Selby Strategic Housing Market Assessment

Selby District Council

Final Draft Report: June 2015

Prepared by

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DATE	ORIGINATORS	APPROVED
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Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1. INTRODUCTION

1.1 GL Hearn (GLH) and Justin Gardner Consulting (JGC) have been commissioned by Selby District Council to develop a Strategic Housing Market Assessment (SHMA) for the District. The purpose of the SHMA is to develop a robust understanding of housing market dynamics, to provide an assessment of future needs for both market and affordable housing and the housing needs of different groups within the population.

1.2 This document is presented where possible to cover two time periods. The longer period to 2037 reflects the extent of the official 2012-based l household projections and will allow the Council to test the permanence of household growth within their Green belt review. The shorter period to 2027 allows the work to align with the existing local plan.

1.3 The SHMA does not set housing targets. It provides an objective assessment of the need for housing, making no judgements regarding future policy decisions which the Council may take. Housing targets will be set in the Local Plan. These will need to be informed by the SHMA but will also take into account other factors such as local infrastructure capacity, housing land availability, viability, sustainability and the local ecology.

1.4 The SHMA responds to and is compliant with the requirements of both the National Planning Policy Framework (the NPPF)[1] and the Planning Practice Guidance (PPG) published in March 2014[2]. It provides assessment of the future need for housing, with the intention that this will inform future development of planning policies. According to the PPG, housing need:

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

1.5 The PPG is clear that the SHMA should not apply constraints to the assessment of need, such as those relating to land supply, environmental constraints or infrastructure provision, although it is clear that these are relevant considerations in bringing together the range of evidence in the preparation of a local plan.

1.6 The SHMA provides specific evidence and analysis of the need for different sizes of homes, to inform policies on the mix of homes (both market and affordable). The SHMA also analyses the needs of specific groups, such as older people.

1.7 The SHMA addresses housing need in Selby District. It updates and supersedes the previous North Yorkshire SHMA (2011) and takes account of more recent information, most notably the 2012 Sub-

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[1] CLG (March 2012) *National Planning Policy Framework*
[2] CLG (March 2014) *Planning Practice Guidance – Assessment of Housing and Economic Development Needs*

National Population Projections (SNPP) published by the Office for National Statistics (ONS) in May 2014 and 2012-based Household Projections published by the Department for Communities and Local Government in February 2015.

National Planning Policy Framework and Guidance

1.8 National policies for plan-making are set out within the NPPF. This sets out key policies against which development plans will be assessed at examination and with which they must comply.

National Planning Policy Framework (NPPF)

1.9 The NPPF was published in March 2012. The Framework sets a presumption in favour of sustainable development whereby local plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless the adverse impacts of doing so would significantly or demonstrably outweigh the benefits or policies within the Framework indicate that development should be restricted.

1.10 The NPPF highlights the SHMA as a key piece of evidence in determining housing needs. Paragraph 159 in the Framework outlines that this should identify the scale and mix of housing and the range of tenures which the local population is likely to need over the plan period which:

- meets household and population projections, taking account of migration and demographic change;
- addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
- caters for housing demand and the scale of housing supply necessary to meet this demand.

1.11 This is reaffirmed in the NPPF in Paragraph 50. The SHMA is intended to be prepared for the housing market area, and include work and dialogue with neighbouring authorities where the Housing Market Area (HMA) crosses administrative boundaries.

1.12 Paragraph 181 sets out that Local Planning Authorities (LPAs) will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their local plans are submitted for examining. This highlights the importance of collaborative working and engaging constructively with neighbouring authorities, as required by Section 33A of the 2004 Planning and Compulsory Purchase Act, and ensuring that there is a robust audit trail showing joint working to meet the requirements of paragraph 181 of the NPPF.

1.13 Paragraph 158 of the NPPF also emphasises the alignment of the housing and economic evidence base and policy. Paragraph 17 in the NPPF reaffirms this, and outlines that planning should also take account of market signals, such as land prices and housing affordability. However it also makes clear that plans must be deliverable.

1.14 Selby District Council is concurrently undertaking updates to both the SHMA and Employment Land Review (ELR). We have used the information on expected employment growth from the ELR to understand what housing provision might be needed to support expected employment growth. The ELR draws on forecasts from the Regional Econometric Model (REM).

1.15 In regard to housing mix, the NPPF sets out that local authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Local planning authorities should identify the size, type, tenure and range of housing that is required in particular locations reflecting local demand. Where a need for affordable housing is identified, authorities should set policies for meeting this need on site. National thresholds for affordable housing provision (>10 homes in urban areas) are removed as are national brownfield development targets (60%) and vacant building credit (effectively no contribution required on existing floorspace when replaced).

1.16 In setting affordable housing targets, the NPPF states that to ensure a plan is deliverable, the sites and the scale of development identified in the plan should not be subject to a scale of obligations and policy burdens such that their ability to be developed is threatened and should support development throughout the economic cycle. The costs of requirements likely to be applied to development, including affordable housing requirements, contributions to infrastructure and other policies in the Plan, should not compromise the viability of development schemes. To address this, affordable housing policies would need to be considered alongside other factors including infrastructure contributions – a 'whole plan' approach to viability. Where possible the NPPF encourages local authorities to work up Community Infrastructure Levy (CIL) charges alongside the Local Plan.

1.17 The SHMA is intended to be brought together with evidence of land availability, from a Strategic Housing Land Availability Assessment (SHLAA). To increase housing supply, the NPPF proposes that Local Authorities should be required to maintain a 5 year supply of specific deliverable sites, and to bring forward an allowance of 5% to ensure choice and competition in the market for land (unless there is a persistent track record of under-delivery in which case a 20% buffer is to be included). These 5% and 20% buffers should be brought forward from the future housing supply rather than being added on top of them.

Planning Practice Guidance

1.18 The PPG was issued by Government in March 2014 and is maintained as an online resource. The Guidance on 'Assessment of Housing and Economic Development Needs' is most relevant to this SHMA in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of need for housing. The approach in this report takes account of this Guidance.

1.19   The Guidance defines "need" as referring to:

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

1.20   It sets out that the assessment of need should be realistic in taking account of the particular nature of that area (for example geographical constraints and the nature of the market area), and should be based on future scenarios that could be reasonably expected to occur. It should not take account of supply-side factors or development constraints. Specifically the Guidance sets out that:

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

1.21   The Guidance outlines that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need. However, the starting point for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (CLG). The latest household projections are 2012-based Household Projections published by CLG in February 2015.

1.22   It sets out that there may be instances where these national projections require adjustment to take account of factors affecting local demography or household formation rates, in particular where there is evidence that household formation rates are or have been constrained by supply. It suggests that proportional adjustments should be made where the market signals point to supply being constrained relative to long-term trends or to other areas in order to improve affordability.

1.23   Evidence of affordable housing needs is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing. In some instances it suggests this may provide a case for increasing the level of overall housing provision.

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

1.25   The Guidance indicates that the assessment should consider the need for different types of housing and the needs of different groups, including family housing, housing for older people, and households with specific needs and those looking to build their own home. It sets out that the need for older persons' housing should be broken down by tenure and type, and should include an assessment of need for residential institutions.

Overview of the Approach to Deriving OAN

1.26   Based on the above, the diagram below summarises the approach we have used to deriving conclusions regarding the Objectively-Assessed Need (OAN) for Housing.

Figure 1: Overview of Approach
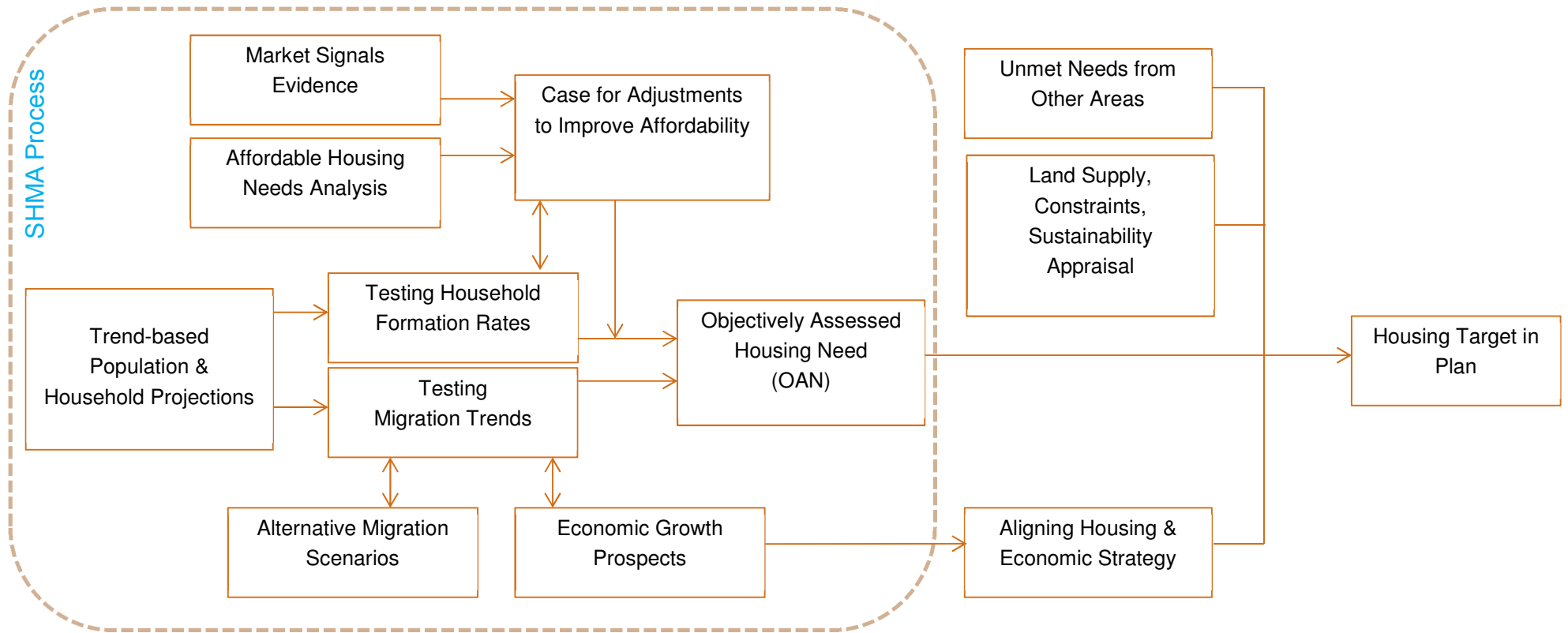
Report Structure

1.27   The remainder of the report is structured in the following way:

- Chapter 2-   Defining the housing market Area
- Chapter 3-   Trend based demographic projections
- Chapter 4-   Economic led projections
- Chapter 5 -   Affordable housing need
- Chapter 6-   Housing market dynamics and market signals
- Chapter 7-   Requirements for different sizes and types of homes
- Chapter 8-   Specific groups of the population
- Chapter 9-   Summary and conclusions.

2   DEFINING THE HOUSING MARKET AREA

2.1   The NPPF states that local planning authorities should use their evidence base to ensure Local Plans meet the full, objectively assessed needs for market and affordable housing in their housing market area (HMA).

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

2.3   The NPPF makes clear that in planning for housing provision, it is important to consider housing needs and dynamics across a HMA, with each area seeking to meet needs within it where possible. The PPG similarly highlights that needs should be assessed across the relevant functional area. The first question is therefore, what housing market area(s) does Selby District fall within.

Approach to Defining Housing Market Areas

2.4   The PPG 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.

2.5   The Guidance indicates that local planning authorities can use a combination of approaches to identify relevant housing market areas, recognising that there is no single comprehensive source of information. The Guidance indicates three primary information sources:

- patterns of house prices and rates of change in house prices, which provides a 'market based' reflection of housing market boundaries;
- population and household migration flows, which reflect the preferences and the trade-offs made when choosing housing with different characteristics; and
- contextual data, such as travel to work areas, which reflects the spatial structure of the labour market and the functional relationships between places where people work and live.

2.6   The Planning Advisory Service's Technical Advice Note on Objectively Assessed Need and Housing Targets (PAS, May 2014) suggests that a good starting point would be a top-down analysis, such as the national research on the Geography of HMAs, published by the CLG in 2010. The study, led by the Centre for Advanced Urban Studies (CURDS) at Newcastle University, sought to identify a consistent set of HMAs across England. However, this study is based on 2001 data. The PAS paper also states that it "should be sense-checked against local knowledge and more recent data, especially on migration and commuting. In short, more recent data should always 'trump' this geography."

2.7   Our approach therefore in the remainder of this section is to review the existing evidence and provide an update to it using more contemporary data in order to define a HMA(s) for Selby District.

Existing Research to Define Housing Market Areas

2.8   There has been a considerable body of technical work and analysis undertaken to define HMAs across the country. This work adopts a range of different technical approaches, which to some extent reflect the different spatial characteristics of housing markets in different areas; but more probably reflect the weight which is attached to different factors such as migration and travel to work patterns, and variations in house prices.

National Research

2.9   The CLG published national level research on the Geography of Housing Market Areas in 2010 which sought to consider the geographies of housing markets across England. This academic-driven project considered commuting and migration dynamics, and standardised house prices. This was brought together to define housing markets across England, as follows:

- Strategic (Framework) Housing Markets – based on 77.5% commuting self-containment;
- Local Housing Market Areas – based on 50% migration self-containment; and
- Sub-Markets – which would be defined based on neighbourhood factors and house types.

2.10   The two-tier structure (strategic/local) in the CLG research (which is mapped and analysed) is useful at disaggregating strategic housing market areas which are generally for modelling of issues such as affordability; whilst the more local housing market areas are of greater relevance in considering issues relating to local market dynamics and supply-demand balance. However, the practicalities of using each must be considered depending on location, particularly in more urban areas.

2.11   The CLG research defines the market areas in two further ways. The first is a 'gold-standard' which is based on an aggregation of ward areas and therefore is more detailed than the second definition the 'silver–standard'. The 'silver-standard' definitions are comprised of local authority areas. For plan making purposes the silver-standard is perhaps a more practical basis for defining a housing market area – not least as demographic projections are not published below local authority level.

Strategic Housing Market Areas

2.12   At a 'gold-standard' the CLG research defines parts of Selby District as falling within the Leeds, Hull and York Strategic HMAs. The Leeds HMA extends to eight different local authority areas including all of Leeds and Wakefield local authorities. The York HMA includes the northern part of Selby District, together with a small part of Harrogate the Southern part of Hambleton and the adjoining parts of East Riding and Ryedale. The Hull HMA covers the City and most of East Riding and a number of smaller rural settlements in Selby District including Drax, Camblesforth and Carlton.

Figure 2: Gold Standard CLG-defined Strategic HMAs
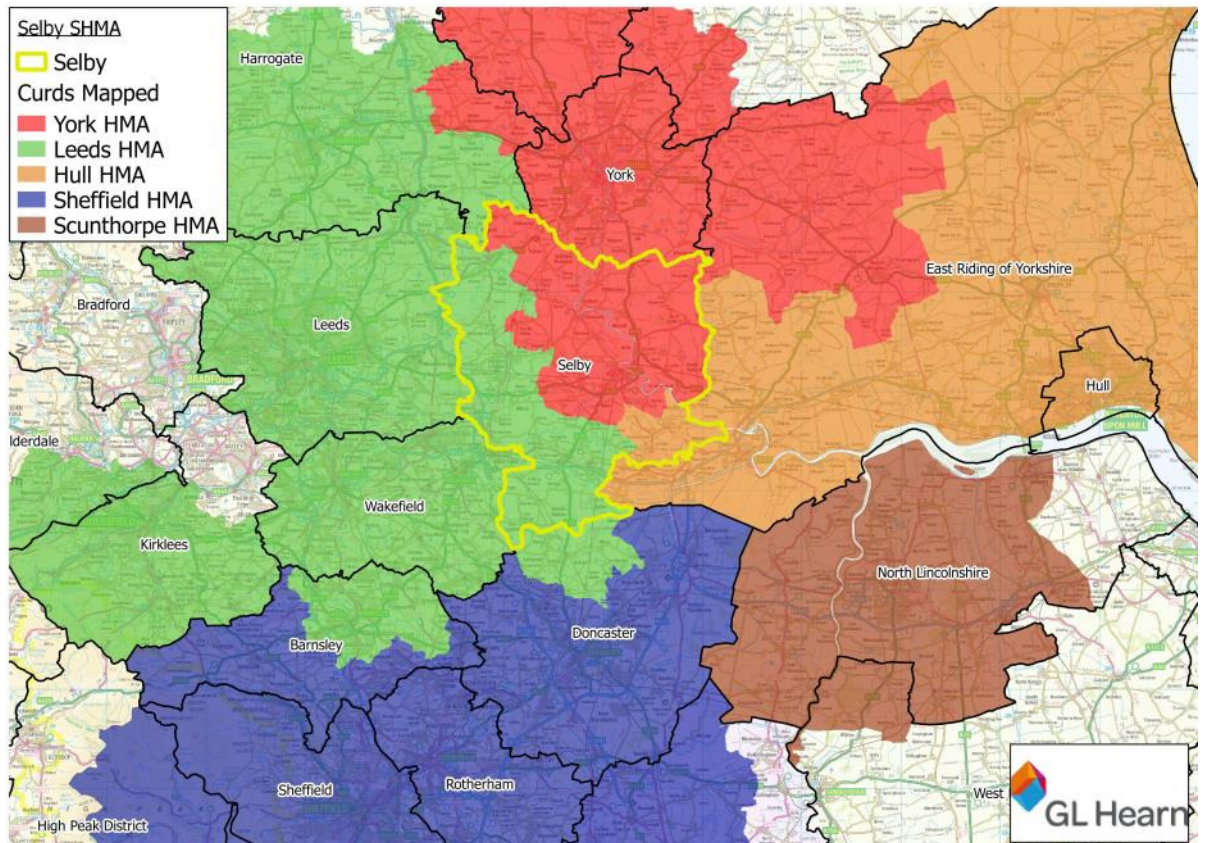
Source: CLG, 2010

2.13   By this definition the majority of the population (and the largest part of the land mass) of Selby District, including Selby town, falls within the York HMA. The western part of the District, including Tadcaster and Sherburn-in-Elmet, is contained within the Leeds HMA.

2.14   The 'silver-standard' Strategic HMAs (based on local authority boundaries) acknowledges this and includes Selby as within the York HMA along with the City. These authorities together are defined as representing a York HMA.

2.15   A Technical Advice Note prepared by the Planning Advisory Service (PAS) on Objectively Assessed Housing Need and Housing Targets recommends that this 'silver standard' geography is used as a starting point for defining housing market areas.

2.16   A key purpose of an SHMA is to define the Objectively Assessed Need (OAN) for housing. The PPG is clear that the starting points are the official population and household projections. These are published at a national level, and for local authorities. They are not published below local authority level, nor is the data available (regarding migration and trends in household formation which are key drivers within the projections) below local authority level. On this basis we consider that **Housing**

Market Areas should be based on the 'best fit' to local authority boundaries; albeit that SHMAs can (and should) recognise cross-boundary influences and interactions. The PAS Guidance supports this, concluding that:

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

2.17   This approach seems widely accepted and is a practical response to data availability. The CURDS research which the PAS report identifies as an appropriate starting point, suggests a grouping of Selby with York to form a York HMA.

Figure 3: Silver Standard CLG-defined Single Tier HMAs
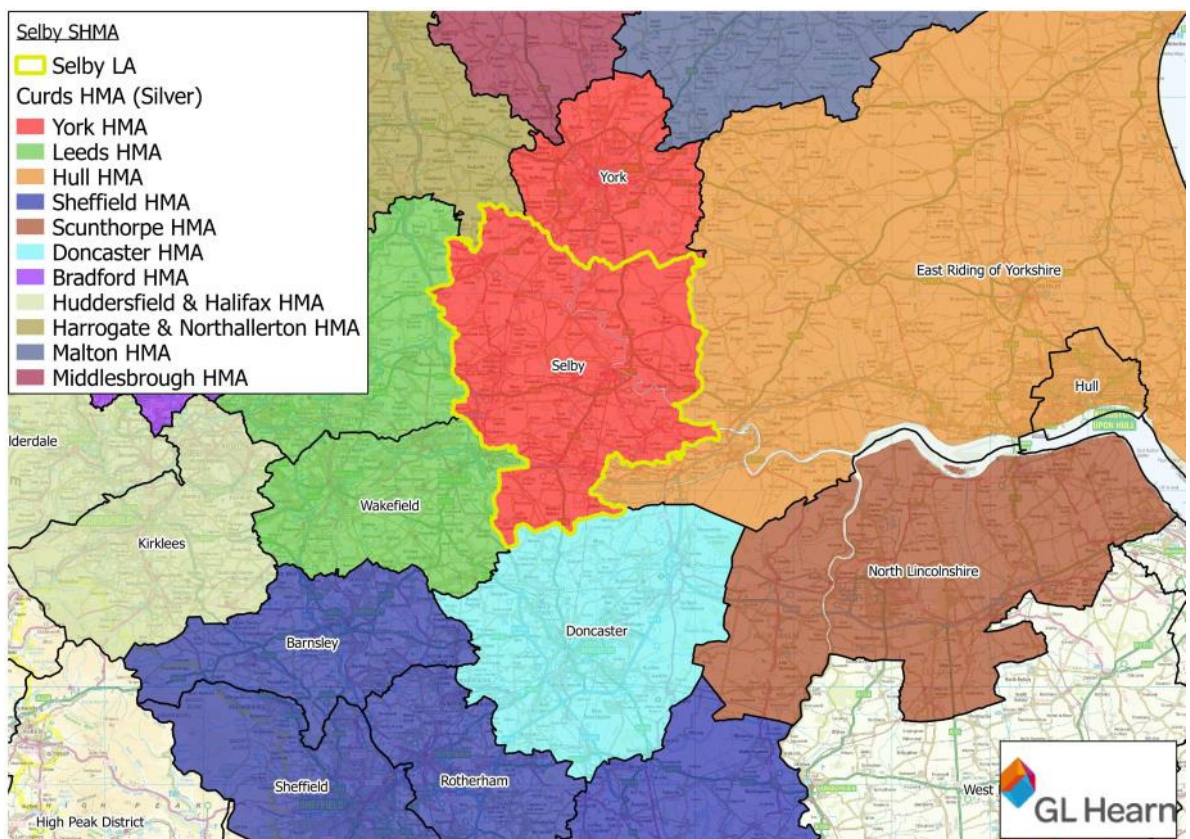
Source: CLG, 2010

2.18   Four other Strategic HMAs are also defined in close proximity to Selby District – a Leeds HMA to the west; Doncaster HMA to the south; Hull and East Riding HMA to the east; and Harrogate and Northallerton HMA to the north-west.

Local Housing Market Areas

2.19   Within the Strategic HMAs, the CURDS/ CLG research also defined a number of local housing market areas (LHMAs). Those in and around Selby have been mapped in Figure 4. It should be noted that these are based on 2001 Census analysis.

Figure 4:   CLG-defined Local Housing Market Areas
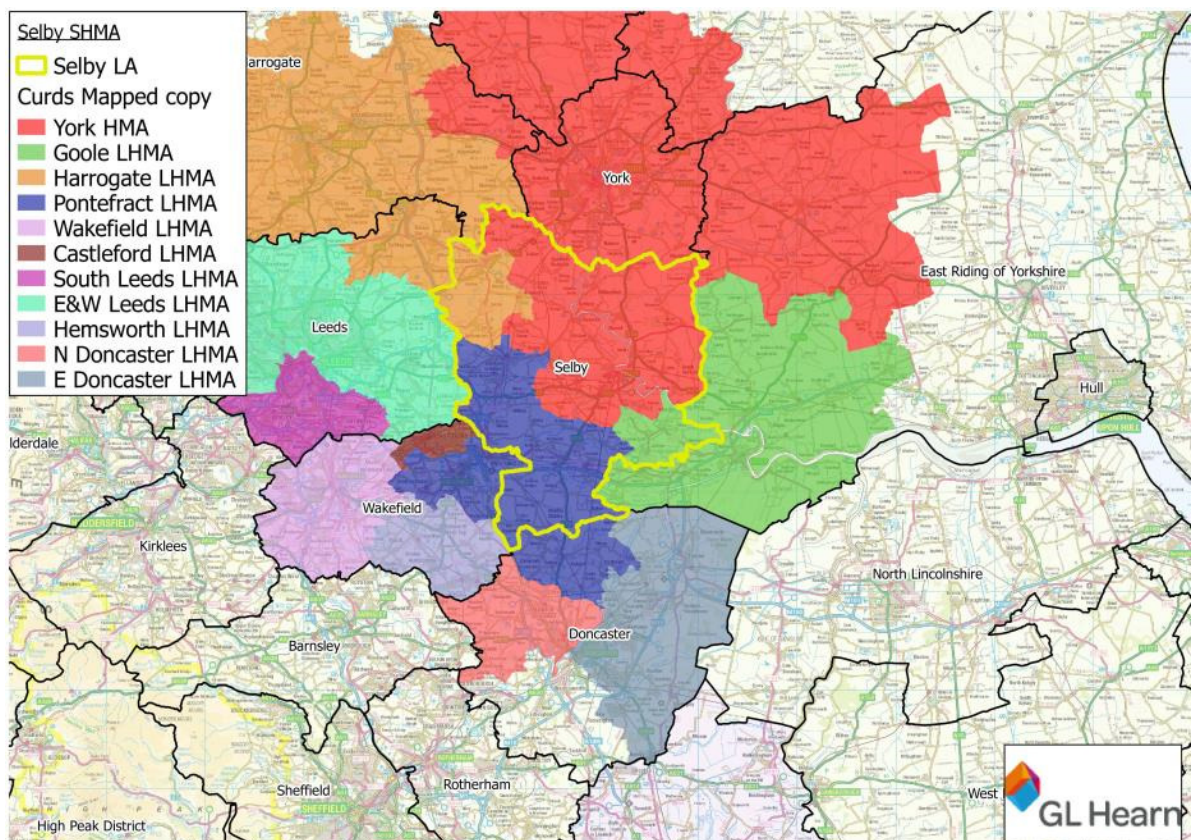
Source: CURDS, 2010

2.20   The most relevant CLG defined local HMAs to the study, is the York LHMA. This covers the north of the District, including Selby town. The Harrogate HMA includes Tadcaster. The Pontefract LHMA includes Sherburn in Elmet and the south west of the District. A small part of the South east of the district falls within Goole LHMA

Regional Research

2.21   A regional study was undertaken by DTZ for the Yorkshire and Humber Assembly and Homes and Communities Agency (HCA) in 2006. The aim of this study was to define housing market areas across the region; these were subsequently incorporated into the Yorkshire and Humber Plan. The DTZ study identified a total of 14 housing markets across the region. Selby Town was identified as

with the York Sub Regional Market. Parts of the District were expected to be influenced by the Wakefield and Leeds Sub-Regional Housing Markets.

Figure 5: Housing Market Areas in Yorkshire and Humberside (DTZ)
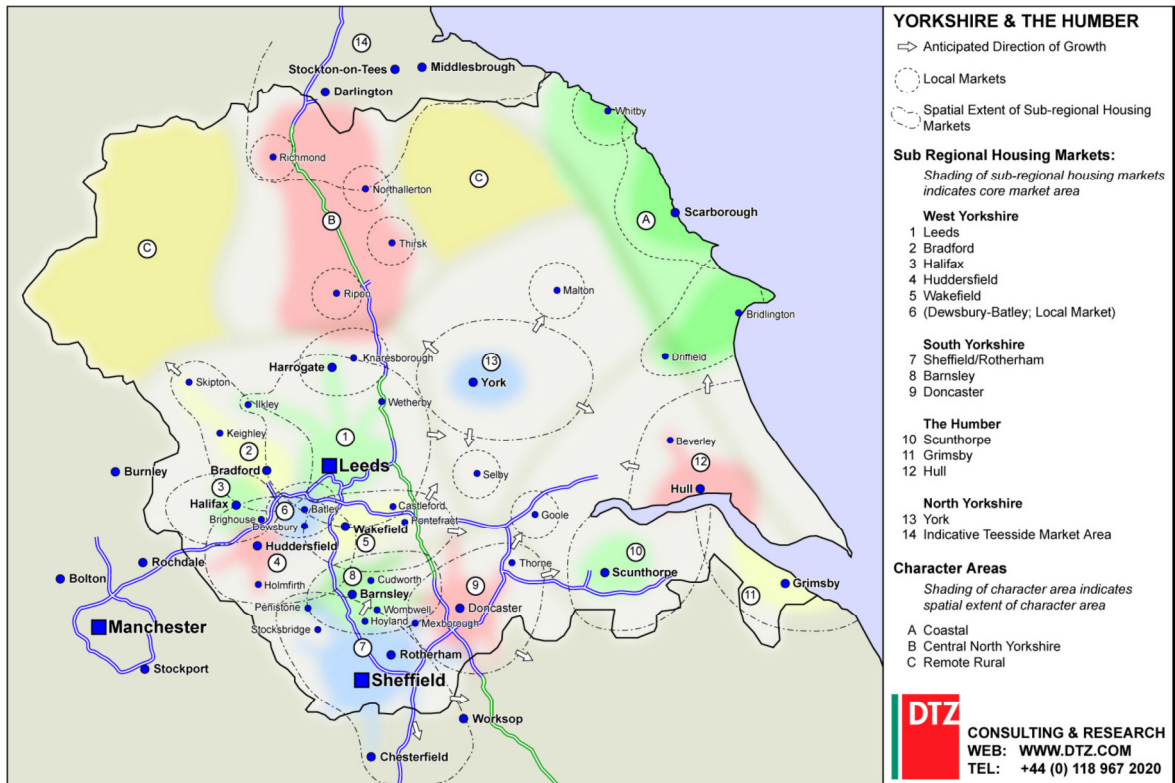
Source: DTZ Pieda, 2006

2.22   The DTZ work usefully identifies areas of convergence and overlap, recognising that whilst certain groupings of authorities share the strongest relationships, functional interactions also exist with peripheral areas.

Leeds City Region

2.23   The Leeds City Region Planning Portfolio Group also produced a paper named "Understanding the cross boundary impacts of housing markets and jointly planning housing provision in these areas" which reviewed the Housing Market areas in the wider sub-region. This is dated May 2014.

2.24   This reviewed findings from the North Yorkshire and York SHMA (GVA and Edge Analytics, 2011) which outlined that:

> *Selby has a less contained housing market with strong travel to work relationships with Leeds and Wakefield Districts. There are good public transport links with Leeds and good road links*

> *with both Leeds and Wakefield. There is also a less strong relationship with York, that is confirmed by analysis of migration.*

2.25   It outlined a need to work collaboratively to update analysis of housing market geography within the Leeds City Region and its immediate neighbours, once 2011 Census data had been released.

2.26   To update the analysis of housing market geography of the City region and its immediate neighbours when the full results of the 2011 census are released.

Summary of Existing Research

2.27   The national and regional research presents a somewhat inconsistent picture on the relevant housing market areas with a number of potential market areas and overlaps at play. However, there is some consistency in that both identify a York focussed market which operates across the northern part of Selby district. There is also some consistency in analysis showing the western parts of the district being more closely linked with Leeds and Wakefield.

2.28   The PAS Advice Note supports the identification of a 'best fit' of local authority boundaries to functional housing market areas for practical reasons. Generally we would support this, not least because a good deal of the data needed to support development of a SHMA (including demographic projections) is principally available at a local authority level, with more local level data 'patchy.' However, in areas such as Selby District which is at the apex of a number of markets it is not always possible to identify a single market operating across the entire local authority and in some circumstances the identification of more localised housing markets may be more appropriate.

2.29   As well as the historic definitions we have also reviewed more recent data including flow data (migration and commuting) from the 2011 census, as well as house price data taken from the CLG and Land Registry. This allows us to determine the most appropriate housing market(s) for the District using more contemporary data.

House Prices and House Price Trends

2.30   As the PPG suggests, house price patterns and trends are a useful indicator of demand dynamics and pricing levels in different areas. This kind of market approach has some merit – clearly for areas or authorities to be serving the same market area, there must be some broad comparability and relationship between house prices.

2.31   To begin with, we consider median house prices at local authority level. This provides us with an initial high level indication of areas with comparable or diverging house prices. We have considered prices for all the local authorities in North Yorkshire as well as Leeds, Wakefield, Doncaster and the

East Riding. We have also reviewed the change in median house prices over a 5, 10 and 15 year period. This is taken from CLG Housing Statistics which unfortunately only provides data up to 2012.

Table 1:   Changes in Median House Prices, 2007-12

Area	1997 Median	2002 Median	2007 Median	2012 Median	15 year change	10 year change	5 year change
Harrogate	£67,750	£130,000	£218,000	£210,000	210%	62%	-4%
Hambleton	£70,000	£115,000	£200,000	£200,000	186%	74%	0%
Richmondshire	£65,000	£97,000	£190,000	£185,000	185%	91%	-3%
England & Wales	*£60,000*	*£110,000*	*£175,950*	*£180,000*	*200%*	*64%*	*2%*
York City	£58,500	£114,000	£180,000	£179,950	208%	58%	0%
Ryedale	£63,500	£105,000	£196,000	£178,250	181%	70%	-9%
North Yorkshire	£60,000	£100,000	£184,950	£176,000	193%	76%	-5%
Craven	£60,000	£100,000	£180,000	£175,000	192%	75%	-3%
Selby	**£57,000**	**£95,000**	**£170,000**	**£160,000**	**181%**	**68%**	**-6%**
Leeds	£52,000	£82,995	£146,000	£142,500	174%	72%	-2%
Scarborough	£51,500	£76,000	£150,000	£142,000	176%	87%	-5%
East Riding	£53,500	£79,999	£150,000	£140,995	164%	76%	-6%
Wakefield	£48,500	£67,495	£128,500	£120,000	147%	78%	-7%
Doncaster	£42,000	£53,000	£117,000	£110,000	162%	108%	-6%

Source: HM Land Registry/ CLG

2.32   This data should be treated with a note of caution as median house price will reflect the mix of stock. That is places with a higher number of larger, detached homes (e.g. rural locations) will generally have higher house prices than those with a higher number of smaller, flatted homes (e.g. urban areas). Median house prices are between those in York and Leeds.

2.33   Across North Yorkshire and Leeds there is a broad trend of significant longer term price growth and broadly short term retrenchment. Over the longer 15 year period, median price growth in Selby has been modest in comparison to York but above that in Leeds. Conversely over the medium term (10 years), this was reversed with the weakest growth seen in York and stronger growth in Leeds with Selby again sitting in-between.

2.34   In the shorter term (5 years) Selby has seen a 6% decline similar to that in Wakefield and Doncaster but faring worse than Leeds and York which did not seen any overall price change.

2.35   Figure 6 provides a finer-grain analysis of house prices. To limit the potential influence of housing mix on the analysis, an average of terraced and semi-detached prices are used. As Figure 6 illustrates, house prices around Tadcaster and the North of the District are stronger in comparative terms. These align with the northern, more suburban parts of Leeds City and also with Harrogate and York.

Figure 6: Weighted Average Price of Semi-detached and Terraced Property Sales, 2014
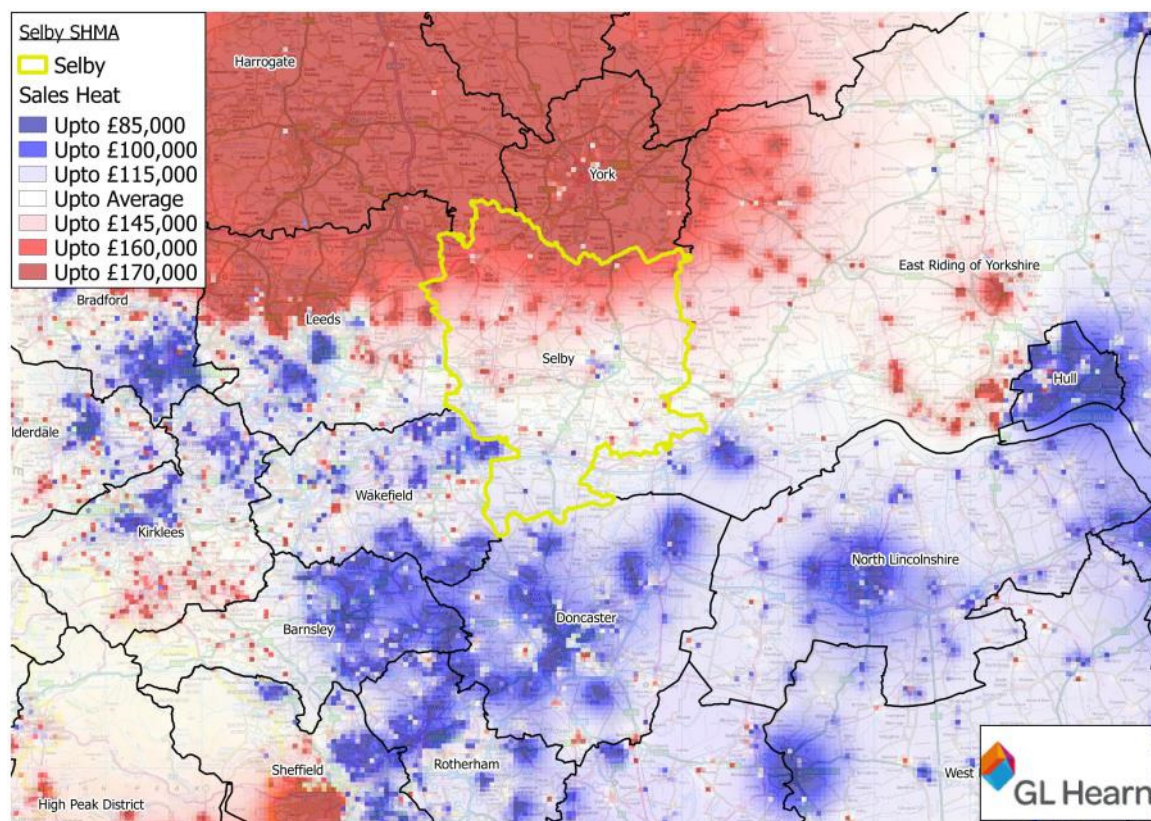
Source: HMLR, 2014

2.36   More modest house prices are seen in the south of the District. Selby Town sees some variation in housing costs (reflecting local issues relating to stock mix and quality of place). Generally the house prices to the south of the district are still higher than those in the immediately joining areas of Wakefield and Doncaster.

2.37   The house price analysis points to some distinction between the north and south of the District, with the north relating to a higher priced "North Yorkshire" market; with the southern part of the District showing house prices which are more similar to those in Wakefield and Doncaster local authorities.

Analysing Migration Flows and Patterns

2.38   Migration flows reflect households' movement between areas, and thus is a key factor in considering the geography of housing markets. To test the definition of the housing market area, and to understand functional housing market inter-relationships across local authority boundaries, we have analysed Census data on internal migration flows between the relevant local authority areas.

2.39   The data typically shows larger flows between authorities which are close to or border one another. There are also typical patterns of flows to university towns and cities around the country. The scale

of flows is partly influenced by the population of the authorities, with the expectation that two large urban/ metropolitan authorities would support stronger flows than two smaller ones.

2.40   Taking this into account, we have sought to standardise the analysis of flows to take account of the combined population of different authorities. Table 2 below shows gross migration flows and gross flows expressed per 1,000 head of combined population.

Table 2:   Gross migration flows with Selby District per annum (2011)

Authority	Gross	Gross per head of Pop
York	1072	3.81
East Riding	756	1.81
Wakefield	732	1.79
Leeds	1072	1.28
Harrogate	215	0.89
Scarborough	124	0.65
Ryedale	87	0.64
Doncaster	204	0.53
Hambleton	70	0.41
Kingston upon Hull	109	0.32

Source: Census, 2011

2.41   The analysis undoubtedly confirms a complex set of interactions and flows between Selby and its neighbouring authorities. However, there are a number of pertinent migration patterns and relationships which we can draw out.

2.42   Firstly although the numbers moving between Selby and York and Selby and Leeds are identical; because of the relative size of York in comparison to Leeds the weighted gross migration analysis suggests that the relationship north to York is comparatively stronger.

2.43   Also notable are the links to East Riding and Wakefield (although in absolute terms the flow with Leeds is still more significant). The relationships are also mapped in Figure 7.

Figure 7: Gross Weighted Migration Flows (2011)
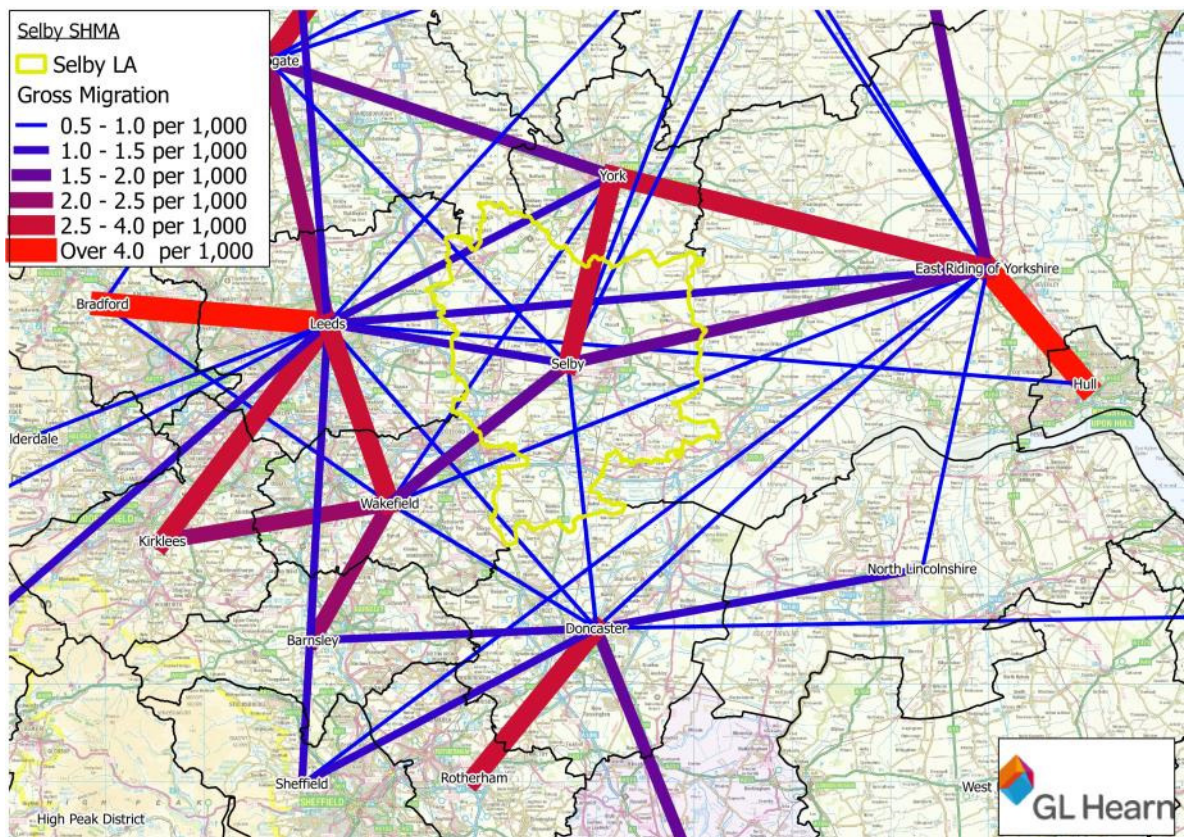
Source: ONS, 2011

2.44   What is also apparent is that Leeds has stronger relationships with five other authorities, when weighted by size, than it does with Selby. That includes a stronger relationship between Leeds and York.

