

Housing Needs of Specific Groups

Cambridgeshire and West Suffolk

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Prepared by

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Public

Contents

Section	Page
Executive summary and recommendations	4
1 Addendum – new data and updated ppg	16
2 Introduction	19
3 Demographic profile	29
4 Market signals	41
5 Local housing need and population growth	72
6 Affordable housing need	91
7 Housing mix	142
8 Older and disabled persons	183
9 Student accommodation	222
10 Housing needs of other groups	239
Appendices	270
Appendix A: Components of population change – local authority level	270
Appendix B: Past and projected population growth - local authority level	273
Appendix C: Population change 2020 to 2040 by age bands – local authority level	276
Appendix D: District summaries	283
Appendix E: Glossary	315
Appendix F: Detailed data in the main report	319

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Limitations

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Executive summary and recommendations

1. GL Hearn together with Justin Gardner Consulting and Icen Projects have been commissioned by the Cambridgeshire and West Suffolk Local Planning Authorities to undertake a study examining the Housing Needs of Specific Groups for the 2020 to 2040 period.
2. The study aims to provide robust and sound evidence to support the preparation of Local Plans, and potentially Neighbourhood Plans, particularly planning policies relating to the needs of groups with specific housing requirements.
3. The study's outcomes have been presented for each Local Authority together with aggregated findings for the Cambridge Sub-Regional Housing Market Area (HMA) which includes Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire and West Suffolk. The report also provides outputs for the Greater Cambridge area (Cambridge and South Cambridgeshire).
4. The study has been prepared in compliance with the National Planning Policy Framework (NPPF 2021) and the current Planning Practice Guidance (PPG).

Demographic baseline

5. As of mid-2019, the total population of the HMA was 826,600 persons. Since 1991 the population has grown by 26% (0.8% per annum). East Cambridgeshire has seen the most notable population increase since 1991 (47%) followed by Fenland (35%) and South Cambridgeshire (29%).
6. The age profile of the HMA is similar to the UK. That said, Cambridge has a higher proportion of people aged 20-24 years old which is driven by the Universities and, to a degree, the age profile of the workforce. The household composition across the HMA also follows the national pattern. The most common household types are couples with no children or non-dependent children (27% of households in the HMA), followed by couples with children (21.5%).
7. The HMA's population remained fairly stable until 2001 followed by almost continual but gradual growth since.
8. As of March 2020, there are an estimated 366,274 dwellings across the HMA. West Suffolk has the largest number of homes (22% of dwellings in the HMA) followed by Huntingdonshire (21%).

Market signals

9. The housing market is very strong across most of the HMA with Cambridge City seen as a prime market location. The 'Fenland' area, covering most of Fenland district and the northern part of East Cambridgeshire district has a much weaker housing market.
10. The median house price in the HMA is £297,000 which is 29% above the national median and 5% above the East of England regional median. There are wide variations within the HMA with the median house price in Fenland being £184,000 and in Cambridge £440,000.
11. Over the last 5 years, median house prices have increased by 21% across the HMA, compared to 18% regionally, and 15% nationally. The level of housing growth over the last 10 and 15 years has also exceeded the regional and national equivalents.
12. At £859 per month, the average median rent of the local authorities in the HMA is higher than the national (£695) and regional (£795) median rents. Again, there is also a large range within the HMA with the Cambridge median at £1,200 whilst in Fenland it is £600.
13. Between 2001 and 2011 the proportion of residents living in under-occupied properties (where the ratio of bedrooms to occupants suggests they have one or more "spare room") increased by 37.3% across the HMA. This is greater than the equivalent growth seen nationally (32.3%) and regionally (35.6%).
14. Affordability ratios highlight affordability pressures across the HMA. The average local authority ratio is above the regional and national equivalents. The Government intends that high affordability issues will in part be addressed through the fulfilment of the standard method based housing targets.

Local housing need

15. The 2019 NPPF introduced a Standard Method for local authorities to use to determine the minimum number of homes needed in their area. This method uses several datasets that are periodically updated and a requirement to look at the current year as a starting point. As such the figures are subject to regular revision; for this reason an addendum has been provided that sets out the up-to-date position.
16. Step 1 of the standard method draws on the 2014-based household projections which set out a household growth of 3,420 per annum between 2020 and 2030 across the HMA.

17. Step 2 of the standard method increases the Housing Need based on local affordability. The affordability ratios (2019) vary from 8.1 in Fenland to 12.8 in Cambridge. Using the prescribed formula, the local affordability ratios uplift the need across the HMA by 1,234 dpa to 4,654 dpa.
18. Step 3 of the standard method caps the uplifts applied in Step 2. However, the cap is not applied in the HMA as housing figures arrived at in Step 2 do not exceed relevant thresholds. The table below summarises the Standard Method for the different local authorities (The Median Affordability Ratios for 2020 are used in these calculations. The Addendum to the report presents the most up-to-date local housing need figure using the data for 2021).

Local authority	Household change	Affordability adjustment	Housing need
	(Step 1)	(Step 2)	(Step 3)
Cambridge	425	658	658
East Cambs	429	597	597
Fenland	428	538	538
Huntingdonshire	733	976	976
South Cambs	797	1,085	1,085
West Suffolk	608	800	800
HMA	3,420	4,654	4,654

19. Based on the standard method, the total combined need the local authorities should seek to deliver across the HMA is a minimum of 4,654 dwellings per annum. Although calculated over the 2020 to 2030 period the Housing Need figure (HNF) can be applied across the plan period and also responds to all under-delivery before 2020 (the use of the affordability uplift in Step 2 is seen as enough to address this issue).
20. In the years preceding the adoption of Local Plans it may be necessary to update the housing need figures based on new demographic data or affordability ratios and potentially revisions to the standard method.

21. To understand the population implications of delivering 4,654 dpa, a demographic model has been developed whereby, in line with the PPG, household formation rates are increased and population growth increased to a point where these homes are filled. This modelling sees an additional 181,459 people in the study area (over the period 2020-2040). (The period 2020-2040 is used here to reflect the plan period. The period 2020-2030 appears earlier to reflect PPG (housing and economic development needs assessments) para 004 Ref IF 2a-004 that a period of 10 years should be used to set the demographic baseline). This can be disaggregated to the local authorities on the following basis.

Cambridge	East Cambridgeshire	Fenland	Huntingdonshire	South Cambridgeshire	West Suffolk
28,318	24,442	18,270	36,209	41,942	32,279

Affordable housing need

22. The affordable housing analysis shows that 2,066 households will require affordable housing to rent per annum between 2020 and 2040. The table below shows how this is broken down to the individual authorities together with the percentage of overall housing need that is represented by the affordable component.
23. 2,066 households equates to around 44% of the overall need (4,654 dpa). While not translating into a policy for affordable housing, this does indicate affordable housing delivery should be prioritised. It is important to note this calculation should be treated with caution as it contains an element of double counting for example of newly forming households.

Local authority	Affordable net need	Housing need	% of housing need
Cambridge	314	658	48%
East Cambs	215	597	36%
Fenland	289	538	54%
Huntingdonshire	404	976	41%
South Cambs	435	1,085	40%
West Suffolk	409	800	51%
HMA	2,066	4,654	44%

24. Such is the scale of affordable housing need the local authorities should seek to deliver as much affordable housing to rent as viability allows.
25. The analysis also suggests a need for both social and affordable rented housing and that there are many households who are likely to need government support (and might therefore not be able to 'afford' either of these two products). On this basis, it is not recommended that the Councils have a rigid policy for the split between social and affordable rented housing on the basis of affordability.
26. Local authorities should consider the cost of affordable rented homes. Whilst affordable rents are not capped at Local Housing Allowance limits, government policy states that the relevant LHA should be a consideration when setting rent levels. The Councils may also wish to reduce these rent limits further to ensure a greater number of low-income working families can access these products.
27. When looking at the need for affordable home ownership products it is clear that there are a number of households likely to be able to afford to rent privately but who cannot afford to buy a suitable home (at or above lower quartile prices). As well as the cost of housing to buy, a key issue is access to capital (e.g. for deposits, stamp duty, legal costs) and potential mortgage restrictions (e.g. where employment is temporary). However, it is acknowledged that in many areas within the HMA, those on median household incomes cannot afford to buy on the open market and are unlikely to be prioritised for affordable or social rented

- accommodation and therefore without affordable home ownership products their housing options are limited.
28. The evidence does not show any basis to increase the provision of affordable home ownership above the 10% figure currently suggested in the NPPF.
29. Within Greater Cambridge (Cambridge and South Cambridgeshire) the evidence of need for affordable home ownership products suggests that it is reasonable to require 10% of all homes to be provided as this tenure, as required by the NPPF. Given the relative weakness of the evidence of need for affordable home ownership products outside Greater Cambridge, it would be reasonable for these Councils to seek a lower proportion than 10% on the basis that this could prejudice the ability to meet the identified affordable housing needs of specific groups.
30. That said, the choice to meet or exceed the 10% minimum will be for the Councils to make and in doing so they should consider a wide range of factors including local priorities (i.e. dealing with the most acute need or promoting home-ownership) and the viability of different products and viability across a mixed tenure site.
- 31. Recommendation: Given the affordable need as set out for each district, the councils should consider seeking to deliver as much affordable housing to rent as viability allows.**
- 32. Recommendation: The Councils should consider seeking 10% of all housing on major sites (defined by the NPPF as "development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more") to be affordable home ownership (in line with the policy expectation in the NPPF) unless this would prejudice meeting the needs of other groups.**
- 33. Recommendation: If the Councils do seek to provide 10% of housing as affordable home ownership then it is suggested that shared ownership (SO) is the most appropriate option. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised).**
34. Where other forms of affordable home ownership are provided (e.g. discounted market sale), the Councils should set prices that are truly affordable. This could mean a discount greater than 20% of Open Market Values for some types/sizes of home.

Housing Mix

35. The approach to housing mix starts with the current profile of housing in terms of size and tenure and how the age of a household influences the typical size of the home they occupy in different tenures. These occupancy patterns are then applied to the demographic projections on the assumption that occupancy patterns for each age group (within each tenure) remain the same. Whilst the output of the

modelling provides estimates of the proportion of homes of different sizes that are needed, other factors should be considered in setting policies. Two are worth highlighting,

- firstly, the demand for and high levels of turnover of 1-bedroom homes in the affordable rent sector and the high number of households on the housing register seeking 1-bedroom homes;
- secondly, the stock of 4-bedroom affordable homes is very limited and tends to have a very low turnover. The strategic conclusions recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households.

36. In the affordable home ownership and market sectors, a profile of housing that more closely matches the outputs of the modelling is suggested. However, in the market sector, a modest adjustment is made to further support downsizing and better use of the existing stock.

37. Recommendation: The following mix of home sizes by tenure is suggested as a strategic mix across the 2020-2040 period for the HMA. These are combined HMA figures. Appendix D provides the individual district figures.

Size	Market	Affordable homes to buy	Affordable homes to rent
1-bedroom	0-10%	15-25%	30-40%
2-bedrooms	20-30%	35-45%	35-45%
3-bedrooms	40-50%	25-35%	15-25%
4+-bedrooms	20-30%	5-15%	0-10%

38. At a local authority level, this mix may be adjusted to reflect local demand patterns, for example, the high demand in Greater Cambridge for family homes and the need in Fenland for additional smaller affordable homes.

39. It will ultimately be for the Councils to write into policy the approach which best meets their local circumstances. This could, for example, reflect a desire for further downsizing or a pragmatic approach to a constrained housing supply both of which would see more smaller homes being built.

40. The strategic mix identified above should inform policies. But in applying the mix to individual development sites regard should also be had to the nature of the site and character of the area, up-to-date evidence of need (such as the housing register) as well as the existing mix and turnover of properties at the local level and the need to create and maintain mixed and balanced communities. The Councils should also monitor the mix of housing delivered and respond accordingly so that the strategic mix requirements are closely met.

Older and disabled people need

41. The population aged 65 or over is projected to grow by 55% between 2020 and 2040 across the HMA (potentially accounting for 50% of total population growth).

Based on prevalence rates and the identified population growth of those aged 75 or over we have identified the need for different types of older person accommodation up to 2040 based in the number of individuals who require housing. This encompasses self-contained units and bed-spaces in institutional accommodation as set out in the table below. The need for the following levels of older person accommodation is identified and should be planned for across the HMA:

Type	Tenure	Cambridge	E. Cambs	Fenland	Hunts	S. Cambs	West Suffolk	HMA
Housing with support	Rented	-289	-88	440	194	-502	483	238
Housing with support	Leasehold	643	969	1,115	1,533	1,447	1,697	7,404
Housing with care	Rented	121	122	304	371	192	434	1,544
Housing with care	Leasehold	271	271	377	635	473	562	2,589
Care Bed-spaces	-	179	1,145	1,200	1,803	1,613	1,761	5,940

42. Cambridgeshire and West Suffolk has a slightly lower level of people with a long-term health problem or disability compared to the region and country. An ageing population means that the number of people requiring specialist accommodation and/or with disabilities is likely to increase substantially in the future.

43. Between 2020 and 2040 the number of older people with dementia is expected to increase by 76.2% and those with mobility problems is expected to increase by 65.6%.

44. As set out in the following table, using data from English Housing Survey (EHS) cross-tabulated with Census data in prevalence of disability, this report has identified a need for 8,278 additional wheelchair user dwellings to 2040 across the HMA. This equates to 8.9% of the total Local Housing Need.

Local authority	Current need	Projected need (2020-40)	Total current and future need	Housing need (2020-40)	% of housing need
Cambridge	298	537	836	13,160	6.40%
East Cambs	282	697	979	11,940	8.20%
Fenland	451	816	1,267	10,760	11.80%
Huntingdonshire	502	1,360	1,862	19,520	9.50%
South Cambs	428	1,003	1,430	21,700	6.60%
West Suffolk	592	1,280	1,872	16,000	11.70%
HMA	2,555	5,723	8,278	93,080	8.90%

Source: Derived from demographic projections, EHS and Census 2011

45. Drawing this information together there is a need to increase the supply of M4(2) accessible and adaptable dwellings and M4(3) wheelchair user dwellings. In seeking M4(2) compliant homes, the Councils should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a health problem or disability at the time of initial occupation.
46. The table below sets out how this should be split between affordable and market tenures on the basis of national data about wheelchair users by tenure. This suggests that around 7% of market and 18% of affordable dwellings should be M4(3) wheelchair user dwellings.

Local authority	Market	Affordable
Cambridge	5%	13%
East Cambs	6%	17%
Fenland	9%	24%
Huntingdonshire	7%	20%
South Cambs	5%	14%
West Suffolk	9%	24%
HMA	7%	18%

Source: Derived from a range of sources

- 47. Recommendation: Where possible all new homes should be M4(2) compliant to ensure homes are future proofed. Taking account that not all sites will be suitable for M4(3) dwellings, the Councils should also seek 10% of all new market homes and 25% of affordable homes to be M4(3) compliant. Higher numbers may also be considered but in all cases the numbers applied in policy should be viability tested.**

48. The different target for affordable and market homes reflects a number of issues including restrictions on the tenure to which wheelchair accessible homes standards are applied (i.e. only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling) and higher prevalence of wheelchair use within the social/affordable rent sector. The difference between the HMA wide need and the local authority level needs are not sufficiently different to adopt local targets. This is, however, ultimately a matter for each authority to decide.

Student accommodation

49. The University of Cambridge and the main (Cambridge) campus of Anglia Ruskin University are located within the HMA. The University of Suffolk also has a small campus in Bury St Edmunds.
50. We have analysed data from the Higher Education Statistics Authority and available online statistics from the Universities websites together with the 2017 Student Accommodation Study undertaken by the Cambridge Centre for Housing and Planning Research covering the 2016-26 period.
51. The research suggests that Anglia Ruskin University is planning to remain at the same student numbers in Cambridge over the next five to ten years. The University of Cambridge's current (pre-Covid) planning framework envisages an expansion in undergraduate numbers of 0.5% per year for the next ten years and postgraduate numbers of 2% per year.
52. The research concludes that a total of 8,959 student bedspaces would need to be built in purpose-built student accommodation by 2026 to meet the current (6,085) and future (2,874) demand. Extrapolating this to the 2040/41 academic year increases the future need to 3,571 student bedspaces.
53. **Recommendation: The Greater Cambridge authorities should plan to deliver purpose built student accommodation (i.e., halls of residence or communal student accommodation for their exclusive use) which is at least in line with the growth of the Universities student body (3,571 bedspaces by 2040).** It should also encourage further delivery (up to 6,085 bedspaces) to encourage the release of shared housing back into the wider housing stock.
54. Any development being proposed which relates to purpose built student accommodation should be judged on its merits alongside an assessment of local demand. The developer should also demonstrate an agreement with a higher education provider.

People who rent their properties

55. The private rental sector in Cambridgeshire and West Suffolk has grown by 101% between 2001 and 2011. This is a lower growth than the rest of the East of England region (111%) and England as a whole (107%). Much of this growth has been supported by a growth in buy to let landlords rather than the build to rent sector.

56. Where build to rent is being proposed on a site, the policy position should be supportive, subject to the location and characteristics of the site in question and a clear and up to date assessment of likely demand and the proportion and affordability of units for affordable private rent being provided.

Custom- and self- build

57. The local authorities will need to ensure the actual number of entries on their self-build registers (SBR) each year are matched by the number of self-build plots given planning permission within three years. The registers suggest this will be around 119 dpa for the study area as a whole, as set out in the table below.

Area	Current register	Average per base period (4.5 periods)	Average CIL exemptions per annum	Net need per annum
Greater Cambridge	737	164	0	164
East Cambridgeshire	8	2	80	-78
Fenland	3	1	0	1
Huntingdonshire	241	54	51	3
West Suffolk	137	30	0	30
HMA	1,126	250	131	119

*4.5 years reflects the time from when the SBRs were introduced (2016/17) to 2019/20. 2016 is treated as a half year.

58. Recommendation: The Local Authorities should include appropriate policies to address the level of identified need. Where need is low this could be through policies to encourage provision and where more substantial through policies to require provision on sites above a qualifying threshold including on strategic sites. The exact level should be determined in reference to the identified need and the number and capacity of strategic sites. This should also take into account committed supply of other homes and viability considerations.

Service Families

59. There are two Royal Air Force sites and four sites operated by the United States Air Forces across the Huntingdonshire and West Suffolk authorities. While the sites have their own accommodation, the bases drive the local rental markets, with rental prices significantly uplifted due to military housing allowances.
60. Discussions with RAF and USAF representatives as part of this study reveal a demand for bespoke build-to-rent schemes to accommodate the military personnel off bases. Particular requirements are a location close to the bases and with good transport links.
61. At present, there are small numbers of service families on the Councils' housing registers. The Councils should continue to monitor the registers to identify any future needs. A study examining the specific needs of these bases was concluded in October 2020 - "HRM; Housing Requirement and Market Analysis- United States Air Force: Royal Air Force Lakenheath, Royal Airforce Mildenhall. Final Document 2020-2025". This study concluded that 659 homes would be required to accommodate the growth of US forces personnel in the area.

Gypsies and travellers etc

62. A separate study has been commissioned to assess the needs of Gypsies, Travellers, Roma, Travelling Showmen and Bargee Travellers and other caravan and houseboat dwellers, satisfying relevant legislation and guidance. This study, once completed, should be included as part of the overall identified needs for specific groups set out in this report and form a component part of the overall housing numbers requirement.

1 Addendum – new data and updated PPG

- 1.1 This report sets out a Local Housing Needs Assessment (LHNA) using data available at the time the report was commissioned. However, changes have taken place in the interim. In particular, in December 2020 PPG was updated as to the source of data it is appropriate to use where the relevant geography has recently been subject to Local Government re-organisation. Also, new median workplace affordability ratios were released in March 2021. Both these factors impact on the LHNA for the study area.
- 1.2 As a result of these changes, the housing need figure (HNF) for the HMA has changed from 4,654 to 4,625. This will not make a material change to the outputs of this study.
- 1.3 The standard method steps are set out below to show how the 4,625 figure is arrived at.
- 1.4 As regards the change to PPG, the new wording (PPG (Housing and economic needs assessment) Para: 2a-039) states that:

“Sourcing data inputs for re-organised authorities is dependent on the geographies at which these data inputs are published. Where local authorities have recently re-organised, to form a new unitary or single-tier authority:

As 2014 Household Projections are used in Step 1 of the standard method, these will not be available for the new/merged authorities – so local housing need in decision-making and plan-making, should be calculated at the predecessor local authority level for steps 1 to 3 (and 4 if appropriate);

If the latest affordability ratios are available at predecessor local authority level, these should be used for the affordability adjustment (Step 2). Where the latest published ratios are not available at these geographies, the latest available affordability ratio at that predecessor level should be used.

The cap (Step 3) should also be applied at the predecessor authority level with each predecessor area will have their cap applied based on the status of the predecessor authorities’ strategic housing requirements. This will mean the cap is set against either local plan, or household growth as appropriate.

For plan-making, the new/re-organised local authority should use a local housing need for the new/merged authority area, which is at least is the sum

of the local housing need of all the predecessor local authorities. Once a re-organised authority has adopted strategic housing policies covering the whole of its area, this will be used to determine the housing requirement, and the cap should then be applied on these policies.”

- 1.5 In the case of West Suffolk, as regards Step 2, given that the most recent available median workplace affordability ratio for Forest Heath and St. Edmundsbury is from 2020, it is this data that should be used in calculating the standard method-based housing need figure for West Suffolk.
- 1.6 The table below sets out the results of the Standard Method to Step 2 that is compliant with PPG 2a-039. This results in a housing need figure across the HMA of 4,625 dpa. This table presents the most up-to-date local housing need figure using the Median Affordability Ratio as of October 2021.

Table 1: Housing need step 2 – affordability adjustment factor

Local authority	Average annual change (2021-2031) (Step 1)	Affordability ratio 2020	Adjustment factor	Housing need uncapped (Step 2)
Cambridge	434	12.42	153%	662
East Cambs	426	11.12	145%	616
Fenland	426	7.41	121%	517
Huntingdonshire	718	9.18	132%	951
South Cambs	783	10.13	138%	1,083
<i>Forest Heath</i>	279	8.81	130%	363
<i>St Edmundsbury</i>	328	9.13	132%	433
West Suffolk	607	-	-	796
HMA	3,394	-	-	4,625
Greater Cambridge	1,217	-	-	1,745

Source: ONS - Ministry of Housing, Communities & Local Government 2014-based household projections

- 1.7 As noted in the main report, the third step of the standard method is to cap the level of increase to a deliverable level. How the cap is applied depends on the age of the Local Plan and the extent of the housing target within it.
- 1.8 As shown in the table below, the position as regards the age of each of the districts' Local Plans has not changed, therefore in every case the HNF resulting from Step 2 applies.

Table 2: Housing need step 3 (following PPG 039)

Local authority	Average annual change (Step 1)	Housing Need Uncapped (Step 2)	Current Local Plan adoption date	Local Plan housing target	Capped figure (+40%)	Housing need (Step 3)
Cambridge	434	662	18/10/2018 (<5 Years)	700	980	662
East Cambs	426	616	21/04/2015 (>5 Years)	575	805	616
Fenland	426	517	08/05/2014 (>5 Years)	550	770	517
Huntingdonshire	718	951	15/05/2019	804	1,126	951
South Cambs	783	1,083	27/09/2018 (<5 Years)	975	1,365	1,083
<i>Forest Heath</i>	279	363	19/09/2019 (<5 Years)	340	476	363
<i>St Edmundsbury</i>	328	433	14/12/2010 (>5 Years)	520	728	433
West Suffolk	607	796	-	-	1,204	796
HMA	3,394	4,625	-	-	6,250	4,625
Greater Cambridge	1,217	1,745	-	-	2,345	1,745

2 Introduction

- 2.1 GL Hearn together with Icen Projects and Justin Gardener Consulting have been commissioned by the Cambridgeshire and West Suffolk Local Planning Authorities (Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire and West Suffolk) to undertake an analysis of the housing needs of specific groups. The study aims to provide robust and sound evidence to support the preparation of the different Local Plans.
- 2.2 The study's outcomes are presented for the 2020 to 2040 plan period and individually for each Local Authority. In addition findings are also aggregated to the Cambridge sub-regional Housing Market Area (HMA) and the Greater Cambridge area (Cambridge and South Cambridgeshire).
- 2.3 Due to data constraints, we are occasionally required to provide outputs for the former Forest Heath and former St Edmundsbury Councils which merged in 2019 to become West Suffolk Council.
- 2.4 The study has been prepared in compliance with the National Planning Policy Framework (NPPF 2021) and the revised Planning Practice Guidance (PPG).

Overview of the Methodology

- 2.5 The methodology used in this report responds to the NPPF (2021) which sets out the Government's objective to significantly boost housing supply. Chapter 5 of the NPPF relates to delivering a sufficient supply of homes, with Paragraph 61 highlighting that "*to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard methodology*". Within this study, Chapter 5 presents those requirements.

- 2.6 Paragraph 62 of the NPPF sets out that “within this context, the size, type, and tenure of housing needed for different groups in the community should be assessed”. It adds that specific groups include but are not limited to “those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes”.
- 2.7 This study responds to most of these requirements and the findings are presented in Chapters 7 onwards. The report does not address the requirement of requirements of gypsies, travellers and boat dwellers which are being assessed separately.
- 2.8 The Planning Practice Guidance on Housing & Economic Needs Assessments (2019) requires that housing need be assessed across the relevant Housing Market Area leaving aside factors related to land availability, infrastructure, and capacity.
- 2.9 The PPG was updated in February 2019 to reflect the government’s standard method for assessing housing need. The standard method is calculated over 10 years with “the current year being used as the starting point” (PPG Paragraph 4). PPG Paragraph 12 states that “The method provides authorities with an annual number, based on a 10-year baseline, which can be applied to the whole plan period” (our emphasis).
- 2.10 The National Planning Policy Framework requires strategic policies to look ahead over a minimum 15 year period from adoption, although authorities are required to keep their policies under review. Local Authorities are therefore able to use the need figure arising from the standard method across their plan period regardless of when the plan period ends. For this study, we have applied the standard method across the period to 2040.

- 2.11 Use of the standard method also means that there will be no requirement to include provision for any historic under-provision. Paragraph 5 of the PPG states that:

“The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”

- 2.12 Paragraph 11 of the PPG adds:

*“The affordability adjustment is applied to take account of past under-delivery. The standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately.
Where an alternative approach to the standard method is used, past under-delivery should be taken into account.”*

- 2.13 Given that there is a clear direction that the calculation should use the current year as a starting point (paragraph 4) and that the calculation takes into account historic under-delivery (Paragraph 5 and 11), if a local authority wishes to start their plan period prior to or after 2020 it would be logical for the local authority to use housing completions for the period prior to 2020 and use the standard method as their housing need for any period thereafter.

Policy review

- 2.14 To contextualise this report, we have set out the key policies relating to housing need and affordable housing need in each of the Local Plans across Cambridgeshire and West Suffolk. This information also feeds into the assessment of housing need as calculated using the standard method.

Cambridge

- 2.15 The Cambridge Local Plan was adopted in October 2018 and covers a plan period of 2011 to 2031. The Local Plan confirms a target for 14,000 homes over the plan period equivalent to 700 dwellings per annum.

- 2.16 Policy 45 Affordable Housing and Dwelling Mix outlines the parameters for different forms and types of housing and establishes standards for residential development. The minimum affordable housing requirement is 25% for schemes of 11 to 14 dwellings and 40% at schemes of 15 or more dwellings. The policy also states that developments should include a balanced mix of dwelling sizes, type, and tenure to meet projected future needs within Cambridge.
- 2.17 Cambridge is home to two large universities, the University of Cambridge and Anglia Ruskin University along with other educational institutions that impact the demography of the City's housing market, especially the private rented sector.
- 2.18 Policy 46 Development of Student Housing sets out that for any development of student accommodation there must be an identified institution that the accommodation will serve and proof that there is suitable demand. The location of the new student development must also be appropriate for the institution that it serves and should discourage car usage.

East Cambridgeshire

- 2.19 The 2013 Strategic Housing Market Assessment for East Cambridgeshire concluded that the objectively assessed need (OAN) for housing in the district for the period 2011 to 2031 was 13,000 dwellings. However, under the Duty to Cooperate with Cambridgeshire and Peterborough authorities, it was agreed that 1,500 dwellings of East Cambridgeshire's housing need should be redistributed across the HMA area, resulting in a Local Plan target of 11,500 dwellings or 575 dwellings per annum for the plan period 2011 to 2031.
- 2.20 The East Cambridgeshire Local Plan identifies that the success of the Cambridge economy has had a profound effect on the affordability of housing in the area. Policy HOU3 Affordable Housing Provision addresses the affordable housing provision in East Cambridgeshire where all-new open market housing developments of 10 or more dwellings must make appropriate provision for affordable housing. There is a 40% affordable housing requirement in the southern parts of the district and 30% affordable housing in the northern parts of the district.

- 2.21 Evidence from the Cambridge Sub-Region Strategic Housing Market Assessment indicates that East Cambridgeshire needs more 2 and 3-bed dwellings to cater to smaller families and older people. This need feeds into Policy HOU1 Housing Mix where developments of 10 or more should provide an appropriate mix of dwelling types and sizes to contribute to future needs.
- 2.22 The Local Plan has a specific housing policy for target groups within East Cambridgeshire, these include a policy for rural workers (Policy HOU5 Dwellings for Rural Workers), residential care accommodation (Policy HOU6 Residential Care Accommodation) and mobile homes and residential caravan parks (Policy HOU7 Mobile homes and Residential Caravan Parks).

Huntingdonshire

- 2.23 The Huntingdonshire Local Plan was adopted in 2019 and covers the 2011-36 plan period. The Huntingdonshire Objectively Assessed Housing Need Update 2017 identified housing pressure in Huntingdonshire which is partly in response to housing market pressures in Cambridge. It identified a need to provide 20,100 homes (both market and affordable) in the district by 2036. This equated to an annual requirement of 804 dwellings per annum at March 2019.
- 2.24 Affordable dwellings are addressed in three ways in Huntingdonshire. Firstly, through the application of a 40% affordable housing provision target on all qualifying sites through Policy LP 24 'Affordable Housing Provision'. Secondly, through the introduction of an enhanced 'Rural Exception Housing' policy (Policy LP 28) to promote additional sites. Thirdly, through Policy LP2 'Strategy for Development' to promote a higher level of growth than the OAN figure, which in turn will deliver more affordable homes.

- 2.25 The SHMA 2013 identified that the majority of household change between 2011 and 2036 will be in households aged over 65 and single people households. This creates a need for a range of accommodation types and Policy LP25 'Housing Mix' outlines that proposals should support and provide a mix of sizes, types, and tenures, include accessible and adaptable homes standards and take account of the opportunity to provide self and custom build homes. Policy LP26 'Specialist Housing' stresses the demand for a range of attractive housing options for older people with specific needs.

South Cambridgeshire

- 2.26 The South Cambridgeshire Local Plan adopted in September 2018 covers the plan period 2011-31. The Plan has a housing target of 19,500 dwellings for the plan period equating to 975 dwellings per annum. This is a rounded target from the 19,337 homes identified as the district's OAN.
- 2.27 Policy H/9 Housing Mix seeks to ensure a wide choice, type and mix of housing will be provided to meet the community needs. Consequently, for schemes of 10 or more dwellings, 30% of homes will have to be 1 or 2 bedrooms, 30% 3-bedroom homes and 30% 4-bedroom homes with a 10% flexibility allowance. Policy H/9 Housing Mix requires all sites with 20 or more dwellings to supply dwelling plots for sale to self and custom builders. The housing strategy for Greater Cambridge stipulates that this should be 5% of all plots.
- 2.28 Policy H/10 Affordable Housing states for 11 or more dwellings, 40% of homes on site will be affordable.

Fenland

- 2.29 The Fenland Local Plan was adopted in May 2014 and covers the plan period 2011-31. The Local Plan sets a housing target of delivering 11,000 new homes over the 20-year plan period. The distribution of these new dwellings must be compliant with Policy LP3: Spatial Strategy, the Settlement Hierarchy, and Countryside, which aims for sustainable growth within the District and places the focus on growth around the four market towns which have the best access to services and facilities.
- 2.30 The provision of affordable housing is one of the key aims of the Local Plan and is informed by the Cambridge Housing Sub-Region SHMA (2012), local market conditions and viability and feasibility testing.
- 2.31 Policy LP5: Meeting Housing Needs outlines the affordable housing need for Fenland being for all development of five or more dwellings. The tenure mix of affordable dwellings should also be compatible with the latest SHMA.

West Suffolk

- 2.32 Former Forest Heath and former St Edmundsbury Local Authorities merged to form West Suffolk Council on 1st April 2019. We have set out below the local policy position for each of these areas. These will continue to be valid until the West Suffolk Local Plan is adopted which is scheduled for 2024.

Former Forest Heath

- 2.33 There was a Single-Issue Review of the Core Strategy Policy CS7 in September 2019. This was to review the housing requirement for the district. The starting point for assessing housing need was the 2016 SHMA which identified a need for 6,800 homes over the period 2011-2031, or 340 homes a year. Taking into account interim delivery left a requirement to deliver 4,363 homes over the 2016-2031 period or 290 dpa.

- 2.34 Policy CS9 requires 30% of housing developments of 10 or more dwellings or more than 0.33 ha should be affordable. The mix of tenure and sizes should be as presented in the SHMA 2012. The policy also set a requirement for 20% to be affordable on smaller sites in certain settlements. That said, this is no longer valid due to changes brought about by a ministerial statement.

Former St Edmundsbury

- 2.35 The former St Edmundsbury Core Strategy that was adopted in December 2010 reflected the East of England Plan, which required 10,000 homes to be built between 2001 and 2021, with a minimum of a further 5,400 between 2021 and 2031. The Core Strategy makes provision for the construction of at least 9,000 new homes in former St Edmundsbury between 2008 and 2031.
- 2.36 Whilst the two towns of Bury St Edmunds and Haverhill will provide the main focus for large scale growth in the borough, a high proportion of the new housing and employment development in the borough will be located in the rural areas, in those villages which have a range of services and facilities to meet local needs. A settlement hierarchy has been produced in Policy CS4, Settlement Hierarchy and Identity, which sets out where new development is expected to go.
- 2.37 Policy CS5 Affordable Housing sets an affordable housing target at 20% at developments of up to 10 dwellings and 30% affordable housing where 10 or more dwellings are built. Within the same policy, the mix, size, type, and tenure of affordable homes is set and should be in line with the locally identified housing need. The policy requirement for 20% on smaller sites is no longer valid due to changes brought about by a ministerial statement.

Covid-19

- 2.38 The report was largely prepared before and during the Covid-19 outbreak and it does not seek to model any impact that may result from it. The data accessed and used in this report all pre-date the Covid-19 emergency.

2.39 Whilst it is currently too early to know what the full impact of Covid-19 will be on the housing market; it will be important for outcomes to be monitored and consideration given to any short or long-term consequences for a range of groups. Below is a very brief initial discussion of some of the areas that will need to be monitored:

- **Affordable housing** – potentially the most immediate impact will be a greater affordable housing need, as a result of higher levels of unemployment. Given that there is a finite amount of social housing stock, this could put pressure on the housing register, the homelessness system and the private rented sector as well as various service providers. One immediate response from banks has been to offer those affected mortgage holidays. This has postponed the immediate increase in demand for affordable housing and private rented housing although it is unlikely to be offered indefinitely.
- **Housing market** – it is likely that a greater focus will be on house prices and sales volumes with some analysts predicting a notable short-term fall in prices and transactions. Whilst this would arguably make housing more affordable, it does look like lenders are changing their lending criteria (requiring higher deposits) which is likely to make it more difficult for new households to access the market. This potentially will put pressure on the need for private rented accommodation. The government responded to this by cutting stamp duty on homes until September 2021. This had the effect of dampening the impact of the Pandemic on the housing market.
- **Older people** – whilst the number of excess deaths due to Covid-19 is high in England, it still represents only a fraction of the number of deaths that might have been anticipated. However, given the demographic groups impacted there may be a short-term shift in the population profile and hence the need for older people's housing. Conversely, given high numbers of deaths in care homes, it may be (in the longer-term) that there is a change in models of care; in particular away from traditional residential care home settings. Although the forced isolation of older people outside of this context has somewhat perversely seen a growth in demand for specialist older persons accommodation.

- **Commuting and migration** – there may well be a longer-term shift to increased working from home. This may well see people having less of a need to be close to their traditional place of work. This may potentially have a longer-term impact on migration patterns as people move away from major employment hubs i.e. cities towards more rural locations.
- 2.40 These are just a small number of topics that might be impacted by Covid-19 and as noted it will be important to monitor the situation moving forward. That said, this report does project needs many years into the future and it may be that the Covid-19 emergency will only create minor or short-term housing market impacts.

Structure of the study

2.41 The remainder of the study is structured as below:

- Chapter 3: Demographic profile
- Chapter 4: Market signals
- Chapter 5: Local housing need and population growth
- Chapter 6: Affordable housing need
- Chapter 7: Housing mix
- Chapter 8: Older and disabled persons
- Chapter 9: Students
- Chapter 10: Other groups

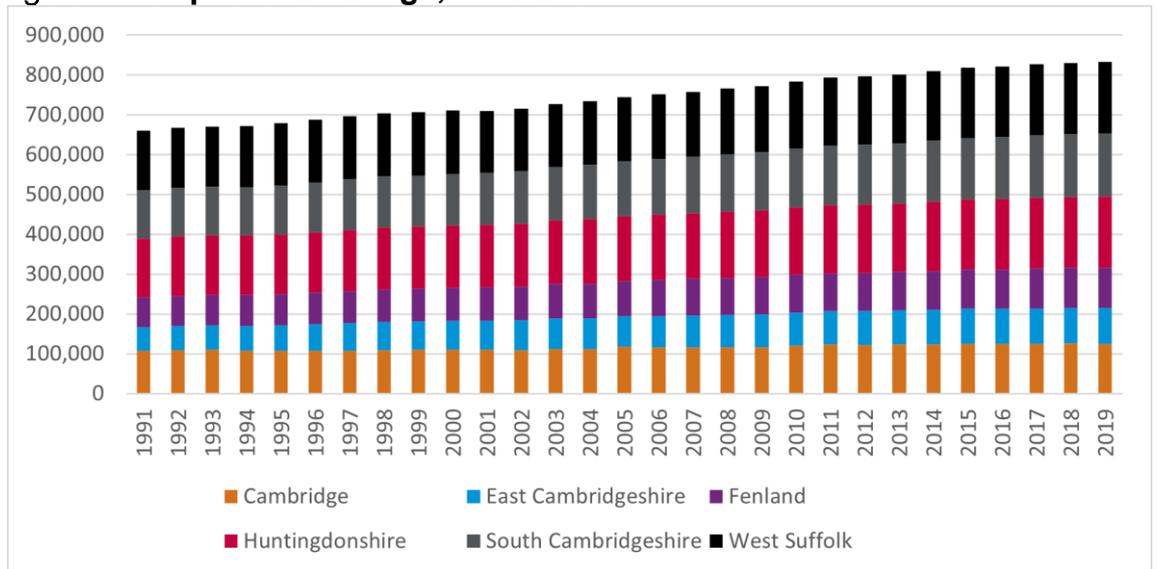
3 Demographic profile

3.1 This section analyses key demographic trends. The analysis uses local authority data for the study area and this will be compared to the trends in the HMA along with the regional comparators of the East of England and the national comparison of England.

Past population trends

3.2 As of mid-2019, the total population of the HMA was 826,600 persons. The figure below indicates how the population has changed since 1991. Over this period the population has grown by 26% with an average annual growth rate of 0.8%. As the graph illustrates the population remained fairly stable until 2001 followed by almost continual but gradual growth since.

Figure 1: Population change, 1991-2019

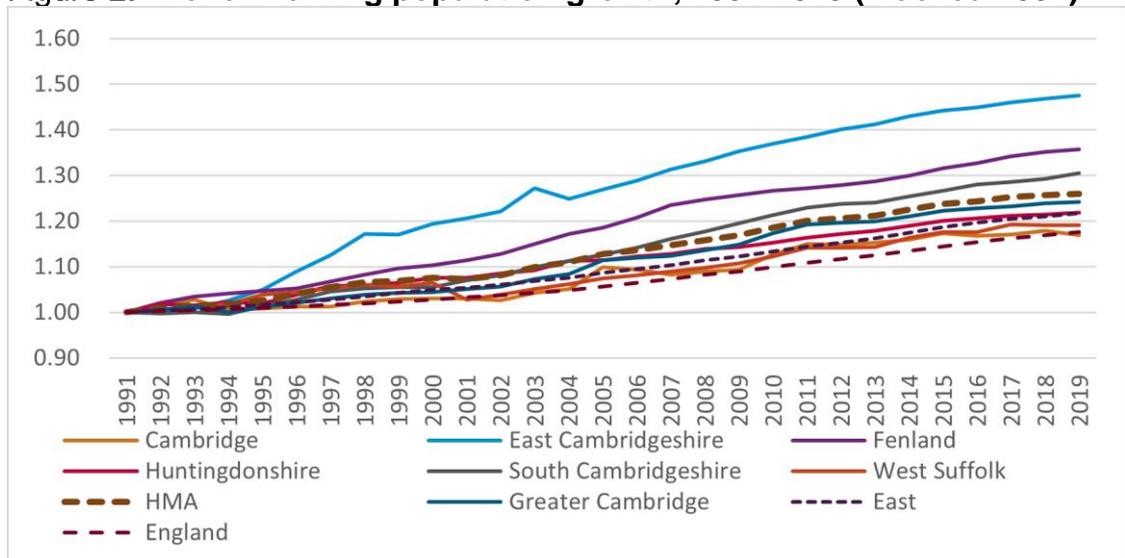


Source: ONS mid-year population estimates, dataset ID: pop, series ID: ENPOP, 2020

3.3 The figure below compares the indexed population growth since 1991 of the local authorities and the wider comparators. East Cambridgeshire has seen the largest population increase (47%) since 1991 with an annual growth rate of 1.4%. Whereas the lowest rates of growth were in Cambridge (17%) and West Suffolk (19%).

3.4 The HMA population growth since 1991 (26%) exceeds both the regional growth of the East of England (22%) and the national growth (18%).

Figure 2: **Benchmarking population growth, 1991-2019 (Indexed:1991)**



Source: ONS mid-year population estimates, dataset ID: pop, series ID: ENPOP, 2020

3.5 The table below complements the above figures by presenting the population and population growth for different periods for each local authority together with the aggregated figures for the HMA, Greater Cambridge area, and the regional and national comparisons.

Table 3: Population growth 1991-2019

Local authority	2019 Pop.	1991-2019 change	1991-2019 change %	1991-2019 annual change	2011-2019 change	2011-2019 change %	2011-2019 annual change
Cambridge	124,800	19,078	18%	0.6%	2,075	1.7%	0.2%
East Cambridgeshire	89,800	28,509	47%	1.4%	5,555	6.6%	0.8%
Fenland	101,900	26,414	35%	1.1%	6,439	6.7%	0.8%
Huntingdonshire	178,000	31,288	21%	0.7%	7,961	4.7%	0.6%
South Cambridgeshire	159,100	35,607	29%	1.0%	9,258	6.2%	0.8%
West Suffolk	179,000	28,662	19%	0.6%	7,519	4.4%	0.5%
HMA	832,600	169,558	26%	0.8%	38,807	4.9%	0.6%
Greater Cambridge	283,900	54,685	24%	0.8%	11,333	4.2%	0.5%
East of England	6,236,100	1,080,162	21%	0.7%	373,682	6.4%	0.8%
England	56,287,000	8,102,143	17%	0.6%	3,179,831	6.0%	0.7%

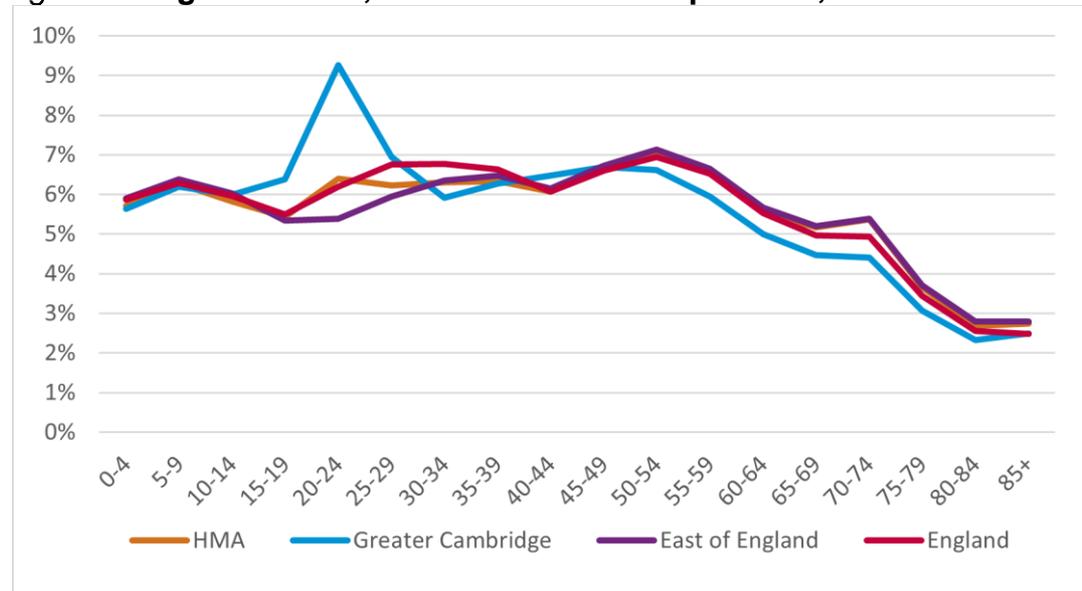
Source: ONS mid-year population estimates, dataset ID: pop, series ID: ENPOP, 2020

- 3.6 Since 2011, the highest rates of growth have been in Fenland (6.7%) and East Cambridgeshire (6.6%). The lowest rate of growth was in Cambridge (1.7%) with the next lowest West Suffolk (4.4%).

Age structure

- 3.7 The figure below illustrates the HMA age structure against wider comparators. The population structure of the HMA is broadly in line with the population structure of the East of England and England with the 50-54 age bracket representing the greatest proportion of the populations' age structure (7.0%).
- 3.8 It is also worth noting the variation within the age structure of the Greater Cambridge population in younger age groups. This is explained by the large student population.

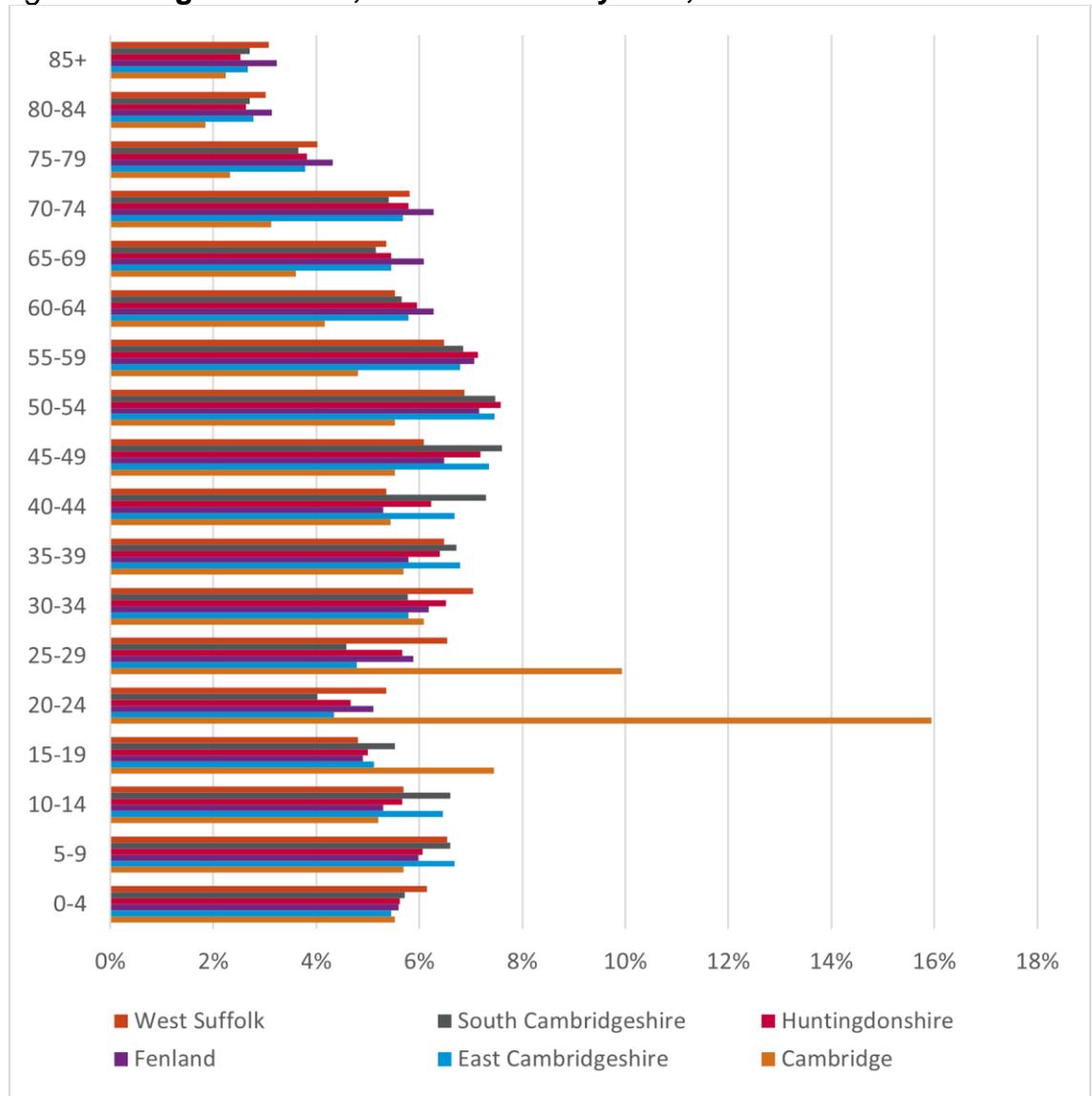
Figure 3: Age structure, HMA and wider comparators, 2019



Source: ONS mid-year population estimates dataset ID: pop, series ID: ENPOP, 2020

- 3.9 The figure overleaf shows the age structure for each local authority. Cambridge City’s profile reflects the impact of the Universities. As illustrated, there is a significant representation of people aged between 15 and 29 years old and conversely a lower representation in other age groups.
- 3.10 East Cambridgeshire and South Cambridgeshire have a higher representation of children aged 5 to 14. This is likely to reflect the area's attractiveness to young families while maintaining access to employment locations.

Figure 4: Age structure, across the study area, 2019



Source: ONS mid-year population estimates, dataset ID: pop, series ID: ENPOP, 2020

3.11 Fenland District has a notably lower proportion of people aged under 50 years of age (56.8% of the population) and higher for those aged 50 and older (43.0% of the population) in comparison to England (63.0% under 50 years and 37.0% aged 50 and over).

3.12 On a similar basis, Huntingdonshire District has a lower proportion of the population aged under 40 (45.9% of the population) and a higher proportion of those aged 40 years and older compared (54.1% of the population) to the national average (49.8% aged over 40).

3.13 West Suffolk has a similar age structure to that seen nationally with a slightly lower representation of those aged 15 to 24 and 40 to 44. Conversely, there is a higher representation of those aged 25 to 29 and those aged over 65 years old. A possible explanation for this is the presence of US military personnel in the area.

Components of past population change

3.14 This section presents the drivers of population change in the HMA from 2001 to 2019. This is the longest period for which a reasonable quality of data is available. Appendix B includes tables and graphs presenting the Components of Population Change at a local authority level.

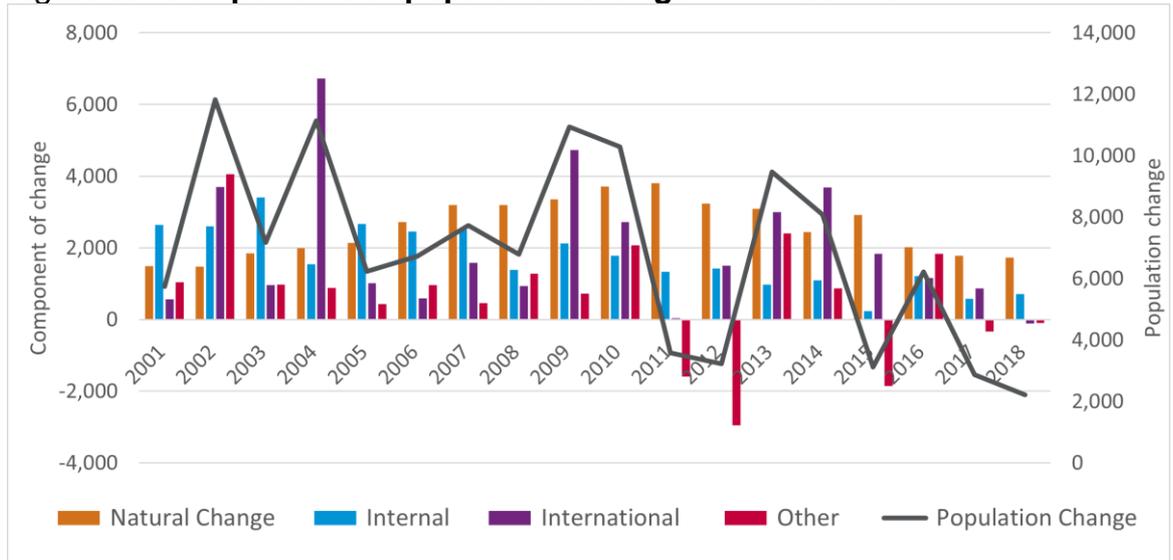
3.15 Across the HMA, population change is largely driven by international migration and natural change (births minus deaths). Within the ONS data, there is also an 'other' category the main constituents of which include changes to the size of armed forces stationed in the area (the UK and Foreign Forces) and other special population adjustments including the prison population.

3.16 There are notable changes (both positive and negative) brought about by the 'other' category in West Suffolk (from 2010 onward) and Huntingdonshire (2003 and 2004). These can be linked to the military airbases in these areas. Cambridge also has a sizeable "other" component although it's not clear whether this relates to military moves or other institutions such as halls of residence.

3.17 The components also include unattributable population change (UPC). This is an adjustment made by ONS to mid-year population estimates where Census data has suggested that population growth had either been over or under-estimated in the inter-Census years. As UPC links back to Census data, a figure is only provided up to 2011.

3.18 Figure 5 and Table 4 show the components of population change across the HMA from 2001 onwards. The year shown in the table relates to the year these changes took place therefore the 2018 figure is the components of change to get to the 2019 mid-year estimate.

Figure 5: Components of population change HMA 2001-18



Source: ONS mid-year population estimates, dataset ID: pop, series ID: ENPOP, 2020

3.19 Overall, population change (as shown by the grey line) remained positive between 2001 and 2010. After 2010, the population change across the HMA falls as a result of the “other” category which in 2011, 2012, 2015, 2017 and 2018 was negative (these changes mainly occurred in West Suffolk due to military moves). All the other components of change remain almost consistently positive throughout the recorded period.

3.20 International migration (as shown by the purple bars) has been positive in all years except for the last recorded year. However, it has seen significant variation over the whole period examined. This ranges from 6,726 in 2004 to a decline of 115 in 2018. It is also worth noting the steady decline since 2014. This is likely to be caused by combination of factors including short term growths in certain industries attracting international migration to the area or the universities seeking international students. Also, the UK’s departure from the European Union has precipitated a fall in arrivals in the Country from EU member states.

Table 4: Components of population change HMA 2001-19

Year	Start pop.	Natural change	Internal	International	Other	Population change	End pop.
2002	709,172	1,487	2,640	566	1,042	5,735	714,907
2003	714,907	1,474	2,605	3,696	4,051	11,826	726,733
2004	726,733	1,843	3,406	960	972	7,181	733,914
2005	733,914	1,991	1,542	6,726	884	11,143	745,057
2006	745,057	2,136	2,666	1,013	426	6,241	751,298
2007	751,298	2,724	2,455	588	964	6,731	758,029
2008	758,029	3,194	2,502	1,580	462	7,738	765,767
2009	765,767	3,198	1,388	935	1,275	6,796	772,563
2010	772,563	3,357	2,129	4,728	726	10,940	783,503
2011	783,503	3,714	1,785	2,715	2,076	10,290	793,793
2012	793,793	3,806	1,329	39	-1,591	3,583	797,376
2013	797,376	3,237	1,424	1,508	-2,948	3,221	800,597
2014	800,597	3,089	978	2,998	2,406	9,471	810,068
2015	810,068	2,442	1,087	3,679	873	8,081	818,149
2016	818,149	2,914	233	1,827	-1,861	3,113	821,262
2017	821,262	2,021	1,218	1,154	1,830	6,223	827,485
2018	827,485	1,774	575	863	-334	2,878	830,363
2019	830,363	1,729	705	-115	-100	2,219	832,582

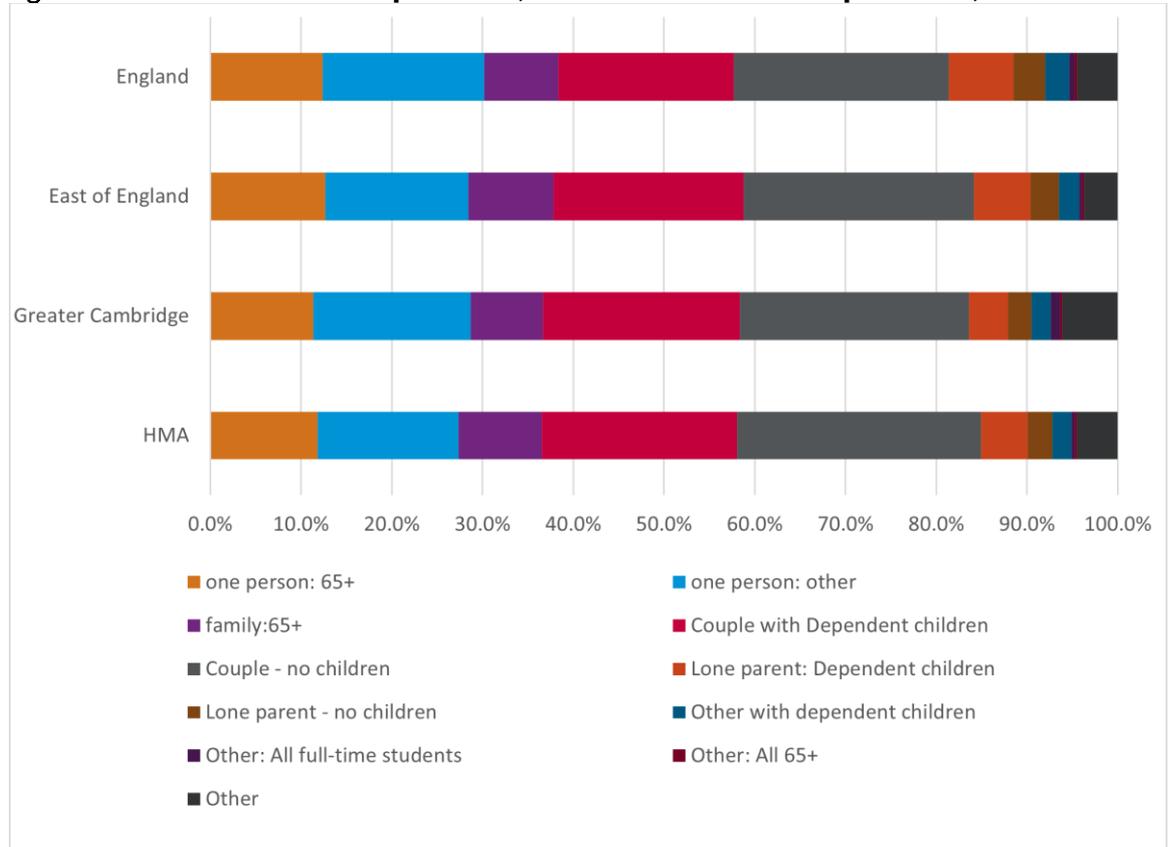
Source: ONS mid-year population estimates, dataset ID: pop, series ID: ENPOP, 2020

- 3.21 It should also be recognised that there are reporting issues with population estimates. Specifically, this relates to the population in Cambridge and is likely to be as a result of changes to the student population. Chapter 5 of this document includes an examination of these issues in more detail.

Household composition

- 3.22 Data has been collated from the 2011 Census to examine household composition across the HMA. Generally, the breakdown in the HMA follows the national pattern as presented in the figure below. The most common household group in the HMA are couples with no children or non-dependent children which represent around 27% of households in the HMA. This is followed by couples with children (21.5%).

Figure 6: Household composition, HMA and wider comparators, 2011

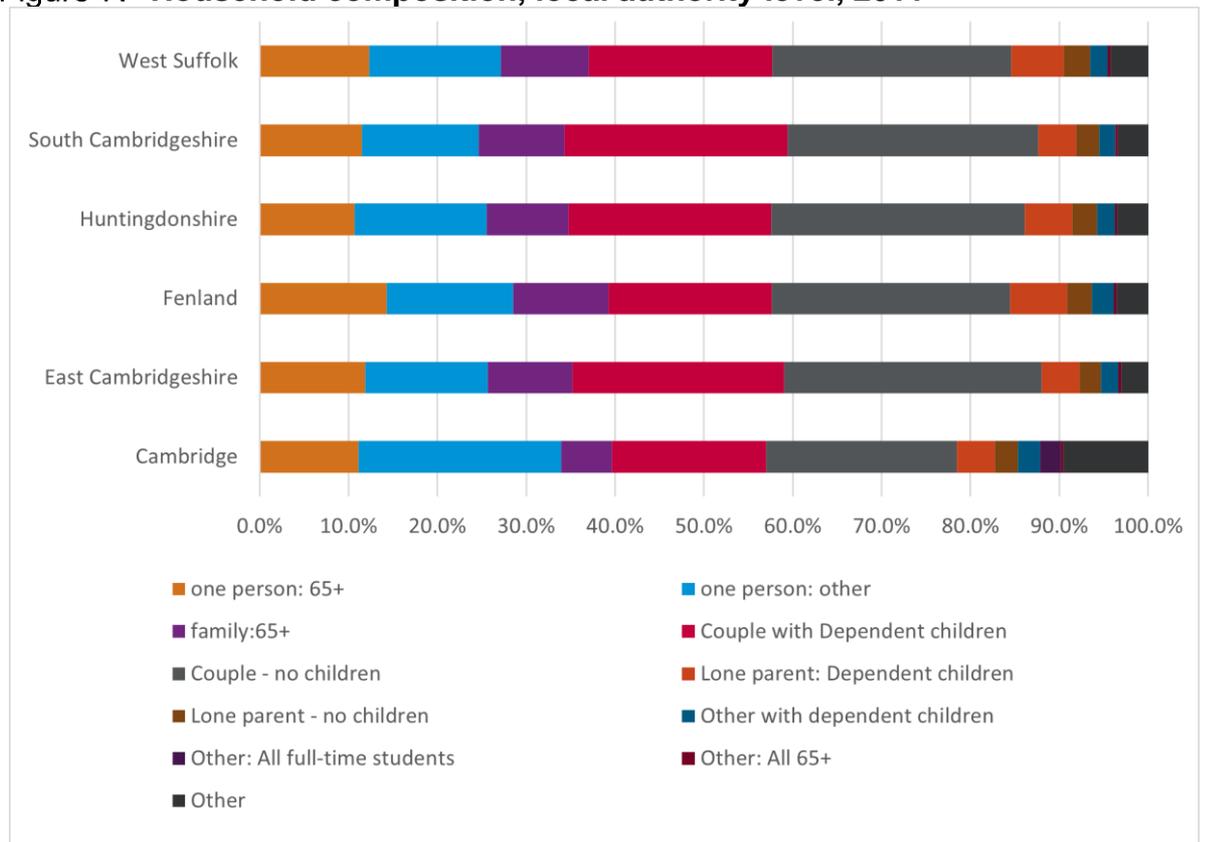


Source: Census 2011, KS105EW

- 3.23 Across the different authorities, the data reflects the urban or rural nature of each area as well as the influence of the Universities. For instance, Cambridge has a high percentage of one-person households younger than 65 (23%) compared to both the HMA and the country (18%).
- 3.24 Conversely, couples with no children or non-dependent children are the second most common household typology in Cambridge (21.5%). This is much lower than the other local authorities where these groups represent between 27% and 29%.
- 3.25 As well as the highest percentage of all student households Cambridge also has the highest incidence of “other” households. This is sometimes taken as a proxy for Housing in Multiple Occupation (HMO), but it is defined as any unrelated adults sharing a household space. This again is likely to reflect part-time students but also working professionals (or a mix of students and non-students) who house share in the City.

3.26 At 2.9% West Suffolk has the highest percentage of single-parent families, although the range is narrow across the HMA (2.0-2.9%). In comparison to the region (3.2%) and nationally (3.5%), the percentages are relatively low.

Figure 7: **Household composition, local authority level, 2011**



Source: Census 2011, KS105EW

3.27 Couples with dependent children are most common in South Cambridgeshire (25.1%) reflecting the area's role as a family location counteracting the City's role for single people. As a more rural location, Fenland has the highest percentage of single older persons.

3.28 It is possible to partially update this analysis concerning the 2018-based Household Projections. Although these are broken down into far fewer categories as Table 5 illustrates.

3.29 In 2018, the most common household type is 'other household with two or more adults with no dependent children'. This group comprise around 44.5% of all households in the HMA. This is a greater percentage than in the East of England region (42.3%) and Nationally (41%). At a local authority level, the greatest number of such households are found in West Suffolk and the fewest in Cambridge.

