

Kirklees Local Plan Submission Documents SD18

Strategic Housing Market Assessment – October 2016



Kirklees
Strategic Housing Market Assessment
2016

Kirklees Council

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Executive Summary

Introduction

The 2016 Kirklees Strategic Housing Market Assessment (SHMA) provides the latest available evidence to help to shape the future planning and housing policies of the area. This SHMA supersedes the 2015 SHMA to meet latest legislative requirements and to update demographic and employment growth information to inform the assessment of housing need. The study will help inform the production of the Council's Local Plan and Housing Strategy. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the area. In particular, the SHMA considers the Housing Market Area of Kirklees, and the Objectively Assessed Housing Need.

The 2016 SHMA has comprised:

- A sample survey of households across the Kirklees Council area. A total of 19,063 households were contacted and 3,165 questionnaires were returned and used in data analysis. This represents an 16.6% response rate overall and the total number of questionnaires returned was well in excess of the 1,500 specified in former Government guidance;
- An online questionnaire survey of key stakeholders including Local Authority Planning, Housing and Economic Regeneration Officers; Commissioning Managers; Housing Associations, Registered Social Landlords and ALMOs; Supporting People representatives; and Developers.
- Interviews with Estate and Lettings Agents;
- A review of relevant secondary data including the 2011 Census, house price trends, CORE lettings data and CLG Statistics; and
- The preparation of household and dwelling forecasts for the District.

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

Housing market context

House prices

Median prices in Kirklees have been consistently lower than the median prices for Yorkshire and the Humber and England. Overall, prices have increased from £53,000 in 2000 to £130,000 in 2015, an increase of 145.3%. Prices peaked at £132,000 in 2007 but then fell slightly. Prices have been stable at around £125,000-130,000 since 2009.

During 2015, median prices across Kirklees were £130,000 and lower quartile prices were £94,000.

Dwelling stock

Across Kirklees there are a total of 182,559 dwellings and a total of 176,628 occupied dwellings¹. Overall, the 2015 Household Survey shows that:

- 76.9% of properties are houses, 13.1% are flats/apartments and maisonettes, 9.2% are bungalows, and 0.8% are other types of property including park homes/caravans;
- 13.7% have one bedroom/bedsit, 27.9% have two bedrooms, 37.8% have three bedrooms and 20.5% have four or more bedrooms;
- 22.5% of properties were built before 1919, a further 15.9% were built between 1919 and 1944, 17.1% between 1945 and 1964, 23.5% between 1965 and 1984, 13.9% between 1985 and 2004 and 7.0% have been built since 2005; and
- 67.0% of properties are owner-occupied, 17.3% are private rented/tied accommodation, 13.7% are rented from a social landlord and 1.8% are intermediate tenure.

Demographic drivers

The population of Kirklees is estimated to be 428,300 in 2013² and this is projected to increase by 11.1% to 475,800 by 2031³. Over the next few decades, there will be a marked increase in the number and proportion of residents aged 65 and over which is expected to increase by 44.1% from 69,600 in 2013 to 100,300 in 2031.

Economic drivers

Across Kirklees, 37.3% of households receive less than £300 each week, 24.4% receive between £300 and £500 each week and 38.2% receive at least £500 each week.

In terms of travel to work, the 2011 Census indicates that 66.8% of residents in employment work in Kirklees. A further 11.0% work in Leeds, 5.7% in Calderdale, 5.0% in Bradford and 4.4% in Wakefield. Beyond the immediate area, 2.8% work elsewhere in Yorkshire and the Humber, 2.1% in Greater Manchester and 2.3% elsewhere in the UK.

Housing Market Areas

Detail within this report along with previous analysis⁴ undertaken at sub-regional level all show that the housing market geography of Kirklees is complex and intrinsically linked with that of the wider Leeds City Region. The particular influence and effect of

¹ 2014 Council Tax data. Note that the local plan base date is 2013 therefore it uses the 2013 household figures of 176,152.

² ONS 2012-based population projections for 2013 figure and 2014-based for 2031 figure

³ ONS 2014-based population projections

⁴ Leeds City Region Partnership: Understanding the cross boundary impacts of housing markets and jointly planning housing provision in these areas – Andy Haigh Associates (May 2014)
DTZ Mapping Housing Markets 2007

ECOTEC Strategic Housing Market Assessments for Yorkshire & Humber 2008

DCLG NHPAU study to establish a consistent geography for Strategic Housing Markets across England 2010

the existing transport infrastructure (local rail network and M62 corridor) reveals varying levels of strategic and functional relationships between Kirklees, Calderdale, Bradford and Leeds itself. It remains, however, important to note that whilst indicators such as market signals along with migration and travel to work patterns can help identify and map specific local housing market geographies, such boundaries are also always affected by other non-quantifiable influences and so are not absolute.

The Local Housing Market Area analysis within this SHMA identifies three Local Housing Market Areas operating within, across and beyond the Kirklees administrative area. These Local Housing Market Areas are identified as:

- Huddersfield (extending to the north into part of Calderdale);
- Dewsbury and Mirfield (extending north into South Leeds); and
- Batley & Spennings (extending north into Bradford).

The northern boundaries of Kirklees therefore experience and share these important relationships with other areas. However, it should be noted that these relationships are not considered to be of sufficient scale or significance to warrant the formulation of new individual market areas or require the sub-division of Kirklees for policy making purposes.

An analysis of 2011 Census migration data suggests that 72.7% of households move within Kirklees area and 66.8% of residents in employment work within the District. Therefore, Kirklees exhibits a high degree of self-containment in terms of migration but it is part of a wider functional economic area which is focused on Leeds (and this was recognised in the NHPAU research).

The 2015 Household Survey found that of those who had moved home in the preceding five years, 78.3% originated within Kirklees. It also found that 76.9% of households planning to move in the next five years intend on remaining in Kirklees.

Evidence would therefore suggest that Kirklees is a self-contained Housing Market Area for the purposes of Local Plan policy making.

Objectively Assessed Housing Need

The National Planning Policy Framework requires that local planning authorities identify Objectively Assessed Housing Need (OAN) and that Local Plans translate those needs into land provision targets. Paragraph 159 of the NPPF recognises that the objective assessment of housing need must be one that meets household and population projections, takes account of migration and demographic change; meets the need for all types of housing including affordable, and caters for housing demand and the scale of housing supply necessary to meet that demand.

An OAN should be based on reasonable assumptions which take into account baseline demography, adjustments to reflect local demographic trends, past delivery, market signals, future jobs and other local circumstances: the SHMA has explored these factors in detail. Planning Advisory Service (PAS) guidance suggests that the OAN should exclude any policy objectives and value judgements and evidence should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a provision target.

There are many factors to consider when establishing an Objectively Assessed Housing Needs figure and after considering this evidence it is proposed that the Objectively Assessed Housing Need in Kirklees for the period 2013-31 is 1,730. This takes into account:

- A baseline dwelling requirement based on 2014-based CLG household projections (plus an allowance of 4.2% for vacant properties) of 1,584 dwellings each year; and
- A need to deliver additional dwellings to support jobs growth.

No adjustments are necessary to take account of alternative migration or headship rate assumptions. Housing Market Signals would suggest that the housing market in Kirklees is relatively stable and other than trends in private rents and improvements in relative affordability, market signal trends have tended to be in line with regional and national trends. There is no recommendation to alter dwelling targets in the light of Market Signals relating to property price or quantity data. However, it is recommended that data should be collected and monitored on a regular basis to ensure the Council has up to date information from which to review dwelling targets.

In conclusion, the 1,730 OAN figure is ambitious, aspirational and seeks to address housing need and support economic growth ambitions. It is also assumed that the target addresses any backlog in need prior to 2013 as it uses a baseline household figure based on the current demographic situation in Kirklees.

Affordable housing

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

Affordable housing is defined as either social/affordable rented or intermediate housing which is provided and made available to eligible households (i.e. those who lack their own housing or live in unsuitable housing) who cannot afford to meet their needs through the market. Intermediate affordable housing is housing at prices and rents above those of social rents, but below market prices or rents.

The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households within identified sub-areas and comparing this with the supply of affordable housing (social/affordable rent and intermediate tenure dwellings). The overall gross need for affordable housing is 2,511 dwellings each year. There is an annual capacity of 1,463 affordable dwellings, resulting in an annual net imbalance of 1,049.

In terms of the split between social/affordable rented and intermediate tenure products, the household survey identified tenure preferences of existing and newly-forming households. This suggests a tenure split of 55.1% affordable (social) rented and 44.9% intermediate tenure. Analysis of property type preferences suggests that, primarily, delivery of houses is a priority (with 71.1% stating an expectation of moving to a house), followed by flats (20.6%) and bungalows (12.4%).

Table ES1 Net annual affordable housing imbalance by sub-area property size and designation 2014/15 to 2018/19

Sub-area	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Batley and Spen	96	209	10	315
Dewsbury and Mirfield	-89	175	-17	69
Huddersfield North	74	134	-13	195
Huddersfield South	21	139	22	182
Kirklees Rural - East	93	11	3	106
Kirklees Rural - West	173	-25	34	182
Total	367	642	39	1049

Note rows and columns may not sum due to rounding

Market demand

Households intending to move in the open market were asked what type and size of property they would like and expect to move to. This could then be compared with the current stock profile to identify any mismatches between availability and aspirations/expectation (Table ES2). Of households moving, most would like to move to a house (72.7%), 20.1% would like to move to a bungalow and 6.6% to a flat. This compares with 76.3% who expect to move to a house, 14.7% to a bungalow and 8.8% a flat. A much higher proportion would like to move to a detached house (43.7%) but only 28.3% expect to. In contrast, higher proportions expect to move to a semi-detached house (31.3%) than would like to (19.9%).

Future development should focus on delivering to address identified mismatches and reflect household aspirations.

Table ES2 Open market dwelling stock and preferences

Dwelling type/size summary	% Profile of new dwelling stock based on:		
	Current stock	Like	Expect
House 1/2 Beds	21.5	14.4	19.2
House 3 Beds	38.9	33.7	36.8
House 4 or more Beds	23.4	24.6	20.3
Bungalow	8.2	20.1	14.7
Flat	7.0	6.6	8.8
Other	0.9	0.5	0.3
Total	100.0	100.0	100.0
<i>Base</i>	<i>147809</i>	<i>31411</i>	<i>27570</i>

Dwelling type and mix

A detailed analysis of the current and future profile of households would suggest there are three key dwelling types required across Kirklees: 3 bedroom houses, 4+ bedroom houses and 1-2 bedroom houses in addition to the ongoing development of other property types and sizes (Table ES3).

Table ES3 Overall market mix 2013-2031 (Annual)

Dwelling type	Annual OAN/ Housing Requirement	Tenure		
		Market	Affordable	Total
	1730	80%	20%	
1-2 Bed House	377	343	34	377
3 Bed House	613	436	177	613
4+ Bed House	360	349	11	360
1-2 Bed Bungalow	105	84	21	105
3+ Bed bungalow	51	48	2	51
Flat/Apartment	209	143	66	209
Other	15	15	0	15
Total	1730	1418	312	1730

Older people and adaptations

According to the household survey, the majority of older people (65.1%) want to stay in their own homes with help and support when needed. Around 24.0% would consider buying a property on the open market, 18.5% would consider renting from a housing association, 18.1% would consider renting sheltered accommodation and around 14.4% would consider renting extra care housing. This evidence suggests a need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

Across older person households, particularly noted is the need for help with gardening (39.4% of older households stated this help is needed either now or in the next five years), help with repair and maintenance of the home (33.9% of 65+ households stated this help is needed either now or in the next five years) and help with cleaning (28.2%) and other practical tasks (23.3%). In terms of adaptations, most frequently mentioned were adaptation to bathroom (13.3%), internal handrails (9.6%) and external handrails (8.1%).

1. Introduction

Background and objectives

- 1.1 A comprehensive Strategic Housing Market Assessment (SHMA) for Kirklees Council (the Council) has been commissioned to provide an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies. This SHMA supersedes the 2015 SHMA to meet latest legislative requirements and to update demographic and employment growth information to inform the assessment of housing need.
- 1.2 The SHMA satisfies the requirements of the 2012 National Planning Policy Framework (NPPF) and the March 2014 National Planning Policy Guidance (NPPG), *Housing and economic development needs assessments*, which replaces previous guidance including the DCLG Strategic Housing Market Assessment guidance (Version 2, 2007).
- 1.3 The SHMA also includes a review of the Housing Market Area definition, Objectively Assessed Housing Need, Housing Market Signals and Duty to Co-operate matters. The SHMA takes into account latest legislative requirements and updated population and employment data.

National Planning Policy Framework (NPPF), National Planning Practice Guidance (NPPG) and other legislative requirements

- 1.4 The NPPF and NPPG, *Housing and economic development needs assessments*, provide the planning policy context for this SHMA. The key sections which need to be taken into account in the SHMA are now summarised.
- 1.5 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
 - Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 1.6 NPPG (para 8) states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller

sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.

- 1.7 Paragraph 47 of the NPPF makes it clear that local planning authorities should *"use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing"*. The SHMA will provide robust evidence to help the Council *"plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community"* and should *"identify the size, type tenure and range of housing that is required in particular locations, reflecting local demand"* (NPPF para 50).
- 1.8 NPPF para 173 also states that that in order to ensure both viability and the deliverability of development, careful attention to viability and costs in plan-making and decision-taking is required.
- 1.9 Moreover, the NPPF and the Localism Act 2011 both introduced the Duty to Co-operate as a replacement for Regional Spatial Strategy (RSS). Section 110 of the Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the Council will have to ensure that they are legally compliant with the Localism Act at Examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities. It also means collaborating on the evidence critical to understanding the needs of your area, and the wider economic and housing market areas, including through the preparation of a strategic housing market assessment.
- 1.10 The Housing and Planning Act 2016 has now put in place the legislative structure for the provision of Starter Homes, one of the Government's key policies to help younger households access owner-occupation. Whilst it is subject to further consultation and secondary legislation, the principle is clearly established that forthcoming housing developments will be expected to provide a proportion of Starter Homes, made available to eligible households at a 20% discount from market price up to a maximum house price of £250,000 outside of London and £450,000 within London. In many cases, the provision of Starter Homes will be made in lieu of providing on-site affordable housing, and will therefore have an impact on the ongoing provision of more 'traditional' affordable housing (social/affordable rent and intermediate tenures) through the planning system.

Definitions

- 1.11 NPPG defines need for housing as *"the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan*

period – [and] should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand”⁵.

- 1.12 For the purposes of this study, the term housing need refers to *“the housing that households are willing and able to buy or rent, either from their own resources or with assistance from the state”*.
- 1.13 Definitions relating to affordable housing have been revised in the National Planning Policy Framework (March 2012):
- **Affordable Housing:** Social rented, Affordable Rented and Intermediate Housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
 - **Social Rented** housing is owned by local authorities and private Registered Providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.
 - **Affordable Rented** housing is let by local authorities or private Registered Providers of social housing to households who are eligible for Social Rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
 - **Intermediate Housing** is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not Affordable Rented housing. Homes that do not meet the above definition of affordable housing, such as *“low cost market”* housing, may not be considered as affordable housing for planning.
- 1.14 Starter homes are also considered in this SHMA. The NPPF outlines the key characteristics of Starter Homes⁶. They are to be well-designed and suitable for young first time buyers (between 23 and under 40 years of age). Starter Homes area also available to ex-Armed Forces personnel of any age. Starter Homes are not expected to be priced, after the discount, significantly more than the average price paid by a first time buyer. This means the discounted price should be no more than £250,000 outside London

⁵ The approach to assessing need Para 003 [ID: 2a-003-20140306], NPPG, March 2014.

⁶ National Planning Policy Framework, paragraph 002, Reference ID 55-002-20150318

Geography

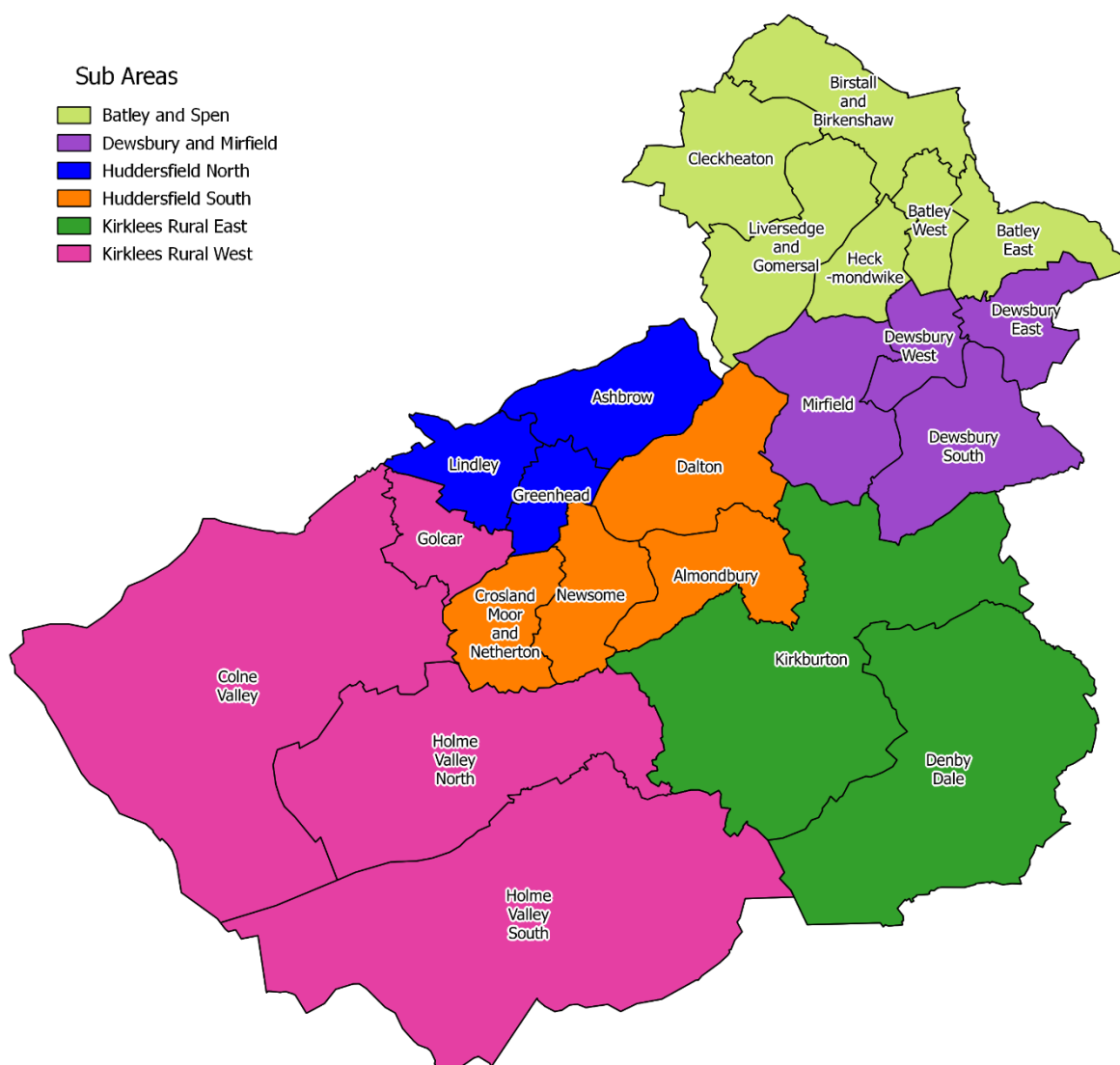
1.15 Map 1.1 illustrates the geographical context of Kirklees district (including the area of the district covered by the National Park) and its neighbouring authorities. Household Survey data has been presented for the following disaggregation of local plan sub-areas, as illustrated in Map 1.2:

- Batley and Spen (Batley East, Batley West and Birstall & Birkenshaw wards);
- Dewsbury and Mirfield (Dewsbury East, South and West; Mirfield wards);
- Huddersfield North (Ashbrow, Golcar, Greenhead and Lindley wards);
- Huddersfield South (Almondbury, Crosland Moor & Netherton, Dalton and Newsome wards);
- Kirklees Rural – East (Denby Dale and Kirkburton wards); and
- Kirklees Rural – West (Colne Valley, Holme Valley North and Holme Valley South wards).

Map 1.1 Kirklees Context



Map 1.2 Kirklees sub-areas



Research methodology

1.16 To deliver the SHMA, a multi-method approach was adopted, which comprised:

- A sample survey of households across the Kirklees Council area. A total of 19,063 households were contacted and 3,165 questionnaires were returned and used in data analysis. This represents a 16.6% response rate overall and total number of questionnaires returned was well in excess of the 1,500 specified in former Government guidance;
- Online questionnaire survey of key stakeholders including Local Authority Planning, Housing and Economic Regeneration Officers; Commissioning Managers; Housing Associations, Registered Social Landlords and ALMOs; Supporting People representatives; and Developers.
- Interviews with Estate and Lettings Agents;
- A review of relevant secondary data including the 2011 Census, house price trends, CORE lettings data and CLG Statistics; and

- The preparation of household and dwelling forecasts for the District. Household Survey data is available down to postcode level. In the SHMA report, data are presented for Kirklees District and the six sub-areas.
- 1.17 Further information on the research methodology is presented at Appendix A.

Objectively Assessed Housing need

- 1.18 A key element of the SHMA is to derive an Objectively Assessed Need for Housing. Objectively Assessed Housing need is defined in the Planning Advisory Service (PAS) advice note as *‘the housing that households are willing and able to buy or rent, either from their own resources or from the State’*.
- 1.19 In order to establish Objectively Assessed Need, the PAS advice note recommends a logical progression of steps which are presented in this SHMA report. The steps to establishing an OAN are:
- A. Defining the Housing Market Area (see Chapter 3);
 - B. Using CLG household projections as a starting point to establishing the OAN (see Chapter 5); and
 - C. Adjusting projections to take account of local demography, past delivery and market signals, other local circumstances not captured by past trends and future jobs (see Chapter 5).
- 1.20 Chapter 6 draws evidence together to establish the Objectively Assessed Housing Need for Kirklees.

Presentation of data

- 1.21 This SHMA makes full use of available secondary data but this has been supplemented with primary research from a SHMA Household Survey carried out in 2015.
- 1.22 It is important to note that survey responses have been weighted to correct for response bias and then grossed up to reflect the total number of households and this process is explained in Appendix A. The 3,165 responses are therefore weighted and grossed up to 176,628 occupied dwellings. All survey information presented in this report is for weighted and grossed responses which are rounded up where appropriate.
- 1.23 Where ‘valid responses’ are reported, these are the actual responses weighted up to the total population but where there are known to be missing cases. For instance, around 38,321 households moved within Kirklees in the preceding 5 years. However, data on current tenure is not reported for all respondents so the ‘valid responses’ is 38,250 which is slightly lower than the total number of 38,321 moving households. Valid responses are reported where necessary to indicate that there are some missing responses from households.

Report structure

- 1.24 The Kirklees 2016 SHMA report is structured as follows:
- Chapter 2 reviews the national and regional policy context within which the research needs to be positioned;
 - Chapter 3 considers the definition of the Housing Market Area;
 - Chapter 4 presents a housing market review;
 - Chapter 5 reviews housing market signals;
 - Chapter 6 presents the objectively assessed housing need for Kirklees;
 - Chapter 7 considers the need for all types of housing; and
 - Chapter 8 concludes the report with thoughts on key policy and strategic issues.
- 1.25 The report includes a substantial technical appendix, which provides detailed material that underpins the core outputs of the SHMA. The technical appendix material includes:
- Research methodology (Appendix A);
 - Policy review (Appendix B)
 - Housing need calculations (Appendix C);
 - Objectively assessed need background information (Appendix D);
 - Monitoring and updating (Appendix E);
 - Dwelling mix analysis (Appendix F); and
 - NPPF and NPPG checklist (Appendix G).

2. Policy and Strategic Review

Introduction

- 2.1 The purpose of this chapter is to set out the policy and strategic context for housing delivery in Kirklees.
- 2.2 Under the previous Coalition Government, the five years 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity and an economic policy of deficit reduction and public spending cuts. These reforms championed localism, decentralisation and economic growth.
- 2.3 Since the election of a majority Conservative Government in May 2015 further welfare reforms have been accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice. The recent passing of the Housing and Planning Act 2016 has put in place the legislation for some of the Government's key policies, including Starter Homes, restrictions on lifetime tenancies and 'Pay to Stay'.
- 2.4 The outcome of the EU referendum in June 2016 and subsequent leadership changes within Government will clearly have an impact on the further evolution of economic, planning and housing policies in England, in addition to the market uncertainties that have resulted. A detailed national policy review is presented at Appendix B.

Local strategic priorities

- 2.5 In the absence of Regional planning bodies and their associated strategies and targets, local strategies and plans have become increasingly important. The need for Local Plans and Housing Strategies to have evidence-based priorities, and demonstrate how they support economic growth and reflect the economic priorities of the LEP, is increasingly important.

Local Economic Partnership

- 2.6 The Local Growth White Paper (October 2010) set out the Government's vision for empowering locally driven economic growth, encouraging business investment and promoting economic development. The paper highlighted a series of measures aimed at stimulating growth including the Regional Growth Fund. The Paper also established 24 LEPs aimed at overseeing economic growth and job creation.
- 2.7 Kirklees is part of the Leeds City Region, as a result the plans and ambitions for the Leeds City Region are central to the Council's economic growth agenda.
- 2.8 The Leeds City Region Enterprise Partnership seeks to '*unlock potential*' and '*inspire growth.*' The LEP's vision is to unlock the potential of the City Region by '*developing an economic powerhouse that will create jobs and prosperity*'. The LEP's main aim is to '*overcome barriers to private sector growth and*

*create more opportunities for businesses to develop and provide jobs*⁷.' The LEP has four strategic priorities:

- Supporting growing businesses;
- Developing a skilled and flexible workforce;
- Building a resource smart City Region; and
- Delivering the infrastructure for growth.

2.9 In July 2014 the Leeds City Region Enterprise Partnership agreed a historic £1 billion Local Growth Deal with Government to create tens of thousands of new jobs and accelerate economic growth across the City Region.

2.10 The Leeds City Region Strategic Economic Plan 2016-2036 sets out a vision for '*transformational change*' in the City Region. The four strategic priorities set out above continue to guide the economic plans up to 2036. Strategic Priority 4 (infrastructure for growth) introduces new spatial priority areas where investment will be prioritised to maximise the City Region's economic, housing and regeneration potential. As part of this, Housing Growth Areas are identified, including the North Kirklees Growth Zone.

Housing Strategy

2.11 The Council has in place a range of housing strategies and plans, including a Strategic Tenancy Policy, Housing Allocations Policy, Local Lettings Framework, Housing Commissioning Strategy, and Homeless Prevention Strategy. The Commissioning Strategy 2013 to 2016 identifies the following outcomes:

- An appropriate supply of homes and jobs to meet the needs of a growing and aging population;
- Improved places to live by reducing inequalities and worklessness; and
- Improved life chances for people by supporting them to find and keep an affordable, good quality home.

2.12 A refresh of the Housing Strategy is being undertaken, with an emphasis on partners working to deliver alongside the Council's crucial enabling role.

Local Plan

2.13 The current Unitary Development Plan (UDP) for Kirklees was adopted on 1st March 1999 and sets out the Council's policies and proposals for the use and development of land and buildings across the District. The Plan is the statutory development plan for the District excluding the areas falling within the Peak District National Park.

⁷ <http://www.the-lep.com/>

- 2.14 The Council is currently working on developing a new Local Plan for the area. The emerging Local Plan seeks to ensure that Kirklees is a growing and thriving place and the vision for Kirklees is set out in the local plan document.
- 2.15 The Council consulted on a draft Local Plan between November 2015 and February 2016 and this SHMA informs work on a revised document (the Publication Draft Local Plan). The current Supplementary Planning Document (SPD) (Affordable Housing) outlines the current policy position on affordable housing even though the affordable housing policy set out in the Local Plan will supersede this once adopted.

Concluding comments

- 2.16 The main purpose of this chapter has been to consider the general policy and strategic context within which this research needs to be positioned. The Government had established its housing and planning priorities within the context of local decision making and accountability, reduced capital expenditure on housing, fundamental changes to welfare, a changing role for social rented housing, and a need for future housing investment to support economic growth.
- 2.17 The importance of having robust and up-to-date information to help inform decision making at local authority level is evermore essential. In a challenging economic climate, this SHMA provides the LEP and the Council with an excellent range of material to inform policy debate, inform the Local Plan process, help inform and influence strategic responses, and shape local and sub-regional strategic housing priorities to inform future investment decisions.

3. Defining the Housing Market Area

Introduction

- 3.1 NPPG (para 8) states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.
- 3.2 NPPG defines a Housing Market Area as “a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap”.⁸
- 3.3 NPPG comments that Housing Market Areas can be broadly defined by using three different sources of information as follows:
- House prices and rates of change in house prices;
 - Household migration and search patterns;
 - Contextual data (for example travel to work area boundaries, retail and school catchment areas).
- 3.4 Kirklees is located within the County of West Yorkshire in the Yorkshire and the Humber region. The resident population of Kirklees District is 430,800⁹. The District is bounded to the north by Calderdale and Bradford; to the east by Leeds and Wakefield; to the south by Barnsley; and to the west by Oldham and High Peak. The main population centres are Huddersfield and Dewsbury. Other larger settlements in the District include Batley, Birstall, Cleckheaton, Denby Dale, Heckmondwike, Holmfirth, Honley, Kirkburton, Marsden, Meltham, Mirfield, Scisset and Clayton West, Slaithwaite and Skelmanthorpe.
- 3.5 In establishing the extent to which Kirklees is a Housing Market Area, house price, migration, travel to work and contextual data have been assembled. Firstly though, this chapter considers existing national and regional analysis on housing market areas.

The Geography of Housing Market Areas

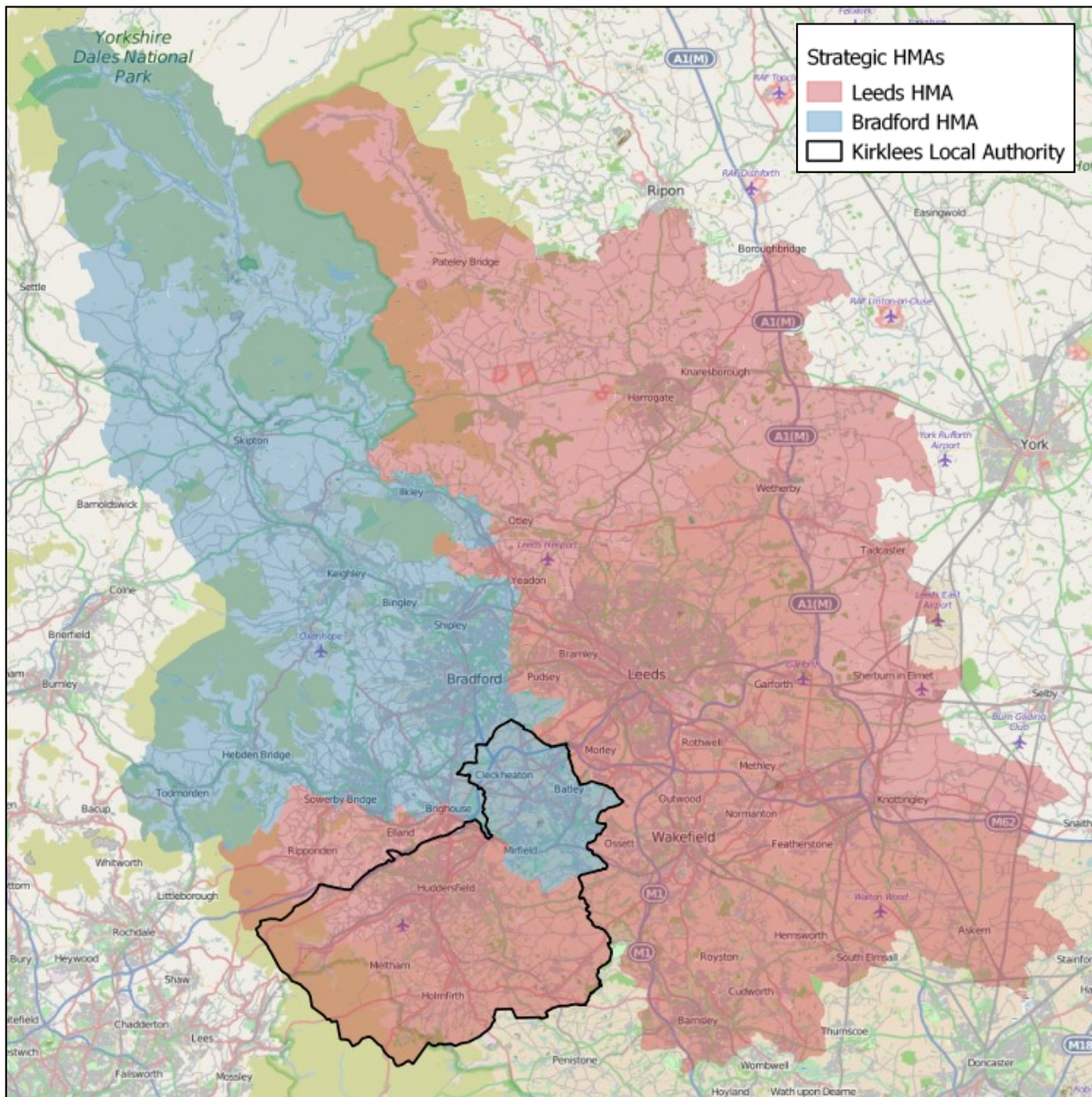
- 3.6 In 2010, the DCLG published the Geography of Housing Market areas which was commissioned by the National Housing and Planning Advice Unit (NHPAU). This national study was undertaken by a multi-university team and sought to construct a consistent geography of housing market areas for England. This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

⁸ National Planning Practice Guidance paragraph 10

⁹ 2012-based Sub national Population Projections, ONS

- Strategic framework housing market areas defined by long distance commuting flows and the long-term spatial framework within which housing markets operate (based on 77.5% commuting self-containment)
 - Local housing market areas defined by migration patterns (based on 50% migration self-containment);
 - Sub-markets defined in terms of neighbourhood and/or house type price premiums
- 3.7 This work therefore suggests that there are two principal ‘layers’ of housing markets: wider strategic functional housing markets which tend to be multi-district and smaller local housing market areas. The research produced the first theoretically-based and rigorously-defended housing market area boundaries for England, drawing upon commuting, migration and house price data.
- 3.8 The key outputs from the research were sets of ‘gold standard’ strategic and local housing market area definitions. They were termed ‘gold standard’ because their boundaries are defined to the maximum possible level, being based on ward-level migration and commuting data from the 2001 census. A set of single tier HMAs were also devised based on a 72.5% commuting and 55% migration self-containment. ‘Silver standard’ outputs have also been prepared which are based on local authority boundaries.
- 3.9 The ‘gold standard’ analysis suggests that Kirklees is located within wider functional ‘Leeds’ strategic framework HMA which also includes Barnsley, Leeds, Wakefield and Harrogate (Map 3.1). Local housing market area analysis identifies three local housing market areas centred on Huddersfield, Dewsbury and Cleckheaton. Although the Dewsbury and Cleckheaton local housing markets are based on wards within Kirklees, the Huddersfield local housing market area extends into parts of Calderdale (Map 3.2).

Map 3.1 Strategic housing market areas



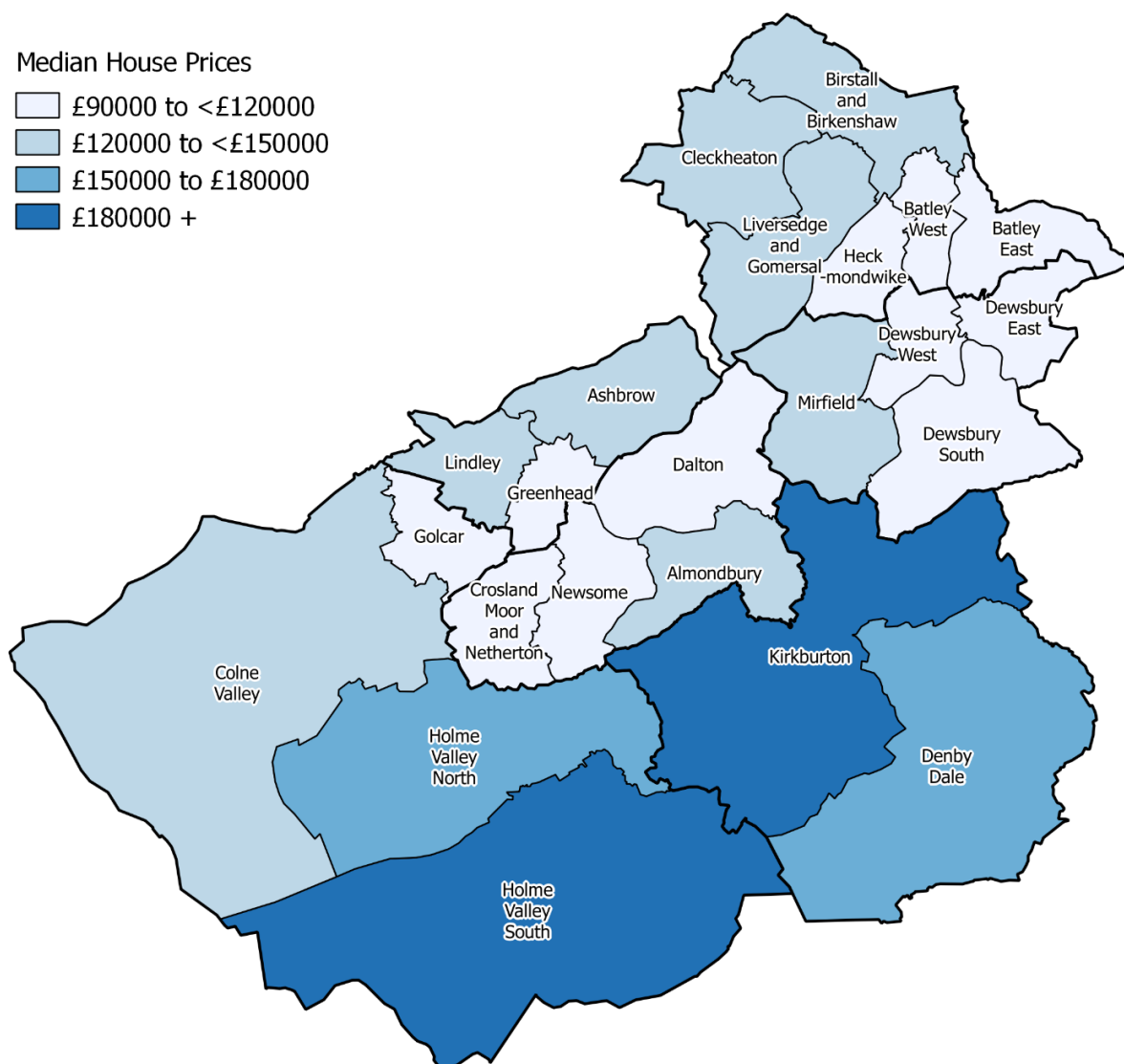
Source: NHPAU Geography of Housing Market Areas

- 3.12 The Local Housing Market Area analysis within this SHMA identifies three Local Housing Market Areas operating within, across and beyond the Kirklees administrative area. These Local Housing Market Areas are identified (see Map 3.2) as:
- Huddersfield (extending to the north into part of Calderdale);
 - Dewsbury and Mirfield (extending north into South Leeds); and
 - Batley & Spen (extending north into Bradford).
- 3.13 The northern boundaries of Kirklees therefore experience and share these important relationships with other areas. However it should be noted that these relationships are not considered to be of sufficient scale or significance to warrant the formulation of new individual market areas or require the sub-division of Kirklees for policy making purposes.
- 3.14 The emerging approach being taken within the Leeds City Region further supports this view in that all constituent authorities are looking to fully meet their Objectively Assessed Housing Needs within their own area.

