Housing Needs of Specific Groups in Cambridge and South Cambridgeshire

Final Report

Iceni Projects Limited on behalf of

Greater Cambridge Shared

Planning

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1. Executive Summary

1.1 Cambridge City Council and South Cambridgeshire District Council have commissioned Iceni Projects to prepare a report examining the housing needs of specific groups within the overall local housing need for Greater Cambridge, calculated using the Standard Method.

Demographic

1.2 In 2023, the population of Greater Cambridge was 318,504. This was comprised of 168,541 in South Cambridgeshire and 149,963 in Cambridge.

1.3 This represents a growth of 16.9% since 2011, which is a higher rate of growth than that seen in the rest of the region (10.3%) or nationally (8.6%).

1.4 Greater Cambridge has a young population with an above-average level of 15–34-year-olds. However, this masks significant variation across the study area.

1.5 Since 2011, Greater Cambridge has seen its most significant growth in the older population (65+). This is principally due to South Cambridgeshire's population ageing in place.

Housing Stock

1.6 In 2023, there were 130,049 dwellings in Greater Cambridge. Of these, 56% were in South Cambridgeshire and 44% in Cambridge City.

1.7 On average, 1,503 dwellings per annum have been delivered since 2001/02 across Greater Cambridge, of which 58% were in South Cambridgeshire and 41% in Cambridge.

1.8 Since 2019/20, average completions have increased to 1,744 per annum, with 70% of those occurring in South Cambridgeshire.

1.9 The housing stock in Greater Cambridge has a similar mix in terms of types of homes to the region and England, albeit with slightly more detached homes and fewer flats.

1.10 Greater Cambridge has a similar percentage of 1- and 2-bedroom homes to England and the region. However, it has fewer three-bedroom homes and a greater percentage of 4 or more-bedroom homes.

1.11 Around 56% of households in Greater Cambridge are owner occupiers, which is below the regional (66%) and national (62%) equivalents.

1.12 Rented Affordable Housing in Greater Cambridge (17%) is in line with the wider comparators (16% regionally and 17% nationally) but is much higher in Cambridge at 23% of all households.

1.13 Private renting in Greater Cambridge is 27% compared to 18% in the East of England and 21% across England. This increases to 32% in Cambridge City.

1.14 Since the 2021 Census, approximately 32% of new housing delivery has been in affordable tenures, including intermediate tenures.

Housing Market

1.15 In the year to March 2024, the median house price in Greater Cambridge was £453,800. This was significantly higher than the regional (£335,000) and national medians (£287,500).

1.16 Since 1995, median prices have grown significantly across the country, but more so in Cambridge than elsewhere, with house prices now 7 times the equivalent in 1995.

1.17 The median workplace-based affordability ratios have increased notably from 1997 to 2007 and again from 2009 to 2017 in both Greater Cambridge authorities.

1.18 South Cambridgeshire saw its ratio increase from 6.67 in 2009 to an all-time high of 10.98 in 2017 and now sits at 9.54.

1.19 A similar but more extreme pattern is seen in Cambridge, which saw its ratio increase from 8.15 in 2009 to an all-time high of 13.53 in 2017 but has fallen to 11.31.

1.20 Local agents report that the market has picked up since the end of 2024, related to stamp duty changes being introduced in April 2025.

1.21 Local agents highlighted that there are far fewer investors in the market right now than was previously seen; instead, there are many first-time buyers, families and professionals entering the housing market.

1.22 The City-based agents have also noticed a large increase in landlords asking for properties to be valued, with many of these then being listed for sale.

Housing Need

1.23 The starting point for assessing housing need is the Standard Method, which is set out by the Government in Planning Practice Guidance.

1.24 For Greater Cambridge, this shows **an annual housing need for 2,309 dwellings** as derived in the Table below.

Table 1.1 Standard Method – Greater Cambridge

	Cambridge	South Cambridgeshire	Greater Cambridge
Total Dwelling Stock	57,863	72,186	130,049
Step 1. Annual Dwellings Stock Increase (0.8%)	463	577	1,040
Average Affordability Ratio (2019-23)	12.64	10.43	n/a
Uplift	245%	203%	n/a
Step 2. Housing Need	1,135	1,174	2,309

Source: MHCLG, 2024

1.25 The PPG also states, “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.” (Paragraph: 013 Reference ID: 2a-013-20241212)

1.26 The delivery of 2,309 dwellings per annum would support a population growth of 106,182 over the 2024-2045 period. Reflecting the largest migrant group, the largest growth is expected in the 24–44-year category.

1.27 There is also expected to be a large percentage growth in the over-65 category (43%), resulting in 22,300 additional people. A similar absolute growth (21,692) is also expected in the under-16 population.

1.28 The housing need number is updated each year in March (when new affordability ratios are published) and again in May (when new dwelling stock estimates are published).

1.29 Unless there is a significant change from an annual requirement of 2,309 dwellings, the recommendations in this report are highly likely to remain appropriate for use.

1.30 Indeed, at a late stage of this report, the Standard Method calculations were changed to 2,295 dpa, and this is not considered material to change the key findings of the report.

Affordable Housing Need

1.31 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. The evidence indicates that there is an acute need for affordable housing in both local authority areas.

1.32 The majority of need is from households who are unable to buy OR rent privately and therefore points particularly towards a need for rented affordable housing rather than affordable home ownership.

1.33 Despite the level of need being high (relative to overall housing requirements), it is not considered that this points to any requirement for the Councils to increase the Local Plan's overall housing requirement due to affordable housing needs.

1.34 The link between affordable need and overall need (of all tenures) is complex, and in trying to make a link, it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home).

1.35 In addition, the private rented sector is providing benefit-supported accommodation for a proportion of households. That said, the level of affordable housing need does suggest the Councils should maximise the delivery of such housing at every opportunity.

1.36 The analysis suggests there will be a need for both Social and Affordable Rent housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who can claim sufficient housing-related benefits to cover their full rental costs. It is, however, clear that Social Rents are more affordable and could benefit a wider range of households – Social Rent homes should therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.

1.37 The study also considers different types of affordable home ownership (notably shared ownership and discounted market homes, including First

Homes) as each may have a role to play. Shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent. There was no evidence of a need for discounted market housing, including First Homes.

1.38 Given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’ (particularly for larger (3+-bedroom) homes). This again points to the need for the Councils to prioritise the delivery of rented affordable housing where possible.

1.39 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Councils will need to consider the relative levels of need and also viability issues (recognising for example that providing affordable home ownership may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

1.40 Overall, the analysis identifies a notable need for affordable housing, and it is clear that the provision of new affordable housing is an important and pressing issue in the area.

1.41 It does, however, need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does, however, suggest that affordable housing delivery should be maximised where opportunities arise.

Housing Mix

1.42 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Greater Cambridge is about average, with around 28.5% of all households containing dependent children in 2021. There are notable differences between different types of households, with married couples (with dependent children) seeing a high level of owner-occupation, whereas lone parents are particularly likely to live in Rented Affordable Housing.

1.43 There is a range of factors which will influence demand for different sizes of homes, including demographic changes, future growth in real earnings and households' ability to save, economic performance, and housing affordability.

1.44 The analysis linked to future demographic change concludes that the following tables represent an appropriate mix of affordable and market homes by size (bedrooms). This takes account of both household changes and the ageing of the population, as well as seeking to make more efficient use of new stock by not projecting forward the high levels of under-occupancy (which is notable in the market sector).

1.45 In all sectors, the analysis points to a particular need for smaller accommodation, with varying proportions of 3+-bedroom homes. For general needs rented affordable housing (as opposed to specialist housing such as older persons accommodation or affordable private rent), there is a clear need for a range of different sizes of homes, including 45% of homes in Greater Cambridge to have at least 3-bedrooms (of which 10% should have at least 4-bedrooms in South Cambridgeshire and 15% in Cambridge). Our recommended mix is set out below:

Table 1.2 Suggested size mix of housing by tenure – Cambridge

Size	Market	Affordable home ownership	Rented Affordable Housing under 65	Rented Affordable Housing 65 and over
1-bedroom	10%	20%	20%	50%
2-bedrooms	35%	45%	35%	50%
3-bedrooms	35%	25%	30%	
4+-bedrooms	20%	10%	15%	

Source: Iceni Analysis

Table 1.3 Suggested size mix of housing by tenure – South Cambridgeshire

Size	Market	Affordable home ownership	Rented Affordable Housing under 65	Rented Affordable Housing 65 and over
1-bedroom	5%	15%	20%	40%
2-bedrooms	30%	45%	35%	60%
3-bedrooms	40%	30%	35%	
4+-bedrooms	25%	10%	10%	

Source: Iceni Analysis

1.46 The recommended housing mix in the affordable housing sector recognises the role that the delivery of larger family homes can play in releasing a supply of smaller properties for other households.

1.47 Also recognised is the limited flexibility that 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Councils' Housing Registers.

1.48 The mix identified above should inform strategic policies, although a flexible approach should be adopted. For example, in some areas, affordable housing Registered Providers find difficulties selling 1-bedroom affordable home ownership homes, and therefore, the 1-bedroom elements of affordable home ownership might be better provided as 2-bedroom accommodation. That said, given current house prices, there are potential difficulties in making (larger) affordable home ownership properties genuinely affordable.

1.49 Additionally, in applying the mix to individual development sites, regard should be had to other factors such as the nature of the site and character of the area, up-to-date evidence of need, as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered.

Private Rental Sector

1.50 This study has not attempted to estimate the need for additional private rented housing. The decision of households to buy or rent is dependent on multiple factors, including the availability and cost of housing to buy. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

1.51 The private rental sector (PRS) includes a wide range of accommodation types, including privately owned homes rented to others, HMOs, Co-living, Build to Rent and Purpose Built Student Accommodation (PBSA).

1.52 The PRS has been the key growth sector in the housing market for the last 15 years. In Cambridge, PRS equates to 32% of all households, although only 14% of households in South Cambridgeshire privately rent.

1.53 Average rents in Cambridge (£1,755 per calendar month (pcm)) are greatly over those in South Cambridgeshire at £1,322 pcm, the regional (£1,209 pcm) and national figures (£1,375 pcm).

1.54 Since 2015, median rental growth has been highest in South Cambridgeshire (43%), although Cambridge is only marginally lower (37%), reflecting a higher starting point.

1.55 An increase in the number of students, as well as the affordability of market housing, is a driver for the increase in those living in PRS in Greater Cambridge. In addition, it is likely to have had an impact on the total number of rental transactions.

1.56 Some agents reported that the rental market activity in Cambridge has increased notably since Christmas 2024 and now has a much higher demand and supply than previously.

1.57 According to the agents, small properties are in the greatest demand in Cambridge, while 3- or 4-bedroom homes are in the greatest demand in South Cambridgeshire.

1.58 Of those renting, a higher proportion are relocating into the City than are local. This is mostly due to the work and education opportunities. There is also a very high demand from students.

1.59 However, there are large numbers of landlords in the City selling up, due to concerns over the Renters Reform Bill. This is impacting the supply, according to agents.

Houses in multiple Occupation (HMOs)

1.60 The Local Authority Housing Statistics for 2023/24 estimates that there are 3,942 HMOs in Greater Cambridge. The vast majority of which are located in Cambridge. According to Council Tax data, around half of the HMOs are not occupied by students.

1.61 Thanks to consistently high demand for housing, rooms in HMOs are quickly reoccupied, which in turn drives very high rents.

1.62 Overall, the Cambridge market is characterised by high demand for all forms of rental accommodation, including HMOs.

1.63 Unlike most other areas across England, the HMO market in South Cambridgeshire primarily serves white-collar workers, as opposed to blue-collar occupants or students, as found elsewhere.

1.64 Officers do not believe that the delivery of additional Build to Rent (BTR) or Co-living would reduce the demand for HMOs, allowing it to be released for family use, as there would still be demand from other groups, such as those living in caravans.

1.65 However, due to the market HMOs currently serve, the cost of HMOs in South Cambridgeshire is restrictive. Officers believe HMOs are not affordable to many households and that a limited supply of HMOs is restricting their wider use, rather than a lack of demand. This is particularly for single-person households, as HMOs could provide a cost-effective solution. Currently, there are no reports of families living in HMOs.

Build to Rent and Co-living

1.66 The local authorities in Cambridgeshire and West Suffolk commissioned several reports looking into the Build to Rent market locally. These reports note that both Cambridge and South Cambridgeshire have experienced significant house price growth, leading to challenges in housing affordability.

1.67 At the time of the overarching Savills report (June 2020), there were no Build to Rent schemes under construction in Greater Cambridge, although there are now four permitted developments.

1.68 The reports recognise that rental demand in Cambridge is driven by young professionals seeking city centre living and increasingly by families looking for homes in more suburban or rural locations in South Cambridgeshire.

1.69 The reports also state that the Build to Rent market is driven by the local economy, noting that Greater Cambridge is an area of high national and international importance, specialising in science, technology, and innovation. Additionally, the student population in Cambridge contributes significantly to the rental demand.

1.70 The reports note that Build to Rent schemes in the area could potentially attract a range of demographics with a range of incomes. The reports conclude that the market conditions in both Cambridge and South Cambridgeshire present significant opportunities for Build to Rent developments.

1.71 The reports make several recommendations, including discouraging the Councils from being prescriptive about the location and quantum of Build to Rent, but that they should allow the market to decide.

1.72 Future Build to Rent schemes should be encouraged to offer a range of property types and rental levels to cater for the diverse needs and affordability constraints of the local population.

1.73 Target residents of co-living developments are typically students, recent graduates and young professionals and most development is located in city centres. Although open to all ages, residents of Co-living developments are predominantly aged 18–40 years old.

1.74 As well as addressing general housing need, Co-living also benefits young professionals facing affordability pressures, as well as those who are new to an area. There are currently no Co-living developments in Greater Cambridge.

1.75 The Councils have already set out recommendations for build-to-rent developments within the Greater Cambridge Housing Strategy (Annexe 5). Many of these can also apply to Co-living developments

1.76 The viability of Build-to-Rent and Co-living schemes is likely to differ relative to other forms of development. Therefore, the Councils' policies on affordable housing provision should be informed by up-to-date viability evidence, and policy should reflect this.

Student Housing and Purpose Built Student Accommodation

1.77 There are two major higher education institutions in Greater Cambridge. The latest HESA data sets out that there are 22,710 students at the University of Cambridge (UofC) and 35,895 students at Anglia Ruskin University (ARU) in the 2023/24 academic year. For ARU, this includes students not studying in Cambridge. ARU previously indicated to the Councils that they had 12,800 students in Cambridge in 2020/21.

1.78 The HESA data records that around 60% of ARU students either live in their own residence or with their parents, while the equivalent figure for UofC students is only 6%. Conversely, 80% of UofC students are in property provided to them by the University, while only 2% of ARU students do this.

1.79 Responses to engagement undertaken in early 2023 with the universities showed that the majority of the UofC Colleges are either not seeking to increase their numbers of undergraduate students or do not have undergraduate students.

1.80 In contrast, ARU and six Colleges all intend to grow their undergraduate numbers over the next 10 years. The UofC and 14 Colleges (in association with UofC) all intend to grow their postgraduate numbers over the next 10 years. This results in additional need for teaching spaces and student accommodation.

1.81 ARU have identified a need for 800 additional bedspaces by 2025/26 to maintain 42% of its students living in PBSA. For the UofC and its Colleges, the majority of Colleges are seeking to maintain the proportion of undergraduates living in PBSA but are seeking to increase the proportion of postgraduates living in PBSA.

1.82 Through their responses, the UofC Colleges have identified a need for up to 1,242 student units by 2032/33, with the majority being for postgraduates. This results in a total identified need of up to 2,042 student units by 2032/33 from ARU, UofC and its Colleges.

1.83 Additionally, through the responses, five Colleges have highlighted that up to 44 units for academic staff will be needed over the next 5-10 years.

1.84 Any additional PBSA or student halls of residence provided to meet student growth or to shift people out of HMOs would contribute to meeting the overall housing need.

Older People and Disabled People

1.85 A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability.

1.86 The analysis responds to Planning Practice Guidance (PPG) on Housing for Older and Disabled People published by the Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and those with disabilities and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

1.87 The data shows that Greater Cambridge has a younger age structure than seen regionally or nationally and lower levels of disability compared with the national average.

1.88 The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (67% of all older person households are outright owners in Cambridge and 75% in South Cambridgeshire).

1.89 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2024-45 period include:

- a 43% increase in the population aged 65+ in the study area – rising to just over 73,700 people by 2045;
- a 62%-63% increase in the number of people aged 65+ with dementia and a 53%-55% increase in those aged 65+ with mobility problems;
- a need for around 400 additional market housing units with support (sheltered/retirement housing) in Cambridge and around 1,500 in South Cambridgeshire;
- a need for around 470 additional housing units with care (e.g. extra-care) in Cambridge and around 800 in South Cambridgeshire – the majority in the market sector. This would also provide accommodation for both older people and younger people with learning disabilities.
- a need for additional nursing and residential care bedspaces (around 1,500 in the period across the two authorities)

1.90 The results above, while compliant with the PPG, could potentially overstate the need within Greater Cambridge. Therefore, any applications for new specialist accommodation should also be assessed against the County Council's needs assessments.

1.91 In addition, there is a need for around 970 dwellings to be for wheelchair users (meeting technical standard M4(3)) – around 440 in Cambridge and around 530 in South Cambridgeshire.

1.92 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair-user dwellings, as well as providing specific provision of older persons housing.

1.93 Given the evidence, the Councils could consider requiring all dwellings (in all tenures) to meet the M4(2) standards. The Councils could also consider requiring around 5% of homes meeting M4(3) – wheelchair user dwellings – in the market sector and a higher proportion of around 10% in the affordable sector.

1.94 In the market sector, the supply of M4(3) dwellings would be wheelchair-user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). Where the authority has nomination rights, dwellings should be wheelchair-accessible (constructed for immediate occupation) where there is an identified need.

1.95 It should, however, be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

1.96 In framing policies for the provision of specialist accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this, the viability of provision).

1.97 There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure, given the way care and support services are paid for.

Other Specific Groups

1.98 This report also examined the need for a range of other groups within Greater Cambridge. While these groups generate a need for housing, this would be included within rather than in addition to the Standard Method.

Looked After Children

1.99 The County Council's overarching policy is to ensure as few children as possible will be placed in residential care homes.

1.100 There are currently around 700 looked-after children within the county and Peterborough (0.4%), of which 63 are placed in residential children's care homes (0.03%).

1.101 Although the county has 32 registered children's care facilities, a significant proportion of these are filled by placements from outside the area. As a result, there is insufficient local provision.

1.102 To address this shortage, the County Council is developing facilities and actively seeking to expand provision through collaboration with the independent sector.

1.103 If current prevalence rates continue, the projected population growth, linked to the Standard Method, would result in an increased demand for 7 additional residential beds in children's care homes by 2045.

1.104 Additional demand for residential care bedspaces for children will depend on the success of preferred alternatives such as familial care or foster care.

1.105 Regardless, the local authorities within Greater Cambridge are encouraged to support further proposals to meet growing demands.

1.106 There will also be a need for supported accommodation for young adults, and the Councils should work with the County Council and Registered Providers to explore opportunities to provide this.

Service Families

1.107 Ministry of Defence (MOD) statistics report that there are 30 military or civilian personnel in Cambridge and 2,160 in South Cambridgeshire. This includes the Mission Ready Training Centre (MRTC) in Bassingbourn, South Cambridgeshire, which may expand slightly.

1.108 Veterans constitute approximately 1.8% of Cambridge City's population, equating to 1,894 individuals, according to the 2021 census. South Cambridgeshire has a higher proportion, with 4,376 veterans (2.7%), still below the national average of 4.1%.

1.109 The most acute and pressing issue is likely to be finding accommodation for those transitioning out of the forces.

1.110 Local Authorities have obligations under the Armed Forces Covenant to support service members, veterans, and their families, removing barriers related to housing and local connections.

Custom and Self-Build

1.111 Councils are required to grant sufficient planning permissions to meet the demand identified on their Register within 3 years of the end of each base period.

1.112 Since April 2016, there have been 1,087 registered expressions of interest in a serviced plot of land in Greater Cambridge. This is an average of 128 registrations per annum.

1.113 Future demand may be affected by the introduction of a charge to enter the register, resulting in the average entries falling to around 50 per base period over the last 3 years.

1.114 Although these figures indicate the future need for plots, the actual requirement will depend on the numbers entering the register. Furthermore, there is an unmet need for 456 plots, which will also need to be addressed.

1.115 There will also be a more stringent requirement for the Councils to demonstrate that this supply is being occupied by those commissioning or customising the build before it can be counted towards the supply.

1.116 The Councils may wish to consider rolling out Policy H/9 in the South Cambridge Local Plan to all of Greater Cambridge. The policy provides an appropriate response given the level of demand.

Community-Led Housing

1.117 There are examples of Co-housing developments in Cambridge, and there are some community groups across Greater Cambridge set up to increase delivery.

1.118 Given this appetite for community-led housing, the Council could consider developing a policy which seeks to encourage and support the contribution and role of community-led housing.

Gypsy and Travellers

1.119 Cambridge City and South Cambridgeshire District Councils published their Accommodation Needs Assessment of Gypsies, Travellers, Travelling Showpeople and Bargee Travellers and other caravan and houseboat dwellers in September 2024.

2. Introduction

2.1 Cambridge City Council and South Cambridgeshire District Council have commissioned Iceni Projects to prepare a report examining the housing needs of specific groups (HNSG). This report provides evidence on housing need, housing mix and the need for specific groups, which will inform local planning policy and decision-making.

2.2 The housing needs for specific groups are components of the overall local housing need and are not in addition to it. This document will be brought together with other evidence-based documents to inform the future strategy for the scale and distribution of housing growth within the area, with reasonable alternatives tested through the plan-making and Sustainability Appraisal process. This assessment does not set targets but provides robust evidence to inform those in the Local Plan.

2.3 The report is based on the best and most up-to-date information available at the time of drafting – this was around March 2025. The report therefore incorporates changes to the National Planning Policy Framework published in December 2024.

2.4 The Councils should, however, continue to monitor and sense-check new data releases and respond to anything material to plan-making.

Time Period and Geography

2.5 This report examines the housing need for specific groups over the 21 years from 2024 to 2045 to align with the emerging Local Plan.

2.6 The geographic scope of the report focuses on the Greater Cambridge area, which includes Cambridge City and South Cambridgeshire District in their entirety. We have also presented information for the city and district separately, and this is illustrative only as it will be for the Councils to decide the location of where needs are to be met.

3. Demographic Baseline

3.1 In 2023, the population of Greater Cambridge was 318,504. This was comprised of 168,541 in South Cambridgeshire and 149,963 in the City of Cambridge.

Table 3.1 Total Population Change (2011-2023)

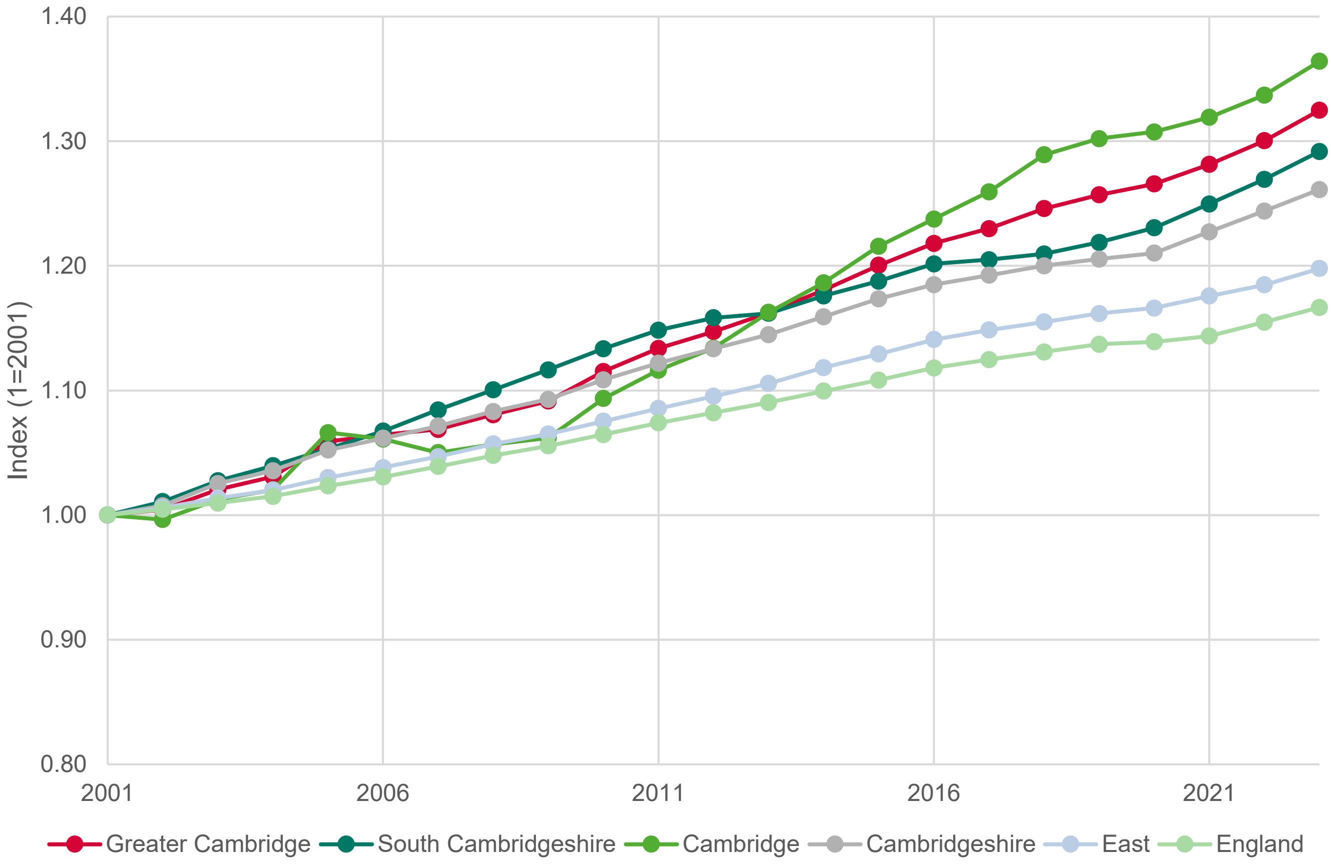
Area	2011	2023	Change	% Change
Greater Cambridge	272,567	318,504	45,937	16.9%
South Cambridgeshire	149,842	168,541	18,699	12.5%
Cambridge	122,725	149,963	27,238	22.2%
Cambridgeshire	622,312	699,573	77,261	12.4%
East	5,862,418	6,468,665	606,247	10.3%
England	53,107,169	57,690,323	4,583,154	8.6%

Source: ONS, Mid-Year Population Estimates

3.2 This represents a growth of 16.9% since 2011, which is a higher rate of growth than that seen in the rest of the region (10.3%) or nationally (8.6%). This is driven by a 22% growth in Cambridge City, although South Cambridgeshire (12.5%) also had a growth which exceeded the regional and national figures.

3.3 As illustrated in the figure below, Greater Cambridge has seen stable growth since around 2006. Although the City of Cambridge has seen slower growth since 2018, this has coincided with accelerated growth in South Cambridgeshire.

Figure 3.1 Indexed Population Change (2001 – 2023)



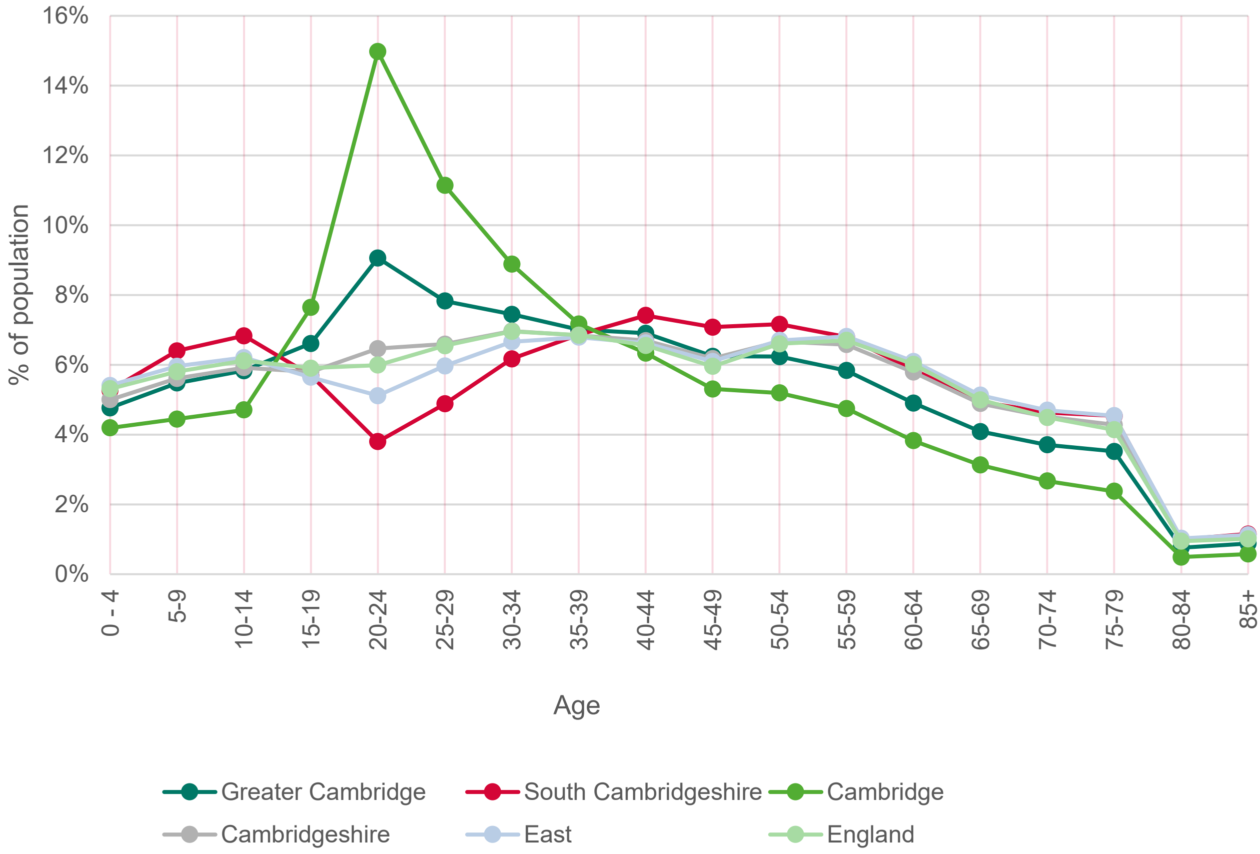
Source: ONS, Mid-Year Population Estimates

Age Profile

3.4 Greater Cambridge has a young population with an above the national average level of 15–34-year-olds. However, this masks significant variation across the study area. Driven by the universities, Cambridge City has a very high number of 15–34-year-olds, while South Cambridgeshire has below average levels of 20–34-year-olds.

3.5 In contrast, South Cambridgeshire has above-average levels of 40 to 60-year-olds and, linked to this, above-average levels of under-15s. For those over 60, the numbers in South Cambridgeshire track the regional and national levels, while the City and consequently Greater Cambridge have significantly below average levels of over 60s.

Figure 3.2 Age Profile by 5-year age bands (2023)



Source: ONS, Mid-Year Population Estimates

3.6 The table below groups this information into broad age categories. As shown, around 14.5% of the Greater Cambridge population is in student ages (16-24), increasing to 21.7% in the City of Cambridge and falling to 8.2% in South Cambridgeshire.

Table 3.2 Age Profile by Broad Age Category (2023)

Area	All Ages	0 - 15	16 - 24	25 - 49	50 - 64	65 +
Greater Cambridge	318,504	17.2%	14.5%	35.4%	17.0%	15.8%
South Cambridgeshire	168,541	19.8%	8.2%	32.4%	19.8%	19.8%
Cambridge	149,963	14.3%	21.7%	38.8%	13.8%	11.4%
Cambridgeshire	699,573	17.7%	11.1%	33.3%	19.0%	18.9%
East	6,468,665	18.8%	9.5%	32.1%	19.6%	19.9%
England	57,690,323	18.5%	10.7%	32.9%	19.3%	18.7%

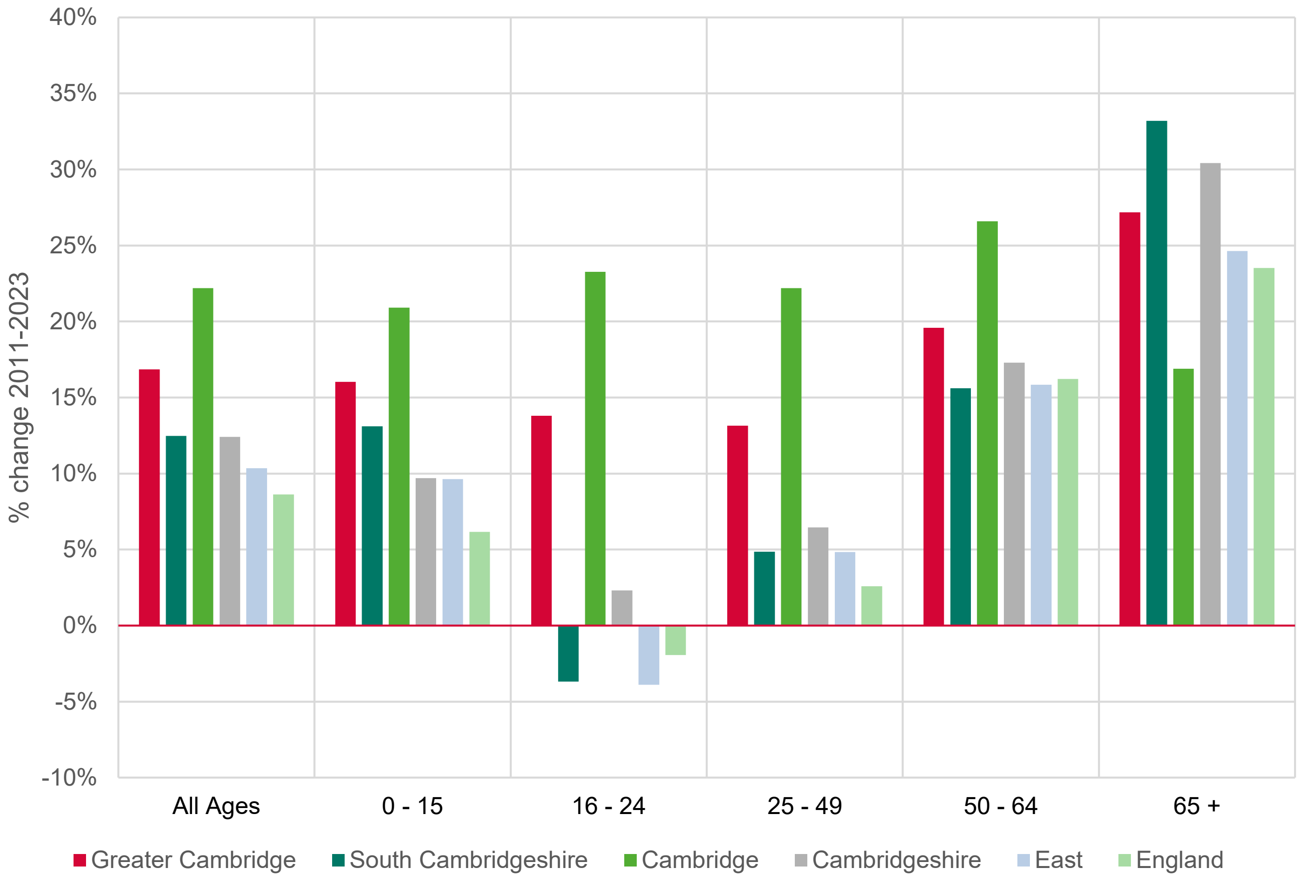
Source: ONS, Mid-Year Population Estimates

3.7 The over-65 population comprises just 15.8% of the Greater Cambridge population compared to 19.9% regionally and 18.7% nationally. Although South Cambridgeshire (19.8%) is in line with the regional figures, the City of Cambridge is much lower (11.4%).

Age Profile Changes

3.8 As illustrated in the Figure below, since 2011, Greater Cambridge has seen its most significant growth in the older population (65+). This is principally due to South Cambridgeshire's population and will be a factor of people ageing in place. In contrast, in the City of Cambridge, the growth in over-65s is below all other comparators.

Figure 3.3 Population Change by Broad Age Category (2011-2023)



Source: ONS, Mid-Year Population Estimates

3.9 In contrast, South Cambridgeshire has seen a fall in population aged 16-24 over the same period (-3.7%). This compares to 23.3% growth in Cambridge City. By comparison, both England and the East of England also saw a decline in the population of this age group.

Demographic Baseline Summary

3.10 In 2023, the population of Greater Cambridge was 318,504. This was comprised of 168,541 in South Cambridgeshire and 149,963 in Cambridge.

3.11 This represents a growth of 16.9% since 2011, which is a higher rate of growth than that seen in the rest of the region (10.3%) or nationally (8.6%).

3.12 Greater Cambridge has a young population with an above-average level of 15–34-year-olds. However, this masks significant variation across the study area.

3.13 Since 2011, Greater Cambridge has seen its most significant growth in the older population (65+). This is principally due to South Cambridgeshire's population ageing in place.

4. Housing Stock Baseline

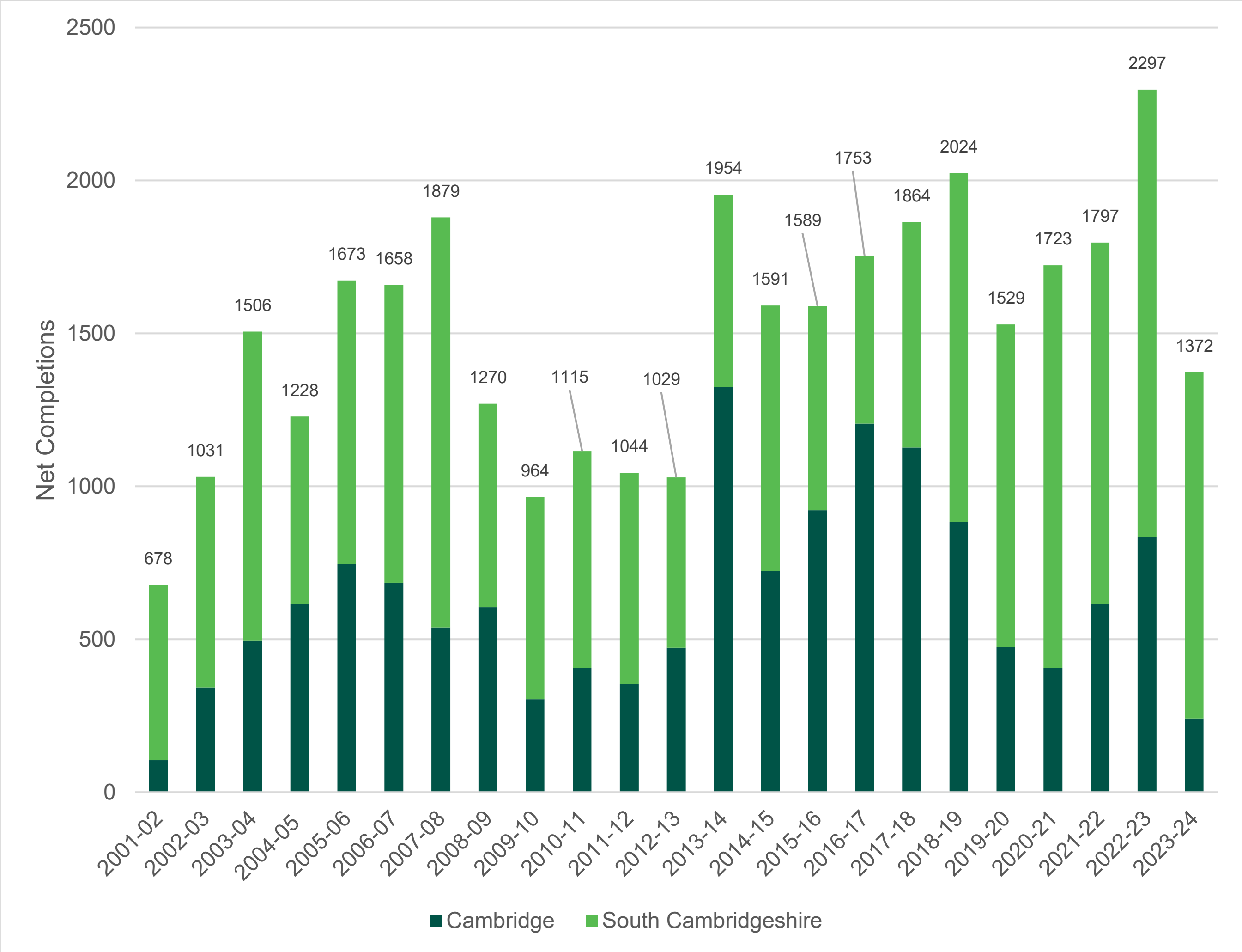
4.1 According to ONS' live tables 125 on dwelling stock (published in May 2024), there were 130,049 dwellings in Greater Cambridge in 2023. Of these, 56% were found in South Cambridgeshire and 44% in Cambridge City. With the additional 1,372 completions in 2023-24 (as illustrated in the figure below), this would take the total number of dwellings in Greater Cambridge to 131,421.

Completions

4.2 As illustrated in the figure below, completions since 2001 have fluctuated, with a low of 678 in 2001/02 to a high of 2,297 in 2022/23. There was a particular trough in the period 2008/09 to 2012/13, which was around the time of the global financial crash.

4.3 On average, 1,503 dwellings per annum have been delivered in this time across Greater Cambridge, of which 58% were in South Cambridgeshire and 41% in the City of Cambridge.

