Strategic housing market assessment: executive summary

Cambridge housing sub-region

May 2008

A huge achievement!

After months of hard work by all partners, this is the Cambridge sub-region's first ever strategic housing market assessment (SHMA). This executive summary provides key findings from the study, highlights issues we need to tackle together, and helps us achieve three key objectives:

BUILDING SUSTAINABLE COMMUNITIES

- The SHMA enables us to understand the dynamics of housing markets across the seven districts in our housing sub-region better.
- It helps provide the evidence to guide investment in new housing across all tenures.
- It will support our objectives to build communities which people value and can afford to live in for many years to come.

POWERFUL EVIDENCE

- The SHMA provides a powerful evidence base from which we can plan and prioritise, and which we will build upon in future.
- Commissioning the SHMA has built new, consistent evidence and knowledge into our partnerships.
- It provides the foundations of information to be used, added to, refined, updated and reviewed in years to come.
- It provides the evidence behind our planning documents and processes, now and in the future.
- It will help a wide range of stakeholders to benchmark, monitor, share data and identify good practice, innovations and efficiencies with others.

WORKING TOGETHER

- The SHMA has developed through a lot of partner involvement, both via the SHMA project team and the wider partnership team.
- Partnership working has helped enormously in creating, improving and editing the SHMA, and will help ensure it is used and shared as widely as possible.
- The SHMA needs to be useful to as many different partners and stakeholders as possible, so by sharing our hopes and fears for it, by involving partners in the research and its outputs, and by testing whether it does the job, how it will be used, and how it can be developed in future, we hope it provides a great value tool across a range of agendas.

The first SHMA provides a foundation for future development, but this will only happen well if we all bring our viewpoint, our expertise and our information to the table.

We would like the SHMA to be a building, growing and developing resource for all partners across the Cambridge sub-region, to help us meet the challenges of the future.

So thank you to all our partners for your efforts and involvement so far, we look forward to working with you further in the future to make this possible.

Liz Bisset

Chair, Cambridge sub-regional housing board.

Inside this summary:

The SHMA ... at a glance

These 2 pages aim to give a very quick review of SHMA highlights. The SHMA itself contains 36 chapters and 16 appendices, each containing a wealth of detail. We have gathered data across 7 districts, however in some cases data was only available and comparable across the 5 Cambridgeshire districts. Here are some of the key messages:

Context

- Cambridge is a large, varied housing sub region, covering 7 districts with a wide range of market characteristics—from isolated rural communities, through thriving market towns, to a major City.
- Towns are relatively self-contained in terms of live-work areas, and Cambridge does not seem to show as large a commuter "pull" as people commonly believe.
- Building plans aim to stem the increase in long-distance commuting into Cambridge, through the careful location of new homes. Housing development is proposed at a number of locations on the edge of the City, at a new settlement north-west of Cambridge (Northstowe) connected by the guided busway, and in existing market towns. Other village development is guided by measures of sustainability, linked to the range of services provided.
- Across the sub-region, housing affordability continues to create huge pressures. At current incomes rates, some 74% of existing Cambridge City residents could not afford to buy a lower quartile (that is, an entry-level priced) home. This percentage drops to 68% in South Cambridgeshire, 60% in East Cambridgeshire, 56% in Fenland and 54% in Huntingdonshire - indicating significant pressures when trying to purchase a home.

Economy and demography

- Economic plans for the sub-region are positive and ambitious. Employment forecasts (known as EG21) aim for 86,500 more jobs across the sub-region between 2001 and 2021.
- Demographic change will be significant in future. The forecast increase in population of over 134,000 in twenty years requires a faster rate of growth than experienced in the past. It is equivalent to a 19% increase compared to the 2001 'baseline' population.
- The predicted increase in households will include a mix of existing households growing and forming, alongside people moving into the area supporting economic growth.
- There will be an increase in single person households, and older households, including the frail elderly.

Housing stock and prices

- There are nearly 316,000 homes across the sub-region of a variety of types, sizes and tenures. Detached homes make up the largest share by type and flats the smallest, except in the City. New information on stock condition will add to this picture in 2008.
- House prices are high and have risen significantly between 2001 and 2006, though this data needs refreshing in the light of more recent market changes. Over these years, average prices have increased by between 55% in South Cambridgeshire and 118% in Fenland, with lower quartile prices rising even more sharply.
- Average house prices reach 7.75 times average earnings in the City, and for new purchasers (at the lowest end of the house prince and income ranges), the ratio varies between districts from 6.5 to 8.8 times.
- Comparing prices in Spring 2006, the lowest average house price was found in Fenland at £144, 510 and the highest in Cambridge City at £252,410 closely followed by South Cambridgeshire at £248,090. The average price across the sub region was £194,151.
- Looking at current incomes and current prices, for most of the sub-region the average cost of shared ownership is greater than lower quartile private rents, but less than average private rents, which challenges the view that 'affordable' tenures by definition occupy the lowest price end of the market. This needs further investigation with our partners help.

Private renting

- Across the sub-region, some 13% of households rent privately, though 22% rent privately in the City. The average private rent was £755 per month in late 2006, though this varied from £965 in Cambridge City to £566 in Fenland. The new Local Housing Allowance system which replaces the existing housing benefit system, is likely to affect the affordability of private rents.
- The buy-let market has grown considerably, and in 2007 could have represented as much as 18% to 29% of sales across the sub region. We look forward to working closely with partners to monitor and analyse these trends in future.

Social housing

Some 15% of homes are socially rented - that is, from a council or a housing association. While overall housing stock has increased by 5% in the past 5 years, social housing has increased by just 0.3% in the same period. Meanwhile, the number of households waiting for these homes rose from 15,000 to almost 21,000, while relets held about steady at 2,586 in 2001/2 to 2,663 in 2006/7, an overall change of only 77 across the sub-region.

Homelessness

- National policies expanding the definition of homelessness helped lead to an increase in the number of households being accepted , but due to an emphasis on homelessness prevention there has been a drop in the number accepted over the long term in most areas.
- In the sub-region as a whole, households accepted as homeless represent between 0.3 and 0.5% of the district populations. This figure has been reasonably stable over the last five years, though the percentage is slightly higher in Cambridge City and East Cambridgeshire.
- The number of households in temporary accommodation has fallen or stayed roughly the same in all districts except Huntingdonshire. The number of people housed temporarily in bed and breakfast has fallen since 2002, as districts are using a range of temporary accommodation options to avoid B&B.
- Households accepted as homeless and in priority need account for between 5% and 9% of the total housing needs register. Over a quarter (27%) of new social lets in 2006 were to households who were accepted as homeless.

Growth

- The sub region has big plans for growth in housing numbers to meet local demands and to support our thriving economy. The East of England Plan sets out the number of homes still to build to 2021, of more than 71,640 new homes across the sub region, This equates to 4,770 homes still to build per year, for the 7 districts.
- However the delivery of new homes and communities depends on a number of factors, including the construction industry, builders and landowners; appropriate levels of infrastructure; a flexible and responsive planning system; land availability and macro economic factors. These are acknowledged in the SHMA but we need to do more work with partners to analyse their effects, in future.

Identifying housing need

- Following CLG guidance the SHMA identifies high levels of need for affordable homes in the 5 districts assessed. These levels of need support current policies for delivering homes.
- Using registers of expressed need, we have projected the affordable tenures needed in future, though naturally this will benefit form further refinement and added new research data in future.
- The overall need for new affordable homes for the first 5 years (expressed per year) is 1,509 homes in the City; 797 homes in East Cambridgeshire; 639 homes in Fenland; 1205 homes in Huntingdonshire and 1,424 homes in South Cambridgeshire.
- On the sizes of homes needed, we are keen to support mixed and balanced communities. Housing registers show a large proportion of applicants needing of 1 and 2 bedroom homes, however it is interesting to note that the pattern of housing choice in Cambourne would emphasise less preference for 1 beds and more for 2 beds or more. This research needs to be extended and the results compares to English Partnerships' planned research into patterns of housing consumption, and we need to look at the changes to need information under the new Choice Based Lettings system in future.

Specific groups

The SHMA goes on to look at the housing issues of specific household groups, bringing together existing evidence and setting a foundation for future research and analysis. This includes housing issues for black and minority ethnic populations; migrant workers; Gypsies and Travellers; young people; students; older people; people with disabilities, and finally rural housing including Park Homes.

The future

- Our first SHMA forms a firm foundation for future research and work with our partners.
- It has been developed in consultation with these partners, and we are confident it is a robust and credible assessment of our housing markets.
- However the approach we have taken closely follows the clear steer from CLG to encourage and embed local knowledge, understanding and development of the SHMA over time.
- Our first SHMA has led us to an ambitious and challenging work programme for the future, involving updates of secondary data, more consultation with our partners, new primary research and further analysis.

The assessment process

The SHMA is a report commissioned by the Cambridge Sub-Regional Housing Board to inform future housing strategies and individual housing developments within the area. The SHMA was commissioned to ensure the sub-region has a clear and robust understanding of housing markets and how we can respond to them.

Communities and Local Government (CLG) published its initial guidance in March 2007, and further detail in August 2007. The guidance:

- Encourages local authorities to assess housing need and demand in terms of housing market areas. This could involve working with other local authorities in a sub-regional housing market area, through a housing market partnership.
- Sets out a framework for assessment that is relevant at regional, sub-regional and local level and provides a step-by-step approach to assessing the housing market, housing demand and need.
- Focuses on what to do as a minimum to produce a robust and credible assessment, explaining how local authorities can develop their approach where expertise and resources allow.
- Sets out an approach which promotes the use of secondary data where appropriate and identifies key data sources at each step of the assessment.
- Considers how local authorities can understand the requirements of specific groups such as families, older and disabled people.

The first report will give a robust, up-to-date view of the sub-region's housing markets, but will be reviewed and updated annually, over time growing into a highly durable evidence base with which to plan future sub-regional housing.

➲ Further background is provided in Section A, *Introduction to the SHMA* (chapters 1 to 5).

Links with planning

The SHMA provides evidence for planning policy, as set out in the government's Planning Policy Statement 3 (PPS3). This says the Assessment itself should:

- Estimate housing need and demand in terms of affordable and market housing.
- Determine how the distribution of need and demand varies across the plan area, for example, as between urban and rural areas.
- Consider future demographic trends and identify the accommodation requirements of specific groups such as homeless households, Black and Minority Ethnic groups, first time buyers, disabled people, older people, Gypsies and Travellers and occupational groups such as key workers, students and operational defence personnel.

➲ Further background is provided in Chapter 2, *Links between planning policy and SHMAs.*

Participation

The Cambridge sub-regional SHMA has developed by relevant partners and stakeholders getting involved. People have done this in different ways throughout the project, and we are keen to continue involving partners, building on the knowledge and expertise available on all aspects of the housing market.

Although we have tried to keep the SHMA as inclusive and cooperative as possible, we accept there is always room for improvement and further involvement, and look forward to working closely with all stakeholders in future to grow, develop and improve the SHMA.

Our project team, which met almost every 3 weeks, included colleagues from the Cambridge Land Owners Group and Development Industry Forum, English Partnerships, district housing and planning representatives, Cambridgeshire Horizons and Cambridgeshire County Council's Research Group. Our partnership group, consisting of over 100 members from a variety of stakeholder groups and agendas, met at four workshops during the build-up to our first publication, and provided very useful guidance, views, feedback and challenge to the process and content of the SHMA. We would like to thank all those who have participated in the SHMA and look forward to working with you, to build upon this foundation in future.

➲ Further background is provided in Chapter 4, *The participation ladder*.

Profile of the sub-region

The Cambridge sub-region consists of the five Cambridgeshire authorities along with the Forest Heath and St. Edmundsbury districts in Suffolk. This is the group of authorities through which Housing Corporation funding comes for new affordable housing. For planners especially it is important to note the different boundaries of housing and planning sub-regions, which are shown on the map.

Cambridgeshire is one the fastest growing counties in the UK and expects its population to grow to 665,100 by 2021. Across the housing sub-region the population is projected to grow from 706,600 to 840,900 or 19% between 2001 and 2021, partly due to natural change (24%) and partly due to in-migration (76%).

