Dewsbury Town Centre

Local Housing Market Assessment (LHMA)

2020

Kirklees Council

Final Report

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1.   Introduction

1.1   Kirklees Council (the council) commissioned this work in order to provide an evidence base to describe the housing and household characteristics of Dewsbury town centre. This is to inform the housing component of the Dewsbury Town Centre Area Action Plan.

1.2   This report is an account of a desktop study that reports on key features of the town's current housing offer in terms of housing type and tenure, price and affordability. It also describes the characteristics of resident households and those living in the area in affordable housing need as measured by the council's housing register. The report explores the current and proposed housing capacity in the town centre and considers the nature of future demand for 'town centre living'.

1.3   The location of Dewsbury town centre for the purposes of this study is within the red boundary line shown in Map 1.1.

Map 1.1   Location of Dewsbury town centre and the surrounding area.
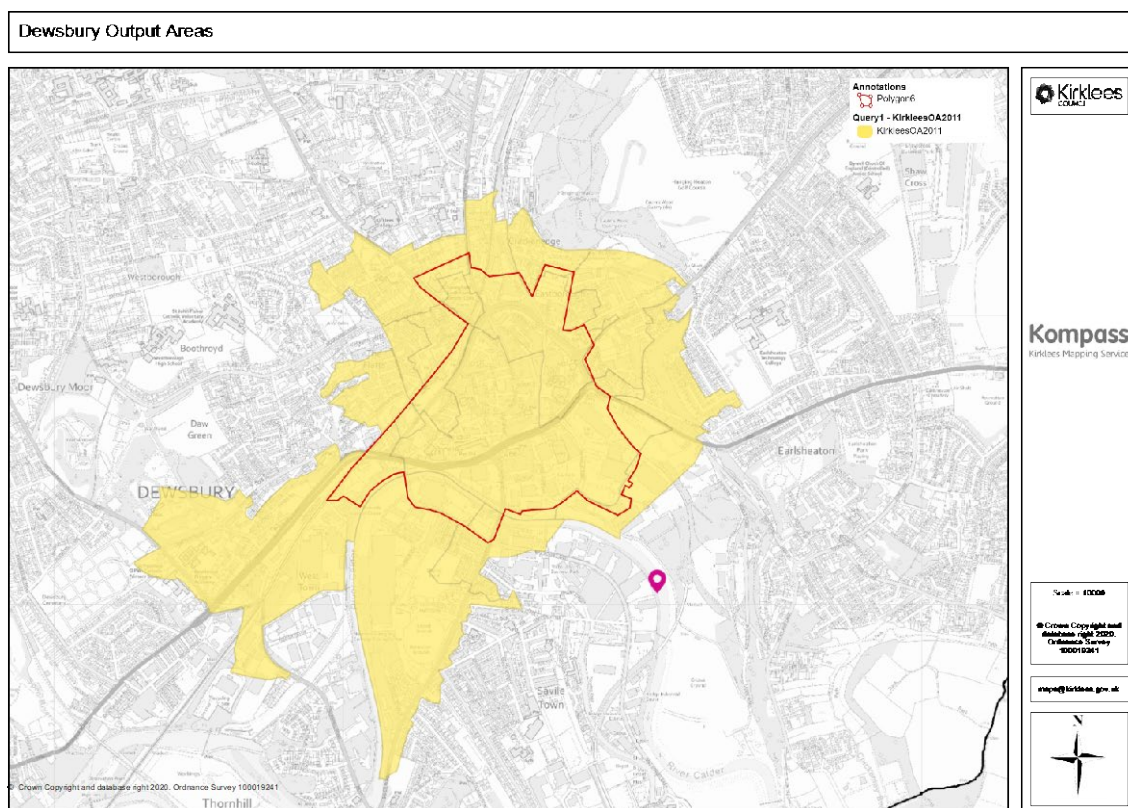
Source Kirklees Council

2.   Context

Dewsbury Town Centre Options Appraisal Report Key findings

2.1   Kirklees Council commissioned Avison Young to undertake a Dewsbury town centre options appraisal. The report was published in October 2019. This report is essential context to the LHMA.

2.2   Dewsbury is the principal town in north Kirklees and is located within the North Kirklees Growth Zone which is the biggest transformation project outside Leeds in the Leeds City Region. The growth zone is supporting proposals for the consolidation of the retail and commercial core of the town centre and an exploitation of the town's proximity to Leeds through the delivery of a high quality but affordable housing offer.

2.3   In particular, the council recognises that a new housing market will need to be created to make the most of the areas potential and maximise the economic impact of the new neighbourhood within the town centre.

2.4   The council is keen to explore a range of consumer driven options that appeal to a demographic with higher levels of disposable income, which are currently under-represented in the town centre.

2.5   The report uses the Experian Mosaic consumer classification system to identify the consumers typically associated with urban living. It identifies the most suitable target for demographic growth to come from within the following Mosaic 'Rental Hub Group' including 'career builders', 'flexible workforce' and 'central pulse'. The common traits between these types of consumer that make them suitable target consumers include:

- aged between 26 and 35;

- preference for one and two-bedroom apartments in urban areas;

- preference for renting, albeit this may be as a result of this age group being unable to afford to purchase their own home;

- typical salary of £30k per annum but ranging from a low of £20k to a high of £60k; and

- typical property values ranging between £100,000 and £300,000.

2.6   However, local agents are of the opinion that Dewsbury has a reputational problem that it needs to eradicate somehow. This is something that the council wishes to tackle and transform though tackling perceived market failure and creating opportunities and an appetite for investment.

2.7   The appraisal considers, in some detail, the rental market and rent levels in competing markets, particularly Leeds.

2.8   For development to be viable and generate a land value, rents would need to range between £775pcm and £825pcm for a 1-bedroom flat. At £775pcm the rental value of a 1-bedroom flat is very close to that for a 1-bedroom flat in Leeds. At £825pcm the rental value would exceed the typical rental value for a 1 bed flat in Leeds. The current average median rental of a 1-bedroom flat in Dewsbury town centre was £377pcm (table 4.2 below).

2.9   Rents of £775pcm and £825pcm are higher than the rents being achieved for 1 bed flats within the main competing urban areas/centres.

2.10   For 2-bedroom flats, rents would need to be between £850pcm and £900pcm and for a 3-bedroom flat rents would need to range between £900pcm and £950pcm. These rents would still offer a considerable saving over the rents for equivalent properties in Leeds. However, these rents would be considerably higher than the rents being achieved for 2-bedroom flats within the main competing urban centres. The current average median rental of a 2-bedroom flat in Dewsbury town centre was £451pcm (table 4.2 below). There are currently very few 3-bedroom flats in the Dewsbury town centre area.

2.11   The options appraisal demonstrated that new and refurbishment apartments (of a reasonable standard) require substantial grant funding. However, the extent of the gap funding could be reduced if affordable housing is excluded, or the development is undertaken on a not for profit basis. However, even in these scenarios all of the options are unviable and require gap funding.

2.12   The report considers that within this context, the target consumers are more likely to be attracted from Leeds rather than other competing urban centres.

2.13   It is noteworthy that since the report was written, the impact of the Covid 19 pandemic has acted as catalyst for homeworking and the need for workers to live near or in Leeds city centre has reduced. Many believe that this trend will become permanent and would have a positive impact on the future housing market for Dewsbury town centre.

3. Housing and population profile

Introduction

3.1 According to the council's property gazetteer, as at spring 2020, there were 451 residential dwellings in the Dewsbury town centre. It is difficult to explore the characteristics of these dwellings and the households that occupy them as the town centre boundary is not an exact match to ONS output areas against which census data can be drawn. The closest we can get to define the town centre boundary using ONS boundaries is by using 4 output areas E00056067, E00175512, E00175513, E00175514).

Map 3.1   Output areas covering the town centre
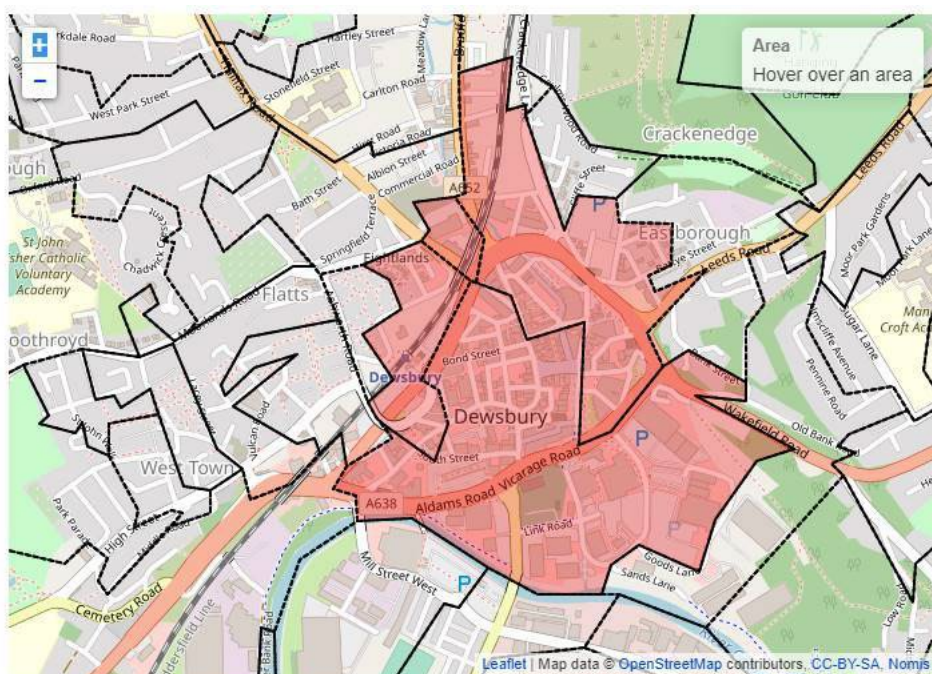
Source: ONS

3.2 A basic analysis of dwellings and households has been undertaken using the above output areas.

3.3 However, as will become apparent in Chapter 5 of this report, plans to enable a larger population to live in the town centre necessitate an analysis of a much wider area. So, data has also been collected and analysed at ONS lower super output areas (LSOAs) that relate to the town centre. Data has also been collated for comparative purposes covering the Kirklees Council area and the Yorkshire and Humber region. Use of LSOA geographies enables us to use more up to date data from the Valuation Office Agency (VOA). The LSOA geography is defined in map 3.2.

Map 3.2   **LSOAs covering the wider town centre of Dewsbury**
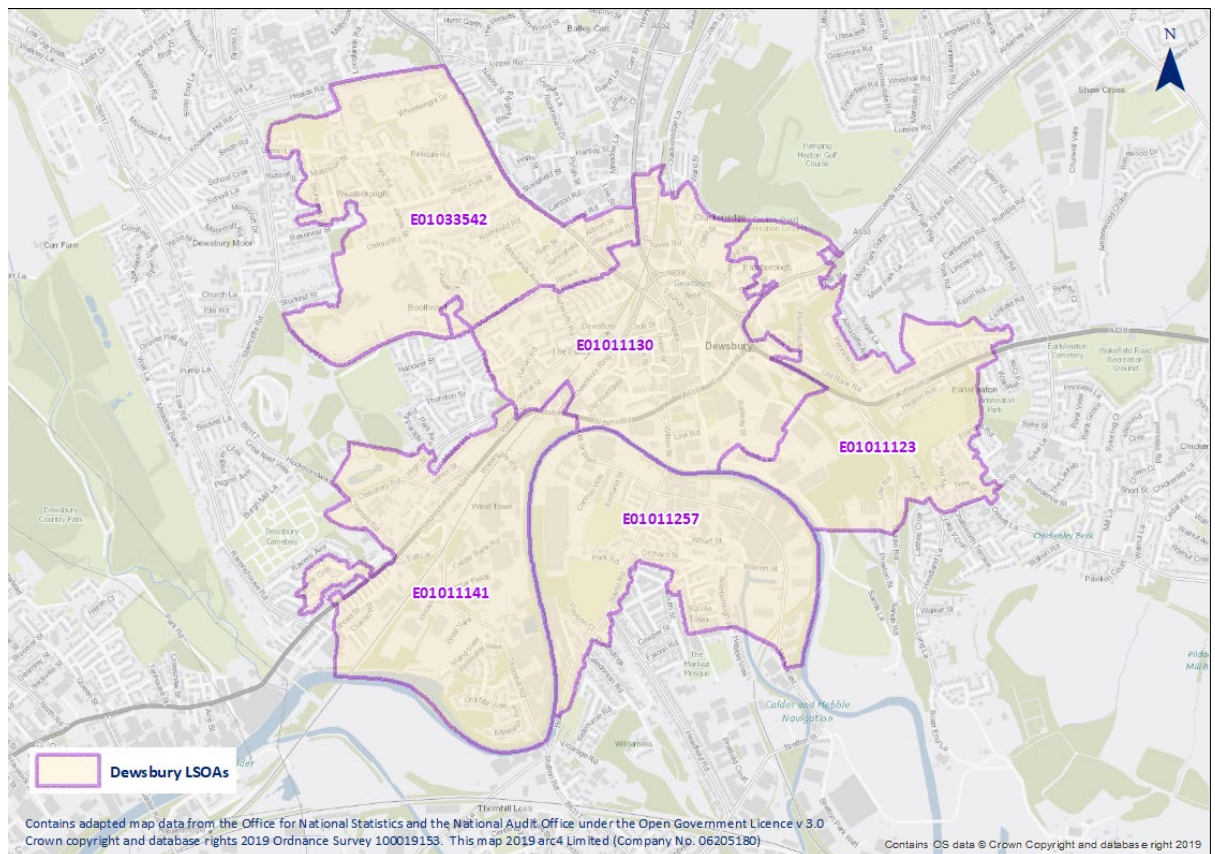
Source: ONS

Profile of Dewsbury Town Centre output areas (map 3.1)

3.4   This succinct profile of the town centre, as at census day 2011, shows that the town centre household population differs significantly from the wider geographies that are cited for comparative purposes.

