

**Kirklees**

**Strategic Housing Market Assessment**

**2015**

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Kirklees Council

Final Report  
October 2015

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## Table of Contents

<b>Executive Summary .....</b>	<b>8</b>
Introduction.....	8
Housing market context.....	8
Objectively Assessed Housing Need .....	10
<b>1. Introduction.....</b>	<b>14</b>
Background and objectives .....	14
National Planning Policy Framework (NPPF) requirements .....	14
Definitions.....	15
Geography.....	16
NPPF requirements .....	18
Research methodology.....	19
Objectively Assessed Housing need .....	19
Presentation of data .....	20
Report structure.....	20
<b>2. Policy and Strategic Review .....</b>	<b>21</b>
Introduction.....	21
New Government Agenda .....	21
National Housing Strategy .....	26
Policy focus for housing.....	27
National housing reviews.....	35
Local strategic priorities .....	37
Concluding comments .....	39
<b>3. Defining the Housing Market Area .....</b>	<b>40</b>
Introduction.....	40
House prices and rates of change in house prices .....	44
Relative affordability .....	47
Household migration and search patterns .....	49
Travel to work trends .....	53
Concluding comments .....	54
<b>4. Objectively Assessed Housing Need.....</b>	<b>55</b>
Introduction.....	55
Household projections and forecasts.....	55
The relationship between population, households and dwellings .....	55
Demographic context.....	56
Starting point .....	58
Adjustments to baseline data.....	59
Market signals .....	62
Establishing an Objectively Assessed Need for Housing .....	65
Distribution of dwelling requirements within Kirklees .....	68

<b>5.</b>	<b>Kirklees Housing Market Review .....</b>	<b>69</b>
	Introduction.....	69
	Estimates of current dwellings in terms of size, type, condition, tenure.....	69
	Tenure characteristics .....	77
	Suggested future development profile of market dwellings .....	97
	Past trends in housing delivery.....	99
	Key market drivers.....	100
	Current households in need.....	106
	Affordable housing requirements.....	108
	Estimates of household groups who have particular housing requirements ....	110
<b>6.</b>	<b>Conclusion: Policy and Strategic Issues .....</b>	<b>125</b>
	The Housing Market Area.....	125
	Establishing an Objectively Assessed Housing Need.....	125
	The current housing market.....	126
	Housing markets and mobility.....	127
	Future housing market.....	127
	Housing need and demand .....	128
	NPPF requirements .....	129
	Final comments .....	130
	<b>Introduction to Technical Appendices .....</b>	<b>131</b>
	<b>Technical Appendix A: Research Methodology .....</b>	<b>132</b>
	Overall approach .....	132
	Baseline dwelling stock information and survey sample errors .....	132
	Online Key Stakeholder Survey.....	133
	Interviews with Estate and Letting Agents .....	134
	<b>Technical Appendix B: Housing need calculations .....</b>	<b>135</b>
	Summary of contents.....	135
	Introduction.....	136
	Stage 1: Current need .....	139
	Stage 3: Affordable housing supply.....	143
	Stage 4: Estimate of annual housing need .....	147
	Total gross imbalance .....	148
	Total net imbalance .....	148
	Tenure and dwelling type profile of affordable dwellings .....	149
	<b>Technical Appendix C: Monitoring and updating.....</b>	<b>151</b>
	A framework for updating the housing needs model and assessment of affordable housing requirements .....	151
	Introduction.....	151
	Updating of baseline housing needs and affordable housing requirements ....	151
	Concluding comments .....	152

## Technical Appendix D: National Planning Policy Framework and National Planning Practice Guidance Checklist.....154

National Planning Policy Framework .....	154
National Planning Practice Guidance .....	154

### List of Tables

Table ES1	Net annual affordable housing imbalance by sub-area property size and designation 2014/15 to 2018/19.....	12
Table ES2	Open market dwelling stock and preferences .....	12
Table 3.1	House prices in Kirklees by sub-area .....	47
Table 3.2	Relative affordability of lower quartile (LQ) prices by District (residence based).....	48
Table 3.3	Relative affordability of median prices by District (residence based).....	49
Table 3.4	Origin of moving households .....	50
Table 3.5	Residential mobility – movement between different tenures (%) .....	52
Table 3.6	Residential mobility – profile of properties moved into by type and size .....	52
Table 3.7	First choice destination of households planning to move in next five years.....	53
Table 4.1	Scenario definition .....	60
Table 4.2	‘Sensitivity’ scenario definition .....	61
Table 4.3	Kirklees household scenarios and dwelling requirements 2013-2031.....	62
Table 4.4	Housing market signals.....	63
Table 4.5	Housing market signals in comparator districts, region and England.....	64
Table 4.6	Distribution of OAN dwelling requirement 2013-31 by sub-area .....	68
Table 5.1	Dwelling stock and occupancy by sub-area .....	69
Table 5.2	Property type and size of occupied dwellings across Kirklees .....	70
Table 5.3	Dissatisfaction with state of repair by sub-area, property tenure, age and type .....	74
Table 5.4	Lower Quartile and median price and income required to be affordable.....	77
Table 5.5	Profile of private rented sector in Kirklees.....	83
Table 5.6	Affordability by type and bed size .....	85
Table 5.7	Characteristics of households considering self-build .....	94
Table 5.8	Dwelling type and size aspirations of households considering self-build property .....	95
Table 5.9	High income household dwelling aspirations and expectations .....	97
Table 5.10	Open market dwelling stock and preferences .....	98

Table 5.11	Open market dwelling stock and preferences .....	98
Table 5.12	Comparison between current dwelling stock and market aspirations / expectations.....	99
Table 5.13	Dwelling completions 2004/05 to 2013/14 .....	100
Table 5.14	Primary market drivers.....	100
Table 5.15	Projected population change, 2014 to 2037.....	101
Table 5.16	Ranking of proposed priorities .....	104
Table 5.17	Housing need in Kirklees .....	106
Table 5.18	Households in need by sub-area .....	107
Table 5.19	Housing need by tenure.....	107
Table 5.20	Housing need by household type.....	108
Table 5.21	Gross annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19 .....	109
Table 5.22	Net annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19 .....	109
Table 5.24	Tenure preferences of existing households in need and newly-forming households requiring affordable housing .....	110
Table 5.25	Property type preferences.....	110
Table 5.26	Property type preferences – Families .....	111
Table 5.27	Tenure preferences – Younger People.....	112
Table 5.28	Property type preferences –Younger People .....	112
Table 5.29	Older peoples’ property type preferences.....	114
Table 5.30	Type of assistance required either now or in next 5 years by age group.....	114
Table 5.31	Adaptations required either now or in next 5 years by age group .....	115
Table 5.32	Client groups accommodated in Registered Provider sector in Kirklees 2010/11 to 2012/13 .....	116
Table 5.31	Homeless decisions and acceptances 2010/11 to 2013/14 .....	119
Table 5.32	Characteristics of households previously homeless .....	120
Table 5.33	Socio-economic characteristics by sub-area.....	122
Table A1	Households surveyed, response rates and sample errors.....	133
Table B1	CLG Needs Assessment Summary for Kirklees District.....	137
Table B2	CLG Needs Assessment Summary by sub-area .....	138
Table B3	Summary of current housing need across Kirklees District.....	139
Table B4	Homeless decisions and acceptances 2010/11 to 2013/14 .....	140
Table B5	Lower quartile house prices by sub-area (2014).....	141
Table B6	Private rental prices by sub-area .....	142
Table B7	Annual social rented re-lets by sub-area.....	145

Table B8	Intermediate tenure sales/re-lets .....	146
Table B9	Gross annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19 .....	148
Table B10	Net annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19 .....	148
Table B11	Affordable tenure preferences .....	149
Table B12	Ability of existing households in need and newly-forming households requiring affordable housing to afford intermediate tenure dwellings.....	149
Table B13	Property type preferences.....	150

## List of Figures

Figure 3.1	Median house price trends 2000 to 2014: Kirklees, Yorkshire and the Humber and England .....	46
Figure 4.1	Population change in Kirklees 1991 to 2011 .....	57
Figure 4.2	Components of population change 2001/2 to 2012/13, including the Unattributed Population Change component in the 2001/2 to 2010/11 international migration component.....	58
Figure 4.3	Historical and 2012-based SNPP components of change .....	59
Figure 4.4	Summary of scenarios: 2013-31 .....	67
Figure 4.5	Full objectively assessed housing need 2013-31 (annual).....	68
Figure 5.1	Property type by sub-area.....	71
Figure 5.2	Property size by sub-area .....	72
Figure 5.3	Kirklees District: tenure profile of occupied dwellings .....	75
Figure 5.4	Kirklees tenure profile by sub-area .....	76

## List of Maps

Map 1.1	Kirklees Context.....	17
Map 1.2	Kirklees sub-areas .....	18
Map 3.1	Strategic housing market areas .....	42
Map 3.2	Local housing market areas.....	43
Map 3.3:	Median House Prices 2014 by ward .....	45

**Please note that in this report some of the tables include rounded figures. This can result in some column or row totals not adding up to 100 or to the anticipated row or column ‘total’ due to the use of rounded decimal figures. We include this description here as it covers all tables and associated textual commentary included. If tables or figures are to be used in-house then we recommend the addition of a similarly worded statement being included as a note to each table used.**

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# Executive Summary

## Introduction

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

The 2015 SHMA has comprised:

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

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

## Housing market context

### House prices

Median prices in Kirklees have been consistently lower than the median prices for Yorkshire and the Humber and England. Overall, prices have increased from £53,000 in 2000 to £124,950 in 2014, an increase of 135.8%. Prices peaked at £132,000 but then fell slightly. Prices have been stable at around £125,000 since 2009.

During 2014, median prices across Kirklees were £125,000 and lower quartile prices were £93,000.



## Dwelling stock

Across Kirklees there are a total of 182,559 dwellings and a total of 176,628 occupied dwellings<sup>1</sup>. Overall, the 2015 Household Survey shows that:

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

## Demographic drivers

The population of Kirklees is estimated to be 428,300 in 2013<sup>2</sup> and this is projected to increase by 11.1% to 475,800 by 2031<sup>3</sup>. Over the next few decades, there will be a marked increase in the number and proportion of residents aged 65 and over which is expected to increase by 43.8% from 69,600 in 2013 to 100,100 in 2031.

## Economic drivers

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

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

## Housing Market Areas

Detail within this report along with previous analysis<sup>4</sup> undertaken at sub-regional level all show that the housing market geography of Kirklees is complex and intrinsically linked with that of the wider Leeds City Region. The particular influence and effect of

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

<sup>2</sup> ONS 2012-based population projections

<sup>3</sup> ONS 2012-based population projections

<sup>4</sup> Leeds City Region Partnership: Understanding the cross boundary impacts of housing markets and jointly planning housing provision in these areas – Andy Haigh Associates (May 2014)

DTZ Mapping Housing Markets 2007

ECOTEC Strategic Housing Market Assessments for Yorkshire & Humber 2008

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

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

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

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

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

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

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

Evidence would therefore suggest that Kirklees can be considered to be a self-contained Housing Market Area for the purposes of Local Plan policy making

## Objectively Assessed Housing Need

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

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

There are many factors to consider when establishing an Objectively Assessed Housing Needs figure and after considering this evidence it is proposed that the Objectively Assessed Housing Need in Kirklees for the period 2013-31 is 1,630 This takes into account:

- A baseline dwelling requirement based on 2012-based SNPP of 1,520 dwellings each year; and
- A need to deliver additional dwellings to support economic growth aspirations.

We would also propose that the 1,630 figure is taken forward in the 2031-2036 period.

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

In conclusion, the 1,630 OAN figure is ambitious, aspirational and seeks to address housing need and support economic growth ambitions. It is also assumed that the target addresses any backlog in need prior to 2013 as it uses a baseline household figure based on the current demographic situation in Kirklees.

## Affordable housing

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

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

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

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

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

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

Note rows and columns may not sum due to rounding

## Market demand

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

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

**Table ES2 Open market dwelling stock and preferences**

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

## Older people and adaptations

According to the household survey, the majority of older people (65.1%) want to stay in their own homes with help and support when needed. Around 24.0% would consider buying a property on the open market, 18.5% would consider renting from a housing association, 18.1% would consider renting sheltered accommodation and around 14.4% would consider renting extra care housing. This evidence suggests a

need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

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

# 1. Introduction

## Background and objectives

- 1.1 A comprehensive Strategic Housing Market Assessment (SHMA) for Kirklees Council (the Council) has been commissioned to provide an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies.
- 1.2 The SHMA satisfies the requirements of the National Planning Policy Framework (NPPF) and the March 2014 National Planning Policy Guidance (NPPG) which replaces previous guidance including the DCLG Strategic Housing Market Assessment guidance (Version 2, 2007).
- 1.3 The SHMA also includes a review of the Housing Market Area definition, Objectively Assessed Housing Need, Housing Market Signals and Duty to Co-operate matters.

## National Planning Policy Framework (NPPF) requirements

- 1.4 The NPPF provides the planning policy context for this SHMA. The key sections of the NPPF which need to be taken into account in the SHMA are now summarised.
- 1.5 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
  - Meets household and population projections, taking account of migration and demographic change;
  - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
  - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 1.6 NPPG (para 8) states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.
- 1.7 Paragraph 47 of the NPPF makes it clear that local planning authorities should *"use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing"*. The SHMA will provide robust evidence to help the Council *"plan for a mix of housing based on*



*current and future demographic trends, market trends and the needs of different groups in the community" and should "identify the size, type tenure and range of housing that is required in particular locations, reflecting local demand" (NPPF para 50).*

- 1.8 NPPF para 173 also states that that in order to ensure both viability and the deliverability of development, careful attention to viability and costs in plan-making and decision-taking is required.
- 1.9 Moreover, the NPPF and the Localism Act both introduced the Duty to Co-operate as a replacement for Regional Spatial Strategy. Section 110 of the Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the Council will have to ensure that they are legally compliant with the Localism Act at Examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities. It also means collaborating on the evidence critical to understanding the needs of your area, and the wider economic and housing market areas, including through the preparation of a strategic housing market assessment.

## Definitions

- 1.10 NPPG defines need for housing as *"the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – [and] should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand"*<sup>5</sup>.
- 1.11 For the purposes of this study, the term housing need refers to *"the housing that households are willing and able to buy or rent, either from their own resources or with assistance from the state"*.
- 1.12 Definitions relating to affordable housing have been revised in the National Planning Policy Framework (March 2012):
  - **Affordable Housing:** Social rented, Affordable Rented and Intermediate Housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
  - **Social Rented** housing is owned by local authorities and private Registered Providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under

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

equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

- **Affordable Rented** housing is let by local authorities or private Registered Providers of social housing to households who are eligible for Social Rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
- **Intermediate Housing** is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not Affordable Rented housing. Homes that do not meet the above definition of affordable housing, such as “*low cost market*” housing, may not be considered as affordable housing for planning.

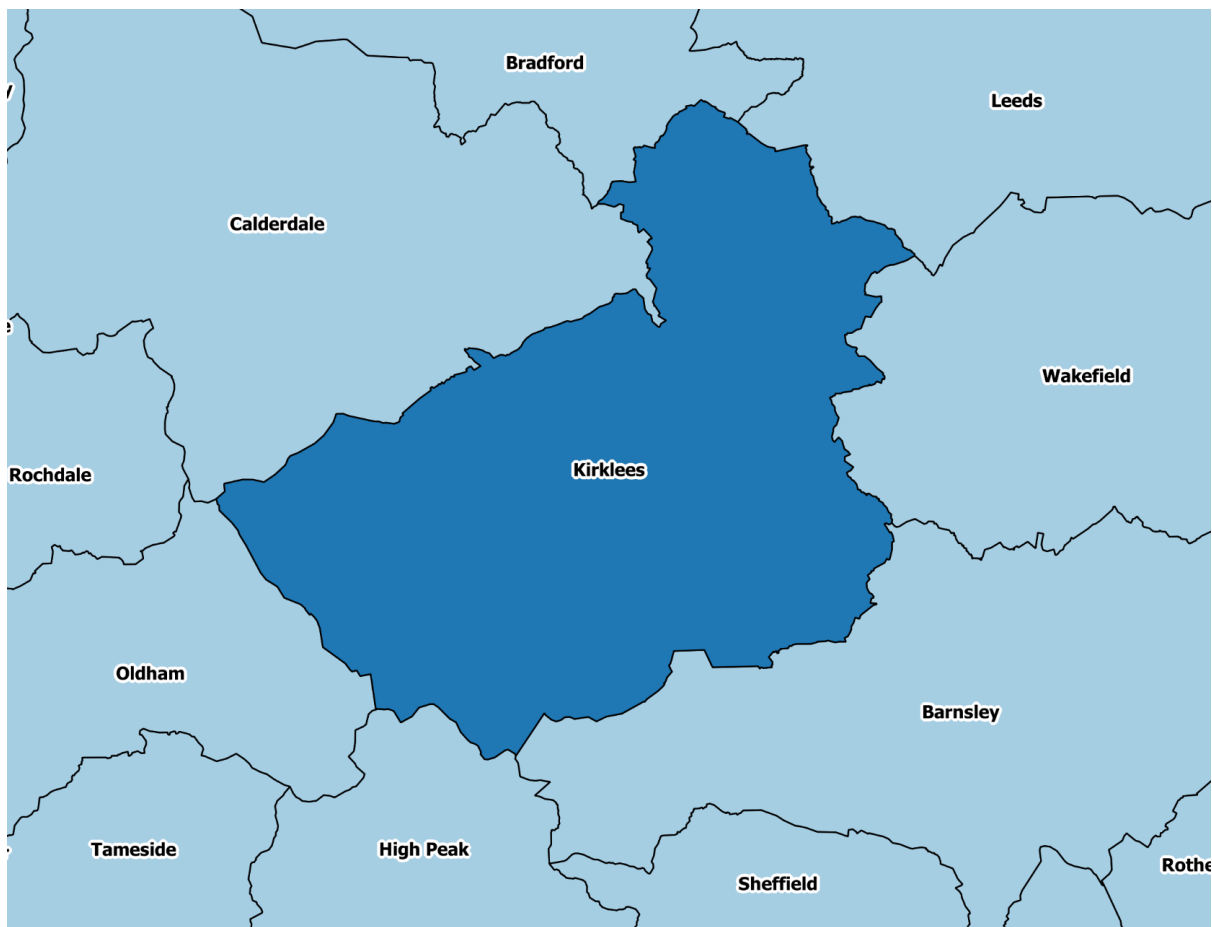
## Geography

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

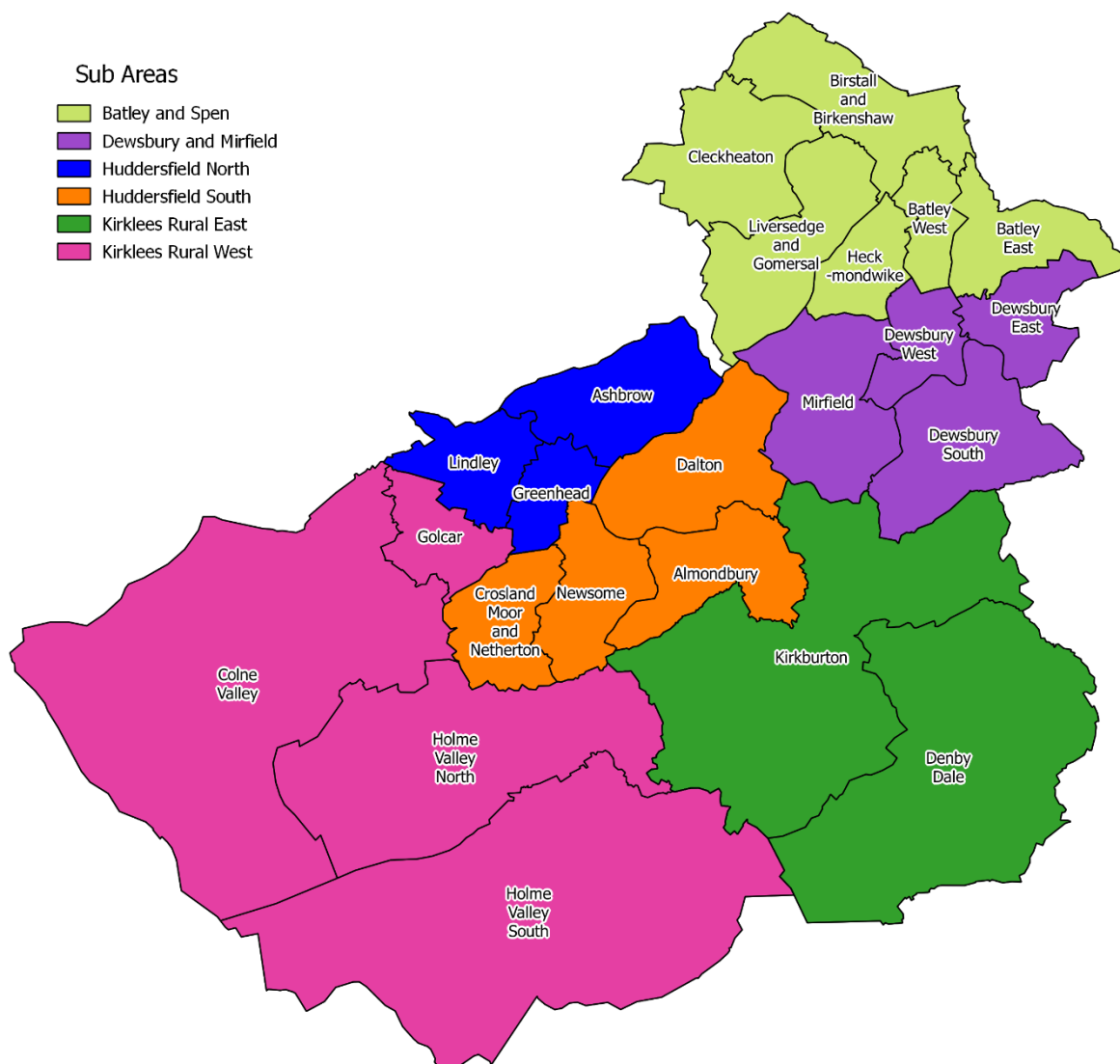
- Batley and Spen (Batley East, Batley West and Birstall & Birkenshaw wards);
- Dewsbury and Mirfield (Dewsbury East, South and West; Mirfield wards);
- Huddersfield North (Ashbrow, Golcar, Greenhead and Lindley wards);
- Huddersfield South (Almondbury, Crosland Moor & Netherton, Dalton and Newsome wards);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



### Map 1.1 Kirklees Context



## Map 1.2 Kirklees sub-areas



### NPPF requirements

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

- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where Housing Market Areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:

- Meets household and population projections, taking account of migration and demographic change;
- Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
- Caters for housing demand and the scale of housing supply necessary to meet this demand.

## Research methodology

1.15 To deliver the 2015 SHMA, a multi-method approach was adopted, which comprised:

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

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

## Objectively Assessed Housing need

1.17 A key element of the SHMA is to derive an Objectively Assessed Need for Housing. Objectively Assessed Housing need is defined in the Planning Advisory Service (PAS) advice note as *'the housing that households are willing and able to buy or rent, either from their own resources or from the State'*.

1.18 In order to establish Objectively Assessed Need, the PAS advice note recommends a logical progression of steps which are presented in this SHMA report. The steps to establishing an OAN are:

- A. Defining the Housing Market Area (see Chapter 3);
- B. Using CLG household projections as a starting point to establishing the OAN (see Chapter 4); and

- C. Adjusting projections to take account of local demography, past delivery and market signals, other local circumstances not captured by past trends and future jobs (see Chapter 4).
- 1.19 Chapter 4 draws evidence together to establish the Objectively Assessed Housing Need for Kirklees.

## Presentation of data

- 1.20 Data presented in this report is based on the 2015 Household Survey carried out as part of the Strategic Housing Market Assessment unless otherwise stated.
- 1.21 It is important to note that survey responses have been weighted to correct for response bias and then grossed up to reflect the total number of households and this process is explained in Appendix A. The 3,165 responses are therefore weighted and grossed up to 176,628 occupied dwellings. All survey information presented in this report is for weighted and grossed responses which are rounded up where appropriate.
- 1.22 Where 'valid responses' are reported, these are the actual responses weighted up to the total population but where there are known to be missing cases. For instance, around 38,321 households moved within Kirklees in the preceding 5 years. However, data on current tenure is not reported for all respondents so the 'valid responses' is 38,250 which is slightly lower than the total number of 38,321 moving households. Valid responses are reported where necessary to indicate that there are some missing responses from households.

## Report structure

- 1.23 The Kirklees 2015 SHMA report is structured as follows:
- Chapter 2 reviews the national and regional policy context within which the research needs to be positioned;
  - Chapter 3 considers the definition of the Housing Market Area;
  - Chapter 4 considers the Objectively Assessed Housing Need and Housing Market Signals;
  - Chapter 5 presents the Housing Market Review; and
  - Chapter 6 concludes the report with a summary of findings from the update and a consideration of strategic issues.
- 1.24 The report includes a substantial technical appendix, which provides detailed material that underpins the core outputs of the SHMA. The technical appendix material includes:
- Research methodology (Appendix A);
  - Housing need (Appendix B);
  - Monitoring and updating (Appendix C); and
  - NPPF and NPPG checklist (Appendix D).

## 2. Policy and Strategic Review

### Introduction

- 2.1 The previous five years have seen a radical and sustained, programme of reform of welfare, housing, and planning policy, set within the context of national austerity. Under the coalition Government these reforms championed localism and decentralisation, and economic growth. Core cross-cutting themes that ran through the coalition Government's strategic policy context included:
- Deficit reduction;
  - Economic growth;
  - Carbon reduction and tackling climate change; and
  - Empowering people and communities.
- 2.2 It is unlikely that these themes will change significantly following the election in May of a majority Conservative Government; indeed deficit reduction and economic growth were central planks of the Conservative Party election manifesto.

### New Government Agenda

- 2.3 On 27<sup>th</sup> May 2015 the Queen's speech was presented to Parliament and gave an overview of the new Government's proposed legislation and policies for the coming year. In terms of housing the following forthcoming legislation will be of relevance:
- Housing Bill;
  - Full Employment and Welfare Benefits Bill;
  - Immigration Bill; and
  - Cities and Government Devolution Bill.

### Housing Bill

- 2.4 The proposed Housing Bill will include measures to:
- Extend the Right to Buy to housing association tenants. Tenants will have to have held a tenancy for at least three years and discounts of up to £78,000 will be available outside London;
  - Require local authorities to sell their most valuable homes when these become vacant. The proceeds of these sales will fund the extension of the Right to Buy scheme to housing association tenants, they will also provide resources to build more affordable housing in a local authority's area;
  - Provide the statutory framework necessary to deliver Starter Homes (new build homes exclusively for first time buyers under 40, available at 20% discount on market value);

- Require local authorities to provide assistance to custom and self-builders to help them identify suitable development plots;
- Introduce a statutory register of brownfield land; and
- Simplify and speed up the neighbourhood planning system.

### Full Employment and Welfare Benefits Bill

2.5 The Full Employment and Welfare Benefits Bill will propose:

- Removing the automatic entitlement to housing benefit from 18-21 year olds;<sup>6</sup>
- Extending the freeze on working age benefits for two more years beyond 2016/17; and
- Reducing the overall benefit cap from £26,000 to £23,000.

### Immigration Bill

2.6 The proposed Immigration Bill will seek to control immigration and will include measures to make it easier to evict illegal immigrants. The Bill will also seek to extend the requirement (currently being piloted in the West Midlands) for private sector landlords to check the immigration status of prospective tenants.

### Cities and Local Government Devolution Bill

2.7 This Bill will be central to the Government's devolution plans for England, and is seen as central to facilitating its vision of a 'Northern Powerhouse'. The Bill will devolve power to cities with elected metro mayors. It will provide the legislative framework to deliver the Greater Manchester deal and other similar agreements elsewhere.

### The Budget July 2015

2.8 On 8<sup>th</sup> July 2015 the Government delivered its first budget, which outlines its proposed cuts to welfare spending. A number of measures will impact upon housing, especially in relation to residents in receipt of welfare payments. The proposed changes include:

- A reduction in the overall benefit cap to £20,000 outside London for a working age household with children (£23,000 in London);
- From April 2016 Local Housing Allowance and Housing Benefit will be frozen for four years along with working and child tax credits and other benefits such as Job Seekers Allowance (JSA), Employment and Support Allowance (ESA), child benefit and income support;

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<sup>6</sup> The Conservative Party Manifesto previously suggested withdrawing housing benefit from under 21s in receipt of Job Seekers' Allowance.

