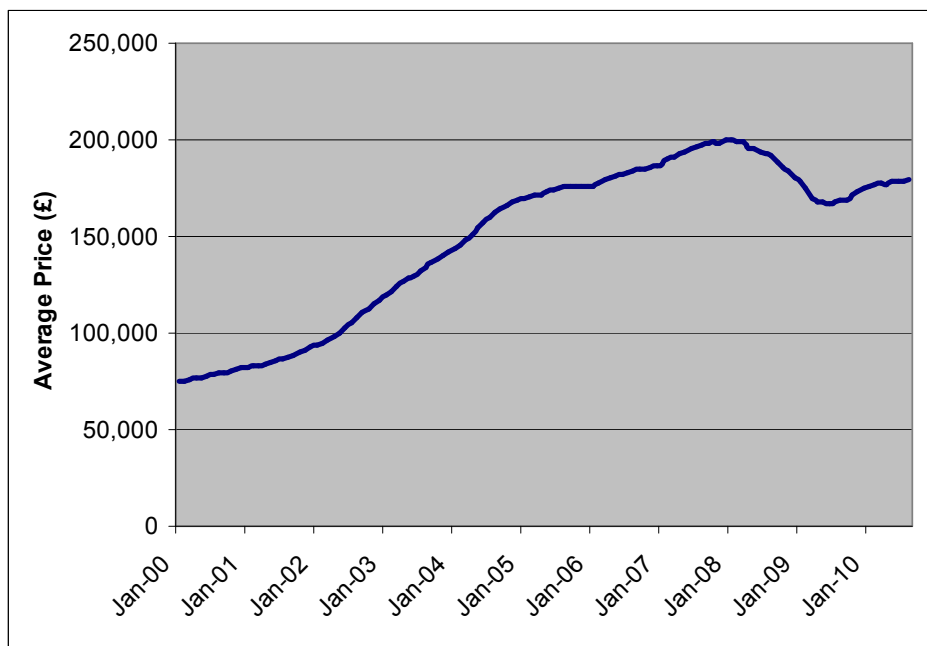
Owner Occupier Sector

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

House Price Trends

6.29 House price data has been analysed over the period from 2000 – 2010. The following table illustrates the average house price trend in North Yorkshire and its constituent Local Authorities across this period.

Figure 6. 1: Trend in Average House Prices, Total, North Yorkshire, Local Authorities, 2000 to 2010



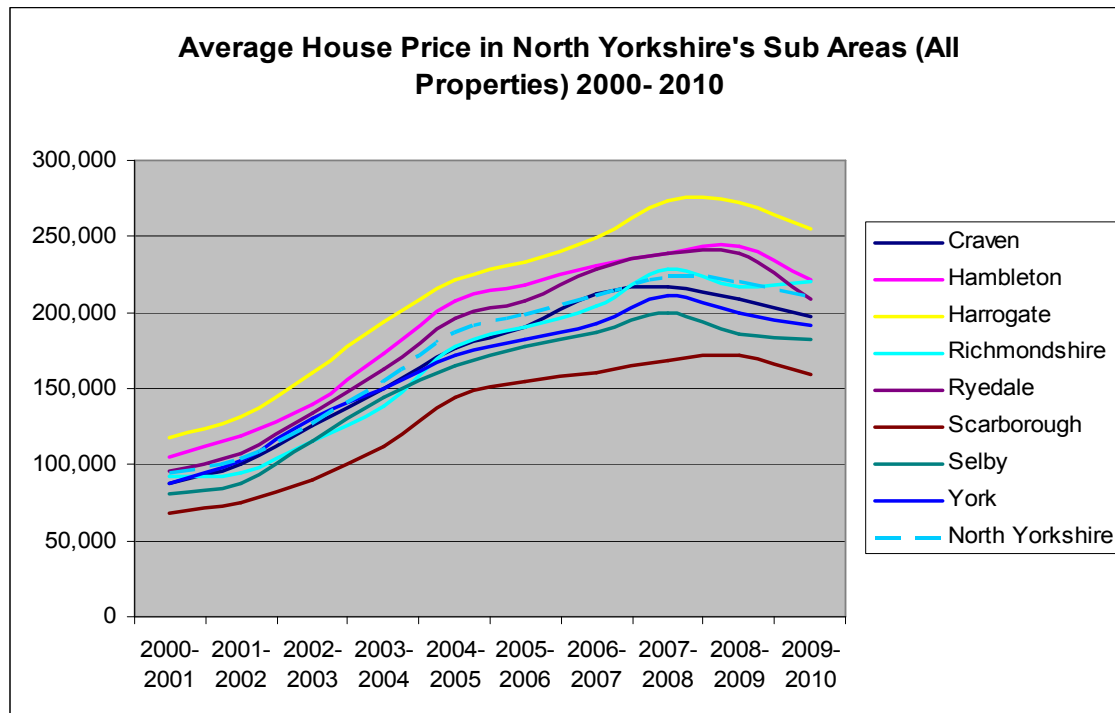
Source: Land Registry & GVA analysis, 2011

6.30 At the sub-regional scale, North Yorkshire has seen a consistent rise in the average price of residential property since 2000 peaking at £200,059 in December 2007, before

declining to a low of £166,952 in June 2009, a decrease of 16.6%, as the full effects of the housing market slump induced by the 'credit crunch' and recession took effect. Importantly, however, prices have shown signs of improvement, with the latest figures for August 2010 demonstrating a 6.8% rise.

- 6.31 The average price of a house in North Yorkshire as of August 2010 according to Land Registry data was £178,180. The average price of a detached property was £278,404, semi-detached £158,178, terraced £133,478 and maisonette/flat £127,320 at the time.
- 6.32 Average house price data is not available from the Land Registry at the local authority level. As such, house price data at the local authority level has been drawn from CLG held data. It should be noted that this data is presented as annual averages, as opposed to the Land Registry's monthly averages, and is not available for the same time period.
- 6.33 At the local authority level there has been a substantial variation in house price performance, with the key points as follows:
- Greatest price increases have occurred within Richmondshire at 137.7% and Scarborough at 133.4%, which reflects uplift from low bases.
 - Craven and Selby have also experienced strong price increases at 124.3% and 126.9% respectively, again reflecting uplift from a lower base position than the sub-regional average.
 - Ryedale and York have experienced average house price uplifts below the sub regional average (122.8%), at 118.6% and 118.5% respectively. This is despite their low base positions in 2000/01.
 - Hambleton and Harrogate have experienced the most limited property value increases- rising 111.5% and 116.8% respectively. This reflects Hambleton's and Harrogate's positions as the most expensive sub areas, on average, in 2000/01.

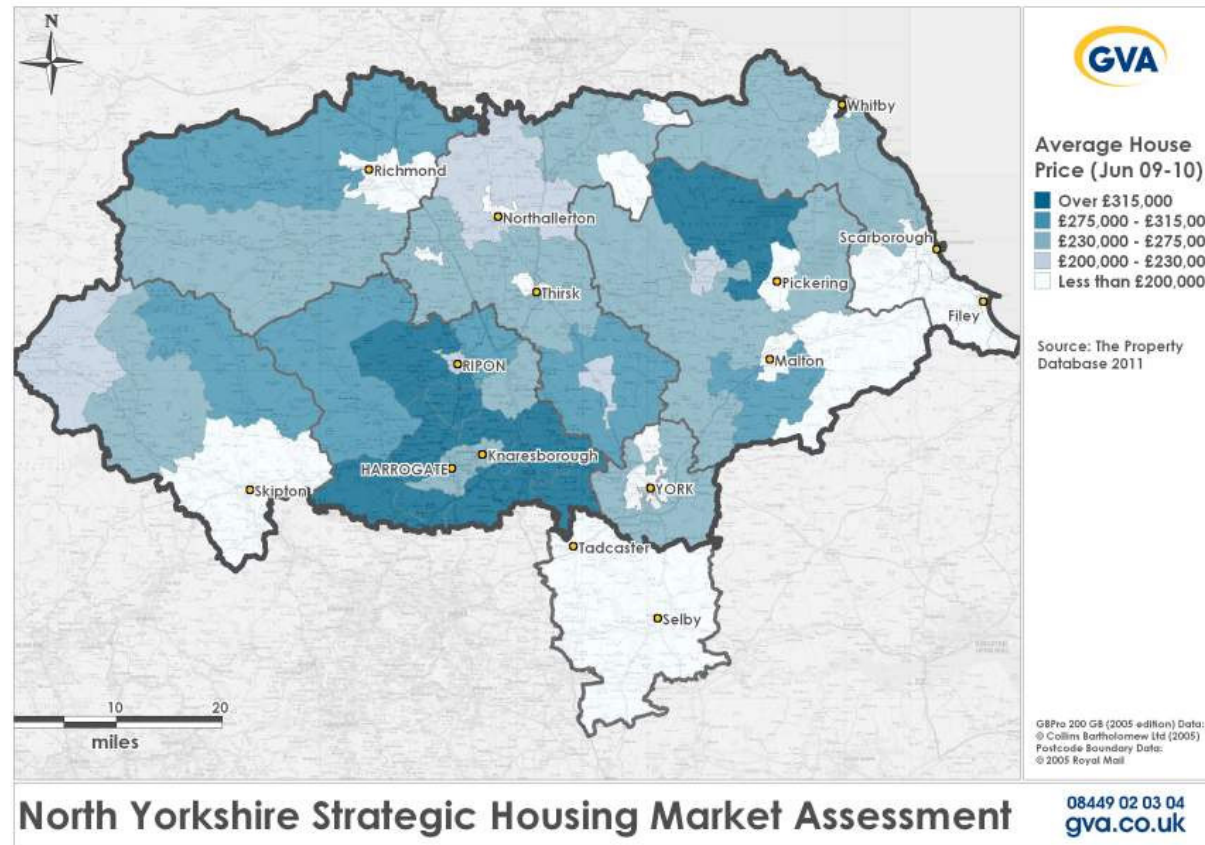
Figure 6. 2: Trend in Average House Prices, Total, Sub Areas, Local Authorities, North Yorkshire, 2000 to 2010



Source: CLG, 2010

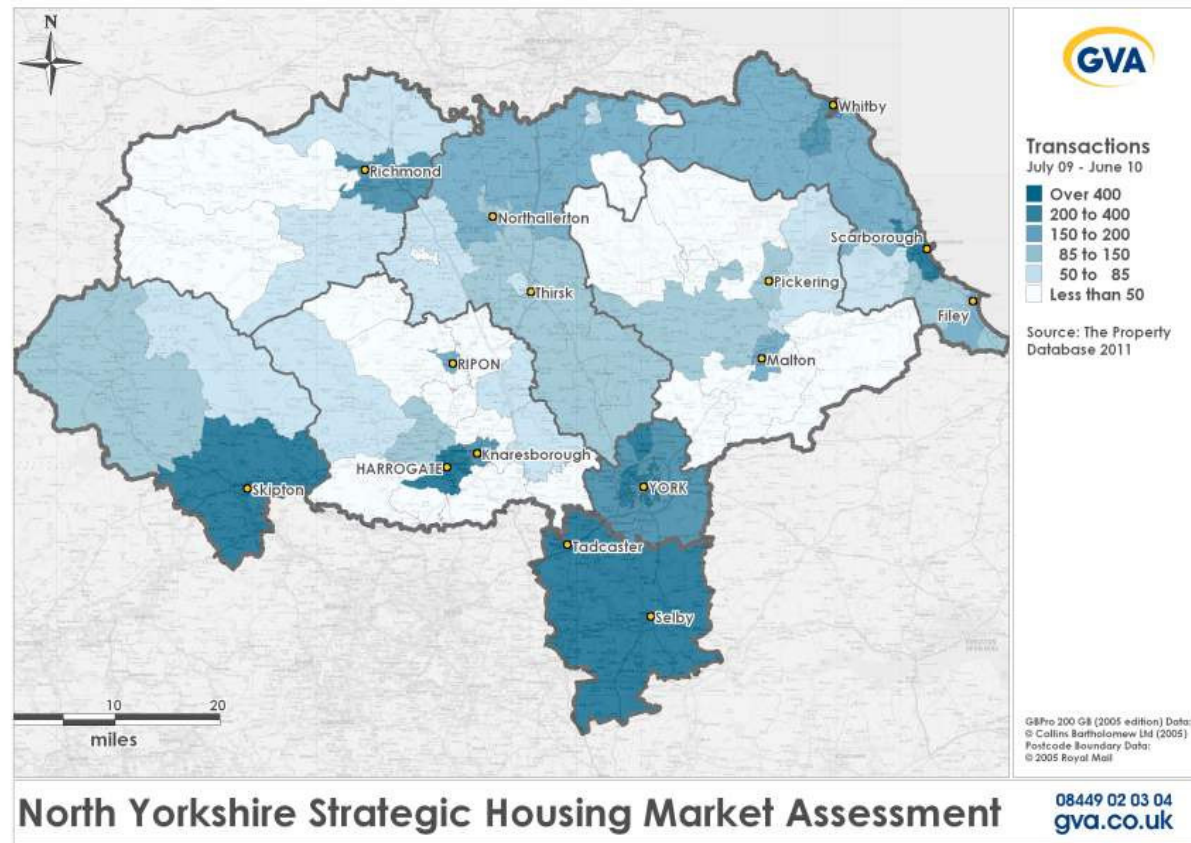
- 6.34 The following plans consider house price change and transaction levels at the four-digit postcode level across North Yorkshire- allowing for a visual spatial analysis of market trends.
- 6.35 In 2010, there were clear concentrations of higher value properties located in the central core of the sub-region, particularly in the vicinity of the North York Moors National Park in the north east of the sub-region and in Harrogate Local Authority, to the north of the Leeds urban area.
- 6.36 In contrast, concentrations of lower value property are prevalent in the areas along the sub-region's east coast and the southern areas of North Yorkshire, particularly notable within Selby.

Figure 6. 3: Average House Prices, Total, Local Authorities, North Yorkshire, Postcode Sector, 2009 to 2010



Source: The Property Database (Land Registry data), 2011

Figure 6. 4: Volume of Residential Property Transactions, Sub Areas, 2009 to 2010



Source: The Property Database (Land Registry data), 2011

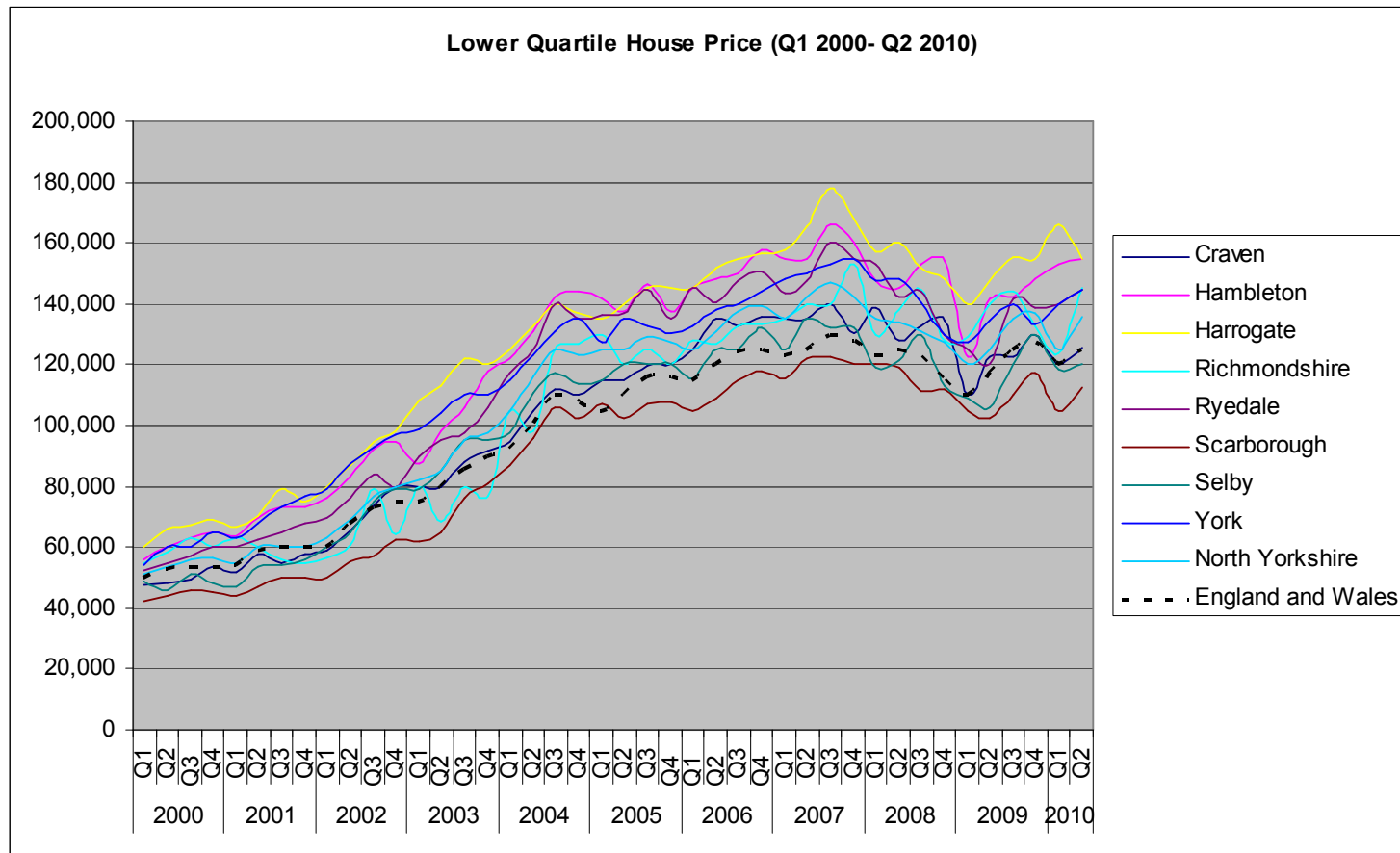
6.37 Throughout North Yorkshire there have been very few residential property transactions in 2010 which is not unexpected in the current economic climate. The southern area of the sub-region, in the vicinity of the Leeds urban area, has a higher proportion of transactions; in particular there are concentrations in Harrogate and Selby. Scarborough and York Local Authorities have also experienced higher transaction rates. In contrast the western areas of the sub-region have seen very small numbers of residential property transactions.

Lower Quartile House Prices

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

6.39 The following chart shows these lower quartile prices between Q1 2000 and Q2 2010. Comparators are included in the form of the Yorkshire and the Humber regional and national levels in order to contextualise the differing performance.

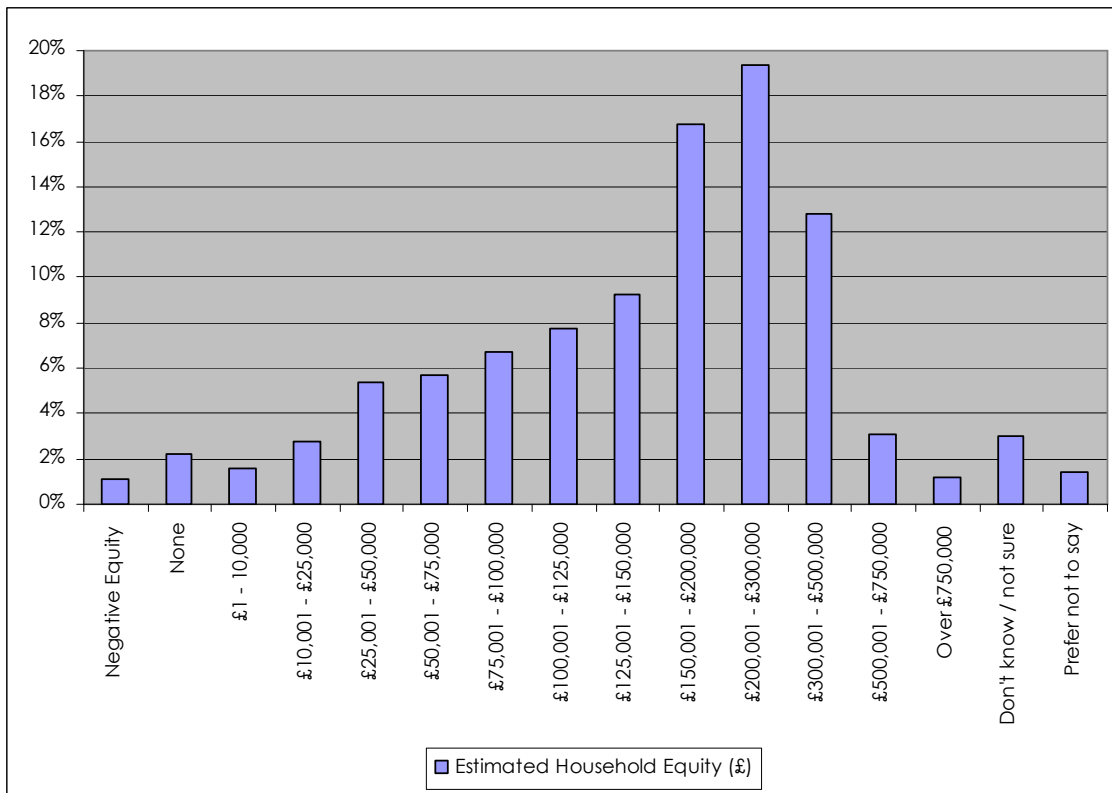
Figure 6. 5: Lower Quartile House Prices, Sub Areas, North Yorkshire, Local Authorities, 2000 to 2010



Source: DCLG, 2011

- 6.40 It is clear that since 2004 lower quartile house prices in North Yorkshire have been consistently above the national average. However since the credit crunch and the subsequent recession there has been a greater convergence of lower quartile house prices between North Yorkshire and England and Wales.
- 6.41 Harrogate and Hambleton's lower quartile house prices are significantly above the national and sub-regional benchmarks. Conversely Scarborough has consistently has lower quartile house prices below the national average and the difference has increased Q4 2008.
- 6.42 The Household Survey 2011 asked households to estimate the value of the equity they had within their property. Whilst this is different from the sale value it provides a useful indicator of the value of property across the sub-region. The following chart presents the data by different value bands for the whole of North Yorkshire.

Figure 6. 6: Estimated Property Equity, North Yorkshire, Local Authorities

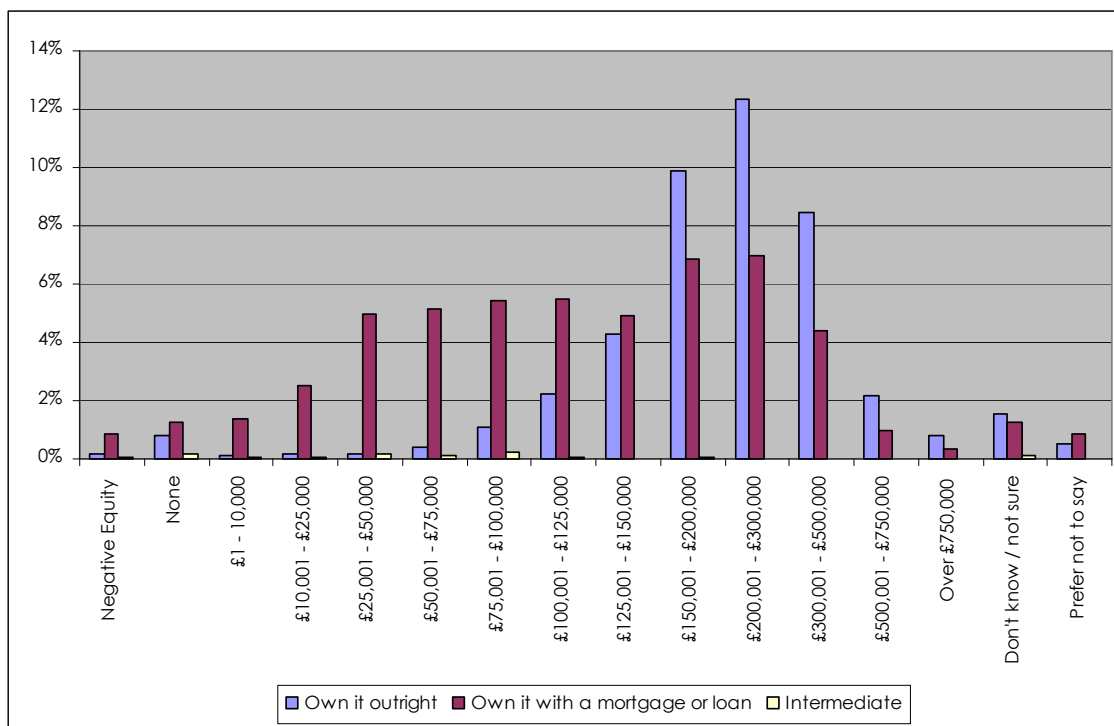


Source: 2011 Household Survey

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

6.44 The following figure breaks down these estimates to show the distinction between those households with outstanding mortgage amounts, those who own outright and those whose property is classified as an intermediate product.

Figure 6. 7: Tenure Balance of Estimated Property Equity, North Yorkshire, Local Authorities



Source: 2011 Household Survey

6.45 The data for households who own their property outright is a direct proxy for values across the area. This shows again the high value of property in the area with the majority of households with no mortgage valuing their property at between £150,000 and £500,000.

6.46 Looking at those households who still have a mortgage the levels of equity are less and more evenly distributed. Significantly though over 50% of households have more than £50,000 of equity in their property suggesting they would be able to use this equity to put down a deposit on a new property. Very low proportions of households across the area assess themselves as being in negative equity.

Private Rented Sector

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

6.48 To ascertain an accurate picture of private rental prices across North Yorkshire, analysis has been undertaken of advertised rental values through Rightmove.

Figure 6. 8: Private Sector Rent, North Yorkshire, Local Authorities

Authority	Size (Beds)	Average Monthly Rent	Average Weekly Rent
Craven	1	£345.00	£79.62
	2	£552.50	£127.50
	3	£640.00	£147.69
	4+	-	-
Hambleton	1	£457.08	£105.48
	2	£557.94	£128.76
	3	£616.43	£142.25
	4+	-	-
Harrogate	1	£547.59	£126.37
	2	£700.91	£161.75
	3	£993.00	£229.15
	4+	£1,422.86	£328.35
Richmondshire	1	£403.75	£93.17
	2	£532.00	£122.77
	3	£656.67	£151.54
	4+	£883.33	£203.85
Ryedale	1	£381.25	£87.98
	2	£460.00	£106.15
	3	£530.83	£122.50
	4+	-	-
Scarborough	1	£381.07	£87.94
	2	£483.33	£111.54
	3	£587.67	£135.62
	4+	£847.50	£195.58
Selby	1	£414.71	£95.70
	2	£489.20	£112.89
	3	£607.50	£140.19
	4+	£1,046.67	£241.54
York	1	£537.53	£124.05
	2	£813.68	£187.77
	3	£979.93	£226.14
	4+	£1,234.93	£284.98

Source: Rightmove, 2011

6.49 In analysing this rental data a number of important trends emerge:

- Rents for 1 bedroom properties in all authorities, with the exception of York and Harrogate, are less than £420 in many authorities they are under £400;

- York and Harrogate consistently record higher rental levels than the other authorities. In absolute terms these two authorities also have more stock advertised with the rental market, as shown in Section 5, forming a larger part of their housing markets, particularly in the 'city' centre market areas;
- Average 2 bedroom property rents are notably high in York and Harrogate but relatively reasonably priced compared to other city centre markets in other authorities. In all of the other authorities a 2 bedroom average property advertised rent is less than £560, with rents in Scarborough, Ryedale, Richmondshire and Selby all below £500; and
- In all of the authorities there were far fewer larger properties (2 bedroom or more) available for rent. As a result of smaller sample sizes the calculated average rents vary more widely and are likely to be more skewed as a result of a couple of lower or higher rent properties. In Harrogate and York rents for 3 bedroom properties average at almost £1,000 which reflects the type of properties for rent and the buoyant nature of the rental market. In the other authorities rents are closer to £600 with Ryedale having the lowest average rent for 3 bedroom properties (albeit based on a limited market).

6.50 The following table presents data collected through the 2011 Household survey around the levels of rent paid by households in each authority.

6.51 Looking at the distribution of rents paid serves to reinforce the analysis above. York and Harrogate have considerably higher proportions of households paying rents in rental brackets above £650 per month. Indeed in Harrogate and York 25% and 16% of households paid between £650 and £867 per month on rent respectively. This compared with the other authorities where this proportion was below 10% and in the case of Scarborough as low as 3.3%.

6.52 Interestingly, however, York alongside Scarborough also had a high proportion of households paying rents of between £260 and £347 per month. This is likely to reflect the prevalence of Houses in Multiple Occupation / shared accommodation in these two authorities, with the student and graduate market an important driving factor for York and the seasonal tourist market an influencing factor in Scarborough.

Figure 6. 9: Household Expenditure (Monthly) on Private Rented Accommodation, North Yorkshire, Local Authorities

Rental Per Week / Month (£)	Household Expenditure on Housing Rent Per Month in Private Rented Sector - Local Authorities & North Yorkshire							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire (minus Selby)
Under £20 per week / under £86 Per calendar month	3.1%	5.4%	2.9%	0.7%	3.8%	6.9%	1.1%	3.4%
£20 to under £40 per week / under £86 to under £173 per calendar month	3.8%	2.4%	0.7%	1.9%	3.3%	2.0%	1.2%	1.8%
£40 to under £60 per week / under £173 to under £260 per calendar month	2.3%	2.2%	4.7%	4.6%	6.3%	3.7%	6.9%	4.7%
£60 to under £80 per week / under £260 to under £347 per calendar month	7.7%	7.3%	6.6%	6.1%	8.1%	19.4%	22.0%	12.7%
£80 to under £100 per week / under £347 to under £433 per calendar month	22.1%	13.2%	12.5%	22.1%	16.7%	26.9%	5.7%	15.7%
£100 to under £150 per week / under £433 to under £650 per calendar month	50.0%	55.6%	38.9%	51.4%	46.7%	37.7%	36.8%	42.8%
£150 to under £200 per week / under £650 to under £867 per calendar month	7.5%	11.7%	25.0%	8.1%	9.9%	3.3%	16.2%	13.2%
£200 to under £250 per week / under £867 to under £1,083 per calendar month	1.2%	0.7%	3.3%	3.4%	3.1%	0.1%	8.6%	3.4%
£250 to under £300 per week / under £1,083 to under £1,300 per calendar month	0.6%	0.9%	2.0%	0.0%	1.1%	0.0%	1.6%	1.0%
£300 or more per week / £1,300 or more per calendar month	1.5%	0.5%	3.3%	1.6%	1.0%	0.0%	0.0%	1.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2011 Household Survey

Social Rented Sector

- 6.53 The social rented sector by its nature operates differently from both of the market tenures examined in this section. The tenure is intended to act as a safety net for households ensuring access to housing where household financial circumstances prevent access to other tenures. At the time of the publication of this research the Government is in the process of transforming the way in which the tenure operates in terms of rental levels and the allocation process for households. The delivery of new policy directives will fundamentally impact on the role of the tenure in relation to in particular the private rented sector and this will need to be considered as the research is monitored and updated in the future.
- 6.54 Given the uncertainty in this area currently the latest data is used to inform the SHMA analysis which reflects the operation of the tenure under previous Government policy.

Rental Levels – RSL / LA

- 6.55 Average weekly rents in registered social landlord managed housing over the period from 2000 is shown in the following figure. This clearly illustrates that to date rental levels in social housing have been maintained significantly below market rents and whilst increasing slightly remain relatively consistent.

Figure 6. 10: RSL and Local Authority Average Weekly Rents, North Yorkshire, Local Authorities

		Average Weekly Rents										
		2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Craven	Local Authority Rent	44.61	46.75	49.70	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT
	RSL Rent	53.78	54.51	56.22	57.45	52.88	55.55	63.31	62.77	65.35	66.05	69.97
Hambleton	Local Authority Rent	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT
	RSL Rent	41.06	42.17	44.29	46.15	47.84	54.10	57.46	60.98	62.77	66.72	71.49
Harrogate	Local Authority Rent	47.60	50.04	51.16	53.30	53.92	55.62	57.79	60.57	63.27	65.30	66.00
	RSL Rent	52.09	53.48	55.46	57.00	58.53	61.41	65.19	67.70	71.08	74.15	77.88
Richmondshire	Local Authority Rent	43.40	45.21	47.38	45.96	49.30	51.04	53.53	56.20	60.27	60.86	62.06
	RSL Rent	58.88	59.95	61.32	62.45	62.68	65.21	67.86	69.38	71.50	74.15	77.47
Ryedale	Local Authority Rent	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT
	RSL Rent	48.91	50.16	49.92	51.06	54.01	60.05	67.94	66.45	69.77	72.96	77.31
Scarborough	Local Authority Rent	43.84	45.92	48.30	MYT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT	LSVT
	RSL Rent	56.32	57.29	59.14	60.03	54.63	57.05	57.37	59.66	62.59	65.98	70.02
Selby	Local Authority Rent	40.44	41.62	43.28	44.94	46.78	48.82	51.24	53.43	57.22	58.92	60.25
	RSL Rent	52.21	53.85	54.75	55.55	57.21	59.77	63.64	64.78	67.38	70.50	74.04
York	Local Authority Rent	43.60	45.70	48.95	48.23	50.05	52.00	50.42	58.47	60.37	61.86	62.96
	RSL Rent	48.67	50.08	51.20	52.58	55.02	59.88	64.66	66.32	69.35	72.49	75.88
North Yorkshire	Local Authority Rent	44.10	46.06	47.97	48.82	50.43	52.28	54.61	57.16	60.51	62.16	63.18
	RSL Rent	47.88	49.24	50.94	52.95	53.16	57.49	60.70	62.50	65.05	68.26	72.41
Yorkshire and the Humber	Local Authority Rent	36.95	39.44	41.70	42.48	44.18	46.03	48.28	51.74	53.87	55.63	56.89
	RSL Rent	48.15	47.49	49.23	49.04	50.41	51.07	53.90	54.81	58.02	62.00	65.28
England	Local Authority Rent	45.62	47.87	49.93	51.02	52.90	55.27	57.93	61.62	64.21	66.05	67.36
	RSL Rent	53.11	53.90	55.81	56.52	58.23	61.49	64.32	66.67	69.96	73.51	77.91

Source: CLG Live Tables (2010)

6.56 Averaging weekly rents across the social rented sector in North Yorkshire shows a rental level in 2010/11 of approximately £72.41 per week for RSL tenants and £63.18 per week for Local Authority tenants in North Yorkshire. RSL rents are consistently above Local Authority rents. This is demonstrated at the Local Authority level as follows:

- Craven's average weekly RSL rent is £67.97
- Hambleton's average weekly RSL rent is £71.49
- Harrogate's average weekly RSL rent is £77.88 and Local Authority rent is £66.00
- Richmondshire's average weekly RSL rent is £77.47 and Local Authority rent is £62.06
- Ryedale's average weekly RSL rent is £77.31
- Scarborough's average weekly RSL rent is £70.02
- Selby's average weekly RSL rent is £74.04 and Local Authority rent is £60.25
- York's average weekly RSL rent is £75.88 and Local Authority rent is £62.96

Social Housing Waiting Lists

6.57 The operation of the active housing market is dependant upon households being able to move both within and between tenures. The 2011 household survey has identified in excess of 12,000 households as currently being in need of affordable housing across North Yorkshire (full analysis presented in Section 8).

6.58 As at 2010 there were 14,115 households registered as awaiting housing on North Yorkshire local authority waiting lists, which represents 3.8% of all North Yorkshire households. However this figure has decreased by 14.1% (from 15,433 households) since 2007. As at 2010, each local authority had the following number of households on their waiting lists.

- Craven: 819 households, 3.4% of all households
- Hambleton: 1,183 households, 3.2% of all households
- Harrogate: 2,838 households, 4.2% of all households
- Richmondshire: 1,389 households, 7.0% of all households

- Ryedale: 1,252 households, 5.5% of all households
- Scarborough: 2,569 households, 5.3% of all households
- Selby: 1,555 households, 4.7% of all households
- York: 2,510 households, 3.0% of all households

6.59 In absolute terms analysis of waiting lists would suggest the greatest demand in Scarborough, Harrogate and York which aligns with the findings of the Household Survey analysed in Section 7. When considering waiting list data it is important to recognise that the application of different nomination criteria and the regularity of the 'cleaning' of lists (i.e. removal of duplicate households or households which no longer require social housing) are important factors which can serve to inflate levels of 'need'.

Access to Housing

6.60 The operation of the active market is dependant upon households being able to move both within and between tenures. The Household Survey has identified that just over 50,000 households moved (excluding Selby) over the last two years. This suggests that the market has been able to operate over recent years although many of these moves have not been in the owner-occupier tenure.

6.61 The remainder of this sub-section presents analysis on the following to illustrate the drivers which influence mobility in the market:

- Household Expectations and Aspirations and Tenure Mobility – prior to considering the drivers behind market mobility, households expectations and aspirations, as identified through the survey, are first set out alongside an assessment of the levels of moves between tenures;
- Mortgage finance – following the credit crunch the availability of mortgage finance has had a significant impact on the operation of the market;
- Benchmarking access to different tenures – Contrasting income levels with weekly housing costs provides an indication of the income thresholds required to enable access to different tenures in the housing market.

- 6.62 Consideration of the headline findings of this analysis are particularly important in the assessment of housing need for affordable housing now and in the future to be examined in greater detail in Part 2 of the report.

Considering Household Expectations and Aspirations and Market Realities

Household Moves

- 6.63 The 2011 household survey provides an important insight into household's aspirations regarding the areas they chose to live in. This represents an important additional layer of understanding beyond the commuting data in considering the relative containment of the North Yorkshire but also containment within each local authority in the sub-region based on households who moved in the last two years.
- 6.64 Figure 6.11 tracks households that have moved over the last two years illustrating where they moved from and to. All of the authorities showed relatively high levels of containment in terms of migration with Scarborough and York in particular having over 63% of households choosing to move within the authority.
- 6.65 Craven had the lowest level of self-containment with 51.5% of households moving, moving within the authority. In terms of looking at relationships between the authorities the following trends emerge:
- Craven has a strong relationship with Bradford, outside of North Yorkshire with 9.9% of households moving into Craven originating in Bradford, Leeds also represented a source of moves at 2.1%. Relationships with other authorities in North Yorkshire were relatively limited;
 - Harrogate demonstrated the strongest relationship with Leeds, with 5.1% of households moving in the authority coming from Leeds, given its geographic proximity this is not a surprise. York also showed a link with Leeds with 2.5% of households moving from the city;
 - York is identified as contributing households to other authorities, with relatively high percentages of households moving recorded as originating in York in all authorities except Craven and Richmondshire;

- A movement of households from Harrogate to Hambleton was also identified with 6.7% of households moving in Hambleton originating in Harrogate;
- Ryedale and York showed a strong relationship. 11.6% of households moving in Ryedale over this time period originated in York although the flow the other way was very small, suggesting that York acts as an important attractor for households in Ryedale;
- Richmondshire and Hambleton exchanged households with 4.2% of households moving in Richmondshire originating in Ryedale and 2.7% of households moving in Hambleton moving to Richmondshire; and
- A relatively large proportion of households who moved into North Yorkshire came from the south (i.e. not elsewhere in Yorkshire and Humber, the North East and West or the East Midlands). Craven, Richmondshire and York all received particularly high proportions of overall moves.

Figure 6. 11: Household Movements, Households in Last 2 Years, North Yorkshire, Local Authorities

Previous Location	Where Households Moving in Past 2 Years - Current and Previous Location: Local Authorities & North Yorkshire						
	Existing Location						
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
Craven	51.5%	0.4%	1.0%	0.9%	0.0%	0.0%	0.0%
Hambleton	0.0%	53.6%	2.4%	4.2%	1.9%	0.1%	0.8%
Harrogate	0.3%	6.7%	54.3%	2.5%	0.9%	0.3%	1.3%
Richmondshire	0.0%	2.7%	0.3%	60.7%	0.2%	0.0%	0.0%
Ryedale	0.3%	1.8%	0.1%	0.1%	53.4%	0.2%	0.3%
Scarborough	1.0%	1.0%	0.3%	0.0%	2.5%	68.7%	0.5%
City of York	0.9%	4.7%	2.8%	0.3%	11.6%	3.5%	63.8%
Selby	0.3%	0.6%	0.2%	0.0%	1.5%	0.0%	1.8%
Leeds	2.1%	1.9%	5.6%	1.3%	2.1%	0.3%	2.5%
Hull / East Riding of Yorkshire	0.9%	1.0%	0.7%	1.0%	1.7%	0.4%	2.1%
Bradford	9.9%	0.2%	1.0%	1.1%	1.3%	2.0%	0.0%
Elsewhere in Yorkshire and Humber	5.7%	4.1%	5.5%	2.3%	3.9%	3.7%	6.4%
North East	1.2%	6.1%	1.6%	9.1%	1.9%	3.4%	2.2%
North West	11.1%	1.7%	2.2%	2.1%	4.4%	3.7%	3.6%
East Midlands	0.7%	1.6%	0.2%	1.6%	0.0%	2.2%	0.3%
Elsewhere in the UK	12.4%	9.2%	16.3%	12.4%	10.5%	9.6%	11.7%
Outside of the UK	1.8%	2.6%	5.5%	0.5%	2.2%	2.1%	2.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

- 6.66 The Household Survey 2011 also provides data on the intentions of households planning to move. The table over the page shows where households planning to move in the next two years realistically expect to move to.
- 6.67 This illustrates a higher level of containment than actual moves, with all authorities showing an anticipated level of containment of over 66%, with particularly high levels recorded in Scarborough, Hambleton and Harrogate.
- 6.68 York and Leeds also register relatively highly as expected destinations from households planning to move. Considering York - high levels of households in Ryedale (9.5%), Scarborough (3.3%) and Hambleton (2.7%) expect to move to the city. Hambleton and Richmondshire have 2.4% and 2.7% respectively, of households planning to move expecting to move to Leeds.

Figure 6. 12: Where Households would Realistically Expect to Move, North Yorkshire, Local Authorities

Expected Location	Where Households Planning to Move in Next 2 Years Realistically Expect to Move to - Local Authorities & North Yorkshire						
	Existing Location						
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
Craven	69.7%	0.0%	0.3%	1.2%	0.0%	0.0%	0.0%
Hambleton	0.0%	75.4%	0.8%	2.4%	3.3%	0.1%	0.0%
Harrogate	1.5%	2.1%	77.6%	0.8%	0.6%	0.0%	1.1%
Richmondshire	0.7%	3.5%	0.3%	71.8%	0.0%	0.0%	0.4%
Ryedale	0.8%	1.1%	0.0%	0.0%	66.6%	2.5%	1.9%
Scarborough	0.0%	1.9%	0.4%	0.9%	2.9%	83.9%	2.5%
City of York	0.4%	2.7%	2.3%	1.4%	9.5%	3.3%	68.6%
Selby	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%
Leeds	1.9%	2.4%	1.9%	2.7%	0.3%	0.0%	0.7%
Hull / East Riding of Yorkshire	0.0%	0.6%	0.0%	0.0%	0.2%	0.1%	0.8%
Bradford	0.4%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Elsewhere in Yorkshire and Humber	7.1%	1.2%	5.3%	3.3%	2.0%	0.6%	3.5%
North East	0.8%	2.0%	0.2%	4.9%	4.3%	0.9%	2.3%
North West	5.7%	0.6%	3.6%	0.8%	0.6%	3.5%	1.0%
East Midlands	0.0%	0.3%	0.1%	0.3%	0.1%	0.2%	1.0%
Elsewhere in the UK	9.4%	4.7%	5.8%	8.6%	8.1%	3.1%	11.9%
Outside of the UK	1.6%	1.3%	1.2%	1.0%	1.4%	1.7%	4.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Housing Needs Survey, 2011

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- 6.69 Similar trends were recorded through the Selby Household Survey 2008 (Table 3.5) states that 17% of existing households were expecting to move the next two years, with 78.3% stating that their preference is to remain within Selby district. 4.6% of households stated that their preference was York, with Elsewhere in North Yorkshire (3.0%), Elsewhere in the UK (2.8%), Outside the UK (2.2%), Elsewhere in West Yorkshire (1.7%) and the East Riding of Yorkshire (1.6%) identified by households as their preference as a location to move to in the next 2 years.
- 6.70 The 2011 survey also provides an important insight into household's aspirations and expectations regarding the different tenures of housing available. Setting household expectations in the context of their current tenure provides an insight into the perceptions of mobility between tenures.
- 6.71 Figure 6.13 sets out the tenures that households planning to move in the next two years would realistically expect to move into. The following trends can be identified:
- Relatively few households currently in the private rented sector or the social rented sector expect to be able to purchase housing over the next two years. Within the social rented sector this is less than 1.5% of households planning to move and of those households in the private rented sector it is just under 13%;
 - Interestingly almost 5% of households in the private rented sector planning to move expect to move into an intermediate product of some kind, suggesting demand for this tenure of housing and a recognition that this is more achievable than outright purchasing; and
 - A very low proportion of households currently in a social rented property anticipate moving into the private rented sector, although a relatively high proportion in the private rented sector expect to move into the social rented sector. This suggests sustained demand for traditional social housing across the sub-region.
- 6.72 Figure 6.14 breaks the analysis down by authority just showing the expected tenure for households planning to move. This data continues to show across all authorities a preference for owner-occupied property, with Harrogate and Craven in particular showing high proportions of households expecting to move within this tenure. In contrast the comparable proportion for Scarborough was relatively low.
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6.73 In terms of intermediate products this represented an expected tenure destination for comparatively high proportions of households in Hambleton and Scarborough. For the private rented sector whilst there was relatively little variance between authorities, higher proportions were recorded in Scarborough and Hambleton.

