

The Private Rented Market in Kirklees

An Evidence Base

November 2015

Main Contact: Helen Brzozowski
Email: Helen.brzozowski@arc4.co.uk
Telephone: 07721 011 276
Website: www.arc4.co.uk

© 2015 arc⁴ Limited (Company No. 06205180)



Contents

1. Introduction	5
2. Executive Summary	6
3. The Evidence Base	8
The size of the sector	8
The growth in the sector	10
New properties coming onto the market	13
Property type and bed size	19
Rent levels	21
Affordability	25
Properties let	31
Rent differentials	32
Time to let property	33
Rental yields	35
4. Agent Review	37
Market Summary	37
Owner-occupied market	37
The Private Rented Sector	37
Investor Market	38
Student Demand	38
Low End Rental Demand	39
5. The Executive Market Rented Sector	40
The Market	41
Location	41
Dwelling Type and Rent Level	41
The Future and Market Trends	42
6. Characteristics of the private rented sector	43
Overview of sub-markets	43
Urban versus rural wards	44
7. In Conclusion	45

List of Tables

Table 1	Size of Private Rented Sector by Ward	8
Table 2	Location of the Private Rented Sector by Sub area	10
Table 3	The growth in the Private Rented Sector 2001-2011 by ward	11
Table 4	Total percentage of Private Rented Sector by ward	12
Table 5	Median values by Housing Market Area	12
Table 6	Number of Private Rented Sector properties to market 2010-14 by ward	14

Table 7	Number of properties to market 2010-14 by ward.....	15
Table 8	Number of properties to market 2012-2014 by ward.....	16
Table 9	No of properties to market 2012-2014 by Housing Market Area	16
Table 10	No of properties on market by property type 2010-2014	19
Table 11	No of properties coming to market by property size 2010-2014	19
Table 12	Properties to market 2010-2014 by size and type.....	20
Table 13	Median rent levels 2010-2014 by ward.....	21
Table 14	Median rent levels by HMA 2010-2014	22
Table 15	Median rents by type and bedsize 2010-14	22
Table 16	Rents by property type and ward 2010-2014	23
Table 17	Rents by property type and ward 2010-2014 by sub area	23
Table 18	Properties within LHA by bed size 2010-2014	25
Table 19	Affordability by ward	28
Table 20	Affordability by ward by HMA.....	28
Table 21	Affordability by type and bed size	30
Table 22	Time to let property by ward 2010-2014.....	33
Table 23	Time to let property by sub area 2010-2014	33
Table 24	Rental yields by ward	35
Table 25	Rental yields by Housing Market Area	35

List of Charts

Chart 1:	Tenure change in Kirklees 2001-2011.....	11
Chart 2:	National tenure change 2001-2011	11
Chart 3:	The percentage of the private rented sector in each ward.....	18
Chart 4:	The property sales market 2014	18
Chart 5:	The percentage of properties coming onto the market by bed size 2010-2014	19
Chart 6:	Properties within LHA 2010-2014 by bed size	25
Chart 7:	Batley and Spen	26
Chart 8:	Dewsbury and Mirfield.....	26
Chart 9:	Huddersfield North	27
Chart 10:	Huddersfield South	27
Chart 11:	Kirklees Rural – West.....	27
Chart 12:	Kirklees Rural- East.....	27
Chart 13:	The proportion of flats and houses coming onto the market and let 2014.....	31
Chart 14:	Rent differentials.....	32

Chart 15: Rents at 95 percentile in each ward 2014 (3 and 4+ beds).....	40
Chart 16: Rents at 95 percentile in each sub area 2014 (3 and 4+ beds)	40

List of Maps

Map 1: Kirklees Sub-Areas.....	9
Map 2: The location of the private rented sector by ward and sub-area	10
Map 3: The increase in the number of Private Rented Sector properties coming onto the market 2010-2014	14
Map 4: The number of the private rented homes coming onto the market as a percentage of the total private rented stock in 2014.....	17
Map 5: The median rent change 2010 to 2014.....	21
Map 7: The percentage change of rent levels for houses 2010-2014	24
Map 6: The percentage change of rent levels for flats 2010-2014.....	24
Map 8: Monthly Income required for rent to be within 30% of household gross income by ward.....	29
Map 9: Monthly Income required for rent to be within 30% of household gross income by sub area	29
Map 10: The average time to let a property 2014.....	34
Map 11: Potential yields by sub area	36

arc⁴ Limited accepts no responsibility or liability for, and makes no representation or warranty with respect to, the accuracy or completeness of any third party information (including data) that is contained in this document.

The information contained in this document is strictly confidential and is intended for the addressee only. The unauthorised use, disclosure, copying, alteration, distribution or communication to the public of this document or any part thereof is strictly prohibited.

This report takes into account the particular instructions and requirements of our client. It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

1. Introduction

- 1.1 The Government's Housing Strategy, published in November 2011¹, set out the Government's plans to boost housing supply. It recognised an increasingly important role for the private rented sector, both in meeting people's housing needs and in supporting economic growth by enabling people to move to take up jobs elsewhere and to respond to changing circumstances.
- 1.2 The private rented sector is growing; the recently published Census figures for 2011, confirmed that the sector now totals 18.1%, an increase of 31.2% from 13.8% in 2001. Increasing house prices pre 2007 and the struggling sales market when the down turn came are both factors that have underpinned the growth of the rental market for both 'active choice' renters and 'frustrated would be' homeowners. Tenure reform and less accessible social rented housing are also likely to be an increasing factor to the growth in the private rented sector and the sector clearly now plays a vital role in meeting housing needs as well as providing an alternative to homeownership.
- 1.3 Local authorities have an important role in ensuring that the private rented sector meets both these requirements. Balancing good quality supply with demand will help to stabilise rents and encouraging good quality management will improve the reputation of the sector and encourage longer term lets and lower turnover. However, this is a challenging task where existing partners need to be encouraged to participate and new partners and investors need to be identified.
- 1.4 This sector is also of growing interest to housing associations that are looking to diversify their business opportunities, to create revenue and 'profit' to support their core business and, for some, also as a way of extending the number of properties that are available within their social letting arm; prioritising properties with rent levels within Local Housing Allowance. For others, the private rented sector offers an alternative market for those properties that are becoming more difficult to let because of the 'bedroom tax'.
- 1.5 One of the particular weaknesses is the lack of good quality information about the activity and performance of different rental markets and therefore the potential yields available.
- 1.6 This report provides an evidence base around the scale, growth and performance of the private rented sector in Kirklees since 2010. It utilises data from a number of secondary sources which are identified in the report. Zoopla data is used extensively in this report and only includes private rented property that has been advertised and/or managed through a letting agent. Zoopla confirm that the data includes between 80-85% of the total market.

¹ Laying The Foundations; A Housing Strategy for England, 2011

2. Executive Summary

- 2.1 This report has provided detailed information about the private rented market in Kirklees since 2010. The market is buoyant and growing; the Census 2011 confirms that there are 30,027 (17.3%) households living in the private rented sector in Kirklees; this is lower than the national figure of 18.1%. Since 2001, the private rented sector increased to 17.3% from 12.2%, an increase of 5.1 percentage points or 41.8%. During this time period the owner occupied sector has decreased by 3.1 percentage points and the affordable housing sector has reduced by 2 percentage points. 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.
- 2.2 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.
- 2.3 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.
- 2.4 Feedback from Kirklees' agents has been that there are very few large private rented sector (Private Rented Sector) property portfolio holders within the non-student accommodation market. Feedback from agents has confirmed that many landlords in Kirklees are small portfolio holders, with many accidental landlords who have potentially inherited property.
- 2.5 The sector is distributed across all values and property types although there is a particular element of lower value stock, for example, wards such as Batley East, Crosland Moor and Netherton and Dewsbury West. However, there is higher value Private Rented Sector in Kirkburton and median value Private Rented Sector in Greenhead and Cleckheaton. This is a diverse market; providing housing for those who cannot or choose to not enter the social rented sector and supporting an economically active market.
- 2.6 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, Mirfield, Birstall 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 where 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.
- 2.7 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 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. 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.
- 2.8 The average rent for a property in Kirklees from 2010-2014 was £477 Per Calendar Month (PCM). 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. 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. When looking at average lower value incomes, the market appears to be affordable for many households talking into account median rents. However, these are median figures and there will be many households with lower incomes that face affordability issues. Median income earners can afford all areas; this is not trying to suggest affordability is not a problem; it suggests that there will be properties at rents that can be afforded. 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. 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.
- 2.9 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.

- 2.10 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. Agents' highlighted areas such as Upper Batley, Birstall and parts of Mirfield offer a small number of executive homes however all stated that it is very rare these properties are available for rent. Any demand for executive housing in these geographies tends to be focused around different dwelling types than in other geographies. Low maintenance, luxury 2 bed flats typically receive the highest demand. For this type of property, Mirfield receives good demand due to its access to transport links and rural feel.
- 2.11 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.
- 2.12 The average yield is 4%. The figures are based on averages and more specific analysis to consider individual property types is likely to illustrate much higher yields in specific locations.
- 2.13 We are seeing three potential types of markets, of which many wards exhibit strong characteristics and others similar characteristics:
- Markets where there are relatively buoyant sales but low percentages of private rented properties. Here we assume that properties are primarily being sold to owner occupied markets but there has been some growth in the private rented sector. These would include wards such as Birstall and Birkenshaw, Holme Valley North and South and Kirkburton;
 - Relatively buoyant sales markets with corresponding high private rented sectors or experienced high growth, potentially illustrating strong investor markets. This would include wards such as Crosland Moor and Netherton, Greenhead, Colne Valley and Golcar; and
 - Slower sales markets but high levels of private rented housing, where potentially owner occupied properties are being converted to the private rented sector or the sector is already well established. This includes wards such as Dewsbury West.

3. The Evidence Base

The size of the sector

- 3.1 The Census 2011 confirms (Table 1) that there are 30,027 (17.3%) households living in the private rented sector (Private Rented Sector) in Kirklees; this is lower than the national figure of 18.1%. The highest percentage is in Greenhead ward(32.2%) and is significantly larger than other wards and has lower than average levels of ownership. The lowest is Kirkburton ward (11.7%) where ownership is much higher. The location of the private rented sector, by percentage of the market, is illustrated in Map 1 and reflects that the Private Rented Sector is concentrated in a belt running up the northern side of the district adjacent to Calderdale, Bradford and Leeds.
- 3.2 The agent feedback highlighted that the most popular areas for students fall under the HD1 and HD4 postcodes within the district. This would encompass the wards of Crosland Moor and Netherton, Newsome and Greenhead. Agents directly noted that Newsome and Huddersfield Town Centre were considered the most popular areas for students. The only area not mentioned by agents was Greenhead, however, as this falls under the desirable postcode HD1 (this postcode was mention generally by agents as being a popular location for many households looking to rent) suggested by agents is likely that high levels of Private Rented Sector present within these areas are due to student lets.

Ward	Owners No.	Affordable Housing No.*	Private Rented Sector No.**	Total	Owners %	Affordable Housing %	Private Rented Sector %
Almondbury	5609	1086	1274	7969	70.4	13.6	16.0
Ashbrow	4790	2186	1325	8301	57.7	26.3	16.0
Batley East	4130	1380	1310	6820	60.6	20.2	19.2
Batley West	4777	1290	1250	7317	65.3	17.6	17.1
Birstall and Birkenshaw	4942	1138	937	7017	70.4	16.2	13.4
Cleckheaton	5195	998	1249	7442	69.8	13.4	16.8
Colne Valley	5709	518	1349	7576	75.4	6.8	17.8
Crosland Moor and Netherton	4876	1023	1545	7444	65.5	13.7	20.8
Dalton	4823	1689	1176	7688	62.7	22.0	15.3
Denby Dale	5444	534	919	6897	78.9	7.7	13.3
Dewsbury East	4860	1747	1323	7930	61.3	22.0	16.7
Dewsbury South	4185	1532	796	6513	64.3	23.5	12.2
Dewsbury West	3681	1857	1313	6851	53.7	27.1	19.2
Golcar	5383	1004	1516	7903	68.1	12.7	19.2
Greenhead	4641	854	2605	8100	57.3	10.5	32.2
Heckmondwike	4768	791	1083	6642	71.8	11.9	16.3
Holme Valley North	5417	744	915	7076	76.6	10.5	12.9
Holme Valley South	6397	515	1077	7989	80.1	6.4	13.5
Kirkburton	5186	437	745	6368	81.4	6.9	11.7
Lindley	6138	788	1459	8385	73.2	9.4	17.4
Liversedge and Gomersal	5403	1701	1229	8333	64.8	20.4	14.7
Mirfield	6289	960	1271	8520	73.8	11.3	14.9
Newsome	3718	2365	2361	8444	44.0	28.0	28.0
Kirklees	116361	27137	30027	173525	67.1	15.6	17.3

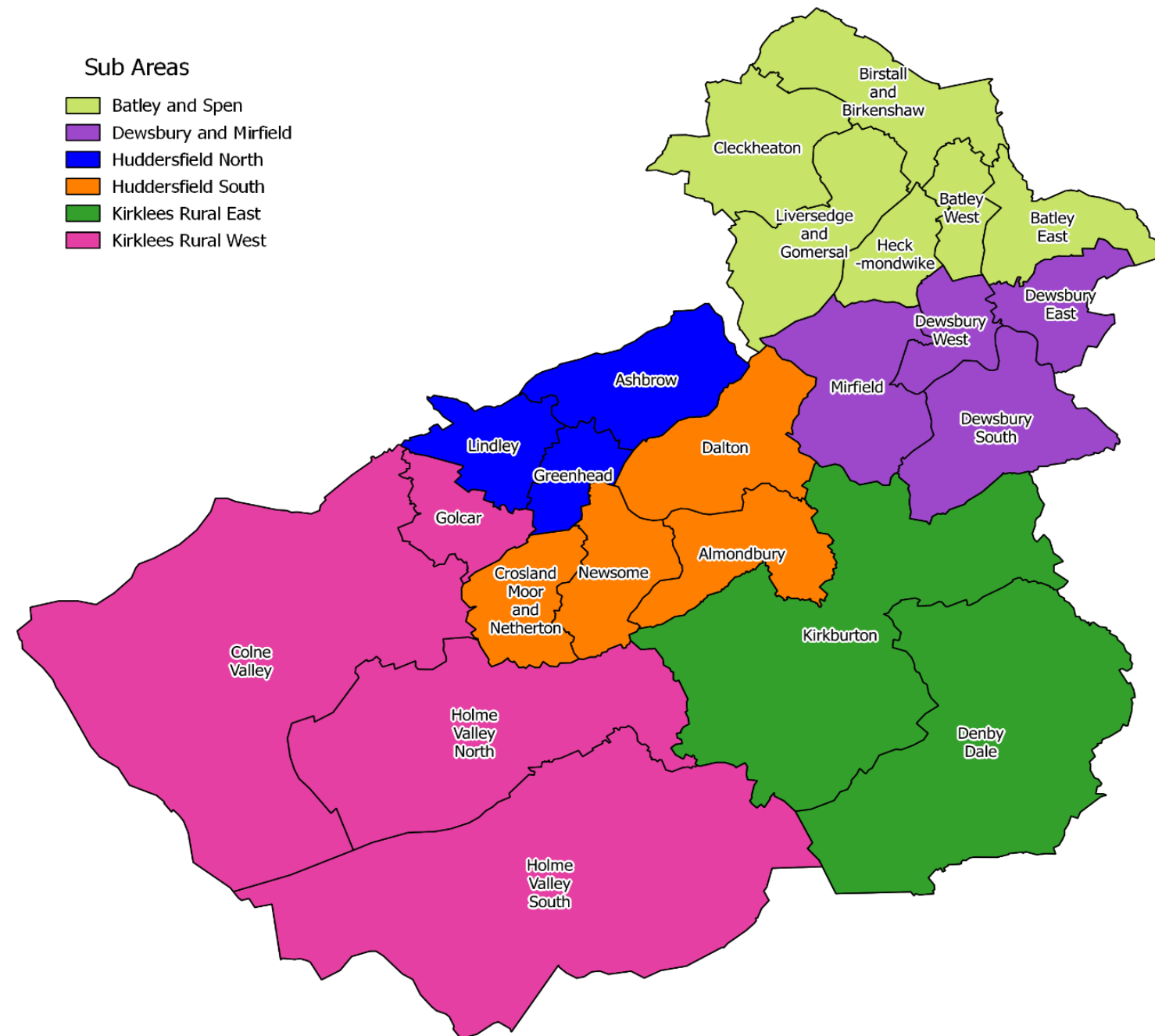
Source: Census 2011

*Affordable housing includes shared ownership **Private Rented Sector includes those living rent free

3.3 Table 2 shows the location of the Private Rented Sector by sub-areas as set out in the Kirklees Strategic Housing Market Assessment (SHMA). The HMAs are shown in the map below:

Housing Market Area	Included local authorities
Batley and Spen	Batley East, Batley West, Birstall and Birkenshaw, Cleckheaton, Heckmondwike, Liversedge and Gomersal
Dewsbury and Mirfield	Dewsbury East, Dewsbury South, Dewsbury West, Mirfield
Huddersfield North	Ashbrow, Greenhead, Lindley
Huddersfield South	Almondbury, Crosland Moor and Netherton, Dalton, Newsome
Kirklees Rural-East	Denby Dale, Kirkburton
Kirklees Rural-West	Colne Valley, Golcar, Holme Valley North, Holme Valley South

Map 1: Kirklees Sub-Areas



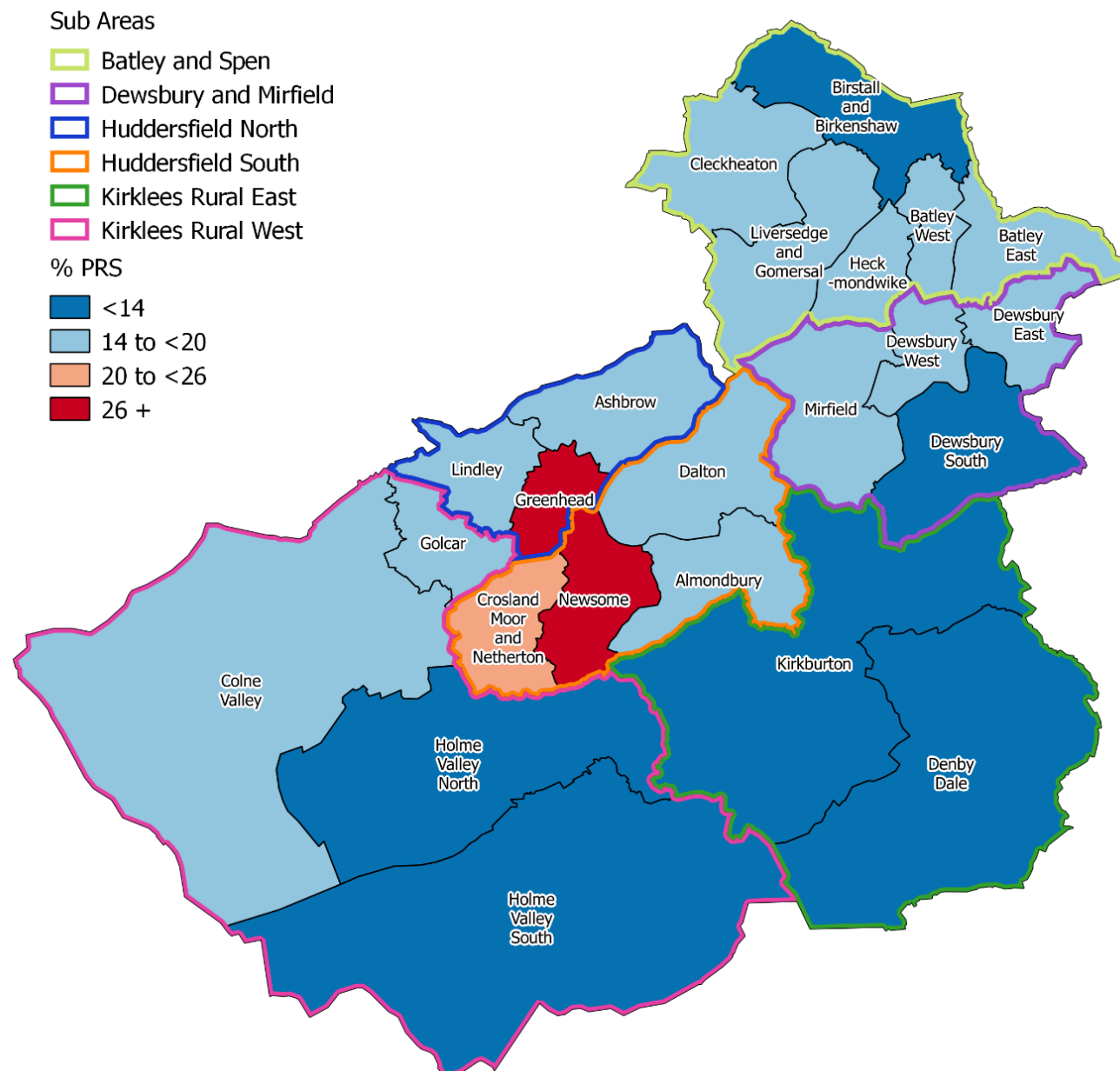
3.4 The sub-areas with the largest Private Rented Sector sectors are focused on Huddersfield. In both of these areas the social rented sector is also large with lower levels of owner occupation. The wards with the highest levels of Private Rented Sector, Crosland Moor and Netherton, Newsome and Greenhead are reflected within these sub-areas

Ward	Owners No.	Affordable Housing No.*	Private Rented Sector No.**	Total	Owners %	Affordable Housing %	Private Rented Sector %
Batley and Spen	29215	7298	7058	43571	67.1	16.7	16.2
Dewsbury and Mirfield	19015	6096	4703	29814	63.8	20.4	15.8
Huddersfield North	15569	3828	5389	24786	62.8	15.4	21.7
Huddersfield south	19026	6163	6356	31545	60.3	19.5	20.1
Kirklees Rural-West	22906	2781	4857	30544	75.0	9.1	15.9
Kirklees Rural-East	10630	971	1664	13265	80.1	7.3	12.5
Kirklees	116361	27137	30027	173525	67.1	15.6	17.3

Source: Census 2011

*Affordable housing includes shared ownership **Private Rented Sector includes those living rent free

Map 2: The location of the private rented sector by ward and sub-area



The growth in the sector

- 3.5 Table 3, illustrates the growth in the private rented sector between 2001 and 2011. Where there were ward boundary changes between the Census dates, some wards are only represented with data for 2001 or 2011. Given this, the report does not compare these ward areas.
- 3.6 Overall, the private rented sector increased to 17.3% from 12.2%, an increase of 5.1 percentage points or 41.8%. During this time period the owner occupied sector has decreased by 3.1 percentage points and the affordable housing sector has reduced by 2 percentage points (Chart 1). Private Rented Sector growth, in particular, has mirrored national trends although owner occupation has fallen less in Kirklees than national levels. The comparable figures for national figures are outlined in Chart 2.

