



# Sowerby Housing Needs Assessment (HNA)

March 2018

## Quality information

### Prepared by

Guillaume Rey – Graduate  
Planning Intern

### Checked by

Ivan Tennant – Principal Planner

### Approved by

Stuart Woodin  
Technical Director

## Revision History

Revision	Revision date	Details	Authorized	Name	Position
1	January 2018 February 2018	Research and drafting	GR	Guillaume Rey	Graduate Planner
2	February 2018	Internal review	IT	Ivan Tennant	Principal Planner
3	March 2018	Technical review	ST	Stuart Woodin	Technical Director
4	March 2018	Group comment	SR	Samantha Roberts	Chair, Sowerby Neighbourhood Plan Forum

**Prepared for:**

Sowerby Neighbourhood Forum

**Prepared by:**

AECOM  
Aldgate Tower  
2 Leman Street  
London  
E1 8FA  
aecom.com

© 2018 AECOM. All Rights Reserved.

This document has been prepared by AECOM ("AECOM") for sole use of our client (the "Client") in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. No third party may rely upon this document without the prior and express written agreement of AECOM.

## Table of Contents

1.	Executive Summary .....	1-7
1.1	Headlines.....	1-7
1.2	Introduction.....	1-7
1.3	Summary of Methodology.....	1-7
1.4	Quantity of Housing Needed.....	1-8
1.5	Recommendations for next steps .....	1-11
2.	Context .....	15
2.1	Local context .....	15
2.2	Census Geography Areas.....	16
2.3	Planning policy context.....	17
3.	Approach .....	19
3.1	Research Questions .....	19
3.1.1	Quantity .....	19
3.1.2	Tenure.....	19
3.1.3	Type and Size .....	19
3.1.4	Housing for Specialist Groups .....	19
3.2	Study Objectives.....	20
3.3	Relevant Data .....	20
3.3.1	SHMA .....	20
3.3.2	Other relevant data (from LPA or NP group, e.g. housing survey).....	21
4.	RQ1: What quantity of Housing in the Plan Area is appropriate over the Plan period?.....	22
4.1	Calderdale Local Plan Initial Draft July 2017 (2017-2032).....	22
4.2	Shaping the Housing Future of Calderdale SHMA November 2015 (2012-2033).....	22
4.3	MHCLG Household Projections.....	23
4.4	Dwelling growth 2001 – 2011.....	23
4.5	Dwelling growth since 2011 .....	24
4.6	Dwelling growth 2001-2017 .....	24
4.7	The Standard Methodology .....	24
4.8	Conclusion.....	25
5.	RQ2: What type of affordable housing (social housing, affordable rented, shared ownership, intermediate rented) should be included in the housing mix? .....	26
5.1	Introduction.....	26
5.1.1	Definitional issues.....	26
5.1.2	Current tenure profile.....	27
5.2	Indicators of Affordable Housing needs .....	28
5.2.1	Affordability.....	28
5.2.1.1	Affordability Ratio.....	28
5.2.1.2	Income and Purchase Threshold .....	32
5.2.2	Housing Waiting List .....	36
5.2.3	Households in unsuitable housing .....	37
5.3	Bringing the evidence together: Tenures of housing needed .....	37
5.3.1	Housing tenure .....	37
5.3.2	Social rented housing .....	38
5.3.3	Discounted market housing (starter homes).....	38
5.3.4	Shared ownership.....	39
5.3.5	Affordable rent .....	40
5.3.6	Market housing .....	40
5.3.7	Built to rent .....	40
5.3.8	Conclusion.....	40
6.	RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing has the best potential to meet local needs? .....	42

6.1	Background and Definitions .....	42
6.2	Current Type and Size profile .....	43
6.2.1	Dwelling Type .....	43
6.2.2	Dwelling Size .....	44
6.3	Factors affecting size and type of housing needed .....	46
6.3.1	Age Structure .....	46
6.3.2	Household Composition .....	48
6.4	Bringing the evidence together: Market Segmentation .....	50
6.4.1	Arrows Analysis .....	51
7.	RQ4: What provision should be made for specialist affordable housing for the elderly within the NA? .....	53
7.1	Sheltered and extra-care housing .....	53
7.2	Retirement villages .....	55
7.3	Senior Co-housing .....	55
7.4	Multi-generational homes .....	55
7.5	Lifetime Homes .....	55
7.6	Right-sizing .....	56
7.7	Planning flexibility .....	56
7.8	Lifetime neighbourhoods .....	56
7.9	Age-friendliness .....	56
7.10	Housing for people with Dementia .....	57
7.11	The role of the Local Authority .....	58
8.	Market Signals .....	58
8.1	Employment and Commuting .....	58
8.2	Housing Market (Prices) .....	60
8.3	Housing Market (Transactions) .....	62
8.4	Migration .....	63
8.5	Overcrowding and Concealment .....	64
8.6	Rate of Development .....	65
9.	Conclusions .....	66
9.1	Overview .....	66
9.2	Recommendations for next steps .....	70

**List of acronyms used in the text:**

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
eLP	Emerging Local Plan
HLIN	Housing Learning and Improvement Network
HMA	Housing Market Area
HNA	Housing Needs Assessment
LHA	Local Housing Allowance
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
MAR	Median Affordability Ratio
MBC	Metropolitan Borough of Calderdale
MHCLG	Ministry of Housing, Communities and Local Government, formerly Department for Communities and Local Government (DCLG)
NDP	Neighbourhood Development Plan
NFH	Newly Forming Households
NA	Neighbourhood Plan Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed Needs
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
QB	Qualifying Body
RCUDP	Replacement Calderdale Unitary Development Plan
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SHMA15	Calderdale Strategic Housing Market Assessment 2015
SMAHN	Standard Methodology for Assessing Housing Need
SNPF	Sowerby Neighbourhood Plan Forum

# 1. Executive Summary

## 1.1 Headlines

1. Shared ownership and other affordable forms of homeownership and affordable renting, including social renting, have a significant role to play in meeting locally expressed needs, particularly given the relatively high levels of social renting in the village in comparison with the borough.
2. There is likely to be a significant need for small and medium sized housing of 2-3 bedrooms in the future, with these most appropriately provided via the provision of semi-detached and terraced houses.
3. There is a need for additional specialist housing for the elderly in the plan area totalling 13 units over the Plan period, which should be of sufficient size to make a small dedicated scheme feasible.

## 1.2 Introduction

4. Sowerby Neighbourhood Planning Forum (SNPF) is designated as a Qualifying Body (QB) and has decided to prepare a Neighbourhood Plan for Sowerby, referred to here as the Neighbourhood Plan Area (NA). The 2011 Localism Act introduced neighbourhood planning, allowing parishes, town councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area. We have been asked to prepare a Housing Needs Assessment (HNA) by the NPPF, based on a robust methodology, local data, and focussed on a number of research questions agreed with the NPPF.
5. As more and more towns and parish councils and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.
6. In the words of the national Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer<sup>1</sup>. The process involves making balanced judgements based on the qualitative and statistical evidence gathered as well as having regard for relevant national and local planning policies and guidance.
7. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town, village, or neighbourhood almost never constitutes a housing market area on its own and must therefore be assessed in its wider context.
8. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMA), which are used to determine housing need at a local authority level. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local neighbourhood level should be proportionate.
9. Our brief was to advise on data at this more local level to help Sowerby Neighbourhood Plan Forum (SNPF) understand the tenure, type, and size of housing needed to inform neighbourhood plan policies.

## 1.3 Summary of Methodology

10. HNA at neighbourhood plan level can be focused either on the quantity of housing needed, type of housing needed, or both. In most cases, there is a need to focus on the quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
11. In the case of Sowerby, the emerging Local Plan (eLP) for the Metropolitan Borough of Calderdale (MBC) gives a figure of 390. However, that target refers to an area larger than the NA. In this context, the task of this HNA will be to arrive at a housing target for the settlement and see how it compares to the target given by the MBC. It will then consider what types, tenures and sizes of housing are needed by the local population living in Sowerby.
12. The rationale for this approach is that neighbourhood plans need to meet the basic conditions, the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan. The Government's Planning Practice Guidance

---

<sup>1</sup> PPG Paragraph: 014 Reference ID: 2a-014-20140306 Revision date: 06 03 2014

indicates that the level of housing development is likely to count as a strategic policy.<sup>2</sup> As such, this HNA investigates specific local needs that are relevant to the neighbourhood whilst supporting the strategic development needs set out in the emerging local plan. This means a neighbourhood plan can propose more housing where there is a demonstrable need, but not less than the Local Plan.

13. Regarding the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. Indeed, the emerging local plan makes clear that evidence from the Calderdale Strategic Housing Market Assessment 2015 (SHMA15) should inform local and neighbourhood housing mix.
14. In order to understand the types of housing needed in Sowerby we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing characteristics.
15. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.
16. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that *'the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.'*<sup>3</sup>
17. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on exercise.<sup>4</sup>

## 1.4 Quantity of Housing Needed

18. Our assessment of a wide range of data sources identified four separate projections of dwelling numbers for Sowerby between 2017 and 2032 based on:
  - The emerging Local Plan (eLP), which generates a target of **253** dwellings over the Plan period between 2017 and 2032 or **17** dwellings (rounded) per annum.
  - A 'proportionate share' derivation from the SHMA15, Objectively Assessed Need<sup>5</sup> (OAN); total of **317** dwellings over the Plan period between 2012 and 2033 (rounded), or **15** dwellings per annum;
  - MHCLG Household Projection of **265** dwellings (rounded) between 2011 and 2032, or **13** dwellings per annum;
  - A projection forward of net dwelling completion rates 2001-2017 gives **123** dwellings over the Plan period or **8** dwellings per annum.
19. These dwelling number projections are illustrated in Figure 1-1 on the following page.