3.30 The HMA has a below-average representation of single-person households (28.1%) compared to the regional (29.1%) and national (30.9%) figures. Although at a local authority level Cambridge does exceed the national equivalent (34.2%).

Table 5: Households by type (2018)

Location	One person households: male	One person households: female	Households with one dependent child	Households with two dependent children	Households with three or more dependent children	Other households with two or more adults
Cambridge	16.9%	17.3%	10.9%	8.7%	3.4%	42.8%
East Cambridgeshire	11.6%	15.7%	12.8%	11.8%	3.8%	44.2%
Fenland	13.8%	15.9%	12.7%	9.4%	3.9%	44.3%
Huntingdonshire	12.3%	14.5%	12.6%	11.5%	3.9%	45.2%
South Cambridgeshire	11.2%	14.2%	12.5%	13.5%	4.5%	44.1%
West Suffolk	12.9%	14.6%	13.0%	10.1%	4.1%	45.3%
HMA	12.9%	15.2%	12.5%	11.0%	4.0%	44.5%
Greater Cambridge	13.5%	15.5%	11.8%	11.5%	4.0%	43.6%
East of England	13.5%	15.7%	13.0%	11.2%	4.3%	42.3%
England	14.9%	16.0%	13.1%	10.4%	4.6%	41.0%

Source: ONS 2018-based household projections, dataset ID: pop, series ID: ENPOP, 2020

3.31 The HMA also has a smaller representation of households with one or more children (27.4%) compared to the regional (28.5%) and national (28%) figures. Although at a local authority level South and East Cambridgeshire do exceed the national equivalent (30.5% and 28.5% respectively).

Demographic profile - Key messages

- As of mid-2019, the total population of the HMA was 826,600 persons. Since 1991 the population has grown by 26% with an average annual growth rate of 0.8%.
- East Cambridgeshire has seen the most notable population increase since 1991 (47%) followed by Fenland (35%) and then South Cambridgeshire (29%). These figures include significant growth in the 1990s and slower growth since then.
- The significant change in population in West Suffolk is partly due to variations in military personnel.
- The age profile of the HMA is similar to the UK age structure. It is noted that Cambridge has a higher proportion of people aged 20-24 years old which is driven by the Universities and young professionals living in the city.
- Between 2001 and 2010, the HMA's population change was consistently positive. Since then, the population growth has fluctuated with some years seeing a fall in population. This has been due to a range of 'other' factors such as changes in the military population.
- The household composition across the HMA broadly follows the national pattern with couples with no children or non-dependent children being the most common type of household in the HMA (27%), followed by couples with children (21.5%).

4 Market signals

- 4.1 This section of the report provides an overview of key market signals in Cambridgeshire and West Suffolk. The analysis provides a quantitative overview using publicly available datasets along with a qualitative analysis through consultation with local agents.
- 4.2 Where possible we have used data from West Suffolk but where the data is not available, we have used an average of former Forest Heath and St Edmundsbury. Where we have taken an average of the two former districts, we have denoted this with West Suffolk Average.

Land values

- 4.3 The DCLG published a report on residential land value estimates in April 2019, this is the latest available release. As shown in Table 6, the residential land value average in the HMA is £3,118,333 per hectare, which is lower than the regional and national (including London) equivalents but above the national value excluding London.

Table 6: Residential land values, per hectare, April 2019

Area	Land values, per hectare
Cambridge	£6,250,000
East Cambridgeshire	£2,300,000
Fenland	£370,000
Huntingdonshire	£2,700,000
South Cambridgeshire	£5,390,000
West Suffolk	£1,700,000
HMA average	£3,118,333
Greater Cambridge	£5,820,000
East of England	£3,691,200
England incl. London	£6,013,744
England excl. London	£2,686,981

Source: DCLG, April 2019

- 4.4 Land values are uplifted in areas of high housing demand and constrained land availability. Low demand could be as a result of myriad socio-economic reasons including local environment, access to jobs and services and quality of place. This would explain why there is such a range of land values across the study area with Cambridge residential land values exceeding over £6m per hectare whereas Fenland has land values of less than £400,000.
- 4.5 The above also reflects district averages, and there will be considerable differences in different parts of a district.

House prices

- 4.6 The average (mean) house price in the HMA (2019) was £368,503, whilst the median price was less at £297,000. This indicates that there is a smaller concentration of very expensive properties across the study area.
- 4.7 In comparison to the regional and national average, the median house prices in the HMA is above both the regional (£282,500) and national median (£230,000). Again, there is a considerable range with the highest median house prices found in Cambridge (£440,000) and the lowest in Fenland (£184,000).

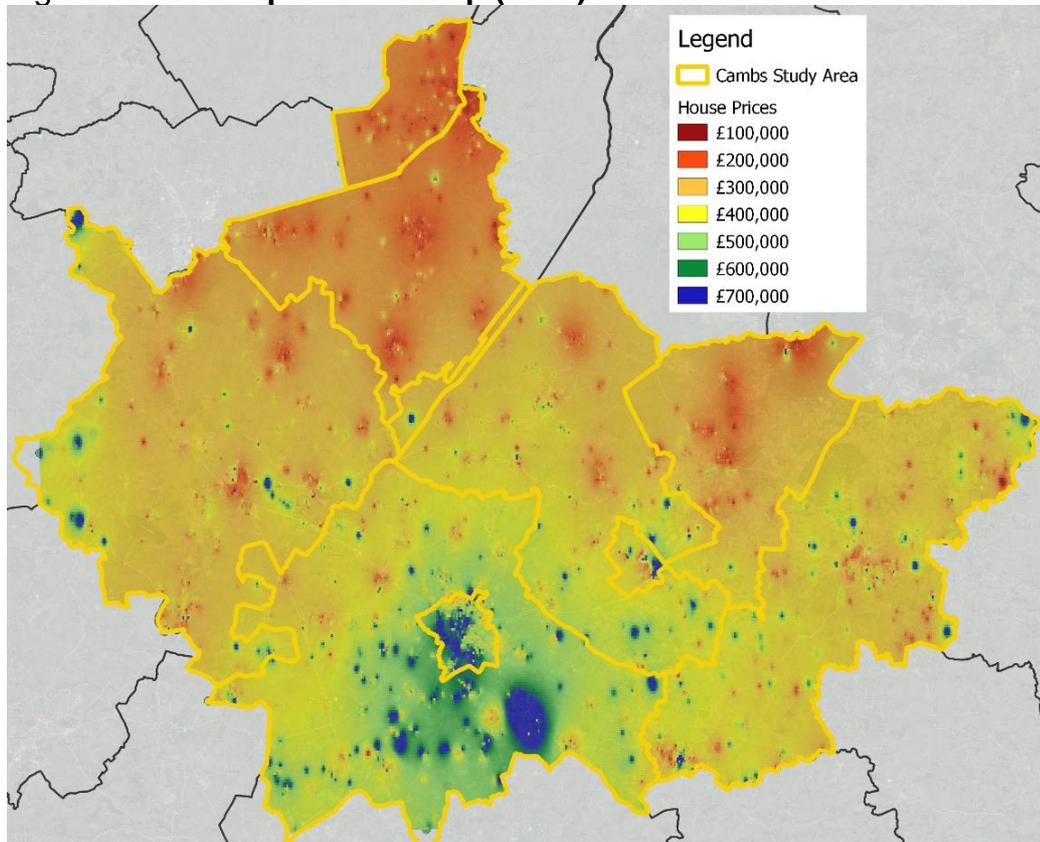
Table 7: Average house prices in the housing market area (2019)

Area	Median	Mean	Lower quartile
Cambridge	£440,000	£571,657	£336,716
East Cambridgeshire	£290,998	£346,385	£220,000
Fenland	£184,000	£209,043	£146,750
Huntingdonshire	£275,000	£313,437	£210,000
South Cambridgeshire	£360,000	£446,760	£280,000
West Suffolk	£251,000	£337,948	£198,000
HMA	£297,000	£368,503	£210,000
Greater Cambridge	£286,500	£362,865	£210,000
East of England	£282,500	£368,830	£206,000
England	£230,000	£351,305	£148,000

Source: Land Registry price paid, 2019

- 4.8 As per land prices, the areas of lower value house prices such as Fenland tend to attract less competition thus house prices are lower. This can be for a variety of reasons such as local environment, access to services and employment opportunities (and associated levels of household income).
- 4.9 The figure below provides a heat map to illustrate house prices across the HMA in 2019. A clear pattern emerges of lower priced properties to the North and East of the study area. Whereas there is a concentration of higher values in the South and South West of the study area.
- 4.10 There are some exceptions to this pattern with pockets of higher-cost housing even in the North of the HMA including more rural parts of Fenland, south of Wisbech and in East Cambridgeshire and West Suffolk around Newmarket, and Huntingdonshire around Peterborough (the latter two potentially acting as affluent suburbs).

Figure 8: House price heatmap (2019)

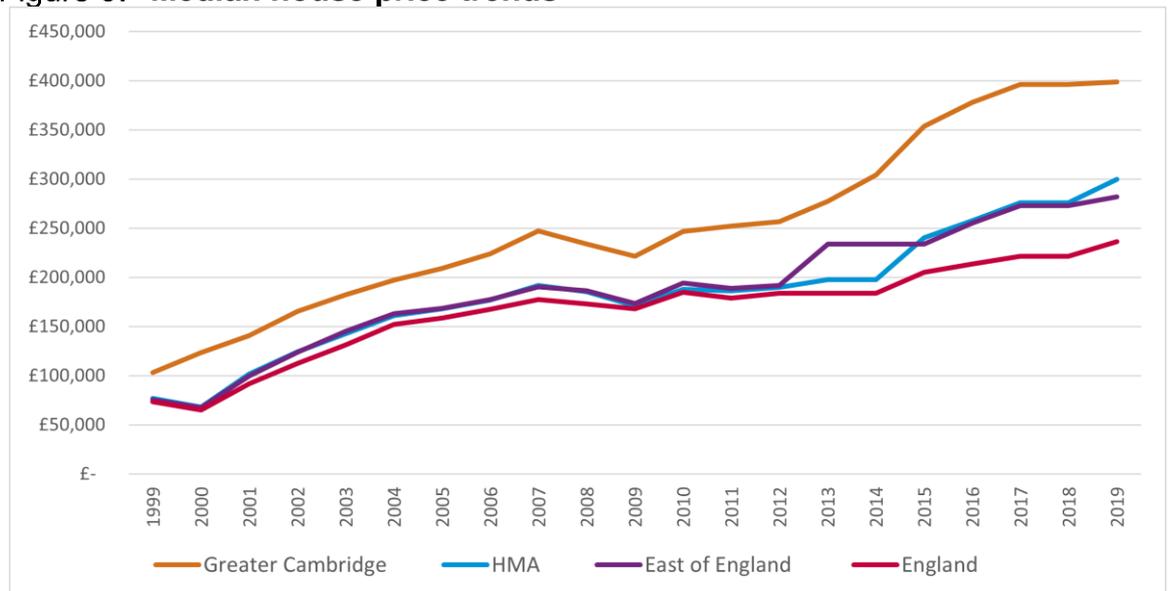


Source: GL Hearn based on HM Land Registry data, 2019

House price change

- 4.11 The figure below illustrates house price change in the HMA against the regional and national median house prices over the last 20 years. This shows that house price trends in the HMA closely follow the regional trends and slightly surpass the national trends since 2015.
- 4.12 Over the pre-recession period (1999 to 2007), median house prices in the HMA increased from £76,990 to £191,588, an increase of 149%. Reflecting on the economic backdrop, trends in house prices fell with the onset of the recession, as was the case regionally and nationally.

Figure 9: Median house price trends



Source: DCLG live tables: Land Registry data, 2019

- 4.13 House prices in the HMA subsequently rose since 2009, and as of Q3 in 2010, median house prices in the HMA reached pre-recession levels. Since this time, house prices in the HMA have continued to increase at a faster rate than the national trend.
- 4.14 The table below shows that house prices in the HMA increased by 228% over 20 years. This is greater than both the regional (216.8%) and national increase (188.9%).

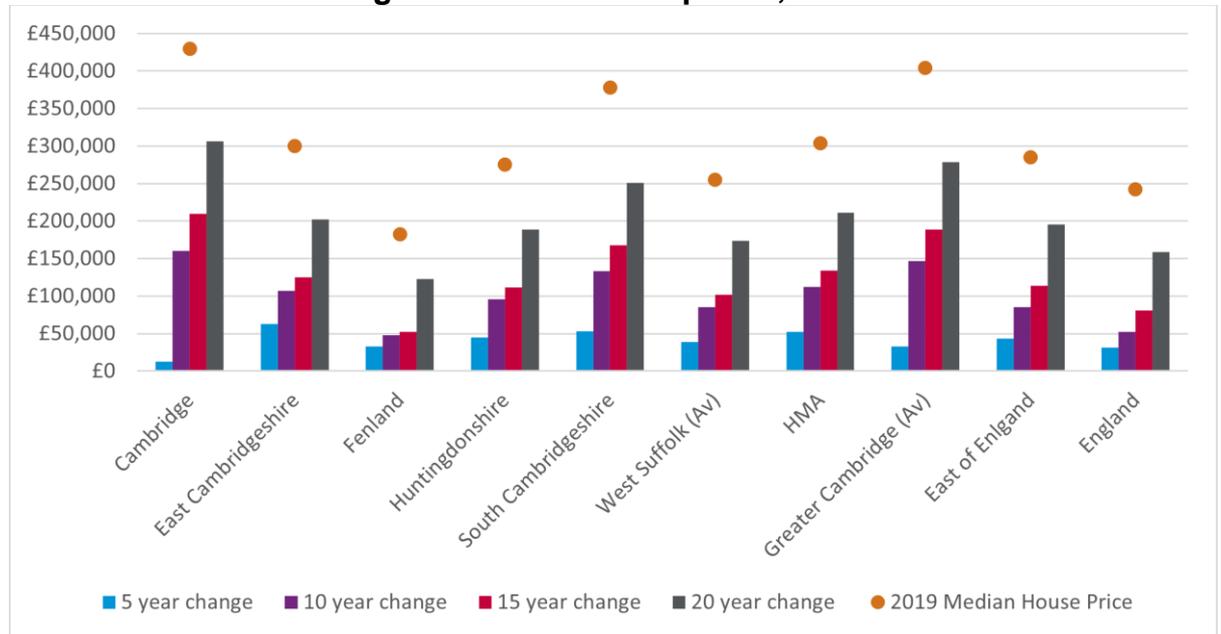
Table 8: Percentage change to median house price, 1999-2019

Location	5-year change	10-year change	15- year change	20-year change
Cambridge	3.0%	59.3%	95.5%	248.2%
East Cambs	26.6%	55.4%	71.2%	206.1%
Fenland	21.7%	35.4%	40.4%	204.2%
Huntingdonshire	19.6%	53.4%	67.9%	217.9%
South Cambs	16.3%	54.3%	80.0%	197.1%
West Suffolk Ave.	18.1%	50.2%	66.7%	212.9%
HMA	20.9%	58.5%	78.7%	228.1%
Greater Cambridge	8.8%	56.9%	87.9%	222.2%
East of England	18.0%	42.5%	66.7%	216.8%
England	14.9%	27.6%	49.7%	188.9%

Source: DCLG live tables: Land Registry data, 2019

- 4.15 Over the last 10, 15 and 20 years, the largest house price growth was in Cambridge. The lowest growth over these periods was in Fenland (10 and 15 years) where there is lower demand and South Cambridgeshire (20 years) which had a high starting point.
- 4.16 In the shorter term (5-years) the highest percentage growth in median house prices has been in East Cambridgeshire (26.6%) and the lowest percentage growth in median house prices has been within Cambridge (3.0%). This could be part explained by the recent high levels of supply in Cambridge which has meant supply has kept up with demand. The opposite is true in East Cambridgeshire (see housing supply trends section towards the end of this chapter).
- 4.17 The figure below outlines the absolute change to median house prices across the study area. The change to median house prices over the last 20 years in the HMA is comparable to the house price changes in the East of England. However, the HMA house price growth surpasses the national median house price growth.

Table 9: Absolute change in median house prices, 1999-2019



Source: DCLG live tables: Land Registry data, 2019

4.18 We have also examined the compound annual growth rate (CAGR) of change which shows the house price change in annual terms. The table below presents the findings with the same commentary being applied as the table above.

Table 10: Annual compound annual growth rate, 1999-2019

Location	5-year change	10-year change	15-year change	20-year change
Cambridge	0.6%	4.8%	4.6%	6.4%
East Cambs	4.8%	4.5%	3.6%	5.8%
Fenland	4.0%	3.1%	2.3%	5.7%
Huntingdonshire	3.6%	4.4%	3.5%	6.0%
South Cambs	3.1%	4.4%	4.0%	5.6%
West Suffolk Ave.	3.4%	4.2%	3.5%	5.9%
HMA	3.9%	4.7%	3.9%	6.1%
Greater Cambridge	1.7%	4.6%	4.3%	6.0%
East of England	3.4%	3.6%	3.5%	5.9%
England	2.8%	2.5%	2.7%	5.4%

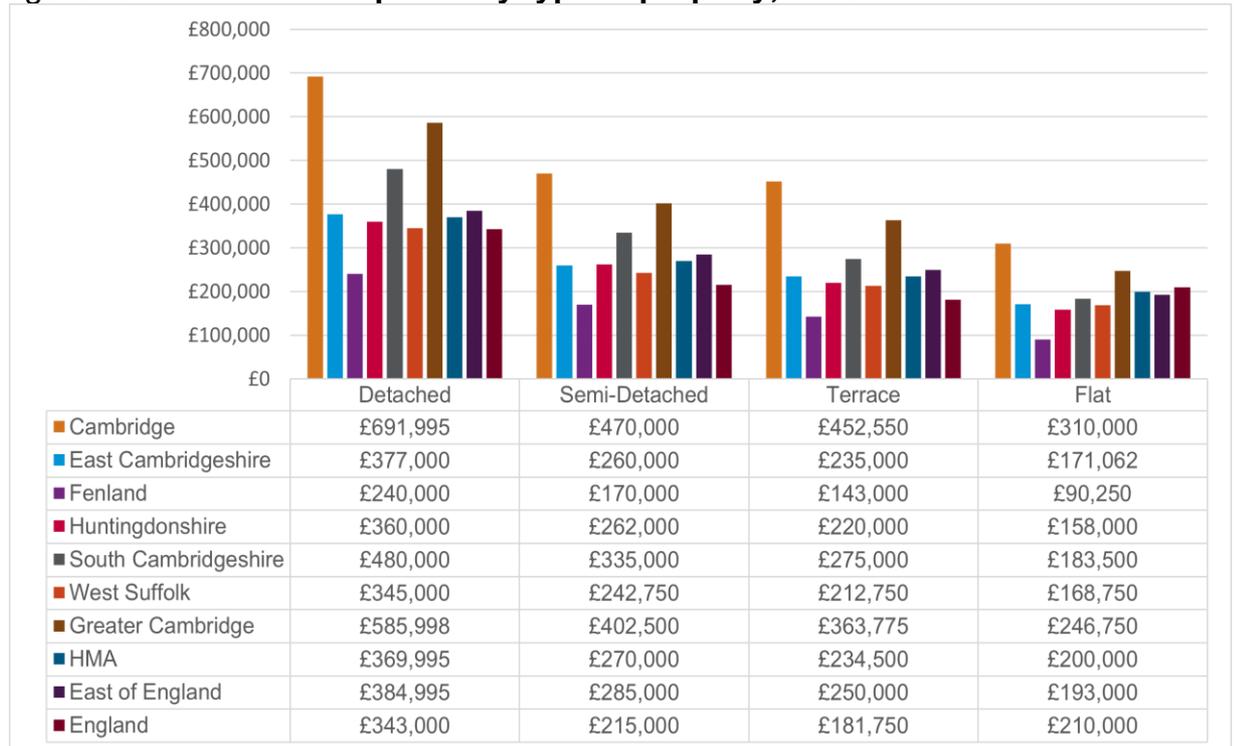
Source: Land Registry, price paid data, 2020

House price and sales by type

4.19 The following section examines sales data by type of property for 2019. Housing values for all property types are in line with the regional average and slightly higher than the national average.

4.20 Detached, semi-detached and terraced homes median prices in the HMA are below the regional but above the national median price. For flats, the reverse is true with the HMA being above the regional but below the national equivalents, the latter of which tends to be skewed by sales in London.

Figure 10: **Median house prices by type of property, 2019**



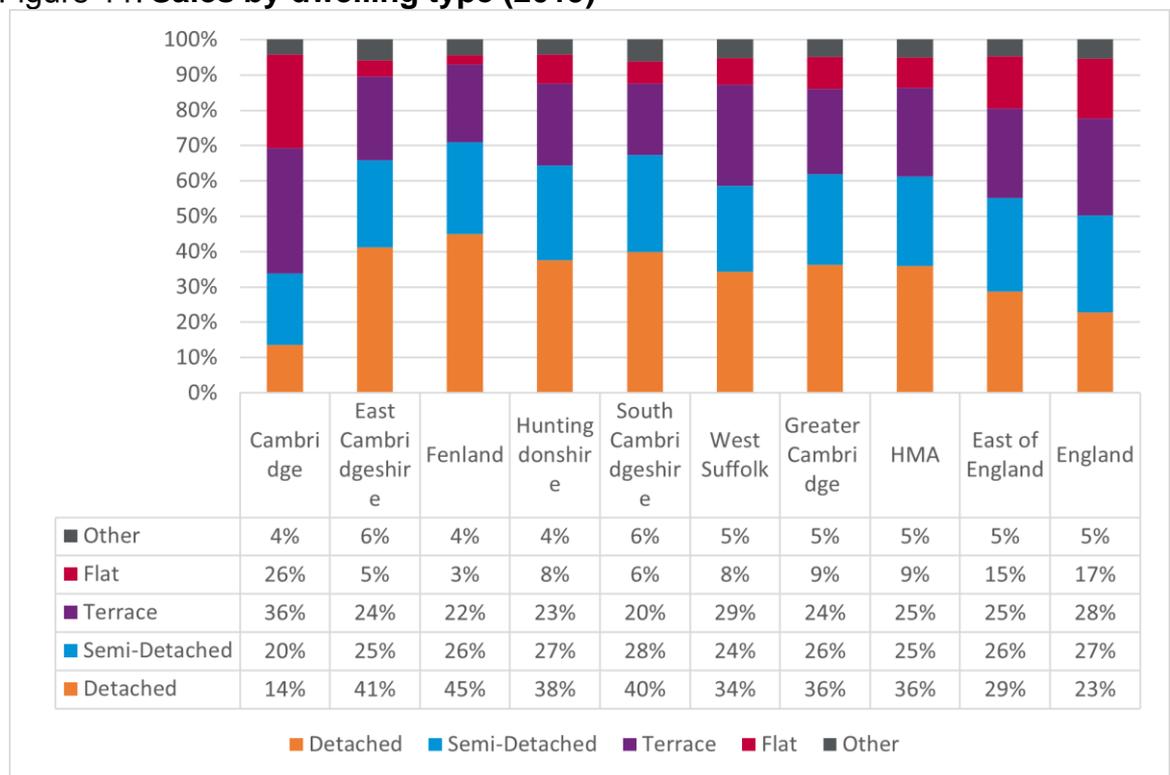
Source: GLH analysis of Land Registry price paid data, 2019

4.21 The figure shows that median house prices in Cambridge exceed all the comparators across all property types. Whereas Fenland is consistently lower than all the median house prices for all property types.

Transactions

4.22 When examining the profile of housing sales in the study area, the HMA has a higher percentage of detached (36%) and a lower percentage of flatted dwellings (9%) being sold compared to England in 2019 (24% and 17% respectively). Semi-detached and terraced dwellings each accounted for 25% of sales, and 'other homes' including caravans and other non-commercial units accounted for 5%.

Figure 11: Sales by dwelling type (2019)



Source: GLH analysis of Land Registry price paid data, 2019

4.23 Except for Cambridge most of the local authorities in the HMA have a similar pattern of sales. Cambridge differs notably with a disproportionately high percentage of terraced properties being sold (36%), followed by flats (26%). Detached properties in Cambridge only account for 14% of sales compared to 23% nationally. This is a reflection on the existing housing stock within the area.

- 4.24 Despite having the lowest average house prices, Fenland has the highest percentage of detached sales at 45%, reflecting the stock of property available. Such a profile would typically see higher median house prices, yet median prices in Fenland are notably lower. As explained previously this might reflect wider demand issues in the district.

Rental trends

- 4.25 On average Median rents in the HMA (£859 pcm) are higher than the regional (£795 pcm) and England medians (£695 pcm) according to the Valuations Office Agency (VOA) data. However, only Fenland is below the national median while East Cambridgeshire equals the regional median and Fenland, Huntingdonshire and former St Edmundsbury are below it. The table below presents mean, median and lower quartile rental values by the local authority and the wider geographies.

Table 11: Average, median and lower quartile rental prices, 1 April 2018 to 31 March 2019

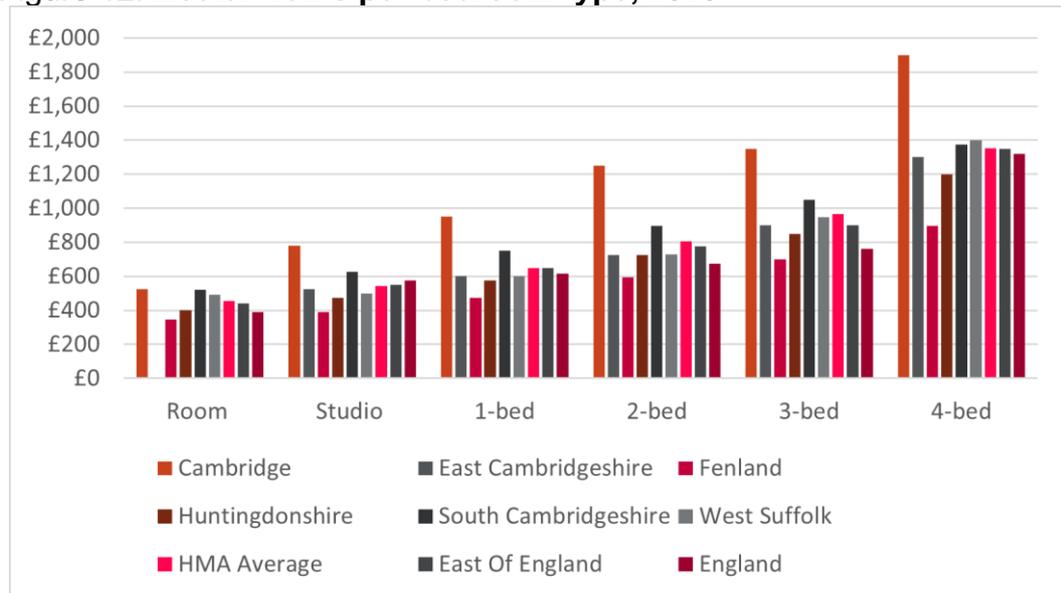
Location	Mean average rent (p.c.m.)	Median rent (p.c.m)	Lower quartile (p.c.m)
Cambridge	£1,225	£1,200	£925
East Cambs	£890	£795	£695
Fenland	£613	£600	£500
Huntingdonshire	£811	£765	£650
South Cambs	£1,012	£950	£825
Forest Heath	£974	£925	£695
St Edmundsbury	£850	£775	£675
West Suffolk Average	£912	£850	£685
HMA Average	£911	£859	£709
Greater Cambridge	£1,119	£1,075	£875
East of England	£863	£795	£625
England	£858	£695	£525

Source: VOA private rental data- Table 2.7

- 4.26 The mean and median rents in Cambridge at £1,225 pcm and £1,200 pcm are notably higher than the regional (£795) and national (£695) equivalents. South Cambridgeshire (£950) and former Forest Heath (£925) median rents also exceed the regional equivalent.

4.27 The figure below looks at the cost of median rents by the size of the home. For smaller homes (rooms, studios and 1 and 2 bedrooms) only Cambridge and South Cambridgeshire exceed the regional medians. For 3- and 4-bedroom homes West Suffolk and East Cambridgeshire also meet or exceed the regional median.

Figure 12: Median rents per bedroom type, 2019



Source: VOA private rental data- Table 2.7

4.28 As the national figures are lower than the regional figures the previous paragraph applies but besides West Suffolk also exceeds the national rents for Room rates and 2-bedroom homes. East Cambridgeshire and Huntingdonshire also exceed the national median for 2-bedroom homes. Median rents in Huntingdonshire also exceed the national equivalent for 3-bedroom homes.

4.29 West Suffolk median rents are noteworthy as the area commands the second-highest rents for 4-bedroom properties. This is because the area has several military bases where some military personnel prefer to live off-base. They receive rent allowances that enable them to access rented housing close to early years education provision. As a result, there is a high demand for rental properties of all sizes but in certain areas for larger homes used for families or sharers which in turn has increased local rents.

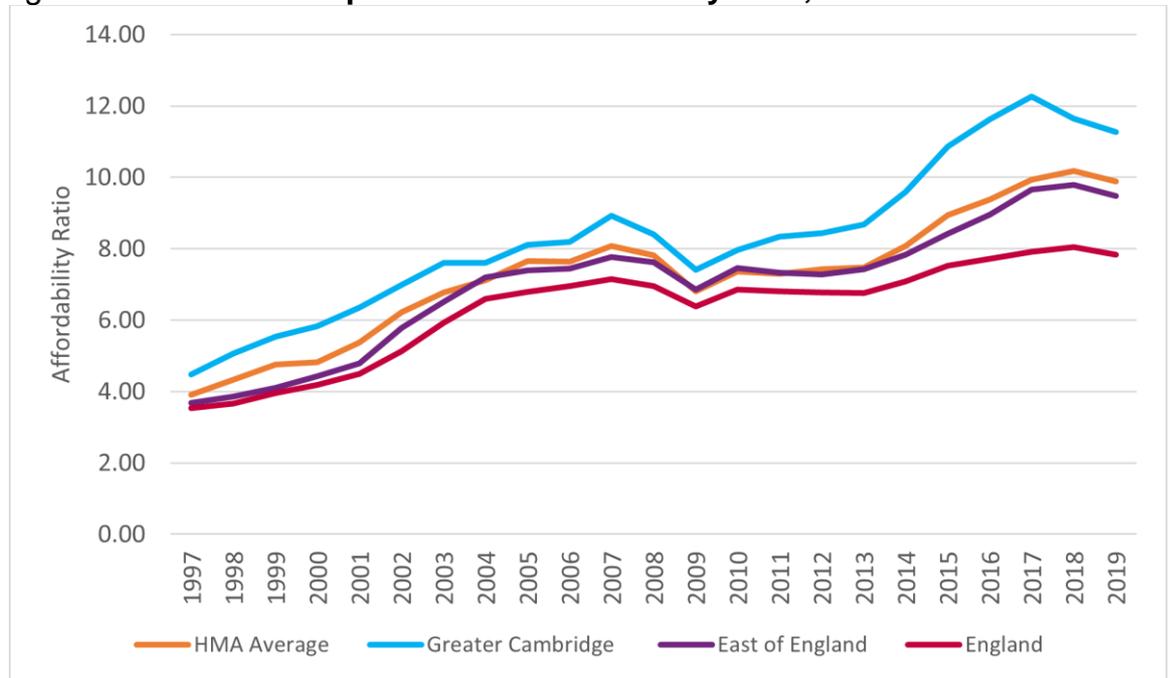
Affordability

- 4.30 Affordability is examined by looking at the relationship between house prices and incomes. It is calculated by dividing overall house prices by gross full-time annual earnings, based on the median and lower quartiles of both.
- 4.31 We have examined the ratio based on those working in the study area (workplace-based) and those living in the area (residence-based), providing both median and lower quartiles values.

Workplace-based affordability ratio

- 4.32 As shown in the figure below, nationally the ratio of workplace-based median earnings initially peaked in 2007 and then slightly declined as a result of the economic downturn. The affordability ratio remained stable for several years and gradually increased to 2013 until surpassing the pre-recession peak in 2016.
- 4.33 The current (2019) national median workplace-based earnings ratio is 7.83 which means that median house prices are 7.83 times median full-time earnings and represent a 23% increase over the last 10 years (from 6.39 in 2009) and 98% over the last 20 years (3.96 in 1999).
- 4.34 In the HMA the ratio average is 9.88. Since 1997 the affordability ratio of the HMA has followed the wider East of England trend, which has been consistently higher than the national average.

Figure 13: Median workplace-based affordability ratio, 1997-2019



Source: ONS, house price to workplace base earnings ratio (gross full-time earnings), 2020

4.35 We have also considered and compared lower quartile affordability ratios (which represent entry-level house prices) and the median affordability ratios (both workplace-based) to identify whether affordability is an issue across the market or within a particular segment.

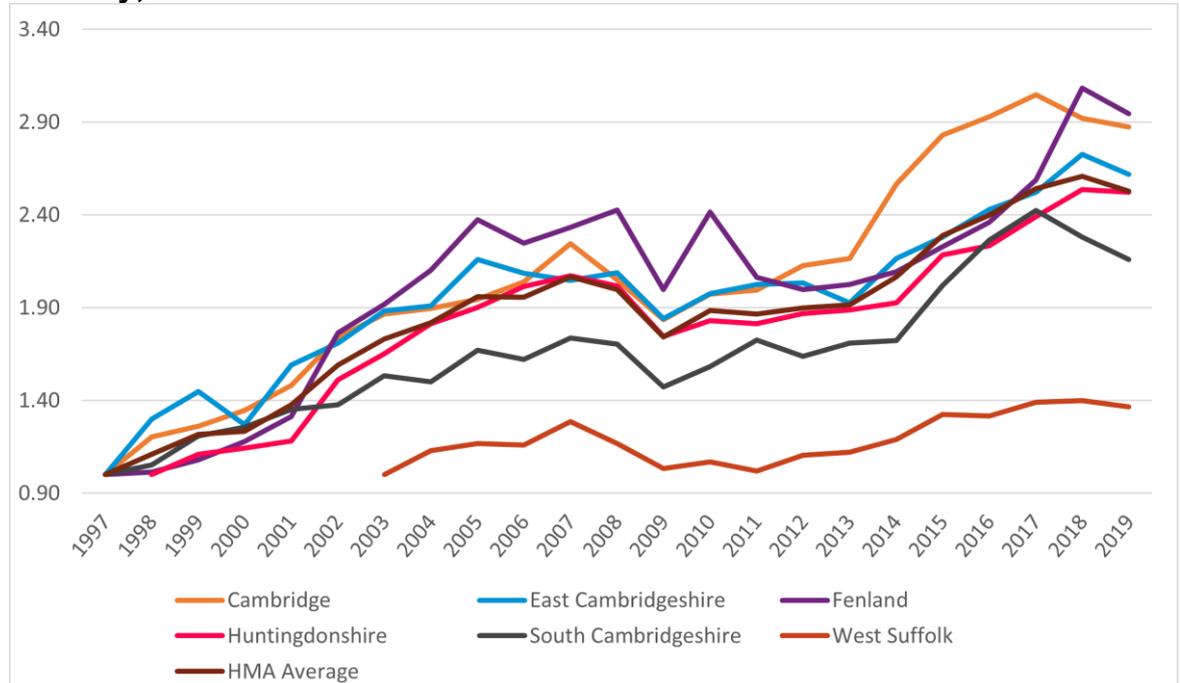
Table 12: Median and lower quartile workplace-based affordability ratio, by local authority, 2019

Location	Lower quartile affordability ratio	Median affordability ratio
Cambridge	13.51	12.76
East Cambridgeshire	10.90	10.24
Fenland	7.83	8.10
Huntingdonshire	9.40	9.31
South Cambridgeshire	10.77	9.78
West Suffolk	9.62	9.07
HMA	10.34	9.88
Greater Cambridge	12.14	11.27
East of England	9.65	9.47
England	7.27	7.83

Source: ONS, house price to workplace base earnings ratio, 2020

- 4.36 In all areas apart from Fenland, the median ratio is lower than the lower quartile ratio. This suggests that affordability is particularly an issue for the lower end of the market. That said, any ratio above 4.5 suggests market homes are beyond the reach of households at these income levels. This is because typically mortgage lenders restrict lending to first-time buyers to around 4.5 times their total household income, but this can vary with circumstances.
- 4.37 The median workplace-based affordability ratio is one of the key market signals as it feeds into the standard method for calculating housing need. The ratio is highest in Cambridge and East Cambridgeshire both of which have a ratio over ten. This would present severe restrictions on those wishing to get a mortgage without having significant equity. Even the most affordable part of the HMA, Fenland, has a ratio of 8.1 which is still above the national equivalent of 7.83.
- 4.38 Finally, we have examined how the ratios have changed since 1997 which is the year the dataset begins (except for West Suffolk, which dataset began in 2003).
- 4.39 West Suffolk index affordability ratio remains the most stable throughout the recorded time. This is in contrast to Fenland's affordability ratio which saw the greatest deterioration increasing from an affordability ratio of 2.75 in 1997 to 8.10 in 2019.

Figure 14: Indexed median workplace-based affordability ratio, by local authority, 1997-2019



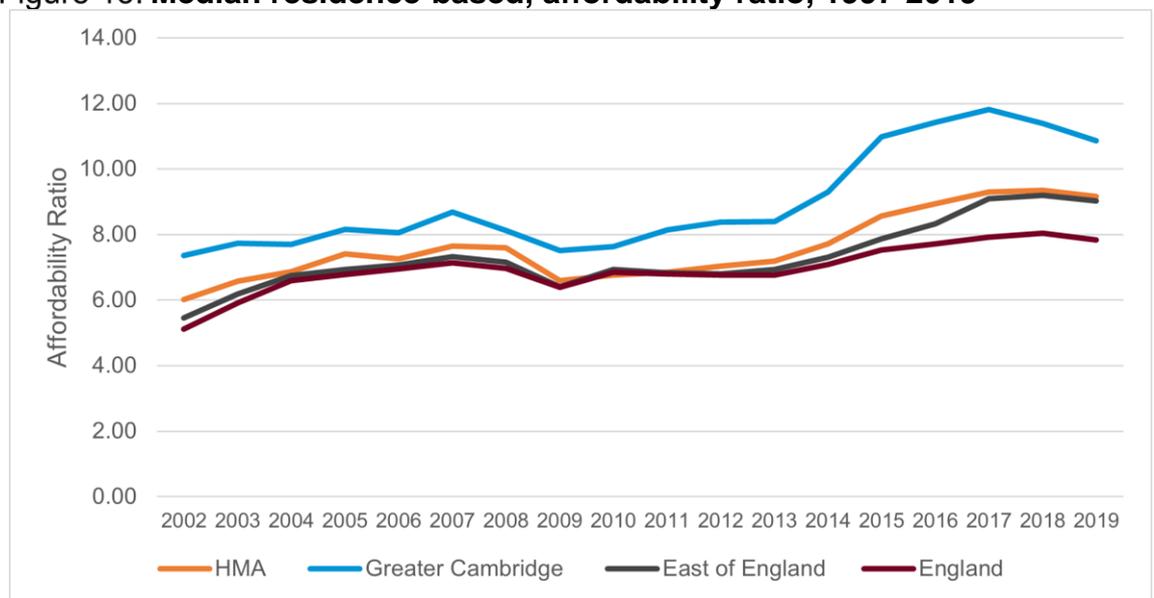
Source: ONS ratio of house price to earning, 2020

Residence-based affordability ratios

- 4.40 The residence-based affordability ratio is the ratio between house prices in an area and the earnings of those living (rather than working in an area). Reflecting common macro-economic factors, the residence-based affordability follows a similar pattern to the workplace-based ratio.
- 4.41 The HMA broadly follows the regional median residence-based affordability trend and to a lesser extent the national trend, albeit at a slightly higher level. There was a notable deterioration in the pre-recession 1997-2007 period. This was followed by an improvement to affordability ratios over the next two years followed by a further deterioration to 2017. Over the last two years, affordability has deteriorated and more noticeably in the HMA than nationally.

4.42 In 2019 the average median affordability ratio for the local authorities in the HMA was 9.17 meaning that median house prices were 9.17 times the median earnings of those living in the HMA. This compares to 9.88 for those working the HMA and suggests that there is a level of in-commuting into the area for lower wages, such as from those in Peterborough but also a level of out-commuting to higher-value jobs such as in London.

Figure 15: Median residence-based, affordability ratio, 1997-2019



Source: ONS ratio of house price to earnings, 2020

4.43 The table below shows the lower quartile and median residence-based affordability ratio across the study area. For both measures, again the highest ratio was in Cambridge with the lowest ratio in Fenland. At 13.67 lower quartile ratios in Cambridge indicate a significant challenge for people entering the housing market without significant assistance or equity.

Table 13: Lower quartile and median residence-based affordability ratio, by local authority, 2019

Location	Lower quartile affordability ratio	Median affordability ratio
Cambridge	13.67	12.66
East Cambridgeshire	9.60	8.95
Fenland	7.50	6.74
Huntingdonshire	8.94	8.68
South Cambridgeshire	10.80	9.06
West Suffolk	9.62	8.92
HMA average	10.02	9.17
Greater Cambridge	12.24	10.86
East of England	9.24	9.02
England	7.27	7.83

Source: ONS ratio of house price to earnings, 2020

- 4.44 Similar to workplace-based ratio, the lower quartile ratio is typically higher than the median ratio. This indicates that affordability is particularly an issue for the lower end of the market and impacts the ability of locals to access the housing ladder.

Rental affordability

- 4.45 We have also calculated rental affordability. This is done by combining the VOA median and lower quartile rents as set out earlier in this chapter and the equivalent earnings data from the Annual Survey of Hours and Earnings. The affordability is calculated based on the percentage of income spent on rents.
- 4.46 As the table below sets out, across the HMA median rents equate to around 31.9% of median earnings. This is slightly higher than the regional (31.1%) and national equivalents (26.2%). This is also the case with lower quartile rents although at 37.2% these are notably higher than median rents indicating more acute affordability issues at the bottom end of the market.

Table 14: Lower quartile and median rental affordability, by local authority, 2019

Location	Lower quartile	Median
Cambridge	45.3%	41.7%
East Cambridgeshire	35.6%	29.7%
Fenland	29.5%	25.7%
Huntingdonshire	33.0%	29.0%
South Cambridgeshire	37.1%	28.5%
West Suffolk Average	39.9%	36.4%
HMA average	37.2%	31.9%
Greater Cambridge Average	41.0%	34.6%
East of England	34.1%	31.1%
England	27.3%	26.2%

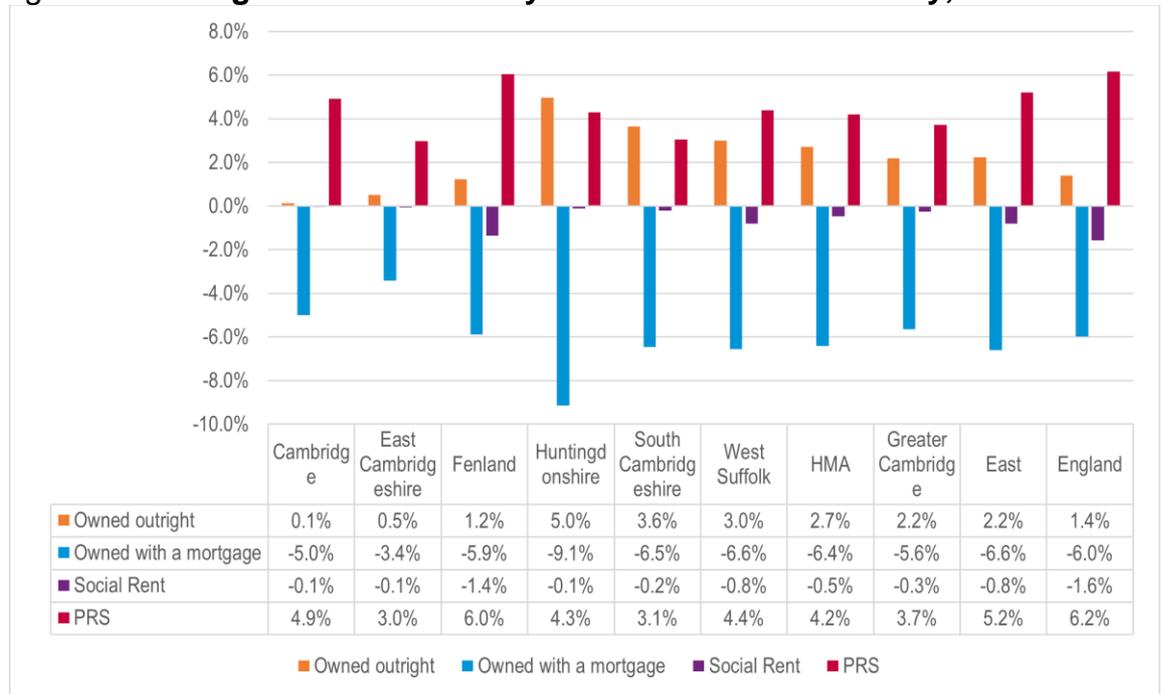
Source: VOA rental statistics and Annual Survey of Hours and Earnings, 2020

- 4.47 Once more, the most challenging affordability for both Median and Lower Quartile values is in Cambridge with the most affordable area being Fenland.

Change in tenure

- 4.48 A combination of deteriorating affordability, restricted access to mortgage products and a lack of social housing supply over the 2001-11 decade has resulted in fewer households being able to buy their homes and increased pressures on the affordable housing stock. These factors have also resulted in strong growth in the Private Rented Sector (PRS) as households are being forced to rent for longer or cannot secure alternative accommodation.
- 4.49 As illustrated in the figure below, across the HMA, the percentage of households who own their home with a mortgage fell significantly between 2001 and 2011. The extent of the fall (-6.4% points) was less than the fall for the Region (region -6.6% points) but greater than the national equivalent (-6.0% points).

Figure 16: Change in households by tenure and local authority, 2001-11

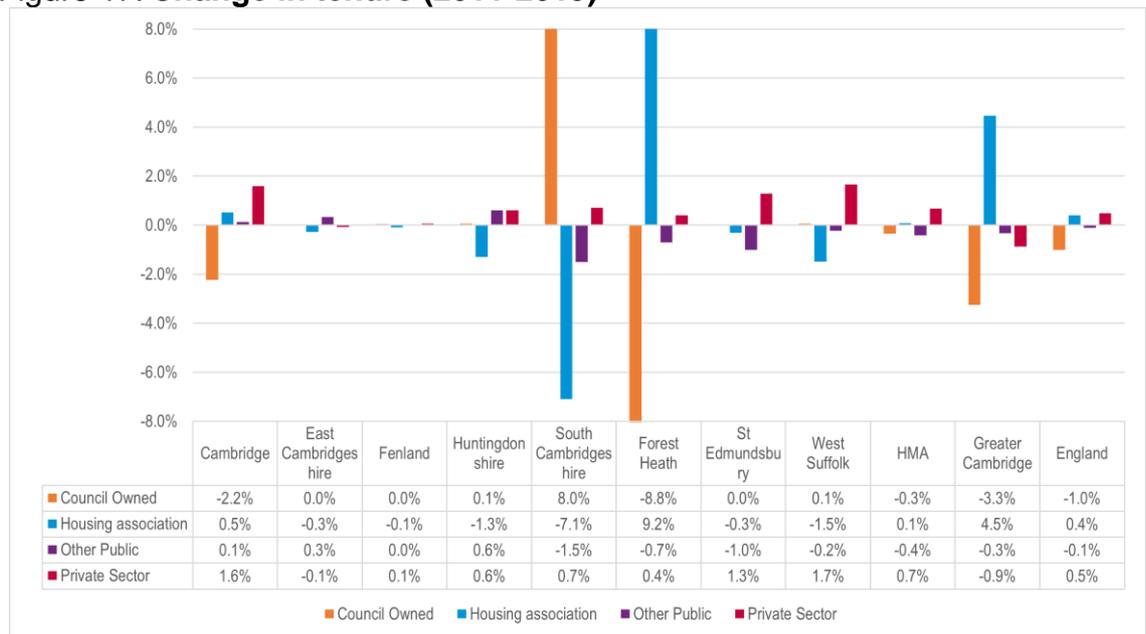


Source: Census 2001 and 2011

- 4.50 Over this same period, there has been substantial growth in households privately renting (+4.2% points), although to a lesser extent than the regional (5.2% points) and national (6.2% points) comparators.
- 4.51 Across the HMA, there was also a modest increase in the number of households that own their home outright (2.7%), which is linked to the ageing population. There was also an even smaller decline (0.5%) of those who rent from the Council or a Registered Provider (Social Rent).
- 4.52 At a local authority level, the increase in PRS was most marked in Fenland (+6.0% points) and smallest in East Cambridgeshire (+3.0% points). The largest reduction in ownership with a loan or mortgage (-9.1% points) was in Huntingdonshire, East Cambridgeshire had the smallest reduction (-3.4% points).

4.53 More recent data from ONS provides an update to tenures to 2019, although this data is not as detailed as the Census data particularly about the breakdown of the private sector housing as it combines both private renting and owner-occupation. The figure below illustrates that across the HMA there were only modest changes in tenure. The most notable of which was a 0.7% increase in private housing.

Figure 17: **Change in tenure (2011-2019)**



Source: ONS, Table 100 dwelling stock: number of dwellings by tenure; 2019

4.54 There was a more notable difference at a local authority level, particularly in South Cambridgeshire. According to the dataset, there was a decrease in housing association and other public sector owned properties with an increase in council-owned stock. The opposite was true in Forest Heath. This is likely to relate to the ownership and/or transfer of stock to registered providers. In some cases, such as Huntingdonshire, this transfer of stock occurred before 2001.

4.55 In Cambridge, Huntingdonshire, South Cambridgeshire and West Suffolk there was also a modest increase in privately owned property. This would reflect private sector development outstripping the development of affordable homes but also right to buy purchases allowing some homes to move between categories.

4.56 Another dataset provided by ONS is the sub-national dwelling stock by tenure estimates. This data set only breaks down the privately held stock between owner-occupied and privately rented and is over a slightly different timeframe. Importantly these are not official statistics, therefore, cannot be relied upon in the same way.

4.57 As the table below illustrates there has been a growth in both Owner Occupation and the PRS, with the latter seeing more notable growth. It can be assumed that any remaining homes (to 100%) are either owned by the Council or other Registered Providers or may be tied to employment where they form part of a remuneration package.

Table 15: Change in private tenures (2012-2018)

Local authority	Owner occupied (2012)	Privately rented (2012)	Owner occupied (2018)	Privately rented (2018)	Owner occupied (% Change)	Privately rented (% Change)	Owner occupied (absolute change)	Privately rented (absolute change)
Cambridge	49.1%	27.2%	40.1%	37.3%	-9.0%	10.1%	-2,087	7,037
East Cambridgeshire	71.7%	14.3%	68.8%	16.9%	-2.8%	2.7%	-108	1,118
Fenland	66.5%	20.8%	67.3%	20.0%	0.8%	-0.8%	1,963	147
Huntingdonshire	70.9%	16.0%	72.9%	13.5%	2.0%	-2.5%	4,048	-1,288
South Cambridgeshire	67.7%	18.0%	71.8%	14.7%	4.1%	-3.3%	5,433	-1,473
West Suffolk	57.5%	24.3%	63.6%	20.8%	6.1%	-3.5%	6,839	-1,899
Greater Cambridge Average	58.4%	22.6%	55.9%	26.0%	-2.5%	3.4%	3,346	5,564
HMA average	63.9%	20.1%	64.1%	20.5%	0.2%	0.5%	16,088	3,712

Source: ONS, sub-national dwelling stock by tenure estimates, 2018

4.58 At a local authority level, there has been a significant percentage growth in the PRS from 2012 to 2018 in Cambridge (10.1%) and a lesser percentage growth in East Cambridgeshire (2.7%). Conversely, West Suffolk (-3.5%) and South Cambridgeshire (-3.3%) had the greatest decrease in the percentage of people in the PRS.

- 4.59 The PRS in Fenland in percentage growth decreased from 2012 to 2018 by -0.8%. However, the area still had a growth in absolute terms (by a 147 person increase) in the PRS.

Over-occupancy and shared housing

- 4.60 The ONS does not define over-or under-occupation but provides an occupancy rating for all households and the dwelling they reside in. The occupancy rating is based on the number of bedrooms in a property and the number required by the household occupying it. The requirement is calculated based on the size, age, and relationship of household members.
- 4.61 This occupancy rating can be taken as a proxy for over-crowding or under-occupancy depending on whether the dwelling has more or fewer bedrooms than the household requires.
- 4.62 Under-occupied properties are those homes with more bedrooms than the household needs. For instance, an under-occupied property can relate to a couple with no children living in a 2 or more-bedroom property. We have only focussed on those properties with 2 or more spare bedrooms as there are legitimate reasons why people would have a spare bedroom such as they might have a carer or work from home or wish to retain a spare room for family or friends to visit. It is worth noting that any recent increase in working from home will not be picked up in this data from 2011.

- 4.63 At the national level, there has been a notable increase in overcrowded households (9%) and houses in multiple occupations. This has been a symptom of the affordability pressures, restrictions on access to mortgage finance and increased housing under-supply.
- 4.64 As Table 16 sets out, around 19,300 homes in the HMA were over-occupied as of 2011. This is an increase of 37% over the 10-year inter-census period. This is a slightly higher increase than in the East of England region (35%) and England (32%).
- 4.65 By far the highest percentage of over-occupied homes in the HMA was found in Cambridge (14%) although the greatest increase was in South Cambridgeshire. The lowest percentage of over-occupied homes were found in East Cambridgeshire (3.8%) which had also seen the lowest percentage growth in over-occupied homes (20.7%).

Table 16: Changes in under and over-occupied households (2001-2011)

Area	2001 (under-occupied)	2011 (under-occupied)	2011% (under-occupied)	2001-2011 % Change (under-occupied)	2001 (over-occupied)	2011 (over-occupied)	2011% (over-occupied)	2001-2011 % Change (over-occupied)
Cambridge	19,231	19,787	42.40%	2.90%	5,149	6,575	14.10%	27.70%
East Cambs	17,431	21,499	62.10%	23.30%	1,095	1,322	3.80%	20.70%
Fenland	18,478	23,322	57.40%	26.20%	1,142	2,163	5.30%	50.00%
Huntingdons hire	38,468	43,029	50.20%	20.00%	2,290	3,025	4.40%	32.10%
South Cambs	33,242	38,450	62.10%	11.90%	1,539	2,345	3.90%	52.40%
West Suffolk	34,91	39,682	64.10%	15.70%	2,605	3,953	5.60%	45.30%
Greater Cambridge	52,473	58,237	58.80%	13.80%	6,688	8,920	8.40%	33.40%
HMA average	161,141	185,769	55.80%	15.70%	141,120	19,383	6.00%	37.30%
East	1,191,166	1,318,884	54.60%	11.00%	115,338	156,437	6.50%	35.60%
England	10,050,403	5,057,303	57.60%	15.30%	1,457,512	1,928,596	8.70%	32.30%

Source: ONS, Census 2001 and 2011

- 4.66 Around 55.8% of homes in the HMA have at least two spare bedrooms, compared to 54.6% regionally and 57.6% nationally. The national trend is manifested within the HMA where the proportion of residents living in under-occupied properties increased by 15.7% between 2001 to 2011, compared with 15.3% nationally.
- 4.67 At a local authority level, under-occupation is most prominent in West Suffolk (64.1%) although South and East Cambridgeshire (both 62.1%) are also considerably higher than the regional (54.6%) and national (57.6%) equivalent.
- 4.68 The high level of under-occupied properties in the HMA is in part linked to a growth in the older population who tend to remain in their family homes after their children have left. Providing suitable accommodation for this group would reduce the need for additional large properties across the area. **This should be a consideration for the Councils when developing their suite of housing policies, particularly those relating to older people and their housing and care needs and housing mix.**
- 4.69 Over-occupation is more problematic despite being fewer in number and again there should be a policy response in each local authority to address this issue. Over-occupation is highest in Cambridge and one solution would be to **deliver more affordable, smaller homes to allow for better formation of households. This is addressed in the following chapters.**

Housing supply trends

- 4.70 The table below shows net housing completions against the local plan target across the study area from 2011/12 to 2019/20. The data has been extracted from the most recent local authority Annual Monitoring Reports (AMRs), Housing Trajectories and Five-Year Land Supply Statements.

- 4.71 This analysis shows that only Cambridge has delivered a higher average number of dwellings per year than their local plan target. Although it should be noted that the adopted Local Plans covering Greater Cambridge plans for lower growth in early parts of the plan period in South Cambridgeshire with higher growth in the middle to late stages and vice versa in Cambridge.
- 4.72 The figures for West Suffolk represent the cumulative of former St. Edmundsbury and former Forest Heath. The Local Plan target is 520 of the stepped approach (i.e., not the combined Local Plan target).

Table 17: Housing completions and local plan target for study area, 2011/12-19/20

Local authority	Net completions 2011/12 to 2019/20	Average dwellings completed per annum	Local Plan target per annum	Over/under – supply per annum
Cambridge	7,383	820	700	120
East Cambs*	2,527	281	575	-294
Fenland	3,549	394	550	-156
Huntingdonshire	6,466	718	804	-86
South Cambs	6,929	770	975	-205
West Suffolk	5,734	637	857	-220
HMA	32,588	3,620	4,461	-841
Greater Cambridge	14,312	1,590	1,675	-85

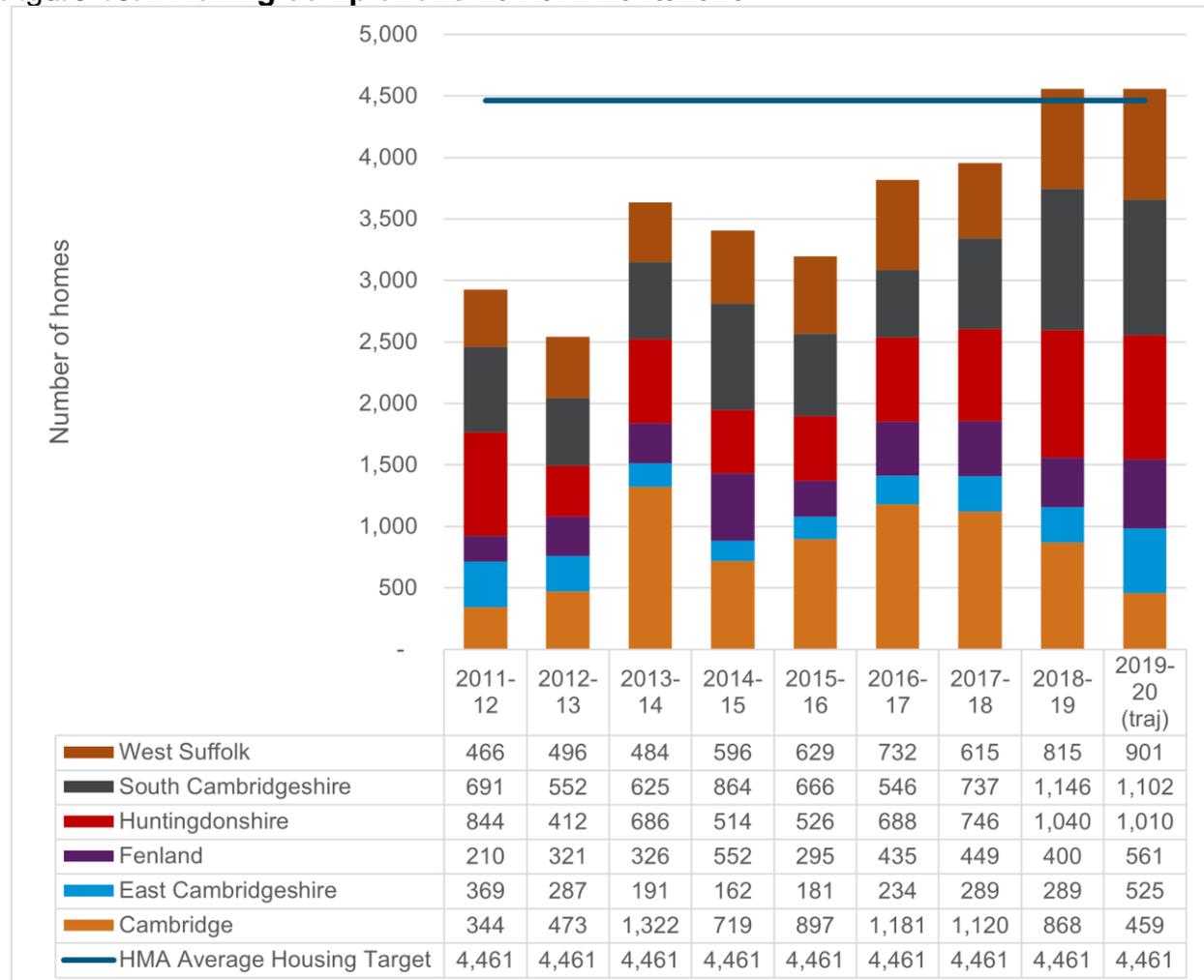
Source: Local authorities Annual Monitoring Reports

A * indicates that the 2019/2020 AMR has not been published and an estimation of the housing delivery has been taken from previous delivery trajectories.

- 4.73 Across the HMA, the average number of dwellings completed per annum was 3,620 whereas the aggregate annual HMA target was 4,461 dwellings per annum, showing an under-supply in housing delivery of -841 dwellings per annum since 2011.
- 4.74 The figure below illustrates housing delivery on an annual basis. It includes the expected trajectory for 2019/2020 housing delivery for East Cambridgeshire where

the AMR has not been published. As illustrated, only in the years 2018/19 and 2019/20 has the HMA met the housing target of 4,461 houses by delivering 4,558.

Figure 18: Dwelling completions 2011/12-2019/2020



Source: Local authorities Annual Monitoring Reports

4.75 Since 2011, Cambridge has surpassed its housing target to deliver 700 homes per annum 6 years in a row. However, as set out in the 2018 adopted Cambridge Local Plan, the development strategy for Cambridge is anticipated to deliver more housing in the early and middle part of the plan period, with South Cambridgeshire delivering a greater number of housing in the middle and latter part of the plan period.

- 4.76 It is only within the last two recorded year (2018/19 and 2019/20) that South Cambridgeshire, West Suffolk and Huntingdonshire have surpassed their housing target. Of which Huntingdonshire has delivered over 1,000 homes for both years exceeding their housing target of 804 homes per year by over an additional 200 homes per annum.
- 4.77 East Cambridgeshire is the only Local Authority area to consistently deliver less housing than their housing target of 575 homes per annum.

Qualitative analysis - local agent consultation

- 4.78 This sub-section outlines the key findings of the consultation with local housing agents in the HMA. This engagement exercise aimed to supplement the quantitative findings from the above analysis with a better understanding of the market drivers and local market dynamics. Discussions were held with local estate agents across all the local authorities in mid-February 2020 and before the onset of the Covid-19 pandemic.
- 4.79 It should be stressed that these consultation findings are anecdotal and may not reflect the empirical evidence set out elsewhere in this report. It is also reflective of the respondents' experience which may not be the case for all agents, for example, agents might only deal with the very top or bottom of the market and their responses might reflect this. The findings are presented below by each local authority.

Cambridge

Agencies: Hockeys and Vincent Shaw

- 4.80 In terms of sales, the City has a very strong market with homes constantly achieving prices at or just below the asking price.
- 4.81 There has been a notable increase in demand at the lower end of the market compared to the previous year (2019). This is typically from students, young professionals particularly medical workers, and young families in the area looking for 2 and 3-bedroom properties around the £300,000 price mark. Agents express a lack of interest from older people in the Central area as they tend to locate at the outskirts of the City and in surrounding areas.
- 4.82 Cambridge has a strong investor demand with buy to lets being very popular. This is because of the large tenant base from students and young professionals making the Cambridge market very attractive.
- 4.83 The rental market in Cambridge shows strong demand throughout the year and seasonal demand from students from both the University of Cambridge and Anglia Ruskin University. Student priorities include a central location close to their faculty and in proximity to the City Centre or with good transport links.
- 4.84 Depending on the size and quality of the private rented accommodation, rents are typically between £450 and £550 per room per month for students.

South Cambridgeshire

Agencies: Wellington Wise and Bee-moving soon

- 4.85 South Cambridgeshire's housing market is experiencing high demand with buyers who are priced out of the City's market looking for more affordable properties. The areas that are most popular with buyers are those with good transport links to Cambridge and the Science Parks.
- 4.86 Both agents noted strong demand for family-sized, 3-bed properties in South Cambridgeshire, with few properties coming onto the market and when they do, they tend to be sold/let reasonably quickly.

- 4.87 Volume housebuilders are noticing this demand and in response, there are a series of new-build developments in accessible locations such as a Taylor Wimpey development at Cambourne and a Barratt Homes Development at Northstowe where there are also other housebuilders present.

East Cambridgeshire

Agencies: Haart and Keeleys Letting

- 4.88 Agents describe East Cambridgeshire's demand as split between the Ely housing market and the market for other larger towns and the villages. Ely is popular with young families who commute into Cambridge and London enabled by the good train links, whereas the smaller villages offer larger and more expensive family homes.
- 4.89 The rental market is most prominent around Ely with 2 and 3 bedroom rental properties typically going for £850 per month with fewer rental properties as you move out of the Ely City Centre but often commanding a high price around £1,000 per month.

Fenland

Agencies: Ellis Winter and Co and Harrison Murray

- 4.90 Despite the variety of properties on the market, there is a lack of buyer demand within the area compared to the previous year. No reason was offered as to why.
- 4.91 There is some interest from buy to let investors in the area as people choose to live in Fenland and commute to both Cambridge and London. The buy to let investors are looking at capturing the demand for properties servicing this target group.
- 4.92 There have been some smaller developments in the area, but take-up has been mixed. The area has also seen some purpose-built elderly accommodation which has been well received.