3.5   Figure 3.1 shows that around half of the dwelling stock was privately rented, nearly 30% social rented with a smaller proportion of home ownership.

Figure 3.1 **Dewsbury town centre OAs: tenure**
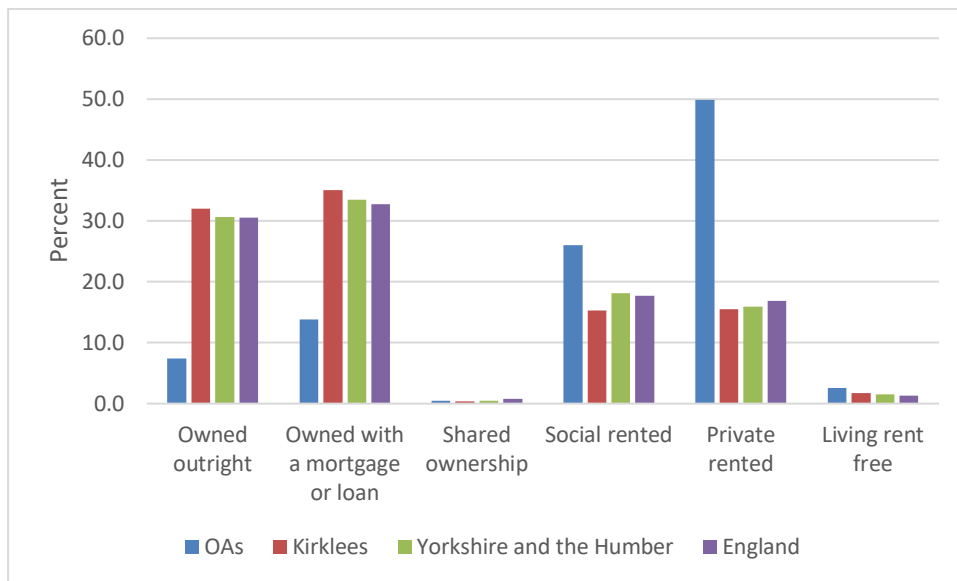
Source: Census 2011

3.6   Figure 3.2 show that nearly 70% of the dwelling stock comprised of flats.

Figure 3.2 **Dewsbury town centre OAs: dwelling type**
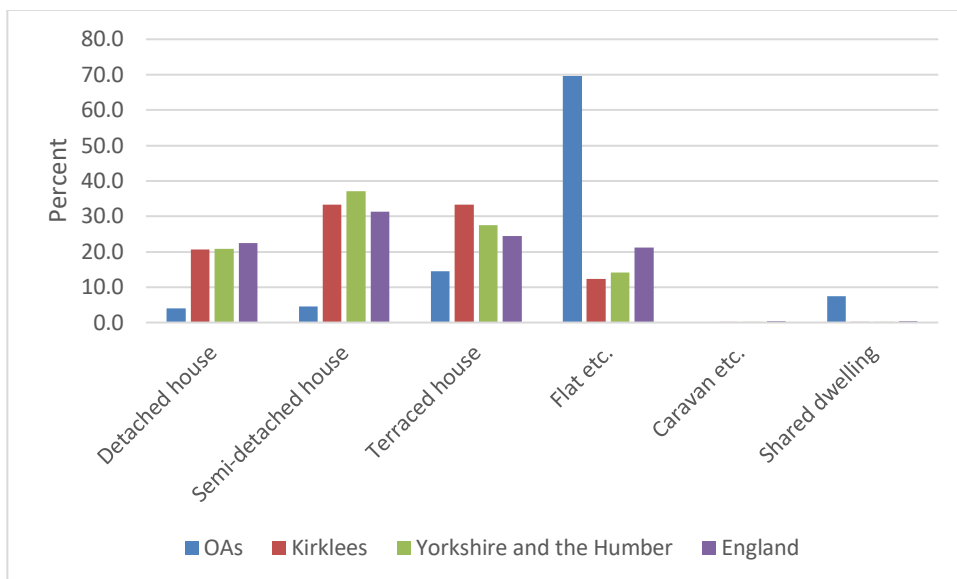
Source: Census 2011

3.7   Figure 3.3 shows that around 85% of the accommodation comprised of 1 and 2-bedroom dwellings, mostly 1-bedroom.

Figure 3.3   Dewsbury town centre OAs: number of bedrooms
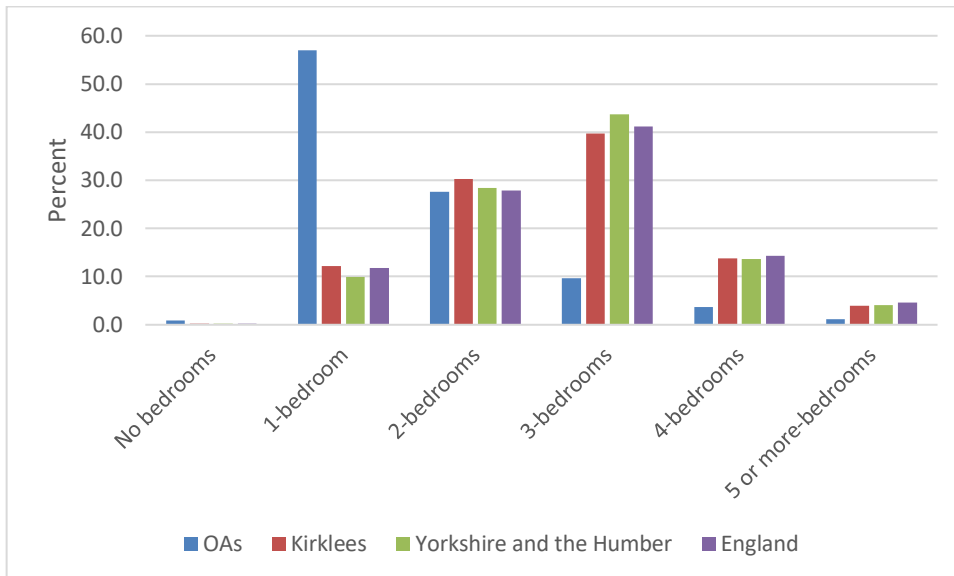
Source: Census 2011

3.8   Figure 3.4 shows that the largest group in the population were aged 30-44 years. Age groups within the range of 20-years to 44-years were present in greater proportions than the wider geographies. It is noteworthy that children under the age of 15 and people aged 45 and over were present in lower proportions than the wider geographies.

Figure 3.4   Dewsbury town centre OAs: population age structure
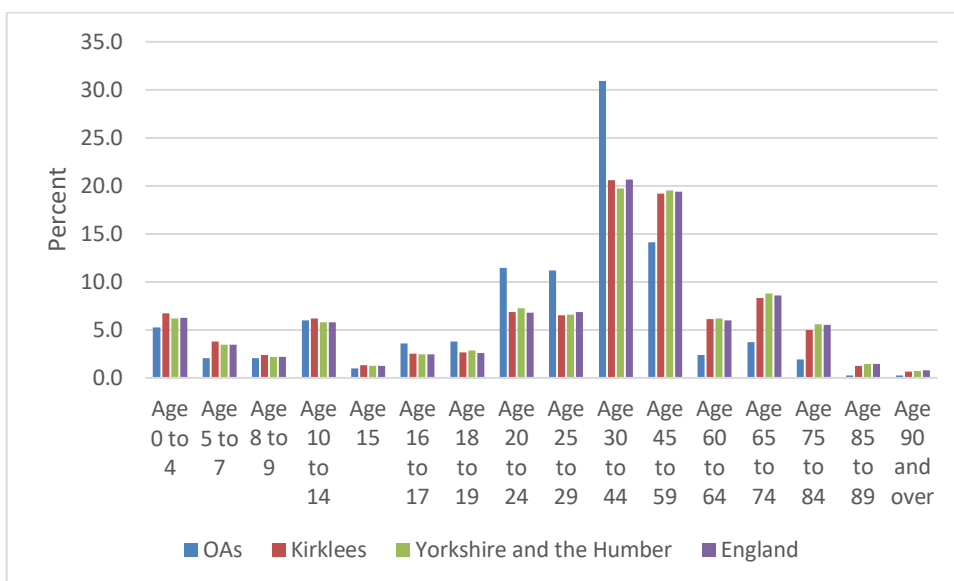
Source: Census 2011

3.9   Figure 3.5 shows that over half of all households were single person households. This and the cohabiting couples with no children group were present in significantly larger proportions than the wider geographies.

Figure 3.5   Dewsbury town centre OAs: household type
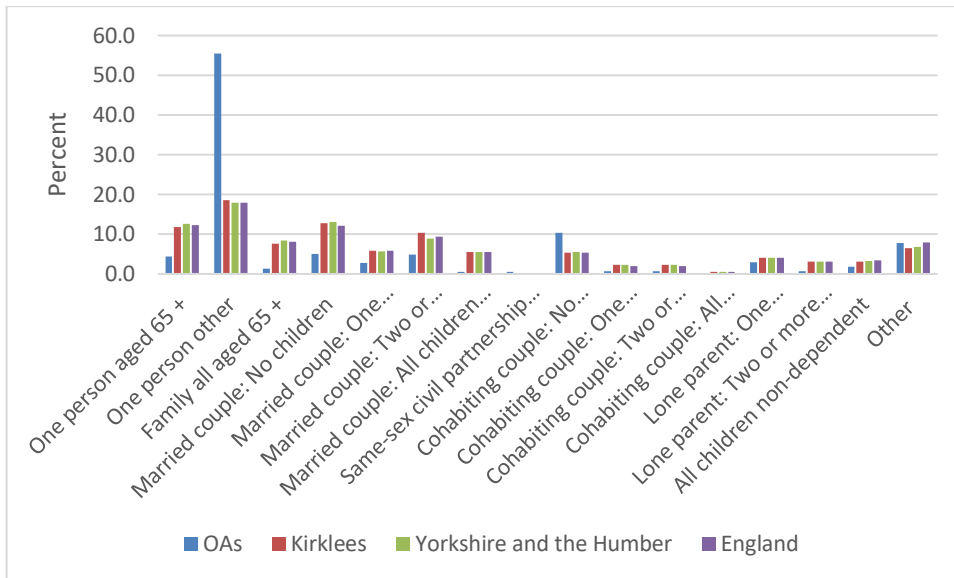
Source: Census 2011

3.10   Finally figure 3.6 shows that the proportion of people of working age were disprortionately present in the semi routine, routine or never worked/long term unemployed occupation categories.

Figure 3.6   Dewsbury town centre OAs: occupation of the working age population (NSec)
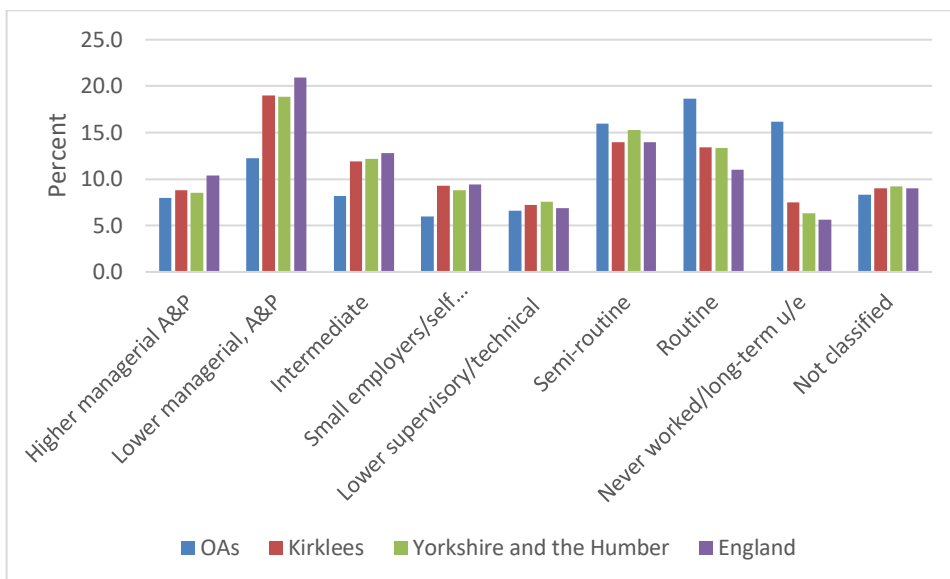
Source: Census 2011

Analysis of Dewsbury Town Centre Lower Super Output Areas (LSOA) (map 3.2)

3.11   This is a profile of the larger area depicted by the LSOAs. Additional and more up to date data is available at this level.

