

**Richmondshire**  
**Strategic Housing Market Assessment (SHMA)**  
**2016**

---

Richmondshire District Council

Final Report  
February 2017

---

**Main Contact:** Michael Bullock  
**Email:** [michael.bullock@arc4.co.uk](mailto:michael.bullock@arc4.co.uk)  
**Telephone:** 0800 612 9133  
**Website:** [www.arc4.co.uk](http://www.arc4.co.uk)

© 2017 arc<sup>4</sup> Limited (Company No. 06205180)



## Table of Contents

Executive summary .....	7
1. Introduction.....	11
Background and objectives .....	11
National Planning Policy Framework (NPPF), Planning Practice Guidance (PPG) and other requirements.....	11
Definitions.....	13
Geography.....	15
Richmondshire context .....	17
Richmondshire District strategies and plans.....	18
Research methodology.....	21
Report structure.....	21
2. Defining the Housing Market Area.....	23
Introduction.....	23
The Geography of Housing Market Areas .....	23
House prices and rates of change in house prices .....	26
Migration and self-containment.....	29
Commuting patterns .....	32
Concluding comments .....	33
3. Objectively Assessed Housing Need and Housing Requirement .....	34
Introduction.....	34
Establishing the Housing Market Area.....	35
Demographic starting point.....	35
Adjusting the projections .....	36
Employment trends.....	38
Market signals and past trends in delivery.....	40
Comparator areas.....	44
Past trends in housing delivery.....	46
Concluding comments and implications for OAN.....	47
Affordable need and housing provision targets.....	48
Objectively Assessed Housing Need.....	48
4. The need for all types of housing.....	51
Introduction.....	51
Dwelling mix and affordability .....	51
People wishing to build their own homes.....	55
Family housing .....	55
Armed forces accommodation .....	55
Older people .....	56
Households with specific needs.....	59
5. Conclusion: Policy and Strategic Issues.....	61

The Housing Market Area.....	61
Objectively assessed housing need, market signals and Housing Requirement.....	62
The current housing market.....	62
The need for all types of housing.....	63
NPPF requirements.....	65
Introduction to Technical Appendices.....	66
Technical Appendix A: Richmondshire housing market review.....	67
Technical Appendix B: Affordable housing need calculations.....	83
Technical Appendix C: Dwelling mix analysis Reviewing the future profile of dwelling stock in Richmondshire.....	93
Technical Appendix D: Monitoring and updating.....	98
Technical Appendix E: National Planning Policy Framework and Planning Practice Guidance Checklist.....	101

## List of Tables

Table ES1	Summary of size/designation recommendation based on households in need by bed size/designation.....	9
Table ES2	Older persons' dwelling requirements 2014 to 2035.....	10
Table 1.1	Local Plan Table 3, Scale and Distribution of Housing up to 2028.....	19
Table 2.1	House prices in Richmondshire 2015 by sub-area.....	28
Table 2.2	House prices and price change in neighbouring areas, North Yorkshire and England.....	28
Table 2.3	Flows of residents (all moves).....	30
Table 2.4	Containment ratios.....	31
Table 2.5	Richmondshire 2011 census commuting flows: workers (aged 16-74).....	32
Table 3.1	Dwelling requirements under alternative scenarios and headship rate sensitivities.....	37
Table 3.2	Labour force and jobs-growth outcomes 2015-2035.....	39
Table 3.3	Housing Market Signals.....	43
Table 3.4	Housing market signals comparison with local districts, the region and England.....	45
Table 3.5	Private and affordable housing completions 2012/13 to 2015/16.....	46
Table 3.6	Net completions by sub-area 2012/13 to 2014/15.....	46
Table 3.7	Net completions Upper Dales reported by YDNP 2012/13 to 2015/16.....	47
Table 4.1	Overall dwelling requirements by type and size 2014-2035.....	52

Table 4.2	Summary of net annual imbalance based on households in need who couldn't afford by bed size/designation .....	53
Table 4.3	Suggested dwelling mix by market and affordable dwellings based on OAN of 115 each year .....	55
Table 4.4	Older persons' dwelling requirements 2014 to 2035.....	57
Table 4.5	Future market split of older persons' accommodation by relative deprivation/affluence of an area.....	59
Table 4.6	Client groups accommodated in Social Rented sector in Richmondshire District 2010/11 to 2012/13 .....	59
Table A.1	Dwellings and households across Richmondshire by sub-area .....	67
Table A.2	Total dwelling stock by type and size by sub-area.....	68
Table A.3	Age of dwellings.....	69
Table A.4	Dwelling stock condition in England and Richmondshire estimates.....	70
Table A.5	Lower Quartile and median price and income required to be affordable.....	73
Table A.6	Relative affordability of lower quartile prices by district (residence based).....	74
Table A.7	Relative affordability of median prices by district (residence based).....	74
Table A.8	Private sector rental prices in Richmondshire 2010-2015.....	76
Table A.9	Homeless decisions and acceptances 2009/10 to 2014/15 .....	78
Table A.10	Cost of alternative tenure options .....	79
Table A.11	Income required for alternative tenure options.....	80
Table A.12	Assumptions in assessing income required for alternative tenure options .....	81
Table B1	CLG Needs Assessment Summary for Richmondshire District .....	85
Table B2	Summary of current housing need across Richmondshire.....	86
Table B3	Homeless decisions and acceptances 2010/11 to 2014/15 .....	87
Table B4	Dwelling size requirements by sub-area and designation .....	92
Table B5	Dwelling type requirements by sub-area and designation.....	92
Table C.1	Dwelling type and size profile of Richmondshire.....	93
Table C.2	Change in number of households by age group of HRP .....	94
Table C.3	Dwelling type and size by Household Reference Person.....	95
Table C.4	Overall dwelling requirements by type and size.....	96

## List of Figures

Figure 2.1	Median house price trends 2005 to 2015: Richmondshire, North Yorkshire and England.....	29
Table A.5	Richmondshire District tenure profile by sub-area .....	72

Figure A.3	Richmondshire District household income and housing costs comparison .....	82
------------	--	----

### List of Maps

Map 1.1	Richmondshire context .....	15
Map 1.2	Richmondshire sub-areas and parishes.....	16
Map 2.1	Strategic housing market areas .....	25
Map 2.2	Local housing market areas.....	26
Map 2.3	Median house prices 2015 by ward .....	27

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

*This report takes into account the particular instructions and requirements of our client. It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.*

*arc<sup>4</sup> Limited accepts no responsibility or liability for, and makes no representation or warranty with respect to, the accuracy or completeness of any third party information (including data) that is contained in this document.*

# Executive summary

## Introduction

The Richmondshire Strategic Housing Market Assessment (SHMA) (2016) provides the latest available evidence to help to shape the future planning and housing policies of the area. The study will help inform the production of the Council's local plan and housing strategy. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the area.

The SHMA (2016) is based on a multi-method approach:

- A review of existing (secondary) data;
- An assessment of housing need and affordable housing requirements; and
- A consideration of research by Edge Analytics regarding Objectively Assessed Housing Need.

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

## The Housing Market Area

An analysis of 2011 Census migration data identifies containment ratios of 64.6% (origin) and 63% (destination). This reflects the rural nature of the District, and also the effect of long-distance moves associated with the presence of Catterick Garrison. Commuting data obtained from the 2011 Census demonstrates a high degree of self-containment, identifying that 74% of people who live in Richmondshire work in Richmondshire; and 75.4% of workers in Richmondshire live in the District.

This data, supported by other research, confirms that Richmondshire forms an appropriate Housing Market Area for the purposes of local plan policy making.

## The current housing market

Based on 2011 Census data, across Richmondshire:

- 91.5% of dwellings are houses or bungalows (of these 35.0% are semi-detached, 34.7% detached and 21.8% terraced), 7.5% are flats, maisonettes, apartments or mobile accommodation and 1.0% other forms of housing;
- 6.6% of dwellings have one bedroom/bedsit, 25.7% have two bedrooms, 43.8% have three bedrooms and 23.9% have four or more bedrooms; and
- 63.9% of occupied properties are owner-occupied (36.1% owned outright and 27.8% owned with a mortgage or loan or shared ownership), 24.8% are private rented or living rent-free, and 11.3% are affordable (rented from a social landlord).

Analysis of the latest Valuation Office Agency data (2015) indicates that 3-bedroom houses account for 44.2% of total dwelling stock, 21.6% are 4 or more bedroom

dwellings and 34.2% have one or two bedrooms. Over a quarter (27%) of the District's dwellings were built before 1919.

It is estimated that 12.7% of dwelling stock fails to meet the minimum standard of decent homes criteria (compared with 11.9% nationally). This is based on English Housing Survey data applied to the age profile of dwelling stock in the District.

Richmondshire is a comparatively affordable district compared with its neighbouring local authorities, with lower quartile and median house price to earnings ratios just below the North Yorkshire (county) averages.

The private rented sector accommodates 24.8% of households who are either privately renting or living rent free in tied accommodation (2011 Census).

11.3% of households live in affordable housing, mainly renting from social housing landlords (2011 Census). There is an on-going need for affordable housing and this has been evidenced through analysis which has identified an annual imbalance of 33 affordable dwellings each year over a five year period, across the whole District. The majority of this imbalance is in the Central Richmondshire sub-area, where an annual imbalance of 19 affordable dwellings has been evidenced.

Around 11.2% of dwelling stock in Richmondshire is in higher council tax bands (F, G and H) and represents an 'executive housing' offer. Most of these dwellings are detached houses and continuing to provide for a range of household needs and aspirations is important for the future dwelling profile of the District.

Based on the latest Housing Register data, there are around 308 or 1.4% of existing households in housing need (some with multiple housing needs). During 2015/16, 48 households were accepted as homeless and in priority need.

## Demography

The population of Richmondshire District was estimated to be 52,729<sup>1</sup> in 2014 and this is projected to increase to 56,993 under the baseline demographic scenario<sup>2</sup>. A key demographic change will be the increasing number and proportion of older people. The overall proportion of people aged 65 and over is projected to increase from 19.4% of the population in 2014 to 27.5% in 2035, an increase of 5,450 people. During this period, the number of residents aged 30-64 is expected to reduce by 12.3% or 2,800 people and those aged under 30 are expected to increase by 8.4% or 1,640.

## Objectively Assessed Housing Need

The Objectively Assessed Housing Need for Richmondshire over the period 2014-2035 is established from a baseline of 94 which is based on modified 2014-based household projections which takes into account anomalous migration trends associated with military changes at Catterick Garrison. The starting point is based on the PG-Short-Term-X scenario of 94 dwellings each year. No further adjustments are necessary to take account of alternative migration or headship rates and the figure of 94 dwellings supports jobs growth in line with the latest REM forecast. A further uplift

---

<sup>1</sup> ONS 2014-based sub-national population projections

<sup>2</sup> Edge Analytics PG Short-Term-X demographic scenario derived from 2014-based ONS population projections



to the baseline demographic requirement to take account of market signals is recommended. A 20% uplift is recommended which, using a baseline of 94 dwellings, results in an uplift of 19 dwellings each year. This results in an Objectively Assessed Need for Richmondshire District of 115 dwellings each year (rounded up from 113) and the full objectively assessed dwelling need over the Plan Period 2014-2035 (20 years) is for 2,300 dwellings. This figure does not include any military housing requirements. This would need to be estimated separately in partnership with MoD as its requirements become apparent.

## The need for all types of housing

### Market housing

A range of open market dwellings needs to be developed to take account of household aspirations and expectations. It is recommended there is a particular focus on the delivery of 3-bedroom houses, smaller 1-2 bedroom houses, accessible homes and flats.

### Affordable housing requirements

Affordable housing need is defined as *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*<sup>3</sup>. A key element of the study is to explore the scale of affordable housing need and the extent to which additional affordable housing is needed.

The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households and comparing this with the supply of affordable housing (social/affordable rent and intermediate tenure dwellings). The overall net annual imbalance is calculated to be 33 affordable dwellings each year across Richmondshire. In terms of dwelling designation and size, Table ES1 sets out the imbalance based on existing need and supply.

**Table ES1 Summary of size/designation recommendation based on households in need by bed size/designation**

No. of Bedrooms	Housing Type		
	General Needs	Older Person	Total
1	16	6	22
2	7	0	7
3	4	0	4
4	0	0	0
<b>Total</b>	<b>27</b>	<b>6</b>	<b>33</b>

Sources: 2015 Housing Register; RP CORE Lettings and Sales

<sup>3</sup> DCLG *Estimating housing need 2010*

In terms of tenure, a split of 20% intermediate tenure and 80% affordable rented would be recommended. We would recommend that the Council continues to actively promote intermediate tenure options, particularly for newly-forming households.

We also recommend that this split is further explored through economic viability work and discussions with developers and registered providers, to determine the overall potential for such a tenure split in the light of emerging Government policy, particularly in relation to the requirement to deliver a proportion of Starter Homes as part of future developments. Regarding Starter Homes, there is a potential market from an estimated 290 eligible households.

## Older people

Responding to the needs of an ageing population is a major strategic challenge in Richmondshire. Table ES2 shows that there is expected to be a 148% increase in the need for specialist accommodation by 2035, particularly sheltered and enhanced sheltered provision.

Type of provision	Housing demand per 1,000 75+	Current supply	2014 Demand	2035 Demand	Change 2014 (supply) to 2035 (demand)	% change 2014-2035
Sheltered housing	125	289	563	1,050	761	263%
Enhanced Sheltered housing	20	36	90	168	132	367%
Extra Care 24/7 support	25	134	113	210	76	57%
Registered care	65	488	495	924	436	89%
<b>Total</b>	<b>235</b>	<b>947</b>	<b>1,261</b>	<b>2,352</b>	<b>1405</b>	<b>148%</b>

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

# 1. Introduction

## Background and objectives

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

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

- 1.1 The NPPF and PPG, *Housing and economic development needs assessments*, provide the planning policy context for this SHMA. The key sections which need to be taken into account in the SHMA are now summarised.
- 1.2 The NPPF (paragraph 14) emphasises the presumption in favour of sustainable development and for plan making this means that:
  - Local planning authorities should positively seek opportunities to meet the development needs of their area;
  - Local plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:
    - any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
    - specific policies in this Framework indicate development should be restricted.
- 1.3 The NPPF (paragraph 47) makes it clear that local planning authorities should 'use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing'. The SHMA Update 2016 will provide robust evidence to help the Council 'plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community' and will 'identify the size, type tenure and range of housing that is required in particular locations, reflecting local demand' (NPPF paragraph 50).

- 1.4 The NPPF (paragraph 159) states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where Housing Market Areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
- Meets household and population projections, taking account of migration and demographic change;
  - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
  - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 1.4 PPG (paragraph 2) sets out that *'the primary objective of identifying need is to identify the future quantity of housing needed, including a breakdown by type, tenure, and size.'*
- 1.5 PPG (paragraph 8) states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.
- 1.6 The NPPF and the Localism Act 2011 both introduced the Duty to Co-operate as a replacement for Regional Spatial Strategy (RSS). Section 110 of the Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the Council will have to ensure that they are legally compliant with the Localism Act at Examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities. It also means collaborating on the evidence critical to understanding the needs of your area, and the wider economic and Housing Market Areas, including through the preparation of a Strategic Housing Market Assessment.
- 1.7 The Housing and Planning Act 2016 has now put in place the legislative structure for the provision of Starter Homes, one of the Government's key policies to help younger households access owner-occupation. Whilst it is subject to further consultation and secondary legislation, the principle is clearly established that forthcoming housing developments will be expected to provide a proportion of Starter Homes, made available to eligible households at a 20% discount from market price up to a maximum house price of £250,000 outside of London and £450,000 within London. In many cases, the provision of Starter Homes will be made in lieu of providing on-site affordable housing, and will therefore have an impact on the ongoing provision of 'traditional' affordable

housing (social/affordable rent and intermediate tenures) through the planning system.

- 1.8 Technical Appendix E provides a checklist of how the SHMA satisfies the requirements of the NPPF and PPG.

## Definitions

- 1.9 PPG (paragraph 3) provides a broad definition of need for housing:

*'...the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand.'*

- 1.10 Affordable housing need is defined in NPPG (paragraph 22) as:

*'...the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.'*

- 1.11 For the purposes of this study, the term housing need refers to:

*'...the housing that households are willing and able to buy or rent, either from their own resources or with assistance from the state'<sup>4</sup>.*

- 1.12 Definitions relating to affordable housing have been revised in the National Planning Policy Framework (March 2012):

- **Affordable Housing:** Social Rented, Affordable Rented and Intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
- **Social Rented** housing is owned by local authorities and private Registered Providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.
- **Affordable Rented** housing is let by local authorities or private Registered Providers of social housing to households who are eligible for Social Rented housing. Affordable rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
- **Intermediate housing** is homes for sale and rent provided at a cost above Social rent, but below market levels subject to the criteria in the Affordable housing definition above. These can include shared equity (shared

---

<sup>4</sup> Planning Advisory Service *Objectively Assessed Need and Housing Targets* Technical Advice Note June 2014

ownership and equity loans), other low cost homes for sale and Intermediate rent, but not Affordable Rented housing.

- Homes that do not meet the above definition of affordable housing, such as “*low cost market*” housing, may not be considered as affordable housing for planning.

1.13 These definitions of affordable housing are correct at the time of publication of this report (early 2017). Additionally, Councils are required to provide **Starter Homes** under the provisions of the Housing and Planning Act 2016<sup>5</sup>. The NPPF (2012) outlined the key characteristics of Starter Homes<sup>6</sup> and the Housing and Planning Act 2016 officially introduced Starter Homes into legislation, defined in Section 2 of the Act as:

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

1.14 Many of the details relating to Starter Homes are to be specified in forthcoming regulations (secondary legislation)<sup>7</sup>. The eligibility criteria for ex-forces personnel is more flexible and not age-specific.

---

<sup>5</sup> The Government consulted on proposals to change the NPPF (December 2015) including the definitions of affordable housing

<sup>6</sup> National Planning Policy Framework, paragraph 002, Reference ID 55-002-20150318

<sup>7</sup> DCLG *Starter Homes Regulations: Technical Consultation* was published in March 2016

## Geography

- 1.15 Map 1.1 illustrates the geographical context of Richmondshire District and its neighbouring authorities.

**Map 1.1 Richmondshire context**



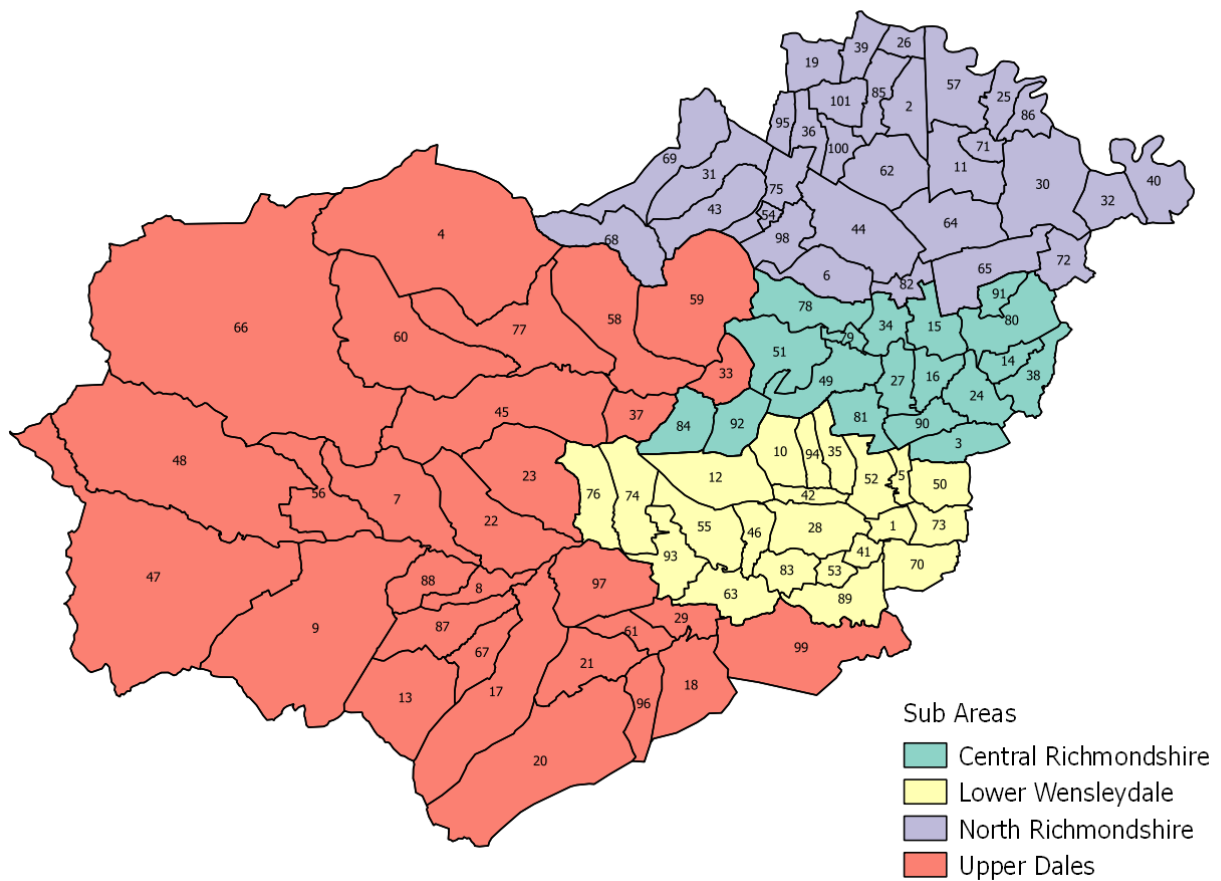
- 1.16 Richmondshire is a district authority located within the County of North Yorkshire in Yorkshire and the Humber region. The District is bounded to the north by County Durham and Darlington, to the north west by Eden, to the west by South Lakeland and to the south by the North Yorkshire districts of Craven, Harrogate and Hambleton.
- 1.17 The whole of the District is characterised by the physical geography of its dales falling to the lowlands of the Vale of York. The District's physical geography promotes a high level of containment. The connections across the Pennines are particularly weak because of the Pennines forming a natural boundary, extending to the boundary of Harrogate district. The Durham boundary is largely across the remote Stainmore Pass. With Hambleton district, the limited crossings across the Swale Valley affect relationships and the A1 generally favours north, south connections. The largest settlements in Richmondshire are Catterick Garrison, Richmond, Leyburn, Catterick Village, Brompton on Swale and Hawes. Catterick Garrison is also home to several units of the British Army including the Infantry Training Centre. The sparsely populated west of the District falls in the Yorkshire Dales National Park, covering three fifths of its total area.