Ward	2001			2011		
	Owners %	Affordable Housing %	Private Rented Sector %	Owners %	Affordable Housing %	Private Rented Sector %
Almondbury	69.4	19.3	11.3	70.4	13.6	16.0
Ashbrow (2011 ONLY)	NA	NA	NA	57.7	26.3	16.0
Batley East	69.3	17.4	13.3	60.6	20.2	19.2
Batley West	62.1	25.6	12.3	65.3	17.6	17.1
Birkby (2001 ONLY)	70.6	11.6	17.8	NA	NA	NA
Birstall and Birkenshaw	74.9	16.2	8.8	70.4	16.2	13.4
Cleckheaton	74.7	14.3	11	69.8	13.4	16.8
Colne Valley	76.4	8.7	14.8	75.4	6.8	17.8
Crosland Moor and Netherton	71.3	14.2	14.5	65.5	13.7	20.8
Dalton	68.1	21	10.9	62.7	22.0	15.3
Deighton (2001 ONLY)	47.8	37	15.2	NA	NA	NA
Denby Dale	82.7	8.1	9.3	78.9	7.7	13.3
Dewsbury East	57.8	29.6	12.6	61.3	22.0	16.7
Dewsbury South (2011 ONLY)	NA	NA	NA	64.3	23.5	12.2
Dewsbury West	60	26.6	13.5	53.7	27.1	19.2
Golcar	75	13.1	11.9	68.1	12.7	19.2
Greenhead (2011 ONLY)	NA	NA	NA	57.3	10.5	32.2
Heckmondwike	78.6	12.3	9.2	71.8	11.9	16.3
Holme Valley North	80	12.1	8	76.6	10.5	12.9
Holme Valley South	82.4	7.9	9.7	80.1	6.4	13.5
Kirkburton	81.9	9.2	9	81.4	6.9	11.7
Lindley	81.3	8.4	10.3	73.2	9.4	17.4
Liversedge and Gomersal (2011 ONLY)	NA	NA	NA	64.8	20.4	14.7
Mirfield	76.9	14.2	8.9	73.8	11.3	14.9
Newsome	53.2	30.3	16.5	44.0	28.0	28.0
Paddock (2001 ONLY)	58.2	19.2	22.7	NA	NA	NA
Spennithorne (2001 ONLY)	64.6	24.7	10.7	NA	NA	NA
Thornhill (2001 only)	62.7	10.7	26.5	NA	NA	NA
Kirklees	70.2	17.6	12.2	67.1	15.6	17.3

Source: Census 2001 and 2011

** Ward boundaries have changed since between 2001 and 2011. Please note figures in individual wards with caution

Chart 1: Tenure change in Kirklees 2001-2011

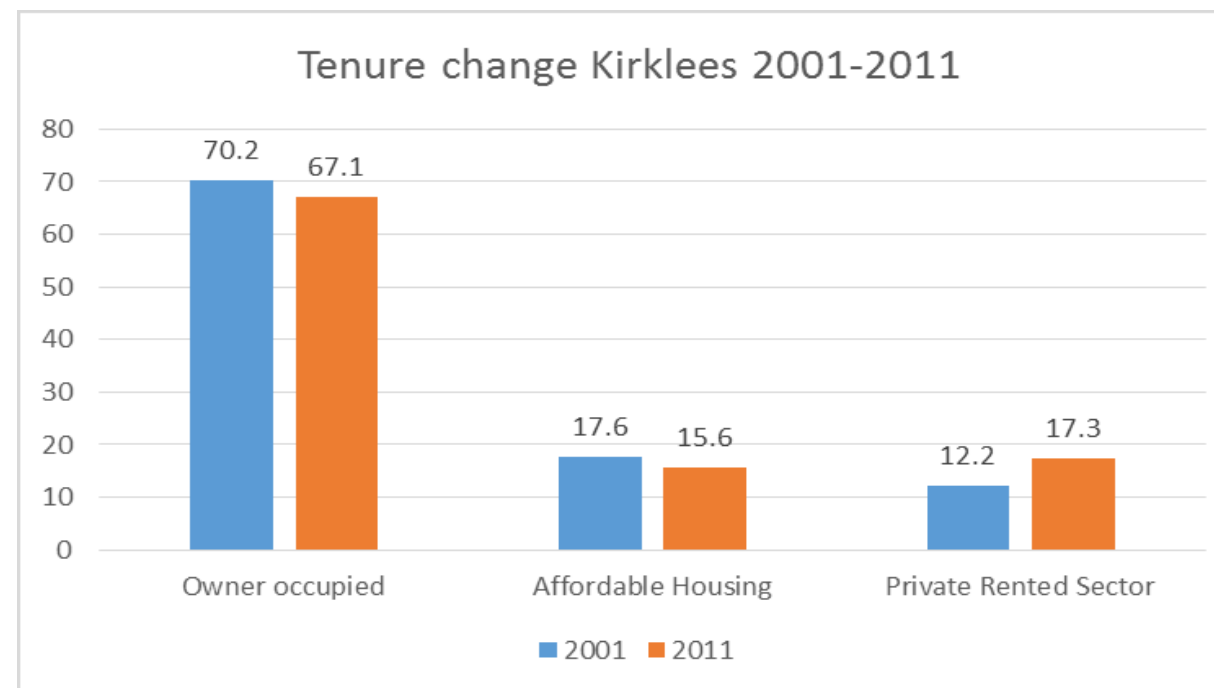
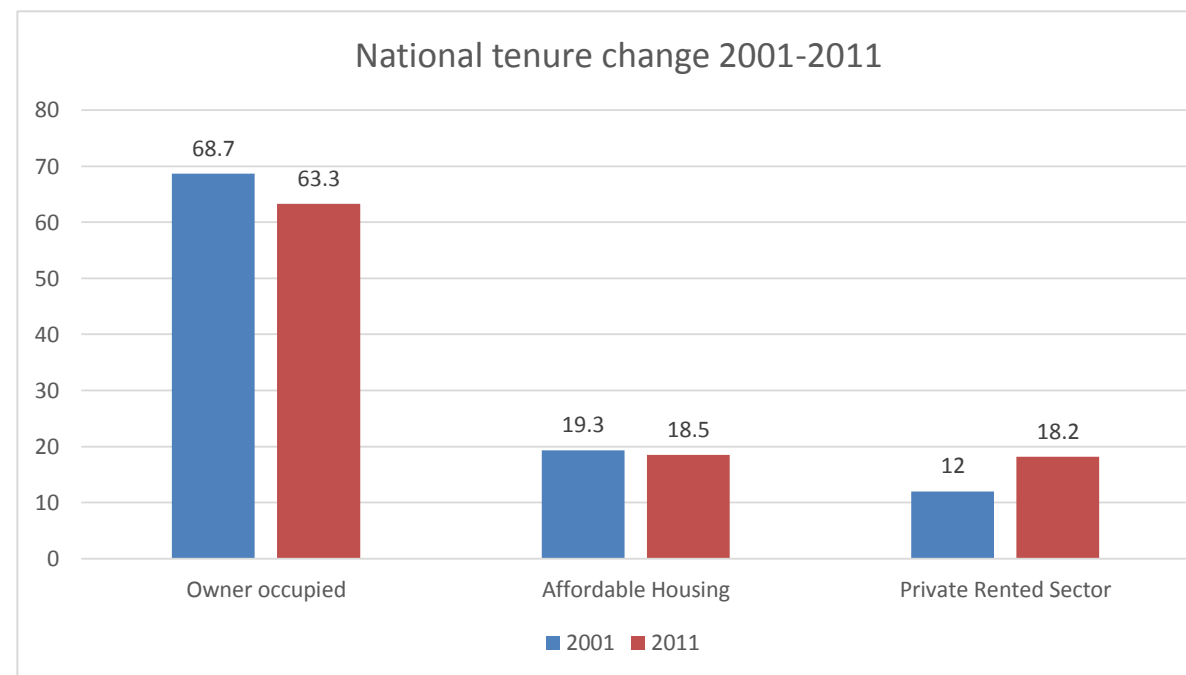


Chart 2: National tenure change 2001-2011



3.7 In Table 4, we have compared median property values in 2014 in each ward with the size of the private rented sector. The table confirms that the Private Rented Sector is distributed across all wards, although there is a particular element of lower value stock, for example, in Batley East, Crosland Moor and Netherton and Dewsbury West. However, there is higher value Private Rented Sector in Kirkburton and median value Private Rented Sector in Greenhead and Cleckheaton. This is a diverse market where the concentrations of high numbers of Private Rented Sector are across all values; providing housing for those who cannot or choose to not enter the social rented sector or supporting an economically active market.

Ward	Median sales value 2014	Total % of the Private Rented Sector Census 2011
Almondbury	£123,000	16.0
Ashbrow	£122,000	16.0
Batley East	£92,000	19.2
Batley West	£101,000	17.1
Birstall and Birkenshaw	£130,500	13.4
Cleckheaton	£134,975	16.8
Colne Valley	£125,000	17.8
Crosland Moor and Netherton	£100,000	20.8
Dalton	£107,500	15.3
Denby Dale	£174,000	13.3
Dewsbury East	£115,875	16.7
Dewsbury South	£118,000	12.2
Dewsbury West	£102,000	19.2
Golcar	£112,000	19.2
Greenhead	£120,000	32.2
Heckmondwike	£110,000	16.3
Holme Valley North	£159,975	12.9
Holme Valley South	£177,500	13.5
Kirkburton	£185,000	11.7
Lindley	£140,000	17.4
Liversedge and Gomersal	£125,000	14.7
Mirfield	£145,998	14.9
Newsome	£121,080	28.0
Kirklees	£125,000	17.3

Source: Land Registry Census 2011

3.8 Table 5 illustrates this information by sub market and confirms that the sub markets with the largest Private Rented Sector sectors have values below or equal to the median property values in Kirklees.

Median values by Housing Market Area	Median sales value 2013	Total % of the Private Rented Sector Census 2011
Batley and Spennings	117,500	16.2
Dewsbury and Mirfield	124,500	15.8
Huddersfield North	125,000	21.7
Huddersfield south	115,000	20.1
Kirklees Rural-West	137,000	15.9
Kirklees Rural-East	182,500	12.5
Kirklees	125,000	17.3

Source: Zoopla and Census 2011

New properties coming onto the market

- 3.9 Table 6 shows the actual number of properties coming onto the private rented market each year from 2010 to 2014 in each ward². 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%. The total number coming onto the market has increased year on year with 2014 seeing the largest number of properties coming onto the market during the past three years of 6,962 or 33.4% of all properties during the past five years. The number coming onto the market in 2013 is lower than 2012 and 2014. There are a number of reasons why this is reporting; it may be because households are staying in properties longer and properties are therefore not coming onto the market; however, this trend is being recorded in all of our Zoopla data and is therefore likely to be a dip in the market. Given that increases are being experienced in 2014, this is more likely.
- 3.10 Whilst we know that some of the increase in properties coming onto the market in the past five years is due to new agents joining Zoopla (we do not have access to how many just a general understanding that this has been the case), the increases are so large that in part it will be additional properties coming to the market. Where there are high numbers of properties coming onto a market this can be as a result of a number of reasons. It may be that the area is not as popular and so properties are turning over quickly and tenants are not staying for long periods or it may be that investors are bringing new properties to market or that homeowners are unable to sell and are converting property to the private rented market. These reasons can usually be identified through discussions with letting agents. However, in Kirklees it may also be linked to student accommodation. As new purpose built student accommodation (i.e. around Firth Street in Huddersfield) enters the market some of the smaller HMOs, previously used as student accommodation, have migrated into the single family dwelling market (and thus may be captured within the conventional letting agent data).
- 3.11 Within Kirklees, all agents indicated that most tenancies are a minimum of 6-12 months. They recognised that demand for longer tenancies is increasing and that many people now stay in rented accommodation for between 1-3 years. Some use this time to save for deposits and others rent to obtain a bigger property to accommodate their growing family, as they not cannot afford to buy. Elderly tenants do not tend to want to move around and if they are happy with their property they tend to stay in it. As a result, this does not present high levels of activity or demand within the market. Furthermore, agents believe that the competitive nature of the luxury student market within Kirklees has meant that many students do not change properties during the time they are studying. This is likely due to a fear of losing the property combined with convenience for international students who will leave their property unattended during trips home and do not like to move around.
- 3.12 Likewise, where reducing numbers of properties are coming onto a market, this may indicate a settled community where tenants choose to remain for lengthy periods of time and owners choose not to sell. It can be useful to discuss these reasons with local letting agents.
- 3.13 The increase in the number of properties coming onto the market since 2010 in each ward and the sub areas is mapped in Map 3 below. It shows that the largest increases are in the North of the district, pushing up towards the Bradford and Leeds markets and linked to commuter markets. Agents believe the key drivers for the growth are a lack of affordability in some of the more desirable parts of Kirklees which has forced many to seek rental accommodation, high levels of low income households in some geographies within the Borough and the high levels of student demand. Increases are also recorded in Kirklees Rural West and focused around Holmfirth which was identified as a popular location by agents.

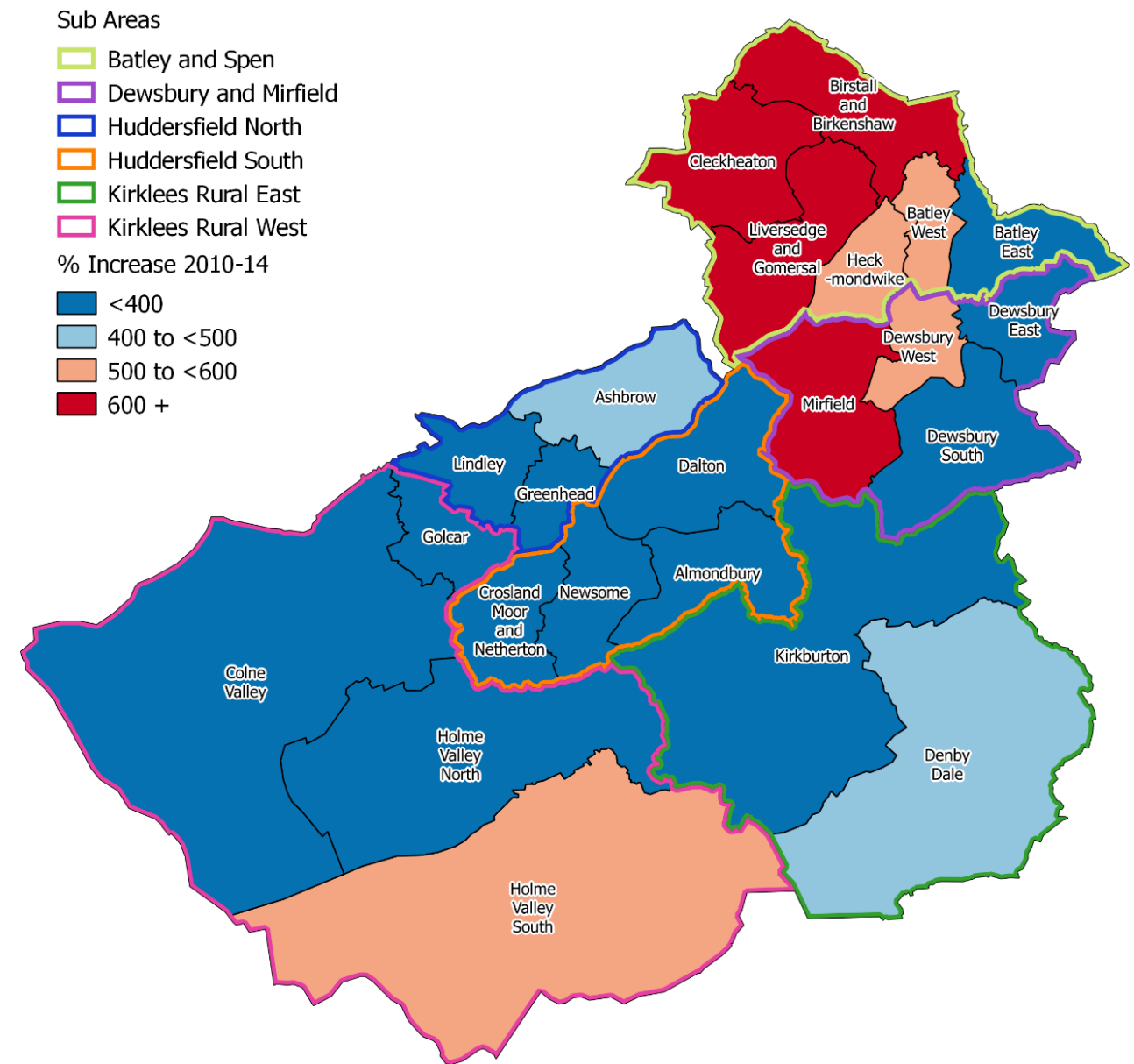
² These properties were advertised through a private letting agent.

Table 6 Number of Private Rented Sector properties to market 2010-14 by ward

Ward	2010	2011	2012	2013	2014	Total	% change from 2010 to 2014	Total % of the Private Rented Sector Census 2011
Almondbury	144	138	257	181	317	1037	120%	16.0
Ashbrow	50	111	251	180	258	850	416%	16.0
Batley East	123	98	242	169	328	960	167%	19.2
Batley West	54	100	216	152	353	875	554%	17.1
Birstall and Birkenshaw	29	38	125	125	229	546	690%	13.4
Cleckheaton	35	57	134	127	289	642	726%	16.8
Colne Valley	79	178	241	142	228	868	189%	17.8
Crosland Moor & Netherton	135	172	355	183	281	1126	108%	20.8
Dalton	61	91	159	135	243	689	298%	15.3
Denby Dale	35	106	189	134	209	673	497%	13.3
Dewsbury East	78	105	253	153	303	892	288%	16.7
Dewsbury South	31	49	136	54	149	419	381%	12.2
Dewsbury West	38	75	176	126	260	675	584%	19.2
Golcar	148	174	314	193	344	1173	132%	19.2
Greenhead	135	227	455	299	617	1733	357%	32.2
Heckmondwike	42	82	203	119	259	705	517%	16.3
Holme Valley North	51	136	224	138	217	766	325%	12.9
Holme Valley South	49	153	304	215	298	1019	508%	13.5
Kirkburton	41	86	172	153	200	652	388%	11.7
Lindley	119	162	340	227	408	1256	243%	17.4
Liversedge and Gomersal	25	87	102	101	214	529	756%	14.7
Mirfield	18	107	254	194	291	864	1517%	14.9
Newsome	249	236	377	309	667	1838	168%	28.0
Kirklees	1769	2768	5479	3809	6962	20787	294%	17.3

Source: Zoopla and Census 2011

Map 3: The increase in the number of Private Rented Sector properties coming onto the market 2010-2014



3.14 Table 7 shows the number of properties coming onto the private rented market each year from 2010 to 2014 in each sub area. Significant numbers of properties have come onto the market in both of the Huddersfield sub areas but high numbers are also reflected in Batley and Spennings Dale and Kirklees Rural-West where the private rented sector is smaller.