Huntingdonshire

Agencies: Harvey Robinson and Leaders

- 4.93 The agents noted a large amount of interest for this time of year (February 2020) from people wanting to sell their properties and also from those looking to buy. The main reason agents gave for the increasing demand is due to the improvements to the A14 road link between Huntingdon and St Ives to Cambridge. This has allowed people to commute to Cambridge a lot faster than previously.
- 4.94 Agents noted that there is geography to the districts housing market with the south of the district seeing increased demand and as a result demanding a high price point than the north of the region. The increasing demand for properties in the south of the region is coming from both people migrating out of Cambridge and also people leaving London.
- 4.95 The area is now attractive to young commuters who can buy a home easier in Huntingdonshire than in Cambridge with 1-bedroom properties demanding around £150,000 and 2-bedroom properties going for £225,000.
- 4.96 Letting agents stated that the districts RAF bases do not inflate the local rental market as new service personnel and women are arriving throughout the year. Typically, an RAF personnel would look for a rented property within a 30-minute drive of their RAF based. Agents stated that due to the housing allowance (thought to be over £1,000), an RAF personnel looks for larger properties with lots of space and storage.

West Suffolk

Agencies: Bedfords, Mark Ewin, Grant Berry, and Balmforth

- 4.97 All agents spoke of an optimistic marketplace with increasing demand since the new year. The buyer demand was noted to come from the overspill of the Cambridge market as well as the wider geography of Essex and Hertfordshire where buyers are looking to get more for their money. The profile of buyers is mixed and range from first-time buyers to people looking to downsize.

- 4.98 Across the former St Edmundsbury market, there is discrete geography in the property market with properties for sale within Bury St Edmunds being popular for the amenities on offer but are notably smaller in size due to their more urban location. As you move away from the town and into villages properties command a slightly higher price as they increase in size and land.
- 4.99 The former Forest Heath market is particularly unique as there are two US Air Force bases within an 8-mile radius. Agents suggest that the rental market close to the airbases, including Mildenhall and Lakenheath, attract particular investment interest and rental prices are on the high end of the market.
- 4.100 The agents explained that when a USAF serviceman achieves a certain higher rank (i.e. is promoted to a specific level), they can live off base and often choose to rent in the above areas (Mildenhall and Lakenheath).
- 4.101 Typical rents across the district are around £750 per month. But since the military rental allowance (understood to be in the region of £1,100 - £1,300 per month) is well-known across the market, we see higher “military rents” in areas close to the bases.
- 4.102 We have also spoken to a representative of the MOD and USAFE and they highlighted that their presence has distorted the market as landlords can charge up to the military allowance rather than the market rent of the property. As a result, many non-military personnel are priced out of the market.

Market signals - Key messages and recommendations

- The housing market is very strong across most of the HMA with Cambridge City seen as a prime market location. The 'Fenland' area, covering most of Fenland District and the northern part of East Cambridgeshire has a much weaker market.
- The median house price in the HMA is £297,000 which is 29% above the national median and 5% above the regional median. There are wide variations within the HMA with the median house price in Fenland being £184,000 and in Cambridge £440,000.
- Over the last 5 years, on average median house prices have increased by 21% across the HMAs local authorities, compared to 15% nationally, and 18% regionally. Median house price growth in Cambridgeshire and West Suffolk has exceeded the regional and national equivalents over the last 10 and 15 years.
- At £859 per month, the local authorities' in the HMA average median rent is significantly higher than the national (£695) and regional (£795) equivalents. Again there is also a large range within the HMA with the City of Cambridge median at £1,200 whilst in Fenland it is £600.
- Between 2001 and 2011 the HMA has seen the proportion of residents living in over-occupied properties increase by 37.3%. This is greater than the equivalent growth seen nationally (32.3%) and regionally (35.6%).
- Affordability ratios highlight affordability pressures across the HMA and the averages are above the regional and national equivalents. The high affordability issues across the HMA are intended to be addressed through the fulfilment of standard method-based housing targets (particularly Step 2) so no further response is required.
- There is some evidence that rent allowances received by military personnel in the former Forest Heath area exert an upward pressure on rents, particularly for family housing.

5 Local housing need and population growth

5.1 The assessment of local housing need through the standard method is a three-stage process. This is set out in the Planning Practice Guidance (PPG) relating to Housing and Economic Needs Assessments. Since its introduction the standard method has been revised in February 2019 and December 2020 (see Addendum). (At the time this report was commissioned (April 2020) the 2019 methodology was the most up-to-date. However, during production PPG was amended. The addendum sets out the impact of these amendments on the LHNA to reflect para 039 in PPG (December 2020). This states the approach to be taken for newly reorganised authorities).

Standard Method

- 5.2 The standard method (for the avoidance of doubt, the 2019 approach has been used to calculate the HNF in this chapter). seeks to simplify the approach to housing need and has three steps:
- **Step 1** - the starting point or demographic baseline is the 2014-based projections as stated in the PPG. The approach takes an average annual household growth from these projections for a ten year period with the starting point being the current year (e.g. 2020 to 2030).
 - At **Step 2** the baseline household growth is then modified to account for market signals. Specifically, Step 2 uses a formula which draws on the local workplace based median affordability ratio. This data is published annually by the DCLG with the most recent data from 2019 published in March 2020.
 - To ensure that the proposed housing need is as deliverable as possible at **Step 3** the housing need is capped. Where a Local Plan is less than 5 years old the cap is placed at 40% above the housing target in the adopted local plan. Where a local plan is older than five years then the Housing Need is capped at 40% above the higher of either the baseline growth (Step 1) or the annual housing requirement figure currently set out in the local plan.

- 5.3 Our approach below sets out an assessment of housing need across Cambridgeshire and West Suffolk using the three-step approach as set out in the PPG.

Step 1 – Setting the baseline

- 5.4 Step 1 sets the baseline using national household projections (2014-based). The PPG advises that “the projected average annual household growth over 10 years (this should be 10 consecutive years, with the current year being the first year)” should be used.
- 5.5 The household projections for the HMA are presented in the table below. West Suffolk's figure is presented as the sum of former Forest Heath and St. Edmundsbury as these were different Councils in 2014 which is the base year of the projections.

Table 18: Household projections (2014-based)

Local Authority	Households 2020	Households 2030	Average annual change (Step 1)
Cambridge	51,530	55,783	425
East Cambs	38,631	42,924	429
Fenland	44,731	49,014	428
Huntingdonshire	77,169	84,496	733
South Cambs	67,872	75,839	797
<i>Forest Heath</i>	27,934	30,735	280
<i>St Edmundsbury</i>	48,997	52,272	328
West Suffolk	76,931	83,007	608
HMA	356,864	391,063	3,420
Greater Cambridge	119,402	131,622	1,222

Source: ONS - Ministry of Housing, Communities & Local Government 2014-based household projections

- 5.6 The projections show a total growth of 34,199 new households over the ten years for the HMA. This results in an average household growth of 3,420 per year. This annual average household growth is the output of Step 1.

Step 2 – An adjustment to take account of affordability

- 5.7 Step 2 then adjusts the average annual projected household growth figure (as calculated in Step 1) based on the affordability of housing in each area. This draws on the most recent median workplace-based affordability ratios which although published in 2020 use 2019 income and sales data.
- 5.8 The formula for calculating the uplift is on the basis that for every percentage point that the ratio is above 4, the household projections are increased by 0.25%. Four is seen as a reasonable multiple based on standard lending practices. The exact formula for the adjustment is calculated as below:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25$$

- 5.9 The table below presents the affordability ratio and the adjustment factor for each local planning authority together with the resultant uncapped need which is the output of Step 2. The affordability ratio ranges from 12.8 in Cambridge to 8.1 in Fenland. These ratios result in an increase of 55% and 26% respectively.

Table 19: Housing need Step 2 – affordability adjustment factor

Local authority	Average annual change (Step 1)	Affordability ratio 2019	Adjustment factor	LHN uncapped (Step 2)
Cambridge	425	12.8	155%	658
East Cambs	429	10.2	139%	597
Fenland	428	8.1	126%	538
Huntingdonshire	733	9.3	133%	976
South Cambs	797	9.8	136%	1,085
Forest Heath	280	9.1	132%	369
St Edmundsbury	328	9.1	132%	431
West Suffolk	608	-	-	800
HMA	3,420	-	-	4,654
Greater Cambridge	1,222	-	-	1,743

Source: ONS - Ministry of Housing, Communities & Local Government 2014-based household projections

5.10 The affordability adjustment increases the need across the HMA by 1,234 additional dwellings per annum (dpa) to arrive at an uncapped need of 4,654 dpa, this is the output of Step 2. The largest need is in South Cambridgeshire (1,085 dpa) and the lowest need is in Fenland (538 dpa). If this uncapped need cannot be met, the local authorities will need to demonstrate why and how they are dealing with it.

Step 3 – Capping the level of any increase

5.11 The third step of the standard method is to cap the level of increase to a deliverable level. How the cap is applied depends on the age of the Local Plan and the extent of the housing target within it.

- Where the Local Plan is adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the existing housing target.
- Where the Local Plan was adopted more than 5 years ago (or is non-existent) then the cap is placed at 40% above the higher of either the existing housing target or the household forecasts.

5.12 Where the cap is placed on an adopted housing target and the outcome of Step 2 is lower than the capped figure then the housing need does not extend to the capped figure. To give a worked example if the recently adopted target is 1,000 dpa then the cap would apply to anything above 1,400 dpa. This does not mean the outcome of Step 2 which in this example is 1,200 dpa would be increased to meet the cap but that it remains at 1,200 dpa even if the uplift at step 2 is greater than 40%.

5.13 The table below summarises the age of the current Local Plans across each authority as well as their housing targets. Based on the criteria above and the analysis presented in the Policy Review in Chapter 2 we also set out the theoretical cap for each local authority arriving at the Local Housing Need (Step 3).

- 5.14 In Cambridge, Huntingdonshire, former Forest Heath and South Cambridgeshire, where the Local Plans have been adopted within the last 5 years, the local housing need figure is capped at 40% above the existing housing target.
- 5.15 In East Cambridgeshire, Fenland and former St Edmundsbury where the Local Plan was adopted more than 5 years ago (or is non-existent) then the cap is placed at 40% above the higher of either the existing housing target or the household forecasts. In all three cases, the adopted target (including the combined targets for former Forest Heath and St Edmundsbury) is greater than the output of Step 1 so the cap would be calculated as 40% above the adopted target.

Table 20: Housing need Step 3

Local authority	Average annual HH change (Step 1)	Uncapped housing need (Step 2)	Current Local Plan adoption Date	Local Plan housing target	Capped figure (+40%)	Housing need (Step 3)
Cambridge	425	658	18/10/2018 (<5 Years)	700	980	658
East Cambs	429	597	21/04/2015 (>5 Years)	575	805	597
Fenland	428	538	08/05/2014 (>5 Years)	550	770	538
Huntingdonshire	733	976	15/05/2019 (<5 Years)	804	1,126	976
South Cambs	797	1,085	27/09/2018 (<5 Years)	975	1,365	1,085
<i>Forest Heath</i>	280	369	19/09/2019 (<5 Years)	340	476	369
<i>St Edmundsbury</i>	328	431	14/12/2010 (>5 Years)	577*	718	431
West Suffolk	608	800	-	-	1,194	800
HMA	3,420	4,654	-	-	7,434	4,654
Greater Cambridge	1,222	1,743	-	-	2,345	1,743

Source: ONS and Council data

Note: The figures in this table do not tally with those set out in the Indicative Housing Need Table published by HMCLG. This is due to the timing of when this document was drafted. *577 dpa is part of stepped target for 2017-31

- 5.16 Across all authorities, the housing need would be capped at a figure which is greater than the minimum annual local housing need figure (in Step 2) and therefore does not limit the increase to the housing need figure as set out in step 2. **The minimum housing need figure for the HMA is therefore 4,654 dwellings per annum based on PPG from 2019** (See addendum for updates made to PPG 2020).

- 5.17 As per the PPG (Reference ID: 2a-013-20190220) where plans are developed across more than one area:

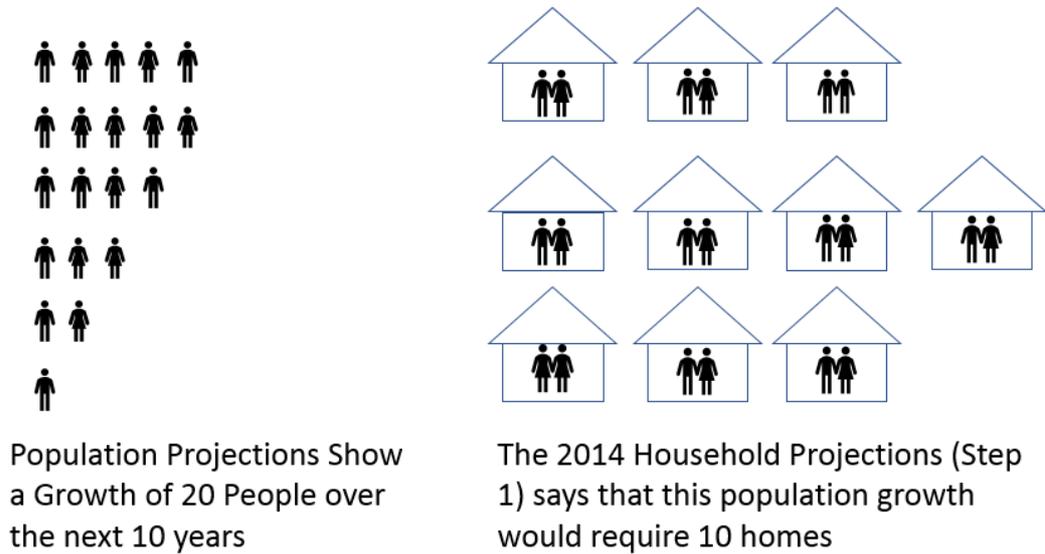
“The housing need for the defined area should at least be the sum of the local housing need for each local planning authority within the area. It will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area.”

- 5.18 While this paragraph of the PPG applies only to the Greater Cambridge area (Cambridge and South Cambridgeshire) given that it is only these authorities that are producing a joint Local Plan, in the event the Councils that comprise the HMA decide to continue to work together, the need, and therefore the growth, can be redistributed in a way that reflects each authority’s capacity to do so (subject to their agreement to take on any unmet need from neighbouring authorities). Such decisions are outside the scope of this work but may take into account capacity, infrastructure, viability and local political aspiration to meet the need identified across the wider geographical area.

Developing a population projection based on the Standard Method

- 5.19 As set out above the Standard Method would lead to a housing need of 4,654 dwellings per annum based on a projected household growth set out in the 2014-based household projections of 3,420 per annum (a difference of 1,234 dwellings). To input into later parts of this study, it is necessary to translate this level of dwelling growth into a population projection.
- 5.20 In creating this population projection, it is necessary to extend the period examined to 2040 to allow for local plan development. As set out in Paragraph 12 of the PPG (Ref ID: 2a-012-20190220) the standard method figure can be applied to the whole plan period.
- 5.21 In developing a population projection, it is worthwhile understanding the assumptions, or lack of, within the guidance as to how this can be achieved. The standard method uses the 2014-based household projections as the starting point (Step 1) and these are based on the 2014-based subnational population projections (SNPP) (see the figure below).

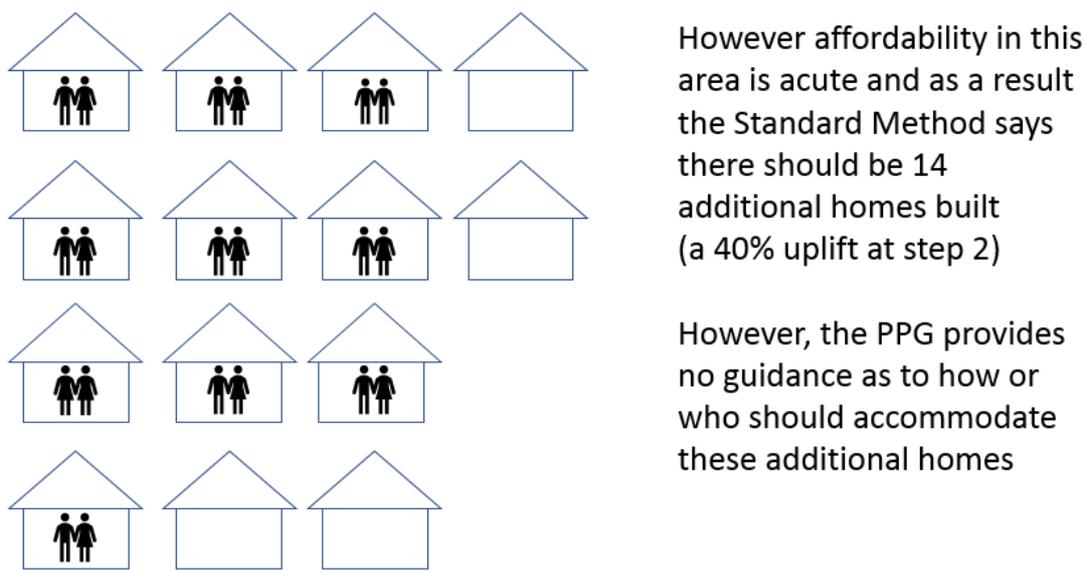
Figure 19: Infographic on Step 1 of the Standard Method



Source: GL Hearn

5.22 However, Step 2 can result in a significant increase in housing need above the household projections as is the case in Cambridgeshire and West Suffolk. The PPG does not provide any indication of how and by whom the additional 1,234 homes are to be occupied by (see the figure below).

Figure 20: Infographic on Step 2 of the Standard Method



Source: GL Hearn

5.23 How these additional homes are occupied is crucial for assessing population growth. Paragraph 6 of the PPG indicates how the MHCLG think these homes should be occupied (assuming they are to be occupied):

“An affordability adjustment is applied as household growth on its own is insufficient as an indicator of future housing need because:

- household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and
- people may want to live in an area in which they do not reside currently, for example, to be near to work, but be unable to find appropriate accommodation that they can afford.

The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.”

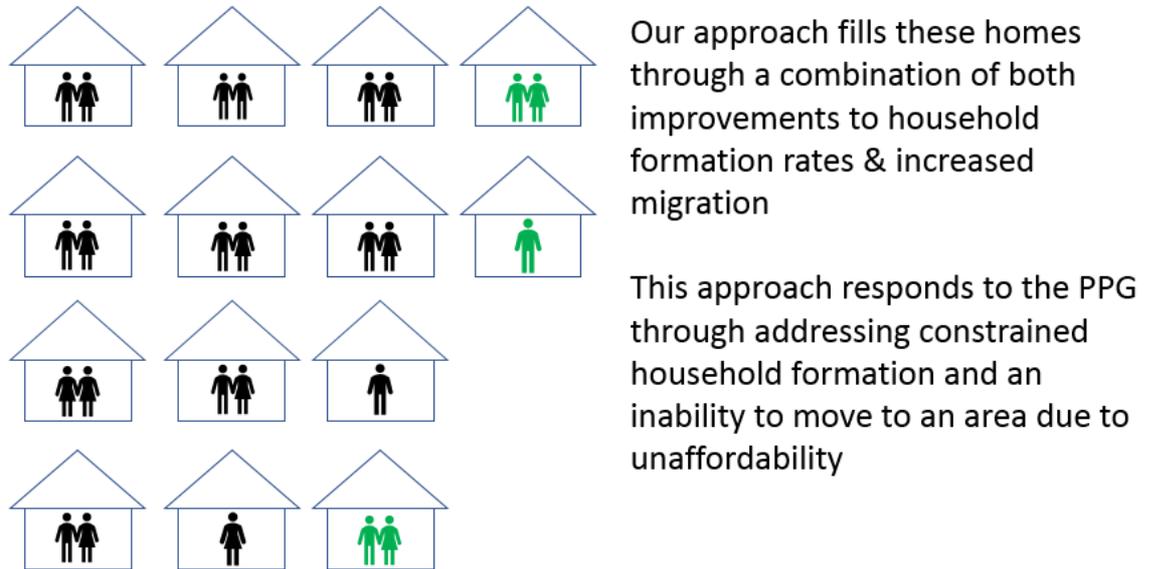
5.24 In essence, Step 2 is a response to worsening affordability, which has reduced household formation rates (increasing household size) and reduced migration. However, the PPG does not provide any guidance in relation to the extent to which each of these factors have been impacted and therefore how they should be dealt with.

5.25 If it is assumed that an adjustment which fills these homes with just the indigenous population, who previously were unable to form a household, this would result in unprecedented levels of household formation. This would result in greatly reduced household sizes i.e. very many single-person households but there is no indication such levels are desired.

5.26 If it is assumed that all the homes are to be filled with increased migration this would not allow for improvements to local household formation rates within the indigenous population. There is also a separate and unresolved issue in that by drawing a population from another area this would result in a decreased need in the area they have moved from. The standard method does not reflect this logic and that potential issue remains unresolved.

- 5.27 The third possibility also exists in that these additional homes remain vacant but we have assumed that this is not desirable nor the intention of the PPG.
- 5.28 As set out in the figure 21 below our approach is to make reasonable adjustments (improvements) to household formation rates (HFR) which would fill some of the additional homes with the remainder occupied by further in-migration. Not least because the rationale for Step 2 is to improve these rates.
- 5.29 Our modelling approach to improve household formation rates, is to derive a set of household formation rates (HFR) which is mid-way between those in the 2014-based household projections and the pre-recession 2008-based household projections which were more optimistic in relation to future household formation. However, given structural changes in the cost of housing and the make up of the population we do not believe a full return to 2008-based rates is appropriate. This approach was first suggested by the Local Plan Expert Group (The Local Plans Expert Group (LPEG) was established in October 2015 by the Minister of State for Planning and Housing in response to the slow pace of plan-making across England. LPEG was tasked with producing recommendations on how to streamline the process, and if possible reduce the amount of time it takes for councils to get plans in place. Their report was issued to the Government in March 2016) and has been seen as sound in a number of examinations.
- 5.30 These improvements to HFR would reflect an intended reduction in the number of concealed households, over-crowded households, homes in multiple occupation and non-dependent children living with their parents.

Figure 21: Infographic on proposed approach to population outputs



Source: GL Hearn

- 5.31 The remaining homes are filled by adjusting the migration assumptions (both in and out migration) to the point where there is enough population to fill the additional homes. This approach also creates a future population age profile to 2040 from which a range of further analysis can be undertaken.

Population starting point

- 5.32 In developing a population projection there is a more immediate issue; that being the population starting points. As set out in Chapter 3 of this report there are concerns with the estimated population in Cambridge, potentially as a result of student-related issues.
- 5.33 To examine the starting point population, we have firstly reviewed the difference between the Mid-Year Population Estimates (MYE) by ONS and that using the NHS Patient Register. As presented in the table below there is a reasonable level of consistency (+/- 7%) between the sources for most local authorities in the HMA. The notable exception is Cambridge where the Patient Register is 35% higher than the MYE.

- 5.34 To examine which of these is the most accurate we have gone back to the 2011 census which provides a considerably more accurate assessment of population than either the MYE or the Patient Register. We have also examined the change since 2011.
- 5.35 All areas show a population in their Patient Register which is around 3-4% higher than the MYE. The notable exception is Cambridge where the difference is 22%. The equivalent for England is 2% and for the East of England 3%.
- 5.36 The margin of error is likely to be lower at larger geographic areas, as there are proportionally fewer inter-regional and international moves. In both the Regional (64%) and National (69%) case, the growth (between 2011 and 2019) in the MYE is around two-thirds of that of the Patient Register.

Table 21: Comparing ONS mid-year population estimate (MYE) change with Patient Register change 2011-2019

Source	2011	2019	Change	% Change
MYE (Cambridge)	122,725	124,798	2,073	1.70%
Patient Register (Cambridge)	134,900	175,670	40,770	30.20%
MYE (East Cambs)	84,245	89,840	5,595	6.60%
Patient Register (East Cambs)	83,980	93,700	9,720	11.60%
MYE (Fenland)	95,461	101,850	6,389	6.70%
Patient Register (Fenland)	98,650	109,440	10,790	10.90%
MYE (Huntingdon Shire)	170,039	177,963	7,924	4.70%
Patient Register (Huntingdon Shire)	170,510	187,260	16,750	9.80%
MYE (South Cambs)	149,842	159,086	9,244	6.20%
Patient Register (South Cambs)	152,610	170,420	17,810	11.70%
MYE (West Suffolk)	171,481	179,045	7,564	4.40%
Patient Register (West Suffolk)	160,180	174,320	14,140	8.80%
MYE (East)	5,862,418	6,236,072	373,654	6.40%
Patient Register (East)	6,026,910	6,632,570	605,660	10.00%
MYE (England)	53,107,169	56,286,961	3,179,792	6.00%
Patient Register (England)	55,312,750	60,288,290	4,975,540	9.00%

Source: ONS

- 5.37 Notwithstanding the different starting points, the analysis shows a very moderate MYE change in Cambridge (+3,033) compared to the Patient Register (+34,660). This raises concerns about the accuracy of the data.
- 5.38 These population growth estimates have to be put in the context of housing completions within Cambridge over the same period. As set out in the previous chapter there were 6,902 dwellings completed in the City over a similar period (2011/12 to 2018/19). It would seem unlikely that such a dwelling growth would result in only half the amount of population growth.
- 5.39 Equally, it would be unrealistic for an additional 6,902 homes to result in a population growth of 40,770 as shown in the Patient Register, this would equate to an average household size of around 6 people. This high level of population growth could in part be explained by the longstanding issue that the Patient Register has in some University cities where (typically International) students register and then fail to deregister once they move out of the area after graduation. This results in an overestimation of the population in the area.
- 5.40 In this context, it would seem reasonable to conclude that the population is probably somewhere between the two estimates. Although the issue is largely confined to Cambridge, to be consistent we have applied this to the whole HMA. To provide a more realistic baseline population from which to project change, we have created a model which:
- Accepts that the 2011 MYE is accurate as it is largely based on the 2011 Census data.
 - Takes an average of the MYE population growth and roughly two-thirds of the Patient Register growth to represent a reasonable level of population change since 2011. This proportion of patient register growth is used to reflect the difference in growth in the MYE and patient register at the regional and national levels.
 - The initial analysis gives an estimated population in 2019. This is then rolled forward to 2020 using a combination of data about completions, projections, and past trends.
 - The analysis also takes account (in the same way) of the age structure changes in each data source.

- 5.41 The following table presents the starting point estimation. As shown, the modelled estimate is around 16,350 higher than the MYE for 2019 (1.9% higher) and is increased by another 9,436 over the following year to get to the 2020 starting point.

Table 22: Starting point population

Location	MYE 2019	Patient register 2019	Modelled 2019	GLH 2020
Cambridge	124,798	175,670	137,029	138,896
East Cambs	89,840	93,700	90,229	91,389
Fenland	101,850	109,440	102,151	102,749
Huntingdonshire	177,963	187,260	179,353	180,989
South Cambs	159,086	170,420	160,283	162,357
West Suffolk	179,045	174,320	179,885	181,986
HMA	832,582	910,810	848,931	858,367

Source: Derived from ONS data

- 5.42 The largest divergence from the MYE is in Cambridge (+9.8%) due to the reasons discussed above and the smallest is in Fenland (+0.3%) although low deviation also occurred in East Cambridgeshire (+0.4%) and West Suffolk (+0.5%).
- 5.43 The outputs above were sense checked against the “Cambridgeshire and Peterborough: Mid-2011 to Mid-2018 Population and Dwelling Stock Estimates.” This can be accessed through [Cambridgeshire Insight](#) (part of Cambridgeshire County Council). The numbers in that analysis are not dissimilar to those set out in the table above, giving further credence to these outputs.

Future population growth

5.44 After establishing the starting point of the analysis, we are required to build a bespoke population projection which is constrained to the local housing need figure of 4,654 dwellings per annum (dpa). The model uses the following assumptions:

- Uses the starting point population and age profile from 2020 as set out above;
- Applies local fertility and mortality rates from the latest population projection (2018-based SNPP);
- Adjusts migration by reducing out-migration and increasing in-migration in equal measures to a point where 4,654 dwellings per annum are occupied when the adjusted household formation rates (midpoint between the 2008-based and 2014-based household projections) are applied.

5.45 The table below shows the resultant projected population change for each local authority together with aggregated figures for the HMA and Greater Cambridge. The projected change in population is around 181,459 people which is a 21.1% increase across the HMA. This compares to around 48,000 in the 2018-based SNPP.

Table 23: Population change 2020-2040 by each local authority

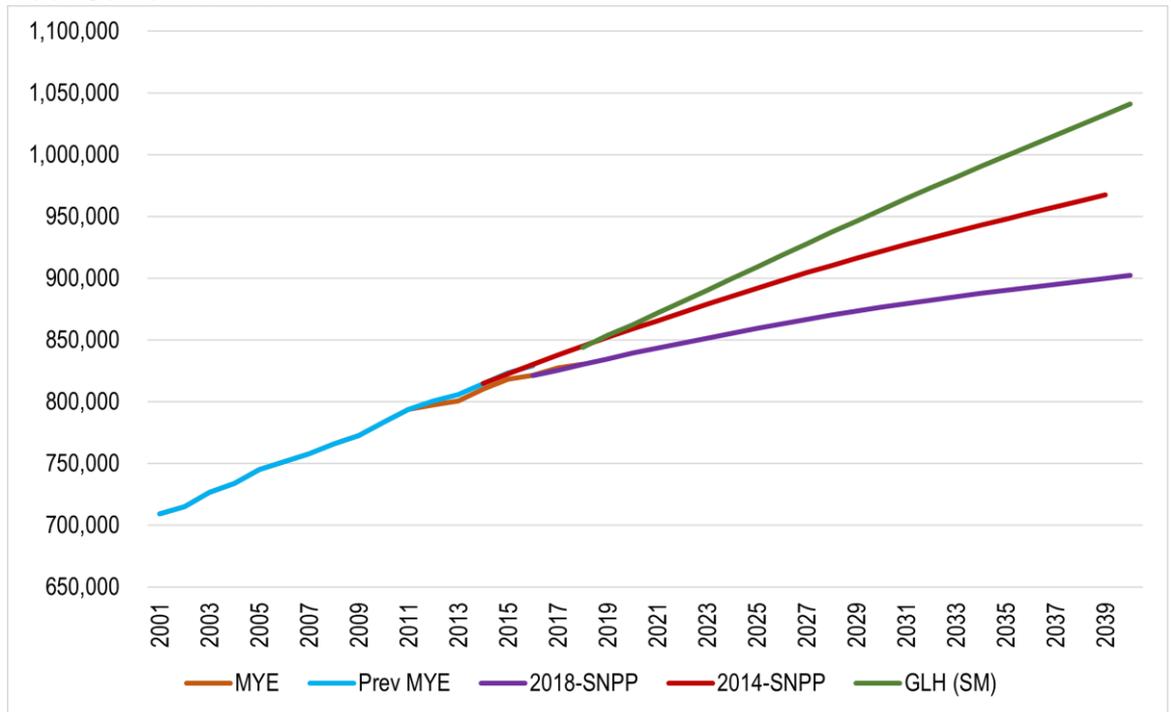
Location	2020	2040	Change	% Change
Cambridge	138,896	167,214	28,318	20.4%
East Cambs	91,389	115,831	24,442	26.7%
Fenland	102,749	121,020	18,270	17.8%
Huntingdonshire	180,989	217,198	36,209	20.0%
South Cambs	162,357	204,298	41,942	25.8%
West Suffolk	181,986	214,265	32,279	17.7%
HMA	858,367	1,039,826	181,459	21.1%
Greater Cambridge	301,253	371,512	70,259	23.3%

Source: GLH modelling based on ONS data

5.46 East Cambridgeshire is projected to see the highest population change of 26.7% followed closely by South Cambridgeshire's at 25.8%. West Suffolk's population is expected to grow by 17.7% and Fenland's by 17.8%. Huntingdonshire and Cambridge are expected to see population growth of around 20%.

5.47 The following figure illustrates past and projected population growth across the HMA from official sources and the projections established for this study. As shown, the population growth from the standard method is slightly higher than historic growth and considerably higher than the 2014-based and 2018-based sub national population projections (SNPP).

Figure 22: Past and projected population growth – Cambridgeshire and West Suffolk HMA



Source: ONS data and GLH modelling based on ONS data

5.48 In comparison to the standard method, where the population exceeds 1 million people by 2040, the 2018-based SNPP shows only around 900,000 people in 2040 and the 2014-based SNPP sees a population of around 967,000 by 2039 (it does not extend to 2040).

Age profile

5.49 The table below sets out the projected population change by five year age bands across the HMA. Tables for each local authority are provided in Appendix C. The highest population growth is expected to be in the age 85+ cohort at 103.4%, followed by the 80-84 age band (66.1%) and 75-79 age band (58.8%).

- 5.50 The growth in the older population reflects the national position with official projections forecasting a significant increase in these age cohorts. The other age bands of those ages 65 years and older also see significant growth.

Table 24: Population change 2020 to 2040 by five-year age bands – HMA

Age	Population 2020	Population 2040	Change	% Change
Under 5	48,332	57,915	9,583	19.8%
5-9	51,209	58,151	6,942	13.6%
10-14	49,659	57,459	7,800	15.7%
15-19	47,956	59,034	11,079	23.1%
20-24	55,918	64,946	9,028	16.1%
25-29	57,494	65,338	7,844	13.6%
30-34	57,692	63,508	5,816	10.1%
35-39	56,165	59,359	3,194	5.7%
40-44	54,936	61,878	6,941	12.6%
45-49	57,282	64,610	7,328	12.8%
50-54	58,472	64,776	6,305	10.8%
55-59	55,362	61,693	6,332	11.4%
60-64	47,917	58,052	10,135	21.2%
65-69	42,625	57,621	14,996	35.2%
70-74	42,846	55,910	13,063	30.5%
75-79	30,840	48,970	18,130	58.8%
80-84	22,019	36,579	14,560	66.1%
85+	21,644	44,027	22,383	103.4%
Total	858,367	1,039,826	181,459	21.1%

Source: Demographic projections

- 5.51 Apart from those of retirement age (65+), the numbers of school-aged children (5-19) are also expected to grow significantly across the HMA. In particular, there is a forecasted growth of 23.1% for the 15-19 age band, followed by a 15.7% increase in those aged between 10 and 14 years old.

Local housing need and population growth - Key messages and recommendations

- The NPPF introduced a three step standard method for local authorities to assess local housing need.
- Step 1 of the standard method draws on the 2014-based household projections which set out an annual average household growth of 3,420 between 2020 and 2030 across the HMA.
- Step 2 of the standard method increases the Housing Need based on local affordability. Using the prescribed formula, the local affordability ratios result in uplifts of between 26% to 55%. This increases the need across the HMA by 1,234 dpa to 4,654 dpa.
- To ensure deliverability, Step 3 of the standard method caps the uplifts in Step 2. However, the cap is effectively not applied in the HMA as the Step 2 figure does not exceed the step 3 figure (Step 3 provides the figure at which the cap would be applied).
- The table below summarises the housing need for the different local authorities.

Local Authority	Household change (Step 1)	Affordability adjustment (Step 2)	Housing need (Step 3)
Cambridge	425	658	658
East Cambs	429	597	597
Fenland	428	538	538
Hunts	733	976	976
South Cambs	797	1,085	1,085
West Suffolk	608	800	800
HMA	3,420	4,654	4,654

- Based on the identified need the local authorities should seek to deliver a minimum 4,654 dwellings per annum. Although calculated over the 2020-2030 period the Housing Need figures can be applied across the plan period.
- In the years preceding adoption of a Local Plan it may be necessary to update the housing need figure as a result of the publication of new demographic and affordability data and potential revisions to the standard method.
- As per paragraph 13 of the PPG where “strategic policies are being produced jointly, or where spatial development strategies are prepared...It will be for the relevant

strategic policy-making authority to distribute the total housing requirement...across the plan area.”

- To understand the population implications of delivering 4,654 dpa a model has been developed whereby household formation rates are increased and population growth increased to a point where these homes are filled. This modelling results in an additional 181,459 people in the HMA area (over the period 2020-2040). This can be disaggregated to the local authorities on the following basis.

Cambridge	East Cambs	Fenland	Hunts	South Cambs	West Suffolk
28,318	24,442	18,270	36,209	41,942	32,279

This level of population growth is applied to the remainder of this report.

6 Affordable housing need

Introduction

- 6.1 This section provides an assessment of the need for affordable housing in Cambridgeshire and West Suffolk. The analysis follows the PPG (Sections 2a-018 to 2a-024) to provide an assessment of the annual need for affordable housing.
- 6.2 The section provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need for social/affordable rented housing and secondly to consider the need for affordable home ownership products. In addition, we have also provided some commentary on the emerging “First Homes” tenure.

Methodology - affordable homes to rent

- 6.3 The method for studying the need for affordable housing has been enshrined in Government planning practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy). The methodology for looking at the need for rented (social/affordable) housing considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of data modelled from local information – this figure is then annualised to meet the current need over some time;
 - **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
 - **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rent housing; and
 - **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.

- 6.4 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable/social housing to rent.
- 6.5 As the income necessary to afford to rent privately without financial support is typically lower than that needed to buy on the open market, the ability of households to afford private rents has typically influenced whether or not they need affordable housing to rent.
- 6.6 For some of the analysis in this section, it has been necessary to draw on other sources of data (applied to local information) to make estimates of the need. The approach is consistent with the PPG (Housing and economic needs assessment – see 2a-020 for example) and includes linking local Census data to national changes (as evidenced in national surveys such as the English Housing Survey).
- 6.7 Additionally, information drawn from local surveys previously undertaken by Justin Gardner Consulting across the country has been used to look at potential prevalence rates for some elements of need where comprehensive local data is lacking. This includes considering what proportion of households in the Private Rented Sector (PRS) might need an affordable home due to potential loss of accommodation (e.g. tenancies ending). This approach is considered to provide a reasonable view about likely local needs and is an approach that has been accepted through a range of Local Plan Examinations.

Methodology - affordable home ownership

- 6.8 The NPPF and associated guidance have expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home and require support to do so. Paragraph 20 of the PPG (Reference ID: 2a-020-20190220) also includes households that “*cannot afford their own homes, either to rent or to own, where that is their aspiration*” as having an affordable housing need.

- 6.9 This expanded definition has been introduced by the Government to support an increase to home ownership in response to evidence of declining home ownership and growth in private renting over the last 10-15 years.
- 6.10 The PPG does not provide specific guidance on how the needs of such households should be assessed and so this study adopts a method that broadly follows the same stages as the need for social/affordable rented accommodation. The method is summarised below (and expanded on in the relevant section below).
- **Current affordable housing need:** an estimate of the number of households living in private rented accommodation who would like or expect to become an owner now (taken to be over the next two years) and who can afford a private rent but not an outright purchase – this figure is then annualised to meet the current need over some time;
 - **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households able to afford to privately rent, but not market housing to buy;
 - **Existing households falling into need:** based on households in the PRS who would like or expect to become an owner at some point in the future (beyond 2-years) – again with the relevant affordability test applied;
 - **Supply of affordable housing:** an estimate of the likely number of homes that will become available to buy at a price below lower quartile and that could be accessed by those with a need for Affordable Home Ownership (AHO) plus an allowance for resales of low cost home ownership homes (e.g. shared ownership).
- 6.11 As with the need for social/affordable rented housing, the first three bullet points above are added together to identify a gross need, from which the supply of resales of existing properties is subtracted to identify a net annual need for additional affordable home ownership.

- 6.12 Whilst the need for social/affordable rent housing and affordable home ownership are analysed separately, several pieces of information are common to both assessments. In particular, this includes an understanding of local housing costs, incomes, and affordability. The sections below, therefore, look at these factors.

Local house prices and rents

- 6.13 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and is thus defined as having an 'affordable housing need'.
- 6.14 To establish affordable housing needs, the analysis focuses on overall housing costs (for all dwelling types and sizes); establishing, in numerical terms, the overall need for affordable housing. The analysis below considers the entry-level costs of housing to both buy and rent in all six local authorities.
- 6.15 The approach has been to analyse Land Registry and Valuation Office Agency (VOA) data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market. It is worth noting that, while these properties provide a suitable benchmark in terms of price, they do not provide a guide to quality recognising that some of the very cheapest properties may require a level of investment to become suitable for habitation.

House prices

- 6.16 Data from the Land Registry for the year to March 2020 (data for resales (i.e. excluding newbuild)) shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £77,000 for a flat in Fenland rising to over £500,000 for a detached home in Cambridge.

- 6.17 There are some significant variations in house prices by area, with Cambridge showing the highest prices for all dwelling types. It should be noted that to some extent the 'All Dwellings' figure is influenced by the profile of homes sold in different areas. The 'average' lower quartile price of housing to buy across the HMA was £200,000.

Table 25: Lower quartile house prices by type (year to March 2020) – resales

Location	Flat/ maisonette	Terraced	Semi- detached	Detached	All dwellings
Cambridge	£217,000	£360,000	£392,000	£526,000	£322,000
East Cambridgeshire	£122,000	£192,000	£219,000	£298,000	£221,000
Fenland	£77,000	£120,000	£145,000	£194,000	£149,000
Huntingdonshire	£126,000	£180,000	£215,000	£289,000	£206,000
South Cambridgeshire	£151,000	£234,000	£283,000	£391,000	£274,000
West Suffolk	£126,000	£180,000	£202,000	£267,000	£195,000
HMA (Av.)	£140,000	£180,000	£200,000	£270,000	£200,000

Source: Land Registry

- 6.18 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove, Primelocation or Zoopla). To some extent the prices should be seen as indicative, in particular, the supply of 1-bedroom homes to buy was quite small in some locations.

Table 26: Lower quartile house prices by size (year to March 2020)

Location	1-bedroom	2-bedrooms	3-bedrooms	4-bedrooms	All dwellings
Cambridge	£225,000	£300,000	£395,000	£550,000	£322,000
East Cambs	£104,000	£164,000	£248,000	£325,000	£221,000
Fenland	£65,000	£130,000	£176,000	£241,000	£149,000
Huntingdonshire	£105,000	£158,000	£220,000	£311,000	£206,000
South Cambs	£163,000	£228,000	£291,000	£412,000	£274,000
West Suffolk	£137,000	£174,000	£217,000	£307,000	£195,000
HMA (Av.)	£155,000	£180,000	£230,000	£320,000	£200,000

Source: Land Registry and internet price search

Private rental housing

- 6.19 The table below establishes the cost of renting a property on the open market in the Cambridgeshire and West Suffolk HMA by the size of the property. At HMA level, lower quartile rents start at an average of around £530 per calendar month for a 1-bedroom property, rising to £1,125 for a 4-bedroom family-sized home.

Table 27: Lower quartile market rents, year to March 2020

Location	Room	Studio	1-bed	2-bed	3-bed	4-bed	All dwellings
Cambridge	£475	£725	£850	£1,075	£1,200	£1,630	£975
East Cambs	*	£475	£575	£695	£825	£1,180	£700
Fenland	£347	£350	£425	£550	£675	£850	£525
Huntingdonshire	£400	£450	£540	£675	£775	£1,030	£655
South Cambs	£500	£625	£725	£850	£950	£1,250	£870
West Suffolk	£475	£495	£560	£700	£860	£1,200	£730
HMA	£450	£590	£530	£660	£810	£1,125	£685

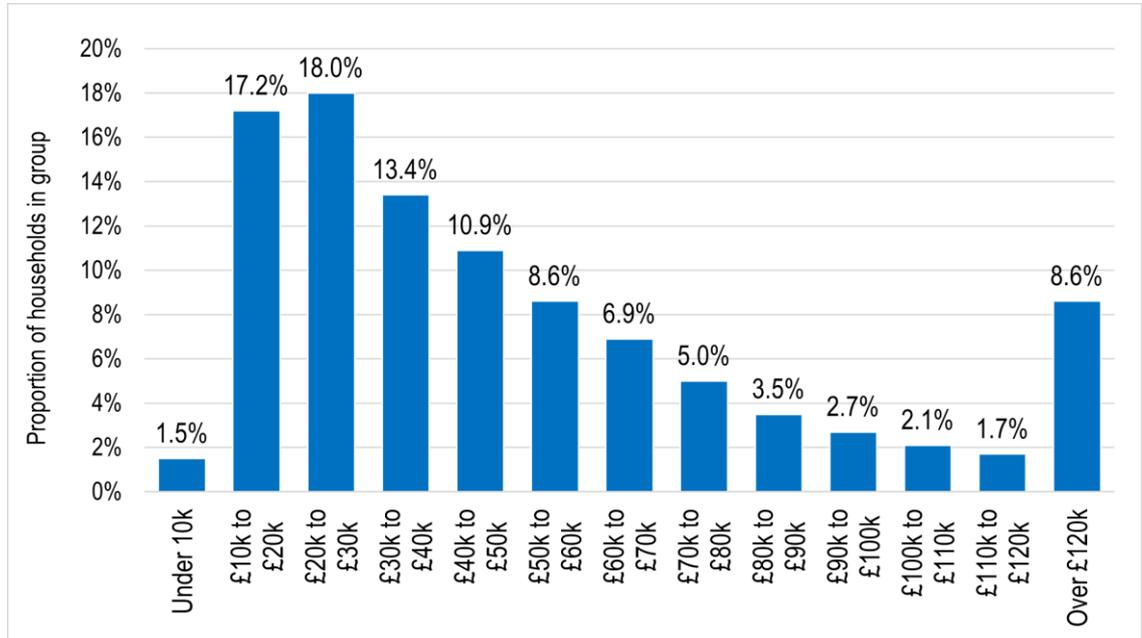
Source: VOA * No data available

- 6.20 Rental values are highest in Cambridge, achieving £975 per month averaged for 'All Dwellings'. This is followed by South Cambridgeshire (£870 per month). Similar to the data for house prices, Fenland levels are at the other end of the market at £525 per month. West Suffolk's rental market appears relatively stronger than its purchase market (as demonstrated in the ranking of costs (second cheapest to buy but fourth cheapest to rent)). This relates to military demand for rental properties in this area and the service allowance which drives up prices.
- 6.21 As of the 1st of April 2020, there has been an increase in Local Housing Allowance (following a 5-year freeze). This could potentially see private sector rents and affordable rents rise as households will be able to claim a higher amount of benefit. However, the full effect of this is difficult to predict and the Councils should monitor the situation. It could also affect calculations around viability of different tenures on new build sites, and the prices set for "affordable" rents.

Income levels and affordability

- 6.22 Following on from the assessment of local housing costs it is important to understand local income levels as these (along with the house price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy).
- 6.23 Data about total household income has been modelled based on several different sources of information to provide both an overall average income and the likely distribution of income. The key sources of data include:
- ONS modelled income estimates (published in April 2018 with a 2015/16 base) – this information is provided for middle layer super output areas (MSOA) and is therefore used to build up to larger areas (e.g. local authorities);
 - English Housing Survey (EHS) – to provide information about the distribution of incomes; and
 - Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed since the ONS base date.
- 6.24 Drawing these datasets together an income distribution for 2019 has been constructed. The figure below shows the income distribution estimated across the whole study area. Overall, the average (mean) household income is estimated to be around £52,900, with a median income of £39,900; the lower quartile income of all households is estimated to be £23,100.

Figure 23: Distribution of household income (2019) – Cambridgeshire and West Suffolk HMA



Source: Derived from a range of data as discussed

6.25 The table below shows how incomes are estimated to vary across the six local authorities. The highest household incomes are in South Cambridgeshire (closely followed by Cambridge) and the lowest incomes are in Fenland.

Table 28: Estimated household income by each local authority, 2019

Local Authority	Mean	Median	Lower quartile
Cambridge	£57,700	£43,900	£25,400
East Cambs	£51,700	£39,300	£22,800
Fenland	£41,500	£31,500	£18,200
Huntingdonshire	£53,600	£40,800	£23,600
South Cambs	£61,600	£46,800	£27,100
West Suffolk	£48,700	£37,100	£21,400
HMA	£52,900	£39,900	£23,100

Source: ONS modelled income estimates, EHS, and ASHE

Affordability thresholds

- 6.26 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing without the need for a subsidy (this establishes those households in need of social/affordable rent housing) and secondly to consider what income level is needed to access owner-occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying).
- 6.27 Additionally, 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 and less capital than existing households).
- 6.28 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue.
- 6.29 The then Department for Communities and Local Government (DCLG) SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, but also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% of gross income. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 6.30 We believe the threshold of income to be spent on housing should be set by asking the question 'what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy?'. The choice of an appropriate threshold is, therefore, judgment based.

- 6.31 The key consideration to understand here is that local income levels are not setting the threshold but are simply being used to assess how many households can or cannot afford market housing. It is important to consider what residual income is left after households have paid for housing.
- 6.32 At £685 per calendar month (pcm), lower quartile rent levels in the HMA are relatively high in comparison to those seen nationally. This suggests that the proportion of income to be spent on housing could be higher in the HMA than elsewhere in the country where, on the whole, private rents are lower.
- 6.33 Across England, the lowest lower quartile rents are around £400 per month (areas with rents at or below this level include Hull and Burnley, there were a total of 12 local authorities with lower quartile rents not exceeding £400 per month). If these areas are considered to be at the bottom end of the range (i.e. 25% of income to be spent on housing) then this would leave a residual income of £1,200 per month (if £400 = 25% then total income would be £1600. Once rent (£400) is deducted this leaves £1,200 per month).
- 6.34 With the same residual income applied to the Cambridgeshire and West Suffolk HMA, the gross household income required to afford a £685 pcm lower quartile rent would be £1,885 and so the percentage spent on housing would be 36% ($£1200 + £685$ with rents at £685 equating to 36% of £1,885).
- 6.35 It also needs to be considered that the cost of living in Cambridgeshire and West Suffolk is likely to be higher than in cheaper parts of England and so a pragmatic approach to determining a reasonable proportion of income has been to take a midpoint between the bottom (25%) and the equivalent residual income figure (36% if looking at the HMA). In this example, a threshold of 30.7% (rounded to 31%) would be considered reasonable.

- 6.36 There are differences in housing costs in different parts of the study area and so this analysis has been carried out for all local authorities individually. Below are the affordability thresholds used in the analysis for each location reflecting the proportion of household income it is reasonable that households spend on housing costs:
- Cambridge – 35%;
 - East Cambridgeshire – 31%;
 - Fenland – 28%;
 - Huntingdonshire – 30%;
 - South Cambridgeshire – 34%; and
 - West Suffolk – 31%
- 6.37 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for this assessment these households would essentially be assumed as ideally having some form of subsidised rent to ensure a sufficient level of residual income.
- 6.38 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rent housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 6.39 For this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.

- 6.40 The table below shows the estimated incomes required to both buy and rent (privately) in each local authority (based on lower quartile house prices and rents). This shows a notable 'gap' in Cambridge and a much narrower spread of incomes required for Fenland – the figures reflect the varying housing costs in different locations.

Table 29: Estimated gross household income required to buy and privately rent (£)

Local Authority	To buy	To rent (privately)
Cambridge	£64,400	£33,500
East Cambs	£44,200	£27,200
Fenland	£29,800	£22,700
Huntingdonshire	£41,200	£26,100
South Cambs	£54,800	£31,200
West Suffolk	£39,000	£27,900
HMA	£40,000	£26,800

Source: Based on housing market cost analysis

Need for social/affordable rented housing

- 6.41 The sections below work through the various stages of the analysis to estimate the social/affordable housing need for rented accommodation in each local authority. The final figures are provided as an annual need (including an allowance to deal with current needs). As per 2a-024 of the PPG, this figure can then be compared with the likely delivery of affordable housing.

Current need

- 6.42 In line with PPG paragraph 2a-020, the current need for affordable housing for rent has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers.
- 6.43 The PPG also includes a category where households cannot afford to own a home despite aspiring to – this category is considered separately in this report (under the title of the need for affordable home ownership).

Table 30: Main sources for assessing the current unmet need for affordable housing for rent

Households	Source	Notes
Homeless households (and those in temporary accommodation)	MHCLG Live Table 784	Total where a duty is owed but no accommodation has been secured PLUS the total in temporary accommodation
Households in overcrowded housing	Census table LC4108EW	The analysis was undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS) (2018/19)
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis undertaken by GLH and JGC	Excludes overcrowded households – tenure estimates updated by reference to the EHS (2018/19)
Households from other tenures in need	Modelled data linking to past survey analysis undertaken by GLH and JGC	Excludes overcrowded households – tenure estimates updated by reference to the EHS (2018/19)

Source: PPG [2a-020]

Note: The Council's housing registers are not used in arriving at affordable housing need as they are not consistently assembled. They may not show the true extent of the need as households may fail to apply or may be unable to do so due to restrictions.

- 6.44 The households from other tenures in need would include those households currently living in private sector housing that cannot afford that accommodation. These would include households that may well be eligible for affordable housing but have not registered to be on the waiting list because they are a low priority or know that the housing they require to meet their need is unavailable.

- 6.45 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable the analysis to be undertaken to study the impact of this and so the figures presented may include an element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.
- 6.46 The table below shows the initial estimate of the number of households within the study area with a current housing need. These figures are before any 'affordability test' has been applied to assess the ability of households to meet their own housing needs and has been termed 'the number of households in unsuitable housing'. Overall, the analysis estimates that there are currently 23,993 households living in unsuitable housing (or without housing).

Table 31: Estimated number of households living in unsuitable housing

Location	Homeless/ concealed household	Households in overcrowded housing	Existing affordable housing tenants in need	Households from other tenures in need	Total
Cambridge	543	3,095	248	1,495	5,381
East Cambs	309	883	111	801	2,105
Fenland	502	1,534	114	993	3,142
Huntingdonshire	864	1,811	201	1,581	4,457
South Cambs	586	1,428	193	1,272	3,478
West Suffolk	648	2,616	249	1,916	5,429
HMA	3,452	11,367	1,117	8,057	23,993

Source: MHCLG live tables, Census 2011 and data modelling (numbers may not sum due to rounding)

- 6.47 In taking this estimate forward, the data modelling next 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).

- 6.48 The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of previous survey data) that the vast majority will be able to afford a home once savings and equity are taken into account.
- 6.49 A final adjustment is to slightly reduce the unsuitability figures in the PRS to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be allocated affordable housing (student needs are essentially assumed to be transient) – this only has any notable impact in Cambridge. Once these households are removed from the analysis, the remainder is taken forward for affordability testing.
- 6.50 The table below shows an estimated 14,064 households were living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers).

Table 32: Unsuitable housing by tenure to take forward into affordability modelling

Tenure	In unsuitable housing	Number to take forward for affordability testing
Owner-occupied	5,306	531
Affordable housing	4,895	0
Private rented	10,340	10,081
No housing (homeless/concealed)	3,452	3,452
Total	23,993	14,064

Source: MHCLG live tables, Census 2011 and data modelling

- 6.51 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. To consider this, the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing.
- 6.52 For the modelling, an income distribution that reduces the average household income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market without subsidy (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.

- 6.53 These two percentage figures (88% and 42%) have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the PRS) along with typical income levels of households accessing social rented housing (for those without accommodation). The figures have been based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys for similar studies across the country by Justin Gardner Consulting (JGC). These modelling assumptions are considered reasonable and remain unchallenged in the Local Plan processes where they have been used in other locations.
- 6.54 Overall, just under half of the households with a current need are estimated to be likely to have insufficient income to afford market housing and so the total current need is around 6,900 households in the study area. The table below also shows how this is estimated to vary by local authority.

Table 33: Estimated current affordable housing need (for social/affordable rent housing)

Location	In unsuitable housing (taken forward for affordability test)	% Unable to afford market housing (without subsidy)	Revised gross need (including affordability)
Cambridge	3,321	48.90%	1,623
East Cambs	1,171	47.90%	561
Fenland	1,959	49.50%	969
Huntingdonshire	2,605	47.20%	1,229
South Cambs	1,911	49.10%	938
West Suffolk	3,097	49.80%	1,543
HMA	14,064	48.80%	6,864

Source: CLG live tables, Census 2011 and data modelling

- 6.55 The estimated figure shown above (6,864) represents the number of households with a need currently. For this analysis, it is assumed that the local authorities would seek to meet this need over the 2020-40 period examined in this report. The need is therefore annualised by dividing by 20 (to give an annual need for 343 dwellings across all local authorities). This does not mean that some households would be expected to wait for 20-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

Newly forming households

- 6.56 The first element of newly arising need is the number of newly forming households in need. This has been estimated through 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.
- 6.57 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with Annex 2 of the CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with the formation of younger households.
- 6.58 The number of newly forming households has been estimated through demographic modelling (linked to 2018-based Sub-National Population Projections (SNPP) and 2014-based Sub-National Household Projections (SNHP), with additional adjustments to take account of population estimates – as previously described and particularly impacting on Cambridge and West Suffolk). This is considered to provide the best view about the trend-based household formation, but without building in any additional constraints to household formation.

- 6.59 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. 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 the analysis of English Housing Survey data at a national level).
- 6.60 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that the average income level is 84% of the household average.
- 6.61 In doing this it is possible to calculate the proportion of households unable to afford market housing. For the need for social/affordable rent housing, this will relate to households unable to afford to buy or rent in the market.
- 6.62 The assessment suggests that overall, around 41% of newly forming households will be unable to afford market housing (to rent privately) and this equates to a total of 2,254 newly forming households that will have a need per annum on average. The table below provides a breakdown by each local authority.

Table 34: Estimated need for social/affordable rent housing from newly forming households (per annum)

Location	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
Cambridge	659	45.30%	299
East Cambs	607	40.60%	246
Fenland	693	42.50%	294
Huntingdonshire	1,235	37.50%	463
South Cambs	1,170	40.20%	470
West Suffolk	1,080	44.60%	481
HMA	5,443	41.40%	2,254

Source: Projection modelling/affordability analysis

Existing households falling into affordable housing need

- 6.63 The second element of newly arising need is existing households falling into need. To assess this, information from CoRE (Continuous Recording of lettings system) about past lettings in social/affordable rent has been used. The assessment looked at the average number of households who have been housed in general need housing over the past three years (three years is used to avoid single year data spikes that would be potentially misleading) – this group will represent the flow of households onto the Housing Register over this period.
- 6.64 This work largely pre-dates the Covid-19 which would likely result in increased unemployment and thus increased demand for affordable housing. However, the extent of this has not been explored within the document.
- 6.65 From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rent property. An affordability test has also been applied.
- 6.66 The current NPPF provides little detail as to how existing households falling into need should be calculated. The method employed 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 household applicants)’*.
- 6.67 The analysis suggests a need arising from 1,020 existing households each year. The table below breaks this down by sub-area.

Table 35: Estimated need for social/affordable rent housing from existing households falling into need (per annum)

Location	Total additional need	% of Total
Cambridge	321	31.50%
East Cambs	75	7.30%
Fenland	117	11.50%
Huntingdonshire	162	15.90%
South Cambs	129	12.70%
West Suffolk	215	21.10%
HMA	1,020	100%

Source: Derived from CoRe data

Supply of social/affordable rent housing through relets

- 6.68 The future supply of affordable rented housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future needs. This focusses on the annual supply of social/affordable rent relets.
- 6.69 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. Information from CoRe and Local Authority Housing Statistics (LAHS) has been used to establish past patterns of social housing turnover.
- 6.70 The figures are for general needs lettings but exclude lettings of new properties and also exclude 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.
- 6.71 Based on past trend data it has been estimated that 1,551 units of social/affordable rent housing are likely to become available each year moving forward for occupation by newly forming households and existing households falling into a need from other tenures.

Table 36: Analysis of past social/affordable rent housing supply, 2015/16 – 2017/18 (per annum)

Location	Total lettings	% as non-new build	Lettings in existing stock	% Non-transfers	Lettings to new tenants
Cambridge	706	78.70%	555	69.60%	386
East Cambs	221	90.50%	200	67.10%	134
Fenland	369	78.50%	289	59.20%	171
Huntingdonshire	504	85.80%	433	65.30%	283
South Cambs	415	81.20%	337	62.80%	212
West Suffolk	682	81.80%	558	65.30%	364
HMA	2,897	81.90%	2,373	65.40%	1,551

Source: CoRe/LAHS

- 6.72 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net need for social/affordable rent housing

- 6.73 The table below shows the overall calculation of affordable housing needs for rent. The analysis shows that 2,066 dwellings per annum should be provided to meet in full the affordable need in all local authorities within the study area. The net need is calculated as follows:

$$\text{Net need} = \text{current need (allowance for)} + \text{need from newly-forming households} + \text{existing households falling into need} - \text{supply of affordable housing}$$

Table 37: Estimated annual need for social/affordable rent housing by local authority

Location	Current need	Newly forming households	Existing households falling into need	Total gross need	Relet supply	Net need
Cambridge	81	299	321	701	386	314
East Cambs	28	246	75	349	134	215
Fenland	48	294	117	460	171	289
Huntingdonshire	61	463	162	687	283	404
South Cambs	47	470	129	646	212	435
West Suffolk	77	481	215	774	364	409
HMA	343	2,254	1,020	3,617	1,551	2,066
Greater Cambridge	128	769	450	1,347	598	749

Source: Census 2011, CoRe, projection modelling, and affordability analysis

- 6.74 This level of need equates to around 44% of the overall need based on the standard method (4,653 dpa). However, this is a crude comparison as some of the affordable housing need is from newly forming households. This group would also be counted as part of the overall housing need.
- 6.75 Also, some households in need are also already in affordable housing. As a result, they would not generate a net need (they would release their current home when they move to new dwelling).
- 6.76 Moreover, the percentages set out in the final column of the table do not indicate the proportion of market housing that should be affordable homes. Firstly, this will be determined by other factors, in particular an assessment of viability and, secondly, there are other sources of affordable homes such as the private rented sector and rural exception sites.
- 6.77 The scale of need identified does, however, suggest that the local authorities should continue to seek as much affordable housing delivery as viability allows.

Table 38: Net affordable housing need to rent as % of overall need

Location	Affordable net need	Housing need	% of Housing need
Cambridge	314	658	48%
East Cambs	215	597	36%
Fenland	289	538	54%
Huntingdonshire	404	976	41%
South Cambs	435	1,085	40%
West Suffolk	409	800	51%
HMA	2,066	4,654	44%

Source: Affordability analysis and MHCLG LHN calculations

Split between social and affordable rent housing

- 6.78 The analysis above has studied the overall need for social and affordable rent housing with a focus on households who cannot afford to rent in the market without the need for subsidy. These households will, therefore, require some form of rented housing at a cost below typical market rates.
- 6.79 Typically, there are two main types of rented affordable accommodation available to applicants on local authorities' social housing registers. These are social and affordable rent and the analysis below initially considers what a reasonable split might be between these two tenures.
- 6.80 There are other forms of affordable rental accommodation such as affordable private rent which will contribute a small percentage of homes and only from build to rent development. It is unlikely that these schemes will provide other affordable tenures therefore on such sites 100% of the affordable homes on the development will be affordable private rents. These rents should be set with regard to affordable rents, although rents may be higher than in affordable rent properties as affordable private rent properties are likely to attract additional service charges and be built to higher specifications, and therefore benchmarked against higher market rent levels.
- 6.81 An analysis has been undertaken to compare the income distribution of households with the cost of different products. For social and affordable rent

housing, it has been assumed that this would be available at a cost which is 80% of the established lower quartile costs rent set out earlier in this section.

- 6.82 Any household able to afford a rent between 80% of the market rent and the full market cost without the need for subsidy is assumed able to afford an affordable rent. All other households in affordable housing need would require social rent or affordable rent at less than 80%, where that is achievable.
- 6.83 The analysis identifies that between 22% and 28% households in affordable housing need could afford an affordable rent based on 80% of the market rent and thus would be suitable for affordable rent.
- 6.84 The table also shows the rent levels assumed. It is quite possible that (for example) the cost of 80% of market rent would be higher than the figures modelled below and if that were the case then a lower proportion of households would be able to afford private rented housing.

Table 39: Need for affordable rent housing at 80% of market rents and the assumed relevant affordable rent levels (per month)

Location	% of the need for affordable rent	Assumed cost of affordable rent housing for analysis (80% of lower quartile) 1 bed	Assumed cost of affordable rent housing for analysis (80% of lower quartile) 2 bed	Assumed cost of affordable rent housing for analysis (80% of lower quartile) 3 bed	Assumed cost of affordable rent housing for analysis (80% of lower quartile) 4 bed
Cambridge	22%	£680	£860	£960	£1,304
East Cambs	25%	£460	£556	£660	£944
Fenland	23%	£340	£440	£540	£680
Huntingdonshire	28%	£432	£540	£620	£824
South Cambs	26%	£580	£680	£760	£1,000
West Suffolk	22%	£448	£560	£688	£960

Source: Affordability analysis based on VOA data and income analysis

- 6.85 The finding that 22%-28% of households can afford to pay between 80% and 100% of market rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit-dependent and as such could technically afford an affordable rent (if the full rent is covered by Housing Benefit or the housing element of Universal Credit) – hence a higher proportion of Affordable Rent housing might be appropriate.
- 6.86 Conversely, providing more social rent homes might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.

6.87 It is for the Councils to assess an appropriate split bearing in mind that:

- While the rent set for affordable rented dwellings should take into account Local Housing Allowance (LHA) rates, they are not capped at these rates when rented from a Registered Provider. 20% below current lower quartile market rents could be an appropriate starting point (while this is true, it is worth noting that the Policy Statement for Rent for Social Housing (Feb 2019) states that Housing Providers should have regard to the local market context including the relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located, when setting Affordable Rents). The local authority also has little impact on the rent levels being set so whatever is possible in theory, an RP or for-profit provider can set the rent that falls within the national guidance, with little reference to the local market and its needs.
- The Councils also need to be mindful of the increase in LHA (April 2020) which could potentially see private sector rents rise as households will be able to claim a higher amount of benefit. It could also see a rise in affordable rents if they are benchmarked against the new LHA rates.
- Resources for subsidised housing are finite, and the greater the discount on individual dwellings the fewer affordable homes overall may be delivered. Policy should reflect a balance between the needs of the most vulnerable, the needs of people in housing need but not vulnerable, and delivering as many affordable rented homes on the ground as possible, subject to viability.