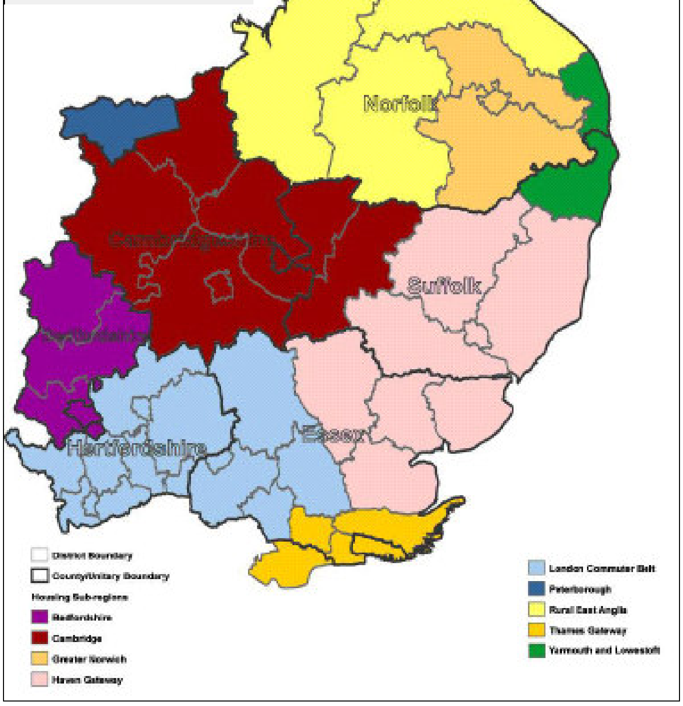
The City of Cambridge has an important regional and national role, especially for high technology industries. Although surrounded by small market towns and rural areas, its influence extends beyond the county boundary.

The county has a buoyant economy but there are important disparities. Certain industries like high technology and bio-tech have been the focus in the sub-region. In contrast, North Cambridgeshire has suffered decline through traditional industry and agriculture, but regeneration projects are now providing new opportunities. Key transport infrastructure has lagged behind the rapid population and economic growth. Alternatives to car travel due to high levels of traffic are being developed, especially around Cambridge.

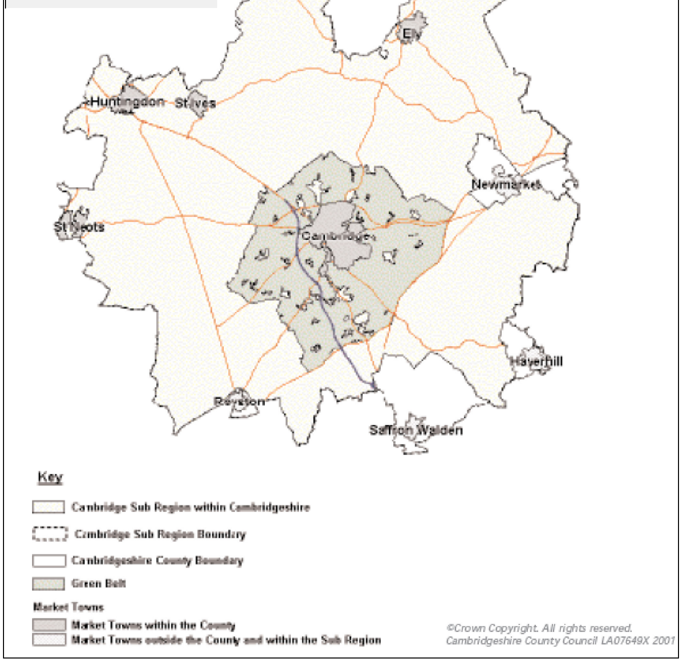
The key issues for affordable housing are shortages and high costs, with average house prices at least **7 times** greater than average earnings (see table on page 10). Lower quartile house prices very between 6.6 and 8.8 times lower quartile earnings.

➲ Section 2: *Cambridge sub-regional context* (chapters 6, 7 and 8) gives more detail.

Housing sub-regions in the East of England



The Cambridge planning sub-region



Defining markets using commuting patterns

The two major 'city-regions' of Peterborough and Cambridge/South Cambridgeshire have widespread labour markets, although most commuting is generally short-distance. Peterborough's labour market looks north and west, more than south and east.

Most market towns in the Cambridge sub-region have tight commuter hinterlands. Very few market towns contribute 5% or more of their workforce to a large number of labour markets. Consequently most 'residence' areas look to one or two labour markets only. Most people are likely to seek housing fairly close to their place of work. Although experiencing relatively low house prices, Fenland does not appear to have become a major commuter suburb for Cambridge; in 2001 no ward contributed more than 25% of its employed residents to work in Cambridge City or South Cambridgeshire.

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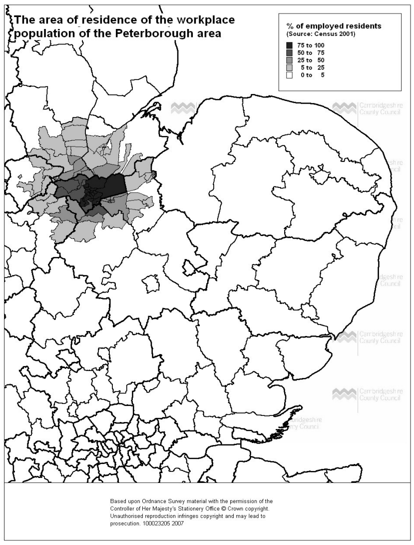
Commuting patterns (cont)

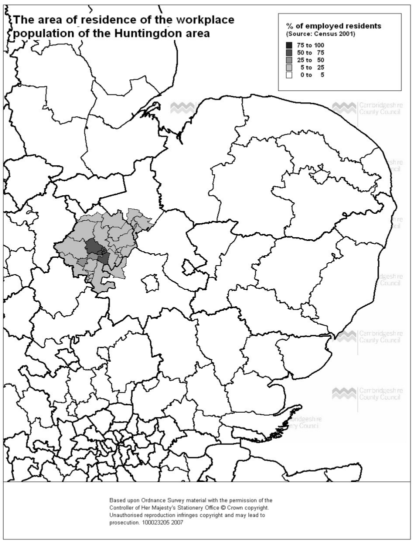
London is not the commuter 'honey-pot' of popular myth for Cambridgeshire residents. As at 2001 the ward with the highest proportion of employed residents working in London was Whittlesford, with 8.6%. Only one Cambridge City ward recorded 5% or more of its employed residents as London commuters, which was Petersfield, with 6.2%.

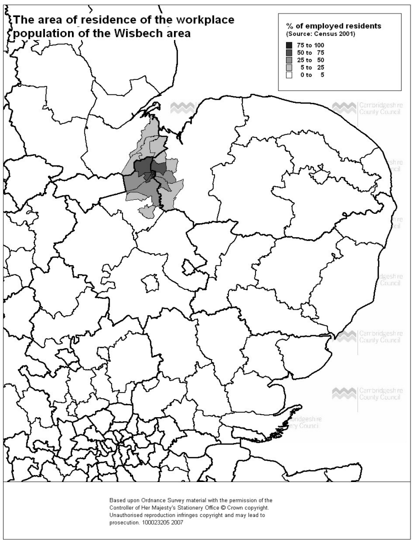
The seven districts comprising the Cambridge sub-region display a number of small local labour markets with relatively little overlap of commuting hinterlands. All market towns have a clear labour market and only the largest commuter belts extend beyond a 10 mile radius. Generally speaking, hinterlands are mainly constrained within districts, as seen on the selection of maps on this page.

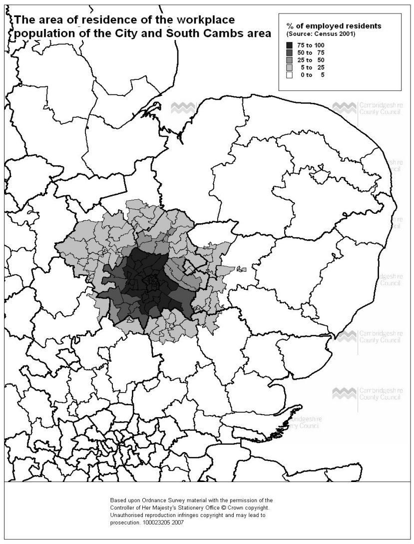
As most migration involves people in work, these commuting markets are a good proxy for very local housing markets. In terms of future planning it is important that the areas develop employment opportunities to match new housing development. The main area where housing and employment development appear to have become somewhat 'out of synch' is Ely. There is relatively high commuting to Cambridge and South Cambridgeshire, with some wards recording between 25% and 50% of employed residents travelling out of the district for work.

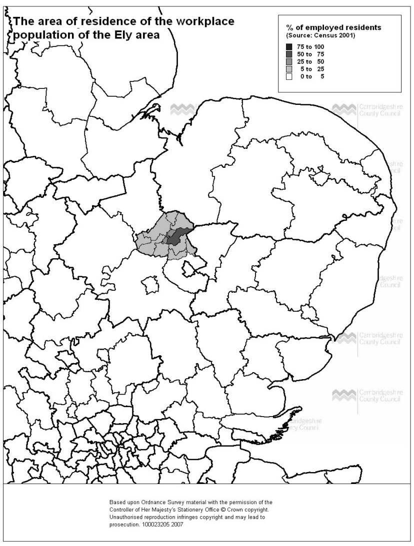
➲ Further maps are provided in Chapter 7 *Defining housing markets using commuting patterns* .

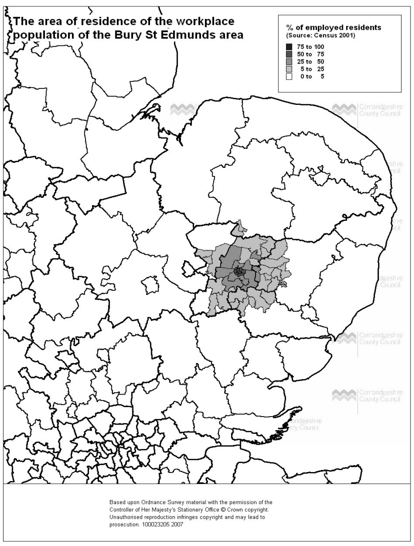


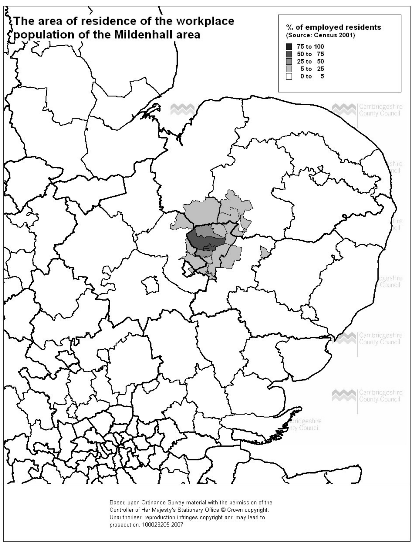












Defining markets using postcode sectors

To help identify local housing markets, the SHMA analyses sale prices across the sub-region, using Land Registry house price data. It compares sale prices for January to March 2006 and tests findings against other periods.

The aim was to identify housing markets below the district level. Land Registry publishes sales data by postcode sectors (e.g. CB8 5). These do not always follow district boundaries and a 'best fit' approach has been taken.

District planning and housing departments were asked to identify broad sub-areas that they would like data for.

The analysis compares average prices of all properties, although there are significant differences in the housing stock, as there are between areas. Differences in prices may well reflect the type and size of properties sold rather than any underlying difference in perceived 'value'.

We hope to supplement this work with a further analysis where the property comparison is standardised or prices per square metre can be compared in future.

It is also important to appreciate that, in general, prices in towns will be lower than in rural areas. This largely reflects the mix of properties available, with cheaper flats and terraced homes being predominantly sited in towns rather than villages. But Cambridge City has areas where this is not true!

All these factors require further investigation as part of the future development of the SHMA.

The map below summarises some of the key facts contained in this chapter.

➲ For more detail please refer to Chapter 8, *Defining housing markets using postcode sectors*.