Figure 6. 13: Housing tenure expectations by current tenure, North Yorkshire²⁴

Current Tenure	Households Planning to Move in the 2 Years – Current Tenure & Tenure Expectation: North Yorkshire (minus Selby)									
	Expected Tenure									
	Own Outright	Own with Mortgage or Loan	Intermediate	Social Rent	Private Rent	Tied Accommodation	Living with Family or Friends	Managed Student Accommodation	Other	Total
Owner-occupied (no mortgage)	11.9%	1.8%	0.5%	1.8%	0.4%	0.0%	0.0%	0.0%	0.0%	14.7%
Owner-occupied (with mortgage)	8.0%	22.8%	1.3%	3.4%	2.6%	0.1%	0.0%	0.3%	0.1%	33.6%
Intermediate	0.5%	0.3%	0.1%	0.3%	0.4%	0.0%	0.1%	0.0%	0.0%	0.9%
Social rent	0.4%	0.9%	1.6%	15.4%	1.0%	0.0%	0.0%	0.2%	0.2%	11.5%
Private rent	1.8%	10.5%	4.7%	15.1%	21.9%	0.1%	1.0%	0.0%	0.2%	37.8%
Tied Accommodation	0.1%	0.3%	0.1%	0.7%	0.2%	0.2%	0.0%	0.0%	0.1%	1.4%
Living with Family or Friends	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Managed Student Accommodation	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	22.8%	36.8%	8.2%	36.7%	26.6%	0.4%	1.2%	0.5%	0.6%	100.0%

Source: Household Survey, 2011

²⁴ Note: Households were able to make multiple selections of tenure expectation.

Figure 6. 14: Housing tenure expectations by local authority area, North Yorkshire

Authority	Households Planning to Move in the 2 Years - Tenure Expectation: Local Authorities & North Yorkshire									
	Expected Tenure									
	Own Outright	Own with Mortgage or Loan	Intermediate	Social Rent	Private Rent	Tied Accommodation	Living with Family or Friends	Managed Student Accommodation	Other	Total
Craven	36.4%	36.7%	6.2%	23.7%	20.1%	1.1%	0.5%	0.0%	0.0%	100.0%
Hambleton	29.5%	32.0%	12.5%	50.2%	29.1%	0.4%	1.3%	0.0%	0.0%	100.0%
Harrogate	27.2%	41.2%	2.1%	22.5%	21.5%	0.5%	0.3%	0.0%	0.3%	100.0%
Richmondshire	23.4%	27.5%	6.9%	51.9%	28.8%	0.0%	1.5%	0.0%	1.5%	100.0%
Ryedale	30.0%	30.6%	8.2%	58.4%	20.3%	0.4%	1.0%	0.0%	0.8%	100.0%
Scarborough	21.0%	25.2%	12.8%	49.2%	32.1%	0.6%	0.4%	0.4%	0.6%	100.0%
City of York	12.2%	43.8%	9.4%	30.6%	29.6%	0.2%	2.4%	1.3%	1.0%	100.0%
North Yorkshire	22.8%	36.8%	8.2%	36.7%	26.6%	0.4%	1.2%	0.5%	0.6%	100.0%

Source: Household Survey, 2011

- 6.74 The following table analyses those households which have moved in the last two years looking at the current tenure they live in and the tenure they moved from.
- 6.75 The data clearly shows that households whose previous tenure was owner-occupation largely stay within the tenure. It is interesting to note that a proportion of households who previously owned their house (with or without a mortgage), chose to move into the private rented sector.
- 6.76 Indeed the private rented sector over the last couple of years is evidenced as being a destination for a relatively high proportion of households. There was notable movement from households in social rented accommodation into this tenure as well.
- 6.77 Looking at new households i.e. those previously 'Living with Family or Friends' it is clear that the private rented sector plays an important role in the market with the majority moving into this tenure. This also serves to illustrate the barriers to entering owner-occupation for emerging households in the current market.

Figure 6. 15: Previous tenure by current tenure (households moving in last 2 years), North Yorkshire

Previous Tenure	Households Moving in Last 2 Years - Previous Tenure and Current Tenure: North Yorkshire									
	Current Tenure									
	Own Outright	Own with Mortgage or Loan	Intermediate	Social Rent	Private Rent	Tied Accommodation	Living with Family or Friends	Managed Student Accommodation	Other	Total
Own Outright	8.8%	3.1%	0.0%	1.1%	2.9%	0.0%	0.1%	0.0%	0.0%	16.0%
Own with Mortgage or Loan	1.7%	13.8%	0.3%	0.7%	6.6%	0.1%	0.0%	0.1%	0.0%	23.3%
Intermediate	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.4%
Social Rent	0.1%	0.1%	0.5%	6.7%	2.0%	0.0%	0.0%	0.0%	0.0%	9.4%
Private Rent	1.4%	8.3%	0.5%	2.9%	22.7%	0.0%	0.3%	0.0%	0.0%	36.2%
Tied Accommodation	0.1%	0.3%	0.0%	0.5%	0.3%	0.4%	0.0%	0.0%	0.0%	1.5%
Living with Family or Friends	0.4%	2.5%	0.3%	1.4%	4.2%	0.2%	0.0%	0.1%	0.0%	9.1%
Managed Student Accommodation	0.0%	0.0%	0.0%	0.0%	2.2%	0.0%	0.0%	0.0%	0.0%	2.3%
Other	0.1%	0.7%	0.0%	0.1%	0.8%	0.0%	0.0%	0.0%	0.0%	1.7%
Total	12.6%	28.9%	1.6%	13.3%	42.0%	0.8%	0.4%	0.3%	0.0%	100.0%

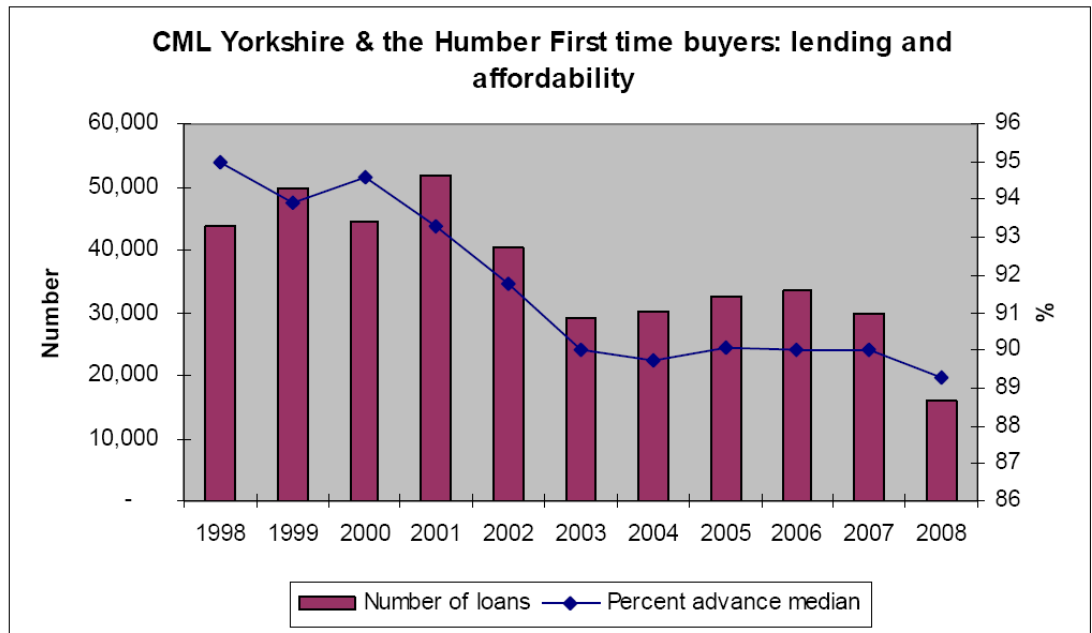
Source: Household Survey, 2011

6.78 The Selby Household Survey 2008 enables a similar form of analysis. The SHMA (Table 3.3) shows as with the North Yorkshire Household survey data that owner-occupiers and social renters tend not to move outside their respective tenures, with 88.6% of owner occupiers and 73.0% of social renters remaining in their respective tenures. Private renters are more likely to move into an alternative tenure with 36.9% moving into owner occupation and 22.1% into social renting, whilst 39.8% moving into another private rented property. Interestingly from the 2008 survey households which previously lived with family friends have predominately moved into the owner occupier tenure (47.9%) followed by social rented (27.8%) and private rented (18.6%). The 2011 Survey data suggests for the other authorities of North Yorkshire that issues around mobility into the owner-occupier sector have resulted in the private rented sector playing a greater role for these household types and this is also likely to be the case in Selby since 2008.

Mortgage Finance

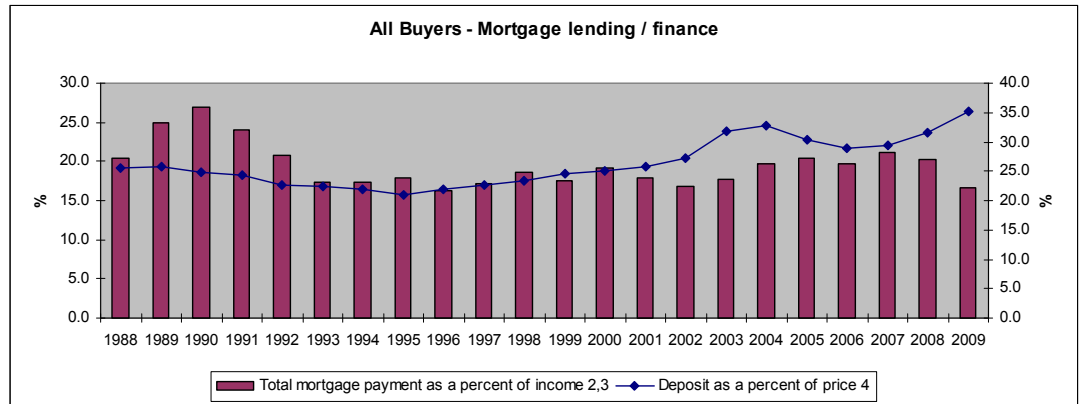
- 6.79 One of the underlying drivers behind the lack of mobility in the housing market, in particular the owner-occupier market, remains the tightening of mortgage finance by financial lending institutions (banks and building societies) since the 'credit crunch' in 2008, with the subsequent removal of all 100% and 95% mortgage products from the market. The result has been that prospective purchasers have had to raise increased capital deposits to access mortgage products as well as provide strong credit references. This has had a limiting effect on the ability of those households with low incomes and savings (for example first time buyers) to access affordable mortgage products impacting on their entry into the owner occupied sector.
- 6.80 This is reflected in the following two charts. The first of which show the number of mortgages provided across the Yorkshire and Humber Region to First Time Buyers and the percentage advance (remaining mortgage minus deposit). The second shows the widening gap between the level of deposit required and the monthly payments for all households across the UK.

Figure 6. 16: Yorkshire and Humber First Time Buyers Lending and Affordability, 2010



Source: Council of Mortgage Lenders, 2010

Figure 6. 17: All Buyers UK Mortgage Lending and Finance, 2010



Source: Council of Mortgage Lenders, 2010

6.81 The trends shown in these charts appear likely to be sustained for at least the short-term, impacting significantly on the ability of households to purchase housing. This is particularly true of those areas where house prices are higher with incomes on the

whole continuing to show modest growth linked to the current wider economic recessionary climate.

6.82 Since the onset of the credit crunch the number of mortgage products on offer to the UK house buyer has shrunk dramatically. The following table provides a selection example of current best buys in the mortgage market. Despite the historically low Bank of England Base Rate the major high street lenders have not reflected this in the interest rates available to buyers, with the best 90% loan to value rates available at around 4.5% to 6%. However, there are some better rates available for lower loan to value products (i.e. with a 15+% deposit).

Figure 6. 18: Mortgage Best Buys, 90% Loan to Value, Yorkshire and Humber, 2010

Mortgage Finance - 'Best Buys' (November 2010)				
Supplier	Interest rate	Period	Mortgage Type	Loan to Value
HSBC	5.49%	Whole term	Standard	90%
Newcastle Building Society	5.69%	To Dec 2012 (i.e. 2 years)	Fixed	90%
Lloyds TSB	5.79%	Whole Term	Standard	90%
Post Office	5.79%	To Dec 2015 (i.e. 3 years)	Fixed	90%
Santander	5.99%	To Jan 2014 (i.e. 3 years approx)	Fixed	90%
Natwest	6.89%	To Feb 2016 (i.e. 5 years approx)	Fixed	90%

Source: Moneysupermarket.co.uk

6.83 The following figure shows monthly repayment and endowment mortgage costs, and weekly repayment mortgage costs for 25 years mortgages for Lower Quartile houses in North Yorkshire. These calculations assume:

- Lenders require a 10% deposit
- Interest rates of 5.49%
- 25 year repayment period

Figure 6. 19: Mortgage Repayments on Lower Quartile Homes, North Yorkshire, Local Authorities

Authority	Mortgage Repayments for Lower Quartile Property (November 2010)					
	Lower Quartile House Price (Q2 2010)	Mortgage (25 year term)	Repayment mortgage		Interest only mortgage	
			Monthly payments	Weekly payments	Monthly payments	Weekly payments
Craven	£125,500	£112,950	£701	£175	£517	£129
Scarborough	£105,000	£94,500	£652	£163	£480	£120
Ryedale	£144,625	£130,163	£898	£224	£662	£165
Harrogate	£155,000	£139,500	£962	£240	£709	£177
York	£144,625	£130,163	£898	£224	£662	£165
Richmondshire	£145,000	£130,500	£900	£225	£663	£166
Hambleton	£154,950	£139,455	£962	£240	£709	£177
North Yorkshire	£136,000	£122,400	£844	£211	£622	£156

Source: LCC; FSA 'Money Made Clear' Mortgage Calculator

- 6.84 Costs of servicing a typical repayment mortgage on a lower quartile house in North Yorkshire would be in the region of £844 per month or £211 per week and importantly households would need to have access to a deposit of over £13,000

Benchmarking Access to Different Housing Tenures

- 6.85 The analysis of the active market has clearly highlighted the current issues facing the housing market across North Yorkshire, including a reduction in activity. The data assembled above has been drawn together in this final sub-section to present an indication of the relative affordability of different tenures of housing in relation to the financial capacity of households in North Yorkshire. The CLG SHMA guidance (August 2007) suggests a number of critical levels to test against income in order to evaluate the extent of the issue of affordability. The two core elements are:

- Assessing whether a household can afford to buy a home; and
- Assessing whether a household can afford to rent a home.

- 6.86 It is important to note that this analysis is presented for illustrative purposes, with a full analysis undertaken (utilising income multipliers for both single-occupant/income and multi-occupant/income) households within the affordable housing needs assessment conducted in Section 8 in line with the CLG Guidance.

- 6.87 A series of key assumptions used in the benchmarking assessment of these elements are set out overleaf.

Key Affordability Benchmarking Assumptions

Within its guiding methodology for assessing affordability, the CLG SHMA Guidance (August 2007) recommends the following standardised assumptions when assessing affordability:

- Lower Quartile house prices are utilised to represent lower market entry properties.
- An individual with a single income is considered able to buy a home if it costs 3.5 times the gross household income; however in the current market banks are looking more closely at affordability and credit worthiness and so this report also considers an alternative benchmark for whether residents can afford to buy a home relating to the proportion of income that mortgage repayments represent. This alternative measure of ability to buy a home assumes that a bank will advance mortgage funding if the mortgage repayments represent no more than 20% of a households gross income. This is lower than the 25% of gross income assumed that would allow individuals to access market rented property, based on the assumption that owner occupation has additional costs such as maintenance, buildings and other insurances etc.
- A household is considered able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income; or no more than 20% of their gross household income where referenced;
- 'Rent payable' is defined as the entire rent due, even if it is partially or entirely met by housing benefit; and
- Annual social housing rents are calculated from an average

6.88 The benchmark values, drawn from the analysis in the previous subsections, are shown overleaf.

Figure 6. 20: Benchmark Property Values, North Yorkshire, Local Authorities

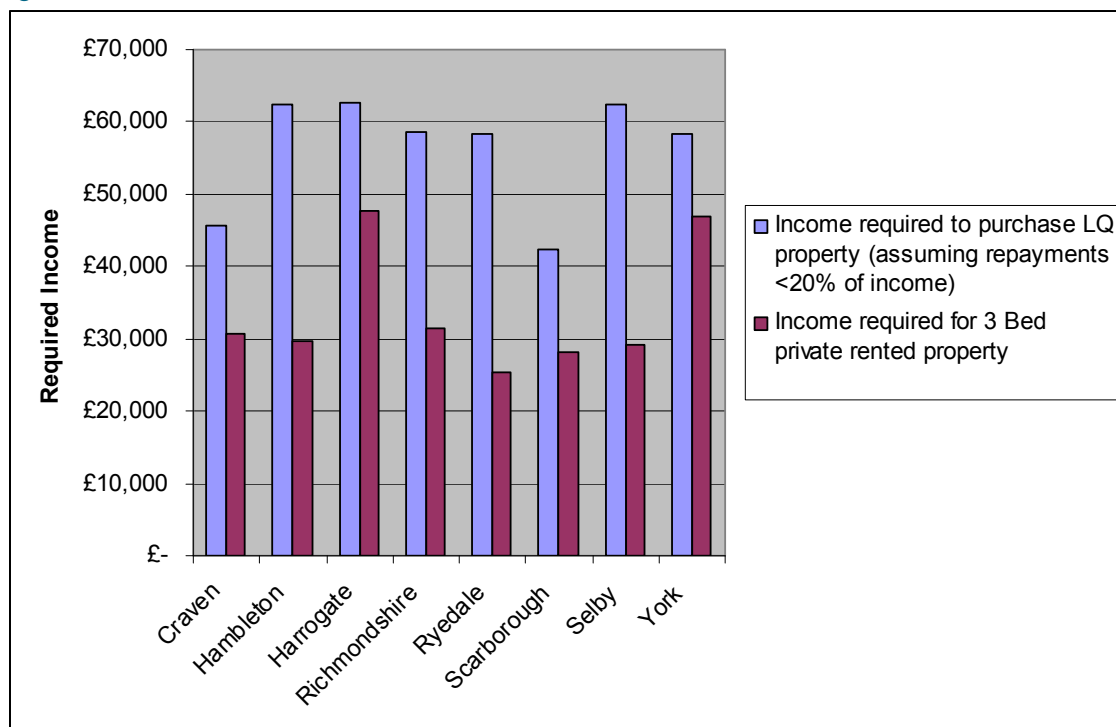
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York
Income required to purchase LQ property (assumed 3.5 mortgage multiplier as per CLG Guidance)	£35,857	£44,271	£44,286	£41,429	£41,321	£32,107	£34,286	£41,321
Income required to purchase LQ property (assuming repayments <20% of income)	£45,566	£62,509	£62,529	£58,495	£58,343	£42,359	£62,509	£58,343
Income required for 1 Bed private rented property	£16,560	£21,940	£26,284	£19,380	£18,300	£18,291	£19,906	£25,802
Income required for 2 Bed private rented property	£26,520	£26,781	£33,644	£25,536	£22,080	£23,200	£23,482	£39,057
Income required for 3 Bed private rented property	£30,720	£29,589	£47,664	£31,520	£25,480	£28,208	£29,160	£47,037
Income required for 1 Bed Affordable Rent property	£13,248	£17,552	£21,028	£15,504	£14,640	£14,633	£15,925	£20,641
Income required for 2 Bed Affordable Rent property	£21,216	£21,425	£26,915	£20,429	£17,664	£18,560	£18,785	£31,245
Income required for 3 Bed Affordable Rent property	£24,576	£23,671	£38,131	£25,216	£20,384	£22,566	£23,328	£37,629
Income required for average social rented property	£14,555	£14,869	£14,680	£14,325	£16,080	£14,565	£13,651	£14,170

Source: GVA, 2011

6.89 The data highlights the substantial gap between the level of income required to purchase property, particularly where requirements are linked to mortgage payments, and other tenures including renting a family sized (2 or 3 bedroom property) in the private market. The gap between renting in the social rented sector and the private rental market is also substantial, particularly in authorities where the private rental market is strong, including Harrogate and York.

6.90 In order to illustrate this 'gap' in more detail the following chart contrasts the annual income required to both purchase lower quartile property (linked to repayments) and to rent a 3 bedroom property.

Figure 6. 21: Income Benchmarks to Tenure, North Yorkshire, Local Authorities²⁵



Source: GVA, 2011

6.91 It is clear that in all of the authorities there exists a notable 'step' in income terms between the two market tenures. In York and Harrogate the gap is smallest as a result of high rental prices; however, this serves to highlight further the affordability issues

facing households on lower incomes in these authorities with even private rental prices requiring substantial incomes.

6.92 The existence of this gap between the owner-occupier tenure and other tenures as well as the high levels of income required to purchase property all impact on the number of households either currently or likely to fall into housing need. This is considered further within Section 8 in Part 2 of the SHMA. The data presented here is used to test household's levels of needs through the use of an affordability test.

Bringing the Evidence Together

6.93 This section has provided an initial assessment of the active market across North Yorkshire. The following bullet points summarise the conclusions of the analysis:

- **Owner occupier house price trends:** North Yorkshire has seen a consistent rise in average house prices since 2009, peaking (in line with the wider market) at a high of £200,059 in December 2007. Current average house prices across the sub region (August 2010) stand at £179,180 up from a market low of £166,952 in June 2009. Average house prices within North Yorkshire vary. Data at local authority level from 2009 suggests a value difference of £96,080 between the highest and lowest averages. The highest average value at this time was £255,483 in Harrogate compared to the lowest of £159,203 in Scarborough. Both Hambleton (£221,396) and Richmondshire (£220,787) also recorded above North Yorkshire level average house prices in 2009. The trajectory of value change across the authorities was relatively similar between 2000 and 2010, although a noted dip in values was experienced in a more pronounced way in Ryedale between 2008 and 2010, whilst Richmondshire was the only authority to see growth in values over the same period. Lower quartile house prices within North Yorkshire have been consistently above regional and national average levels, although there has been greater convergence noted post recession. This is true across all local authorities with the exception of Scarborough where lower quartile values have been consistently below wider averages, with the gap widening post Q4 2008.
- **Households Movements:** Over 50,000 households have moved across North Yorkshire over the last two years suggesting that the market is operating

relatively healthily across the sub-region. All authorities demonstrate relatively high levels of containment both in terms of historic moves over the last two years and expected destinations for households looking to move over the next two years. The dynamics of movements between authorities across North Yorkshire have been analysed with linkages evident across a number of the strategic sub-market areas. Importantly links with authorities such as Bradford and Leeds and in particular Craven and Harrogate are shown to have an important bearing on the operation of the market in the sub-region.

- **Access to the private housing market:** Benchmarking of incomes to tenure suggests potentially significant mismatch between average income required to access the market (between £42,360 in Scarborough and £62,530 in Harrogate assuming a ceiling mortgage spend of 20%) compared to average household income levels across the sub region of under £25,000.
- **The role of the Private Rental Sector:** The evidence suggests that the private rental market is playing an important role in the market in many of the authorities. This is illustrated through the movement of households over the last two years with this tenure attracting households from all other tenures. It is also evidenced through the affordability benchmarking exercise where the private rental sector sits importantly between the social rented sector and owner-occupier sectors in terms of incomes required to access. It is important to note that in York and Harrogate in particular high rental values mean that the tenure is inaccessible to a greater proportion of households, although this is countered to some degree in York through the availability of a relatively large stock of shared rental properties.

Part 2: Future Housing Market and Need

7. The Future Housing Market

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

This section uses this analysis and the identified market drivers to provide a range of scenarios for future levels of housing growth. This assists in providing an indication for the levels of housing for which authorities should plan for, set within the context of the findings around housing market mobility and potential future supply. Acknowledging the difficulties imposed by market uncertainties in projecting forward household growth based on official trend-based datasets a number of sensitivities are explored. These are intended to illustrate the potential impact different factors will have on future household growth.

Comparison is made with the housing provision rates set out in the Yorkshire & Humber RSS which at the time of the research is still being used to inform Core Strategy preparation across the sub-region and/ or has been embedded in Core Strategies already adopted across the area.

The section also includes additional analysis of long-term drivers which will impact on the types and sizes of housing required over the long-term. This draws on analysis of the breakdown of household types and ages embedded within the long-term demographic projections and the results of the survey which provide a more short-term perspective.

Analysis is undertaken at the North Yorkshire and individual local authority level. Research findings relate directly to:

- Core Output 3: Estimate of total future number of households, broken down by age and type where possible;
- Core Output 6: Estimate of future households requiring market housing (by size).

7.1 Earlier sections of this report have established that demography, economy, and house price trends are key structural drivers of change in the housing market. Together these provide a sound basis from which to consider future housing requirements over the medium to long-term.

7.2 Population trends influence both the level and, as a result of a changing age structure and household composition, the types and sizes of housing which will be required over the respective plan periods across the sub-region. Employment trends influence both the level and type of migration. In turn, migration trends are very

important in that they influence the future level of population and age structure of the total population.

- 7.3 Changes in the structure of the economy and therefore employment trends influence household income and hence the ability to afford different housing products. Together, population and economic trends provide a robust basis to assess long-term trends in housing demand. Our approach to assessing future household growth rates reflects these factors and the complexity of the housing market.
- 7.4 Price dynamics also affect housing demand as increases or decreases in house prices impact on relative affordability. This has a tangible effect on housing tenure propensities of different occupational groups and household groups. In effect, rising house prices between 2000 and 2007 and the lack of availability of mortgage finance have made access to the owner occupied sector more difficult, reducing first time buyers and supporting demand for the rented and intermediate sectors. Hence, someone with occupational circumstances who may have been able to buy five years ago may not be able to enter the tenure at the current time.
- 7.5 House prices are however highly sensitive to the macro-economic context and interest rates. Over the majority of the last decade there was a rapid growth in prices which correlated with an associated significant growth in housing need²⁶. However, as the subsequent volatility in the housing market over the last three years demonstrates we do not consider there to be a robust basis to project market or price dynamics over a ten-year timeframe or longer.
- 7.6 An effective framework for planning for housing provision needs to consider both short-term needs and achieving a balance between supply and demand over the longer-term.
- 7.7 This section considers the structural drivers of change – economic and demographic trends – and the implications of these for maintaining a balanced housing market. It first develops quantitative scenarios to consider the level of housing demand (i.e.

²⁶ NB: Housing need is defined as the quantity of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market (PPS 3).

household growth). Three Core Scenarios are presented drawing on national and regional datasets. A series of Sensitivities are then presented and explored to illustrate the implications of altering assumptions within the 'official statistics' published by the ONS and DCLG.

- 7.8 The section draws this analysis together to provide indications of potential future household growth and therefore demand for housing. The section concludes by taking this analysis forward to consider the distribution of this change in terms of the sizes and types of property required to be delivered to continue to work towards the creation of a more balanced housing offer across North Yorkshire.

Housing Delivery in Policy

- 7.9 Nationally population projections indicate that the population is rising, with this growth in the overall number of people being compounded further in demand for housing by falling average household sizes. The result nationally is a well documented apparent mismatch between current and future supply and demand for housing. Under the previous Labour Government regionally set housing targets were an important component of the planning process in enabling levels of development which addressed this imbalance both locally and cumulatively at a national level. As noted in Section 3 these statutory targets are in the process of being revoked and a new policy approach is starting to emerge. Whilst policies have yet to be finalised the retention of housing targets remains a key element of the Core Strategy informing the authority's position in terms of its five year land supply. However, there exists considerably greater flexibility for these to be shaped to directly reflect local understanding of demand for housing.
- 7.10 Given the uncertain policy climate at the time in which this research is being written the analysis within this section is intended to provide the Partnership Board and the respective local authorities across the sub-region with robust analysis of the drivers of housing demand in order to assist in the process of developing and validating future housing targets. This represents an important part of ensuring that the Councils across the area continue to take a dynamic perspective of demand to inform planning policy going forward.

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- 7.11 Current and emerging planning policy continues to be informed by the RSS targets set for the period 2008 and 2026. These are presented in Section 3, with the overall level of housing to be provided across the County being 3,130 net dwellings per annum. York in particular has a higher housing requirement with an annual figure of 850 per annum. The other authorities range from 200 in Richmondshire and Ryedale to 560 in Scarborough.
- 7.12 The evidence base here is not intended to be directly transferable for authorities to translate evidence based household growth rates into housing targets within policy. It is recognised that as part of this process further consultation work will be required by individual authorities alongside further detailed analysis of individual circumstances and factors influencing potential supply and demand, not least environmental and wider infrastructure constraints.

Projecting Future Population Growth

- 7.13 The mid-year ONS estimates of population, analysed within Section 5, provide the base historical data for the **sub-national population projections** (SNPP) for England and Wales, which are produced every two years. These datasets provide projections for a 25-year time-horizon, for each district and unitary authority. The projections represent an important part of any assessment of future household change and are specifically referenced within the DCLG SHMA Guidance.
- 7.14 Assumptions used by the sub-national population projections are based on recent evidence on births, deaths and migration, plus they incorporate evidence from an expert panel which has provided guidance on likely future trends in fertility, mortality and migration. SNPP are constrained to the total population estimated in the **national population projection** (NPP).
- 7.15 SNPP provide the basis for the **sub-national household projections** (SNHP) for England. These data again provide projections for a 25-year time-horizon, for each district and unitary authority. The projections are derived through the application of projected *headship rates*, by household type, to the age-sex composition of the population projection.
- 7.16 Recent historical evidence is a key driver of the trend projections. For North Yorkshire, the MYE components of change drivers, illustrated previously, determine the pattern
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of future population change. As a result, any error that might be evident in the MYE will be magnified over the 25-year projection horizon. This is an issue explored in the sensitivities sub-section and one which can have a fundamental impact on future projected levels of growth.

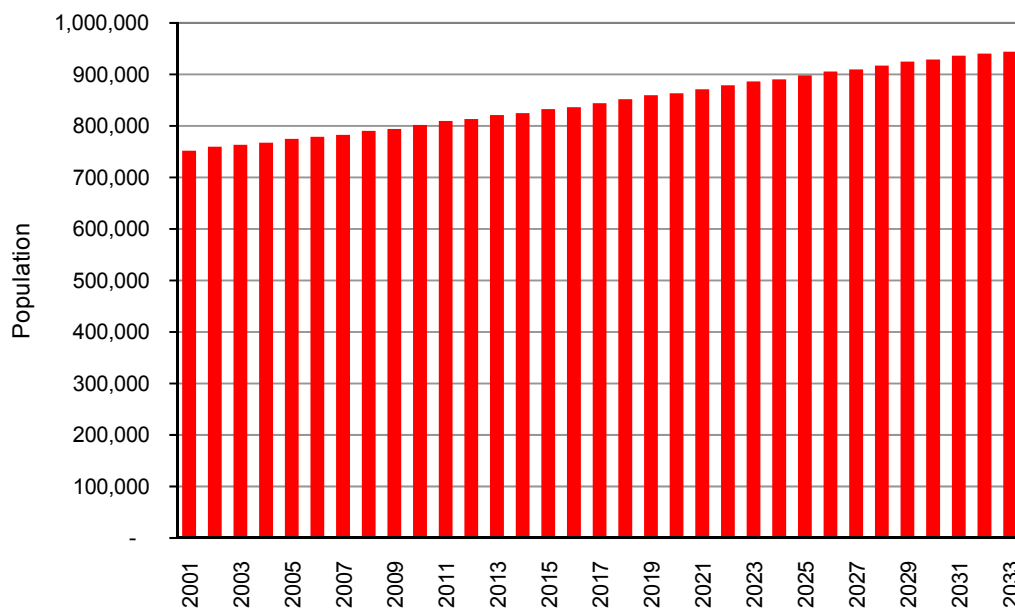
- 7.17 The analysis below uses official datasets and the POPGROUP model. POPGROUP is a family of demographic models developed to forecast population, households and the labour force for areas and social groups. Population projections use a standard cohort component methodology whilst the household projections use a standard household headship rate methodology, as employed by ONS and DCLG respectively²⁷.

2008 Based ONS Sub-National Population Projections (SNPP) – Core Scenario 1

- 7.18 The latest 2008-based SNPP suggest that the population of North Yorkshire will reach 902,770 by 2026; a rise of 114,390 (+15%) from a 2008 base. This is illustrated in the following chart.

²⁷ POPGROUP is used by over 90 local and regional organisations in the UK and has been subject to extensive enhancement and development over the last ten years. It uses MS Excel workbooks to manage its data inputs and outputs and provides great flexibility to enable users to experiment and analyse alternative forecasts. A more detailed description of the population and household projection methodologies is available from the User Guide and Reference Manual on the POPGROUP website. The mathematical calculations for each method are documented at the end of each of the manuals. www.ccsr.ac.uk/popgroup/about/manuals.html.

Figure 7. 1: Population Forecast, North Yorkshire, 2001 to 2033



Source: Edge Analytics, 2010, ONS SNPP, 2010

7.19 The following table illustrates the levels of population change estimated through the SNPP for each of the local authorities. 2008 is used as a base date with this representing the point from which levels are projected rather than based within the ONS mid-year population estimates.

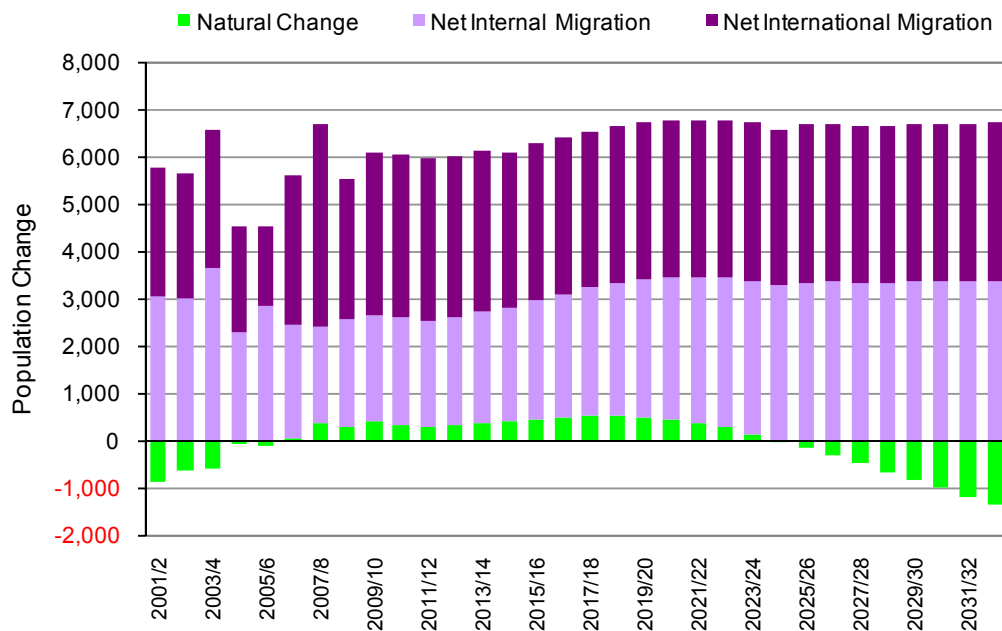
Figure 7. 2: Population Projected Growth by Authority – 2008 – 2026, SNPP

Authority	Total Population - 2008 base SNPP							
	Population Estimates				Projected change in Population		Annual Projected Change	
	2008	2011	2016	2026	2008 - 2016	2008 - 2026	2008 - 2016 (eight years)	2008 - 2026 (18 years)
Craven	55,694	56,484	58,271	62,886	2,577	7,192	322	400
Hambleton	87,177	87,806	89,743	94,411	2,566	7,234	321	402
Harrogate	156,101	158,523	163,469	175,797	7,368	19,696	921	1,094
Richmondshire	51,366	52,842	55,188	59,394	3,822	8,028	478	446
Ryedale	53,263	53,976	55,671	60,168	2,408	6,905	301	384
Scarborough	108,513	109,693	112,180	118,548	3,667	10,035	458	558
Selby	81,610	83,890	88,395	98,220	6,785	16,610	848	923
York	194,887	202,798	213,520	233,344	18,633	38,457	2,329	2,137
North Yorkshire	788,611	806,012	836,437	902,768	47,826	114,157	5,978	6,342

Source: Edge Analytics, 2010, ONS, 2010

- 7.20 The SNPP clearly project a substantial growth in population for all of the authorities. York in particular stands out as having a projected growth of almost 38,500 people between 2008 and 2026, equating to an annual average uplift of over 2,100 people.
- 7.21 Harrogate also stands out in terms of the level of growth projected. The Population is projected to grow significantly, with its population set to increase by almost 20,000 or almost 1,100 a year. Finally, Selby is the only other authority where population is projected to grow by more than 600 people per year with an annual average growth of over 900 projected.
- 7.22 Looking at the phasing of growth York and Richmondshire are projected to have higher rates of growth over the initial time period, up to 2016 than the latter ten years of the research period. For the other authorities the reverse is true. A more detailed assessment of the projected trajectories of each authority is included within the Authority Appendices.
- 7.23 The analysis in Section 4 highlighted the importance of net internal and international migration on the levels of population estimated over the period 2001 to 2009. The SNPP as noted above is a trend-based projection with the projections therefore modelling the role of these components of change forward. This is illustrated through the following chart which shows the projected annual impact of each of the three core components.

Figure 7. 3: Population Forecast, Components of Change, North Yorkshire, 2008 to 2033



Source: Edge Analytics, 2010, ONS, 2010

- 7.24 From the chart it is clear that the relative importance of the components of change across North Yorkshire during the projection period remains relatively similar to that evident in the 2001-2009 Mid Year Estimates, with both internal and international migration having a consistently positive impact upon population growth over the 25 year period.
- 7.25 The sustained impact of migration is clearly a core assumption of the SNPP with this having a significant impact on the levels of population growth projected. Future migration trends will clearly be influenced by a number of factors, including but not limited to the availability of new supply in the area, the accessibility of supply (i.e. the ability of households to afford property) and the economic rationale for locating in the area, in particular this relates to the propensity of households to commute (the impacts of rising fuel costs being one potential factor on this). These considerations are explored in greater detail in the sensitivities part of this section.
- 7.26 Prior to exploring factors which potentially impact on migration it is possible and important to isolate out the impact of natural change alone on population growth.

Considering a Natural Change based Projection – Core Scenario 2

- 7.27 Using the POPGROUP suite of software Edge Analytics have developed a scenario of population change which removes the impact of migration from 2008 onwards. This therefore assumes that the existing population is not expanded or changed by migratory factors and that population change is constrained only to natural change from the population as of 2008 (i.e. births and deaths).
- 7.28 The breakdown of the projections by the three core components shows that at a North Yorkshire level natural change is seen to shift from a positive contribution over the majority of the period to a negative contribution post 2025. Overall however, it clearly has a moderate net impact in terms of generating population growth.
- 7.29 The table below illustrates the level of population growth projected under a scenario of nil migration. In order to benchmark the impact of this constraint the SNPP projections are also included for reference.

Figure 7. 4: Contrasting Projections constrained by Nil Migration with the SNPP – 2008 – 2026

Authority	Total Projected Change in Population		Annual Projected Growth	
	2008 - 2026		2008 - 2026 (18 years)	
	SNPP	Natural Change	SNPP	Natural Change
Craven	7,192	-2,510	400	-139
Hambleton	7,234	-70	402	-4
Harrogate	19,696	613	1,094	34
Richmondshire	8,028	2,920	446	162
Ryedale	6,905	-1,323	384	-74
Scarborough	10,035	-2,189	558	-122
Selby	16,610	3,496	923	194
York	38,457	12,355	2,137	686
North Yorkshire	114,157	13,292	6,342	738

Source: Edge Analytics, 2010

- 7.30 It is clear that even under a scenario where no migration into the area is considered that the population of the area will grow. Indeed across North Yorkshire the projected growth is for almost 13,300 additional people over the period 2008 – 2026. This represents a substantially lower level of growth than that projected through the SNPP further serving to illustrate the impact of assumptions around sustained high net migration levels into the area. It is important to recognise that this scenario is a

hypothetical scenario with the reality of the market meaning that migration could never be artificially constrained to zero.

- 7.31 Importantly, however, as evidenced later in this section the result of no migration on the demographic profile is stark. Historically North Yorkshire has attracted family households into the sub-region, attracted by the quality of life; this in turn means that the authorities whilst skewed towards older populations (with the exception of York and Selby) have a relatively healthy balance of working-age populations and children. Without this in-migration the authorities further skew in terms of their profile to households aged over 65. This if realised would have a significant impact on the operation of communities and the sustainability of neighbourhoods in the future.
- 7.32 At an individual authority level it is evident that the majority of the growth under a natural change scenario is largely driven by York, the impact of which is for an annual growth rate of almost 700 under this scenario. Of the other authorities only Selby, Harrogate and Richmondshire also record positive population uplift under this scenario, with the other authorities populations actually falling under this scenario. Scarborough and Craven in particular would experience a significant loss of population without any migration into the authorities based on the current population profile, which as explored in Section 4 is skewed towards older households.

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

- 7.33 A third scenario has been run as part of the research by Edge Analytics. This uses the POPGROUP software to align population profiles with a projected economic future²⁸.
- 7.34 This scenario therefore takes the SNPP scenario as its base and constrains the population to the latest Regional Economic Model job forecasts (as presented and analysed in Section 4). The projections are applied back to 2009 within the population datasets.

²⁸ Note: This projection has only modelled the impact of the economy using the baseline forecasts produced through the REM. As noted in Section 4 this is a policy-off scenario which has been used as it presents comparable data

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- 7.35 York has been omitted from the modelling in this scenario as an alternative evidence base has been prepared to support the Core Strategy examining the link between the City's forecast economic growth and its population and household growth. A fuller explanation of this work which has been prepared by Arup in 2011 is included within 'The Shape of the Economy' sub-section presented under part 2 of this section.
- 7.36 As noted in Section 4 the REM baseline projections suggest a strong post-recession recovery from 2011 onwards across the County, with a total of 26,300 new jobs created between 2011 and 2026²⁹. At local authority level Harrogate in particular is forecast to perform particularly strongly with a concentration of additional jobs created within its economy. The work prepared by Arup looking at York's economy also suggests a strong growth in employment in the City over the plan period. Richmondshire and Selby conversely record a much lower projected job creation over the same period.
- 7.37 The construction of this scenario is achieved by applying parameters which measure the relationship between the population and the labour force (economic activity rate) and between the labour force and the number of jobs in an area (labour force: jobs conversion factor). This takes into account the level of unemployment but also the degree to which residents live and work within the area in question.
- 7.38 Under this scenario economic activity rates, unemployment rates and the commuting ratio for each of the individual authorities continue to reflect recent performance levels (average 2002 – 2009) and trends as presented in Section 4 and are not altered.
- 7.39 In an employment constrained scenario, net in-migration will occur if the size of the labour force is insufficient to match the number of jobs forecast to be created. This assumes that commuting patterns remain constant alongside economic activity / unemployment levels. Net out-migration will occur if there are too few jobs for the labour force.
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across all of the authorities at a single point in time. The potential to use other economic forecasts is considered within the sensitivity scenarios sub-section later in this chapter.