6.88 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing in specified local authority areas, and this may exist independently to any local assessment of need.

6.89 Additionally, there will need to be a consideration of the balance between the cost of housing and the amount that can be viably provided, for example, affordable rent housing is likely more viable, and therefore a greater number of units could be provided.

- 6.90 Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures (social and affordable rented) on the same site (at least at initial occupation) may be difficult – essentially if tenants of the same home are paying a different rent for the same property and services.
- 6.91 This analysis has been undertaken examining the overall cost of housing. It may be appropriate for the Councils to consider different splits for different sizes of homes. For example, larger homes may have fewer households which fall into the income bracket between market rent and 80% discount of market rent.
- 6.92 It is not recommended that the Councils have a rigid policy for the split between social and affordable rent housing on the basis of affordability alone. The analysis is clear that both tenures of homes are likely to be required in all areas, this should be brought together with other considerations outlined above, should the Councils wish to implement a policy.
- 6.93 Finally, it should also be noted that some Build to Rent schemes are expected to deliver some Affordable Private Rent, which is a distinct tenure in its own right. While such developments are not required to provide any Social or Affordable Rent homes, rent levels are also set at up to 80% of market rents. As a result, it is worth noting that they may help to contribute to the affordable housing requirements. Although for some high specification schemes rents may be set at up to 80% of higher quartile rather than mean/median/lower quartile rents and may therefore be unaffordable to those on low incomes.

Establishing a need for affordable home ownership

- 6.94 The Planning Practice Guidance confirms a wider definition of those to be considered as in affordable need; now including 'households which can afford to rent in the private rental market but cannot afford to buy despite a preference for owning their own home'. That said, it does not provide guidance about how the number of such households should be calculated.

- 6.95 The methodology used in this report, therefore, draws on the current methodology for affordable housing to rent and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.
- 6.96 The first part of the analysis seeks to understand what the gap between renting and buying means in the study area – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.
- 6.97 By looking at the relative costs of housing to buy and to rent, it is clear that there will be households in the study area who can currently rent but who may be unable to buy. In the year to March 2020, the 'average' lower quartile private rent across the HMA is shown to be £685 a month, assuming a household spends no more than 31% of income on housing (the relevant calculated figure), this would equate to an income requirement of about £26,800.
- 6.98 For the same period, Land Registry data records a lower quartile price in the HMA of about £200,000 which (assuming a 10% deposit and 4.5 times mortgage multiple) would equate to a household income requirement of around £40,000.
- 6.99 Based on these income requirements, it is reasonable to suggest that affordable home ownership products would be pitched at households with an income of between £26,800 (i.e. able to afford to privately rent) and £40,000 (the figure above which a household might reasonably be able to buy).

- 6.100 Using the income distributions set out earlier in this section it has been estimated that of all households living in the PRS, around 25%-46% already have sufficient income to buy a lower quartile home, with 13%-32% falling in the rent/buy 'gap'. The final 36%-43% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing.
- 6.101 These figures are based on an assumption that incomes in the PRS are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey). These income assumptions are used as it is clear that affordable home ownership products are likely to be targeted at households living in private rented accommodation or who might be expected to access this sector (e.g. newly forming households).
- 6.102 The table below shows an estimate of the proportion of households living in the PRS who can afford different housing products by each local authority. This shows a particularly high proportion of households in the rent/buy gap in Cambridge, with a much lower figure for Fenland.

Table 40: The estimated proportion of households living in the PRS able to buy and/or rent market housing

Location	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Cambridge	25%	32%	43%
East Cambs	38%	23%	39%
Fenland	46%	13%	40%
Huntingdonshire	43%	22%	36%
South Cambs	36%	26%	38%
West Suffolk	41%	16%	42%
HMA	39%	22%	40%

Source: Derived from housing market cost analysis and affordability testing herein

- 6.103 The finding that a significant proportion of households in the PRS are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors which include the lack of a deposit or difficulty obtaining a mortgage, for example due to a poor credit rating or insecure employment.
- 6.104 That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 6.105 To study current need, an estimate of the number of households living in the PRS has been established, with the same (rent/buy gap) affordability test (as described above) then applied.
- 6.106 The starting point is the number of households living in private rented accommodation; as of the 2011 Census, some 53,100 households were living in the sector across the whole study area. Data from the English Housing Survey (EHS) suggests that since 2011, the number of households in the PRS has risen by about 21% - if the same proportion is relevant to the study area then the number of households in the sector would now be around 64,500.
- 6.107 Additional data from the EHS (2017/18 PRS Report) suggests that 60% of all PRS households expect to become an owner at some point (38,700 households if applied to the study area) and of these some 25% (9,675 households) would expect this to happen in the next 2 years. The figure of 9,675 is therefore taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 6.108 As noted above in Table 40, based on income it is estimated that around 13%-32% of the PRS sits in the gap between renting and buying. Applying this proportion to the 9,675 figure would suggest a current need for around 2,200 affordable home ownership products (108 per annum if annualised over 20 years).

- 6.109 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 1,512 dwellings (1,188 from newly forming households and 324 from existing households in the PRS).
- 6.110 Bringing together the above analysis suggests that there is a gross need for around 1,620 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum across the study area. This is before any assessment of the potential supply of housing is considered.

Table 41: Estimated gross need for affordable home ownership by each local authority (per annum)

Location	Current need	Newly forming households	Existing households falling into need	Total gross need
Cambridge	35	208	106	349
East Cambs	10	141	29	180
Fenland	8	94	23	125
Huntingdonshire	19	267	57	343
South Cambs	17	301	50	367
West Suffolk	19	177	58	255
HMA	108	1,188	324	1,620

Source: Derived from EHS, housing market cost analysis and affordability testing herein potential supply of housing to meet the affordable home ownership need

- 6.111 As stated, the PPG does not include any suggestions about how the supply of housing to meet the gross need should be calculated. The analysis below, therefore, provides a general discussion.
- 6.112 The cost of accessing housing to buy is based on the lower quartile cost of housing which is around £200,000 in the HMA. By definition, a quarter of all homes sold (noting that this transaction data from the Land Registry is for the year to March 2020) will be priced at or below this level.

- 6.113 According to the Land Registry source, there were a total of 9,741 resales (i.e. excluding newbuild) in this period and therefore around 2,435 would be priced below the lower quartile. This is 2,435 homes that would theoretically be affordable to the target group for affordable home ownership products.
- 6.114 However, it is the case that market housing is not allocated in the same way as social/affordable rent homes (i.e. anyone can buy a home as long as they can afford it and some lower quartile homes would be sold to households able to afford more, or potentially to investment buyers). Furthermore, some of these homes might be uninhabitable or age-restricted.
- 6.115 In the absence of any guidance about how to deal with the supply of affordable home ownership, a broad further assumption has been used that around half of the lower quartile homes would be available to meet the needs of households with an income in the gap between buying and renting – this amounts to 1,218 dwellings per annum.
- 6.116 Also, data from CoRe about the resale of affordable housing (likely to mainly be shared ownership) shows an average of around 136 resales per annum across the HMA (based on data for the 2015-18 period). These properties would also potentially be available for households for whom AHO products would be suitable and can be included within the potential supply. Therefore, a total supply of 1,354 dwellings per annum is estimated for the HMA.
- 6.117 The table below brings together an estimate of the need for affordable home ownership. This shows a modest need for 266 affordable home ownership products per annum across the study area. This compares to a rental affordable need of 2,066 homes.

6.118 The largest need is identified in Cambridge and South Cambridgeshire. East Cambridgeshire and Huntingdonshire also has a modest need while the approach in Fenland and West Suffolk indicates that the supply of AHO dwellings exceeds demand. For example, in the case of West Suffolk supply exceeds demand by 45 homes.

Table 42: Estimated need for affordable home ownership by each local authority (per annum)

Local authority	Current need	Newly forming households	Existing households falling into need	Total gross need	Supply (50% of LQ sales and resales of SO homes)	Net need
Cambridge	35	208	106	349	150	199
East Cambs	10	141	29	180	142	39
Fenland	8	94	23	125	183	-58
Huntingdonshire	19	267	57	343	317	26
South Cambs	17	301	50	367	263	105
West Suffolk	19	177	58	255	300	-45
Study area	108	1,188	324	1,620	1,354	266

Source: Derived from EHS, housing market cost analysis and affordability

Implications of the analysis

- 6.119 Given the analysis above, it would be reasonable to conclude that there is only a limited need to provide housing under the new definition of 'affordable home ownership' in many parts of the study area.
- 6.120 In Cambridge and South Cambridgeshire (and to a lesser extent East Cambridgeshire and Huntingdonshire), the analysis identifies a potential need, although these locations (like elsewhere in the study area) also show an acute need for rented affordable housing (social/affordable rents).

- 6.121 Regardless of the potential finding of no net need in Fenland and West Suffolk, it is the case that many households here and elsewhere in the study area are being excluded from the owner-occupied sector (including in those areas where the cost of housing is lowest). It is also clear that some low cost home ownership products have gained traction even in Fenland and West Suffolk.
- 6.122 This can be seen in the analysis of tenure change set out elsewhere in this report, which saw the number of households living in private rented accommodation in the HMA increasing by 4.2% points from 2001 to 2011 with likely further increases since. Over the same period, the number of owners with a mortgage dropped (by 6.4% points). That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a household's life stage (e.g. if moving locations with employment).
- 6.123 On this basis, and as previously noted, it seems likely that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy.
- 6.124 Hence, whilst the NPPF gives a clear direction that at least 10% of all new housing (on larger sites (10 or more homes)) should be for affordable home ownership, it is not clear that this is the best solution across the study area. The NPPF does provide some examples of where the 10% might not be required (paragraph 65), most notably that the 10% would be expected unless this would '*significantly prejudice the ability to meet the identified affordable housing needs of specific groups*'.

- 6.125 In the HMA and for each local authority in it, the clear need for additional rented housing would arguably mean that providing affordable home ownership would 'prejudice the ability' to meet all the needs of the 'specific group' requiring rented accommodation. The acute need for rented affordable housing means that a supply of rented affordable housing must be maintained to meet the needs of this group including those to which the authorities have a statutory housing duty.
- 6.126 Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments). Notably, social rents also enable access to employment for lower-income families.
- 6.127 Given the analysis above, it would be reasonable to conclude, there is only a limited need to provide housing under the new definition of 'affordable home ownership' in most of the HMA, with the possible exception of Cambridge and South Cambridgeshire. Whilst there are some households in the gap between renting and buying, they in many cases will be able to afford homes below lower quartile housing costs. As a result the 10% requirement in the NPPF would be an over-supply if applied across the HMA.
- 6.128 That said, an approach which seeks less than 10% of new homes as affordable home ownership products would be contrary to the NPPF and is therefore not without risk.
- 6.129 Furthermore, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (in terms of the ability to afford both a deposit and stamp duty) and low-cost home ownership homes – and shared ownership homes/rent to buy models in particular – will, therefore, continue to play a role in supporting some households in this respect because these upfront payments are not required.

- 6.130 The viability of different products should also be a consideration when deciding on the level of affordable home ownership housing to support. This is because some products (such as Social Rented dwellings) are more costly to provide than others and will therefore deliver fewer in numbers. Furthermore, low cost home ownership products can also be used to support development viability.
- 6.131 In some parts of the HMA, where viability is more challenging, it may be appropriate for the emphasis to be on affordable home ownership products in order to cross-subsidize rental units. Where there is greater scope for affordable and social rented homes a sensible approach would be to deliver rental products in these locations.
- 6.132 A further consideration is that the purpose of the HMA is that housing needs should be addressed at this geographical level, rather than the level of the individual local authorities, with attendant infrastructure investments that enable households from across the HMA to access jobs within reasonable commuting times. Questions of this kind should be addressed at a multi-council level through the Duty to Co-operate.
- 6.133 On balance, it would therefore seem reasonable for the Councils to meet the NPPF requirement for 10% of all new homes to be affordable home ownership on eligible sites but there is limited evidence to suggest any district should exceed this proportion.
- 6.134 This is further supported by work undertaken by Savills in 2017 on behalf of the Greater Cambridge authorities. The report examined the affordability of different tenures of homes in the area and included commentary on the suitability of different tenures to meet the needs of households on lower incomes.
- 6.135 The report observed that there was a large gap in provision for households with annual incomes of £20,000 to £40,000 and that discounted rental homes are likely to be the only option to meet need in the City of Cambridge at this income level.

6.136 The report also identified a very substantial level of need for the most affordable tenures, a category of need for which affordable home ownership products are not suited but affordable and social rent would be. However, the report went on to identify that there was, nevertheless, a lack of market supply for households with below average incomes, suggesting that low-cost market homes, including affordable home ownership, could form an appropriate part of the housing mix in the area. This would substantiate the 10% identified in the NPPF and the analysis above.

How much should affordable home ownership homes cost?

6.137 The analysis and discussion above suggests that some households fall under the widened NPPF definition of affordable housing need (i.e. in the gap between renting and buying) but that the potential supply of housing to buy makes it difficult to fully quantify this need. However, given the requirements of the NPPF, it seems likely that the Councils may need to consider some homes on larger sites (10+ units) being affordable home ownership.

6.138 Although there is a range of products that would potentially be classified as affordable home ownership, it seems likely that the main two tenures, for now, will be Discounted Market Sale Housing and Shared Ownership.

6.139 It is worth noting the existence of other affordable home ownership products, for example “rent to buy”. This tenure enables households to rent their home at 80% of market rents allowing them to save for a deposit for either a share or full ownership of their new home. Nationally, this tenure has had limited take-up from the development industry. However, if priced affordably, it should be welcomed if proposed within a mix of affordable tenures.

6.140 If these products are to be provided, it will be important for the Councils to ensure that such homes are sold at a price that is genuinely affordable for the intended target group. The analysis below, therefore, considers the potential costs (in a local context) of Discounted Market Sales Housing and Shared Ownership.

6.141 In the context of Cambridgeshire and West Suffolk, Shared Ownership and Discount Market Sales Housing are the most appropriate of the low-cost home ownership products as these will reach the widest and lowest-earning population base.

6.142 However, the Councils should consider other affordable products as proposed by the development industry, as long as they are truly affordable and meet an identified local need.

Discounted market sales housing

6.143 The preferred approach in this report is to set out a series of affordable purchase costs for different sizes of accommodation. These are based on current lower quartile prices and the consideration of the income required to access the PRS and then estimating what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home in Cambridge:

- Previous analysis has shown in Table 27 (see Chapter 6), the lower quartile rent for a 2-bedroom home in the City is £1,075 per month;
- Based the assumption that a household spends no more than 35% of their income on housing, a household would need an income of £3,100 per month to afford it ($1,075/0.35$) or £37,000 per annum (rounded);
- With an income of £37,000, it is estimated that a household could afford to buy a home for around £185,000. This is based on assuming a 10% deposit (90% of sale value) and a four and a half times mortgage multiple – calculated as $37,000 \times 4.5 / 0.9$;
- The lower quartile price to buy a 2-bedroom home is estimated to be around £300,000 and the midpoint of the two figures (£185,000 and £300,000) is £242,000 (rounded);
- £242,000 is a suggested purchase price to make discounted home ownership affordable for around half of the group of households in the rent/buy gap (This report assumes that discounted home ownership will be suitable for those households with an income in the top half of this group and Shared Ownership, which carries a greater level of subsidy, will be suitable for those in the bottom);

- To estimate what level of discount this might represent, it has been assumed that the Open Market Value (OMV) of a home would be 15% above the overall lower quartile price (15% is a typical national newbuild 'premium'); and
- In this instance, the price of £242,000 would be around 70% of an estimated newbuild OMV (£345,000, calculated as £300,000×1.15) and therefore a 30% discount would be appropriate.

6.144 On this basis for a 2-bedroom affordable home ownership property to be affordable to households able to rent but not buy in Cambridge it should be priced at £242,000. This sale price will meet the needs of around half of households in the gap between buying and renting. Setting higher prices would reduce the number of households who could afford this option.

6.145 The table below sets out a suggested purchase price for discount market sales in each local authority using the methodology and data sources set out earlier. No figure is provided for 1-bedroom homes in Fenland as purchase prices are already affordable when compared with renting (albeit with a limited supply).

Table 43: Discounted market sales housing prices (based on data in the year to March 2020)

Location	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
Cambridge	£186,000	£242,000	£301,000	£415,000
East Cambs	£108,000	£149,000	£204,000	£277,000
Fenland	*	£125,000	£161,000	£213,000
Huntingdonshire	£106,000	£146,000	£187,000	£258,000
South Cambs	£146,000	£190,000	£231,000	£318,000
West Suffolk	£122,000	£154,000	£191,000	£268,000

Source: Range of sources as discussed *Not assessed, see paragraph 6.145 for explanation

6.146 The table below estimates the level of discount likely to be required to achieve affordability. In some areas and for some property sizes, the discount is less than 20% (and so 20% would be appropriate). As previously noted, the table below is based on assuming a 15% uplift to OMV from our lower quartile estimate – figures should, therefore, be treated as indicative.

Table 44: Estimated percentage discount required from Open Market Value to make discount market sales affordable

Location	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
Cambridge	28%	30%	34%	34%
East Cambs	10%	21%	28%	26%
Fenland	*	17%	20%	23%
Huntingdonshire	12%	20%	26%	28%
South Cambs	22%	28%	31%	33%
West Suffolk	23%	23%	24%	24%

Source: Range of sources as discussed *Not assessed, see paragraph 6.145 for explanation

Shared ownership

6.147 For shared ownership (SO), a buyer will buy a share in a property (typically between 25% and 75%- there are current proposals which could see the minimum share reduced to as low as 10%. This will only apply to homes funded through the affordable homes programme) and then pay rent on the remaining share. One advantage in affordability terms is that a lower deposit is likely to be required than for full or discounted purchase and the rental part of the cost will typically be subsidised by a Registered Provider. For example, it is common for rents to be capped at 2.75% of the market value of the property. This is typically below the minimum yield sought by a private landlord (around 5%).

6.148 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately).

6.149 The analysis below seeks to estimate the typical equity share that might be affordable for different sizes of property. The key assumptions used in the analysis are:

- Open market value at lower quartile (LQ) price plus 15% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a lower quartile level)
- 10% deposit on the equity share
- Rent at 2.75% per annum on unsold equity
- Repayment mortgage over 25-years at 4% interest rate
- Service charge of £100 per month for flatted development (assumed to be 1- and 2-bedroom homes)

6.150 It is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of the property.

6.151 The table below shows the estimated equity share that would be required to make homes truly affordable. Further tables that follow set out the detailed calculations for each local authority. Overall, it looks difficult to make shared ownership genuinely affordable in Cambridge, due to the high price of housing to buy (and noting that shared ownership will always be pegged back to OMV), this does not mean that shared ownership will not work in these areas, but does mean that those at the very bottom of the rent/buy gap are unlikely to be able to afford it.

Table 45: Estimated equity share in shared ownership to make product affordable

Location	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
Cambridge	25%	22%	14%	12%
East Cambs	68%	35%	25%	35%
Fenland	83%	29%	42%	32%
Huntingdonshire	55%	35%	31%	24%
South Cambs	42%	23%	22%	14%
West Suffolk	25%	29%	47%	45%

Source: Range of sources as discussed

- 6.152 Generally, lower equity shares are needed for larger homes, the exception seems to be in West Suffolk – this is driven by the observation that larger property private sector rents are quite high. Taking all the evidence in the round, suggests that equity shares between 25% and 35% would generally be appropriate.
- 6.153 As with other analyses, it should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely open market value (OMV) of the property). This is necessary in order to arrive at an estimate of the level of discount required to achieve affordability.
- 6.154 In reality, costs do vary across local authorities and will vary from site to site. Therefore, this analysis should be seen as indicative. Specific schemes should be tested individually to determine if the product being offered is genuinely (or reasonably) affordable. The series of tables below set out the calculations of equity shares likely to be affordable in a local context for individual local authorities.

Table 46: Estimated affordable equity share by size – Cambridge

Equity	1-bed	2-beds	3-beds	4+-beds
OMV	£258,750	£345,000	£454,250	£632,500
Share Bought	25%	22%	14%	12%
Equity Bought	£63,911	£74,865	£64,504	£73,370
Mortgage Needed	£57,520	£67,379	£58,053	£66,033
Monthly Cost of Mortgage	£304	£356	£307	£349
Retained Equity	£194,839	£270,135	£389,747	£559,130
Monthly Rent on Retained Equity	£447	£619	£893	£1,281
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£850	£1,075	£1,200	£1,630

Source: Data based on housing market cost analysis

Table 47: Estimated affordable equity share by size – East Cambridgeshire

Equity	1-bed	2-beds	3-beds	4+-beds
OMV	£119,600	£188,600	£285,200	£373,750
Share Bought	68%	35%	25%	35%
Equity Bought	£81,687	£66,010	£69,874	£131,560
Mortgage Needed	£73,518	£59,409	£62,887	£118,404
Monthly Cost of Mortgage	£388	£314	£332	£625
Retained Equity	£37,913	£122,590	£215,326	£242,190
Monthly Rent on Retained Equity	£87	£281	£493	£555
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£575	£695	£825	£1,180

Source: Data based on housing market cost analysis

Table 48: Estimated affordable equity share by size – Fenland

Equity	1-bed	2-beds	3-beds	4+-beds
OMV	£74,750	£149,500	£202,400	£277,150
Share Bought	83%	29%	42%	32%
Equity Bought	£62,342	£43,654	£85,818	£87,302
Mortgage Needed	£56,107	£39,289	£77,236	£78,572
Monthly Cost of Mortgage	£296	£207	£408	£415
Retained Equity	£12,409	£105,846	£116,582	£189,848
Monthly Rent on Retained Equity	£28	£243	£267	£435
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£425	£550	£675	£850

Source: Data based on housing market cost analysis

Table 49: Estimated affordable equity share by size – Huntingdonshire

Equity	1-bed	2-beds	3-beds	4+-beds
OMV	£120,750	£181,700	£253,000	£357,650
Share Bought	55%	35%	31%	24%
Equity Bought	£66,171	£64,322	£79,189	£85,478
Mortgage Needed	£59,554	£57,890	£71,270	£76,931
Monthly Cost of Mortgage	£314	£306	£376	£406
Retained Equity	£54,579	£117,378	£173,811	£272,172
Monthly Rent on Retained Equity	£125	£269	£398	£624
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£540	£675	£775	£1,030

Source: Data based on housing market cost analysis

Table 50: Estimated affordable equity share by size – South Cambridgeshire

Equity	1-bed	2-beds	3-beds	4+-beds
OMV	£187,450	£262,200	£334,650	£473,800
Share Bought	42%	23%	22%	14%
Equity Bought	£79,479	£60,568	£74,292	£66,806
Mortgage Needed	£71,531	£54,511	£66,863	£60,125
Monthly Cost of Mortgage	£378	£288	£353	£317
Retained Equity	£107,971	£201,632	£260,358	£406,994
Monthly Rent on Retained Equity	£247	£462	£597	£933
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£725	£850	£950	£1,250

Source: Data based on housing market cost analysis

Table 51: Estimated affordable equity share by size – West Suffolk

Equity	1-bed	2-beds	3-beds	4+-beds
OMV	£157,550	£200,100	£249,550	£353,050
Share Bought	25%	29%	47%	45%
Equity Bought	£40,018	£57,629	£117,289	£158,873
Mortgage Needed	£36,016	£51,866	£105,560	£142,985
Monthly Cost of Mortgage	£190	£274	£557	£755
Retained Equity	£117,532	£142,471	£132,262	£194,178
Monthly Rent on Retained Equity	£269	£326	£303	£445
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£560	£700	£860	£1,200

Source: Data based on housing market cost analysis

- 6.155 In terms of understanding the demand for Shared Ownership dwellings, Radian, the Help to Buy agent for the Southern Region of England maintains a record of applications for this tenure. While the date of the application is not publicly available, it is probable that the applications set out in the table below took place over the period January – October 2020 given that Radian took over as agent in January 2020. This provides an indication of the scale of demand for Shared Ownership dwellings and which local authority areas attract the most demand.
- 6.156 The data set out in the tables reflects data from the inception of Help to Buy until October 2020. As shown, Cambridge has attracted the greatest number of applications, although South Cambridgeshire and West Suffolk are also popular.

Table 52: Applications for shared ownership dwellings in the HMA (as at October 2020)

District	Number	%
Cambridge	547	30.4%
East Cambridgeshire	162	9.0%
Fenland	35	1.9%
Huntingdonshire	331	18.4%
South Cambridgeshire	330	18.3%
West Suffolk	395	21.9%
Total	1800	100.0%

Source: Help to Buy agent (South)

- 6.157 In terms of the size of shared ownership dwellings that are sought, 2 bedroom homes are the most popular, attracting half of all applications, followed by 3 bedrooms (28%).

Table 53: Size of shared ownership dwellings sought as at October 2020 (Cambridgeshire and West Suffolk)

Bedrooms	Number	%
Bedsit	1	0.1%
1	364	20.2%
2	899	49.9%
3	504	28.0%
4	32	1.8%
Grand Total	1800	100%

Source: Help to Buy agent (South)

6.158 The tables that follow disaggregate the distribution of size of Shared Ownership homes by district. This suggests the popularity of different sizes of dwelling is broadly consistent across the HMA.

Table 54: Shared ownership dwelling by size and district sought (as at October 2020)

Bedrooms	Cambridge	East Cambs	Fenland	Hunts	South Cambs	West Suffolk	HMA
Bedsit	0	0	0	0	1	0	1
1	144	33	3	60	57	67	364
2	268	78	18	160	176	199	899
3	128	51	13	99	90	123	504
4	7	0	1	12	6	6	32
Total	547	162	35	331	330	395	1800

Bedrooms	Cambridge	East Cambs	Fenland	Hunts	South Cambs	West Suffolk	HMA
Bedsit	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.1%
1	26.3%	20.4%	8.6%	18.1%	17.3%	17.0%	20.2%
2	49.0%	48.1%	51.4%	48.3%	53.3%	50.4%	49.9%
3	23.4%	31.5%	37.1%	29.9%	27.3%	31.1%	28.0%
4	1.3%	0.0%	2.9%	3.6%	1.8%	1.5%	1.8%

Source: Help to Buy agent (South)

First homes

6.159 In May 2021, the Government introduced a new tenure of affordable home ownership called “First Homes”. These are defined in the PPG and a written ministerial statement as new build dwellings subject to a minimum discount of 30% targeted at first time buyers. After the discount has been applied the asking price should not exceed £250,000 in England outside London or £420,000 in London.

6.160 A restrictive covenant is put in place to ensure the original level of discount is passed on to future purchasers of the house. Eligible buyers will have a maximum household income of £80,000 if they live outside London and £90,000 if they live in London.

- 6.161 Local Authorities are empowered to set a Local Connection test, although in the event that buyers are not forthcoming the test expires after three months and homes are made available to first time buyers from outside the area.
- 6.162 The guidance around First Homes allows for some flexibility on the price cap to enable Local Authorities to give households on low incomes (particularly around key workers) access to homes to buy. LPAs can set lower price caps provided they provide evidence of both local need and the impact on the viability of building new First Homes through the local plan-making process.
- 6.163 The PPG sets out that a minimum of 25% of all affordable housing units secured through developer contributions should be First Homes.
- 6.164 “First Homes” will therefore replace some or all of the other affordable home ownership tenures on a development but with a potentially greater discount. There will be a need to ensure that a balance between affordable home ownership and affordable rented tenures is maintained. It is worth noting that the requirement for a minimum discount of 30% and that at least 25% of all affordable housing units should be First Homes makes it more challenging to deliver affordable rented homes because of there being potentially less resource for cross subsidy.
- 6.165 The minimum 30% discount is applied to the market rate for individual properties. The table below applies this discount to the median and lower quartile house prices for the individual districts and at the HMA to show what this means.

Table 55: 30% discount applied to house prices in the housing market area (2019)

Area	Median	Lower quartile	First home price (median)	First home price (LQ)
Cambridge	£440,000	£336,716	£308,000	£235,701
East Cambridge	£290,998	£220,000	£203,699	£154,000
Fenland	£184,000	£146,750	£128,800	£102,725
Huntingdonshire	£275,000	£210,000	£192,500	£147,000
South Cambridge	£360,000	£280,000	£252,000	£196,000
West Suffolk	£251,000	£198,000	£175,700	£138,600
HMA	£297,000	£210,000	£207,900	£147,000
Greater Cambridge	£286,500	£210,000	£200,550	£147,000
East of England	£282,500	£206,000	£197,750	£144,200
England	£230,000	£148,000	£161,000	£103,600

Source: Land Registry price paid, 2019

- 6.166 In order to afford a First Home based on the discounted average and lower quartile prices for the HMA a household would indicatively require an income of £41,580 and £29,400 to afford dwellings priced around the mean and lower quartile respectively. This calculation assumes the household in question is able to raise a 10% deposit and borrow up to a 4.5 multiple of the household income.
- 6.167 The table below sets out the required income for median and lower quartile properties after the 30% First Homes discount has been applied alongside the median and lower quartile income levels in each Local Authority.

Table 56: Estimated income required for first homes priced around the median and lower quartile and affordability gaps for each local authority, 2019

Area	Income requirement (median)	Income requirement (LQ)	Median incomes	LQ incomes	Median affordability gap	LQ affordability gap
Cambridge	£61,600	£47,140	£43,900	£25,400	£17,700	£21,740
East Cambridge	£40,740	£30,800	£39,300	£22,800	£1,440	£8,000
Fenland	£25,760	£20,545	£31,500	£18,200	-£5,740	£2,345
Huntingdonshire	£38,500	£29,400	£40,800	£23,600	-£2,300	£5,800
South Cambridge	£50,400	£39,200	£46,800	£27,100	£3,600	£12,100
West Suffolk	£35,140	£27,720	£37,100	£21,400	-£1,960	£6,320
HMA	£41,580	£29,400	£39,900	£23,100	£1,680	£6,300

Source: ONS modelled income estimates, EHS, and ASHE

- 6.168 As set out only Fenland, Huntingdonshire and West Suffolk have median incomes which exceed the requirement based on a 30% discount. This would suggest that First Homes would be an appropriate product in these areas with the 30% discount.
- 6.169 In Cambridge, South Cambridgeshire and East Cambridgeshire the cost of first homes is likely to require a greater discount than 30% in order for them to be affordable to those households on a median income. This is particularly the case in Cambridge where the difference between required and known incomes is £17,700.

Affordable housing need: Key messages

- Analysis has been undertaken to estimate the need for affordable housing in the 2020-40 period. The analysis is split between a need for social/affordable rented accommodation and for affordable home ownership products. Affordable Private Rent in Build to Rent schemes may help to contribute to some of the social/affordable rent need if rents are set at appropriate levels
- The analysis has taken account of local housing costs, household income and the supply of social/affordable dwellings and low cost for sale homes.
- When looking at rented needs, the analysis suggests a need for 2,066 affordable homes per annum across the HMA. This is disaggregated to individual local authority areas in the table below. Therefore, the Councils would be justified in seeking to secure additional affordable housing.

Cambridge	East Cambs	Fenland	Hunts	South Cambs	West Suffolk	HMA
314	215	289	404	435	409	2,066

- The analysis suggests a need for both social and affordable rented housing. There are many households who are likely to need benefit support, in full or partially, to be able to afford market rents.
- On this basis, it is not recommended that the Councils have a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.
- When looking at the need for affordable home ownership products it is clear that there are a number of households likely to be able to afford to rent privately but who cannot afford to buy a suitable home. A key issue is access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) as well as the cost of housing to buy.
- However, there is also a potential supply of homes within the existing stock that can contribute to meeting this need. It is therefore difficult to robustly identify an overall need for these products.

- The evidence does not show any basis to increase the provision of affordable home ownership above the 10% figure currently suggested in the NPPF. This is because it may result in an oversupply at the expense of meeting the affordable housing needs of other groups. In some areas, however, (particularly Fenland and West Suffolk) there is some evidence that the 10% figure could be challenged if the Councils wished to do so.”
- Given the need to address the housing needs of other groups, the Councils that are able to present suitable evidence could seek to provide less than 10% of the total number of homes to be for affordable home ownership.
- Ultimately the choice will be for the Councils to make and in doing so they should consider a wide range of factors including local priority (dealing with acute need or promoting home-ownership) and the viability of different products.
- If the Councils do seek to provide 10% or more of housing as affordable home ownership (the default figure suggested in the NPPF), then it is suggested that Shared Ownership is the most appropriate option. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised).
- Where other forms of affordable home ownership are provided (e.g. Starter Homes or discounted market), the Councils should set prices that are equivalent to the midpoint between that needed to access the PRS and the equivalent for sale home. This could result in greater than 20% discounts from Open Market Value for some types/sizes of home.
- The analysis of First Homes suggests that with a 30% discount these will be a suitable tenure of affordable home in Fenland, Huntingdonshire and West Suffolk. In Cambridge, East Cambridgeshire and South Cambridgeshire a discount greater than 30% would be required.

7 Housing mix

Introduction

- 7.1 This section draws together the analysis from the preceding sections to provide guidance as to an appropriate mix of housing across the study area having regard to opportunities for larger and more aspirational housing, family housing and smaller units.
- 7.2 This section firstly examines a range of statistics in relation to families (generally described as households with dependent children) and, secondly, sets out how demographics within the study area are projected to change between 2020 and 2040.
- 7.3 The analysis considers the mix of housing across Cambridgeshire and West Suffolk (covering all household groups and tenures) and provides commentary about how this should vary so as to take account of differing patterns of need and demand within individual local authority areas.

Background data

- 7.4 The number of families (defined for this assessment as any household which contains at least one dependent child; a dependent child is any person aged 0 to 15 in a household (whether or not in a family) or a person aged 16 to 18 in full-time education and living in a family with his or her parent(s) or grandparent(s). It does not include any people aged 16 to 18 who have a spouse, partner or child living in the household) in the HMA totalled 92,662 as of the 2011 Census, accounting for 28.7% of households. This proportion is slightly lower than both the regional (29.4%) and the national average (29.1%).
- 7.5 There is little difference between individual local authority areas in terms of the overall proportion of households with dependent children. However, South Cambridgeshire (31.2%) does show slightly higher proportions and Cambridge a lower proportion (24.1%). Together as the Greater Cambridge area, the proportion is similar to the other areas (28.1%).

Table 57: Households with dependent children (2011)

Location	Married couple	Cohabiting couple	Lone parent	Other ^[1]	Households without dependent children	Total without dependent children	Total with dependent children
Cambridge	6,513	1,603	1,977	1,149	35,472	46,714	11,242
Cambridge	13.9%	3.4%	4.2%	2.5%	75.9%	100%	24.1%
South Cambs	12,734	2,303	2,545	1,103	41,275	59,960	18,685
South Cambs	21.2%	3.8%	4.2%	1.8%	68.8%	100%	31.2%
Greater Cambridge	19,247	3,906	4,522	2,252	76,747	106,674	29,927
Greater Cambridge	18.0%	3.7%	4.2%	2.1%	71.9%	100.0%	28.1%
East Cambs	6,696	1,558	1,464	694	24,202	34,614	10,412
East Cambs	19.3%	4.5%	4.2%	2.0%	69.9%	100.0%	30.1%
Fenland	5,538	1,922	2,591	1,011	29,558	40,620	11,062
Fenland	13.6%	4.7%	6.4%	2.5%	72.8%	100%	27.2%
Huntingdonshire	12,744	3,102	3,681	1,398	48,408	69,333	20,925
Huntingdonshire	18.4%	4.5%	5.3%	2.0%	69.8%	100.0%	30.2%
West Suffolk	11,701	2,996	4,234	1,405	50,842	71,178	20,336
West Suffolk	16.4%	4.2%	5.9%	2.0%	71.4%	100.0%	28.6%
HMA	55,926	13,484	16,492	6,760	229,757	322,419	92,662
HMA	17.3%	4.2%	5.1%	2.1%	71.3%	100%	28.7%
East of England	16.7%	4.3%	6.2%	2.2%	70.6%	100%	29.4%
England	15.3%	4.0%	7.1%	2.6%	70.9%	100%	29.1%

Source: Census (2011)

7.6 The table below shows the change in the number of households with dependent children from 2001 to 2011. The table shows that the number of households with dependent children increased by 11.1% (9,228) compared to a 12.6% increase in all households.

Table 58: Change in households with dependent children (2001-11) – Cambridgeshire and West Suffolk

Year / change	Married couple	Cohabiting couple	Lone parent	Other	Households without dependent children	Total without dependent children	Total with dependent children
2001	56,907	9,308	12,609	4,610	203,017	286,451	83,434
2011	55,926	13,484	16,492	6,760	229,757	322,419	92,662
Change	-981	4,176	3,883	2,150	26,740	35,968	9,228
%Change	-1.70%	44.90%	30.80%	46.60%	13.20%	12.60%	11.10%

Source: Census (2001 and 2011)

7.7 Within this, for families with children, there was a large increase in the number of cohabiting couples (44.9%), lone parents (30.8%) and “other” households (46.6%), and a marginal decrease in married couples (-1.7%). “Other household types” denotes a household in which not all the occupants are members of the same family, but may include one or more families. As such the dwelling will be in multiple occupation. “Other households” include dwellings where two or more unrelated adults share accommodation, such as Houses in Multiple Occupation (HMOs).

7.8 At a local authority level, the growth in households with dependent children has been the largest in absolute terms in South Cambridgeshire (2,677), although in percentage terms, the largest growth was in East Cambridgeshire (20%). The smallest growth was in Huntingdonshire (at 2% and 476 additional households).

Table 59: Change in households with dependent children (2001-11) – Local Authority

Location	Married couple	Cohabiting couple	Lone parent	Other	All households without children	Total without dependent children	Total with dependent children
Cambridge	586	513	-88	365	2,680	4,056	1,376
Cambridge %	10%	47%	-4%	47%	8%	10%	14%
South Cambs	847	852	622	356	5,102	7,779	2,677
South Cambs %	7%	59%	32%	48%	14%	15%	17%
Greater Cambridge	1,433	1,365	534	721	7,782	11,835	4,053
Greater Cambridge %	8%	54%	13%	47%	11%	12%	16%
East Cambs	500	511	548	146	3,129	4,834	1,705
East Cambs %	8%	49%	60%	27%	15%	16%	20%
Fenland	-557	503	821	417	4,244	5,428	1,184
Fenland %	-9%	35%	46%	70%	17%	15%	12%
Huntingdonshire	-1,374	782	741	327	5,795	6,271	476
Huntingdonshire %	-10%	34%	25%	31%	14%	10%	2%
West Suffolk	-983	1,015	1,239	539	5,790	7,600	1,810
West Suffolk %	-8%	51%	41%	62%	13%	12%	10%

Source: Census (2001 and 2011)

- 7.9 The table below shows the projected change to the number of children (aged 15 or under) from 2020 to 2040, as indicated by the population projection linked to the standard method (see Appendix C). The projections see a notable increase (16.8%) in the number of children within the HMA. This is explained in part by families moving into newly built homes in the study area who tend to be of child-bearing age.

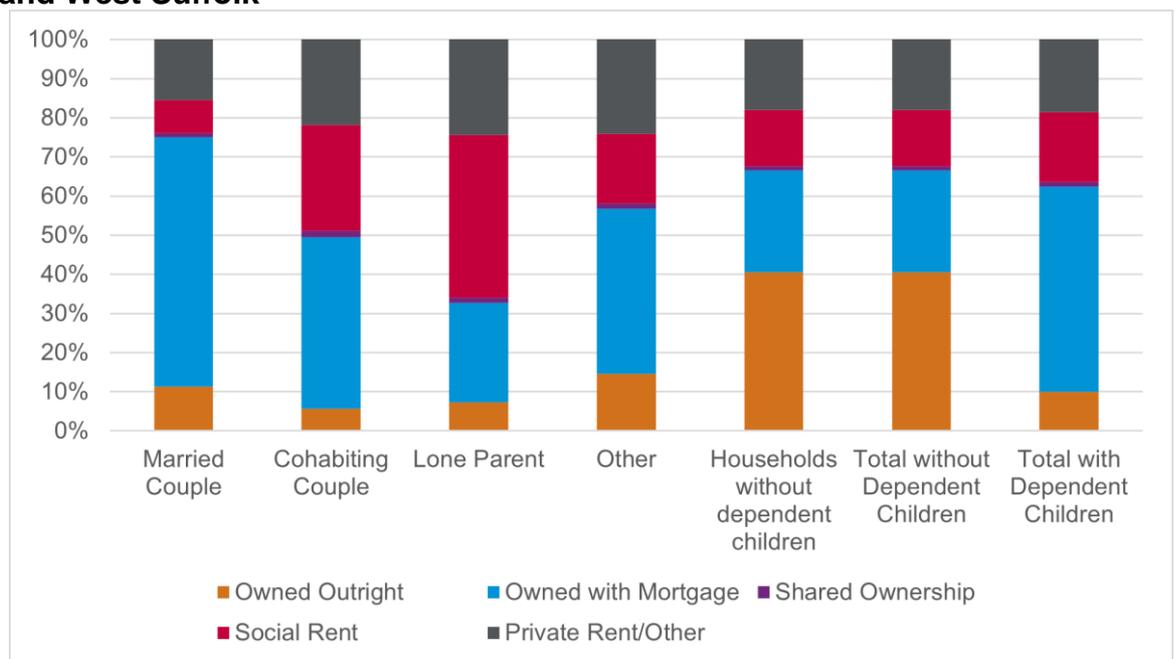
Table 60: Estimated change in the population of dependent children (2020-2040) – Cambridgeshire and West Suffolk

Local Authority	2020	2040	Change (2020-2040)	% Change
Cambridge	22,051	28,016	5,965	27.10%
South Cambs	32,174	38,028	5,854	18.20%
Greater Cambridge	54,225	66,044	11,819	21.80%
Fenland	17,681	21,002	3,321	18.80%
East Cambs	18,073	20,071	1,998	11.10%
Huntingdonshire	34,050	37,708	3,657	10.70%
West Suffolk	34,340	40,128	5,788	16.90%
HMA	158,369	184,952	26,583	16.80%

Source: ONS and derived from demographic modelling

7.10 The figure below shows the current tenure of households with dependent children. There are significant differences between the different types of household. For example, a very high proportion of lone parents live in the social rented and PRS. Only 27% of lone parent households are owner-occupiers compared with over 65% of married couples with children.

Figure 24: Tenure of households with dependent children – Cambridgeshire and West Suffolk



Source: ONS, Census (2011), DC4101EW

- 7.11 The table below shows the number of households in the study area with non-dependent children (non-dependent children are those living with their parent(s), and either aged 19 years or over, or aged 16 to 18 years who are not in full-time education or who have a spouse, partner or child living in the household. Non-dependent children are sometimes called adult children). In total, some 8.5% of households (27,468) contained non-dependent children as of 2011.
- 7.12 This indicates the difficulties faced by young people in accessing housing. Being deemed a low priority for social housing, low incomes and the unaffordability of owner-occupation mean young people may need to remain in the parental home. The proportion of households with non-dependent children in the study area is, however, slightly lower to that seen in England and the East of England.

Table 61: Households with non-dependent children (2011)

Location	Married couple	Cohabiting couple	Lone parent	All households without non-dependent children	Total	Total with Non-dependent children
Cambridge	1,679	156	1,235	43,644	46,714	3,070
Cambridge %	3.60%	0.30%	2.60%	93.40%	100.00%	6.60%
South Cambs	3,439	284	1,547	54,690	59,960	5,270
South Cambs %	5.70%	0.50%	2.60%	91.20%	100.00%	8.80%
Greater Cambridge	5,118	440	2,782	98,334	106,674	8,340
Greater Cambridge %	4.80%	0.40%	2.60%	92.20%	100.00%	7.80%
East Cambs	1,993	199	826	31,596	34,614	3,018
East Cambs %	5.80%	0.60%	2.40%	91.30%	100.00%	8.70%
Fenland	2,208	258	1,136	37,018	40,620	3,602
Fenland %	5.40%	0.60%	2.80%	91.10%	100.00%	8.90%
Huntingdonshire	4,098	334	1,931	62,970	69,333	6,363
Huntingdonshire %	5.90%	0.50%	2.80%	90.80%	100.00%	9.20%
West Suffolk	3,689	363	2,093	65,033	71,178	6,145
West Suffolk %	5.20%	0.50%	2.90%	91.40%	100.00%	8.60%
HMA	17,106	1,594	8,768	294,951	322,419	27,468
HMA %	5.30%	0.50%	2.70%	91.50%	100.00%	8.50%
East of England	5.90%	0.50%	3.20%	90.50%	100.00%	9.50%
England %	5.60%	0.50%	3.50%	90.40%	100.00%	9.60%

Source: Census (2011), [KS105EW](#)

- 7.13 The table below shows that the number of households with non-dependent children increased at a greater rate in actual numbers than changes to all other households from 2001 to 2011. In total, the number of households with non-dependent children increased by 3,347 (a 13.9% increase) with around two-thirds of this being in lone parent households.

Table 62: Change in households with non-dependent children (2001-11) – Cambridgeshire and West Suffolk

Year / Change	Married couple	Cohabiting couple	Lone parent	Total with non-dependent children	All households without non-dependent children	Total
2001	16,457	1,001	6,663	24,121	262,330	286,451
2011	17,106	1,594	8,768	27,468	294,951	322,419
Change	649	593	2,105	3,347	32,621	35,968
% Change	3.90%	59.20%	31.60%	13.90%	12.40%	12.60%

Source: Census (2001 and 2011), [KS020](#) and [KS105EW](#)

- 7.14 At a local authority level, Huntingdonshire had the highest absolute and percentage growth in households with non-dependent children. The lowest growth for both was in Cambridge. Fenland and Huntingdonshire had a higher level of growth in in households with non-dependent children than all households.

Table 63: Change in households with non-dependent children (2001-11) – Local Authority

Local Authority	Married couple	Cohabiting couple	Lone parent	All Other households	Total	Total with non-dependent children
Cambridge	20	27	207	3,802	4,056	254
Cambridge %	1.20%	20.90%	20.10%	9.50%	9.50%	9.00%
South Cambs	102	116	356	7,205	7,779	574
South Cambs %	3.10%	69.00%	29.90%	15.20%	14.90%	12.20%
Greater Cambridge	122	143	563	11,007	11,835	828
Greater Cambridge %	2.40%	48.10%	25.40%	12.60%	12.50%	11.00%
East Cambs	143	85	117	4,489	4,834	345
East Cambs %	7.70%	74.60%	16.50%	16.60%	16.20%	12.90%
Fenland	136	122	282	4,888	5,428	540
Fenland %	6.60%	89.70%	33.00%	15.20%	15.40%	17.60%
Huntingdonshire	288	84	622	5,277	6,271	994
Huntingdonshire %	7.60%	33.60%	47.50%	9.10%	9.90%	18.50%
West Suffolk	-40	159	521	6,960	7,600	640
West Suffolk %	-1.10%	77.90%	33.10%	12.00%	12.00%	11.60%
HMA	649	593	2,105	32,621	35,968	3,347
HMA %	3.90%	59.20%	31.60%	12.40%	12.60%	13.90%

Source: Census (2001 and 2011), [KS020](#) and [KS105EW](#)

Projected changes

- 7.15 The analysis below also looks at projected changes to households by household type. The official household projections use a range of household types. As set out in the table below there is projected to be a 90,369 increase in the number of households between 2020 and 2040. These projections have been developed for this report and are based on the standard method growth in dwellings with an assumption on vacancies.

Table 64: Projected change in household types in Cambridgeshire and West Suffolk, 2020-40

Household type	2020	2040	Change in households	% Change
One-person household (aged 65 and over)	42,788	57,241	14,452	33.80%
One-person household (aged under 65)	52,248	63,449	11,200	21.40%
Couple (aged 65 and over)	49,832	80,123	30,290	60.80%
Couple (aged under 65)	54,123	47,379	-6,744	-12.50%
A couple and one or more other adults: No dependent children	26,679	35,164	8,485	31.80%
Households with one dependent child	48,598	64,314	15,716	32.30%
Households with two dependent children	41,503	47,291	5,787	13.90%
Households with three dependent children	15,017	15,552	536	3.60%
Other households	23,667	34,313	10,646	45.00%
Total	354,457	444,826	90,369	25.50%
Total households with dependent children	105,118	127,157	22,039	21.00%

Source: Demographic projections based on ONS data

- 7.16 This data shows a large projected increase in older person households. There is also projected to be an increase of 21% in the number of households with dependent children (around 22,000) which equates to around 24% of all growth. Unfortunately, the ONS projections no longer look at projecting lone parent households separately from other households with children.
- 7.17 The projection also includes three categories for dependent children depending on the number of children. This indicates that the vast majority of the growth in households with dependent children relates to those with a single child.

Cambridge

- 7.18 The table below sets out the projected change in household types in Cambridge. In line with data at the level of the HMA, this shows large increases in older person households. Also, there is projected to be an increase of 16.3% in the number of households with dependent children (2,196). This equates to around 17% of all growth.
- 7.19 The three categories for dependent children indicate, as with trends at the HMA level, that the majority of the growth in households with dependent children relates to those with one child. “Other households” are also projected to increase substantially (38.3%).

Table 65: Projected change in household types in Cambridge, 2020-40

Household type	2020	2040	Change in households	% Change
One-person household (aged 65 and over)	5,957	8,284	2,327	39.10%
One-person household (aged under 65)	11,095	12,843	1,748	15.80%
Couple (aged 65 and over)	4,117	6,387	2,270	55.10%
Couple (aged under 65)	7,531	7,315	-217	-2.90%
A couple and one or more other adults: No dependent children	3,623	5,509	1,886	52.00%
Households with one dependent child	6,405	7,754	1,348	21.10%
Households with two dependent children	5,060	5,846	786	15.50%
Households with three dependent children	2,028	2,090	62	3.00%
Other households	6,698	9,265	2,567	38.30%
Total	52,515	65,292	12,777	24.30%
Total households with dependent children	13,493	15,689	2,196	16.30%

Source: Demographic projections based on ONS data

East Cambridgeshire

- 7.20 The table below sets out the projected change in household types in East Cambridgeshire. In line with data at the level of the HMA, this shows large increases in older person households although there is also projected to be an increase of 21.3% in the number of households with dependent children (2,775). This equates to around 24% of all growth.

- 7.21 The three categories for dependent children indicate, as with trends at the HMA level, that the majority of the growth in households with dependent children relates to those with one child. In contrast with Cambridge, “Other households” are also projected to increase modestly (7.6%). It is also worth noting that younger couples (aged under 65) are forecast to fall (-12%)

Table 66: Projected change in household types in East Cambridgeshire, 2020-40

Household type	2020	2040	Change in households	% Change
One-person household (aged 65 and over)	4,760	6,676	1,916	40.20%
One-person household (aged under 65)	5,309	7,680	2,371	44.70%
Couple (aged 65 and over)	5,742	9,724	3,982	69.30%
Couple (aged under 65)	6,017	5,295	-722	-12.00%
A couple and one or more other adults: No dependent children	2,990	4,151	1,160	38.80%
Households with one dependent child	5,423	7,328	1,905	35.10%
Households with two dependent children	5,000	5,874	874	17.50%
Households with three dependent children	1,597	1,593	-4	-0.20%
Other households	1,452	1,562	110	7.60%
Total	38,290	49,883	11,592	30.30%
Total households with dependent children	12,020	14,795	2,775	23.10%

Source: Demographic projections based on ONS data

Fenland

- 7.22 The table below sets out the projected change in household types in Fenland. In line with data at the level of the HMA, this shows large increases in older person households. There is also projected to be an increase of 18.8% in the number of households with dependent children (2,324). This equates to around 22% of all growth.
- 7.23 The three categories for dependent children indicate, as with trends at the HMA level, that the majority of the growth in households with dependent children relates to households with one child. Indeed, in Fenland the number of households with three dependent children is forecast to fall slightly (-1.1%). Other households are also projected to increase substantially by 1,181 or 47.9%. It is also worth noting that younger couples (aged under 65) are forecast to fall (-18%).

Table 67: Projected change in household types in Fenland, 2020-40

Household Type	2020	2040	Change in households	% Change
One-person household (aged 65 and over)	6,459	8,575	2,116	32.80%
One-person household (aged under 65)	6,203	7,467	1,263	20.40%
Couple (aged 65 and over)	7,119	10,904	3,784	53.20%
Couple (aged under 65)	6,476	5,310	-1,167	-18.00%
A couple and one or more other adults: No dependent children	3,493	4,437	944	27.00%
Households with one dependent child	6,231	8,262	2,031	32.60%
Households with two dependent children	4,359	4,671	312	7.20%
Households with three dependent children	1,773	1,754	-19	-1.10%
Other households	2,466	3,647	1,181	47.90%
Total	44,581	55,027	10,446	23.40%
Total households with dependent children	12,364	14,688	2,324	18.80%

Source: Demographic projections based on ONS data

Huntingdonshire

- 7.24 The table below sets out the projected change in household types in Huntingdonshire. In line with data at the level of the HMA, this shows large increases in older person households. Also, there is projected to be an increase of 23.2% in the number of households with dependent children (5,370). This equates to around 28% of all growth.
- 7.25 The three categories for dependent children indicate, as with trends at the HMA level, that the majority of the growth in households with dependent children relates to those with one child. "Other households" are also projected to increase substantially by 1,902 or 45.1%. It is also worth noting that younger couples (aged under 65) are forecast to fall (-18.3%).

Table 68: Projected change in household types in Huntingdonshire, 2020-40

Household type	2020	2040	Change in households	% Change
One-person household (aged 65 and over)	8,047	10,697	2,650	32.90%
One-person household (aged under 65)	11,056	13,401	2,345	21.20%
Couple (aged 65 and over)	11,131	18,611	7,480	67.20%
Couple (aged under 65)	12,131	9,911	-2,220	-18.30%
A couple and one or more other adults: No dependent children	6,021	7,444	1,424	23.60%
Households with one dependent child	10,577	14,506	3,929	37.20%
Households with two dependent children	9,427	10,798	1,370	14.50%
Households with three dependent children	3,153	3,223	70	2.20%
Other households	4,221	6,123	1,902	45.10%
Total	75,763	94,714	18,952	25.00%
Total households with dependent children	23,157	28,527	5,370	23.20%

Source: Demographic projections based on ONS data

South Cambridgeshire

- 7.26 The table below sets out the projected change in household types in South Cambridgeshire. In line with data at the level of the HMA, this shows large increases in older person households. Also, there is projected to be an increase of 26.6% in the number of households with dependent children (5,517). This equates to around 26% of all growth.
- 7.27 The three categories for dependent children indicate, as with trends at the HMA level, that the majority of the growth in households with dependent children relates to those with one child. Other households are also projected to increase substantially by 1,910 or 55%. It is also worth noting that younger couples (aged under 65) are forecast to fall (4.7%), although this fall is modest in comparison with other areas.

Table 69: Projected change in household types in South Cambridgeshire, 2020-40

Household type	2020	2040	Change in households	% Change
One-person household (aged 65 and over)	8,152	11,347	3,195	39.20%
One-person household (aged under 65)	8,284	10,739	2,455	29.60%
Couple (aged 65 and over)	10,213	16,909	6,696	65.60%
Couple (aged under 65)	10,542	10,048	-494	-4.70%
A couple and one or more other adults: No dependent children	5,083	6,873	1,789	35.20%
Households with one dependent child	8,543	11,583	3,041	35.60%
Households with two dependent children	9,173	11,326	2,152	23.50%
Households with three dependent children	3,054	3,378	324	10.60%
Other households	3,470	5,379	1,910	55.00%
Total	66,514	87,582	21,068	31.70%
Total households with dependent children	20,770	26,287	5,517	26.60%

Source: Demographic projections based on ONS data

West Suffolk

- 7.28 The table below sets out the projected change in household types in West Suffolk. In line with data at the level of the HMA, this shows large increases in older person households. Also, there is projected to be an increase of 16.5% in the number of households with dependent children (3,857). This equates to around 25% of all growth.
- 7.29 The three categories for dependent children indicate, as with trends at the HMA level, that the majority of the growth in households with dependent children relates to those with one child. Other households are also projected to increase substantially by 2,976 or 55.5%. It is also worth noting that younger couples (aged under 65) are forecast to fall (-16.9%).

Table 70: Projected change in household types in West Suffolk, 2020-40

Household Type	2020	2040	Change in households	% Change
One-person household (aged 65 and over)	9,414	11,662	2,249	23.90%
One-person household (aged under 65)	10,301	11,319	1,018	9.90%
Couple (aged 65 and over)	11,510	17,588	6,078	52.80%
Couple (aged under 65)	11,425	9,500	-1,925	-16.90%
A couple and one or more other adults: No dependent children	5,469	6,751	1,282	23.40%
Households with one dependent child	11,419	14,881	3,462	30.30%
Households with two dependent children	8,484	8,776	293	3.50%
Households with three dependent children	3,411	3,514	102	3.00%
Other households	5,361	8,337	2,976	55.50%
Total	76,794	92,328	15,534	20.20%
Total households with dependent children	23,314	27,171	3,857	16.50%

Source: Demographic projections based on ONS data

The mix of housing

- 7.30 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the Standard Method-based housing need figure (see Chapter 5), it is possible to see which age groups are expected to change in number, and by how much.
- 7.31 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is possible to forecast the profile of housing needed over the period 2020 to 2040.
- 7.32 It should be noted that the modelled approach reflects occupancy patterns as of the 2011 Census. We recognise that this may not be the best use of accommodation and, therefore, may not best meet local needs. For example, it would perpetuate current levels of under-occupation and overcrowding.

- 7.33 Our conclusions take the outputs from the model and adjust taking into account other factors (such as that related to the turnover of smaller affordable homes, the need for family-sized affordable homes and the under-occupation of private homes) to get to a recommended mix. The range of 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 the demand for different types, tenures and sizes of homes.
- 7.34 However, while we make recommendations it will ultimately be for the Council(s) to write into policy the approach which best meets their local circumstance. This could be, for example, a desire for further downsizing or a pragmatic approach to a constrained housing supply both of which would see more smaller homes being built.
- 7.35 Furthermore, it may be a reasonable policy choice to ensure optimal use of the existing stock. This would require the delivery of additional smaller, high-quality, homes (or specialist accommodation) than the modelling would suggest given that this would encourage downsizing from under-occupied properties. This could result, for example, in properties suitable for family use being released into the market.
- 7.36 An important starting point is to understand the current balance of housing in the area. The table below profiles the sizes of homes in different tenure groups. This shows that the profile of housing in the social rented and PRS looks to be fairly balanced in comparison with other areas (i.e. there is no obvious over- or under-supply of particular sizes of homes relative to other locations).
- 7.37 The analysis looking at owner-occupied homes highlights a high proportion of homes with 4+-bedrooms compared to other tenures. Observations about the current housing mix feed into conclusions about future mix later in this section.

Table 71: Number of bedrooms by tenure, 2011

Tenure	Bedrooms	HMA	East	England
Owner-occupied	1-bed	3%	4%	4%
Owner-occupied	2-bed	20%	22%	23%
Owner-occupied	3-bed	44%	46%	48%
Owner-occupied	4+bed	33%	29%	25%
Owner-occupied	TOTAL	100%	100%	100%
Social rented	1-bed	28%	30%	31%
Social rented	2-bed	36%	33%	34%
Social rented	3-bed	31%	33%	31%
Social rented	4+bed	4%	4%	4%
Social rented	TOTAL	100%	100%	100%
Private rented	1-bed	18%	21%	23%
Private rented	2-bed	36%	38%	39%
Private rented	3-bed	32%	30%	28%
Private rented	4+bed	15%	11%	10%
Private rented	TOTAL	100%	100%	100%

Source: 2011 Census

- 7.38 A similar analysis is provided below looking at individual local authorities. Key features of this include high proportions of 4+-bedroom owner-occupied homes in South Cambridgeshire and a higher than average proportion of 1-bedroom homes in Cambridge.

Table 72: Number of bedrooms by tenure, 2011 – local authorities

Tenure	Bedrooms	Cambridge	East Cambs	Fenland	Hunts	South Cambs	West Suffolk
Owner-occupied	1-bed	6%	2%	3%	3%	2%	3%
Owner-occupied	2-bed	21%	21%	28%	16%	16%	24%
Owner-occupied	3-bed	44%	43%	48%	44%	38%	46%
Owner-occupied	4+bed	29%	33%	22%	37%	43%	27%
Owner-occupied	TOTAL	100%	100%	100%	100%	100%	100%
Social rented	1-bed	36%	27%	31%	25%	20%	28%
Social rented	2-bed	30%	39%	37%	36%	42%	36%
Social rented	3-bed	29%	30%	29%	34%	34%	32%
Social rented	4+bed	4%	4%	3%	5%	4%	4%
Social rented	TOTAL	100%	100%	100%	100%	100%	100%
Private rented	1-bed	28%	13%	18%	16%	15%	12%
Private rented	2-bed	33%	37%	41%	35%	36%	37%
Private rented	3-bed	23%	35%	33%	34%	33%	36%
Private rented	4+bed	17%	14%	8%	15%	15%	15%
Private rented	TOTAL	100%	100%	100%	100%	100%	100%

Source: ONS, 2011 Census, [DC4405EW](#)

- 7.39 The social rented sector shows low proportions of 1-bedroom homes in South Cambridgeshire, which conversely has a high proportion of 2-bedroom homes. In the PRS, there are again some variations by area – Cambridge stands out as having a high proportion of both 1- and 4+bedroom homes in this sector compared with the other districts.

Overview of methodology

- 7.40 The method to consider future housing mix looks at the ages of the Household Reference Persons (often called the head of the household) and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding how households occupy homes

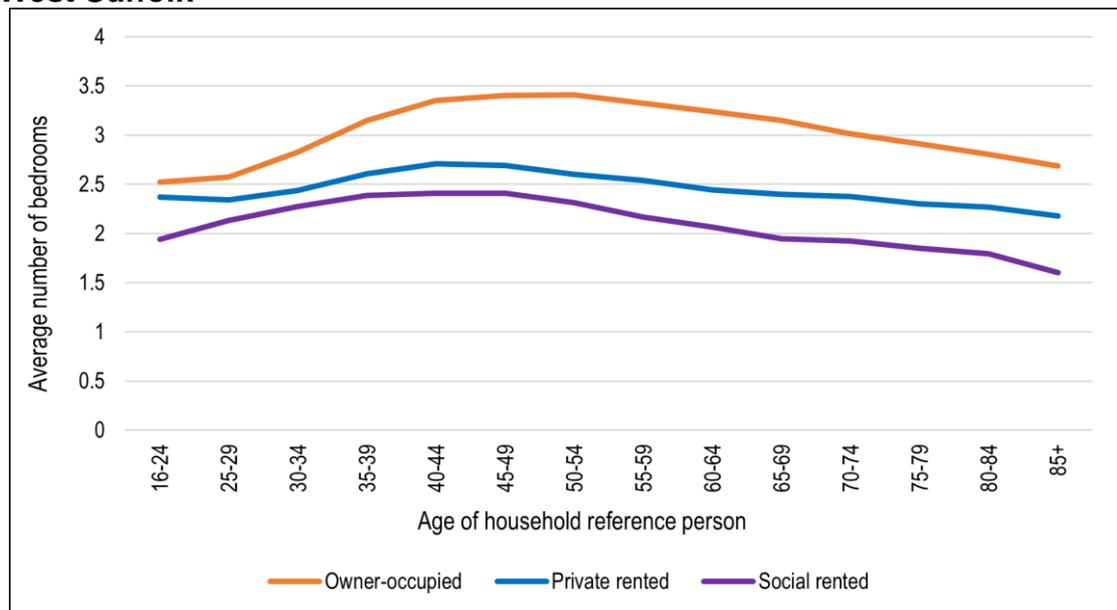
- 7.41 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households can 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.
- 7.42 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single-person households does not automatically translate into a need for smaller units.
- 7.43 That said, issues of supply can also impact occupancy patterns, for example, it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation, these households remain living in their larger accommodation.
- 7.44 The issue of choice is less relevant in the affordable sector. In this sector the size of home a given household is allocated is based on the size of the household. For those of working age on welfare benefits who are subject to the Social Size Criteria, (the Social Sector Size Criteria (SSSC, sometimes referred to pejoratively as the “bedroom tax”) determines the amount of Housing Benefit or housing element of Universal Credit received by a household living in an affordable rent dwelling based on the number of people living there and their relationships and the number of bedrooms in the dwelling. The SSSC applies if the household has more bedrooms than is needed based on household composition and are of working age (people over 16 and under state pension age) otherwise known as the ‘spare room subsidy’ or ‘bedroom tax’, or for those not on benefits but on relatively low incomes,

choice of remaining in an ‘under-occupied’ home may be restricted by ability to pay the higher rents.

7.45 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis comes from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).

7.46 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Cambridgeshire and West Suffolk. In the owner-occupied sector, the average size of accommodation rises over time to typically reach a peak around the age of 50; a similar pattern (but with smaller dwelling sizes) is seen in both the social rented and PRS. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

Figure 25: Average bedrooms by age and tenure in Cambridgeshire and West Suffolk



Source: Derived from ONS commissioned table CT062

7.47 Replicating the existing occupancy patterns at a local level would result in the conclusions being skewed by the existing housing profile. This is particularly the

case in the owner-occupied (market) sector. On this basis, we have also applied regional occupancy assumptions for the East of England region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.

7.48 The analysis has been used to derive outputs for three broad categories. These are:

- **market housing** – which is taken to follow the occupancy profiles in the owner-occupied sector;
- **affordable home ownership** – which is taken to follow the occupancy profile in the PRS (this is seen as reasonable as the Government’s desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **rented affordable housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

7.49 As regards the PRS, it is assumed that households in this sector will have the same type and size profile as those seeking affordable home ownership dwellings. This is because these tenures are targeted at the same group.