Figure 4.1 Net Housing Completions (2001/02-2023/24)



Source: ONS Data and Council Monitoring Data (since 2012)

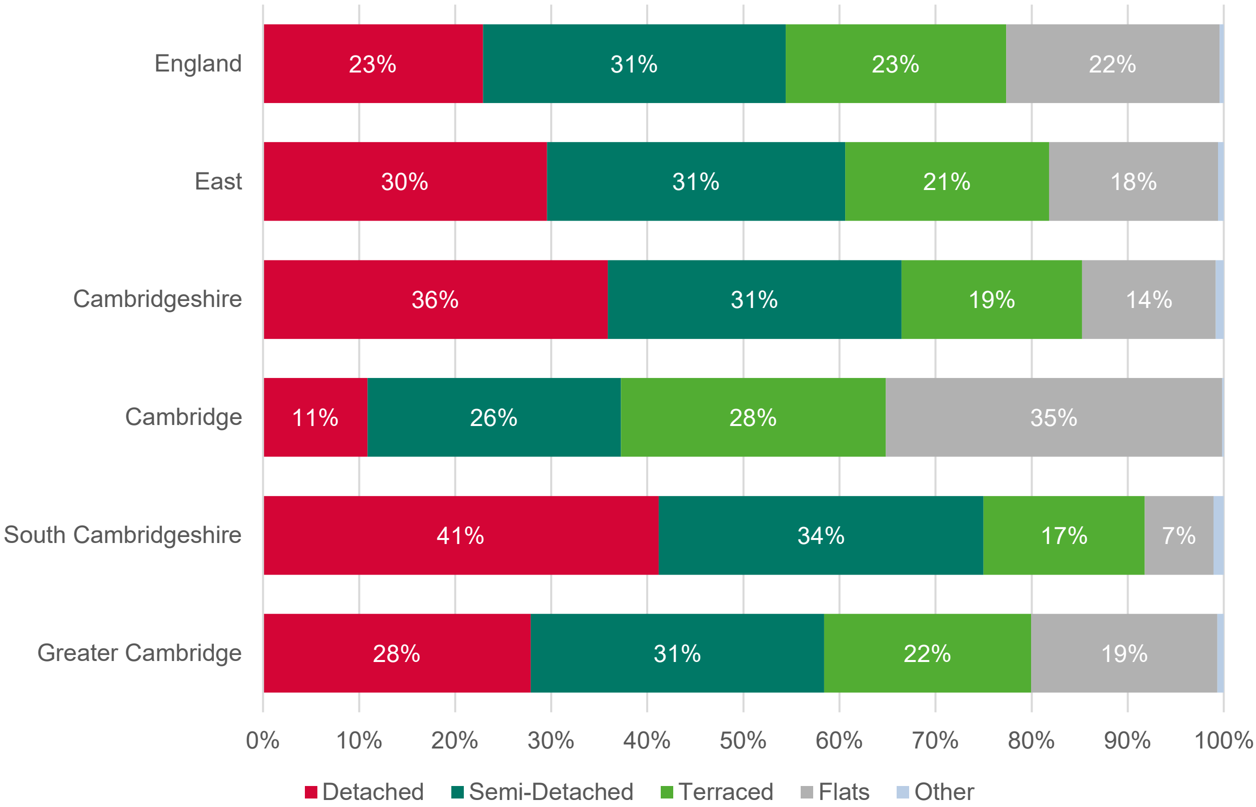
4.4 In the shorter term (last five years since 2019/20), average completions have increased to 1,744 per annum, with 70% of those occurring in South Cambridgeshire.

Type

4.5 In 2021, Greater Cambridge had a similar mix in terms of types of homes to the East of England region and England, albeit with slightly more detached homes and fewer flats.

4.6 However, this again masks significant differences within the study area. Cambridge at 35% flats has almost double the regional figure (18%), while South Cambridgeshire at 7% has around half.

Figure 4.2 Dwellings by Type (2021)



Source: ONS, Census 2021

4.7 Conversely, South Cambridgeshire, at 41% detached homes, has almost double the national figure (23%), while the City of Cambridge, at 11% has less than half. Cambridge City also has fewer detached homes and more terraced homes than South Cambridgeshire, the region and England.

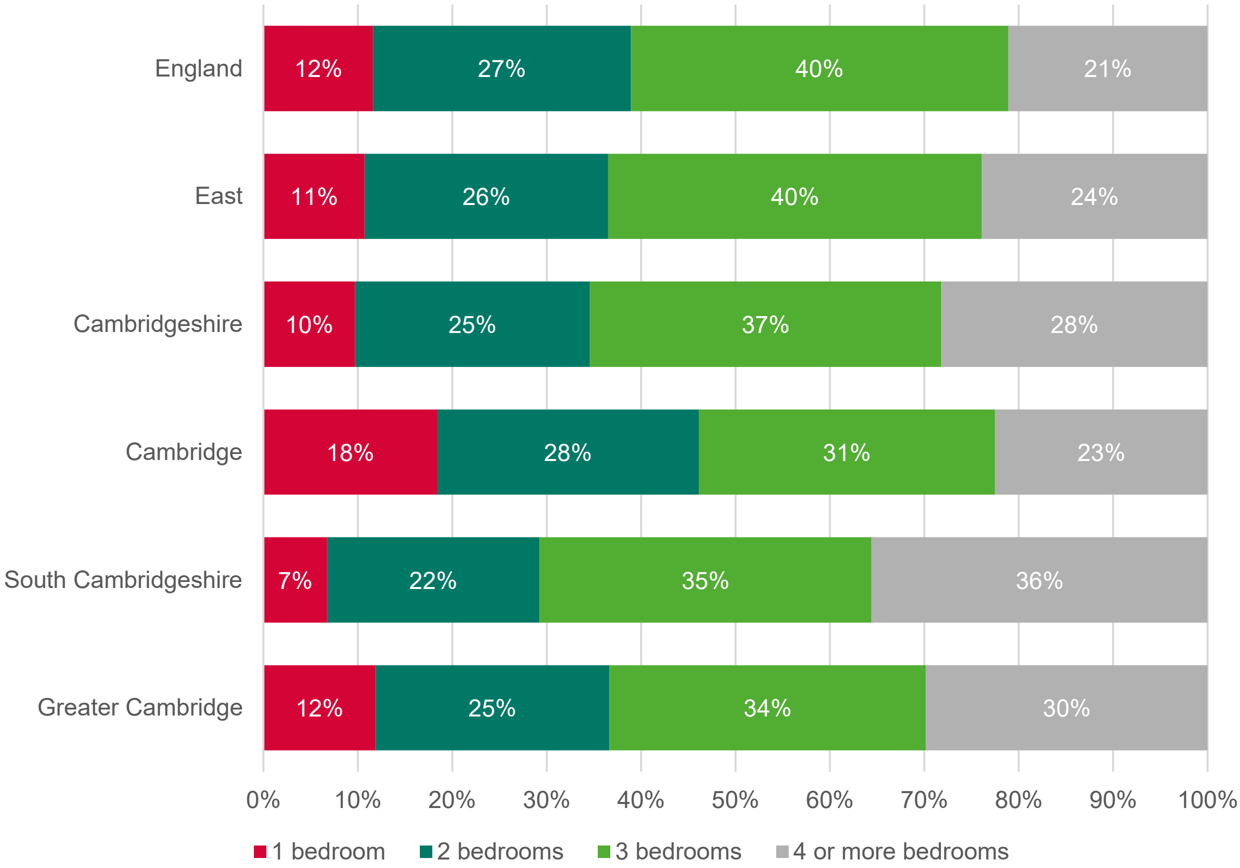
4.8 A detailed breakdown of completions by type since the Census is not available. However, council monitoring data suggests that in Greater Cambridge, around 47% of the 5,400 homes completed since the last Census are flats and 53% have been houses.

Bedrooms

4.9 In 2021, Greater Cambridge had a similar percentage of 1 and 2-bedroom homes to England and the East of England region. However, it has fewer three-bedroom homes and a greater percentage of 4 or more bedroom homes.

4.10 Again, this masks significant differences within the study area. Around 18% of homes in Cambridge have one bedroom compared to 7% in South Cambridgeshire, 12% in England and 11% in the East of England.

Figure 4.3 Dwellings by Bedroom (2021)

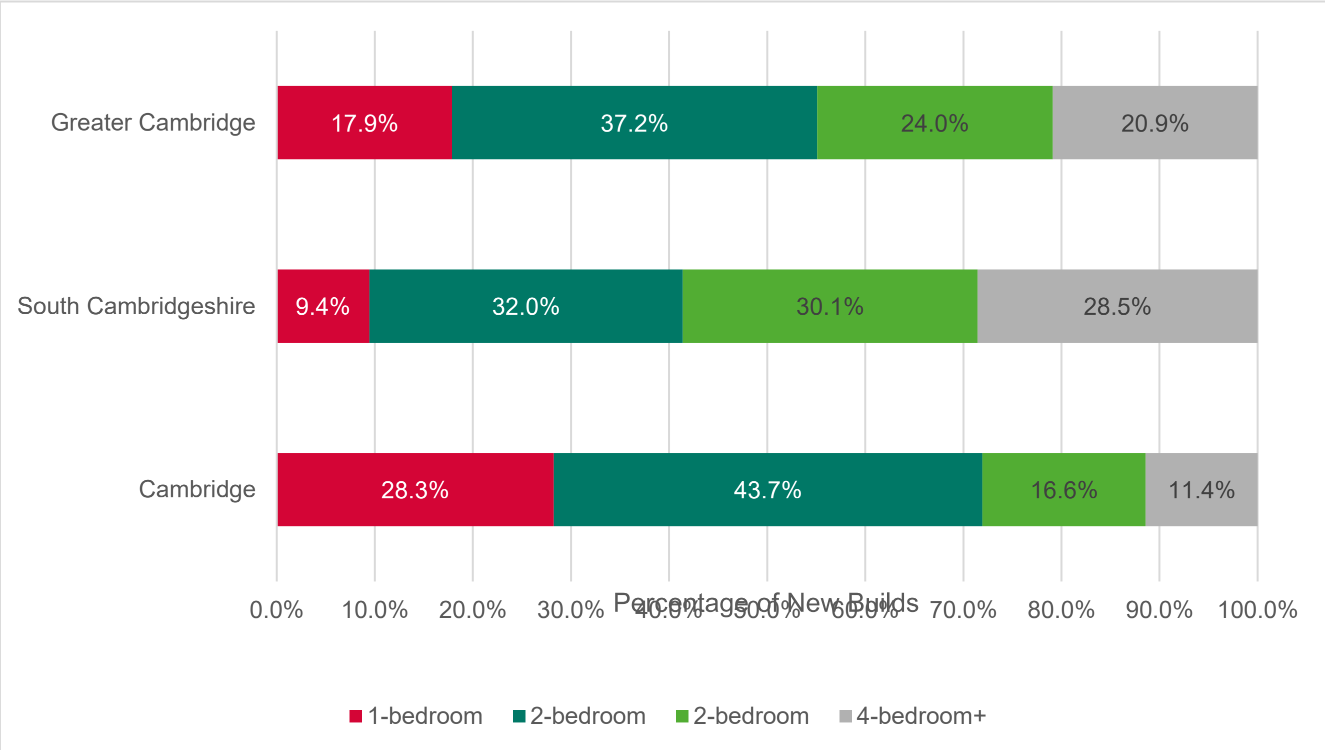


Source: ONS, Census 2021

4.11 Conversely, around 36% of homes in South Cambridgeshire have four or more bedrooms, which compares to 23% in Cambridge, 24% in the East of England region and 21% nationally.

4.12 Since the 2011 Census, around 55% of completions in Greater Cambridge have had 1 or 2 bedrooms. Although this figure increases to 72% in Cambridge and falls to 41% in South Cambridgeshire.

Figure 4.4 Completions by bedroom numbers (2011-2024)



Source: Council Monitoring Data, 2024

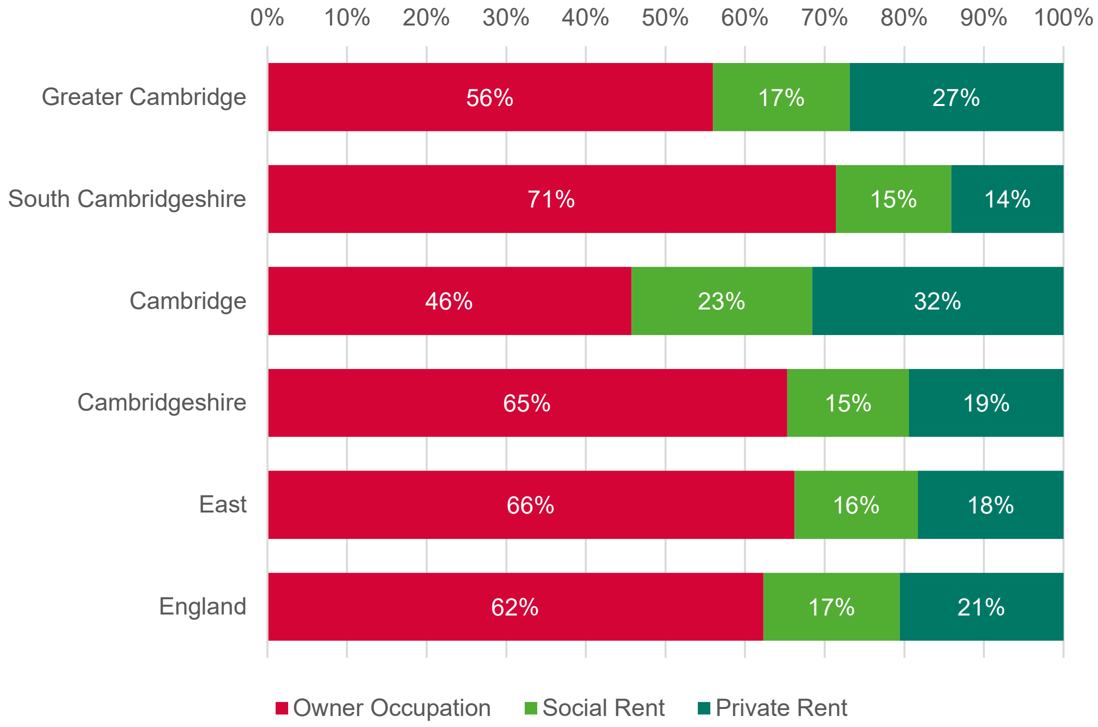
4.13 Conversely, larger 3 and 4+ bedroom homes comprise 59% of completions in South Cambridgeshire, 28% in the City and 45% in Greater Cambridge. This largely reflects the role of each area.

Tenure

4.14 Around 56% of households in Greater Cambridge are owner occupiers, which is below the regional (66%) and national (62%) equivalents.

4.15 Rented Affordable Housing (or Social Rent under the ONS definition) in Greater Cambridge (17%) is in line with the wider comparators (16% regionally and 17% nationally) but is much higher in Cambridge at 23% of all households.

Figure 4.5 Tenure Split (2021)

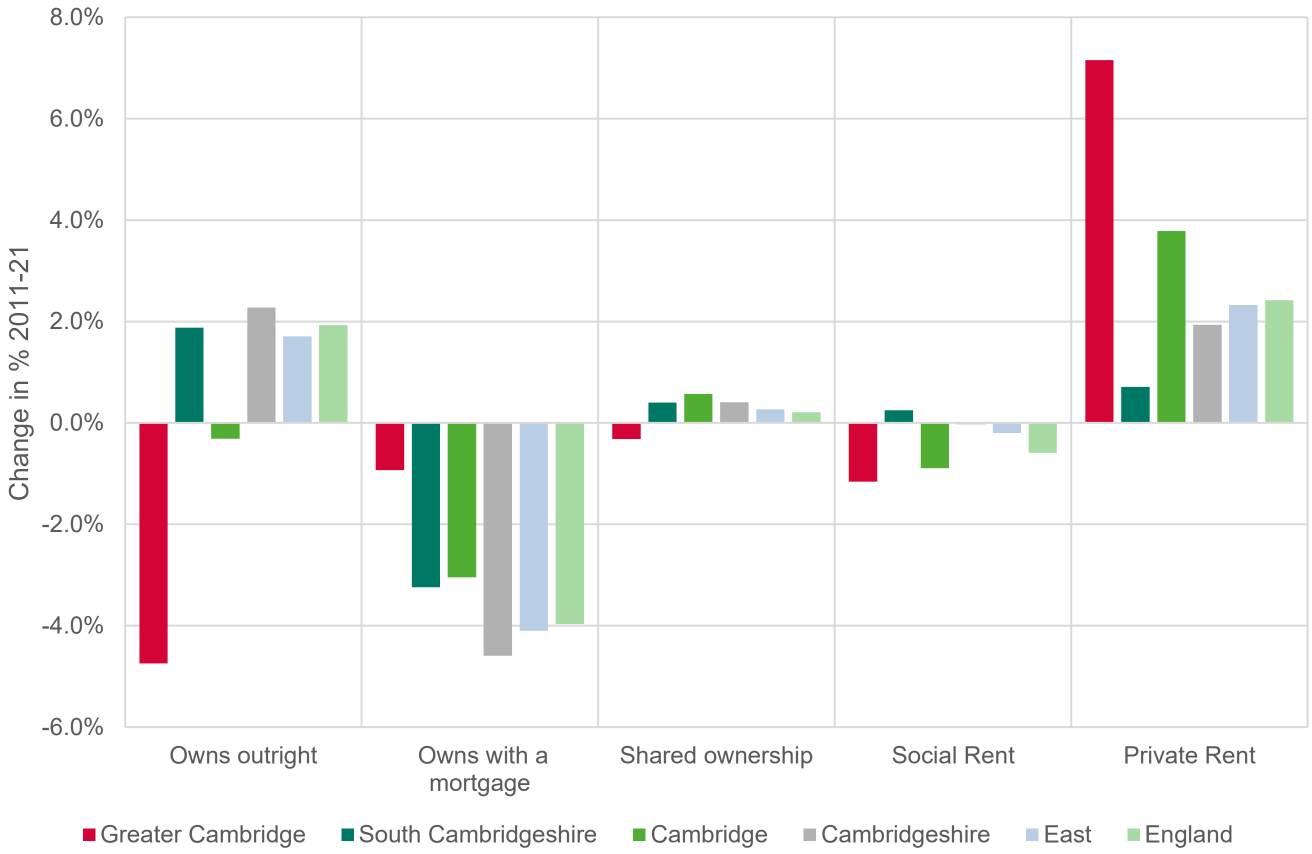


Source: ONS, Census 2021

4.16 Finally, private renting in Greater Cambridge is much higher at 27% compared to 18% in the East of England and 21% across England. This increases to 32% in Cambridge City, although only 14% of households in South Cambridgeshire privately rent.

4.17 This reflects a marked shift in tenure since 2011, which has also occurred nationally, as illustrated in the figure below. This has essentially seen a fall in those owning with a mortgage and an increase in those privately renting. These patterns reflect affordability issues restricting people's access to mortgages and pushing them towards renting.

Figure 4.6 Change in Tenure (2011-2021)



Source: ONS, Census 2021

4.18 The shift towards private renting is particularly pronounced in Greater Cambridge, compared to the East of England or nationally, and is accompanied by a shift away from owning outright in Greater Cambridge, which is unusual as this usually increases with an ageing population.

4.19 There has also been a shift away from owning with a mortgage in both Cambridge and South Cambridgeshire although particularly the latter. This is not unexpected given wider affordability constraints.

4.20 Based on council monitoring data, since the 2021 Census, approximately 32% of new housing delivery has been in affordable tenures, including intermediate tenures. This increases to 33% in South Cambridgeshire and falls to 29% in Cambridge City.

Table 4.1 Completions by Tenure (2022-2024)

Tenure	Cambridge	South Cambridgeshire	Total
Affordable	29%	33%	32%
Owner Occupied	71%	67%	68%

Source: Greater Cambridge Monitoring, 2024

Housing Stock Baseline Summary

4.21 In 2023, there were 130,049 dwellings in Greater Cambridge. Of these 56% were in South Cambridgeshire and 44% in Cambridge City.

4.22 On average, 1,503 dwellings per annum have been delivered since 2001/02 across Greater Cambridge, of which 58% were in South Cambridgeshire and 41% in Cambridge.

4.23 Since 2019/20, average completions have increased to 1,744 per annum, with 70% of those occurring in South Cambridgeshire.

4.24 The housing stock in Greater Cambridge has a similar mix in terms of types of homes to the region and England, albeit with slightly more detached homes and fewer flats.

4.25 Greater Cambridge had a similar percentage of 1- and 2-bedroom homes to England and the region. However, it has fewer three-bedroom homes and a greater percentage of 4 or more bedroom homes.

4.26 Around 56% of households in Greater Cambridge are owner occupiers, which is below the regional (66%) and national (62%) equivalents.

4.27 Rented Affordable Housing in Greater Cambridge (17%) is in line with the wider comparators (16% regionally and 17% nationally) but is much higher in Cambridge at 23% of all households.

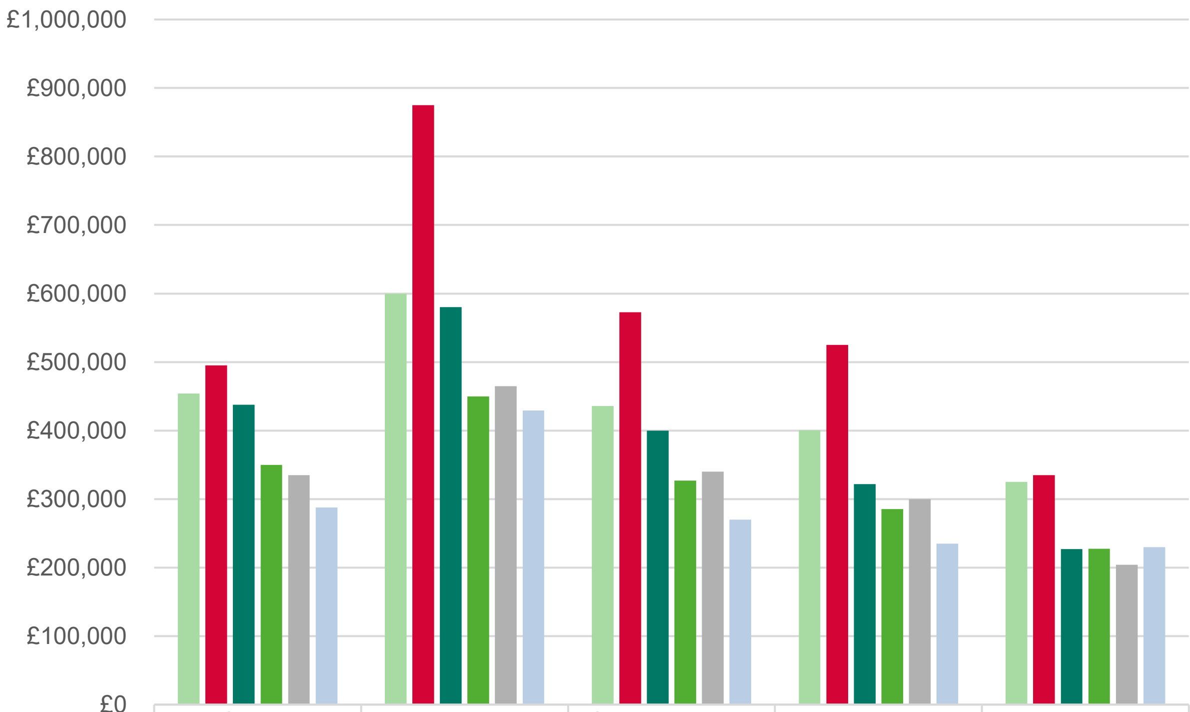
4.28 Private renting in Greater Cambridge is 27% compared to 18% in the East of England and 21% across England. This increases to 32% in Cambridge City.

4.29 Since the 2021 Census, approximately 32% of new housing delivery has been in affordable tenures, including intermediate tenures.

5. Housing Market Baseline

5.1 In the year to March 2024, the median house price in Greater Cambridge was £453,800. This was significantly higher than the regional (£335,000) and national medians (£287,500). This was also the case for all types of housing, but the gap between Greater Cambridge and the national Median was most significant for semi-detached and terraced housing.

Figure 5.1 Median House Price (Year to March 2024)



	Overall	Detached	Semi Detached	Terrace	Flat
Greater Cambridge	£453,800	£600,000	£436,000	£400,250	£325,000
Cambridge	£495,000	£875,000	£572,500	£525,000	£335,000
South Cambridgeshire	£437,750	£580,000	£400,000	£322,000	£227,000
Cambridgeshire	£350,000	£450,000	£327,000	£285,500	£227,500
East of England	£335,000	£465,000	£340,000	£300,000	£204,000
England	£287,500	£429,400	£270,000	£235,000	£230,000

Source: ONS and HMLR Price Paid Data

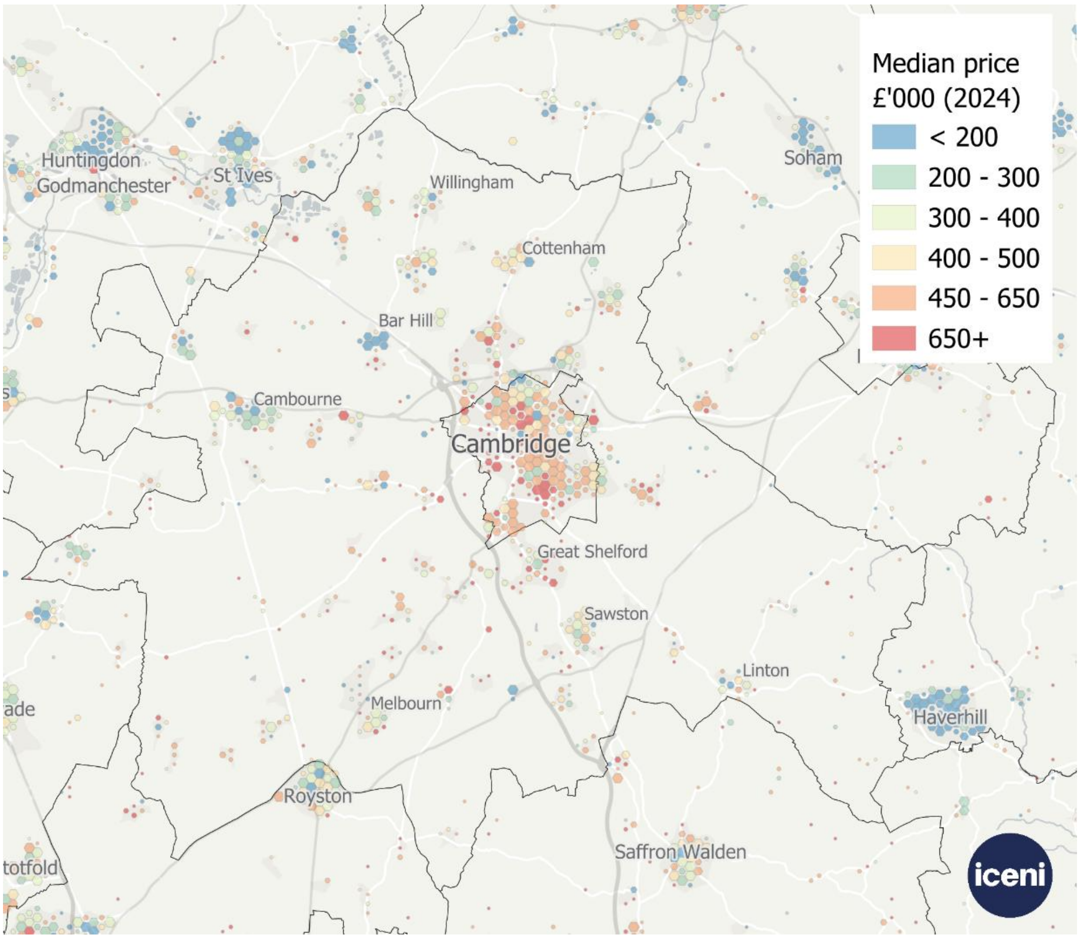
5.2 Within Greater Cambridge, median prices for all types of properties were highest in Cambridge City. Terraced homes in the City attracted the greatest premium in comparison to the South Cambridgeshire equivalent.

5.3 We have also examined house prices within Greater Cambridge. As the map below illustrates, median prices across the study area are highest in Cambridge City and particularly to the west of the City and around Addenbrooke's Hospital to the south.

5.4 There are equally high-value areas in South Cambridgeshire, particularly those areas surrounding the City, such as Fen Ditton, Stapleford and Great Shelford, but generally these represent fewer sales.

5.5 The lowest value areas in Greater Cambridge are to the north of the City (Chesterton and Kings Hedges) and around Cambourne, Bar Hill and Cottenham in South Cambridgeshire.

Figure 5.2 Median House Price



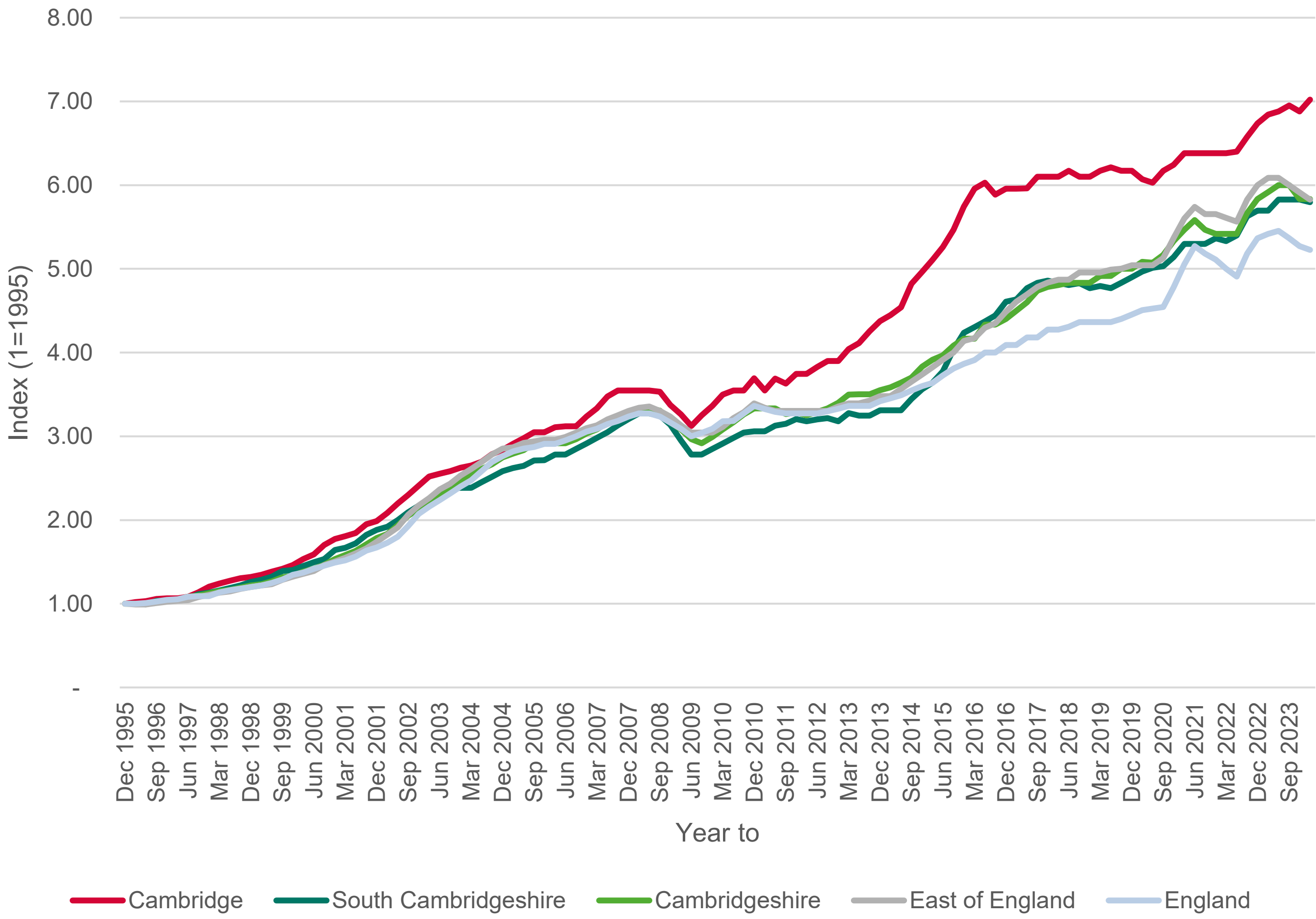
Source: HMLR Price Paid Data

House Price Change

5.6 Long-term data for Greater Cambridge is not available, but the figure below illustrates that since 1995, median prices have grown significantly in all areas, but more so in Cambridge than elsewhere, with house prices now 7 times the equivalent in 1995.

5.7 As shown, there has been a particular acceleration in house prices in Cambridge City from other areas since 2008.

Figure 5.3 Indexed Median House Price (December 1995 – March 2024)



Source: ONS and HMLR Price Paid Data

Affordability

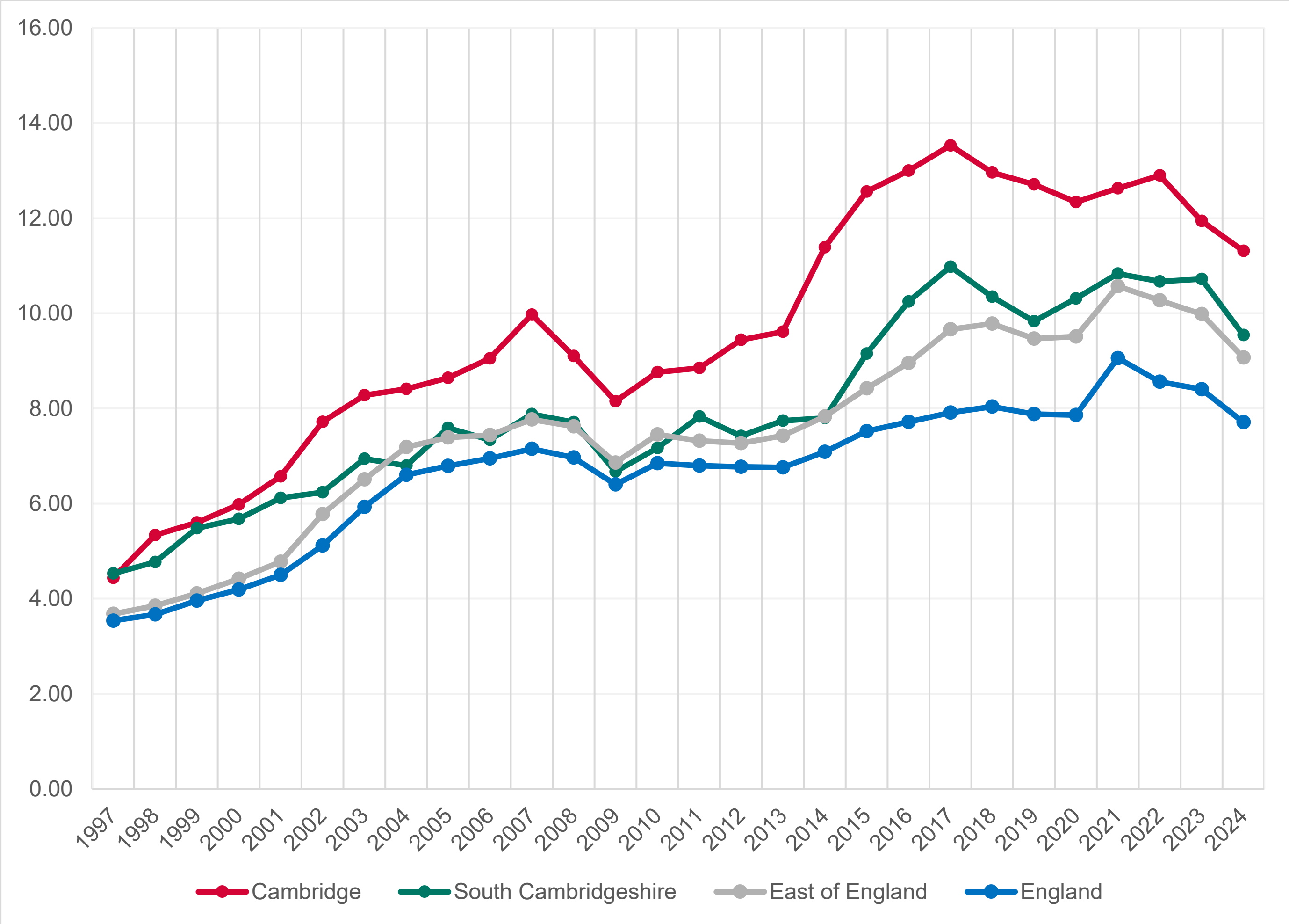
5.8 The Figure below shows median workplace-based affordability ratios over time for Cambridge City and South Cambridgeshire and its comparators. The affordability ratio is defined as the ratio between median house prices and median gross annual workplace-based earnings.

5.9 There is a notable increase in the affordability ratio between 1997 and 2007 and again from 2009 to 2017 for all areas, including the two Greater Cambridge authorities.

5.10 South Cambridgeshire saw its ratio increase from 6.67 in 2009 to an all-time high of 10.98 in 2017. Since that time, affordability has broadly improved, particularly in the last year, when it fell to 9.54.

5.11 A similar but more extreme pattern is seen in Cambridge, which saw its ratio increase from 8.15 in 2009 to an all-time high of 13.53 in 2017. Since that time, affordability has broadly improved, particularly in the last two years, when it fell to 11.31.

Figure 5.4 Median Affordability Ratios (1997-2023)



Source: ONS, Housing Affordability in England and Wales

5.12 The high house prices reflect the quality of life and environment in Greater Cambridge and access to centres of employment, including those providing higher wages.

5.13 It is of note that the resident-based affordability ratios are slightly lower than the workplace-based affordability ratios in Cambridge at 10.94 and slightly higher in South Cambridgeshire at 9.61. This suggests lower value jobs in Cambridge are being taken up by residents living outside of the City (including some commuting in from South Cambridgeshire) or a degree of out commuting to higher value jobs.

Agency Engagement

5.14 Iceni carried out targeted telephone engagement with local agents in March 2025. The following section collates these views – it should be noted that the views are anecdotal, and not all views were universal.

5.15 We approached the following agents for comment on the sales market (we have also engaged on the rental market, and this is set out later in the report):

- Bush & Co - The Broadway, 8 Mill Road, Cambridge, CB1 3AH
- Leaders Letting and Estate Agents - 140 Hills Road, Cambridge, CB2 8PB
- Tucker Gardner Sales and Letting Agents - Bateman House, 82-88 Hills Road, Cambridge, CB2 1LQ
- Cheffins Residential Sales & Lettings - 1-2 Clifton Road, Cambridge, CB1 7EA
- Tucker Gardner Sales and Letting Agents - 48-50 Woollards Lane, Great Shelford, CB22 5LZ
- Shelton Estates - Broadway House, 149-151 St Neots Road, Hardwick, CB23 7QJ
- Haart Estate Agents - Unit 12, The Mall, Bar Hill, CB23 8DZ
- Leaders Property Management - Unit 3, Camboro Business Park, Oakington Road, Girton, CB3 0QH

Cambridge

5.16 The agents highlighted that this area is very attractive to live in, as the schools are rated highly, there are good local amenities, it is a charming city, and there is good access to other areas, especially London.

5.17 According to the agents, there is a fairly even split between those moving into Cambridge from outside and local moves; if anything, the majority of moves are internal. Those who are relocating to Cambridge often do so from London and the surrounding areas and commute back for work.

5.18 The agents reported that there is a large variety of properties on the market, and these properties are selling well at all levels. However, it is 2- and 3-bedroom properties that are in most demand.

5.19 It was noted that there are currently many properties for sale, but also a lot of buyers; this has picked up considerably since the end of 2024, before which the market was much quieter. This is related to stamp duty changes being introduced in April 2025.

5.20 Homes are typically on the market for 4 weeks and on average have between 8 to 10 viewings before a sale. They also typically achieve the asking price, but this is very dependent on how well they are initially priced.

5.21 While there were no significant gaps in the market, one agent noted that there was a slight gap at the higher end of the market.

5.22 There are far fewer investors in the market right now than was previously seen; instead, there are many first-time buyers and professionals in Cambridge entering the housing market. The agents also noted an increase in chain-free buyers, meaning the market can move more quickly.

5.23 The agents have also noticed a large increase in landlords asking for properties to be valued, with many of these then being listed for sale. This is related to increased regulation and interest rates.

5.24 The areas closest to the research parks, hospital and train station are aimed at young professionals and the surrounding suburbs and villages are aimed more at families.

South Cambridgeshire

5.25 The agents highlighted that South Cambridgeshire was also an attractive location to live in as it experiences all the benefits of living close to Cambridge City centre, with good amenities. It was also seen as having access to London, but at the same time, it is less busy and provides great value for money.

5.26 The agents reported that there are properties available at all levels; however, 3- or 4-bed homes are in the most demand, which is a slightly larger size than Cambridge City. Smaller properties such as flats are often not in demand for anything but buy-to-let investment.

5.27 The market is currently rising slowly, and there is a slightly higher number of properties and buyers compared to last year. First-time buyers and families are buying the most properties.

5.28 There is an equal split between those moving into South Cambridgeshire from outside the area, including from Cambridge, and local moves.

5.29 The agents noted that, as with Cambridge, many people are relocating to the area from London and surrounding areas and commuting back for work.

5.30 Further drivers of the South Cambridgeshire market included upsizing as families grow, and also later in life, downsizing. In both cases, these are primarily people moving out of Cambridge City.

5.31 The market is slightly slower than in the City, with homes typically on the market for 8 weeks and receiving between 10 to 15 viewings before being sold. According to the agents, they typically achieve the asking price if priced correctly.

5.32 Unlike in the City, the agents have not reported any noticeable evidence of landlords selling up in the area.

Housing Market Baseline Summary

5.33 In the year to March 2024, the median house price in Greater Cambridge was £453,800. This was significantly higher than the regional (£335,000) and national medians (£287,500).

5.34 Since 1995, median prices have grown significantly across the country, but more so in Cambridge than elsewhere, with house prices now 7 times the equivalent in 1995.

5.35 The median workplace-based affordability ratios have increased notably from 1997 to 2007 and again from 2009 to 2017 in both Greater Cambridge authorities.

5.36 South Cambridgeshire saw its ratio increase from 6.67 in 2009 to an all-time high of 10.98 in 2017 and now sits at 9.54.

5.37 A similar but more extreme pattern is seen in Cambridge, which saw its ratio increase from 8.15 in 2009 to an all-time high of 13.53 in 2017 but has fallen to 11.31.

5.38 Local agents report that the market has picked up since the end of 2024, related to stamp duty changes being introduced in April 2025.

5.39 Local agents highlighted that there are far fewer investors in the market right now than was previously seen; instead, there are many first-time buyers, families and professionals entering the housing market.

5.40 The City-based agents have also noticed a large increase in landlords asking for properties to be valued, with many of these then being listed for sale.

6. Overall Housing Need

6.1 This section of the report considers overall housing need set against the December 2024 National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need.

6.2 Before the publication of the December 2024 NPPF, the housing policy objectives were set out in a consultation document, which were to:

- get Britain building again, to build new homes, create jobs, and deliver new and improved infrastructure;
- take a brownfield first approach and then release low-quality grey belt land, while preserving the Green Belt;
- boost affordable housing, to deliver the biggest increase in social and affordable housebuilding in a generation;
- bring home ownership into reach, especially for young first-time buyers; and
- promote a more strategic approach to planning by strengthening cross-boundary collaboration, ahead of legislation to introduce mandatory mechanisms for strategic planning.

6.3 The consultation also noted that ‘we must deliver more affordable, well-designed homes quickly. We are changing national policy to support more affordable housing, including more for Social Rent, and implementing golden rules to ensure development in the Green Belt is in the public interest. Promoting a more diverse tenure mix will support the faster build-out we need.’

6.4 The Government’s Standard Method seeks to support the ambition to deliver 1.5 million homes over the next five years (300,000 per annum on average) with the method seeking to provide a ‘more balanced distribution of homes across the country, by directing homes to where they are most needed and least affordable and ensure that all areas contribute to meeting the country's housing needs'.

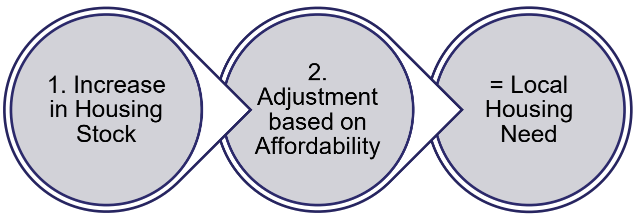
6.5 From March 2025, the Standard Method for each local authority actually sums to 364,000 homes per annum nationally (across England).

6.6 It is further suggested that 'High and rapidly increasing house prices indicate an imbalance between the supply of and demand for new homes, making homes less affordable. The worsening affordability of homes is the best evidence that supply is failing to keep up with demand.'