²⁹ Note this excludes York from the levels of job growth as the City has used an alternative economic projection drawing on the Arup study cited in paragraph 7.35

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- 7.40 Under this scenario North Yorkshire as a whole (excluding York) is projected to grow its population by a higher level than that projected under the SNPP (Core Scenario 1). Over the period 2008 – 2026 the population is projected to grow by almost 111,600 or a 19% increase (comparable figure for the SNPP excluding York is 75,900). This highlights the impact of the level of growth of the ageing population across the County as opposed to the growth of the working-age population. If the population is to be aligned with forecast levels of growth and further levels of commuting are not to be encouraged then it is important that all parts of the population grow and not just those households aged over 65.
- 7.41 This elevated level of projected population is not uniformly evidenced across all of the authorities. The following trends are evidenced under this projection and explored in greater detail within the authority appendices:
- Those authorities whose labour force is proportionally relatively small and where the SNPP projections show the continued ageing of the population have higher projections of growth under the employment-constrained scenario. This includes the authorities of Craven, Hambleton, Harrogate, Ryedale and Scarborough; and
 - Selby, which has a high level of population growth projected under the SNPP and include a comparatively high working age population, has a population projection under this scenario which is lower than the SNPP. This suggests that the levels of jobs projected in the authority, according to the REM forecasts, are lower than the labour force growth projected under the SNPP. An imbalance here would mean that if the levels of growth under the SNPP were realised then there would be a substantial uplift in out-commuting from Selby itself.
- 7.42 Each of the authority appendices includes a chart comparing the trajectory of population change under each of the three scenarios.
- 7.43 The next section translates these population projections into household estimates over the research period, before a series of potential sensitivities are explored.
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Translating Population Growth into Households

- 7.44 The analysis of current household profiles across the County within Section 4 explained the link made between population estimates and projections and household estimates. Primarily this process involves the application of headship rates to the population forecast to produce an indication of the levels of households that would result.
- 7.45 Importantly as the analysis in Section 4 identified the DCLG has assumed a falling level of household size between 2001 and 2009 with this trend continuing to be projected forward within the Sub-National Household Projections produced by the DCLG. Indeed over the projection period, 2008 – 2026 the average household size is projected to fall from 2.28 in 2008 to 2.12 in 2026 for North Yorkshire as a whole.
- 7.46 The following table illustrates the varying projected changes in private household population (institutional populations are removed from the household projections), headship rates or household size and the households under the SNPP Scenario of population change (Core Scenario 1).
- 7.47 This shows that household sizes are forecast to fall under the DCLG assumptions for all of the authorities within North Yorkshire. Harrogate and Craven in particular are projected to have a steep reduction in average household sizes. This is likely to be linked to projected increases in single person older households (considered in greater detail at the end of this Section).
- 7.48 The impact of these Headship rates assumptions are shown in the overall levels of projected household growth. Across the County this equates to an annual average of approximately 4,270 households per annum, a level of demand which exceeds the net housing requirement set through the RSS.

Figure 7. 5: Population, Household Size and Household Change 2008 – 2026, SNPP (Core Scenario 1)

Authority	Sub-National Projections (ONS / DCLG) - 2008 Base									
	Private Household Population			Household Size			Households			
	2008	2026	Change 2008 – 2026	2008	2026	Change 2008 - 2026	2008	2026	Change 2008-2026	Annual Change (18 years)
Craven	54,340	61,203	6,864	2.24	2.05	-0.19	24,232	29,878	5,646	314
Hambleton	85,113	92,029	6,916	2.33	2.17	-0.16	36,526	42,396	5,870	326
Harrogate	150,836	169,394	18,558	2.25	2.05	-0.20	66,947	82,472	15,525	862
Richmondshire	47,797	55,467	7,670	2.42	2.31	-0.11	19,770	24,046	4,276	238
Ryedale	51,942	58,630	6,688	2.30	2.15	-0.14	22,622	27,243	4,621	257
Scarborough	105,666	115,186	9,520	2.17	2.03	-0.14	48,669	56,774	8,105	450
Selby	80,606	96,848	16,242	2.41	2.26	-0.15	33,419	42,762	9,343	519
York	188,590	226,380	37,790	2.25	2.11	-0.14	83,740	107,276	23,536	1,308
North Yorkshire	764,890	875,138	110,248	2.28	2.12	-0.16	335,925	412,845	76,921	4,273

Source: Edge Analytics, 2010, GVA, 2010

7.49 At an individual authority level, York and Harrogate have the highest levels of projected growth in households with per annum figures of approximately 1,300 and 860 respectively. Selby and Scarborough also show high levels of projected household growth in comparison to the other authorities, although noting that proportionally these levels of growth represent a substantial uplift on the current numbers of households.

7.50 A similar exercise has been undertaken for the other two Core Population Projections. The following table presents the results in terms of the overall and annual average levels of households projected under these scenarios³⁰.

Figure 7. 6: Projected change in Households 2008 – 2026 All Three Core Scenarios

Authority	Total Household Change 2008 – 2026			Annual Average Household Change 2008 - 2026 (18 years)		
	Natural Change	SNPP	Employment-led	Natural Change	SNPP	Employment-led
Craven	617	5,646	8,453	34	314	470
Hambleton	2,147	5,870	10,375	119	326	576
Harrogate	6,763	15,525	19,555	376	862	1,086
Richmondshire	3,164	4,276	5,131	176	238	285
Ryedale	766	4,621	6,630	43	257	368
Scarborough	1,228	8,105	10,500	68	450	583
Selby	3,415	9,343	7,257	190	519	403
York	16,404	23,536	/	911	1,308	/
North Yorkshire	34,504	76,921	/	1,917	4,273	/

Source: Edge Analytics, 2010, GVA, 2010

7.51 As would be expected under the Natural Change Scenario, the lower levels of projected growth in population results in a lower level of household growth. Importantly, however, even under this scenario the levels of household growth across the County are relatively notable at almost 2,000 households per annum. This illustrates the impact of a projected falling household size factor. Across the authorities there is significant deviance, with York showing a relatively high growth, over 900 per annum under this scenario but other authorities such as Craven and Ryedale showing very low annual levels of growth.

7.52 The Employment-constrained scenario also shows some variation across the area. The majority of authorities show a higher level of household growth under this scenario, the exception being Selby which show more moderate levels of growth. Harrogate in particular shows a high level of growth highlighting the projected strong performance of its economy and its current population profile which is skewed towards an older population.

Considering Potential Sensitivities around Future Projections

7.53 The previous analysis introduced three alternative population and household growth scenarios, two demographic-based and one employment-led.

7.54 All of these scenarios are trend-led scenarios. They therefore work on the assumption that recent trends will be replicated going forward. This is particularly true of the SNPP scenario, which also forms an integral part of the other two scenarios.

7.55 These recent trends take account of not only the last few years which have been influenced by a recessionary economic and development context but also a considerably more buoyant period which saw house prices and employment levels grow continuously.

7.56 Examining a number of key aspects which have shaped the housing market over recent years is useful in both understanding the impact of projecting forward these historical trends and potentially the need to apply some form of moderation to reflect current circumstances in an improved manner.

7.57 It is not within the scope of this research to develop alternative quantitative population or household projections to those Core Scenarios presented above. However, the sensitivities illustrated below highlight the potential importance of questioning the assumptions and outputs of the SNPP Scenario in terms of considering future levels of household growth which are likely to be realised and required over the future plan period. This reflects the views of stakeholders through the stakeholder

³⁰ Note: York has been excluded from the employment-led scenario as noted under the description of the scenario. The North Yorkshire figure is therefore not presented under this scenario as it is not comparable.

workshop held midway through the research process, where a number of views were expressed which suggested that the local representation of population and household statistics was not sufficiently captured within the national datasets.

1. Considering Demographic Assumptions

- 7.58 Through the research process a number of stakeholder identified potential issues with the ONS and DCLG official datasets with regards local circumstances. To date no detailed interrogation has been undertaken of the statistics by the authorities.
- 7.59 The challenging of official statistics is a valid sensitivity to be considered as the datasets are based on the best information available consistently nationally. Often local data for example, GP Registrations data or Council Tax data (illustrating occupied properties) provides a better local proxy for confirming recent historical trends in population and household changes. These trends can then be used to model forwards a more accurate projection. Further work would be required by the local authority partners to both source and 'clean' these datasets to inform any subsequent detailed sensitivity testing, however, this section provides an initial assessment firstly assessing regional data and then using a number of authority case study examples to illustrate the effect of changing historic demographic assumptions on future projections.

Why challenge 'official' statistics – considering regional datasets

- 7.60 The ONS employs a robust cohort component methodology for the calculation of its Mid Year Estimates (MYE). This methodology is a tried and tested approach, used by many national statistical agencies and researchers for estimating and projecting demographic change.
- 7.61 As with all estimation 'models', the cohort component methodology is very reliant on robust and reliable data inputs. The UK does not have a population register and therefore relies on a number of data sources to measure the three core components of population change as explored above (Natural Change, Net Internal Migration and Net International Migration).
- 7.62 Challenging ONS published statistics is an important role for local authorities as this can only improve the 'local accuracy' of what are 'national' models, as noted

above. A number of local authorities have questioned their MYE across the country and in turn the linked future projections.

- 7.63 The components of change estimated within the MYE rely on data which have different levels of accuracy and robustness. Natural change is derived from vital statistics registers, providing accurate data on the annual impact of births and deaths within each local authority area. Internal migration is derived from General Practitioner (GP) registration statistics; a robust source particularly with the recent improvements in the handling of student flows. International migration is the most difficult component to estimate, relying on the International Passenger Survey (IPS) to produce a national 'sample' of immigrants and emigrants, from which local authority totals are derived. In 2010, ONS revised its methodology for estimating international migration and incorporated improvements to the use of student, internal migration flows. As a result all MYE since 2002 were retrospectively re-calculated and re-released.
- 7.64 The ONS continues to develop new and alternative methods for estimating international migration as part of its ongoing Migration Statistics Improvement Programme (MSIP). What complicates this challenging programme of improvement is the sheer complexity of the process of international migration, with a huge diversity of origin/destination countries, migrant types and durations of stay to consider.
- 7.65 Research at the University of Leeds, to develop population projections for ethnic groups, has scrutinised the methods and data sources used by ONS to estimate international migration and has identified some discrepancies between the immigration estimates which underpin local authority MYE and evidence from local administrative datasets, specifically on immigration. This research has contributed significantly to the debate on the statistical robustness of estimation methods. Output from the research has been shared with ONS and the alternative methods suggested for immigration estimation now form the basis of the MSIP's planned improvements to international migration estimates to 2011.
- 7.66 The analysis below examines the national and regional picture highlighting the potential issues associated with, in particular the assumptions around the estimation and distribution of international migrants.

Population estimates - the national picture

7.67 Since 2001 the population of England and Wales is estimated to have increased by 4.8%, reaching 54.8 million by 2009. Yorkshire & The Humber's estimated growth was 5.7%, exceeded only by the East Midlands, East of England and the South East. The percentage population growth in the Yorkshire and the Humber was three times higher than the North West and North East, and more than twice that of the West Midlands.

Figure 7. 7: Regional population estimates, 2001 - 2009

Region	Millions									2001-2009	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	Change	%
North East	2.54	2.54	2.54	2.54	2.55	2.55	2.56	2.57	2.58	0.04	1.7%
North West	6.77	6.78	6.80	6.82	6.84	6.85	6.86	6.87	6.90	0.12	1.8%
Yorkshire & The Humber	4.98	5.00	5.03	5.07	5.11	5.15	5.18	5.22	5.26	0.28	5.7%
East Midlands	4.19	4.22	4.25	4.29	4.33	4.36	4.40	4.43	4.45	0.26	6.2%
West Midlands	5.28	5.29	5.31	5.32	5.35	5.36	5.38	5.41	5.43	0.15	2.8%
East of England	5.40	5.43	5.47	5.50	5.55	5.59	5.65	5.72	5.77	0.37	6.8%
Greater London	7.32	7.37	7.38	7.41	7.48	7.55	7.60	7.67	7.75	0.43	5.9%
South East	7.96	8.04	8.08	8.11	8.17	8.22	8.30	8.37	8.44	0.48	6.0%
South West	4.94	4.97	5.00	5.04	5.09	5.12	5.18	5.21	5.23	0.29	5.8%
Wales	2.91	2.92	2.93	2.94	2.95	2.96	2.98	2.99	3.00	0.09	3.1%
England & Wales	52.30	52.57	52.79	53.05	53.42	53.73	54.08	54.45	54.81	2.51	4.8%

Source : ONS, 2010

7.68 The components of change which have driven these regional estimates suggest some significant variations in the relative importance of these components between regions.

7.69 Natural change in Yorkshire and the Humber has played an increasingly important part in its growth, increasing each year since 2001 and averaging at just fewer than 10,000 per year. This trend is consistent across all regions.

7.70 Internal migration to and from Yorkshire and the Humber has resulted in a small average annual net in-migration of +1,294 between 2001-2009. This migration balance contrasts to the high net out-migration from Greater London and significant net inflows to the South West, East Midlands, East of England, Wales and the South East. The three regions of the north have each fluctuated between small net inflows and small net outflows since 2001; this contrasts to other regions which have largely retained either large positive or negative net balances over the period.

7.71 With regard to international migration, the net impact upon the Yorkshire and Humber has been high, exceeded only by Greater London in terms of both absolute numbers

and impact per head of population. The average net impact of international migration to the Yorkshire and Humber has been estimated at 4-5 times higher than either the North East or North West.

- 7.72 Within the SNPP (Core Scenario1) these trends are projected forward with net immigration continuing to drive population growth in the region, with a rate of increase that is exceeded only by Greater London. As a result of this high and continuous net immigration, natural change also has a more significant impact, again exceeding all other regions apart from Greater London. Net internal migration to Yorkshire and the Humber reverts to a net loss on average over the 25 year projection horizon; only West Midlands and Greater London have similar negative balances over the period.
- 7.73 The concern when scrutinising the population estimates and projections by region is the large and differential impact that international migration has on population growth. Given that births, deaths and internal migration data inputs are perceived to be robust and accurate, the variability of the international migration estimates, based on a relatively small sample survey, produced a real 'sensitivity' issue. Official estimates of immigration and emigration are primarily based on sample data derived from the question asked in the IPS on migrants 'intentions' to stay in or leave the UK for more than twelve months. These are supplemented with additional statistics from the Home Office on asylum seekers and their dependants and from the Irish Central Statistical Office (ICSO) on estimates of migration between the UK and the Irish Republic.
- 7.74 Since 2004, estimates of visitor switchers (those people whose original intention was to stay for less than twelve months but who subsequently stay for longer) and migrant switchers (those people who intended to stay for more than twelve months but decide to leave within a year) have been derived from questions in the IPS.
- 7.75 The estimation process works at four different levels: national, regional, intermediate geography and local authority area. The intermediate geography groups local authority areas outside London based upon their contiguity and 'economic association'. Within London, boroughs are grouped based on similarities in historical migration profiles. There is a different set of these new geographies for both immigration and emigration. The intermediate geography used for immigration

estimation in Yorkshire has three separate areas, splitting the local authorities of North Yorkshire into different geographies (see below).

Figure 7. 8: International Migration Intermediate Geography (Yorkshire)



Source: Edge Analytics, ONS, 2010

- 7.76 Until June 2010, immigration estimation used the Labour Force Survey (LFS) to allocate gross national IPS flows to Wales and the English regions. LFS statistics on ‘long-term’ migrants calibrated the proportional distribution of flows to each Region and IPS data, smoothed over an extended time-series, was used to allocate immigration flows to intermediate geographies outside London, with the LFS sample size believed to be sufficiently robust to enable it to be used for estimation for the London areas.
- 7.77 The final stage of immigration estimation involved the proportional allocation of flows to local authority areas using the migrant distributions evident from 2001 Census data. The emigration estimation process has a similar hierarchical structure but does not have the luxury of additional data from either the LFS or the Census. As an alternative, it incorporated a ‘migration propensity’ model to estimate the distribution of flows at a local authority level.
- 7.78 To improve the estimation of immigration and to combat some of the issues identified with the use of outdated census information, the latest methodological developments from ONS (June 2010) have integrated administrative data as the basis for allocating flows from intermediate geographical zones to local authority areas. No changes

were made to the regional estimation of immigration flows. Relatively minor changes were made to the emigration estimation methodology.

- 7.79 This round of methodological revisions (which also included improved handling of student flows in the internal migration estimates an issue explored in greater detail below) resulted in retrospective revisions to all mid-year estimates. These mid-year estimate revisions have been used as the basis for calibrating ONS' 2008-based sub-national population projections.
- 7.80 Research at the University Leeds, to develop population projections for ethnic groups, has scrutinised the methods and data sources used by ONS to estimate international migration and has identified some major discrepancies between the immigration estimates which underpin local authority mid-year estimates and evidence from local administrative datasets, specifically on immigration. These discrepancies relate to both the *regional* estimation of immigration flows and the *Local Authority* allocation based around membership of an *intermediate* geography.
- 7.81 This research has contributed significantly to the debate on the statistical robustness of estimation methods. Output from the research has been shared with ONS and the alternative methods suggested for immigration estimation now form the basis of the MSIP's planned improvements to international migration estimates to 2011 (see Boden & Rees, 2010 for more detail³¹).
- 7.82 The 'alternative' methodology retains the ONS 'national' estimate of international migration but distributes these data direct to local authorities using a combination of evidence from three administrative datasets: GP registration of foreign nationals, National Insurance Number registrations and the Higher Education Statistical Agency's count of international student numbers. The methodology removes the requirement for a regional and intermediate geographical hierarchy and maximises the use of local administrative evidence on international migrant populations. The methodology redresses the regional imbalances that are evident in existing estimates and removes any biases created by the use of the *intermediate* geography.

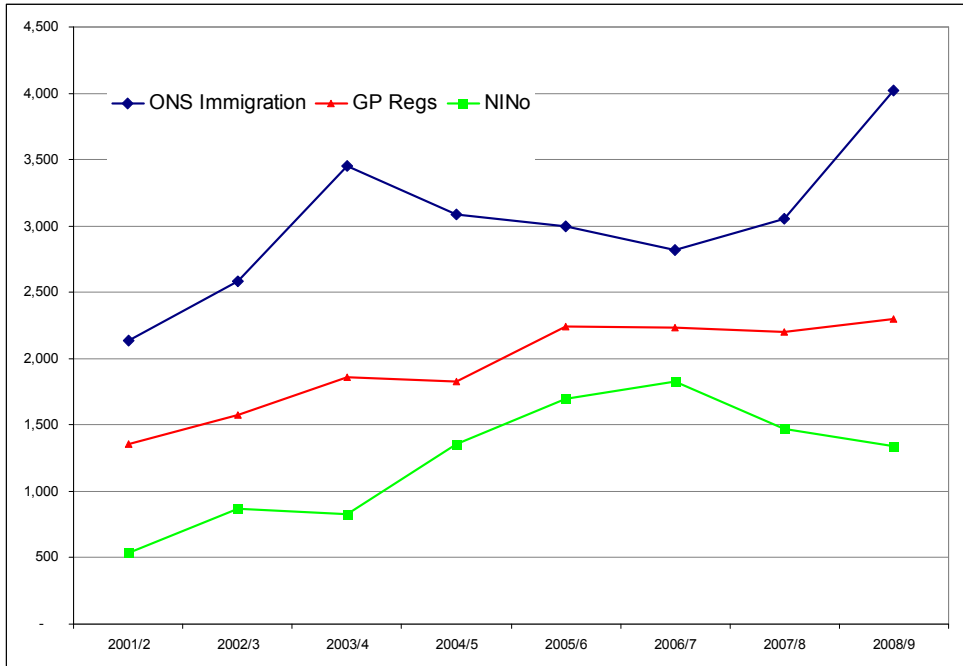
31 **Boden P** and **Rees P** (2010) International migration: the estimation of immigration to local areas in England using administrative sources, *Journal of the Royal Statistical Society, Series A (Statistics in Society)*, in press

- 7.83 This is an issue explored in more detail at the local authority level, with York and Richmondshire selected as case study examples.

Case Studies: York and Richmondshire

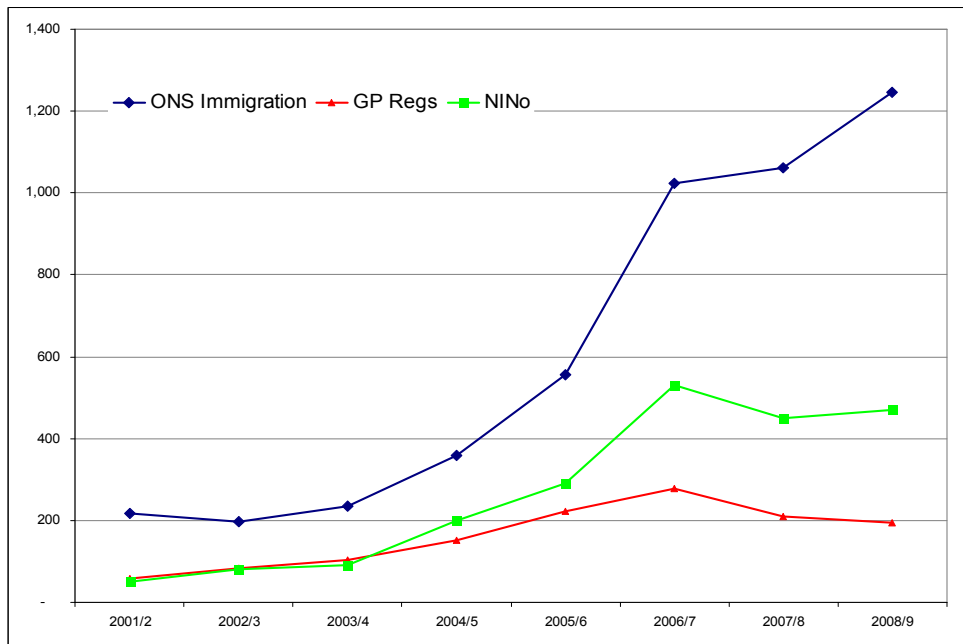
- 7.84 Specific issues have been raised through the stakeholder engagement process within the research in relation to population and household estimates and projections within North Yorkshire, focused primarily on the figures cited for both Richmondshire and York. A number of consultees considered that the 'official' projections are too high as a baseline position as a result of inaccuracies in the estimation and projection assumptions.
- 7.85 The analysis below examines, in line with the approach advocated by Leeds University, the comparison of other data source, primarily GP registrations, to explore potential deviations from the ONS statistics.
- 7.86 The following charts illustrate the relationship between GP registrations by foreign nationals, national insurance number registrations to foreign nationals and the current ONS estimate of immigration for York and Richmondshire. Each of the ONS estimates is significantly in excess of data recorded in the administrative sources, inflating the estimated impact of international migration both in the mid-year population estimates and in the sub-national projections of both population and households.

Figure 7. 9: York: ONS Immigration Estimates vs. Administrative Sources



Source: Edge Analytics, 2010

Figure 7. 10: Richmondshire: ONS Immigration Estimates vs. Administrative Sources



Source: Edge Analytics

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- 7.87 The impact of the alternative immigration estimation methodology upon sub-national projections for York and Richmondshire would be very significant and would lead to a considerable modification of the projections presented under each of the Core Scenarios.
- 7.88 In the case of York, the 2008-2026 population projection could reduce by up to 20,000 if the data corrected to better align with local statistical data sets. This would result in a corrected trend-led estimate of 215,000 in 2026, rather than the inflated 233,334 in the existing sub-national population projections. This would equate to a household total of approximately 99,000 in 2026, as opposed to the 107,000 projected under the SNPP. The application of this correction in turn would result in a **reduction to the annual average household growth rate from almost 1,310 to 850 per annum for York**³².
- 7.89 In Richmondshire, the 2008-2026 population projection could reduce by up to 6,000 if the data was corrected to better align with local statistical data sets. This would result in a corrected trend-led estimate of 53,500 in 2026, rather than the higher 59,394 in the existing sub-national population projections. This would equate to a household total of approximately 21,500 in 2026, as opposed to the 25,070 projected under the SNPP. The application of this correction, if 21,500 was assumed in turn would result in a **reduction to the annual average household growth rate from almost 240 to approximately 95 to 100 per annum for Richmondshire**.
- 7.90 Evidently the application of this correction has the potential to have a significant impact on the authorities overall levels of projected household growth. Whilst York and Richmondshire have the highest assumed levels of annual international migration under the SNPP forecasts a comparable analysis for the other authorities would also be likely to result in a moderate reduction in the levels of projected household growth. This would be particularly true of Harrogate and Ryedale which have also have in-built high assumptions around the projected level of growth driven by net international migration.
-

³² As noted previously the Arup report prepared for York City Council provides an alternative evidence base using a different analysis process. This also recognises that the ONS 2008 based SNPP is likely to represent an overestimate, although this is not modelled.

7.91 In addition to the potential need to correct SNPP data with regards to international migration assumptions through the stakeholder process two further points of consideration were raised in relation to York and Richmondshire in terms of the validity of ONS MYE and Projections:

- Richmondshire – Noted issue around the handling of the Armed Forces population, with the authority including the large Catterick Garrison; and
- York – Noted issue around the handling of student flows and the impact this has on future projections.

7.92 Each of these points have been considered through the research, however, further work will be required by the individual authorities to interrogate the detailed datasets available at a local level in order to confirm the exact impact these factors have on the projections. In headline terms it is concluded that, whilst there are clearly issues in relation to both these points the impact is likely to be less notable than the correction around international migration assumptions summarised above.

Armed Forces Population Flows

7.93 The handling of Armed Forces population is quite complex but statistics on UK forces (including Gurkhas) are collected by Defence Analytical Services (DASA) and distributed to local authorities. Foreign Armed Forces (which are primarily US personnel) are recorded separately with numbers in North Yorkshire being relatively small.

7.94 In the ONS SNHP, Armed Forces are treated as a 'special population' and are not aged with the 'normal' population. However, there remains uncertainty as to how 'dependents' of Armed Forces personnel are modelled and the extent to which personnel at the Catterick site are included or excluded from the 'special population'. The impact could be a potential artificial swelling of the overall projections linked to this factor, with this also impacting on other adjacent authorities, albeit to a lesser extent.

7.95 Examining the issue of international migration it is clear from analysis of the NINo registrations (an important element of the local estimation methodology) it is evident that military factors have played a major part in distorting this element, linking to the critique in the previous sub-section. Analysis of this dataset highlights that a high

proportion of NINO registrations have been to Nepalese (Ghurkha) origin. These 'Armed Forces' registrations have accounted for up to 60% of total NINO registrations since 2006 and need to be removed from the Richmondshire total to ensure an 'equitable' distribution of international migration flows to North Yorkshire districts. These Ghurkha registrations will have a distorting effect upon international migration estimation, artificially inflating the total in Richmondshire.

Figure 7.11: NINO Registrations 2002 – 2010 – Richmondshire

	2002	2003	2004	2005	2006	2007	2008	2009	2010
NINO registrations	50	80	90	200	290	530	450	470	400
Nepalese origin	20%	25%	22%	15%	17%	57%	56%	57%	60%

Source: Edge Analytics, 2011

7.96 As noted above the re-estimation of international migration (taking this element into account) for Richmondshire would have a very significant impact upon the district's population growth trajectory 2008 – 2026. At present 'net immigration' is a dominant driver of population growth over the forecast period. It is important to recognise that this issue is more complex than simply the international component element. Whilst this factor would reduce growth further analysis needs to be given to other factors, such as the assumptions around internal migration of military population and natural change factors for this component to understand in more detail total population and household growth.

7.97 Evidently with its constituent Armed Forces population, Richmondshire has a complicated demographic profile. Official statistics, both estimates and projections, do not adequately handle this complexity. It is highly recommended that a 'local' forecasting model is configured and calibrated, incorporating official statistics, best estimates of the Armed Forces population (military and dependents) and additional data from local administrative sources and the MoD to ensure these issues are more fully explored and robust conclusions arrived at.

Student Population Flows

7.98 With regard to (UK) student migration, ONS has incorporated an improved methodology for estimating the movement of students to and from higher education establishments. These improvements form part of the latest release of mid-year population estimates and feed into the assumptions used in the 2008-based SNHP.

York's household projections are clearly influenced by assumptions around the migration in of student households, as identified later in this section in terms of demand by different household types and ages of household, however, with the correction noted above already applied the impact of this factor is unlikely to be significant.

2. Other Sensitivities

7.99 In considering the level of future household growth a number of other sensitivities are considered below, these include:

- The Shape of the Economy;
- Future Commuting Patterns / Internal Migration – considering changing work place / residence base patterns;
- Development rates – the impact of a constrained supply picture; and
- Future Household Formation Rates - short term impact of market constrains on the accessibility / affordability of housing.

7.100 For all of these scenarios alternative projections are not calculated, however, the analysis serves to illustrate their potential impact on overall levels of change going forward.

The Shape of the Economy

7.101 The employment-led scenario utilises the REM economic forecasts summarised in Section 4. These forecasts represent one potential estimate of how the economy may change based around a set of assumptions as to the industrial sectors which are likely to grow or decline in the future at a national level.

7.102 As the last few years have shown it is very difficult to accurately forecast how national, never mind local, economy's are likely to perform. The current Regional Economic Strategy for example, was built around forecasts which did not predict the onset of a recessionary economic climate in 2008 and at this point in time it is impossible to accurately predict when a sustained period of recovery will occur.

7.103 The REM forecasts, given their policy-off position, could be viewed as representing a baseline level of growth or a cautious prediction of employment change. A number

of the authorities in North Yorkshire have developed new and updated policy-on economic forecasts which pre-date the recession. The realisation of greater levels of employment growth is likely to further elevate the number of migrants moving into an area as well as serving to decrease economic inactivity levels. Cumulatively this will have an impact on the housing market both in terms of overall demand, driven by an increase in population and the ability of households to afford different tenures of housing as their economic position improves.

7.104 York in particular has undertaken a number of recent pieces of work³³ to examine this issue. The approach taken to these pieces of research differs to the analysis in this SHMA in that it does not directly model the impact of employment change on demographic trends but instead qualitatively establishes the potential implication of job growth on demand for housing. As noted in Section 4 Arup have modelled a number of alternative economic scenario forecasts, the central scenario (muted growth) which is identified as having the highest probability of occurring forecasts an annual job growth of 960 per annum. It is recognised within the paper that growth will fall short of this level in the short-medium term, however, in the longer-term growth in the Science City sectors is expected to deliver higher levels of employment creation, presumably offsetting low levels of growth over the first half of the projection period.

7.105 The housing research paper uses this level of job growth to assess the potential impact it would have on population change and therefore the demand for new housing. A number of important points are referenced in relation to household growth linked to the performance of the economy:

- *We expect that the most likely scenario is that although migration may have dropped off slightly during the recession and in the short-term future (5 years), levels of migration are likely to recover to pre-recession levels thereafter and long term trends towards higher levels of migration continue;*
- *Whilst it is possible that York could rely on additional commuting to meet its labour demands, and many other historic cities have much higher levels of in commuting than York such a strategy would need to consider effects on*

the transport system. Such a strategy would also need to consider the cumulative effects of possible housing under provision in surrounding authorities, particularly in places as the East Riding and Harrogate, if provision similar to RSS allocations is maintained. This will have the effect of intensifying housing pressures on York; and

- *From the perspective of their timing it seems likely that the 2008-based projections were likely to be an overstatement of requirements because previous trends were predominantly associated to boom conditions...Our judgement is that an approximation of trends representative of an economic cycle, the 2003-based forecasts are perhaps more representative of long term requirements...the 2003-based forecasts on the other hand, were preceded by a period of less rapid growth in 2001/02.*

7.106 The demographic sensitivity identified that in reality levels of international migration into York are likely to have been elevated in the statistics over recent years, this therefore reinforces the correction down of the latest ONS / DCLG projections, although a reduction in assumed levels of migration in the future will need to be balanced against a policy-on projection of increased job growth. This will require further monitoring in the future once job levels do start to increase post the short-term. This is an important consideration for all of the authorities across North Yorkshire.

Future Commuting Patterns / Internal Migration

7.107 The analysis of the historical estimated changes to population presented in Section 4 highlighted the fundamental role of internal migration on all of the authorities of North Yorkshire. The re-location of particularly families to the area, given the high quality of life in many places has been an important driver in their continuing growth.

7.108 The balancing of the current and projected population with the levels of jobs currently and forecast in the future highlighted for the majority of the authorities an imbalance. With the exception of York, Selby and Richmondshire the other authorities all showed a greater level of potential growth of households under Core Scenario 3

³³ Two research papers have been published: 'City of York Council Topic Paper – Population: Updated Version' (July 2011). 'City of York Council Topic Paper – Employment: Draft Report' (July 2011), ARUP

(employment-constrained) than Core Scenario 1 (SNPP). This reinforces the role of these authorities to date as housing a significant proportion of commuters to the key employment centres in the region, namely Leeds and York, but also Bradford and in terms of the northern authorities Middlesborough. This is confirmed in the analysis of travel to work patterns at the end of Section 4.

- 7.109 Whilst the large City economic are forecast to continue to grow there are a number of potential influencing factors which may impact on the decisions of households to live further from their place of work. In particular rising travel costs, petrol prices as well as public transport costs, are forecast to continue to increase. This will have an impact on the costs of commuting which in turn may, particularly for households on lower incomes, result in the decision being made to remain closer to their place of work. This could, over the longer term, potentially serve to reduce the level population and household pressure on these authorities with net internal migration rates falling as a result. This will require careful monitoring in terms of the local data available to monitor the proportion of new households moving into authorities from surrounding areas.

Recent Development Trends

- 7.110 Whilst a full scenario analysis has not been undertaken in relation to development rates across the sub-region, it is pertinent to note potential impacts of generally suppressed levels noted in recent years as being a potential indication of short term delivery issues in the future.
- 7.111 Where development fails to keep pace with demand the assumption is that households are not formed or migrate out of the authority area. This therefore links to both the sensitivity around international migration and internal migration sensitivities as well as the potential evidence of suppressed household formation rates, considered in more detail in the next sensitivity.
- 7.112 The analysis in Section 5 showed the considerable fall in net completion figures over recent years from the peak around 2006/07. There is little evidence currently to suggest that there will a rapid return to these previous levels of development in the short-term.
- 7.113 Even if the average gross completion rate over the period 2004/05 to 2009/10 is compared against the projected levels of household growth there are clearly notable

differences. This is significant given that this includes a number of years of relatively high levels of development. The difference between the two figures is shown in the following table.

Figure 7.12: Contrasting Average Gross Completions 04/05 – 09/10 with projected levels of Household Growth under Core Scenario 1 (SNPP)

Authority	SNPP Scenario - Average Annual Household Growth 2008 - 2026	Average Gross Completions 04/05 – 09/10
Craven	314	184
Hambleton	326	249
Harrogate	862	421
Richmondshire	238	137
Ryedale	257	154
Scarborough	450	390
Selby	519	511
York	1,308	780
North Yorkshire	4,273	2,825

Source: Local Authority data, 2010, ONS, 2010, GVA, 2010

- 7.114 It is evident that in all authorities the average completion rate falls below the projected levels of household growth. If these development rates were sustained in the future the result would be a reduced level of household growth with households either being unable to locate into the area or newly forming local households moving out of the area.
- 7.115 This highlights the important role of supply in potentially constraining or facilitating the changing demographic of an area.

Household Formation Rates

- 7.116 The analysis in Section 4 highlighted that the ONS has estimated that since 2001 household size (or headship rates) have fallen across all of the authorities. Examining Core Scenario 1 it is evident that this trend has continued to be projected forward, with household sizes projected to fall even further, driven in particular by an increase in single person households.
- 7.117 The Household Survey provides a useful data source for considering at least the short-term picture of household formation in terms of the numbers of newly forming households. Newly forming households are those households which have emerged

from an existing household to form their own, both within and outside of the authority. They therefore represent an important comparable figure against the household projection averages which also represent new households in the authorities.

7.118 The following table compares the annual average number of newly forming households based off the last two years movements tracked by the survey against the long-term future projections of annual levels of household growth.

Figure 7.13: Contrasting Household Survey data on short-term historical newly forming household rates against the future projections under Core Scenario 1

Authorities	Long-term Projections	Short-term Projections
	SNPP Scenario - Average Annual Household Growth 2008 – 2026	Annual number of newly forming households (based upon last two years)
Craven	314	190
Hambleton	326	195
Harrogate	862	401
Richmondshire	238	183
Ryedale	257	149
Scarborough	450	381
Selby	519	-
York	1,308	950
North Yorkshire	4,273	-

Source: Household Survey, 2011, ONS, 2010, Edge Analytics, 2010, GVA, 2010

7.119 All of the authorities show a considerably lower level of newly forming households from the survey, based only on the last two years, than the annual average projected by the long term trajectory of change presented through the SNPP dataset. A number of factors directly relating to the current market context are likely to have influenced the short-term formation rate, including:

- Affordability issues, as explored through Section 6, which have limited first time buyer households in particular to purchase property. This has been particularly impacted over recent years through the documented limitation of the availability of mortgage finance to purchase property; and
- The supply of new properties over recent years, as noted under the previous sensitivity. Delivery challenges and viability issues have severely reduced the supply of new stock within the authorities limiting the supply capacity able to absorb the growth of new households.

- 7.120 These factors are significantly linked to current wider contextual issues relating to the market and the state of the economy. They clearly have an impact in the short-term however, their impact over the medium-longer term is harder to predict.
- 7.121 The newly forming household recent average is used in Section 8 within the Needs Assessment Calculation as it is considered to provide a more grounded assessment of the future creation of new households over the short-term based on the factors above. However, clearly over the long term these constraints are unlikely to be applicable with the resultant pent up levels of growth potentially leading to an uplift in growth over the medium-longer term as projected through the Core Scenarios.

Bringing the Analysis of Population and Household Growth Together

- 7.122 The CLG Guidance recognises that a range of projections and therefore requirements can be appropriate and the household growth projections presented previously should be considered to represent a spectrum of potential future outcomes for consideration in the development of locally appropriate policy.
- 7.123 This research has been conducted at a sub-regional or county scale. Individual authorities will be developing their own evidence bases to reflect local policy and supply factors. The intention here is not to arrive at a 'preferred' scenario of household growth for the whole County but to present a spectrum of potential growth rates illustrating their sensitivity to changing drivers of change.
- 7.124 The SNPP scenario clearly represents a recognised baseline position from which to start. However, the analysis above has highlighted the potential limitations this has in terms of a number of the assumptions around local data discrepancies and the potential impacts at least in the short-term resulting from the market and development context.
- 7.125 Whilst recognising these limitations in order to set a benchmark for the research and the authorities it is possible to translate the household growth assumptions under the SNPP Core Scenario into dwelling requirements. A similar approach could be applied to any of the core scenarios or indeed alternative projections developed by the authorities.

7.126 The table below illustrates hypothetical dwelling requirements based on the levels of growth projected through the SNPP Scenario. It is important to note that York has been excluded from the analysis and therefore the North Yorkshire total is for North Yorkshire without York.

Figure 7.14: Hypothetical Dwelling Requirements based on Household Growth as Projected under Core Scenario 1

Authority	SNPP 2008 Base Core Scenario - Household Projection - Hypothetical Dwelling Requirements				
	Household Change 2008 - 2026	Completions 2008/09 - 2009/10	Net Residual Requirement 2010/11 - 2025/26	Allowance of 3% Vacancy	Annual Net Dwelling Requirement 2010/11 - 2025/26 (16 years)
Craven	5,646	386	5,260	5,418	339
Hambleton	5,870	336	5,534	5,700	356
Harrogate	15,525	791	14,734	15,176	948
Richmondshire	4,276	96	4,180	4,305	269
Ryedale	4,621	257	4,364	4,495	281
Scarborough	8,105	460	7,645	7,874	492
Selby	9,343	498	8,845	9,110	569
York	/	/	/	/	/
North Yorkshire (excluding York)	53,384	2,824	50,560	52,077	3,255

Source: ONS, 2010, Edge Analytics, 2010, GVA, 2010, Various Local Authorities data, 2010

7.127 The figures presented in the table above do not take account of the ability of existing vacant properties to absorb future demand. The analysis of vacancy within the existing stock in Section 5 highlighted that across North Yorkshire vacancy rates were very low, in many cases below the 3% level often assigned to general 'churn' in the market.

7.128 The table below uses the net dwelling requirement figures above (column labelled 'Allowance of 3% vacancy' and deducts the number of properties classified in the HSSA return as private sector properties vacant for more than 6 months. Whilst there may be a range of reasons for these properties being vacant this serves as a useful proxy for understanding the latent capacity in the existing stock to absorb future

demand. These figures are then translated into annual dwelling requirements over the 16 year period.

Figure 7.15: Hypothetical Dwelling Requirements – Taking account of long-term vacancy

Authority	Total Net dwelling requirement 2010/11 - 2025/26	Existing long-term vacant private sector stock (vacant over 6 months - HSSA 09/10)	Annual Net Dwelling Requirement 2010/11 - 2025/26 taking account of vacant stock
Craven	5,418	256	323
Hambleton	5,700	438	329
Harrogate	15,176	1,218	872
Richmondshire	4,305	335	248
Ryedale	4,495	383	257
Scarborough	7,874	699	448
Selby	9,110	357	547
York	/	/	/
North Yorkshire (excluding York)	52,077	3,686	3,024

Source: ONS, 2010, Edge Analytics, 2010, GVA, 2010, HSSA 2010

A Projected Changing Population and Household Profile

7.129 Whilst the analysis of the Core Scenarios and the Sensitivities identifies a spectrum of overall growth projections in terms of both population and households it is evident that under any of the scenarios the area is predicted to change in terms of its demographic profile and its breakdown of types of households. This section highlights these trends and the implications they are likely to have on the sizes of properties likely to be required to be delivered through the market. The following section considers these issues in greater detail with regard specifically to affordable properties.

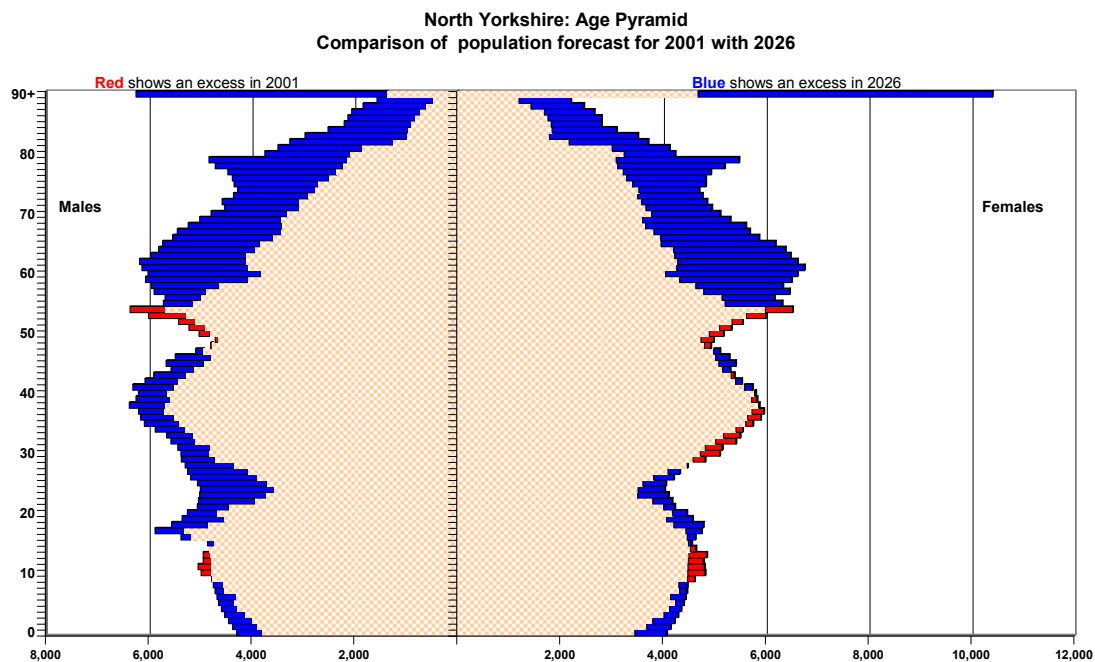
7.130 The section initially focuses on a detailed analysis of the projected age structure of the area under Core Scenario 1, followed by an assessment of the impact this has on the types of households projected in the future in the area. The section concludes with analysis from the Household Survey to explore how future demand for housing is broken down by requirements for different sizes of market properties.