- The Universal Credit (UC) work allowance<sup>7</sup> will be abolished for non-disabled, childless households. For all other households (whose claims include housing costs) it will be reduced to £192 per month;
  - The income threshold for tax credits will be reduced from April 2016 to £74.04 per week. The taper rate will also increase from 41% to 48% so for every pound a claimant earns over £74.04 their tax credits will fall by 48p;
  - 18 to 21 year olds will not automatically be entitled to the housing costs element of UC from April 2017 (exceptions include parents whose children live with them, vulnerable groups, and people previously living independently and working for six months);
  - From April 2017 under a new Youth obligation, 18 to 21 year olds will be expected to participate in a support programme at the start of their claim and apply for an apprenticeship, traineeship, or go onto a work placement after six months;
  - From April 2017 those in the work-related activity group of ESA will only be paid the equivalent of JSA;
  - The child element of tax credits and UC will be limited to two children in most instances. This will affect new claimants and those having a third child after April 2017;
  - From April 2017 the family element in tax credits, the first child premium in UC, and the family premium in housing benefit will be abolished;
  - From April 2017, claimants of UC, including lone parents, will be expected to prepare to return to work when their youngest child turns two and look for work when they turn three; and
  - From April 2018 payments under the support for mortgage interest scheme will become repayable either upon sale of the property or when the claimant returns to work.
- 2.9 In addition to these welfare cuts the budget set out plans for social landlords to reduce their rents by 1% per annum for the next four years, rather than increasing them by CPI +1% as had previously been anticipated. By 2020/21 the Government aims to reduce social housing rents by an average of 12%, which it sees as the sector's contribution to reducing the housing benefit bill.
- 2.10 Social housing tenants earning more than £30,000 per annum (£40,000 in London) will be expected to pay a market rent for their property. The extra revenue raised through this will be paid by local authorities directly to the Exchequer to assist in deficit reduction, whilst housing associations will be expected to reinvest the revenue to build more homes.
- 2.11 A review of 'lifetime tenancies' was also announced, with a view to limiting their use to ensure 'best use' of social housing stock.
- 2.12 Support for home ownership measures was also reiterated with measures such as the extension of the Right to Buy to housing association tenants and the

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<sup>7</sup> The amount a claimant can earn before their UC award is reduced.

introduction of help to buy ISAs (which will be available to savers by the end of 2015).

2.13 Other measures that could have an impact on housing include:

- The introduction of a new national living wage for those aged 25 and over, which will rise to £9 per hour by 2020;
- Tax relief for buy to let landlords is to be limited to the basic rate of income tax;
- A fund of £3million to help fund innovative solutions to domestic violence;
- Devolution of further powers to the Greater Manchester Combined Authority, including planning and a new land commission with more city deals following in other areas of the country; and
- Inheritance tax thresholds will be increased allowing people to pass on properties worth up to £1million to their children and grandchildren.

2.14 Overall the planned welfare cuts will impact significantly upon low income households. Whilst reductions in social rent may help to limit the housing benefit bill, they will also have an impact on providers and their future investment capacity and plans.

## The Productivity Plan

2.15 On 10<sup>th</sup> July 2015 the Government announced its plan to '*fix the foundations of the British economy*.'<sup>8</sup> 'Fixing the Foundations: Creating a more prosperous nation' is seen by the Government as a comprehensive plan to reverse the Country's long-term productivity problem over the course of this Parliament. As part of the plan to deliver a 'dynamic economy' flexible and fair markets are seen as central. To achieve these the plan proposes:

- Planning freedoms, more houses to buy;
- A higher pay, lower welfare society including the introduction of the national living wage; and
- More people with a chance to work and progress, including doubling the entitlement to free childcare to 30 hours a week for working parents of three and four year olds.

### Planning freedoms

2.16 In terms of the planning freedoms this includes:

- Introducing housing zones to give automatic planning permission on brownfield sites;
- Taking action against councils that are not making land available for housing; and

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<sup>8</sup> <https://www.gov.uk/government/news/productivity-plan-launched>



- Removing the need for planning permission for upward extensions (up to the height of the adjoining building) in London.
- 2.17 The productivity plan sees the Government taking action to ensure that local authorities have produced local plans by early 2017. League tables will be published showing the progress of authorities in terms of meeting their local plan, with information about housing and employment targets. Where progress is not made on producing a local plan the Secretary of State will intervene and arrange for plans to be written in consultation with local people.
- 2.18 The Government is to bring forward proposals to *'significantly streamline the length and process of local plans.'*<sup>9</sup> The plan also states that proposals to improve co-operation between local authorities will be brought in and that where authorities cannot meet their housing need in full, they should co-operate with other authorities to do so. Strengthened guidance around the Duty to Co-operate is therefore proposed for key housing and planning issues.
- 2.19 The plan states that the Government will be working with elected mayors to use new powers in the Devolution Bill to *'use development corporations to deliver higher-density development in designated areas. ... and consider how policy can support [this]... [it] will also consider how national policy and guidance can ensure that unneeded commercial land can be released for housing.'*<sup>10</sup>
- 2.20 The plan proposes legislating to grant automatic permission in principle on brownfield sites registered as sustainable for housing. This will give a 'zonal' system on brownfield sites, which the Government anticipates will reduce delay and provide certainty for development on these sites. Legislation is already planned to introduce reforms to the compulsory purchase regime to enable more brownfield land to be brought forward for development, and the plan makes a commitment that the first round of reforms will be introduced through legislation in this session of Parliament. Proposals to further modernise the compulsory purchase system will be introduced in autumn.
- 2.21 The plan also commits the Government to legislating to allow major infrastructure projects with a housing element to apply through the Nationally Significant Infrastructure Projects (NSIP).
- 2.22 The Government is also proposing to *'tighten the planning performance regime'* which would see local authorities taking 50% or fewer decisions on time being at *'risk of designation'*<sup>11</sup>. It is also proposing that the performance regime be extended to minor applications. A fast track certificate process for minor applications is also proposed for establishing the principle of development for minor development proposals, as well as *'significantly tightening the planning guarantee for minor applications.'*<sup>12</sup>
- 2.23 The existing commitment to reduce net regulation on housebuilders is reiterated within the plan; and the Government does not intend to zero carbon the Allowable Solutions carbon offsetting scheme, or the proposed 2016 increase in on-site energy efficiency standards.

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<sup>9</sup> Fixing the Foundations: Creating a more prosperous nation Para 9.11

<sup>10</sup> Fixing the Foundations: Creating a more prosperous nation Para 9.12

<sup>11</sup> Fixing the Foundations: Creating a more prosperous nation Para 9.17

<sup>12</sup> Fixing the Foundations: Creating a more prosperous nation Para 9.17

- 2.24 A dispute resolution mechanism for Section 106 agreements is proposed within the plan to *'speed up negotiations and allow housing starts to proceed more quickly.'*<sup>13</sup>
- 2.25 The Government's commitment to delivering 200,000 Starter Homes by 2020 (at 20% discount) is reiterated within the plan, and proposals will be brought forward to help deliver this, including:
- *'Requiring local authorities to plan proactively for the delivery of Starter Homes;*
  - *Extending the current exception site policy, and strengthening the presumption in favour of Starter Home developments, starting with unviable or underused brownfield land for retail, leisure and institutional uses;*
  - *Enabling communities to allocate land for Starter Home developments, including through neighbourhood plans;*
  - *Bringing forward proposals to ensure every reasonably sized housing site includes a proportion of Starter Homes;*
  - *Implementing regulations to exempt these developments from the Community Infrastructure Levy, and re-affirming through planning policy that section 106 contributions for other affordable housing, and tariff-style general infrastructure funds, will not be sought for them; and*
  - *Putting in place new arrangements to monitor their delivery.'*<sup>14</sup>

## National Housing Strategy

- 2.26 The National Housing Strategy for England, Laying the Foundations: A Housing Strategy for England which was published in 2011 under the previous administration; currently remains in place. The Strategy set out ideas on the Government's preferred shape of housing provision, which centre on 'the primacy of home ownership; social housing as welfare; and an increasing role for the private rented sector.'<sup>15</sup>
- 2.27 The Strategy presented both existing initiatives and policies, and introduced a series of other interventions and approaches, along the following themes:
- Increasing supply, more homes, stable growth;
  - Social and affordable housing reform;
  - A thriving private rented sector;
  - A strategy for empty homes;
  - Quality of housing experience and support; and
  - Quality, sustainability and design.

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<sup>13</sup> Fixing the Foundations: Creating a more prosperous nation Para 9.17

<sup>14</sup> Fixing the Foundations: Creating a more prosperous nation Para 9.23

<sup>15</sup> Chartered Institute of Housing *Summary Laying the Foundations: A Housing Strategy for England* November 2011

2.28 Whilst these themes provide a useful overall framework for housing practitioners, the subsequent focus for strategic housing policy has centred on the four policies for housing, which currently appear to have been retained by the new Conservative administration, these are now looked at in turn.

## Policy focus for housing

2.29 The Department for Communities and Local Government states that:

*'The government is helping local councils and developers work with local communities to plan and build better places to live for everyone. This includes building affordable housing, improving the quality of rented housing, helping more people to buy a home, and providing housing support for vulnerable people.'*<sup>16</sup>

2.30 Thus the policy focus for the new Government is centred upon:

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

## Building affordable housing

2.31 Increasing housing supply has been a central priority for successive governments. The impact of the global credit crunch on the housing market has been significant, with falling numbers of completions and significant issues linked to accessing investment for both development and mortgage finance.

2.32 The previous Government wanted investors, developers and local councils to increase the overall supply of housing both in terms of new build properties and 'repurposed' empty homes. To help increase housing supply the previous Government tried to:

- Remove 'unnecessary and complex' regulations (planning reform);
- Provide finance for projects that cannot otherwise proceed; and
- Provide assistance to home buyers who cannot afford to buy a home due to a lack of deposit (Help to Buy and Right to Buy).

2.33 Whilst the DCLG's stated policy focus is '*building affordable housing*' it is assumed that the desire to increase overall housing supply remains unchanged under the new Government.

### *Planning reform*

2.34 The coalition Government perceived Planning as acting as a brake on the delivery of new housing supply. To this end a fundamental review of planning policy resulted in the introduction of the National Planning Policy Framework in

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<sup>16</sup> <https://www.gov.uk/government/topics/housing>

March 2012. As part of its commitment to economic growth, localism and decentralisation, the Government used the Framework to streamline all existing national policy documents into one short Policy Framework.

- 2.35 The Framework stresses the need for councils to work with communities and businesses to seek opportunities for sustainable growth to rebuild the economy; helping to deliver the homes, jobs, and infrastructure needed for a growing population whilst protecting the environment. A presumption in favour of sustainable development means that proposals should be approved promptly unless they compromise the twelve sustainable development principles set out in the Framework.
- 2.36 The Framework identifies three dimensions to sustainable development: economic, social and environmental. These three dimensions (or roles) are seen as mutually dependent. The Framework also introduced new definitions of affordable housing covering social rented housing, affordable rented housing and intermediate housing. In addition, in March 2014 the National Planning Policy Guidance was published on-line as a web-based tool replacing all previous planning guidance.
- 2.37 In November 2014 the Government introduced new affordable housing thresholds. The objective of this change is to reduce the planning burden on small developers and increase housing delivery on small sites. Local Planning Authorities (LPAs) cannot require affordable homes to be built on sites of five dwellings or less. On sites of six to ten homes LPAs can now only request a payment in lieu of onsite provision of affordable housing (a commuted sum). This commuted sum must then be used by the LPA to fund the provision of affordable housing on a site(s) elsewhere. On sites larger than ten dwellings, LPAs are still able to require a developer to build a proportion of affordable housing, as long as there is a proven need, and it is financially viable to do so.
- 2.38 However a High Court ruling on 31st July 2015 found that the Secretary of State for Communities and Local Government had, on several counts, erred in law when excluding developments of 10 units (5 in rural areas) or 1000sqm or less from having to deliver affordable housing and introducing vacant building credits by way of a Ministerial Statement in the House of Commons on 28 November 2014.
- 2.39 Whilst as a result of this decision it would appear that proposals for 10 or fewer dwellings will no longer be excluded from having to provide affordable housing, and that levels of provision once again can be delivered in accordance with the policies of the respective Development Plan, permission has recently been granted by the Government to appeal against this decision.
- 2.40 The current situation therefore remains unclear with further guidance likely to be issued following the conclusion of this appeal process.

### *Financial incentives*

- 2.41 Prior to May 2015 the previous Government introduced a range of approaches and incentives to encourage new development, these included:
- The new homes bonus;
  - The affordable rent model;

- The Get Britain Building programme;
  - The Builders Finance Fund;
  - Housing zones to unlock development on brownfield sites; and
  - Measures to increase supply through custom build, including the Right to Build (including 11 Right to Build vanguard authorities), the Affordable Housing Guarantee Programme to enable community groups and registered providers to build affordable self-build homes, and a serviced plot repayable loan fund.
- 2.42 In addition to this, in the past, measures aimed at increasing the supply of rented homes (such as the Build to Rent Fund) and those to help people access home ownership (Home Buy and Starter Homes) are also seen as contributing to the Government's overall commitment to increase housing supply.
- 2.43 In March 2015 the Government launched a new national Starter Homes exception site planning policy *'to make it easier for developers to gain planning permission for a new generation of Starter Homes on under-used commercial and industrial land.'*<sup>17</sup> Sites where these homes are to be delivered will be exempt from affordable housing requirements. The Starter Homes<sup>18</sup> are to be made available to young first time buyers at a 20% discount on open market value. The Government is also seeking for Starter Homes to be exempt from CIL.
- 2.44 To increase the supply of affordable rented homes the Government introduced the affordable rent model<sup>19</sup>, aimed at giving providers greater flexibility on rents and use of assets, whilst at the same time providing affordable housing for people in need. In July 2014 the Homes and Communities Agency announced the Affordable Homes Programme for 2015 to 2018, which aims to invest £1.7 billion in new affordable housing to deliver 165,000 new homes by March 2018.
- 2.45 In addition to the affordable rent model, the Affordable Homes Guarantee scheme was launched in 2013 to support the building of new affordable homes. The scheme offers a guarantee to providers on debt that they raise to deliver additional new build affordable homes. The guarantee aims to help reduce the borrowing costs of providers thus enabling them to provide more homes. As part of the 2013 budget £450 million was announced to support the delivery of up to 30,000 homes in this way.

### Improving the quality of rented housing

- 2.46 Whilst the stated aim of the new Government is 'improving the quality of rented housing' a raft of measures were introduced under the previous administration aimed at increasing both the quality and quantity of housing available in both the private and social rented sectors. These are now looked at in turn.

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<sup>17</sup> <https://www.gov.uk/government/speeches/housing-and-planning>

<sup>18</sup> The Queen's Speech proposed that the delivery framework for Starter Homes be set out in the forthcoming Housing Bill.

<sup>19</sup> Allows Registered Providers to charge no more than 80% of local market rent for affordable housing.

### *Social rented housing*

- 2.47 Since 2010 a series of social housing reforms were introduced including:
- The option of flexible tenancies for local authority tenants with a minimum five year fixed term;
  - Reforms to social housing allocations;
  - Measure to tackle overcrowding;
  - The introduction of a national home swap programme for social housing tenants;
  - Discharge of homeless duty to private rented accommodation; and
  - Self-financing arrangements for council housing.
- 2.48 Alongside social housing reform sit reforms to the welfare system, which, with changes to benefit, eligibility and entitlement, impact significantly on housing supply and demand. The Welfare Reform Act received Royal Assent on 8<sup>th</sup> March 2012; it introduced Universal Credit as well as changes to housing benefit and other welfare benefits. The Act also introduced a new 'personal independence payment' to replace the existing disability living allowance.
- 2.49 In addition, the Welfare Reform Act gave the Government powers to implement housing benefit reforms outlined in the June 2010 Budget and the October 2010 Comprehensive Spending Review, including:
- Introducing a size criteria to the calculation of housing benefit for social sector tenants;
  - Up-rating future Local Housing Allowance rates in line with Consumer Price Index rather than actual rents; and
  - Introducing household benefit caps of £500 per week for couples and £350 per week for single claimants.
- 2.50 Proposals within the pending Full Employment and Welfare Benefits Bill aimed at reducing entitlement and freezing benefits are also likely to impact upon social housing providers and their tenants.

### *Private rented housing*

- 2.51 The private rented sector has grown significantly in recent years; it now houses 16.5% of all households in England<sup>20</sup>. The Government sees the private rented sector as playing a vital role in meeting housing needs and supporting economic growth; it wants to see a 'bigger and better' private rented sector and believes that increasing the supply of private rented homes will make rents in the sector more affordable.
- 2.52 To help grow capacity in this sector the previous Government invested £1 billion in the Build to Rent Fund, to provide equity finance for purpose built

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<sup>20</sup><https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector>



private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these homes.

- 2.53 In a policy paper *'2010 to 2015 government policy: rented housing sector'* (7<sup>th</sup> May 2015) the Government identifies proposals to ensure that tenants receive proper protection from their landlord, including:
- Raising standards on the condition of private rented properties;
  - Protecting tenants from hidden agency fees; and
  - Improving access to longer-term more family friendly tenancies.<sup>21</sup>
- 2.54 The paper also advises on the development of a model tenancy agreement and measures to ensure that all letting and property management agents are members of an approved redress scheme. In addition, £4.1 million has been allocated to 23 local authority areas to tackle rogue landlords, and £2.6 million to tackle 'beds in sheds.'
- 2.55 The Government has also set up a Private Rented Sector Taskforce to improve the quality and choice of rented housing available to tenants nationally. The Taskforce is made up of developers, investors, and housing management bodies.

### Helping more people to buy a home

- 2.56 The primacy of home ownership remains central to the Government's housing policy approach. A number of measures were introduced under the previous Administration to help those currently unable to access home ownership to buy a home of their own.
- 2.57 Current home ownership initiatives include:
- Starter Homes scheme, from 2<sup>nd</sup> March 2015 new rules enable developers to reduce the sale price of these 'starter' homes by 20% thus enabling first time buyers to access owner occupation. The cost of providing the 20% discount on market value is to be met in lieu of delivering affordable housing on these sites. The scheme is seen as operating when developers bring forward unusable or surplus commercial or industrial land for housing. These sites will be exempt from affordable housing requirements in return for the provision of starter homes offered to people under 40 at a 20% discount on open market value;
  - Help to Buy, which enables people to buy a home worth up to £600,000 with a 5% deposit. There are three types of Help to Buy product:
    - An equity loan, where the Government lends up to 20% of the value of a new-build home;
    - Mortgage guarantee that enables lenders to offer potential purchasers 80% to 95% mortgages. This runs until 2016; and

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<sup>21</sup> <https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector>

- NewBuy, aimed at assisting potential purchasers with at least a 5% deposit to buy a new-build home.
- Right to Buy, where maximum discounts have been increased to £77,000 outside London and £102,700 within London. The maximum cash discount will now increase annually in line with the Consumer Price Index. The maximum percentage discount on houses has been increased to 70%, bringing it in line with the maximum discount available on flats.
- The extension of the Right to Buy to housing association tenants is a flagship policy of the new Government and will form part of the proposed Housing Bill legislation for Parliament to consider; and
- In the March 2015 budget the Government announced the introduction of a new Help to Buy ISA for first time buyers. For every £200 saved the Government will contribute an additional £50, up to a maximum of £3,000 on savings of £12,000, at the point at which the purchaser buys their first home. The bonus is per person, so couples buying together will receive a maximum £6,000. The property purchased must be valued at £450,000 or less in London and £250,000 or less in the rest of the country. The scheme will run for four years starting from Autumn 2015 and will cost up to £230 million in its first year.

### Providing housing support for vulnerable people

- 2.58 To date, older people have been the predominant focus of this policy due to almost one third of all homes being occupied by older people, and an increasing number of households headed by someone aged 65 or over<sup>22</sup>. There are pressing demographic and economic reasons why addressing housing issues for older people is important.
- 2.59 Increasing numbers of people being defined as homeless, and rising levels of rough sleeping in places such as London, also mean that addressing homelessness was seen as a priority by the previous Government.
- 2.60 As a result the coalition Government has agreed to provide the following housing support to older people and to people with a disability:
- Support to those wishing to stay in their own home via the Disabled Facilities Grant, Home Improvement Agencies and Handyman services;
  - Ensure that advice is available through FirstStop's<sup>23</sup> national service; and
  - Strengthen choice for those wanting specialist housing through the care and support specialised housing fund<sup>24</sup>.
- 2.61 On the 14<sup>th</sup> May 2014 the Care Act received Royal Assent; the Act came into effect in April 2015. The Act replaces existing pieces of legislation and aims to:

<sup>22</sup><https://www.gov.uk/government/publications/2010-to-2015-government-policy-housing-for-older-and-vulnerable-people/2010-to-2015-government-policy-housing-for-older-and-vulnerable-people>

<sup>23</sup> FirstStop is a free, independent, national information and advice service for older people, their family and carers funded by the Department for Communities and Local Government.

<sup>24</sup> Care and support specialised housing programme is a resource administered by the Homes and Communities Agency



- Provide a single, modern framework for the planning, funding and provision of care and support making people's entitlement to care clearer;
  - Promote a preventative approach with services built around an individual's wellbeing;
  - Give carers a right to assessment for support;
  - Promote the integration of health and social care; and
  - Place Safeguarding Adult Boards on a statutory basis.<sup>25</sup>
- 2.62 In terms of safeguarding vulnerable adults, housing has a strong role to play alongside social services, health, the police and other agencies. The Act set out a new safeguarding power, and places a duty on local authorities to respond to safeguarding concerns by making enquiries as necessary to decide on whether, and what, action is needed.
- 2.63 The Act also includes various proposals to support integrated working, including a duty of cooperation and partnership between police, health and local authorities.
- 2.64 From the April 1<sup>st</sup> 2013 Health and Wellbeing Boards, which include Directors of Public Health, became statutory committees of local authorities. They are responsible for encouraging integrated working on health and wellbeing issues, including development of Joint Health and Wellbeing Strategies, and Joint Strategic Needs Assessments.
- 2.65 The March 2015 Budget proposed exploring the impact of improved housing on whether this helps people with care needs stay in their homes for longer, potentially saving the NHS money.

### *Older people*

- 2.66 In addition to Disabled Facilities Grants and Supporting People programmes the following has been undertaken to help older people live at home longer:
- Research was undertaken into Lifetime Neighbourhoods<sup>26</sup> (December 2011);
  - Home Improvement Agencies are in place to help private tenants and home owners, advising on potential improvements and adaptations to their home;
  - Handypersons schemes;
  - FirstStop, free and independent national information and advice service; and
  - The Housing Learning and Improvement Network knowledge hub.
- 2.67 In January 2012 the Government announced a new deal for older people to help them continue living independently, this included £51 million for Home Improvement Agencies to provide:

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<sup>25</sup> Chartered Institute of Housing member briefing on the Care Act 2014

<sup>26</sup> Mark Bevan and Karen Croucher for DCLG, Lifetime Neighbourhoods, December 2011

- Housing advice, including help to move to more suitable accommodation if needed;
  - Handyperson services, including small home repairs, home safety and security adaptations;
  - Energy efficiency advice; and
  - Arranging for adaptations and home repairs.<sup>27</sup>
- 2.68 An additional £20 million for Disabled Facilities Grants was also announced at the same time.
- 2.69 Launched in October 2012, the previous Government saw the Care and Support Specialised Housing Fund (CASSH), as part of the *'biggest reform of the care and support system in 60 years'*.<sup>28</sup> As a result of the Care Act, the focus on wellbeing and independent living has seen a shift from intervention to prevention, with suitable housing being seen as a vital part of wellbeing. The CASSH fund was designed to stimulate the market in specialised housing provision, and the £300 million capital grant fund aimed to provide up to 9,000 specialist new homes for older people to move into. The Government identified that *'Phase 1 of the Care and Support Specialised Housing Fund is already showing success in meeting the need for affordable specialised housing for older people and disabled adults. The Homes and Communities Agency (HCA) and the Greater London Authority have allocated funds for over 4,000 specialised homes to be built as part of Phase 1.'*<sup>29</sup>
- 2.70 Phase 2 of CASSH was launched in February 2015 with a view to delivering more specialist housing for people living with mental health conditions and learning difficulties, as part of the then Government's 'Closing the Gap'<sup>30</sup> commitments. Specialist housing developers and providers were invited to bid for £155 million to develop accommodation for adults needing support to live independently as a result of old age or disability; priority within the programme was given to applications for people with learning disabilities or mental health issues.

### Homelessness

- 2.71 In August 2012 the Government published its Homelessness Strategy, 'Making every contact count: A joint approach to preventing homelessness'. The Strategy focuses on prevention and aims to *'make sure that every contact local agencies make with vulnerable people and families really counts.'*<sup>31</sup>
- 2.72 The report identifies ten local challenges that need to be addressed by local authorities, these are:
- Adopt a corporate commitment to prevent homelessness which has buy-in across all local authority services;

<sup>27</sup> [www.communities.gov.uk](http://www.communities.gov.uk)

<sup>28</sup> HCA and DOH Care and Support Specialised Housing Fund: Phase 2 Bidding Prospectus Feb 2015 page 2

<sup>29</sup> HCA and DOH Care and Support Specialised Housing Fund: Phase 2 Bidding Prospectus Feb 2015 page 2

<sup>30</sup> DOH 'Closing the Gap: Priorities for essential change in mental health' Feb 2014

<sup>31</sup> DCLG Making every contact count Aug 2012 page 3

- Actively work in partnership with voluntary sector and other local partners to address support, education, employment and training needs;
- Offer a Housing Options prevention service, including written advice to all clients;
- Adopt a *no second night out* model or an effective local alternative;
- Have housing pathways agreed, or in development, with each key partner and client group, which include appropriate accommodation and support;
- Develop a suitable private rented sector offer for all client groups, including advice and support to all clients and landlords;
- Actively engage in preventing mortgage repossessions including through the Mortgage Rescue Scheme;
- Have a Homelessness Strategy which sets out a proactive approach to preventing homelessness and is reviewed annually so that it is responsive to emerging needs;
- Not place any young person aged 16 or 17 in Bed and Breakfast accommodation; and
- Not place any families in Bed and Breakfast accommodation unless in an emergency, and then for no longer than six weeks.<sup>32</sup>

2.73 In the March 2015 Budget the Government announced that it will consider options to support long term investment in private rented accommodation for homeless families.

## National housing reviews

- 2.74 Over the past year a number of housing reviews were undertaken to assess the current housing situation and recommend ways in which it can be addressed.
- 2.75 In October 2014 the **Lyons Housing Review** was published. The review was commissioned by the Labour Party and identified that:
- Insufficient land is being brought forward for new housing and that communities are not able to take responsibility for the homes required, or are using planning powers reactively; and
  - The capacity to build more housing has reduced significantly as it has become concentrated in the hands of a small number of volume house builders, whilst the number of smaller builders has reduced.
- 2.76 Overall the report recommended that the delivery of new homes be increased to 200,000 per annum by 2020. It also recommended that capital investment should be made in housing, that housing should be a priority for the new Government post May 2015.
- 2.77 In the 2013 Autumn Statement the Government announced a review of the role of local authorities' in increasing housing supply. The review culminated in the

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<sup>32</sup> DCLG Making every contact count Aug 2012 page 4

**Elphicke-House Report**, which was published on 27<sup>th</sup> January 2015. The review considered what local authorities (irrespective of whether they are stock holding or not) can do to help meet housing need in their areas.

2.78 The report recommended that local authorities become housing delivery enablers in their areas, to proactively assess and lead on facilitating new housing development in their areas. To enhance the role of authorities as delivery enablers, the report recommends:

- That there is community leadership and strategic clarity: that Government and local authorities do more to encourage community involvement on planning and development decisions in their area;
- Creating housing opportunity:
  - That Government and local authorities work together to make sure that housing market assessments are clearer, and easier for communities to understand;
  - That Government should increase building outside the HRA by reducing bureaucracy and increasing the number of homes local authorities can fund in this way; and
  - That Government consider whether there is any flexibility for additional borrowing and Right to Buy sales receipts to assist with one for one replacement of properties sold under the Right to Buy.
- Business leadership: that more support is provided for small and medium sized builders, and that more help and advice is available;
- Managing housing supply:
  - There should be transparency of ownership of all public land and assets;
  - Authorities should have the power to dispose of larger sites within their area that are publicly owned;
  - Authorities should be more proactive in identifying small sites suitable for custom build and small builders; and
  - Authorities should ensure that development on land with planning permission is progressed quickly.
- Shaping a stronger housing finance market:
  - The Government with the Local Government Association should establish a Housing Finance Institute (HFI) to advise and assist local authorities on the financial vehicles and options available to fund development. The HFI could also engage with developers and investors and advise them how to work with local authorities;
  - Authorities should consider setting up a housing delivery organisation and explore opportunities for accessing private finance to expand their offer beyond social rent; and
  - Investment in housing and social infrastructure should be considered by local government pension funds.

