Cheshire West and Chester
2013 Strategic Housing Market Assessment

Final Report for Cheshire West and Chester Council
July 2013

arc4
AFFORDABILITY RESEARCH COMMUNITIES

Main Contact: Michael Bullock
arc^4 Ltd
Email: michael.bullock@arc4.co.uk
Website: www.arc4.co.uk

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1. Introduction

Background and methodology

1.1 Arc4 was commissioned in March 2013 to prepare a comprehensive Strategic Housing Market Assessment (SHMA) for Cheshire West and Chester. This updates the evidence base which as published and adopted in November 2009 and regularly updated.

1.2 This research conforms to the Department of Communities and Local Government (CLG) Strategic Housing Market Assessment Guidance and provides a robust and defensible evidence base for future policy development. The research focuses on four core areas: a review of housing markets; an assessment of housing need and affordable requirements; a review of general market requirements; and provides policy recommendations.

Definitions

1.3 A series of terms are used in work of this nature. To avoid ambiguities, these terms are clearly defined:

Housing demand is the quantity of housing that households are willing and able to buy or rent.
Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.
Housing markets are geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work.
Housing requirement is the combination of both housing need and housing demand.

1.4 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

SHMA Guidance

1.5 In August 2007, the CLG published Strategic Housing Market Assessments: Practice Guidance Version 2. This is the frame of reference for this report. The guidance brings together and builds upon the key elements of existing guidance on housing market and housing needs assessments and replaces the following Government guidance:

Local Housing Needs Assessment: A Guide to Good Practice (DETR, 2000);

Housing Market Assessment Manual (ODPM, 2004).

1.6 The CLG states that the guidance should be read in conjunction with the 'Identifying Sub-Regional Market areas Advice Note' (CLG, 2007).

1.7 Strategic Housing Market Assessments (SHMAs) are particularly valuable in assisting policy development, decision making and resource allocation, in particular by:

Thinking regionally and long-term about housing need and demand;

Providing robust evidence to inform policy debate, particularly around the provision of both market and affordable housing, including type, size and tenure mix;

Understanding the drivers and trajectories of housing markets.

1.8 SHMAs are considered robust and credible if, as a minimum, they provide all of the core outputs and meet the requirements of the process criteria presented in the SHMA Guidance. Table 1.1 summarises the core outputs which are required through the SHMA guidance. Table 1.2 presents the process checklist which needs to be adhered to in SHMA research. Appendix E comments on how each aspect of the process checklist has been adhered to in this research.

Table 1.1 Strategic Housing Market Assessment core outputs

Strategic Housing Market Assessment core outputs	
1	Estimate of current dwellings in terms of size, type, condition, tenure.
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market.
3	Estimate of total future number of households, broken down by age and type where possible.
4	Estimate of current number of households in housing need.
5	Estimate of future households that will require affordable housing.
6	Estimate of future households requiring market housing.
7	Estimate of the size of affordable housing required.
8	Estimate of household groups who have particular housing requirements including: families, older people, key workers, black and minority ethnic groups, disabled people, young people, Gypsies and Travellers.

Table 1.2 Strategic Housing Market Assessment process checklist

Strategic Housing Market Assessment process checklist	
1	Approach to identifying Market area(s) is consistent with other approaches to identifying Market areas within the region.
2	Housing market conditions are assessed within the context of the Market area.
3	Involves key stakeholders, including house builders.
4	Contains a full technical justification of the methods employed, with any limitations noted.
5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner.
6	Uses and reports upon effective quality control mechanisms.
7	Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken.

NPPF requirements

1.9 Local planning policies need to be grounded in robust and transparent evidence and key components of the evidence base include: a Strategic Housing Market Assessment and a Strategic Housing Land Availability Assessment. The SHMA should assess and identify the scale and mix of housing and the range of tenures the local population is likely to need over the Local Plan period which:

Meets household and population projections, taking account of migration and demographic change;

Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as 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.

1.10 This report provides the first key piece of evidence to underpin planning policy, namely a SHMA which delivers the core outputs required through CLG SHMA guidance. Specifically, this research provides:

Evidence for local authorities to help them plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as families with children, older people, people with disabilities, service families and people wishing to build their own homes);

Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and

Identified affordable housing requirements.

Research methodology

1.11 The development of the 2013 Cheshire West and Chester SHMA has involved developers/builders, Housing Association representatives, Estate Agents and Private Lettings Agents.

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

A sample survey of households across Cheshire West and Chester. A total of 53,548 households were contacted and 10,483 questionnaires were returned and used in data analysis. This represents a 19.6% response rate overall and total number of questionnaires returned was well in excess of the 1,500 for each local authority specified in Government guidance;

As part of the 2012 SHMA update, stakeholders were invited to participate in an on-line survey to help ascertain their views on the current housing market and the key strategic housing issues for Cheshire West and Chester. Some telephone interviews were also undertaken. Engagement with key stakeholders including Local Housing and Planning Authority representatives, Registered Social Landlords/Registered Providers (RPs), Estate Agents, Lettings Agents, Developers, Supporting People representatives has taken place.

A review of relevant secondary data including the 2011 census, house price trends, CORE lettings data 2011-based population and household projections prepared by Cheshire West and Chester Council.

1.13 Further information on the research methodology is presented at Appendix A.

Geography

1.14 Data for the 2013 SHMA have been prepared for the constituent spatial zones of Cheshire West and Chester as illustrated in Map 1.1

Report structure

1.15 The Cheshire West and Chester 2013 SHMA 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 Cheshire West and Chester **housing market context**, in particular linkages with neighbouring districts including Cheshire East, the Wirral, Wrexham and Flintshire. This is achieved by reviewing migration and travel to work patterns;

Chapter 4 presents **SHMA core outputs** and summarises more detailed information presented in technical appendices accompanying this report; and

Chapter 5 **concludes** the report with a view on the current and future housing market and strategic issues.

Map 1.1 Spatial zones in Cheshire West and Chester



2. Policy and strategic review

Introduction

2.1 Since May 2010 the coalition Government has embarked upon a radical and sustained programme of reform and change of both housing and planning. Set within the context of national austerity measures outlined in the Comprehensive Spending Review and successive budgets, at a time of significant reductions in public sector spending, these reforms champion localism and decentralisation.

2.2 Removal of the regional tier of government and its related strategies, structures and funding mechanisms, has created a policy vacuum which local strategists and planners need to respond to within the context of the Government's planning and social housing reform agenda. With an ambitious programme of policy reform well underway, this is a time of significant change for local strategic housing and planning, both in terms of policy and practice. This section of the report briefly summarises some of the key changes underway within the national and regional/sub-regional policy contexts, upon which this research has a bearing.

National policy

2.3 The Department for Communities and Local Government has outlined what the Government wants to achieve in terms of housing as:

> Increase the number of houses available to buy and rent, including affordable housing;
>
> Improve the flexibility of social housing (increasing mobility and choice) and promote homeownership;
>
> Protect the vulnerable and disadvantaged by tackling homelessness and support people to stay in their homes; and
>
> Make sure that homes are of high quality and sustainable.

2.4 What follows is a brief summary of some of the key elements of the Government's national policy agenda, including:

> Comprehensive Spending Review headlines;
>
> The Local Growth White Paper;
>
> The Welfare Reform Bill and housing benefit reform;
>
> Social housing reform;
>
> Reform of council housing finance;
>
> The new Affordable Rent model;
>
> The National Planning Policy Framework;
>
> The Localism Act; and

The National Housing Strategy.

Comprehensive Spending Review

2.5 Investment plans for the period April 2011 to March 2015 were outlined in the Comprehensive Spending Review of 20 October 2010. A summary of housing investment is presented in Table 2.1.

2.6 Investment in new affordable housing has been met through capital investment (of up to £2.5bn) with the balance raised through new Affordable Rent tenancies offered to new social rented tenants at 80% of market rents.

2.7 Where this combination of higher rent and lower grant is insufficient to make new schemes viable, Registered Providers (RPs) will be expected to convert existing social rent tenancies to affordable rent (or intermediate tenure for sale) when properties are vacated to cross-subsidise new provision.

Table 2.1 Summary of housing investment April 2011 to March 2015

Element	2011-15 Investment	Purpose
Total investment in new affordable housing	£4.5bn	Deliver 150,000 new affordable homes
Empty homes	£100m	Bringing empty homes back to use
Mortgage rescue	£200m	Protecting vulnerable homeowners
New Homes Bonus	£900m	Encourage communities to accept new housing
Regional Growth Fund	£1.4bn	Capital funding – supports economic growth especially where areas are currently dependent on the public sector
Decent Homes	£2bn	Halve the backlog of non-decent council housing
Homelessness Grant	£400m	To support homelessness prevention initiatives and reduce homelessness presentations
Supporting People	£6.5bn	To help vulnerable people live independently
Disabled Facilities Grants	£725m	Help towards the cost of adapting homes to enable residents to continue to live there

Source: Chartered Institute of Housing Briefing Paper on Comprehensive Spending Review

Local Growth White Paper

2.8 The Local Growth White Paper sets out a new approach to local economic growth and proposes new ways of achieving it; it's about how to make locally led, owned and managed economic growth happen and housing needs should be seen within this context.

2.9 Regional Development Agencies have been replaced with Local Enterprise Partnerships (LEPs), and a Regional Growth Fund of £1.4bn has been introduced to create jobs and growth in places currently heavily dependent on

the public sector (this could support activities such as housing growth and market renewal).

2.10 The Paper refers to delivering 'a fairer and more balanced economy' that is 'evenly balanced across the Country and between industries', with the Government making 'strategic investments where there is a market failure and where it makes sense for it to do so, prioritising public spending to ensure that investments have a long-term impact on growth, such as tackling congestion and increasing our housing supply.'

2.11 The role of councils in supporting growth is specified, with the need to support growth through a responsive supply of land, use of land assets to lever in private investment, and the need to support local people and businesses, including regeneration. The Paper also makes reference to councils leading efforts to support and improve the health and well being of their local populations.

2.12 The role of LEPs is not prescribed but 'envisaged', and includes them taking on the role of strategic housing delivery, including 'pooling and aligning funding streams to allow this'. The Government envisaged that LEPs would be chaired by a private sector partner/agency, that they would have to fund their day-to-day running costs, and that they could submit bids to the Regional Growth Fund.

2.13 In terms of 'increasing confidence to invest', the agenda centres on reform of the planning system, and incentivising councils to deliver sustainable economic development.

2.14 Planning in its current form is seen as a barrier to development, and the Paper identifies the following:

There is a need for a new presumption in favour of development, which will apply on all planning applications;

Empowering communities and giving them the opportunity to develop Neighbourhood Plans, which will need to 'respect the national presumption in favour of development, as well as other strategic priorities such as … meeting housing need';

Local communities are to have new right to build powers to deliver new small scale development without the need for a planning application;

Councils still need to produce Local Development Plans but procedures need to be simplified and streamlined;

Where communities choose not to have a Neighbourhood Plan then the local development plan should be used to guide development in the area;

Reforms to planning system will make it light touch, fast and responsive – all national policy and guidance is to be streamlined in the National Planning Policy Framework to go before Parliament;

Planning costs are to be reduced;

The Localism Bill [Act] is to put a statutory duty on local authorities, public bodies and private bodies involved in plan making to co-operate;

Developers are to carry out pre-application consultations with communities; and

LEPs are free to work with local planning authorities to develop strategic planning frameworks to address economic development and infrastructure issues.

2.15 Local authority initiatives to support growth include:

The New Homes Bonus, which is seen as the cornerstone for incentivising housing growth. The scheme commenced in April 2011 and is to be a 'permanent feature of local government finance system';

A Business Increase Bonus to reward local authorities where business rates grow above a predetermined threshold; and

Tax increment finance to give authorities new borrowing powers to enable them to generate finance from future tax revenues.

The Welfare Reform Act and housing benefit reform

2.16 On 8 March 2012 the Welfare Reform Act received Royal Assent, and with it began the most dramatic change to the welfare state since its inception. In its drive to 'make work pay' and ensure a fairer and more transparent benefits and tax credits system, the Government has introduced a range of measures that it believes will not only reduce overall spending and deliver deficit reduction, but will also 'protect the most vulnerable in society'.

2.17 The key elements of the Act are:

Creating Universal Credit as a streamlined benefit to replace most income related benefits, including housing benefit;

Putting in place a stronger approach to fraud and error with tougher penalties for the most serious offences;

Reform of Disability Living Allowance, by introducing Personal Independence Payments to meet the modern needs of disabled people; and

Reforming Housing Benefit and introducing the so-called "bedroom tax" for tenants who under-occupy their homes.

2.18 Reforms to Housing Benefit set out in the Act include:

Introducing a size criteria to the calculation of housing benefit for social sector tenants;

Up-rating future Local Housing Allowance rates in line with Consumer Price Index rather than actual rents (from April 2013); and

Introducing household benefit caps of £500 per week for couples and £350 per week for single claimants.

2.19 Changes already introduced to housing benefit following the June 2010 Budget include:

Capping the maximum Local Housing Allowance payable for each property size and applying a four-bed limit. This mainly affects households living in London (from April 2011);

Calculating Local Housing Allowance rates using the 30th percentile of market rents rather than the 50th percentile (from October 2011);

Limiting housing benefit for working age tenants so that it only covers the size of property they are judged to need (from April 2013);

Increasing deductions for non-dependents (no longer frozen at £7.40 per week for non-earners and linked to prices since April 2011);

Time limiting full housing benefit and Local Housing Allowance payable to people on Job Seekers' Allowance so that after 12 months housing benefit is reduced by 10% (from April 2013);

Increasing discretionary housing payments (from October 2010); and

Resourcing an additional bedroom for carers (from April 2011).

2.20 Additionally, the age at which the single room rate is applied increased from 25 to 35 from January 2012. This increases the age that single people can qualify for housing benefit for a self-contained property.

Social Housing reform

2.21 The Government set out its key objectives for social housing reform, and its proposals to achieve them, in a consultation paper Local Decisions: a fairer future for social housing. The five key objectives of social housing reform are:

Localism, fairness and focusing social housing on those most in need in a way that enables them to use it as a springboard to opportunity;
That social housing is flexible and available to more people and to those that genuinely need it;
To make the best use of the four million social rented homes;
To increase the freedoms available to all social landlords to determine the type of tenancy they grant to new tenants; and
To protect the rights of existing tenants.

2.22 Proposals to achieve these objectives include:

The introduction of a new, more flexible, local authority affordable rent tenancy with a minimum fixed term of five years (this will be in addition to secure and introductory tenancies);
Investment of £100m to bring empty properties in to use as affordable housing;
Reforming the social housing allocations system by giving Local Authorities the powers to manage their housing waiting lists;
Introduction of a nationwide social home swap programme for social tenants;

Enabling local authorities to fully discharge a homelessness duty to secure accommodation by arranging an offer of suitable accommodation in the private rented sector without requiring the applicant's agreement;
Introducing reforms to tackle overcrowding; and
Replacing the Housing Revenue Account subsidy system with transparent self-financing arrangements.

Reform of council housing finance

2.23 Following enactment of the Localism Act, on 1 April 2012 the rules on council house finance changed. A one off financial settlement between stock retaining local authorities and the Government was reached at the end of March 2012. The new system is known as Housing Revenue Account self-financing and means that stock holding local authorities will for the first time have full control over their revenue raised from rental income and be able to set out and implement long term business plans.

2.24 The Government retains central control over policy on rents and local authority borrowing is restricted.

The Affordable Rent model

2.25 In February 2011 the Homes and Communities Agency published its Framework for Affordable Rent, and invited providers to bid for funding to develop new homes on Affordable Rent tenancies from April 2012 to March 2015. Under the programme providers supplement grant funding by converting vacant social homes into other tenures, therefore generating cross-subsidy, and using Section 106 and public sector land opportunities to deliver affordable housing. Key elements of the programme include:

Homes are developed at 80% of the gross market rent, including service charges;

Providers retain the option to offer lifetime tenancies should they wish to;

At the end of an Affordable Rent tenancy, providers and their tenant may covert to shared ownership should they wish to;

Providers decide the proportion of their re-lets to convert to Affordable Rent to fund new supply; and

Providers converting existing social rented homes are encouraged to reinvest the funds raised in new supply within the same locality (housing market area); however, funding is not ring-fenced to a particular geographical area.

2.26 In July 2011 the Homes and Communities Agency announced the successful bidders for the £1.8bn affordable homes programme. The programme will deliver 80,000 new affordable homes nationally, helping meet the Government's target of 150,000 new affordable homes between 2011 and 2015.

2.27 There are concerns about the capacity of the programme both to fund future developments for supported housing, and deliver homes for larger families.

National Planning Policy Framework

2.28 The National Planning Policy Framework was published on 27 March 2012 and came into effect on the same day, revoking Planning Policy Statement 3 Housing, which had previously formed the basis for housing planning policy. As part of its commitment to economic growth, localism and decentralisation, the Government has used the Framework to streamline all existing national policy documents into one short Policy Framework.

2.29 The Framework stresses the need for councils to work with communities and businesses to seek opportunities for sustainable growth to rebuild the economy; helping to deliver the homes, jobs, and infrastructure needed for a growing population whilst protecting the environment. A presumption in favour of sustainable development means that proposals should be approved promptly unless they compromise the twelve sustainable development principles set out in the Framework.

2.30 The Framework identifies three dimensions to sustainable development: economic, social and environmental. The social role is defined as: 'supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations….'[1] These three dimensions (or roles) are seen as mutually dependent.

2.31 The Framework must be taken into account in the preparation of local and neighbourhood plans, and it is a material consideration in decision making. Up to date local plans are seen as a prerequisite and the following guidance is given:

'The National Planning Policy Framework does not change the statutory status of the development plan as the starting point for decision making. Proposed development that accords with an up-to-date Local Plan should be approved, and proposed development that conflicts should be refused unless other material considerations indicate otherwise. … The National Planning Policy Framework constitutes guidance for local planning authorities and decision-takers both in drawing up plans and as a material consideration in determining applications.'[2]

2.32 Robust and comprehensive evidence bases (in particular Strategic Housing Market Assessments and Strategic Housing Land Availability Assessments) are seen as essential to 'delivering a wide choice of high quality homes'; the Framework states 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 in the housing market area, as far as is consistent with policies set out within the Framework, including identifying key

[1] CLG National Planning Policy Framework March 2012 para 7

[2] CLG National Planning Policy Framework March 2012 paras 12 and 13

sites which are critical to the delivery of the housing strategy over the plan period.'[3]

2.33 The need to 'plan for a mix of housing based on current need and future demographic trends, market trends and the needs of different groups in the community' is emphasised. The Frameworks also states that local planning authorities should:

- 'identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
- 'where they have identified that affordable housing is needed set policies for meeting this need on site…'[4]

2.34 Authorities will need to illustrate the expected rate of housing delivery through a housing trajectory for the plan period and a Housing Implementation Strategy for the full range of housing.

2.35 New definitions of affordable housing are also included at Annex 2 covering social rented housing, affordable rented housing and intermediate housing.

Localism Act

2.36 The Government's 'Programme for Government' set the scene for a radical devolution of power to local authorities and community groups; critical to this is the Localism Act. The Act includes measures to reform:

The planning system;

Social housing; and

The council house finance system.

2.37 The Act provides:

New freedoms and flexibilities for local government;

New rights and posers for individuals;

Reform to make the planning system more democratic and more effective;

Reform to ensure that decisions about housing are taken locally.

2.38 The Act introduces most elements of the Government's housing reform programme, including changes to homelessness, social housing tenancies (introduction of five year minimum tenancy), mobility, regulation, and access to the Ombudsman. The Act also reforms council housing finance.

2.39 In keeping with the Government's localism ethos, much of the legislation within the Act is permissive, meaning that it is open to interpretation locally in terms of how members, professionals and communities decide to use its powers. Much of the Act is due to come into effect in April 2012.

[3] CLG National Planning Policy Framework March 2012 para 47

[4] CLG National Planning Policy Framework March 2012 para 50

Laying the Foundations: A Housing Strategy for England

2.40 In 2011 the Government published its Housing Strategy for England, which sets out its 'intended direction of travel for housing, its role in the wider economy and its contribution to social mobility. It sets out ideas on the shape of housing provision that the government wants to see, which involve the primacy of home ownership; social housing as welfare; and an increasing role for the private rented sector.'[5]

2.41 The Strategy presents both existing initiatives and policies (as outlined above) and introduces a series of new interventions and approaches, which are set out under the following headings:

Increasing supply, more homes, stable growth which includes a newbuild indemnity scheme led by the Home Builders Federation and Council for Mortgage Lenders to provide up to 95% loan to value mortgages for newbuild properties in England, backed by a housebuilder indemnity find; and a £400m 'Get Britain Building investment fund;

Social and affordable housing reform which includes implementing a radical programme of reform to make better use of social housing to support those who need it most; and re-invigorating Right to Buy with the one for one replacement of homes sold;

A thriving private rented sector, through supporting investment in homes to rent, marketing new Built to Rent pilot sites and encouraging local authorities to make full use of powers to tackle dangerous and poorly-maintained homes;

A strategy for empty homes, with a commitment to bring empty homes back into use through awarding the New Homes Bonus to empty properties brought back into use, providing information and practical advice to local authorities and communities and proposing changes to Empty Dwelling Management Orders to tackle the worst long-term empty homes;

Quality of housing experience and support, through supporting the most vulnerable households to prevent and tackle homelessness and providing a better deal for older people, with greater choice and support to live independently; and

Quality, sustainability and design, by encouraging the promotion of imaginative, innovative, locally distinctive, well designed new homes and neighbourhoods; a commitment to Zero Carbon homes by 2016; reviewing building regulations to further improve energy efficiency and carbon emission standards of new buildings.

[5] CIH Summary Laying the Foundations: A Housing Strategy for England November 2011

Local strategic priorities

2.42 The Cheshire Sub-Regional Housing Strategy 2009-2012 (which relates to Cheshire West and Chester and Cheshire East) presents a vision:

> "To provide a housing offer that supports the creation of balanced, sustainable communities and the regeneration of the sub-region's most deprived neighbourhoods, through effective lobbying, partnership working and community engagement, to create a sub-region where all residents can achieve independent living in good quality, affordable homes that are appropriate to their needs"

2.43 The sub-regional strategy identifies four key priorities:

Priority one	To increase the supply of affordable housing to support economic growth and development;
Priority two	To make best use of the sub-region's existing housing stock;
Priority three	To meet housing and accommodation-related support needs of the sub-region's most vulnerable residents;
Priority four	To increase the supply of market housing to support continued economic growth and regeneration and to meet local housing needs.

2.44 An early priority for Cheshire West and Chester Council is to consider ways of providing resources to increase the supply of good quality housing at an affordable cost.

2.45 A Local Investment Plan for Housing 2011-2015 has been prepared which focuses on the opportunity for housing policy to support the continued growth of the local economy and contribute to the regeneration processes underway in Chester and Ellesmere Port.

Concluding comments

2.46 The main purpose of this chapter has been to consider the general policy and strategic context within which this research needs to be positioned. A new policy framework for housing and planning is emerging. The Government's housing priorities have been established and set within the context of local decision making and accountability, reduced capital expenditure on housing, fundamental changes to the benefit system, a changing role for social rented housing, and a need for future housing investment to support economic growth. Economic uncertainty, job security and restricted mortgage lending exacerbate the challenges faced.

2.47 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 its local authority partners with an excellent range of material to inform policy debate, contribute to the delivery of the Local Investment Plan, help inform and influence strategic

responses, and shape local and sub regional strategic housing priorities to inform future investment plans.

2.48 Key policy drivers for Cheshire West and Chester include increasing the supply of both affordable and market housing; asserting its economic role as part of the Cheshire and Warrington sub-region; strengthening the linkages with North East Wales; and addressing the changing requirements of an ageing population.

3. Cheshire West and Chester Housing Market Context

Introduction

3.1 Cheshire West and Chester, along with Cheshire East, Halton and Warrington are the four unitary authorities covering the post-1974 county of Cheshire. The population of Cheshire West and Chester is 329,608[6]. The Borough includes the City of Chester; the larger towns of Ellesmere Port, Northwich and Winsford; market towns including Frodsham and Tarporley; and a considerable rural hinterland supporting a range of villages and hamlets.

3.2 Several major roads run through the Borough including the M56 to the North and M53; and a series of major A roads running on general north-south and east-west axis. There are also good rail links to Manchester, Liverpool, North Wales and direct services from Chester to London.

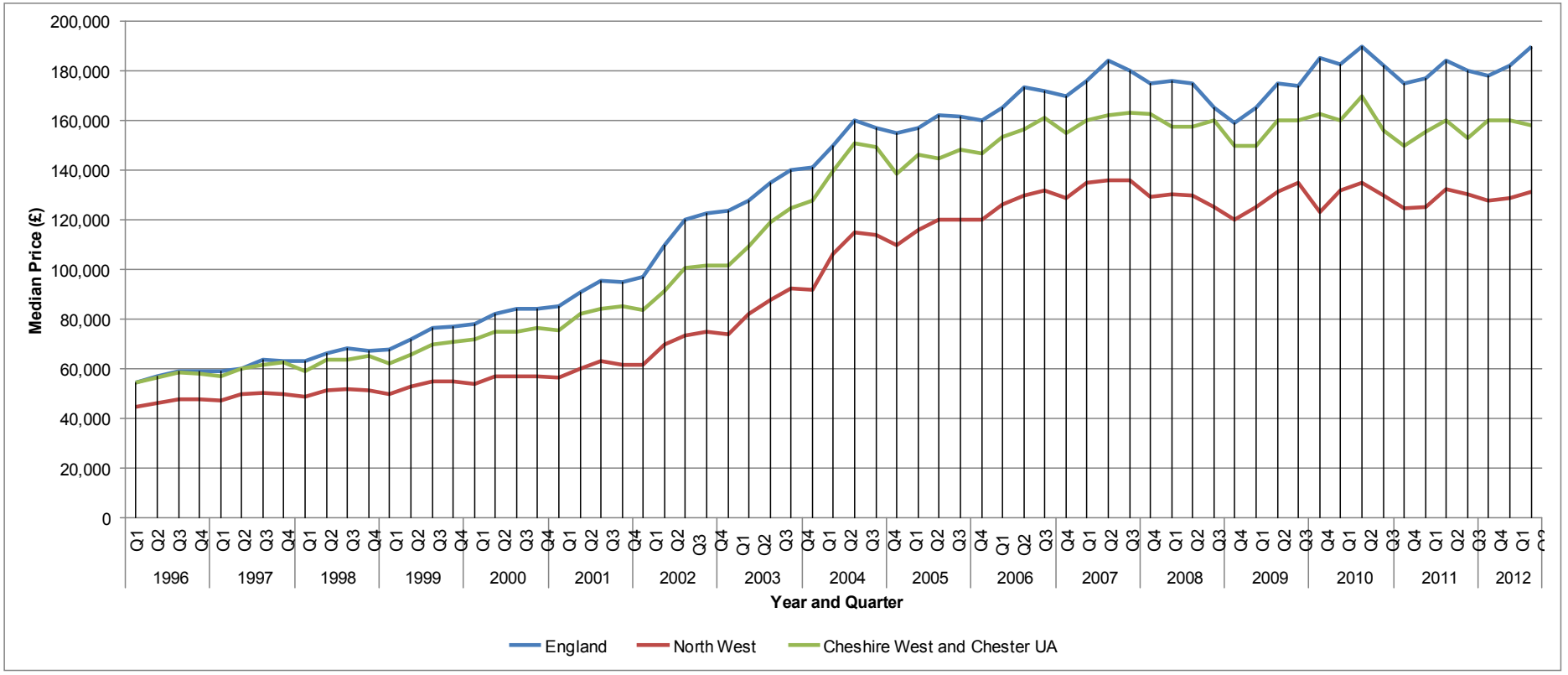
House prices and rates of change

3.3 Figure 3.1 shows how house prices across Cheshire West and Chester have increased 190.3% over the period 1996 to 2012, with median prices peaking at £162,600 during 2008 and again in Q1 2010. The median price across the Borough has been consistently higher than the regional median mean price but lower than the national median price.