<sup>2</sup> PPG Paragraph: 006 Reference ID: 2a-006-20140306

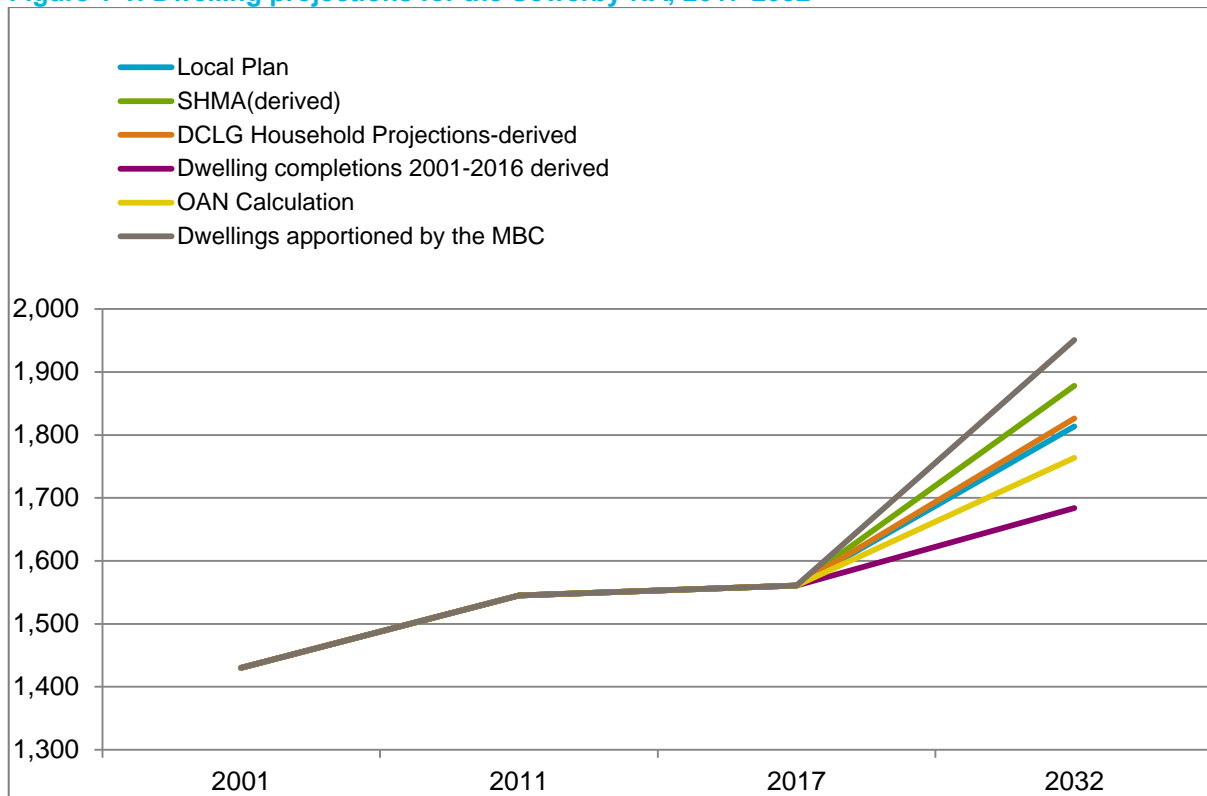
<sup>3</sup> See Planning Practice Guidance, Paragraph: 004 Reference ID: 2a-004-20140306 Revision date: 06 03 2014

<sup>4</sup> Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release 'Councils must protect our precious green belt land' (MHCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>)

<sup>5</sup> The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPPG).









**Figure 1-1: Dwelling projections for the Sowerby NA, 2017-2032**



Source: AECOM Calculations

20. The graph above sets out the total number of homes factoring in each of the projections we have identified in Sowerby. So, for example, factoring in MHCLG derived data (orange line) to the number of dwellings that have already been built in the NA between 2011 and 1st January 2017 (16), produces a total requirement that there should exist in the NA 1,826 homes by the end of the Plan period (adding together existing dwellings, and new homes that are required to be built).
21. The starting point to arrive at an overall projection for housing numbers to be delivered in the NA over the Plan period is to calculate the average of the four projections set out above; we depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded. For example, if the Local Plan was out of date in planning terms, or another was a clear outlier.
22. In the case of Sowerby, we decided to discount the dwelling completions derived number from the overall projection, as low levels of delivery in recent years would produce a significantly lower overall projection. Therefore the initial housing projection for the town is **273** dwellings or **18** dwellings per annum over the Plan period, to which we need to apply market signals (for example the economic context in which the NA sits, together with the performance of the housing market) are likely to impact on it.
23. In Table 1-1 on the following page we have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. The factors set out are in alphabetical but no other order.
24. The research suggests that there is evidence to support a significant uplift to housing need on the basis of an accumulated under-delivery in Sowerby and the fact that more than 58% of households cannot meet their housing needs. On this basis, we would recommend an uplift of 20% to the housing need figure. As a result, we make a recommendation of between 278-334 dwellings for 2018-2032.

**Table 1-1: Summary of factors specific to Sowerby with a potential impact on neighbourhood plan housing quantity**

Factor	Source(s) (detailed in Chapter 8)	Possible impact on future housing need	Rationale for judgement
<b>Employment and Commuting</b>	Census 2001/2011, DataShine Commute' accessed at: <a href="http://commute.datashine.org.uk">http://commute.datashine.org.uk</a>		Although there is a limited expected growth within the NA itself, the growth of Halifax is likely to have an impact on Sowerby in terms of demand for housing as it has been shown that most of residents commute to Halifax. Therefore one up arrows were deemed appropriate.
<b>Housing Sales (Prices)</b>	Land Registry Price Paid Data for 2007-2016		Prices are lower than the borough average, with the exception of terraced housing. We have deemed one up arrow appropriate to account for that higher price for terraced housing, which suggests a strong demand for that type.
<b>Housing Sales (Volume)</b>	Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data,		There is a discrepancy between the number of housing typologies sold and the level in the existing stock. The imbalance suggests increasing demand for terraced and semi-detached dwellings, while very few flats are being sold compared to the stock. We have therefore used a neutral arrow to account for the potential demand for medium-sized dwellings along with a decreasing demand for smaller and very large properties.
<b>Migration</b>	Census Data 2001, 2011		Migration is not seen as a significant factor in determining housing need.
<b>Overcrowding and Concealment</b>	Census Data 2001, 2011		Although there is some evidence of overcrowding and concealed families in Sowerby, these are not deemed particularly significant given the levels seen in the MBC as a whole.
<b>Rate of development</b>	Land Registry Data/AECOM Calculations		The LPA has significantly under-delivered against HMA targets during the past five years. Therefore it is reasonable to suggest three up arrows to account for the accumulated under-delivery.

## 1.5 Recommendations for next steps

25. This neighbourhood plan housing needs advice has aimed to provide Sowerby with evidence on housing trends from a range of sources. We recommend that the Neighbourhood Forum should, as a next step, discuss the contents and conclusions of this report with the Metropolitan Borough of Calderdale (MBC) with a view to reaching a shared understanding on the implications and way forward for the neighbourhood plan, bearing the following in mind:
  - the recommendations and findings of this study;
  - Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
  - the views of MBC – in particular in relation to the housing need figure that they think appropriate;
  - the views of local residents;
  - the views of other relevant local stakeholders, including housing developers; and
  - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the MBC, including but not limited to the SHLAA; and
  - The impact of the new Government proposed standard methodology on calculating housing need on the borough and its neighbourhoods.
26. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act 2016, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
27. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
28. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Metropolitan Borough or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
29. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in Table 1-2 would help ensure relevance and credibility of its policies.

**Table 1-2: Summary of local factors specific to Sowerby with a potential impact on neighbourhood plan housing type**

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
<b>Demographic change</b>		Ageing did not seem to affect Sowerby as much as Calderdale and England during the inter-censal period; the proportion of residents aged 85+ has indeed decreased when it has increased in other places.  It should also be noted, however, that the NA has a significantly high proportion of retired residents which is projected to increase. This will create a shortage of the labour force.  Among projected changes, one person and couples will make up the majority of household increase, and the majority of those are likely to be retired or households nearing the age of retirement.  Finally there will be less families and newly	Consequently, we would highlight the necessity to not only provide for an ageing population but also to provide sufficient market and affordable housing to encourage young people to stay in the area, but also to attract people to provide local businesses with the workforce they need to deliver economic growth.

forming households.

**Affordable Housing**

The Lower Quartile Affordability Ratio (LQAR) for Sowerby was 7.64 in 2017 respectively.

This compares with a LQAR for Calderdale of around 4.59 in 2016.

This data suggests entry level dwellings are relatively unaffordable in Sowerby compared with the district generally.

Based on properties currently being marketed (February 2018), and taking into account house price data in Land Registry, an entry-level dwelling is estimated to cost £98,375. At this price point, using CACI data on household income, around 58% of all households are unable to afford to purchase a dwelling of this type.

As regards access to the private rental market, around 58% of all households are unable to access entry-level type dwellings for rent as the current rental market in Sowerby is currently more expensive; given this is supposedly the most affordable open market tenure, we can conclude that 58% of households are unable to access housing suited to their needs, given their household composition, without subsidy.

The Housing Waiting List data provided by the MBC suggests there are 102 households are in priority need in the NA.

The SHMA suggests that affordability issues may drive an increase in concealed households and dampen new household formation; concealed households and household composition data, which indicates an increase in the number of households with non-dependent children over the inter-censal period, provides some evidence of this in Sowerby.

Owner occupation has been the dominant trend in tenure; however, as we have seen, this tenure is beyond the means of the vast majority of households; planners should therefore encourage others to come forward, such as shared equity, starter homes and private rented sector.