1.18 Data has been presented for the following four sub-areas, as illustrated in Maps 1.2 and 1.3:

- Central Richmondshire,
- Lower Wensleydale,
- North Richmondshire, and
- Upper Dales.

1.19 The first three sub-areas are the same as those identified within the Richmondshire Local Plan 2014. The Upper Dales sub-area is the remaining area of the District that lies within the Yorkshire Dales National Park and is defined by 'best-fit' parish boundaries.

**Map 1.2 Richmondshire sub-areas and parishes**





1 - Akebar	31 - Dalton	61 - Melmerby	91 - Uckerby
2 - Aldbrough	32 - Dalton-on-Tees	62 - Melsonby	92 - Walburn
3 - Appleton East and West	33 - Downholme	63 - Middleham	93 - Wensley
4 - Arkengarthdale	34 - Easby	64 - Middleton Tyas	94 - West Hauxwell
5 - Arrathorne	35 - East Hauxwell	65 - Moulton	95 - West Layton
6 - Aske	36 - East Layton	66 - Muker	96 - West Scrafton
7 - Askrigg	37 - Ellerton Abbey	67 - Newbiggin	97 - West Witton
8 - Aysgarth	38 - Ellerton-on-Swale	68 - New Forest	98 - Whashton
9 - Bainbridge	39 - Eppleby	69 - Newsham	99 - East Witton
10 - Barden	40 - Eryholme	70 - Newton-le-Willows	100 - Carkin
11 - Barton	41 - Finghall	71 - Newton Morrell	101 - Forcett
12 - Bellerby	42 - Garriston	72 - North Cowton	
13 - Bishopdale	43 - Gayles	73 - Patrick Brompton	
14 - Bolton-on-Swale	44 - Gilling with Hartforth and Sedbury	74 - Preston-under-Scar	
15 - Brompton-on-Swale	45 - Grinton	75 - Ravensworth	
16 - Brough with St. Giles	46 - Harmby	76 - Redmire	
17 - Burton-cum-Walden	47 - Hawes	77 - Reeth, Fremington and Healaugh	
18 - Caldbergh with East Scrafton	48 - High Abbotside	78 - Richmond	
19 - Caldwell	49 - Hipswell	79 - St. Martin's	
20 - Carlton Highdale	50 - Hornby	80 - Scorton	
21 - Carlton Town	51 - Hudswell	81 - Scotton	
22 - Carperby-cum-Thoresby	52 - Hunton	82 - Skeeby	
23 - Castle Bolton with East and West Bolton	53 - Hutton Hang	83 - Spennithorne	
24 - Catterick	54 - Kirby Hill	84 - Stainton	
25 - Cleasby	55 - Leyburn	85 - Stanwick St. John	
26 - Cliffe	56 - Low Abbotside	86 - Stapleton	
27 - Colburn	57 - Manfield	87 - Thoraby	
28 - Constable Burton	58 - Marrick	88 - Thornton Rust	
29 - Coverham with Agglethorpe	59 - Marske	89 - Thornton Steward	
30 - Croft-on-Tees	60 - Melbecks	90 - Tunstall	

## Richmondshire context

- 1.20 Two pertinent issues affecting Richmondshire need to be highlighted at the outset of this study. The impact of such a large military population and the division of the District between two local planning authorities.
- 1.21 The presence at Catterick Garrison of one of the largest concentrations of military personnel in the UK has a significant impact on the District's population, migration, housing and economic trends. In particular, there have been major movements of personnel and their dependants between 2012 and 2017 under the Army Basing Plan. Overall this resulted in a minor net gain in total population, but the substantial net outflow of personnel and their families during 2013-15 followed by a similar net in-flow has distorted migration trends used in the ONS Subnational Population Projections. The impact of these moves and wider ongoing effects of the military population on local change has been carefully considered as part of the Objectively Assessed Housing Need.
- 1.22 Three fifths of the geographical area of Richmondshire is within the Yorkshire Dales National Park, but just 12% of its population live there. The Yorkshire Dales National Park Authority (YDNPA) is a separate Local Planning Authority, its recently adopted Local Plan aims to meet local housing need within the National Park.

## Richmondshire District strategies and plans

### Richmondshire District Council Plan 2015 – 2019

- 1.23 The Richmondshire Council Plan (2015 – 2019) carries forward its housing and planning duties across the whole District and works within the assets of the area to achieve its objectives. In particular:

*‘Growth brings increased housing choice and economic potential, but respects local heritage and landscape.*

- *Working closely with the National Park on its Local Plan to ensure a joined up approach that is not hindered by artificial boundaries*

*We will tackle housing need by:*

- *Increasing the supply and affordability of housing across all types and tenures’*

### Richmondshire District Local Plan

- 1.24 The Richmondshire District Local Plan 2012-2028 Core Strategy was adopted in December 2014, replacing all of the policies in the Local Plan 1999-2006 with the exception of Policy 23 (Development Limits).

- 1.25 The Local Plan includes an assessment of the plan area and identifies a number of local challenges, which form key strategic issues for future development:

- Achieving rural sustainability, while retaining local character;
- Developing a complementary relationship between town centres in Richmond and Catterick Garrison;
- Supporting the integration of communities in the wider Garrison area through the development of a main town centre and related services;
- Securing wider local benefits of a sustained military presence;
- Improving access to facilities in the villages;
- Dealing with poor housing mix and lack of access to affordable housing;
- Promoting a more diverse rural economy with better paid jobs;
- Developing the quality of the tourism offer;
- Conserving and enhancing natural and built heritage;
- Increasing installed renewable electricity and heat capacity and reducing carbon emissions;
- Complementing neighbouring areas and supporting communities in the Yorkshire Dales National Park.

- 1.26 Spatial Principle 4 (SP4), *Scale and Distribution of Housing*, sets out the total scale of open market and military-related housing to be provided in the plan area, together with proportions for each sub-area and each level in the

settlement hierarchy. SP4 sets out that the Council, housing providers and service providers will together seek to achieve the completion of 180 homes per year for general housing needs over the plan area to 2028. In addition, SP4 states that provision is also made for the development of up to 500 homes for military service families' accommodation at the Catterick Garrison main military site by 2028, if required, and will be additional to the general housing requirement in Catterick Garrison.

- 1.27 The Local Plan includes a table (set out at Table 1.1) providing further detail of the expected scale and distribution of housing up to 2028.

Settlement Type	Central Richmondshire	Lower Wensleydale	North Richmondshire	Total
Catterick Garrison	1,900 (62%)	-	-	1,900 (62%)
Richmond	250 (8%)	-	-	250 (8%)
Leyburn	-	215 (7%)	-	215 (7%)
Primary Service Village	240 (8%)	45 (1.5%)	105 (3%)	390 (13%)
Secondary Service Village	-	45 (1.5%)	110 (4%)	155 (5%)
Elsewhere	20 (1%)	60 (2%)	70 (2%)	150 (5%)
<b>Total</b>	<b>2,410 (79%)</b>	<b>365 (12%)</b>	<b>285 (9%)</b>	<b>3,060 (100%)</b>

Note: (1) Military housing requirements are additional to these targets and should be met on sites owned by MoD. (2) Table contents have been rounded and may not add up exactly.

Source: Local Plan Table 3

- 1.28 The Local Plan Housing target is a whole District target and is monitored net of housing delivery in that part of the District covered by the Yorkshire Dales National Park. The National Park Authority is a neighbouring planning authority, but not a housing authority.
- 1.29 The most recent Gypsy and Travellers accommodation assessment (GTAA 2013) indicated a very small population, a high level of vacancy in available provision and no expected demand. The Local Plan enables applications for further sites to be dealt with in the development management process, consistent with *Planning Policy for Travellers Sites* (PPTS, DCLG 2012) using Core Policy CP4. We note that PPTS has since been updated (August 2015) and this SHMA takes into account up-to-date Government guidance and requirements.

### Yorkshire Dales National Park Authority Local Plan

- 1.30 The Yorkshire Dales Local Plan 2015 – 2030 was adopted by the Yorkshire Dales National Park Board in December 2016. The adopted Plan recognises the complexity of the area covered by the landscape designation of the National Park and the importance of housing as a cross-boundary issue:

- ‘1.27 As a result, it is the three constituent District Council areas, and the individual Dales within them, that largely define the functional human geography of the area. They strongly influence the interactions between areas within the National Park and those outside it and characterise the predominant housing market and travel to work areas.*
- 1.31 This reliance on larger towns means that the matters of greatest strategic cross boundary interest tend to be housing, local services and infrastructure...*
- 1.32 The emphasis for new housing provision inside the National Park is on meeting the social and economic needs of its communities. It should also provide opportunities to attract younger working households to live in the Park and help support local services. Some significant changes to housing policy have been incorporated into the Local Plan in response to a changing population and economy. The Plan recognises that some open market housing is now necessary to make sites financially capable of delivering affordable housing. However, the likely scale of development and strong housing market makes it unlikely that all housing demand can be met inside the Park.’*
- 1.31 The Strategic Objectives of the adopted National Park Plan are:
- ‘1. Support locally-sustainable development that will improve the National Park as a high quality place to live, work and visit.*
  - 2. Support development that will maintain existing services or develop new ones for the benefit of local communities.*
  - 3. Encourage development that will support a growing, diverse and resilient economy, and which will help make the National Park a more attractive option for young adults and people of working age to live in.*
  - 4. Use the planning system to help deliver the statutory National Park purposes of: conservation and enhancement of natural beauty, wildlife and cultural heritage; and, the promotion of opportunities for the understanding and enjoyment of the Special Qualities of the National Park by the public.*
  - 5. Encourage development in locations with the best access to existing services and facilities, and where it will not be vulnerable to the impacts of climate change or will increase resilience to it.*
  - 6. Support innovative, high-quality and more sustainable building design that complements the distinctive character of the National Park.*
  - 7. Ensure the landscape of the National Park continues to be responsive to change while at the same time conserving and enhancing its character.’*
- 1.32 In addition to these strategic objectives, the adopted Plan’s Community policies aim to make the Park:
- ‘Home to strong, self-reliant and balanced communities with good access to the services they need’*
- 1.33 In support of this it seeks to:
- ‘Increase the supply and range of new housing (including affordable and local occupancy housing) by 55 dwellings per annum.’*

- 1.34 The Plan does not provide development targets below the level of the whole Park. This policy aims to provide flexibility in delivering the overall housing target and was supported in the Planning Inspector's report (para 53). Instead the Plan gives an indicative scale of development for each of the constituent Districts, which for Richmondshire is 18 dwellings each year (Policy SP3 Spatial Strategy, footnote 9).

## Research methodology

- 1.35 Regarding the overall methodological approach to assessing housing need, PPG Paragraph 2a-005 states that, *'there is no one methodology approach or use of a particular dataset(s) that will provide a definitive assessment of development need. But the use of this standard methodology set out in this guidance is strongly recommended because it will ensure that the assessment findings are transparently prepared. Local planning authorities may consider departing from the methodology, but they should explain why their particular local circumstances have led them to adopt a different approach where this is the case. The assessment should be thorough but proportionate, building where possible on existing information sources outlined within the guidance.'*
- 1.36 PPG Paragraph 2a-014 comments that, *'establishing future need for housing is not an exact science. No single approach will provide a definitive answer. Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance.'*
- 1.37 To deliver the 2016 SHMA, a multi-method approach was adopted, which comprised:
- A review of relevant secondary data including the 2011 Census, house price data, private rental data, Housing Association CORE lettings data, CLG Statistics and Housing Register information;
  - Analysis of housing need and affordable housing requirements; and
  - An analysis of demographic modelling by Edge Analytics<sup>8</sup> to inform the review of Objectively Assessed Housing Need.

## Report structure

- 1.38 The Richmondshire SHMA report is structured as follows:
- Chapter 2 considers the definition of the Housing Market Area for Richmondshire;
  - Chapter 3 considers the Objectively Assessed Housing Need and housing market signals;

---

<sup>8</sup> Edge Analytics, *Richmondshire: SHMA Demographics*, November 2016

- Chapter 4 considers the need for all types of housing and includes an analysis of overall type/size mix, affordable housing need and overall tenure mix and the needs of different groups including older people; and
  - Chapter 5 concludes the report with a summary of findings and a consideration of strategic issues.
- 1.39 The report includes technical appendices, which provide detailed material that underpins the core outputs of the SHMA. The technical appendix material includes:
- Housing Market Review (Appendix A);
  - Affordable housing need calculations (Appendix B);
  - Dwelling mix analysis (Appendix C)
  - Monitoring and updating (Appendix D); and
  - Conformity to NPPF and PPG checklist (Appendix E).

## 2. Defining the Housing Market Area

### Introduction

- 2.1 PPG Paragraph 2a-008 states that, *'housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.'*
- 2.2 PPG Paragraph 2a-010 defines a Housing Market Area as, *"a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap"*.
- 2.3 PPG Paragraph 2a-011 suggests that Housing Market Areas can be broadly defined by using three different sources of information as follows:
- House prices and rates of change in house prices;
  - Household migration and search patterns; and
  - Contextual data (for example travel to work area boundaries, retail and school catchment areas).
- 2.4 In relation to migration and search patterns (the second bullet point, above), PPG Paragraph 2a-011 further comments that, *"migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (e.g. those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools"*.
- 2.5 In line with PPG, this SHMA Update reviews relevant data to establish the extent of the Richmondshire Housing Market Area. Firstly, this chapter considers existing analysis on Housing Market Areas, and then analyses house price, migration and commuting data.

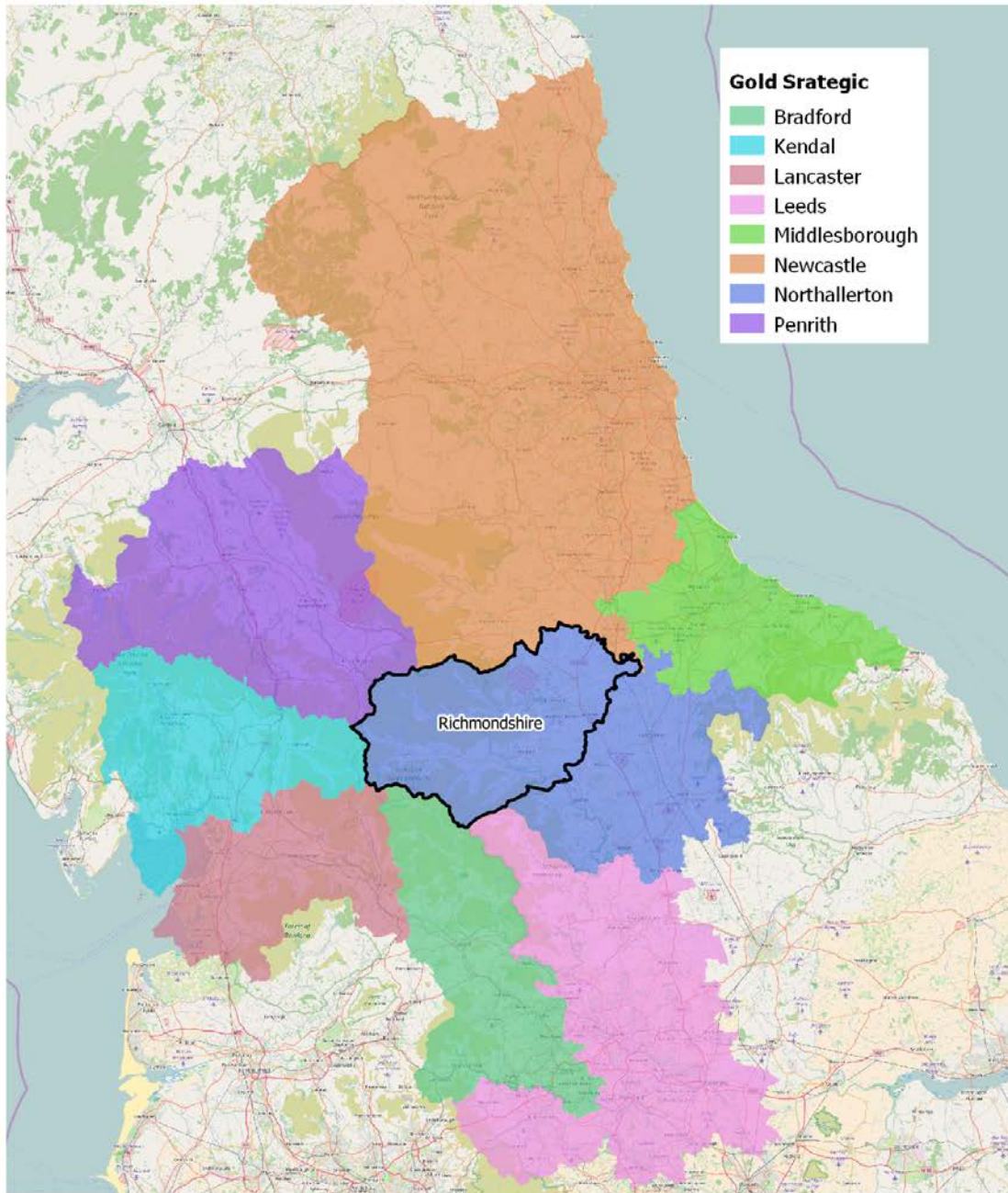
### The Geography of Housing Market Areas

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

- Strategic framework housing market areas defined by long distance commuting flows and the long-term spatial framework within which housing markets operate (based on 77.5% commuting self-containment);
  - Local housing market areas defined by migration patterns (based on 50% migration self-containment); and
  - Sub-markets defined in terms of neighbourhood and/or house type price premiums.
- 2.7 This work therefore suggests that there are two principal 'layers' of housing markets: wider strategic functional housing markets which tend to be multi-district and smaller local housing market areas. The research produced the first theoretically-based and rigorously-defended housing market area boundaries for England, drawing upon commuting, migration and house price data.
- 2.8 The key outputs from the research were sets of 'gold standard' strategic and local housing market area definitions. They were termed 'gold standard' because their boundaries are defined to the maximum possible level, being based on ward-level migration and commuting data from the 2001 Census. A set of single tier HMAs were also devised based on a 72.5% commuting and 55% migration self-containment. 'Silver standard' outputs have also been prepared which are based on local authority boundaries.
- 2.9 The 'gold standard' analysis suggests that Richmondshire District is located within a 'Northallerton' strategic framework HMA which also extends across Hambleton (Map 2.1). Local Housing Market Area analysis identifies a 'Northallerton' local market which covers the same area, extending across Richmondshire and Hambleton (Map 2.2).