2.45   We have examined the dynamics of the net flow of people around the sub region are illustrated in Figure 8 and Table 3. This data clearly shows a flow of people out of Leeds and Doncaster. We also see a large Net flow from East Riding to Hull. After these areas the net inflows become largely insignificant.

2.46   Across UK cities there is typically a net out-migration from cities (which has a younger population and attracts migrants from across the UK and internationally) to the immediately surrounding areas. This is partly related to family life cycles and lifestyle. We see a net inflow from Leeds to Selby.

Figure 8: Net Migration Flows (2011)
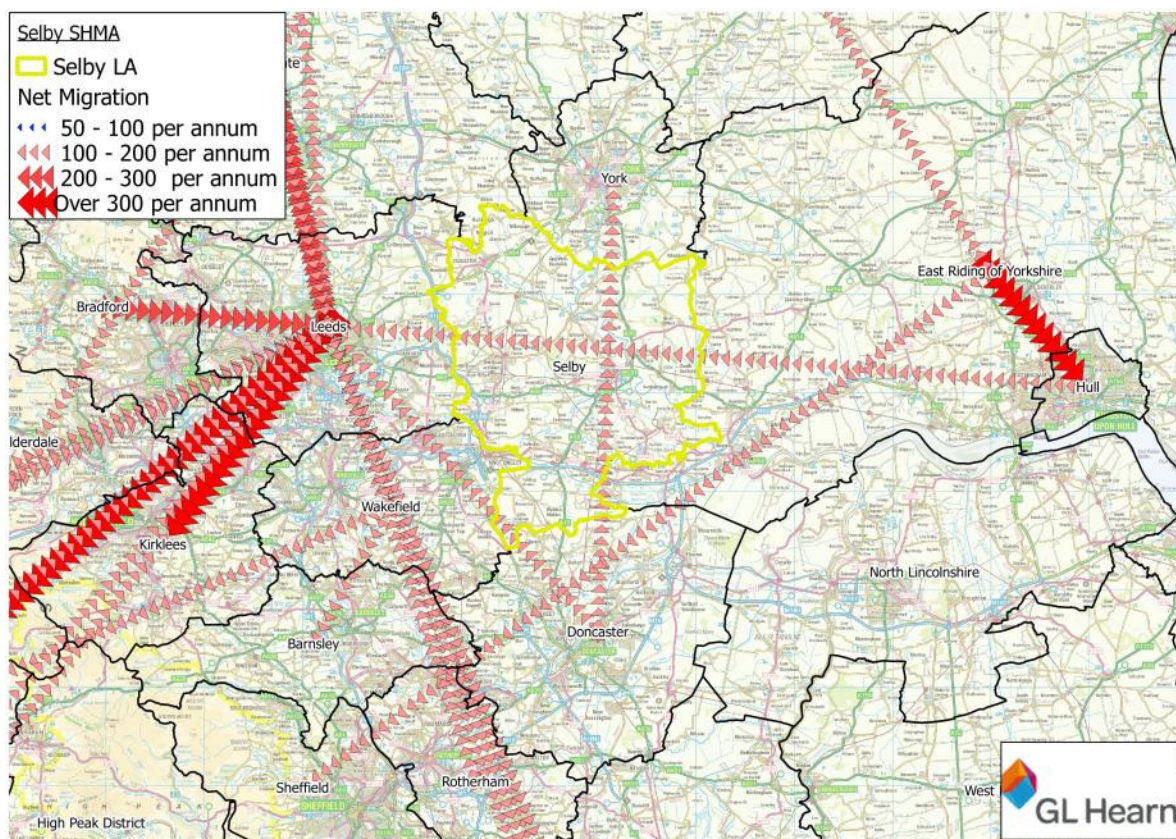
Source: ONS, 2011

2.47 There is also a clear pattern of out migration from Selby to London, Manchester, Sheffield and Nottingham. In the case of Newcastle, Sheffield, Manchester and Nottingham these can largely be attributed to movements of students.

Table 3: Top Net In and Out Migration with Selby District

Origin	Net In Flow	Destination	Net Out flow
Leeds	88	Tower Hamlets	-53
Wakefield	26	Sheffield	-52
Doncaster	24	Newcastle upon Tyne	-44
Bradford	22	Manchester	-43
Tameside	14	Nottingham	-23
Isle of Anglesey	11	Kingston upon Hull	-23
Darlington	9	East Riding	-22
Middlesbrough	9	York	-20
Hounslow	8	Liverpool	-18
Bury	7	North Lincolnshire	-14

Source: ONS, 2011

2.48   The PPG sets out that a self-containment rate of 70% (excluding long distance movement) would be appropriate to identify a housing market area. Including long distance moves, Selby has a self-containment rate of 51% to 53%. Once long distance migration is excluded (i.e. that outside the Yorkshire and Humber region) the self-containment rate increases to 60%. This is insufficient for Selby to be considered to be a housing market area in its own right.

2.49   We have then analysed if by joining Selby with York (as the highest weighted and gross relationship) the 70% threshold can be breached. It should be noted however that York in its own right has a self-containment of 61%-66% which increases to 80%-82% when long distance moves are excluded.

2.50   When Selby is joined with York the self-containment rates is 62%-66%. This is higher than the self-containment level looking at Selby on its own; but lower than is the case looking at York alone. Once long-distance moves are excluded, the self-containment level of the two authorities is 79-81% (depending on whether it is measured as a proportion of residents or workers).

2.51   The self-containment analysis points towards a strong relationship with York and Leeds; with the strongest relationship in comparative terms being with York. However the evidence suggests that this relationship is only with parts of Selby District, suggesting that different parts of the District could fall within different housing market areas.

Analysing Commuting Patterns

2.52   Commuting flows provide important evidence of the functional relationships between various authorities. The PPG directs planning authorities to consider commuting flows as a source of contextual information about the spatial dynamics of the local labour market. These dynamics will somewhat influence search patterns and location choices within the housing market.

Travel to Work Areas

2.53   The first source to consider is the 2001 Travel to Work Areas identified by ONS in 2007. Travel to work (TTWA) areas are the smallest areas that can be defined in which two thirds of the population live and work. These are therefore, useful in defining HMA areas. They provide a useful starting point as they offer national coverage and comparability; however, the data is somewhat outdated.

2.54   As shown in Figure 9, Selby district is mostly covered by the York 2001 TTWA which also extends into Harrogate, East Riding, Ryedale and Hambleton districts. This suggests a relatively strong economic inter-relationship with York. Settlements in the south-west of the District fall within a Wakefield TTWA.

Figure 9: ONS Travel to Work Areas
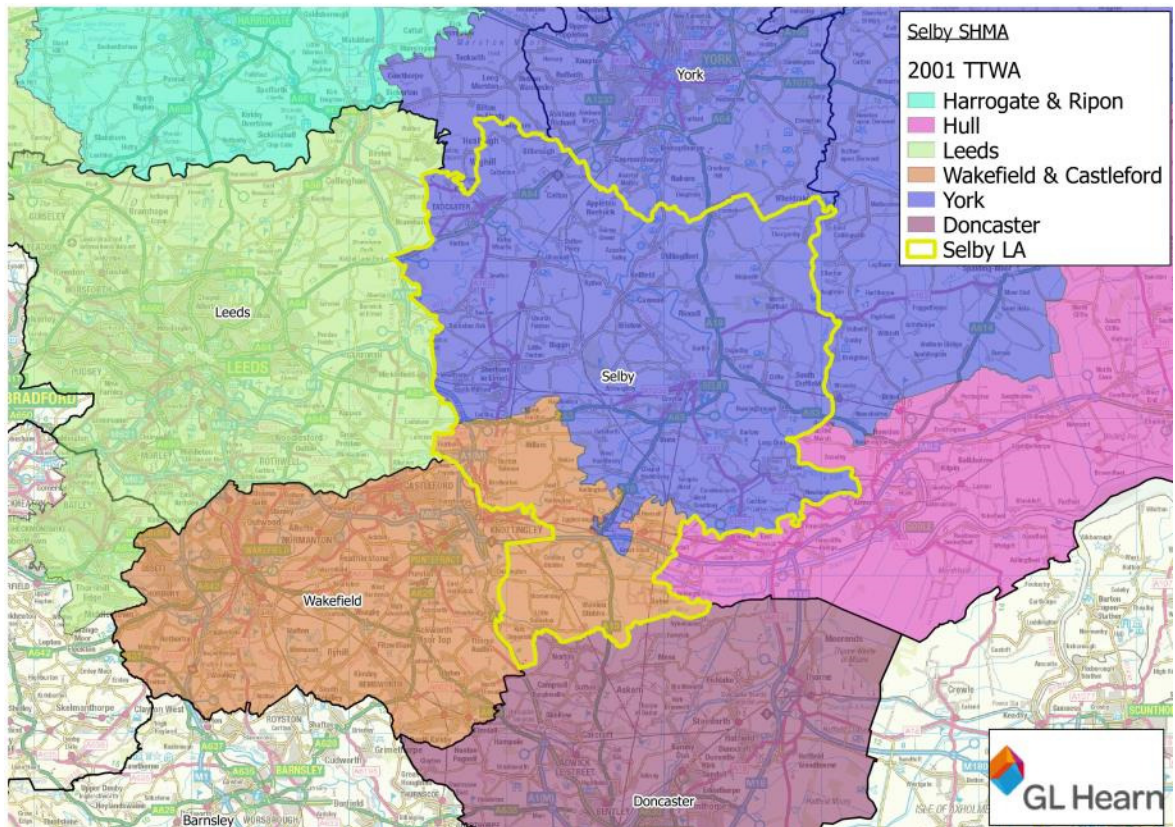
Source: ONS, 2001

2.55   More recent commuting flows drawn from the 2011 census also provide an important evidence base of the functional and market relationships between various authorities. Table 4 below outlines the commuting flows to and from Selby and the wider area.

2.56   As shown almost 41% of working residents live and work in the district and almost 52% of the jobs in the district are taken up by Selby residents. Commuting self-containment levels within the District's boundaries are thus relatively low. The largest outflows are to Leeds and York; followed by Wakefield and East Riding.

Table 4:   Commuting Flows to/from Wider Area (2011)

Residence	Workplace	Commuters	% of Residents
Selby	Selby	14,362	40.7%
Selby	Leeds	6,193	17.5%
Selby	York	5,093	14.4%
Selby	Wakefield	3,039	8.6%
Selby	East Riding of Yorkshire	1,607	4.6%
Selby	Harrogate	710	2.0%
Selby	Doncaster	639	1.8%
Selby	Hambleton	372	1.1%
Selby	Bradford	342	1.0%
Residence	Workplace	Commuters	% of Workforce
Leeds	Selby	14,362	52.0%
Hambleton	Selby	2,524	9.1%
York	Selby	2,518	9.1%
Bradford	Selby	2,047	7.4%
Selby	Selby	1,805	6.5%
Richmondshire	Selby	1,312	4.8%
Wakefield	Selby	322	1.2%
Harrogate	Selby	303	1.1%

Source: Census, 2011

2.57   There is a particularly notable relationship between Selby and Leeds with more than 20,000 people per day travelling in either direction.

2.58   However, we can see that Leeds as the major regional driver actually has a relatively strong influence across a number of the authorities; again reaffirming that the city is somewhat of a focal point for employment driven movements.

2.59   York also has a notable number of commuters from Selby; with a more modest flow in the opposite direction. Indeed more people commute from Hambleton (the district directly to the north of York) to Selby than they do from York.

2.60   By mapping the external commuting patterns (see Figure 10) it is obvious that Leeds draws a large number of people from the western end of Selby with no notable flows from the north of Selby including Selby Town also going to York. This also reflects in part the rail links into the city from Selby.

2.61   Selby also draws in a large number of people from the East Riding, Doncaster and Wakefield. These are mostly into Selby town, although Eggborough also has a notable draw.

Figure 10: Travel to Work Patterns (2011)
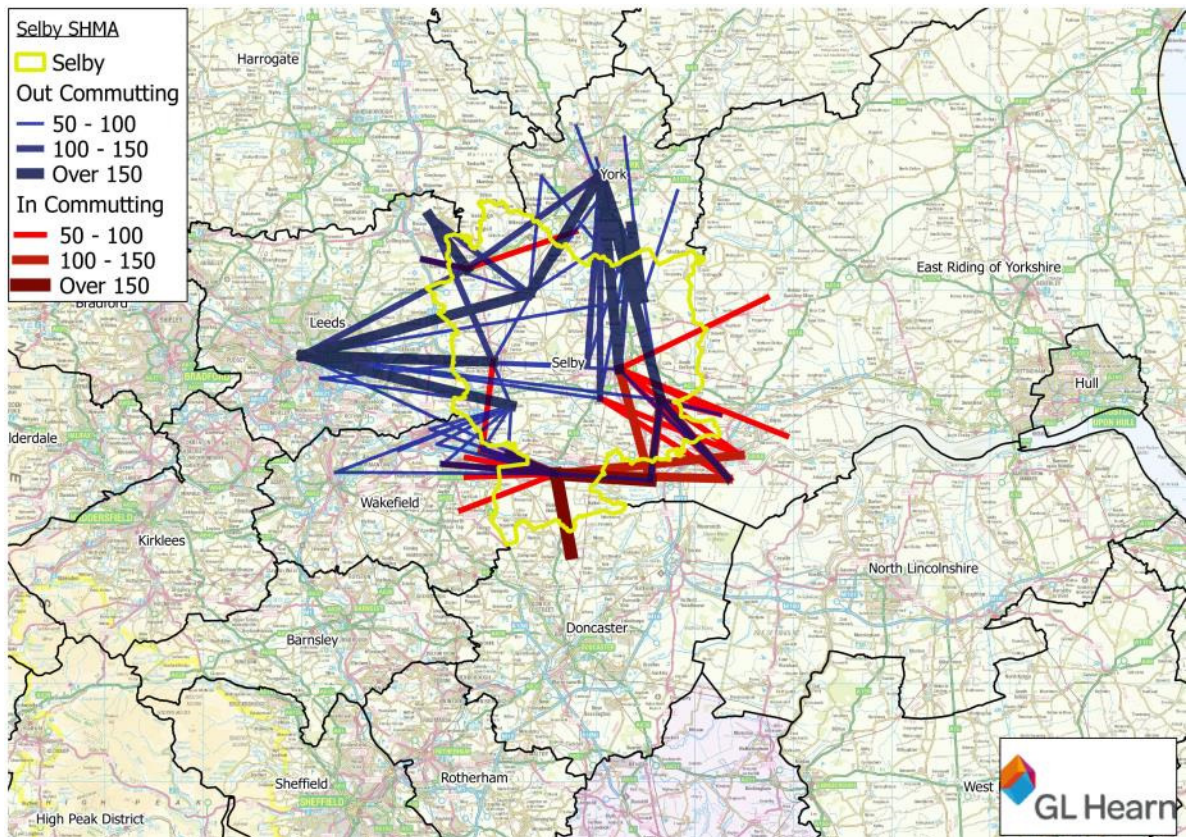
Source: ONS, 2011

2.62 We have also aggregated the flows in each MSOA to identify the main location of employment for each area's residents. This again demonstrates the economic influence of York and Leeds. It is apparent that more people in the north and east of the district commute to York; and more in the west commute to Leeds. This reflects the main road and railway links in each area with the south benefitting from the M62; and the north railway links to York.

Figure 11: Travel to Work Patterns (2011)
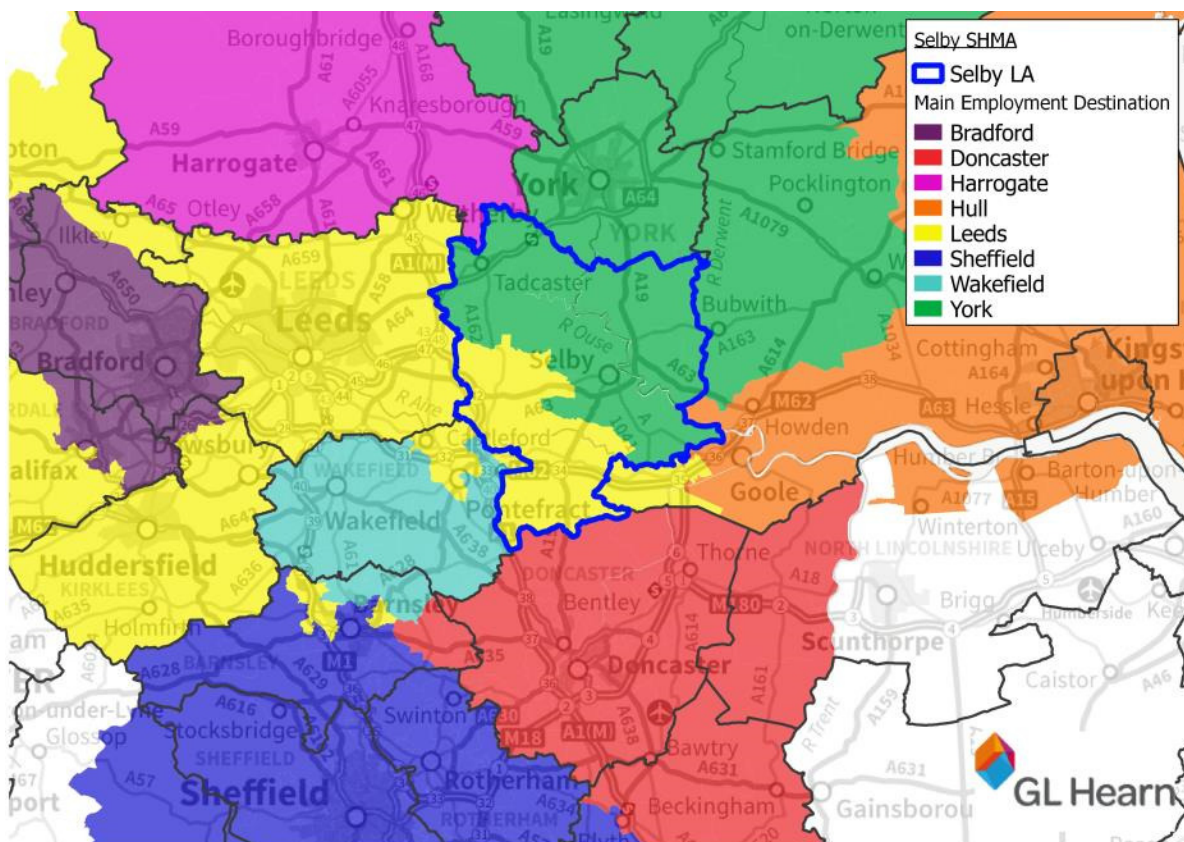
Source: ONS, 2011

Drawing the Analysis Together

2.63   On the basis of the evidence, GL Hearn consider that no single source of information on its own is appropriate in defining the relevant Housing Market Area. GL Hearn has sought to bring together the statistical analysis presented above; information from consultation with local estate and letting agents across the District (which is described in further detail in Section 7) and through a Stakeholder Workshop to test findings with developers, their agents and other stakeholders. The conclusions drawn take account of the range of evidence.

2.64   The house price analysis points to some distinction between the north and south of the District, with the north relating to a higher priced "North Yorkshire" market; with the southern part of the District showing house prices which are more similar to those in Wakefield and Doncaster local authorities. The District shows a range of house prices, not dissimilar to those in Leeds.

2.65   The engagement undertaken with estate agents indicates that market conditions and pricing are consistent between Selby villages east of the A1(M) and settlements such as Aberford and Bramham in Leeds administrative area. It indicates that sales volumes are approaching pre-2007 levels, but that the higher end of the market has performed better more recently; with prices for

cheaper housing not recovered to pre-2007 levels, due in part to the supply of new-build homes which has come forward.

2.66   Our local engagement with estate and letting agents points to stronger prices along the A63 Corridor, which reflects the area's accessibility to larger employment centres such as York and Leeds. It points to households moving between York and Leeds and parts of Selby District.

2.67   An analysis of migration flows indicates that the strongest flows are with York and Leeds; with the strongest relationship in comparative terms being with York. However the evidence suggests that this relationship is only with parts of Selby District, suggesting that different parts of the District could fall within different housing market areas.

2.68   A small part of the District around Camblesforth, Drax, Eggborough and Whitely sees some localised cross-boundary inter-relationships with Goole in East Riding. This is shown in elements of the above analysis and reaffirmed by local estate and letting agents. Localised cross-boundary relationships are likely to be evident around the boundaries of any housing market area.

2.69   Overlaying the more local analysis of commuting flows, the evidence suggests that the north and east of the District (as shown in Figure 11) relates more strongly towards York; with the south and south-west of the District showing a stronger relationship to Leeds. Overall we consider that this represents an appropriate representation of housing market geographies.

2.70   For the purposes of this SHMA, the evidence suggests that the District cuts across two housing market areas. Key demographic information which needs to be used to prepare an SHMA however is not published or available below local authority level. This includes demographic projections, data on migration levels and econometric forecasts. On this basis it is considered appropriate to prepare an SHMA for the District in its own right.

2.71   For comparison purposes, we have benchmarked key indicators – particularly in respect of market signals – against York, Wakefield and Leeds; as the authorities with which there is the strongest relationship. We have also provided benchmarks for the wider Leeds City Region geography, which includes the local authorities of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York.

2.72   The boundaries of housing market areas will always be permeable to a certain degree and around the edges of one housing market area there may be interactions in a number of directions.

2.73   In the context of the Duty to Cooperate, the authorities with the strongest links to Selby are York, Leeds and Wakefield. The Council should engage with these authorities on strategic housing issues

not only in the preparation of the SHMA but also the subsequent development of plan policies. We also find evidence of localised inter-relationships with East Riding and Doncaster.

2.74   A number of local housing markets can be identified, based on differences in housing offer, pricing and quality of place. These comprise:

- Sherburn-in-Elmet;
- A62 Corridor;
- Selby;
- Tadcaster;
- Camblesforth, Drax, Eggborough and Whitely.

2.75   Localised differences in housing market dynamics in these areas are considered further in Section 7.

3   TREND-BASED DEMOGRAPHIC PROJECTIONS

3.1   In this section consideration is given to demographic evidence of housing need. The analysis begins by providing an overview of demographic trends in Selby District before moving on to consider the latest population and household projections published by ONS/CLG.

3.2   The core projections in this section look at housing needs in the period from 2014 to 2037. This is to align with the Council's emerging Local Plan Green Belt Review. Additionally, information is presented for the period to 2027 – this aligns with the current Local Plan. At the time of writing population data was only available for a 2013 base (from ONS mid-year population estimates) and so to provide a baseline start point for 2014 this information has been rolled forward using data underpinning the ONS 2012-based Sub-National Population Projections (for 2013-14). To establish a baseline of households, information has been drawn from the 2012-based CLG Household Projections.

Demographic Profile

3.3   The population of Selby District in 2013 is estimated to be 84,700 persons. This is an increase of 8,100 people since 2001 – a 10.6% increase over the 12-year period. This level of population growth is somewhat higher than seen across North Yorkshire (5.7%), the Yorkshire/Humber region (7.3%) and England (8.9%).

3.4   We can also consider longer-term trends in population growth, with data being available back to 1981. Figure 12 shows that the population of Selby grew very strongly until the mid-1990s and from the late-1990s has also seen much stronger growth than in other areas. Both the region and England have also seen relatively strong growth over the past decade or so, although population growth across North Yorkshire looks to have slowed down slightly (having generally been quite strong over the period studied).

3.5   As of 2013, the population of Selby was some 36% higher than in 1981. This is long-term growth at more than double the rate seen in any of the other areas studied. Strong past population growth will be reflected in official projections (which are principally based on trends over the preceding 5-6 year period).

Figure 12: Indexed population growth (1981-2013)
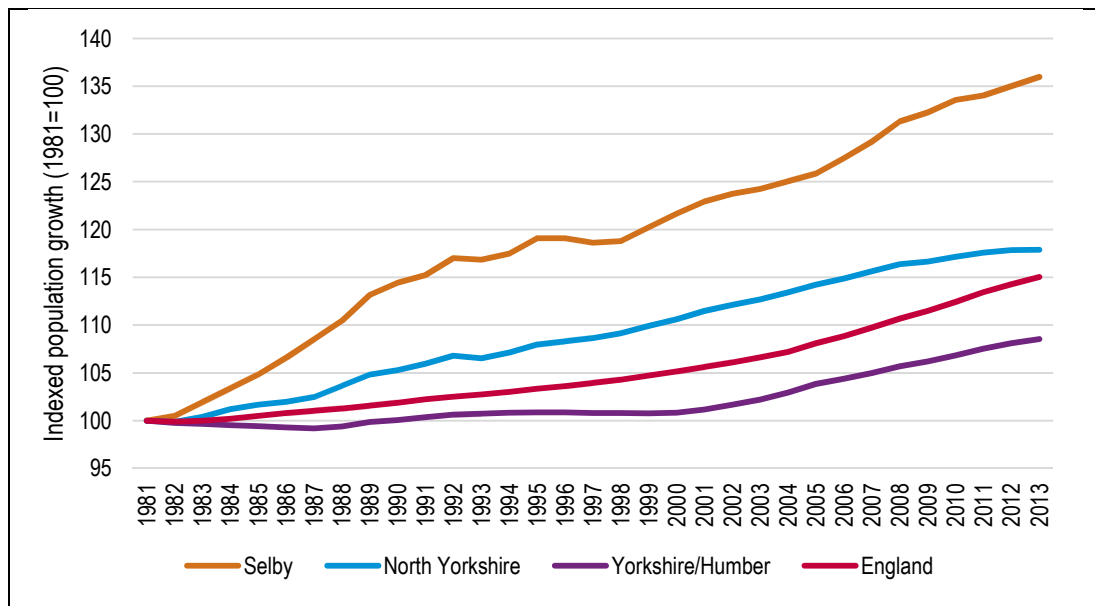
Source: ONS

3.6   Figure 13 and Table 5 below considers the drivers of population change in the District. Population change is largely driven by natural change (births minus deaths) and migration, although within ONS data there is also a small other changes category (mainly related to armed forces and prison populations) and an unattributable population change (UPC). UPC is an adjustment made by ONS to mid-year population estimates where Census data has suggests that population growth had either been over- or under-estimated in the inter-Censal years. Because UPC links back to Census data, a figure is only provided for 2001 to 2011.

3.7   Figure 13 shows that migration is the key driver of population change, although this is quite variable over time.

3.8   Net migration (combining internal moves from one part of the Country to another with international migration) shows figures varying from a net in-migration of 231 in 2002/3 to a net in-migration of 1,103 in 2007/8. Net migration has been positive for all years back to 2001 meaning that people moving into the District has exceeded those leaving year-on-year.

3.9   The average level of migration for the whole of the period studied is 547 people per annum – made up of net international migration of 120 people each year and net internal in-migration of 428.

3.10   Throughout the period studied, natural change has also been positive and at a level averaging around 164 more births each year than deaths. Other changes are quite small whilst UPC can be seen to be negative for those years where data is available. This suggests that the ONS components of change may have over-estimated population growth (and more specifically migration) over the

2001-11 period compared with what actually happened. We will return to discuss the impact of UPC on future population growth estimates later in this section.

Figure 13: Components of Population Change, mid-2001 to mid-2013 – Selby
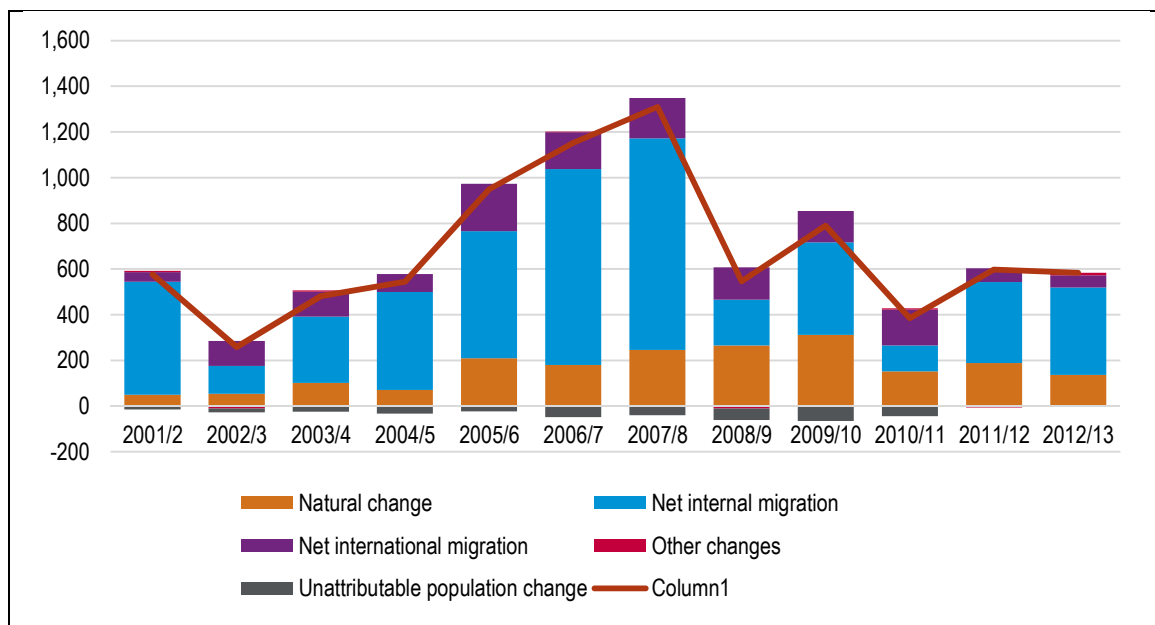
Source: ONS

Table 5:   Components of population change (2001-13) – Selby

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	50	495	42	5	-15	577
2002/3	54	122	109	-10	-17	258
2003/4	102	289	110	5	-25	481
2004/5	70	429	79	-2	-31	545
2005/6	209	557	207	-4	-19	950
2006/7	180	858	161	2	-48	1,153
2007/8	246	926	177	-4	-36	1,309
2008/9	266	200	141	-10	-51	546
2009/10	312	404	138	-1	-64	789
2010/11	152	113	157	6	-44	384
2011/12	188	355	60	-6	-	597
2012/13	137	382	53	12	-	584

Source: ONS

3.11   The age profile of the population of Selby is slightly different to that seen in other areas. When compared with the regional and national position, Selby has a relatively old population profile,

however in comparison with North Yorkshire the opposite observation is true. As shown in Figure 14, some 25% of the population is aged 60 and over, compared with 29% across North Yorkshire, 23% regionally and 23% for the whole of England. A high proportion of Selby District's population is aged 45-59 (relative to all the benchmarks examined) with an above average proportion aged 60-74 compared to the regional or national profile (consistent with other parts of North Yorkshire).

Figure 14: Population Age Profile (2013)
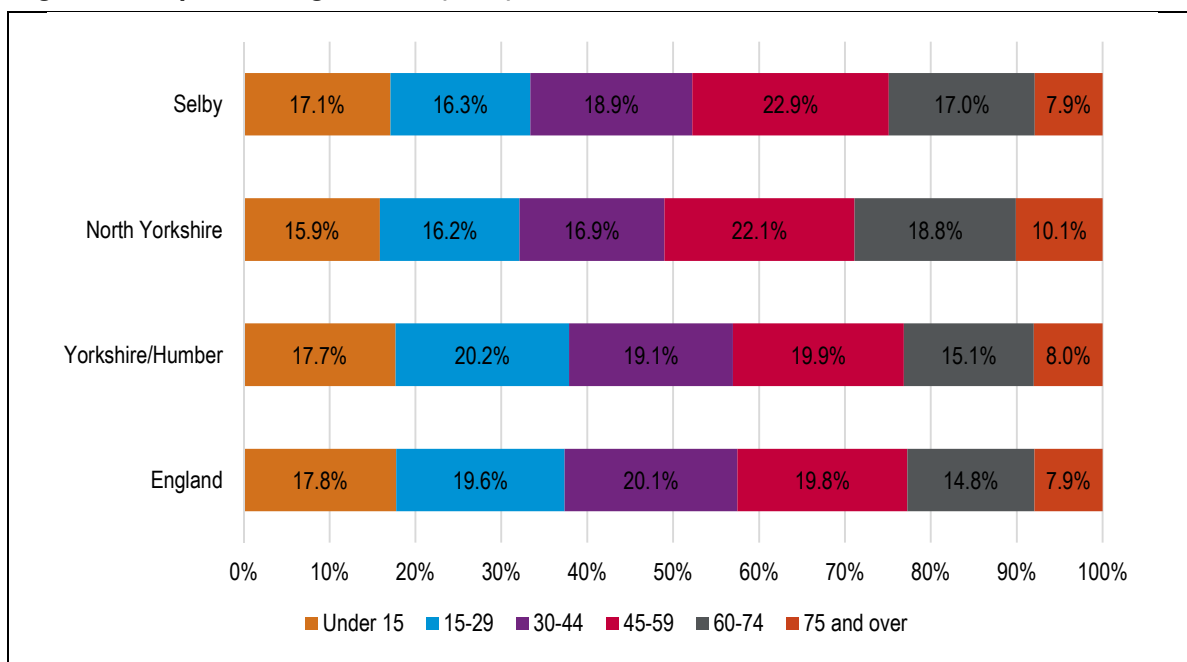
Source: ONS Mid-Year Population Estimates

3.12   Table 6 below shows how the age structure of the population has changed over the 2001 to 2013 period. The data shows the most significant growth to have been in the 60-74 and 45-59 age groups – those which are now most strongly represented.

3.13   The analysis also indicates a decline in the population aged 30-44 along with a small decrease in the number of children (people aged under 15). Growth in the older person population is consistent with trends observed both regionally and nationally.

Table 6:   Change in Age Structure 2001 to 2013 – Selby

Age group	2001	2013	Change	% change
Under 15	15,000	14,500	-500	-3.3%
15-29	12,000	13,800	1,800	15.0%
30-44	18,200	16,000	-2,200	-12.1%
45-59	16,400	19,400	3,000	18.3%
60-74	9,800	14,400	4,600	46.9%
75 and over	5,300	6,700	1,400	26.4%
Total	76,600	84,700	8,100	10.6%

Source: ONS Mid-Year Population Estimates

2012-based Population and Household Projections

3.14   Planning Practice Guidance indicates that the starting point for considering housing need should be the latest official population and household projections, setting out that:

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

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

2012-based Sub-National Population Projections

3.16   The latest set of subnational population projections (SNPP) were published by ONS on the 29th May 2014. They replace the 2010- and 2011-based projections. Subnational population projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2012-based national population projections. The new SNPP are largely based on trends in the 2007-12 period (2006-12 for international migration trends). The SNPP are only population projections and do not contain headship rates (which are needed to convert into household estimates). The next set of projections will be 2014-based and can be expected to be published around May 2016.

3.17   The SNPP are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common

framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.

3.18   Table 7 below shows projected population growth from 2014 to 2037 in each of Selby and other areas. The data shows that the population of the District is expected to grow by around 13,800 people; this is a 16.1% increase – somewhat above that expected across North Yorkshire (6.1%), the region (10.1%) and also nationally (14.6%). The higher level of population growth appears to be rolling forward the past high levels of growth experienced in Selby, with rates of population growth projected which are well above neighbouring areas.

3.19   It should be noted that due to inclusion within our modelling of mid-2013 population estimates for Selby the figures for the District do not exactly match those in the SNPP. Figures for comparator areas are however taken directly from the SNPP.

Table 7:   Projected Population Growth, 2012 SNPP (2014-2037)

	Population 2014	Population 2037	Change in population	% change	Per annum population change
Selby	85,469	99,239	13,770	16.1%	599
North Yorkshire	605,200	642,100	36,900	6.1%	1,604
Yorkshire/Humber	5,368,800	5,912,100	543,300	10.1%	23,622
England	54,227,900	62,166,000	7,938,100	14.6%	345,135

Source: ONS

3.20   The table below shows the same information for the period to 2027. Again Selby shows a higher level of population growth than in other areas and it is noteworthy that the per annum population growth is somewhat higher in this shorter-term period.

Table 8:   Projected Population Growth, 2012 SNPP (2014-2027)

	Population 2014	Population 2037	Change in population	% change	Per annum population change
Selby	85,469	94,553	9,084	10.6%	699
North Yorkshire	605,200	629,200	24,000	4.0%	1,846
Yorkshire/Humber	5,368,800	5,706,000	337,200	6.3%	25,938
England	54,227,900	59,124,000	4,896,100	9.0%	376,623

Source: ONS

3.21   Figure 15 below past and projected population growth in the period 2001 to 2037 for Selby. The data also plots a linear trend line for the last five years for which data is available (2008-13) and also a longer-term period from 2001 to 2013 – this being the longest period for which reasonable data about the components of population change (e.g. migration) is available. The data shows that the

population is expected to grow at a rate which is very slightly above short-term trends but below the longer-term change in the population. The data is also notable for showing a notable slowing down of population growth from about 2030 onwards. This reflects the impact of changes to the population age structure.

Figure 15: Past and Projected Population Growth – Selby
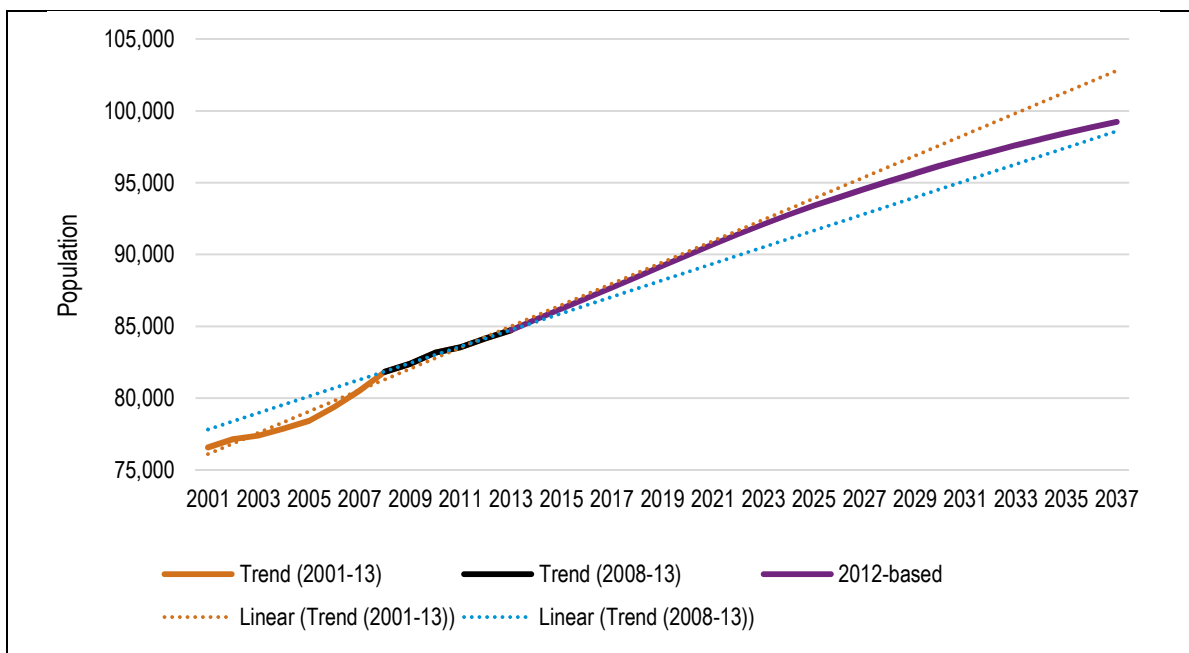
Source: ONS

3.22   Our analysis of demographic trends would suggest that the SNPP is a reasonable projection to take forward. The interrogation of the detailed components of population change indicates that an adjustment could potentially be considered to take account of the Unattributable Population Change (UPC). However, this would decrease population growth and would be likely to see future growth being below past trend levels. This lends weight to the SNPP as a credible projection for future population growth. An alternative projection considering an adjustment for UPC is provided later in this section as a sensitivity analysis.

Components of Population Change

3.23   Figure brings together data about migration (both past trends and the future projection) along with information about natural change. The data only includes migration and natural change (and excludes past estimates of UPC and other changes – neither of these feature as part of the ONS projection methodology). This shows that natural change is expected to mainly be positive over the period but at a slightly declining rate from about 2020 – by the end of the projection period there are expected to be more deaths than births. There is also expected to be a notable level of net in-migration. The level of net in-migration is expected to slightly decrease over time and with a reducing

level of natural change. This is what is driving a decreasing rate of population growth – in effect the District's population is getting older, with the birth rate falling and was as net migration.