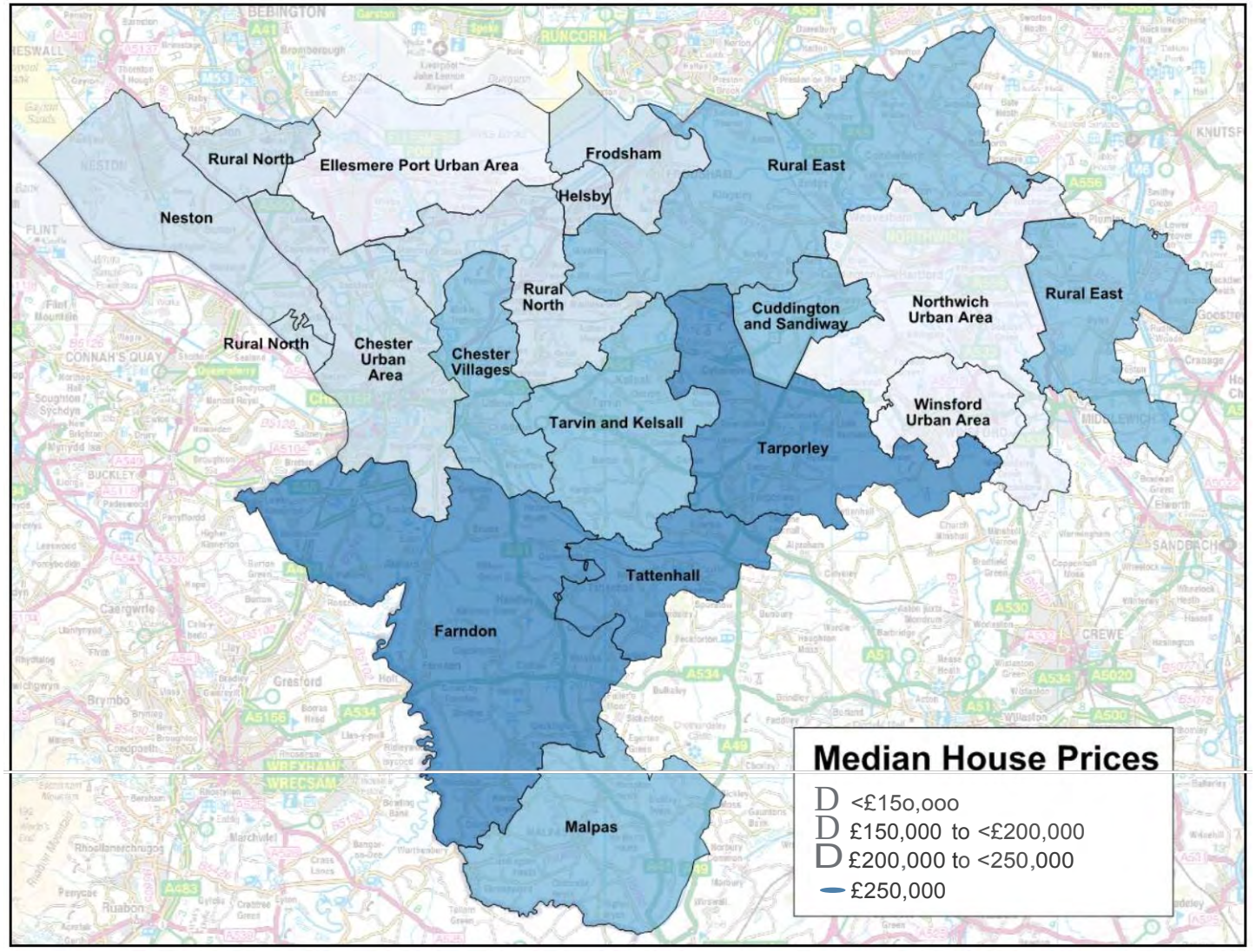
3.4 The distribution of average house prices is illustrated in Map 3.1. This indicates that prices tend to be lower in the towns of Winsford, Northwich and Ellesmere Port; and the Blacon and City areas of Chester City. Highest prices are in the rural areas to the east of Chester and into mid-Cheshire.

[6] ONS 2011 Census

Figure 3.1 House prices 1996 to 2012: Cheshire West and Chester, regional and national trends



Map 3.1 Median house prices in 2012-13



Source: Land Registry Price Paid Data 1 Feb 2012 to 25 March 2013

Relative affordability

3.5 The relative affordability of open market dwellings in Cheshire West and Chester is compared with the other 39 districts in the North West in Table 3.1. Table 3.1 presents lower quartile house prices, lower quartile gross income of full-time workers and a ratio of lower quartile incomes to house prices. Overall, Cheshire West and Chester is ranked the 8th least affordable district in the North West. This compares with the 11th least affordable Local Authority area in 2010 and the 6th least affordable district in 2011.

Household migration and search behaviour

3.6 Annual migration data is prepared by the Office of National Statistics (ONS) based on patient re-registrations with the National Health Service (NHS). Although it has limitations, it is the best annual source of internal migration data from within England and Wales. Over the period July 2008 to June 2011 (3 years) a total of 35,640 people have moved into Cheshire West and Chester, particularly from Cheshire East, Flintshire, Wirral, Liverpool and Manchester. 35,620 have moved out (most noticeably to the same localities of Cheshire East, Flintshire, Wirral, Liverpool and Manchester. The result is a negligible change in population due to migration to/from elsewhere in England and Wales, with a slight net outflow of 20 residents recorded over the three years..

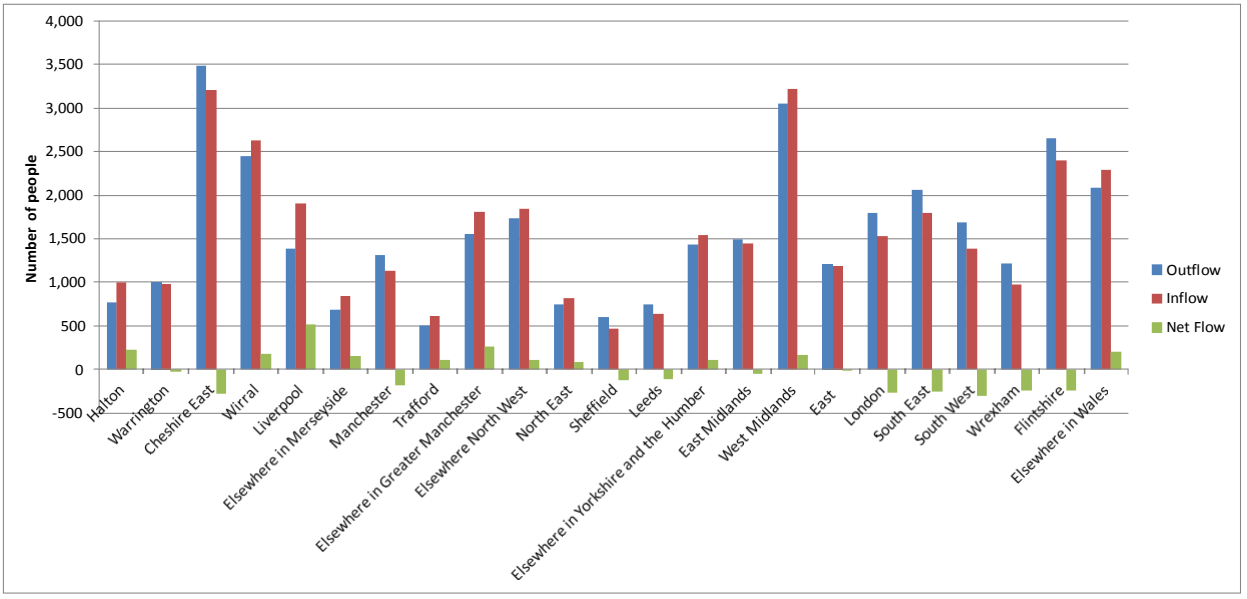
Table 3.1 Relative affordability of lower quartile prices by Local Authority

District	Lower Quartile House Price 2012*	LQ Gross Income per week 2012	Annual Gross Income 2012	Income to House Price Ratio
South Lakeland	£142,000	£315	£16,354	8.7
Eden	£125,000	£312	£16,203	7.7
Trafford	£142,000	£385	£20,036	7.1
West Lancashire	£126,250	£353	£18,340	6.9
Ribble Valley	£129,200	£366	£19,053	6.8
Cheshire East UA	£122,500	£357	£18,559	6.6
Fylde	£122,000	£357	£18,538	6.6
Cheshire West and Chester UA	**£119,000**	**£349**	**£18,143**	**6.6**
South Ribble	£108,000	£329	£17,108	6.3
Sefton	£110,000	£340	£17,696	6.2
Stockport	£117,000	£367	£19,100	6.1
Warrington UA	£108,000	£352	£18,288	5.9
Wyre	£103,000	£336	£17,472	5.9
Lancaster	£100,000	£331	£17,228	5.8
Wirral	£104,000	£357	£18,538	5.6
Chorley	£107,500	£370	£19,214	5.6
Allerdale	£90,000	£327	£17,014	5.3
North West	£93,453	£340	£17,696	5.3
Preston	£88,250	£323	£16,817	5.2
Manchester	£90,000	£332	£17,274	5.2
Carlisle	£89,000	£341	£17,737	5.0
Bury	£91,000	£359	£18,668	4.9
Tameside	£80,000	£322	£16,765	4.8
Salford	£83,500	£337	£17,508	4.8
Halton UA	£82,000	£337	£17,503	4.7
Blackpool UA	£70,500	£293	£15,220	4.6
Oldham	£77,000	£324	£16,864	4.6
Knowsley	£81,000	£343	£17,815	4.5
Rossendale	£75,000	£320	£16,645	4.5
Wigan	£79,950	£344	£17,904	4.5
St Helens	£76,000	£331	£17,191	4.4
Bolton	£73,000	£320	£16,640	4.4
Blackburn with Darwen UA	£65,550	£297	£15,418	4.3
Liverpool	£75,000	£342	£17,794	4.2
Rochdale	£75,000	£349	£18,143	4.1
Barrow-in-Furness	£73,000	£355	£18,434	4.0
Hyndburn	£60,000	£305	£15,844	3.8
Pendle	£58,000	£311	£16,177	3.6
Copeland	£81,000	£452	£23,478	3.5
Burnley	£45,450	£320	£16,640	2.7

*Q3 2012

Sources: CLG House Price Statistics; Annual Survey of Hours and Earnings 2012

Figure 3.1 Net flows of population between Cheshire East and other areas July 2008 to June 2011



Source: ONS Migration Flow Data via NHSCR

Characteristics of moving households

Mobility and migration trends

3.7 Data from the household survey indicated that around 39,458 households had moved home in the preceding 5 years. Of these households 65.7% originated within Cheshire West and Chester and 34.3% originated from outside the area. Although this is below the 70% figure suggested by CLG, it is only marginally below and as such, Cheshire West is an appropriate geography for planning purposes over which to assess and meet housing requirements. It is also noted that of the households that intend to move over the next five years, over 70% intend to remain in Cheshire West and Chester (see paragraph 3.31).

3.8 Table 3.3 summarises the origins of households moving to a property within Cheshire West and Chester. There is, most notably, a relationship with Cheshire East, Wirral and Flintshire in terms of the origin of household moves.

Table 3.3 Origin of moving households in preceding 5 years

Origin	Number	%
Wrexham / Flintshire	1278	10.4
Elsewhere in North Wales	361	2.9
Whitchurch / Oswestry	170	1.4
Elsewhere in Shropshire	168	1.4
Wirral	1111	9.0
Liverpool	321	2.6
Elsewhere in Merseyside	88	0.7
Halton	271	2.2
Warrington	613	5.0
Cheshire East	1472	11.9
Greater Manchester	740	6.0
Elsewhere in North West	538	4.4
Elsewhere in UK	4636	37.6
Outside UK	576	4.7
Total (Valid responses)	12342	100

Characteristics of in-migrant households

3.25 The household survey identified around 13,500 households who had moved into Cheshire West and Chester in the preceding five years. Information relating to in-migrant households includes:

Most moved into a house, with a relatively even split between semi-detached houses (24.3%), detached houses (22.1%), terraced houses (21.4%) and flats/apartments (20.9%). 9.4% moved into a bungalow;

44.1% moved into smaller properties with one (14.3%) and two (29.8%) bedrooms; 35.6% moved into a three bedroom property and 20.2% into a property with four or more bedrooms;

46.6% moved into owner occupied properties; 40.9% into private renting and 12.4% moved into affordable (social and affordable rented/intermediate tenure) dwellings;

Singles (under 60) accounted for 28.8% of in-migrant households; couples (no children) 24.6%; couples with children 23.6%; lone parent families 6.9%; older singles and couples 13.1%; and 2.9% were other household types;

38.3% of in-migrant household reference people (Heads of Household) were aged 16-39, a further 39.2% were aged 40-59 and 22.4% were aged 60 or over;

The majority of heads of household of in-migrant households were in employment (66.4%, of which 48.9% were full-time, 10.2% were part-time and 7.3% self-employed), with a further 18.7% wholly retired from work, 5.9% unemployed, 3.3% looking after the home, 2.4% permanently sick/disabled, and 1.5% in full-time education and available for work;

44.6% of households had a weekly income of at least £500 (with 27.9% receiving at least £950 each week); a further 19.1% received between £300 and £500 each week and 25.5% received less than £300 each week;

The main reasons for moving were to be closer to work/new job (23.4%), to be closer to family/friends to give/receive support (13.1%) and to move to a better neighbourhood/more pleasant area (10.2%)

3.26 In summary, around 31.3% of households moving in the past five years originated from outside Cheshire West and Chester. Of this number, 39.8% were from neighbouring authorities. Most moved into either owner occupation (46.6%) or private rented accommodation (40.9%), with 12.4% moving into affordable housing. 38.3% of in-migrant households had a Head of Household aged between 16 and 39, with a further 39.2% aged 40-59. Overall 66.4% were in employment and 44.6% had an income (of Head of Household and partner) of at least £500 each week.

Residential mobility within Cheshire West and Chester

3.27 The household survey identified that almost two-thirds (68.7%) of households moving within the preceding five years had moved within the Cheshire West and Chester area (around 26,000 households).

3.28 Households moving within the Cheshire West and Chester area were doing so for a variety of reasons. Those most frequently reported were moving to a larger/better property (18.3%), being forced to move (10.1%), and wanting to buy (9.8%).

3.29 Table 3.4 reviews the tenure choices of households moving within the Cheshire West and Chester area. The majority of households remained within the same tenure, with social renters being the most likely to remain in the same tenure (85.0%), followed by owner occupiers (71.3%) and those in private rented accommodation (60.4%). Respondents who had previously lived with family and friends (i.e. newly forming households) were most likely to move to private renting (47.4%), followed by a relatively even split between affordable (28.0%) and owner-occupied (24.6%) accommodation (23.9%).

Table 3.4 Residential mobility – movement between different tenures

Current Tenure	Previous Tenure (%)						
	Owned	Private Rented	Affordable	Previously living with family/friends	Other	Total	Base
Owned	71.3	22.4	6.2	24.6	27.6	36.8	8623
Private Rented	19.2	60.4	8.9	47.4	14.6	38.3	8974
Affordable	9.5	17.2	85.0	28.0	57.8	24.9	5845
Total	100.0	100.0	100.0	100.0	100.0	100.0	23442
Base	7664	9088	2858	3640	192	23442	23442

Source: 2013 Household Survey

3.30 Table 3.5 considers the profile of dwellings being moved into by households moving within the Cheshire West and Chester area. Households are moving into a variety of dwelling types and sizes, most notably to: two (36.4%) and three (34.3%) bedroom dwellings; semi-detached houses (27.4%) and flats/apartments/maisonettes (26.3%).

Table 3.5 Residential mobility – profile of properties moved into by type and size

No. of bedrooms	Property type (Table %)						
	Detached house	Semi-detached house	Terraced house/ town house	Bungalow	Flat/ Apartment/ Maisonette	Other	Total
One	0.0	0.6	1.2	3.4	10.6	0.2	15.9
Two	1.3	6.4	9.2	4.3	14.9	0.3	36.4
Three	5.0	18.4	6.8	3.5	0.4	0.1	34.3
Four	7.6	1.7	1.5	0.5	0.4	0.0	11.6
Five or more	1.4	0.3	0.0	0.0	0.0	0.0	1.7
Total	15.4	27.4	18.6	11.8	26.3	0.6	100.0
Base (valid responses)							23413

Source: 2013 Household Survey

Households planning to move

3.31 Around 28,800 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, 70.7% of households intend on remaining in Cheshire West and Chester and 29.3% intend to move out of the District. The latter include Wirral (3.2%), Cheshire East (2.8%), Greater Manchester (2.1%) and elsewhere in North Wales (2.0%), with 10.3% stating elsewhere in the UK and 4.1% overseas.

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

Destination (first choice) Within Cheshire West and Chester	%
Chester City/suburbs	27.5
Ellesmere Port	7.0
Northwich	10.7
Winsford	3.7
Christleton/Waverton	2.5
Cuddington/Sandiway	1.7
Farndon	0.4
Frodsham	3.8
Helsby	0.9
Kelsall	1.3
Malpas	0.8
Mickle Trafford	0.4
Neston	3.8
Saughall	0.7
Tarporley	3.3
Tarvin	1.4
Tattenhall	0.8
Total Within	70.7
Outside Cheshire West and Chester	**%**
Wrexham/Flintshire	1.1
Elsewhere in North Wales	2.0
Wirral	3.2
Elsewhere in Merseyside	0.7
Halton / Warrington	0.8
Cheshire East	2.8
Greater Manchester	2.1
Elsewhere in North West	1.5
Shropshire	0.6
Elsewhere in UK	10.3
Outside UK	4.1
Total Outside	29.3
Grand Total	100.0
Base (Valid respones)	28819

Source: 2013 Household Survey

3.32 The main reason why households plan to move out of Cheshire West and Chester is to have a larger property or one that is better in some way (14.0%), to be closer to work/new job (12.7%), to be in a better neighbourhood or more pleasant area (12.4%), to be closer to family/friends to give/receive support (9.6%) and to be closer to family/friends for social reasons (8.8%).

Travel to work trends

3.33 The further release of 2011 census data will provide a detailed analysis of travel to work patterns and the extent to which residents in the Cheshire West and Chester area travel to other areas together with details of how many people commute into the area.

3.34 The 2013 Household Survey can provide an indication of travel work patterns by considering the workplace of economically active Heads of Household. Analysis indicates that 64.7% worked within Cheshire West and Chester and 35.3% worked elsewhere, particularly Cheshire East, Greater Manchester, Wirral, Wrexham and Flintshire.

Estate agent views on housing market dynamics

3.35 In order to obtain a deeper insight into housing market dynamics, interviews have been carried out with 12 Estate Agents[7] operating across Cheshire West and Chester during April 2012 as part of the 2012 SHMA update. A summary of views obtained are now presented for localities within Cheshire West and Chester.

Market characteristics and key drivers

3.36 In the main, the active markets were seen as families, mostly moving within the local areas, with schools as a key consideration. Not so much movement in the FTB market and this is seen as a direct result of difficulty in accessing finance. Generally rural locations are more popular than town/city although in the case of Chester the high cost of City Centre was seen as a limiting factor. The Chester market was assessed by one agent as split 70-30 between locals and newcomers, also the impact of student demand should not be underestimated within the centre. Winsford however noted in migration amongst people moving into the area to take up jobs, sometimes on term contracts. Also noted was demand for smaller homes and bungalows for downsizers rather than those unable to afford mortgages. Outlying villages are seeing good sales in both family homes and bungalows.

3.37 Northwich is seeing a lot of activity at the cheaper end with investors snapping up properties for buy to let and FTB's taking up shared ownership options on new build schemes. The market there is viewed as 60% local, 20% wider

[7] Winsford - LMS Property, Bridgefords; Chester - Swettenhams, Reeds Rains; Northwich - Entwistle Green, Reeds Rains; Helsby/Frodsham - Andrew Hayes, Reeds Rains; Ellesmere Port – Cavendish Manley, Entwistle Green; Malpas/Tattenhall Emma Creasey, County Homesearch

county and the remaining 20% national and international. Schools are a key factor in area choice especially Hartford and Davenham. For Hartford and surrounding areas one agent noted a trend for people moving out of the south of England to free up capital whilst still being able to commute to London due to the train service available from Hartford.

3.38 In Helsby and Frodsham markets were seen as fairly static, any movement being for families and retired. It is seen as a good travel to work area for both Liverpool and Chester. Ellesmere Port was the only area to mention repossessions as a key driver, although all mentioned that they had dealt/were dealing with some. Such sales were mostly being picked up by buy to let investors as they had cash. Most of the movement in sales of family homes was rural/suburban with virtually no footfall in town centre offices. Malpas and Tattenhall were the only areas to mention the high net worth market and whilst there was virtually no activity in the FTB market, this was not seen as a problem.

3.39 All mentioned that price was important and that area was key – primarily schools and access to good services/shopping. Ethnic demand was not seen as significant, nor was moving closer to work or family/social networks. Travel to work costs likewise do not seem to be having an impact so far.

House Prices

3.40 All areas reported prices now beginning to stabilise after falling for some time. Homes in more desirable areas are able to sell more quickly and closer to the asking price than those in less desirable areas, but this was seen as the "normal" market operating albeit from a lower base. There was almost universal agreement that the difficulty of obtaining mortgage finance was a key dampener at the lower end of the market and FTBs especially, with the need for large deposits causing particular problems. Whilst it was not seen as universal, the number of lenders looking at net disposable income rather than gross income multipliers was seen as on the increase. Those Agents with in house mortgage advisors were more positive about accessing finance for clients in this climate.

3.41 One agent in Chester reported particular price volatility for ex-local authority homes, but other than that the view was that the market was likely to remain stable for the foreseeable future, although agents did talk about needing to manage expectations carefully.

Affordability

3.42 All areas noted a problem with affordability for first-time buyers and it was only in Chester and Northwich that shared ownership was seen as a key factor in the market, albeit not always positive. One Chester Agent pointed out that purchasers of shared equity products from a few years ago were now finding it difficult to move as newer products are on the market at lower capital costs

(Arena Homes), the leases do not allow for renting out so the owners feel trapped in their current properties. There was a strong view that Housing Associations should adopt a more helpful stance to those caught in this way in order to keep the market moving. That said, areas where there was no 'product' to help first-time buyers felt it would help if there were some.

3.43 Whilst repossessions were seen as a factor in Chester and Ellesmere Port, generally downsizing for affordability was not, this was mostly put down to empty nesting and equity release. All agreed that the average age of purchasers had gone up but put this down to the absence of first-time buyers as a result of lack of mortgage finance and the difficulty of saving deposits along with all their other living costs/commitments.

New Build Activity

3.44 In the more outlying rural areas, most new build tended to be piecemeal and often for clients who acquired sites for their own homes, others were for small niche developments. Seddons are currently building and selling in Malpas, 8 homes with 2 unsold. There is a scheme awaiting Secretary of State appeal decisions in Winnington (1200 homes) Redrow are building in Winsford and offering 95% mortgages on 29 homes only a few of which might fall into the first time buyer range.

3.45 Given the relatively low level of activity on new build and the tendency for developers to sell direct rather than use agents, most experience was with the resale market rather than initial purchasers, but the general view was that the split was as outlined under question 1, with the majority of the market being local and moving within the area for more bedrooms or to be closer to schools/amenities. There wasn't a feeling that new supply was having an adverse impact on other areas and given the scarcity of mortgage finance, developers were not taking the plunge unless they felt they could sell i.e. the Redrow Newbuy scheme but this is on a fairly small scale.

The Role of the Buy to Let Market

3.46 With the exceptions of Malpas and Tattenhall where the market was described as 'high net wealth', the private rented sector was reported as very active across all price ranges and areas. Whilst some buy to let properties were due to failed sales, most are investor driven as demand for private rented property is high (probably due to scarcity of mortgages). In fact as sales of homes to owner occupiers have fallen off, it has been investor sales and subsequent lettings and management that have kept some agencies buoyant. One Chester agent noted that Buy to Let accounted for 30-50% of sales within the City. Only Chester and Ellesmere Port noted any problems with Buy to Let in certain parts of their areas, specific to certain streets or developments that were attracting a poor reputation, either due to poor build quality or poor maintenance leading to high turnover. Most other areas were keen to stress that the private rented

sector was attracting the same sorts of people who might otherwise be buying and there were no issues of integration. The only lingering concern was that cash buyers of cheaper property were squeezing out first time buyers.

Trends

3.47 In the main, there was a general view that there were no special factors beyond the usual ones that influence demand for property, although price and value for money was seen as a key driver, it was still schools as the highest priority, with proximity to good transport links and amenities coming close. Quality and age of stock seemed to be less of an issue as if the area is popular, older properties tend to have been better cared for and newer properties will have been built to the better specifications. There was a general view that outside of Chester itself, the rural areas of Cheshire West had an advantage over places like Alderley Edge as they could offer pretty much the same overall environment but at lower cost and no real sacrifice to accessibility given the good rail and road links.

3.48 It was only in Northwich that regeneration activity was noted as needed/under discussion and here it was felt that the delays and lack of certainty about what might happen was a dampener on confidence and was exacerbating the problems with the town centre being all charity shops rather than a good range of local retail. With the exception of some adverse comment about HA intransigence in relation to difficult to sell shared equity homes, none of the agents interviewed was aware of Housing Associations playing a key role within the various local housing markets. In Chester it was acknowledged that substantial expenditure had taken place in the city centre, although it was unclear whether this had been general investment or a specific regeneration programme and there did not appear to be links to other public sector or HA activity.