Affordability issues will be exacerbated by the reported increase in house prices in the area in recent years. Moreover, in order to address demographic trends that have seen a decline in those aged between 25-44 and forecast loss of people of working age it is appropriate for social rented housing to form the majority of affordable homes provided.

Sowerby should seek build to rent (BTR) development, a percentage of which may be 'intermediate rented housing' addressing the need for affordable market housing for younger age groups.

Social housing is already a substantial tenure within the NA, however, that level should be increased to meet the needs of those who cannot afford market housing. As not everyone can apply to social housing, the PRS has a potential role to play. The lack of PRS (and its unaffordability) and of Intermediate Housing, should be tackled to meet the needs of those who earn too much to be eligible for social housing, but do not earn enough to afford market housing at the current price level.

**Tenure of housing**

The current housing stock exhibits the dominance of owner-occupation, and an important growth of PRS.

There is evidence of a need for more affordable housing, with an emphasis of facilitating access to homeownership to households who are forced into the PRS.

Based on the current income distribution and evidence gathered earlier, a distribution of the following housing tenures is recommended:

- 53.8% (55 to 60%) Social rented
- 21.6% Intermediate
- 24.6% Market Housing (mainly privately rented)

<b>Dwelling type</b>	<p>Linked to homes being relatively large in Sowerby, 30% of all housing is detached.</p> <p>Although terraced-dwellings have decreased by 6% between 2001 and 2011, their price is high compared to the rest of the borough, which suggests a strong demand for that type.</p>	<p>Terraced and semi-detached dwellings seem particularly appropriate to satisfy the demand for smaller dwellings.</p>
<b>Demand/need for smaller dwellings</b>	<p>During the inter-censal period, there was a significant growth in the number of couples without children and one-person households.</p> <p>Childless couples and one person households constitute 18.6% and 29.8% (most important group) of the population respectively.</p> <p>Single person households have recorded the greatest uplift in numbers, at 77.8% over the inter-censal period.</p> <p>The growth of non-dependent children households points to depressed household formation rates, a finding supported by the small, but statistically significant, presence of concealed households in the area (9 at the time of the last census).</p> <p>A truer picture of 'concealed households' can be seen in data for households with non-dependent children. For Sowerby, at the time of the last Census, 10.5% of all households fell into this type against 8.6% in the borough, 160 households, suggesting the phenomenon of adult children living with their parents is not uncommon in the NA.</p>	<p>Policy should address the needs of concealed households through the provision of smaller, affordable market dwellings as well as AH so as to encourage household formation rates, and stem the decline of the local working age population.</p> <p>In terms of size of dwellings, the trends identified point towards a mix of smaller dwellings and family sized homes, of 2-5 habitable rooms.</p>
<b>Family-sized housing</b>	<p>Families with children made up the second largest group in Sowerby at 27.4% of the population in 2011.</p> <p>The current housing stock exhibits the dominance of larger dwellings between 4 and 7 rooms.</p> <p>There was an increase of almost 60% of 7 room dwellings between 2001 and 2011.</p>	<p>This current housing stock exhibits a 'family-oriented' neighbourhood. However, in light of recent demographic shifts, this orientation is declining and adding family-sized housing to the stock would be inappropriate.</p> <p>Notwithstanding these trends, The evidence of decline of the economically active population suggests the overall loss of working age households. The objective should be to maintain Sowerby as a working as well as retired community, able to sustain the businesses, services and facilities essential to thriving community life. This can be done through prioritising the needs of families, firstly so as to retain a balanced population in future years, but also so as to capitalise on the area's natural appeal to them.</p>
<b>Housing for independent living</b>	<p>The 2014-based subnational population projections suggest an increase of 178.46% of the resident aged 85 and over. Although</p>	<p>Although the population is not ageing as quickly as the rest of the nation or the MBC, there will be a need to provide for</p>

**for older people**

during the inter-censal period ageing was less important than in the MBC, by the end of the Plan period, the elderly population in this age group will form a substantial part of the population of Sowerby, even more than in Calderdale.

Projections, using the LIN method, suggest an increase of 31 residents aged 75+ in the next 15 years.

the increase of older residents in the NA.

Working from the recommended number of specialist dwellings for each 1000 people aged 75+ put forward by the Housing LIN the following provision should be provided over the Plan period:

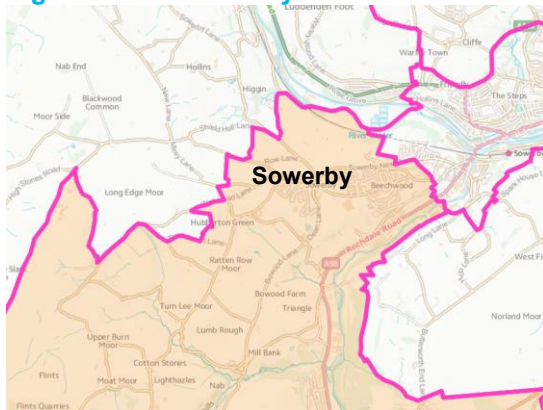
- 2 additional conventional sheltered housing units
  - 4 additional leasehold sheltered housing units
  - 1 additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale
  - 0 to 1 additional extra care housing units for rent
  - 1 additional extra care housing units for sale
  - 0 additional specialist dementia care homes
-

## 2. Context

### 2.1 Local context

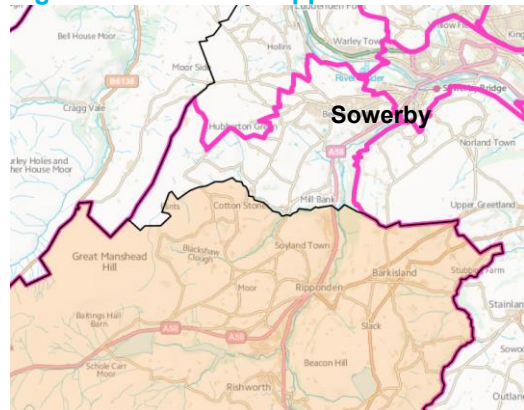
- 30. Sowerby is one of the oldest villages in Yorkshire and is found in the Metropolitan Borough of Calderdale in West Yorkshire, England. It lies in the Pennine Hills and is contiguous with Sowerby Bridge. The village is located 3.7 miles west-southwest of Halifax and 7.6 miles west-northwest of Huddersfield. The A58 links Sowerby to Leeds, 21.4 miles northeast and the M62 links the village to Manchester, 26.6 miles southwest.
- 31. The NA designated by Metropolitan Borough of Calderdale corresponds more or less to that northern part of the Ryburn Ward, (Figure 2-1) which is not included in the Ripponden Parish (Figure 2-2).

**Figure 2-1: North of Ryburn Ward**



Source: Ordnance Survey

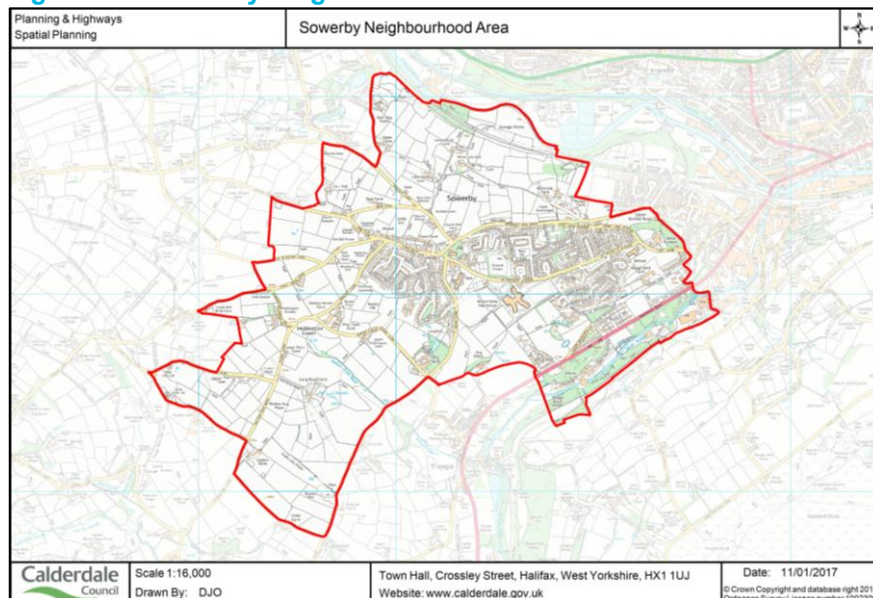
**Figure 2-2: North of Ripponden Civil Parish**



Source: Ordnance Survey

- 32. Looking at natural boundaries, the rivers Calder and Ryburn roughly constitute the NA's northeast and southeast borders, while its western border runs along small roads going through the rural farming area located west of the village.