3.24   When compared with the past trends in migration the figures look to be reasonable, and certainly are not supressing future population growth. When looking at migration it is notable for the whole of the period for which projection data is used (2013-37) that the average level of migration is expected to be around 498 people (net) per annum – this figure compares with net in-migration of 400 people per annum over the last five years and a figure of 547 if the average from 2001 to 2013 is considered. An alternative projection looking at the implications of longer-term migration trends can be found later in this section, however the analysis does suggest that the future projections for migration seem reasonable.

Figure 16: Components of population change, mid-2001 to mid-2037 (summary chart) – Selby
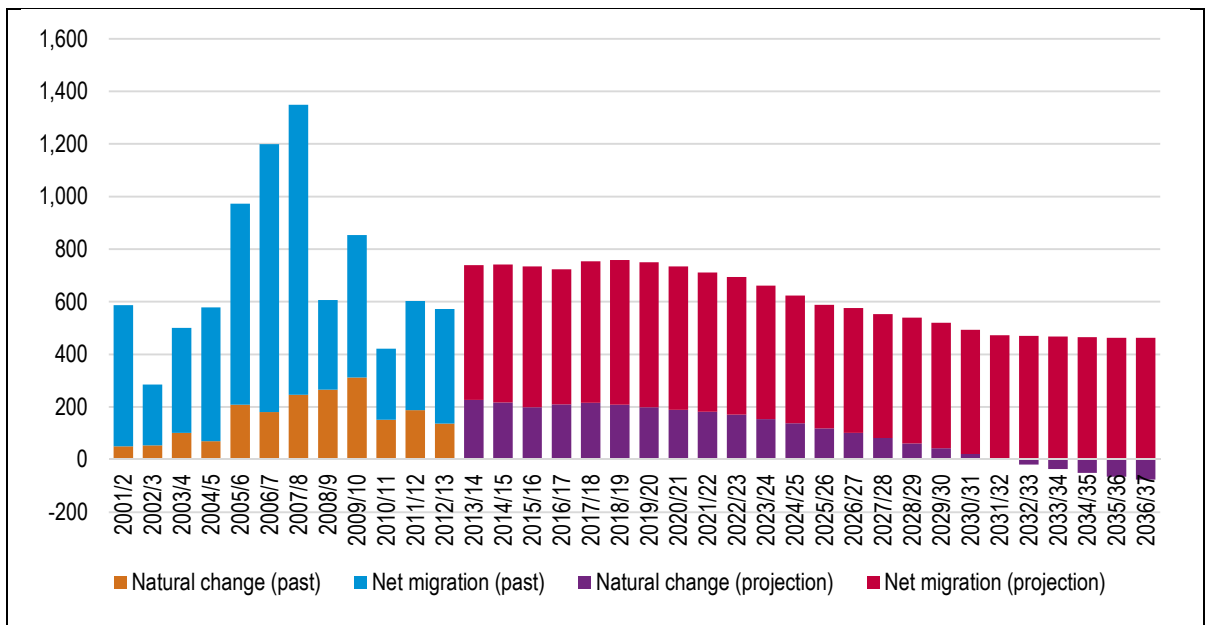
Source: ONS

3.25   The strong level of net migration seen between 2005/6 – 2007/8 coincided with above target housing delivery. Housing delivery since 2009 has fallen below identified targets, influenced by economic conditions. We can see some correlation between these factors.

Age Structure Changes

3.26   With growth in the population will also come age structure changes – the table below summarise the findings for key (15-year) age groups under the 2012-based SNPP. The data shows that largest growth will be in people aged 60 and over; it is estimated that there will be 33,500 people aged 60 and over in 2037 – this is an increase of 11,900 from 2014, representing growth of 55%. The population aged 75 and over is projected to increase by an even greater proportion, 116%. Looking at the other end of the age spectrum the data shows that there are projected to be around 8% more people aged under 15 with smaller increases shown for the 15-29 and 30-44 age groups and a decrease in the population aged 45-59.

Table 9:   Population change 2014 to 2037 by fifteen year age bands (2012-based SNPP)

Age group	Population 2014	Population 2037	Change in population	% change from 2014
Under 15	14,611	15,766	1,155	7.9%
15-29	13,737	14,456	719	5.2%
30-44	15,867	16,957	1,090	6.9%
45-59	19,657	18,577	-1,080	-5.5%
60-74	14,720	18,614	3,893	26.4%
75+	6,877	14,869	7,993	116.2%
Total	85,469	99,239	13,770	16.1%

Source: ONS

3.27   In comparison with other areas, the age specific population changes show similar patterns. The larger increase in the population aged 75 and over when compared with other locations will to some degree be driven by higher than average population growth overall, whereas the decrease in the population aged 45-59 is consistent with expectations in both the County and region (although nationally this age group is expected to see some modest growth).

Table 10:   Population Change 2014 to 2037 by fifteen year age bands (2012-based SNPP)

Age group	Selby	North Yorkshire	Yorkshire/ Humber	England
Under 15	7.9%	-2.2%	3.7%	**7.8%**
15-29	5.2%	-2.9%	4.4%	**7.4%**
30-44	6.9%	-4.6%	2.4%	**3.9%**
45-59	-5.5%	-17.9%	-5.1%	**2.4%**
60-74	26.4%	13.3%	18.9%	**25.8%**
75+	116.2%	87.8%	76.9%	**83.4%**
Total	**16.1%**	**6.1%**	**10.1%**	**14.6%**

Source: ONS

3.28   A similar analysis has been carried out for the shorter period to 2027 (just for Selby) and is presented in the table below. The analysis shows that there is expected to be an ageing of the population over the 13-year period to 2027 as well as a decrease in the population aged 15-29 (this decline is not projected over the period to 2037). The analysis also shows a higher increase in the number of children when compared with the period to 2037 – this suggests that post-2027, the number of children living in the District is expected to decrease slightly.

Table 11:   Population change 2014 to 2027 by fifteen year age bands (2012-based SNPP)

Age group	Population 2014	Population 2037	Change in population	% change from 2014
Under 15	14,611	15,903	1,292	**8.8%**
15-29	13,737	13,471	-267	**-1.9%**
30-44	15,867	17,236	1,370	**8.6%**
45-59	19,657	18,265	-1,391	**-7.1%**
60-74	14,720	18,096	3,376	**22.9%**
75+	6,877	11,582	4,705	**68.4%**
Total	**85,469**	**94,553**	**9,084**	**10.6%**

Source: ONS

Household Growth

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

3.30   With the publication of new 2012-based CLG household projections a new set of headship rates is now available. These rates are considered to be more positive than the previous set (2011-based) and typically suggest higher rates of household growth for a given population. At a national level (in the 2012-21 period considered by CLG) the new projections show 10% higher growth in households, for Selby the figure is notably lower (at 5%). The use of 2012-based headship rates is consistent with the approach adopted by other authorities in the Leeds City Region.

3.31   Table 12 shows expected household growth in the 2012-based projections from 2014 to 2037 for Selby and a range of other areas. The figures for Selby do not exactly match the CLG projections as we have included population data for 2013, all other areas show the data as published.

3.32   The data indicates an increase in households of about 7,500 over the 23-year period – this is a 21% increase; higher than expected across North Yorkshire and the Yorkshire/Humber region and

broadly in-line with the rate expected nationally. The higher rate of growth in Selby compared with the County and region will again be reflective of the higher population projections (which are linked to a roll forward of past trends in population growth).

Table 12: Projected household growth (2014-2037)

	Households 2014	Households 2037	Change in households	% change	Per annum change
Selby	35,686	43,208	7,522	21.1%	327
North Yorkshire	262,429	292,878	30,449	11.6%	1,324
Yorkshire/Humber	2,271,680	2,630,810	359,130	15.8%	15,614
England	22,718,084	27,548,270	4,830,186	21.3%	210,008

Source: CLG

3.33 Over the shorter-term period (to 2027) the growth in households in the District is expected to be stronger. As shown in the table below, from 2014 to 2027, the number of households is expected to increase by 364 per annum; this is 37 more than shown for the 23-year period to 2037 – an 11% increase. Whilst all areas are expected to see stronger household growth in the shorter-term, the differences for Selby are more notable.

Table 13: Projected household growth (2014-2027)

	Households 2014	Households 2027	Change in households	% change	Per annum change
Selby	35,686	40,423	4,736	13.3%	364
North Yorkshire	262,429	281,646	19,217	7.3%	1,478
Yorkshire/Humber	2,271,680	2,486,265	214,585	9.4%	16,507
England	22,718,084	25,578,405	2,860,321	12.6%	220,025

Source: CLG

3.34 Figure 17 appraises household growth since 1991 and projected forward to 2037. The analysis shows (as with population growth) that the change in the number of households in the District has been quite strong throughout the period. By 2037 it is projected that the number of households in the District will be 56% higher than in 1991 – long-term growth which is well in excess of that observed and expected in other locations.

3.35 The higher past population and household growth experienced is likely to have been influenced by past planned housing provision. GL Hearn would note that Selby District successfully delivered its housing requirement of the 2005 Selby District Local Plan.

Figure 17: Indexed Household Growth (1991-2037)
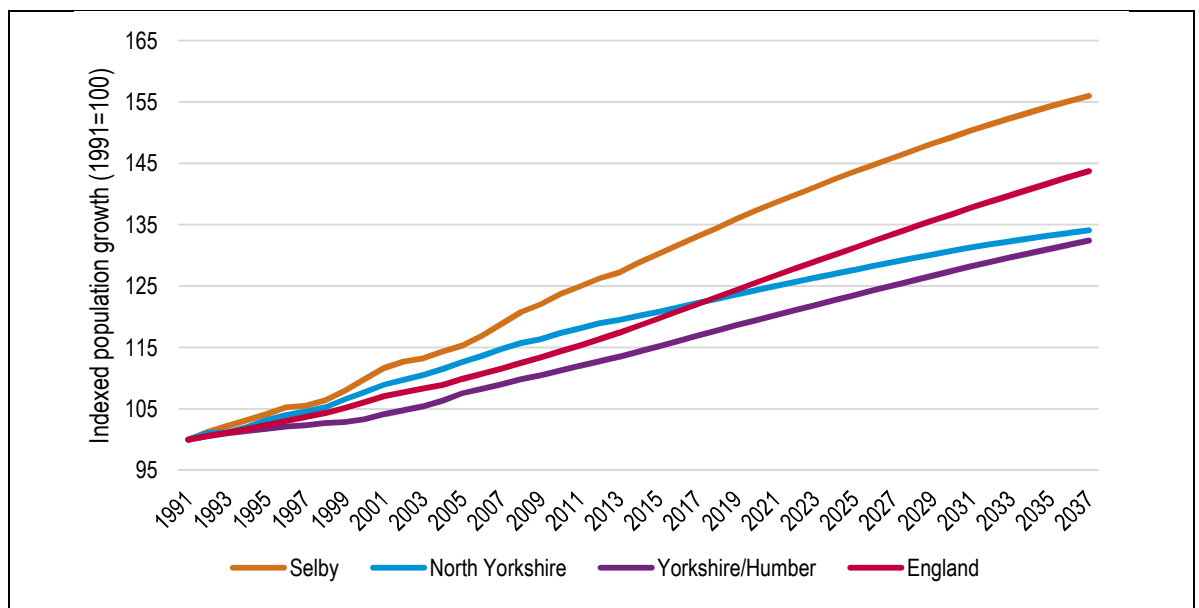
Source: CLG

3.36   To provide a headline assessment of the impact of the 2012-based household projections we can appraise changes in average household size. Figure 18 shows past and projected household size based on each of 2012-, 2011- and 2008-based CLG household projection data. The data does show the 2012-based figures being slightly more positive than the 2011-based version. This can be seen by the newer projections expecting a greater decrease in average household sizes over time. This would be more noticeable still if we were to continue the 2011-based 'trend' beyond 2021.

3.37   Changes in average household size are a function of two factors – household formation rates; and changes in the age structure of the population. The analysis suggests we have seen some flattening of the rate of change in falling average household size; but the trend has been of a consistent decline year-on-year.

Figure 18: Past and projected trends in Average Household Size – Selby
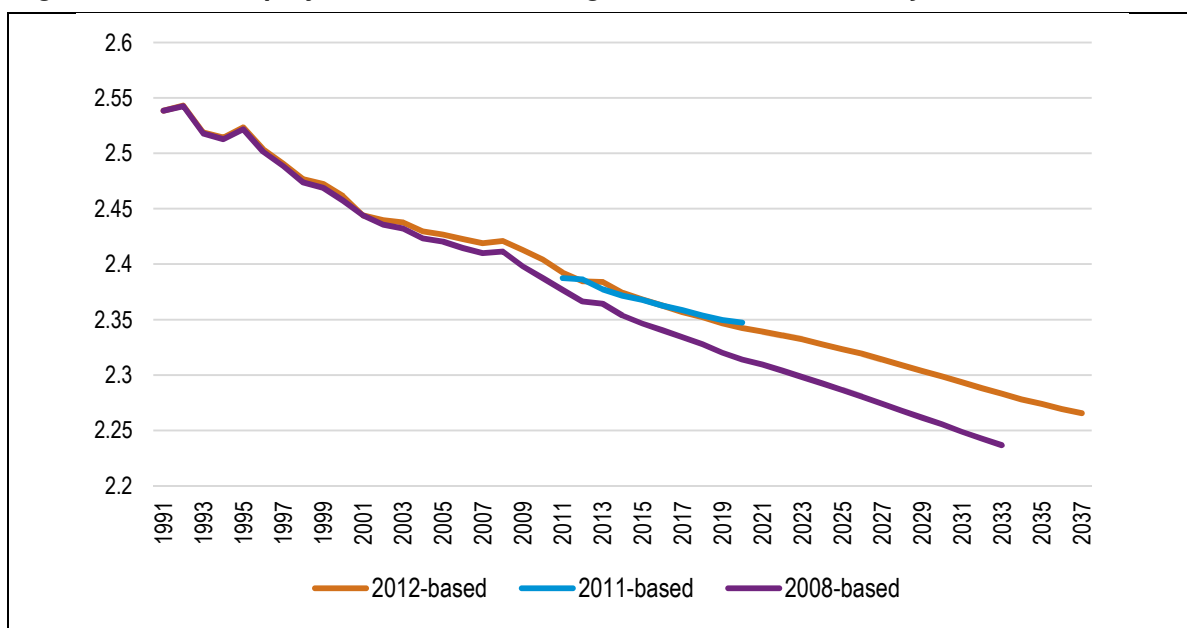
Source: Derived from ONS and CLG data

3.38   In interpreting the household projections, is important to understand how the different CLG projections impact on assumptions for different age groups. Figure 19 shows the headship rates used in each of the projections.

3.39   Overall the 2012-based projections look fairly sound with levels and rates of change being not dissimilar to those in the earlier (pre-recession) 2008-based projections. The one age group of concern is people aged 25-34 where the latest projections show quite a movement away from the figures in the 2008-based projections. Particularly in the 2001-11 period, the 2012-based projections do appear to be indicating some degree of supressed household formation. Moreover the headship rate of people aged 25-34 is expected to continue to decline moving through to 2037 (albeit at a lesser rate to that seen in the 2001-11 decade).

3.40   The issue of supressed household formation in the 25-34 age group is considered in more detail later in this document when considering a response to market signals.

Figure 19: Projected household formation rates by age of head of household – Selby

75-84	85 and over
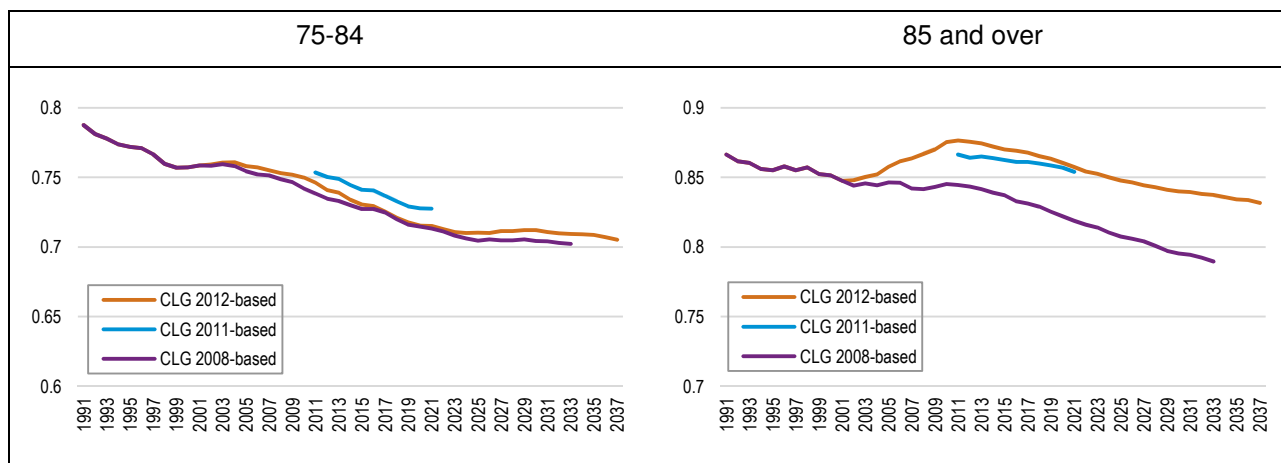
Source: CLG

3.41   Table 14 below brings together outputs in terms of household growth and housing need using the 2012-based headship rates and our core projection linked to the 2012-based SNPP.

3.42   To convert households into dwellings the data includes an uplift to take account of vacant and second homes. A figure of 5.0% has been used, derived from 2011 Census data.

3.43   The data shows that by applying the 2012-based rates there would be a need for 383 dwellings per annum in the 2014-27 period, decreasing to 343 per annum when looking at the longer-term (to 2037). This uses the latest demographic data, and is based on official projections. It can be considered, following the approach set out in the PPG, as the 'starting point' for assessing overall housing need.

Table 14:   Projected household growth 2014-2027/37 – 2012-based SNPP (as adjusted with mid-year population estimates) and 2012-based headship rates

	2014-27	2014-37
Households 2014	35,686	35,686
Households 2027/37	40,423	43,208
Change in households	4,736	7,522
Per annum	364	327
Dwellings (per annum)	383	343

3.44   If the headship rates from the previous 2011-based household projections are used (suitably indexed beyond 2021 and linked to the 2012-based SNPP) then the level of housing need would be 371 dwellings per annum to 2027 and 321 in the period to 2037. Hence the latest CLG projections are suggesting an uplift of 12-22 homes each year – a 3%-7% increase over the 2014-27/37 period. This confirms that the 2012-based CLG projections are taking a more positive view about household formation.

Sensitivity Analysis

3.45   We consider the 2012-based SNPP and Household Projections to be a reasonable to be a reasonable set of projections for population, household (and dwelling) growth based on past trends. However for the purposes of robustness, we have sought to include a sensitivity analysis which considers and quantifies the scale of impact of adopting alternative assumptions regarding migration. Population projections are particularly sensitive to migration inputs.

3.46   We have undertaken some sensitivity testing which considers alternative scenarios for migration to the District. These can be summarised as follows:

- **12-year Migration Trends** – this projection looks at the level of population and household/housing growth we might expect if migration levels in the future are the same as seen over the 2001-13 period.

    A consideration of longer-term trends is suggested as an alternative scenario in the PAS Technical Advice Note on *Housing Targets and Objectively Assessed Housing Need.* This is the longest period for which robust data is available.

    This projection, from a technical perspective, is however inferior to the SNPP as it does take account of changes to the age structure over time and the impact this might have on migration levels. It projects average annual rates of net migration based on trends over the past 12 years, whereas the SNPP is a dynamic projection which takes account of changes in the size and structure of the population in different areas and how this may impact on future trends.

- **UPC Adjustment** – as noted earlier there is a level of Unattributable Population Change in the ONS data for 2001-11 in Selby. In this instance UPC is negative, suggesting that the components of change feeding into the SNPP could have slightly overestimate migration and population growth.

    Whilst this is a useful scenario to consider through the sensitivity analysis (again it is one suggested in the PAS Report) it is not considered to be a robust alternative to the SNPP. The main reasons for this are that it is unclear if UPC is related to migration and more importantly, due to changes in the methods used by ONS to measure migration it is most probable that any errors are focussed on earlier periods (notably 2001-6) and therefore a UPC adjustment for more recent data would not be appropriate. The SNPP projects forwards trends since 2006/7.

3.47   Tables 12 and 13 show the outputs of the two alternative demographic projections developed. In the case of 12-year migration trends the analysis suggests a higher level of need than when using the 2012-based SNPP (364 dwellings rather than 343 in the period to 2037). With an adjustment for UPC the need goes in the opposite direction – seeing a decrease to 328 dwellings per annum. The sensitivity analysis thus points to a potential sensitivity range of -4% to +6%. Over the shorter-term period (2014-27) the analysis again shows a higher need with 12-year migration trends and a lower need when adjusting for UPC.

Table 15: Projected household growth 2014-27 – alternative demographic scenarios and 2012-based headship rates

	12-year migration	**UPC adjustment**
Households 2014	35,686	**35,686**
Households 2037	40,562	**40,241**
Change in households	4,876	**4,554**
Per annum	375	**350**
Dwellings (per annum)	**394**	**368**

Table 16: Projected household growth 2014-37 – alternative demographic scenarios and 2012-based headship rates

	12-year migration	**UPC adjustment**
Households 2014	35,686	35,686
Households 2037	43,667	42,867
Change in households	7,981	7,180
Per annum	347	312
Dwellings (per annum)	364	328

3.48   Given that we consider these alternative projections as being less robust than the SNPP, it is not proposed to take either forward. It does however provide us with some comfort that the alternatives do show both an up and downside to the figures derived from the SNPP. Figure 20 below shows the population growth associated with each of these alternatives. As can be seen, using 12-year migration trends the level of population growth is some way above recent past trends whereas with a UPC adjustment there is expected to be a notably lower growth in population. Neither of these alternatives look any more realistic than the actual ONS figures.

Figure 20: Projected Population Growth in Selby – Sensitivity Analysis
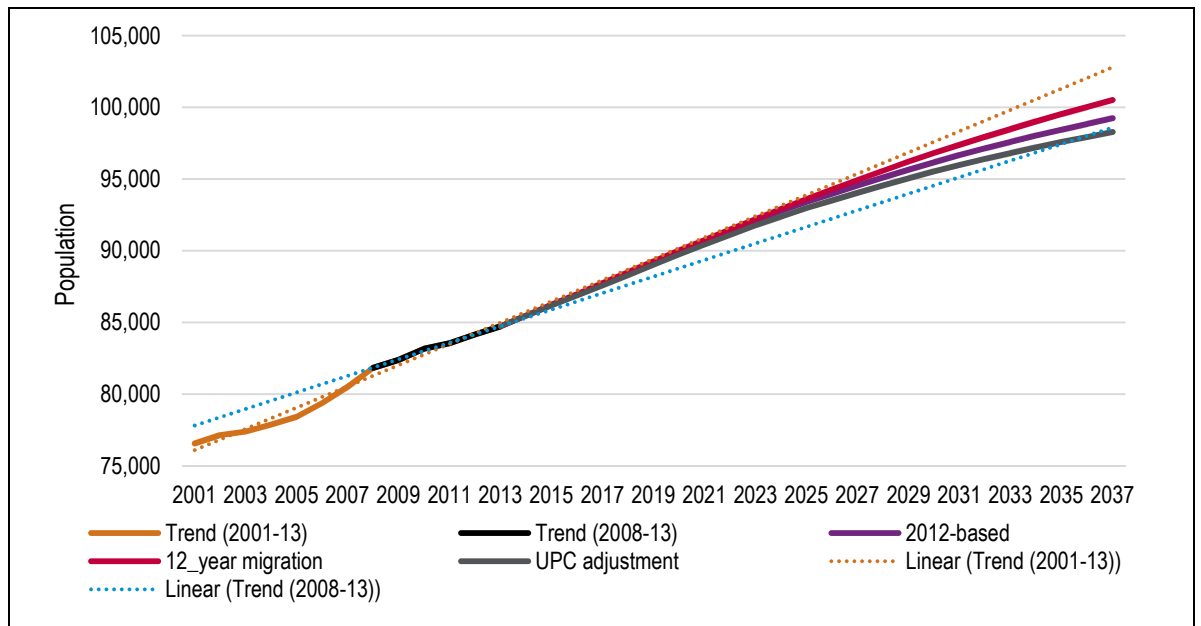
Source: ONS

Trend-based Demographic Projections: Implications

- Trend-based demographic projections provide the starting point for assessing OAN. The Planning Practice Guidance emphasises use of the latest official projections, which are based on a nationally consistent methodology and assumptions.

- The 2012-based Sub-National Population Projections (SNPP) indicates population growth of 16% in Selby District over the 2014-37 period. This is above the projected growth across North Yorkshire (6%) and the Yorkshire/Humber Region (10%) and England (15%). The District's population has consistently grown more strongly than seen across the wider sub-region or region and this is projected forwards in the SNPP.

- The 2012-based SNPP look to be a sound demographic projection. Population growth sits slightly above short-term trends and slightly below trends over the longer-term (the 12-years to 2013). Whilst housing delivery has fallen through the recession, the SNPP picks up some years of higher delivery immediately prior to the recession in 2006/7 and 2007/8. Future levels of migration sit between short- and long-term past trends.

- The 2012-based Household Projections, based on the SNPP, project a need for an average of 343 dwellings per annum over the 2014-37 period. A higher need is shown if the analysis focuses on the period to 2027 – 383 dwellings per annum.

- The Household Projections adopt more positive assumptions on new household formation than the 2011-based Interim Projections (showing a need which is higher on a comparable basis). The only age group where there is some concern is those aged 25-34, where the trend-based projections expect household formation to fall. This is considered further in Section 6.

- A sensitivity analysis considering alternative potential projections of migration shows housing need either slightly above or slightly below the 2012-based Household Projections. This indicates that longer-term migration projected forwards on a linear basis has been higher, but there are sound reasons as to why the SNPP projections are lower – they are dynamic projections, and net migration is expected to fall slightly over time linked to changes in the population age structure in the District, and areas from which people typically move from. The evidence from analysis of Unattributable Population Change also provides some evidence that migration may have been over-estimated during the 2001-11 period. Overall the analysis supports the 2012-based SNPP and Household Projections as providing a robust assessment of demographic trends and housing need.

4   ECONOMIC-LED PROJECTIONS

4.1   In this section we turn to consider the relationship between housing need and economic growth. Planning Practice Guidance advises local authorities to consider this, setting out 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.
>
> Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."

Econometric Forecasts

4.2   To consider potential performance of the District's economy, we have drawn on econometric forecasts from the Yorkshire and Humber Regional Econometric Model (REM), which is maintained by Experian and the Regional Economic Intelligence Unit. The forecasts used are the Winter 2014 Baseline Economic Forecasts from the Model.

4.3   The model takes account of:

- Experian Econometric Forecasts from November 2014;
- ONS 2012-based SNPP and 2013 Mid-Year Estimates;
- Historical data principally to Q4 2012, but to Q1 2014 on some labour market indicators and workforce jobs at the regional level.

4.4   The model uses a top down approach to forecasting regional and local area performance. A core macroeconomic forecast is developed (e.g. for GDP growth for the UK) which is then disaggregated through Experian's Sectoral Model to assess potential performance of different sectors. UK industry and household finance models then drive regional forecasts for economic output (GVA), employment, household income and expenditure which in turn drive the forecasts for individual local authorities. The model is more demand-led in the short-to-medium term, with supply-side factors influencing longer-term trends.

4.5   The forecasts for local authorities use a shift-share methodology, such that historical relationships between trends in output between regional/ county and county/local authority levels are assumed to hold true moving forwards. Output forecasts by industry are converted to employment using regional productivity trends. The latest local data on employment is derived from 2012 Business Register and Employment Survey (BRES) data.

4.6   The core forecast output in respect of employment are forecasts for "workforce jobs." This includes employee jobs, self-employment, government-sponsored trainees, and HM Forces personnel. This is a count of jobs and not people – and is measured on a workforce basis.

4.7   Table 17 below outlines the expected economic growth envisaged by the model (using Compound Annual Growth Rates (CAGR)). It indicates that the model expects slightly more modest growth in employment in the short-term; but in the medium and longer-term growth rates are expected to be consistent with those expected across the region. Over the period to 2031 an average growth rate in workforce jobs of 0.7% pa is expected in both Selby and the wider region.

Table 17:   Forecast Employment Growth in REM, 2014-31

	2014-16	2016-21	2021-26	2026-31
Selby	1.2%	0.7%	0.5%	0.5%
Yorkshire & Humber	1.4%	0.7%	0.5%	0.5%

Source: REM/ GL Hearn

4.8   GL Hearn has sought to extend the forecast post 2031 based on extrapolating expected growth in workforce jobs over the previous 6 year period (i.e. 2025-31). Over the 23-year period being used in the projections an increase of around 4,400 jobs is expected – this is an increase of about 12% from 2014 levels.

Table 18:   Employment increase (2014-37)

	Selby District
Jobs (2014)	37,161
Jobs (2037)	41,598
Change (2014-37)	4,437
% change from 2014	11.9%

Source: Regional Economic Model (December 2014 release)

4.9   The figure below shows how this forecast is expecting to see the change in jobs over time (along with a past trend back to 1997). The forecast shows strong job growth in the past and whilst growth is expected to be fairly strong in the future, the general rate of change is below the past trend.

Figure 21: Past trends and projected number of jobs – Selby
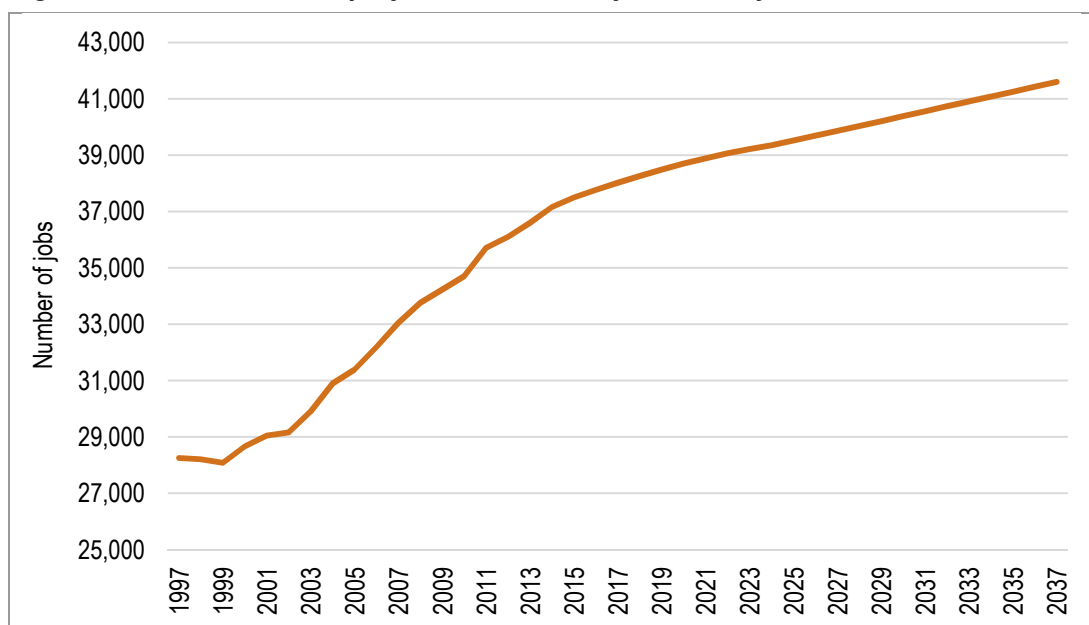
Source: Regional Economic Model

Relating Jobs and Homes

4.10　In relating growth in employment to that of the overall population, the following factors are relevant:

- Relationship between jobs and people in work: recognising that some people may hold down more than one job ('double jobbing');
- Commuting patterns: recognising that commuting patterns may influence the balance between jobs and residents in employment in different areas; and
- Employment rates: which describe the proportion of people who are in work. These are considered for different age groups, taking account of trends and, moving forwards, changes to pension age.

4.11　The SHMA has considered these issues and makes assumptions in each respect. Assumptions are made on a "policy off" basis in line with guidance in the PPG.

Commuting Patterns

4.12　Table 19 shows summary data about commuting to and from Selby from the 2011 Census. The data shows that the District sees a notable level of out-commuting for work. Overall there are around 22% more people who live in the District (and are working) than work in the District.

Table 19: Commuting patterns in Selby (2011)

	Selby District
Live and work in District	14,362
Home workers	5,230
No fixed workplace	2,848
Out-commute	21,055
In-commute	13,248
Total working in District	35,688
Total living in District (and working)	43,495
Commuting ratio	1.22

Source: 2011 Census (Travel to work data)

4.13   In translating the commuting pattern data into growth in the labour-force, two scenarios have been developed.

Scenario 1: Stable Commuting Ratio

4.14   This scenario assumes that the commuting ratio remains at the same level as shown by the 2011 Census (i.e. assumes that 22% (net) of additional resident workers will out-commute). In this scenario net out-commuting from the District increases over time in absolute, but not proportional terms. This is a standard "policy off" assumptions for studies such as this, and recognises cross-boundary commuting inter-relationships.

Scenario 2: 1:1 Commuting Ratio

4.15   This Scenario assumes that there will be a 1:1 ratio between the growth in residents in employment and the labour force required to fill additional jobs. This essentially assumes a commuting ratio of 1.00 for new jobs. This means that the level of commuting in actual terms remains at 2011 levels but as a commuting ratio there would be a small reduction over time. If this, or alternative scenarios based on reducing net out-commuting, are taken forward, we would advise that these would need to be agreed with adjoining authorities through the duty to cooperate.

Relationship between Jobs and People in Work

4.16   A number of people may have more than one job, and the number of people in work is commonly slightly lower than the total number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests that around 3.6% of workers in Selby have a second job (data averaged from data for the 2004-14 period to recognise relatively high error margins associated with data for individual years). This gives a double jobbing ratio of 0.964 (i.e. the number of jobs can be discounted by 3.6% to estimate the required change in the workforce).

4.17   Hence to work out the change in the resident workforce required to match the forecast number of jobs, we can multiply the commuting ratio by the amount of double jobbing and in turn multiply this

by the number of jobs – this is shown in the table below. Overall, the figures show that a growth in the resident workforce of 5,200 persons might be needed to support delivery of the REM forecasts based on current commuting dynamics. Should the workforce grow in line with jobs growth, this would be lower – requiring a workforce growth of 4,300 persons.

Table 20:   Jobs growth and change in resident workforce (2014-37) – REM

	Change in jobs	Adjustment factor	Change in resident workforce
Current commuting	4,437	1.17	5,211
Stable commuting	4,437	0.96	4,275

Source: REM, NOMIS and 2011 Census

Changes to Employment Rates

4.18   As well as studying commuting levels and double jobbing the analysis needs to consider how economic participation and employment rates will change in the future. Although the past few years have seen an increase in unemployment there have generally been increases in the proportion of people who are economically active (particularly for females and people aged over 50). In the future we may see a continuation of these trends – particularly in relation to people working longer (partly linked to pensionable ages). We have modelled for there to be some increase in employment rates as we move through to 2037.

4.19   Table 21 below shows the age/sex specific rates assumed in the analysis. These have been based on consideration of a range of different forecasting houses forecasts and also take account of the 2011 Census and trends over the period since 2001. It should be stressed that these figure reflect what we would consider to be a reasonable set of assumptions, although there is clearly some uncertainty regarding how employment rates might change over the next 20+ years. This will be influenced by a range of households' savings, economic circumstances and decisions.

Table 21:   Employment Rates by Age and Sex – Selby

Sex	Year	Aged 16 to 24	Aged 25 to 34	Aged 35 to 49	Aged 50 to 64	Aged 65 and over
Male	2014	63.8%	90.0%	92.7%	77.0%	16.3%
	2037	63.8%	90.2%	93.7%	81.4%	17.2%
Female	2014	63.1%	82.9%	86.4%	65.8%	9.2%
	2037	63.1%	88.5%	91.7%	75.0%	10.9%

4.20   Figure 22 shows how the employment rate is expected to change in the period to 2037 along with a trend back to 1997 from the REM (which has been rebased to be consistent with assumptions in the SHMA). The analysis shows that the rate in the past has been variable but generally in an upwards direction – the variable nature of the trend may be due to the quality of data available feeding into

the REM. Moving forward from 2014 the rate is projected to drop slightly, and at an accelerating rate from about 2021. This is influenced by the changing age structure of the population.

4.21   The rates shown in Figure 22 are derived from the 2012-based SNPP and it should be noted that these change very slightly with different assumptions about population growth.

Figure 22: Past trends and projected change in employment rate – Selby
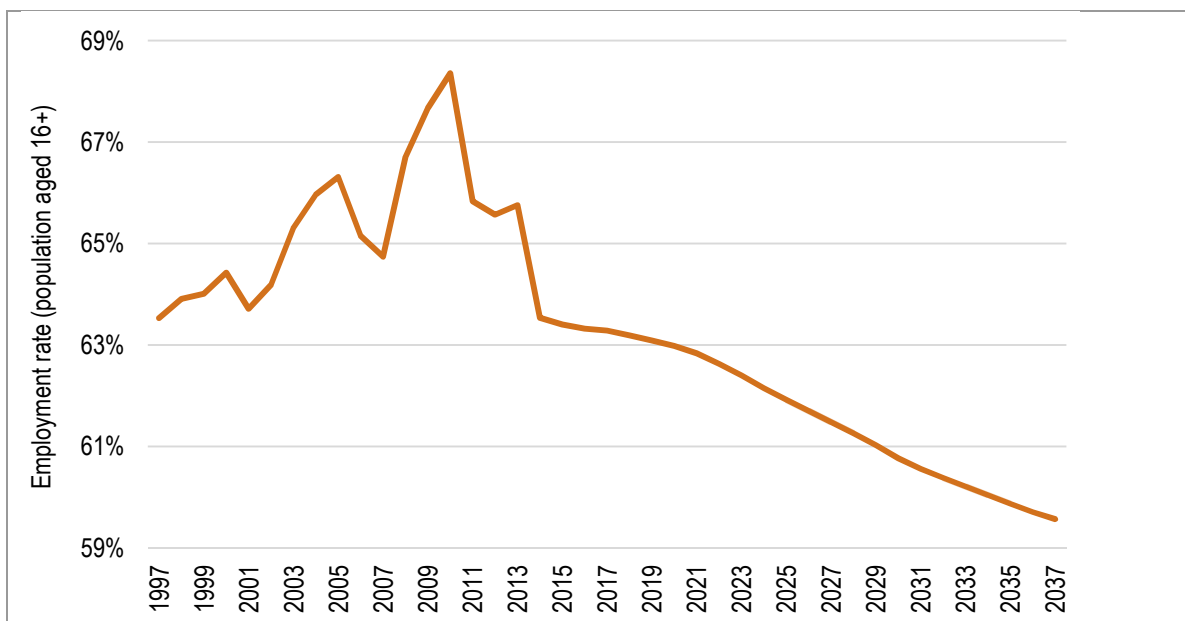
Source: Derived from Annual Population Survey, Labour Force Survey, Experian forecasts and demographic projections

4.22   The outputs from the REM-based projections are as follows and show that for the resident workforce to increase in line with the forecast number of jobs would require between 332 and 360 homes per annum to be delivered. These figures sit either side of that derived through the main demographic modelling (a need for 343 dwellings per annum). The outputs are again based on household formation rates linked to the 2012-based CLG household projections.

Table 22:   Meeting job growth forecasts (with 2012-based CLG headship rates) – 2014-37

	Current commuting	Stable commuting
Households 2014	35,686	35,686
Households 2037	43,560	42,967
Change in households	7,874	7,280
Per annum	342	317
Dwellings (per annum)	360	332

4.23   As with the demographic projections, looking at the need linked to job growth over a shorter period of time (to 2027) shows a higher level of housing need. With current commuting patterns the annual

need for housing is estimated to be around 400 homes – about 11% higher than when modelling over a longer period of time (to 2037).

Table 23:   Meeting job growth forecasts (with 2012-based CLG headship rates) – 2014-27

	Current commuting	Stable commuting
Households 2014	35,686	**35,686**
Households 2027	40,608	**40,296**
Change in households	4,921	**4,609**
Per annum	379	**355**
Dwellings (per annum)	**398**	**372**

4.24   The "current commuting" scenario would reflect the policy off position for the purposes of establishing OAN. This indicates a need for 360 dwellings per annum to 2037 or 398 over the period to 2027 – 4%-5% above the need shown in the core demographic projections.

4.25   As it stands the Selby District Council Core Strategy plans to reduce the level of out-commuting from the district. Such a position is a policy-on approach and would involve increased employment within the district above the baseline set out by the REM. As this is a policy on approach it is outside the scope of the SHMA. This would also require agreement with duty-to cooperate partners and the extent of which would be agreed through progression of any update to the Core Strategy.

4.26   This section has not however considered (consistent with Guidance) a policy-on position, in respect of either employment growth aspirations or changing commuting dynamics (such as through seeking to reduce out-commuting). As the local plan preparation process continues, it will be necessary to consider the integration of the strategy for housing and employment growth. If the Council is seeking to reduce out-commuting, assumptions will need to be agreed with other authorities through the duty to cooperate, as these could impact on potential labour supply in these areas.

Economic-Led Projections: Implications

- The Regional Economic Model indicates that employment in Selby District can be expected to increase by c. 190 jobs per annum over the 2014-37 period. This is forecast growth of 0.6% per annum, consistent with that expected across the region.

- The analysis herein indicates that if modelled on a policy-off basis, whereby the current commuting ratio is held constant, this would require provision of 360 homes per annum to 2037 or 398 per annum over a shorter period of time (to 2027). This however is based on expecting a growth in resident workforce which is 20% higher than the expected growth in people working in the District. This level of housing need is 4%-5% above that derived from the demographic-led projections.