Key facts on prices by postcode sectors

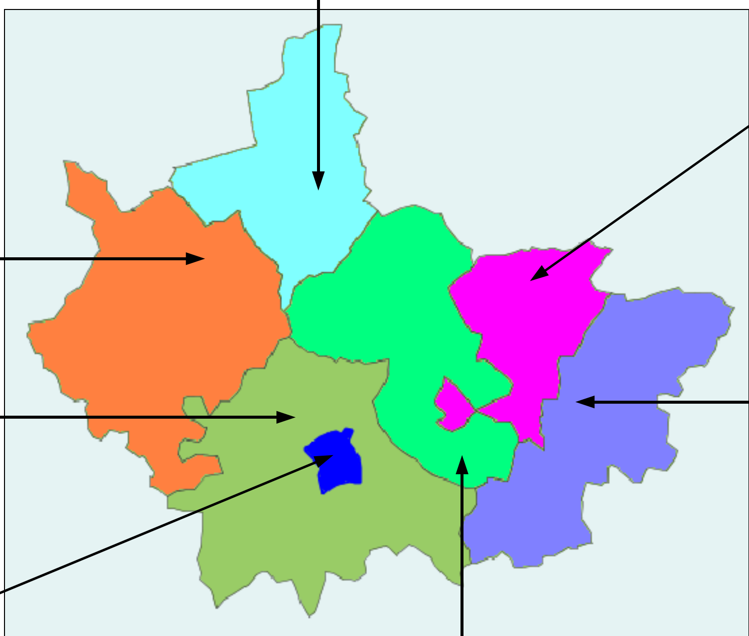
Fenland
District average price: £141,058 (Jan-Mar 2006) and £144,510 (Apr-Jun 2006). Variation across the district was relatively small.

Forest Heath
District average price: £160,824 (Jan-Mar 2006) and £164,830 (Apr-Jun 2006).
As the boundaries of postcode sectors around this district are shared with East Cambridgeshire, St Edmundsbury and Norfolk, the average has to be considered as a guide rather than definitive.

Huntingdonshire
District average price: £178,525 (Jan-Mar 2006) and £200,730 (Apr-Jun 2006).
North Huntingdonshire showed greater affordability than the rest of the district.

South Cambridgeshire
District average price: £248,090 (Apr-Jun 2006).
No postcode sectors contained average prices of under £200,000.

Cambridge City
District average price: £252,410 (Apr-Jun 2006).
It is difficult to analyse by postcode sector as several cross the district boundaries



East Cambridgeshire
District average price: £183,273 (Jan-Mar 2006) and £199,840 (Apr-Jun 2006). There was a significant difference in prices comparing East Cambridgeshire North to East Cambridgeshire South - a difference of just under £51,000 between the two quarters.

St Edmundsbury
District average price: £188,935 (Jan-Mar 2006) and £194,870 (Apr-Jun 2006).
The average price in Haverhill (£165,422) was significantly lower than the average for Bury St Edmunds (£188,935).

Economic strategies

Our Regional Economic Strategy sets out labour market forecasts and assumptions, ranging from international and national economic prospects down to local company performance, commuting patterns and qualifications of the labour force. In a relatively short period of time, assumptions underpinning labour demand and supply forecasts for the Cambridge sub-region have changed significantly. Generally speaking, recent forecasts of job growth have reduced, as have forecasts of labour supply. What is important, however, is that there is still a relatively close alignment between the two.

The targets which districts in the Cambridge housing sub-region are currently working to, are proposed in the draft East of England Plan. The draft Plan does not, however, provide district-level figures. The original employment forecasts known as EG21 are very close to the draft Plan targets. EG21 refers to Enhanced Growth which aims to move the region's economic performance to a top rank in Europe by 2021*. Labour supply forecasts set alongside employment figures incorporate up-to-date population and household forecasts, but assume that economic activity rates adopted in the draft Plan are still valid (for example, they assume that changes in pensionable age will lead to an increase in numbers of older people in the labour force). The table indicates that:

- The 2001 'baseline' situation with respect to where people live and work, showing net commuting, comparing the balance between workplace population and employed residents.
- Cambridge City and South Cambridgeshire are combined as much of the data available for around the edge of the City overlaps with that of South Cambridgeshire, and much of the growth associated with the built-up area of Cambridge will be accommodated in South Cambridgeshire. The planning policies adopted by the Structure Plan, by the draft East of England Plan and now being incorporated in District Councils' Local Development Frameworks all aim to increase sustainability.
- A key issue is the aim of reducing the need to commute to work. The significant increase in house building in Cambridge City and South Cambridgeshire aims to stem the increase in long-distance commuting into Cambridge.
- An apparent excess of jobs over labour in terms of forecast growth between 2001 and 2021. However, the profile of job growth by industry sector suggests there will be many more part-time jobs in future and that the proportion of the labour force holding two or more jobs will increase.
- In their work on regional commuting, Cambridge Econometrics estimated that for Cambridgeshire, an increase of over 62,000 jobs would equate to a much lower 44,000 workforce (people). The difficulties of breaking the 'jobs' figure down to workplace population will be addressed in a new regional model being developed by Oxford Economics.

Issues

There is uncertainty about the robustness of employment and labour supply forecasts for all districts in the East of England; a new model has been commissioned to enable different growth scenarios to be explored.

The main data sources to monitor employment workforce population change are not robust enough to enable accurate measurement of year-on-year changes at district level; this issue is being taken up with the Office for National Statistics.

Although recent forecasts of both employment and labour supply have varied significantly for our seven districts, they have generally moved in tandem i.e. both have been reduced, maintaining a balance between employed residents and workplace jobs.

Within the sub-region labour market forecasts indicate that Huntingdonshire should experience reduced net out-commuting and Cambridge City/South Cambridgeshire should experience a reduction in net in-commuting. Appropriate policies are being adopted in districts' local economic strategies.

There is significant challenge for East Cambridgeshire and Fenland to attract employment above that indicated by 'trend' growth, to reduce further rises in net out-commuting.

Should there be a major slowdown in the national and regional economy, the sub-region will not be immune, though it should withstand problems better than many other areas due to its industrial and business base. This will have important implications on the ability to attract people into the area to live and work; the knock-on impact will be on sales of new dwellings and hence trajectories of development on major growth sites.

➲ See Chapter 9, *Economic context and forecasting.*

Summary of key labour market factors

	Net commuting balance 2001	EG21 jobs growth 2001/21*	Labour supply, EA mid rates 2001/21
City and South Cambridgeshire	24,400	49,400	46,800
East Cambridgeshire	- 12,300	4,900	7,500
Fenland	- 6,000	5,100	6,700
Huntingdonshire	- 13,300	14,300	100
Forest Heath	- 3,900	5,700	6,600
St Edmundsbury	100	7,100	2,500
Sub-region	**- 3,200**	**86,500**	**70,100**

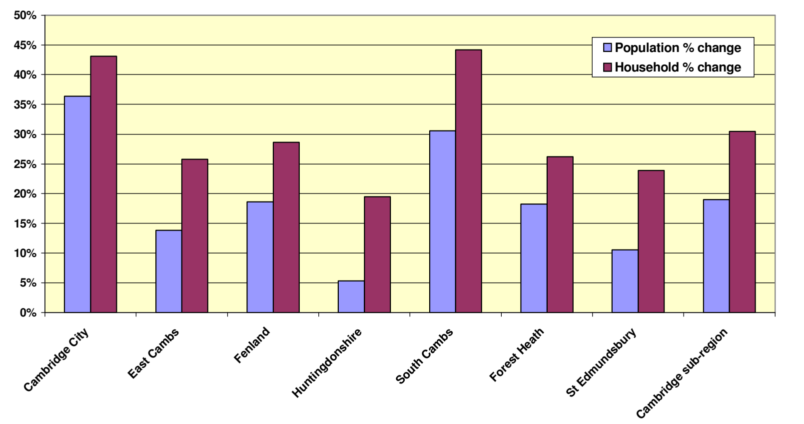
Population changes

The main driver for future population and household growth in the Cambridge sub-region is the 2003 Cambridgeshire & Peterborough Structure Plan, which aims to accommodate substantial growth in the immediate Cambridge area, above that generated by 'natural change'. Following a sequential approach, housing development is proposed at a number of locations on the edge of Cambridge City, at a new settlement north-west of Cambridge (Northstowe) and in existing market towns. Other village development is guided by measures of sustainability, linked to the range of services provided.

In the case of the five Cambridgeshire districts, the growth agenda is effectively dwellings-led. Briefly, a broad balance of employment and resident labour force has been recorded since 1991 and is forecast to continue. However, within the county there is a shift in terms of the location of new dwellings, concentrating these closer to Cambridge to reduce commuting and to promote use of public transport. Some demographic highlights and issues:

- Every district in the sub-region will see an increase in single person households.
- Cambridge City will see the largest population increase in the 30 to 59 age group and the greatest percentage of in-migration, while Huntingdonshire will see significant decreases in under 15's and the 30 to 59 age group.
- Every district will see an increase in elderly households. The largest increases in elderly and vulnerable households is most likely in South Cambridgeshire and Huntingdonshire, and the smallest in Cambridge City.
- Population growth is mainly generated by local economic success and growth of the labour market, though there is modest net in-migration of retired people to Fenland. This framework for growth has been well established in Cambridgeshire with the adoption of the Cambridgeshire & Peterborough Structure Plan, and these policies have been incorporated into the draft East of England Plan.
- The sub-region has experienced relatively high rates of population and household growth in the past, and these rates are forecast to continue at the same level or be exceeded. 'Natural change' of population has historically been significantly lower than 'migrant change'.
- Natural change in households from 2001 to 2021 is forecast to account for around half the 'extra' households in the sub-region – up to 44,000 in number. The high number of migrant households presents a real challenge in determining what an appropriate strategy should be for providing 'affordable' housing as a share of the total. Historically, migrant households have tended to live in the private sector – as owner-occupiers, private renters or renting from employers.

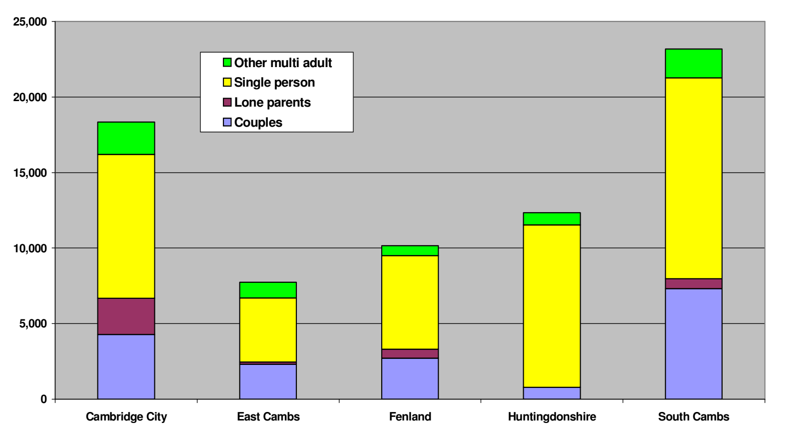
Forecast growth in population and households, 2001 to 2021



- The growth in number of households has exceeded population growth as average household size has fallen. There is particularly high growth forecast for single person households: 60%, or 53,600. The age group to experience the highest rate of growth is the over 75s at 65% over 20 years. The over 85-year-old age group will increase even more, by a forecast 72% in 20 years.
- A major challenge to be faced is the increase in potentially vulnerable elderly couple and single person households – with a 'household' head aged 75 and over. This could amount to 6,800 additional couple households and 9,250 elderly single person households.

➲ For more detail see Chapter 10, *Demographic context and forecasting*.

Household forecasts by type, 2001 to 2021



Dwelling profile and occupation

There are nearly 316,000 homes in the Cambridge sub-region and most of the housing stock is in the private sector. There has been a 5% increase in total stock during the past five years alongside an increase of only 0.3% in social rented housing. Decreases in social stock in Forest Heath and Huntingdonshire are due to a high number of right to buy and right to acquire sales, compared to the building rate.

Detached properties make up the largest share of properties by type in the sub-region, and there are comparatively few flats. This profile is different for Cambridge City, which has a higher percentage of flats and terraced properties and very few detached houses. There are just over 4,600 known houses in multiple occupation in the sub-region, most of which are found in Cambridge City, but more research is needed to understand this part of the market and other shared properties.

