



Strategic Housing Market Assessment Update – Executive Summary

December 2015

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HDH Planning and Development Ltd

Clapham Woods Farm,
Keasden, Nr Clapham,
Lancaster. LA2 8ET
simon@drummond-hay.co.uk
015242 51831 / 07989 975 977
Registered in England
Company Number 08555548

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Introduction

S.1 This report follows from the Objectively Assessed Housing Needs Study (OAHN) (Peter Brett Associates, July 2015) for Braintree, Chelmsford, Colchester and Tendring and forms part of the overall Strategic Housing Market Assessment (SHMA). The OAHN Study identified the Housing Market Area (HMA) as incorporating the aforementioned Council areas and calculates the Objectively Assessed Need for housing across the HMA¹. This report is focused on detailing the future type and tenure of housing needed in the HMA. This report is therefore limited to:

- Examination of the latest data on the labour market and the resident population and a profile of the housing stock in the HMA and the changes that have occurred to it.
- Analysis of the price of property in the HMA and the affordability of housing for residents.
- Production of an analysis of the entire housing market within the long-term balancing housing markets model (LTBHM).
- Calculation of outputs for the affordable housing needs model strictly in accordance with the Planning Practice Guidance (PPG) approach.
- An analysis of the specific housing situation of the particular sub-groups of the population identified within the National Planning Policy Framework (NPPF).
- A conclusion summarising the implications of these results.

S.2 To help disseminate the purpose of this work and ensure the accuracy of this report (and the assumptions used) stakeholders' views have been sought through the development of this study. An informal consultation event was held on the 28th September, after which written comments were invited.

Socio-economic context

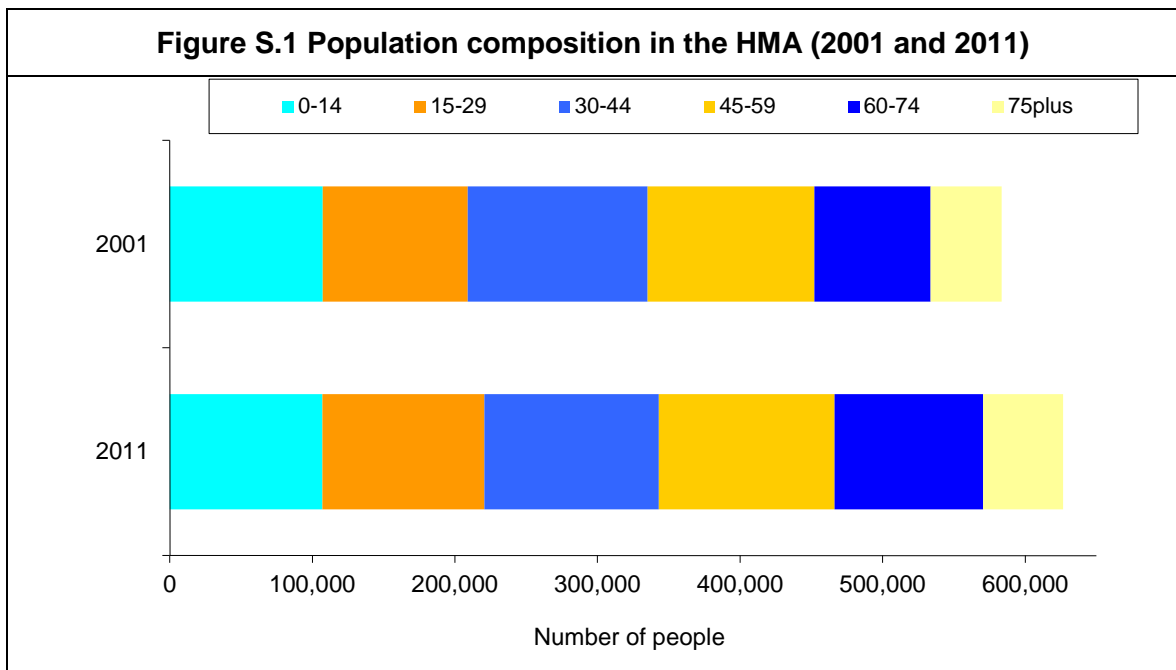
Demography

S.3 The Census indicates that the resident population in the HMA in 2011 was 626,516 and that since 2001 the population had increased by 7.4%, just under 43,000 people. The size of the household population has increased at a faster rate between 2001 and 2011 (8.4%).

S.4 Figure S.1 illustrates the age composition of the population in the HMA in 2001 and 2011 according to the Census. It shows that since 2001 the number of people aged 60 to 74 has

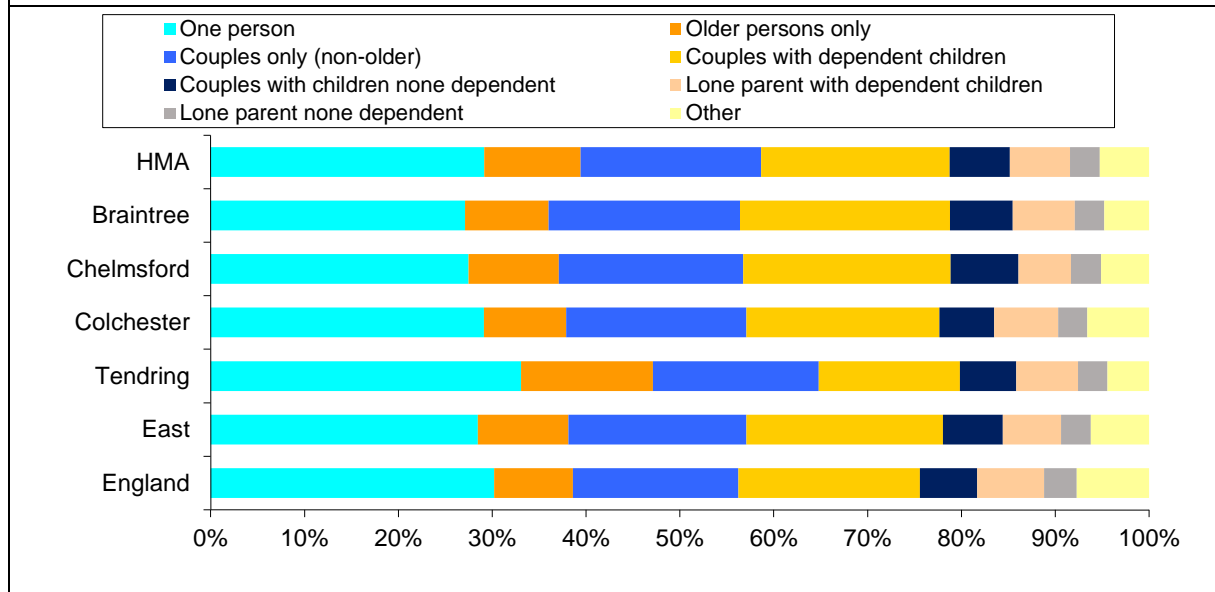
¹ At the time of this report, Tendring Council are further reviewing the OAHN for Tendring District. This is likely to result in a different OAHN figure. This change may have an impact on those parts of this report that relate to Tendring, but will not impact the results that relate to the three other Councils. The catalyst for this review was the release of the 2012 projections and concerns around the treatment of 'unattributable population change' (UPC).

markedly increased as has population in the HMA aged 15 to 29, and 75 and over. In contrast the number of people aged between 30 and 44 has decreased.



- S.5 The 2011 Census suggests that the Black, Asian and Minority Ethnic (BAME) population constitutes 5.2% of the total population in the HMA, which continues to be notably smaller than the regional and national figures (9.1% in the East and 14.5% in England). The 'Asian or Asian British' represents the largest BAME group in the HMA area (comprising 2.3% of total population).
- S.6 Figure S.2 compares the household composition in the HMA in 2011 with that recorded for the East region and England. The overall household distribution across the HMA area does not differ notably from the regional and national averages. Tendring records the most distinctive profile, with high levels of single person and older person only households.

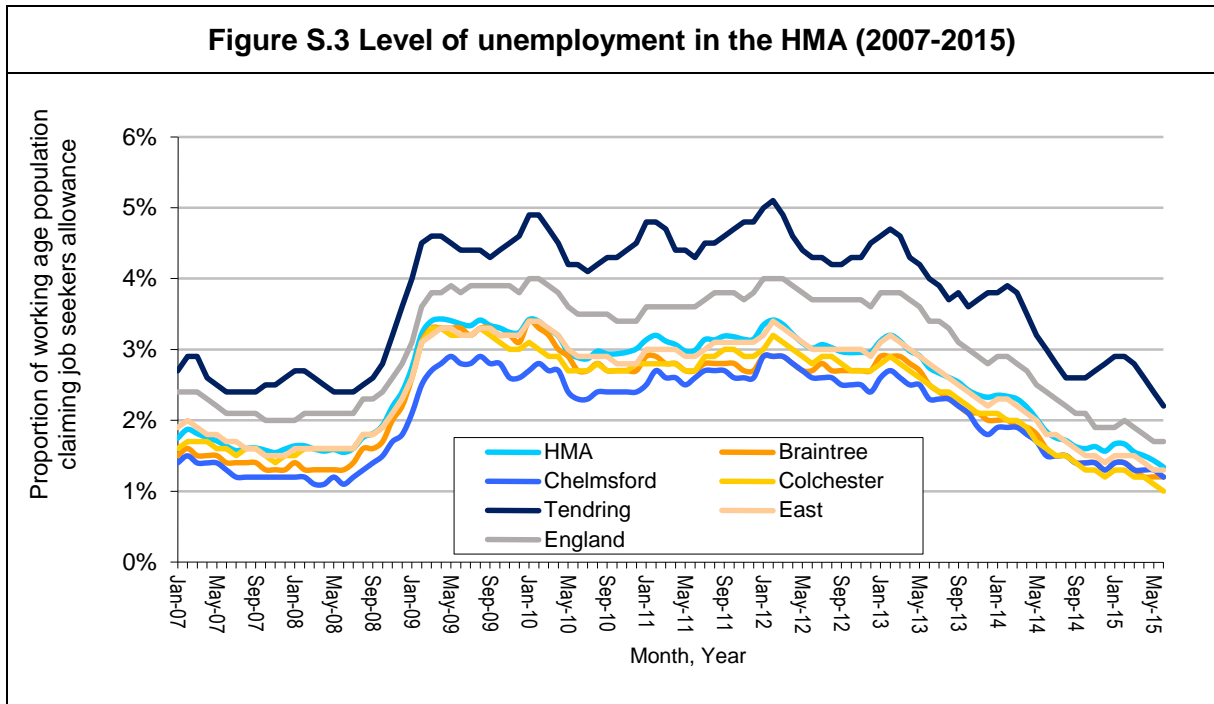
Figure S.2 Household composition in the HMA, the East region and England, 2011