2.79 Post-election it is not clear whether the Government will act upon any of these insights or recommendations.

## Local strategic priorities

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

## Local Economic Partnership

- 2.81 The Local Growth White Paper (October 2010) set out the Government's vision for empowering locally driven economic growth, encouraging business investment and promoting economic development. The paper highlighted a series of measures aimed at stimulating growth including the Regional Growth Fund. The Paper also established 24 LEPs aimed at overseeing economic growth and job creation.
- 2.82 Kirklees is part of the Leeds City Region, as a result the plans and ambitions for the Leeds City Region are central to the Council's economic growth agenda.
- 2.83 The Leeds City Region Enterprise Partnership seeks to '*unlock potential*' and '*inspire growth*.' The LEP's vision is to unlock the potential of the City Region by '*developing an economic powerhouse that will create jobs and prosperity*'. The LEP's main aim is to '*overcome barriers to private sector growth and create more opportunities for businesses to develop and provide jobs*<sup>33</sup>.' The LEP has four strategic priorities:
- Supporting growing businesses;
  - Developing a skilled and flexible workforce;
  - Building a resource smart City Region; and
  - Delivering the infrastructure for growth.
- 2.84 In July 2014 the Leeds City Region Enterprise Partnership agreed a historic £1 billion Local Growth Deal with Government to create tens of thousands of new jobs and accelerate economic growth across the City Region.

## Housing Strategy

- 2.85 The Council has in place a range of housing strategies and plans, including a Strategic Tenancy Policy, Housing Allocations Policy, Local Lettings Framework, Housing Commissioning Strategy, and Homeless Prevention Strategy. The Commissioning Strategy 2013 to 2016 identifies the following outcomes:
- An appropriate supply of homes and jobs to meet the needs of a growing and aging population;

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<sup>33</sup> <http://www.the-lep.com/>

- Improved places to live by reducing inequalities and worklessness; and
  - Improved life chances for people by supporting them to find and keep an affordable, good quality home.
- 2.86 Delivering excellent homes for life and regeneration and development are priorities for the Council and key to this is the development of the new Local Plan.

### Local Plan

- 2.87 The current Unitary Development Plan (UDP) for Kirklees was adopted on 1<sup>st</sup> March 1999 and sets out the Council's policies and proposals for the use and development of land and buildings across the District. The Plan is the statutory development plan for the District excluding the areas falling within the Peak District National Park.
- 2.88 The Council is currently working on developing a new Local Plan for the area. A call for a deadline for sites to be considered in the draft Local Plan was set at 31<sup>st</sup> March 2015 although the council will continue to accept site options to be considered at subsequent stages of Local Plan process. The emerging Local Plan seeks to ensure that Kirklees is a growing and thriving place; the vision for Kirklees in the draft local plan is as follows:
- In 2031, Kirklees will be a great place to live, work and invest in, delivered through an integrated approach to housing and employment. Development will have taken place in a sustainable way (balancing economic, social and environmental priorities) and by making efficient and effective use of land and buildings supported by necessary infrastructure and with minimal effect on the environment. Health inequalities will have been reduced, enabling higher standards of health and well-being resulting from improved access to training and job opportunities, a decent and affordable home, access to services and green spaces and opportunities for physical activity and a healthy lifestyle.
  - The diverse character of the district as a whole and within its different character areas will be retained and enhanced while creating opportunities to build thriving communities which respond to local needs.
  - Kirklees will be ideally placed to encourage inward investment and stimulate economic growth. This will be achieved through the provision of new prime employment land, sites of strategic importance for employment with a focus on manufacturing and engineering including Cooper Bridge and Chidswell and safeguarded employment land which, as a whole, provide the opportunities to grow businesses, improve economic resilience and increase the district's ability to compete with other areas.
  - There will be a focus on regenerating our towns whilst safeguarding and reinforcing those elements which make them distinctive. Huddersfield Town Centre will be revitalised through an enhanced independent retail, cultural and leisure offer; mixed use development of the Waterfront and St. George's Quarters and other key sites; and next generation digital connectivity. Dewsbury will be transformed by building on its strategic location, driven by integrated housing and economic development in the



town centre and connected to communities. Supporting the rural economy will be encouraged and opportunities facilitated by high speed broadband.

- There will be a mix of high quality housing which offers choice and meets the needs of all our communities including affordable housing. The challenges of an ageing population will have been addressed and a range of housing and employment choices available to attract and retain younger age groups within the district to build sustainable communities.
- People will have access to a range of local facilities including services, health-care and education provision, and adequate infrastructure. Places will be well-connected encouraging sustainable travel including increased opportunities for walking and cycling and improved links to other parts of the Leeds City Region and beyond.
- The local character and distinctiveness of Kirklees and its places will be retained. The natural, built and historic environment will be maintained and enhanced through high quality, inclusive design and safe environments, opportunities for play and sport, the protection and enhancement of green infrastructure, enhancement of distinctive and contrasting landscapes, tree and woodland protection, opportunities for local food growing, the enhancement of biodiversity and geodiversity and the protection and enhancement of heritage assets.

2.89 The Council will be consulting on options for the new Local Plan later in November 2015. The current Supplementary Planning Document (SPD) (Affordable Housing) outlines the current policy position on affordable housing even though the affordable housing policy set out in the Local Plan will supersede this.

## Concluding comments

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

## 3. Defining the Housing Market Area

### Introduction

- 3.1 NPPG (para 8) states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.
- 3.2 NPPG defines a Housing Market Area as “a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap”.<sup>34</sup>
- 3.3 NPPG comments that Housing Market Areas can be broadly defined by using three different sources of information as follows:
- House prices and rates of change in house prices;
  - Household migration and search patterns;
  - Contextual data (for example travel to work area boundaries, retail and school catchment areas).
- 3.4 Kirklees is located within the County of West Yorkshire in the Yorkshire and the Humber region. The resident population of Kirklees District is 430,800<sup>35</sup>. The District is bounded to the north by Calderdale and Bradford; to the east by Leeds and Wakefield; to the south by Barnsley; and to the west by Oldham and High Peak. The main population centres are Huddersfield and Dewbury. Other larger settlements in the District include Batley, Birstall, Cleckheaton, Denby Dale, Heckmondwike, Holmfirth, Honley, Kirkburton, Marsden, Meltham, Mirfield. Scisset and Clayton West, Slaithwaite and Skelmanthorpe.
- 3.5 In establishing the extent to which Kirklees is a Housing Market Area, house price, migration, travel to work and contextual data have been assembled. Firstly though, this chapter considers existing national and regional analysis on housing market areas.

### The Geography of Housing Market Areas

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

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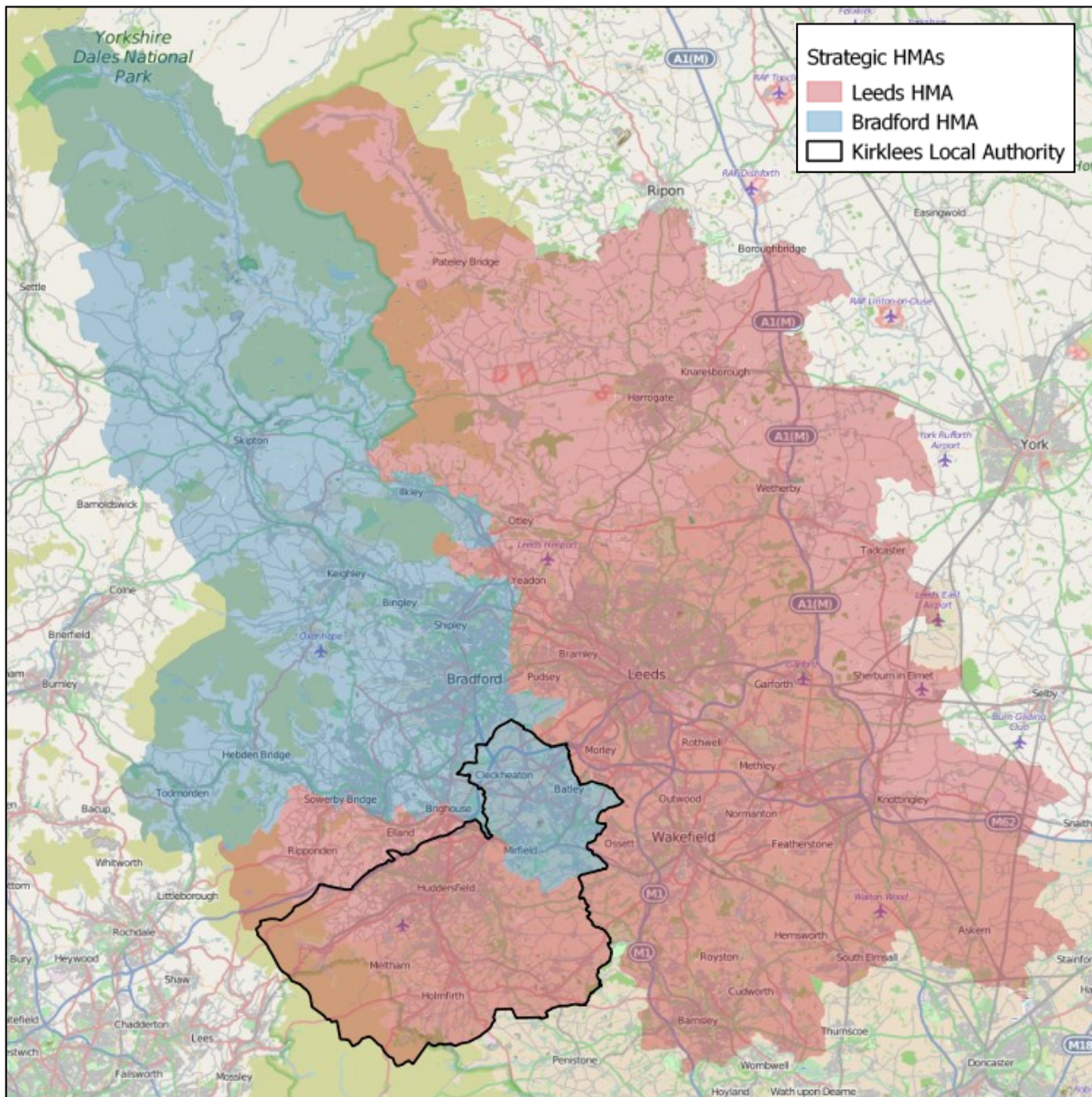
<sup>34</sup> National Planning Practice Guidance paragraph 10

<sup>35</sup> 2012-based Sub national Population Projections, ONS



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

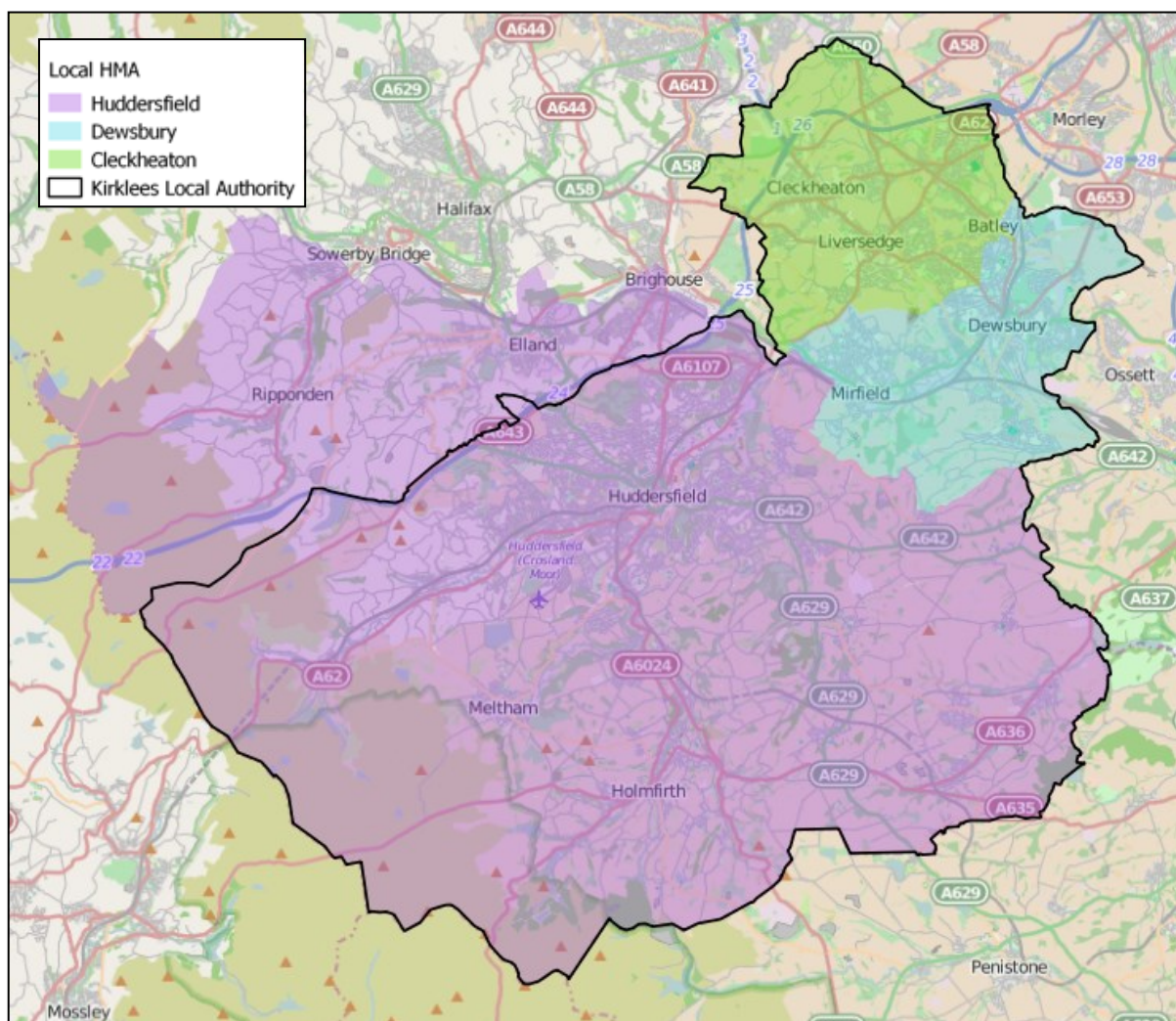
Map 3.1 Strategic housing market areas



Source: NHPAU Geography of Housing Market Areas



### Map 3.2 Local housing market areas



Source: NHPAU Geography of Housing Market Areas

- 3.10 Detail within this report along with previous analysis<sup>36</sup> undertaken at sub-regional level all show that the housing market geography of Kirklees is complex and intrinsically linked with that of the wider Leeds City Region.
- 3.11 The particular influence and effect of the existing transport infrastructure (local rail network and M62 corridor) reveals varying levels of strategic and functional relationships between Kirklees, Calderdale, Bradford and Leeds itself. It remains, however, important to note that whilst indicators such as market signals along with migration and travel to work patterns can help identify and map specific local housing market geographies, such boundaries are also always affected by other non-quantifiable influences and so are not absolute.

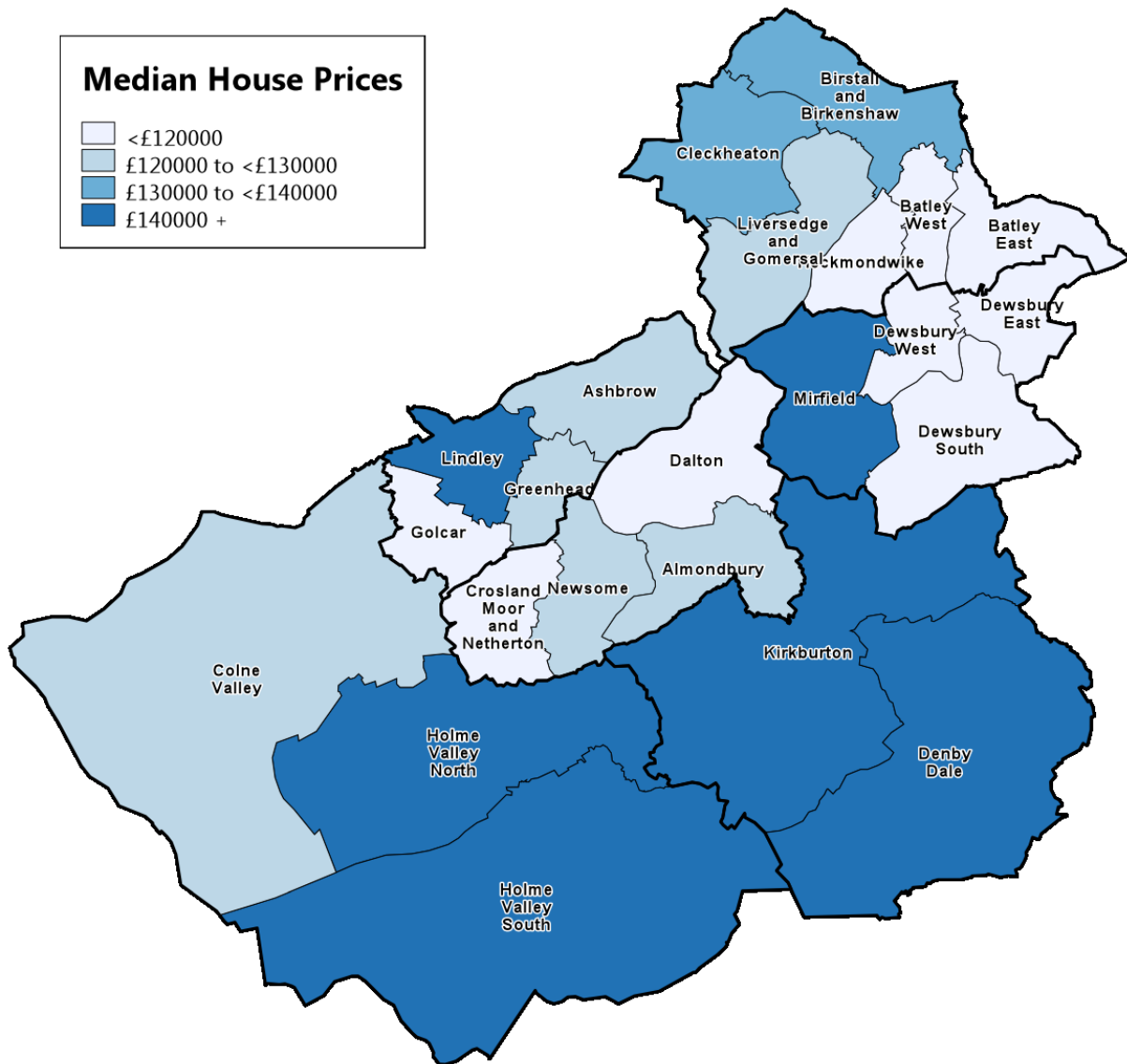
<sup>36</sup> Leeds City Region Partnership: Understanding the cross boundary impacts of housing markets and jointly planning housing provision in these areas – Andy Haigh Associates (May 2014)  
 DTZ Mapping Housing Markets 2007  
 ECOTEC Strategic Housing Market Assessments for Yorkshire & Humber 2008  
 DCLG NHPAU study to establish a consistent geography for Strategic Housing Markets across England 2010

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

### House prices and rates of change in house prices

- 3.15 Figure 3.1 shows how house prices across the area have changed over the period 2000 to 2014.
- 3.16 Median prices in Kirklees have been consistently lower than the median prices for Yorkshire and the Humber and England. Overall, prices have increased from £53,000 in 2000 to £124,950 in 2014, an increase of 135.8%. Prices peaked at £132,000 but then fell slightly. Prices have been stable at around £125,000 since 2009.
- 3.17 During 2014, median prices across Kirklees were £125,000 and lower quartile prices were £93,000. The distribution of median house prices in the District during 2014 is illustrated in Map 3.1 and indicates relatively lower prices in Batley East, Batley West, Crosland Moor & Netherton and Dewsbury West; and relatively higher prices in Denby Dale, Holme Valley South and North and Kirkburton wards.

**Map 3.3: Median House Prices 2014 by ward**



**Figure 3.1 Median house price trends 2000 to 2014: Kirklees, Yorkshire and the Humber and England**



Source: DCLG; Land Registry

- 3.18 Table 3.1 summarises lower quartile, median and upper quartile prices by sub-area during 2014 based on Land Registry address-level data. This shows significant variation across the District, with the lowest prices in Huddersfield South, Huddersfield North and Batley and Spen, and the highest prices in Kirklees Rural East.

Table 3.1 House prices in Kirklees by sub-area			
Sub-Area	Price (£)		
	Lower Quartile (25%)	Median (£)	Upper Quartile (£)
Batley and Spen	85,000	117,500	160,000
Dewsbury and Mirfield	90,000	124,500	165,000
Huddersfield North	87,000	125,000	185,000
Huddersfield South	85,000	115,000	157,000
Kirklees Rural - East	126,000	182,500	250,000
Kirklees Rural - West	105,000	137,000	195,000
<b>Kirklees Total</b>	93,000	125,000	180,000

Source: Land Registry Price Paid Data 1 Jan 2014 to 31 Dec 2014

## Relative affordability

- 3.19 The relative affordability of open market dwellings in Kirklees is compared with the other Local Authorities in the Region in Table 3.2 and Table 3.3.
- 3.20 Table 3.2 presents lower quartile house prices, lower quartile gross earnings of full-time workers and a ratio of lower quartile earnings to house prices. In terms of relative affordability, Kirklees is one of the more affordable districts in the region, with a lower quartile house price to income ratio of 4.9, i.e. lower quartile house prices are just under five times the lower quartile gross earnings.



**Table 3.2 Relative affordability of lower quartile (LQ) prices by District (residence based)**

District	Lower Quartile House Price	LQ Gross Earnings per week	Annual Gross Earnings	LQ Income to House Price ratio
Harrogate District (B)	£162,500	£357	£18,538	8.8
Hambleton District	£150,000	£343	£17,852	8.4
Ryedale District	£140,000	£324	£16,858	8.3
York (B)	£154,000	£362	£18,829	8.2
Richmondshire District	£137,500	£371	£19,308	7.1
Craven District	£124,950	£350	£18,200	6.9
Selby District	£125,000	£380	£19,755	6.3
Scarborough District (B)	£110,000	£340	£17,670	6.2
East Riding of Yorkshire	£110,000	£365	£18,970	5.8
Leeds District (B)	£105,000	£363	£18,855	5.6
Yorkshire and Humber	£97,000	£347	£18,049	5.4
Sheffield District (B)	£95,000	£355	£18,439	5.2
Wakefield District (B)	£90,000	£336	£17,482	5.1
Rotherham District (B)	£87,000	£326	£16,952	5.1
Kirklees District (B)	£90,000	£355	£18,476	4.9
Calderdale District (B)	£85,000	£348	£18,075	4.7
North Lincolnshire (B)	£90,000	£369	£19,162	4.7
Bradford District (B)	£80,000	£329	£17,092	4.7
Doncaster District (B)	£83,000	£342	£17,789	4.7
North East Lincolnshire (B)	£80,000	£338	£17,566	4.6
City of Kingston upon Hull (B)	£70,000	£323	£16,806	4.2
Barnsley District (B)	£75,000	£350	£18,200	4.1

Sources: Land Registry Price Paid 2014; Annual Survey of Hours and Earnings 2014

3.21 Table 3.3 sets out relative affordability by District based on median house prices and median gross incomes. On this basis, Kirklees is again considered to be one of the more affordable districts in Yorkshire and the Humber, with a median income to house price ratio of 5.0.

<b>District</b>	<b>Median House Price</b>	<b>Median Gross Income per week</b>	<b>Annual Gross Income</b>	<b>Median Income to House Price ratio</b>
Harrogate District (B)	£212,750	486.2	£25,282	8.4
Hambleton District	£200,000	467.5	£24,310	8.2
Ryedale District	£180,000	424.8	£22,090	8.1
York (B)	£187,000	478.7	£24,892	7.5
Richmondshire District	£183,000	478.5	£24,882	7.4
Craven District	£170,000	460.8	£23,962	7.1
Selby District	£161,475	534.6	£27,799	5.8
Scarborough District (B)	£142,750	490.3	£25,496	5.6
Leeds District (B)	£144,000	495.6	£25,771	5.6
Yorkshire and the Humber	£135,000	479.0	£24,908	5.4
East Riding of Yorkshire	£145,000	524.7	£27,284	5.3
Wakefield District (B)	£122,000	442.2	£22,994	5.3
Bradford District (B)	£118,000	447.1	£23,249	5.1
Rotherham District (B)	£120,000	456.3	£23,728	5.1
Sheffield District (B)	£125,000	477.0	£24,804	5.0
<b>Kirklees District (B)</b>	<b>£124,950</b>	<b>479.6</b>	<b>£24,939</b>	<b>5.0</b>
North East Lincolnshire (B)	£117,250	467.8	£24,326	4.8
Calderdale District (B)	£121,000	488.0	£25,376	4.8
Doncaster District (B)	£115,000	482.8	£25,106	4.6
Barnsley District (B)	£110,000	486.7	£25,308	4.3
North Lincolnshire (B)	£120,000	534.2	£27,778	4.3
City of Kingston upon Hull (B)	£95,000	431.6	£22,443	4.2

Sources: Land Registry Price Paid 2014; Annual Survey of Hours and Earnings 2014

## Household migration and search patterns

3.22 Data reported in the 2011 Census suggests that 72.7% of households who moved in the year preceding the Census originated from within Kirklees and on the basis of a 70% self-containment threshold Kirklees can therefore be described as self-contained<sup>37</sup>. Table 3.4 summarises the origins of households based on 2011 Census data. Of the 41,258 households moving, 15.2% originated from elsewhere in Yorkshire and the Humber (4.4% originated from Leeds, 2.7% from Calderdale, 2.6% from Bradford, 2.0% from Wakefield and

<sup>37</sup> National Planning Policy Guidance - Para 011 (Department for Communities and Local Government - March 2014)

3.4% from elsewhere in Yorkshire and Humber). A further 4% originated from the North West and 8.1% from elsewhere in the UK.

Origin of moving household	Number	%
Kirklees	<b>30001</b>	72.7
Leeds	<b>1825</b>	4.4
Calderdale	<b>1123</b>	2.7
Bradford	<b>1092</b>	2.6
Wakefield	<b>826</b>	2.0
Barnsley	<b>271</b>	0.7
Elsewhere Yorkshire and the Humber	1146	2.8
Manchester	<b>208</b>	0.5
Oldham	<b>153</b>	0.4
Rochdale	<b>118</b>	0.3
Elsewhere Greater Manchester	305	0.7
Elsewhere North West	857	2.1
Elsewhere UK	3333	8.1
<b>Total</b>	<b>41258</b>	<b>100.0</b>

Source: 2011 Census

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

### Characteristics of in-migrant households

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

- A majority (70.9%) moved into a house, particularly detached (20.3%) and semi-detached (24.9%) and terraced (25.7%); and a further 19.9% moved into a flat/apartment, 5.9% to a bungalow and 3.2% to other property types. Overall 14.2% moved into detached houses with four or more bedrooms and 11.0% into one bedroom flats;
- 44.5% moved into smaller properties with one or two bedrooms and 55.4% moved into properties with three or more bedrooms;
- 50.2% moved into owner occupied properties; 43.0% into private renting and 6.9% moved into affordable (social rented/intermediate tenure) dwellings;

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

### Residential mobility within Kirklees

- 3.26 The household survey identified that the vast majority (78.3%) of households moving within the preceding five years had moved within Kirklees District (around 38,300 households).
- 3.27 Households moving within Kirklees were doing so for a variety of reasons. Those most frequently reported were wanting a larger property (20.3%), being forced to move (10.3%) and wanting their own home/to live independently (9.6%).
- 3.28 Table 3.5 reviews the tenure choices of households moving within Kirklees. There is limited movement between tenures, with 75.5% of social renters (or affordable housing residents), 73.1% of owner-occupiers and 69.5% of private

renters remaining in the same tenure when they moved. 18.9% of private renters moved into owner occupation and 22.4% of social renters moved into private rented accommodation. Respondents who had previously lived with family and friends (i.e. newly forming households) tended to move into all major tenures: private renting (37.6%), owner occupation (36.5%) and social renting (25.9%).

**Table 3.5 Residential mobility – movement between different tenures (%)**

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

Source: 2015 Household Survey

3.29 Table 3.6 considers the profile of dwellings being moved into by households moving within Kirklees District. Households are moving into a variety of dwelling types and sizes, most notably to: two (34.4%) and three (31.2%) bedroom dwellings; terraced houses (38%), flats/apartments (20.7%) and semi-detached houses (19.2%).

**Table 3.6 Residential mobility – profile of properties moved into by type and size**

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

Source: 2015 Household Survey

## Households planning to move

- 3.30 Around 36,000 households plan to move in the next five years. Table 3.7 summarises the moving intentions of households based on the first preference they stated. Overall, 76.9% of households intend on remaining in Kirklees and 23.1% intend to move out.
- 3.31 Of the 23.1% of households planning to move out, 3.9% were planning to move to Leeds, 2.6% to Calderdale, 1.8% to Wakefield and less than 1% each to Bradford, Barnsley, Oldham and High Peak. 11.5% plan to move to elsewhere in the UK, and 1.2% out of the UK.
- 3.32 The main reasons why households plan to move out of the Kirklees District area were wanting a larger property (24.7%), to move to a better neighbourhood or more pleasant area (16.9%), wanting a buy a home (10.4%) and to be closer to family/friends to give/receive support (9.3%).