**Figure 2-3: Sowerby Neighbourhood Area**

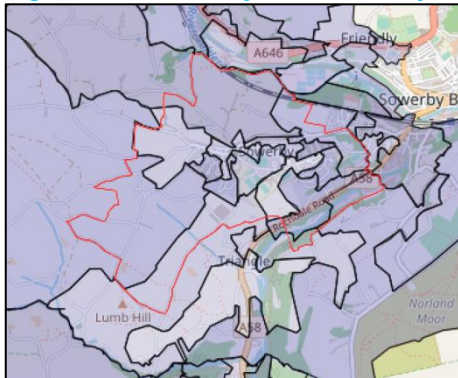


Source: Calderdale Council

## 2.2 Census Geography Areas

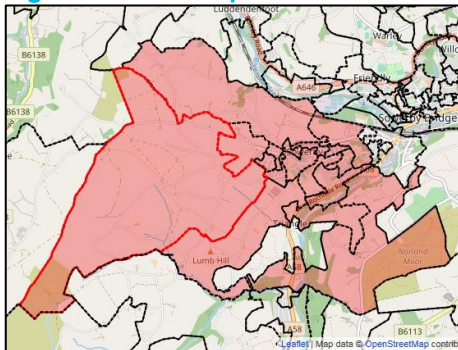
33. The NA boundary does not match with any statistical or administrative geographical unit. For the purpose of this exercise, and in order to retrieve Census data corresponding to the NA boundary, we have selected and aggregated the OAs (smallest statistical unit available from the census) entirely, or almost entirely contained within the boundary (Figure 2-4 and Figure 2-5). We then excluded the OAs that were only partially contained within the boundary (Figure 2-6).
34. OAs were designed to be relatively homogeneous in terms of population. This is why the OAs in the village are much smaller than those within the rural areas as they contain a large population over a smaller area. The output areas which were excluded are all relatively large and are indicative of a population scattered over a large area. They can, therefore, be excluded and we can still produce a reasonably accurate estimate of the population living within the NA boundary. Figures 2.5 and 2.6 therefore show output areas that partially cover the NA area, but which are very rural and contain very few homes and residents.

**Figure 2-4: Sowerby NA boundary overlapped onto output areas**



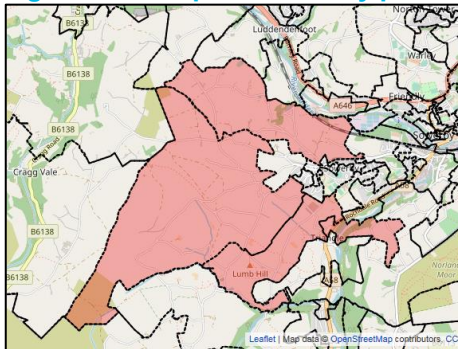
Source: Calderdale Council, Nomis, AECOM

**Figure 2-5: All output areas within NA boundary**



Source: Nomis

**Figure 2-6: Output areas only partially contained within NA boundary**



Source: Nomis



## 2.3 Planning policy context

35. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with the adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.
36. The current local development policy comprises of the **Replacement Calderdale Unitary development plan (RCUDP)** adopted in August 2006 and amended by the Secretary of State in August 2009 for a Plan period of 15 years running from 2001 to 2016. As the RCUDP was adopted before 2012, it can be considered out of date and not reliable for the purposes of arriving at a housing need figure for Sowerby. Moreover, there will be no policies carried over from the RCUDP<sup>6</sup>.
37. Although this document should have been replaced by the Calderdale LDF by August 2009, because of delays to the plan preparation, the Council suspended work on this with the emergence of the NPPF and agreed in early 2014 to move towards the production of a single Local Plan.
38. The emerging Local Plan (eLP) is due for adoption in 2018 and proposed to run for a period of 15 years from 2017 to 2032. The document currently available is the **Calderdale Local Plan Initial Draft July 2017**; it is still in progress to publication stage<sup>7</sup>, and all policies and proposals are in draft form and should not be regarded as final. Nevertheless, for the purpose of this exercise and given the maturity of the eLP, it is appropriate for a review of the policies in this document to be conducted.
39. The emerging Local Plan provides the following 6 policies that are relevant to this HNA:
40. **SD3 – Housing Target:** which proposes a minimum target for **13,286** additional net dwellings to be delivered within Calderdale between 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2032 approximating to 886 dwellings per annum, and a maximum target for **16,871** producing 1,125 dwellings per annum<sup>8</sup>.
41. **HS3 – Housing Mix:** which ensures achievement of the right mix of type, size, tenure and affordability of new housing (i) informed by the most recent SHMA (iv) in proposals for housing developments of 10 or more dwellings (ii) and requires a statement setting out how the mix of housing will assist in meeting local needs for housing development of 30 or more dwellings (iii).
42. **HS4 – Housing for Independent Living:** which states that proposals for residential development should ensure that 100% of units are adaptable and accessible homes<sup>9</sup> (iii). The policy further specifies that the Council will actively seek to increase the level of housing suitable to meet the needs of older people and disabled people (i) and that development proposals for communal establishments and specialist housing will be supported provided they meet the criteria detailed in the policy.
43. **HS6 – Affordable Housing (AH):** which sets, as per SHMA15, a target for AH of **202 per annum**. Furthermore, the policy states that the details of AH provision required in private housing developments will be informed by market location (sub-market areas are ranked according to 4 categories based upon their housing market strength/value, detailed in Figure 2-7 and Figure 2-8 below), site size threshold (developments of more than 10 homes), practicality and viability (proportion may be less according to viability evidence). Exceptions will be made on brownfield sites within 'medium' or 'cold' market value areas<sup>10</sup>, in the Western part of the borough which is parished and where justified, a financial contribution of a least equal value may be accepted to provide affordable homes elsewhere.
44. The level of AH will take into account the most recent evidence such as the SHMA15 and the contribution may vary in size and style depending on needs of the particular submarket and in accordance with HS3 and HS4.

<sup>6</sup> Calderdale MBC (July 2017), 'Calderdale Local Plan Initial Draft', Annex 4, Paragraph 4.2

<sup>7</sup> The document sets out the Council's initial draft Local Plan for further consultation under Regulation 18. Regulation 18 Consultation gives stakeholders and local people an opportunity to put forward additional comments and suggestions for reasonable alternatives which the Council can consider as it finalises its Local Plan. This is not the regulation 19 Publication draft which will be released in early 2018 for formal representations under Regulation 20.

<sup>8</sup> The average of both numbers is 1005 dwellings per annum

<sup>9</sup> Requirement M4(2) of the Building Regulations 2015

<sup>10</sup> Calderdale Economic Viability Assessment (2011) has distinguished between property market performance across Calderdale by separating the sub-areas into categories based on the sales receipts of houses and housing land from February 2008 to February 2010, and through consultation with industry stakeholders. Each sub-market has been classified under the following categories:

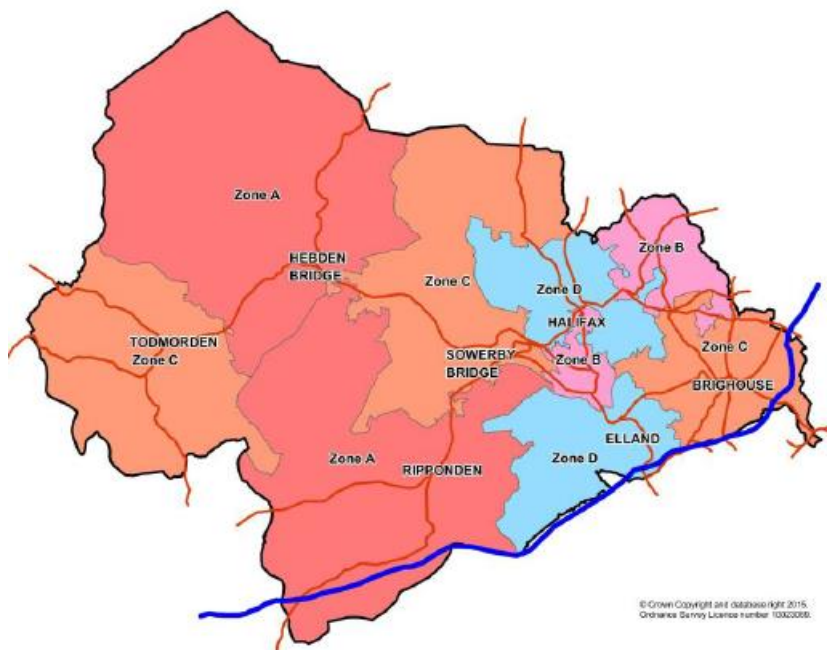
- 'very hot' – highest value sub-market locations
- 'hot' – well performing sub-markets with values (transactions) above the Calderdale (borough-wide) average
- 'moderate' (referred to as 'medium' in the Local Plan) – average performing sub-markets with values straddling the Calderdale average.
- 'cold' – least well performing sub-market locations.

**Figure 2-7: Provision of AH to Meet Policy HS6**

Zone	Housing Market Locations	Performance Designation	Size Threshold (No. Dwellings)	Proportion Affordable Housing
Zone A	Hebden Bridge, Charlestown, Ripponden, Rishworth, Barkisland	Very Hot	>10	35%
Zone B	Northowram, Shelf, Norwood Green, Halifax Town Centre Skircoat, Lightcliffe (part)	Hot	>10	30%
Zone C	Todmorden, Walsden, Cornholme, Mytholmroyd, Sowerby Bridge, Illingworth, Luddendenfoot, Luddenden, Bradshaw, Brighouse, Rastrick, Clifton, Southowram, Hipperholme, Bailiff Bridge, Lightcliffe (part)	Medium	15+	25%
Zone D	Elland, Greetland, Holywell Green, Stainland, Wheatley, Ovenden, Mixenden, Boothtown, West Halifax	Cold	15+	20%

Source: Calderdale Local Plan Initial Draft July 2017

**Figure 2-8: Affordable Housing Zones**



Source: Calderdale Local Plan Initial Draft July 2017

45. **HS7 – Houses in Multiple Occupation<sup>11</sup>**: which does not state any specific numeric target but states that HMOs will contribute to housing needs across the borough and that permission will be granted for the use of a building as a HMO provided it does not cause harm to the area.
46. **HS8 – Meeting the Need of Gypsies and Travellers and Travelling Showpeople**: which states that the provision of sufficient pitches and plots is estimated in different studies such as Calderdale Gypsy and Traveller and Travelling Showperson Accommodation Assessment (2015) and the Calderdale and Kirklees Baseline Census (2015). This policy is mainly concerned with site requirements.