Table 7 Number of properties to market 2010-14 by ward								
HMA	2010	2011	2012	2013	2014	Total	% change from 2010 to 2014	Total % of the Private Rented Sector Census 2011
Batley and Spennings Dale	308	462	1022	793	1672	4257	443	16.2
Dewsbury and Mirfield	165	336	819	527	1003	2850	508	15.8
Huddersfield North	304	500	1046	706	1283	3839	322	21.7
Huddersfield south	589	637	1148	808	1508	4690	156	20.1
Kirklees Rural-West	327	641	1083	688	1087	3826	232	15.9
Kirklees Rural-East	76	192	361	287	409	1325	438	12.5
Kirklees	1769	2768	5479	3809	6962	20787	294	17.3

Source: Zoopla and Census 2011

3.15 Table 8 shows the number of properties coming onto the market during 2012, 2013 and 2014 as a percentage of all properties in the private rented sector. (Census 2011 figures are used and may have been different during 2012, 2013 and 2014. This is for guidance only as the 2011 data from the Census is the most recent data). This provides a useful guide on activity in the market. Overall, the number of properties coming onto the market as a percentage of the total stock has increased slightly over the past three years from 18.2% to 23.2% and in 2014 represented 23.2% of the total private rented stock. Nationally turnover in the Private Rented Sector is about a third and so this suggests a relatively settled market.

3.16 The ward with the largest number of units coming onto the market as a percentage of the total private rented sector stock in 2013 was Newsome (28.3%). Newsome is overwhelmingly the most popular area for students according to letting agent feedback. This area was mentioned by all agents who suggested the proximity to the University and types of properties available here made it the most desirable area for students. Usually activity is around 25-35% and any ward with much higher activity suggests either high churn (turning over regularly) or potentially investor growth markets (new properties coming onto the market) while those with low turnover may suggest a short supply of units or tenants remaining in properties for some time.

Ward	Total no of new properties coming onto the market 2012	Total no of new properties coming onto the market 2013	Total no of new properties coming onto the market 2014	Total number of properties in the Private Rented Sector Census 2011	Number as a %age of total stock 2012	Number as a % of total stock 2013	Number as a % of total stock 2014
Almondbury	257	181	317	1274	20.2	14.2	24.9
Ashbrow	251	180	258	1325	18.9	13.6	19.5
Batley East	242	169	328	1310	18.5	12.9	25.0
Batley West	216	152	353	1250	17.3	12.2	28.2
Birstall and Birkenshaw	125	125	229	937	13.3	13.3	24.4
Cleckheaton	134	127	289	1249	10.7	10.2	23.1
Colne Valley	241	142	228	1349	17.9	10.5	16.9
Crosland Moor and Netherton	355	183	281	1545	23.0	11.8	18.2
Dalton	159	135	243	1176	13.5	11.5	20.7
Denby Dale	189	134	209	919	20.6	14.6	22.7
Dewsbury East	253	153	303	1323	19.1	11.6	22.9
Dewsbury South	136	54	149	796	17.1	6.8	18.7
Dewsbury West	176	126	260	1313	13.4	9.6	19.8
Golcar	314	193	344	1516	20.7	12.7	22.7
Greenhead	455	299	617	2605	17.5	11.5	23.7
Heckmondwike	203	119	259	1083	18.7	11.0	23.9
Holme Valley North	224	138	217	915	24.5	15.1	23.7
Holme Valley South	304	215	298	1077	28.2	20.0	27.7
Kirkburton	172	153	200	745	23.1	20.5	26.8
Lindley	340	227	408	1459	23.3	15.6	28.0
Liversedge and Gomersal	102	101	214	1229	8.3	8.2	17.4
Mirfield	254	194	291	1271	20.0	15.3	22.9
Newsome	377	309	667	2361	16.0	13.1	28.3
Kirklees	5479	3809	6962	30027	18.2	12.7	23.2

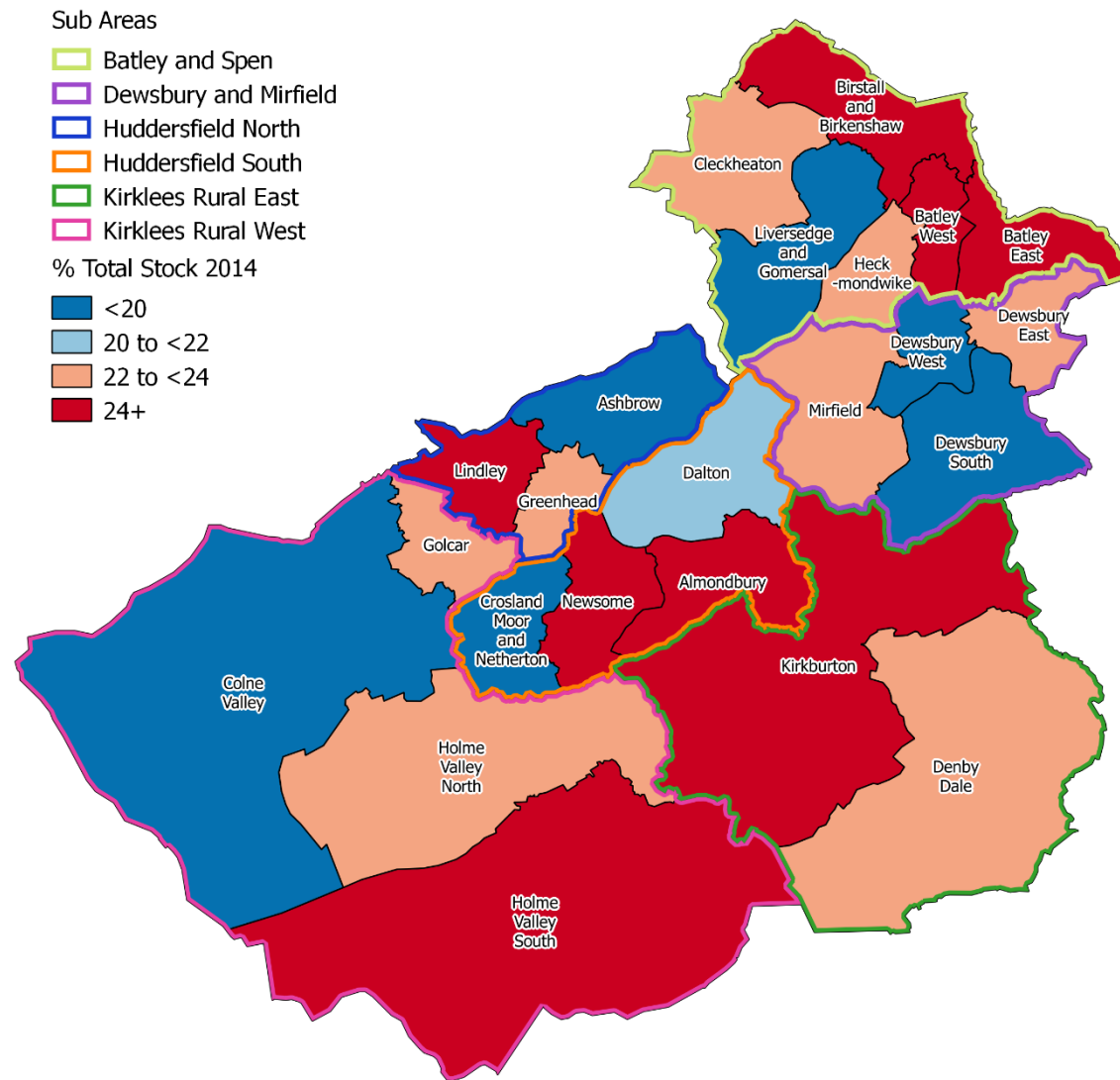
Source: Zoopla and Census 2011

3.17 Table 9 illustrates the same data by sub area. Activity in 2014 is relatively similar in all sub-areas.

Ward	Total no of new properties coming onto the market 2012	Total no of new properties coming onto the market 2013	Total no of new properties coming onto the market 2014	Total number of properties in the Private Rented Sector Census 2011	Number as a %age of total stock 2012	Number as a % of total stock 2013	Number as a % of total stock 2014
Batley and Spen	1022	793	1672	7058	14.5	11.2	23.7
Dewsbury and Mirfield	819	527	1003	4703	17.4	11.2	21.3
Huddersfield North	1046	706	1283	5389	19.4	13.1	23.8
Huddersfield south	1148	808	1508	6356	18.1	12.7	23.7
Kirklees Rural-West	1083	688	1087	4857	22.3	14.2	22.4
Kirklees Rural-East	361	287	409	1664	21.7	17.2	24.6
Kirklees	5479	3809	6962	30027	18.2	12.7	23.2

3.18 The number of private rented homes coming onto the market as a percentage of the total private rented stock in 2014 is illustrated in Map 4. Activity is high in many areas including rural areas and again upward to the Bradford and Leeds markets.

Map 4: The number of the private rented homes coming onto the market as a percentage of the total private rented stock in 2014



3.19 In Charts 3 and 4, we have compared the percentage of stock in the private rented sector using Census data 2011 with property sales in those wards from 2014 (base stock taken from 2011). This data is better displayed at ward level and a sub area level is not included.

3.20 We are seeing three potential types of markets, of which many wards exhibit strong characteristics and others similar characteristics:

- Markets where there are relatively buoyant sales but low percentages of private rented properties. Here we assume that properties are primarily being sold to owner occupied markets but there has been some growth in the private rented sector. These would include wards such as Birstall and Birkenshaw, Holme Valley North and South and Kirkburton. (Batley and Spen and Rural sub area;
- Relatively buoyant sales markets with corresponding high private rented sectors or experienced high growth, potentially illustrating strong investor markets. This would include wards such as Crosland Moor and Netherton, Greenhead, Colne Valley and Golcar. (Huddersfield and Rural sub area; and
- Slower sales markets but high levels of private rented housing, where potentially owner occupied properties are being converted to the private rented sector or the sector is already well established. This includes wards such as Dewsbury West (Dewsbury and Mirfield).

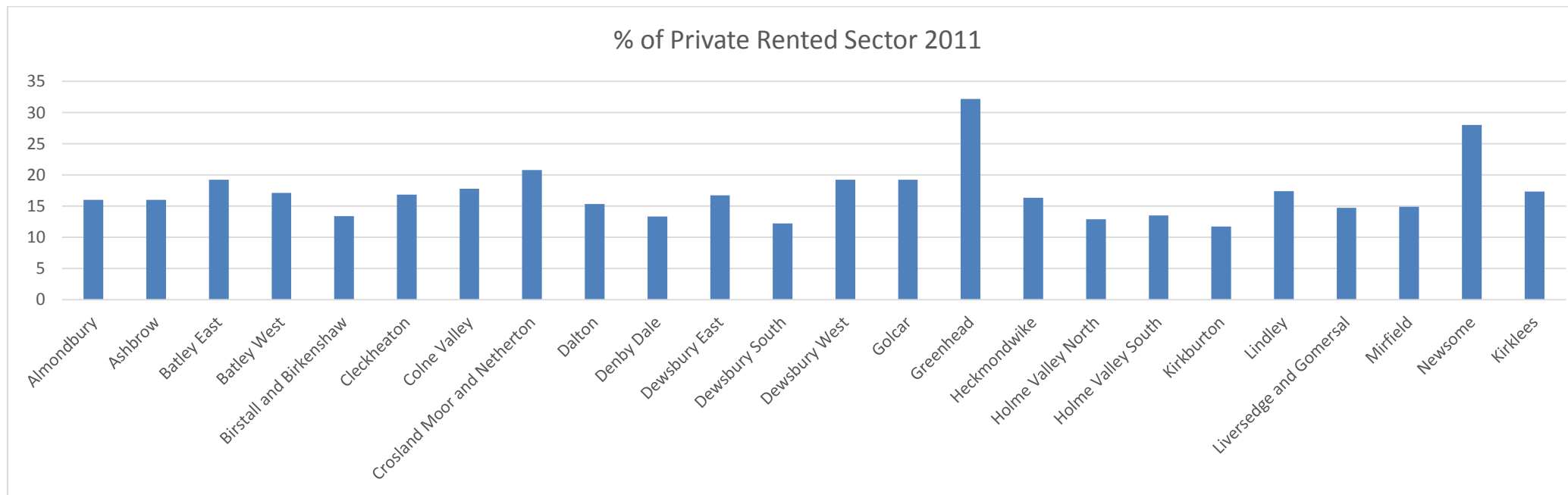


Chart 3: The percentage of the private rented sector in each ward

Source: Census 2011

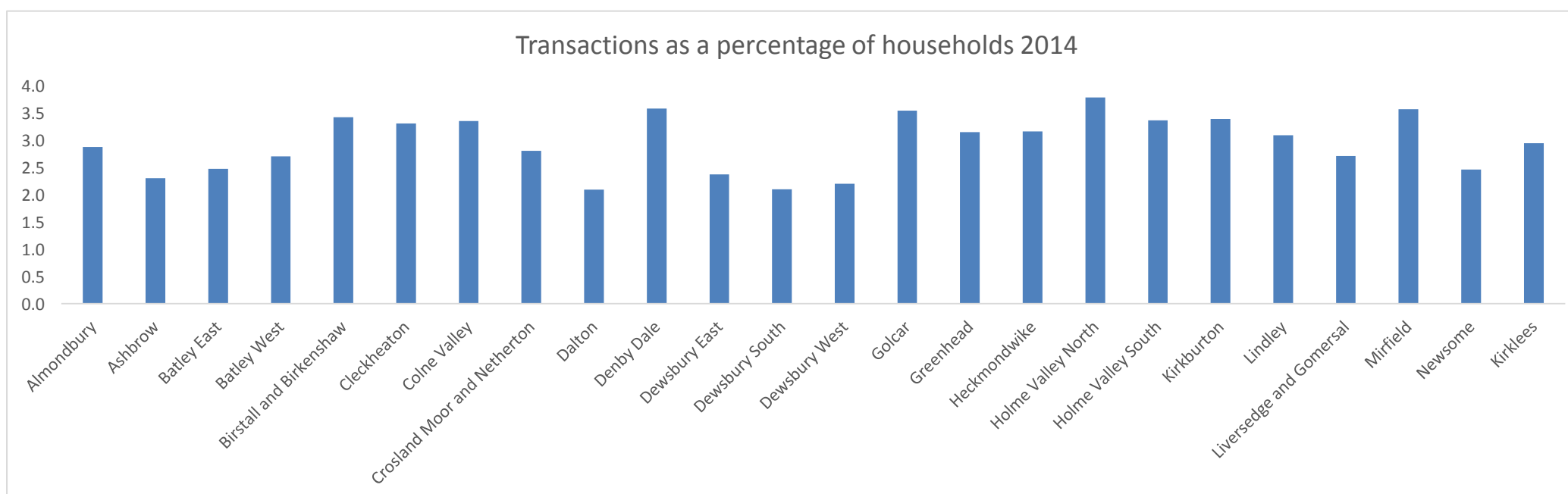


Chart 4: The property sales market 2014

Property type and bed size

3.21 From 2010 to 2014, flats represent 29.2% of the properties coming onto the market. Houses make up 70.8% of all properties (Table 10). 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 and could be due to a reduction in the construction of new flats.

Property type	2010 No	2011 No	2012 No	2013 No	2014 No	2010-14 Total	Property type	2010 %	2011 %	2012 %	2013 %	2014 %	2010-14 Total
Flat	627	2768	5479	3809	6962	20787	Flat	35.4	30.9	27.4	26.1	30.0	29.2
House	1142	856	1503	994	2087	6067	House	64.6	69.1	72.6	73.9	70.0	70.8
Kirklees	1769	1912	3976	2815	4875	14720	Kirklees	100.0	100	100	100	100	100

Source: Zoopla

3.22 Table 11, illustrates the total number of properties coming onto the market by property size in each of the four years from 2010-2014 and also expresses these figures as a percentage for each year. The market is dominated by two bed properties (43.5%) with smaller proportions of smaller and larger properties coming onto the market

3.23 This may create shortages for families looking for larger properties and households looking for smaller properties, or those needing to down size to access property.

No of beds	2010 No	2011 No	2012 No	2013 No	2014 No	Total No 2010-14	No of beds	2010 %	2011 %	2012 %	2013 %	2014 %	Total 2010-14
Bed sit	40	55	77	40	150	362	Bed sit	2.3%	2.0%	1.4%	1.1%	2.2%	1.7%
1	369	533	1030	749	1439	4120	1	20.9%	19.3%	18.8%	19.7%	20.7%	19.8%
2	799	1182	2377	1605	3081	9044	2	45.2%	42.7%	43.4%	42.1%	44.3%	43.5%
3	395	710	1384	987	1631	5107	3	22.3%	25.7%	25.3%	25.9%	23.4%	24.6%
4+	166	288	611	428	661	2154	4+	9.4%	10.4%	11.2%	11.2%	9.5%	10.4%
Kirklees	1769	2768	5479	3809	6962	20787	Kirklees	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Zoopla

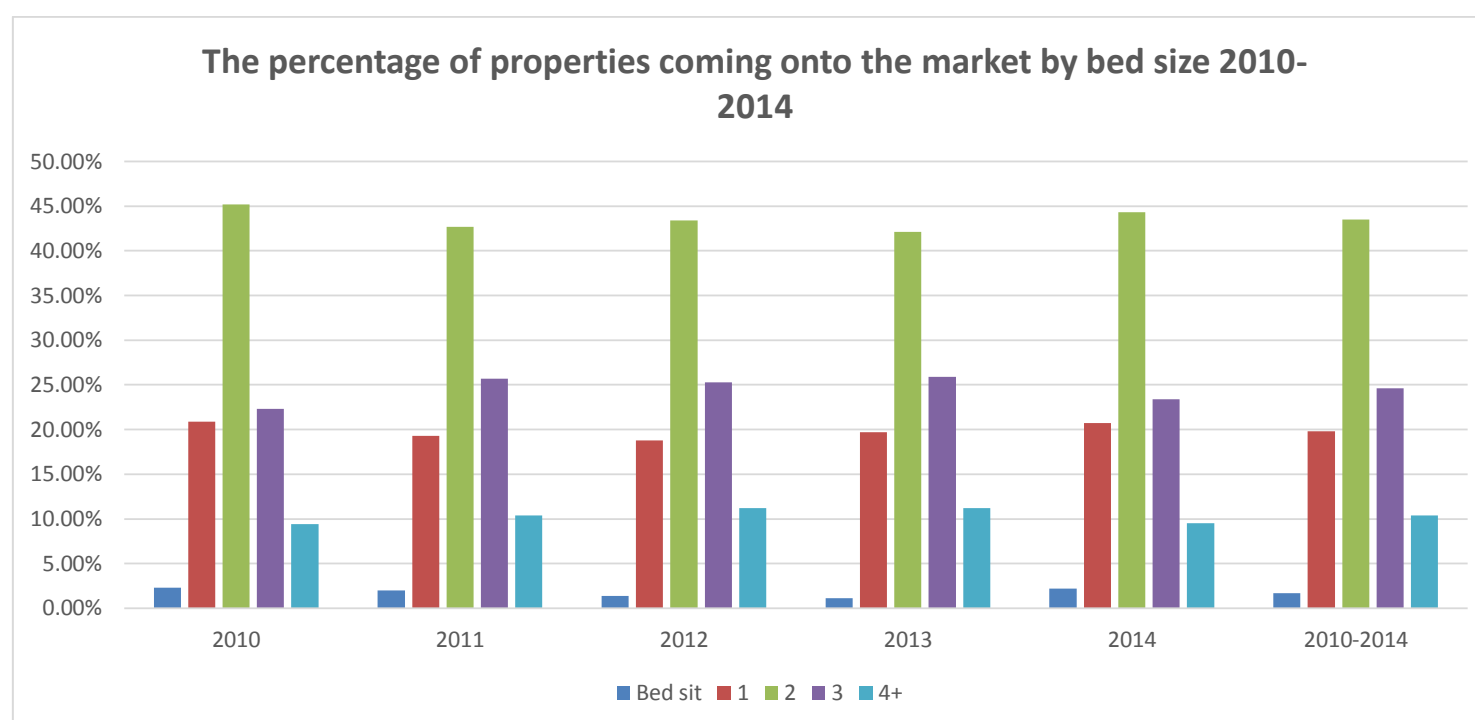


Chart 5: The percentage of properties coming onto the market by bed size 2010-2014

Source: Zoopla

3.24 Table 12³, shows the number and percentage of different property types and sizes coming onto the market from 2010-2014. This table illustrates the property offer in more detail.