- The sensitivity analysis modelled however indicates that if the resident workforce grew in line with growth in employment in the District, there would not be a need to adjust upwards the housing need (from the demographic-led projections) to take account of economic factors. An assumption that the jobs density/ commuting ratio would change over time would however be a policy-on position, and would need to be agreed with adjoining authorities as it potentially has implications for the balance of homes and jobs in these areas.

5   AFFORDABLE HOUSING NEED

5.1   This section analyses levels of affordable housing need in Selby District. Affordable housing need is defined in the PPG as the quantity of housing required for households who are unable to access suitable housing without financial assistance. These households will be eligible for affordable housing. Affordable housing is defined in the National Planning Policy Framework as including social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market.

5.2   Government guidance on SHMAs sets out a model for assessing affordable housing need (known as the Basic Needs Assessment Model). This model has been retained in the PPG of March 2014 and is used herein. The analysis is based on secondary data sources. It draws on a number of sources of information including 2011 Census data, demographic projections, house prices/rents and income information. Key definitions used in this section are set out in Appendix 1.

5.3   The housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing which can be used to meet housing need. The base date for analysis is 2014 (e.g. data about housing costs and incomes is for 2014). However, it is recognised that the analysis should align with other research and hence estimates of affordable housing need are provided in this section on an annual basis for the 23-year period between 2014 and 2037 (to be consistent with the demographic projections described elsewhere in the report). Information is also provided about the likely need over a shorter period (to 2027) – this is to be consistent with the end date of the currently adopted Core Strategy

5.4   Whilst the affordable needs model is to some degree a standalone model, there is some link to the demographic analysis carried out earlier in the report. In particular estimates of the number of newly forming households (typically younger households leaving the parental home) will be sensitive to assumptions about population growth. The main analysis in this section uses information from the main demographic projection (linked to 2012-based SNPP and CLG household projections) although a sensitivity is also provided to indicate the level of need with higher population growth linked to job-growth forecasts.

Considering Housing Affordability

Local Prices & Rents

5.5   The housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having a 'housing need.' An important initial task is therefore

to establish the entry-level costs of housing to buy and rent – this data is then used in the assessment of the need for affordable housing.

5.6   This section considers the entry-level costs of housing to both buy and rent across the District. The approach has been to analyse Land Registry and VOA data to establish lower quartile prices and rents. For the purposes of analysis (and to be consistent with the PPG) lower quartile prices and rents have been taken to reflect the entry-level point into the market.

5.7   Table 24 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £75,500 for a flat rising to £185,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a figure of £125,000.

Table 24:   Lower quartile sales prices by type (all sales in 2014)

Dwelling type	Lower quartile price
Flat	£75,500
Terraced	£110,100
Semi-detached	£124,000
Detached	£185,000
All dwellings	£125,000

Source: Land Registry (2014)

5.8   A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data. This covers a 12-month period to September 2014. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of around £475 per month.

Table 25:   Lower quartile private rents by size and location (year to September 2014) – per month

Dwelling size	Monthly rent
Room only	-
Studio	-
1 bedroom	£350
2 bedrooms	£475
3 bedrooms	£550
4+ bedrooms	£695
All dwellings	£475

Source: Valuation Office Agency

5.9   In addition to rental costs from VOA it is worthwhile to look at the maximum amount of Local Housing Allowance (LHA) payable on different sized properties within the area. Maximum LHA payments are based on estimates of rents at the 30th percentile and should therefore be roughly comparable with estimates of lower quartile costs.

5.10   The geographical areas used to determine LHA are not however co-terminus with local authority boundaries and so any comparison is not exact. LHA levels are based on Broad Rental Market Areas (BRMA). The BRMA is an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping (as defined by the Rent Office).

5.11   Different parts of Selby District fall into different BRMAs. The District cuts across four BRMAs - Doncaster, Leeds, Wakefield and York. However, the majority of the district (including the town of Selby) is within the York BRMA. The table below therefore provides details for the York BRMA.

5.12   The data suggests that actual rents in Selby District are lower than the maximum amount of Housing Benefit available for all property sizes. This suggests that households may find it relatively easier to access private rented accommodation that they can afford (subject to such accommodation being available and households having sufficient savings to be able to cover deposits and initial rental payments).

Table 26:   Maximum LHA payments by Size and BRMA

Size	York BRMA
Room only	£291
1 bedroom	£429
2 bedrooms	£536
3 bedrooms	£612
4 bedrooms	£867

Source: VOA data (April 2015)

Cost of Affordable Housing

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

Table 27:   Lower quartile monthly social rent levels

Size	Monthly Rent
1 bedroom	£253
2 bedrooms	£305
3+ bedrooms	£342
Lower quartile (all sizes)	£298

Source: CoRe (2014)

5.14   Changes in affordable housing provision has seen the introduction of a new tenure of affordable housing (Affordable Rented). Affordable rented housing is defined in the NPPF as being *'let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)'*. In the short-term it is likely that this tenure will replace social rented housing for new delivery (as indeed it generally has in Selby).

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

Gaps in the Housing Market

5.16   Figure 23 brings together the preceding analysis to estimate how current prices and rents might equate to income levels required to afford such housing (for analytical purposes).

5.17   The figures are based on the figures derived in the analysis above and include four different tenures (buying, private rent, affordable rent and social rent) and are taken as the lower quartile price/rent across the whole stock of housing available (i.e. including all property sizes). For illustrative purposes the calculations are based on 3.5 times household income for house purchase and 30% of income to be spent on housing for rented properties.

5.18   The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing. However for the purposes of assessing affordable housing need, this is of limited impact as few households will be able to afford to purchase housing who are not able to afford private rented accommodation without financial support.

Figure 23: Indicative income required to purchase/rent without additional subsidy
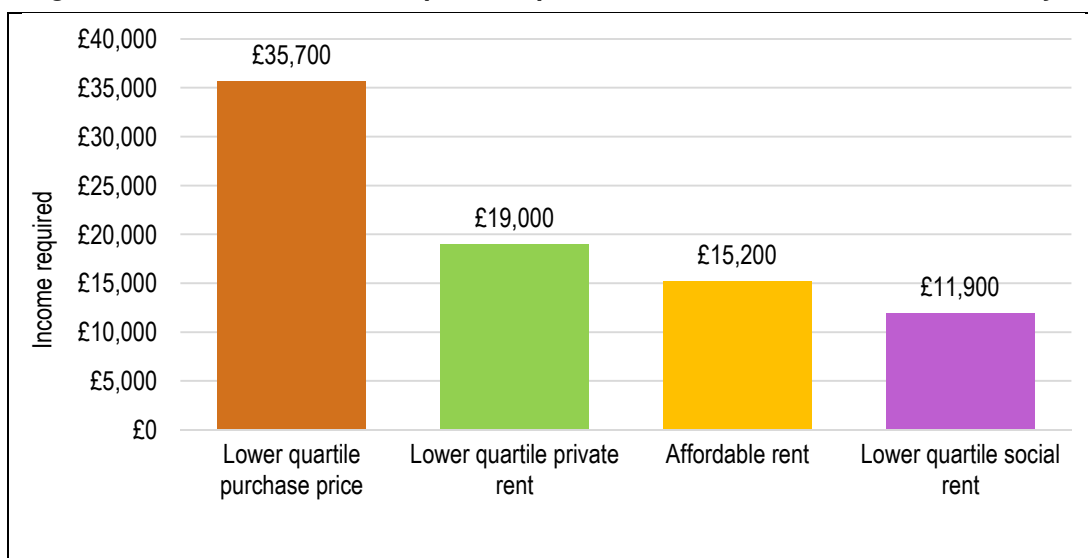
Source: Land Registry, VOA and CoRe

Income levels and affordability

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

- CACI from *Wealth of the Nation 2012* – to provide an overall national average income figure for benchmarking
- English Housing Survey (EHS) – to provide information about the distribution of incomes (taking account of variation by tenure in particular)
- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed from 2012 to 2014 (3.0% for the Yorkshire/Humber region)
- ONS modelled income estimates – to assist in providing more localised income estimates (e.g. for the District)

5.21   Drawing together these data sources, it is possible to model an income distribution for households in Selby District in 2014.

5.22   Figure 24 shows the distribution of household incomes for the whole of the District. The data shows that just over a third (36%) of households have an income below £20,000 with a further third in the range of £20,000 to £40,000. The overall average (median) income of all households in the District was estimated to be around £27,200 with a mean income of £35,700.

Figure 24: Distribution of Household Incomes in Selby District, 2014

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

5.23   To assess households ability to afford market housing without financial support, consideration is given to households' ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. The distribution of household incomes, is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.

5.24   Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households). Assumptions about income levels are discussed where relevant in the analysis that follows.

Affordable Housing Needs Assessment

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

Figure 25:   Overview of the Affordable Housing Needs Assessment Model
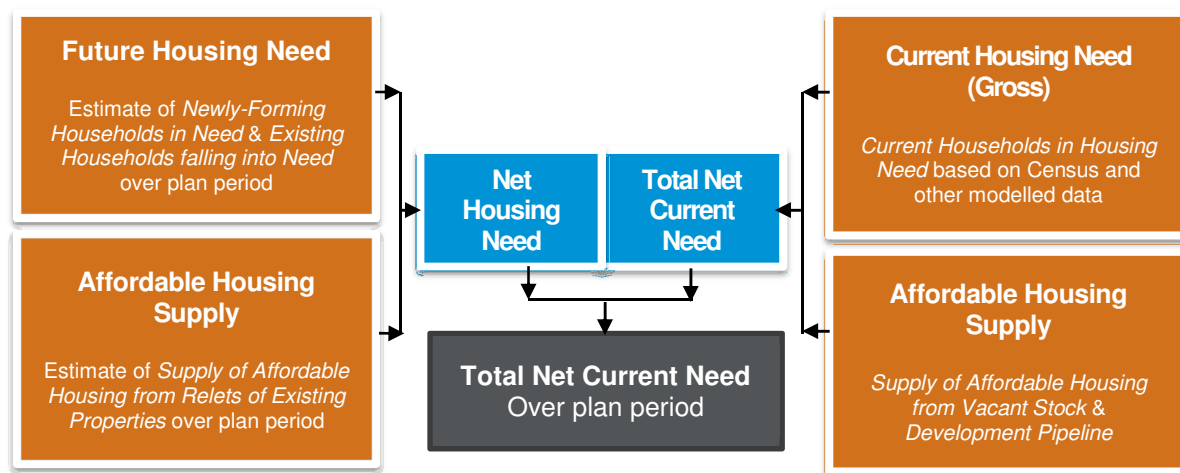
5.27   The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of 2011 Census data. The modelling undertaken provides an assessment of affordable housing need for a 23-year period (which is then annualised). Each of the stages of the affordable housing needs model calculation are discussed in more detail below.

Methodological Issues

5.28   Due to the analysis being based on secondary data sources only, there are a number of assumptions that need to be made to ensure that the analysis is as robust as possible. Key assumptions include considering the number of households who have a need due to issues such as insecure tenancies or housing costs – such households form part of the affordable need as set out in guidance (see paragraph 023 of the PPG for example) but are not readily captured from secondary data sources. Assumptions also need to be made about the likely income levels of different groups of the population (such as newly forming households), recognising that such households' incomes may differ from those in the general population.

5.29   To overcome the limitations of a secondary-data-only assessment, additional data has been taken from a range of survey-based affordable needs assessments carried out by GL Hearn over the past five years or so. These surveys (which cover a range of areas and time periods) allow the assessment to consider issues such as needs which are not picked up in published sources and different income levels for different household groups. This data is then applied to actual data for Selby (e.g. from the Census) as appropriate. It is the case that outputs from surveys in other areas show remarkably similar outputs to each other for a range of core variables (for example the income levels of newly forming households when compared with existing households) and are therefore likely to be fairly reflective of the situation locally in Selby. Where possible, data has also been drawn from national surveys (notably the English Housing Survey).

5.30   It should also be stressed that the secondary data approach is consistent with the PPG. Specifically, guidance states that *'Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance'.* The analysis that follows is therefore consistent with the requirements of guidance.

5.31   CLG guidance also suggests that the housing register can be used to estimate levels of affordable housing need. Experience working across the country is that housing registers can be highly variable in the way allocation policies and pointing systems work. This means that in many areas it is difficult to have confidence that the register is able to define an underlying need. Many housing registers include households who might not have a need whilst there will be households in need who do not register (possibly due to being aware that they have little chance of being housed). For these reasons, the method linked to a range of secondary data sources is preferred.

Current Affordable Housing Need

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

What types of households are considered in affordable housing need?

5.33

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

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

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

5.34   This list of potential households in need is then expanded on in paragraph 24 of the PPG which provides a list of the categories to consider when assessing current need. This assessment seeks to follow this list by drawing on a number of different data sources. The table below sets out the data used in each part of the assessment.

Figure 26: Main sources for assessing the current unmet need for affordable housing

	Source	Notes
Homeless households	CLG Live Table 784	Total where a duty is owed but no accommodation has been secured
Those in priority need who are currently housed in temporary accommodation	CLG Live Table 784	Total in temporary accommodation
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure
Concealed households	Census table LC1110EW	Number of concealed families (all ages and family types)
Exiting affordable housing tenants in need	Modelled data linking to past survey analysis	Will include households with many of the issues in the first box above (e.g. insecure tenure)
Households from other tenures in need	Modelled data linking to past survey analysis	

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

5.35   Given that some of the sources used are from the 2011 Census (with modelled data also being linked back to Census information) it has also been necessary to bring estimates up to a 2014 base. To update the analysis, reference has been made to the English Housing Survey and specifically considers changes to overcrowding and the tenure split of housing in the 2011-14 period.

5.36   The table below therefore shows the initial estimate of the number of households who potentially have a current housing need. These figures are before any consideration of affordability has been made and has been termed 'the number of households in unsuitable housing'. Overall, the analysis suggests that there are currently some 1,786 households living in unsuitable housing (or without housing) – this is 5% of the estimated total number of households living in the District in 2014.

Figure 27: Estimated number of households living in unsuitable housing

Category of 'need'	Households
Homeless households	0
Those in priority need who are currently housed in temporary accommodation	13
Households in overcrowded housing	700
Concealed households	322
Exiting affordable housing tenants in need	87
Households from other tenures in need	664
Total	1,786

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

5.37   In taking this estimate (1,786) forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be considered as being in affordable housing need. Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

5.38   The table below shows that as of mid-2014 it is estimated that there were 991 households living in unsuitable housing (excluding current social tenants and the majority (90%) of owner-occupiers) – this represents 2.8% of all households in the District in 2014.

Figure 28: Unsuitable housing by tenure and numbers to take forward into affordability modelling

	In unsuitable housing	Number to take forward for affordability testing
Owner-occupied	590	59
Social rented	263	0
Private rented	597	597
No housing (homeless/concealed)	335	335
Total	1,786	991

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

5.39   Having established the figure of 991, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy, because they could afford a suitable market housing solution.

5.40   For an affordability test the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the level of income to 69% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure (of 42%) has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.

5.41   The above two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (and excluding social tenants and the majority of owners) along with typical income levels of households accessing social rented housing (for those without

accommodation). These figures are considered to be best estimates, and likely to approximately reflect the differing income levels of different groups with a current housing problem.

5.42   Overall, around three quarters of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is reduced to 582 households.

Table 28:   Estimated Current Need

Area	In unsuitable housing (taken forward for affordability test)	% Unable to Afford	Revised Gross Need (including Affordability)
Selby District	991	58.8%	582

Source: Census (2011), data modelling and income analysis

Newly-Arising Need

5.43   To estimate newly-arising (projected future) need the analysis has looked at two key groups of households (consistent with the PPG). These are:

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

Newly-Forming Households

5.44   The number of newly-forming households has been estimated through the demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously to provide an estimate of *gross* household formation. This differs from numbers presented in the demographic projections which are for net household growth.

5.45   The number of newly-forming households are limited to households forming who are aged under 45 – this is consistent with detailed advice from Government in the 2007 SHMA Guidance which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households. Older households are also likely in many cases to have greater savings/ equity.

5.46   The estimates of gross new household formation have been based on outputs from the core demographic projection. In looking at the likely affordability of newly-forming households information has been drawn on data from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably

consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

5.47   The overall household income data has therefore been adjusted to reflect a lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB). The assessment suggests that overall just over two-fifth of newly-forming households will be unable to afford market housing and that a total of 266 new households will have a need on average in each year to 2037.

Table 29:   Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)

Area	Number of new households	% unable to afford	Total in need
Selby District	647	41.2%	266

Source: Projection Modelling/Income analysis

Existing Households falling into Affordable Housing Need

5.48   The second element of newly arising need is existing households falling into need. To assess this, information from CoRe has been used. The analysis looks at households who have been housed over the past two years – this group will represent the flow of households onto the Housing Register over this period. From this, any newly forming households (e.g. those currently living with family) have been discounted, as well as households who have transferred from another social rented property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.

5.49   This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that 'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless households applicants)'. Where existing households falling into need have not been housed, they will be counted within the gross current housing need. The approach adopted therefore avoids double-counting.

5.50   Following the analysis through suggests a need arising from 99 existing households each year – this is about 0.3% of all households living in the District (in 2014).

Supply of Affordable Housing

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

5.52   The Planning Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Data from CoRe has been used to establish past patterns of social housing turnover. The figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. Additionally an estimate of the number of 'temporary' supported lettings have been removed from the figures (the proportion shown in CoRe as being lettings in direct access hostels or foyer schemes).

5.53   On the basis of past trend data is has been estimated that 213 units of social/affordable rented housing are likely to become available each year moving forward.

Table 30:   Analysis of past social/affordable rented housing supply (per annum – past 2 years)

Total lettings	434
% as non-new build	93.8%
Lettings in existing stock	407
% non-transfers	52.4%
Sub-total	213
% non-temporary housing	100.0%
Total lettings to new tenants	213

Source: CoRe

5.54   The supply figure is for social/affordable rented housing only and whilst the stock of intermediate housing in Selby is not significant compared to the social/affordable rented stock it is likely that some housing does become available each year (e.g. resales of shared ownership). For the purposes of this assessment, data from CoRe has again been utilised about the number of sales of homes that were not new build. From this it is estimated that around 5 additional properties might become available per annum. The total supply of affordable housing is therefore estimated to be 218 per annum.

Table 31:   Supply of affordable housing

Area	Social/affordable rented relets	Intermediate housing 'relets'	Total supply (per annum)
Selby District	**213**	**5**	**218**

Source: CoRe

Net Affordable Housing Need

5.55   Table 32 below shows the overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis has been based on meeting affordable housing need over the 23-year period from 2014 to 2037. Whilst most of the data in the model are annual figures the current need has been divided by 23 to make an equivalent annual figure.

5.56   The data shows an overall need for affordable housing of about 4,000 units over the 23-years (172 per annum). The net need is calculated as follows:

Net Need = Current Need + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Table 32:   Estimated level of Affordable Housing Need (2014-37)

	Per annum	23-years
Current need	25	582
Newly forming households	266	6,121
Existing households falling into need	99	2,266
Total Gross Need	390	8,970
Supply	218	5,014
Net Need	172	3,956

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

5.57   The analysis can also be used to consider the likely affordable housing need over a shorter period (2014-27) and this is shown in the table below. The methodology applied is the same with the main difference being to seek to reduce the current need over a 13-year period rather than 23-years. The analysis also considers likely household formation over this alternative time period, although this does not make any notable difference to the figures (i.e. household formation is expected to be similar in both the long- and shorter-term). Overall, this analysis suggests an annual need for 191 affordable homes (about 2,500 over the 2014-27 period).

Table 33:   Estimated level of Affordable Housing Need (2014-27)

	Per annum	13-years
Current need	45	582
Newly forming households	266	3,452
Existing households falling into need	99	1,281
Total Gross Need	409	5,315
Supply	218	2,834
Net Need	191	2,481

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

5.58   Modelling new household formation on the basis of the jobs-led projection (which shows a higher level of household growth) would add a further 4 households per annum to the modelled affordable need – this increase is the same regardless of whether a 13- or 23-year period is used.

5.59   The adopted Core Strategy plans for some 450 dwellings per annum to be provided (of all tenures). If a further model is developed with newly forming households based on this higher level of housing growth then the analysis would identify an affordable need of between 199 and 215 per annum (depending on the time period shown).

Sensitivity to Income Thresholds

5.60   A 30% rent to income threshold for affordability has been used in the main modelling. It is however worthwhile considering the implications of alternative thresholds.

5.61   To understand the implications of the income threshold, a sensitivity test has been undertaken which assumes variant levels of income spent on housing costs. Table 34 below summarises the findings. In particular, it can be seen with an assumption of households spending 40% of gross income on housing costs that the need falls to 65 households per annum (down from 172 using a 30% threshold). The analysis has only been undertaken for the full period for which the modelling has been developed (2014-37); an alternative time period would be expected to show the same sort of changes between scenarios.

Table 34:   Estimated level of Affordable Housing Need (per annum) at Variant Income Thresholds

	@ 25%	@ 30%	@ 35%	@ 40%
Current Need	29	25	22	19
Newly forming households	323	266	222	183
Existing households falling into need	108	99	89	80
Total Need	460	390	333	283
Supply	218	218	218	218
Net Need	242	172	115	65

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

Relating Affordable Housing Need and OAN

5.62   The analysis above indicates a notable need for affordable housing in the District. Using a baseline demographic need (for all tenures) linked to the 2012-based SNPP and household projections (a need for 343 dwellings per annum) the analysis is suggesting that some 50% of the need is for affordable housing (based on a 30% affordability threshold). Over a shorter period (2014-27) the affordable need also represents some 50% of the overall housing need.

5.63   However, a direct comparison between these numbers is not considered to be robust way to understand the link between affordable need and OAN. This point is clearly made in the Planning Advisory Service (PAS) Technical Advice Note on Objectively Assessed Need and Housing Targets - June 2014, where it is stated (in para 2.12) that:

> 'affordable housing need is a different kind of number from total need (the OAN), so the two numbers are not directly comparable'.

5.64   In understanding the link between affordable need and the OAN there are two important considerations:

- To understand the extent to which households in need are already living in housing, and whilst they may require a different type/ tenure of property, do not result in a net need for additional housing overall
- To understand the role played by the private rented sector in meeting need, recognising the limited scope of the Basic Needs Assessment Model and reflecting how the housing market overall (looking across tenures) operates in reality.

Households already living in Housing

5.65   The first issue to consider is to note that a proportion of those included in the model will already be living in housing (albeit not housing that it suitable for them for some reason (such as size or cost)). If these households were to move to an affordable home then their current dwelling would become available for another household and there would be no net need for an additional dwelling.

5.66   This point was picked up in the PAS Technical Advice Note. In Section 7 of this note (para 7.3) it recognises that:

> 'As defined in the PG, affordable need also includes housing for existing households – including those that are currently in unsuitable housing and those who will 'fall into need' in the plan period (i.e. their housing will become unsuitable for them). For the most part the needs of these households are not for net new dwellings. Except for those who are currently homeless or 'concealed'. If they move into suitable housing they will free an equivalent number of existing dwellings, to be occupied by people for whom they are more suitable. If the affordable needs of existing households are included in the OAN, the resulting figure will too large'.

5.67   Looking on this basis at the need for affordable housing it can be seen that the net need for affordable homes in the District is 59 per annum (277-218). This figure is calculated by taking the supply of affordable housing away from the estimated number of newly forming households in need each year and that part of the current need which is not currently housed. A figure of 59 represents about 17% of the assessed need (of 343) from the core demographic analysis.

The Role of the Private Rented Sector (PRS)

5.68   As well as considering the types of household in need it is important to examine the extent to which the PRS (through the Local Housing Allowance (LHA) system) is meeting the needs of households in

the District. Whilst the role of the PRS is not specifically mentioned in the NPPF or PPG is has been recognised through previous SHMA guidance. The 2007 SHMA Guidance set out that:

> *"some households in need may choose to live in the private rented sector (possibly with the use of housing benefit) or housing that would be classified as unsuitable, even though they are eligible for affordable housing". [p49].*

5.69   The same page continues by posing a 'research question' of 'how is the private rented sector used to accommodate housing need?'

5.70   CLG does recognise the role played by the Private Rented Sector. Whilst the 2007 Guidance has now been replaced by the PPG, there is no evidence that there has been any change in approach to this topic. There is benefit system available (Local Housing Allowance) for those unable to access the market; and the previous Government legislated through the Localism Act 2011 to allow local authorities to discharge their homelessness duties through finding suitable accommodation in this sector. Selby District Council works with private landlords to find some households in need suitable accommodation.

5.71   However the PRS does not necessarily provide security of tenure, and the quality of properties in the sector can be less well controlled.

5.72   There is to some degree a policy choice to be made regarding how affordable need is met, and the balance of need to be met within the private rented sector as against delivery of new affordable housing (and potentially higher overall housing numbers).

5.73   Data from the Department of Work and Pensions (DWP) has been used to look at the number of LHA supported private rented homes. As of November 2014 it is estimated that there were 1,265 benefit claimants in the private rented sector. This is 62% up from the number observed six-years earlier (779 claimants in November 2008). Given changes to how Local Housing Allowance is calculated, there can however be no guarantee that the PRS will be able to support a further increase in households with LHA.

5.74   The analysis is based on the current situation. What this information does not show is how many lettings are made each year to tenants claiming benefit as this will depend on the turnover of stock. From English Housing Survey it is estimated that the proportion of households within the Private Rented Sector who are "new lettings" each year (i.e. stripping out the effect of households moving from one private rented property to another) is around 13%. Applying this to the number of LHA claimants in the Private Rented Sector gives an estimate of 164 private sector lettings per annum to new LHA claimants in the District. This figure is derived from claimants rather than households and it is possible that there are a number of multiple LHA claimant households (i.e. in the HMO sector and shared accommodation).

5.75   Based on current dynamics, the annual supply of homes available to households who have a current need for support in meeting their housing need is of 218 affordable housing properties and an estimated 164 private rented properties. The PRS thus contributes just over 40% of available supply to such households. If the PRS properties were counted as current available supply, the net need for affordable housing shown would be much reduced.

5.76   The following table lists only those parishes with more than 20 private rented sector (PRS) current housing benefit claimants. The first numeric column states the number of current claimants. These are usually households. The second numeric column states the proportion (%) of claimants in each parish of all claimants. The last column states the proportion of claimants as a percentage of all private tented sector tenants.

Table 35:   Private Rented Sector Housing Benefit Claimants by Parish (Feb 2015)

Parish	Current PRS HB claims (no)	Current PRS HB claims (%)
Selby	385	32.9%
Barlby	85	7.3%
Brayton	64	5.5%
Sherburn In Elmet	60	5.1%
Tadcaster	59	5.0%
Thorpe Willoughby	37	3.2%
Carlton	36	3.1%
Camblesforth	34	2.9%
Riccall	32	2.7%
Escrick	25	2.1%
South Milford	24	2.1%
Eggborough	23	2.0%
Hemingbrough	22	1.9%
Grand Total	**1,170**	75.7%

Source: Selby District Council

5.77   The total number of occupied private rented sector homes in Selby was 3,796 according to the Census 2011. The table tells us that 75% of all private rented sector housing benefit claimants live in the 13 largest parishes (out of 61 parishes). Nearly one third of all private rented sector housing benefit claimants live in the Selby Parish. Across the District approximately 30% of all private rented sector tenancies are occupied by HB claimants (1,170/3,796).

5.78   The PRS clearly makes a significant contribution to meeting the needs of households requiring financial support. However, national planning policy does not specifically seek to meet the needs identified through the Basic Needs Assessment Model through the Private Rented Sector. There are wider factors which need to be considered in relying on this as a source of supply; including that there is no guarantee that landlords will re-let properties to households on LHA. In particular future growth in households living within the PRS and claiming LHA cannot be guaranteed.

5.79   What the PPG sets out is that consideration needs to be given to increasing overall housing delivery where it might contribute to delivering the identified need for affordable housing. This is to some extent a "policy choice."

The link between Affordable Need and the OAN

5.80   The analysis above has shown that a notable proportion of the affordable need is expected to arise from households who are already living in accommodation (existing households). Furthermore, the private rented sector is currently playing an important role in meeting affordable need.

5.81   When taking these two points together the analysis would suggest that the affordable need does not provide clear evidence of a need to increase overall housing provision in the District (over and above the need shown by demographic modelling). In simple terms, if it was assumed that the PRS would continue to provide a supply of properties to households in 'affordable housing need' (supported by LHA) in line with current dynamics, there would be a broad balance between the supply and need for homes from those requiring support. This assumes no growth in the role played by the PRS over time (in absolute or proportional terms). New affordable housing delivery would reduce reliance on the Private Rented Sector.

5.82   However the evidence provides some basis for considering higher housing provision overall, in order to enhance affordable housing delivery and reduce reliance on the PRS. There may in effect be a case to consider the affordable housing need alongside the evidence of market signals and potentially consider a modest uplift to help improve new household formation and reduce levels of concealed households.

5.83   It should be recognised that a range of policy measured can be adopted to enhance affordable housing provision. Delivery through mixed tenure developments (with Section 106 agreements) is one such measures. Others include direct delivery by registered providers, use of public sector land and development by the Council itself.

Need for Different Types of Affordable Housing

5.84   Having studied housing costs, incomes and affordable housing need the next step is to make an estimate of the proportion of affordable housing need that should be met through provision of different housing products. The income information presented earlier in this section has therefore been used to estimate the proportion of households who are likely to be able to afford intermediate housing and the number for whom only social or affordable rented housing will be affordable. There are three main types of affordable housing that can be studied in this analysis:

- Intermediate
- Affordable rent

- Social rent

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

5.86   For example, a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have an insufficient savings to cover a deposit. Such a household might therefore be allocated to affordable rented or intermediate rented housing as the most suitable solution.

5.87   The distinction between social and affordable rented housing is also complex. Whilst rents for affordable rented housing would be expected to be higher than social rents, this does not necessarily mean that such a product would be reserved for households with a higher income. In reality, as long as the rent to be paid falls at or below LHA limits then it will be accessible to a range of households (many of whom will need to claim housing benefit). Local authorities' tenancy strategies might set policies regarding the types of households which might be allocated affordable rented homes; and many authorities will seek to avoid where possible households having to claim higher levels of housing benefit. This however needs to be set against other factors, including viability and the availability of grant funding. Grant funding over the period to 2018 is primarily available to support delivery of affordable rented homes. A significant level of affordable housing delivery is however through developer contributions (Section 106 Agreements).

5.88   For these reasons, it is difficult to exactly pin down what proportion of additional affordable homes should be provided through different affordable tenure categories. In effect there is a degree of overlap between different affordable housing tenures, as Figure 29 shows.

Figure 29: Overlap between Affordable Housing Tenures
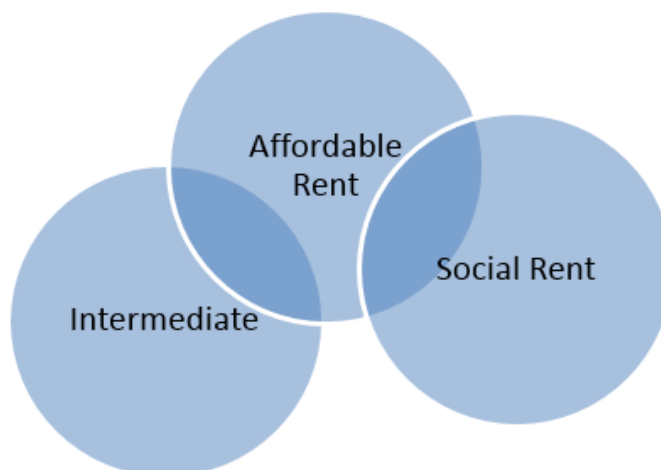
5.89   Given this overlap, for analytical purposes the following categories have been defined:

- Households who can afford 80% or more of market rent levels. These households should be able to afford intermediate housing;
- Households who would potentially be able to afford more than existing social rent levels but could not afford 80% of market rents. These households could afford to live in social rented housing or affordable rented housing.
- Households who can afford no more than existing social rent levels (or would require housing benefit, or an increased level of housing benefit to do so). These households would require additional financial support (though Housing Benefit) to afford affordable rented homes.

5.90   The first of these categories would include equity-based intermediate products such as shared ownership and shared equity homes. The latter two categories are both rented housing and in reality can be considered together. The difference between social and affordable rented homes relates principally to funding issues, as opposed to housing need. Both affordable rented and social rented housing is likely to be targeted at the same group of households; many of whom will be claiming Housing Benefit. For this reason the last two categories are considered together for the purposes of drawing conclusions.

5.91   Detailed information on households' savings is not available. It has therefore been assumed that around half of all households with an income which would allow them to afford 80% or more of market rents would represent the potential market for intermediate products such as shared ownership and shared equity homes.

5.92   Taking the gross numbers for affordable housing need and comparing this against the supply from relets of existing stock, the following net need arises within the different categories. The analysis suggests that around a fifth of the net affordable housing need is for intermediate housing; and four-

fifths for social or affordable rented homes. The modelling below is based on the full projection period (2014-37) – were the period to 2027 used then the output of the modelling is virtually identical (suggesting a need for 20% intermediate housing rather than 21%).

Table 36: Estimated level of Affordable Housing Need (per annum) by type of affordable housing (2014-37)

	Intermediate			Social/affordable rented		
	Total need	Supply	Net need	Total need	Supply	Net need
Selby District	42	5	37	348	213	**135**
% of total	21%			79%		

Source: Affordable Housing Needs Analysis

5.93   In determining policies for affordable housing provision on individual sites, the analysis in the table above should be brought together with other local evidence such as from the Housing Register. Consideration could also be given to areas with high concentrations of social rented housing where additional intermediate housing might be desirable to improve the housing mix and to create 'housing pathways'.

Comparison with Previous SHMA

5.94   The analysis in this report can be compared with figures from the 2009 SHMA undertaken by ARC4. The table below brings together each of the stages on an annual basis. Essentially the same model was used in the ARC4 assessment although there are differences in methodology (the most notable being that this assessment is based on secondary data sources, whereas ARC4 undertook a household survey which informed many stages of the modelling). One key difference however is that the 2009 SHMA was based on looking at needs over a 5-year period (i.e. dividing the current need by 5 rather than 23 in the main analysis in this section). This assessment looks over the longer term to ensure consistency with demographic projections and to ensure a reasonable comparison with the 2009 SHMA the current need in that report has been looked at over a 23-year period.

5.95   The table below shows that the assessed affordable need in this report (at 172 per annum) is virtually identical to that in the 2009 SHMA (170 per annum). Whilst there are some differences between the two analyses (notably a higher level of newly forming households in need and a higher supply estimate by ARC4) it is the case that overall, the two affordable need models confirm a consistent level of affordable housing need.

Table 37: Comparing levels of annual Affordable Housing Need in this assessment and the 2009 SHMA

	This assessment	2009 SHMA
Current need	25	39
Newly forming households	266	304
Existing households falling into need	99	86
Total Gross Need	390	429
Supply	218	259
Net Need	172	170

Source: 2009 data from ARC4 SHMA

Affordable Housing Need: Implications

- The analysis indicates a net annual need from 172 households who require financial support per annum in meeting their housing needs in Selby District in the period 2014-37; this figure rises to 191 per annum if needs are considered over the 2014-27 period. Basing the modelling on a demographic projection linked to job growth would increase the need by 4 per annum. This takes account of the current stock and turnover of affordable housing. The level of need shown in this assessment is similar to that estimated in the 2009 SHMA.

- The evidence provides clear justification for policies seeking new affordable housing in mixed tenure developments.

- The identified need from households requiring financial support represents 50% of the need arising through the demographic projections. However in considering this relationship, it is important to bear in mind that the affordable housing needs model includes existing households who require a different size or tenure of accommodation rather than new accommodation per se. Furthermore many households secure suitable housing within the Private Rented Sector, supported by housing benefit.

- GL Hearn's view is that the evidence clearly supports a 40% affordable housing policy. Using the 450 dwelling target in the Core Strategy, if every site delivered this it would yield 180 affordable dwellings per annum; a similar figure to that shown by the modelling to be the need. There is clear evidence to justify the Council's current affordable housing policy.

- Once account is taken of the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis does not suggest that there is any strong evidence of a need to consider additional housing to help meet the need. However some additional housing might be considered appropriate to help improve affordability for younger households. A modest uplift would not be expected to generate any significant population growth (over and above that shown by demographic projections) but would contribute to reducing concealed households and increasing new household formation.

- Finally it should be borne in mind in considering affordable housing targets, that the core SHMA modelling of the need for affordable housing is based on a demographic projection which sees housing provision of 343 homes per year. An estimated 50% of these households (based on the assumptions above) would require affordable housing. If a higher housing target is being used – such as the 450 homes per annum in the Core Strategy – then stronger migration and population growth could be expected, which would likely yield higher affordable housing needs (of between 199 and 215 per annum).

- A fifth of the net need identified could be met through intermediate housing, with four-fifths of the need being for social or affordable rented homes.

- The types of intermediate housing could include products such as shared ownership or shared equity, although the cost of such products should be carefully considered to ensure they are genuinely affordable – this will need to include consideration of any deposit requirements which may be a barrier to access for a number of households.

- We do not find any evidence that would justify a reduction in the percentage affordable housing which should be negotiated on development sites in line with current adopted policy.

6   MARKET SIGNALS

6.1   Planning Practice Guidance sets out that the "market signals" should be considered to assess affordability levels and whether this is deteriorating, and provide information regarding the supply/demand balance for housing. The PPG outlines that:

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

6.2   Market signals provide information on the supply/demand balance for market housing. Relevant market signals identified in the PPG include:

- Land Prices;
- House Prices;
- Rents;
- Lower Quartile House Price to Income Ratios;
- Rates of Development; and
- Levels of overcrowded, concealed and shared households.

6.3   GL Hearn considers that sales trends are also an important indicator of effective demand for market housing. Whilst land values are identified in the PPG, up-to-date published data on land values is not available.

House Price and Rental Trends

6.4   The median price of homes sold in 2014 in Selby District was £187,200. This was 28% below the national average (£259,600). It sits between the median house price of properties sold in Wakefield and Leeds, and that in York.

6.5   The median house price is influenced by the mix of properties sold. With the exception of terraced properties, the price of homes in Selby is comparatively lower than those in Leeds. It is below those in York and national averages across house types. Prices for houses are modestly above those in Wakefield.

Figure 30: Median Price of Properties Sold, 2014
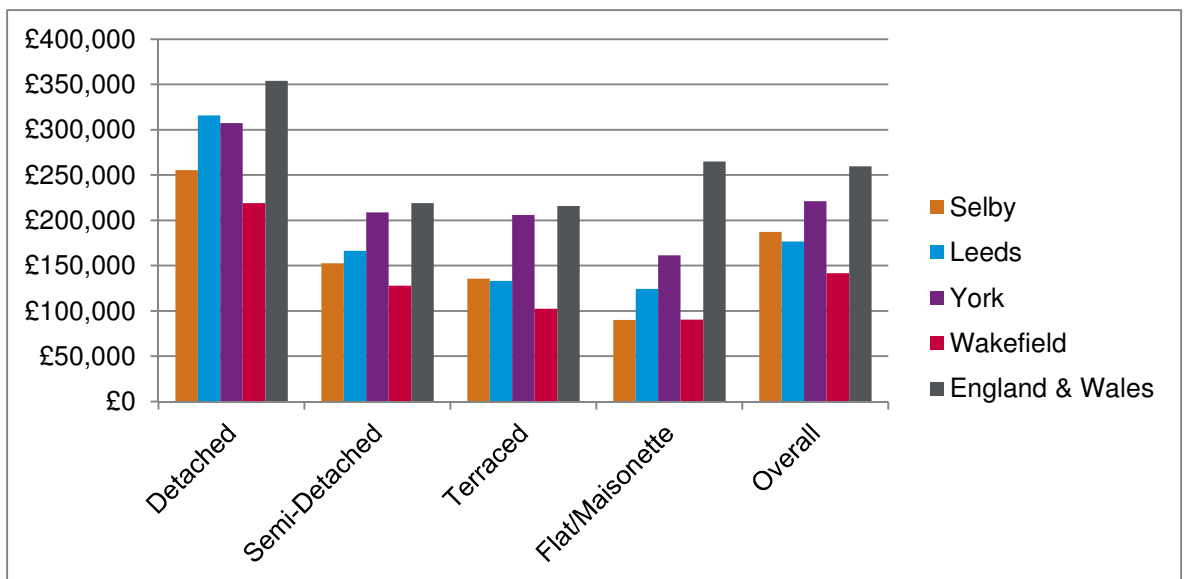
Source: HM Land Registry/ GL Hearn

6.6   We can next consider house price trends. House price trends in the period prior to 2007 and that since have been quite different. Figure 31 shows trends in the median house price by area over the period from 1996-2007. It indicates that house prices increased significantly between 2002 – 2005. Over the pre-recession decade (1998-2007), the median house price increased by 154% nationally, but by 185% in Selby. However this principally reflects the lower base value – in absolute terms, the median price increased by £129,400 in Selby District over this period, which is very consistent to the £133,300 growth seen across England and Wales.

6.7   Prices in York grew by a stronger £138,000 (189%) and by £113,800 in Wakefield (173%). The growth in Selby sits between these.