Population Ageing Projections

7.131 The analysis in Section 4 highlighted the fact that the population of North Yorkshire continues to age. This trend is projected to be sustained under the SNPP forecasts.

7.132 The following age pyramids represents the change over time (2001-2026) that are evident in the 2008-based sub-national projections for North Yorkshire; males are on the left of the pyramid, females to the right. The red bars on the pyramid represent an excess of population in 2001 (i.e. a greater number of people in that age group in 2001 than 2026). The blue bars represent an excess of population in 2026 (i.e. a greater number of people in that age group in 2026 than 2001).

Figure 7.16: North Yorkshire Age Pyramid – 2001 - 2026



Source: Edge Analytics, 2010, ONS, 2010

7.133 The North Yorkshire pyramid illustrates the expected growth in the population aged 60 years and above, from 23% of the total population in 2001 to 32% in 2026. This represents a significant shift in the balance of old-age dependency, reducing the size of the workforce relative to the size of the post-retirement population. To maintain the 2001 balance in old-age dependency, the retirement age would need to increase to

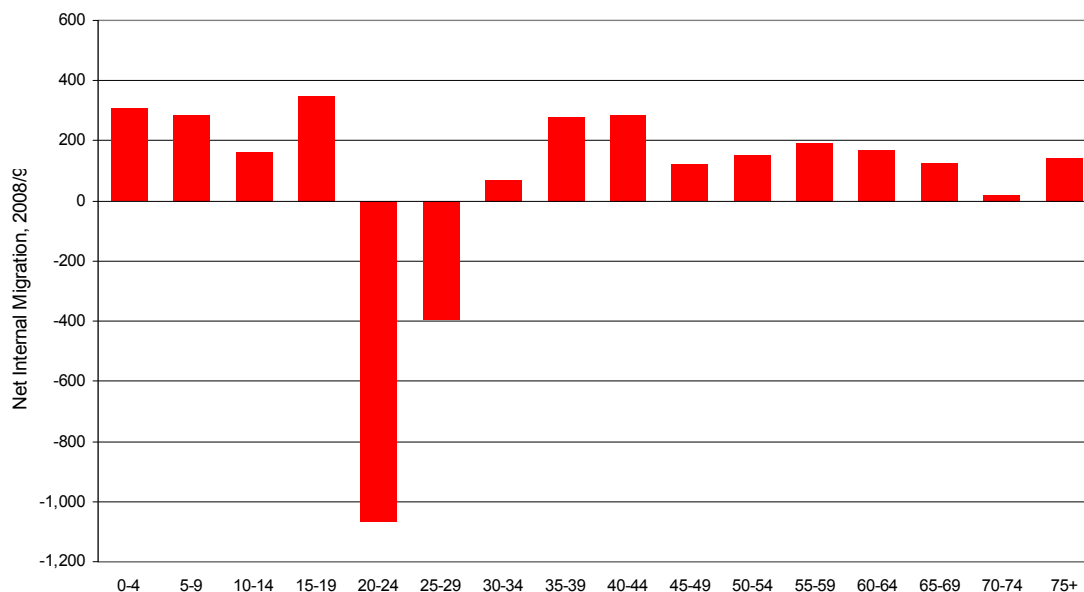
69 years by 2026. The impact of this issue was highlighted through the contrasting of Core Scenario 1 and Core Scenario 3 (employment-constrained).

7.134 If this process of demographic change occurs it will have a significant impact on the age profiles of individual settlements and parishes across North Yorkshire. Areas will have significantly high proportions of older persons and much lower levels of working age people and children. This will have an impact on the types of services required and the nature and sustainability of communities.

7.135 Demographic ageing is a feature that is common to populations across the UK as continued improvements in life expectancy are coupled with the surge of the baby boomer cohorts into the post-retirement age-groups. Areas of relatively high net in-migration maintain a lower old-age dependency ratio as the labour force is continuously refreshed with new migrants.

7.136 In North Yorkshire, ageing is accentuated with a larger existing elderly population and a net outflow of migrants in the young labour force ages. This is illustrated in the following chart for North Yorkshire as a whole.

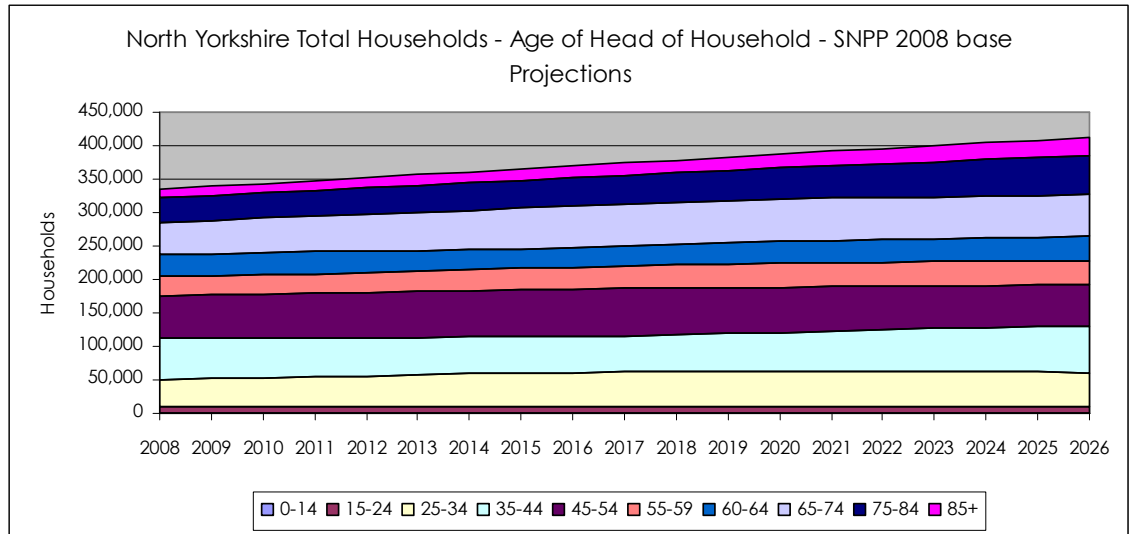
Figure 7.17: Net Internal Migration by Age, 2009, North Yorkshire



Source: Edge Analytics, 2010, ONS, 2010

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- 7.137 The individual authority appendices provide a detailed analysis of the projected changing age profile for each authority and the impact of the age of migrants on this profile. However, in summary it is evident that for the individual local authority districts of North Yorkshire the impact of population ageing varies. York, as the main urban centre and with a substantial University population, maintains the most youthful profile with an increase in its 60+ population proportion from 22% in 2001 to 25% in 2026. However, the maintenance of this profile is very dependent upon the continued high levels of net immigration which are forecast under the SNPP; the component of demographic change around which there is most uncertainty as outlined within the sensitivities.
- 7.138 For other districts, the latest SNPP forecasts a more substantial rise in the 60+ population proportion between 2001 and 2026; Craven (26% to 38%), Hambleton (24% to 38%), Harrogate (23% to 33%), Ryedale (27% to 37%), Scarborough (28% to 36%). Selby and Richmondshire have more modest rises (20% to 30%). Richmondshire's profile is interesting in that it suggests a substantial increase in young males from 2001-2026. The Catterick Garrison will always produce the unique shape to the age profile in the young males age-groups, however, as noted under the demographic sensitivity the SNPP appears to have either added more of this 'static' population to Richmondshire in 2026, or has (incorrectly potentially) aged elements of the armed forces population. This feature is also likely to have been linked to the estimate of international migration applied to Richmondshire's SNPP as with York.
- 7.139 Modelling these population changes through to households highlights the impact of demographic change on the ages of households which are projected to be in place in 2026. The following chart displays the projected trajectory for North Yorkshire as a whole.

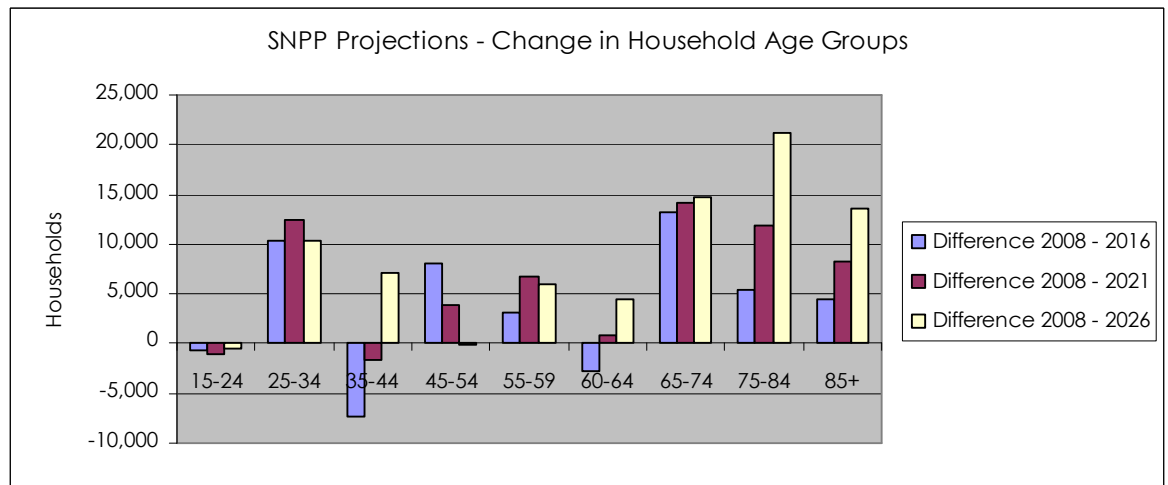
Figure 7.18: Projected Household Change by age of Head of Household 2008 – 2026 – SNPP Core Scenario 1



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

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

Figure 7.19: Projected households by age of head of household – Individual Age Bands – SNPP (Core Scenario 1) North Yorkshire



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

7.141 Each of the authority's total change by age of household (head of household) over the period 2008 – 2026 is shown in the following table.

Figure 7. 20: Projected Change in the Age Profile of Households 2008 – 2026 (Core Scenario 1 SNPP)

Authority	Household Change by Age Band (Head of Household) - SNPP 2008 base Core Scenario 1									
	0-14	15-24	25-34	35-44	45-54	55-59	60-64	65-74	75-84	85+
Craven	0	-38	74	40	-142	830	396	1483	1814	1189
Hambleton	0	-111	742	-232	-986	285	-91	1,497	2,809	1,956
Harrogate	0	-448	1,740	258	350	1,128	1,169	3,425	5,047	2,856
Richmondshire	0	-79	483	204	-151	494	169	1,046	1,423	687
Ryedale	0	-34	340	-13	-222	466	363	1,046	1,646	1,030
Scarborough	0	-230	1,144	215	-951	531	609	1,882	2,987	1,918
Selby	0	-73	816	1,008	350	1,021	759	2,127	2,322	1,013
York	0	604	4,964	5,684	1,733	1,249	987	2,248	3,129	2,939
North Yorkshire	0	-409	10,302	7,163	-19	6,004	4,362	14,754	21,176	13,588

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

7.142 The data clearly illustrates the projected significant changes to the household profile of the authorities, the following trends stand out which are likely to impact on the types and sizes of housing required in the future:

- High growth in households aged 25 – 34 within York, Scarborough and Harrogate;
- Negative growth in households aged 15 – 24 in all of the authorities with the exception of York;
- High growth in households aged 55 – 59 in all authorities, but particularly Harrogate, Selby, York and Craven;
- Very high growth in all of the age brackets above 65 in all of the authorities.

7.143 The changing demographic profile and the age structure have an impact on the types of households which are projected to form. The CLG uses 17 classifications as presented for the current profile in Section 4, however, these have been brought together under four groupings. The following table shows the projected change in household types between 2008 and 2026 by authority under both the SNPP Core Scenario 1 and the Natural Change Scenario (Core Scenario 2).

Figure 7.21: Projected changes in household types 2008 – 2026, SNPP (Core Scenario 1)

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

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

- 7.144 Across all of the authorities this shows a substantial growth in single person households, with this particularly true in Harrogate, Scarborough and York under both Scenarios. This is also matched by a growth in Couple or mixed Adult households in all of the authorities, although under the Natural Change scenario Scarborough shows a reduction in this household type.
- 7.145 Significantly though it is the Family household type which shows the greatest variance between the two scenarios. Under the SNPP scenario (Core Scenario 1) this household type registers a positive growth in the majority of authorities, the exception being Craven and Hambleton. However, under the Natural Change scenario all of the authorities with the exception of York and Richmondshire show a decline in this household type. This illustrates the importance of migration in terms of the future population of many of the authorities.
- 7.146 The analysis of the future age profile highlighted that the two extremes, young and old are clearly critical in terms of the housing markets across North Yorkshire. Firstly looking at young households the breakdown by household type is shown in the following table.

Figure 7. 22: Young Households (15 – 34) Change in Household Type 2008 – 2026 – SNPP (Core Scenario 1)

Authority	SNPP Core Scenario 1			
	Young Households - Head of Household 15 - 35 Change 2008 - 2026 by Household Type			
	One Person Household	Couple Household or Mixed Adult Household	Family Household (Adults and Children)	Other Households
Craven	126	-108	-9	27
Hambleton	230	219	115	67
Harrogate	911	538	-91	-66
Richmondshire	179	17	206	2
Ryedale	167	61	117	-39
Scarborough	408	331	112	62
Selby	315	2	411	15
York	1,844	2,016	36	1,673
North Yorkshire	4,180	3,076	897	1,741

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

7.147 The analysis shows the concentration of these younger households into one person and couple / mixed adult households across the area. In particular this is true in Harrogate, Scarborough and York.

7.148 Looking at older person households a similar table is shown below.

Figure 7. 23: Older Person Households (65+) Change in Household Type 2008 – 2026 – SNPP (Core Scenario 1)

Authority	SNPP Core Scenario			
	Older Person Households - Head of Household 65+ Change 2008 - 2026 by Household Type			
	One Person Household	Couple Household or Mixed Adult Household	Family Household (Adults and Children)	Other Households
Craven	1,854	2,631	22	-22
Hambleton	2,805	3,364	-5	98
Harrogate	5,250	5,568	67	443
Richmondshire	1,034	1,692	31	399
Ryedale	1,962	1,662	28	70
Scarborough	3,858	2,632	66	231
Selby	1,876	3,280	12	293
York	4,659	3,449	80	128
North Yorkshire	23,298	24,279	301	1,641

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

7.149 A similar profile is evidenced for older person households, albeit their locational and specific housing needs are likely to be significantly different, an issue explored in greater detail within Section 9.

7.150 This analysis of the future projected demographic profile of the area provides an important steer in terms of the future sizes and types of housing that are likely to be required across the area. In summary the following trends will clearly be important:

- Significant growth in older person households across all authorities, including a large number of one person households;
- Growth in younger households, particularly in York, Scarborough and Harrogate with growth again concentrated in single person or couple / mixed adult households; and

- Sustained demand from in-migrating families into the area, although these levels of migration could potentially reduce over the longer-term.

7.151 The following section uses the Household Survey data to understand in more detail the sizes of property likely to be required over the short-term with the above trends influencing requirements over the longer term.

Housing Requirements by Property Type / Size

7.152 This section presents a long-term projection of the sizes of housing likely to be required to create a more sustainable balance within the housing market. Section 8 examines in detail the specific sizes of affordable housing required for those households in need, as per the DCLG Guidance (Output 7). The analysis within this section goes beyond the scope of the DCLG Guidance but provides headline analysis of the sizes of housing required across all tenures over the longer-term. This takes into account, for example, the changing household type profile for each authority presented earlier in the section and the current expectations of different components of the housing market set in the context of the existing stock, as analysed in Section 5.

7.153 In considering the projected long-term changes to the profile of households, the following key conclusions represent an important context to the likely size of housing which will be required in the future:

- A growth in absolute terms and proportional terms of older person households - the vast majority of which make-up single person or couple households;
- Negative growth in households aged 45 – 54 between 2008 and 2026. This household age group represents the age-band most likely to represent established families, with the projections showing a relatively low level of growth of families. This has an impact both in terms of the size of the property required and also the importance of functional links between home and employment as highlighted through the employment-constrained scenario;
- The current stock profile and recent trends in development. The analysis in Section 5 presented data showing that across the sub-region there is a high proportion of stock with three, four or more bedrooms, almost 65%. This reflected high proportions of detached properties. The amount of stock with two or fewer bedrooms therefore constitutes 35% of supply;

- A significant growth in the number of single person and couple households i.e. not family households. These household groups will include a broad range of different household types, including young people forming a household for the first time. However, the significant projected growth in households aged over 60+ clearly illustrates that a large proportion of this increase in this household type will be older person households. Issues around proximity to services, mobility and the size of property required are all clearly linked to this particular household grouping, an issue examined in more detail in Section 9;

7.154 The growth in single person and couple households would point, in the longer-term, to a high level of demand for smaller properties located in close proximity to key services and transport networks. This represents an important challenge for spatial planning policy and the future distribution of housing.

7.155 Significantly though it is important to take account of the aspirations and expectations of households regarding residential property. The following table draws from the 2011 Household Survey. This highlights the expectations of households, by broad household type, planning to move over the next two years regarding the types of property they would be looking to move into. The proportions for individual authorities are included within the separate Authority Appendices.

7.156 Interestingly this shows a substantial preference for two bedroom properties, particularly amongst single person households and single parent households. Even within couple households smaller properties were popular, with 48% of couple households across North Yorkshire expressing a preference for properties of this size. A large proportion of family households, almost 50%, expressed an expectation that they would live in a four plus bedroom house. This is likely to reflect the supply profile of the area as noted above and analysed in Section 5.

Figure 7. 24: House size expectations of households looking to move in the next two years – North Yorkshire (minus Selby)

North Yorkshire (excluding Selby)	Households wanting to move in the next 2 years - Expectations by property size				
	Studio / 1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Single person households	19%	57%	19%	4%	100%
Single Parent Families	0%	23%	47%	30%	100%
Couple only households	3%	48%	39%	10%	100%
Couple households with no dependent children but other occupants ³⁴	7%	22%	53%	19%	100%
Families (Couples with dependent children)	0%	4%	48%	48%	100%
Other households	11%	51%	25%	13%	100%
Total	8%	41%	34%	17%	100%

Source: Household Survey, 2011

7.157 The table over the page aligns³⁵ these preferences of households with the types of household forecast to be forming under Core Scenario 1 across North Yorkshire. This provides an indication of the sizes of properties required in order to match the changing household profile of the sub-region. The data is built up from local authority figures with the Authority Appendices including identical tables for each separate authority.

7.158 The table highlights that across North Yorkshire the alignment of projected changes by household type between 2008 and 2026 with the expectations of different household types as of 2011 results in a sustained demand for each of the house sizes considered. Whilst useful at a North Yorkshire level it is important to understand this distribution in greater detail at a local authority level.

³⁴ Note: The small proportion of multi-adult households expecting to live in studio/ 1 bedroom properties is likely to reflect their interpretation of the question as including Houses in Multiple Occupation i.e. flat shares.

³⁵ The following table illustrates that ONS household classifications have been aligned with the 2011 Household Survey dataset. Note: the assumption has been made based on the way in which the survey household types are disaggregated that lone parent households with other adults in the household are classified as 'other households' (these households make up a very low proportion of projected new households).

Figure 7. 25: Household Types change 2008 – 2026 under Core Scenario 1 aligned with the 2011 Household Survey Household Expectations (Cumulative count of individual authority figures)

North Yorkshire (Excluding Selby)		Household Type (link to 2011 Survey classifications of households)	Core Scenario 1 - Sub-National Population Projections (Figures below are households - change 2008 - 2026)				
Household Type	Description		Studio / Bedsit	One Bedroom	Two bedrooms	Three bedrooms	Four + bedrooms
OPMAL	One person households: Male	Single person households	113	4,008	11,858	4,085	828
OPFEM	One person households: Female	Single person households	86	3,209	9,908	3,502	762
FAMC0	One family and no others: Couple: No dependent children	Couple only households	0	787	14,115	12,112	3,044
FAMC1	One family and no others: Couple: 1 dependent child	Families (Couples with dependent children)	0	0	70	651	783
FAMC2	One family and no others: Couple: 2 dependent children	Families (Couples with dependent children)	0	0	-65	-861	-730
FAMC3	One family and no others: Couple: 3+ dependent children	Families (Couples with dependent children)	0	0	8	12	-73
FAML1	One family and no others: Lone parent: 1 dependent child	Single Parent Families	0	0	1,026	1,966	1,127
FAML2	One family and no others: Lone parent: 2 dependent children	Single Parent Families	0	0	629	1,257	504
FAML3	One family and no others: Lone parent: 3+ dependent children	Single Parent Families	0	0	202	378	223
MIX C0	A couple and one or more other adults: No dependent children	Couple households with no dependent children but other occupants	0	-336	-1,282	-3,227	-1,061
MIX C1	A couple and one or more other adults: 1 dependent child	Families (Couples with dependent children)	0	0	-72	-827	-827
MIX C2	A couple and one or more other adults: 2 dependent children	Families (Couples with dependent children)	0	0	-18	-230	-224

North Yorkshire (Excluding Selby)		Household Type (link to 2011 Survey classifications of households)	Core Scenario 1 - Sub-National Population Projections (Figures below are households - change 2008 - 2026)				
Household Type	Description		Studio / Bedsit	One Bedroom	Two bedrooms	Three bedrooms	Four + bedrooms
MIX C3	A couple and one or more other adults: 3+ dependent children	Families (Couples with dependent children)	0	0	-8	-79	-83
MIX L1	A lone parent and one or more other adults: 1 dependent child	Other households	3	-10	-94	-66	-11
MIX L2	A lone parent and one or more other adults: 2 dependent children	Other households	1	5	20	14	6
MIX L3	A lone parent and one or more other adults: 3+ dependent children	Other households	-1	1	44	19	4
OTHHH	Other households	Other households	63	76	91	12	155
Total			265	7,738	36,430	18,718	4,425
Proportion (%)			0%	11%	54%	28%	7%

Source: Household Survey, GVA, Edge Analytics, 2011

7.159 The following table provides the breakdown of future demand for different sizes of property by the individual authorities. It is important to note that these are driven by the authority specific household projections as well as the authority specific results of the Household Survey regarding the expectations of households expecting to move in the next two years. As noted above this includes all tenures.

Figure 7. 26: Translating household demand into different property sizes – North Yorkshire (minus Selby) and individual authorities

Authority	Core Scenario 1 - SNPP (Households)				
	Proportional requirement created by new households 2008 - 2026				
	Studio / 1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Craven	10%	48%	36%	6%	100%
Hambleton	8%	52%	36%	5%	100%
Harrogate	14%	53%	26%	8%	100%
Richmondshire	10%	41%	39%	10%	100%
Ryedale	5%	58%	32%	6%	100%
Scarborough	17%	81%	1%	1%	100%
Selby	n/a	n/a	n/a	n/a	n/a
York	12%	49%	31%	8%	100%
North Yorkshire (excluding Selby)	12%	54%	28%	7%	100%

Source: GVA, 2011

7.160 The result of this analysis is to show a high level of demand for smaller properties across North Yorkshire. Indeed the total demand for one or two bedroom properties resulting from new households is approximately 66%, with the requirement being very much for 2 bedroom properties as opposed to one bedroom. It is important to note that this demand for smaller properties does not translate into requirements for flatted properties, with this covering both this type of housing but also smaller family housing.

7.161 At a local authority level there are apparent variances in the levels of demand for smaller properties. Scarborough stands out as showing a very high % of demand for properties with two bedrooms or less. When considering the analysis this is slightly misleading, and an area considered in greater detail within the Scarborough Authority Appendix. In Scarborough whilst there was a slightly higher preference for households to expect to live in a smaller property type in the majority of household types it is the projected change in household types going forward which drives this result. There is a registered absolute gross positive demand of over 1,400 households

expecting to live in larger 3 and 4 bedroom properties forward to 2026. However, this is offset by the significant projected falls in family and adult multi-occupancy households who are projected to also choose to live in this property size therefore resulting in a very small overall net figure. The assumption being that the reduction of these household types, who are likely based on expectations to live in 3 and 4 bedroom properties will free these types of properties up for the newly forming couple and single person households expecting to live in larger properties.

- 7.162 Within the other authorities, Harrogate, City of York and Ryedale show the highest proportion of future demand for one and two bedroom properties. In terms of Ryedale this demand is likely to be driven largely by older single person and couple households whereas the demand in City of York will be driven in particular, to a greater extent by younger single and couple households.
- 7.163 Across North Yorkshire, when considering larger / family housing there is substantial demand for 3 bedroom properties generated, over 28%, with 4 bedrooms also showing a level of demand going forward at nearly 7% of all sizes. It is important to recognise that this needs to be considered in light of the evidence presented within Section 5 around the current levels of under-occupancy in a significant proportion of stock across all authorities, with this particularly affecting larger properties.
- 7.164 At a local authority level the demand for 3 bedroom properties is higher in Craven, Hambleton and Richmondshire. This pattern is also replicated for 4+ bedroom properties. With the exception of Scarborough, as explored above, the relative level of consistency in the proportions of demand for these larger property sizes across the other authorities is notable.

Bringing the Evidence Together

- 7.165 The analysis and findings of the research presented in this section contribute towards a number of the core outputs set out in the CLG Guidance. Section 10 pulls together these findings under these outputs, however, a summary of the key points drawn out through this section are set out below.

- **Population Change:** Three core scenarios have been used to project future levels of population growth. The sub-national population projections produced by the ONS form the base of all of the scenarios and show a

projected increase in the population across North Yorkshire of 114,000 between 2008 and 2026. Migration represents a key driver behind this projected growth with the historical trends analysed in Section 4 being projected forward as a trend. The second scenario removes the two components of migration from the projections (international and internal migration) to illustrate the impact on population assuming only the impact of natural change. Across North Yorkshire this would result in a projected growth of only approximately 13,300 people over the same time period. A number of authorities including, Craven, Hambleton, Ryedale and Scarborough would all experience a loss in their population under this scenario. The final scenario examines the application of a constraint to align the population, in particular the working age population, with the forecast numbers of jobs to be available in the area based upon the economic forecasts introduced in Section 4. The result of this constraint is to suggest a further level of population growth above the SNPP scenario (noting that York is removed from this scenario). In geographical terms this demand is however, distributed differently across the authorities under the employment-constrained scenario and the SNPP. Selby for example is projected to have a lower level of population growth, with the authority already containing a high number of people of working age projected in the future, whereas other authorities projected to have an ageing population require greater levels of migration of people of working age to service employment levels.

- **Household projections:** The population projections analysed above have been translated into household projections. This process involves dividing the projected levels of population by projected household size statistics as provided by the DCLG as part of their sub-national household projections. These projections assume a steady fall in household sizes from an average of 2.28 across North Yorkshire to 2.12 by 2026. The application of these household sizes (or headship rates) results in average annual household growth levels of 1,900 under Core Scenario 2 (Natural Change) and 4,300 under Core Scenario 1 (SNPP). The analysis of Core Scenario 3 (Employment-constrained) excludes York but shows a slightly increased level of annual household growth for the remaining parts of North Yorkshire

when compared with Core Scenario 2. Whilst Core Scenario 1 represents a hypothetical scenario which could never be realised it serves to demonstrate that even with no migration from outside of the North Yorkshire authorities there will be a healthy level of household growth which will require a response in terms of housing development. The other two scenarios both show levels of projected household growth which exceed the RSS housing targets, this is particularly pronounced in a number of authorities;

- **Considering further sensitivities:** The SHMA analysis has drawn on information from the Household Survey and the latest demographic analysis being undertaken by Edge Analytics to highlight the importance of understanding the sensitivity of the Core Scenarios to a number of factors. These serve to highlight that whilst trend based projections represent a robust approach to calculating potential future demand the last few years have shown the impact of external factors. The sensitivities highlight the potential weakness in projecting estimations of international migration forward at a flat rate, particularly with this rate being particularly high in the region and indeed in York and Richmondshire within the sub-region. Richmondshire in particular has a number of unique challenges in terms of the treatment of the military population within the projections which serve to invalidate the official statistics. This issue will require further work within the authority prior to a robust set of household and population projections being arrived to be used to inform policy and strategy. In addition other factors such as the future performance of the economy, the impact of affordability and commuting are considered in relation to the ongoing levels of internal migration into the area likely to be seen over the longer-term. Finally the important assumption around falling household sizes is examined in light of the information presented through the Household Survey, which shows that over recent years rates of newly forming households have fallen, primarily linked to market mobility issues and the supply of new properties;
- **The impact on future requirements by house size:** A detailed analysis has been undertaken of the demographic breakdown of the population projected under Core Scenario 1. This serves to highlight that strong growth

is projected in single person households, both young and old, with lower levels of growth in family households. The Household Survey is used to consider the expectations of different household types in terms of the size of property required with this adjoined to these demographic trends to identify the sizes of properties that these two drivers (household expectations coupled with demographic projections of household types) are likely to require going forward. This suggests across North Yorkshire a sustained demand for all property sizes, however, there is a strong projected growth in demand for smaller (two or fewer bedroom properties) which is an important finding when compared to the stock profile presented in Section 5.

8. Housing Need

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

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

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

The role of the three forms of affordable housing, social rented, intermediate products and Affordable Rent, is explored in relation to the financial capacity of those households identified as in need currently.

The Local Authority Appendices include further detailed assessment of housing need at a local authority sub-area level. Appendix 12 includes the housing need conclusions for the two National Parks. Appendix 12 also includes underpinning ward data of housing need.

Research findings relate directly to:

- [Core Output 4: Estimate of households in housing need](#)
- [Core Output 5: Estimate of future households requiring affordable housing](#)
- [Core Output 7: Estimate of the size of affordable housing required](#)

8.1 Housing affordability has, over the last decade, become a well recognised challenge to the operation of the housing market. The ability of households to access housing in which they aspire to live, and are indeed able to afford, is fundamental in ensuring

that the stated housing objectives across each of North Yorkshire's authorities are achieved. This is reflected through the priorities set within the North Yorkshire Housing Strategy.

- 8.2 The Coalition Government is starting to release new components of its reform to the planning system. The emerging rhetoric behind the anticipated National Planning Framework continues to highlight the importance of Local Planning Authorities setting realistic and deliverable affordable housing targets through planning policy, with the expectation that these targets will be met in full through an enabling planning system.
- 8.3 Emphasis is being placed on Local Planning Authorities delivering the number of affordable homes that are evidenced as being needed within their Strategic Housing Market Assessments³⁶. This is both reflective of the changing political and market context, where meeting 'local' housing requirements is becoming increasingly important and is equally challenging due to the current economic and housing market conditions.
- 8.4 It is therefore vital that Local Planning Authorities undertake a robust and evidenced approach in assessing affordable housing need within their authorities – in line with the CLG SHMA Guidance (August 2007). The analysis within this section follows this general principle and recognises the increasing pressures on establishing both realistic assessments of need and the wider challenges of delivery of non-market housing in the current property and economic climate.
- 8.5 These delivery challenges are likely to continue over a number of years based upon the current financial and property climate. Whilst the analysis in this section presents an assessment of the levels of affordable housing required to address future needs, in reality a proportion of these needs could be met through alternative approaches depending on the availability of public funding. This is an issue touched upon within

³⁶ Note: A draft iteration of the National Planning Policy Framework was available on-line dated June 2011 (note this is not an officially published document) which provides a steer as to the emerging policy direction in relation to housing land supply and affordable housing. This notes that local authorities should: "use an evidence-base to ensure that their Local Plan meets the full requirements for market and affordable housing in the housing market area". A separate reference also notes "The presumption in favour of sustainable development means that Local Plans should be prepared on the basis that objectively assessed development needs should be met".

this section and considered through other sections of the report, in particular Section 9. Further detail is also provided within the individual Local Authority Appendices.

- 8.6 It is important to recognise that the calculation of housing need over the next five years presented within this Section **should be considered separately to the long-term projection of population and household change presented in Section 7**. The long-term demand trends have not been used to directly inform the calculation of need, with the Housing Survey forming the key source of information given the greater detail it provides of the immediate and short-term dynamics of the housing market.
- 8.7 Note: The analysis within this Section excludes Selby from the North Yorkshire totals in the calculation of different inputs into the Housing Needs calculation. Selby published a full SHMA in 2009 and data was not therefore collected through the 2011 Household Survey. An examination of the impact of changing market factors and demographics on the scale of affordability in Selby is included within Appendix 8.

Defining Affordable Housing Needs

- 8.8 'Housing need' refers to households who lack their own housing or live in unsuitable housing and who cannot afford to meet their needs in the market. It is for those in housing need (i.e. those who cannot meet their housing requirements in the private sector) that the state needs to intervene in the market to ensure that all households have access to suitable housing.
- 8.9 Establishing an estimation of the level of current and future housing need ensures that policy aimed at providing new affordable housing is responsive to the needs of households within the authority.
- 8.10 PPS3 defines affordable housing as follows:
- 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 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.

8.11 Nationally looking at indicators of demand by tenure, whilst housing supply has been falling, the need for affordable housing has clearly increased. There are two core elements of establishing the current and short-term future levels of need for affordable housing:

- Backlog – At the current point in time as a result of sustained affordability issues over a number of years the majority of areas have an existing 'backlog' of households classified as in need. This backlog can be considered to be made up a range of types of household in 'need', from those in urgent need of housing i.e. without a current permanent home, to those who are living in overcrowded or substandard homes, and those who have an aspiration to live in non-market housing but are not in urgent need of re-housing.
- Future need – The sustained need for affordable housing is driven by a range of factors. As with market housing there is an underlying level of demand as new households form and require a property. In the context of the current economy and the housing market a significant proportion of these newly forming households face significant challenges in gaining entry to market housing therefore driving demand for affordable housing. In addition to new households existing households also represent a driver of housing need. As a result of any number of factors households circumstances can change resulting in their current housing situation no longer being appropriate. It is more than likely that need for social housing is likely to continue to be high or indeed grow further over the next few years, as the recession impacts on the financial circumstances of households and therefore their ability to access either private rented accommodation or to service existing mortgages.

8.12 As the analysis in the preceding section illustrates over the long-term demographic and economic factors will continue to place increasing pressures on the existing supply of housing, with new stock required in order to maintain the long-term balance between demand and supply. Based on the short-term factors considered above

and the nature of this growth in households, with this including younger households as well as a large proportion of older households, it is likely that a proportion of these households will require affordable housing. Whilst the analysis within this section focuses on the short-term this long-term sustained demand represents an important challenge and context for the interpretation of the findings and conclusions of this Section.

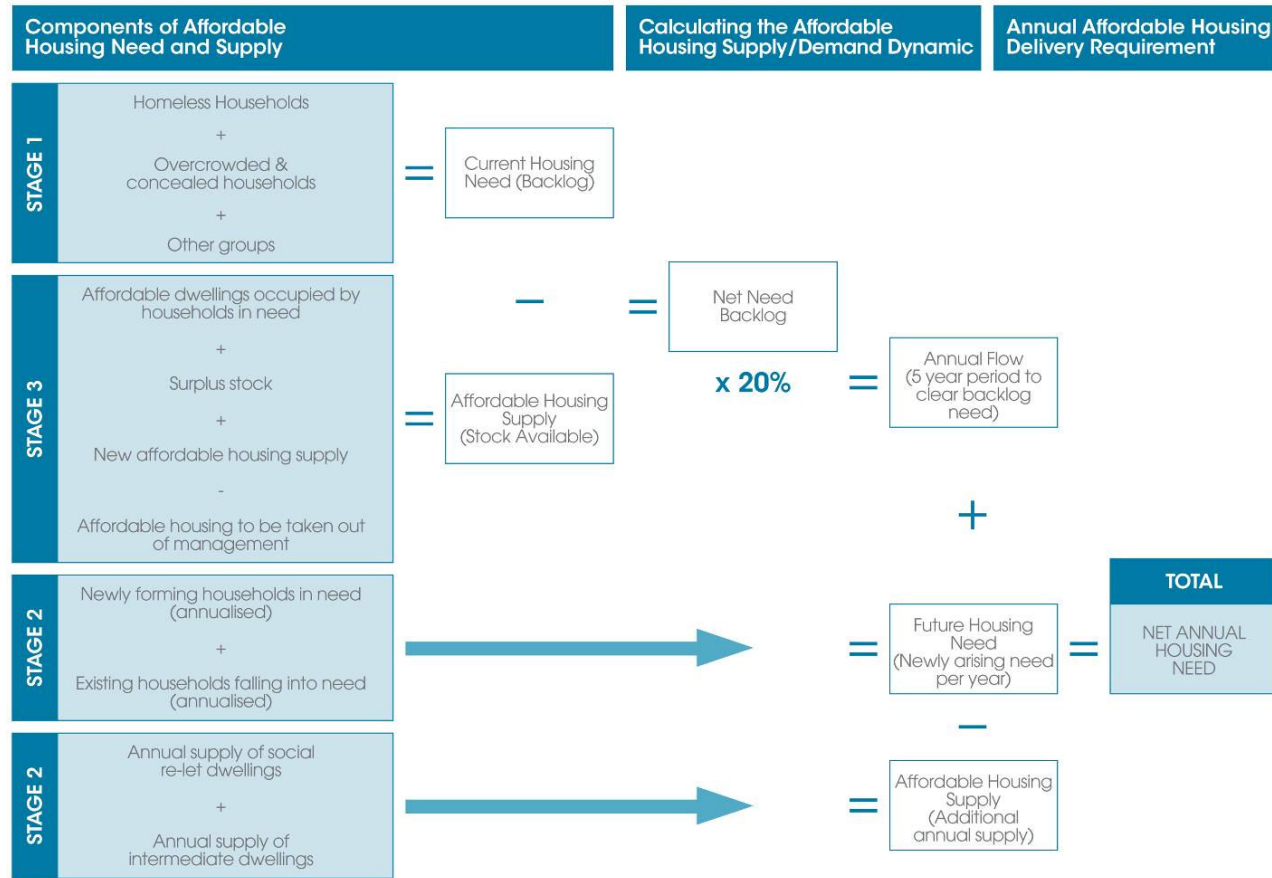
The Housing Need Calculation – CLG Stepped Model

8.13 The model adopted is structured around four key stages which are consistent with the CLG SHMA Guidance version 2 (August 2007) and are used to assess the overall surplus or shortfall of affordable housing. These are:

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

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

Figure 8. 1: Housing Needs Calculation – Flow Diagram



Source: GVA, 2010

- 8.15 The calculation of affordable housing need is therefore intended to provide a short-term assessment to estimate the volume of affordable housing required on an annual basis to meet of need across a 5-year period. This conforms to the CLG SHMA Guidance³⁷, which states:

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

- 8.16 The DCLG 2007 Guidance version 2 (August 2007) provides a steer as to the inputs and analysis required under each of the stages of the calculation as well as identifying potential data sources. However, as new data sources have emerged and in response to a changing economic and financial context for the housing market the approach to specific inputs to the calculation have continued to evolve and improve. Within this section we clearly set out the data used to drive the analysis and the underpinning assumptions.

Previous Needs Assessments in North Yorkshire

- 8.17 Each of the North Yorkshire authorities has previously independently commissioned its own housing needs assessment in the past. These assessments have been undertaken at varying points in time, in line with past and current national government guidance, and using differing methodologies and assumptions. This reflects the fact that the availability of data sources as well as the techniques for analysing and quantifying housing need have continued to evolve, even following the publication of the latest DCLG Guidance (version 2) in August 2007.
- 8.18 As a result, the findings of these studies need to be considered within this context when compared against the analysis presented in this Section of the SHMA. The various timescales and authors of the research for each authority are set out as follows:

³⁷ SHMA Practice Guidance Version 2 (August 2007) CLG p.52

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- Craven Housing Needs Assessment (2005) – David Cumberland Housing Regeneration Ltd: This approach pre-dates the current DCLG Guidance version 2 (August 2007).
 - Hambleton Housing Needs Assessment (2004) - David Cumberland Housing Regeneration Ltd: This approach pre-dates the current DCLG Guidance version 2 (August 2007) and was not re-assessed within the strategic level Hambleton Housing Market Area SHMA (2008) conducted for the Yorkshire and Humber Regional Assembly.
 - Harrogate Housing Needs Assessment (2006) - This approach pre-dates the finalised current CLG Guidance version 2 (August 2007). In 2008 Arc4 Consultants produced the Harrogate SHMA (published in 2009), and although this refreshed the housing needs assessment in line with the CLG Guidance (2007), this drew on the 2006 household survey data rather than new primary survey information.
 - Richmondshire Housing Needs Assessment (2005) – David Cumberland Housing Regeneration Ltd: This approach pre-dates the current CLG Guidance version 2 (August 2007) and was not re-assessed within the strategic level Craven & Richmondshire Housing Market Area SHMA (2008) conducted for the Yorkshire and Humber Regional Assembly.
 - Ryedale Housing Needs Assessment (2007) – David Cumberland Housing Regeneration Ltd: This approach pre-dates the finalised current DCLG Guidance version 2 (August 2007). In 2010 Arc4 Consultants produced the Ryedale SHMA (2010), and although this refreshed the housing needs assessment in line with the CLG Guidance version 2 (August 2007), this drew on the 2006 household survey data rather than new primary survey information.
 - Sub-regional HMA for Scarborough (2007) – David Cumberland Housing Regeneration Ltd: This approach pre-dates the current DCLG Guidance version 2 (August 2007).
 - City of York SHMA (2007) – Fordham Research: The calculation of need responds to the CLG 2007 Guidance version 1 (March 2007).

8.19 All of the SHMAs produced reflect the most up-to-date national guidance available at the time. However, since the CLG SHMA Guidance version 2 was published in

August 2007, the approach to undertaking housing needs assessments has undergone small refinements in terms of the data used and the analysis approaches. Examples include the integration of private rents in benchmarking the ability of households to afford market (or non affordable) property, given the increasing role of this tenure in meeting the needs of newly forming households this is particularly important. Other areas where a range of approaches have been used since the release of the 2007 SHMA guidance relate to the formation of new households. Different methodologies have built this from survey responses considering either the aspirations and expectations of households or evidence of the numbers of households that have actually formed over recent years. Other approaches have drawn primarily from secondary data driven household projections which by their nature are trend based. The sensitivity of this element to market conditions is clear and requires careful consideration and a balancing of the outputs of different calculation methods.

- 8.20 This North Yorkshire wide assessment conforms to the CLG Guidance, whilst going beyond it where appropriate to reflect the changing economic and housing market context (from 2007) within North Yorkshire and the wider UK. Moreover, it unifies the approach taken to assessing affordable housing need and therefore provides a consistent analysis across North Yorkshire for the first time. This assessment of affordable housing need provides a robust evidence base for authorities planning for affordable housing delivery to meet their local needs.
- 8.21 The Authority Appendices provide further detail in contrasting previous study findings against the 2011 calculation of housing need set out below.