House prices and rates of change in house prices

- 3.15 Figure 3.1 shows how house prices across the area have changed over the period 2000 to 2015.
- 3.16 Median prices in Kirklees have been consistently lower than the median prices for Yorkshire and the Humber and England. Overall, prices have increased from £53,000 in 2000 to £130,000 in 2015, an increase of 145.3%. Prices peaked at £132,000 in 2007 but then fell slightly. Prices have been stable at around £125,000-130,000 since 2009.
- 3.17 During 2015, median prices across Kirklees were £130,000 and lower quartile prices were £94,000.
- 3.18 The distribution of median house prices in the District during 2015 is illustrated in Map 3.3 and indicates relatively lower prices in the Batley and Dewsbury wards and Heckmondwike in the east and in Crosland Moor & Netherton, Newsome and neighbouring wards in the central area. Relatively higher prices are found in the southern part of the District, with the highest prices in Holme Valley South and Kirkburton wards.
- 3.19 Map 3.4 considers median house price to median income and illustrates that the highest ratios are in Ashbrow, Dalton, Newsome and Dewsbury West. Interesting, these are not necessarily in high value areas and indicates disparity between prevailing incomes in these areas relative to house prices.

Map 3.3: Median house prices 2015 by ward



Data produced by Land Registry © Crown copyright 2016

Map 3.4: Median house price to median income ratio 2015 by ward

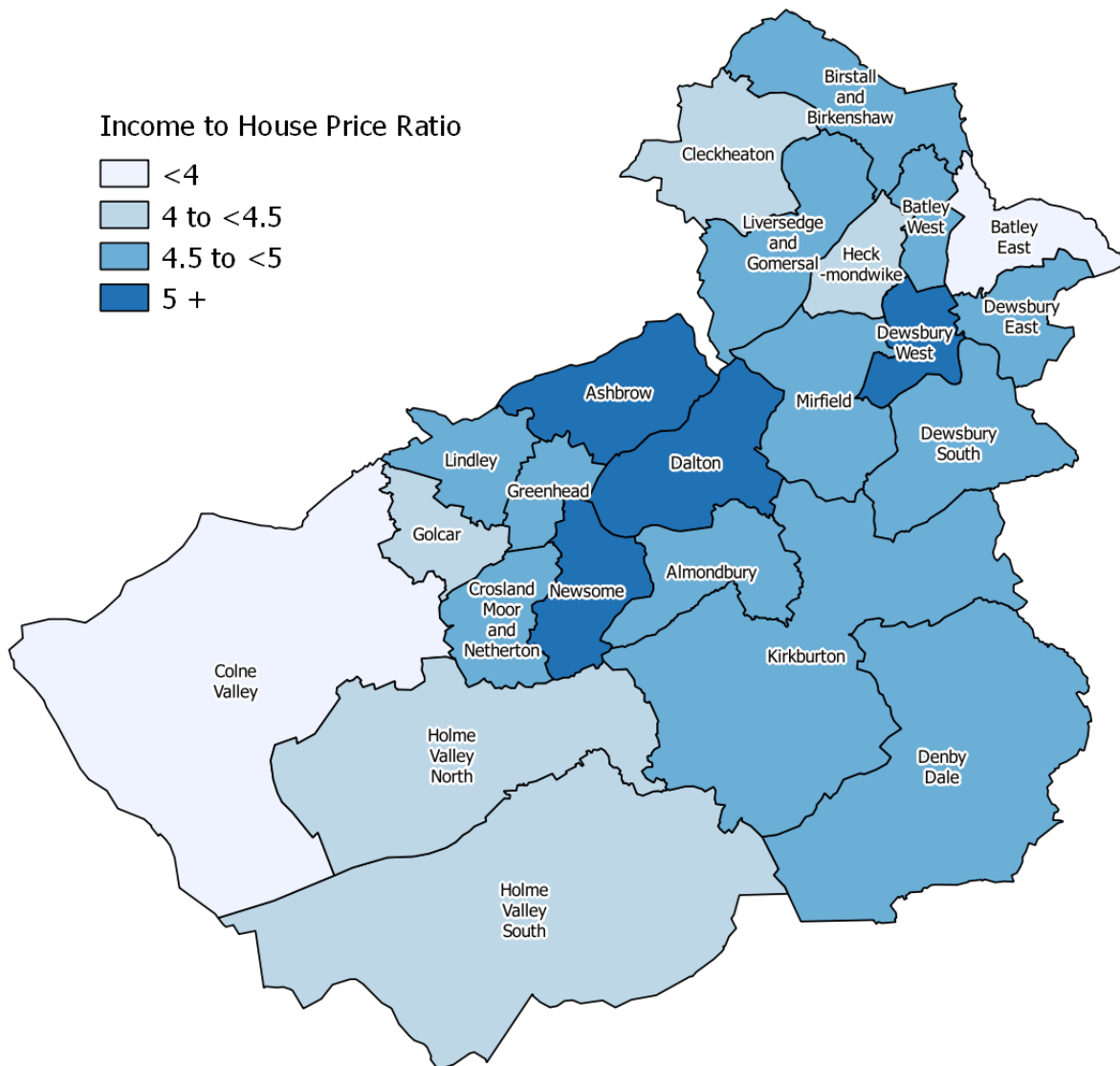
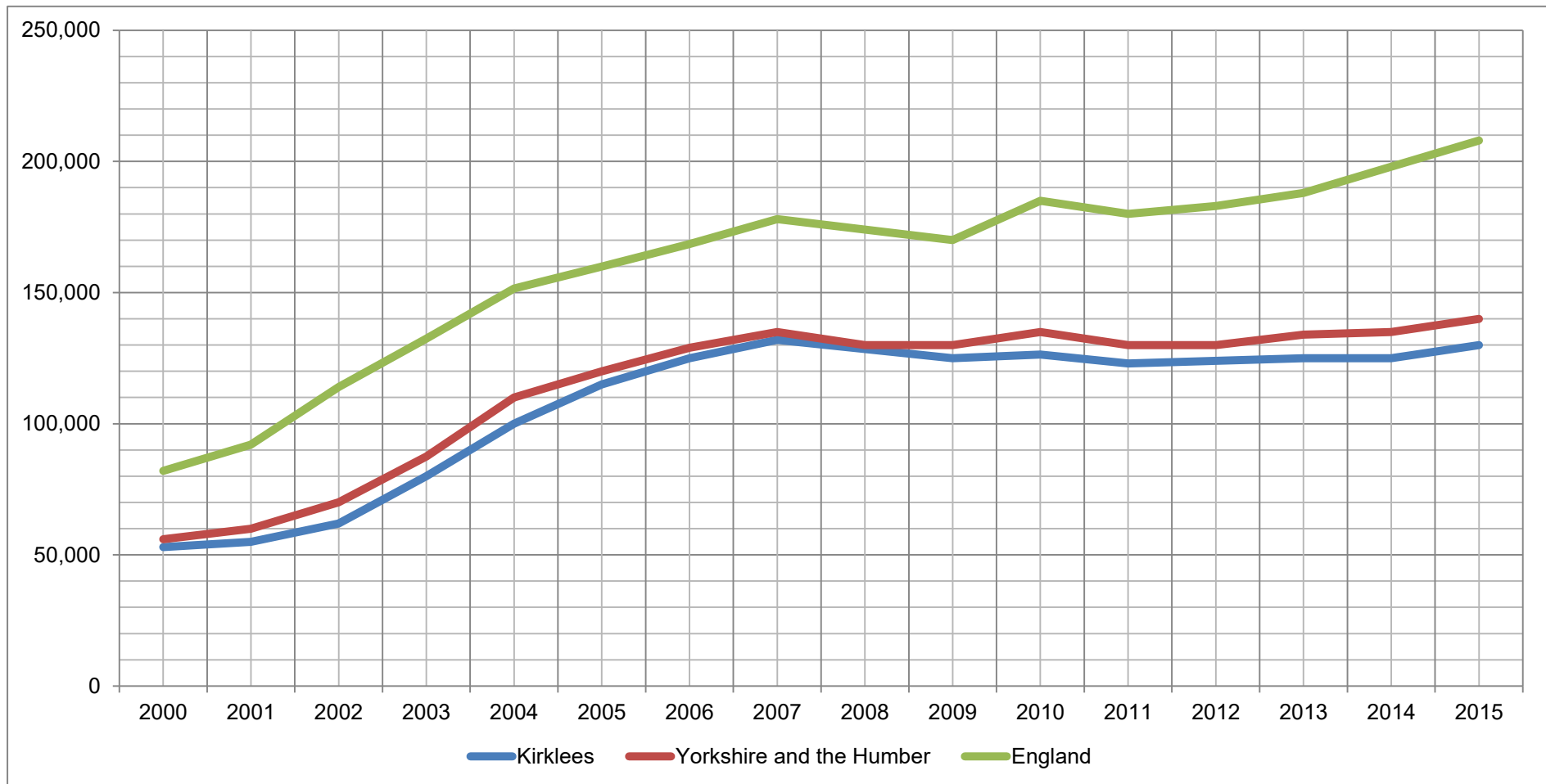


Figure 3.1 Median house price trends 2000 to 2015: Kirklees, Yorkshire and the Humber and England



Source: Data produced by Land Registry © Crown copyright 2016

- 3.20 Table 3.1 summarises lower quartile, median and upper quartile prices by sub-area during 2015 based on Land Registry address-level data. This shows significant variation across the District, with the lowest prices in Huddersfield South, Huddersfield North and Batley and Spen, and the highest prices in Kirklees Rural East.

Sub-Area	Price (£)		
	Lower Quartile (25%)	Median (£)	Upper Quartile (£)
Batley and Spen	£86,000	£120,000	£162,500
Dewsbury and Mirfield	£88,100	£127,000	£170,000
Huddersfield North	£93,000	£132,500	£186,000
Huddersfield South	£85,000	£117,600	£160,000
Kirklees Rural - East	£141,000	£190,000	£267,500
Kirklees Rural - West	£106,000	£141,250	£210,000
Kirklees Total	£94,000	£130,000	£185,000

Source: Data produced by Land Registry © Crown copyright 2016

Household migration and search patterns

- 3.21 Data reported in the 2011 Census provides evidence from which the degree of self-containment of Kirklees can be derived. PAS guidance recommends that migration data are tested against the PPG criterion for self-containment, that at least 70% of all migration excluding long-distance migration should be contained within the HMA. A suitable test are two migration containment ratios:

Supply Side (origin): moves within the area divided by all moves whose origin is in the area, excluding long-distance moves

Demand site (destination): moves within the area divided by all moves whose destination is in the area, excluding long-distance migration

- 3.22 Table 3.2 presents relevant data for Kirklees and Table 3.3 summaries the containment ratios derived from the data. Table 3.4 illustrates that 72.7% of all residents moving in the year preceding the Census originated from within Kirklees. Table 3.2 also summarises the origins of moving residents based on 2011 Census data. Of the 41,070 moving residents, 73% originated in Kirklees, 10.3% from elsewhere in West Yorkshire, 38.9% from elsewhere in Yorkshire and the Humber, North East and North West and 7.8% from elsewhere in the UK.
- 3.23 Table 3.3 summaries the containment ratios which apply to the origin and destination of moving residents. In line with PPG guidance, this excludes long-distance migration (which is taken as moves from outside the three Northern regions of the North East, North West and Yorkshire and the Humber). The origin containment ratio is 78.4% and the destination is 79.2%. Therefore, on the basis of migration Kirklees is a self-contained housing market area.

Origin/ Destination	Supply Side (Origin)			Demand Side (Destination)		
	All Moves		Excluding Long Distance Moves	All Moves		Excluding Long Distance Moves
	Number	%	%	Number	%	
Kirklees	30,001	72.7	78.4	30,001	73.0	79.2
Elsewhere West Yorkshire	4,866	11.8	12.7	4,237	10.3	11.2
Elsewhere Y&H	1,417	3.4	3.7	1,587	3.9	4.2
Elsewhere NW/NE	1,987	4.8	5.2	2,062	5.0	5.4
Elsewhere UK	2,987	7.2	7.8	3,183	7.8	8.4
TOTAL	41,258	100.0		41,070	100.0	
Base (excluding long-distance moves)			38,271			37,887

Source: 2011 Census

Origin	Moves within the area	Moves originating in the area	Containment Ratio
	30,001	38,271	78.4%
Destination	Moves within the area	Moves whose destination is in the area	Containment Ratio
	30,001	37,887	79.2%

Source: 2011 Census

3.24 Data from the household survey indicated that around 53,547 households had moved home in the preceding five years (and the origin data for 48,957 of these was reported). Of these households, 78.3% originated within Kirklees and 21.7% originated from outside the area.

Characteristics of in-migrant households

3.25 The household survey indicated around 10,600 households who had moved into Kirklees in the preceding five years. Information relating to in-migrant households includes:

- A majority (70.9%) moved into a house, particularly detached (20.3%) and semi-detached (24.9%) and terraced (25.7%); and a further 19.9% moved into a flat/apartment, 5.9% to a bungalow and 3.2% to other property types. Overall 14.2% moved into detached houses with four or more bedrooms and 11.0% into one bedroom flats;

- 44.5% moved into smaller properties with one or two bedrooms and 55.4% moved into properties with three or more bedrooms;
 - 50.2% moved into owner occupied properties; 43.0% into private renting and 6.9% moved into affordable (social rented/intermediate tenure) dwellings;
 - Overall, 34.3% of migrant households moved to Batley and Spen, 23.2% into Kirklees Rural West, 13.8% into Dewsbury and Mirfield and 10.3% into Huddersfield North sub-areas;
 - Couples (under 65) accounted for 39.0% of in-migrant households, 18.9% were singles under 65, 19.9% were couples with children, 13.1% were singles and couples 65 and over, 7.9% were lone parents and 1.1% were other household types;
 - 40.0% of in-migrant Household Reference People (Heads of Household) were aged 16-39, a further 39.5% were aged 40-59 and 20.4% were aged 60 or over;
 - The majority of Heads of Household of in-migrant households were in employment (71.1%) with a further 18.0% retired, 4.5% looking after the home or caring for someone, 3.1% unemployed, 1.8% permanently sick/disabled and 1.5% in full time education;
 - 31.5% of households had a weekly income of less than £300, 18.8% had an income of between £300 and £500 each week and 49.7% had an income of at least £500 each week;
 - 44.4% of in-migrant Heads of Household in employment worked in Kirklees. The remaining 55.6% worked outside the District, with 29.7% working in Leeds, 8.9% in Wakefield, 5.7% in Manchester/Oldham and 5.3% in Bradford.
 - The main reasons for moving were to be closer to work/new job (17.2%), wanting a larger property (12.7%), marriage/living together (11.3%) and wanting to be closer to family/friends to give/receive support (10.7%).
- 3.26 In summary, according to the household survey, 21.7% of households moving to a home in Kirklees in the past five years originated from outside Kirklees District¹¹. Most moved into the private housing sector, with around 50.2% moving into owner occupation and 43.0% into private renting. Work and wanting a larger property were key migration drivers. 79.6% of in-migrant households had a Household Reference Person aged under 65 and 20.4% were aged 65 and over; overall 71.1% were in employment and 50.3% had an income (of Household Reference Person and partner) of less than £500 each week.

¹¹ This is based on the household survey and not the data presented in Table 3.2

Residential mobility within Kirklees

- 3.27 The household survey identified that the vast majority (78.3%) of households moving within the preceding five years had moved within Kirklees District (around 38,300 households).
- 3.28 Households moving within Kirklees were doing so for a variety of reasons. Those most frequently reported were wanting a larger property (20.3%), being forced to move (10.3%) and wanting their own home/to live independently (9.6%).
- 3.29 Table 3.4 reviews the tenure choices of households moving within Kirklees. There is limited movement between tenures, with 75.5% of social renters (or affordable housing residents), 73.1% of owner-occupiers and 69.5% of private renters remaining in the same tenure when they moved. 18.9% of private renters moved into owner occupation and 22.4% of social renters moved into private rented accommodation. Respondents who had previously lived with family and friends (i.e. newly forming households) tended to move into all major tenures: private renting (37.6%), owner occupation (36.5%) and social renting (25.9%).

Current Tenure	Previous Tenure					Total
	Owned	Social/Affordable Rented	Private Rented	Previously living with family/friends	Other	
Owned	73.1	2.1	18.9	36.5	0.0	37.0
Social/Affordable	7.4	75.5	11.6	25.9	46.0	21.1
Private Rented	19.4	22.4	69.5	37.6	54.0	41.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
<i>Base</i>	<i>12571</i>	<i>4980</i>	<i>14573</i>	<i>5728</i>	<i>398</i>	<i>38250</i>

Source: 2015 Household Survey

- 3.30 Table 3.5 considers the profile of dwellings being moved into by households moving within Kirklees District. Households are moving into a variety of dwelling types and sizes, most notably to: two (34.4%) and three (31.2%) bedroom dwellings; terraced houses (38%), flats/apartments (20.7%) and semi-detached houses (19.2%).

No. Bedrooms	Property type (%)							Total
	Detached house	Semi-detached house/town house	Terraced house	Bungalow	Maisonette	Flat/ Apartment	Other	
One/Bedsit	0.6	0.4	4.7	2.8	0.4	12.4	0.0	21.4
Two	1.6	5.7	15.8	3.0	0.0	7.4	0.9	34.4
Three	3.5	11.4	13.8	1.5	0.0	0.5	0.4	31.2
Four	5.9	1.7	2.9	0.6	0.0	0.0	0.0	11.1
Five or more	1.1	0.1	0.6	0.1	0.0	0.0	0.0	1.9
Total	12.8	19.2	38.0	8.1	0.4	20.3	1.3	100.0
<i>Base (valid responses)</i>		37,491						

Source: 2015 Household Survey

Households planning to move

- 3.31 Around 36,000 households plan to move in the next five years. Table 3.6 summarises the moving intentions of households based on the first preference they stated. Overall, 76.9% of households intend on remaining in Kirklees and 23.1% intend to move out.
- 3.32 Of the 23.1% of households planning to move out, 3.9% were planning to move to Leeds, 2.6% to Calderdale, 1.8% to Wakefield and less than 1% each to Bradford, Barnsley, Oldham and High Peak. 11.5% plan to move to elsewhere in the UK, and 1.2% out of the UK.
- 3.33 The main reasons why households plan to move out of the Kirklees District area were wanting a larger property (24.7%), to move to a better neighbourhood or more pleasant area (16.9%), wanting to buy a home (10.4%) and to be closer to family/friends to give/receive support (9.3%).

Table 3.6 First choice destination of households planning to move in next five years

Destination	% stating as first preference
Within Kirklees	
Batley and Spen	18.4
Dewsbury and Mirfield	8.8
Huddersfield North	16.4
Huddersfield South	8.5
Kirklees Rural - East	8.9
Kirklees Rural - West	15.7
Total within Kirklees	76.9%
Outside Kirklees	
Calderdale Council area	2.6
Bradford Council area	0.6
Leeds Council area	3.9
Wakefield Council area	1.8
Barnsley Council area	0.7
Oldham Council area	0.2
High Peak Council area	0.6
Elsewhere in the UK	11.5
Outside the UK	1.2
Total outside Kirklees	23.1%
<i>Base (Valid responses)</i>	<i>36,057</i>

Source: 2015 Household Survey

Travel to work trends

- 3.34 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Kirklees travel to other areas together with details of how many people commute into the District. The 2011 Census identified the travel to work patterns of 214,478 individuals and of these:
- 120,184 lived and worked in Kirklees District (including 17,926 who work at home);
 - 34,590 commuted into Kirklees for work but lived outside the District; and
 - 59,704 lived in Kirklees but commuted out of the District for work.
- 3.35 In addition, the 2011 Census also reports 172 residents working on offshore installations, 12,901 with no fixed place of work and 222 working outside the UK.
- 3.36 Using a base of 179,888 economically active residents in Kirklees, 66.8% live and work in Kirklees, a further 11.0% work in Leeds, 5.7% work in Calderdale, 5.0% work in Bradford and 4.4% work in Wakefield. 2.8% work elsewhere in Yorkshire and the Humber, 2.1% work in Greater Manchester and 2.3% work elsewhere in the UK.
- 3.37 On the basis of travel to work, Kirklees is a broadly self-contained market area although there are recognised linkages with the wider Leeds City Region.

Concluding comments

- 3.38 The purpose of this chapter has been to consider the general housing market context of Kirklees and its inter-relationships with other areas. This reflects the requirements of PPG Paragraph 2a-011. By reviewing house prices, migration and travel to work patterns, the extent to which Kirklees is a self-contained housing market area can be determined. PPG establishes that areas within which a relatively high proportion of household moves (typically 70%) are contained.
- 3.39 Analysis of the 2011 census identifies containment ratios of 78.4% (origin) and 79.2% (destination) which establishes Kirklees as a self-contained housing market area in terms of movement. This is further corroborated with household survey evidence.
- 3.40 2011 census travel to work data indicates that 66.8% of residents in employment work within the District and although broadly self-contained, it is part of a wider functional economic area which is focused on Leeds (and this was recognised in the NHPAU research).
- 3.41 The 2015 Household Survey found that of those who had moved home in the preceding five years, 78.3% originated within Kirklees. It also found that 76.9% of households planning to move in the next five years intend on remaining in Kirklees
- 3.42 Evidence would therefore confirm that Kirklees is a self-contained housing market area for the purposes of Local Plan policy making.

4. Kirklees Housing Market Review

Introduction

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

Estimates of current dwellings in terms of size, type, condition, tenure

- 4.2 This study assumes a total of 182,559 dwellings in Kirklees District of which 5,833 are vacant, resulting in a total of 176,628 households living in dwellings (Table 4.1). The overall vacancy rate is around 3.2% as recorded from local Council Tax data (note this is slightly higher lower than that recorded through DCLG vacancy stats). This compares with a vacancy rate of 2.6% across England¹². Long-term vacants account for around 1.4% of dwelling stock¹³.

Sub-area	Total Dwellings	Total Households	Total Vacant	Vacant %
Batley and Spennings	45,908	44,463	1,443	3.1
Dewsbury and Mirfield	31,135	30,093	354	1.1
Huddersfield North	25,810	24,909	1,039	4.0
Huddersfield South	33,742	32,698	1,182	3.5
Kirklees Rural - East	13,767	13,336	1,037	7.5
Kirklees Rural - West	32,197	31,129	778	2.4
Total	182,559	176,628	5,833	3.2

Source: 2014 Council Tax

Property size and type

- 4.3 Table 4.2 reviews the profile of occupied dwelling stock by size and type across Kirklees. Overall, the vast majority (76.9%) of properties are houses, 13.1% are flats/apartments and maisonettes, 9.2% are bungalows, and 0.8% are other types of property including park homes/caravans. Of all occupied properties, 13.7% have one bedroom/bedsit, 27.9% have two bedrooms, 37.8% have three bedrooms and 20.5% have four or more bedrooms.

¹² 2014 CLG Dwelling and Vacancy data

¹³ 2014 CLG Dwelling and Vacancy data

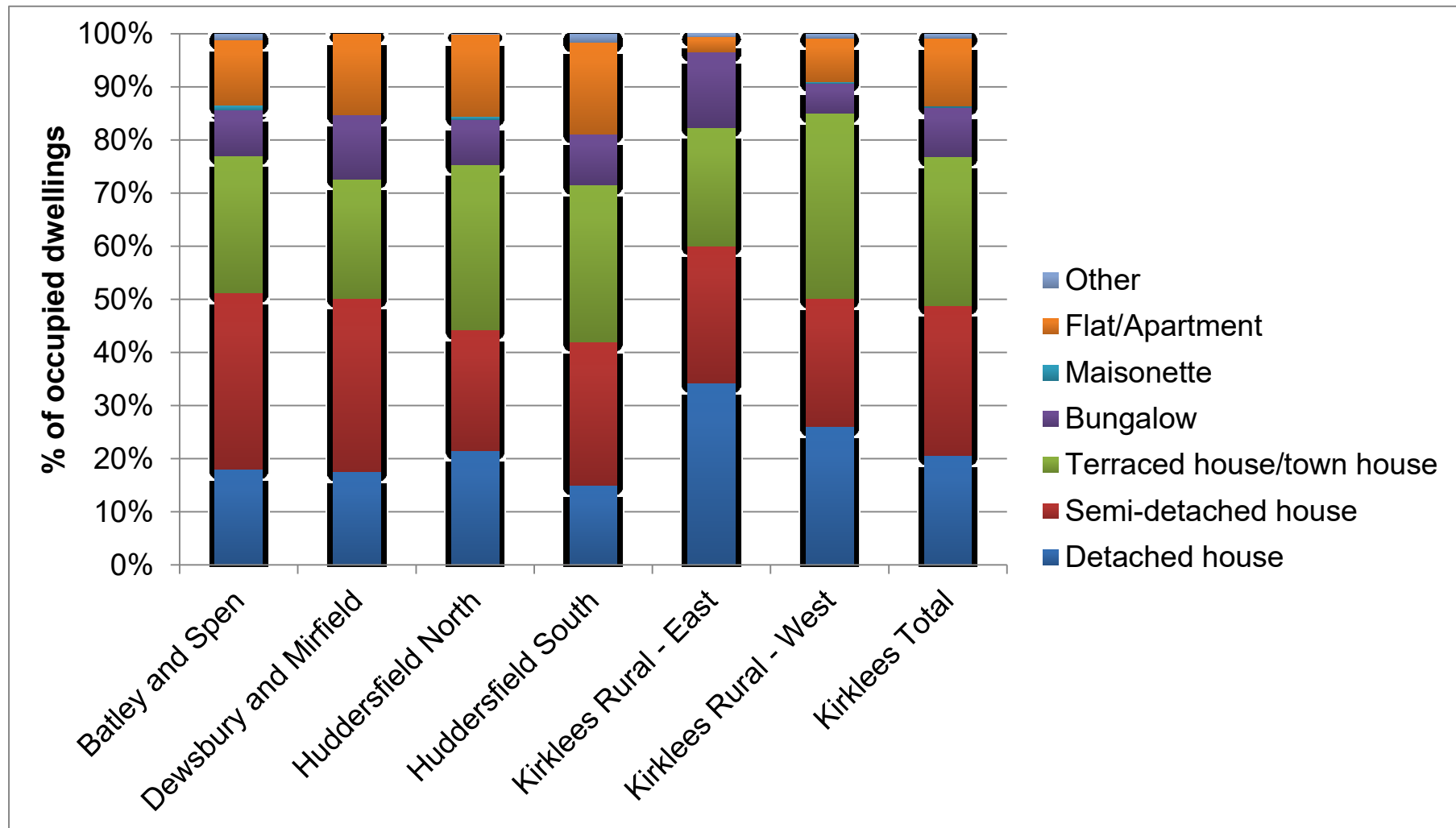
- 4.4 How property type varies by sub-area is illustrated in Figure 4.1 and variations in number of bedrooms by sub-area in Figure 4.2. Notable sub-area variations include the relatively higher proportion of detached properties in Kirklees Rural East and Kirklees Rural West; high proportions of terraced houses in Batley and Spen and Dewsbury and Mirfield; and higher proportions of larger properties with four or more bedrooms in Kirklees Rural East, Kirklees Rural West and Huddersfield North.

Table 4.2 Property type and size of occupied dwellings across Kirklees

Property Type	No. Bedrooms (Table %)					Total	Base (Valid response)
	One	Two	Three	Four	Five or more		
Detached house	0.2	1.2	6.0	10.7	2.5	20.6	35988
Semi-detached house	0.2	6.2	17.7	3.5	0.7	28.3	49427
Terraced house / town house	2.7	11.4	11.4	2.2	0.4	28.0	49010
Bungalow	2.2	4.2	2.2	0.5	0.1	9.2	16142
Maisonette	0.2	0.2	0.0	0.0	0.0	0.4	686
Flat / apartment	8.0	4.4	0.2	0.0	0.0	12.7	22134
Other	0.2	0.4	0.3	0.0	0.0	0.8	1423
Total	13.7	27.9	37.8	16.8	3.7	100.0	174810
Base (Valid response)	23990	48815	66114	29428	6463	174810	

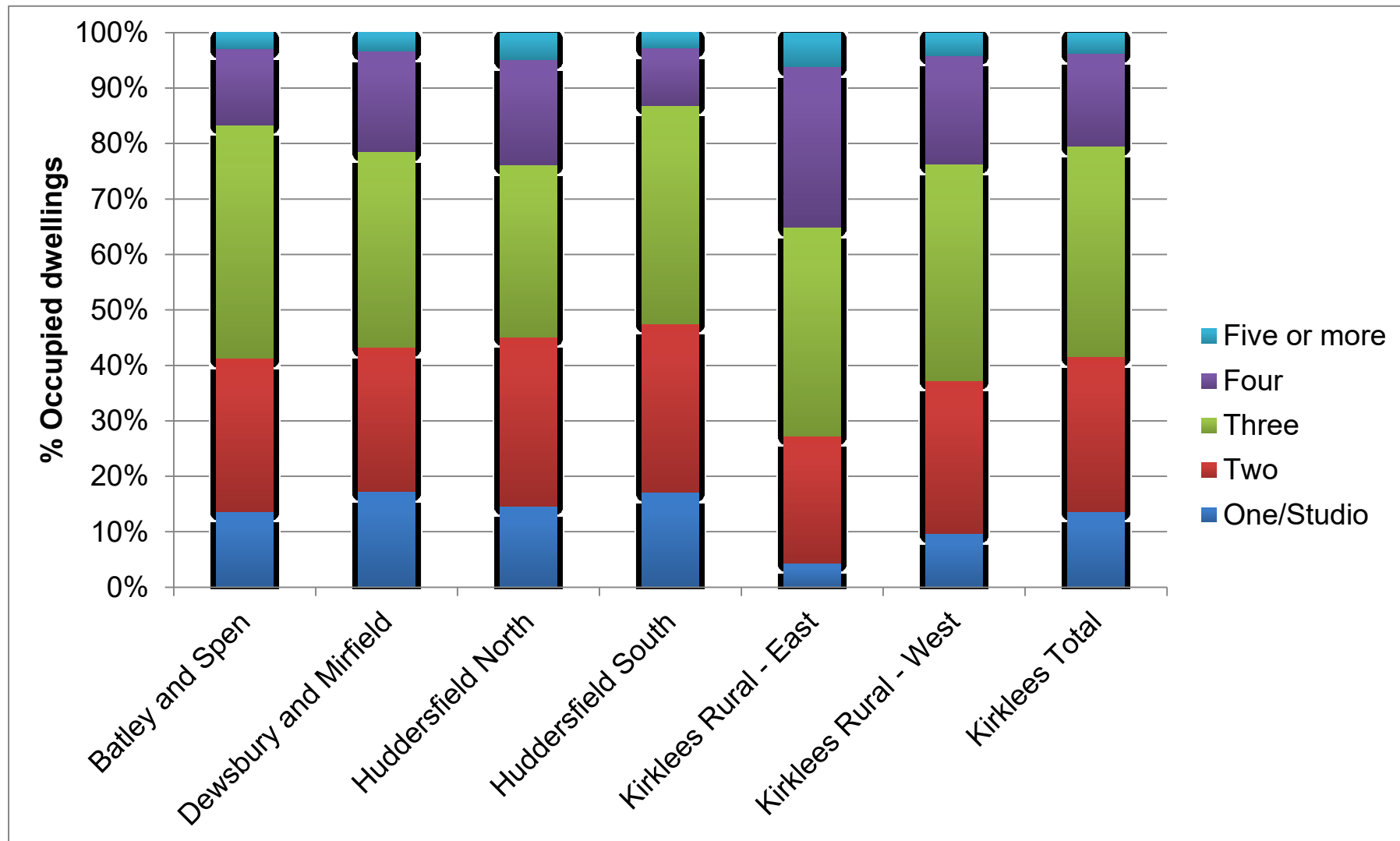
Source: 2015 Household Survey

Figure 4.1 Property type by sub-area



Source: 2015 Household Survey

Figure 4.2 Property size by sub-area



Source: 2015 Household Survey

Property condition

- 4.5 The 2015 Household Survey reviewed the extent to which households were satisfied with the state of repair of their dwellings. Overall 77.7% of respondents expressed satisfaction (37.7% were very satisfied and 40.0% were satisfied); 13.4% were neither satisfied nor dissatisfied; a total of 8.9% expressed degrees of dissatisfaction, of whom 7.3% were dissatisfied and 1.6% were very dissatisfied.
- 4.6 Table 4.3 explores how the level of dissatisfaction varied by dwelling tenure, age and type.
- 4.7 Data indicates that households in Huddersfield North (9.9%) were more likely to express dissatisfaction. Levels of dissatisfaction varied significantly between tenures. Dissatisfaction was highest amongst those in shared ownership (19.1%), furnished private rental properties (18.8%), social rented housing (17.3%) or unfurnished private rental properties (16.0%). This compares with dissatisfaction levels of 3.2% and 7.6% for owned outright and owned with a mortgage, respectively.
- 4.8 In terms of property type and age, dissatisfaction was highest amongst respondents living in maisonettes (21.8%), flats/apartments (14.0%) and terraced houses/town houses (11.4%) and amongst residents in properties built pre-1919 (18.7%).
- 4.9 The Council commissioned a Private Sector Stock Condition Survey in 2010 and as reported in the 2012 SHMA, the stock condition survey shows that non-decency remains an issue across Kirklees. Overall, non-decency of private stock is far less prevalent within Kirklees than on average across the county, with 25.6% of private rented stock classified as non-decent compared with a national average of 35.8%. This is reinforced in terms of the proportion of stock classified as having a Category 1 hazard with 15.7% of private stock in Kirklees classified in this manner compared with a national average of 23.5%.

Table 4.3 Dissatisfaction with state of repair by sub-area, property tenure, age and type

Sub-Area	No. Dissatisfied	% Dissatisfied	Total households
Batley and Spen	4042	9.1	44463
Dewsbury and Mirfield	2779	9.2	30093
Huddersfield North	2465	9.9	24909
Huddersfield South	3080	9.4	32698
Kirklees Rural - East	785	5.9	13336
Kirklees Rural - West	2484	8.0	31129
Tenure	No. Dissatisfied	% Dissatisfied	Total households
Owned (no mortgage)	2076	3.2	65248
Owned (with mortgage)	3907	7.3	53158
Rented Privately (furnished)	833	18.8	4434
Rented Privately (unfurnished)	4022	16.0	25195
Rented from Kirklees Neighbourhood Housing/Kirklees Council, or a Housing Association	4196	17.3	24195
Shared Ownership, Shared Equity, Discounted for sale, Low Cost Home Ownership	600	19.1	3143
Tied accommodation	0	0.0	947
Other	0	0.0	1,202
Property Type	No. Dissatisfied	% Dissatisfied	Total households
Detached house	1656	4.6	36013
Semi-detached house	3834	7.7	49525
Terraced house/town house	5570	11.4	49010
Bungalow	1337	8.3	16183
Maisonette	149	21.8	685
Flat/Apartment	3088	14.0	22135
Property Age	No. Dissatisfied	% Dissatisfied	Total households
Pre 1919	4215	11.5	36565
1919 to 1944	1968	7.6	25770
1945 to 1964	2957	10.6	27777
1965 to 1984	2410	6.3	38152
1985 to 2004	923	4.1	22539
2005 onwards	267	2.3	11371
Total	15,634	8.9	176,628

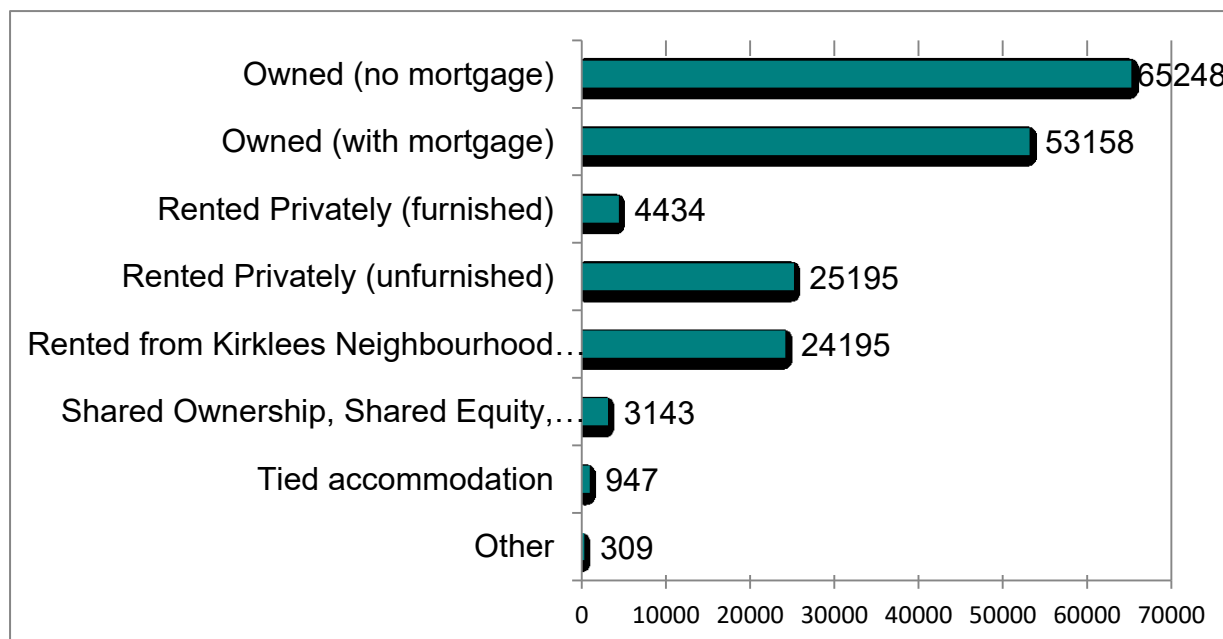
Source: 2015 Household Survey

Property tenure

4.10 The tenure profile of the Kirklees area is summarised in Figure 4.3. Variations in broad tenure groups by sub-area are summarised in Figure 4.4. Overall,

based on survey evidence, 67.0% of occupied dwellings are owner-occupied, 17.3% are private rented (including tied accommodation), 13.7% are rented from a social housing provider and 1.8% are intermediate tenure dwellings.