3.12   Using another data source, Valuation Office Agency (VOA) data identifies 1,746 dwellings. The VOA data is based on Lower Super Output Areas (LSOAs) and the figure is derived from the LSOAs that are within the town centre, it is not possible to identify a figure based on the town centre boundary. This is the smallest geographical area for which the latest data on dwelling type, number of bedrooms can be identified and the only data from which council tax band can been assessed. Council tax band is an important source of information to disaggregate dwelling types by value and sales and rental information is limited in a small area.

3.13   Table 3.1 presents a detailed breakdown of dwelling types, number of bedrooms and council tax band in the town centre area based on VOA data. Tables 3.2 and 3.3 provide further summary data. The data is presented as a proportion of all dwellings.

3.14   It is apparent that the LSOAs have a more diverse and balanced housing offer than the town centre output areas described above.

Table 3.1   Proportion of dwellings by council tax band, type and number of bedroom

Dwelling type and number of bedrooms	Council Tax Band				
	A	B	C-E	F+	Total
Bungalow 1-bedroom	0.4	0.0	0.0	0.0	0.4
Bungalow 2-bedroom	0.3	0.0	0.9	0.0	1.2
Bungalow 3-bedroom	0.0	0.0	0.3	0.0	0.3
Bungalow 4 or more-bedroom	0.0	0.0	0.0	0.0	0.0
Flat 1-bedroom	23.1	0.7	0.0	0.0	23.8
Flat 2-bedroom	7.7	2.0	0.3	0.0	10.0
Flat 3-bedroom	1.1	0.0	0.0	0.0	1.1
Flat 4 or more-bedroom	0.0	0.0	0.0	0.0	0.0
Terraced house 1-bedroom	1.4	0.0	0.0	0.0	1.4
Terraced house 2-bedroom	12.6	1.4	0.0	0.0	14.0
Terraced house 3-bedroom	13.4	4.4	1.1	0.0	19.0
Terraced house 4 or more-bedroom	2.1	1.2	1.4	0.0	4.7
Semi-detached house 1-bedroom	0.0	0.0	0.0	0.0	0.0
Semi-detached house 2-bedroom	1.3	0.4	0.0	0.0	1.7
Semi-detached house 3-bedroom	4.2	1.0	3.1	0.0	8.3
Semi-detached house 4 or more-bedroom	0.0	0.3	2.7	0.3	3.3
Detached house 1-bedroom	0.0	0.0	0.0	0.0	0.0
Detached house 2-bedroom	0.0	0.0	0.0	0.0	0.0
Detached house 3-bedroom	0.0	0.0	4.4	0.0	4.4
Detached house 4 or more-bedroom	0.0	0.0	5.3	1.1	6.4
Total	67.5	11.5	19.6	1.4	100.0

Base: 1,746 (excludes annex, other and missing data)

Based on data from LSOAs located in the town centre area

Figure 3.7   Proportion of dwellings by type and council tax band
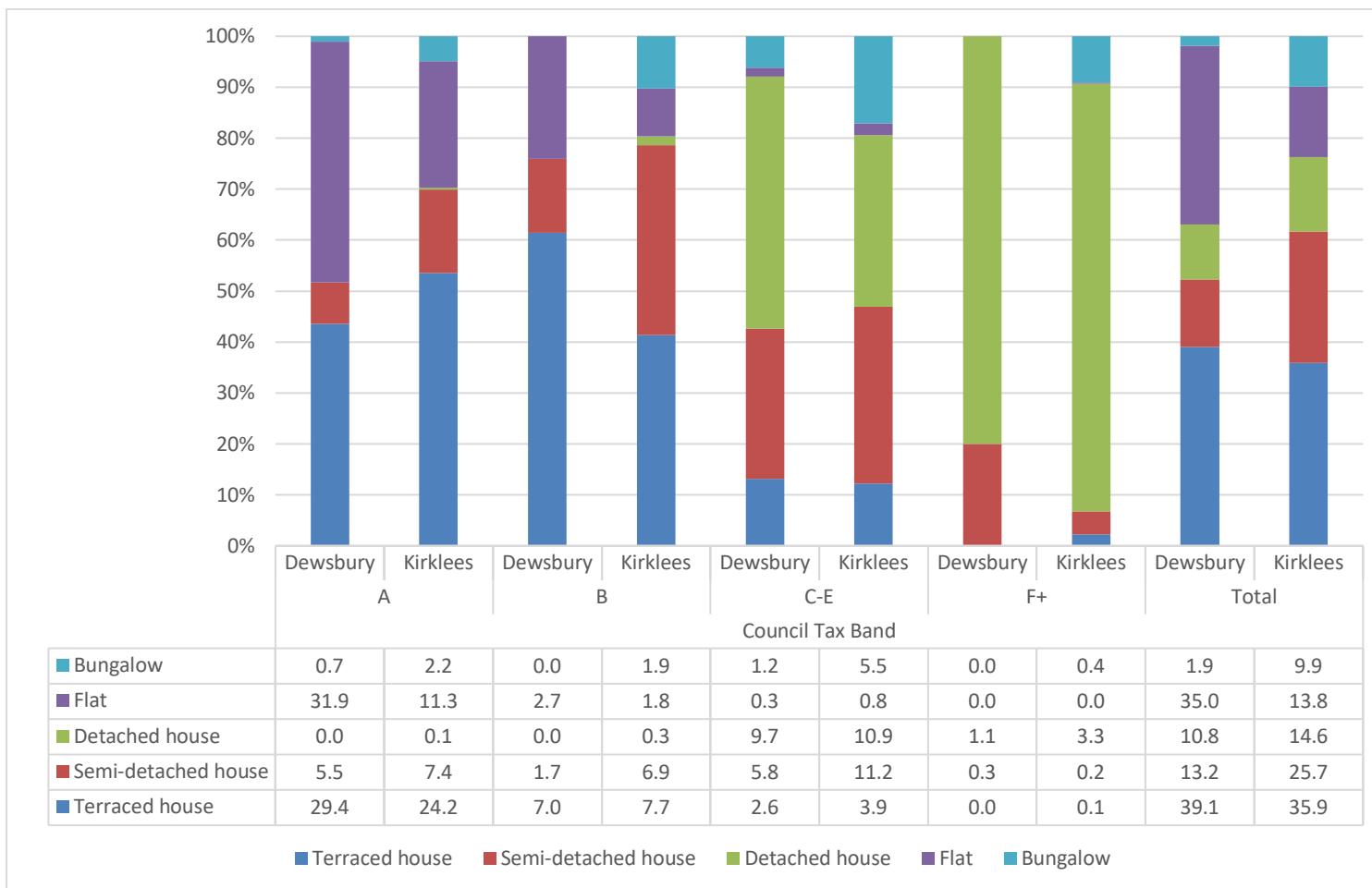
Council Tax Band	A		B		C-E		F+		Total	
	Dewsbury	Kirklees	Dewsbury	Kirklees	Dewsbury	Kirklees	Dewsbury	Kirklees	Dewsbury	Kirklees
Bungalow	0.7	2.2	0.0	1.9	1.2	5.5	0.0	0.4	1.9	9.9
Flat	31.9	11.3	2.7	1.8	0.3	0.8	0.0	0.0	35.0	13.8
Detached house	0.0	0.1	0.0	0.3	9.7	10.9	1.1	3.3	10.8	14.6
Semi-detached house	5.5	7.4	1.7	6.9	5.8	11.2	0.3	0.2	13.2	25.7
Terraced house	29.4	24.2	7.0	7.7	2.6	3.9	0.0	0.1	39.1	35.9

Source: VOA 2019. Based on LSOAs covering Dewsbury town centre. Dewsbury TC base: 1,746 Kirklees MDC base: 183,236 (excludes annex, other and missing data)

Figure 3.8   Proportion of dwelling stock by number of bedrooms and council tax band
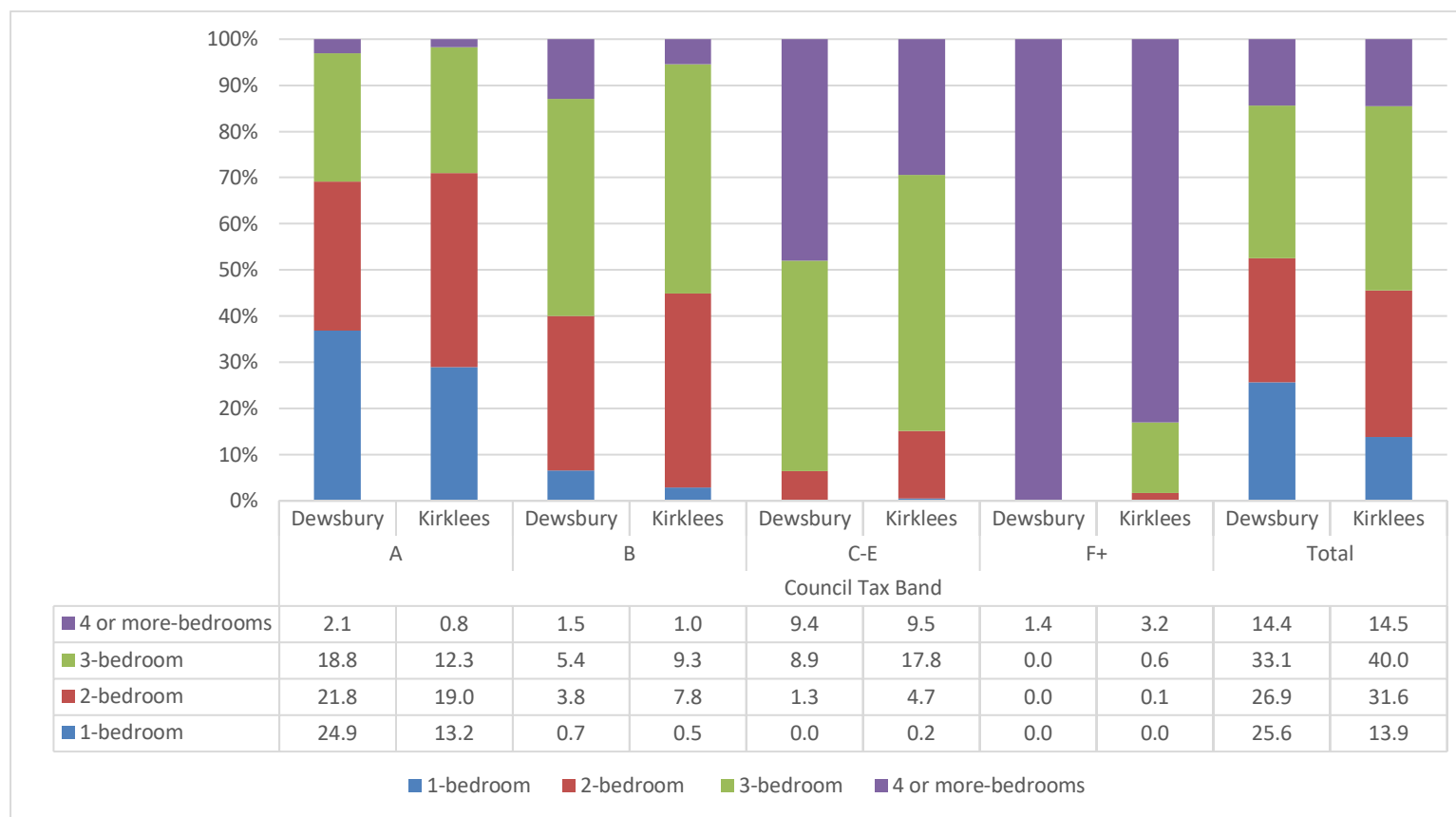
	Dewsbury	Kirklees	Dewsbury	Kirklees	Dewsbury	Kirklees	Dewsbury	Kirklees	Dewsbury	Kirklees
	A		B		C-E		F+		Total	
							Council Tax Band			
■ 4 or more-bedrooms	2.1	0.8	1.5	1.0	9.4	9.5	1.4	3.2	14.4	14.5
■ 3-bedroom	18.8	12.3	5.4	9.3	8.9	17.8	0.0	0.6	33.1	40.0
■ 2-bedroom	21.8	19.0	3.8	7.8	1.3	4.7	0.0	0.1	26.9	31.6
■ 1-bedroom	24.9	13.2	0.7	0.5	0.0	0.2	0.0	0.0	25.6	13.9

■ 1-bedroom   ■ 2-bedroom   ■ 3-bedroom   ■ 4 or more-bedrooms

Source: VOA 2019. Based on LSOAs covering Dewsbury town centre. Dewsbury TC base: 1,746 Kirklees MDC base: 183,236 (excludes annex, other and missing data)

3.15   In summary, table 3.1 to and figures 3.7 and 3.8 show:

- 79% of dwellings in Dewsbury town centre are council tax band A or B and 21% are band C or above;

- 63.2% of dwellings are houses 35% are flats and 1.9% are bungalows;

- although houses are predominantly terraced (29.1%) are terraced, 13.2% are semi-detached and 10.8% are detached;

- 25.6% of dwellings have one bedroom, 26.9% two bedrooms, 33.1% three-bedrooms and 14.4% four or more -bedrooms; and

- overall 46.7% of dwellings are council tax band A properties with one or two bedrooms.