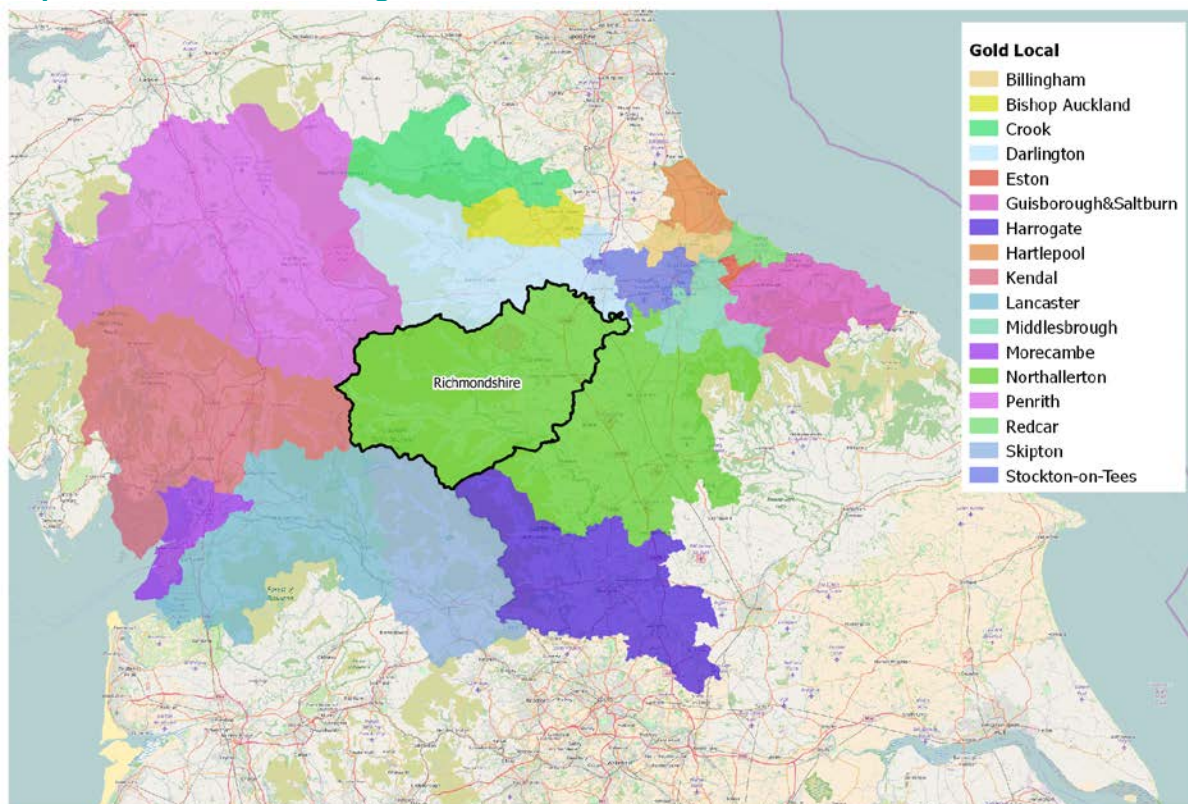


### Map 2.1 Strategic housing market areas



Source: Geography of Housing Markets, NHPAU 2010

## Map 2.2 Local housing market areas



Source: Geography of Housing Markets, NHPAU 2010

## House prices and rates of change in house prices

2.10 PPG paragraph 11 states that,

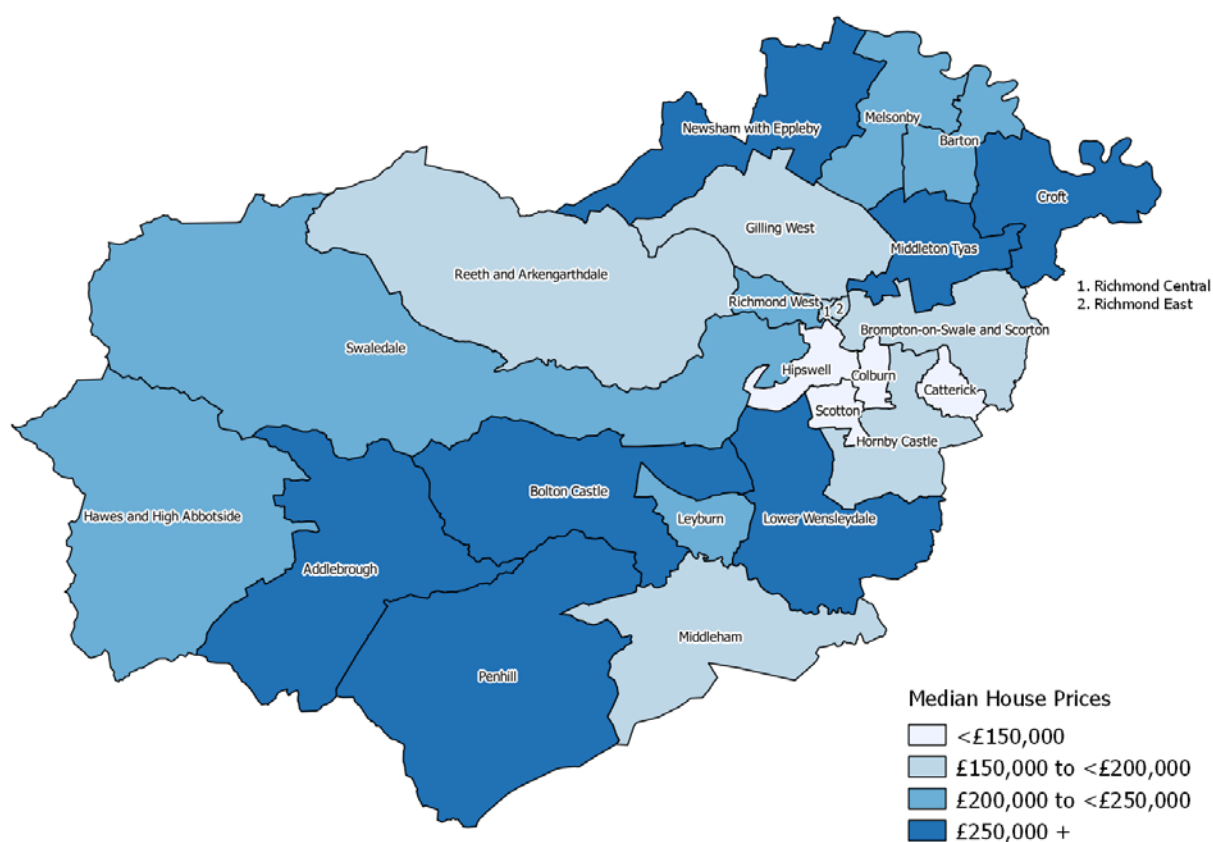
*'Housing market areas can be identified by assessing patterns in the relationship between housing demand and supply across different locations. This analysis uses house prices to provide a 'market-based' reflection of housing market area boundaries. It enables the identification of areas which have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

2.11 Figure 2.1 shows how the median house price over the period 2000 to 2015 has changed in Richmondshire, the County and England.

2.12 Since 2000, the median house price in Richmondshire has increased significantly. From 2004 onwards the median house price in the District rose above the County (North Yorkshire) and national averages, although it has dropped slightly below them again since 2013-14. Overall, the median house price in Richmondshire has increased from £78,200 in 2000 to £190,000 in 2015, an increase of 143.0%. The median house price in Richmondshire rose to a peak of £190,000 in 2007 and then dropped slightly before rising to an all-time high of £200,000 in 2010. Since 2011 the median house price has fluctuated between £180,000 and £190,000.

- 2.13 The lower quartile house price in Richmondshire has increased from £58,961 in 2000 to £140,500 during 2015, an increase of 138%.
- 2.14 The distribution of house prices based on median price in Richmondshire during 2015 is illustrated in Map 2.3 and indicates relatively lower prices in the Central Richmondshire wards of Hipswell, Scotton, Colburn and Catterick; and higher prices in some of the southern (Addlebrough, Penhill, Bolton Castle and Lower Wensleydale) and northern (Newsham with Eppeby, Middleton Tyas and Croft) wards.

**Map 2.3 Median house prices 2015 by ward**



Source: Data produced by Land Registry © Crown copyright 2016

- 2.15 Table 2.1 summarises lower quartile, median and upper quartile prices by sub-area during 2015 based on Land Registry address-level data. This shows significant variation across the District, with the lowest prices in Central Richmondshire and the highest prices in the Upper Dales.

Table 2.1 House prices in Richmondshire 2015 by sub-area			
Sub-Area	Price (£)		
	Lower Quartile (25%)	Median (£)	Upper Quartile (£)
Central Richmondshire	120,000	155,000	214,950
Lower Wensleydale	175,000	230,000	315,000
North Richmondshire	173,000	225,000	322,000
Upper Dales	189,000	275,000	349,950
<b>Richmondshire Total</b>	141,000	190,000	271,800

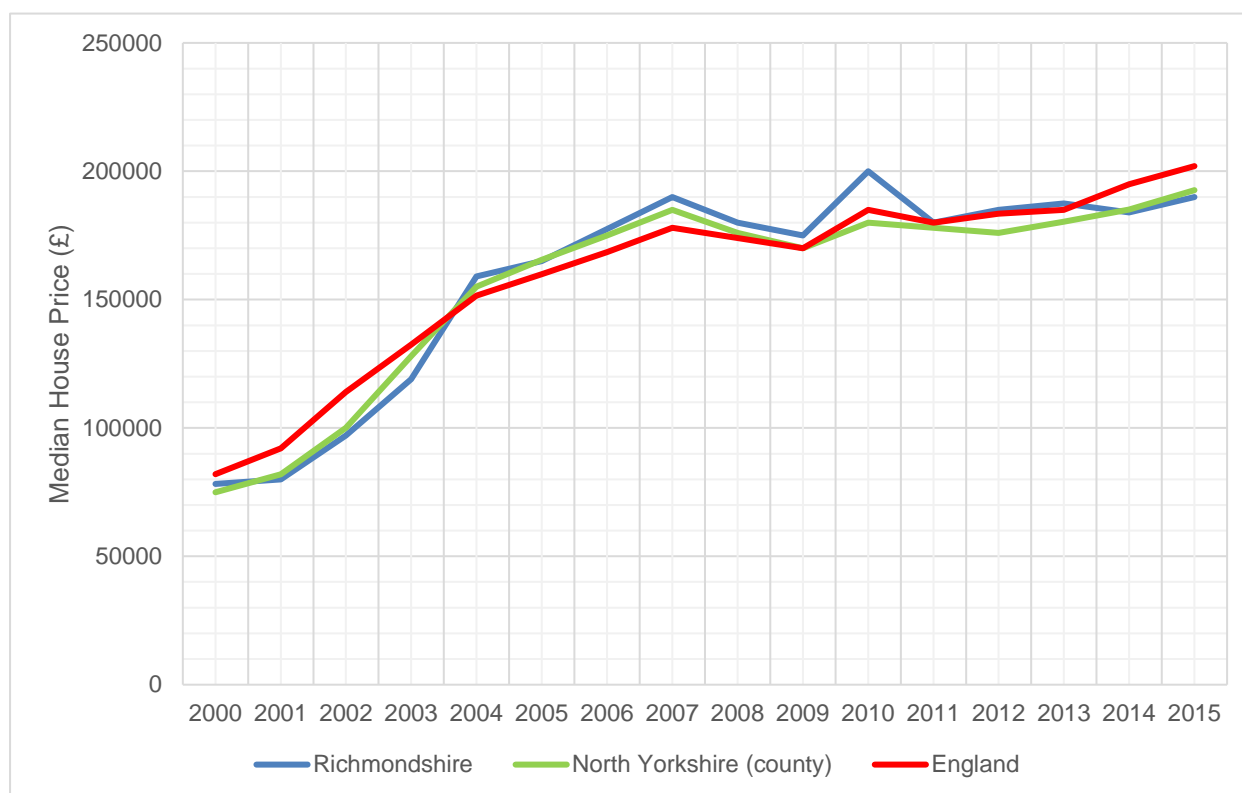
Source: Data produced by Land Registry © Crown copyright 2016

2.16 Table 2.2 considers how Richmondshire median prices and change over the period 2000-15 compare with neighbouring areas, North Yorkshire and England. This analysis demonstrates that the median price changes has been greater than neighbouring Darlington and County Durham; but less than the remaining neighbouring areas, England and North Yorkshire. Richmondshire's housing market area therefore exhibits a degree of distinctiveness compared with neighbouring areas.

Table 2.2 House prices and price change in neighbouring areas, North Yorkshire and England			
Location	Year		% change 2000-15
	2000	2015	
County Durham	£47,500	£101,000	112.6
Darlington	£52,000	£122,500	135.6
<b>Richmondshire</b>	<b>£78,200</b>	<b>£190,000</b>	<b>143.0</b>
<i>England</i>	<i>£82,000</i>	<i>£202,000</i>	<i>146.3</i>
Hambleton	£84,725	£210,000	147.9
South Lakeland	£79,500	£200,000	151.6
<i>North Yorkshire (county)</i>	<i>£74,950</i>	<i>£192,637</i>	<i>157.0</i>
Craven	£70,000	£182,500	160.7
Eden	£71,000	£185,500	161.3
Harrogate	£90,500	£243,000	168.5

Source: Data produced by Land Registry © Crown copyright 2016

**Figure 2.1 Median house price trends 2005 to 2015: Richmondshire, North Yorkshire and England**



Source: Data produced by Land Registry © Crown copyright 2016

## Migration and self-containment

2.17 In relation to migration, PPG paragraph 11 states:

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

2.18 That said, previous CLG guidance recognised that *'rural areas typically have less locally self-contained migration patterns, reflecting the influence of long-distance movers who are opting for lifestyle change or retirement.'*<sup>9</sup>

2.19 Data reported in the 2011 Census provides evidence from which the degree of self-containment of Richmondshire can be derived. PAS guidance recommends that migration data are tested against the PPG criterion for self-containment,

<sup>9</sup> DCLG Advice Note: Identifying sub-regional housing market areas 2007

that at least 70% of all migration excluding long-distance migration should be contained within the HMA. A suitable test are two migration containment ratios:

- **Supply side (origin):** moves within the area divided by all moves whose origin is in the area, excluding long-distance moves; and
- **Demand side (destination):** moves within the area divided by all moves whose destination is in the area, excluding long-distance migration.

- 2.20 Table 2.3 presents relevant data for Richmondshire and illustrates that 42.5% of all residents moving in the year preceding the Census originated from within Richmondshire. Of the 7,046 moving residents, 39.2% originated in Richmondshire, 3.2% from Hambleton, 2.9% from Darlington, 2.2% from County Durham, 1.9% from Harrogate, 7.9% from elsewhere in Yorkshire and the Humber, 3.5% from the North East and 39.4% from elsewhere in the UK.
- 2.21 Table 2.4 summarises the containment ratios that apply to the origin and destination of moving residents. In line with PPG guidance, this excludes long-distance migration (which in this case is taken as moves from outside the three Northern regions of the North East, North West and Yorkshire and the Humber). Based on these criteria, the origin containment ratio is 64.6% and the destination is 63%.
- 2.22 In common with many rural districts, the level of containment in Richmondshire is lower than the 70% CLG threshold. Additionally, the movement of military personnel and households has a considerable impact on resident flows.

Origin/ Destination	Supply Side (Origin)			Demand Side (Destination)		
	All Moves		Excluding Long Distance Moves	All Moves		Excluding Long Distance Moves
	Number	%	%	Number	%	%
Richmondshire	2,759	39.2	64.6	2,759	40.5	63.0
Darlington	201	2.9	4.7	320	4.7	7.3
County Durham	152	2.2	3.6	193	2.8	4.4
Hambleton	224	3.2	5.2	227	3.3	5.2
Harrogate	132	1.9	3.1	163	2.4	3.7
Elsewhere NE	244	3.5	5.7	220	3.2	5.0
Elsewhere Y&H	557	7.9	13.0	497	7.3	11.3
Elsewhere UK	2,777	39.4		2,426	35.7	
<b>TOTAL</b>	<b>7,046</b>	<b>100.0</b>	<b>100.0</b>	<b>6,805</b>	<b>100.0</b>	<b>100.0</b>
Base (excluding long-distance moves)			<b>4,269</b>			<b>4,379</b>

Source: 2011 Census

Table 2.4 Containment ratios			
Origin	Moves within the area	All moves originating in the area	Containment Ratio
	2,759	4,269	<b>64.6%</b>
Destination	Moves within the area	All moves whose destination is in the area	Containment Ratio
	2,759	4,379	<b>57.4%</b>

Source: 2011 Census

2.23 Furthermore, to demonstrate that Richmondshire is broadly self-contained in terms of its housing market, it is worth considering how interactions with Richmondshire are recognised by neighbouring authorities:

- Darlington recognises interactions with Richmondshire and in particular with Catterick Garrison. Housing in the Borough *'meets most local needs, as well as some of the needs arising from the continued expansion of Catterick Garrison'*<sup>10</sup>. This was a cross boundary issue considered in the Core Strategy *'Low but sustained pressure for new housing in the Borough, arising from ongoing expansion and dispersal of service personnel from Catterick Garrison in Richmondshire District into nearby civilian communities'*<sup>11</sup>.
- County Durham is a self-contained Housing Market Area. There is some interaction with Richmondshire which accounts for 0.4% of moves into County Durham and 0.3% of moves out of the County.
- Craven has strongest interactions with Bradford, Lancaster and Pendle. There is some interaction with Richmondshire which accounts for 0.2% of moves into Craven and 0.5% of moves out of the Craven.
- Harrogate's 2015 SHMA<sup>12</sup> suggests there are *'lesser but notable links with both York and Richmondshire, although these are likely to reflect more local cross-boundary interactions at the periphery of the Districts'*.
- Hambleton – the 2016 SHMA recognises that the North West of the district has a close inter-relationship with Richmondshire.
- Eden – no specific linkages with Richmondshire are mentioned in the 2010 Core Strategy.
- South Lakeland – no specific linkages with Richmondshire are mentioned in the 2010 Core Strategy;
- The Yorkshire Dales National Park recognises that the Park is divided by several Housing Market Areas, but has based its Local Plan on a discrete

<sup>10</sup> Darlington Core Strategy para. 2.7

<sup>11</sup> Darlington Core Strategy Table 2.1

<sup>12</sup> Harrogate Strategic Housing Market Assessment September 2015

Housing Market Area for planning policy purposes and this pragmatic approach has been accepted by the Planning Inspectorate<sup>13</sup>

- 2.24 Although interactions with several neighbouring areas are recognised, from the perspective of these local authorities, they do not consider Richmondshire as part of their respective Housing Market Areas. The logical conclusion is therefore that Richmondshire District has to be considered as a Housing Market Area in its own right and for the purposes of planning policy.

## Commuting patterns

- 2.25 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Richmondshire travel to other areas, together with details of how many people commute into the District area. Table 2.5 presents this data and indicates that 74% of people who live in Richmondshire work in Richmondshire; and 75.4% of workers in Richmondshire live in the District.

Table 2.5 Richmondshire 2011 census commuting flows: workers (aged 16-74)			
Where do people who live in Richmondshire work?			
Live	Work	Number	%
Richmondshire	Richmondshire	20,571	74.0
	Hambleton	2,048	7.4
	Darlington	1,382	5.0
	County Durham	635	2.3
	Other	3,159	11.4
Workers		27,795	100.0
Where to people who work in Richmondshire live?			
Live	Work	Number	%
Richmondshire	Richmondshire	20,571	75.4
Darlington		1,283	4.7
Hambleton		845	3.1
County Durham		774	2.8
Harrogate		398	1.5
Scotland*		4,259	15.6
Jobs		27,294	100

Source 2011 Census and Edge Analytics Table 2

\*Note: The link with Scotland is most likely to be associated with the weekly commuting of military personnel

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

<sup>13</sup> See Report on the Examination of the Yorkshire Dales National Park Local Plan 2015-2030, December 2016



*'The current criterion for defining TTWs is that generally at least 75% of an area's resident workforce in the area and at least 75% of the people who work in the area also live in the area...however, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted'<sup>14</sup>*

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

## Concluding comments

- 2.28 The purpose of this chapter has been to consider the general housing market context of Richmondshire District and its inter-relationships with other areas. This reflects the requirements of PPG (paragraph 11). By reviewing house prices, migration and travel to work patterns, the extent to which Richmondshire is a self-contained Housing Market Area can be determined. PPG establishes that areas within which a relatively high proportion of household moves (typically 70%) are contained although former CLG guidance recognises that containment thresholds are typically lower in rural areas.
- 2.29 Richmondshire's Housing Market Area exhibits a degree of distinctiveness compared with neighbouring areas as measured by median price change 2000-2015, with price change in Richmondshire higher than Darlington and County Durham but lower than other neighbouring districts.
- 2.30 Regarding migration, analysis of the 2011 census identifies containment ratios of 64.6% (origin) and 63% (destination). This reflects the rural nature of the District which can result in lower levels of self-containment and military personnel and household moves associated with Catterick Garrison.
- 2.31 Regarding travel to work, it can be concluded that Richmondshire is a self-contained area, with levels of self-containment exceeding 70%.
- 2.32 NHPAU research considered Richmondshire to be part of a wider strategic Housing Market Area which extends across Richmondshire and Hambleton. However, for planning policy purposes, all neighbouring areas are established Housing Market Areas in their own right and although they recognise interactions with other areas, Richmondshire is not included as a component of their respective Housing Market Areas.
- 2.33 In conclusion, although there are interactions with other areas, Richmondshire should be recognised as an appropriate Housing Market Area for the purposes of planning policy. Containment thresholds accord with the understanding that they are typically lower in rural areas coupled with longer-distance moves associated with military households linked to Catterick Garrison.
- 2.34 Evidence would therefore confirm that Richmondshire District is an appropriate Housing Market Area for the purposes of Local Plan policy making.

---

<sup>14</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/traveltoworkareaanalysisingreatbritain/2016>

## 3. Objectively Assessed Housing Need and Housing Requirement

### Introduction

- 3.1 The National Planning Policy Framework requires that Local Planning Authorities (LPAs) identify Objectively Assessed Housing Need (OAN) and that Local Plans translate those needs into land provision targets. Paragraph 159 of the NPPF recognises that the objective assessment of housing need must be one that meets household and population projections, taking account of migration and demographic change; meets the need for all types of housing including Affordable, and caters for housing demand and the scale of housing supply necessary to meet that demand. PPG recognises that '*establishing future need for housing is not an exact science*' (para 014 2a-014-20140306), although it should be informed by reasonable and proportionate evidence.
- 3.2 The purpose of this chapter is to draw together demographic scenario work presented in the Edge Analytics report, *Richmondshire: SHMA Demographics* (November 2016) and a market signals review to establish the Objectively Assessed Housing Need for Richmondshire over the plan period 2014-2035. The chapter is structured in accordance with the approach set out in PPG and also considers further guidance which supports PPG, namely the Planning Advisory Service *Objectively Assessed Need and Housing Targets Technical Advice Note*, Second Edition, July 2015; and the *Local Plan Experts Group report Local Plans: report to the Communities Secretary and the Minister of Housing and Planning*, March 2016.
- 3.3 The analysis of OAN draws extensively upon demographic analysis prepared by Edge Analytics<sup>15</sup>. It has produced a range of scenarios using the latest demographic statistics considering:
- The 2014-based population and household projections for Richmondshire;
  - 2012-based projections;
  - Alternative migration impacts/assumptions; and
  - Economic forecasts from the Regional Economic Model (REM) using September 2016 data.
- 3.4 Scenario analysis has been carried out for Richmondshire District and two planning authority areas which cover the District: the part of the District located within the Yorkshire Dales National Park Local Planning Authority and the Richmondshire (excluding the LPA) area.
- 3.5 The Edge Analytics demographic analysis carefully considers the impact of the military population on overall dwelling requirements. Catterick Garrison is home to one of the UK's largest concentrations of military personnel and this has a

---

<sup>15</sup> Richmondshire: SHMA Demographics, November 2016

significant impact upon the District's population profile, its migration balance and the profile of economic activity.

- 3.6 In order to establish Objectively Assessed Need, PPG recommends a logical progression of steps which form the structure of this chapter:
- Establishing the Housing Market Area;
  - Make use of DCLG household projections as the starting point estimating the OAN;
  - Consider sensitivity testing specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates;
  - Take account of employment trends;
  - Take account of market signals;
  - Consider an increase in the total housing figures where it could help deliver the total number of affordable homes.

## Establishing the Housing Market Area

- 3.7 PPG Paragraph 2a-010 states a requirement to establish the relevant functional area to assess needs. For housing need, this is the Housing Market Area. Chapter 2 reviewed the evidence relating to defining the market area. This demonstrated that Richmondshire should be recognised as an appropriate Housing Market Area for the purposes of planning policy, and that containment thresholds accord with the understanding that they are typically lower in rural areas and influenced by longer-distance moves associated with military households linked to Catterick Garrison. Regarding travel to work, it can also be concluded that Richmondshire is a self-contained area.