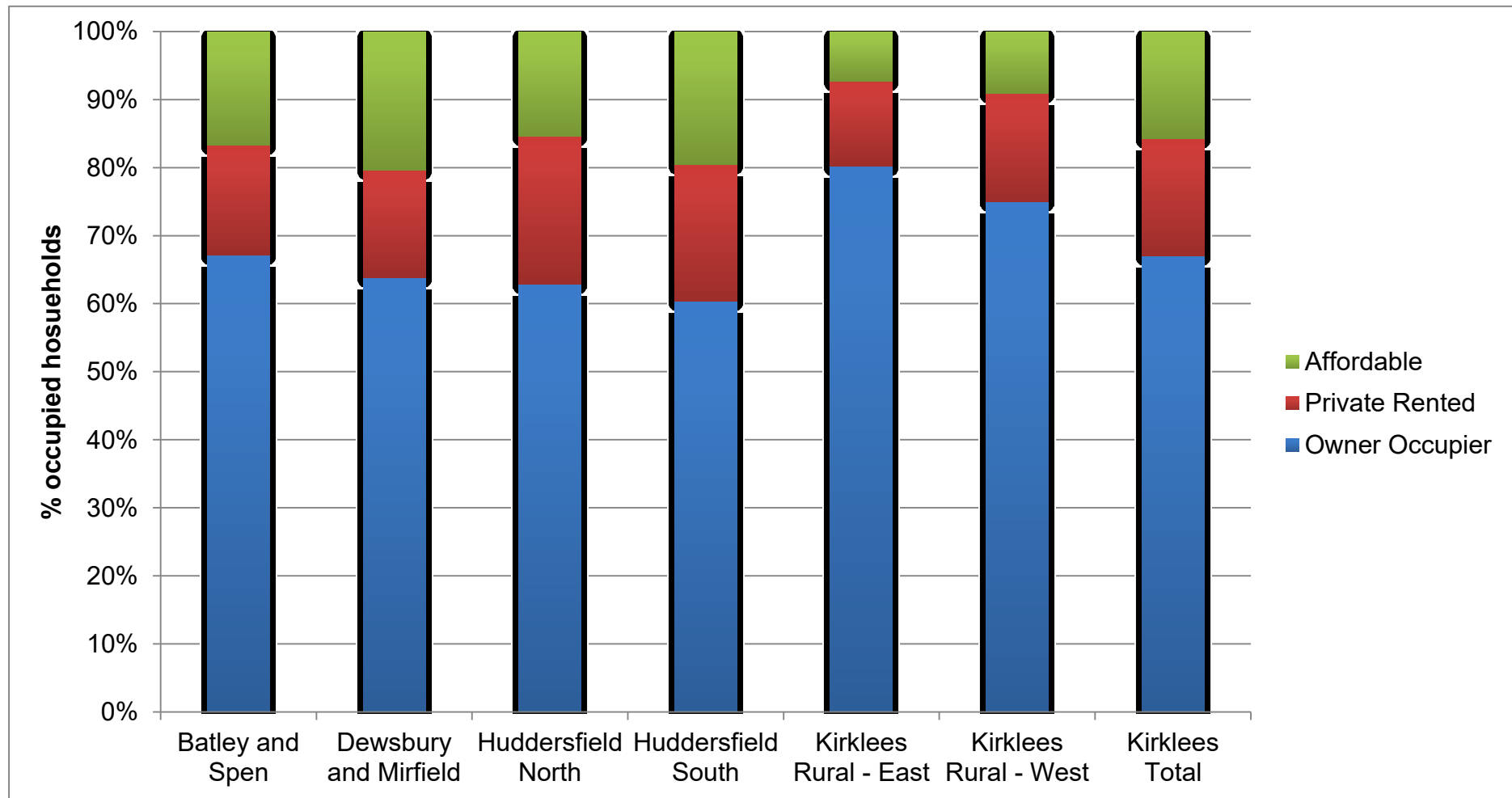
Figure 4.3 Kirklees District: tenure profile of occupied dwellings



Source: 2015 Household Survey

4.11 Tenure profile varies across Kirklees (Figure 4.4). The proportion of owner occupied dwellings is highest in Kirklees Rural East (80.1%) and Kirklees Rural West (75.0%); private renting in Huddersfield North (21.7%) and Huddersfield South (20.1%); and social renting in Dewsbury and Mirfield (20.4%) and Huddersfield South (19.5%).

Figure 4.4 Kirklees tenure profile by sub-area



Source: 2015 Household Survey

Tenure characteristics

Owner-occupied market

- 4.12 67.0% (118,406) of households across Kirklees are owner occupiers. 36.9% of all households (65,248) own outright and 30.1% of all households (53,158) have a mortgage.
- 4.13 The household survey provides the following information on owner occupied stock:
- Most owner-occupied properties are houses, with 32.8% semi-detached, 27.0% terraced and 27.8% detached; a further 9.1% are bungalows, 2.7% flats/maisonettes and 0.6% other property types;
 - 46.1% of properties have three bedrooms, 27.7% have four or more bedrooms, 23.8% have two bedrooms and 2.4% have one bedroom;
 - Around 23.1% of owner-occupied stock was built pre-1919, 32.5% was built between 1919 and 1964; 24.3% was built between 1965 and 1984 and 19.9% has been built since 1985;
 - 84.0% of owner-occupier households are satisfied or very satisfied with the quality of their accommodation, 10.9% are neither satisfied nor dissatisfied and 5.1% expressed degrees of dissatisfaction.
- 4.14 Over the period 2000 to 2015, lower quartile and median house prices across Kirklees have increased dramatically as summarised in Table 4.4.
- 4.15 It is interesting to note that in 2000, a household income of £10,714 was required for a lower quartile price to be affordable; by 2015 this had increased to £26,857. In comparison, an income of £15,143 was required for a median priced property to be affordable in 2000 compared with £37,143 in 2015.

Kirklees	House Price (£)		Income to be affordable*	
	2000	2015	2000	2015
Lower Quartile	37,500	94,000	£10,714	£26,857
Median	53,000	130,000	£15,143	£37,143

Source: Data produced by Land Registry © Crown copyright 2016

*Assuming a 3.5x income multiple

- 4.16 A range of socio-economic and demographic information on residents has been obtained from the household survey. Some interesting observations relating to owner-occupiers include:
- In terms of household type, 29.0% of owner occupiers are couples with children, 27.1% are older (65 or over) singles and couples, 21.0% are couples (under 65 with no children), 13.9% are singles, 5.3% are lone parents and 3.7% are other household types;

- The majority of Household Reference People (Heads of Household) living in owner occupied dwellings are in employment (60.4%) and a further 32.8% are wholly retired from work. The proportion retired is considerably higher for outright owners (57.3%);
- Incomes amongst owner occupiers tend to be high, with 50.1% receiving at least £500 each week. That said, incomes amongst outright owners tend to be lower than for mortgaged owners, with 33.4% receiving less than £300 each week compared with 13.9% of mortgaged owners. This reflects the different age profile and economic status of outright owners;
- In terms of length of residency, 41.2% of owner occupiers have lived in the same property for 20 years or more (and the figure is 60.4% for outright owners).

Views of estate agents

- 4.17 Views were sought about current market activity from a range of estate and letting agents working across Kirklees.
- 4.18 Estate and letting agents were asked to describe the current housing market in Kirklees. Agents stated that the last three to five years have seen positive trends in both the rental and sales markets within the area. They felt that the last year had been particularly positive for the sales market and believed that a boost in confidence in the UK housing market and the economy was likely to be driving this. The rental market has performed consistently well and agents suggested that this continues to be boosted by the expansion of Huddersfield University that had led to high levels of student demand. The overall housing market was described as 'consistent and improving' when compared to recent years and all agents highlighted that they felt positive about future trends.
- 4.19 Agents considered that the housing market is mainly driven by families and investors who view Kirklees as an area that offers excellent value for money when compared with the surrounding areas of Leeds and Manchester. Family homes and modern flats or apartments are typically highest in demand and can sell within a matter of weeks of entering the market.
- 4.20 The sales market within Kirklees has shown some very positive trends in line with the economic recovery. Agents felt that house prices in the market had performed consistently well when compared with other areas of the UK. However, they still describe the overall market as 'very price sensitive'. On the whole, agents believe that confidence in the market has increased dramatically and that these trends will continue.
- 4.21 The family market remains at the core of Kirklees owner occupied demand. Location is key amongst this demographic who will actively seek properties that fall within school catchment areas. Agents indicated that Lindley and properties in the Holme Valley receive the highest demand overall. Properties in Denby Dale are also popular amongst those families looking for a more rural style of living and tend to be popular with families with older children.
- 4.22 Family homes that offer three or more bedrooms are the most sought after and parking and garden are viewed as 'essential'. The market for these properties

is strong and these properties can sell within a matter of weeks of coming on the market.

- 4.23 Property prices remain consistent and offers have become more aligned with asking prices. Agents suggested this indicates positive trends for the market moving forward as it suggests confidence in the housing market is returning.
- 4.24 Agents were keen to stress that demand for properties overall has changed in recent years due to the vast increase in student demand. Investors place considerable preference on the properties that will present the highest rental yields often converting larger family homes and bungalows into self-contained flats as a way to capitalise on the student demand. Agents were concerned that this may negatively affect the housing stock within the area longer term if family needs are left uncatered for.
- 4.25 Investors are typically from outside of the area and will purchase rental properties that are managed by local agents. Agents noted that the area is also increasing in popularity amongst local investors as demand for rental property increases, most noticeably within the student market.

Private rented sector

- 4.26 Nationally, the private rented sector has established itself as an important dimension of the housing market to complement owner occupation and social renting. The sector plays a major role in facilitating labour mobility. The sector is diverse in terms of the range of households it accommodates and the types of properties available. A report 'The Modern Private Rented Sector'¹⁴ provides a useful overview of the sector. Drawing upon 2001 census data, it suggests that the private rented sector has five key roles:
- A traditional housing role for people who have lived in the private rented sector for many years;
 - Easy access housing for the young and mobile;
 - Providing accommodation tied to employment;
 - A residual role for those who are unable to access owner occupation or social renting;
 - An alternative to social rented housing (for instance those wanting to move to a different area but unable to do so through their social housing provider).
- 4.27 Given the range of roles of the private rented sector, there is a considerable diversity in the characteristics of private renting tenants. Evidence from the 2001 Census (Rhodes, 2006) indicates that nationally households living in private rented accommodation:
- tend to have younger Heads of Household;
 - are ethnically diverse;

¹⁴ 'The Modern Private Rented Sector' David Rhodes, 2006 University of York with CIH/JRF

- singles, lone parents and other multi-adult households are over-represented compared with other tenures;
 - people in professional and higher technical occupations are over-represented compared with other tenures;
 - are more likely to be highly mobile geographically and turnover rates are high; and
 - are more likely to accommodate international migrants.
- 4.28 The report 'The Private Rented Sector: its contribution and potential'¹⁵ identified that the private rented sector is complex and distinct sub-markets include:
- Young professionals;
 - Students, whose needs are increasingly being met by larger, branded, institutional landlords;
 - The housing benefit market, where landlord and tenant behaviour is largely framed by housing benefit administration;
 - Slum rentals at the very bottom of the PRS, where landlords accommodate often vulnerable households in extremely poor quality property;
 - Tied housing, which is a diminishing sub-sector nationally but still has an important role in some rural locations;
 - High-income renters, often in corporate lettings;
 - Immigrants whose most immediate option is private renting;
 - Asylum seekers, housed through contractual agreements with government agencies;
 - Temporary accommodation, financed through specific subsidy from the Department for Work and Pensions; and
 - Regulated tenancies, which are a dwindling portion of the market.
- 4.29 The report concludes that the PRS needs to become a flexible, well-functioning element of the housing market. To this end, its recommendations include:
- More policy to encourage a better understanding of managed rented housing and mandatory regulation of managing agents to ensure better quality management standards and Registered Providers should be encouraged to enter this market place;
 - Initiatives to 'grow' the business of letting, encouraging smaller, good landlords to expand their portfolios and view this as a business;
 - Equalising rental choice so low-income households can make a real choice between a social or private let and see both as being equally desirable;
 - Light-touch licensing and effective redress to encourage local authorities to target the very worst landlords and a permit/licence would be required by all

¹⁵ The Private Rented Sector: its contribution and potential' Julie Rugg and David Rhodes, Centre for Housing Policy The University of York 2008

landlords that would be revoked if the landlord did not meet statutory requirements on housing management and quality.

- 4.30 The private rented sector accommodates around 17.3% (30,576) of households across Kirklees. Of these households, 25,195 rent unfurnished properties, 4,434 rent furnished accommodation and 947 rent with their job (tied accommodation). Table 4.5 summarises the number of private rented dwellings by sub-area and the proportion of households living furnished, unfurnished rented and tied accommodation.
- 4.31 Most private rented properties (69.3%) are houses (of which 43.3% are terraced, 17.2% are semi-detached and 8.8% are detached); a further 23.4% are flats, 4.8% are bungalows and 2.6% are other property types. 25.5% of privately rented properties have one bedroom/bedsit, 37.5% have two bedrooms, 26.8% have three bedrooms and 10.2% have four or more bedrooms. Further analysis of private rented stock and household characteristics can be found at Appendix B.
- 4.32 The characteristics of tenants are diverse and in particular the private rented sector accommodates lone parents (15.7%), singles under 60 (26.5%), couples (no children) (23.9%) and couples with children (17.8%).
- 4.33 43.5% of private renting households have lived in their accommodation for less than two years. In terms of income, 47.9% of privately renting households receive less than £300 gross each week, 28.6% receive between £300 and £500 each week and 23.4% receive at least £500 each week, indicating that the private rented sector tends to accommodate lower income households. 66.0% of Household Reference People (Heads of Household) living in private rented accommodation are employed, 13.0% are wholly retired from work, 8.5% are permanently sick/disabled, 5.4% are unemployed and 5.3% are carers or looking after the home.
- 4.34 This report is accompanied by a separate report which considers the Private Rented Sector in Kirklees (2015). Key findings from this study are now reported. The private rented sector in Kirklees has grown from 12.2% of households to 17.3% of households from 2001 to 2010 and in 2011 represented 30,027 households according to the 2011 census.
- 4.35 Overall, the total number of properties coming onto the market has increased from 1,769 in 2010 to 6,962 in 2014; an increase of 294%. Over the past five years flats represent 29.2% of the properties coming onto the market. Houses make up 70.8% of all properties. Since 2010, the proportion of flats that have come onto the market has reduced by around 5% and houses increased. This may illustrate a growing family market in the private rented sector which would be supported by agent feedback. The market is dominated by two bed properties (43.5%) with smaller proportions of smaller and larger properties coming onto the market. This may create shortages for families looking for larger properties and households looking for smaller properties, or those needing to downsize to access property. It will be useful to monitor this trend; potentially students may be house sharing or families may be using the private rented sector.
- 4.36 The urban and rural private rented markets are very different. The urban markets are quite extensive (for the locality) and operate conventionally with letting agencies and conventional private landlords. The urban centres tend to

be more overcrowded properties. The rural wards are much less likely to be overcrowded and tend to have older tenants. Notwithstanding age profile, tenants in the rural wards tend to have higher levels of employment. There is evidence of low levels of central heating and elements of a less conventional market in rural areas linked to tied housing and rent free living.

- 4.37 The market is buoyant and growth is driven by student demand and demand for family accommodation. Over 2010 to 2014, the average time it took to let property in Kirklees was eight weeks. This timescale includes notice periods, which we assume to be four weeks or one calendar month. Property is letting relatively quickly compared to other markets reviewed and this is supported by agent feedback.
- 4.38 The sector is distributed across all values and property types although there is a particular element of lower value stock, for example, Batley East, Crosland Moor and Netherton and Dewsbury West. However, there is higher value PRS in Kirkburton and median value PRS in Greenhead and Cleckheaton. This is a diverse market; acting as both an extension of the social rented sector and supporting an economically active market.
- 4.39 Over the past five years flats represent 29.2% of the properties coming onto the market. Houses make up 70.8% of all properties. Since 2010, the proportion of flats that have come onto the market has reduced by around 5% and houses increased. This is quite an unusual shift to see and may illustrate a growing family market in the private rented sector which would be supported by agent feedback.
- 4.40 The market is dominated by two bed properties (43.5%) with smaller proportions of smaller and larger properties coming onto the market. This may create shortages for families looking for larger properties and households looking for smaller properties, or those needing to downsize to access property. It will be useful to monitor this trend; potentially students may be house sharing or families may be using the private rented sector.

Table 4.5 Profile of private rented sector in Kirklees

Sub-Area	Tenure						Total	
	Rented Privately (furnished)		Rented Privately (unfurnished)		Tied accommodation			
	Count	% of PRS	Count	% of PRS	Count	% of PRS	Count	% of PRS
Batley and Spen	478	1.1	6725	15.1	0	0.0	7203	16.2
Dewsbury and Mirfield	503	1.7	3799	12.6	445	1.5	4747	15.8
Huddersfield North	1667	6.7	3631	14.6	118	0.5	5416	21.7
Huddersfield South	897	2.7	5542	16.9	149	0.5	6588	20.1
Kirklees Rural - East	19	0.1	1522	11.4	132	1.0	1673	12.5
Kirklees Rural - West	871	2.8	3977	12.8	103	0.3	4951	15.9
Total	4435	2.5	25196	14.3	947	0.5	30578	17.3

Source: 2015 Household Survey

- 4.41 The average rent for a property in Kirklees from 2010-2014 was £477pcm. Since 2010, average rents in Kirklees have increased by 7%. This is high and a sign of a buoyant market but could also indicate an under supply of certain property types in certain locations. The LHA caps were forecast to increase by 1% in 2014 and 2015; the reality is that some increased by up to 4% but this is unlikely to continue. However, rent levels in Kirklees are increasing and so the current availability of properties within Local Housing Allowance is likely to reduce over the coming years as it has since 2010.
- 4.42 Since 2010, 25.2% of all properties coming to the market have been within the Local Housing Allowance caps and this has reduced since 2010. It is very likely that additional properties are available within Local Housing Allowance levels but that these are advertised locally through 'word of mouth' or directly through windows in properties etc. The difficulty with this is that those households that need to access properties with rents that are within Local Housing Allowance levels may struggle to find them as they are not widely advertised. The market is affordable with many households on lower income earnings being able to afford most areas. Median income earners can afford all areas.
- 4.43 There is a general balance of the market which suggests properties are being let as they come onto the market, however, rents are potentially being negotiated upwards for houses in this market. This could suggest an undersupply of/high demand for property in the authority.
- 4.44 Table 4.6 shows the monthly and annual gross income levels that would be required to rent at different property sizes. The rent levels are based on 2014 figures when lower quartile annual gross income was £18,476 and the average annual gross income was £24,939¹⁶. The market is relatively affordable. Households on lower quartile incomes can afford one and two bed flats and smaller houses. Households earning median income earnings can afford all property types with the exception of four bed properties.

¹⁶ ONS Crown Copyright Reserved

Property size	2014 median rent levels (£pcm)	Monthly Income required for rent to be within 30% of household gross income (£)	Annual Gross income (£)
Flat	446.0	1487	17840
0	390.0	1300	15600
1	399.0	1330	15960
2	477.0	1590	19080
3	550.0	1833	22000
4*	1950.0	6500	78000
House	494.0	1647	19760
0	418.5	1395	16740
1	377.0	1257	15080
2	451.0	1503	18040
3	550.0	1833	22000
4+	802.0	2673	32080
Kirklees	477.0	1590	19080

Source: Zoopla

Annual survey of hours and earnings - resident analysis

* Treat with caution, based on small sample size

4.45 There is a market for executive housing. Rent levels vary depending on the area a property is in. Rent levels are lower the closer to Huddersfield a property is and agents noted that this was due to the limited demand here. The executive properties available tend to be smaller three or four bed properties and are usually much older when compared with other areas. Rental values for these properties are usually around £895-£950pcm and agents indicated that the highest rental value is capped at around £1200pcm. Properties towards the north of Huddersfield command a high rental value as properties are usually bigger (4/5+ bedrooms), more modern and offer land. Rental prices here can range between £1000 - £1800 pcm. The executive market as a whole was viewed as steady and agents stated that they expected no particular expansion of the sector. Despite this, concerns were raised over the executive offer located closer to Huddersfield. All agents indicated that due to the high levels of student demand present in the area, many landlords are now converting the bigger properties into flats as this is more financially viable for them. Despite demand for executive property not being considered high, agents were concerned that if current trends continued, there would be very limited executive property left to cater to the current demand.

Estate agent views on the private rented sector

- 4.46 Estate and letting agents operating across Kirklees were asked for their views on the private rental sector. The majority opinion was that rental growth within the area has always been fairly consistent. Agents were confident that this will continue. They indicated that this is partly due to a lack of affordability of owner-occupied properties in some of the more desirable parts of Kirklees, which has forced many to seek rental accommodation. In addition, there is significant demand from students.
- 4.47 Agents recognised three distinct markets:
- Student Demand – This falls within a one-mile radius of Huddersfield and student demand here is described as "very high". Investors are keen to invest; and
 - Family Demand – This is focused towards Lindley and the Colne Valley area where demand for family homes is strong in both the rental and sales market. Three bed semi-detached properties offering parking and gardens are considered the highest in demand;
 - Low End Demand – This is focused towards North Kirklees and is visible in areas such as Dewsbury and Batley low end rental demand is very high. Smaller one and two bed properties receive the highest demand due to the implication of the bedroom tax and single people, couples and low income households are considered most active in these markets.
- 4.48 Demand from families remains consistent. Agents noted that changes to family dynamics and a tough economic climate has left many unable or unsure about owning their own home. As a result, many now seek a rental property, particularly after a marital breakdown or when trialling a new family living format. Furthermore, agents believe that many families will seek rental properties despite owning their own homes to ensure they fall within school catchment areas. Agents suggested this trend was a concern as, if it was not managed carefully, it may create an imbalance in rental stock available.
- 4.49 The location of a property greatly affects demand levels. The Colne Valley and Lindley are the areas in highest demand amongst families who will often seek a rental property if they cannot afford to buy a home within the area. Families may also seek rental accommodation here as a temporary measure until a suitable property comes up for sale.
- 4.50 Agents believe that families in the area prefer to own their own home rather than rent; however, the economic impact has meant many have moved into rented accommodation, as they cannot afford to buy a bigger property and therefore opt to rent instead.
- 4.51 Demand at the lower end of the market is still high. Many agents indicated that this might pose a challenge for the area as most stated they did not support DSS applications due to bad experiences in the past. Furthermore, many mortgage agreements will now not allow landlords to let properties to benefit recipients or asylum seekers.
- 4.52 Properties will let on average within a week of coming on to the market. However, many will let within days due to the strong demand and most properties take no longer than one month to agree a letting. Agents highlighted

- that the rental market is often busiest in the summer, as students will seek properties ready for the academic year to start. They noted that during this time properties can be taken up within hours of coming on the market.
- 4.53 Students demand has not only increased in recent years but the types of properties in demand has now changed. A preference is now placed on purpose built apartments over shared homes. Agents believe this is due to an increase in international students who seek luxury, secure accommodation and UK students who are more selective about their living arrangements.
- 4.54 Properties are now being bought and converted into flats for students rather than being rented to professionals or families. Student lets present investors with a much higher rental return and agents indicated that investors actively seek student rentals to allow them to capitalise on the local demand. Agents were concerned that this could leave a gap in the market for family homes in both the sales and rental markets if it this trend continues to grow in the future.
- 4.55 A growing trend amongst British students is for parents to buy a property for their child for the duration of the time they are at University, renting the additional rooms to their student friends. Agents noted that this has become an increasingly popular investment option for parents as it allows them to ensure their child obtains a suitable property during studying. This is then sold or rented to other tenants once the child has completed their studies.

Executive rental demand

- 4.56 Agents were asked their views on the current status, performance and market trends within the executive PRS market across Kirklees. They noted that the way executive housing was defined or categorised would vary greatly depending on the area it was in and felt that this also influenced who it was that was looking for this type of property. Overall demand for executive property was described as “steady” but it was not noted as an area great growth or significance within the market at present. However, agents did note that despite being more expensive, Leeds, Harrogate and York tend to attract more executive demand due to their status and image.
- 4.57 The definition of an executive property varies greatly based on its location. Properties closer to Huddersfield are often older properties and are 3+ bedrooms and are typically a more traditional build often grade 2 listed properties. By comparison, properties to the North of Huddersfield are typically larger and more modern. Most will offer 4+ bedrooms, 2 or 3 bathrooms and at least 1 reception room.
- 4.58 Agents believe that those who seeking property at this end of the market are far more discerning in terms of what they expect from a property than within other areas of the market. This is likely due money not presenting a problem and/or companies subsidising the property. As a result, agents suggested that executive properties can often ‘sit’ on the market far longer and may have higher amounts of viewings when compared to the rest of the market.
- 4.59 Agents believe that it is not just those seeking property who can slow the process down and stated that landlords will often reject applications and look for the ‘right tenant’ to put in a property rather than focus simply on the financial return a tenant will offer. This tends to be very common in the older properties

- such as listed buildings. As a result, properties take around 2 + months to let – double the average maximum time to let in Kirklees.
- 4.60 Tenancy length can vary greatly depending on who is renting the property however agents noted this is typically between 6 and 12 months. This is typical where a family will trial the area or someone has moved for a work contract. Agents noted that the longer tenancies tend to be from locals who could not afford a larger property otherwise or via through companies who will let a property then allow workers to live here temporarily.
- 4.61 According to agents, the executive market is most active in the HD8 area North of Huddersfield such as Lindley and Edgerton tend to receive the highest demand - Holmfirth was also noted as a popular location.
- 4.62 Agents suggested that the presence of larger, modern homes and excellent schools tend to appeal to families who may have never been able to access this type of property on the sales market or families from the South who want more for their money. Most relocators will rent a property to trial the area before they commit to buy. Equally, those who move from the South are happy to pay the higher rental values commanded by executive housing as this is still significantly cheaper when compared with property prices in the South.
- 4.63 Demand in central Huddersfield is noticeably lower. Agents noted that on average every 1/20 property they let is considered an, 'executive home'. Contract workers - particularly, doctors or foreign nationals who work part-time drive the demand in this area. Rental properties are often funded by or subsidised by companies and agents noted a growing trend towards long term 'company let's' to allow them to move workers in and out more freely.
- 4.64 The area faces great competition from surrounding localities with Leeds and Harrogate considered very popular. Agents noted that this was due their proximity to work and the perceived image and lifestyles offered in these areas. Agents also believe that due to the higher demand present in these locations, there is more choice in terms of executive homes for those seeking property resulting in many professionals favouring property in these locations.
- 4.65 To the North of Kirklees demand for and supply of executive housing is much lower. Agents note that any demand present for this type of housing typically favours owner occupation. Despite this, overall rental demand in these geographies is considered good and is focused towards family homes, flats and smaller terraced properties.
- 4.66 Agents highlighted areas such as Upper Batley, Birstall and parts of Mirfield offer a small number of executive homes however all stated that it is very rare these properties are available for rent. Any demand for executive housing in these geographies tends to be focused around different dwelling types than in other geographies. Low maintenance, luxury 2 bed flats typically receive the highest demand. For this type of property, Mirfield receives good demand due to its access to transport links and rural feel.
- 4.67 Agents noted that land is very desirable for those who seek property here and said that often anyone who is relocating from down South will find this very desirable as it offers stark contrast to what they have been able to obtain.
- 4.68 Rent levels also vary depending on the area a property is in. Rent levels are far more capped the closer to Huddersfield a property is and agents noted that this

was due to the limited demand here. The executive properties available tend to be smaller 3 or 4 bed properties and are usually much older when compared with other areas – many are listed buildings. Rental values for these properties are usually around £895-£950PCM and agents indicated that the highest rental value is capped at around £1200. Properties towards the North of Huddersfield command a high rental value as properties are usually bigger (4/5+ bedrooms), more modern and offer land. Rental prices here can range between £1000 - £1500 PCM.

- 4.69 Ledgard Bridge Mill (Mirfield) offers an example of where the executive demand in geographies to the North of Kirklees is focused. Professionals who would typically seek executive homes in the area now often rent the more luxury 2 bedroom flats on offer in this development at rent levels of around £600PCM. Agents went on to note that many use the development as a “hotel” and stay during the week whilst they are away from their families and return home during the weekend.
- 4.70 The executive market as a whole was viewed as steady and agents stated that they expected no great changes to this. Despite this, concerns were raised over the executive properties located closer to Huddersfield. All agents indicated that due to the high levels of student demand present in the area many landlords are now converting the bigger properties into flats due to the greater rental yield this offers them. Despite demand for executive property not being considered high, agents were concerned that if current trends continued, there would be very limited executive property left to cater to the demand present.

Low-end PRS

- 4.71 Dewsbury and Batley hold strong rental markets due to higher rates of unemployment and lower income levels leaving most unable to buy. Agents note that no demand for or supply of executive homes is present in these localities.
- 4.72 Demand centres towards smaller properties that appeal to single people and local families. The demographic in these areas is typically localised and both boast strong Asian communities. The number of people in receipt of housing benefit within these geographies is considered very high thus the reputation and image of these localities make it unlikely that demand for executive housing will ever be present.
- 4.73 These geographies hold good investor markets due to the high levels of PRS demand present although agents note that changes to the payment of tax credits have made some investors more cautious when allocating a tenant to a property and some have been put off all together.
- 4.74 Smaller properties offering 1 or 2 bedrooms receive the highest demand. Any properties that offer more than 2 bedrooms usually struggle to let due to the implications of the bedroom tax leaving these properties unaffordable. Flats and 2 bed-terraced properties receive the highest demand yet rents in these geographies are capped at around £400PCM.

Stakeholder views on the private rented sector

- 4.75 The online stakeholder survey obtained the views of 41 representatives including Local Housing and Planning Authority representatives, Registered Social Landlords (RSLs), Supporting People representatives and developers. They were invited to answer a range of questions relating to the housing market in Kirklees.
- 4.76 There was a lower response rate to questions relating to the private rented sector. Respondents expressed a range of views in relation to the size of the private rental sector, with some considering it too small, some too big and others about the right size. Respondents who considered the private rented sector too large generally felt that younger people in particular were being forced into renting because they cannot afford to access owner-occupation and too few social rented units are being built. In many cases it is therefore not the tenure of choice, but necessity.
- 4.77 Typical characteristics of the private rental sector were identified as:
- Older, poorly quality and badly maintained;
 - Overpriced;
 - Predominantly in urban areas;
 - Smaller terraced houses;
 - Former Council houses;
 - Student accommodation;
 - Buy-to-let apartments; and
 - More recently, a greater range of dwellings in the private rented sector, including larger family-sized houses and executive homes.
- 4.78 Private rented properties were identified as being either distributed across the District, or focused predominantly in urban areas. Several respondents noted that older private rented stock was mainly in the poorer urban areas, with more expensive private rented properties in semi-rural areas.
- 4.79 There was limited knowledge amongst respondents regarding demand factors, and an acknowledgement that this varies between different areas of the District. In urban areas, north Kirklees, Dewsbury and Batley, there are smaller properties of poorer quality sustained by demand from migrant working populations. Town centres are considered to be a focus for students and young people, with higher rental prices found in the rural fringe.
- 4.80 There was a mix of views regarding the role of buy-to-let in the local market. Several respondents considered that demand for buy-to-let has increased and plays an important role in the housing market. A tendency towards flats and apartments, providing modern accommodation for professionals and university students, was noted.
- 4.81 Demand for homes in the private rented sector is seen as being driven by students; young people who cannot afford to buy a property; and low income households, including single parents. The expansion of the private sector means that it also provides short term accommodation for middle- and higher-income households moving into the area.

- 4.82 Several respondents noted that the introduction of the 'Bedroom Tax' has seen some households choosing to move from social housing into the private rented sector. The impact of the recession in terms of redundancies and people being unable to keep up the payments on their homes, resulting in selling or repossession, also meant that private renting became necessary for some households.
- 4.83 There was a general consensus amongst respondents that much of the private sector stock is of a low standard and in relatively poor condition. Several respondents considered that there is high demand for private rented housing from ethnic minority groups, but the majority of stakeholders were unsure or did not comment on this issue.
- 4.84 In terms of key strategic messages about the sector to be identified in the SHMA, stakeholders identified the following:
- Improved quality and standards;
 - Working with landlords on managing tenancies and maintaining properties in a good condition; and
 - Private rental housing should be affordable for people on low incomes.

Affordable sector

- 4.85 There are around 27,338 households who live in an affordable (social rented or shared ownership) property across Kirklees, accounting for 15.5% of all occupied dwellings.
- 4.86 Flats/apartments and maisonettes account for 46.4% of occupied affordable dwelling stock, 38.7% are houses and 14.8% are bungalows. Affordable dwellings tend to have one (48.5%), two (35.3%) or three (15.4%) bedrooms, with a further 0.8% having four or more bedrooms.
- 4.87 35.0% of households living in affordable dwellings are singles under 60, a further 30.6% are older singles and couples, 10.3% are lone parents (children under 18), 8.6% are couples with children under 18, 8.3% are couples/lone parents with adult children, 2.9% are couples with no children and 4.3% are other household types.
- 4.88 30.6% of Household Reference People living in affordable housing are in employment. A further 27.5% are wholly retired from work, 24.4% are permanently sick/disabled, 10.5% are unemployed, 6.3% look after the home/are caring for someone and 0.3% are in full-time education/training.
- 4.89 Incomes are generally low, with 84.3% receiving an income of less than £300 gross each week and 60.9% receiving less than £200 gross each week.

Estate agent views on affordable housing

- 4.90 Estate and letting agents were asked for their views on affordable housing in Kirklees.
- 4.91 Affordability was raised as a concern by agents who suggested that for many families and first time buyers this continues to remain an issue. Obtaining

mortgages is challenging and agents were concerned that this may leave many stuck in the rental market indefinitely. Due to high demand for properties that fall within certain school catchment areas and the increasing rental demand, agents indicated that some are being priced out of the market.

- 4.92 Recent schemes for first time buyers have stimulated positive activity within the market. However, agents were unsure that this offered a true reflection of the first time buyer market as a whole. Agents believe the consumer profile of a first time buyer is now much older than it was three to five years ago and felt that due to them being older, they have had longer to save for a deposit. Agents felt that this may further indicate that affordability for younger first time buyers is a still a problem.

Stakeholder views on affordable housing

- 4.93 The online survey of key stakeholders asked several questions relating to the provision of affordable housing in Kirklees. Below is a summary of the findings.
- 4.94 Decent homes standards were identified as having been met. Respondents represented organisations that manage a range of stock, from single bedroom flats in supported accommodation through to three- and four-bedroom family housing. Several respondents identified recent or existing affordable housing developments that they have been involved with.
- 4.95 Respondents considered there to be strong demand across the full range of affordable housing units. One respondent commented on seeing a lot of churn in one- and two-bedrooms, above the historical trend. The location of housing stock was also identified as a factor influencing demand. Aspley (close to Huddersfield Town Centre), sub-urban areas with family houses, Newsome and the rural south of the District were identified as popular areas. Affordable housing tenants have lower incomes; stakeholders also noted a recent trend towards a younger clientele, whilst more frail and vulnerable people are staying in properties for longer. An increase in customers with higher support needs has also been experienced.
- 4.96 Several respondents noted a significant Black and Minority Ethnic (BME) population within their affordable housing stock, predominantly with high demand and occupancy levels in specific locations where there is a correspondingly high resident BME population. One respondent commented that older BME representatives will often seek large family homes, whilst younger members of the community would like homes close to, but independent of, their parents. Another respondent said that there has been previous identification of overcrowding and invisible markets, where property is exchanged within communities rather than on the market. This latter challenge has been addressed by working to develop new large family homes. It was suggested that more knowledge of this area is required.
- 4.97 Antisocial behaviour was not generally identified as a significant problem. Problems occasionally arise, but no major factors were identified besides one respondent suggesting that it is more prevalent where there are high concentrations of flats with shared communal spaces, including high rise blocks. Tenant/customer satisfaction levels are generally considered to be relatively high.

- 4.98 In terms of key messages for the SHMA in respect of affordable housing stakeholders identified the following:
- A need for an increased supply of affordable housing;
 - A need for more sites for new development;
 - A need for a sustainable mix of homes and ownership products;
 - An appreciation of hidden households who do not understand social housing options, or see it as an option for them; and
 - An acknowledgement that growth in the economy is also needed to begin to address affordable housing needs.

Relative affordability of housing options

- 4.99 The relative cost of alternative housing options across Kirklees by sub-area is explored in Table 4.7. This includes affordable and market rent options, owner occupation and intermediate tenure options, as well as Starter Homes. Table 4.7 also shows the income required for alternative tenure options to be affordable by sub-area. Table 4.8 presents the assumptions underpinning the analysis.
- 4.100 This analysis indicates that for social/affordable rented housing a minimum income of £17,396 is required for social/affordable housing to be affordable (excluding housing benefit) and this falls to £17,318 for affordable renting (based on 80% of median market rents). For open market housing, at district level the minimum income required is £19,152 for lower quartile or entry-level renting and £24,171 for lower quartile or entry-level house prices. For affordable home ownership, a district level income of at least £22,587 is required for help-to-buy and £32,576 for 50% shared ownership.
- 4.101 At a sub-area level, the income requirements for lower quartile private renting to be affordable range between £18,912 (Batley and Spennings Dale) and £22,896 (Kirklees Rural - East). For lower quartile or entry-level house prices, income requirements range between £21,857 (Huddersfield South) and £36,257 (Kirklees Rural - East).

Table 4.7 Cost of alternative tenure options for Kirklees and sub-areas

Tenure option	Price (2015)						
	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	Kirklees Total
Social Rent (average)	£374	£374	£374	£374	£374	£374	£374
Affordable Rent (80% of median private rent)	£361	£361	£382	£382	£461	£395	£382
Market Rent - Lower Quartile	£394	£394	£416	£399	£477	£425	£399
Market Rent - Median	£451	£451	£477	£477	£576	£494	£477
Market Sale - Lower Quartile	£86,000	£88,100	£93,000	£85,000	£141,000	£106,000	£94,000
Market Sale - Median	£120,000	£127,000	£132,500	£117,600	£190,000	£141,250	£130,000
Market Sale - Average	£137,847	£150,633	£157,151	£143,445	£221,522	£172,128	£158,107
Starter Home	£96,000	£101,600	£106,000	£94,080	£152,000	£113,000	£104,000
Shared ownership (50%)	£68,924	£75,317	£78,576	£71,723	£110,761	£86,064	£79,054
Shared ownership (25%)	£34,462	£37,658	£39,288	£35,861	£55,381	£43,032	£39,527
Help to buy	£137,847	£150,633	£157,151	£143,445	£221,522	£172,128	£158,107
Tenure option	Income required by sub-area (2015)						
	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	Kirklees Total
Social Rent	£17,936	£17,936	£17,936	£17,936	£17,936	£17,936	£17,952
Affordable Rent	£17,318	£17,318	£18,317	£18,317	£22,118	£18,970	£18,317
Market Rent - Lower Quartile	£18,912	£18,912	£19,968	£19,152	£22,896	£20,400	£19,152
Market Rent - Median	£21,648	£21,648	£22,896	£22,896	£27,648	£23,712	£22,896
Market Sale - Lower Quartile (assumes 10% deposit)	£22,114	£22,654	£23,914	£21,857	£36,257	£27,257	£24,171
Market Sale - Median (assumes 10% deposit)	£30,857	£32,657	£34,071	£30,240	£48,857	£36,321	£33,429
Market Sale - Average (assumes 10% deposit)	£35,446	£38,734	£40,410	£36,886	£56,963	£44,261	£40,656
Starter Home	£28,357	£30,987	£32,328	£29,509	£45,570	£35,409	£32,525
Shared ownership (50%)	£28,857	£31,204	£32,400	£29,884	£44,217	£35,150	£32,576
Shared ownership (25%)	£24,278	£26,201	£27,181	£25,120	£36,859	£29,433	£27,325
Help to buy	£19,692	£21,519	£22,450	£20,492	£31,646	£24,590	£22,587

Source: Land Registry, CLG, Zoopla rental data

Table 4.8 Assumptions in assessing income required for alternative tenure options

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

Suggested future development profile of market dwellings

4.102 The current stock of open market dwellings is summarised in Table 4.9, along with aspirations and expectations by housing type and size. Table 4.10 then suggests an annual profile of dwellings to be built to reflect the current stock profile, household aspirations and expectations.