3.16   Figures 3.7 and 3.8 also show that Dewsbury town centre differs significantly from Kirklees as a whole. Dewsbury town centre has significantly more:

- band A dwellings (67.5% compared to Kirklees 45.3%);

- flats (31.9% compared to Kirklees 11.3%); and

- 1-bedroom homes (mostly in band A) (24.9% compared to Kirklees 13.2%).

Houses in multiple occupation

3.17   Within the town centre area there are only 14 dwellings in two houses in multiple occupation (HMO) as illustrated in Map 3.3.

Map 3.3   Houses in multiple occupation in Dewsbury town centre
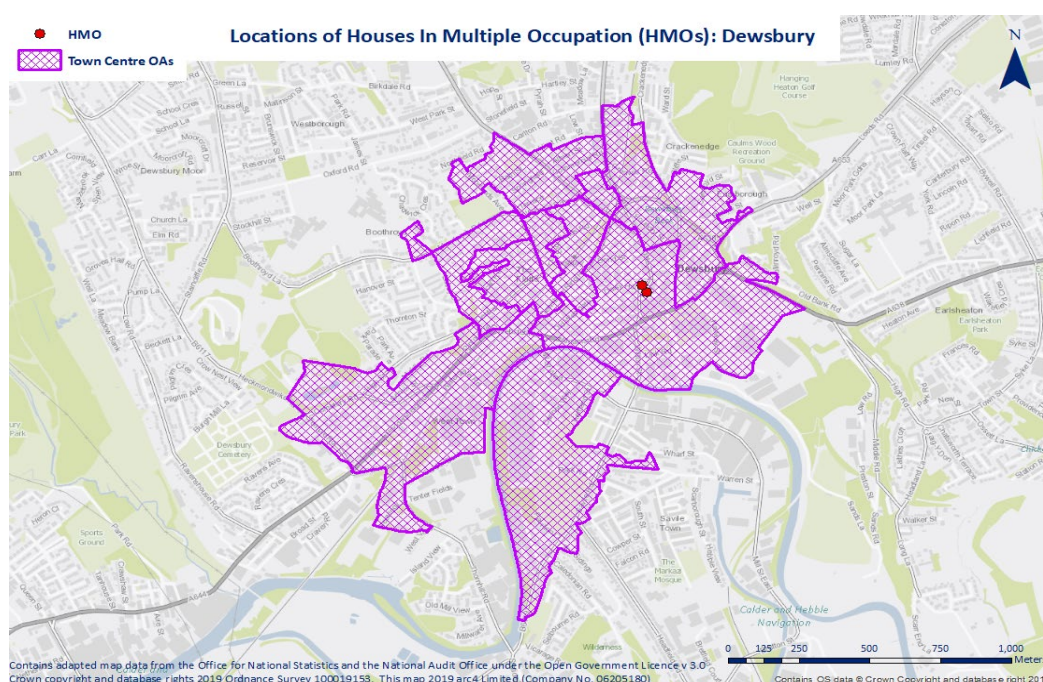
Source: Kirklees Council

Dwelling Tenure profile

3.18   Figure 3.9 sets out how the dwelling tenure profile compares with the district and region as at census day 2011. The census is the only official dataset that records tenure. Tenure can change over time, with owner occupied dwellings becoming rented and vice versa. There will have been additions to the stock through new build across the tenures and loss of social rented housing through tenants right to buy or right to acquire.

3.19   According to the 2011 census, the tenure profile of Dewsbury town centre was 41.1% owner occupied, 29.3% private rented and 29.6% affordable (social/affordable rented and affordable home ownership).

3.20   Significantly 62.1% of Dewsbury's town centre comprised of rented housing, nearly double the rate of Kirklees as a whole. With affordable housing in Dewsbury (32.3%) being double the Kirklees rate (15.6%).

Figure 3.9   Tenure profile of Dewsbury town centre compared with Kirklees and Yorkshire and the Humber

	Dewsbury town centre (%)	Kirklees (%)	Yorkshire and the Humber (%)
■ Affordable	32.3	15.6	18.5
■ Private rented	29.8	17.3	17.4
■ Owner occupation	37.9	67.1	64.1
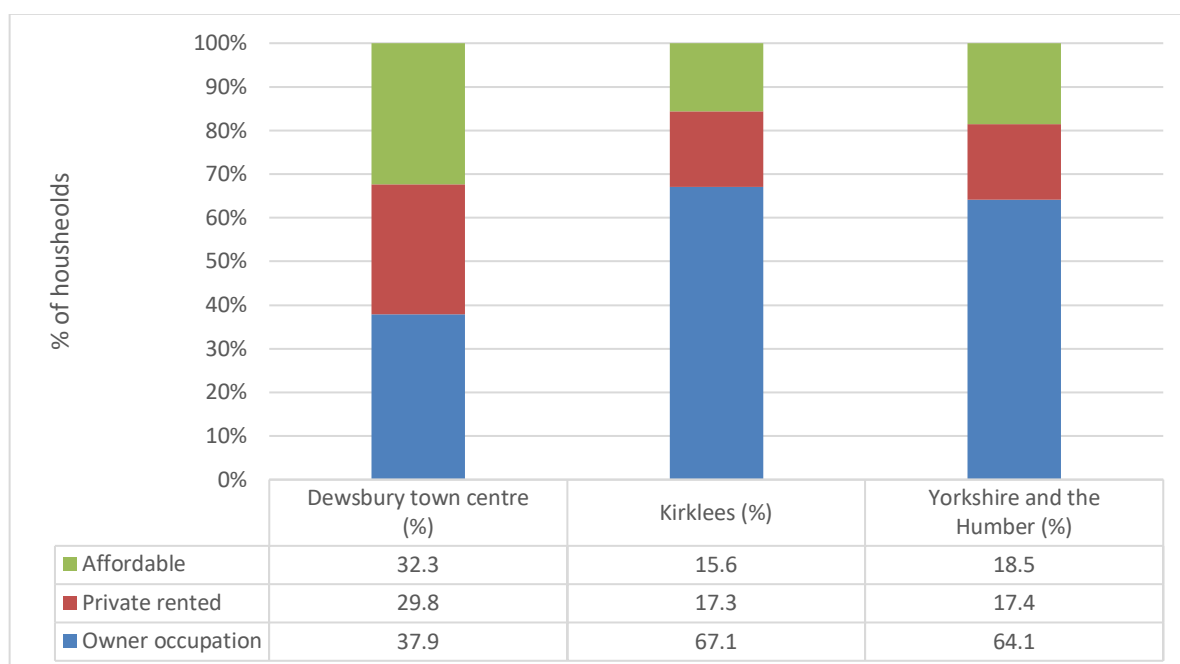
Source Census 2011

Population profile

3.21   ONS Small Area population data have been used to establish a population profile for the town centre area LSOAs (map 3.2). In 2018, the population was estimated to be around 3,400. Figure 3.10 compares the population age profile in the town centre with Kirklees. The majority of residents (60.2%) are aged under 40 compared with 50% across Kirklees. The proportion aged 45-64 years is similar to the Kirklees figure and the proportion aged 60 and over is lower at 15.1% compared with 22.1% across

Kirklees. Over the period 2013 to 2018, the population has increased by around 200 people.

Figure 3.10   Age profile of Dewsbury town centre compared with Kirklees and Yorkshire and the Humber

	Dewsbury town centre %	Kirklees %	Yorkshire and the Humber %
■ 75 and over	5.3	7.7	8.3
■ 60-74	9.7	15.2	15.8
■ 40-59	24.7	26.3	25.8
■ 16-39	39.0	30.3	30.9
■ Under 16	21.3	20.5	19.1
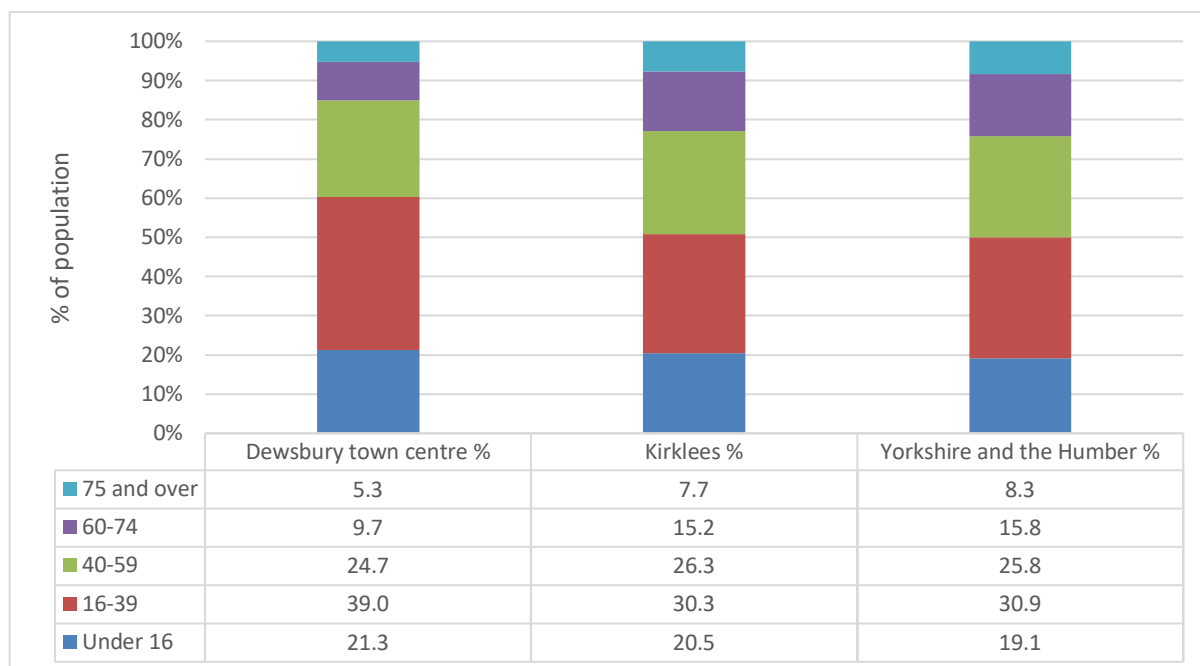
Source: ONS Small Area Population Estimates

Household characteristics

3.22   The overall profile of households living in Dewsbury town centre is summarised in Figure 3.11. Although a range of households live in the town centre, almost half of households are either single people aged under 65 (36.4%) or other types of household (such as people sharing) (12.7%). Other larger groups are couples with children (14.9%) and couples without children (13.8%).

3.23   The key difference between the town centre and the wider geographies are that the town centre has a much greater proportion of single person households aged under 65 and smaller proportions of couple with and without children.

3.24   Note that the data describes household configurations and there is a broad age division of households aged under 65 and aged 65 or over. 12.7% of all households consist entirely of households where all members are aged 65 and over. This should not be confused with table 3.4 below which states household income categories. It cannot be assumed that all aged over 65 are retired or all aged under 65 are not.