Developer views on the housing market

3.49 Developers were consulted as part of the EVA and some of their views regarding the housing market in Cheshire West and Chester are summarised here:

Densities: Developers felt that densities were too high in Chester, and that high density schemes were no longer in demand and were subsequently not viable in the current market. Lower density (30dph) more traditional schemes were currently being brought forward as these are the type of schemes that are selling;

Rural development: Developers felt that in the current market there is more scope to develop in the higher demand areas, especially rural areas such as Delamere. Values within these locations have been protected to a greater extent than elsewhere. There was a sense that development possibilities in these localities should be explored further;

Development costs: developers flagged that delivering on the Code for Sustainable Homes level 3 has had the biggest impact on development costs in the recent past, although to some extent the competitive market was felt to be pinning down construction costs;

Set up costs/funding/loans were identified as having a significant impact on viability; on more risky developments a greater profit margin is needed to cover the higher loan costs associated with this sort of development. The profit margin needs to be greater because of the increased risk;

Concerns were raised about the potential impact that increasing CIL costs will have on development, it was felt that increased CIL costs will impact on land values. If it increases beyond £1,600 this will impact on delivery, and could prevent sites coming forward if the land owner is not prepared to negotiate. In terms of CIL the Council needs to accept that the rate at which it levies its CIL will impact upon affordable housing delivery given that CIL has a priority over affordable housing; if the CIL charging policy is set too high affordable housing will be a casualty; and

Sales rates: developers suggested that rates as low as two or three per month were currently being achieved, although it does depend upon the location of the site. Big sites and the number of developers dilute sales rates as there is only a finite number of buyers. Location and competition are the two main drivers.

3.50 There were concerns from developers as to how the outputs from the EVA would be used by the Council, that a headline figure would form the basis of a policy, which would not be sufficiently adaptable or flexible enough to enable delivery in the current market. There were calls for locational flexibility to be embedded within any new policy approach.

3.51 Similarly, the developers felt that the EVA study should not be used as a means of predicating affordable housing supply and setting a subsequent universal target. Locational and area based differences within the CWAC market area should equate to a range of targets covering the different areas, applied appropriately to sites based on their location.

Registered Providers

3.52 Ensuring an on-going supply of affordable housing is a key challenge currently facing RPs working across CWAC. The impact on the Council of RPs not delivering enough new affordable homes will be an increase in homelessness and waiting lists, and a sustained build-up of pressure on existing stock.

3.53 Across Cheshire there has been a dramatic decline in the number of affordable housing completions linked to the economic downturn, the introduction of the new affordable rent model and the decline in capacity to secure affordable homes on Section 106 sites. Consequently, RPs are looking to develop alternative delivery models to ensure that post 2015 there is a supply of affordable housing.

3.54 Whilst RPs operating in CWAC did relatively well in terms of the new affordable rent programme, the reality of the new regime is that grant levels are low and there is only a limited level of grant available to facilitate new affordable housing supply. This means that on private sites opportunities to deliver affordable housing could be lost, with developers unable to subsidise homes to the extent needed to compensate for the lack of grant subsidy.

3.55 Work is underway across Cheshire with both local authorities and RPs to try and establish a strategic investment vehicle to stimulate the supply of new homes, with local authorities looking to contribute land to enable new development in the future. Land supply was identified as a massive issue, and unless land can be made available by local authorities at reduced values then new affordable housing developments will struggle to get off the ground. Delivery of new affordable rented homes can only happen where some form of subsidy is used to 'top up' the grant rate, this is being done through conversions. Where no grant is available other forms of subsidy are needed, such as reduced land values or cross subsidy from homes for sale for outright ownership. There are tensions here for the local authority when considering sale of land, and it will need to weigh in the balance securing the maximum capital receipt for the land with the need to deliver affordable homes (and the consequences of not doing so).

3.56 The following were identified as issues currently affecting the housing market in and around Cheshire West and Chester:

There has been a reduction in housing supply across the board;

The supply of affordable housing has reduced, although as a proportion of the overall supply of housing it has increased;

There has been a significant increase in demand for affordable housing;

Turnover within the existing affordable housing stock is reducing, as households have nowhere to move to;

Demand is predominantly for affordable rented accommodation;

Under the new affordable rent model most RPs are letting homes at 80% of the Local Housing Allowance (as opposed to 80% of open market rent); and

RPs are concerned about the impact of welfare reforms, in particular the bedroom tax and how tenants will find the money to pay for this.

3.57 In terms of affordable home ownership, despite being a 'strange market', there remains a significant amount of activity with people buying homes through shared ownership and firstbuy. Three bed houses are in strong demand and are selling well; however, flats and smaller two bed homes are proving less popular. Affordability remains an issue, with raising the required deposit proving a significant barrier for purchasers; many purchasers are buying lower shares than previously (40% as opposed to 50%) to compensate for this.

3.58 All homeownership initiatives are currently geared to new build homes and, since the demise of homebuy direct, there is nothing enabling purchasers to buy a home from within the existing housing stock. Concerns were also raised about what would happen when the popular firstbuy scheme ends at the end of

the financial year. To date the Newbuy scheme has proved less popular but come April 2013 this is likely to be the main option available to prospective purchasers.

3.59 Concerns have been raised by providers about the impact of the new funding regime on the supply of affordable housing for sale. With an increased emphasis on providers around risk there is likely to be greater nervousness to deliver affordable housing for sale than previously – RPs can no longer risk being left with homes that they cannot sell.

3.60 Concerns were also raised about the impact of measures to restrict staircasing on shared ownership homes delivered in rural areas, which can render the homes un-mortgageable, and consequently unsalable. There is a need for a pragmatic and flexible approach to be adopted to facilitate delivery.

3.61 A further area of concern centred on the Right to Buy. Changes introduced by the Government in respect of discounts now mean that purchasing their home is likely to prove more attractive to tenants than other affordable home ownership options. It is also likely to be popular with tenants concerned about their security of tenure in the wake of the Government's social housing reforms. Modelling carried out by RPs shows that with the new Right to Buy discounts, mortgage repayments for tenants would be cheaper than their rental payments. The increased discount provides a significant buffer of equity and enables tenants to access competitive mortgages.

3.62 Furthermore, it is unlikely that, given the position in respect of Right to Buy receipts, like for like reprovision of affordable rented housing will not be possible in CWAC. Stock holding local authorities (as in the former Ellesmere Port area) can only retain up to 30% of Right to Buy receipts to use for affordable housing reprovision; £17,000 of each Right to Buy receipt has to be paid into the Attributable Debt Pot to cover Housing Revenue Account debt. In some areas as little as £10,000 will be left after the sale of a home through Right to Buy to reprovide a new affordable home. At best this will mean that the sale of two homes will be necessary to provide one new one, which represents a significant threat to the supply of affordable homes in CWAC.

Concluding comments

3.63 The purpose of this chapter has been to consider the general housing market context of Cheshire West and Chester and its inter-relationships with other areas. By reviewing house prices, migration and travel to work patterns, a picture of the market dynamics of Cheshire West and Chester emerges.

4. Strategic Housing Market Assessment Core Outputs

Introduction

4.1 The purpose of this chapter is to update where possible the core outputs required by the SHMA guidance relating to Cheshire West and Chester.

Core Output 1: Estimates of current dwellings in terms of size, type, condition, tenure

4.2 According to the 2011 census there were a total of 147,568 dwellings across Cheshire West and Chester and a total of 141,142 households. The total number of dwellings has increased from 146,626 in 2010.

4.3 According to the 2011 Housing Strategy Statistical Appendix there were 4,777 vacant dwellings across Cheshire West and Chester, an increase from 4,571 in 2010.

Property size and type

4.4 Table 4.1 reviews the profile of dwelling stock by size and type based on 2013 household survey. Overall, the vast majority (75.3%) of properties are houses, 12.6% are bungalows, 11.1% are flats/maisonettes and 1% are other types of property including park homes/caravans. Of all occupied properties, 8.4% have one bedroom, 23.5% two bedrooms, 43.8% three bedrooms, 20.2% four bedrooms and 4.2% five or more bedrooms.

Table 4.1 Property type and size

Property type	No. Beds (Table %)					
	One	Two	Three	Four	Five or more	Total
Detached house	0.1	0.8	8.3	14.8	3.3	27.2
Semi-detached house	0.2	4.6	22.3	3.4	0.6	31.2
Terraced House	0.5	6.5	8.7	1.0	0.2	16.9
Flat/Maisonette	1.6	4.7	4.0	0.8	0.0	11.1
Bungalow	5.7	6.5	0.3	0.1	0.0	12.6
Other/not known	0.3	0.5	0.1	0.1	0.0	1.0
Total	8.4	23.5	43.8	20.2	4.2	100.0
Base (Valid responses)	139965					

Source: 2013 Household survey

Property condition

4.5 The 2013 Household Survey reviewed the extent to which households were satisfied with the state of repair of their dwellings. Overall 81.1% of respondents expressed satisfaction (38.5% were satisfied and 42.6% were very satisfied; 11.4% were neither satisfied nor dissatisfied; a total of 7.4% expressed degrees of dissatisfaction, although only 1.2% were very dissatisfied. Table 4.2 explores how the level of dissatisfaction varied by dwelling tenure, age and type.

4.6 Data suggests that private renters (particularly tied renters), social renters; households living in maisonettes and terraced houses; and households living in older (pre-1919 and 1919-44) properties were most likely to express dissatisfaction with state of repair.

Table 4.2 Dissatisfaction with state of repair by property tenure, age and type

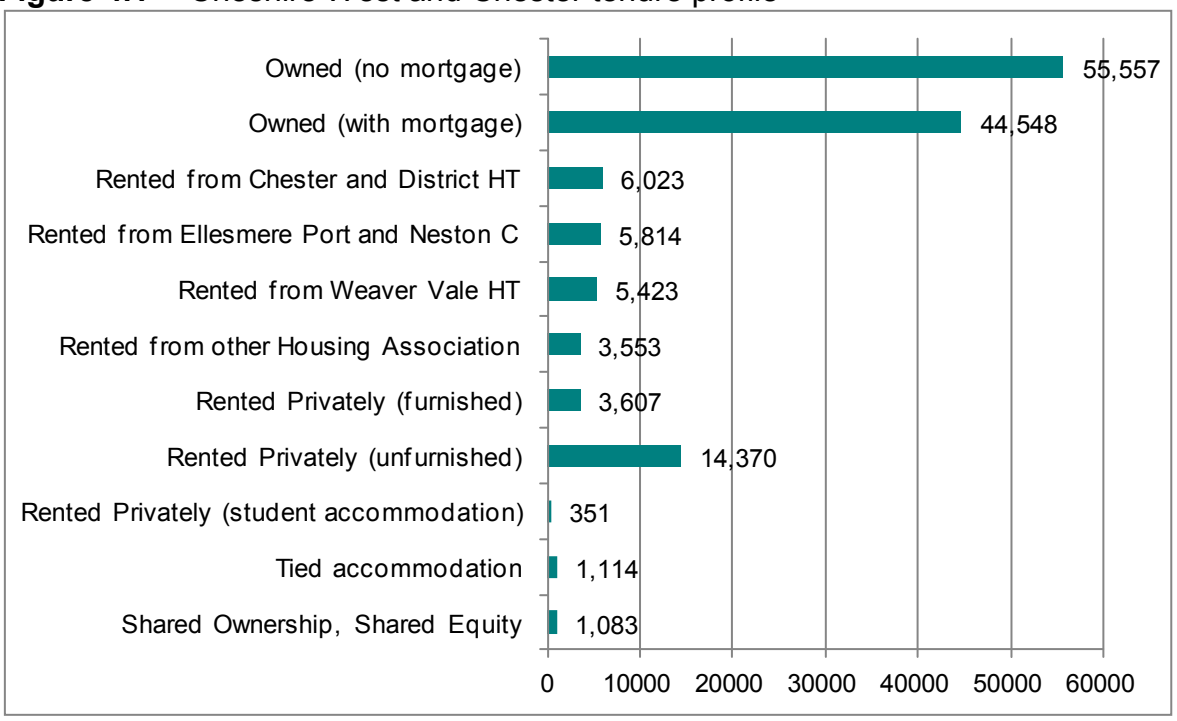
Tenure	% dissatisfied	Base
Owned (no mortgage)	2.6	57253
Owned (with mortgage)	7.2	42852
Rented Privately (furnished)	8.9	3712
Rented Privately (unfurnished)	15.4	14818
Rented from Chester and District Housing Trust	10.9	6123
Rented from Plus Dane Group	23.5	4799
Rented from Weaver Vale Housing Trust	12.5	5531
Rented from a Housing Association	8.7	4367
Shared Ownership etc	9.3	1077
Tied accommodation	37.8	912
Total	7.4	141442
Property Type	**% dissatisfied**	**Base**
Detached house	3.3	38097
Semi-detached house	9.2	43668
Terraced house/town house	11.1	23832
Bungalow	3.9	15602
Maisonette	19.2	835
Flat/Apartment	9.1	16846
Caravan / Park Home	5.5	596
Other	17.7	791
Total	7.4	140267
Missing cases		1175
Property Age	**% dissatisfied**	**Base**
Pre 1919	10.2	20396
1919-1944	11.5	19368
1945-1964	7.9	27194
1965-1984	5.0	33904
1985-2004	4.0	25651
2005 on	0.8	6496
Total	6.9	133009
Missing cases		8433
Grand Total	7.4	141442

Source: 2013 Household Survey

Property tenure

4.7 The tenure profile of Cheshire West and Chester based on 2011 census data is summarised in Figure 4.1. Overall, 70.7% of occupied dwellings are owner-occupied, 15.4% are affordable (social/affordable rented and intermediate tenure) and 13.7% are private rented. These compare with 2001 census figures of 74.4% owner occupied, 17.1% affordable and 8.7% private rented.

Figure 4.1 Cheshire West and Chester tenure profile



Source: 2013 household survey; 2011 census

4.8 The tenure profile by Spatial Area is presented in Table 4.3. This shows some notable variations in tenure profile, for instance relatively higher proportions of privately renting households in Chester and rates exceeding 20% in Farndon and Tattenhall;; higher proportions of affordable/social rented households in Ellesmere Port and Winsford; and higher proportions of owner occupying households in the Wider Rural areas (and exceeding 85% in the Rural East and Chester Villages areas)

Table 4.3 Tenure profile by Spatial Area

Spatial Area	Tenure				
	Owner Occupied (%)	Private Rented (%)	Affordable/ Social Rented (%)	Total (%)	Base
Chester Urban Area	62.7	19.3	18.1	100.0	35642
Chester Villages	85.4	9.8	4.8	100.0	3498
Cuddington and Sandiway	83.6	8.4	8.1	100.0	2297
Ellesmere Port Urban Area	68.5	10.7	20.8	100.0	25963
Farndon	70.1	21.9	7.9	100.0	2552
Frodsham	76.6	12.3	11.2	100.0	4119
Helsby	80.4	12.1	7.5	100.0	2192
Malpas	68.8	19.1	12.1	100.0	1755
Neston	75.9	10.8	13.3	100.0	7179
Northwich Urban Area	71.7	13.1	15.1	100.0	22732
Rural East	85.7	9.0	5.3	100.0	6358
Rural North	82.9	10.5	6.7	100.0	7514
Tarporley	78.2	12.2	9.5	100.0	1969
Tarvin and Kelsall	82.3	10.7	7.0	100.0	3294
Tattenhall	68.4	21.6	10.0	100.0	1921
Winsford Urban Area	65.7	11.8	22.6	100.0	12457
Cheshire West and Chester	**70.8**	**13.7**	**15.5**	**100.0**	**141442**

Source: 2013 Household Survey

Total dwelling stock

4.9 In 2011, there were a total of 147,568 residential dwellings in Cheshire West and Chester of which 141,442 are occupied by households [8]. How the profile of dwelling stock varies by Spatial Area is presented in Table 4.4.

Table 4.4 Total dwelling stock by Spatial Area

Property type/size	Area (%)								
	Chester Urban Area	Chester Villages	Cuddington and Sandiway	Ellesmere Port Urban Area	Farndon	Frodsham	Helsby	Malpas	Neston
Bungalow 1-2 Bed	4.5	5.2	6.8	4.6	6.1	8.2	9.9	14.4	10.3
Bungalow 3+ Beds	3.7	9.5	8.8	3.4	5.3	4.6	7.5	6.1	8.7
Flat 1 Bed	11.0	3.7	2.6	4.9	0.8	4.1	1.2	2.3	5.5
Flat 2 Beds	11.8	0.4	3.6	8.4	0.4	7.1	3.2		5.6
Flat 3+ Beds	0.8	0.6		0.3	0.2	0.7			
Terraced 1-2 bed	10.7	1.9	3.9	3.4	8.1	4.1	5.5	6.1	7.9
Terraced 3+ Beds	12.4	7.2	4.5	14.3	5.8	8.3	9.3	3.4	8.3
Semi-detaced 1-2 Beds	3.1	3.8	2.8	4.8	6.0	4.5	4.1	3.0	1.2
Semi-detached 3 Beds	20.4	15.2	14.9	31.6	15.3	19.8	25.7	17.4	16.2
Semi-detached 4+ Beds	5.5	5.9	4.2	2.2	3.3	4.6	4.0	2.0	4.8
Detached 1-3 Beds	6.4	8.5	7.4	7.3	18.1	13.2	12.5	17.7	10.6
Detached 4+ Beds	8.9	37.7	40.5	14.6	29.6	19.4	14.6	26.2	20.6
Other	0.7	0.1		0.2	1.0	1.5	2.4	1.4	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	35228	3469	2284	25747	2523	4105	2175	1745	7090

Property type/size	Area (%)							
	Northwich Urban Area	Rural East	Rural North	Tarporley	Tarvin and Kelsall	Tattenhall	Winsford Urban Area	Total
Bungalow 1-2 Bed	7.7	7.7	7.0	5.8	7.1	3.4	7.2	6.3
Bungalow 3+ Beds	2.7	8.7	10.9	5.0	10.2	5.8	2.5	4.8
Flat 1 Bed	5.9	1.2	1.7	2.3	1.6	2.0	3.3	5.7
Flat 2 Beds	4.9	0.5	2.7	1.8	0.6	1.8	4.2	6.5
Flat 3+ Beds	0.3			0.8	0.2		0.1	0.4
Terraced 1-2 bed	9.5	1.6	2.4	7.5	4.9	5.7	8.5	7.0
Terraced 3+ Beds	7.9	4.1	7.3	4.6	4.8	4.1	10.7	10.0
Semi-detaced 1-2 Beds	6.5	3.1	4.2	7.4	4.2	7.8	10.2	4.8
Semi-detached 3 Beds	25.3	15.7	19.8	12.4	13.7	15.8	21.2	22.2
Semi-detached 4+ Beds	3.4	4.6	7.2	3.3	5.9	5.8	1.4	4.1
Detached 1-3 Beds	8.1	13.5	10.3	12.6	14.2	16.4	11.7	9.2
Detached 4+ Beds	17.4	34.8	23.2	35.4	28.3	30.6	18.2	18.0
Other	0.3	4.7	3.1	1.0	4.3	0.8	0.8	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	22624	6341	7421	1952	3259	1908	12399	140270

Source: 2013 Household Survey

[8] ONS 2011 Census

Owner-occupied market

4.10 Of the 70.8% of households across Cheshire West and Chester who are owner occupiers, 40.5% own outright and 30.3% have a mortgage. Most owner occupied properties are either houses or bungalows; and around three-quarters have three or more bedrooms.

4.11 Over the period 1996 to the start of 1999, median prices across Cheshire West and Chester increased from around £57,500 to £67,500. Between 1999 and 2007, median prices increased by £92,000 (136%). Table 4.5 summarises how median property prices have changed over the period 1996 to 2012 and how rates of change have varied annually, with highest proportionate increases in 2003 and 2004. The rate of house price increase slowed after 2004 and fell during 2008/9, with a slight increase reported during 2010 but prices have fallen again in the first nine months of 2011.

4.12 It is interesting to note that in 1996, a household income of around £16,500 was required to ensure that a median-priced property was affordable. By 2007, an income of around £45,600 was required, an increase of 176% and far outstripping wage inflation over this period. During 2012, the level of household income required for a median priced property to be affordable was £45,071.

Table 4.5 Median property prices in Cheshire West and Chester 1996-2012, annual rate of change and income required to be affordable

Year	Cheshire West and Chester Median Price £	% change on previous year	Income required (£)* 3.5 x multiplier
1996	£57,475	~	£16,421
1997	£60,832	5.8	£17,380
1998	£63,000	3.6	£18,000
1999	£67,648	7.4	£19,328
2000	£74,650	10.4	£21,329
2001	£82,608	10.7	£23,602
2002	£95,500	15.6	£27,286
2003	£114,833	20.2	£32,810
2004	£141,000	22.8	£40,286
2005	£145,000	2.8	£41,429
2006	£154,417	6.5	£44,119
2007	£159,650	3.4	£45,614
2008	£162,000	1.5	£46,286
2009	£157,500	-2.8	£45,000
2010	£162,500	3.2	£46,429
2011	£155,000	-4.6	£44,286
2012**	£157,750	1.8	£45,071

Notes:
*To be affordable, a property should cost no more than 3.5x household income
** Q3 2012

Source: CLG Housing Statistics

4.13 Over the period 2000 to 2012, lower quartile and median house prices[9] across Cheshire West and Chester have increased dramatically as summarised in Table 4.6.

4.14 It is interesting to note that in 2000, a household income of £14,393 was required for a lower quartile price to be affordable; by 2012 this had increased to £33,571. In comparison, an income of £20,561 was required for a median priced property to be affordable in 2000 compared with £45,714 in 2012.

Table 4.6 Lower Quartile and median price and income required to be affordable

Cheshire West and Chester	House Price (£)		Income to be affordable*	
	2000	2012	2000	2012
Lower Quartile	£50,375	£117,500	£14,393	£33,571
Median	£71,963	£160,000	£20,561	£45,714

Source: DCLG / Land Registry
*Assuming a 3.5x income multiple

4.15 In terms of household type, 29.0% of owner occupiers are couples with children, 31.5% are older (60 or over) singles and couples, 19.4% are couples (under 60 with no children), 12.3% are singles, 5.3% are lone parents and 2.4% are other household types.

4.16 The majority of owner occupiers (67.5%) have lived in their accommodation for at least 10 years (27.3% between 10 and 20 years and 40.1% for 20 years or more). 80.3% of outright owners have lived in their accommodation for at least 10 years.

4.17 The majority of Heads of Household living in owner occupied dwellings are in employment (56.4%) and a further 36.8% are wholly retired from work. The proportion retired is considerably higher for outright owners (60.4%).

4.18 Incomes amongst owner occupiers tend to be high, with 57.9% receiving at least £500 each week and 27.1% receiving at least £950 each week. That said, incomes amongst outright owners tend to be lower than for mortgaged owners, with 30.4% receiving less than £300 each week compared with 9.2% of mortgaged owners. This reflects the different age profile and economic status of outright owners.

Private rented sector

4.19 Nationally, the private rented sector has established itself as an important dimension of the housing market to complement owner occupation and social renting. Nationally, 18.1%[10] of households now rent privately which is higher

[9] Land Registry House Price information

[10] Includes 'Living Rent Free'

than those who rent from a social landlord (17.7%). 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'[11] 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).

4.20 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 households living in private rented accommodation:

tend to have younger Heads of Household;

are ethnically diverse;

singles, lone parents and other multi-adult households (for instance friends sharing) 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;

are more likely to accommodate international migrants.

4.21 The report 'The Private Rented Sector: its contribution and potential'[12] 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;

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

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

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.

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

4.23 The private rented sector accommodates around 13.7% of households (19,440) across Cheshire West and Chester. Of these households, 14,817 rent unfurnished properties, 3,711 rent furnished accommodation and 912 rent tied accommodation.

4.24 The characteristics of tenants are diverse and in particular the private rented sector accommodates singles (31.0%), couples (under 60) with no children (22.9%), lone parents (11.3%), couples with children (18.8%), older person households (11.1%) and other household types (4.9%). 49.4% have lived in their accommodation for less than two years. In terms of income, 36.3% of privately renting households receive less than £300 gross each week, 23.4% receive between £300 and £500 each week and 40.3% receive at least £500 each week, indicating that the private rented sector tends to accommodate lower income households. That said, 69.0% of Heads of Household living in private rented accommodation are employed. Only 12.7% are retired, 5.9% are unemployed, 5.2% are permanently sick/disabled and 4.2% are looking after the home.

Affordable sector

4.25 There are around 21,895 households who live in affordable properties across the Cheshire West and Chester area, accounting for 15.5% of all occupied

dwellings. Of these households 14.7% rent from a Registered Provider and 0.8% are shared ownership.

4.26 Houses account for 39.1% of occupied affordable dwelling stock, 42.7% are flats/apartments and maisonettes, 17.4% are bungalows and 0.7% are other dwelling types. Affordable dwellings tend to have one (31.9%), two (37.5%) or three (28.3%) bedrooms, with a further 2.3% having four or more bedrooms.

4.27 33.7% of households living in affordable accommodation are singles (under 65), a further 30.2% are older singles and couples, 12.0% are lone parents, 12.8% are couples with children, 7.6% are couples with no children and 3.6% are other types of household.

4.28 30.3% of Heads of Household living in affordable housing are in employment. A further 31.8% are wholly retired from work, 22.8% are permanently sick/disabled, 8.1% are unemployed, 3.1% are looking after the home and 3.0% are full-time carers/volunteers.

4.29 Incomes are generally low, with 74.5% receiving an income of less than £300 gross each week and 51.6% receiving less than £200 gross each week.

Executive housing

4.30 The executive housing market can be broadly defined as high quality accommodation suited to the needs and aspirations of higher income households. Distinctive features of executive housing include:

High property values:

- With high incomes required to support purchase and high values are linked to desirable locations; and

High quality construction including exterior and interior fittings.

4.31 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.

4.32 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.

4.33 The household survey identifies 5,659 households with an income of at least £1,050 each week who are planning to move in the next five years. Of this group of high income households, 62.6% stated a first preference location within Cheshire West and Chester, with the City of Chester/Suburbs mentioned by 20.7%.

4.34 In terms of dwelling preferences, likes and expectations are summarised in Table 4.7. This indicates a strong aspiration towards detached houses with four or more bedrooms (50.3% of households). In reality, 34.7% expect to move to a detached property with four or more bedrooms. While only 7.4% of respondents aspire to move to a semi-detached house, 24.2% expect to move into a semi-detached property.

4.35 In terms of reasons for moving, most frequently mentioned is wanting a larger property/one that is better in some way (28.5%), wanting to buy (13.6%) and to move to a better neighbourhood/more pleasant area (10.7%). A key message is that there is demand for higher specification properties from households currently living in Cheshire West and Chester and have stated a strong preference to remain in the Borough.