Change to households by age

7.50 The table below presents the projected change in households by age of household reference person (HRP). The HRP is the household member that owns the accommodation or is legally responsible for the rent. Where there are joint householders it is the one with the higher income. If their income is the same, it is the elder based on ONS definitions. This clearly shows particularly strong growth as being expected in older age groups. This is a pattern seen across the country and reflects late baby boomers (those born 1946 to 1964) moving into retirement age.

7.51 There is also projected to be a notable growth in the number of households headed by some younger age groups including those in their 40s. Despite the adjustments to household formation rates in the modelling, the growth in the number of households headed by someone in their 30s is still relatively small compared to other age bands.

Table 73: Projected change in households by age of household reference person in Cambridgeshire/West Suffolk, 2020-40

Age	2020	2040	Change in households	% Change
16-24	9,806	11,697	1,891	19.30%
25-29	20,696	24,258	3,562	17.20%
30-34	28,049	30,021	1,972	7.00%
35-39	30,096	32,243	2,147	7.10%
40-44	30,463	35,371	4,908	16.10%
45-49	32,072	36,753	4,681	14.60%
50-54	34,224	38,405	4,181	12.20%
55-59	33,054	37,594	4,540	13.70%
60-64	28,972	35,583	6,611	22.80%
65-69	26,362	36,229	9,867	37.40%
70-74	27,569	36,872	9,303	33.70%
75-79	20,800	32,615	11,816	56.80%
80-84	16,315	26,080	9,764	59.80%
85 & over	15,978	31,105	15,127	94.70%
Total	354,457	444,826	90,369	25.50%

Source: Demographic projections based on ONS data

- 7.52 The table below presents the projected change in households by age of household reference person for Cambridge. As with the HMA data, this shows particularly strong growth is expected in older age groups.
- 7.53 There is also projected to be a notable growth in the number of households headed by some age groups including those in their late 40s and 50s. Those headed by someone in their 30s show a decline.

Table 74: Projected change in households by age of household reference person in Cambridge, 2020-40

Age	2020	2040	Change in households	% Change
16-24	2,787	3,486	699	25.10%
25-29	4,895	4,989	94	1.90%
30-34	5,598	4,987	-611	-10.90%
35-39	5,245	4,733	-513	-9.80%
40-44	4,902	5,018	116	2.40%
45-49	4,513	5,765	1,252	27.70%
50-54	4,758	6,736	1,978	41.60%
55-59	4,404	6,209	1,805	41.00%
60-64	3,563	5,305	1,742	48.90%
65-69	3,193	4,641	1,448	45.30%
70-74	2,751	4,086	1,335	48.50%
75-79	2,164	3,537	1,373	63.50%
80-84	1,703	2,576	874	51.30%
85 & over	2,040	3,224	1,184	58.10%
Total	52,515	65,292	12,777	24.30%

Source: Demographic projections based on ONS data

- 7.54 The table below presents the projected change in households by age of household reference person for East Cambridgeshire. As with the HMA data, this clearly shows particularly strong growth is expected in older age groups.
- 7.55 There is also projected to be a notable growth in the number of households headed by all younger age groups, particularly those in their late teens and early 20s and their late 50s and early 60s.

Table 75: Projected change in households by age of household reference person in East Cambs, 2020-40

Age	2020	2040	Change in households	% Change
16-24	664	842	178	26.80%
25-29	1,668	2,081	413	24.80%
30-34	2,876	3,370	494	17.20%
35-39	3,258	3,510	253	7.80%
40-44	3,453	3,909	456	13.20%
45-49	3,587	4,162	574	16.00%
50-54	3,840	4,488	647	16.90%
55-59	3,610	4,416	806	22.30%
60-64	3,157	4,002	846	26.80%
65-69	2,892	4,178	1,287	44.50%
70-74	3,195	4,434	1,239	38.80%
75-79	2,356	3,894	1,538	65.30%
80-84	1,849	3,037	1,189	64.30%
85 & over	1,888	3,560	1,672	88.60%
Total	38,290	49,883	11,592	30.30%

Source: Demographic projections

- 7.56 The table below presents the projected change in households by age of household reference person for Fenland. As with the HMA data, this clearly shows particularly strong growth is expected in older age groups.
- 7.57 There is also a notable growth projected in the number of households headed by all younger age groups, particularly those in their early 20s and early-40s. Growth is weak among those headed by someone aged 50 to 65 compared to other local authorities.

Table 76: Projected change in households by age of household reference person in Fenland, 2020-40

Age	2020	2040	Change in households	% Change
16-24	1,291	1,485	194	15.00%
25-29	2,416	2,919	502	20.80%
30-34	3,376	3,958	582	17.20%
35-39	3,327	3,668	340	10.20%
40-44	3,128	3,697	569	18.20%
45-49	3,587	3,850	263	7.30%
50-54	4,065	4,188	123	3.00%
55-59	4,259	4,469	210	4.90%
60-64	3,872	4,398	526	13.60%
65-69	3,764	4,900	1,135	30.20%
70-74	3,917	5,256	1,339	34.20%
75-79	2,971	4,575	1,604	54.00%
80-84	2,378	3,647	1,269	53.40%
85 & over	2,229	4,018	1,789	80.20%
Total	44,581	55,027	10,446	23.40%

Source: Demographic projections

- 7.58 The table below presents the projected change in households by age of household reference person for Huntingdonshire. As with the HMA data, this clearly shows particularly strong growth is expected in older age groups.
- 7.59 There is also projected to be a notable growth in the number of households headed by all younger age groups, particularly those in their early 20s and mid-40s. Growth is weaker among those in their 50s.

Table 77: Projected change in households by age of household reference person in Huntingdonshire, 2020-40

Age	2020	2040	Change in households	% Change
16-24	1,846	1,958	111	6.00%
25-29	4,200	5,260	1,060	25.20%
30-34	5,723	6,046	324	5.70%
35-39	6,357	7,215	858	13.50%
40-44	6,609	8,038	1,429	21.60%
45-49	7,156	7,870	713	10.00%
50-54	7,741	8,094	353	4.60%
55-59	7,312	7,769	457	6.30%
60-64	6,523	7,536	1,013	15.50%
65-69	5,723	7,677	1,954	34.20%
70-74	6,145	8,000	1,855	30.20%
75-79	4,520	7,082	2,563	56.70%
80-84	3,321	5,811	2,489	74.90%
85 & over	2,587	6,359	3,773	145.80%
Total	75,763	94,714	18,952	25.00%

Source: Demographic projections based on ONS data

- 7.60 The table below presents the projected change in households by age of household reference person for South Cambridgeshire. As with the HMA data, this clearly shows particularly strong growth is expected in older age groups.
- 7.61 There is also projected to be a notable growth in the number of households headed by all younger age groups.

Table 78: Projected change in households by age of household reference person in South Cambs, 2020-40

Age	2020	2040	Change in households	% Change
16-24	884	1,069	185	20.90%
25-29	2,741	3,829	1,088	39.70%
30-34	4,474	5,607	1,133	25.30%
35-39	5,659	6,607	948	16.80%
40-44	6,468	8,094	1,626	25.10%
45-49	6,831	8,184	1,353	19.80%
50-54	6,798	8,161	1,362	20.00%
55-59	6,488	7,637	1,149	17.70%
60-64	5,678	7,266	1,588	28.00%
65-69	4,943	7,090	2,147	43.40%
70-74	5,175	6,816	1,641	31.70%
75-79	3,936	6,076	2,140	54.40%
80-84	3,144	5,042	1,898	60.40%
85 & over	3,296	6,106	2,810	85.30%
Total	66,514	87,582	21,068	31.70%

Source: Demographic projections

- 7.62 The table below presents the projected change in households by age of household reference person for West Suffolk. As with the HMA data, this clearly shows particularly strong growth is expected in older age groups.
- 7.63 With the exception of those households headed by someone aged 16-24 growth in the number of households headed by all younger age groups is weak.

Table 79: Projected change in households by age of household reference person in West Suffolk, 2020-40

Age	2020	2040	Change in households	% Change
16-24	2,334	2,859	524	22.50%
25-29	4,776	5,179	403	8.40%
30-34	6,002	6,052	50	0.80%
35-39	6,250	6,510	260	4.20%
40-44	5,904	6,616	711	12.00%
45-49	6,397	6,923	526	8.20%
50-54	7,022	6,738	-283	-4.00%
55-59	6,981	7,094	113	1.60%
60-64	6,180	7,077	897	14.50%
65-69	5,847	7,743	1,896	32.40%
70-74	6,387	8,281	1,895	29.70%
75-79	4,854	7,452	2,598	53.50%
80-84	3,921	5,967	2,046	52.20%
85 & over	3,939	7,838	3,900	99.00%
Total	76,794	92,328	15,534	20.20%

Source: Demographic projections

Modelled outputs

- 7.64 By following the methodology set out above and drawing on the sources shown including the tables outlining the growth in the number of households by age of HRP and Average Bedrooms by Age and Tenure, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures. The first table below shows the profile of need applying the local occupancy patterns and the second if instead the regional occupancy patterns are applied.
- 7.65 Overall, the analysis clearly shows the different profiles in the three broad tenures with rented affordable housing being more heavily skewed towards smaller dwellings, and affordable home ownership sitting somewhere in between the market and rented affordable housing.

- 7.66 The data does show some difference between the outputs depending on whether local or regional occupancy patterns are used. The most notable difference (as might be expected) is in terms of the modelled need for 4+-bedroom homes in the market sector where the local occupancy pattern shows a higher figure. There are also some modest differences with regard to affordable home ownership and also some small differences for social/affordable rent housing.

Table 80: Modelled mix of housing by size and tenure in Cambridgeshire/West Suffolk (local occupancy pattern)

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	3%	25%	45%	27%
Affordable home ownership	19%	38%	31%	12%
Affordable housing (rented)	33%	37%	27%	3%

Source: Housing market model

Table 81: Modelled mix of housing by size and tenure in Cambridgeshire/West Suffolk (regional occupancy pattern)

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	26%	46%	24%
Affordable home ownership	22%	39%	30%	9%
Affordable housing (rented)	35%	32%	29%	3%

Source: Housing market model

- 7.67 It is also possible to contrast this data with information from the council's Housing Registers on the profile of need for social rented housing, which has been drawn from Local Authority Housing Statistics (LAHS). This shows the following pattern of need which again is focussed on 1- and 2-bedroom homes.
- 7.68 It has been noted that Housing Registers may be a poor indicator of need for larger affordable homes given that if households feel they have little chance of securing such a property, they may not apply. Taking this into account, the findings as regards type and size of affordable homes reflect the modelled approach set out in the previous table, only making reference to the housing register as shown in the following table.

Table 82: Estimated size of social/affordable rent housing needed, based on Housing Register information

Size	Cambridge	East Cambs	Fenland	Hunts.	South Cambs	West Suffolk
1-bedroom	66%	46%	43%	52%	50%	53%
2-bedrooms	24%	33%	35%	31%	34%	32%
3-bedrooms	8%	16%	17%	13%	13%	12%
4+-bedrooms	2%	5%	4%	4%	4%	4%
Total	100%	100%	100%	100%	100%	100%

Source: Local authority housing statistics – 2019

Recommended mix

- 7.69 The modelled analysis is based on current occupancy patterns, which might be subject to change in the future. This is particularly likely to be the case for market housing where households historically and currently have an element of choice but with worsening affordability may seek smaller homes than they might traditionally have been expected to do.
- 7.70 To give an example, a middle-income household might previously have sought a 3-bedroom semi-detached home. However, worsening affordability and stricter lending practice might now mean that such households will only be in the market for say a 2-bedroom flat.
- 7.71 In addition, provision of certain types of accommodation may influence the mix needed; for example, if many high-quality units were provided specifically for older persons (e.g. specialist housing or bungalow accommodation) then this might encourage an increased level of downsizing and release additional larger homes into the market. This would have the intended consequence of potentially reducing the need for larger homes.
- 7.72 It is difficult to say to what extent the mix might move away from the modelled data but in developing policy the Councils could make further adjustments to the recommended mix below to reflect any local issues.

Social/affordable rent housing

- 7.73 It should be recognised that given the scale of need it is unlikely that all affordable housing needs will be met. Households with a need for larger homes may have greater priority (as they are more likely to contain children). Similarly, households with a need for smaller one person accommodation may have greater priority in areas where single homelessness and rough sleeping is an issue
- 7.74 Furthermore, the Housing Register data is based on a strict determination of need based on a bedroom standard and there will be some households able to afford a slightly larger home or who can claim benefits for a larger home than they strictly need (i.e. are not caught by the spare room subsidy – this will include older person households). There may also be some situations where under-occupation against the bedroom standard is permitted.
- 7.75 In taking account of the modelled outputs, the Housing Registers and the discussion above, it is suggested that the following mix of social/affordable rent housing would be appropriate for the HMA:
- 1-bedroom: 30-40%
 - 2-bedrooms: 35-45%
 - 3-bedrooms: 15-25%
 - 4+-bedrooms: 0-10%
- 7.76 The Councils should take account of local circumstances and any feedback from Registered Providers through consultation processes such as Local Plans in informing planning policies relating to housing mix.

Affordable home ownership

- 7.77 In the affordable home ownership sector, a profile of housing that more closely matches the outputs of the modelling is suggested, although some consideration is made to reflect student-only homes in Cambridge (which are typically privately rented but not likely to be occupied by households who would be a target for affordable home ownership – and certainly not with a shared house composition).

7.78 Based on these factors it is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller housing for younger family households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 15-25%
- 2-bedrooms: 35-45%
- 3-bedrooms: 25-35%
- 4+-bedrooms: 5-15%

7.79 Whilst the need for affordable home ownership properties is focused on younger households, the conclusions also recognise the particular affordability challenges for family housing. This mix should also reflect any local issues about need and demand (which may also be impacted by affordability). In Cambridge for example, it is understood that much of the affordable home ownership demand is for 1- and 2-bedroom homes and this is in part due to larger homes being less affordable.

Market housing

7.80 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations). This sees a slightly larger recommended profile compared with other tenure groups.

7.81 The following mix of market housing is suggested:

- 1-bedroom: 0-10%
- 2-bedrooms: 20-30%
- 3-bedrooms: 40-50%
- 4+-bedrooms: 20-30%

7.82 Although the analysis that has quantified this is based on the market modelling and an understanding of the current housing market, it does not necessarily follow that highly prescriptive figures should be included in the plan-making process (hence the use of quite large ranges).

- 7.83 The ranges shown above can be used as a monitoring tool to ensure that future delivery is balanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites. While site location and area character are also relevant considerations for the appropriate mix of market housing on individual development sites, Councils must require developers to justify a housing mix on sites which differs significantly from that modelled herein.

Recommendations by local authority

- 7.84 The six tables below show estimates of the mix of housing by tenure for each of the six local authorities. This follows the same methodology as for the whole Cambridgeshire/West Suffolk area and takes account of consideration of both local occupancy patterns and those across the region.
- 7.85 Similar to those applied in the previous section across the HMA the analysis includes specific adjustments to take account of the stock profile (and occupancy of the stock) at a local level, although this only has a modest impact on the conclusions.
- 7.86 In interpreting the findings, it needs to be noted that to some degree the outputs will reinforce the current stock profile. However, it may be the case that moving away from this mix could be prudent in some areas. For example, the analysis shows a high need for 4+-bedroom market homes in Cambridge due to projected changes to the population and household structures (which seem to focus less on older person age groups and more towards some groups who typically live in larger homes (e.g. those aged 45-59)).

- 7.87 However, it may be that Cambridge is better suited to providing smaller dwellings (due to the type of sites) and therefore some adjustment could be made to specific recommendations. This will also reflect that dwellings are more expensive in the city and a higher proportion of smaller homes than for other districts would be more closely aligned with households' affordability constraints. Overall, the data is indicative and will need to be reflected on when developing policy.
- 7.88 The suggested mix for Affordable Home Ownership in the tables below can be applied to Affordable Private Rented dwellings in BTR developments, as the suggested mix is based on PRS occupancy rates. However, it is worth noting that BTR is a highly specialised form of development often serving a particular market segment e.g. young professionals. District-wide type and size policies are unlikely to be applicable without being adjusted to reflect the type of development being proposed.

Table 83: Suggested mix of housing by size and tenure in Cambridge

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	0-10%	15-25%	40-50%	25-35%
Affordable home ownership	15-25%	35-45%	25-35%	5-15%
Affordable housing (rented)	35-45%	30-40%	15-25%	0-10%

Source: Housing market model based on ONS data

Table 84: Suggested mix of housing by size and tenure in East Cambridgeshire

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	0-10%	20-30%	40-50%	20-30%
Affordable home ownership	15-25%	35-45%	25-35%	5-15%
Affordable housing (rented)	30-40%	35-45%	15-25%	0-10%

Source: Housing market model based on ONS data

Table 85: Suggested mix of housing by size and tenure in Fenland

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	0-10%	25-35%	40-50%	15-25%
Affordable home ownership	20-30%	35-45%	25-35%	0-10%
Affordable housing (rented)	35-45%	35-45%	15-25%	0-10%

Source: Housing market model based on ONS data

Table 86: Suggested mix of housing by size and tenure in Huntingdonshire

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	0-10%	20-30%	40-45%	20-30%
Affordable home ownership	15-25%	35-45%	25-35%	5-15%
Affordable housing (rented)	30-40%	30-40%	20-30%	0-10%

Source: Housing market model based on ONS data

Table 87: Suggested mix of housing by size and tenure in South Cambridgeshire

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	0-10%	20-30%	35-45%	25-35%
Affordable home ownership	15-25%	35-45%	25-35%	5-15%
Affordable housing (rented)	25-35%	35-45%	20-30%	0-10%

Source: Housing market model based on ONS data

Table 88: Suggested mix of housing by size and tenure in West Suffolk

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	0-10%	25-35%	40-50%	15-25%
Affordable home ownership	15-25%	40-50%	25-35%	0-10%
Affordable housing (rented)	30-40%	30-40%	20-30%	0-10%

Source: Housing market model based on ONS data

- 7.89 Overall, the analysis does not suggest that a substantially different mix should be proposed for different local authorities although there may be a case for some variation on a site-by-site basis, or at a specific point in time for some minor adjustments. It should be emphasised however that the evidence does support variations in approach at the district level should the Councils feel the HMA level recommendations are unsuitable.
- 7.90 It is acknowledged that the eligibility criteria for Affordable Home Ownership (AHO) products such as Shared Ownership is household income up to £80,000. This report however concludes that those earning between £42,000 and £80,000 can afford for-sale properties and the majority are likely to opt for this tenure.
- 7.91 Suggested adjustments are summarised below:

- Whilst there are differences in the stock profile in different locations this should not necessarily be seen as indicating surpluses or shortfalls of particular types and sizes of homes;
- As well as looking at the stock, an understanding of the role and function of areas is important. For example, higher priced rural areas are typically sought by wealthier families and therefore such areas would be expected to provide a greater proportion of larger homes;
- That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock;
- The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in the centre of towns may be more suited to flatted development (as well as recognising the point above about role and function) whereas a rural site on the edge of an existing village may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level;
- Overall, it is suggested that Councils should broadly seek the same mix of housing in all locations (as shown in the tables above) but should be flexible to a different mix where specific local characteristics suggest. The Councils should also monitor what is being built to ensure that a reasonable mix is provided in the District (or individual settlements). For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site to come along might provide a mix which includes more homes for younger/smaller family households and childless couples;
- Where applications differ from the policy mix then the application should be supported by evidence to justify divergence from Policy. This will include examining local characteristics and the recent housing supply;
- Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement on that site. Considerations around creating mixed and balanced communities are also relevant in deciding on size mix.

Built-form

- 7.92 A final issue is a discussion of the need/demand for different built-forms of homes. In particular, this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

- 7.93 The sources used for analysis in this report make it difficult to quantify the need/demand for bungalows as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation.
- 7.94 However, it is typical (where discussions are undertaken with local estate agents anywhere in the country) to find that there is a demand for this type of accommodation. Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available.
- 7.95 As a new build option, it is the case that bungalow accommodation is often not supported by either house builders or planners (due to potential plot sizes and their generally low densities, as well as affordability issues where land values are high). There may still be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sightlines.
- 7.96 There is also the wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 7.97 Overall, the Councils should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging

households to downsize. The downside to providing bungalows is that they are land-intensive for the amount of floorspace created.

Flats vs. houses

- 7.98 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be around 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 81% of all 1-bedroom homes, 35% of 2-bedroom homes and just 4% of homes with 3-bedrooms are flats.
- 7.99 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in each local authority in the HMA and England. This shows (with the exception of Cambridge) a low proportion of flats in the HMA (between 11% and 21% of all 2-bedroom homes) and this would point to the majority of 2-bedroom homes in the future also being houses. The analysis does show a higher proportion of flats in the social sector (up to a third of 2-bedroom homes in this sector are flats (with an even higher proportion in Cambridge)).

Table 89: Proportion of 2-bedroom units that are a flat, maisonette or apartment (by tenure)

Location	Owner-occupied	Social rented	Private rented	All (2-bedroom)
Cambridge	32%	54%	57%	47%
East Cambs	5%	16%	19%	11%
Fenland	2%	29%	23%	11%
Huntingdonshire	13%	28%	31%	21%
South Cambs	8%	10%	23%	13%
West Suffolk	8%	27%	25%	17%
England	21%	48%	50%	35%

Source: 2011 Census

- 7.100 As noted, this analysis would suggest across most of the HMA that most 2-bedroom homes have been built as houses (or bungalows) rather than flats. However, any decisions will still have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate.

The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing, although it is still the case that houses are likely to be the majority need in this sector.

- 7.101 In Cambridge, the analysis does identify a much higher proportion of flats across all tenure groups. It might therefore be expected that Cambridge could continue to see a higher proportion of flatted development when compared with other authorities in the HMA.

Housing Mix: Key messages and recommendations

- Our approach to housing mix starts with the current profile of housing in terms of size and tenure and how the age of a household influences the typical size of homes they occupy in different tenures. These occupancy patterns are then applied to the demographic projections on the assumption that occupancy patterns for each age group (within each tenure) remain the same.
- Whilst the output of the modelling provides estimates of the proportion of homes of different sizes that are needed, other factors should be taken into account in setting policies. Two, in particular, are worth highlighting,
 - Firstly, the demand for and high levels of turnover of 1-bedroom homes in the affordable rented sector and the high number of households on the housing register seeking 1-bedroom homes; and
 - Secondly, the stock of 4-bedroom affordable homes is very limited and tends to have a very low turnover. The strategic conclusions recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households.
- In the affordable home ownership and market sectors, a profile of housing that more closely matches the outputs of the modelling is suggested. However, in the market sector, a modest adjustment is made to further support downsizing and better use of the existing stock.
- **Recommendation: The following mix of homes size by tenure is suggested as a strategic mix across the 2020-2040 period for the HMA.**

Size	Market	Affordable homes to buy	Affordable homes to rent
1-bedroom	0-10%	15-25%	30-40%
2-bedrooms	20-30%	35-45%	35-45%
3-bedrooms	40-50%	25-35%	15-25%
4+-bedrooms	20-30%	5-15%	0-10%

- At a local authority level, this mix may be adjusted to reflect local demand patterns and other local circumstances, for example, the higher demand in South Cambridgeshire

than elsewhere in the HMA for family homes and the need in Fenland for more smaller affordable homes.

- It will ultimately be for the Council(s) to write into policy the approach which best meets their local circumstance. This could be, for example, a desire for further downsizing or a pragmatic approach to a constrained housing supply both of which would see more smaller homes being built.
- The strategic mix identified above should still inform policies. But in applying the mix to individual development sites regard should also be had to the nature of the site and character of the area, and up-to-date evidence of need (such as the housing register or a local housing needs assessment) as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered and respond accordingly.

8 Older and disabled Persons

- 8.1 This section of the report examines the housing need for older persons and linked to this but not exclusive to it, the housing need for those with a long term health problem or disability (LTHPD) including wheelchair users' needs. This is in part a response to paragraph 62 of the National Planning Policy Framework which states:

“The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes)”.

- 8.2 The Planning Practice Guidance (PPG) provides separate guidance on identifying the housing needs of different groups and housing needs of older and disabled people which are reflected in the following chapters.

Older persons guidance

- 8.3 Paragraph 1 of the PPG (reference ID: 63-001-20190626) concerning housing for older and disabled people explains why it is important to plan for the needs of older persons

“The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing...Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems.”

- 8.4 Regarding assessing the need for housing specifically for older people, Paragraph 4 of the PPG (Reference ID: 63-004-20190626) states:

“The age profile of the population can be drawn from Census data. Projections of population and households by age group can also be used. The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example, SHOP@ (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people. Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.”

Current population of older people

- 8.5 The table below provides baseline population data about older persons and compares this with the wider comparators. This data has been taken from the published ONS mid-year population estimates and not the estimates developed for this report. The data is provided for age groups from 65 and upwards; the data is for 2019 to reflect the latest published data.
- 8.6 The data shows that in 2019, around 163,000 people were aged 65 and over in the HMA. This equated to around 20% of the population and compares with a figure of 18% nationally and 20% across the East of England region.

Table 90: Older person population (2019)

Location	Age 65-74	Age 75-84	Age 85+	Total population all ages	Total age 65+	% of population 65+
Cambridge	8,407	5,167	2,790	124,798	16,364	13.1%
East Cambs	10,011	5,887	2,442	89,840	18,340	20.4%
Fenland	12,612	7,567	3,267	101,850	23,446	23.0%
Hunts	19,953	11,521	4,467	177,963	35,941	20.2%
South Cambs	16,764	10,082	4,338	159,086	31,184	19.6%
West Suffolk	20,004	12,554	5,460	179,045	38,018	21.2%
HMA	87,751	52,778	22,764	832,582	163,293	19.6%
Greater Cambridge	25,171	15,249	7,128	283,884	47,548	16.7%
East	660,187	404,545	173,774	6,236,072	1,238,506	19.9%
England	5,576,066	3,380,599	1,397,051	56,286,961	10,353,716	18.4%

Source: ONS mid-year population estimates 2019

8.7 There is a notable distinction between the proportion of older people in Cambridge and the other HMA authorities. Cambridge, as explained in the demographic chapter (see Chapter 3), has a much larger concentration of younger population compared to the rest of the HMA. As a result, those over 65 years old represent only 13% of the total population, this compares to 20% to 23% elsewhere. Fenland (23%) followed by West Suffolk (21%) have the highest percentage population aged 65 and over.

Future change in the population of older people

8.8 As well as providing a baseline position for the percentage of older persons in the area, the population projections developed earlier in this report (Chapter 5) can be used to indicate how the number might change in future compared with other areas.

8.9 The table below shows the older population growth linked to the Standard Method (4,654 dpa) for the HMA. Appendix C presents this information for each local authority. As shown, there is significant ageing of the population, with those aged 65 and over projected to increase by around 52%. This compares to the total population growth of just 21%.

Table 91: Change in older person population 2020-40 (HMA)

Age	2020	2040	Change	% Change
Under 65	698,392	796,719	98,327	14.1%
65-74	85,472	113,531	28,060	32.8%
75-84	52,859	85,549	32,690	61.8%
85+	21,644	44,027	22,383	103.4%
Total	858,367	1,039,826	181,459	21.1%
65+	159,975	243,107	83,132	52.0%

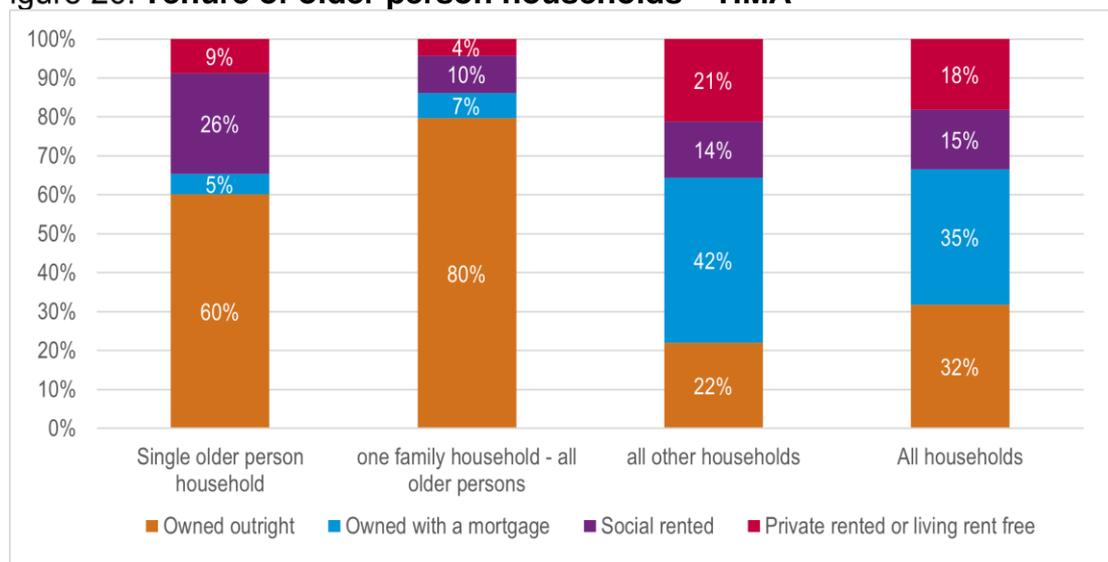
Source: Demographic projections based on ONS data

8.10 When looking at individual local authorities a broadly similar pattern emerges across most of the local authorities with the exception of Cambridge (see Appendix C). All other locations are projected to see notable increases in the population aged 65 and over, with modest rises for the younger population.

Characteristics of older person households

8.11 The figure below shows the tenure of older person households in 2011. The data has been split between single older person households and those in a single-family household comprised of only older people (which will largely be the couples).

Figure 26: Tenure of older person households – HMA



Source: Census 2011, LC4101EW

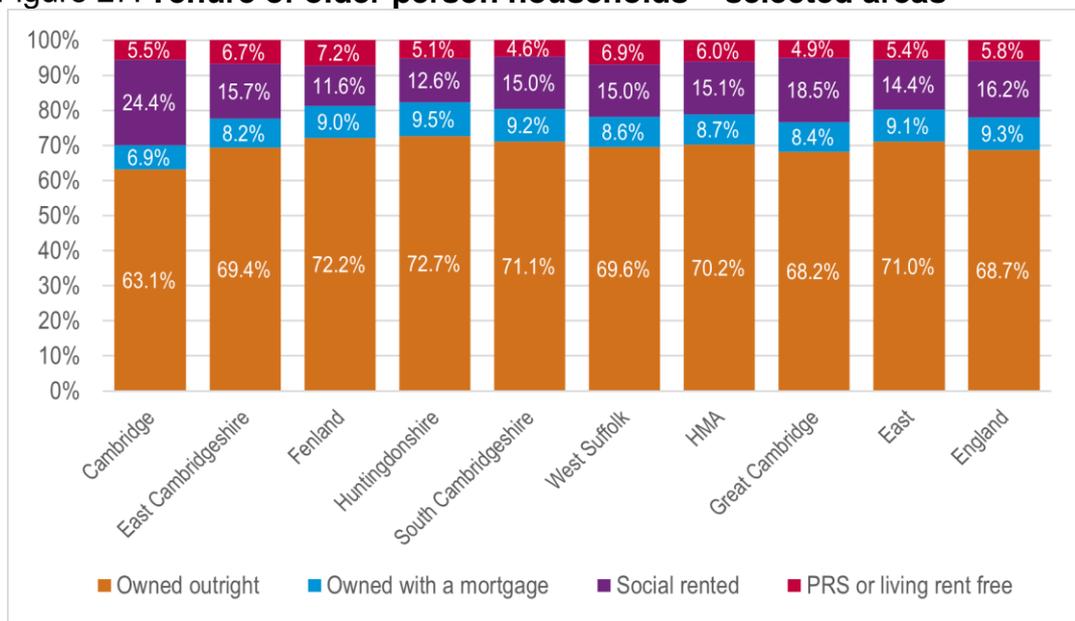
8.12 The Figure above shows that older person households are more likely to live in outright owned accommodation than other household types. This is generally because they have purchased homes at a relatively lower cost (as demonstrated by the increase in affordability ratio, see Chapter 4) and paid this off over time.

8.13 An above average number of single older persons are also more likely to live in the social rented sector. The proportion of older person households living in the PRS is relatively low compared with all other household types in the study area.

8.14 There are also notable differences for different types of older person households, with single older people having a much lower level of owner-occupation than larger older person households.

- 8.15 Given that the number of older people is expected to increase in the future and that the number of single-person households is also expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable increase in demand for affordable housing from the ageing population. Although more restrictive access to social rented accommodation makes meeting this demand unlikely.
- 8.16 That said, the proportion of older person households who are outright owners (with significant equity) may mean that a market solution will also be required to meet their needs. This is considered later in this section.
- 8.17 With the exception of Cambridge, the general pattern of tenures does not vary significantly across the HMA. As shown in the figure below, Cambridge has a lower proportion of older people owning their homes (63%) and a higher percentage of those social renting (24%) compared to the HMA (70% and 15% respectively). East Cambridgeshire has the second-lowest proportion of the older population owning their properties (67%).

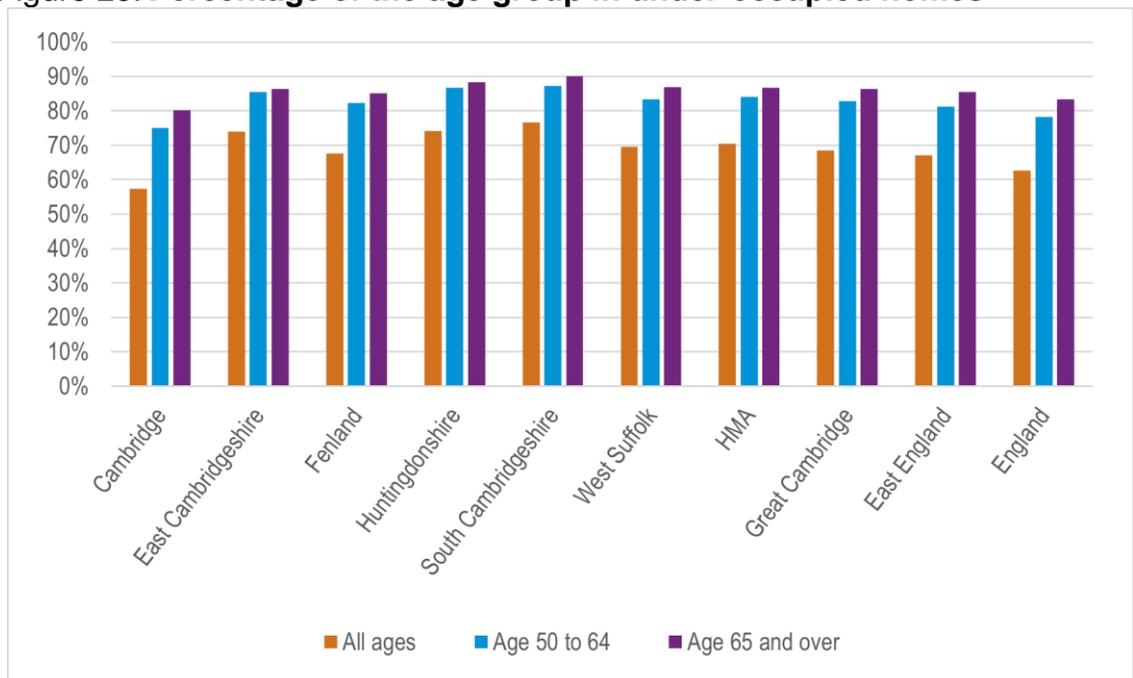
Figure 27: Tenure of older person households – selected areas



Source: Census 2011, LC3409EW

8.18 Older households are also more likely to be “under-occupying” property compared to other age groups. As the figure below demonstrates 85% of those aged over 65 in the HMA are in an under-occupied property. This compares to 72% in all age groups across the HMA and 70% across England. This is partly due to older people not downsizing from their family homes as they get older.

Figure 28: Percentage of the age group in under-occupied homes



Source: Census 2011, DC3404EW

8.19 South Cambridgeshire and Huntingdonshire have the highest percentage of older persons in under-occupied homes (90% and 89% respectively) with this number falling to 80% in Cambridge. These patterns emerge for all age groups reflecting the age of the population and the size of the stock in these areas.

8.20 If this stock could be used more efficiently, then the amount of land required for additional housing would be reduced. This is because smaller properties would be provided, into which older persons could downsize, thus releasing their larger homes for larger households. Efforts to achieve this could be made through the delivery of a range of house sizes and types and by encouraging downsizing.

- 8.21 This has been considered in our recommended mix in the previous chapter. However, there would need to be a further consideration of the location of the homes for people to downsize to, to enable people to remain in their communities. The smaller homes should also be of a high enough quality to attract someone to move out of their larger long-term homes.
- 8.22 One further solution would be to develop retirement villages (the Elderly Accommodation Council describes these as developments of 100 units or more) which could encourage downsizing and reduce the need for additional large accommodation. There is an argument for prioritising these in areas with high rates of under-occupation in locations with good access to services. This would help to ensure the greatest level of take-up and impact in releasing larger homes.
- 8.23 Within a sector that is service intensive (reflected in high service charges) provision should also be made within these schemes for households at different income levels. In achieving this aim, a range of different tenures is recommended, including for rent. Such schemes, as far as possible, should provide for people with dementia and other significant care needs.
- 8.24 Ideally, any such retirement villages should provide a range of different house typologies (mainly one- and two-bedroom units) and tenures and a level of care which would allow individual occupants to have an increased level of care as their needs dictate.

Older persons' housing and planning use classes

- 8.25 It is worth briefly discussing the Use Classes that older persons' housing would fall into as there is some lack of clarity (particularly when it comes to extra-care housing and retirement villages). The Use Classes Order sets out different categories of residential use and makes a distinction between communal accommodation (Class C2) and dwelling-houses (Class C3) – the C2/C3 distinction is important as it can impact on the ability of a local authority to seek an affordable housing contribution from a development.

- 8.26 As per the recently updated PPG (Paragraph: 014 Reference ID: 63-014-20190626), it will be for the local planning authorities “to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (communal accommodation) or C3 (Dwelling house) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided”.
- 8.27 Typically, accommodation providing high levels of care (nursing and residential care) would be termed as C2 accommodation whereas sheltered and enhanced sheltered/extra care accommodation would typically be classed as C3.
- 8.28 This can get quite complex as typically newer forms of accommodation such as retirement villages contain a mix of both C2 and C3 accommodation. It is also entirely possible that the use class of these units effectively changes over time, given changes to the level of care given.
- 8.29 As housing with support and housing with care are self-contained dwellings (C3), these typologies are included within the overall housing need using the Government’s standard method. They can also be included within an authority’s housing land supply calculation. However, the inclusion of communal accommodation within the supply calculation is not straightforward as 1 unit of communal accommodation does not equate to 1 unit of supply.
- 8.30 The Housing Delivery Test rulebook allows for communal accommodation to be counted as part of the supply based on the average number of adults per households using the 2011 census (and any subsequent updates). This has been calculated by dividing the total number of adults living in all households by the total number of households in England. Source data is from the census 2011 and is published by the office for national statistics (CT0774_2011 CENSUS)

8.31 For example, if there are 2 adults on average in each household in a given authority then the delivery of 2 bed-spaces of communal accommodation units would equate to 1 unit of non-communal supply. Given that there are a different number of adults per household in each local authority the following rates therefore apply in the areas below:

- Cambridge – 1.87 communal bed-spaces per dwelling
- East Cambridgeshire – 1.87 communal bed-spaces per dwelling
- Fenland – 1.84 communal bed-spaces per dwelling
- Huntingdonshire – 1.87 communal bed-spaces per dwelling
- South Cambridgeshire - 1.89 communal bed-spaces per dwelling
- West Suffolk - 1.84 communal bed-spaces per dwelling
- East – 1.85 communal bed-spaces per dwelling
- England – 1.84 communal bed-spaces per dwelling

8.32 In addition to contributing to overall housing delivery, there is no reason why local authorities should not seek affordable housing contributions from specialist accommodation as long as this is set out in the policy. This would also have to be justified by viability evidence.

8.33 In doing so it should be recognised that providing affordable housing on specialist schemes will be less viable than in general housing, and as a result, a lower contribution than from general housing will likely be achievable and the policy may have to be worded accordingly. High service charges may also impact on the provision of affordable housing within such schemes.

Older persons housing needs – age-restricted housing

8.34 Local authorities are also required to address the needs of those reaching retirement age over the plan period. This would include meeting the needs of those seeking age-restricted accommodation. According to the PPG (Reference ID: 63-010-20190626) this type of housing is generally for people aged 55 and over and the ‘active elderly’. However, the likelihood of anyone under retirement age accessing such products is rare. Indeed, the instances of those younger than 75

entering specialist accommodation of any form is unusual, unless the accommodation is in low demand. For that reason, the analysis for specialist accommodation uses prevalence rates linked to the over 75 age bracket.

- 8.35 To understand the needs of those households falling into the 65-74 age bracket and by proxy age-restricted accommodation, we start with a consideration of the change in the older person population to 2040.
- 8.36 As shown in the table below, the number of households headed by someone aged between 65 and 74 years is projected to increase by around 35.5% to 2040 across the HMA. This will vary between 31.0% in West Suffolk and 46.8% in the City.

Table 92: Change in households headed by someone in 65-74 age cohort 2020-2040

Local authority	Households 2020	Households 2040	Change	% Change
Cambridge	5,944	8,727	2,783	46.8%
East Cambs	6,086	8,612	2,526	41.5%
Fenland	7,681	10,156	2,474	32.2%
Huntingdonshire	11,867	15,677	3,809	32.1%
South Cambs	10,118	13,906	3,788	37.4%
West Suffolk	12,234	16,025	3,791	31.0%
HMA	53,931	73,101	19,170	35.5%

Source: 2011 Census and demographic projections based on ONS data

- 8.37 Next, we consider how those in this age bracket occupy their dwellings. The table shows the tenure split by age group illustrating that around 69.9% of households in this age group in the HMA own their house outright and a further 9.8% own with a mortgage or are in shared ownership.

Table 93: Tenure of households with household reference person aged 65-74 (2011)

Tenure	Cambri dge	East Cambs	Fenland	Hunts	South Cambs	West Suffolk	HMA
Own outright	60.1%	70.7%	71.7%	72.8%	72.1%	68.5%	69.9%
Owned with Mortgage or shared ownership	8.8%	9.1%	9.7%	10.5%	10.0%	10.0%	9.8%
Social rented	26.0%	13.7%	11.1%	11.5%	13.9%	14.4%	14.3%
Private rented	2.8%	4.0%	4.9%	3.6%	2.4%	5.0%	3.9%
Living rent free	2.3%	2.5%	2.6%	1.6%	1.7%	2.1%	2.1%
Total households	4,321	4,458	5,979	9,093	7,664	9,643	41,158

Source: 2011 Census

- 8.38 Only a small proportion are in the PRS (3.9%) although 14.3% are renting socially. This would, therefore, suggest that the market is likely to address most demand for age-restricted dwellings for this age bracket should that demand exist. This would also be included within the wider housing need number.
- 8.39 There is also the potential for Councils to encourage downsizing, especially in the social rent sector by providing high-quality accommodation that older residents can move into. This accommodation should have built-in adaptations or be capable of accommodating them. This would reduce the demand for specialist accommodation and at the same time release some much-needed family sized accommodation.

Need for specialist accommodation for older people

- 8.40 Given the ageing population and higher levels of health problems and disability amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. We present below the different accommodation types of the older population.

Definitions of Different Types of Older Persons' Accommodation

Retirement living or sheltered housing (housing with support): This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room, and guest room. It does not generally provide care services but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care (housing with care): This usually consists of purpose-built or adapted flats or bungalows with a medium to a high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents can live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bed-spaces): These have individual rooms within a residential building and provide a high level of care to meet all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

- 8.41 In addition to those categories set out in the PPG, the Elderly Accommodation Council also includes a category called Enhanced sheltered housing which would fall under the housing with care category. Enhanced Sheltered Housing is defined as:

“Sheltered housing with additional services to enable older people to retain their independence in their own home for as long as possible. Typically, there may be 24/7 (non-registered) staffing cover, at least one daily meal will be provided and there will be additional shared facilities. Also called assisted living and very sheltered housing.”

- 8.42 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the

level of existing supply. There are several 'models' for doing this, but they all essentially work in the same way.

- 8.43 The model results are particularly sensitive to the prevalence rates applied, which typically describe the proportion of people aged over 75 who could be expected to live in different forms of specialist housing.
- 8.44 It should be noted that the prevalence rates used in the following sections while based on those aged over 75 do not automatically mean that housing with care and housing with support is only occupied by those aged over 75. Rather they are using this age group as a way of estimating demand. Therefore, the need for those under 75 will also be picked up in these calculations.
- 8.45 We have drawn on some data from the Housing Learning and Information Network (Housing LIN) Shop@ online toolkit ([SHOP@ toolkit](#)). This data is considered alongside demographic projections to indicate the potential level of additional specialist housing that might be required for older people in the future. Through discussions with Housing LIN, it is clear that:
- Housing LIN considers that the prevalence rates used should be assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the balance of need.
 - The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability, etc. There is a degree to which the model and assumptions within it do not fully capture the growing recent private sector interest and involvement in the sector.
- 8.46 It is also worth noting that that in November 2017, the Centre for Regional Economic and Social Research (CRESR) produced an [assessment of need](#) for specialist housing for older people in Greater Cambridge over the period 2017-2036.

- 8.47 The method developed sought to qualify methods (such as SHOP@) that use pre-set prevalence rates for demand among older people by developing a recommended level of provision based on the performance of local authorities in delivering such dwellings.
- 8.48 While the CRESR approach arrives at similar recommendations regards future provision (the CRESR model recommends that by 2035, the supply of specialist housing will need to be 80 per cent higher than present, at 6,163 units; this compares with the figure from the SHOP@ tool of 6,632) a different balance is put forward as regards tenure of homes. CRESR suggests nearly 3,000 additional rental units will be required by 2035.
- 8.49 Housing LIN's SHOP@ toolkit sets out a series of baseline rates that form a starting point for deciding what level of supply is appropriate. These baseline rates are:
- Housing with Support (retirement/sheltered housing) – 125 units per 1,000 population aged 75 and over;
 - Housing with Care (enhanced sheltered and extra-care housing) – 45 units per 1,000 population aged 75 and over; and
 - Residential care bedspaces (residential and nursing care) – 110 units (bedspaces) per 1,000 population aged 75 and over.
- 8.50 Following the Housing LIN methodology, an initial adjustment has then been made to these rates to reflect the relative health of the local older person population in comparison to the national average. This has been based on Census data ([DC3201EW](#)) about the proportion of people aged 65 and over who have a long-term health problem or disability compared with the England average.
- 8.51 In the HMA, the data shows slightly better health in the older person population and so the prevalence rates used have been decreased slightly (by an average of around 8%) – this figure is based on comparing the proportion of people aged 65 and over with a long term health problems or disability (LTHPD) in the HMA (49%)

with the equivalent figure for England (53%). A long-term health problem or disability that limits a person's day-to-day activity, and has lasted, or is expected to last, at least 12 months. Specific adjustments have been made for each local authority.

- 8.52 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on the Shop@ toolkit which suggests that more affluent local authorities could expect a higher proportion of their specialist housing to be in the market sector. The table below sets out the estimated tenure split within the housing with support and housing with care typologies within each of the Council areas.

Table 94: Tenure split of current requirement within the housing with support and housing with care typologies

Local authority	Housing with support (market)	Housing with support (affordable)	Housing with care (market)	Housing with care (affordable)
Cambridge	62%	38%	54%	46%
East Cambs	63%	37%	56%	44%
Fenland	53%	47%	45%	55%
Hunts	64%	36%	56%	44%
South Cambs	66%	34%	59%	41%
West Suffolk	59%	41%	52%	48%
HMA	61%	39%	54%	46%

Source: GLH calculations

- 8.53 Using the 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests a wide range of levels of deprivation across the study area, with Fenland being the 51st most deprived local authority in England (out of 317) and South Cambridgeshire the 300th least deprived. This suggests a higher need for market homes for older people in South Cambridgeshire and a higher need for rental housing in Fenland (the other authorities fit somewhere in this range).
- 8.54 This analysis suggests a need for 157 units of specialist accommodation per 1,000 population aged 75 and over across the HMA, and of these 93 (59%) are for market

housing. This is before any consideration of the current supply of specialist housing is made. Data about supply draws on a database from the Elderly Accommodation Counsel (EAC).

- 8.55 The table below shows the estimated needs for different types of housing linked to the standard method population projections and age profile. The analysis shows a current surplus of rental housing with support (although a shortfall in all other types of property). By 2040 there is a potentially high need for leasehold (market) accommodation. Overall, the analysis suggests a need for 11,805 additional units by 2040 (equivalent to 590 per annum – or 13% of the overall need shown by the Standard Method).

Table 95: Specialist housing need using SHOP@ assumptions, 2020-40 – HMA (units)

Housing type	Housing demand per 1,000 75+	Current supply	2020 demand	Current shortfall/surplus	Additional demand to 2040	Shortfall/surplus by 2040
Rented housing with support	45	5,549	3,343	-2,206	2,445	239
Leasehold housing with support	71	1,730	5,254	3,524	3,881	7,405
Rented housing with care	19	946	1,437	491	1,052	1,544
Leasehold housing with care	22	266	1,658	1,392	1,225	2,617
Total	157	8,491	11,692	3,201	8,604	11,805

Source: Derived from demographic projections and housing LIN/HOPSR/EAC

- 8.56 The analysis indicates that the tenure profile of the need for housing with support (such as sheltered and retirement housing) is principally for leasehold. For housing with care (such as extra care schemes), 62% of the need is for leasehold (i.e. private ownership) provision. However, there is limited provision of such schemes within the study area.
- 8.57 To indicate the scale of the need shown by the modelling, the figures below show the proportion of the Standard Method housing need (see Chapter 5) that would

be for some form of specialist housing for older people. It should be noted that these figures are heavily influenced by estimates of current supply.

Table 96: Specialist housing for older people as a percentage of total need for housing

Local authority	Total housing need (pa)	Total specialist housing for older people (total need by 2040)	Specialist housing for older people (pa)	Specialist housing for older people as a % of total district need
Cambridge	658	776	39	6%
East Cambridgeshire	597	1,274	64	11%
Fenland	538	2,237	112	21%
Huntingdonshire	976	2,733	137	14%
South Cambridgeshire	1,085	1,610	81	7%
West Suffolk	800	3,176	159	20%

Source: GL Hearn calculations

- 8.58 The tables below provide the same information for each local authority in the HMA. All areas, except for Fenland, currently show a surplus of rented housing with support (e.g. sheltered housing). That said, by 2040, a surplus is also shown in Cambridge, East Cambridgeshire, and South Cambridgeshire.
- 8.59 These surpluses are based on a calculated level of demand against a known supply position. They do not take into account occupation levels or aspirations of potential residents. It should also be noted that numbers may not sum due to rounding.
- 8.60 However, all areas show a significant shortfall of leasehold housing with support (retirement housing) and also shortfalls of housing with care (i.e. extra-care and enhanced sheltered) in both the leasehold and rental tenures.

Table 97: Specialist housing need using SHOP@ assumptions, 2020-40 – Cambridge (units)

Housing type	Housing demand per 1,000 75+	Current supply	2020 demand	Current shortfall/surplus	Additional demand to 2040	Shortfall/surplus by 2040
Rented housing with support	46	874	371	-503	214	-289
Leasehold housing with support	74	305	601	296	347	643
Rented housing with care	20	131	160	29	92	121
Leasehold housing with care	23	0	190	190	110	300
Total	163	1,310	1,322	12	763	776

Source: Derived from demographic projections and housing LIN/HOPSR/EAC

Table 98: Specialist housing need using SHOP@ assumptions, 2020-40 – East Cambridgeshire (units)

Housing type	Housing demand per 1,000 75+	Current supply	2020 demand	Current shortfall/surplus	Additional demand to 2040	Shortfall/surplus by 2040
Rented Housing with Support	43	724	356	-368	280	-88
Leasehold Housing with Support	74	127	614	487	482	969
Rented Housing with Care	19	154	155	1	121	122
Leasehold Housing with Care	23	77	195	118	153	271
Total	158	1,082	1,320	238	1,036	1,274

Source: Derived from demographic projections and housing LIN/HOPSR/EAC

Table 99: Specialist housing need using SHOP@ assumptions, 2020-40 – Fenland (units)

Housing type	Housing demand per 1,000 75+	Current supply	2020 demand	Current shortfall/surplus	Additional demand to 2040	Shortfall/surplus by 2040
Rented housing with support	61	652	659	7	434	440
Leasehold housing with support	68	108	737	629	486	1,115
Rented housing with care	25	152	275	123	181	304
Leasehold housing with care	21	0	228	228	150	377
Total	175	912	1,899	987	1,250	2,237

Source: Derived from demographic projections and housing LIN/HOPSR/EAC

Table 100: Specialist housing need using SHOP@ assumptions, 2020-40 – Huntingdonshire (units)

Housing type	Housing demand per 1,000 75+	Current supply	2020 demand	Current shortfall/surplus	Additional demand to 2040	Shortfall/surplus by 2040
Rented housing with support	40	940	580	-360	554	194
Leasehold housing with support	70	467	1,023	556	977	1,533
Rented housing with care	17	123	253	130	241	371
Leasehold housing with care	22	0	325	325	310	635
Total	149	1,530	2,181	651	2,082	2,733

Source: Derived from demographic projections and housing LIN/HOPSR/EAC

Table 101: Specialist housing need using SHOP@ assumptions, 2020-40 – South Cambridgeshire (units)

Housing type	Housing demand per 1,000 75+	Current supply	2020 demand	Current shortfall/surplus	Additional demand to 2040	Shortfall/surplus by 2040
Rented Housing with Support	36	1,402	529	-873	371	-502
Leasehold Housing with Support	72	329	1,044	715	732	1,447
Rented Housing with Care	16	205	233	28	164	192
Leasehold Housing with Care	23	94	333	239	234	473
Total	147	2,030	2,139	109	1,501	1,610

Source: Derived from demographic projections and housing LIN/HOPSR/EAC

Table 102: Specialist housing need using SHOP@ assumptions, 2020-40 – West Suffolk (units)

Housing type	Housing demand per 1,000 75+	Current Supply	2020 Demand	Current Shortfall/Surplus	Additional Demand to 2040	Shortfall/Surplus by 2040
Rented Housing with Support	47	957	848	-109	592	483
Leasehold Housing with Support	69	394	1,234	840	857	1,697
Rented Housing with Care	20	181	362	181	253	434
Leasehold Housing with Care	22	95	388	293	269	562
Total	157	1,627	2,831	1,204	1,972	3,176

Source: Derived from demographic projections and housing LIN/HOPSR/EAC

- 8.61 The provision of a choice of attractive housing options to older households is a component of achieving a good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options that are accessible to older people will also provide the opportunity for older households to 'right size' and move into more suitable and accessible accommodation which can help improve their quality of life.

8.62 The tables above should be considered as providing a set of parameters for housing need. The ultimate level of provision the Councils seek to support will be influenced by broader local strategies developed at the County Council level for older persons housing and care, which at the current time are being developed.

Residential care bed-spaces

8.63 The analysis below provides outputs (again drawing on the Housing LIN) for the estimated need for care home bed-spaces. These are typically provided as Use Class C2. The analysis draws on that above, including making adjustments for the relative health of the population of the local authorities compared to the national average. It should be noted that the rows in tables are for bed-spaces and do not have an associated tenure.

8.64 The table below shows the prevalence rates used and the need associated with these. The analysis shows a current shortfall and notable projected future need. Overall, it is estimated that there is a need for around 7,700 additional care and nursing home bed-spaces to 2040.

Table 103: Older persons' care bed-space requirements (shortfall denoted by negative number), 2020 to 2040

Local Authority	Housing demand per 1,000 75+	Current supply	2020 demand	Current shortfall/surplus	Additional demand to 2040	Shortfall/surplus by 2040
Cambridge	105	1,170	855	315	494	-179
East Cambs	102	379	854	-475	670	-1,145
Fenland	113	838	1,228	-390	809	-1,199
Hunts	97	956	1,411	-455	1,347	-1,802
South Cambs	95	742	1,384	-642	971	-1,613
West Suffolk	102	1,347	1,832	-485	1,276	-1,761
HMA	102	5,432	7,566	-2,134	5,567	-7,701

Source: Derived from demographic projections and housing LIN/HOPSR/EAC

- 8.65 GL Hearn considers that this figure should be considered as a maximum level, as there is a potential for some of this need to be met through the provision of extra care housing. This will relate to the needs arising for residential rather than nursing care.

People with disabilities and accessible housing needs

- 8.66 This section considers the potential requirements for people with disabilities and accessible and adaptable dwellings. Paragraph 8 of the PPG (Reference ID: 63-008-20190626) states:

“Accessible and adaptable housing enables people to live more independently, while also saving on health and social costs in the future. It is better to build accessible housing from the outset rather than have to make adaptations at a later stage – both in terms of cost and concerning people being able to remain safe and independent in their homes. Accessible and adaptable housing will provide safe and convenient approach routes into and out of the home and outside areas, suitable circulation space, and suitable bathroom and kitchens within the home. Wheelchair user dwellings include additional features to meet the needs of occupants who use wheelchairs or allow for adaptations to meet such needs.”

- 8.67 Paragraph 9 of the PPG (Reference ID: 63-009-20190626) explains that where a need exists, plans are expected to make use of the optional technical housing standards referred to in footnote 49 of the NPPF to help bring forward an adequate supply of accessible housing. Adding that:

“In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:

- *M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)*
- *M4(2) Category 2: Accessible and adaptable dwellings*
- *M4(3) Category 3: Wheelchair user dwellings”*

- 8.68 Paragraph 9 also adds that “Planning policies for accessible housing need to be based on evidence of need, viability, and consideration of site-specific factors.” This document provides evidence for the need for housing built to M4(2) and M4(3) technical standards (accessible and adaptable dwellings and dwellings that

conform to wheelchair standards respectively). The M4(2) requirement is met when a new dwelling provides reasonable provision for most people to access the dwelling and includes features that make it suitable for a range of potential occupants, including older people, individuals with reduced mobility and some wheelchair users. The M4(3) requirement is achieved when a new dwelling provides reasonable provisions for a wheelchair user to live in the dwelling and have the ability to use any outdoor space, parking and communal facilities.

- 8.69 This report does not examine the need for M4(1) visitable dwellings as this is a mandatory standard for all new dwellings.
- 8.70 This evidence should be brought together with other evidence on viability and reviewed alongside other site-specific factors when making planning decisions.
- 8.71 The PPG does not provide any guidance as to how to assess the need for accessible and adaptable housing. This report, therefore, has brought a range of statistics together to identify the potential scale of demand.
- 8.72 The MHCLG Guide to Available Disability Data provides data about households with a long-term illness or disability from the English Housing Survey. This is given at a national level and does not provide more localised data. Hence the analysis below has drawn on the 2011 Census (which has a definition of long-term health problem or disability (LTHPD)). It should be noted that those in this group can have multiple health problems and/or disabilities which may or may not imply a requirement for specialist housing.
- 8.73 The table below shows the proportion of people with an LTHPD drawn from 2011 Census data, and the proportion of households where at least one person has an LTHPD. The data suggests that 29% of households in the HMA contain someone with an LTHPD. This figure is slightly lower than that seen in other areas.

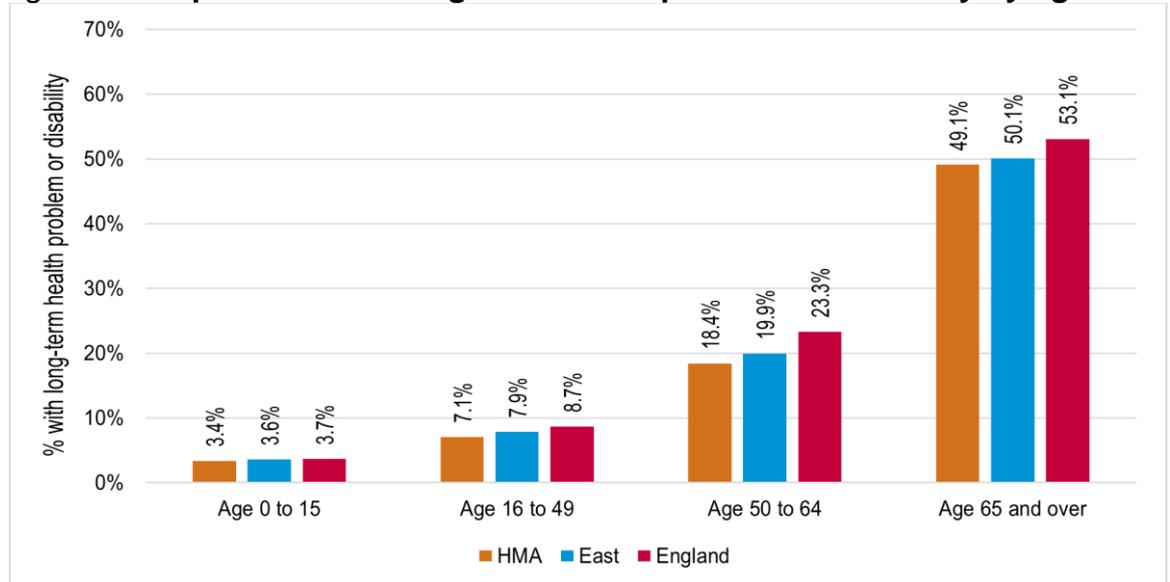
Table 104: Households and population with a long-term health problem or disability, 2011

Location	Households containing someone with a health problem or disability (No.)	Households containing someone with a health problem or disability (%)	Population with a health problem or disability (no.)	People with a health problem or disability (%)
Cambridge	12,444	26.60%	16,064	13.00%
East Cambs	10,070	29.10%	12,902	15.40%
Fenland	15,139	37.30%	20,030	21.00%
Huntingdonshire	19,660	28.40%	25,303	14.90%
South Cambs	16,409	27.40%	20,728	13.90%
West Suffolk	21,069	29.60%	27,223	15.90%
HMA	94,791	29.40%	122,250	15.40%
East England	756,338	31.20%	976,514	16.70%
England	7,217,905	32.70%	9,352,586	17.60%

Source: ONS, 2011 Census, [QS303EW](#) and [DC1301EW](#)

- 8.74 The figures for the population with an LTHPD show a similar pattern. In particular, an estimated 15% of the population of the study area having an LTHPD against 17% across the region and 18% across the country.
- 8.75 The analysis also shows some differences across the different authorities with Fenland having a notably higher proportion of the population with an LTHPD while Cambridge has the lowest figures.
- 8.76 The age profile will likely impact upon the number of people with an LTHPD. The figure below shows the age bands of people with an LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have an LTHPD. The analysis also shows lower levels of LTHPD in each age band within the HMA when compared with both the regional and national positions.

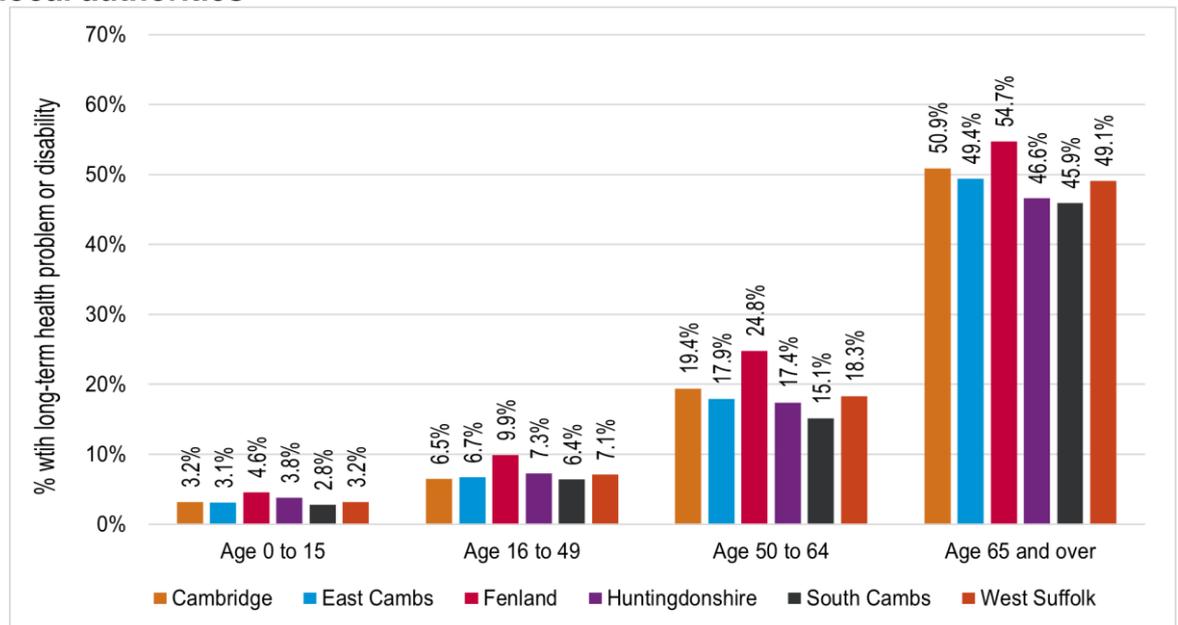
Figure 29: Population with long-term health problem or disability by age



Source: ONS, Census 2011, [DC3201EW](#)

8.77 Figure 30 shows the same information for each local authority. This shows some considerable variation across the different authorities with Fenland having much higher levels of people with a LTHPD and notably lower figures in South Cambridgeshire for all age groups.

Figure 30: Population with long-term health problem or disability by age – local authorities



Source: ONS, 2011 Census, [DC3201EW](#)

- 8.78 The age-specific prevalence rates shown in the previous figure can be applied to the demographic data to estimate an increase by around 49,300 (35% increase) between 2020 and 2040. This represents around 27% of the total increase in the population estimated by the projections (up to 37% in the case of Fenland).