There are around 8,700 supported housing units, most of which are for older people. Scheme size varies considerably depending on scheme type and client .

Some 2.3% of properties within the sub-region are vacant and there are very few holiday homes. The number of second homes in Cambridge City is higher than might be expected, due to counting unoccupied student dwellings in this category.

➲ Chapter 11. *Dwelling profile* gives more detailed information.

Housing stock condition

As part of the SHMA we have considered the condition of homes across the sub-region, drawing on sample surveys or models undertaken in each district over the period 2002 to 2006. The main reasons for doing these surveys are to:

- Provide a key component of an asset management strategy of the Council's own stock, including a range of possible stock options.
- Provide an authority-wide picture of housing conditions as part of a strategic survey of housing demand and supply within the authority's 'enabling' role.
- Assess the need for 'intervention' by the authority, for example through the Regulatory Reform Order.
- Ascertain the stock condition element for any local regeneration initiatives.
- Gather information on specific stock, such as HMOs.

However much of the available data is now out of date and does not fit with new methods of assessing housing conditions. The data is also not directly comparable across authorities. To improve this data a new stock modelling project is being carried out by the Building Research Establishment (BRE) to identify areas of poorer housing conditions within each district. This information will be used to inform subsequent local Stock Condition Surveys and will enable better targeting of resources. Once the results have been received, the SHMA will incorporate the results, draw conclusions around how stock condition affects the balance of housing markets across the sub region and work with partners at district authorities and the BRE to identify appropriate key actions.

➲ For more information, see Chapter 12, *Housing stock condition*.

Prices, incomes and affordability

	Average prices, all properties	Index (sub-region = 100)	Average annual earnings by residence	Ratio of earning to house prices
City	£262,070	135	33,805	7.75
East Cambridgeshire	£183,813	95	30,072	6.11
Fenland	£141,260	73	23,930	5.90
Huntingdonshire	£178,732	92	29,078	6.15
South Cambridgeshire	£247,603	128	36,670	6.75
Forest Heath	£160,921	83	24,055	6.69
St Edmundsbury	£189,152	97	27,383	6.91

Current property prices

This part of the SHMA summarises information on prices of properties sold between January and March 2006, based on information held by the Land Registry. It also provides selected highlights from Chapter 8, *Defining housing markets using postcode sectors*, for context.

Where appropriate, the analysis provides comparisons with the first quarter of 2005 (that is, January to March). The review looks at the average, median and lower quartile (the bottom 25%) house prices. It looks at "entry level" house prices in each area, by which we mean the lowest price band covering a reasonable number of sales, in order to exclude properties sold below the market level (e.g. within a family). The final section analyses affordability by comparing property prices and earnings.

Further analysis is needed to enable standardised comparison e.g. by comparing prices per m^2 as part of the future development of the SHMA. However our initial analysis indicates that:

- Prices vary significantly across the sub-region. The average price across the Cambridge sub-region for Jan to Mar 2006 was £194,151. House prices are highest in Cambridge City and lowest in Fenland.
- Detached properties are the most expensive type of home and flats are the cheapest. Detached houses are the most common property type in all parts of the sub-region (except for the City) and make up most sales.
- Terraced homes have the highest turnover in the sub-region and detached homes have the lowest. Terraced homes make up 47% of all the properties sold for less than £120,000.
- It is harder for people with lower quartile earnings to be able to afford a cheaper house than for someone with average earnings to afford an "average" priced house.
- Using Land Registry data for average house prices of all types (Jan to Mar 2006) and average earnings by residence from the ONS, the ratio of earnings to house price varied from 5.9 times in Fenland to 7.75 times in Cambridge City.
- When comparing lower quartile house prices and earnings, the multiplier varied from 6.52 times in Fenland to 8.8 times in Cambridge City.

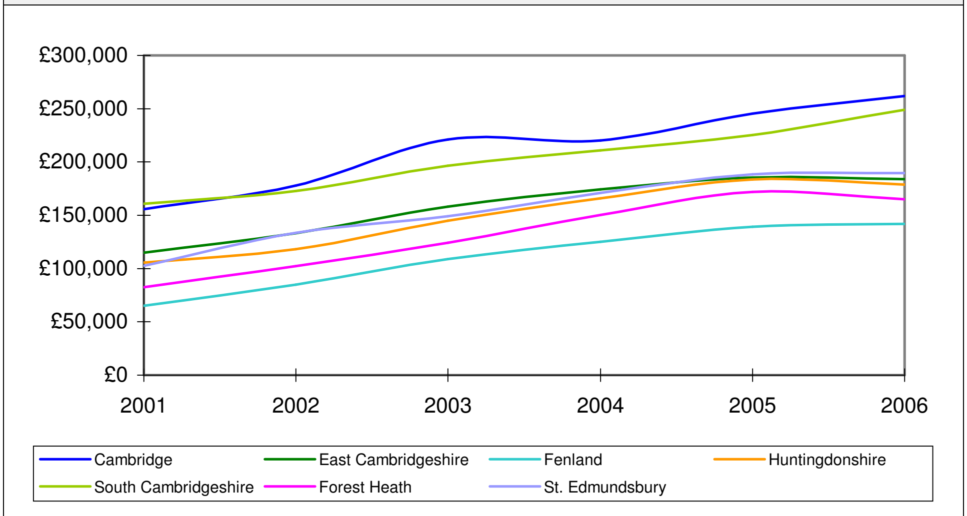
➲ Chapter 13 *Current property prices* provides more detail, including the data table on page 8 about prices, incomes and affordability ratios.

Changes in prices

- Average house prices have increased by between 55% in South Cambridgeshire and 118% in Fenland.
- Lower quartile prices have increased even more sharply.
- Despite these increases, the actual number of sales in each district has been quite consistent.
- In 2001, there was more variation between lowest level entry band - in all areas except Cambridge City this was under £100,000.
- The most recent data shows the entry level band for all areas was over £80,000 and most were over £100,000.
- Less than 100 properties were sold for under £100,000 in all districts, except for Fenland.
- For more information, please see Chapter 14, *Changes in property prices from 2001 to 2006*.

	Number of sales, 2006	% stock turnover, 2006
City	2,150	6%
East Cambridgeshire	2,028	7%
Fenland	2,628	8%
Huntingdonshire	4,358	7%
South Cambridgeshire	3,275	7%
Forest Heath	1,573	7%
St Edmundsbury	2,733	7%
Sub-region	**18,745**	**7%**

Changes in Average House Price, Oct-Dec, 2001 to 2006



Private rented

In the Cambridge sub-region some 13% of households rent their home privately. In Cambridge City, 22% of residents are private renters. This is based on 2001 Census data and there is some evidence of a national increase in the number of private sector tenants since then. Forest Heath also has a high percentage of private renters, largely due to the influence of the US air force presence.

Highlights

- Between 59% and 79% of tenants rent from landlords/ letting agencies, with the second largest group of landlords being employers such as the military. In the sub-region, 8% of private tenants rent from family members or friends.
- Most private sector tenants are young (aged 16 to 34) and stay at their rented address for between 13 and 20 months.
- Some 14% of private tenants in the sub-region previously lived more than 40 miles away from their new address. 22% came from outside the UK, suggesting that the private rented sector is important in housing migrant workers. There is currently a lot of interest in the connection between private renting and migrant workers from organisations such as ARLA and Nationwide UCB. Further research into this subject is planned at a sub-regional level.
- Based on the review of local press adverts for rented property, the average rent for the sub-region is £755 per month, although there is variation between districts and types and sizes of properties.
- Cambridge City is the most expensive place to rent a property (average £965 per month). There is a large gap between the average rents in the City and the rest of the region. Fenland is the cheapest district in which to rent (average £566 per month), and a three-bedroom property in Fenland costs about the same per month as a one-bedroom property in the City. This review will need to be repeated in future to update the information and monitor changes in prices in the private rented sector.
- Local Reference Rents (calculated by the Rent Service) are lower than average and entry level rents in each district, but still show a difference between the City and South Cambridgeshire and the rest of the region. The boundaries used to calculate local reference rents may be a useful point of comparison for sub-markets within the SHMA area. Proposed new boundaries, which are going to produce one suggested level of housing benefit for Cambridge, Littleport, St Ives and Newmarket, if approved, are likely to be less useful.

➲ Chapter 15, *The private rented market*, provides more detail.

Buy-to-let

The buy-to-let market has grown considerably since the turn of the century. Most buy-to-let investors own either one or two properties, and most are individuals rather than companies. A large number are aged 36 to 55 years old; most of their tenants are younger (48% under 30). Most view their investment in residential property as a long-term plan and say they would hold on to property in the event of a price crash as they see their property as a "nest egg".

- Between 3,374 and 5,436 of the 18,745 properties sold in the sub-region in 2007 were sold to buy-to-let investors. New homes in Cambridge have a higher percentage of private tenants than in the rest of the City, (27% compared with 24%). On the whole in these new apartments, people prefer to buy-to-let and have some rental income rather than buy-to-leave, due to service charges.
- The percentage of buy-to-let sales given by a Cambourne estate agent is one of the highest in the region (25%). This may be an important consideration for other new developments but needs further investigation and comparison with other new developments.
- The average cost for buy-to-let properties nationally is slightly lower than the average cost for all properties, reflecting comments in our estate and lettings agent survey that buy-to-let investors look for cheaper properties - although size, age, and condition are also important factors. Most buy-to-let investors buy with a mortgage, a small number buy outright.
- The "ideal" buy-to-let property in the sub-region is a modern, two-bedroom terraced house or flat as these are cheaper to buy and easy to rent out.
- There is a preference for traditional homes over homes in multiple occupation and some evidence of people leaving this part of the market due to pressures such as licence fees, alteration costs and bureaucracy. However there are a small number of investors who specialise in HMOs.

➲ See Chapter 16 for more information on *The buy-to-let market.*

Social rented

In total, some 15% of homes across the sub-region are social rented. Cambridge City has a higher percentage of social housing (24%) than the rest of the sub-region and than the national level (19%). Much of this social rented housing is managed by housing associations or registered social landlords (RSLs), five of the seven districts having transferred their stock to housing association partners.

Needs registers

The number of households on the district housing needs registers has risen in the past five years for the sub-region as a whole from just over 15,000 in 2002 to almost 21,000 in 2006. In 2008 a new system known as choice based lettings (CBL) started up, which affects how people access affordable housing and will help us monitor trends in housing need more closely.

Lettings

Social re-lets have overall held steady, moving from 2,586 in 2001/2 to 2,663 in 2006/7, a change of only 77 for the sub-region. However this slight change over the years masks variations by year and by district, which occur for a variety of reasons - for example low numbers of re-lets in Forest Heath and St Edmundsbury in the years affected by stock transfer, major refurbishment of council housing in Fenland, and an increase in relets in the City, moving from 495 to 705.

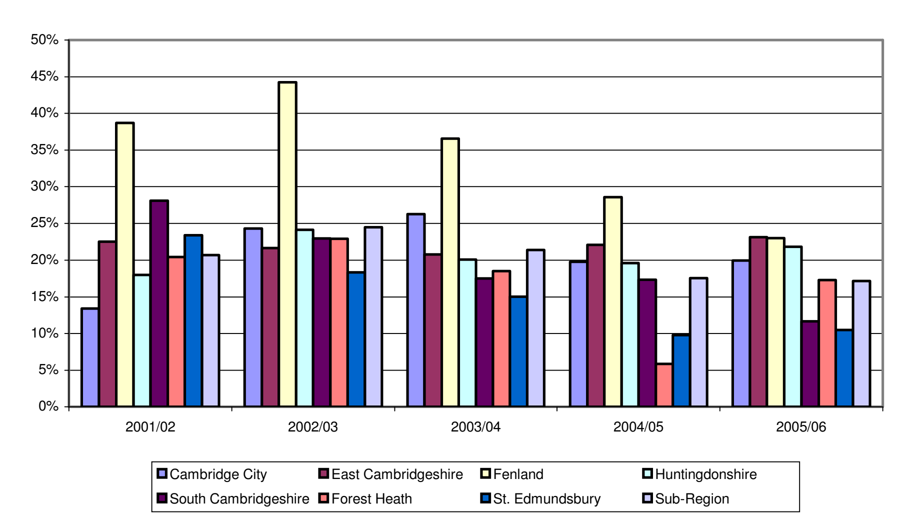
There are gaps in data about who is being housed in properties in some areas. For example, from the available data it seems there are very few older heads of household in South Cambridgeshire because they are housed in local authority homes rather than with housing associations. Cambridge City and South Cambridgeshire will be completing a standard data return known as CORE from 2006/07 onwards, which will improve information on the people being housed in the social rented housing, and comparison with other districts.