Table 4.7 High income household dwelling aspirations and expectations

Like/Aspiration

No. Beds	Property type (Table %)					
	Detached house	Semi-detached house	Terraced House	Flat	Bungalow	Total
One			0.0	0.1	0.0	0.1
Two	3.3	0.9	3.4	1.3	3.6	12.4
Three	21.6	6.0	0.2	1.1	6.3	35.1
Four	36.1	0.5	1.0	0.0	0.6	38.1
Five or more	14.2		0.0	0.0	0.0	14.2
Total	75.2	7.4	4.6	2.5	10.4	100.0
Base	5577					

Expectation

No. Beds	Property type (Table %)					
	Detached house	Semi-detached house	Terraced House	Flat	Bungalow	Total
One			0.0	0.2	0.0	0.2
Two	1.2	3.8	4.6	2.5	2.7	14.9
Three	19.6	16.4	3.6	1.1	4.8	45.5
Four	28.6	4.0	0.7	0.0	0.0	33.3
Five or more	6.1		0.0	0.0	0.0	6.1
Total	55.6	24.2	8.9	3.8	7.5	100.0
Base	5458					

Base: 5,659 households with an income of more than £1,050 planning to move in next five years
Source: 2013 Household Survey

Key market drivers

4.36 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic, economic and dwelling stock characteristics, as summarised in Table 4.8.

Table 4.8 Primary market drivers

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

4.37 In summary, the following demographic drivers will continue to underpin the operation of Cheshire West and Chester's housing market:

Population forecasts prepared by the Council indicate that the population of Cheshire West and Chester is set to increase from 329,600 in 2010 to 363,500 by 2030, an increase of 33,900 or 10%;

Over the next few decades, there will be a 'demographic shift' with the number (and proportion) of older people increasing. Over the period 2010 to 2030 the number of residents of pensionable age and over is expected to increase from 71,800 to 108,000 (or by 50.4%). The number aged 75 and over is expected to increase by 79.6% (from 28,000 in 2010 to 50,300 by 2030);

Across Cheshire West and Chester, according to the 2011 Census 94.7% describe themselves as White British (including English, Welsh, Scottish, Northern Irish and British). A further 2.7% are other White groups, 1.2% are Asian/Asian British, 0.9% are mixed/multiple ethnic, 0.3% are Black/Black British and 0.2% are other groups. Within the District, the proportion of residents associating with a BAME group is highest in Chester City (13.2%), Garden Quarter (12.3%), Boughton (12%) and Hoole (10%) wards;

The latest household forecasts prepared by the Council (July 2013) suggest that the total number of households is expected to increase by around 21,000 over the period 2010 to 2030 or an annual increase of around 1,050. Most of this growth will be from households headed by an older person (aged 65 and over). The households forecasts translate to a 22,000 dwelling requirement (around 1,100 each year);

The 2011 Census reports that 26.6% of households across Cheshire West and Chester comprise couples with children, 23% are older person households (single person or couple aged 65 and over), 19.1% are couples with no children, 16.4% are singles under 65, 9.8% are lone parents and 5.2% are other household types.

4.38 The following economic drivers will continue to underpin the operation of Cheshire West and Chester's housing market:

70.2% of residents 16 to 64 are economically active according to the 2011 Census which is slightly higher than the regional average of 67.8%. Unemployment in 2011 was 3.7%, compared with 4.7% regionally[13];

2013 household survey data indicates that 64.7% of employees work within Cheshire West and Chester and 35.3% commute to other areas, most notably to elsewhere in Cheshire (12.4%), Greater Manchester (5.5%), the Wirral (4.1%) and Wrexham/Flintshire (4.1%). Table 4.9 summarises the relationship between place of residence and workplace. It indicates that around half of residents in Chester, Northwich and Ellesmere Port live and work in the same Spatial Area. There were clear linkages between spatial areas and localities outside of Cheshire West and Chester, for instance: Malpas and Shropshire; Frodsham and Helsby with Halton/Warrington; and Neston and the Wirral;

Cheshire West and Chester boasts a highly qualified population, with 35% of working age residents having an NVQ Level 4 qualification (e.g. a degree) and a further 18% having an NVQ Level 3 qualification[14];

Lower Quartile incomes across Cheshire West and Chester have fallen since 2009 as illustrated in Table 4.10. In 2012 Lower Quartile earnings were £18,142, a fall of 2.3% on 2009 data. This compares with a marginal increases of 2.1% regionally and 3.6% nationally. In contrast median incomes have risen by 4.5% within Cheshire West and Chester compared with 2.7% regionally and 3.4% nationally;

Employment is centred around three commercial areas of Chester City, Ellesmere Port and Northwich;

The District has a strong economic base linked in particular to real estate, renting and business activities, and wholesale and retail.

[13] ONS 2011 Census

[14] ONS Annual Population Survey Jan 12 to Dec 12

Table 4.9a Place of residence and place of work (Chester to Neston)

Workplace	Place of residence (Column %)								
	Chester Urban Area	Chester Villages	Cuddington and Sandiway	Ellesmere Port Urban Area	Farndon	Frodsham	Helsby	Malpas	Neston
Within Cheshire West and Chester									
Chester Urban Area	60.3	36.1	3.1	23.0	27.9	8.5	15.1	6.0	11.8
Chester Villages	0.8	19.6	0.4	0.3	2.0	0.5		0.6	
Cuddington and Sandiway			20.5						
Ellesmere Port Urban Area	5.1	3.6	1.3	45.7	6.9	2.0	3.5	0.9	5.2
Farndon	1.3	1.3	0.4		26.6		0.4	1.5	
Frodsham		0.3				22.5	5.7		
Helsby	0.2	0.3		0.3		2.8	16.1		0.6
Malpas		0.3	0.4		2.9			43.3	
Neston	0.6				0.7		0.4	0.6	28.5
Northwich Urban Area	0.8	0.6	17.2			2.2	2.2	0.3	
Rural East			2.2			2.0			
Rural North	1.9	2.7	0.9	3.8	0.7	1.0	3.9	1.7	1.2
Tarporley			0.4		0.7	1.0	1.0	0.3	
Tarvin and Kelsall		1.6	2.6			1.0	0.4		
Tattenhall	0.2	1.1	0.4		1.1			4.0	
Winsford Urban Area	1.0	1.4	4.9	1.6	0.9	1.0	3.8	1.1	0.6
Cheshire West and Chester Not Specified		0.9	0.4			0.5	1.6	1.2	
Total within Cheshire West and Chester	**72.3**	**69.7**	**55.1**	**74.8**	**70.3**	**45.2**	**54.0**	**61.6**	**47.9**
Outside Cheshire West and Chester									
Wrexham / Flintshire / elsewhere North Wales	10.4	6.5	1.4	4.1	14.9	3.9	4.5	7.6	3.7
Whitchurch / Oswestry	0.4	0.3	0.0	0.0	2.0	0.0	0.0	10.2	1.2
Wirral	3.0	1.9		7.9	0.5	1.4	3.3	1.7	26.6
Liverpool	3.9	4.6	3.8	3.1	2.0	6.5	6.4	2.0	9.6
Elsewhere in Merseyside	1.1		1.1	2.8	0.5	3.7	1.3		3.7
Halton/Warrington	1.9	5.0	12.6	2.6	0.9	25.6	20.2	1.7	3.7
Cheshire East	1.9	1.8	8.4	0.3	1.6	2.6	2.4	8.3	0.6
Greater Manchester	3.4	4.2	13.1	1.6	3.3	7.3	5.7	2.6	2.4
Elsewhere in UK	1.5	5.8	4.1	2.8	3.4	3.8	2.4	4.3	0.6
Outside UK	0.2	0.3	0.4		0.7				
Total outside Cheshire West and Chester	**27.7**	**30.3**	**44.9**	**25.2**	**29.7**	**54.8**	**46.0**	**38.4**	**52.1**
Total	100	100	100	100	100	100	100	100	100
Base	17273	1756	1004	12069	1278	1867	1146	882	3002

Table 4.9b Place of residence and place of work (Northwich – Winsford and total)

Workplace	Place of residence (Column %)							
	Northwich Urban Area	Rural East	Rural North	Tarporley	Tarvin and Kelsall	Tattenhall	Winsford Urban Area	Total
Within Cheshire West and Chester								
Chester Urban Area	2.1	1.5	20.7	9.4	15.2	17.8	3.0	24.4
Chester Villages	0.2		0.9	1.0	1.7		0.3	1.0
Cuddington and Sandiway	0.2					0.5	0.9	0.4
Ellesmere Port Urban Area	1.2	0.4	9.8	0.4	3.3	2.0	0.5	10.9
Farndon			0.3	0.4	1.1	1.7	0.3	1.0
Frodsham	0.5	2.6	0.9		0.3		0.5	1.0
Helsby		0.4	1.4		0.6			0.6
Malpas						1.5		0.6
Neston			2.3	0.4	0.3	0.5		1.6
Northwich Urban Area	43.7	12.7		3.7	4.3	0.5	15.6	10.2
Rural East	0.7	27.8		0.4	0.3	0.5	1.4	1.7
Rural North	0.2		21.4	1.0	2.0	1.0		2.7
Tarporley	0.4	1.2	1.4	35.4	2.2	3.4	1.1	0.9
Tarvin and Kelsall		0.4	0.7	2.2	25.0	3.8	0.7	0.9
Tattenhall			0.5	2.2	0.6	41.8	0.5	0.9
Winsford Urban Area	6.2	4.8	1.2	3.6	3.2	1.4	37.4	5.6
Cheshire West and Chester Not Specified	0.9	0.6	0.9	0.3	0.6		0.4	0.4
Total within Cheshire West and Chester	**56.2**	**52.3**	**62.5**	**60.5**	**61.0**	**76.4**	**62.4**	**64.7**
Outside Cheshire West and Chester								
Wrexham / Flintshire / elsewhere North Wales	1.0	0.0	3.2	1.9	6.1	5.1	0.0	4.9
Whitchurch / Oswestry /Shropshire	0.2	0.0	0.0	2.0	0.6	1.0	0.0	0.4
Wirral	0.4	0.8	7.0	1.7	3.9		0.3	4.1
Liverpool	0.9	3.3	8.3	4.2	4.2	2.5	0.7	3.5
Elsewhere in Merseyside	0.5	2.0	0.5	0.4	1.3	1.1	0.7	1.4
Halton/Warrington	8.9	13.5	9.2	5.4	8.3	2.5	4.3	5.8
Cheshire East	16.8	6.9	0.9	8.3	5.9	6.9	22.7	6.6
Greater Manchester	10.1	15.3	6.2	10.8	5.4	2.5	5.1	5.5
Elsewhere in UK	5.2	5.6	2.3	4.8	3.1	2.0	3.8	3.1
Outside UK		0.4			0.2			0.1
Total outside Cheshire West and Chester	**43.8**	**47.7**	**37.5**	**39.5**	**39.0**	**23.6**	**37.6**	**35.3**
Total	100	100	100	100	100	100	100	100
Base	11751	3209	3741	918	1566	960	5979	68401

Source: 2013 Household Survey; based on workplace of household reference person

Table 4.10 Earnings in Cheshire West and Chester, North West and England

	Cheshire West and Chester	North West	England
2009			
Lower Quartile Earnings	£18,574	£17,332	£18,283
Median Earnings	£26,042	£23,930	£25,792
2012			
Lower Quartile Earnings	£18,142	£17,696	£18,933
Median Earnings	£27,206	£24,570	£26,660
% Change 2009-2012			
Lower Quartile	-2.3	2.1	3.6
Median	4.5	2.7	3.4

4.39 In terms of dwelling stock drivers:

75.3% of properties are houses, 12.6% are flats/maisonettes 11.1% bungalows, and 1.0% are other property types (e.g. caravans);

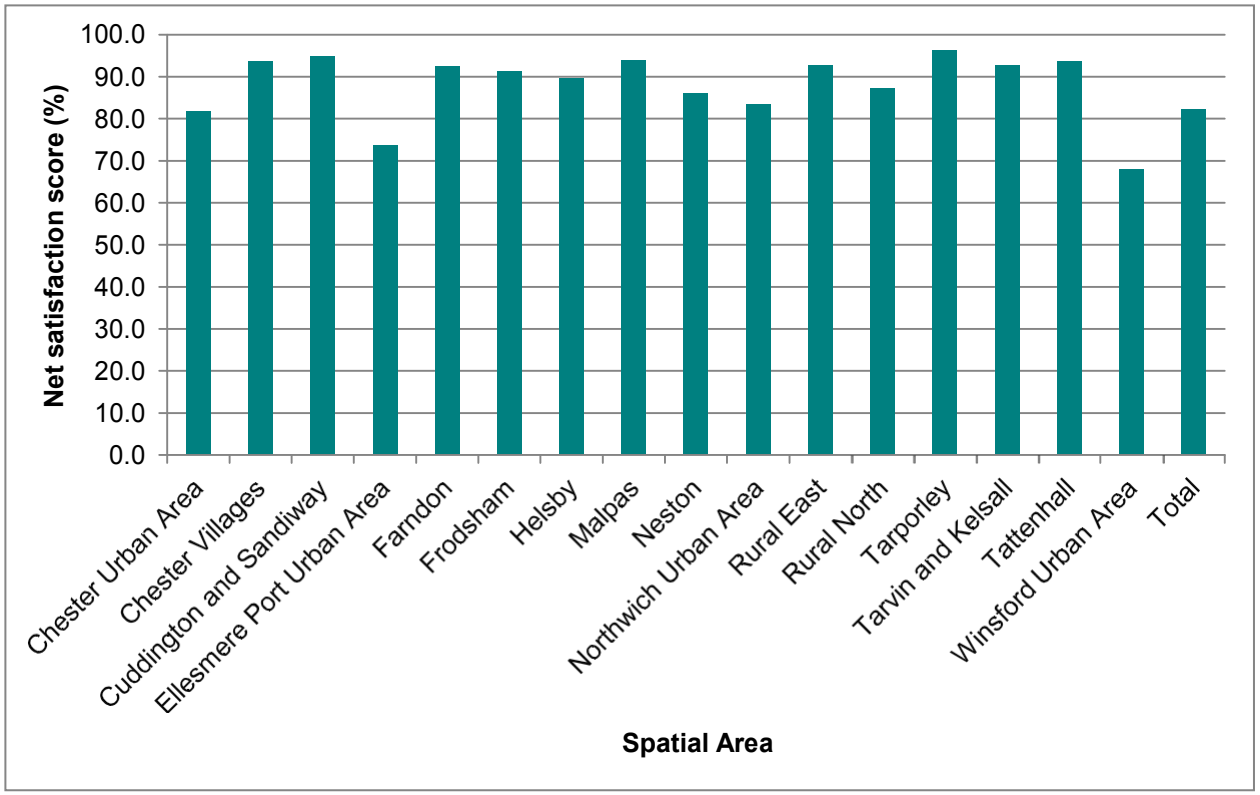
A majority of properties (70.1%) have been built since 1945 (with 49.7% built since 1965), a further 15.3% were built before 1919 and the remainder (14.6%) built between 1919 and 1945;

70.8% of properties are owner-occupied, 15.5% are affordable (social/affordable rent and intermediate tenure) and 13.7% are privately rented. This compares with regional figures of 64.5% for owner occupation, 18.8% affordable tenures and 16.7% private renting;

There is a particularly strong aspiration for houses

4.40 The 2013 household survey asked how satisfied respondents were with the area in which they lived. A net satisfaction score could be generated by calculating the proportion expressing satisfaction minus the proportion expressing dissatisfaction. Analysis by spatial area indicates that in 9 areas, the net satisfaction score exceeded 90% (with the highest scores in Cuddington and Sandiway (94.7%), Tattenhall (93.6%), Malpas (93.8%) and Chester Villages (93.5%). Lowest net satisfaction scores were in Winsford Urban Area (67.9%) and Ellesmere Port Urban Area (73.6%) (Figure 4.2)

Figure 4.2 Net satisfaction scores.



Core Output 3: Future households

4.41 The Council have prepared household forecasts based on 2011 interim CLG projections. There suggest a total household increase from 140,700 in 2010 to 161,800 in 2030, representing a total increase of 21,000 households or around 1,050 each year.

4.42 Table 4.11 illustrates how the total number of households by age of Head of Household is expected to change between 2010 and 2030. The dramatic increase in households headed by someone aged 65 and over should be particularly noted.

Table 4.11 Forecast household change 2010 to 2030

Age of HRP	Number of households		
	2010	2030	Change
Under 25	3,800	3,800	0
25-34	15,900	16,100	200
35-44	25,900	27,800	1,900
45-54	27,600	24,900	-2,700
55-64	26,200	27,900	1,700
65-74	21,100	27,100	6,000
75-84	14,800	22,200	7,400
85+	5,500	12,000	6,500
Total	140,700	161,800	21,100
Summary HRP			
Under 44	45,600	47,700	2,100
45-64	53,800	52,800	-1,000
65 and over	41,400	61,300	19,900
Total	140,800	161,800	21,000

Source: Cheshire West and Chester Council, July 2013

4.43 The 2013 Household Survey has established the tenure profile of households by age group of Head of Household in 2011. Assuming the proportions of households in particular tenures by age group stay the same, it is possible to estimate likely household change broken down by open market and affordable tenures. This is helpful in gauging the likely proportions requiring different tenure options.

4.44 Detailed analysis is presented in Technical Appendix C and is summarised in Table 4.12. In summary, analysis suggests:

The total number of households is expected to increase by 21,000 across Cheshire West and Chester during the period 2010-2030 using household forecasts prepared by the Council;

The greatest increase (19,900 households) will be from households with a Head of Household aged 65 and over. There will be a growth of 2,100 households where the Head of Household is aged under 44 and a reduction in 1,000 households where the Head is aged 45-64.

Table 4.12 Household change in Cheshire West and Chester

Change in no. households by HRP 2010-2030			
HRP	Tenure		
	Open Market	Affordable	Total
Under 25	0	0	0
25-34	168	32	200
35-44	1659	241	1900
45-54	-2376	-324	-2700
55-64	1444	256	1700
65-74	5152	848	6000
75-84	6170	1230	7400
85+	4997	1503	6500
Total	**17215**	**3785**	**21000**
Annual	**861**	**189**	**1050**
%	**82.0**	**18.0**	

Population change

4.45 The latest population forecasts prepared by the Council indicate a total population increase of 10% from 329,600 in 2010 to 363,500 in 2030 (Table 4.13).

Table 4.13 Population change in Cheshire West and Chester

Age Group	2010	2030	Change 2010-30	% change
0-4	18,300	18,100	-200	-1%
5-10	20,800	22,800	2,000	10%
11-15	19,400	19,800	400	2%
16-17	8,000	8,000	0	0%
18-59Female, 64Male	191,400	186,800	-4,600	-2%
60/65 -74	43,800	57,700	13,900	32%
75-84	20,200	32,800	12,600	63%
85+	7,800	17,500	9,700	126%
Total	329,600	363,500	33,900	10%

Source: Cheshire West and Chester population forecasts, July 2013

4.46 Over the next few decades, the age profile of residents in Cheshire West and Chester is expected to change. In 2010, across Cheshire West and Chester there were around 71,800 residents aged above pensionable age (60 women/65 men) (and of these 28,000 were aged 75 or over). Population forecasts suggest that the number of residents above pensionable age will increase to 108,000 by 2030 (and of these 50,300 will be aged 75 or over).

Core Output 4: Current households in need

4.47 A robust and defensible assessment of housing need is essential for the development of affordable housing policies which need to be articulated in Local Plans. Housing need can be defined as:

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

4.48 The 2013 Household Survey and a range of secondary data provide the robust and transparent evidence base required to assess housing need across the Cheshire West and Chester area. This is presented in detail at Appendix D of this report and follows CLG modelling guidance.

4.49 Across Cheshire West and Chester, there are 12,619 existing households in need. Reasons for housing need are summarised in Table 4.14.

Table 4.14 Housing need in Cheshire West and Chester

Category	Factor	No. Households
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	1,089
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	1,887
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	2,782
	N4 Too difficult to maintain	3,325
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	1,234
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	3,099
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	586
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	704
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	1,035
Total no. households in need		12,619
Total Households		141,442
% households in need		8.9

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

4.50 Table 4.15 summarises the total number of households in need by Spatial Area. Overall, 51.5% of households in need live in the urban areas of Chester, Ellesmere Port and Winsford; with 48.5% in the remaining areas.

Table 4.15 Housing need by spatial area

Spatial area	No. households in need	Total no. of households	% households in need
Chester Urban Area	3272	35642	9.2
Chester Villages	310	3498	8.9
Cuddington and Sandiway	185	2297	8.1
Ellesmere Port Urban Area	2199	25963	8.5
Farndon	263	2552	10.3
Frodsham	456	4119	11.1
Helsby	128	2192	5.8
Malpas	135	1755	7.7
Neston	640	7179	8.9
Northwich Urban Area	1826	22732	8.0
Rural East	618	6358	9.7
Rural North	597	7514	7.9
Tarporley	128	1969	6.5
Tarvin and Kelsall	210	3294	6.4
Tattenhall	253	1921	13.2
Winsford Urban Area	1400	12457	11.2
Total	**12619**	**141442**	**8.9**

Source: 2013 Household Survey

4.51 Table 4.16 demonstrates how the proportion of households in housing need varies by tenure and Table 4.17 by household type. Private renters and lone parents are more likely to experience housing need compared with the general population.

Table 4.16 Housing need by tenure and household type

Tenure	No. households in need	Total no. of households	% households in need
Owner Occupier	7711	100105	7.7
Private	3234	19441	16.6
Affordable	1673	21896	7.6
Total	12619	141442	8.9

Source: 2013 Household Survey

Table 4.17 Housing need by household type

Household type	No. households in need	Total no. of households	% households in need
Single Adult (under 65)	2056	25712	8.0
Single Adult (65 or over)	1338	18005	7.4
Couple only (both under 65)	2504	25595	9.8
Couple only (one or both over 65)	1646	22335	7.4
Couple with 1 or 2 child(ren) under 18	1013	18891	5.4
Couple with 3 or more child(ren) under 18	141	2608	5.4
Couple with child(ren) aged 18+	1436	14035	10.2
Lone parent with 1 or 2 child(ren) under 18	424	4652	9.1
Lone parent with 3 or more child(ren) under 18	145	473	30.6
Lone parent with child(ren) aged 18+	809	5006	16.2
Other type of household	1860	18688	10.0
Total	12619	141442	8.9

Source: 2013 Household Survey

Core Output 5: Future households requiring affordable housing

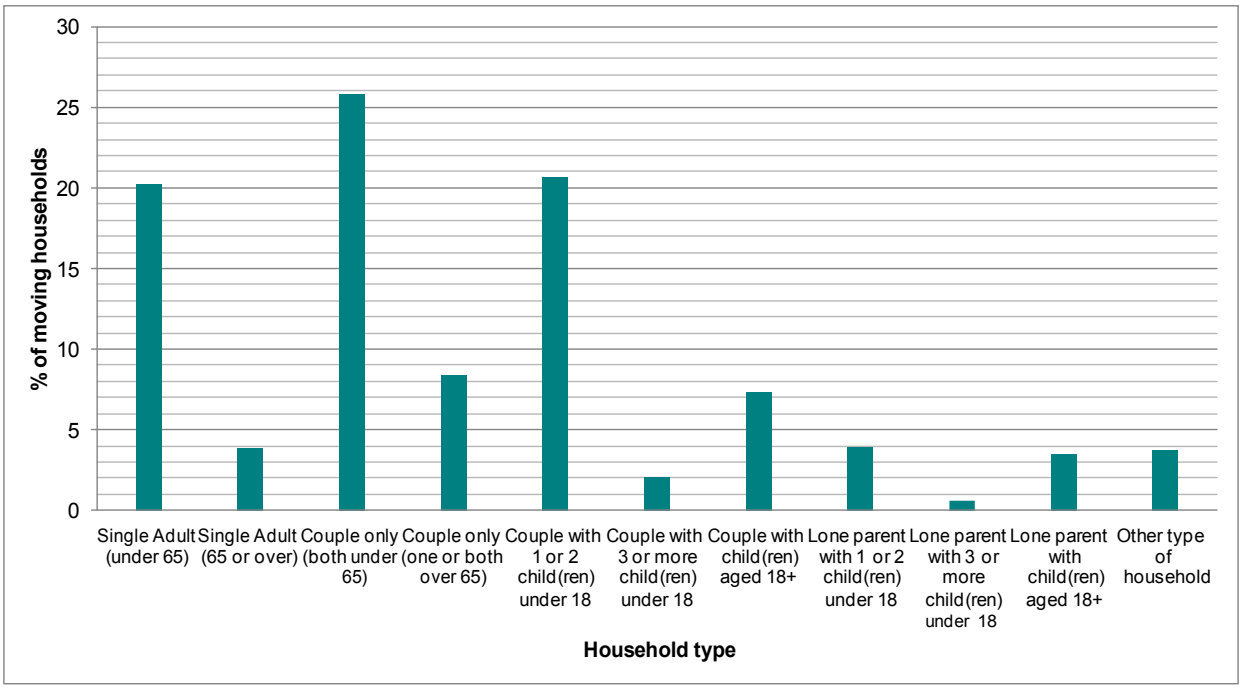
4.52 The 2013 household survey identifies that over the past five years a total of 7,937 households formed which equates to an annual average of 1,587. It is important to note that this is a gross rate and does not take into account household dissolution (for instance through death or out-migration) and compares with a net rate of around 1,050 each year (which takes account of these factors).

4.53 Analysis of prevailing house prices and private rents in 2013 suggests that the proportion of newly-forming households who could not afford open market prices or rents is 49.9%.

Core Output 6: Future households requiring market housing

4.54 The 2013 Household Survey provides a range of valuable evidence on general market requirements. Figure 4.3 provides an indication of the types of household intending to move in the open market within Cheshire West and Chester over the next five years. This indicates that couples (under 65), single adults (under 65) and couples with one or two children together account for two-thirds of households intending on moving in the next five years.

Figure 4.3 Types of household intending to move in the open market in the next five years across the Cheshire West and Chester area



Source: 2013 Household Survey

4.55 Table 4.18 explores the extent to which household aspirations differ from expectations. It specifically focuses on existing households within Cheshire West and Chester who are planning to move in the next 5 years. Of households moving, most would like to move to a house (75.2%), 6.6% would like to move to a flat and 18.1% to a bungalow. This compares with 76.7% who expect to move to a house, 9.6% to a flat and 13.7% to a bungalow. A much higher proportion would like to move to a detached house (50.8%) but 30.8% expect to. In contrast, higher proportions expect to move to a semi-detached house (32.7%) than would prefer to (19.8%).