Current Housing Need

Stage 1: Existing Need (Gross Backlog)

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

Step 1.1: Homeless Households and Households in Temporary Accommodation

8.23 The CLG SHMA guidance requires that information on homeless households in priority need and households who are currently housed in temporary accommodation should be included within an assessment of backlog need. The scale of need from these types of household can be calculated utilising the local authority's P1(E) returns to Government. Each of the North Yorkshire Council's was able to provide the latest figures for the 31st March 2011, in advance of their publishing by CLG and ONS. This places the number of homeless households and those households in temporary accommodation at 334 across North Yorkshire (excludes Selby).

Step 1.2: Overcrowded and Concealed Households

8.24 Overcrowding is calculated by utilising the 'bedroom standard', which is applied to all households sampled within the primary household survey. This process allocates a standard number of bedrooms to each household, in accordance with its size, composition and relationships between members.

8.25 Through applying this standard indicator of household occupation density, a separate bedroom is allocated to each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10 - 20 of the same sex, and each pair of children under 10. Any unpaired person aged 10 - 20 is paired, if possible with a child under 10 of the same sex, or, if that is not possible, he or she is given a separate bedroom, as is any unpaired child under 10³⁸.

8.26 This standard is then compared with the actual number of bedrooms (including bed-sitters) available for the sole use of the household, and any differences arising (i.e. shortfall or surplus) are calculated³⁹.

8.27 The number of overcrowded households is calculated as 8,234 across North Yorkshire at the current time.

³⁸ The 'bedroom standard' represents a recognised minimum set of size requirements for a dwelling to meet household need and does not necessarily meet the aspirations of households or act as a flexible assessment as families mature.

³⁹ Note: The overcrowding figure utilised in the affordable housing need assessment is not directly comparable to that presented in Section 4 due to rounding occurring during the survey weighting process.

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

Step 1.3: Other Groups

8.29 Within 'other groups' the analysis has included households sampled within the primary household survey that considered themselves to be in unsuitable accommodation based on meeting at least one of the unsuitability factors, in line with the Government's criteria set out within the CLG SHMA Guidance. The figures calculated during Step 1.1 to 1.3 are summarised in the following figure:

Figure 8. 2: 'Other Groups' in Unsuitable Housing – North Yorkshire

Category	Factor	No. Households
Homeless households or insecure tenure	Homeless households	see Step 1.1
	Accommodation too expensive / rent or mortgage payments too high	60,785
	Under real threat of notice / notice of eviction/re-possession or lease ending	3,405
Mismatch of housing need and dwellings	Overcrowded according to the 'bedroom standard' model	see Step 1.2
	Too difficult to maintain	20,760
	Sharing a kitchen, bathroom or WC with another household	2,837
	Households containing people with specific needs living in unsuitable dwelling, which cannot be made suitable in-situ	2,765
Dwelling amenities and condition	Lacking basic facilities – bathroom/toilet/kitchen	1,026
	Subject to major disrepair or unfitness	12,586
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move	4,802

Source: 2011 Household Survey

8.30 It is important to note that households can display multiple unsuitability factors and that the totalling of each of the categories does not therefore equate to the total households within unsuitable housing. Care has therefore been taken to avoid the double-counting of households with those identified in previous steps by looking at the needs of individual households within this backlog.

8.31 Section 9 of this report looks in greater detail at the specific support needs of elderly households, which form an important part of this backlog of need. It is important that meeting their specific needs, and the needs of other underprovided groups (such as Gypsies and Travellers) continues to be prioritised alongside the provision of new affordable housing and tenures as a means of addressing current housing need challenges.

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

8.32 In calculating the total current housing need (gross) through Steps 1.1-1.3, it is necessary to estimate the financial capacity of households to afford open market (private sector) housing either to buy or rent. This calculation is taken on households in need, as identified through the primary household survey.

8.33 Household's financial capacity is calculated by generating an 'affordability threshold', which takes into account a household's income, equity and savings. Household income is based on 3.5x gross annual income for single-occupant (adults) households and 2.9x gross annual income for multi-occupant (dual income) households (this is the approach recommended within the CLG Guidance). The analysis underpinning this approach is presented in Section 6.

8.34 Household's financial capacity is then tested against lower quartile house prices⁴⁰ and calculation of property size requirements utilising the 'bedroom standard'. Households are required to have sufficient savings or equity to afford a deposit equivalent to 10% of the lower quartile house price⁴¹. This is demonstrated through the following equation:

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

8.35 Households were subsequently tested on their financial capacity to afford private rental property, based on lower quartile rental prices as at April 2011 across each

⁴⁰ Calculated through property transactions within each authority and its local sub-market areas, over the period June 2009 – June 2010. Refer to Section 6 for expanded analysis.

⁴¹ Note: A 10% deposit is seen as the appropriate level for testing affordability given the increasing availability over the past 12 months of 10% mortgage offers by lenders to first-time buyers. It is anticipated that this trend will increase over the lifetime of this assessment (i.e. the next 5 years). An additional scenario was also tested to establish the impact of a 15% deposit being charged. This is explained in the 'Sensitivity Testing' sub-section that follows.

authorities local sub-market areas (as described in Section 2). Spending on housing costs associated with rent is assumed to equate to a maximum of 25% of household income per annum in line with the CLG Guidance. This is demonstrated through the following equation:

Lower quartile rental cost – (gross household income*25%) + (savings + equity)

- 8.36 This process represents an objective test. It does not take account of the availability of stock classified as 'affordable' (lower quartile market or rental housing). As outlined in the analysis of the stock profile of each of the authorities in Section 5 the amount of private rented properties varies across each of the authorities and at a sub-local authority level. In housing markets and/or authorities where the balance between supply and demand is significantly out of balance the result is likely to be an even greater level of backlog need as households are not, despite their earnings and savings able to move into 'affordable' market properties in their area as a result of a lack of supply. This is an important consideration in interpreting the level of housing need identified both within Stage 1 of the calculation and Stage 4
- 8.37 In summary, of the households identified during Stage 1, a total of 12,340 could not afford to move in the open market to meet their housing needs.
- 8.38 It is important to note that this analysis of the 'backlog' of households in affordable housing need represents a 'moderate' assessment, which takes into account whether households identified within Steps 1.2 – 1.4 stated within the household survey that they have a requirement to move home.
- 8.39 It is felt that the 'moderate' methodology is most appropriate for use for the purposes of this assessment given that this takes into account those households with a recognised need to move home (and therefore generate a need for a dwelling). However, it is important to note that in reality the backlog of need is likely to be even greater than that presented within this assessment if a broader definition is adopted.

Meeting Current Household Needs in Situ

- 8.40 Whilst households are identified as being in need within Stage 1 on the basis of the unsuitable housing criteria presented above, as well as the affordability test, a proportion of these households potentially could be 'brought out of' need through

investment and improvements to their existing property to bring about 'in-situ solutions' or through public sector grants to provide financial or other forms of support. This action has the potential to reduce the number of households in current housing need (backlog) at Stage 1.4, by meeting a household's needs in their current home and therefore removing a requirement for a move to an affordable home.

8.41 In line with the current CLG SHMA Guidance (August 2007) **estimation of this proportion sits outside of the formal assessment of need.** Moreover, calculation within the formal assessment would be inappropriate as potential funding resources are currently limited as a result of national spending cuts. However, to assist the local authority in understanding the potential application of support services, an estimation of the level of households at Stage 1.4 who could be assisted by such services is presented in the following figure.

Figure 8. 3: Households in Current Need (Step 1.4 – backlog) by Unsuitability Criteria

Category	Factor	No. Households
Homeless households or insecure tenure	Accommodation too expensive / Rent or mortgage payments are too high	10,880
	Under real threat of notice / notice of eviction/re-possession or lease ending	1,414
Mismatch of housing need and dwellings	Too difficult to maintain	3,470
	Sharing a kitchen, bathroom or WC with another household	290
	Households containing people with specific needs living in unsuitable dwelling, which cannot be made suitable in-situ	527
Dwelling amenities and condition	Lacking basic facilities – bathroom/toilet/kitchen	462
	Subject to major disrepair or unfit	3,121
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move	1,119

Source: Primary Household Survey, 2011

8.42 Of the 12,340 households identified during Stage 1 whom could not afford to move in the open market to meet their housing needs, it is clear from the analysis presented above that many households demonstrate multiple unsuitability criteria.

8.43 The number of households citing that their current accommodation is unaffordable and/or that their rent or mortgage payments are too high clearly represents a major challenge within the current backlog of households in affordable housing need. The ability of households to maintain their current home also presents a considerable

issue, as does the prevalence of households whose homes are subject to major disrepair or unfitness.

- 8.44 Also, older person (elderly) households represented 11% of the 12,340 households identified during Stage 1 whom could not afford to move in the open market to meet their housing needs. Section 9 looks in greater detail at the specific support needs of elderly households.

Future Need

Stage 2: Future Housing Need (Net Annual)

- 8.45 Assessing the level of newly-arising need is a critical element of ensuring that the future development and restructuring of affordable housing meets the needs of the population. Two principle categories of arising need are tested; the number of newly-forming households unable to access open market housing, and the number of existing households falling into housing need.

Step 2.1: New Household Formation (Gross per Year)

- 8.46 The estimate of new household formation is calculated based on household formation trends from the previous two years – drawing on the results of the primary household survey. This equates to 2,450 households.
- 8.47 The use of previous trends in household formation to project future formation is the preferred approach cited within the CLG Guidance. It is important to recognise that this does not draw on the long-term trend based household projections explored in Section 7. This is explored in more detail in the Sensitivity analysis in this Section. Using a short-term trend based approach is considered to better represent the current and immediate (five year) future market conditions. The formation of new households is particularly sensitive to market dynamics and as set out in Section 6 the current context represents a significant step change from market conditions over the preceding market cycles. It is recognised that this is likely to represent a conservative estimate with evidence suggesting a reduced rate of household formation over the

last couple of years⁴². Greater levels of household formation of new households would be likely to further elevate levels of housing need given the propensity of these types of households to require non-market housing compared to other elements of the market.

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

- 8.48 The affordability test (as set out in Step 1.4) is applied to households who stated within the household survey that they expect to move to form a new household within the next 5 years (annualised). This measures the capacity of households that expect to move to form a new household to access open market housing and is therefore based on the financial capacity of households that expect to move home in the future. This provides a good steer regarding the levels of finance available to this component of the market in each authority rather than a test of the incomes of households that have moved in the past.
- 8.49 This proportion of households classified as unable to afford market housing is then applied to the number of new households forming, as established at Step 2.1.
- 8.50 The survey estimates that 47% of newly forming households are unable to access open market housing when subjected to the affordability test in line with the CLG Guidance. This equates to an annual estimate of future housing need arising from newly forming households of 1,165 dwellings.

Step 2.3: Existing Households Falling into Need

- 8.51 This step provides an estimate of the number of existing households who will fall into housing need. As with steps 2.1 and 2.2 this stage of the calculation uses data obtained from the primary household survey. As per the CLG Guidance, this data is calculated from past household trends – averaging the number of households who have moved home within the last three years from other tenures into affordable housing. Households forming in their last move are excluded from the analysis at this step to avoid duplication of Step 2.1. In addition, households moving between

⁴² Note: In many of the authorities this is evidenced through the responses provided by the Household Survey which show a general trend of a reduced number of new households forming and living in a separate property. A lower formation rate will lead to an

affordable housing tenures are excluded from the analysis at this step as their move would form a transfer and result in no change in the net supply / demand of affordable stock.

8.52 The calculation undertaken at Stage 2 results in a gross annual future affordable housing need from 2,823 households.

Affordable Housing Supply

Stage 3: Affordable Housing Supply

8.53 This stage 'balances' the demand analysis undertaken during Stages 1-2, against the available supply of existing stock, and new affordable housing stock committed for development, to meet housing needs.

8.54 The existing supply includes:

- Affordable dwellings currently occupied by households in need
- Surplus affordable housing stock (e.g. vacant dwellings)

8.55 The future supply includes:

- Committed supply of new (additional) affordable dwellings
- Social-rented properties coming available for re-let to new households (annualised)
- Intermediate properties coming available for re-let to new households (annualised)

8.56 Affordable units to be taken out of management (i.e. removed from use) are subtracted from the existing supply position.

increased number of concealed households, as identified in Stage 1. However, these may not be classified as in need depending upon the size of the property in which they are currently living and their own financial circumstances.

Step 3.1: Affordable Dwellings Occupied by Households in Need

- 8.57 This step discounts the number of households already living in affordable housing from the calculation of the backlog of need, as the movement of such households from one affordable home to another (to meet their needs) will have a nil net effect on the total affordable homes needed (i.e. the affordable home vacated will be released to accommodate another household).
- 8.58 The number of dwellings currently occupied by households in need is established during Stage 1 and equates to 3,436 households.

Step 3.2: Surplus Stock

- 8.59 It is deemed that the level of vacant affordable housing stock that are classed as long-term vacant, and have the potential to be brought back into use, is zero. The analysis of vacancy in Section 5 highlighted the low levels of empty properties across all tenures, with this particularly pronounced in social housing stock. Vacant dwellings are only void for a short time where there is a turnover in tenancy. Units to be taken out of management are accounted for separately in Step 3.4.

Step 3.3: Committed Supply of New Affordable Units

- 8.60 The committed future supply of new affordable dwellings that are to be available for letting is drawn from the local authority's HSSA (Housing Strategy Statistical Appendix) return to Government. Several Local Authorities have provided updated figures as a replacement to those previously provided to HSSA reflecting the latest position in the planning pipeline. The figure utilised is the proposed development of both local authority and RSL/HA affordable housing (for social rent).

Step 3.4: Units to be Taken Out of Management

- 8.61 The number of affordable dwellings that are to be removed from the total stock available for letting is taken to be zero unless a programme of sales or demolition has been confirmed by the local authority.

Step 3.5: Total Affordable Housing Stock Available

- 8.62 This step forms the addition of Steps 3.1 to 3.4 to ascertain the total supply of available social rented units, which can therefore be used to accommodate the current

accumulated housing need as identified in Stage 1. This therefore estimates that there are 3,902 properties to offset the current backlog of gross housing need.

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

- 8.63 This step calculates the annual number of social re-lets (net), which therefore only includes lettings to new tenants (to avoid double counting with the transfers counted above) and represents the annual supply of affordable housing available to meet annual future need and in addition to assist in relieving any established backlog. This is calculated from General Needs re-lets for the last available year (2009-10) drawing on the local authorities' submission to CORE⁴³ (the Continuous Online REcording System) and equates to 1,570 dwellings.

Step 3.7: Future Annual Supply of Intermediate Affordable Housing

- 8.64 Due to the limited level of available stock, the annual supply of intermediate affordable housing available for re-let or resale at sub market levels is taken from the local authority's HSSA (Housing Strategy Statistical Appendix) return. The figure utilised is the planned development of intermediate affordable housing (shared ownership / shared equity) in 2011/12.
- 8.65 Several Local Authorities have provided updated figures as a replacement to those previously provided to HSSA reflecting the latest position in the planning pipeline and these have been factored into the analysis.

Step 3.8: Future Annual Supply of Affordable Housing Units

- 8.66 This step sums the figures arrived at through Steps 3.6 and 3.7. This therefore represents an estimate of the future annual levels of affordable stock available to meet annually generated housing need. The total future annual supply is estimated to be 1,703 dwellings across North Yorkshire.

⁴³ Note: Data for the City of York is sourced from CORE datasets and additional information provided separately by the authority.

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

- 8.67 To calculate total housing need the estimated stock of available affordable housing is subtracted from the gross current need for affordable housing (Step 1.4 – Step 3.5). This results in a net current need or backlog of 8,438 dwellings.
- 8.68 Following this, the total current need figure requires conversion to an annual flow. In line with the CLG Guidance a period of five years is assumed to address backlog need. This necessitates the backlog (Stage 1) figure being divided by five, which provides an annual flow of households requiring their housing needs to be addressed over this time period. This equates to 1,688 (annually).
- 8.69 The final element of the assessment is to add the total newly arising need (per annum) to the annual flow of backlog households requiring their needs addressing (i.e. annual need) and subtract from this the future annual supply of affordable housing. This results in a total net annual housing need over a 5 year time frame of 2,808.
- 8.70 The calculation of affordable housing need for each authority within North Yorkshire is contained within the following summary of the model, and is presented to follow the stepped process set out within the DCLG SHMA Guidance. Further detail regarding the affordable housing need for each authority, and the approach taken - including references to differences in approach in previous published authority research, is contained within the local authority Appendix reports.

Figure 8. 4: Housing Need Assessment Model – North Yorkshire

Stage 1 – Current Housing Need (Gross Backlog)								
Step	Methodology / Source	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
1.1 Number of Homeless households and those in temporary accommodation	Accepted as Homeless and or in temporary accommodation (31st March 2011) - Councils Provided	3	37	83	34	16	67	94
1.2 Number of Overcrowding and concealed households	Tested using 'Bedroom Standard'							
1.3 Other Groups	Households living in unsuitable housing subjected to affordability test.	491	1916	2347	690	710	2225	3627
1.4 Total current housing need (gross) = 1.1 + 1.2 (+1.3)	1.1 + 1.2 (+1.3)	494	1,953	2,430	724	726	2,292	3,721

Stage 2 - Future Housing Need (Annual)								
Step	Methodology / Source	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
2.1 New Household formation	Household Survey - trend (annualised)	190	195	401	183	149	381	950
2.2 Newly forming households in need (annualised)	Household Survey - Newly forming households unable to afford access to private sector housing	44%	39%	50%	54%	50%	49%	46%
2.3 Existing households falling into need	Household Survey - Existing households moving into social rented sector (last 3 years average)	159	156	160	152	200	282	549
2.4 Total newly arising need (gross per year) = (2.1 x 2.2) + 2.3	(2.1 x 2.2) + 2.3	243	232	360	252	275	470	990

Stage 3 - Affordable Housing Supply (Annual)								
Step	Methodology / Source	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
3.1 Affordable dwellings occupied by households in need	Figure relates to number of households identified in 1.3 which are transfers	43	245	434	167	198	806	1,542
3.2 Surplus Stock	Taken to be Zero - Linked to Backlog	0	0	0	0	0	0	0
3.3 Committed supply of new affordable housing	LA & RSL Social Rented HSSA (proposed 2011/12) or Councils provided	82	50	37	39	60	86	115
3.4 Units to be taken out of management	Taken to be Zero - unless Council Confirmed Programme of Sales or Demolition	0	0	0	0	3	0	0
3.5 Total affordable housing stock available = 3.1 + 3.2 + 3.3 - 3.4	3.1 + 3.2 + 3.3 - 3.4	125	295	471	206	255	892	1,657
3.6 Annual supply of social re-lets (last year net)	CORE Lettings Data (General Needs lettings 2009/10)(Excludes transfers) (York - Council Provided)	91	239	230	86	98	277	549
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	HSSA (new RSL shared ownership/equity dwellings proposed 2011/12)	8	5	15	10	15	16	64
3.8 Annual supply of affordable housing = 3.6 + 3.7	3.6 + 3.7	99	244	245	96	113	293	613

Stage 4 - Total Housing Need (Net Annual)								
Total net need = 1.4 - 3.5	1.4 - 3.5	368	1,658	1,959	518	471	1,400	2,064
Annual flow (20% of total net need)	20% of total net need (Assume five year period to relieve backlog of need)	74	332	392	104	94	280	413
Net annual housing need = (2.4 + Annual flow) - 3.8	(2.4 + Annual flow) - 3.8	218	320	507	260	256	457	790

Source: GVA, 2011

Sensitivity Testing

- 8.71 As set out at the outset of this section, this affordable housing needs assessment is based upon a methodology which is routed in the DCLG Guidance version 2 (August 2007) approach. The nature of the Guidance means that variations in methodologies can be applied with this 2011 assessment looking to take into account in its calculation of affordable housing the changing economic and housing market context in existence today, which obviously differs from the market setting in 2007.
- 8.72 The housing market, as set out within the analysis in Section 6, is dynamic in its operation. This has been particularly pronounced over the last five years, with complex interactions between different factors working to shape a very different market context in 2011 than 2007 or indeed in the years prior to that. As with the analytical approach adopted in Section 7 it is therefore considered important to 'test' and present a number of potential sensitivities. In addition to these sensitivities further analysis of the different approaches adopted in previous housing need research undertaken for individual authorities is included in Appendices 1 – 7.

Sensitivity 1: An alternative measure of the scale of the backlog of households in current need

- 8.73 The analysis of the 'backlog' of households in affordable housing need presented in the overall calculation is considered to represent a 'moderate' assessment. A standard set of criteria are applied to assess household circumstances and resultant need. In line with Guidance this assessment also looks to reflect households expectations filtering this assessment of households in need to limit the quantification of the backlog to those households identified within Steps 1.2 – 1.3 who stated that they have a requirement (rather than an aspiration) to move in the next couple of years.
- 8.74 This filter is important in establishing the current backlog position and identifying priority households in need. However, the removal of this filter provides an interesting insight into the wider perceived level of households in need across each of the authorities. Prior to filtering households based on their requirement to move a considerably higher backlog of households considered to be in need is identified. In

total, rather than the backlog of just over 12,000 households the backlog is over twice as large, standing at almost 28,000.

- 8.75 The impact of the application of this backlog would be to essentially double the annual levels of affordable housing required. In reality, however, this filter is important as it is more likely that a greater proportion of these households, in need but not expecting to move, could meet their needs through an in situ solution (e.g. adaptations), or do not consider their need severe enough to require an immediate solution (hence why they are not considered a priority).

Sensitivity 2: Alternative Projections of Household Formation

- 8.76 As noted under Step 2.1 the estimated rate of household formation represents an important informing stage of the calculation. As the analysis in Section 7 highlights there are a range of drivers which will impact on this overall pace of household growth.
- 8.77 The assessment of need is intended to represent levels of future need over the next five years. Whilst the analysis in Section 7 considers longer-term projections of household growth as outlined within the sensitivities in that Section these are likely to be constrained in the short term by market conditions. Households are facing an increasing number of obstacles in terms of being able to access market housing with this impacting on the decisions of households to form independently. This is reinforced through the 2011 Household Survey results and the analysis of the numbers of new households forming over the last two years.
- 8.78 Contrasting the two figures, the latter being the one input into Stage 2.1 of the Needs calculation, illustrates the difference between apparent short and long-term trends. The Sub-National Population Projection scenario shows an annual average increase of almost 4,300 new households over the period 2008 to 2026. By contrast the analysis in Step 2.1 shows 2,450 new households forming on an average basis over the last two years. If the longer-term trend was to be used this would almost double the levels of future need generated on a per annum basis.
- 8.79 Interestingly the survey can also be used to judge household expectations around future moves. Indeed this approach has been adopted in a number of previous Housing Need and SHMA studies across the authorities of North Yorkshire. The survey

asks whether households expect to move home to create a new household in the short-term (annually for the next five years). This approach therefore calculates new household formation based on the number of persons stating within household surveys that they expect to move home (e.g. out of their parents/friends/other relatives homes) to create a new household. This approach is therefore not based on actual moves (trend) and is based upon individual's expectations and aspirations, which may or may not result in an actual future move.

8.80 The table below contrasts the expectations of households with the levels of realised household formation over the last two years. As would be expected this results in a considerably inflated picture of potential household formation rates which is less constrained by market realities. The removal of this constraint does serve to evidence the fact that there are a substantial amount of households wanting to form but currently being prevented from doing so by market and other factors.

Figure 8. 5: Scenario Testing - New Household Formation

Households in Need	Step 2.1: New Household Formation Scenario Testing						
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
Preferred Approach (used in needs assessment)	190	195	401	183	149	381	950
Scenario 1 – Next 5 years expectations (annualised)	463	851	1,386	346	442	928	2,499

Source: GVA, 2011

8.81 Unfortunately as the analysis in Section 6 identifies there is very little evidence currently to suggest that demand trends are going to fundamentally change from the last couple of years over the short-term, with pressures on affordability and accessibility into different tenures likely to be sustained rather than substantially alleviated. This is likely to be further compounded by a continuation of low levels of new development based on the falling trends presented in Section 5. The research therefore uses the more 'constrained' picture presented through past moves rather than driving demand from household expectations or aspirations.

8.82 Whilst this approach is adopted in the calculation it is important to recognise that the evidenced miss-match between the reality of household formation and expectations

of households represents an important challenge. The levels of need for affordable housing presented in figure 8.3 therefore should actually be considered to represent a minimum requirement in terms of meeting future demographic driven demand at this point in time. As noted within the calculation of need one likely result of reduced household formation will be an increase in concealed households, who may, depending on the size of the property they currently reside in and their financial circumstances be classified as in need and add to the calculation of the backlog of current need in Stage 1.

Sensitivity 3: Considering Affordability – Alternative benchmarks for assessing the proportion of new Households unable to buy or rent in the market

- 8.83 Section 6 considered in detail a range of different affordability tests to understand the 'real' costs associated with purchasing and renting market housing. The calculation of housing need used a number of standard assumptions to assess a household's ability to buy or rent a lower quartile property. These assumptions reflect the CLG Guidance⁴⁴ and include, in terms of purchasing, the need to have a 10% deposit (reflecting the changing financial requirements following the 2007 credit crunch). This is considered to represent a relatively stringent assessment with historical assessments of housing need often focussing principally on purchasing rather than renting property.
- 8.84 Over the last year or so whilst 10% deposits have been available a number of lenders have required even higher levels of deposit. In order to reflect this further analysis was undertaken of the impact of applying a 15% deposit requirement in the assessment of households classified as in need due to housing costs in Steps 1.2 and 1.3 and the ability of new households to access market housing in Step 2.2.
- 8.85 Under this scenario the result was that no further households registered as being in affordable housing need. This reflects the application of a range of filters in this

⁴⁴ Note: It is not a requirement of the CLG Guidance (2007) for the housing needs assessment to test the capacity of the private rented sector.

affordability testing with those households not able to raise this level of deposit still being deemed able to enter the private rental market through renting a lower quartile rental product.

8.86 Whilst the private rental market is by its nature more flexible in terms of the requirements for households to have savings, feedback through the stakeholder consultation events and dialogue with estate agents highlighted that more stringent deposit and bond requirements represent a challenge for some households. On this basis a subsequent scenario was also tested that considered the potential requirement for a rental deposit/bond and 1 months rent in advance to enter the private rented sector. Drawing on advice from local letting agents this was estimated to be equivalent to 2 months rent (at the lower quartile) plus an additional £200 for a credit check. If a household was unable to afford this with their stated savings or other financial resources (e.g. family/friends etc) then they were not considered as being able to afford the private rented sector. The impact of applying this scenario test to newly forming households (Step 2.2) is presented in the following figure.

Figure 8. 6: Scenario Testing – New Households Unable to Buy or Rent in the Housing Market

Households in Need	Step 2.2: New Households Unable to Buy or Rent in the Housing Market						
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
Preferred Approach (used in needs assessment) of 10% deposit	44%	39%	50%	54%	50%	49%	46%
Scenario 1 – As scenario above with addition of Rental Deposit	49%	44%	54%	62%	52%	54%	49%

Source: GVA, 2011

8.87 This alternative scenario is not used within the overall calculation of housing need as it is considered to represent a particularly stringent test. In reality many households will fund up-front rental costs (which are considerably lower than those associated with purchasing a property) with their monthly income, family support or other means of borrowing if they do not have the savings. If this proportion was applied to the overall needs calculation the result would be a further elevating of the overall levels of new affordable housing required across the authorities.

Intermediate Housing

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

Affordability of Intermediate Dwellings

- 8.91 This section considers the potential role of intermediate housing in meeting affordable housing need through analysis of demand for intermediate products and the relative affordability of intermediate products across each local authority in North Yorkshire utilising data from the primary household survey.
- 8.92 The following figure reviews the level of equity share (in an intermediate property) that could be afforded by existing households in need within each authority in North Yorkshire. The upper limit of analysis is constrained by the lower quartile house price in each local authority.

Figure 8. 7: Proportions of Households Currently in Housing Need able to Afford Equity Shares in Intermediate Tenure Housing

Equity Share	Proportion of Households Currently in Need Able to Afford Equity Share in Intermediate Home - Local Authorities & North Yorkshire							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
£40,000	81%	88%	68%	67%	63%	54%	74%	71%
£50,000	54%	57%	62%	67%	58%	39%	62%	57%
£60,000	23%	29%	30%	36%	25%	15%	45%	31%
£70,000	20%	22%	30%	20%	11%	9%	33%	24%
£80,000	20%	7%	16%	17%	6%	6%	25%	15%
£90,000	18%	4%	10%	8%	5%	2%	17%	9%
£100,000	8%	2%	9%	8%	0%	0%	15%	8%
£110,000	8%	2%	9%	2%	0%	0%	10%	6%
Lower Quartile Price	£125,500	£154,950	£155,000	£145,000	£144,625	£112,375	£144,625	£136,000

Source: 2011 Household Survey, CLG, 2011

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- 8.93 Across North Yorkshire, 71% of existing households in need, who could not afford open market housing, could afford an equity share of £40,000; 31% could afford an equity share of £60,000 and less than 10% could afford an equity share of £90,000.
- 8.94 Importantly, almost a quarter of households (24%) can afford a 50% equity stake in a lower quartile intermediate tenure property.
- 8.95 At the Local Authority scale, there are considerable differences in the income levels of households currently in housing need. As a result, the level of equity households are able to purchase demonstrates substantial variance. For example:
- Households in need within Scarborough can afford the lowest levels of equity in an intermediate tenure property – with only 54% able to afford a £40,000 stake. Households in Ryedale demonstrate a similar level of financial capacity.
 - In contrast, a small minority of households in Craven, Harrogate and City of York can afford greater shares in an intermediate tenure property with 8%, 9% and 10% able to afford a £110,000 equity share respectively.
- 8.96 Overall, the evidence suggests the potential for intermediate dwellings to contribute towards affordable housing provision across North Yorkshire for approximately 25% of households currently in affordable housing need. This is based on the financial capacity of these households to afford a 50% stake in an intermediate property at the lower quartile price. This does, however, have to be balanced carefully with recognition that the majority (75% approx.) of existing households in affordable housing need could not afford a 50% equity share in a property. As a result, these households are less likely to be able to access intermediate tenure products and will subsequently rely on the social rented sector (or low-cost private rented homes) to meet their housing needs.
- 8.97 Further guidance and appropriate recommended splits between social rented and intermediate products are considered within the individual Local Authority Appendices.
- 8.98 When considering a suitable proportion of intermediate tenure dwellings to be sought as an affordable housing contribution within policy, it is recommended that the economic viability of delivery is also considered in line with the requirements of PPS3.
-

Consideration should therefore be made to the recommendations of the EVA within each local authority.

The Affordable Rent Model

- 8.99 The Government's Decentralisation and Localism Bill, published in November 2010, included proposals for a new form of affordable housing model – the 'Affordable Rent' model – the objective of which is to enable Registered Social Landlords (RSL) and Housing Associations (HA) to deliver flexible tenancies to social renting households and deliver a greater number of affordable homes. Emerging policy highlights the important role that Affordable Rent is considered to need to play in meeting future affordable housing needs, following a planned reduction in the levels of public grants available to subsidise the development of traditional social rented housing.
- 8.100 In June 2011 PPS 3 was reissued to include technical definitions changes in Annex B. As noted in Section 3 this included a new separate entry under 'affordable housing' for 'affordable rented housing'. This defines this affordable housing product as:
- "Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent" (PPS 3, Annex B: Definitions, June 2011)*
- 8.101 In February the Homes and Communities Agency (HCA) published a Framework setting out the details of the new Affordable Homes Programme of investment, inviting Registered Providers (RPs) to put forward proposals for £2.2bn of funding (out of the overall £4.5bn funding pot) for affordable housing during the 2011-15 Spending Review period. The Framework outlines the changes in affordable housing provision being introduced for 2011-15, and how this new approach will meet the Government's ambition to deliver up to 150,000 new homes over the next four years.
- 8.102 The Affordable Rent model is key to this programme – aiming to provide a more flexible form of social housing that will allow providers to charge up to 80% of market rent on properties, with the potential to increase RP revenues and reduce the level of Government investment in affordable homes. As part of the new funding offer,

providers will also have the flexibility to convert a proportion of their social rented homes to Affordable Rent as part of a package agreed by the HCA.

8.103 It will therefore be important for each Council to work with local Social Housing Providers to agree the appropriate level of Affordable Rent for the local area to meet the optimum level of affordable housing need (as well as the provider's revenue priorities). The following section considers what the level Affordable Rent could be capped at within each local authority across North Yorkshire.

Affordability of Affordable Rent Dwellings

8.104 The differential between Affordable Rent charged at 80% of the open market rent, and social rents, is presented in the following figure for each local authority.

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

Location	Cost Differential (£) per week - Affordable Rent & Social Rent		
	1 Bed	2 Bed	3 Bed
Craven	-£4	£28	£39
Hambleton	£20	£31	£37
Harrogate	£27	£48	£96
Richmondshire	£3	£20	£38
Ryedale	£1	£9	£17
Scarborough	£8	£18	£33
Selby	£8	£14	£30
City of York	£32	£72	£100

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

8.105 Figure 8.8 demonstrates that the introduction of Affordable Rent tenure would not necessarily generate either a higher volume or more affordable dwelling solution to meet affordable housing needs across North Yorkshire. The authorities where Affordable Rent is less likely to form an achievable solution are:

- **Craven, Ryedale, Richmondshire, Scarborough and Selby** - In these authorities there is a limited cost differential between the social rented tenure and Affordable Rent tenure, when assumed as being charged at 80% of the market rent, for a 1 bedroom dwelling. In fact, in Craven an Affordable Rent property charged at 80% of market rent would actually result in a negative differential (i.e. lower rent than social housing). Greater

differentials are, however, evident within the 2 bedroom and 3 bedroom stock – as dwelling size increases – although this remains limited. The results suggest that charging Affordable Rent at these levels in these local authorities for 1 bedroom dwellings would not result in an affordable proposition (as it would be unlikely to appeal to tenants, could introduce greater affordability issues (linked to Housing Benefits changes), and would not increase returns for registered providers).

8.106 The authorities where Affordable Rent is more likely to be financially viable for housing associations to deliver homes are:

- **City of York, Harrogate and Hambleton** - There are greater differentials for 1 bedroom dwellings in these locations, which suggests Affordable Rent may prove a more viable proposition for Registered Providers and an affordable option for tenants unable to afford private sector rents. Notably, Affordable Rent charged at 80% of market rent for 2 and 3 bedroom properties demonstrates a significant differential between the cost of a social rented home and the cost of renting privately on the open market. Hence, there is strongest potential for 2 bedroom and 3 bedroom Affordable Rent products of this cost to 'plug' a gap in the rental market between those who require traditional social affordable housing and those who could afford to rent on the open market.

8.107 To further test how Affordable Rent may be able to be priced within each local authority the analysis next considers the ability of households currently in need to afford Affordable Rent at 80% of market rent, and at 60% of market rent. This allows testing of both the impact of charging the 'expected' and lower Affordable Rents. The analysis is based on household expenditure on rent not exceeding 25% of total income. The following figure illustrates the proportion of households in current need that could afford each rent level within each local authority.

Figure 8. 9: Proportions of Households Currently in Housing Need able to Afford Affordable Rent Housing

Authority	Households in Need - Financial Capacity to Afford Affordable Rent Housing – Local Authorities			
	Rent Charge at % of Market Rent	Property Size (Bedrooms)		
		1 Bed	2 Bed	3 Bed
Craven	80%	49%	18%	18%
	60%	85%	27%	20%
Hambleton	80%	54%	23%	7%
	60%	57%	54%	29%
Harrogate	80%	35%	12%	0%
	60%	52%	35%	12%
Richmondshire	80%	66%	34%	16%
	60%	66%	66%	34%
Ryedale	80%	55%	29%	23%
	60%	61%	55%	55%
Scarborough	80%	30%	12%	11%
	60%	46%	30%	20%
City of York	80%	45%	11%	11%
	60%	58%	27%	19%

Source: RSR (2010), Household Survey & GVA Analysis, 2011

- 8.108 The analysis suggests that the affordable rent tenure, when introduced across North Yorkshire at both 60% and 80% of market rents, could be a useful tenure in delivering further affordable housing and meeting some affordable housing needs. Its effectiveness is likely to vary considerably between authorities – linked to household incomes and the achievable differentials between social and Affordable rents.
- 8.109 However, given that this does not meet the affordability requirements of all households in each local authority, this does suggest that Affordable Rent – charged at 60%, 70% or 80% of open market rent – will not eradicate the requirement for the continued provision of a traditional lower-cost social rent product. Delivery of Affordable Rent properties with these rental prices will also subject to issues of economic viability and the appetite of registered providers locally.
- 8.110 Moreover, the analysis has been undertaken at a time when the impact of amendments to Housing Benefit payments (introduced by the Government) to household incomes have not become fully clear – and the incomes reflected in the analysis will include households receiving benefits under the system pre April 2011. From April 2011 the introduction of a reduced Local Housing Allowance (LHA),

benefits cap and other welfare policy amendments are likely to further decrease household incomes. This may concurrently reduce the proportion of households able to afford housing through this model.

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

Need for Affordable Housing by Different Sizes of Property

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

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

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

8.114 The following figure presents the number of lettings by property size across the North Yorkshire's local authorities.

Figure 8. 10: Absolute and Proportional Distribution of Lettings by Property Size

Re-lets to new applicant households (i.e. excluding transfers (2009/10))	Lettings by Property Size (Bedrooms)			
	1	2	3	4+
Craven	35	33	23	0
Hambleton	78	106	50	5
Harrogate	102	100	24	1
Richmondshire	34	37	14	1
Ryedale	35	42	20	0
Scarborough	130	73	70	2
City of York	301	182	60	6
Proportion of Lettings				
Craven	38%	36%	25%	0%
Hambleton	33%	44%	21%	2%
Harrogate	45%	44%	11%	0%
Richmondshire	40%	43%	16%	1%
Ryedale	36%	43%	21%	0%
Scarborough	47%	27%	25%	1%
City of York	55%	33%	11%	1%

Source: CORE, 2011, GVA Analysis, 2011

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

Figure 8. 11: Proportional Split in Size of Property Required by Households in Need

Households in Need	Number of Bedrooms Required (Bedroom Standard Calculation)			
	1	2	3	4+
Craven	62%	34%	4%	0%
Hambleton	48%	41%	10%	1%
Harrogate	55%	36%	7%	2%
Richmondshire	43%	47%	8%	2%
Ryedale	50%	31%	16%	3%
Scarborough	70%	22%	7%	1%
City of York	39%	44%	12%	5%

Source: 2011 Household Survey

8.116 Analysis of the size requirements of households in need shows demand across all property sizes, with the level of demand / need for smaller properties (one and two bedroom properties) recording the highest levels across the North Yorkshire authorities. There are some obvious spatial distinctions between authorities, which in part reflects the existing profile of stock and households.

8.117 However, it is important to reflect on the availability of social stock supply – recognising the variance in turnover rates for different sizes of dwelling. The following figure balances the proportions of supply and demand against one another to identify areas of potential mis-match. A negative percentage implies a shortfall in provision. It is important to note that whilst the proportions identify shortfalls, a positive % does not necessarily mean a surplus of stock of a particular type.

Figure 8. 12: Size of Affordable Properties – Balancing the Proportion of Demand against the Proportion of Supply

The balance between households in need and lettings (proportions)	Number of Bedrooms Required (Bedroom Standard calculation)			
	1	2	3	4+
Craven	-24%	2%	22%	0%
Hambleton	-15%	4%	11%	1%
Harrogate	-10%	8%	4%	-2%
Richmondshire	-4%	-4%	8%	-1%
Ryedale	-14%	13%	4%	-3%
Scarborough	-23%	4%	19%	0%
City of York	16%	-11%	-1%	-4%

Source: CORE, 2011, 2011 Household Survey, GVA Analysis, 2011

8.118 Contrasting supply and demand in each local authority provides a 'check' on the demand/need figures presented in Figure 8.11. Figure 8.12 clearly illustrates the greatest level of need by property size at the local authority scale is for smaller dwellings, as well as larger 4+ bedrooms dwellings – albeit to a lesser extent.

8.119 Analysis of Figure 8.12 supports the delivery of affordable housing by size in line with the proportions set out in Figure 8.11 in order to meet housing needs going forward in each authority. This is with the caveat that it would be preferable for the need/demand for 1 and 2 bedroom properties to be met by delivery of 2 bedroom properties to most effectively meet housing needs. This would allow for future stock flexibility to changing household circumstances (e.g. start family; carer to stay – the

latter being particularly important given the ageing population within North Yorkshire and the presence of elderly people with care/support needs).

- 8.120 The demand for smaller properties is likely to be linked to the wider demographic trends evidenced in Section 7 which showed that a large proportion of future demand will be driven by single person households (both older person and younger households). It is important to recognise as per the analysis of the demand for different sizes of market housing in Section 7 that a demand for smaller properties does not translate into requirements for flatted properties, with this covering both this property type but also smaller housing units.
- 8.121 Importantly where there are identified shortages in particular sizes of property this will have a disproportionate effect on North Yorkshire's ability to address its backlog of housing need and to meet the needs of new households in the future. New affordable dwelling supply should therefore be focused within these dwelling sizes.
- 8.122 In contrast, there appears to be a strong supply of 3 bedroom dwellings in all authorities except for City of York (which registers a deficit in the availability of larger stock). The high levels of turnover in 3 bedroom properties indicates that this stock is better able to meet, at a North Yorkshire level, the levels of need existing and likely to be generated over the short-term.
- 8.123 Despite these North Yorkshire scale conclusions, it is also clear that there are variations between local authorities and these are explored in more detail within the individual Local Authority Appendices.

Bringing the Evidence Together

- 8.124 This section has focussed on assessing the level of need for affordable housing over the next five years. Analysis has been undertaken using a range of data sources following the CLG Guidance process for calculating need.
- 8.125 The findings of this section directly relate to a number of the core outputs set out in the CLG Guidance and these are presented in section 10. A number of key findings are however, presented below in bringing the evidence and analysis together from this section:

-
- The housing needs assessment indicates that North Yorkshire will be required to provide for a net annual affordable housing need of approximately 2,808 dwellings per annum over the next five years in order to both clear the existing waiting list backlog and meet future arising household need. A number of sensitivities are explored around a number of the core underlying assumptions feeding into the calculation of housing need. These all serve to illustrate that based on more stringent or long-term tests to assess the backlog, household formation and affordability that housing need levels could actually be higher still.
 - The analysis suggests that intermediate products could play an important role in improving housing choice and addressing an element of housing need. The potential is identified for this affordable tenure type to accommodate approximately 25% of households currently in housing need (based on their financial capacity to afford a 50% equity stake). Significantly though this tenure does not, at the moment, represent a tenure of choice as evidenced by the limited numbers of households either currently living in, or considering a move into, this tenure based on the results of the 2011 household survey. This is likely to be a function of the relative 'youth' of this product in the housing market and therefore its relatively small levels of stock across North Yorkshire.
 - The introduction of the Affordable Rent model, as an alternative (and addition) to traditional social housing in North Yorkshire also holds potential to accommodate households who would otherwise struggle to enter the open market. The potential workability of this model is variable between the local authorities, with greater viability likely in City of York and Harrogate in particular, although the financial capacity of households in housing need suggests that the incomes of households in these locations may well be overstretched if required to reach Affordable Rent charged at 80% of the market rate.
 - Considering demand by property size the analysis shows the highest level of demand / need for smaller as well as 4+ bedroom properties across the North Yorkshire. The shortage of these property sizes is having a disproportionate effect on North Yorkshire's ability to address its backlog of housing need, and to meet the needs of new households in the future.

- When looking at the balance between supply and demand for different sizes of affordable housing at a Local Authority scale, there are however, some clear distinctions. For example, Craven and Ryedale record a particular shortfall in the supply of smaller properties, whereas City of York records a shortfall in 2 bedroom as well as larger 3 bedroom and 4+ bedroom properties. These imbalances represent a challenge if local needs are to be met.

9. Housing Requirements of Specific Household Groups

The final section of analysis within the SHMA focuses upon the housing requirements of specific groups. The intention in this section is to draw together existing research already produced by the North Yorkshire Partnership and the individual authorities, with the outputs of the SHMA analysis including in particular the findings of the 2011 primary housing survey and the demographic analysis presented in Section 7.