<sup>11</sup> HMOs are houses that are not occupied by a single household and include dwellings occupied by two or more people living separately, bedsites, lodgings and hostels. They meet specific housing needs, such as those of students, single people on low incomes or people who move frequently and require temporary accommodation (Calderdale Local Plan Initial Draft July 2017 16.61)

## 3. Approach

### 3.1 Research Questions

47. HNA at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
48. Research Questions abbreviated to 'RQ;' are arrived at the start of the project through discussion and agreement with the Neighbourhood Forum. They serve to direct our research and provide the structure for the HNA. The key research questions can be summarised as follows:

#### 3.1.1 Quantity

49. The emerging Local Plan (eLP), Calderdale Local Plan Initial Draft 2017, has not yet been adopted but is mature enough for the neighbourhood forum to have regard to its policies.
50. The eLP arrives at a housing figure of 13,286 for the borough. The eLP does not put forward a specific number of this overall borough housing target to be allocated to Sowerby, although the Sowerby Neighbourhood Plan Forum (SNPF) has commented that the MBC is seeking to apportion 390 dwellings across 5 Greenfield sites<sup>12</sup>.
51. Having conducted a review of the location of these sites, it appears that, while some of these are indeed located within the NA (Brockwell Lane, Hough End, Dean Lane), others (Bently Royd and Cemetery Lane) are outside or partially outside it. On the basis of this apparent ambiguity, it is appropriate for this HNA to provide the SNPF with a housing needs figure.

*RQ1: What quantity of Housing in the Plan Area is appropriate over the Plan period and how does that number compare to the 390 dwellings apportioned by the borough?*

#### 3.1.2 Tenure

52. The SNPF has communicated the existence of a pressing need for AH. The Forum cites long waiting lists for social housing for this claim, the presence of a community on lower incomes within the NA, and the fact that existing AH falls into tenures that make it unaffordable to many within the community.
53. Furthermore, the eLP sets out policies that divides the borough into a number sub-housing market areas; the NA falls into the two areas where the proportion of new build dwellings that are allocated to AH should be between 25 and 35%<sup>13</sup>. Although this gives an indication of the amount of AH to be provided, the policy states that the tenure mix should be decided on the basis of the most recent evidence of local need.
54. Therefore, it is appropriate to provide the group with more clarity as to the AH tenures suited to meeting community needs.

*RQ2: What type of affordable housing (social housing, affordable rented, shared ownership, intermediate rented) should be included in the housing mix?*

#### 3.1.3 Type and Size

55. The SNPF has expressed a keen interest in the type and size of dwellings to satisfy the needs. Although the NA comprises of a diverse range of houses, the Forum has suggested smaller one or two bedrooms dwellings are very rare, and most of the supply includes large, detached dwellings and farms.

*RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing has the best potential to meet local needs?*

#### 3.1.4 Housing for Specialist Groups

56. The SNPF has identified that there are not enough sheltered and extra dwellings for the elderly. The existing nursing homes have either reached full capacity or are unaffordable for most.

*RQ4: What provision should be made for specialist affordable housing for the elderlies within the NA?*

<sup>12</sup> Samantha Roberts, Sowerby Neighbourhood Plan Forum, 12/12/2017

<sup>13</sup> Calderdale MBC (July 2017), 'Calderdale Local Plan Initial Draft', p.202

## 3.2 Study Objectives

57. The objectives of this report can be summarised as:
- Collation of a range of data with relevance to housing need in Sowerby;
  - Analysis of that data to determine patterns of housing need and demand; and
  - Setting out recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.
58. The remainder of this report is structured around the research questions set out above.
- Chapter 9 sets out our conclusions and recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

## 3.3 Relevant Data

### 3.3.1 SHMA

59. The PPG states that neighbourhood planners can refer to existing needs assessment prepared by the LPA as a starting point. As Sowerby NA is located within the Calderdale Housing Market Area, we turned to the Calderdale Strategic Housing Market Assessment (November 2015, henceforth SHMA), which covers the housing market area and informs emerging housing policies at a local authority level, including AH policy.
60. While these are credible sources, and their statistical robustness can be assumed, their usefulness also depends on whether the Housing Market Area (HMA) that the SHMA studies treat as their subject area can be used as a proxy for the NA. This requires an assessment of the extent to which the demographic characteristics and economic trends that it identifies are shared with it. Shared characteristics emerge as a result of internal linkages fundamental to the notion of the 'housing market area' (HMA).
61. PPG defines an HMA as a geographical area 'defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.'<sup>14</sup> It goes on to remark that 'establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments,' i.e. not all housing types or economic developments have the same appeal to different occupants.'<sup>15</sup>
62. PPG therefore sets two principle tests for identifying a functional HMA: patterns of demand for housing and commuting relationships. The first can be denoted by the concept of 'self-containment,' the degree to which household moves are 'contained' within a certain geographical area, and the second by 'travel to work areas.' It is generally assumed that a strong HMA will show 70% of household moves and commuting journeys will be take place within its geography.
63. Sowerby NA is located within the Calderdale Housing Market Area, the housing market for the Borough being largely self-contained. Furthermore, a number of distinct sub-markets have been identified within Calderdale and are shown in Figure 3-1.
64. Consequently, the SHMA15 draws upon a range of data including population projections, housing market transactions and employment scenarios to derive the objectively-assessed housing need. As such, it contains relevant evidence to the RQs and to determining the degree to which the housing needs context of Sowerby itself differs from the authority-wide picture.
65. As the NA is located close to Sowerby Bridge and in the Ryburn Ward, Sowerby straddles both the Sowerby Bridge Local Housing Market Area and the Ryburn Valley Local Housing Market Area (sub-areas of the overall Calderdale HMA), also shown in Figure 3-1. Consequently, when available, specific data to both areas will be used as it allows a more nuanced and localised approach than results for the wider Calderdale HMA.

<sup>14</sup> PPG Paragraph: 010 Reference ID: 2a-010-20140306 Revision date: 06 03 2014

<sup>15</sup> PPG Paragraph: 008 Reference ID: 2a-008-20140306 Revision date: 06 03 2014

**Figure 3-1: Sub-areas within Calderdale**



Source: SHMA15, p. 27

66. This provides a strong starting point for policy development that aims to build on and add local specificity to those of the LPA by enabling a comparison to be made with NA-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

### 3.3.2 Other relevant data (from LPA or NP group, e.g. housing survey)

67. In addition to the SHMA studies, we have gathered a range of other data sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level and locally specific. These include Census providing insights into demographic shifts, the affordable housing waiting list which covers the general Sowerby Bridge area and provided to us by the MBC, CACI data that provides data on household income and Land Registry house price data.
68. Furthermore, to assess the housing market in Sowerby NA, data from the Land Registry was analysed. This data provides price paid, housing types and date of transaction information, which allows housing market trends to be identified. This data was collected for the HX6 postcodes (75) that are contained within the NA boundary to create a database including all housing transactions registered with the Land Registry between January 1<sup>st</sup> 2007 and December 31<sup>st</sup> 2016. This area is used within the Market Signals section and also to inform affordability ratios.

## 4. RQ1: What quantity of Housing in the Plan Area is appropriate over the Plan period?

69. We have estimated the quantity of housing needed in the NA according to four different sources; these are:
- A housing needs projection based on Calderdale Local Plan Initial Draft produces a minimum target of 253 dwellings over the Plan period, 2017 and 2032;
  - A projection drawn from the Objectively Assessed Need for housing set out in the SHMA15 produces a target of 317 dwellings over the SHMA15 Plan period between 2012 and 2032;
  - MHCLG Household projections generate a re-based projection of dwellings of 265 dwellings (rounded) between 2017 and 2032; and
  - A projection derived from dwelling growth between 2001 and 2017 gives 123 dwellings over the Plan period.
70. These calculations are set out below.

### 4.1 Calderdale Local Plan Initial Draft July 2017 (2017-2032)

71. The Metropolitan Borough of Calderdale (MBC) puts forward a housing requirement between 13,286 and 16,871 additional dwellings for the borough over the Plan period between 2017 and 2032. The proportional share for Sowerby can be calculated based on the proportion of dwellings in the NA. At the time of the last Census (2011) there were 92,173 dwellings across the borough, and 1,545 dwellings in the NA, or 1.7% of all dwellings in the MBC. Therefore, 253 dwellings (1.7% of 15,075<sup>16</sup>) should be allocated as the 'fair share' of the borough target, equating to approximately 17 dwellings (rounded) per annum between 2017 and 2032.

### 4.2 Shaping the Housing Future of Calderdale SHMA November 2015 (2012-2033)

72. It is important to remember that the SHMA presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN<sup>17</sup>), as opposed to a final housing target. The final housing target will take into account a number of other factors, including for example the availability of land, viability, infrastructure and environmental constraints and the results of consultation.
73. The SHMA presents an appropriate starting point for deriving need at the NA level, because it is an authoritative source of evidence, and importantly, because it takes into account the latest population and household projections, as set out in the 2014 Sub-National Population Projections (SNPP) on which the Household Projections are based (here the SHMA is based on the 2012 SNPP), which the PPG guidance suggests should be taken as a 'starting point' in determining need at the local authority level.
74. In the case of Sowerby, the most up-to-date Objectively Assessed Need (OAN) for housing is provided in the SHMA published in 2015. The need for 946 dwellings per annum for the MBC<sup>18</sup> is considered to form an appropriate lower end of a range of objectively assessed needs, while the need for 1,169 dwellings per annum should be considered as an upper end of the range of OAN for a Plan period of 2012-2033. This gives an average of 1,058 dwellings per annum.
75. To calculate the NA's 'fair share' of this target, it is again possible to use the NA's proportion of dwellings in the borough (1.7%). This produces a figure of 16 dwellings per annum (rounded), or 333 (16 multiplied by 21) over the period 2012-2033. However, it is necessary to take into consideration dwellings built in the NA in recent years. Between 2011 and 2017, as set out above, 16 dwellings have been built; producing a final target of 317 dwellings over the remaining years of the SHMA Plan period (2012-2033) or 20 per annum (rounded).