Table 4.9 Open market dwelling stock and preferences			
Dwelling type/size	Dwelling stock, likes and expectations		
	Current Private Stock %	Like %	Expect %
Detached house/cottage 1-2 Beds	1.4	4.5	3.4
Detached house/cottage 3 Beds	7.0	19.8	12.7
Detached house/cottage 4 or more Beds	15.6	19.4	12.2
Semi-detached house/cottage 1-2 Beds	5.0	4.1	6.6
Semi-detached house/cottage with 3 Beds	19.7	11.6	18.8
Semi-detached house/cottage 4 or more Beds	4.9	4.2	5.9
Terraced house/cottage 1-2 Beds	15.1	5.9	9.2
Terraced house/cottage 3 Beds	12.3	2.2	5.3
Terraced house/cottage 4+ Beds	3.0	1.0	2.2
Bungalow 1-2 Beds	4.9	11.9	9.5
Bungalow 3 Beds	2.6	7.6	4.8
Bungalow 4+ Beds	0.7	0.6	0.4
Flat/Apartment 1 Bed	3.1	2.2	4.9
Flat/Apartment 2 Beds	3.6	4.3	3.3
Flat/Apartment 3+ Beds	0.3	0.1	0.6
Other 1-2 Bed	0.7	0.2	0.3
Other 3+ Bed	0.3	0.4	0.0
Total	100.0	100.0	100.0
Base	147809	31411	27570

Source: 2015 Household Survey

Table 4.10 Open market dwelling stock and preferences			
Dwelling type/size summary	% Profile of new dwelling stock based on:		
	Current stock	Like	Expect
House 1/2 Beds	21.5	14.4	19.2
House 3 Beds	38.9	33.7	36.8
House 4 or more Beds	23.4	24.6	20.3
Bungalow	8.2	20.1	14.7
Flat	7.0	6.6	8.8
Other	0.9	0.5	0.3
Total	100.0	100.0	100.0
Base	147809	31411	27570

Source: 2015 Household Survey

4.103 This analysis would suggest a particular focus on the delivery of three bedroom and four bedroom detached houses, three bedroom semi-detached houses and bungalows.

4.104 Table 4.11 considers the current dwelling stock profile of open market dwellings by sub-area and then the extent to which this varies from the stock profile based on the aspirations of households planning to move (using District-level data). Where cells are colour coded: a green spot indicates that the current

proportion of dwelling stock is greater than the aspiration for that dwelling stock; a red spot indicates that the proportion of dwelling stock is lower than the aspiration. Therefore a red spot suggests there is a lack of that particular type of dwelling type and size in the sub-area.

Table 4.11 Comparison between current dwelling stock and market aspirations / expectations

Dwelling type	Sub-area							
	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	Kirklees Total	
Detached house/cottage 1-3 Beds	● -14.6	● -18.9	● -17.7	● -16.2	● -13.7	● -14.5	● -15.9	
Detached house/cottage 4 or more Beds	● -7.8	● -3.3	● -1.6	● -9.3	● 6.8	● -0.4	● -3.9	
Semi-detached house/cottage 1-2 Beds	● 1.9	● 3.1	● -0.5	● 0.3	● -0.1	● -0.1	● 0.9	
Semi-detached house/cottage with 3 Beds	● 11.8	● 10.6	● 0.8	● 10.4	● 4.2	● 6.0	● 8.1	
Semi-detached house/cottage 4 or more Beds	● 1.1	● 2.2	● 1.6	● -1.1	● 2.7	● -0.9	● 0.7	
Terraced house/cottage 1-2 Beds	● 8.0	● 6.9	● 9.6	● 12.2	● 4.3	● 11.8	● 9.2	
Terraced house/cottage 3+ Beds	● 11.8	● 8.8	● 15.2	● 11.7	● 8.7	● 14.3	● 12.0	
Bungalow	● -13.1	● -10.1	● -11.2	● -10.2	● -9.2	● -14.9	● -11.9	
Flat	● 0.0	● 1.4	● 4.1	● 0.8	● -3.8	● -1.6	● 0.3	
Other	● 0.9	● -0.5	● -0.4	● 1.5	● 0.1	● 0.4	● 0.4	
	●	Insufficient dwellings available relative to aspiration						
	●	Sufficient dwellings available relative to aspiration						

Dwelling type	Sub-area							
	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	Kirklees Total	
Detached house/cottage 1-3 Beds	● -6.5	● -10.8	● -9.6	● -8.1	● -5.6	● -6.4	● -7.8	
Detached house/cottage 4 or more Beds	● -0.6	● 3.9	● 5.7	● -2.1	● 14.0	● 6.8	● 3.4	
Semi-detached house/cottage 1-2 Beds	● -0.6	● 0.6	● -2.9	● -2.2	● -2.6	● -2.6	● -1.5	
Semi-detached house/cottage with 3 Beds	● 4.6	● 3.4	● -6.4	● 3.2	● -2.9	● -1.1	● 0.9	
Semi-detached house/cottage 4 or more Beds	● -0.7	● 0.4	● -0.1	● -2.8	● 1.0	● -2.7	● -1.0	
Terraced house/cottage 1-2 Beds	● 4.7	● 3.5	● 6.2	● 8.8	● 1.0	● 8.5	● 5.9	
Terraced house/cottage 3+ Beds	● 7.6	● 4.6	● 11.0	● 7.5	● 4.5	● 10.1	● 7.8	
Bungalow	● -7.6	● -4.7	● -5.7	● -4.8	● -3.8	● -9.5	● -6.4	
Flat	● -2.1	● -0.8	● 2.0	● -1.4	● -5.9	● -3.8	● -1.8	
Other	● 1.2	● -0.3	● -0.2	● 1.8	● 0.3	● 0.6	● 0.7	
	●	Insufficient dwellings available relative to aspiration						
	●	Sufficient dwellings available relative to aspiration						

Source: 2015 Household Survey

4.105 Final recommendations regarding dwelling type and mix are presented in Chapter 8.

Key market drivers

4.106 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic, economic and dwelling stock characteristics, as summarised in Table 4.12.

Primary Driver	Attributes	Impact on overall demand through:
Demography	Changing no. of households, household structure, ethnicity	Natural Change
Economy	Jobs, income, activity rates, unemployment	Economic migration
Housing stock and aspirations	Quality vs. aspirations, relative prices, accessibility, development programmes	Residential migration

4.107 In summary, the following demographic drivers will continue to underpin the operation of the Kirklees housing market area:

- An increasing population, with ONS 2014-based population projections (Table 4.13) indicating an increase of 10.4% from 431,100 in 2014 to 475,800 by 2031;
- Over the period 2014 to 2031, the number of residents aged under 65 will increase by 4.5.% from 359,400 in 2014 to 375,500 in 2031. The number aged 65+ will increase by 39.9% from 71,700 in 2014 to 10,300 in 2031;
- The 2015 Household Survey indicates that the following range of household groups currently live in Kirklees: singles under 65 (19.4%); couples (under 65 with no children) (18.7%); couples with children under 18 (16.3%); couples with adult children (8.0%); couples 65 or over (14.0%); singles aged 65 or over (10.9%), lone parents with children under 18 (5.5%); lone parents with adult children (3.2%) and other household types (4.1%);

Age Group	2014	2021	2031	Change 2014-31
0-14	82,200	86,100	87,200	6.1
15-39	138,400	142,300	147,000	6.2
40-64	138,800	141,100	141,300	1.8
65+	71,700	81,600	100,300	39.9
TOTAL	431,100	451,100	475,800	10.4
% aged 65+	16.6	18.1	21.1	
% aged 75+	7.3	8.3	10.7	

Source: ONS 2014-based population projections

4.108 The following economic drivers underpin the operation of the Kirklees Housing Market Area:

- 56.8% of Household Reference People are economically active and are in employment according to the 2015 Household Survey; a further 28.6% are retired; 6.6% are permanently sick/disabled; 4.3% are either looking after the home or provide full-time care; 3.2% are unemployed and available for work; and 0.4% are in full-time education/training;
- The 2011 Census data shows that 66.8% of residents in employment work in Kirklees. A further 11.0% work in Leeds, 5.7% in Calderdale, 5.0% in Bradford and 4.4% in Wakefield. Beyond the immediate area, 2.8% work elsewhere in Yorkshire and the Humber, 2.1% in Greater Manchester and 2.3% elsewhere in the UK;
- According to the Office for National Statistics (ONS) Annual Survey of Hours and Earnings, lower quartile earnings in 2014 across Kirklees were £18,476 each year which compares with £18,049 for the Yorkshire and the Humber region and £19,386 for England. Median incomes were £24,939, compared with a regional median of £24,908 and a national median of £27,227;
- There is considerable income polarisation across Kirklees, with 37.3% of households receiving less than £300 each week, 24.4% receiving between £300 and £500 each week and 38.2% receiving at least £500 each week.

4.109 In terms of dwelling stock, the 2015 Household Survey reports that, across the Kirklees area:

- 76.9% of properties are houses, 13.1% are flats/maisonettes, 9.2% are bungalows and 0.8% are other property types (e.g. caravans);
- 13.7% have one bedroom/bedsit/studio, 27.9% have two bedrooms, 38.0% have three bedrooms and 20.4% have four or more bedrooms;
- 22.5% of properties were built before 1919, a further 15.9% were built between 1919 and 1944, 17.1% between 1945 and 1964, 23.5% between 1965 and 1984, 13.9% between 1985 and 2004 and 7.0% have been built since 2005;
- 67.0% of properties are owner-occupied, 17.3% are private rented/tied accommodation, 13.7% are rented from a social landlord and 1.8% are intermediate tenure;
- There is a particularly strong aspiration for houses.

Stakeholder views on housing market drivers

4.110 The online survey asked key stakeholders to identify what they perceive to be the local housing market drivers in Kirklees; these include:

- Demographics: population and household growth, an ageing population, newly-forming households, large families, a growing Asian population, immigration;

- The economy and access to employment (commutability), driven by Huddersfield and Dewsbury within the District and the M62 corridor (Leeds and Manchester);
- A high level of low-income households;
- The desirability of living in a high-quality environment: the southern part of the District and National Park;
- Political drivers i.e. perception that house building numbers are decided by Central Government, rather than being determined at the local level;
- Environmental drivers, including tight Green Belt boundaries restricting the delivery of housing in smaller settlements and forcing first-time buyers to move away; and
- Historical under-delivery creating additional pressure.

4.111 Different areas of the District were felt to have different housing market drivers.

4.112 The following market weaknesses were identified by stakeholders:

- Mismatch between demand and supply in the housing market, with an oversupply of executive housing and an undersupply of two-bedroom properties and homes for older and special needs residents;
- Affordability – housing costs (to rent or buy) relative to wages;
- Infrastructure;
- Development finance constraints;
- Perception of poor planning regulation, including the use of brownfield-vs-greenfield land;
- Dominance of open-market developers, including the strength of the executive homes market;
- Affordable housing development dependent on the private sector;
- Lack of a professionalised private rented sector and owner-occupiers unable to afford the upkeep of their own properties (reference to the recent Private Sector Stock Condition Survey);
- Weak housing market areas - poor quality, outdated houses on main road corridors which saturate the market and are popular for first-time buyers but unsuitable for larger families and hard to improve; relatively unattractive market prospects around inner urban areas and east Dewsbury; and
- Areas of deprivation and market failure.

4.113 Respondents identified a number of characteristics in the current housing market in Kirklees. Whilst variations across the area were acknowledged, several respondents commented upon the popularity of developers providing larger, executive housing. A trend towards providing student accommodation in Huddersfield was also noted. However, one respondent noted that the housing market in the area would seem to be driven by supply rather than demand.

4.114 In terms of demand, the majority of respondents focused upon the needs of local residents. On the one hand, the need for specialist and elderly

accommodation, to provide for the changing requirements of households over time and to allow for older individuals and couples to downsize and release larger properties to the market. On the other hand, there was an acknowledgement of the affordability problems faced by younger people in particular. Emerging households and growing families cannot always afford to access market housing, and private rented accommodation is perceived as expensive especially compared with the low average wages.

- 4.115 Overall demand for decent, well designed homes for families, young people, single people with high needs and elderly people was identified as important. Hidden and suppressed demand was identified by some respondents, relating to the many potential first time buyers who are constrained from entering the property market due to house prices and an inability to secure sufficient funds for a deposit.
- 4.116 Respondents noted the significant variation in house prices across the District. This mixed picture is also seen in terms of house price change, with little change in inner city and urban areas but some upward movement in attractive suburban areas and executive homes. Most respondents commented on the relative stagnation in prices over recent years, although this followed huge increases from 2000-2007/08.
- 4.117 The significance of access to mortgage finances was noted by several respondents, affecting households' ability to meet their needs through owner-occupation in the open market. Schemes such as Help-to-Buy should make mortgages available to more people, but the banks are perceived as making it increasingly difficult.
- 4.118 When asked if affordability was an issue in Kirklees, the vast majority of respondents considered that this was a problem. There was a general consensus that affordability varies in extent across the District. However, several respondents also noted that where house prices are lower it is often in pockets of low demand and low quality. Also, in areas where house prices are lower, such as the urban areas of Dewsbury and Huddersfield, incomes are even lower. Hence, affordability remains a problem.
- 4.119 One respondent commented that a virtually static social housing stock means that for many people on low incomes private renting is or will be the only option. The affordability of decent-quality private rented accommodation is therefore a key issue.
- 4.120 Stakeholders were asked to rank a range of priorities as high, medium or low. Their responses are summarised in Table 4.14.

Table 4.14 Ranking of proposed priorities

Proposed Priorities	Low	Medium	High	Base No. of Respondents
Building homes to buy on the open market	19.44% (7)	33.33% (12)	47.22% (17)	36
Building affordable homes to rent	0% (0)	17.95% (7)	82.05% (32)	39
Building affordable homes to buy (shared ownership, shared equity)	5.26% (2)	28.95% (11)	65.79% (25)	38
Building executive homes	54.29% (19)	34.29% (12)	11.43% (4)	35
Building properties designed for older people	2.63% (1)	28.95% (11)	68.42% (26)	38
Building properties designed for people with specialist needs	10.81% (4)	35.14% (13)	54.05% (20)	37
Improving the quality of existing stock	0% (0)	38.89% (14)	61.11% (22)	36

4.121 Overall respondents felt that building homes to buy on the open market was a medium to high priority. Building affordable homes to rent was felt to be a high priority (no respondents felt that this was a low priority). Building affordable home ownership housing was generally felt to be a high priority overall; only two respondents felt that it was a low priority. The majority of respondents felt that building executive housing was a low to medium priority with only four respondents identifying it as a high priority.

4.122 Building properties designed for older people and those with specialist needs were both identified as medium to high priorities. Improving the condition of existing homes in the district was identified as a significantly high priority (61.1%), with almost 39% of respondents also identifying it as a medium priority; no respondents identified it as a low priority.

4.123 Stakeholders gave a range of reasons for identifying these priorities, including:

- A significant shortage of all types of housing across Kirklees compared with demand (except flats), with a failure to deliver against regional targets. This has amplified issues of affordability and availability;
- Kirklees does not have an identified five-year housing land supply so building homes for sale and rent is a high priority;
- Need to deliver a balanced housing market to support sustainable economic growth;
- An increased supply of all types of housing would improve general affordability in the housing market (including open market sale and rental properties);
- Lack of affordable housing to meet the demand of the housing register;

- Lack of affordable homes to buy (shared ownership, shared equity);
- Lack of housing for younger people - newly forming households still living with families;
- Many low income households;
- High private rents (often higher than monthly mortgage repayments) preventing people from saving for a mortgage deposit;
- Ageing population and increased number of special needs persons living in the community;
- Housing for elderly people and with access for all would encourage singles and couples to downsize, freeing up existing larger family properties and reduce the impact on greenfield and Green Belt sites; and
- There is a lot of poor housing stock in Kirklees, across all sectors (especially private rented housing), which requires improvement. Improvements to existing stock would also reduce the impact on the environment.

4.124 When asked to identify other additional priorities stakeholders identified the following:

- Identifying land and locations for development, including a review of Green Belt;
- Planning sustainable communities, including mixed-use developments, not just building houses;
- Maintaining the environment;
- Prioritising brownfield development over greenfield;
- Securing housing investment, local spending and economic activity;
- Area renewal;
- Planning for infrastructure (roads, schools, medical provision) alongside housing development;
- Review of older/redundant housing stock, including thermal fitness and lack of amenities; and
- Lifetime homes and health implications of developments.

Sub-area characteristics

4.125 The purpose of this section is to explore the extent to which there are distinctive characteristics of sub-areas by considering:

- The function of housing markets (through the review of travel to work and, migration patterns); and
- The typology of housing markets (through the review of dwelling stock and socio-economic and demographic characteristics).

4.126 Table 4.15 provides a review of the distinctive attributes of each sub-area. For each attribute, a district mean has been calculated (for instance the % of

households who are owner-occupiers). Information for each sub-area is then compared against this mean to indicate the extent of variation from the mean figure. The colours in the chart reflect the degree of variation:

- **YELLOW** indicates that the sub-area figure is less than 75% of the District mean;
- **GREEN** indicates that the sub-area figure is between 75% and 125% of the District mean; and
- **RED** indicates that the sub-area figure is at least 125% of the District mean.

4.127 Percentage data is presented for migration and travel to work data and house prices are reported as actual figures.

4.128 Using the Huddersfield North Sub-Area as an example of interpreting this data would be as follows:

- The area has a proportionately higher amount of private renting households relative to the Kirklees average; and similar proportions of households in owner occupied and affordable dwellings to the Kirklees average;
- The dwelling stock profile in terms of type and size is similar to the Kirklees average, although the proportion of five or more bedroom dwellings is higher and the area has proportionately fewer caravans/other property types;
- The area has higher proportions of economically active adults in training and who are unemployed. Household income levels are comparable to the District average. The proportion of BAME households
- Lower quartile house prices are below the District average, but median prices are at the District average. 51.8% of households could afford lower quartile house prices.
- The proportion of multi-person and BAME households are higher compared with the Kirklees average;
- 53.1% of moving households originated from within Huddersfield North and 31.3% from elsewhere in Kirklees.

Table 4.15 Socio-economic characteristics by sub-area							
Attribute	Sub-area						TOTAL
	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	
Tenure							
Owner occupied	100.0	95.1	93.7	90.0	119.5	111.9	67.0
Private	93.6	91.1	125.6	116.4	72.5	91.9	17.3
Affordable	107.0	130.6	98.7	124.8	46.8	58.2	15.7
Dwelling type							
Detached house	87.6	85.7	105.0	73.0	166.9	127.0	20.6
Semi-detached house	117.4	115.1	80.2	95.4	91.1	85.1	28.3
Terraced house/town house	92.4	80.1	111.1	105.4	79.5	124.4	28.0
Bungalow	91.5	131.2	91.8	104.1	153.7	61.2	9.2
Flat/Apartment/Maisonette	101.0	116.6	122.5	131.7	21.6	65.0	13.0
Caravan/Other	149.3	0.0	13.5	203.2	70.6	100.3	0.8
Dwelling size							
One/bedsit	100.6	126.4	106.9	124.7	32.2	71.3	13.7
Two	98.7	92.9	109.4	109.3	82.2	99.0	27.9
Three	110.8	93.1	81.5	103.7	98.9	102.6	38.0
Four	81.7	108.0	113.5	61.3	172.9	117.0	16.7
Five or more	79.3	90.7	132.3	75.0	166.7	110.3	3.7
Household type							
Single Adult (under 65)	112.5	87.2	105.8	112.6	67.2	90.8	19.4
Couple only (both under 65)	96.0	109.3	81.9	93.8	104.2	115.9	18.7
Older person(s)	100.7	96.8	96.4	99.8	115.1	98.8	24.9
Two parent families	92.0	97.6	103.5	93.0	127.6	106.6	24.3
Lone parents	96.1	134.9	110.6	106.0	61.2	73.7	8.7
Other multi-person h'hold	111.2	77.6	134.0	98.9	62.9	95.5	4.0

Continued overleaf/...

Attribute	Sub-area						TOTAL
	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	
Employment							
In employment	105.0	87.7	98.3	96.6	98.2	110.4	56.8
In training	0.0	232.4	177.7	106.9	42.6	69.9	0.5
Unemployed	43.6	152.2	166.4	131.3	17.8	79.6	3.2
Retired	98.9	112.0	97.6	91.2	115.7	94.3	28.6
Looking after home, carer	98.9	73.8	62.7	141.1	160.6	87.8	4.3
Permanently sick	97.3	136.3	111.3	124.9	51.7	55.1	6.6
Workplace							
Within Kirklees	70.9	105.6	110.8	119.5	94.4	108.2	65.1
Outside Kirklees	154.3	89.5	79.8	63.5	110.4	84.7	34.9
Household income							
0-10k	104.3	112.1	104.3	118.4	57.4	75.2	14.1
10-<20k	104.0	109.3	100.0	111.3	71.7	84.2	24.7
20 - <30k	102.8	103.9	97.8	103.4	88.2	94.9	17.8
30-<40k	101.0	97.9	97.4	95.8	106.3	105.7	19.2
40k+	90.5	82.2	101.2	78.8	158.1	130.3	24.1
% BAME households	93.8	132.9	160.5	119.3	21.2	42.0	9.3
House prices							
Lower Quartile house price 2014	£85,000	£90,000	£87,000	£85,000	£126,000	£105,000	£93,000
Median house price 2014	£117,500	£124,500	£125,000	£115,000	£182,500	£137,000	£125,000
% households can afford LQ price	52.3	47.3	51.8	49.1	49.2	50.9	50.3
% moving in past 5 yrs	89.1	105.9	112.6	102.0	84.7	104.3	30.4

Continued overleaf/...

Table 4.15 Socio-economic characteristics by sub-area (continued)

Attribute	Sub-area						TOTAL
	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	
Origin of moving households							
Batley and Spen	43.6	14.3	0.0	0.5	5.1	0.3	12.7
Dewsbury and Mirfield	11.3	66.2	5.0	0.8	2.6	1.8	15.7
Huddersfield North	4.5	2.6	53.1	11.9	3.1	12.3	14.6
Huddersfield South	0.0	0.0	13.8	59.1	5.9	9.3	15.4
Kirklees Rural - East	0.0	0.0	2.2	4.0	44.8	0.7	4.2
Kirklees Rural - West	0.0	0.0	10.2	12.0	11.4	48.3	13.7
Calderdale	4.5	2.6	4.0	0.0	0.8	4.4	3.0
Bradford	4.4	0.0	0.0	2.5	0.8	1.7	1.8
Leeds	14.8	6.5	2.2	0.0	2.3	0.7	5.1
Wakefield	5.0	5.3	0.0	1.2	6.6	0.7	2.8
Barnsley	1.1	0.0	0.0	1.6	2.7	1.3	1.0
Elsewhere Y&H	3.2	0.9	2.5	0.3	2.6	0.7	1.6
Oldham/Rochdale	0.0	0.0	0.0	0.8	0.0	4.2	0.9
Elsewhere North West	2.0	0.0	2.6	2.5	1.2	5.9	2.5
Elsewhere UK	5.0	0.4	4.3	2.7	10.1	6.7	4.3
Outside UK	0.5	1.3	0.0	0.0	0.0	1.3	0.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: 2015 household survey, CACI Paycheck, Data produced by Land Registry © Crown copyright 2016

5. Market signals review

Introduction

- 5.1 PPG Paragraph 2a-19 states that 'the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. PPG Paragraph 2a-20 suggest that *'in broad terms, the assessment should take account both of indicators relating to price (such as house prices, rents, affordability ratios) and quantity (such as overcrowding and rates of development).'*'

Market Signals

- 5.2 PPG Paragraph 2a-20 comments that 'market signals are affected by a number of economic factors and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, should be expected to improve affordability, and monitor the response of the market over the Plan period.'
- 5.3 In line with PPG Paragraph 2a-19, Table 5.1 considers a range of Housing Market Signals for Kirklees for the period 2005 to 2015. These include house prices, rents, affordability and overcrowding.

Price indicators

- 5.4 In terms of price/transaction indicators, a key message from Table 5.1 is that market prices have been broadly consistent over the period 2005-2015, although the number of property purchases has declined from a peak of 9,788 sales in 2006, falling dramatically to 3,969 sales in 2009 and subsequently increasing, reaching 5,540 sales in 2016. Over the period 2005-2015, lower quartile house prices have averaged £92,955. They rose from £85,000 in 2005 to reach a peak of £100,000 in 2008 and subsequently ranged between £90,000 and £94,000. Median prices also peaked in 2008 at £128,000, increasing from £115,000 in 2005. They subsequently fell and have remained at around £125,99 between 2009 and 2014, increasing to £130,000 in 2015.
- 5.5 Two measures of affordability are reported in Table 5.1: a House Price Ratio (HPR) which considers median price to median earnings; and a Rental Affordability Ratio (RAR) which considers lower quartile prices to lower quartile rents. The HPR has averaged 5.2 over the period 2005 to 2015 although fell to 4.9 over the period 2012 to 2014. The RAR has averaged 27.7% over the period 2010 to 2015 and was 25.9% during 2015.

- 5.6 Regarding land values, there is no trend-based data available, however information from the Council¹⁷ would suggest there are no particular issues with land values which would affect development potential across Kirklees.

Quantity indicators

- 5.7 In terms of quantity indicators, there has been an increase of 13,164 dwellings over the period 2005 to 2015. Vacancy rates have averaged 3.4% during this period but have recently decreased to 2.9% which compares with an English average of 2.7%¹⁸. Assuming the English average as a 'target' vacancy rate (which would suggest a target of 4,973 vacant dwellings, compared with actual vacancies of 5,363), it could be suggested that in 2015 there were around 392 surplus vacant dwellings across Kirklees. The current vacancy rate allows for a greater degree of household mobility within dwelling stock compared to the English average.
- 5.8 According to the 2011 Census, 4.8% of households were overcrowded. This compares with 3.1% across England. The scale of housing need as measured by the Housing Register has fluctuated between 6,799 and 17,780 and was 9,160 in 2015. It had fallen to only 4,142 in 2014 but this is likely to be due to administrative changes in the way the register operates and not an absolute reduction in households in need of affordable housing.

¹⁷ 2016 Residential Land Viability Assessment

¹⁸ Note that vacancy rates can vary according to when data are extracted from Council Tax – hence data at para 4.2/Table 4.1 differs from these rates

Price/transaction indicators	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Lower Quartile House Prices	£85,000	£95,000	£100,000	£100,000	£92,500	£92,000	£90,000	£90,000	£90,000	£94,000	£94,000
Median House Prices	£115,000	£125,000	£132,000	£128,000	£125,000	£125,000	£123,000	£124,000	£125,000	£125,000	£130,000
Lower Quartile Rents (per calendar month)						373	412	412	399	399	399
Median Rents (per calendar month)						429	472	477	477	477	477
House Price Ratio (Median Price to Median Earnings)						5.2	5.0	4.9	4.9	4.9	5.2
Rental Affordability Ratio (Lower quartile rents to lower quartile earnings)						25.1	28.3	27.0	26.1	25.9	25.9
No. Property sales	7,853	9,788	9,425	4,860	3,969	4,075	4,065	4,188	4,731	5,528	5,540
Quantity indicators	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total dwelling stock (at 1 April)	171,026	171,652	173,796	175,576	178,770	179,860	181,110	182,050	182,630	183,660	184,190
Total vacant dwellings (at October)	6,031	6,716	7,435	7,922	7,979	7,370	7,491	7388	6,578	6,151	5,365
Total vacancy rate (at October)	3.53%	3.91%	4.28%	4.51%	4.46%	4.10%	4.14%	4.06%	3.60%	3.35%	2.91%
Long-term vacant dwellings (at October)	2,987	3,180	3,625	4,088	4,003	3,696	3,606	3,353	2,676	2,507	2,217
Long-term vacancy rate (at October)	1.75%	1.85%	2.09%	2.33%	2.24%	2.05%	1.99%	1.84%	1.47%	1.37%	1.20%
Overcrowding (2011 census)						4.78%					
Change in total dwelling stock	1,375	626	2,144	1,780	3,194	1,090	1,250	940	580	1,030	530
No. of households on the housing register (at 1st April)	6,799	6,964	7,656	8,500	6,891	11,096	14,729	17,780	12,201	4,142	9,160

* The Council reports that the low amount in 2014/15 is as a result of a big data cleanse undertaken and the active bidding average is now back up to over 6000 per week

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

Note: Private rental data for 2005-2009 not available

Comparator areas

- 5.9 Table 5.2 considers how key price and quality Market Signals observed in Kirklees compared with similar districts and with regional and national trends. Comparator districts have been identified using the CIPFA Nearest Neighbour Index data¹⁹.
- 5.10 House price increase across Kirklees has lagged behind that experienced in comparator areas and England but similar to regional trends.
- 5.11 Regarding rents, lower quartile rents have risen in line with two comparator districts but risen more than the regional and national averages. Median rents have increased more than in two comparator districts and increases have been higher than regional and national increases.
- 5.12 The House Price Ratio in 2015 was similar to comparator districts and lower than regional and national ratios. The Rental Affordability Ratio (RAR) was lower than comparator districts and also lower than regional and national data.
- 5.13 The proportion of vacant dwelling stock in Kirklees during 2015 was lower than comparator districts and the region but higher than the national average. The proportion of long term vacants in 2015 was similar to comparator districts but higher than regional and national data.

Table 5.2 Housing market signals in comparator districts, region and England

Comparator	Kirklees	Comparator Districts			Y&H	England
		Bolton	Bury	Rochdale		
Lower Quartile House Price change 2010-2015	2.2%	6.0%	7.5%	3.9%	2.1%	8.3%
Median House Price change 2010-2015	4.0%	4.5%	12.0%	14.2%	3.7%	16.4%
Lower Quartile Rents (per calendar month) change 2010-2015	7.0%	6.5%	7.0%	0.0%	-0.9%	0.0%
Median Rents (per calendar month) change 2010-2015	11.2%	7.0%	13.2%	1.1%	0.0%	9.0%
HPR 2015	5.2	4.9	5.1	5.0	5.6	7.5
RAR 2015	25.9%	28.4%	28.9%	28.9%	27.9%	36.1%
% Vacant 2015	2.9*	3.8	3.1	3.3	3.2	2.5
% Long Term Vacant 2015	1.2	1.3	1.1	1.1	1.1	0.9

*Note this is slightly lower than data reported in Council Tax (3.2%)

¹⁹ www.cipfastats.net

Past trends in housing delivery

- 5.14 PPG Paragraph 2a-19 refers to the rate of development as a market signal.
- 5.15 Between 2004/5 and 2014/15 there have been an average of 1,302 annual completions (gross). After taking account of losses through demolitions, conversion and change of use, the total net completion rate has averaged 1,187 (Table 5.3). 86.3% of gross completions were market housing and 13.7% affordable housing. (Table 5.3).

Year	Market (Gross)	Affordable (Gross)	Total (Gross)	Total (Net)
2004/05	1263	93	1356	1349
2005/06	1073	69	1142	1074
2006/07	2509	122	2631	2261
2007/08	2345	83	2428	2281
2008/09	1013	204	1217	1098
2009/10	566	215	781	692
2010/11	914	192	1106	974
2011/12	751	214	965	873
2012/13	554	268	822	753
2013/14	824	320	1144	1036
2014/15	551	180	731	670
Total (11 yrs)	12363	1960	14323	13061
Annual average	1124	178	1302	1187

Source: Kirklees Council Planning Department

Concluding comments

- 5.16 In conclusion, a review of Market Signal data would suggest there are no indicators prompting a need for adjusting the housing dwelling need on the basis of Market Signals. These should be monitored on a regular (at least annual) basis and the scale of dwelling delivery should be adjusted where the Council believes it is appropriate to do so.

6. Objectively Assessed Housing Need

Introduction

- 6.1 The National Planning Policy Framework requires that local planning authorities identify Objectively Assessed Housing Need and that Local Plans translate those needs into housing requirements. Paragraph 159 of the NPPF recognises that the objective assessment of housing need must be one that meets household and population projections, taking account of migration and demographic change; meets the need for all types of housing including affordable, and caters for housing demand and the scale of housing supply necessary to meet that demand. PPG recognises that *'establishing future need for housing is not an exact science'* (para 014 2a-014-20140306), although it should be informed by reasonable and proportionate evidence.
- 6.2 In preparing the evidence base to support the preparation of the Council's Local Plan, the Council were mindful of the requirements of NPPF and PPG to establish an Objectively Assessed Need (OAN) for housing using sub-national projections as a starting point. Over the past few years, the Council has commissioned extensive modelling of demographic and economic data from which an Objective Assessment of Housing Need could be derived²⁰.
- 6.3 Initial analysis prepared for the 2015 SHMA using 2012-based projections is presented at Appendix D. Since the Council consulted on a draft Local Plan, DCLG have released 2014-based household projections. In July 2016 household assumptions from these latest 2014-based household projections from DCLG have been considered to update the dwelling requirement implication of an updated jobs target of 23,197 full-time equivalent jobs; and in October 2016 Edge Analytics prepared updated demographic projections and alternative migration assumption sensitivities using 2014-based projections.
- 6.4 When preparing the OAN calculation, Planning Inspectorate decisions have been taken into account and relevant ones are summarised in Appendix E. The analysis of OAN draws upon the latest demographic analysis and job-led assumptions prepared by Edge Analytics²¹. They have produced an updated range of scenarios using the latest demographic statistics considering:
- The 2014-based population and household projections for Kirklees;
 - Alternative migration impacts/assumptions; and
 - The latest job-led scenarios.
- 6.5 In order to establish Objectively Assessed Need, PPG recommends a logical progression of steps which form the structure of this chapter:
- Establishing the Housing Market Area;

²⁰ See Edge Analytics 'Demographic Analysis & Forecasts' report (September 2014), Addendum (2015), Additional Scenario Analysis (July 2016) and Demographic Scenarios (October 2016)

²¹ Edge Analytics Kirklees Demographic Scenarios October 2016

- Make use of DCLG household projections as the starting point estimating the OAN;
- Consider sensitivity testing specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates;
- Take account of employment trends;
- Take account of market signals;
- Consider an increase in the total housing figures where it could help deliver the total number of affordable homes.

Conclusions on OAN from the 2015 SHMA

- 6.6 The 2015 SHMA (October 2015) presented an OAN for Kirklees. Having established that Kirklees is an appropriate housing market area for the purposes of calculating an OAN, the 2015 SHMA used 2012-based CLG household projections to establish a need for 1,520 additional dwellings each year over the period 2013-31.
- 6.7 In line with PPG, the SHMA considered adjustments to the projections which focused in particular on migration, jobs-growth and market signals.
- 6.8 Past trends in migration, market signals and jobs-led scenarios were considered which suggested a wide range of dwelling requirements. The average of jobs-led scenarios was 1,630, taking account of the varying assumptions regarding the scale of jobs growth and economic activity rates.

Updating the OAN

- 6.9 In line with PPG, scenario modelling has been updated to take account of the 2014-based projections and also updated employment forecast data. In July 2016, Edge Analytics prepared an additional jobs-led scenario (Jobs-led July 2016) which modelled a full-time equivalent (FTE) jobs growth of 23,197 for the 2013-2031 period which is based on a 75% employment rate. Further assumptions underpinning this scenario are summarised in Table 6.1. In October 2016, updated demographic scenarios using 2014-based projections and the latest migration data over 5 and 10 years were published (Table 6.2).

Table 6.1 Economic assumptions underpinning the additional jobs-led scenarios			
Scenario	Economic Assumptions		
	Economic Activity Rates	Unemployment Rate	Commuting Ratio
CORE	Economic activity rates from the 2011 census, with uplifts applied in the 60-69 age group to account for state pension age (SPA) changes	Reduced from 8.1% to 4.5% (2013-2020)	A fixed 2011 commuting ratio of 1.15 is applied
SENS1	The economic activity rate for the labour force (aged 16-74) is maintained at its base-year level (68%)	Reduced from 8.1% to 4% (2013-20)	

Source: Table 1 Edge Analytics Kirklees Additional Scenario Analysis July 2016

Table 6.2 Demographic scenario assumptions	
Scenario	Description
SNPP-2014	Replicates 2014-based population projections from ONS
SNPP-2012	Replicates 2012-based population projections from ONS
PG 10yr	Internal migration rates and international flow assumptions from a 10 year period 2007/8 to 2014/15
PG 10yr X	Internal migration rates and international flow assumptions from a 10 year period 2007/8 to 2014/15 excluding UPC* adjustment
PG 5 yr	Internal migration rates and international flow assumptions from a 5 year period 2009/10 to 2013/14
PG 5yr X	Internal migration rates and international flow assumptions from a 5 year period 2009/10 to 2013/14 excluding UPC* adjustment

*UPC = Unattributed Population Change. This is a discrepancy between the 2001 and 2011 census due to factors including miscounting of population and international migration.

Housing Market Area

6.10 PPG Paragraph 2a-010 states a requirement to establish the relevant functional area to assess needs. For housing need, this is the Housing Market Area. Chapter 3 reviewed the evidence relating to defining the market area. Using 2011 census data, analysis indicated that 72.2% of moving households originated from within Kirklees and 66.8% of the workforce live and work within Kirklees. Planning Practice guidance suggests that a housing market area can be defined with reference to household movement, and an area where typically 70% of moves take place can be described as being self-contained.

- 6.11 The 2015 Household Survey found that of those who had moved home in the preceding five years, 78.3% originated within Kirklees. It also found that 76.9% of households planning to move in the next five years intend on remaining in Kirklees which indicates a high degree of self-containment of households.
- 6.12 Therefore, Kirklees exhibits a high degree of self-containment in terms of migration but it is part of a wider functional economic area which is focused on Leeds. Evidence confirms that Kirklees is an appropriate housing market area for the purposes of Local Plan policy making.

Demographic starting point

- 6.13 PPG Paragraph 2a-015 states that plan makers should make use of the household projections published by DCLG as the starting point estimate of housing need. The latest official population and household projections (2014-based) have been used in accordance with PPG Paragraph 2a-016. Over the 2013-2031 plan period, the 2014-based household projection model suggests an increase of 27,321 households, which equates to 1,584 dwellings each year.
- 6.14 Note that when the Council commissioned the SHMA 2015 work to underpin its OAN calculation, the latest data available were the 2012-based population and household projections. These were used to provide an assessment of the relative requirement for dwellings under alternative scenarios to inform the draft local plan. However, key scenarios relating to demography and jobs-growth which established the OAN in the 2015 SHMA have been updated to take account of the latest 2014-based household projections for the 2016 SHMA.

Adjusting the projections

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

Local demographic trends

- 6.16 Whilst the official 2014-based ONS population and DCLG household projections will form the 'starting point' of the assessment of housing need, the PPG states that it is appropriate to consider '*alternative assumptions in relation to the underlying demographic projections and household formation rates*' of the local area (PPG Paragraph 2a-017).
- 6.17 In line with the PPG, Edge Analytics have developed a range of alternative demographic scenarios (Table 6.2). The 2014-based population projections from ONS provide the official 'benchmark' scenario, with household growth assessed using household headship rate assumptions from the 2014-based CLG household projection model. For comparison with this official benchmark, a number of 'alternative trend' scenarios have been developed, including alternative migration assumptions.

- 6.18 Appendix D presents further analysis which was carried out using 2012-based projections.
- 6.19 PAS guidance recommends that when starting on a new housing assessment or updating an earlier one plan-makers should set aside headship rates that pre-date CLG 2012 (which were the latest available projections when the guidance was published). It is therefore implied that the latest headship rates are used as a basis for calculating OAN.
- 6.20 Table 6.3 summarises the range of scenarios and dwelling requirements in line with PPG. These outputs also assume a 4.2% dwelling vacancy rate. Analysis which considered the impact of alternative headship rates on dwelling requirements was considered using 2012-based projections (Appendix D). This demonstrated that dwelling requirements under 2012-based headship rates fell within the range suggested by 2008- and 2011 headship rates and higher than the average of the 2008- and 2011 rates.