## Demographic starting point

- 3.8 PPG Paragraph 2a-015 states that plan makers should make use of the household projections published by DCLG as the starting point estimate of housing need. The latest official population and household projections (2014-based) have been considered in accordance with PPG Paragraph 2a-016. Over the 2014-2035 plan period, the 2014-based household projection model suggests an increase of 8 households. However, 2014-based projections take account of 2014-based population estimates that have been significantly affected by population change associated with the Army at Catterick Garrison. This is most notable in 2013/14 when there was net out-migration of 1,226 compared with 26 in 2012/13 and -312 in 2014/15. Edge Analytics comment that *'the recent decline in Richmondshire's population estimate is linked with the movement of personnel from the army at Catterick Garrison. The most recent evidence from Ministry of Defence (MOD) statistics suggests that this*

*short-term decline is quickly being reversed with new deployments to the site during 2016*<sup>16</sup>

- 3.9 Although the projections using the 2014-based population estimates are affected by military moves, they better reflect the demographics of the local resident population. It is therefore reasonable to take forward the scenarios derived from the 2014-based population estimates in the calculation of OAN for the resident local population.

## Adjusting the projections

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

### Local demographic trends

- 3.11 Whilst the official 2014-based ONS population and DCLG household projections will form the 'starting point' of the assessment of housing need, the PPG states that it is appropriate to consider '*alternative assumptions in relation to the underlying demographic projections and household formation rates*' of the local area (PPG Paragraph 2a-017).
- 3.12 In line with the PPG, Edge Analytics have developed a range of alternative demographic scenarios. The 2014-based population projections from ONS provide the official 'benchmark' scenario, with household growth assessed using household headship rate assumptions from the 2014-based CLG household projection model. For comparison with this official benchmark, a number of 'alternative trend' scenarios have been developed, including alternative migration assumptions.
- 3.13 The following alternative trend scenarios have been developed by Edge Analytics:
- PG-Short-Term-X: which derives its migration assumptions from a six-year historical period to 2015 (2009/10 to 2014/15), excluding the 2013/14 year for internal migration. Internal migration projections derived using rates and international migration projections derived using counts;
  - PG-Short-Term-X-Fixed: which derives its migration assumptions from a six-year historical period to 2015 (2009/10 to 2014/15), excluding the 2013/14 year for internal migration. Internal and international migration projections derived using counts.
  - PG-Long-Term-X: which derives its migration assumptions from a 14-year historical period to 2015 (2001/12 to 2014/15), excluding the 2013/14 year for internal migration. Internal migration projections derived using rates and international migration projections derived using counts;

---

<sup>16</sup> Edge Analytics report November 2016 para 2.30

- PG-Long-Term-X-Fixed: which derives its migration assumptions from a six-year historical period to 2015 (2009/10 to 2014/15) excluding the 2013/14 year for internal migration. Internal and international migration projections derived using counts.
  - Natural change: in which internal and international migration rates are set to zero and dwelling growth is driven by natural change.
- 3.14 The historical mid-year estimates for Richmondshire include a substantial unattributed population change (UPC) adjustment. This is the difference between mid-year population estimates derived during the period 2001 and the 2011 census. For Richmondshire, this is most likely associated with the year-on-year estimation of armed forces personnel (and their dependents) at Catterick Garrison and/or the robustness of the 2011 census estimate. Edge Analytics have therefore ignored a UPC adjustment when calibrating the future migration assumptions of the PG-Short Term-X and PG-Long Term-X scenarios<sup>17</sup>.
- 3.15 In the core scenarios, the 2014-based DCLG headship rates (HH-14) have been applied. For comparison, each of the demographic scenarios has been run using earlier (2008-based) and 2012-based DCLG household models.
- 3.16 PAS guidance recommends that when starting on a new housing assessment or updating an earlier one, plan-makers should set aside headship rates that pre-date CLG 2012 (which were the latest available projections when the guidance was published). It is therefore implied that the latest headship rates are used as a basis for calculating OAN however given the population dynamics of Richmondshire and the short-term implications of out-migration from Catterick Garrison, 2012-based headship rates have been used.
- 3.17 Table 3.1 summarises the range of scenarios and dwelling requirements under alternative headship rate assumptions in line with PPG. These outputs also assume an 11.4% fixed dwelling vacancy rate which also takes into account second/holiday homes.

<b>Table 3.1 Dwelling requirements under alternative scenarios and headship rate sensitivities</b>			
<b>Scenario</b>	<b>Average annual dwelling requirement 2014-2034</b>		
	<b>HH-14</b>	<b>HH-12</b>	<b>HH-08</b>
PG-Long-Term-X	144	142	170
PG-Short-Term-X	94	94	118
PG-Long-Term-X-Fixed	62	62	86
SNPP-2012	73	73	91
Natural Change	79	79	87
PG-Short-Term-X-Fixed	-10	-9	10
SNPP-2014	8	9	25

<sup>17</sup> The Edge Analytics report notes that the two alternative migration scenarios ignore 2013/14 Mid Year Estimates in the calibration of future internal migration assumptions due to its association with the reduction in personnel and dependents at Catterick Garrison. This is expected to be short-lived and reversed with new deployments to the Garrison. International migration for 2013/14 is included in the historical range of data used to calibrate migration assumptions.

- 3.18 Having reviewed the latest demographic and household projections and considered alternative assumptions relating to migration and headship rates in line with PPG, it is recommended that:
- I. The starting point is the PG-Short-Term-X scenario of 94 dwellings each year. This is a modification of the 2014-based household projections which takes into account anomalous migration trends associated with military changes at Catterick Garrison and therefore takes account of PPG Paragraph 2a-016 and uses 2014-based headship rates. This scenario takes into account military migration, but in a more steady state unaffected by the recent Army Basing Plan changes. The long term growth scenarios are affected by long term military growth from a low point around 2001.
  - II. Regarding alternative headships rates, these have been tested using 2014-based, 2012-based and 2008-based rates. The 2014-based rates are the Government's most recent estimate of future growth and dwelling requirements are consistent with those under 2012-based headship rates. For consistency with the use of 2012-based projections, 2012-based headship rates are used in the OAN calculation. PAS guidance para 6.41 makes a particular comment that '*CLG 2008 rates are no longer helpful because they are based on very old evidence and anyway may not reflect the true long-term trend*'. This is borne out in research<sup>18</sup> which concludes that the 2008-based rates never did provide a robust view of long-term trends and are now irrelevant, because societal change is slowing down the historical rise in Household Representative Rates and resulting fall in household sizes. There is only a slight difference in the outcomes of the HH-14 and HH-12 headship rates, with the HH-14 rates resulting in a slight increase in dwelling requirements. It is therefore recommended that the latest HH-14 headship rates are used to inform the OAN calculation.
  - III. In conclusion, an analysis of '*alternative assumptions in relation to the underlying demographic projections and household formation rates*' of the local area results in a recommendation of a baseline demographic requirement of 94 dwellings each year.

## Employment trends

- 3.19 PPG paragraph 2a-018 states that '*plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area*'. Edge Analytics have approached this in two ways: firstly, by considering the potential change in the labour force by applying key assumptions on future economic activity rates, level of unemployment and balance of commuting between resident workers and local

---

<sup>18</sup> L Simpson, Wither household projections? In Town and Country Planning , December 2014

jobs; and secondly by considering future economic forecasts and the extent to which these could be supported by Richmondshire's working age population.

### Demographic scenarios: labour force and job growth implications

- 3.20 The labour force and job growth implications under alternative demographic scenarios are evaluated through the application of key assumptions on Richmondshire's future economic activity rates, level of unemployment and balance of commuting between resident workers and local jobs. In a trend-based scenario, the size of the resident labour force and the number of jobs that can be supported are sensitive to adjustments to these key factors. The following set of assumptions has been applied to the demographic scenarios:
- **Economic activity rates** have been derived from the 2011 Census disaggregated by sex and 5 year age groups (16-75+). Age-specific rates have been adjusted in line with Office for Budget Responsibility (OBR) labour market trends analysis for the 60-75+ age groups;
  - The **unemployment rate** determines the proportion of the labour force that is unemployed (and as a result, the proportion that is employed). In all scenarios, historical unemployment rates have been defined up to 2015, with the unemployment rate fixed at the 2015 value of 2.2% throughout the forecast period.
  - A fixed **commuting ratio** of 0.99 from the 2011 Census Travel to Work data for Richmondshire has been applied each year of the forecast period and indicates a small net in-commute into Richmondshire.
- 3.21 For each of the Richmondshire demographic scenarios, Edge Analytics have applied these assumptions to derive an estimate of the changing size of the labour force that the population growth implies, and the level of employment growth that could be supported under these assumptions (Table 3.2). Analysis indicates that the starting point projection supports an annual jobs growth of 50 each year, which broadly reflects the REM estimate.

Scenario	Change in labour force 2014-35	Average Annual Jobs Growth
PG-Long-Term-X	2,340	125
PG-Short-Term-X	753	50
PG-Long-Term-X-Fixed	-217	4
SNPP-2012	-500	-9
PG-Short-Term-X-Fixed	-2,568	-107
SNPP-2014	-2,218	-90

### Economic forecasts

- 3.22 In the consideration of future jobs in an area, the PPG states that 'economic forecasts' should be considered (PPG Paragraph 2a-018). An economic growth

forecast for Richmondshire has been supplied from the September 2016 REM, which provides a trajectory of Full-Time Equivalent (FTE) employment. This version of the REM is based on the Experian September 2016 forecast.

- 3.23 Over the 2014-2035 plan period, FTE employment is forecast to increase by 1,200, an average of 57 each year.

### Summary of employment trends

- 3.24 This section has summarised material in the Edge Analytics report which considers the labour force and employment growth outcomes of the demographic scenarios and considered the scale of jobs growth under the latest Experian economic forecast.
- 3.25 Having considered the potential change in labour force capacity and future economic forecasts, it can be concluded that:
- IV. The starting point supports the growth of 50 jobs each year. Over the 2014-2035 plan period, the latest REM forecasts suggest an annual increase of 57 Full-Time Equivalent jobs in Richmondshire;
  - V. In summary, an assessment of the *'likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area'* would suggest there is no need for an upward adjustment of the starting point dwelling figure of 94 each year.

### Market signals and past trends in delivery

- 3.26 PPG Paragraph 2a-019 states that, *'the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings'*. PPG Paragraph 2a-20 suggests that, *'in broad terms, the assessment should take account both of indicators relating to price (such as house prices, rents, affordability ratios) and quantity (such as overcrowding and rates of development).'*
- 3.27 PPG Paragraph 2a-020 comments that, *'market signals are affected by a number of economic factors and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, should be expected to improve affordability, and monitor the response of the market over the Plan period.'*
- 3.28 In line with PPG Paragraph 2a-019, Table 3.3 considers a range of housing market signals for Richmondshire. These include house prices, rents, affordability and overcrowding. Further material relating to the Richmondshire housing market can be found at Appendix A.



## Price indicators

- 3.29 In terms of price/transaction indicators, a key message from the analysis is that house prices increased between 2005 and 2007 but have been broadly consistent over the period 2007-2015. Lower quartile prices have ranged between £119,500 (in 2005) and £148,000 (in 2010). Median price have ranged between £162,250 (in 2005) and £200,000 (in 2010). Sales declined from a peak of 908 in 2006 and after averaging around 490 per year during 2008-2012, sales have increased and there were 680 transactions in 2015.
- 3.30 The affordability of median house prices has improved slightly overall, with a decrease in House Price Ratio (HPR) from 7.7 in 2005 to 7.1 in 2015 although over the 2005-2015 period has averaged 7.8 based on resident earnings data.
- 3.31 Lower quartile market rents have increased during the five-year period for which data are available, from £494 pcm in 2010 to £516 in 2015, although this has fluctuated. Median rents were relatively stable at £546-550 pcm between 2010 and 2014 but rose to £594 in 2015. The Rental Affordability Ratio (RAR) has fluctuated slightly. In 2015, the RAR was 32.2% and over the five year period it has averaged 32.1% based on resident earnings data.
- 3.32 Overall, the price indicators demonstrate that open market housing costs have been broadly consistent over the period 2005-2015 but have shown recent signs of increase. Affordability ratios would suggest there is pressure in the housing market which warrants consideration when calculating the Objectively Assessed Need for housing. Further measures of relative affordability based on ONS data would suggest that the ratio of median houses price to median incomes (workplace based) currently stands at 7.4.
- 3.33 On the basis of the HPR and RAR ratios for Richmondshire, an uplift of 20% would be recommended as suggested by the LPEG report.

## Quantity indicators

- 3.34 In terms of quantity indicators, there has been a growth in the total number of dwellings of 2,181 or 10.3% between 2005 and 2015. Vacancy rates have averaged 3.5% over this period. The vacancy rate in 2015 at 3.7% compares with the English rate of 2.6%. The long-term vacancy rate has fluctuated around an average of 1.4% during the 2005-2015 period. For the purposes of demographic scenario analysis, Edge Analytics used the 2011 census vacancy rates of 11.4% for Richmondshire (which includes an allowance for second/holiday homes), fixed throughout the plan period. For sub-area analysis, the following rates were applied:
- Richmondshire inside the YDNP: 30.7%;
  - Richmondshire outside the YDNP: 6.9%.
- 3.35 According to the 2011 Census, 2% of households in Richmondshire District were overcrowded. This compares with 4.6% across England. The 2001 Census reported an overcrowding rate of 3.5% (7.1% across England), suggesting that levels of overcrowding have reduced across Richmondshire.
- 3.36 The figures for households on the Housing Register have fluctuated over the period 2005-2015, averaging 1,262 and ranging between 661 (in 2014) and

1,670 (in 2011). This data has been reported as it is from an official CLG source and fluctuations are more likely to do with administration of the Housing Register rather than large changes in underlying need. The drop in numbers at the tail end of the period in Table 3.3 coincides with a review of how people are entered onto the system. Qualifying criteria were more focused on people likely to qualify for social housing. This eliminated existing home-owners and people with higher savings, for example.

<b>Table 3.3 Housing Market Signals</b>											
<b>Price/transaction indicators</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Lower Quartile House Prices	119,950	129,000	140,000	135,000	138,000	148,000	135,000	135,000	138,000	137,000	140,500
Median House Prices	162,250	175,000	187,500	180,000	175,000	200,000	180,000	185,000	187,500	184,000	190,000
Lower Quartile Rents (per calendar month)						494	446	477	524	498	516
Median Rents (per calendar month)						546	546	546	550	550	594
House Price Ratio (Median Price to Median Earnings)	7.7	8.6	8.1	8.2	7.9	9.0	7.2	6.9	7.3	7.4	7.1
Rental Affordability Ratio (Lower quartile rents to lower quartile earnings)						35.0%	27.6%	31.8%	34.0%	31.7%	32.2%
ONS Table 576 LQ Earnings to LQ Price (workplace-based earnings)	9.97	8.67	8.58	9.26	8.01	8.44	8.28	8.08	8.35	7.84	8.58
ONS Table 577 Median Earnings to Median Price (workplace-based earnings)	8.96	8.68	8.70	8.32	8.16	10.19	7.86	7.76	6.70	7.34	7.40
No. Property sales	841	908	902	498	475	494	481	498	597	716	680
<b>Quantity indicators</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Total dwelling stock (at 1 April)	21,129	21,438	21,629	21,810	22,266	22,660	22,800	22,990	23,080	23,190	23,310
Total vacant dwellings (at October)	680	722	819	809	790	755	689	866	825	822	855
Total vacancy rate (at October)	3.22%	3.37%	3.79%	3.71%	3.55%	3.33%	3.02%	3.77%	3.57%	3.54%	3.67%
Long-term vacant dwellings (at October)	268	291	352	367	335	314	307	361	282	273	325
Long-term vacancy rate (at October)	1.27%	1.36%	1.63%	1.68%	1.50%	1.39%	1.35%	1.57%	1.22%	1.18%	1.39%
Overcrowding (2011 Census)							2.0%				
No. of households on the housing register (at 1st April)	1,556	1,380	1,313	1,540	1,462	1,389	1,670	1,133	1,076	661	704

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

Note: Private rental data for 2005-2009 not available

## Comparator areas

- 3.37 Table 3.4 considers how the market signals observed in Richmondshire compare with similar districts and with regional and national trends.
- 3.38 Compared with comparator district, regional and national data over the more recent 2010-15 period, lower quartile house price change in Richmondshire has been negative, while the region and several comparator areas have seen lower quartile prices rise, as in England as a whole. Change in Richmondshire has been similar to that in Darlington. In terms of median house prices, Richmondshire has seen a fall in prices, while the majority of other comparator districts, the region and England saw median price increase. Lower quartile rental price has increased in Richmondshire; whilst this increase has been lower than in South Lakeland, Craven and Hambleton, it is higher than the other comparators and the region, although not as high as England. By comparison, median rental prices have increased at a greater rate than any of the comparator areas and the region, but at a lower rate than the 23.3% national increase.
- 3.39 The House Price Ratio (HPR), comparing median house price to median earnings, is very similar in Richmondshire (7.1) to that of England as a whole (7.5) and slightly higher than the region (5.6). Comparator districts range from a HPR of 4.0 in County Durham to 9.0 in Harrogate. The Rental Affordability Ratio (RAR) of 32.2% in Richmondshire is higher than the region (27.9%) but lower than England (39.6%).
- 3.40 In terms of quantitative indicators, a 2.9% increase in total dwelling stock 2010-15 compares well with the national trend, and although lower than the region it is similar to most comparator districts. Total vacancy rates and long-term vacancy rates have increased, both at a similar rate to what has typically been seen elsewhere. An overcrowding rate in Richmondshire of 2% compares with England (4.6%), and 3.6% across the region. The number of households on the Housing Register per 1,000 occupied housing is 31 in Richmondshire, which is typical of comparator districts and low compared with the region and England as a whole.

**Table 3.4 Housing market signals comparison with local districts, the region and England**

Price/transaction indicators 2010-2015	Richmondshire	Comparator Districts						Yorkshire and Humber	England
		Craven	Hambleton	Harrogate	County Durham	Darlington	South Lakeland		
Lower Quartile House Prices change 2010-15	-5.1	3.8	2.3	9.4	-15.6	-8.0	3.4	2.1	8.8
Median House Price change 2010-15	-5.0	0.3	5.0	10.5	-7.0	0.0	5.0	3.7	12.4
Lower Quartile Rent change 2010-2015 (per calendar month)	4.5	10.8	10.4	0.7	-4.3	1.5	11.3	-0.9	8.7
Median Rent change 2010-15 (per calendar month)	8.8	0.7	0.7	4.5	-4.7	1.1	0.3	0.0	23.3
House Price Ratio (Median Price to Median Earnings) 2015	7.1	7.7	8.3	9.0	4.0	4.9	8.2	5.6	7.5
Rental Affordability Ratio (Lower quartile rents to lower quartile earnings) 2015	32.2	33.6	38.3	36.7	24.5	24.5	36.7	27.9	39.6
<b>Quantity indicators</b>									
Total dwelling stock change 2010-15	2.9	2.9	2.6	1.5	2.5	2.9	2.6	6.8	3.1
Total vacant dwellings % change 2010-15	13.2	13.2	8.6	-10.3	3.4	-8.9	-1.4	-20.0	-18.6
Total vacancy rate 2015	3.7%	3.7%	3.0%	3.2%	4.3%	3.4%	3.8%	3.2%	2.5%
Long-term vacant dwellings % change 2010-15	3.5	3.5	-8.2	-13.1	1.5	-43.8	-7.0	-31.3	-32.1
Long-term vacancy rate (at October)	1.4%	1.4%	1.0%	1.1%	2.0%	1.1%	1.8%	1.1%	0.9%
Overcrowding (2011 Census)	2.0%	1.7%	1.4%	2.3%	2.3%	2.7%	1.4%	3.6%	4.6%
No. of households on the housing register (at 1st April 2015)	704	560	959	1687	11132	1601	2596	147784	1240855
No. households on housing register per 1,000 occupied dwellings	31	25	24	24	49	33	49	62	54

Source: Data produced by Land Registry © Crown copyright 2016; Zoopla 2016, Annual Survey of Hours and Earnings 2015, DCLG Dwelling Statistics, 2011 Census and Office for National Statistics

## Past trends in housing delivery

- 3.41 PPG Paragraph 2a-19 refers to the rate of development as a market signal and this section reviews actual housing completions data for the District. 451 (net) dwellings were completed in the District between 2012/13 and 2015/16. Of these, 90 were affordable, representing 20% of completions (Table 3.5).

**Table 3.5 Private and affordable housing completions 2012/13 to 2015/16**

Year	Private	Affordable		Total	Annual Target
		Housing Associations	Local Authority		
2012/13	74	2	0	76	180
2013/14	96	15	0	111	180
2014/15	82	39	0	121	180
2015/16	109	34	0	143	180
<b>4-Year Total</b>	<b>361</b>	<b>90</b>	<b>0</b>	<b>451</b>	<b>-</b>

Source: Richmondshire District Council Local Plan Monitoring Data

- 3.42 64% of net new homes were built in Central Richmondshire, 27% in Lower Wensleydale, 4% in North Richmondshire and 6% in the Upper Dales (Table 3.6).