<sup>16</sup> Average value of 13,286 and 16,871

<sup>17</sup> The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPPG). This is sometimes described as 'policy off' because it does not take account of final policy responses as a result of taking into account capacity, environmental and infrastructure constraints.

<sup>18</sup> "Shaping the Housing Future of Calderdale" SHMA (November 2015) p. 169-170.

### 4.3 MHCLG Household Projections

76. MHCLG periodically publishes household projections. The PPG recommends that these household projections should form the starting point for the assessment of housing need.
77. The most recent (2014-based) household projections were published in July 2016<sup>19</sup>, and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for the NA is nevertheless possible for the household projections based on the NA's household numbers in the 2011 Census.
78. At the 2011 Census, the MBC had 88,621 households and the NA 1,524 households, or 1.7% of the total (rounded).
79. In the 2014-based household projections, the projection for 2032 is 104,610 households in the MBC or an additional 15,989 households. Assuming it continues to form 1.7% of the borough total, the NA's total number of households in 2032 would be 1,799 (rounded); therefore 275 new households will form in the NA between 2011 and 2032 (or a rate of growth of 13 households per year).
80. The number of households does not, however, equate precisely to the number of dwellings, with the latter slightly higher in most places. The NA is no exception; in the 2011 Census, there were 1,524 households but 1,545 dwellings. This gives a ratio of 0.99 households per dwelling. In the case of NA, then, a projection of 275 new households (between 2011 and 2032) translates into a need for 279 dwellings (275/0.99, rounded to the nearest whole number).
81. These figures are based on the assumption that 2014-based government projections as to household growth at the Local Authority level are accurate. As the annual mid-year population estimates have now been released for 2016, the 2014-based household projections may need to be 'rebased' for accuracy. The mid-2016 population estimates give the actual number of people in the LA at that point, meaning the difference between the estimated and the previously projected number of households can be taken into account in future projections.
82. The 2014-based household projections were based on the 2014-based Sub-National Population Projections, which estimated that by 2016 there would be 209,436 people in the MBC. The mid-2016 Estimates show that based on the latest information there were estimated to be 209,770 people, which is higher than the projections by 334 people. Assuming average household sizes remain constant (in 2011 there were an average of 2.30 people per household, obtained by dividing population by number of households) this equates to 145 additional households across the MBC.
83. Taking 104,755 (104,610 + 145) as our revised household number in 2032, and assuming it continues to form 1.7% of the borough total, the NA's total number of households in 2032 would be 1,801 (rounded), producing a revised growth in the number of households between 2011 and 2032 of 277.
84. Taking into account the disparity between household numbers and dwelling numbers, a projection of 277 new households between 2011 and 2032 translates into a need for 281 dwellings. Netting off the 16 dwellings completed between 2011 and 2017, we arrive at a re-based household projections-derived dwellings of 265 dwellings (rounded) until 2032 or 13 dwellings per annum (rounded).
85. This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase, and thus does not take into account political, economic, demographic or any other drivers that might have influenced, or may in future influence, the Local Plan distribution across the borough and hence any difference between this figure and a future Local Plan-derived figure.

### 4.4 Dwelling growth 2001 – 2011

86. Consideration of home growth 2001-2011 provides a projection based on the rate of delivery of net new homes between the two censuses. There was an increase of 115 dwellings in the NA between these two dates, or an average annual rate of increase of 12 homes. Multiplying this annual figure by the number of years from 2017 until the end of the Plan period would produce 173 homes.

<sup>19</sup> See 2014-based MHCLG Household Projections live tables at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

## 4.5 Dwelling growth since 2011

87. It is also helpful to consider a projection based on the rate of delivery of net new homes since the last census (2011), using data gathered and monitored by the LPA. As we have seen, between 2011 and 2017, 16 new dwellings were completed. This equates to an annual rate of delivery of 3 homes. If this rate of delivery was continued to 2032, this would equate to a projection of only 40 homes from 2017 to the end of the Plan period.

## 4.6 Dwelling growth 2001-2017

88. It is important to note the disparity between the two 'home growth' figures; this reflects the susceptibility of the development industry to fluctuations in demand and costs of development, among other factors. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development could be delivered over the Plan period, we have taken the aggregate of the homes growth between 2001 and 2017; this comes to 131 (115 + 16) dwellings. Expressed as an annual average rate, this is 8 homes per annum. This produces projection derived from homes growth between 2001 and 2017 of 123 homes over the Plan period of 2017-2032.

## 4.7 The Standard Methodology

89. On September 14<sup>th</sup> 2017, the Department for Communities and Local Government (now MHCLG) published 'Planning for the right homes in the right places: consultation proposals' (the consultation proposals), a consultation on a new proposed Standard Methodology for Assessing Housing Need (SMAHN) for arriving at an OAN for housing for individual local authorities, thus avoiding both the expense of producing complex SHMAs and the disagreements surrounding their methodologies. MHCLG has stated that *"this consultation sets out a number of proposals to reform the planning system" including "how neighbourhood planning groups can have greater certainty on the level of housing need to plan for"*<sup>20</sup>.
90. SMAHN has now been incorporated into the new draft NPPF<sup>21</sup>. Whilst the latter is currently being consulted on at the time of this HNA report, it is important to consider the implications of this emerging policy guidance for potential housing need calculations in the NDP. Therefore, what follows is an assessment of the NA's housing need based on the new proposed methodology, which, should the policy be put in place in its current form, will be the preferred figures for housing need in the area. This projection is included for information only, bearing in mind that the consultation makes clear that LPAs will have the option of using alternative methods of calculating their OAN, so long as the number they arrive at exceeds that produced by the new standard methodology.
91. Proposed updates to the PPG include a requirement that LPAs provide a housing need figure to neighbourhood planning groups, and that they may do this by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so<sup>22</sup>. The starting point for using the SMAHN for the neighbourhood level is therefore whether the current Local Plan was adopted before or after the introduction of the NPPF.
92. In the case of the SNPF, whilst the Calderdale Local Plan will be adopted in 2018, the published eLP is sufficiently progressed to provide an up-to-date basis for arriving at a housing needs figure for the NA.
93. The indicative assessment using the SMAHN formula is 840 dwellings per annum for the MBC. This is lower than the current figure of 1,005, the proposed annual local assessment of housing need by around 17.9% (rounded) and suggests there should be a reduction of 165 dwellings per annum over the Plan period from 2017 to 2032, or a new target of 12,600. The SMAHN consultation explains that for some local planning authorities, there might a reduction in their local housing need compared to the existing approach, but they may put forward proposals that lead to a local housing need above that given by the SHMAN approach<sup>23</sup>.
94. Assuming a new OAN for housing of 840 dwellings, this would produce a revised projection for the NA based on the number of 1.7% (percentage of NA population in the borough). Taking into account the 16 dwellings built in the NA since the 2011 Census, a housing needs figure that is compliant with the SMAHN is 203 dwellings or 14 (rounded) dwellings per annum.

<sup>20</sup> <https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>

<sup>21</sup> National Planning Policy Framework, draft text, Para 61, March 2018, Ministry of Housing, Communities and Local Government

<sup>22</sup> MHCLG, planning for the right homes in the right places: consultation proposals, page 31

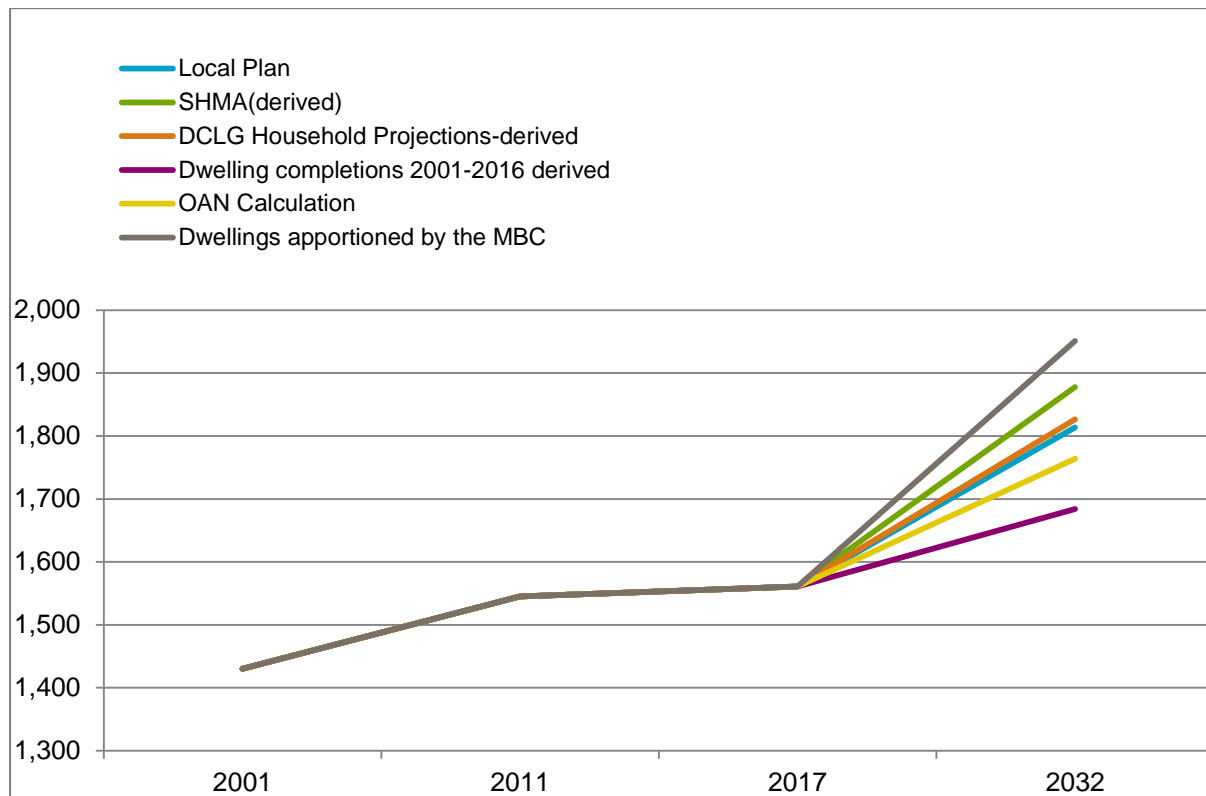
<sup>23</sup> Ibid., see Para 28 and 46



## 4.8 Conclusion

95. The projections outlined above produce an average projection of 278 dwellings (discounting dwelling completions and OAN calculation) in the Sowerby NA by 2032. These projections are shown in Figure 4-1 below. This is lower by around 112 dwellings than the current 390 dwellings that the MBC is seeking to apportion across 5 Greenfield sites in the NA.