Table 12 Properties to market 2010-2014 by size and type												
Property Type	2010 No	2011 No	2012 No	2013 No	2014 No	Total 2010-2014 No	2010 %	2011 %	2012 %	2013 %	2014 %	Total 2010-14 %
Flat	627	856	1503	994	2087	6067	100	100	100	100	100	100
Bedsit	25	21	37	16	48	147	4.0	2.5	2.5	1.6	2.3	2.4
1 Bed	281	397	639	456	945	2718	44.8	46.4	42.5	45.9	45.3	44.8
2 Bed	288	401	768	493	1016	2966	45.9	46.8	51.1	49.6	48.7	48.8
3 Bed	25	29	37	21	47	159	4.0	3.4	2.5	2.1	2.3	2.6
4+ Bed	8	8	22	8	31	77	1.3	0.9	1.5	0.8	1.5	1.3
House	1142	1912	3976	2815	4875	14720	100	100	100	100	100	100
Bedsit	15	34	40	24	102	215	1.3	1.8	1.0	0.9	2.1	1.5
1 Bed	88	136	391	293	494	1402	7.7	7.1	9.8	10.4	10.1	9.5
2 Bed	511	781	1609	1112	2065	6078	44.7	40.8	40.5	39.5	42.4	41.3
3 Bed	370	681	1347	966	1584	4948	32.4	35.6	33.9	34.3	32.5	33.6
4 +Bed	158	280	589	420	630	2077	13.8	14.6	14.8	14.9	12.9	14.1
Kirklees	1769	2768	5479	3809	6962	20787	100	100	100	100	100	100

Source: Zoopla

³ This data is available at ward level but too large to include within this report

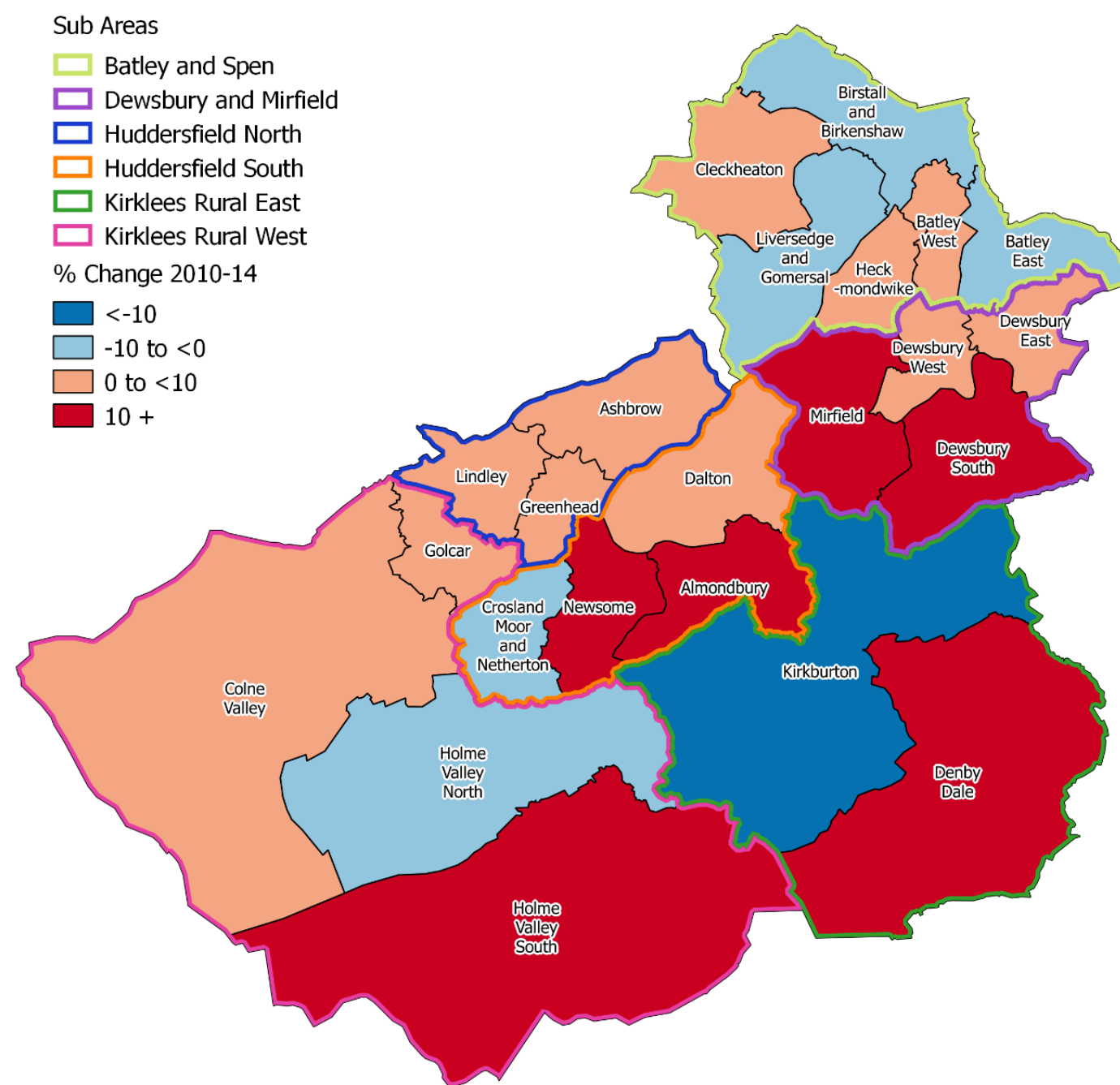
Rent levels

- 3.25 Table 13, shows the median rent levels for properties coming onto the market in each ward for the four years 2010-2014. It then shows the percentage increases in rents from 2010-2014.
- 3.26 The median rent for a property in Kirklees for 2014 was £477pcm. Since 2010, average rents in Kirklees have increased by 7%. The overall figures mask geographical differences over the past four years which are outlined in table 13 and on map 5. A number of wards have experienced rent reductions such as Kirkburton (-10.8%), Birstall and Birkenshaw (-3.4%) and Crosland Moor and Netherton (-4.7%), whilst there have been significantly larger rent increases in higher value areas such as Holme Valley South (15.7%) and Denby Dale (12.7%).
- 3.27 The median rent change 2010 to 2014 is shown geographically in Map 5.

Ward	2010 £pcm	2011 £pcm	2012 £pcm	2013 £pcm	2014 £pcm	% change 2010-2014
Almondbury	446	494	524	498	498	11.7%
Ashbrow	459	494	498	494	477	3.9%
Batley East	425	425	425	425	425	0.0%
Batley West	425	446	451	451	451	6.1%
Birstall and Birkenshaw	494	509	477	494	477	-3.4%
Cleckheaton	412	472	451	477	451	9.5%
Colne Valley	446	474.5	477	477	477	7.0%
Crosland Moor and Netherton	446	446	446	425	425	-4.7%
Dalton	446	472	477	524	477	7.0%
Denby Dale	511	546	550	550	576	12.7%
Dewsbury East	399	399	425	425	425	6.5%
Dewsbury South	446	472	477	477	494	10.8%
Dewsbury West	446	446	446	451	451	1.1%
Golcar	425	451	451	477	451	6.1%
Greenhead	446	451	477	459	459	2.9%
Heckmondwike	425	446	451	477	451	6.1%
Holme Valley North	524	546	546	524	524	0.0%
Holme Valley South	498	546	546	550	576	15.7%
Kirkburton	646	585	572	576	576	-10.8%
Lindley	472	494	498	498	498	5.5%
Liversedge and Gomersal	494	446	498	490	494	0.0%
Mirfield	446	524	498	494	498	11.7%
Newsome	425	446	459	477	477	12.2%
Kirklees	446	472	477	477	477	7.0%

Source: Zoopla

Map 5: The median rent change 2010 to 2014



3.28 Table 14 illustrates the median rent levels for properties coming onto the market in each Housing sub area for the four years 2010-2014. It then shows the percentage increases in rents from 2010-2014. Huddersfield South has experienced high levels of rent increases overall at 12.2%. This is despite Crosland Moor and Netherton experiencing rent reductions. The same is true of Kirklees Rural West. There have been modest increases in areas looking out to Leeds and Bradford.

Sub area	2010 £pcm	2011 £pcm	2012 £pcm	2013 £pcm	2014 £pcm	% change 2010-2011
Batley and Spen	425	446	451	451	451	6.1%
Dewsbury and Mirfield	446	451	451	451	451	1.1%
Huddersfield North	446	472	494	494	477	7.0%
Huddersfield south	425	451	472	477	477	12.2%
Kirklees Rural-West	446	494	494	494	494	10.8%
Kirklees Rural-East	546	572	550	550	576	5.5%
Kirklees average	446	472	477	477	477	7.0%

3.29 Table 15 shows median rents by property type and bedsize of rents advertised⁴. Agents suggested that current average market rental values in Kirklees are:

- 1 Bedroom Flat - £400 - £750;
- 2 Bedroom Flat - £450 - £825;
- 2/3 Bedroom Terraced House - £425 - £700;
- 2/3 Bedroom Semi-Detached House - £600 - £1000; and
- 3+ Bed Detached House - £850+.

3.30 Zoopla rents are at the lower level of the rents confirmed by agents which suggests a predominance of lower value rental stock. Since 2010, Median rents for flats have increased by 5%, and houses increased by 11%, reflecting the high demand for houses.

Property size	2010 £pcm	2011 £pcm	2012 £pcm	2013 £pcm	2014 £pcm	% change 2010-2014
Flat	425	446	446	429	446	5%
Bed sit	321	299	420	325	390	21%
1	394	412	394	386	399	1%
2	452.5	481	472	477	477	5%
3	494	546	524	498	550	11%
4+ **	336	394.5	474.5	464	1950*	480%
House	446	494	494	494	494	11%
0	347	451	448.5	528.5	418.5	21%
1	373	377	373	377	377	1%
2	425	446	451	451	451	6%
3	498	546	550	550	550	10%
4+	672	750	750	750	802	19%
Kirklees	446	472	477	477	477	7%

Source: Zoopla

** Small data set-treat with caution

⁴ This data is available at ward level but too large to include within this report

3.31 Table 16 illustrates rents by property type (flats and houses) in different wards. There have been significant differential rent increases/decreases across the borough for different property types from 2010. Table 17 illustrates the same information by sub areas. Table 17 confirms that the overall increases in rents have been driven by rental increases in Huddersfield South for flats and Huddersfield North, Dewsbury and Mirfield for houses.

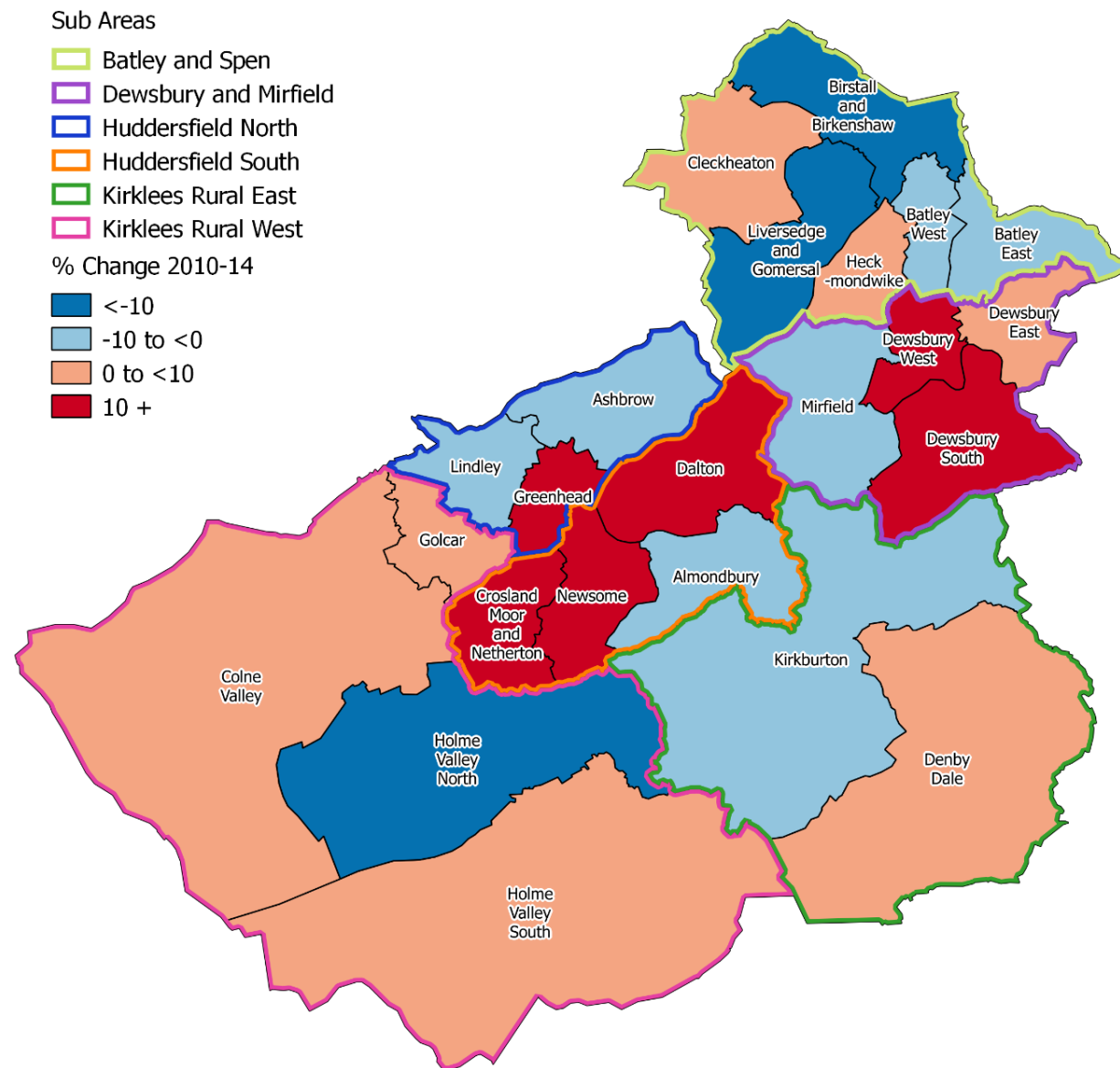
Table 16 Rents by property type and ward 2010-2014						
Ward	Median rent flat 2010 pcm	Median rent flat 2014 pcm	% change 2010-2014	Median rent house 2010 pcm	Median rent house 2014 pcm	% change
Almondbury	494	494	0.0%	425	498	17.2%
Ashbrow	446	425	-4.7%	472	524	11.0%
Batley East	425	399	-6.1%	570	451	-20.9%
Batley West	425	425	0.0%	483	459	-5.0%
Birstall and Birkenshaw	524	440	-16.0%	446	494	10.8%
Cleckheaton	407	425	4.4%	559	451	-19.3%
Colne Valley	425	451	6.1%	472	477	1.1%
Crosland Moor and Netherton	347	416	19.9%	446	429	-3.8%
Dalton	331	399	20.4%	494	494	0.0%
Denby Dale	446	477	7.0%	524	594	13.4%
Dewsbury East	394	396	.6%	446	451	1.1%
Dewsbury South	373	425	13.9%	446	494	10.8%
Dewsbury West	295	377	27.8%	494	477	-3.4%
Golcar	399	425	6.5%	446	477	7.0%
Greenhead	375	451	20.3%	446	477	7.0%
Heckmondwike	375	399	6.4%	435	498	14.4%
Holme Valley North	524	451	-13.9%	496	550	10.9%
Holme Valley South	494	524	6.1%	498	594	19.3%
Kirkburton	448	439	-2.0%	646	611	-5.4%
Lindley	494	494	0.0%	459	498	8.5%
Liversedge and Gomersal	470	425	-9.6%	524	498	-5.0%
Mirfield	446	425	-4.7%	498	524	5.1%
Newsome	399	477	19.5%	425	477	12.2%
Kirklees	425	446	4.9%	446	494	10.8%

Source: Zoopla

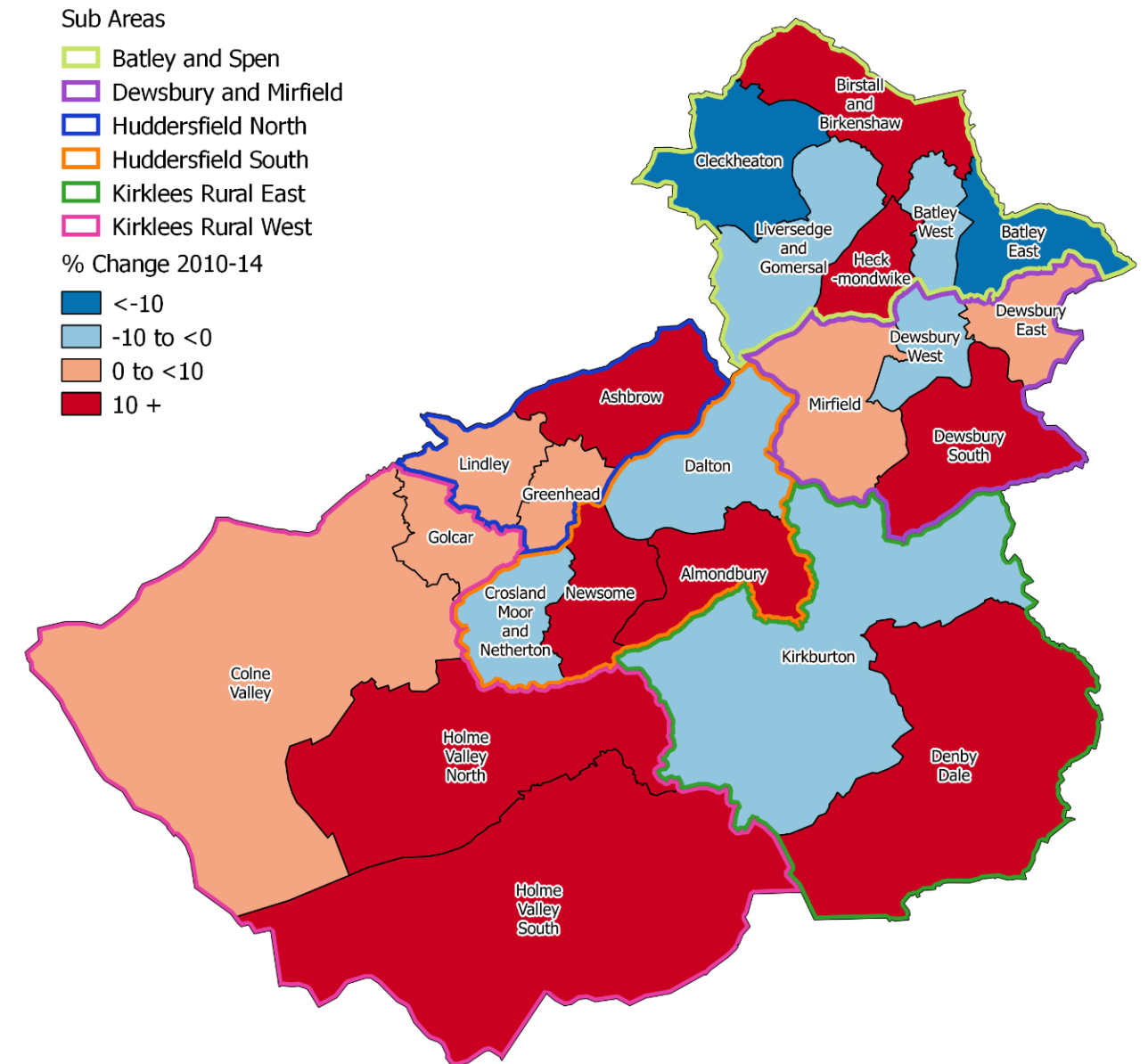
Table 17 Rents by property type and ward 2010-2014 by sub area						
Ward	Median rent flat 2010 pcm	Median rent flat 2014 pcm	% change 2010-2014	Median rent house 2010 pcm	Median rent house 2014 pcm	% change
Batley and Spennings	425	422	-0.7%	472	477	1.1%
Dewsbury and Mirfield	394	399	1.3%	446	494	10.7%
Huddersfield North	446	464	4.3%	446	494	10.7%
Huddersfield South	399	477	19.5%	446	477	6.9%
Kirklees Rural-West	425	451	6.1%	472	504	6.7%
Kirklees Rural-East	446	451	1.1%	572	594	3.8%
Kirklees	425	446	4.9%	446	494	10.8%

3.32 This data is mapped in Maps 6 and 7.

Map 6: The percentage change of rent levels for flats 2010-2014



Map 7: The percentage change of rent levels for houses 2010-2014



Affordability

- 3.33 We have considered two types of affordability in Kirklees. The affordability for households dependent on Local Housing Allowance and the affordability for economically active households. We have reviewed all of the properties that came onto the market in each year from 2010 to 2014 and compared the rent levels with the Local Housing Allowance caps for Kirklees. We have then recorded the number of properties that were available within the LHA caps by bed size and expressed this as a percentage of all of that property type available. The results are shown in Table 18. 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.
- 3.34 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.