The Standard Method

6.7 The starting point for assessing housing need is the Standard Method, which is set out by the Government in Planning Practice Guidance. The two-step process is illustrated in the figure below and worked through below.

Figure 6.1 Overview of the Standard Method for Calculating Local Housing Need



6.8 Step 1 seeks to grow the housing stock in each area by a flat 0.8% growth per annum. Step 2 is an affordability uplift which uses an average of the last five years' affordability ratios, and for each 1% the average ratio is above 5, the housing stock baseline is increased by 0.95%, with the calculation being as follows:

$$\textbf{Adjustment Factor} = \frac{\textbf{Five year average affordability Ratio} - 5}{5} \mathbf{x0.95} + 1$$

Step One: Setting the Baseline

6.9 The first step in considering housing need against the standard method is to establish a baseline of housing stock. This is derived from Live Table 125, which is published annually in May.

6.10 As of 2023 (published in May 2024), Cambridge City had 57,863 dwellings and South Cambridgeshire had 72,186. The baseline is 0.8% of the existing housing stock for the area and therefore equates to 463 dwellings per annum (dpa) in Cambridge and 577 dpa in South Cambridgeshire.

Step Two: Affordability Adjustment

6.11 The second step of the standard method is to consider the application of an uplift on the housing stock baseline, to take account of market signals (i.e. relative affordability of housing).

6.12 The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house prices to median earnings ratio for the most recent five years, which are published annually in March.

6.13 The (workplace-based) affordability data for 2019-2023 (published by ONS in March 2024) records an average for Cambridge of 12.64, and for South Cambridgeshire of 10.43.

6.14 Based on the calculation set out above, these ratios result in an uplift of 245% of the original baseline number in Cambridge and 203% of the original baseline number in South Cambridgeshire.

6.15 The table below sets out the Standard Method for Greater Cambridge, which shows an annual housing need for 2,309 dwellings.

Table 6.1 Standard Method – Greater Cambridge

	Cambridge	**South Cambridgeshire**	**Greater Cambridge**
Total Dwelling Stock	57,863	72,186	130,049
Step 1. Annual Dwellings Stock Increase (0.8%)	463	577	1,040
Average Affordability Ratio (2019-23)	12.64	10.43	n/a
Uplift	245%	203%	n/a
Step 2. Housing Need (Step 1 x uplift)	1,135	1,174	2,309

Source: MHCLG, 2024

6.16 The housing need is updated each year in March (when new affordability ratios are published) and again in May (when new dwelling stock estimates are published). Unless there is a significant change from an annual requirement of 2,309 dwellings, the recommendations in this report are highly likely to remain appropriate for use.

6.17 The PPG also provides further guidance on how housing need should be calculated in locations such as Greater Cambridge, where strategic policies are being produced jointly. The PPG states:

> "In such cases, 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**." (Paragraph: 013 Reference ID: 2a-013-20241212)

6.18 Greater Cambridge Shared Planning has commissioned Iceni to undertake a separate study to examine the housing and jobs needs in Greater Cambridge, including an alignment with economic forecasts and consideration against the standard method.

6.19 This separate study, ‘Greater Cambridge employment and housing needs update 2024-45’, also examined the population growth aligned with the number of homes calculated from the standard method. This population growth is set out in the table below and feeds into the parts of this report which require a population input.

6.20 As shown, the delivery of 2,309 dpa would support a population growth of 106,182 over the 2024-2045 period. Reflecting the largest migrant groups, the largest growth is expected in the 24–44-year category.

Table 6.2 Projected Population Growth in Greater Cambridge linked to the Standard Method of 2,309 dwellings per annum

Age	2024	2045	Change	% Change
Under 16s	54,806	76,498	21,692	39.6%
16-24	47,904	56,698	8,794	18.4%
24-44	93,159	134,911	41,752	44.8%
45-64	74,589	86,232	11,643	15.6%
65+	51,440	73,741	22,300	43.4%
All	321,898	428,079	106,182	33.0%

Source: Iceni Projects, Greater Cambridge employment and housing needs update 2024-45, 2025

6.21 There is also expected to be a large percentage growth in the over-65s category (43%), resulting in 22,300 additional people. A similar absolute growth (21,692) is also expected in the under-16 population.

Economic Led Housing Need and the New Standard Method

6.22 Concurrent with this study, the Councils also commissioned Iceni to examine economic growth in Greater Cambridge and what that meant for housing need.

6.23 That study concluded that to meet economic growth in Greater Cambridge under the Central Scenario 2,292 dpa would need to be delivered. This is only marginally lower than the Standard Method of 2,309 dpa used in this report.

6.24 However, there is no recourse for housing need to be reduced to meet economic growth in an area. Therefore, the housing need should remain as the standard method, and therefore, the findings of this report remain valid.

6.25 Furthermore, at a late stage in the production of this report, ONS produced updated affordability ratios and estimates of the dwelling stock in each local authority for 2024.

6.26 These new figures are an input into the Standard Method, and for Greater Cambridge, this results in the housing need changing to 2,295 dpa.

6.27 Again, this narrows the difference between economic-led housing need and the standard method.

6.28 However, while the need has fallen by 7 dpa, we do not consider there to be any impact on the key outputs of this report, particularly concerning housing mix and affordable housing need. It would, however, result in a very small difference in population growth and thus the needs for specific groups.

Housing Need – Summary

6.29 The starting point for assessing housing need is the Standard Method, which is set out by the Government in Planning Practice Guidance.

6.30 For Greater Cambridge, this shows **an annual housing need for 2,309 dwellings**. The PPG also states, “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.” (Paragraph: 013 Reference ID: 2a-013-20241212)

6.31 The delivery of 2,309 dwellings per annum would support a population growth of 106,182 over the 2024-2045 period. Reflecting the largest migrant groups, the largest growth is expected in the 24–44-year category.

6.32 There is also expected to be a large percentage growth in the over-65 category (43%), resulting in 22,300 additional people.

6.33 A similar absolute growth (21,692) is also expected in the under-16 population.

6.34 Unless there is a significant change from an annual requirement of 2,309 dwellings, the recommendations in this report are highly likely to remain appropriate for use.

7. Affordable Housing Need

Introduction

7.1 This section provides an assessment of the need for affordable housing in Greater Cambridge. The analysis follows the methodology set out in the Planning Practice Guidance (Sections 2a-018 to 2a-024). The analysis looks at the need from households unable to buy OR privately rent housing, and also, from households able to rent but not buy, who may generate a need for affordable home ownership products.

Affordable Housing Sector Dynamics

7.2 The 2021 Census indicated that around 17% of households in Greater Cambridge lived in social or affordable rented homes (23% in Cambridge and 14% in South Cambridgeshire), with the sector accommodating around 21,600 households (11,900 in Cambridge and 9,700 in South Cambridgeshire).

7.3 Data from the Regulator of Social Housing (RSH) for 2024 indicates that the Councils and Private Registered Providers (PRPs) owned 25,700 properties. The majority of homes are general needs rented housing, although around 12% are supported housing/housing for older people.

7.4 There are also several low-cost home ownership properties held by the Councils and PRPs (such as shared ownership), particularly in South Cambridgeshire.

Table 7.1 Stock owned or managed by the Councils and Registered Providers

Type of housing	Cambridge	South Cambridgeshire	Greater Cambridge
General needs affordable housing	11,505	8,548	20,053
Supported housing/housing for older people	1,448	1,630	3,078
Low-cost home ownership (LCHO)	731	1,869	2,600
TOTAL	13,684	12,047	25,731

Source: RSR Geographical Look-Up Tool 2023

7.5 The majority of general needs affordable homes are rented out at Social Rents (82% of all general need homes in Cambridge and 79% in South Cambridgeshire), the rest at Affordable Rents.

7.6 As of April 2024, excluding transfers, there were 1,713 households on the Council's Housing Register in Cambridge and 2,034 in South Cambridgeshire. In addition, MHCLG homelessness data for September 2024 shows there were 166 households accommodated in temporary accommodation in Cambridge and 74 in South Cambridgeshire – around 45% of these were households with children.

Overview of the Method for calculating affordable housing need

7.7 In summary, the methodology looks at a series of stages as set out below:

- Current affordable housing need (annualised so as to meet the current need over a period of time);
- Projected newly forming households in need;
- Existing households falling into need; and

- Supply of affordable housing from existing stock.

7.8 The first three bullet points above are added together to identify a gross need, from which the supply is subtracted to identify a net annual need for additional affordable housing. Examples of different affordable housing products are outlined in the box below.

7.9 The following section provides definitions of different forms of affordable housing.

Rental Definitions

Rented Affordable Housing includes homes let at Social and/or Affordable Rents as described below. Sometimes referred to as social housing. These are most often provided by either the Council or a Private Registered Provider, who are profit or non-profit organisations who are registered with the Regulator of Social Housing to provide Rented Affordable Housing.

Social Rent Homes are homes owned by local authorities or Private Registered Providers for which rents are determined by the national rent regime (through which a formula rent is determined by the relative value and size of a property and relative local income levels). Social Rents tend to be considerably lower than Affordable Rents.

Affordable Rent Homes are let by local authorities or Private Registered Providers to households who are eligible for Rented Affordable Housing . Affordable Rents are set at no more than 80% of the local market rent (including service charges).

Affordable Private Rent is affordable housing provided within Build to Rent schemes. National affordable housing policy requires a minimum rent discount of 20% for Affordable Private Rent homes relative to local market rents.

Rent-to-Buy – where homes are offered, typically by Registered Providers to working households at an intermediate rent which does not exceed 80%

of the local market rent (including service charges) for a fixed period after which the household has the chance to buy the home.

Low-Cost Home Ownership Definitions

Low-Cost Home Ownership products cover a range of different tenure sub-types, which are also referred to as intermediate products and affordable home ownership. They all provide a way to home ownership, which is below market rates for the same property.

Shared Ownership – a form of low-cost market housing where residents own a share of their home, on which they typically pay a mortgage; with a Registered Provider owning the remainder, on which the residents pay a subsidised rent.

Discounted Market Sale – a home which is sold at a discount of at least 20% below local market value to eligible households, with provisions in place to ensure that housing remains at a discount for future households (or the subsidy is recycled).

First Homes – a form of discounted market sale whereby an eligible First-time Buyer can buy a home at a discount of at least 30% of the market value. Councils can set the discounts and local eligibility criteria out in policies.

7.10 At present, the local policy position is that Affordable Rents are set at either 60% of local market rents for City and fringe sites and 70% for South Cambridgeshire. As a consequence, Affordable Rents are typically within the Local Housing Allowance rates in Greater Cambridge.

Affordability

7.11 An important first part of the affordable needs modelling is to establish the entry-level costs of housing to buy and rent on the open market. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having a need for affordable housing.

7.12 For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).

7.13 The table below shows estimated current prices to both buy and privately rent a lower quartile home in each of the two areas (excluding newbuild sales when looking at house prices).

7.14 Across all dwelling sizes, the analysis points to a lower quartile price of £375,000 in Cambridge and £315,000 in South Cambridgeshire. Private rents were estimated to have an overall lower quartile of around £1,500 per month in Cambridge and £1,300 per month in South Cambridgeshire.

Table 7.2 Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – Cambridge

Size of dwelling	To buy	Privately rent
1-bedroom	£235,000	£1,250
2-bedrooms	£345,000	£1,550
3-bedrooms	£465,000	£1,800
4-bedrooms	£620,000	£2,400
All dwellings	£375,000	£1,500

Source: Land Registry and Internet Price Search (March 2025)

Table 7.3 Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – South Cambridgeshire

Size of dwelling	To buy	Privately rent
1-bedroom	£165,000	£950
2-bedrooms	£245,000	£1,275
3-bedrooms	£335,000	£1,450
4-bedrooms	£475,000	£1,700
All dwellings	£315,000	£1,300

Source: Land Registry and Internet Price Search (March 2025)

7.15 Next, it is important to understand local income levels as these (along with the 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).

7.16 Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes. Data has also been drawn from the Annual Survey of Hours and Earnings (ASHE) to consider changes since the ONS data was published.

7.17 Overall, the average (mean) household income across Greater Cambridge is estimated to be around £73,000, with a median income of £62,600; the lower quartile income of all households is estimated to be £36,600. There is little difference between the two areas, with an estimated median household income of £62,400 in Cambridge and £62,800 in South Cambridgeshire.

Table 7.4 Estimated average (median) household income – 2024

Area	Median income	As a % of Greater Cambridge average
Cambridge	£62,400	99.7%
South Cambridgeshire	£62,800	100.3%
Greater Cambridge	£62,600	-

Source: Iceni analysis

7.18 To assess affordability, two different measures are used; firstly, to consider what income levels are likely to be needed to access private rented housing and secondly, to consider what income level is needed to access owner occupation.

7.19 This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. For the purposes of analysis, the following assumptions are used:

- Rental affordability – a household should spend no more than 35% of their gross income on rent, which is consistent with the previous study; and
- Mortgage affordability – assume a household has a 10% deposit and can secure a mortgage for four and a half times (4.5×) their income.

7.20 The table below shows the estimated incomes required to buy and rent privately in each area. This shows in both areas that a higher income is required to buy than to rent, with the 'gap' being greatest in Cambridge, where house prices are higher.

Table 7.5 Estimated household income required to buy and privately Rent based on the average cost for all dwellings

Area	To buy	To rent (privately)	Income gap
Cambridge	£75,000	£51,400	£23,600
South Cambridgeshire	£63,000	£44,600	£18,400

Source: Based on Housing Market Cost Analysis (March 2025)

Need for Affordable Housing

7.21 The sections below work through the various stages of analysis to estimate the need for affordable housing in the two local authorities. Final figures are provided as an annual need (including an allowance to deal with current need). As per the PPG, this figure can then be compared with the delivery of affordable housing (Paragraph: 024 Reference ID: 2a-024-20190220).

Current Need

7.22 In line with PPG (Paragraph: 020 Reference ID: 2a-020-20190220), the current need for affordable housing has been based on considering the likely number of households with one or more housing problems (housing suitability). The table below sets out the categories in the PPG and the sources of data being used to establish numbers.

Table 7.6 Main sources for assessing the current need for affordable housing

	Source	Notes
Homeless households (and those in temporary accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at the end of the quarter
Households in overcrowded housing	2021 Census table RM099	Analysis undertaken by tenure
Concealed Households	2021 Census table RM009	Number of concealed families with children
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households
Households from other tenures in need	Modelled data linking to past survey analysis	Excludes overcrowded households

Source: PPG [Paragraph: 020 Reference ID: 2a-020-20190220]

7.23 The table below sets out estimates of the number of households within each category, using the sources of information suggested in the PPG. This shows an estimated 4,600 households as living in ‘unsuitable housing’ in Cambridge and 2,800 in South Cambridgeshire. Around 740 of these (across Greater Cambridge) currently have no accommodation (homeless or concealed households).

Table 7.7 Estimated number of households living in unsuitable housing (or without housing)

Area	Concealed and homeless households	Households in overcrowded housing	Existing affordable housing tenants in need	Households from other tenures in need	TOTAL
Cambridge	443	2,351	258	1,565	4,618
South Cambridgeshire	296	968	211	1,288	2,763
Greater Cambridge	739	3,319	469	2,853	7,380

Source: Iceni analysis, 2025

7.24 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary. For owner-occupiers, there is a further assumption about potential equity levels.

7.25 For homeless and concealed households, it is assumed that incomes will be low and households unlikely to be able to afford to buy or rent in the market.

7.26 The tables below show that around two-thirds of those households identified as living in ‘unsuitable housing’ in Cambridge are unlikely to be able to afford market housing to buy OR rent, and just over half in South Cambridgeshire.

7.27 Therefore, there is a current need for affordable housing from around 3,000 households in Cambridge and 1,400 in South Cambridgeshire.

Table 7.8 Estimated housing need and affordability by tenure – Cambridge

Tenure	Number in unsuitable housing	% unable to afford	Current need after affordability
Owner-occupied	705	6.6%	47
Affordable housing	1,306	91.4%	1,193
Private rented	2,164	62.0%	1,341
No housing (homeless/concealed)	443	100.0%	443
TOTAL	4,618	65.5%	3,023

Source: Iceni Analysis, 2025

Table 7.9 Estimated housing need and affordability by tenure – South Cambridgeshire

Tenure	Number in unsuitable housing	% unable to afford	Current need after affordability
Owner-occupied	839	5.6%	47
Affordable housing	646	84.5%	546
Private rented	982	56.4%	554
No housing (homeless/concealed)	296	100.0%	296
TOTAL	2,763	52.2%	1,443

Source: Iceni Analysis, 2025

7.28 Finally, from these estimates, households living in affordable housing are excluded (as these households would release a dwelling on moving, and so no net need for affordable housing will arise). The total current need is therefore estimated to be 1,830 households in Cambridge (3,023-1,193) and 897 in South Cambridgeshire (1,443-546).

7.29 For the purposes of analysis, it is assumed that the local authorities would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2024 to 2045, the need is annualised by dividing by 21 (to give an annual need for around 87 and 43 dwellings in Cambridge and South Cambridgeshire, respectively).

7.30 This does not mean that some households would be expected to wait 21 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.

7.31 The table below shows this data for the two areas – this is split between those unable to rent OR buy and those able to rent but NOT buy. Given the pricing of housing in the study area, this analysis shows a more modest need for those able to rent but not buy, and in both Cambridge and South Cambridgeshire, the number unable to rent OR buy is notably higher.

Table 7.10 Estimated current affordable housing need by affordability

Area	Number in need (excluding those in affordable housing)	Annualised TOTAL	Annualised Unable to rent OR buy	Annualised Able to rent but NOT buy
Cambridge	1,830	87	66	21
South Cambridgeshire	897	43	33	10
Greater Cambridge	2,727	130	99	30

Source: Iceni analysis (figures estimated for 2024)

Newly-Forming Households

7.32 The number of newly forming households 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. This approach is consistent with the CLG Strategic Housing Market Assessment (SHMA) guidance (see pages 19-20 of Annexes).

7.33 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes that 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.

7.34 In assessing the ability of newly forming households to afford market housing, data has been drawn from analysis of English Housing Survey (EHS) data at a national level. This establishes that the average income of newly forming households is around 84% of the figure for all households (Raw data from the 2013-14 and 2018-19 EHS have been analysed).

7.35 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 87% of the all-household average. In doing this, it is possible to calculate the proportion of households unable to afford market housing (whether to buy or rent separately).

7.36 The assessment suggests overall that around two-thirds of newly forming households in Cambridge and three-fifths in South Cambridgeshire will be unable to afford market housing. This equates to a total of 964 newly forming households that will have a need per annum on average across Cambridge and 880 in South Cambridgeshire – the vast majority are households unable to rent OR buy.

Table 7.11 Estimated need for affordable housing from newly forming households (per annum)

Area	Number of new households	% unable to afford	Annual newly forming households unable to afford	Unable to rent OR buy (per annum)	Able to rent but NOT buy (per annum)
Cambridge	1,418	68.0%	964	666	298
South Cambridgeshire	1,512	58.2%	880	592	288
Greater Cambridge	2,929	63.0%	1,844	1,258	586

Source: Projection Modelling/Affordability Analysis, 2025

Existing Households Falling into Affordable Housing Need

7.37 The second element of the newly arising need is existing households falling into need. To assess this, information about past lettings in Rented Affordable Housing has been used. The assessment looked at households that have been housed in general needs affordable housing over the past three years – this group will represent the flow of households onto the Housing Register over this period.

7.38 From this, newly forming households (e.g., those currently living with family) have been discounted, as well as households that have transferred from another Rented Affordable Housing property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS) and Continuous Recording of Sales and Lettings (CoRe).

7.39 This method for assessing existing households falling into need is consistent with the 2007 CLG SHMA guidance (page 46), which says:

"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).”

7.40 Following the analysis, through suggests a need arising from 176 existing households each year across Cambridge and 166 in South Cambridgeshire – again, most are households unable to buy OR rent.

Table 7.12 Estimated need for affordable housing from existing households falling into need (per annum)

Area	Total Additional Need	Unable to rent OR buy	Able to rent but NOT buy
Cambridge	176	144	32
South Cambridgeshire	166	132	33
Greater Cambridge	341	276	65

Source: Iceni analysis, 2025

Supply of Affordable Housing Through Relets/Resales

7.41 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need.

7.42 This focuses on the annual supply of Social/Affordable Rent relets. Information from a range of sources (mainly CoRe and LAHS) has been used to establish past patterns of Rented Affordable Housing turnover. Data for three years has been used (2021/22 to 2023/24).

7.43 The figures are for general needs affordable housing lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other Rented Affordable Housing . These exclusions are made to ensure that the figures presented reflect relets of the existing stock.

7.44 Based on past trend data, it has been estimated that 262 units of Rented Affordable Housing are likely to become available each year moving forward in Cambridge and 288 in South Cambridgeshire.

Table 7.13 Analysis of past Rented Affordable Housing supply, 2021/22 – 2023/24 (average per annum) – Cambridge

Year	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2021/22	429	81.1%	348	57.1%	199
2022/23	702	68.2%	479	59.3%	284
2023/24	679	71.3%	484	62.6%	303
Average	603	72.4%	437	60.0%	262

Source: CoRe/LAHS

Table 7.14 Analysis of past Rented Affordable Housing supply, 2021/22 – 2023/24 (average per annum) – South Cambridgeshire

Year	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2021/22	724	72.0%	521	57.7%	301
2022/23	680	67.1%	456	59.4%	271
2023/24	717	69.2%	496	58.7%	291
Average	707	69.4%	491	58.6%	288

Source: CoRe/LAHS

7.45 It is also possible to consider whether there is any supply of affordable home ownership products from the existing stock of housing. One source is likely to be resales of low-cost home ownership products, with data from the Regulator of Social Housing showing a total in 2024 of 731 low-cost home ownership homes in Cambridge and 1,869 in South Cambridgeshire.

7.46 If these low-cost home ownership homes were to turnover at a rate of around 5%, then they would be expected to generate around 37 and 93 resales each year, in Cambridge and South Cambridgeshire, respectively. These properties would be available for the households in need and can be included as a potential supply.

7.47 The table below shows the estimated supply of affordable housing from relets/resales in each local authority.

Table 7.15 Estimated supply of affordable housing from relets/resales of existing stock by local authority (per annum)

Type	Cambridge	South Cambridgeshire
Rented Affordable Housing	262	288
Low-cost home ownership (LCHO)	37	93
TOTAL	299	381

Source: CoRe/LAHS, 2021 Census

7.48 For affordable home ownership, there is arguably an additional (and significant) source of supply from the resale of market homes below the lower quartile price.

7.49 Data from the Land Registry shows 973 resales of homes in 2024 in Cambridge and 1,454 in South Cambridgeshire; therefore, 243 and 364 homes were sold at or below the lower quartile price, respectively and could contribute to meeting the needs of those in the 'gap' between renting and buying. However, a supply from this source has not been included in the analysis below, as not all will be available to all ages, and some may be in a state of disrepair, but this cannot be quantified.

7.50 The PPG model (Paragraph: 022 Reference ID: 2a-022-20190220) also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have, however, not been included within the modelling in this report.

7.51 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).

7.52 Secondly, with the pipeline affordable housing 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 Affordable Housing

7.53 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 928 dwellings per annum across Cambridge and 708 in South Cambridgeshire. The net need is calculated as follows:

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

Table 7.16 Estimated need for affordable housing (per annum)

Component	Cambridge	South Cambridgeshire
Current need	87	43
Newly forming households	964	880
Existing households falling into need	176	166
Total Gross Need	1,227	1,089
Relet/resale supply	299	381
Net Need	928	708

Source: Iceni analysis

7.54 This can additionally be split between households unable to afford to buy OR rent and those able to rent but NOT buy. For this analysis, it is assumed that the low-cost home ownership supply would be meeting the needs of the latter group, although in reality, there will be a crossover between categories.

7.55 For example, it is likely in some cases that the cost of shared ownership (a type of low-cost homeownership) will have an outgoing below that for privately renting and could meet some of the need from households unable to buy or rent – the issue of access to deposits would still be a consideration.

7.56 The table below shows in both areas a greater need from households unable to buy OR rent and for whom a rented affordable product is likely to be most suitable.

Table 7.17 Estimated need for affordable housing (per annum) – split between different affordability groups

Component	Cambridge	South Cambridgeshire
Unable to buy OR rent	614	469
Able to rent but NOT buy	314	238
TOTAL	928	708
% unable to buy or rent	66%	66%

Source: Iceni analysis

Affordable Need and Overall Housing Numbers

7.57 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG (Paragraph: 024 Reference ID: 2a-024-20190220) states:

> "The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing-led developments. An increase in the total housing figures included in the strategic plan may need to be considered, where it could help deliver the required number of affordable homes."

7.58 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. While the technical note produced by PAS is arguably dated, there is no more up-to-date guidance on this matter from a Government source, and the remarks remain valid.

7.59 PAS conclude that there is no arithmetical way of combining the objectively assessed need (calculated through demographic projections) and the affordable need. There are several reasons why the two cannot be ‘arithmetically’ linked.

7.60 Firstly, the modelling contains a category in the projection of ‘existing households falling into need’; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is, therefore, no net additional need arising.

7.61 The modelling also contains ‘newly forming households’; these households are a direct output from demographic modelling and are therefore already included in overall housing need figures (a point also made in the PAS advice note – see paragraph 9.5).

7.62 The analysis, as set out in the table above, estimates an annual need for 1,083 affordable homes for households unable to buy OR rent housing across Greater Cambridge and excludes those that can rent but NOT buy. However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable housing option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

7.63 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below, which identifies that meeting these needs would lead to an affordable need for 425 homes per annum across Cambridge, 69% of the figure when including those with housing. For South Cambridgeshire, this analysis shows a need for 318 homes per annum – about 68% of the need generated, including households already in accommodation.

7.64 These figures are, however, theoretical and should not be seen to be minimising the need (which is clearly acute). That said, it does serve to show that there is a substantial difference in the figures when looking at overall housing shortages.

7.65 The analysis is even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections, and so the demonstrating a need for this group again should not be seen as additional to overall figures from demographic projections.

Table 7.18 Estimated need for affordable housing (households unable to buy OR rent), excluding households already in accommodation - Cambridge

Component	Including existing households	Excluding existing households
Current need	66	21
Newly forming households	666	666
Existing households falling into need	144	0
Total Gross Need	876	687
Relet Supply	262	262
Net Need	614	425

Source: Iceni analysis

Table 7.19 Estimated need for affordable housing (households unable to buy OR rent), excluding households already in accommodation – South Cambridgeshire

Component	Including existing households	Excluding existing households
Current need	33	14
Newly forming households	592	592
Existing households falling into need	132	0
Total Gross Need	757	606
Relet Supply	288	288
Net Need	469	318

Source: Iceni analysis

7.66 Additionally, it should be noted that the need for affordable housing estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households that would be expected to have a need in any given year (i.e., needing to spend more than 35% of income on housing).

7.67 In reality, some (possibly many) households would see their circumstances change over time such that they would ‘fall out of need’ and this is not accounted for in the analysis.

7.68 One example would be a newly forming household with an income level that means they spend more than 35% of their income on housing. As the household’s income rises, they would potentially pass the affordability test and therefore not have an affordable need.

7.69 Additionally, there is the likelihood that when looking over the longer-term that, a newly forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.

7.70 It also needs to be remembered that the affordability test used for analysis is based on assuming a household spends no more than 35% of their income on housing (when privately renting). In reality, many households will spend more than this and so would be picked up by modelling as in need, but in fact are paying for a private sector tenancy.

7.71 The English Housing Survey (2023-24) estimates private tenants are paying an average of 34% of their income on housing (including benefit support), and this would imply that around half are spending more than the affordable level assumed in this report.

7.72 A further consideration is that 552 of the 1,636 per annum affordable housing net need (across both areas) is from those able to rent but not buy. Technically, these households can afford market housing (to rent) and historically would not have been considered as having a need in assessments such as this – until recently, only households unable to buy

OR rent would be considered as having a need for affordable housing. For these reasons, these households have not been included in the analysis, looking at households with and without accommodation.

7.73 Finally, it should be recognised that PPG (Paragraph: 001 Reference ID: 67-001-20190722) does not envisage that all needs will be met (whether this is affordable housing or other forms of accommodation such as for older people) as it states:

> "This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people. This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method."

The Role of the Private Rented Sector (PRS)

7.74 Although the PRS is not technically affordable housing and is therefore not a component of the supply as part of the modelling, the sector does provide housing to those in affordable housing need through benefit-supported housing. This section provides a commentary on the role it plays.

7.75 The discussion above has already noted that the need for affordable housing does not lead to a need to increase overall housing provision. However, it is worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without some form of subsidy. In particular, the role played by the PRS in providing housing for households that require financial support in meeting their housing needs should be recognised.

7.76 Whilst the PRS does not fall within the types of affordable housing set out in the NPPF (other than Affordable Private Rent, which is a specific tenure separate from the main 'full market' PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need.

7.77 The Government recognises this and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable property in the PRS.

7.78 Data from the Department of Work and Pensions (DWP) has been used to look at the number of benefit-supported private rented homes. As of November 2024, it is estimated that there were around 1,400 benefit claimants in the PRS in Cambridge and 1,700 in South Cambridgeshire. From this, it is clear that the PRS contributes to the wider delivery of housing for those in affordable housing need with the support of benefit claims.

7.79 Whilst the PRS is providing housing for some households, there are, however, significant risks associated with future reliance on the sector to meet an affordable housing need, particularly at times when rents are rising but Local Housing Allowance (LHA) levels remain static.

7.80 In the Autumn Statement 2023, the then Government increased the LHA rate to the 30th percentile of market rents within the wider Broad Rental Market Area (although this is based on existing rents and not rents likely to be payable by those moving home).

7.81 However, demand pressure, and rents which tend to be significantly higher than in other parts of the BRMA upon which LHA rates are set, could nonetheless have some impact on restricting future supply of PRS properties to those in need; emphasising the need to support delivery of genuinely affordable homes.

7.82 The figures below show the trend in the number of claimants in the two local authorities. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic.

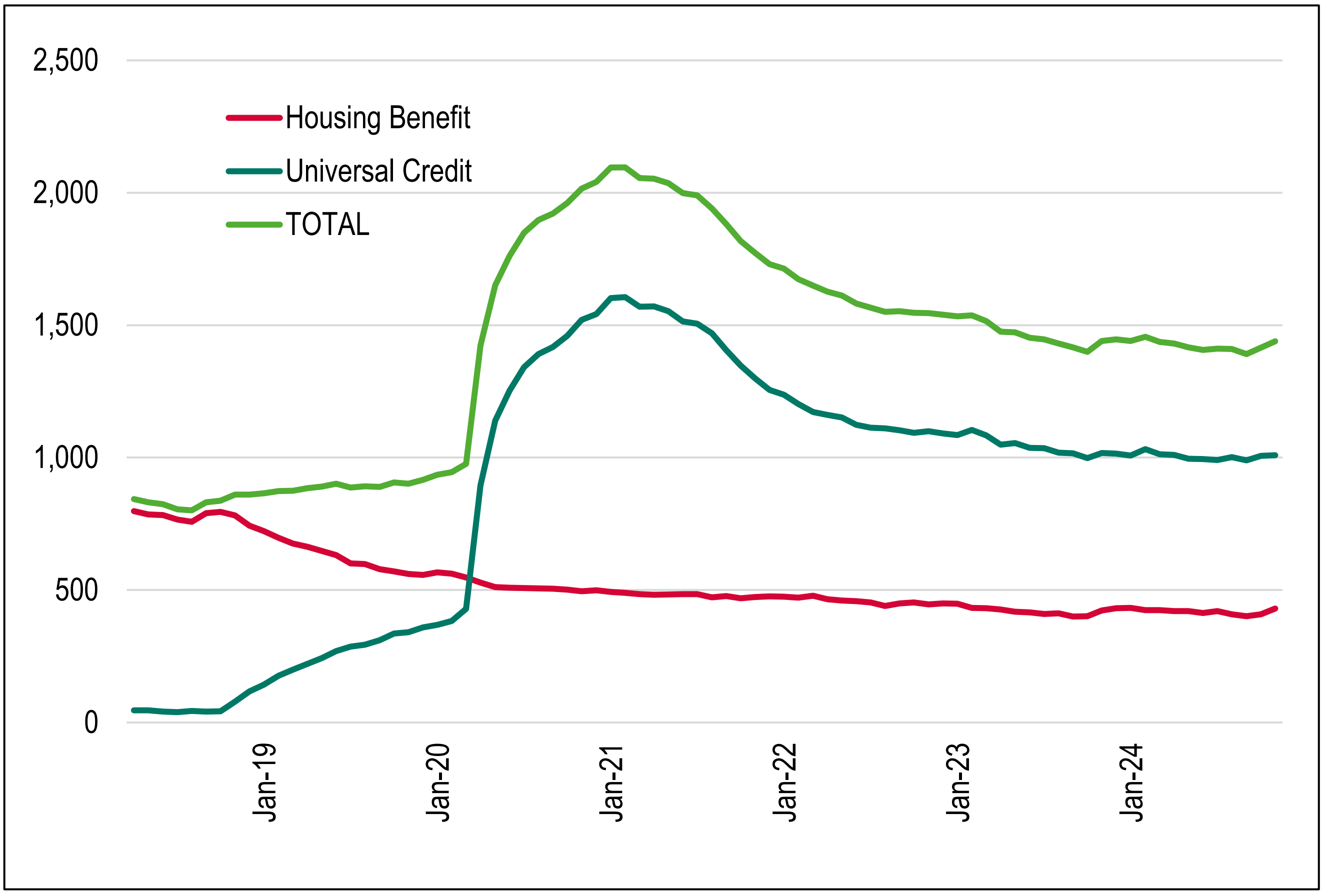
7.83 However, even the more historical data shows typically around 1,000 households in both Cambridge and South Cambridgeshire claiming benefit support for their housing in the private sector.

7.84 The data about the number of claimants does not indicate how many new lettings are made each year in the PRS. However, data from the English Housing Survey (EHS) over the past three years indicates that nationally, around 7% of private sector tenants are new to the sector each year.

7.85 If this figure is applied to the current number of households claiming Housing Benefit / Universal Credit, then this would imply around 100 new benefit-supported lettings in the private rented sector per annum in Cambridge and 115 in South Cambridgeshire.

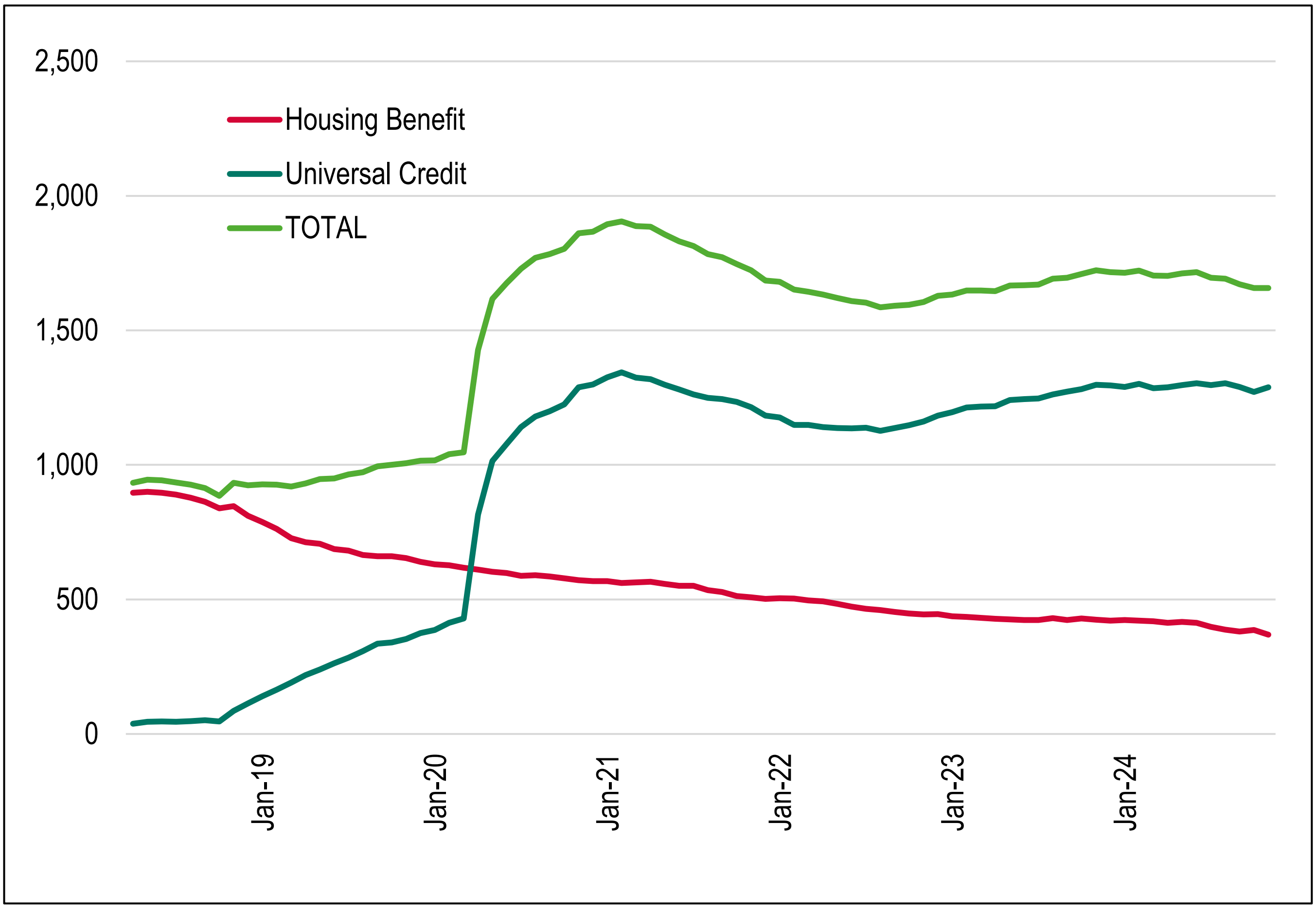
7.86 Whilst we would not recommend including PRS supply as part of the modelling, not least as it is uncertain whether the availability of homes will remain at this level as well as concerns about the security of tenure, it is the case that the sector does provide housing and again the overall analysis does not point to the need to increase the overall provision of homes to meet affordable housing need.

Figure 7.1 : Number of benefit claimants in the PRS – Cambridge – 2018-2025



Source: Department of Work and Pensions

Figure 7.2 : Number of benefit claimants in the PRS – South Cambridgeshire – 2018-2025



Source: Department of Work and Pensions

Affordable Housing Need Conclusions

7.87 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing, it needs to be noted that although delivery of affordable housing through planning obligations is important, it is not the only means of delivering affordable housing. The Councils should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through the use of its own land assets.

7.88 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply, the two do not measure the same thing, and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home.

7.89 Further issues arise as the need for affordable housing is complex, and additionally the extent of concealed and homeless households needs to be understood, as well as the role played by the private rented sector.

7.90 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that the provision of new affordable housing is an important and pressing issue across Greater Cambridge.

7.91 It does, however, need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does, however, suggest that affordable housing delivery should be maximised where opportunities arise.

Types of Affordable Housing

7.92 The analysis above has clearly pointed to a need for affordable housing, and particularly for households who are unable to buy OR rent in the market. There is a range of affordable housing options that could meet this need, which will include rented forms of affordable housing (such as Social or Affordable Rents) and products which might be described as intermediate housing or low-cost home ownership (such as shared ownership or discounted market sale housing/First Homes). These are discussed in turn below.

Social and Affordable Rent Housing

7.93 The tables below show current rent levels in Cambridge and South Cambridgeshire for a range of products along with relevant Local Housing Allowance (LHA) rates. In both areas, the LHA is provided for the Cambridge Broad Rental Market Area (BRMA), although it should be noted that parts of South Cambridgeshire do fall into the Huntingdon BRMA (Gamlingay) and the Stevenage & North Herts BRMA (Bassingbourn), both of which have slightly lower LHA levels.

7.94 Data about average Social and Affordable Rents has been taken from the Regulator of Social Housing (RSH), and this is compared with lower quartile market rents. This analysis shows that Social Rents are significantly lower than Affordable Rents; the analysis also shows that Affordable Rents are well below lower quartile market rents – particularly for larger property sizes (this will be because the figures are based on all existing Affordable Rents, which are likely to be lower than newly built Affordable Rent homes).

7.95 The LHA rates for all sizes of home are below the lower quartile market rents for all sizes of accommodation. This does potentially mean that households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent.

7.96 It is also worth noting that the Cambridge BRMA on which the LHA rates are based covers a wide range of rent levels, with Cambridge City having higher rents than the rest of the BRMA. This means that there are still significant differences between LHA rates and rents in Cambridge in particular, as illustrated in the table below.

Table 7.20 Comparison of rent levels for different products – Cambridge

Size	Social Rent	Affordable Rent	Lower quartile (LQ) market rent	LHA
1-bedroom	£436	£688	£1,250	£898
2-bedrooms	£508	£755	£1,550	£947
3-bedrooms	£567	£847	£1,800	£1,122
4-bedrooms	£667	£1,103	£2,400	£1,446
ALL	£509	£769	£1,500	-

Source: RSH, VOA and market survey (SR and AR data for 2024, market and LHA data for 2025)

Table 7.21 Comparison of rent levels for different products – South Cambridgeshire

Size	Social Rent	Affordable Rent	Lower quartile (LQ) market rent	LHA (Cambridge BRMA)
1-bedroom	£441	£646	£950	£898
2-bedrooms	£522	£776	£1,275	£947
3-bedrooms	£562	£891	£1,450	£1,122
4-bedrooms	£643	£1,127	£1,700	£1,446
ALL	£531	£786	£1,300	-

Source: RSH, VOA and market survey (SR and AR data for 2024, market and LHA data for 2025)

7.97 To some extent, it is easier to consider the data above in terms of the percentage one housing cost is of another, and this is shown in the tables below. Focusing on 2-bedroom homes, the analysis shows that Social Rents are significantly cheaper than market rents (and indeed Affordable Rents) and that Affordable Rents (as currently charged) represent 49% of the current lower quartile rent in Cambridge and 61% in South Cambridgeshire.

Table 7.22 Difference between rent levels for different products – Cambridge

Size	Social Rent as % of Affordable Rent	Social Rent as % of LQ market rent	Affordable Rent as % of LQ market rent
1-bedroom	63%	35%	55%
2-bedrooms	67%	33%	49%
3-bedrooms	67%	31%	47%
4-bedrooms	60%	28%	46%
ALL	66%	34%	51%

Source: RSH and market survey (SR and AR data for 2024, market and LHA data for 2025)

Table 7.23 Difference between rent levels for different products – South Cambridgeshire

Size	Social Rent as % of Affordable Rent	Social Rent as % of LQ market rent	Affordable Rent as % of LQ market rent
1-bedroom	68%	46%	68%
2-bedrooms	67%	41%	61%
3-bedrooms	63%	39%	61%
4-bedrooms	57%	38%	66%
ALL	68%	41%	60%

Source: RSH and market survey (SR and AR data for 2024, market and LHA data for 2025)

7.98 The table below suggests that in Cambridge, around 15% of households that cannot afford to rent privately could afford an Affordable Rent at 80% of market rents, with a further 33% being able to afford current Affordable Rents. There are also an estimated 23% who can afford a Social Rent (but not an Affordable Rent). A total of 29% of households would need some degree of benefit support (or to spend more than 35% of their income on housing) to be able to afford their housing (regardless of the tenure).