4.56 In terms of property size, the majority of respondents expect to move to a property with two (32.4%), three (42.4%) or four or more (20.7%) bedrooms. A higher proportion of households would like a property with four or more bedrooms (31.3%).

Table 4.18 Market preferences of existing households planning to move in the next five years

Like/Aspiration

No. Beds	Property type (Table %)					
	Detached house	Semi-detached house	Terraced House	Flat	Bungalow	Total
One		0.2	0.2	0.9	0.9	2.2
Two	3.4	4.2	2.3	4.6	8.2	22.7
Three	20.0	13.0	1.8	0.9	8.1	43.8
Four	22.2	2.4	0.3	0.1	1.0	26.1
Five or more	5.2		0.0	0.0	0.0	5.2
Total	50.8	19.8	4.6	6.6	18.1	100.0
Base	24935					

Expectation

No. Beds	Property type (Table %)					
	Detached house	Semi-detached house	Terraced House	Flat	Bungalow	Total
One		0.4	0.7	3.0	0.5	4.6
Two	1.9	8.8	8.8	5.8	7.1	32.4
Three	12.5	20.6	2.9	0.7	5.6	42.4
Four	14.0	3.0	0.4	0.0	0.6	17.9
Five or more	2.4		0.3	0.0	0.0	2.8
Total	30.8	32.7	13.2	9.6	13.7	100.0
Base	23151					

Source: 2013 Household Survey

4.57 Table 4.19 provides a useful review of how market demand varies by household type. The table shows the percentage of households by household type who expect to move to a particular property type and size[15]. Data indicates that:

Houses remain the most popular choice for most household types, particularly detached and semi-detached houses and properties with two, three and four bedrooms;

Older singles and older couples were more likely to expect to move to a bungalow, with older singles were particularly expecting to move to a flat/apartment;

Singles (under 65) and couples with no children (under 65) were more likely to expect to move to a detached or semi-detached house; with

[15] Please note that the total figure varies slightly with the total in Table 4.15 as some respondents did not provide household type data

singles more likely to expect to move to a flat/apartment and couples to a bungalow.

Overall:

One bedroom properties were only expected to be moved to by singles, couples with no children and other household types;

two bedroom properties were mainly expected to be moved to by singles, couples, lone parent families and other types of household;

42.1% of all households expected to move to a three bedroom property and in particular lone parents and couples with children expected to do so;

four or more bedrooms were mainly expected to be moved to by couples with three or more children, couples with one or two children and couples with children aged 18+.

4.58 An important message from this analysis is that although there are some trends in household type and dwelling expectation (for instance older singles considering smaller dwellings) there remains a great diversity in the range of dwellings different household types would expect to move to. Significantly, household size does not necessarily correlate with bedroom requirements. Therefore future housing development should ensure a broad range of new dwellings to satisfy a broad range of requirements.

Table 4.19 Property type and size expectations by household type

Property type	Household type (%)											
	Single Adult (under 65)	Single Adult (65 or over)	Couple only (both under 65)	Couple only (one or both over 65)	Couple with 1 or 2 child(ren) under 18	Couple with 3 or more child(ren) under 18	Couple with child(ren) aged 18+	Lone parent with 1 or 2 child(ren) under 18	Lone parent with 3 or more child(ren) under 18	Lone parent with child(ren) aged 18+	Other type of household	Total
Detached house	21.1	14.2	25.8	30.5	41.8	46.4	49.9	25.8	29.9	15.5	20.1	30.0
Semi-detached house	35.1	11.3	34.1	9.6	40.9	42.5	18.6	45.3	41.7	35.0	27.5	32.4
Larger terraced house	10.3	0.4	7.8	0.6	8.8	9.4	0.5	12.1	0.0	17.8	16.1	8.0
Smaller terraced house	8.8	4.3	5.9	0.6	0.9	0.0	4.7	16.3	28.3	17.7	6.4	5.7
Flat/Apartment	16.6	40.7	7.1	14.4	4.6	0.0	4.4	0.5	0.0	2.0	20.1	9.8
Bungalow	7.0	28.7	18.7	43.4	2.7	1.7	21.9	0.0	0.0	10.3	8.9	13.6
Caravan / Park-Home	1.1	0.4	0.6	1.0	0.3	0.0	0.0	0.0	0.0	1.7	0.9	0.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	4838	749	6310	1958	5211	532	1824	972	127	858	924	24303

No. Beds	Household type (%)											
	Single Adult (under 65)	Single Adult (65 or over)	Couple only (both under 65)	Couple only (one or both over 65)	Couple with 1 or 2 child(ren) under 18	Couple with 3 or more child(ren) under 18	Couple with child(ren) aged 18+	Lone parent with 1 or 2 child(ren) under 18	Lone parent with 3 or more child(ren) under 18	Lone parent with child(ren) aged 18+	Other type of household	Total
One	10.4	26.3	5.2	0.5	0.0	0.0	0.0	0.0	0.0	3.3	8.1	4.8
Two	45.8	44.8	29.7	46.2	17.3	0.0	20.5	44.9	27.1	51.1	42.8	32.5
Three	30.8	26.5	52.0	43.3	45.5	24.0	51.4	36.9	72.9	31.8	28.3	42.1
Four	11.8	2.4	12.4	9.9	32.9	61.7	24.1	15.9	0.0	11.3	6.7	17.9
Five or more	1.2	0.0	0.7	0.2	4.4	14.3	4.1	2.3	0.0	2.5	14.1	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	4749	763	6137	1849	5114	488	1726	916	133	732	929	23536

Source: 2013 Household Survey

4.59 Table 4.20 considers the expectations of newly-forming households by considering the range of dwellings newly-forming households have moved to in the past five years. This shows they mainly moved into flat/apartments, terraced houses/town houses and semi-detached houses. 20.9% moved into a one bedroom property, 44.9% a two bedroom, 28.7% a three bedroom and 5.6% into a property with four or more bedrooms.

Table 4.20 Household expectations (newly-forming households)

Dwelling type	No. Bedrooms				
	One	Two	Three	Four or more	Total
Detached house		1.5	2.8	3.3	7.5
Semi-detached house	0.6	7.0	17.9	1.1	26.6
Terraced house/town house	2.9	12.0	7.2	0.9	23.0
Bungalow	2.0	3.0	0.2	0.2	5.3
Flat/Maisonette	15.0	21.4	0.6	0.1	37.0
Other	0.5	0.0	0.0	0.0	0.5
Total	20.9	44.9	28.7	5.6	100.0
Base (Valid Responses)	7877				

Source: 2013 Household Survey

Core Output 7: Size of affordable housing required

4.60 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.

4.61 The needs assessment model advocated by the CLG has been used and detailed analysis of each stage of the model is presented at Appendix D.

4.62 In addition to establishing the overall affordable housing requirements, analysis considers the supply/demand variations by 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). Modelling suggests a **net shortfall of 714 affordable dwellings** each year across Cheshire West and Chester as shown in Table 4.21. This excludes any potential pipeline provision which would help offset the imbalances identified. The gross shortfall is 1,382 affordable dwellings (Table 4.22) which illustrates

where there are absolute shortfalls by property size and type which can get masked by the net figures. Table 4.23 reconciles the gross and net shortfalls by recasting the percentage of gross requirements by size/type and applying this to the 714 net shortfall (see Appendix D for further discussion). The upshot of this analysis is an overall requirement, based on the bedroom standard model, for 580 one bedroom, 75 two bedroom and 59 three or more bedroom dwellings.

4.63 It should be noted that although the gross requirements are similar to those reported in 2009, the net requirements have changed. There are two main reasons for this. Firstly, the actual annual supply of affordable housing has increased since the 2009 survey (826 to 949). Secondly, the 2013 assessment has been affected by increasing numbers of households already in social/affordable renting and wanting to move to smaller dwellings. The impact of movement of these households would increase the availability of larger dwellings and reduce the supply of one bedroom dwellings.

Table 4.21 Net annual affordable housing requirement by property size and designation 2013/14 to 2017/18

Sub-area	Age and no. beds						Total
	Under 65			65+			Net
	1 Bed	2 Beds	3+Beds	1 Bed	2 Beds	3+ Beds	
Chester Urban Area	182	-183	44	74	-2	-21	**93**
Chester Villages	12	9	8	-4	6	1	**31**
Cuddington and Sandiway	9	1	2	1	0	0	**12**
Ellesmere Port Urban Area	152	-77	-77	62	-3	-45	**12**
Farndon	9	-1	9	9	0	-4	**22**
Frodsham	35	-11	9	6	14	0	**54**
Helsby	10	7	-1	3	0	0	**19**
Malpas	11	10	-7	5	-7	1	**13**
Neston	26	-11	6	27	0	-18	**29**
Northwich Urban Area	185	-65	22	50	-27	3	**168**
Rural East	25	17	-1	11	0	0	**52**
Rural North	20	45	-19	10	-1	0	**54**
Tarporley	11	-2	-2	1	0	1	**9**
Tarvin and Kelsall	8	1	8	7	0	1	**24**
Tattenhall	9	4	2	14	-6	1	**23**
Winsford Urban Area	92	32	-43	46	-9	-20	**98**
Total	**795**	**-225**	**-39**	**322**	**-36**	**-103**	**714**

Table 4.22 Gross annual affordable housing requirement by property size and designation 2013/14 to 2017/18

Sub-area	Age and no. beds						Total
	Under 65			65+			Net
	1 Bed	2 Beds	3+Beds	1 Bed	2 Beds	3+ Beds	
Chester Urban Area	182		44	74			**300**
Chester Villages	12	9	8		6	1	**35**
Cuddington and Sandiway	9	1	2	1	0	0	**12**
Ellesmere Port Urban Area	152			62			**214**
Farndon	9		9	9	0		**27**
Frodsham	35		9	6	14	0	**64**
Helsby	10	7		3	0	0	**20**
Malpas	11	10		5		1	**27**
Neston	26		6	27			**58**
Northwich Urban Area	185		22	50		3	**260**
Rural East	25	17		11	0	0	**53**
Rural North	20	45		10		0	**74**
Tarporley	11			1	0	1	**13**
Tarvin and Kelsall	8	1	8	7	0	1	**24**
Tattenhall	9	4	2	14		1	**29**
Winsford Urban Area	92	32		46			**170**
Total	**795**	**125**	**110**	**326**	**20**	**6**	**1382**

Table 4.23 Recommendation for annual affordable housing delivery by property size and designation 2013/14 to 2017/18

Sub-area	Age and no. beds						Total
	Under 65			65+			
	1 Bed	2 Beds	3+Beds	1 Bed	2 Beds	3+ Beds	
Chester Urban Area	94	0	23	38	0	0	155
Chester Villages	6	4	4	0	3	0	17
Cuddington and Sandiway	5	0	1	1	0	0	7
Ellesmere Port Urban Area	78	0	0	32	0	0	110
Farndon	5	0	5	5	0	0	15
Frodsham	18	0	5	3	7	0	33
Helsby	5	4	0	1	0	0	10
Malpas	6	5	0	3	0	0	14
Neston	13	0	3	14	0	0	30
Northwich Urban Area	96	0	12	26	1	1	136
Rural East	13	9	0	6	0	0	28
Rural North	10	23	0	5	0	0	38
Tarporley	6	0	0	0	0	0	6
Tarvin and Kelsall	4	0	4	4	0	0	12
Tattenhall	5	2	1	7	0	0	15
Winsford Urban Area	47	17	0	24	0	0	88
Total	**411**	**64**	**58**	**169**	**11**	**1**	**714**
%	**57.6**	**9.0**	**8.1**	**23.7**	**1.5**	**0.1**	**100.0**

4.64 The method for calculating affordable requirements is explored in full in Technical Appendix D. It should be noted that the needs modelling uses the bedroom standard model which only allows for one bedroom for a single person or couple.

Tenure split

4.65 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.

4.66 Table 4.24 indicates that existing households in need mainly considered social renting as a preferred tenure option but newly-forming households had a much stronger preference for intermediate tenure options.

Table 4.24 Tenure preferences of existing households in need and newly-forming households requiring affordable housing

Tenure	Existing households in need	Newly-forming households	Total
Affordable (Social) Rent	77.6	56.4	**67.3**
Intermediate Tenure	22.4	43.6	**32.7**
Total	100.0	100.0	**100.0**
Base (annual requirement)	858	805	**1663**

Source: 2013 Household Survey

4.67 Overall, analysis would suggest a tenure split of 67.3% affordable rent and 32.7% intermediate tenure based on household preferences.

4.68 Discussions and findings from engaging with the Council and RPS and use of sales data and on-going high levels of interest from households in need of intermediate dwellings indicates that there remains a strong demand for two and three bedroom intermediate tenure dwellings and it would be recommended that demand for one/two bedroom dwellings is address through an affordable rent programme and demand for two, three and more than three bedroom dwellings primarily addressed through intermediate tenure development.

Property type preferences

4.69 Analysis of property type preferences (Table 4.25) suggests that a range of dwellings are required, with a total of 52.6% preferring houses, 30.8% flats/apartments and 16.6% bungalows.

4.70 Both existing households in need and newly forming households state a strong preference for houses. Newly-forming households are more likely to state a preference for a flat/apartment and existing households a preference for a bungalow.

Table 4.25 Property type preferences

Type preferences	Existing (%)	Newly-forming (%)	Total (%)
Detached	8.0	7.5	7.8
Semi-detached	21.9	26.6	24.2
Terraced	18.4	23.0	20.6
Flat/other	24.5	37.5	30.8
Bungalow	27.2	5.3	16.6
Total	100.0	100.0	100.0
Base (annual requirement)	858	805	1663

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

Source: 2013 Household Survey

The new delivery model for affordable housing

Overview

4.71 The Coalition Government has announced a new delivery model for affordable housing. Affordable rent will be the main type of new affordable supply and in addition Registered Providers will be encouraged to convert a proportion of social rented properties to Affordable Rent at re-let. The principal aim of the new model is to use the new Affordable Rent product, together with new flexibilities on the use of existing assets, to generate additional financial capacity to support new supply.

4.72 Affordable Rented homes will be made available to tenants at up to a maximum of 80% of market rents and allocated in the same way as social housing is at present. Landlords will have the freedom to offer Affordable Rent properties on flexible tenancies tailored to the housing needs of individual households. The Government has introduced a series of other measures such as changes to tenure (no longer a requirement to offer lifetime tenancies, flexibility to offer shorter terms with a minimum of two years), greater flexibility for local authorities in their strategic housing role and options to increase mobility for social tenants[16].

4.73 The potential impact of affordable rent on the relative affordability of rental options is explored in Table 4.26. This considers the affordability of different rental prices for existing households in need on the basis of household income and assumes a property is not affordable if the rent is at least 25% of household income. The analysis demonstrates that across Cheshire West and Chester, 33.3% could not afford social rents on the basis of income alone. 45,8% could not afford 80% of open market lower quartile rents and 52.9%

[16] Homes and Communities Agency website

could not afford open market lower quartile rents. Therefore any increase in rents coupled with likely changes in welfare benefits will have a detrimental impact on affordability.

Table 4.26 Relative affordability of renting options

Affordability by tenure	% can afford	% cannot afford	Total
Affordability of Private Rent	47.1	52.9	100
Affordability of 80% Private Rent	54.2	45.8	100
Affordability of Social Rent	66.7	33.3	100

Base: 12,619 households in need

Source: RP rents 2011/12 from CORE data; Vissyhomes Private Rents 2013

Core Output 8: Estimates of household groups who have particular housing requirements

Introduction

4.74 There are a range of household groups who have particular housing requirements.

Families

4.75 Families account for around 32.8% of households across Cheshire West and Chester. Analysis of market preferences (Table 4.9) suggests that:

Couples with children had a strong preference for house, particularly detached and semi-detached; preferences for bungalows were also noted from couples with children aged 18 or over; and households were most likely to consider properties with three or more bedrooms;

Lone Parent families were most likely to consider detached, semi-detached and terraced houses and properties with two or three bedrooms;

Couples and lone parents with non-dependent (adult) children were most likely to consider detached and semi-detached houses and terraced houses amongst lone parents; with strongest preferences for three and four bedrooms (couples) and two and three bedrooms (lone parents).

4.76 Analysis of affordable housing requirements suggests there is an ongoing need for dwellings with two, and three bedrooms to address the needs of families. It is important that particular care is taken to ensure that properties are built to reflect the demand from families and in the interests of long-term community sustainability.

Older people

4.77 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for Cheshire West and Chester's growing older population. The number of people of pensionable age or over is projected to increase by 50% from 71,800 in 2010 to 108,000 by 2030.

4.78 The vast majority of older people want to stay in their own homes with help and support when needed and the vast majority are owner occupiers (Table 4.28). The 2009 SHMA noted in particular the need for help with gardening, repair/maintenance and cleaning. Better insulation/heating and adaptations to bathrooms are particular requirements stated by older people. Resources for aids and adaptations remain tight, particularly for households in the private sector. Alternative sources of funding, such as equity loans, should be seriously considered to finance remedial measures required by older person households.

4.79 There is also a degree of interest in new forms of older persons' accommodation, for instance open market dwellings, sheltered accommodation and extra care housing as summarised in Table 4.27. Providing a wider range

of older persons' accommodation has the potential to free-up larger family accommodation (although price could still remain a barrier to entry).

Table 4.27 Older persons' housing options

Housing option	% would consider
Continue to live in current home with support when needed	70.9
Buying a property on the open market	22.6
Rent a property from a private landlord	7.3
Rent from HA / Registered Social Landlord / Registered Provider	10.3
Sheltered accommodation - To Rent	15.8
Sheltered accommodation - To Buy	11.3
Sheltered accommodation - Part Rent / Buy (shared ownership)	3.9
Extra care housing - To Rent	11.3
Extra care housing - To Buy	8.6
Extra care housing - Part Rent / Buy (shared ownership)	2.9
Residential care home	6.0
Co-housing	8.0
Base (Valid Responses)	167862
Base (Households responding)	93,856

Source: 2013 household survey

Self-build

4.80 The 2013 household survey identified that there is a strong interest in self-build from households planning to move in the next five years. A total of 3,858 respondents planning to move (13.1%) were interested in self-build which is defined as 'when an individual obtains a building plot and then builds their own home on that plot. The self-builder's input into this process varies from undertaking the actual building work to contracting out all of the work to an architect or building company'.

4.81 Less households were interested in community self build, defined as a 'group of people in housing need who join forces and become involved in the planning, design and building of their own homes. This was an option considered by 989 respondents (3.6%)

Supported housing

4.82 Housing Association specialist provision in Cheshire West and Chester particularly focuses on the frail elderly, single homeless in need of support and young people at risk/leaving care.

Homeless households

4.83 Homelessness statistics for 2011/12[17] indicate that a total of 276 decisions were made on households declaring themselves as homeless across Cheshire West and Chester (Table 4.28). Of these households, 100 were classified as homeless and in priority need. Over the three years 2009/10, 2010/11 and 2011/12, there has been a dramatic increase in decisions (up 229%) and acceptances (up 194%).

Table 4.28 Homeless decisions and acceptances 2009/10 to 2011/12

Year	Decisions made	Accepted as homeless
2009/10	84	34
2010/11	176	72
2011/12	276	100
Total	536	206
Annual Average	179	69

Black, Asian and Minority Ethnic households

4.84 There is limited ethnic diversity across Cheshire West and Chester, with the household survey indicated that 96.8% of heads of household describing themselves as White British. A further 2.2% were from other White groups and 1% from other ethnicities. Just under half of BAME households (47.5%) live in the Chester Urban Area, 14.1% live in the Ellesmere Port Urban, 11% in the Northwich Urban Area and 7.2% in the Winsford Urban Area.

4.85 Overall, 18.8% of Black, Asian and Minority Ethnic (BAME) households were in some form of housing need which compares with 8.9% for the overall population. Overcrowding, sharing facilities with other households and difficulty in maintaining the property were most likely to be cited as reasons for being in need.

4.86 The needs of Gypsies and Travellers have been assessed in a Cheshire-wide study. This calculated an additional requirement of between 30 and 45 pitches across Cheshire West and Chester over the period 2006-2016 plus four pitches for travelling showpeople (in the former Vale Royal area). This work is currently being updated.

[17] CLG Homeless Statistics Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area

5. Conclusion: policy and strategic issues

5.1 This document has been prepared to provide robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. It has delivered core outputs required under the CLG Strategic Housing Market Assessment Guidance, which are underpinned by comprehensive technical appendices.

5.2 The work also takes account of the new National Planning Policy Framework which came into effect in March 2012. The SHMA will help local authorities 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 and also identifies a continued affordable housing requirement across the Cheshire West and Chester area.

5.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets; the interactions of Cheshire West and Chester area with other areas; and considers strategic priorities.

The current housing market

5.4 This study provides up to date information on the housing stock in Cheshire West and Chester the 2011 census reports that there are a total of 147,568 dwellings a total of 141,142 households. Overall, across Cheshire West and Chester:

75.3% of properties are houses, 12.6% are flats/maisonettes 11.1% bungalows, and 1.0% are other property types (e.g. caravans);

A majority of properties (70.1%) have been built since 1945 (with 49.7% built since 1965), a further 15.3% were built before 1919 and the remainder (14.6%) built between 1919 and 1945;

70.8% of properties are owner-occupied, 15.5% are affordable (social/affordable rent and intermediate tenure) and 13.7% are privately rented. This compares with regional figures of 64.5% for owner occupation, 18.8% affordable tenures and 16.7% private renting;

Market interactions and self-containment

5.5 A range of material has been gathered to help identify market drivers and the characteristics of housing market areas across Cheshire West and Chester and linkages with other areas.

5.6 An analysis of household mobility suggests that of households moving in the past 5 years, two-thirds (65.7%) moved within Cheshire West and Chester and 34.3% had moved into the area. Of this number, 4.1% were from Cheshire

East. 3.6% were from Wrexham/Flintshire, 3.1% from the Wirral and 2.5% from Halton/Warrington. Cheshire West and Chester therefore can reasonably be described as a self-contained housing market area, albeit there are strong market interactions with other areas, most notably Cheshire East, Wirral and Flintshire.

5.7 In terms of travel to work patterns, 64.7% of residents work in Cheshire West and Chester and 35.3% work outside the Borough, most noticeably elsewhere in Cheshire (12.4%), Wirral (4.1%) and Wrexham/Flintshire (4.1%).

5.8 The CLG suggest that a housing market is self-contained if at least 70% of moves / workplaces are within the market area. In terms of migration, Cheshire West and Chester largely self-contained, with 34.3% of moving households originating from outside the Borough. In terms of household mobility, the market area includes parts of the Wirral, North East Wales and elsewhere in Cheshire.

5.9 In terms of travel to work, a similar pattern emerges, with 35.5% of heads of household in employment working outside of Cheshire West and Chester, most notably elsewhere in Cheshire, North East Wales, the Wirral and also Greater Manchester.

Future housing market

5.10 Household forecasts point to an overall increase in around 21,000 households across Cheshire West and Chester over the period 2010 to 2030. Most of this growth will be from households headed by an older person (aged 65 and over). The households forecasts translate to a 22,000 dwelling requirement (around 1,100 each year);

5.11 Managing demographic change will become an increasingly important issue. Population forecasts prepared by the Council suggest that the proportion of the population in Cheshire West and Chester of pensionable age and above will continue to grow, with an increase from 71,800 in 2010 to 108,000 by 2030.

5.12 Although the total number of households is predicted to grow, the ageing population means that much of the growth will be in older person households. Household forecasts suggest that over the period 2010-2030, the total number of households is expected to increase by around 21,000. Of this increase, 19,900 will be from households headed by someone aged 65 or over; 2,100 will be from households headed by someone aged under 44; and there will be a 1,100 decline in households headed by someone aged 45-64.

Housing need and demand

Delivering new housing

5.13 A challenge for Cheshire West and Chester is to align future housing development with trends relating to household growth, household aspirations

and the need for affordable housing. Crucially, the nature of household change needs to be better reflected in strategic housing and planning policies.

5.14 Analysis of general market aspirations and expectations suggests that:

Of households moving, most would like to move to a house (75.2%), 6.6% would like to move to a flat and 18.1% to a bungalow. This compares with 76.7% who expect to move to a house, 9.6% to a flat and 13.7% to a bungalow. A much higher proportion would like to move to a detached house (50.8%) but 30.8% expect to. In contrast, higher proportions expect to move to a semi-detached house (32.7%) than would prefer to (19.8%).

In terms of property size, the majority of respondents expect to move to a property with two (32.4%), three (42.4%) or four or more (20.7%) bedrooms. A higher proportion of households would like a property with four or more bedrooms (31.3%).

5.15 Future development should focus on delivering to address identified requirements and help to address the mismatches between aspirations and expectations.

5.16 In terms of affordable housing, an annual net shortfall of 714 affordable dwellings has been calculated based on the CLG housing needs assessment model presented in the CLG SHMA guidance. It must be reiterated that this is the degree of imbalance that exists between the need for affordable housing and supply based on parameters set by the CLG guidance (for instance the proportion of income which should be spent on housing). The actual proportion of affordable housing to be delivered is being assessed through an Economic Viability Assessment.

5.17 A tenure split of 67.3% affordable (social) rented and 32.7% intermediate tenure is suggested for affordable housing.

5.18 In summary, key drivers in determining the tenure and type of future development include:

The need to continue development to satisfy household aspirations and expectations, in particular the development of detached and semi-detached houses and properties with two, three and four bedrooms;

Responding to the impact of demographic change on dwelling requirements and in particular developing an increasing range of housing and support products for older people. Adopting lifetime homes standards should be viewed as a priority along with diversifying the range of newbuild dwellings appropriate for a growing number of older person households whilst maintaining the delivery of homes to reflect the aspirations of economically active and younger households;

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;

The economic viability of delivering affordable housing on sites across the Cheshire West and Chester area.

Affordable housing policy recommendations

5.19 The SHMA demonstrates an ongoing requirement for affordable housing across the Cheshire West and Chester area. The actual proportion of affordable dwellings to be sought on sites should be based on an assessment of economic viability.

Improving the quality of existing stock

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

Empty stock

5.21 There are an estimated 4,777 empty properties across the Cheshire West and Chester area 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.

5.22 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 an 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

5.23 Although the vast majority of households (81.1%) were satisfied with the condition of their dwellings, 7.4% of households were dissatisfied or very dissatisfied. Levels of dissatisfaction were highest private renters (particularly tied renters), social renters; households living in maisonettes and terraced houses; and households living in older (pre-1919 and 1919-44) properties.

5.24 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

5.25 The proportion of older people is expected to increase over the next few decades. Between 2010 and 2030, the number of households:

aged Pensionable age -74 is forecast to increase by 13,900;

aged 75-84 is forecast to increase by 12,600;

aged 85 and over is forecast to increase by 9,700; and

an overall increase of people of pensionable age and above of 36,200 (which is a 50% increase on 2010 figures).