**Table 3.6 Net completions by sub-area 2012/13 to 2014/15**

Year	Sub-Area				Total
	Central Richmondshire	Lower Wensleydale	North Richmondshire	Upper Dales	
2012/13	44	23	11	13	<b>91</b>
2013/14	73	14	11	5	<b>103</b>
2014/15	81	20	17	3	<b>121</b>
2015/16	105	47	-5*	7	<b>154</b>
<b>4 Year Total</b>	<b>303</b>	<b>104</b>	<b>34</b>	<b>28</b>	<b>469</b>
<b>4-Year Annual Average</b>	<b>76</b>	<b>26</b>	<b>8</b>	<b>7</b>	<b>117</b>
<b>Target for Plan Period</b>	<b>2,410</b>	<b>365</b>	<b>285</b>	<b>-</b>	<b>3,060</b>
<b>Remaining Target</b>	<b>2,107</b>	<b>261</b>	<b>251</b>	<b>-</b>	<b>2,591**</b>

Source: Richmondshire District Council Local Plan Annual Monitoring Report 2015, Figures 3 and 4

\*recent demolition of sheltered accommodation ahead of redevelopment

\*\* total net of National Park Completions

- 3.43 The Yorkshire Dales National Park Authority (YDNPA) reports a total of 39 completions in the Upper Dales over the four-year period 2012/13 to 2015/16 (Table 3.7). This total differs from the net figure reported by RDC because YDNPA monitors development requiring planning permission and RDC

monitors net new housing delivery (housing flow) for the whole District through its Council Tax data.

**Table 3.7 Net completions Upper Dales reported by YDNP 2012/13 to 2015/16**

Year	Total	Unrestricted	Affordable	Local Needs	Agricultural /Rural	Other	Holiday only	Mixed (local needs/ holiday)
2012/13	12	7	2	1	2	0	0	0
2013/14	8	4	0	3	0	1	0	0
2014/15	4	2	0	2	0	0	0	0
2015/16	15	4	0	10	0	0	1	0
<b>TOTAL</b>	<b>39</b>	<b>17</b>	<b>2</b>	<b>16</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>

Source: YDNPA

## Concluding comments and implications for OAN

- 3.44 In conclusion, a review of market signal data would suggest there is a need for adjusting the housing dwelling requirement on the basis of market signals relating to affordability. Although PPG does not specify the mechanism for uplift on the basis for market signals, the LPEG report recommends uplift from the demographic starting point based on two measures of affordability: House Price Ratios and Rental Affordability Ratios. For Richmondshire, the ratios are: HPR 7.1 and RAR 32.2% using resident-based income data; with the median house price to income ratio of 7.4 using workplace-based income data. Uplifts are recommended by LPEG when the HPR exceeds 6.3 and/or the RAR 25% and therefore a 20% uplift on the demographic starting point is recommended. This results in an uplift of 19 dwellings each year.
- 3.45 Regarding past trends in delivery, development has tended to lag behind existing targets but economic recovery has been progressing across Richmondshire and delivery levels are approaching target levels in 2015/16. As the Council has a five year land supply and buffer, it is reasonable to assume that any underperformance relative to targets is more likely to do with developer appetite for delivery rather than a shortfall of developable sites. It is therefore recommended that no adjustments to the OAN are necessary to take account of past delivery.
- 3.46 Regarding market signals and past trends in delivery:
- VI. It is recommended that the OAN is adjusted upwards to take account of market signals relating to affordability. A 20% uplift is recommended and this results in an additional 19 dwellings each year; and
  - VII. No adjustment is necessary to take account of past trends in delivery.

## Affordable need and housing provision targets

- 3.47 PPG Paragraph 2a-029 advises on how housing needs assessments should take account of affordable housing need: *‘the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing-led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes’.*
- 3.48 The analysis of housing need suggests there is an annual imbalance of 33 affordable dwellings each year. However, this is not a target for delivery but expresses the overall need from Housing Register evidence compared with the current supply of affordable housing. In reality, households in need who cannot access the market can pay proportionately more for their housing above suggested affordable thresholds, people can share dwellings to reduce housing costs, and the private rented sector can accommodate households in need. This assumes that the backlog of need is cleared over a 5 year period. If it is assumed that the backlog is cleared over the plan period, the annual affordable requirement 2014-35 would be 27 each year.
- 3.49 PAS<sup>19</sup> guidance provides helpful guidance in interpreting affordable need in the context of Objectively Assessed Need. Paragraph 9.6 states *‘in practical terms, there is no arithmetical way of combining the two calculations set out in PPG to produce a joined-up assessment of overall housing need. We cannot add together the calculated OAN and the calculated affordable need, because they overlap: the OAN of course covers both affordable and market housing, but we cannot measure these components separately, because demographic projections – which are the starting point for the OAN – do not distinguish between different sectors of the housing market’.* Para 9.7 continues *‘In summary, it seems logically clear that affordable need, as defined and measured in paragraphs 22-29 of the PPG, cannot be a component of the OAN’.* The OAN does have an affordable component – which cannot be measured separately but will normally be much smaller than the affordable need discussed at paragraphs 22-30. When paragraph 47 of the NPPF says that plans should meet in full *‘the need for market and affordable housing’*, it is referring to that component rather than the separately calculated affordable need.
- 3.50 In summary:
- VIII. No further adjustment is necessary to take account of additional affordable housing delivery.

## Objectively Assessed Housing Need

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

---

<sup>19</sup> Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition July 2015



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

- 3.52 The challenge for the Council is to deliver an appropriate and proportionate level of dwelling growth that supports economic growth and carefully takes into account the current demographic profile of the District.
- 3.53 It is proposed that the Objectively Assessed Housing Need for Richmondshire over the plan period 2014-2035 is established from a baseline of 94, with no upward adjustments to take account of migration or headship rates and this supports jobs growth in line with the latest REM forecast.
- 3.54 A further uplift to the baseline demographic requirement to take account of market signals is recommended. A 20% uplift is recommended which, using a baseline of 94 dwellings, results in an uplift of 19 dwellings each year. This brings the OAN to 113 which is rounded to 115.
- 3.55 In conclusion, the Objectively Assessed Need figure of 115 takes account of the need to deliver more affordable and market housing for an increasing number of households and supports economic growth. The full objectively assessed dwelling need over the Plan Period 2014-2035 (20 years) is for 2,300 dwellings for the District. This figure does not include any military housing requirements. This would need to be estimated separately in partnership with MoD as its requirements become apparent.

### From an OAN to a housing requirement

- 3.56 Having established an up to date OAN, it is necessary to translate this into a growth target for the purposes of future plan-making. This is referred to as the 'Housing Requirement'. The Housing Requirement should, in normal circumstances, reflect the Objectively Assessed Need but can be adjusted either upwards or downwards. An OAN could be adjusted downwards due to development constraints or upwards to support economic or other growth ambitions. The OAN is in effect a 'policy off' need for housing over the plan period. Once policy considerations have been applied to the OAN figure, the result is a 'policy on' figure for the housing requirement. The housing requirement figure will be the target against which housing supply will normally be measured.
- 3.57 It is recommended that the Housing Requirement for Richmondshire is the Objectively Assessed Need for 115 dwellings each year (or 2,300 over the plan period 2014 to 2035). This is the domestic Housing Requirement and the Housing Requirement should be reviewed if the local population trends change; and national defence policy requirements for the Army at Catterick Garrison.

- 3.58 Richmondshire comprises two local planning authorities (RDC and YDNPA). Both are responsible for ensuring that development meets the Objectively Assessed Needs of their respective areas, unless policies in the NPPF suggest that development should be restricted. Edge Analytics has modelled scenarios for these two areas taking into account their different population dynamics. The results suggest an absolute reduction in the dwelling requirement within the National Park over the period 2014 – 2035 (Table 3.8).

	<b>Richmondshire inside the Yorkshire Dales National Park</b>	<b>Richmondshire outside the Yorkshire Dales National Park</b>	<b>Richmondshire District total*</b>
SNPP-2014	-21	25	8
PG-Short-Term-X	-18	106	94

- 3.59 The Edge Report notes (para 6.3), ‘there are slight inconsistencies between the sum of the two sub-district areas and the district-level totals. This is due to the differing age structures of the sub-district areas and the effect of using area-specific household and dwelling growth assumptions. The household and dwelling outcomes are generally higher at district level than at the sub-district level’.
- 3.60 The overall OAN for Richmondshire contains the National Park requirement within the District. But it appears at odds with the National Park Authority’s adopted Local Plan, which suggests an indicative dwelling development rate of 18 homes each year in Richmondshire, although this is not set as a dwelling target. The planning authorities need to strike the balance of where this is developed under the Duty to Cooperate. It is recommended that the Council continues to plan to deliver the whole of the District OAN requirement to ensure that potential deficits arising from the National Park are met outside. The National Park Authority should continue to maximise appropriate development for Richmondshire’s National Park communities.

## 4. The need for all types of housing

### Introduction

- 4.1 Having established the Objectively Assessed Need for housing, the purpose of this chapter is to consider the range of need for all types of housing as identified in PPG paragraph 2a-021. PPG recommends that planning authorities consider the need for certain types of housing and the needs of different groups, including the private rented sector, people wishing to build their own homes, family housing, housing for older people, households with specific needs and student housing.
- 4.2 This chapter begins with an analysis of the mix of dwellings by type and size over the plan period and then considers affordable housing need as a component of future dwelling requirements.

### Dwelling mix and affordability

- 4.3 NPPF paragraph 159 states that local authorities should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the Plan period.
- 4.4 Having reflected upon the Objectively Assessed Need for housing and Housing Requirement, this section considers the overall dwelling mix which is appropriate for consideration by the Council.
- 4.5 In order to determine the potential range of new dwelling stock appropriate for Richmondshire, analysis has considered:
- The current stock profile of the District by type and size by the age of Household Reference Person (HRP);
  - The profile of households by age of Household Reference Person (HRP)<sup>20</sup> and how this is expected to change over the period 2014 to 2035 using 2014-based CLG household projections;
  - Future requirements for dwelling types and sizes based on the anticipated change in household profile and the Objectively Assessed Need for housing.
- 4.6 Detailed analysis is presented at Appendix C. Table 4.1 summarises the range of dwellings by type, size and tenure based on the OAN of 115 each year. The analysis indicates that there are three key dwelling types particularly required across Richmondshire: 3 bedroom houses, 1-2 bedroom houses, accessible homes and flats.

---

<sup>20</sup> This term replaces 'Head of Household'

<b>Dwelling type and size</b>	<b>Change 2014-2035</b>	<b>% of new dwelling stock</b>
1 Bed House	10	0.7
2 Bed House	172	12.7
3 Bed House	244	18.0
4 or more Bed House	-170	-12.6
1 Bed Flat	271	20.1
2 Bed Flat	167	12.3
3+ Bed Flat	3	0.2
1-2 Bed bungalow / accessible	482	35.7
3+ Bed bungalow / accessible	172	12.7
<b>Total</b>	<b>1352</b>	<b>100.0</b>

Source: arc4 surveys and 2014-based CLG household projections

### Affordable housing requirements

- 4.7 A detailed analysis of the following factors determines the extent to which there is a shortfall of affordable housing:
- households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need);
  - New households forming who cannot afford to buy or rent in the market;
  - Existing households expected to fall into need; and
  - The supply of affordable housing through social/affordable renting and intermediate tenure stock.
- 4.8 The needs assessment model advocated by the CLG has been used and a detailed analysis of each stage of the model is presented in Appendix B.
- 4.9 Modelling suggests a gross imbalance (not taking account of affordable supply through lettings and intermediate tenure sales) of 140 and a net imbalance of 33 affordable dwellings each year across Richmondshire District.
- 4.10 In addition to establishing the overall affordable housing requirements, the analysis considers the supply/demand variations by property designation (i.e. general needs and older person), property size (number of bedrooms) and sub-area. This is set out in Table 4.2. This has been assessed by taking into account the annual need from existing and newly-forming households within each ward and comparing this with the supply of affordable housing (social/affordable rent and intermediate tenure dwellings).

**Table 4.2 Summary of net annual imbalance based on households in need who couldn't afford by bed size/designation**

Designation	No. Beds	Sub-area				Total
		Central Richmondshire	Lower Wensleydale	North Richmondshire	Upper Dales	
General Needs	1	10	2	3	1	16
	2	4	1	2	1	7
	3	2	0	1	0	4
	4	0	0	0	0	1
Older person	1	2	1	2	2	6
	2	0	0	0	0	0
<b>TOTAL</b>		<b>18</b>	<b>4</b>	<b>7</b>	<b>4</b>	<b>33</b>

Sources: 2015 Housing Register; RP CORE Lettings and Sales

### Affordable housing tenure split

- 4.11 Determining an appropriate tenure split for housing has been traditionally based on the incomes and tenure aspirations of existing households in need and newly forming households. This is used to determine an appropriate split between rented and intermediate tenure dwellings. However, the increasing emphasis of Government policy to build affordable homes for sale through intermediate tenure options and the starter homes initiative, coupled with housing associations having to fund schemes for rent without subsidy, is expected to have a major impact on the scale and range of affordable housing to be delivered.
- 4.12 Evidence from the Housing Register suggests that only a minority of households could afford intermediate tenure (Table 4.2). The previous SHMA evidenced a tenure split of 80% affordable rent to 20% intermediate tenure based on household survey evidence. It is recommended that this proportionate split is maintained. This should be further explored through economic viability work and discussions with developers and Registered Providers to determine the overall potential for such a tenure split in the light of Government policy, with a strong emphasis on intermediate tenure and starter home development.

### Starter Homes

- 4.13 The Government introduced the concept of Starter Homes to help meet the housing needs of young first time buyers by offering properties to buy at below their open market value. The NPPF outlines the key characteristics of Starter Homes<sup>21</sup>. They are to be well-designed and suitable for young first time buyers (between 23 and under 40 years of age). Starter Homes are also available to ex-Armed Forces personnel of any age.
- 4.14 The Housing and Planning Act 2016 has now put in place the legislative structure for the provision of Starter Homes, one of the Government's key

<sup>21</sup> National Planning Policy Framework, paragraph 002, Reference ID 55-002-20150318

policies to help younger households access owner-occupation. Whilst it is subject to further consultation and secondary legislation, the principle is clearly established that forthcoming housing developments will be expected to provide a proportion of Starter Homes, made available to eligible households at a 20% discount from market price up to a maximum house price of £250,000 outside of London and £450,000 within London.

- 4.15 Analysis of market prices indicates that a Starter Home price would be around £152,000 based on a 20% discount on the Richmondshire median house price. Analysis of the potential need for Starter Homes considers two types of household: existing households who meet the criteria for Starter Homes and newly-forming households who would consider owner occupation which could be achieved through Starter Homes. Other arc4 studies are suggesting that around 10% of eligible households could afford Starter Homes. For Richmondshire, there are around 4,500 households with a Household Reference Person (HRP) aged 23-40 using 2012-based household projection data for 2016. These include around 1,600 military households in Service Family Accommodation (SFA) and therefore exceptional to the normal housing market. It is therefore estimated that there are around 2,900 households with a HRP aged 23-40 excluding military households. It is therefore suggested there is a need for around 290 starter Homes based on 10% of the 2,900.

### Private rented sector

- 4.16 The private rented sector now clearly plays a vital role in meeting housing needs as well as providing an alternative to homeownership. Local authorities have an important role in ensuring that the private rented sector meets both these requirements. Balancing good quality supply with demand will help to stabilise rents and encouraging good quality management will improve the reputation of the sector and encourage longer term lets and lower turnover. However, this is a challenging task where existing partners need to be encouraged to participate and new partners and investors need to be identified

### Conclusions on dwelling mix and affordability

- 4.17 Table 4.3 provides a general view on the potential dwelling size split. This assumes that 20% of homes delivered are affordable based on past trends in affordable delivery. The Council will need to finalise its affordable housing policy target with appropriate economic viability work.

**Table 4.3 Suggested dwelling mix by market and affordable dwellings based on OAN of 115 each year**

Overall dwelling size mix	Market	Affordable	Total
House 1-2 Bed	7	14	21
House 3+ Bed	63	3	66
Bungalow 1-2 Bed	9	2	11
Bungalow 3+ Bed	7	0	7
Flat 1-2 beds	4	4	8
Flat 3+ beds	2	0	2
Total	92	23	115

Source: arc4

## People wishing to build their own homes

- 4.18 The Government made clear in its Housing Strategy for England *Laying the Foundations* that it wished to unlock the growth potential of the custom homes market and double its size over the next decade. It has defined the main critical barriers to custom build in this country as access to suitable plots to build on; access to development finance to enable the purchase of land and start of construction; and the hurdles that many custom builders face when they engage with the regulatory regimes that govern the development process.
- 4.19 The level of demand for self/custom build should be monitored closely by the Council and in particular the proportion of completions on plots for one or two houses, with this type of modest development likely to be self/custom build.

## Family housing

- 4.20 Families (that is couples and lone parents with children including adult children living at home) account for around 35.9% of households across Richmondshire. Of this number, 27.5% are couples with children and 8.4% are lone parents with children (2011 Census).
- 4.21 Overall, 57.1% of families live in owner-occupied dwellings, 31.1% live in the private rented sector (which will include military households) and 11.8% live in affordable dwellings. 64.2% of all families live in Central Richmondshire, while 14.1% live in North Richmondshire, 11.2% in Upper Dales and 10.5% in Lower Wensleydale.
- 4.22 The range of dwelling types and sizes indicated in Table 4.4 support the requirements for family homes.

## Armed forces accommodation

- 4.23 The 2011 Census identified that 5,035 residents in Richmondshire District are employed in the Armed Forces. Of these, 34.6% live in a household and 65.4% live in a communal establishment.

- 4.24 More recent records identify 7,490 Ministry of Defence personnel living within Richmondshire, which represents half (50.5%) of the total for the region of Yorkshire and the Humber (14,840)<sup>22</sup>. The provision of Armed forces accommodation is subject to national defence policy.

## Older people

- 4.25 A major strategic challenge is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. PPG paragraph 21 states that *'the need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of new households'*.
- 4.26 The number of people across Richmondshire District area aged 65 or over is projected to increase from 10,230 in 2014 to 15,670 by 2028 (a 53.2% increase) according to the preferred demographic scenario<sup>23</sup>.
- 4.27 2011 Census data identifies that 22.7% of households across Richmondshire are either singles or couples aged 65 years or over. Of these older households, 75.6% live in owner-occupied properties, 11.1% live in the private rented sector and 13.3% live in affordable accommodation.
- 4.28 In terms of location, 43.0% of all older households live in the Central Richmondshire sub-area, compared with 19.8% in Lower Wensleydale, 18.6% in North Richmondshire and 18.6% in the Upper Dales. In terms of the *proportion* of households with a HRP aged 65 and over, this is lowest in Central Richmondshire (18%) and increase to 26% in North Richmondshire, 27.2% in the Upper Dales and 31.4% in Lower Wensleydale.
- 4.29 Arc4 research from other SHMAs<sup>24</sup> tends to show that the majority of older people (generally upwards of 65%) want to stay in their own homes with help and support when needed. A local strategic challenge would be to diversify range of older persons' housing provision and provide support. Providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

## Current and future need

- 4.30 The Housing Learning and Improvement Network (LIN) Strategic Housing for Older People 'SHOP@' tool<sup>25</sup> helps to estimate current and future needs for specialist older person's housing 2014-2030<sup>26</sup>. Data specifically relates to people aged 75 and over.
- 4.31 The data for need is calculated by applying the prevalence rates to the 2014 population aged 75+ derived from May 2014 ONS sub-national population

<sup>22</sup> The difference between the Census and latest armed forces figures is due to the Census definition of usually resident population, which would exclude trainees/recruits at the Infantry Training Centre and personnel on detachment. The later figure could be regarded as population present in Census terms.

<sup>23</sup> Edge Analytics PG Short-Term-X demographic scenario derived from 2014-based ONS population projections

<sup>24</sup> Including Durham, North Tyneside, Sunderland, Scarborough, Hartlepool,

<sup>25</sup> <http://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/>

<sup>26</sup> Note this particular dataset covers the period 2014 to 2030



projections. The data on supply is the current number of specialist housing and registered care beds from the Elderly Accommodation Counsel (sic) national housing database 2014 which includes the following categories: sheltered housing, enhanced sheltered housing, extra care, residential care and nursing care. Detailed definitions are presented below:

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

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

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

**Residential care:** Where a care homes is registered with Care Quality Commission to provide residential (personal) care only, all beds are allocated to residential care.

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

- 4.32 The SHOP data for Richmondshire is presented in Table 4.4. This calculates housing demand per 1,000 residents aged 75 and over based on the population of 75+ residents in 2014 and 2035. The table also shows the 2014 profile of specialist older persons provision and highlights that against the 2014 prevalence rates there are shortfalls in provision across all types with the exception of extra care.
- 4.33 Over the period 2014 to 2035, there is expected to be a 148% increase in the requirement for older persons' specialist provision. However, when the current (2014) supply of accommodation is compared with change in demand to 2035, data would suggest a need to increase the current level of provision for older people, particularly the provision of sheltered housing and enhanced sheltered.

**Table 4.4 Older persons' dwelling requirements 2014 to 2035**

Type of provision	Housing demand per 1,000 75+	Current supply	2014 Demand	2035 Demand	Change 2014 (supply) to 2035 (demand)	% change 2014-2035
Sheltered housing	125	289	563	1,050	761	263%
Enhanced	20	36	90	168	132	367%

Sheltered housing						
Extra Care 24/7 support	25	134	113	210	76	57%
Residential care	65	488	495	924	436	89%
<b>Total</b>	235	947	1,261	2,352	1405	148%

Source: HousingLIN

Note this dataset covers the period 2014 to 2035

4.34 The SHOP data also considers the future market split for a locality based on its relative affluence / deprivation as shown in Table 4.5, with Richmondshire likely to be in the affluent/most affluent category.

**Table 4.5 Future market split of older persons' accommodation by relative deprivation/affluence of an area**

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

Source: Housing LIN

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

## Households with specific needs

4.35 Table 4.6 summarises the type of client groups accommodated in social rented housing across Richmondshire area over the three-year period 2010/11 to 2012/13. Data indicates that older people with support needs and single homeless people with support needs are the main groups provided for.

**Table 4.6 Client groups accommodated in Social Rented sector in Richmondshire District 2010/11 to 2012/13**

Client group	Number (over 3 years)	Average Annual Number
People with learning disabilities	3	1
People with mental health problems	5	2
Older people with support needs	157	52
Single homeless people with support needs	141	47
Young people at risk	3	1
<b>Total</b>	<b>309</b>	<b>103</b>

Source: Supported CORE Lettings data

## Black, Asian and Minority Ethnic households

4.36 The 2011 Census reports that 93.4% of residents are White British and the next largest ethnic group is Asian/Asian British (2.4%), White Other (2.0%), Black/Black British (1.0%) Mixed/Multiple Ethnic (1.0%), and other groups (0.3%).