7.99 In South Cambridgeshire, around 18% of households that cannot afford to rent privately could afford an Affordable Rent at 80% of market rents, with a further 23% being able to afford current Affordable Rents. There are also an estimated 24% who can afford a Social Rent (but not an Affordable Rent). A total of 35% of households would need some degree of benefit support (or to spend more than 35% of their income on housing) to be able to afford their housing (regardless of the tenure).

7.100 This analysis in both the City and South Cambridgeshire points to a clear need for Social Rent housing.

Table 7.24 Estimated need for rented affordable housing (% of households unable to afford to buy OR rent)

Group	Cambridge	South Cambridgeshire
Afford Affordable Rent at 80% of market rent	15%	18%
Afford current Affordable Rent	33%	23%
Afford Social Rent Only	23%	24%
Need benefit support	29%	35%
All unable to afford market	100%	100%

Source: Affordability analysis (based on data for 2024/25)

7.101 The analysis indicates that provision of around 50-60% of rented affordable housing at Social Rents could be justified; albeit in setting planning policies, this will need to be considered alongside viability evidence.

7.102 Higher provision of affordable homes at Social Rents will reduce the support through housing-related benefits required to ensure households can afford their housing costs. There is also a strong case for keeping Affordable Rents within LHA limits where this tenure is to be provided.

Low-Cost Home Ownership/Intermediate Housing

7.103 As well as rented forms of affordable housing, the Councils could seek to secure and provide forms of low-cost home ownership, with the analysis below considering the potential affordability of shared ownership and discounted market sale housing (which could include First Homes).

7.104 Generally, intermediate housing for sale are homes sold at a discount (or on a part buy, part rent arrangement with shared ownership) and will therefore be based on the Open Market Value (OMV) of a new home.

7.105 The tables below set out a suggested purchase price for affordable home ownership/First Homes by size. It works through first (on the left-hand side) what households with an affordable home ownership need could afford (based on a 10% deposit and a mortgage at 4.5 times income (incomes x 4.5/0.9).

7.106 The right-hand side of the table then sets out what Open Market Value (OMV) this might support, based on a 30% discount. The lower end of the range is based on households that could afford to rent privately without financial support at lower quartile rents (i.e. the estimated house price that might be affordable to a household just able to afford to rent privately), with the upper end based on the midpoint between this and the lower quartile house price.

7.107 Focussing on 2-bedroom homes, it is suggested that an affordable price is between £266,000 and £305,000 in Cambridge and between £219,000 and £232,000 in South Cambridgeshire, and therefore the open market value of homes would need to be in the range of £380,000 to £436,000 in Cambridge and in the range of £312,000 and £331,000 in South Cambridgeshire (if discounted by 30%).

Table 7.25 Affordable home ownership prices – Cambridge

Size	What households with an affordable home ownership need could afford	Open Market Value (OMV) of home with a 30% Discount
1-bedroom	£214,300-£224,600	£306,100-£320,900
2-bedrooms	£265,700-£305,400	£379,600-£436,200
3-bedrooms	£308,600-£386,800	£440,800-£552,600
4+-bedrooms	£411,400-£515,700	£587,800-£736,700

Source: Iceni analysis based on Housing Market Cost Analysis (March 2025)

Table 7.26 Affordable home ownership prices – South Cambridgeshire

Size	What households with an affordable home ownership need could afford	Open Market Value (OMV) of home with a 30% Discount
1-bedroom	£162,900-£163,900	£232,700-£234,200
2-bedrooms	£218,600-£231,800	£312,200-£331,100
3-bedrooms	£248,600-£291,800	£355,100-£416,800
4+-bedrooms	£291,400-£383,200	£416,300-£547,400

Source: Iceni analysis based on Housing Market Cost Analysis (March 2025)

7.108 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site to site and will be dependent on a range of factors such as location, built form and plot size and service charges for flatted homes. We have, however, looked at newbuild schemes currently advertised on Rightmove, with the table below providing a general summary of existing schemes (figures do not include any homes advertised with buying schemes such as shared ownership).

7.109 This analysis is interesting as it shows the median newbuild price for all sizes of homes to consistently be above the top end of the OMV required to make homes affordable to those in the gap between buying and renting. That said, homes at the bottom end of the price range could theoretically be discounted by 30% and considered as affordable.

7.110 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of 30% does not automatically mean it becomes affordable to those in the gap between renting and buying, even though it will still be defined as affordable housing by the NPPF.

7.111 Overall, it is considered that the evidence does not support a need for discount market sales products, including first homes, in a local context.

Table 7.27 Estimated newbuild housing cost by size – Cambridge

Size	No. of homes advertised	Range of prices	Median price
1-bedroom	17	£300,000-£500,000	£340,000
2-bedrooms	29	£380,000-£800,000	£500,000
3-bedrooms	32	£465,000-£1,150,000	£650,000
4+-bedrooms	50	£640,000-£1,900,000	£720,000

Source: Iceni analysis (March 2025)

Table 7.28 Estimated newbuild housing cost by size – South Cambridgeshire

Size	No. of homes advertised	Range of prices	Median price
1-bedroom	1	£310,000	
2-bedrooms	24	£260,000-£585,000	£370,000
3-bedrooms	49	£370,000-£950,000	£500,000
4+-bedrooms	75	£450,000-£1,500,000	£750,000

Source: Iceni analysis (March 2025)

7.112 The analysis below moves on to consider shared ownership. For this analysis, an assessment of monthly outgoings has been undertaken, with a core assumption being that the outgoings should be the same as for renting privately so as to make this tenure genuinely affordable.

7.113 The analysis has looked at what the OMV would need to be for a shared ownership to be affordable with a 10%, 25% and 50% share (excluding service charges). To work out outgoings, the mortgage part is based on a 10% deposit (for the equity share) and a repayment mortgage over 25 years at 5%, with a rent at 2.75% per annum on unsold equity.

7.114 The findings for this analysis are interesting and do point to the possibility of shared ownership being a more affordable tenure than discounted market housing (including First Homes).

7.115 By way of an explanation of these tables (focusing on 2-bedroom homes in

Cambridge), if a 50% equity share scheme came forward, then it is estimated that the OMV could not be above £410,000 if it is to be genuinely affordable (due to the outgoings being in excess of the cost of privately renting).

7.116 However, given the subsidised rents, the same level of outgoings could be expected with a 10% equity share of a much higher OMV of £599,000. Although affordability can only be considered on a scheme-by-scheme basis, it is notable that we estimate a median 2-bedroom newbuild to cost around £500,000 – this points to it being difficult to make 50% share schemes genuinely affordable, but a 10% share could be (25% being borderline).

Table 7.29 Estimated OMV of Shared Ownership with a 50%, 25% and 10% equity share by size – Cambridge

Size	50% share	25% share	10% share
1-bedroom	£331,000	£412,000	£483,000
2-bedroom	£410,000	£511,000	£599,000
3-bedroom	£476,000	£593,000	£695,000
4-bedrooms	£635,000	£791,000	£927,000

Source: Iceni analysis (based on price and rent data for March 2025)

Table 7.30 Estimated OMV of Shared Ownership with a 50%, 25% and 10% equity share by size – South Cambridgeshire

Size	50% share	25% share	10% share
1-bedroom	£251,000	£313,000	£367,000
2-bedroom	£337,000	£420,000	£492,000
3-bedroom	£384,000	£478,000	£560,000
4-bedrooms	£450,000	£560,000	£657,000

Source: Iceni analysis (based on price and rent data for March 2025)

7.117 A further affordable option is Rent-to-Buy; this is a Government scheme designed to ease the transition from renting to buying the same home. Initially (typically for five years), the newly built home will be provided at the equivalent of an Affordable Rent (approximately 20% below the market rental rate).

7.118 The expectation is that the discount provided in the first five years is saved in order to put towards a deposit on the purchase of the same property at the end of the five years. Rent-to-Buy can be advantageous for some households as it allows for a smaller ‘step’ to be taken onto the home ownership ladder.

7.119 At the end of the five years, depending on the scheme, the property is either sold as a shared ownership product or purchased outright as a full market property. If the occupant is not able to do either of these, then the property is vacated.

7.120 To access this tenure, it effectively requires the same income threshold for the initial phase as a private rental property, although the cost of accommodation will be that of Affordable Rent. The lower-than-market rent will allow the household to save for a deposit for the eventual shared ownership or market property.

7.121 In considering the affordability of Rent-to-Buy schemes, there is a direct read across to the income required to access affordable home ownership (including shared ownership). This is because they require similar income, and thus the products would be targeted at the same groups. It should therefore be treated as part of the affordable home ownership products suggested by the NPPF, even though it is initially a rented product.

Engagement With Housing Team

7.122 To inform this study, we have engaged with housing officers at both Cambridge City Council and South Cambridgeshire District Council. A summary of that discussion is set out below. This includes statistics from sources provided in the duration of these conversations.

7.123 Cambridge City Council and South Cambridgeshire District Council collaborate closely, particularly in partnership with their respective planning and housing strategy teams. Alongside Local Plans, the authorities have developed a comprehensive shared Housing Strategy which sets out the Council's policy direction and is a material consideration when considering planning applications.

7.124 This Housing Strategy, adopted in summer 2024, provides guidance for tenure splits in alignment with anticipated changes to the National Planning Policy Framework (NPPF) post-December 2024, i.e. it reflects the NPPF consultation documents' greater focus on Social Rent. The Housing Strategy includes several annexes, including detailed evidence outlining the specific housing needs of different community groups.

7.125 The Housing Strategy draws upon previous assessments of housing needs for specific groups and additional research from Cambridgeshire County Council, particularly concerning older residents and individuals with learning disabilities.

Affordability Issues

7.126 Officers have highlighted that the housing landscape in Greater Cambridge is characterised by persistent affordability challenges. Many households continue to find even cheaper rental options financially inaccessible.

7.127 This situation arises from acute high demand resulting in a growth in house prices and is linked to this rental prices. As a consequence, Affordable Rents, particularly newly rented properties, can exceed Local Housing Allowance (LHA) rates, compelling residents to allocate an "unaffordable" share of their income to housing costs.

7.128 Officers also outlined that escalating rental costs have also driven many previous private renters into unaffordable circumstances, exacerbated by benefit caps and LHA rates affecting family housing affordability.

7.129 Consequently, officers advocate for maximising Social Rent properties within viability constraints, and the Councils are seeking an element of Social Rent on larger developments as set out through requirements within their Housing Strategy.

7.130 Annexe 4 to the Housing Strategy, Affordable Rents Policy, specifically recommends that Affordable Rents in South Cambridgeshire should be capped at 70% of market rents or the prevailing LHA rates. In Cambridge City and its fringe areas, rents should be limited to the lower of either 60% of market rates or the prevailing LHA levels.

7.131 Officers highlighted that exceptions to these caps may apply to homes let through Cambridge City Council's Lettings Policy, which are brought forward in addition to the 40% affordable housing requirement for new developments as set out in the adopted Local Plans or in place of intermediate tenures, which are considered on a case-by-case basis.

7.132 Both Councils operate private sector leasing schemes, which partner with private landlords to secure housing at LHA rates, supported by rental guarantees. However, the significant disparity in rental prices across the Cambridge BRMA continues to challenge these efforts.

Housing Registers

7.133 Additionally, officers outlined that the termination of private tenancies has contributed towards a notably increased demand for Social/Affordable Rent housing as shown by the Council's Housing Registers, particularly among single-person households and individuals with complex needs. This is also reflected by homelessness representations and subsequently greater reliance on temporary accommodation.

7.134 As of March 2025, there were 12,377 live applicants on the Councils' Housing Registers across the sub-region (Cambridgeshire and West Suffolk). The latest numbers on the housing register are 2,878 for Cambridge City and 1,928 for South Cambridgeshire.

7.135 Emergency applications were up by over 300% since March 2024, but Band B and C, where the majority of people sit, have decreased and increased by around 4%, respectively.

7.136 In total, in 2023-24, there were 1,391 lets overall in Greater Cambridge, compared to 1,431 in 2022-23, a decrease of 40 lets.

7.137 In South Cambridgeshire, despite regular register updates, officers highlighted that homelessness and housing demand continue to rise, notably among single-person households.

7.138 In Cambridge City, officers also highlighted that the number of housing applications has been rising over the last few years, as has the number of applications where the applicant was initially assessed as being owed a statutory homelessness duty.

7.139 The number of cases where the City Council has a statutory duty to relieve homelessness has increased significantly over the past three years, due to a reduction in successful homelessness preventions, and increasing numbers of people presenting to the council who are already homeless.

7.140 In total, around 17% of those on the register in Cambridge City have disclosed a vulnerability and 15% in South Cambridgeshire. The highest numbers are those with mental health issues or a physical disability.

Affordable Housing Supply

7.141 Cambridge City experiences some of the highest private rental costs outside London, intensifying affordability pressures and increasing affordable housing need.

7.142 Officers outlined that Cambridge City Council utilises some properties outside its boundaries to discharge its homelessness duties, although most homeless local needs are met internally. Although the Council’s reliance on bed and breakfast accommodation has increased in recent years

7.143 Officers also outlined that South Cambridgeshire District Council occasionally relies on bed-and-breakfast accommodation within Cambridge but aims to minimise the use of bed and breakfast accommodation more generally. Cambridge City Council uses other forms of temporary accommodation in preference to bed and breakfast accommodation wherever possible

7.144 There are competing groups on the register for the affordable housing supply, together with others facing homelessness, and those more widely struggling to afford to live in Greater Cambridge.

7.145 Officers highlighted that key organisations and companies within Greater Cambridge have raised concerns around the availability of affordable housing for their workers to help support local services and sustainable economic growth of the area.

Affordable Housing Mix

7.146 In South Cambridgeshire, officers highlighted that concerns have also been raised about the affordability and attractiveness of newly built two-bedroom flats secured through Section 106 agreements offered at Affordable Rents, as these can be costlier than older three-bedroom houses at Social Rents. This is further compounded as the move from houses to flats requires a cultural change for many living in a rural district.

7.147 In contrast, due to its urban nature, officers noted that Cambridge City typically sees a higher acceptance of flats among families and other households seeking affordable housing, driven by strong demand for smaller properties, although applicants waiting for larger homes often have to wait longer as larger homes experience slower turnover.

7.148 Additionally, officers commented that market homes frequently include houses, whereas for affordable housing, the predominant offer often flats. The Housing Strategy aims for a better balance of houses versus flats across the market and affordable sectors to support family stability and maintain community cohesion.

7.149 Both Councils identify a clear and ongoing requirement for larger three- and four-bedroom homes, despite higher affordability challenges associated with these units. Officers suggest prioritising larger homes for Social Rent.

7.150 Officers highlighted that there are also issues with the occupancy of Social/Affordable Rent properties, with under-occupancy by 1 bedroom having increased (+27 homes in the last year) across the sub-region. That said, under-occupancy by 2+ bedrooms has decreased (by 43 homes in the last year). Achieving further reductions in under-occupancy should help make better use of the existing stock by releasing larger homes.

7.151 Although one officer highlighted that for someone under-occupying Rented Affordable Housing, if they were to downsize, they are more likely to pay more to live in a new, smaller flat. Therefore, there is little incentive to move.

7.152 Registered Providers (RPs) may convert Social Rent homes to Affordable Rents upon re-letting.

Low-Cost Home Ownership

7.153 The demand for low-cost home ownership (LCHO), particularly shared ownership, remains ambiguous. Officers highlighted that Cambridge City Council has previously experienced challenges in selling new shared ownership properties, ultimately converting them to Affordable Rent properties.

7.154 However, officers highlighted that shared ownership performs marginally better on fringe sites and in South Cambridgeshire, highlighting ongoing needs for first-time buyers, especially given the affordability constraints associated with discounted market sale including First Homes. Shared ownership is also vital to the viability of some schemes.

Private Rental Sector

7.155 The private rental sector (PRS) introduces additional complexities, particularly with the emergence of Build-to-Rent (BTR) schemes.

7.156 As an untested model in Greater Cambridge, although recognising that Build to Rent has a role to play in the market, officers highlighted that some concerns persist regarding the affordability of Affordable Private Rents in BTR developments, raising questions about the future use of these properties if demand diminishes.

7.157 National trends also indicate landlords exiting the private rental sector, including the Houses in Multiple Occupation (HMO) market, further exacerbating local homelessness pressures.

Conclusion

7.158 Overall, officers outlined that the housing landscape in Greater Cambridge requires continued and targeted strategic action to prioritise genuinely affordable and appropriate housing solutions, support community stability, and respond effectively to evolving demographic and market needs. This is already occurring through the Greater Cambridge Housing Strategy.

Affordable Housing Need - Summary

7.159 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. The evidence indicates that there is an acute need for affordable housing in both local authority areas.

7.160 The majority of need is from households who are unable to buy OR rent privately and therefore points particularly towards a need for rented affordable housing rather than affordable home ownership.

7.161 Despite the level of need being high (relative to overall housing requirements), it is not considered that this points to any requirement for the Councils to increase the Local Plan's overall housing requirement due to affordable housing needs.

7.162 The link between affordable need and overall need (of all tenures) is complex, and in trying to make a link, it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home).

7.163 In addition, the private rented sector is providing benefit-supported accommodation for many households. That said, the level of affordable housing need does suggest the Councils should maximise the delivery of such housing at every opportunity.

7.164 The analysis suggests there will be a need for both Social and Affordable Rent housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who can claim sufficient housing-related benefits to cover their full rental costs.

7.165 It is, however, clear that Social Rents are more affordable and could benefit a wider range of households – Social Rent homes should therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.

7.166 The study also considers different types of affordable home ownership (notably shared ownership and discounted market homes, including First Homes) as each may have a role to play. Shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent. There was no evidence of a need for discounted market housing, including First Homes.

7.167 Given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as 'genuinely affordable' (particularly for larger (3+-bedroom) homes). This again points to the need for the Councils to prioritise the delivery of rented affordable housing where possible.

7.168 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Councils will need to consider the relative levels of need and also viability issues (recognising for example that providing affordable home ownership may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

7.169 Overall, the analysis identifies a notable need for affordable housing, and it is clear that the provision of new affordable housing is an important and pressing issue in the area.

7.170 It does, however, need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does, however, suggest that affordable housing delivery should be maximised where opportunities arise.

8. Housing Mix

Introduction

8.1 This section considers the appropriate mix of housing across Greater Cambridge, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward.

Background Data

8.2 The number of families in Greater Cambridge (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 34,017 as of the 2021 Census, accounting for 28.5% of households; this proportion is virtually the same as seen across the region and nationally although the area does see a higher proportion of married couple households with children.

Table 8.1 Households with Dependent Children (2021)

Composition	Greater Cambridge No.	Greater Cambridge %	East of England %	England %
Married couple	21,354	17.9%	15.5%	14.4%
Cohabiting couple	4,301	3.6%	4.8%	4.5%
Lone parent	6,051	5.1%	6.3%	6.9%
Other households	2,311	1.9%	2.4%	2.7%
All other households	85,451	71.5%	71.0%	71.5%

Total	119,468	100.0%	100.0%	100.0%
Total with dependent children	34,017	28.5%	29.0%	28.5%

Source: Census (2021)

8.3 The table below shows the same information for each of the two local authorities. This shows a higher proportion of family households in South Cambridgeshire (31%) compared with Cambridge (26%). The City does, however, see a higher proportion of other households.

Table 8.2 Households with Dependent Children (2021) – local authorities

Composition	**Cambridge No.**	**Cambridge %**	**South Cambridgeshire %**	**South Cambridgeshire %**
Married couple	7,813	14.9%	13,541	20.2%
Cohabiting couple	1,656	3.2%	2,645	3.9%
Lone parent	2,649	5.0%	3,402	5.1%
Other households	1,285	2.4%	1,026	1.5%
All other households	39,069	74.5%	46,382	69.2%
Total	52,472	100.0%	66,996	100.0%
Total with dependent children	13,403	25.5%	20,614	30.8%

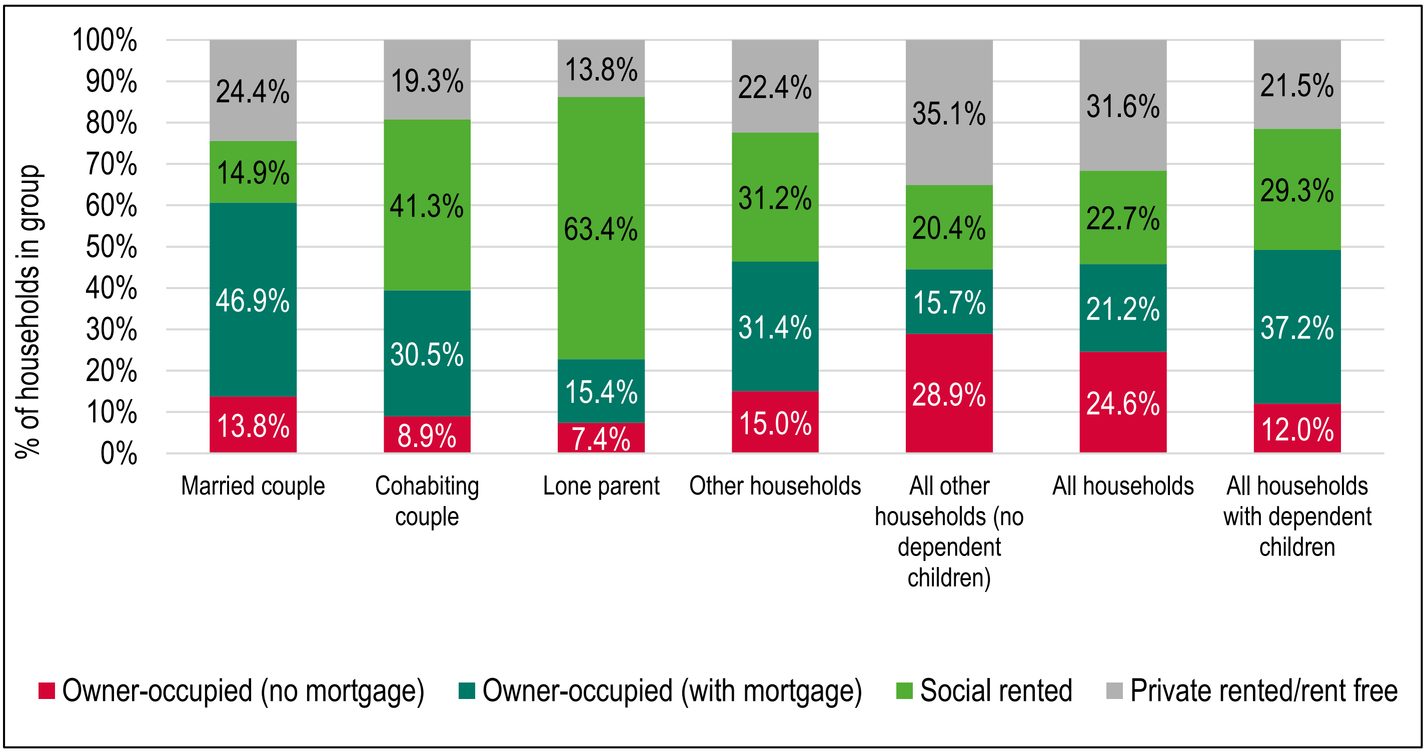
Source: Census (2021)

8.4 The figures below show the current tenure of households with dependent children. There are some considerable differences by household type, with lone parents having a very high proportion living in Rented Affordable Housing.

8.5 In Cambridge, only 23% of lone-parent households are owner-occupiers compared with 61% of married couples with children; in South

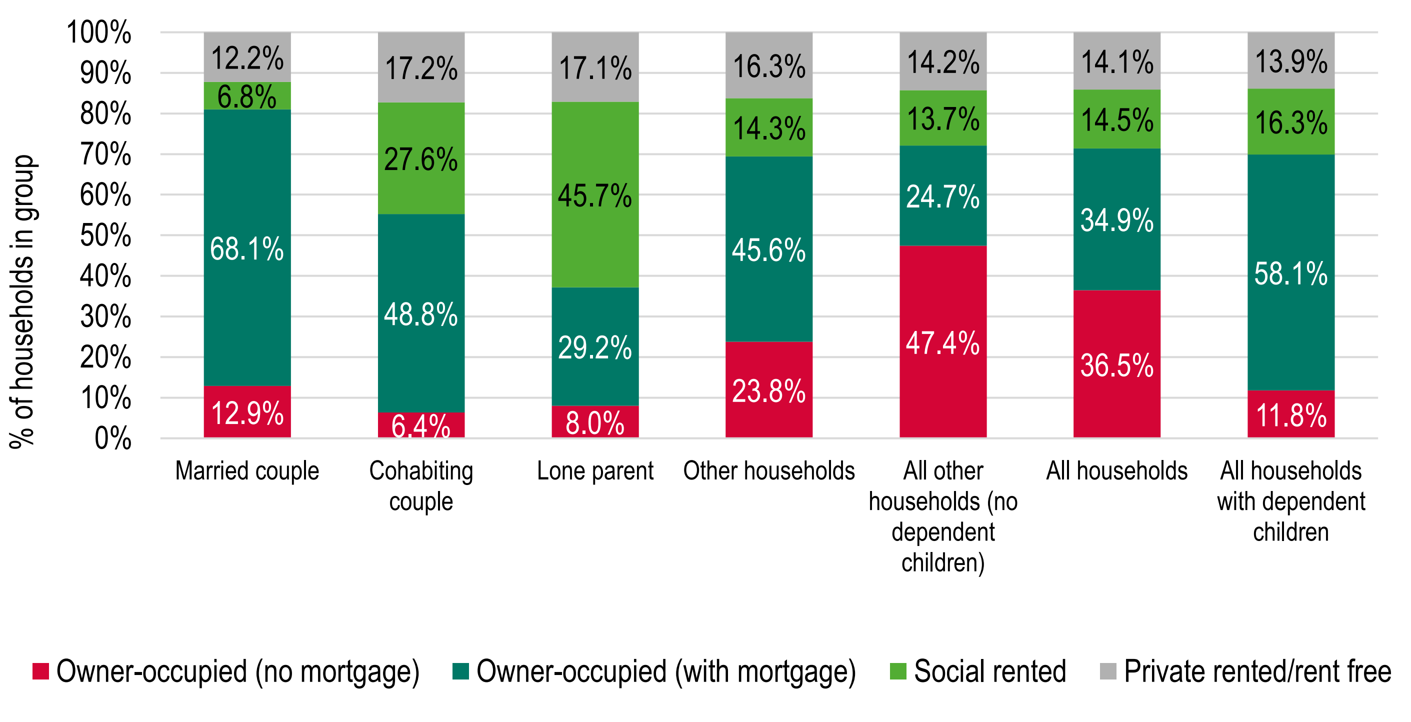
Cambridgeshire, 37% of lone-parent households are owner-occupiers compared with 81% of married couples with children.

Figure 8.1 Tenure of households with dependent children (2021) – Cambridge



Source: Census (2021)

Figure 8.2 Tenure of households with dependent children (2021) – South Cambridgeshire



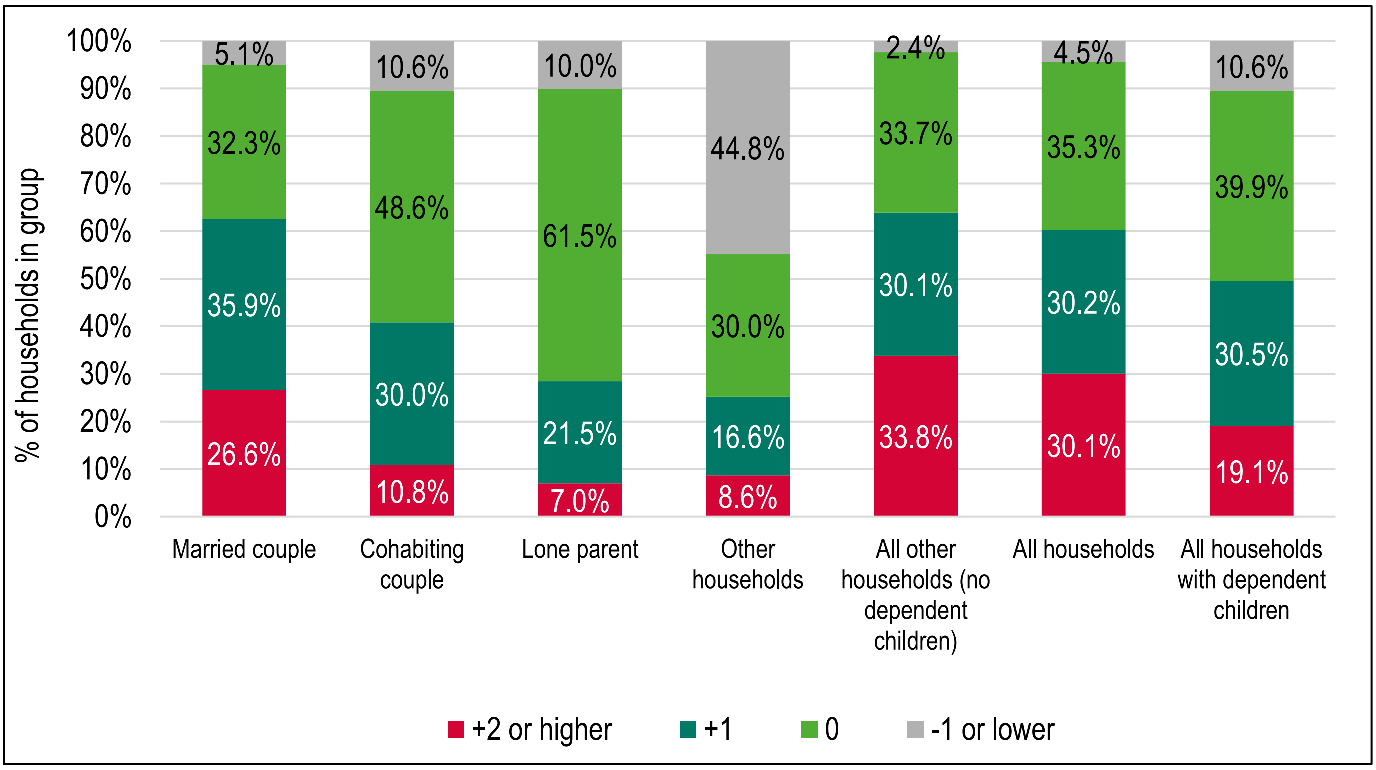
Source: Census (2021)

8.6 The figures below show levels of overcrowding and under-occupancy of households with dependent children based on the bedroom standard. This shows higher levels of overcrowding (minus figure) for all household types with dependent children in Cambridge compared with South Cambridgeshire. Furthermore, 10% of all lone parent households (in Cambridge) and 5% in South Cambridgeshire are overcrowded.

8.7 Additionally, some 45% (Cambridge) and 20% (South Cambridgeshire) of ‘other’ households (with children) are overcrowded. Overall, some 11% of households with dependent children are overcrowded in Cambridge (4% in South Cambridgeshire), compared with 2% of other households (with no children) in Cambridge (and fewer than 1% of other households (with no children) in South Cambridgeshire).

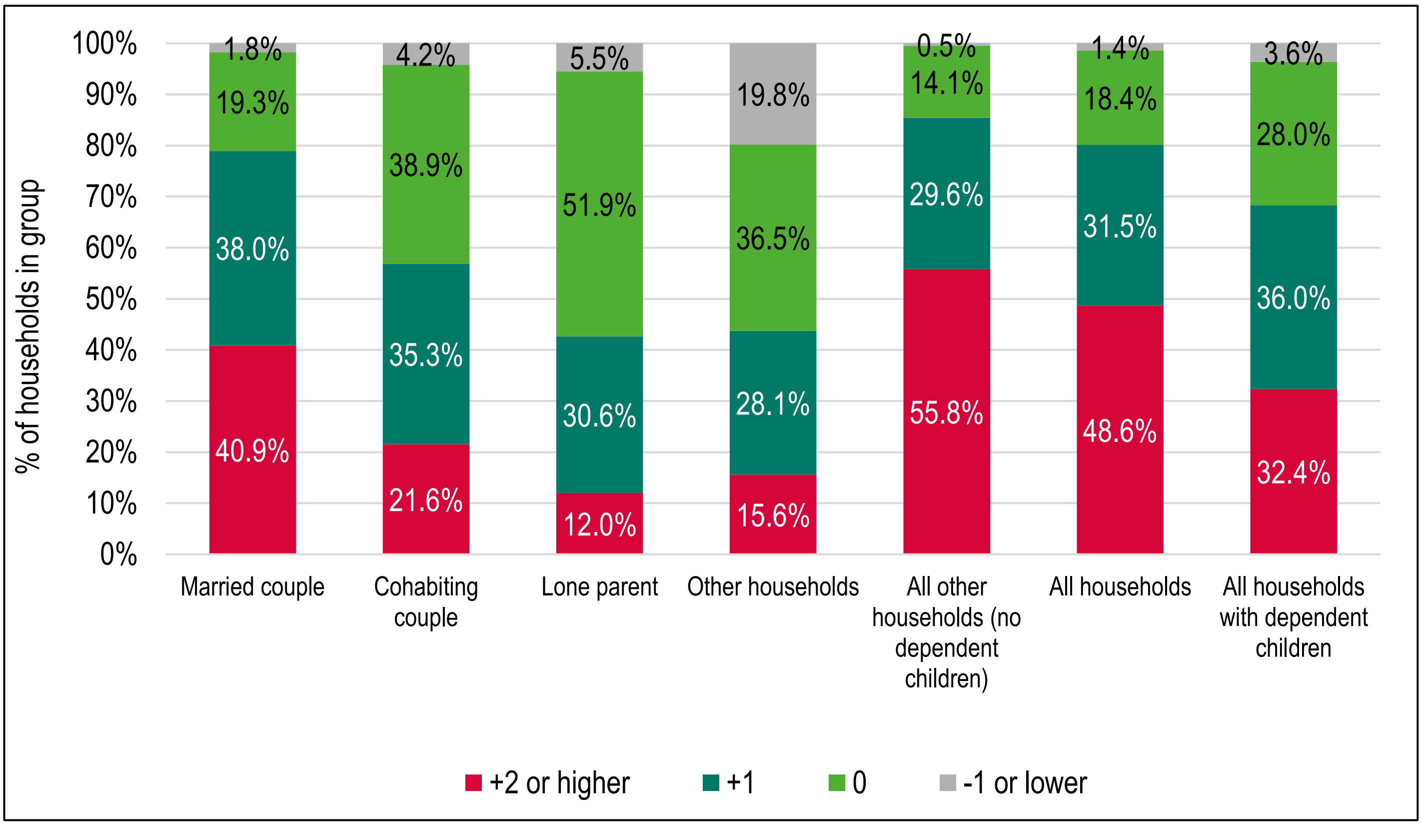
8.8 Levels of under-occupancy (positive figure) are also notably lower in households with dependent children (19.1%) compared to those with no dependent children (33.8%).

Figure 8.3 Occupancy rating (bedroom standard) of households with dependent children (2021) – Cambridge



Source: Census (2021)

Figure 8.4 Occupancy rating (bedroom standard) of households with dependent children (2021) – South Cambridgeshire



Source: Census (2021)

The Mix of Housing

8.9 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, it is possible to see which age groups are expected to change in number, and by how much.

8.10 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed over the assessment period (taken to be 2024-45 to be consistent with other analyses in this report).

8.11 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 across areas. The data shows market sector stock (owner-occupied) that is dominated by 3+-bedroom homes (making up around 80% of the total in this tenure group, and also a slightly higher proportion than that seen in other areas (76% regionally and 75% nationally)).

8.12 The size profile of the Rented Affordable Housing sector is broadly similar across areas, whilst the private rented sector is also similar to other locations, with the main feature being a higher proportion of 4+-bedroom homes – likely to be linked in part to the student population and the wider HMO market. Observations about the current mix feed into conclusions about future mix later in this section.

Table 8.3 Number of Bedrooms by Tenure, 2021

Tenure	Size	Greater Cambridge	East of England	England
Owner-occupied	1-bedroom	3%	4%	4%
	2-bedrooms	17%	20%	21%
	3-bedrooms	38%	44%	46%
	4+-bedrooms	42%	32%	29%
	Total	100%	100%	100%
	Average number of beds	3.18	3.05	3.01
Rented Affordable Housing	1-bedroom	27%	29%	29%
	2-bedrooms	38%	35%	36%
	3-bedrooms	30%	32%	31%
	4+-bedrooms	5%	4%	4%
	Total	100%	100%	100%
	Average number of beds	2.12	2.11	2.10
	1-bedroom	23%	21%	21%

Private rented	2-bedrooms	34%	38%	39%
	3-bedrooms	25%	30%	29%
	4+-bedrooms	18%	11%	11%
	Total	100%	100%	100%
	Average number of beds	2.38	2.31	2.30

Source: Census (2021), Note: the private rented figures exclude purpose built student accommodation and other institutional accommodation.

8.13 The table below shows the same information for the two local authorities individually. The table shows a higher proportion of larger homes in South Cambridgeshire for all tenures – including 46% of market homes having 4+ bedrooms.

Table 8.4 Number of Bedrooms by Tenure, 2021

Tenure	Size	Cambridge	South Cambridgeshire	Greater Cambridge
Owner-occupied	1-bedroom	6%	2%	3%
	2-bedrooms	21%	16%	17%
	3-bedrooms	40%	36%	38%
	4+-bedrooms	33%	46%	42%
	Total	100%	100%	100%
	Average number of beds	3.01	3.26	3.18
Rented Affordable Housing	1-bedroom	32%	22%	27%
	2-bedrooms	34%	43%	38%
	3-bedrooms	28%	32%	30%
	4+-bedrooms	6%	4%	5%

	Total	100%	100%	100%
	Average number of beds	2.08	2.18	2.12
Private rented	1-bedroom	27%	15%	23%
	2-bedrooms	33%	36%	34%
	3-bedrooms	21%	33%	25%
	4+-bedrooms	19%	16%	18%
	Total	100%	100%	100%
	Average number of beds	2.31	2.49	2.38

Source: Census (2021)

Overview of Methodology

8.14 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analyses.

Understanding How Households Occupy Homes

8.15 Whilst the demographic projections provide a good indication of how the population and household structure will develop; it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore, knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

8.16 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 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.

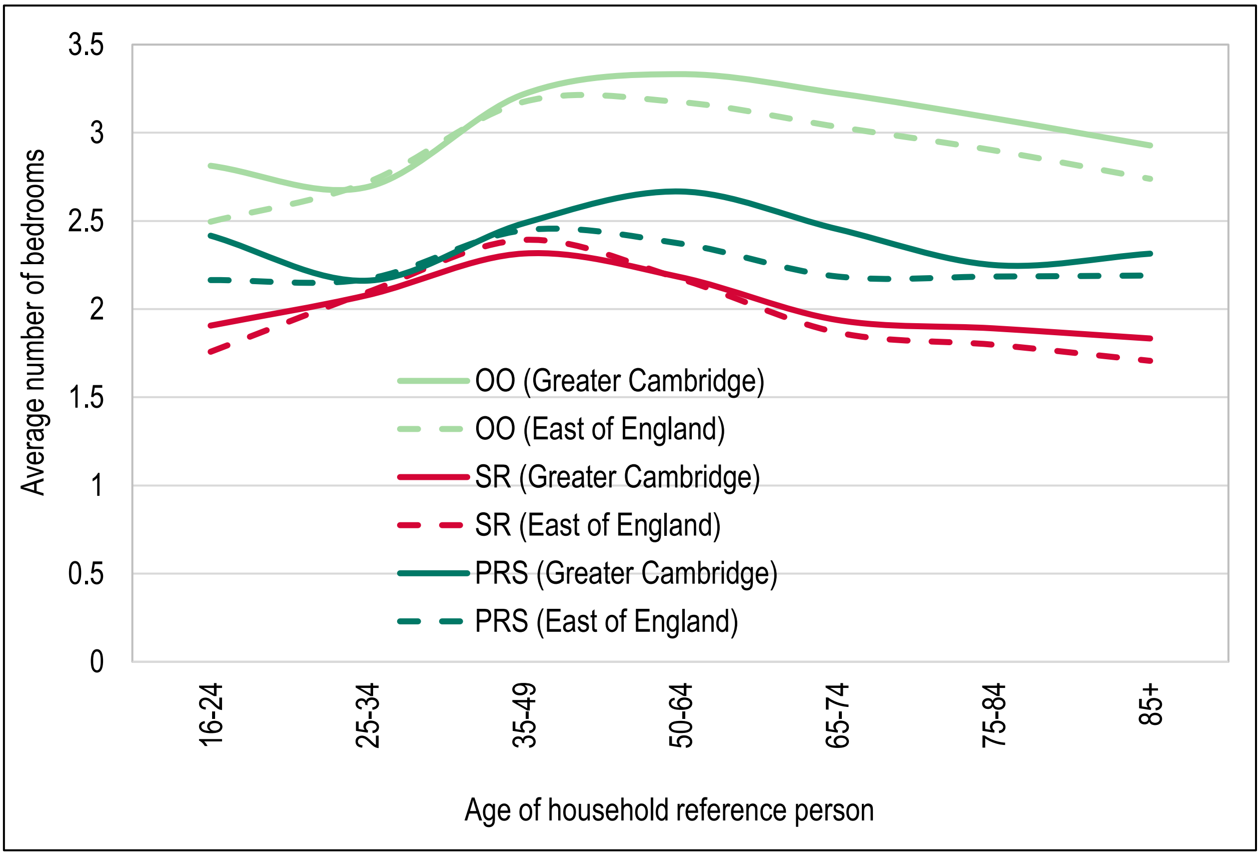
8.17 That said, issues of supply can also impact occupancy patterns. For example, it may be that a supply of additional appropriately designed, smaller, level-access homes would encourage older people to downsize, but in the absence of such accommodation, these households remain living in their larger accommodation.

8.18 The issue of choice is less relevant in the affordable housing sector (particularly since the introduction of the social sector size criteria) where households are usually allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy (‘bedroom tax’) and those not on housing related benefits).

8.19 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 (data being drawn from the 2021 Census).

8.20 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Greater Cambridge and the East of England region. In all sectors, the average size of accommodation rises over time to typically reach a peak around the age of 50.

Figure 8.5 Average Bedrooms by Age and Tenure in Greater Cambridge and the region



Source: Census (2021), Note: OO = owner occupied, SR = Rented Affordable Housing/Social Rental, and PRS = private rented sector

8.21 After peaking, the average dwelling size decreases, as typically some households downsize as they get older. The analysis confirms Greater Cambridge as having slightly larger dwelling sizes, particularly in the owner-occupied sector.

8.22 The analysis uses the existing occupancy patterns at a local level as a starting point for analysis and applies these to the projected changes in Household Reference Person by age discussed below. 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 market sectors (i.e. owner-occupiers and the private rented sector);
- **Affordable Home Ownership** – which is taken to follow the occupancy profile in the private rented sector (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). This can also be applied to PRS schemes, including build-to-rent development, and
- **Rented Affordable Housing** – which is taken to follow the occupancy profile in the Rented Affordable Housing sector. The affordable sector in the analysis to follow would include social and affordable rented housing, including affordable private rents.

Changes to Households by Age

8.23 The table below presents the projected change in households by age of Household Reference Person (HRP). This shows growth as being expected in all age groups and in particular older age groups. The number of households headed by someone aged 50-64 is however projected to see more modest increases compared to other age groups.