Source: 2011 Census

Employment profile of residents in the HMA

- S.7 The Census provides an overview of the employment situation in the HMA in 2011. It shows that of all residents in work in the HMA (excluding those who are also students), 16.9% are self-employed, with 60.8% full-time employees and 22.9% part-time employees. Since the 2001 Census the number of part-time employees in the HMA has increased by 25.4%, and the number of full-time employees has risen by 1.3%. The number of self-employed residents in the HMA has increased by 20.6%.
- S.8 Figure S.3 shows the change in the proportion of the working age population claiming Job Seekers Allowance in the HMA, since January 2007. Over the last three years unemployment has fallen dramatically in all areas and currently the rate of unemployment is 1.0% in Colchester, 1.2% Braintree and Chelmsford and 2.1% in Tendring.



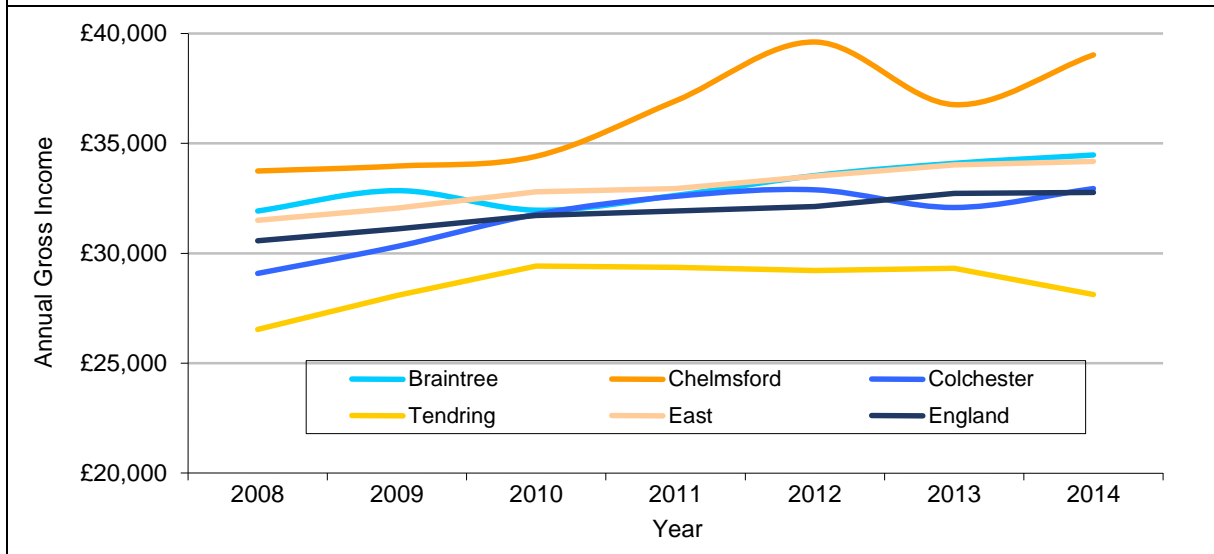
Source: ONS Claimant count

- S.9 Some 40.9% of employed residents in the HMA work in professional or technical jobs and just 16.6% work as operatives or in elementary occupations. The Census data indicates that under a quarter (23.4%) of working-age residents in the HMA have no qualifications, similar to the figure for the East region and England (both 22.5%).

Income

- S.10 Figure S.4 shows the change in the mean income of full-time employees resident in each authority in the HMA, the East region and England since 2008. Chelmsford has recorded the highest increase since 2008 within the HMA (at 15.7%) followed by Colchester (13.3%), Braintree (8.0%) and then Tendring (6.0%). The comparative regional and national figures are 8.5% across the East and 7.2% for England. It is important to note that these figures assess individual incomes rather than household incomes.

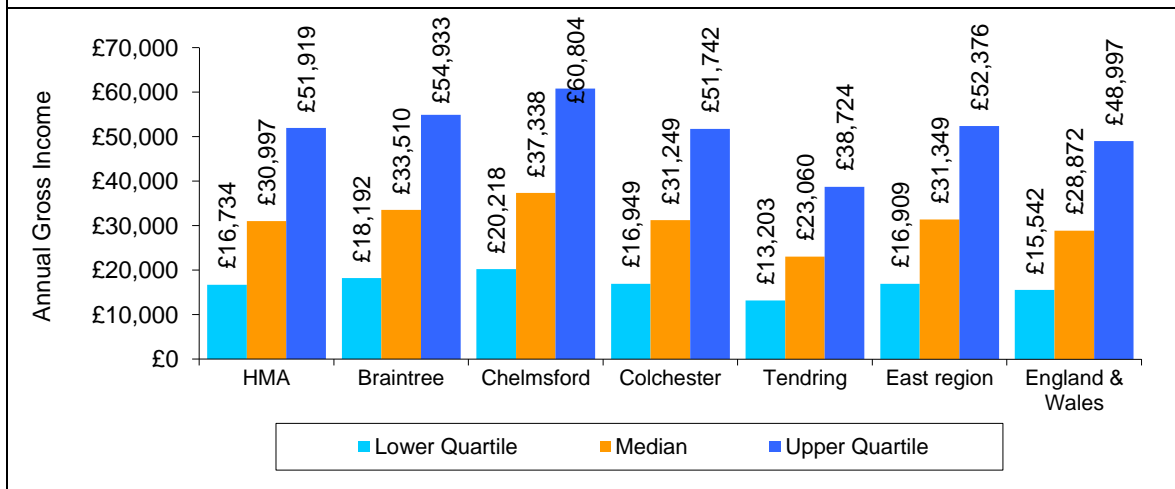
Figure S.4 Change in mean annual income of full-time employed residents 2008-2014



Source: ONS Annual Survey of Hours and Earnings (2008-2014)

- S.11 CACI Paycheck estimates that the mean gross annual household income in the HMA is £38,688, which is 1.0% below the regional equivalent (£39,071) and 5.6% above the England & Wales figure (£36,636). The same data source indicates that the mean gross annual household income in Braintree is £41,078, whilst it is £45,204 in Chelmsford, £38,588 in Colchester and £29,071 in Tendring.
- S.12 Figure S.5 shows how household income at various points on the income distribution for each local authority. The data indicates that households in Chelmsford are the most affluent in the HMA, followed by households in Braintree and then Colchester. Household incomes in Tendring are not only notably lower than the other authorities in the HMA but also lower than the national and regional averages.

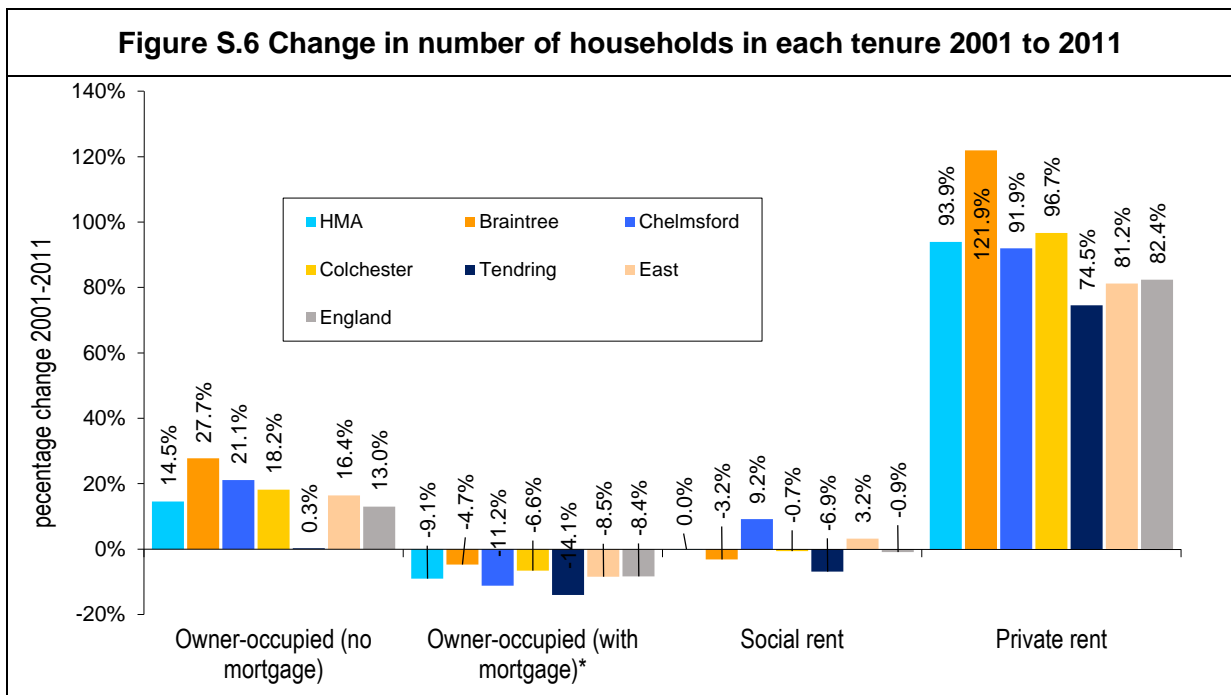
Figure S.5 Distribution of annual gross household income



Source: CACI Paycheck, 2015

Dwelling profile

- S.13 The Census indicates that there were 275,417 dwellings in the HMA in 2011, and that since 2001 the number of dwellings has increased by 9.3%, over 23,300 properties. The most common property type across the HMA is detached houses followed by semi-detached dwellings.
- S.14 The Census indicates that 35.1% of households in the HMA are owner-occupiers without a mortgage, 35.8% are owner-occupiers with a mortgage, 12.9% of households are resident in the social rented sector and some 15.1% of households live in private rented accommodation. Figure S.6 shows the change in the size of each tenure between the 2001 and 2011 Census. The figure shows that in all areas the private rented sector has increased dramatically and the number of owner-occupiers with no mortgage has also grown. In comparison the number of owner-occupiers with a mortgage has decreased. The social rented sector has generally shown the smallest change. It should be noted that whilst the owner-occupied (with mortgage) sector has decreased, the number of shared ownership properties has increased.