5.26 This trend has significant policy implications, given the greater need for appropriate housing and support as people age. Currently, the majority want to stay in their own homes with help and support when needed.

5.27 A key challenge 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.

5.28 Additionally, the range of housing options available to older people needs to be diversified, for instance through the development of open market housing marketed at older people, the development of Extra Care accommodation and co-housing[18].

NPPF requirements

5.29 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, bit 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.

[18] Extra Care accommodation is designed with the needs of frailer older people in mind; it includes flats, bungalows and retirement villages; residents have their own front door and domestic support and personal care are available. Co-housing is your own home in a small community which shares facilities (e.g. laundry) and activities

5.30 The material in this SHMA provides an evidence base to inform strategic decision making. The SHMA has:

Considered future dwelling requirements on the basis of forecasts prepared by the Council;

evidenced the scale of 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;

reflected upon the needs of different groups of the population in particular older people and those requiring specialist support requirements. Stakeholder consultation has ensured that the needs of a wide range of people have been considered in the research.

Final comments

5.31 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 the Cheshire West and Chester area.

5.32 This research has reflected upon the housing market attributes of the Cheshire West and Chester area and interactions with other areas. 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 an increasingly ageing population and vulnerable groups.

Introduction to Technical Appendices

The SHMA guidance establishes a framework for the analysis of local housing markets from which core outputs can be derived.
There are seven technical appendices accompanying this report which provide further background information on the following areas:

Technical Appendix A	Research methodology
Technical Appendix B	The current housing market
Technical Appendix C	The future housing market
Technical Appendix D	Housing need
Technical Appendix E	Monitoring and updating
Technical Appendix F	Statement of conformity to SHMA guidance
Technical Appendix G	Affordable housing policy considerations
Technical Appendix H	Glossary

Technical Appendix A: Research Methodology

Overall approach

A.1 To deliver the SHMA, a multi-method approach was adopted, which comprised:

A sample survey of households across Cheshire West and Chester area. A total of 53,548 households were initially contacted and 10,483 questionnaires were returned and used in data analysis. The overall response was therefore 10,483 which represents a 12.5% and provides an accuracy of ±2.5%;

Interviews with Estate Agents and private developers;

A review of relevant secondary data including the 2001 and 2011 census, house price trends, CORE lettings data and CLG Statistics.

A.2 Household survey data is available down to postcode level. In the SHMA report, data are presented at District and at Spatial Area level.

Baseline dwelling stock information and survey sample errors

A.3 Table A1 summarises total dwelling stock and the number of households contacted, achieved response rates and sample errors.

Table A1 Households surveyed, response rates and sample errors

Spatial Area	Total Households Contacted	Total Households	Achieved Response	Achieved Response Rate	Achieved Sample Error	
Chester Urban Area	6000	39024	1040	17.3	±	3.0%
Chester Villages	3490	3490	829	23.8	±	3.0%
Cuddington and Sandiway	2331	2331	620	26.6	±	3.4%
Ellesmere Port Urban Area	6000	27243	833	13.9	±	3.3%
Farndon	2621	2621	514	19.6	±	3.9%
Frodsham	2333	4230	543	23.3	±	3.9%
Helsby	2244	2244	458	20.4	±	4.1%
Neston	2400	7081	462	19.3	±	4.4%
Malpas	1792	1792	374	20.9	±	4.5%
Northwich Urban Area	6000	23806	1182	19.7	±	2.8%
Rural East	2400	6384	557	23.2	±	4.0%
Rural North	2400	7896	516	21.5	±	4.2%
Tarporley	2080	2080	512	24.6	±	3.8%
Tarvin and Kelsall	3515	3515	768	21.8	±	3.1%
Tattenhall	1942	1942	408	21.0	±	4.3%
Winsford Urban Area	6000	12934	867	14.5	±	3.2%
Total	**53548**	**148613**	**10483**	**19.6**	**±**	**0.9%**

1. Where 'sample' is indicated in the column this means that a random sample of households were selected for that area and issued with a survey.
2. Sample error is based on the 95% confidence interval which is the industry standard to establish result accuracy

Weighting and grossing

A.4 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 Head of Household person based on the proportions of Heads of Household aged under 65 and 65 or over living in owner occupied, private rented and affordable dwellings based on 2011 census data.

A.5 The 2011 census is the most comprehensive source of data for weighting which is currently available.

A.6 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.

Technical Appendix B: The current housing market

Underpins core outputs 1 and 2

Summary of contents

Stage 1: Demographic and economic context

Step 1.1 Demography and household types

Step 1.2 National and regional economic policy

Step 1.3 Employment levels and structure

Step 1.4 Incomes and earnings

Stage 2: The housing stock

Step 2.1 Dwelling profile

Step 2.2 Stock condition

Step 2.3 Shared housing and communal establishments

Stage 3: The active market

Step 3.1 The cost of buying or renting a property

Step 3.2 Affordability of housing

Step 3.3 Overcrowding and under-occupation

Step 3.4 Vacancies, turnover rates and available supply by tenure

Stage 4: Bringing the evidence together

Step 4.1 Mapping market characteristics

Step 4.2 Trends and drivers

Step 4.3 Issues for future policy/strategy

Introduction

B.1 This technical Appendix provides further demographic, economic data and occupancy data for Cheshire West and Chester.

Stage 1: Demographic and economic context

Step 1.1 Demography and household types

Age profile

B.2 The age profile of Cheshire West and Chester is summarised in Table B1. This indicates that across the District, 46.1% of residents are aged under 40, 28.5% are aged 40-59 and 25.4% are aged 60 and over. Overall, the District age profile broadly mirrors that of the region and England, although Cheshire West and Chester has a notably lower proportion of residents aged 16-39, and a higher proportion of residents in all age categories over 40 years.

Table B1 Age profile in 2011

Age Group	Cheshire West and Chester (%)	North West (%)	England (%)
0-15	17.6	17.5	18.9
16-39	28.5	32.5	32.1
40-59	28.5	27.1	26.7
60-74	16.8	15.1	14.6
75+	8.6	7.7	7.7
Total	100.0	100.0	100.0
Base	329608	7052200	53012456

Source: ONS 2011 Census

Household type

B.3 The household type profile of Cheshire West and Chester is summarised in Table B2 and shows a higher proportion of couples (no children) and couples with children along with lower proportions of singles, lone parents and other multi-person households compared with the North West and England.

Table B2 Household structure

Household Type	Cheshire West and Chester (%)	North West (%)	England (%)
Single 65+	13.2	12.8	12.4
Single <65	16.4	19.4	17.9
Couple (both aged 65+)	9.5	7.8	8.1
Couple No Children	19.1	16.5	17.6
Couple with Child(ren)	19.5	18.4	19.3
Couple with non-dependent Child(ren)	7.0	6.5	6.1
Lone Parent	6.4	8.1	7.1
Lone Parent with non-dependent child(ren)	3.4	3.9	3.5
Other household (65+)	0.3	0.3	0.3
Other household	5.2	6.3	7.7
TOTAL	100.0	100.0	100.0
Base	44919	3009549	22063368

Source: ONS 2011 Census

Ethnicity

B.4 Table B3 summarises the ethnic profile of Cheshire West and Chester's residents using 2011 census data. Across Cheshire West and Chester, 94.7% of residents describe themselves as having a White (English/Welsh/Scottish/Northern Irish/British) ethnicity and 5.3% have other ethnicities, the largest of which are White Other (2.7%) and Asian/Asian British (1.2%). The ethnicity profile of Cheshire West and Chester reflects a higher proportion of households of White (English/Welsh/Scottish/Northern Irish/British) ethnicity, and a lower proportion of all other ethnic groups, than the regional or national profile.

Table B3 Ethnicity of Cheshire West and Chester's population

Ethnicity	Cheshire West and Chester (%)	North West (%)	England (%)
White: English/Welsh/Scottish/ Northern Irish/British	94.7	87.1	79.8
White: Others	2.7	3.1	5.7
Mixed/Multiple Ethnic	0.9	1.6	2.3
Asian/Asian British	1.2	6.2	7.8
Black/Black British	0.3	1.4	3.5
Other	0.2	0.6	1.0
Total	100.0	100.0	100.0
Base	329608	7052177	53012456

Source: ONS 2011 Census

Step 1.2 National and regional economic policy

Overview

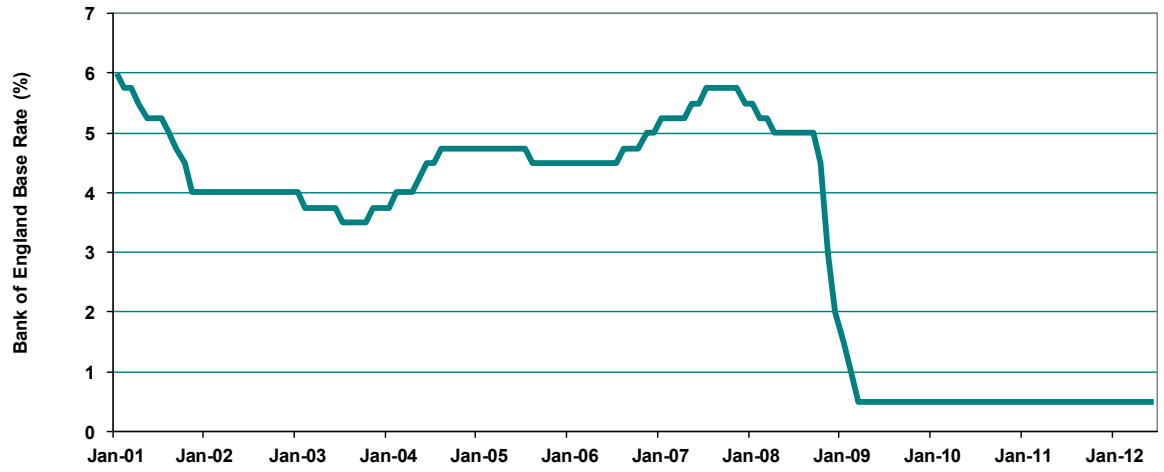
B.5 Macroeconomic factors such as interest rates, inflation and national economic growth all impact on the operation of the housing market. A useful overview of the UK economic context is provided by PriceWaterhouseCoopers (PWC).

B.6 PWC comment (July 2012) that there is likely to be GDP growth of around zero in 2012 rising to 1.7% in 2013 and describes the general business climate as 'cloudy but improving'. The PWC report also comments that the UK housing market is likely to remain relatively flat over the next couple of years but should recover later in the decade as confidence is gradually restored, credit conditions ease for first time buyers and underlying supply shortages reassert themselves. However, it could be after 2020 before real house prices return to pre-crisis peak levels.

Interest rate trends

B.7 Figure B1 summarises interest rate trends over the period 2000 to 2012. Since 2000, the average monthly interest rate has been 3.8%. Over most of this period, interest rates fluctuated between 3.5% and 6%, but since September 2008 have fallen and since March 2009 they have remained at 0.5%.

Figure B1 Interest rate trends 2001 -2012



Source: Bank of England

Step 1.3 Employment levels and structure

Economic activity rates

B.8 Across Cheshire West and Chester 78.5% of the working age population are economically active and 21.5% are economically inactive (Table B4). Proportions in employment are higher than for the North West and England.

Table B4 Labour supply in Cheshire West and Chester

Economic Activity	Cheshire West and Chester (%)	North West (%)	England (%)
Total Economically Active	78.5	75.4	76.9
In employment	72.8	68.8	70.7
Unemployed	5.7	6.4	6.2
Economically inactive	21.5	24.6	23.1
Total	100	100	100
Base: Working Age Population	202,100	4,439,600	33,732,600

Source: ONS Annual Population Survey Jan – Dec 2012

Employment by occupation group

B.9 Employment by broad occupational groups is summarised in Table B5. This indicates that compared with the North West, Cheshire West and Chester has a higher overall proportion of residents in working in occupational groups 1-3 (managers, professionals and associate professionals). The proportion in groups 6-7 (personal service and sales/customer service) is higher than the national and below the regional average. The proportions in groups 8-9 (process operatives and elementary occupations) is slightly lower than regional averages.

Table B5 Occupation of Cheshire West and Chester's economically active residents compared with regional and national data

Occupations	Cheshire West and Chester (%)	North West (%)	England (%)
1 Managers and senior officials	11.6	9.4	10.3
2 Professional occupations	18.7	18.0	19.5
3 Associate professional & technical	13.2	13.1	14.4
4 Administrative & secretarial	10.3	11.5	10.9
5 Skilled trades occupations	10.9	9.9	10.3
6 Personal service occupations	10.0	10.1	8.9
7 Sales and customer service occs	8.3	9.1	8.0
8 Process plant & machine operatives	6.9	7.0	6.2
9 Elementary occupations	10.1	11.1	10.8
Soc 2000 major group 1-3	**43.5**	**40.5**	**44.2**
Soc 2000 major group 4-5	**21.2**	**21.4**	**21.2**
Soc 2000 major group 6-7	**18.3**	**19.2**	**16.9**
Soc 2000 major group 8-9	**17.0**	**18.1**	**17.0**
Base (Residents in employment)	151,100	3,136,900	24,605,800

Source: ONS Annual Population Survey Jan 2012 - Dec 2012

Qualifications

B.10 Education and skills are critical elements of sound economic performance. Table B6 illustrates that 53.0% of economically active residents in Cheshire West and Chester have at least an NVQ3 level qualification (compared with 53.4% for the North West and 53.6% nationally). The proportion with NVQ4 and above (35.0%) is higher than the North West proportion (34.9%) and national proportion (36.8%).

Table B6 Educational attainment of Cheshire West and Chester's economically active population

Highest Qualification	Cheshire West and Chester (%)	North West (%)	England (%)
NVQ4 and above	35.0	34.9	36.8
NVQ3	18.0	18.5	16.8
NVQ2	20.5	17.7	17
NVQ1	13.1	12.6	12.5
Trade Apprenticeships	5.4	4.3	3.7
Other Qualifications	2.8	5.6	6.6
No Qualifications	5.2	6.4	6.6
Total	100	100	100
Base (Economically Active)	151,100	3,337,700	25,516,900

Source: ONS Annual Population Survey; Jan – Dec 2012

Step 1.4 Income and earnings

B.11 The 2012 lower quartile and median earnings for Cheshire West and Chester and comparisons with the North West and England are presented in Table B7. This indicates that the lower quartile earnings for Cheshire West and Chester are higher than those of the region but lower than that of England as a whole. By contrast, the median earnings for Cheshire West and Chester are higher than those of the region and the nation.

Table B7 Lower quartile and median earnings

Location	Lower Quartile (£)	Median (£)
Cheshire West and Chester	£18,143	£27,206
North West	£17,696	£24,570
England	£18,933	£26,660

Source: Annual Survey of Hours and Earnings 2012

B.12 The household survey provides details on household incomes (gross income of Head of Household and partner if applicable) and can be used to illustrate how income levels vary by spatial area, household type and tenure (Tables B8 to B10).

Table B8 Lower Quartile, median and upper quartile income by Spatial Area

Spatial Area	Weekly Income (£)			Annual Income (£)		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Chester Urban Area	£225	£475	£850	£11,700	£24,700	£44,200
Chester Villages	£425	£625	£1,150	£22,100	£32,500	£59,800
Cuddington and Sandiway	£375	£625	£1,150	£19,500	£32,500	£59,800
Ellesmere Port Urban Area	£225	£375	£625	£11,700	£19,500	£32,500
Farndon	£325	£625	£1,150	£16,900	£32,500	£59,800
Frodsham	£275	£625	£1,000	£14,300	£32,500	£52,000
Helsby	£325	£625	£1,000	£16,900	£32,500	£52,000
Malpas	£225	£475	£850	£11,700	£24,700	£44,200
Neston	£275	£475	£850	£14,300	£24,700	£44,200
Northwich Urban Area	£275	£475	£850	£14,300	£24,700	£44,200
Rural East	£375	£625	£1,150	£19,500	£32,500	£59,800
Rural North	£325	£625	£1,150	£16,900	£32,500	£59,800
Tarporley	£375	£625	£1,550	£19,500	£32,500	£80,600
Tarvin and Kelsall	£325	£625	£1,150	£16,900	£32,500	£59,800
Tattenhall	£325	£625	£1,150	£16,900	£32,500	£59,800
Winsford Urban Area	£225	£425	£625	£11,700	£22,100	£32,500
Total	£275	£475	£850	£14,300	£24,700	£44,200

Source: 2013 Household Survey

Table B9 Lower Quartile, median and upper quartile income by household type

Household type	Weekly Income (£)			Annual Income (£)		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Single Adult (under 65)	£175	£325	£625	£9,100	£16,900	£32,500
Single Adult (65 or over)	£175	£225	£375	£9,100	£11,700	£19,500
Couple only (both under 65)	£425	£625	£1,150	£22,100	£32,500	£59,800
Couple only (one or both over 65)	£275	£425	£625	£14,300	£22,100	£32,500
Couple with 1 or 2 child(ren) under 18	£625	£850	£1,350	£32,500	£44,200	£70,200
Couple with 3 or more child(ren) under 18	£475	£850	£1,350	£24,700	£44,200	£70,200
Couple with child(ren) aged 18+	£475	£850	£1,150	£24,700	£44,200	£59,800
Lone parent with 1 or 2 child(ren) under 18	£175	£275	£425	£9,100	£14,300	£22,100
Lone parent with 3 or more child(ren) under 18	£225	£275	£425	£11,700	£14,300	£22,100
Lone parent with child(ren) aged 18+	£175	£275	£475	£9,100	£14,300	£24,700
Student Household	£90	£90	£90	£4,680	£4,680	£4,680
Other type of household	£175	£325	£625	£9,100	£16,900	£32,500
Total	£275	£475	£850	£14,300	£24,700	£44,200

Source: 2013 Household Survey

Table B10 Lower Quartile, median and upper quartile income by tenure

Tenure	Weekly Income (£)			Annual Income (£)		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Owner occupied	£325	£625	£1,000	£16,900	£32,500	£52,000
Private Rented	£225	£425	£625	£11,700	£22,100	£32,500
Affordable	£125	£175	£325	£6,500	£9,100	£16,900
Total	£275	£475	£850	£14,300	£24,700	£44,200

Source: 2013 Household Survey

B.13 Within Cheshire West and Chester, Tables B8 to B10 demonstrate there are considerable variations in income levels by spatial area, household type and tenure. Ellesmere Port and Winsford have the lowest median incomes, followed by other urban areas. In terms of household type, students, older singles and lone parents are most likely to have a lower median income. Owner occupiers have the highest median income and those living in affordable housing the lowest.

Stage 2: The housing stock

Step 2.1 Dwelling profile

B.14 The 2013 Household Survey provides a wealth of information on current dwelling profiles, which has been used in the main report to review dwelling size, type, condition and tenure. The characteristics of residents living in particular tenures has also been explored to consider the general markets that different tenures are serving.

Total dwelling stock

B.15 There are currently a total of 147,568[19] residential dwellings across the Cheshire West and Chester area of which 141,5442[20] are occupied by individual households.

B.16 Table B10 compares the tenure profile of Cheshire West and Chester with regional and national profiles.

Table B10 Comparison of national and regional tenure profiles with Cheshire West and Chester District

Tenure	Cheshire West and Chester (%)	North West (%)	England (%)
Owner-occupied	70.8	64.5	63.3
Private rented	13.7	16.7	18.2
Affordable (Social/Affordable rented and intermediate)	15.5	18.8	18.5
Total	100	100	100
Base	141,442	3,009,549	22,063,368

Source: ONS 2011 Census

B.17 The majority of households in Cheshire West and Chester are owner-occupiers (70.8%) and this is higher than the regional and national average. Both the proportion of privately renting households and households living in affordable dwellings is lower than the regional and national averages.

Right to buy

B.18 At the time of the 1980 Housing Act which gave Council renters the right-to-buy their homes, there were 32,707 Council dwellings across Cheshire West and Chester. An estimated 14,000[21] social rented dwellings have been sold under right to buy or preserved right-to-buy, representing 42.8% of the dwelling stock

[19] Based on 2011 census

[20] Based on 2011 census

[21] Based on ODPM information and CORE sales data

(this excludes and transfers to Chester and District Housing Trust and Weaver Vale Housing Trust). The level of sales has exacerbated the shortage of affordable accommodation across the District. However, more recently, the ability for renters to buy their homes has become more difficult as house prices have increased and therefore the price paid after available discounts are taken into consideration, has increased too.

Step 2.3 Shared housing and communal establishments

B.19 According to the 2011 Housing Strategy Statistical Appendix there are a reported 2,000 Houses in Multiple Occupation across Cheshire West and Chester (of which 912 are verifiable).

Stage 3: The active market

Step 3.3 - Overcrowding and under-occupation

Overcrowding

B.20 The 2013 Household Survey identified that around 2,785 households across Cheshire West and Chester were living in overcrowded conditions. Analysis was based on the number of bedrooms the household had access to, compared with the number required according to the Bedroom Standard Model. Table B12 shows that the proportion of households who were overcrowded averaged 4.4% across Cheshire West and Chester

B.21 How rates of overcrowding vary by spatial area is shown in Table B12, by tenure in Table B13 and by household type in Table B14. The highest rates of overcrowding are experienced in Farndon (3.6%), Tattenhall (3.1%) and Frodsham (3.0%). Of households who are overcrowded, 70.1% are owner occupiers, 13.7% live in affordable accommodation and 16.2% are private renters.

Table B12 Overcrowding by Spatial Area

Spatial Area	Number of households overcrowded	Total households	% overcrowded
Chester Urban Area	820	35642	2.3
Chester Villages	77	3498	2.2
Cuddington and Sandiway	31	2297	1.3
Ellesmere Port Urban Area	582	25963	2.2
Farndon	92	2552	3.6
Frodsham	124	4119	3.0
Helsby	15	2192	0.7
Malpas	27	1755	1.5
Neston	162	7179	2.3
Northwich Urban Area	331	22732	1.5
Rural East	21	6358	0.3
Rural North	137	7514	1.8
Tarporley	29	1969	1.5
Tarvin and Kelsall	43	3294	1.3
Tattenhall	59	1921	3.1
Winsford Urban Area	235	12457	1.9
Total	**2785**	**141442**	**2.0**

Source: 2013 Household Survey

Table B13 Overcrowding by tenure

Tenure	Number of households overcrowded	Total households	% overcrowded
Owner Occupier	1950	100105	1.9
Private	451	19441	2.3
Affordable	382	21896	1.7
Total	**2783**	**141442**	**2.0**

Source: 2013 Household Survey

B.22 Overcrowding is particularly apparent amongst lone parents, couples with larger families/non-dependent children and 'other' types of household, for instance friends sharing (Table B14).

Table B14 Overcrowding by household type

Household type	Number of households overcrowded	Total households	% overcrowded
Single Adult (under 65)	0	25712	0.0
Single Adult (65 or over)	0	18005	0.0
Couple only (both under 65)	0	25595	0.0
Couple only (one or both over 65)	0	22335	0.0
Couple with 1 or 2 child(ren) under 18	87	18891	0.5
Couple with 3 or more child(ren) under 18	89	2608	3.4
Couple with child(ren) aged 18+	391	14035	2.8
Lone parent with 1 or 2 child(ren) under 18	66	4652	1.4
Lone parent with 3 or more child(ren) under 18	65	473	13.7
Lone parent with child(ren) aged 18+	215	5006	4.3
Other type of household	1873	4129	45.4
Total	**2786**	**141442**	**2.0**

Source: 2013 Household Survey

Under-occupation

B.23 Using the bedroom standard model methodology, it is possible to identify households that are under-occupying i.e. there are more bedrooms than needed. Overall, around 112,868 households (79.8%) in Cheshire West and Chester are technically under-occupying; e.g. a couple in a two or three bedroom house or a single person in a two bedroom house. Severe under-occupation, whereby a household has 3 or more 'spare bedrooms', is experienced by a total of 17,540 households (11.8%)

B.24 Table B15 considers severe under-occupation by Spatial Area. The highest rates of severe under-occupation are experienced in Cuddington and Sandiway, followed by the Chester Villages, Tattenhall and the Rural East.

Table B15 Severe under-occupation* by Spatial Area

Spatial Area	No. households with 3+ spare bedrooms	Total households	% households with 3+ spare bedrooms
Chester Urban Area	2930	35642	8.2
Chester Villages	903	3498	25.8
Cuddington and Sandiway	639	2297	27.8
Ellesmere Port Urban Area	2107	25963	8.1
Farndon	502	2552	19.7
Frodsham	572	4119	13.9
Helsby	260	2192	11.9
Malpas	315	1755	17.9
Neston	1122	7179	15.6
Northwich Urban Area	2325	22732	10.2
Rural East	1540	6358	24.2
Rural North	1369	7514	18.2
Tarporley	478	1969	24.3
Tarvin and Kelsall	684	3294	20.8
Tattenhall	482	1921	25.1
Winsford Urban Area	1312	12457	10.5
Total	**17540**	**141442**	**12.4**

*Household has 3 or more 'spare' bedrooms

Source: 2013 Household Survey

B.25 Table B16 shows that severe under-occupation is most prevalent amongst owner-occupied households, accounting for 96.1% of all severe under-occupation. Overall, 16.8% of owner occupiers have three or more spare bedrooms in their dwelling.

Table B16 Severe under-occupation* by tenure

Tenure	No. households with 3+ spare bedrooms	Total households	% households with 3+ spare bedrooms
Owner Occupier	16860	100105	16.8
Private	586	19441	3.0
Affordable	93	21896	0.4
Total	**17539**	**141442**	**12.4**

*household has 3 or more 'spare' bedrooms

Source: 2013 Household Survey

B.26 Table B17 illustrates the relationship between severe under-occupation and household type. This shows that severe under-occupation is most prevalent among couples under 60 with no children (accounting for 37.9% of all severe under-occupation). The next largest group are older couples (one or both over

60), representing 35.4% of all severe under-occupying households. Overall, 27.8% of older couples (one or both over 60) and 25.9% of couples with no children (both under 60) live in dwellings with three or more spare bedrooms.

Table B17 Severe under-occupation* by household type

Household type	No. households with 3+ spare bedrooms	Total households	% households with 3+ spare bedrooms
Single Adult (under 60)	1577	25712	6.1
Single Adult (60 or over)	1555	18005	8.6
Couple only (both under 60)	6640	25595	25.9
Couple only (one or both over 60)	6216	22335	27.8
Couple with 1 or 2 child(ren) under 18	950	18891	5.0
Couple with 3 or more child(ren) under 18	0	2608	0.0
Couple with child(ren) aged 18+	443	14035	3.2
Lone parent with 1 or 2 child(ren) under 18	35	4652	0.8
Lone parent with 3 or more child(ren) under 18	0	473	0.0
Lone parent with child(ren) aged 18+	66	5006	1.3
Other type of household	56	4129	20.6
Total	**17538**	**141442**	**12.4**

*Household has 3 or more 'spare' bedrooms

Source: 2013 Household Survey

Step 3.4 Vacancies, turnover rates and available supply by tenure

Vacancy rates

B.27 A total of 4,777 dwellings were reported as vacant in 2011 representing 3.2% of total dwelling stock[22].