Figure 3.11   Household profile of Dewsbury town centre compared with Kirklees and Yorkshire and the Humber

	Dewsbury town centre	Kirklees	Yorkshire and the Humber
■ Other type of household	12.7	6.5	6.7
■ Lone parent with non-dependent child(ren)	2.8	3.2	3.2
■ Lone parent	4.3	7.3	7.1
■ Couple with non-dependent child(ren)	2.5	6.1	6.1
■ Couple with child(ren)	14.9	20.7	19.2
■ Couple (no children)	13.8	18.3	18.7
■ Couple (both aged 65+)	3.7	7.7	8.4
■ Single <65	36.4	18.5	17.9
■ Single 65+	9.0	11.8	12.7
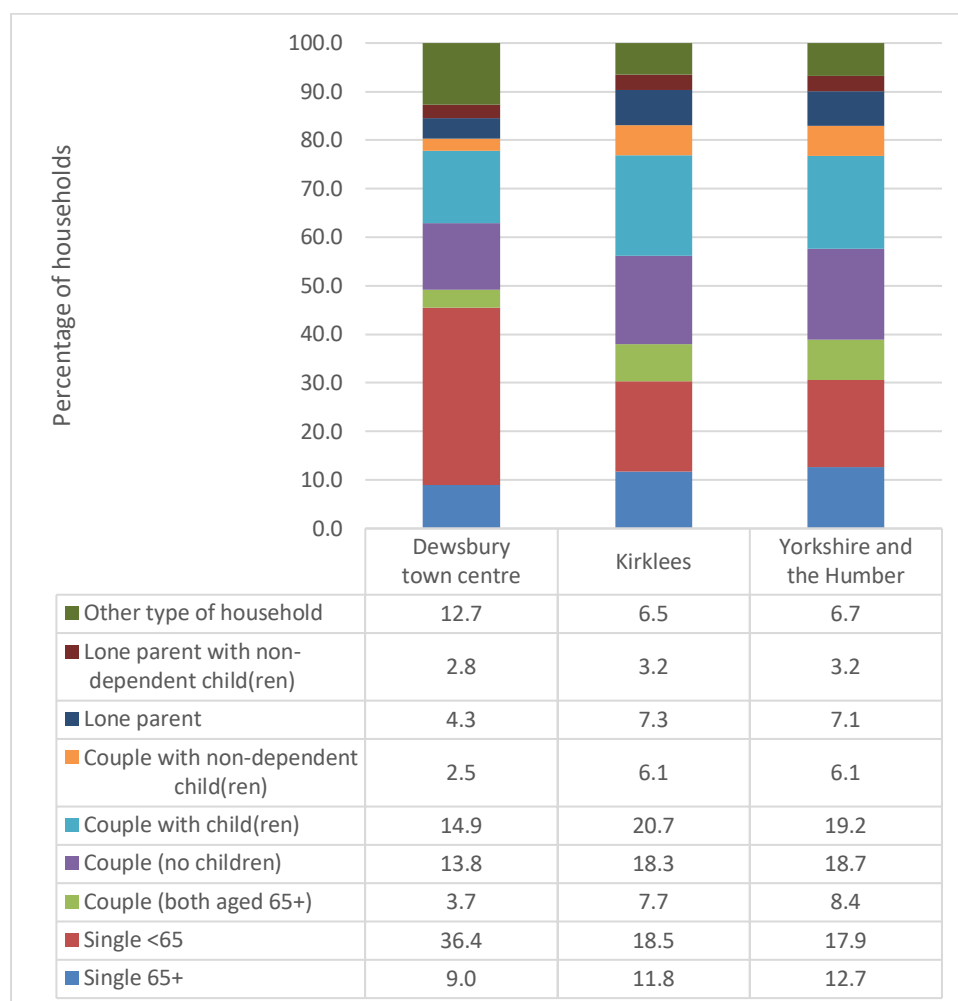
Source Census 2011

3.25   CAMEO UK data can be used to profile the households living in the town centre LSOAs. The data is based on income, life stage, interests and spending habits. There are 8 distinctive groups living in the town centre area as shows in Table 3.2. The data clearly shows the current household profile of the LSOAs (map 3.2) is skewed towards lower income groups.

Table 3.2　　　CAMEO household types currently living in Dewsbury town centre

CAMEO UK Income categories (INCC)	%
Retirees in Less Affluent Areas	24.5
Poorer Terraced Communities	17.7
Lower Income Terraced Households	10.9
Less Affluent Terraced Homeowners	7.5
Retired Council Flat Tenants	10.2
Less Affluent Retired Households	5.4
Communal Establishments in Mixed Neighbourhoods	21.0
Retired Flat Tenants	2.7
Total	100.0

Source: CAMEO UK 2019; Base 147 postcodes and 1,253 households

Economic activity and income

3.26　　Table 3.3 summarises the economic activity rates of residents in the town centre area, indicating that 62.1% were economically active compared with 68.2% across Kirklees. Around 10% are students which is similar to the Kirklees average. 8.4% are unemployed which is double the Kirklees rate.

Table 3.3　　　Economic activity

Location	% residents aged 16-64			
	Economically active	Economically inactive	Students	Unemployed
Dewsbury town centre	62.1	37.9	10.1	8.4
Kirklees	68.2	31.8	9.2	4.7
Yorkshire and the Humber	68.4	31.6	9.2	4.4

Source: 2011 census

3.27　　The range of household incomes in the town centre LSOAs (map 3.2) are shows in Figure 3.12 and compared with those for Kirklees and Yorkshire and the Humber. This is local data compiled by Transunion Cameo Market Segmentation which is available across the UK. Data clearly shows a skew towards lower income households in the town centre, with 82% of households having an income of less than £20,000 compared with 37.6% across Kirklees. This high proportion of low income households means that many would be unable to afford current or future lower quartile prices and rents especially if market renewal in the area results in higher prices and rents.

Figure 3.12   Household income distribution

	Dewsbury town centre households	Kirkleees households	Yorkshire and the Humber
■ Many Households With An Income Less Than £10k	27.8	5.7	5.8
■ Many Households With An Income Between £10 - £20k	54.2	31.9	34.6
■ Many Households With An Income Between £20 - £30k	14.0	23.7	24.2
■ Many Households With An Income Between £30 - £40k	4.1	19.5	17.9
■ Many Households With An Income Between £40 - £50k	0.0	12.6	10.6
■ Many Households With An Income Between £50 - £75k	0.0	6.3	6.4
■ Many Households With An Income Between £75 - £100k	0.0	0.2	0.5
■ Many Households With An Income Over £100k	0.0	0.0	0.1

Source: CAMEO UK 2019

Indices of multiple deprivation

3.28   The 2019 MHCLG Indices of Multiple Deprivation provide a set of relative deprivation measures for LSOAs. Each LSOA is ranked out of a total of 32,844 and are based on seven 'domains of deprivation": income; employment; education, skills and training; health deprivation and disability; crime; barriers to housing and services; and living environment deprivation.

3.29   For Dewsbury town centre, the average rank of constituent LSOAs is shown along with the average decile (1 represents the most deprived 10% of LSOAs in England, 2 represents the next 10-19%, 3 the next 20-29% etc). Analysis would suggest that overall town centre ranks in the most deprived 20-29% of LSOAs nationally and particular challenges are crime and education, skills and training. Note that for health and disability measures the town centre ranks low in terms of deprivation, which partly reflects the youthful age profile of the area.

Table 3.4   Indices of multiple deprivation for Dewsbury town centre 2019

Index of deprivation domain	Average rank of town centre LSOAs	Average decile of town centre LSOAs
Income	6,766	2.4
Employment	9,156	3.4
Education, skills and training	5,088	2
Health and disability	19,925	6.8
Crime	4,691	1
Barriers to housing and services	13,982	4.8
Living environment	4,189	1.8
Overall IMD	5,574	2.2

Source: MHCLG

4. Prices, affordability and market review

Dwelling sales 2017-2019

4.1 Over the 3-years 2017-2019, the Land Registry reported 77 registered sales in Dewsbury town centre LSOAs (map 3.2). Table 4.1 summarises the volume of sales by dwelling type and price over this period. Data are also compared with sales across Kirklees. Overall, town centre lower quartile prices were around 60% of the Kirklees average and median prices were 48% of the Kirklees average.

Table 4.1 Dwelling sales in Dewsbury town centre and Kirklees by type 2017-2019

Dewsbury town centre	Detached	Semi-detached	Terraced	Flat	All sales
LQ price	£90,000	£63,000	£69,500	£47,000	£60,150
Median price	£96,000	£71,000	£87,500	£65,000	£70,000
Number of sales	3	5	30	39	77
Kirklees	Detached	Semi-detached	Terraced	Flat	All sales
LQ price	£212,000	£120,000	£83,000	£65,000	£100,000
Median price	£270,000	£150,000	£111,000	£88,500	£145,000
Number of sales	4,746	6,252	7,741	1,308	20,047

Source: Land Registry

Private rentals 2017-2019

4.2 Detailed information on private rental data is available from Zoopla. Table 4.2 summarises for the town centre LSOAs map 3.2 the number of rentals coming to market and price by number of bedrooms and dwelling type. Rentals of one-bedroom flats accounts for 59.9% of private rentals followed by 24.3% (two or more-bedroom flats), 4.1% studio flats, 5.8% one- and two-bedroom houses and 5.8% three or more-bedroom houses.

4.3 Lower quartile prices range between £303 and £498 for houses and £325 to £425 for flats. Across all types and sizes of dwelling, lower quartile prices were £351 and median prices were 13% higher at £397.

Table 4.2   Private rents in the town centre area

Dwelling type	Number of bedrooms	Rent (£ per calendar month)		Number of rentals
		Lower quartile	Median	
House	0			0
	1	£303	£360	11
	2	£451	£451	10
	3	£498	£550	19
	4 or more	£442	£442	2
Flat	0	£325	£351	15
	1	£351	£377	217
	2	£399	£451	87
	3	£425	£425	1
	4+			0
All rentals		£351	£397	
Base (all rentals)				362

Source: Zoopla

Private rental yield 2017-19

4.4   Table 4.3 summarises the gross yield on residential rentals based on the relationship between dwelling price and rents. It shows the annual rent as a percentage of purchase price by number of bedrooms. Overall, a gross yield of around 7% if achieved on lower quartile priced properties and 6% on median priced properties. Yields on 1-bedroom flats which is dominant rental stock are 9.2% (lower quartile price) and 7.5% (median price).

Table 4.3   Gross rental yields by number of bedrooms

Number of bedrooms	Gross yield on LQ price	Gross yield on median price
0	19.5	12.0
1	9.2	7.5
2	7.9	7.2
3	6.6	6.9
4 or more	2.5	1.4
All	7.0	6.8

Source: Zoopla and Land Registry 2019

Relative affordability of housing tenure options and defining genuinely affordable housing

4.5   The relative cost of alternative housing options in Dewsbury town centre is considered from two perspectives. Firstly, analysis considers prevailing prices across a range of market and affordable tenures and the household income required to afford this housing. Secondly, analysis considers what is <u>genuinely affordable</u> to households based on local incomes and assumptions around the proportion of income that should be spent on renting and the multiples of income for buying. The analysis of what is genuinely affordable also considers the incomes of selected key workers and those on minimum and living wages.

4.6   Assumptions around the costs of alternative tenures is presented in Table 4.4. Table 4.5 then considers the actual costs of the tenures in the Dewsbury town centre market and if they are affordable to households on lower quartile and median incomes (excluding any allowance for housing benefit/Universal Credit).

Table 4.4	Summary of tenure (including affordable options), price assumptions and data sources	
Tenure	**Tenure price assumptions**	**Data Source**
Social rent	2019 prices	Regulator of Social Housing Statistical Data Return 2019
Affordable Rent	2019 prices	Regulator of Social Housing Statistical Data Return 2019
Market Rent – lower quartile	2017-2019 prices	Zoopla 2019
Market Rent – median	2017-2019 prices	Zoopla 2019
Market Sale – lower quartile	2017-2019 prices	Land Registry Price Paid
Market Sale – median	2019 prices	Land Registry Price Paid
Shared ownership (50%)	Total price based on median price and 50% ownership. Mortgage based on 40%. 10% deposit on full price required; annual service charge £395, Annual rent based on 2.75% of remaining equity	Assumptions applied to Land Registry Price Paid data
Shared ownership (25%)	Total price based on median price and 25% ownership. Mortgage based on 20, 5% deposit required on full price, annual service charge £395. Annual rent based on 2.75% of remaining equity	Assumptions applied to Land Registry Price Paid data
Help to buy	Total price based on median price. Mortgage based on 75% equity. 20% loan and deposit of 5% on equity amount. Loan fee of 1.75% in year 6 of outstanding equity loan increasing annually from yr7 at RPI+1%	Assumptions applied to Land Registry Price Paid data
Discounted home ownership (30%)	70% of Median Price (note this is comparable to the proposed FirstHome tenure options)	Assumptions applied to Land Registry Price Paid data

4.7   In table 4.5, Analysis indicates that, despite the relatively low price of renting and buying, prices in the town centre area remain relatively unaffordable to households due to low average lower quartile and median incomes Some intermediate tenure options would be affordable to households on median incomes.

Table 4.5 Summary of tenure options, income required and affordability				
	Cost	Household income required	Lower quartile income* (£5,000 p.a.)	Median income* (£15,000 p.a.)
Social Rent (average monthly)	£385	£18,468		
Affordable Rent (monthly)	£406	£19,500		
Market rent - lower quartile	£351	£16,848		
Market rent - median	£397	£19,056		
Market sale - lower quartile	£60,150	£15,467		
Market sale - median	£70,000	£18,000		
Shared ownership (50%)	£35,000	£13,430		
Shared ownership (25%)	£17,500	£11,355		
Help to buy	£70,000	£14,250		
Discounted home ownership (30%)	£49,000	£13,300		

Source: Land Register, Zoopla, Cameo. (* without housing benefit/universal credit)

Key:

Affordable
Not affordable

4.8   The extent to which open market sales are affordable to selected keyworkers and those on minimum and living wages are explored in Table 4.6.

4.9   The selected key workers would require a minimum 3.5x income multiple to buy a dwelling at the average lower quartile price point prevailing in the town centre (table 4.1). With the exception of minimum wage single earners, all households on minimum and living wage could potentially afford a lower quartile priced dwelling at this price point. We say potentially because the household would have to fund a deposit and be assessed by a lender as credit worthy.

4.10   Median priced sales are affordable to most of the key workers at a 3.5x income multiple. For early career grade nurses, a 4x income multiple would be required. For households with more than one earner on a minimum/living wage, median prices are affordable at a 3.5x multiple but for single earners a higher multiple would be required.

4.11   Overall, the town centre market is affordable to key workers and to dual income minimum/living wage households.

4.12   The extent to which open market rents are affordable to selected keyworkers and those on minimum and living wages are explored in Table 4.7.