4.37 The 2011 Census identified 19 residents across 10 households who stated that they had Gypsy or Irish Traveller ethnicity. There are no Travelling Showpeople living in Richmondshire.

4.38 A Gypsy and Traveller Accommodation Assessment was carried out in 2013 which identified a current authorised residential provision of 14 pitches at Lime Kiln Wood and 8 pitches at Blue Anchor, Scotch Corner. Vacant pitches on both

sites are used to accommodate general transit need. The GTAA evidenced no additional need for pitches but need should be reviewed regularly.

## 5. Conclusion: Policy and Strategic Issues

- 5.1 This document has been prepared to equip the Council and their partners with robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. The work also takes account of the requirements of the National Planning Policy Framework which came into effect in March 2012 and Planning Practice Guidance February 2014.
- 5.2 In line with PPG, the SHMA provides a comprehensive assessment of Objectively Assessed Housing need for the Housing Market Area of Richmondshire over the Plan Period 2014-2035.
- 5.3 The SHMA will help the Council plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Specifically, the SHMA identifies the size, type and tenure of market housing required by considering current market demand relative to supply; and also identifies a continued affordable housing imbalance across Richmondshire.
- 5.4 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets; the interactions of Richmondshire with other areas; and relates findings to key local strategic issues.

### The Housing Market Area

- 5.5 By reviewing house prices, migration and travel to work patterns, the extent to which Richmondshire is a self-contained Housing Market Area can be determined. Regarding migration, analysis of the 2011 census identifies containment ratios of 64.6% (origin) and 63% (destination). This reflects the rural nature of the District, the long distance moves associated with Catterick Garrison and an expectation of lower containment ratios. NHPAU research considered Richmondshire to be part of a wider strategic Housing Market Area which extends across Richmondshire and Hambleton. For planning policy purposes, all neighbouring areas are established Housing Market Areas in their own right and although they recognise interactions with other areas, Richmondshire is not included as a component of their respective Housing Market Areas. Therefore, a pragmatic conclusion is although there are interactions with other areas, Richmondshire should be recognised as an appropriate Housing Market Area for the purposes of planning policy, and that containment thresholds accord with the understanding that they are typically lower in rural areas coupled with longer-distance moves associated with military households linked to Catterick Garrison.
- 5.6 Regarding travel to work, it can also be concluded that Richmondshire is a self-contained area.
- 5.7 Evidence would therefore confirm that Richmondshire District is an appropriate Housing Market Area for the purposes of Local Plan policy making.

## Objectively assessed housing need, market signals and Housing Requirement

- 5.8 Chapter 3 calculated the Objectively Assessed Housing Need for Richmondshire over the plan period 2014-2035 and considered market signals. It is proposed that the Objectively Assessed Housing need is established from a baseline of 94 which is based on modified 2014-based household projections which takes into account anomalous migration trends associated with military changes at Catterick Garrison. The starting point is based on the PG-Short-Term-X scenario of 94 dwellings each year. No further adjustments are necessary to take account of alternative migration or headship rates and the figure of 94 dwellings supports jobs growth in line with the latest REM forecast. A further uplift to the baseline demographic requirement to take account of market signals is recommended. A 20% uplift is recommended which, using a baseline of 94 dwellings, results in an uplift of 19 dwellings each year
- 5.9 In conclusion, the Objectively Assessed Need figure of 115 (rounded up from 113) takes account of the need to deliver more affordable and market housing for an increasing number of household, supports economic growth and takes account of market signals. The full objectively assessed dwelling need over the Plan Period 2014-2035 (20 years) is for 2,300 dwellings. This figure does not include any military housing requirements. This would need to be estimated separately in partnership with MoD as its requirements become apparent.

## The current housing market

- 5.10 This study provides up to date information on the housing stock in Richmondshire and its underlying drivers. Some of the key messages from data presented in Appendix A are now presented.
- 5.11 Based on 2011 Census data, across Richmondshire:
- 91.5% of dwellings are houses or bungalows (of these 35.0% are semi-detached, 34.7% detached and 21.8% terraced), 7.5% are flats, maisonettes, apartments or mobile accommodation and 1.0% other forms of housing;
  - 6.6% of dwellings have one bedroom/bedsit, 25.7% have two bedrooms, 43.8% have three bedrooms and 23.9% have four or more bedrooms; and
  - 63.9% of occupied properties are owner-occupied (36.1% owned outright and 27.8% owned with a mortgage or loan or shared ownership), 24.8% are private rented or living rent-free, and 11.3% are affordable (rented from a social landlord).
- 5.12 Analysis of the latest Valuation Office Agency data (2016) indicates that 3 bedroom houses account for 38.2% of total dwelling stock and 19.5% are 4 or more bedroom houses, which account for 27.8% of dwelling stock in North Richmondshire. Over a quarter (26.8%) of the District's dwellings were built before 1919.
- 5.13 It is estimated that 12.7% of dwelling stock fails to meet the minimum standard of decent homes criteria (compared with 11.9% nationally). This is based on

- English Housing Survey data applied to the age profile of dwelling stock in the District.
- 5.14 Richmondshire is a comparatively affordable district compared with its neighbouring local authorities, with lower quartile and median house price to earnings ratios just below the North Yorkshire (county) averages.
- 5.15 The private rented sector (PRS) accommodates 24.8% of households who are either privately renting or living rent free in tied accommodation (2011 Census). It is important to note that the PRS contains SFA, which increases its overall proportion in the local housing market. It also reduces the proportions of other types of housing when compared with other areas.
- 5.16 11.3% of households live in affordable housing, mainly renting from social housing landlords (2011 Census). There is an on-going need for affordable housing and this has been evidenced through analysis which has identified an annual imbalance of 33 affordable dwellings each year over a five year period, across the whole District. The majority of this imbalance is in the Central Richmondshire sub-area, where an annual imbalance of 19 affordable dwellings has been evidenced.
- 5.17 Around 11.2% of dwelling stock in Richmondshire is in higher council tax bands (F, G and H) and represents an 'executive housing' offer. Most of these dwellings are detached houses and continuing to provide for a range of household needs and aspirations is important for the future dwelling profile of the District.
- 5.18 According to the 2011 census, approximately 65% of the resident armed forces live in communal establishments with 35% in household residences, primarily Service Family Accommodation (SFA). The 2011 census indicated that there were a total of 4,894 people living within household accommodation in which armed forces personnel were resident<sup>27</sup>.
- 5.19 Based on the latest Housing Register data, there are around 308 or 1.4% of existing households in housing need (some with multiple housing needs). During 2015/16, 48 households were accepted as homeless and in priority need.

## The need for all types of housing

- 5.20 Chapter 4 built on the assessment of Objectively Assessed Housing Need to establish an appropriate mix of housing required across Richmondshire over the plan period. It also presented affordable housing need calculations and tenure split. The chapter also considered needs from different groups.
- 5.21 Regarding an overall market mix, analysis has considered the future requirements of dwelling types and sizes based on anticipated change in the profile of households across Richmondshire over the plan period 2014-2035. The analysis indicates that there are three key dwelling types particularly

---

<sup>27</sup> ONS 2011 Census Table AF0002)

- required across Richmondshire: 3-bedroom houses, smaller 1-2 bedroom houses and accessible homes.
- 5.22 Analysis of affordable housing requirements evidenced an annual imbalance of 33 dwellings each year, with most of this need (69.4%) for 1 and 2-bedroom general needs dwellings. 14% for 3 or more bedroom general needs dwellings and 20.1% for older person dwellings.
- 5.23 An affordable housing tenure split of 80% rented and 20% intermediate tenure is recommend based on existing evidence.
- 5.24 Based on an overall annual delivery of 80% market/20% affordable dwellings, a suggested dwelling mix broken down by tenure and bedroom size was prepared. This indicated that 18.1% of new development should be 1-2 bedroom dwellings, 57.4% 3+ bedroom dwellings, 15.7% accessible housing (e.g. bungalows) and 8.8% flats. The vast majority of affordable dwellings are recommended to be 1-2 bedroom and the majority of market development to be 3 bedroom stock.
- 5.25 The level of demand for self/custom build should be monitored closely and it is expected that this will contribute a small amount to new dwelling stock.
- 5.26 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Richmondshire District area aged 65 or over is projected to increase from 10,230 in 2014 to 15,670 by 2035<sup>28</sup> (a 53.2% increase). Studies by arc4 elsewhere show that the majority of older people (generally upwards of 65%) want to stay in their own homes with help and support when needed. However, it is important to diversify the range of older persons' housing provision.
- 5.27 Using the Housing LIN Strategic Housing for Older People 'SHOP@' tool, an estimate of current and future needs for specialist older person's housing 2014-2030 for the 75+ age group. Over the period 2014 to 2030, there is expected to be a 148% increase in the requirement for older persons' specialist provision. When the current (2014) supply of accommodation is compared with change in demand to 2030, data would suggest a need to increase the current level of provision for older people, particularly the provision of sheltered housing and enhanced sheltered accommodation.
- 5.28 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue development to reflect the housing choices of residents, taking into account the changing demographic profile of Richmondshire;
  - Developing an increasing range of housing and support products for older people;
  - Delivering additional affordable housing to help offset the identified net shortfalls; and diversifying the range of Affordable options by developing Intermediate tenure dwellings and products; and

---

<sup>28</sup> Edge Analytics PG Short-Term-X demographic scenario derived from 2014-based ONS population projections



- The economic viability of delivering affordable housing on sites across Richmondshire.

## NPPF requirements

- 5.29 The NPPF (paragraph 14) emphasizes the presumption in favour of sustainable development and for plan making this means that:
- Local planning authorities should positively seek opportunities to meet the development needs of their area; and
  - Local plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change.
- 5.30 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area. The material in this SHMA provides an evidence base to inform strategic decision making.
- 5.31 The SHMA has:
- Established the objectively assessed need for Richmondshire
  - evidenced the scale of affordable housing need and the specific affordable requirements necessary to offset the imbalance between supply and need;
  - reviewed market demand and the range of dwellings required to satisfy household expectations and aspirations; and
  - reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements.

## Introduction to Technical Appendices

- Technical Appendix A: Housing Market Review
- Technical Appendix B: Affordable housing need calculations
- Technical Appendix C: Dwelling mix analysis
- Technical Appendix D: Monitoring and updating
- Technical Appendix E: National Planning Policy Framework and Planning Practice Guidance Checklist

## Technical Appendix A: Richmondshire housing market review

### Introduction

- A.1 The purpose of this appendix is to explore the housing market dynamics of Richmondshire, focusing on: current stock profile and condition; tenure characteristics; housing need and affordable requirements; market demand and aspirations; overcrowding and under-occupancy; the needs of particular groups including older people, people with disabilities and Black, Asian and Minority Ethnic Groups.

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

- A.2 Council Tax reported a total of 23,060 dwellings in June 2016. The number of dwellings, second homes, holiday homes and vacant properties is set out by sub-area in Table A.1. Overall, around 23.8% of dwellings in the Upper Dales are either second or holiday homes compared with an overall District average of 6.3%.

Sub-Area	Total Dwellings No.	Second Homes		Holiday Homes		Vacants	
		No.	%	No.	%	No.	%
Central Richmondshire	12437	114	0.9%	33	0.3%	301	2.4%
Lower Wensleydale	3323	174	5.2%	65	2.0%	113	3.4%
North Richmondshire	3590	69	1.9%	24	0.7%	110	3.1%
Upper Dales	4215	652	15.5%	351	8.3%	136	3.2%
Total	23,565	1009	4.3%	473	2.0%	660	2.8%

Source: Council Tax Register 2016

### Property size and type

- A.3 Table A.2 reviews the profile of occupied dwelling stock by size and type across Richmondshire. Overall, the vast majority (75.6%) of properties are house of which 26.3% are semi-detached, 26.1% are terraced and 23.7% are detached; 8.7% of dwellings are flats, maisonettes or apartments; and 15.7% are bungalows. Of all dwellings, 6.4% have one bedroom, 27.8% have two bedrooms, 44.2% have three bedrooms and 21.6% have four or more bedrooms.

- A.4 Overall, 65.8% of dwellings have three or more bedrooms and 34.2% have one or two bedrooms.

Table A.2 Total dwelling stock by type and size by sub-area					
Dwelling type/size	Sub-area				Total
	North Richmondshire	Central Richmondshire	Upper Dales	Lower Wensleydale	
Bungalow 1-2 bed	15.4	7.4	8.6	12.1	9.3
Bungalow 3+ bed	12.8	3.5	5.5	10.9	6.4
Flat	0.9	12.1	7.8	2.7	8.7
Terraced house 1-2 bed	8.1	8.7	11.9	7.7	9.7
Terraced house 3 bed	9.0	16.4	9.3	10.4	13.2
Terraced house 4+ bed	3.8	3.1	3.6	3.6	3.3
Semi-detached 1-2 bed	4.1	6.5	6.7	5.9	6.0
Semi-detached 3 bed	11.3	21.6	13.1	13.0	16.6
Semi-detached 4+ bed	2.9	4.6	3.6	3.0	3.7
Detached 1-2 bed	2.6	0.7	5.5	4.1	2.4
Detached 3 bed	8.7	6.6	12.1	11.8	8.6
Detached 4+ bed	20.3	8.9	12.6	14.8	12.1
Total	100.0	100.0	100.0	100.0	100.0
Base (valid cases)	3440	10450	4210	3380	22060
Other/missing	133	403	162	130	850
ALL DWELLINGS	3573	10853	4372	3510	22910

Source: Valuation Office Agency 2015 Note table subject to rounding errors

- A.5 Table A.2 also considers variations of dwelling type and size by sub-area. This indicates that the proportion of detached dwellings is around 30% in all sub-areas excluding Central Richmondshire, where the proportion is 16%. Central Richmondshire has higher proportions of semi-detached and terraced properties compared with the other areas. The proportion of bungalows is highest in North Richmondshire and lowest in Central Richmondshire. Flats account for 12.1% dwellings in Central Richmondshire, 7.8% in Upper Richmondshire and account for fewer than 3% of dwellings elsewhere.
- A.6 In terms of dwelling size, the Upper Dales has the highest proportion of smaller one and two bedroom dwellings (39.1%) compared with an average of around 32% elsewhere. The proportion of 3 bedroom dwellings is highest in Central Richmondshire (48%) and averages 42% in the remaining sub-areas and the proportion of 4 bedroom dwellings is highest in North Richmondshire (29.8%) and averages around 21% elsewhere in the District.

## Property age and condition

A.7 The age profile of dwelling stock in Richmondshire District is summarised in Table A.3. Over a quarter (27%) of the District's dwellings were built before 1919, 35% were built between 1945 and 1982 and 29.8% have been built since 1983.

Period built	Number	%
pre-1919	6010	27.0
1919-44	1820	8.2
1945-64	3220	14.5
1965-82	4560	20.5
1983-99	3720	16.7
post 1999	2910	13.1
<b>Total</b>	<b>22240</b>	<b>100.0</b>
<b>Unknown</b>	<b>670</b>	
<b>Grand Total</b>	<b>22910</b>	

Source: Valuation Office Agency 2015

A.8 The English Housing Survey produces national data on dwelling condition. Applying national trends to the stock profile of Richmondshire District (Table A.4) would suggest that around 21.8% of dwelling stock is non-decent, which is slightly above the national average of 20.6%. The number of dwellings likely to fail the minimum standard of decent homes criteria is estimated to be 12.7% (compared with 11.9% nationally).

A.9 A full definition of what constitutes a decent home is available from CLG<sup>29</sup> but in summary a decent home meets the following four criteria:

- a. It meets the current statutory minimum for housing;
- b. It is in a reasonable state of repair;
- c. It has reasonably modern facilities and services; and
- d. It provides a reasonable degree of thermal comfort

<sup>29</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7812/138355.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf)

Table A.4 Dwelling stock condition in England and Richmondshire estimates								
England		Fails decent homes criteria				All dwellings in group (000s)	% dwellings	
Dwelling age (ehs)	Non-decent	Minimum standard	Repair	Modern facilities and services	Thermal comfort			
pre-1919	40.1	28.7	11.2	3.9	11.9	4,648	20.0	
1919-44	24.1	13.1	7.6	1.7	7.6	3,930	16.9	
1945-64	16.6	8.0	3.6	2.0	5.7	4,505	19.4	
1965-80	17.5	8.8	1.8	1.9	7.6	4,757	20.5	
1981-90	17.6	4.7	*	.9	13.5	1,953	8.4	
post 1990	1.5	1.5	*	*	*	3,460	14.9	
<b>Total</b>	<b>20.6</b>	<b>11.9</b>	<b>4.6</b>	<b>1.9</b>	<b>7.5</b>	<b>23,254</b>	<b>100.0</b>	
Richmondshire			Fails decent homes criteria (estimate)			All dwellings	% dwellings	
Dwelling age (ehs)	Dwelling age (voa)	Non-decent	Minimum standard	Repair	Modern facilities and services			Thermal comfort
pre-1919	pre-1919	2411	1724	673	232	717	6010	26.8
1919-44	1919-44	438	238	137	31	138	1820	8.1
1945-64	1945-64	532	255	117	62	183	3200	14.3
1965-80	1965-82	798	401	84	87	346	4570	20.4
1981-90	1983-1992	655	176	*	35	501	3720	16.6
post 1990	Post 1992	45	45	*	*	*	3080	13.8
<b>Total</b>		<b>4880</b>	<b>2839</b>	<b>1011</b>	<b>447</b>	<b>1885</b>	<b>22400</b>	<b>100.0</b>
<b>% of all stock</b>		<b>21.8</b>	<b>12.7</b>	<b>4.5</b>	<b>2.0</b>	<b>8.4</b>		
<b>National %</b>		<b>20.6</b>	<b>11.9</b>	<b>4.6</b>	<b>1.9</b>	<b>7.5</b>		

Source: English Housing Survey 2014 data applied to 2015 Valuation Office Agency dwelling stock age profile

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

## Property tenure

- A.10 The tenure profile of Richmondshire District is presented in Table A.1. Overall, based on the 2011 Census, 63.9% of occupied dwellings are owner-occupied, 24.8% are privately rented, 10.8% are social rented and 0.5% are intermediate tenure (shared ownership). Note that Armed Forces Service Families Accommodation (SFA) is not separately recorded in the Census and there are around 1,750 SFA households in Richmondshire which distorts the tenure profile as these are often recorded on the census as private rented households.
- A.11 Table A.1 also shows variations in tenure by sub-area. The proportion of dwellings that are owner occupied ranges between 58.1% (Central Richmondshire) and 72.4% (North Richmondshire). The proportion of households living in private rented accommodation ranges from 20.4% (North Richmondshire) to 27.4% (Central Richmondshire). The proportion of affordable (social rented and intermediate tenure) accommodation is highest in the Central Richmondshire sub-area at 14.5% of occupied dwellings, with the lowest proportion in North Richmondshire at 7.1%. It is important to note that the presence of around 1,750 Armed Forces Service Families Accommodation distorts the tenure profile, with this stock tending to be recorded as private rented in the 2011 census.

**Table A.5 Richmondshire District tenure profile by sub-area**

Tenure	SubArea									
	Central Richmondshire		Lower Wensleydale		North Richmondshire		Upper Dales		Richmondshire	
	No.	%	No.	%	No.	%	No.	%	No.	%
Owner Occupied (no mortgage)	3029	27.8	1358	46.9	1388	42.3	1520	48.7	7295	36.1
Owner occupied (with mortgage)	3314	30.4	713	24.6	986	30.1	602	19.3	5615	27.8
Shared ownership	49	0.4	23	0.8	11	0.3	21	0.7	104	0.5
Social rented	1529	14.0	203	7.0	223	6.8	228	7.3	2183	10.8
Private rented	2991	27.4	601	20.7	670	20.4	748	24.0	5010	24.8
<b>Total</b>	<b>10912</b>	<b>100.0</b>	<b>2898</b>	<b>100.0</b>	<b>3278</b>	<b>100.0</b>	<b>3119</b>	<b>100.0</b>	<b>20207</b>	<b>100.0</b>

Source: 2011 Census. Note Private Rented stock will include Armed Forces Service Family Accommodation (SFA)



## Tenure characteristics

### Owner-occupied market

- A.12 According to the 2011 Census, 63.9% of households across Richmondshire District (12,910 households) are owner occupiers. 36.1% of all households (7,295) own outright and 27.8% of all households (5,615) have a mortgage.
- A.13 The 2011 Census provides the following information on owner occupied stock:
- Most owner-occupied properties are houses or bungalows, with 44.5% detached, 34.3% semi-detached, 18.7% terraced and 2.5% flats/maisonettes;
  - 48.8% of properties have three bedrooms, 27.3% have four or more bedrooms, 21.7% have two bedrooms and 2.2% have one bedroom; and
  - The highest proportion of owner occupied properties is found in the North Richmondshire sub-area, at 72.4% of stock, closely followed by Lower Wensleydale (71.5%) and Upper Dales (68.0%), with a significantly lower proportion of stock being owner occupied in Central Richmondshire (58.1%).
- A.14 Over the period 2000 to 2015, lower quartile and median house prices across Richmondshire District have increased dramatically as summarised in Table 4.6. As explored in Chapter 3, this in many respects mirrors the increases in prices seen across North Yorkshire (county) and the country as a whole during that period.
- A.15 It is interesting to note that in 2000, a household income of £15,161 was required for a lower quartile price to be affordable (based on a 10% deposit and a 3.5x income multiple); by 2015 this had increased to £36,129. In comparison, an income of £20,109 was required for a median priced property to be affordable in 2000 compared with £48,857 in 2015.