No of beds	2010		2011		2012		2013		2014		Total No	
	No	%	No	%	No	%	No	%	No	%	No	%
Bed sit	2	5	1	1.8	2	2.6	4	10	5	3.3	14	3.8
1	113	30.6	140	26.2	296	28.7	203	27.1	308	21.4	1060	25.7
2	264	33.0	274	23.1	576	24.2	380	23.6	758	24.6	2252	24.9
3	191	48.3	220	30.9	367	26.5	218	22.0	400	24.5	1396	27.3
4+	67	40.3	69	23.9	163	26.6	112	26.2	122	18.4	533	24.7
Kirklees	637	36.0	704	25.4	1404	25.6	917	24.0	1593	22.8	5255	25.2

Source: Zoopla

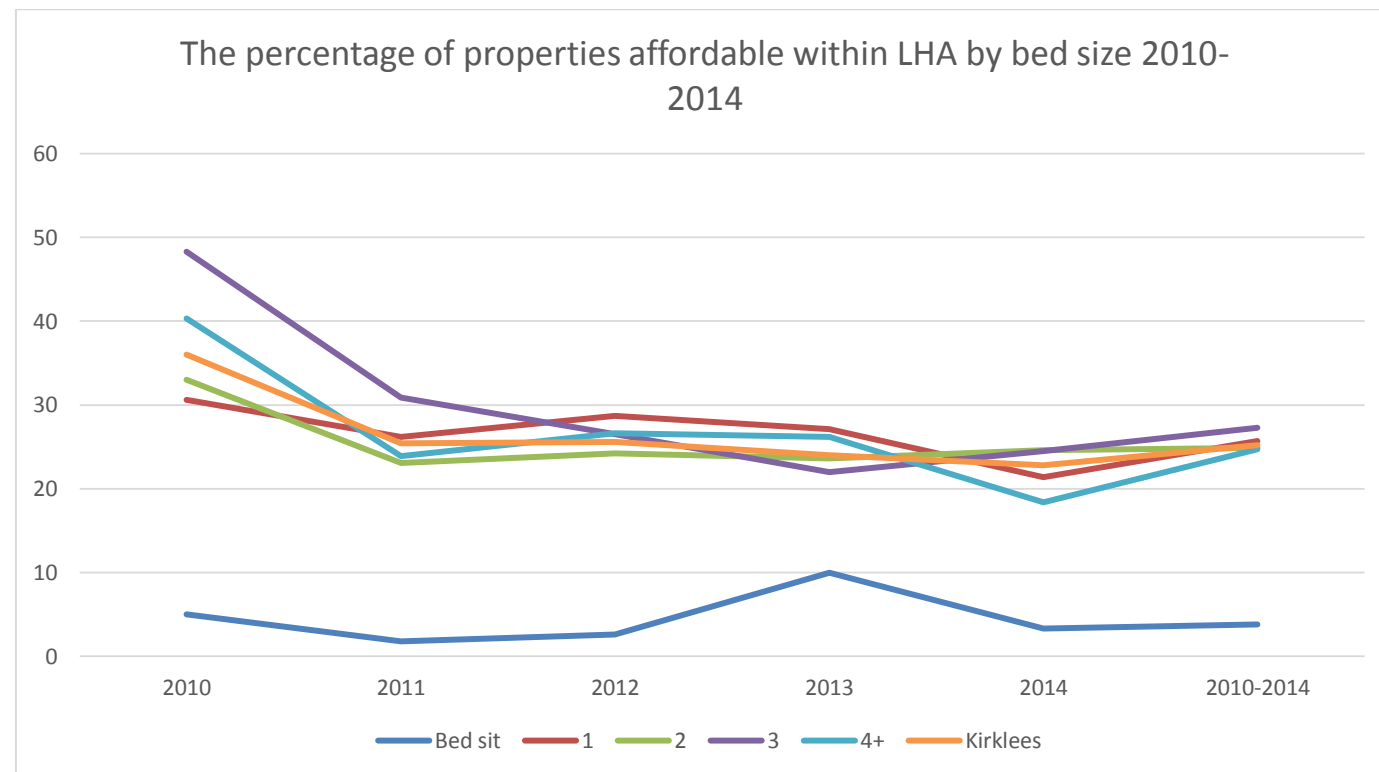


Chart 6: Properties within LHA 2010-2014 by bed size

- 3.35 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.
- 3.36 Where arc⁴ has undertaken research on the private rental market elsewhere, it is often the case that if the LHA thresholds are increased by 10%, a significantly increased number of properties becomes available. This is potentially because landlords uplift the rent charged above LHA levels assuming households will fund a small element of the rent themselves. Landlords are then able to maximise income. A similar exercise has been undertaken in Kirklees and the results are illustrated in Charts 7-12 by sub area. In all sub-areas the number of properties that become affordable when LHA levels are increased by 10% is significant and targeted very much toward two bedroom stock which dominates the market. Landlords are using LHA caps very carefully to target rent levels on properties but given that LHA levels are being capped by Government, potentially rent levels may remain relatively static in the future.