Scenario	Dwelling requirement
SNPP-2014	1,584
SNPP-2012	1,544
PG 10yr	1,833
PG 10yr X	1,525
PG 5 yr	1,735
PG 5yr X	1,631

- 6.21 Having reviewed the latest demographic and household projections and considered alternative assumptions relating to migration and headship rates in line with PPG, it is recommended that:
- i. the baseline dwelling requirement is 1,584 based on the latest (2014-based) projections which accords with PPG Paragraph 2a-016.
 - ii. That an adjustment is made to reflect alternative assumptions in relation to the underlying demographic projections and household formation rates of the local areas which accords with PPG paragraph 2a-017. This requires a consideration of migration assumptions and alternative headship rates.
 - iii. Regarding migration assumptions, long-term patterns of internal migration and international flows, which have the benefit of covering several economic cycles, would suggest a dwelling requirement of between 1,525 (excluding UPC) and 1,833 (including UPC). PAS guidance helpfully sets out an approach to UPC. It notes in para 6.33 that 'UPC is excluded from the past migration flows that the population projections carry forward...this suggests that for housing assessment studies the default option is to set aside UPC. The ONS comments that 'no adjustment was made to the 2012-based subnational population projections for UPC since it could not be demonstrated that UPC measured a bias in the trend data that will

continue in the future. The effect of UPC would have less of an effect on the 2014-based sub-national population projections since three years of the trend data are not affected by UPC. Following the approach taken with the 2012-based projections, the 2014-based subnational population projections do not include an adjustment for UPC.²² It is therefore recommended that UPC is not considered in the OAN calculation

- iv. Regarding alternative headship rates, analysis using 2012-based projections did not suggest any adjustment was necessary and therefore no further adjustments are recommended.
- v. In conclusion, an analysis of 'alternative assumptions in relation to the underlying demographic projections and household formation rates' of the local area results in no recommended change to the baseline position a need for 1,584 dwellings each year.

Employment trends

- 6.22 PPG paragraph 2a-018 states that 'plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area'.
- 6.23 It is important that the OAN calculation takes account of increased dwelling need linked to jobs growth and this is for a number of reasons. PPG seeks to ensure that future jobs are a consideration of needs assessments and whether any upward adjustments are necessary to support jobs growth.
- 6.24 A series of jobs-led scenarios were prepared using 2012-based projections (Appendix D). A further Jobs-led (July 2016) scenario has been prepared using 2014-based projections. This assumes a full-time equivalent jobs growth of 23,197 for the 2013-31 period. The dwelling and jobs growth outcomes under this scenario are presented in Table 6.4.
- 6.25 The SENS1 scenario maintains economic activity rates at its base level throughout the plan even as the population ages and results in an average dwelling growth of 1,730 each year over the plan period.

Model	Scenario	Dwellings	Jobs
HH-14	Jobs-led (July 2016) Core	1,999	1,293
	Jobs-led (July 2016) SENS1	1,730	1,293

²²

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/2012basedsubnationalpopulationprojectionsquestionsandanswers>

- 6.26 Having considered future economic forecasts and implications for dwelling requirements, it can be concluded that:
- vi. An uplift on the baseline demographic scenario would be necessary to support jobs-led scenarios, with a range of between 1,730 and 1,999 dwellings each year.
 - vii. The SENS1 scenario is taken forward as part of the OAN calculation as this ensures current economic activity rates for the 16-74 age group is at least maintained at its current level.
 - viii. In summary, an assessment of the *'likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area'* would suggest that an adjustment to +1,730 dwellings each year to take account of employment trends.

Market Signals

- 6.27 Chapter 5 presented information on market signals and past trends in delivery. This considered signals relating to price and quantity and compared Kirklees with comparator districts, the region and England.
- 6.28 PPG does not specify a mechanism for uplift but the LPEG report recommends uplift from the demographic starting point based on two measures of affordability: House Price Ratios and Rental Affordability Ratios. For Kirklees, the ratios are HPR 5.2 and RAR 25.9%). Uplifts are recommended when the HPR exceeds 6.3 and the RAR 25%. However, for Kirklees, the HPR is well within the range where no uplift is necessary and for the RAR, this is continuing to fall and has reduced from 28.3% in 2011 to 25.9% in 2015. A review of market signal data would suggest that the housing market in Kirklees is relatively stable and other than trends in private rents and improvements in relative affordability, market signal trends have tended to be in line with regional and national trends. It is therefore proposed that no uplift due to market signals is required. However, it is recommended that data should be collected and monitored on a regular basis to ensure the Council has up to date information from which to review dwelling targets.

Past completions

- 6.29 Over the period 2004/5 to 2014/15 a total of 13,061 net dwellings have been built across Kirklees, representing an annual average of 1,187. It is suggested that any under-delivery is more likely to relate to market conditions and developer appetite for delivery.
- 6.30 Regarding market signals and past trends in delivery:
- ix. It is recommended that the OAN is not adjusted upwards to take account of market signals relating to affordability; and
 - x. No adjustment is necessary to take account of past delivery.

Affordable need and housing provision targets

- 6.31 PPG Paragraph 2a-029 advises on how housing needs assessments should take account of affordable housing need: ‘the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing-led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes’.
- 6.32 The analysis of housing need suggests there is an annual imbalance of 1,049 affordable dwellings each year. However, this is not a target for delivery but expresses the overall need from household survey evidence compared with the current supply of affordable housing. In reality, households in need who cannot access the market can pay proportionately more for their housing above suggested affordable thresholds, people can share dwellings to reduce housing costs, and the private rented sector can accommodate households in need.
- 6.33 PAS²³ guidance provides helpful guidance in interpreting affordable need in the context of objectively assessed need. Paragraph 9.6 states ‘in practical terms, there is no arithmetical way of combining the two calculations set out in PPG to produce a joined-up assessment of overall housing need. We cannot add together the calculated OAN and the calculated affordable need, because they overlap: the OAN of course covers both affordable and market housing, but we cannot measure these components separately, because demographic projections – which are the starting point for the OAN – do not distinguish between different sectors of the housing market. Para 9.7 continues ‘In summary, it seems logically clear that affordable need, as defined and measured in paragraphs 22-29 of the PPG, cannot be a component of the OAN. The OAN does have an affordable component – which cannot be measured separately but will normally be much smaller than the affordable need discussed at paragraphs 22-30. When paragraph 47 of the NPPF says that plans should meet in full ‘the need for market and affordable housing’, it is referring to that component rather than the separately calculated affordable need.
- 6.34 In summary:
- xi. No further adjustment is necessary to take account of additional affordable housing delivery.

Objectively Assessed Housing Need

- 6.35 An OAN should be based on reasonable assumptions which take into account baseline demography, adjustments to reflect local demographic trends, past delivery, market signals, future jobs and other local circumstances: the SHMA has explored these factors in detail. PAS guidance suggests that the OAN should exclude any policy objectives and value judgements and evidence

²³ Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition July 2015

- should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a Housing Requirement.
- 6.36 The challenge for the Council is to deliver an appropriate and proportionate level of dwelling growth that supports economic growth and carefully takes into account the current demographic profile of the District.
- 6.37 Establishing an OAN figure requires a degree of judgement following careful consideration of the economic and demographic trajectories, together with market signals. The challenge is in balancing these appropriately to form a judgement that is both aspirational, but also realistic.
- 6.38 It is recommended that the Objectively Assessed Housing Need for Kirklees for the Plan Period 2013-2031 is established from a baseline of +1,584 (2014-based CLG household projections plus a 4.2% uplift to take account of vacant dwellings), with upward adjustments to support jobs growth to +1,730 dwellings each year.
- 6.39 This pragmatic approach is also supported by indicators of market signals which neither suggest an overheating, or necessarily low demand local market so figures of this magnitude would be broadly working in line with the market and meeting need.
- 6.40 This SHMA concludes the OAN is 1,730 dwellings a year. This assessment is based on a detailed analysis of the current demographic situation in Kirklees. With regard to future plan making this in effect means that the backlog to date is accounted for as part of the calculation of OAN, and is therefore already factored in up to the point that the SHMA runs from. This was confirmed in a high court judgment (*Zurich v Winchester City Council - (2014) EWHC 758 (Admin)*) which stated that it would be highly contrived to add backlog onto any OAN as this would 'mix apples and oranges in a unjustified way'.
- 6.41 In conclusion, the Objectively Assessed Need figure takes account of the need to deliver more affordable and market housing for an increasing number of households, take account of likely levels of net in-migration and support economic growth. The objectively assessed dwelling need over the Plan Period 2013-2031 is for 31,140 dwellings (this includes dwellings already built during the Plan Period).

From an OAN to a housing requirement

- 6.42 Having established an up to date OAN, it is necessary to translate this into a growth target for the purposes of future plan-making. This is referred to as the 'housing requirement'. The housing requirement should, in normal circumstances, reflect the objectively assessed need but can be adjusted either upwards or downwards. An OAN could be adjusted downwards due to development constraints or upwards to support economic or other growth ambitions. The OAN is in effect a 'policy off' need for housing over the plan period. Once policy considerations have been applied to the OAN figure, the result is a 'policy on' figure for the housing requirement.

- 6.43 Subject to it being determined by a proper process, principally in the context of the policies of the NPPF as a whole and any relevant local policy considerations, the housing requirement figure will be the target against which housing supply will normally be measured.
- 6.44 The OAN for Kirklees is 1,730 dwellings each year and this represents the annual Housing Requirement for Kirklees 2013-2031.

7. The need for all types of housing

Introduction

- 7.1 PPG Paragraph 2a-021 considers how the needs for all types of housing should be addressed. The SHMA has evidenced the range of market and affordable housing requirements across the district. The PPG also suggests planning authorities consider the need for certain types of housing and the needs of different groups, including the private rented sector, people wishing to build their own homes, family housing, housing for older people, households with specific needs and student housing.
- 7.2 This chapter begins with an analysis of the mix of dwellings by type and size over the plan period and then considers affordable housing need as a component of future dwelling requirements.

Overall dwelling mix

- 7.3 NPPF paragraph 159 states that local authorities should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the Plan Period.
- 7.4 Having reflected upon the objectively assessed need for housing and housing requirement, this section considers the overall dwelling mix which is appropriate for consideration by the Council.
- 7.5 In order to determine the potential range of new dwelling stock appropriate for Kirklees, analysis has considered:
- Current stock profile by type and size by the age of Household Reference Person (HRP);
 - The profile of households by age of Household Reference Person (HRP) and how this is expected to change over the period 2015 to 2031 using 2014-based CLG household projections;
 - Future requirements for dwelling types and sizes based on the anticipated change in household profile and the Objectively Assessed Need / Housing Requirement.
- 7.6 Detailed analysis is presented at Appendix E. Table 7.1 summarises the range of dwellings by type, size and tenure based on the OAN of 1,730 each year. The analysis indicates that there are three key dwelling types particularly required across Kirklees: 3 bedroom houses, 4+ bedroom houses and 1-2 bedroom houses in addition to ongoing development of other property types and sizes as illustrated in Table 7.1.
- 7.7 Table 7.2 considers the likely change in household types over the Plan Period 2013 to 2031 using 2014-based household projection headship rate data. This table shows the projected change in household numbers in Kirklees District during the Local Plan period 2013 to 2031 by household type using data from the 2014-based household projections. This shows an overall increase of 27,322 households during the Local Plan period, representing a 15.5% growth

in the total number of households. Percentage change during the period suggests that growth will be experienced across all types of households except for couples under 65 years with no children. The highest rates of growth are projected for couples over 65 years (62.6% increase in households), other household types (35.9%) and single adults over 65 years (16.6%).

Table 7.1 Overall market mix 2013-2031 (Annual)

Dwelling type	Annual OAN/ Housing Requirement	Tenure		
		Market 80%	Affordable 20%	Total
1-2 Bed House	377	343	34	377
3 Bed House	613	436	177	613
4+ Bed House	360	349	11	360
1-2 Bed Bungalow	105	84	21	105
3+ Bed bungalow	51	48	2	51
Flat/Apartment	209	143	66	209
Other (e.g. park home)	15	15	0	15
Total	1730	1418	312	1730

Table 7.2 Household change 2013-2031 by household type

Household Type	Baseline Households 2013	Household change 2013-2031	% Change
Single Adult (under 65)	31706	4976	15.7%
Single Adult (65 or over)	21844	3632	16.6%
Couple only (both under 65)	26591	-4252	-16.0%
Couple only (one or both over 65)	19446	12181	62.6%
Family with 1 or 2 child(ren) under 18	43722	4896	11.2%
Family with 3 or more children under 18	10009	451	4.5%
Couple with other adults	12700	1770	13.9%
Other households	10205	3668	35.9%
Total Household Change 2013-2031	176,328	27,322	15.5%

Current households in need

7.8 A robust and defensible assessment of housing need is essential for the development of affordable housing policies. Affordable housing need can be defined as:

'The quantity of housing required for households who are unable to access suitable housing without financial assistance'.

- 7.9 The 2015 Household Survey and a range of secondary data provide the robust and transparent evidence base required to assess housing need across the Kirklees District area. This is presented in detail at Appendix B of this report and follows CLG modelling guidance.
- 7.10 Across Kirklees there are 18,738 existing households in need which represents 10.6% of all households. Reasons for housing need are summarised in Table 7.3.

Table 7.3 Housing need in Kirklees		
Category	Factor	Kirklees Total
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	2,122
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	2,383
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	5,390
	N4 Too difficult to maintain	3,337
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	3,467
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	3,684
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	174
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	1,252
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	1,519
Total no. households in need (with one or more housing needs)		18,738
Total Households		176,628
% households in need		10.6%

Note: A household may have more than one housing need.

Source: 2015 Household Survey

- 7.11 Table 7.4 summarises overall housing need (before further analysis to test the extent to which households can afford open market provision to offset their need) by sub-area and the extent to which housing need varies across Kirklees. The proportion of households in need is highest in Huddersfield South (14.1%) and lowest in Kirklees Rural East (7.4%).

Sub-area	No. H'holds in need	% H'holds in need	Total no. households
Batley and Spen	4854	10.9	44463
Dewsbury and Mirfield	2426	8.1	30093
Huddersfield North	3103	12.5	24909
Huddersfield South	4599	14.1	32698
Kirklees Rural - East	993	7.4	13336
Kirklees Rural - West	2763	8.9	31129
Total (all households in need)	18,738	10.6	176,628

Source: 2015 Household Survey

7.12 Tables 7.5 and 7.6 demonstrate how the proportion of households in housing need varies by tenure and household type for Kirklees. Those in tied accommodation, private renters and those in intermediate housing tend to be in greater housing need; along with other household types, couples with three or more children and lone parents with three or more children. The research identifies around 19,800 households with adult children living with parent(s), which provides a broad indication of the scale of hidden housing need (of whom 2,885 are classified as being in need, see Table 6.20).

Tenure	No. H'holds in need	% H'holds in need	Total no. households
Owned (no mortgage)	4683	7.2	65248
Owned (with mortgage)	5311	10.0	53158
Rented Privately (furnished)	834	18.8	4434
Rented Privately (unfurnished)	4834	19.2	25195
Rented from Kirklees Neighbourhood Housing/Kirklees Council, or a Housing Association	2217	9.2	24195
Shared Ownership, Shared Equity, Discounted for sale, Low Cost Home Ownership	586	18.6	3143
Tied accommodation	242	25.6	947
Other	31	10.0	309
Total (All households in need)	18,738	10.6%	176,628

Source: 2015 Household Survey

Household Type	No. H'holds in need	% H'holds in need	Total no. households
Single Adult (under 65)	3387	9.9	34229
Single Adult (65 or over)	805	4.2	19210
Couple only (both under 65)	3301	10.0	32995
Couple only (one or both over 65)	1582	6.4	24652
Couple with 1 or 2 child(ren) under 18	781	3.3	23929
Couple with 3 or more children under 18	1785	37.5	4759
Couple with child(ren) aged 18+	2079	14.6	14202
Lone parent with 1 or 2 child(ren) under 18	1228	13.9	8846
Lone parent with 3 or more children under 18	188	20.3	925
Lone parent with child(ren) aged 18+	806	14.4	5605
Other type of household	2796	39.3	7115
Total (All households in need)	18,738	10.6%	176,467*

Source: 2015 Household Survey

*Valid responses is 176,467 for the question on household type so the total number of households is different to the previous two tables

Affordable housing requirements

- 7.13 A detailed analysis of the following factors determines overall affordable housing requirements:
- Households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need);
 - New households forming who cannot afford to buy or rent in the market;
 - Existing households expected to fall into need;
 - The supply of affordable housing through social renting and intermediate tenure stock.
- 7.14 The needs assessment model advocated by the CLG has been used and detailed analysis of each stage of the model is presented at Appendix B.
- 7.15 In addition to establishing the overall affordable housing requirements, analysis considers the supply/demand variations by sub-area, property designation (i.e. general needs and older person) and property size (number of bedrooms). Analysis provides a gross figure (absolute shortfalls in affordable provision) and a net figure (which takes into account surplus accommodation relative to need).
- 7.16 Modelling indicates a gross imbalance of 2,512 affordable dwellings each year (Table 7.7), but after taking account of annual affordable supply (for instance through relets and resales of intermediate tenure dwellings), the net imbalance is 1,049 affordable dwellings each year across Kirklees District as shown in Table 7.8.
- 7.17 Analysis is based on the next five years and in the absence of any updated information this should be extrapolated forward to cover the plan period to 2031

Table 7.7 Gross annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19

Sub-area	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Batley and Spen	389	258	51	698
Dewsbury and Mirfield	180	213	11	404
Huddersfield North	261	153	1	415
Huddersfield South	299	179	46	525
Kirklees Rural - East	114	17	9	140
Kirklees Rural - West	276	7	46	329
Total	1519	827	164	2,511

Sources: 2015 Household Survey; RP CORE Lettings and Sales

Note: Numbers may not sum correctly due to rounding

Table 7.8 Net annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19

Sub-area	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Batley and Spen	96	209	10	315
Dewsbury and Mirfield	-89	175	-17	69
Huddersfield North	74	134	-13	195
Huddersfield South	21	139	22	182
Kirklees Rural - East	93	11	3	106
Kirklees Rural - West	173	-25	34	182
Total	367	642	39	1049

Sources: 2015 Household Survey; RP CORE Lettings and Sales

Note: Numbers may not sum correctly due to rounding

Tenure split

- 7.18 In terms of the split between social rented and intermediate tenure products, the household survey identified tenure preferences of existing and newly-forming households and also the extent to which intermediate tenure products could be afforded.
- 7.19 Table 7.9 indicates that existing households in need mainly considered social/affordable renting as a preferred tenure option but newly-forming households were open to both renting and intermediate tenure options.

Table 7.9 Tenure preferences of existing households in need and newly-forming households requiring affordable housing

Tenure	Existing households in need (%)	Newly-forming households (%)	Total (%)
Social/Affordable Rented	61.6	48.1	55.1
Intermediate	38.4	51.9	44.9
Total	100	100	100
<i>Base (annual requirement)</i>	<i>1302</i>	<i>1,209</i>	<i>2,511</i>

Source: 2015 Household Survey

7.20 Overall, analysis would suggest a tenure split of 53.9% affordable rent and 46.1% intermediate tenure based on household preferences.

Property type preferences

7.21 Analysis of property type preferences (Table 7.10) suggests that a range of dwellings are required, with 71.1% preferring houses, 20.6% flats/apartments and 12.4% bungalows.

Table 7.10 Property type preferences

Type preferences	Existing (%)	Newly-forming (%)	Total (%)
House	59.0	78.2	71.1
Flat	18.0	21.8	20.6
Bungalow	23.0	0.0	12.4
Total	100.0	100.0	100.0
<i>Base</i>	<i>1,303</i>	<i>1,209</i>	<i>2,511</i>

Based on expectations of existing households in need and what newly-formed households have moved to in the past 5 years

Source: 2015 Household Survey

Starter Homes

7.22 The Government has introduced the concept of Starter Homes to help meet the housing needs of young first time buyers by offering properties to buy at below their open market value. The NPPF outlines the key characteristics of Starter Homes²⁴. They are to be well-designed and suitable for young first time buyers (between 23 and under 40 years of age). Starter Homes area also available to ex-Armed Forces personnel of any age. Starter Homes are not expected to be priced, after the discount, significantly more than the average price paid by a first time buyer. This means the discounted price should be no more than £250,000 outside London.

²⁴ National Planning Policy Framework, paragraph 002, Reference ID 55-002-20150318

- 7.23 The 2015 Household Survey identified a total of 16,245 households who have a Head of Household aged between 23 and under 40 and currently not living in owner occupation. Of these households, 7,245 plan to move in the next five years. When asked their tenure choices, 63.7% (or 4,615) of these households said that they would consider owner occupation.
- 7.24 Analysis indicates that a Starter Home price would be around £104,000 based on a 20% discount on the Kirklees median house price. However, prices vary within Kirklees, with the lowest prices (based on 80% of median price) in Huddersfield South (£94,080) and highest in Kirklees Rural East (£152,000) (see Table 4.7).
- 7.25 Analysis of the potential need for starter homes considers two types of household: existing households who meet the criteria for starter homes and newly-forming households who would consider owner occupation which could be achieved through starter homes.
- 7.26 For existing households, an analysis of the household incomes of households who would be eligible for Starter Homes (households where the survey respondent is aged between 23 and under 40 and not living in owner occupation) compared with indicative Starter Home prices (based on 80% of average prices) indicates that 31.5% of all eligible households could afford the Borough-wide Starter Home price of £104,000 which equates to around 1,450 households (based on those who are considering buying a property). Analysis therefore suggests that over two-thirds of existing households who qualify for Starter Homes could not afford to buy one. Table 7.11 sets out the relative affordability of eligible households who are considering owner occupation by sub-area along with the percentage and number of households who could afford starter homes.
- 7.27 In terms of newly-forming households, housing needs analysis (see Appendix B of the SHMA report) indicates that there are a total of 3,073 emerging households each year across Kirklees. The household survey found that 53.5% of newly-forming households would consider owner occupation as a tenure choice which could be achieved through the Starter Home initiative.
- 7.28 The affordability thresholds of newly-forming households who would consider owner occupation have been tested against Starter Home prices (set at 80% of median house prices) and this analysis suggests that 23.6% of the emerging households each year could afford Starter Homes or 383 each year.
- 7.29 Taking into account both existing and newly-forming households who qualify for Starter Homes, the analysis suggests a total potential market for Starter Homes of 1,833 each year. It is recommended that the Council should monitor the delivery of Starter Homes within the District in order to evaluate the success of the scheme and the relevance of providing Starter Homes within the Kirklees market.

Table 7.11 Starter home analysis

	Batley and Spennings	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	Kirklees Total
Starter Home Price	£96,000	£101,600	£106,000	£94,080	£152,000	£113,000	£104,000
Existing households							
Number of eligible households considering owner occupation	1545	348	604	940	196	968	4601
% eligible households who could afford starter homes*	33.9	0.0	0.0	32.4	40.0	69.3	31.5
Number eligible households considering owner occupation who could afford starter homes	523	0	0	305	78	671	1450
Newly-forming households							
Annual gross household formation	774	524	433	569	232	542	3073
% would consider owner occupation	53.5%	53.5%	53.5%	53.5%	53.5%	53.5%	53.5%
Number would consider owner-occupation	414	280	232	304	124	290	1644
% could afford starter homes	6.1%	20.7%	23.5%	14.4%	34.7%	67.0%	23.3%
Number of newly-forming households considering owner occupation and could afford starter homes	25	58	54	44	43	194	383
Total potential market for starter homes each year	549	58	54	349	121	865	1833

Executive housing

- 7.30 Although it is difficult to define executive housing, distinctive features include:
- High property values linked to desirable locations, with high incomes/equity required to support the purchase; and
 - High quality construction including exterior and interior fittings.
- 7.31 This SHMA has sought to investigate the requirements for executive housing through a review of existing provision, stakeholder discussions and analysis of household survey evidence. Overall, in Kirklees, executive housing provision could have a role in response to the need for diversification and expansion of the sub-regional economy and in contributing towards achieving wider population and economic growth objectives for the Region.
- 7.32 Key stakeholders highlighted a tendency for new development to be overly focused on executive housing in Kirklees. There was a general concern expressed amongst stakeholders that new-build supply is targeted at four-bedroom, detached, executive-style housing, whereas this is not the genuine demand profile of residents within the District. They noted the need to improve the housing offer in order to attract and retain economically active households. However, stakeholders considered that existing demand is for smaller, more affordable units focussed on lower-income families, newly-forming households and older people. Several respondents were unsure whether demand for new-build housing was from households currently living within the area or from immigration. Variations across the District were noted, e.g. commuters from Leeds and Sheffield settling in the southern areas of Kirklees, where there is easy access to the M1. Executive housing in these parts of the District can therefore play a role in attracting commuters to settle in Kirklees.
- 7.33 The Household Survey can be used to explore the housing options being considered by higher income groups (with a weekly income of at least £950). Although the executive housing market is a niche market, reviewing the housing aspirations of high income groups is an appropriate way of investigating the potential demand for executive housing.
- 7.34 The household survey identifies 23,203 households with an income of at least £950 each week. Of these households, 2,294 are intending to move in the next five years. Of this group of high income households, a majority (81.6%) stated a first preference location within Kirklees. The most popular sub-areas identified were Huddersfield North (27.4%) and Kirklees Rural West (17.3%).
- 7.35 In terms of dwelling preferences, likes and expectations are summarised in Table 7.12. This indicates strongest aspiration towards detached and semi-detached houses with three or more bedrooms. In reality, however, more households expect to move to terraced houses, bungalows and flats/apartments than aspire to.
- 7.36 In terms of reasons for moving, most frequently mentioned are wanting a larger property (55%) and wanting to buy (16.2%). Overall 64.3% stated their first choice location as being within Kirklees (with 27.4% stating Huddersfield North and 17.3% Kirklees Rural West). A challenge is to provide aspirational housing for higher income groups, particularly houses with at least 3 bedrooms, to

ensure that this population is retained, and also to attract mid to upper income households from elsewhere.

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Table 7.12 High income household dwelling aspirations and expectations

Like/Aspiration						
No. Beds	Property type (Table %)					Total
	Detached house	Semi-detached house	Terraced house	Flat/ Apartment	Bungalow	
One						0.0
Two	7.8	14.8	9.7	1.2	3.7	37.1
Three	13.6	16.0			7.3	36.9
Four	15.8	5.1				20.9
Five or more	5.0					5.0
Total	42.2	36.0	9.7	1.2	11.0	100
Expectation						
No. Beds	Property type (Table %)					Total
	Detached house	Semi-detached house	Terraced house	Flat/ Apartment	Bungalow	
One				5.3		5.3
Two	2.7	5.4	9.9	6.5	7.3	31.9
Three	13.9	7.8	20.0		10.6	52.3
Four	5.3	5.2				10.5
Five or more						0
Total	21.9	18.4	29.9	11.8	17.9	100

Base: 2,294 households with an income of more than £950 planning to move in next 5 years

Source: 2015 Household Survey

Self-build

- 7.38 The Government made clear in its Housing Strategy for England *Laying the Foundations* that it wished to unlock the growth potential of the custom homes market and double its size over the next decade. It has defined the main critical barriers to custom build in this country as access to suitable plots to build on; access to development finance to enable the purchase of land and start of construction; and the hurdles that many custom builders face when they engage with the regulatory regimes that govern the development process.
- 7.39 As part of this agenda the Government has enacted new legislation, the Self - Build and Custom Housebuilding Act 2015, requiring authorities to keep a register of individuals and associations of individuals who wish to acquire

serviced plots of land to bring forward self-build and custom house building projects. Local authorities are under a duty to have regard to these registers in carrying out their planning function. The regulations setting out the scope of these registers are yet to be approved. The Government also intend to enact further legislation in the next Parliament strengthening the role of local planning authorities in making plots of land available for custom and self build. Their current intention is that prospective custom and self builders will have a right to a plot of land from their local council to build their home.

- 7.40 The NPPG (para 021 Reference ID 2a-021-20150326) states that the Government wants to enable more people to build their own homes and wants to make this form of housing a mainstream housing option. The characteristics of households considering self-build are summarised in Table 7.13. This indicates that there is a particular preference for self-build in Kirklees Rural – West; from couples and couples with children; from households with an economically active household reference person; from households wanting to move to a larger property; from households who are currently owner occupiers and from households with an income of at least £500 each week.
- 7.41 The household survey identified 2,613 households who would be interested in self-build (although only 128 expected to move to a self-build property). Table 7.14 presents the range of property types and sizes households interested in self-build would like and expect to move to.
- 7.42 There was a particular aspiration for detached properties (92%) and properties with three or more bedrooms. However, households were more likely to expect to move to a semi-detached property and properties with three or four bedrooms.

Table 7.13 Characteristics of households considering self-build			
Location	Currently live %	First preference %	
Batley and Spennings	20.4	12.2	
Dewsbury and Mirfield	8.9	3.1	
Huddersfield North	13.9	11.2	
Huddersfield South	12.7	9.0	
Kirklees Rural - East	10.9	6.4	
Kirklees Rural - West	33.1	26.5	
Outside Kirklees		31.6	
Total	100.0	100.0	
Household Type	%	Economic activity	%
Single Adult (under 65)	17.3	In employment	84.2
Older singles/couples	2.8	Retired	15.8
Couple only (both under 65)	32.7	Total	100.0
		Main reason for moving	%
Couple with children	35.5	Want larger property	63.4
Lone Parents	9.5	Want to buy	9.0
Other	2.2	Need housing suitable for older / disabled person	6.3
Total	100.0	Other reasons	21.3
		Total	100.0
Current tenure	%	Current income (Gross weekly)	%
Owner occupied	72.9	Under £200	7.0
Rented privately	27.1	£200 to <£500	28.8
Rented privately	27.1	£500+	64.3
Total	100.0	Total	100.0

Table 7.14 Dwelling type and size aspirations of households considering self-build property

Like/Aspiration						
No. Beds	Property type (Table %)					Total
	Detached house	Semi-detached house	Terraced house	Flat/ Apartment	Bungalow	
One	0.0	0.0	0.0	0.0	0.0	0.0
Two	5.2	0.0	0.0	0.0	5.3	10.5
Three	42.1	0.0	4.5	0.0	2.6	49.3
Four	39.9	3.4	0.0	0.0	0.0	43.4
Five or more	4.8	0.0	0.0	0.0	10.5	15.3
Total	92.0	3.4	4.5	0.0	0.0	100.0

Base: 2272 responses

Expectation						
No. Beds	Property type (Table %)					Total
	Detached house	Semi-detached house	Terraced house	Flat/ Apartment	Bungalow	
One	0.0	0.0	0.0	0.0	1.1	1.1
Two	0.0	5.7	2.3	4.8	0.0	12.8
Three	19.9	16.7	11.8	0.0	2.4	50.7
Four	13.1	19.1	0.0	0.0	0.0	32.2
Five or more	0.0	3.2	0.0	0.0	0.0	3.2
Total	33.0	44.6	14.1	4.8	3.5	100.0

Base: 2466 responses

- 7.43 The level of demand for self/custom build should be monitored closely by the Council and in particular the proportion of completions on plots for one or two houses, with this type of modest development likely to be self/custom build.

Family housing

- 7.44 Families (that is couples and lone parents with children) account for around 21.8% of households across Kirklees. A further 11.2% are couples and lone parents with adult children (aged 18 or over) living with them. The current dwelling profile and market aspirations of families are summarised in Table 7.15. This suggests a strong aspiration from families for houses with either three bedrooms or four or more bedrooms, with slightly more expecting to move to houses with three bedrooms than would like to and slightly less moving into houses with four or more bedrooms than would prefer to. More expect to move into houses with one or two bedrooms than would aspire to, and less expect to move into bungalows than would like this type of housing. Analysis of current stock relative to aspirations/expectations (Table 4.11) would suggest that additional family homes (taken as detached or semi-detached properties) are required across all sub-areas.

Dwelling type	Current dwelling (%)	Like (%)	Expect (%)
House 1/2 Beds	21.5	14.4	19.2
House 3 Beds	38.9	33.7	36.8
House 4 or more Beds	23.4	24.6	20.3
Bungalow	8.2	20.1	14.7
Flat	7.0	6.6	8.8
Other	1.0	0.5	0.3
Total	100.0	100.0	100.0
<i>Base</i>	<i>12229</i>	<i>31411</i>	<i>27570</i>

7.45 In terms of housing need (Table 7.5), compared with the overall proportion of households in need of 10.6%, 37.5% of couples with three or more children and 20.3% of lone parents with three or more children were in housing need. However, couples with one or two children were much less likely to be in housing need (3.3%). Modelling of affordable housing requirements suggests that a range of affordable dwellings are required which will help to address the needs of families.

Younger People

7.46 Across Kirklees, there are around 84,000 younger people, that is people aged 15-29 who represent 19.7% of the total population. It is essential to consider the needs, demands and choices of this cohort, as they will have a significant impact on future housing market trends. With typically lower incomes and often high levels of debt (often associated with university fees and living costs) there has been an increase in the number of young people living with their parents or moving into the private rental sector. With a limited ability to save towards a deposit, the 'Bank of Mum and Dad' has become an important factor in helping the privileged few into owning a home of their own. It is against this backdrop that the Starter Home policy has become a central plank in the Government's housing policy.

7.47 The household survey identifies a total of 10,098 households with a Household Reference Person aged 16 to 29. Of these households:

- Half (51%) are private renters, 29.6% are owner occupiers and 19.4% live in social/affordable rented dwellings;
- 40.5% of households receive a gross income of less than £300 each week, 35.2% receive between £300 and £500 and 24.3% receive at least £500;
- 77.4% are in employment, 9.8% are unemployed and 12.8% are not economically active;
- 13.4% are in housing need (compared with an overall proportion of 10.6% of households) and cost of accommodation was most frequently identified as why the household was in need (mentioned by 41.5% of households in need).

7.48 Almost half (44.9%) of younger people intend to move in the next five years. A majority of these households would consider owner occupation and 55.7% stated this was the most likely tenure they would move to (Table 7.16). Private renting was considered by 42.6% of households and 22.4% expect to move to a private rented dwelling. Although 30.4% would consider social/affordable renting only 3.9% expected to move to that tenure. There was also a degree of interest in intermediate tenure options (18.5% would consider) but only 3.9% expected to move to that tenure. There was also some interest in self-build (9.9% of households) but none expected to move into self-build.

Table 7.16 Tenure preferences – Younger People

Tenure	Would consider (%)	Likely (%)
Owner occupation	74.5	55.7
Private Renting	42.6	22.4
Social/Affordable Rented	30.4	3.9
Intermediate Tenure	18.5	3.9
Self build	9.9	0
Total		100
<i>Base</i>	4239	4136

7.49 Table 7.17 considered the type and size preferences of younger people planning to move and compares this with the current profile of dwellings lived in by younger people. In terms of current profile, 40% live in smaller one and two bedroom houses, 35% live in larger houses (three or more bedrooms) and 21.5% live in flats. Younger people expressed a particular aspiration for houses, with 56.3% aspiring towards a three bedroom and 24.7% a four or more bedroom dwelling. Most expected to move to a house, but larger proportions expected to move to a smaller house (with one or two bedrooms).

Table 7.17 Property type preferences – Younger People

Dwelling type	Current dwelling	Like	Expect
House 1/2 Beds	40.0	19.0	32.6
House 3 Beds	32.3	56.3	51.0
House 4 or more Beds	2.7	24.7	13.9
Bungalow	0.0	0.0	0.0
Flat	21.5	0.0	2.4
Other	3.4	0.0	0.0
Total	100.0	100.0	100.0
<i>Base</i>	9995	4238	4240

Student housing

7.50 The demand for student accommodation is a key housing market driver in Huddersfield. According to the latest statistics from the University, in 2014/15 there were 21,058 students registered with the University. Table 7.18 summarises where students live. In summary, over half of students (54%) either lived in their parental/guardian home or in their own accommodation, 18% lived in Halls of Residence, 15% rented privately and there was no specific information for the remaining 13%.

Place of residence	Number	%
Parental/guardian home	5440	26%
Other	1266	6%
Not known	294	1%
Not in attendance at the provider	1140	5%
Own residence	5956	28%
Other rented accommodation	3245	15%
Private-sector halls	3717	18%
TOTAL	21058	100%

Source: University of Huddersfield data provided to Kirklees Council

- 7.51 According to Council Tax data, there are 2,812 properties across Kirklees which are either exclusively occupied by students or there they are student properties with a resident landlord. The vast majority (85.7%) are located in Huddersfield and these account for 4.4% of all households in the town. Overall, 55.4% of student properties are located in Newsome ward and 11.6% in Greenhead ward.
- 7.52 The University of Huddersfield approve two halls of residence sites within the town and they are managed by DIGS :
- Storthes Hall Park Student Village: this includes 1,300 self-catering rooms with ensuite facilities and is located around 4.8 miles from the main campus. There is a dedicated shuttle bus between this facility and the University which takes around 15 minutes;
 - Ashenhurst Houses: this provides around 280 rooms with shared bathroom and kitchen facilities and is located around 20 minutes' walk from the main campus.
- 7.53 In addition to university-owned accommodation, there are a number of private halls of residence available for students. These are predominantly modern, providing en-suite facilities and catering to a range of budgets. They are focused around the university campus area of the town, so close to the nightlife and wider facilities.
- 7.54 As well as designated student halls of residence, private lettings for student accommodation are widely available through local agents and online services such as 'HudLets'.

- 7.55 A student housing survey was carried out as part of the SHMA. Of respondents, 72% rented privately (including through a student lettings agency) and 16% rent from the university/halls of residence. Key findings included:
- Strongest preference for living in Huddersfield town centre;
 - 26% of respondents felt that there is insufficient choice of student accommodation available in Kirklees;
 - An analysis of household aspirations reveals that more respondents would like purpose-built student accommodation than expect to move into this type of accommodation.
- 7.56 According to feedback from the University of Huddersfield to the Council in September 2016, there are no current significant plans for future growth and no specific information was given on plans for further student accommodation development. On the basis of this evidence, it is suggested that the OAN should not be adjusted to take account of student accommodation growth.

Older people

- 7.57 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Kirklees area aged 65 or over is projected²⁵ to increase by 28,600 from 71,700 in 2014 to 100,300 by 2031 (39.9% increase). The Council has prepared an Accommodation Strategy for Older People²⁶ which recognises that:
- The demography of the local population will lead to a substantial and wide-ranging increase in the needs of older people over the next 20 years;
 - Without changes to current accommodation and social care arrangements, it will become increasingly difficult, and ultimately unfeasible, to support local older people to live independently;
 - The range of services provided to help our aim of independent living require strategic and commissioning attention – underpinned by robust data for planning;
 - The supply of future mainstream housing stock will need to expand substantially, with the equivalent of half of all new provision needing to reflect the widely varying needs of an ageing population, based on high quality data and evidence;
 - Services to support mainstream living will be of particular importance in future;
 - The supply and range of specialist accommodation, such as extra care and sheltered housing will need to increase;

²⁵ 2014-based ONS population projections

²⁶ A Place to Live Life to the Full: Accommodation Strategy for Older People of Kirklees 2010-2015

- A recognition that residential care will remain appropriate for a core group of people with very high needs, but that the quality of much of this accommodation needs to be brought up to a higher standard to meet the needs and expectations of today's clients;
- An improved range of varied and viable alternatives to residential care needs to be developed in the context of greater choice in community living and retention of independent forms of supportive and caring accommodation, which leave people with their own front door;
- Diverse needs and the predicted growth in ageing Black and Minority Ethnic (BME) communities of Kirklees should be reflected in the development of accommodation choices; and
- The need for comprehensive information and advice services which support older people to make and plan appropriate future accommodation choices.

7.58 As set out in Table 7.19, the majority of older people (65.1%) want to stay in their own homes with help and support when needed. Around 24.0% would consider buying a property on the open market, 18.5% would consider renting from a housing association, 18.1% would consider renting sheltered accommodation and around 14.4% would consider renting extra care housing. This evidence suggests a need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

Housing option	% would consider
Continue to live in current home with support when needed	65.1%
Buying a property on the open market	24.0%
Rent a property from a private landlord	7.3%
Rent from HA	18.5%
Sheltered accommodation - To Rent	18.1%
Sheltered accommodation - To Buy	11.6%
Sheltered accommodation - Part Rent/Buy	4.3%
Extra care housing - To Rent	14.4%
Extra care housing - To Buy	8.7%
Extra care housing - Part Rent/Buy	3.1%
Residential care home	5.2%
Co-housing	9.0%
<i>Base (total households responding)</i>	<i>82514</i>

7.59 The range of assistance required from older person households is explored in Table 7.20. Particularly noted is the need for help with gardening (39.4% of older households stated this help is needed either now or in the next five years), help with repair and maintenance of the home (33.9% of 65+ households stated this help is needed either now or in the next five years) and help with cleaning (28.2%) and other practical tasks (23.3%).