Alongside short analysis sections on a number of the specific groups noted in the CLG Guidance, the analysis process highlighted a number of groups within the housing market which have either been disproportionately affected by the recent shocks to the economy and housing market or are likely to represent particularly dynamic components in the future. This section includes consideration of these market groups in greater detail.

Research findings relate directly to:

Core Output 8: Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people etc.

- 9.1 The analysis presented within the preceding sections has set out the projected direction of travel for the housing market over the plan period, to help inform the development of planning policy and housing strategy.
- 9.2 This analysis has clearly highlighted that the demographic and economic profile of the sub-region is likely to change over the next fifteen years, with the active housing market reacting to, and in part feeding back into, these changes. Different parts of the wider housing market will be affected by these changes in different ways.
- 9.3 This section selects out a number of specific groups either considered to have specific housing requirements which need to be carefully considered now and in the future within the sub-region and individual authorities or considered to be groups which are likely to represent a particularly dynamic part of this changing profile. The DCLG SHMA Guidance (2007) recognises that the SHMA does not need to assess every group in detail and indeed the North Yorkshire Partnership and individual authorities have already conducted a significant amount of analysis and research around a number of the core groups identified for potential consideration within the DCLG

Guidance. Moreover, such groups do not necessarily align with the DCLG defined criteria of housing need as set out within Section 8, although specific policy or service provision requirements should be informed by an understanding of the specific housing requirements of groups represented across the sub-region and in each authority.

9.4 Through consideration of the analysis presented in preceding sections of the SHMA this section includes analysis of the housing requirements of the following specific groups now and in the future:

- Older Person Households;
- Young family and single person households;
- Households with Support Needs / Adaptations, including long-term analysis of households with physical and learning disabilities;
- Homeless People;
- BME Households
- Young Person Households; and
- Gypsies, Travellers and Showpeople

9.5 The analysis from the Selby SHMA (2009) is not integrated into this section.

9.6 This section is not replicated within each of the Authority Appendices as the analysis is intended to provide a strategic level of assessment appropriate to the North Yorkshire authority level as opposed to sub-local authority geographies.

Older Person Households

9.7 PPS 3 recognises the need to provide housing for older people as part of achieving a good mix of housing, in the context of an ageing society in the UK.

9.8 This sub-section initially provides a detailed profile of the current housing position of older person households across North Yorkshire and within the individual authorities. This is then taken forward through a consideration of immediate and short-term needs of current older person households, again drawing upon the findings of the Household Survey. This includes analysis of the older person households classified, through the

DCLG Housing Need calculation in Section 8, as constituting part of the backlog of current need in each of the authorities (Stage 1 of the DCLG calculation). The section concludes with analysis of longer-term requirements of older person households linking with the analysis presented at the end of Section 7.

Older Persons Households: Current Accommodation Profile

- 9.9 This section initially uses data collected through the Household Survey to establish a consistent current position as to the accommodation profile occupying existing older person households.
- 9.10 The 2011 household survey included a representative response of older persons households, the responses from which have been analysed below. For the purposes of the analysis, older persons are defined as those persons over the state pension eligibility age at the time of the 2010 housing survey, of 65 for men and 60 for women.
- 9.11 The tables over the page indicate the constitution of older person households across North Yorkshire and the component authorities. This clearly reinforces the fact that this demographic represents a large part of the overall housing profile, with older person only households constituting over 22% of households in all of the authorities, with Richmondshire, Ryedale and Scarborough all with proportions over 27%.
- 9.12 In terms of the current tenures of older person households the majority in all authorities own their own properties outright. This suggests a relatively healthy level of equity for a large proportion of older person households. This reinforces the important role this demographic has in the housing market in terms of the share of the owner-occupier market and indeed links to the analysis of under-occupancy of housing analysed in Section 5. Across North Yorkshire almost 65% of older person households own their own property with this varying slightly between authorities, with the lowest proportion in Richmondshire and the highest in Craven and York.
- 9.13 As would be expected given the employment circumstances of the majority of older person households relatively few own their own property with a mortgage or loan, overall however over 75% of older person households live within the owner-occupier tenure.

- 9.14 Almost 16% of older person households live in social rented accommodation. This tenure is particularly highly represented, against this average, in Scarborough (18.5%). In contrast fewer than 10% of older person households in Craven live in the social rented sector.
- 9.15 The private rental market represents a relatively important tenure for older person households, albeit representing a lower proportion than all households (as analysed in Section 5). The tenure includes a higher proportion of older person households in Richmondshire and Craven and a very low proportion in York, highlighting the different role of this tenure in the city with students and graduates/young professionals dominating the private rental market in this location.

Figure 9. 1: Households – Older Age Categories, North Yorkshire, Local Authorities

Household Composition - Older Persons	Older Person(s) Households - Household Composition: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Households with older persons only	27.9%	26.3%	25.6%	27.0%	28.9%	30.4%	22.5%	26.2%
Households without older persons	54.1%	54.1%	57.3%	55.5%	51.8%	48.7%	64.0%	56.4%
Households with both older and non-older persons	10.5%	12.7%	10.4%	11.2%	10.1%	13.9%	8.1%	10.7%
Declined	7.5%	6.8%	6.7%	6.3%	9.2%	7.0%	5.4%	6.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Figure 9. 2: Older Person Households, Current Tenure, North Yorkshire, Local Authorities

Household Tenure	Older Person(s) Households - Household Tenure: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Own it outright	69.4%	65.1%	68.3%	56.1%	59.9%	58.9%	69.3%	64.8%
Own it with a mortgage or loan	9.7%	10.3%	7.7%	13.5%	15.2%	12.2%	9.5%	10.5%
Intermediate	1.2%	.9%	2.8%	.6%	.8%	.8%	.6%	1.2%
Social Rent	9.4%	17.4%	14.1%	16.2%	12.6%	18.5%	18.0%	15.9%
Rent it from a private landlord (inc. Students & renting from friend / relative)	10.0%	6.0%	7.0%	11.6%	8.9%	8.5%	2.6%	6.9%
Tied Accommodation	.4%	.3%	.1%	2.0%	2.5%	.3%	.0%	.5%
Live with family or friends	.0%	.0%	.0%	.0%	.2%	.8%	.0%	.2%
Managed student accommodation	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Other	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 3: Older Person Households – Current Property Type, North Yorkshire, Local Authorities

Property Type	Older Person(s) Households - Property Type: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Detached	33.9%	48.7%	36.0%	41.0%	48.7%	28.2%	29.5%	35.7%
Semi-Detached	24.9%	29.1%	24.1%	31.3%	28.7%	28.1%	34.9%	28.9%
Terrace	30.7%	14.9%	12.6%	22.1%	15.6%	18.5%	19.1%	18.1%
Flat, maisonette or apartment	8.9%	7.0%	26.3%	5.5%	6.2%	25.2%	16.4%	16.8%
Mobile or temporary structure	1.6%	.3%	1.0%	.0%	.8%	.0%	.1%	.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 4: Older Person Households – Current Accommodation Size, North Yorkshire, Local Authorities

Accommodation Size (Bedrooms)	Older Person(s) Households - Accommodation Size (Bedrooms): North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Studio/Bedsit	1.1%	.0%	.0%	.3%	.2%	.1%	.5%	.3%
1 Bedroom	7.2%	10.2%	14.0%	9.3%	5.8%	17.4%	11.2%	12.0%
2 Bedrooms	33.0%	24.9%	36.1%	30.9%	32.7%	36.3%	32.2%	33.0%
3 Bedrooms	41.0%	39.5%	30.4%	41.2%	42.5%	33.1%	36.0%	36.0%
4 + Bedrooms	17.8%	25.3%	19.6%	18.2%	18.7%	13.1%	20.1%	18.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

-
- 9.16 In terms of property type the analysis of older person households again serves to highlight the issue of under-occupancy of these age groups. Over 35% of older person households live in detached properties, the analysis in Section 5 highlighted the fact that many of these properties are relatively large suggesting that many older person households across North Yorkshire are choosing to live in properties which are larger than they may require.
- 9.17 This is further reinforced by the latter table, which breaks down current accommodation of older person households by property size. As the demographic analysis presented at the end of Section 7 illustrated the majority of older person households are made up of single person or couple households. However, the 2011 household survey identifies that almost 55% of older person households live in properties with 3 bedrooms or more. Whilst many households aspire to at least having one bedroom spare this suggests a relatively high level of under-occupancy. This has important consequences for the availability of stock suitable for families within the authorities.
- 9.18 Hambleton and York in particular register over 20% of older person households living in properties with four bedrooms or more, clearly representing an issue in terms of making best use of the existing stock to meet current and future housing needs.

Older Persons Households: Housing Need and Short-term Future Requirements

- 9.19 The 2011 household survey provides an important resource for understanding the current and short-term future needs of older person households. This section is split into two. The first element provides a further breakdown of the analysis of older person households classified, using the methodology outlined in Section 8, as 'currently in need'. The second part looks in wider terms at the housing aspirations and expectations of older person households. This therefore includes a wider analysis of older person households taking into account households not in need of affordable housing.

Older Person Households classified as currently in need – understanding their requirements

- 9.20 The analysis of households in need of affordable housing contained within Section 8 includes, as part of Stage 1 of the assessment, an estimation of the number of households currently considered as in housing need. As noted within Section 8 older person households constitute an important part of this backlog of need often reflecting their vulnerability in particular to property disrepair and maintenance issues, including costs associated with running a property e.g. fuel costs.
- 9.21 This short section quantifies the number of older person households included within the Stage 1 number and provides analysis of their housing needs. This is an important area of analysis as it highlights in particular the pressures to deliver new housing to meet needs. Whilst some elements of older persons household needs could be potentially met through in situ solutions in many cases the nature of properties within North Yorkshire makes this difficult or impractical. This is an issue explored in more detail below.
- 9.22 The following figure indicates the number of older person households currently in affordable housing need (Stage 1 of Needs Assessment – Section 8) within North Yorkshire and each local authority. This number is also represented as a proportion of the total current affordable housing need at Stage 1 of the assessment. This analysis highlights that:
- The highest absolute levels of older persons currently in affordable housing need are within Scarborough, Harrogate and City of York respectively.
 - The highest proportional levels of older persons currently in affordable housing need are within Richmondshire, Scarborough and Craven respectively.
- 9.23 This analysis also breaks down the proportion of unsuitable housing levels (by CLG criteria) represented by older person households across North Yorkshire and within each local authority.
- At the North Yorkshire scale older person households represent a large proportion of households that are struggling to maintain their home (22%), and they also represent almost 20% of households who require a move to

suitable accommodation to meet the specific support needs of a household member.

Figure 9. 5: Older Person Households – In Current Affordable Housing Need

Authority	Older Person Households - In Current Affordable Housing Need									
	Number of Older Person Households in Current Affordable Housing Need	% of Total Households in Current Need	Proportion of Unsuitable Housing Levels represented by Older Person Households							
			Accommodation too expensive / rent or mortgage payments are too high	Under real threat of notice / notice of eviction/re-possession or lease ending	Too difficult to maintain	Sharing a kitchen, bathroom or WC with another household	Households containing people with specific needs living in unsuitable dwelling, which cannot be made suitable in-situ	Lacking basic facilities – bathroom /toilet/kitchen	Subject to major disrepair or unfitness	Harassment from others living in the vicinity which cannot be resolved except through a move
Craven	84	17%	15%	27%	19%	13%	35%	41%	13%	16%
Hambleton	56	3%	11%	6%	19%	2%	26%	0%	9%	28%
Harrogate	333	14%	12%	2%	13%	6%	4%	5%	5%	8%
Richmondshire	142	21%	14%	48%	25%	0%	74%	0%	24%	16%
Ryedale	24	3%	19%	17%	26%	4%	2%	100%	25%	8%
Scarborough	400	18%	16%	11%	30%	2%	24%	5%	10%	40%
City of York	272	7%	21%	26%	24%	6%	17%	11%	6%	10%
North Yorkshire	1,309	11%	14%	12%	22%	5%	19%	9%	10%	17%

Source: 2011 Household Survey

Older Person Households: Immediate / Short-term (next five years) Requirements

9.24 The current types of support and adaptations households across North Yorkshire and within the individual authorities have suggested they require is identified in the table overleaf. This is preceded by a table showing the same criteria but identifying what older person households assess that they will require over the next five years. From these two tables the following key trends regarding requirements emerge:

- Currently a significant proportion of older person households across North Yorkshire suggest that their properties require additional insulation (16%). This is particularly high in Richmondshire and York, with the age of properties likely to be an important determining factor. In addition both of these authorities include a high proportion of older person households suggesting that they require improved heating;
- Adaptations to bathroom represent the other largest physical adaptation suggested as currently being required by older person households across North Yorkshire, particularly high responses were recorded in Harrogate, Richmondshire and Ryedale. Indeed in Richmondshire relatively high proportions also required internal and external handrails / grab rails;
- A high proportion of respondents in Richmondshire and Craven suggested the need for double glazing currently;
- In terms of help or assistance in undertaking everyday tasks a substantial proportion of older person households overall across North Yorkshire suggested current need. Assistance with cleaning the home (48%), help with gardening (43%) and help with other practical tasks (42%), in particular all received high proportions of households suggesting immediate requirements;
- Looking forward over the next 5 years, when considering physical adaptations, bathrooms represented the highest overall response with 26% of older person households expressing that they will require an adaptation to their bathroom within the next five years. Internal and external hand rails or grabrails were also identified as important areas of adaptation across North Yorkshire. In contrast to immediate requirements a high proportion of older person households expressed that they will require a stair lift / vertical lift within the next five years (21%);

- Again a high proportion of households suggested that assistance would be required over the next five years to undertake everyday tasks, including general maintenance, cleaning and gardening.

Figure 9. 6: Older Person Households – Support and Adaptations Requirements Required Now, North Yorkshire, Local Authorities

Support & Adaptations Requirements	Older Person(s) Households - Support & Adaptations Requirements Now : North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Improved heating	3.5%	7.0%	9.3%	19.9%	5.7%	4.1%	13.5%	9.0%
More insulation (loft, wall cavities)	11.9%	9.8%	15.6%	26.1%	12.1%	9.9%	24.6%	16.0%
Double glazing	16.8%	8.6%	11.9%	26.4%	8.0%	12.5%	4.4%	11.2%
Adaptations to kitchen	6.4%	8.8%	1.0%	10.2%	4.9%	2.0%	3.2%	4.1%
Adaptations to bathroom (e.g. level access shower)	12.1%	18.3%	31.5%	24.7%	22.5%	8.5%	6.5%	17.3%
Internal handrails / grab rails	21.0%	13.3%	10.0%	20.0%	13.6%	12.9%	11.7%	13.4%
External handrails / grab rails	10.7%	1.0%	12.2%	20.5%	5.8%	6.8%	7.1%	8.8%
Downstairs WC	6.9%	2.1%	2.8%	10.3%	2.9%	12.4%	3.1%	5.5%
Stair lift / vertical lift	4.9%	5.9%	5.3%	9.9%	1.1%	6.7%	3.5%	5.2%
Improvements to access (e.g. level access in and around home)	4.8%	1.7%	4.4%	5.7%	6.6%	4.1%	7.6%	5.0%
Wheelchair adaptations (including door widening and ramps)	.8%	1.8%	1.9%	2.4%	7.5%	4.1%	3.9%	3.1%
Lever door handles	3.4%	3.8%	.0%	5.5%	6.7%	2.1%	5.2%	3.3%
Room for a carer	2.7%	6.1%	1.3%	.0%	2.6%	.6%	.0%	1.6%
Community alarm service	11.5%	4.0%	3.3%	10.9%	6.9%	6.8%	3.3%	5.7%
Security alarm	10.5%	5.8%	5.6%	3.6%	1.7%	4.1%	20.9%	8.6%
Increase the size of property (e.g. extension, loft conversion)	.8%	6.1%	2.2%	5.4%	4.6%	1.3%	.9%	2.5%
Help with repair and maintenance of home	26.6%	32.6%	19.7%	19.6%	39.9%	25.2%	27.8%	26.3%
Help with gardening	48.6%	48.4%	35.4%	41.8%	41.3%	34.7%	51.9%	42.6%
Help with cleaning home	40.7%	49.8%	52.7%	31.7%	38.2%	53.5%	49.6%	47.9%

	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Help with other practical tasks (e.g. changing light bulbs, collecting prescriptions)	41.7%	42.5%	53.3%	32.0%	28.8%	38.3%	41.8%	42.0%
Help with personal care	9.2%	16.9%	24.6%	24.5%	21.9%	21.1%	23.2%	21.1%
Want company / friendship	16.2%	14.2%	31.3%	12.6%	21.9%	11.6%	8.9%	17.3%
Want a Social Alarm (call for help alarm)	14.5%	20.1%	19.6%	13.8%	14.9%	11.6%	10.5%	15.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 7: Older Person Households – Support and Adaptations Requirements Required within Next 5 Years, North Yorkshire, Local Authorities

Support & Adaptations Requirements	Older Person(s) Households - Support & Adaptations Requirements in Next 5 Years : North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Improved heating	14.6%	5.8%	8.7%	12.5%	8.2%	18.7%	10.0%	11.3%
More insulation (loft, wall cavities)	14.5%	8.8%	12.2%	8.7%	7.0%	13.6%	7.6%	10.6%
Double glazing	9.4%	4.2%	7.0%	17.3%	22.3%	14.0%	12.1%	11.3%
Adaptations to kitchen	10.6%	6.4%	7.9%	8.0%	2.3%	9.7%	9.2%	8.2%
Adaptations to bathroom (e.g. level access shower)	22.7%	26.5%	23.4%	15.5%	21.3%	35.2%	28.2%	26.2%
Internal handrails / grab rails	20.6%	22.6%	15.5%	20.1%	22.0%	20.9%	19.4%	19.7%
External handrails / grab rails	17.4%	12.6%	19.2%	16.5%	21.1%	19.2%	17.9%	17.9%

	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Downstairs WC	10.8%	2.2%	14.4%	7.0%	2.4%	4.4%	9.8%	8.1%
Stair lift / vertical lift	18.6%	22.9%	22.7%	24.7%	21.0%	11.6%	23.6%	20.5%
Improvements to access (e.g. level access in and around home)	9.3%	12.0%	13.0%	13.6%	11.3%	9.8%	19.3%	13.2%
Wheelchair adaptations (including door widening and ramps)	11.9%	13.8%	18.8%	14.6%	14.8%	12.4%	12.9%	14.3%
Lever door handles	7.6%	3.1%	3.6%	3.3%	5.4%	7.1%	2.2%	4.4%
Room for a carer	7.0%	3.8%	6.6%	3.3%	7.0%	3.8%	1.8%	4.5%
Community alarm service	15.2%	19.2%	25.7%	19.6%	16.0%	11.0%	21.1%	18.8%
Security alarm	12.5%	8.4%	19.1%	12.2%	13.6%	12.1%	3.2%	11.3%
Increase the size of property (e.g. extension, loft conversion)	1.0%	4.5%	2.6%	1.1%	1.2%	1.2%	1.7%	2.0%
Help with repair and maintenance of home	33.3%	21.4%	30.0%	29.7%	27.7%	31.1%	43.5%	32.3%
Help with gardening	30.0%	36.2%	38.2%	40.6%	35.6%	28.3%	27.6%	32.8%
Help with cleaning home	32.4%	20.1%	37.9%	38.7%	25.0%	26.7%	46.0%	33.8%
Help with other practical tasks (e.g. changing light bulbs, collecting prescriptions)	29.2%	16.3%	28.7%	31.4%	18.8%	31.9%	32.8%	28.0%
Help with personal care	20.8%	16.7%	30.3%	27.5%	20.0%	25.6%	11.2%	21.4%
Want company / friendship	13.1%	9.2%	10.0%	15.2%	6.6%	16.2%	11.7%	11.8%
Want a Social Alarm (call for help alarm)	21.5%	19.6%	34.8%	21.7%	13.4%	13.7%	28.7%	23.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

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- 9.25 It is clear from the findings of the 2011 household survey that there are substantial support needs for older person households, which will need to remain a priority for all of the authorities across North Yorkshire. As recognised throughout this analysis these needs will continue to grow as the demographic grows, and ensuring a proactive approach to the provision of suitable stock and adaptations, is an important component of achieving this aim.
- 9.26 The following analysis identifies the expectations of older person households in terms of future accommodation. This provides an important insight into the aspirations and expectations of this important demographic grouping. Meeting these needs is clearly important not only for these households but also in terms of freeing up larger stock for other parts of the market in the future.
- 9.27 The tables over the page show both the housing options being considered by older person households expecting to move over the next five years and the realistic expectations of these households over the next two years. In summary the following conclusions are extracted from this analysis:
- Over 67% of households would like to stay in their own home with support when needed. Particularly high proportions were recorded in Craven, Harrogate and York. The realisation of this aspiration will serve to limit the additional potential capacity represented by under-occupied properties across the area;
 - Just over 25% of households would consider moving into sheltered housing, with above North Yorkshire averages recorded in Hambleton, Richmondshire and Scarborough;
 - 12% and 16% of households would consider moving into residential care home accommodation and extra care schemes respectively;
 - Significantly, whilst the analysis of current tenure identified that a high proportion of older person households owned their own properties outright only just over 21% are considering buying property either in a specific development for older people or in a retirement / care village;
 - In terms of realistic expectations over the next two years the vast majority of households do not expect to move into specialist accommodation. This in part is likely to reflect the aspirations noted above to remain within their
-

home but is also likely to reflect the perception and reality of the lack of supply of these properties across the majority of the areas. Sheltered housing records the highest proportion of response in terms of expectations highlighting the short-term demand on this tenure / property type; and

- In terms of the types of housing older person households expect to live within there is a high expectation that households will live within detached or semi-detached properties. Again this is likely to reflect the stock available and the properties they currently live in. Importantly there is clearly a high demand for bungalow properties, despite this representing a relatively small proportion of overall stock. In terms of future development, however, a significant proportion, over 32%, of older person households expected to move into a purpose built flat, maisonette or apartment. This is likely to reflect the high proportion of new older person purpose built stock of this type over recent years.

Figure 9. 8: Older Person Households – Housing Options in Consideration (next 5 years), North Yorkshire, Local Authorities

Older Person's Accommodations Options	Older Person(s) Households - Housing Options Considered in Next 5 Years : North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Continue to live in current home with support when needed (e.g. home visits, 'call for help' alarm)	46.5%	37.4%	45.0%	37.1%	45.0%	41.6%	74.7%	67.6%
Sheltered housing (retirement housing with or without warden support)	13.9%	17.2%	14.9%	18.2%	18.2%	23.2%	17.2%	25.2%
Residential care home	6.7%	7.1%	8.8%	7.4%	6.0%	7.3%	11.7%	11.6%
Extra Care scheme (similar to sheltered but greater support can be given when needed)	12.9%	10.0%	7.5%	9.0%	7.8%	10.5%	22.5%	16.3%
Buying an apartment in a specific development for older people	7.1%	5.2%	8.4%	6.9%	6.6%	7.4%	10.7%	11.0%
Buying a property in a retirement / care village	7.5%	7.2%	7.5%	10.3%	7.2%	4.8%	7.6%	10.3%
None of the above	5.4%	15.9%	7.8%	11.2%	9.2%	5.2%	13.0%	13.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 9: Older Person Households – Housing Options Realistically Expected (next 2 years), North Yorkshire, Local Authorities

Older Person's Housing Options	Older Person(s) Households Moving in Next 2 Years - Housing Options Realistically Expected: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Extra Care housing scheme	1.5%	4.0%	2.9%	2.2%	1.7%	3.1%	4.8%	3.4%
Sheltered housing (retirement housing with or without warden support)	13.9%	15.8%	11.9%	31.9%	7.8%	32.6%	4.2%	19.0%
Residential care and / or nursing home	3.8%	.0%	19.0%	.8%	1.7%	3.1%	.0%	5.0%
Supported housing scheme	2.0%	10.6%	2.1%	3.7%	.0%	9.0%	.8%	4.7%
Ordinary accommodation / none of the above	78.8%	69.6%	64.1%	61.6%	88.7%	52.3%	90.1%	78.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 10: Older Person Households intending to move home (next 2 years) – Expected accommodation type, North Yorkshire, Local Authorities

Accommodation Type	Older Person(s) Households Moving in Next 2 Years - Accommodation Type Realistically Expected: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
A whole house that is: Detached	13.8%	17.0%	13.8%	10.8%	15.6%	10.2%	11.9%	19.5%
A whole house that is: Semi-detached	12.1%	7.7%	21.3%	8.9%	5.0%	9.9%	35.5%	21.9%
A whole house that is: Terraced (including end-terrace)	17.7%	1.9%	2.4%	5.1%	2.9%	6.8%	16.3%	10.4%
A whole bungalow that is: Detached	21.6%	28.2%	23.7%	17.8%	15.7%	15.2%	14.8%	29.2%
A whole bungalow that is: Semi-detached	17.3%	17.7%	15.1%	35.3%	26.5%	18.3%	4.0%	27.7%
A whole bungalow that is: Terraced (including end-terrace)	6.7%	9.3%	4.3%	7.5%	4.8%	15.8%	.0%	11.5%
A flat, maisonette, or apartment that is: In a purpose built flat / apartment scheme or development	10.8%	16.4%	15.7%	14.2%	26.3%	23.8%	40.6%	32.5%
A flat, maisonette, or apartment that is: Part of a converted or shared house (includes bed sits)	.0%	.7%	1.3%	.0%	1.1%	.0%	.0%	.7%
A flat, maisonette, or apartment that is: In a commercial building (e.g. an office building / hotel / over a shop)	.0%	.0%	.8%	.0%	.0%	.0%	.0%	.2%
Mobile or temporary structure: A caravan or other mobile or temporary structure	.0%	1.1%	1.5%	.5%	2.2%	.0%	.0%	1.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

9.28 The following two tables analyse the main reasons for older person households moving home over the next two years, the areas they would expect to move to and the size of property they would expect to move into. The analyse suggests:

- Almost 40% of households want to move home as they need a smaller property, again highlighting the under-occupancy issues within this demographic. Particularly high proportions are recorded in Ryedale (over 60%) and Hambleton (48%);
- A similar proportion want to move home in order to move into accommodation which is suitable for older /disabled persons. This is particularly true of Hambleton, Ryedale and Harrogate;
- The state of repair of the home is not identified as a significant issue for older person households in terms of a motivation for moving;
- The need to be closer to family / friends in order to give /receive support is registered as representing an important motivational factor for moving as is being closer to facilities;
- In terms of the choice of location of moves older person households shown an even higher expectation to remain within their current authority than households as a whole; and
- In terms of realistic expectations of the size of property and the location households expect to move to the analysis suggests that the majority of older person households looking to move over the next two years would expect to live in 2 bedroom properties.

Figure 9. 11: Older Person Households intending to move home (next 2 years) – Main reasons for moving home, North Yorkshire, Local Authorities

Reason for Moving	Older Person(s) Households Moving in Next 2 Years - Reason for Moving: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Want larger property or one which is better in some way	12.0%	21.0%	14.1%	16.8%	10.1%	14.8%	40.3%	19.5%
Need smaller property (previous property difficult to manage)	44.2%	48.5%	34.2%	21.0%	61.5%	39.8%	26.8%	37.9%
Cannot afford rent / mortgage payments	8.0%	6.9%	21.2%	3.9%	26.9%	4.6%	4.4%	9.7%
Need housing suitable for older / disabled person	40.3%	51.2%	43.9%	37.1%	43.3%	34.4%	35.8%	39.5%
Want to buy	11.4%	12.8%	4.3%	12.7%	15.0%	6.5%	9.7%	9.1%
Lacking or need separate kitchen / bathroom / toilet	.0%	.0%	.0%	4.2%	.0%	1.0%	.0%	.7%
Very dissatisfied with state of repair of home	.0%	.0%	2.0%	8.2%	23.4%	5.0%	.0%	4.7%
Want own home / live independently	19.4%	3.6%	3.3%	4.5%	7.6%	8.5%	5.9%	6.9%
Divorce / separation / family stress	2.6%	3.6%	.0%	4.2%	.0%	5.9%	.0%	2.7%
Marriage / to live together	5.2%	.0%	9.2%	1.7%	9.2%	.4%	4.1%	3.7%
Living in temporary accommodation (e.g. B&B, short term with family / friends)	2.0%	.0%	.0%	.0%	.0%	.0%	.0%	.1%
Forced to move (e.g. eviction, repossession, tenancy ending, have to leave family home)	.0%	3.8%	1.1%	14.5%	2.6%	3.0%	8.5%	4.6%
To be closer to family / friends to give / receive support	20.5%	24.5%	28.2%	30.2%	16.3%	19.3%	11.9%	20.9%
To be closer to family / friends for social reasons	17.0%	17.0%	17.9%	22.3%	15.3%	12.8%	9.2%	14.9%
To move to a better neighbourhood / more pleasant area	9.7%	4.8%	1.6%	6.2%	8.8%	17.5%	23.0%	12.0%
To be closer to facilities (e.g. shops, doctors).	35.1%	32.5%	20.3%	20.5%	30.2%	19.5%	3.9%	20.4%
To be closer to work / new job	.0%	.0%	.0%	.7%	3.0%	4.6%	4.1%	2.4%

	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
To be in a particular school catchment	.0%	.0%	.0%	.0%	.0%	.0%	6.3%	1.1%
To be closer to university / college etc	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Want smaller garden	38.1%	41.7%	24.6%	21.0%	60.3%	20.2%	16.4%	27.6%
Want larger garden	11.3%	2.6%	7.6%	5.4%	1.3%	6.8%	7.9%	6.3%
Harassment / threat of harassment / crime	1.4%	2.2%	.0%	4.2%	.7%	4.5%	10.1%	3.9%
Overcrowding	.0%	.0%	.0%	.8%	.0%	4.1%	6.3%	2.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 12: Older Person Households intending to move home (next 2 years) – Expected Location, North Yorkshire, Local Authorities

Expected Location	Older Person(s) Households Intending to Move Home in Next 2 Years - Expected Location: North Yorkshire Authorities						
	Existing Location						
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
Craven	68.4%	0.0%	0.5%	4.9%	0.0%	0.0%	0.0%
Hambleton	0.0%	77.0%	0.0%	1.8%	1.2%	0.4%	0.0%
Harrogate	3.6%	3.6%	78.7%	0.0%	3.8%	0.0%	0.0%
Richmondshire	0.0%	0.0%	0.0%	72.2%	0.0%	0.0%	0.0%
Ryedale	1.5%	0.0%	0.0%	0.0%	70.0%	6.1%	0.0%
Scarborough	0.0%	1.6%	0.0%	0.0%	2.8%	83.5%	0.0%
City of York	1.8%	0.8%	0.0%	1.6%	0.8%	1.2%	81.1%
Selby	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leeds	0.0%	1.0%	3.7%	0.0%	0.0%	0.0%	0.0%
Hull / East Riding of Yorkshire	0.0%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Bradford	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Elsewhere in Yorkshire and Humber	8.8%	0.8%	0.5%	2.6%	7.0%	0.0%	6.4%
North East	0.0%	0.9%	0.7%	4.2%	1.8%	0.0%	0.0%
North West	2.7%	1.7%	0.0%	0.0%	3.4%	0.0%	0.0%
East Midlands	0.0%	0.0%	0.7%	0.0%	0.8%	0.0%	6.9%
Elsewhere in the UK	13.2%	10.3%	15.1%	12.7%	8.3%	8.7%	5.7%
Outside of the UK	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 13: Older Person Households Intending to move home (next two years) – Expected Location & Accommodation Size, North Yorkshire, Local Authorities

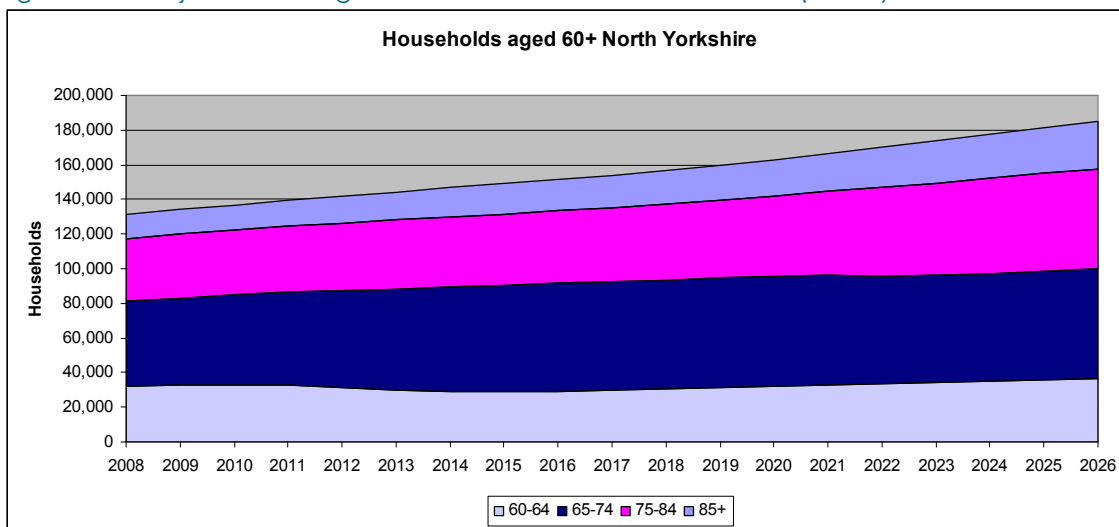
Expected Accommodation Size (Bedrooms)	Older Person(s) Households Intending to Move Home in Next 2 Years - Expected Location & Accommodation Size: North Yorkshire Authorities								
	Expected Location								
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	Outside of North Yorkshire	Total
Studio/Bedsit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1 Bedroom	0.5%	0.7%	1.5%	0.3%	0.0%	5.6%	1.8%	3.4%	12.9%
2 Bedrooms	3.1%	5.5%	6.4%	4.7%	7.0%	17.4%	9.0%	11.7%	60.2%
3 Bedrooms	2.4%	1.7%	5.0%	1.3%	1.9%	4.1%	1.5%	8.4%	22.5%
4 + Bedrooms	0.0%	1.6%	0.5%	0.2%	0.1%	0.0%	0.5%	2.3%	4.4%
Total	6.0%	9.5%	13.3%	6.5%	9.0%	27.1%	12.8%	25.7%	100.0%

Source: Household Survey, 2011

Older Persons Households: Longer-term requirements

9.29 The household projections presented in Section 7 clearly highlighted that North Yorkshire is likely to have an above average increase in older person households as a result of its current demographic profile. By 2026 all of the authorities within North Yorkshire will have a significantly greater proportion of older person households than currently represented today. This is illustrated through the following chart drawn from the Sub National Household Projections (Core Scenario 1), as presented in Section 7.

Figure 9. 14 Projected Change in Older Person Households – SNHP (DCLG)



Source: DCLG, 2010, GVA analysis 2011

9.30 In total under the DCLG Sub-National Household Projections (2010) it is estimated that there will be an uplift of approximately 53,900 households aged over 60. This represents a 41% increase of households of this age demographic, a substantial increase when compared to other age groupings.

9.31 In 2008 Older Person households made up 39.1% of all households across North Yorkshire, however, by 2026 the dis-proportionate ageing of the population means that they will constitute 44.8% of households.

9.32 Over the longer-term the proportionate and absolute increase in older person households will place ever increasing pressures on the existing housing stock. The previous section identified the needs of current older person households and these are likely to increase in scale going forward. In particular the rise in households where

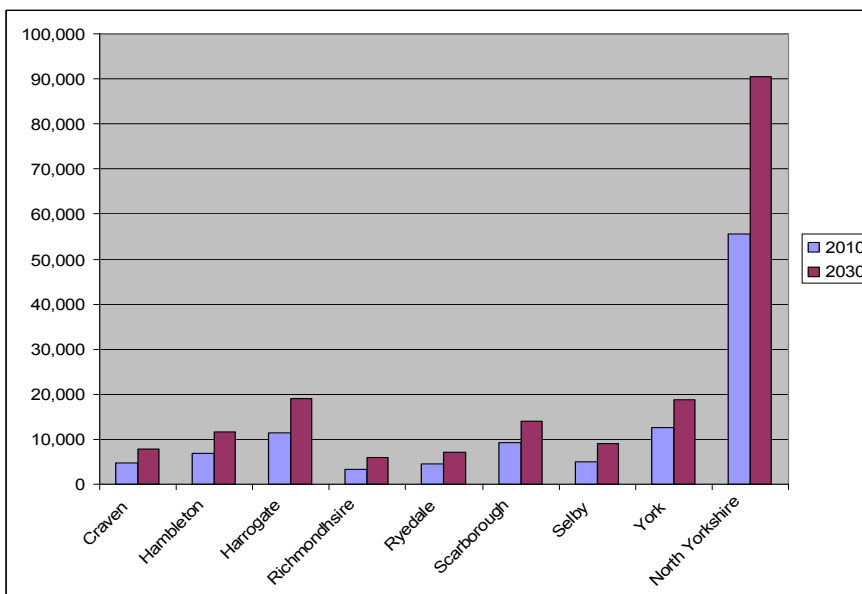
the head of household is aged over 85 will lead to greater requirements for different forms of supported housing which can meet the needs of elderly residents.

9.33 The Projecting Older Person Population Information System (POPPI) developed by the Institute of Public Care (IPC) for the Care Services Efficiency Delivery Programme (CSED) provides a more detailed picture of the changing population age profile of the sub-region and component authorities.

9.34 This datasets confirms that the amount of older persons (aged 65+) living alone in North Yorkshire is forecast to increase significantly to 2030. Across the sub-region the amount of people in the older persons age cohort living alone will increase by 35,103 (63.2%).

9.35 Increases are anticipated in all North Yorkshire Local Authorities, with Selby (84.5%), Richmondshire (79.8%) and Harrogate (66.7%) experiencing particular uplifts in the amount of older persons living alone. York will only experience a 48.5% increase in the amount of older persons living alone but since this is from a high base this equates to 6,116 people, which after Harrogate (7,613 people), is the greatest absolute increase across the North Yorkshire Local Authorities.

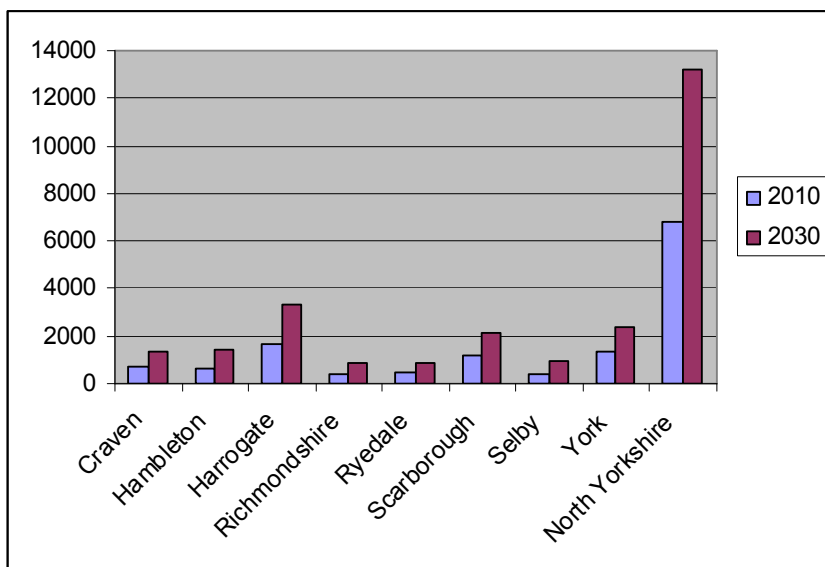
Figure 9. 15: Forecast Population Aged 65+ Living Alone, 2010- 2030, North Yorkshire, Local Authorities



Source: POPPI, 2010

9.36 Within the North Yorkshire sub-region the amount of older people living in a care home is set to increase significantly over the period 2010- 2030 from 6,804 to 13,198 (94.0%). Selby (122.4%), Richmondshire (112.8%), Hambleton (124.2%) and Harrogate (103.5%) will experience large increases which will put increasing pressure on existing supply levels.

Figure 9. 16: Forecast Population Aged 65+ Living In a Care Home, 2010- 2030, North Yorkshire, Local Authorities



Source: POPPI, 2010

Households with Support Needs / Adaptations

9.37 Understanding the broad number of households with support and special needs, and the breadth of their individual challenges, is important in ensuring that there is an understanding of where and how much purpose-built or adapted housing is required.

9.38 There is not one single data source which enables a thorough assessment to be made of the scale of the issues. This analysis draws upon two principal data sources to compile as thorough a picture as possible:

- The outputs of the Household Survey – Analysis is undertaken of households identifying specific support needs which are not being met currently; and

- Longer-term projections from the Projecting Adult Needs and Service Information System (PANSI).

Current Requirements / Immediate Need

- 9.39 The table overleaf illustrates the number of households identifying themselves as having support needs and separates them by the type of support need they currently have. Households may have selected that they currently experience multiple support needs.
- 9.40 Across all of the authorities, the 'physical disability' (doesn't use wheelchair) support need is the most prevalent – identified as an issue within over 10,000 households. This is closely followed by the 'older age related illness or disability' support need, which was identified within over 8,000 households. The high levels of identification with these support requirements are likely to be strongly linked to the ageing demographic profile of North Yorkshire explored in Section 4,

Figure 9. 17: Households with Support Needs, North Yorkshire, Local Authorities

Current Location	Households with Support Needs: Local Authorities & North Yorkshire							
	Physical disability: wheelchair user	Physical disability: doesn't use wheelchair	Learning disability	Mental health problem	Visual impairment	Hearing impairment	Drug / alcohol misuse	Older age-related illness or disability (e.g. dementia, walking difficulties)
Craven	334	832	69	685	287	451	56	652
Hambleton	410	1,188	66	321	301	391	145	823
Harrogate	786	2,565	452	1,141	685	856	19	2,048
Richmondshire	282	530	72	261	224	258	6	760
Ryedale	313	704	144	257	128	215	13	517
Scarborough	1,122	2,161	352	1,348	731	675	209	1,665
City of York	1,581	2,351	290	1,676	671	1,463	0	2,078
North Yorkshire	4,827	10,331	1,445	5,688	3,027	4,309	447	8,545

Source: Household Survey, 2011

9.41 The following table isolates out households identifying themselves as having support needs and examines their own assessment of whether these needs are being met within their current home.

9.42 Across all of the authorities somewhere between 22% (York) and 32% (Harrogate) of households with support needs suggest that they are not being met in the current home. This suggests that on average across North Yorkshire just over a quarter of households with support needs are not having their needs met in their current accommodation with further support / adaptations etc... likely to be required.

Figure 9. 18: Households with Support Needs – Met/ Not Met in Current Home, North Yorkshire, Local Authorities

Current Location	Households with Support Needs - Are Needs Met in Current Home: Local Authorities & North Yorkshire		
	Yes	No	Total
Craven	70.9%	29.1%	100.0%
Hambleton	71.9%	28.1%	100.0%
Harrogate	67.9%	32.1%	100.0%
Richmondshire	74.2%	25.8%	100.0%
Ryedale	75.1%	24.9%	100.0%
Scarborough	70.4%	29.6%	100.0%
City of York	77.6%	22.4%	100.0%
North Yorkshire	72.5%	27.5%	100.0%

Source: Household Survey, 2011

9.43 Interestingly the following table identifies that approximately 73% of households with support needs are living in accommodation which has not been adapted or purpose built to their support needs. This correlates with the finding above, further highlighting that a significant proportion of households are living in accommodation where their needs are not currently met.

Figure 9. 19: Households with Support Needs – Current Home Adapted to Meet Needs, North Yorkshire, Local Authorities

Current Location	Households with Support Needs - Has Current Home Been Adapted or Purpose Built to Meet Support Needs: Local Authorities & North Yorkshire		
	Yes	No	Total
Craven	21.3%	78.7%	100.0%
Hambleton	32.4%	67.6%	100.0%
Harrogate	25.0%	75.0%	100.0%
Richmondshire	21.8%	78.2%	100.0%
Ryedale	25.8%	74.2%	100.0%
Scarborough	28.6%	71.4%	100.0%
City of York	29.0%	71.0%	100.0%
North Yorkshire	27.1%	72.9%	100.0%

Source: Household Survey, 2011

9.44 In terms of the types of support required the following table shows that just under a third of households require support to stay in their current home. A notably high proportion is recorded within Scarborough, where this is true of just over 42% of households.