**Table 3.7 First choice destination of households planning to move in next five years**

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

Source: 2015 Household Survey

## Travel to work trends

- 3.33 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Kirklees travel to other areas together with details of how many people commute into the District. The 2011 Census identified the travel to work patterns of 214,478 individuals and of these:

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

### Concluding comments

- 3.37 The purpose of this chapter has been to consider the general housing market context of Kirklees and its inter-relationships with other areas. By reviewing house prices, migration and travel to work patterns, a picture of the market dynamics of Kirklees District emerges.
- 3.38 An analysis of 2011 Census migration data suggests that 72.7% of households move within Kirklees area and 66.8% of residents in employment work within the District. Therefore, Kirklees exhibits a high degree of self-containment in terms of migration but it is part of a wider functional economic area which is focused on Leeds (and this was recognised in the NHPAU research).
- 3.39 The 2015 Household Survey found that of those who had moved home in the preceding five years, 78.3% originated within Kirklees. It also found that 76.9% of households planning to move in the next five years intend on remaining in Kirklees
- 3.40 Evidence would therefore suggest that Kirklees can be considered to be a self-contained housing market area for the purposes of Local Plan policy making.



## 4. Objectively Assessed Housing Need

### Introduction

- 4.1 The NPPF states that Local Planning Authorities should have a clear understanding of future housing needs and identify an Objectively Assessed Need (OAN) for Housing. The development and presentation of demographic evidence to support Local Plans is subject to an increasing degree of public scrutiny.
- 4.2 NPPG advocates that ‘official’ statistics should provide a starting point for the evaluation of growth scenarios. NPPG recognises that baseline projections may require adjustment to reflect factors affecting local demographic and household formation rates which are not captured in past trends. Therefore, local circumstances, alternative assumptions and the most recent demographic evidence should be considered (NPPG, para 2a-015 and 2a-017). Evidence that links demographic change to forecasts of economic growth should be assessed (NPPG, para 2a-019).

### Household projections and forecasts

- 4.3 It should be pointed out that there is a difference between household projections and household forecasts. Household projections are produced by applying projected household representative rates to the population projections published every two years by the Office for National Statistics. They are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends were to be realised in practice. They do not attempt to predict the impact of future policy, economic change and other factors which may have a bearing on demography (for instance, changes in migration assumptions). Household forecasts seek to apply alternative assumptions to the underlying data, for instance, the impact of increased economic activity, changes in dwelling completions and changes in migration assumptions.
- 4.4 In line with NPPG, the chapter considers market signals with reference to indicators of price trends and delivery of housing and the extent to which future development needs to be adjusted to take account of signals.

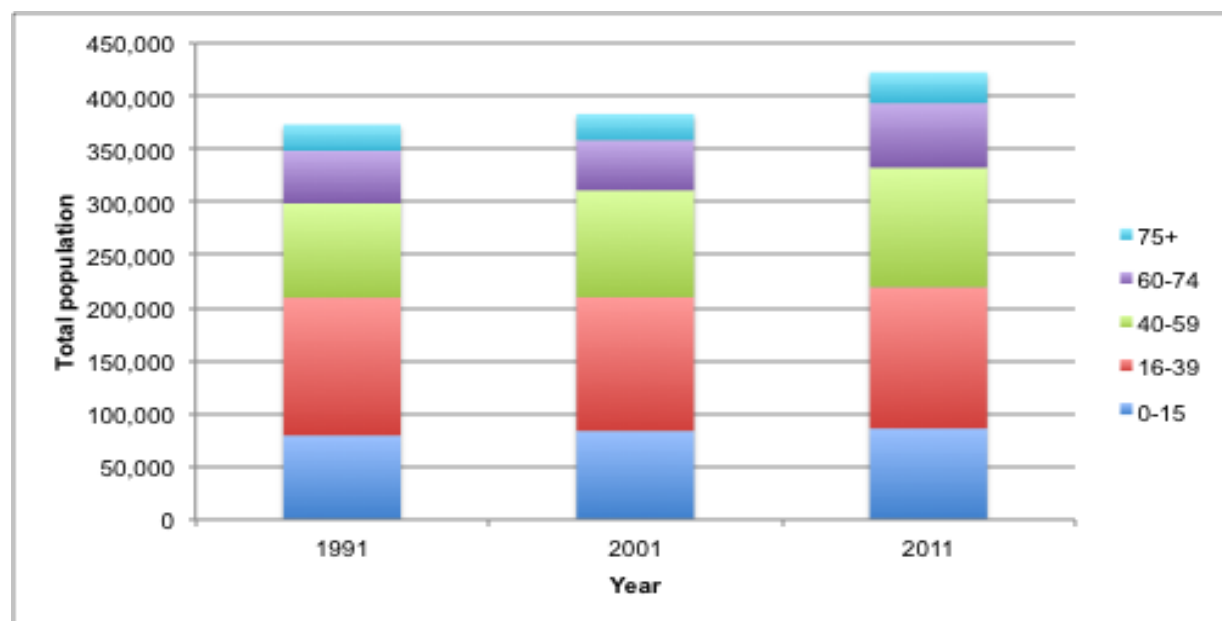
### The relationship between population, households and dwellings

- 4.5 Implicit in the analysis underpinning the OAN analysis is a relationship between population, households and dwellings and it is helpful to set this out in broad terms.
- 4.6 Firstly, the overall population profile of Kirklees and how this is expected to change based on the latest ONS 2012-based population projections is considered. Population change results from natural change (births minus deaths) and from migration into and out of the District.

- 4.7 Secondly, the relationship between population and households is considered with reference to 'headship rates'. This is the likelihood of someone in a particular age group being a 'Household Reference Person', more traditionally termed a Head of Household. Headship rates are calculated on the basis on age and gender. Headship rates vary due to the underlying demography in each set of CLG projections. One particular influence on headship rates is the ability of younger people to form households, which can be influenced by economic activity rates and the relative affordability of housing.
- 4.8 Thirdly, the relationship between the number of households and dwellings is considered. There are normally more dwellings than households in a Local Authority District and this variation is largely attributed to vacancy levels (although second homes can have a notable impact in some areas).
- 4.9 These three factors underpin the general approach to assessing overall dwelling requirements. Scenario modelling then considers how the underlying population may change with reference to alternative migration, jobs-growth and headship rates.

### Demographic context

- 4.10 Before an assessment of Objectively Assessed Need for housing proceeds, it is important to establish a wider and longer-term demographic context for the analysis.
- 4.11 Over the period 1991 to 2011, the total population of Kirklees has increased by 13.2%. The population has increased across all age cohorts, with the number of residents aged 0-15 increasing by 8.3%, 16-39 increasing by 2.6%, 40-59 by 26.7% and 60 and over by 21% over this period (Figure 4.1).

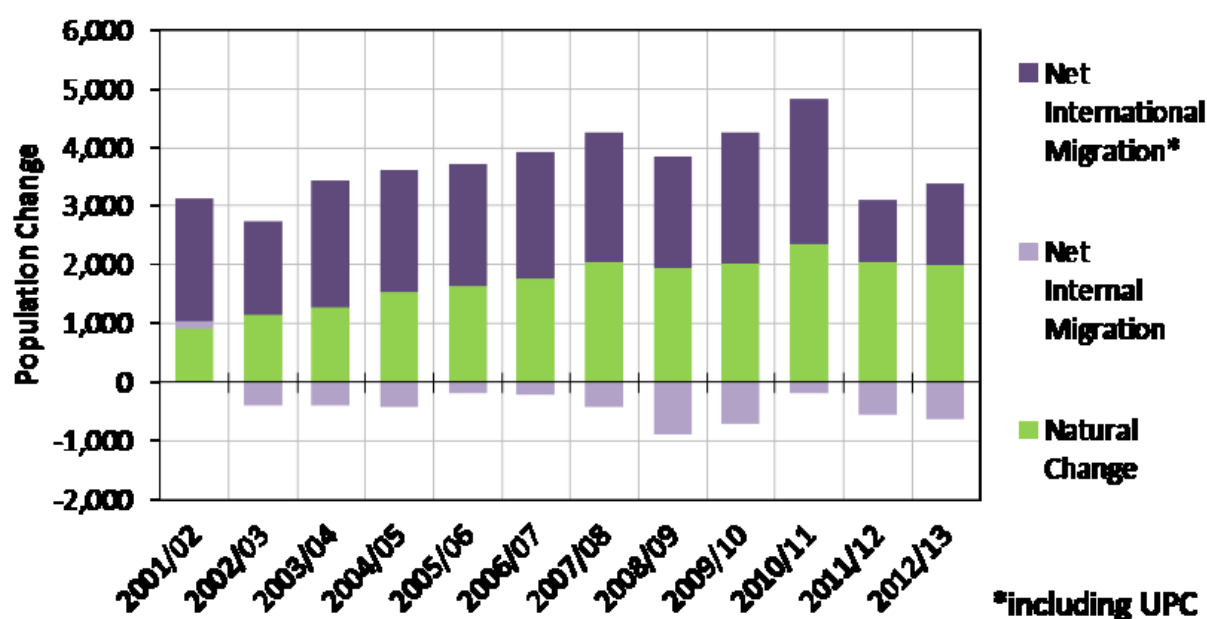
**Figure 4.1 Population change in Kirklees 1991 to 2011**

Source: ONS Census

### Population change 2001/2 to 2012/13

- 4.12 It should also be noted that in Kirklees, ONS Mid-Year population estimates through the 2000s underestimated the population (compared with the 2011 census) and the portion that ONS could not account for was deemed 'unattributable' population change. The most likely cause for Kirklees is higher levels of net international in-migration over the period 2001 to 2011.
- 4.13 Over the period 2001/2 to 2012/13, the contribution of natural change to population growth in Kirklees was positive between 2001/02 and 2012/13 (as the number of births exceeded the number of deaths). Growth due to net internal migration was positive in 2001/02, but negative throughout the rest of the historical period. Population growth due to net international migration was positive between 2001/02 and 2012/13 (Figure 4.2).

**Figure 4.2 Components of population change 2001/2 to 2012/13, including the Unattributed Population Change component in the 2001/2 to 2010/11 international migration component**



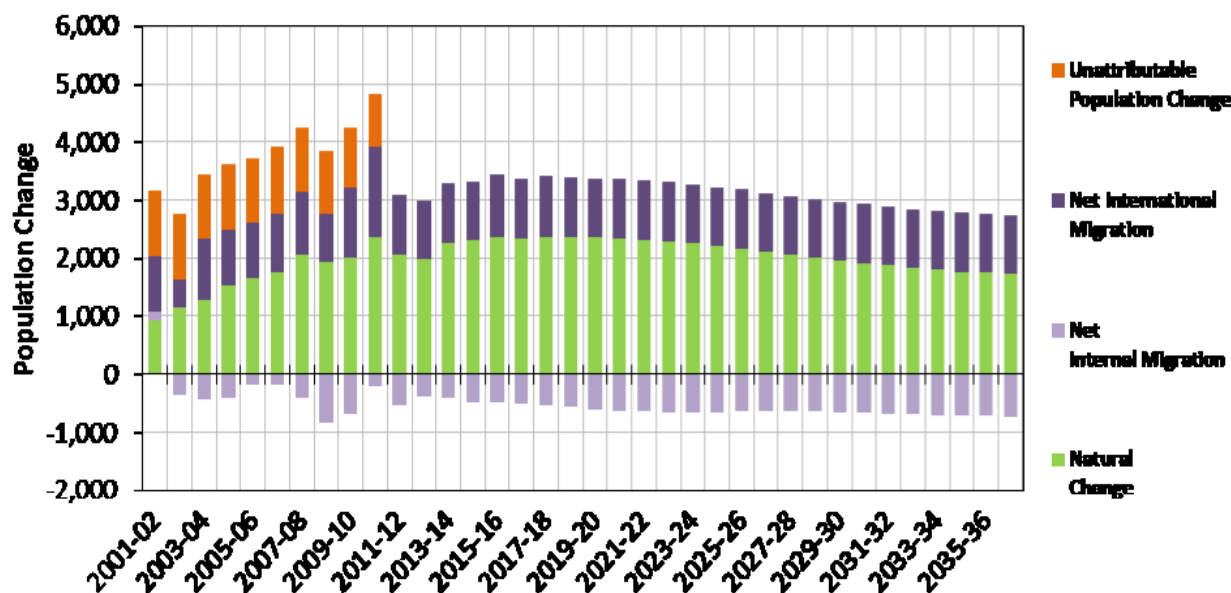
Source: Edge Analytics Figure 3, September 2014

## Starting point

- 4.14 The starting point for the analysis of Objectively Assessed Need (OAN) are the 2012-based CLG household and 2012-based Sub National Population Projections (SNPP). For the period 2013-2031, these suggests an annual requirement for 1,520 dwellings. This includes an allowance for vacant dwellings assuming a 4.2% vacancy rate.
- 4.15 The 2012-based SNPP has a lower rate of growth than the earlier official projections (except for the 2004-based SNPP). Under the 2012-based SNPP, the population of Kirklees is projected to increase by 62,804 over the 2012–2037 projection period, a 14.8% increase. Under the 2010- based SNPP, the population was projected to increase by 15.4% over the 25-year projection period (2010–2035).
- 4.16 The 2012-based SNPP components of population change are presented in Figure 4.3, with the historical components of change for 2001/02 to 2011/12 included for comparison. The annual average natural change, net migration (internal and international) and population change for the 2012-based SNPP are compared to the historical 5-year and 10-year averages in Figure 4.3.
- 4.17 Over the 5-year and 10-year historical period, average net internal migration had a negative impact upon population growth. Average net natural change was positive over the 5-year and 10- year historical period (with birth numbers exceeding deaths). Average net international migration was also positive over the historical period. The 2012-based SNPP suggests a continuing decline in net internal migration over the forecast period. It also suggests that natural

change and net international migration will continue to have a positive impact upon growth.

**Figure 4.3 Historical and 2012-based SNPP components of change**



Source: ONS, Edge Analytics September 2014 Table 5

## Adjustments to baseline data

- 4.18 Edge Analytics were commissioned by the Leeds City Region to explore a common methodology for determining housing requirements and also a range of future household growth scenarios for the City Region overall. This work provided the context for Kirklees-specific work and helped to ensure broad consistency in approach and estimates of objectively assessed need across individual local authorities as part of the Duty to Cooperate between local authorities.
- 4.19 As NPPG recognises that baseline projections may require adjustment to reflect factors affecting local demographic and household formation rates which are not captured in past trends, future household scenarios prepared using the POPGROUP suite of software by Edge Analytics at the Leeds City Region<sup>38</sup> were followed by Kirklees-specific analysis<sup>39</sup>.
- 4.20 In accordance with NPPG, the Kirklees scenario alternatives are 'benchmarked' against the most recent (2012-based) official population projection from the ONS. The 2010-based official population projection is included for comparison. The scenario alternatives include trend forecasts, based on the latest demographic evidence, relating to alternative migration assumptions and job-led scenarios. Sensitivity testing has been conducted to examine the impact of

<sup>38</sup> Leeds City Region: Demographic Forecasts 2012-31 (Phase 1 Report) (Edge Analytics, March 2014)

<sup>39</sup> Kirklees Demographic Analysis & Forecasts: Assumptions, Methodology & Scenario results (September 2014)

varying the rates of household formation on dwelling growth outcomes, using headship rates from both the 2011-based and the 2008-based CLG household models. Table 4.1 summarises the scenarios used in the analysis. The latest data for Kirklees, prepared in March 2015 as an addendum to the September 2014 report<sup>40</sup> following the release of the 2012-based household projections, are presented in Table 4.1.

- 4.21 Table 4.1 summarises the scenarios used in the analysis. Additional scenarios have been prepared to examine the sensitivity of the jobs-led growth outcomes to variations in the assumptions made on unemployment and economic activity (Table 4.2).

Scenario Type	Scenario Name	Scenario Description
Official Projections	A. SNPP-2012	This scenario mirrors the 2012-based SNPP from the ONS. This scenario is the official 'benchmark' scenario.
	B. SNPP-2010	This scenario mirrors the 2010-based SNPP from the ONS. The population is re-scaled to the 2012 Mid-Year Estimate (MYE) to ensure consistency with the SNPP-2012 scenario, with the 2010-based growth trajectory continued thereafter.
Alternative trend-based scenarios	C. Natural Change	In- and out-migration rates are set to zero.
	D. PG-5yr	Internal and international migration assumptions are based on the last 5 years of historical evidence (2008/9 to 2012/13).
	E. PG-10yr	Internal and international migration assumptions are based on the last 10 years of historical evidence (2003/4 to 2012/13).
Jobs-led scenarios	F. Jobs-led REM	In the 'Jobs-led REM' scenario, population growth is determined by the annual change in the number of full-time equivalent (FTE) jobs, as defined in the Yorkshire and Humber REM.
	G. Jobs-led A Trend Employment Rate	
	H. Jobs-led B – 75% Employment Rate	In the alternative jobs-led scenarios, population growth is linked to annual jobs growth of: (A) 576; (B) 1,015; (C) 1,229; (D) 1,536. Economic activity rates from the 2011 census are

<sup>40</sup> Kirklees Demographic Analysis & Forecasts: Evaluating the impact of the 2012-based DCLG household projections: Addendum to September 2014 report (March 2015)

	I. Jobs-led C – REM + Kirklees Economic Strategy	applied, with uplifts applied in the 60-69 age groups to account for changes to state pension age. The unemployment rate is incrementally reduced from 8.1% to 4.5% (2013-20).
	J. Jobs-led D – 80% Employment Rate	A fixed 2011 commuting ratio of 1.15 is applied.

**Table 4.2 ‘Sensitivity’ scenario definition**

Scenario Type	Scenario Name	Scenario Description
Jobs-led sensitivity scenarios	Jobs-led REM SENS1	Population growth is linked to the same annual jobs growth trajectory as the equivalent core jobs-led scenarios.
	Jobs-led A – Trend Employment Rate – SENS1	The economic activity rate for the labour force (age16-74) is maintained at its base-year level (68%).
	Jobs-led B – 75% Employment Rate – SENS1	The unemployment rate is incrementally reduced from 8.1% to 4% (2013-2020).
	Jobs-led C – REM + Kirklees Economic Strategy – SENS1	Commuting ratio assumptions are consistent with the core scenarios.
	Jobs-led D – 80% employment rate – SENS1	

4.22 The latest Edge Analytics forecasts for Kirklees, published in March 2015, following the publication of the national household projections, have been prepared to cover the period 2013-31. Note that in all scenarios, the 2012-based headship dwelling growth outcomes fall within the range suggested by the 2008- based and 2011-based scenarios. In all scenarios, the 2012-based headship rate outcomes are higher than the 2008- and 2011-based average. Edge Analytics recommends that the scenario outcomes are reconsidered when further data is released by the CLG providing additional detail on the profile of growth by household type implied by the 2012-based household projection assumptions.



Rank	Scenario	Kirklees
1	Jobs-led D – 80% Employment Rate	2,191
2	PG – 10yr	1,995
3	Jobs-led C – REM + Kirklees Economic Strategy	1,919
4	Jobs-led D – 80% Employment Rate – SENS1	1,909
5	PG – 5yr	1,883
6	Jobs-led B – 75% Employment Rate	1,730
7	Jobs-led REM	1,662
8	Jobs-led C – REM + Kirklees Economic Strategy – SENS1	1,641
	<b>Objectively Assessed Need figure</b>	<b>1,630</b>
9	SNPP-2012	1,520
10	SNPP-2010	1,513
11	Jobs-led B – 75% Employment Rate – SENS1	1,454
12	Jobs-led REM – SENS1	1,387
13	Natural change	1,373
14	Jobs-led A – Trend Employment Rate	1,340
15	Jobs-led A – Trend Employment Rate – SENS1	1,069

Note: Sensitivities on the ‘core’ scenarios are shaded grey

## Market signals

- 4.23 NPPG (para 20<sup>41</sup>) states that the number suggested by household projections should be adjusted to reflect appropriate market signals as well as other market indicators of the balance between demand for and supply of dwellings. In broad terms, these signals should take account both of indicators relating to price (e.g. house prices, rents and affordability ratios) and quantity (e.g. overcrowding and rates of development). NPPG comments that market signals are affected by a number of economic factors and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, should be expected to improve affordability, and monitor the response of the market over the Plan period.
- 4.24 In line with NPPG, Table 4.4 considers a range of housing market signals for Kirklees. These should be monitored on a regular basis and the scale of dwelling delivery should be adjusted where the Council believes it is appropriate to do so. Table 4.5 considers how the market signals evidenced in Kirklees compare with comparator districts, regional and national data.

<sup>41</sup> NPPF Reference ID 2a-020-20140306

4.25 In terms of price/transaction indicators, a key message from Table 4.4 is that market prices have been broadly consistent over the period 2010-2014, although the number of property purchases is showing signs of increasing. Over the period 2010-2014, the number of property sales has varied between 4,062 and 5,115; lower quartile prices have fluctuated between £90,000 and £93,000; and median prices have ranged between £123,000 and £126,408. Relative affordability has shown signs of improvement, with the ratio of 5.2x in 2010 reducing to 4.9x in 2014. Lower quartile rents have fluctuated, ranging between £394 and £425 per calendar month.

<b>Table 4.4 Housing market signals</b>					
<b>Price/transaction indicators</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Lower Quartile House Prices	£92,000	£90,000	£90,000	£90,000	£90,000
Median House Prices	£126,408	£123,000	£124,000	£125,000	£124,950
Lower Quartile Rents (per calendar month)	£394	£425	£416	£399	£399
Median Rents (per calendar month)	£446	£472	£477	£477	£477
Relative affordability (LQ earnings to LQ house price)	5.2	5.2	5.0	5.0	5.0
No. Property sales	4074	4062	4188	4728	5115
<b>Quantity indicators</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Total dwelling stock (at 1 April)	179,860	181,110	182,050	182,630	183,660
Total vacant dwellings (at October)	7,370	7,491	7388	6578	6,151
Total vacancy rate (at October)	4.10%	4.14%	4.06%	3.60%	3.35%
Long-term vacancy rate (at October)	2.05%	1.99%	1.84%	1.47%	1.37%
Overcrowding (2011 census)		4.78%			
Housing Register: average number of active bidders per week	4,953	7,503	8,722	7,773	4,306*

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

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

**Table 4.5 Housing market signals in comparator districts, region and England**

Comparator 2010-2014	Kirklees	Comparator Districts*			Y&H	England
		Bolton	Bury	Rochdale		
Lower Quartile House Price change	1.1	3.3	5.4	3.9	3.2	5.6
Median House Price change	-1.1	3.4	5.1	11.4	0.8	5.4
Lower Quartile Rents (per calendar month) change	5.8	6.5	1.1	0.0	0.0	-0.7
Median Rents (per calendar month) change	12.2	7.0	6.1	1.1	19.3	4.4
Change in relative affordability (ratio of lower quartile earnings to house prices)	-4.1	-1.6	4.9	0.3	0.2	1.6
No. Property sales change	25.6	27.9	42.2	28	30.3	26
Total dwelling stock change	2.1	1.4	1.3	1.6	2.1	2.3
Total vacancy change	-16.5	-20.8	-8.7	-17.0	-16.9	-17.2
Total long-term vacancy change	-32.2	-46.8	-33.9	-40.1	-29.1	-31.4
Overcrowding change 2001-11	-36.8	-23.3	-28.6	-22.9	-34.5	-35.2
Net additional dwelling stock 2010-2014	2.1	1.4	1.3	1.6	2.1	2.3

\*Three most similar LA based on ONS 2011 Area Classification for Local Authorities

- 4.26 Compared with comparator districts, regional and national data over the period 2010-2014, house price change (both lower quartile and median) has been proportionately lower in Kirklees. However, rents in Kirklees have risen considerably more than for comparator areas and this is most likely due to the expansion of the student rental market. The overall relative affordability of properties to buy has improved, with the ratio of lower quartile house prices to incomes falling, compared with a worsening of affordability at regional and in particular national level.
- 4.27 In terms of quantity indicators, there has been an increase in the total number of dwellings. Vacancy rates have tended to exceed 4% but fell to 3.6% in 2013 and 3.4% in 2014, which compares with 2.7% across England. Assuming the English average as a 'target' vacancy rate (which would suggest a target of 4,931 vacant dwellings, compared with actual vacancies of 6,578), it could be suggested that in 2014 there were around 1,359 surplus vacant dwellings across Kirklees. The current vacancy rate allows for a greater degree of household mobility within dwelling stock compared to the English average.
- 4.28 According to the 2011 Census, 4.8% of households were overcrowded. This compares with 3.1% across England. The scale of housing need as measured by the Housing Register has fluctuated between 11,096 and 17,780 and was 12,201 in 2013, although it then fell to only 4,142 in 2014 (but this is likely to be due to administrative changes in the way the register operates and not an absolute reduction in households in need of affordable housing).

- 4.29 Compared with comparator districts, regional and national data over the period 2010-2014, the increase in the number of property sales has been slightly below national and markedly below regional trends. The total volume of dwelling stock change has been in line with regional and national trends and ahead of comparator district stock changes. Both overall and long-term vacancy rates have and also levels of overcrowding have declined in line with regional and national trends.
- 4.30 In conclusion, a review of market signal data would suggest that the housing market in Kirklees is relatively stable and other than trends in private rents and improvements in relative affordability, market signal trends have tended to be in line with regional and national trends. There is no recommendation to alter Kirklees dwelling targets in the light of market signals relating to property price or quantity data. However, it is recommended that data should be collected and monitored on a regular basis to ensure the Council has up to date information from which to review dwelling targets.

### Establishing an Objectively Assessed Need for Housing

- 4.31 Local Authorities need to prepare a robust evidence base to consider their objectively assessed need for housing. However, there is no single definitive view on the level of growth expected in Kirklees; a mix of economic, demographic and national/local policy issues will ultimately determine the speed and scale of change. For local planning purposes, it is necessary to evaluate a range of growth alternatives to establish the most appropriate basis for determining future housing provision. This has been carried out for Kirklees in the context of the wider forecasting work adopted across West Yorkshire and the wider Leeds City Region
- 4.32 In accordance with NPPG, the study has considered as a starting point the latest available (2012-based) CLG household projections. The case for adjusting this figure then needs careful consideration and dwelling requirement scenarios have been prepared which consider migration assumptions and the impact of changes in economic activity rates and jobs growth, informed by Regional Econometric Model (REM) forecasts. Finally, any adjustment on the basis of market signal information needs to be considered.
- 4.33 For Kirklees, the baseline position is a need for 1,520 additional dwellings each year over the period 2013-2031 using the latest 2012-based CLG household projection headship rates and 2012-based population projections.

### Migration and jobs-growth adjustment

- 4.34 Past trends in migration would suggest a dwelling requirement range of between 1,883 and 1,995 across the District (averaging 1,939 each year). However, the 2012-SNPP indicates that the scale of net out-migration is set to increase over the plan period and additionally net international migration may reduce through Government restrictions on international migration to the UK.
- 4.35 A series of Jobs-led scenarios have been prepared which suggest a wide range of dwelling requirements, ranging between 1,069 and 2,191 each year

and averaging 1,630 each year. The average of scenarios takes account of the varying assumptions regarding the scale of jobs growth, economic activity rates,

- 4.36 It is therefore recommended that the baseline dwelling requirement of 1,520 per year is uplifted to 1,630 per year to take account of the average of the jobs-led scenarios.