Table 7.20 Type of assistance required either now or in next 5 years by age group

Assistance required	Age group (% of households)		
	Younger (under 65)	Older (65+)	Total
Help with repair and maintenance of home	21.0	33.9	24.1
Help with gardening	14.0	39.4	20.2
Help with cleaning home	9.4	28.2	14.0
Help with other practical tasks	7.7	23.3	11.5
Help with personal care	7.2	14.2	8.9
Want company / friendship	7.4	10.3	8.1
<i>Base</i>	<i>133309</i>	<i>43319</i>	<i>176628</i>

Source: 2015 Household Survey

7.60 In terms of adaptations (Table 7.21), most frequently mentioned were adaptations to the bathroom (13.3% of older households), internal handrails (9.6%) and external handrails (8.1%). Resources for aids and adaptations remain tight, particularly for households in the private sector. Alternative sources of funding, such as equity loans, should be considered to finance remedial measures required by older person households.

Table 7.21 Adaptations required either now or in next 5 years by age group

Adaptation required	Age group (% of households)		
	Younger (under 65)	Older (65+)	Total
More insulation	14.1	5.2	11.9
Double glazing	12.2	5.2	10.5
Adaptations to Bathroom	7.1	13.3	8.6
Security alarm	8.7	5.6	7.9
Internal handrails	5.8	9.6	6.8
Increase the size of property	8.0	1.2	6.3
Adaptations to kitchen	6.5	3.9	5.8
External handrails	4.9	8.1	5.7
Downstairs WC	4.5	3.9	4.4
Stair lift / vertical lift	3.3	6.6	4.1
Community alarm service	2.5	5.8	3.3
Improvements to access	3.2	3.4	3.3
Wheelchair adaptations	3.2	2.8	3.1
Better heating	3.4	2.5	3.1
Room for a carer	2.5	1.8	2.3
Lever door handles	2.4	1.1	2.1
<i>Base</i>	<i>133309</i>	<i>43319</i>	<i>176628</i>

Source: 2015 Household Survey

- 7.61 Recent research (2016) has been carried out by Peter Fletcher Associates into the dwelling requirements of older people. This concludes that:
- There is currently 249 units of accommodation (specialist dementia provision and extra care);
 - There is a need now and in the future for more extra care for rent and sale, with 50% leasehold/shared ownership and 50% rented;
- 7.62 By 2030, there is a need for an:
- additional 388 units of housing with care for rent
 - additional 628 units for sale or shared ownership
 - additional 291 units of provision for older people with dementia

General support requirements

- 7.63 The 2015 Household Survey provided evidence of the need for particular adaptations across all households. Particularly noted are more insulation (14.1%), double glazing (12.2%) and security alarms (8.7%) (Table 7.21).
- 7.64 Overall, 4.9% of all properties across Kirklees had been adapted or purpose built for a person with a long-term illness, health problem or disability. 7.5% of all households said they required care or support to enable them to stay in their current home; this rose to 14.3% amongst households in affordable housing. 61.9% of households stated that there was sufficient space for a carer to stay overnight if this was needed; but across the affordable (social) rented sector this fell to 32.5%.
- 7.65 The household survey also provides information on the need for other forms of assistance (Table 7.20), highlighting the particular need across all households for help with repair and maintenance of the home (24.1%) and gardening (20.2%).

Ex-Forces housing

- 7.66 The Council has recently started recording data relating to Ex-Forces requiring housing and support services. A snapshot of the Housing Register in July 2015 identified 55 households on the Register who included a serving member of the Armed Forces or Reserve Forces, an additional 23 who had served in the last five years and four who were a bereaved spouse/civil partner of a member of the Armed Forces leaving Services Family Accommodation. There are currently no people on the Register who are 'Band A Armed Forces Personnel in reasonable preference and homeless'. Council officers suggest that there is not a specific need for accommodation or services that are not already catered for – it's more about understanding if there are barriers to access and what can be done to address this.

Specialist support requirements

- 7.67 The SHMA seeks to provide a general overview of supported housing issues and has sought the views of stakeholders on priorities.
- 7.68 Table 7.22 summarises the type of client groups accommodated in Housing Association dwellings across Kirklees area over the three year period 2010/11 to 2012/13. Data indicates that a range of groups are accommodated in RP specialist provision, most notably older people with support needs, people at risk of domestic violence and single homeless people with support needs.

Table 7.22 Client groups accommodated in Registered Provider sector in Kirklees 2010/11 to 2012/13

Client group	Number
People with learning disabilities	47
People with mental health problems	77
Offenders and people at risk of offending	158
People at risk of domestic violence	438
Older people with support needs	559
Single homeless people with support needs	432
Homeless families with support needs	4
Young people at risk	4
Missing	4
Total	1,723

Source: Supported CORE lettings data

Stakeholder views on specialist housing provision

- 7.69 The online survey asked key stakeholders for their views on the provision of specialist housing in Kirklees. Several respondents have direct involvement in the provision of specialist housing for elderly people, adults with learning or mental health difficulties and other vulnerable groups. Respondents identified that their ability to deliver services to Supporting People households has been adversely affected by funding reductions, with a need to “do more with less”. In terms of changes in client groups, an increase in age-related challenges and high-need clients were both noted.
- 7.70 Several barriers to the delivery of new specialist housing provision were identified by stakeholders:
- Land availability and price, and site topography;
 - Developers not implementing planning permissions due to viability issues;
 - Developers focused on private care schemes;
 - Insufficient intense support or supported living available, so people with high and complex needs are unable to sustain their tenancies; and
 - High void costs if properties are unoccupied.

- 7.71 In terms of housing stock shortages for independent living, the following were specifically mentioned by stakeholders: extra-care, extra-care for the elderly, supported housing for younger people and adapted stock. Villages in the south of Kirklees and the Marsh area were both identified as locations where there are stock shortages. Barriers to the adaptation of existing properties include cost and the inflexibility of much of the older housing stock. In addition, one respondent noted that a housing allocation has to be made in order to attract the grant for adaptation work, which then takes time to implement.
- 7.72 Over the past three years there has been an increase in demand for services from older people in particular. Stakeholders identified that the following housing should be built to meet their requirements:
- Bungalows,
 - Extra-care,
 - Sheltered housing,
 - Adaptable stock, and
 - Lifetime homes.
- 7.73 In order to meet the requirements of people with additional needs (physical disabilities, mental health issues, etc), respondents suggested that more supported, shared housing could be provided. This could include, for example, independent living communities with a carer's flat or similar on-site resources. The importance of location was noted, allowing people to be in easy reach of families, friends and their support network.
- 7.74 In terms of key messages for the SHMA, respondents said that a clear understanding of elderly and specialist housing needs should be identified, along with a commitment to develop more suitable stock and increased housing options. The importance of including such housing within larger schemes was noted by two respondents, promoting mixed and inter-generational communities rather than segregated housing provision.

People experiencing mental health problems

- 7.75 The Council have prepared a strategy for accommodation for people who experience mental health problems²⁷. The strategy is based on three major principles:
- Individuals who experience mental health problems should not have to undergo a change in accommodation to receive the level of care and / or support that they need at any particular time and a range of options should be available with regards to having a place to live;
 - The focus on independence and autonomy should not be lost for individuals who do require periods of support within specialist accommodation services; and

²⁷ "A Place to Live" A Joint commissioning strategy for accommodation for people who experience mental health problems in Kirklees 2012-2015

- Support solutions for individuals should be co-produced with those individuals.
- 7.76 Regarding levels of support, the strategy proposes an increase in the number of people receiving low (up to 4 hours), medium (4 to 8 hours) and high levels (8-12 hours) of floating support; increase the number of adult/family placements through 'shared lives'; and increase capacity of Registered Care Homes, Staffed Group Homes and 24 hour Nurse Staffed Care.
- 7.77 Community provision from both health, housing support services and social care to support people to remain in their accommodation and manage their mental health will need to be in place to support people through short or longer term needs. There may be periods when due to an individual's health needs an admittance to hospital, or into a period of respite care may be necessary and the role community provision and support plays in this is key to maintain an individual's accommodation needs by working with the individual to support them both into and out of such support.

People with learning disabilities

- 7.78 The Council has a learning disability accommodation strategy which has been in place for several years. The strategy clearly states future accommodation will focus on supported living provision and reduced dependency on care homes. There are currently 50 learning disability care homes with 475 beds across Kirklees of which Kirklees Council fund 286 at a cost of over £12million each year. The Council's Learning Disability supported living market review shows that adult services supports 321 people with a learning disability to live in their own home, and specialist supported living accommodation developments at a cost of £6million each year. Over the past 6 years there has been a growth of 20% in the numbers of people with learning disabilities moving into supported living and this is expected to continue.

Homeless households

- 7.79 Homelessness statistics for 2013/14²⁸ indicate that a total of 469 decisions were made on households declaring themselves as homeless across Kirklees (Table 7.23). Of these households, 300 were classified as homeless and in priority need. Over the four years 2010/11 to 2013/14, an annual average of 559 decisions has been made across Kirklees and an average of 340 households each year has been declared as homeless and in priority need.

²⁸ CLG Homeless Statistics Table 784: Local authorities' action under the homelessness provisions of the Housing Acts

Table 7.23 Homeless decisions and acceptances 2010/11 to 2013/14		
Year	Decisions made	Accepted as homeless
2010/11	573	340
2011/12	549	318
2012/13	646	401
2013/14	469	300
Total	2,237	1,359
Annual Average	559	340

Source: CLG Homelessness Statistics

Households previously homeless

- 7.80 The household survey identified 1,418 households who had been previously homeless or living in temporary accommodation and had moved to their present accommodation in the past five years.
- 7.81 Table 7.24 presents a range of information relating to the characteristics of previously homeless households and the dwelling choices that they have made. 74.9% of households previously homeless have moved into social/affordable rented accommodation and 25.1% have moved into the private sector (owning or renting). They have moved into a range of dwelling sizes, with 30.3% moving to bedsits and one bedroom dwellings, 25.7% moving into two bedroom dwellings and 44.1% into dwellings with three or more bedrooms. The incomes of previously homeless households are generally low with over half (52.9%) receiving less than £200 each week and 28.3% receiving between £200 and £300 each week. 58.0% are singles under 65, 16.7% are couples with children (under 18 or adult) and 7.0% are lone parents.

Table 7.24 Characteristics of households previously homeless			
Household Type	%	Property Type	%
Single Adult (under 65)	58.0	House	25.1
Couple only (both under 65)	7.8	Flat	72.7
Couple only (one or both over 65)	2.2	Bungalow	2.2
Couple with 1 or 2 child(ren) under 18	4.2		
Couple with 3 or more children under 18	4.2		
Couple with child(ren) aged 18+	8.3		
Lone parent with 1 or 2 child(ren) under 18	7.0		
Other type of household	8.3		
Total	100.0	Total	100.0
Current tenure	%	Origin	%
Owner Occupied	8.5	Within Kirklees	93.1
Private Rented	16.6	From outside Kirklees	6.9
Social/Affordable Rented	74.9		
Total	100.0	Total	100.0
Current income (Gross weekly)	%	Property size	%
Under £200	52.9	0/1 Bed	30.3
£200 to <£300	28.3	2 Beds	25.7
£300+	18.8	3 or more Beds	44.1
Total	100.0	Total	100.0

Base: 1,418 households previously homeless

Source: 2015 Household Survey

Black, Asian and Minority Ethnic households

7.82 The 2011 Census indicates that 85.6% of Household Reference People describe themselves as 'White' and 14.4% describe themselves as having other ethnicities. Of these, 9.9% are Asian/Asian British, 2.3% are Black/Black British, 1.6% are mixed/multi-ethnic and 0.6% are other groups.

7.83 Information on BAME households based on the 2015 Household Survey includes:

- 51.5% are owner occupiers, 26.1% rent privately and 22.4% live in affordable housing (social rented or intermediate tenures) (compared with 67%, 17.3% and 15.7% respectively across all households);
- Incomes tended to be lower than the Kirklees average. 40.5% had a gross income of less than £200 each week (compared with 21.9% of all households), 20.5% received between £200 and £300 each week (15.4% all households), 15.6% received between £300 and £500 (24.4% all households) each week and 23.4% received more than £500 each week (38.3% all households);
- 26.6% BAME households were in some form of housing need (compared with 10.6% of all households), with key needs factors being overcrowding (57.4% of households in need), sharing facilities with another household (34.1%) and under notice or lease coming to an end (12.3%);

- 14.7% were dissatisfied with the state of repair of their homes (compared with 8.9% across all households).

Gypsy, Travellers and Travelling Showpeople

- 7.84 A Gypsy and Traveller Accommodation Assessment (GTAA) was carried out jointly with Calderdale Council in 2015. This established a need for up to 5 additional Gypsy and Traveller pitches and 4 Travelling Showperson plots over the 20-year period 2014/15 to 2033/34. These shortfalls could be recast for the 18-year Plan Period 2013-31 and the Local Plan should reference a need for 5 additional Gypsy and Traveller and 4 additional Travelling Showperson plots.

8. Conclusion: Policy and Strategic Issues

- 8.1 This document has been prepared to equip the Council and their partners with robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. The work also takes account of the new National Planning Policy Framework which came into effect in March 2012 and National Planning Practice Guidance February 2014.
- 8.2 The SHMA will help the Council plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Specifically, the SHMA identifies the size, type and tenure of market housing required by sub-area by considering current market demand relative to supply; and also identifies a continued affordable housing imbalance across Kirklees District.
- 8.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets; the interactions of Kirklees with other areas; and relates findings to key local strategic issues.

The Housing Market Area

- 8.4 An analysis of 2011 Census migration data suggests that 72.2% of moving households originated from within Kirklees and 66.8% of employees live and work within the district.
- 8.5 The Household Survey identified 78.3% of households moving in the preceding five years moved within Kirklees District. It also identified that 76.9% of households planning to move in the next five years plan to remain within the District.
- 8.6 An analysis of 2011 Census migration data suggests that 72.7% of households move within Kirklees area and 66.8% of residents in employment work within the District. Therefore, Kirklees exhibits a high degree of self-containment in terms of migration but it is part of a wider functional economic area which is focused on Leeds (and this was recognised in the NHPAU research).
- 8.7 The 2015 Household Survey found that of those who had moved home in the preceding five years, 78.3% originated within Kirklees. It also found that 76.9% of households planning to move in the next five years intend on remaining in Kirklees which indicates a high degree of self-containment of households.
- 8.8 Evidence would therefore suggest that Kirklees is an appropriate housing market area for the purposes of Local Plan policy making.

Establishing an Objectively Assessed Housing Need

- 8.9 The National Planning Policy Framework requires that local planning authorities identify Objectively Assessed Housing Need and that Local Plans translate those needs into land provision targets. Paragraph 159 of the NPPF

recognises that the objective assessment of housing need must be one that meets household and population projections, takes account of migration and demographic change; meets the need for all types of housing including affordable, and caters for housing demand and the scale of housing supply necessary to meet that demand.

- 8.10 An OAN should be based on reasonable assumptions which take into account baseline demography, adjustments to reflect local demographic trends, past delivery, market signals, future jobs and other local circumstances: the SHMA has explored these factors in detail. PAS guidance suggests that the OAN should exclude any policy objectives and value judgements and evidence should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a provision target.
- 8.11 There are many factors to consider when establishing an Objectively Assessed Housing Needs figure and after considering this evidence it is proposed that the Objectively Assessed Housing Need range for Kirklees for the period 2013-31 is 1,730 This takes into account:
- A baseline dwelling requirement based on 2014-based CLG household projections of 1,584 dwellings each year; and
 - A need to deliver additional dwellings to support jobs growth (1,730).
- 8.12 No adjustments are necessary to take account of alternative migration or headship rate assumptions. Housing Market Signals would suggest that the housing market in Kirklees is relatively stable and other than trends in private rents and improvements in relative affordability, market signal trends have tended to be in line with regional and national trends. There is no recommendation to alter dwelling targets in the light of market signals relating to property price or quantity data. However, it is recommended that data should be collected and monitored on a regular basis to ensure the Council has up to date information from which to review dwelling targets.
- 8.13 In conclusion, the 1,730 OAN figure is ambitious, aspirational and seeks to address housing need and support economic growth ambitions. It is also assumed that the OAN addresses any backlog in need as it uses a baseline household figure based on the current demographic situation in Kirklees.
- 8.14 Having established an up to date OAN, it is necessary to translate this into a housing requirement for the purposes of future plan-making. The OAN also represents the housing requirement for Kirklees.

The current housing market

- 8.15 This study provides up to date information on the housing stock in the Council area and how the stock profile varies by market area is presented in data tabulations accompanying this report.

- 8.16 Across Kirklees there are a total of 182,559 dwellings and a total of 176,628 occupied dwellings²⁹. Overall, the 2015 Household Survey shows that:
- 76.9% of properties are houses, 13.1% are flats/apartments and maisonettes, 9.2% are bungalows, and 0.8% are other types of property including park homes/caravans;
 - 13.7% have one bedroom/bedsit, 27.9% have two bedrooms, 37.8% have three bedrooms and 20.5% have four or more bedrooms;
 - 22.5% of properties were built before 1919, a further 15.9% were built between 1919 and 1944, 17.1% between 1945 and 1964, 23.5% between 1965 and 1984, 13.9% between 1985 and 2004 and 7.0% have been built since 2005; and
 - 67.0% of properties are owner-occupied, 17.3% are private rented/tied accommodation, 13.7% are rented from a social landlord and 1.8% are intermediate tenure.

Housing markets and mobility

- 8.17 A range of material has been gathered to help identify market drivers and the characteristics of the Kirklees Housing Market Area and linkages with other areas.
- 8.18 An analysis of household mobility using survey data suggests that of households moving in the past five years, 78.3% originated in Kirklees and 21.7% moved into the District. Most moved into the private housing sector, with around 50.2% moving into owner occupation and 43.0% into private renting. Work/new job and wanting a larger property were key migration drivers. 79.6% of in-migrant households had a Household Reference Person aged under 65 and 20.4% were aged 65 and over; overall 71.1% were in employment and 50.3% had an income (of Household Reference Person and partner) of less than £500 each week.

Future housing market

- 8.19 Data relating to future housing numbers and the Objectively Assessed Need for Housing has been explored in detail in this research.

Housing need and demand

Delivering new housing

- 8.20 Of households moving in the open market, most would like to move to a house (72.7%), 20.1% would like to move to a bungalow and 6.6% to a flat. This compares with 76.3% who expect to move to a house, 14.7% to a bungalow and 8.8% a flat. A much higher proportion would like to move to a detached

²⁹ 2014 Council Tax data

house (43.7%) but only 28.3% expect to. In contrast, higher proportions expect to move to a semi-detached house (31.3%) than would prefer to (19.9%). Future development should focus on delivering to address identified mismatches and reflect household aspirations.

- 8.21 In terms of affordable housing, an annual net imbalance of 1,049 affordable dwellings has been calculated.
- 8.22 A tenure split of 55.1% affordable rent and 44.9% intermediate tenure based on household preferences is suggested.
- 8.23 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue development to satisfy household aspirations, in particular the development of detached and semi-detached houses and a range of property sizes to offset identified market imbalances;
 - Developing an increasing range of housing and support products for older people;
 - Delivering additional affordable housing to help offset the identified net shortfalls; and diversifying the range of affordable options by developing intermediate tenure dwellings and products; and
 - The economic viability of delivering affordable housing on sites across Kirklees.
- 8.24 A detailed analysis of the current and future profile of households would suggest there are three key dwelling types required across Kirklees: 3 bedroom houses, 4+ bedroom houses and 1-2 bedroom houses in addition to the ongoing development of other property types and sizes

Improving the quality of existing stock

- 8.25 Strategic challenges include reducing the level of vacant dwellings and improving the quality of existing dwellings through better energy efficiency and modernisation.

Vacant stock

- 8.26 According to Council Tax data (2014), there are an estimated 5,833 vacant dwellings (3.2% of dwelling stock) across Kirklees and these are mainly in the private sector. Properties can be empty for a variety of reasons which include: the properties are too difficult to repair or are in the process of being repaired; they are in the process of being sold; they have been bought for capital investment; or they are in probate.
- 8.27 The Council should continue to consider identifying the reasons why properties are empty and identify mechanisms for bringing them back into use. Mechanisms could include:
- Financial/professional help for repairs and improvements in the form of equity loans; grant aid for renovation and subsequent leasing to a Housing

Association for a fixed term; a professional service to manage repairs or full renovation; and

- Assistance with letting management or the sale of a property.

Satisfaction and repair

- 8.28 Although the vast majority of households (77.7%) are satisfied with the condition of their dwellings, 8.9% of households were dissatisfied or very dissatisfied. Levels of dissatisfaction were highest amongst those in shared ownership, private rented or social rented accommodation; those living in maisonettes and flats/apartments; and properties built pre-1919.
- 8.29 Improving the energy efficiency of dwellings and modernisation of stock is an important driver to improving the quality of existing stock and extends beyond those households expressing dissatisfaction. Given the need to reduce energy consumption, improve thermal comfort and future proof households from spikes in energy prices, retrofitting stock with improved insulation, heating systems and solar panels is likely to become a significant strategic issue.

The ageing population and addressing the needs of vulnerable people

- 8.30 A key challenge for the Council is to ensure a greater diversity of support services are made available to older people wanting to stay in their own home and develop funding mechanisms to achieve this. Particularly noted is the need for help with gardening, repair and maintenance and cleaning.
- 8.31 Additionally, the range of housing options available to older people needs to be diversified, for instance through the development of open market housing designed at older people and the development of sheltered accommodation, extra care housing and co-housing for rent or sale.

NPPF requirements

- 8.32 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should:
- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where Housing Market Areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
 - Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and

- Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 8.33 The material in this SHMA provides an evidence base to inform strategic decision making.
- 8.34 The SHMA has:
- Considered the Objectively Assessed Need for housing using the latest available evidence;
 - evidenced the scale of Affordable Housing Need and the specific affordable requirements necessary to offset the imbalance between supply and need;
 - reviewed market demand and the range of dwellings required to satisfy household expectations and aspirations; and
 - reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements.

Final comments

- 8.35 Appropriate housing and planning policies have a fundamental role to play in the delivery of thriving, inclusive and sustainable areas. These policies need to be underpinned with high quality data. This study has provided a wealth of up-to-date social, economic, demographic and housing data for Kirklees District.
- 8.36 This research has reflected upon the housing market attributes of Kirklees and interactions with other areas, notably other districts in the Leeds City Region. The report signposts future strategic challenges which include the ongoing delivery of new market and affordable housing to address need and support economic growth; diversifying the range of affordable tenures available to local residents; improving the condition and energy efficiency of existing stock; and addressing the requirements of older people and vulnerable groups.

Introduction to Technical Appendices

- Technical Appendix A: Research methodology
- Technical Appendix B: Policy review
- Technical Appendix C: Housing need calculations
- Technical Appendix D: Objectively assessed need background information
- Technical Appendix E: Monitoring and updating
- Technical Appendix F: Dwelling mix analysis
- Technical Appendix G: National Planning Policy Framework and National Planning Practice Guidance Checklist

Technical Appendix A: Research Methodology

Overall approach

- A.1 A multi-method approach was adopted in order to prepare a robust and credible Strategic Housing Market Assessment for Kirklees Council:
- A sample survey of households across the Kirklees Council area. A total of 19,063 households were contacted and 3,165 questionnaires were returned and used in data analysis. This represents a 16.6% response rate overall and total number of questionnaires returned was well in excess of the 1,500 specified in former Government guidance;
 - Online questionnaire survey of key stakeholders including Local Authority Planning, Housing and Economic Regeneration Officers; Housing Associations, Registered Social Landlords and ALMOs; Supporting People representatives; and Developers.
 - Interviews with Estate and Lettings Agents;
 - A review of relevant secondary data including the 2011 Census, house price trends, CORE lettings data and CLG Statistics; and
 - The preparation of household and dwelling forecasts for the District. Household Survey data is available down to postcode level. In the SHMA report, data are presented for Kirklees District and the six sub-areas.

Baseline dwelling stock information and survey sample errors

- A.2 Table A1 summarises total dwelling stock and the number of households contacted by survey area, achieved response rates and sample errors. All response rates and accuracy levels are based on the Census 2011 as this was used as the core data when weighting the sub-area responses.

Table A1 Households surveyed, response rates and sample errors						
Sub-area	Total Households	Total Dwellings ¹	Total contacted	Achieved Response	Response Rate (%)	Sample error +/-
Batley & Spen	44463	45875	2667*	493	18.4	4.39%
Dewsbury & Mirfield	30093	31102	2667*	452	16.9	4.58%
Huddersfield North	24909	25810	2667*	481	18.0	4.43%
Huddersfield South	32698	33736	2667*	506	19.0	4.32%
Kirklees Rural – East	13336	13748	2666*	636	23.8	3.80%
Kirklees Rural - West	31129	32178	2666*	597	22.4	3.97%
Total	176628	182449	16000	3165	16.6	1.73%

Source: Council Tax Data; 2011 Census

1. From Census 2011.
2. Sample error is based on the 95% confidence interval which is the industry standard to establish result accuracy.
3. Sourced from occupied dwellings data flagged in Council Tax database

Weighting and grossing

- A.3 In order to proceed with data analysis, it is critical that survey data is weighted to take into account non-response bias and grossed up to reflect the total number of households. Weighting for each survey area was based on:
- **tenure** (the proportion of affordable (social rented and intermediate tenure) and open market dwellings based on 2011 census data;
 - **age of household reference person** based on the proportions of household reference people aged under 65 and 65 or over living in affordable and open market provision derived from the 2011 Census.
- A.4 Ultimately, the survey element of the assessment is sufficiently statistically robust to undertake detailed analysis and underpin core outputs of the study down to the survey areas presented in Table A1. Furthermore, the survey findings are enhanced and corroborated through analysis of secondary data and stakeholder consultation.

Online Key Stakeholder Survey

- A.5 An online survey of key stakeholders was undertaken. This took the form of an online questionnaire, which representatives from a range of stakeholder organisations were invited to complete.
- A.6 Responses were received from 41 separate individuals, drawn from: Local Housing and Planning Authority representatives, Commissioning Managers, Registered Social Landlords (RSLs), Supporting People representatives and developers
- Local Authority Planning, Housing and Economic Regeneration Officers;
 - Housing Associations, Registered Social Landlords and ALMOs;

- Supporting People representatives; and
 - Developers.
- A.7 The responses have been analysed, both quantitatively and qualitatively. They provide an invaluable view on the current housing market and related issues in Kirklees. The analysis is set out clearly within Chapter 5 of the SHMA Report.

Interviews with Estate and Letting Agents

- A.8 Six estate and letting agents were approached and face-to-face interviews were undertaken with five representative agents who operate in Kirklees and the surrounding area. Their views were sought on the local housing market and related issues, and an analysis of the findings has been incorporated within Chapter 5 of the SHMA Report.

Technical Appendix B: Policy Review

- B.1 The purpose of this Appendix is to set out the national policy agenda of relevance to this housing needs assessment.

Introduction

- B.2 Housing policy in England is managed through the Department for Communities and Local Government (DCLG), but is managed by the devolved governments in Scotland, Wales and Northern Ireland. In addition to policies that apply directly to housing matters, there is significant overlap with a number of other policy areas, including planning, welfare, political devolution and the wider economy.
- B.3 Under the previous Coalition Government, the five years 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity and an economic policy of deficit reduction and public spending cuts. These reforms championed localism, decentralisation and economic growth.
- B.4 Since the election of a majority Conservative Government in May 2015 further welfare reforms have been accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice. The Housing and Planning Act was passed in May 2016, setting out the legislative framework for the Government's flagship Starter Homes scheme and including provisions relating to other important aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- B.5 The European Union Referendum of 23rd June 2016 and subsequent leadership changes within Government will have significant implications on emerging policy, with the 'Brexit' discussions creating particular uncertainty regarding economic issues.

Legislative and policy background

- B.6 Following the Coalition Agreement of May 2010, the previous Government passed the **Localism Act 2011**, with the express intention of devolving power from central government towards local people. The Localism Act sets out a series of measures to seek a substantial and lasting shift of powers including:
- new freedoms and flexibilities for local government, including directly elected mayors and empowering cities and other local areas;
 - new rights and powers for communities and individuals;
 - reform to make the planning system more democratic and more effective, including the abolition of regional spatial strategies (RSS), the introduction of the 'Duty to Cooperate', neighbourhood planning, Community 'Right to Build', reforming the community infrastructure levy and reforming the Local Plan process; and
 - reform to ensure that decisions about housing are taken locally.

- B.7 In terms of housing reform, the Localism Act reforms aim to enable more decisions about housing to be made at the local level, making the system fairer and more effective. Local authorities have greater freedom to set their own policies about who can qualify to go on the waiting list in their area. In addition, the Act allows for more flexible tenure arrangements for people entering social housing, with social landlords able to grant tenancies for a fixed length of term rather than lifetime tenancies for all. In respect to homelessness, the Act allows local authorities to meet their homelessness duty by providing private rented accommodation, rather than in temporary accommodation until long-term social housing becomes available. The Act also reforms social housing funding, allowing local councils to keep the rent they collect and use it locally to maintain their housing stock. It facilitates a national 'Home Swap' scheme to facilitate house moves between social housing tenants. In addition, the Localism Act reforms the regulation of social housing, promoting tenant panels and changing the way complaints are handled.
- B.8 The National Housing Strategy for England, ***Laying the Foundations: A Housing Strategy for England***, was published in November 2011 under the Coalition Administration and it currently remains in place. The Strategy acknowledges some of the problems within the housing market and sets out the Government's policy response, along the following themes:
- Increasing supply: more homes, stable growth;
 - Social and affordable housing reform;
 - A thriving private rented sector;
 - A strategy for empty homes;
 - Quality of housing experience and support; and
 - Quality, sustainability and design.
- B.9 The measures promote home ownership, including a new-build mortgage indemnity scheme to provide up to 95% loan-to-value mortgages guaranteed by Government and a 'FirstBuy' 20% equity loan scheme for first-time buyers. There is an emphasis on providing new infrastructure, with the announcement of a 'Growing Places' Fund, and the freeing-up of public sector land for development. Community-led planning and design is championed, with financial incentives such as the 'New Homes Bonus' to promote increased housebuilding at the local authority level.
- B.10 The National Housing Strategy acknowledges the importance of social housing and the need for more affordable housing. However, the Government reaffirm their programme to reform this sector, including *"changes to the way people access social housing, the types of tenancies that are provided and the way the homelessness duty is discharged"*³⁰. The private rented sector is considered to play *"an essential role in the housing market, offering flexibility and choice to people and supporting economic growth and access to jobs"*³¹. The Government sets out an intention to support the growth of the private rented

³⁰ *Laying the Foundations: A Housing Strategy for England* (Nov 2011), page 22 para.11

³¹ *Laying the Foundations: A Housing Strategy for England* (Nov 2011), page 33 Summary

- sector through innovation and investment, to meet continuing demand for rental properties.
- B.11 The National Housing Strategy reaffirms the Government's commitment to bringing empty homes back into use, using the New Homes Bonus as an incentive. It also set out the objectives of preventing homelessness, protecting the most vulnerable and providing for older people's housing needs. It confirms a radical package of welfare reforms, including a reduction in Housing Benefit, changes to the Local Housing Allowance (Housing Benefit in the private sector) and the introduction of 'Universal Credit' to replace other means-tested working age benefits and tax credits. Finally, the Housing Strategy addresses environmental concerns, with energy efficiency and reduced carbon emissions being required from both new and existing homes in order to promote sustainability.
- B.12 The **National Planning Policy Framework (NPPF)** was published in March 2012. It sets out the Government's planning policies for England and how these are expected to be applied. The NPPF formed a key part of the Coalition Government's planning system reforms, simplifying national guidance (previously contained in multiple Planning Policy Statements and Planning Policy Guidance) and reducing the quantity of policy pages. Fundamentally, it must be taken into account in the preparation of local and neighbourhood plans and is a material consideration in planning decisions. The document states that *"at the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking."*³²
- B.13 The NPPF sets out 12 core planning principles to underpin both plan-making and decision-taking. It also establishes 13 aspects to achieving sustainable development, which include delivering a wide choice of high quality homes (#6) and promoting healthy communities (#8). The Framework also introduces new definitions of affordable housing covering social rented housing, affordable rented housing and intermediate housing.
- B.14 The NPPF is currently being reviewed by Government (detailed at paragraph B.20) and it is anticipated that a revised national planning policy document will be published in Autumn 2016.
- B.15 The NPPF is to be read alongside other national planning policies on Waste, Travellers, Planning for Schools Development, Sustainable Drainage Systems, Parking and Starter Homes³³. **Planning Practice Guidance** on a range of more detailed topics has been revised and updated and made available through an online system since March 2014³⁴. Planning Practice Guidance document topics include Duty to Cooperate, Housing and Economic Development Needs Assessments, Housing and Economic Land Availability Assessment, Housing - Optional Technical Standards, Local Plans, Neighbourhood Planning, Rural Housing and Starter Homes.

³² National Planning Policy Framework (November 2012), para. 14

³³ <http://planningguidance.communities.gov.uk/>

³⁴ <http://planningguidance.communities.gov.uk/>

Emerging policy and legislation

- B.16 Following the election of a majority Conservative Government in May 2015, the Government's **Summer Budget 2015** was presented to Parliament by the Chancellor George Osborne on 8th July 2015. The Budget set out proposed reforms to the welfare system, including a four-year freeze on working-age benefits; a reduction in the household benefit cap; restrictions on Child Tax Credit; and training requirements for those on Universal Credit aged 18 to 21. Alongside these welfare cuts, the Chancellor announced that rents for social housing will be reduced by 1% per year for four years, while tenants on incomes of over £30,000, or £40,000 in London, will be required to pay market rate (or near market rate) rents. A review of 'lifetime tenancies' was confirmed, with a view to limiting their use to ensure the best use of social housing stock. Support for home ownership measures was reiterated with measures such as the extension of the Right to Buy to housing association tenants and the introduction of Help to Buy ISAs.
- B.17 Alongside the Summer Budget the Government published a 'Productivity Plan', ***Fixing the foundations: Creating a more prosperous nation*** (10th July 2015). This sets out a 15-point plan that the Government will put into action to boost the UK's productivity growth, centred around two key pillars: encouraging long-term investment and promoting a dynamic economy.
- B.18 Of particular relevance to housing are the following points in the plan:
- Planning freedoms and more houses to buy: In order to increase the rate of housebuilding and enable more people to own their own home, a number of actions are identified including a zonal system to give automatic planning permission on suitable brownfield sites; speeding up local plans and land release, stronger compulsory purchase powers and devolution of planning powers to the Mayors of London and Manchester, extending the Right to Buy to housing association tenants, delivering 200,000 Starter Homes and restricting tax relief to landlords.
 - Resurgent cities, a rebalanced economy and a thriving Northern Powerhouse: In order to rebalance the economy, which is skewed towards London and the South East, the Government is committed to building a Northern Powerhouse through £13 billion of investment in transport in the North of England during this Parliament, backing new science, technology and culture projects, devolving significant powers to an elected Mayor for Manchester, taking steps to enable the Midlands Engine for Growth to reach its full potential and working towards devolution deals with the Sheffield City Region, Liverpool City Region and Leeds, West Yorkshire and partner authorities.
- B.19 The Chancellor of the Exchequer delivered his **Spending Review and Autumn Statement 2015** to Parliament on 25th November 2015. Of relevance to housing are:
- An improvement in public finances, so a moderated approach to the reform of Tax Credits/Universal Credit;
 - A new 'Help to Buy Shared Ownership' scheme, removing current restrictions on who can buy shared ownership properties to anyone with a

household income of less than £80,000 outside London and £90,000 in London;

- 'London Help to Buy' – a new equity loan scheme giving buyers 40% of the new home value (as opposed to 20% under the Help to Buy scheme);
- 200,000 'Starter Homes' will be built over the next five years; these are new build homes available at 20% off the market price to first-time buyers under 40, where the discounted price is less than £250,000 outside London and £450,000 in London. £2.3 billion will be given to housebuilders to provide the 20% discount on new homes;
- From 1st April 2016 an extra 3% in stamp duty will be levied on people purchasing additional properties such as buy-to-let properties or second homes;
- Right to Buy will be extended to housing association tenants during 2016, giving 1.3 million households the chance to become homeowners;
- £400 million for housing associations and the private sector to build more than 8,000 new 'specialist' homes for older people and people with disabilities; and
- Consulting on reforms to the New Homes Bonus, with a preferred option for savings of at least £800 million which can be used for social care.

B.20 In November 2015, DCLG announced a review of the Community Infrastructure Levy (CIL), which has been in use since April 2010 and seeks to provide a means of collecting developer contributions to infrastructure than individually-negotiated Section 106 planning obligations.

B.21 In December 2015, DCLG published a **Consultation on proposed changes to national planning policy**, which was open for consultation until February 2016. This consultation sought views on some specific changes to NPPF in terms of the following:

- broadening the definition of affordable housing, to expand the range of low cost housing opportunities for those aspiring to own their new home;
- increasing residential density around commuter hubs, to make more efficient use of land in suitable locations;
- supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing allocated in plans; and
- supporting the delivery of Starter Homes.

B.22 The **Cities and Local Government Devolution Act 2016** received Royal Assent on 28th January 2016. This Act makes provision for the election of mayors for the areas of, and for conferring additional functions on, combined authorities established under Part 6 of the Local Democracy, Economic Development and Construction Act 2009. It makes provision about local authority governance and functions; to confer power to establish, and to make provision about, sub-national transport bodies; and for connected purposes. This Act is central to the Government's devolution plans for England, facilitating its vision of a 'Northern Powerhouse'.

- B.23 The **Welfare Reform and Work Act 2016** received Royal Assent on 16th March 2016. The Act makes provisions relating to a range of welfare benefits and employment schemes, including the benefit cap, social security and Tax Credits, loans for mortgage interest, social housing rents and apprenticeships. Secondary legislation (Social Housing Rents Regulations, March 2016) sets out that the 1% cut to social housing rents will not apply to households with an income of £60,000 or more.
- B.24 On 16th March 2016, the Chancellor presented the **Budget 2016** to Parliament. This continued the policy emphasis on promoting home ownership and facilitating first-time buyers to enter the market. A new 'Lifetime ISA' was announced, extending the principle of the Help to Buy ISA by incentivising saving for under-40s. Of relevance to the private rented sector were stamp duty increases for institutional investors and the withholding of capital gains reductions from companies investing in residential property. In seeking to deliver more homes for ownership, announcements were made of further planning reforms; releasing public land for development; and a £1.2 billion Starter Homes Fund for brownfield remediation. The anticipated 'duty to prevent' homelessness was not announced, but instead the Chancellor committed £115 million to preventing and reducing rough sleeping.
- B.25 A technical consultation on **Starter Homes regulations** was announced by Brandon Lewis on 23rd March 2016. Whilst the Housing Minister has ruled out maintaining the 20% initial house price discount in perpetuity, the Government has indicated that they will consider extending the discount period from ten to fifteen years. This issue has been a major topic of discussion in Parliament in relation to the Housing and Planning Act.
- B.26 The **Housing and Planning Act 2016** received Royal Assent on 12th May 2016 after a range of oppositions and amendments by both the House of Lords and the House of Commons. Through this Act, the Government aims to take forward proposals to build more homes that people can afford, give more people the chance to own their own home and ensure housing management is improved. The Act sets out the legislative framework for the Government's flagship Starter Homes scheme and includes provisions relating to other important aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- B.27 On 18th May 2016 the Queen's Speech announced a new **Neighbourhood Planning and Infrastructure Bill**, which will limit the use of pre-commencement planning conditions and reform the compulsory purchase order (CPO) system. It will also strengthen neighbourhood planning by making the making the local authority duty to support neighbourhood planning groups more transparent and improving the process for reviewing and updating local plans.