Figure 31: Median House Prices, 1996-2007
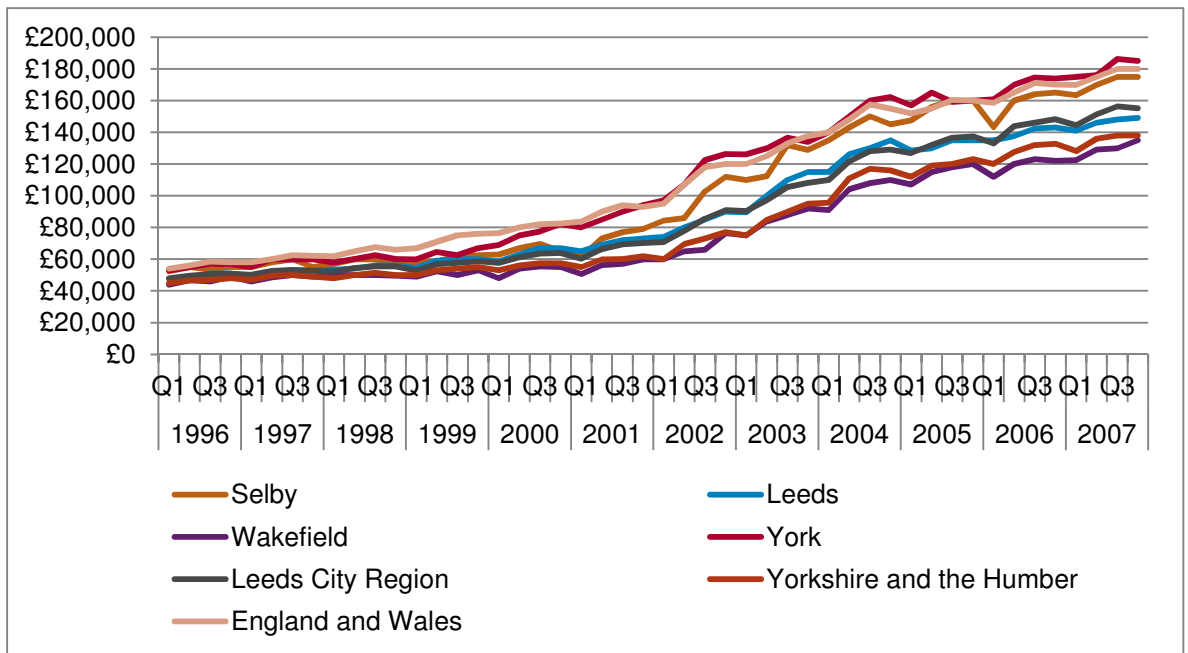
Source: HM Land Registry/ GL Hearn

6.8   Since 2008 the profile of house price changes has been very different. House prices in nominal terms have been broadly stable (between £180,000 - £190,000 median). Between 2008-2014 house prices increased by 1% in Selby District. In Wakefield, the median house price was static; whereas the median increased by 6% in Wakefield and 11% in Leeds. Nationally prices grew by 20%; whilst across the Leeds City Region a more modest 2% growth was seen.

Figure 32: Median House Prices, 2008-13
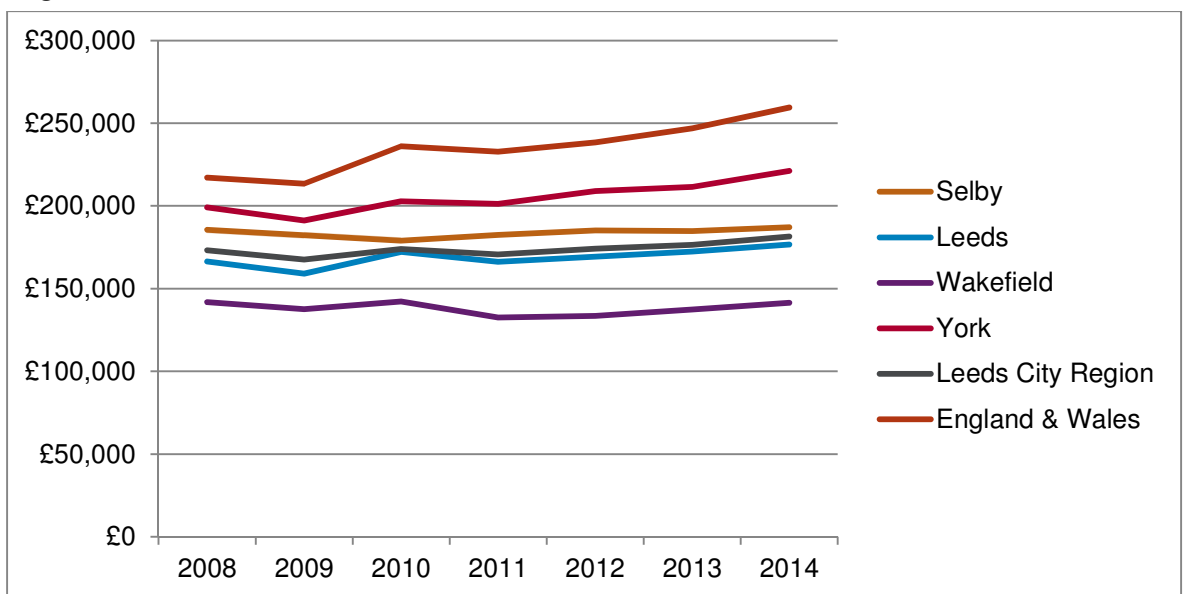
Source: HM Land Registry/ GL Hearn

6.9   Figure 32 shows that house prices have been relatively stable. However if account is taken of inflation, the value of housing in real terms has fallen. To illustrate this assessed trends in house prices since 2008 against inflation (measured using the Consumer Price Index) using an indexed analysis where if house prices increased in line with inflation we would see a figure of 1.0 maintained. Figures lower than 1 indicate a decline in house prices in real terms.

6.10   Figure 33 shows that house prices in Selby have fallen in real terms year-on-year since 2008 and stood 16% below their 2008 levels in 2014. The decline in prices in the District in real terms compares with a decline of 6% in York and 11% across the Leeds City Region. Nationally over this period house prices have remained stable in real terms.

Figure 33: Indexed Analysis of Median House Prices in Real Terms, 2008-14
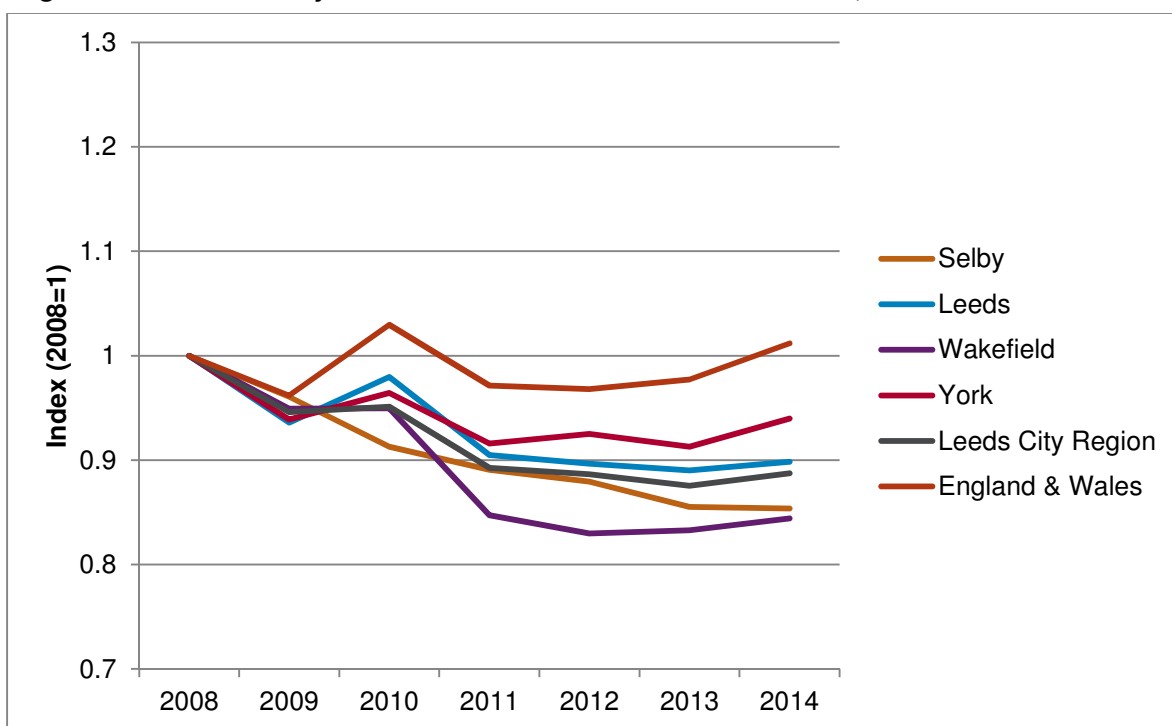
Source: GL Hearn Analysis

6.11   We can next turn to consider sales trends. Sales volumes are an important indicator of effective demand for market housing. We have benchmarked sales performance against long-term trends to assess relative demand. Figure 34 assesses sales trends, using an indexed analysis where 1 reflects the average annual sales over the pre-recession decade (1998-2007).

6.12   The chart indicates that sales of market housing fell dramatically in 2008 as the credit crunch hit. A recovery in effective demand for market housing has however been gradual, and sales volumes in 2014 remained 18% below pre-recession levels in 2014. Selby's housing market appears to have recovered slightly more strongly than other areas (as does York's), however it remains below the longer-term average suggesting the market still remains somewhat fragile.

Figure 34: Indexed Analysis of Market Housing Sales, 2004-14
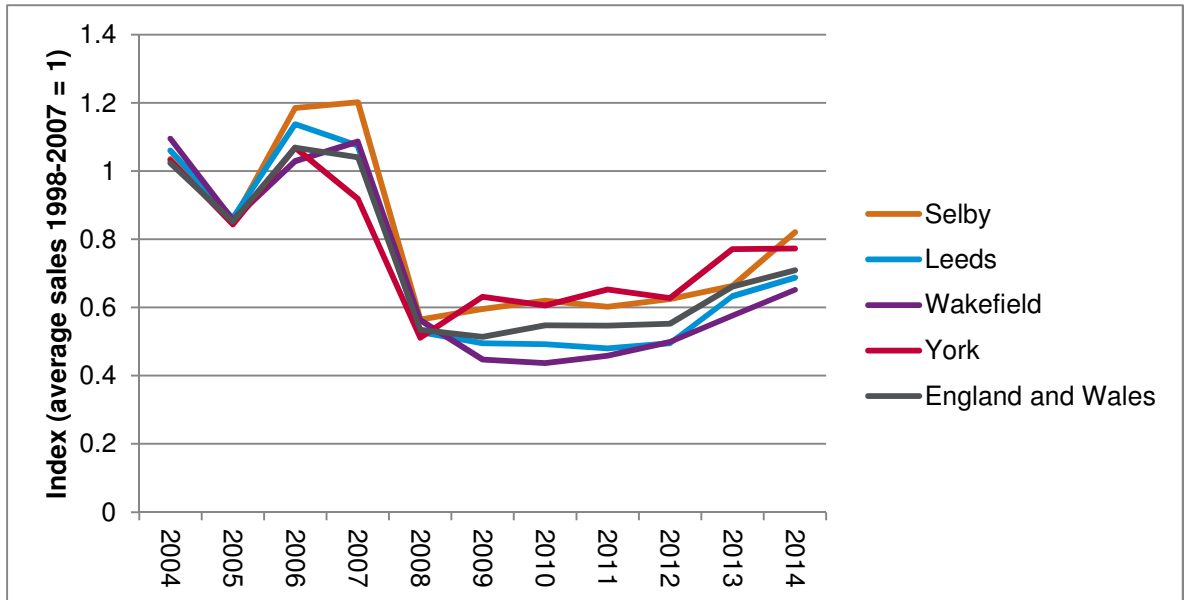
Source: GL Hearn analysis of HM Land Registry data

6.13   Turning to the rental market, we have used the Valuation Office Agency's Private Rental Market Statistics to assess trends in rents. This data has been published since 2011.

Figure 35: Median Rents, Year to Sept 2014
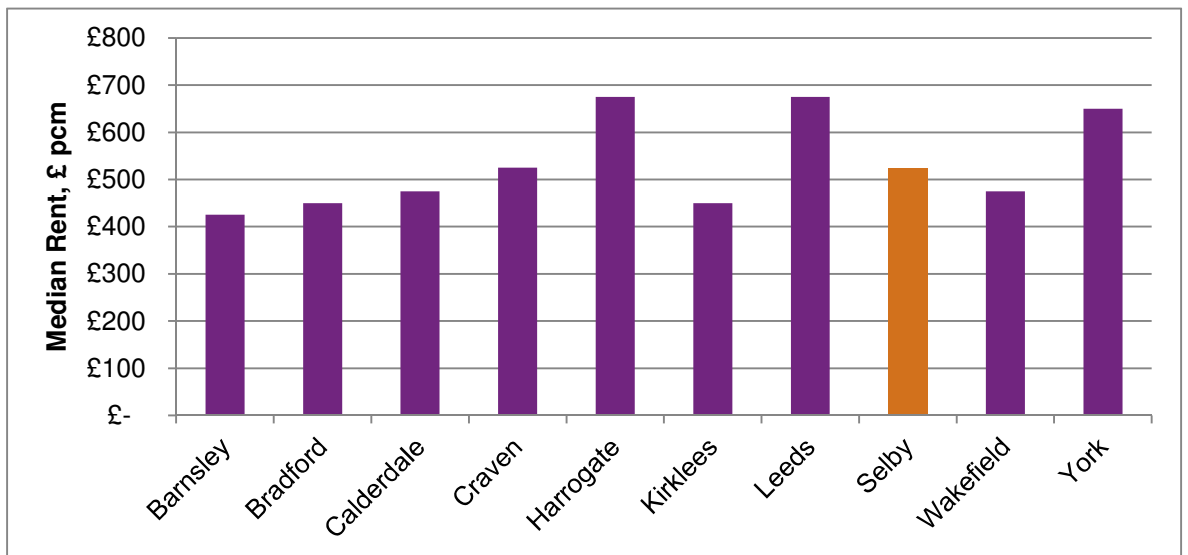
Source: VOA Private Rental Market Statistics

6.14   Relative to those authorities with which there is the strongest relationship, rental costs in Selby fall below those in Leeds and York; but modestly above those in Wakefield. Rental costs are average relative to the wider Leeds City Region.

6.15   Figure 36 provides an indexed analysis of trends in average (median) rents since 2011. Over this three year period, median rents in Selby have increased by 6%. This means that rental growth has been slightly below inflation over this period. Growth has however been stronger than seen in some other parts of the City Region. Rental costs in Leeds have increased (and fluctuated) significantly.

Figure 36: Indexed Analysis of Trend in Median Rents since 2011
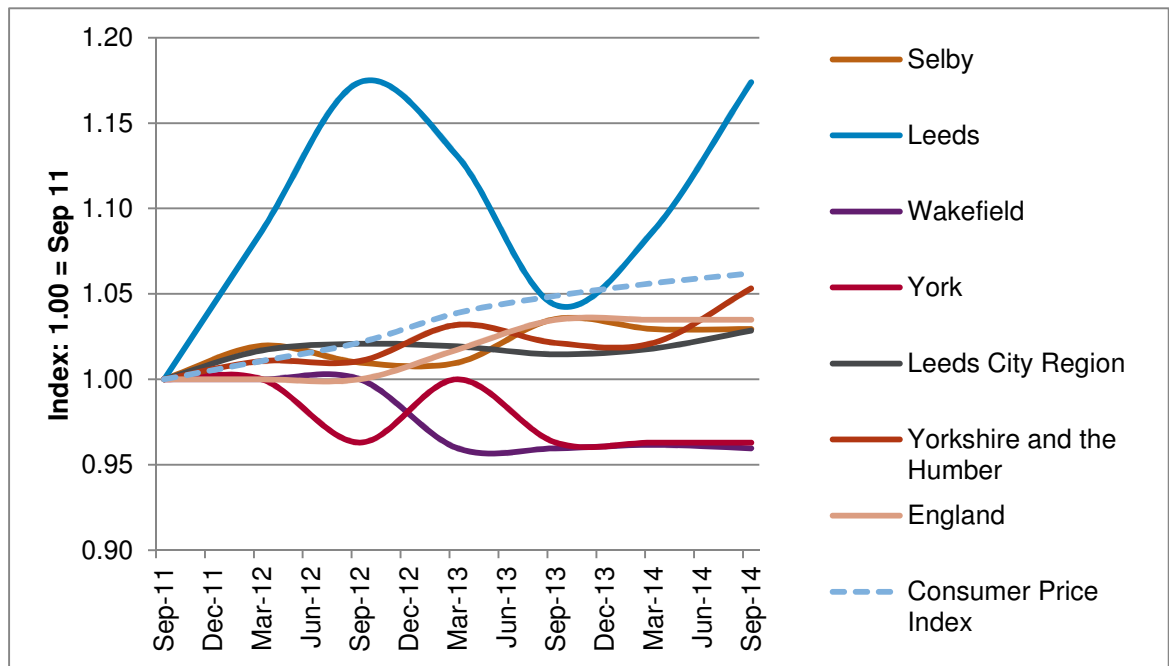
Source: GLH Analysis of VOA Private Rental Market Statistics

Affordability of Market Housing

6.16   We have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and lower quartile earnings – the Government's preferred measure. Figure 37 assesses trends in Selby District. The ratio increased from 3.6 in 2001 to 7.8 in 2006. It has since fallen and stood at 6.6 in 2013.

Figure 37: Trend in Lower Quartile House Price to Income Ratio – Selby District
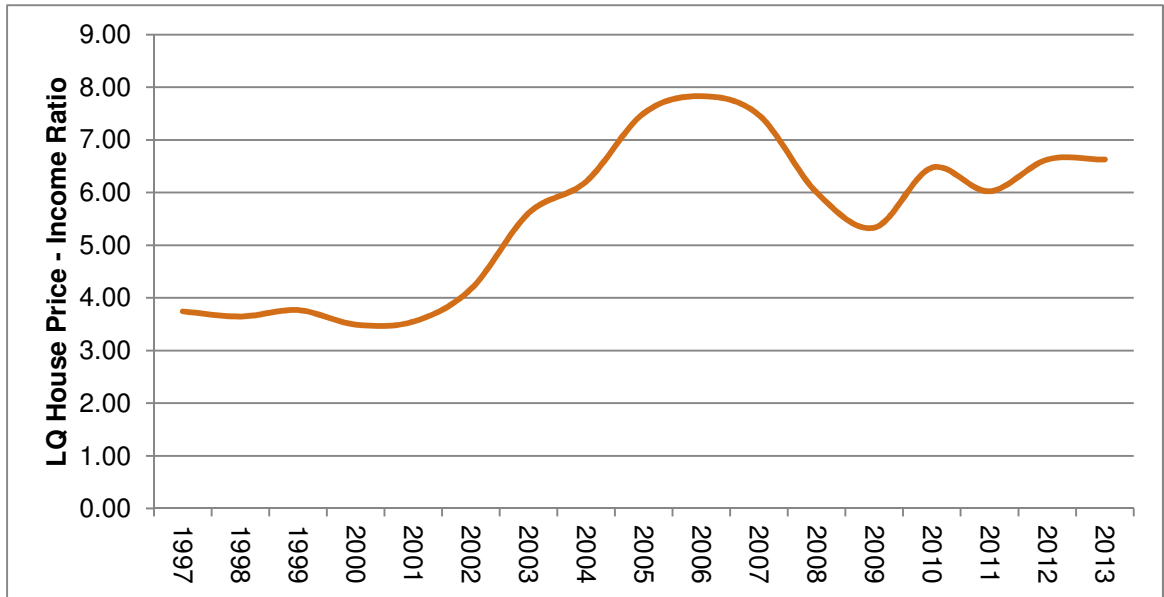
Source: CLG Housing Statistics, Table 576

6.17   Figure 38 benchmarks the lower quartile house price to lower quartile income ratio in Selby relative to other authorities with which it has a strong relationship and the Leeds City Region. The ratio in Selby is modestly above regional and national averages (as are broadly ½ of places in each area). It is higher than in Leeds of Wakefield, but less than in York.

Figure 38:   Benchmarking Lower Quartile House Price to Income Ratio
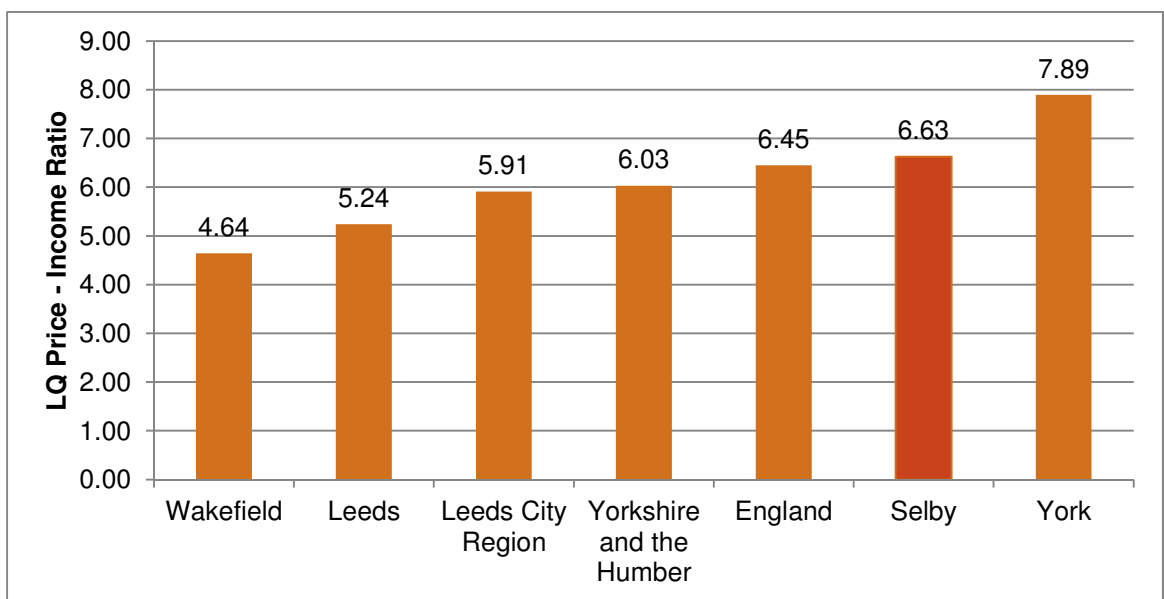
Source: CLG Housing Statistics, Table 576

6.18   Selby and York saw stronger growth in the LQ price to income ratio than across wider geographies between 1998-2003; however Selby in particular saw very limited subsequent growth in this ratio compared to wider benchmarks between 2003-8 (with an increase by just 0.39 points).

6.19   The ratio in Selby increased modestly between 2008-13 (increasing by 0.6 points). This compares to other areas in which the ratio fell between 2008-13.

Table 38:   Point Change in LQ Price to Income Ratios

	1998-2003	2003-8	2008-13
Selby	1.96	0.39	0.63
York	2.52	2.20	-0.73
Wakefield	0.95	2.41	-1.62
Leeds	1.15	1.90	-1.10
Leeds City Region	1.21	2.27	-0.92
Yorkshire and the Humber	1.08	2.36	-0.90
England	1.66	1.75	-0.52

Source: GLH Analysis

6.20   The analysis points to affordability pressures for Selby for younger households being modestly higher than in some other parts of the Leeds City Region, but suggests that affordability is better than in York; and points to a position that has not deteriorated to any significant extent over the last decade. Indeed since the peak of the last market cycle in 2008, affordability has improved.

6.21   The LQ price-income ratio is a relatively crude measure of affordability, given that households ability to afford mortgage costs will be influenced by interest rates. Whilst the ratio of LQ prices to incomes stands in 2013 at 6.63, it should be borne in mind that interest rates remain low.

Housing Supply relative to Targets

6.22   The PPG sets out that housing supply should be appraised against past targets. In interpreting this data, it is important to consider it alongside other evidence –as a drop in housing delivery could reflect constraints on land supply, but equally could be a reflection of changing economic circumstances and demand for market housing.

6.23   There was a modest over-delivery of 2 dwellings against the requirement of the Selby District Local Plan to 2011. Since 2011 the housing target has been set out in the Core Strategy at 450 dwellings per annum. Over the 2011-14 period, a total of 849 dwellings have been delivered against a policy requirement for 450 homes per year, leaving a delivery shortfall of 501 dwellings.

6.24   Figure 39 profiles delivery against planned provision over the last 9 years, based on data in the Council's latest 5 Year Housing Land Supply Assessment (SDC, Feb 2015).

Figure 39: Housing Delivery against Planned Provision
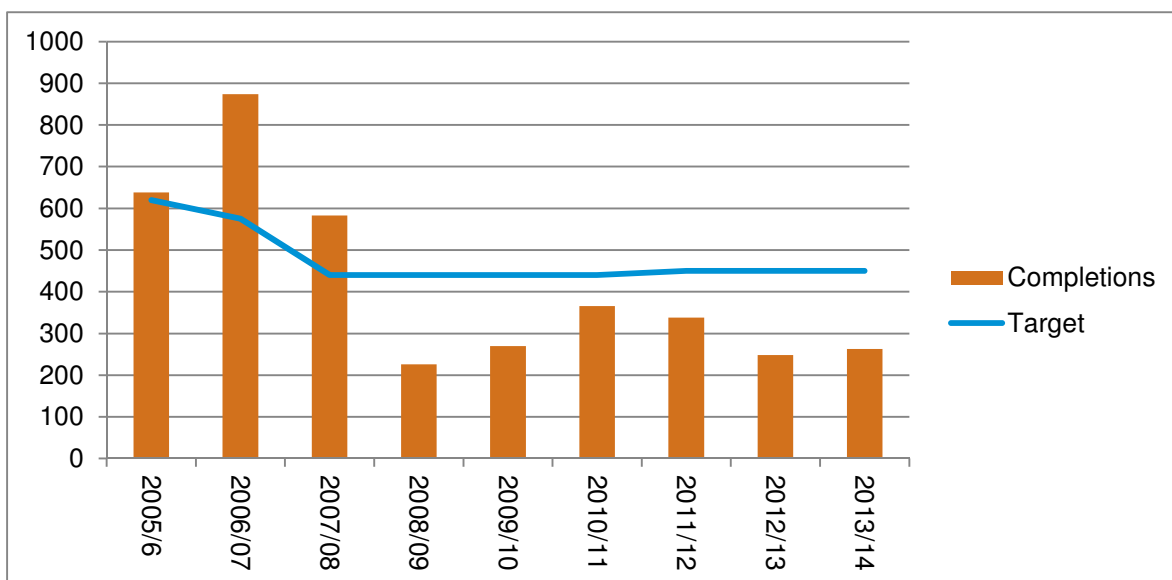
Source: Selby District Council (Feb 2015)

6.25   We can also compare completions trends against sales of market housing. Completions include both market and affordable housing, but affordable housing delivery on mixed-tenure sites is influenced by wider market demand. Note that the sales data is for calendar years whilst the completions data is for the final year (ending March). The analysis indicates that effective market demand dropped sharply in 2008, and has only begun once again to improve to any notable extent in 2014. We see a similar trend in the completions data – suggesting that a key factor underpinning recent under-delivery compared to planned targets has been wider housing market circumstances. We would expect the upturn in sales and effective demand during the course of 2014 to feed into rising completions levels in 2014/15 data.

Figure 40: Comparing Market Housing Sales and Overall Housing Delivery
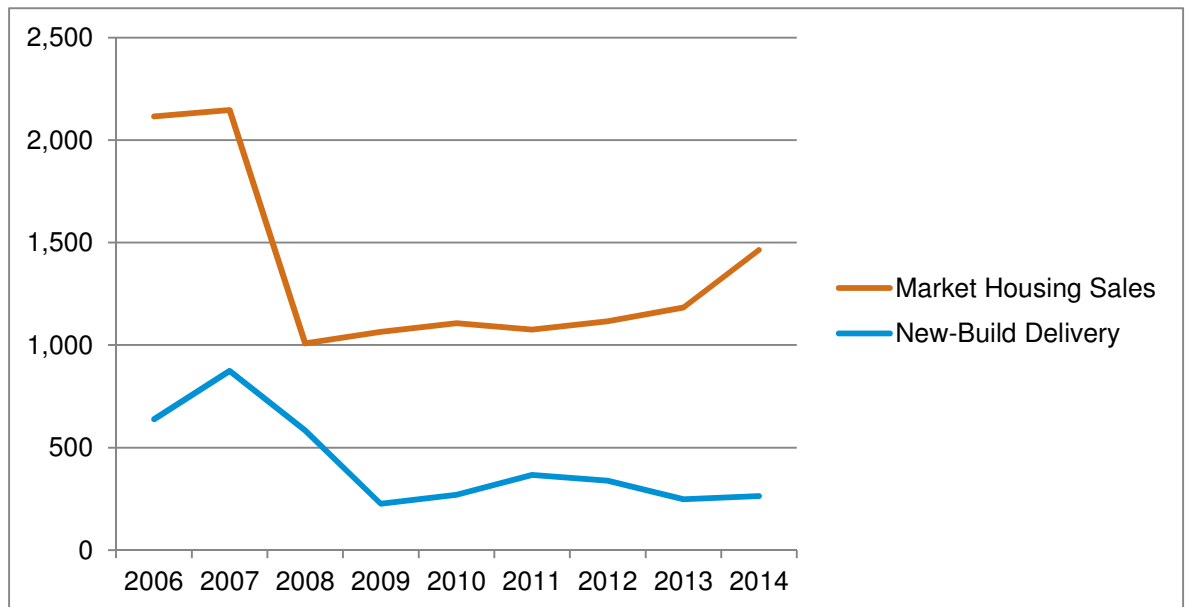
Source: GLH Analysis

Overcrowding and wider Contextual Indicators

6.26   Table 39 assesses changes in overcrowding and houses in multiple occupation (shared homes). In Selby we saw a 0.5 percentage point (pp) increase in the proportion of households living in over-occupied homes, measured using the Census occupancy rating, between 2001-11. This was below the growth seen at a regional and national level. The level of over-occupied homes also lies below that across the city region, region and nationally.

6.27   In respect of houses in multiple occupation, this grew by 1.3 percentage points (as a proportion of households) over the 2001-11 period. It stands in 2011 at a level which is above that in Wakefield, but below that in other key authorities which are related to Selby, as well as regional and national benchmarks.

Table 39: Changes in Overcrowding and Houses in Multiple Occupation, 2001-11

	Over Occupied			HMOs		
	2001	2011	Change	2001	2011	Change
Selby	3.0%	3.5%	0.5%	2.2%	3.5%	1.3%
Leeds	7.8%	9.1%	1.3%	4.7%	5.7%	0.9%
Wakefield	4.4%	4.8%	0.4%	2.4%	3.3%	0.9%
York	5.1%	7.1%	2.0%	4.4%	6.3%	1.9%
Leeds City Region	6.4%	7.4%	1.0%	3.5%	4.4%	1.0%
Yorkshire and the Humber	5.5%	6.6%	1.1%	3.3%	4.3%	1.0%
England and Wales	7.0%	8.5%	1.6%	4.5%	5.7%	1.2%

Source: Census 2001, 2011

6.28   The modest growth seen in over-occupied properties and house sharing in Selby over the 2001-11 period suggests that there may have been some (albeit modest) suppression of new household formation over this period.

6.29   Figure 41 shows how the tenure profile has changed over the 2001-11 period. Whilst nationally home ownership fell, in Selby the number of owner occupying households increased. Private renting saw the greatest growth (in absolute and proportional terms); whilst growth in the number of households in the social rented sector was modest (and fell in proportional terms).

Figure 41: Change in Tenure Profile, 2001-11
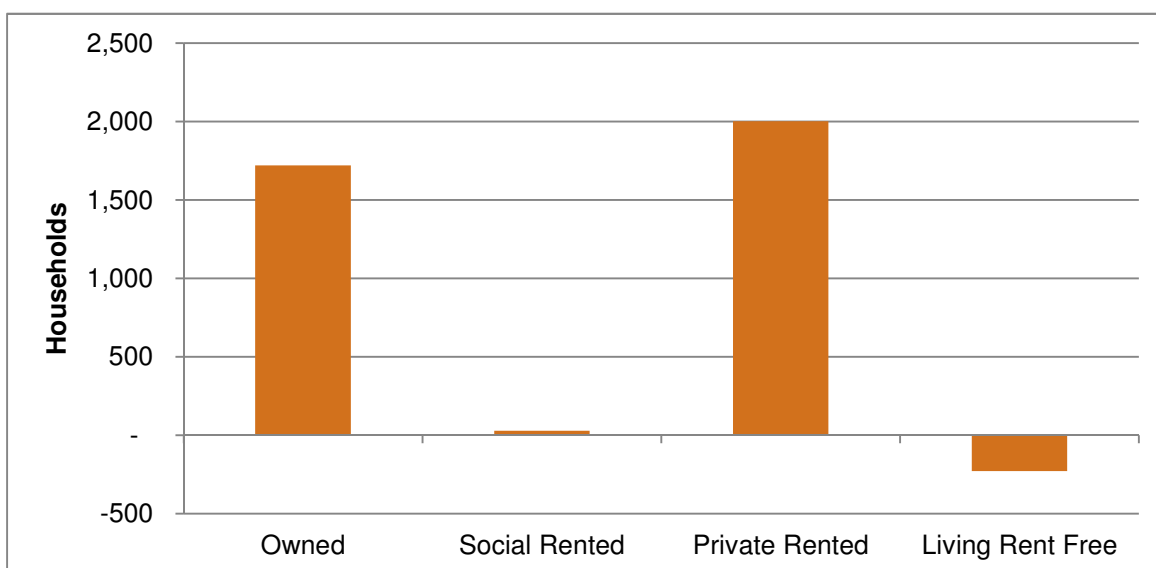
Source: 2001 and 2011 Census

6.30   Figure 42 benchmarks trends. The decline in home ownership and growth in private renting has been more modest than across a number of wider geographies.

Figure 42: Change in Tenure Profile compared to wider Areas, 2001-11
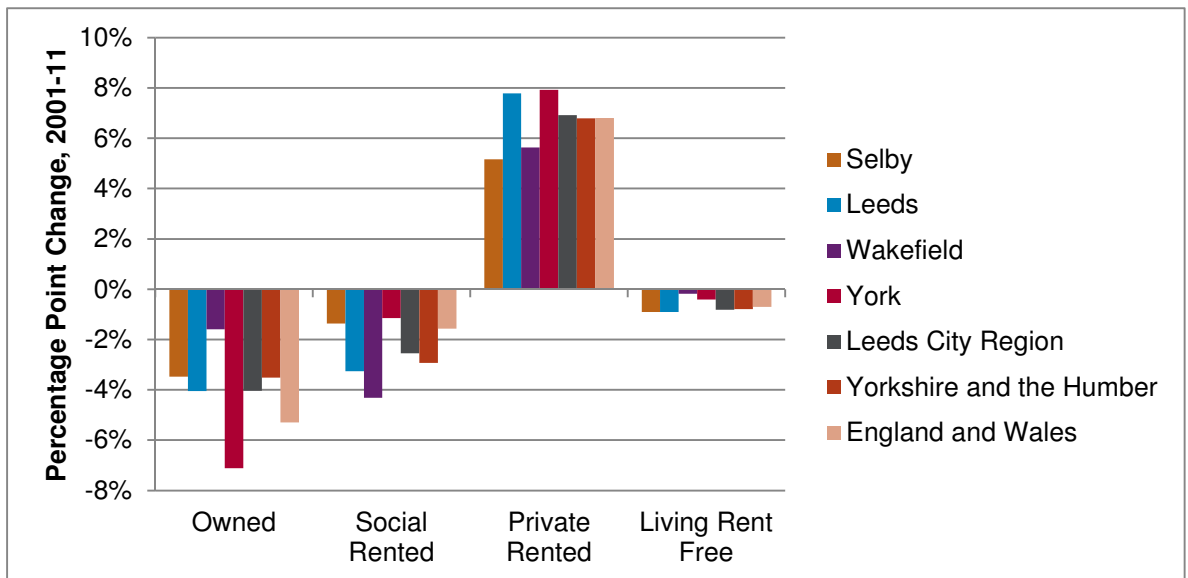
Source: 2001 and 2011 Census

Market Signals: Implications

- House prices in Selby District are 28% below the national average, and are average relative to key adjoining authorities. Prices increased notably, and affordability deteriorated, between 2001-8 – as was the case nationally. However dynamics since 2008 have been very different. House prices have been stable in Selby, but have in effect falling in real terms by 16% taking account of inflation.

- Rents in the District are average compared to key adjoining areas, and the wider city region. Rents have grown since 2011, but at 6% the growth in rents over this period has been below inflation.

- The lower quartile house price to income ratio is modestly above city region and national averages at 6.6, but notably below that in York at 7.9. It has been fairly stable over the last decade, increasing to the peak of the market in 2008; but falling since.

- Housing delivery has fallen since 2008, as is the case across the region and nationally. The evidence points to this being a function of effective demand and market circumstances. Market conditions however improved in 2014 and we would expect completions to begin to pick-up. Sales volumes for market homes however remain notably below pre-recession levels.

- Looking at wider evidence, there are some signs of affordability pressures, with the evidence suggesting that over the 2001-11 period the number of people renting increased, as did house sharing and levels of overcrowding. The evidence however suggests that the growth in these was however relatively modest in Selby, with the number of owner occupier households increasing over this decade. Overall the evidence provides a modest case for considering an adjustment to housing provision relative to the demographic-led projections.

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7   NEED FOR DIFFERENT TYPES AND SIZES OF HOMES

7.1   There are a range of factors which influence the need and demand for housing. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes. It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level.

7.2   In this section consideration is given to the implications of demographic drivers on need/demand for different sizes of homes in different tenures. In considering issues regarding housing mix, this should be read alongside the qualitative evidence; and analysis considering the needs of particular groups within the population. The SHMA analysis is undertaken on a "policy off" basis and does not seek to identify policy objectives for future housing provision – but is intended to be an input into doing so.

7.3   The analysis in this section seeks to use the information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future. The analysis is based on the 2012-based population and household projections, which would require delivery of 7,900 homes between 2014-2037 (in net terms). Alternative projections and time periods could be used for this analysis, although it would be expected that the outputs would be broadly similar.

7.4   It should be noted that this projection may not necessarily be translated into policies for housing provision, but it has been used to indicate the likely size requirements of homes moving forward. Were a projection with a different housing figure used, then the outputs would be expected to be broadly similar.

Quantitative Analysis Methodology

7.5   Figure 43 below describes the broad methodology employed in the housing market modelling. Data is drawn from a range of sources including the 2011 Census and demographic projections.

Figure 43: Stages in the Housing Market Model
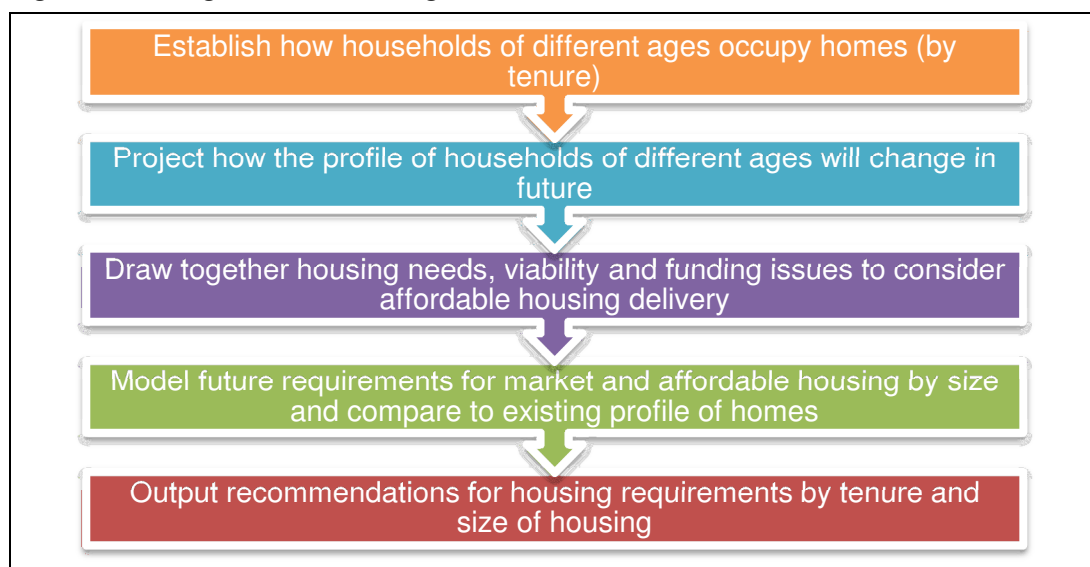
Understanding how Households Occupy Homes

7.6   Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households in to a suggested profile for additional housing to be provided.

7.7   The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

7.8   The size of housing which households occupy relates more to their wealth and age than the number of people which they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a four bedroom home as long as they can afford it; and hence projecting an increase in single person households does not automatically translate in to a need for smaller units.

7.9   This issue is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to continue to under-occupy their current homes.

7.10   The model uses information derived from the demographic projections about the number of household reference persons (HRPs) in each age and sex group; and applies to this to the expected profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table C1213) with data then calibrated to be consistent with 2011 Census data (e.g. about house sizes in different tenure groups and locations).

7.11   Figure 44 shows an estimate of how the average number of bedrooms varies by different ages of HRP and different sexes by broad tenure group. In the market sector, the average size of accommodation rises over time to typically reach a peak around the age of 50. In the affordable sector this peak appears earlier. After this peak, the average dwelling size decreases – possibly due to a number of people down-sizing as they get older. It is also notable that the average size for affordable homes are lower than those for market housing; whilst in market housing male HRPs live in larger accommodation for all age groups (with no particular trend being seen in the affordable sector).