Figure 9. 20: Households with Support Needs – Requiring Support to Stay in Home, North Yorkshire, Local Authorities

Current Location	Households with Support Needs - Households Requiring Additional Support to Stay within Current Home: Local Authorities & North Yorkshire		
	Yes	No	Total
Craven	31.3%	68.7%	100.0%
Hambleton	38.7%	61.3%	100.0%
Harrogate	37.4%	62.6%	100.0%
Richmondshire	33.7%	66.3%	100.0%
Ryedale	36.6%	63.4%	100.0%
Scarborough	42.1%	57.9%	100.0%
City of York	32.5%	67.5%	100.0%
North Yorkshire	36.5%	63.5%	100.0%

Source: Household Survey, 2011

9.45 In order to accommodate support needs a household may require a carer to stay overnight. The table below highlights the proportion of households with support needs who have space for a carer to stay in the home. Over 40% of households do not have sufficient space within their existing home to accommodate a carer. Depending on

the future severity of their support needs this could represent a challenge to their needs being able to be met within their own home.

Figure 9. 21 Households with Support Needs – With Sufficient Space for Carer to Stay in Home, North Yorkshire, Local Authorities

Current Location	Households with Support Needs - Households with Sufficient Space for Carer to Stay: Local Authorities & North Yorkshire		
	Yes	No	Total
Craven	58.4%	41.6%	100.0%
Hambleton	68.8%	31.2%	100.0%
Harrogate	54.2%	45.8%	100.0%
Richmondshire	62.4%	37.6%	100.0%
Ryedale	64.6%	35.4%	100.0%
Scarborough	52.3%	47.7%	100.0%
City of York	63.7%	36.3%	100.0%
North Yorkshire	59.5%	40.5%	100.0%

Source: Household Survey, 2011

- 9.46 The household survey provides an insight into the specific support needs of Households across North Yorkshire in terms of their perceptions of adaptations required now and over the next five years.
- 9.47 In headline terms it is clear that in terms of immediate requirements, as with older person households issues around heating and energy efficiency represent important areas of adaptation/ improvement, in addition adaptations to bathrooms represent an immediate requirement for a high proportion of households with support needs.
- 9.48 In terms of needs over the next five years alongside adaptations to bathrooms physical adaptations to introduce internal and external hand rails and grabrails are highlighted as a requirement. The introduction of a stair lift / vertical lift is also highlighted through the Household Survey as an important adaptation for a relatively high proportion of households as is a Community Alarm Service, wheelchair adaptations and improvements to access.

Figure 9. 22: Households with Support Needs – Support & Adaptations Requirements, North Yorkshire, Local Authorities

Support Need	Households with Support Needs - Requirements for Support Services & Adaptations: North Yorkshire			
	Needed in Next 5 Years	Needed Now	Don't Need	Total
Improved heating	14.1%	10.6%	75.4%	100.0%
More insulation (loft, wall cavities)	12.4%	16.2%	71.3%	100.0%
Double glazing	11.7%	11.7%	76.6%	100.0%
Adaptations to kitchen	10.3%	5.4%	84.4%	100.0%
Adaptations to bathroom (e.g. level access shower)	19.2%	11.7%	69.1%	100.0%
Internal handrails / grab rails	16.9%	9.1%	74.0%	100.0%
External handrails / grab rails	15.5%	6.9%	77.7%	100.0%
Downstairs WC	7.9%	7.2%	84.8%	100.0%
Stair lift / vertical lift	14.9%	4.6%	80.6%	100.0%
Improvements to access (e.g. level access in and around home)	11.1%	5.6%	83.3%	100.0%
Wheelchair adaptations (including door widening and ramps)	12.0%	3.1%	84.9%	100.0%
Lever door handles	4.3%	3.5%	92.2%	100.0%
Room for a carer	5.4%	2.8%	91.7%	100.0%
Community alarm service	14.5%	3.6%	81.8%	100.0%
Security alarm	10.0%	10.1%	80.0%	100.0%
Increase the size of property (e.g. extension, loft conversion)	5.8%	6.7%	87.5%	100.0%

Source: Household Survey, 2011

Longer-term Trends: Future Requirements

- 9.49 The Projecting Adult Needs and Service Information System developed by the Institute of Public Care (IPC) for the Care Services Efficiency Delivery Programme (CSED) provides projections of future numbers of households with physical and learning disabilities. In addition the POPPI dataset provides similar information for older person households. These households, alongside others, are likely to require some form of support within their properties. This therefore provides a useful indications of the levels of demand on existing stock and future requirements to deliver new suitable properties and / or adaptations.
- 9.50 The POPPI dataset suggests that between 2010 and 2030 the number of individuals aged 65+ in North Yorkshire with learning disabilities is anticipated to increase by 1,832 (53.07%). All of the Local Authorities in the sub region will experience an increase but the most dramatic increases will occur in Selby (79.2%) and Richmondshire (68.9%).

Figure 9. 23: Forecast Learning Disabilities Aged 65+, 2010- 2030, North Yorkshire, Local Authorities

	2010	2015	2020	2025	2030	Change 2010-2030	% Change 2010-2030
Craven	261	306	342	377	428	167	63.98%
Hambleton	638	692	765	804	813	175	27.43%
Harrogate	631	738	818	907	1032	401	63.55%
Richmondshire	187	224	251	280	316	129	68.98%
Ryedale	250	288	323	354	398	148	59.20%
Scarborough	514	589	645	696	768	254	49.42%
Selby	284	346	391	445	509	225	79.23%
York	687	774	847	922	1020	333	48.47%
North Yorkshire	3452	3957	4382	4785	5284	1832	53.07%

Source: POPPI, 2010

- 9.51 The PANSI system suggests that within North Yorkshire the number of individuals with a learning disability will increase by 17.25% between 2010 and 2030. The number of individuals with moderate or severe learning disabilities will increase by 16.0% and those with a severe learning disability are forecast to increase by 10.4%.

- 9.52 City of York and Selby are projected to experience the largest increases in individuals with learning disabilities, at 20.3% and 23.4% respectively. Hambleton is projected to experience the smallest increase (10.2%) of those with learning disabilities, with a decrease in individuals with severe learning disabilities of -1.4%.

Figure 9. 24: Forecasts of Population with: Learning Disabilities 2010- 2030, North Yorkshire, Local Authorities

		2010	2015	2020	2025	2030	Change Between 2010- 2030	% Change Between 2010- 2030
North Yorkshire	Learning Disability	15,084	15,747	16,398	16,997	17,679	2,595	17.2%
	Moderate or Severe Learning Disability	3,092	3,211	3,327	3,452	3,587	495	16.0%
	Severe Learning Disability	704	710	732	753	777	73	10.4%
Craven	Learning Disability	1,045	1,085	1,138	1,180	1,229	184	17.6%
	Moderate or Severe Learning Disability	212	217	225	233	242	30	14.2%
	Severe Learning Disability	45	46	46	47	48	3	6.7%
Hambleton	Learning Disability	1,625	1,669	1,716	1,756	1,801	176	10.8%
	Moderate or Severe Learning Disability	330	334	338	344	352	22	6.7%
	Severe Learning Disability	72	69	70	70	71	-1	-1.4%
Harrogate	Learning Disability	2,902	3,026	3,152	3,266	3,400	498	17.2%
	Moderate or Severe Learning Disability	594	614	636	659	685	91	15.3%
	Severe Learning Disability	133	134	139	141	144	11	8.3%
Richmondshire	Learning Disability	980	1,029	1,076	1,109	1,149	169	17.2%
	Moderate or Severe Learning Disability	202	213	220	227	233	31	15.3%
	Severe Learning Disability	47	49	50	50	52	5	10.6%

		2010	2015	2020	2025	2030	Change Between 2010- 2030	% Change Between 2010- 2030
Ryedale	Learning Disability	1,004	1,035	1,083	1,120	1,166	162	16.1%
	Moderate or Severe Learning Disability	202	207	216	222	230	28	13.9%
	Severe Learning Disability	44	42	44	45	46	2	4.5%
Scarborough	Learning Disability	2,060	2,117	2,175	2,236	2,308	248	12.0%
	Moderate or Severe Learning Disability	415	425	431	443	456	41	9.9%
	Severe Learning Disability	92	89	90	92	94	2	2.2%
Selby	Learning Disability	1,528	1,614	1,704	1,798	1,885	357	23.4%
	Moderate or Severe Learning Disability	319	334	352	371	387	68	21.3%
	Severe Learning Disability	72	73	77	81	85	13	18.1%
York	Learning Disability	3,940	4,172	4,354	4,532	4,741	801	20.3%
	Moderate or Severe Learning Disability	818	867	909	953	1002	184	22.5%
	Severe Learning Disability	199	208	216	227	237	38	19.1%

Source: PANSI, 2010

- 9.53 The increase in the amount of persons with a learning disability in North Yorkshire is projected to result in an increase in the amount of those with a learning disability living at home. Between 2010 and 2030 the number of person with a learning disability living at home is projected to increase by 10.5% in North Yorkshire.
- 9.54 City of York (19.2%), Selby (13.4%) and Richmondshire (10.4%) are projected to have the largest increases in the number of individuals living at home with learning disabilities. The realisation of these projected rates of growth of will have an impact on the need for a supply of suitably adapted housing across North Yorkshire and in each of the Local Authorities
- 9.55 The projections also provide a breakdown of the estimated change in the number of people with learning disabilities living with a parent. The projections suggest a growth in these household circumstances across all of the authorities with the exception of Hambleton.

Figure 9. 25: Forecasts of Population with: Learning Disabilities Living With a Parent 2010- 2030, North Yorkshire, Local Authorities

	2010	2015	2020	2025	2030	Change Between 2010- 2030	% Change Between 2010- 2030
Craven	58	57	58	59	61	3	5.2%
Hambleton	93	90	89	91	92	-1	-1.1%
Harrogate	177	178	179	184	190	13	7.3%
Richmondshire	67	69	71	71	74	7	10.4%
Ryedale	56	55	55	57	59	3	5.4%
Scarborough	120	120	119	122	126	6	5.0%
Selby	97	98	101	106	110	13	13.4%
York	297	314	323	337	354	57	19.2%
North Yorkshire	965	981	995	1027	1066	101	10.5%

Source: PANSI, 2010

- 9.56 The PANSI dataset projects forward the number of people with physical disabilities as well as learning disabilities. These households will also have their own specific requirements in terms of adaptations, access for example.
- 9.57 At a North Yorkshire level the number of people with a physical disability is expected to increase between 2010 and 2030, with the level of those with a moderate physical disability level increasing 5.2% and those with a serious physical disability increasing

5.6%. When this is disaggregated to a local level it becomes clear that there is this trend varies widely between the different Local Authorities. Selby and City of York are anticipated to experience large increases in the amount of people with physical disabilities. Conversely decreasing levels of individuals with physical disabilities are forecast in Hambleton and Scarborough.

Figure 9. 26: Forecasts of Population with: Physical Disabilities 2010- 2030, North Yorkshire, Local Authorities

		2010	2015	2020	2025	2030	Change Between 2010- 2030	% Change Between 2010- 2030
Craven	Moderate Physical Disability	2,856	2,852	2,958	2,993	2,936	80	2.8%
	Serious Physical Disability	897	890	935	956	932	35	3.9%
Hambleton	Moderate Physical Disability	4,427	4,315	4,353	4,305	4,145	-282	-6.4%
	Serious Physical Disability	1,382	1,334	1,366	1,366	1,302	-80	-5.8%
Harrogate	Moderate Physical Disability	7,785	7,866	8,194	8,280	8,183	398	5.1%
	Serious Physical Disability	2,375	2,385	2,524	2,579	2,533	158	6.7%
Richmondshire	Moderate Physical Disability	2,550	2,581	2,682	2,719	2,696	146	5.7%
	Serious Physical Disability	758	761	802	823	811	53	7.0%
Ryedale	Moderate Physical Disability	2,752	2,737	2,829	2,848	2,810	58	2.1%
	Serious Physical Disability	867	855	895	911	893	26	3.0%

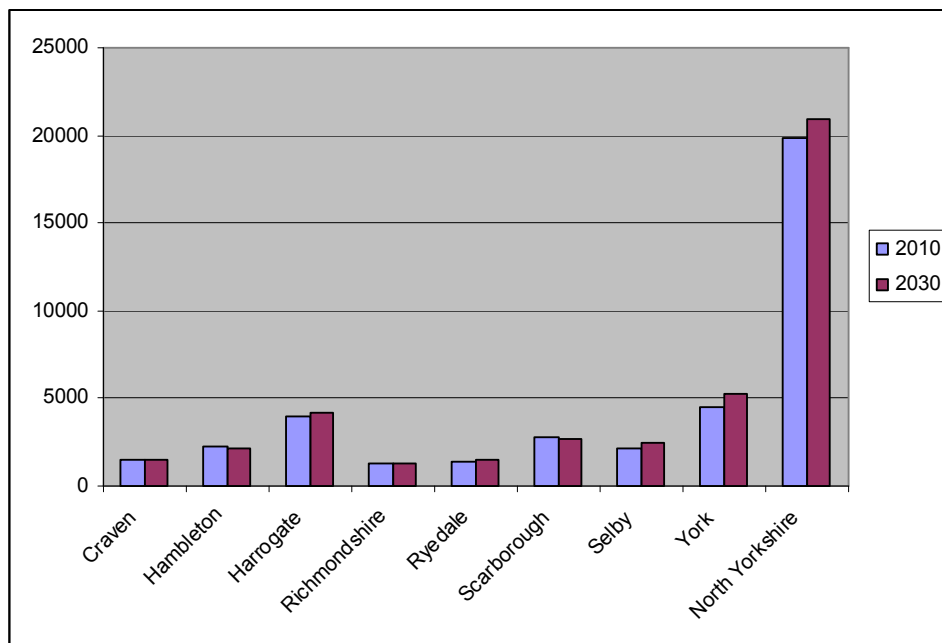
		2010	2015	2020	2025	2030	Change Between 2010- 2030	% Change Between 2010- 2030
Scarborough	Moderate Physical Disability	5,452	5,327	5,419	5,433	5,331	-121	-2.2%
	Serious Physical Disability	1,696	1,635	1,682	1,702	1,659	-37	-2.2%
Selby	Moderate Physical Disability	4,287	4,381	4,612	4,748	4,761	474	11.1%
	Serious Physical Disability	1,314	1,333	1,420	1,480	1,477	163	12.4%
City of York	Moderate Physical Disability	9,668	9,930	10,366	10,729	10,973	1,305	13.5%
	Serious Physical Disability	2,773	2,794	2,949	3,092	3,153	380	13.7%
North Yorkshire	Moderate Physical Disability	39,777	39,989	41,413	42,055	41,835	2,058	5.2%
	Serious Physical Disability	12,062	11,987	12,573	12,909	12,760	698	5.8%

Source: PANSI, 2010

9.58 Adults with physical disabilities require different levels of care depending on the severity of their disability. Individuals with a moderate personal care disability can perform tasks such as getting in and out of bed, dressing, washing and feeding with some difficulty. However a severe personal care disability can mean that the task requires someone to help.

9.59 The number of individuals with moderate personal care injuries will increase by 5.8% to approximately 21,000 people by 2030. The greatest increase will occur in Selby and York, with the number of individuals increasing 12.2% and 14.3% respectively. In contrast to the sub-regional trend Scarborough (-2.1%) and Hambleton (-6.0%) will experience a decrease in those with moderate personal care disabilities.

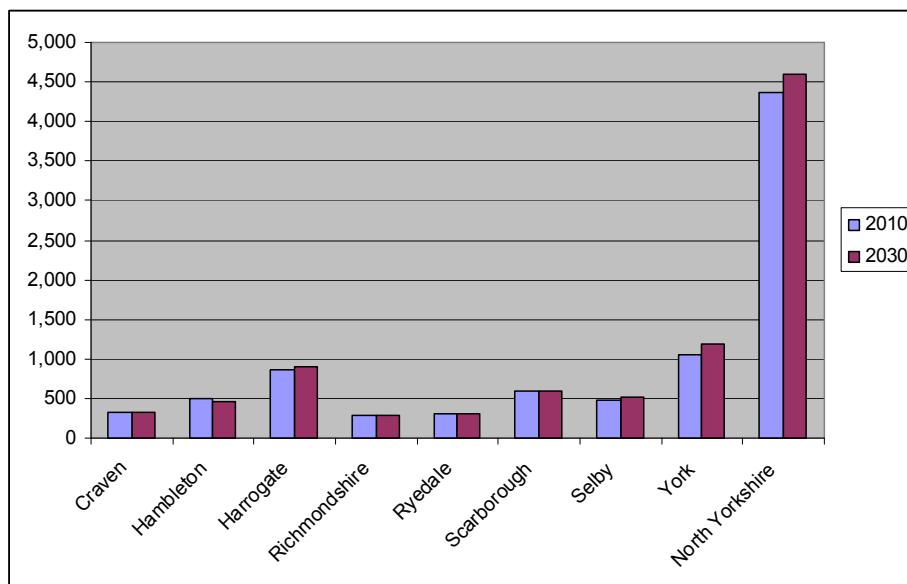
Figure 9. 27: Forecasts of Moderate Personal Care Disability 2010- 2030, North Yorkshire, Local Authorities



Source: PANSI, 2010

9.60 The forecast trend for serious personal care disability is very similar to the trend for moderate personal care disability, with a sub-regional increase of 5.1%. Hambleton (-6.7%) and Scarborough (-2.3%) again display a reduction in the number of people with a serious personal care disability whilst Selby (+11.2%) and City of York (13.5%) display increases significantly above the North Yorkshire average.

Figure 9. 28: Forecasts of Serious Personal Care Disability 2010- 2030, North Yorkshire, Local Authorities



Source: PANSI, 2010

- 9.61 It is evident from the analysis within this sub-section that existing adapted and suitable stock is under significant pressure from existing needs of households with support needs. The analysis has identified that a substantial proportion of households with support needs are not currently having their needs met within their own home with a broad range of adaptations or specific requirements identified.

- 9.62 Going forward, across North Yorkshire, the projections from the PANSI and POPPI systems identify that this pressure is likely to increase over the plan period. Growing numbers of households with learning or physical disabilities will place further strain on existing suitable properties and housing support services. The overall capacity of suitable stock will need to continue to grow in order to meet needs and this will require careful consideration at a strategic level across North Yorkshire and within the individual authorities.

Homeless People

- 9.63 This sub section focuses on providing a short profile of the current housing characteristics of the homeless across North Yorkshire recognising that they form a core part of housing need in the sub-region.
- 9.64 The levels of homelessness in North Yorkshire varies significantly throughout North Yorkshire with Richmondshire, Scarborough and York demonstrating relatively high rates of homelessness in the period 2009/10. In contrast Craven has 0.3 homeless per 1000 households which is the lowest rate in North Yorkshire.
- 9.65 Homelessness has fallen in every Local Authority district in the period 2004/05- 2009/10. Scarborough (-4.1), City of York (-3.9), Richmondshire (-3.7) and Harrogate (-3.6) have demonstrated the largest falls in the number of homeless per 1000 households although all these reductions have been from relatively high base levels.

Figure 9. 29: Number of Homeless per 1000 Households, 2004-2010 North Yorkshire, Local Authorities

	Number of Homeless per 1000 Households						Change from 2004/05-2009/10
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	
Craven	1.3	1.0	1.2	1.3	0.2	0.3	-0.9
Hambleton	2.9	2.3	2.1	1.8	1.7	1.3	-1.6
Harrogate	4.8	2.2	2.2	2.1	2.3	1.2	-3.6
Richmondshire	6.9	-	4.0	5.5	2.9	3.2	-3.7
Ryedale	3.0	2.9	1.7	1.6	0.8	0.7	-2.3
Scarborough	6.2	4.4	4.2	3.3	2.2	2.1	-4.1
Selby	3.0	3.0	2.9	2.4	3.0	1.5	-1.5
City of York	5.4	5.3	2.7	3.2	2.5	1.6	-3.9

Source: CLG Live Tables, 2010

- 9.66 Overall the assessment of housing need undertaken in Section 7 highlights that whilst homelessness remains an important issue which will continue to need to be addressed through the management of stock as well as other socio-economic solutions that significant progress has been made in reducing levels across the area. Careful monitoring will be required of homelessness levels with continued pressure on existing affordable properties and the impacts of the recession and changing economic circumstances are fully realised.

Black and Minority Ethnic (BME) Groups

9.67 This sub section focuses on providing a short profile of the current housing characteristics of BME groups across North Yorkshire recognising that they form a relatively small component currently within each of the individual authorities.

Profiling

9.68 The PANSI / POPPI datasets include updated demographic profiling information. These estimate that in mid 2007 3.6% of people in North Yorkshire were from a BME Group. The largest BME ethnic group in North Yorkshire is the Asian or Asian British community then the Chinese or Other Ethnic Group. The BME population tends to be concentrated within the younger age cohorts, with 4.4% of those aged 18-64 from a BLE ethnic group. In contrast 99.2% of those aged 65+ in North Yorkshire are classified as White.

9.69 The ethnic mix varies by Local Authority area with Craven and York having the most diverse populations - with 5.3% and 6.5% respectively of those in the 18-64 age group belonging to a BME ethnic group. In contrast Hambleton has the least diverse population with only 2.3% of those aged 18-64 from a BME ethnic group compared to the North Yorkshire average of 4.4%.

Figure 9. 30: Ethnic Group by Age Group, 2007, North Yorkshire, Local Authorities

Ethnic Group	Craven		Hambleton		Harrogate		Richmondshire		Ryedale		Scarborough		Selby		City of York		North Yorkshire	
	18-64	65+	18-64	65+	18-64	65+	18-64	65+	18-64	65+	18-64	65+	18-64	65+	18-64	65+	18-64	65+
White	94.7%	99.0%	97.7%	99.4%	95.6%	99.0%	96.2%	99.4%	96.9%	99.5%	96.1%	99.3%	97.1%	99.4%	93.5%	99.2%	95.6%	99.2%
Mixed Ethnicity	0.6%	0.1%	0.5%	0.1%	0.9%	0.2%	0.6%	0.2%	0.6%	0.1%	0.7%	0.1%	0.5%	0.1%	1.0%	0.2%	0.7%	0.1%
Asian or Asian British	2.7%	0.6%	0.9%	0.3%	1.2%	0.3%	2.1%	0.3%	1.0%	0.2%	1.4%	0.3%	1.1%	0.3%	2.6%	0.4%	1.7%	0.3%
Black or Black British	0.7%	0.1%	0.4%	0.1%	1.0%	0.2%	0.5%	0.1%	0.5%	0.1%	0.6%	0.2%	0.5%	0.1%	0.9%	0.1%	0.7%	0.1%
Chinese or Other Ethnic Group	1.3%	0.2%	0.5%	0.1%	1.3%	0.3%	0.6%	0.1%	1.0%	0.1%	1.2%	0.1%	0.7%	0.1%	2.1%	0.2%	1.3%	0.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: POPPI/ PANSI, 2007

Current Housing Profile / Choices

- 9.70 The North Yorkshire Strategic Housing Partnership commissioned a specific piece of research into the BME and Migrant Worker communities in North Yorkshire. This study entitled 'The study of the housing and related needs to the Black and Minority Ethnic and Migrant Worker communities in North Yorkshire 2009' provides a detailed assessment of the BME and Migrant community's housing needs, including an examination of the levels of satisfaction with their current housing situation.
- 9.71 The research suggested that currently the BME community are over represented in the social housing tenure and this is likely to increase due to continued migration, continued economic disadvantage, unaffordable house prices and the reliance of first-time buyers on their parents for help.
- 9.72 The 2011 Household Survey gathered information to establish the ethnic group of the respondent (taken to represent the head of the household) for each household sampled within the survey. This therefore allows a headline analysis of the tenure breakdown based upon this dataset and demonstrates a variable concentration of BME households within the social housing tenure between authorities and when compared to the North Yorkshire average.

Figure 9. 31: B&ME Households – Ethnicity & Current Tenure, North Yorkshire, Local Authorities

Ethnic Background	B&ME Households - Current Tenure : North Yorkshire Authorities							
	Current Location							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Own it outright	29.1%	23.6%	11.6%	23.6%	22.0%	41.0%	23.6%	21.3%
Own it with a mortgage or loan	34.4%	20.9%	61.2%	44.0%	41.7%	54.7%	38.7%	45.8%
Intermediate	.0%	.0%	3.9%	.0%	.0%	.0%	2.7%	2.2%
Social Rent	2.8%	28.8%	3.9%	4.7%	10.2%	2.0%	5.5%	6.6%
Rent it from a private landlord (inc. Students & renting from friend / relative)	33.8%	26.7%	19.3%	22.7%	26.1%	2.3%	29.0%	23.6%
Tied Accommodation	.0%	.0%	.0%	5.0%	.0%	.0%	.0%	.3%
Live with family or friends	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Managed student accommodation	.0%	.0%	.0%	.0%	.0%	.0%	.4%	.1%
Other	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

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- 9.73 The North Yorkshire BME and Migrant Research (2009) identified that the most prevalent property type amongst BME households is semi detached (26.1%), followed by slightly smaller numbers who live in a flat or apartment (25.7%) and a terraced house (23.8%). Those living in a detached home equated to around one in five (19.2%).
- 9.74 Tenure choices were also identified as varying between different ethnic groups, with 45.9% of the Asian group owner occupiers with a further 24.3% being private renters. In contrast, half of the Black community rented in the private sector (50.0%) and just one in five owned their own home (20.0%). Similarly, 32.3% of the Mixed group were privately renting and 35.5% were home owners.
- 9.75 A2 and A8 migrant workers were examined separately in the report as it was recognised that migrant workers as a group have distinctive experiences, needs and aspirations.
- 9.76 The most common type of accommodation amongst A2 and A8 migrant workers was a flat followed by a terraced house, at 37% and 31% of respondents respectively. 79% of migrant workers privately rent their accommodation, with just 7% in the owner occupier tenure. This is to be expected given that the majority of people find their accommodation through family and friends or other people from their home country who are themselves living in this tenure.
- 9.77 The 2011 Household Survey provides an updated position regarding the financial capacity of BME households providing an insight into potential affordability issues facing households. This information highlighted a diverse income profile with relatively high representation of higher earning households, however, it also identified that over 44% of households had incomes below £31,200, and almost 15% of those households had an income below £13,000, suggesting that affordability issues as with households across North Yorkshire represents a significant challenge for BME households.
- 9.78 The survey also provided information around the levels of savings of BME households. This highlights that issues of negative equity and debt appear more prevalent within BME households, although a relatively healthy proportion (9%) also had savings of up to £10,000.
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- 9.79 The 2009 research⁴⁵ looked in detail at occupancy of properties. This found that overcrowding represented a particular housing issue facing BME households, with 22.9% of BME households stating that they are living in overcrowded circumstances. The large size of households has contributed to overcrowding with 21.3% of BME households in North Yorkshire containing four people, 18.8% containing three people and 11.3% containing seven or more members. The majority of the larger households tend to be from the Other ethnic group and to a lesser extent, the Asian community. Overcrowding is a problem which extends across different tenures with 21.7% of home owners, 21.1% of those renting privately, 16.0% of those in social housing and 45.7% of those living in tied accommodation stating that they are living in overcrowded conditions.
- 9.80 The research in its separation out of migrant workers also identified that overcrowding is an issue amongst migrant workers, with 20% of respondents stating that they did not have enough space in their current home. 10% of respondents were sharing a bedroom with people who were not family members. Unsurprisingly, in this context 10% indicated that they were dissatisfied with their current accommodation.
- 9.81 The 2009 research also looked at support needs of BME households identifying that a minority of respondents reported that someone in their household received support from either other family members or an outside agency to help them with undertaking day-to-day tasks. The figure among the Mixed group was 12.9% compared with 9.3% of the Asian households, 5.0% of the Black community and 4.5% of those in the Other ethnic group. In the vast majority of cases (92.3%) the support provided was deemed to meet the needs of the individual concerned as the table below confirms.
- 9.82 The BME study (2009) also identified that 55% of respondents stated that they intended to move in the next year, with 45% stating that their preference is to live in private rented accommodation and 22% aspiring to own their own home.
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⁴⁵ 'The study of the housing and related needs to the Black and Minority Ethnic and Migrant Worker communities in North Yorkshire 2009'

Young Person Households

- 9.83 The analysis of future household projections within Section 7 identified that the working age population is projected to proportionally decrease across North Yorkshire. The migration of young family households into the area in particular has played an important part historically in terms of the changing demographic profile of the area.
- 9.84 The housing markets of large parts of North Yorkshire represent an attractive market for younger families with high quality of life and key services such as schools. This section therefore looks at the current profile of young households and their current housing position and potential challenges in the future.
- 9.85 In addition to young family households the section also considers the housing characteristics and issues facing young single households. This represents a particularly dynamic part of the housing market with the analysis in Section 6 highlighting the particular issues facing first time buyers of which these households form an important part.

Young Family Households – Current and Future Housing Requirements

- 9.86 The following figure presents the household composition of young family households across North Yorkshire and within each Local Authority. For the purposes of analysis, young family households are classified as households with adults aged 16-35 with dependent child(ren) aged under 16.
- 9.87 At the North Yorkshire scale, on average, couple households with children are the most prevalent – representing 69% of young family households. There also exist a large proportion of single-parent households with children, which represent 29% of young family households. The proportion of single-parent households varies considerably between Local Authorities – most pronounced in Scarborough, at 43%, and least prevalent in Hambleton at 23%. The high prevalence of single-parent households in some Local Authorities is likely to have implications for social and childcare support service requirements in order to enable such households to be economically active.
- 9.88 The subsequently figure provides distributes young family households by their current housing tenure.
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Figure 9. 32: Young Family Households – Household Composition, North Yorkshire, Local Authorities

Household Composition	Young Family Households - Household Composition: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Couple	69.9%	77.2%	76.7%	63.4%	70.5%	56.9%	67.1%	68.8%
Lone Parent	24.7%	22.8%	23.3%	33.2%	25.7%	43.1%	29.5%	29.1%
Other multi-person	5.4%	.0%	.0%	3.4%	3.8%	.0%	3.4%	2.0%
One person	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 33: Young Family Households – Current Tenure, North Yorkshire, Local Authorities

Household Tenure	Young Family Households - Household Tenure: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Own it outright	4.8%	1.6%	4.0%	3.0%	2.2%	1.2%	.7%	2.1%
Own it with a mortgage or loan	51.3%	50.0%	56.8%	34.7%	44.4%	38.6%	50.3%	48.0%
Intermediate	.0%	4.5%	.9%	2.0%	.0%	1.7%	5.8%	3.0%
Social Rent	14.0%	20.2%	17.8%	19.6%	19.5%	24.1%	31.4%	23.3%
Rent it from a private landlord (inc. Students & renting from friend / relative)	29.9%	23.4%	19.8%	40.0%	28.9%	34.5%	11.1%	22.9%
Tied Accommodation	.0%	.3%	.7%	.0%	1.2%	.0%	.7%	.5%
Live with family or friends	.0%	.0%	.0%	.0%	3.8%	.0%	.0%	.3%
Managed student accommodation	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Other	.0%	.0%	.0%	.7%	.0%	.0%	.0%	.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

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- 9.89 The previous table illustrates that young family households are predominantly focused within the owner occupied tenure across North Yorkshire – with 48% owning with a mortgage or loan and a further 2% owning their home outright. The highest levels of owner occupation are within Harrogate (over 60%), with the lowest levels in Scarborough (under 40%).
- 9.90 The social rented sector and private rented sector are the other most prevalent tenures, and appear in relative balance at the North Yorkshire scale – with both accommodating approximately 23% of young family households. As with the owner occupied sector, however, this masks considerable variation at the Local Authority scale. The highest proportion of social renting is within City of York (31%), which is likely to be at least in part reflective of the high open market property prices in the area, which act as an affordability challenge. Scarborough also has a high proportion of young families in social rented accommodation (24%), which is less likely to be as a result of property prices, and more likely to be caused by low household incomes in the borough causing affordability challenges (linked to economic activity rates and the borough's occupational structure).
- 9.91 The intermediate tenure houses only a small proportion (3%) of young family households across North Yorkshire, with City of York (5.8%) and Hambleton (4.5%) recording the highest proportions at the Local Authority scale.
- 9.92 The following tables turn to consider the current property type and accommodation size circumstances of young family households across North Yorkshire.
- 9.93 Semi-detached (41%) and terraced (33%) dwellings house the majority of young family households across North Yorkshire, with lower proportions of households residing in larger detached (18%) and smaller flatted (8%) accommodation.
- 9.94 Reflecting the typology of stock in which young family households are residing, these households live predominantly in mid-size 3 bedroom (55%) and smaller 2 bedroom (26%) homes across North Yorkshire.
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Figure 9. 34: Young Family Households – Current Property Type & Accommodation Size, North Yorkshire, Local Authorities

Property Type	Young Family Households - Property Type: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Detached	16.7%	26.0%	17.2%	22.3%	22.1%	11.6%	15.3%	17.8%
Semi-Detached	25.5%	41.2%	38.7%	36.0%	44.1%	35.3%	48.1%	40.8%
Terrace	56.3%	29.2%	39.9%	29.8%	33.8%	37.2%	25.1%	33.2%
Flat, maisonette or apartment	1.5%	3.6%	4.1%	12.0%	.0%	15.9%	11.5%	8.1%
Mobile or temporary structure	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Accommodation Size (Bedrooms)	Young Family Households - Accommodation Size (Bedrooms): North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Studio/Bedsit	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
1 Bedroom	.0%	.0%	.0%	.7%	.0%	2.9%	1.4%	.9%
2 Bedrooms	30.9%	22.7%	18.9%	32.4%	27.1%	22.8%	30.5%	26.1%
3 Bedrooms	53.5%	53.0%	53.4%	53.0%	63.8%	61.5%	52.9%	55.1%
4 + Bedrooms	15.6%	24.2%	27.7%	13.8%	9.2%	12.8%	15.2%	17.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

9.95 The following table turns analysis to consider the housing type expectations of young family households who stated their intention to move home within the next two years. The majority of households expect to move into either a detached or semi-detached property – 33% respectively. This represents a step up in property size from the current household size for a number of households – with only 18% currently residing in detached housing.

Figure 9. 35: Young Family Households Intending to Move Home (Next 2 Years) – Expected Type, North Yorkshire, Local Authorities

Property Type Expectation	Young Family Households Intending to Move Home in Next 2 Years - Property Type Expected: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
A whole house that is: Detached	23.6%	29.4%	56.0%	22.9%	21.8%	21.7%	32.5%	32.7%
A whole house that is: Semi-detached	33.8%	38.5%	27.8%	38.9%	44.0%	45.5%	26.0%	32.7%
A whole house that is: Terraced (including end-terrace)	19.0%	20.3%	.0%	25.1%	21.2%	20.3%	17.4%	16.3%
A whole bungalow that is: Detached	11.8%	5.0%	1.0%	3.7%	8.9%	6.2%	9.4%	6.7%
A whole bungalow that is: Semi-detached	11.8%	3.6%	.0%	3.7%	4.1%	6.2%	4.6%	4.3%
A whole bungalow that is: Terraced (including end-terrace)	.0%	1.5%	.0%	5.7%	.0%	.0%	4.6%	2.5%
A flat, maisonette, or apartment that is: In a purpose built flat / apartment scheme or development	.0%	1.5%	15.3%	.0%	.0%	.0%	5.4%	4.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

- 9.96 The following table presents the main reasons cited by young family households for wanting to move home within the next two years. This was presented in the survey as multiple choice meaning households had the option of select more than one reason.
- 9.97 Analysis indicates that the majority of such households across North Yorkshire want to move to a larger or higher quality property (70%), with over a quarter (28%) wanting to move to a more pleasant neighbourhood. Nearly 26% want a larger garden, over 15% stated that they felt overcrowded in their existing home and 14% wanted to move to be within a particular school catchment.
- 9.98 The subsequent table cross-references the current location of young family households, which intend to move in the next two years, with their expected location (as a result of the move). This provides an understanding of the relative containment of such households within North Yorkshire, their current Local Authority and the potential migratory flows between areas.
- 9.99 This suggests that the highest level of containment (movement within existing Local Authority) is within Craven and Scarborough – with 100% of expected household moves remaining within each authority.
- 9.100 In contrast, containment of young family households is expected to be lowest within Hambleton (59%), with other households predominantly looking to move to Richmondshire (13%) and City of York (9%).

Figure 9. 36: Young Family Households Intending to Move Home (Next 2 Years) – Main Reasons for Moving Home, North Yorkshire, Local Authorities

Reason for Moving	Young Family Households Intending to Move Home in Next 2 Years - Reason for Moving: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Want larger property or one which is better in some way	56.6%	68.2%	73.8%	63.4%	53.1%	73.9%	73.1%	69.6%
Need smaller property (previous property difficult to manage)	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Cannot afford rent / mortgage payments	9.5%	15.3%	12.8%	3.2%	8.9%	.0%	16.1%	10.4%
Need housing suitable for older / disabled person	25.0%	.0%	1.0%	3.2%	6.1%	1.4%	.0%	2.3%
Want to buy	27.9%	14.3%	15.8%	18.4%	21.6%	5.2%	8.7%	12.6%
Lacking or need separate kitchen / bathroom / toilet	.0%	2.8%	.0%	.0%	.0%	.0%	7.2%	2.5%
Very dissatisfied with state of repair of home	11.0%	20.0%	13.5%	14.2%	3.0%	.0%	7.2%	8.6%
Want own home / live independently	20.2%	.0%	.0%	3.2%	12.9%	.0%	1.9%	2.9%
Divorce / separation / family stress	.0%	.0%	2.0%	.0%	.0%	11.1%	.0%	2.5%
Marriage / to live together	14.6%	.0%	5.5%	5.9%	12.0%	2.5%	.0%	3.6%
Living in temporary accommodation (e.g. B&B, short term with family / friends)	.0%	.0%	.0%	.0%	10.9%	.0%	.0%	1.0%
Forced to move (e.g. eviction, repossession, tenancy ending, have to leave family home)	9.3%	8.4%	2.4%	11.0%	10.9%	3.3%	.0%	4.2%
To be closer to family / friends to give / receive support	14.9%	15.3%	11.7%	9.6%	16.8%	.0%	17.7%	12.1%
To be closer to family / friends for social reasons	.0%	8.4%	14.4%	15.5%	23.8%	.7%	25.4%	14.8%
To move to a better neighbourhood / more pleasant area	4.3%	18.4%	36.3%	11.5%	6.9%	18.0%	46.4%	28.0%
To be closer to facilities (e.g. shops, doctors).	12.9%	15.6%	2.0%	3.2%	13.3%	7.6%	3.5%	6.6%

Reason for Moving	Young Family Households Intending to Move Home in Next 2 Years - Reason for Moving: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
To be closer to work / new job	12.1%	20.1%	7.5%	18.8%	15.7%	2.6%	19.3%	13.4%
To be in a particular school catchment	26.3%	14.8%	.6%	25.7%	5.1%	6.9%	24.2%	14.1%
To be closer to university / college etc	4.3%	3.5%	.0%	.0%	4.5%	.0%	.0%	1.0%
Want smaller garden	.0%	.0%	.0%	4.5%	1.3%	.0%	15.8%	5.4%
Want larger garden	29.6%	35.3%	39.0%	18.0%	18.3%	13.5%	25.1%	25.4%
Harassment / threat of harassment / crime	.0%	9.1%	1.1%	.0%	4.3%	.0%	.0%	1.5%
Overcrowding	4.3%	4.2%	6.5%	7.9%	20.5%	2.4%	33.7%	15.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 37: Young Family Households Intending to Move Home (Next 2 Years) – Expected Location, North Yorkshire, Local Authorities

Expected Location	Young Family Households Intending to Move Home in Next 2 Years - Expected Location: North Yorkshire Authorities						
	Existing Location						
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
Craven	100.0%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%
Hambleton	0.0%	59.2%	5.3%	1.8%	2.3%	0.0%	0.0%
Harrogate	0.0%	5.3%	67.6%	0.0%	0.0%	0.0%	0.0%
Richmondshire	0.0%	12.5%	1.4%	74.8%	0.0%	0.0%	0.0%
Ryedale	0.0%	2.1%	0.0%	0.0%	72.7%	0.0%	0.0%
Scarborough	0.0%	0.0%	0.0%	6.9%	3.8%	100.0%	0.0%
City of York	0.0%	9.1%	15.0%	0.0%	15.2%	0.0%	74.2%
Selby	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leeds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hull / East Riding of Yorkshire	0.0%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Bradford	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Elsewhere in Yorkshire and Humber	0.0%	5.9%	2.3%	0.0%	0.0%	0.0%	2.9%
North East	0.0%	0.0%	0.0%	3.8%	0.0%	0.0%	0.0%
North West	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
East Midlands	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Elsewhere in the UK	0.0%	0.0%	7.2%	12.7%	6.0%	0.0%	13.9%
Outside of the UK	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%	9.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

- 9.101 The following figure considers the location and accommodation size expectations of young family households expecting to move home within the next two years. At the North Yorkshire scale, 3 bedroom property is the most popular housing choice (54%), followed by 4+ bedroom property (38%).
- 9.102 The City of York is the destination recording the highest proportion of expected household moves across North Yorkshire (28%), with Scarborough following (21%). Craven is the Local Authority that is expected to be a destination for the lowest levels of young family households (4.9%).
- 9.103 Over 12% of young family households expect to move outside of North Yorkshire.

Figure 9. 38: Young Family Households Intending to Move Home (Next 2 Years) – Expected Location & Accommodation Size, North Yorkshire, Local Authorities

Expected Accommodation Size (Bedrooms)	Young Family Households Intending to Move Home in Next 2 Years - Expected Location & Accommodation Size: North Yorkshire Authorities								
	Expected Location								
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	Outside of North Yorkshire	Total
Studio/Bedsit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1 Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2 Bedrooms	0.0%	1.4%	0.4%	0.3%	1.0%	1.2%	3.3%	0.9%	8.5%
3 Bedrooms	3.5%	4.4%	4.3%	4.3%	4.0%	10.4%	15.8%	7.3%	54.0%
4 + Bedrooms	1.4%	2.0%	7.1%	2.3%	2.0%	9.2%	9.2%	4.4%	37.6%
Total	4.9%	7.8%	11.8%	6.9%	7.0%	20.7%	28.3%	12.6%	100.0%

Source: Household Survey, 2011

Young Single Person Households

- 9.104 This section considers the current housing circumstances, issues and future intentions of young single households within North Yorkshire. For the purposes of analysis young single person households are classified as households consisting of a single adult aged 16 to 35 years of age.
- 9.105 Analysis of the current tenure of young single person households currently residing in North Yorkshire indicates that owner occupation is the most prevalent tenure for young single person households in North Yorkshire, with approximately 41% owning

their property with a mortgage or loan and a further 4% owning their home outright. This does, however, vary considerably at the Local Authority scale, with almost 50% of households in City of York owning with a mortgage or loan, compared to just 9% in Scarborough.

- 9.106 The private rented sector also plays an important housing role for young single person households, with 42% of households across North Yorkshire renting privately.
- 9.107 The following tables present firstly the current property type breakdown for young single person households across North Yorkshire, followed by the size of property (bedrooms).
- 9.108 The majority of households reside in smaller flatted homes (54%), with fewer households residing in terraced (31%) homes and larger semi-detached (11%) and detached (5%) homes. Residence in flatted accommodation is particularly concentrated in City of York (63%) and Scarborough (66%).
- 9.109 Young single person households in North Yorkshire primarily reside in 2 bedroom (43%) and 1 bedroom (41%) accommodation.