Table 8.5 Projected Change in Household by Age of HRP in Greater Cambridge

Age of HRP	2024	2045	Change in Households	% Change
Under 25	3,990	5,227	1,238	31.0%
25-34	19,065	28,407	9,342	49.0%
35-49	35,141	49,530	14,389	40.9%
50-64	33,418	37,734	4,316	12.9%

65-74	14,550	19,158	4,608	31.7%
75-84	12,865	18,731	5,866	45.6%
85+	5,747	10,555	4,809	83.7%
TOTAL	124,775	169,342	44,567	35.7%

Source: Demographic Projections based on ONS data

Modelled Outputs

8.24 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the size requirement of housing within each of the three broad tenures at a local authority level.

8.25 The analysis is based on considering both local and regional occupancy patterns. The data linking to local occupancy will, to some extent, reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.

8.26 The analysis for rented affordable housing can also draw on data from the local authority Housing Registers with regards to the profile of need. The Housing Registers data shows a pattern of need which is focused on 1-bedroom homes but with around a sixth of households requiring 3+-bedroom accommodation.

Table 8.6 Size of Rented Affordable Housing Needed – Housing Register Information (April 2024)

Size	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms	Unknown	Total
Cambridge - households	1,193	345	145	17	13	1,713
Cambridge - % of households	70%	20%	9%	1%	1%	100%

South Cambridgeshire - households	1,017	549	354	134	0	2,054
South Cambridgeshire -% of households	50%	27%	17%	7%	0%	100%
Greater Cambridge -households	2,210	894	499	151	13	3,767
Greater Cambridge - % of households	59%	24%	13%	4%	0%	100%

Source: LAHS (figures exclude transfer applicants)

8.27 The tables below show the modelled outputs of need by dwelling size in the three broad tenures across the study area and for the two local authorities. Market housing focuses on 3+-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing on 1-, 2- and 3-bedroom. There are differences between the two areas, with the main one being a greater need for larger market properties in South Cambridgeshire.

Table 8.7 Modelled Mix of Housing by Size and Tenure – Greater Cambridge

Tenure	**1-bedroom**	**2-bedrooms**	**3-bedrooms**	**4+-bedrooms**
Market	9%	26%	38%	27%
Affordable home ownership	23%	37%	27%	13%
Rented affordable	28%	38%	30%	4%

Source: Housing Market Model

Table 8.8 Modelled Mix of Housing by Size and Tenure – Cambridge

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	13%	28%	36%	24%
Affordable home ownership	24%	37%	25%	14%
Rented affordable	29%	37%	29%	5%

Source: Housing Market Model

Table 8.9 Modelled Mix of Housing by Size and Tenure – South Cambridgeshire

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	25%	40%	30%
Affordable home ownership	19%	38%	31%	12%
Rented affordable	27%	40%	30%	4%

Source: Housing Market Model

Rightsizing

8.28 The analysis above sets out the potential need for housing if occupancy patterns remain the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is, however, worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).

8.29 There is a case to seek new stock to match actual size requirements more closely. Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector), it is the case that in seeking to make the most efficient use of land, it would be prudent to look to reduce this over time. Further analysis has been undertaken to take account of overcrowding and under-occupancy (by tenure).

8.30 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2 spare bedrooms that are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households. In the owner-occupied sector in 2021, there were just under 63,400 households with some degree of under-occupation and just over 700 overcrowded households – some 88% of all owner-occupiers have some degree of under-occupancy.

Table 8.10 Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Greater Cambridge

Occupancy Rating	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	16,039	25,374	41,413
+1 spare bedroom	0	9,779	8,230	3,959	21,968
0 "Right sized"	2,268	2,395	2,572	514	7,749
-1 too few bedrooms	92	237	236	148	713
TOTAL	2,360	12,411	27,077	29,995	71,843

Source: Census (2021)

8.31 For completeness, the tables below show the same information for the social and private rented sectors. In both cases, there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

Table 8.11 Cross-tabulation of occupancy rating and number of bedrooms (Rented Affordable Housing) – Greater Cambridge

Occupancy Rating	**1-bed**	**2-bed**	**3-bed**	**4+-bed**	**TOTAL**
+2 spare bedrooms	0	0	1,700	336	2,036
+1 spare bedrooms	0	3,590	1,868	308	5,766
0 “Right sized”	5,652	4,055	2,322	273	12,302
-1 too few bedrooms	219	588	525	151	1,483
TOTAL	5,871	8,233	6,415	1,068	21,587

Source: Census (2021)

Table 8.12 Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Greater Cambridge

Occupancy Rating	**1-bed**	**2-bed**	**3-bed**	**4+-bed**	**TOTAL**
+2 spare bedrooms	0	0	2,442	2,461	4,903
+1 spare bedroom	0	5,702	2,461	1,067	9,230
0 “Right sized”	5,616	2,948	1,395	826	10,785
-1 too few bedrooms	332	299	252	241	1,124
TOTAL	5,948	8,949	6,550	4,595	26,042

Source: Census (2021)

8.32 In using this data in the modelling, an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns these households to a ‘+1’ occupancy.

8.33 This does need to be recognised as an assumption, but can be seen to be reasonable as the modelling retains a considerable degree of under-occupation (which is likely) but also seeks to model a better match between household needs and the size of their home.

8.34 For overcrowded households, a move in the other direction is made; in this case, overcrowded households are assigned to a house with as many bedrooms as needed to resolve the problems (this is applied to all overcrowded households).

8.35 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following tables. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling), with the biggest change being in the market sector, which was the sector where under-occupation is currently most notable.

Table 8.13 Adjusted modelled mix of housing by size and tenure – Greater Cambridge

Tenure	**1-bedroom**	**2-bedrooms**	**3-bedrooms**	**4+-bedrooms**
Market	8%	30%	39%	22%
Affordable home ownership	21%	40%	27%	12%
Rented affordable	27%	38%	28%	6%

Source: Housing Market Model

Table 8.14 Adjusted modelled mix of housing by size and tenure – Cambridge

Tenure	**1-bedroom**	**2-bedrooms**	**3-bedrooms**	**4+-bedrooms**
Market	12%	32%	36%	20%

Affordable home ownership	23%	39%	25%	13%
Rented affordable	28%	37%	28%	7%

Source: Housing Market Model

Table 8.15 Adjusted modelled mix of housing by size and tenure – South Cambridgeshire

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	30%	42%	23%
Affordable home ownership	17%	42%	30%	11%
Rented affordable	26%	40%	29%	5%

Source: Housing Market Model

8.36 Across the study area, the analysis points to just over a quarter of the rented affordable housing need being for 1-bedroom homes, and it is of interest to see how much of this is due to older person households. In the future, household sizes are projected to drop, whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings.

8.37 The impacts that older people have on demand for smaller stock are outlined in the table below. This identifies a greater proportion of larger homes needed for households where the household reference person is aged under 65, with a concentration of 1-bedroom homes for those over 65.

8.38 This information can be used to inform the mix required for General Needs rented affordable housing and rented affordable Specialist Housing for older people, although it does need to be noted that not all older people would be expected to live in specialist housing with some form of care or support. The patterns are broadly similar across the two local authorities.

8.39 The 2, 3, and 4+-bedroom categories have been merged for the purposes of older persons, as we would not generally expect many (if any) households in this category to need (or indeed be able to be allocated) more than 2 bedrooms in Rented Affordable Housing.

Table 8.16 Adjusted modelled mix of housing by size and age – Rented affordable – Greater Cambridge

Age	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	23%	38%	31%	8%
65 and over	36%	64%		
All Rented affordable	27%	38%	28%	6%

Source: Housing Market Model

Table 8.17 Adjusted modelled mix of housing by size and age – Rented affordable – Cambridge

Age	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	24%	38%	29%	9%
65 and over	40%	60%		
All Rented affordable	28%	37%	28%	7%

Source: Housing Market Model

Table 8.18 Adjusted modelled mix of housing by size and age – Rented affordable – South Cambridgeshire

Age	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	21%	38%	34%	7%
65 and over	34%	66%		
All Rented affordable	26%	40%	29%	5%

Source: Housing Market Model

Turnover of Existing Stock

8.40 A further analysis of the need for Rented Affordable Housing is to compare the need with the supply (turnover) of different sizes of accommodation. This links back to estimates of need in the previous section (a need for 1,083 dwellings per annum from households unable to buy OR rent privately) with additional data from CoRe about the sizes of homes let over the past three years.

8.41 This analysis is quite clear in showing the very low supply of larger homes relative to the need for 4+-bedroom accommodation, in particular, where it is estimated the supply is only around 10% of the need arising each year, whereas for 1-bedroom homes, approaching half of the need can be met.

Table 8.19 Need for Rented Affordable Housing by number of bedrooms – Greater Cambridge – households aged under 65

Size	Gross Annual Need	Gross Annual Supply (turnover)	Net Annual Need	Net annual need (%)	Turnover as a % of gross need
1-bedroom	450	202	248	22.9%	44.9%
2-bedrooms	663	250	413	38.1%	37.8%
3-bedrooms	423	88	335	30.9%	20.8%
4+-bedrooms	98	10	88	8.1%	10.1%
Total	1,633	550	1,083	100.0%	33.7%

Source: Iceni analysis

8.42 The tables below show the same information for the two local authorities. Both show a similar pattern of the supply of larger homes being lower relative to need than the supply of smaller units – this is particularly noticeable in Cambridge, where, for example, it is estimated that only 3% of the 4+-bedroom need can be met each year.

Table 8.20 Need for rented affordable housing by number of bedrooms – Cambridge – households aged under 65

Size	Gross Annual Need	Gross Annual Supply (turnover)	Net Annual Need	Net annual need (%)	Turnover as a % of gross need
1-bedroom	269	122	147	24.0%	45.2%
2-bedrooms	337	102	235	38.4%	30.2%
3-bedrooms	213	37	176	28.6%	17.4%
4+-bedrooms	57	2	55	9.0%	2.9%
Total	876	262	614	100.0%	29.9%

Source: Iceni analysis

Table 8.21 Need for rented affordable housing by number of bedrooms – South Cambridgeshire.

Size	Gross Annual Need	Gross Annual Supply (turnover)	Net Annual Need	Net annual need (%)	Turnover as a % of gross need
1-bedroom	181	80	101	21.4%	44.3%
2-bedrooms	326	149	177	37.7%	45.6%
3-bedrooms	210	51	159	33.9%	24.2%
4+-bedrooms	41	8	33	7.0%	20.2%
Total	757	288	469	100.0%	38.0%

Source: Iceni analysis

Indicative Targets for Different Sizes of Property by Tenure

8.43 The analysis below provides some indicative targets for different sizes of homes (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile and levels of under-occupancy and overcrowding.

8.44 The analysis (for Rented Affordable Housing) also draws on Housing Register data, as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

Rented Affordable Housing

8.45 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that some households with a need for larger homes may have relatively high priority (e.g. they are more likely to contain children). That said, there is also a need for 1-bedroom Rented Affordable Housing arising due to homelessness, as typically homeless households are more likely to be younger single people. The following mix of Social/Affordable Rent housing is therefore suggested, which is broadly similar in both areas:

Table 8.22 Recommended Rented Affordable Housing to Rent Mix

<table>
<tr><th>Size</th><th>Cambridge Under 65s</th><th>Cambridge 65 and over</th><th>South Cambridges hire Under 65s</th><th>South Cambridges hire 65 and over</th></tr>
<tr><td>1-bedroom</td><td>20%</td><td>50%</td><td>20%</td><td>40%</td></tr>
<tr><td>2-bedrooms</td><td>35%</td><td rowspan="3">50%</td><td>35%</td><td rowspan="3">60%</td></tr>
<tr><td>3-bedrooms</td><td>30%</td><td>35%</td></tr>
<tr><td>4+ bedrooms</td><td>15%</td><td>10%</td></tr>
</table>

Source: Iceni Analysis

8.46 Regarding older persons' housing, the above recommendations aim to promote the opportunity for older person households to downsize, with a 2-bed offering being more likely to encourage this than 1-bed homes.

8.47 Also, whilst technically most older person households will only have a ‘need’ for a 1-bed home, a larger property remains affordable as older person households claiming Housing Benefit are not impacted by the bedroom tax / spare room subsidy.

8.48 While we have identified a need for 50-60% of Rented Affordable Housing older person homes to be 2+ bedrooms, it is likely that delivery of 2+ bedroom homes will be focused on those with only 2 bedrooms rather than anything larger.

8.49 It should be noted that the above recommendations are to a considerable degree based on projecting the need forward to 2045 and will vary over time. It may be at a point in time the case that Housing Register data 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.

8.50 Finally, although the model will largely reflect social and affordable rented housing, the mix will also incorporate that for affordable private rents in Build to Rent schemes.

8.51 However, the mix on individual Built to Rent schemes should reflect the type of housing delivered, with multi-family housing typically delivering smaller high-density housing, and single-family housing typically delivering a more suburban, family-sized accommodation.

Affordable Home Ownership

8.52 In the affordable home ownership sector, a profile of housing that more closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership homes should be more explicitly focused on delivering smaller family housing for younger households and childless couples.

8.53 The conclusions also take account of the earlier observation that it may be difficult to make larger (notably 4+-bedroom) homes genuinely affordable for affordable home ownership. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate. Again, the suggestion is for a similar broad mix in both areas:

Table 8.23 Recommended Affordable Home Ownership Housing Mix

Size	Cambridge	South Cambridgeshire
1-bedroom	20%	15%

2-bedrooms	45%	45%
3-bedrooms	25%	30%
4+ bedrooms	10%	10%

Source: Iceni Analysis

Market Housing

8.54 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 and also the potential to slightly reduce levels of under-occupancy). We have also had regard to the potential for rightsizing, but also recognise that in the market sector, there is limited ability to control what households purchase.

Table 8.24 Recommended Market Housing Mix

Size	Cambridge	South Cambridgeshire
1-bed	10%	5%
2-bed	35%	30%
3-bed	35%	40%
4+ bed	20%	25%

Source: Iceni Analysis

8.55 Unlike in the affordable sector, the analysis has not been separated between housing for those aged under 65 or 65 and over. This is in part because households aged 65 and over are mainly living in ordinary housing stock, often under-occupying stock, which does to some extent highlight a mismatch between housing needs and available options.

8.56 We have, however, undertaken a short market survey looking at typical older persons market housing available in the area. This suggests a mix made up exclusively of 1- and 2-bedroom homes, with around half of homes in Cambridge being 1-bedroom and a lower proportion (around 40%) in South Cambridgeshire.

8.57 It is considered that a mix with 40%-50% of homes as 1-bedroom and 50%-60% with 2-bedrooms would be suitable for most retirement schemes (such as developments of retirement villages) and will help to reduce the under-occupation of housing currently occupied by older people.

8.58 Although the analysis has quantified this based on the market modelling and an understanding of the current housing market (including the stock profile in different tenures as set out earlier in this section), it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the area) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

8.59 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

8.60 The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Councils could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also relevant considerations as to the appropriate mix of market housing on individual development sites.

Flats versus Houses

8.61 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 82% of all 1-bedroom homes are flats, 38% of 2-bedroom homes and just 5% of homes with 3 bedrooms.

8.62 The table below shows (for 2-bedroom accommodation) the proportion of occupied homes by tenure that are classified as a flat, maisonette or apartment in Cambridge, South Cambridgeshire, the East of England and England.

8.63 This shows a high proportion of flats in Cambridge (56% of all 2-bedroom homes) and a much lower figure in South Cambridgeshire – this would arguably point to the majority of 2-bedroom homes in the future being houses in South Cambridgeshire, and with more of an even mix in Cambridge.

8.64 The analysis also shows a higher proportion of flats in the social and private rented sectors in both areas (although it is still the case in South Cambridgeshire that the majority of homes in these sectors are houses).

Table 8.25 Proportion of occupied 2-bedroom homes that are a flat, maisonette or apartment (by tenure)

Tenure	Cambridge	South Cambridgeshire	East of England	England
Owner-occupied	43%	12%	20%	25%
Rented Affordable Housing	60%	14%	42%	48%
Private rented	66%	27%	47%	52%
All (2-bedroom)	56%	16%	32%	38%

Source: 2021 Census

8.65 For completeness, the tables below show the proportion of flats in Cambridge and South Cambridgeshire for all sizes of accommodation and different tenures. Of particular note is the very small proportion of 3+-bedroom homes as flats, particularly in owner-occupied properties and in South Cambridgeshire.

Table 8.26 Proportion of occupied homes that are a flat, maisonette or apartment (by tenure and dwelling size) – Cambridge

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Owner-occupied	82%	43%	4%	0%
Rented Affordable Housing	92%	60%	4%	18%
Private rented	90%	66%	14%	11%
All	90%	56%	6%	4%

Source: 2021 Census

Table 8.27 Proportion of occupied homes that are a flat, maisonette or apartment (by tenure and dwelling size) – South Cambridgeshire

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Owner-occupied	40%	12%	0%	0%
Rented Affordable Housing	47%	14%	0%	2%
Private rented	57%	27%	3%	3%
All	49%	16%	1%	0%

Source: 2021 Census

8.66 Any decisions will have to take account of other factors such as density requirements or site characteristics, which in some cases might point towards flatted development as being most appropriate.

8.67 However, it should be noted that due to the way affordable general needs housing is allocated, families with one or two children would only qualify for a two-bedroom property. Consideration should be given to a fair balance of flats between both the market and Rented Affordable Housing .

Smaller-Area Housing Mix

8.68 The analysis above has focused on overall study area-wide needs (split between the two local authorities) with conclusions at the strategic level. It should, however, be recognised that the specific characteristics of local households can also vary over time.

8.69 This report does not seek to model a smaller-area housing mix but provides some points for consideration when looking at needs in any specific location:

- Whilst there are differences in the stock profile in different locations, this should not necessarily be seen as indicating particular 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, areas traditionally favoured by family households might be expected to provide a greater proportion of larger homes;

8.70 That said, some areas will have very few small/cheaper properties, and so consideration needs to be given to diversifying the stock to deliver the overarching goal of achieving mixed and balanced communities.

8.71 The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in urban locations may be more suited to flatted development (as well as recognising the point above about role and function), whereas a more suburban/rural site 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.

8.72 Overall, it is suggested that the Councils should broadly seek the same mix of housing in all locations as a starting point in policy, but would be flexible to a different mix where specific local characteristics suggest such as site characteristics and location.

8.73 Additionally, in the affordable housing 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.

Housing Mix Summary

8.74 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population.

8.75 The proportion of households with dependent children in Greater Cambridge is about average, with around 28.5% of all households containing dependent children in 2021. There are notable differences between different types of households, with married couples (with dependent children) seeing a high level of owner-occupation, whereas lone parents are particularly likely to live in Rented Affordable Housing.

8.76 There are a range of factors which will influence demand for different sizes of homes, including demographic changes, future growth in real earnings and households' ability to save, economic performance, and housing affordability.

8.77 The analysis linked to future demographic change concludes that the following tables represent an appropriate mix of affordable and market homes by size (bedrooms). This takes account of both household changes and the ageing of the population, as well as seeking to make more efficient use of new stock by not projecting forward the high levels of under-occupancy (which is notable in the market sector).

8.78 In all sectors, the analysis points to a particular need for smaller accommodation, with varying proportions of 3+-bedroom homes. For general needs rented affordable housing (as opposed to specialist housing such as housing for older people or affordable private rent), there is a clear need for a range of different sizes of homes, including 45% of homes in Greater Cambridge to have at least 3-bedrooms (of which 10% should have at least 4-bedrooms in South Cambridgeshire and 15% in Cambridge). Our recommended mix is set out below:

Table 8.28 Suggested size mix of housing by tenure – Cambridge

<table>
<tr><th>Size</th><th>Market</th><th>Affordable home ownership</th><th>Rented Affordable Housing Under 65</th><th>Rented Affordable Housing 65 and over</th></tr>
<tr><td>1-bedroom</td><td>10%</td><td>20%</td><td>20%</td><td>50%</td></tr>
<tr><td>2-bedrooms</td><td>35%</td><td>45%</td><td>35%</td><td rowspan="3">50%</td></tr>
<tr><td>3-bedrooms</td><td>35%</td><td>25%</td><td>30%</td></tr>
<tr><td>4+-bedrooms</td><td>20%</td><td>10%</td><td>15%</td></tr>
</table>

Source: Iceni Analysis

Table 8.29 Suggested size mix of housing by tenure – South Cambridgeshire

<table>
<tr><th>Size</th><th>Market</th><th>Affordable home ownership</th><th>Rented Affordable Housing Under 65</th><th>Rented Affordable Housing 65 and over</th></tr>
<tr><td>1-bedroom</td><td>5%</td><td>15%</td><td>20%</td><td>40%</td></tr>
<tr><td>2-bedrooms</td><td>30%</td><td>45%</td><td>35%</td><td rowspan="2">60%</td></tr>
<tr><td>3-bedrooms</td><td>40%</td><td>30%</td><td>35%</td></tr>
</table>

4+-bedrooms	25%	10%	10%	

Source: Iceni Analysis

8.79 The recommended housing mix in the affordable housing sector recognises the role that the delivery of larger family homes can play in releasing a supply of smaller properties for other households.

8.80 Also recognised is the limited flexibility that 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Councils' Housing Registers.

8.81 The mix identified above should inform strategic policies, although a flexible approach should be adopted. For example, in some areas, officers have reported that affordable housing Registered Providers find difficulties selling 1-bedroom affordable home ownership homes, and therefore, the 1-bedroom elements of affordable home ownership might be better provided as 2-bedroom accommodation. That said, given current house prices, there are potential difficulties in making (larger) affordable home ownership properties genuinely affordable.

8.82 Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Councils should also monitor the mix of housing delivered.

9. Private Rental Sector

9.1 The private rented sector (PRS) has been the key growth sector in the housing market for the last 15 years and now makes up just over 20% of all households in England. Since 2011, the private rented sector has been the second largest housing tenure in England behind owner-occupation, overtaking Rented Affordable Housing.

9.2 This section of the report examines the rental market in Greater Cambridge using data from the ONS as well as qualitative evidence from engagement with local letting agents.

9.3 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 a number of factors, which means that demand can fluctuate over time; this would include mortgage lending practices and the availability of housing-related benefits.

9.4 A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, and if the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

9.5 The local PRS comprises many components, including non-specialist self-contained accommodation for rent, accommodation for Students, Houses in Multiple Occupation (HMOs) and latterly Build-to-Rent and Co-living developments. Each of these are looked at below.

9.6 As set out earlier in this report, private renting in Greater Cambridge is 27% higher than the region (18%) and England (21%). This increases to 32% in Cambridge City, although only 14% of households in South Cambridgeshire privately rent.

9.7 This reflects a 7.2% increase in this tenure since 2011. These patterns reflect affordability issues restricting people's access to mortgages and pushing them towards renting, and other factors such as increases in student numbers and changing employment patterns.

Rental Market

9.8 Rental data is only published at a local authority level; therefore, it is not possible to accurately generate figures for Greater Cambridge. However, we can still examine data for Cambridge and South Cambridgeshire.

9.9 As shown in the figure below, average private rents in Cambridge (£1,755 per calendar month (pcm)) are greatly over the regional (£1,209 pcm) and national figures (£1,375 pcm).

9.10 The South Cambridgeshire figure at £1,322 pcm sits between the regional and national figures. This is in contrast to the purchase market, where the cost of buying a house in South Cambridgeshire sits above both the regional and national medians.

9.11 These figures are drawn from Private rent and house prices, UK - Office for National Statistics, which is based on a sample of rents provided to the rent officers. It is likely to exclude institutional accommodation such as Purpose Built Student Accommodation (PBSA) and Halls of Residence and Co-living, but it is not entirely clear.

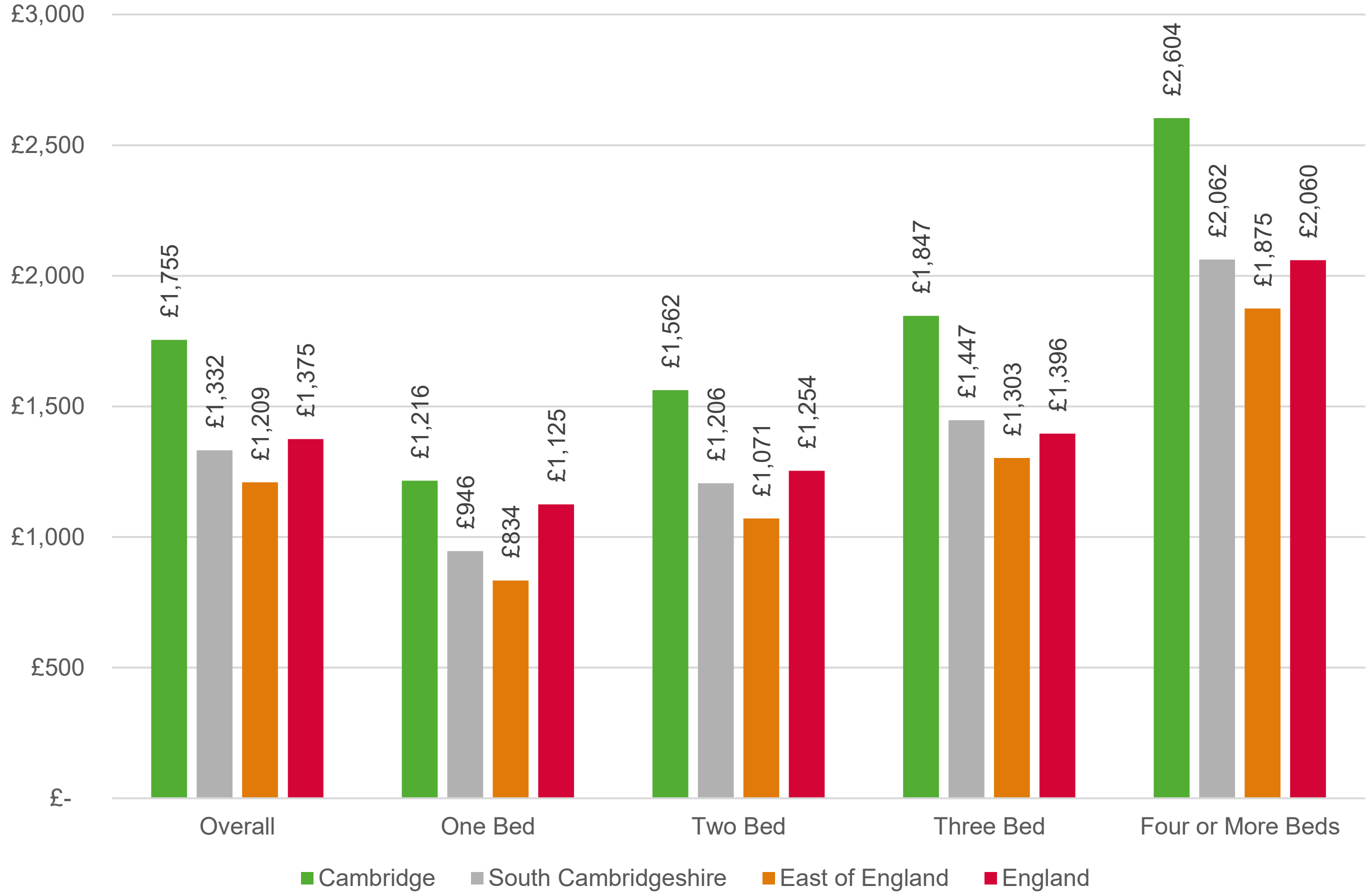
9.12 Although accommodation for students is likely a driver for higher prices in Cambridge City, there is no discernible difference between the rental prices of different sizes compared to South Cambridgeshire.

9.13 Typically, prices in the City are between 26%-29% higher than in South Cambridgeshire, which is a fairly narrow range. Generally, we would expect to see a premium on rents for larger homes, as students typically opt for larger HMOs.

9.14 However, the difference for 4-bedroom rents in Cambridge compared to South Cambridgeshire is not greater than for other sizes of rental property.

This might be due to the sizable demand for smaller HMOs (from students and non-students) and other rental properties.

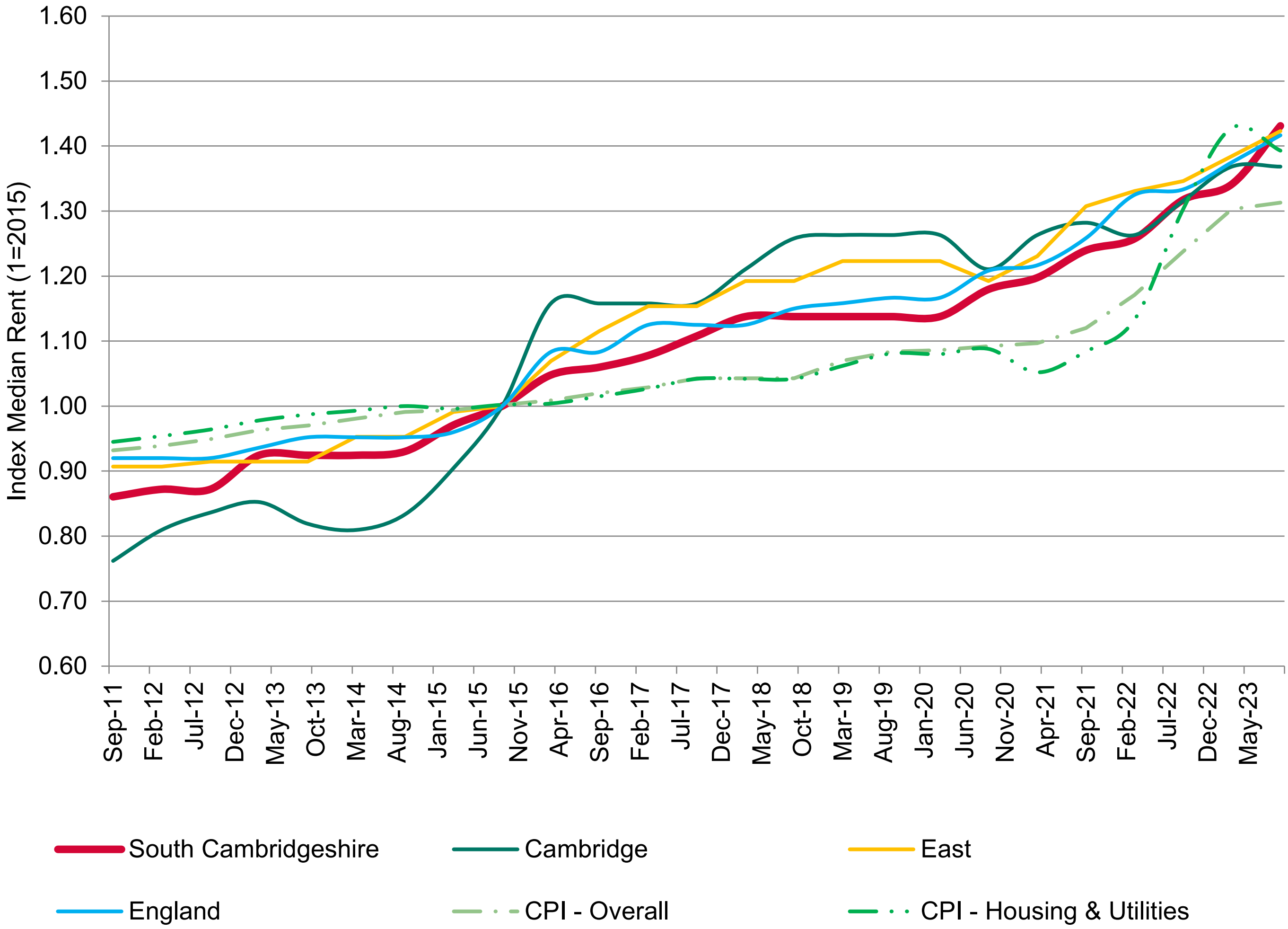
Figure 9.1 Average Rental Costs by Size (Year to January 2025)



Source: ONS, Private Rental Statistics

9.15 Since 2015, median rental price growth has been highest in South Cambridgeshire (index of 1.43), although this has been in line with national housing and utilities inflation rates (1.39). The growth in Cambridge City is also only marginally lower (1.37).

Figure 9.2 Indexed Median Rental Price Growth (Index to 2015)

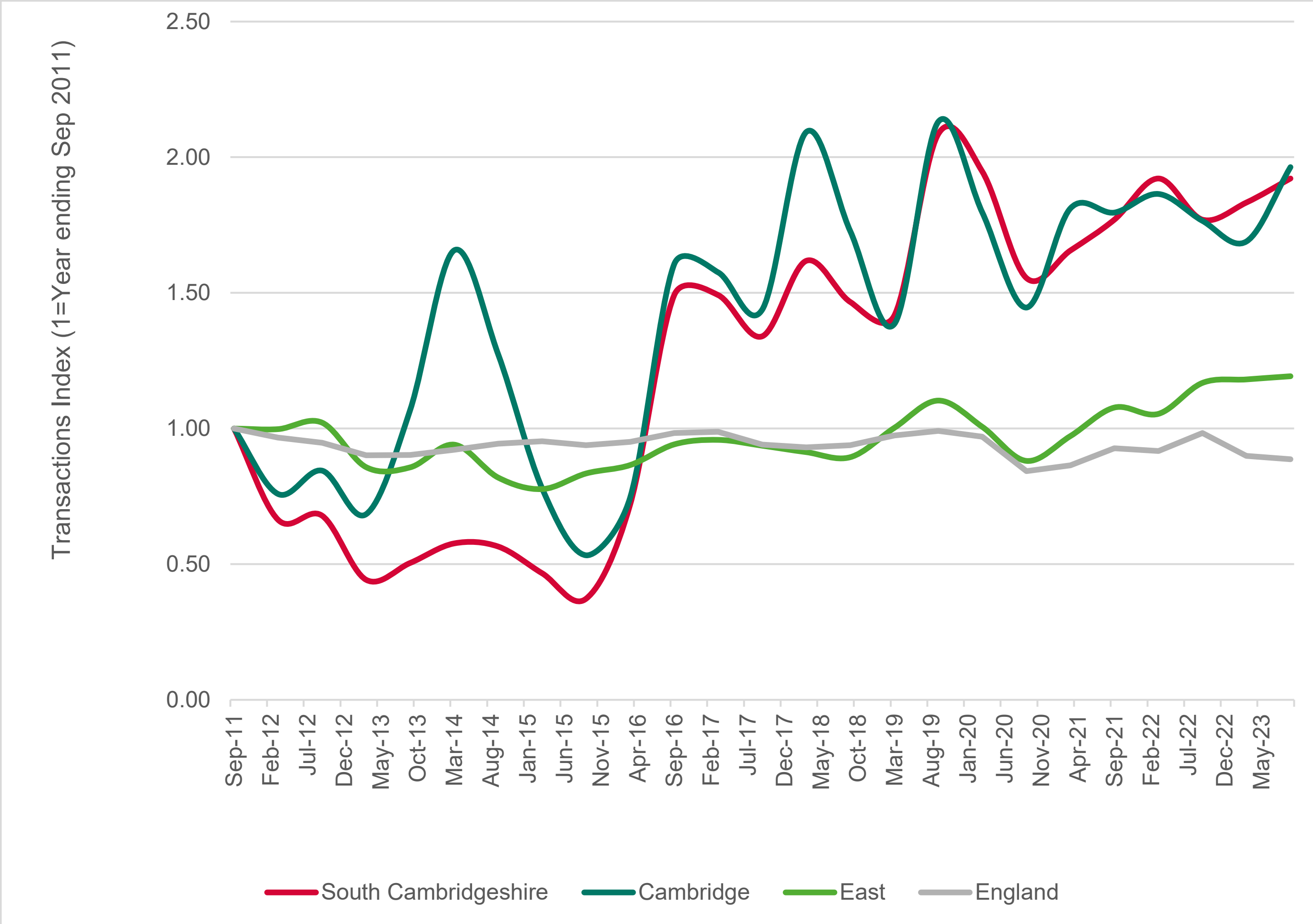


Source: ONS Private Rental Statistics

9.16 Affordability of market housing for sale has been explained as a driver for the increase in those living in private rented accommodation. In addition, it is likely to have had an impact on the total number of rental transactions.

9.17 As illustrated below, since 2011, the number of rental transactions has increased significantly in both Cambridge and South Cambridgeshire, particularly since 2015. Both areas have seen a similar increase over this time, which is unsurprising given they operate in a single market.

Figure 9.3 Indexed Rental Transactions (2011 – 2023)



Source: ONS Private Rental Statistics

Agency Engagement

9.18 Iceni carried out targeted telephone engagement with local letting agents in March 2025. The following section collates these views – it should be noted that the views are anecdotal, and not all views were universal.

9.19 We approached the following agents for comment on the rental market:

- Bush & Co - The Broadway, 8 Mill Road, Cambridge, CB1 3AH
- Leaders Letting and Estate Agents - 140 Hills Road, Cambridge, CB2 8PB

- Tucker Gardner Sales and Letting Agents - Bateman House, 82-88 Hills Road, Cambridge, CB2 1LQ
- Cheffins Residential Sales & Lettings - 1-2 Clifton Road, Cambridge, CB1 7EA
- Tucker Gardner Sales and Letting Agents - 48-50 Woollards Lane, Great Shelford, Cambridge, CB22 5LZ
- Shelton Estates - Broadway House, 149-151 St Neots Road, Hardwick, Cambridge, CB23 7QJ
- Haart Estate Agents - Unit 12, The Mall, Bar Hill, Cambridge, CB23 8DZ
- Leaders Property Management - Unit 3, Camboro Business Park, Oakington Road, Girton, Cambridge, CB3 0QH

Cambridge

9.20 Some agents reported that the rental market activity in Cambridge has increased notably since Christmas 2024 and now has a much higher demand and supply than previously.

9.21 According to the agents, small properties, normally 1 or 2-bed flats, are in the greatest demand. Young professionals or newly forming couples are the most frequent renters in the area of this type of property.

9.22 There is a higher proportion of people relocating into the City than locals are looking to rent, this is mostly due to the work and education opportunities. Agents highlighted that there is a very high demand from students for the student accommodation portfolio. There is also still a high demand for key worker housing, especially since Covid.

9.23 Agents advised that lengths of tenancy are typically 6/12 months, and this has not noticeably changed since last year. The length of stay often varies from anywhere between 1 and 5 years.

9.24 There are large numbers of landlords selling up, due to concerns over the Renters Reform Bill. This is impacting the supply, according to agents.

9.25 For context to this comment, at a national level, analysis from January 2025, undertaken by property data firm TwentyCi, suggested that 17.4% of new listed for sale properties were previously rental homes compared with 11.7% in 2024 and 8.9% in 2023.

9.26 The report also revealed that the number of rental properties which were sold by landlords to owner occupiers in 2024, therefore disappearing from the private rental market, was 111,696. Although some of these will be replaced by new buy-to-let properties.

South Cambridgeshire

9.27 Unlike the City, the agents reported that the rental market has been pretty flat since the end of 2024.

9.28 Agents commented that family-sized 3- or 4-bedroom homes are in the greatest demand, and that young families are the most frequent renters who cannot get on the property ladder but want to remain in the area.

9.29 There is a higher proportion of people relocating into South Cambridgeshire than locals are looking to rent, this is mostly due to the work opportunities and access to Cambridge. Agents commented that the area has cheaper rental prices than both Cambridge and London, and this is helping facilitate the market.

9.30 The agents also noted there are still a lot of locals renting who are just looking to upsize. They also noted a demand for key worker housing, such as those working in the hospital.

9.31 The agents noted that some landlords are selling up, due to concerns over the Renters Reform bill, but these are far fewer in number than in the City.

Houses in Multiple Occupation (HMOs)

9.32 A house in multiple occupation (HMO) is defined as an entire house, flat or converted building which is let to three or more persons who form two or more households, who share facilities such as a kitchen, bathroom and toilet. This is based on Sections 254-260 of the Housing Act 2004, which defines the criteria for the purposes of safety and suitability of accommodation and the need to license where necessary.

9.33 One definition used in planning of use class C4 (HMO) is “small, shared houses or flats occupied by between three and six unrelated people who share basic amenities” such as a toilet, personal washing facilities or cooking facilities. Where there are more than six unrelated individuals sharing amenities, this is termed an HMO in Sui Generis use.

9.34 Greater Cambridge, being a university area, has a significant demand for student accommodation, which often includes HMOs. This is explored later in this document.

9.35 This section focuses on HMOs which are not occupied by students and where demand arises from young professionals and others seeking affordable housing options in the City.

9.36 Large HMOs rented to five or more people who form more than one household, where some or all tenants share toilet, bathroom or kitchen facilities, and where at least one tenant pays rent, require mandatory licensing within Cambridge and South Cambridgeshire. However, smaller HMOs do not require a licence, and this makes knowing the extent of them difficult.

9.37 That said, Cambridge holds a fairly comprehensive database of non-licensable HMOs within the City with 3/4 occupiers, as the Council proactively inspect these properties as well as the licensable HMO.

9.38 Smaller use class C4 HMOs typically do not require planning permission for a change of use from a C3 dwelling unless there is an Article 4 Direction which mandates it. An Article 4 Direction does not mean that HMOs are banned, only that they require planning permission for a change of use from a C3 dwelling.

9.39 Finally, for Council Tax purposes, an HMO is considered a property that was originally built, or later adapted for more than one household to live in. It can also be a property where 1 or more people live, but they either only have written or verbal permission to live in part of the property or have written or verbal permission to live in the whole property, but are not responsible for paying rent or a licence fee for it

Extent of HMOs

9.40 The latest Local Authority Housing Statistics for 2023/24 estimates that there are 3,942 HMOs in Greater Cambridge. The vast majority of which are located in Cambridge City. Of these, 1,540 are estimated to be licensable HMOs, although the actual number of issued licences is 864.