Figure 44:   Average Bedrooms by Age, Sex and Tenure
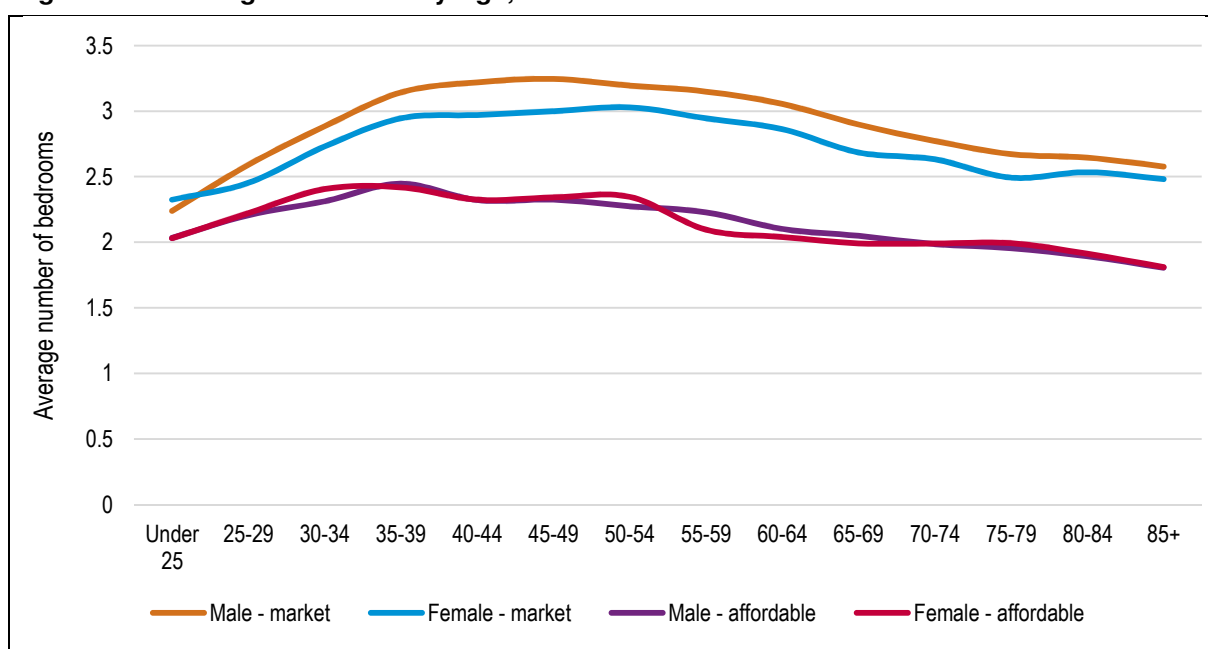
Source: Derived from ONS Commissioned Table C1213 and 2011 Census

Establishing a Baseline Position

7.12   As of 2014 it is estimated that there were 35,686 households living in Selby District. Analysis of Census data linked to the demographic baseline provides an estimate of the profile of the housing stock in 2014, as shown in Table 40. This shows that an estimated 12% of households live in affordable housing with 88% being in the market sector. The size of the affordable sector has been fixed by reference to an estimate of the number of occupied social rented and shared ownership homes in the 2011 Census along with an estimate of changes in the sector from 2011 to 2014 from data in CLG Live Table 100.

7.13   The data also suggests that homes in the market sector are generally bigger than in the affordable sector, with 75% having three or more bedrooms compared to 36% for affordable housing.

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

Table 40:   Estimated Profile of Dwellings in 2014 by Size

Size of housing	Market		Affordable		Total	
	Number	%	Number	%	Number	%
1 bedroom	1,049	3.4%	1,067	24.0%	2,117	**5.9%**
2 bedrooms	6,739	21.6%	1,783	40.2%	8,522	**23.9%**
3 bedrooms	14,329	45.9%	1,484	33.4%	15,813	**44.3%**
4+ bedrooms	9,129	29.2%	106	2.4%	9,235	**25.9%**
Total	31,246	100.0%	4,440	100.0%	35,686	**100.0%**
% in tenure	**87.6%**		**12.4%**		**100.0%**	

Source: Derived from 2011 Census

Tenure Assumptions

7.15   The housing market model has been used to estimate future need for different sizes of property over the 23-year period from 2014 to 2037. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier). Thus it is necessary to consider what the mix of future housing will be in the market and affordable sectors.

7.16   The key assumption here is not a policy target, but estimate of what proportion of housing delivery might be of affordable housing. There are a range of factors to take account of in considering this. The affordable housing needs analysis in this report provides evidence of notable affordable need, although the viability of providing affordable housing will limit the amount that can be delivered. The Council's Affordable Housing SPD of February 2014 sets out a target of 40% affordable housing as being viable in 'good market conditions.' On the one hand not all mixed tenure developments will be viably be able to deliver policy compliant affordable housing percentages, and some schemes will fall below policy thresholds. However some affordable housing will be delivered on schemes brought forward by registered providers or other public sector bodies. For modelling purposes it has been assumed that 35% of overall housing provision is delivered as affordable housing. It should be stressed that this is not a policy position and has been applied simply for the purposes of providing outputs from the modelling process.

Quantitative Analysis: Market Housing

7.17   There are a range of potential factors which may influence demand for market housing. The analysis here seeks to examine the impact of demographic drivers on the need for different types of homes over the 2014-37 period.

7.18   Table 41 shows estimates of the sizes of market housing required from 2014 to 2037 based on demographic trends. The data suggests that the majority of the need will be for two and three-bed properties.

Table 41:   Estimated Size of Dwellings Needed 2014 to 2037 – Market Housing

Size	2014	2037	Additional households 2014-2037	% of additional households
1 bedroom	1,049	1,348	299	6.1%
2 bedrooms	6,739	8,481	1,742	35.6%
3 bedrooms	14,329	16,599	2,270	46.4%
4+ bedrooms	9,129	9,708	579	11.8%
Total	31,246	36,136	4,889	100.0%

Source: Housing Market Model

7.19   Figure 45 shows how the estimated need for market housing compares with the current stock of housing (based on households (i.e. excluding the vacancy allowance)). The data suggests that demand is expected to reinforce around the existing profile of stock, but with a slight shift towards smaller dwellings relative to the distribution of existing housing. This is understandable given the fact that household sizes are expected to fall slightly in the future linked to the ageing of the population.

Figure 45: **Impact of Demographic Trends on Market Housing Need by House Size, 2014 to 2037**
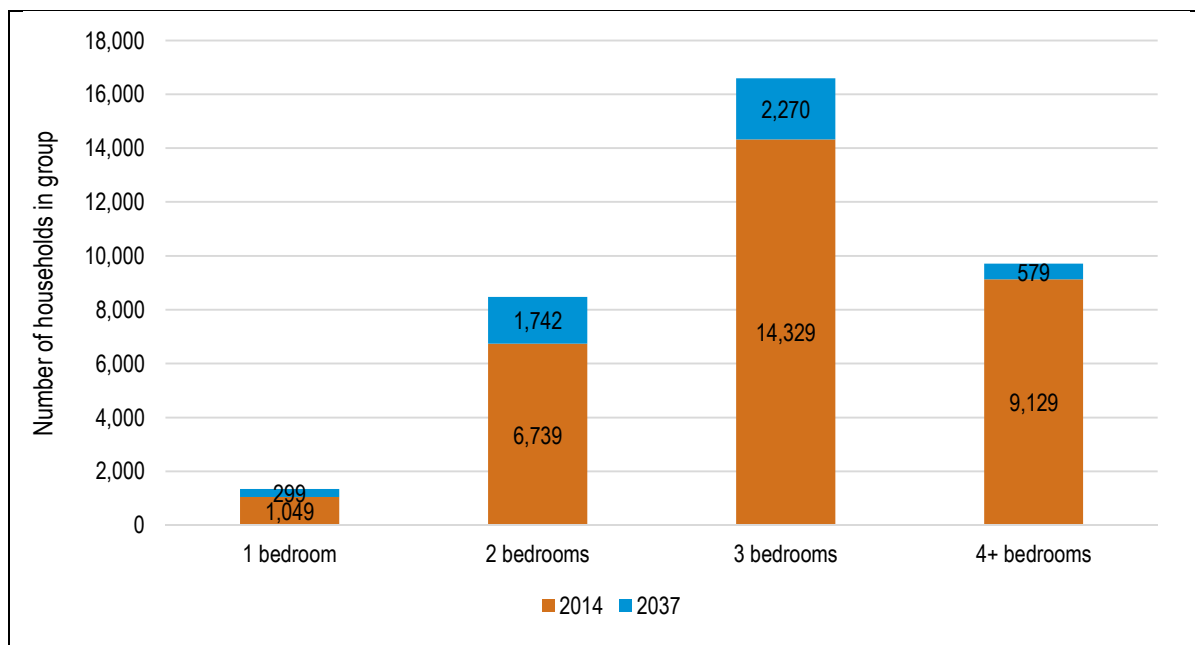
Source: Housing Market Model

7.20   The graphs and statistics are based upon the modelling of demographic trends. As has been identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand; this may include an increased demand in the private rented sector for rooms in a shared house due to changes in housing benefit for single people. In determining policies for housing mix, policy aspirations are also relevant.

7.21   GL Hearn consider that it may be more appropriate through the planning system to seek to influence the balance of types and sizes of market housing through the mix of sites allocated for development, rather than specific policies relating to the proportion of homes of different sizes which are then applied to specific sites. At the strategic level, a local authority in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

Qualitative Analysis through Engagement of Estate & Letting Agents

7.22   As part of the SHMA our team has undertaken a detailed programme of consultation with estate and letting agents to provide a "bottom up" perspective on gaps on the demand for market housing (both for sale and rental); and identify gaps in supply in different parts of the District. This analysis provides an assessment at the point in time of the consultation, in mid-February 2015.

7.23   Interviews were conducted with estate and letting agents in Tadcaster, Sherburn in Elmet and Selby. We visited much of the district to gain as much context as possible, notably Cawood, Church Fenton.

Drax/Camblesforth, South Milford, Thorpe Willoughby, Whitley and other settlements surrounding the town of Selby.

7.24   Interviews record the perceptions of professionals that service the housing market. Interviews were designed to broadly understand local housing market conditions, trends and drivers, and which parts of the market serve the needs of important groups such as local people, incomers, first time buyers, investors, those on low income and vulnerable people. The research also explores the interfaces between the sales and letting markets and these markets with sub market and affordable housing.

7.25   Additional supply is mostly through development of new build housing and it is important to understand the characteristics of new build housing and households that purchase or occupy it. We interviewed 4 house-builders with on-site sales staff. We also came across a number of infill sites being developed local builders, and registered providers, none of which had on site viewing and or sales facilities. We achieved a small number of telephone interviews on the back of this.

7.26   Rightmove is a nationwide searchable database of property currently for sale or rent by estate and letting agents. We have used Rightmove data where appropriate to supplement the evidence from agents and help define an area's re-sale and rental market in terms of price range, property size/type and target market. These data are a snapshot of vacancies and asking prices at the time our fieldwork was undertaken, February 2015. Prices quoted here will differ from price analysis elsewhere in this report that are based upon agreed prices rather than asking prices. It is noteworthy that the data does not include sales and lettings offered by owners not using lettings agents. Some offers are for commercial property which we have filtered out and there are some listing errors (houses that are apartments and vice versa). We believe that where used, it helps to add further insights some of the issues raised by stakeholders and define the key differences between local housing market areas across the District.

Sherburn in Elmet

7.27   Re-sale agents based here service the town plus villages in a 5 mile radius notably Church Fenton, South Milford and Monk Fryston.

7.28   All agents pointed out the communication links serving the area are excellent. The area is within easy reach of the A1 and M62. Railway stations connect to York, Leeds and Hull and Selby. These links enable commuting to and from the destinations as well as local industry. There are significant distribution and other industries on the industrial area to the west of Sherburn as well as a major British Gypsum plant. However the villages themselves are residential in nature. One agent told us that the peak time bus service into Selby had been cut recently and this was causing problems for workers.

7.29   Recent housing development is much is evidence in each of the villages. Agents told us that although recently completed, they had been under construction for some time due to the credit crunch. They said that although new build tends to bring in incomers, resale housing is mostly bought and sold by local households and local investors. Agents estimated that around 20% re-sales were bought by incomers who were mainly coming to the area to take advantage of competitive prices or to work in local industries.

7.30   Agents told us that sales volumes were improving and houses that were not overpriced would sell quickly. Apartments and premium housing would sell more slowly than other forms of housing.

7.31   Agents agreed that the main gap in the re-sale market was in the form of detached bungalows. There was very little supply for households seeking to downsize into single storey housing within the villages and more supply would free up family housing.

7.32   Agents told us that the hierarchy of local resale prices were in step with household incomes. Homes up to £130,000 would sell to investors and first time buyers who were in competition for supply up to this level. First time movers would pay up to around £190,000. Our analysis of Rightmove prices suggests first-time buyers and investors compete for properties in the lower quartile; with first-time buyers able to afford up to median prices. Agents in Selby told us that many first time buyers and lower income working households leave the villages as Selby's prices are cheaper. Analysis of Rightmove asking prices supports this.

7.33   Letting agents told us that rental demand is very high for all types of housing – including apartments. In general there are 10 households chasing every vacancy. Investors are responding to these high levels of demand and are growing their portfolios. They are taking advantage of low purchase prices and good rates of return. A £120,000 investment will rent for around £500 pcm, £160,000 for £650 pcm. Agents told us that the gap in supply in the local rental market is for good quality family homes priced at around £550 pcm.

7.34   We observed higher prices in the historic village of Cawood, east of Sherburn in Elmet. Agents advised us that this Cawood was a market 'bubble' within Selby District. According to Rightmove it had the highest proportion of premium residences on sale and median prices were much higher than other parts of the District. It was explained to us that Cawood was a sought after destination for higher income York households seeking a rural environment. 21 out of the 23 properties on sale were detached homes most at well over the median prices calculated for Selby's other local housing markets. That said we noted that the village main street was lined with small terraced cottages. None was offered for sale, but according to Rightmove terraced cottages would sell for around £150,000 which are significantly above terraced cottage prices elsewhere in the District. One 2 bedroom cottage was available for rent at £560 pcm.

7.35   We noted new build at South Milford (by Linden Homes). Only one dwelling remained to be sold and the site agent had been withdrawn. However we were advised by resale agents that the Help to Buy scheme sales had been strong as was interest from incomers but they could offer no data in support of this. A shared ownership development by Guinness Northern Counties was on sale via agents based in Selby. This is considered in more detail below.

The A63 Corridor

7.36   This road links Selby with Garforth and Leeds to the west and Howden to the east before joining the M62 towards Hull. There are several villages along the route: Monk Fryston, Hambleton and Thorpe Willoughby. Re-sales in Monk Fryston tend to be serviced by Sherburn in Elmet agents. The other villages mentioned and those to the west are serviced by Selby agents.

7.37   We highlight this corridor because our Rightmove price analysis showed the largest volume of re-sale housing on sale outside the town of Selby together with the lowest proportion of flats and apartments. The median prices are the highest of any of the local housing markets in the District. Agents based in Selby told us that these villages are popular with commuters do to easy access to the A1(M), M62, Leeds and York.

7.38   Linden Homes is developing a Willerby Heights at Thorpe Willoughby. The sales agent told us that the 4 bedroom larger homes on offer were at the upper end of local re-sale prices. They had attracted executives many of whom were couples. Around half of all homes had been occupied by households previously located outside Selby District but long distance re-locators accounted for a small proportion of sales. Given the size of dwellings and the asking prices many sales had been assisted with the company's "part exchange" scheme rather than help to buy. It was notable that the development included bungalows. The agent remarked that a proportion of bungalows had been sales to young people, citing an example of a thirty something, single, professional lady who worked in York. The agent explained that older people had been interested in the bungalows but would take their time in committing to a purchase and would rarely buy off plan. The agent told us that a small number of customers were seeking to relocate from Staynor Hall in Selby and had been disappointed in re-sale valuations within the part exchange scheme

7.39   Guinness Northern Counties is also selling homes on a shared ownership basis. These sales are managed by agents in Selby. The agency told us that there was considerable interest from young first time buyers in the scheme and demand significantly exceeded supply.

Selby

7.40   This includes the adjacent settlements of Barlby and Brayton. The local market is significantly different to the rest of Selby District - it is a much more diverse and complex.

7.41   The town has an industrial past due to navigation of the River Ouse and the Selby Canal. For several decades the town was central to the Selby coalfield. Its past has led to a mixture of traditional and contemporary housing. The town includes terraced cottages housing local workers, through to contemporary river and canal side apartment developments.

7.42   The town hosts a large flour mill, the food processing industry is present and this has implications for the local housing market. Currently the town acts as the major service centre for the area north of the M62 and east of the river Ouse, unless people are able and willing to travel to the regional centres of York and Leeds. Selby has some modern leisure and retail facilities, competitive supermarkets and acts as a transport hub as well as centre of administration.

7.43   The town is without a district general hospital, but has a community hospital including a minor injuries unit. It is part of York Teaching Hospital NHS Foundation Trust; Harrogate & District NHS Foundation Trust and Leeds & York Partnership NHS Foundation Trust. The hospital is 5 star rated by patients.

7.44   Resale agents told us that although a large number of homes were for sale, homes could be slow to sell. They rarely saw first time buyers as that group were attracted to competitively priced, small new build homes with the benefit of the new build the Help to Buy scheme. However investors were getting good returns on cheaper housing on sale and were continuing to invest to meet growing demand.

7.45   Re-sale agents estimated that incomers accounted for between 25-30% of all sales. These were mostly re-location for local employment or Leeds and York households seeking more for their money or affordable housing for first time buyers. Agents told us that there were enough apartments in the town and re-sale prices were weak for lower specification or less well located apartments. Agents believed that the critical shortage was of better quality 2 and 3 bedroom family homes to suit first time movers. They noted that a Polish workforce had settled in the town and some were becoming home owners have spent some years in the rental market and establishing good credit ratings. They were employed in local food processing and distribution.

7.46   Regarding prices, re-sale agents told us that recovery from credit crunch losses had been patchy. In general terms higher priced housing where purchasers would require low loan-to-value ratio mortgages had recovered to pre-crash prices. However smaller cheaper cottages had not, due to stagnant wages, risk averse lending and a steady additional supply of low price new build housing.

7.47   Letting agents told us that there was a considerable shortage of good quality family homes. These would rent for around £500 pcm (2 bedroom) and up to £700 pcm 3 bedroom. They added that the Waterfront was very popular with young professional renters. Many of their clients were seeking to

expand their portfolios. Some landlords would accept working households that were in receipt of housing benefit provided they could supply a home owning guarantor. Letting agents stressed that demand was generally high and vacancies let very quickly. Very often they were not listed on Rightmove as they were let very quickly in branch. The only lettings that 'hung around' were where the landlord was over optimistic about the rent level.

7.48   Rightmove data tells us that Selby has the largest volume of homes (157) currently on sale compared to Sherburn (94) or Tadcaster (85) areas, however median and lower quartile prices are generally significantly lower than the rest of the district. This is due to the fact that there are large proportions of small terraced cottages and apartments compared to the other parts of the District. Analysis of median prices for 4 bedroom detached homes reveals that these homes in Selby have similar asking prices even though the other locations are village based. Tadcaster median prices for this house type are also considerably higher.

7.49   We observed a very active housing market and a great deal of activity in the re-development of small sites of redundant buildings as well as large site developments at Holmes Meadow and Staynor Hall, with further large scale development in prospect on a former industrial site to the west of the town.

7.50   Bovis Homes is developing Holmes Meadow. Asking prices here are comparable to re-sale asking prices elsewhere in Selby on a like for like basis. Small houses and apartments have been purchased by first time buyers mostly from Selby and the surrounding villages. Whilst the agent would not estimate the proportion of sales to incomers he indicated that this was not such a big factor on the site as with other new build locations as it was situated closer to the town centre. However we were told that interest from incomers notably York based due to Selby's lower prices and easy access to the railway station.

7.51   Persimmon and Charles Church have homes on sale at the current phase of the Staynor Hall development to the south east of the town. Persimmon is offering semi-detached homes from £105,000. The agent told us that on this phase and earlier phases an estimated 40% of sales had been made to incomers from the York and east Leeds area. The remaining sales were all from Selby or the villages surrounding it. 90% of the most recent sales involved first time buyers and were the Help to Buy scheme assisted. These were typically younger households with small children. Investors had accounted for a small number of sales in the current phase but had been active in phases that involved apartments and town houses. The Charles Church sales agent told us that their more expensive product was bought by more mature movers who were already home owners, many of whom took advantage of their part exchange scheme. The agent also estimated around 40% of sales citing some long distance movers. The agent remarked that a notable proportion of sales were from households seeking to live nearer family members, although most were work re-location related.

We were told that out of area customers often found the process of buying new rather than re-sale housing much easier.

Tadcaster

7.52   Tadcaster is a pleasant market town and service centre, by-passed from the A64 and a little nearer York than Leeds. The local agent serviced the re-sale area up to the A1 including Bramham (not within Selby District), villages and isolated dwellings within a three mile radius of Tadcaster.

7.53   We were keen to understand the impact of the local brewing industry on the local housing market. The agent told us that although it boosted the town's economy its impact on the housing market was limited as most employees commuted in. The agent told us that investors had been particularly active in order to service growing demand from local households who were either priced out of the housing market or did not have the financial standing to qualify for a mortgage. Agents remarked on the high level of demand for bungalows.

7.54   The agent told us that prices were comparable to other all other parts of the District outside the town of Selby. This was largely confirmed by analysis of Rightmove prices.

Camblesforth, Drax, Eggborough and Whitely

7.55   These villages and wards are to the south of the District and are noteworthy because of coal fired power stations at Drax and Eggborough which are major employers. The power stations have a considerable impact on the landscape.

7.56   According to Rightmove prices were similar to the rest of the District. The volume of housing for sale was comparable to that of Selby town but there were fewer small terraced cottages.

7.57   The re-sale and rental markets are serviced in both Selby and Goole. We spoke to agents in Selby and Goole about this local housing market. It was apparent that local Goole based households seeking to upgrade would seek to re-locate here. Active demand is also from power station employees and households whose employment is in West Yorkshire (Wakefield, Leeds) or Hull and or those that travel and need easy access to the motorway network.

7.58   Agents told us that the core workforce of the powers stations are often supplemented by contractors that are brought in for development projects or planned maintenance. Contractors that have long term contracts will seek lower cost rented homes on 6 month tenancies and return home at weekends as this is cheaper than renting rooms. Short term contractors will rent rooms. Many contractors will choose to travel into work though. We asked agents of what impact this had on supply for local households. They said it had no effect as the contractors were only a small

proportion of the market for rented housing and many contractors would deal direct with landlords rather than get involved with letting agencies.

7.59   New build is evident in Whitely on the A19 (York, Selby, Doncaster) which is south of the M62 but no interviews were obtained as developments are small scale and there are no on site sales staff. It is notable that asking prices were close to comparable re-sale homes unlike new build in the village of Thorpe Willoughby considered above.

Private Rented Sector

7.60   Council officers provided further contextual information about the Private Rented Sector in the District. Nearly all private rented sector tenancies are assured shorthold tenancies and tied tenancies. There are 5 licensed houses in multiple occupation, all based in the town of Selby.

7.61   The Council holds occasional events for private landlords and the National Landlords Association. At the last event topics include finding tenants, property condition and the benefit system. A landlord accreditation scheme is under consideration.

7.62   Officers told us that the most frequent complaints to the council about Private Rented Sector tenancies is about damp, mould and excessive cold.

Implications: Market Housing

- The profile of demand for market housing for sale is principally from local residents, with up to 25% of sales from people moving into the District to re-unite with family networks, job re-location or who seek the lower priced housing than offered in the York area. Rental housing attracts a similar proportion of incomers but rental market demand is driven principally by lower income working households that are unable or unwilling to become home owners. Some landlords will offer tenancies to working households receiving housing benefit. New build housing attracted a larger proportions of incomers than re-sale housing but only a small number were long distance movers.

- The demographic analysis indicates that the majority of demand will be for mid-market homes with 2 and 3 bedrooms. This reflects the current demand profile, and an expectation that some older households will choose to downsize should attractive properties be available locally.

- Agents point to a strong demand for bungalows outside Selby Town from older households. However many of the large villages had or have close connections with local industry and the housing stock is geared to the needs of working rather than retired households.

- Within Selby town, agents say that current demand is particularly strong for mid-market 2 and 3 bedroom family homes. They are sought after by many household groups, including families needing to upsize and elderly downsizers.

- First time buyers mostly seek to buy new build in Selby Town. The Help-to-Buy Scheme has supported the lower end of the market. Much of the new and recent development in the town has been within the reach of this group. Mid and upper market purchasers are more likely to be second time movers, upsizing or upgrading using house-builder's part exchange schemes.

- Agents told us that purchasers of higher priced 4 bedroom homes would often purchase larger homes than they need. A significant proportion of these family homes would not be occupied by families with children. The demographic analysis points to 10-15% of need over the longer-term being for properties with 4+ bedrooms.

- Shared ownership opportunities are on offer and are generally affordable to lower income working households who can satisfy mortgage lending criteria.

- Landlords are continuing to invest to meet demand however demand is growing as there is less churn in markets because tenants are tending to stay in tenancies longer. This is leading to a shortage of tenancies and has contributed to rental growth.

- Most letting agents say the crucial gap in supply is of good quality 3 bedroom family homes although demand continues to be very strong right across the private rented sector.

Quantitative Analysis: Affordable Housing

7.63   Table 42 and Figure 46 show estimates of the sizes of affordable housing needed based on the analysis of demographic trends. The data suggests in the period between 2014 and 2037 that around three-quarters of the affordable need is for homes with one- or two-bedrooms with around a quarter of the need being for larger homes with three or more bedrooms.

7.64   This analysis provides a longer-term view of need for affordable housing and does not reflect any specific priorities such as for family households in need rather than single people. The model takes account of household size. The Government's changes to Housing Benefit mean that for working-age households there is expected to be a close relationship between household and dwelling sizes. However it should be noted that one-bed properties in particular offer limited flexibility to accommodate households' changing circumstances, and thus can have higher turnover and be less popular than other dwelling types.

7.65   There can also be benefits in delivering more larger homes where supply is limited, which can create chains of moves which release smaller properties for other households. Whilst the analysis suggests the net need for 4+ bed properties is low in overall terms, the current stock and turnover of this is also relatively modest.

Table 42:   Estimated Size of Dwellings Needed 2014 to 2037 – Affordable Housing

Size	2014	2037	Additional households 2014-2037	% of additional households
1 bedroom	1,067	1,890	823	31.2%
2 bedrooms	1,783	2,940	1,157	43.9%
3 bedrooms	1,484	2,110	626	23.8%
4+ bedrooms	106	133	27	1.0%
Total	4,440	7,073	2,633	100.0%

Source: Housing Market Model

7.66   The figure below shows how the estimated affordable need compares with the stock of affordable housing in 2014 – the figures are based on households (i.e. before adding in a vacancy allowance). Again, the data shows that relative to the current stock there is a slight move towards a greater proportion of smaller homes being required – this makes sense given that in the future household sizes are expected to drop whilst the population of older people will increase – older person households (as shown earlier) are more likely to occupy smaller dwellings.

Figure 46:   Impact of Demographic Trends on Affordable Housing Need by House Size, 2014 to 2037
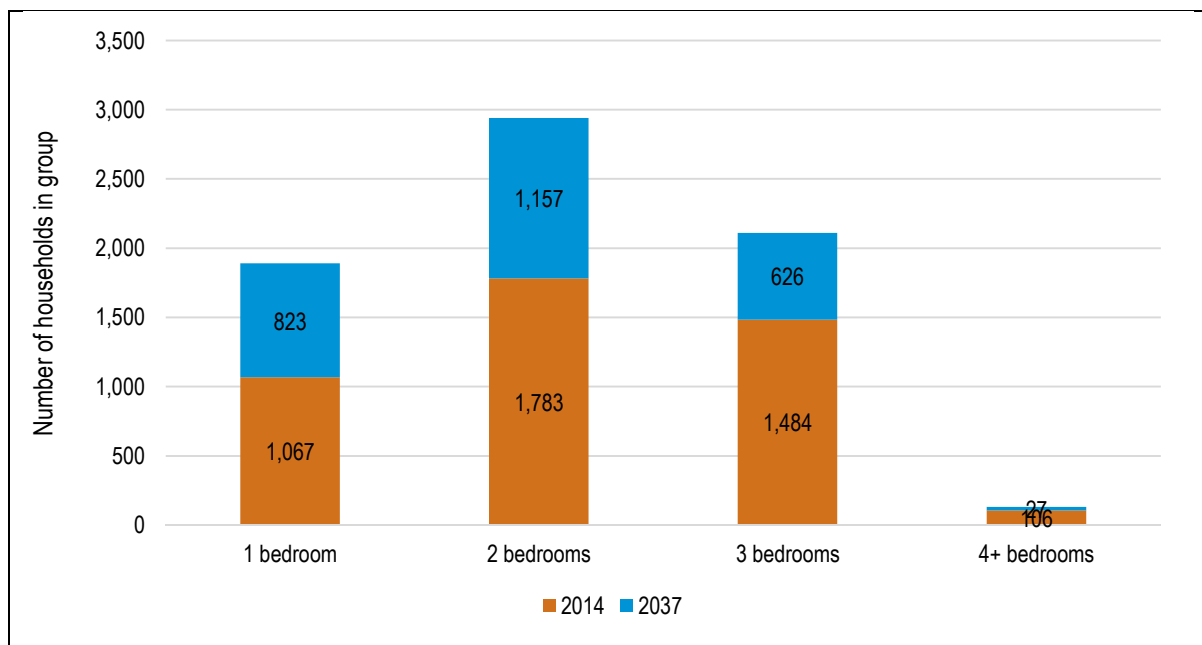
Source: Housing Market Model

Qualitative Analysis: Affordable Housing

7.67   The qualitative analysis undertaken includes engagement with staff in Selby District Council's Housing Options and Private Rented Sector Enforcement Teams and discussions with Guinness Northern Counties.

7.68   Council officers indicated that around 70% of the affordable housing in the District is owned and managed by Selby District Council. The remaining 30% is owned and managed by housing associations. Officers told us that there is currently a shortage of 1 bedroom dwellings for general needs and 2 bedroom houses, due to the effects of welfare reform. However 1 bedroom sheltered housing can prove hard to let as pensioner households are not affected by welfare reform ('the bedroom tax') and they prefer two bedroom housing. There are no plans to increase the number of 1 bedroom homes in the affordable housing stock.

7.69   Affordable housing is also in short supply for older households seeking to downsize into 2 bedroom homes and single non pensioner households. There is no specialised housing for people with learning disabilities or mental health problems.

7.70   The private rented sector has an impact on demand for affordable housing. During 2013/14 23% of all households accepted as homeless were due to failed private rented sector tenancies. The Housing Options Team will assist households to access private rented sector housing offering

tenancy support and a restricted rent deposit scheme. Private rented sector vacancies are currently not advertised within the North Yorkshire HomeChoice scheme. All council and housing association letting bids and offers are managed through this system, which allows access to tenancies by any eligible registered residents across North Yorkshire. All local authorities across North Yorkshire are partners except Harrogate. The scheme currently does not market private rented sector vacancies.

7.71   The number of current and recent shared ownership schemes available in Selby District is noteworthy. Guinness Northern Counties has recently completed one scheme at South Milford and second scheme at Thorpe Willoughby. The latter is currently being marketed by an estate agent in Selby. The agent remarked that they were selling very quickly.

7.72   A Guinness Northern Counties official explained that both sites became available because of a national agreement with Linden Homes. They were S106 funded from adjacent Linden Homes developments and contained a mix of affordable and shared ownership in an approximate ratio of 65:35. The affordable lettings are managed through the HomeChoice choice based lettings scheme. It was proposed that the sales were subject to a sequential local connection test but this was re-negotiated.

7.73   The outcome was that for all but two homes at South Milford sales had been to Selby District residents (5 were from Selby town), the two incoming households being from the York and Goole area. Achieved sales were in line with the marketing strategy supporting the housing association's decision to proceed with the development some years earlier, specifically: serving and retired members of the armed forces (RAF); households sharing with another household and private rented sector tenants.

7.74   The officer pointed out that there was concern that shared ownership sales would be in competition with market housing provided by Linden Homes. However, we were told that sales information supported the view that shared ownership sales had been achieved, as intended to lower income households. The median household income of help to buy sales of a 2 bedroom home was £30,000 pa and on a shared ownership the median household income was £25,000.

7.75   We also sought some registered provider perspectives on wider issues found in this report. We highlighted stakeholder views about the lack of retirement housing in all tenures. It was clear that some professionals in the housing market perceive that Selby District is about working households rather than a retirement destination as in Lincolnshire. It also emerged that although Selby had a significant mining industry, the legacy issues found in other coalfield areas such as in the adjacent South Yorkshire area, are not present on such a scale. The legacy issues are based upon large cohort of retired mineworkers some of whom live with mining-related health problems.

7.76   A further local factor, with wider implications for the private rented sector in Selby is the fact that 4 broad market areas apply for Local Housing Allowance. These are, in ascending order of value: Doncaster, Wakefield, Leeds and York. The difference between Doncaster and York reference rents for a one bedroom home is £33 per week (£100.38-£77.31).

Implications: Affordable Housing

- The demographic-led modelling indicates that almost 85% of the need for affordable housing is for 1 and 2 bed properties. 1-bed properties can however offer limited flexibility over the longer-term and be more difficult to manage.

- There is a need for 1-bed general needs properties and for 2-bed properties both from general needs and older households. 25% of the need identified is for properties with 3 or more bedrooms, however it may be appropriate to seek a higher percentage in new-build schemes, as delivery will release existing smaller properties for other households in a number of instances.

- Shared ownership schemes within the District have been performing well. 22% of the housing need identified in the SHMA is for intermediate equity-based housing products. Higher intermediate housing provision may however be appropriate where it helps to support scheme viability.

Indicative Targets by Dwelling Size

7.77   In this final part of this section, we draw the analysis together to provide an assessment of what mix of homes might appropriately be sought through policy.

7.78   Table 43 and Figure 47 below summarises the quantitative analysis. A vacancy allowance has been factored in when moving from household figures to estimates of housing need/demand (the same figures have been used as in the demographic modelling).

Table 43:   Estimated Housing Need by number of Bedrooms – Selby District, 2014 to 2037

Number of bedrooms	Market			Affordable		
	Households	Dwellings	% of dwellings	Households	Dwellings	% of dwellings
1 bedroom	299	314	6.1%	823	864	31.2%
2 bedrooms	1,742	1,830	35.6%	1,157	1,215	43.9%
3 bedrooms	2,270	2,384	46.4%	626	658	23.8%
4+ bedrooms	579	608	11.8%	27	28	1.0%
Total	4,889	5,135	100.0%	2,633	2,765	100.0%

Source: Housing Market Model

Figure 47:   Size of Homes Needed, Selby District 2014 to 2037
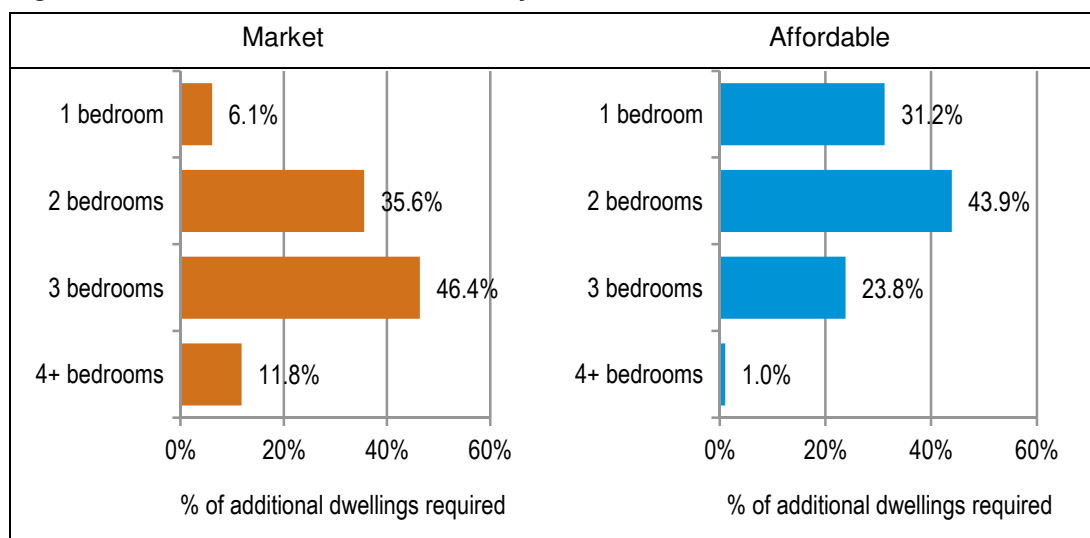
Source: Housing Market Model

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

7.80   It should also be recognised that local authorities have statutory homeless responsibilities towards families with children and would therefore prioritise the needs of families over single person households and couples. On this basis, the profile of affordable housing to be provided would be further weighted to two or more bedroom housing. In the short-term however there may be a need to increase the supply of one-bedroom homes due to the social sector size criteria.

7.81   For these reasons, it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of one bedroom homes required is reduced slightly from these outputs with a commensurate increase in four or more bedroom homes also being appropriate.

7.83   There are thus a range of factors which are relevant in considering policies for the mix of <u>affordable housing</u> sought through development schemes. At a District-wide level, the analysis would support policies for the mix of affordable housing of:

- 1-bed properties: 30%
- 2-bed properties: 40%
- 3-bed properties: 25%
- 4-bed properties: 5%

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

7.85   The need for affordable housing of different sizes will vary by area across the Council area and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties.

7.86   In the market sector a profile of housing that closely matches the outputs of the modelling is suggested. The recommendations take some account of the time period used for the modelling and the fact that the full impact of the ageing population will not be experienced in the short-term. In addition, as noted earlier, current constraints on mortgage finance is likely to suppress demand for smaller units in the short-term (particularly those which would normally have high demand from first-time buyers).

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

- 1-bed properties: 5%
- 2-bed properties: 35%
- 3-bed properties: 45%
- 4-bed properties: 15%

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

Implications: Strategic Guidance on Housing Mix

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

	1-bed	2-bed	3-bed	4+ bed
Market	5%	35%	45%	15%
Affordable	30%	40%	25%	5%
All dwellings	15%	35%	40%	10%

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

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

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

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

8   HOUSING NEEDS SPECIFIC GROUPS OF THE POPULATION

8.1   We have established overall housing need for different sizes of properties over the next 23-years, however there can be specific groups within the population who require specialist housing solutions or for whom housing needs may differ from the wider population. These groups are considered within this section.

8.2   Estimates of household groups who have particular housing needs is a key requirement set out in the National Planning Policy Framework, which identifies that local planning authorities should plan for a mix of housing which takes account of the needs of different groups in the community.

8.3   The following key groups have been identified which may have housing needs which differ from those of the wider population:

- Older Persons;
- People with disabilities;
- Black and Minority Ethnic (BME) households;
- Households with children
- Young people

8.4   In addition, the analysis in this section considers the need for self / custom build homes.

Housing Needs of Older People

8.5   The Planning Practice Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. A key driver of change in the housing market over the next 20-years or so is expected to be the growth in the population of older persons (influenced by the demographic structure and increasing life expectancy).

8.6   Indeed as population projections show, the number of older people is expected to increase significantly over the next few years. In this section we draw on a range of sources including our population projections, 2011 Census information and data from POPPI (Projecting Older People Population Information).

8.7   There is a need to provide housing for older people as part of achieving a good mix of housing, but it is important to recognise that many older people are able to exercise choice and control over housing options – e.g. owner occupiers with equity in their homes. Many may choose to remain in the homes which they have lived in for many years. Only a proportion of older households will choose to downsize or move to specialist accommodation.

8.8   Falling demand for residential care in some areas, and a rapidly rising average age of people living in sheltered housing and requiring higher levels of support have undermined demand for residential care accommodation. Many local authorities have also struggled to contain expenditure on services for older people.

8.9   New models of enhanced and extra care housing have emerged. These aim to meet the needs of those who require high levels of care and support alongside those who are still generally able to care for themselves. These models often allow for changing circumstances in situ rather than requiring a move.

8.10   Fundamentally, there is a need to provide choices of housing for older people, including supporting people to stay in their own homes including through supporting adaptations to properties and through provision of floating support.

Understanding Demographics

8.11   Understanding demographics is important in assessing housing need from older persons. The proportion of the population over 75 in Selby District is broadly similar to regional and national averages; but there are an above average proportion of people aged 65-74 who will age over the next 20+ years.

Table 44:   Older person population (2014)

Age group	Selby District		North Yorkshire	Yorkshire/ Humber	England
	Population	% of popn	% of popn	% of popn	**% of popn**
Under 65	69,294	81.1%	77.2%	82.2%	82.4%
65-74	9,299	10.9%	12.3%	9.7%	9.5%
75-84	4,933	5.8%	7.4%	5.8%	5.7%
85+	1,944	2.3%	3.1%	2.3%	2.4%
Total	85,469	100.0%	100.0%	100.0%	100.0%
Total 65+	16,176	18.9%	22.8%	17.8%	17.6%

Source: ONS 2012-based SNPP and projection modelling

8.12   We can use published population projections to provide an indication of how the numbers of older persons might change in the future compared with other areas. The data provided below is based on the 2012-based SNPP which is the latest source available consistently across areas. Data for Selby District is based on our main demographic projection (using 2012-based SNPP with additional data from ONS mid-year population estimates).

8.13 The data shows that Selby District (in line with other areas) is expected to see a notable increase in the older person population with the total number of people aged 65 and over expected to increase by 72% over the 23-years from 2014. This figure is higher than projected for any of the other areas studied. This however will to a large degree be linked to the higher level of population growth expected in the District (a 16% increase in population compared with 6%-15% in other locations). As with other areas, there is expected to be particularly strong growth in the population aged 85 and over (driven by increasing life expectancy).

Table 45:   Projected Change in Population of Older Persons (2014 to 2037)

Age group	Selby District	North Yorkshire	Yorkshire/ Humber	England
Under 65	3.0%	-7.8%	1.3%	5.6%
65-74	39.4%	24.1%	28.9%	34.3%
75-84	86.2%	59.8%	53.8%	59.6%
85+	192.5%	155.1%	136.1%	141.1%
Total	16.1%	6.1%	10.1%	14.6%
Total 65+	72.1%	53.2%	50.8%	56.9%

Source: ONS 2012-based SNPP and projection modelling

8.14 We have used 2011 Census data to explore in more detail the characteristics of older person households in Selby (based on the population aged 65 and over). Table 46 shows the number of households compared with North Yorkshire, Yorkshire/Humber region and England. The data shows that in 2011 around 21% of households were comprised entirely of people aged 65 and over. This is similar to the figures for Yorkshire/Humber and England but notably below the equivalent figure for North Yorkshire.