4.13   Lower quartile rents are affordable to all of the selected keyworkers and all those on minimum/living wages except for single households on the minimum wage. The affordability test was based on a household having to spend no more than 25% of income on rent.

4.14   Median rents were affordable to most households with the exception of nurses and single minimum/living wage earners.

4.15   This information is partly hypothetical as our analysis shows that only a low proportion of residents of the town centre are likely to be key worker households or professionals with similar earning capacity. If we use the recent Machell Mill conversion as an example, we find that as at November 2020 the asking prices are around £450 pcm rent and £65,000 purchase price. This is good a quality recent mill conversion that is clearly affordable to many of the household groups listed in table 4.6 but not current town centre residents on lower quartile or median incomes table 4.5.

Table 4.6   Affordability of benchmark house prices for selected key workers and households on minimum/living wages

Lower Quartile Prices

Benchmark occupation and household configurations	Gross Household Income 2019 (£)	Income multiplier				LQ price 2019
		3.5x	4x	4.5x	5x	
Police officer	£23,124	£80,934	£92,496	£104,058	£115,620	£60,150
Nurse	£17,652	£61,782	£70,608	£79,434	£88,260	£60,150
Fire officer	£23,862	£83,517	£95,448	£107,379	£119,310	£60,150
Teacher	£23,720	£83,020	£94,880	£106,740	£118,600	£60,150
Minimum wage (single working adult)	£16,010	£56,033	£64,038	£72,043	£80,048	£60,150
Minimum wage (1 full time, 1 part-time)	£24,014	£84,050	£96,057	£108,064	£120,071	£60,150
Minimum wage (two working adults)	£32,019	£112,067	£128,076	£144,086	£160,095	£60,150
Living wage (single working adult)	£17,550	£61,425	£70,200	£78,975	£87,750	£60,150
Living wage (1 full time, 1 part-time)	£26,325	£92,138	£105,300	£118,463	£131,625	£60,150
Living wage (two working adults)	£35,100	£122,850	£140,400	£157,950	£175,500	£60,150

Median prices

Benchmark occupation and household configurations	Gross Household Income 2019 (£)	Income multiplier				Median price 2019
		3.5x	4x	4.5x	5x	
Police officer	£23,124	£80,934	£92,496	£104,058	£115,620	£70,000
Nurse	£17,652	£61,782	£70,608	£79,434	£88,260	£70,000
Fire officer	£23,862	£83,517	£95,448	£107,379	£119,310	£70,000
Teacher	£23,720	£83,020	£94,880	£106,740	£118,600	£70,000
Minimum wage (single working adult)	£16,010	£56,033	£64,038	£72,043	£80,048	£70,000
Minimum wage (1 full time, 1 part-time)	£24,014	£84,050	£96,057	£108,064	£120,071	£70,000
Minimum wage (two working adults)	£32,019	£112,067	£128,076	£144,086	£160,095	£70,000
Living wage (single working adult)	£17,550	£61,425	£70,200	£78,975	£87,750	£70,000
Living wage (1 full time, 1 part-time)	£26,325	£92,138	£105,300	£118,463	£131,625	£70,000
Living wage (two working adults)	£35,100	£122,850	£140,400	£157,950	£175,500	£70,000

Table 4.7   Affordability of benchmark rentals for selected key workers and households on minimum/living wages

Lower Quartile Rents

Benchmark occupation and household configurations	Gross Household Income 2019 (£)	Percentage of income spent on rent			LQ Rent and Income	
		25% of income	30% of income	35% of income	Average LQ rent 2017-19 PCM	Household income PCM
Police officer	£23,124	£482	£578	£674	£351	£1,927
Nurse	£17,652	£368	£441	£515	£351	£1,471
Fire officer	£23,862	£497	£597	£696	£351	£1,989
Teacher	£23,720	£494	£593	£692	£351	£1,977
Minimum wage (single working adult)	£16,010	£334	£400	£467	£351	£1,334
Minimum wage (1 full time, 1 part-time)	£24,014	£500	£600	£700	£351	£2,001
Minimum wage (two working adults)	£32,019	£667	£800	£934	£351	£2,668
Living wage (single working adult)	£17,550	£366	£439	£512	£351	£1,463
Living wage (1 full time, 1 part-time)	£26,325	£548	£658	£768	£351	£2,194
Living wage (two working adults)	£35,100	£731	£878	£1,024	£351	£2,925

Median Rents

Benchmark occupation and household configurations	Gross Household Income 2019 (£)	Percentage of income spent on rent			Median Rent and Income	
		25% of income	30% of income	35% of income	Average Median rent 2017-19	Household income 2019 PCM
Police officer	£23,124	£482	£578	£674	£397	£1,927
Nurse	£17,652	£368	£441	£515	£397	£1,471
Fire officer	£23,862	£497	£597	£696	£397	£1,989
Teacher	£23,720	£494	£593	£692	£397	£1,977
Minimum wage (single working adult)	£16,010	£334	£400	£467	£397	£1,334
Minimum wage (1 full time, 1 part-time)	£24,014	£500	£600	£700	£397	£2,001
Minimum wage (two working adults)	£32,019	£667	£800	£934	£397	£2,668
Living wage (single working adult)	£17,550	£366	£439	£512	£397	£1,463
Living wage (1 full time, 1 part-time)	£26,325	£548	£658	£768	£397	£2,194
Living wage (two working adults)	£35,100	£731	£878	£1,024	£397	£2,925

Claimant count and welfare benefits

4.16　　The following information has been obtained regarding the Town Centre LSOA E01011130 from the Kirklees Observatory.

4.17　　It shows that the proportion of households claiming most benefits listed in in the overview profile is double that of Kirklees as a whole. For example, the number of Universal Credit claimants was 482 being 32% of the population compared to 14.6% for Kirklees and 13.7% for England. Further this appears to me a rising trend according to the following figure which is a screenshot from the Observatory's on-line database.
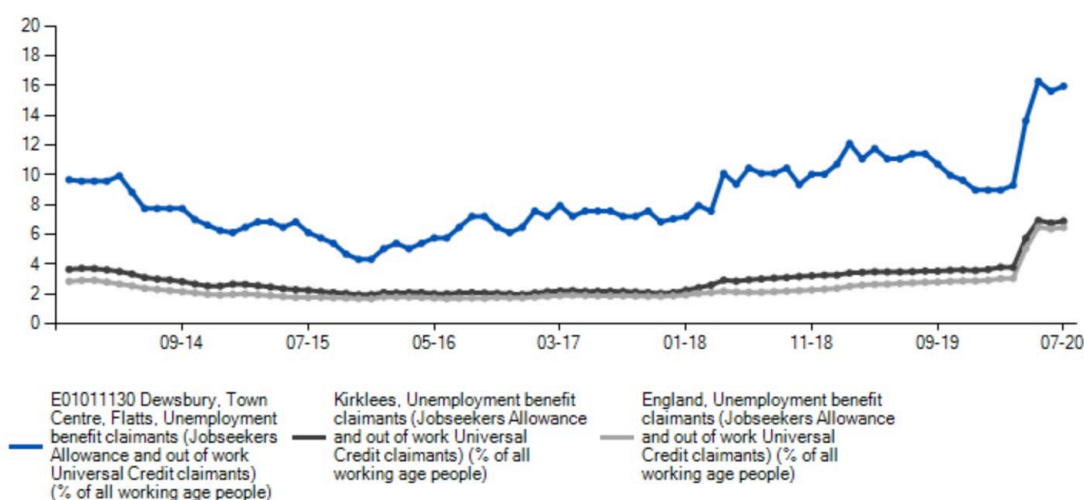
Source: Nomis. Percentages shown are a % of people aged 16 to 64.

Affordable housing need

4.18　　The 2016 SHMA identified an overall shortfall of 69 affordable dwellings across the Dewsbury and Mirfield area. This analysis did not drill down to the needs of households in the town centre area.

4.19　　Up to date information from the housing register has been provided by the council. Table 4.8 is based on the households on the register living in the postcode sectors of the town centre area (WF12 8, WF13 1 and WF13 2).

4.20　　The register contains 560 households seeking housing currently registered within the above postcode areas. This is not necessarily the number of households seeking town centre housing or where their needs might best be met. Over half of households on the register are Band D (general needs) and in terms of specific needs, most frequently mentioned are overcrowding (8.8%), housing debt (8.6%), low medical need (3.9%) and to give/receive support (3.8%).

4.21   Based on minimum bedroom entitlement, the profile of affordable need by number of bedrooms is 54.1% 1-bedroom, 24.6% 2-bedroom, 19.1% 3-bedroom and 2.2% 4 or more-bedroom.

4.22   The housing register data did not include income information to determine an appropriate tenure split. However, the 2016 SHMA recommended for the Dewsbury and Mirfield area a split of 55% affordable/social rented and 45% intermediate (affordable home ownership).

4.23   We have been unable to use data supplied by the council from its choice based social letting database which provides a measure of demand for particular dwelling types in the vicinity of the town centre. This is because our understanding of the Daisy Hill regeneration cited in section 5 below, envisages that the additional supply would be privately owned and rented flats in existing buildings, un-affordable to low income households. The council seeks to tackle market failure and improve the built environment to foster longer term conditions for growth and tackling inequalities.

Table 4.8   **Housing Register data for Dewsbury town centre postcode sectors**

Priority band and reason for housing need	Minimum bedroom entitlement					Total	Band/Reason %
	1	**2**	**3**	**4**	**6**		
Band A - Care Leaver	1	0	0	0	0	1	0.2
Band A - Homeless/high medical needs	0	1	0	0	0	1	0.2
Band A - Under - occupying two of more bedrooms	2	0	0	0	0	2	0.4
Band B - For the relief of homelessness here the household is eligible for or accommodated in temporary accommodation	2	0	0	0	0	2	0.4
Band B - high medical needs	4	2	4	2	0	12	2.1
Band B - hostel or supported housing residents	1	0	0	0	0	1	0.2
Band B - move for essential care and support	1	1	0	0	0	2	0.4
Band C - for the prevention of homelessness	3	5	4	0	0	12	2.1
Band C - For the relief of homelessness where there is not a duty to provide temporary accommodation	3	0	0	0	0	3	0.5
Band C - give or receive support	15	4	2	0	0	21	3.8
Band C - low medical need	13	4	4	0	1	22	3.9
Band C - overcrowded	3	12	20	0	0	35	6.3
Band C - overcrowded licensees	3	7	4	0	0	14	2.5
Band C - permanent decants	1	0	0	0	0	1	0.2
Band C - under occupying	9	1	0	0	0	10	1.8
Band D - general needs	165	79	52	6	0	302	53.9
Band E - home owner	7	6	4	2	0	19	3.4
Band E - housing debt current tenant	4	2	3	0	0	9	1.6
Band E - housing debt former tenant	25	10	4	0	0	39	7.0
Band E - no local connection to Kirklees	37	3	5	1	0	46	8.2
Reason not specified	4	1	1	0	0	6	1.1
Total number	303	138	107	11	1	560	100.0
Proportion of bedroom requirement (%)	54.1	24.6	19.1	2.0	0.2		

Source: Kirklees Council housing register

# 5. Strategic Planning and Development Opportunities

Introduction

5.1   In its section on retailing and town centres, the Local Plan (2019) identifies Dewsbury as one of two principal town centres. Specific policies to be used in the determination of planning applications relate to:

- town centre uses;

- shopping frontages;

- residential use in town centres; and

- food and drink uses and the evening economy.

5.2   According the Local Plan Policy LP13 the role and function of a principal town centre is:

- provide for the shopping needs (particularly for non-food goods) of residents across Kirklees; and

- the main focus in Kirklees for the provision of financial and professional services; offices, entertainment; sport, leisure, arts, culture and tourism facilities; further and higher education; and health services.

5.3   Regarding residential use in town centres the plan describes a framework to support residential uses within centres as part of the diversification of the centres, ensuring sufficient protection is in place to provide space for main town centre uses, providing a set of criteria to consider planning applications against.

5.4   This section considers relevant aspects of the Dewsbury Town Centre Strategic Development framework, the Daisy Hill Development Framework and the Local Plan site allocations.

5.5   The town centre, the Daisy Hill area and the 3 nearest sites allocated in the Local Plan were visited as part of the investigation needed for this LHMA.

The Dewsbury Town Centre Strategic Development framework 2018

5.6   This document sets out a 25-year vision for the town centre, supported by a delivery programme that includes projects and actions over the next 5 years. It builds upon the Strategic Development Framework produced in 2010. The development framework 2018 became necessary due to the impact of ecommerce in heightening retail competition and increasing vacancy levels.

5.7   The document links the framework to the North Kirklees Growth Zone specifically as a focus for housing growth, a strategic employment location, a key transport node and as a key service centre to its wider catchment.