Chart 7: Batley and Spen

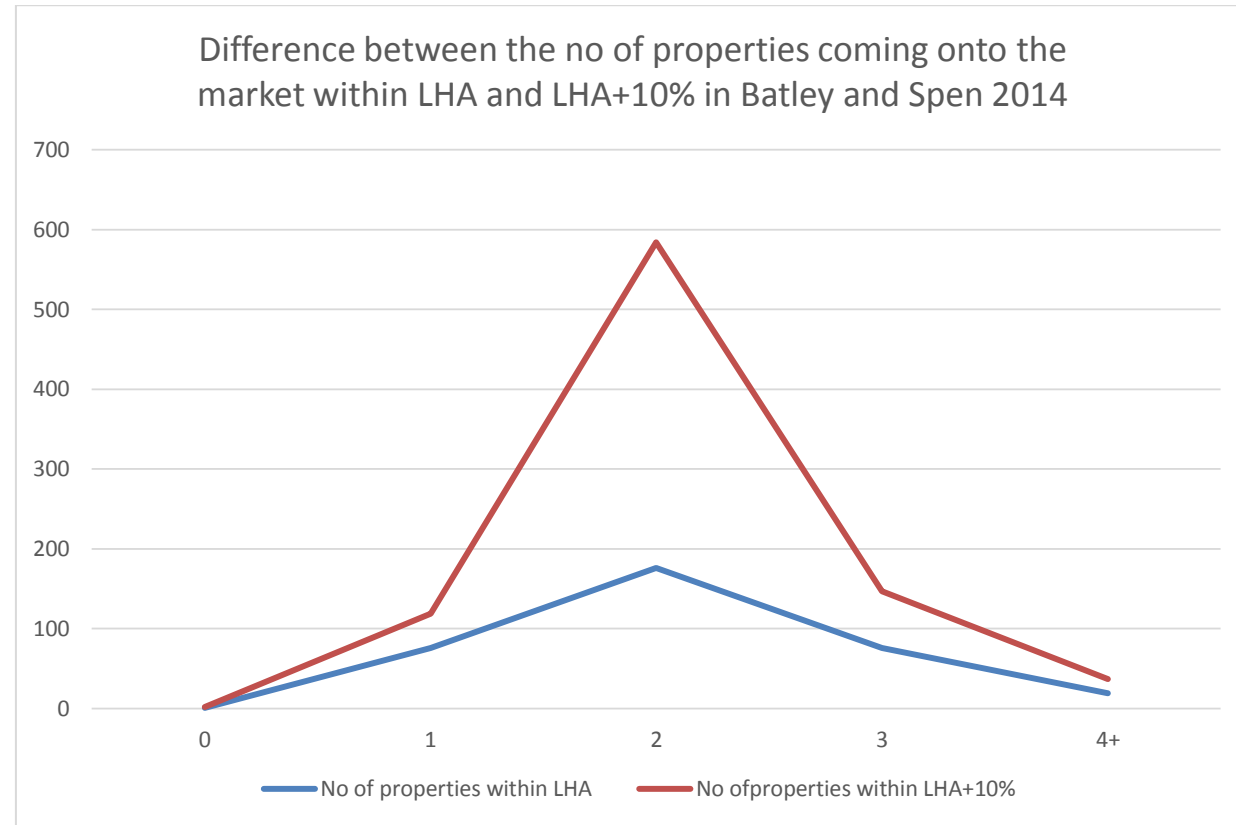


Chart 8: Dewsbury and Mirfield

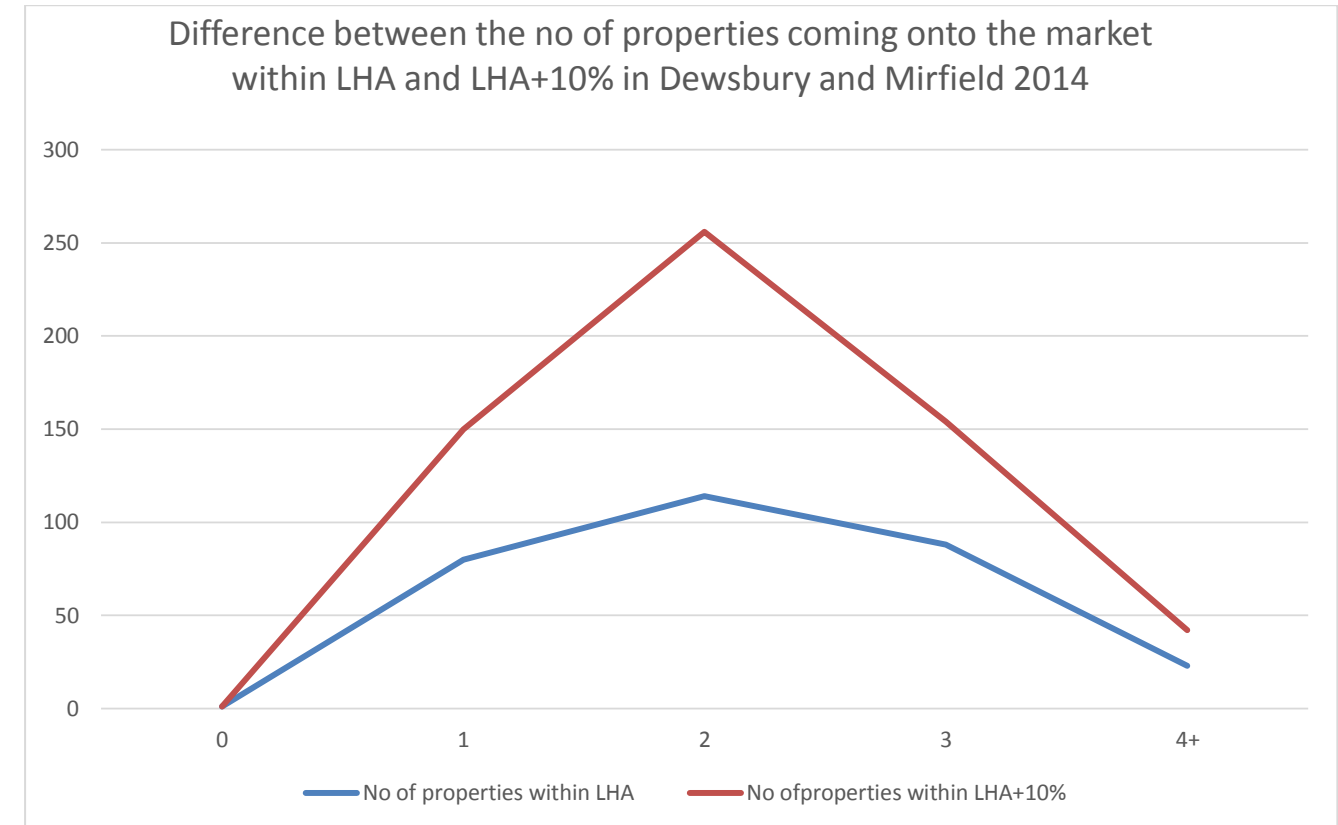


Chart 9: Huddersfield North

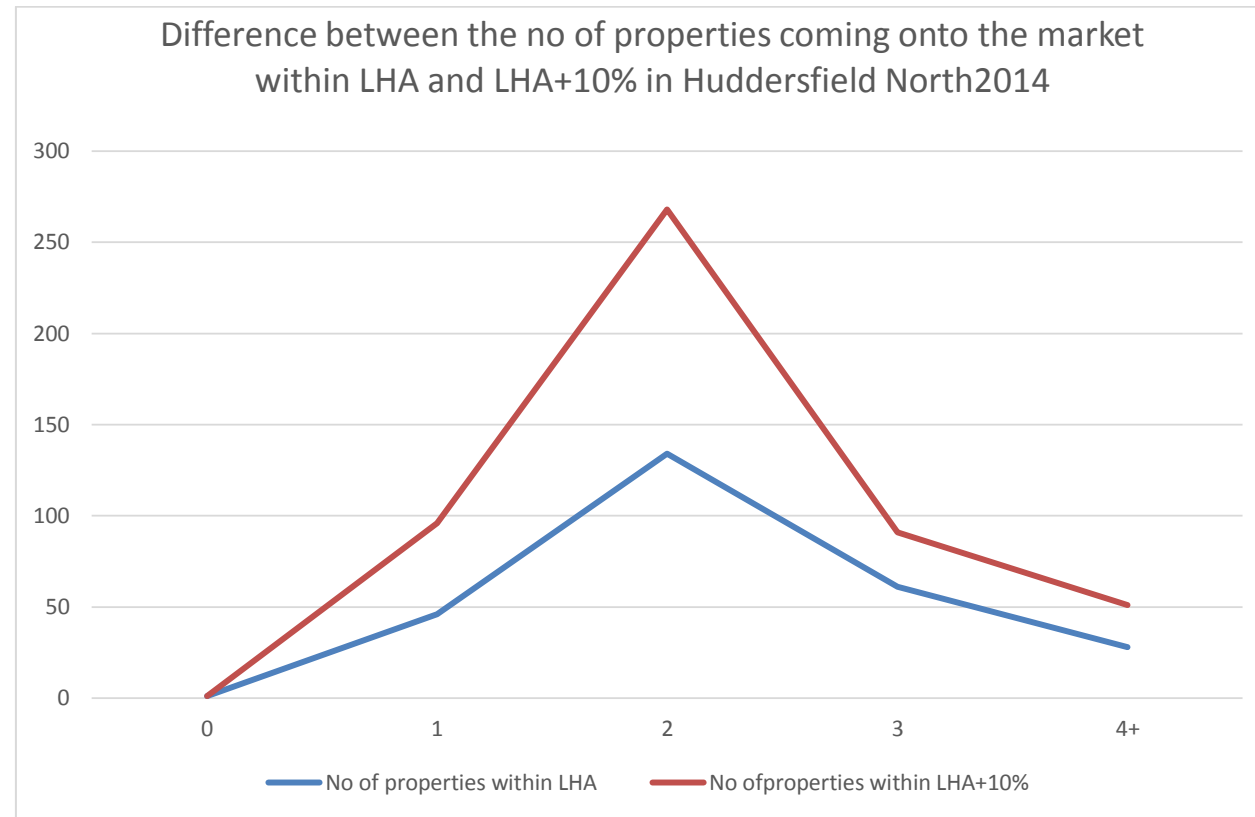


Chart 11: Kirklees Rural – West

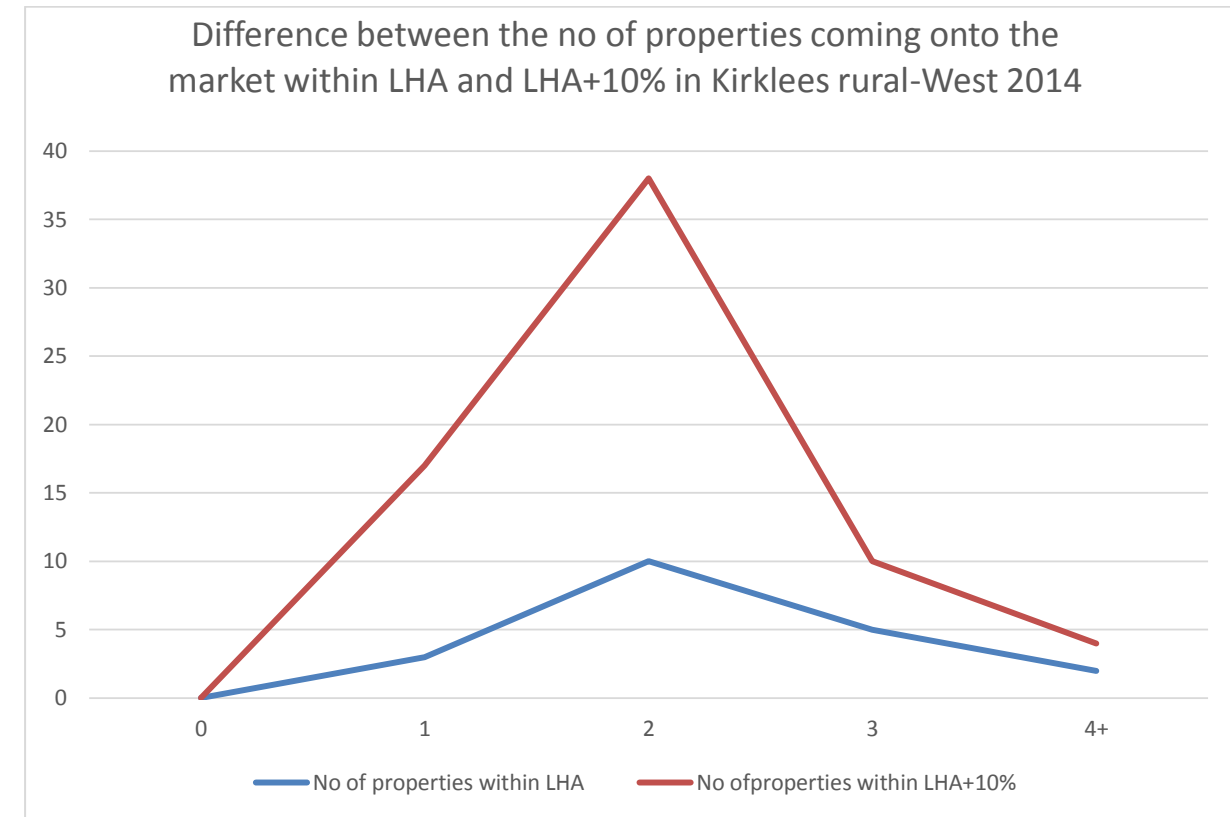


Chart 10: Huddersfield South

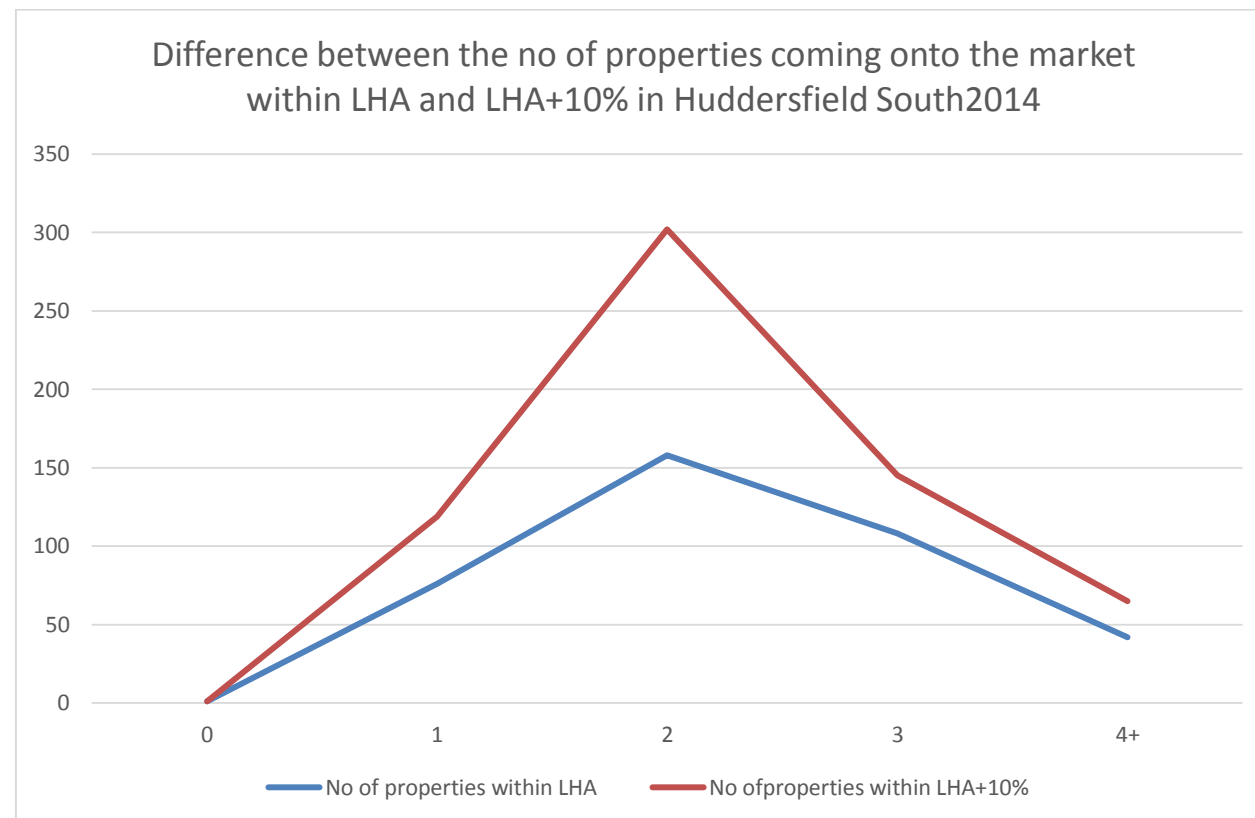
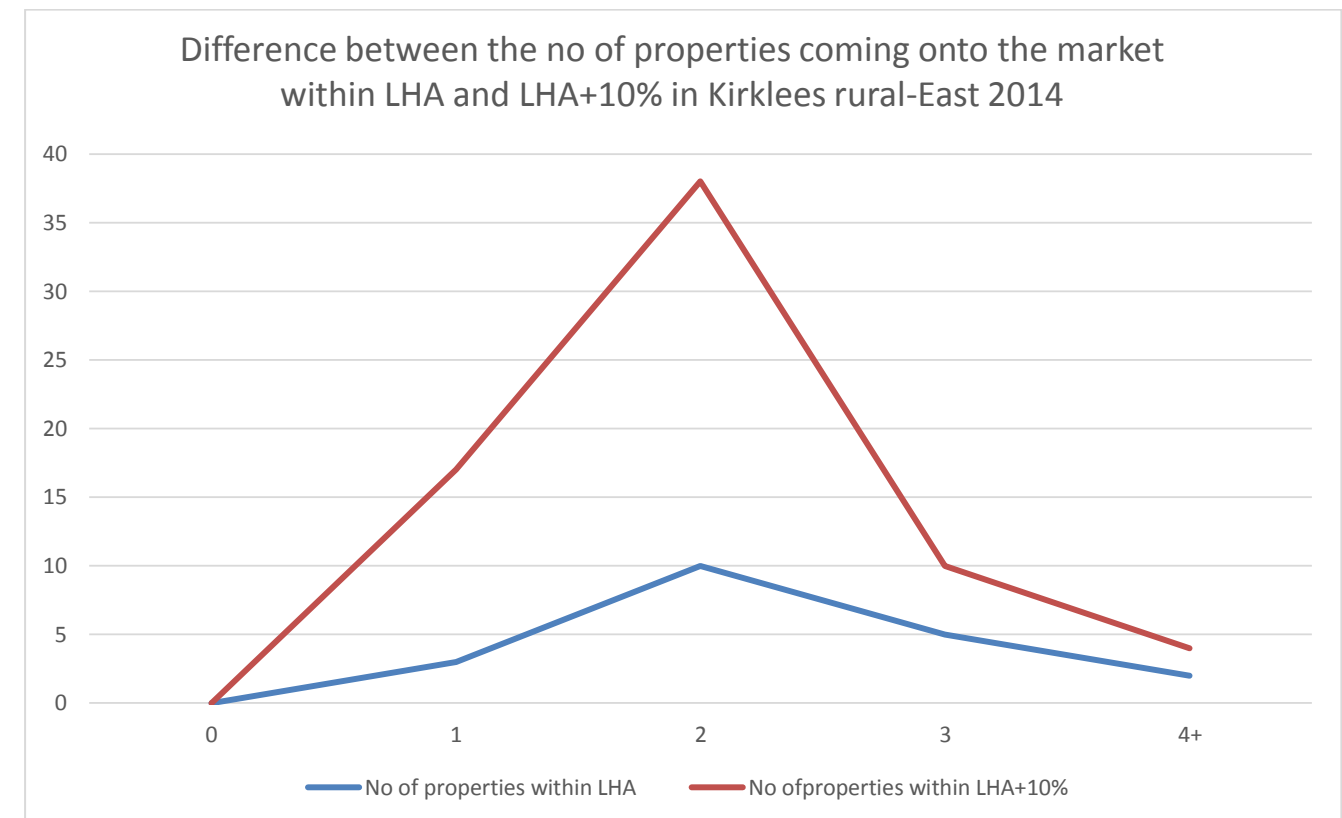


Chart 12: Kirklees Rural- East



- 3.37 Table 19, illustrates the monthly and annual net income levels that would be required to rent a property in each ward, if the rent accounted for 30% of household income. The rent levels are based on 2014 figures when lower quartile annual gross income was £18,476 and the average annual gross income was £24,939⁵.
- 3.38 When looking at average lower value incomes, the market appears to be affordable for many households taking into account median rents. However, these are median figures and there will be many households with lower incomes that face affordability issues. Median income earners can afford all areas; this is not trying to suggest affordability is not a problem; it suggests that there will be properties at rents that can be afforded.. The information is provided by sub areas in table 20. The least affordable sub area is Kirklees Rural East and the most affordable Batley and Spen and Dewsbury and Mirfield. This data is mapped in Map 8 and 9

Table 19 Affordability by ward

Ward	2014 median rent levels (£pcm)	Monthly Income required for rent to be within 30% of household gross income (£)	Annual Gross income (£)
Almondbury	498.0	1660	19920
Ashbrow	477.0	1590	19080
Batley East	425.0	1417	17000
Batley West	451.0	1503	18040
Birstall and Birkenshaw	477.0	1590	19080
Cleckheaton	451.0	1503	18040
Colne Valley	477.0	1590	19080
Crosland Moor and Netherton	425.0	1417	17000
Dalton	477.0	1590	19080
Denby Dale	576.0	1920	23040
Dewsbury East	425.0	1417	17000
Dewsbury South	494.0	1647	19760
Dewsbury West	451.0	1503	18040
Golcar	451.0	1503	18040
Greenhead	459.0	1530	18360
Heckmondwike	451.0	1503	18040
Holme Valley North	524.0	1747	20960
Holme Valley South	576.0	1920	23040
Kirkburton	576.0	1920	23040
Lindley	498.0	1660	19920
Liversedge and Gomersal	494.0	1647	19760
Mirfield	498.0	1660	19920
Newsome	477.0	1590	19080
Kirklees	477.0	1590	19080

Source: Zoopla

Annual survey of hours and earnings - resident analysis

Table 20 Affordability by ward by HMA

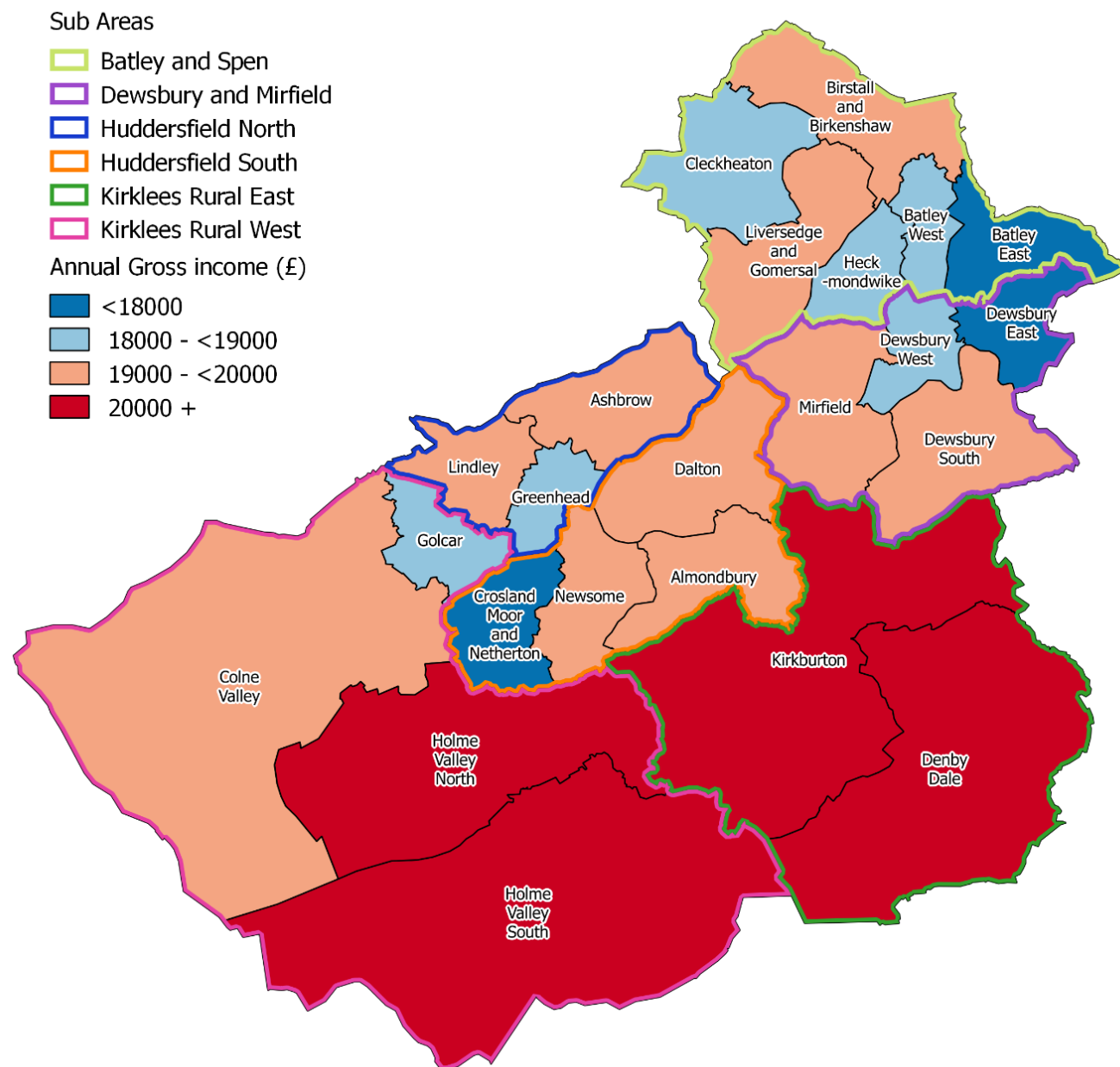
Sub area	2014 median rent levels (£pcm)	Monthly Income required for rent to be within 30% of household Gross income (£)	Annual Gross income (£)
Batley and Spen	451.0	1503	18040
Dewsbury and Mirfield	451.0	1503	18040
Huddersfield North	477.0	1590	19080
Huddersfield South	477.0	1590	19080
Kirklees Rural-West	494.0	1647	19760
Kirklees Rural-East	576.0	1920	23040
Kirklees	477.0	1590	19080

Source: Zoopla

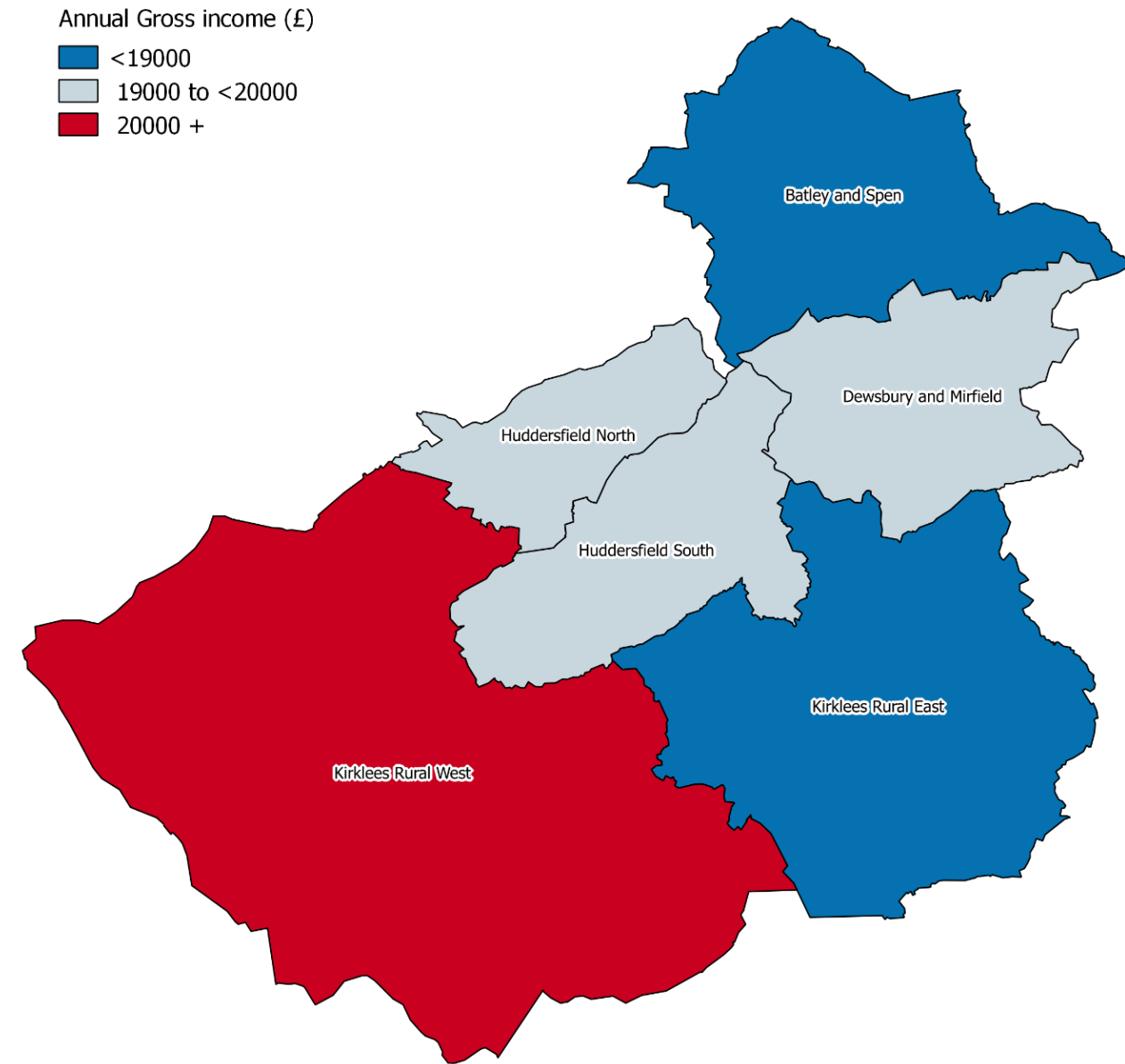
Annual survey of hours and earnings - resident analysis

⁵ ONS Crown Copyright Reserved

Map 8: Monthly Income required for rent to be within 30% of household gross income by ward



Map 9: Monthly Income required for rent to be within 30% of household gross income by sub area



3.39 Table 21 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 £24,939⁶.

3.40 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.

Table 21 Affordability by type and bed size			
Property size	2014 median rent levels (£pcm)	Monthly Income required for rent to be within 30% of household gross income (£)	Annual Gross income (£)
Flat	446.0	1487	17840
0	390.0	1300	15600
1	399.0	1330	15960
2	477.0	1590	19080
3	550.0	1833	22000
4*	1950.0	6500	78000
House	494.0	1647	19760
0	418.5	1395	16740
1	377.0	1257	15080
2	451.0	1503	18040
3	550.0	1833	22000
4+	802.0	2673	32080
Kirklees	477.0	1590	19080

Source: Zoopla

Annual survey of hours and earnings - resident analysis

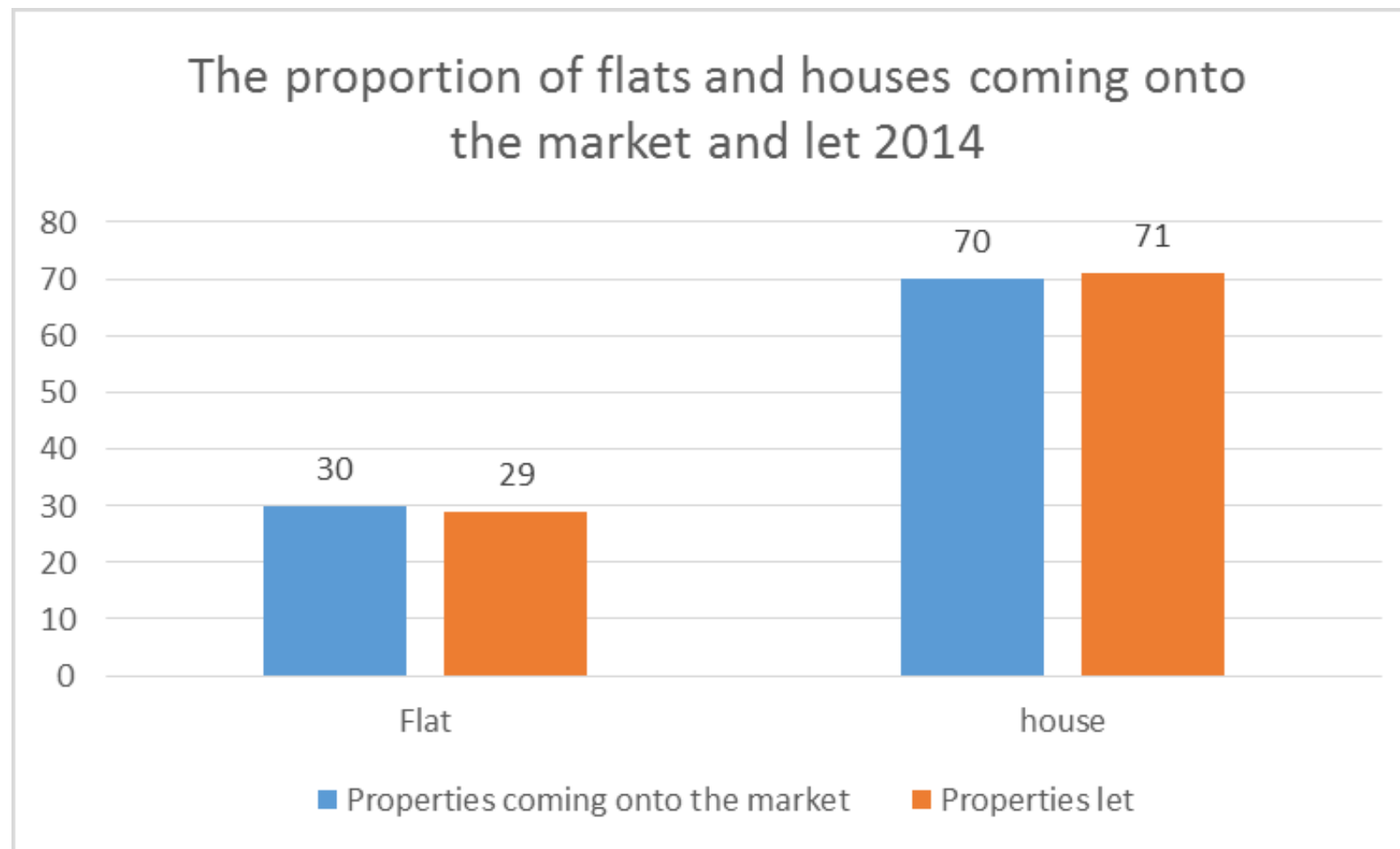
* Treat with caution, based on small sample size

⁶ ONS Crown Copyright Reserved

Properties let

- 3.41 The information shown in this report has used data taken from a 'new instructions' report. This tracks all properties that come onto a market and is based on an electronic trawl of data. It is estimated to cover 99% of the market. What is more difficult to report is how many of those properties are then let. This data is taken from a 'weekly let' report and relies on individual agents updating their records. Whilst we have a very good sample of properties let to identify their characteristics and the time property takes to let, it is not possible to provide the actual number of properties let. We do however know that in Kirklees of the 20,787 properties that came onto the market between 2010 and 2014, at least 58.5% of them were let, although likely to be much higher.
- 3.42 This provides us with a robust summary of the characteristics of properties that get let and we have compared these below with those that came onto the market. Chart 13 illustrates the percentage of flats and houses that came onto the market compared to the percentage that were let. There is a general balance of the market which suggests properties are being let as they come onto the market.