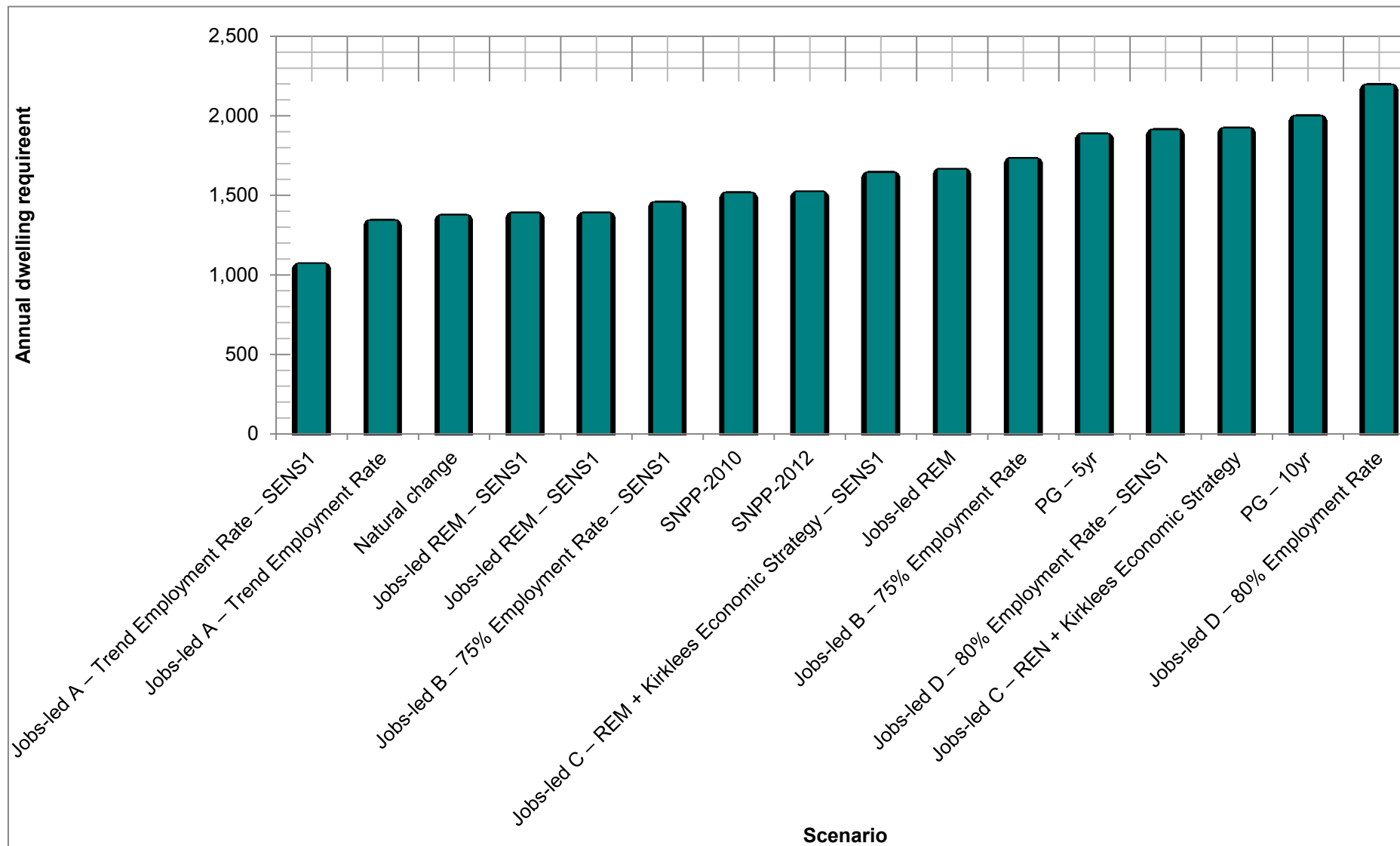
### Market Adjustment

- 4.37 Market signals in terms of price and quality relating to Kirklees have been considered and compared with comparator districts, Yorkshire and the Humber and England. The market signals would suggest a reasonably stable market, and affordability has been improving over the period 2010 to 2014 (with the ratio of lower quartile earnings to lower quartile house prices reducing from 5.2x in 2010 to 5.0x in 2014). Although data would suggest there is no need to make an adjustment for market signals, data should be collected and monitored on a regular basis to ensure the Council has up to date information.

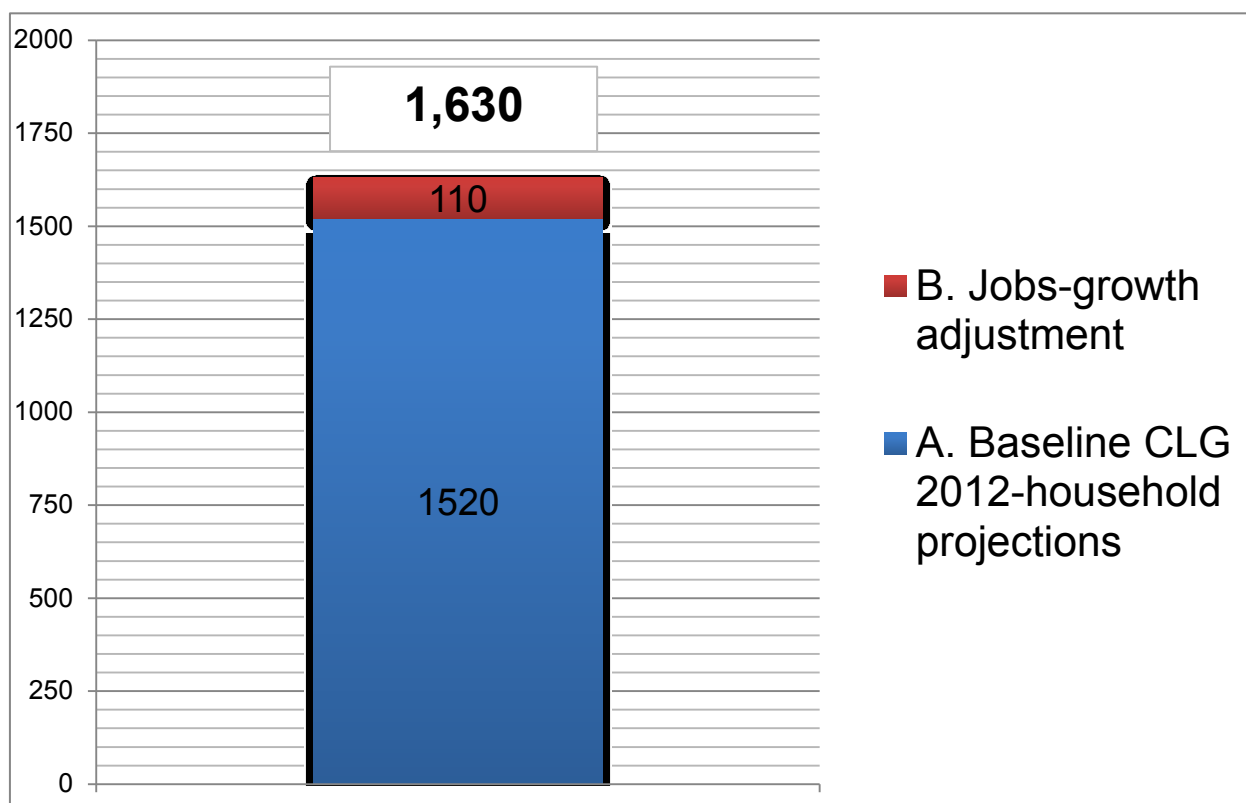
### Full objectively assessed housing need

- 4.38 Figure 4.4 summarises the range of projections and forecasts for the period 2013-31. It is within this range of data that an appropriate objectively assessed need for housing can be established. Ultimately, a range of factors will influence the actual scale of housing delivery and the Local Plan should provide a broad framework within which future development can be positioned.
- 4.39 After considering scenario outputs, it is proposed that the objectively assessed housing need figure for Kirklees is 1,630. This is derived from a baseline of the 2012-based SNPP CLG household projections (1,520 dwellings), with adjustments for jobs-growth to 1,630 (or +110 on top of the SNPP projection).
- 4.40 Market signal data would suggest that the housing market in Kirklees is relatively stable and would suggest no adjustment to dwelling requirements is necessary.
- 4.41 In conclusion, the 1,630 dwelling objectively assessed need is an ambitious figure which addresses housing need and supports economic growth. This would result in an overall requirement for 29,340 dwellings to be built over the plan period 2013-2031 (18 years). It is also assumed that the proposed range addresses any backlog demand prior to 2013 as it uses a baseline figure based on the current demographic situation in Kirklees.
- 4.42 Over the period 2031-2036, the SHMA assumes that the objectively assessed need for housing will continue at the same rate of 1,630 each year.

**Figure 4.4 Summary of scenarios: 2013-31**



Source: Edge Analytics 2015

**Figure 4.5 Full objectively assessed housing need 2013-31 (annual)**

### Distribution of dwelling requirements within Kirklees

4.43 Table 4.6 considers the potential distribution of dwelling requirements by sub-area based on the 2013-31 objectively assessed housing need range. It is based on the current distribution of households by sub-area. This table also considers how the overall dwelling requirement can be split between a 'natural change' component i.e. how much of the requirement relates to the existing population, and a 'jobs-led' component i.e. how much of the requirement relates to dwellings to support jobs-growth.

**Table 4.6 Distribution of OAN dwelling requirement 2013-31 by sub-area**

Sub-area	Total dwellings 2015	% Distribution of dwellings	OAN based on dwelling distribution	Natural change component	Jobs-led component
Batley and Spen	45875	25.1	410	345	65
Dewsbury and Mirfield	31102	17.0	278	234	44
Huddersfield North	25810	14.1	231	194	36
Huddersfield South	33736	18.5	301	254	48
Kirklees Rural - East	13748	7.5	123	103	19
Kirklees Rural - West	32178	17.6	287	242	45
<b>Total</b>	<b>182449</b>	<b>100.0</b>	<b>1630</b>	<b>1373</b>	<b>257</b>



## 5. Kirklees Housing Market Review

### Introduction

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

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

- 5.2 This study assumes a total of 182,559 dwellings in Kirklees District of which 5,931 are vacant, resulting in a total of 176,628 households living in dwellings (Table 5.1). The overall vacancy rate is around 3.2% as recorded from local Council Tax data slightly lower than that recorded through CLG vacancy stats. This compares with a vacancy rate of 2.6% across England<sup>42</sup>. Long-term vacants account for around 1.4% of dwelling stock<sup>43</sup>.

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

Source: 2014 Council Tax

### Property size and type

- 5.3 Table 5.2 reviews the profile of occupied dwelling stock by size and type across Kirklees. Overall, the vast majority (76.9%) of properties are houses, 13.1% are flats/apartments and maisonettes, 9.2% are bungalows, and 0.8% are other types of property including park homes/caravans. Of all occupied properties, 13.7% have one bedroom/bedsit, 27.9% have two bedrooms, 37.8% have three bedrooms and 20.5% have four or more bedrooms.

<sup>42</sup> 2014 CLG Dwelling and Vacancy data

<sup>43</sup> 2014 CLG Dwelling and Vacancy data

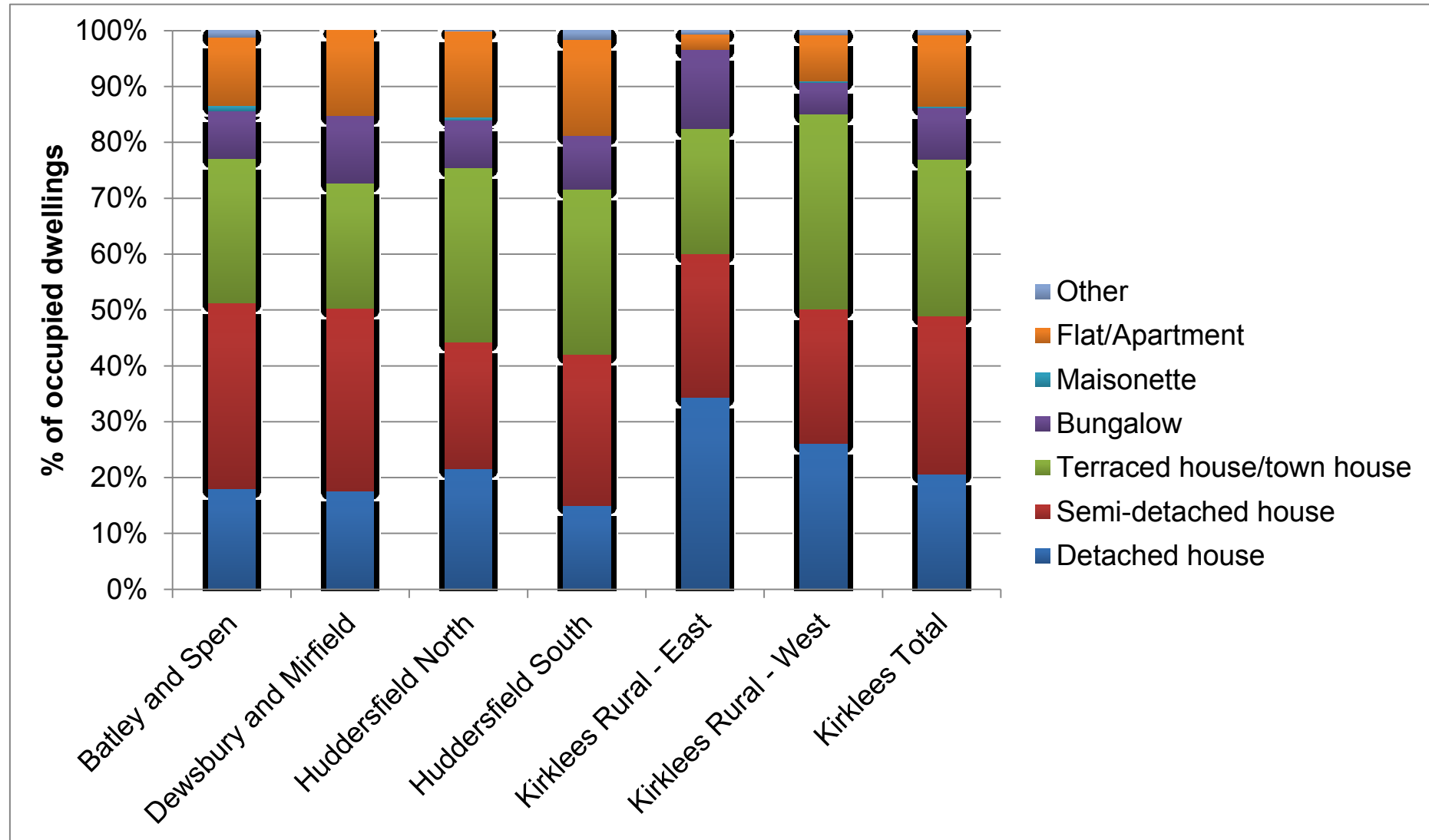
5.4 How property type varies by sub-area is illustrated in Figure 5.1 and variations in number of bedrooms by sub-area in Figure 5.2. Notable sub-area variations include the relatively higher proportion of detached properties in Kirklees Rural East and Kirklees Rural West; high proportions of terraced houses in Batley and Spenningshall and Dewsbury and Mirfield; and higher proportions of larger properties with four or more bedrooms in Kirklees Rural East, Kirklees Rural West and Huddersfield North.

**Table 5.2 Property type and size of occupied dwellings across Kirklees**

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

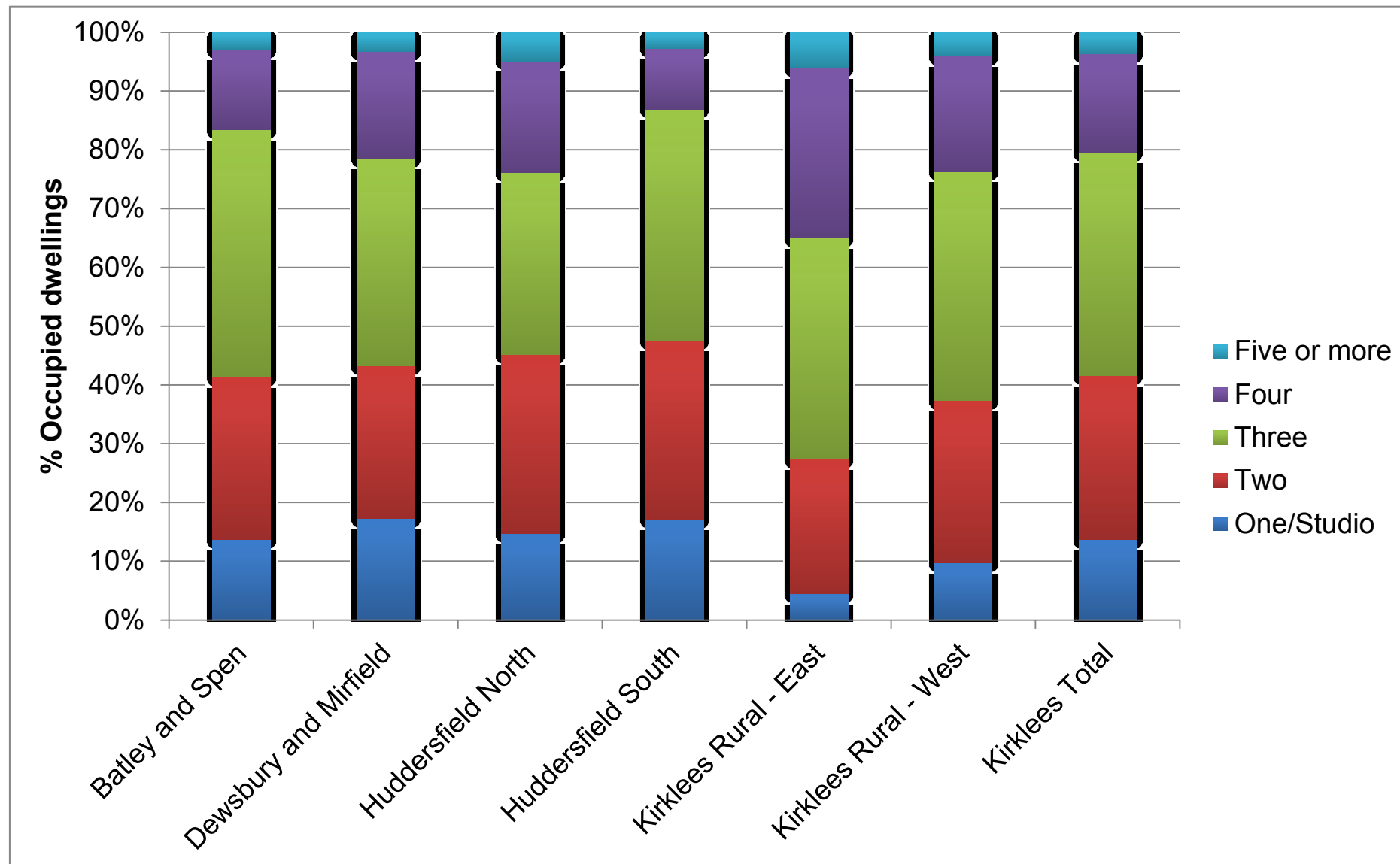
Source: 2015 Household Survey

Figure 5.1 Property type by sub-area



Source: 2015 Household Survey

Figure 5.2 Property size by sub-area



Source: 2015 Household Survey

## Property condition

- 5.5 The 2015 Household Survey reviewed the extent to which households were satisfied with the state of repair of their dwellings. Overall 77.7% of respondents expressed satisfaction (37.7% were very satisfied and 40.0% were satisfied); 13.4% were neither satisfied nor dissatisfied; a total of 8.9% expressed degrees of dissatisfaction, of whom 7.3% were dissatisfied and 1.6% were very dissatisfied.
- 5.6 Table 5.3 explores how the level of dissatisfaction varied by dwelling tenure, age and type.
- 5.7 Data indicates that households in Huddersfield North (9.9%) were more likely to express dissatisfaction. Levels of dissatisfaction varied significantly between tenures. Dissatisfaction was highest amongst those in shared ownership (19.1%), furnished private rental properties (18.8%), social rented housing (17.3%) or unfurnished private rental properties (16.0%). This compares with dissatisfaction levels of 3.2% and 7.6% for owned outright and owned with a mortgage, respectively.
- 5.8 In terms of property type and age, dissatisfaction was highest amongst respondents living in maisonettes (21.8%), flats/apartments (14.0%) and terraced houses/town houses (11.4%) and amongst residents in properties built pre-1919 (18.7%).
- 5.9 The Council commissioned a Private Sector Stock Condition Survey in 2010 and as reported in the 2012 SHMA, the stock condition survey shows that non-decency remains an issue across Kirklees. Overall, non-decency of private stock is far less prevalent within Kirklees than on average across the county, with 25.6% of private rented stock classified as non-decent compared with a national average of 35.8%. This is reinforced in terms of the proportion of stock classified as having a Category 1 hazard with 15.7% of private stock in Kirklees classified in this manner compared with a national average of 23.5%.

<b>Table 5.3 Dissatisfaction with state of repair by sub-area, property tenure, age and type</b>			
<b>Sub-Area</b>	<b>No. Dissatisfied</b>	<b>% Dissatisfied</b>	<b>Total households</b>
Batley and Spen	4042	9.1	44463
Dewsbury and Mirfield	2779	9.2	30093
Huddersfield North	2465	9.9	24909
Huddersfield South	3080	9.4	32698
Kirklees Rural - East	785	5.9	13336
Kirklees Rural - West	2484	8.0	31129
<b>Tenure</b>	<b>No. Dissatisfied</b>	<b>% Dissatisfied</b>	<b>Total households</b>
Owned (no mortgage)	2076	3.2	65248
Owned (with mortgage)	3907	7.3	53158
Rented Privately (furnished)	833	18.8	4434
Rented Privately (unfurnished)	4022	16.0	25195
Rented from Kirklees Neighbourhood Housing/Kirklees Council, or a Housing Association	4196	17.3	24195
Shared Ownership, Shared Equity, Discounted for sale, Low Cost Home Ownership	600	19.1	3143
Tied accommodation	0	0.0	947
Other	0	0.0	1,202
<b>Property Type</b>	<b>No. Dissatisfied</b>	<b>% Dissatisfied</b>	<b>Total households</b>
Detached house	1656	4.6	36013
Semi-detached house	3834	7.7	49525
Terraced house/town house	5570	11.4	49010
Bungalow	1337	8.3	16183
Maisonette	149	21.8	685
Flat/Apartment	3088	14.0	22135
<b>Property Age</b>	<b>No. Dissatisfied</b>	<b>% Dissatisfied</b>	<b>Total households</b>
Pre 1919	4215	11.5	36565
1919 to 1944	1968	7.6	25770
1945 to 1964	2957	10.6	27777
1965 to 1984	2410	6.3	38152
1985 to 2004	923	4.1	22539
2005 onwards	267	2.3	11371
<b>Total</b>	<b>15,634</b>	<b>8.9</b>	<b>176,628</b>

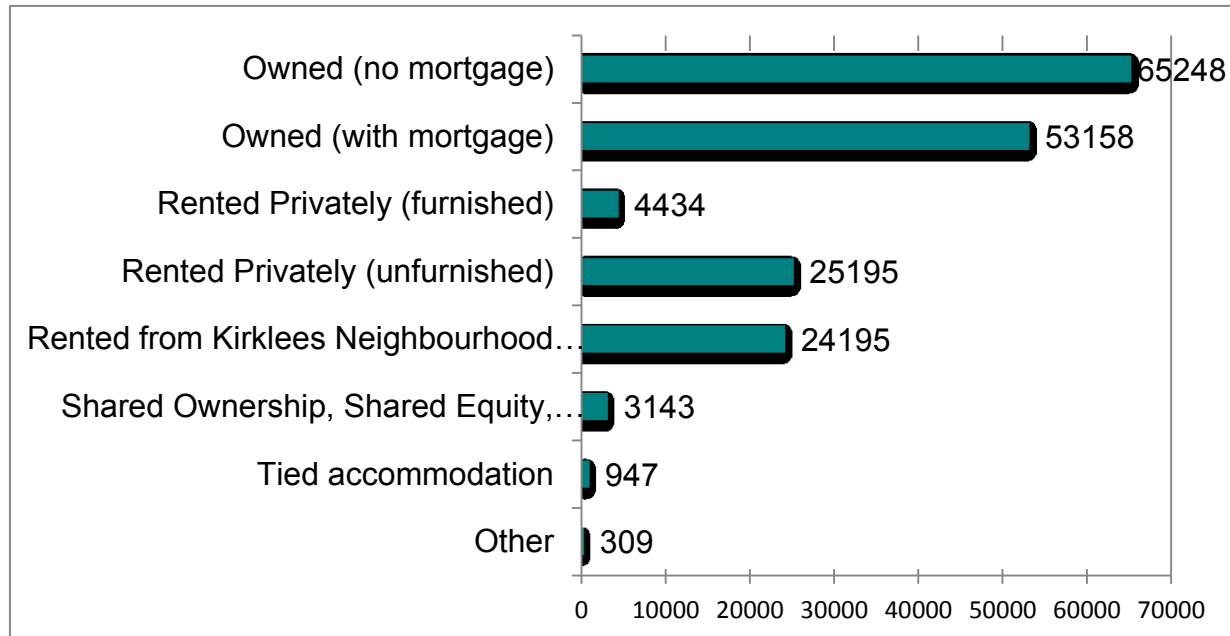
Source: 2015 Household Survey

## Property tenure

5.10 The tenure profile of the Kirklees area is summarised in Figure 5.3. Variations in broad tenure groups by sub-area are summarised in Figure 5.4. Overall, based

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

**Figure 5.3 Kirklees District: tenure profile of occupied dwellings**

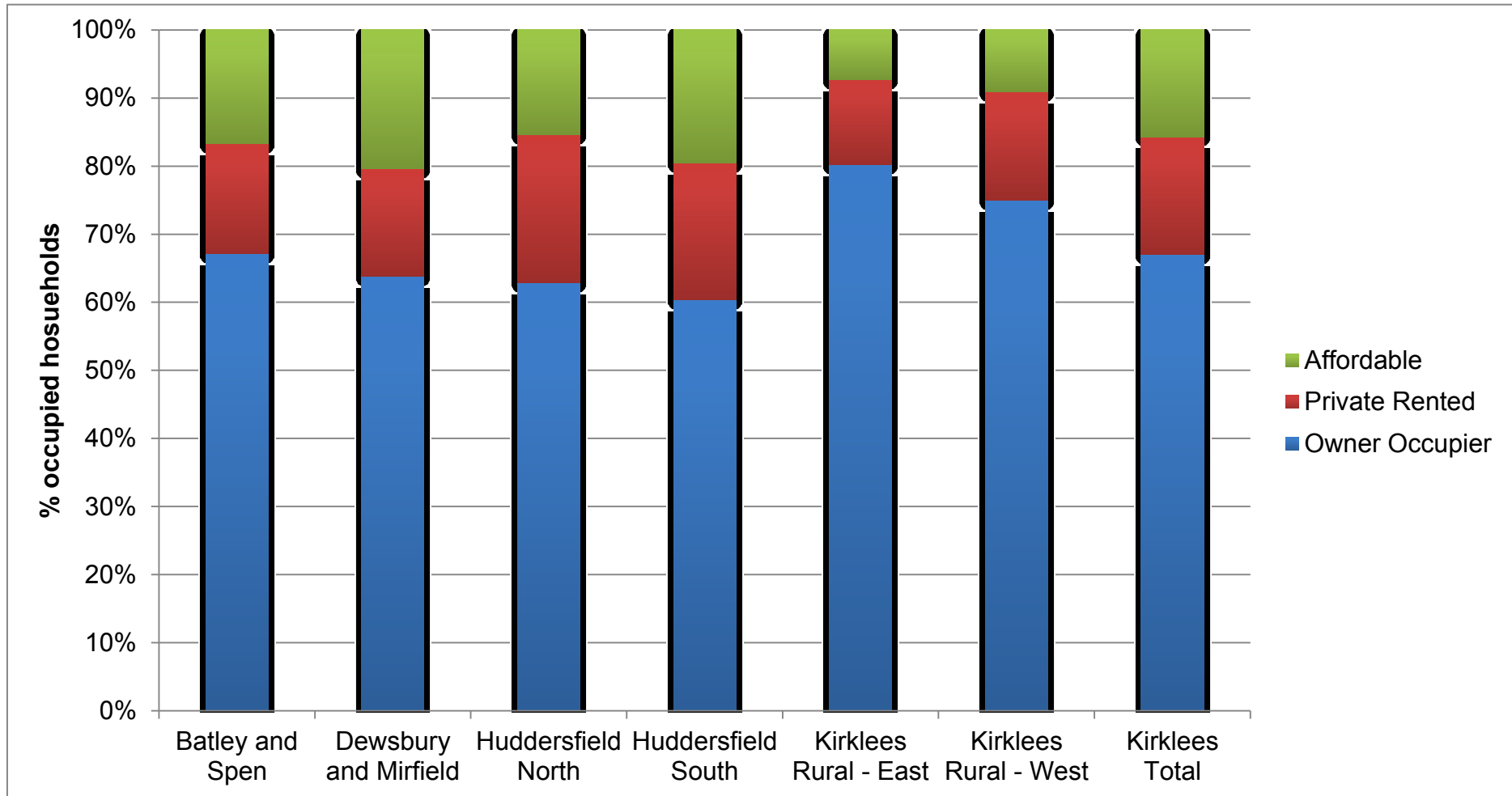


Source: 2015 Household Survey

5.11 Tenure profile varies across Kirklees (Figure 5.4). The proportion of owner occupied dwellings is highest in Kirklees Rural East (80.1%) and Kirklees Rural West (75.0%); private renting in Huddersfield North (21.7%) and Huddersfield South (20.1%); and social renting in Dewsbury and Mirfield (20.4%) and Huddersfield South (19.5%).