5.8   It adopts a zoned approach as depicted in the following map, map 5.1:

Map 5.1   Dewsbury Strategic Development Framework zones
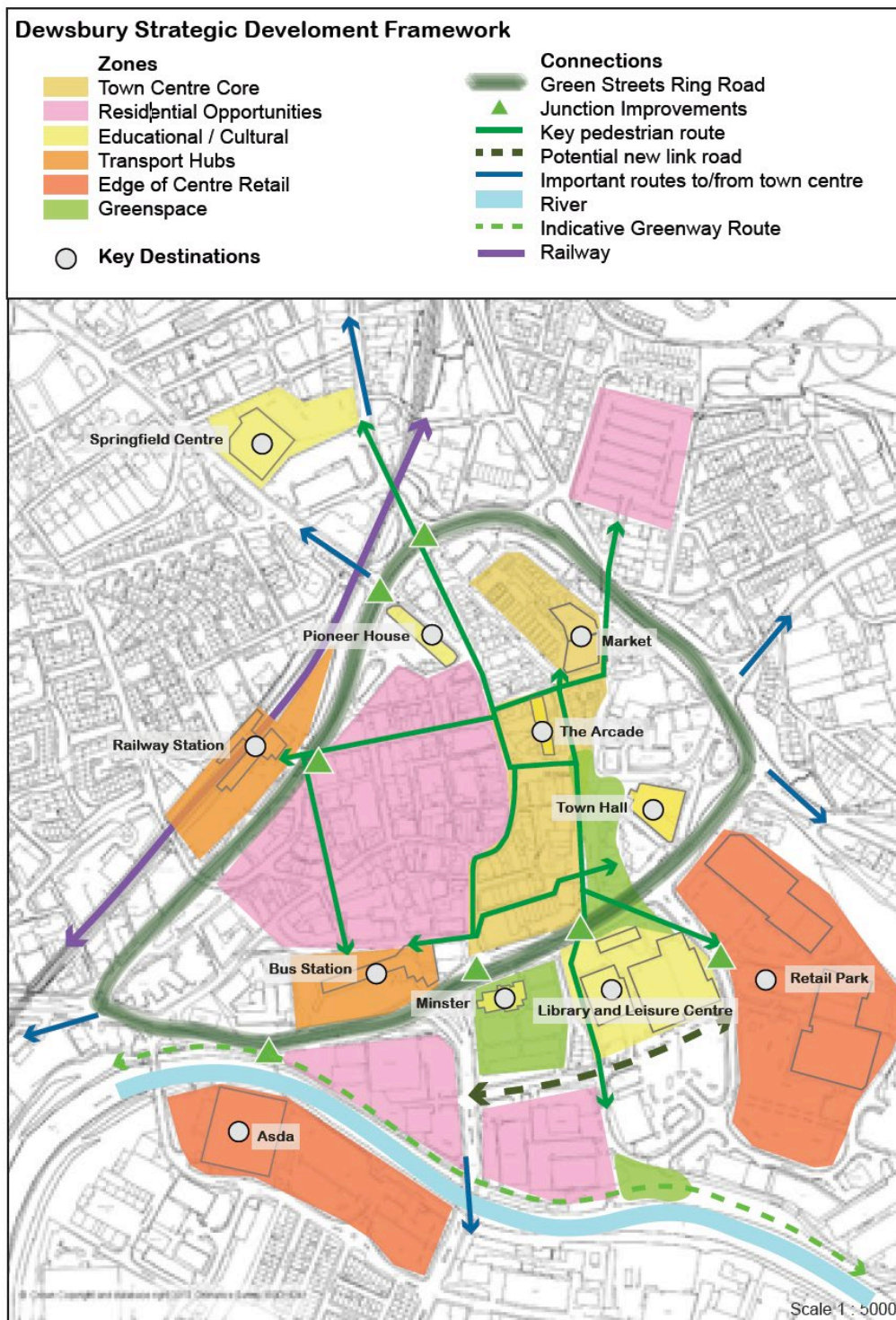
Source: Dewsbury Strategic Development Framework 2018

5.9   The framework has 3 aims. The first aim *'increasing activity'* includes *'get more people living in the town centre – the living town initiative, particularly those with higher disposable incomes'*. Other aims *'making the town centre more attractive'* and

'Improving accessibility' would address barriers to getting more people to live in the town centre.

The framework has an action plan, the most relevant aspects of which are:

- 1.1 bringing vacant buildings back into use; and

- 1.2 developing the Daisy Hill Bond Street as a residential neighbourhood.

The Daisy Hill Development Framework

5.10   The larger of the 3 residential areas is the area known as Daisy Hill which has been the subject of a development framework. The Daisy Hill area corresponds with the Heritage Action Zone area, where the Council and Historic England are working in partnership to support the re-use and refurbishment of historic buildings, primarily for residential.

5.11   This framework document is unpublished. It was competed in 2018. Its value to this report is that it undertakes and in-depth examination of the opportunity potential of this area from a number of perspectives and provides information on the housing commercial and retail sectors. It takes into account the Heritage Action Zone and the significant architectural legacy of the area. The aim is to set out a 20-year vision for how the area become a new residential neighbourhood.

5.12   The authors of the framework state that it promotes 'the living town concept' for Daisy Hill. The following map within the document defines the area and its location.

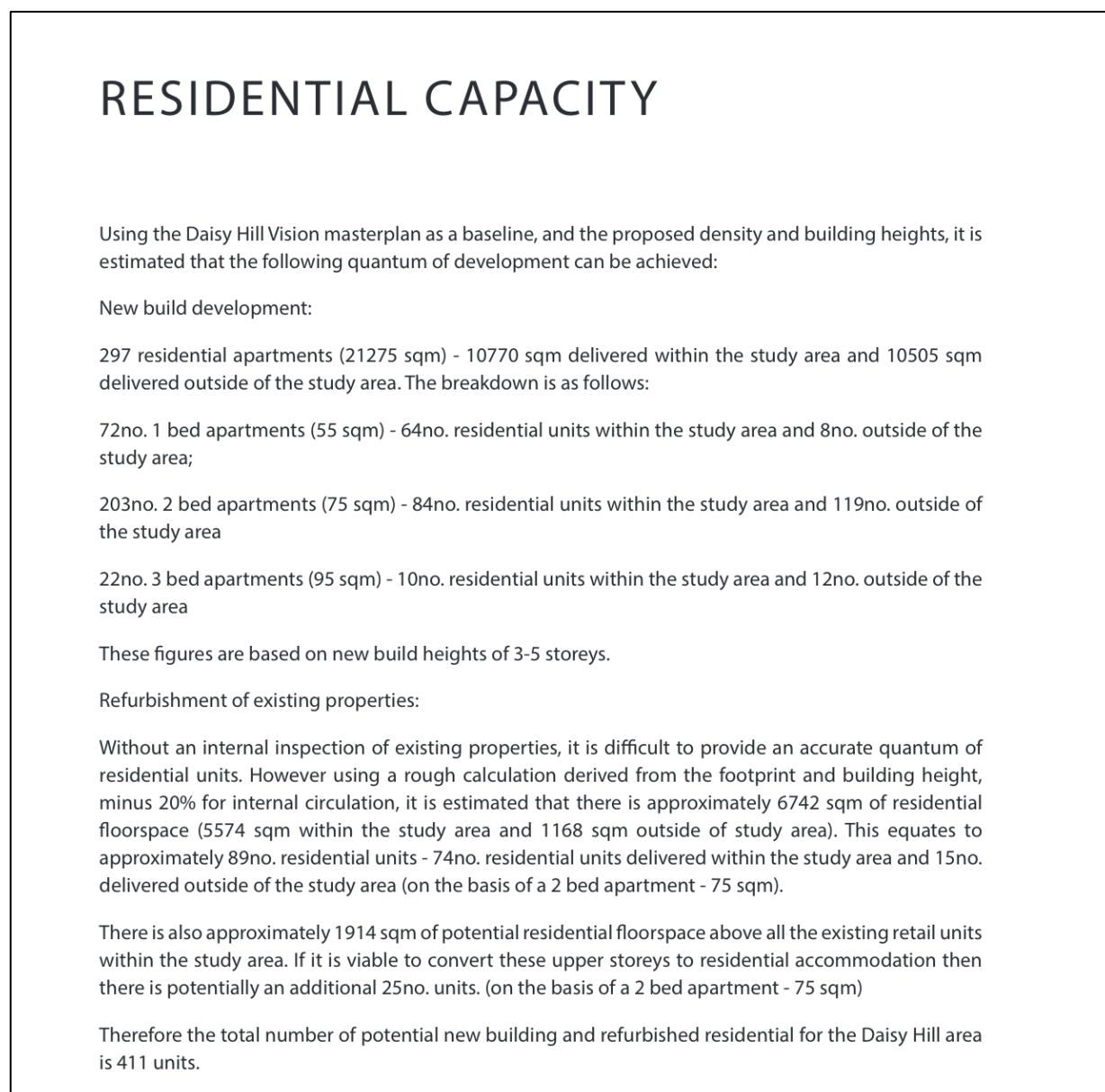**Map 5.2   The Daisy Hill area**
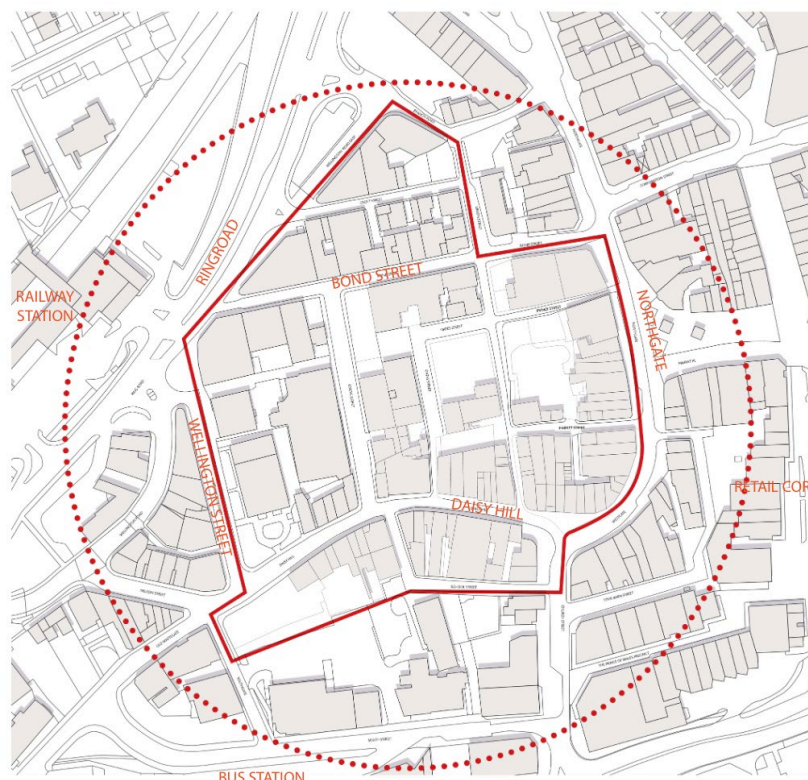
Source: The Daisy Hill Development Framework 2018 (unpublished)

5.13   The following abstract from the framework is key to the LNHA. It estimates that there is capacity for 411 unts of accommodation:

- 72 1-bedroom apartments;

- 203 2-bedroom apartments;

- 22 3-bedroom apartments; and

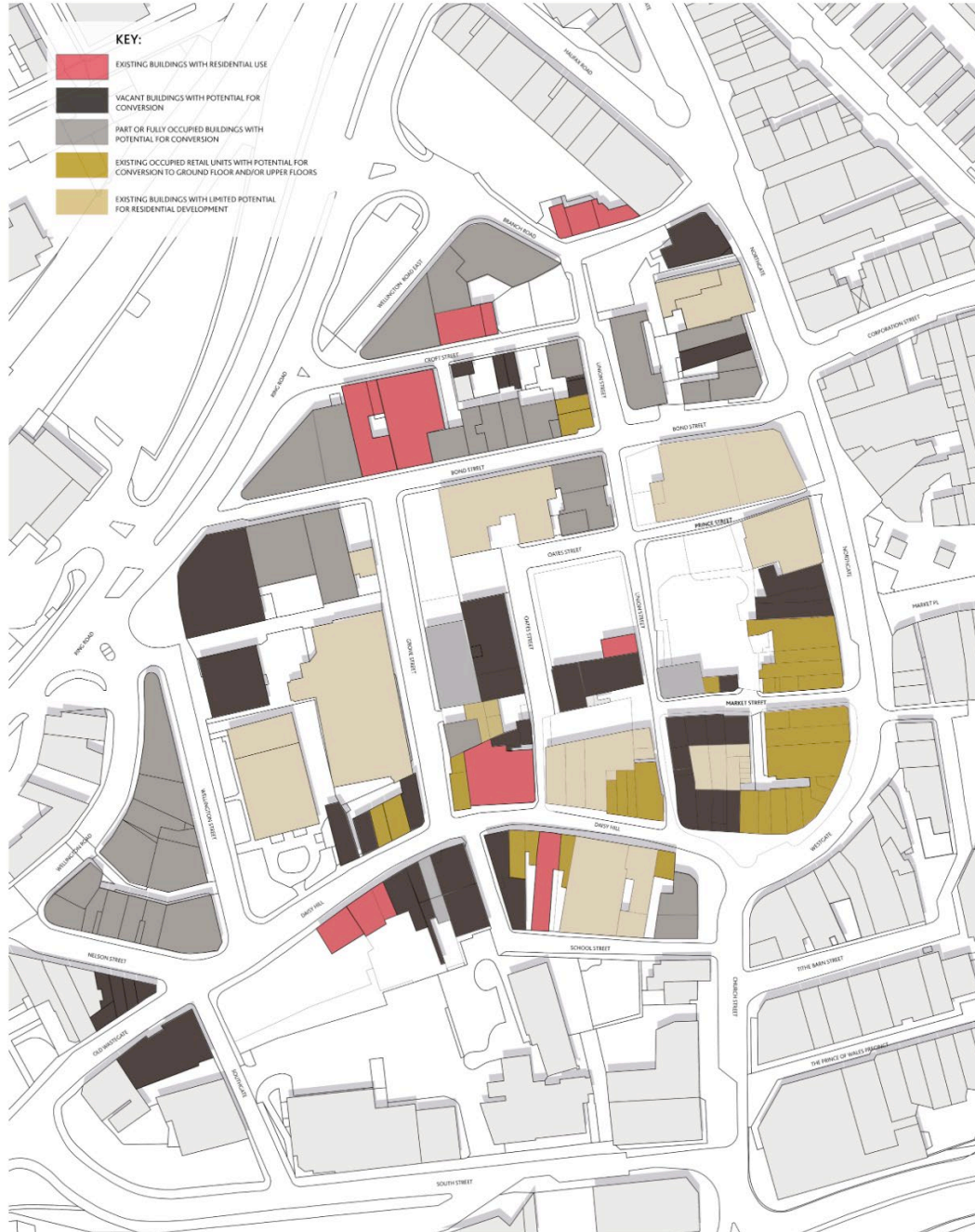- unspecified units from refurbishment and space above shops.