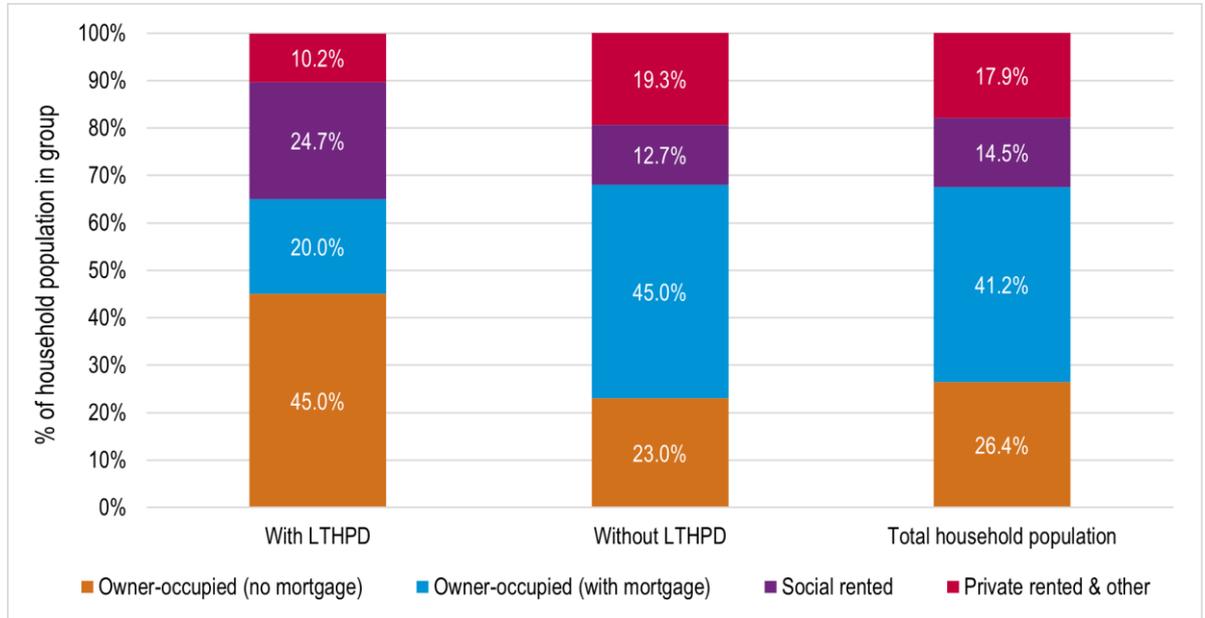
Table 105: Estimated change in population with LTHPD, 2020-40 – linking to Standard Method, HMA

Local authority	Population with LTHPD (2020)	Population with LTHPD (2040)	Change	% Change
Cambridge	18,141	24,250	6,109	33.70%
East Cambs	15,200	21,584	6,384	42.00%
Fenland	22,751	29,522	6,772	29.80%
Huntingdonshire	29,009	39,843	10,834	37.30%
South Cambs	24,211	33,414	9,203	38.00%
West Suffolk	31,813	41,810	9,997	31.40%
HMA	141,124	190,422	49,298	34.90%

Source: Derived from demographic modelling and Census 2011

- 8.79 The figure below shows the tenures of people with an LTHPD – it should be noted that the data is for 'population living in households' rather than households. The analysis clearly shows that people with an LTHPD are more likely to live in social rented housing or are also more likely to be outright owners with the latter linked to the aging population.

Figure 31: Tenure of People with LTHPD vs those without an LTHPD, 2011 – HMA



Source: ONS, 2011 Census, [DC3408EW](#)

8.80 The table below shows further information about the tenure split of the household population with an LTHPD at the local authority level. This shows that people living in the social rented sector (anyone renting from the Council or Registered Provider) are around twice as likely to have an LTHPD than those in other tenures.

Table 106: Tenure of people with an LTHPD

Area	% of social rent with LTHPD	% of other tenures with LTHPD
Cambridge	24.3%	10.7%
East Cambs	26.6%	13.1%
Fenland	32.5%	18.8%
Huntingdonshire	23.7%	13.5%
South Cambs	26.2%	12.9%
West Suffolk	25.1%	11.8%
HMA	25.2%	14.2%

Source: 2011 Census, [DC3408EW](#)

- 8.81 Fenland has the highest percentage of the population with an LTHPD living in both Social Rent accommodation as well as all other tenures. However, the difference in Cambridge is more marked with those with an LTHPD more than twice as likely (127%) to be in the social rent sector, whereas in Fenland the difference is only around 72% higher.

Health-related population projections

- 8.82 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population as well as the need for new build accommodation to be built to different building standards.
- 8.83 The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. In all cases, the analysis links to estimates of population growth based on standard method housing need estimates.
- 8.84 Of particular importance are the large projected increases in the number of older people with dementia (increasing by 76% from 2020 to 2040) and mobility problems (66% increase over the same period).
- 8.85 Mobility problems relate to an inability to manage at least one mobility activity (going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; and getting in and out of bed) while impaired mobility relates to conditions such as visual or hearing issues which will impair mobility
- 8.86 Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related to the total projected change to the population, the increase of 19,150 people with a mobility problem represents 11% of the total projected population growth.

- 8.87 It should be noted that there will be an overlap between categories (i.e. some people will have both dementia and mobility problems). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.

Table 107: Projected changes to HMA population with a range of disabilities

Disability	Age range	2020	2040	Change	% Change
Mental disabilities (dementia)	65+	11,148	19,642	8,494	76.20%
Mental disabilities (autistic spectrum disorders)	18-64	5,292	5,989	697	13.20%
Mental disabilities (autistic spectrum disorders)	65+	1,517	2,320	802	52.90%
Mental disabilities (learning disabilities)	15-64	13,465	15,289	1,824	13.50%
Mental disabilities (learning disabilities)	65+	3,333	5,022	1,689	50.70%
Mental disabilities (challenging behaviour)	15-64	247	280	33	13.50%
Physical disabilities (mobility problems)	65+	29,212	48,362	19,150	65.60%
Physical disabilities (impaired mobility)	16-64	27,901	31,709	3,809	13.70%

Source: POPPI/PANSI and demographic projections

- 8.88 The table below shows the same information for local authorities (focussing just on dementia and mobility problems in the population aged 65+). This identifies projected increases for these disabilities in all areas across Cambridgeshire and West Suffolk.

Table 108: Projected changes to HMA population with dementia and mobility problems – local authorities (population aged 65+)

Area	Issue	2020	2040	Change	% Change
Cambridge	Dementia	1,272	1,978	706	55.60%
Cambridge	Mobility problems	3,211	4,859	1,648	51.30%
East Cambs	Dementia	1,257	2,234	976	77.70%
East Cambs	Mobility problems	3,293	5,563	2,270	68.90%
Fenland	Dementia	1,629	2,698	1,069	65.60%
Fenland	Mobility problems	4,264	6,682	2,419	56.70%
Hunts	Dementia	2,107	4,267	2,160	102.50%
Hunts	Mobility problems	5,744	10,646	4,903	85.40%
South Cambs	Dementia	2,182	3,751	1,569	71.90%
South Cambs	Mobility problems	5,700	9,239	3,539	62.10%
West Suffolk	Dementia	2,701	4,714	2,014	74.60%
West Suffolk	Mobility problems	7,001	11,372	4,372	62.50%
HMA	Dementia	11,148	19,642	8,494	76.20%
HMA	Mobility problems	29,212	48,362	19,150	65.60%

Source: POPPI/PANSI and demographic projections

- 8.89 Such is the scale of increase of those with dementia or other mobility problems, the analysis above would lead to the conclusion that the Councils should require all dwellings to be M4(2) compliant, subject to build form, topography, flooding etc. While in some cases this may challenge viability, the typical cost of M4(2) compliance is around £521 per unit for 2, 3, and 4-bedroom homes and just over £900 for 1 and 2 bedroom flats (Department for Communities and Local Government Housing Standards Review Cost Impacts, September 2014). This does not include the extra land area needed to meet the standard.
- 8.90 The Councils should also continue to work with the County Councils when dealing with more specific needs (e.g. autism), and whether they should be met through mainstream or more specialist forms of housing.

- 8.91 In seeking M4(2) compliant homes, the Councils should be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a long term health problem or disability at the time of initial occupation.

Wheelchair user housing – M4(3)

- 8.92 Information about the need for housing for wheelchair users is difficult to obtain, particularly at a local level and estimates of need produced in this report draw on data from the English Housing Survey (EHS) which provides a range of relevant data, but often for different time periods. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'visitible' for wheelchair users and data about wheelchair users by tenure
- 8.93 The analysis below sets out estimates of the number of wheelchair users in the HMA; this has been based on estimating prevalence rates from the 2011-12 EHS (Annex Table 6.11) combined with Census data.
- 8.94 At the time, the EHS showed that, for households where the oldest person was aged under 60, there were 184,000 households with a wheelchair user. The 2011 Census showed around 40.6 million people aged under 60 and therefore a base prevalence rate of 0.005 has been calculated for this group – essentially for every 1,000 people aged under 60 there are likely to be around 5 wheelchair user households.
- 8.95 The table below shows data for a full range of age groups. It should be noted that whilst the prevalence rates mix households and population, they will provide a reasonable estimate of the number of wheelchair user households.

Table 109: Baseline prevalence rates by age used to estimate wheelchair user households

Age	Number of wheelchair user households	Household population	Prevalence (per 1,000 population)
Under 60 years	183,938	40,562,374	5
60-74 years	204,822	7,668,495	27
75-84 years	191,249	2,831,815	68
85 years or over	145,842	997,247	146

Source: Derived from EHS (2011-12) and 2011 Census table LC1105EW

- 8.96 The analysis also considers the relative health of the population of the HMA. For this, data has been taken from the 2011 Census for the household population with 'day to day activities limited a lot' by their disability (Table DC3302EW).
- 8.97 The table below shows this information by age in both the HMA and England, and also shows the adjustment made to reflect differences in health between the areas. Due to the age bands used in the Census, there has been some degree of adjustment for the under 60 and 60-74 age groups. The data shows lower levels of disability for all age groups in the HMA, pointing to a slightly lower than average proportion of wheelchair user households.

Table 110: Proportion of people with day-to-day activities limited a lot (by age) – 2011 and implied prevalence rate for wheelchair user households

Age	% of age group with day-to-day activities limited a lot (HMA)	% of age group with day-to-day activities limited a lot (England)	HMA as % of England	Wheelchair user prevalence rate (per 1,000 population)
Under 60 years	3.10%	4.20%	74.20%	3
60-74 years	10.10%	13.90%	72.20%	19
75-84 years	25.50%	29.10%	87.60%	59
85 years or over	50.60%	52.30%	96.80%	142

Source: Derived from EHS (2011-12) and 2011 Census

- 8.98 The table below shows the prevalence rate data for each local authority (i.e. the data in the final column of the previous table) – this reflects the relative health of the population in each area. The analysis shows higher rates in Fenland and lower rates in South Cambridgeshire in particular.

Table 111: Prevalence rates for wheelchair user households by age and local authority

Age	Cambridge	East Cambs	Fenland	Hunting-donshire	South Cambs	West Suffolk
Under 60 years	3	3	5	3	3	3
60-74 years	19	18	28	18	15	20
75-84 years	58	61	70	57	51	60
85 years or over	137	144	149	142	138	142

Source: Derived from EHS (2011-12) and 2011 Census

- 8.99 The local prevalence rate data can be brought together with information about the population age structure and how this is likely to change moving forward. The data estimates a total of 10,400 wheelchair user households in 2020, and that this will rise to 16,100 by 2040 (an increase of 5,700).

Table 112: Estimated number of wheelchair user households (2020-40) – HMA

Age	Prevalence rate (per 1,000 population)	Household population 2020	Household population 2040	Wheelchair user households (2020)	Wheelchair user households (2040)
Under 60 years	3	627,205	715,397	2,110	2,407
60-74 years	19	132,627	170,822	2,557	3,293
75-84 years	59	51,543	83,315	3,049	4,929
85 years or over	142	18,948	38,808	2,681	5,492
TOTAL		830,324	1,008,341	10,397	16,120

Source: Derived from a range of sources

- 8.100 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be needed for this group. A number of these households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Also, some may need to use a wheelchair outside but not within the home.
- 8.101 Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'visitable' – this is around 25% of wheelchair user households.
- 8.102 Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for 8,300 additional wheelchair user homes in the 2020-40 period – this equates to 9% of all housing need (as set out in the table below).

Table 113: Estimated need for wheelchair user homes, 2020-2040

Local Authority	Current need	Projected need (2020-40)	Total current and future need	Housing need (2020-40)	% of Housing Need
Cambridge	298	537	836	13,160	6.40%
East Cambs	282	697	979	11,940	8.20%
Fenland	451	816	1,267	10,760	11.80%
Huntingdonshire	502	1,360	1,862	19,520	9.50%
South Cambs	428	1,003	1,430	21,700	6.60%
West Suffolk	592	1,280	1,872	16,000	11.70%
HMA	2,555	5,723	8,278	93,080	8.90%

Source: Derived from a range of sources

- 8.103 Furthermore, information in the EHS (for 2017/18) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair users, compared with 2.7% of market households (owner-occupiers and private renters) – a total of 3.5% of all households contained a wheelchair user.
- 8.104 The analysis above shows (for the HMA) moving forward to 2040 that there is a need for 8.9% of additional dwellings to be suitable for wheelchair users – this is about 2.5 times higher than the current number of users (at a national level).

- 8.105 In looking at a future tenure split, it can therefore be estimated that the proportion of wheelchair user households in both market and affordable tenures will also be around 2.5 times higher than the current proportions. Hence the need for market wheelchair user housing is around 7% (2.7% x 2.5) and a figure of 18% (7.1% x 2.5) in the affordable sector.
- 8.106 These figures are shown in the table below, along with estimates for individual local authorities.
- 8.107 Applying these national figures to the demographic change and need (as shown above) it is possible to estimate the potential need by tenure, as shown in the table below. These take account of the overall level of need for wheelchair user dwellings shown by the analysis. This shows a need for 7% of all market homes to be M4(3) along with 18% of affordable (across the HMA).

Table 114: Estimated need for wheelchair user homes by tenure, 2020-2040

Local Authority	Market	Affordable
Cambridge	5%	13%
East Cambs	6%	17%
Fenland	9%	24%
Huntingdonshire	7%	20%
South Cambs	5%	14%
West Suffolk	9%	24%
HMA	7%	18%

Source: Derived from a range of sources

- 8.108 To meet the identified need we would, therefore, recommend that the Councils should seek up to 10% of all new market homes to be M4(3) compliant and up to 25% in the affordable sector. These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.
- 8.109 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).

- 8.110 Additionally, local authorities only have the right to request M4(3)(B) Accessible compliance from homes for which they have nomination rights i.e. affordable tenures. They can request M4(3)(A) Adaptable compliance from the wider (market) housing stock.
- 8.111 M4(3)A Adaptable and M4(3)B Accessible compliance refers to Part M of the Building Regulations. Part M makes a distinction between wheelchair accessible (a home readily useable by a wheelchair user at the point of completion) and wheelchair adaptable (a home that can be easily adapted to meet the needs of a household including wheelchair users) dwellings (PPG, Housing: optional technical standards, Ref ID 56-009).
- 8.112 To meet the identified need we would, therefore, recommend that the Councils seek 10% of all new market homes to be M4(3)A(adaptable) compliant and 25% M4(3)B (accessible) compliant in the affordable sector. These figures reflect the fairly narrow range identified between the different local authorities (4 -7% of market and 13-22% market). It also recognises that not all sites would be able to deliver homes of this type.
- 8.113 It is worth noting that the Government is currently consulting on changes to the way the needs of people with disabilities and wheelchair users are planned for. This comes as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds.
- 8.114 One of the policy options tabled in the consultation paper is to remove M4(1) altogether, so that all new homes will have to at least have the accessible and adaptable features of an M4(2) home. M4(3) would apply where there is a local planning policy in place in which a need has been identified and evidenced. This is consistent with the evidence presented in this report, although the trade-off identified in the consultation paper between viability and the need to deliver sufficient numbers of market homes to meet general housing needs is unavoidable.

8.115 The viability challenge is particularly relevant for M4(3)(B) standards. As shown in the table below, these standards make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the viability of delivering all or any of a policy target.

Table 115: Access cost summary

Standard	1-bed apartment	2-bed apartment	2-bed terrace	3-bed semi-detached	4-bed semi-detached
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) - adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) - accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, Housing Standards Review for DCLG, 2014 (Table 45)

8.116 A further option for the Councils would be to consider seeking a higher contribution of M4(3) homes where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size i.e. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Older and disabled people need – Key messages and recommendations

- There is projected to be a 55% increase in the population aged 65 or over between 2020-2040 across the HMA (potentially accounting for 50% of total population growth).
- Based on prevalence rates and the identified population growth of those aged 75 or over we have identified the need for different types of older person accommodation.
- **Recommendation: The need for the following levels of older person accommodation by self-contained units and bed-spaces is identified (on the basis of the requirements of individual people) and should be planned for across the HMA:**

Type	Tenure	2040 Need
Housing with support	Rented units	591
Housing with support	Leasehold units	7,978
Housing with care	Rented units	1,696
Housing with care	Leasehold units	2,798
Care bed-spaces	-	8,515

- The data shows that in general, Cambridgeshire and West Suffolk have slightly lower levels of long term health problems and disability compared to the region and country. However, an ageing population will lead to an increase in the number of people requiring specialist accommodation in the future.
- The number of older people with dementia is expected to increase by 76.2% from 2020 to 2040. There are also significant increases projected for those with mobility problems (65.6% increase over the same period).
- Using data from the ONS and the English Housing Survey (EHS) there is a current and projected need for 8,278 wheelchair user dwellings to 2040 across the HMA. This equates to 8.9% of the total Local Housing Need across the HMA with some variation by area (from 6.4% in Cambridge, up to over 11.7% in West Suffolk).
- Drawing this information together there is a need to increase the supply of M4(2) accessible and adaptable dwellings and M4(3) wheelchair user dwellings. In seeking

M4(2) compliant homes, the Councils should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a health problem or disability at the time of initial occupation.

- **Recommendations: All new homes should be M4(2) compliant. Where possible the Councils should also seek 10% of all new market homes and 25% of affordable homes to be M4(3) compliant.** Higher numbers may also be considered but in all cases the numbers applied in policy should be viability tested.
- The higher policy suggestion than the identified need and its application across the whole HMA reflects several issues including the narrow range of need between the various local authorities, the fact that such policies can only be applied to affordable homes and the higher prevalence of wheelchair use within the social rent sector.

9 Student accommodation

- 9.1 According to Paragraph 4 of the PPG concerning the Housing Need of Different Groups (Reference ID: 67-004-20190722), local authorities are required to plan for “sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus”. To do this, they are advised: “to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area”.
- 9.2 In this section, we analyse the student needs across the HMA with an emphasis in Cambridge and South Cambridgeshire as these administrative areas house predominantly the needs raised from the University of Cambridge and Anglia Ruskin University (Cambridge Campus).
- 9.3 The University of Suffolk also has a small campus in Bury St Edmunds but the Higher Education Statistics Authority (HESA) does not provide information down to a campus level. Furthermore, the campus has only been open since 2011 and would not have been picked up by the census hence there is no data for this establishment within the study area.
- 9.4 Over 700 students study at the campus and there is no accredited student accommodation in Bury St Edmunds. This is likely to mean that there is a minor impact on the local housing market from these students.

University of Cambridge

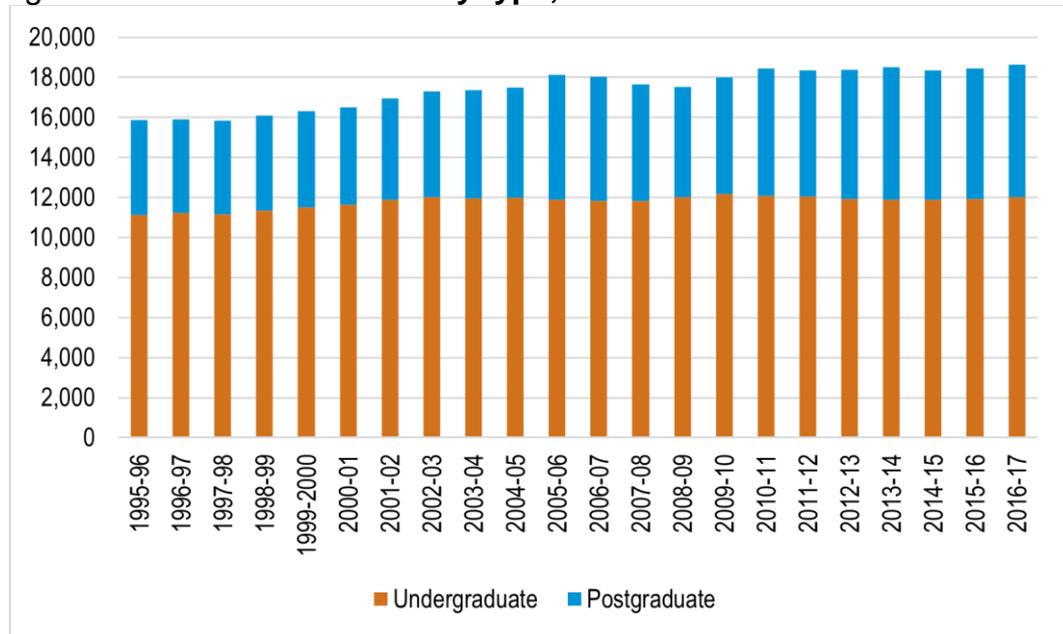
- 9.5 The University of Cambridge is the second oldest university in England and one of the top universities in the world. The University is formed from a variety of institutions including 31 Colleges and 150 departments, faculties, schools, syndicates, and other institutions. The University has more than 18,000 students and over 11,000 staff and personnel.

- 9.6 The West Cambridge and North West Cambridge (Eddington) Developments constitute key expansions for the Greater Cambridge area and aim to meet the growing needs for the University, its students and personnel as well as addressing some wider community needs.
- 9.7 The University has started considering proposals to create a development and property management entity to provide more effective management of the University's expanding non-operational estate (i.e. land and property held for the general purposes of the University, such as residences) since December 2018. This new entity would enable the University to enlist itself with the detailed design, costing, delivery and ongoing management of the non-operational estate.

Student headcounts

- 9.8 The University of Cambridge publishes Student Statistics, Facts and Figures annually. Data is available up to the 2016/17 academic year. The figure below shows the growth in full-time students between 1995 and 2017.
- 9.9 There has been a growth from 15,870 to 18,620 full-time students since 1995, representing a 17% increase in students' headcount. Over the last 10 years the number of full-time students has remained quite stable with only a 3% increase being recorded since 2005/06.
- 9.10 The growth in the total full-time student number is mainly related to Postgraduate students' admissions that have seen an increase of 38% since 1995. The equivalent for undergraduates is 8% for the same period.

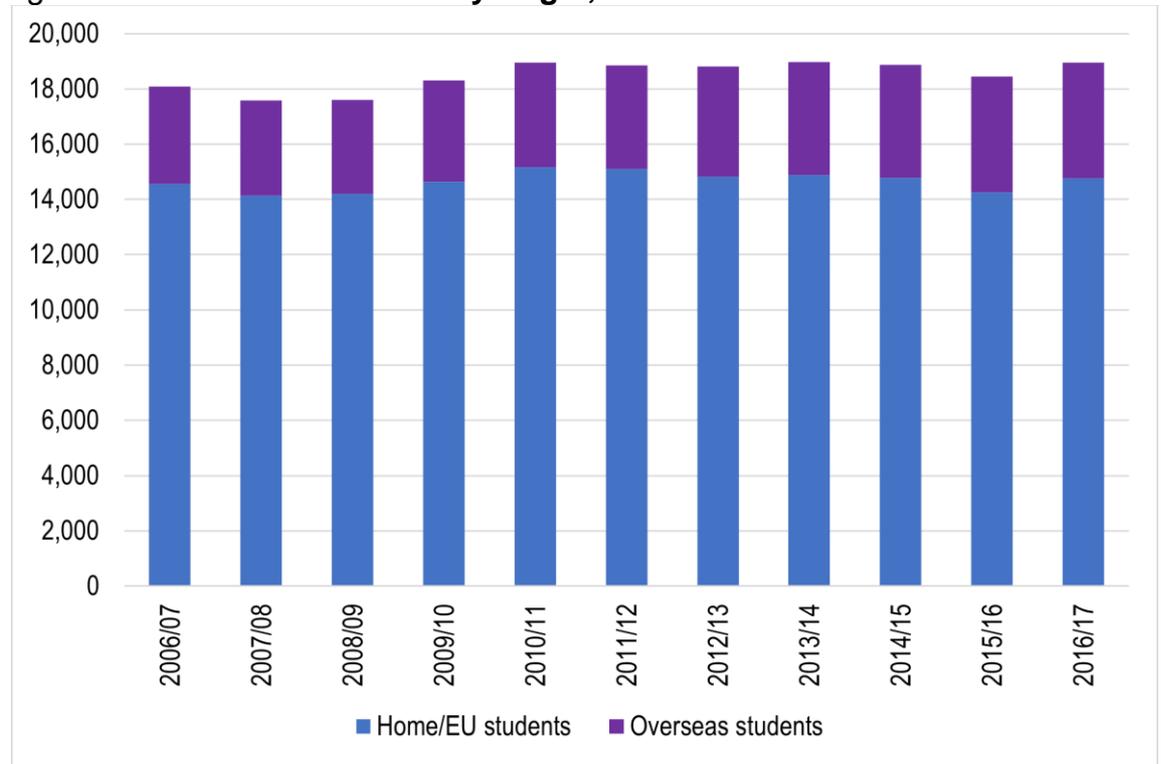
Figure 32: Full-time students by type, 1995-2017



Source: University of Cambridge – Student Statistics

9.11 The figure below shows the split between Home/EU and Overseas Students for the 2006-17 period. The split has roughly remained unchanged with around 78-80% of the students being either from the UK or EU and 20-22% being from overseas across the whole period of this analysis. This may change in future as a result of Brexit although the University attracts many more international students from outside of the EU than most other universities.

Figure 33: Full-time students* by origin, 2006-2017



Source: University of Cambridge – Student Statistics *figures include postgraduate researchers, together with undergraduate and postgraduate students.

West and North West Cambridge developments

9.12 The Board of the West and North West Cambridge Estates (BWNWCE) is responsible for the management and operation of the North West Cambridge Development, known as Eddington, and the West Cambridge site. Its purpose is to deliver quality, affordable accommodation for staff in a sustainable and vibrant community, to attract and retain the best people to the University.

9.13 During 2018–19, the final key worker accommodation within Phase 1 of the Eddington development was handed over to the University for occupation. Over 700 key worker properties are now occupied, and the first private residents have joined the community, taking the Eddington population to approximately 1,600 people. The occupancy rate on University key worker housing is consistently above 99.5% and there is a waiting list for these key worker homes at Eddington.

- 9.14 Storey's Field Centre is delivering a community programme. Public festivals, tours, and open events have attracted large numbers of visitors to Eddington. Planning permission for a hotel was granted in early 2019. Also, ongoing market engagement continues with developers and operators for further market housing and the care village.
- 9.15 In July 2019, the Student Council received the BWNWCE proposal for the procurement approach for Phase 2 of the North West Cambridge Development project. It agreed with the Board's proposal for a market tender exercise to provide greater cost certainty, and a preferred delivery route, for Phase 2.
- 9.16 The outcomes of the exercise will inform the development of the Phase 2 Business Case. The BWNWCE approved a Commercial Research Strategy in December 2018. The Strategy will mobilise opportunities for supporting entrepreneurship and innovation through developing commercial research space on the University's sites. The business case for the first phase focused on West Cambridge is being prepared.

Anglia Ruskin University

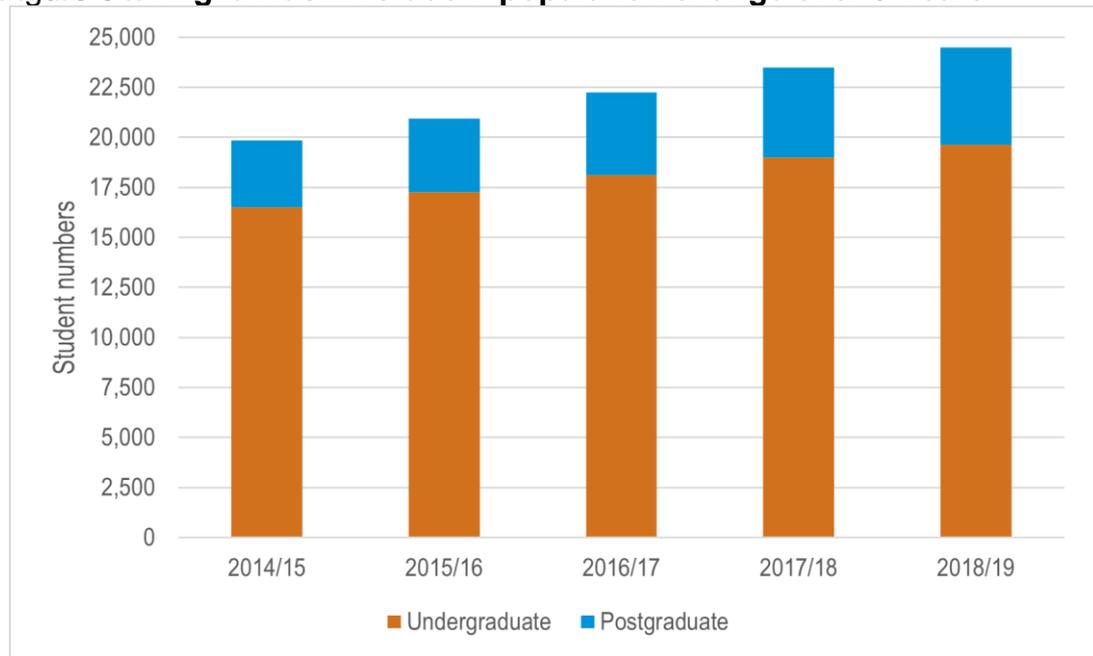
- 9.17 Anglia Ruskin University has a campus located in Cambridge as well as other campuses located in Chelmsford, Peterborough, and London. The Cambridge Campus is located off East Road towards the South East of Cambridge City.
- 9.18 The Cambridge Campus offers 237 courses and is home to the Economics School, Finance and Law School, Business School, Art School and Science Centre.

Student headcounts

- 9.19 Data for Anglia Ruskin University is not available through the University's website therefore we sought to analyse data from the Higher Education Statistics Agency (HESA). HESA is the official agency for the collection, analysis, and dissemination of quantitative information about higher education in the United Kingdom. It reports students' numbers from 2014/15 up to 2018/19.

9.20 The student numbers for Anglia Ruskin University (across all campuses) are shown in the figure below. Over the last 5 years, there has been an increase of 23% in student numbers for Anglia Ruskin University with a 17% increase in undergraduate students and a 46% increase in postgraduates.

Figure 34: Anglia Ruskin student population change over 5 Years

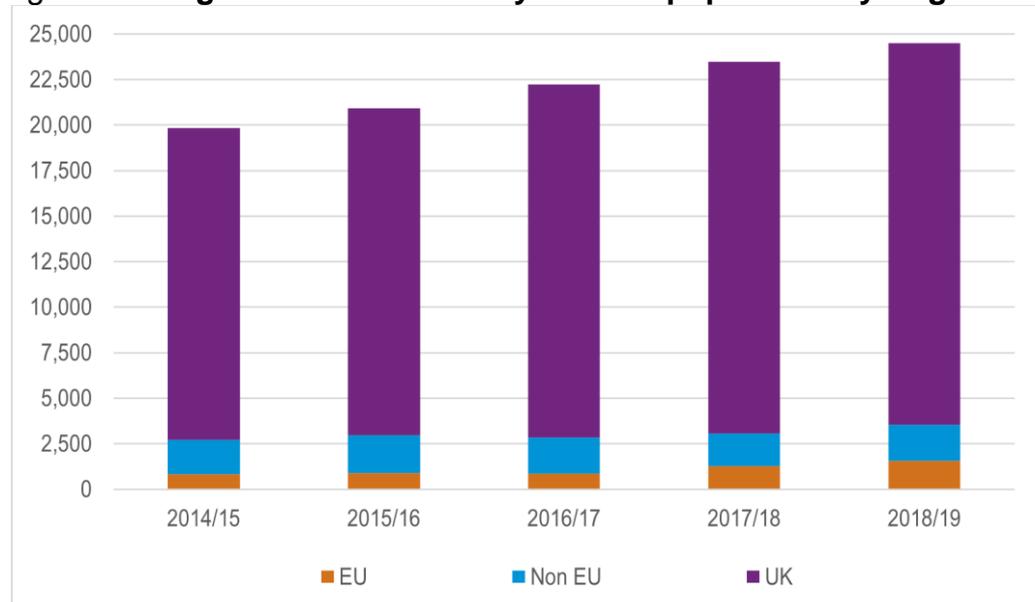


Source: HESA, 2020

9.21 The figure below shows the split of students who are from the UK, EU, and Non-EU countries from 2014/15 to 2018/19. UK students represent the vast majority (86%), followed by 8% of non-EU and 6% of EU students.

9.22 EU student numbers have seen a growth of 86% across the five years growing from 835 students in 2014/15 to 1,555 in 2018/19. Brexit could impact these numbers in the forthcoming years. Non-EU origin students have grown by 5% across the same period.

Figure 35: Anglia Ruskin University student population by origin



Source: HESA, 2020

9.23 Although no detailed data exists for the Cambridge Campus solely, we have sought to review the [Anglia Ruskin University Student Snapshots](#). According to the most recent data (December 2017), the Cambridge Campus has 9,425 students, representing around 40% of all Anglia Ruskin students.

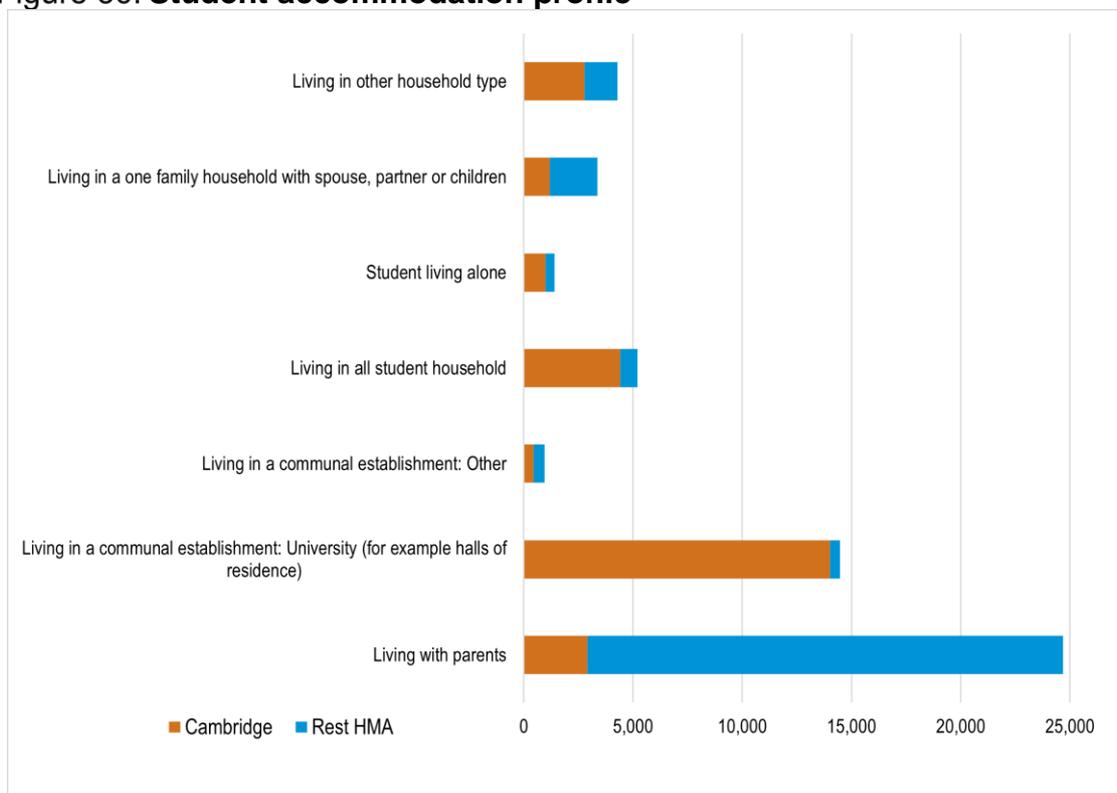
Current student accommodation profile

9.24 We have sought to initially use Census 2011 data to analyse the student accommodation arrangements across the study area. Although this data is somewhat dated, it can provide a sense of how students are housed across the HMA.

9.25 For reference, the student population of the University of Cambridge in 2011 was around 18,340 full-time students (University Statistics for 2011, no data available for Anglia Ruskin). According to the 2011 Census, 14,000 students were residing in communal establishments in Cambridge, representing 52% of the students aged 16 or more in Cambridge.

9.26 The graph below shows the accommodation types of students over 16 years old in Cambridge and the rest of the HMA, this would include students still at school or sixth-form colleges. Over 4,400 (17%) students reside in all student households and 2,920 (11%) lived with their family in the City. The 2,770 students (10%) in Cambridge who live in other household types are likely to live in houses of multiple occupation (HMO) with non-students.

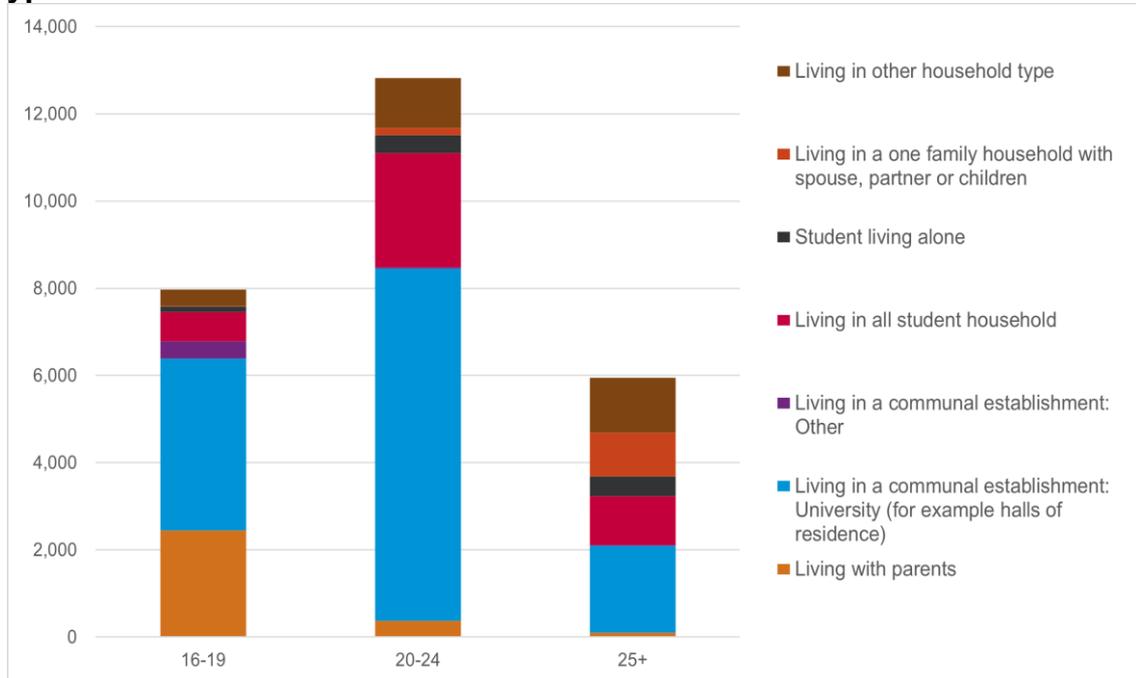
Figure 36: **Student accommodation profile**



Source: Census 2011, DC6108EW

9.27 The figure below disaggregates the accommodation type by age cohort for Cambridge. Most students (56%), as expected, are between 20 and 24 years old. For this category, 63% reside in University Halls and 20% in student households. In absolute terms, these two subcategories relate to 10,700 students.

Figure 37: Profile of Students in Cambridge by age and accommodation type



Source: Census 2011, DC6108EW

9.28 The table below sets out how each age group breaks down into the different accommodation types for Cambridge and the HMA. The students (aged over 16 years old) outside Cambridge mainly reside with their families. Most of those students living with their families likely attend the other HMA Colleges.

Table 116: Student accommodation in Cambridge and HMA

Household Type	Cambs	Cambs	Rest HMA	Rest HMA	HMA	HMA
Living with parents	2,920	11%	21,775	79%	24,695	45%
Living in a communal establishment: University (for example halls of residence)	14,006	52%	473	2%	14,479	27%
Living in a communal establishment: Other	447	2%	493	2%	940	2%
Living in all student household	4,418	17%	788	3%	5,206	10%
Student living alone	989	4%	406	1%	1,395	3%
Living in a one family household with spouse, partner or children	1,182	4%	2,184	8%	3,366	6%
Living in other household type	2,770	10%	1,511	5%	4,281	8%
All categories: Student accommodation	26,732		27,630		54,362	

Source: Census 2011, DC6108EW

- 9.29 The table below shows the change in student accommodation types between 2001 and 2011 (based on Census results). There has been a decrease of 16% in students living alone which can be a result of the decreasing affordability and the increasing housing values in Cambridge. In any case, the absolute figures are small (i.e. 185 households decrease).
- 9.30 The most significant change has been recorded to those living in another household type (49%) including those who live with their spouse, partner or children and others who live in an HMO with non-students. This is again reflective of the increasing housing values together with the increasing demand in the housing market that pushes students to rent privately.

Table 117: Change by accommodation type, 2001-11

Household type	Camb ridge (chan ge 2001- 11)	Rest HMA (chan ge 2001- 11)	HMA (change 2001-11)	Cambri dge (change 2001-11 %)	Rest HMA (change 2001-11 %)	HMA (change 2001-11 %)
Living with parents	395	6,062	6,457	16%	39%	35%
Communal establishment:	2,734	157	2,891	23%	19%	23%
All student household	705	401	1,106	19%	104%	27%
Student living alone	-185	118	-67	-16%	41%	-5%
“other” household type	1,297	1,375	2,672	49%	59%	54%
Student accommodation	4,946	8,113	13,059	23%	42%	32%

Source: Census 2011, DC6108EW and Census 2001, ST063

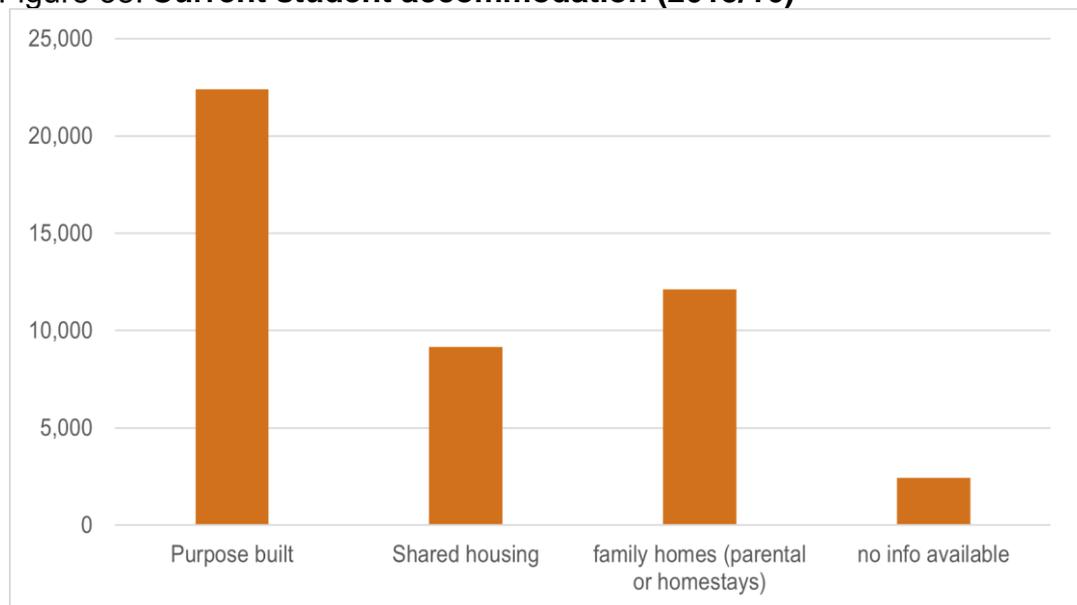
- 9.31 The communal establishment accommodation has seen an increase of 23%. This is translated into 2,734 more communal households in Cambridge since 2001. The University of Cambridge since 2011 continues to invest in student accommodation and we analyse below recent findings.

Cambridge Centre for Housing and Planning Research

- 9.32 Cambridge City Council commissioned the Cambridge Centre for Housing and Planning Research (CCHPR) of the University of Cambridge in 2017 to produce a study for the provision of student accommodation and its impact upon housing needs. We summarise in this section the findings of the research with regards to the current and future student accommodation plans.
- 9.33 The study concludes the following points regarding the current student accommodation (baseline year 2015/16):
- As noted earlier, there have been an estimated 46,132 students in Cambridge with a need for some form of accommodation. Of these,
 - 22,410 are housed in Purpose-built student accommodation;
 - an estimated 9,157 are in shared housing;
 - 12,129 are in existing family housing (either in the parental home or 'homestays'); and
 - there is no information for 2,436 students.
 - 91% of undergraduates and 55% of postgraduates at the University of Cambridge are in University or College maintained accommodation, compared to 11% of undergraduates and 15% of postgraduates at Anglia Ruskin University.
 - Anglia Ruskin University is therefore currently dependent upon housing 4,285 undergraduates and 785 postgraduates in shared housing, a total of 5,070 students, occupying at least 1,000 shared houses, assuming an average of 5 students to each shared house.
 - The position is reversed for the University of Cambridge, where only 729 undergraduates are housed in shared existing housing, but 3,003 postgraduates are accommodated in shared existing housing, occupying at least 600 shared houses, again assuming an average of 5 students to each shared house.
 - The non-university educational institutions have very little directly owned accommodation (750 bed-spaces among 15,420 students) but make extensive use of private halls (3,836 bed-spaces, or 82% of all student accommodation in private halls).

- The non-university institutions also house 4,390 students in ‘homestay’ accommodation, and a further 5,304 are living in the parental home (mainly Cambridge Regional College students).
- Students at the non-university institutions also make little use of shared housing, with only 355 students accommodated in shared housing, or only 2% of the total number of non-university institution students.

Figure 38: Current student accommodation (2015/16)



Source: University of Cambridge – CCHPR study

9.34 The study estimated that the amount of purpose-built student accommodation that would be needed to accommodate all of the students who are not currently housed by their educational institution or living in existing family housing is 8,802 bed-spaces. A reduction was, however, applied to this figure to reflect mature students being unlikely to live-in purpose-built student accommodation. This produced a revised current need of 6,085 bedspaces. If delivered, this would release all shared houses currently occupied by the students onto the open market of the City.

Future growth

- 9.35 Research suggests that Anglia Ruskin University is planning to remain at the same student numbers in Cambridge over the next 5 to 10 years. Pre-COVID the University of Cambridge's planning framework envisages undergraduate growth of 0.5% per year for the next 10 years and postgraduate growth of 2% per year. This growth is estimated to result in a need for 2,874 additional bed-spaces by 2026.
- 9.36 The CCHPR study concludes that a total of 8,959 student rooms would need to be built in purpose-built student accommodation (PBSA) by 2026 to meet the current (6,085) and future (2,874) demand.
- 9.37 If we forecast the same annual growth rates up to the 2040/41 academic year (to cover the plan period up to 2040), then the student body will increase by 5,501 students. In total there will be just under 24,000 students. However, it should be stressed that for plan-making purposes this figure assumes continued growth beyond 2026 which the University strategy does not currently project / necessarily do.

Table 118: Need for additional student bedspaces (2016/17- 2040/41)

Student Type	2016-2017	2040-2041	Increase	% Students in purpose built student accommodation	Additional Students in PBSA purpose built student accommodation
Undergraduate	11,926	13,443	1,517	91.0%	1,380
Postgraduate	6,548	10,532	3,984	55.0%	2,191
Total	18,474	23,975	5,501	64.9%	3,571

Source: GLH analysis based on CCHPR study

- 9.38 Assuming students' accommodation requirements remain the same in 2040/41 as reported in the CCHPR study as in 2015/16, this would be 91% of undergraduates and 55% of postgraduates living in University or College maintained accommodation, and the rest living with their parents or in shared accommodation or with their families (particularly older students and post-graduate students). This is supported by the findings of the CCHPR study that notes that postgraduate students are more likely than undergraduates to be accommodated in self-contained flats or homes and less likely to be accommodated in bedrooms with shared facilities.
- 9.39 This suggests an additional 3,571 bed-spaces in purpose-build student accommodation to keep up with the growth in student numbers.
- 9.40 The remaining 1,930 students not in PBSA will have to be occupied in the wider housing stock. This group will be accounted for in the housing need in part through the household projections which will pick up trends in students not in institutional accommodation (although as the household projections are not broken down by economic activity the extent of this cannot be known) as well as the additional homes from the affordability adjustment which it can be reasonably assumed will include students moving to the area in higher numbers.
- 9.41 As at the 31 March 2016, there were 1,281 student bed-spaces in the planning pipeline according to the University's research (we assume this figure includes the 325 en-suite bedrooms provided in Swirles Court, Eddington phase 1) resulting in a net need for around 2,290 bed-spaces when calculated against the future need.
- 9.42 The Greater Cambridge authorities should plan to deliver a level of PBSA which is at least in line with the net need based on the pipeline supply and anticipated growth of the University's student body and their likely requirement, meaning 2,290 bedspaces. The Councils should also encourage further delivery up to 6,085 bed spaces to encourage the release of shared housing back into the wider housing stock.

- 9.43 Any development being proposed which relates to PBSA should be judged on its merits alongside an assessment of local demand. The developer should also demonstrate an agreement with a higher education provider.
- 9.44 As regards how student housing counts towards the fulfilment of the Council's housing target, the formula is to divide the net increase in bedrooms in student communal accommodation by the average number of students in student only households in England (2.5) as set out in the Housing Delivery Test Rulebook. In the event 6,085 bedspaces were provided, this would equate to 2,434 dwellings.

Student Accommodation – Key messages and recommendations

- The University of Cambridge and the Cambridge Campus of the Anglia Ruskin University are located within the HMA. The University of Suffolk also has a small campus in Bury St Edmunds.
- We have analysed data from HESA and available online statistics from the universities websites together with the 2017 Student Accommodation Study undertaken by the CCHPR covering the 2016-26 period.
- The research suggests that Anglia Ruskin University is planning to remain at the same student numbers in Cambridge over the next five to ten years.
- The University of Cambridge's current planning framework envisages an expansion in undergraduate numbers of 0.5% per year for the next ten years and postgraduate numbers of 2% per year.
- The research concludes that a total of 8,959 student bedspaces would need to be built in purpose-built student accommodation by 2026 to meet the current (6,085) and future (2,874) demand.
- Assuming that the same annual growth rates and occupation patterns continue up to the 2040/41 academic year, 3,571 student rooms in purpose-built accommodation will be required if all the future student need is to be met.
- **Recommendation: The Greater Cambridge authorities should plan to deliver a level of purpose built student accommodation which is at least in line with the growth of the Universities student body (3,571 bedspaces by 2040). It should also encourage further delivery (up to 6,085 bed spaces) to encourage the release of shared housing back into the wider housing stock.**

- Based on the adjustment set out in the Housing Delivery Test rule book the provision of 3,571 and 6,085 student bedspaces will contribute 1,428 and 2,434 dwellings respectively to the fulfillment of the Councils' housing need figures.
- Any development being proposed which relates to purpose built student accommodation should be judged on its merits alongside an assessment of local demand. The developer should also demonstrate an agreement with a higher education provider.

10 Housing needs of other groups

10.1 In this chapter, we present the housing need of other groups including people who rent their homes, people who want to build their own homes and service families.

People who rent their homes

10.2 This section of the report responds to Paragraph 2 of the PPG (Reference ID: 67-002-20190722) concerning the PRS needs which states:

“Tenure data from the Office for National Statistics can be used to understand the future need for PRS housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for PRS housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.”

10.3 The private rental sector (PRS) has grown significantly between the 2001 and 2011 censuses with Cambridgeshire and West Suffolk seeing a growth of 101%, slightly below those of England (107%) and East of England region (111%).

Table 119: Change in privately renting

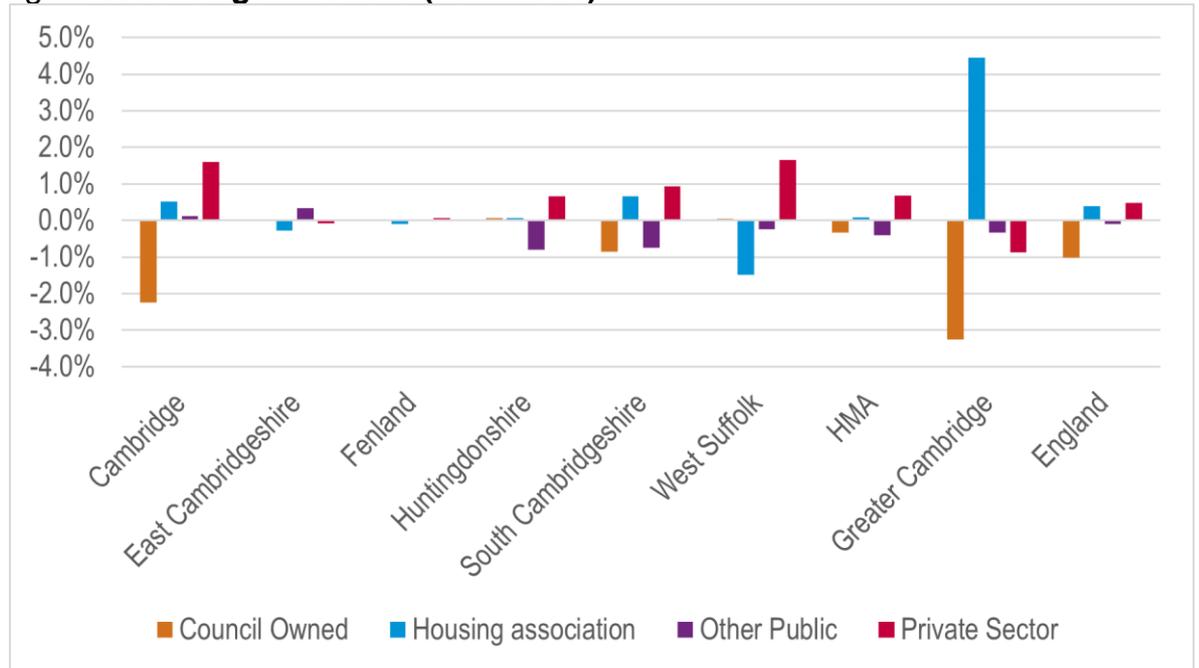
Area	2001 No.	2001 %	2011 No.	2011 %	Change	% Change
Cambridge	7,295	17.1%	12,258	26.2%	4,963	68%
East Cambs	2,364	7.9%	4,576	13.2%	2,212	94%
Fenland	2,647	7.5%	6,341	15.6%	3,694	140%
Huntingdonshire	4,739	7.5%	9,770	14.1%	5,031	106%
South Cambs	3,369	6.5%	7,174	12.0%	3,805	113%
Forest Heath	3,016	13.1%	6,195	24.4%	3,179	105%
St Edmundsbury	3,036	7.5%	6,798	14.8%	3,762	124%
West Suffolk	6,052	9.5%	12,993	18.3%	6,941	115%
HMA	26,466	9.2%	53,112	16.5%	26,646	101%
East of England	168,985	7.6%	356,227	14.7%	187,242	111%
England	1,798,864	8.8%	3,715,924	16.8%	1,917,060	107%

Source: ONS Census 2001 KS018 and 2011 QS405EW

10.4 Within the HMA the largest percentage growth was in Fenland (140%), followed by West Suffolk (115%) – in particular, former St Edmundsbury (124%) – although in absolute terms the growth has been largest in Huntingdonshire (5,031).

10.5 Despite not being as detailed as the Census data, information from ONS provides an update for 2019. As the figure below illustrates across the HMA there were only modest changes in tenure. The most notable of which was a 0.7% increase in private rented housing.

Figure 39: **Change in tenure (2011-2019)**



Source: ONS, Table 100 dwelling stock: number of dwellings by tenure; 2019

10.6 There were more notable differences at a local authority level particularly in Cambridge. According to the dataset, there was a decrease in Council-owned housing stock with an increase in the private sector and housing association homes.

10.7 Another dataset provided by ONS is the sub-national dwelling stock by tenure estimates. This data only breaks down the privately held stock between owner-occupied and privately rented and is over a slightly different timeframe. Importantly, these are not official statistics, therefore, cannot be relied upon in the same way.

10.8 As the table below illustrates there has been a growth in both Owner Occupation and the PRS, with the latter seeing a more notable growth.

Table 120: Change in private tenures (2012-2018)

Local authority	Owner occupied (2012)	Privately rented (2012)	Owner occupied (2018)	Privately rented (2018)	Owner occupied (percentage change from 2012 to 2018)	Privately rented (percentage change from 2012 to 2018)
Cambridge	23,862	13,208	21,775	20,245	-8.7%	53.3%
East Cambridgeshire	25,884	5,156	25,776	6,344	-0.4%	23.0%
Fenland	28,125	8,785	30,088	8,932	7.0%	1.7%
Huntingdonshire	51,212	11,548	55,260	10,260	7.9%	-11.2%
South Cambridgeshire	42,265	11,235	47,698	9,762	12.9%	-13.1%
West Suffolk	43,204	18,296	50,043	16,397	15.8%	-10.4%
Greater Cambridge average	66,127	24,443	69,473	30,007	5.1%	22.8%
HMA average	280,679	92,671	300,113	101,947	6.9%	10.0%

Source: ONS, Sub-national dwelling stock by tenure estimates, 2018

- 10.9 At a local authority level there has been a significant percentage growth in the PRS in Cambridge and a lesser percentage growth in East Cambridgeshire. However, there was a percentage decline in all other local authorities.

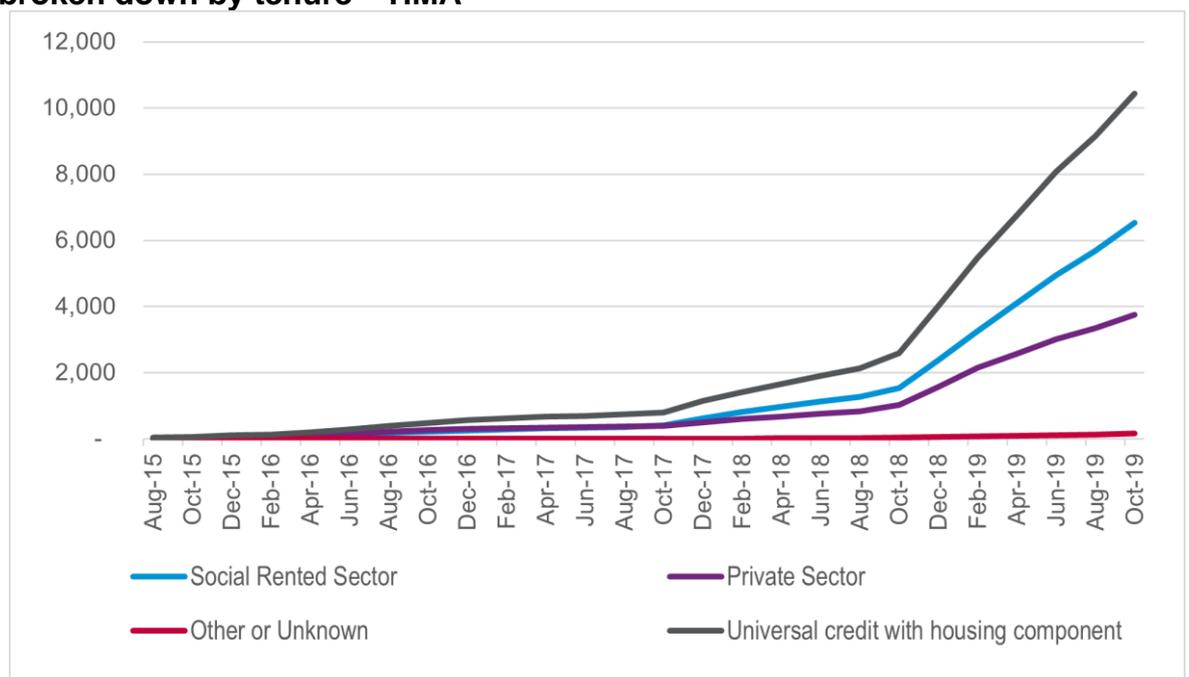
Benefit claimants

- 10.10 Further analysis has been carried out to look at the number of housing benefit claimants in the PRS. This indicates the number of people who are using the sector as a form of subsidised housing, and in many cases will be living in private rented accommodation due to a lack of social or affordable rent housing.
- 10.11 It should be noted that some of these households may be in the sector through choice whilst others may be forced to use the sector if they are excluded from the Housing Register (e.g. due to rent arrears) or through lack of adequate supply. The figure below includes the Universal Credit claims where there is a housing entitlement in the PRS.

10.12 According to Department for Work and Pensions statistics, the number of people on Universal Credit nationally has doubled in the year between October 2018 and October 2019. This largely reflects the transition from other benefits such as housing benefit to Universal Credit. There may also have been a substantial increase in benefit claimants since 2019 as a result of the COVID-19 pandemic.

10.13 The analysis shows that the number of claimants in the PRS tripled from 1,031 in October 2018 to 3,754 in October 2019 (264%). The number of social rented claimants increased by 325% for the same period. The effect of the COVID-19 pandemic is likely to have increased need for dwellings for social rent from 2019 to 2021.

Figure 40: Number of Universal Credit claimants with housing component broken down by tenure – HMA



Source: Department of Work and Pensions

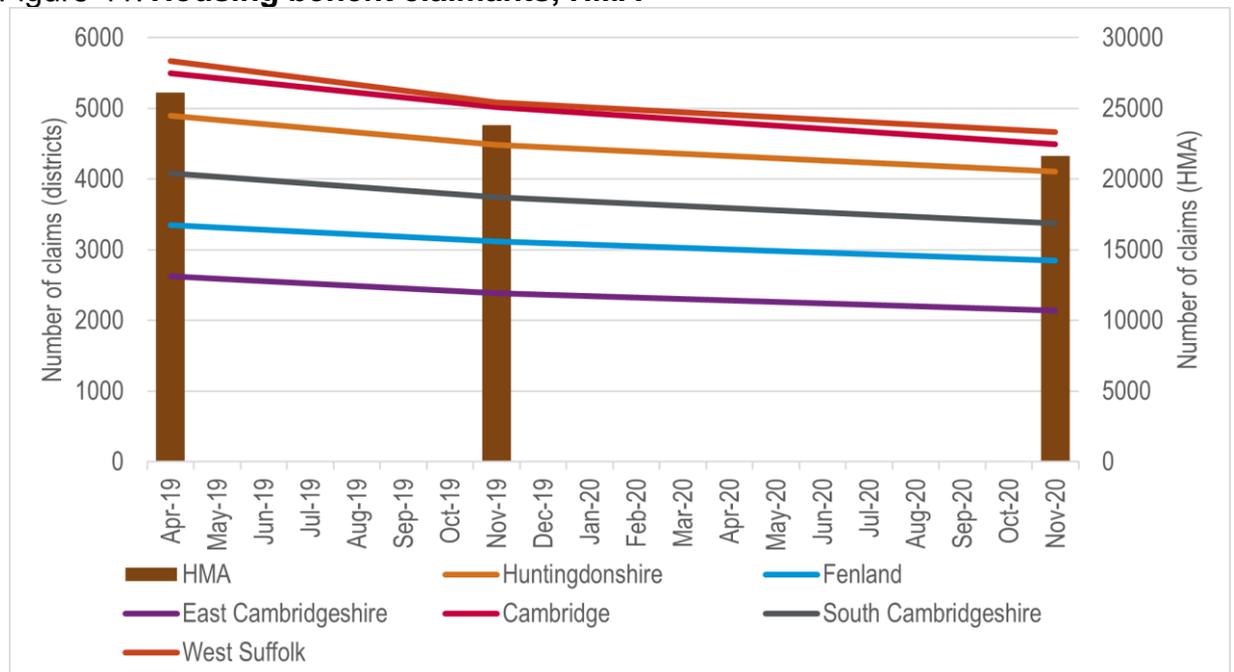
10.14 As of October 2019, a total of 10,441 Universal Credit Claimants who qualify for the housing component reside in the HMA. Of those 6,525 (62%) are social tenants and 3,754 (36%) are private tenants. This demonstrates the important role that the PRS has in providing accommodation for those who cannot afford to pay full market rent.

10.15 The figure below shows the change in the number of housing benefit claimants over the period April 2019 to November 2020. Over the 8 month period from April to November 2019, the HMA saw a reduction of 2,278 claims, or around 285 per month.

10.16 This compares with an increase of 3,679 in claims for Universal Credit (that includes the housing component) over the period April 2019 to October 2019 (as shown in Figure 40), a monthly increase of 526 each month. This indicates net new claims (allowing for Housing Benefit transfers) of 241 per month. Again, it is worth noting that the COVID-19 pandemic is likely to have increased this rate of increase still further.

10.17 The largest numbers of Housing Benefit claimants are in the authorities with the largest populations of West Suffolk, Cambridge and Huntingdonshire. Conversely, the lowest number is East Cambridgeshire.