Data on housing needs registers is also problematic because different districts managing the lists in different ways, for example the data for needs registers includes people awaiting transfers in some districts (e.g. Huntingdonshire), but transfers are excluded by other authorities.

CBL will help us gather and analyse data in a similar way across districts from its introduction in Spring 2008 onwards.

➲ Chapter 17 goes into more detail on *Social rented housing turnover, housing registers and lettings.*

Social lets as a % of needs registers, 2001-06



	LA and RSL stock					Net social stock turnover 2005/6
	2001/2	2002/3	2003/4	2004/5	2005/6	
City	10,951	11,544	10,862	11,265	11,126	6%
East Cambridgeshire	4,510	4,610	4,811	4,478	4,667	5%
Fenland	5,006	4,936	4,881	4,974	5,002	9%
Huntingdonshire	8,996	8,407	8,435	8,400	8,442	6%
South Cambridgeshire	7,210	7,228	7,633	7,563	7,803	3%
Forest Heath	3,401	3,313	3,228	3,149	3,184	4%
St Edmundsbury	7,236	7,384	7,388	7,400	7,238	5%
Sub-region	**47,310**	**47,422**	**47,238**	**47,229**	**47,462**	**6%**

Homelessness

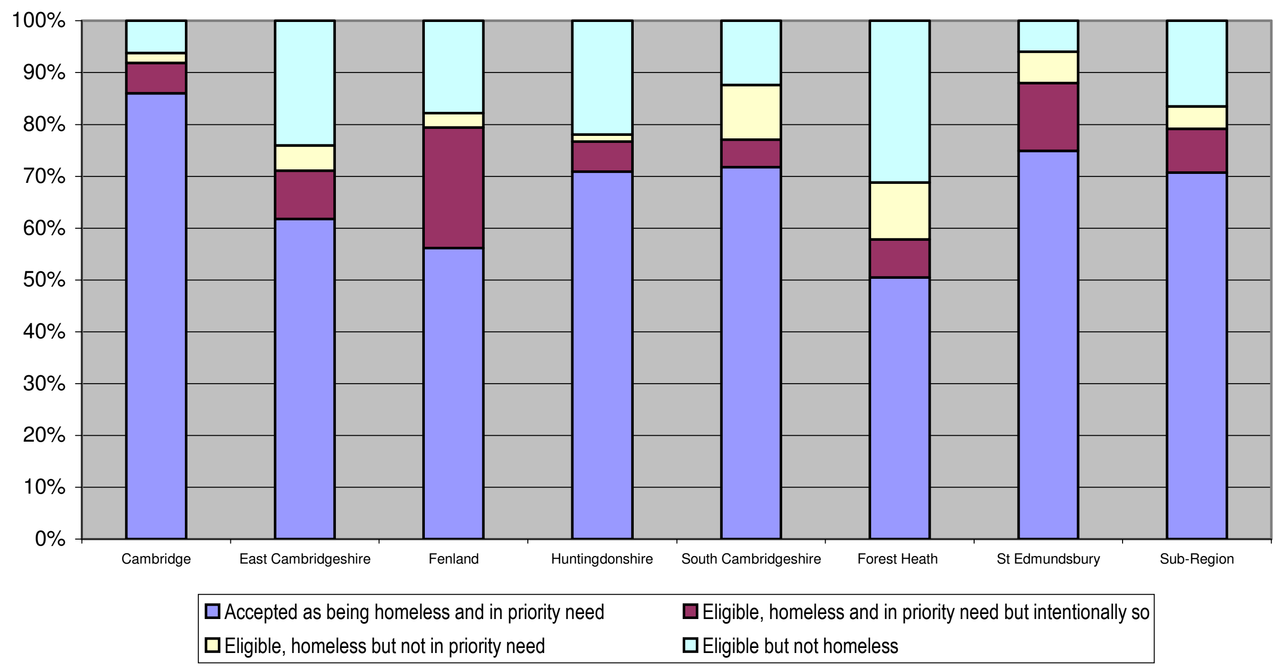
An important part of the housing market, and an indication of where it fails residents, is homelessness. The SHMA looks at homeless applications, acceptances by local authorities and subsequent housing outcomes for households who are accepted as unintentionally homeless.

Some notable findings are:

- Across the sub-region the number of decisions made following homeless applications rose from 2001 to 2004 and then fell in 2005/6 to below its 2001 level. The local exceptions to this pattern were St Edmundsbury and Forest Heath where the number of decisions rose slightly between 2001 and 2005/6.
- In most of the sub-region the number of priority group households accepted as unintentionally homeless following their applications decreased. The exceptions were Huntingdonshire, St Edmundsbury and Forest Heath.
- The number of households in temporary accommodation rose after 2001 but than fell back to broadly the same level by 2006. Alternatives to bed and breakfast, such as private leasing, mean that generally less than 10% are housed in bed and breakfast.

➲ Chapter 18 *Homelessness*, gives more detail.

Homelessness decisions by type, 2005/06



Intermediate housing

These two chapters provide information on registers for intermediate housing, and sales of the same, including information on homes for key workers.

Chapter 19 defines the intermediate housing market and current demand at April 2007, where applicants live and work and issues around this. It looks at key worker industry sectors, including current tenure, family type and affordability, and compares key workers and non-key workers, and mortgage bands by district and family type, tenure and affordability.

Chapter 20 highlights issues arising from analysis of HomeBuy applicants and intermediate housing overall – who has been housed by previous tenure, family type, age, key workers and type of property bought. It analyses financial issues including mortgage affordability, family types and size of property compared with finance and savings and the effects of new regulations for open market HomeBuy from April 2006. Finally it looks into previous district of residence, family type by number of bedrooms and issues arising from an analysis of low cost home purchasers.

Some highlights are summarised:

Intermediate housing (cont)

Where applicants live and work

Cambridge City dominates the key worker profile in terms of place of work, while non-key workers are more widely spread across the sub-region. East Cambridgeshire has a significantly higher share of applicants living in the district than working in it: true of both key workers and non-key workers. Neither Fenland nor Forest Heath rank highly as places for applicants to live or work.

Issues for HomeBuy applicants

Although numbers of registered applicants have increased: up from 600 in December 2006 to nearly 800 in April 2007, the total is well below the demand for social rented housing (20,000 across the sub-region). There is a major issue about the public's awareness and knowledge of the schemes available. The number has risen to 2,000 applicants at January 2008, and so further analysis is needed of these households. This is a priority for updating the SHMA.

Heaviest demand for HomeBuy arises from people living in Cambridge City, South Cambridgeshire, Huntingdonshire, St Edmundsbury and, to a lesser extent, East Cambridgeshire. Demand is currently very low from applicants living in Fenland and Forest Heath. Demand is particularly high from applicants working in Cambridge City, where key workers also predominate, mainly working in health and education.

Applicants on the register (as at April 2007) were housed in two main tenures – renting privately (44%) and living with friends or family (35%). Relatively few applicants currently rent from a social landlord (9%), although this group is a target for the HomeBuy 'product' as successful targeting might help free up social housing.

Single applicants account for 46% of all applicants – rising to 57% in Cambridge City. Couples without children account for 21% of applicants. Households with children together account for 30% of applicants. Currently, some 14% of applicants require a property with three bedrooms or more, although 30% or more would be entitled to buy these larger homes if their finances could support the cost.

A significant 25% of applicants can only support a mortgage of up to £52,000. Some 50% of applicants are unable to support a mortgage above £68,000. Couples have the highest average incomes and can thus afford the highest-priced (and therefore largest) properties. Lone parents have the lowest average incomes (although some may have access to capital following a relationship break-up). Generally the largest families do not have the highest incomes, so there may be affordability problems in relation to purchasing homes of three or more bedrooms.

Affordability is a particular problem in Fenland and to a lesser extent East Cambridgeshire. Forest Heath applicants seem to have least affordability problems. The lack of information on capital available to different family types and in different areas is an issues which needs further investigation.

Issues when comparing shared ownership to open market home buy (OMHB)

When purchasers have had considerable flexibility as to where and what type of property they can buy, as under OMHB, they selected houses for preference; a significant proportion selected 3 bedroomed properties – probably because a larger percentage had children. Shared ownership new build provided relatively few 3 bedroomed homes in the Cambridge sub-region.

OMHB purchasers selected homes in South Cambridgeshire, East Cambridgeshire, Huntingdonshire and Forest Heath in preference to Cambridge City, possibly because the price per square metre is lower outside the City. There were very few either shared ownership or HomeBuy sales in Fenland. OMHB constituted 55% of all low cost home ownership sales handled by housing associations in 2005/06.

Single people and couples accounted for almost two-thirds of shared ownership buyers but a slightly lower share of OMHB purchasers; there were relatively more families and lone parents with children buying under 'HomeBuy'. The vast majority of purchasers had either rented privately or lived with family or friends. There were very few households who were previously local authority or housing association tenants.

The change in regulations relating to OMHB in April 2006 has had a significant impact on the intermediate market, greatly reducing the demand for this product. There is a growing affordability gap emerging.

Only 37% of the sub-region's shared ownership applicants and 7% of OMHB applicants can currently afford to buy a lower quartile-priced dwelling in Cambridge City – unless they have access to additional capital. Although there are more opportunities in other districts, the rapid increase in house prices relative to earnings means that the intermediate market is not affordable for many would-be purchasers.

➲ Chapters 19 and 20 give more detail on registers for and sales of intermediate housing.

Current affordability

The SHMA uses conservative estimates of affordability for the different tenures available across the housing sub-region, based on household income alone. It does not factor in the availability and size of deposits for households buying a new home. Further work and better data is needed to identify the impact these factors may have.

For the SHMA, a snapshot of affordability has been provided for each district, to help analysis of gaps and overlaps between the available housing tenures.

Summary table from Chapter 21, Current affordability and income

	Cambridge City	East Cambridgeshire	Fenland	Huntingdonshire	South Cambridgeshire	Forest Heath	St Edmundsbury
Average Social Rent	£11,650	£10,408	£8,660	£9,940	£9,507	£8,973	£9,307
Lower Quartile Private Rent	£25,290	£20,700	£16,200	£18,900	£23,445	£21,420	£21,960
Intermediate Rent	£27,792	£20,678	£16,300	£19,699	£26,006	£20,563	£23,357
Average Shared Ownership	£33,383	£25,848	£20,376	£24,624	£32,508	£25,704	£29,196
Average Private Rent	£34,740	£20,983	£19,523	£24,633	£26,917	£21,783	£21,122
Lower Quartile Open Market	£43,750	£35,500	£27,750	£34,250	£44,993	£31,937	£36,563
Average House Price	£68,019	£51,639	£36,848	£50,411	£68,656	£45,251	£55,589
Median Household Income	£28,500	£29,800	£25,300	£31,600	£33,300	N/a	N/a

Affordability by tenure

Based on our estimates the prime market for shared ownership ranges from 18% in both Huntingdonshire and Cambridge City to 29% in East Cambridgeshire. However the demand shown through waiting lists or registers for this shared ownership tenure is significantly smaller than registers for social rented. By district, there is greater demand in Cambridge City and South Cambridgeshire than elsewhere in the sub-region. There are also more shared ownership sales in South Cambridgeshire than anywhere else in the county.

In all Cambridgeshire districts, the household income required for entry level home ownership is higher than the mid-point average income for that district. For most of the sub-region, the average cost of shared ownership is more than the cost of lower quartile private rents, but less than average private rents. In St Edmundsbury, a lower income is required for shared ownership than renting privately. In Huntingdonshire, the cost of shared ownership is slightly higher than renting privately at an average price.