Figure 5.1   Estimate of Daisy Hill residential capacity

RESIDENTIAL CAPACITY

Using the Daisy Hill Vision masterplan as a baseline, and the proposed density and building heights, it is estimated that the following quantum of development can be achieved:

New build development:

297 residential apartments (21275 sqm) - 10770 sqm delivered within the study area and 10505 sqm delivered outside of the study area. The breakdown is as follows:

72no. 1 bed apartments (55 sqm) - 64no. residential units within the study area and 8no. outside of the study area;

203no. 2 bed apartments (75 sqm) - 84no. residential units within the study area and 119no. outside of the study area

22no. 3 bed apartments (95 sqm) - 10no. residential units within the study area and 12no. outside of the study area

These figures are based on new build heights of 3-5 storeys.

Refurbishment of existing properties:

Without an internal inspection of existing properties, it is difficult to provide an accurate quantum of residential units. However using a rough calculation derived from the footprint and building height, minus 20% for internal circulation, it is estimated that there is approximately 6742 sqm of residential floorspace (5574 sqm within the study area and 1168 sqm outside of study area). This equates to approximately 89no. residential units - 74no. residential units delivered within the study area and 15no. delivered outside of the study area (on the basis of a 2 bed apartment - 75 sqm).

There is also approximately 1914 sqm of potential residential floorspace above all the existing retail units within the study area. If it is viable to convert these upper storeys to residential accommodation then there is potentially an additional 25no. units. (on the basis of a 2 bed apartment - 75 sqm)

Therefore the total number of potential new building and refurbished residential for the Daisy Hill area is 411 units.

Source: Screenshot from The Daisy Hill Development Framework 2018 (unpublished)

5.14   The following map included in the framework depicts both vacant and part occupied buildings suitable for conversion.

Map 5.3   Daisy Hill framework vacant and part occupied building suitable for conversion


Source: Screenshot from The Daisy Hill Development Framework 2018 (unpublished)

Kirklees Local Plan Allocations and Designations

5.15   This was adopted 27th February 2019. Map 5.3 depicts the allocated sites within an approximate 3km of the town centre. The key is:

- Orange: housing allocation;
- Red: mixed use allocation;
- Green: open space; and
- Green hatch: green belt.

Map 5.2   Kirklees local plan allocations near Dewsbury town centre
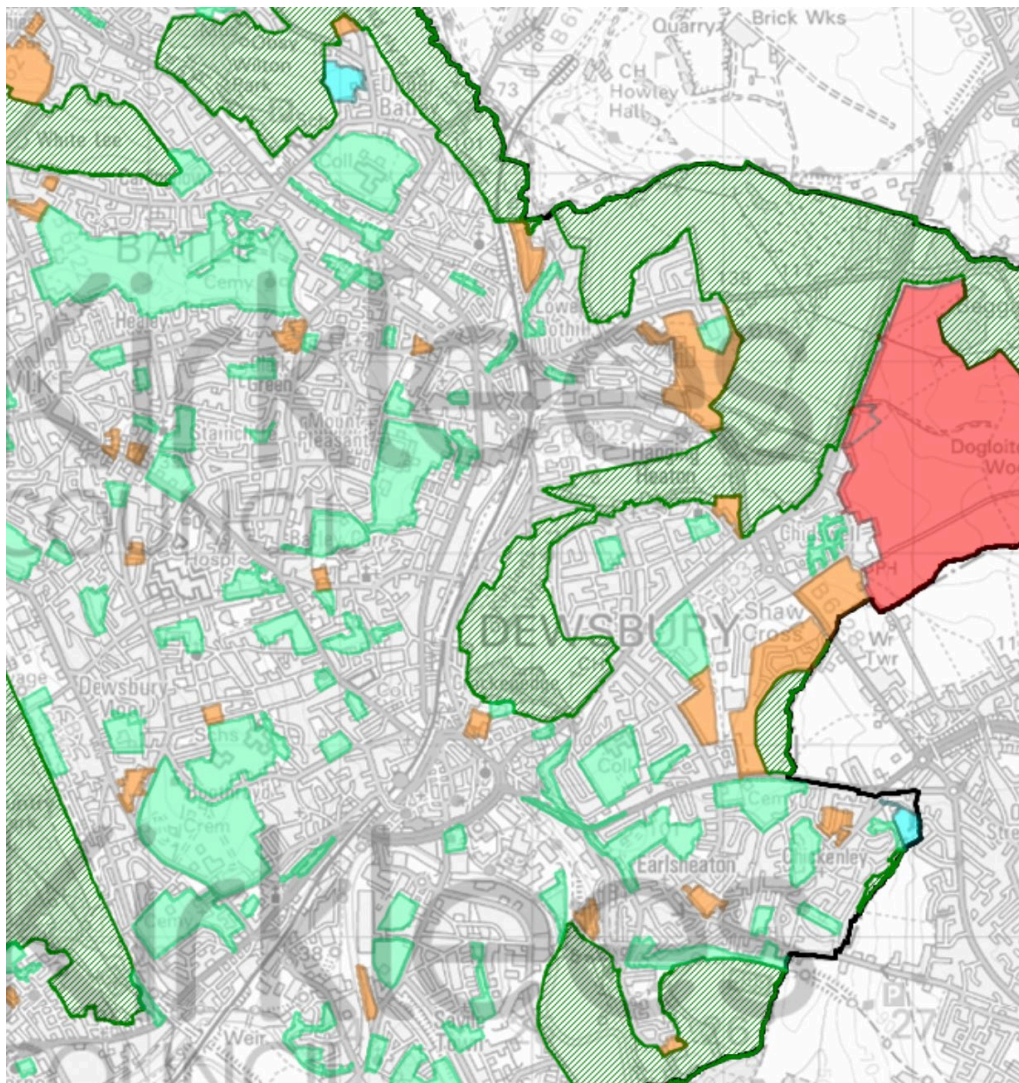
Source: Kirklees Council

5.16   Site HS49 is depicted on the above map in orange to the north of the inner ring road. The nearest landmark depicted on the map is the church. It is more clearly depicted as the northern most site in map 5.1, north of the market. According to the local plan there is an indicative capacity for 43 dwellings.

6.   Key findings and conclusions

Findings

6.1   The characteristics of Dewsbury town centre's housing stock differs from Kirklees metropolitan district as a whole. It has:

- much higher proportions of dwellings that are assessed as council tax band 'A', are flats and 1-bedroom homes; and

- much higher proportions of rented housing especially social rented housing.

6.2   The characteristics of Dewsbury town centre's household population differs from Kirklees metropolitan district as a whole:

- 60.2% of residents are aged under 40 compared with 50% across Kirklees;

- the proportion aged 60 years and over is lower at 15.1% compared with 22.1% across Kirklees; and

- the largest group is single people households under 65, whereas across Kirklees the largest group is families with children.

6.3   Other characteristics of Dewsbury's town centre residents are:

- the largest social groups are 'retirees in less affluent areas' and 'communal establishments in mixed neighbourhoods' and 'poorer terraced communities'; and

- Dewsbury town centre has higher proportions of people who are economically inactive and people who are unemployed than across Kirklees and England as a whole.

6.4   Regarding house prices and affordability, the town centre has average prices and rent levels that are lower than the Kirklees average. However average incomes are also low. The majority of houses for sale and rent are not affordable to the majority of households. However, housing would be affordable to a number of key worker groups and low-income households with more than one income.

6.5   Because many town centre residents are unable to afford market housing whether owned or rented, there are a significant number of households registered for affordable housing according to the council's housing register.

6.6   Kirklees council has an ambition to create a new housing market in the town centre and is considering consumer driven options. A report by Avison Young commissioned by the council has identified factors that have led to the current low value housing market incapable of generating sufficient house prices or rentals to enable the market to deliver housing attractive to its target audience. The report concludes that public funding would be needed to develop appropriate housing but cautions that the location of Dewsbury in the Leeds City Region means there is competition with other towns and cities within the city region especially Leeds.

6.7   A further unpublished report commissioned by the council estimates that the capacity exists in the Daisy Hill area to create an additional 411 units of accommodation that would double the household population in the town centre area.

Conclusions and ways forward

6.8   The data and reports cited above, together with our walkabout, reveal that the town centre has enormous potential given its scale, the quality of many of its buildings, its transport hubs and amenities and venues such as its market and town hall venue.

6.9   Significant investment is needed to deliver the vision for the town centre in general and the housing led regeneration of Daisy Hill. The evidence suggests that the current population of those living in the town centre or its immediate surroundings mostly could not afford to live in the new accommodation without benefit support. There is a mismatch between the socio demographic groups identified by the Avison Young report as likely to form the market for the additional housing provided, and the profile of current residents from both Cameo profiling and other profiling cited in this report.

6.10   Overall, the evidence suggests that the town centre residential community and the housing market is highly imbalanced. The market operates on the basis of low cost housing in line with what the resident population can afford. The aim of the regeneration is to attract more skilled and higher earning people, who would largely be incomers. This would give confidence to investors on the basis that higher values and returns would be achieved and sustained.

6.11   There is a risk that a successful regeneration of the area in the longer term will result in a community that is equally imbalanced because the lower income households will be displaced. Figure 3.9 shows how housing tenure is imbalanced compared to the comparator geographies. A better balance between the proportion of home ownership and rented housing and a strengthening of prices would indicate that market renewal strategies were working. We would urge that management of the social rented housing should strive to be of the highest quality in order to provide competition for the segment of the private rented sector that houses benefit claimants.

6.12   An aim of achieving a balanced community in the town centre area might be considered alongside aims for housing market renewal and town centre regeneration. This might safeguard low income workers such as those working in the town centre retail and hospitality trades who may wish to live near their place of work. Other land and property imbalances might also be considered, particularly between retail and residential as the local and national economy moves 'online'. The Daisy Hill area may benefit from an improved balance between buildings and open space in line with other successful town and city centres.

6.13   Whilst recognising that opportunities need to be secured for higher income earners, early steps to fix the market and 'place' need to be undertaken to pave the way for longer term benefits in the future. On the basis of our reading of all of the literature cited above, our walkabout and our wider experience the early steps would be:

- speedy interventions if vacant buildings are found to be in disrepair;

- all agencies working together to manage the street scene, community safety, the impact of disrepair and vacant buildings in the meantime;

- protect the architectural heritage; and

- drive up standards in the private rented sector.

6.14 A Town Centre team has been appointed by Kirklees council tasked with building upon the information contained in this and other reports and the strategic development framework in order to deliver the vison for the town centre of Dewsbury and Daisy Hill in particular. The council has many powers at its disposal to support the transformation led by the team. We have already quoted the Council's planning powers and relevant polices. In addition to these it is likely that powers in respect of vacant buildings and buildings in poor repair will be relevant including compulsory purchase, if necessary, as part of a comprehensive renewal strategy for the area. In our experience the key components of the strategy will be:

- consultation with investors stakeholders and residents throughout the detailed design and implementation phases;

- address any information gaps that need to be filled in order to proceed with formal area based action such as a detailed appraisal of stock condition;

- building the capacity and skills to negotiate with consultants, lessees, landowners existing and potential investors; and

- marketing the town centre housing to a bridging group of households that might be attracted from other parts of Dewsbury and Leeds city centre, to take advantage of the high quality housing at very competitive prices in buildings such as Machell Mill.