Figure 41: **Housing benefit claimants, HMA**



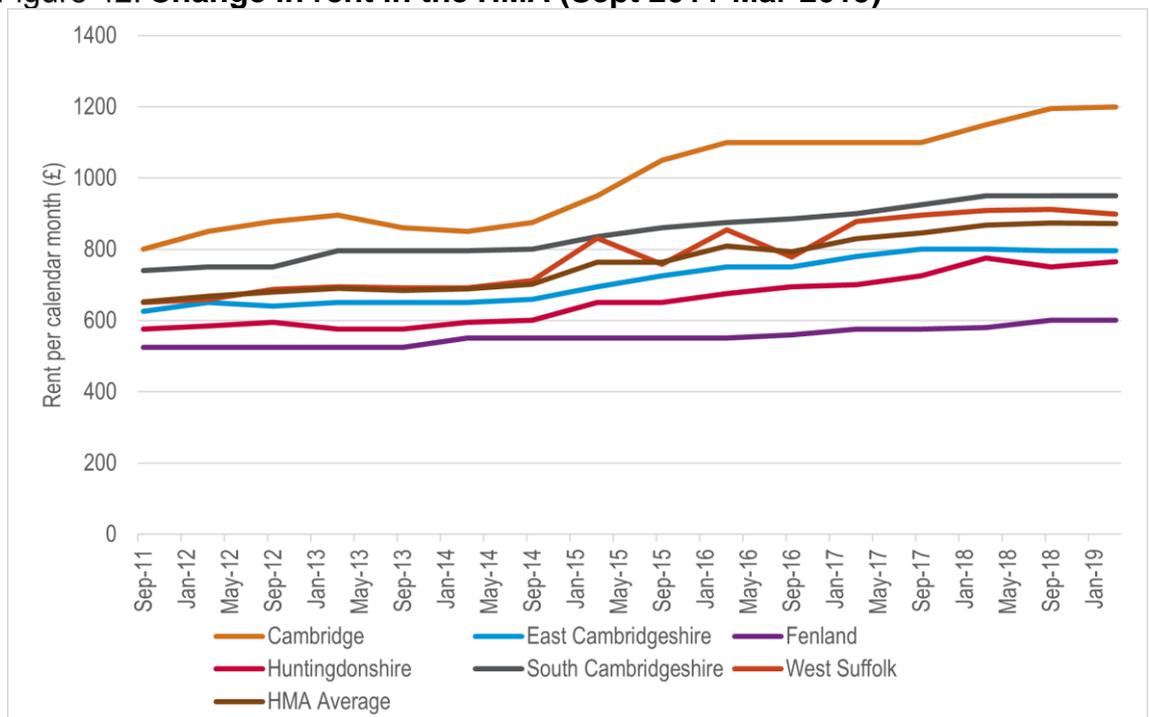
Source: Department for Work and Pensions

Demand for PRS

10.18 This study has not attempted to estimate the need for additional private rented housing. Likely, the decision of households as to whether to buy or rent a home in the open market is dependent on several factors which means that demand can fluctuate over time; this would include mortgage lending practices and the availability of housing related benefit.

10.19 A general (national and local) shortage of housing is likely to have driven some of the growth in the PRS, including increases in the number of younger people in the sector, and increases in shared accommodation. The figure below sets out the change in rents across the HMA between 2011 and 2019. The increase over time (34% in the HMA as a whole) points to a substantial increase in demand for rented accommodation.

Figure 42: Change in rent in the HMA (Sept 2011-Mar-2019)



Source: VOA

- 10.20 If the supply of housing at the right prices and in the right locations increases, then this potentially means that more households who would otherwise be renting would be able to buy. This is particularly the case if the supply of affordable home ownership products, which is essentially targeted at those currently renting, increases. This is a further consideration for the Councils in deciding the split of affordable housing tenures being sought.
- 10.21 Schemes such as Help to Buy has also helped support the number of people to buy instead of rent. The Help to Buy scheme was due to close in March 2021, but has now been extended to April 2023.
- 10.22 Earlier in this report the need for those requiring an affordable home ownership (AHO) product was identified. We also noted that given the finite supply of affordable homes of any tenure then the Councils will need to decide what levels of affordable home ownership or Social and Affordable Rental products to request in policy. If the Councils prioritise the latter then it is possible that there would be an unmet need from those requiring affordable home ownership products.
- 10.23 Part of this unmet need could be addressed through the delivery of further PRS homes either from institutional supply or from ad-hoc buy to let investors. Affordable private rent opportunities in institutional private rented sector schemes can play an important role here. Although it should be noted that the majority of these households will already be in PRS accommodation and it is only the newly forming households and those households that fall into need that would require additional PRS accommodation.
- 10.24 There will also be additional newly forming households that are not in affordable housing need that may decide to rent privately. This may be for a number of reasons including but not limited to; those only staying in the area for a short term stay such as contractors or academics or students, those who could afford a mortgage but cannot raise a deposit, those that cannot access mortgages due to poor credit and those with a preference for renting.

Build To Rent (BTR) sector

- 10.25 The UK Government defines the BTR sector as purpose-built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development. Schemes usually offer longer tenancy agreements of three years or more and will typically be professionally managed stock in single ownership and management control.
- 10.26 BTR schemes can be important in supporting housing delivery in times of economic and housing market uncertainty as investors base their investment decisions on the long-term prospects for housing demand.
- 10.27 Unlocking the Benefits and Potential of BTR (British Property Federation, 2017) identifies that the BTR model offers an additional sales outlet from the build to sell model. It provides more certainty of an end-buyer for housing developments, by selling to a management company, which helps de-risk schemes. It is particularly helpful on larger developments, where there are multiple phases of development. Often BTR sites on their own require substantial capital commitment and without substantial third-party investment, they do not progress. BTR can on these larger developments accelerate delivery because a developer or house builder can deliver stock for both open market sale and market rent concurrently. However, barriers to a BTR scheme include:
- Access to suitable stock for conversion or land;
 - Low risk-adjusted yields in the form of capital growth rather rental income;
 - As an emerging sector there is a lack of investor experience in the sector; and
 - The need for scale with a scheme of around 200-units termed by the industry as the “sweet spot” for management efficiency and investor purposes.
- 10.28 The British Property Federation reports BTR schemes across the UK every quarter. Currently, there are 152,071 BTR units either completed or planned across the UK, including 40,180 completed, 35,415 under construction and a further 75,475 with planning permission. Of these units, 75,663 are located outside of London.

- 10.29 The Savills UK BTR Market Update for Q3 2020 states that the market had at that time, 50,800 completed units, 37,700 under construction and 84,000 in the development pipeline, a total of 172,500 units.
- 10.30 The report notes that around 88% of the operational stock was located in city centre flats but there had been a slight shift towards “housing led, family targeted” BTR schemes in suburban locations. This was on the belief that there is a wider PRS market for houses (63%) than for flats.
- 10.31 The Savills work also noted that the sector had bounced back from a Pandemic related slowdown. They also noted new entrants into the sector seeking longer term investment.
- 10.32 BTR is a growing market for some large hedge funds although at present the focus is on major urban locations. Cambridge is unusual in comparison to similarly sized regional cities as it currently has very few build-to-rent schemes under construction although there are a number of schemes that are being considered.
- 10.33 The BTR sector may increase in the forthcoming years as the Government has been targeting financial backing for purpose-built PRS schemes since 2012. This has helped to expand this sector in a range of cities and towns across the country.
- 10.34 Funding is still being committed at scale; for example, in August 2017 it announced £65m investment into the largest BTR site at the Wembley Park development in Brent, London, which will see 7,600 homes built, 6,800 of which will be for rent.
- 10.35 The British Property Federation, London First and UK Apartment Association (UKAA) recently published (February 2021) a report profiling those who live in build to rent accommodation in London. The report found that the capital makes up the bulk of the UK market, (47% currently, falling to 44% once the pipeline supply is included). This demonstrates a slight movement out of the capital.

10.36 Around 62% of residents of BTR schemes were aged between 25 and 34 compared with 47% in the wider PRS market. The remaining residents included 17% aged between 16 and 24 and 13% aged 35-44 both of which were below the corresponding values for the wider PRS market.

10.37 Within the local study area those aged between 15 and 44 are expected to grow by 43,903 between 2020 and 2040 based on the standard method. As the table below sets out, the largest growth is in South Cambridgeshire with the smallest growth in Fenland.

Table 121: Projected population growth in those aged 15-44

Local Authority	Population 2020	Population 2040	Change	% Change
Cambridge	74,843	80,859	6,015	8.0%
East Cambs	31,994	38,189	6,192	19.4%
Fenland	34,768	38,504	3,736	10.7%
Huntingdonshire	65,002	73,258	8,258	12.7%
South Cambs	56,995	69,648	12,654	22.2%
West Suffolk	66,554	73,604	7,048	10.6%
Greater Cambridge	131,838	150,507	18,669	14.2%
HMA	330,156	374,062	43,903	13.3%

Source: Demographic analysis

10.38 Within this group there will be those who will be able to buy a home separately and those that will not be able to afford to rent a home. The survey data also identified that incomes of those in BTR accommodation (excluding those in Affordable Private Rent accommodation) are similar to those in other PRS accommodation. As set out elsewhere in the report the gap between renting and buying in the HMA is those earning between £26,800 to £40,000 and that approximately 48.8% of those earners cannot afford market housing.

10.39 The survey also identified that typically BTR residents spend between 29% and 35% of their income on accommodation. This compares to 29% to 32% in the wider PRS demonstrating a willingness to pay slightly more. The affordability analysis set out herein assumes expenditure of between 28% and 35% so is broadly comparable.

- 10.40 It also noted that BTR had comparable levels of affordability but was notably more affordable for couples and sharers. This is perhaps reflected in the higher incidence of these household types within the BTR sector.
- 10.41 The report also identified similar levels of people working in the public and private sectors as the wider PRS market (around 85% in the private sector) across a similar cross section of industries to those in PRS. The most common industries included Finance and Insurance (25%), Other Services (20%) and IT and Communications (including marketing) (15%). Although this might be representative of London sectors and is not necessarily applicable to all areas.
- 10.42 Demand for this product is, however, still embryonic and it is therefore difficult to accurately predict its location and scale. Nevertheless, the Savills report is clear that developer interest has thus far concentrated in urban areas. Therefore we would expect any demand in the study area to focus on Cambridge and its immediately surrounding towns and villages in South Cambridgeshire (demand derived from affluent students, academics and young professionals).
- 10.43 There may also be demand in West Suffolk and Huntingdonshire (from military personnel) seeking greater security of tenure and a better quality product. These areas may benefit from the Councils allocating sites (or parts of larger sites) for build to-rent accommodation.
- 10.44 That said, where BTR is being proposed on a site in or outside these areas, this report recommends that the policy position is supportive, subject to the location and characteristics of the site and clear and up to date evidence of demand.
- 10.45 Planning Policy Guidance (BTR, Paragraph: 002 Reference ID: 60-002-20180913) sets 20% as a benchmark for the level of affordable private rent to be provided in any build to rent scheme, but allows for local authorities to set a different proportion in their Local Plan using evidence emerging from the local housing need assessment. This may help towards catering for some of the demand for affordable rental accommodation (subject to rent levels) set out elsewhere in this report.

- 10.46 The scale of the demand should also be monitored by examining the take up rate within schemes that come forward. This will act as a barometer for the scale of demand in the City. It may also indicate demand in the wider HMA which would result in the other local authorities having to develop a policy response.
- 10.47 As stated above, the Savills report demonstrates similar affordability ratios between income and rent paid in mainstream private rent and build to rent schemes.
- 10.48 That said, a JLL article, “Will tenants pay more rent for amenities?” estimated that BTR schemes in London are, on average, achieving a rental premium of 11% over their respective local markets. As rental and affordability information elsewhere in the report shows, there are a number of households in the PRS who can only just pay their rent. The potentially higher costs in BTR schemes are likely to be prohibitive to these households and to many of those eligible for social or affordable rents.
- 10.49 While it is noted that BTR can accelerate housing supply, an increasing interest in bringing BTR schemes forward (particularly in Greater Cambridge), may reduce the number of for-sale developments that deliver social/affordable rent and/or low cost home ownership.
- 10.50 Also, it is worth noting that if BTR delivers 20% of units as affordable private rent housing this may reduce the overall new supply of affordable housing in the event that an alternative for-sale scheme could have delivered a higher percentage.
- 10.51 Similarly, a 20% discount to market rents in BTR schemes may be insufficient to ensure that affordable private rent is affordable to eligible households in areas where rents are particularly high.
- 10.52 Therefore the Councils (particularly the Greater Cambridge councils) may wish to develop policy that seeks to increase the percentage of affordable private rent to be provided (subject to viability) justified by the need for affordable housing as set out in this report.

- 10.53 Similarly they may also wish to seek rent levels for affordable private rent discount that is greater than 20% discount (subject to viability) to help meet the need for affordable housing.

Self-build and custom-build housing

- 10.54 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of 'self-build and custom housebuilding' where individuals or associations of individuals (or persons working with or for individuals or associations of individuals) build houses to be occupied as homes for those individuals.

- 10.55 The Housing and Planning Act 2016 formally introduced the 'Right to Build'. This 2016 Act under the 'duty to grant planning permissions etc' section placed a legal duty on the relevant authority to grant enough planning permissions to meet the demand for self-build housing as identified through its register in each base period. With the exception of the first base period which ran from 1st April 2016 to the 30th October 2016 each subsequent base period has lasted 1 year. There have therefore been 5 base periods since the 1st of April 2016.

- 10.56 Paragraph 62 of the NPPF sets out that within the context of the standard method, "the size, type, and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies "including, but not limited to... people wishing to commission or build their homes²⁶."

- 10.57 Footnote 28 states that

"Under section 1 of the Self-Build and Custom Housebuilding Act 2015, local authorities are required to keep a register of those seeking to acquire serviced plots in the area for their own self-build and custom house building. They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to give enough suitable development permissions to meet the identified demand. Self and custom-build properties could provide market or affordable housing."

- 10.58 Paragraph 3 of the PPG concerning the housing need of different groups describes how the needs of those wanting to self-build and custom housebuilders can be assessed:

“Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, ‘Need-a-Plot’ information available from the Self-Build Portal and enquiries for building plots from local estate agents.”

- 10.59 Paragraph 23 to 28 and paragraph 14 of the PPG sets out the two Self-build and custom housebuilding land duties i.e. the ‘duty to grant planning permission etc’ and the ‘duty as regards registers’ (Reference ID: 57-023-201760728).
- 10.60 Paragraph 23 and 24 relate to the duty to grant planning permission etc. and states that all local planning authorities:

“must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority’s register during a base period.

The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

At the end of each base period, relevant authorities have 3 years in which to permission an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.”

Local authority custom and self-build registers

- 10.61 In line with the PPG, the starting point for understanding demand for custom and self-build plots is the registers managed by the Councils. The registers have not been broken down by base period, but entries have been divided across each of the five base periods since 2016 in order to project forward an estimation of future

need. The base period is the period of 12 months beginning from 31 October each year.

- 10.62 The table shows that 1,126 individuals are currently on the register with the vast majority being in Greater Cambridge. These entries date from when the Register was first created in 2016 up to entries for the year 2019/20.
- 10.63 This equates to approximately 250 entries per base period with the first base period only covering half a year. There is potentially some element of double counting within these registers given that people can register in more than one authority. Despite this, there is no option for Councils to reduce their need to reflect this.
- 10.64 From this gross figure it is necessary to take supply into account. Given that self-build units are exempt from the Community Infrastructure Levy (CIL), it is reasonable to use the number of CIL exemptions per year as a proxy for delivery of self and custom build units.
- 10.65 This gives an indication of the scale of future need. Moving forward, the Councils will need to ensure that the actual number of entries on the register in each local authority at the end of each base period is equivalent to number of plots of land that are permitted within 3 years.

Table 122: Indicative demand for custom and self-build plots based on past trends (from 2016/17-2019/20)

Area	Current register	Average per base period (4.5 periods)	Average CIL exemptions per annum	Net need per annum
Greater Cambridge	737	164	0	164
East Cambridgeshire	8	2	80	-78
Fenland	3	1	0	1
Huntingdonshire	241	54	51	3
West Suffolk	137	30	0	30
HMA	1,126	250	131	119

Source: Local authority custom and self build housing registers

Local agents

10.66 To assess the strength of demand, local estate agents were contacted. It is important to note the limited sample size of respondents. The findings should therefore be treated with some caution. Those who responded to the survey were:

- Haart Estate Agents (active in Cambridgeshire)
- Harvey Robinson (active in Huntingdonshire)
- Maxey Grounds (active in Fenland and specialists in land)
- Haart Estate Agents (active in West Suffolk)

10.67 Not all agents actively record the number of enquiries they receive about self-build plots. When asked to estimate the number of enquires each month, Haart Estate Agents in Cambridge suggested that one agent alone might receive 20 per month. However, their colleagues in West Suffolk, a less busy office, estimated around 5 each month, and indicated that they currently had on their books 20 clients looking for a self-build plot.

- 10.68 Other agents were reluctant to be drawn into specific estimates but did refer to the level of demand they had experienced in relation to specific sites when they came on the market. Harvey Robinson in Huntingdon recorded receiving 4 enquiries over a three-day sales window between 9th and 12th September 2020 for a plot suitable for a 2-bed family dwelling in East Street in Hartford. According to the agents, the site "sold quickly".
- 10.69 Maxey Grounds were, at the time the survey was taken in September 2020, marketing a site on Walton Highway on the West Norfolk/Fenland border for around 20 self-build plots. The first phase of 10 plots were all reserved within two months. The agents see this as indicative of strength in demand.
- 10.70 All the agents were asked to indicate the level of demand in their areas for self-build plots. They all replied it was "strong". Harvey Robinson and Haart (West Suffolk) suggested the true strength of demand is only apparent when they have a site available at which point they receive a lot of enquiries. Maxey Ground indicated they have a shortage of plots at the time the survey was taken in September 2020.

Alternative assessments of need

- 10.71 The National Custom and Self-Build Association (NaCSBA) asserts that local authorities' self-build registers may not reflect true demand because it requires would-be self-builders to move through an administration process, and the register may be unknown to many.
- 10.72 We have no evidence to confirm this assertion, but nevertheless it is useful to consider additional sources of evidence to arrive at an alternative estimate of demand in the HMA. To do this we consider national data on the average proportion of homes built by the private sector that are self-build.

10.73 Data gathered at the national level indicate Self Build accounts for between 7% and 10% of housebuilding by the private sector in the UK. Based on the broad assumption that 70% of the overall housing need of 4,654 dpa will be delivered as private sector housing then approximately 3,258 private sector dwellings per annum will be delivered in the HMA.

10.74 Applying the 7% to 10% range identified by NaCSBA to the housing need identified by the standard method would generate a need for between 228 to 326 self-build plots per annum. This is broken down by local authority in the table below with a range of between 7% and 10% shown.

Table 123: Alternative assessments of need for self and custom-build homes

Local authority	Housing need	Private sector delivery	7% of private sector delivery	10% of private sector delivery
		(70% of need)		
Cambridge	658	461	32	46
East Cambs	597	418	29	42
Fenland	538	377	26	38
Huntingdonshire	976	683	48	68
South Cambs	1085	760	53	76
West Suffolk	800	560	39	56
HMA	4,654	3258	228	326

Source: GL Hearn calculations

10.75 As shown, this provides a more even distribution of demand within the HMA. It would also be true that if Private Sector delivery were less than 70% then the overall demand would also reduce and vice versa. Again, this is an indication of future need, and whilst the true need for the purpose of applying national legislation and policy should be based on the number of entries onto the register in any given base period this alternative assessment provides a mechanism for benchmarking. It is also worth noting that demand for self-build plots in many cases is satisfied by the open market. This is demonstrated by the very high quantity of self-build CIL relief claimed, which in parts of the HMA is many multiple times higher than the need identified via either the formal register or via the alternative approach described above.

Local authority response

10.76 Paragraph 25 of the PPG (Reference ID: 57-025-201760728) provides guidance on how Councils can help support self and custom build by increasing the number of suitable planning permissions. It encourages Councils to undertake several tasks including:

- developing policies in their Local Plan for self-build and custom housebuilding;
- using their own land if available and suitable for self-build and custom housebuilding and marketing it to those on the register;
- engaging with landowners who own sites that are suitable for housing and encouraging them to consider self-build and custom housebuilding and facilitating access to those on the register where the landowner is interested, and;
- working with custom build developers to maximise opportunities for self-build and custom housebuilding.

10.77 Several local authorities have implemented a Local Plan policy, for example in the study area:

- South Cambridgeshire Council – On all sites of 20 or more dwellings, and in each phase of strategic sites, developers will supply dwelling plots for sale to self and custom builders.
- Huntingdonshire Council – Where appropriate, the Council will work with developers, registered providers, landowners and relevant individuals or groups to address identified local requirements for self and custom-build homes as identified in the Huntingdonshire self and custom-build register. There are also some Neighbourhood Plans in the area which have policies relating to self-build.
- East Cambridgeshire District Council - 5% of plots on development sites of more than 100 dwellings.

10.78 Outside of the study area:

- Teignbridge District Council - 5% of plots on development sites of more than 20 dwellings with plots marketed for a minimum of 12 months.
- Mid Devon District Council - 5% of plots on development sites of more than 20 dwellings.
- Torbay Council - 5% of plots on development sites of more than 30 dwellings.
- Stroud District Council - 2% of plots on strategic housing sites.

10.79 Other local authorities have developed a policy of encouragement without defining exact percentages. For example, North Tyneside Council and Daventry District Council will 'encourage', rather than require, a proportion of plots to be set aside on sites of over 200 and 500 units respectively.

10.80 For those local authorities that do not have an existing policy as a first step, the local authorities should seek to adopt a general “encourage” policy for all sites but could consider implementing a further policy to support provision on strategic sites. The exact level should be determined in reference to the number and capacity of strategic sites and the overall local need as identified on the register. This should also take into account the committed supply, need for other types of housing (including affordable housing need) and viability.

Role of larger sites

10.81 There is the potential for larger development schemes (these are defined as 20 units in South Cambridgeshire but it will be for the Councils themselves to determine a threshold) to provide serviced plots for self and custom-build development, and for these sites, with support, to help to drive forward delivery rates. The Independent review of build-out by Sir Oliver Letwin (2018) was undertaken to identify the cause of the significant gap between housing completions and the amount of land allocated or permitted on large sites in areas of high housing demand.

10.82 Section 3 of the Letwin Review looks at increasing diversity and a new planning framework for large sites (over 1,500 houses). Letwin recommends that the Government should adopt a new set of planning rules that apply to large sites in areas of high housing demand that would require their outline planning permission to include for ‘housing diversification’ to be a ‘reserved matter’ in line with new secondary legislation.

10.83 Where Councils are proposing to allocate sites that are suited to the provision of self-build plots, we would recommend they consider broadly replicating the South Cambridgeshire policy. Although as demand outside of Greater Cambridge is relatively weaker, they may wish to increase the threshold to a point where demand is being met without over-burdening every site and subject to viability.

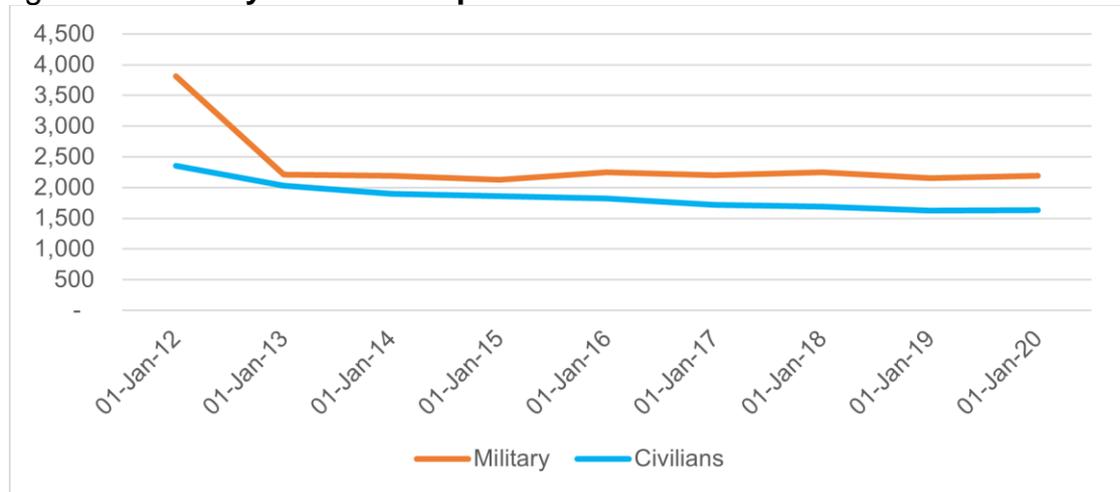
- 10.84 It is also possible for Custom and Self-Build schemes to be large sites in their own right. An example of this can be seen at the Graven Hill development in Bicester, Oxfordshire. This is the largest custom build scheme nationally with proposals for over 2,000 custom-built homes. The site has been acquired by Cherwell District Council from the MOD and a development company has been set up.
- 10.85 There is a dedicated web site for Graven Hill that provides all the information required for people that would like to build their own home in the area. Various formats of delivery are envisaged, from the construction of the shell through to the ability of occupants to tailor the finish.

Service personnel and families

- 10.86 Several MOD sites are located within the HMA and in particular in West Suffolk and Huntingdonshire. There are two Royal Air Force sites and four sites operated by the United States Air Force. Namely, these are:
- RAF Honington: MOD Royal Air Force site in West Suffolk;
 - RAF Wyton: MOD Royal Air Force command site in Huntingdonshire;
 - RAF Mildenhall: part of United States Air Forces in Europe - Air Forces Africa (USAFE-AFAFRICA) in West Suffolk;
 - RAF Lakenheath: part of United States Air Forces in Europe - Air Forces Africa (USAFE-AFAFRICA) in West Suffolk;
 - RAF Alconbury: part of United States Air Forces in Europe - Air Forces Africa (USAFE-AFAFRICA) in Huntingdonshire; and
 - RAF Molesworth: part of United States Air Forces in Europe - Air Forces Africa (USAFE-AFAFRICA) in Huntingdonshire
- 10.87 Our team met with the United States Air Forces housing and accommodation representatives on the 21st February 2020 to discuss the housing requirements across the different bases. Our discussions did not cover the requirements of RAF Honington or RAF Wyton, so we have used MOD data available for these bases.

- 10.88 This section presents evidence about the different bases' accommodation requirements and their impacts on the wider property market as witnessed by the RAF representatives and the active local estate agents.
- 10.89 Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers (this does not automatically include members of the US military given they are not employed by the UK Government. It is for the relevant local authority to decide their eligibility for affordable housing on this basis). As such, accommodation specifically comes under the definition of affordable housing. Depending on their incomes, members of the UK armed forces will already be accounted for within the affordable housing need and will largely not be additional to it.
- 10.90 MOD statistics report that a total of 3,820 military and civilian personnel were located in Cambridgeshire and West Suffolk in April 2020. This represents a 38% decrease from April 2012 when there were 6,170 personnel in the HMA. The figure below shows the historic trend.
- 10.91 That said, it is worth noting this trend may have been reversed as a result of the decision to base F32 squadron and associated infrastructure and personnel on Lakenheath.

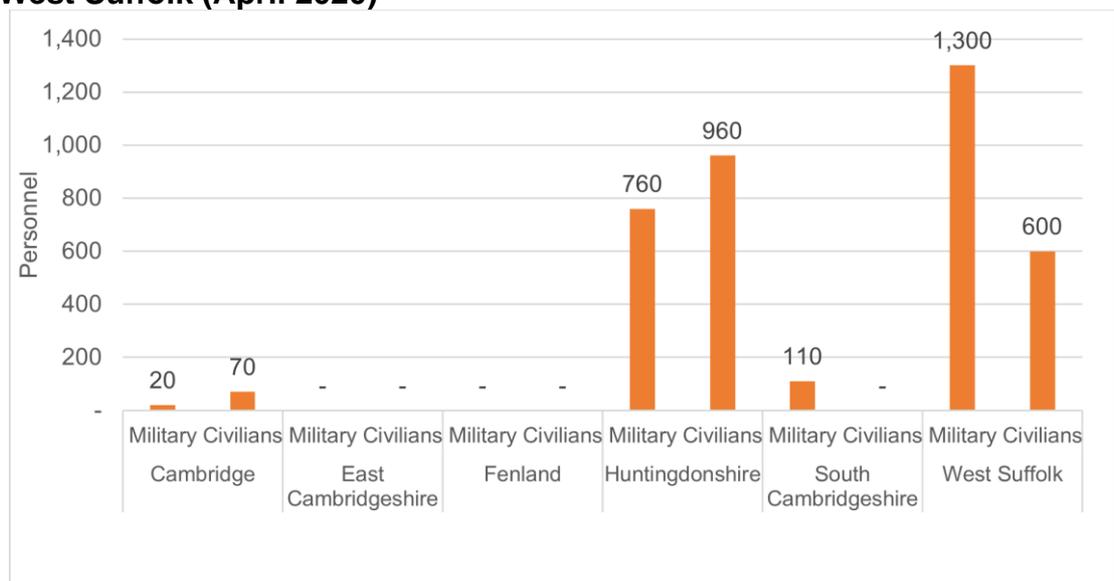
Figure 43: Military and civilian personnel 2012-19 - HMA



Source: MOD Statistics - Table 3.6a East of England: MOD personnel by local authority area as at 1 April 2020

10.92 The figure below illustrates the location of military and civilian personnel located in Cambridgeshire and West Suffolk. As illustrated the majority are located in Huntingdonshire (45%) and West Suffolk (50%). Two local authorities, East Cambridgeshire and Fenland recorded no personnel.

Figure 44: Location of UK military personnel Within Cambridgeshire and West Suffolk (April 2020)



Source: MOD Statistics - Table 3.6a East of England: MOD personnel by local authority area as at 1 April 2020

- 10.93 As of March 2020, our discussions with the RAF and USAF identified that RAF Lakenheath/RAF Mildenhall is the largest base amongst those located in the HMA. RAF Lakenheath/RAF Mildenhall supports the housing needs of 7,861 personnel in 2020. By 2025, the end of five-year planning period, RAF Lakenheath/RAF Mildenhall are projected to support 8,913 personnel who are authorized housing driven by RAF Lakenheath becoming the first international F-35 base. This manpower includes 4,704 military families and 4,091 unaccompanied personnel (FRMA, Housing requirements and market analysis, United States Air Force, ES1).
- 10.94 There are 153 homes in Alconbury Base with a further 143 dormitories (bed-spaces for young military service personnel) and 120 dormitories in RAF Molesworth.
- 10.95 The bases accommodate mainly young military service personnel until either they reach the Level E4 (Senior Airman) in their rank or they get married. On average, their tour length lasts for 3 to 4 years but some stay in the local area for a much longer time period.
- 10.96 All the bases run at full capacity across the year. Usually, new personnel arrive twice a year in April and September. However, the representatives stated that there are other periods when people come from the USA to service the base as well. A broadly equal number of people typically arrive as those who leave the base to return to the USA.
- 10.97 The representatives highlighted the impact of the bases in the local housing market. It was indicated that around 5,000 military households, that are linked to RAF Alconbury and RAF Molesworth, live outside these bases. These would include USAF families which are not included in the MOD statistics.

- 10.98 RAF Mildenhall and RAF Lakenheath bases have schools, shops and leisure activities. While the representatives were unable to estimate the number of households living outside the bases they suggested that the number was substantial. This is supported by Council Tax data that shows that 4,583 households live outside the bases.
- 10.99 In terms of demand, both representatives urged the need for more properties available to rent near the bases. The representatives highlighted the need for both small 1- to 2- bedroom properties and bigger family homes.
- 10.100 Properties in the rental sector are more popular with personnel due to the housing allowance that they receive and the mortgage restrictions that they face due to the nature of their job (short service period etc).
- 10.101 Young unmarried service personnel choose to live in vibrant urban areas with good transport links. Typically, they live in houses in multiple occupation properties fully occupied by service personnel in Cambridge or Peterborough. The personnel receive a housing allowance of around £1,300 per month which allows them to have a choice of the more prime locations / properties. This allowance increases based on their rank.
- 10.102 Families tend to travel even further to areas such as Kings Lynn and the Norfolk Coastal area to enable them to find larger family homes that can accommodate their needs at a more affordable price.
- 10.103 We also engaged with a small number of local estate agents who have confirmed that the market around the bases in West Suffolk and Huntingdonshire are driven by the military demand. The agents characterised the rental market of these areas as unique as they attracted investment interest due to the high prices achieved. Properties that would usually command £700-800 per calendar month (pcm) are let for £1,200-1,300 pcm in these areas. However, given the sample size this should be treated as anecdotal.

- 10.104 There was a clear indication of demand for build-to-rent schemes with good transport links to accommodate military personnel. Such accommodation would release the pressure on the existing housing stock, both releasing homes and also easing affordability.
- 10.105 As such, developments for BTR schemes for military personnel in appropriate locations should be supported as long as it can demonstrate local demand exists and approval is given by the MOD to deliver such housing. We recognise that the MOD has an ongoing site programme to utilise their land and it is not clear who will lead an investment like this.
- 10.106 There is also the potential that on those bases operated by the US Air Force further bespoke rental accommodation could be delivered. This would ease the financial burden of the housing allowance.
- 10.107 The website for RAF Honington suggests that over 1,500 service personnel, civil servants and contractors work there. Service Families Accommodation (SFA) and Single Living Accommodation is available to all RAF personnel subject to entitlement regulations. SFA is administered by Amey, who are contracted by the Defence Infrastructure Organisation (DIO). The RAF Wyton website does not identify a resident population at the base.
- 10.108 Similarly, to the other bases, many of the single and married personnel based at RAF Honington choose to buy their own property or rent privately. There is help available for both including the Forces Help to Buy Scheme and Tenancy deposit scheme.
- 10.109 The Councils have a duty to ensure service personnel and their families at RAF Honington are accommodated in suitable accommodation if they fall into need. As part of this, in addition to accommodating the current need, the councils should engage with neighbouring local authorities through the Duty to Co-operate for any matter relating to housing need for service families.

10.110 The Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012 ensure that service personnel (including bereaved spouses or civil partners) can establish a 'local connection' with the area in which they are serving or have served.

10.111 This means that ex-service personnel would not suffer disadvantages from any 'residence' criteria chosen by the Local Authority in their allocations policy. Also, any ex-armed forces personnel with mental health issues who present themselves to the Council as homeless would be assisted as a vulnerable group and will be given priority need for housing.

10.112 The RAF has commissioned a separate study that is currently underway that will assess the needs of these bases in detail.

Gypsies, travellers, travelling showmen, bargee travellers and other caravan & houseboat dwellers

10.113 A separate study has been commissioned and is being undertaken by RRR Consulting to assess the needs of Gypsies, Travellers, Travelling Showmen and Bargee Travellers and other caravan and houseboat dwellers. This covers the Cambridge sub-region HMA (the whole of Cambridgeshire together with West Suffolk district) and the two adjoining authorities to the north – Peterborough and Kings Lynn & West Norfolk. This is due to be published in 2021.

10.114 The study will meet the requirements set out in the Housing and Planning Act 2016 (Assessment of accommodation needs) and the national guidance contained in Planning Policy for Traveller Sites (DCLG, 2015) and will cover the period 2020 to 2040.

10.115 The results of that study, once completed, should be included as part of the overall identified needs for specific groups set out in this report and will be a component part of the overall housing numbers requirement.

10.116 The NPPF (paragraphs 61-62) sets out the need for local authorities to determine their housing need figure using the standard method and that "within this context"

the need for “different groups in the community should be assessed and reflected in planning policies (including...travellers)”. Footnote 27 notes that “Planning Policy for Traveller Sites sets out how travellers’ housing needs should be assessed for those covered by the definition in Annex 1 of that document”.

10.117 Gypsy and Traveller pitches are therefore included within the standard method-based housing need figure. However, a separate study is required to identify the need for such sites, but these would not be additional to the standard method.

Housing needs of different groups: Key messages and recommendations

People who rent their properties

- The private rental sector has grown between 2001 and 2011. Cambridge and West Suffolk (101%) have seen lower growth than the rest of the East of England region (111%) and England as a whole (107%).
- There has been a small amount of interest in the BTR sector in Cambridge but this is expected to grow in the coming years nationally and across the HMA because of worsening affordability.
- Where BTR is being proposed on a site, the policy position should be supportive, subject to the location and characteristics of the site in question, a clear and up to date assessment of likely demand, and the proportion and affordability of units for affordable private rent being provided.

Custom- and self- build

- The local authorities will need to ensure the actual number of entries on the register each year are permitted within three years. The registers suggest this will be around 250 dpa for Cambridgeshire and 30dpa for West Suffolk.
- **Recommendation: The local authorities should seek to adopt a general “encourage” policy for all sites and consider implementing a further policy on strategic sites.** The existing policy in South Cambridgeshire provides a good example. The policy seeks, on all sites of 20 or more dwellings, and in each phase of strategic sites, developers supplying dwelling plots for sale to self and custom builders.
- The exact size threshold for each local authority should be determined in reference to the identified need and the number and capacity of strategic sites. This should also take into account the committed supply, demand for other house type and viability considerations.

Service families

- There are two Royal Air Force sites and four sites operated by the United States Air Forces across Huntingdonshire and West Suffolk authorities.

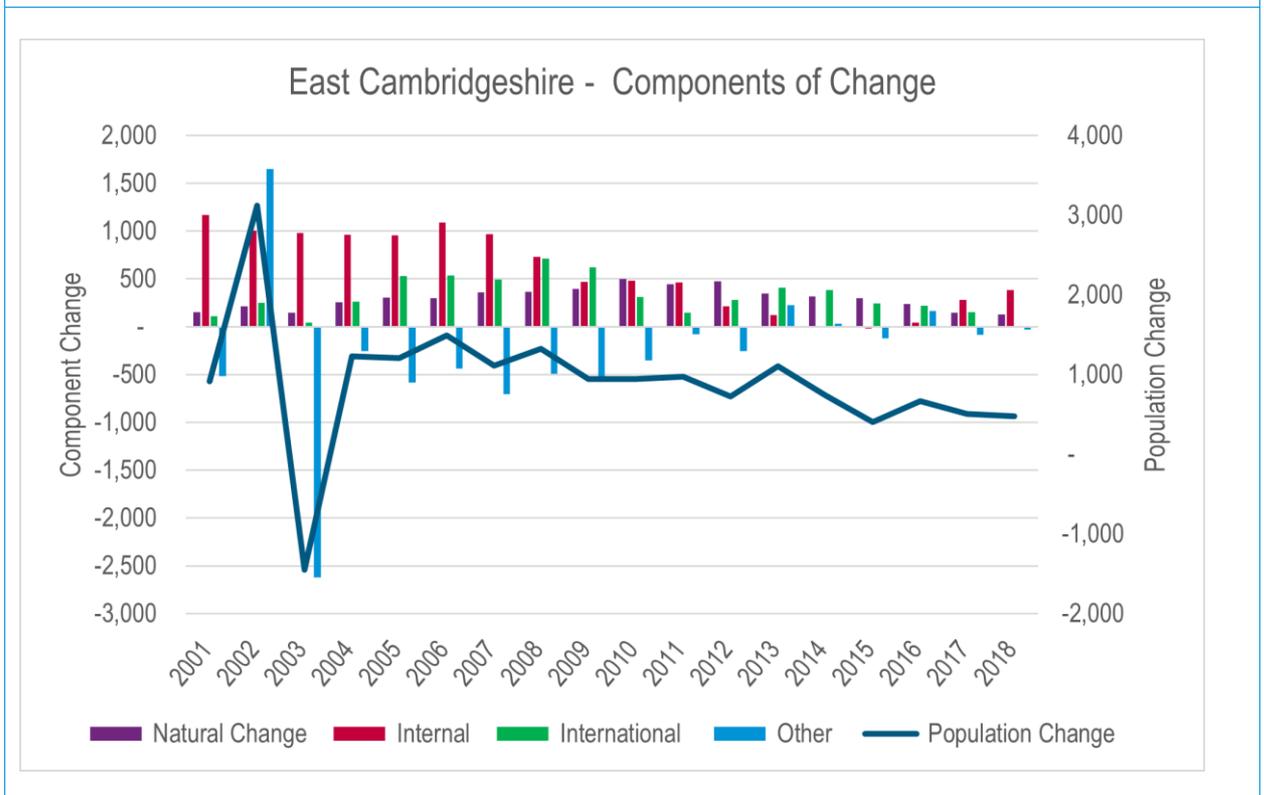
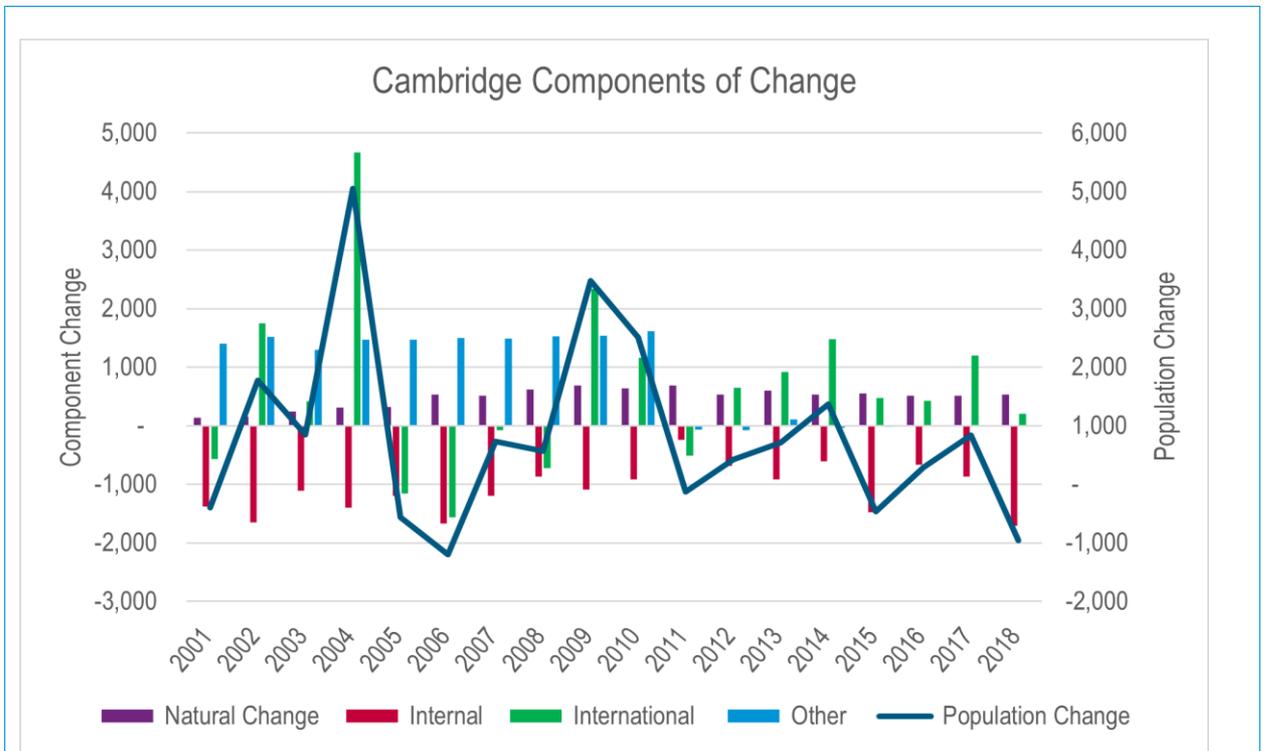
- While the sites have their own accommodation, some personnel live off base. This drives the local rental markets with prices increasing significantly due to military housing allowances.
- Discussions with RAF and USAFE representatives as part of this study reveal some demand for bespoke build-to-rent schemes to accommodate the military personnel. Particular requirements are a location close to the bases and with good transport links.
- At present, there are no service families on the Councils' housing registers. The Councils should continue to monitor their registers to identify any future needs. The RAF have currently commissioned a study which is underway and will examine the specific needs of these bases.

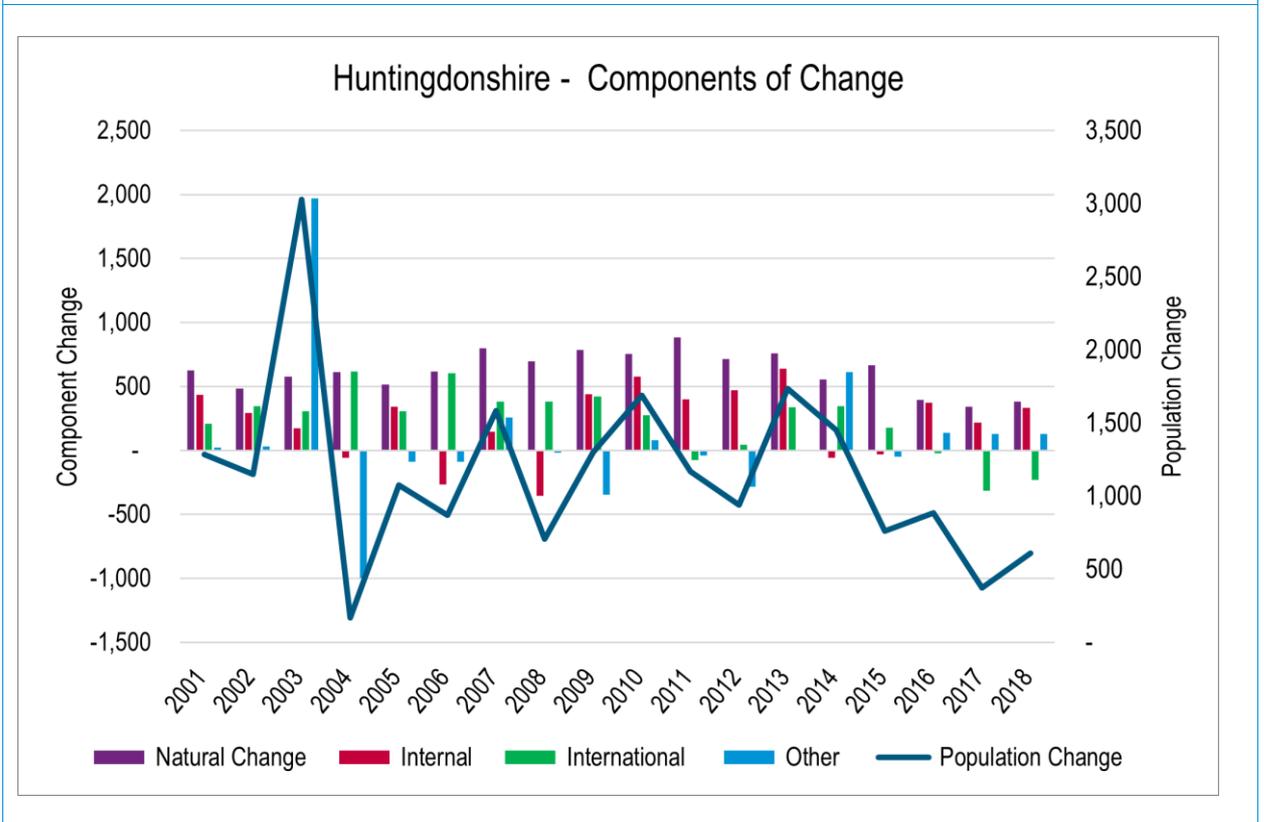
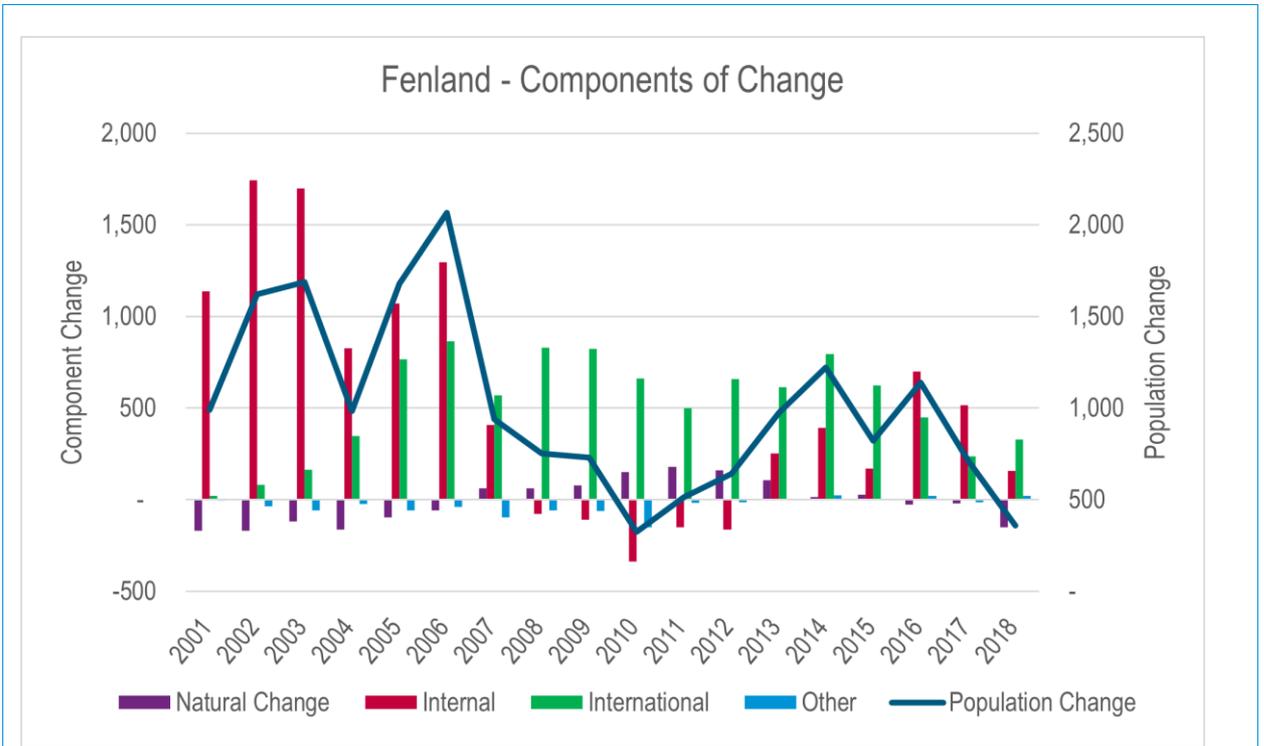
Gypsy and traveller

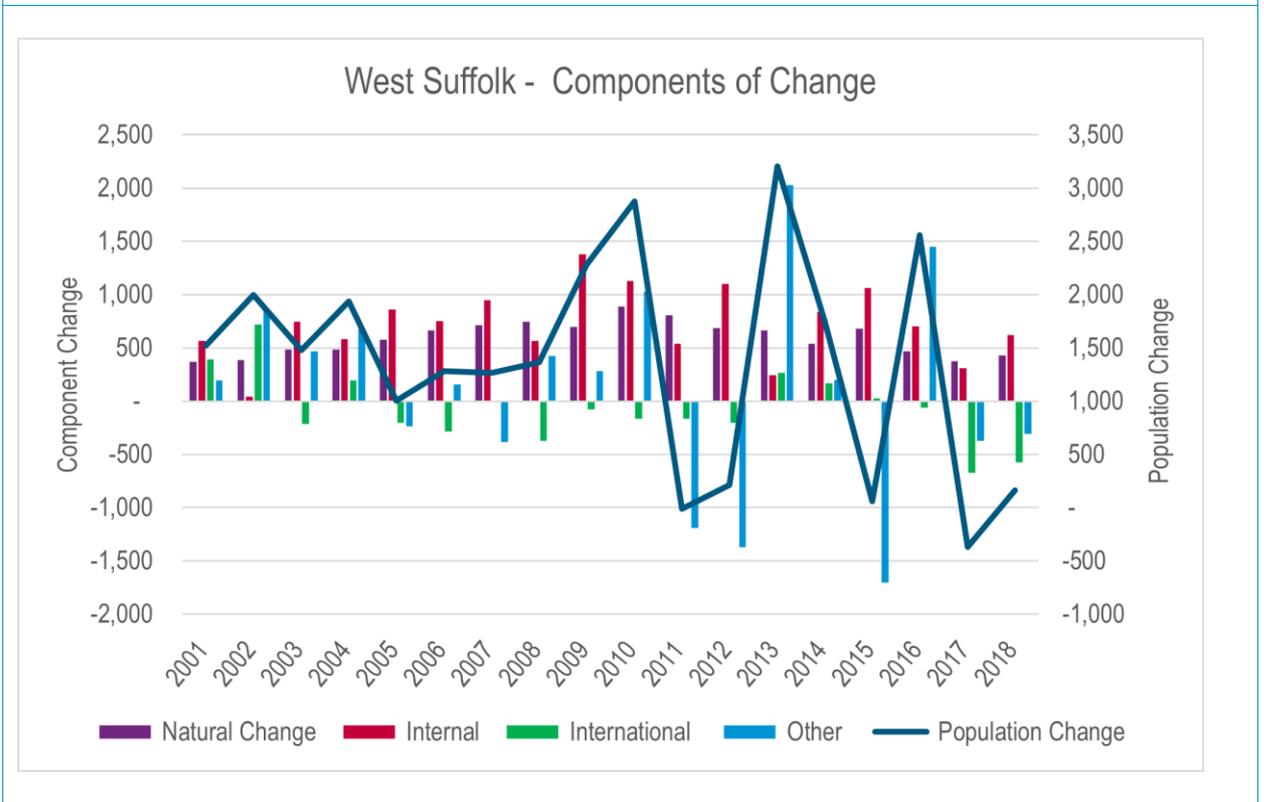
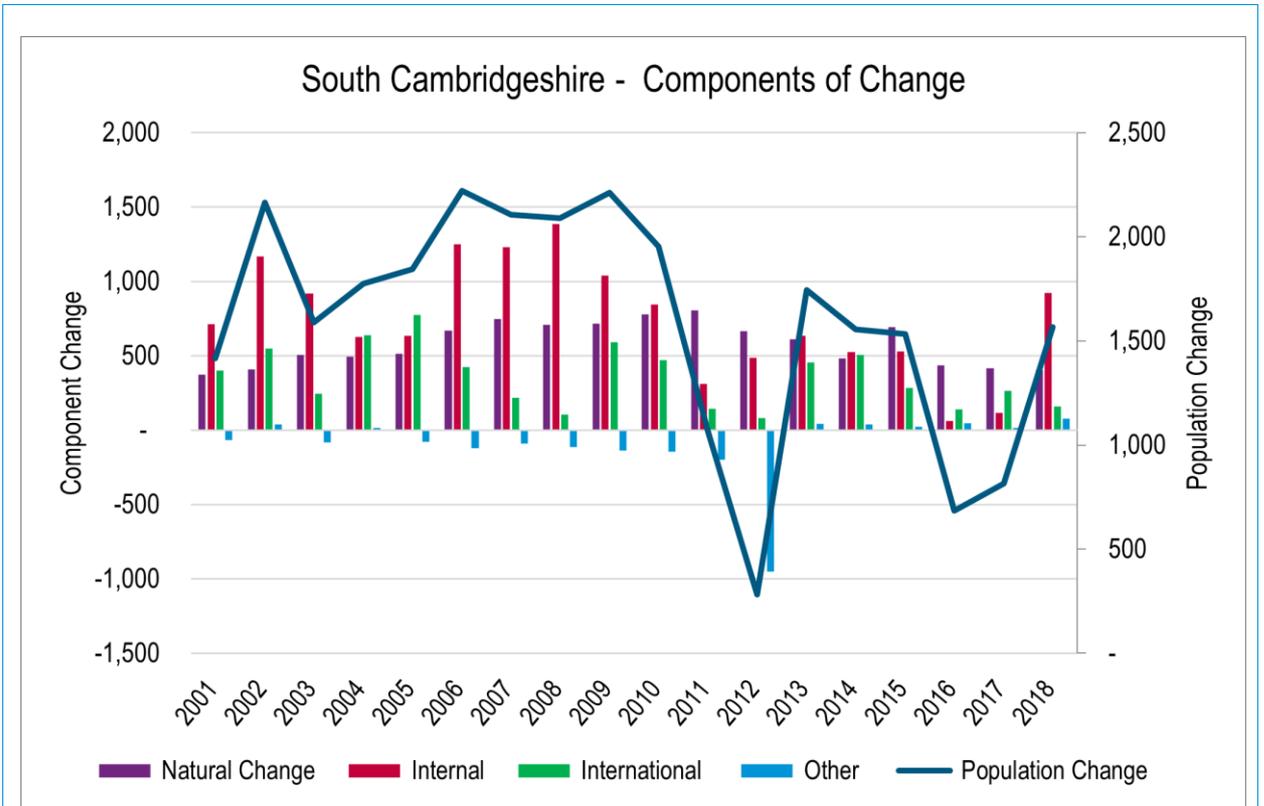
- A separate study has been commissioned to assess the needs of Gypsies, Travellers, Travelling Showmen and Bargee Travellers and other caravan and houseboat dwellers, satisfying relevant legislation and guidance.
- The results of that study, once completed, should be included as part of the overall identified needs for specific groups set out in this report and will be a component part of the overall housing numbers requirement.