Turnover rates

B.28 The 2013 Household Survey provided information on how long a household had lived at their present address. Using this information, turnover rates can be derived by tenure (Table B18). Overall, around 5.6% of households move each year.

B.29 Table B18 shows that there are strong relationships between turnover and tenure, with the private rented sector exhibiting strong rates of turnover and the owner-occupied sector the least; this is consistent with national trends.

[22] 2011 Housing Strategy Statistical Appendix

Table B18 Household turnover rates by tenure

Tenure	% households living in property for less than 5 years	Annual Turnover (%)	Annual turnover (no. of dwellings)	Total households
Owner occupied	15.7	3.1	3127	99843
Private Rented	78.5	15.7	3046	19401
Social/Affordable Rented	39.0	7.8	1705	21842
Total	**27.9**	**5.6**	**7878**	**141086**

Source: 2013 Household Survey

Supply by tenure

Owner occupied

B.30 On the basis of household turnover rates presented in Table B18, around 3,127 owner occupied dwellings become available for purchase on an annual basis.

Private rented

B.31 There is a high degree of turnover in private rented properties, which results in a good overall supply. Household survey data suggests around 3,046 private rented lets become available each year.

Social rented

B.32 Household survey data suggests around 1,705 social rented lettings are made each year. Further analysis of social rented lettings is presented at Appendix D using more comprehensive RP CORE lettings data.

Intermediate tenure

B.33 Intermediate housing is defined in the NPPF *as* 'homes for sale and rent provided at a cost above social rent, but below market levels'. Intermediate tenure includes shared equity products (e.g. Homebuy), discounted for sale houses etc.

B.34 RP CORE sales data indicates that 43 intermediate dwellings become available each year. Further analysis of intermediate tenure turnover is presented at Appendix D.

Spatial area characteristics

B.35 The purpose of this section is to explore the extent to which there are distinctive characteristics of spatial 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)

B.36 Table B19 provides a review of the distinctive attributes of each spatial area. For each attribute, a district mean has been calculated (for instance the % of households who are owner-occupiers). Information for each spatial 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 spatial area figure is less than 75% of the county mean;

Green indicates that the spatial area figure is between 75% and 125% of the county mean; and

Red indicates that the spatial area figure is at least 125% of the county mean.

B.37 Percentage data is presented for migration and travel to work data.

B.38 Using the Chester Urban Area, an example of interpreting this data would be:

The area has a proportionately higher amount of private renting households relative to the Cheshire West and Chester average; and generally similar proportions of households in owner occupied and affordable dwellings;

The area has proportionately more terraced and flats and one/two bedroom dwellings ;and fewer bungalows and five plus bedroom properties compared with the Cheshire West and Chester average; with median prices reflecting the Borough average;

Incomes are similar to the Borough average; with the proportions in employment similar to the Borough average, with higher proportions in training and permanently sick;

The area has higher proportions of single people and BAME households compared with the Borough;

55% of moving households originated from with the Chester Urban Area, with strong inflows of migrants from elsewhere in the UK; and

57% of heads of household work within the Borough and 21.2% work on the Wirral.

Table B19a Spatial area attributes (Chester Urban to Malpas)

Tenure	Chester Urban Area	Chester Villages	Cuddington and Sandiway	Ellesmere Port Urban Area	Farndon	Frodsham	Helsby	Malpas
Owner occupied	88.5	120.7	118.1	96.8	99.1	108.2	113.6	97.1
Private Rented	140.3	71.0	60.8	77.7	159.7	89.1	87.8	139.3
Affordable	116.6	31.2	52.2	134.6	51.2	72.1	48.6	78.2
Property type								
Detached house	56.4	170.0	176.3	80.6	175.6	120.1	99.6	161.5
Semi-detached house	93.2	80.3	70.7	124.2	79.2	92.6	108.5	72.1
Terraced /town house	135.9	53.7	49.1	104.0	81.8	72.7	87.4	55.5
Bungalow	73.8	132.8	139.5	71.8	102.2	115.6	157.1	184.4
Flat/maisonette/other	179.4	36.2	45.9	101.5	17.6	98.2	50.5	27.6
No. Beds								
1-2 Beds	130.9	47.8	64.0	83.6	73.8	93.8	85.6	93.6
3-4 Beds	86.9	115.4	115.9	112.5	108.8	99.9	107.8	97.6
5+ Beds	64.8	263.5	131.6	32.9	164.8	149.3	91.1	185.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Property Price								
2012 median	103.9	143.8	143.8	78.1	156.3	120.3	96.9	134.4
Household income								
<£300pw	106.2	54.0	54.3	126.1	73.0	82.1	80.4	107.4
£300 to <£500pw	107.4	68.5	95.9	103.9	79.7	88.1	99.6	93.3
£500+ pw	92.7	143.5	131.0	81.6	126.4	116.8	112.7	98.3
Economic activity								
In employment	99.3	101.8	90.5	97.1	103.1	89.5	104.3	105.4
In training	168.6	0.0	30.5	64.4	34.9	69.3	150.1	58.1
Unemployed	107.5	20.3	43.8	147.4	58.3	56.0	40.1	41.7
Retired	97.4	112.8	125.8	95.6	105.6	126.0	111.2	105.0
Looking after home, carer	63.5	124.2	135.1	115.6	81.5	86.2	88.9	109.0
Permanently sick	137.2	42.3	52.5	123.0	79.5	86.3	24.3	46.1

Table B19b Spatial area attributes (Chester Urban to Malpas)

% moving less than 5 yrs	Chester Urban Area 35.0	Chester Villages 19.7	Cuddington and Sandiway 24.0	Ellesmere Port Urban Area 24.9	Farndon 26.4	Frodsham 27.9	Helsby 25.4	Malpas 29.1
Origin								
% Same Spatial Area	55.8	39.6	1.9	4.6	19.2	2.7	4.8	6.7
% elsewhere in CWAC	7.0	30.5	66.9	72.6	42.1	49.7	51.8	50.5
Wrexham/Flintshire/North Wales	7.2	5.2	2.7	4.3	11.6	5.6	7.6	11.0
Whitchurch/Oswestry/Shropshire	0.5	1.9	0.0	0.8	0.9	1.8	0.0	15.5
Wirral	1.2	1.3	0.0	6.4	1.4	1.0	0.9	2.8
Elsewhere Merseyside	0.9	1.4	3.8	0.0	0.5	3.4	6.9	0.0
Halton/Warrington	0.5	0.8	1.5	0.8	0.5	10.1	11.0	0.0
Cheshire East	2.0	3.0	1.7	0.6	3.1	2.5	0.9	6.9
Greater Manchester	1.8	2.7	0.8	0.6	0.0	5.6	0.9	0.0
Elsewhere UK	21.2	13.0	16.5	7.9	18.4	17.1	14.2	5.6
Outside UK	2.0	0.8	4.4	1.3	2.2	0.5	0.9	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Workplace								
% Same Spatial Area	57.7	38.7	8.4	22.5	36.1	8.7	10.0	6.1
% elsewhere in CWAC	10.9	32.0	44.6	50.9	37.6	36.1	36.1	52.2
Wrexham/Flintshire/North Wales	12.2	5.6	0.0	7.2	13.7	7.6	3.4	7.8
Whitchurch/Oswestry/Shropshire	0.0	0.0	0.0	0.0	3.2	0.0	0.0	9.9
Wirral	2.9	1.1	0.0	7.5	1.3	0.0	3.7	1.7
Elsewhere Merseyside	3.9	7.6	8.4	5.9	1.3	10.0	8.4	1.7
Halton/Warrington	3.5	5.1	12.4	1.2	0.0	21.2	26.0	1.7
Cheshire East	2.5	1.1	5.3	0.0	0.0	4.1	1.1	12.6
Greater Manchester	4.9	3.4	19.8	2.4	1.9	9.7	10.0	2.7
Elsewhere	1.5	5.4	1.2	2.4	5.0	2.5	1.1	3.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Household type								
Singles (under 60)	142.0	61.9	55.1	98.7	74.8	93.6	86.3	65.8
Couples (under 60)	93.1	92.1	114.6	106.7	102.2	88.8	105.4	89.7
Older person(s)	93.7	117.1	124.9	90.8	118.4	116.6	114.8	125.9
Two parent families	84.8	126.0	108.0	100.6	109.1	94.4	105.1	97.3
Lone parents	80.8	61.1	56.6	125.1	58.5	98.0	52.2	132.9
Other multi-person h'hold	120.0	90.0	83.5	90.5	87.2	99.8	79.7	66.3
BAME%	188.4	73.6	86.8	76.6	94.5	79.8	70.8	20.1

Table B19c Spatial area attributes (Neston to Winsford Urban and Total)

Tenure	Neston	Northwich Urban Area	Rural East	Rural North	Tarporley	Tarvin and Kelsall	Tattenhall	Winsford Urban Area	Total
Owner occupied	107.3	101.3	121.1	117.1	110.5	116.3	96.7	92.8	70.8
Private Rented	78.7	95.5	65.6	76.1	89.1	77.7	157.1	85.6	13.7
Affordable	85.7	97.8	34.3	43.0	61.6	45.3	64.5	145.8	15.5
Property type									
Detached house	114.8	94.2	177.6	123.6	176.6	156.4	173.3	110.4	27.2
Semi-detached house	70.9	113.3	75.0	100.3	74.1	76.3	94.4	105.3	31.1
Terraced /town house	95.6	102.5	33.7	57.3	71.6	57.0	57.7	113.0	17.0
Bungalow	170.9	93.8	146.9	161.5	97.5	156.2	81.9	87.4	11.1
Flat/maisonette/other	84.5	83.2	46.8	55.3	43.9	49.4	34.0	61.2	13.6
No. Beds									
1-2 Beds	100.0	112.0	60.1	68.7	85.9	74.4	76.7	108.0	31.9
3-4 Beds	98.8	94.4	108.4	112.1	98.7	104.7	100.7	99.5	64.0
5+ Beds	118.3	94.3	276.4	153.6	228.8	223.8	267.5	46.9	4.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Property Price									
2012 median	106.6	87.5	143.8	109.4	203.9	150.0	259.7	73.1	160000.0
Household income									
<£300pw	93.0	100.4	62.9	68.4	58.8	71.7	78.7	121.5	30.6
£300 to <£500pw	104.7	95.7	91.8	87.8	93.6	90.3	77.1	112.7	21.6
£500+ pw	102.3	101.7	127.4	125.7	129.2	122.4	123.9	80.6	47.9
Economic activity									
In employment	94.4	106.9	103.6	100.5	98.6	97.6	101.6	99.7	54.3
In training	129.9	70.1	0.0	75.9	35.3	73.3	0.0	175.9	0.6
Unemployed	36.4	133.6	27.4	31.7	46.2	30.8	64.2	140.8	3.0
Retired	128.3	86.0	110.2	116.9	118.5	119.9	110.7	80.0	32.7
Looking after home, carer	82.7	85.8	126.0	91.0	114.4	123.8	128.6	181.7	4.0
Permanently sick	28.4	110.7	35.3	39.6	28.6	27.3	30.3	132.8	5.4

Table B19d Spatial area attributes (Neston to Winsford Urban and Total)

	Chester Urban Area	Chester Villages	Cuddington and Sandiway	Ellesmere Port Urban Area	Farndon	Frodsham	Helsby	Malpas	Total
% moving less than 5 yrs	24.0	28.9	19.8	19.5	28.0	22.5	26.4	28.9	27.9
Origin									
% Same Spatial Area	1.1	2.5	3.1	9.6	1.4	14.9	14.5	1.8	
% elsewhere in CWAC	55.9	62.7	54.6	36.4	59.1	56.2	48.2	75.0	65.7
Wrexham/Flintshire/North Wales	4.7	2.1	0.0	4.9	0.0	2.1	0.6	0.9	4.6
Whitchurch/Oswestry/Shropshire	3.6	0.5	0.0	0.0	1.2	2.9	2.9	0.0	0.9
Wirral	14.8	1.0	0.0	18.1	0.8	2.1	1.0	0.3	3.1
Elsewhere Merseyside	2.5	0.2	0.0	8.2	0.0	4.4	0.0	0.5	1.1
Halton/Warrington	0.0	6.3	11.6	1.3	3.0	2.3	1.6	0.9	2.5
Cheshire East	0.0	7.8	16.4	2.7	10.8	2.9	1.2	9.9	4.1
Greater Manchester	1.8	4.0	4.6	0.0	3.2	2.6	3.5	1.4	2.1
Elsewhere UK	15.6	11.2	7.8	16.6	20.6	8.2	23.7	8.1	14.4
Outside UK	0.0	1.7	2.0	2.1	0.0	1.4	2.9	1.3	1.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Workplace									
% Same Spatial Area	12.5	2.7	0.0	27.5	12.4	14.7	18.7	2.9	
% elsewhere in CWAC	45.2	53.2	45.5	36.4	51.4	35.2	53.8	51.5	62.7
Wrexham/Flintshire/North Wales	3.4	1.6	0.0	0.0	0.0	9.7	4.8	0.0	6.4
Whitchurch/Oswestry/Shropshire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Wirral	24.3	0.6	0.0	1.8	1.4	3.2	0.0	0.0	3.3
Elsewhere Merseyside	14.6	2.1	5.7	5.5	0.0	7.6	6.3	1.9	4.6
Halton/Warrington	0.0	7.9	16.8	18.1	7.4	11.0	1.5	5.4	6.3
Cheshire East	0.0	17.9	6.5	0.0	9.2	8.9	10.3	30.6	7.6
Greater Manchester	0.0	10.5	17.6	7.3	12.1	6.5	3.0	5.6	6.4
Elsewhere	0.0	3.6	7.9	3.5	6.0	3.2	1.5	2.1	2.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Household type									
Singles (under 60)	85.2	97.9	51.6	63.2	51.7	64.1	53.9	99.4	9.8
Couples (under 60)	93.2	95.4	114.4	123.7	101.3	96.0	122.0	97.2	22.1
Older person(s)	124.3	90.1	118.2	117.7	136.4	121.5	116.9	82.4	33.3
Two parent families	90.9	113.7	120.9	95.5	106.5	111.7	92.9	102.1	23.3
Lone parents	79.8	118.3	51.8	87.0	68.1	83.9	101.1	154.5	7.2
Other multi-person h'hold	125.0	75.3	72.7	80.2	59.1	78.0	144.5	141.3	4.2
BAME%	60.5	68.6	32.7	69.4	30.5	68.6	98.7	82.3	3.2

Technical Appendix C: The future housing market

Underpins Core Output 3

Introduction

C.1 The purpose of this section is to review the future housing market in Cheshire West and Chester and provides information relating to the following stages of the SHMA process:

Stage 1: Projecting changes in future number of households

Stage 2: Future economic performance

Stage 3: Future affordability

Stage 4: Bringing the evidence together

C.2 Material in this chapter provides a basis for the following SHMA core outputs:

Core Output 3 Future households

Stage 1: projecting changes in future numbers of households

Household change and tenure requirements

C.3 Detailed household and population forecasts have been prepared by Cheshire West and Chester Council and these have been reported in the SHMA.

Stage 2: Future economic performance

C.4 The future economic trajectory of Cheshire West and Chester will be guided by the Local Economic Partnership.

Stage 3: Future affordability

C.5 The ability of households to access affordable accommodation in the future will be significantly influenced by prevailing market prices, interest rate changes and capacity in the social rented sector.

Market prices and interest rate changes

C.6 The CLG guidance comments that future house prices cannot be simply projected on the basis of past trends. Furthermore, predicting prices is an

inherently uncertain process since changes in house prices are cyclical and periods of rapid growth can be followed by slower rates of growth and/or decline.

C.7 It is possible to undertake some elementary modelling work which assesses the likely impact of price and interest rate changes on relative affordability. Table C3 presents historic market values across Cheshire West and Chester and how much mortgages on a median property price would have varied assuming a fixed interest mortgage based on a 10% deposit.

C.8 Three future scenarios are modelled:

Scenario A: A continuous fall in prices through to 2016;

Scenario B: A short fall and recovery in 2014;

Scenario C: A sustained recovery starting in 2013.

Table C3 Cost of repayment mortgage based on different house price change and interest rate assumptions

Historic Market Values	House Price Change	Median Price	90% LTV	Interest Rate 5.39% (1)
2011		£150,000	£135,000	£820
2012		£160,000	£144,000	£875
Scenario A: Continuous Fall				
2013	-5%	£152,000	£136,800	£833
2014	-5%	£144,400	£129,960	£790
2015	-5%	£137,180	£123,462	£750
2016	-5%	£130,321	£117,289	£713
Scenario B: Short Fall and recovery				
2013	-5.0%	£152,000	£136,800	£833
2014	+1%	£153,520	£138,168	£839
2015	+2%	£156,590	£140,931	£856
2016	+3%	£161,288	£145,159	£882
Scenario C: Sustained recovery				
2013	+1%	£161,600	£145,440	£884
2014	+5%	£169,680	£152,712	£928
2015	+5%	£178,164	£160,348	£974
2016	+7.5%	£191,526	£172,374	£1,047

Mortgage deals - July 2013

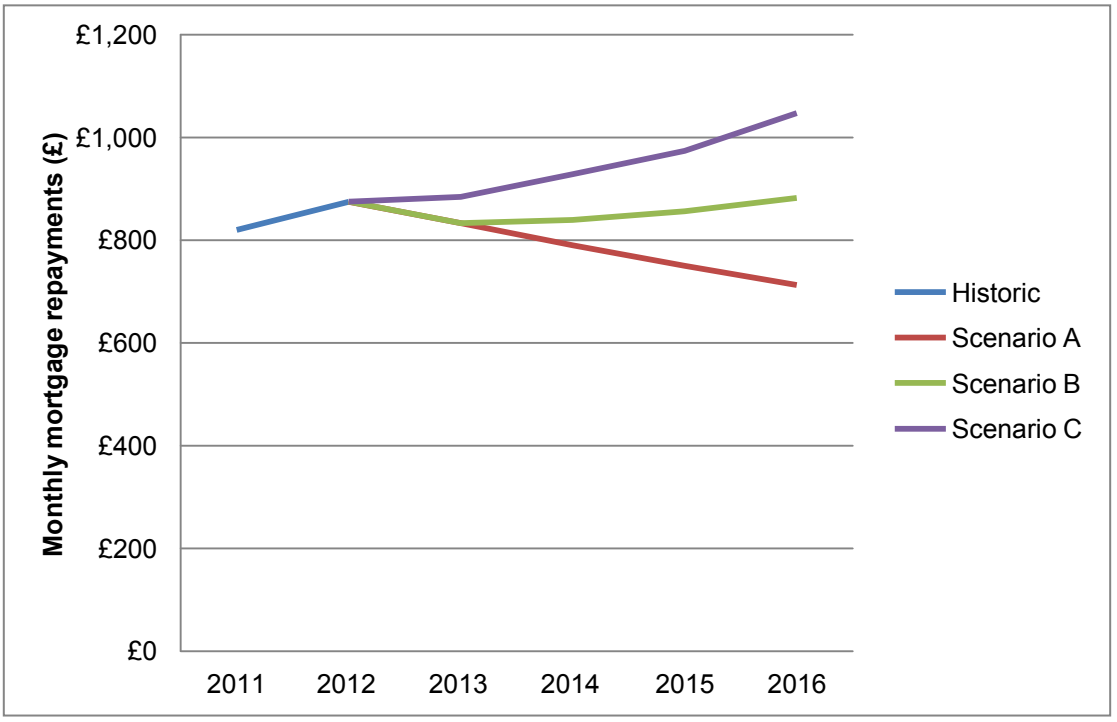
Example of first time buyer rates

5.39%	Nat West	90% LTV	5yrs	fixed

C.9 Figure C1 indicates how the house price scenarios would impact on the starting amount of monthly mortgage repayments (assuming fixed interest rates). For example, with Scenario A (continuous fall), property monthly starting repayments

(on a 5.39% mortgage) would fall from £833 to £713 (and property values would fall by around £21,679 or 14.3%).

Figure C1 Monthly mortgage costs based on alternative scenarios



Source: CLG House Price summary; Nat West online mortgage calculator

C.10 This modelling is purely illustrative and shows how different scenarios would impact on the cost of repaying a mortgage. However, the ability of households to raise a mortgage is affected by a reduced range of products, tighter lending criteria and the need to have a substantial deposit.

Stage 4: Summary and key messages

C.11 This Appendix has considered the future housing market in Cheshire West and Chester and reflected on future household numbers, the economic growth agenda, and future affordability.

C.12 In terms of the range of dwellings to be delivered, the SHMA has gathered a body of quantitative evidence and views of stakeholders which points to:

A need to maintain the delivery of traditional houses and in particular diversifying the range of larger/detached properties across the county;

The ageing population in Cheshire West and Chester as a major market driver and the number of households headed by an older person (65+) is expected to increase. There is a need to diversify the range of older persons' provision including the development of extra care schemes within the County; and

C.13 The future economic trajectory of Cheshire West and Chester will be guided by the activities of the Local Economic Partnership.

Technical Appendix D: Housing need calculations

Underpins core outputs 4,5,6,7

Summary of contents

Stage 1: Current housing need (gross backlog)

Step 1.1 Homeless households and those in temporary accommodation
Step 1.2 Overcrowding and concealed households
Step 1.3 Other groups
Step 1.4 Total current housing need (gross)

Stage 2: Future housing need (gross annual estimate)

Step 2.1 New household formation (gross per year)
Step 2.2 Proportion of new households unable to buy or rent in the market
Step 2.3 Existing households falling into need
Step 2.4 Total newly-arising housing need (gross per year)

Stage 3: Affordable housing supply

Step 3.1 Affordable dwellings occupied by households in need
Step 3.2 Surplus stock
Step 3.3 Committed supply of new affordable housing
Step 3.4 Units to be taken out of management
Step 3.5 Total affordable housing stock available
Step 3.6 Total supply of social re-lets (net)
Step 3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels
Step 3.8 Annual supply of affordable housing

Stage 4: Estimate of annual housing need

Step 4.1 Total backlog need
Step 4.2 Quota to reduce over 5 years (20%)
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

D.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 2013 Household Survey and secondary data provide a robust range of information to quantify housing need in Cheshire West and Chester and the extent to which additional affordable housing is required.

D.2 Housing needs analysis and affordable housing modelling has been prepared in accordance with CLG guidance at District and spatial 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: Housing requirements of households in need
Stage 5: Bringing the evidence together

D.3 Table D1 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 Cheshire West and Chester. 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 D1 CLG Needs Assessment Summary for Cheshire West and Chester

	Stage1: Current need		
1.1	Homeless households and those in temporary accommodation	Current need	1089
1.2	Overcrowding and concealed households	Current need	2781
1.3	Other groups	Current need	9372
1.4	Total current housing need (gross)	Total no. of housholds with one or more needs	12621
	Stage 2: Future need		
2.1	New household formation (Gross per year)	Actual formation	1587
2.2	% of new households who could not afford open market prices/rents	49.9% overall Number	
2.2	Number of new households requiring affordable housing	cannot afford Annual	792
2.3	Existing households falling into need	requirement	13
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	805
	Stage 3: Affordable housing supply		
3.1	Affordable dwellings occupied by households in need	(based on 1.4) Vacancy	1673
3.2	Surplus stock	rate <2% so no surplus stock assumed Annual	0
3.3	Committed supply of new affordable units	None assumed	see note below
3.4	Units to be taken out of management	3.1+3.2+3.3-3.4	0
3.5	Total affordable housing stock available	Annual Supply (3yr ave)	1673
3.6	Annual supply of social re-lets (net)		906
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave) 3.6+3.7	43
3.8	Annual supply of affordable housing		949
	Stage 4: Estimate of annual housing need		
4.1	Total backlog need	1.4-3.5	10948
	% cannot afford open market prices/rents	39.2% overall	
	Total		4288
4.2	Quota to reduce over 1 year		20%
4.3	Annual backlog reduction	Annual requirement	858
4.4	Newly-arising need	2.4	805
4.5	Total annual affordable need	4.3+4.4	1662
4.6	Annual affordable capacity	3.8	949
4.7	**Net annual shortfall**	**Net**	**714**

Source 2013 Household Survey; RP Core Lettings and Sales data

Important notes:

At Stage 1, the figure at 1.4 is not a direct sum of steps 1.1 to 1.3 as some households may have more than one housing need (for instance they may be overcrowded and also have some other need). The figure of 12,621 is the total number of households with one or more housing needs

The basic model reviews overall requirements and exclude new supply as timescales for delivery and types/sizes to be built are often subject to change. However, the potential impact of new supply on overall net requirements is discussed further in **Para D22.**

Stage 1: Current need

D.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 D2.

Table D2 Summary of current housing need across Cheshire West and Chester

Category	Factor	No. Households
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	1,089
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	1,887
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	2,782
	N4 Too difficult to maintain	3,325
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	1,234
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	3,099
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	586
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	704
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	1,035
Total no. households in need		12,619
Total Households		141,442
% households in need		8.9

Note: A household may have more than one housing need.
Source: 2013 Household Survey

Step 1.1 Homeless households and those in temporary accommodation

D.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.

D.6 Homelessness statistics for 2011/12[23] indicate that a total of 276 decisions were made on households declaring themselves as homeless across Cheshire West and Chester (Table D3). Of these households, 100 were accepted as homeless and in priority need. Over the three years 2009/10, 2010/11 and 2011/12, an

[23] CLG Homeless Statistics Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area

annual average of 179 decisions have been made across Cheshire West and Chester and 69 households have been declared as homeless and in priority need.

Table D3 Homeless decisions and acceptances 2009/10 to 2011/12

Year	Decisions made	Accepted as homeless
2009/10	84	34
2010/11	176	72
2011/12	276	100
Total	536	206
Annual Average	179	69

Source: CLG Homelessness Statistics

D.7 The household survey identified a total of 1,089 households who were either under threat of homelessness or were living in temporary accommodation across Cheshire West and Chester. This figure has been used in needs assessment modelling.

Step 1.2 Overcrowding and concealed households

D.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.

D.9 Analysis identifies 2,507 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

D.10 Table D3 identified a series of households who were in housing need for other reasons including the property is too expensive, difficult to maintain, household containing people with mobility impairment/special need, lacking amenities, disrepair and harassment.

D.11 A total of 2,781 households across Cheshire West and Chester 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

D.12 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Cheshire West and Chester before any analysis of the ability of households to afford open market solutions is 12,621.

Step 2.1 New household formation (gross per year)

D.13 The 2013 household survey identifies that over the past five years a total of 7,937 households formed which equates to an annual average of 1,587. It is important to note that this is a gross rate and does not take into account household dissolution (for instance through death or out-migration) and compares with a net rate of around 1,050 each year (which takes account of these factors).