**Figure 5.4 Kirklees tenure profile by sub-area**



Source: 2015 Household Survey

## Tenure characteristics

### Owner-occupied market

- 5.12 67.0% (118,406) of households across Kirklees are owner occupiers. 36.9% of all households (65,248) own outright and 30.1% of all households (53,158) have a mortgage.
- 5.13 The household survey provides the following information on owner occupied stock:
- Most owner-occupied properties are houses, with 32.8% semi-detached, 27.0% terraced and 27.8% detached; a further 9.1% are bungalows, 2.7% flats/maisonettes and 0.6% other property types;
  - 46.1% of properties have three bedrooms, 27.7% have four or more bedrooms, 23.8% have two bedrooms and 2.4% have one bedroom;
  - Around 23.1% of owner-occupied stock was built pre-1919, 32.5% was built between 1919 and 1964; 24.3% was built between 1965 and 1984 and 19.9% has been built since 1985;
  - 84.0% of owner-occupier households are satisfied or very satisfied with the quality of their accommodation, 10.9% are neither satisfied nor dissatisfied and 5.1% expressed degrees of dissatisfaction.
- 5.14 Over the period 2000 to 2014, lower quartile and median house prices across Kirklees have increased dramatically as summarised in Table 5.4.
- 5.15 It is interesting to note that in 2000, a household income of £10,714 was required for a lower quartile price to be affordable; by 2014 this had increased to £25,714. In comparison, an income of £15,143 was required for a median priced property to be affordable in 2000 compared with £35,700 in 2014.

Kirklees	House Price (£)		Income to be affordable*	
	2000	2014	2000	2014
Lower Quartile	37,500	90,000	£10,714	£25,714
Median	53,000	124,950	£15,143	£35,700

Source: DCLG / Land Registry

\*Assuming a 3.5x income multiple

(Note this data shows the income required to be affordable; Table 3.2 refers to the actual Lower Quartile incomes of households in Kirklees)

- 5.16 A range of socio-economic and demographic information on residents has been obtained from the household survey. Some interesting observations relating to owner-occupiers include:
- In terms of household type, 29.0% of owner occupiers are couples with children, 27.1% are older (65 or over) singles and couples, 21.0% are

couples (under 65 with no children), 13.9% are singles, 5.3% are lone parents and 3.7% are other household types;

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

### *Views of estate agents*

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

- 5.22 Family homes that offer three or more bedrooms are the most sought after and parking and garden are viewed as 'essential'. The market for these properties is strong and these properties can sell within a matter of weeks of coming on the market.
- 5.23 Property prices remain consistent and offers have become more aligned with asking prices. Agents suggested this indicates positive trends for the market moving forward as it suggests confidence in the housing market is returning.
- 5.24 Agents were keen to stress that demand for properties overall has changed in recent years due to the vast increase in student demand. Investors place considerable preference on the properties that will present the highest rental yields often converting larger family homes and bungalows into self-contained flats as a way to capitalise on the student demand. Agents were concerned that this may negatively affect the housing stock within the area longer term if family needs are left uncatered for.
- 5.25 Investors are typically from outside of the area and will purchase rental properties that are managed by local agents. Agents noted that the area is also increasing in popularity amongst local investors as demand for rental property increases, most noticeably within the student market.

### Private rented sector

- 5.26 Nationally, the private rented sector has established itself as an important dimension of the housing market to complement owner occupation and social renting. The sector plays a major role in facilitating labour mobility. The sector is diverse in terms of the range of households it accommodates and the types of properties available. A report 'The Modern Private Rented Sector'<sup>44</sup> provides a useful overview of the sector. Drawing upon 2001 census data, it suggests that the private rented sector has five key roles:
- A traditional housing role for people who have lived in the private rented sector for many years;
  - Easy access housing for the young and mobile;
  - Providing accommodation tied to employment;
  - A residual role for those who are unable to access owner occupation or social renting;
  - An alternative to social rented housing (for instance those wanting to move to a different area but unable to do so through their social housing provider).
- 5.27 Given the range of roles of the private rented sector, there is a considerable diversity in the characteristics of private renting tenants. Evidence from the 2001 Census (Rhodes, 2006) indicates that nationally households living in private rented accommodation:
- tend to have younger Heads of Household;

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<sup>44</sup> 'The Modern Private Rented Sector' David Rhodes, 2006 University of York with CIH/JRF

- are ethnically diverse;
- singles, lone parents and other multi-adult households are over-represented compared with other tenures;
- people in professional and higher technical occupations are over-represented compared with other tenures;
- are more likely to be highly mobile geographically and turnover rates are high; and
- are more likely to accommodate international migrants.

5.28 The report 'The Private Rented Sector: its contribution and potential'<sup>45</sup> identified that the private rented sector is complex and distinct sub-markets include:

- Young professionals;
- Students, whose needs are increasingly being met by larger, branded, institutional landlords;
- The housing benefit market, where landlord and tenant behaviour is largely framed by housing benefit administration;
- Slum rentals at the very bottom of the PRS, where landlords accommodate often vulnerable households in extremely poor quality property;
- Tied housing, which is a diminishing sub-sector nationally but still has an important role in some rural locations;
- High-income renters, often in corporate lettings;
- Immigrants whose most immediate option is private renting;
- Asylum seekers, housed through contractual agreements with government agencies;
- Temporary accommodation, financed through specific subsidy from the Department for Work and Pensions; and
- Regulated tenancies, which are a dwindling portion of the market.

5.29 The report concludes that the PRS needs to become a flexible, well-functioning element of the housing market. To this end, its recommendations include:

- More policy to encourage a better understanding of managed rented housing and mandatory regulation of managing agents to ensure better quality management standards and Registered Providers should be encouraged to enter this market place;
- Initiatives to 'grow' the business of letting, encouraging smaller, good landlords to expand their portfolios and view this as a business;
- Equalising rental choice so low-income households can make a real choice between a social or private let and see both as being equally desirable;

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<sup>45</sup> The Private Rented Sector: its contribution and potential' Julie Rugg and David Rhodes, Centre for Housing Policy The University of York 2008

- Light-touch licensing and effective redress to encourage local authorities to target the very worst landlords and a permit/licence would be required by all landlords that would be revoked if the landlord did not meet statutory requirements on housing management and quality.
- 5.30 The private rented sector accommodates around 17.3% (30,576) of households across Kirklees. Of these households, 25,195 rent unfurnished properties, 4,434 rent furnished accommodation and 947 rent with their job (tied accommodation). Table 5.5 summarises the number of private rented dwellings by sub-area and the proportion of households living furnished, unfurnished rented and tied accommodation.
- 5.31 Most private rented properties (69.3%) are houses (of which 43.3% are terraced, 17.2% are semi-detached and 8.8% are detached); a further 23.4% are flats, 4.8% are bungalows and 2.6% are other property types. 25.5% of privately rented properties have one bedroom/bedsit, 37.5% have two bedrooms, 26.8% have three bedrooms and 10.2% have four or more bedrooms. Further analysis of private rented stock and household characteristics can be found at Appendix B.
- 5.32 The characteristics of tenants are diverse and in particular the private rented sector accommodates lone parents (15.7%), singles under 60 (26.5%), couples (no children) (23.9%) and couples with children (17.8%).
- 5.33 43.5% of private renting households have lived in their accommodation for less than two years. In terms of income, 47.9% of privately renting households receive less than £300 gross each week, 28.6% receive between £300 and £500 each week and 23.4% receive at least £500 each week, indicating that the private rented sector tends to accommodate lower income households. 66.0% of Household Reference People (Heads of Household) living in private rented accommodation are employed, 13.0% are wholly retired from work, 8.5% are permanently sick/disabled, 5.4% are unemployed and 5.3% are carers or looking after the home.
- 5.34 This report is accompanied by a separate report which considers the Private Rented Sector in Kirklees. Key findings from this study are now reported. The private rented sector in Kirklees has grown from 12.2% of households to 17.3% of households from 2001 to 2010 and in 2011 represented 30,027 households according to the 2011 census.
- 5.35 Overall, the total number of properties coming onto the market has increased from 1,769 in 2010 to 6,962 in 2014; an increase of 294%. Over the past five years flats represent 29.2% of the properties coming onto the market. Houses make up 70.8% of all properties. Since 2010, the proportion of flats that have come onto the market has reduced by around 5% and houses increased. This may illustrate a growing family market in the private rented sector which would be supported by agent feedback. The market is dominated by two bed properties (43.5%) with smaller proportions of smaller and larger properties coming onto the market. This may create shortages for families looking for larger properties and households looking for smaller properties, or those needing to downsize to access property. It will be useful to monitor this trend; potentially students may be house sharing or families may be using the private rented sector.

- 5.36 The urban and rural private rented markets are very different. The urban markets are quite extensive (for the locality) and operate conventionally with letting agencies and conventional private landlords. There are several hotspots, like Newsome, where students dominate – but generally this is a non-student market. The urban centres tend to be more overcrowded properties. The rural wards are much less likely to be overcrowded and tend to have older tenants. Notwithstanding age profile, tenants in the rural wards tend to have higher levels of employment. There is evidence of low levels of central heating and elements of a less conventional market in rural areas linked to tied housing and rent free living.
- 5.37 The market is buoyant and growth is driven by student demand and demand for family accommodation. Over 2010 to 2014, the average time it took to let property in Kirklees was eight weeks. This timescale includes notice periods, which we assume to be four weeks or one calendar month. Property is letting relatively quickly compared to other markets reviewed and this is supported by agent feedback.
- 5.38 The sector is distributed across all values and property types although there is a particular element of lower value stock, for example, Batley East, Crosland Moor and Netherton and Dewsbury West. However, there is higher value PRS in Kirkburton and median value PRS in Greenhead and Cleckheaton. This is a diverse market; acting as both an extension of the social rented sector and supporting an economically active market.
- 5.39 Over the past five years flats represent 29.2% of the properties coming onto the market. Houses make up 70.8% of all properties. Since 2010, the proportion of flats that have come onto the market has reduced by around 5% and houses increased. This is quite an unusual shift to see and may illustrate a growing family market in the private rented sector which would be supported by agent feedback.
- 5.40 The market is dominated by two bed properties (43.5%) with smaller proportions of smaller and larger properties coming onto the market. This may create shortages for families looking for larger properties and households looking for smaller properties, or those needing to downsize to access property. It will be useful to monitor this trend; potentially students may be house sharing or families may be using the private rented sector.



**Table 5.5 Profile of private rented sector in Kirklees**

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

Source: 2015 Household Survey

- 5.41 The average rent for a property in Kirklees from 2010-2014 was £477pcm. Since 2010, average rents in Kirklees have increased by 7%. This is high and a sign of a buoyant market but could also indicate an under supply of certain property types in certain locations. The LHA caps were forecast to increase by 1% in 2014 and 2015; the reality is that some increased by up to 4% but this is unlikely to continue. However, rent levels in Kirklees are increasing and so the current availability of properties within Local Housing Allowance is likely to reduce over the coming years as it has since 2010.
- 5.42 Since 2010, 25.2% of all properties coming to the market have been within the Local Housing Allowance caps and this has reduced since 2010. It is very likely that additional properties are available within Local Housing Allowance levels but that these are advertised locally through 'word of mouth' or directly through windows in properties etc. The difficulty with this is that those households that need to access properties with rents that are within Local Housing Allowance levels may struggle to find them as they are not widely advertised. The market is affordable with many households on lower income earnings being able to afford most areas. Median income earners can afford all areas. If LHA levels are increased by 10% there is a significant increase in the number of properties becoming available and suggests that landlords are using LHA caps to manage rent setting decisions, assuming that households will pay a proportion of the rent themselves.
- 5.43 There is a general balance of the market which suggests properties are being let as they come onto the market, however, rents are potentially being negotiated upwards for houses in this market. This could suggest an undersupply of/high demand for property in the authority.
- 5.44 Table 5.6 shows the monthly and annual gross income levels that would be required to rent at different property sizes. The rent levels are based on 2014 figures when lower quartile annual gross income was £18,476 and the average annual gross income was £24,939<sup>46</sup>. The market is relatively affordable. Households on lower quartile incomes can afford one and two bed flats and smaller houses. Households earning median income earnings can afford all property types with the exception of four bed properties.

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<sup>46</sup> ONS Crown Copyright Reserved

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

Source: Zoopla

Annual survey of hours and earnings - resident analysis

\* Treat with caution, based on small sample size

5.45 There is a general balance of the market which suggests properties are being let as they come onto the market, however, rents are potentially being negotiated upwards for houses in this market. This could suggest an undersupply of/high demand for property in the authority.

5.46 There is a market for executive housing. Rent levels vary depending on the area a property is in. Rent levels are lower the closer to Huddersfield a property is and agents noted that this was due to the limited demand here. The executive properties available tend to be smaller three or four bed properties and are usually much older when compared with other areas. Rental values for these properties are usually around £895-£950pcm and agents indicated that the highest rental value is capped at around £1200pcm. Properties towards the

north of Huddersfield command a high rental value as properties are usually bigger (4/5+ bedrooms), more modern and offer land. Rental prices here can range between £1000 - £1800 pcm. The executive market as a whole was viewed as steady and agents stated that they expected no particular expansion of the sector. Despite this, concerns were raised over the executive offer located closer to Huddersfield. All agents indicated that due to the high levels of student demand present in the area, many landlords are now converting the bigger properties into flats as this is more financially viable for them. Despite demand for executive property not being considered high, agents were concerned that if current trends continued, there would be very limited executive property left to cater to the current demand.

### *Estate agent views on the private rented sector*

- 5.47 Estate and letting agents operating across Kirklees were asked for their views on the private rental sector. The majority opinion was that rental growth within the area has always been fairly consistent. Agents were confident that this will continue. They indicated that this is partly due to a lack of affordability of owner-occupied properties in some of the more desirable parts of Kirklees, which has forced many to seek rental accommodation. In addition, there is significant demand from students.
- 5.48 Agents recognised three distinct markets:
- Student Demand – This falls within a one-mile radius of Huddersfield and student demand here is described as "very high". Investors are keen to invest; and
  - Family Demand – This is focused towards Lindley and the Colne Valley area where demand for family homes is strong in both the rental and sales market. Three bed semi-detached properties offering parking and gardens are considered the highest in demand;
  - Low End Demand – This is focused towards North Kirklees and is visible in areas such as Dewsbury and Batley low end rental demand is very high. Smaller one and two bed properties receive the highest demand due to the implication of the bedroom tax and single people, couples and low income households are considered most active in these markets.
- 5.49 Demand from families remains consistent. Agents noted that changes to family dynamics and a tough economic climate has left many unable or unsure about owning their own home. As a result, many now seek a rental property, particularly after a marital breakdown or when trialling a new family living format. Furthermore, agents believe that many families will seek rental properties despite owning their own homes to ensure they fall within school catchment areas. Agents suggested this trend was a concern as, if it was not managed carefully, it may create an imbalance in rental stock available.
- 5.50 The location of a property greatly affects demand levels. The Colne Valley and Lindley are the areas in highest demand amongst families who will often seek a rental property if they cannot afford to buy a home within the area. Families may also seek rental accommodation here as a temporary measure until a suitable property comes up for sale.

- 5.51 Agents believe that families in the area prefer to own their own home rather than rent; however, the economic impact has meant many have moved into rented accommodation, as they cannot afford to buy a bigger property and therefore opt to rent instead.
- 5.52 Demand at the lower end of the market is still high. Many agents indicated that this might pose a challenge for the area as most stated they did not support DSS applications due to bad experiences in the past. Furthermore, many mortgage agreements will now not allow landlords to let properties to benefit recipients or asylum seekers.
- 5.53 Properties will let on average within a week of coming on to the market. However, many will let within days due to the strong demand and most properties take no longer than one month to agree a letting. Agents highlighted that the rental market is often busiest in the summer, as students will seek properties ready for the academic year to start. They noted that during this time properties can be taken up within hours of coming on the market.
- 5.54 Students demand has not only increased in recent years but the types of properties in demand has now changed. A preference is now placed on purpose built apartments over shared homes. Agents believe this is due to an increase in international students who seek luxury, secure accommodation and UK students who are more selective about their living arrangements.
- 5.55 Properties are now being bought and converted into flats for students rather than being rented to professionals or families. Student lets present investors with a much higher rental return and agents indicated that investors actively seek student rentals to allow them to capitalise on the local demand. Agents were concerned that this could leave a gap in the market for family homes in both the sales and rental markets if it this trend continues to grow in the future.
- 5.56 A growing trend amongst British students is for parents to buy a property for their child for the duration of the time they are at University, renting the additional rooms to their student friends. Agents noted that this has become an increasingly popular investment option for parents as it allows them to ensure their child obtains a suitable property during studying. This is then sold or rented to other tenants once the child has completed their studies.

### ***Executive rental demand***

- 5.57 Agents were asked their views on the current status, performance and market trends within the executive PRS market across Kirklees. They noted that the way executive housing was defined or categorised would vary greatly depending on the area it was in and felt that this also influenced who it was that was looking for this type of property. Overall demand for executive property was described as “steady” but it was not noted as an area great growth or significance within the market at present. However, agents did note that despite being more expensive, Leeds, Harrogate and York tend to attract more executive demand due to their status and image.
- 5.58 The definition of an executive property varies greatly based on it’s location. Properties closer to Huddersfield are often older properties and are 3+ bedrooms and are typically a more traditional build often grade 2 listed

properties. By comparison, properties to the North of Huddersfield are typically larger and more modern. Most will offer 4+ bedrooms, 2 or 3 bathrooms and at least 1 reception room.

- 5.59 Agents believe that those who seeking property at this end of the market are far pickier in terms of what they expect from a property than within other areas of the market. This is likely due money not presenting a problem and/or companies subsidising the property. As a result, agents suggested that executive properties can often 'sit' on the market far longer and may have higher amounts of viewings when compared to the rest of the market.
- 5.60 Agents believe that it is not just those seeking property who can slow the process down and stated that landlords will often reject applications and look for the 'right tenant' to put in a property rather than focus simply on the financial return a tenant will offer. This tends to be very common in the older properties such as listed buildings. As a result, properties take around 2 + months to let – double the average maximum time to let in Kirklees.
- 5.61 Tenancy length can vary greatly depending on who is renting the property however agents noted this is typically between 6 and 12 months. This is typical where a family will trial the area or someone has moved for a work contract. Agents noted that the longer tenancies tend to be from locals who could not afford a larger property otherwise or via through companies who will let a property then allow workers to live here temporarily.
- 5.62 According to agents, the executive market is most active in the HD8 area North of Huddersfield such as Lyndley and Edgerton tend to receive the highest demand - Holmfirth was also noted as a popular location.
- 5.63 Agents suggested that the presence of larger, modern homes and excellent schools tend to appeal to families who may have never been able to access this type of property on the sales market or families from the South who want more for their money. Most relocators will rent a property to trial the area before they commit to buy. Equally, those who move from the South are happy to pay the higher rental values commanded by executive housing as this is still significantly cheaper when compared with property prices in the South.
- 5.64 Demand in central Huddersfield is noticeably lower. Agents noted that on average every 1/20 property they let is considered an, 'executive home'. Contract workers - particularly, doctors or foreign nationals who work part-time drive the demand in this area. Rental properties are often funded by or subsidised by companies and agents noted a growing trend towards long term 'company let's' to allow them to move workers in and out more freely.
- 5.65 The area faces great competition from surrounding localities with Leeds and Harrogate considered very popular. Agents noted that this was due their proximity to work and the perceived image and lifestyles offered in these areas. Agents also believe that due to the higher demand present in these locations, there is more choice in terms of executive homes for those seeking property resulting in many professionals favouring property in these locations.
- 5.66 To the North of Kirklees demand for and supply of executive housing is much lower. Agents note that any demand present for this type of housing typically favours owner occupation. Despite this, overall rental demand in these

geographies is considered good and is focused towards family homes, flats and smaller terraced properties.

- 5.67 Agents' highlighted areas such as Upper Batley, Birstall and parts of Mirfield offer a small number of executive homes however all stated that it is very rare these properties are available for rent. Any demand for executive housing in these geographies tends to be focused around different dwelling types than in other geographies. Low maintenance, luxury 2 bed flats typically receive the highest demand. For this type of property, Mirfield receive good demand due to its access to transport links and rural feel.
- 5.68 Agents noted that land is very desirable for those who seek property here and said that often anyone who is relocating from down South will find this very desirable as it offers stark contrast to what they have been able to obtain.
- 5.69 Rent levels also vary depending on the area a property is in. Rent levels are far more capped the closer to Huddersfield a property is and agents noted that this was due to the limited demand here. The executive properties available tend to be smaller 3 or 4 bed properties and are usually much older when compared with other areas – many are listed buildings. Rental values for these properties are usually around £895-£950PCM and agents indicated that the highest rental value is capped at around £1200. Properties towards the North of Huddersfield command a high rental value as properties are usually bigger (4/5+ bedrooms), more modern and offer land. Rental prices here can range between £1000 - £1500 PCM.
- 5.70 Ledgard Bridge Mill (Mirfield) offers an example of where the executive demand in geographies to the North of Kirklees is focused. Professionals who would typically seek executive homes in the area now often rent the more luxury 2 bedroom flats on offer in this development at rent levels of around £600PCM. Agents went on to note that many use the development as a "hotel" and stay during the week whilst they are away from their families and return home during the weekend.
- 5.71 The executive market as a whole was viewed as steady and agents stated that they expected no great changes to this. Despite this, concerns were raised over the executive properties located closer to Huddersfield. All agents indicated that due to the high levels of student demand present in the area many landlords are now converting the bigger properties into flats due to the greater rental yield this offers them. Despite demand for executive property not being considered high, agents were concerned that if current trends continued, there would be very limited executive property left to cater to the demand present.

### ***Low-end PRS***

- 5.72 Dewsbury and Batley hold strong rental markets due to higher rates of unemployment and lower income levels leaving most unable to buy. Agents note that no demand for or supply of executive homes is present in these localities.
- 5.73 Demand centres towards smaller properties that appeal to single people and local families. The demographic in these areas is typically localised and both boast strong Asian communities. The number of people in receipt of housing



benefit within these geographies is considered very high thus the reputation and image of these localities make it unlikely that demand for executive housing will ever be present.

- 5.74 These geographies hold good investor markets due to the high levels of PRS demand present although agents note that changes to the payment of tax credits have made some investors more cautious when allocating a tenant to a property and some have been put off all together.
- 5.75 Smaller properties offering 1 or 2 bedrooms receive the highest demand. Any properties that offer more than 2 bedrooms usually struggle to let due to the implications of the bedroom tax leaving these properties unaffordable. Flats and 2 bed-terraced properties receive the highest demand yet rents in these geographies are capped at around £400PCM.

### *Stakeholder views on the private rented sector*

- 5.76 The online stakeholder survey obtained the views of 41 representatives including Local Housing and Planning Authority representatives, Registered Social Landlords (RSLs), Supporting People representatives and developers. They were invited to answer a range of questions relating to the housing market in Kirklees.
- 5.77 There was a lower response rate to questions relating to the private rented sector. Respondents expressed a range of views in relation to the size of the private rental sector, with some considering it too small, some too big and others about the right size. Respondents who considered the private rented sector too large generally felt that younger people in particular were being forced into renting because they cannot afford to access owner-occupation and too few social rented units are being built. In many cases it is therefore not the tenure of choice, but necessity.
- 5.78 Typical characteristics of the private rental sector were identified as:
- Older, poorly quality and badly maintained;
  - Overpriced;
  - Predominantly in urban areas;
  - Smaller terraced houses;
  - Former Council houses;
  - Student accommodation;
  - Buy-to-let apartments; and
  - More recently, a greater range of dwellings in the private rented sector, including larger family-sized houses and executive homes.
- 5.79 Private rented properties were identified as being either distributed across the District, or focused predominantly in urban areas. Several respondents noted that older private rented stock was mainly in the poorer urban areas, with more expensive private rented properties in semi-rural areas.

- 5.80 There was limited knowledge amongst respondents regarding demand factors, and an acknowledgement that this varies between different areas of the District. In urban areas, north Kirklees, Dewsbury and Batley, there are smaller properties of poorer quality sustained by demand from migrant working populations. Town centres are considered to be a focus for students and young people, with higher rental prices found in the rural fringe.
- 5.81 There was a mix of views regarding the role of buy-to-let in the local market. Several respondents considered that demand for buy-to-let has increased and plays an important role in the housing market. A tendency towards flats and apartments, providing modern accommodation for professionals and university students, was noted.
- 5.82 Demand for homes in the private rented sector is seen as being driven by students; young people who cannot afford to buy a property; and low income households, including single parents. The expansion of the private sector means that it also provides short term accommodation for middle- and higher-income households moving into the area.
- 5.83 Several respondents noted that the introduction of the 'Bedroom Tax' has seen some households choosing to move from social housing into the private rented sector. The impact of the recession in terms of redundancies and people being unable to keep up the payments on their homes, resulting in selling or repossession, also meant that private renting became necessary for some households.
- 5.84 There was a general consensus amongst respondents that much of the private sector stock is of a low standard and in relatively poor condition. Several respondents considered that there is high demand for private rented housing from ethnic minority groups, but the majority of stakeholders were unsure or did not comment on this issue.
- 5.85 In terms of key strategic messages about the sector to be identified in the SHMA, stakeholders identified the following:
- Improved quality and standards;
  - Working with landlords on managing tenancies and maintaining properties in a good condition; and
  - Private rental housing should be affordable for people on low incomes.

### Affordable sector

- 5.86 There are around 27,338 households who live in an affordable (social rented or shared ownership) property across Kirklees, accounting for 15.5% of all occupied dwellings.
- 5.87 Flats/apartments and maisonettes account for 46.4% of occupied affordable dwelling stock, 38.7% are houses and 14.8% are bungalows. Affordable dwellings tend to have one (48.5%), two (35.3%) or three (15.4%) bedrooms, with a further 0.8% having four or more bedrooms.
- 5.88 35.0% of households living in affordable dwellings are singles under 60, a further 30.6% are older singles and couples, 10.3% are lone parents (children

under 18), 8.6% are couples with children under 18, 8.3% are couples/lone parents with adult children, 2.9% are couples with no children and 4.3% are other household types.

- 5.89 30.6% of Household Reference People living in affordable housing are in employment. A further 27.5% are wholly retired from work, 24.4% are permanently sick/disabled, 10.5% are unemployed, 6.3% look after the home/are caring for someone and 0.3% are in full-time education/training.
- 5.90 Incomes are generally low, with 84.3% receiving an income of less than £300 gross each week and 60.9% receiving less than £200 gross each week.

#### *Estate agent views on affordable housing*

- 5.91 Estate and letting agents were asked for their views on affordable housing in Kirklees.
- 5.92 Affordability was raised as a concern by agents who suggested that for many families and first time buyers this continues to remain an issue. Obtaining mortgages is challenging and agents were concerned that this may leave many stuck in the rental market indefinitely. Due to high demand for properties that fall within certain school catchment areas and the increasing rental demand, agents indicated that some are being priced out of the market.
- 5.93 Recent schemes for first time buyers have stimulated positive activity within the market. However, agents were unsure that this offered a true reflection of the first time buyer market as a whole. Agents believe the consumer profile of a first time buyer is now much older than it was three to five years ago and felt that due to them being older, they have had longer to save for a deposit. Agents felt that this may further indicate that affordability for younger first time buyers is still a problem.

#### *Stakeholder views on affordable housing*

- 5.94 The online survey of key stakeholders asked several questions relating to the provision of affordable housing in Kirklees. Below is a summary of the findings.
- 5.95 Decent homes standards were identified as having been met. Respondents represented organisations that manage a range of stock, from single bedroom flats in supported accommodation through to three- and four-bedroom family housing. Several respondents identified recent or existing affordable housing developments that they have been involved with.
- 5.96 Respondents considered there to be strong demand across the full range of affordable housing units. One respondent commented on seeing a lot of churn in one- and two-bedrooms, above the historical trend. The location of housing stock was also identified as a factor influencing demand. Aspley (close to Huddersfield Town Centre), sub-urban areas with family houses, Newsome and the rural south of the District were identified as popular areas. Affordable housing tenants have lower incomes; stakeholders also noted a recent trend towards a younger clientele, whilst more frail and vulnerable people are staying in properties for longer. An increase in customers with higher support needs has also been experienced.

- 5.97 Several respondents noted a significant Black and Minority Ethnic (BME) population within their affordable housing stock, predominantly with high demand and occupancy levels in specific locations where there is a correspondingly high resident BME population. One respondent commented that older BME representatives will often seek large family homes, whilst younger members of the community would like homes close to, but independent of, their parents. Another respondent said that there has been previous identification of overcrowding and invisible markets, where property is exchanged within communities rather than on the market. This latter challenge has been addressed by working to develop new large family homes. It was suggested that more knowledge of this area is required.
- 5.98 Antisocial behaviour was not generally identified as a significant problem. Problems occasionally arise, but no major factors were identified besides one respondent suggesting that it is more prevalent where there are high concentrations of flats with shared communal spaces, including high rise blocks. Tenant/customer satisfaction levels are generally considered to be relatively high.
- 5.99 In terms of key messages for the SHMA in respect of affordable housing stakeholders identified the following:
- A need for an increased supply of affordable housing;
  - A need for more sites for new development;
  - A need for a sustainable mix of homes and ownership products;
  - An appreciation of hidden households who do not understand social housing options, or see it as an option for them; and
  - An acknowledgement that growth in the economy is also needed to begin to address affordable housing needs.