The cost and affordability of housing

- S.15 Recent house price data from the Land Registry, from the second quarter of 2015, is presented for the four authorities in the HMA, Essex and England & Wales as a whole in Table S.1. The prices recorded for the second quarter of 2010 are also presented and the change in mean price over the last five years is shown.
- S.16 The table indicates that the average price of dwellings in Chelmsford in Quarter 2 2015 is higher than both the County and national average, whilst the average price of homes in



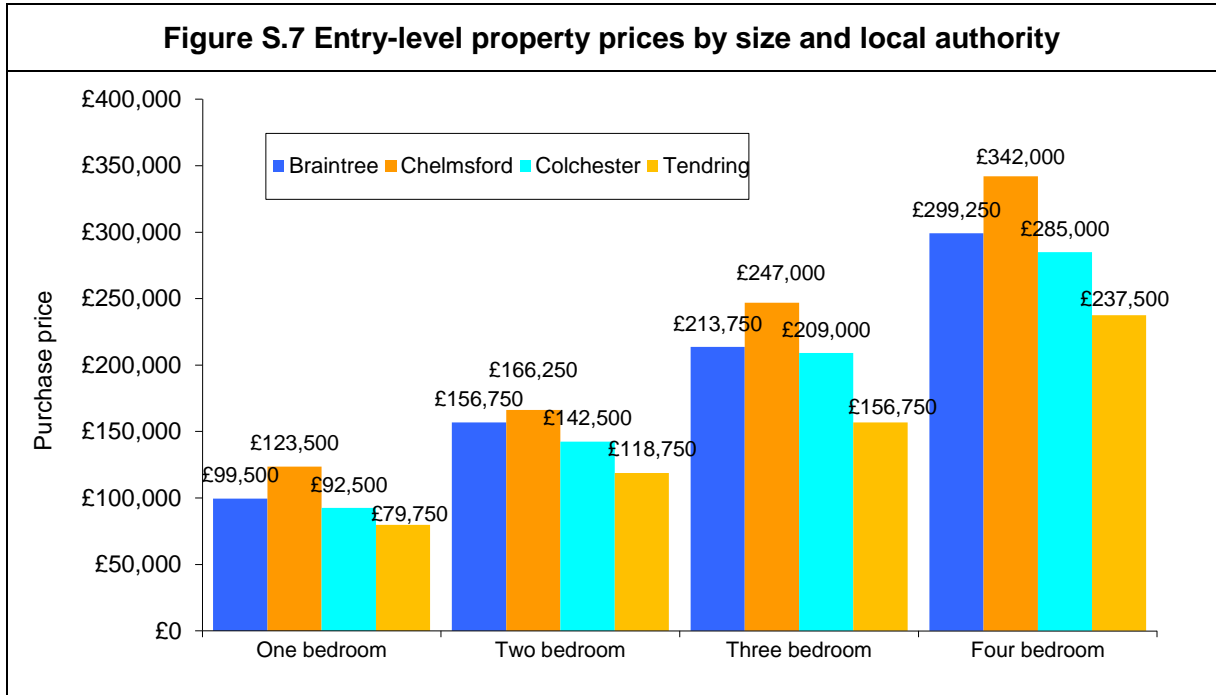
Colchester and Braintree is just below the national average. Average prices in Tendring are notably lower than all other areas presented. The table also shows that between 2010 and 2015 average prices have increased fastest in Colchester, with price rises in Braintree and Chelmsford being below the County-wide average, but above the national figure. The increase in Tendring of 9.5% was lower than both the national average of 10.4% as well as the figure for Essex as a whole.

Table S.1 Change in mean property prices 2010-2015			
<i>Location</i>	<i>Mean price Apr- Jun 2010</i>	<i>Mean price Apr- Jun 2015</i>	<i>Percentage change recorded 2010-2015</i>
Braintree	£216,582	£245,839	13.5%
Chelmsford	£265,444	£298,242	12.4%
Colchester	£204,097	£240,690	17.9%
Tendring	£173,337	£189,733	9.5%
Essex	£243,155	£283,301	16.5%
England & Wales	£230,940	£255,051	10.4%

Source: Land Registry

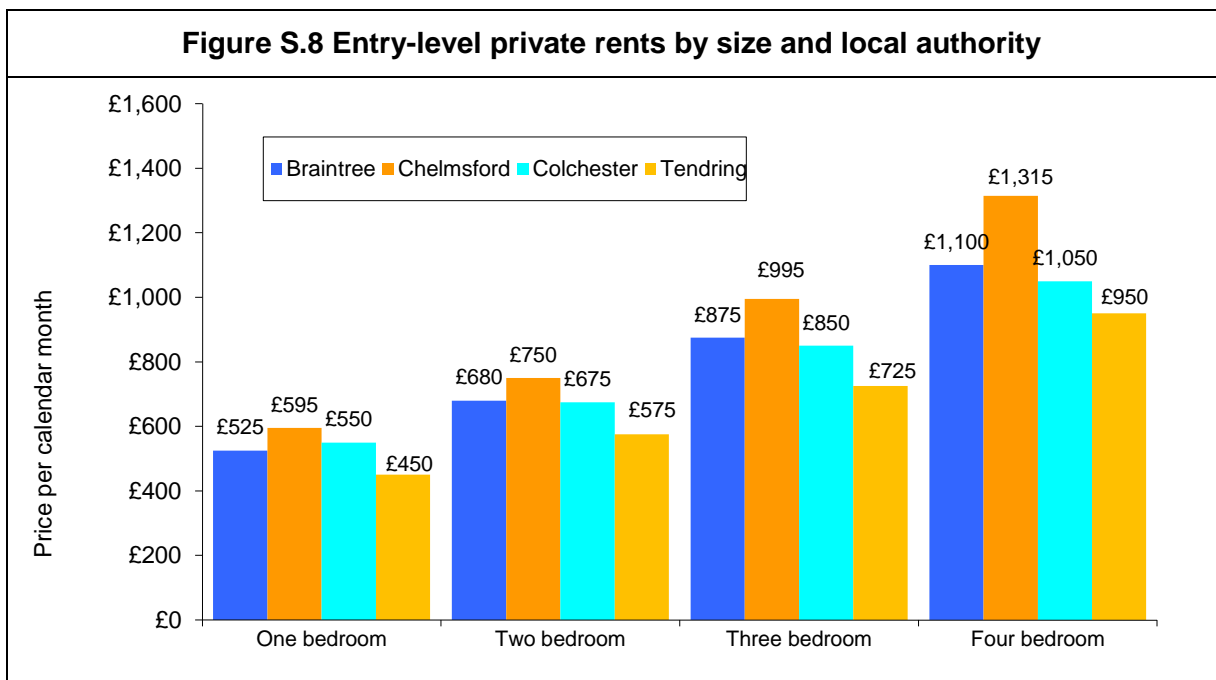
Entry-level market accommodation

- S.17 To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. However, no secondary data contains this information. As part of this study we have therefore undertaken a price survey to assess the current cost of market (owner-occupied and private rented) and affordable housing in the HMA area.
- S.18 Entry-level property prices by number of bedrooms were obtained in each local authority via an online search of properties advertised for sale during September 2015. The results of this online price survey are presented in Figure S.7. In accordance with the PPG, entry-level prices are based on lower quartile prices (paragraph 025 Reference ID: 2a-025-20140306). There was almost universal agreement amongst stakeholders that the lower quartile was the appropriate point on the distribution to represent the entry-level cost in the HMA. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 5% lower in Tendring and 3% lower in the rest of the HMA). The figure indicates that entry-level prices range from £79,750 for a one bedroom home in Tendring, up to £342,000 for a four bedroom property in Chelmsford.



Source: Online estate agents survey September 2015

S.19 Whilst private rent levels vary by local authority across the HMA, the distinction between the areas is less marked than with owner-occupation, reflecting that location is not as important a determinant in rent levels as condition and situation (i.e. the neighbourhood, the access and other very local factors) of the property. Entry-level private rents for each price market are presented in Figure S.8. The figure indicates that entry-level rents in the HMA range from £450 per month for a one bedroom home in Tendring up to £1,315 per month for a four bedroom property in Chelmsford.



Source: Online estate agents survey September 2015

Affordable sector

S.20 Table S.2 below illustrates the cost of social rented dwellings across each local authority in the HMA. As can be seen, the costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant potential gap between the social rented and market sectors.