Table 46:   Pensioner households (Census 2011)

Pensioner households	Selby	North Yorkshire	Yorkshire/ Humber	England
Single pensioner	3,913	36,911	2,725,596	281,870
2 or more pensioners	3,290	28,826	1,851,180	191,913
All households	34,559	256,594	22,063,368	2,224,059
Single pensioner	11.3%	14.4%	12.4%	12.7%
2 or more pensioners	9.5%	11.2%	8.4%	8.6%
All households	100.0%	100.0%	100.0%	100.0%
Total % pensioner only	20.8%	25.6%	20.7%	21.3%

Source: 2011 Census

8.15 Figure 48 shows the tenure of older person households. The data has been split between single pensioner households and those with two or more pensioners (which will largely be couples). The data shows that pensioner households are relatively likely to live in outright owned accommodation (69%) and are more likely than other households to be in the social rented sector. The proportion of

pensioner households living in the private rented sector is relatively low (4% compared with 11% of all households in the District).

8.16   There are however notable differences for different types of pensioner households, with single pensioners having a lower level of owner-occupation than larger pensioner households. This group also has a much higher proportion living in the social rented sector.

8.17   Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population. That said, the proportion of older person households who are outright owners (with significant equity) may mean that market solutions will also be required to meet their needs. This is considered later in this section.

Figure 48: Tenure of older person households – Selby
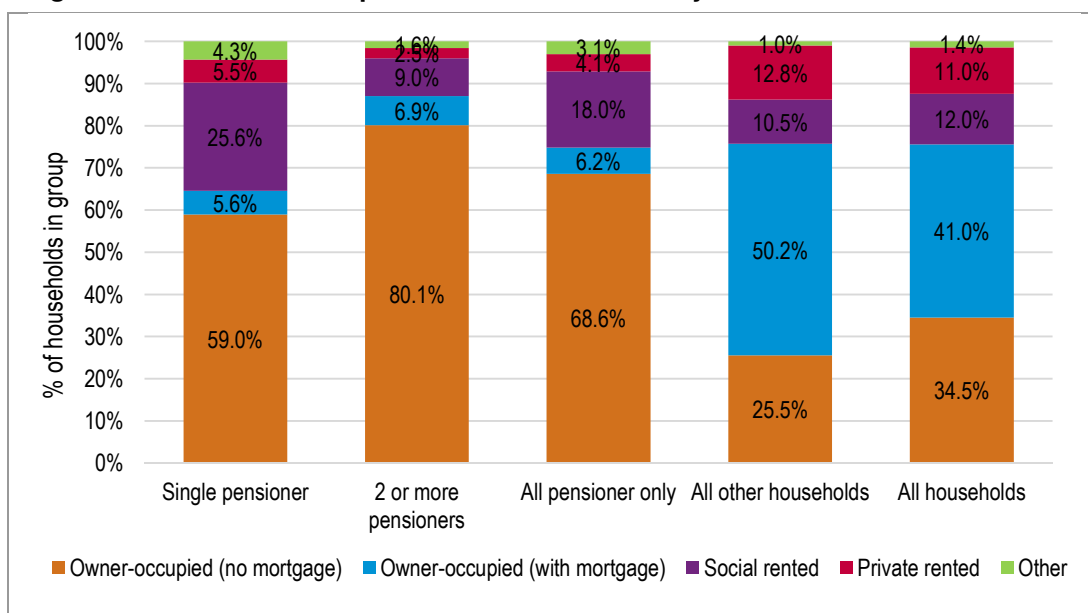
Source: 2011 Census

8.18   A key theme that is often brought out in Housing Market Assessment work is the large proportion of older person households who under-occupy their dwellings. Data from the Census allows us to investigate this using the bedroom standard. The Census data does indeed suggest that older person households are more likely to under-occupy their housing than other households in the District.

8.19   In total 54% have an occupancy rating of +2 or more (meaning there are at least two more bedrooms than are technically required by the household). This compares with 43% for non-pensioner

households. Further analysis suggests that under-occupancy is far more common in households with two or more pensioners than single pensioner households.

Figure 49:   Occupancy rating of older person households – Selby
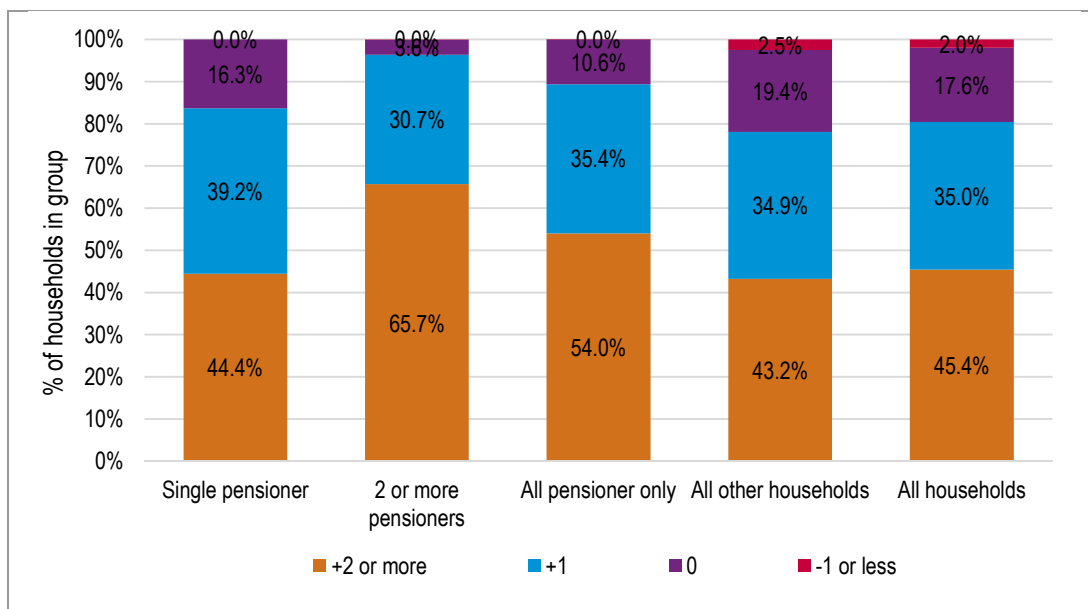
Source: 2011 Census

8.20   It is of interest to study the above information by tenure. Table 47 shows the number of pensioner households who had an occupancy rating of +2 or more in each of three broad tenure groups in 2011. Whilst the majority of older person households with an occupancy rating of +2 or more were in the owner-occupied sector, there were 167 properties in the social rented sector occupied by pensioner only households with an occupancy rating of +2 or more. This may therefore present some opportunity to reduce under-occupation - although to achieve this it may be necessary to provide housing in areas where households currently live and where they have social and community ties.

Table 47: Pensioner households with occupancy rating of +2 or more by tenure

Tenure	Single pensioner	2 or more pensioners	All pensioner only households
Owner-occupied	1,484	2,003	3,487
Social rented	121	46	167
Private rented	134	68	202
All tenures	1,739	2,117	3,856

Source: 2011 Census

8.21   It should however be recognised that many older households in the private sector will have built up equity in their existing homes. In the private sector many older households may be able to afford a larger home than they need (and thus under-occupy housing). Some may look to downsize to

release equity from homes to support their retirement (or may move away from the area); however we would expect many older households to want to retain family housing with space to allow friends and relatives to come to stay. Data about household ages and the sizes of homes occupied in the previous section does indicate that some households do typically downsize, however, a cautious view should be taken about the willingness of households to move to smaller homes and the extent to which this can be influenced through policy.

Health-related Population Projections

8.22 A growing older population can be expected to impact on the number of people with specific illnesses or disabilities. To assess this, we have used data from the Projecting Older People Information System (POPPI) website which provides prevalence rates for different disabilities by age and sex. For the purposes of the SHMA analysis has focused on estimates of the number of people with dementia and mobility problems.

8.23 For both of the health issues analysed, the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates from a range of different sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.

8.24 Table 48 shows that the numbers of people in Selby District with dementia and mobility problems are expected to increase significantly in the future, although this would be expected given the increasing population. In particular there is projected to be a large rise in the number of people with dementia (up 130%) along with a doubling in the number with mobility problems.

Table 48: Estimated population change for range of health issues (2014 to 2037)

Type of illness/disability	2014	2037	Change	% increase
Dementia	1,045	2,403	1,358	130.0%
Mobility problems	2,818	5,689	2,871	101.9%

Source: Data from POPPI and demographic projections

Indicative Requirements for Specialist Housing for Older People

8.25 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be a need for additional specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with our demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.

8.26 Table 49 shows the current supply of specialist housing for older people. At present it is estimated that there are 752 units; this is equivalent to 109 units per 1,000 people aged 75 and over. Virtually

all of the housing (95%) is in the affordable sector – this finding is significant given that the majority of retired households are owner-occupiers.

Table 49: Current supply of specialist housing for older people

	Affordable	Market	Total	Supply per 1,000 aged 75+
Sheltered	619	37	656	95
Extra-Care	96	0	96	14
Total	715	37	752	109

Source: Housing LIN

Projected Future Need for Specialist Housing for Older Persons

8.27   The analysis above showed a total of 109 specialist units per 1,000 people aged 75 and over. This figure is significantly lower than the national average of about 170. In projecting forward how many additional units might be required we have modelled on the basis of maintaining the baseline 109 position and also the implications of increasing this to 170. The analysis is based on achieving these levels by 2037.

8.28   The analysis shows to maintain the current level of provision there would need to be a further 874 units of specialist accommodation for older persons provided. This figure increases to 1,776 if the level of provision were to get to the national average. It should be stressed that the analysis below is based on modelling data on a series of assumptions and should therefore be treated as indicative (particularly given the very wide range of outputs depending on the assumptions used).

Table 50: Projected need for specialist housing for older people (2014-37)

	@ 78 per 1,000	@ 170 per 1,000
Need	1,626	2,528
Supply	752	752
Net need	874	1,776

Source: Derived from demographic projections and Housing LIN

8.29   A mid-point of the two estimates would suggest a need for around 1,325 additional specialist units for older people which would represent about 17% of the overall housing need shown through demographic modelling (using 2012-based SNPP and CLG household projections). A figure of 1,325 represents about 58 dwellings per annum.

8.30   Whilst there is no precedent for taking a midpoint of these figures we would consider that it is a reasonable and balanced approach. Continuing to model on the basis of the current stock may under-estimate needs given the low current stock; however moving to the national average may overstate the position (particularly if for example the current low level of provision is in part driven by a lower need/demand in the area).

8.31   Specialist accommodation for older persons would be expected to include sheltered, retirement and extra care housing. GL Hearn note that there are potential funding issues for specialist accommodation. Extra care schemes in the District for example require high grant levels and Registered Providers resist the preference of commissioners to market test the care provision which they prefer to keep in house to maintain quality.

Need for different Types and Tenures of Specialist Housing for Older Persons

8.32   Data earlier in this section has shown that pensioner households are relatively likely to live in outright owned accommodation. The information about current tenures can be used to estimate the amount of additional housing likely to be required in each of the market and affordable sectors.

8.33   Looking at the data it is considered that around 65% of older person households would be able to afford a market solution – this figure is indicative but based on current levels of outright ownership and recognising stronger growth in single person households in the future (such households having lower levels of home ownership).

8.34   Table 51 shows that using this proportion of home ownership along with the current supply of different tenures of specialist housing, it would be expected that there is a need for around 1,313 units of market specialist housing and just 12 in the affordable sector.

8.35   The finding of little need for specialist affordable housing needs however to be considered in light of information about the extent to which the current stock is 'fit-for purpose.' It may be the case that some existing sheltered housing is in poor condition or suffers from low demand. There may also be a case for diversification of stock (such as to provide more extra-care housing, subject to scheme viability, rather than sheltered options). This may mean that provision of some additional affordable specialist housing would be appropriate. The Council should therefore use their own local knowledge of demand and the stock profile to form a view about the extent to which affordable specialist housing should be provided in the future.

8.36   The analysis is not specific about the types of specialist housing that might be required. We would consider that decisions about mix should be taken at a local level taking account of specific needs and the current supply of different types of units available. There may also be the opportunity moving forward for different types of provision to be developed as well as the more traditional sheltered and Extra-Care Housing.

8.37   Within the different models and assumptions made regarding the future need for specialist retirement housing (normally defined as a form of congregate housing designed exclusively for older people which usually offers some form of communal space, community alarm service and access to support and care if required), there may for example be an option to substitute some of this specialist

provision with a mix of one and two bedroomed housing aimed to attract 'early retired' older people which could be designated as age specific or not. Such housing could be part of the general mix of one and two bedroom homes but built to Lifetime Homes standards in order to attract retired older people looking to 'down size' but perhaps not wanting to live in specialist retirement housing.

8.38   The SHMA has also identified a demand from older households for bungalows. Where developments including bungalows are found it is clear that these are very popular to older people downsizing. It should be acknowledged that providing significant numbers of bungalows involves cost implications for the developer given the typical plot size compared to floor space – however providing an element of bungalows should be given strong consideration on appropriate sites, allowing older households to downsize while freeing up family accommodation for younger households.

Table 51:   Projected Need for Older Persons Accommodation (including specialist housing) – by broad tenure (2014-37)

	Market	Affordable	Total
Need	1,350	727	2,077
Supply	37	715	752
Net need	1,313	12	1,325

Source: Derived from demographic projections

Need for Registered Care Accommodation

8.39   As well as the need for specialist housing for older people, the analysis needs to consider registered care accommodation.

8.40   At present (according to Housing LIN) there are around 610 spaces in nursing and residential care homes. Given new models of provision (including Extra-care housing) it may be the case that an increase in this number would not be required. There will however need to be a recognition that there may be some additional need for particular groups such as those requiring specialist nursing or for people with dementia.

8.41   The demographic modelling includes estimates of the number of people expected to be living in 'institutions'. Between 2014 and 2037, this number (based on the population aged 75+) is expected to increase by 598 people (26 per annum) to total 1,027 by 2037. This suggests that at present there may be a small surplus of Registered Care accommodation with a possible shortfall in the longer-term.

8.42   Registered care provision forms part of a C2 Use Class. For the purposes of the demographic modelling, it forms part of the institutional population, which is considered separately from the

household population in the demographic projections. Overall OAN figures in this report thus do not include residential care C2 provision.

8.43   These figures are important to note if the Council intend to include C2 class uses in their assessment of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation. The analysis would suggest a potential need for 417 bedspaces in Residential Care in the 2014-37 period (1,027-610) – this is about 18 per annum.

Housing Needs of those with Disabilities

8.44   This section concentrates on the housing situation of people/households that contain someone with some form of disability. We have again drawn on Census data although it should be recognised that an analysis of people with disabilities is very strongly linked with the above analysis about older people.

8.45   Table 52 shows the proportion of people with a long-term health problem or disability (LTHPD) and the proportion of households where at least one person has a LTHPD. The data suggests that across Selby some 24% of households contain someone with a LTHPD. This figure is lower than the equivalent figure for each of North Yorkshire, Yorkshire/Humber region and England. The figures for the population with a LTHPD again show a lower proportion when compared with the other areas studied (an estimated 16% of the population of Selby have a LTHPD).

Table 52:   Households and people with Long-Term Health Problem or Disability (2011)

Area	Households containing someone with health problem		Population with health problem	
	Number	%	Number	%
Selby	8,277	24.0%	13,678	16.4%
North Yorkshire	64,282	25.1%	104,744	17.5%
Yorkshire/Humber	593,043	26.7%	993,649	18.8%
England	5,659,606	25.7%	9,352,586	17.6%

Source: 2011 Census

8.46   The number of people with a LTHPD is influenced by the age structure of the population, it is therefore of interest to study how levels of disability vary by age. Figure 50 therefore shows the age bands of people with a LTHPD for Selby and a range of other areas. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD – for example some 85% of people aged 85 and over have a LTHPD. It should be noted that the base for the figure below is slightly different to the above table in that it excludes people living in communal establishments

8.47   When compared with other areas it is notable for all age groups up to 49 that levels of LTHPD are relatively low; at older age groups it is however apparent that levels of disability are higher than the

County average but remain lower than regional and national figures. The exception to this is in the case of the population aged 85 and over, where levels of disability are higher in Selby than any of the comparator areas.

Figure 50: Population with LTHPD in each Age Band
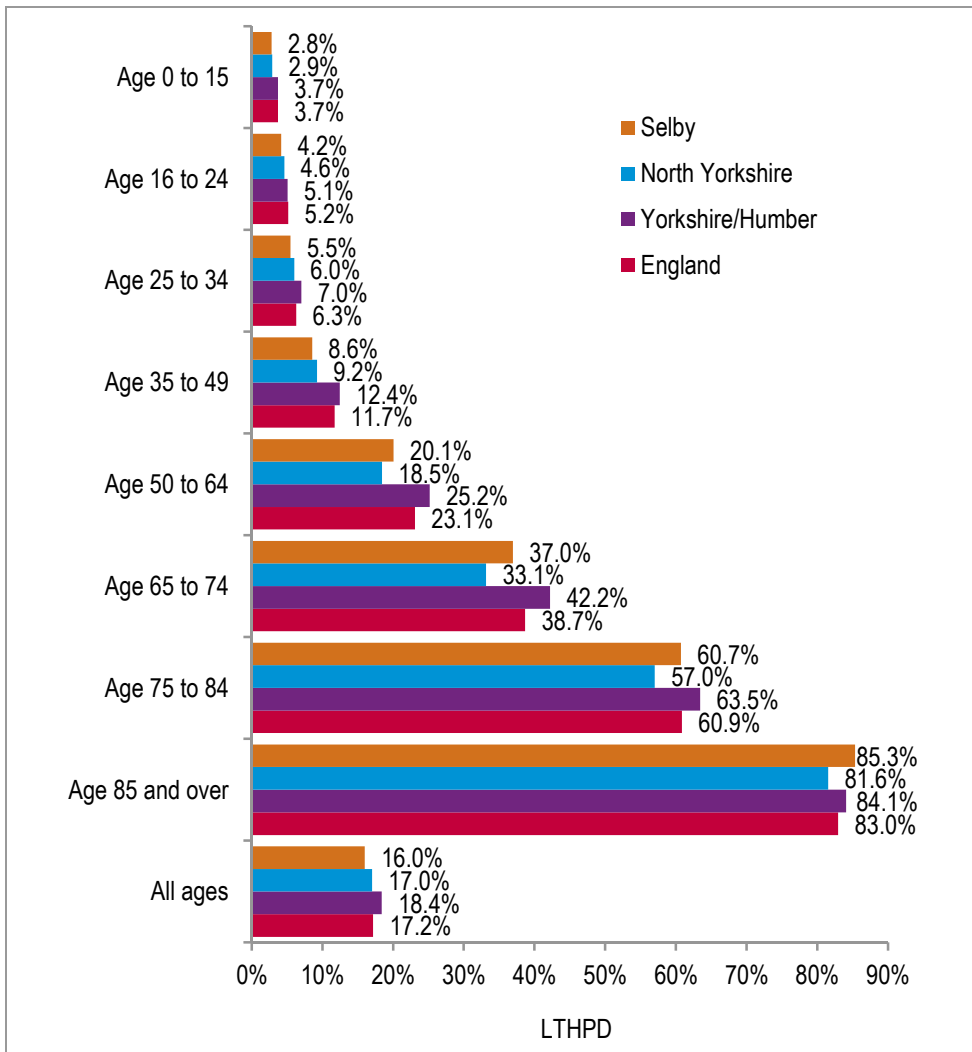
Source: 2011 Census

8.48 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to our projection linked to the 2012-based SNPP it is estimated that the number of people with a LTHPD will increase by around 7,200 (a 49% increase) from 2014 to 2037. Virtually all of this increase is expected to be in age groups aged 65 and over. The population increase of people with a LTHPD represents 52% of the total increase in the population projected by the demographic modelling.

8.49   Figure 51 below shows the tenures of people with a LTHPD – it should be noted that the data is for population living in households rather than households and is therefore not comparable with other tenure analysis provided in this section. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing and are also more likely to be outright owners (this will be linked to the age profile of the population with a disability). Given that typically the lowest incomes are found in the social rented sector and to a lesser extent for outright owners the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population.

Figure 51: Tenure of people with LTHPD – Selby
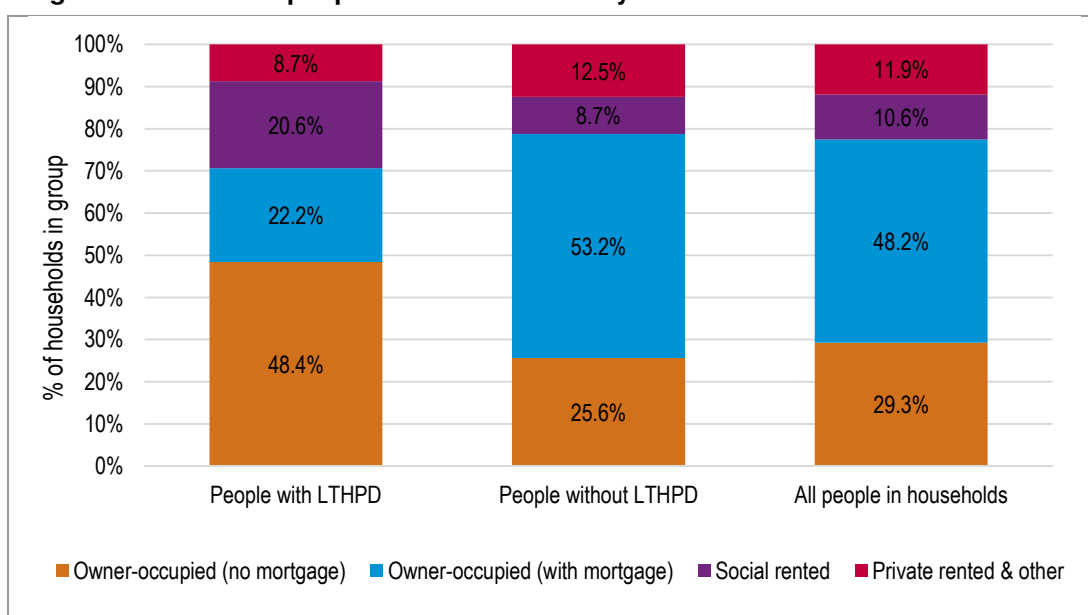
Source: 2011 Census

8.50   The qualitative analysis undertaken indicates that there is no housing provision in the District currently specifically available for households with learning disabilities or mental health issues. This represents a gap in provision.

Housing Needs of BME Households

8.51   Black or Minority Ethnic (BME) households, as a group, may have distinct characteristics in terms of their housing needs, or may be disadvantaged in some way.

8.52   From 2011 Census data we find that around 4% of the population of Selby came from a non-White (British/Irish) background. This figure is significantly below that found nationally (figure for England of 19%) and also below the Yorkshire/Humber average (of 14%). It is also slightly lower than seen across the North Yorkshire County (5%). The key BME group in Selby is Other:White, which makes up 2.3% of all people in the District. This is likely to include Eastern European migrants.

Black and Minority Ethnic Population (2011)

Ethnic Group	Selby	North Yorkshire	Yorkshire/ Humber	England
White: British	95.5%	94.4%	85.8%	79.8%
White: Irish	0.4%	0.4%	0.5%	1.0%
White: Gypsy or Irish Traveller	0.2%	0.1%	0.1%	0.1%
White: Other White	2.3%	2.4%	2.5%	4.6%
Mixed: White and Black Caribbean	0.2%	0.2%	0.6%	0.8%
Mixed: White and Black African	0.1%	0.1%	0.2%	0.3%
Mixed: White and Asian	0.3%	0.3%	0.5%	0.6%
Mixed: Other Mixed	0.1%	0.2%	0.3%	0.5%
Asian: Indian	0.2%	0.3%	1.3%	2.6%
Asian: Pakistani	0.0%	0.1%	4.3%	2.1%
Asian: Bangladeshi	0.0%	0.0%	0.4%	0.8%
Asian: Chinese	0.2%	0.3%	0.5%	0.7%
Asian: Other Asian	0.2%	0.5%	0.8%	1.5%
Black: African	0.2%	0.2%	0.9%	1.8%
Black: Caribbean	0.0%	0.1%	0.4%	1.1%
Black: Other Black	0.0%	0.1%	0.2%	0.5%
Other ethnic group: Arab	0.0%	0.1%	0.4%	0.4%
Any other ethnic group	0.0%	0.1%	0.4%	0.6%
Total	100.0%	100.0%	100.0%	100.0%
Total population	83,449	598,376	5,283,733	53,012,456
% non-White (British/Irish)	4.1%	5.2%	13.7%	19.3%

Source: 2011 Census

8.53   Since 2001 the BME population in the District can be seen to have increased significantly as shown in Table 53 below. We have condensed some categories together due to a slightly different list of potential groups being used in the 2011 Census when compared with 2001 data. The data shows that whilst the overall population of Selby has increased by 6,979 over the 10-year period there has been a notable increase in BME groups (all groups other than White (British/Irish)) of 2,425. The White (British/Irish) population has increased by 6% compared to an increase of 240% in BME groups (all combined).

8.54   Looking at particular BME groups, we see that the largest rise has been for the White: Other population – increasing by 1,570 over the ten years. The Black or Black British population has increased by a lesser amount (170) but does reflect over a 360% increase in the number of people from this ethnic group.

**Table 53: Change in BME groups 2001 to 2011 – Selby**

Ethnic Group	2001	2011	Change	% change
White (British/Irish)	75,458	80,012	4,554	6.0%
White - Other	493	2,065	1,572	318.9%
Mixed	213	626	413	193.9%
Asian or Asian British	218	493	275	126.1%
Black or Black British	46	212	166	360.9%
Other	42	41	-1	-2.4%
Total	76,470	83,449	6,979	9.1%
Non-White (British/Irish)	1,012	3,437	2,425	239.6%

Source: Census 2001 and 2011

8.55   Census data can also be used to provide some broad information about the household and housing characteristics of the BME population in the District. Figure 52 looks at the population age structure of six broad age groups using data from the 2011 Census.

8.56   The age profile of the BME population is striking when compared with White: British/Irish people. All BME groups are considerably younger than the White (British/Irish) group with people from a Mixed background being particularly likely to be aged under 15 when compared with any other group. The proportions of older persons are also notable with 25% of White; British/Irish people being aged 60 or over compared with all BME groups showing proportions of no more than 10%.

**Figure 52: Population Age Profile by Ethnic Group in Selby (2011)**
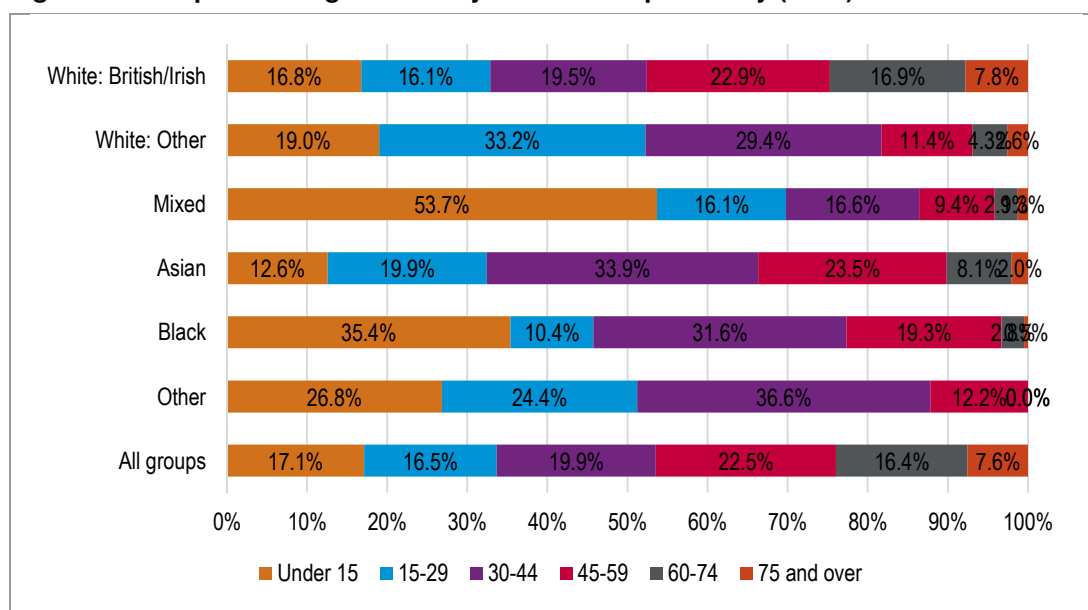
Source: 2011 Census

8.57   There are notable differences between the household characteristics of BME households compared with the White: British population. Figure 53 indicates that all BME groups are significantly less likely

to be owner-occupiers and all groups are far more likely to live in private rented accommodation. Arguably the starkest trend is the 47% of White (Other) and 54% of Black households living in the private rented sector.

Figure 53: Tenure by ethnic group – Selby
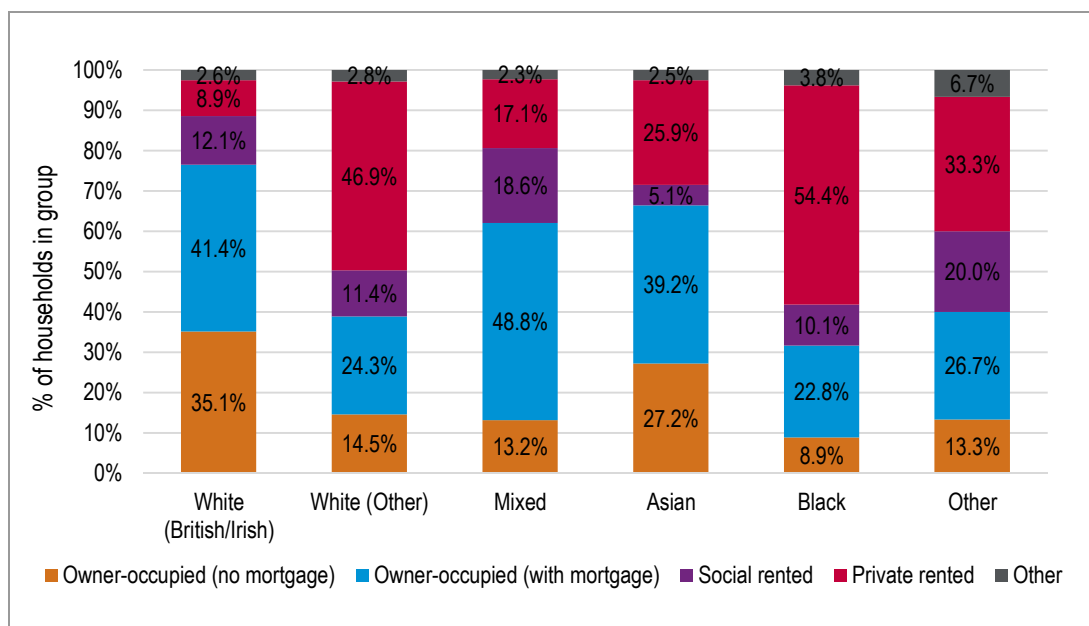
Source: 2011 Census

8.58   The strong representation of BME households in the Private Rented Sector means that they are more likely to be affected by the changes discussed to Local Housing Allowance (particularly as the sector in the District shows a strong representation of LHA Claimants).

8.59   As BME communities mature over time, the level of owner occupation may increase. There is for instance evidence of this happening within the Polish community. The pace at which this happens may be influenced by economic opportunities available as well as the level of enterprise within the local community. For some communities there may be support mechanisms which can work within the community, such as availability of interest free loans or support raising a deposit to buy a home, depending on cultural factors.

8.60   Figure 54 below shows 'occupancy ratings' by BME group. This is based on the bedroom standard where a positive figure indicates under-occupancy and negative figures suggest some degree of over-crowding. BME groups are more likely to be overcrowded (i.e. have a negative occupancy rating) than White (British) households. In particular, the Census data suggests that around 18% of Black households are overcrowded along with 11% of the White:Other group – this compares with less than 2% of the White (British) group. Levels of under-occupancy amongst BME communities are generally low.

Figure 54: Occupancy rating by ethnic group – Selby
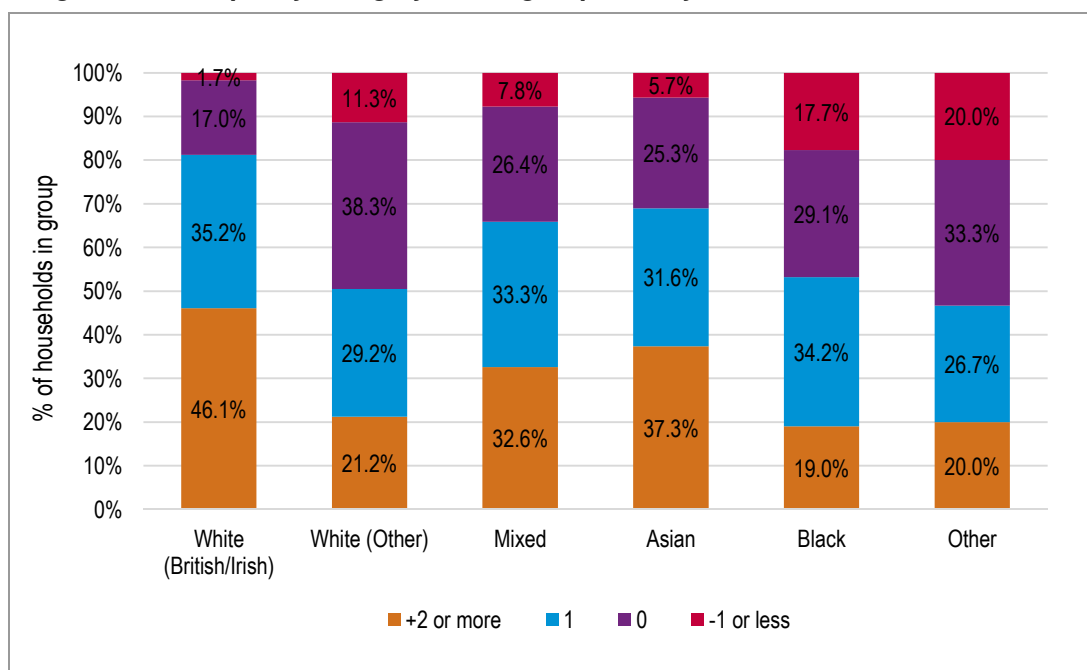
Source: 2011 Census

Family Households

8.61   The number of families in Selby District (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 10,200 in 2011, accounting for 29% of households – a similar figure to that seen across both Yorkshire/Humber and England (and slightly higher than the North Yorkshire average). The demographic projection (linked to the 2012-based SNPP) suggests that the number of children (aged Under 15) is expected to increase by 8% from 2014 to 2037 (an increase of around 1,200). When compared with other areas the proportion of married couple households is particularly notable (18.2%).

Table 54:   Households with dependent children (2011)

Household Type	Selby		North Yorkshire	Yorkshire/ Humber	England
	Number	%	%	%	%
Married couple	6,284	18.2%	15.9%	14.6%	15.3%
Cohabiting couple	1,495	4.3%	3.6%	4.6%	4.0%
Lone parent	1,727	5.0%	5.3%	7.1%	7.1%
Other households	662	1.9%	1.7%	2.4%	2.6%
All other households (no dependent children)	24,391	70.6%	73.5%	71.3%	70.9%
Total	34,559	100.0%	100.0%	100.0%	100.0%
Total with dependent children	10,168	29.4%	26.5%	28.7%	29.1%

Source: 2011 Census

8.62   Figure 55 shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only around 41% of lone parent households are owner-occupiers compared with 87% of married couples with children.

Figure 55:   Tenure of households with dependent children – Selby
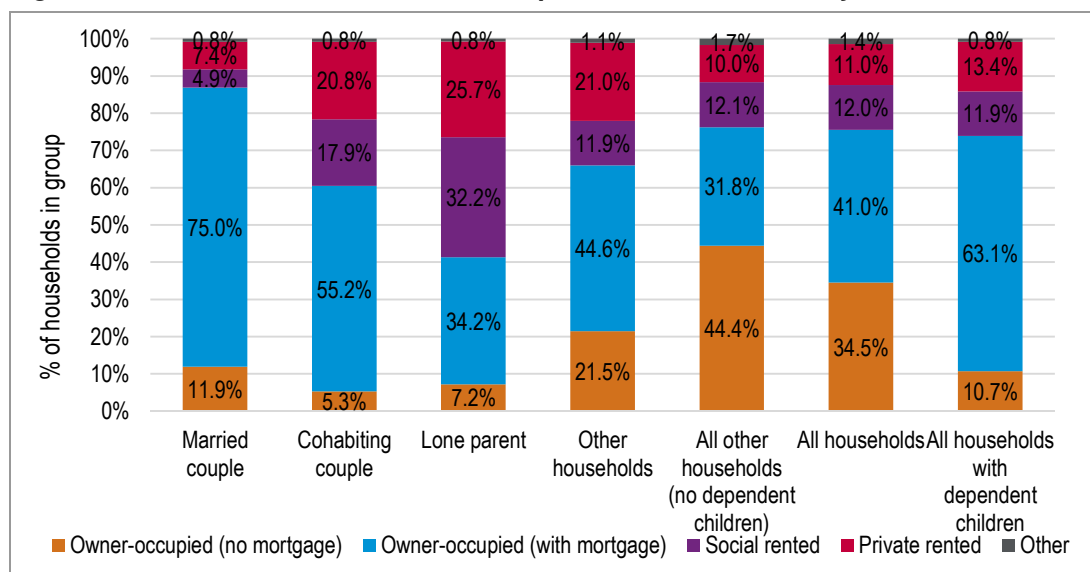
Source: 2011 Census

8.63   Overcrowding is often a key theme when looking at the housing needs of households with children and the figure below shows that households with children are about five times more likely than other households to be overcrowded. In total, some 5% of all households with dependent children are overcrowded and included within this the data shows that 26% of 'other' households are overcrowded. Other than for married couple households levels of under-occupancy are also very low.

Figure 56: Occupancy rating and households with dependent children
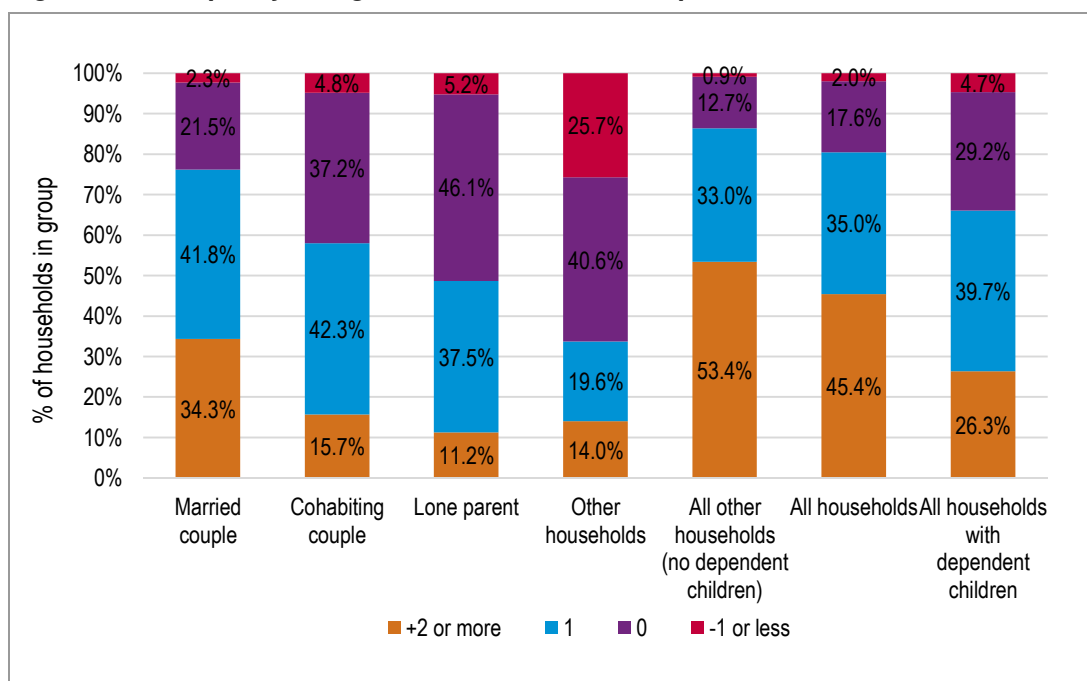
Source: 2011 Census

Young Persons

8.64 Providing for the needs of younger person households is an important consideration for the Council. Given ageing populations, the ability to retain young people in an area can assist in providing a more balanced demographic profile as well as providing a vital part of the local workforce. Young people may however find barriers to accessing housing given typically low incomes and potential difficulties in securing mortgage finance due to deposit requirements. Additionally, LHA payments may limit choice for under-35s requiring private rented homes.

8.65 The demographic projections (linked to the 2012-based SNPP) suggest that in 2014 there were around 4,900 households headed by someone aged under 35 and that this is expected to remain largely unchanged over the period to 2037.

8.66 As well as households headed by a younger person there will be others living as part of another household (typically with parents). Table 55 below shows the number of households in the District with non-dependent children. In total, some 10% of households (3,500) contain non-dependent children. This may to some degree highlight the difficulties faced by young people in accessing housing.

8.67 Young people may be less likely to be eligible for social housing, have lower household incomes and have difficulty in accessing the owner-occupied sector due to mortgage constraints and deposit

requirements. All of these factors contribute to the current trend for young people moving in with or continuing to live with parents.