Table 9.1 HMO Estimates (2023/24)

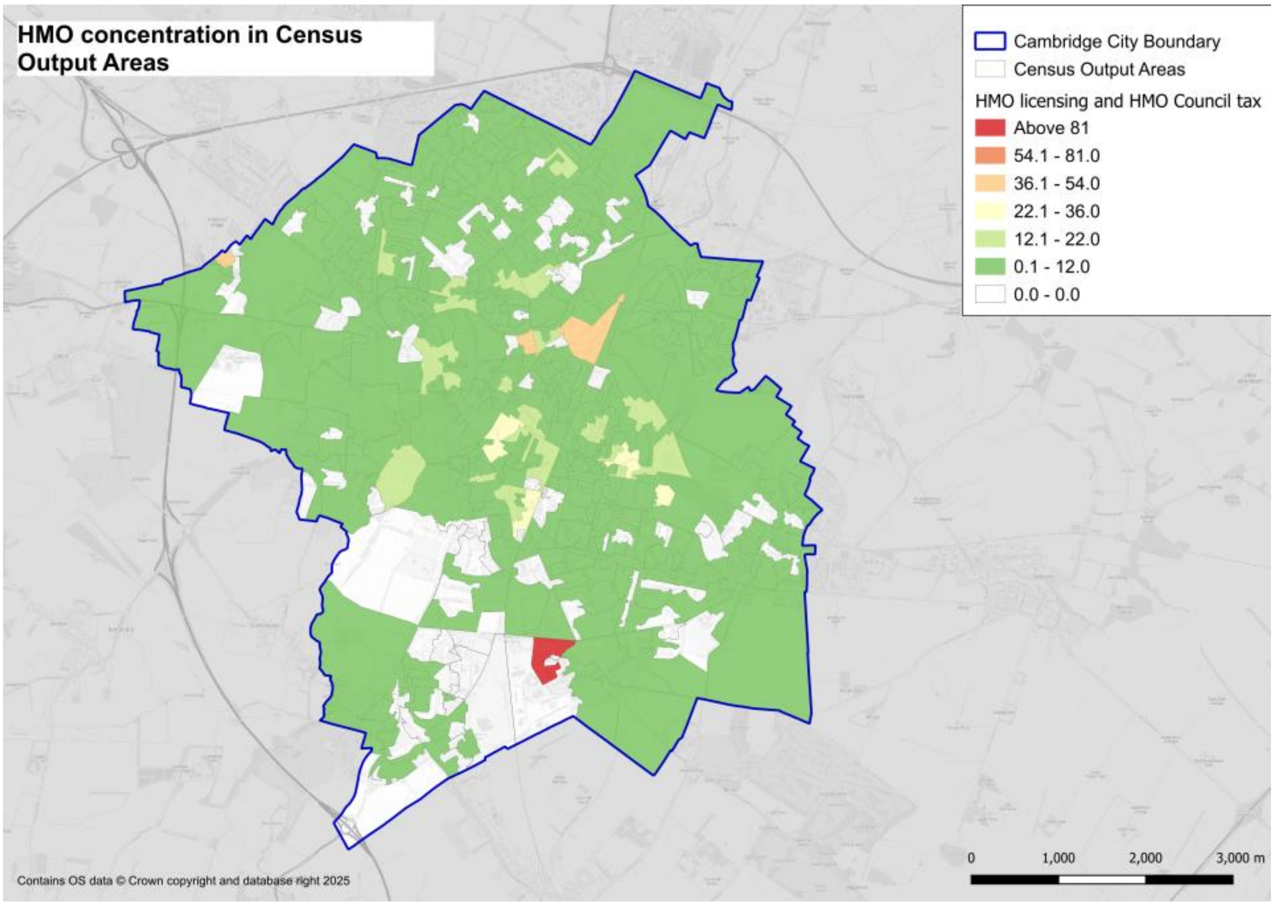
Area	Estimated Total HMOs	Estimated total licensable HMOs	Actual number of HMO licences
Cambridge	3,787	1,450	784
South Cambridgeshire	155	90	80
Greater Cambridge	3,942	1,540	864

Source: Local Authority Housing Statistics, 2025 (based on Housing Act definition)

9.41 According to Council Tax data, there are 1,487 HMOs in the City. This would include Licensed and Non-Licensed HMOs but excludes HMOs that are entirely occupied by students. This suggests that around half of the HMOs in the city are not occupied by students.

9.42 As the map below illustrates, there are concentrations of HMOs identified through licensing and Council Tax data within specific Census Output Areas in the City. These include the area around Addenbrookes Hospital and around Newmarket Road

Figure 9.4 HMO concentration by Census Output Areas

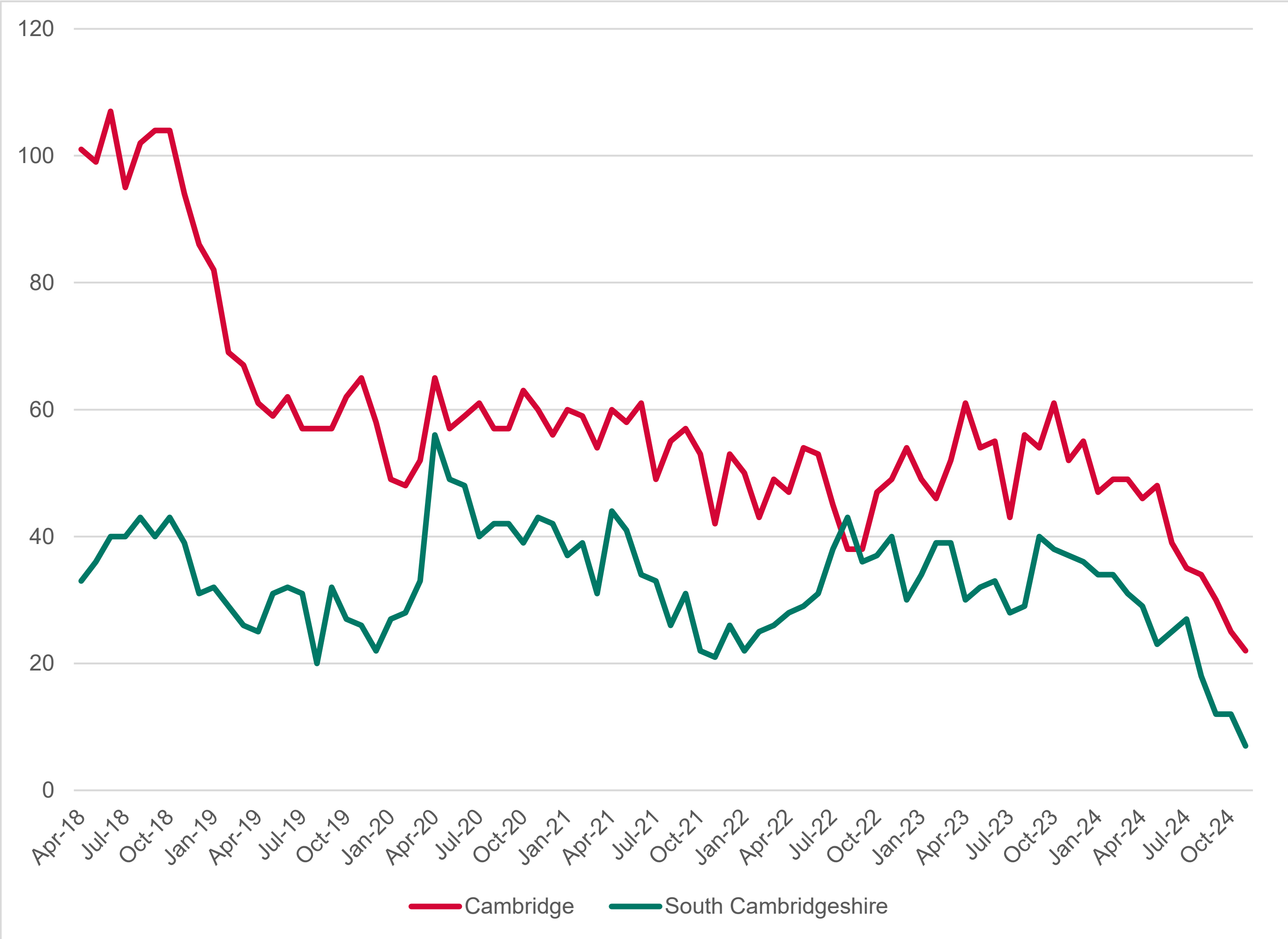


Source: Cambridge City Council Licensing and Council Tax Data

9.43 HMOs typically provide the cheapest form of market accommodation and often provide a market alternative to affordable housing. This can be demonstrated by examining the number of Universal Credit and Housing Benefit Claimants claiming a single room allowance.

9.44 As shown in the figure below, the number of people claiming either Housing Benefit or Universal Credit for a single room has fallen significantly since April 2018, particularly in Cambridge. This includes a large fall between 2018 and 2020 and again since 2023, the latter of which also occurred in South Cambridgeshire.

Figure 9.5 Single Room Universal Credit and Housing Benefit Claimants



Source: DWP, 2025

9.45 As of November 2024, there were only 29 such claimants in Greater Cambridge. This is a fall from 134 people in April 2018. Of the current numbers, 22 are in Cambridge. This suggests that HMOs are only addressing a small number of single-person claimants in affordable housing need in Greater Cambridge.

Engagement with the Enforcement / HMO Team

9.46 To inform this study, we have engaged with officers within the Environmental Health Teams at both Cambridge City Council and South

Cambridgeshire District Council. A summary of that discussion is set out below.

Cambridge City

9.47 Cambridge City Council currently only operates the nationally mandated licensing scheme for Houses in Multiple Occupation (HMOs), which applies to properties occupied by five or more unrelated individuals.

9.48 The Council carried out a feasibility study in 2021 to explore whether there was a need for selective licensing of private rented sector properties within the city, but it decided not to introduce one.

9.49 Nonetheless, officers highlighted that the Council remains proactive in inspecting both licensable and non-licensable HMOs, maintaining a comprehensive database of relevant properties.

9.50 In considering a discretionary scheme, the Council examined six statutory factors for introducing selective licensing but concluded that several did not apply to Cambridge. Officers commented that in some instances, underlying issues in relation to housing conditions and the prevalence of the Housing Health and Safety Rating System (HHSRS) category 1 hazard of excess cold would have made it neither feasible nor necessary to mandate improvements under a new licensing framework.

9.51 In March 2025, officers commented that around 826 properties are licensed as HMOs. The actual number of unlicensed HMOs remains unknown. HMO properties are dispersed widely across the city and mixed in among diverse tenures, sometimes on the same streets as Rented Affordable Housing, non-HMO private rented and owner occupiers.

9.52 Cambridge comprises fourteen wards in total, with Romsey and Petersfield hosting a high number of student tenants, according to officers. There is also high demand in Queen Edith’s and Trumpington wards, driven by staff from Addenbrooke’s Hospital.

9.53 Both the University of Cambridge and Anglia Ruskin University provide student accommodation, with officers highlighting that the latter has expanded their halls provision. However, in both cases, there has been no discernible drop-off in demand for HMOs.

9.54 Officers commented that there is also significant demand from staff at Addenbrooke's Hospital, often in lower-paid roles (e.g. healthcare assistants, porters, and cleaners), who tend to occupy the more affordable end of the private rented sector.

9.55 Some doctors and nurses are housed on-site in dedicated hospital accommodation, which includes a small number of shared blocks with communal kitchens which typically cater to newly qualified staff alongside students.

9.56 There are no Article 4 Directions currently in force; however, officers highlighted that the Planning Service is exploring this option.

9.57 The Council finds it difficult to profile HMO occupants at present, as landlords often switch from student lets to young professionals and vice versa. Some properties fluctuate between HMOs and single household lets. As well as some licensable HMOs that get sold and revert to being owner-occupied family houses.

9.58 In recent years, there has been an increase in landlords revoking their HMO licences, potentially due to forthcoming reforms in the private rented sector. However, officers highlighted that many of these properties are subsequently relicensed after a sale, while some revert to family homes. Thanks to consistently high demand for housing, rooms in HMOs are quickly reoccupied, which in turn drives very high rents.

9.59 Officers highlighted that enforcement involves a range of actions, including civil penalties for failing to obtain the necessary licence, breaching HMO management regulations (often related to fire safety), and failing to comply with improvement notices. Cambridge City Council has sought one banning order since the relevant legislation came into force in 2017 and is currently seeking to implement another. There remains a small number of rogue landlords. The City no longer operates its own landlord accreditation scheme.

9.60 There have been no significant concerns from officers about HMOs being converted for other uses; some properties are used to house asylum seekers or refugees, but these tend to be self-contained units rather than shared accommodation.

9.61 Difficulties have arisen with short-term or holiday lets: officers advised that some landlords claim an HMO is actually a short-term let to evade licensing, while others present short-term lets as HMOs to avoid stricter safety regulations.

9.62 Officers commented that complex sub-letting arrangements are becoming more common, wherein a tenant rents from the original landlord and then sub-lets to multiple occupants, making it challenging to determine liability and enforce standards. These situations involve property managers as intermediaries as well as individuals.

9.63 Resident groups, particularly in Queen Edith’s Ward, have raised concerns about the proliferation of HMOs, citing perceived increases in anti-social behaviour, drug misuse, and a transient community, all of which impact safety. However, Cambridge City Council and Police research has not established any direct correlation between HMOs and such issues.

9.64 There are also a few “property guardian” arrangements, in which vulnerable or homeless individuals rent rooms in substandard properties at reduced rates; neither landlords nor guardians typically invest in improving living conditions as part of these arrangements.

9.65 Officers recognise that new Build to Rent or Co-living developments which are being considered in the City could pose additional regulatory challenges if they require enforcement, although this is unlikely in professionally managed schemes.

9.66 Overall, officers commented that the Cambridge market is characterised by high demand for all forms of rental accommodation, including HMOs. While mandatory licensing arrangements are firmly in place, the Council continues to monitor changing conditions, consider Article 4 Directions, and adapt its enforcement strategies to ensure that both licensable and non-licensable HMOs meet acceptable standards.

South Cambridgeshire

9.67 In South Cambridgeshire, officers noted that there are no Article 4 Directions, and South Cambridgeshire District Council only manages the mandatory licensing requirements set out by the government, which apply to properties shared by five or more people from two or more households. Additionally, the council does not run a landlord accreditation scheme.

9.68 Officers reported that there are approximately 86 licensed HMOs in the district, with many located in Orchard Park and the remainder distributed across the District. However, there is a low level of HMOs in Cambourne. Much of the HMO supply consists of fairly new-build properties.

9.69 Officers do not have data on the number of smaller HMOs, but they occasionally receive complaints, mostly about parking, from neighbours of smaller homes being used as HMOs. These smaller HMOs are not monitored. In 2019, officers highlighted that the Council conducted a project using Council Tax records to identify unlicensed HMOs that needed to be licensed, but no additional HMOs were identified.

9.70 Unlike other areas across the country, officers noted that the HMO market in South Cambridgeshire primarily serves white-collar workers, as opposed to the typical blue-collar occupants found elsewhere. As a result, officers believe there are fewer quality or management issues. There is one large HMO in Papworth that had issues, but these have been resolved.

9.71 Officers do not believe that delivery of additional Build to Rent (BTR) or Co-living accommodation would reduce the demand for HMOs, allowing it to be released for family use, as there would still be demand from other groups, such as those living in caravans.

9.72 However, due to the market HMOs currently serve, the cost of HMOs in South Cambridgeshire is restrictive. Officers believe HMOs are not affordable to many households and that a limited supply of HMOs is restricting their wider use, rather than a lack of demand. This is particularly for single-person households, as HMOs would provide a cost-effective solution. Currently, there are no reports of families living in HMOs.

9.73 Officers believe that employment opportunities around the new Science Park in Sawston may result in increased demand for HMOs. It was agreed that the council may wish to consider BTR or Co-living in this area to meet growing demand or seek a mix of housing that includes smaller homes.

9.74 Officers highlighted that in the wider private rented sector market, there are issues with former pubs that have been converted to restaurants and are providing worker accommodation on the upper floors. This accommodation tends to be sub-standard, and there are often issues with the immigration status of the residents.

Build to Rent

9.75 According to Annexe 2 of the NPPF, Build to Rent housing is defined 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 will usually offer longer tenancy agreements of three years or more and will typically be professionally managed stock in single ownership and management control."

9.76 The Build to Rent Planning Practice Guidance states that "If a need is identified, authorities should include a plan policy setting out their approach to promoting and accommodating build-to-rent. This should recognise the circumstances and locations where build-to-rent developments will be encouraged – for example, as part of large sites and/or a town-centre regeneration area.” (Paragraph: 001 Reference ID: 60-001-20180913).

9.77 The PPG also provides guidance as to how Local Authorities can ensure “Family Friendly” tenancies of three years or more. “In granting planning permission for build-to-rent developments, authorities should set in place a planning condition requiring scheme operators to offer tenancies of 3 or more years to all tenants in the development, who are eligible to live in the country for that period (under the right to rent). This should apply to all tenants, whether paying market rent or affordable private rent.” (Paragraph: 010 Reference ID: 60-010-20180913)

9.78 It also adds that there is no obligation on customers to take up that option if they prefer a shorter-term contract and can give notice to terminate the contract at any point, and that any rent or service charge reviews should be in line with an agreed percentage or linked to inflation.

9.79 In relation to minimum standards, the PPG states that “Individual schemes should meet any relevant local and national planning policy requirements. Affordable private rental homes within any particular scheme should be constructed and managed to the same high-quality standards as the market private rental homes. There are no extra national standards in addition to this.” (Paragraph: 011 Reference ID: 60-011-20180913).

9.80 It also notes that there is “no national requirement for authorities to apply national space standards in their area” and “Where authorities choose to apply them, the national policy does not preclude authorities from dis-applying them for particular parts of the local plan area, or for particular development types, such as build to rent schemes.” (Paragraph: 011 Reference ID: 60-011-20180913).

Benefits of Build to Rent

9.81 The benefits of Build to Rent are best summarised in the Government's A Build to Rent Guide for Local Authorities, which was published in March 2015. The Guide notes the benefits are wide-ranging, but can include:

- Helping local authorities to meet demand for private rented housing whilst increasing tenants' choice, "as generally speaking tenants only have the option to rent from a small-scale landlord";
- Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income-focused business model;
- Helping to increase housing supply, particularly on large, multiple-phased sites, as it can be built alongside build-to-sale and affordable housing; and
- Utilising good design and high-quality construction methods, which are often key components of the Build to Rent model.

9.82 This Build to Rent Guide provides a helpful overview of the role that Build to Rent is intended to play in the housing market, offering opportunities for those who wish to rent privately (i.e. young professionals) and for those on lower incomes who are unable to afford their own home.

9.83 Over recent years, there has been a rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. Turning to the present and the latest market insight on Build to Rent as it begins to mature and strengthen as a development sector, the Savills UK Build to Rent Market Update for Q4 2024 states that the market now has 123,500 completed units, 49,000 under construction and 109,800 in the development pipeline, a total of 282,500 units.

Local Evidence

9.84 The local authorities in Cambridgeshire and West Suffolk commissioned several reports looking into this tenure. These include an overarching report from Savills as well as localised demand studies from Arc4.

9.85 The Savills "Build to Rent Market in Greater Cambridge and West Suffolk" report notes that both Cambridge and South Cambridgeshire have experienced significant house price growth, leading to challenges in housing affordability.

9.86 Even with some recent softening in Cambridge, house prices remain higher than the 2007/08 levels. This high cost of homeownership, coupled with the increasing deposit size requirements, suggests a strong underlying demand for private rented accommodation from a range of households, including low to middle-income earners.

9.87 The Savills report notes that the Private Rented Sector (PRS) plays an essential role in the local housing market, particularly in Cambridge, but also notes higher concentrations of PRS households found close to Cambridge and employment locations in South Cambridgeshire.

9.88 Savills recognises that rental demand in Greater Cambridge is driven by young professionals seeking city centre living and increasingly by families looking for homes in more suburban or rural locations. Agents have observed that rental properties in Cambridge let quickly.

9.89 Proximity to employment centres is a key factor influencing the suitability of locations for Build to Rent development. The Cambridge Science Park and other business parks in the area also attract workers who may seek rental accommodation.

9.90 Additionally, the student population in Cambridge contributes significantly to the rental demand. It should be noted that in many university cities, students often reside in the Build to Rent market rather than Purpose Built Student Accommodation (PBSA) or more traditional HMOs.

9.91 The Savills report noted that Build to Rent schemes in the area could potentially attract a range of demographics, including:

- Professional couples and singles seeking flexibility in the employment market.
- Couples and small families who are unable to afford a deposit for homeownership.
- Individuals working in Cambridge and surrounding areas who are seeking more affordable housing options.
- Younger households starting their careers.
- Working households whose incomes limit their homeownership options.

9.92 Affordability analysis in the Savills report suggests that a significant proportion of existing households in Cambridge and South Cambridgeshire have lower to middle incomes, highlighting the need for a range of rental options, including potentially Affordable Private Rent.

9.93 The Savills report concludes that the market conditions in both Cambridge and South Cambridgeshire present significant opportunities for Build to Rent developments. High house prices and affordability challenges drive strong demand for private rental accommodation across a diverse range of households. The robust local economy and presence of major employment hubs further support this demand.

9.94 The Savills report also makes a number of recommendations, including discouraging the Councils from being prescriptive about the location and quantum of Build to Rent, but allowing the market to decide.

9.95 The report also notes that the Councils' viability evidence should specifically consider the viability of BTR schemes as these differ from wider residential development (for instance, with more space given over to building cores, communal areas, etc.).

9.96 Finally, the NPPF also notes (in Annexe 2) that for Build to Rent schemes, affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

9.97 That said, the Savills report suggests they should be intermediate homes in perpetuity. But the Councils should allow them to be converted to other intermediate tenures if the Build to Rent scheme changes to a different tenure.

9.98 The Savills report also suggests the Councils should "Avoid using onerous clawback provisions when setting out how to handle the change of tenure of Build to Rent schemes, as this will increase the perceived risk from an investor perspective and slow the delivery of Build to Rent."

Localised Demand Reports

9.99 The Arc 4 reports examine localised potential demand for Build to Rent in Bourn, Northstowe and Waterbeach as new settlements and North East Cambridge as an urban extension.

9.100 While there were no operational Build to Rent schemes in the immediate area, agents and market analysis indicate a positive outlook for this sector, particularly in providing much-needed rental alternatives.

9.101 The report on Bourn concludes that in the area surrounding Bourn Airfield, private renting was not a dominant tenure in 2011, with the focus for private rent being on Cambridge. However, agents believe there is potential for good-quality rental property in Bourn, particularly for those seeking a more affordable alternative to Cambridge. Thus, Build to Rent could provide this.

9.102 The reports highlight that Northstowe currently has a small PRS market, but the planned new town centre with up to 1,000 apartments is expected to offer opportunities for market-rented homes, presenting an opportunity for Build to Rent.

9.103 Waterbeach has a reasonable PRS market, larger than Bourn and Northstowe, with high demand for 2, 3, and 4-bedroom houses. The Arc4 report concludes that private rented/Build to Rent schemes could make a valuable contribution to the overall mix of housing at the new town and its pace of development

9.104 The North East Cambridge report also states that the Build to Rent market is driven by the local economy, noting that Greater Cambridge is an area of high national and international importance, specialising in science, technology, and innovation.

9.105 The strong local economy provides numerous employment opportunities, which act as a major draw for households and drive housing demand, particularly in the PRS due to affordability constraints.

9.106 Separate from the reports, officers at Cambridge City Council also noted that many of the businesses, including those linked to Cambridge University, required workers for short-term contracts such as research roles. As a consequence, there was likely to be demand from this group.

9.107 As the Arc 4 reports note, future Build to Rent schemes should consider offering a range of property types and rental levels to cater to the diverse needs and affordability constraints of the local population.

9.108 A variety of tenures also helps to support the delivery of large-scale developments at locations like Bourn Airfield, North East Cambridge, Northstowe, and Waterbeach.

Pipeline Supply

9.109 At the time of the Savill's report (June 2020), there were no Build to Rent schemes under construction in Cambridgeshire or West Suffolk, although some potential schemes were being proposed. However, agents were positive about the potential demand for such schemes and engagement with HMO officers for this report also suggests there would be demand.

9.110 Council monitoring data also identifies that there have been no completions of Build to Rent Housing in Greater Cambridge, although permission has been granted for four developments:

- Land at the former National Institute of Agricultural Botany (NIAB), Huntingdon Road, Cambridge = 21/03609/FUL (291 dwellings), although an alternative proposal for the site is being pursued.
- Travis Perkins, Devonshire Road, Cambridge = 22/01982/FUL (70 dwellings)
- Land north of Cambridge North Station = 22/02771/OUT (up to 425 dwellings)
- Land adjacent to School Hill, Histon = 23/04537/FUL (resolution to grant, extensions to provide 15 dwellings)

9.111 The NIAB development will see 291 Build to Rent units, including affordable housing and a 202-bed Apart-Hotel. Council monitoring data suggests the mix will be 172 one-bed market flats, 61 two-bed market flats, 49 one-bed affordable flats and 9 two-bed affordable flats.

9.112 Further information on this development is available from the developer, Vertex Living's website. This suggests that it will be a premium product with a range of facilities.

9.113 Although the site has full planning permission, as set out in the Greater Cambridge Housing Trajectory and Housing Land Supply Report 2025, there is some uncertainty regarding whether residential uses on this site will be delivered as an alternative outline planning application for a laboratory/office campus and associated facilities was submitted in December 2023.

9.114 The land adjacent to School Hill, Histon, is the second phase of a wider development, including Histon Library and commercial uses, including a Tesco. The development seeks to deliver 12 1-bed flats and 3 2-bed flats. It is unlikely that this development would provide many communal facilities. No details on the cost of homes were provided.

9.115 The Devonshire Road development, now called Mill Yard, is currently under construction. It will provide a mix of uses, including 1, 2 and 3-bedroom flats.

9.116 The Cambridge North development is the largest in Greater Cambridge with a Build to Rent element. The development website states, “we are aiming to provide a mix of 1, 2 and 3-bed apartments, with a combination of homes for sale (155), Homes for Rent (270), affordable rent homes and shared ownership homes.”

The Profile of BTR Tenants

9.117 The British Property Federation (BPF), London First and UK Apartment Association (UKAA) published a Report in late 2022 profiling those who live in Build to Rent accommodation in England. This showed that around 40% of residents were aged between 25 and 34, which is broadly similar to the wider private rented sector market. This is clearly a group which is large in Greater Cambridge in comparison to other areas.

9.118 The survey-based data identified that incomes are similar to those in private rented sector accommodation, with 18% earning between £26,000 and £32,000, and 23% earning between £32,000 and £44,000. Typically, Build to Rent residents spend between 28% and 33% of their income on accommodation. The report noted that Build to Rent has comparable levels of affordability but is notably more affordable for couples and sharers. This is perhaps reflected in the higher incidence of these household types within the Build to Rent sector.

9.119 The report also identified a broadly similar balance of people working in the public and private sectors, with 17% of residents employed in the public sector living in Build to Rent accommodation compared with 19% in the private rented sector.

Co-living

9.120 A further component of the Build to Rent market is Co-living developments. There is no accepted planning definition of "Co-living" in either the NPPF or planning practice guidance.

9.121 However, Co-living developments generally involve private rooms or studios with access to shared communal facilities like kitchens, living areas, and workspaces. They are often large-scale developments.

9.122 While the NPPF does not specifically mention Co-living, it highlights that the needs of specific housing groups should be addressed with reference to the size, type and tenure of housing (paragraph 63) they require.

9.123 Savills' research indicates that demand for Co-living accommodation is concentrated in London and other major regional cities and estimates the potential size of the target market for Co-living across the UK to be around 725,000 units. There are currently no Co-living developments in Greater Cambridge.

The Profile of Co-living Tenants

9.124 Target residents of Co-living developments are typically students, recent graduates and young professionals and most development is located in city centres.

9.125 Savills also profiled a Co-living development in Guildford and noted that it has attracted residents working in "healthcare, gaming, and technology." These sectors, along with students, would also be present in Cambridge.

9.126 In another Co-living development in Wembley, the same research showed that only around 41% of residents had lived in London previously, and 35% of residents were from overseas. Given the international attraction of Cambridge, this could also apply in Greater Cambridge.

9.127 Although open to all ages, residents of Co-living developments are predominantly aged 18–40 years old.

Benefits of Co-living

9.128 As well as addressing housing need, Co-living benefits young professionals facing affordability pressures, as well as those who are new to an area, as it allows them to establish roots and make friendships when otherwise they might face a degree of isolation.

9.129 The Savills research also stated that Co-living has several pull factors (extensive amenities, interaction with fellow residents, flexible leases and all-inclusive bills), but demand is also aided by the push factors of high house prices, a lack of PRS stock, high rents and people seeking to avoid house-shares.

Built to Rent and Co-living Potential Policy Response

9.130 The PPG on Build to Rent recognises that where a need is identified that local planning authorities should include a specific plan policy relating to the promotion and accommodation of Build to Rent. Given wider rental pressures in the City and to a lesser degree South Cambridgeshire, it would be prudent for the Councils to consider a policy to respond to future applications.

9.131 The Councils have already set out recommendations within the Greater Cambridge Housing Strategy (Annexe 5). These include recommendations on design and distribution, the size of homes, affordable housing, scheme management and the future decommissioning of sites.

9.132 These recommendations could be brought across into Local Plan policy and the Councils could include a policy on contract lengths, communal space standards (even if just stipulating wider standards apply) and facilities, outdoor space, bike storage and active transport measures etc., how schemes would be considered, with the expectation that there is likely to be greater activity moving forward.

9.133 Given that the sector is still evolving, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build to Rent development. And this recommendation is also made in the Savills report.

9.134 The NPPF's definition of Build to Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control.

9.135 We would advise that Affordable Private Rent is capped at Local Housing Allowance rates for it to be truly affordable. Although we recognise that the viability of Build to Rent development will differ from that of a typical mixed tenure development, in the sense that returns are phased over time.

9.136 In addition to a Build to Rent policy, the councils could also consider a Co-living policy.

9.137 The London Plan Policy H16 is a rare example of an adopted Co-living policy, although in that case, it is referred to as Large-Scale Purpose-Built Shared Living. The policy seeks to ensure that Co-living developments:

- are of good quality and design;
- contributes towards mixed and inclusive neighbourhoods;
- is located in an area well-connected to local services and employment by sustainable transport means;
- are under single management;
- all units for rent with minimum tenancy lengths of no less than three months;
- has communal facilities and services that are sufficient to meet the requirements of the intended number of residents and offer at least:
    - convenient access to a communal kitchen
    - outside communal amenity space (roof terrace and/or garden)

  - internal communal amenity space (dining rooms, lounges)
  - laundry and drying facilities
  - a concierge
  - bedding and linen changing and/or room cleaning services.
- provide adequate functional living space and layout within the private units, but they are not self-contained homes or capable of being used as self-contained homes;
- has a management plan provided with the application; and
- delivers a cash-in-lieu contribution (either up front or in perpetuity) towards conventional C3 affordable housing.

9.138 The Greater London Authority also published further guidance for consultation on how this policy should be implemented. This guidance included more detail on design standards and the provision of required and optional communal facilities.

9.139 As with BTR, the viability of Co-living schemes is likely to differ relative to other forms of development as income is generated over time rather than when the market properties are sold. Therefore, the Councils' policies on affordable housing provision in Co-living schemes should be informed by up-to-date viability evidence, which recognises this. This may mean seeking a different contribution of affordable housing than the wider general housing policies.

Private Rental Sector – Summary

9.140 This study has not attempted to estimate the need for additional private rented housing. The decision of households to buy or rent is dependent on multiple factors, including the availability and cost of housing to buy. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

9.141 The private rental sector includes a wide range of accommodation types, including privately owned homes rented to others, HMOs, Co-living, Build to Rent and PBSA accommodation.

9.142 The PRS has been the key growth sector in the housing market for the last 15 years. In Cambridge, PRS equates to 32% of all households, although only 14% of households in South Cambridgeshire privately rent.

9.143 Average rents in Cambridge (£1,755 per calendar month (pcm)) are greatly over those in South Cambridgeshire at £1,322 pcm, the regional (£1,209 pcm) and national figures (£1,375 pcm).

9.144 Since 2015, median rental growth has been highest in South Cambridgeshire (43%), although Cambridge is only marginally lower (37%), reflecting a higher starting point.

9.145 An increase in the number of students, as well as the affordability of market housing, is a driver for the increase in those living in PRS. In addition, it is likely to have had an impact on the total number of rental transactions.

9.146 Some agents reported that the rental market activity in Cambridge has increased notably since Christmas 2024 and now has a much higher demand and supply than previously.

9.147 According to the agents, small properties are in the greatest demand in Cambridge, while 3- or 4-bedroom homes are in the greatest demand in South Cambridgeshire.

9.148 Of those renting, a higher proportion are relocating into the City than are local. This is mostly due to the work and education opportunities. There is also a very high demand from students.

9.149 However, there are large numbers of landlords in the City selling up, due to concerns over the Renters Reform Bill. This is impacting the supply, according to agents.

Houses in Multiple Occupation (HMOs)

9.150 The Local Authority Housing Statistics for 2023/24 estimates that there are 3,942 HMOs in Greater Cambridge. The vast majority of which are located in Cambridge. According to Council Tax data, around half of the HMOs are not occupied by students.

9.151 Thanks to consistently high demand for housing, rooms in HMOs are quickly reoccupied, which in turn drives very high rents.

9.152 Overall, the Cambridge market is characterised by high demand for all forms of rental accommodation, including HMOs.

9.153 Unlike most other areas across England, the HMO market in South Cambridgeshire primarily serves white-collar workers, as opposed to blue-collar occupants or students, as found elsewhere.

9.154 Officers do not believe that the delivery of additional Build to Rent (BTR) or Co-living would reduce the demand for HMOs, allowing it to be released for family use, as there would still be demand from other groups, such as those living in caravans.

9.155 There may also be affordability issues with Built to Rent products as rents are typically higher than PRS accommodation, albeit it is often not a like-for-like comparison.

9.156 However, due to the market HMOs currently serve, the cost of HMOs in South Cambridgeshire is restrictive. Officers believe HMOs are not affordable to many households and that a limited supply of HMOs is restricting their wider use, rather than a lack of demand. This is particularly for single-person households, as HMOs could provide a cost-effective solution. Currently, there are no reports of families living in HMOs.

Build to Rent And Co-living

9.157 The local authorities in Cambridgeshire and West Suffolk commissioned several reports looking into the Build to Rent market locally. These reports note that both Cambridge and South Cambridgeshire have experienced significant house price growth, leading to challenges in housing affordability.

9.158 At the time of the overarching Savills report (June 2020), there were no Build to Rent schemes under construction in Greater Cambridge, although there are now four permitted developments.

9.159 The reports recognise that rental demand in Cambridge is driven by young professionals seeking city centre living and increasingly by families looking for homes in more suburban or rural locations in South Cambridgeshire.

9.160 The reports also state that the Build to Rent market is driven by the local economy, noting that Greater Cambridge is an area of high national and international importance, specialising in science, technology, and innovation. Additionally, the student population in Cambridge contributes significantly to the rental demand.

9.161 The reports note that Build to Rent schemes in the area could potentially attract a range of demographics with a range of incomes. The reports conclude that the market conditions in both Cambridge and South Cambridgeshire present significant opportunities for Build to Rent developments.

9.162 The reports make several recommendations, including discouraging the Councils from being prescriptive about the location and quantum of Build to Rent, but that they should allow the market to decide.

9.163 Future Build to Rent schemes should be encouraged to offer a range of property types and rental levels to cater for the diverse needs and affordability constraints of the local population.

9.164 Target residents of Co-living developments are typically students, recent graduates and young professionals and most development is located in city centres. Although open to all ages, residents of Co-living developments are predominantly aged 18–40 years old.

9.165 As well as addressing general housing need, Co-living also benefits young professionals facing affordability pressures, as well as those who are new to an area. There are currently no Co-living developments in Greater Cambridge.

9.166 The Councils have already set out recommendations for Build to Rent developments within the Greater Cambridge Housing Strategy (Annexe 5). Many of these can also apply to Co-living developments.

9.167 The viability of Build to Rent and Co-living schemes is likely to differ relative to other forms of development. Therefore, the Councils' policies on affordable housing provision should be informed by up-to-date viability evidence, and policy should reflect this.

10. Student Housing and Purpose-Built Student Accommodation

10.1 The NPPF requires the housing needs of students to be assessed and reflected in planning policies. This chapter examines the need for student housing in the City and its fringes and, in particular, Purpose-Built Student Accommodation (PBSA).

10.2 Nationally, there are challenges around a shortage of available student housing, with some reports suggesting that the situation is reaching a crisis point. In some cases, this has resulted in students queuing overnight to get first access to PBSA, living in accommodation quite some distance from their place of study or effectively becoming homeless.

10.3 The Planning Practice Guidance (PPG) in relation to the housing needs of different groups covers how student housing needs to be assessed and states:

"Strategic policy-making authorities need 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. **Encouraging more dedicated student accommodation may provide low-cost housing that takes pressure off the private rented sector and increases the overall housing stock**. Strategic policy-making authorities are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside university-provided accommodation. Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area."

Student Population

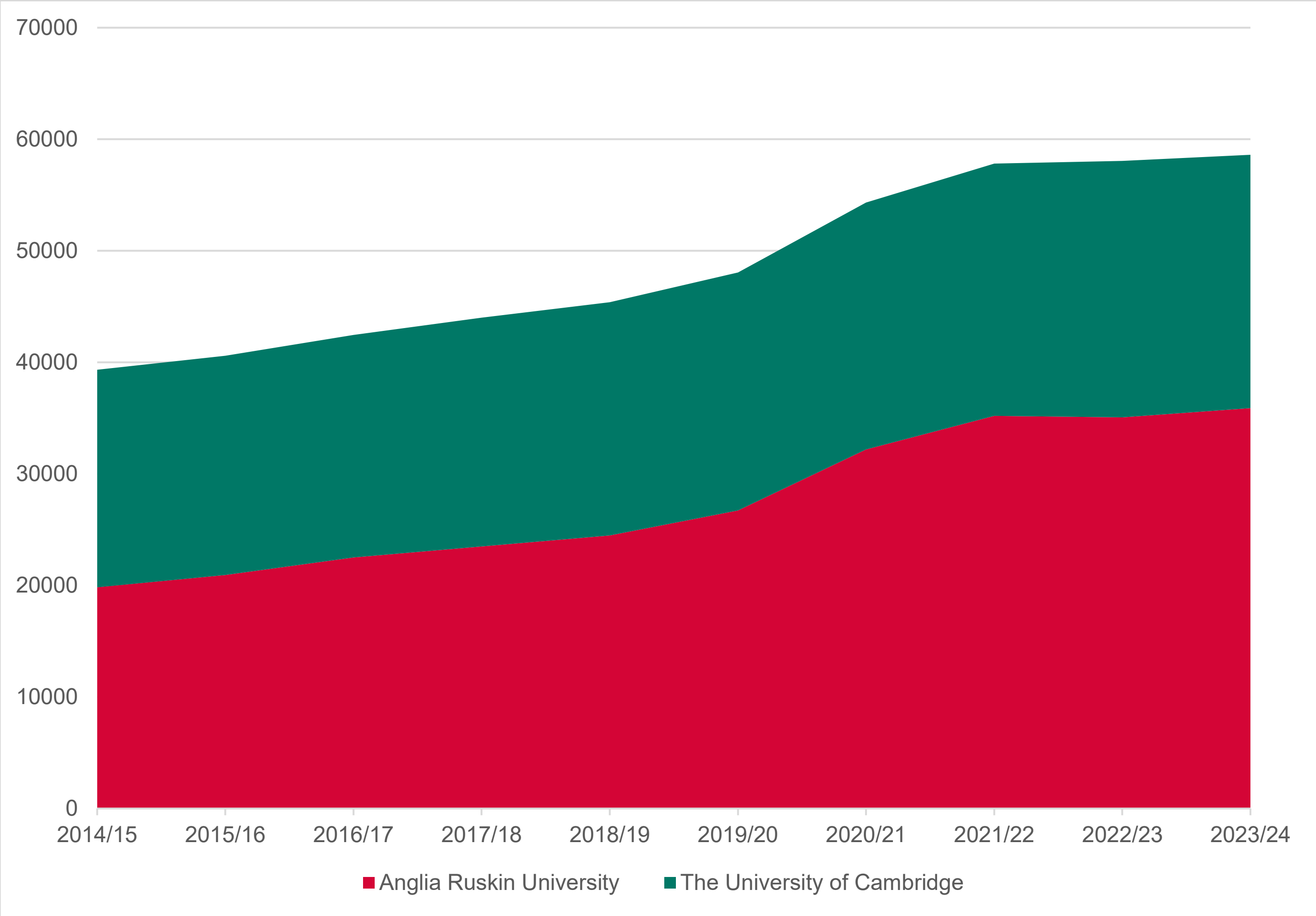
10.4 There are two major higher education institutions in Greater Cambridge these are the University of Cambridge (UofC) and Anglia Ruskin University (ARU). In addition, there is also Cambridge Arts and Sciences Limited (operating as CATS Cambridge) and the Cambridge Theological Federation, which, according to the Higher Education Statistics Agency (HESA), have around 120 students each.

10.5 The latest HESA data sets out that there are 22,710 students at the University of Cambridge and 35,895 students at Anglia Ruskin University in the 2023/24 academic year.

10.6 This will include students not studying in Cambridge. This particularly relates to students studying at Anglia Ruskin's campuses in Chelmsford, London and Peterborough. ARU had previously indicated to the Councils that they had 12,800 students in Cambridge in 2020/21.

10.7 This totals 58,605 at the City's two higher education facilities, which is the highest since 2014/15 when the HESA records began. As the figure below illustrates, both institutions have increased in this time, although ARU has grown at a much faster rate (81% vs 16%).

Figure 10.1 Number of Students (2014/15 - 2023/24)



Source: HESA, 2024

10.8 In 2022/23, 79% of ARU students and 90% of UofC students are full-time. While this has fallen from 93% at the UofC in 2014/15, it has increased from 74% at ARU. Overall, the percentage of students in the City who are full-time has remained at 84%.

10.9 The make-up of the student population has also changed significantly, with the number of overseas students increasing by 12,025 students between 2014/15 and 2023/24. As with the overall growth, the increase in overseas students has been largely at ARU (+10,135).

10.10 As the table below demonstrates, there has been a decrease in the number of EU students, which is likely a Brexit impact. This has been offset by large increases in the number of Indian students as well as Chinese, Nigerian and other overseas students.

Table 10.1 Change in Overseas Students (2014/15 - 2023/24)

University	European Union	Other Europe	China	India	Nigeria	Other	Total Overseas
Anglia Ruskin University	-435	75	15	6,940	1,290	2,250	10,135
The University of Cambridge	-1,585	0	2,335	310	50	780	1,890
Grand Total	-2,020	75	2,350	7,250	1,340	3,030	12,025

Source: HESA, 2024

10.11 The HESA data also provides information on the accommodation choices of students. Although this comes with a note of caution due to the self-reported nature of the survey.

10.12 As shown, around 60% of ARU students either live in their own residence or with their parents, while the equivalent figure for UofC students is only 6%. Conversely, 80% of UofC students are in property provided to them by the University, while only 2% of ARU students do this.