There may be a future role for intermediate rented housing, to assist those who cannot afford private rented, or who can only afford the lowest price private rented. This issue needs further research.

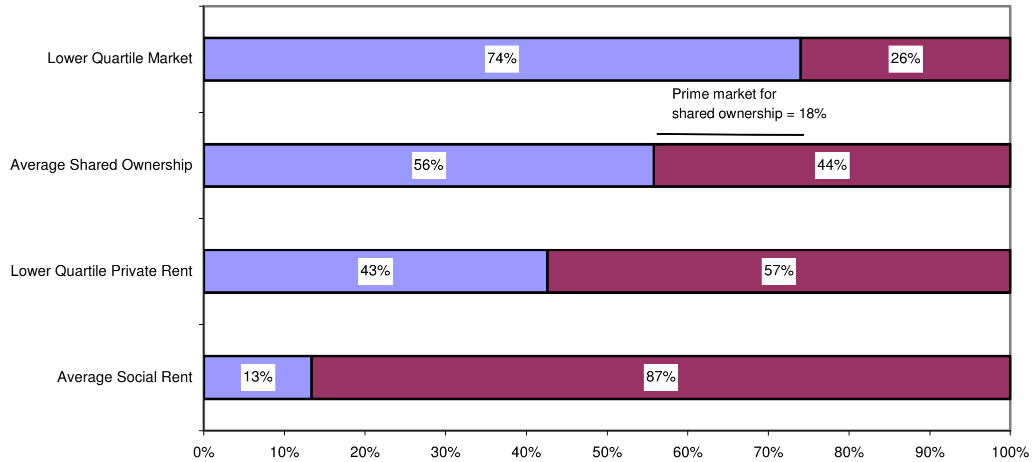
The graphs **on the right** aim to show the overall affordability of different tenures within districts, based on the percentage of the current population who are able to afford and unable to afford within each tenure.

From the top of each graph, the tenures assessed are Lower quartile market, which represents the average cheapest second-hand homes available; Average shared ownership; Lower quartile private rent and Average social rent.

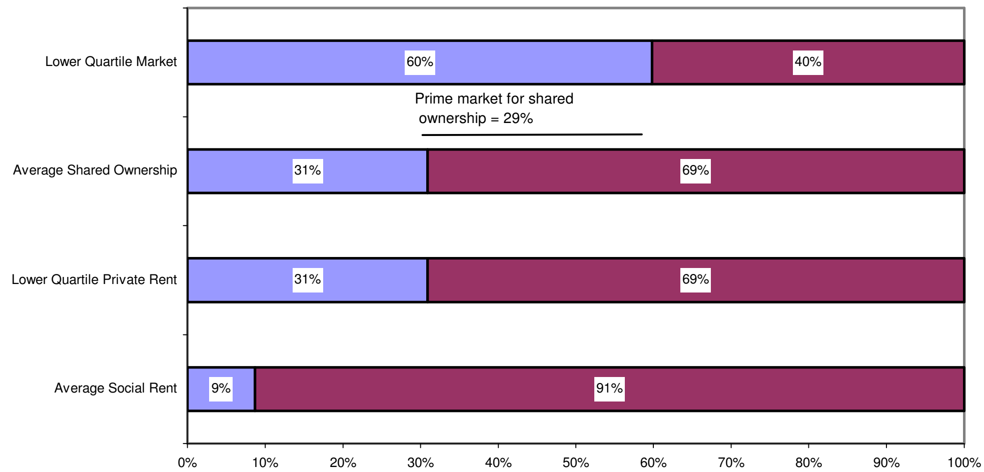
These graphs aim to identify the broad concepts for tenure, though further information and analysis are required. One of the most notable issues is differences in % population able to afford each tenure, particularly home ownership. This leads us to the conclusion that the intermediate market, while needing further investigation, is significant for our sub-region.

➲ More information is provided in chapter 21, *Current affordability and income*.

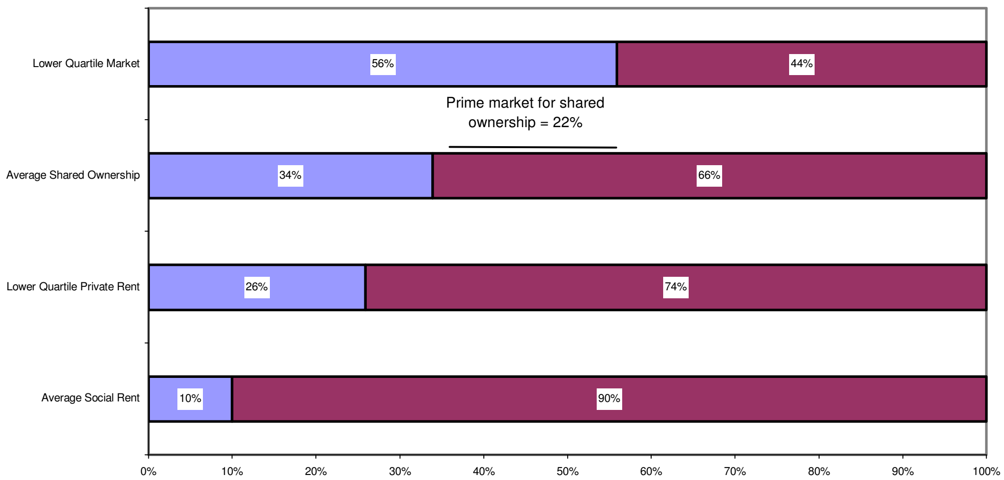
Cambridge City



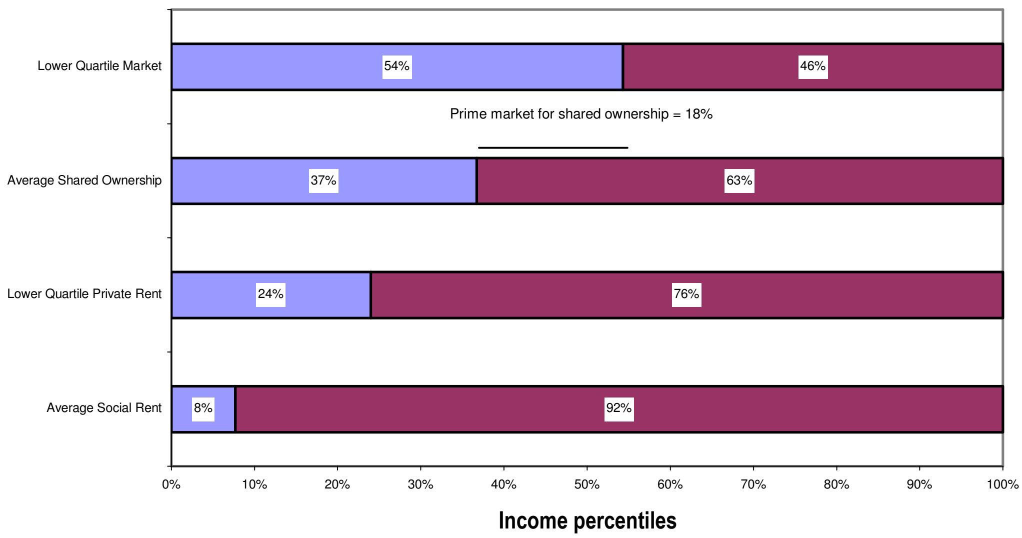
East Cambridgeshire



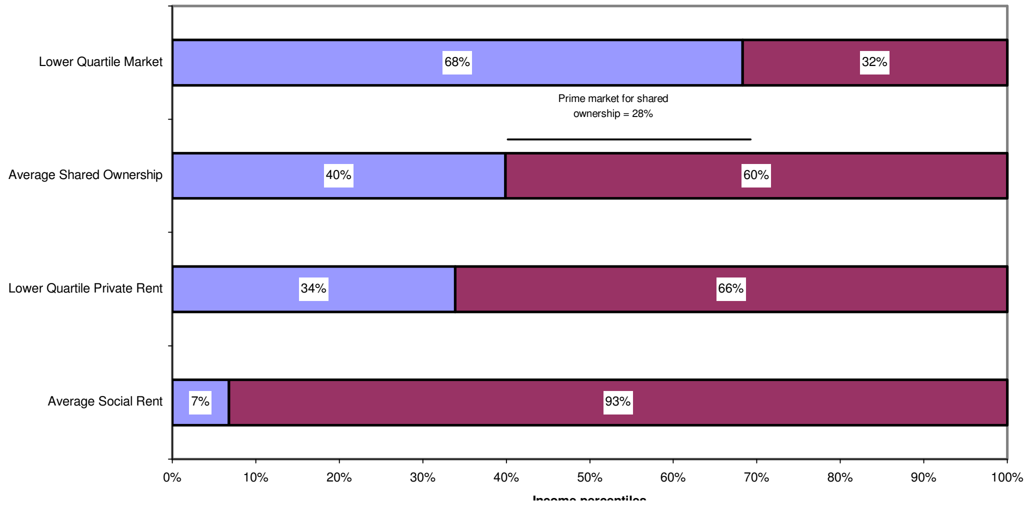
Fenland



Huntingdonshire



Current affordability (cont)



South Cambridgeshire

Planning for housing delivery

The Cambridge sub-region is planning for a step-change in housing delivery, but this needs to be accompanied by significant infrastructure investment if development is to be sustainable. The development strategy for the sub-region remains as established by the Cambridgeshire & Peterborough Structure Plan 2003, which plans for significant growth in and close to Cambridge before 2016 and includes a major new town at Northstowe.

The East of England Plan (RSS), which will shortly replace the Structure Plan, maintains its strategy for accommodating growth while both increasing the dwelling target significantly and making it a minimum target, subject to environmental limits and infrastructure constraints. In setting targets for the delivery of affordable housing regard must be had to the outcome of Strategic Housing Market Assessments. The expectation is that across the region, some 35% of all housing completions will be affordable over the plan period.

Housing trajectory information is collected which shows when and where development will take place. Some 41% of our planned delivery of some 76,245 new homes to 2021 will take place on large strategic sites, and in the period after 2011/12 strategic sites will assume greater importance in housing delivery, rising to 70% of all completions by 2013/2014.

➲ Chapter 22 provides more detail on *Planning for housing delivery*.

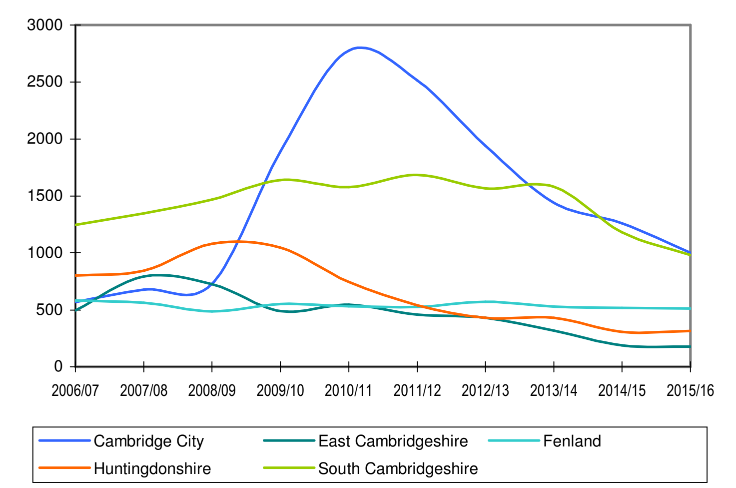
	Minimum dwelling provision, 2001 to 2021			
	Total to build April 2001 to March 2021	Of which already built April 2001 to March 2006	Minimum still to build April 2006 to March 2021	Annualised average
Cambridge City	19,000	2,300	16,700	1,110
East Cambridgeshire	8,600	3,240	5,360	360
Fenland	11,000	3,340	7,660	510
Huntingdonshire	11,200	2,890	8,310	550
South Cambridgeshire	23,500	3,520	19,980	1,330
Forest Heath	6,400	810	5,590	370
St Edmundsbury	10,000	1,980	8,020	530

Reviewing housing supply and the building industry

This chapter summarises Kate Barker's review findings and recommendations, and the Government's response. It then looks at John Callcutt's review of house building delivery – its terms of reference, call for evidence, and executive summary of his report - and the Office of Fair Trading study into the UK house-building market.