**Figure 4-1: Dwelling projections for the Sowerby NA, 2017-2032**



Source: AECOM Calculations

96. However, the PPG states that:

‘The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.’

97. Market signals research has been conducted for the Sowerby Neighbourhood Area, which is summarised in Table 1-1 in the Executive Summary and outlined further in the Market Signals section in Chapter 8 of this document. The research suggests that there is evidence to support a significant uplift to housing need on the basis of an accumulated under-delivery in Sowerby and the fact that more than 58% of households cannot meet their housing needs. On this basis, we would recommend an uplift of 20% to the housing need figure. As a result, we make **a recommendation of between 278-334 dwellings for 2018-2032**, which brings it closer to the current 390 dwellings for the NA that the MBC is seeking to apportion to meet some of the anticipated demand from the wider district.

## 5. RQ2: What type of affordable housing (social housing, affordable rented, shared ownership, intermediate rented) should be included in the housing mix?

### 5.1 Introduction

98. The provision of Affordable Housing (AH) is critical to the continuation of most communities as viable settlements; however, it needs to be understood in relation to other tenures. The PPG states that HNAs should investigate household tenure in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing falling into different tenure types and local need/demand, policies should support a change to the profile of tenure within the NA's housing stock.<sup>24</sup>

#### 5.1.1 Definitional issues

99. It is necessary at this stage of the study to make clear the distinction between affordable homes as a piece of planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the National Planning Policy Framework (NPPF): social, affordable rented and various forms of intermediate housing. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).

100. In this paragraph we briefly review the proposed reforms to the definition of AH set out in the Government's Housing White Paper published in February 2017. These reforms make clear its commitment to homeownership but recognised the important role of affordable rent for those not currently seeking homeownership. The changes proposed would broaden the definition of AH, supporting 'present and future innovation by housing providers in meeting the needs of a wide range of households who are unable to access market housing'. This would include 'products that are analogous to low-cost market housing or intermediate rent, such as discount market sales or innovative rent to buy housing. Some of these products may not be subject to 'in perpetuity' restrictions or have recycled subsidy'.

101. The Housing and Planning Act 2016 made provision for a new simplified definition of affordable housing as 'new dwellings...to be made available for people whose needs are not adequately served by the commercial housing market'<sup>25</sup>. Secondary legislation is required to implement this definition, necessitating further parliamentary debate<sup>26</sup>.

102. The Housing White Paper<sup>27</sup> confirms that a revised definition of AH will be brought forward through changes to the NPPF early 2018, proposing a definition as 'housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to homeownership' and which 'meets the criteria' for one of the following models<sup>28</sup>:

- **Social rented housing**, as currently defined, owned by local authorities and private registered providers (usually housing associations) with guideline target rents determined through the national rent regime. It may be owned by other persons and provided under equivalent rental arrangements, as agreed with the local authority or Homes England (formerly the Homes and Communities Agency);
- **Affordable rented housing**, as currently defined, and let by local authorities or private registered providers of social housing to households eligible for social rented housing. Affordable rent is controlled at no more than 80% of the local market rent including service charges where applicable;
- **Various forms of intermediate housing**, defined to include discounted market sales and intermediate rented housing considered affordable rented (as above) – and other housing that is 'provided for sale and rent at a cost above social rent, but below market levels'. Examples include:

<sup>24</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401

<sup>25</sup> Housing and Planning Act 2016, part 6, section 159 (4)

<sup>26</sup> Section 159(2) of the Act inserts '(3ZB) No regulations may be made under section 106ZB [which contains the updated definition of affordable housing] unless a draft of the instrument containing the regulations has been laid before, and approved by a resolution of, each House of Parliament'

<sup>27</sup> MHCLG (2017) Fixing our Broken Housing Market (para A.120)

<sup>28</sup> <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

- **Starter Homes**, as defined in the Housing and Planning Act 2016 and subsequent secondary legislation with a household income restriction of £80,000 outside London. These homes are expected to provide a new low-cost market housing product for first-time buyers between the ages of 23 and 40 with a mortgage, sold for no more than 80% of open market value and capped at £250,000 outside London;
  - **Other discounted market sales housing**, such as those eligible for Help to Buy and other shared or fixed equity schemes, usually sold at a discount of at least 20% below market value with provision to remain at a discount for future eligible households. Eligibility is determined with regard to local incomes and house prices. This category also includes **shared ownership housing**, a form of affordable homeownership allowing households to buy a share in a property, whilst renting the remainder, usually from a local authority or private registered provider such as a housing association;
  - **Intermediate rented housing**, made available for rent at a level which is at least 20% below local market rent with provision to ensure that rent remains at a discounted level or alternative AH provision is made if the discount is withdrawn. This is viewed as particularly suited to the provision of AH in Build to Rent schemes.
103. A transition period is proposed to enable a review of local policies, with the revised definitions intended to apply from April 2018. The Government also intends to introduce a requirement for sites of 10 units or more to ensure that at least 10% of all homes are affordable homeownership products, including Starter Homes, shared ownership homes and homes available for discount market sale.
104. The evidence assembled to answer RQ2 seeks to populate a series of indicators that affect needs for different types of tenures. Through a consideration of these indicators and how they interrelate to each other, it is possible to arrive at recommendations as to the tenure of housing in the plan area should be modified through planning policy.

### 5.1.2 Current tenure profile

105. First, it is necessary to present a picture of tenure in the NA based on the most recent reliable data. The table below shows Census data from 2011 that shows a higher level of households in social rented dwellings than observed in the MBC and England. While home ownership is still dominant, it is lower than the MBC's by more than 15%, and lower than the national average by 10%. This indicates the existence of large social housing stock and confirms the presence of a large community on lower incomes in the NA, mentioned during our discussion with the group.

**Table 5-1: Tenure (households) in Sowerby, 2011**

Tenure	Sowerby	Calderdale	England
Owned; total	53.2%	66.6%	63.3%
Shared ownership	0.1%	0.4%	0.8%
Social rented; total	35.0%	15.2%	17.7%
Private rented; total	9.6%	16.4%	16.8%

Source: AECOM Calculations

106. Table 5-2 and Table 5-3 on the next page allow us to take a longitudinal perspective, identifying how the tenure profile of the NA has changed between the last two censuses. From this, it is possible to detect a definite trend towards more private rented tenures; this tenure has increased by 137% over the intercensal period. Despite this significant up-lift, homeownership and social rented tenures remain the most prevalent tenures. It is worth noting that homeownership has increased by 8% in NA while registering a modest decline at the national level.

**Table 5-2: Rates of tenure change in Sowerby, 2001-2011**

Tenure	Sowerby	Calderdale	England	
Owned; total		8.1%	2.5%	-0.6%
Shared ownership		-66.7%	12.8%	30.0%
Social rented; total		3.1%	-1.2%	-0.9%
Private rented; total		137.1%	120.6%	82.4%

Source: AECOM Calculations

107. Considering trends at the housing market area level, the SHMA 2015 notes that that homeownership has slowed its progression in recent years and that the PRS has continued to increase<sup>29</sup>. Noteworthy is the fact that social-rented occupation has remained an important part of the tenure mix (more than a third). Finally, while there are some shared equity dwellings in the NA, it has not become an established tenure and in fact has become all but non-existent over the inter-censal period.

**Table 5-3: Tenure change in Sowerby, 2001-2011**

	Sowerby	Calderdale	Sowerby	Calderdale
All categories: Tenure	1,391	80,937	1,524	88,621
Owned: Total	750	57,556	811	58,981
Shared ownership (part owned and part rented)	3	352	1	397
Social rented: Total	517	13,664	533	13,494
Private rented: Total	62	65,94	147	14,545

Source: AECOM Calculations

108. Bringing the evidence together, all tenure types have been growing, but the PRS has seen the most robust growth. Despite this increase, homeownership and social rent are still the dominant tenure types. However, the SHMA15 mentions the fact that the PRS “plays a considerable role in meeting the needs of those who cannot afford housing without benefits. Indeed, it plays a greater role than seen on a national scale, with a lesser reliance upon the social rented sector”<sup>30</sup>. The SHMA15 calculated that in Calderdale approximately half of the households in the PRS are claiming LHA, compared to a figure of around 40% for England as a whole, which confirms that role of the PRS.