Table 10.2 Accommodation Choices of Full-Time Students (2023/24)

University	Not available	Other	Other rented	Own residence	Parental/ guardian home	Private-sector halls	Provider-maintained property
Anglia Ruskin University	1.9%	7.7%	22.6%	37.6%	23.9%	4.2%	2.1%
University of Cambridge	2.0%	0.7%	8.7%	5.1%	0.6%	2.3%	80.6%

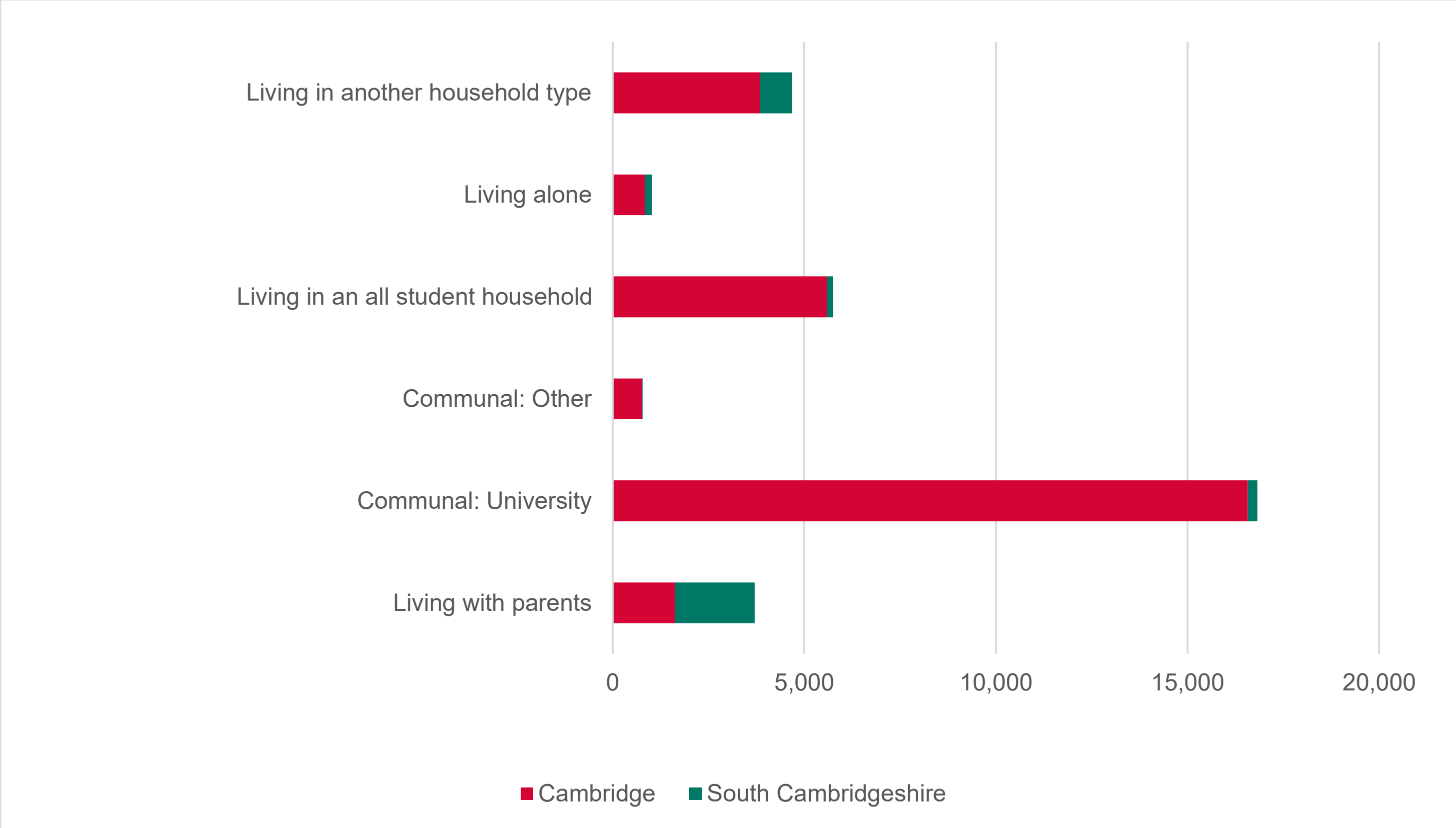
Source: HESA, 2024

10.13 Notably, the number of students living in Private sector halls (PBSA) is less than 5% in both cases. This leaves around 22.6% of ARU students and 8.7% of UofC students living in “other rented”, which can be largely classed as HMOs in the general housing stock, although it will also include smaller groupings and single-person accommodation.

Census Analysis

10.14 The census provides additional statistics on the accommodation choices of full-time students of different ages. As shown in the figure below, the majority of full-time students in Greater Cambridge are located in Cambridge, and the slight majority (51%) live in communal establishments operated by the University.

Figure 10.2 Full-Time Students by Accommodation Type (Aged 18+)



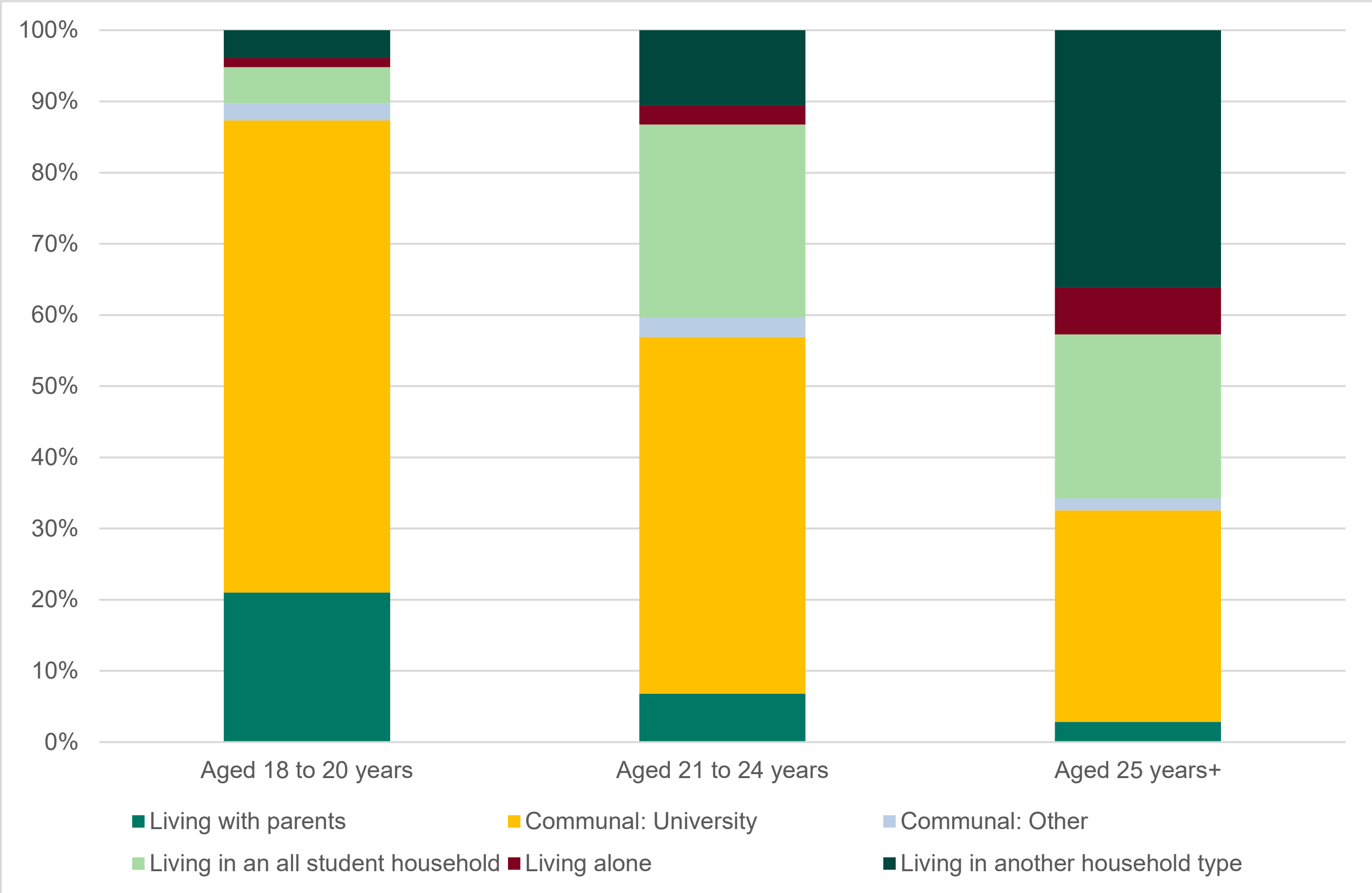
Source: Census, 2021

10.15 Around 18% of full-time students in Greater Cambridge live in all student households, and 11% live with their parents (including the largest amount in South Cambridgeshire). Around 14% live in another household type.

10.16 How full-time students of different ages occupy homes varies notably by age. As shown in the figure below, the figures for students living with parents and students living in university accommodation fall as age increases.

10.17 Conversely, the number of students who live in other accommodation types or who live alone increases as the students' age increases. The percentage of students who live in all student accommodation peaks in those aged 21-24.

Figure 10.3 Full-Time Students by Accommodation Type by Age – Greater Cambridge



Source: Census, 2021

10.18 The table below shows how the accommodation choices of students have changed in Greater Cambridge between the 2011 and 2021 censuses. However, we should keep in mind that the 2021 Census was taken during a period of partial lockdown and may not reflect the picture pre- or post-pandemic.

10.19 As shown, there was an absolute growth in all types of accommodation, but in terms of their contribution to the total, the number of students living in university accommodation fell significantly, and this was replaced by a large increase in all student households.

Table 10.3 Change in Accommodation Choices of Full-Time Students in Greater Cambridge (2011-2021)

	2011	2011 - %	2021	2021 - %	Change	% Point Change
Living with parents	3,049	14.2%	3,704	11.3%	655	-2.9%
Communal: University	14,353	66.8%	16,821	51.4%	2,468	-15.5%
Communal: Other	231	1.1%	781	2.4%	550	1.3%
Living in an all-student household	1,122	5.2%	5,753	17.6%	4,631	12.3%
Living alone	452	2.1%	1,020	3.1%	568	1.0%
Living in another household type	2,265	10.5%	4,671	14.3%	2,406	3.7%

Source: HESA, 2024

10.20 We also see smaller decreases in living with parents and small increases in other communal types, which would include PBSA, living alone and other household types.

Engagement with Universities

10.21 The Councils engaged with ARU, the UofC and its Colleges, and other higher and further education providers in early 2023 through a questionnaire to “better understand their student accommodation needs over the next 5-10 years”.

10.22 Through this engagement, the Councils understand that in 2020/21, 12,800 students were studying at ARU and in 2023/24, 24,734 students were studying at UofC.

10.23 Concerning student growth, the responses to the engagement showed that the majority of the UofC Colleges are either not seeking to increase their numbers of undergraduate students or do not have undergraduate students.

10.24 In contrast, ARU and six Colleges intend to grow their undergraduate numbers over the next 10 years, and the UofC and 14 Colleges (in association with UofC) all intend to grow their postgraduate numbers over the same period. This results in additional need for teaching spaces and student accommodation.

10.25 ARU and the UofC Colleges accommodate different proportions of students within PBSA, and this also varies between undergraduates and postgraduates. Generally, there are lower proportions of postgraduate students living in UofC or College-maintained accommodation.

10.26 ARU identified a need for 800 additional bedspaces by 2025/26 to maintain 42% of its students living in PBSA.

10.27 The majority of UofC Colleges are seeking to maintain the proportion of undergraduates living in PBSA, but they are seeking to increase the proportion of postgraduates living in PBSA. Through the responses, the Colleges have identified a need for up to 1,242 student bedspaces by 2032/33, with the majority being for postgraduates.

10.28 This results in a total identified need of up to 2,042 student bedspaces by 2032/33 from ARU, UofC and its Colleges.

10.29 Additionally, through the responses, five Colleges highlighted that up to 44 units for academic staff will be needed over the next 5-10 years.

Student Housing and PBSA - Summary

10.30 There are two major higher education institutions in Greater Cambridge. The latest HESA data sets out that there are 22,710 students at the UofC and 35,895 students at ARU in the 2023/24 academic year. For ARU, this includes students not studying in Cambridge. ARU previously indicated to the Councils that they had 12,800 students in Cambridge in 2020/21.

10.31 The HESA data records that around 60% of ARU students either live in their own residence or with their parents, while the equivalent figure for UofC students is only 6%. Conversely, 80% of UofC students are in property provided to them by the University, while only 2% of ARU students do this.

10.32 Responses to engagement undertaken in early 2023 with the universities showed that the majority of the UofC Colleges are either not seeking to increase their numbers of undergraduate students or do not have undergraduate students.

10.33 In contrast, ARU and six Colleges all intend to grow their undergraduate numbers over the next 10 years. The UofC and 14 Colleges (in association with UofC) all intend to grow their postgraduate numbers over the next 10 years. This results in additional need for teaching spaces and student accommodation.

10.34 ARU have identified a need for 800 additional bedspaces by 2025/26 to maintain 42% of its students living in PBSA. For the UofC and its Colleges, the majority of Colleges are seeking to maintain the proportion of undergraduates living in PBSA, but are seeking to increase the proportion of postgraduates living in PBSA.

10.35 Through their responses, the UofC Colleges have identified a need for up to 1,242 student units by 2032/33, with the majority being for postgraduates. This results in a total identified need of up to 2,042 student units by 2032/33 from ARU, UofC and its Colleges.

10.36 Additionally, through the responses, five Colleges have highlighted that up to 44 units for academic staff will be needed over the next 5-10 years.

10.37 Any additional PBSA or student halls of residence provided to meet student growth or to shift people out of HMOs would contribute to meeting the overall housing need.

11. Older Persons and those with a Disability

Introduction

11.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability, including learning disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on Housing for Older and Disabled People, published by the Government in June 2019.

11.2 It includes an assessment of the need for specialist accommodation for older people and those with disabilities, and also the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Older People

11.3 The table below provides baseline population data about older persons in Greater Cambridge and compares this with other areas. The table shows the study area has a notably younger age structure than seen regionally or nationally, with 16% of the population being aged 65 and over. The proportion of people aged 75 and over and 85 and over is also below equivalent figures for other areas.

11.4 The younger age structure is driven by demographics in Cambridge, with the age profile in South Cambridgeshire being quite similar to that seen regionally and nationally.

Table 11.1 Older Persons Population, 2023

Age	Cambridge	South Cambridgeshire	Greater Cambridge	East of England	England
Under 65	88.6%	80.2%	84.2%	80.1%	81.3%
65-74	5.8%	9.6%	7.8%	9.8%	9.5%
75-84	4.0%	7.4%	5.8%	7.3%	6.7%
85+	1.7%	2.9%	2.3%	2.8%	2.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Total 65+	11.4%	19.8%	15.8%	19.9%	18.7%
Total 75+	5.6%	10.2%	8.1%	10.1%	9.2%

Source: ONS

Projected Future Change in the Population of Older People

11.5 Population projections can be used to indicate how the number of older persons might change in the future, with the table below showing that Greater Cambridge is projected to see a notable increase in the older person population. The projections are based on the population associated with the Standard Method dwelling requirement for 2024-45.

11.6 For the 2024-45 period, there is a projected increase in the population aged 65+ of around 43% - the population aged under 65 is, in contrast, projected to see a smaller (but still notable) increase of 31%.

11.7 In total population terms, the projections show an increase in the population aged 65 and over of 22,300 people. This is against a backdrop of an overall increase of 106,182 people – population growth of people aged 65 and over accounts for 21% of the total projected population change.

Table 11.2 Projected Change in Population of Older Persons, 2024 to 2045 – Greater Cambridge

Age	2024	2045	Change in population	% change
Under 65	270,457	354,339	83,881	31.0%
65-74	24,963	32,624	7,662	30.7%
75-84	18,959	27,344	8,385	44.2%
85+	7,519	13,773	6,254	83.2%
Total	321,898	428,079	106,182	33.0%
Total 65+	51,440	73,741	22,300	43.4%
Total 75+	26,478	41,116	14,638	55.3%

Source: Iceni Analysis based on ONS data

Characteristics of Older Person Households

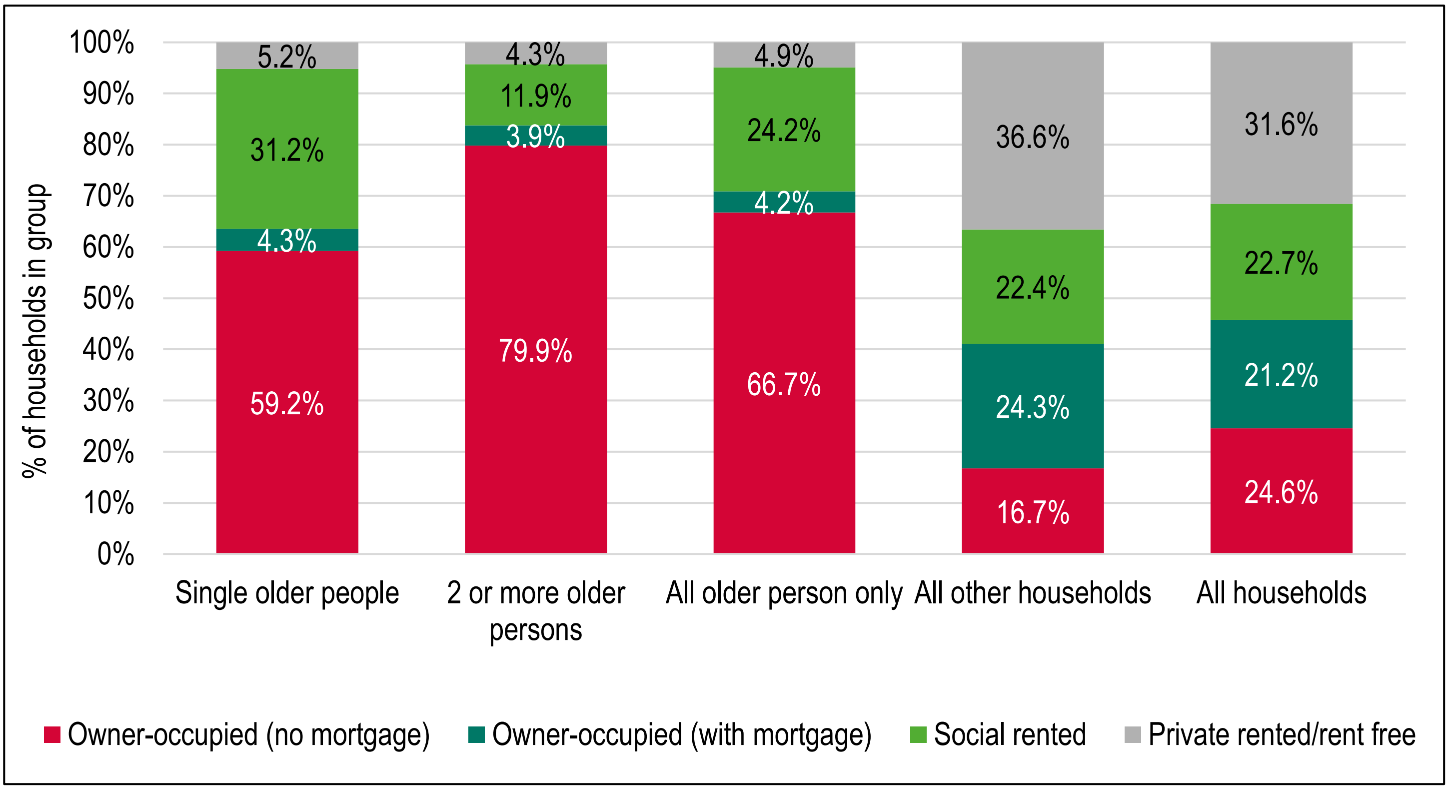
11.8 The figure below shows the tenure of older-person households. The data has been split between single older person households and those with two or more older people (which will largely be couples).

11.9 The data shows that the majority of older person only households are owner occupiers (71% of older person households in Cambridge and 81% in South Cambridgeshire), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home.

11.10 Some 24% (Cambridge) and 14% (South Cambridgeshire) of older persons households live in Rented Affordable Housing (this is called Social Rental under the census definition), and the proportion of older person households living in the private rented sector is relatively low (about 5% in both areas).

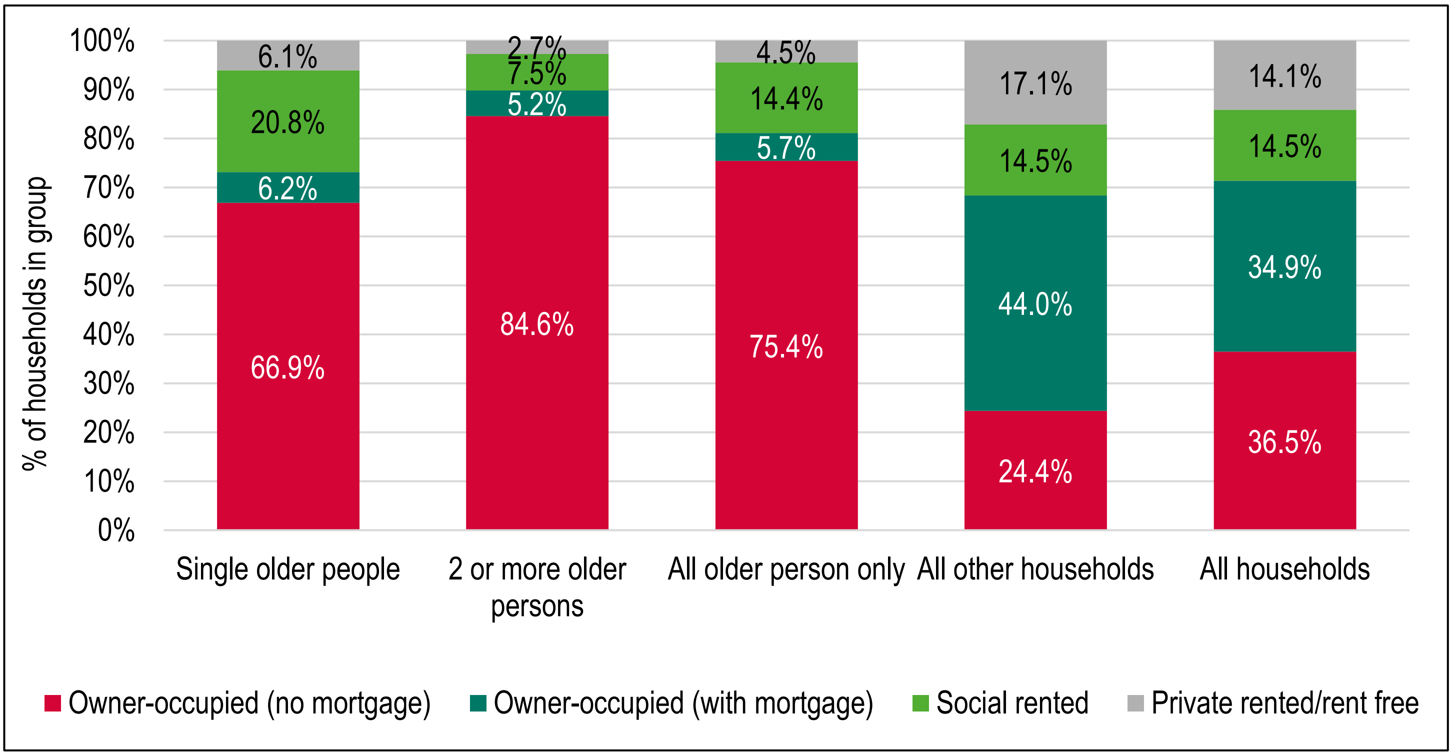
11.11 There are also notable differences for different types of older person households, with single older people having a lower level of owner-occupation than larger older person households – this group of single older people also has a higher proportion living in Rented Affordable Housing.

Figure 11.1 :Tenure of Older Persons Households in Cambridge, 2021



Source: 2021 Census

Figure 11.2 : Tenure of Older Persons Households in South Cambridgeshire, 2021



Source: 2021 Census

Disabilities

11.12 The table below shows the proportion of people who are considered disabled under the definition within the 2010 Equality Act, drawn from 2021 Census data, and the proportion of households where at least one person has a disability.

11.13 The Census uses the same definition of disability as described in the Equality Act. This defines disability as a person with a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

11.14 The data suggests that some 28% of households in the study area contain someone with a disability. This figure is lower than seen across the region and nationally.

11.15 The figures for the population with a disability show a lower proportion than other locations – some 15% of the population having a disability.

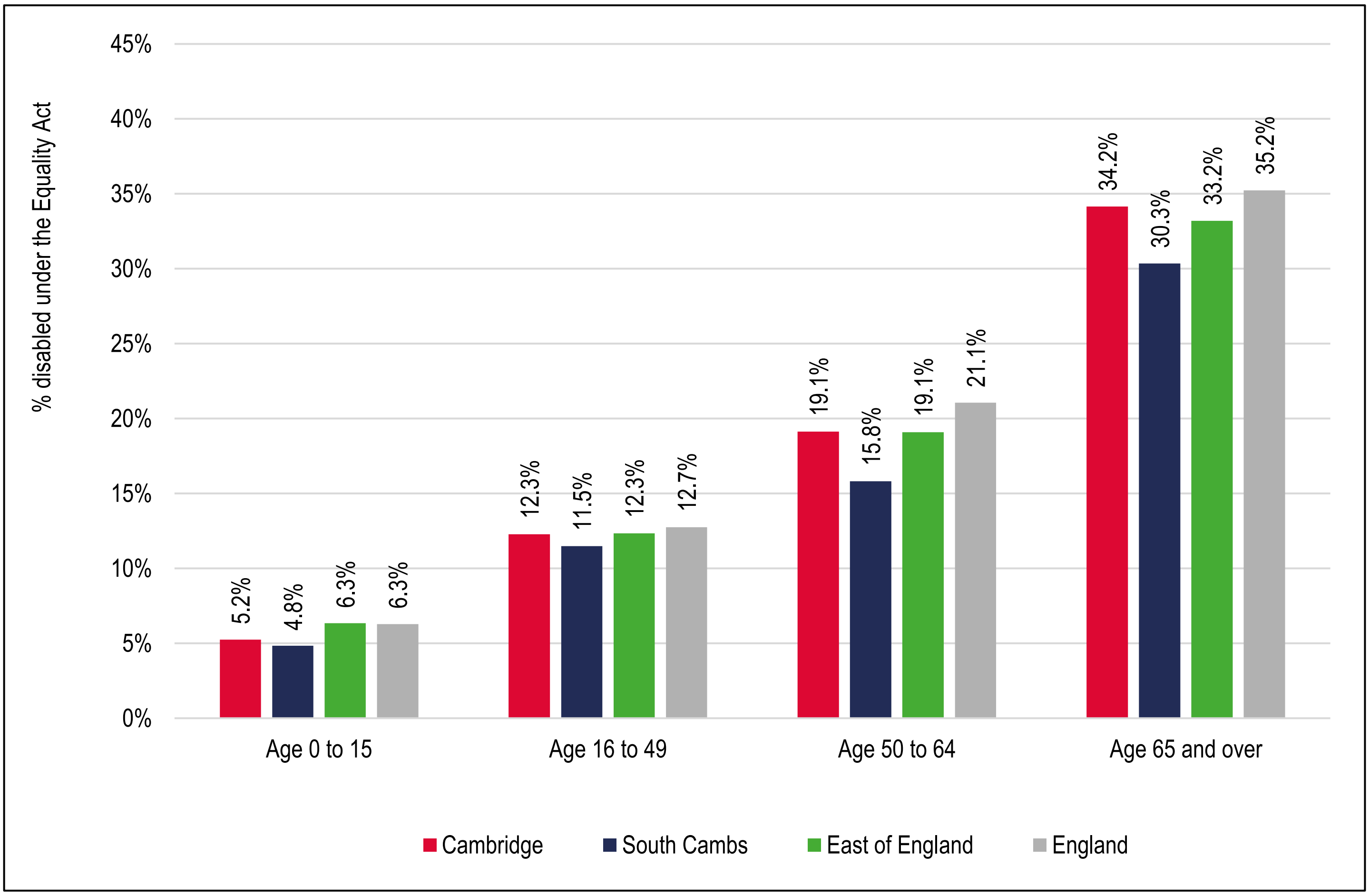
Table 11.3 Households and People with a Disability, 2021

Area	Households Containing Someone with a Disability No.	Households Containing Someone with a Disability %	Population with a Disability No.	Population with a Disability %
Cambridge	14,806	28.2%	21,433	14.7%
South Cambridgeshire	18,941	28.3%	23,898	14.7%
Greater Cambridge	33,747	28.2%	45,331	14.7%
East of England	811,942	30.9%	1,053,832	16.6%
England	7,507,886	32.0%	9,774,510	17.3%

Source: 2021 Census

11.16 As noted, it is likely that the age profile will impact the numbers of people with a disability, as older people tend to be more likely to have a disability. The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. The analysis also shows lower levels of disability in South Cambridgeshire when compared with the regional and national position (Cambridge seeing broadly similar levels to other locations).

Figure 11.3 : Population with Disability by Age



Source: 2021 Census

Health-Related Population Projections

11.17 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for an ageing population.

11.18 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. Adjustments have been made to take account of the age-specific health/disabilities previously shown.

11.19 Of particular note are the large increases in the number of older people with dementia (increasing by 62% in Cambridge and 63% in South

Cambridgeshire from 2024 to 2045) and mobility problems (up 53%-55% over the same period). Changes for younger age groups are smaller, reflecting the fact that projections expect older age groups to see the greatest proportional increases in population.

Table 11.4 Projected Changes to Population with a Range of Disabilities – Cambridge

Disability	Age Range	2024	2045	Change	% Change
Dementia	65+	1,226	1,992	765	62.4%
Mobility problems	65+	3,172	4,865	1,693	53.4%
Autistic Spectrum Disorders	18-64	1,038	1,449	410	39.5%
Autistic Spectrum Disorders	65+	160	236	76	47.2%
Learning Disabilities	15-64	2,701	3,642	941	34.9%
Learning Disabilities	65+	351	498	147	42.0%
Impaired mobility	16-64	4,008	5,222	1,214	30.3%

Source: POPPI/PANSI and Demographic Projections

Table 11.5 Projected Changes to Population with a Range of Disabilities – South Cambridgeshire

Disability	Age Range	2024	2045	Change	% Change
Dementia	65+	2,149	3,503	1,354	63.0%
Mobility problems	65+	5,527	8,541	3,014	54.5%
Autistic Spectrum Disorders	18-64	821	1,022	201	24.5%
Autistic Spectrum Disorders	65+	275	402	127	46.0%

Learning Disabilities	15-64	2,159	2,623	464	21.5%
Learning Disabilities	65+	606	865	259	42.8%
Impaired mobility	16-64	4,864	5,644	780	16.0%

Source: POPPI/PANSI and Demographic Projections

11.20 Invariably, there will be a combination of those with disabilities and long-term health problems who continue to live at home with family, those who choose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.

11.21 The projected change shown in the number of people with disabilities, particularly those with mobility problems (around 54% in both areas) and impaired mobility (16% in South Cambridgeshire and 30% Cambridge), provides clear evidence justifying delivering 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability.

Need for Specialist Accommodation for Older People and those with Disabilities

11.22 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. There are different types of older persons housing which are considered, and according to Planning Practice Guidance [63-010], these include:

- **Age-restricted general market housing:** This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

- **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 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 bedspaces):** These have individual rooms within a residential building and provide a high level of care, meeting 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.

11.23 Some of these specialist types of accommodation can also be occupied by those under the age of 65, but who have disabilities.

11.24 The need for specialist housing for older persons and those with disabilities is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply.

11.25 There is no standard methodology for assessing the housing and care needs of older people and those with disabilities. The current and future demand for specialist accommodation is influenced by a host of factors, including the balance between demand and supply in any given area and social, political, regulatory and financial issues.

11.26 Additionally, the extent to which new homes are built to accessible and adaptable standards may, over time, have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.

11.27 There are several 'models' for considering older persons' needs and the needs of those with disabilities, but they all essentially work in the same way. The models' results are, however, particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages, including those with disabilities.

11.28 Whilst there are no definitive rates, the PPG [Paragraph: 004 Reference ID: 63-004-20190626] notes that '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, Strategic Housing for Older People Analysis Tool (SHOP@ for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people'.

11.29 The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published, the Housing Learning and Information Network (Housing LIN) has removed the SHOP@ online toolkit, although the base rates used for analysis are known.

11.30 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice), and in 2011, a further suggested set of rates was published (rates which were repeated in a 2012 publication).

11.31 In 2016, Housing LIN published a review document which noted that the 2008 rates are 'outdated' but also noting that the rates from 2011/12 were 'not substantiated'. The 2016 review document, therefore, set out a series of proposals for new rates to be taken forward onto the Housing LIN website. Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their analysis (subject to evidence-based localised adjustments).

11.32 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report, the age-restricted and retirement/sheltered housing have been merged into a single category of housing with support.

Table 11.6 Range of suggested baseline prevalence rates (units per 1,000 people aged over 75) from a number of tools and publications

Type/Rate	SHOP@ (2008)	Housing in Later Life (2012)	2016 Housing LIN Review
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')
Residential care homes Nursing homes (care bedspaces), including dementia	65 45	(no figure apart from 6 for dementia)	40 45

Source: Housing LIN

11.33 In interpreting the different potential prevalence rates, it is clear that:

- The prevalence rates used should be considered and assessed, taking account of an authority's strategy for delivering specialist housing. For example, Cambridgeshire County Council's Adult Social

Care Team want to see more extra care and new alternative models (such as care suites) to provide alternatives to the reducing demand for traditional residential care;

- 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. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector, particularly in extra care, and
- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area’s population is likely to influence the need for specialist housing, with better levels of health likely to mean residents can stay in their own homes for longer.

11.34 These issues are considered to provide appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and reducing reliance on residential and nursing care, in particular, focusing where possible on providing households with care in their own home, such as through Technology Enabled Care. This could, however, be provision of care within general needs housing, but also care which is provided in a housing with care development, such as in extra care housing.

11.35 We consider that the prevalence rates shown in the 2016 Housing LIN Review are an appropriate starting point, but that the corollary of lower care home provision should be a greater focus on the delivery of housing with care.

11.36 Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG).

11.37 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 75 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In Greater Cambridge (particularly South Cambridgeshire), the data shows slightly better health in the aged 75+ population, and so a modest decrease has been made to the prevalence rates.

11.38 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 suggestions in the 2016 Review, which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector.

11.39 Using the 2019 Index of Multiple Deprivation (IMD) data shows Cambridge to be the 205th and South Cambridgeshire the 300th most deprived local authorities in England (out of 317). In both cases, this is a relatively low level of deprivation and suggests a slightly greater proportion of market housing (for housing with support and housing with care) than a local authority in the middle of the range.

11.40 The following prevalence rates, expressed as a need per 1,000 people aged 75 and over, have been used in the analysis:

- Housing with support (market – units) – 61 (Cambridge) and 73 (South Cambridgeshire);
- Housing with support (affordable units) – 63 (Cambridge) and 41 (South Cambridgeshire);
- Housing with care (market – units) – 29 (Cambridge) and 30 (South Cambridgeshire);
- Housing with care (affordable units) – 15 (Cambridge) and 11 (South Cambridgeshire);

- Residential care (bedspaces) – 40 (Cambridge) and 36 (South Cambridgeshire); and
- Nursing care (bedspaces) – 44 (Cambridge) and 41 (South Cambridgeshire).

11.41 It is also important to understand the supply of different types of specialist accommodation, with the tables below showing various categories for the two authorities drawing on Elderly Accommodation Council data.

11.42 The first table is for housing with support and housing with care, which are more likely to be self-contained dwellings, with the second table looking at residential and nursing care bedspaces. The total figures have also been standardised based on the number of units per 1,000 people aged 75 and over.

11.43 The analysis shows a total of just under 4,000 units of housing with support or care, which represents around 154 per 1,000 people aged 75 and over. There is some variation by area, with Cambridge seeing a higher proportion per population aged 75+, although actual numbers are higher in South Cambridgeshire.

11.44 For nursing and residential care, a lower level of supply is shown, with a total of 1,760 bedspaces, the highest number being in South Cambridgeshire, although again, the proportion per 1,000 people aged 75+ is higher within Cambridge.

Table 11.7 Current supply of housing with support and housing with care

Level of Care - Tenure	Cambridge	South Cambridgeshire	Greater Cambridge
Housing with support - Market	427	493	920
Housing with support - Affordable	986	1,594	2,580
Housing with care- Market	0	217	217
Housing with care- Affordable	140	105	245
Total	1,553	2,409	3,962
Population aged 75+ (2023)	8,449	17,205	25,654
Supply per 1,000 aged 75+	184	140	154

Source: EAC, 2025

Table 11.8 Current supply of residential and nursing care bedspaces

Level of Care	Cambridge	South Cambridgeshire	Greater Cambridge
Residential care	160	498	658
Nursing care	464	638	1,102
Total	624	1,136	1,760
Population aged 75+ (2023)	8,449	17,205	25,654
Supply per 1,000 aged 75+	74	66	69

Source: EAC

11.45 Taking the supply forward and using the prevalence rates suggested, the tables below show estimated needs for different types of housing linked to the population projections. The analysis is separated into the various types and tenures, although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).

11.46 The analysis suggests that there will be a need for housing with support (retirement/sheltered housing) in the market sector, but a surplus of affordable housing. The analysis also points to a need for housing with care (e.g. extra-care), particularly in the market sector. The analysis also suggests a need for some additional nursing and residential care bedspaces.

Table 11.9 Specialist Housing Need using adjusted SHOP@ Review Assumptions, 2024-45 – Cambridge

Level of Care - Tenure	Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Additional demand to 2045	Shortfall /surplus by 2045
Housing with Support - Market	61	427	527	100	308	408
Housing With Support -Affordable	63	986	548	-438	320	-118
Total (housing with support)	124	1,413	1,076	-337	627	290
Housing with care - Market	29	0	256	256	149	405
Housing with care - Affordable	15	140	132	-8	77	68
Total (housing with care)	44	140	387	247	226	473
Residential care bedspaces	40	160	344	184	201	385
Nursing care bedspaces	44	464	387	-77	226	149
Total bedspaces	84	624	731	107	427	534

Source: Derived from Demographic Projections and Housing LIN/EAC

Table 11.10 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2024-45 – South Cambridgeshire

Level of Care - Tenure	Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Additional demand to 2045	Shortfall /surplus by 2045
Housing with Support - Market	73	493	1,297	804	698	1,501
Housing With Support - Affordable	41	1,594	721	-873	388	-486
Total (housing with support)	114	2,087	2,017	-70	1,085	1,016
Housing with care - Market	30	217	535	318	288	606
Housing with care - Affordable	11	105	191	86	103	189
Total (housing with care)	41	322	726	404	391	795
Residential care bedspaces	36	498	646	148	347	495
Nursing care bedspaces	41	638	726	88	391	479
Total bedspaces	77	1,136	1,372	236	738	974

Source: Derived from Demographic Projections and Housing LIN/EAC
*numbers may not sum due to rounding.

11.47 It should be noted that although the need calculations for specialist housing set out above are based on the population aged 75 and over, the need identified would help to provide for all age groups, including those under 75 and those with disabilities.

11.48 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 ageing population may enable some older households to downsize from homes that no longer meet their housing needs or are expensive to run, and which can help improve their quality of life.

11.49 It should also be noted that within any category of need, there may be a range of products. For example, many recent market extra-care schemes have tended to be focused towards the ‘top-end’ of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Councils to seek a range of products that will be accessible to a wider number of households if needs are to be met.

11.50 In framing policies for the provision of specialist accommodation, the Councils will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this, the viability of provision).

11.51 There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure, given the way care and support services are paid for.

11.52 Finally, there is already a small pipeline supply permitted to address this need. Council monitoring data includes:

- Cambridge East – North of Cherry Hinton - maximum of 1,200 homes, including a retirement living facility;
- North West Cambridge (Eddington) - provision for up to 6,500 sqm of senior living;
- 2 Station Road, Great Shelford - 39 retirement living apartments;
- Land between Haverhill Road and Hinton Way, Stapleford - 147 extra care dwellings for older people; and
- Former Hotel Felix, Whitehouse Lane, Cambridge - 80-bed care home

11.53 Furthermore, several strategic sites (Northstowe, Waterbeach and Bourn) are likely to bring forward proposals for specialist housing, but details are still to be agreed.

County Council Needs Assessments

11.54 As well as our above assessment, Cambridgeshire County Council has produced District Demand Profiles for Older People's Accommodation 2021 – 2036 and a Learning Disability, Autism, Mental Health, and Physical Disability Specialist Accommodation Needs Assessment 2022-2041 to inform the development of an accommodation commissioning strategy for the Cambridgeshire area.

11.55 These assessments show a significantly lower level of need than that set out in our modelling and use a different approach to assessing it. The County Council Assessments include forecasts which are produced using local datasets and informed by local intelligence and knowledge, such as dwelling stock forecasts which are used in the modelling of the population forecasts.

11.56 This is different from the modelling herein, which reflects the housing need figure rather than supply. The County Council Assessments therefore relate to identified needs from the population associated with the housing requirements in the adopted Local Plans, rather than the local housing need using the standard method (and the associated needs for specific groups within this). That said, both this study and the county council assessments identify a population growth of those aged over 65 in the region of 23,000.

11.57 For older people, the assessment shows a need between 2021 and 2036 for 228 additional bed spaces within care homes (104 in Cambridge and 124 in South Cambridgeshire), 150 additional units of housing with care (53 in Cambridge and 97 in South Cambridgeshire), and 445 additional extra care units (156 in Cambridge and 289 in South Cambridgeshire).

11.58 For those with disabilities, the assessment shows a modest growth in demand in Greater Cambridge for supported living, with approximately 12 new units (5 in Cambridge and 7 in South Cambridgeshire) required per annum from 2022 until 2041 and a potential of 2 extra nursing units (1 in each local authority area) required per annum over the same period.

11.59 The County Council's approach focuses on individuals requiring support services (or care packages) rather than solely on accommodation needs, which includes individuals living independently at home.

11.60 That said, when the County Council calculate the need for specialist accommodation, they overlay housing survey data to reflect the fact that not everyone with a care package wants to live in specialist accommodation.

11.61 The County Council's approach to population growth is also linked to the planned housing stock growth and assumptions around average household size.

11.62 As such, our modelled approach set out for specialist accommodation, while compliant with the PPG, could potentially overstate the need within Greater Cambridge. Therefore, any applications for new specialist accommodation should also be assessed against the County Council's needs assessments.

Engagement with Cambridgeshire County Council

11.63 To inform this study, we have engaged with officers within the Adult Social Care Team at Cambridgeshire County Council. A summary of that discussion is set out below.

11.64 Officers highlighted that Cambridgeshire County Council does not directly manage sheltered accommodation but does offer associated care packages. Assessments are available to determine the specific needs of older people and individuals with learning disabilities.

11.65 Officers commented that dialogue is ongoing with residential care home providers concerning unfilled vacancies, which are filtering to the market, resulting in fewer planning applications to the councils for care homes.

11.66 Recently, planning applications for extra-care development have been limited. However, there are several care homes in the planning stages, notably high-end establishments aimed at self-funding residents.

11.67 Officers highlighted that while the County Council is not actively pursuing additional block bed contracts, site managers retain the option to apply for spot bed contracts with the County Council, where the mutually agreed price and terms and conditions of care are negotiated individually at the time that the bed is required.

11.68 Officers commented that current trends indicate declining demand for lower-level residential care, contrasted with increased demand for higher-level nursing and complex care. Presently, the older person's residential care market is stable according to officers, supported by county-wide block bed contracts negotiated with various providers at fixed rates, supplemented by spot framework placements. Presently, there is minimal waiting time for placements in residential care.

11.69 Officers highlighted that block bed contracts, generally established for 10-15 years, have reached their first extension point. These typically incorporate uplift clauses linked to inflation and real living wage adjustments, thus mitigating financial concerns related to accommodation costs.

11.70 Officers noted that the county has an increasingly ageing population, exceeding the national growth, and the age of those entering nursing and dementia care is now older, predominantly aged 75 and above, compared to those in their late-60s previously.

11.71 Officers highlighted that residential care demand remains steady in Cambridge City but is declining elsewhere in the county. The County Council has invested significantly in reablement services and domiciliary care packages post-hospitalisation to reduce unnecessary admissions to residential care. Nursing care demand in Cambridge City remains consistent, particularly for individuals with complex health needs.

11.72 Despite South Cambridgeshire's older population, there appears to be limited pressure on council placements according to officers, although private market pressures may differ. Hospital discharges commonly involve initial reablement, followed by domiciliary care services.

11.73 Officers highlighted that the County Council actively promotes extra care housing, allowing individuals to live independently with on-site carers available.