Figure 9. 39: Young Single Person Households – Current Property Type, North Yorkshire, Local Authorities

Property Type	Young Single Person Households - Property Type: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Detached	5.3%	10.9%	9.5%	14.8%	20.5%	2.4%	.0%	4.8%
Semi-Detached	6.6%	22.0%	23.3%	30.9%	13.7%	11.6%	3.6%	10.7%
Terrace	53.1%	30.3%	22.7%	18.6%	27.9%	19.6%	33.7%	30.6%
Flat, maisonette or apartment	35.0%	36.8%	44.5%	35.7%	33.4%	66.4%	62.8%	53.7%
Mobile or temporary structure	.0%	.0%	.0%	.0%	4.5%	.0%	.0%	.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 40: Young Single Person Households – Current Accommodation Size, North Yorkshire, Local Authorities

Accommodation Size (Bedrooms)	Young Single Person Households – Accommodation Size (Bedrooms): North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Studio/Bedsit	3.0%	.0%	.0%	10.6%	12.4%	18.9%	5.6%	6.6%
1 Bedroom	35.9%	27.5%	41.0%	13.6%	30.6%	45.1%	47.8%	41.2%
2 Bedrooms	34.5%	65.3%	42.2%	59.5%	27.7%	28.5%	45.1%	43.1%
3 Bedrooms	26.7%	7.2%	16.8%	16.3%	27.8%	7.4%	1.5%	9.0%
4 + Bedrooms	.0%	.0%	.0%	.0%	1.4%	.0%	.0%	.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

9.110 The following tables consider young single person households that stated an expectation to move home within the next two years. The figures present household's property type expectations, household's main reasons for wanting to move home, household's location and dwelling size (bedroom) expectations.

9.111 The analysis indicates:

- Households across North Yorkshire most expect to move into a semi-detached property (39%), followed by a terraced house (22%) and a flat or apartment (19%).
- The most popular reason for wanting a move is to move to a property that is larger or higher quality (62%), marriage or to move in with a partner (30%) and to be closer to work or move for a new job (26%).
- The location choice of households demonstrates containment levels vary widely across the North Yorkshire Local Authorities. Containment is highest in Harrogate (93%) and lowest in Craven (54%). The latter suggests almost 50% of young single person households considering a move in Craven are looking to move out of the area.
- The majority of young single person households that want to move in the next two years expect to move into a 2 bedroom property (56%), with a fifth (20%) also expecting to move into a larger 3 bedroom property.

Figure 9. 41: Young Single Person Households Intending to Move Home (Next 2 Years) – Expected Accommodation Type, North Yorkshire, Local Authorities

Property Type Expectation	Young Single Person Households Intending to Move Home in Next 2 Years - Property Type Expected: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
A whole house that is: Detached	.0%	12.1%	2.4%	.0%	32.1%	14.2%	3.4%	8.5%
A whole house that is: Semi-detached	12.4%	37.4%	77.3%	61.9%	16.2%	13.7%	40.1%	38.9%
A whole house that is: Terraced (including end-terrace)	72.5%	22.8%	20.3%	17.5%	17.4%	57.9%	15.9%	22.2%
A whole bungalow that is: Detached	.0%	9.2%	.0%	.0%	6.9%	14.2%	.0%	2.8%
A whole bungalow that is: Semi-detached	.0%	9.2%	.0%	.0%	6.9%	.0%	.0%	2.2%
A whole bungalow that is: Terraced (including end-terrace)	.0%	9.2%	.0%	.0%	6.9%	.0%	.0%	2.2%
A flat, maisonette, or apartment that is: In a purpose built flat / apartment scheme or development	15.0%	.0%	.0%	.0%	6.9%	.0%	37.2%	19.4%
A flat, maisonette, or apartment that is: Part of a converted or shared house (includes bed sits)	.0%	.0%	.0%	20.5%	.0%	.0%	3.4%	3.0%
A flat, maisonette, or apartment that is: In a commercial building (e.g. an office building / hotel / over a shop)	.0%	.0%	.0%	.0%	6.9%	.0%	.0%	.9%
Mobile or temporary structure: A caravan or other mobile or temporary structure	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 42: Young Single Person Households Intending to Move Home (Next 2 Years) – Main Reasons for Moving Home, North Yorkshire, Local Authorities

Reason for Moving	Young Single Person Households Intending to Move Home in Next 2 Years - Reason for Moving: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
Want larger property or one which is better in some way	44.8%	75.0%	88.9%	65.6%	59.9%	81.5%	55.2%	62.4%
Need smaller property (previous property difficult to manage)	6.0%	.0%	.0%	.0%	17.1%	7.2%	.0%	2.1%
Cannot afford rent / mortgage payments	.0%	.0%	.0%	11.6%	29.4%	7.2%	13.2%	10.4%
Need housing suitable for older / disabled person	12.4%	.0%	.0%	.0%	9.7%	.0%	.0%	1.4%
Want to buy	32.3%	.0%	.0%	12.2%	21.1%	100.0%	14.8%	22.1%
Lacking or need separate kitchen / bathroom / toilet	.0%	.0%	.0%	.0%	.0%	52.0%	4.9%	7.8%
Very dissatisfied with state of repair of home	10.3%	.0%	20.3%	.0%	.0%	.0%	.0%	2.7%
Want own home / live independently	22.6%	.0%	.0%	.0%	23.8%	33.8%	5.7%	9.4%
Divorce / separation / family stress	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Marriage / to live together	17.1%	80.1%	9.8%	11.6%	50.2%	.0%	33.8%	29.5%
Living in temporary accommodation (e.g. B&B, short term with family / friends)	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Forced to move (e.g. eviction, repossession, tenancy ending, have to leave family home)	12.4%	.0%	.0%	.0%	4.0%	.0%	.0%	1.1%
To be closer to family / friends to give / receive support	20.7%	20.6%	20.3%	.0%	.0%	36.7%	3.1%	10.0%
To be closer to family / friends for social reasons	20.7%	20.6%	20.3%	.0%	9.7%	29.5%	7.5%	12.3%
To move to a better neighbourhood / more pleasant area	8.3%	20.6%	20.3%	29.4%	66.6%	.0%	14.2%	17.2%
To be closer to facilities (e.g. shops, doctors).	20.9%	.0%	.0%	.0%	26.8%	.0%	.0%	3.0%

Reason for Moving	Young Single Person Households Intending to Move Home in Next 2 Years - Reason for Moving: North Yorkshire Authorities							
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	North Yorkshire
To be closer to work / new job	38.4%	19.9%	11.1%	71.3%	48.7%	.0%	25.8%	26.3%
To be in a particular school catchment	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
To be closer to university / college etc	6.8%	.0%	.0%	.0%	.0%	.0%	9.3%	5.7%
Want smaller garden	.0%	.0%	.0%	.0%	.0%	52.0%	.0%	5.0%
Want larger garden	33.3%	34.4%	.0%	14.1%	17.1%	29.5%	28.6%	25.1%
Harassment / threat of harassment / crime	.0%	20.6%	.0%	.0%	16.4%	.0%	.0%	2.2%
Overcrowding	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 43: Young Single Person Households Intending to Move Home (Next 2 Years) – Expected Location, North Yorkshire, Local Authorities

Expected Location	Young Single Person Households Intending to Move Home in Next 2 Years - Expected Location: North Yorkshire Authorities						
	Existing Location						
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York
Craven	54.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hambleton	0.0%	55.1%	0.0%	0.0%	27.6%	0.0%	0.0%
Harrogate	0.0%	19.9%	97.3%	0.0%	0.0%	0.0%	4.2%
Richmondshire	7.0%	0.0%	0.0%	83.7%	0.0%	0.0%	0.0%
Ryedale	0.0%	0.0%	0.0%	0.0%	72.4%	7.2%	9.6%
Scarborough	0.0%	0.0%	0.0%	0.0%	0.0%	88.5%	6.1%
City of York	0.0%	14.8%	0.0%	0.0%	0.0%	0.0%	64.4%
Selby	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leeds	12.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hull / East Riding of Yorkshire	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%
Bradford	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Elsewhere in Yorkshire and Humber	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.5%
North East	7.9%	0.0%	0.0%	0.0%	0.0%	4.3%	0.0%
North West	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
East Midlands	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Elsewhere in the UK	8.3%	10.3%	0.0%	0.0%	0.0%	0.0%	5.7%
Outside of the UK	9.6%	0.0%	2.7%	16.3%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey, 2011

Figure 9. 44: Young Single Person Households Intending to Move Home (Next 2 Years) – Expected Location & Accommodation Size, North Yorkshire, Local Authorities

Expected Accommodation Size (Bedrooms)	Young Single Person Households Intending to Move Home in Next 2 Years - Expected Location & Accommodation Size: North Yorkshire Authorities								
	Expected Location								
	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	City of York	Outside of North Yorkshire	Total
Studio/Bedsit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%
1 Bedroom	0.9%	0.0%	0.0%	1.6%	3.2%	3.0%	2.1%	6.9%	17.7%
2 Bedrooms	1.6%	0.0%	13.1%	1.7%	4.4%	10.3%	20.8%	4.4%	56.4%
3 Bedrooms	0.8%	3.2%	1.2%	3.0%	0.3%	0.0%	10.1%	1.2%	19.8%
4 + Bedrooms	0.8%	2.6%	0.0%	0.0%	2.2%	0.0%	0.0%	0.0%	5.5%
Total	4.0%	5.8%	14.3%	6.4%	10.0%	13.4%	32.9%	13.1%	100.0%

Source: Household Survey, 2011

Gypsy, Travellers and Showpeople

Gypsy and Traveller Accommodation Assessment North Yorkshire Sub-region 2007/08

- 9.112 Gypsies and Travellers have played a long-standing role in society. However prejudice, discrimination and legislative changes have led to this group becoming increasingly marginalised. The ongoing social exclusion faced by Gypsies and Travellers has had ramifications on the choice and quality of their accommodation.

- 9.113 In North Yorkshire there are an estimated 888 Gypsy and Traveller households, which mainly comprise Romany households with smaller Irish Traveller and Showpeople communities. Within North Yorkshire there are 11 local authority owned and 4 private Gypsy and Traveller sites, which provide 196 pitches. Local authority sites tend to have dedicated facilities, in comparison to private sites.

- 9.114 Satisfaction levels are lower on private sites, with residents citing the need for extra space and improvements to amenity blocks as the improvement issues which need to be resolved. 21.4% of local authority site respondents stated that their home was overcrowded. However by the majority of respondents this was not viewed as a problem.

- 9.115 Within North Yorkshire there is a current shortfall of 112 pitches. It is important to note that this assessment did not include an assessment of the needs of showpeople or for transit/ stop over sites both of which are required for the LDF evidence base. The table below shows how this figure is broken down by individual district.

Figure 9. 45: Current shortfall across the North Yorkshire sub-region (Extract)

	Existing Pitch Supply	Current Need	Vacant	Current Shortfall
Craven	10	17	0	7
Hambleton	34	61	13	14
Harrogate	40	54	0	14
Richmondshire	20	23	0	3
Ryedale	13	22	0	9
Scarborough	0	3	0	3
Selby	24	50	0	26
York	54	90	0	36

Source: Gypsy and Traveller Accommodation Assessment North Yorkshire Sub-region 2007/08

- 9.116 New provision may also be required for trailers or chalets, with 56.8% of respondents stating that they would prefer to own the land.
- 9.117 A subsequent study published in 2009 and titled 'North Yorkshire Accommodation Requirements of Showmen' produced by Arc4 added further requirements to the findings presented above. This identified a further requirement to deliver an additional 54 plots to meet the current identified need as identified by Showmen.

Bringing the Evidence Together

- 9.118 This section has focussed on assessing the housing requirements of specific groups. The intention in this section has been to draw together existing research already produced with the outputs of the SHMA analysis including, in particular, the findings of the 2011 primary household survey.
- 9.119 The findings of this section directly relate to core output 8 set out in the CLG Guidance and these are presented in Section 10. The analysis has drawn out a number of specific groups either considered to have specific housing requirements, which need to be carefully considered now and in the future, or considered to represent groups which are likely to represent a particularly dynamic part of this changing profile.

10. Drawing the Evidence Together – Conclusions

10.1 This Section brings together the conclusions from the analysis contained within this North Yorkshire SHMA report. Further short concluding sections are provided in each of the Local Authority Appendices providing information around distinctions at a sub-local authority level.

Introduction

10.2 The approach to this research has been based on a number of principles, which have ensured that the assessment recognises the wider market context within which the study has been undertaken and represents a robust and sound evidence base:

- The research has drawn on the latest and most up-to-date primary and secondary data sources including a comprehensive household survey, conducted as part of the SHMA, with over 16,000 individual household responses used to inform the analysis;
- Where data supporting similar indicators has been available from a number of sources a process of triangulation has been conducted to compare, contrast and, where relevant, align information to ensure inputs to the analysis represent the most comprehensive picture of the study areas;
- A number of models and approaches have been used to calculate future requirements in housing terms over the short and long-term. Recognising the complexity of the housing market and the informing drivers of change, whilst the research has identified the most 'probable' or 'realistic' projections in order to provide firm conclusions a range of sensitivities have been presented. This approach will ensure that the research can be responsive to a range of changing macro drivers; and
- Analysis has been conducted at the North Yorkshire, Authority level and the sub-local authority area level (with information provided within the accompanying Appendices) to ensure that spatial variations in trends and characteristics are considered through the analysis.

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- 10.3 The introduction in Section 1 introduces the purpose of this SHMA as being two fold:
- To provide a SHMA undertaken in accordance with government guidance and meeting PPS 3 requirements; and
 - To assist in supporting the North Yorkshire Partnership and Councils to fulfil their strategic housing role in planning housing investment that meets the needs of the community.
- 10.4 In this concluding section we therefore return to the core outputs of the DCLG Guidance and the wider research objectives introduced in Section 1 of the SHMA. In addition, throughout this structured approach to the conclusion we highlight wider issues and opportunities which will continue to represent an important consideration for future investment priorities for the authorities.

DCLG Core Outputs

Core Output 1: Estimates of current dwellings in terms of size, type, condition, tenure

- 10.5 An understanding of the areas housing offer, in terms of the profile of its existing stock, provides a valuable foundation from which to assess both the health of the current market and the capacity for the stock to match future requirements. North Yorkshire contains a **total of 356,239 dwellings of which 9,200 are vacant**, resulting in a total dwelling occupancy level of approximately 347,039 and a vacancy rate of approximately 2.6%, as at 2009/10.
- 10.6 In terms of the individual authorities City of York represents just over 20% of total stock, with almost 85,000 properties. Harrogate is the second largest in stock terms with almost 69,000 properties, followed by Scarborough 55,600. The other authorities all contain less than 40,000 properties with Ryedale and Richmondshire's total stock constituting between a quarter and a third of York's dwellings.
- 10.7 Considering the proportions of properties which are vacant all of the authorities have notably low levels of empty properties, particularly if long-term vacancy statistics are considered (properties vacant for more than 6 months). Richmondshire and Selby have particularly low levels of vacancy, considerably below the 3% level often

associated with a general allowance for churn, and York has the lowest level of long-term empty homes at 0.5%.

- 10.8 The authorities of North Yorkshire have all witnessed **new housing development** over recent years. Between 2004 and 2010 a total of approximately 16,950 new units have been delivered. This equates to an average of just over **2,800 per annum**. The pace of development has varied considerably over this time. Over recent years the highest net development level was recorded in 2006/07 with a steady fall off in subsequent years. More recent data suggests that levels have reduced significantly in line with national trends and linked to the onset of the credit crunch and subsequent recessionary economic climate.
- 10.9 At an authority level City of York has brought forward over a quarter of all these dwellings, delivering almost 4,700 properties between 2004 and 2010. Selby, Scarborough and Harrogate have all also delivered relatively large shares of development across the area (18%, 14% and 15% respectively). More detailed spatial analysis suggests this supply has, in line with planning policies, being directed at the existing larger urban settlements.
- 10.10 North Yorkshire's stock profile is heavily dominated by **private sector or market housing**. In the 2001 Census only just over 12% of stock was classified as **social rented**, considerably below the national average of almost 20%. Examining trend data, whilst absolute numbers have risen slightly, proportionally, social rented housing now represents an even smaller percentage of total stock. The tenure profile of stock is not uniform across the authorities with Selby, Scarborough and City of York having higher proportions, 13.4%, 13.3% and 15.1% respectively.
- 10.11 Analysis of the **types of dwellings** across North Yorkshire and the individual authorities, using information from the 2001 Census – which provides the latest definitive breakdown – demonstrates that the majority of dwellings are houses with only 12% of stock classified as flatted dwellings. Scarborough's profile differs from the other authorities in terms of this profile with flats representing almost 22% of stock. In terms of the breakdown of types of house the area stands out as having a high proportion of detached dwellings, 33.4% compared with a national average of 22.9%. Hambleton, Ryedale and Selby in particular stand out with detached properties constituting more than 40% of total stock.

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- 10.12 This stock profile has an impact on the distribution of **properties by size**. The 2011 Household Survey provides an up-to-date profile of the number of bedrooms in properties across the study area. Again the area is distinct in terms of the proportion of larger 4+ bedroom properties (26%), with Harrogate and Hambleton in particular recording comparatively high proportions. However, of all occupied properties across North Yorkshire, 3-bedroom properties are the most common, representing almost 40% of stock, with this trend true across all of the authorities. A similar profile was identified through Selby's SHMA with a high proportion of larger detached properties noted as an important characteristic of the stock in the authority. Scarborough, again shows a more unique profile with a considerably higher representation of 1 and 2 bedroom properties (12% and 29% respectively) than the other authorities and conversely a lower proportion of larger properties.
- 10.13 In terms of development trends an assessment of Council Tax data shows increases in bands D – H across all of the authorities except Scarborough. This suggests that development has largely consisted of more aspirational, often larger, family sized properties. Within specific markets, such as York City Centre, this trend is also likely to have been driven by the influx of developments of luxury apartment schemes. Within Scarborough the trend is reversed with a growth recorded in Band A and B classified properties.
- 10.14 The **quality of the housing stock** represents an additional layer of information in understanding the housing offer across North Yorkshire. In terms of households perceptions around the quality of their housing, the Household Survey provides an estimate of the number of households considering themselves to be living in housing suffering from serious disrepair. Across North Yorkshire the survey identified that almost 12,600 households considered their property to be in this state, constituting approximately 4% of total households. Ryedale, Hambleton and Harrogate recorded the highest percentages, although rates were relatively consistent across all of the authorities.

Core Output 2: Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price / affordability. Description of key drivers underpinning the housing market.

- 10.15 Official Statistics (released by the ONS) suggest that the population of North Yorkshire has risen, since 2001, by approximately 42,500, representing a 5.7% rise over nine years. This growth across the area is driven by varying levels of population change across each of the individual authorities. York is estimated to have seen the greatest absolute level of population increase, a growth of over 16,000 (9% increase). In proportional terms Richmondshire is estimated to have seen the highest level of growth over this period, with a growth of just over 10%⁴⁶. Harrogate and Selby have both also seen high levels of absolute growth, at over 5,000 people each (3.5% and 7.5% increase respectively). The lowest level of growth has been recorded in Craven in absolute terms, where the population has only grown by 2,200 people (4.1% increase) and in proportionate terms in Scarborough where the population has increased by only 2.5%.
- 10.16 This population uplift has been driven by a range of **demographic factors**. Migration into North Yorkshire has represented a key driver behind this growth with the balance of natural change (births minus deaths) actually showing a negative change (i.e. a reduction in the population linked to this component of demographic change). The split between international and internal (i.e. originating from within the UK) is relatively even, with both components clearly having a significant role to play in the levels of growth estimated to have occurred across the area.
- 10.17 In terms of these migratory flows these are primarily driven by people aged between 30 and 64 when considered across North Yorkshire, based upon analysis of data between 2002 and 2008. Across North Yorkshire there is a net outward migration trend of households aged between 20 and 29 reflecting the relatively footloose nature of people of this age and the role of movements associated with studying and working.

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- 10.18 Again when looking at the individual authorities there are evident differences between the role of the three demographic components in driving the growth in population since 2001. York, Harrogate and Richmondshire are all estimated to have witnessed high levels of net international migration, while in Hambleton, Ryedale, Scarborough and Selby net internal migration has represented the primary driver. Importantly the age of migrants also differs across authorities; the majority follow the North Yorkshire trend outlined above. However, York stands out as having a large level of in-migration of households aged between 15 and 19 reflecting the movement of students into the district. Selby also has a lower average age of migrants, with net growth in people aged between 20 and 44 and Harrogate has a fairly healthy net level of people migrating in aged between 20 and 24. Natural change is the least significant component of change and in some districts, such as Scarborough, Ryedale and Craven, the trend of a natural decrease is evidenced linked to this component.
- 10.19 The **economy** also represents an important driver of population and household growth. Over recent years the area has benefited from the economic growth of its primary urban centres and their proximity to other drivers of employment growth such as Leeds. The workforce across North Yorkshire has also been consistently productive with high levels of economic activity compared to national averages and low levels of unemployment (on average between 2004 and 2009 unemployment across North Yorkshire was 1.9% lower than England). The workforce also includes a high proportion of professional occupations / managers compared to other regional and national benchmarks.
- 10.20 The Household Survey provides data around the changing economic circumstances of households following the credit crunch and 2009 recession. This reveals that across all housing tenures there has been a fall in full-time employment levels between 2008 and 2010, with households in the private rented sector appearing to have been affected to the greatest extent. Against the full range of employment indicators households in the social rented sector appear to have been most affected however, with falls in full, part and self-employment and a 2.4% rise in unemployment.
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⁴⁶ Note: The analysis within Section 7 highlights potential estimation errors affecting authorities to differing degrees in terms of the official population estimates and future projections. The findings of Section 7 recognise that further research is required beyond the scope of this study to validate and update these datasets.

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- 10.21 These economic trends are reflected in the profiling of **incomes**. Across North Yorkshire average (median) incomes are relatively high. In addition households on average record relatively high levels of savings and/or have significant equity in property. These trends however, also mask the fact that there are a significant number of households with considerably lower incomes whose ability to exercise choice in the housing market is considerably more limited.
- 10.22 Whilst household growth, employment status and the income of households form important drivers in understanding the operation of the housing market, **house price transactions** and rental activity represent a direct indicator of the health of the market. Across North Yorkshire the analysis has shown that house prices now are considerably higher than they were in 2000. In terms of trends the market peaked across North Yorkshire, as with the rest of the UK in late 2007, at which point the average property price was just over £200,000. A period of marked decline resulted in prices dropping to £167,000 in June 2009 prior to rising to the current average of almost £180,000. Scarborough and Selby stand out as having lower average house prices across the study area with Harrogate in particular representing a contrast, recording very high average house prices, even in a national context which takes account of the market uplift effect of the South East.
- 10.23 These high average house prices continue to pose challenges in terms of affordability and the mobility of important parts of the housing market. Analysis of households' previous moves, and their expectations going forward from the Household Survey, demonstrate the impact of these problems in the market. The benchmarking of access to different tenures has highlighted that a significant proportion of households are essentially unable to exercise genuine choice within the market as a result of their financial capacity. This is in part driven by a proportion of households having low incomes but also, as a result of tightening mortgage lending regulations, increasingly also including households with higher incomes but low levels of savings or no equity in property (either first time buyers or households that bought at the peak of the market).
- 10.24 The rental market plays an important part in many of the markets across North Yorkshire. In areas such as the City of York and Harrogate the development of new apartment schemes have continued to grow this element of the housing offer and represent a dynamic component of the wider market. This tenure caters for a wide
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range of households including younger households, and in the case of York students, as well as families and older person households. Looking at the distribution of rents paid by households (sourced from the Household Survey) York and Harrogate have considerably higher proportions of households paying rents above £650 per month than other authorities, contrasting in particular with areas such as Scarborough where rents are considerably lower. These trends have also been confirmed through a detailed audit of advertised rental prices. It is important to recognise however, that the available supply of private rented properties is not evenly distributed with many of the more rural parts of North Yorkshire having limited quantities of stock of this tenure.

Core Output 3: Estimate of total future number of households, broken down by age and type where possible

- 10.25 The SHMA research has involved a detailed and robust assessment of the likely future change in the number of households across North Yorkshire. A range of population and household scenarios have been developed, taking account of demographic, economic and policy factors. This process has utilised the POPGROUP model (as described in Section 7).
- 10.26 Three core scenarios have been presented within the analysis, namely the Sub-National Population Projection (SNPP) trend data published by the ONS, a scenario showing growth solely linked to natural change and a scenario which constrains the population to forecast levels of employment change.
- 10.27 Each of these scenarios produces a range of estimated levels of household growth across North Yorkshire. Under the SNPP scenario, after population has been converted into households, the modelling projects a growth of almost 77,000 households between 2008 and 2026. This is moderated significantly under the natural change scenario with a growth of only 34,500 households projected, recognising that this remains a hypothetical scenario which could never in reality be realised. However, under the employment-constrained scenario a higher level of growth is projected. York has been excluded from this modelling with alternative research already prepared for the authority and cited in Section 7; however, with the exception of

Selby this scenario shows a higher level of growth for each of the other authorities across the County⁴⁷. Whilst the research assumes that the SNPP scenario represents a moderate estimate of potential growth based on the information available, a number of sensitivities are presented which suggest that levels of growth could in fact be slightly lower than this projected implies in a number of authorities. This relates to:

- The demographic assumptions underpinning the ONS/ DCLG released projections. In particular the analysis questions the validity of assumptions around the levels of international migration projected forward within the datasets based on comparisons with other datasets (GP registrations, NINO applications). This is likely to impact in particular on the high levels of growth projected in York and Richmondshire with a more moderated level of growth considered more likely based on lower future net levels of international migration into these authorities;
- Potentially reduced commuting patterns and reductions in inward migration linked to rising travelling costs and the affordability of many parts of the study area. Whilst not quantitatively assessed for their impact these factors are considered likely to have a suppressive role on the rate of growth in the long-term;
- Historic development rates. The supply of new housing has fallen considerably over recent years and even at its peak was not delivering at the levels annually that would be required to meet the projected growth in households under the SNPP scenario. At a simple level future household growth will be constrained with supply. The result of a lack of new development will potentially be a net reversal of migration trends and potentially an increase in commuting trends; and
- Future household formation rates. Affordability and household mobility issues have resulted in average household sizes changing less quickly than previously assumed in iterations of the DCLG Household Projections. Without a significant uplift in the development of new housing this trend is likely to

⁴⁷ Note: The employment forecasts upon which this scenario are based are detailed in Section 4. It is important to recognise that these are 'policy-off' projections produced regionally and do not necessarily reflect separately produced local authority forecasts.

continue impacting on the number of households that are able to form and potentially exacerbate incidents of over-crowding and the number of concealed households.

- 10.28 The analysis of population and household projections has included a detailed breakdown by age and household type. This clearly illustrates that under the SNPP scenario the **population will age significantly** across North Yorkshire with this particularly pronounced in a number of authorities. For example, Hambleton in 2001 had 22% of its total population aged over 60, however, under the SNPP projection this is estimated to rise to 38 by 2026. Whilst the rates of growth are slightly lower, this trend is replicated in the other authorities. The continued assumed in-migration of younger households into York means this trend is moderated to a greater extent, with the comparative figures rising from 21% to only 25%.
- 10.29 In terms of **household type** this demographic profile is translated into projected rises in single person and couple households, many of which are classified as older persons. Many of the authorities show low levels of projected growth in family households, with the absolute numbers actually declining in a number of authorities over the projection period.

Core Output 4: Estimate of current number of households in housing need

- 10.30 At the current point in time, as the analysis in Sections 4 and 6 have identified, tightening mortgage lending criteria, coupled with the impact of the recession in terms of income reduction and job losses, have created a significant pressure in terms of demand for non-market housing. The analysis around affordability benchmarking in Section 6 clearly illustrates this issue when comparing household income levels against the price of entry into different tenures.
- 10.31 Section 8 presents the assessment of housing need using the methodology set out in the CLG guidance. In total in Stage 1 of the CLG calculation of housing need, a total of approximately 12,340 households are identified as being in need. This includes approximately 334 households classified as homeless or in temporary accommodation. Issues around the cost of servicing accommodation, maintaining and repairing the property and a state of serious disrepair represented a significant part of this need.

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- 10.32 In terms of individual authorities, in absolute terms York, Harrogate, Scarborough and Hambleton all record the highest numbers of households classified as in need. Contrasting the numbers of households classified in need against the total number of households shows Hambleton as having a significant proportion of its households in housing need (5% of households). Scarborough shows the same proportion of households in need reflecting in significant part the comparably low income levels of a large proportion of the population as well as the more transient nature of elements of the population in some of the coastal settlements. In proportional terms Craven and Ryedale have the lowest proportion of households classified as in need, 2% and 3% respectively.
- 10.33 The needs of households have been examined in more detail based upon the information collected through the Household Survey. The demographic profile of the area, with a high proportion of older person households, has a marked impact on the types of specific support needs which are most prevalent. Almost 8,600 older person households classified themselves as having age related illness or disability driven support needs, with Harrogate, Scarborough and York in particular showing very high absolute numbers. This high representation of older person households is also likely to be a determining factor in the large numbers of households classifying themselves as having support needs relating to a physical disability, both for wheelchair and non-wheelchair users, over 15,000 households in total across North Yorkshire. Interestingly the majority of households with support needs suggested that their needs were being met within their current home, however, this was not true for almost 28% of these households across the area. Particular strong evidence of needs not being met by the current property was evidenced in Harrogate, Scarborough and Craven.
- 10.34 Overall, a large proportion of households, whilst considering their needs as being met sufficiently, did not live in properties which had been adapted to meet their needs. In terms of needs identified as an issue over the next five years, or immediate requirements, issues around heating and energy efficiency represent important areas of adaptation / improvement, in addition adaptations to bathrooms represent an immediate requirement for a high proportion of households with support needs.
- 10.35 Finally, in terms of the wider issues relating to households falling into household need, the housing need analysis in Section 8 identified a relatively high average number of households falling into need annually who previously lived in market housing. The
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impact of employment uncertainties, sustained high average house prices and a lack of growth in incomes are all likely to continue to place ever greater pressure on existing affordable housing. Indeed the local level analysis of affordability issues suggests this is particularly a problem in many of the more rural areas where the availability of non-market housing, on the whole, is more limited.

Core Output 5: Estimate of future households that will require affordable housing

- 10.36 Stage 2 of the CLG Guidance for assessing need focuses on estimating the number of households that will require affordable housing over the short-term (five years). The analysis presented in Section 8 identifies a **total newly arising need** (gross per year) of approximately 2,808 households across North Yorkshire (excluding Selby). This includes an estimate of newly forming households classified as in need (based upon an affordability test) – approximately 1,165 households – and an estimation of households falling into need on an annual basis – approximately 1,658.
- 10.37 Looking forward in the longer-term (i.e. beyond the next five years) it is difficult to accurately assess how house prices, and the financial requirements of households to obtain mortgage credit, will change. Clearly these are important informing influences on the future split of market and affordable housing required. Examining a number of the longer term drivers of change, for example employment forecasts, suggests that growth in the economy will be relatively limited over the next ten years suggesting that in terms of a households ability to access housing this is unlikely to improve significantly. Equally the low levels of supply of new housing, both market and affordable, are likely to result in sustained elevated house prices suggesting that over the foreseeable period the demand for non-market housing is unlikely to abate.
- 10.38 The above estimates of future demand do not take account of the supply of stock to absorb demand. Utilising the CLG Guidance calculation process, and taking into account the supply available on an annual basis (re-lets / surplus stock / pipeline new supply) the housing needs analysis indicates that the authorities of North Yorkshire (excluding Selby) will be required to provide for a **net annual affordable housing need of approximately 2,808 dwellings per annum over the next five years**, in order both to clear the existing backlog of households in need and meet future arising household need.

10.39 This requirement for affordable housing is distributed across the individual authorities. In absolute terms York, Harrogate and Scarborough have the highest levels of need for new affordable properties, 790, 507 and 457 respectively.

10.40 However, when the levels of affordable housing requirements are set against the hypothetical annual dwelling requirements presented in Section 7 (under the SNPP Scenario), as shown in Figure 10.1 below, Richmondshire, Hambleton, Ryedale and Scarborough record the highest proportions of total demand generated by long-term household formation.

Core Output 6: Estimate of future households requiring market housing

10.41 The CLG Guidance notes that the net annual housing need figure should be compared to the estimate of total future annual change in total numbers of households, in order to arrive at an estimate of market housing required in the future. This does not take account of market expectations and aspirations of households, which may serve to reflect a higher demand. When considering this analysis it is also important to note, as evidenced in the assessment of the active market in Section 6 that the levels of transactions in market housing have decreased significantly over the last three to four years as a result of property and market drivers.

10.42 The table below contrasts the total annual levels of affordable housing calculated as being required per annum against the annual levels of household growth projected under the SNPP Scenario over the period 2008 and 2026 (the table excludes York and Selby).

Figure 10.1: Contrasting affordable housing requirements (Figure 8.3) with annualised long-term levels of household growth (Figure 7.14)

Authorities	Total Affordable Dwellings Required (Stage 4 of the CLG Needs Calculation)	Annual Dwelling Requirements (SNPP Scenario not factoring in current vacant properties)	% Affordable housing requirement represents of total household growth
Craven	218	339	64%
Hambleton	320	356	90%
Harrogate	492	948	52%
Richmondshire	260	269	97%
Ryedale	256	281	91%
Scarborough	457	492	93%

Source: GVA, 2011

- 10.43 The comparison of these two annualised demand based requirements suggests that across North Yorkshire (excluding Selby and York) 25% of demand generated from new households will be for market housing (owner-occupier and private rented). This proportion varies across the authorities with the levels of demand for affordable housing representing a significant proportion of demand generated by overall household growth in Richmondshire, Hambleton, Ryedale and Scarborough. Indeed in Richmondshire the demand is so high that it comes close to exceeding total levels of household growth.
- 10.44 In considering the analysis above it is important to recognise that the calculation of affordable housing need incorporates a level of backlog need as well as new demand generated from new household growth. The calculation of the proportion of newly forming households requiring affordable housing presented in Step 2.2, Section 8, indicates that around half (47%) of newly forming households will require affordable housing. This would therefore suggest a sustained demand for market housing in the future based on the ability of households to access these tenures and therefore realise actual demand aspirations.
- 10.45 It will be important in the future that the levels of housing delivered in total, market and affordable housing, look to meet levels of future household change in order to ensure a balance between supply and demand. This needs to be considered with reference to the supply of land available and considered deliverable (as evidenced through each authorities SHLAA document and set out within land allocation policies).
- 10.46 Looking at the issue of **housing choice**, the projected change in the household profile over the next fifteen / sixteen years, as set out under Output 3, will clearly have an impact. The growth in single person households projected would point, in the longer-term, to a high level of demand for smaller properties with this evidenced in Section 7 through a modelling of projected household type change and the expectations of households planning to move in the next few years (Household Survey data). This analysis provides a proportional split of demand by different property sizes with the caveat applied that this draws on the Sub-National Population Projection datasets.

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- 10.47 The projected increase in the numbers of older person households under all of the examined population and household projection scenarios also requires careful consideration. The analysis in Section 9 clearly identifies that these households will have specific housing requirements and needs in the future. This is explored in more detail under the conclusions for Output 10 but clearly the location of new properties serving the needs of older person households will be important, for example in order to improve quality of life and choice they should be located in close proximity to key services and transport networks.
- 10.48 Whilst the projections under the demographic scenarios (SNPP and Natural Change) suggest that across North Yorkshire the increase in family households is likely to be limited across the area, these household types have played an important part in the growth of these areas in the past. The larger settlements of North Yorkshire, including York and Harrogate, have been successful at attracting business investment and generated jobs over recent years. Forecasts suggest that this trend will continue, albeit at a reduced pace. Therefore in order to ensure the generation of sustainable communities and to not increase levels of commuting it will be important for these areas to continue to be able to attract the inward migration of new working-age people. The delivery of appropriate family housing which matches household's aspirations will therefore form an important component of the overall provision of new housing.

Core Output 7: Estimate of the size of affordable housing required

- 10.49 Core Output 7 of the CLG Guidance requires an estimate of the breakdown of the sizes of property required by households identified as being in need of affordable housing. The intention is to estimate the relative pressure on different property sizes. In particular this analysis will help to inform how policy should be structured to assist in alleviating the current backlog of housing need and provide a profile of affordable housing which responds to the future need over the short-term.
- 10.50 In terms of those households classified as in need the majority require smaller properties (one and two bedrooms). This reflects the wider demographic trends of the area and given the projected ageing of the population and the issues facing younger first time buyers is likely to represent a sustained trend. In considering this conclusion it is important to recognise that needs and aspirations are not necessarily

the same thing, with the analysis of the expectations of households looking to move across all tenures (shown in Section 7) highlighting that aspirations continue to be for 2 rather than 1 bedroom properties.

- 10.51 All of the authorities also register a proportion of households in need requiring larger properties, however, demand for properties of this size is greater in Hambleton, Ryedale and the City of York.
- 10.52 Contrasting supply and demand figures presented in Section 8 clearly illustrates that a shortfall exists in smaller properties across all authorities. Given the high requirements noted above for this size of property this is not surprising, in addition the stock profile of many of the authorities is skewed towards larger family properties across all tenures.
- 10.53 Whilst there is a greater imbalance in terms of smaller affordable properties, many of the authorities also have a shortfall of larger properties. Whilst the supply profile may be skewed towards larger houses, turnover of these more traditionally 'family' properties is also considerably lower than for smaller properties. This means that the capacity to absorb new need is reduced significantly, particularly with turnover rates falling considerably overall in recent years. The City of York in particular stands out as having a greater evidenced imbalance of larger family properties, with the existing stock profile an important determining factor, with a greater proportion of existing supply made up by smaller flatter properties than in many of the other authorities.

Core Output 8: Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc...

- 10.54 The SHMA analysis has clearly highlighted that the demographic and economic profile of North Yorkshire and the individual authorities is likely to change over the timeframes considered in this research. The operation of the housing market will respond to these drivers and in part play its own role in shaping their influence and direction of travel. Different household groups will be affected by these changes in different ways.
- 10.55 The analysis presented in Section 9 selects out a number of groups either considered to have specific housing requirements which need to be carefully considered now and in the future, or considered to represent a specific segment of the market which

is likely to be particularly dynamic and therefore requiring careful monitoring, going forward.

10.56 The groups examined are set out below, alongside the key conclusions emerging from the analysis. The Local Authority Appendices include further details of a number of specific groups relevant to individual authorities, for example students in City of York and the Military population in Richmondshire.

- **Older person households** – Understanding current and future demographic trends has represented a significant area of analysis throughout the SHMA research. This has revealed the important challenges posed by an increasingly ageing population across North Yorkshire. Examining the current tenures within which older person households live it is evident that the majority live in properties which they own outright (65% of older person households across North Yorkshire with a further 11% owning with a mortgage). Given the healthy nature of the majority of the housing market across North Yorkshire this means that these households have a comparatively high level of equity. Importantly though there exists a notable proportion of older person households whose housing needs are being met within the social rented sector, 16% across North Yorkshire, with Scarborough having the highest proportion at 18.5%. Under-occupancy remains a significant issue across North Yorkshire, impacting on the use of existing stock to meet future demand, with older person households representing an important dynamic in this issue. Currently over 35% of older person households live in detached properties and 55% live in properties with 3-bedrooms or more. Given the demographic analysis highlighting that the vast majority of older person households have a single person or two people this highlights the importance of under-occupancy of properties of households of this age group. The analysis in Section 9 looks in detail at the number of older person households which form part of the current housing need calculated in Section 8, this provides an important context for understanding the types and property specifications of future affordable housing. Significantly in many cases even beyond those households identified through the DCLG calculation as 'currently in need', current properties do not meet households needs with almost 40% of older person households surveyed suggesting they want to move home as they need a

smaller property. Particularly high proportions are recorded in Ryedale (62%) and Hambleton (49%). A detailed audit of older person's specific housing needs is undertaken with the findings presented in Section 9. Longer-term these requirements or needs are likely to become ever more accentuated given the long term projected growth of households of these age groups, as illustrated both through the SHMA demographic scenario tests as well as the POPPI system.

- **Young family and single person households** – The demographic projections suggest that across North Yorkshire in proportional terms the working age population, which includes young family households, is set to decline in the future. In the past the area has seen high levels of migration of younger family households attracted by the quality of life and services. As it has become more difficult to enter the market and to move home, young families in North Yorkshire have been affected. This issue is pronounced in terms of meeting the expectations of current young family households, with 33% of households anticipating a move in the next two expecting to move into either a detached or semi-detached properties with 3 or 4 bedrooms. The vast majority of young families want to stay within their current authority / market area highlighting the importance of delivering a range of homes. In terms of young single person households the private rented sector represents a very important tenure with 42% of these households across North Yorkshire currently residing within this tenure. This highlights the demand for private rented stock across the majority of the area, with potential supply shortfalls in Harrogate and the more rural parts of the study area, as evidenced through consultation.
- **Households with support needs / adaptations** – A detailed analysis of the total number of households with support needs currently and in the future is undertaken within Section 9. In terms of immediate and short-term requirements of these households the Household Survey has been used to draw out conclusions on an authority basis. As noted under Output 4 a range of support needs exist across the area, in part driven by the high proportions of older person households within the majority of authorities. Importantly the survey identified that somewhere between 22% (City of York) and 32% (Harrogate) of households with support needs suggest they

are not being met within their current home. Analysis of longer-term requirements of the numbers of households with support needs has been undertaken using the PANSI and POPPI systems. These datasets suggest that over the longer-term greater numbers of households will have support needs with this linked closely to individuals living longer. Overall it is clear that the existing adapted and suitable stock is already in high demand with ever increasing pressure supporting the need for further investment and the development of new appropriate dwellings.

- **Homeless people** – Analysis of trend data shows that levels of homelessness have fallen in every Local Authority across North Yorkshire between 2004 and 2010. In terms of the numbers of homeless per 1,000 households Richmondshire, Scarborough and York demonstrate the highest levels across the area. In absolute terms Step 1.1 of the housing need calculation showed that Harrogate had the highest number of households homeless or in temporary accommodation as of March 2011, with City of York and Scarborough also recording comparatively high absolute numbers. Importantly the assessment of housing need highlighted that whilst homelessness remains an important issue, which will need to continue to remain a housing priority, approaches to management of stock as well as the provision of other services to address individuals needs have led to significant progress been made in tackling this specific challenge.
- **BME households** – The North Yorkshire Strategic Housing Partnership commissioned a specific piece of research into the BME and Migrant worker communities in North Yorkshire. This was published in 2009 and suggested that the BME community was over-represented within the social housing tenure with this being likely to continue through continued migration into the authorities, economic disadvantage and unaffordable house prices. The 2011 Household Survey provides an updated position regarding the financial capacity of BME households providing an insight into potential affordability issues facing households. This information highlighted a diverse income profile with relatively high representations of higher earning households, however, it also identified that over 40% of households had incomes below £31,200, and of these almost 15% of households had an income below £13,000, suggesting that affordability

issues are acute within BME households as they are across a large proportion of all households across North Yorkshire. The 2009 research looked in detail at the occupancy of properties and identified that issues of overcrowding affected a high proportion of BME households, with 22.9% of BME households stating that they are living in overcrowded circumstances.

- **Gypsies, Travellers and Showpeople** – The research within this SHMA has not included the collection of additional data in relation to this household group. A summary is provided of the sub-regional study conducted in 2007/08. This identified that across North Yorkshire there are an estimated 888 Gypsy and Traveller households, which mainly comprise Romany households, with smaller Irish Traveller and Showpeople communities. Across North Yorkshire, factoring in the existing supply of sites, there is a current shortfall of 113 pitches. This shortfall is greatest in York, Selby, Hambleton and Harrogate. It is important to note that this assessment did not include an assessment of the needs of showpeople or for transit/ stop over sites both of which are required for the LDF evidence base. A subsequent study published in 2009 and titled 'North Yorkshire Accommodation Requirements of Showmen' produced by Arc4 added further requirements to the findings presented above. This identified a further requirement to deliver an additional 54 plots to meet the current identified need as identified by Showmen.