Table S.2 Social rented costs (per month)				
<i>Bedrooms</i>	<i>Braintree</i>	<i>Chelmsford</i>	<i>Colchester</i>	<i>Tendring</i>
One bedroom	£338	£386	£334	£346
Two bedrooms	£396	£452	£391	£391
Three bedrooms	£431	£510	£448	£443
Four bedrooms	£500	£594	£524	£520

Source: HCA's Statistical Data Return 2014, Councils' LAHS 2015

S.21 Affordable Rent is a relatively new product that has been introduced to reduce the requirement for capital subsidy for affordable accommodation. It is within the definition of affordable housing in the NPPF and is intended to house households on the Housing Register. It is not an intermediate product, but a new form of affordable housing for rent that coexists with the existing Social Rent tenure. Whilst there remain long-standing tenancies on social rent, the majority of new rented affordable accommodation in the HMA is as affordable rent; both re-lets from the existing stock and new affordable rented accommodation added to the stock. The Affordable Rent levels charged in each local authority within the HMA are set out in Table S.3. A comparison with median market rents indicates that Affordable Rent levels are around 65% to 75% of market rents in the HMA.

Table S.3 Affordable Rent costs (per month)				
<i>Bedrooms</i>	<i>Braintree</i>	<i>Chelmsford</i>	<i>Colchester</i>	<i>Tendring</i>
One bedroom	£416	£468	£384	£370
Two bedrooms	£511	£563	£496	£474
Three bedrooms	£673	£606	£641	£580
Four bedrooms	£731	£642	£758	£747

Source: HCA's Statistical Data Return 2014

Intermediate products

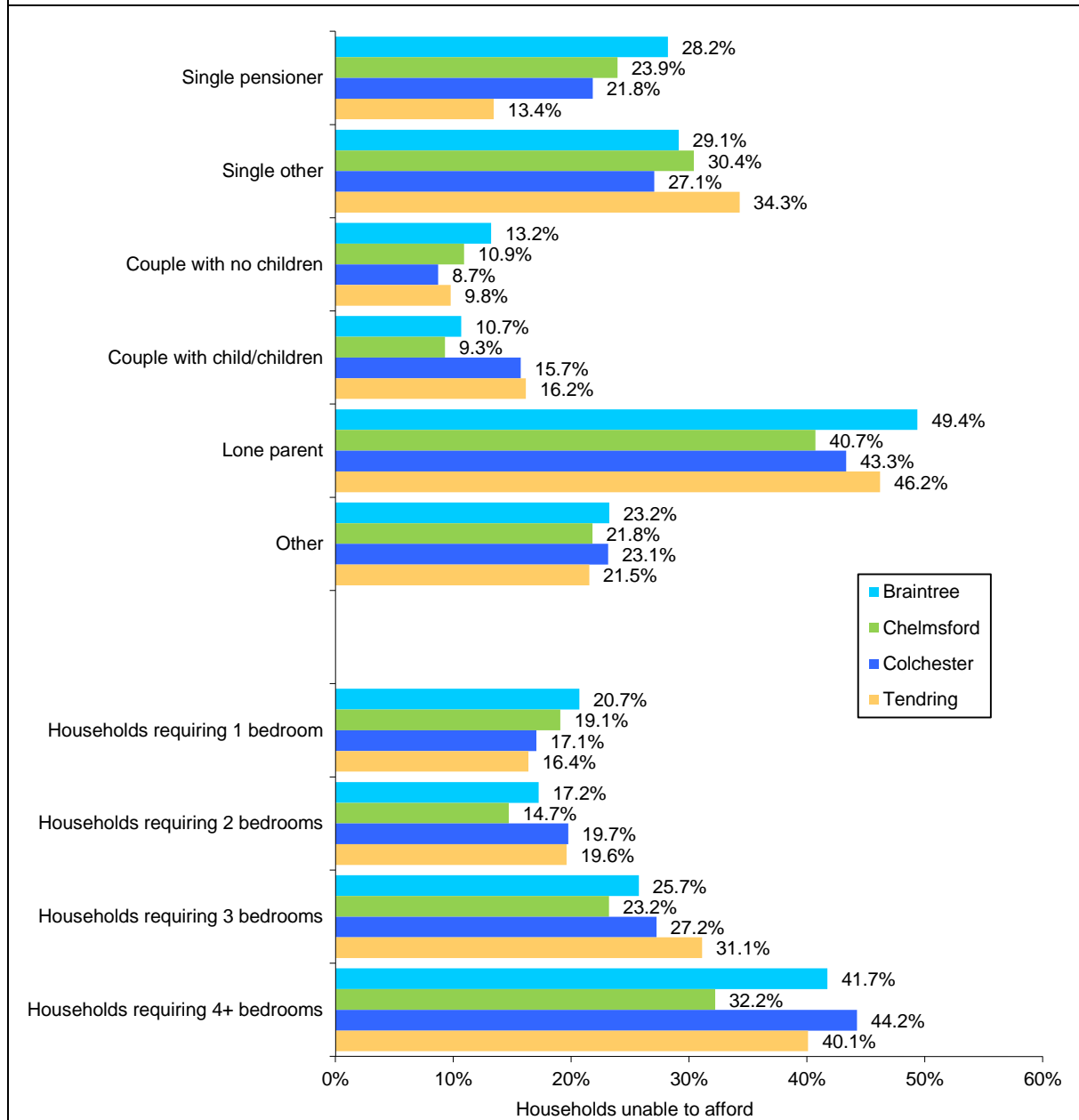
S.22 A range of intermediate options are available for households in the HMA and the costs of these are profiled. Shared ownership is more expensive than market entry housing for three and four bedroom homes in Braintree and Tendring, more expensive than four bedroom homes in Colchester and more expensive than two, three and four bedroom homes in Chelmsford. In the other instances it is cheaper than market housing and can be considered an affordable product.

- S.23 Discounted home ownership is based on selling a home for a proportion of the market value with no residual rent to pay. Discounted home ownership with an 80% share is more expensive than entry-level market accommodation (generally private rent) and shared ownership accommodation. It is also more expensive than entry-level home ownership, with the exception of three bedroom homes in Colchester.

Affordability of housing

- S.24 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. The household income distribution differentiated by household type can be used to assess the ability of households in each authority to afford the size of market home that they require (according to the bedroom standard) as set out above. Figure S.9 shows the current affordability of households in each local authority area by household type and number of bedrooms required. This is the theoretical affordability of households, as the analysis considers all households regardless of whether the household intends to move.
- S.25 The data indicates that 49.4% of lone parent households in Braintree would be unable to afford market housing (if they were to move home now), as would 40.7% of lone parent households in Chelmsford, 43.3% of lone parent households in Colchester and 46.2% of lone parent households in Tendring. Single non-pensioner households are also relatively unlikely to be able to afford, whilst couple households without children are most likely to be able to afford market housing in Colchester and Tendring, with couple households with children most likely to be able to afford in Chelmsford and Braintree. Households requiring a four bedroom home are least likely to be able to afford this size of market housing in all parts of the HMA.

Figure S.9 Theoretical affordability of market housing in the HMA



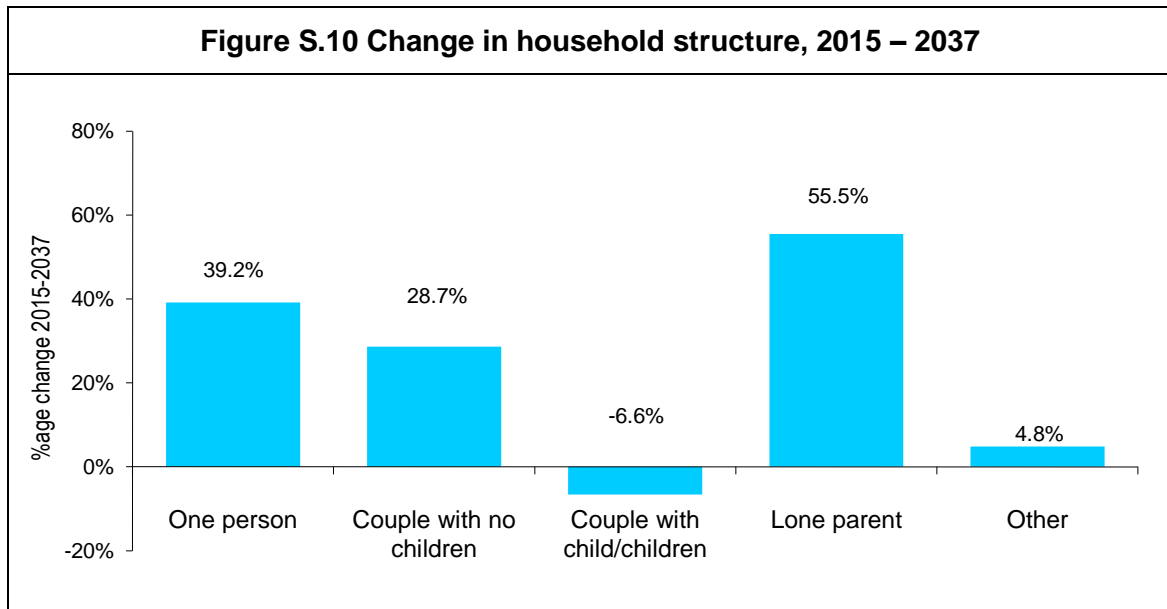
Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Type and tenure of future housing needed

S.26 Paragraph 021 of the PPG is clear that '*once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size*'. The long-term balancing housing markets (LTBHM) model uses secondary data to determine the future demand for housing by size and tenure based on the profile of households resident in each authority area in 2037. This is then compared to the current housing stock and a profile of new accommodation required is determined.

S.27 The household and population projections associated with the Objectively Assessed Need calculation presented in the OAHN Study have been provided by Edge Analytics. The

change in the household composition in each area indicated within these projections drives the size and tenure demand profiles generated by the model. Figure S.10 indicates the change in these household types that will occur between 2015 and 2037. The figure indicates that the number of lone parent households are expected to increase the most in the HMA, followed by one person households. Couples with children are projected to fall in number.



Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

S.28 The 2011 Census provides detail on the occupational patterns of different household groups in each authority, which means that the profile of housing occupied by each household type can be determined. Rather than assuming the current usage patterns for each household type will apply to the future population of that household group, the model assesses the current trends in occupation patterns (recorded by the change in the tenure profile of each household type between the 2001 and 2011 Census in the each council area alongside the changes in the size of accommodation occupied within each tenure) and models their continuation through to 2037. In addition a further adjustment is made to counter the existence of overcrowding, which the PPG indicates should be addressed. Households currently overcrowded will therefore be housed in adequately sized accommodation within the model. This means that the future housing stock will better reflect the requirements of the future population in the area.

S.29 This profile of suitable accommodation for each household type is applied to the size of the household group in 22 years' time. The accommodation profile required in 2037 is then compared to the current tenure profile and the nature of additional housing required is derived. It should be noted that the model works by matching dwellings to households so the figures are based on the change in number of households identified within the OAN calculations as provided by Edge Analytics.

Tenure of housing required

- S.30 Table S.4 shows the tenure profile required by households resident in the HMA in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 48.7% of new housing should be owner-occupied, 27.4% private rented, 1.8% should be shared ownership and 22.1% Social Rent/Affordable Rent.

Table S.4 Tenure of new accommodation required in the HMA over the next 22 years				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2037</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	185,091	217,735	32,644	48.7%
Private rent	53,713	72,043	18,330	27.4%
Shared ownership	962	2,133	1,171	1.8%
Social Rent/Affordable Rent	35,163	49,990	14,827	22.1%
Total	274,929	341,901	66,972	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Size of housing required within each market tenure

- S.31 Table S.5 presents the size of owner-occupied accommodation required in the HMA in 22 years' time in comparison to the size profile recorded in the sector currently. The table shows that some 42.2% of new owner-occupied dwellings should be three bedroom properties, with 32.4% containing two bedrooms, 18.5% having four or more bedrooms and 6.9% having one bedroom.

Table S.5 Size of new owner-occupied accommodation required in the HMA over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2037</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	7,270	9,511	2,241	6.9%
Two bedrooms	41,000	51,574	10,574	32.4%
Three bedrooms	79,544	93,329	13,784	42.2%
Four or more bedrooms	57,277	63,321	6,045	18.5%
Total	185,091	217,735	32,644	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

- S.32 This analysis can be repeated for private rented housing and is presented in Table S.6. The data indicates that of the 18,330 private rented dwellings required within the HMA, 48.8% should be three bedroom properties, a further 26.8% should have four bedrooms. Some 20.7% of dwellings should have two bedrooms and 3.7% one bedroom homes.

Table S.6 Size of new private rented accommodation required in the HMA over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2037</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	10,956	11,618	662	3.7%
Two bedrooms	23,632	27,428	3,796	20.7%
Three bedrooms	14,034	22,987	8,953	48.8%
Four or more bedrooms	5,091	10,009	4,918	26.8%
Total	53,713	72,043	18,330	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Further detail on the affordable sector

S.33 As is noted within the PPG, it is necessary to use an alternative model to establish the absolute need for affordable housing (as well as to detail the tenure and size of accommodation required within this sector). This is because this model does not test the affordability of the recommended housing for local households and there is a danger that unsustainable income to housing cost ratios could be projected forward. The PPG clearly sets out the approach used for calculating the affordable housing need and the results of this process for the HMA are presented below.

Affordable housing need

S.34 It is necessary to undertake a separate calculation of affordable housing. Paragraph 22 (Reference ID: 2a-022-20140306) to Paragraph 29 (Reference ID: 2a-029-20140306) of the *Housing and economic development needs assessments* section of the PPG details how affordable housing need should be calculated. It defines affordable housing need as *'number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market'*.

S.35 The PPG goes on to set out the types of households to be considered in housing need:

- *'homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);*
- *households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);*
- *households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ*
- *households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;*
- *households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.'*

S.36 Each stage of the model is calculated separately using locally available data for each individual local authority. The PPG states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. Table S.7 sets summarises the outputs of each stage of the model and the derivation of the total need for affordable housing of 1,360 per year in the HMA.

Table S.7 Results of the affordable housing needs model	
<i>Stage in calculation</i>	<i>HMA</i>
Stage 1: Current unmet gross need for affordable housing (Total) (Table 5.3)	6,254
Stage 2: Newly arising affordable housing need (Annual) (Table 5.5)	3,461
Stage 3: Current affordable housing supply (Total) (Table 5.6)	4,705
Stage 4: Future housing supply (Annual) (Table 5.9)	2,171
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	1,549
Stage 5.2 Annualise net current need (Stage 5.1/22) (Annual)	70
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	1,360
Total gross annual need (Stage 1/22 + Stage 2) (Annual)	3,745
Total gross annual supply (Stage 3/22 + Stage 4) (Annual)	2,385

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

S.37 The model contains detail of the type of households in affordable housing need. This includes the number of single person households aged under 35. These individuals are deemed suitable to potentially meet their housing needs within the market as part of a shared household. This is implied by the Local Housing Allowance regulations, which indicate that single people under 35 are only entitled to the shared accommodation rate rather than the rate for a one bedroom home. Single person households aged under 35 are not deemed to be in housing need if they can afford the LHA shared room rate and they are excluded from the revised calculation of the total need for affordable housing. In the HMA this accounts for 556 households per year. Removing these households adjusts the need for new affordable units to 804 (1,360-556) per year in the HMA. The gross need (set out in the second last row of the table above) also reduces to 3,189.

S.38 The suitability of this assumption was discussed at some length at the stakeholder consultation event and within the consultation responses submitted. Whilst there was broad agreement that it was logical to rationalise the model outputs using this group, there were differences of opinions as to whether this should be done and how. The sensitivity testing appendix therefore considers this issue in more detail, providing further clarity on this group and considering the impact of varying this assumption on the overall requirement for affordable housing.

Size of accommodation required

S.39 Table S.8 shows the size of accommodation required by households in housing need in the HMA (after the refinement of the model). The table suggests that there is a net need

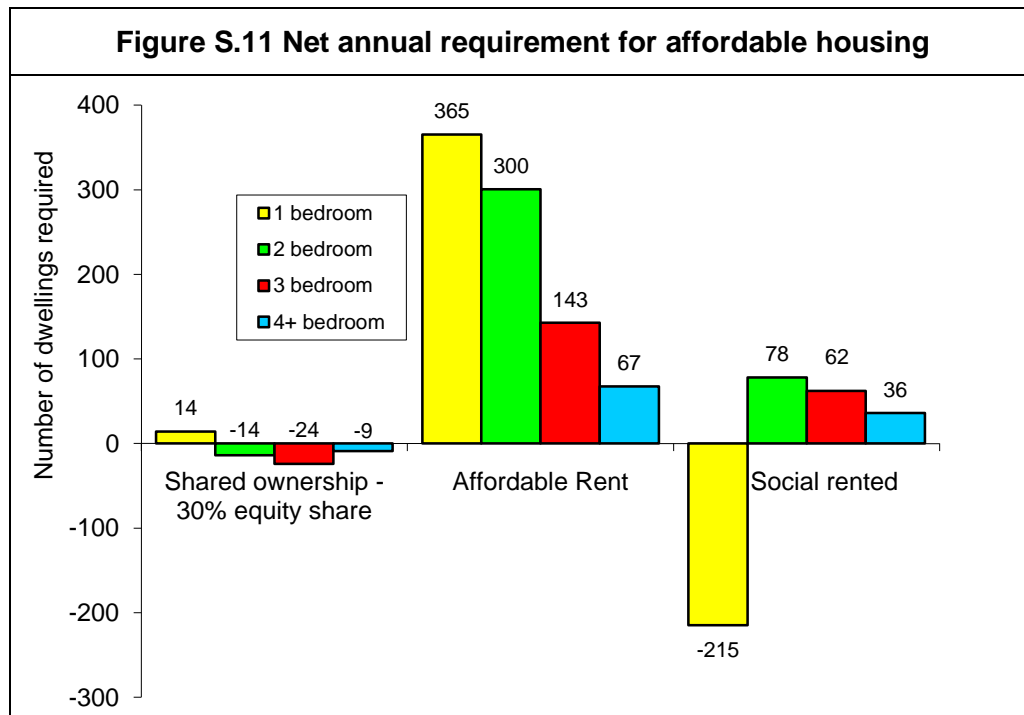
for all sizes of affordable housing. The largest net need is for two bedroom accommodation, followed by three bedroom homes. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom accommodation. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply.

Size of home	Need requirement				
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	1,277	1,112	165	20.5%	87.1%
Two bedrooms	1,217	853	364	45.3%	70.1%
Three bedrooms	550	369	181	22.5%	67.1%
Four or more bedrooms	145	51	94	11.7%	35.1%
Total	3,189	2,385	804	100.0%	74.8%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Type of affordable home required

S.40 As discussed above, a range of affordable products are available to meet affordable housing need in the HMA. How many households in affordable housing need in the HMA able to afford these different affordable products has been assessed. The likely supply of these dwelling is then calculated. Figure S.11 shows the overall net annual requirement for affordable housing in the HMA once the likely supply of affordable accommodation has been deducted from the gross need. The figure shows that across the HMA there is a requirement for a range of different new affordable rented accommodation, with the exception of one bedroom social rented homes, where there is likely to be a surplus. It is therefore suggested that a significant number of one bedroom social rented homes could be re-let as Affordable Rented accommodation once they become vacant through natural churn.



Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Requirements of specific groups of the population

S.41 The NPPF indicates that a SHMA should ensure all subgroups of the population are addressed. The following groups of the population, which are suggested in the PPG and have an appreciable impact on the housing market within the HMA, are analysed in detail:

- Older persons
- People with disabilities
- Family households
- Students
- Service families

Housing Needs of Older People

S.42 The Census indicates that 23.5% of households in the HMA were older person only households (households where all members are 65 or over), compared to 22.3% regionally and 20.5% nationally. Of these older person only households in the HMA in 2011, 56.2% contained only one person. Older person households show a higher level of owner-occupation than other households and they are more likely than average to have multiple spare bedrooms in their home.

S.43 The Objectively Assessed Need projections supplied by Edge Analytics indicate that the population aged 65 or over is going to increase dramatically over the plan period from 134,682 in 2015 to 205,906 in 2037, a rise of 52.9%. Within the HMA, Colchester is

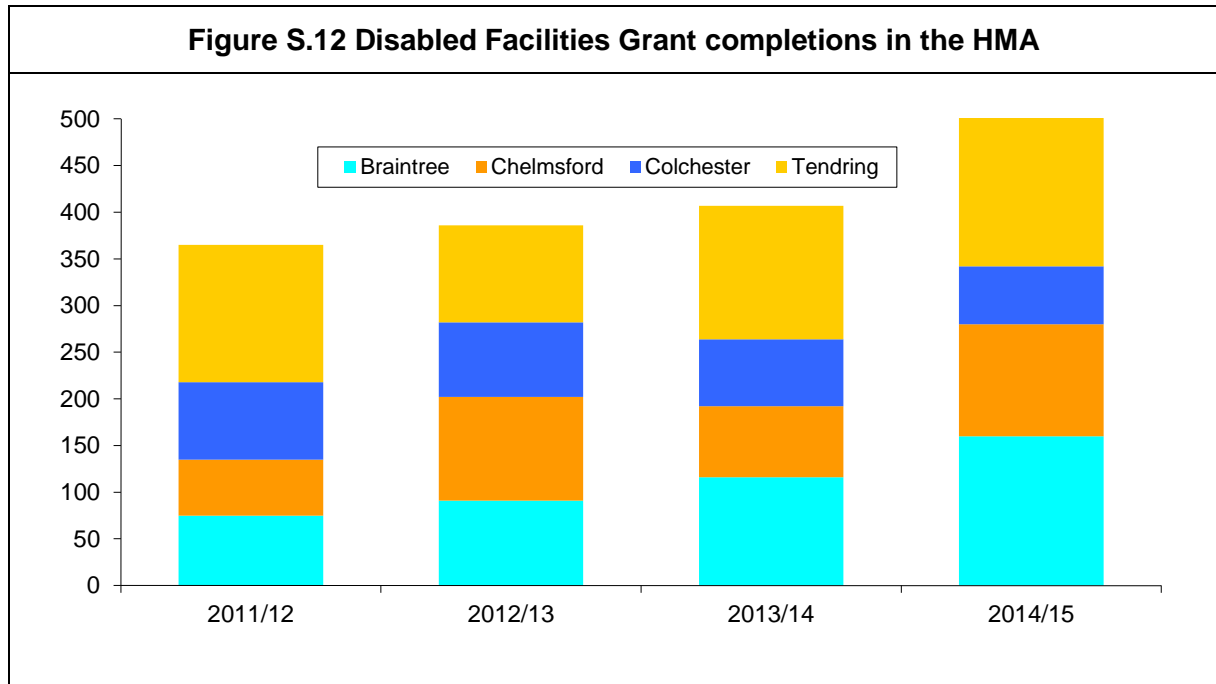
projected to record the biggest growth in its older person population, (60.6%), followed by Chelmsford (57.5%), Braintree (51.0%) and Tendring (44.5%).

- S.44 Given the dramatic growth in the older population and the higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options in the future. We have used the Strategic Housing for Older People tool developed by the Housing Learning and Improvement Network² to consider the future requirement for specialist accommodation arising from this group. If it is presumed that occupation patterns remain at current levels then there is a requirement for 7,746 additional specialist units, of which 7,157 should be sheltered housing and 319 should be extracare housing. The requirement for 7,746 additional specialist units for older people represents 10.4% of the total Objectively Assessed Need for the period to 2037.
- S.45 As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. Presuming the current occupation rate by age across the area is continued forward, the Strategic Housing for Older People tool indicates there will be an additional 6,601 spaces that will be required over the next 23 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Objectively Assessed Need.

Households with specific needs

- S.46 Some 17.7% of the resident population in the HMA have a long-term health problem or disability. Some 45.3% of all residents with a long-term health problem or disability in the HMA had a condition that limited day-to-day activities a lot, with 54.7% having a condition that limited activities a little.
- S.47 In addition to specialist accommodation, the Councils help people to remain in their current home by providing support and assistance. Figure S.12 shows the number of Disabled Facilities Grants that have been completed between 2011/12 and 2014/15 in each authority within the HMA. The figure shows that the requirement for these services has increased over this period, most notably in Braintree and Tendring.

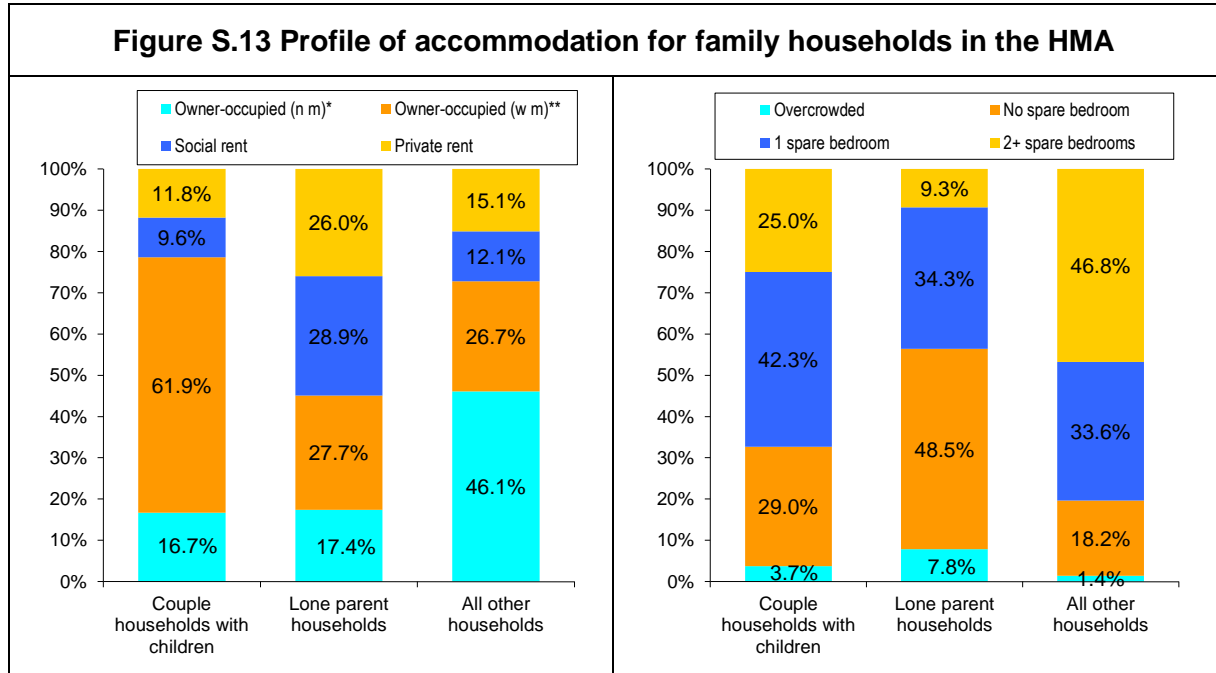
² <http://www.housinglin.org.uk/>



Source: HMA Councils, 2015

Families with children

S.48 The Census indicated that 36.1% of the household population were families with children, a figure lower than the regional figure (36.7%) but slightly higher than the national average (36.0%). Figure S.13 shows the tenure profile of the two main types of 'family with children' households in the HMA in 2011 compared to the remainder of the household population. The figure also sets out the occupancy level of these groups. The data shows that whilst there are notably fewer owner-occupiers with no-mortgage amongst couple households with children than amongst other households in the HMA, the proportion of this group in the social and private rented sector is not dissimilar. Lone parents however are notably more likely than other households to be in both social rented and private rented accommodation. Family households with children are also more likely to be overcrowded and less likely to be under-occupied than other households in the HMA.



*Owner-occupied no mortgage ** Owner-occupied with mortgage, includes shared ownership. Source: 2011 Census

S.49 The Objectively Assessed Need projections indicate that the total population of families with children in the HMA is going to rise from 94,413 in 2015 to 100,481 by 2037 and the proportion of lone parent families within this group will grow from 28.1% in 2015 to 37.6% in 2037. Table S.9 shows the projected accommodation profile for family households in the HMA in 2037 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation.

Table S.9 Type of accommodation required for households with dependent children in 2037

Dwelling size	Owner-occupation	Private rented	Shared ownership	Social rent/Affordable Rented	Total
One bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Two bedrooms	5.1%	2.7%	0.2%	8.0%	16.0%
Three bedrooms	31.2%	4.5%	0.3%	12.3%	48.3%
Four or more bedrooms	30.3%	3.4%	0.2%	1.9%	35.7%
Total	66.6%	10.6%	0.6%	22.2%	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Students

S.50 There are two universities situated in the HMA: University of Essex, located principally in Colchester, and Anglia Ruskin University which has a campus in Chelmsford. Both of these organisations were contacted and asked about the current accommodation provision for their students, what expectations they have for future growth and where this growth will be

accommodated. At the time of this report, only Anglia Ruskin University have provided a response.