## Self-build

- 5.100 The NPPG (para 021 Reference ID 2a-021-20150326) states that the Government wants to enable more people to build their own homes and wants to make this form of housing a mainstream housing option. The characteristics of households considering self-build are summarised in Table 5.7.
- 5.101 The household survey identified 2,613 households who would be interested in self-build (although only 128 expected to move to a self-build property). Table 5.8 presents the range of property types and sizes households interested in self-build would like and expect to move to.
- 5.102 There was a particular aspiration for detached properties (92%) and properties with three or more bedrooms. However, households were more likely to expect to move to a semi-detached property and properties with three or four bedrooms.

<b>Table 5.7 Characteristics of households considering self-build</b>			
<b>Location</b>	<b>Currently live %</b>	<b>First preference %</b>	
Batley and Spennings	20.4	12.2	
Dewsbury and Mirfield	8.9	3.1	
Huddersfield North	13.9	11.2	
Huddersfield South	12.7	9.0	
Kirklees Rural - East	10.9	6.4	
Kirklees Rural - West	33.1	26.5	
Outside Kirklees		31.6	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	
<b>Household Type</b>	<b>%</b>	<b>Economic activity</b>	<b>%</b>
Single Adult (under 65)	17.3	In employment	84.2
Older singles/couples	2.8	Retired	15.8
Couple only (both under 65)	32.7	Total	100.0
Couple with children	35.5	<b>Main reason for moving</b>	<b>%</b>
Lone Parents	9.5	Want larger property	63.4
Other	2.2	Want to buy	9.0
		Need housing suitable for older / disabled person	6.3
		Other reasons	21.3
<b>Total</b>	<b>100.0</b>		<b>100.0</b>
<b>Current tenure</b>	<b>%</b>	<b>Current income (Gross weekly)</b>	<b>%</b>
Owner occupied	72.9	Under £200	7.0
Rented privately	27.1	£200 to <£500	28.8
		£500+	64.3
<b>Total</b>	<b>100.0</b>	<b>Total</b>	<b>100.0</b>

5.103 The characteristics of households considering self-build (Table 5.7) indicates that there is a particular preference for self-build in Kirklees Rural – West; from couples and couples with children; from households with an economically active household reference person; from households wanting to move to a larger property; from households who are currently owner occupiers and from households with an income of at least £500 each week.

**Table 5.8 Dwelling type and size aspirations of households considering self-build property**

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

Base: 2272 responses

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

Base: 2466 responses

## Executive housing

5.104 Although it is difficult to define executive housing, distinctive features include:

- High property values linked to desirable locations, with high incomes/equity required to support the purchase; and
- High quality construction including exterior and interior fittings.

5.105 This SHMA has sought to investigate the requirements for executive housing through a review of existing provision, stakeholder discussions and analysis of household survey evidence. Overall, in Kirklees, executive housing provision could have a role in response to the need for diversification and expansion of the sub-regional economy and in contributing towards achieving wider population and economic growth objectives for the Region.

5.106 Key stakeholders highlighted a tendency for new development to be overly focused on executive housing in Kirklees. There was a general concern expressed amongst stakeholders that new-build supply is targeted at four-bedroom, detached, executive-style housing, whereas this is not the genuine demand profile of residents within the District. They noted the need to improve

the housing offer in order to attract and retain economically active households. However, stakeholders considered that existing demand is for smaller, more affordable units focussed on lower-income families, newly-forming households and older people. Several respondents were unsure whether demand for new-build housing was from households currently living within the area or from in-migration. Variations across the District were noted, e.g. commuters from Leeds and Sheffield settling in the southern areas of Kirklees, where there is easy access to the M1. Executive housing in these parts of the District can therefore play a role in attracting commuters to settle in Kirklees.

- 5.107 The Household Survey can be used to explore the housing options being considered by higher income groups (with a weekly income of at least £950). Although the executive housing market is a niche market, reviewing the housing aspirations of high income groups is an appropriate way of investigating the potential demand for executive housing.
- 5.108 The household survey identifies 23,203 households with an income of at least £950 each week. Of these households, 2,294 are intending to move in the next five years. Of this group of high income households, a majority (81.6%) stated a first preference location within Kirklees. The most popular sub-areas identified were Huddersfield North (27.4%) and Kirklees Rural West (17.3%).
- 5.109 In terms of dwelling preferences, likes and expectations are summarised in Table 5.9. This indicates strongest aspiration towards detached and semi-detached houses with three or more bedrooms. In reality, however, more households expect to move to terraced houses, bungalows and flats/apartments than aspire to.
- 5.110 In terms of reasons for moving, most frequently mentioned are wanting a larger property (55%) and wanting to buy (16.2%). Overall 64.3% stated their first choice location as being within Kirklees (with 27.4% stating Huddersfield North and 17.3% Kirklees Rural West). A challenge is to provide aspirational housing for higher income groups, particularly houses with at least 3 bedrooms, to ensure that this population is retained, and also to attract mid to upper income households from elsewhere.



<b>Table 5.9 High income household dwelling aspirations and expectations</b>						
<b>Like/Aspiration</b>						
<b>No. Beds</b>	<b>Property type (Table %)</b>					<b>Total</b>
	<b>Detached house</b>	<b>Semi-detached house</b>	<b>Terraced house</b>	<b>Flat/ Apartment</b>	<b>Bungalow</b>	
One						<b>0.0</b>
Two	7.8	14.8	9.7	1.2	3.7	<b>37.1</b>
Three	13.6	16.0			7.3	<b>36.9</b>
Four	15.8	5.1				<b>20.9</b>
Five or more	5.0					<b>5.0</b>
<b>Total</b>	<b>42.2</b>	<b>36.0</b>	<b>9.7</b>	<b>1.2</b>	<b>11.0</b>	<b>100</b>
<b>Expectation</b>						
<b>No. Beds</b>	<b>Property type (Table %)</b>					<b>Total</b>
	<b>Detached house</b>	<b>Semi-detached house</b>	<b>Terraced house</b>	<b>Flat/ Apartment</b>	<b>Bungalow</b>	
One				5.3		<b>5.3</b>
Two	2.7	5.4	9.9	6.5	7.3	<b>31.9</b>
Three	13.9	7.8	20.0		10.6	<b>52.3</b>
Four	5.3	5.2				<b>10.5</b>
Five or more						<b>0</b>
<b>Total</b>	<b>21.9</b>	<b>18.4</b>	<b>29.9</b>	<b>11.8</b>	<b>17.9</b>	<b>100</b>

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

Source: 2015 Household Survey

5.111 In terms of reasons for moving, most frequently mentioned are wanting a larger property (55%) and wanting to buy (16.2%). Overall 64.3% stated their first choice location as being within Kirklees (with 27.4% stating Huddersfield North and 17.3% Kirklees Rural West). A challenge is to provide aspirational housing for higher income groups, particularly houses with at least 3 bedrooms, to ensure that this population is retained, and also to attract mid to upper income households from elsewhere.

## Suggested future development profile of market dwellings

5.112 The current stock of open market dwellings is summarised in Table 5.10, along with aspirations and expectations by housing type and size. Table 5.11 then suggests an annual profile of dwellings to be built to reflect the current stock profile, household aspirations and expectations.

<b>Table 5.10 Open market dwelling stock and preferences</b>			
<b>Dwelling type/size</b>	<b>Dwelling stock, likes and expectations</b>		
	<b>Current Private Stock %</b>	<b>Like %</b>	<b>Expect %</b>
Detached house/cottage 1-2 Beds	1.4	4.5	3.4
Detached house/cottage 3 Beds	7.0	19.8	12.7
Detached house/cottage 4 or more Beds	15.6	19.4	12.2
Semi-detached house/cottage 1-2 Beds	5.0	4.1	6.6
Semi-detached house/cottage with 3 Beds	19.7	11.6	18.8
Semi-detached house/cottage 4 or more Beds	4.9	4.2	5.9
Terraced house/cottage 1-2 Beds	15.1	5.9	9.2
Terraced house/cottage 3 Beds	12.3	2.2	5.3
Terraced house/cottage 4+ Beds	3.0	1.0	2.2
Bungalow 1-2 Beds	4.9	11.9	9.5
Bungalow 3 Beds	2.6	7.6	4.8
Bungalow 4+ Beds	0.7	0.6	0.4
Flat/Apartment 1 Bed	3.1	2.2	4.9
Flat/Apartment 2 Beds	3.6	4.3	3.3
Flat/Apartment 3+ Beds	0.3	0.1	0.6
Other 1-2 Bed	0.7	0.2	0.3
Other 3+ Bed	0.3	0.4	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Base</b>	<b>147809</b>	<b>31411</b>	<b>27570</b>

Source: 2015 Household Survey

<b>Table 5.11 Open market dwelling stock and preferences</b>			
<b>Dwelling type/size summary</b>	<b>% Profile of new dwelling stock based on:</b>		
	<b>Current stock</b>	<b>Like</b>	<b>Expect</b>
House 1/2 Beds	21.5	14.4	19.2
House 3 Beds	38.9	33.7	36.8
House 4 or more Beds	23.4	24.6	20.3
Bungalow	8.2	20.1	14.7
Flat	7.0	6.6	8.8
Other	0.9	0.5	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Base</b>	<b>147809</b>	<b>31411</b>	<b>27570</b>

Source: 2015 Household Survey

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

5.114 Table 5.12 considers the current dwelling stock profile of open market dwellings by sub-area and then the extent to which this varies from the stock profile based on the aspirations of households planning to move (using District-level

data). Where cells are colour coded: a green spot indicates that the current proportion of dwelling stock is greater than the aspiration for that dwelling stock; a red spot indicates that the proportion of dwelling stock is lower than the aspiration. Therefore a red spot suggests there is a lack of that particular type of dwelling type and size in the sub-area.

**Table 5.12 Comparison between current dwelling stock and market aspirations / expectations**

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

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

Source: 2015 Household Survey

## Past trends in housing delivery

5.115 Over the past 11 years 2004/5 to 2013/14 there has been a net completion of 10,611 dwellings. This equates to an annual average of 965, with 85.6% of completions market housing and 14.3% affordable housing. (Table 5.13).

Year	Market	Affordable	Total
2004/05	1256	93	1349
2005/06	1005	69	1074
2006/07	2139	122	2261
2007/08	2198	83	2281
2008/09	894	204	1098
2009/10	477	215	692
2010/11	782	192	974
2011/12	659	214	873
2012/13	485	268	753
2013/14	716	320	<b>1036</b>
<b>Total (10 yrs)</b>	<b>10611</b>	<b>1780</b>	<b>12391</b>
<b>Annual average</b>	<b>1061</b>	<b>178</b>	<b>1239</b>

Source: Kirklees Council Planning Department and Annual Monitoring Report 2013/14

## Key market drivers

5.116 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic, economic and dwelling stock characteristics, as summarised in Table 5.14.

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

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

- An increasing population, with ONS 2012-based population projections (Table 5.15) indicating an increase of 13.4% from 430,800 in 2014 to 488,400 by 2037;
- Over the period 2014 to 2037, the number of residents aged under 65 will increase by 5.1% from 359,400 in 2014 to 377,700 in 2037. The number aged 65+ will increase by 55.0% from 71,400 in 2014 to 110,700 in 2037;
- The 2015 Household Survey indicates that the following range of household groups currently live in Kirklees: singles under 65 (19.4%); couples (under

65 with no children) (18.7%); couples with children under 18 (16.3%); couples with adult children (8.0%); couples 65 or over (14.0%); singles aged 65 or over (10.9%), lone parents with children under 18 (5.5%); lone parents with adult children (3.2%) and other household types (4.1%);

**Table 5.15 Projected population change, 2014 to 2037**

Age Group	2014	2021	2037	Change 2014-37
0-14	82,100	87,400	89,500	9.0
15-39	139,100	141,900	149,700	7.6
40-64	138,200	139,600	138,500	0.2
65+	71,400	81,700	110,700	55.0
<b>TOTAL</b>	<b>430,800</b>	<b>450,600</b>	<b>488,400</b>	<b>13.4</b>
% aged 65+	16.6	18.1	22.7	
% aged 75+	7.1	7.2	7.3	

Source: ONS 2012-based population projections

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

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

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

- 76.9% of properties are houses, 13.1% are flats/maisonettes, 9.2% are bungalows and 0.8% are other property types (e.g. caravans);
- 13.7% have one bedroom/bedsit/studio, 27.9% have two bedrooms, 38.0% have three bedrooms and 20.4% have four or more bedrooms;

- 22.5% of properties were built before 1919, a further 15.9% were built between 1919 and 1944, 17.1% between 1945 and 1964, 23.5% between 1965 and 1984, 13.9% between 1985 and 2004 and 7.0% have been built since 2005;
- 67.0% of properties are owner-occupied, 17.3% are private rented/tied accommodation, 13.7% are rented from a social landlord and 1.8% are intermediate tenure;
- There is a particularly strong aspiration for houses.

### *Stakeholder views on housing market drivers*

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

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

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

5.122 The following market weaknesses were identified by stakeholders:

- Mismatch between demand and supply in the housing market, with an oversupply of executive housing and an undersupply of two-bedroom properties and homes for older and special needs residents;
- Affordability – housing costs (to rent or buy) relative to wages;
- Infrastructure;
- Development finance constraints;
- Perception of poor planning regulation, including the use of brownfield-vs-greenfield land;
- Dominance of open-market developers, including the strength of the executive homes market;
- Affordable housing development dependent on the private sector;

- Lack of a professionalised private rented sector and owner-occupiers unable to afford the upkeep of their own properties (reference to the recent Private Sector Stock Condition Survey);
  - Weak housing market areas - poor quality, outdated houses on main road corridors which saturate the market and are popular for first-time buyers but unsuitable for larger families and hard to improve; relatively unattractive market prospects around inner urban areas and east Dewsbury; and
  - Areas of deprivation and market failure.
- 5.123 Respondents identified a number of characteristics in the current housing market in Kirklees. Whilst variations across the area were acknowledged, several respondents commented upon the popularity of developers providing larger, executive housing. A trend towards providing student accommodation in Huddersfield was also noted. However, one respondent noted that the housing market in the area would seem to be driven by supply rather than demand.
- 5.124 In terms of demand, the majority of respondents focused upon the needs of local residents. On the one hand, the need for specialist and elderly accommodation, to provide for the changing requirements of households over time and to allow for older individuals and couples to downsize and release larger properties to the market. On the other hand, there was an acknowledgement of the affordability problems faced by younger people in particular. Emerging households and growing families cannot always afford to access market housing, and private rented accommodation is perceived as expensive especially compared with the low average wages.
- 5.125 Overall demand for decent, well designed homes for families, young people, single people with high needs and elderly people was identified as important. Hidden and suppressed demand was identified by some respondents, relating to the many potential first time buyers who are constrained from entering the property market due to house prices and an inability to secure sufficient funds for a deposit.
- 5.126 Respondents noted the significant variation in house prices across the District. This mixed picture is also seen in terms of house price change, with little change in inner city and urban areas but some upward movement in attractive suburban areas and executive homes. Most respondents commented on the relative stagnation in prices over recent years, although this followed huge increases from 2000-2007/08.
- 5.127 The significance of access to mortgage finances was noted by several respondents, affecting households' ability to meet their needs through owner-occupation in the open market. Schemes such as Help-to-Buy should make mortgages available to more people, but the banks are perceived as making it increasingly difficult.
- 5.128 When asked if affordability was an issue in Kirklees, the vast majority of respondents considered that this was a problem. There was a general consensus that affordability varies in extent across the District. However, several respondents also noted that where house prices are lower it is often in pockets of low demand and low quality. Also, in areas where house prices are



lower, such as the urban areas of Dewsbury and Huddersfield, incomes are even lower. Hence, affordability remains a problem.

5.129 One respondent commented that a virtually static social housing stock means that for many people on low incomes private renting is or will be the only option. The affordability of decent-quality private rented accommodation is therefore a key issue.

5.130 Stakeholders were asked to rank a range of priorities as high, medium or low. Their responses are summarised in Table 5.16.

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

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

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

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

- A significant shortage of all types of housing across Kirklees compared with demand (except flats), with a failure to deliver against regional targets. This has amplified issues of affordability and availability;
- Kirklees does not have an identified five-year housing land supply so building homes for sale and rent is a high priority;
- Need to deliver a balanced housing market to support sustainable economic growth;
- An increased supply of all types of housing would improve general affordability in the housing market (including open market sale and rental properties);
- Lack of affordable housing to meet the demand of the housing register;
- Lack of affordable homes to buy (shared ownership, shared equity);
- Lack of housing for younger people - newly forming households still living with families;
- Many low income households;
- High private rents (often higher than monthly mortgage repayments) preventing people from saving for a mortgage deposit;
- Ageing population and increased number of special needs persons living in the community;
- Housing for elderly people and with access for all would encourage singles and couples to downsize, freeing up existing larger family properties and reduce the impact on greenfield and Green Belt sites; and
- There is a lot of poor housing stock in Kirklees, across all sectors (especially private rented housing), which requires improvement. Improvements to existing stock would also reduce the impact on the environment.

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

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

## Current households in need

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

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

5.136 The 2015 Household Survey and a range of secondary data provide the robust and transparent evidence base required to assess housing need across the Kirklees District area. This is presented in detail at Appendix B of this report and follows CLG modelling guidance.

5.137 Across Kirklees there are 18,738 existing households in need which represents 10.6% of all households. Reasons for housing need are summarised in Table 5.17.

Table 5.17 Housing need in Kirklees		
Category	Factor	Kirklees Total
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	2,122
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	2,383
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	5,390
	N4 Too difficult to maintain	3,337
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	3,467
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	3,684
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	174
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	1,252
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	1,519
<b>Total no. households in need (with one or more housing needs)</b>		<b>18,738</b>
Total Households		176,628
<b>% households in need</b>		<b>10.6%</b>

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

Source: 2015 Household Survey

5.138 Table 5.18 summarises overall housing need (before further analysis to test the extent to which households can afford open market provision to offset their need) by sub-area and the extent to which housing need varies across Kirklees. The proportion of households in need is highest in Huddersfield South (14.1%) and lowest in Kirklees Rural East (7.4%).

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

Source: 2015 Household Survey

5.139 Tables 5.19 and 5.20 demonstrate how the proportion of households in housing need varies by tenure and household type for Kirklees. Those in tied accommodation, private renters and those in intermediate housing tend to be in greater housing need; along with other household types, couples with three or more children and lone parents with three or more children. The research identifies around 19,800 households with adult children living with parent(s), which provides a broad indication of the scale of hidden housing need (of whom 2,885 are classified as being in need, see Table 5.20).

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

Source: 2015 Household Survey

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

Source: 2015 Household Survey

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

## Affordable housing requirements

5.140 A detailed analysis of the following factors determines overall affordable housing requirements:

- Households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need);
- New households forming who cannot afford to buy or rent in the market;
- Existing households expected to fall into need;
- The supply of affordable housing through social renting and intermediate tenure stock.

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

5.142 In addition to establishing the overall affordable housing requirements, analysis considers the supply/demand variations by sub-area, property designation (i.e. general needs and older person) and property size (number of bedrooms). Analysis provides a gross figure (absolute shortfalls in affordable provision) and a net figure (which takes into account surplus accommodation relative to need).

5.143 Modelling indicates a gross imbalance of 2,512 affordable dwellings each year (Table 5.21), but after taking account of annual affordable supply (for instance through relets and resales of intermediate tenure dwellings), the net imbalance is 1,049 affordable dwellings each year across Kirklees District as shown in Table 5.22.

5.144 Analysis is based on the next five years and in the absence of any updated information this should be extrapolated forward to cover the plan period to 2031

**Table 5.21 Gross annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19**

Ward	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Batley and Spen	389	258	51	698
Dewsbury and Mirfield	180	213	11	404
Huddersfield North	261	153	1	415
Huddersfield South	299	179	46	525
Kirklees Rural - East	114	17	9	140
Kirklees Rural - West	276	7	46	329
<b>Total</b>	<b>1520</b>	<b>828</b>	<b>164</b>	<b>2,512</b>

Sources: 2015 Household Survey; RP CORE Lettings and Sales

Note: Numbers may not sum correctly due to rounding

**Table 5.22 Net annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19**

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

Sources: 2015 Household Survey; RP CORE Lettings and Sales

Note: Numbers may not sum correctly due to rounding

## Tenure split

5.145 In terms of the split between social rented and intermediate tenure products, the household survey identified tenure preferences of existing and newly-forming households and also the extent to which intermediate tenure products could be afforded.

5.146 Table 5.24 indicates that existing households in need mainly considered social/affordable renting as a preferred tenure option but newly-forming households were open to both renting and intermediate tenure options.

**Table 5.24 Tenure preferences of existing households in need and newly-forming households requiring affordable housing**

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

Source: 2015 Household Survey

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

### Property type preferences

5.148 Analysis of property type preferences (Table 5.25) suggests that a range of dwellings are required, with 71.1% preferring houses, 20.6% flats/apartments and 12.4% bungalows.

**Table 5.25 Property type preferences**

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

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

Source: 2015 Household Survey

## Estimates of household groups who have particular housing requirements

### Introduction

5.149 There are a range of household groups who have particular housing requirements and this chapter focuses on the needs of families, older people and people requiring specialist support.

### Families

5.150 Families (that is couples and lone parents with children) account for around 21.8% of households across Kirklees. A further 11.2% are couples and lone



parents with adult children (aged 18 or over) living with them. The current dwelling profile and market aspirations of families are summarised in Table 5.26. This suggests a strong aspiration from families for houses with either three bedrooms or four or more bedrooms, with slightly more expecting to move to houses with three bedrooms than would like to and slightly less moving into houses with four or more bedrooms than would prefer to. More expect to move into houses with one or two bedrooms than would aspire to, and less expect to move into bungalows than would like this type of housing.

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

5.151 In terms of housing need (Table 5.20), compared with the overall proportion of households in need of 10.6%, 37.5% of couples with three or more children and 20.3% of lone parents with three or more children were in housing need. However, couples with one or two children were much less likely to be in housing need (3.3%). Modelling of affordable housing requirements suggests that a range of affordable dwellings are required which will help to address the needs of families.

## Younger People

5.152 Across Kirklees, there are around 84,000 younger people, that is people aged 15-29 who represent 19.7% of the total population. The household survey identifies a total of 10,098 households with a Household Reference Person aged 16 to 29. Of these households:

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

5.153 Almost half (44.9%) of younger people intend to move in the next five years. A majority of these households would consider owner occupation and 55.7% stated this was the most likely tenure they would move to (Table 5.27). Private renting was considered by 42.6% of households and 22.4% expect to move to a private rented dwelling. Although 30.4% would consider social/affordable renting only 3.9% expected to move to that tenure. There was also a degree of interest in intermediate tenure options (18.5% would consider) but only 3.9% expected to move to that tenure. There was also some interest in self-build (9.9% of households) but none expected to move into self-build.

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

5.154 Table 5.28 considered the type and size preferences of younger people planning to move and compares this with the current profile of dwellings lived in by younger people. In terms of current profile, 40% live in smaller one and two bedroom houses, 35% live in larger houses (three or more bedrooms) and 21.5% live in flats. Younger people expressed a particular aspiration for houses, with 56.3% aspiring towards a three bedroom and 24.7% a four or more bedroom dwelling. Most expected to move to a house, but larger proportions expected to move to a smaller house (with one or two bedrooms).

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

## Older people

5.155 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Kirklees area aged 65 or over is projected to increase by 39,300 from 71,400 in 2014 to 110,700 by 2037 (55.0% increase). The Council has prepared an Accommodation Strategy for Older People<sup>47</sup> which recognises that:

- The demography of the local population will lead to a substantial and wide-ranging increase in the needs of older people over the next 20 years;
- Without changes to current accommodation and social care arrangements, it will become increasingly difficult, and ultimately unfeasible, to support local older people to live independently;
- The range of services provided to help our aim of independent living require strategic and commissioning attention – underpinned by robust data for planning;
- The supply of future mainstream housing stock will need to expand substantially, with the equivalent of half of all new provision needing to reflect the widely varying needs of an ageing population, based on high quality data and evidence;
- Services to support mainstream living will be of particular importance in future;
- The supply and range of specialist accommodation, such as extra care and sheltered housing will need to increase;
- A recognition that residential care will remain appropriate for a core group of people with very high needs, but that the quality of much of this accommodation needs to be brought up to a higher standard to meet the needs and expectations of today's clients;
- An improved range of varied and viable alternatives to residential care needs to be developed in the context of greater choice in community living and retention of independent forms of supportive and caring accommodation, which leave people with their own front door;
- Diverse needs and the predicted growth in ageing Black and Minority Ethnic (BME) communities of Kirklees should be reflected in the development of accommodation choices; and
- The need for comprehensive information and advice services which support older people to make and plan appropriate future accommodation choices.

5.156 As set out in Table 5.29, the majority of older people (65.1%) want to stay in their own homes with help and support when needed. Around 24.0% would consider buying a property on the open market, 18.5% would consider renting

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<sup>47</sup> A Place to Live Life to the Full: Accommodation Strategy for Older People of Kirklees 2010-2015

from a housing association, 18.1% would consider renting sheltered accommodation and around 14.4% would consider renting extra care housing. This evidence suggests a need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

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

5.157 The range of assistance required from older person households is explored in Table 5.30. Particularly noted is the need for help with gardening (39.4% of older households stated this help is needed either now or in the next five years), help with repair and maintenance of the home (33.9% of 65+ households stated this help is needed either now or in the next five years) and help with cleaning (28.2%) and other practical tasks (23.3%).

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

Source: 2015 Household Survey

5.158 In terms of adaptations (Table 5.31), most frequently mentioned were adaptations to the bathroom (13.3% of older households), internal handrails (9.6%) and external handrails (8.1%). Resources for aids and adaptations remain tight, particularly for households in the private sector. Alternative sources of funding, such as equity loans, should be considered to finance remedial measures required by older person households.

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

Source: 2015 Household Survey

### General support requirements

5.159 The 2015 Household Survey provided evidence of the need for particular adaptations across all households. Particularly noted are more insulation (14.1%), double glazing (12.2%) and security alarms (8.7%) (Table 5.31).

5.160 Overall, 4.9% of all properties across Kirklees had been adapted or purpose built for a person with a long-term illness, health problem or disability. 7.5% of all households said they required care or support to enable them to stay in their current home; this rose to 14.3% amongst households in affordable housing. 61.9% of households stated that there was sufficient space for a carer to stay overnight if this was needed; but across the affordable (social) rented sector this fell to 32.5%.

5.161 The household survey also provides information on the need for other forms of assistance (Table 5.30), highlighting the particular need across all households

for help with repair and maintenance of the home (24.1%) and gardening (20.2%).

### Ex-Forces housing

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

### Specialist support requirements

5.163 The SHMA seeks to provide a general overview of supported housing issues and has sought the views of stakeholders on priorities.

5.164 Table 5.32 summarises the type of client groups accommodated in Housing Association dwellings across Kirklees area over the three year period 2010/11 to 2012/13. Data indicates that a range of groups are accommodated in RP specialist provision, most notably older people with support needs, people at risk of domestic violence and single homeless people with support needs.

**Table 5.32 Client groups accommodated in Registered Provider sector in Kirklees 2010/11 to 2012/13**

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

Source: Supported CORE lettings data

### *Stakeholder views on specialist housing provision*

5.165 The online survey asked key stakeholders for their views on the provision of specialist housing in Kirklees. Several respondents have direct involvement in

the provision of specialist housing for elderly people, adults with learning or mental health difficulties and other vulnerable groups. Respondents identified that their ability to deliver services to Supporting People households has been adversely affected by funding reductions, with a need to “do more with less”. In terms of changes in client groups, an increase in age-related challenges and high-need clients were both noted.

5.166 Several barriers to the delivery of new specialist housing provision were identified by stakeholders:

- Land availability and price, and site topography;
- Developers not implementing planning permissions due to viability issues;
- Developers focused on private care schemes;
- Insufficient intense support or supported living available, so people with high and complex needs are unable to sustain their tenancies; and
- High void costs if properties are unoccupied.

5.167 In terms of housing stock shortages for independent living, the following were specifically mentioned by stakeholders: extra-care, extra-care for the elderly, supported housing for younger people and adapted stock. Villages in the south of Kirklees and the Marsh area were both identified as locations where there are stock shortages. Barriers to the adaptation of existing properties include cost and the inflexibility of much of the older housing stock. In addition, one respondent noted that a housing allocation has to be made in order to attract the grant for adaptation work, which then takes time to implement.