These chapters were included to provide an acknowledgement of the importance of engagement with the local building industry, land owners, and developers, and some context for future more local research into the effects on housing delivery.

Housing trajectory by district, 2006/7 to 2015/6



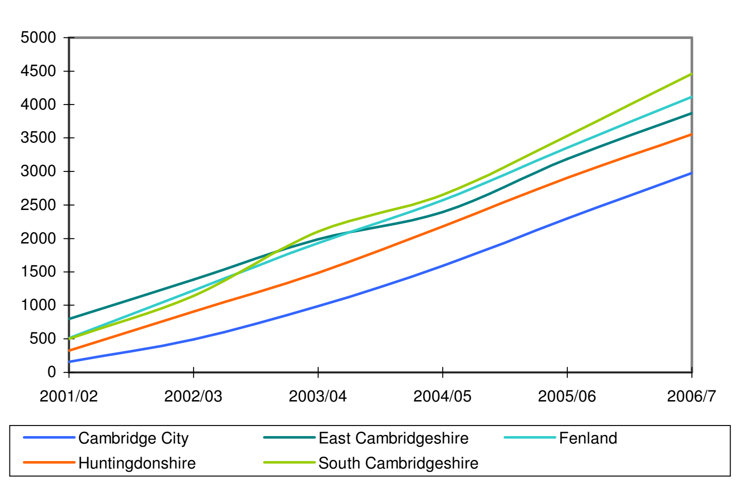
Land availability

This chapter sets out what strategic land availability assessments (SLAAs) are, and the approach districts in the sub region are taking to them. It sets out the national planning policy context, the purpose of the Assessments, the importance of a partnership approach, core requirements of the Assessment and how the assessment will be kept up-to-date. It then sets out the situation across the sub-region and a table of each planning authority's progress and evidence.

Summaries have been added from each district's SLAA, to help link the availability of land to the achievement of RSS build targets in the future.

➲ Chapter 24 outlines *Outcomes of strategic land availability assessments*

Trend line for cumulative additions to stock, 2001/2 to 2006/7



Past & future housing delivery

➲ Chapter 25 looks at the past delivery of homes, whether market, affordable, rented or shared ownership.

It also looks at the future plans for delivering new homes and very briefly summarises some of the factors which affect the number of affordable homes secured and tenure split .

Delivering mixed, balanced communities

Three major reports have been used to provide some guidance and basis for discussion around what makes a balanced, mixed, and sustainable community, and why this should be our intention. The reports are *Balanced and Mixed Communities*; *In the mix* - a review of research on mixed income, mixed tenure and mixed communities and *Creating and Sustaining mixed income communities* – a good practice guide.

The aim of including this section in our SHMA is to provide a basis of discussion and thought around what makes a community where people want to live. This touches on why we need mixed communities, the development process, the current local housing market and demand for housing. It also summarises housing mix and how this affects who might move in, the effects of marketing, delivering affordable and intermediate housing and pepper-potting, relationships with existing communities and finally, the evolution of mix over time and how tenure mix might be maintained long term.

➲ Chapter 26 provides further detail.

Identifying housing need

Government guidance on SHMAs provides a detailed process to assess housing need. The SHMA outlines what the guidance suggests and how we have used the guidance in the Cambridge sub-region to calculate levels of housing need. There are some important principles to consider before looking at the detail:

- The SHMA will be built on and updated as time passes and information changes and improves. This iteration is bound to change, adjust and improve as its foundation data does the same.
- The guidance is written as just that – guidance, rather than a detailed roadmap of "how to" do it. Some sources of data do not provide the detail or the cross-tabulations needed to work out the figures for a specific sub region or district. For this reason, we have supplemented the secondary sources of data with our MRUK household survey where necessary, to try to provide a more realistic picture of housing need for our sub-region.
- There are numerous ways to tackle the housing needs "part" of the guidance. For the Cambridge sub-region we have tried to follow the guidance and supplement where we feel it is necessary. We have set out at the start of the chapter, where we have made judgments and, we feel, improved on the guidance in our approach.
- In future we are looking to evolve our approach further, to investigate more frequently updated sources of housing price information, ways to analyse data using map-based systems, and other data to track changes in the housing market e.g. factors such as inflation, land prices and incomes.
- All these possibilities will add to the flexibility and responsiveness of our assessment of the market in the future, based on this current foundation of research.

The chapter provides a table for each stage in the process, and compares the Cambridge process to the CLG process, gives notes on the guidance, and refers to where in the SHMA people can find further background.

The chapter is supported by Appendix 13 *Technical Appendix*, which goes into more detail on our process, data, judgments and use of triangulation, which was added in response to consultation feedback.

To summarise the **annual** projections:

	City	East Cambridgeshire	Fenland	Huntingdonshire	South Cambridgeshire	Formula
Current housing need						
Homelessness	117	52	81	72	144	
Overcrowded and concealed	690	1000	522	1554	1014	
Other groups	5078	1454	1988	1730	3288	
Total current need	5885	2506	2591	3356	4446	
Sub-total (need ÷ 5)	1177	501	518	671	889	A
Future housing need						
New households forming (resident and incomers)	339	311	169	579	635	
Existing households falling into need	670	262	416	520	276	
Sub-total	1009	573	585	1099	911	B
Total need	2186	1074	1103	1770	1800	A + B
Supply						
Total affordable homes occupied by people needing a different home	44	16	43	43	81	
Surplus affordable homes	0	0	0	0	0	
Homes to be taken out of management	- 4	0	0	- 1	- 2	
Annual social relets	635	257	420	513	290	
Annual intermediate resales at affordable levels	2	4	1	10	7	
Sub total	677	277	464	565	376	C
Shortfall of affordable homes						
New supply needed to stop backlog growing	332	296	121	534	535	B - C
Annual need for new affordable homes	1509	797	639	1205	1424	A + B - C
Projected affordable supply from commitments	177	200	112	154	315	D
Predicted shortfall	1332	597	527	1051	1109	A + B - C - D

Comparing housing need to targets

Chapter 22, *Planning for housing delivery* sets out the Regional Spatial Strategy (RSS) targets for each district, between 2006 and 2021. To give an indication of the levels of build predicted, and the levels of housing need identified when we apply the CLG guidance, we have calculated affordable need as a percentage of our annualised RSS targets.

It is clear from this comparison that City, Fenland and South Cambridgeshire districts show significantly lower percentages than Huntingdonshire and East Cambridgeshire. This basic mathematics crystallises a few significant facts about the Cambridge sub-region:

- Levels of housing need are high across the whole sub-region.
- The percentage of affordable homes needed to meet the need identified as a proportion of our planning targets (from the draft RSS) are and well above the percentage required through current local planning policy.
- Districts need to ensure they share nominations on new sites across the sub-region to help meet the broad range and locations of housing need represented by these basic figures.
- Some of the need represented in this table will be met through committed programmes of affordable housing development. However to compare the need figures to the RSS targets, we have currently excluded these commitments which are noted on page 18 (D: Projected affordable supply from commitments).

➲ See Chapter 27 for more on *Identifying housing need.*

	City	East Cambs	Fenland	Hunts	South Cambs
Need for new affordable homes projected over 2006 to 2021 (excluding commitments)	10,865	6,945	4,405	11,365	12,470
Draft RSS target for all homes, 2006 to 2021	16,700	5,360	7,760	8,310	19,980
% affordable represents of target	65%	130%	57%	137%	62%

Future sizes of homes

Chapter 29 provides demographic data and projections for different household types and ages, to assist in planning the sizes of homes needed across the housing market. It also provides data on the pattern of housing consumption taken from our first "new development survey" at Cambourne, which we plan to repeat on other significant new developments in future. This helps us compare the size of homes bought and let, compared to the sizes of families moving in, and to form a first picture of the housing choices people make.

For affordable housing, information is provided for each district on the sizes of homes people on waiting lists require and the sizes of homes let or sold, both for rented and intermediate tenures.

To summarise, there is a high level of need expressed on registers, for smaller (1 and 2 bedroom) homes. However the patterns indicated by the Cambourne survey show that people are far less likely to choose smaller homes, when they are not constrained by housing allocation policies.

For affordable housing, allocation policies restrict the size of rooms a household can access. For rented housing this is very specific, for shared ownership households can access 1 bedroom more than they "need". In the private market, price tends to be the major controlling factor, i.e. people tend to buy as many rooms as they can afford.

➲ See Chapter 29 for more on *Future sizes of homes*.

Observers' data

In the first iteration of the Cambridge SHMA, the five districts within Cambridgeshire have contributed equally to the funding required. The two Suffolk districts, having recently commissioned housing needs and requirements research, have participated at "observer" level.

For this reason, St Edmundsbury and Forest Heath have been included wherever possible in secondary data collection, but have not participated in the MRUK resident survey. They have also not been able to access CACI data on incomes, which has limited the comparisons we could carry out on their behalf. For completeness, excerpts are included of their respective studies with brief introductory comments, to enable a sub-regional view of housing need and demand.

We hope to involve these two authorities further in future, helping create a more complete picture of our housing markets and enabling further comparison across boundaries.

➲ See Chapter 28 for more on *Observers' data*.

Indication of affordable tenures

This chapter of the SHMA summarises the number of households currently registered for social rented and shared ownership housing on the relevant lists, alongside the predicted number of new households forming in future and their ability to afford different tenures, for each district in Cambridgeshire.

At December 2007 the registers of housing need and intermediate housing are our most reliable source to summarise tenure requirements.

We have, as a result of consultation responses, added an overall guide to current expressed need for rented and intermediate tenures. By bringing information from social housing registers and intermediate housing registers together, an overall percentage of rented and intermediate tenure homes can be provided as a guide. However we are particularly aware of two issues:

- the register for shared ownership homes is growing rapidly, which has a significant effect on these proportions as the expressed need changes. A summary at March 2008 is included in Chapter 19, *Applications for intermediate housing*, and an update of the intermediate housing register figures is included in the table below to show the change the new data brings to overall tenure balance.
- the change to CBL may have an effect on the expressed need for affordable rented homes following its launch in February 2008.

In future we will work to update the information used and revise this chapter as appropriate. The first update was possible in March 2008, and is noted in the text . Further information on this update is provided at the end of Chapter 19, *Registers for intermediate housing*.

In future when developing our approach to the need for different tenure types, we will look to improving our use and prioritization of the data, rather than simply referring to the number of people on a register for a specific tenure, we may be able to build in a measure of priority.

However it is also important to grasp the "coverage" of registers and the effect of publicity and promotion – people may not be registered even though they are in need, as they are not aware of the housing available. On the other hand, they may be registered but not in very pressing housing need.

We will look to the development of CBL and the further promotion of intermediate products via KHE, and monitor their effects on registers of housing need and interest in housing products, in future.

The table below summarises the highlights of Chapter 30; *Indication of affordable tenures*.

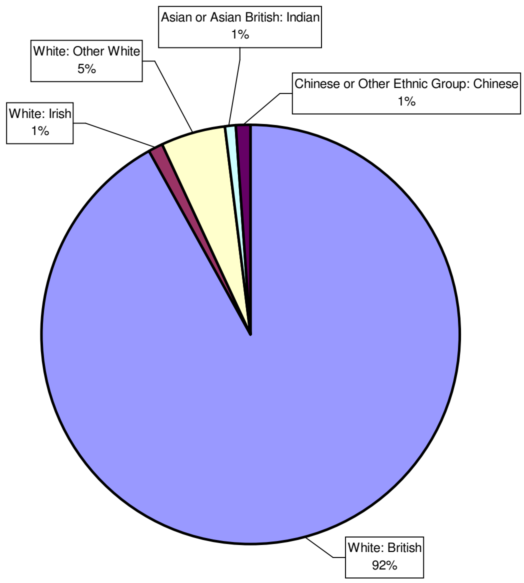
➲ Go to Chapter 30 *Indication of affordable tenures* to see how these figures have been worked out.