Appendices

APPENDIX A: Components of population change – local authority level

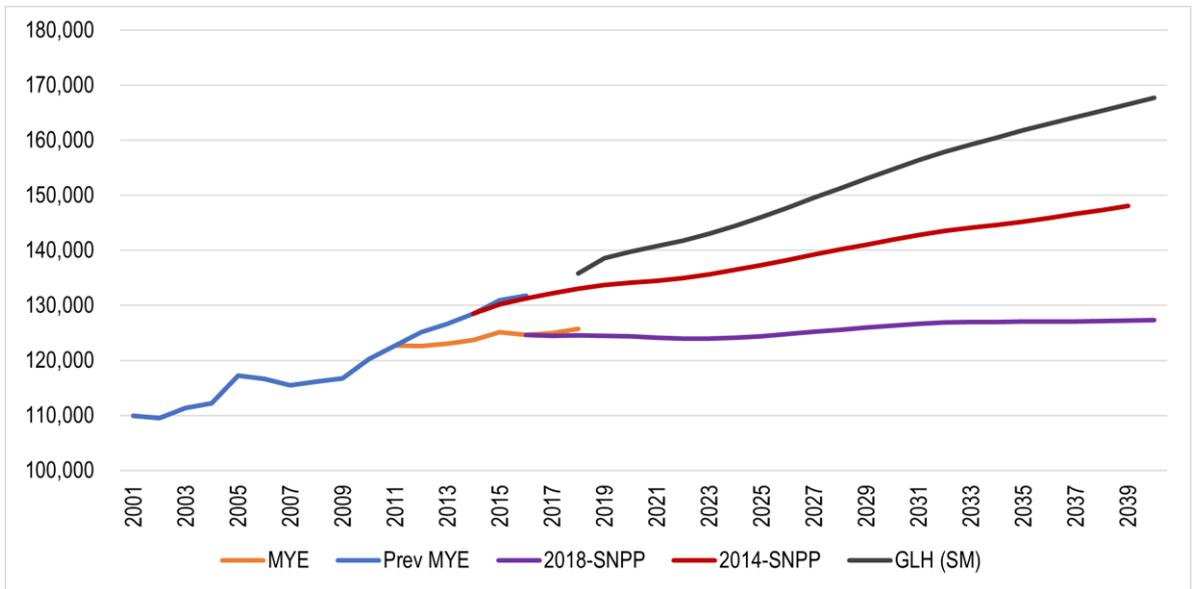






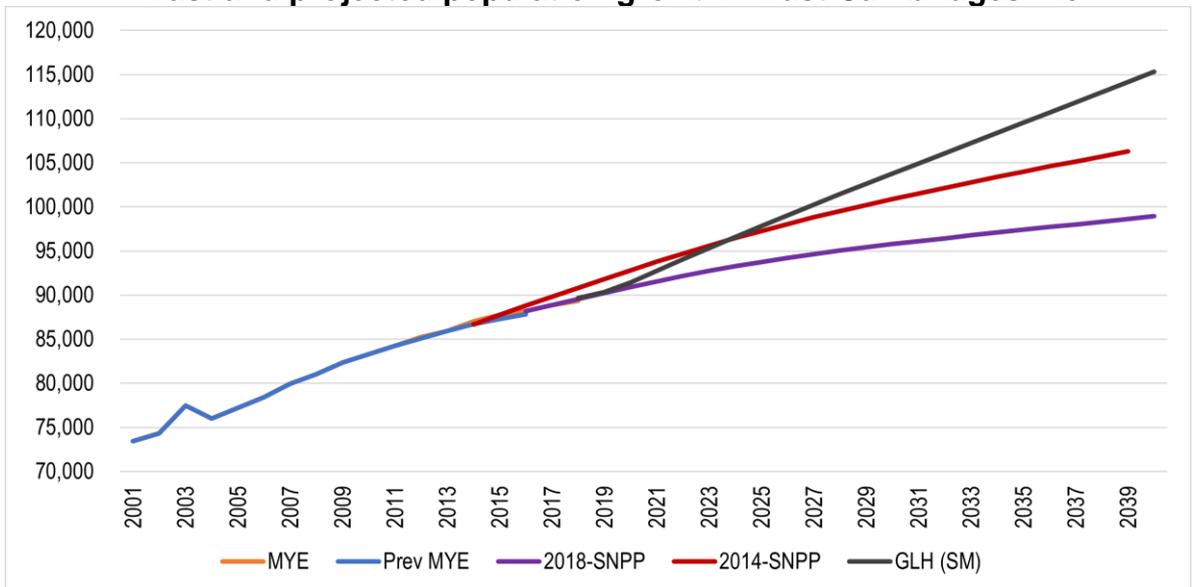
APPENDIX B: Past and projected population growth - local authority level

past and projected population growth – Cambridge



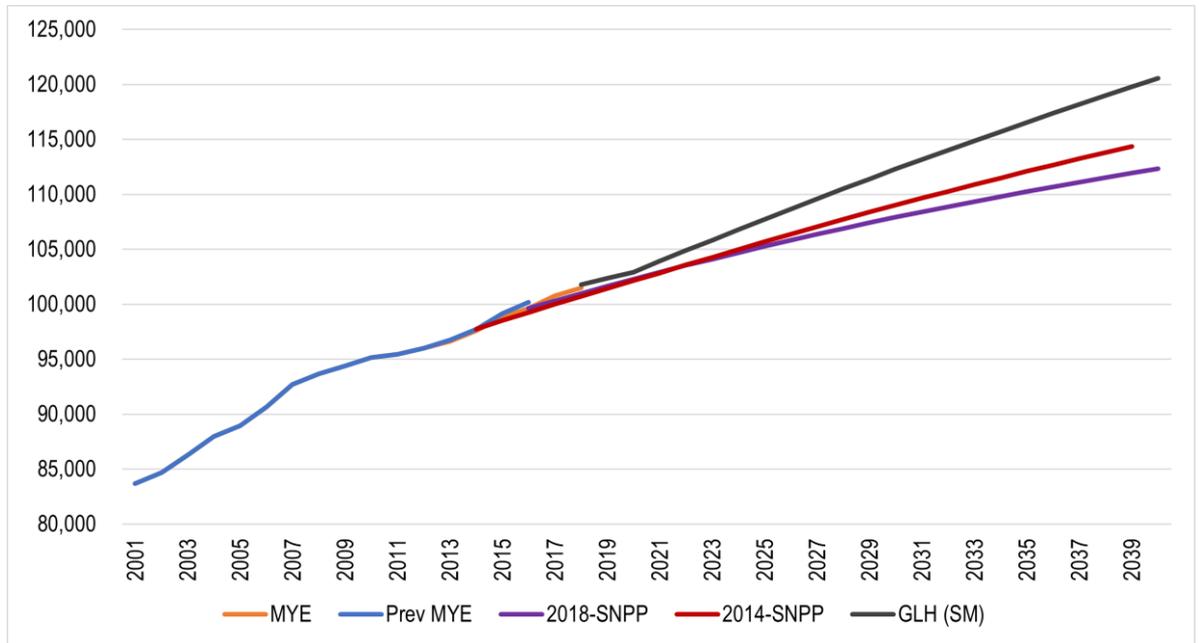
Source: Demographic projections

Past and projected population growth – East Cambridgeshire



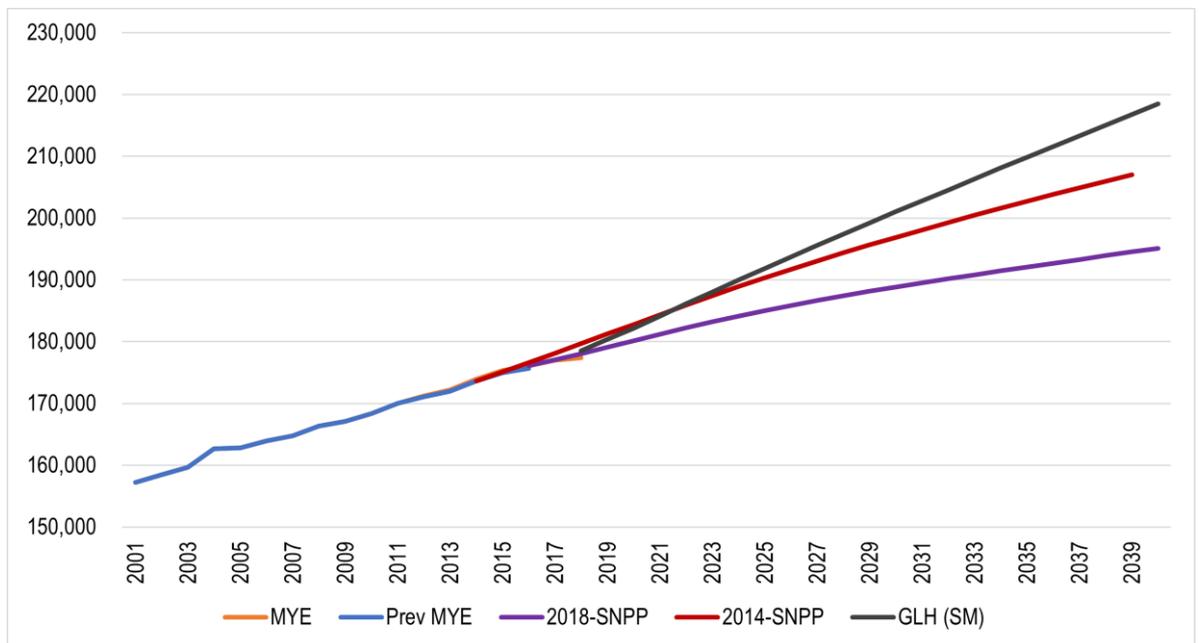
Source: Demographic projections

Past and projected population growth – Fenland



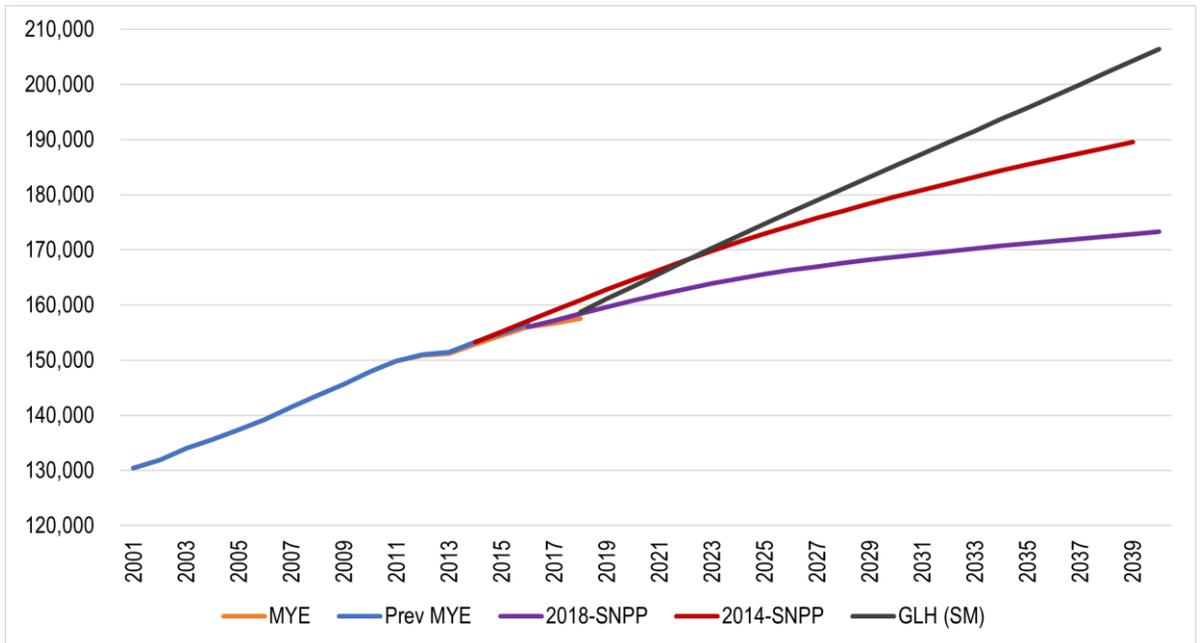
Source: Demographic projections

Past and projected population growth – Huntingdonshire



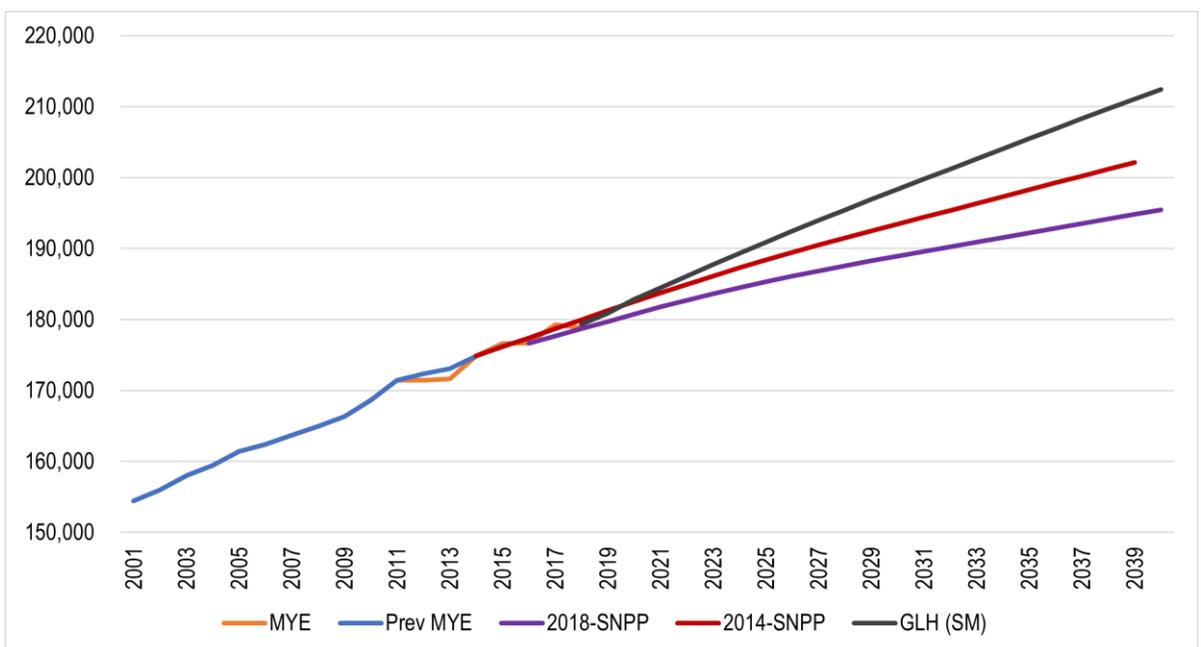
Source: Demographic projections

Past and projected population growth – South Cambridgeshire



Source: Demographic projections

Past and projected population growth – West Suffolk



Source: Demographic projections

APPENDIX C: Population change 2020 to 2040 by age bands – local authority level**Population change 2020 to 2040 by five-year age bands linked to Standard Method – Cambridge**

Age group	Population 2020	Population 2040	Change	% Change
Under 5	7,151	8,289	1,138	15.9%
5-9	7,011	8,584	1,573	22.4%
10-14	6,728	9,237	2,510	37.3%
15-19	9,977	14,292	4,315	43.2%
20-24	20,625	24,296	3,671	17.8%
25-29	14,956	15,115	159	1.1%
30-34	11,341	10,728	-614	-5.4%
35-39	9,473	8,198	-1,274	-13.5%
40-44	8,471	8,230	-242	-2.9%
45-49	7,602	9,620	2,018	26.5%
50-54	7,198	9,962	2,764	38.4%
55-59	6,479	8,687	2,208	34.1%
60-64	5,292	7,393	2,101	39.7%
65-69	4,539	6,276	1,737	38.3%
70-74	3,942	5,512	1,570	39.8%
75-79	3,003	4,708	1,705	56.8%
80-84	2,322	3,534	1,212	52.2%
85+	2,786	4,552	1,766	63.4%
Total	138,896	167,214	28,318	20.4%

Source: Demographic projections

Population change 2020 to 2040 by broad age bands linked to Standard Method – Cambridge

Age group	Population 2020	Population 2040	Change	% Change
Under 16	22,051	28,016	5,965	27.1%
16-64	100,255	114,616	14,362	14.3%
65+	16,591	24,582	7,991	48.2%
Total	138,896	167,214	28,318	20.4%

Source: Demographic projections

Older persons change 2020 to 2040 by age bands linked to Standard Method – Cambridge

Age group	2020	2040	Change	% Change
Under 65	122,306	142,632	20,327	16.6%
65-74	8,481	11,788	3,307	39.0%
75-84	5,324	8,242	2,918	54.8%
85+	2,786	4,552	1,766	63.4%
Total	138,896	167,214	28,318	20.4%
65+	16,591	24,582	7,991	48.2%

Source: Demographic projections

Population change 2020 to 2040 by five-year age bands linked to Standard Method – East Cambridgeshire

Age group	Population 2020	Population 2040	Change	% Change
Under 5	5,103	6,516	1,413	27.7%
5-9	5,824	6,628	804	13.8%
10-14	5,713	6,558	845	14.8%
15-19	4,762	6,095	1,333	28.0%
20-24	3,992	5,158	1,165	29.2%
25-29	4,833	6,236	1,403	29.0%
30-34	5,702	6,652	950	16.7%
35-39	6,360	6,704	343	5.4%
40-44	6,345	7,344	998	15.7%
45-49	6,658	7,621	964	14.5%
50-54	6,549	7,675	1,125	17.2%
55-59	6,126	7,341	1,215	19.8%
60-64	5,380	6,858	1,478	27.5%
65-69	4,828	6,895	2,067	42.8%
70-74	4,858	6,639	1,781	36.7%
75-79	3,449	5,798	2,349	68.1%
80-84	2,475	4,282	1,806	73.0%
85+	2,430	4,831	2,401	98.8%
Total	91,389	115,831	24,442	26.7%

Source: Demographic projections

Population change 2020 to 2040 by broad age bands linked to Standard Method – East Cambridgeshire

Age group	Population 2020	Population 2040	Change	% Change
Under 16	17,681	21,002	3,321	18.8%
16-64	55,667	66,384	10,717	19.3%
65+	18,041	28,445	10,404	57.7%
Total	91,389	115,831	24,442	26.7%

Source: Demographic projections

Older persons change 2020 to 2040 by age bands linked to Standard Method – East Cambs

Age group	2020	2040	Change	% Change
Under 65	73,348	87,386	14,038	19.1%
65-74	9,687	13,534	3,848	39.7%
75-84	5,924	10,079	4,155	70.1%
85+	2,430	4,831	2,401	98.8%
Total	91,389	115,831	24,442	26.7%
65+	18,041	28,445	10,404	57.7%

Source: Demographic projections

Population change 2020 to 2040 by five-year age bands linked to Standard Method – Fenland

Age group	Population 2020	Population 2040	Change	% Change
Under 5	5,512	6,316	804	14.6%
5-9	5,930	6,244	315	5.3%
10-14	5,610	6,238	629	11.2%
15-19	5,163	6,123	960	18.6%
20-24	5,212	5,703	491	9.4%
25-29	6,181	6,835	654	10.6%
30-34	6,344	6,820	476	7.5%
35-39	6,122	6,347	225	3.7%
40-44	5,746	6,676	930	16.2%
45-49	6,663	7,147	484	7.3%
50-54	7,272	7,554	282	3.9%
55-59	7,319	7,633	314	4.3%
60-64	6,500	7,388	888	13.7%
65-69	6,203	7,969	1,766	28.5%
70-74	6,127	8,036	1,910	31.2%
75-79	4,471	7,085	2,614	58.5%
80-84	3,188	5,026	1,838	57.7%
85+	3,188	5,879	2,691	84.4%
Total	102,749	121,020	18,270	17.8%

Source: Demographic projections

Population change 2020 to 2040 by broad age bands linked to Standard Method – Fenland

Age group	Population 2020	Population 2040	Change	% Change
Under 16	18,073	20,071	1,998	11.1%
16-64	61,501	66,955	5,454	8.9%
65+	23,176	33,994	10,818	46.7%
Total	102,749	121,020	18,270	17.8%

Source: Demographic projections

Older persons change 2020 to 2040 by age bands linked to Standard Method – Fenland

Age group	2020	2040	Change	% Change
Under 65	79,573	87,026	7,452	9.4%
65-74	12,330	16,005	3,675	29.8%
75-84	7,659	12,110	4,452	58.1%
85+	3,188	5,879	2,691	84.4%
Total	102,749	121,020	18,270	17.8%
65+	23,176	33,994	10,818	46.7%

Source: Demographic projections

Population change 2020 to 2040 by five-year age bands linked to Standard Method – Huntingdonshire

Age group	Population 2020	Population 2040	Change	% Change
Under 5	10,214	12,064	1,850	18.1%
5-9	11,051	11,919	869	7.9%
10-14	10,707	11,483	776	7.2%
15-19	9,754	10,345	592	6.1%
20-24	8,967	9,368	402	4.5%
25-29	10,664	12,644	1,980	18.6%
30-34	11,972	13,485	1,512	12.6%
35-39	11,699	13,337	1,639	14.0%
40-44	11,946	14,079	2,133	17.9%
45-49	12,872	13,928	1,056	8.2%
50-54	13,529	14,108	579	4.3%
55-59	12,776	13,438	662	5.2%
60-64	11,088	12,840	1,752	15.8%
65-69	9,460	12,902	3,442	36.4%
70-74	9,668	12,671	3,004	31.1%
75-79	6,633	10,994	4,361	65.8%
80-84	4,412	8,267	3,855	87.4%
85+	3,578	9,324	5,746	160.6%
Total	180,989	217,198	36,209	20.0%

Source: Demographic projections

Population change 2020 to 2040 by broad age bands linked to Standard Method – Huntingdonshire

Age group	Population 2020	Population 2040	Change	% Change
Under 16	34,050	37,708	3,657	10.7%
16-64	113,189	125,333	12,144	10.7%
65+	33,750	54,158	20,408	60.5%
Total	180,989	217,198	36,209	20.0%

Source: Demographic projections

Older persons change 2020 to 2040 by age bands linked to Standard Method – Huntingdonshire

Age group	2020	2040	Change	% Change
Under 65	147,239	163,041	15,802	10.7%
65-74	19,127	25,573	6,446	33.7%
75-84	11,045	19,261	8,216	74.4%
85+	3,578	9,324	5,746	160.6%
Total	180,989	217,198	36,209	20.0%
65+	33,750	54,158	20,408	60.5%

Source: Demographic projections

Population change 2020 to 2040 by five-year age bands linked to Standard Method – South Cambs

Age group	Population 2020	Population 2040	Change	% Change
Under 5	9,148	11,657	2,509	27.4%
5-9	10,415	12,003	1,588	15.3%
10-14	10,614	11,990	1,375	13.0%
15-19	9,176	10,971	1,795	19.6%
20-24	6,855	8,543	1,689	24.6%
25-29	8,281	11,035	2,754	33.3%
30-34	9,820	12,314	2,494	25.4%
35-39	10,919	12,750	1,831	16.8%
40-44	11,944	14,035	2,091	17.5%
45-49	12,258	14,204	1,946	15.9%
50-54	11,735	13,653	1,918	16.3%
55-59	10,953	12,757	1,803	16.5%
60-64	9,383	11,867	2,485	26.5%
65-69	8,110	11,260	3,150	38.8%
70-74	8,190	10,493	2,303	28.1%
75-79	5,937	9,263	3,326	56.0%
80-84	4,290	7,093	2,803	65.3%
85+	4,329	8,410	4,080	94.3%
Total	162,357	204,298	41,942	25.8%

Source: Demographic projections

Population change 2020 to 2040 by broad age bands linked to Standard Method – South Cambs

Age group	Population 2020	Population 2040	Change	% Change
Under 16	32,174	38,028	5,854	18.2%
16-64	99,327	119,751	20,424	20.6%
65+	30,856	46,520	15,663	50.8%
Total	162,357	204,298	41,942	25.8%

Source: Demographic projections

Older persons change 2020 to 2040 by age bands linked to Standard Method – South Cambs

Age group	2020	2040	Change	% Change
Under 65	131,500	157,779	26,278	20.0%
65-74	16,300	21,754	5,453	33.5%
75-84	10,227	16,356	6,130	59.9%
85+	4,329	8,410	4,080	94.3%
Total	162,357	204,298	41,942	25.8%
65+	30,856	46,520	15,663	50.8%

Source: Demographic projections

Population change 2020 to 2040 by five-year age bands linked to Standard Method – W Suffolk

Age group	Population 2020	Population 2040	Change	% Change
Under 5	11,205	13,073	1,868	16.7%
5-9	10,979	12,772	1,793	16.3%
10-14	10,288	11,953	1,665	16.2%
15-19	9,123	11,208	2,084	22.8%
20-24	10,267	11,878	1,611	15.7%
25-29	12,578	13,472	894	7.1%
30-34	12,512	13,509	997	8.0%
35-39	11,591	12,023	431	3.7%
40-44	10,483	11,514	1,031	9.8%
45-49	11,229	12,089	859	7.7%
50-54	12,188	11,824	-364	-3.0%
55-59	11,708	11,837	129	1.1%
60-64	10,273	11,705	1,431	13.9%
65-69	9,485	12,320	2,835	29.9%
70-74	10,062	12,557	2,495	24.8%
75-79	7,348	11,123	3,775	51.4%
80-84	5,333	8,378	3,045	57.1%
85+	5,333	11,032	5,699	106.8%
Total	181,986	214,265	32,279	17.7%

Source: Demographic projections

Population change 2020 to 2040 by broad age bands linked to Standard Method – W Suffolk

Age group	Population 2020	Population 2040	Change	% Change
Under 16	34,340	40,128	5,788	16.9%
16-64	110,085	118,728	8,642	7.9%
65+	37,561	55,410	17,849	47.5%
Total	181,986	214,265	32,279	17.7%

Source: Demographic projections

**Older persons change 2020 to 2040 by age bands linked to Standard Method
– W Suffolk**

Age group	2020	2040	Change	% Change
Under 65	144,425	158,855	14,430	10.0%
65-74	19,547	24,877	5,330	27.3%
75-84	12,681	19,501	6,820	53.8%
85+	5,333	11,032	5,699	106.8%
Total	181,986	214,265	32,279	17.7%
65+	37,561	55,410	17,849	47.5%

Source: Demographic projections

APPENDIX D: District summaries

10.118 The following text provides the principal points of evidence and findings for each local authority as set out in the Housing Needs of Specific Groups study for Cambridgeshire and West Suffolk authorities.

Cambridge**Demographic baseline**

10.119 The total population of Cambridge is 124,800 persons as of mid-2019. Since 1991 the population has grown by 18% with an average annual growth rate of 0.6%. There is a total of 55,731 dwellings across Cambridge as at 31st March 2020. Since 2011 population change in Cambridge has been predominantly driven by international migration and natural change.

10.120 Linked to the University of Cambridge, the City has a significantly higher proportion of people aged 15-29 years old in comparison to the other HMA authorities. Conversely, it has a lower proportion of people in every age cohort over 45 years old compared to the other HMA authorities.

Market signals

10.121 The median house price in Cambridge is £440,000. This is 91% above the national average and 56% above the regional average. Over the last 10 years, Cambridge has seen an increase in median house prices of 59.3% compared to 27.6% nationally, and 42.5% regionally.

10.122 Median rental prices within the private rented sector across Cambridge are £1,200 per calendar month. This is above the national and regional equivalents of £695 and £795 respectively. Cambridge has a median workplace-based affordability ratio of 12.76 compared to 9.47 for the East of England and 7.83 nationally.

10.123 Between 2001 and 2011 Cambridge saw the proportion of residents living in over-occupied properties increase by 27.7%. This is a greater increase than the national (32.3%) and regional (35.6%) equivalents.

Local housing need

- 10.124 Step 1 of the standard method currently draws on the 2014-based household projections which set out a household growth of 425 per annum over the period 2020-2030 across Cambridge.
- 10.125 Step 2 of the standard method increases the Housing Need based on local affordability. Using the prescribed formula, the local affordability ratio results in an uplift of 55%. This increases the need by 233 to 658.
- 10.126 To ensure deliverability, Step 3 of the standard method caps the uplifts in Step 2. This is effectively not applied in Cambridge due to the age of the Local Plan and the target set out therein.
- 10.127 Based on the standard method Cambridge's housing need is 658 dwellings per annum. Although calculated over the 2020-2030 period it can be applied across the plan period and responds to historic under-delivery.
- 10.128 A scenario has been modelled whereby household formation rates are increased and population growth increased to fill these homes. This sees an additional 28,318 people in Cambridge over the period 2020-2040.

Affordable housing need

- 10.129 The analysis shows that 314 households per annum will require affordable housing to rent between 2020 and 2040. This equates to around 48% of the overall need although such a calculation should be treated with caution as it contains an element of double counting i.e. both include newly forming households.
- 10.130 Based purely on affordability around 78% should be social rent and 22% affordable rent. It is not recommended that the Councils have a rigid policy for the split between social and affordable rent housing on this basis alone. The analysis is clear that both tenures of homes are likely to be required in all areas, this should be brought together with other considerations outlined above, should the Council wish to implement a Local Plan policy.

10.131 There is a requirement in the NPPF for at least 10% of all new homes on major sites (defined in the Glossary of the NPPF as "development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more") to be affordable home ownership properties unless it would significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Given the relative scale of need for affordable housing to rent (314 per annum) compared to affordable home ownership (199 per annum) it seems reasonable to suggest that Cambridge could consider seeking 10% of all housing (on major sites) to be affordable home ownership (as set out in the NPPF) unless this would prejudice meeting the needs of other groups.

10.132 Given that affordable housing delivery will be curtailed by viability it will ultimately be a choice for the Council to make in relation to the split between social and affordable rent and affordable home ownership products. In making this choice they should consider a wide range of factors including the local priority (dealing with the acute need or promoting home-ownership) and the viability of different products.

10.133 If the Council does seek to provide 10% of housing as affordable home ownership, then it is suggested that shared ownership is the most appropriate tenure. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised).

Housing mix

10.134 The following mix of homes size by tenure is suggested as a strategic mix for Cambridge for the 2020-2040 period.

Size	Market	Affordable homes to buy	Affordable homes to rent
1-bedroom	0-10%	10-20%	30-40%
2-bedrooms	25-35%	35-45%	35-45%
3-bedrooms	40-50%	30-40%	15-25%
4+-bedrooms	15-25%	5-15%	0-10%

10.135 The mix identified above should inform the preparation of strategic policies. However, in applying the mix to individual development sites the policies should be flexible enough to have regard to the nature of the site and character of the area, and to up-to-date evidence of need (such as the housing register) as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered and respond accordingly so that the strategic mix requirements are closely met.

Older and disabled people need

10.136 There is projected to be a 58% increase in the population aged 75 and over between 2020-2040 across Cambridge. Based on prevalence rates and the identified population growth of those aged 75 and over the table below denotes the following surplus/shortfall in specialist housing for older people by 2040 as follows:

Type	Tenure	Cambridge
Housing with support	Rented	-289
Housing with support	Leasehold	643
Housing with care	Rented	121
Housing with care	Leasehold	300
Care bed-spaces	-	179

10.137 This need reflects the requirements of individual people for self-contained units and bed-spaces within an institutional setting.

10.138 The number of older people with dementia is expected to increase by 55.6% from 2020 to 2040. There is also a 51.3% increase projected for those with mobility problems over the same period.

10.139 Using data from the EHS there is a current (298) and projected (537) need for about 836 wheelchair user dwellings to 2040 across Cambridge. This equates to 6.40% of the total Local Housing Need.

10.140 Where viability permits, the Council should seek to deliver 100% of new homes as M4(2) compliant and at least 10% of new market homes and 25% of new affordable homes as being M4(3) compliant to meet the identified need.

Students

10.141 The Greater Cambridge authorities should plan to deliver a level of purpose built student accommodation which is at least in line with the growth of the universities student body (3,571 bedspaces by 2040). They should also encourage further delivery (up to 6,085 bed spaces) to encourage the release of shared housing back into the wider housing stock.

10.142 Any development being proposed which relates to purpose built student accommodation should be judged on its merits alongside an assessment of local demand. The developer should also demonstrate an agreement with a higher education provider.

People who rent their homes

10.143 Demand for Private Rented Sector (PRS) housing increased by 68% in Cambridge over the 2001 to 2011 period. Also, the tenure is likely to provide a route to affordable housing given that the number of households in PRS claiming Housing Benefit in Cambridge is 333 in 2019.

10.144 Notwithstanding this, this study does not place a specific estimate on the demand for PRS in Cambridge. This is because decisions on the part of individual households to buy or rent a home in the open market is dependent on several factors which means that demand can fluctuate over time (for example the availability of government schemes such as Help to Buy).

10.145 Institutional Build to Rent investment and development has thus far been typically focused in larger urban areas. Therefore, it is likely that Cambridge will be the focus of such development within the HMA. Where build to rent is being proposed on a site, the policy position should be supportive, subject to the location and characteristics of the site in question, a clear and up to date assessment of demand and the proportion and affordability of units for affordable private rent being provided (seeking a minimum of 20%).

Self-build and custom-build housing

10.146 The Council is required to permit plots for new custom and self-build homes for every new entry on to its custom and self-build register within three years of the end of each base period. An indication of the scale of this need is taken from the current register and suggests that the Greater Cambridgeshire authorities (the City of Cambridge and South Cambridgeshire) should permit 164 self-build plots annually.

Service families

10.147 There is an identified demand for 1- and 2-bedroom rental accommodation for military service personnel. The majority of the demand will be located in close proximity to the base i.e. Huntingdonshire and West Suffolk. That said, younger personnel also favour urban areas such as Cambridge. While this should not result in a need for a specific policy for military accommodation such developments should be supported as long as they can demonstrate a local demand and have approval from the MOD to deliver such housing.

East Cambridgeshire

Demographic baseline

10.148 The total population of East Cambridgeshire is 89,800 persons as of mid-2019. Since 1991 the population has grown by 47% with an average annual growth rate of 1.4%. There is a total of 38,258 dwellings across East Cambridgeshire as at 31st March 2020. Between 2001 and 2008 population growth was driven by internal migration. Since 2008 most components of change have been consistently positive.

10.149 In comparison to the other HMA authorities, East Cambridgeshire has a relatively higher proportion of school-aged people aged 5-14 years old and linked to this those aged 35 and over. Conversely, it has a relatively lower proportion of people in every age cohort between 20 and 34 years old.

Market signals

- 10.150 The median house price in East Cambridgeshire is £290,998. This is 27% above the national average and 3% above the regional average. Over the last 10 years, East Cambridgeshire has seen an increase in median house prices of 55.4% compared to 27.6% nationally, and 42.5% regionally.
- 10.151 Median rental prices within the private rented sector across East Cambridgeshire are £795 per calendar month. This is above the national equivalents of £695 and the same as the regional equivalent of £795. East Cambridgeshire has a median workplace-based affordability ratio of 10.24 compared to 9.47 for the East of England and 7.83 nationally.
- 10.152 Between 2001 and 2011 East Cambridgeshire saw the proportion of residents living in over-occupied properties increase by 20.7%. This is a smaller increase than the national (32.3%) and regional (35.6%) equivalents.

Local housing need

- 10.153 Step 1 of the standard method currently draws on the 2014-based household projections which set out a household growth of 429 per annum over the period 2020-2030 across East Cambridgeshire.
- 10.154 Step 2 of the standard method increases the Housing Need based on local affordability. The affordability ratios of East Cambridge is 10.2 (2019). Using the prescribed formula, the local affordability ratio results in an uplift of 39%. This increases the need by 167 to 597 dwellings per annum (dpa).
- 10.155 To ensure deliverability Step 3 of the standard method caps the uplifts in Step 2. This is effectively not applied in East Cambridgeshire due to the age of the Local Plan and the target set out therein.
- 10.156 Based on the standard method East Cambridgeshire's housing need is 597 dwellings per annum. Although calculated over the 2020-2030 period it can be applied across the plan period and responds to historic under-delivery.

10.157 A scenario has been modelled whereby household formation rates are improved and population growth increased to fill these homes. This sees an additional 24,442 people in East Cambridgeshire over the period 2020-2040.

Affordable housing need

10.158 The analysis shows that 215 households per annum will require affordable housing to rent between 2020 and 2040. This equates to around 36% of the overall need although such a calculation should be treated with caution as it contains an element of double counting i.e. both include newly forming households.

10.159 Based purely on affordability around 75% should be social rent and 25% affordable rent. It is not recommended that the Councils have a rigid policy for the split between social and affordable rent housing on this basis alone. The analysis is clear that both tenures of homes are likely to be required in all areas, this should be brought together with other considerations outlined above, should the Council wish to implement a Local Plan policy.

10.160 There is a requirement in the NPPF for at least 10% of all new homes on major sites to be affordable home ownership properties unless it would significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Given the relative scale of need for affordable housing to rent (215 per annum) compared to affordable home ownership (39 per annum), it seems reasonable to suggest that East Cambridgeshire could consider seeking no more than 10% of all housing (on major sites) to be affordable home ownership (as set out in the NPPF) unless this would prejudice meeting the needs of other groups.

10.161 Given that affordable housing delivery will be curtailed by viability it will ultimately be a choice for the Council to make in relation to the split between social and affordable rent and affordable home ownership products. In making this choice they should consider a wide range of factors including the local priority (dealing with the acute need or promoting home-ownership) and the viability of different products.

10.162 If the Council does seek to provide 10% of housing as affordable home ownership, then it is suggested that shared ownership is the most appropriate tenure. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised).

Housing mix

10.163 The following mix of homes size by tenure is suggested as a strategic mix for East Cambridgeshire for the 2020-2040 period.

Size	Market	Affordable homes to buy	Affordable homes to rent
1-bedroom	0-10%	15-25%	30-40%
2-bedrooms	20-30%	35-45%	35-45%
3-bedrooms	40-50%	25-35%	15-25%
4+-bedrooms	20-30%	5-15%	0-10%

10.164 The mix identified above should inform the preparation of strategic policies. However, in applying the mix to individual development sites the policies should be flexible enough to have regard to the nature of the site and character of the area, and to up-to-date evidence of need (such as the housing register) as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered and respond accordingly so that the strategic mix requirements are closely met.

Older and disabled people need

10.165 There is projected to be a 78% increase in the population aged 75 and over between 2020-2040 across East Cambridgeshire. Based on prevalence rates and the identified population growth of those aged 75 and over we have identified the following surplus/shortfall in specialist housing for older people by 2040 as follows:

Type	Tenure	East Cambridgeshire
Housing with support	Rented	-88
Housing with support	Leasehold	969
Housing with care	Rented	122
Housing with care	Leasehold	271
Care bed-spaces	-	1,145

- 10.166 This need reflects the requirements of individual people for self-contained units and bed-spaces within an institutional setting.
- 10.167 The number of older people with dementia is expected to increase by 77.7% from 2020 to 2040. There is also a 68.9% increase projected for those with mobility problems over the same period.
- 10.168 Using data from the EHS there is a current (282) and projected (697) need for about 979 wheelchair user dwellings to 2040 across East Cambridge. This equates to 8.20% of the total Local Housing Need.
- 10.169 Where viability permits, the Council should seek to deliver 100% of new homes as M4(2) compliant and at least 10% of new market homes and 25% of new affordable homes as being M4(3) compliant to meet the identified need.

Student

- 10.170 No requirement has been identified for student accommodation in East Cambridgeshire.

People who rent their homes

- 10.171 Demand for Private Rented Sector (PRS) housing increased by 94% in East Cambridgeshire over the 2001 to 2011 period. Also, the tenure is likely to provide a route to affordable housing given that the number of households in PRS claiming Housing Benefit in East Cambridgeshire is 397 in 2019.
- 10.172 Notwithstanding this, this study does not place a specific estimate on the demand for PRS in East Cambridgeshire. This is because decisions on the part of individual households to buy or rent a home in the open market is dependent on several factors which means that demand can fluctuate over time (for example the availability of government schemes such as Help to Buy).
- 10.173 Institutional Build to Rent investment and development has thus far been typically focused in larger urban areas. Therefore, it is unlikely that East Cambridgeshire will see much interest in this type of development. However, where build to rent is being

proposed, the policy position should be supportive, subject to the location and characteristics of the site in question and the proportion of units for affordable private rent being provided (seeking a minimum of 20%).

Self-build and custom-build housing

10.174 The Council is required to permit plots for new custom and self-build homes for every new entry on to its custom and self-build register within three years of the end of each base period. An indication of the scale of this need is taken from the current register and suggests that East Cambridgeshire has satisfied demand for self and custom-build plots.

Service families

10.175 Given the lack of military personnel in East Cambridgeshire, there is unlikely to be any demand for military housing in the area.

Fenland

Demographic baseline

10.176 The total population of Fenland is 101,900 persons as of mid-2019. Since 1991 the population has grown by 35% with an average annual growth rate of 1.1%. There is a total of 45,424 dwellings across Fenland as at 31st March 2020. Since 2001 Fenland's population change has been driven by internal and international migration.

10.177 In comparison to the other HMA authorities, Fenland has a relatively higher proportion of people aged 60 years old and older and those aged 25-29. Conversely, it has a lower proportion of people in every age cohort between 40-45 years old and linked to this those aged 10-14 compared to the other HMA authorities.

Market signals

10.178 The median house price in Fenland is £184,000. This is 20% below the national average and 35% below the regional average. Over the last 10 years, Fenland has seen an increase in median house prices of 35.4% compared to 27.6% nationally, and 42.5% regionally.

10.179 Median rental prices within the private rented sector across Fenland are £600 per calendar month. This is below the national and regional equivalents of £695 and £795 respectively. Fenland has a median workplace-based affordability ratio of 8.1 compared to 9.47 for the East of England and 7.83 nationally.

10.180 Between 2001 and 2011 Fenland saw the proportion of residents living in over-occupied properties increase by 50.0%. This is a greater increase than the national (32.3%) and regional (35.6%) equivalents.

Local housing need

10.181 Step 1 of the standard method currently draws on the 2014-based household projections which set out a household growth of 428 per annum over the period 2020-2030 across Fenland.

10.182 Step 2 of the standard method increases the Housing Need based on local affordability. The affordability ratios for Fenland is 8.1 (2019). Using the prescribed formula, the local affordability ratio results in an uplift of 26%. This increases the need by 110 to 538 dwellings per annum (dpa).

10.183 To ensure deliverability Step 3 of the standard method caps the uplifts in Step 2. This is effectively not applied in Fenland due to the age of the Local Plans and the target set out therein.

10.184 Based on the standard method Fenland's housing need is 538 dwellings per annum. Although calculated over the 2020-2030 period it can be applied across the plan period and responds to historic under-delivery.

10.185 A scenario has been modelled whereby household formation rates are improved and population growth increased to fill these homes. This sees an additional 18,270 people in Fenland over the period 2020-2040.

Affordable housing need

- 10.186 The analysis shows that 289 households per annum will require affordable housing to rent between 2020 and 2040. This equates to around 54% of the overall need although such a calculation should be treated with caution as it contains an element of double counting i.e. both include newly forming households.
- 10.187 Based purely on affordability around 77% should be social rent and 23% affordable rent. It is not recommended that the Councils have a rigid policy for the split between social and affordable rent housing on this basis alone. The analysis is clear that both tenures of homes are likely to be required in all areas. This should be brought together with other considerations outlined above, should the Councils wish to implement a Local Plan policy.
- 10.188 There is a requirement in the NPPF for at least 10% of all new homes on major sites to be affordable home ownership properties unless it would significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Given the lack of identified need for affordable home ownership products in Fenland, the Council should consider seeking at most 10% of all housing (on major sites) to be affordable home ownership (as set out in the NPPF) unless this would prejudice meeting the needs of other groups. Indeed, there could be some justification to challenge this minimum figure.
- 10.189 Given that affordable housing delivery will be curtailed by viability it will ultimately be a choice for the Council to make in relation to the split between social and affordable rent and affordable home ownership products. In making this choice they should consider a wide range of factors including the local priority (dealing with the acute need or promoting home-ownership) and the viability of different products.
- 10.190 If the Council does seek to provide 10% of housing as affordable home ownership then it is suggested that shared ownership is the most appropriate tenure. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised).

Housing mix

10.191 The following mix of homes size by tenure is suggested as a strategic mix for Fenland for the 2020-2040 period.

Size	Market	Affordable homes to buy	Affordable homes to rent
1-bedroom	0-10%	20-25%	35-45%
2-bedrooms	20-30%	35-45%	35-45%
3-bedrooms	40-50%	25-35%	10-20%
4+-bedrooms	20-30%	5-10%	0-10%

10.192 The mix identified above should inform the preparation of strategic policies. However, in applying the mix to individual development sites the policies should be flexible enough to have regard to the nature of the site and character of the area, and to up-to-date evidence of need (such as the housing register) as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered and respond accordingly so that the strategic mix requirements are closely met.

Older and disabled people need

10.193 There is projected to be a 66% increase in the population aged 75 and over between 2020-2040 across Fenland. Based on prevalence rates and the identified population growth of those aged 75 and over we have identified the following surplus/shortfall in specialist housing for older people by 2040 as follows:

Type	Tenure	Fenland
Housing with support	Rented	440
Housing with support	Leasehold	1,115
Housing with care	Rented	304
Housing with care	Leasehold	377
Care bed-spaces	-	1,200

10.194 This need reflects the requirements of individual people for self-contained units and bed-spaces within an institutional setting.

- 10.195 The number of older people with dementia is expected to increase by 65.6% from 2020 to 2040. There is also a 56.7% increase projected for those with mobility problems over the same period.
- 10.196 Using data from the EHS there is a current (451) and projected (816) need for about 1,267 wheelchair user dwellings to 2040 across Fenland. This equates to 11.80% of the total Local Housing Need.
- 10.197 Where viability permits, the Council should seek to deliver 100% of new homes as M4(2) compliant and at least 10% of new market homes and 25% of new affordable homes as being M4(3) compliant to meet the identified need.

Student

- 10.198 No requirement has been identified for student accommodation in Fenland. But any development being proposed which relates to purpose build student accommodation should be judged on its merits alongside an assessment of local demand. The developer should also demonstrate an agreement with a higher education provider.

People who rent their homes

- 10.199 Demand for Private Rented Sector (PRS) housing increased by 140% in Fenland over the 2001 to 2011 period. Also, the tenure is likely to provide a route to affordable housing given that the number of households in PRS claiming Housing Benefit in Fenland is 1,062 in 2019.
- 10.200 Notwithstanding this, this study does not place a specific estimate on the demand for PRS in Fenland. This is because decisions on the part of individual households to buy or rent a home in the open market is dependent on several factors which means that demand can fluctuate over time (for example the availability of government schemes such as Help to Buy).
- 10.201 Institutional Build to Rent investment and development has thus far been typically focused in larger urban areas. Therefore, it is unlikely that Fenland will see much interest in this type of development. However, where build to rent is being proposed, the policy position should be supportive, subject to the location and characteristics of

the site in question and the proportion of units for affordable private rent being provided (seeking a minimum of 20%).

Self-build and custom-build housing

10.202 The Council is required to permit plots for new custom and self-build homes for every new entry on to its custom and self-build register within three years of the end of each base period. An indication of the scale of this need is taken from the current register and suggests that Fenland should permit 1 self-build plot annually.

10.203 That said, it is worth noting that the "alternative assessment" of need for self and custom-build homes in Fenland is between 26 and 38 dwellings per annum, or a median of 32 (please see page 251 for a justification of this position).

Service families

10.204 Given the lack of military personnel in Fenland there is unlikely to be any demand for military housing in the area.

Huntingdonshire

Demographic baseline

10.205 The total population of Huntingdonshire is 178,000 persons as of mid-2019. Since 1991 the population has grown by 21% with an average annual growth rate of 0.7%. There is a total of 77,860 dwellings across Huntingdonshire as at 31st March 2020. Since 2001 Huntingdonshire's population change has been predominantly driven by natural change (births minus deaths) and internal migration.

10.206 In comparison to the HMA average, in 2019 Huntingdonshire has a slightly higher proportion of people aged 50-74 years old (31.9%) but a relatively lower proportion of people in the very oldest cohorts (85+) (2.5%).

Market signals

10.207 The median house price in Huntingdonshire is £275,000. This is 20% above the national average of £230,000 and 3% below the regional average. Between 2009 and 2019, Huntingdonshire has seen an increase in median house prices of 53.4% compared to 27.6% nationally, and 42.5% regionally.

10.208 Median rental prices within the private rented sector across Huntingdonshire are £765 per calendar month. This is above the national equivalents of £695, but below the regional equivalent of £795. Huntingdonshire has a median workplace-based affordability ratio of 9.31 compared to 9.47 for the East of England and 7.83 nationally.

10.209 Between 2001 and 2011 Huntingdonshire saw the proportion of residents living in over-occupied properties increase by 32.1%. This is a smaller growth than the national (32.3%) and regional (35.6%) equivalents.

Local housing need and population growth

10.210 Step 1 of the standard method currently draws on the 2014-based household projections which set out a household growth of 733 per annum over the period 2020-2030 across Huntingdonshire.

10.211 Step 2 of the standard method increases the Housing Need based on local affordability. The affordability ratio for Huntingdonshire is 9.3 (2019). Using the prescribed formula, the local affordability ratio results in an uplift of 33%. This increases the need by 243 to 976 dwellings per annum (dpa).

10.212 To ensure deliverability Step 3 of the standard method caps the uplifts in Step 2. This is effectively not applied in Huntingdonshire due to the age of Local Plan and the target set out therein.

10.213 Based on the standard method Huntingdonshire's housing need is 976 dwellings per annum. Although calculated over the 2020-2030 period it can be applied across the plan period and responds to historic under-delivery.

10.214 A scenario has been modelled whereby household formation rates are improved and population growth increased to fill these homes. This sees an additional 36,209 people in Huntingdonshire District over the period 2020-2040.

Affordable housing need

- 10.215 The analysis shows that 404 households per annum will require affordable housing to rent between 2020 and 2040. This equates to around 41% of the overall need although such a calculation should be treated with caution as it contains an element of double counting i.e. both include newly forming households.
- 10.216 Based purely on affordability around 72% should be social rent and 28% affordable rent. It is not recommended that the Councils have a rigid policy for the split between social and affordable rent housing on this basis alone. The analysis is clear that both tenures of homes are likely to be required in all areas, this should be brought together with other considerations outlined above, should the Councils wish to implement a Local Plan policy.
- 10.217 There is a requirement in the NPPF for at least 10% of all new homes on major sites to be affordable home ownership properties unless it would significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Given the relative scale of need for affordable housing to rent (404 per annum) compared to affordable home ownership (26 per annum), it seems reasonable to suggest that Huntingdonshire could consider seeking no more than 10% of all housing (on major sites) to be affordable home ownership (as set out in the NPPF) unless this would prejudice meeting the needs of other groups.
- 10.218 Given that affordable housing delivery may be curtailed by viability it will ultimately be a choice for the Council to make in relation to the split between social and affordable rent and affordable home ownership products. In making this choice they should consider a wide range of factors including the local priority (dealing with acute need or promoting home-ownership) and the viability of different products.
- 10.219 Shared Ownership (due to its low deposit requirement) and Discount Market Sale housing are the most appropriate low-cost home ownership products as these will reach the widest and lowest-earning population base.

Housing mix

10.220 The following mix of homes size by tenure is suggested as a strategic mix for Huntingdonshire for the 2020-2040 period.

Size	Market	Affordable homes to buy	Affordable homes to rent
1-bedroom	0-10%	15-25%	30-40%
2-bedrooms	20-30%	35-45%	35-45%
3-bedrooms	40-50%	25-35%	15-25%
4+-bedrooms	20-30%	5-15%	0-10%

10.221 The mix identified above should inform the preparation of strategic policies. However, in applying the mix to individual development sites the policies should be flexible enough to have regard to the nature of the site and character of the area, and to up-to-date evidence of need (such as the housing register) as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered and respond accordingly so that the strategic mix requirements are closely met.

Older and disabled people

10.222 There is projected to be a 95% increase in the population aged 75 and over 2020-2040 across Huntingdonshire. Based on prevalence rates and the identified population growth of those aged 75 and over we have identified the following surplus/shortfall in specialist housing for older people by 2040 as follows:

Type	Tenure	Huntingdonshire
Housing with support	Rented	194
Housing with support	Leasehold	1,533
Housing with care	Rented	371
Housing with care	Leasehold	635
Care bed-spaces	-	1,803

10.223 This need reflects the requirements of individual people for self-contained units and bed-spaces within an institutional setting.

10.224 The number of older people with dementia is expected to increase by 102.5% from 2020 to 2040. There is also an 85.4% increase projected for those with mobility problems over the same period.

10.225 Using data from the EHS there is a current (502) and projected (1,360) need for about 1,862 wheelchair user dwellings to 2040 across Huntingdonshire. This equates to 9.50% of the total Local Housing Need.

10.226 Where viability permits, the Council should seek to deliver 100% of new homes as M4(2) compliant and at least 10% of new market homes and 25% of new affordable homes as being M4(3) compliant to meet the identified need.

Student accommodation

10.227 No requirement has been identified for student accommodation in Huntingdonshire. But any development being proposed which relates to purpose build student accommodation should be judged on its merits alongside an assessment of local demand. The developer should also demonstrate an agreement with a higher education provider.

People who rent their homes in the private sector

10.228 Demand for Private Rented Sector (PRS) housing increased by 106% in Huntingdonshire over the 2001 to 2011 period. Also, the tenure is likely to provide a route to affordable housing given that the number of households in PRS claiming Housing Benefit in Huntingdonshire is 738 in 2019.

10.229 Notwithstanding this, this study does not place a specific estimate on the demand for PRS in Huntingdonshire. This is because decisions on the part of individual households to buy or rent a home in the open market are dependent on several factors which means that demand can fluctuate over time (for example the availability of government schemes such as Help to Buy).

10.230 Institutional Build to Rent investment and development has thus far been typically focused in larger urban areas. Therefore, it is unlikely that Huntingdonshire will see much interest in this type of development. However, where build to rent is being proposed, the policy position should be supportive, subject to the location and characteristics of the site in question and the proportion of units for affordable private rent being provided (seeking a minimum of 20%).

Self-build and custom-build housing

10.231 The Council is required to permit plots for new custom and self-build homes for every new entry on its custom and self-build register within three years of the end of each base period. An indication of the scale of this need is taken from the current register and suggests that Huntingdonshire should permit 3 self-build plots annually.

Service families

10.232 There was an identified demand for 1 and 2 bedroom rental accommodation for military service personnel. The majority of the demand will be located in close proximity to the base i.e. Huntingdonshire and West Suffolk. While this should not result in a need for a specific policy for military accommodation such developments should be supported as long as can demonstrate a local demand and have approval from the MOD to deliver such housing.

South Cambridgeshire

Demographic baseline

10.233 The total population of South Cambridgeshire is 159,100 persons as of mid-2019. Since 1991 the population has grown by 29% with an average annual growth rate of 1.0%. There is a total of 68,579 dwellings across South Cambridgeshire as at 31st March 2020. Since 2001 South Cambridgeshire's population change has been driven by internal migration and to a lesser extent natural change (births minus deaths).

10.234 In comparison to the other HMA authorities South Cambridgeshire has a higher proportion of people aged 45-54 and linked to this also those aged 5-14. Conversely, it has a lower proportion of people aged between 20 and 35 years old compared to the national average.

Market signals

- 10.235 The median house price in South Cambridgeshire is £360,000. This is 57% above the national average and 27% above the regional average. Over the last 10 years, South Cambridgeshire has seen an increase in median house prices of 54.3% compared to 27.6% nationally, and 42.5% regionally.
- 10.236 Median rental prices within the private rented sector across South Cambridgeshire are £950 per calendar month which is above the national and regional equivalents of £695 and £795 respectively. South Cambridgeshire has a median workplace-based affordability ratio of 9.78 compared to 9.47 for the East of England and 7.83 nationally.
- 10.237 Between 2001 and 2011 South Cambridgeshire saw the proportion of residents living in over-occupied properties increase by 52.4%. This is larger growth than the national (32.3%) and regional (35.6%) equivalents.

Local housing need

- 10.238 Step 1 of the standard method currently draws on the 2014-based household projections which set out a household growth of 797 per annum over the period 2020-2030 across South Cambridgeshire.
- 10.239 Step 2 of the standard method increases the Housing Need based on local affordability. The affordability ratio for South Cambridgeshire is 9.8 (2019). Using the prescribed formula, the local affordability ratio results in uplifts of 36%. This increases the need by 288 to 1,085 dwellings per annum (dpa).
- 10.240 To ensure deliverability Step 3 of the standard method caps the uplifts in Step 2. This is effectively not applied in South Cambridgeshire due to the age of the Local Plan and the target set out therein.
- 10.241 Based on the standard method South Cambridgeshire's housing need is 1,085 dwellings per annum. Although calculated over the 2020-2030 period it can be applied across the plan period and responds to historic under-delivery.

10.242 A scenario has been modelled whereby household formation rates are improved and population growth increased to fill these homes. This sees an additional 41,942 people in South Cambridgeshire over the period 2020-2040.

Affordable housing need

10.243 The analysis shows that 435 households per annum will require affordable housing to rent between 2020 and 2040. This equates to around 40% of the overall need although such a calculation should be treated with caution as it contains an element of double counting i.e. both include newly forming households.

10.244 Based purely on affordability around 74% should be social rent and 26% affordable rent. It is not recommended that the Councils have a rigid policy for the split between social and affordable rent housing on this basis alone. The analysis is clear that both tenures of homes are likely to be required in all areas, this should be brought together with other considerations outlined above, should the Council wish to implement a Local Plan policy.

10.245 There is a requirement in the NPPF for at least 10% of all new homes on major sites to be affordable home ownership properties unless it would significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Given the relative scale need for affordable housing to rent (435 per annum) compared to affordable home ownership (105 per annum), it seems reasonable to suggest that South Cambridgeshire could consider seeking 10% of all housing (on major sites) to be affordable home ownership (as set out in the NPPF) unless this would prejudice meeting the needs of other groups.

10.246 Given that affordable housing delivery will be curtailed by viability it will ultimately be a choice for the Council to make in relation to the split between social and affordable rent and affordable home ownership products. In making this choice they should consider a wide range of factors including the local priority (dealing with the acute need versus the need to provide a wider range of housing options targeted at a range of income levels) and the viability of different products.

10.247 If the Council does seek to provide 10% of housing as affordable home ownership, then it is suggested that shared ownership (and possibly rent to buy) is the most appropriate tenure. Shared Ownership requires a lower deposit and involves lower overall costs (given that the rent would also be subsidised).

Housing mix

10.248 The following mix of homes size by tenure is suggested as a strategic mix for South Cambridgeshire for the 2020-2040 period.

Size	Market	Affordable homes to buy	Affordable homes to rent
1-bedroom	0-10%	10-20%	30-40%
2-bedrooms	25-35%	35-45%	35-45%
3-bedrooms	40-50%	30-40%	15-25%
4+-bedrooms	15-25%	5-15%	0-10%

10.249 The mix identified above should inform the preparation of strategic policies. However, in applying the mix to individual development sites the policies should be flexible enough to have regard to the nature of the site and character of the area, and to up-to-date evidence of need (such as the housing register) as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered and respond accordingly so that the strategic mix requirements are closely met.

older and disabled people need

10.250 There is projected to be a 70% increase in the population aged 75 and over between 2020-2040 across South Cambridgeshire. Based on prevalence rates and the identified population growth of those aged 75 and over we have identified the following surplus/shortfall in specialist housing for older people (a negative figure denotes a surplus) by 2040 as follows:

Type	Tenure	South Cambridgeshire
Housing with support	Rented	-502
Housing with support	Leasehold	1,447
Housing with care	Rented	192
Housing with care	Leasehold	473
Care bed-spaces	-	1,613

10.251 This need reflects the requirements of individual people for self-contained units and bed-spaces within an institutional setting.

10.252 The number of older people with dementia is expected to increase by 71.9% from 2020 to 2040. There is also a 62.1% increase projected for those with mobility problems over the same period.

10.253 Using data from the EHS there is a current (428) and projected (1,003) need for about 1,430 wheelchair user dwellings to 2040 across South Cambridgeshire. This equates to 6.60% of the total Local Housing Need.

10.254 Where viability permits, the Council should seek to deliver 100% of new homes as M4(2) compliant and at least 10% of new market homes and 25% of new affordable homes as being M4(3) compliant to meet the identified need.

Student

10.255 The Greater Cambridge authorities should plan to deliver a level of purpose built student accommodation which is at least in line with the growth of the universities student body (3,571 bedspaces by 2040). It should also encourage further delivery

(up to 6,085 bed spaces) to encourage the release of shared housing back into the wider housing stock.

10.256 Any development being proposed which relates to purpose built student accommodation should be judged on its merits alongside an assessment of local demand. The developer should also demonstrate an agreement with a higher education provider.

People who rent their homes

10.257 Demand for Private Rented Sector (PRS) housing increased by 113% in South Cambridgeshire over the 2001 to 2011 period. Also, the tenure is likely to provide a route to affordable housing given that the number of households in PRS claiming Housing Benefit in South Cambridgeshire is 357 in 2019.

10.258 Notwithstanding, this study does not place a specific estimate on the demand for PRS in South Cambridgeshire. This is because decisions on the part of individual households to buy or rent a home in the open market is dependent on several factors which means that demand can fluctuate over time (for example the availability of government schemes such as Help to Buy).

10.259 Institutional Build to Rent investment and development has thus far been typically focused in larger urban areas able to offer an infrastructure-rich environment. Therefore, it is likely that South Cambridgeshire will see some interest in this type of development in the towns and villages around Cambridge. Where build to rent is being proposed, the policy position should be supportive, subject to the location and characteristics of the site in question, a clear and up-to-date assessment of demand and the proportion and affordability of units for affordable private rent being provided (seeking a minimum of 20%).

Self-build and custom-build housing

10.260 The Council is required to permit plots for new custom and self-build homes for every new entry on to its custom and self-build register within three years of the end of each base period. An indication of the scale of this need is taken from the current register and suggests that the Greater Cambridgeshire authorities (the City of Cambridge and South Cambridgeshire) should permit 164 self-build plots annually.

Service families

10.261 Given the lack of military personnel in South Cambridgeshire there is unlikely to be any demand for military housing in the area.

West Suffolk**Demographic baseline**

10.262 The total population of West Suffolk is 179,000 persons as of mid-2019. Since 1991 the population has grown by 19% with an average annual growth rate of 0.6%. There is a total of 80,422 dwellings across West Suffolk as at 31st March 2020. Since 2001 West Suffolk's population change has been driven by internal migration and natural change (births minus deaths).

10.263 In comparison to the other HMA authorities, West Suffolk has a relatively higher proportion of people aged 25-34 and linked to this those under 10 years old. The area also has a relatively high percentage of those aged 65 and over.

Market signals

10.264 The median house price in West Suffolk is £251,000. This is 9% above the national average and 11% below the regional average. Over the last 10 years, West Suffolk has seen an increase in median house prices of 50.2% compared to 27.6% nationally, and 42.5% regionally.

10.265 Median rental prices within the private rented sector across West Suffolk are £850 per calendar month. This is above the national and regional equivalents of £695 and £795 respectively. West Suffolk has a median workplace-based affordability ratio of 9.07 compared to 9.47 for the East of England and 7.83 nationally.

10.266 Between 2001 and 2011 West Suffolk saw the proportion of residents living in over-occupied properties increase by 45.3%. This is larger growth than the national (32.3%) and regional (35.6%) equivalents.

Local housing need

10.267 Step 1 of the standard method currently draws on the 2014-based household projections which set out a household growth of 608 per annum over the period 2020-2030 across Former Forest Heath and St Edmundsbury (the 2019 PPG has been used to calculate the housing need figure in this report. PPG was, however, updated in December 2020. This has a particular bearing on West Suffolk. The impact of this is set out in the Addendum to this report).

10.268 Step 2 of the standard method increases the Housing Need based on local affordability. The affordability ratios in West Suffolk (2019) using the prescribed formula uplifts the need by 32%. This increases the need by 193 to 800 dwellings per annum (dpa).

10.269 To ensure deliverability Step 3 of the standard method caps the uplifts in Step 2. This is effectively not applied in West Suffolk due to the age of the Local Plan and the target set out therein.

10.270 Based on the standard method West Suffolk's housing need is 800 dwellings per annum. Although calculated over the 2020-2030 period it can be applied across the plan period and responds to historic under-delivery.

10.271 A scenario has been modelled whereby household formation rates are improved and population growth increased to fill these homes. This sees an additional 32,279 people in the West Suffolk over the period 2020-2040.

Affordable housing need

10.272 The analysis shows that 409 households per annum will require affordable housing to rent between 2020 and 2040. This equates to around 51% of the overall need although such a calculation should be treated with caution as it contains an element of double counting i.e. both include newly forming households.

- 10.273 Based purely on affordability around 78% should be social rent and 22% affordable rent. It is not recommended that the Councils have a rigid policy for the split between social and affordable rent housing on this basis alone. The analysis is clear that both tenures of homes are likely to be required in all areas, this should be brought together with other considerations outlined above, should the Councils wish to implement a Local Plan policy.
- 10.274 There is a requirement in the NPPF for at least 10% of all new homes on major sites to be affordable home ownership properties unless it would significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Given the lack of identified need for affordable home ownership products, it seems reasonable to suggest that West Suffolk could consider seeking at most 10% of all housing (on major sites) to be affordable home ownership (as set out in the NPPF) unless this would prejudice meeting the needs of other groups. Indeed, there could be some justification to challenge this minimum figure.
- 10.275 Given that affordable housing delivery will be curtailed by viability it will ultimately be a choice for the Council to make in relation to the split between social and affordable rent and affordable home ownership products. In making this choice they should consider a wide range of factors including the local priority (dealing with the acute need or promoting home-ownership) and the viability of different products.
- 10.276 If the Council does seek to provide 10% of housing as affordable home ownership then it is suggested that shared ownership is the most appropriate tenure. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised).

Housing mix

10.277 The following mix of homes size by tenure is suggested as a strategic mix for West Suffolk for the 2020-2040 period.

Size	Market	Affordable homes to buy	Affordable homes to rent
1-bedroom	0-10%	15-25%	30-40%
2-bedrooms	25-35%	40-50%	30-40%
3-bedrooms	40-50%	25-35%	20-30%
4+-bedrooms	15-25%	0-10%	0-10%

10.278 The mix identified above should inform the preparation of strategic policies. However, in applying the mix to individual development sites the policies should be flexible enough to have regard to the nature of the site and character of the area, and to up-to-date evidence of need (such as the housing register) as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered and respond accordingly so that the strategic mix requirements are closely met.

Older and disabled people need

10.279 There is projected to be a 69% increase in the population aged 75 and over between 2020-2040 across West Suffolk. Based on prevalence rates and the identified population growth of those aged 75 and over we have identified the following surplus/shortfall in specialist housing for older people by 2040 as follows:

Type	Tenure	West Suffolk
Housing with support	Rented	483
Housing with support	Leasehold	1,697
Housing with care	Rented	434
Housing with care	Leasehold	562
Care bed-spaces	-	1,761

10.280 This need reflects the requirements of individual people for self-contained units and bed-spaces within an institutional setting.

- 10.281 The number of older people with dementia is expected to increase by 64.6% from 2020 to 2040. There is also a 62.5% increase projected for those with mobility problems over the same period.
- 10.282 Using data from the EHS there is a current (592) and projected (1,280) need for about 1,872 wheelchair user dwellings to 2040 across West Suffolk. This equates to 11.70% of the total Local Housing Need.
- 10.283 Where viability permits, the Council should seek to deliver 100% of new homes as M4(2) compliant and at least 10% of new market homes and 25% of new affordable homes as being M4(3) compliant to meet the identified need.

Student

- 10.284 No requirement has been identified for student accommodation in West Suffolk, although growth at the University Campus may necessitate consideration for it. But any development being proposed which relates to purpose build student accommodation should be judged on its merits alongside an assessment of local demand. The developer should also demonstrate an agreement with a higher education provider.

People who rent their homes

- 10.285 Demand for Private Rented Sector (PRS) housing increased by 115% in West Suffolk over the 2001 to 2011 period. Also, the tenure is likely to provide a route to affordable housing given that the number of households in PRS claiming Housing Benefit in West Suffolk is 1,051 in 2019.
- 10.286 Notwithstanding, this study does not place a specific estimate on the demand for PRS in West Suffolk. This is because decisions on the part of individual households to buy or rent a home in the open market is dependent on several factors which means that demand can fluctuate over time (for example the availability of government schemes such as Help to Buy).

10.287 Institutional Build to Rent investment and development has thus far been typically focused in larger urban areas. Therefore, it is unlikely that West Suffolk will see much interest in this type of development. That said the sizable and transient military population in the area may attract some interest and where build to rent is being proposed, the policy position should be supportive, subject to the location and characteristics of the site in question and the proportion of units for affordable private rent being provided (seeking a minimum of 20%).

Self-build and custom-build housing

10.288 The Council is required to permit plots for new custom and self-build homes for every new entry on to its custom and self-build register within three years of the end of each base period. An indication of the scale of this need is taken from the current register and suggests that West Suffolk should permit 30 self-build plots annually.

Service families

10.289 There was an identified demand for 1- and 2-bedroom and family rental accommodation for military service personnel. The majority of the demand will be located in close proximity to the base (i.e. RAF Mildenhall/RAF Lakenheath). While this should not result in a need for a specific policy for military accommodation such developments should be supported as long as can demonstrate a local demand and have approval from the MOD to deliver such housing.

APPENDIX E: Glossary

Acronyms

AHO	Affordable Home Ownership
AMR	Authority Monitoring Report
AR	Affordable Rent
ASHE	Annual Survey of Hours and Earnings
BTR	Build to Rent
BWNWCE	The Board of the West and North West Cambridge Estates
CIL	Community Infrastructure Levy
CSB	Custom and self-build
DCLG	Department for Communities and Local Government
dpa	Dwellings per Annum
EHS	English Housing Survey
HESA	Higher Education Statistics Agency
HFR	Household Formation Rate
HMA	Housing Market Area
HMO	Houses in Multiple Occupation
HRP	Household Reference Person
IMD	Index of Multiple Deprivation
JGC	Justin Gardner Consulting
LAHS	Local Authority Housing Statistics
LHA	Local Housing Allowance
LHN	Local Housing Need
LPA	Local Planning Authority
LQ	Lower Quartile
LTHPD	Long-Term Health Problem or Disability
MHCLG	Ministry of Housing, Communities and Local Government
MOD	Ministry of Defence
MSOA	Middle Layer Super Output Area
MYE	Mid-Year Population Estimates
NaCSBA	National Custom and Self-Build Association
NPPF	National Planning Policy Framework
OAN	Objectively Assessed Housing Need
OMV	Open Market Value
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PR	Patient Register
PRS	Private Rented Sector
RAF	Royal Air Force
SHMA	Strategic Housing Market Assessment
SNHP	Sub-National Household Population
SNPP	Sub-National Population Projections
USAFE	United States Air Forces in Europe – Air Forces Africa
VOA	Valuations Office Agency

Terms and Definitions

For a full definition of these terms it is worth checking the glossary of the National Planning Policy Framework.

Affordability Ratio	Affordability ratios are calculated by dividing house prices by gross annual workplace or residence-based earnings. Higher ratios indicate less affordable housing. Workplace-based affordability ratios are used in the standard method.
Affordable Home Ownership	Housing which is deemed affordable to those with a median household income or below as rated by the national government (or a local government) and is recognised by the housing affordability index.
Affordable Housing	Housing for sale or rent for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers).
Affordable Housing Need	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 to support.
Build to Rent	Purpose-built market housing that is typically 100% rented out.
Dependent Child	Any person aged 0 to 15 in a household (whether or not in a family).
Discount Market Sale	A low-cost home ownership product where a new-build property is purchased at a discounted price.
Domestic Migration	Also known as internal migration. Households moving home within the same country.
Enhanced Sheltered Housing	Sheltered housing with additional services to enable older people to retain their independence in their own home for as long as possible. Typically, there may be 24/7 (non-registered) staffing cover, at least one daily meal will be provided and there will be additional shared facilities.
Extra care housing or housing-with-care	This usually consists of purpose-built or adapted flats or bungalows with a medium to a high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents can live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.
First Homes	New homes sold at a discount of at least 30 per cent to market value. Local Authorities will have some say as to who can buy them.
Houses in Multiple Occupation	A dwelling that is shared by unrelated adults.

Housing Market Area	A geography, defined by commuting relationships and internal migration, that defines the boundaries within which the demand and supply balance for housing can be understood.
Housing Need	The quantity of housing required by households who are unable to access suitable housing without financial assistance.
International Migration	Households moving home from one country to another
Local Housing Need	The number of homes identified as being needed through the application of the standard method set out in National Planning Practice Guidance.
Long-term health problem or disability	A long-term health problem or disability that limits a person's day-to-day activity, and has lasted, or is expected to last at least 12 months. This includes problems that are related to old age.
Lower Quartile House Prices	The sale price which is valued at a quarter of the way through the range when ordered from lowest to highest.
Macro-Economics	Relating to the branch of economics concerned with large-scale or general economic factors, such as interest rates and national productivity.
Market Housing	Private housing for rent or for sale, where the price is set in the open market.
Median House Price	The sale price of the middle home in a list of properties ranked from the highest sale price to lowest over a set period of time.
Objectively Assessed Housing Need	In the context of the National Planning Policy Framework 'objectively assessed need' refers to both market and affordable housing. The standard method is now used for assessing need.
Occupancy Rating	A measure of whether a given household has enough bedrooms based on the nature of their relationships and age.
Other households	A household in which not all the occupants are members of the same family, but may include one or more families. As such the dwelling will be in multiple occupation.
Overcrowding	Properties that have fewer rooms than their households require based on the Government defined occupancy rating.
Private Rented Sector	All property owned by a landlord and leased to a tenant.
Residential care homes and nursing homes	These have individual rooms within a residential building and provide a high level of care to meet all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.
Retirement living or sheltered housing	This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room, and guest room. It does not generally provide care services but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Retirement Village	Developments of typically 100 or more units that encourage downsizing and reduce the need for additional large accommodation.
Self-Build and Custom Build	Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing.
Shared Ownership	A buyer will buy a share in a property (typically between 25% and 75%) and then pay rent on the remaining share.
Social/ Affordable Rented Housing	A property that is let by the local authorities or private registered providers of social housing to households that are eligible for social rented housing.
Standard Method	A formula as set out in National Planning Practice Guidance to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and the affordability ratio.
Under-occupied	Household that has more bedrooms than the household needs according to the Government's occupancy rating.

APPENDIX F: Detailed data in the main report

10.290 In addition to Appendices A to E, detailed data which are relevant to the charts and figures presented in all chapters of the main report are further documented in a separated Appendix F.

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