Chart 13: The proportion of flats and houses coming onto the market and let 2014

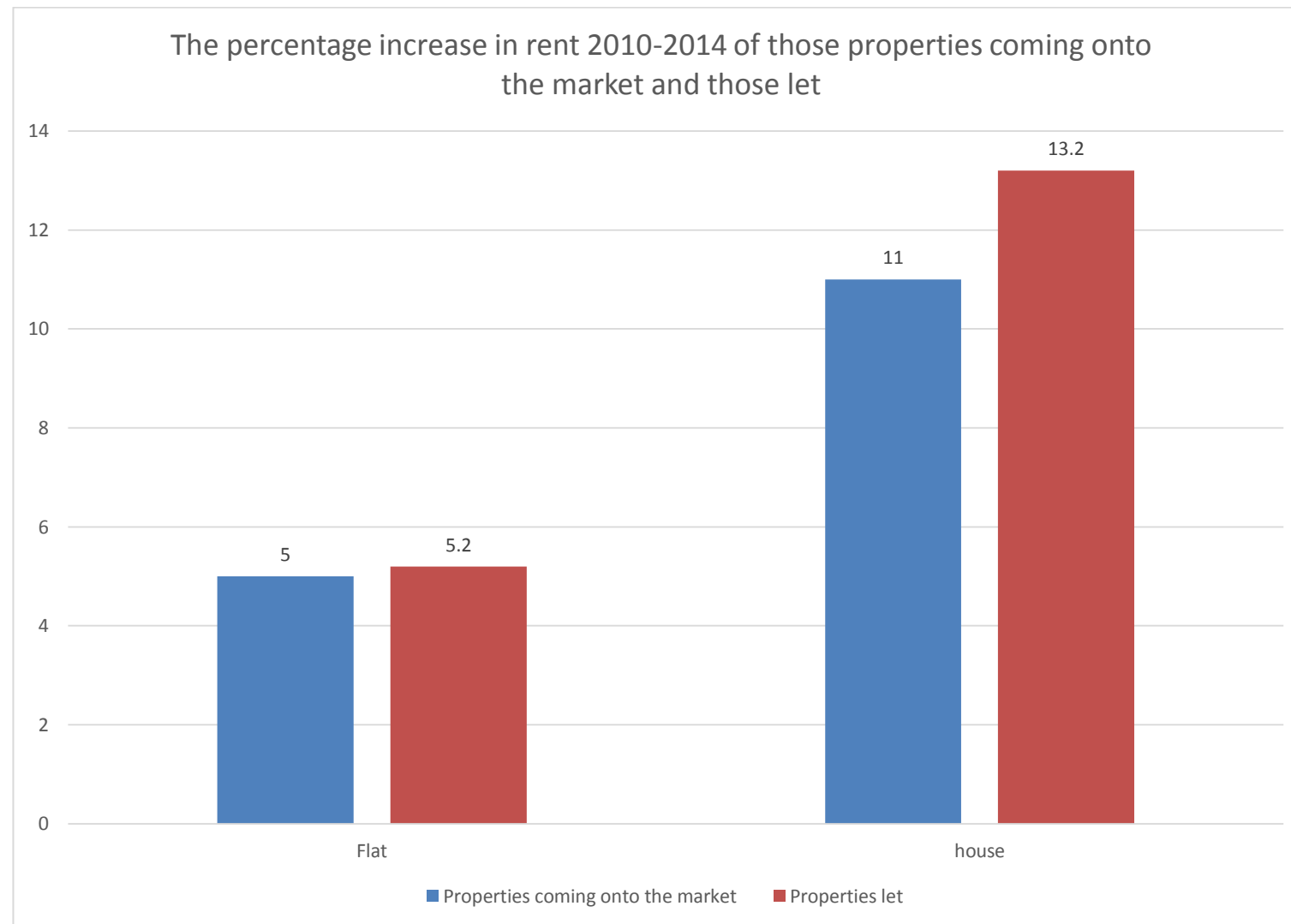


Source: Zoopla

Rent differentials

- 3.43 The rent that property is advertised at and the rent it is let at can often be different and may demonstrate a market pressure if rents are being negotiated up or an oversupply if rents are successfully negotiated down.
- 3.44 Chart 14 below illustrates the percentage differences in rent negotiations from 2010-2014 for properties coming onto the market and properties let. Rents are potentially being negotiated upwards for houses in this market. This could suggest an undersupply of/high demand for property in the district. This needs to be tested with local agents as it could also be because only better quality properties are being let.

Chart 14: Rent differentials



Source: Zoopla

Time to let property

3.45 The time to let a property can indicate how popular a particular property type is, how popular an area is, whether a property is in good condition and priced appropriately. It can also indicate an undersupply/oversupply of a particular property type. The time to let a property is a very useful measure of the health of the rental market and this section considers how long it took for property to be let after coming onto the market.

3.46 Table 22, shows the average time to let a property in weeks in each of the years 2010-2014. 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. Over the past five years, the time to let has increased and this should be tested with letting agents. The market may have an oversupply but the increasing rent levels would not support this.

Ward	Time to let in weeks					
	2010	2011	2012	2013	2014	2010-2014 Average
Almondbury	2.0	7.0	7.0	8.0	7.0	7.0
Ashbrow	5.0	6.0	8.0	8.0	9.0	8.0
Batley East	3.5	4.0	8.0	8.0	7.0	7.0
Batley West	4.0	5.0	11.0	10.5	9.0	9.0
Birstall and Birkenshaw		5.5	6.0	10.0	6.0	7.0
Cleckheaton	11.0	4.5	5.0	8.0	7.0	6.0
Colne Valley	6.0	6.0	7.0	8.5	9.0	8.0
Crosland Moor and Netherton	4.0	7.0	9.0	10.0	10.0	9.0
Dalton	2.5	6.0	6.0	8.0	8.0	7.0
Denby Dale	5.0	8.0	5.0	8.0	9.5	8.0
Dewsbury East	4.0	4.0	8.0	9.0	9.0	7.5
Dewsbury South	2.0	4.0	10.0	9.5	9.0	7.0
Dewsbury West	2.5	12.0	8.0	7.0	9.0	8.0
Golcar	4.0	6.0	8.0	10.0	10.5	9.0
Greenhead	3.0	4.0	8.0	8.0	9.0	7.0
Heckmondwike	5.0	5.0	9.0	9.0	8.0	8.0
Holme Valley North	6.5	7.0	9.0	9.0	11.0	9.0
Holme Valley South	3.0	9.0	9.0	7.5	8.0	8.0
Kirkburton	3.0	6.0	9.5	7.0	8.0	7.0
Lindley	1.0	9.0	6.0	8.0	10.0	8.0
Liversedge and Gomersal	3.0	4.0	6.0	7.0	8.0	6.0
Mirfield	1.0	6.0	7.0	7.0	7.0	7.0
Newsome	3.0	7.0	5.0	9.0	9.0	7.0
Kirklees	3.0	6.0	7.0	8.0	9.0	8.0

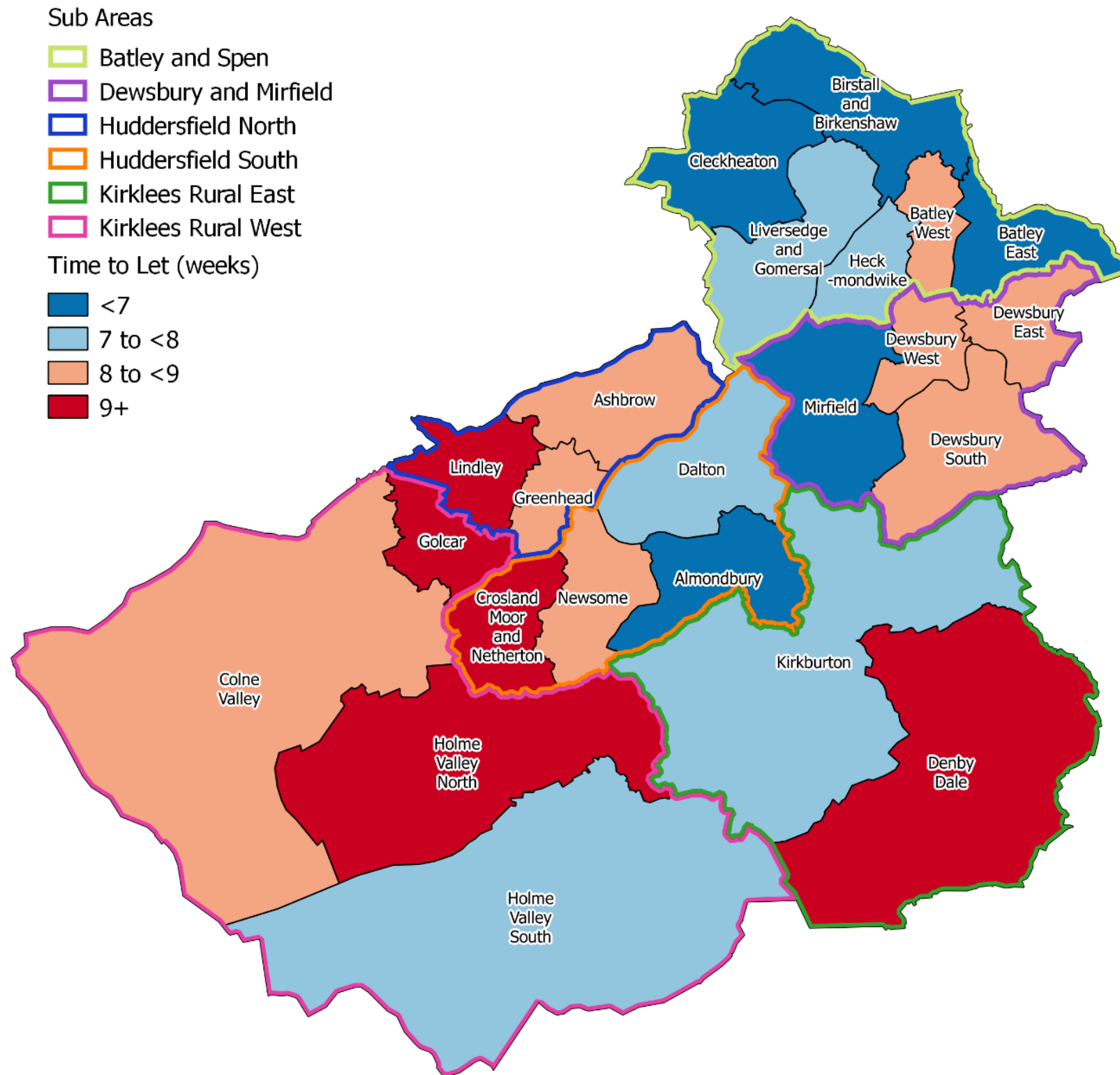
Source: Zoopla

3.47 Table 23 illustrates the time to let a property by sub area. Areas within these generally let in similar time frames.

	Time to let in weeks					
	2010	2011	2012	2013	2014	2010-2014 Average
Batley and Spennings	4.0	4.0	8.0	8.5	7.0	7.0
Dewsbury and Mirfield	3.0	6.0	7.0	8.0	8.0	7.0
Huddersfield North	3.0	5.0	7.0	8.0	9.0	8.0
Huddersfield South	3.0	7.0	6.0	9.0	9.0	7.0
Kirklees Rural-West	4.0	7.0	8.0	9.0	10.0	8.0
Kirklees Rural-East	5.0	7.0	6.0	8.0	9.0	7.0
Kirklees	3.0	6.0	7.0	8.0	9.0	8.0

Source: Zoopla

Map 10: The average time to let a property 2014



Rental yields

3.48 Table 24 provides a guide to rental yields achievable in different wards. It assumes average rent levels and average sales values⁷ and allows for 12% management and maintenance costs including voids and bad debts. Rental yields based on average rents and values are relatively low but higher than many averages recorded elsewhere. The average is 4%. The highest rental yield is in Batley East (4.9%), the lowest yield is in Kirkburton given the high property values (3.3%). Huddersfield South and Batley and Spen HMAs provide the highest yields.

3.49 These figures illustrate potential to invest and recoup reasonable yields. The figures are based on averages and more specific analysis to consider individual property types is likely to illustrate much higher yields in specific locations.

Ward	Median sales value 2014 (£)	Median Rent pcm 2014 (£)	Annual average rental income (£)	Net income 12% costs (£)	Average % rental yields
Almondbury	123,000	498.0	5976	5259	4.3
Ashbrow	122,000	477.0	5724	5037	4.1
Batley East	92,000	425.0	5100	4488	4.9
Batley West	101,000	451.0	5412	4763	4.7
Birstall and Birkenshaw	130,500	477.0	5724	5037	3.9
Cleckheaton	134,975	451.0	5412	4763	3.5
Colne Valley	125,000	477.0	5724	5037	4.0
Crosland Moor and Netherton	100,000	425.0	5100	4488	4.5
Dalton	107,500	477.0	5724	5037	4.7
Denby Dale	174,000	576.0	6912	6083	3.5
Dewsbury East	115,875	425.0	5100	4488	3.9
Dewsbury South	118,000	494.0	5928	5217	4.4
Dewsbury West	102,000	451.0	5412	4763	4.7
Golcar	112,000	451.0	5412	4763	4.3
Greenhead	120,000	459.0	5508	4847	4.0
Heckmondwike	110,000	451.0	5412	4763	4.3
Holme Valley North	159,975	524.0	6288	5533	3.5
Holme Valley South	177,500	576.0	6912	6083	3.4
Kirkburton	185,000	576.0	6912	6083	3.3
Lindley	140,000	498.0	5976	5259	3.8
Liversedge and Gomersal	125,000	494.0	5928	5217	4.2
Mirfield	145,998	498.0	5976	5259	3.6
Newsome	121,080	477.0	5724	5037	4.2
Kirklees	125,000	477.0	5724	5037	4.0

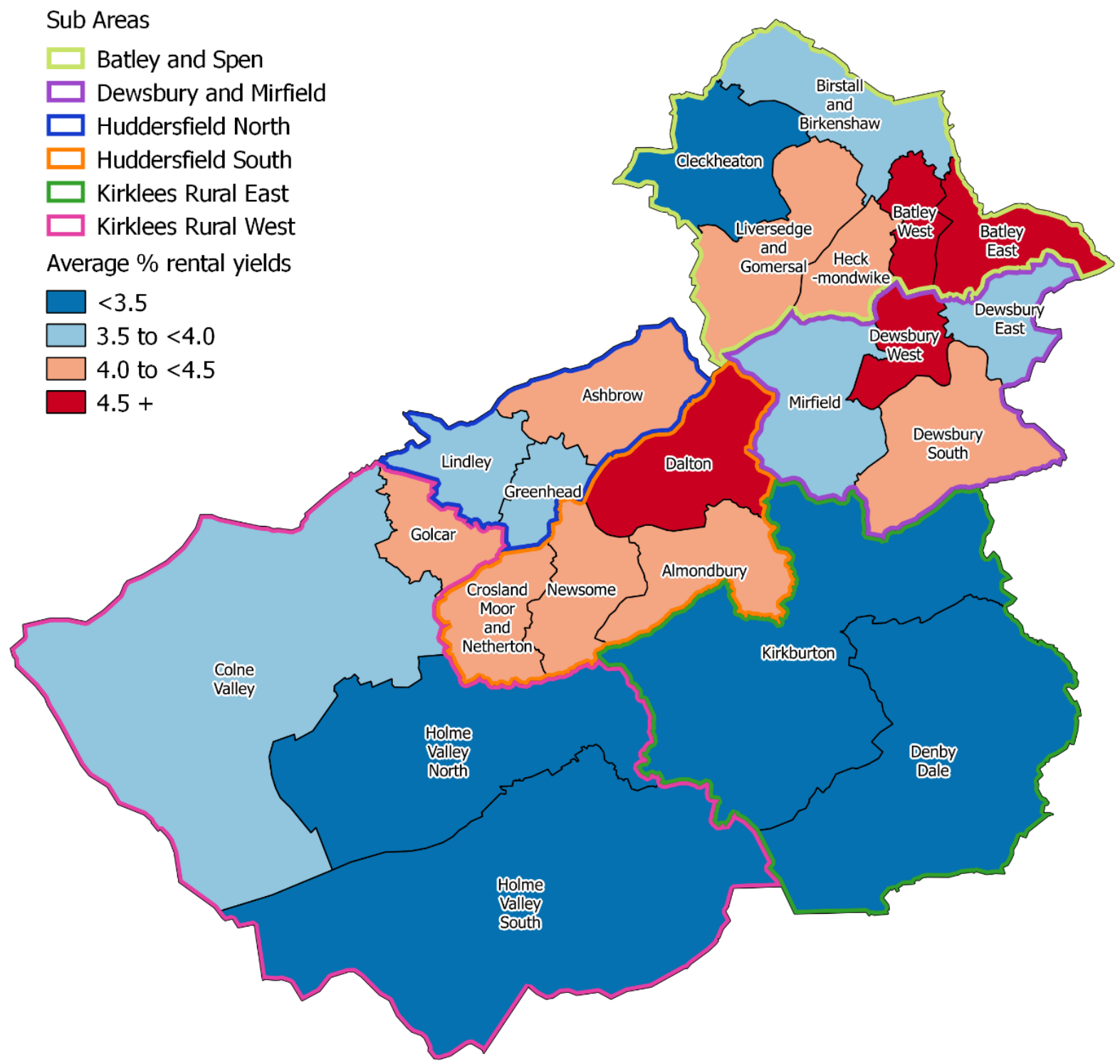
Source: Zoopla Average rent levels, Sales values CLG House Price Statistics; Land Registry Price Paid Dataset

3.50 Table 25 illustrates the potential yields by sub-area

Sub areas	Median sales value 2014	Median Rent pcm 2014	Annual average rental income	Net income 12% costs	Average % rental yields
Batley and Spen	117,500	451.0	5412	4763	4.1
Dewsbury and Mirfield	124,500	451.0	5412	4763	3.8
Huddersfield North	125,000	477.0	5724	5037	4.0
Huddersfield South	115,000	477.0	5724	5037	4.4
Kirklees Rural-West	137,000	494.0	5928	5217	3.8
Kirklees Rural-East	182,500	576.0	6912	6083	3.3
Kirklees	125,000	477.0	5724	5037	4.0

⁷ There will be significant difference between property types and specific locations

Map 11: Potential yields by sub area



4. Agent Review

Market Summary

- 4.1 Estate and letting agents were asked to describe the current housing market in Kirklees. Agents stated that the last 3-5 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 has led to high levels of student demand. This was not verified by the university who believed that much of the purpose built older accommodation was now experiencing demand problems. However it may be that the private rental market is being supported by students who choose this accommodation over purpose built accommodation that is further afield from the town centre. The overall housing market was described as 'consistent and improving' when compared to recent years and all agents highlighted that they felt positive about future trends.
- 4.2 Agents believe that families and investors mainly drive the market in Kirklees. They stated that many view Kirklees as an area that offers excellent value for money when compared with nearby Leeds and Manchester. Family homes, modern flats or apartments and terraced properties that fall under the level of stamp duty are typically highest in demand and can sell within a matter of weeks of entering the market.
- 4.3 The types of properties in demand is mixed due to the varied demographic that is presented in the area. However, agents were able to divide demand into three key areas:
- Student Demand – This falls within a one-mile radius of Huddersfield and student demand here is described as "very high". 1/2-bed apartments were most sought after. Balconies to provide outside space are popular; and
 - Family Demand – This is focused towards Lindley, Mirfield, Birstall 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 where 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.

Owner-occupied market

- 4.4 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, still describe the overall market as 'very price sensitive'. On the whole, agents believe confidence in the market has increased dramatically when compared with two years ago and suggested that they felt positive that this trend would continue.
- 4.5 The family market remains at the core of Kirklees owner occupied demand and location is key amongst this demographic. Agents noted that families will actively seek properties that fall within school catchment areas and highlighted that properties in Lindley, Mirfield, Upper Batley, Birstall and across the Colne Valley receive the highest demand overall. Properties in Denby Dale are also popular amongst those families looking for a more rural style of living and tend to be popular with families with older children.
- 4.6 Family homes offering three plus bedrooms are the most sought after and parking and gardens are now viewed as 'essential'. Due to the high levels of demand, these properties can sell within a matter of weeks of coming on the market.
- 4.7 Property prices remain consistent and agents noted that offers have become much more in line with asking prices. Agents felt that this indicates positive trends for the market moving forward as it suggests confidence in the housing market is returning.

The Private Rented Sector

- 4.8 Rental growth within the area has always been fairly consistent and agents remain confident that this will continue. Agents believe the key drivers for the growth are a lack of affordability in some of the more desirable parts of Kirklees which has forced many to seek rental accommodation, high levels of low income households in some geographies within the Borough and the high levels of student demand.
- 4.9 Demand from families remains consistent across all markets. Agents noted that changes to family dynamics and a tough economic climate have 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 certain school catchment areas. One example highlighted a family who rented property three doors down from their own home to ensure they could obtain a place at the local school. Agents suggested this trend was a concern as if it was not managed carefully; it may create an imbalance in rental stock available.