Overview of housing policy themes

- B.28 The 'Housing' Policy Area of the Department for Communities and Local Government website states that:

'The government is helping local councils and developers work with local communities to plan and build better places to live for everyone. This includes building affordable housing, improving the quality of rented housing, helping

*more people to buy a home, and providing housing support for vulnerable people.*³⁵

B.29 Thus the policy focus for Government can be broken down into four areas:

- Building affordable housing;
- Improving the quality of rented housing;
- Helping more people to buy a home; and
- Providing housing support for vulnerable people.

Building affordable housing

B.30 In line with successive governments, the current Administration continues to seek an increase in the rate of housebuilding, setting a target of delivering one million new homes by 2020. Ongoing reform of the planning system and removing complex regulations are intended to speed up delivery. However, the policy focus is increasingly towards home ownership, with a shift from traditional social rented affordable housing to Starter Homes and shared ownership.

B.31 Following consultation in December 2014, the previous Government launched a national Starter Homes exception site planning policy in March 2015 through a written ministerial statement *“to make it easier for developers to gain planning permission for a new generation of Starter Homes on under-used commercial and industrial land.”*³⁶ Sites where these homes are to be delivered are exempt from affordable housing requirements and the CIL.

B.32 In January 2016, the Prime Minister announced³⁷ that the Government will step in and directly commission thousands of new affordable homes, seeking to fast-track housebuilding on publicly-owned land starting with five pilot sites:

- Northstowe, Cambridgeshire;
- Daedalus Waterfront, Hampshire;
- Old Oak Common, London;
- Connaught Barracks, Kent; and
- Lower Graylingwell, Chichester.

B.33 A range of financial incentives to encourage new housing development have been implemented. Since New Year 2016, a £1.2 billion Starter Homes Fund has been announced³⁸, designed to prepare brownfield sites for at least 30,000 homes, along with £6.3 million of Housing Zones funding³⁹ for the 20 Housing Zones designated in March 2015. Together with eight further potential Zones these areas are considered to have the potential to deliver up to 45,000 new homes.

³⁵ <https://www.gov.uk/government/topics/housing>

³⁶ <https://www.gov.uk/government/speeches/housing-and-planning>

³⁷ <https://www.gov.uk/government/news/pm-the-government-will-directly-build-affordable-homes>

³⁸ <https://www.gov.uk/government/news/pm-the-government-will-directly-build-affordable-homes>

³⁹ <https://www.gov.uk/government/news/tens-of-thousands-of-homes-supported-by-housing-zone-funding>

- B.34 Other projects to help finance housing development include:
- Get Britain Building programme,
 - Builders Finance Fund,
 - New Homes Bonus,
 - Build to Rent Fund,
 - Community Right to Build.
- B.35 To increase the supply of affordable rented homes the previous Government introduced the affordable rent model⁴⁰, aimed at giving providers greater flexibility on rents and use of assets, whilst at the same time providing affordable housing for people in need. In July 2014 the Homes and Communities Agency announced the Affordable Homes Programme for 2015 to 2018, which aims to invest £1.7 billion in new affordable housing to deliver 165,000 new homes by March 2018.
- B.36 In addition to the affordable rent model, the Affordable Homes Guarantee scheme was launched in 2013 to support the building of new affordable homes. The scheme offers a guarantee to providers on debt that they raise to deliver additional new build affordable homes. The guarantee aims to help reduce the borrowing costs of providers thus enabling them to provide more homes. As part of the 2013 budget, £450 million was announced to support the delivery of up to 30,000 affordable homes in this way.

Improving the quality of rented housing

- B.37 The Government have implemented a number of actions to improve the quality and quantity of properties for rent.

Social rented housing

- B.38 Since 2010 a series of social housing reforms have been introduced including:
- Allowing local flexibility on waiting lists (allocations) and tenancy arrangements;
 - Helping social landlords stop tenant fraud and anti-social behaviour;
 - Changing the housing revenue account subsidy system to a locally-controlled system where local authorities are responsible for their housing services;
 - Funding local authorities to refurbish their housing stock;
 - Introduction of a national home swap scheme for social housing tenants;
 - Supporting tenants to play a bigger role in managing their accommodation through the tenant empowerment programme; and

⁴⁰ Allows Registered Providers to charge no more than 80% of local market rent for affordable housing.

- Allowing local authorities to discharge their homelessness duty in the private rented sector.
- B.39 Alongside social housing reform sit reforms to the welfare system, which, with changes to benefit, eligibility and entitlement, impact significantly on housing supply and demand. There have been a number of policy changes with implications for social rented accommodation since the General Election 2015. Many of these policies are to be implemented through the Housing and Planning Act 2016:
- Limiting new secure tenancies (for new council tenants);
 - ‘Pay to Stay’, requiring tenants to pay market rents once their taxable income exceeds £31,000, or £40,000 in London but with a taper of 15p in the pound for every pound over the threshold;
 - Rent cut of 1% per year for social renters with a household income of less than £60,000 (for four years from April 2016);
 - In October 2015, English housing associations were reclassified by ONS as being part of the public sector, adding £60 billion of debt to the national balance sheet. The consequent economic and political implications have led to the Government pledging to repeal the powers in the Housing and Regeneration Act 2008 which caused the reclassification.

Private rented housing

- B.40 The private rented sector has grown significantly in recent years and the Government sees it as playing a vital role in meeting housing needs and supporting economic growth. Measures to promote the private rented sector include:
- The Build to Rent Fund, providing equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these homes;
 - Proposals to ensure tenants receive proper protection from their landlords, including a new model tenancy agreement;
 - £4.1 million funding allocated to 23 local authority areas to tackle rogue landlords and £2.6 million to tackle ‘beds in sheds’; and
 - The Government has also set up a Private Rented Sector Taskforce to improve the quality and choice of rented housing available to tenants nationally. The Taskforce is made up of developers, investors, and housing management bodies.

Helping more people to buy a home

B.41 The primacy of home ownership remains central to the Government's housing policy approach. A number of measures promote homeownership⁴¹, including:

- Starter Homes, a major element of the Housing and Planning Act 2016, available to first-time buyers aged under 40 years old. New-build homes will be offered for sale with a 20% discount to eligible households. The maximum cost of a home will be £250,000, or £450,000 inside London. However, the cost for the developer of providing the 20% discount is to be met in lieu of delivering affordable housing on these sites.
- Help to Buy, which includes several current products⁴²:
 - Help to Buy ISA – since Autumn 2015 first time buyers can save money towards a new home deposit and the Government will boost the value of their savings by 25%. The minimum bonus is £400 and the maximum is £3,000, meaning individual savers need to save between £1,600 and £12,000 to be eligible. The bonus is available on homes worth up to £250,000, or £450,000 in London.
 - Help to Buy Equity Loan, where the Government lends up to 20% of the value of a new-build home so buyers only need a 5% cash deposit.
 - Help to Buy Mortgage Guarantee, enabling lenders to offer more high-loan-to-value mortgages (80% to 95%).
 - Shared Ownership, where purchasers can buy between 25% and 75% of their home and pay rent on the remaining share. From April 2016, Help to Buy Shared Ownership lifts the previous limits so that anyone with a household income of less than £80,000, or £90,000 in London can buy a shared ownership home, with only military personnel being given priority.
- Discounted Sales, where councils and housing associations build new homes for sale, some may be sold at a 25-50% discount. There are a number of criteria, including some set locally by the relevant council and housing associations who run the scheme. Buyers must usually have a local connection to the area.
- Right to Buy, where council tenants with at least five years' tenancy might be eligible to buy their homes. Maximum discounts have been increased to £77,000, or £102,700 within London. In the case of secure council tenants living in their home when it was transferred to a housing association or similar there is also a 'Preserved' Right to Buy. A smaller discount has also been available under the Right to Acquire.
- Voluntary Right to Buy is a pilot scheme amongst a small number of housing associations, trialling the Conservative Government's flagship policy of extending the Right to Buy to housing associations. The Government plans to extend the Right to Buy beyond those in the pilot scheme but this will have significant funding implications.

⁴¹ <https://www.ownyourhome.gov.uk/>

⁴² <https://www.help Tobuy.gov.uk/>

- Self-Build, where households find a plot of land and build or commission the construction of their own home, or work with a group in a Community Self Build project. Self-Build was promoted by the Coalition Government, announcing 11 local authorities to become Right to Build 'vanguards' in September 2014 and passing the Self-Build and Custom Housebuilding Act 2015. This Act requires councils to maintain a register of those who have expressed an interest in buying serviced plots.
- The March 2016 Budget included plans for a new 'Lifetime ISA'. Available to individuals aged under 40 in April 2017, this Government will provide £1 for every £4 saved, to be used to buy homes worth up to £450,000 or for retirement funds.

Housing for older and vulnerable people

- B.42 The **Care Act 2014** came into effect in April 2015, replacing existing legislation and positioning housing as a key factor in the overhaul of the care system in England. The Act encourages providers to establish and develop services that help drive change, services which:
- Promote people's independence, connections and wellbeing;
 - Prevent or postpone the need for care and support;
 - Put people in control, ensuring that services respond to what people need;
 - Give carers a right to assessment for support; and
 - Promote the integration of health and social care.
- B.43 The NHS Five Year Forward Review (October 2014) recognises the role that housing can play in promoting wellbeing and in particular keeping older people independent and healthy. This provides evidence of the strong and growing links between housing, health and social care.
- B.44 Schemes to support older and vulnerable people in their housing needs include:
- Disabled Facilities Grant, funding adaptations to properties to allow people to live in their homes for longer. This is now part of the Better Care Fund, which aims to better integrate health and adult social services. In 2016/17 there is £394 million funding available and in his Autumn Statement 2015 the Chancellor committed to making a further £500 million available by 2019/20;
 - Care and Support Specialised Housing Fund, to stimulate the market in specialist housing provision. The Government committed an additional £400 million to build 8,000 new specialist homes in the Autumn Statement 2015. The Care and Support Specialised Housing Fund is on track to deliver 4,000 new homes and a further allocation of £84.2 million announced in March 2016 will provide a further 2000 homes.
 - In January 2016 the Government announced that supported housing would be excluded from the 1% rent cut for 2016/17; however, welfare and other funding reforms have already had a significant impact on the financial viability of both existing and proposed supported housing schemes;

- In March 2016 the Government also announced that there would be a delay in plans to apply local housing allowances to housing benefit and universal credit claims for disabled and older people within 'specialist housing' until April 2017;
 - FirstStop, an independent, impartial and free service offering advice and information to older people, their families and carers about housing and care options for later life;
 - Home Improvement Agencies, providing help and advice to older and disabled people, housing associations and charities; and
 - Handyperson services, delivering small home repairs and adaptations.
- B.45 Other projects of relevance to housing include the Prime Minister's Challenge on Dementia. Launched in 2012, the Challenge sought to deliver major improvements in dementia care and research by 2015, including raising awareness of the housing, care and support needs of people living with dementia and their families. In February 2015, the Prime Minister's Challenge on Dementia 2020 was published, highlighting progress and launching the next phase of the work.
- B.46 Also relating to older people's housing is the World Health Organisation's Age Friendly Cities programme, which in 2014 saw Manchester recognised as the UK's first Age Friendly city.
- B.47 Launched in February 2016 the NHS's Healthy New Towns initiative seeks to deliver 76,000 new homes on 10 sites throughout the UK. They are:
- Whitehill and Bordon, Hampshire;
 - Darlington;
 - Cranbrook, Devon;
 - Ebbsfleet Garden City, Kent;
 - Barking Riverside;
 - Bicester, Oxfordshire;
 - Northstowe, Cambridgeshire;
 - Whyndyke Farm in Fylde, Lancashire;
 - Barton Park, Oxford; and
 - Halton Lea, Runcorn.
- B.48 In terms of safeguarding vulnerable adults, housing has a strong role to play alongside social services, health, the police and other agencies. The Care Act 2014 set out a new safeguarding power and places a duty on local authorities to respond to safeguarding concerns by making enquiries as necessary to decide on whether, and what, action is needed.
- B.49 From the April 1st 2013, Health and Wellbeing Boards (including Directors of Public Health) became statutory committees of local authorities. They are responsible for encouraging integrated working on health and wellbeing issues, including development of Joint Health and Wellbeing Strategies, and Joint Strategic Needs Assessments.

- B.50 In August 2012 the Government published its Homelessness Strategy, ***Making every contact count: A joint approach to preventing homelessness***. The Strategy focuses on prevention and identifies ten local challenges that need to be addressed by local authorities. These include having a Homelessness Strategy setting out a proactive approach; not placing any young person aged 16 or 17 in Bed and Breakfast accommodation; and not placing any families in Bed and Breakfast accommodation, except in an emergency and for no longer than six weeks.
- B.51 In order to prevent and tackle homelessness and rough sleeping, a range of Government funding has been provided in recent years, including:
- The Homelessness Prevention Funding, providing grants for local homelessness services;
 - The Homelessness Transition Fund, supporting 'No Second Night Out'; and
 - The Crisis Private Rented Sector Access Development Programme to help single homeless people find privately rented accommodation.
- B.52 On 17th December 2015 the DCLG announced "a radical new package of measures to help tackle homelessness and ensure that there is a strong safety net in place for the most vulnerable people in society"⁴³. At the same time, the Communities and Local Government Committee announced a parliamentary inquiry into the causes of homelessness and the approaches taken by national and local government to prevent and tackle homelessness. Ministers are also set to consider the option of imposing a new legal 'duty to prevent' on local authorities.
- B.53 The March 2016 Budget included a commitment of £100 million to build accommodation for rough sleepers; £10 million to fund new ways to prevent and reduce rough sleeping; and a £5 million increase to funding for the Rough Sleeping Social Impact Bond. However, Ministers are still considering the proposed imposition of a new legal 'duty to prevent' on local authorities and this measure was not included in the March Budget as expected.

National housing reviews

- B.54 Over recent years a number of housing reviews have been undertaken to assess the housing situation and recommend ways in which it can be addressed.
- B.55 In October 2014 the **Lyons Housing Review** was published. The review was commissioned by the Labour Party and identified that:
- Insufficient land is being brought forward for new housing and that communities are not able to take responsibility for the homes required, or are using planning powers reactively; and

⁴³ <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

- The capacity to build more housing has reduced significantly as it has become concentrated in the hands of a small number of volume house builders, whilst the number of smaller builders has reduced.
- Overall the report recommended that the delivery of new homes be increased to 200,000 per annum by 2020. It also recommended that capital investment should be made in housing and that housing should be a priority for the new (post-election) Government.

B.56 The **Elphicke-House Report** (January 2015) reviewed the role of local authorities in increasing housing supply. It recommended that local authorities become housing delivery enablers in their areas, to proactively assess and lead on facilitating new housing development in their areas. To enhance the role of authorities as delivery enablers, the report recommended increased community involvement; clearer housing market assessments; increased housebuilding by reduced bureaucracy and more flexible funding.

Technical Appendix C: Affordable housing need calculations

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- Step 4.3 Annual backlog reduction
- Step 4.4 Newly-arising need
- Step 4.5 Total annual affordable need
- Step 4.6 Annual social rented capacity
- Step 4.7 Net Annual Shortfall

Introduction

- C.1 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*. The 2015 Household Survey and secondary data provide a robust range of information to quantify housing need in Kirklees District and the extent to which additional affordable housing is required.
- C.2 Housing needs analysis and affordable housing modelling has been prepared in accordance with CLG guidance at District and sub-area level. In summary, the model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
 - Stage 2: Future housing need
 - Stage 3: Affordable housing supply
 - Stage 4: Estimate of annual housing need
- C.3 Table C1 summarises the different steps taken in assessing housing need and evidencing the extent to which there is a surplus or shortfall in affordable housing across Kirklees District. Please note that in Stage 1, Step 1.4 reports the total number of households in need and avoids double counting as in some cases households have more than one housing need. Table C2 summarises the data by sub-area.

Table C1 CLG Needs Assessment Summary for Kirklees District			
Step	Stage and Step description	Calculation	Kirklees Total
Stage 1: CURRENT NEED			
1.1	Homeless households and those in temporary accommodation	Annual requirement	2,122
1.2	Overcrowding and concealed households	Current need	5,389
1.3	Other groups	Current need	12,557
1.4	Total current housing need (gross)	Total no. of households with one or more needs	18,738
1.4A	TOTAL cannot afford open market (buying or renting)	Total	9,612
Stage 2: FUTURE NEED			
2.1	New household formation (Gross per year)	Households expected to form annually over next 5 years	3,073
2.2	Number of new households requiring affordable housing	38.9% cannot afford overall	38.9%
2.2	Number of new households requiring affordable housing	Number cannot afford	1,197
2.3	Existing households falling into need	Annual requirement	12
2.4	TOTAL newly-arising housing need (gross each year)	2.2 + 2.3	1,209
Stage 3: AFFORDABLE HOUSING SUPPLY			
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	2,832
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0
3.3	Committed supply of new affordable units	Annual	267
3.4	Units to be taken out of management	None assumed	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	3,099
3.6	Annual supply of social re-lets (net)	Annual Supply (3yr ave)	1,448
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave)	15
3.8	Annual supply of affordable housing	3.6+3.7	1,463
Stage 4: ESTIMATE OF ANNUAL HOUSING NEED			
4.1	Total backlog need	1.4A-3.5	6,513
4.2	Quota to reduce over 1 year		20%
4.3	Annual backlog reduction	Annual requirement	1,302
4.4	Newly-arising need	2.4	1,209
4.5	Total annual affordable need	4.3+4.4	2,511
4.6	Annual social rented capacity	3.8	1,463
4.7	NET ANNUAL IMBALANCE (4.5-4.6)	NET	1,049

Source 2015 Household Survey; RP Core Lettings and Sales data

PLEASE NOTE THAT FINAL FIGURE AT 4.7 IS SUBJECT TO MINOR ROUNDING ERRORS

Table C2 CLG Needs Assessment Summary by sub-area

Step	Stage and Step description	Calculation	Sub-Area						Total	
			Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West		
Total households>>>			44463	30093	24909	32698	13336	31129	176628	
Stage 1: CURRENT NEED										
1.1	Homeless households and those in temporary accommodation	Annual requirement	354	223	354	524	132	535	2122	
1.2	Overcrowding and concealed households	Current need	1456	996	866	1521	97	453	5389	
1.3	Other groups	Current need	3347	1473	1957	3004	783	1993	12557	
1.4	Total current housing need (gross)	Total no. of households with one or more needs	4854	2426	3103	4599	993	2763	18738	
A. TOTAL cannot afford open market (buying or renting)			Total	2767	1138	1666	2571	355	1116	9612
Stage 2: FUTURE NEED										
0										
2.1	New household formation (Gross per year)	Based on national gross formation rate of 1.74%	774	524	433	569	232	542	3073	
2.2	Number of new households requiring affordable housing	% Based on actual affordability of households forming	41.1%	58.7%	40.4%	23.7%	36.1%	32.8%	38.9%	
		Number	318	307	175	135	84	178	1197	
2.3	Existing households falling into need	Annual requirement	2.5	0.5	4.5	1.5	0.5	2.5	12	
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	320	308	180	136	84	180	1209	
Stage 3: AFFORDABLE HOUSING SUPPLY										
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	811	611	450	579	58	323	2832	
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0	0	0	0	0	0	0	
3.3	Committed supply of new affordable units	Estimated annual	67	45	38	49	20	47	267	
3.4	Units to be taken out of management	None assumed	0	0	0	0	0	0	0	
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	878	657	488	629	78	370	3099	
3.6	Annual supply of social re-lets (net)	Annual Supply	375	334	220	342	32	146	1448	
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply	9	1	0	1	2	2	15	
3.8	Annual supply of affordable housing	3.6+3.7	383	335	220	343	34	148	1463	
Stage 4: ESTIMATE OF ANNUAL HOUSING NEED										
4.1	Total backlog need	1.4A-3.5	1889	481	1179	1942	277	746	6513	
4.2	Quota to reduce over 5 years (20%)		20%	20%	20%	20%	20%	20%	20%	
4.3	Annual backlog reduction	Annual requirement	378	96	236	388	55	149	1302	
4.4	Newly-arising need	2.4	320	308	180	136	84	180	1209	
4.5	Total annual affordable need	4.3+4.4	698	404	415	525	140	329	2511	
4.6	Annual affordable capacity	3.8	383	335	220	343	34	148	1463	
4.7	Net annual imbalance	4.5-4.6 NET	315	69	195	182	106	182	1049	

Stage 1: Current need

- C.4 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*. The SHMA Guidance suggests types of housing that should be considered unsuitable, as summarised in Table C3.

Table C3 Summary of current housing need across Kirklees District		
Category	Factor	Kirklees District Total
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	2,122
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	2,383
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	5,390
	N4 Too difficult to maintain	3,337
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	3,467
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	3,684
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	174
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	1,252
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	1,519
Total no. households in need (with one or more housing need)		18,738
Total Households		176,628
% households in need		10.6%

Note: A household may have more than one housing need.

Source: 2015 Household Survey

Step 1.1 Homeless households and those in temporary accommodation

- C.5 CLG SHMA guidance suggests that information on homeless households and those in priority need who are currently housed in temporary accommodation should be considered in needs modelling. The scale of need from these types of household can be derived from several sources.

- C.6 Homelessness statistics for 2013/14⁴⁴ indicate that a total of 469 decisions were made on households declaring themselves as homeless across Kirklees (Table C4). Of these households, 300 were classified as homeless and in priority need. Over the four years 2010/11 to 2013/14, an annual average of 559 decisions has been made across Kirklees and an average of 340 households each year has been declared as homeless and in priority need.

Year	Decisions made	Accepted as homeless
2010/11	573	340
2011/12	549	318
2012/13	646	401
2013/14	469	300
Total	2,237	1,359
Annual Average	559	340

Source: CLG Homelessness Statistics

- C.7 The household survey identified a total of **2,122** households who were either under threat of homelessness or were living in temporary accommodation across Kirklees District. This figure has been used in needs assessment modelling.

Step 1.2 Overcrowding and concealed households

- C.8 The extent to which households are overcrowded is measured using the 'bedroom standard'. This allocates a standard number of bedrooms to each household in accordance with its age/sex/marital status composition. A separate bedroom is allocated to each married couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex and each pair of children under 10. Any unpaired person aged 10-20 is paired if possible with a child under 10 of the same sex, or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms (including bedsits) available for the sole use of the household.
- C.9 Analysis identifies **5,389** households who are currently living in overcrowded accommodation or are concealed households and are intending on moving in the next five years.

Step 1.3 Other groups

- C.10 Table C3 identified a series of households who were in housing need for other reasons including the property is too expensive, difficult to maintain, household

⁴⁴ CLG Homeless Statistics Table 784: Local authorities' action under the homelessness provisions of the Housing Acts

containing people with mobility impairment/special need, lacking amenities, disrepair and harassment.

- C.11 A total of **12,557** households across Kirklees District were identified to be experiencing one or more of these needs factors and intending to move in the next five years. This figure is taken as the five year backlog of need from other groups.

Step 1.4 Total current housing need summary

- C.12 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Kirklees before any analysis of the ability of households to afford open market solutions is **18,738**.
- C.13 The extent to which these households could afford open market prices is then considered. An 'affordability threshold' of households is calculated which takes into account household income, equity and savings. The household income component of the affordability threshold on 3.5 x gross annual income of the respondent and partner (if applicable). To this is added any equity and savings information to derive an affordability threshold.
- C.14 Regarding buying on the open market, the affordability threshold is compared with lower quartile property prices. It is possible to afford to buy a property if the affordability threshold is greater than lower quartile property prices. Lower quartile prices at sub-area for 2014 were derived using Land Registry address-level data (Table C5).

Table C5 Lower quartile house prices by sub-area (2014)	
Sub-Area	Lower quartile price (£)
Batley and Spen	85,000
Dewsbury and Mirfield	90,000
Huddersfield North	87,000
Huddersfield South	85,000
Kirklees Rural - East	126,000
Kirklees Rural - West	105,000
Total	93,000

- C.15 A private rented property is affordable if the rent is no more than 25% of gross household income. Information on private sector rents was based on lettings reported by Zoopla during 2014 (Table C6). The cost of letting a property according to the number of bedrooms required by a household was factored into affordability testing.

Table C6 Private rental prices by sub-area	
Sub-Area	Lower quartile rent (£)
Batley and Spen	394
Dewsbury and Mirfield	394
Huddersfield North	416
Huddersfield South	399
Kirklees Rural - East	477
Kirklees Rural - West	425
Total	399

Source: Zoopla

- C.16 Using evidence from the household survey, the extent to which households identified in Steps 1.1, 1.2 and 1.3 could afford open market prices has been assessed. Overall, a total of **9,612** existing households in need wanted to move to offset their need and could not afford open market solutions.

Stage 2: Future need

Step 2.1 New household formation (gross per year)

- C.17 The needs analysis assumes a 1.74% gross household formation rate of **3,073** each year. This is based on the latest three year average national rate reported in the English Housing Survey over the period 2010/11 to 2012/13.

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

- C.18 Analysis of lower quartile market prices relative to the income/savings of households who have formed in the past five years suggests that 38.9% overall could not afford lower quartile house prices or private sector rents.
- C.19 Therefore, the total number of newly-forming households who could not afford open market prices or rents across Kirklees District is calculated to be **1,197** each year.

Step 2.3 Existing households expected to fall into need

- C.20 An estimate of the number of existing households falling into need each year has been established by drawing upon the RP lettings data. This suggests that over the three year period 2010/11, 2011/12 and 2012/13, an annual average of **12** households moved into the social rented sector because they had fallen into housing need and were homeless.

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

- C.21 Total newly arising need is calculated to be **1,209** households each year across Kirklees District.

Stage 3: Affordable housing supply

- C.22 The CLG model reviews the supply of affordable units, taking into account how many households in need are already in affordable accommodation, stock surpluses, committed supply of new affordable dwellings and dwellings being taken out of management (for instance pending demolition or being used for decanting).

Step 3.1 Affordable dwellings occupied by households in need

- C.23 This is an important consideration in establishing the net levels of housing need as the movement of these households within affordable housing will have a nil effect in terms of housing need⁴⁵.
- C.24 A total of **2,832** households are current occupiers of affordable housing in need (Table C1). Although the movement of these households within affordable housing will have a nil effect in terms of housing need (i.e. they already live in affordable housing), the types of property they would 'free up' if they moved is considered in modelling.

Step 3.2 Surplus stock

- C.25 A proportion of vacant properties are needed to allow households to move within housing stock. Across the social rented sector, this proportion is generally recognised as being 2%. Stock above this proportion is usually assumed to be surplus stock. Modelling assumes no surplus social rented stock across Kirklees District.

Step 3.3 Committed supply of new affordable units

- C.26 The model assumes an annual supply of **267** affordable dwellings based on recent delivery. This has been broken down by sub-area and using data from CORE lettings it is possible to estimate the likely size and designation of new affordable dwellings by considering the size of newbuild dwellings becoming available for occupancy during 2010/11, 2011/12 and 2012/13.

Step 3.4 Units to be taken out of management

- C.27 The model assumes there will be no social rented units taken out of management over the next five years.

⁴⁵ Strategic Housing Market Assessment Guidance (CLG, July 2007)

Step 3.5 Total affordable housing stock available

- C.28 It is assumed that there are **3,099** (affordable) rented dwellings available over the five year period arising from households moving within the stock.

Step 3.6 Annual supply of social re-lets

- C.29 The CLG model considers the annual supply of social re-lets. Address-level RP CORE lettings data has been analysed for the years 2010/11 and 2012/13⁴⁶. This information can be used to accurately assess the likely capacity of the social rented sector by location, size of property and designation (whether the property is general needs or older person). For the purposes of analysis, it is important to focus on the ability of households requiring affordable housing to access it. Therefore, the annual supply figures derived from CORE lettings data and used in modelling:

- **Exclude** those moving into accommodation from outside Kirklees District and households moving within the social rented stock; and
- **Include** households who moved from within Kirklees District into social renting from another tenure; newly-forming households originating in Kirklees District and moving in social renting; and households moving from specialist/supporting housing from within Kirklees District into affordable housing.

Analysis suggests that there is an annual average of 1,448 social rented dwellings let to new tenants i.e. households originating in Kirklees District who either moved into social renting from another tenure, were newly-forming households, or who moved from supported/specialist accommodation.

- C.30 Modelling therefore assumes an annual capacity of **1,448** dwellings for new tenants across Kirklees District. Table C7 illustrates how the annual capacity figure is broken down by sub-area, designation (general needs and older person) and property size.

Step 3.7 Annual supply of intermediate re-lets/sales

- C.31 Table C8 presents a summary of the average supply of **15** intermediate tenure dwellings which have either been sold or re-let over the three year period 2010/11, 2011/12 and 2012/13 as recorded in CORE Sales data.

⁴⁶ Note that data for 2011/12 has been excluded as it is suggesting only 578 lettings

Table C7 Annual social rented re-lets by sub-area								
Designation	Number of Bedrooms	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	TOTAL
General Needs	1	152	169	115	190	9	50	683
	2	137	100	72	88	11	53	461
	3	45	34	14	34	6	30	162
	4	2	4	4	7	0	3	18
	5	0	0	1	0	0	0	1
	6							
Older People	1	35	23	12	21	4	11	105
	2	6	5	2	2	3	1	18
	3	0	0	0	1	1	0	2
	4	0	0	0	0	0	0	0
	5	0	0	0	0	0	0	0
	6							
	TOTAL	375	334	220	342	32	146	1448

Source: RP CORE data annual average 2010/11 and 2012/13

Table C8 Intermediate tenure sales/re-lets								
Designation	Number of Bedrooms	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	TOTAL
General Needs	1	0	0	0	0	0	0	0
	2	5	1	0	1	1	1	9
	3	3	0	0	0	0	0	4
	4	1	0	0	0	0	0	1
	5							
	6							
Older People	1	0	0	0	0	0	0	0
	2	1	0	0	1	0	0	1
	3	0	0	0	0	0	0	0
	4	0	0	0	0	0	0	0
	5							
	6							
	TOTAL	9	1	0	0	1	2	2

Source: RP CORE Sales data annual average 2010/11, 2011/12 and 2012/13

Summary of Stage 3

- C.32 Overall, the model assumes an existing affordable supply of 2,832 and an annual supply of 1,448 social (affordable) lettings and an annual supply of 15 intermediate tenure lettings/sales.

Stage 4: Estimate of annual housing need

Overview

- C.33 Analysis has carefully considered how housing need is arising within Kirklees District by identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.
- C.34 This has been reconciled with the supply of affordable dwellings which considers location, size and designation (i.e. for general needs or older person). Based on the CLG modelling process, analysis suggests that there is an overall annual net imbalance of 1,049 dwellings. This includes an allowance of 267 affordable newbuild dwellings built over the next year.
- C.35 For critical stages of the needs assessment model (Step 1.1, Step 1.4, Step 2.4 and Step 3.8), information is broken down by sub-area, designation (general needs and older) and property size. This goes beyond the requirement of the SHMA guidance but allows a detailed assessment of the overall housing requirements of households in need and provides clear affordable requirement information. In turn, this can help identify where there are shortfalls and sufficient capacity of affordable housing, and help to shape policy responses.
- C.36 Stage 4 brings together the individual components of the needs assessment to establish the total net annual shortfall.

Step 4.1 Total backlog need

- C.37 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.4A minus total affordable housing stock available (Step 3.5). The total backlog need is **6,513**.

Steps 4.2 to 4.6

- C.38 Step 4.2 is a quota to reduce the total backlog need which is assumed to be 20% each year (which is a standard modelling assumption suggested by the CLG guidance).
- C.39 Step 4.3 is the annual backlog reduction based on Step 4.2 (**1,302** each year).
- C.40 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (**1,209** each year).
- C.41 Step 4.5 is the total annual affordable need based on Steps 4.3 and 4.4 (**2,511** each year).

- C.42 Step 4.6 is the annual social rented/intermediate tenure capacity based on Step 3.8 (**1,463** each year).

Total gross imbalance

- C.43 Table C9 summarises the overall annual gross affordable housing imbalance for Kirklees by sub-area, designation (general needs and older person) and property size. This excludes the annual supply of affordable dwellings to offset need.

Table C9 Gross annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19

Sub-area	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Batley and Spennings	389	258	51	698
Dewsbury and Mirfield	180	213	11	404
Huddersfield North	261	153	1	415
Huddersfield South	299	179	46	525
Kirklees Rural - East	114	17	9	140
Kirklees Rural - West	276	7	46	329
Total	1519	827	164	2511

Sources: 2015 Household Survey; RSL CORE Lettings and Sales

Total net imbalance

- C.44 Table C10 summarises the overall annual net affordable housing requirements for Kirklees by sub-area, designation (general needs and older person) and property size. This takes into account the annual supply of affordable dwellings to offset need.

Table C10 Net annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19

Sub-area	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Batley and Spennings	96	209	10	315
Dewsbury and Mirfield	-89	175	-17	69
Huddersfield North	74	134	-13	195
Huddersfield South	21	139	22	182
Kirklees Rural – East	93	11	3	106
Kirklees Rural – West	173	-25	34	182
Total	367	642	39	1049

Sources: 2015 Household Survey; RSL CORE Lettings and Sales

Total imbalance and linkage with objectively assessed need

- C.45 The overall annual net affordable housing imbalance for Kirklees is 1,049 each year. Note that this figure represents an imbalance and not a target. It considers overall need as expressed in the housing register and current supply of affordable housing. In reality, households in need who cannot access the market can pay proportionately more for their housing above suggested affordable thresholds, people can share dwellings to reduce housing costs, and the private rented sector can accommodate households in need.
- C.46 PAS⁴⁷ guidance provides helpful guidance in interpreting affordable need in the context of objectively assessed need and housing requirement. Paragraph 9.6 states 'in practical terms, there is no arithmetical way of combining the two calculations set out in PPG to produce a joined-up assessment of overall housing need. We cannot add together the calculated OAN and the calculated affordable need, because they overlap: the OAN of course covers both affordable and market housing, but we cannot measure these components separately, because demographic projections – which are the starting point for the OAN – do not distinguish between different sectors of the housing market. Para 9.7 continues 'In summary, it seems logically clear that affordable need, as defined and measured in paragraphs 22-29 of the PPG, cannot be a component of the OAN. The OAN does have an affordable component – which cannot be measured separately but will normally be much smaller than the affordable need discussed at paragraphs 22-30. When paragraph 47 of the NPPF says that plans should meet in full 'the need for market and affordable housing', it is referring to that component rather than the separately calculated affordable need.
- C.47 PAS guidance (para 11.6) concludes that affordable need, defined and calculated as per paragraphs 22-29 of the PPG, is policy consideration rather than a component of objectively assessed need.

Tenure and dwelling type profile of affordable dwellings

- C.48 Affordable housing includes social rented, affordable rented and intermediate tenure dwellings. New affordable development by Registered Providers will be affordable rented (with rents of up to 80% of open market rent) and in order to recommend an appropriate split between social rented and intermediate tenure, the stated preferences of households and the relative affordability of intermediate tenure products is now reviewed.

Household preferences

- C.49 Households were asked to state tenure preferences. Table C11 summarises the preferences of both existing households in need and newly forming

⁴⁷ Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition July 2015

households by tenure. Overall, this gives a tenure split of 55.1% social/affordable rented and 44.9% intermediate tenure across Kirklees District.

Tenure	Existing households in need (%)	Newly-forming households (%)	Total (%)
Social/Affordable Rented	61.6	48.1	55.1
Intermediate	38.4	51.9	44.9
Total	100	100	100
<i>Base (annual requirement)</i>	1,302	1,209	2,511

Source: 2015 Household Survey

C.50 An analysis of the ability of existing households in need and newly-forming households to afford intermediate tenure is summarised in Table C12. Analysis suggests that intermediate tenure options are affordable existing and newly-forming households in affordable housing need, with 38% able to afford a property priced at up to £80,000 and 26.3% able to afford a property priced at up to £120,000.

Price	% could afford		
	Existing households in need	Newly-forming households	Total
up to £80,000	44.0	31.6	38.0
up to £100,000	35.9	23.3	29.8
Up to £120,000	31.3	21.0	26.3
<i>Base</i>	1,302	1,209	2,511

Source: 2015 Household Survey

C.51 There is scope for expansion of the intermediate tenure market in Kirklees District. The final proportion of intermediate tenure dwellings to be delivered needs to be reconciled with the economic viability of delivering affordable housing on sites; the appetite of the HCA to fund intermediate tenure dwellings; and the ability of households to secure mortgages.

Dwelling type

C.52 Table C13 considers the range of affordable property types households would consider, based on the aspirations of existing households in need and newly-forming households requiring affordable accommodation. Analysis of property type preferences suggests that, primarily, delivery of houses is a priority (with 71.1% stating an expectation of moving to a house), followed by flats (20.6%) and bungalows (12.4%).

Table C13 Property type preferences			
Type preferences	Existing (%)	Newly-forming (%)	Total (%)
House	59.0	78.2	71.1
Flat	18.0	21.8	20.6
Bungalow	23.0	0.0	12.4
Total	100.0	100.0	100.0
Base	1302	1209	2,511

Based on expectations of existing households in need and what newly-formed households have moved to in the past 5 years

Source: 2015 Household Survey

Technical Appendix D: Background information to inform the preparation of an Objectively Assessed Need for housing

Introduction

- D.1 The purpose of this technical appendix is to present a range of data which informed the preparation of the Council's Objectively Assessed Need for Housing in the 2015 SHLAA as context. It considers the demographic starting point and adjustments to demographic projections to take account of local demography and future jobs growth.
- D.2 Material in the appendix is drawn from data provided by Edge Analytics in three documents prepared for the Council⁴⁸. Note that the final OAN as set out in this 2016 SHMA has been established using the latest 2014-based household projections and an updated jobs-growth forecast. The assumptions that form part of the 2014-based projections are set out in the main SHMA report and in the Edge Analytics reports.

Demographic Starting Point

- D.3 The PPG states that the official DCLG household projections provide the 'starting point' in the assessment of housing need as stated in PPG Paragraph 2a-015. 2012-based population and household projections are presented below, with commentary provided on the differences between these latest projections and the earlier official projections.

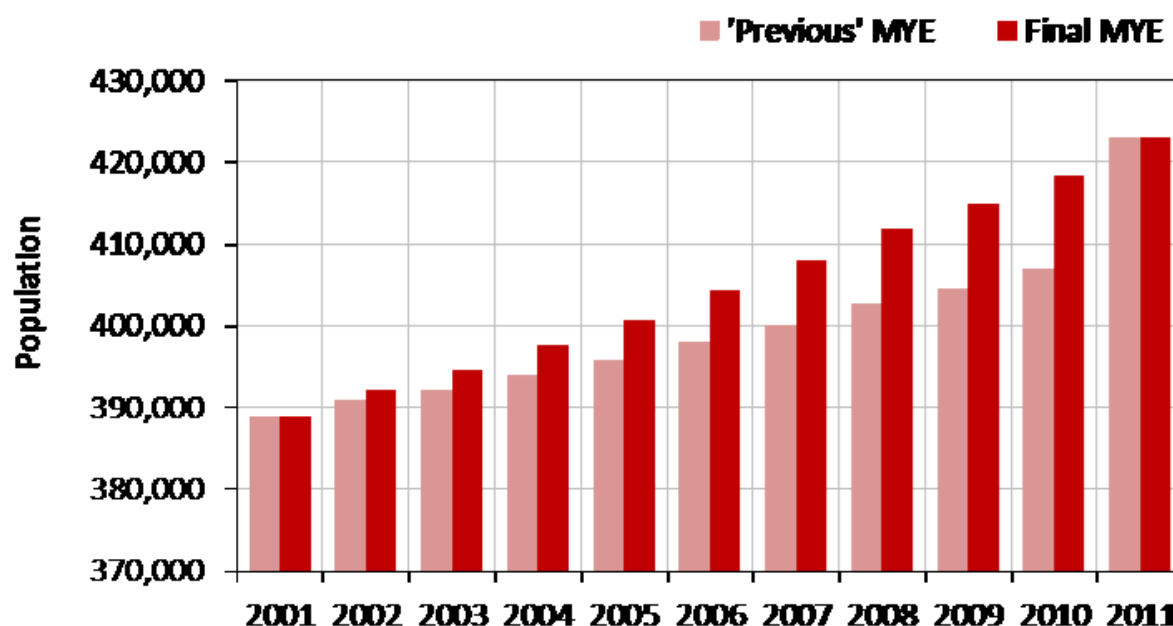
Population trends 2001/2 to 2012/13

- D.4 Following the 2011 Census, the 2002–2010 mid-year population estimates were 'rebased' to align them with new population evidence⁴⁹, ensuring the correct transition of the growth and age profile of the population over the 2001–2011 decade. At the 2011 Census, the resident population of Kirklees was 422,458, an 8.6% increase over the 2001–2011 decade. The 2011 Census population total proved to be higher than that suggested by the trajectory of growth from the previous mid-year estimates (Figure D.1).