Richmondshire	House Price (£)		Income to be affordable*	
	2000	2015	2000	2015
Lower Quartile	£58,961	£140,500	£15,161	£36,129
Median	£78,200	£190,000	£20,109	£48,857

Source: Data produced by Land Registry © Crown copyright 2016

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

- A.16 The relative affordability of open market dwellings in Richmondshire is set out in Tables A.6 and A.7 which also include comparisons with neighbouring areas and the county.
- A.17 Table A.6 presents lower quartile house prices, lower quartile gross earnings of full-time workers and a ratio of lower quartile earnings to house prices in 2015. In terms of relative affordability, Richmondshire more affordable than neighbouring North Yorkshire and Cumbria districts, but less affordable than

Darlington and County Durham, with a lower quartile house price to income ratio of 7.3, i.e. lower quartile house prices are 7.3 times the lower quartile gross earnings. This compares with a ratio of 7.6 across North Yorkshire.

**Table A.6 Relative affordability of lower quartile prices by district (residence based)**

District	Lower Quartile House Price 2015	Annual Gross Earnings 2015	LQ Income to House Price ratio
Harrogate	£175,000	£19,557	8.9
York	£167,000	£19,253	8.7
Hambleton	£155,000	£17,940	8.6
Ryedale	£143,000	£17,005	8.4
South Lakeland	£150,000	£17,967	8.3
Eden	£137,000	£16,642	8.2
Craven	£135,000	£17,624	7.7
North Yorkshire (county)	£144,938	£18,998	7.6
<b>Richmondshire</b>	<b>£140,500</b>	<b>£19,211</b>	<b>7.3</b>
England	£134,000	£19,719	6.8
Selby	£130,000	£20,389	6.4
Scarborough	£114,000	£19,144	6.0
Darlington	£80,000	£19,272	4.2
County Durham	£62,000	£18,451	3.4

Sources: Land Registry Price Paid 2015 Data produced by Land Registry © Crown copyright 2016; Annual Survey of Hours and Earnings 2015 (resident analysis) Data produced by ONS © Crown copyright 2016.

A.18 Table A.7 sets out relative affordability by district based on median house prices and median gross incomes, with a median income to house price ratio of 7.1, compared with the county average of 7.4.

**Table A.7 Relative affordability of median prices by district (residence based)**

District	Median House Price	Annual Gross Income	Median Income to House Price ratio
Harrogate	£243,000	£27,033	9.0
Hambleton	£210,000	£24,934	8.4
Ryedale	£187,600	£22,665	8.3
York	£210,000	£25,674	8.2
South Lakeland	£210,000	£25,717	8.2
Eden	£185,000	£23,699	7.8
Craven	£182,500	£23,618	7.7
North Yorkshire (county)	£193,637	£26,285	7.4
England	£202,000	£27,869	7.2
<b>Richmondshire</b>	<b>£190,000</b>	<b>£26,635</b>	<b>7.1</b>
Selby	£169,000	£27,378	6.2
Scarborough	£149,000	£26,414	5.6
Darlington	£124,950	£25,428	4.9
County Durham	£100,000	£24,741	4.0

Sources: Land Registry Price Paid 2015 Data produced by Land Registry © Crown copyright 2016; Annual Survey of Hours and Earnings 2015 (resident analysis) Data produced by ONS © Crown copyright 2016.

- A.19 A range of socio-economic and demographic information on residents has been obtained from the 2011 Census. Some interesting observations relating to owner-occupiers include:
- In terms of household type, 26.5% of households are couples with children, 26.6% are older singles and couples (65 and over), 26.0% are couples under 65 with no children, 11.7% are singles under 65, 5.5% are lone parents and 3.8% are other household types;
  - The majority of Household Reference People (Heads of Household) living in owner occupied dwellings (including shared ownership accommodation) are in employment (65.7%) and a further 31.8% are wholly retired from work;
  - Of those who are in employment, 56.8% of owner-occupiers work in Occupation Groups 1-4 (Managerial, Professional, Associate Professional and Administrative); and
  - 89.0% of owner-occupiers have one or more spare bedrooms, 10.0% have sufficient bedrooms and just 1.0% of households are overcrowded (relative to the bedroom standard).

### Private rented sector

- A.20 The Government's Housing Strategy, published in November 2011<sup>30</sup>, set out the Government's plans to boost housing supply. It recognised an increasingly important role for the private rented sector, both in meeting people's housing needs and in supporting economic growth by enabling people to move to take up jobs elsewhere and to respond to changing circumstances.
- A.21 The private rented sector is growing; the Census figures for 2011 confirmed that the sector now totals 18.1% of housing stock in England, an increase of 31.2% from 13.8% in 2001. Increasing house prices pre-2007 and the struggling sales market when the down turn came are both factors that have underpinned the growth of the rental market for both 'active choice' renters and 'frustrated would-be' homeowners. Tenure reform and less accessible social rented housing are contributing factors in the ongoing growth of the private rented sector. .
- A.22 The private rented sector accommodates around 24.8% (5,010) of households across Richmondshire, of which 4,519 are privately rented and 491 live rent free. Some of these households will be Armed Forces Service Family Accommodation who are generally categorised as private renters in the 2011 census.
- A.23 In 2011, the proportion of private rented properties varied across the sub-areas: it was at around a fifth of stock in North Richmondshire (20.4%) and Lower

---

<sup>30</sup> Laying The Foundations; A Housing Strategy for England, 2011

Wensleydale (20.7%), rising to around a quarter the Upper Dales (24.0%) and Central Richmondshire (27.4%).

- A.24 39.1% of occupied private rented properties are semi-detached, 24.1% are terraced, 23.8% are detached and 13.0% are flats/apartments/maisonettes.
- A.25 40.5% of private rented household have three bedrooms, 33.1% have two bedrooms, 16.9% have four or more bedrooms and 9.5% have one bedroom.
- A.26 In terms of private rented sector prices, Table A.8 presents Zoopla data for the District for 2010-2015. This indicates that median rents have been relatively stable during the six-year period, generally at around £546-550 per month although they rose to £594 pcm in 2015. Lower quartile rents have fluctuated during the period, from £446-524 pcm.

Year	Price per calendar month (£)			
	Lower quartile	Mean	Median	No. Rentals
2010	494	536	546	147
2011	446	582	546	301
2012	477	585	546	449
2013	524	636	550	230
2014	498	602	550	379
2015	516	622	594	194

Source: Zoopla 2016

- A.27 The characteristics of tenants are diverse and in particular the private rented sector accommodates couples with children (33.2%), couples with no children under 65 (21.7%), singles under 65 (15.7%), lone parents (11.9%), older singles and couples (65+)(10.1%) and other household types (7.4%).
- A.28 81.0% of Household Reference People (heads of household) living in private rented accommodation are employed, 11.5% are retired, 2.3% are unemployed, 2.1% are long-term sick or disabled, 0.8% are full-time students and 2.4% are otherwise economically inactive. Of those who are in employment, 56.5% of private renters work in Occupation Groups 1-4 (Managerial, Professional, Associate Professional and Administrative) and 43.5% work in Occupation Groups 5-9 (trade, service, operations or elementary occupations).
- A.29 Occupancy data shows that 68.0% of private rental tenants have one or more spare bedrooms in their home. 28.0% rent a home with sufficient bedrooms to meet their needs. However, 4.0% of households in private rented accommodation are overcrowded, with inadequate bedrooms relative to the bedroom standard.

## Affordable sector

- A.30 This sector specifically relates to social renters, affordable renters and intermediate housing occupants, with full definitions provided at para 1.11 in Chapter.
- A.31 The 2011 Census reports that there are around 2,287 households who live in an affordable property across Richmondshire District, accounting for 11.3% of all occupied dwellings. Of these, 2,183 (10.8%) are social rented and 104 (0.5%) are intermediate tenure (shared ownership).
- A.32 Of affordable stock, 39.3% are semi-detached houses/bungalows, 27.9% are terraced houses/bungalows, 4.4% are detached houses/bungalows and 28.4% are flats/maisonettes/apartments.
- A.33 26.3% of households living in affordable housing have one bedroom, whilst 37.2% have two bedrooms, 32.9% have three bedrooms and 3.6% have four or more bedrooms.
- A.34 Households living in affordable accommodation that are older singles and couples comprise 27.8%, whilst a further 19.6% of households living in affordable dwellings are singles under 65; 20.8% are couples with children; 18.5% are lone parents; 9.7% are couples with no children, and 3.6% are other household types.
- A.35 Household Reference People living in affordable housing who are in employment total 49.0%. A further 32.0% are wholly retired from work, 7.8% are long-term sick/disabled, 5.2% are unemployed, 1.0% are full time students and 5.0% are otherwise economically inactive. Of those who are in employment, 33.0% of owner-occupiers work in Occupation Groups 1-4 (Managerial, Professional, Associate Professional and Administrative) and 67.0% work in Occupation Groups 5-9 (trade, service, operations or elementary occupations).

## Executive housing

- A.36 Although it is difficult to define executive housing, distinctive features include:
- High property values linked to desirable locations, with high incomes/ equity required to support the purchase; and
  - High quality construction including exterior and interior fittings.
- A.37 Overall, in Richmondshire, executive housing provision will have a role in supporting economic growth by providing niche dwellings for high income households.
- A.38 Across Richmondshire there are around 2,560 dwellings in Council Tax bands F, G and H representing 11.2% of dwelling stock. This compares with 12.1% across North Yorkshire and 4.5% across Yorkshire and the Humber. Of the dwellings in Richmondshire in bands F, G and H, 68.4% are detached houses (54.3% have four or more bedrooms and 12.5% have three bedrooms), 17.6% other types of house, 9.4% bungalows and 3.9% other types of accommodation.

## Current households in need

- A.39 A robust and defensible assessment of housing need is essential for the development of affordable housing policies. Housing need can be defined as: *'The quantity of housing required for households who are unable to access suitable housing without financial assistance.'*<sup>31</sup>
- A.40 The SHMA has used a range of secondary data to provide the robust and transparent evidence base required to assess housing need across Richmondshire District. This is presented in detail in Appendix C of this report and follows CLG modelling guidance.
- A.41 Across Richmondshire District, the latest housing registers report 308 existing households in need, which represents 1.4% of all households (some households have multiple needs).

## Homeless households

- A.42 Homelessness statistics for 2015/16<sup>32</sup> indicate that a total of 71 decisions were made on households declaring themselves as homeless across Richmondshire (Table A.9). Of these households, 48 were classified as homeless and in priority need. Over the seven years 2009/10 to 2015/16, an annual average of 94 decisions have been made across Richmondshire and an average of 60 households each year have been declared as homeless and in priority need.

Year	Decisions made	Accepted as homeless
2009/10	108	63
2010/11	131	85
2011/12	101	78
2012/13	90	60
2013/14	74	50
2014/15	80	39
2015/16	71	48
<b>Total</b>	<b>655</b>	<b>423</b>
<b>Annual Average</b>	<b>94</b>	<b>60</b>

Source: CLG Homelessness Statistics

## Relative affordability of housing options

<sup>31</sup> DCLG *Estimating housing need 2010*

<sup>32</sup> CLG Homeless Statistics Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area

## Tenure costs and indicative incomes required

- A.43 The relative cost of alternative housing options across Richmondshire and by sub-area is explored in Table A.10. This includes affordable and market rent options, owner occupation and intermediate tenure options, as well as Starter Homes.
- A.44 Table A.11 shows the income required for alternative tenure options to be affordable by sub-area. Assumptions underpinning these calculations are set out in Table A.12.

Tenure option	Price by area (2015)				
	Central Richmondshire	Lower Wensleydale	North Richmondshire	Upper Dales	Richmondshire Total
Social Rent (average)	£374	£374	£374	£374	£374
Affordable Rent (80% of median private rent)	£468	£440	£520	£430	£475
Market Rent - Lower Quartile	£516	£481	£550	£477	£516
Market Rent – Median	£585	£550	£650	£537	£594
Market Sale - Lower Quartile	£120,000	£175,000	£173,000	£189,000	£141,000
Market Sale – Median	£155,000	£230,000	£225,000	£275,000	£190,000
Market Sale – Average	£184,215	£251,976	£264,708	£295,191	£224,979
Starter Home	£124,000	£184,000	£180,000	£220,000	£152,000
Shared ownership (50%)	£77,500	£115,000	£112,500	£137,500	£95,000
Shared ownership (25%)	£38,750	£57,500	£56,250	£68,750	£47,500
Help to Buy	£155,000	£230,000	£225,000	£275,000	£190,000
Base (property sales)	360	110	102	109	681
Base (property rentals)	96	40	40	18	194

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

**Table A.11 Income required for alternative tenure options**

Tenure option	Income required by area (2015)				
	Central Richmond-shire	Lower Wensleydale	North Richmond-shire	Upper Dales	Richmond-shire Total
Social Rent	£17,936	£17,936	£17,936	£17,936	£17,936
Affordable Rent	£22,464	£21,120	£24,960	£20,621	£22,810
Market Rent - Lower Quartile	£24,768	£23,088	£26,400	£22,896	£24,768
Market Rent - Median	£28,080	£26,400	£31,200	£25,776	£28,512
Market Sale - Lower Quartile (assumes 10% deposit)	£30,857	£45,000	£44,486	£48,600	£36,257
Market Sale - Median (assumes 10% deposit)	£39,857	£59,143	£57,857	£70,714	£48,857
Market Sale - Average (assumes 10% deposit)	£47,370	£64,794	£68,068	£75,906	£57,852
Starter Home	£31,886	£47,314	£46,286	£56,571	£39,086
Shared ownership (50%)	£30,374	£44,141	£43,224	£52,402	£36,799
Shared ownership (25%)	£24,985	£36,262	£35,510	£43,028	£30,248
Help to Buy	£22,143	£32,857	£32,143	£39,286	£27,143

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



**Table A.12 Assumptions in assessing income required for alternative tenure options**

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

A.45 This analysis indicates that for open market housing, the minimum household income required is £24,768 for lower quartile or entry-level renting in the District as a whole. For lower quartile or entry-level house prices (owner occupation), the minimum household income required is £36,257 (for the District as a whole). By sub-area, the income required for entry-level renting varies between £22,896 (Upper Dales) and £26,400 (North Richmondshire). The variation in income required for entry-level house prices is more dramatic, ranging between £30,857 (Central Richmondshire) and £48,600 (Upper Dales).

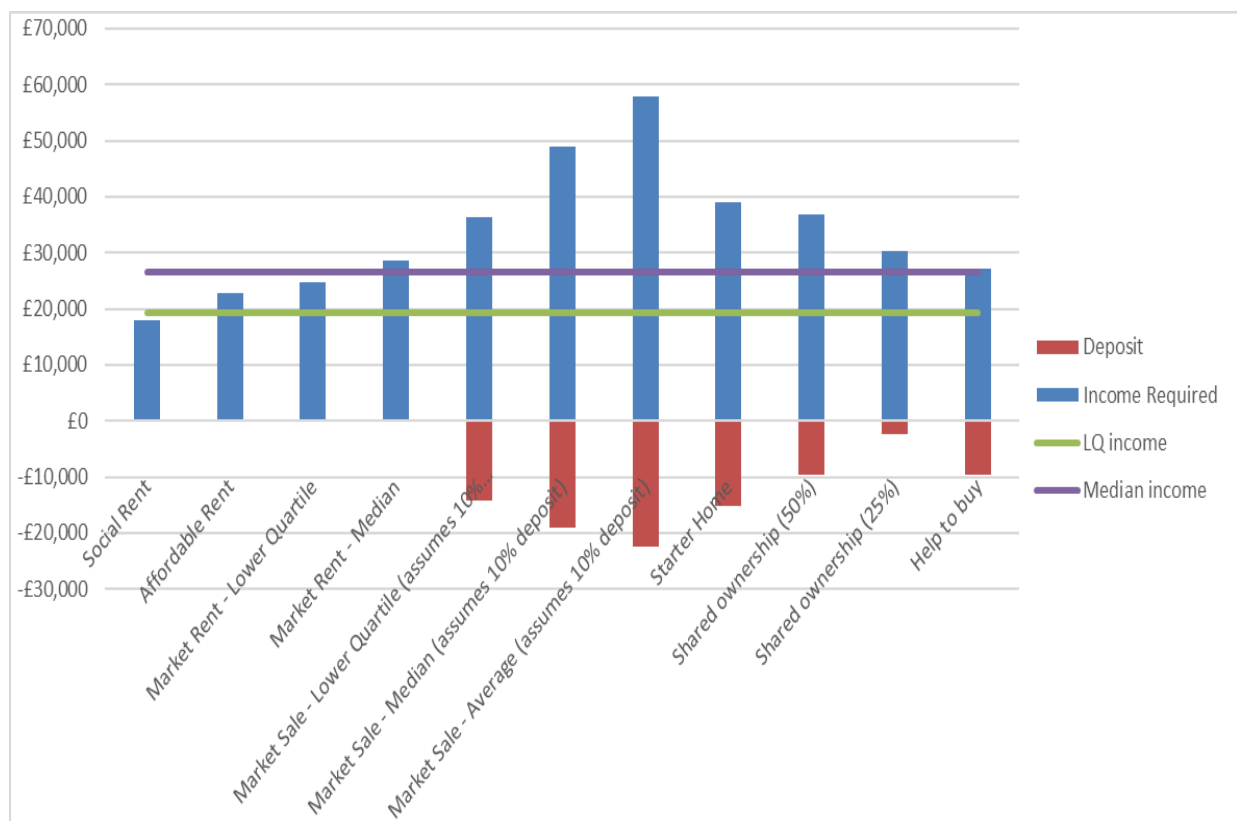
### Relative affordability of tenure options

A.46 The relative affordability of tenure options is considered in Figure A.3. This figure shows the income and (where applicable) deposits required by tenure along with lower quartile and median incomes. The income data used in this

analysis is based on earnings data derived from the ONS Annual Survey of Hours and Earnings as information on actual household incomes is not available to inform this particular study. This analysis does not consider household incomes nor whether households have existing equity/savings. The analysis shows that single earner households on lower quartile incomes can only afford social rents based on income alone. Single-earner median earners have slightly more options available, including affordable rent and entry-level (lower quartile) renting, although Help to Buy and entry-level house prices (lower quartile) are still be unaffordable.

A.47 Further analysis of the requirement for affordable housing is presented in Chapter 4.

**Figure A.3 Richmondshire District household income and housing costs comparison**



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

# Technical Appendix B: Affordable housing need calculations

## Summary of contents

### **Stage 1: Current housing need (gross backlog)**

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

### **Stage 2: Future housing need (gross annual estimate)**

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

### **Stage 3: Affordable housing supply**

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

### **Stage 4: Estimate of annual housing need**

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

## Introduction

- B.1 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*<sup>33</sup>. Housing Register data provided by the Council provides a robust range of information to quantify housing need in Richmondshire District and, by reviewing affordable capacity, the extent to which additional affordable housing is required. There are a total of 468 households on the Housing Register at October 2016. Of these, 219 were in the 'bronze' category which does not constitute housing need and includes 19 who were from out of area. Of the remaining 212 households, 140 were existing households in need from within Richmondshire, 72 were newly-forming households from within Richmondshire.
- B.2 Housing needs analysis and affordable housing modelling has been prepared in accordance PPG Paragraph 2a-022 and involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable stock.
- B.3 The model used to derive affordable need is based on the CLG model advocated in former SHMA guidance. Analysis has been carried out at district-wide level and in summary the needs assessment model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
  - Stage 2: Future housing need
  - Stage 3: Affordable housing supply
  - Stage 4: Estimate of annual housing need
- B.4 Table B1 summarises the different steps taken in assessing housing need and evidencing the extent to which there is a surplus or shortfall in affordable housing across Richmondshire District. Please note that in Stage 1, Step 1.4 reports the total number of households in need and avoids double counting as in some cases households have more than one housing need.

---

<sup>33</sup> DCLG Planning Policy Statement 3 and DCLG Estimating housing need 2010

**Table B1 CLG Needs Assessment Summary for Richmondshire District**

Step	Stage and Step description	Calculation	Sub-area				Total
			Central Richmondshire	Lower Wensleydale	North Richmondshire	Upper Dales	
			11989	2971	3387	3076	
<b>Stage 1: CURRENT NEED</b>							
1.1	Homeless households and those in temporary accommodation	Annual requirement					
1.2	Overcrowding and concealed households	Current need					
1.3	Other groups	Current need					
1.4	Total current housing need (gross)	Total no. of households with one or more needs	102	16	16	6	140
	A. TOTAL cannot afford open market (buying or renting)	%	96.1%	100.0%	93.3%	100.0%	96.4%
		Number	98	16	15	6	135
<b>Stage 2: FUTURE NEED</b>							
2.1	New household formation (Gross per year)	Based on national rate	203	50	57	52	362
	Number of new households requiring affordable housing	Number	56	5	7	4	72
2.3	Existing households falling into need	Annual requirement	34	8	9	9	60
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	90	13	16	13	132
<b>Stage 3: AFFORDABLE HOUSING SUPPLY</b>							
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	41	10	12	11	74
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0	0	0	0	0
3.3	Committed supply of new affordable units	Total annual	14	6	1	1	22
3.4	Units to be taken out of management	None assumed	0	0	0	0	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	55	16	13	12	96
3.6	Annual supply of social re-lets (net)	Annual Supply (3 yr ave)	80	9	9	9	107
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3 yr ave)	0	0	0	0	0
3.8	Annual supply of affordable housing	3.6+3.7	80	9	9	9	107
<b>Stage 4: ESTIMATE OF ANNUAL HOUSING NEED</b>							
4.1	Total backlog need	1.4A-3.5	43	0	2	-6	39
4.2	Quota to reduce over 5 years (20%)						
4.3	Annual backlog reduction	Annual requirement	9	0	0	-1	8
4.4	Newly-arising need	2.4	90	13	16	13	132
4.5	Total annual affordable need	4.3+4.4	99	13	16	12	140
4.6	Annual affordable capacity	3.8	80	9	9	9	107
<b>4.7</b>	<b>Net annual imbalance</b>	<b>4.5-4.6 NET</b>	<b>19</b>	<b>4</b>	<b>7</b>	<b>3</b>	<b>33</b>

Source 2016 Housing Register; RP Core Lettings and Sales data;  
Data may be subject to rounding errors

## Stage 1: Current need (Unmet gross need)

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

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

B.6 Table B2 summarises the likely range of housing needs of households in Richmondshire District.