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

D.14 Analysis of lower quartile market prices relative to the income/savings of households who have formed in the past five years suggests that 49.9% could not afford lower quartile house prices or private sector rents.

D.15 Therefore, the total number of newly-forming households who could not afford open market prices or rents across Cheshire West and Chester is calculated to be 792 each year.

Step 2.3 Existing households expected to fall into need

D.16 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 2009/10, 2010/11 and 2011/12, an annual average of 13 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)

D.17 Total newly arising need is calculated to be 805 households each year across Cheshire West and Chester.

Stage 3: Affordable housing supply

D.18 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

D.19 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 need[24].

D.20 A total of 1,673 households are current occupiers of affordable housing in need (Table D1). 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

D.21 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 Cheshire West and Chester.

Step 3.3 Committed supply of new affordable units

D.22 There is ongoing delivery of affordable housing. Any additional affordable housing will help offset the identified requirements.

Step 3.4 Units to be taken out of management

D.23 The model assumes there will be no social rented units taken out of management over the next five years.

Step 3.5 Total affordable housing stock available

D.24 It is assumed that there are **1,673** social (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

D.25 The CLG model considers the annual supply of social re-lets. Address-level RP CORE lettings data has been analysed for the three years 2009/10, 2010/11 and 2011/12. 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:

[24] Strategic Housing Market Assessment Guidance (CLG, August 2007)

Exclude those moving into accommodation from outside Cheshire West and Chester and households moving within the social rented stock; and

Include households who moved from within Cheshire West and Chester into social renting from another tenure; newly-forming households originating in Cheshire West and Chester and moving in social renting; and households moving from specialist/supporting housing from within Cheshire West and Chester into affordable housing.

D.26 Analysis suggests that there is an annual average of 906 social rented dwellings let to new tenants i.e. households originating in Cheshire West and Chester who either moved into social renting from another tenure, were newly-forming households, or who moved from supported/specialist accommodation. Table D4 illustrates how the annual capacity figure is broken down by designation (general needs and older person) and property size.

Step 3.7 Annual supply of intermediate re-lets/sales

D.27 Table D5 presents a summary of the average supply of intermediate tenure dwellings which have either been sold or relet over the three year period 2009/10, 2010/11 and 2011/12 as recorded in CORE Sales data.

Table D4 Annual average social rented re-lets 2009/10 to 2011/12

Spatial Area	General Needs				Older Person			Total
	1	2	3	4	1	2	3	
Chester Urban Area	79	172	48	1	4	2	0	**305**
Chester Villages	0	0	1	0	0	0	0	**2**
Cuddington and Sandiway	1	1	1	0	0	0	0	**3**
Ellesmere Port Urban Area	97	113	77	1	4	3	1	**297**
Farndon	1	5	5	0	0	0	0	**11**
Frodsham	2	11	6	0	0	0	0	**19**
Helsby	2	0	2	0	0	0	0	**4**
Malpas	0	3	2	0	0	0	0	**6**
Neston	7	15	9	0	1	0	0	**32**
Northwich Urban Area	17	42	21	0	0	0	0	**80**
Rural East	0	2	2	0	0	0	0	**5**
Rural North	3	1	3	0	0	1	0	**8**
Tarporley	0	1	2	0	0	0	0	**3**
Tarvin and Kelsall	1	1	1	0	0	0	0	**3**
Tattenhall	0	0	0	0	0	0	0	**1**
Winsford Urban Area	25	48	53	2	0	1	0	**129**
Total	**234**	**416**	**233**	**5**	**9**	**6**	**1**	**906**

Source: RP CORE data annual average for the period 2009/10, 2010/11 and 2011/12

Table D5 Annual average Intermediate tenure sales/relets 2009/10 to 2011/12

Spatial Area	General Needs			Older Person			Total
	1	2	3	1	2	3	
Chester Urban Area	3	8	4	1	1	0	**17**
Chester Villages	0	0	0	0	0	0	**0**
Cuddington and Sandiway	0	0	0	0	0	0	**0**
Ellesmere Port Urban Area	0	3	1	0	0	0	**5**
Farndon	0	1	1	0	0	0	**1**
Frodsham	0	1	0	0	0	0	**1**
Helsby	0	0	0	0	0	0	**0**
Malpas	0	0	0	0	0	0	**0**
Neston	0	0	0	0	0	0	**0**
Northwich Urban Area	1	7	4	0	1	0	**13**
Rural East	0	0	0	0	0	0	**0**
Rural North	0	0	0	0	0	0	**0**
Tarporley	0	0	1	0	0	0	**1**
Tarvin and Kelsall	0	1	1	0	0	0	**1**
Tattenhall	0	0	0	0	0	0	**0**
Winsford Urban Area	0	1	1	0	0	0	**2**
Total	**4**	**22**	**13**	**2**	**2**	**0**	**43**

Source: RP CORE Sales data annual average 2009/10, 2010/11 and 2011/12

Summary of Stage 3

D.28 Overall, the model assumes an existing affordable supply of 1,673 and an annual supply of 906 social (affordable) lettings and an annual supply of 43 intermediate tenure lettings/sales.

Stage 4: Estimate of annual housing need

Overview

D.29 Analysis has carefully considered how housing need is arising within Cheshire West and Chester identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.

D.30 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 shortfall of **714** dwellings. Any newbuild figures would reduce this figure.

D.31 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 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.

D.32 Stage 4 brings together the individual components of the needs assessment to establish the total net annual shortfall.

Step 4.1 Total backlog need

D.33 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.4 minus total affordable housing stock available (Step 3.5). The total backlog need is 10,948. 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 is based on 3.5 x gross annual income of the respondent and partner (if applicable).

D.34 The affordability threshold was then tested against lower quartile property prices and the cost of privately renting. Lower quartile prices at area level for the period Feb 2012 to March 2013 were derived using Land Registry address-level data (Table D6).

D.35 Information on prevailing private sector rents was obtained from the Vizzyhomes database of rentals for 2012/13 (Table D7). The cost of letting a property according to the number of bedrooms required by a household was factored into affordability testing.

D.36 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, 39.2% could not afford open market prices, resulting in a total of 4,288 existing households in need who wanted to move to offset their need and could not afford open market solutions.

Table D6 Lower quartile, median and average house prices February 2012 to March 2013)

Spatial Area	Price		
	Lower Quartile	Median	Mean
Chester Urban Area	£125,000	£166,200	£195,190
Chester Villages	£179,950	£230,000	£277,653
Cuddington and Sandiway	£165,000	£230,000	£240,077
Ellesmere Port Urban Area	£94,000	£125,000	£136,232
Farndon	£175,000	£250,000	£301,093
Frodsham	£138,000	£192,500	£215,429
Helsby	£120,000	£155,000	£160,685
Malpas	£146,500	£215,000	£261,605
Neston	£130,000	£170,500	£210,725
Northwich Urban Area	£105,000	£140,000	£170,117
Rural East	£183,000	£230,000	£280,389
Rural North	£130,000	£175,000	£221,647
Tarporley	£220,000	£326,250	£362,362
Tarvin and Kelsall	£192,500	£240,000	£270,268
Tattenhall	£249,375	£415,500	£410,959
Winsford Urban Area	£85,000	£117,000	£123,619

Source: Land Registry Price Paid Data 1 Feb 2012 to 25 March 2013

Table D7 Private rental prices by property size

Spatial Area	No. Bedrooms						
	0	1	2	3	4	5	6
Chester Urban Area	£330	£435	£575	£650	£850	£1,200	£1,800
Chester Villages	£520	£475	£600	£695	£900	£1,325	£1,995
Cuddington and Sandiway	£399	£475	£525	£650	£895	£1,695	
Ellesmere Port Urban Area	£350	£395	£495	£550	£725	£895	
Farndon	£1,950	£475	£595	£710	£1,600	£995	£1,950
Frodsham		£450	£560	£695	£873	£1,200	£1,000
Helsby		£399	£550	£650	£795	£950	
Malpas		£300	£520	£650	£850		
Neston		£425	£525	£638	£795	£1,250	
Northwich Urban Area		£395	£495	£595	£795	£1,300	
Rural East	£1,250	£580	£575	£725	£948	£1,100	£7,000
Rural North		£495	£550	£650	£910	£1,250	
Tarporley		£460	£610	£795	£1,023	£1,400	£2,000
Tarvin and Kelsall	£300		£585	£695	£950	£1,295	
Tattenhall		£450	£525	£700	£950	£1,395	
Winsford Urban Area		£450	£495	£575	£725	£850	

Source: Vizzyhomes 2013

Steps 4.2 to 4.6

D.37 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).

D.38 Step 4.3 is the annual backlog reduction based on step 4.2 (858 each year).

D.39 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (805 each year).

D.40 Step 4.5 is the total annual affordable need based on steps 4.3 and 4.4 (1,662 each year).

D.41 Step 4.6 is the annual social rented/intermediate tenure capacity based on step 3.8 (949 each year).

Step 4.7 - Total gross and net shortfalls

D.42 Tables D8 and D9 summarise the overall annual gross and net affordable housing requirements for Cheshire West and Chester by designation (general needs and older person) and property size.

Table D8 Net annual affordable housing requirement by property size and designation 2013/14 to 2017/18

Sub-area	Age and no. beds						Total
	Under 65			65+			Net
	1 Bed	2 Beds	3+Beds	1 Bed	2 Beds	3+ Beds	
Chester Urban Area	182	-183	44	74	-2	-21	**93**
Chester Villages	12	9	8	-4	6	1	**31**
Cuddington and Sandiway	9	1	2	1	0	0	**12**
Ellesmere Port Urban Area	152	-77	-77	62	-3	-45	**12**
Farndon	9	-1	9	9	0	-4	**22**
Frodsham	35	-11	9	6	14	0	**54**
Helsby	10	7	-1	3	0	0	**19**
Malpas	11	10	-7	5	-7	1	**13**
Neston	26	-11	6	27	0	-18	**29**
Northwich Urban Area	185	-65	22	50	-27	3	**168**
Rural East	25	17	-1	11	0	0	**52**
Rural North	20	45	-19	10	-1	0	**54**
Tarporley	11	-2	-2	1	0	1	**9**
Tarvin and Kelsall	8	1	8	7	0	1	**24**
Tattenhall	9	4	2	14	-6	1	**23**
Winsford Urban Area	92	32	-43	46	-9	-20	**98**
Total	**795**	**-225**	**-39**	**322**	**-36**	**-103**	**714**

Table D9 Gross annual affordable housing requirement by property size and designation 2013/14 to 2017/18

Sub-area	Age and no. beds						Total
	Under 65			65+			Net
	1 Bed	2 Beds	3+Beds	1 Bed	2 Beds	3+ Beds	
Chester Urban Area	182		44	74			**300**
Chester Villages	12	9	8		6	1	**35**
Cuddington and Sandiway	9	1	2	1	0	0	**12**
Ellesmere Port Urban Area	152			62			**214**
Farndon	9		9	9	0		**27**
Frodsham	35		9	6	14	0	**64**
Helsby	10	7		3	0	0	**20**
Malpas	11	10		5		1	**27**
Neston	26		6	27			**58**
Northwich Urban Area	185		22	50		3	**260**
Rural East	25	17		11	0	0	**53**
Rural North	20	45		10		0	**74**
Tarporley	11			1	0	1	**13**
Tarvin and Kelsall	8	1	8	7	0	1	**24**
Tattenhall	9	4	2	14		1	**29**
Winsford Urban Area	92	32		46			**170**
Total	**795**	**125**	**110**	**326**	**20**	**6**	**1382**

D.43 Table D10 then presents a recommendation for overall requirements by reconciling net shortfalls with gross requirements. This table is calculated by working out the Table % of gross shortfalls and applying this to the net figure. For instance, table D9 shows a 185 gross shortfall of 1 bed general needs in the Chester Urban area. This equates to 13.16% of the overall gross shortfall of Cheshire West and Chester. Applying this to the 714 net figure gives a recommendation of 94 one bedroom general needs dwellings in Cheshire West and Chester

Table D10 Recommendation for annual affordable housing delivery by property size and designation 2013/14 to 2017/18

Sub-area	Age and no. beds						Total
	Under 65			65+			
	1 Bed	2 Beds	3+Beds	1 Bed	2 Beds	3+ Beds	
Chester Urban Area	94	0	23	38	0	0	155
Chester Villages	6	4	4	0	3	0	17
Cuddington and Sandiway	5	0	1	1	0	0	7
Ellesmere Port Urban Area	78	0	0	32	0	0	110
Farndon	5	0	5	5	0	0	15
Frodsham	18	0	5	3	7	0	33
Helsby	5	4	0	1	0	0	10
Malpas	6	5	0	3	0	0	14
Neston	13	0	3	14	0	0	30
Northwich Urban Area	96	0	12	26	1	1	136
Rural East	13	9	0	6	0	0	28
Rural North	10	23	0	5	0	0	38
Tarporley	6	0	0	0	0	0	6
Tarvin and Kelsall	4	0	4	4	0	0	12
Tattenhall	5	2	1	7	0	0	15
Winsford Urban Area	47	17	0	24	0	0	88
Total	**411**	**64**	**58**	**169**	**11**	**1**	**714**
%	**57.6**	**9.0**	**8.1**	**23.7**	**1.5**	**0.1**	**100.0**

Sources: 2013 Household Survey; RP CORE Lettings and Sales

Tenure and dwelling type profile of affordable dwellings

D.44 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% 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

D.45 Households were asked to state tenure preferences. Table D11 summarises the preferences of both existing households in need and newly forming households by tenure. Overall, this gives a tenure split of 67.3% social/affordable rented and 32.7% intermediate tenure across Cheshire West and Chester.

Table D11 Affordable tenure preferences

Tenure	Existing households in need	Newly-forming households	Total
Affordable (Social) Rent	77.6	56.4	**67.3**
Intermediate Tenure	22.4	43.6	**32.7**
Total	100.0	100.0	**100.0**
Base (annual requirement)	858	805	**1663**

Source: 2013 Household Survey

D.46 An analysis of the ability of existing households in need and newly-forming households to afford intermediate tenure is summarised in Table D12. Analysis suggests that intermediate tenure options remain relatively affordable to households in need and newly-forming households, with 32.9% able to afford a property priced at up to £100,000.

Table D12 Ability of existing households in need and newly-forming households requiring affordable housing to afford intermediate tenure dwellings

Price	% could afford		
	Existing households in need	Newly-forming households	Total
£80,000 up to £100,000	37.8	29.1	32.9
£100,000 up to £120,000	33.7	24.0	28.2
£120,000 up to £150,000	27.7	16.8	21.6
Base	980	1274	2254

Source: 2013 Household Survey

D.47 There is clearly scope for an intermediate tenure market in Cheshire West and Chester. 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

D.48 Table D13 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 52.6% stating an expectation of moving to a house), followed by flats (30.8%) and bungalows (16.6%).

Table D13 Property type preferences

Type preferences	Existing (%)	Newly-forming (%)	Total (%)
House	48.3	57.1	52.6
Flat/Apartment	24.5	37.5	30.8
Bungalow	27.2	5.3	16.6
Total	100.0	100.0	100.0
Base	858	805	1663

Based on expectations of existing households in need and expectations of households intending on forming in the next five years

Source: 2013 Household Survey

Implications for planning

D.49 There is a clear ongoing need for affordable housing delivery within Cheshire West and Chester. Appendix G provides further information on how information presented in this research can be used to strengthen existing planning policies and ensure a continued supply of affordable housing in the future.

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 Cheshire West and Chester 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 2015/16 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 2009/10, 2010/11 and 2011/12 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 2009/10, 2010/11 and 2011/12.

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 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 Cheshire West and Chester. 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: Statement of conformity to SHMA guidance

F.1 In order for a Strategic Housing Market Assessment to be deemed robust and credible, it needs to provide, as a minimum, all of the core outputs and meets the requirements of all of the process criteria (these were presented in Tables 1.1 and 1.2 of this report).

F.2 This Statement of Conformity confirms that in delivering the eight core SHMA outputs, the process criteria outlined in the SHMA guidance has been adhered to. Further details are now provided.

Approach to identifying Market area(s) is consistent with other approaches to identifying Market areas within the region

F.3 In considering delivery areas, the starting point of the SHMA was the existing SHMA evidence base. The 2012 SHMA has used migration, travel to work and house price analysis (in accordance with CLG advice note on defining market areas). The approach to define market areas has therefore been consistent with other approaches to identifying markets and follows national best practice.

Housing market conditions are assessed within the context of the delivery area

F.4 Although the specific focus of this research has been Cheshire West and Chester, research has considered inter-relationships with other areas; notably Cheshire East, Halton/Warrington, the Wirral and Flintshire/Wrexham. This has been achieved through a review of migration, travel-to-work, house prices and household aspirations.

Involves key stakeholders, including house builders

F.5 During the course of the research and economic viability work, stakeholder interviews have been carried out with a wide-range of interest groups including estate agents and house builders. The research has therefore ensured that the views of key stakeholders are represented in the study.

Contains a full technical justification of the methods employed, with any limitations noted

F.6 The research has been multi-method and involved secondary data analysis, a major household survey and stakeholder consultation. The study methodology was summarised in Chapter 1. The range of data assembled is in accordance with the SHMA guidance. In order to understand housing market dynamics more fully, the research has placed a particular emphasis on primary fieldwork to

enhance and supplement the review of secondary data sources. Within the text of the report, any particular observations relating to data including limitations and interpretation have been presented.

Assumptions, judgements and findings are fully justified and presented in an open and transparent manner.

F.7 Given our expertise and understanding of housing research, the strategic housing agenda and affordability issues, we believe that any assumptions, judgements and findings are fully justified and have been presented in an open and transparent manner. In particular, we have ensured that robust data has been presented and interpreted based on our understanding of general market drivers and the wider sub-regional, regional and national strategic context.

Uses and reports upon effective quality control mechanisms

F.8 Throughout the research process, we have ensured that the most up-to-date and robust data sources have been used. Most notably, data from 10,483 households was secured through primary fieldwork. This data was appropriately weighted (to address response bias) and grossed (to reflect total households). We have a series of internal quality control mechanisms relating to data analysis and interpretation; project management; and client liaison. By having these quality control mechanisms in place, we trust that this is evidenced in the quality of research and output we produce.

Explains how the assessment findings can been monitored and updated since it was originally undertaken.

F.9 A series of recommendations for updating the study have been presented at Appendix E.

Technical Appendix G: Affordable housing policy considerations

Introduction

G.1 This research provides comprehensive information in respect of current and projected future affordable housing needs and requirements within their respective areas. This information will enable a review of current affordable housing policies and practices to ensure that all opportunities to address identified shortfalls are explored - evidence from this study will help inform decisions regarding housing numbers and how best to tackle affordable housing shortfalls.

G.2 When reviewing affordable housing policies and planning guidance other key local and sub regional strategic priorities will need to be considered, as will the evolving national strategic housing and planning context, including:

Implications of the Localism Act;

The introduction of the National Planning Policy Framework;

Impact of the affordable rent model; and

Government priorities set out within the National Housing Strategy.

G.3 Combine with these factors the current economic climate, and it is clear that the context for affordable housing delivery in Cheshire West and Chester is both challenging and evolving.

G.4 In these circumstances robust and up to date evidence of the need for affordable housing, which can be used to support appropriate planning policy responses, is particularly important. Given the availability of this up to date evidence, there is merit in reviewing its existing mechanisms and considering new options and approaches to affordable housing delivery in the future, this includes exploring the potential for increased flexibility within planning policy approaches.

G.5 Any review of affordable housing policy will also need to be mindful of issues of economic viability, an assessment of which does not form part of this research.

Planning Policy Considerations

G.6 The following areas should be considered in a review of planning policy:

Targets and tenure;

Type of housing; and

Use of funding.

Targets and tenure

G.7 Evidence from this research indicates that there remains a sustained and unmet need for affordable housing. The SHMA evidence base supports the delivery of affordable housing based on evidence of an annual imbalance of supply relative to need.

G.8 An actual target for delivery will be derived from an assessment of economic viability.

G.9 Survey evidence suggests a tenure split of 67.3% social (affordable) rent and 32.7% intermediate tenure would reflect household aspirations. However, any site by site assessment would require an economic viability assessment to establish an appropriate tenure split for a particular development.

Type

G.10 In terms of property type, the affordable housing requirements identified indicate a range of needs. It is important to review these requirements against potential development capacity across the Borough, before deciding whether to seek a pro-rata match of private housing on all new developments, or stipulate specific property size requirements on a site by site basis.

G.11 Whichever approach is adopted, it will need to be viable on individual sites, with some developments providing greater opportunities to deliver certain types of homes than others. Given the identified property preferences (house 52.6%, flats 30.8% and bungalows 16.6%), the Council could consider adopting a plan, monitor, manage approach to the type of affordable housing delivered, setting targets for individual property types within a spatial area framework

Use of HCA funding

G.12 This policy advice is based on an assumption that affordable housing will need to be delivered without grant or other public subsidy. Indeed, the 2010 Comprehensive Spending Review saw a drastic cut in the housing capital budget (in excess of 60%), and the advent of the affordable rent model. It is not yet clear what the impact of the affordable rent model will be within Cheshire West and Chester.

G.13 Resources under the Affordable Homes Programme have now been allocated by the HCA, and Registered Providers have identified the sites and schemes on which they anticipate investing these resources, it is not clear to what extent these resources will be available to subsidise social rented housing planning obligations in the future.

Policy Recommendations

G.14 This research has identified shortfalls in affordable housing across Cheshire West and Chester which needs to be addressed if the Council is to deliver

balanced and sustainable communities over the long-term. This research can further help enhance the Council's affordable housing planning policy approaches through provision of up-to-date information on housing need and demand, affordability, and property type and tenure requirements.

G.15 It is recommended that the Council considers and further explores:

Applying affordable housing requirements with flexibility whilst the market is in recession subject to the provision of robust viability evidence from developers when flexibility is sought;

Working with developers to explore innovative ways to deliver affordable housing in their areas;

Discuss with the HCA and Registered Provider partners options to maximise and facilitate affordable housing delivery in current market conditions, including investment opportunities and the future use of funding;

Monitoring, reviewing and responding to the changing national policy agenda to be implemented through the National Planning Framework; and

Continued monitoring of affordable housing delivery (effective monitoring of delivery is increasingly important when applying policy flexibly).

Technical Appendix H: Glossary

Affordability: A measure of whether households can access and sustain the costs of private sector housing. This is based on 25% of household income for rental affordability and 3.5x household income for mortgage affordability

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.

Affordable rented: housing 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).

BAME: Black, Asian and Minority Ethnic.

Choice Based Lettings (CBL): Choice Based Lettings allows applicants for social housing (and tenants who want to transfer) to apply for vacancies which are advertised widely in the neighbourhood. Applicants can see the full range of available properties and can apply for any home to which they are matched.

DCLG Department for Communities and Local Government: Is a Government department which has responsibility for local and regional government, housing, planning, fire, regeneration, social exclusion and neighbourhood renewal with the ambition to create sustainable communities for all. Previously known as DoE, DETR, DTLR and ODPM.

Bedroom Standard: The standard number of bedrooms allocated to each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allocated to each married couple, any 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, he or she is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms available for the sole use of the household and the differences are tabulated.

CML: Council of Mortgage Lenders

Concealed Household: A Concealed Household is someone living within a household wanting to move to their own accommodation and form a separate household (e.g. adult children living with their parents).

CORE: COntinuous REcording System of new lettings in social rented and intermediate tenure dwellings

DFG: Disabled Facilities Grant

Extra Care Housing: This is housing designed with the needs of frailer older people in mind. It includes flats, bungalows and retirement villages. You have you own front door. Domestic support and personal care are available

GDP: Gross Domestic Product

FTB: First Time Buyer – a term used to describe people who are buying/have bought a dwelling and have not previously owned a home

HCA: Homes and Communities Agency

HMO: House in Multiple Accommodation – A house which is occupied by persons who do not form a single household

HSSA: Housing Strategy Statistical Appendix

Homeless Household: A household is accepted as statutorily homeless by the authority if it meets the criteria set out in the Housing Act 1996.

Household: The Census defines a household as follows: "A household comprises either one person living alone or a group of people (not necessarily related) living at the same address with common housekeeping - that is, sharing at least one meal a day or sharing a living room or sitting room."

Housing Demand: This is the quantity and type/quality of housing which households wish to buy or rent and are able to afford. It therefore takes account of preferences and ability to pay.

Housing Need: This refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the local housing market without some assistance.

Housing Register: A register of people waiting for affordable housing. It may have two components: a list for those not currently occupying affordable housing (more properly known as the Housing Register) and a Transfer List for those tenants who wish to move to another affordable home within the same District.

HSSA: The Housing Strategy Statistical Appendix.

Intermediate housing: 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

LA: Local Authority.

LCHO: Low Cost Home Ownership.

LDF: Local Development Framework. This is a folder of local development documents that outlines how planning will be managed within a Local Authority area.

LTV Loan to Value: the percentage of loan a person needs against the value of the property.

NOMIS: National Online Manpower Information System.

NPPF: National Planning Policy Framework

ONS: Office for National Statistics.

Overcrowding occurs when, using the bedroom standard, there are insufficient bedrooms in the property based on the number of residents and their age/sex/marital status composition.

PFI: Private Finance Initiative

Relets: RP rented accommodation that becomes vacant through the departure of a previous tenant and the accommodation can then be relet to another tenant or new applicant on the Housing Register.

Registered Provider A Housing Association or a not-for-profit company, registered by the Tenants Services Authority (TSA), which provides social housing. Also referred to as a Registered Social Landlord

Registered Social landlord – see Registered Provider

Residential Care Home is accommodation where you normally have a bedroom and the use of a shared lounge with other residents. Personal care is provided – bathing, help dressing, meals etc.

Right to Buy (RTB) The Right To Buy Scheme gives eligible Council tenants the right to buy their property from their Council at a discount. Many RP tenants have similar rights under the Right To Acquire.

RSS: Regional Spatial Strategy

SHLAA: Strategic Housing Land Availability Assessment

SHMA: Strategic Housing Market Assessment

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.

Survey of English Housing (SEH) The Survey of English Housing is a continuous household survey that collects information from nearly 20,000 households about the characteristics of their housing and their attitudes to housing and related issues.

Sheltered Housing is usually a group of bungalows or flats and you have your own front door. Schemes usually have a manager/warden to arrange services and are linked to a careline/alarm system.

SHG – Social Housing Grant Capital provided by the HCA, or Local Authority, to fully or partially fund RPs when developing social housing. SHG is paid under s18 of the Housing Act 1996.

Transfer A local Authority or RSL tenant who have transferred to another LA or RP property

TSA: Tenant Services Authority

Under Occupation A household is under-occupying if more than one spare bedroom is available, using the bedroom standard as a test.