⁴⁸ See Edge Analytics 'Demographic Analysis & Forecasts' report (September 2014), Addendum (2015) and Additional Scenario Analysis (2016)

⁴⁹ Revised Annual Mid-year Population Estimates, 2001 to 2010. ONS, December 2013
http://www.ons.gov.uk/ons/dcp171778_345500.pdf

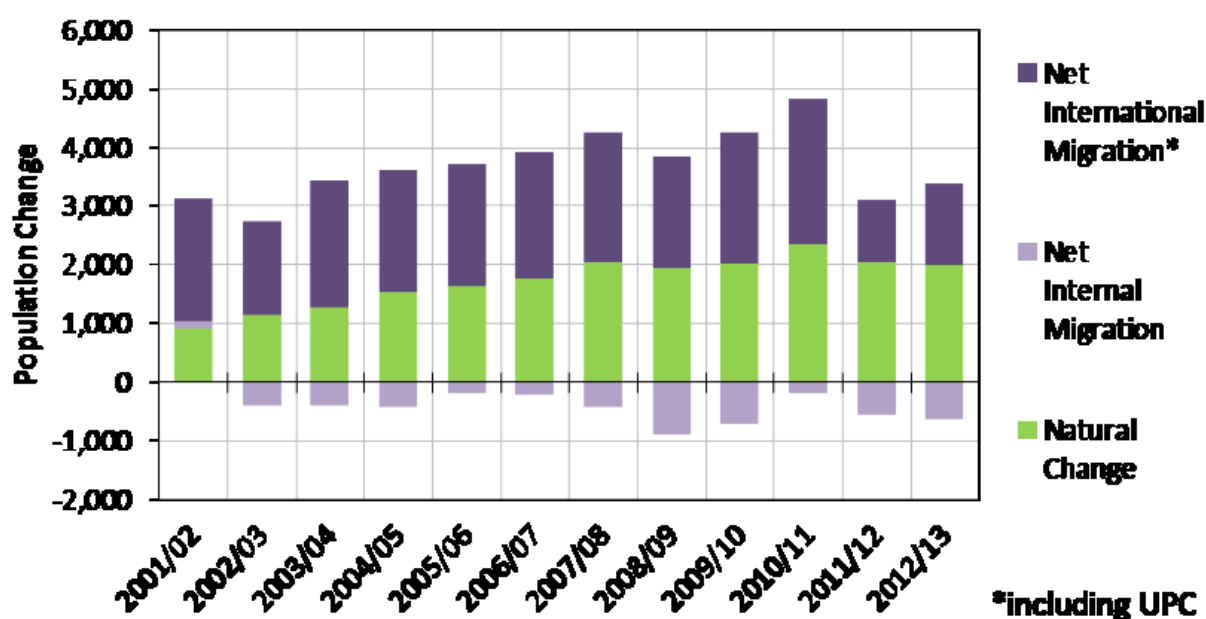
Figure D.1 Kirklees mid-year population estimates



Source: ONS

- D.5 Over the period 2001/2 to 2012/13, the contribution of natural change to population growth in Kirklees was positive between 2001/02 and 2012/13 (as the number of births exceeded the number of deaths). Growth due to net internal migration was positive in 2001/02, but negative throughout the rest of the historical period. Population growth due to net international migration was positive between 2001/02 and 2012/13 (Figure D.1).
- D.6 The rebasing of the mid-year estimates involved the recalibration of the components of change for 2001/02–2010/11. Given that births and deaths are robustly recorded, and assuming that the 2001 census provided a robust population count, the 'error' in the mid-year estimates is due to the difficulties associated with the estimation of migration and in particular international migration. However, ONS has not explicitly assigned the mid-year estimate adjustment to international migration. Instead it has identified an additional 'unattributable population change (UPC) component, suggesting it has not been able to accurately identify the source of the 2001-2011 'error'.
- D.7 With the assumption that the UPC element is assigned to international migration (for estimates up to 2011) and the inclusion of statistics from 2012 and 2013 MYEs (ONS), a twelve-year profile of the 'components of population change' for Kirklees is presented (Figure D.2).

Figure D.2 Components of population change 2001/2 to 2012/13, including the Unattributed Population Change component in the 2001/2 to 2010/11 international migration component



Source: Edge Analytics Figure 3, September 2014

- D.8 The contribution of national change to population growth in Kirklees was positive between 2001/2 and 2013/13 (as the number of births exceeded the number of deaths). Growth due to net internal migration was positive in 2001/1, but negative throughout the rest of the historical period. Population growth due to net international migration was positive between 2001/2 and 2012/13.

Official Population Projections

- D.9 Figure D.3 and Table D.1 presents the recent population projections for Kirklees. Under the 2012-based SNPP, the population of Kirklees is projected to increase by 47,500 over the 2013-31 period, an 11.1% increase. Under the newly released 2014-based population projections, the population is projected to increase by 44,900 over the period 2014 to 2031.
- D.10 Table D.1 illustrates the ageing of the population profile, with the number of residents aged 65 and over increasing by 43.8% over the period 2013 to 2031 using 2012-based population projection information. During this time, the proportion aged 65 and over is projected to increase from 16.3% of the population in 2013 to 21% by 2031.

Figure D.3 Kirklees official population projections (source: ONS)

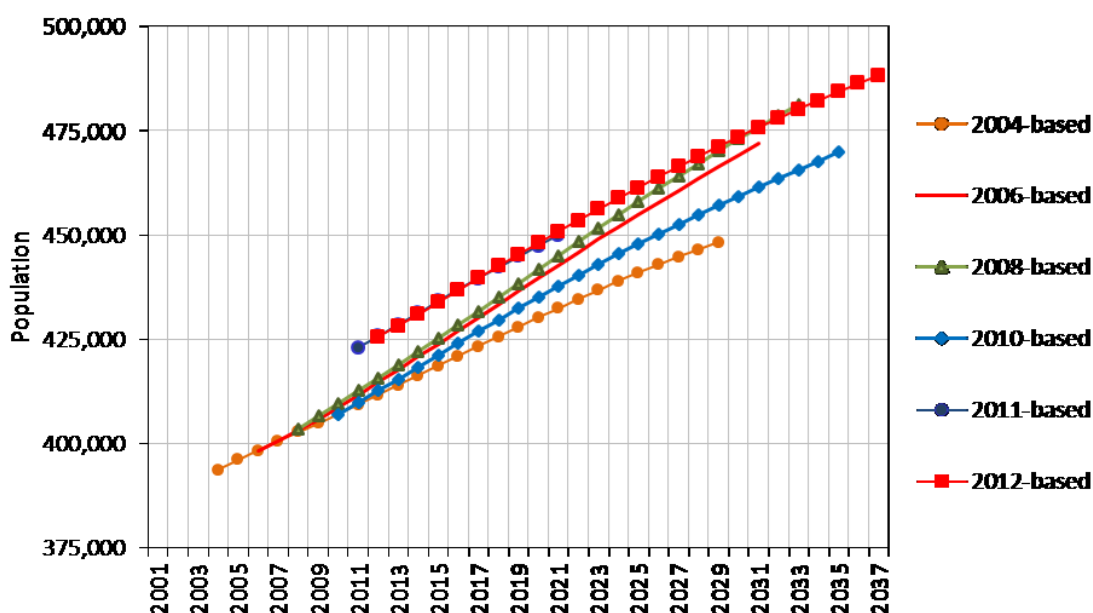


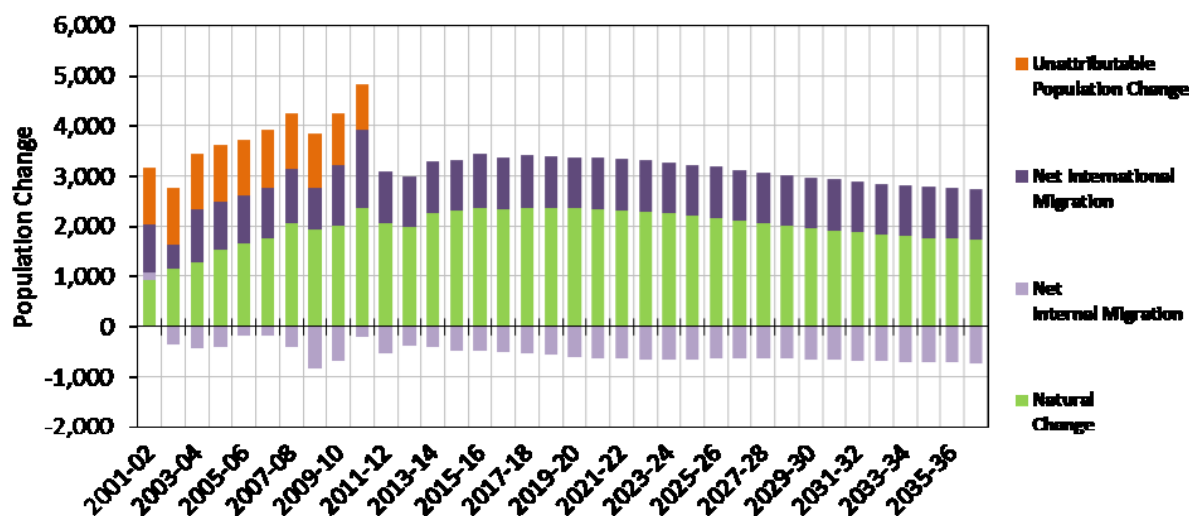
Table D.1 Projected population change, 2013 to 2031

Age Group	2013	2021	2031	Change 2013-31
0-14	81,800	87,900	89,100	8.9
15-39	138,500	142,400	147,300	6.4
40-64	138,400	139,800	139,300	0.7
65+	69,600	83,400	100,100	43.8
TOTAL	428,300	453,500	475,800	11.1
% aged 65+	16.3	18.4	21.0	
% aged 75+	7.2	8.8	10.8	

Source: ONS 2012-based population projections

D.11 Figure D.4 presents the 2012-based SNPP components of change for Kirklees. With the historical components of change for 2001/2 and 2011/12 included for comparison. The annual average natural change, net migration (internal and international) and population change for the 2012-based SNPP are compared to the historical 5-year and 10-year averages in Table D.2

Figure D.4 Kirklees historical (2001/02–2011/12) and 2012-based SNPP components of change (source: ONS)



Component of Change	Historical		Projected
	5-year average (2007/08-2011/12)	10-year average (2002/03-2011/12)	2012-based SNPP average (2012/13- 2036/37)
Natural Change	2,083	1,778	2,106
Net Internal Migration	-539	-425	-616
Net International Migration	1,138	1,014	1,023
Unattributable Population Change (UPC)*	834	980	-
Annual Population Change	3,512	3,341	2,512
Annual Population Change (%)	0.86%	0.85%	0.59%

Source: ONS

*Note that the UPC component is only applicable to the years 2001/2 – 2010/11.

Official Household Projections

- D.12 In the evaluation of housing need, the PPG states that the DCLG household projections *'should provide the starting point estimate of overall housing need'* (PPG Paragraph 2a-015). The 2012-based household projection model, which is underpinned by the 2012-based SNPP, was released by the DCLG in February/March 2015, superseding the 2011-based interim household projection model.
- D.13 Adjusting household projection-based estimates
- D.14 There is no single definitive view on the likely level of population and household growth expected in Kirklees. Ultimately, a mix of economic, demographic and national/local policy issues determines the speed and scale of change. Whilst the official 2012-based ONS population and DCLG household projections form

the 'starting point' of the assessment of housing need, the PPG states that it is appropriate to consider '*alternative assumptions in relation to the underlying demographic projections and household formation rates*' of the local area (PPG Paragraph 2a-017).

- D.15 In line with the PPG, Edge Analytics has developed a range of alternative demographic scenarios for Kirklees, using POPGROUP technology. Two core scenarios have been produced, including the most recent 'official' population projection from ONS, the 2012-based SNPP. The 2010-based SNPP is also included for comparison. Three alternative 'trend' scenarios have been developed, together with five 'jobs-led' scenarios, in which population growth is linked to jobs-growth forecasts. This accords with PPG which states that the likely change in the number of jobs in an area should be considered, as should the size and structure of the labour force (PPG paragraph 2a-018). Additional 'jobs-led' sensitivity scenarios have been produced to evaluate how changes to Kirklees' unemployment rate and its overall rate of economic activity might influence dwelling-growth outcomes.

Demographic Scenario Definitions

- D.16 The **SNPP-2012** scenario replicates the 2012-based population projection from ONS. With the application of the household growth assumptions from the 2012-based DCLG household projection model, this provides the 'starting point estimate' for Kirklees' housing growth analysis in line with PPG.
- D.17 The PPG recommends, as part of the assessment of housing need, that the most recent demographic statistics from ONS and alternative demographic projections should be considered (PPG Paragraph 2a-017). The 2012-based SNPP from ONS is a trend-based projection that uses demographic assumptions based on up to six years preceding 2012⁵⁰. Given the unprecedented economic changes that have occurred since 2008, and the differences between the projected 2012-based SNPP data and the historical evidence on population change in Kirklees, it is appropriate to consider alternative time periods in the derivation of these key assumptions.
- D.18 Three alternative trend scenarios have been developed which make more explicit use of historical evidence from a period prior to the latest (2012) mid-year population estimates:
- **PG-5yr**⁵¹: internal migration rates and international migration flow as based on the last five years of historical evidence (2008/09 to 2012/13) with the UPC adjustment included within the international migration assumptions;
 - **PG-10yr**: internal migration rates and international migration flow as based on the last 10 years of historical evidence (2003/04 to 2012/13) with the UPC adjustment included within the international migration assumptions; and

⁵⁰ http://www.ons.gov.uk/ons/dcp171776_364077.pdf

⁵¹ Note that PG stands for POPGROUP, the demographic forecasting software used to develop the scenario forecasts.

- **Natural change:** internal and international migration flows are set to zero. This provides an indication of the degree to which future population and household growth is driven solely by natural change (i.e. the balance between births and deaths).

D.19 The range of demographic scenarios is summarised in Table D.3

Type	Scenario	Description
Official Projections	SNPP-2012	This scenario mirrors the 2012-based SNPP from the ONS. This is the official 'benchmark' scenario
	SNPP-2010	This scenario mirrors the 2010-based SNPP from the ONS. The population is re-scaled to the 2012 mid-year population estimate (MYE) to ensure consistency with the SNPP-2012 scenario, with the 2010-based growth trajectory continued thereafter
Alternative trend scenarios	Natural Change	In- and out-migration flows are set to zero
	PG-5yr	Internal and international migration assumptions are based on the last five years of historical evidence (2008/9 to 2012/13)
	PG-10yr	Internal and international migration assumptions are based on the last ten years of historical evidence (2003/4 to 2012/13)

Headship Rate Sensitivity

D.20 In scenario modelling, the 2012-based DCLG headship rates have been applied, in line with the PPG recommendation to use the latest available household projection assumptions. However, as stated in the PPG, it is appropriate to consider "alternative assumptions in relation to the underlying demographic projections and household formation rates" of the local area (PPG Paragraph 2a-017).

D.21 Scenarios have also been run under two alternative headship assumptions:

- Option A: the DCLG 2011-based headship rates have been applied, with the 2011-2021 trend continued after 2021;
- Option B: the DCLG 2008-based headship rates have been applied, scaled to be consistent with the 2011 DCLG household total, but following the original trend thereafter

D.22 In all scenarios, the HH-12 dwelling growth outcomes fall within the range suggested by the HH-08 and HH-11 scenarios. In all scenarios, the HH-12 outcomes are higher than the previous HH11/HH-08 average.

Scenario Results

- D.23 Each of the scenarios have been run for the period 2013-31 and 2013-36. Scenario results are displayed for the period 2013-31 in Table D.4. This includes jobs-growth scenarios which are discussed further in Chapter 6.
- D.24 Under the **SNPP-2012** scenario, the population increases by 13.6% between 2013 and 2031, resulting in an average annual dwelling need of +1,520 per year. Household growth over this period results in an additional 26,215 households by 2031.
- D.25 Population growth is higher under the **PG-5yr** scenario, a reflection of the higher net inflow due to migration. The dwelling growth requirement increases to 1,883 per year under the **PG-5yr** scenario when compared to the **SNPP-2012** scenario.
- D.26 With a longer historical period, the **PG-10yr** scenario results in the highest scenario growth outcome, driven by higher migration growth assumptions, particularly international migration. Dwelling growth under the **PG-10yr** scenario is an average of 1,995 dwellings per year.
- D.27 The **Natural Change** scenario (in which migration is set as zero in each year of the forecast period) highlights the of natural change in driving population change, with a population change of 34,051 attributed to an excess of births over deaths 2013-31.

Linking demographic and economic growth to objectively assessed need

Introduction

- D.28 In the assessment of housing need, the PPG paragraph 2a-018 states that *“plan makers should make an assessment of the likely change in the number of jobs based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area”*

Economic Assumptions

- D.29 In POGPROUP, it is possible to derive the size and structure of the resident labour force and the number of jobs that an implied level of population growth could support, through the application of the following three key economic assumptions:
- The **economic activity rates** determine the proportion of the working-age population that is economically active, i.e. the labour force. The labour force includes those who are in work (i.e. ‘workers’) and also those who are unemployed;

- The **unemployment rate** determines the proportion of the labour force that is in employment (i.e. the number of workers); and
 - The **commuting ratio** determines the balance between the resident number of 'workers' (i.e. employed labour force) and the number of jobs in an area. A commuting ratio greater than 1.0 indicates a net *out*-commute (the number of workers resident in an area is greater than the number of jobs). A commuting ratio less than 1.0 indicates a net *in*-commute (i.e. the number of jobs is greater than the number of resident workers).
- D.30 In a trend-based scenario, the size of the resident labour force and the number of jobs that can be supported are therefore sensitive to adjustments to these key factors. The following set of assumptions has been applied to the demographic scenarios:
- **Economic activity rates** from the 2011 Census are applied, with uplifts applied in the 60-69 age groups to account for changes to state pension age.
 - The **unemployment rate** is incrementally reduced from 8.1% to 4.5% (2013-2020) (fixed thereafter).
 - A fixed **commuting ratio** of 1.15 from the 2011 Census Travel to Work data and indicates a net out-commute from Kirklees.

Economic forecast and jobs-led scenarios

- D.31 In the consideration of future jobs growth in an area, the PPG states that 'economic forecasts' should be considered (PPG paragraph 2a-018). Dwelling requirements linked to three jobs growth jobs assumptions have been considered: growth linked to the Yorkshire and Humber Regional Economic Model, trends historic employment rates and the Kirklees economic strategy.
- D.32 In a 'jobs-led' scenario, population growth is linked directly to the change in the number of jobs available within an area. POPGROUP evaluates the impact of a jobs growth trajectory by measuring the relationship between the number of jobs in an area, the size of the labour force and the size of the resident population. Migration is used to balance the relationship between the size of the labour force and the forecast number of jobs. A higher level of net in-migration will occur if there is insufficient population and resident labour force to meet the forecast number of jobs. A higher level of net out-migration will occur if the population is too high relative to the number of jobs.
- D.33 Five core 'jobs-led' scenarios have been modelled:
- 'Jobs-led REM': population growth is linked to the annual change in 'full time equivalent' (FTE) jobs for the period 2013—2031, as specified in the Yorkshire and Humber REM (939 additional jobs per year). The REM is a regional econometric model, providing employment forecasts for Leeds City Region and the individual districts within it.
 - 'Jobs-led A - Trend Employment Rate': population growth is linked to jobs growth of 10,375 for the period 2013—2031 (equivalent to 576 additional jobs per year). This level of job growth would result from a continuation of

the 2001—2011 trend in the employment rate, i.e. the number of Kirklees residents in work as a percentage of the total potential labour force.

- ‘Jobs-led B - 75% Employment Rate’: population growth is linked to jobs growth of 18,262 for the period 2013—2031 (equivalent to 1,015 additional jobs per year). Attainment of this rate is an objective of the Kirklees economic strategy.
- ‘Jobs-led C - REM + Kirklees Economic Strategy’: population growth is linked to jobs growth of 22,125 for the period 2013—2031 (equivalent to 1,229 additional jobs per year). This level of job growth represents the intended outcome of the Kirklees economic strategy.
- ‘Jobs-led D - 80% Employment Rate’: population growth is linked to jobs growth of 27,651 for the period 2013—2031 (equivalent to 1,536 additional jobs per year). Attainment of this rate was an objective of the withdrawn Kirklees LDF core strategy.

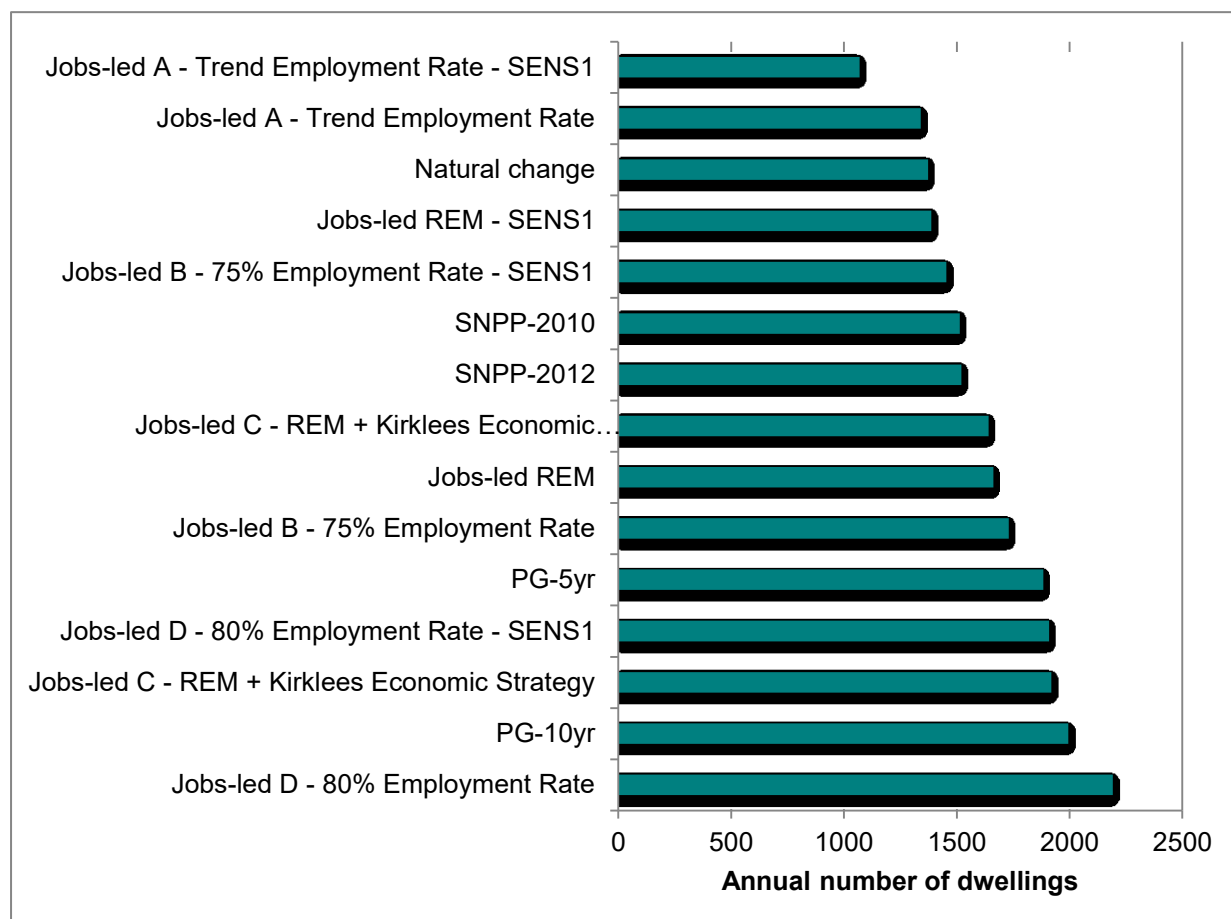
Jobs-led sensitivity scenarios

- D.34 Given the scale of the population and dwelling growth implied by the ‘jobs-led’ scenarios, it is important to consider the sensitivity of these outcomes to changes in the key assumptions on unemployment and economic activity.
- D.35 Five ‘jobs-led’ sensitivity (‘SENS1’) scenarios have been produced with ‘Option A’ and ‘Option B’ dwelling requirements presented for each (2008-based and 2011 based headship rates), together with an average of the two. A further sensitivity using 2012-based headship rates was included in the 2015 Addendum.
- D.36 Each of these sensitivity scenarios maintains a higher overall economic activity rate (relative to the equivalent core scenarios) and includes a further small reduction in the unemployment rate.
- D.37 As shown in Table D.4, under the ‘jobs-led’ core scenarios using 2012-based headship rates, the average annual dwelling requirement ranges from 1,340 dwellings per year (‘Jobs-led A - Trend Employment Rate’) to 2,191 dwellings per year (‘Jobs-led D - 80% Employment Rate’). This range reduces to 1,069—1,909 dwellings per year under the equivalent jobs-led sensitivity (‘SENS1’) scenarios.
- D.38 The alternative economic activity and unemployment assumptions serve to maintain a larger local labour force, with a larger number of people living and working in Kirklees. This reduces the need for additional net in-migration (to satisfy the jobs-growth target), thereby reducing population growth and the overall dwelling requirement.

Summary of scenarios

D.39 Figure D.5 summarises the range of scenarios and dwelling requirements using 2012-based projections as a base.

Figure D.5 Summary of scenarios: 2013-31



Updated scenario work

D.40 Chapter 5 of this report considers further scenario updates which have been prepared using the latest CLG 2014-based projections.

Technical Appendix E: Monitoring and updating

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

Introduction

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

Updating of baseline housing needs and affordable housing requirements

- E.2 A baseline assessment of housing need across Kirklees has been derived from the household survey. This information should be taken as a baseline from which annual reviews of key aspects of the model proceed. It is recommended that the baseline information has a shelf-life of three to five years (with a recommended refresh of household information after 2018/19 through primary surveying).
- E.3 Key elements of the needs assessment model can be readily updated on an annual basis to reflect:
- changes in house prices and rental costs;
 - capacity of the social rented sector;
 - availability of intermediate tenure housing.

Changes in house prices and rental costs

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

Capacity of the social rented sector

- E.6 The capacity of the social rented sector needs to be reviewed annually using RP CORE lettings data (**Step 3.6**).
- E.7 A dataset has been prepared for RP CORE data for 2010/11, 2011/12 and 2012/13 as part of this research. This includes some additional variables identifying the characteristics of households (by designation i.e. under 65 or over 65) and previous housing circumstances (from out of area, previously social renter, previously other tenure and from supported/specialist accommodation). The capacity of the social rented sector is based on the number of lettings to households from within the Local Authority District who were previously living in (non social rented or intermediate) tenure.

Availability of intermediate tenure housing

- E.8 CORE Sales data can identify the availability of intermediate tenure housing (**Step 3.7**). Data has been assembled for 2010/11, 2011/12 and 2012/13.

Annual adjustments to affordable requirements

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

Updating of contextual information

- E.10 This report has presented a range of contextual information relating to the economy, demography (including population projections and migration) and dwelling stock. This information should be updated where possible and in particular progression with economic growth and diversification should be carefully monitored.

Reflections on the general strategic context and emerging issues

- E.11 As part of its strategic housing function, all LAs need to understand the general strategic housing market context and respond to emerging issues. Given the dynamic nature of housing markets, the Central and Local Government policy agenda and bidding for resources, any update of housing needs must be positioned within a wider strategic context.
- E.12 Ongoing stakeholder consultation and engagement with local communities is also vital to maintain up-to-date intelligence on housing market issues.

Concluding comments

- E.13 It is vital that mechanisms are in place to derive robust, credible and defensible estimates of housing need and affordable requirements across Kirklees. We believe that this study provides a robust evidence base which has the capacity to be updated.

- E.14 Having established a baseline position on affordable housing and advice on open market provision to reflect aspirations, it is essential that housing market activity is regularly monitored. This is highly relevant given current housing market uncertainty. A range of methods have been suggested to ensure that housing need and affordability modelling is revised on an annual basis. Annual reviews should also take into account the changing strategic context and impact on housing market activity.

Technical Appendix F: Dwelling mix analysis

Introduction

- F.1 In order to satisfy the requirements of the NPPG, the SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period. In order to determine the potential range of new dwelling stock appropriate for Kirklees, analysis has considered:
- Current stock profile by type and size by the age of Household Reference Person (HRP);
 - The profile of households by age of Household Reference Person (HRP) and how this is expected to change over the period 2015 to 2031 using 2014-based CLG household projections;
 - Future requirements for dwelling types and sizes based on the anticipated change in household profile and the Objectively Assessed Need / Housing Requirement.

Current stock profile of Kirklees by type and size

- F.2 The 2015 household survey provides detail of the current stock of dwellings across all tenures by type and size. This has been applied to the latest (2016-based) CLG Household Projection data.
- F.3 Overall 80% of dwellings are houses (with 35.4% of all dwellings 3 bedroom houses), 12.1% are flats, and 9.0% are bungalows and 0.9% are other dwelling types..

Table F1 Percentage of households living in different types/sizes of dwelling	
Dwelling type/size	%
Detached house/cottage 1-2 Beds	1.2
Detached house/cottage 3 Beds	6.2
Detached house/cottage 4 or more Beds	13.7
Semi-detached house/cottage 1-2 Beds	6.4
Semi-detached house/cottage with 3 Beds	17.9
Semi-detached house/cottage 4 or more Beds	4.4
Terraced house/cottage 1-2 Beds	14.2
Terraced house/cottage 3 Beds	11.3
Terraced house/cottage 4+ Beds	2.7
Bungalow 1-2 Beds	6.1
Bungalow 3 Beds	2.3
Bungalow 4+ Beds	0.6
Flat/Apartment 1 Bed	7.5
Flat/Apartment 2 Beds	4.4
Flat/Apartment 3+ Beds	0.3
Other 1-2 Bed	0.6
Other 3 Bed	0.3
Total	100.0

Profile of households by age of Household Reference Person 2015-2031

F.4 The 2014-based CLG household projections show the number of households across Kirklees by age of the Household Reference Person (HRP) or head of household and how this is expected to change over the next few decades. Table F2 shows the change in households by HRP age over the period 2015-2031. Data indicates an overall increase of around 24,400 households over this period.

Table F2 Change in number of households by HRP 2015-31			
Age Group of HRP	Number of households		
	2015	2031	Change 2015-31
15-24	6825	7211	386
25-34	23921	20884	-3037
35-44	33307	36959	3652
45-54	36507	36113	-394
55-59	15623	17278	1655
60-64	13717	17565	3848
65-74	26115	30372	4257
75-84	16898	25705	8807
85 and over	6365	11561	5196
Total	179278	203649	24371

Source: DCLG 2014-based household projections

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

F.5 The 2015 household survey can be used to assess the relationship between the age of the HRP and dwelling type/size occupied as shown in Table F3.

Table F3 Dwelling type/size by age group of HRP

Dwelling type/size	Age group of HRP									Total
	15-24	25-34	35-44	45-54	55-59	60-64	65-74	75-84	85+	
Detached house/cottage 1-2 Beds	0	735	517	149	0	119	495	257	187	2202
Detached house/cottage 3 Beds	137	881	1581	1974	903	1196	2219	1377	281	11078
Detached house/cottage 4 or more Beds	0	1268	4381	7855	2647	2266	3092	845	285	24649
Semi-detached house/cottage 1-2 Beds	1450	1757	2050	1884	1064	777	1512	1161	449	11454
Semi-detached house/cottage with 3 Beds	777	3044	5940	7208	3405	2519	4772	2697	691	32100
Semi-detached house/cottage 4 or more Beds	173	451	2710	1723	736	609	712	267	108	7827
Terraced house/cottage 1-2 Beds	1826	5625	5993	4795	1752	1845	2486	1639	474	25405
Terraced house/cottage 3 Beds	269	5009	4724	3596	1684	1368	2235	1446	311	20330
Terraced house/cottage 4+ Beds	0	764	1756	1016	662	245	154	42	52	4857
Bungalow 1-2 Beds	0	0	194	769	1014	861	3440	3097	1581	10866
Bungalow 3 Beds	0	0	379	743	343	287	1103	914	367	4155
Bungalow 4+ Beds	0	0	296	168	86	110	298	73	0	1108
Flat/Apartment 1 Bed	367	2181	1758	3014	812	694	2254	2091	938	13380
Flat/Apartment 2 Beds	1397	1250	716	1399	349	806	1134	933	544	7869
Flat/Apartment 3+ Beds	0	297	191	52	0	0	0	0	0	452
Other 1-2 Bed	429	274	119	163	120	15	88	42	97	1069
Other 3 Bed	0	386	0	0	45	0	121	17	0	478
Total	6825	23921	33307	36507	15623	13717	26115	16898	6365	179278

Source: 2015 household survey

Future dwelling requirements based on the anticipated change in household profile

- F.6 Table F4 summarises the overall profile of dwellings based on the likely profile of households by HRP and household type in Kirklees. It uses data from the 2014-based CLG household projections for the period 2015-2031 to ascertain the likely change in households by age group and, assuming that the dwelling types/sizes by age group remain consistent over the period 2015-31, the likely change in dwelling requirements by type and size. This establishes the range of additional dwellings that are likely to be required to support the changing demography of Kirklees.

Dwelling type/size	No. households			
	2015	2031	Change 2015-31	% change
Detached house/cottage 1-2 Beds	2202	2501	299	1.2
Detached house/cottage 3 Beds	11078	12583	1506	6.2
Detached house/cottage 4 or more Beds	24649	28000	3351	13.7
Semi-detached house/cottage 1-2 Beds	11454	13012	1557	6.4
Semi-detached house/cottage with 3 Beds	32100	36464	4364	17.9
Semi-detached house/cottage 4 or more Beds	7827	8891	1064	4.4
Terraced house/cottage 1-2 Beds	25405	28858	3454	14.2
Terraced house/cottage 3 Beds	20330	23094	2764	11.3
Terraced house/cottage 4+ Beds	4857	5518	660	2.7
Bungalow 1-2 Beds	10866	12343	1477	6.1
Bungalow 3 Beds	4155	4719	565	2.3
Bungalow 4+ Beds	1108	1258	151	0.6
Flat/Apartment 1 Bed	13380	15199	1819	7.5
Flat/Apartment 2 Beds	7869	8939	1070	4.4
Flat/Apartment 3+ Beds	452	513	61	0.3
Other 1-2 Bed	1069	1214	145	0.6
Other 3 Bed	478	543	65	0.3
Total	179278	203649	24371	100.0

Final market mix

- F.7 The final stage in analysis is to reflect upon the overall market mix (type, size and tenure). This brings together findings from housing need analysis, the OAN/Housing Requirement and likely split between market and affordable housing delivery to derive a market mix for future housing development.

Dwelling type	Annual OAN/ Housing Requirement	Tenure		
	1730	Market	Affordable	Total
		80%	20%	
1-2 Bed House	377	343	34	377
3 Bed House	613	436	177	613
4+ Bed House	360	349	11	360
1-2 Bed Bungalow	105	84	21	105
3+ Bed bungalow	51	48	2	51
Flat/Apartment	209	143	66	209
Other	15	15	0	15
Total	1730	1418	312	1730

Concluding comments

- F.8 The purpose of this analysis has been to consider the likely dwelling type and size requirements of households in Kirklees linked to the OAN/Housing Requirement of 1,730 dwellings each year to 2031. Analysis has drawn upon the 2014-based CLG household projection data relating to age group of the HRP and the 2015 household survey which evidenced the variation in dwelling type/size occupied by households by HRP age group.
- F.9 The analysis concludes that there are three key dwelling types particularly required across Kirklees: 3 bedroom houses, 4+ bedroom houses and 1-2 bedroom houses in addition to ongoing development of other property types and sizes as illustrated in Table F5.

Technical Appendix G: National Planning Policy Framework, Planning Practice Guidance Checklist

National Planning Policy Framework

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

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

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

Planning Practice Guidance

Paragraph (no.)	Response and data sources
Methodological Approach (14)	<p>Guidance states that establishing future need is not an exact science and no single approach will provide a definitive answer.</p> <p>This SHMA has used a multi-method approach involving secondary data analysis, primary household surveying and a review of demographic scenario analysis</p>
Starting point for establishing the need for housing and use of projections (15)	<p>Household projections published by the DCLG have provided the starting point to establish the need for housing. The latest projections (2014-based) have been used and wider scenario modelling work carried out using 2012-based projections</p> <p>Data sources: DCLG Household projections</p>
Adjusting household projections (17)	<p>The SHMA has considered sensitivity testing of CLG household projections using alternative assumptions in relation to underlying demographics and household formation rates.</p> <p>Data sources: DCLG Household projections, economic scenario model outputs, migration data</p>
Employment trends (18)	<p>The likely change in jobs numbers using economic forecasts has been considered in Edge Analytics scenario work.</p> <p>Data Source: Economic scenario model outputs</p>

Paragraph (no.)	Response and data sources
Market signals (19)	The SHMA has considered market signals relating to dwelling price and quantity. This has included comparative analysis of trends in similar districts, Yorkshire and the Humber and England Data Sources: Land Registry House Price, Zoopla rentals, DCLG dwelling stock and vacancy data
Response to market signals (20)	Market signals have been considered but would suggest no uplift in dwelling delivery is required
Need for all types of housing (21)	The SHMA has considered the range of market and affordable dwellings required for all household types, including family housing, housing for older people, people wanting to build their own homes and households with specific needs. The role of the Private Rented Sector and student housing has also been considered Data sources: 2015 household survey, 2014-based household projections
Calculating affordable housing need (22)	Current unmet need and projected future housing need has been calculated and subtracted from the current supply of affordable housing stock
Households considered to be in need (23)	Analysis has considered the groups specified in guidance, namely: homeless households or insecure tenure; mismatch between need and dwelling; social or physical impairment and living in unsuitable housing; lacking basic facilities; particular social needs
Calculating unmet gross need (24)	This has been calculated using household survey evidence Data Source: 2015 household survey
Newly arising affordable need (25)	Calculations have taken account of the proportion of newly-forming households who cannot afford lower quartile market housing (to buy or rent) Data Source: 2015 household survey
Total affordable supply (26)	Calculations take account of current supply of affordable housing through households in need moving, surplus stock, committed supply and units taken out of management Data Sources: 2015 household survey, Council data
Future relets and intermediate tenure sales (27)	Calculations take account of the likely level of dwellings being let/sold based on the most recent 3 year trends in lettings and sales Data Sources: CORE lettings and sales data
Total affordable need (28)	Annual flow (imbalance) of affordable need has been calculated based on total need from existing households and newly-forming households minus supply. The split between rented and intermediate tenure dwellings has been calculated along with the size (no. beds) and designation (general needs/older person) of affordable dwellings.