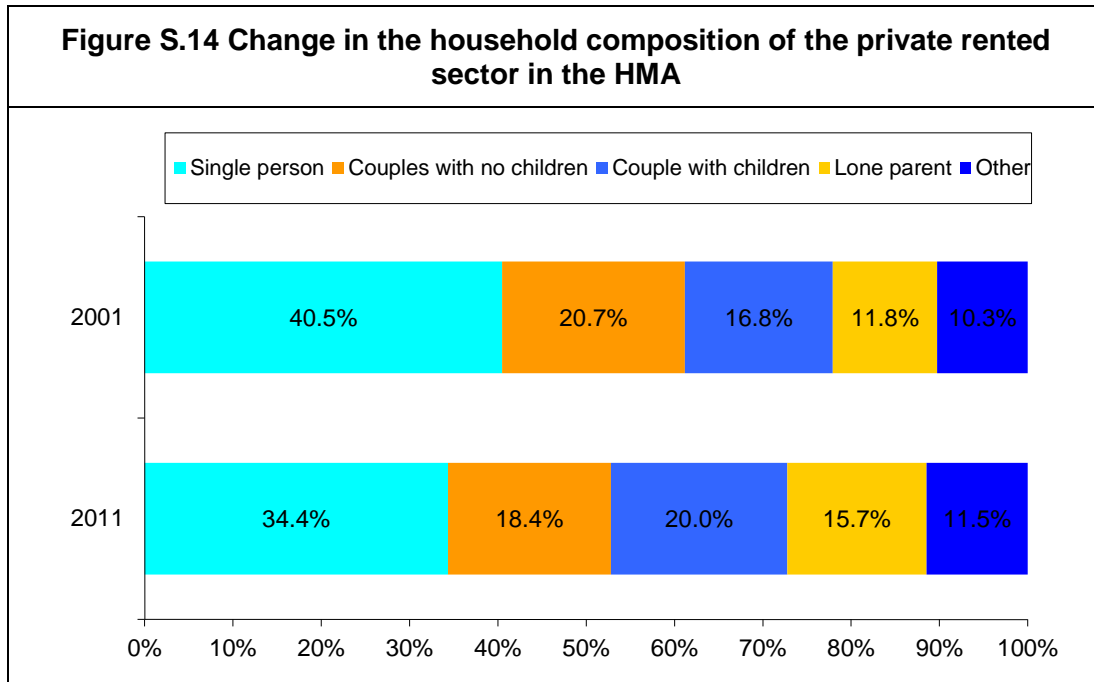
- S.51 Anglia Ruskin University currently has 7,250 students based in Chelmsford. The University estimates that there are around 1,000 student households in private rented housing in Chelmsford, with accommodation concentrated in particular areas including Rectory Lane and Henry Road. The University's Corporate Plan aims towards increasing the student population at the Chelmsford campus to 8,600 by 2017 with the University planning to add an extra 100 bedrooms of student accommodation within the next three years to help meet this demand.
- S.52 This means that there will be an additional 1,250 students attending university in Chelmsford without accommodation. If it is presumed that 40% of these students reside at home, then there will be approximately 750 additional students looking for accommodation within the private rented sector. Typical occupation levels amongst students in private sector multiple occupancy housing would suggest that this would equate to around 175 new dwellings within the private rented sector. Whilst a growth of 175 private rented households in Chelmsford appears fairly large, the increase would represent an average annual growth of the private rented sector of just 0.8%. The average annual increase in the private rented sector between 2001 and 2011 was 9.2% in Chelmsford, which suggests that the housing market should be able to absorb the growth required in the private rented sector to house the expanding student population comfortably.

Service Families

- S.53 The main Ministry of Defence (MoD) site in the HMA is Colchester Garrison in the north east of Colchester. At the time of this report the MoD have not responded to the Councils' recent enquiries with regard to future changes in the Garrison. The Census indicates that in 2011 there were 2,501 residents in Colchester employed in the Armed Forces, of which 1,455 people lived in a communal establishment and 1,046 within a household.

The private rented sector

- S.54 The private rented sector is becoming increasingly important in the HMA; the Census indicates that it increased by 93.9% in the HMA between 2001 and 2011. Figure S.14 compares the household composition of the private rented sector in the HMA in 2001 to the profile of households resident in this tenure in the HMA in 2011. The data shows that the households in the sector have diversified.



S.55 To assess the stability of the sector currently it is useful to consider how the private rent levels charged vary over time. Overall data suggests that the private rented sector is fairly stable, with rents changing only marginally over the two year period. The data does suggest that three and four bedroom rents are the most volatile in the market and that rents in Chelmsford have changed the most with rents in Tendring varying the least.

S.56 The report *'Who Lives in the Private Rented Sector'* published in January 2013 by the British and Social Housing Foundation estimates that nationally around a quarter of private tenants are in receipt of Local Housing Allowance. In the HMA the figure is 20.8% (excluding Tendring for which data is not available). Further analysis shows that the number of private rented tenants in receipt of Local Housing Allowance across the HMA has increased by only 0.8% between April 2011 and April 2015.

People wishing to build their own homes

S.57 It should be noted that the NPPF specifically refers to people wishing to build their own homes within the examples cited in paragraph 159. The Councils have collated this information outside this report.

Conclusion

S.58 On completion of the calculation of the need for affordable housing the PPG says at Reference ID: 2a-029-20140306:

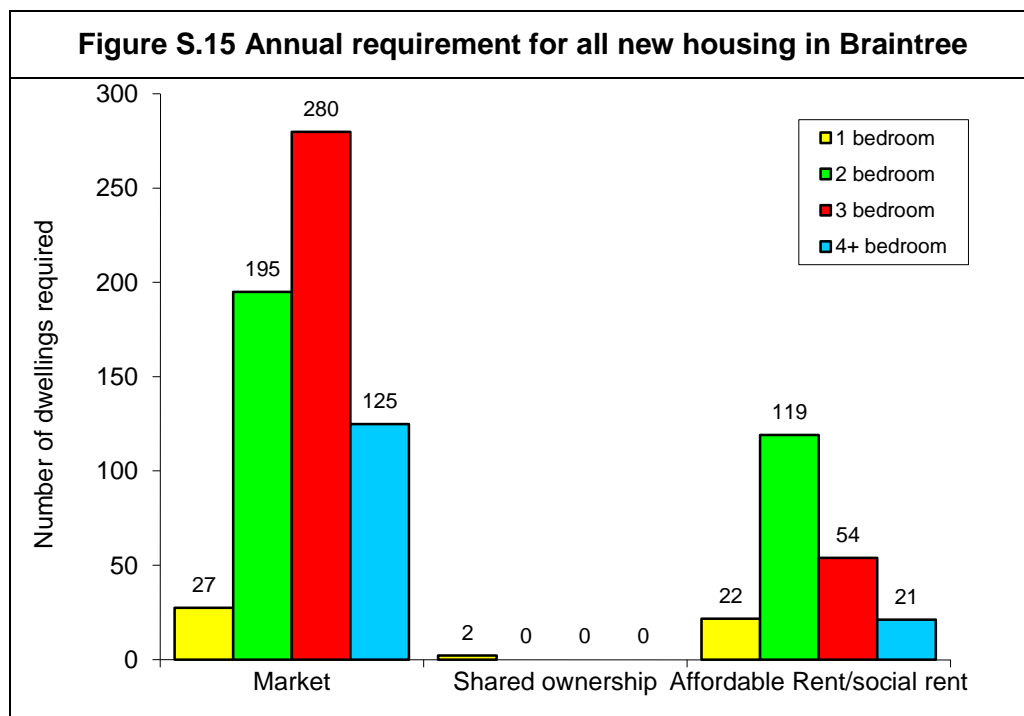
The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing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

S.59 It is clear that Planning Authorities should consider whether or not the housing target in the Local Plan should be increased to assist with meeting the need for affordable housing.

Braintree

S.60 The total annual affordable housing need in Braintree of 212 represents 25.8% of the annual projected household growth in the District between 2013 and 2037 (822 households per year as identified within the OAHN calculations as provided by Edge Analytics). It is clear that the Council can be confident that the affordable housing requirement can be met by the OAHN identified and no adjustment is required to this figure.

S.61 To profile the overall dwelling requirements, the household totals presented in this report will be converted to dwelling figures by applying the overall vacancy rate of 2.7% that was used by Edge Analytics in their work on the OAHN calculation. Therefore of the 845 dwellings required per year in Braintree between 2013 and 2037, 218 (25.8%) should be affordable, as this is the requirement derived from the affordable housing need model. The residual dwellings within the OAHN estimate are market accommodation. The size of housing required within these tenures is presented in Figure S.15. The affordable sector is informed by the affordable housing needs model. The market profile is informed from the LTBHM model; the overall profile of market housing required is then distributed across the new market housing requirement total.



Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

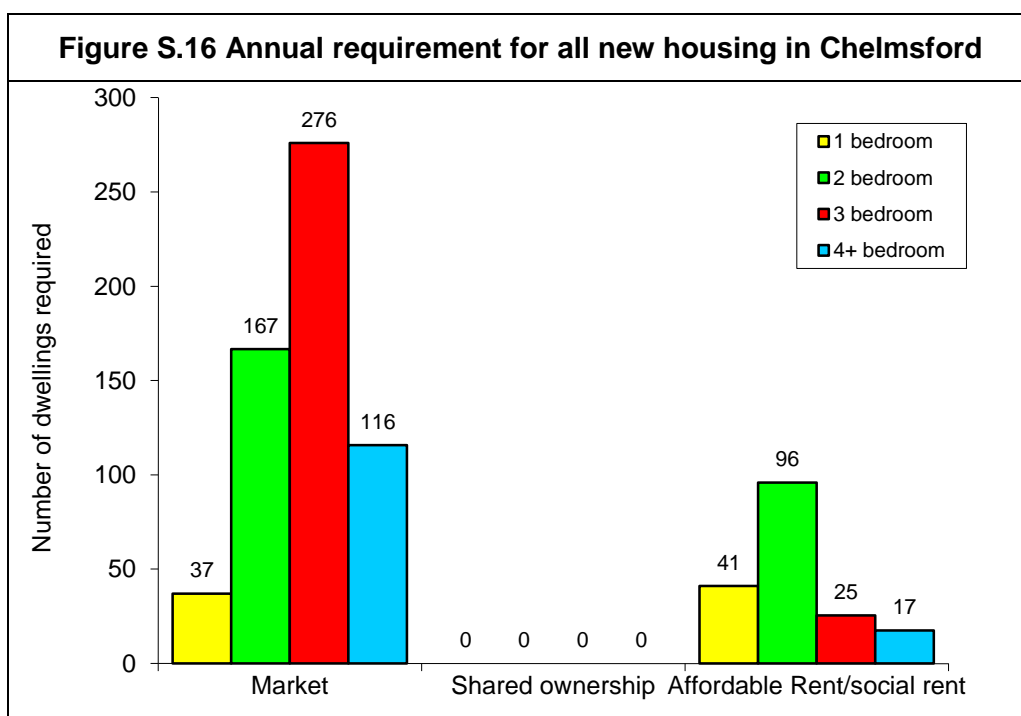
Chelmsford

S.62 The total annual affordable housing need in Chelmsford of 175 represents 23.1% of the annual projected household growth in the City between 2013 and 2037 (758 households per year as identified within the OAHN calculations as provided by Edge Analytics). It is



clear that the Council can be confident that the affordable housing requirement can be met by the OAHN identified and no adjustment is required to this figure.

S.63 To profile the overall dwelling requirements, the household totals presented in this report will be converted to dwelling figures by applying the overall vacancy rate of 2.2% that was used by Edge Analytics in their work on the OAHN calculation. Therefore of the 775 dwellings required per year in Chelmsford between 2013 and 2037, 179 (23.1%) should be affordable, as this is the requirement derived from the affordable housing need model. The residual dwellings within the OAHN estimate are market accommodation. The size of housing required within these tenures is presented in Figure S.16. The affordable sector is informed by the affordable housing needs model. The market profile is informed from the LTBHM model; the overall profile of market housing required is then distributed across the new market housing requirement total.



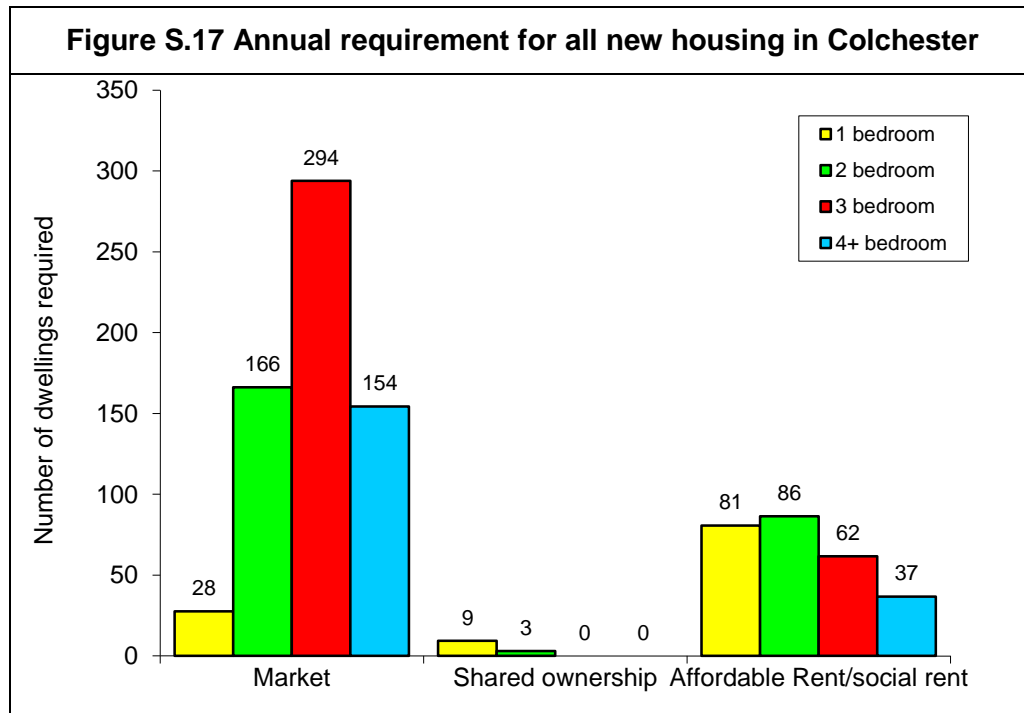
Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Colchester

S.64 The total annual affordable housing need in Colchester of 267 represents 30.2% of the annual projected household growth in the Borough between 2013 and 2037 (855 households per year as identified within the OAHN calculations as provided by Edge Analytics). It is clear that the Council can be confident that the affordable housing requirement can be met by the OAHN identified and no adjustment is required to this figure.

S.65 To profile the overall dwelling requirements, the household totals presented in this report will be converted to dwelling figures by applying the overall vacancy rate 3.8% that was used by Edge Analytics in their work on the OAHN calculation. Therefore of the 920 dwellings required per year in Colchester between 2013 and 2037, 278 (30.2%) should be affordable, as this is the requirement derived from the affordable housing need model. The

residual dwellings within the OAHN estimate are market accommodation. The size of housing required within these tenures is presented in Figure S.17. The affordable sector is informed by the affordable housing needs model. The market profile is informed from the LTBHM model; the overall profile of market housing required is then distributed across the new market housing requirement total.

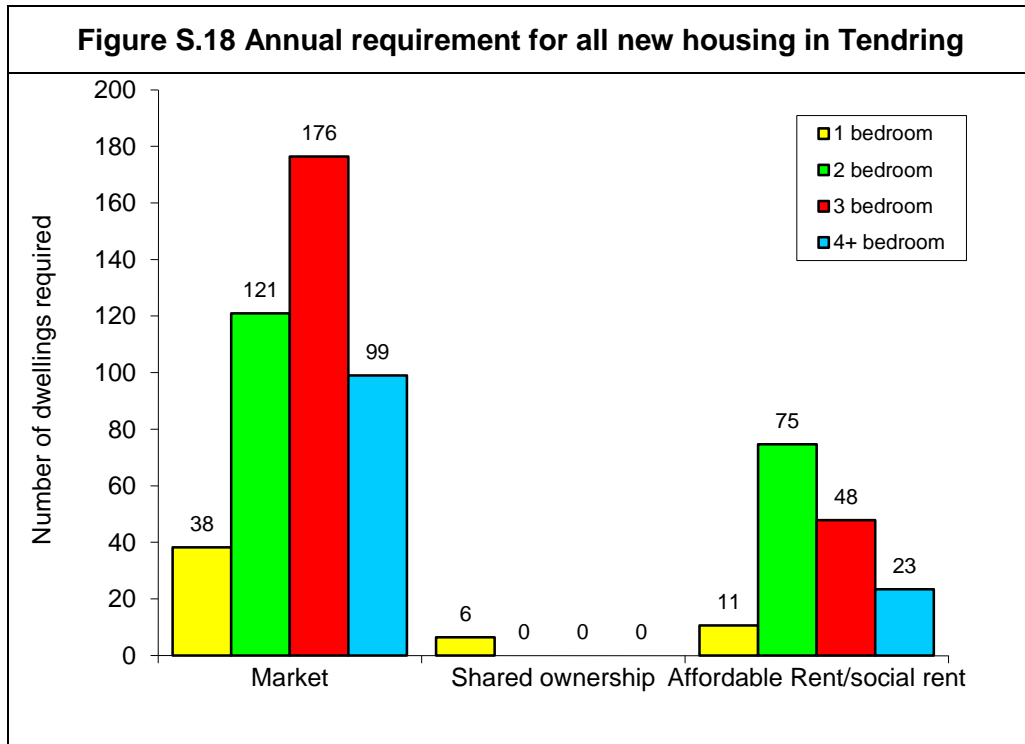


Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Tendring

- S.66 The total annual affordable housing need in Tendring of 151 represents 27.3% of the annual projected household growth in the District between 2013 and 2037 (554 households per year as identified within the OAHN calculations as provided by Edge Analytics). It is clear that the Council can be confident that the affordable housing requirement can be met by the OAHN identified and no adjustment is required to this figure.
- S.67 To profile the overall dwelling requirements, the household totals presented in this report will be converted to dwelling figures by applying the overall vacancy rate of 7.2% that was used by Edge Analytics in their work on the OAHN calculation. Therefore of the 597 dwellings required per year in Tendring between 2013 and 2037, 163 (27.3%) should be affordable, as this is the requirement derived from the affordable housing need model. The residual dwellings within the OAHN estimate are market accommodation. The size of housing required within these tenures is presented in Figure S.18. The affordable sector is informed by the affordable housing needs model. The market profile is informed from the LTBHM model; the overall profile of market housing required is then distributed across the new market housing requirement total.





Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

HDH Planning and Development Ltd is a specialist planning consultancy providing evidence to support planning authorities, land owners and developers.

The firm is led by Simon Drummond-Hay who is a Chartered Surveyor, Associate of Chartered Institute of Housing and senior development professional with a wide experience of both development and professional practice. The firm is regulated by the RICS.

The main areas of expertise are:

- Community Infrastructure Levy (CIL)
- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments
- Future Housing Numbers Analysis (post RSS target setting)

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HDH Planning and Development Ltd

Registered in England Company Number 08555548
Clapham Woods Farm, Keasden, Nr Clapham, Lancaster. LA2 8ET
simon@drummond-hay.co.uk 015242 51831 / 07989 975 977