5.168 Over the past three years there has been an increase in demand for services from older people in particular. Stakeholders identified that the following housing should be built to meet their requirements:

- Bungalows,
- Extra-care,
- Sheltered housing,
- Adaptable stock, and
- Lifetime homes.

5.169 In order to meet the requirements of people with additional needs (physical disabilities, mental health issues, etc), respondents suggested that more supported, shared housing could be provided. This could include, for example, independent living communities with a carer’s flat or similar on-site resources. The importance of location was noted, allowing people to be in easy reach of families, friends and their support network.

5.170 In terms of key messages for the SHMA, respondents said that a clear understanding of elderly and specialist housing needs should be identified, along with a commitment to develop more suitable stock and increased housing options. The importance of including such housing within larger schemes was noted by two respondents, promoting mixed and inter-generational communities rather than segregated housing provision.



### *People experiencing mental health problems*

5.171 The Council have prepared a strategy for accommodation for people who experience mental health problems<sup>48</sup>. The strategy is based on three major principles:

- Individuals who experience mental health problems should not have to undergo a change in accommodation to receive the level of care and / or support that they need at any particular time and a range of options should be available with regards to having a place to live;
- The focus on independence and autonomy should not be lost for individuals who do require periods of support within specialist accommodation services; and
- Support solutions for individuals should be co-produced with those individuals.

5.172 Regarding levels of support, the strategy proposes an increase in the number of people receiving low (up to 4 hours), medium (4 to 8 hours) and high levels (8-12 hours) of floating support; increase the number of adult/family placements through 'shared lives'; and increase capacity of Registered Care Homes, Staffed Group Homes and 24 hour Nurse Staffed Care.

5.173 Community provision from both health, housing support services and social care to support people to remain in their accommodation and manage their mental health will need to be in place to support people through short or longer term needs. There may be periods when due to an individual's health needs an admittance to hospital, or into a period of respite care may be necessary and the role community provision and support plays in this is key to maintain an individual's accommodation needs by working with the individual to support them both into and out of such support.

### *People with learning disabilities*

5.174 There are 50 learning disability care homes with 475 beds across Kirklees of which Kirklees Council fund 286 at a cost of over £12million each year. The Council's Learning Disability supported living market review shows that adult services supports 321 people with a learning disability to live in their own home, and support specialist accommodation developments at a cost of £6million each year. Over the past 6 years there has been a growth in the numbers of learning disability people moving into supported living and this is expected to continue.

### *Homeless households*

5.175 Homelessness statistics for 2013/14<sup>49</sup> indicate that a total of 469 decisions were made on households declaring themselves as homeless across Kirklees

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<sup>48</sup> "A Place to Live" A Joint commissioning strategy for accommodation for people who experience mental health problems in Kirklees 2012-2015

<sup>49</sup> CLG Homeless Statistics Table 784: Local authorities' action under the homelessness provisions of the Housing Acts

(Table 5.31). Of these households, 300 were classified as homeless and in priority need. Over the four years 2010/11 to 2013/14, an annual average of 559 decisions has been made across Kirklees and an average of 340 households each year has been declared as homeless and in priority need.

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

Source: CLG Homelessness Statistics

### Households previously homeless

- 5.176 The household survey identified 1,418 households who had been previously homeless or living in temporary accommodation and had moved to their present accommodation in the past five years.
- 5.177 Table 5.32 presents a range of information relating to the characteristics of previously homeless households and the dwelling choices that they have made. 74.9% of households previously homeless have moved into social/affordable rented accommodation and 25.1% have moved into the private sector (owning or renting). They have moved into a range of dwelling sizes, with 30.3% moving to bedsits and one bedroom dwellings, 25.7% moving into two bedroom dwellings and 44.1% into dwellings with three or more bedrooms. The incomes of previously homeless households are generally low with over half (52.9%) receiving less than £200 each week and 28.3% receiving between £200 and £300 each week. 58.0% are singles under 65, 16.7% are couples with children (under 18 or adult) and 7.0% are lone parents.

<b>Table 5.32 Characteristics of households previously homeless</b>			
<b>Household Type</b>	<b>%</b>	<b>Property Type</b>	<b>%</b>
Single Adult (under 65)	58.0	House	25.1
Couple only (both under 65)	7.8	Flat	72.7
Couple only (one or both over 65)	2.2	Bungalow	2.2
Couple with 1 or 2 child(ren) under 18	4.2		
Couple with 3 or more children under 18	4.2		
Couple with child(ren) aged 18+	8.3		
Lone parent with 1 or 2 child(ren) under 18	7.0		
Other type of household	8.3		
Total	100.0	Total	100.0
<b>Current tenure</b>	<b>%</b>	<b>Origin</b>	<b>%</b>
Owner Occupied	8.5	Within Kirklees	93.1
Private Rented	16.6	From outside Kirklees	6.9
Social/Affordable Rented	74.9		
Total	100.0	Total	100.0
<b>Current income (Gross weekly)</b>	<b>%</b>	<b>Property size</b>	<b>%</b>
Under £200	52.9	0/1 Bed	30.3
£200 to <£300	28.3	2 Beds	25.7
£300+	18.8	3 or more Beds	44.1
Total	100.0	Total	100.0

Base: 1,418 households previously homeless

Source: 2015 Household Survey

### Black, Asian and Minority Ethnic households

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

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

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

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

5.180 A Gypsy and Traveller Accommodation Assessment (GTAA) has recently been carried out by arc4 which gives the most up to date position in relation to Gypsy and Travellers and Travelling Showpeople in the District.

### Sub-Area characteristics

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

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

5.182 Table 5.33 provides a review of the distinctive attributes of each sub-area. For each attribute, a district mean has been calculated (for instance the % of households who are owner-occupiers). Information for each sub-area is then compared against this mean to indicate the extent of variation from the mean figure. The colours in the chart reflect the degree of variation:

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

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

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

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

Table 5.33 Socio-economic characteristics by sub-area							
Attribute	Sub-area						TOTAL
	Batley and Spen	Dewsbury and Mirfield	Huddersfield North	Huddersfield South	Kirklees Rural - East	Kirklees Rural - West	
<b>Tenure</b>							
Owner occupied	100.0	95.1	93.7	90.0	119.5	111.9	67.0
Private	93.6	91.1	125.6	116.4	72.5	91.9	17.3
Affordable	107.0	130.6	98.7	124.8	46.8	58.2	15.7
<b>Dwelling type</b>							
Detached house	87.6	85.7	105.0	73.0	166.9	127.0	20.6
Semi-detached house	117.4	115.1	80.2	95.4	91.1	85.1	28.3
Terraced house/town house	92.4	80.1	111.1	105.4	79.5	124.4	28.0
Bungalow	91.5	131.2	91.8	104.1	153.7	61.2	9.2
Flat/Apartment/Maisonette	101.0	116.6	122.5	131.7	21.6	65.0	13.0
Caravan/Other	149.3	0.0	13.5	203.2	70.6	100.3	0.8
<b>Dwelling size</b>							
One/bedsit	100.6	126.4	106.9	124.7	32.2	71.3	13.7
Two	98.7	92.9	109.4	109.3	82.2	99.0	27.9
Three	110.8	93.1	81.5	103.7	98.9	102.6	38.0
Four	81.7	108.0	113.5	61.3	172.9	117.0	16.7
Five or more	79.3	90.7	132.3	75.0	166.7	110.3	3.7
<b>Household type</b>							
Single Adult (under 65)	112.5	87.2	105.8	112.6	67.2	90.8	19.4
Couple only (both under 65)	96.0	109.3	81.9	93.8	104.2	115.9	18.7
Older person(s)	100.7	96.8	96.4	99.8	115.1	98.8	24.9
Two parent families	92.0	97.6	103.5	93.0	127.6	106.6	24.3
Lone parents	96.1	134.9	110.6	106.0	61.2	73.7	8.7
Other multi-person h'hold	111.2	77.6	134.0	98.9	62.9	95.5	4.0

Continued overleaf/...

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

Continued overleaf/...

**Table 5.33 Socio-economic characteristics by sub-area (continued)**

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

Sources: 2015 household survey, CACI Paycheck, Land Registry House Price Data



## 6. Conclusion: Policy and Strategic Issues

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

### The Housing Market Area

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

### Establishing an Objectively Assessed Housing Need

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

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

- 6.10 An OAN should be based on reasonable assumptions which take into account baseline demography, adjustments to reflect local demographic trends, past delivery, market signals, future jobs and other local circumstances: the SHMA has explored these factors in detail. PAS guidance suggests that the OAN should exclude any policy objectives and value judgements and evidence should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a provision target.
- 6.11 There are many factors to consider when establishing an Objectively Assessed Housing Needs figure and after considering this evidence it is proposed that the Objectively Assessed Housing Need range for Kirklees for the period 2013-31 is 1,630 This takes into account:
- A baseline dwelling requirement based on 2012-based SNPP of 1,520 dwellings each year; and
  - A need to deliver additional dwellings to support economic growth aspirations.
- 6.12 Housing Market Signals would suggest that the housing market in Kirklees is relatively stable and other than trends in private rents and improvements in relative affordability, market signal trends have tended to be in line with regional and national trends. There is no recommendation to alter dwelling targets in the light of market signals relating to property price or quantity data. However, it is recommended that data should be collected and monitored on a regular basis to ensure the Council has up to date information from which to review dwelling targets.
- 6.13 In conclusion, the 1,630 OAN figure is ambitious, aspirational and seeks to address housing need and support economic growth ambitions. It is also assumed that the target addresses any backlog in need as it uses a baseline household figure based on the current demographic situation in Kirklees.

## The current housing market

- 6.14 This study provides up to date information on the housing stock in the Council area and how the stock profile varies by market area is presented in data tabulations accompanying this report.
- 6.15 Across Kirklees there are a total of 182,559 dwellings and a total of 176,628 occupied dwellings<sup>50</sup>. Overall, the 2015 Household Survey shows that:

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<sup>50</sup> 2014 Council Tax data

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

## Housing markets and mobility

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

## Future housing market

- 6.18 Data relating to future housing numbers and the Objectively Assessed Need for Housing has been explored in detail in this research.
- 6.19 The population of Kirklees is estimated to be 428,300 in 2013<sup>51</sup> and this is projected to increase by 11.1% to 475,800 by 2031<sup>52</sup>. Over the next few decades, there will be a marked increase in the number and proportion of residents aged 65 and over which is expected to increase by 43.8% from 69,600 in 2013 to 100,100 in 2031.

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<sup>51</sup> ONS 2012-based population projections

<sup>52</sup> ONS 2012-based population projections

## Housing need and demand

### Delivering new housing

- 6.20 Of households moving in the open market, most would like to move to a house (72.7%), 20.1% would like to move to a bungalow and 6.6% to a flat. This compares with 76.3% who expect to move to a house, 14.7% to a bungalow and 8.8% a flat. A much higher proportion would like to move to a detached house (43.7%) but only 28.3% expect to. In contrast, higher proportions expect to move to a semi-detached house (31.3%) than would prefer to (19.9%). Future development should focus on delivering to address identified mismatches and reflect household aspirations.
- 6.21 In terms of affordable housing, an annual net imbalance of 1,049 affordable dwellings has been calculated.
- 6.22 A tenure split of 55.1% affordable rent and 44.9% intermediate tenure based on household preferences is suggested.
- 6.23 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue development to satisfy household aspirations, in particular the development of detached and semi-detached houses and a range of property sizes to offset identified market imbalances;
  - Developing an increasing range of housing and support products for older people;
  - Delivering additional affordable housing to help offset the identified net shortfalls; and diversifying the range of affordable options by developing intermediate tenure dwellings and products; and
  - The economic viability of delivering affordable housing on sites across Kirklees.

### Improving the quality of existing stock

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

### Vacant stock

- 6.25 According to the latest available data (2014) from DCLG, there are an estimated 6,151 vacant dwellings (3.4% of dwelling stock) across Kirklees and these are mainly in the private sector. Properties can be empty for a variety of reasons which include: the properties are too difficult to repair or are in the process of being repaired; they are in the process of being sold; they have been bought for capital investment; or they are in probate.
- 6.26 The Council should continue to consider identifying the reasons why properties are empty and identify mechanisms for bringing them back into use. Mechanisms could include:

- Financial/professional help for repairs and improvements in the form of equity loans; grant aid for renovation and subsequent leasing to a Housing Association for a fixed term; a professional service to manage repairs or full renovation; and
- Assistance with letting management or the sale of a property.

### Satisfaction and repair

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

### The ageing population and addressing the needs of vulnerable people

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

### NPPF requirements

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

limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and

- Caters for housing demand and the scale of housing supply necessary to meet this demand.

6.32 The material in this SHMA provides an evidence base to inform strategic decision making.

6.33 The SHMA has:

- Considered the Objectively Assessed Need for housing using the latest available evidence;
- evidenced the scale of Affordable Housing Need and the specific affordable requirements necessary to offset the imbalance between supply and need;
- reviewed market demand and the range of dwellings required to satisfy household expectations and aspirations; and
- reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements.

## Final comments

6.34 Appropriate housing and planning policies have a fundamental role to play in the delivery of thriving, inclusive and sustainable areas. These policies need to be underpinned with high quality data. This study has provided a wealth of up-to-date social, economic, demographic and housing data for Kirklees District.

6.35 This research has reflected upon the housing market attributes of Kirklees and interactions with other areas, notably other districts in the Leeds City Region. The report signposts future strategic challenges which include the ongoing delivery of new market and affordable housing to address need and support economic growth; diversifying the range of affordable tenures available to local residents; improving the condition and energy efficiency of existing stock; and addressing the requirements of older people and vulnerable groups.

## Introduction to Technical Appendices

- Technical Appendix A: Research methodology
- Technical Appendix B: Housing need calculations
- Technical Appendix C: Monitoring and updating
- Technical Appendix D: National Planning Policy Framework and National Planning Practice Guidance Checklist



## Technical Appendix A: Research Methodology

### Overall approach

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

### Baseline dwelling stock information and survey sample errors

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

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

Source: Council Tax Data; 2011 Census

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

## Weighting and grossing

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

## Online Key Stakeholder Survey

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

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

### Interviews with Estate and Letting Agents

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

## Technical Appendix B: Housing need calculations

### Summary of contents

#### **Stage 1: Current housing need (gross backlog)**

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

#### **Stage 2: Future housing need (gross annual estimate)**

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

#### **Stage 3: Affordable housing supply**

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

#### **Stage 4: Estimate of annual housing need**

- Step 4.1 Total backlog need
- Step 4.2 Quota to reduce over 5 years (2)
- Step 4.3 Annual backlog reduction
- Step 4.4 Newly-arising need
- Step 4.5 Total annual affordable need
- Step 4.6 Annual social rented capacity
- Step 4.7 Net Annual Shortfall

## Introduction

- B.1 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*. The 2015 Household Survey and secondary data provide a robust range of information to quantify housing need in Kirklees District and the extent to which additional affordable housing is required.
- B.2 Housing needs analysis and affordable housing modelling has been prepared in accordance with CLG guidance at District and sub-area level. In summary, the model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
  - Stage 2: Future housing need
  - Stage 3: Affordable housing supply
  - Stage 4: Estimate of annual housing need
- B.3 Table B1 summarises the different steps taken in assessing housing need and evidencing the extent to which there is a surplus or shortfall in affordable housing across Kirklees District. Please note that in Stage 1, Step 1.4 reports the total number of households in need and avoids double counting as in some cases households have more than one housing need. Table B2 summarises the data by sub-area.

<b>Table B1 CLG Needs Assessment Summary for Kirklees District</b>			
<b>Step</b>	<b>Stage and Step description</b>	<b>Calculation</b>	<b>Kirklees Total</b>
<b>Stage 1: CURRENT NEED</b>			
1.1	Homeless households and those in temporary accommodation	Annual requirement	2,122
1.2	Overcrowding and concealed households	Current need	5,389
1.3	Other groups	Current need	12,557
1.4	Total current housing need (gross)	Total no. of households with one or more needs	18,738
<b>1.4A</b>	<b>TOTAL cannot afford open market (buying or renting)</b>	<b>Total</b>	<b>9,612</b>
<b>Stage 2: FUTURE NEED</b>			
2.1	New household formation (Gross per year)	Households expected to form annually over next 5 years	3,073
2.2	Number of new households requiring affordable housing	53.5% cannot afford overall	38.9%
2.2	Number of new households requiring affordable housing	Number cannot afford	1,197
2.3	Existing households falling into need	Annual requirement	12
<b>2.4</b>	<b>TOTAL newly-arising housing need (gross each year)</b>	<b>2.2 + 2.3</b>	<b>1,209</b>
<b>Stage 3: AFFORDABLE HOUSING SUPPLY</b>			
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	2,832
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0
3.3	Committed supply of new affordable units	Annual	267
3.4	Units to be taken out of management	None assumed	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	3,099
3.6	Annual supply of social re-lets (net)	Annual Supply (3yr ave)	1,448
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave)	15
3.8	<b>Annual supply of affordable housing</b>	<b>3.6+3.7</b>	<b>1,463</b>
<b>Stage 4: ESTIMATE OF ANNUAL HOUSING NEED</b>			
4.1	Total backlog need	1.4A-3.5	6,513
4.2	Quota to reduce over 1 year		20%
4.3	Annual backlog reduction	Annual requirement	1,302
4.4	Newly-arising need	2.4	1,209
4.5	Total annual affordable need	4.3+4.4	2,511
4.6	Annual social rented capacity	3.8	1,463
4.7	<b>NET ANNUAL IMBALANCE (4.5-4.6)</b>	<b>NET</b>	<b>1,049</b>

Source 2015 Household Survey; RP Core Lettings and Sales data

Table B2 CLG Needs Assessment Summary by sub-area

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



## Stage 1: Current need

- B.4 A working definition of housing need is *‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’*. The SHMA Guidance suggests types of housing that should be considered unsuitable, as summarised in Table B3.

Table B3 Summary of current housing need across Kirklees District		
Category	Factor	Kirklees District Total
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	2,122
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	2,383
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	5,390
	N4 Too difficult to maintain	3,337
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	3,467
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	3,684
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	174
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	1,252
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	1,519
<b>Total no. households in need (with one or more housing need)</b>		<b>18,738</b>
Total Households		176,628
<b>% households in need</b>		<b>10.6%</b>

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

Source: 2015 Household Survey

### Step 1.1 Homeless households and those in temporary accommodation

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

- B.6 Homelessness statistics for 2013/14<sup>53</sup> indicate that a total of 469 decisions were made on households declaring themselves as homeless across Kirklees (Table B4). Of these households, 300 were classified as homeless and in priority need. Over the four years 2010/11 to 2013/14, an annual average of 559 decisions has been made across Kirklees and an average of 340 households each year has been declared as homeless and in priority need.

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

Source: CLG Homelessness Statistics

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

### Step 1.2 Overcrowding and concealed households

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

### Step 1.3 Other groups

- B.10 Table B3 identified a series of households who were in housing need for other reasons including the property is too expensive, difficult to maintain, household containing people with mobility impairment/special need, lacking amenities, disrepair and harassment.

<sup>53</sup> CLG Homeless Statistics Table 784: Local authorities' action under the homelessness provisions of the Housing Acts

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

### Step 1.4 Total current housing need summary

- B.12 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Kirklees before any analysis of the ability of households to afford open market solutions is 18,738.
- B.13 The extent to which these households could afford open market prices is then considered. An ‘affordability threshold’ of households is calculated which takes into account household income, equity and savings. The household income component of the affordability threshold is 3.5 x gross annual income of the respondent and partner (if applicable). To this is added any equity and savings information to derive an affordability threshold.
- B.14 Regarding buying on the open market, the affordability threshold is compared with lower quartile property prices. It is possible to afford to buy a property if the affordability threshold is greater than lower quartile property prices. Lower quartile prices at sub-area for 2014 were derived using Land Registry address-level data (Table B5).

<b>Sub-Area</b>	<b>Lower quartile price (£)</b>
Batley and Spen	85,000
Dewsbury and Mirfield	90,000
Huddersfield North	87,000
Huddersfield South	85,000
Kirklees Rural - East	126,000
Kirklees Rural - West	105,000
<b>Total</b>	<b>93,000</b>

- B.15 A private rented property is affordable if the rent is no more than 25% of gross household income. Information on private sector rents was based on lettings reported by Zoopla during 2014 (Table B6). The cost of letting a property according to the number of bedrooms required by a household was factored into affordability testing.

<b>Sub-Area</b>	<b>Lower quartile rent (£)</b>
Batley and Spen	394
Dewsbury and Mirfield	394
Huddersfield North	416
Huddersfield South	399
Kirklees Rural - East	477
Kirklees Rural - West	425
<b>Total</b>	<b>399</b>

Source: Zoopla

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

### Step 2.1 New household formation (gross per year)

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

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

B.18 Analysis of lower quartile market prices relative to the income/savings of households who have formed in the past five years suggests that 38.9% overall could not afford lower quartile house prices or private sector rents.

B.19 Therefore, the total number of newly-forming households who could not afford open market prices or rents across Kirklees District is calculated to be 1,197 each year.

### Step 2.3 Existing households expected to fall into need

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

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

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

## Stage 3: Affordable housing supply

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

### Step 3.1 Affordable dwellings occupied by households in need

- B.23 This is an important consideration in establishing the net levels of housing need as the movement of these households within affordable housing will have a nil effect in terms of housing need<sup>54</sup>.
- B.24 A total of 2,832 households are current occupiers of affordable housing in need (Table C1). Although the movement of these households within affordable housing will have a nil effect in terms of housing need (i.e. they already live in affordable housing), the types of property they would 'free up' if they moved is considered in modelling.

### Step 3.2 Surplus stock

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

### Step 3.3 Committed supply of new affordable units

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

### Step 3.4 Units to be taken out of management

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

### Step 3.5 Total affordable housing stock available

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

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<sup>54</sup> Strategic Housing Market Assessment Guidance (CLG, August 2007)

### Step 3.6 Annual supply of social re-lets

B.29 The CLG model considers the annual supply of social re-lets. Address-level RP CORE lettings data has been analysed for the years 2010/11 and 2012/13<sup>55</sup>. This information can be used to accurately assess the likely capacity of the social rented sector by location, size of property and designation (whether the property is general needs or older person). For the purposes of analysis, it is important to focus on the ability of households requiring affordable housing to access it. Therefore, the annual supply figures derived from CORE lettings data and used in modelling:

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

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

B.30 Modelling therefore assumes an annual capacity of 1,448 dwellings for new tenants across Kirklees District. Table B7 illustrates how the annual capacity figure is broken down by sub-area, designation (general needs and older person) and property size.

### Step 3.7 Annual supply of intermediate re-lets/sales

B.31 Table B8 presents a summary of the average supply of 15 intermediate tenure dwellings which have either been sold or re-let over the three year period 2010/11, 2011/12 and 2012/13 as recorded in CORE Sales data.

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<sup>55</sup> Note that data for 2011/12 has been excluded as it is suggesting only 578 lettings

<b>Table B7 Annual social rented re-lets by sub-area</b>									
<b>Designation</b>	<b>Number of Bedrooms</b>	<b>Batley and Spen</b>	<b>Dewsbury and Mirfield</b>	<b>Huddersfield North</b>	<b>Huddersfield South</b>	<b>Kirklees Rural - East</b>	<b>Kirklees Rural - West</b>	<b>TOTAL</b>	
General Needs	1	152	169	115	190	9	50	<b>683</b>	
	2	137	100	72	88	11	53	<b>461</b>	
	3	45	34	14	34	6	30	<b>162</b>	
	4	2	4	4	7	0	3	<b>18</b>	
	5	0	0	1	0	0	0	<b>1</b>	
	6								
Older People	1	35	23	12	21	4	11	<b>105</b>	
	2	6	5	2	2	3	1	<b>18</b>	
	3	0	0	0	1	1	0	<b>2</b>	
	4	0	0	0	0	0	0	<b>0</b>	
	5	0	0	0	0	0	0	<b>0</b>	
	6								
	<b>TOTAL</b>	<b>375</b>	<b>334</b>	<b>220</b>	<b>342</b>	<b>32</b>	<b>146</b>	<b>1448</b>	

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



<b>Table B8 Intermediate tenure sales/re-lets</b>								
<b>Designation</b>	<b>Number of Bedrooms</b>	<b>Batley and Spen</b>	<b>Dewsbury and Mirfield</b>	<b>Huddersfield North</b>	<b>Huddersfield South</b>	<b>Kirklees Rural - East</b>	<b>Kirklees Rural - West</b>	<b>TOT AL</b>
General Needs	1	0	0	0	0	0	0	<b>0</b>
	2	5	1	0	1	1	1	<b>9</b>
	3	3	0	0	0	0	0	<b>4</b>
	4	1	0	0	0	0	0	<b>1</b>
	5							
	6							
Older People	1	0	0	0	0	0	0	<b>0</b>
	2	1	0	0	1	0	0	<b>1</b>
	3	0	0	0	0	0	0	<b>0</b>
	4	0	0	0	0	0	0	<b>0</b>
	5							
	6							
	<b>TOTAL</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>

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

## Summary of Stage 3

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

## Stage 4: Estimate of annual housing need

### Overview

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

### Step 4.1 Total backlog need

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

### Steps 4.2 to 4.6

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

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

## Total gross imbalance

B.43 Table B9 summarises the overall annual gross affordable housing imbalance for Kirklees by sub-area, designation (general needs and older person) and property size. This excludes the annual supply of affordable dwellings to offset need.

**Table B9 Gross annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19**

Ward	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Batley and Spen	389	258	51	698
Dewsbury and Mirfield	180	213	11	404
Huddersfield North	261	153	1	415
Huddersfield South	299	179	46	525
Kirklees Rural - East	114	17	9	140
Kirklees Rural - West	276	7	46	329
<b>Total</b>	1585	758	168	2511

Sources: 2015 Household Survey; RSL CORE Lettings and Sales

## Total net imbalance

B.44 Table B10 summarises the overall annual net affordable housing requirements for Kirklees by sub-area, designation (general needs and older person) and property size. This takes into account the annual supply of affordable dwellings to offset need.

**Table B10 Net annual affordable housing imbalance by sub-area, property size and designation 2014/15 to 2018/19**

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

Sources: 2015 Household Survey; RSL CORE Lettings and Sales

## Tenure and dwelling type profile of affordable dwellings

B.45 Affordable housing includes social rented, affordable rented and intermediate tenure dwellings. New affordable development by Registered Providers will be affordable rented (with rents of up to 80% of open market rent) and in order to recommend an appropriate split between social rented and intermediate tenure, the stated preferences of households and the relative affordability of intermediate tenure products is now reviewed.

### Household preferences

B.46 Households were asked to state tenure preferences. Table B11 summarises the preferences of both existing households in need and newly forming households by tenure. Overall, this gives a tenure split of 55.1% social/affordable rented and 44.9% intermediate tenure across Kirklees District.

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

Source: 2015 Household Survey

B.47 An analysis of the ability of existing households in need and newly-forming households to afford intermediate tenure is summarised in Table B12. Analysis suggests that intermediate tenure options are affordable existing and newly-forming households in affordable housing need, with 38% able to afford a property priced at up to £80,000 and 26.3% able to afford a property priced at up to £120,000.

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

Source: 2015 Household Survey

B.48 There is scope for expansion of the intermediate tenure market in Kirklees District. The final proportion of intermediate tenure dwellings to be delivered needs to be reconciled with the economic viability of delivering affordable housing on sites; the appetite of the HCA to fund intermediate tenure dwellings; and the ability of households to secure mortgages.

### Dwelling type

B.49 Table B13 considers the range of affordable property types households would consider, based on the aspirations of existing households in need and newly-forming households requiring affordable accommodation. Analysis of property type preferences suggests that, primarily, delivery of houses is a priority (with 71.1% stating an expectation of moving to a house), followed by flats (20.6%) and bungalows (12.4%).

<b>Table B13 Property type preferences</b>			
<b>Type preferences</b>	<b>Existing (%)</b>	<b>Newly-forming (%)</b>	<b>Total (%)</b>
House	59.0	78.2	71.1
Flat	18.0	21.8	20.6
Bungalow	23.0	0.0	12.4
<b>Total</b>	100.0	100.0	100.0
<b>Base</b>	1302	1209	2,511

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

Source: 2015 Household Survey

## Technical Appendix C: Monitoring and updating

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

#### Introduction

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

#### Updating of baseline housing needs and affordable housing requirements

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

#### Changes in house prices and rental costs

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

### Capacity of the social rented sector

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

### Availability of intermediate tenure housing

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

### Annual adjustments to affordable requirements

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

### Updating of contextual information

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

### Reflections on the general strategic context and emerging issues

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

### Concluding comments

- C.13 It is vital that mechanisms are in place to derive robust, credible and defensible estimates of housing need and affordable requirements across Kirklees. We



believe that this study provides a robust evidence base which has the capacity to be updated.

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

## Technical Appendix D: National Planning Policy Framework and National Planning Practice Guidance Checklist

### National Planning Policy Framework

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

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

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

### National Planning Practice Guidance

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

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