Category	Factor
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model
	N4 Too difficult to maintain
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move
<b>Total no. households in need (with one or more housing need)</b>	140
Total Households (2016 estimate)	21,423
<b>% households in need</b>	0.65%

Source: 2016 Housing Register

- B.7 There are currently around 140 existing households in need on the housing register for Richmondshire. Note that the registers are refreshed regularly so this is taken as an up to date figure of current backlog need.

### Step 1.1 Homeless households and those in temporary accommodation

- B.8 CLG SHMA guidance suggests that information on homeless households and those in priority need who are currently housed in temporary accommodation should be considered in needs modelling. The scale of need from these types of household can be derived from several sources.
- B.9 Homelessness statistics for 2015/16<sup>34</sup> indicate that a total of 71 decisions were made on households declaring themselves as homeless across Richmondshire (Table B3). Of these households, 48 were classified as homeless and in priority need. Over the eight years 2009/10 to 2015/16, an annual average of 94 decisions have been made across Richmondshire and an average of 60 households each year have been declared as homeless and in priority need.

Year	Decisions made	Accepted as homeless
2009/10	108	63
2010/11	131	85
2011/12	101	78
2012/13	90	60
2013/14	74	50
2014/15	80	39
2015/16	71	48
<b>Total</b>	<b>655</b>	<b>423</b>
<b>Annual Average</b>	<b>94</b>	<b>60</b>

Source: CLG Homelessness Statistics

Source: DCLG Homelessness Statistics

### Step 1.2 Overcrowding and concealed households

- B.10 The extent to which households are overcrowded is measured using the 'bedroom standard'. This allocates a standard number of bedrooms to each household in accordance with its age/sex/marital status composition. A separate bedroom is allocated to each married couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex and each pair of children under 10. Any unpaired person aged 10-20 is paired if possible with a child under 10 of the same sex, or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared

<sup>34</sup> CLG Homeless Statistics Table 784: Local authorities' action under the homelessness provisions of the Housing Acts

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

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

### Step 1.3 Other groups

- B.12 Table B2 identified a series of households who were in housing need for other reasons including the property is too expensive, difficult to maintain, household containing people with mobility impairment/special need, lacking amenities, disrepair and harassment. It is assumed that the housing register includes households experiencing these needs.

### Step 1.4 Total current housing need summary

- B.13 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Richmondshire is 341. An analysis of household income and savings relative to lower quartile house prices and private rates indicates that 96.4% of households in need could not afford open market prices or rents. This results in a need from 135 existing households in need who require affordable housing.

## Stage 2: Future housing need

### Step 2.1 New household formation (gross per year)

- B.14 The needs analysis assumes that 362 new households form each year based on the national household formation rate of 1.69%. This is based on the latest three-year average national rate reported in the English Housing Survey over the period 2011/12 to 2013/14.

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

- B.15 This is based on the number of newly-forming households on the housing register which equals 72 households.

### Step 2.3 Existing households expected to fall into need

- B.16 An estimate of the number of existing households falling into need each year has been established by drawing upon Registered Provider CORE lettings data. Detailed information from which an estimate can be derived is available for the three year period 2010/11, 2011/12 and 2012/13. During this time, an annual average of 60 households moved into the Social/Affordable Rented sector because they were homeless and assumed to be in housing need.



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

- B.17 Total newly arising need is calculated to be 132 households each year across Richmondshire District.

## Stage 3: Affordable housing supply

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

### Step 3.1 Affordable dwellings occupied by households in need

- B.19 This is an important consideration in establishing the net levels of housing need as the movement of these households within affordable housing will have a nil effect in terms of housing need<sup>35</sup>.
- B.20 Housing Register data would suggest that 74 households living in affordable housing are in need and move to offset that need each year.

### Step 3.2 Surplus stock

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

### Step 3.3 Committed supply of new affordable units

- B.22 Latest Council data indicates a likely annual delivery of around 22 affordable dwellings based on past trends. The distribution of future affordable delivery is based on the 22 being apportioned on the basis of the proportion of overall development taking place in each sub-area.

### Step 3.4 Units to be taken out of management

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

---

<sup>35</sup> Housing Need Assessment Guidance (CLG, August 2007)

### Step 3.5 Total affordable housing stock available

- B.24 It is assumed that there are 74 (affordable) rented dwellings available arising from households moving within the stock and new build of 22 dwellings. This results in a total of 96 dwellings available.

### Step 3.6 Annual supply of social re-lets

- B.25 PPG Paragraph 2a-27 states that '*plan makers should calculate the level of likely future affordable housing supply taking into account future annual supply of social housing re-lets (net), calculated on the basis of past trends (generally the average number of re-lets over the previous three years should be taken as the predicted annual levels), and the future supply of intermediate affordable housing.*'
- B.26 The needs model considers the annual supply of social re-lets. Sub-area lettings over the five year period 2011-2016 has been provided by the Council. It is assumed that 58.1% of lettings are to new tenants which is derived from district-level RP CORE lettings data for the years 2012/13 and 2014/15.
- B.27 Modelling assumes an annual capacity of 107 Social/Affordable Rented dwellings let to new tenants i.e. households who either moved into social renting from another tenure, were newly-forming households, or who moved from supported/specialist accommodation.

### Step 3.7 Annual supply of intermediate re-lets/sales

- B.28 Available data from the latest Core lettings data available (2012/13, 2013/14 and 2014/15) reports no sale or re-sale of intermediate tenure dwellings so this is assumed to be zero in the model.

### Summary of Stage 3

- B.29 Overall, the model assumes an existing affordable supply of 107 rented and 0 intermediate tenure lettings/sales resulting in a total supply of 107 affordable dwellings each year.

## Stage 4: Estimate of annual housing need

### Overview

- B.30 Analysis has carefully considered how housing need is arising within Richmondshire District by identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.
- B.31 This has been reconciled with the supply of Affordable dwellings. Based on the CLG modelling process, analysis suggests that there is an overall annual gross

imbalance of 140 affordable dwellings and after taking into account affordable supply (107) results in an annual net imbalance of 33 dwellings.

- B.32 Stage 4 brings together the individual components of the needs assessment to establish the total gross and net annual imbalances.

### Step 4.1 Total backlog need

- B.33 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.4B minus total affordable housing stock available (Step 3.5). The total backlog need is 39.

### Steps 4.2 to 4.6

- B.34 Step 4.2 is a quota to reduce the total backlog need. This is assumed to be cleared over a five year period and a reduction of 20% each year is assumed (which is a standard assumption).
- B.35 Step 4.3 is the annual backlog reduction based on Step 4.2 (8 each year).
- B.36 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (132 each year).
- B.37 Step 4.5 is the total annual Affordable need based on Steps 4.3 and 4.4 (140 each year) or the gross need.
- B.38 Step 4.6 is the annual Social Rented/intermediate tenure capacity based on Step 3.8 (107 each year).

### Total imbalance and linkage with objectively assessed need

- B.39 The overall annual net affordable housing imbalance for Richmondshire District is 33 each year. Note that this figure represents an imbalance and not a target. It considers overall need as expressed in the housing register and current supply of affordable housing. In reality, households in need who cannot access the market can pay proportionately more for their housing above suggested affordable thresholds, people can share dwellings to reduce housing costs, and the private rented sector can accommodate households in need.
- B.40 PAS<sup>36</sup> guidance provides helpful guidance in interpreting affordable need in the context of objectively assessed need and housing requirement. Paragraph 9.6 states *'in practical terms, there is no arithmetical way of combining the two calculations set out in PPG to produce a joined-up assessment of overall housing need'*. We cannot add together the calculated OAN and the calculated affordable need, because they overlap: the OAN of course covers both affordable and market housing, but we cannot measure these components separately, because demographic projections – which are the starting point for the OAN – do not distinguish between different sectors of the housing market. Para 9.7 continues *'In summary, it seems logically clear that affordable need,*

---

<sup>36</sup> Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition July 2015

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

- B.41 PAS guidance (para 11.6) concludes that affordable need, defined and calculated as per paragraphs 22-29 of the PPG, is policy consideration rather than a component of Objectively Assessed Need.

## Dwelling type and size

- B.42 Analysis of the Housing Register provides information on dwelling size and type preferences for households on the housing register. These have been applied to the annual net imbalance figures to derive a profile of affordable housing need by sub-area by size (Table B4) and type (Table B5).

Designation	No. Beds	Sub-area				Total
		Central Richmondshire	Lower Wensleydale	North Richmondshire	Upper Dales	
General Needs	1	10	2	3	1	16
	2	4	1	2	1	7
	3	2	0	1	0	4
	4	0	0	0	0	1
Older person	1	2	1	2	2	6
	2	0	0	0	0	0
<b>TOTAL</b>		<b>18</b>	<b>4</b>	<b>7</b>	<b>4</b>	<b>33</b>

No. Beds	Sub-area				Total
	Central Richmondshire	Lower Wensleydale	North Richmondshire	Upper Dales	
House	13	3	6	2	24
Flat - ground	1	0	0	1	2
Flat - above ground	2	1	0	0	3
Bungalow	1	1	1	0	3
Other	1	0	0	0	1
<b>TOTAL</b>	<b>18</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>33</b>

## Technical Appendix C: Dwelling mix analysis

### Reviewing the future profile of dwelling stock in Richmondshire

#### Introduction

- C.1 In order to determine the potential range of new dwelling stock appropriate for Richmondshire, analysis has considered:
- The current stock profile of the district by type and size;
  - The profile of households by age of Household Reference Person (HRP) and how this is expected to change over the period 2014 to 2035;
  - The range of dwelling types and sizes occupied by households by HRP age band;
  - Future requirements for dwelling types and sizes based on the anticipated change in household profile.

#### Current stock profile of Richmondshire by type and size

- C.2 Latest data from the Valuation Office Agency on dwelling type and size is presented in Table C.1. This data relates to all dwellings and not just occupied households and therefore varies slightly from the 2011 Census data.
- C.3 Overall 75.6% of dwellings are houses (with 38.4% of all dwellings 3 bedroom and 19% 4 bedroom houses), 8.7% are flats (3.5% 1 bed and 3.2% two or more bedroom) and 15.7% are bungalows.

Dwelling type	No.	%
1 Bed House	310	1.4
2 Bed House	3690	16.7
3 Bed House	8470	38.4
4 or more Bed House	4200	19.0
1 Bed Flat	780	3.5
2 Bed Flat	710	3.2
3+ Bed Flat	440	2.0
1-2 Bed Bungalow	2050	9.3
3+ Bed Bungalow	1410	6.4
<b>Total</b>	<b>22060</b>	<b>100.0</b>
Missing data/other	850	
<b>Total All Dwellings</b>	<b>22,910</b>	

Source: Valuation Office Agency 2016

## Profile of households by age group 2014-2035

- C.4 Using 2014-based household projections, table C.2 identifies the total number of households by age of the Household Reference Person (or Head of Household) in 2014 and 2035. Over this period, there are expected to be an overall increase of 1,352 households (6.3%). Households with a HRP aged 65 and over are expected to increase markedly over this period, but households with a HRP aged under 60 are expected to decline.

Age Group of HRP	Number of households		Change 2014-35	% Change 2014-35
	2014	2035		
15-24	615	531	-84	-13.7
25-34	2819	2762	-57	-2.0
35-44	3249	3055	-194	-6.0
45-59	5932	4120	-1812	-30.5
60-84	7879	9991	2112	26.8
85 and over	891	2278	1387	155.7
<b>Total</b>	<b>21385</b>	<b>22737</b>	<b>1352</b>	<b>6.3</b>

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

- C.5 There is a range of secondary data available including the English Housing Survey and the 2011 Census which can provide data relating to dwelling type and size. That said, the link between HRP age and dwelling type/size is more difficult to ascertain from these sources. However, data from other arc<sup>4</sup> studies can be used to determine this link. Data from five recent household surveys has been assembled to explore the relationships between dwelling type/size and household type/age. Given that this results in a combined sample of 12,200 household interviews weighted to reflect a total of 419,500 households, this is a reasonable dataset from which relationships can be established<sup>37</sup>. The profile of dwelling type and size by HRP derived from the household survey datasets is presented in Table C.3.
- C.6 A further adjustment to the data was necessary to take account of underlying variations between the stock profile in Richmondshire compared with the five districts. Richmondshire similar proportions of houses but proportionately more bungalows and fewer flats compared with the five district data.

<sup>37</sup> Household surveys from 2015 Wrexham/Flintshire Local Housing Market Assessment, Bolton 2015 Housing Needs Assessment, Stockport 2015 Housing Needs Assessment, North Tyneside 2014 Strategic Housing Market Assessment

Dwelling type	Household Reference Person (HRP) Age Group %						Total
	15-24	25-34	35-44	45-59	60-84	85+	
1 Bed House	0.0	0.7	0.2	0.5	0.6	0.0	<b>0.5</b>
2 Bed House	29.8	28.7	18.8	17.4	14.1	13.3	<b>17.6</b>
3 Bed House	22.1	42.7	44.3	40.5	37.2	30.4	<b>39.5</b>
4 or more Bed House	3.1	8.0	23.1	22.6	15.9	7.0	<b>18.0</b>
1 Bed Flat	10.4	6.7	4.9	6.3	7.1	11.9	<b>6.7</b>
2 Bed Flat	34.2	10.1	5.6	6.2	6.2	8.7	<b>6.9</b>
3+ Bed Flat	0.0	1.0	0.8	0.7	0.7	0.5	<b>0.7</b>
1-2 Bed Bungalow	0.4	1.5	1.2	3.5	11.6	21.7	<b>6.5</b>
3+ Bed Bungalow	0.0	0.6	1.0	2.3	6.5	6.7	<b>3.6</b>
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Base</i>							<b>416352</b>

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

## Future dwelling requirements based on the anticipated change in household profile

- C.7 Table C.4 summarises the overall profile of dwellings based on the likely profile of households by HRP and household type in Richmondshire. It uses the 2014 to 2035 data from 2014-based DCLG household projections as a base and the proportion of households by HRP age is derived from the combined household survey data. The same proportions are applied to the 2014 and 2035 household data to establish the range of additional dwellings that are likely to be required to support the changing demography of Richmondshire. In addition, the analysis takes account of the underlying profile of existing dwelling stock in Richmondshire to derive a proposed dwelling stock profile based on these data.

<b>Dwelling type and size</b>	<b>2014</b>	<b>2035</b>	<b>Change</b>	<b>Adjustment to reflect local stock profile</b>	<b>Final proposed dwelling requirements</b>	<b>% of new dwelling stock</b>	<b>Total new dwelling stock based on OAN of 2,260</b>
1 Bed House	99	110	10	1.879	19	1.4	32
2 Bed House	3805	3977	172	1.313	226	16.7	378
3+ Bed House	12215	12889	74	10.494	777	57.4	1,298
1 Bed Flat	1387	1658	271	0.176	48	3.5	80
2 Bed Flat	1559	1726	167	0.261	44	3.2	73
3+ Bed Flat	153	156	3	8.100	27	2.0	45
1-2 Bed Bungalow	1398	1880	482	0.261	126	9.3	210
3+ Bed Bungalow	768	940	172	0.501	86	6.4	144
<b>Total</b>	<b>21385</b>	<b>22737</b>	<b>1352</b>		<b>1,352</b>	<b>100.0</b>	<b>2,260</b>



- C.8 On the basis of this analysis, it would be suggested that 57.4% of new dwellings to be built over the period 2014-35 should be houses with 3 or more bedrooms, 18.1% should be houses with 1 or 2 bedrooms, 16.7% should be bungalows and 8.7% should be flats.

## Concluding comments

- C.9 The purpose of this analysis has been to consider the likely dwelling type and size requirements of households in Richmondshire linked to the anticipated increase in 1,352 households over the period 2014 to 2035 and an OAN of 2,260 over the plan period 2014-35. In the absence of locally sourced data, household surveys from other studies have been used. Analysis considered the profile of dwelling stock occupied by households by HRP. This data was applied to future household numbers using 2014-based DCLG household projection data and the underlying dwelling profile of Richmondshire was taken into account in analysis. This helps to indicate the likely change in dwelling requirement by type and size over the period 2014 to 2035.
- C.10 The analysis concludes that there are three key dwelling types particularly required across Richmondshire: 3 bedroom houses and 1-2 bed dwellings. The ageing of the population requires that the Council also considers the accessibility of dwellings.

## Technical Appendix D: Monitoring and updating

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

#### Introduction

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

#### Updating of baseline housing needs and affordable housing requirements

- D.2 A baseline assessment of housing need across Richmondshire District has been derived from secondary data. This information should be taken as a baseline from which annual reviews of key aspects of the model proceed. It is recommended that the baseline information is updated on an annual basis using the latest housing register information.
- D.3 Key elements of the needs assessment model can be readily updated on an annual basis to reflect:
- Changes in house prices and rental costs;
  - Capacity of the Social Rented sector; and
  - Availability of intermediate tenure housing.

#### Changes in house prices and rental costs

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

### Capacity of the Social Rented sector

- D.6 The capacity of the Social Rented sector needs to be reviewed annually using RP CORE lettings data (**Step 3.6**).
- D.7 A dataset has been prepared for RP CORE data for 2012/13, 2013/14 and 2014/15 as part of this research. This includes some additional variables identifying the characteristics of households (by designation i.e. under 65 or over 65) and previous housing circumstances (from out of area, previously social renter, previously other tenure and from supported/specialist accommodation). The capacity of the Social Rented sector is based on the number of lettings to households from within the Local Authority District who were previously living in (non Social Rented or intermediate) tenure.

### Availability of Intermediate tenure housing

- D.8 CORE Sales data can identify the availability of Intermediate tenure housing (**Step 3.7**). Data has been assembled for 2012/13, 2013/14 and 2014/15.

### Annual adjustments to Affordable requirements

- D.9 Datasets can be provided from which annual reviews of Affordable requirements can proceed. This will point to any adjustment in net requirements by survey area, designation and property size.

### Determining an appropriate tenure split

- D.10 We would recommend that the Council encourages the managing agents of housing registers to record applicant income, access to savings and tenure preferences to further refine the tenure split of affordable dwellings across Richmondshire.

### Updating of contextual information

- D.11 This report has presented a range of contextual information relating to the economy, demography (including population projections and migration) and dwelling stock. This information should be updated where possible and in particular progression with economic growth and diversification should be carefully monitored.

### Reflections on the general strategic context and emerging issues

- D.12 As part of its strategic housing function, all LAs need to understand the general strategic housing market context and respond to emerging issues. Given the dynamic nature of housing markets, the Central and Local Government policy agenda and bidding for resources, any update of housing needs must be positioned within a wider strategic context.
- D.13 Ongoing stakeholder consultation and engagement with local communities is also vital to maintain up-to-date intelligence on housing market issues.

## Concluding comments

- D.14 It is vital that mechanisms are in place to derive robust, credible and defensible estimates of housing need and affordable requirements across Richmondshire. We believe that this study provides a robust evidence base which has the capacity to be updated.
- D.15 Having established a baseline position on affordable housing and advice on open market provision to reflect aspirations, it is essential that housing market activity is regularly monitored. This is highly relevant given current housing market uncertainty. A range of methods have been suggested to ensure that housing need and affordability modelling is revised on an annual basis. Annual reviews should also take into account the changing strategic context and impact on housing market activity.

# Technical Appendix E: National Planning Policy Framework and Planning Practice Guidance Checklist

## National Planning Policy Framework

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

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

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

## Planning Practice Guidance

Paragraph (no.)	Response
Methodological Approach (014)	Guidance states that establishing future need is not an exact science and no single approach will provide a definitive answer.  This SHMA has used a multi-method approach involving secondary data analysis, stakeholder consultation and a review of demographic scenario analysis
Starting point for establishing the need for housing and use of projections (015)	Household projections published by the DCLG have provided the starting point to establish the need for housing through work carried out by Edge Analytics. The 2012-based and 2014-based projections have been used, with the starting point taken as the 2012-based projections given the impact of population movement associated with Catterick Garrison adversely affecting the 2014-based projections
Adjusting household projections (017)	The SHMA has considered work carried out by Edge Analytics. In this work, sensitivity testing of CLG household projections using alternative assumptions in relation to underlying demographics and household formation rates has taken place

Paragraph (no.)	Response
Employment trends (018)	The likely change in jobs numbers using economic forecasts has been considered in Edge scenario work.
Market signals (019)	The SHMA has considered market signals relating to dwelling price and quantity. This has included comparative analysis of trends in similar districts, Yorkshire and the Humber and England
Response to market signals (020)	Market signals have been considered and it suggested that there is an uplift related to affordability of 10% of the baseline demographic household forecast
Need for all types of housing (021)	The SHMA has considered the range of market and affordable dwellings required for all household types, including family housing, housing for older people, people wanting to build their own homes and households with specific needs. The role of the Private Rented Sector has also been considered
Calculating affordable housing need (022)	Current unmet need and projected future housing need has been calculated and subtracted from the current supply of affordable housing stock
Households considered to be in need (023)	Analysis has considered the groups specified in guidance, namely: homeless households or insecure tenure; mismatch between need and dwelling; social or physical impairment and living in unsuitable housing; lacking basic facilities; particular social needs with the assumptions that such households are represented on the Housing Registers.
Calculating unmet gross need (024)	This has been calculated using housing register evidence
Newly arising affordable need (025)	Calculations have taken account of the proportion of newly-forming households who cannot afford lower quartile market housing (to buy or rent)
Total affordable supply (026)	Calculations take account of current supply of affordable housing through households in need moving, surplus stock, committed supply and units taken out of management
Future relets and intermediate tenure sales (027)	Calculations take account of the likely level of dwellings being let/sold based on the most recent 3 year trends in lettings and sales
Total affordable need (028)	Annual flow (imbalance) of affordable need has been calculated based on total need from existing households and newly-forming households minus supply. The split between rented/intermediate tenure (including Starter Homes) dwellings has been considered along with the size (no. beds) and designation (general needs/older person) of affordable dwellings.