- 4.10 The location of a property greatly affects demand levels. Properties in the Colne Valley and Lindley are the areas highest in demand amongst families who will often seek a rental property if they cannot afford a home within the area. Towards the North of Kirklees Mirfield, Birstall and Upper Batley were both highlighted as popular locations for families due to the excellent transport links, semi-rural living and good schools in these geographies. Families may also seek rental accommodation here as a temporary measure until a suitable property comes up for sale.
- 4.11 Agents believe that families in the area prefer to own their own home rather than rent however, the economic impact has meant many have moved into rented accommodation, as they cannot afford to buy a bigger property and therefore opt to rent instead.
- 4.12 Demand at the lower end of the market is still high. The locations of Dewsbury and Batley experience very high demand due to the lower household incomes and higher rates of unemployment present in these localities. However, agents indicated that many landlords now chose not to support DSS applications due to bad experiences in the past. Agents went on to add that changes to the payment of tax credits have made some landlords even more cautious when considering a tenant who receives housing benefit and some have been put off all together. Furthermore, many mortgage agreements will now not allow landlords to let properties to benefit recipients or asylum seekers and agents believe this may lead to challenges within this section of the market.
- 4.13 Properties will let quickly; many will let within days due to the strong demand and most properties take no longer than one month to rent (this is in line with the Zoopla data which includes a four week notice period). 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 go within hours of coming on the market.
- 4.14 All agents indicated that most tenancies are a minimum of 6-12 months. They recognized that demand for longer tenancies is increasing and that many people now stay in rented accommodation for between 1-3 years. Some use this time to save for deposits and others rent to obtain a bigger property to accommodate their growing family, as they cannot afford to buy. Elderly tenants do not tend to want to move around and if they are happy with their property they tend to stay in it. As a result, this does not present high levels of activity or demand within the market.
- 4.15 Agents suggested that current average market rental values in Kirklees are:
- 1 Bedroom Flat - £400 - £750;
 - 2 Bedroom Flat - £450 - £825;
 - 2/3 Bedroom Terraced House - £425 - £700;
 - 2/3 Bedroom Semi-Detached House - £600 - £1000; and
 - 3+ Bed Detached House - £850+.

Investor Market

- 4.16 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 great preference on the properties that will present the highest rental yields. Due to a perceived lack of supply for this type of property, Investors will often convert larger family homes and bungalows into self-contained flats as a way to capitalise on the student demand. This could not be verified by the university as the university does not provide accommodation. Agents were greatly concerned that this may negatively affect the housing stock within the area long term if family needs were left un-catered for.
- 4.17 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 increasing in popularity amongst local investors as demand for rental property, most noticeably within the student market, increases.
- 4.18 Investors are also a prominent feature of the low end housing markets present in North Kirklees. Smaller properties including flats and terraced properties that fall under the level of stamp duty typically receive the highest demand. Agents expressed some concerns that due to the high demand for rental property in these geographies it continues to attract a number of inexperienced investors who leave properties unkempt and below the standard agents deem suitable. Furthermore, agents noted that many investors particularly round Batley have been forced into the PRS market as they have lost equity on property and are simply unable to sell the property on - This is particularly notable with flats located near Batley train station.

Student Demand

- 4.19 Significant investment to Huddersfield University has attracted more students to Kirklees and agents noted that student demand is growing more quickly than any other target demographic. They felt that the popularity of the University has grown as it is recognised as a key study hub for textiles students in the North. Agents felt that the increase in university fees meant that many students cannot afford to study in the other hubs such as London and chose Huddersfield as they view this as offering value for money.

- 4.20 Student demand has not only increased in recent years but the types of properties in demand have now changed. A preference is now placed on 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 pickier about their living arrangements.
- 4.21 Agents described the new developments for luxury apartments within Huddersfield as 'extensive' due to the investment and expansion at the University. However, all agents feel that these new developments were needed and believed these will perform well within the local market.
- 4.22 Agents noted a vast increase in demand for luxury student accommodation. Demand for this is most common from international students who are typically keen to live as close to the University as possible – any properties that are more than a 5-10 minute walk away would usually not be considered. They recognised that parents will usually pay six or twelve months' rent and bonds and fees upfront on behalf of their children. Agents believe they often seek luxury accommodation as a way to ensure peace of mind that their children are safe and in good quality accommodation due to their distance from home.
- 4.23 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 continued to grow in the future.
- 4.24 A growing trend amongst British students is parents buying properties for their child for the duration of the time they are at university and renting the additional rooms to their 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 whilst generating a sound investment opportunity. This is then sold or rented to other tenants once the child has completed their studies.

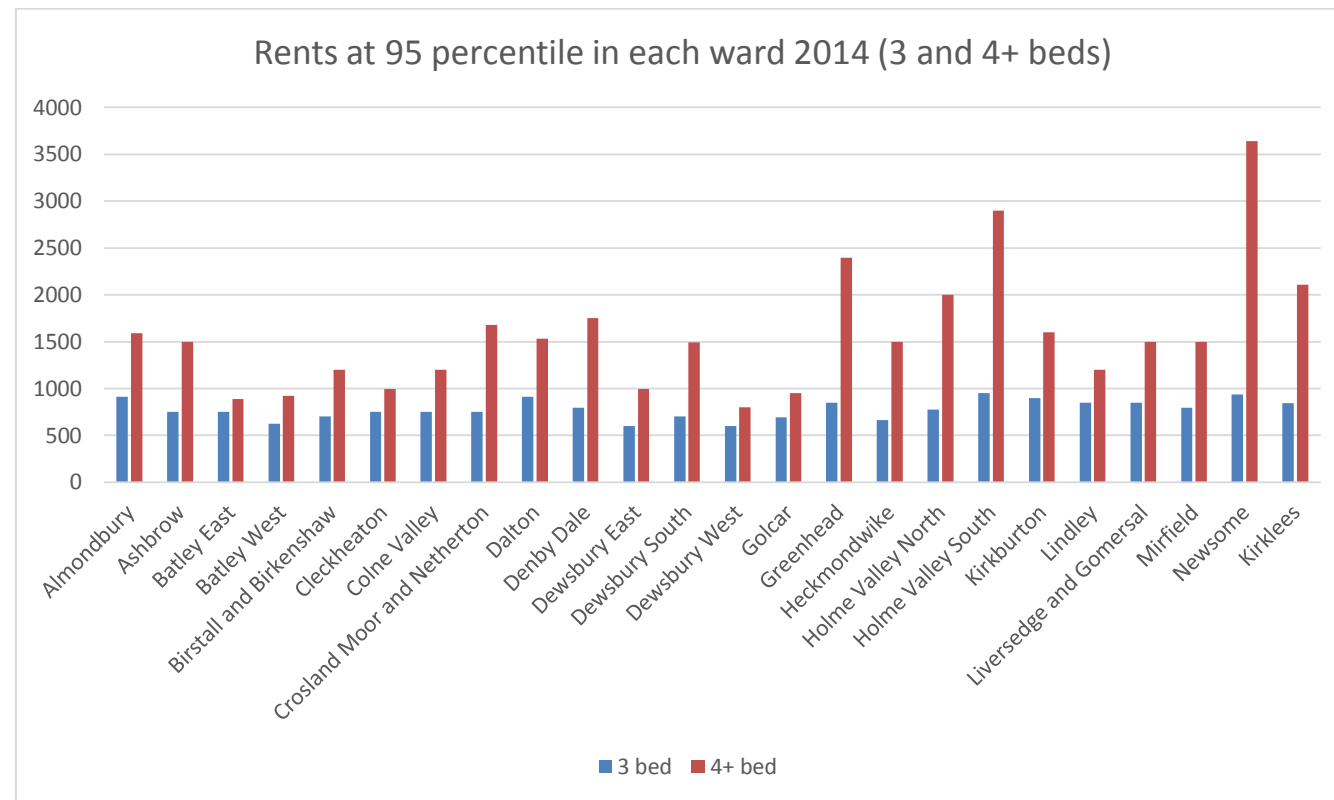
Low End Rental Demand

- 4.25 Dewsbury and Batley hold some of the strongest demand for low-end rental property due to higher rates of unemployment and lower income levels present here that leave most unable to buy. 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 within these housing markets will change in the future.
- 4.26 Agents' felt that the housing markets in these geographies is saturated with low end property subsequently, letting properties can take longer than in other more desirable parts of the Borough. 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.

5. The Executive Market Rented Sector

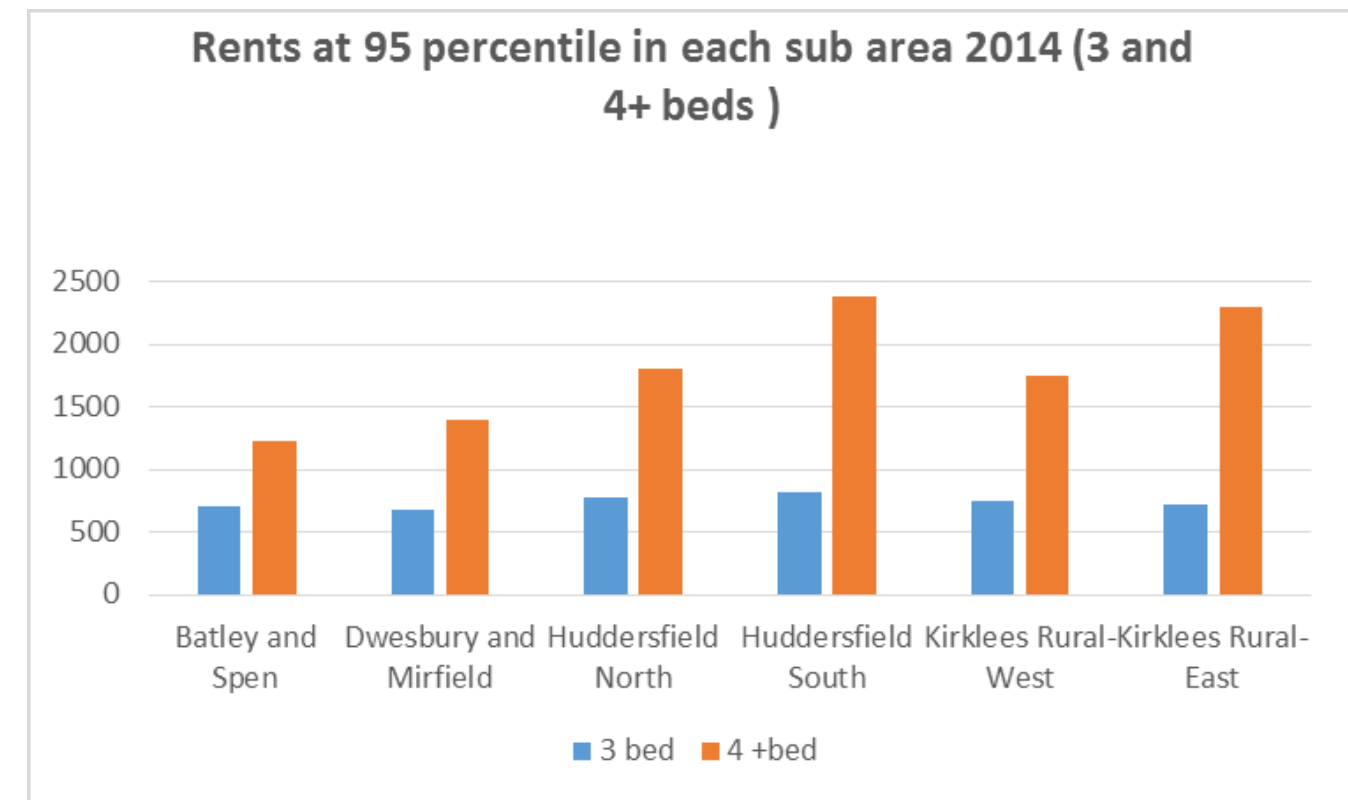
5.1 arc⁴ has compared the rent levels at the 95th percentile to consider the levels of affordable rents at 3 and 4+ bed properties; agents confirmed that these were the size of Executive rental properties. Chart 15 illustrates the outcome by ward and Chart 16 by Housing Market Area. Chart 14 illustrates that the highest rent levels are in Newsome, Holme Valley South and Greenhead. It is most likely that properties in Greenhead and Newsome are being driven by large properties shared by students and commanding high rents and so the evidence then suggests other high rents are in Holme Valley North, Denby Dale, Kirkburton and Almondbury. It is difficult to confirm executive locations using the data but Holme Valley North and South and Lindley and Egerton were confirmed by agents as being particular locations. Rent levels have upper limits of around £2,500-3000pcm but are more likely to be around the £1500-1800pcm level.

Chart 15: Rents at 95 percentile in each ward 2014 (3 and 4+ beds)



Source: Zoopla

Chart 16: Rents at 95 percentile in each sub area 2014 (3 and 4+ beds)



5.2 arc⁴ conducted interviews with the following agents:

- Ryder Dutton (Huddersfield and Holmfirth Branches)
- Simon Blythe (Holmfirth and Huddersfield branches)
- Whitegates (Mirfield and Dewsbury branches)
- Wilman and Son (Batley branch)
- Huluk & Co. (Mirfield)

The Market

- 5.3 Agents were asked their views on the current status, performance and market trends within the executive Private Rented Sector 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 of 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.
- 5.4 Agents believe that those who seek property at this end of the market have higher demands in terms of what they expect from a property than within other areas of the market. 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.
- 5.5 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 more common in the older properties such as listed buildings. As a result, properties can take round six weeks to let.
- 5.6 Tenancy length can vary greatly depending on who is renting the property however agents noted this is typically between six and twelve months. Shorter tenancies are usually due to a family wishing to trial living in the area before committing to purchase or when 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 or companies who will let a property then allow workers to live here temporarily.

Location

- 5.7 According to agents, the executive market is most active in the HD8 postcodes. Areas to the North of Huddersfield such as Lyndley and Edgerton tend to receive the highest demand - Holmfirth was also noted as a popular location. 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 of England 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.
- 5.8 Demand in central Huddersfield centre 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.
- 5.9 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 over housing in Kirklees.
- 5.10 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. 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 with demand for luxury flats being the highest.

Dwelling Type and Rent Level

- 5.11 The type of property classified as an executive property varies greatly based on its location. Properties closer to Huddersfield are often older properties and are three plus bedrooms and are typically a more traditional build. Properties to the north of Huddersfield are typically larger and more modern. Most will offer four plus bedrooms, two or three bathrooms and at least two reception rooms. 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 a stark contrast to what they have been able to obtain previously. By comparison, demand for executive accommodation is focused around low maintenance, luxury flats typically offering two bedrooms. For this type of property, Mirfield receives good demand due to its access to transport links and rural feel.
- 5.12 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.
- 5.13 Properties towards the North of Huddersfield command a high rental value. There are some properties with four or five bedrooms that are more modern and offer land. Rental prices here can range between £1000 - £1800pcm.

- 5.14 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.

The Future and Market Trends

- 5.15 The executive market as a whole was viewed as steady and agents 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.

6. Characteristics of the private rented sector

- 6.1 A detailed analysis has been undertaken of the characteristics of selected Private Rented Sector characteristics. This is contained in an accompanying report 'Kirklees Private Rented Sector Analysis' and the sub areas are summarised below.

Overview of sub-markets

Batley and Spen

- 6.2 7058 homes, almost a quarter of the authority's private rented sector, are located in Batley and Spen. However, this is at generally lower concentrations than in other more urban sub-markets. The wards are around, or just below, the local median for private renting by landlords or lettings agencies. This is a sector that is slightly less organised and substantially open to competition from other tenures. The tenants tend to be more in work than the local median with a low proportion of students and a slightly below median proportion of retirees. The age distribution tends towards over 35s but is quite patchy.
- 6.3 The homes are less comprised of houses or bungalows than the local median with above median proportions of purpose built flats. Batley East and West homes tend to be more overcrowded. The proportion of homes with central heating is low relative to the local median. Employed tenants may be commuters into Leeds or Bradford.

Dewsbury and Mirfield

- 6.4 15.7% of the private rented sector (4703 homes) is located in this sub-market. Mirfield and Dewsbury South have below median proportions of private rented stock. The area has below median proportions of conventional lettings through private landlords or lettings agencies. This is especially true in Dewsbury South. Apart from Mirfield, the tenants tend to be less in work than the local median. The proportion of students is low. However, the proportion of long term sick and disabled is above local median. The age distribution centres mainly on the 25-49 year olds. The age distribution is older in Mirfield with higher than median levels of 75+s.
- 6.5 Dewsbury South and West have a higher than median number of houses or bungalows, whilst Dewsbury East and Mirfield are well below local medians. The same pattern is evident for central heating. Where they are houses or bungalows, the area's private rented homes tend to be more semi-detached than the local median. Mirfield has more purpose built flats than the median. Dewsbury wards are more overcrowded for bedrooms than the median but Mirfield is well below.

Huddersfield North

- 6.6 Huddersfield North has 17.9% of the sector (5389 homes). It is an urban market. The sector constitutes 30% of homes in Greenhead ward. It has the second highest proportion of students who are renting privately. The ward has a very high proportion of conventional lets and little rent free occupation. The age groups are much younger in this group. The student properties have a lower proportion of central heating and are almost 50% in converted or shared housing also with a high proportion of terraces. The ward's stock is more overcrowded. Ashbrow and Lindley Wards are better quality lets in houses with central heating.

Huddersfield South

- 6.7 Over a fifth of the sector is located in Huddersfield South (6356 homes). Newsome has a similar profile to Greenhead with a quarter of homes for private rent substantially for students. 60% under 34 years of age. Half the homes are flats or temporary accommodation, two thirds of which are purpose built flats and a further quarter is converted or shared houses. The homes are more overcrowded than the median for rooms and slightly more overcrowded for bedrooms. Crosland Moor is closest to Newsome in characteristics. However, it is a lower quality market with almost a seventh unemployed, often 35-49 years old. Like the remainder of the sub market, the ward has a high proportion of homes and bungalows in the sector generally at the median for central heating. The homes are around the ONS occupancy standards for bedrooms and other rooms.

Rural East

- 6.8 The wards have 1664 homes in the private rented sector. However, this is only 5.5% of the total for the sector and the homes are at below median proportions of households. The age distribution is older than the norm for the authority with the over 50s exceeding local medians. The tenants are much less likely to be in employment with above median proportions of retirees

and self-employed tenants. Although just over 1%, the wards have the higher proportions of tied private rents. The Rural East wards are the most under-occupied in the authority, mainly in houses with relatively high levels of central heating. Temporary and commercial homes form about a third of the homes in this segment. In Derby Dale, a sixth of this segment lacked central heating.

Rural West

- 6.9 The 4857 private rented homes in the Rural West wards comprise 16.2% of the sector. With the exception of Golcar, the sector is present in below median proportions of homes. The lettings are mainly through private landlords and lettings agencies but around the 90% median level. Holme Valley South has (at 1.5%) the highest proportion of tied private rented housing. The tenants are more likely to be retired or self-employed than the median. Holme Valley North has an above median proportion of tenants in employment. Golcar tenants tend to be more under 35 than the median, whilst the other wards have above median proportions of over 50s. The sub-market wards are divided in two. Holme Valley's wards are above median for houses or bungalows, with a small segment of above median commercial and temporary properties. Golcar and Colne Valley are below the median for houses and bungalows, three quarters of which were terraced. The homes are slightly more likely than the median to be commercial or temporary. Apart from Holme Valley North, the stock in this area is below median for central heating. The homes are generally less occupied and less overcrowded than the local median.

Urban versus rural wards

- 6.10 Based on the Census findings, the following conclusions can be drawn about the private rented market in Kirklees.
- 6.11 The urban and rural 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.
- 6.12 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.

7. In Conclusion

- 7.1 The Kirklees market is buoyant and growing; this is demonstrated by an increase in properties coming to market in the past five years, from agent feedback and data showing properties letting quickly and through growing rent levels. The urban and rural 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.
- 7.2 The rural wards are much less likely to be overcrowded and tend to have older tenants. Notwithstanding the 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.
- 7.3 There is an active and growing student market, which is focused around Huddersfield and particularly focused within of Crosland Moor and Netherton, Newsome and Greenhead areas. Growth here has been driven by student demand and the market is reacting with larger properties being converted to flats and larger properties being let to students that choose to share. The student market is an urban market and student housing coincides with properties that have a lower proportion of central heating and are almost 50% in converted or shared housing also with a high proportion of terraces. The stock is more overcrowded.
- 7.4 There is a growing family market and rent levels for larger properties are increasing. However, the market is dominated by two bed properties and there may well be a lack of choice or supply for growing families relying on, or choosing, the private rented sector.
- 7.5 Given the feedback from the report, Kirklees may wish to consider a range of options and intervention strategies.
- 7.6 We recommend that:
- Investors are encouraged to develop additional properties in the private rented sector by focusing on property shortages and overall demand and identifying areas which provide a reasonable yield; and
 - Local Housing Allowance data is used to support households reliant on properties supported through the Local Housing Allowance. This will enable more specific advice on property availability and type.