Table 55:   Households with non-dependent children (2011)

Household Type	Selby		North Yorkshire	Yorkshire/ Humber	England
	Number	%	%	%	%
Married couple	2,345	6.8%	5.6%	5.6%	5.5%
Cohabiting couple	183	0.5%	0.4%	0.5%	0.6%
Lone parent	971	2.8%	2.8%	3.5%	3.2%
All other households	31,060	89.9%	91.1%	90.4%	90.7%
Total	34,559	100.0%	100.0%	100.0%	100.0%
Total with non-dependent children	3,499	10.1%	8.9%	9.6%	9.3%

Source: 2011 Census

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

Figure 57:   Tenure by age of HRP – Selby
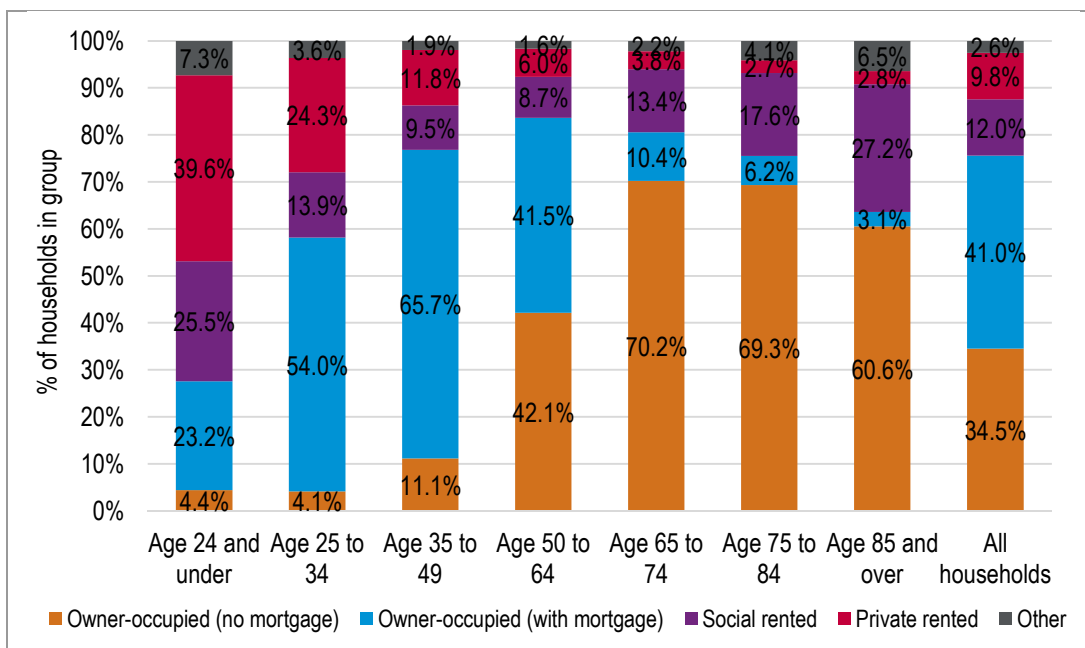
Source: 2011 Census

8.69   Census data can also be used to look at economic activity rates; including employment and unemployment levels. Data about this is shown in the figure below. The data shows that younger

people are more likely to be unemployed than other age groups. The data shows that of the population aged 16-24 some 10.9% are unemployed, along with 5.3% of those aged 25-34.

Figure 58: Economic activity by age – Selby

Source: 2011 Census

Self/Custom Build

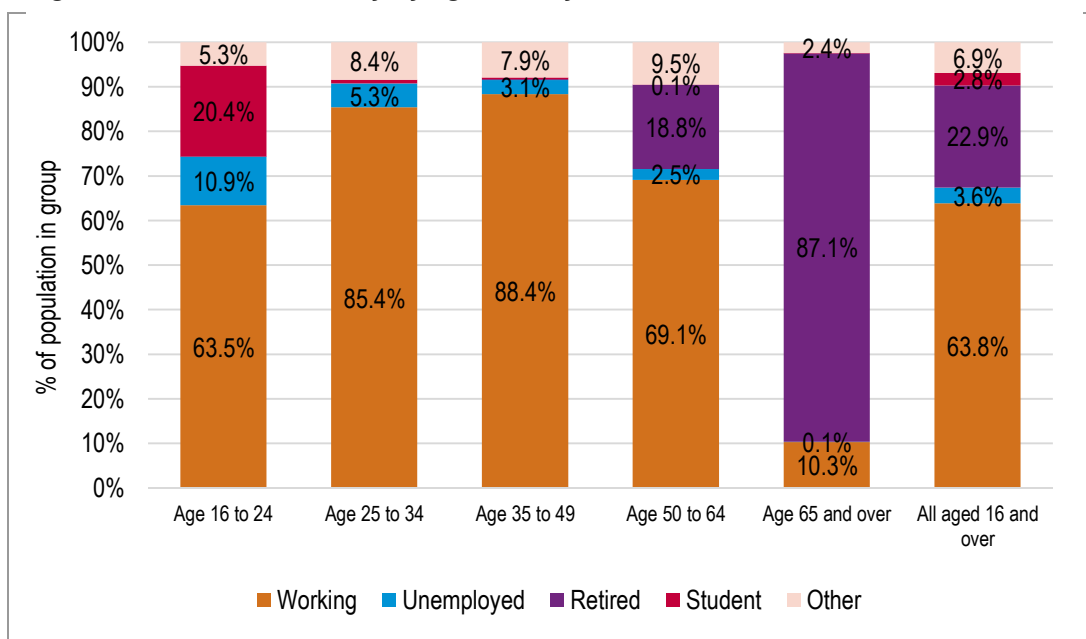8.70   SHMAs need to investigate the contribution that self-build makes toward the local supply. It is referred to in the NPPF and in 'Laying the Foundations – a Housing Strategy for England 2010'. The strategy states that only one in 10 new homes in Britain was self-built in 2010 that the barriers for the sector to grow are lack of land, limited finance and mortgage products, restrictive regulation and a lack of impartial information for potential custom home builders. However the Government aspires to make self-build a 'mainstream housing option' by making funding available to support self-builders and by asking local authorities to champion the sector. Up to £30m of funding has been made available via the Custom Build programme administered by the HCA to provide short-term project finance to help unlock group custom build or self-build schemes. The fund can be used to cover eligible costs such as land acquisition, site preparation, infrastructure, and S106 planning obligations.

8.71   Recent research into the self-build market is limited. The Joseph Rowntree Foundation published a report 'The current state of the self-build housing market' in 2001. However market conditions have changed since then and government schemes such as help to buy and increased competition amongst house-builders has arguably removed some of the motivation from potential self-builders.

8.72   Interestingly, the media has focussed on custom build. We are aware of many popular radio and TV programmes that have made case studies of custom build projects. The genre is also significant

from an investment point of view given that there have been very poor returns on personal or business deposits since 2008.

8.73 Since the publication of the NPPF we have carried out bespoke qualitative research into self-build as part of our SHMA methodology. We have sought information from local authority planning departments; estate agents, the internet and a small number of self-builders. We have adopted a wide definition of self-build and conclude that the term 'custom build' is probably a better description of the sector. This is because the initiator can be involved in construction, produce, or project manage the project or simply commission a project for professionals and house builders to deliver. The initiator may not be the occupier, seeing the project as an investment for sale or rent.

8.74 Quantitative information is hard to come by. Planning officers are not required to keep records as and frequently draw our attention to the fact that a custom build classification is not included on the national 1APP planning forms and/or the building regulations forms. Information from local authority planning officers is therefore anecdotal. Most officers tell us that activity as a percentage of completions is low, ranging from 'next to nothing' to 10% although most say that the level is under 5%. They tell us that dwellings can have design merit but can require more input from planning and building control officers. Custom build being facilitated by serviced plots are rare and would require initial investment by the landowner. Officers also refer to the construction of annexes. These will be standalone self-contained dwellings and are often constructed for employees or family members some of whom may be frail or disabled in some way. Planning officers told us that planning conditions are mostly applied to ensure that occupancy is connected to the main dwelling in some way.

8.75 Estate agents tell us that they are frequently involved in valuations where there is potential for 'intensification', for example the potential for constructing dwellings on large gardens or corner plots. Local planning policy may be adopted to restrict this if it is considered that an area is in danger of being over developed. Lack of open space and problematic car parking and infrastructure capacity have been cited as considerations. Agents involved in the re-sale of custom built housing tell us that they rarely encounter problems with lenders as surveyors are always involved in the process. Estate agents tell us that older low density estates can attract custom builders. They have cited areas where small low value dwellings on large plots have been demolished and new dwellings established. They tell us that custom build tends to occur mostly in areas that are becoming fashionable and within rural settlements and in coastal areas and some will be second homes.

8.76 Whilst most new housing is constructed by the volume house builders we have come across many local house builders who develop small plots for individual clients – many for the rental market. Landlords have told us that this is a more cost effective route than purchasing off volume builders. Some landlords generate significant cash surpluses from their portfolio and choose to invest in this

way as returns are more attractive than other investments. At the other end of the scale we have interviewed entrepreneurs and individuals with large savings who will use their local knowledge and skill to acquire individual vacant plots and custom build. Two such entrepreneurs we came across were planning to use the dwelling in the tourist rather than residential sector. We have also come across a medium size regional house builder whose key selling point is that he will customise his products for the purchaser and was offering dwellings within the Help to Buy scheme.

8.77 Finally we have reviewed a number of websites dedicated to advising and assisting people to self-build. Some assist in the brokerage of individual building plots and this is part of our SHMA information gathering.

8.78 Overall the evidence we have collected across England suggest that this is a niche sector, but one that is not necessarily only delivering high value bespoke homes. It is clear that much activity is undertaken by entrepreneurs aimed at more modest homes for sale or rent and in doing so making better use of land that may detract from the local environment. It is also clear that the role of a local champion for the sector is a step that needs to be taken if further interest is to be generated. It is noteworthy that all of the examples of custom build we have come across have been commissioned by individuals or entrepreneurs with savings, rather than borrowings. These points will need to be addressed if custom build is to become 'a mainstream option'.

8.79 In Selby District specifically there is evidence of a number of plots for sale with potential for self- or custom-build development. Most agents we engaged with were offering plots for sale and the larger plots were invariably bought by local house builders who would build for the speculative market. There were several such sites in Selby that we were told would be bought for apartments to be built, many of which would become available as private lets rather than leasehold for sale. The greatest number of advertised plots was in the Camblesthorpe, Drax, Eggborough and Whitely area described above.

8.80 We had an in depth interview with a firm of Land Surveyors based in Selby. Staff told us that plots would become available rarely. They told us that self-build was very rare. However custom building was happening more frequently was that a householder or investor would find land and negotiate directly with the owner, buy the plot, commission an architect and employ a local builder to build a bespoke home for their personal use. Examples were given of local private landlords and builders as having the ability to fund this and apply their considerable local knowledge to select or assemble sites. They would incorporate design features that assisted their business operations using large garages for storage.

8.81   They concluded that the availability of land was the main barrier to the market growing but were cautious about the big house builders becoming involved as they would seek to sell serviced plots which would be expensive.

8.82   Overall there are a large number of building plots on the market mostly in the south of the District. Agents told us that many of these would become custom build projects with local builders building bespoke home for local clients. Plots in Selby were more likely to be used for speculative building projects.

Policy Implications: Specific Groups within the Population

- A growing older population can be expected to have particular implications for the profile of housing need. The population aged 65 and above is expected to increase by 11,700 (72%) from 2014 to 2037. Demographic change is likely to see a requirement for additional levels of care/support along with provision of some specialist accommodation in both the market and affordable sectors.

- This SHMA suggests that the number of people with dementia will increase by 1,250 and those with mobility problmes by almost 2,900 between 2014-37. It identifies a need for 1,325 units of specialist accommodation for older persons (17% of the total need for housing). The majority of this need is for market housing.

- To support a growing older population there is also a need to increase delivery of bungalows; and to provide opportunities for households to downsize. In the social rented sector this could release family housing for other households and contribute to turnover of stock.

- The number of people with disabilities is closely related to the age of the population and many of the conclusions related to older persons are relevant for this group. Demographic projections suggest a 193% increase in the population aged over 85 from 2014 to 2037 with Census data suggesting that 85% of this age group have some level of disability.

- The Black and Minority Ethnic (BME) population of Selby is relatively small in national terms. It has however grown significantly over the past decade. Characteristics of BME groups (including tenure profiles and occupancy patterns) suggest that such households may be disadvantaged in the housing market. Where possible the Council should provide advice to BME groups and in particular ensure that accommodation quality (particularly in the private rented sector) can meet the needs of such households which are disproportionately likely to contain children. The evidence suggests that as younger new migrant communities mature, that owner occupation can be expected to increase.

- Data about family households suggests that lone parents are particularly disadvantaged with a high reliance on rented housing. Projections suggest a small increase in the number of children in the District over the next few years and if past trends are repeated there will be a notable increase in the number of lone parents. Again advice about housing options and maintaining a good quality of accommodation will be critical to ensure that such households' needs are best met.

- Young people (aged under 35) are important for any area due to the long-term economic potential they can bring. As with other groups there are some indications of this group being disadvantaged with a reliance on rented accommodation and high levels of unemployment. Given that the housing options for young people may be more limited than for other groups it will be important to monitor the accommodation quality. Increasing housing delivery will also potentially help new households to form.

- The evidence points to some demand for self- and custom-buit homes. This however is a relatively small segmenet of the housing market. Land availability, skills and the availability of support are issues in encouraging growth of this sector. The Council might consider developing a register of interest in self-build and seeking to identify potential plots for self-build within larger housing development schemes.

9   CONCLUSIONS

9.1   This final section of the report draws conclusions regarding housing need. It considers the overall need for housing 'leaving aside' issues relating to land supply, development constraints and infrastructure. It also considers what mix of housing is needed.

The Housing Market Area

9.2   The NPPF sets out that local planning authorities should work together to assess the full housing needs within the relevant Housing Market Area (HMA). The SHMA has reviewed the definition of the HMA, considering existing research at national and local levels, together with migration and commuting patterns and house prices - the key indicators identified in the Planning Practice Guidance (PPG).

9.3   GL Hearn has sought to bring together analysis of house prices (and changes thereof), migration and commuting flows, discussions with estate and letting agents and engagement with wider stakeholders to consider HMA geographies.

9.4   National research undertaken for CLG (CURDS 2010) identifies a Housing Market Area which comprises Selby and York local authorities. Previous research which informed the regional plan equally showed a relationship with York; but suggested that the southern parts of the District related more to Wakefield and Leeds. More recent evidence confirms this.

9.5   The evidence indicates stronger house prices in the northern part of the District, similar to those in York. We also see stronger house prices along the A64 Corridor which reflects the area's accessibility to Leeds and York.

9.6   Analysis if migration flows indicates that the strongest relationship in comparative terms is with York, but flows to Leeds are similar. We see a similar pattern looking at commuting; with the north and east of the District relating more strongly towards York; and the south and south-west towards Leeds. We consider that this represents a sensible disaggregation of housing markets based on the information available.

9.7   The boundaries of housing market areas will always be permeable to a certain degree and around the edges of one housing market area there may be interactions in a number of directions. The evidence points to some localised interactions with Goole (in East Riding) on the western side of the District.

Figure 59: Disaggregation of Housing Market Geographies based on 2011 Commuting Data
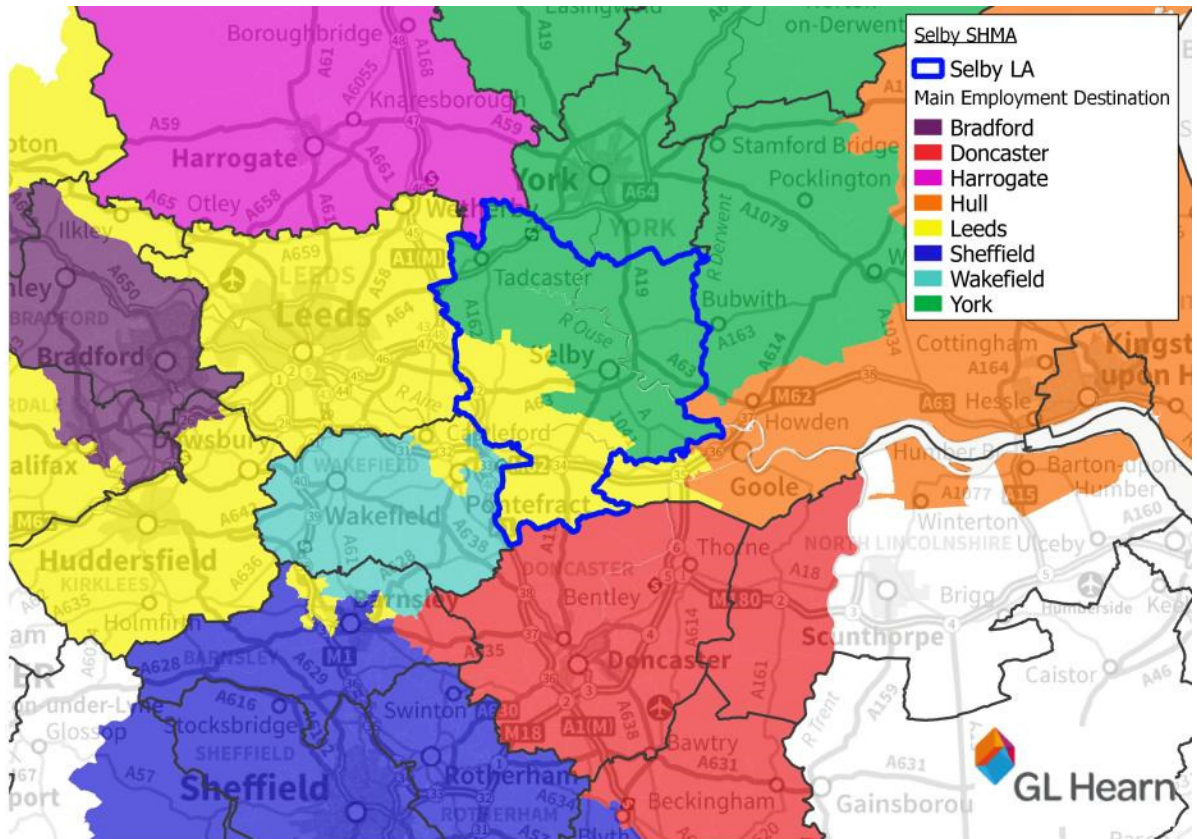
9.8   In the context of the Duty to Cooperate, the authorities with the strongest links to Selby are York, Leeds and Wakefield. The Council should engage with these authorities on strategic housing issues not only in the preparation of the SHMA but also the subsequent development of plan policies. We also find evidence of localised inter-relationships with East Riding and Doncaster.

9.9   Where a best fit to local authority geographies sought, the strongest relationship is with York. However it is important to recognise in policy terms the relationships with Leeds and Wakefield. On this basis it seems appropriate to prepare an SHMA for the District in its own right. This is particularly appropriate as key demographic information used to prepare an SHMA, including migration data, as well as econometric forecasts, are not published or available below local authority level.

Assessment of Housing Need (OAN)

9.10   This SHMA provides an assessment of overall housing need. In interpreting the findings, it is important to recognise the distinction between housing need and housing targets. Mr Justice Hinkinbottom makes clear this distinction in the case of *Gallagher Homes Limited & Lioncourt Homes Limited vs Solihull Metropolitan Borough Council.* In this he makes a distinction between household projections, the full objective assessment of need for housing and a housing requirement as follows:

i. *Household projections: These are demographic, trend-based projections indicating the likely number and type of future households if the underlying trends and demographic assumptions are realised.*

ii. *Full Objective Assessment of Need for Housing: This is the objectively assessed need for housing in an area, leaving aside policy considerations. It is therefore closely linked to the relevant household projection; but is not necessarily the same. An objective assessment of housing need may result in a different figure from that based on purely demographics if, e.g., the assessor considers that the household projection fails properly to take into account the effects of a major downturn (or upturn) in the economy that will affect future housing needs in an area. Nevertheless, where there are no such factors, objective assessment of need may be – and sometimes is – taken as being the same as the relevant household projection.*

iii. *Housing Requirement: This is the figure which reflects, not only the assessed need for housing, but also any policy considerations that might require that figure to be manipulated to determine the actual housing target for an area. For example, built development in an area might be constrained by the extent of land which is the subject of policy protection, such as Green Belt or Areas of Outstanding Natural Beauty. Or it might be decided, as a matter of policy, to encourage or discourage particular migration reflected in demographic trends. Once these policy considerations have been applied to the figure for full objectively assessed need for housing in an area, the result is a "policy on" figure for housing requirement. Subject to it being determined by a proper process, the housing requirement figure will be the target against which housing supply will normally be measured.*

9.11 This judgement in the High Court is clear that figures for Objectively Assessed Need (OAN) for housing should "leave aside policy considerations." This is also set out in Planning Practice Guidance. It is clear that such policy considerations include policy factors or designations which may restrict development, as well as land availability and infrastructure provision. It is also intended to be determined on a "policy off" basis.

9.12 In determining planning policies, the Council may therefore need for instance to adjust the level of housing provision necessary respond to market signals or to support the provision of more affordable housing other economic vision and strategy which they set out for the District. It may also consider alternative assumptions, such as seeking to change commuting dynamics, as long as the implications of this are discussed and agreed with neighbouring authorities.

9.13 On this basis **the figures for housing need set out in this report represent an input to determining future levels of housing provision – not an 'answer' in themselves.** This is important to recognise, and reflected in recent announcements from Government.

Approach: Following the Planning Practice Guidance

9.14   The PPG sets out that household projections published by the Department of Communities and Local Government (CLG) should provide the starting point estimate of overall housing need. The latest official household projections currently available are the CLG 2012-based Household Projections.

9.15   The projections are however trend-based and the PPG outlines that the SHMA needs to consider whether it is sustainable to plan on the basis of past trends, or whether wider evidence suggests that level of housing provision (in the absence of development constraints) should be adjusted to take account of:

- Employment trends
- Market signals
- Need for affordable housing

9.16   It sets out that employment trends should be considered to assess whether an alternative level or distribution of housing provision is necessary to support economic growth; or whether housing provision should be adjusted upwards to improve the affordability of market housing or enhance the delivery of affordable housing.

9.17   The SHMA seeks to follow this approach. We have summarised each of these steps, and how this is brought together to define overall housing need.

Demographic-led Projections: the "Starting Point"

9.18   The latest official household projections are 2012-based Household Projections. These provide the "starting point" for considering housing need. Planning Practice Guidance emphasises the use of the latest official projections, as they are based on a nationally consistent methodology and assumptions.

9.19   The 2012-based Sub-National Population Projections (SNPP) indicates population growth of 16% in Selby District over the 2014-37 period. This is above the projected growth across North Yorkshire (6%) and the Yorkshire/Humber Region (10%) and England (15%). The District's population has consistently grown more strongly than seen across the wider sub-region or region and this is projected forwards in the SNPP.

9.20   The 2012-based SNPP look to be a sound demographic projection. Population growth sits slightly above short-term trends and slightly below trends over the longer-term (the 12-years to 2013). Whilst housing delivery has fallen through the recession, the SNPP picks up some years of higher delivery immediately prior to the recession in 2006/7 and 2007/8. Future levels of migration sit between short- and long-term past trends.

9.21   The 2012-based Household Projections, based on the SNPP, project a need for an average of 343 dwellings per annum over the 2014-37 period. This increases to 383 per annum if needs are only considered up to 2027 (i.e. the end date of the adopted Core Strategy).

Table 56:   Projected household growth 2014-2027/37 – 2012-based SNPP (as adjusted) and 2012-based headship rates

	2014-27	2014-37
Households 2014	35,686	35,686
Households 2027/37	40,423	43,208
Change in households	4,736	7,522
Per annum	364	327
Dwellings (per annum)	383	343

9.22   The 2012-based Household Projections adopt more positive assumptions on new household formation than the 2011-based Interim Projections (showing a need which is 3%-7% higher on a comparable basis).

9.23   A sensitivity analysis considering alternative potential projections of migration shows a housing need that is either slightly above or slightly below the 2012-based Household Projections. This indicates that longer-term migration projected forwards on a linear basis has been higher, but there are sound reasons as to why the SNPP projections are lower – they are dynamic projections, and net migration is expected to fall slightly over time linked to changes in the population age structure in the District, and areas which people typically move from.

   Economic Growth Prospects

9.24   Future migration to the District may however vary from past trends taking account of economic performance.

9.25   The Regional Economic Model indicates that employment in Selby District can be expected to increase by c. 190 jobs per annum over the 2014-37 period. This is forecast growth of 0.6% per annum, consistent with that expected across the region.

9.26   The SHMA's indicates that if modelled on a policy-off basis, whereby the current commuting ratio is held constant, this would require provision of 360 homes per annum in the 2014-37 period, rising to 398 per annum if only looking at the period to 2027.

9.27   This however is based on expecting a growth in resident workforce which is 20% higher than the expected growth in people working in the District. This level of housing need is 4%-5% above that derived from the demographic-led projections.

9.28   Following the approach in Planning Practice Guidance, it would be appropriate to adjust upwards migration assumptions in order to support economic performance. An additional 15-17 homes per annum across the District are required in order to support future economic performance depending on the time period being considered.

Market Signals

9.29   Planning Practice Guidance sets out that market signals should be assessed to consider whether there is a case for adjusting housing provision, in effect to improve affordability over time where there is evidence that in the past there has been a supply/demand imbalance.

9.30   House prices in Selby District are 28% below the national average, and are average relative to key adjoining authorities. Between 2001-8, prices increased notably, and affordability deteriorated, as was the case nationally. However dynamics since 2008 have been very different. House prices have been stable in Selby, but have in effect falling in real terms by 16% taking account of inflation.

9.31   Rents in the District are average compared to key adjoining areas, and the wider Leeds City Region. Rents have grown since 2011, but at 6% the growth in rents over this period has been below inflation.

9.32   The lower quartile house price to income ratio is modestly above city region and national averages at 6.6, but notably below that in York at 7.9. It has been fairly stable over the last decade, increasing to the peak of the market in 2008; but falling since.

9.33   Housing delivery has fallen since 2008, as is the case across the region and nationally. The evidence points to this being a function of effective demand and market circumstances. Market conditions however improved in 2014 and we would expect completions to begin to pick-up. Sales volumes for market homes however remain notably below pre-recession levels.

9.34   Looking at wider evidence, there are some signs of affordability pressures, with the evidence suggesting that over the 2001-11 period the number of people renting increased, as did house sharing and levels of overcrowding. The evidence however suggests that the growth in these was however relatively modest in Selby, with the number of owner occupier households increasing over this decade.

9.35   Overall the evidence provides a limited case for considering an adjustment to housing provision relative to the demographic-led projections.

Affordable Housing Need

9.36   The SHMA includes an assessment of affordable housing need, in accordance with the Planning Practice Guidance, to identify whether there is a shortfall or surplus of affordable housing.

9.37   The analysis indicates a net annual need from 172-191 households who require financial support per annum in meeting their housing needs in Selby District (the range being dependent on the time period used). This takes account of the current stock and turnover of affordable housing. The evidence provides clear justification for policies seeking new affordable housing in mixed tenure developments.

9.38   The identified need from households requiring financial support represents 50% of the need arising through the demographic projections. The Council's current policy seeks 40% affordable housing in new development schemes. We do not find any evidence that would justify a reduction in the percentage affordable housing which should be negotiated on development sites in line with current adopted policy.

9.39   However in considering this relationship, it is important to bear in mind that the affordable housing needs model includes existing households who require a different size or tenure of accommodation rather than new accommodation per se. Furthermore many households secure suitable housing within the Private Rented Sector, supported by housing benefit.

9.40   Once account is taken of the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis suggests that there is limited evidence of a need to consider additional housing to help meet the affordable housing need. However taken in combination the market signals evidence the justification for uplift to the overall housing number in order to improve affordability is stronger.

Conclusions regarding Objectively-Assessed Housing Need

9.41   The evidence indicates a starting point demographic-based need for 343 homes per annum (2014-37). This is based on past trends in births, deaths, age-specific trends in migration and household formation. The figure increases to 383 per annum when looking at the 2014-27 period.

9.42   The evidence suggests that an additional 15-17 homes per annum would be needed to support expected economic growth, raising the housing need to 360-398 homes per annum (depending on the time period studied).

9.43   The evidence from market signals does not provide clear evidence of a case for adjusting housing provision further. However there is some evidence that affordability ratios are above the national average, and that over the 2001-11 period there was an increase in house sharing and levels of overcrowding, albeit quite modest.

9.44   The affordable housing needs evidence suggests that a modest further uplift in housing provision could also help to enhance the delivery of affordable homes to meet the identified need.

9.45   To quantify the potential scale of adjustment to take account of these factors, we have sought to use the demographic analysis to consider what implications this might have. GL Hearn consider that the key impact of improving affordability (in terms of overall housing need) would be to support increased household formation amongst younger households.

9.46   When we consider age-specific data it is notable that those aged 25-34 have lower headship rates than was expected in the 2008-based projections and that the rates have dropped considerably from 2001 to 2011. We have therefore run a sensitivity analysis which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to 2001 levels (i.e. before the rate started to decrease) by 2037. This sensitivity in effect seeks to consider a scenario in which affordability and access to housing for younger households improves, and quantifies what level of housing provision might be associated with this, all other factors being equal. If achieved, the effect would be to reduce the proportions of shared households and persons within this age group living with parents. We term this sensitivity analysis the 'affordability adjustment.'

9.47   In reality, other factors such as real growth in disposable income (allowing people to save), the availability of and access to mortgage finance, interest rates and economic confidence will all influence trends in household formation. There is a complex set of factors at play, and it is difficult to predict how these factors might interact in the future and the impact on household formation rates (in the absence of any supply-side constraints). Furthermore part of the changes in household formation rates for this age group may have been due to international migration.

9.48   The sensitivity analysis indicates that, all other things being equal, an uplift of around 33 homes per annum across the District would support an improvement in affordability and household formation rates amongst younger households. The analysis is based on a projection linked to the 2012-based SNPP.

Table 57:   Projected household growth 2014-2027/37 – 2012-based SNPP with Affordability Adjustment

|	2014-27	2014-37
Households 2014	35,686	**35,686**
Households 2037	40,828	**43,931**
Change in households	5,142	**8,245**
Per annum	396	**358**
Dwellings (per annum)	**415**	**376**
From SNPP model	383	**343**
Potential uplift	33	**33**
% uplift	**9%**	**10%**

9.49   A similar analysis using the main jobs-led projection also shows a potential uplift of 33 dwellings per annum.

Table 58:   Projected household growth 2014-2027/37 – job-led projection with Affordability Adjustment

	2014-27	2014-37
Households 2014	35,686	**35,686**
Households 2037	41,017	**44,292**
Change in households	5,330	**8,606**
Per annum	410	**374**
Dwellings (per annum)	**431**	**393**
From SNPP model	398	**360**
Potential uplift	33	**33**
% uplift	**8%**	**9%**

9.50   Drawing this together, we identify an Objectively-Assessed Need (OAN) for housing for 393 homes per year over the 2014-37 period and a higher figure of 431 per annum over the period to 2027. The figure of 431 provides significant support for the Council's adopted Core Strategy figure (of 450 dwellings per annum). The composition of these figures are as follows:

Figure 60: Objectively-Assessed Housing Need – Selby, 2014-2027/37
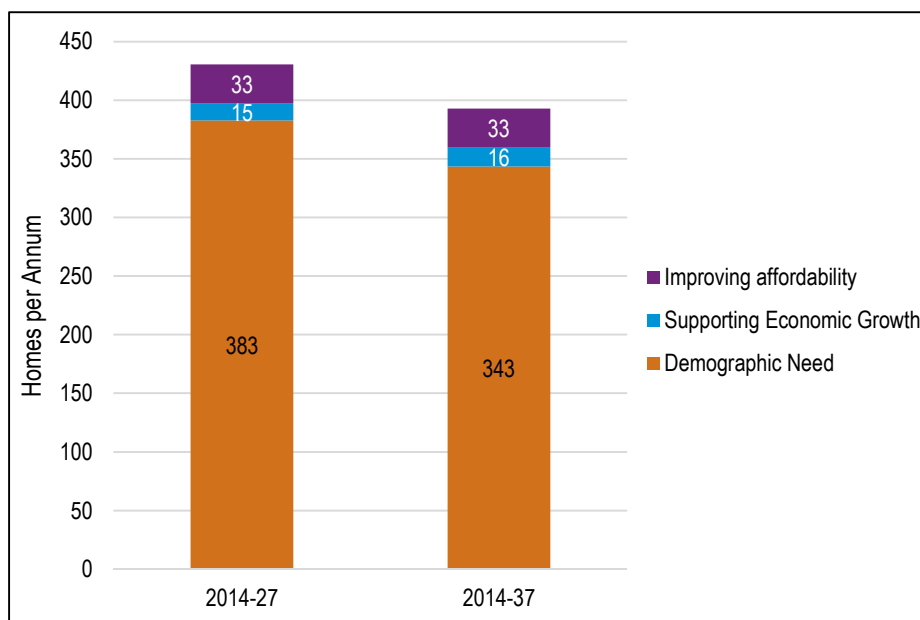
9.51   The OAN does not represent a policy target for housing provision. It needs to be brought together with other evidence regarding the capacity of the District to accommodate development. Furthermore it may be accommodate unmet needs from adjoining areas. However it is an important starting point for considering how much housing provision to plan for.

9.52   The evidence in this document suggests that any number above 431 dwellings per annum would still meet the housing need of the district based on both the economic and demographic needs of the districts and will also help to improve affordability.

9.53   In moving forward with plan preparation, should the Council's strategy for economic growth deviate from the REM projections considered herein, in respect of the total employment growth to be planned for, it may be necessary to review the implications of this for housing provision.

9.54   At present the Council's Core Strategy is planning 450 dwellings per annum. This is a policy on position intended to reflect the aspirations of the District. By continuing to plan for a level of housing need above the OAN outlined in the document the Council can contribute to: reducing the reliance on the Private Rental Sector in meeting affordable housing need, meet the unmet need from surrounding and overlapping housing market areas or support employment growth above that expected in the REM forecasts.

Housing Mix

9.55 The NPPF in Paragraph 159 requires local planning authorities, through the SHMA, to identify the range of types and sizes of accommodation likely to be needed by the population in future, including that required by those groups with specific housing needs.

Mix of Homes of Different Sizes

9.56 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. Section 8 modelled the needs for different sizes of market and affordable homes, based on an understanding of how the size and structure of the population is expected to change, and analysis of how households of different ages occupy homes and through taking account of wider stakeholder engagement and market intelligence.

9.57 The analysis indicated that the majority of demand for market housing will be for mid-market homes with 2 and 3 bedrooms. This reflects demographic and market dynamics, as well as an expectation that some households will chose to downsize to smaller properties over the period to 2037, taking account of demographic trends. The evidence also points to a strong demand for bungalows from older households.

9.58 The majority of the need for affordable housing is for 1- and 2-bed properties, however the mix which should be planned for needs to take account of a number of wider issues related to how the affordable housing stock can be effectively managed. This includes the likely impact of extension of right-to-buy to housing association tenants, and the potential impacts of this on supply of family housing.

9.59 The SHMA concludes that the following represents an appropriate mix of affordable and market homes to plan for over the 2014-37 period:

Table 59: Recommended Housing Mix – Selby District

	1-bed	2-bed	3-bed	4+ bed
Market	5%	35%	45%	15%
Affordable	30%	40%	25%	5%

9.60 Our conclusions for affordable housing mix recognise the role which delivery of larger properties can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues. Based on the evidence, we would expect the focus of new market housing provision to be on two and three-bed properties. The mix identified for both market and

affordable housing takes account of changes in the population structure, including potential for some older households to downsize to take account of their changing needs.

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

9.62   The analysis of an appropriate mix of dwellings should also inform the 'portfolio' of sites which are considered through the Local Plan process, including: Site Allocations, Neighbourhood Plans and other planning documents. Equally it will be of relevance to affordable housing negotiations.

Affordable Housing Mix

9.63   In respect of the need for different types of affordable housing, the SHMA has considered what households can afford; together with the supply through re-lets of existing housing stock. It identifies that four-fifths of the net need for affordable housing is for social and affordable rented homes, with a fifth for equity-based intermediate housing options such as shared ownership homes.

9.64   The needs evidence suggests that a 20%/80% split of affordable housing provision between intermediate and social/affordable rented provision would be appropriate. However development viability is also relevant, and in setting policies the Council should bring together plan-wide viability evidence with that in the SHMA. Intermediate housing includes:

- Help-to-Buy Shared Ownership
- Affordable Rent
- Rent-to-Homebuy
- Low Cost Sale

9.65   For a number of these products, households must have a sufficient deposit and be able to secure mortgage finance. Many young households who may sufficient potential income to afford intermediate housing solutions cannot secure shared ownership/ shared equity homes as they have insufficient savings to afford the deposit, or their financial circumstances mean that obtaining mortgage finance is difficult.

9.66   These factors may the ability of some households to afford intermediate housing products. However this is potentially offset by households who can potentially afford to rent privately without financial support, but how cannot afford to buy a home or get on the housing ladder without it. Intermediate housing products can help such households to get a foothold on the housing ladder.

Specialist Housing and Accommodation for Older Persons

9.67   The SHMA indicates that the number of residents aged over 65 is expected to grow by 11,700 (72%) between 2014-37. Demographic change is likely to see a requirement for additional care/ support and specialist housing provision, although many older households will remain in their current homes or general needs housing.

9.68   As a result of a growing older population and increasing life expectancy, the SHMA projects an increase of 2,900 people with dementia and 1,250 people with mobility problems over the 2014-37 period. Some of these households will require adaptions to properties to meet their changing needs; whilst others may require more specialist accommodation or support.

9.69   Based principally on the expected growth in population of older persons, the SHMA estimates a need for an additional 1,325 specialist dwellings for older persons over the 2014-37 period (58 per annum).

9.70   The modelling is based on an increase in local prevalence rates towards national averages, and on the current tenure mix of older persons households. Where a surplus need for specialist affordable housing is shown this needs to be considered alongside evidence regarding how 'fit-for-purpose' current stock is. It may be the case that some existing sheltered housing is in a poor condition or suffers from low demand; and that there remains a need for additional extra-care accommodation – such as to reduce the proportion of households accommodated in residential care. The Council should bring the SHMA analysis together with local knowledge of demand and the stock profile in determining the appropriate mix of specialist housing in development schemes.

9.71   Specialist housing includes sheltered and extra care housing. This is considered to fall within a C3 use, and thus form part of the overall Objectively Assessed Need (OAN) for housing identified in this report.

9.72   Decisions about the appropriate mix of specialist housing should take account of the current stock, other local needs evidence as appropriate, and policies regarding accommodation and care for older persons. The district and county councils should liaise as appropriate in this respect.

9.73   The Council should give consideration to how best to deliver the identified specialist housing need, including for instance the potential to identify sites in accessible locations for specialist housing; or to require provision of specialist housing for older people as part of larger strategic development schemes.

9.74   The SHMA recognises that some extra care housing schemes were difficult to fund; and leasehold provision can be slow to sell, particularly as a result of high service charges.

9.75   In addition to specialist housing, the potential for the wider housing stock to cater for a growing older population needs to be considered. Many older people live in homes which they may have lived in for some years. Adaptions to properties and floating support (such as through the Safe and Independent Living Scheme) may help households requiring support to remain in their home.

9.76   Some households may wish to downsize, should suitable, attractive properties be available locally. This has been taken into account in deriving the findings regarding the future mix of market and affordable housing above. However more needs to be done to raise awareness of the range of options and support which is available. A growing older population will also increase the demand for bungalows. Whilst recognising the economics of delivery of bungalows can be challenging, provision should be given strong support on appropriate sites.

Need for Registered Care Provision

9.77   Registered care provision fall within a C2 use class; with households who live in care homes counted as part of the institutional rather than the household population. As such provision of residential care provision is treated in the analysis of housing need separately in this report from that for C3 dwellings.

9.78   The SHMA indicates a net need for 417 C2 bedspaces for older persons over the 2014-37 period, equivalent to 18 per year. The assessment should be treated as indicative, and does not seek to set policies in how older persons with care needs should be accommodated.

Meeting the Needs of Other Vulnerable Groups

9.79   The SHMA has considered the needs of a number of other vulnerable groups within the HMA.

9.80   A growing older population will result in growth in the number of people with disabilities. It identifies a lack of current provision of homes for those with mental health and learning disabilities.

9.81   Whilst the Black and Minority Ethnic Population in the District is small, the SHMA identifies that it has grown significantly over the past decade. BME households can be more disadvantaged than other groups in the housing market, and the Council should ensure that appropriate advice is available to support households in finding good quality, secure accommodation. BME households are more likely to live in Private Rented accommodation and be overcrowded. Enforcement activity will be important in ensuring standards of homes in the Private Rented Sector are maintained (including HMOs).

9.82   The evidence points to some demand for self- and custom-built homes. This is however a relatively small segment of the housing market. The Council might consider developing a register of interest in self-build, and seeking to identify plots for self-build within larger housing development schemes.

APPENDIX A: AFFORDABLE HOUSING DEFINITIONS

Affordable Housing Need

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

Newly-Arising Need

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

Supply of Affordable Housing

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

Affordability

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

a. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income – CLG guidance suggests using different measures for households with multiple incomes (2.9×) and those with a single income (3.5×), however (partly due to data availability) the analysis has only used a 3.5 times multiplier. This ensures that affordable housing need figures are not over-estimated – in practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to require lower incomes for households to be able to afford access to market housing;

b. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 30% of gross income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% (although this can vary by area). Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+

(depending on household characteristics). Hence a pragmatic view has been taken in this assessment with a figure of 30% being adopted. Analysis has also been carried out to test the sensitivity of affordable need at different percentages (from 25% to 40%).

It should be recognised that a key challenge in assessing affordable housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor in affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is typically required for the more attractive mortgage deals. The 'help to buy' scheme is likely to be making some improvements in access to the owner-occupied sector although at present this is likely to be limited (although the impact of recent extensions to this scheme to include the second-hand market should be monitored moving forward). In many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact of deposit issues on the overall assessment of affordable housing need is limited.

Affordable Housing

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

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

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

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

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

Affordable rented housing is defined as:

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

The definition of intermediate housing is shown below:

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

As part of the analysis in this report, the extent to which social rented, intermediate and affordable rented housing can meet affordable housing need in Selby is established.