11.74 These schemes have operated within the county for over 30 years, with a pressing requirement for further extra-care developments identified particularly in South Cambridgeshire and, to a lesser extent, Cambridge City. This would shift some of the need from residential care to extra-care, as demand for these types of accommodation is linked.

11.75 Officers commented that strategies aimed at promoting independent living have been successful, evidenced by decreasing demand for lower-end residential care. Dementia incidences are rising proportionately with the ageing population.

11.76 The quality of care homes is not a concern, with ratings surpassing national and regional averages according to officers. Nevertheless, some older, smaller properties require modernisation or redevelopment to contemporary standards, a trend being actively pursued by several providers.

11.77 Officers commented that there are no significant issues regarding care standards. Most complex care requirements can be accommodated within county facilities, with only exceptional cases necessitating specialist private arrangements or out-of-area placements.

11.78 Extra care facilities managed by Registered Social Landlords (RSLs) include Dunstan Court, Ditchburn Place (owned and managed by Cambridge City Council), Willowbank, and Richard Newcombe Court in

Cambridge City, and Moorlands, Mill View, Bircham House, and Nichols Court in South Cambridgeshire.

11.79 The majority of extra-care units are one-bedroom, though there is substantial demand for two-bedroom units, leading to waiting lists in some facilities, such as Mill View.

11.80 Local care homes, as listed on the County Council's website, predominantly provide en-suite accommodation, with most schemes recently updated.

11.81 Officers highlighted that residential care occupancy rates are declining, whereas nursing and complex care occupancy remains high. Extra-care housing units typically have high occupancy rates, aided by efficient panel placement processes.

11.82 Brokerage services generally encounter minimal difficulty in securing residential placements across the county, although at times this can be challenging within Cambridge City, according to officers. Placements generally occur promptly, indicating effective demand management.

11.83 Officers highlighted that new builds conform to higher accessibility standards than older stock. Furthermore, the Home Improvement Agency provide adaptation services for people discharged from hospital and individuals requiring wheelchair-accessible housing. Finally, grants have supported improvements in older-person accommodation schemes to enhance accessibility.

11.84 Engagement with the County Council revealed an emerging demographic concern involving older individuals with learning disabilities transitioning into elderly care.

11.85 The County Council is in discussions with care providers to enhance their capability to support these individuals. Initiatives include encouraging intergenerational care within extra-care facilities to meet future demand.

11.86 The County Council are also currently working to identify whether there is a wider need for accommodation for those with a learning disability. Officers highlighted that it is difficult to fully estimate the need for this group, as many people with a learning disability, particularly women, are difficult to diagnose.

Engagement with Housing Teams

11.87 Regarding housing for older people and people with disabilities, housing officers commented that the Councils continue to face significant unmet demand for wheelchair-accessible accommodation. Suitable accessible single-level accommodation, including bungalows, is also notably scarce.

11.88 Therefore, officers highlighted that there remains an urgent requirement for M4(3) standard wheelchair-accessible homes.

11.89 Sheltered housing models, which, locally, tend to have communal space but no on-site staff presence, are increasingly regarded as outdated, with a marked shift toward specialist housing provided as extra-care housing being preferred by the County Council where domiciliary care cannot be provided in their existing homes.

Current and Future Supply

11.90 There has been a continued but slow loss of existing accommodation across the county, and this is particularly an issue in South Cambridgeshire due to a lack of supply and the cost of land for new supply. The County Council do receive approaches from the private sector for development in Cambridge City, but often this does not meet demand due to its location, scale or design.

11.91 The Adult Social Care Team are working with Housing Strategy Officers at Cambridge City and South Cambridgeshire District Councils to push for specialist accommodation as part of S106 contributions on strategic sites.

11.92 Where specialist housing for those with a learning disability is being provided, the County Council will also work with the Councils and the developers to ensure they get well-designed homes.

Wheelchair User Housing

11.93 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS), mainly 2020/21 data.

11.94 The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'visitable' for wheelchair users and data about wheelchair users by tenure.

11.95 The table below shows, at a national level, the proportion of wheelchair user households by the age of the household reference person. Nationally, around 3.1% of households contain a wheelchair user, with around 1% using a wheelchair indoors/all the time. There is a clear correlation between the age of the household reference person and the likelihood of there being a wheelchair user in the household.

Table 11.11 Proportion of wheelchair user households by age of household reference person – England

Age of household reference person	No household members use a wheel-chair	Uses wheel-chair all the time	Uses wheel-chair indoors only	Uses wheel-chair outdoors only	TOTAL
24 and under	99.4%	0.4%	0.0%	0.1%	100%
25-34	99.4%	0.1%	0.1%	0.3%	100%
35-49	97.9%	0.4%	0.3%	1.4%	100%
50-64	97.1%	0.5%	0.2%	2.2%	100%
65 and over	94.3%	1.3%	0.5%	4.0%	100%
All households	96.9%	0.6%	0.3%	2.2%	100%

Source: English Housing Survey (2020/21)

11.96 The prevalence rate data can be brought together with information about the household age structure and how this is likely to change moving forward

– adjustments have also been made to take account of the relative health (by age) of the population.

11.97 Across the study area, the data estimates a total of 2,800 wheelchair-user households in 2024, and that this will rise to just under 3,900 by 2045.

Table 11.12 Estimated number of wheelchair user households (2024-45) – Cambridge

Age	Preval-ence rate (% of house-holds)	House-holds 2024	House-holds 2045	Wheel-chair user house-holds (2024)	Wheel-chair user house-holds (2045)
24 and under	0.4%	2,925	3,839	12	16
25-34	0.4%	11,403	17,605	43	67
35-49	1.8%	15,534	25,452	277	453
50-64	2.5%	13,100	14,812	330	373
65 and over	5.1%	11,527	16,732	588	853
All households	-	54,488	78,439	1,250	1,762

Source: Derived from a range of sources

Table 11.13 Estimated number of wheelchair user households (2024-45) – South Cambridgeshire

Age	Preval-ence rate (% of house-holds)	House-holds 2024	House-holds 2045	Wheel-chair user house-holds (2024)	Wheel-chair user house-holds (2045)
24 and under	0.5%	1,065	1,388	6	8
25-34	0.4%	7,662	10,802	32	46
35-49	1.2%	19,607	24,079	226	277
50-64	1.5%	20,318	22,922	308	348
65 and over	4.5%	21,635	31,712	978	1,433
All households	-	70,287	90,903	1,550	2,111

Source: Derived from a range of sources

11.98 The finding of an estimated current number of wheelchair-user households does not indicate how many new homes might be needed for this group – some 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.

11.99 Data from the EHS 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.

11.100 Applying this to 2,800 wheelchair-user households across the whole study area (1,250 in Cambridge + 1,550 in South Cambridgeshire) in 2024 gives a current need for 700 additional wheelchair-user homes.

11.101 If the projected need of 1,073 wheelchair user homes (1,762-1,250 = 512 for Cambridge and 2,111-1,550 = 561 for South Cambridgeshire) is also discounted to 25% of the total, on the basis that many additional wheelchair-user households will already be in accommodation, then a further need for 268 homes in the 2024-45 period can be identified.

11.102 As shown in the table below, adding together (the current and projected need) leads to a need estimate of 968 wheelchair-user homes, equating to 46 dwellings per annum over the 2024-45 period.

Table 11.14 Estimated need for wheelchair user homes, 2024-45 – Greater Cambridge

Area	Current need	Projected need (2024-45)	Total current and projected need
Cambridge	312	128	441
South Cambridgeshire	387	140	528
Greater Cambridge	700	268	968

Source: Iceni Analysis

11.103 Furthermore, information in the EHS (for 2020/21) also provides national data about wheelchair users by tenure. This showed that, at that time, around 6.7% of social tenants were wheelchair users (including 1.8% using a wheelchair indoors/all the time), compared with 2.6% of owner-occupiers (0.8% indoors/all the time).

11.104 These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of Rented Affordable Housing for wheelchair users.

Table 11.15 Proportion of wheelchair user households by tenure of household reference person – England

Tenure	No household members use a wheel-chair	Uses wheel-chair all the time	Uses wheel-chair indoors only	Uses wheel-chair outdoors only	TOTAL
Owners	97.4%	0.6%	0.2%	1.8%	100.0%
Social sector	93.3%	1.3%	0.5%	4.9%	100.0%
Private renters	98.6%	0.2%	0.2%	1.0%	100.0%
All households	96.9%	0.6%	0.3%	2.2%	100.0%

Source: English Housing Survey (2020/21)

11.105 To meet the identified need, the Councils could seek a proportion (potentially up to 5%) of all new market homes to be M4(3) compliant and potentially a higher figure in the affordable sector (potentially up to 10%). 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 in the affordable sector, could either be M4(3)A (adaptable) or M4(3)B (accessible).

11.106 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, the provision of this type of property may, in some cases, challenge the viability of delivery given the high build-out costs.

11.107 It is worth noting that the Government has now published its response to its consultation 'Raising Accessibility Standards for New Homes'. The key outcome is that the Government is committed to raising accessibility standards for new homes and proposes to mandate the current M4(2) (accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes. The Government will implement this change through a change to building regulations.

11.108 The Government have said that M4(3) (wheelchair user dwellings) would continue as now, where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand.

11.109 As well as evidence of need, the viability challenge is particularly relevant for M4(3)B standards. These make properties accessible from the moment they are built and involve high additional costs that could, in some cases, challenge the feasibility of delivering all or any of a policy target.

Older People and People with a Disability - Summary

11.110 A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability.

11.111 The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by the Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and those with disabilities, and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

11.112 The data shows that Greater Cambridge has a younger age structure than seen regionally or nationally and lower levels of disability compared with the national average.

11.113 The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (67% of all older person households are outright owners in Cambridge and 75% in South Cambridgeshire).

11.114 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2024-45 period include:

- a 43% increase in the population aged 65+ in the study area – rising to just over 73,700 people by 2045;
- a 62%-63% increase in the number of people aged 65+ with dementia and a 53%-55% increase in those aged 65+ with mobility problems;
- a need for around 400 additional market housing units with support (sheltered/retirement housing) in Cambridge and around 1,500 in South Cambridgeshire;
- a need for around 470 additional housing units with care (e.g. extra-care) in Cambridge and around 800 in South Cambridgeshire – the majority in the market sector. This would also provide accommodation for both older people and younger people with learning disabilities.
- a need for additional nursing and residential care bedspaces (around 1,500 in the period across the two authorities)

11.115 The results above, while compliant with the PPG, could potentially overstate need within Greater Cambridge. Therefore, any applications for new specialist accommodation should also be assessed against the County Council's needs assessments.

11.116 In addition, there is a need for around 970 dwellings to be for wheelchair users (meeting technical standard M4(3)) – around 440 in Cambridge and around 530 in South Cambridgeshire.

11.117 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair-user dwellings, as well as providing specific provision of older persons housing.

11.118 Given the evidence, the Councils could consider requiring all dwellings (in all tenures) to meet the M4(2) standards. The Councils could also consider requiring around 5% of homes meeting M4(3) – wheelchair user dwellings – in the market sector and a higher proportion of around 10% in the affordable sector.

11.119 In the market sector, the supply of M4(3) dwellings would be wheelchair-user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). Where the authority has nomination rights, dwellings could be wheelchair-accessible (constructed for immediate occupation) where there is an identified need.

11.120 It should, however, be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

11.121 In framing policies for the provision of specialist accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this, the viability of provision).

11.122 There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure, given the way care and support services are paid for.

12. Other Groups

Looked After Children

12.1 The Care Standards Act 2000 defines a Children's Home stating 'an establishment is a children's home … if it provides care and accommodation wholly or mainly for children'. 'Wholly or mainly' means that most of the people who stay at a home must be children.

12.2 Key legislation relating to the accommodation and maintenance of a looked-after child is defined and outlined in Sections 22A to 22D of the Children Act 1989.

12.3 The legislation provides a framework within which decisions about the most appropriate way to accommodate and maintain children must be considered:

- Section 22A of the Children Act 1989 imposes a duty on the responsible authority when a child is in their care to provide the child with accommodation.
- Section 22B of the Children Act 1989 sets out the duty of the responsible authority to maintain a looked-after child in other respects apart from providing accommodation.
- Section 22C of the Children Act 1989 sets out the ways in which a looked-after child is to be accommodated.
- Section 22D of the Children Act 1989 imposes a duty on the responsible authority to formally review the child's case prior to making alternative arrangements for accommodation.
- Section 22G of the Children Act 1989 gives a local authority a general duty to secure sufficient accommodation for looked after children and it also requires local authorities to take strategic action in respect of

those children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their own local authority area.

12.4 In a Written Ministerial Statement (WMS) made in May 2023, the Housing and Planning Minister reminded local authorities of their requirement to assess the housing need of different groups in the community, including “accommodation for children in need of social services care”.

12.5 The WMS said “Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs and all parties in the development process should work together closely to facilitate the timely delivery of such vital accommodation for children across the country”.

12.6 The WMS follows on from the Department for Education (DfE) Implementation Strategy to fix children’s social care from February 2023. The “Stable Homes Built on Love” Strategy has undergone a recent consultation, the results of which have not yet been published.

12.7 The strategy outlines an ambition to transform Children’s Care through six pillars. The first of these pillars makes it clear that providing support to families is the first priority. This ensures that children can remain in their family home for as long as possible (Pillar 1) and then within their wider family if this is not possible (Pillar 3).

12.8 If both the immediate and wider family cannot look after a child, then Pillar 4 seeks to ensure that “when care is the best choice for a child, it is critical that the care system provides stable, loving homes close to children’s communities.”

12.9 To achieve this, the strategy aims to increase and support foster carers; develop a programme to support improvements in the quality of leadership and management in the children's homes sector and path-find Regional Care Cooperatives to plan, commission and deliver care places.

12.10 The report sets out a mission to "see an increase of high-quality, stable and loving homes available for every child in care, local to where they are from". To do this, it suggests that an immediate action is to "boost the number of the right homes in the right places available for children as a matter of urgency."

12.11 The strategy notes that "Local authorities have primary responsibility for the children in their care. This includes ensuring there is sufficient accommodation locally to meet the range of needs of children in care in their area", and that there is a "statutory duty to ensure there is sufficient provision for their children in care".

12.12 It also states that the DfE "will continue to build on our work reforming supported accommodation for 16- to 17-year-olds. Semi-independent provision, including supported lodgings, can be the right option for some older children, but only where it is high-quality, and the young person is ready for the level of independence it promotes".

12.13 The DfE will also continue "with the Children's Home Capital Programme, which has seen £259 million of capital funding invested to increase provision in local authority-run open and secure children's homes. We are working with local authorities to create new children's homes and increase provision in their local area".

12.14 At a similar time, the government also launched a consultation on the "Children's Social Care National Framework" and the "Children's Social Care Dashboard".

12.15 The Framework sets out some of the outcomes to be measured, including Outcome 4 relating to those seeking to ensure "children in care and care leavers have stable, loving homes".

12.16 The indicators include the percentage of children in care living in foster care and living in residential care homes, and the distance of placements from home. This is important to ensure the stability of schooling and contact with their siblings. The framework recognises that this will mean prioritising foster homes rather than residential homes.

12.17 The outcome can also be achieved by leaders undertaking “sufficiency planning and working with other local authorities and partners to jointly invest in care options that meet the future needs of children”.

Engagement with Cambridgeshire County Council Children's Services

12.18 To inform this study, we have engaged with officers within Children’s Services at Cambridgeshire County Council. A summary of that discussion is set out below.

12.19 Children's Services currently cover a broad area across the county and Peterborough. The area is mainly rural, although there are large urban areas in Peterborough and Cambridge.

12.20 Cambridgeshire County Council has an old sufficiency strategy, which, according to officers, is no longer relevant, and they are in the process of updating this strategy.

12.21 The County Council’s overarching policy is to ensure children are cared for as long as possible within their own families (where it is safe to do so). If this is not possible, then children should be placed in foster care again, where this is available and safe to do so. If not, then children will be placed in residential care homes.

12.22 Officers commented that there are currently around 700 looked-after children within the county and Peterborough (0.4% of the population under 18), of which 63 are placed in residential children's care homes (0.03%).

12.23 Although the county has 32 registered children's care facilities offering 193 residential beds, officers highlighted that a significant proportion of these are filled by placements from outside the area, such as children from London and elsewhere. As a result, approximately 53% of children in

Cambridgeshire requiring specialised care are placed outside the county due to insufficient local provisions. Officers highlighted a particular lack of solo-provision required for those with more complex needs.

12.24 To address this shortage, officers commented that the County Council is developing its own facilities. They have secured approval to refurbish two council-owned farmhouses, each of which will accommodate two children. Because they are in remote locations, these homes will specifically cater to children with complex needs and those who are difficult to place, thereby reducing the necessity of sending children out of the area for solo provisions.

12.25 Foster care provision remains inadequate, with only 180 foster carers available in the county, according to officers. To alleviate this issue, officers highlighted that the council is adopting the "Christian Bale model," whereby larger new-build affordable housing is offered to foster families, enabling them to accommodate more children.

12.26 This initiative is particularly crucial as there is an increasing number of siblings requiring placements, necessitating larger homes. Moreover, officers highlighted that the current foster carer population is ageing, leading to a decline in numbers.

12.27 The County Council emphasises the importance of placing children in family environments, and fostering is also encouraged to support children stepping down from residential care home placements.

12.28 Typically, children in care homes range in age from 11-16 before moving into semi-independent accommodation. However, officers commented that fostering aims to allow children to "stay put" until the age of 21.

12.29 The County Council is actively seeking to expand provision and is eager to collaborate with multiple providers to enhance sufficiency. Local authorities across the County and Peterborough are encouraged to support further proposals to meet growing demands.

12.30 Regionally, there has been a marked increase in children whose assessed care needs remain unmet, often resulting in inappropriate placements in residential care rather than foster families, particularly affecting younger children who then risk becoming institutionalised.

12.31 To better serve local children, officers highlighted that the County Council intends to work proactively with external providers and establish block provisions through a tendering process, thus ensuring local supply for Cambridgeshire children.

12.32 Housing affordability in Greater Cambridge is a significant challenge according to officers, which is exacerbating the shortage of suitable accommodation for children's care services. The County Council recognises an urgent need for more solo provisions specifically aimed at children aged 12-15 with complex needs.

12.33 Officers commented that the primary barrier is not a lack of properties but rather the prohibitive cost of housing that does not justify solo occupancy economically.

12.34 Ideally, any new residential children's care homes should be situated near public transport links with easy access to essential services and education. This strategic placement aims to reduce dependency on private transport and taxis and ensure minimal disruption to children's educational continuity.

12.35 As well as new provision, officers are seeking to repurpose existing stock in similar areas. However, when refurbishing council properties for foster carers and residential care, officers noted that considerations must include mitigating property damage from complex-needs children. Design recommendations include installing underfloor heating rather than radiators, spotlights rather than hanging lights, and ensuring properties are free from ligatures and potential weapons.

12.36 Finally, officers highlighted that while there is a range of supported accommodation available within Cambridgeshire and Peterborough, most Unaccompanied Asylum-Seeking Children (UASC) prefer placements in

Peterborough to remain close to local mosques. Efforts are underway to collaborate more closely with mosques in Cambridge to support these children within this locality.

Projecting Need

12.37 Engagement with the County Council has revealed the number of Children in Care and looked after children in Cambridgeshire and Peterborough. We have translated these into prevalence rates based on the known population aged under 18 in this area.

12.38 These prevalence rates have then been applied to the projected population growth linked to the Standard Method for Greater Cambridge. As shown in the table below, this would result in an increased demand for 7 additional residential beds in children's care homes by 2045.

Table 12.1 Need for Residential Children's Care Homes Bedrooms

Component	Cambridgeshire and Peterborough	Greater Cambridge 2024	Greater Cambridge 2045	Change
Under 18s Population	195,148	62,196	84,849	22,653
Children in Care	700	223	304	81
Prevalence	0.4%	0.4%	0.4%	-
Residential Care	63	20	27	7
Prevalence	0.03%	0.03%	0.03%	-

Source: Iceni Projects based on County Council Data

12.39 However, it should be reiterated that this is a nominal calculation, and the demand for additional residential care bedspaces for children will depend on the success or otherwise of preferred alternatives such as familial care or foster care.

Meeting the Needs of Looked After Children

12.40 The WMS said, “Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs”.

12.41 The national and County policy direction is to provide in-situ support, followed by familial and foster support. Therefore, the demand for care homes will largely be determined by the success of these policies. Where this is not possible, then local authorities will be required to provide safe accommodation in the right places.

12.42 When considering future supply, the Councils should seek to include such accommodation as part of wider, appropriately located, housing allocations or larger permissions. Typically, these are “ordinary homes”. This need would be met and managed by a combination of the County Council and through external providers. Such sites should align with the most appropriate locations according to Ofsted’s Location Assessment for such accommodation. In summary, this includes ensuring safeguarding concerns are met and that children have access to services.

12.43 There will also be a need for supported accommodation for young adults, and the Councils should work with the County Council and Registered Providers to explore opportunities to provide this through developer contributions and in the existing stock.

12.44 The Councils may also wish to explore opportunities to access future independent sector supply for local children rather than out-of-area children. This could be achieved through planning or licensing regulations forcing operators to give first refusal to local children.

Service Families

12.45 MOD statistics report that there are 30 military or civilian personnel in Cambridge and 2,160 in South Cambridgeshire. This includes the Mission Ready Training Centre (MRTC) in Bassingbourn, South Cambridgeshire, which provides training for soldiers deploying overseas, covering the geography, history, and politics of their deployment areas.

12.46 Annexe 2 of the NPPF identifies Military Personnel as Essential Key Workers. As such, accommodation specifically comes under the definition of affordable housing. Depending on their incomes, this group will already be accounted for within the affordable housing need and will largely not be additional to it.

12.47 The Planning Practice Guidance for First Homes also allows local authorities to set out their own criteria for accessing such housing. One such criterion could be a key worker requirement, which would include service personnel.

12.48 The most acute and pressing issue is likely to be finding accommodation for those transitioning out of the forces. Low-cost home ownership routes could play a part in meeting this demand.

12.49 While there are issues with homeless veterans, the scale of this need is potentially overstated. One reason for this perception is that some beggars portray themselves as veterans when they often are not.

12.50 The Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that Service personnel (including bereaved spouses or civil partners) are allowed to establish a ‘local connection’ with the area in which they are serving or have served. This means that ex-service personnel would not suffer a disadvantage from any ‘residence’ criteria chosen by the Local Authority in their allocations policy. Furthermore, 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 would be given priority need for housing.

12.51 The Councils are signatories to the Armed Forces Covenant, which is a promise between the Councils and the armed forces and their families to ensure they will be prioritised, including for housing need and supporting adjustments made to homes if disabled in service.

Engagement with Armed Forces Covenant Officer

12.52 To inform this study, we have engaged with the Armed Forces Covenant Officer at Cambridgeshire County Council. A summary of that discussion is set out below.

12.53 The officer highlighted that the Mission Ready Training Centre (MRTC) may expand slightly in future by accommodating more troops from other training facilities. Troops undergoing training reside on-site temporarily before returning to their regular barracks, and training caters to both individuals and regiments.

12.54 There are still some training staff who are located in the area permanently and are housed in Service Family Accommodation (SFA) or Single Living Accommodation (SLA) “behind the wire”, though some commute in.

12.55 In Cambridge City, there are Cambridge University Officer Training Corps affiliated with the Army, Royal Navy, and RAF. These student groups do not formally fall under military service, though their instructors and administrators do. Cambridge City hosts the 254 Medical Regiment and a small unit of Royal Marine Reserves (approximately 30 personnel).

12.56 Veterans constitute approximately 1.8% of Cambridge City's population, equating to 2,699 individuals based on the 2023 population, according to the 2021 census. South Cambridgeshire has a higher proportion with 2.7% (4,550 veterans), still below the national average of 4.1%.

12.57 However, these figures may underestimate the true number, as not everyone who is a service veteran acknowledges this because they either served for a short period of time, did not serve during combat or were doing National Service.

12.58 Local Authorities have obligations under the Armed Forces Covenant to support service members, veterans, and their families, removing barriers related to housing and local connections. Previously, discharged service members faced a five-year limitation regarding their local connection; this has been abolished.

12.59 Housing allocation systems offer veterans some priority by factoring their length of service into the housing banding process. Additional priority is available for those affected by service-related injuries, illnesses, mobility issues, and mental health conditions such as PTSD.

12.60 Challenges for service families and veterans include navigating complex administrative processes for housing, both for private rentals and rented affordable housing, and overcoming a culture of self-reliance, which can prevent individuals from seeking necessary assistance.

12.61 Housing officers receive specialised training to assist veterans and conduct outreach to homeless veterans, directing them towards housing and mental health support, often provided by personnel with military backgrounds. Veterans often find housing costs surprising, though recent improvements in pre-discharge resettlement programmes have helped prepare them better.

12.62 That said, according to the officer, there is data which shows that service personnel are less likely to be homeless and have greater access to help.

12.63 Relationship breakdowns can complicate housing situations post-discharge, especially for those whose marriages were partly motivated by accessing service accommodation in the first instance. Additionally, some individuals join the military to escape difficult family or community situations, leading to isolation upon discharge.

12.64 The Armed Forces Help to Buy scheme remains active, supporting personnel in homeownership. Local councils are encouraged to raise awareness about this and similar schemes.

12.65 The Career Transition Partnership, run by Reed Employment Agency, also offers veterans support with both housing and career transitions.

Policy Response

12.66 In conclusion, beyond the statutory duties, the Councils, and particularly Cambridge City, are unlikely to require any policies specific to meeting the needs of service families due to their relatively low numbers.

Custom and Self-Build

12.67 As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area to build their own self-build and custom houses.

12.68 Greater Cambridge has a joint Self-Build and Custom Housebuilding Register, which was introduced on the 1st of April 2016, and there have now been eight and a half base periods up to 30th October 2024.

12.69 A base period is a period of typically 12 months in which demand for custom and self-build is recorded. However, the first base period began on the day on which the register was established and ended 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.

12.70 The Councils are required to grant sufficient planning permissions to meet the demand identified on the Register as per the 2015 Act (as amended) within 3 years of the end of each base period. There is no reporting mechanism to know if self-build homes have actually been delivered or if the people on the register have secured a plot.

12.71 The table below provides a base period breakdown of those individuals who have expressed demand for serviced plots of land in Greater Cambridge. We have also included data on the number of plots permitted three years after each base period.

Table 12.2 Greater Cambridge Self and Custom Build Register (2016 – 2024)

Base Period	Annual Entries	Permissions Granted
Base Period 1 (1st April 2016 to 30th October 2016)	69	69
Base Period 2 (31st October 2016 to 30th October 2017)	89	89
Base Period 3 (31st October 2017 to 30th October 2018)	135	14
Base Period 4 (31st October 2018 to 30th October 2019)	204	64
Base Period 5 (31st October 2019 to 30th October 2020)	157	48
Base Period 6 (31st October 2020 to 30th October 2021)	189	103
Base Period 7 (31st October 2021 to 30th October 2022)	130	-
Base Period 8 (31st October 2022 to 30th October 2023)	82	-
Base Period 9 (31st October 2023 to 30th October 2024)	32	-
Total	**1087**	**387**
Average	**128**	**-**

Source: Right to build register monitoring

12.72 If assessed over the eight-and-a-half full base periods, there has been a total of 1,087 registered expressions of interest in a serviced plot of land in

Greater Cambridge since April 2016. This is an average of 128 registrations per base period.

12.73 The future trend may be affected by the introduction of a charge to enter the register for base period 9, resulting in the average entries falling to around 50 per base period over the last 3 years. Although this indicates the future need for plots, the actual requirement will depend on the numbers entering the register.

Supply

12.74 Since the start of the first base period, the Councils have permitted 387 self and custom-built plots in Greater Cambridge. This is against a requirement for 843 plots (with the last three years subject to 244 plots still not timed out); therefore, there has been an unmet need of 456 plots.

12.75 Although the last three years have not timed out, any supply that has been permitted in the interim period since October 2021 can be used to address this need, as well as the unmet need in prior base periods.

12.76 This would suggest that some of the need is being met in Greater Cambridge, although not all of it. The introduction of the Levelling Up and Regeneration Act (2023) (LURA) means that any unmet need is rolled forward to the following year.

12.77 LURA also means a more stringent requirement for the Councils to demonstrate that this supply is being occupied by those commissioning or customising the build before it can be counted towards the supply. This may mean the councils have to change how they record this data.

Location of Demand

12.78 We have also examined the self and custom housebuilding register to understand the profile of custom and self-build homes being sought, although, as multiple answers were allowed, the numbers do not sum to 100%. The analysis identified:

- 74% of people on the register sought a detached home;
- 29% on the register sought a bungalow;
- 52% on the register sought a plot in South Cambridgeshire, 3% in Cambridge and 43% in either;
- 10% on the register sought a 1 or 2-bedroom home, 28% sought 3 bedrooms, and 53% sought 4 or more bedrooms; and
- 49% suggested that higher environmental performance was a motivator, 29% said cost, 10% said a retirement home, 8% said downsizing, and 5% were responding to their disability.

Broader Demand Evidence

12.79 To supplement the data from the Councils' register, we have looked to secondary sources as recommended by the PPG. Specifically, we have purchased data from Custom Build Homes. This data demonstrates the anticipated market demand for custom and self-build housing based on the number of people subscribed to their register who are currently (April 2025) actively looking to custom or self-build their own homes within Greater Cambridge.

12.80 The data kept on the register is provided voluntarily by private individuals who want to custom or self-build their own home in local authority areas across England, Scotland, and Wales.

12.81 The Register broadly mirrors the statutory processes in place to determine whether an applicant benefits from the "Right to Build" as set out in the Self-Build and Custom Housebuilding Act 2015 (as amended). To register, subscribers are required to confirm:

- Being aged 18 or older
- Current address, postcode, telephone number and email address

- Being a British Citizen, a national of an EEA state other than the UK or a national of Switzerland
- Their nationality
- Seeking to acquire a serviced plot of land to build a house to be their main residence

12.82 In total, there are 1,301 subscribers in Greater Cambridge, which can be broadly split as 414 in Cambridge and 887 in South Cambridgeshire. Although this would likely overestimate demand in the City and underestimate demand in South Cambridgeshire by the same amount, as subscribers living in a postal area which spans the local authority boundaries are allocated to the City.

12.83 The total figure of 1,301 subscribers would suggest that the Greater Cambridge self and custom housebuilding register, with 1,087 registrations, would pick up the majority of demand (83%).

12.84 The Custom Build Homes' analysis also highlights the following:

- Most prospective custom and self-builders are living with a partner (73%). Just over half have no children (53%).
- The age of respondents varies widely, but only 25% are younger than 36. Most prospective custom and self-builders are aged between 36-60 (67%). There are a few over 60 (8%).
- Most potential plot purchasers work full-time (83%), and the majority (67%) have household incomes over £60,000.
- Most (64%) potential plot purchasers are asset-rich with an existing home to sell. Half (50%) need a mortgage to fund their project.
- There is an overwhelming number of prospective purchasers (88%) who wish to follow the self-build model of designing a home from scratch.

- The preferred size of home would be a 4-bedroom property (39%), and a further 36% want to build 3-bed properties.
- There are several reasons why people wish to custom or self-build new home in the local area. The most popular reasons given are:
    - To create an energy-efficient home with low monthly bills (27%);
    - To create appropriate living spaces (24%);
    - To future-proof my home and lifestyle in retirement (20%);
    - To create a space where I can work comfortably from home (18%).

12.85 The report concludes that there is a very strong market demand for custom and self-build housing in both Cambridge and South Cambridgeshire.

12.86 We have also examined additional data from NaCSBA - the National Custom and Self-Build Association. In October 2020, a survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested.

12.87 Notably, almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over. This is notable as, traditionally, self-build has been seen as the reserve of older members of society aged 55 and over, with equity in their property.

12.88 We can also draw on NaCSBA data to better understand the level of demand for serviced plots in Greater Cambridge in relative terms. The association published an analysis with supporting maps and commentary titled “Mapping the Right to Build” in 2020. This includes an output on the demand for serviced plots as a proportion of the total population relative to all other local authorities across England.

12.89 One of the key maps within the report highlights the areas of strongest demand, and this shows that Greater Cambridge requires 217 units per 100,000 head of population.

12.90 Based on the 2024 population in Greater Cambridge of 321,898, this would equate to a current need for around 699 plots. Linked to the Standard Method, the population is expected to grow to 428,079 by 2045. This would result in a need for 929 plots in 2045, and an increase of 230 plots from 2024.

12.91 This would equate to a per annum need of around 11 plots if the need for around 699 plots in 2024 is considered to have been met. However, as outlined above, only 387 self and custom build plots have received planning permission since 2016; therefore, there is a potential shortfall against need by 2024. Taking this potential shortfall into account, it would suggest a need for around 26 plots per annum. Again, this suggests that the Greater Cambridge custom and self-housebuilding register does not underestimate need.

Meeting Need

12.92 The self and custom housebuilding register for Greater Cambridge has seen an average of 128 entrants per based period. Although over the last three years, since the charge was introduced, this fell to 50 per base period. These figures provide a guide for what future need for plots might look like, although the actual need will be a reflection of the entrants on the register at any given time, and this is falling.

12.93 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector.

12.94 The PPG (Paragraph: 025 Reference ID: 57-025-20210508) is clear that authorities “should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward” and how local authorities can focus on playing a key role in facilitating relationships to bring land forward.

12.95 There are several measures which can be used to do this, including but not limited to:

- supporting Neighbourhood Planning groups where they choose to include self-build and custom-build housing policies in their plans;
- working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom-build housing;
- when engaging with developers and landowners who own sites that are suitable for housing, 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 local partners, such as Housing Associations and third sector groups, to custom-build affordable housing for veterans and other groups in acute housing need.

12.96 Local Plans can include policies to secure provision on specific sites or as a proportion of any new homes. This is reflected in the adopted South Cambridgeshire Local Plan 2018 - Policy H/9.

12.97 Policy H/9 states that “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. Where plots have been made available and appropriately marketed for at least 12 months and have not been sold, the plot(s) may either remain on the market or be built out by the developer. Exceptionally, no provision will be expected in developments or phases of developments which comprise high-density multi-storey flats and apartments”

12.98 This would appear to be an appropriate policy response given the level of demand, which could be rolled out across Greater Cambridge.

12.99 A further consideration for the Councils is that when demonstrating supply to meet this demand, the LURA makes it harder for Councils to simply count CIL exemption sites. They now must demonstrate that these homes are specifically for self or custom-built occupiers.

12.100 While important, the need for self and custom-built accommodation also needs to be balanced with the needs of general housing and other specific groups in the context of a limited land supply.

12.101 The Councils may also wish to consider allocating sites specifically for this use. The Councils should also continue to support community-led housing providers to deliver additional self-build housing.

Community-Led Housing

12.102 As part of diversifying the housing market, there is potential for community-led housing schemes to come forward and to contribute positively to housing delivery in Greater Cambridge.

12.103 Community-led housing is defined in the NPPF as “a development taken forward by, or with, a not-for-profit organisation, which is primarily for the purpose of meeting the needs of its members or the wider local community, rather than being a primarily commercial enterprise”.

12.104 The definition goes on to state “the organisation should be created, managed and democratically controlled by its members, and membership of the organisation should be open to all beneficiaries and prospective beneficiaries of that organisation. It may take any one of various legal forms, including a co-operative society, community benefit society and company limited by guarantee.

12.105 The organisation should own, manage or steward the development in a manner consistent with its purpose, potentially through a mutually supported arrangement with a Registered Provider.

12.106 The benefits of the development to the community should be clearly defined and consideration given to how those benefits can be protected over time, including in the event of the organisation being wound up."

12.107 Often, these community groups aim to address affordability issues by sharing costs and not-for-profit building on small to medium sites. Paragraph 73 of the NPPF states that "Small and medium-sized sites can make an important contribution to meeting the housing requirement of an area, are essential for Small and Medium Enterprise housebuilders to deliver new homes and are often built-out relatively quickly".

12.108 The NPPF adds that "To promote the development of a good mix of sites, local planning authorities should … seek opportunities, through policies and decisions, to **support small sites to come forward for community-led development** for housing and self-build and custom-build housing".

12.109 Paragraph 76 states:

"Local planning authorities should support the development of exception sites for community-led development on sites that would not otherwise be suitable as rural exception sites. These sites should be on land which is not already allocated for housing and should:

> A) comprise community-led development that includes one or more types of affordable housing. A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example, where essential to enable the delivery of affordable units without grant funding; and
>
> B) be adjacent to existing settlements, proportionate in size to them (no larger than 1 Hectare or 5% of the existing settlement unless the development plan allows this), not compromise the protection given to areas or assets of particular importance in this Framework, and comply with any local design policies and standards."

12.110 Paragraph 82 states "In rural areas, planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs, including proposals for community-led development for housing."

12.111 The concept of Community-Led Housing is not a new concept as it includes such organisations as Alms-houses, which date back to the 10th Century and latterly cooperative housing schemes.

12.112 The Localism Act 2011 introduced new rights for communities and set the then Government's context for the recent growth in community-led housing.

12.113 There are examples of community-led housing developments in Greater Cambridge, including a co-housing scheme at Marmalade Lane in Orchard Park, which is a mixture of rental and for-sale accommodation.

12.114 Marmalade Lane is a co-housing development (and therefore community-led housing) as it involves self-contained homes but with shared facilities and spaces, and the development was designed and brought forward by Cambridge Co-housing's members and future residents. This is different to Co-living, referred to in the private rented sector chapter, as Co-living developments do not include self-contained units and instead residents typically share indoor facilities such as kitchens and communal space.

12.115 At Marmalade Lane, the development includes a shared garden and a common house, which, according to the developer's website, "provides a place for residents to socialise, host guests and eat together. It includes a large kitchen, lounge with wood-burning stove, laundry facilities, children's play room, a secluded room for adults only, and flexible spaces for meetings and wellbeing classes. It also includes guest bedrooms, bookable by residents. There is a small gym, and a workshop provides a place for hobbies. Since the occupation, the cohousing community has created a small internal shop."

12.116 There are also other examples of community-led housing in Greater Cambridge, and support is provided by Eastern Community Homes (ECH).

12.117 According to their website, ECH provides advice to groups interested in building community-led housing to increase the number of new homes in the East of England built through community-led housing projects. ECH list the following community-led housing projects operating in Greater Cambridge:

- Cambridge Co-housing – a co-housing company responsible for Marmalade Lane at Orchard Park;
- Histon and Impington Community Land Trust - a Community Land Trust at Histon & Impington in South Cambridgeshire;
- Suvana Cohousing, Cambridge - A cohousing project led by a Buddhist community in Cambridge;
- Oakington Community Land Trust - A potential Community Land Trust emerging at Oakington, South Cambridgeshire;
- Cottenham Community Land Trust - A Community Land Trust aiming to improve the availability of affordable housing in the parish of Cottenham, South Cambridgeshire;
- Cambridge Future Living Community Land Trust - A Community Land Trust at Cambridge, hoping to build along permaculture principles;
- It Takes a City Community Land Trust, Cambridge - A Community Land Trust looking to create micro-communities of small homes in Cambridge, and responsible for delivering four modular homes at Joy’s Corner in autumn 2024; and
- Waterbeach Community Land Trust - A Community Land Trust looking to provide affordable housing in Waterbeach, South Cambridgeshire.

12.118 While the majority of these projects are still to get off the ground in a development sense, they do demonstrate an appetite for community-led housing in Greater Cambridge.

12.119 Furthermore, there are clear benefits from community ownership of housing in terms of supporting affordability and long-term stewardship of the asset.

12.120 In recognition of the level of interest and demand for community-led housing projects in Greater Cambridge, it is recommended that the Councils support community-led housing where this reinforces a settlement's role and function, meets a community need or realises local community aspirations.

12.121 However, any proposed development for community-led housing should be balanced with the need and priority to identify and provide suitable development sites for affordable housing, and ensure that these schemes are consistent with policies elsewhere in the Local Plans.

Gypsy and Travellers

12.122 Cambridge City and South Cambridgeshire District Councils published their "Accommodation Needs Assessment of Gypsies, Travellers, Travelling Showpeople and Bargee Travellers and other caravan and houseboat dwellers" report in September 2024.

12.123 The identified need within the above report is included as part of the overall housing need set out in this report and forms a component part of the overall housing requirement.

Other Specific Groups – Summary

Looked After Children

12.124 The County Council's overarching policy is to ensure as few children as possible will be placed in residential care homes.

12.125 There are currently around 700 looked-after children within the county and Peterborough (0.4%), of which 63 are placed in residential children's care homes (0.03%).

12.126 Although the county has 32 registered children's care facilities, a significant proportion of these are filled by placements from outside the area. As a result, there is insufficient local provision.

12.127 To address this shortage, the County Council is developing its own facilities and actively seeking to expand provision through collaboration with the independent sector.

12.128 If current prevalence rates continue, the projected population growth, linked to the Standard Method, would result in an increased demand for 7 additional residential beds in children's care homes by 2045.

12.129 But additional demand for residential care bedspaces for children will depend on the success or otherwise of preferred alternatives such as familial care or foster care.

12.130 Regardless, the local authorities within Greater Cambridge are encouraged to support proposals to meet growing demands.

12.131 There will also be a need for supported accommodation for young adults, and the Councils should work with the County Council and Registered Providers to explore opportunities to provide this.

Service Families

12.132 MOD statistics report that there are 30 military or civilian personnel in Cambridge and 2,160 in South Cambridgeshire. This includes the Mission Ready Training Centre (MRTC) in Bassingbourn, South Cambridgeshire, which may expand slightly.

12.133 Veterans constitute approximately 1.8% of Cambridge City's population, equating to 1,894 individuals, according to the 2021 census.

12.134 South Cambridgeshire has a higher proportion, with 4,376 veterans (2.7%), still below the national average of 4.1%.

12.135 The most acute and pressing issue is likely to be finding accommodation for those transitioning out of the forces.

12.136 Local Authorities have obligations under the Armed Forces Covenant to support service members, veterans, and their families, removing barriers related to housing and local connections.

Custom and Self-Build

12.137 The Councils are required to grant sufficient planning permissions to meet the demand identified on the Register within 3 years of the end of each base period.

12.138 Since April 2016, there has been a total of 1,087 registered expressions of interest in a serviced plot of land in Greater Cambridge. This is an average of 128 registrations per annum.

12.139 The future trend may be affected by the introduction of a charge to enter the register, resulting in the average entries falling to around 50 per base period over the last 3 years.

12.140 Although these figures indicate the future need for plots, the actual requirement will depend on the numbers entering the register.

12.141 Furthermore, there is an unmet need for 456 plots, which will also need to be addressed.

12.142 There will also be a more stringent requirement for the Councils to demonstrate that this supply is being occupied by those commissioning or customising the build before it can be counted towards the supply.

12.143 The Councils may wish to consider rolling out Policy H/9 in the South Cambridgeshire Local Plan to all of Greater Cambridge. The policy provides an appropriate response given the level of demand.

Community-Led Housing

12.144 There are examples of community-led housing developments in Cambridge, including co-housing schemes, and there are several other community groups across Greater Cambridge set up.

12.145 Given this appetite for community-led housing, the Council should encourage and support the contribution and role of community-led housing.

Gypsy and Travellers

12.146 Cambridge City and South Cambridgeshire District Councils published their Accommodation Needs Assessment of Gypsies, Travellers, Travelling Showpeople and Bargee Travellers and other caravan and houseboat dwellers report in September 2024.