	City (12/07)	Update (03/08)	**East Cambs** (12/07)	Update (03/08)	**Fenland** (12/07)	Update (03/08)	**Hunts** (12/07)	Update (03/08)	**South Cambs** (12/07)	Update (03/08)	**County** (12/07)	Update (03/08)
Total rented	1,611	1,611	462	462	510	510	573	573	1,135	1,135	3,930	3,930
Total intermediate	333	354	184	199	95	99	213	233	421	454	1,037	1,129
Total affordable	1,943	1,965	646	661	605	609	786	806	1,556	1,589	4,967	5,060
% rented	83%	82%	71%	70%	84%	84%	73%	71%	73%	71%	79%	78%
% intermediate	17%	18%	29%	30%	16%	16%	27%	29%	27%	29%	21%	22%

Black and minority ethnic housing issues

The main source of information on BME populations is currently the Census 2001, although this information is now somewhat out of date, and does not reflect recent in-migration of migrant workers (see below). Improved monitoring is required to give a more accurate picture of ethnicity in the county and sub-region.

Cambridgeshire's ethnic composition, Census 2001



- There is a relatively low proportion of people from ethnic groups other than White.
- There is a fairly high proportion of people from "Other White" groups, compared with nationally.
- There is no single dominant minority ethnic group across the county or the sub-region.
- In all districts, residents from ethnic groups other than White are more likely to have high level qualifications than White British residents, particularly so in Cambridge, although in some areas residents from non-White groups were also more likely to have no qualifications.
- Information currently available does not suggest any significant differences in housing need amongst the BME population of the county or the sub-region compared with the White British population.
- A regional BME monitoring pilot is underway to try to improve BME monitoring across the region; the Cambridge sub-region is involved with this pilot. Outcomes of the pilot and its full implementation will inform updates to the SHMA in future.

➲ See Chapter 31, *BME housing issues* for more detail.

Migrant worker housing issues

Just over 27,000 people from outside the UK registered for a National Insurance Number in the Cambridge sub-region between 2004 and 2007. Some 15,000 people from the Eastern European accession countries registered under the workers registration scheme in the same period.

Information on how many people are leaving is difficult to obtain, although what is available shows that most people are here for less than two years. Tied and private rented accommodation are the dominant tenure types. Very few of these people live in social housing, and there is not much evidence of ownership. Tied accommodation is the least preferred option for housing as it tends to be low quality but people usually view this as a temporary option that they could tolerate for a short period.

Issues surrounding the private rented sector include problems such as overcrowding and low quality accommodation. High rents and costly deposits are prohibitive for some. Nationally, some letting agents have reported problems getting references from prospective tenants from overseas.

There are very few non-UK citizens in social rented housing. Most of those housed are families and include at least one person in work.

The main reason for leaving previous accommodation is overcrowding and around a third had previously rented in the private sector.

➲ See Chapter 32, *Introduction to migrant worker housing issues* for more detail.

National Insurance registrations of non-UK nationals (from NI registration scheme)

	2002/3	2003/4	2004/5	2005/6	2006/7
City	2550	2430	2900	3830	3770
East Cambridgeshire	260	280	400	1210	1010
Fenland	210	300	780	1570	1200
Huntingdonshire	510	500	720	1040	1350
South Cambridgeshire	650	610	900	1160	940
Forest Heath	360	410	650	1030	760
St Edmundsbury	480	440	450	770	620
Sub-region	**5020**	**4970**	**6800**	**10610**	**9650**

Gypsy and Traveller housing issues

Chapter 32 sets out the Cambridgeshire Model and Executive Summary of the Accommodation Assessment, the District Gypsy/Traveller Accommodation Needs for Pitches 2005-2010 and other issues. It also outlines new provision planning, the Regional Single Issue Review for Gypsy & Travellers and an outline of the Provision Horizons project.

The Provision Horizons project is well on its way to redefining land search in Cambridgeshire - now, and for future generations of both planners and Gypsies & Travellers themselves. Research data already suggests that slight alterations to some existing district-specific criteria could open up more local land options for families in Cambridgeshire who are actively seeking new land.

The project has also had a very positive indirect impact on Cambridgeshire's progress to improving provision planning: local Gypsies & Travellers and planners are gaining more ground-level practical understanding of the challenges both Local Authorities and individual families face. This research has the potential to leave a strong legacy of confidence in the delivery of new provision, both here and in the wider region. ➲ More detail is provided in Chapter 33.

	Need for pitches 2005-2010
City	15
East Cambridgeshire	25 - 45
Fenland	160 - 205
Forest Heath	15 - 20
Huntingdonshire	15 - 25
Kings Lynn & W Norfolk	45 - 60
Peterborough	10 - 15
South Cambridgeshire	110 - 130
St Edmundsbury	10 - 20
Total	405 - 535

Young people

There is a relatively high degree of need for supported housing for 16 and 17 years olds; although based on limited evidence, numbers of young people accepted as homeless are rising in some parts of the sub-region. Information on turnover in specialist supported housing schemes for young people at risk shows that a significant percentage of leavers, 44% in 2006/07, left in an unplanned manner. In some schemes 50% or so of these 'unplanned' leavers were evicted.

Specialist accommodation is concentrated in Cambridge City and St Edmundsbury – but that reflects to some degree where young people prefer to live; there is almost no provision in South Cambridgeshire and relatively little in the north and west of the county and Forest Heath. Some specialist housing schemes have no long-term access to resettlement housing or 'move-on' floating support, especially in Fenland. A recent review of 'floating support' services in Cambridgeshire recommends that either supported housing service contracts include move-on support where required or that move-on clients can be supported by a 'holistic' floating support provider.

Four new short-term floating support services for young people at risk are being funded in Cambridgeshire 2006-08, but there is little guarantee that such funding can continue in future. Cambridgeshire has relatively low levels of floating support as compared with neighbouring counties – although this form of support has been identified as the number one priority for development. The units of floating support specifically available for young people in the two Suffolk districts is also low.

The outcomes for many "looked after" children have been poor in terms of educational achievement and life skills and there is interest in reviewing needs of these young people in a holistic fashion, including housing. Further research is required to consider the housing needs of the following groups: young offenders, young substance users, teenage parents and young people leaving care. ➲ See chapter 34.

Students

An ambitious plan for the development of purpose-built student housing, possibly in the form of a student village, for Anglia Ruskin University (ARU) is underway. There appear to be no easy ways of introducing such a project into the 'growth area' plans. There are no clear options for the replacement of the potential loss of purpose-built student housing for ARU students over the next 3 years. This will force more students to compete in the private lettings market. We would like to work with Cambridge University colleagues to clarify proposals for additional student housing in the medium to long term.

If further bespoke accommodation is provided for students this has the potential to free up family housing in Cambridge; up to 9,000 students do *not* live in bespoke study rooms whilst at university in Cambridge. HMO licensing is likely to see the further loss of larger converted houses from the student market. ➲ See chapter 34.

Older people

The chapter summarises each district's Supporting People plans for older people. Issues include:

- High rises in numbers of frail elderly residents between 2006 and 2021.
- Provision of privately rented or owner-occupied sheltered housing is particularly low in Fenland – where overall stock of socially rented sheltered housing is also relatively low. Fenland is also the district experiencing highest rates of in-migration from retired people – around one-third of in-migrants were retired according to the 2001 Census. This suggests that there may be heavy pressure on scarce resources in future.
- Sheltered housing to buy is increasing at present and could be an important element for elderly residents in future. There are relatively high numbers of units in Cambridge City, Forest Heath and Huntingdonshire. The two Suffolk districts already have more extra care housing than most Cambridgeshire districts.
- Strategically there is an aim to achieve a switch in provision from residential care to enhanced home care, alongside a major change in local authority-supported provision. This may threaten the viability of some residential care homes. Some will need to develop nursing care provision to meet the shortfall.
- A new service model for social care will need high investment in extra care sheltered housing.
- Long-term funding cuts are threatened for aids and adaptations and home improvement agencies; an unequal provision of services across Cambridgeshire means further research into outcomes and best practice is required. A review of Home Improvement Agencies will add to this.

➲ More detail is provide in Chapter 34 *Housing for different household types.*

Disability and housing issues

The CLG practice guidance on households with specific needs includes notes on how to assess the market and some useful sources of information. Much of this information is to be included in an assessment of needs in the County's Disability Housing Strategy, to be launched in 2008.

At the time of launching the SHMA consultation draft, we have not progressed as far with this issue as with other parts of the CLG guidance. Therefore our approach in this section is to briefly set out the national context and future challenge, to identify issues raised in research around access to homes, and to outline the draft County Disability Housing Strategy which is currently being developed.

We plan to work with the Cambridgeshire Disability Housing Strategy Network on the County Disability Strategy to access and analyse the data required, to help bring together the evidence and jointly assess this important area of the housing market.

➲ More detail is provide in Chapter 35 *Disability and housing issues.*

Rural housing

Although home to the City of Cambridge and many market towns, the Cambridge housing sub-region is essentially very rural in character, with over 250 villages with populations below 5,000. In an area of high demand for housing, where planning policy prescribes that the majority of new development will be in or adjacent to urban areas, there can be acute housing problems facing local people seeking to live in villages. House prices are generally very high, yet wages in many rural industries and occupations can often be lower than average. Traditionally villages have had relatively fewer social rented homes than towns and in recent years many houses – which constitute the bulk of the rural social stock - have been sold under the right to buy and subsequently lost from the affordable housing stock available to let to new households. Many social rented homes remaining in rural areas are purpose-built bungalows for the elderly.

Chapter 36 looks at the policies for rural housing and evidence of local need. It also looks at what has been achieved in recent years in terms of providing dwellings for local people in rural areas.

Park Homes

A separate section is included on the role and potential of 'park homes' to help meet housing needs. These are often (though not exclusively) located in rural areas. A map is being created to accompany the data, which will soon be added in a future update.

➲ More detail is provided in Chapter 36 *Rural housing.*

Monitoring and development

As a learning process, and as one of the early sub-regions to publish a draft SHMA for consultation, it seemed helpful to identify some learning and some questions about the process and the CLG's methodology. We are also learning from our own experiences and from the methods we have used to comply with the methodology, and have added some early thoughts here on such issues. The list is not exhaustive and will probably grow as the SHMA develops and as we gain responses to consultation on the initial draft. However it does touch upon:

- The scale of the assessment.
- Use of housing needs registers and transfer lists.
- Work linking the Cambridge City and South Cambridgeshire districts housing needs, the effect of choice based lettings, housing policies and development plans.
- Primary research.
- Creating completely new communities.

➲ More detail is provided in Appendix 16, *Summary of learning and plans for new research*.

Where does the SHMA go from here?

As outlined above, the Cambridge sub-region SHMA is a growing, evolving and improving assessment.

By working closely with our partners and updating the information contained in the first iteration of the SHMA, and adding improved information as and when it becomes available, we plan to keep the SHMA alive and relevant to stakeholders, partners, policy makers and planners alike.

To do this, our plan is to:

- Employ a researcher who will update existing information as it becomes available, and gather new data as required and as suggested during consultation on the first SHMA.
- Secure new information under the guidance of the sub-regional housing board.
- Undertake a programme of consultation and discussion on specific housing issues highlighted in the SHMA with partners, via the internet, discussion groups, focused surveys and briefing notes.
- Re-publish the SHMA annually, using the information and input outlined above.
- Run an annual SHMA event to bring a variety of stakeholders together, to launch the new version of the SHMA and discuss its implications across diverse interest groups.

We have tried to make it clear which version of the SHMA people are reading by clearly labeling each page in each chapter. We will also be issuing a "change log" to help people make sure they are always looking at the most up to date information we have added to the assessment.

At the bottom left of each page will be a note showing Version 1.0 for the first SHMA. Updates and improvements through the year will be labeled 1.1, 1.2 etc, then in 2009 we will consult on and launch our updated Version 2.0.

We will include a change log on the website alongside the SHMA, to make sure version numbers and their dates and status are clear to all readers.

➲ More detail is provided in Appendix 15, *The Change Log*.

Get in touch, find out more...

Interested? Got a view? Want to feedback?

Please contact enquiries@cambridgeshirehorizons.co.uk

If you want to read the whole SHMA, and keep up to date with the latest version, please go to:

www.cambridgeshirehorizons.co.uk/programme_det.asp?id=3678