## 5.2 Indicators of Affordable Housing needs

### 5.2.1 Affordability

109. Affordability considers the relationship between the price of a good and the money to which the individual has access to purchase it. It is the most significant factor affecting the overall need for Affordable Housing (AH).
110. To determine levels of affordability, we consider two primary indicators, firstly affordability of housing expressed as a multiple of household income, known as the ‘Affordability Ratio’. Secondly ‘Income Thresholds’, which denotes the maximum share of a family’s income that should be spent on accommodation costs, and thirdly ‘Purchase Thresholds’.

#### 5.2.1.1 Affordability Ratio

111. We first considered homeownership (which has been declining in the NA). To do so, and in line with Planning Practice Guidance, we examined evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, using an indicator called the Lower Quartile Affordability Ratio (LQAR). This indicator is helpful both as a way of understanding the extent to which those on lower incomes can access entry-level houses for sale and the relative affordability of housing in the NA compared to other places.
112. Entry-level dwellings may be understood as one suitable for a household comprising two or three individuals. Moreover, as we will see in following sections, this type of households (for example childless

<sup>29</sup> Turley (2015), ‘Calderdale SHMA’, p.33

<sup>30</sup> Turley (2015), ‘Calderdale SHMA’, p.136

couples, couples with one dependent child, and lone parent) is projected to increase in the borough. In order to conform with the Government guidance on overcrowding<sup>31</sup>, such a home would require three habitable rooms (a flat or house with two bedrooms).

113. To ascertain the value of an entry-level property in Sowerby, data has been drawn from the website [home.co.uk](http://home.co.uk). Six dwellings advertised for sale in February 2018 are set out in Table 5-4 below; they offer modest family accommodation and therefore conform with the working definition of an 'entry-level' dwelling set out above. The mean value of these properties is £98,000.<sup>32</sup>

**Table 5-4: Value of Two-Bedroom dwellings in Sowerby (2018)**

Property	Price (£)
Rooley Heights, Sowerby Bridge HX6	70,000
Dob, Sowerby, Sowerby Bridge HX6	150,000
Spring Cottage, Sowerby Bridge, HX6	100,000
Hollin Street, Triangle, HX6 3NN	80,000
Hollin Street, Triangle, HX6 3NN	90,000
Mean value	98,000

Source: [home.co.uk](http://home.co.uk)

114. The LQAR is arrived at by dividing entry level house-prices by the lower quartile household income. Drawing from CACI household data, we were able to estimate the LQAR for Sowerby. In Table 5-5 below we present household income data for Sowerby in 2017; the lower quartile income in Sowerby was £12,881, and the mean value for entry-level properties was £98,000, producing an LQAR of 7.61. This suggests that households with lower incomes will struggle to access suitable accommodation without financial support. For those on median and mean salaries, however, the AR is 3.59 and 4.40 respectively. This suggests fewer affordability pressures for households at these income levels to afford entry-level market housing.

**Table 5-5: Households Income Average**

	Sowerby	England
Mean	£27,299	£38,858
Median	£22,259	£31,704
Mode	5 – 10k	10 – 15k
Lower Quartile	£12,881	£17,896
Upper Quartile	£37,473	£52,727

Source: CACI

115. To sense-check this data, it is useful to refer to house price data from other sources. Using the ONS' property affordability calculator<sup>33</sup>, an entry level property cost (lower quartile property price in the selected area) is on average £93,000. One must be aware that the selected area used to derive the entry-level property cost is larger than that of the NA, and that the understanding of 'entry-level' house price rest on a different assumption<sup>34</sup>. This figure would produce an AR of 7.22, 3.41 and 4.18 for households on lower quartile, mean and median income respectively. The picture of affordability does not differ much from that calculated above and provide us with more confidence that the figure is correct.
116. Furthermore, it is beneficial to place this analysis within the context of the borough and the national picture. In Figure 5-1 on the following page we reproduced SHMA15 Figure 5.4 which ranks sub-areas in the MBC in 2014, based on median house prices. This analysis shows that places like Halifax and Sowerby Bridge, which are assumed to follow similar trends with Sowerby NA, are falling below the authority average.

<sup>31</sup> This is based in the notion of the 'room standard'. This indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room).

[http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)

<sup>32</sup> Two locations in Hollins St Triangle are not within the NA but relatively close to it. We included them to better reflect the average price in the area, as only three dwellings were listed strictly within the NA in February 2018.

<sup>33</sup> ONS (2017), 'Property affordability calculator', [online], accessed at:

<<https://visual.ons.gov.uk/prospective-homeowners-struggling-to-get-onto-the-property-ladder/#calculator>>

<sup>34</sup> The term 'entry level' or 'low to mid-priced property' refers to the lower quartile price paid for residential properties. If all properties sold in a year were ranked from highest to lowest, this would be the value halfway between the bottom and the middle.

**Figure 5-1: Residential Transactions January - December 2014**

Sub-Area	Mean	Median	Lower Quartile	Range	
				From	To
Brighouse including Rastrick & Hipperholme	£152,030	£130,000	£91,000	£34,000	£772,500
Elland including Greetland & Stainland	£152,385	£129,500	£99,950	£19,000	£525,000
Halifax	£126,271	£110,000	£75,000	£20,000	£585,000
Hebden Bridge	£192,593	£172,250	£130,000	£24,000	£530,000
Luddenden Dean, Mytholmroyd & Cragg Vale	£167,102	£140,000	£107,500	£13,500	£630,000
Northowram & Shelf	£175,944	£154,475	£125,000	£32,000	£640,000
Ryburn Valley	£216,209	£177,000	£119,000	£44,000	£800,000
Sowerby Bridge	£128,536	£110,000	£83,000	£13,500	£480,000
Todmorden	£125,610	£105,000	£76,125	£30,000	£450,000
Calderdale	£146,851	£125,000	£87,000	£13,500	£800,000

Source: SHMA 2015

117. To be able to benchmark this against house prices in the NA, we have used Land Registry data to calculate the house prices in Sowerby NA in 2014 as done in Figure 5-1.

**Table 5-6: Residential Transactions in Sowerby 2014**

Sub-area	Mean	Median	Lower Quartile	Range From	To
Sowerby NA	£129,503	£115,000	£85,000	£48,000	£425,000

Source: Land Registry, AECOM Calculations

118. As expected Sowerby is comparable with Halifax and Sowerby Bridge (although house prices are slightly higher) in that house prices are below the local authority average.
119. Table 5-7 below calculates the LQAR (here 'entry-level' refers to the lower quartile price paid for residential properties) for Sowerby, Calderdale and England in 2016. The table suggests that whilst the LQAR in Sowerby is not as high as the national average, affordability pressures are more acute in the NA than in the whole of the MBC, mainly due to lower incomes.

**Table 5-7: Ratio of lower quartile house prices to lower quartile earnings (LQAR) in Sowerby 2016**

Area	Lower Quartile Income 2016/2017	Lower Quartile House Price 2016	LQAR
Sowerby	£12,881 <sup>35</sup>	£88,125	6.84
Calderdale	£20,141	£92,500	4.59
England	£20,253	£145,000	7.16

Source: ONS 2017<sup>36</sup>, Land Registry 2016, CACI 2018, AECOM Calculations

120. To conclude, we have calculated three different LQAR using two different assumptions on what entry-level dwellings means. The average of these two LQAR (the LQAR calculated from the ONS Tool is not included) was then calculated to reflect an up-to-date estimate of the LQAR in Sowerby. It is detailed in the table below.

<sup>35</sup> The 2017 income data used to calculate the LQAR in 2016 has been used as a proxy, on the basis that incomes do not increase as quickly as house prices. It can, however, be assumed that incomes were slightly lower in 2016 in Sowerby, resulting in a higher LQAR, closer to that of England. Using 2017 house prices, the LQAR for Sowerby is 7.67.

<sup>36</sup> ONS (2017), 'Ratio of house price to residence-based earnings (lower quartile and median), 2002 to 2016', [online] available to download via <<https://www.ons.gov.uk/peoplepopulationandboroughcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningslowerquartileandmedian>>

**Table 5-8: Average of two methods used to calculate LQAR in Sowerby**

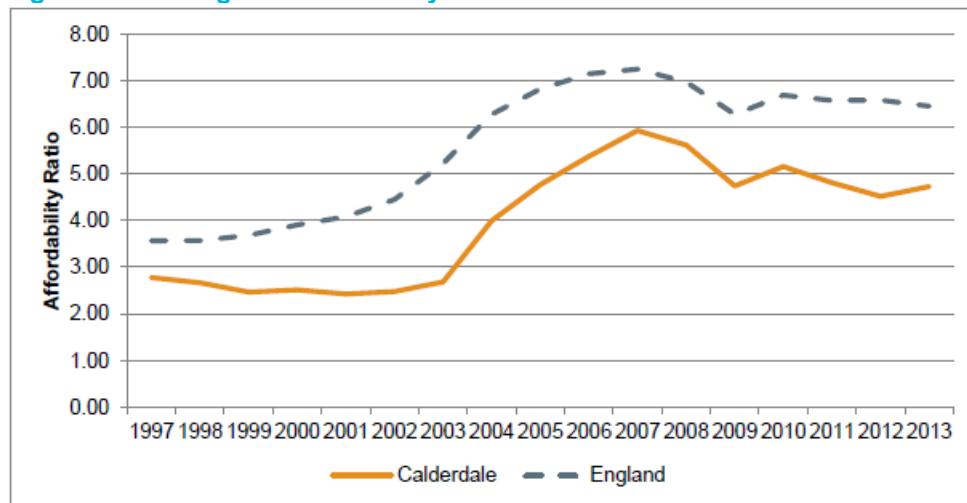
Method Used	Value of entry level property (£)	LQAR
Value of two-bedroom modest dwellings	98,000	7.61
Land Registry Price Paid Data	98,750	7.67
Average	<b>98,375</b>	<b>7.64</b>

Source: AECOM Calculations

### Evolution of affordability

121. Furthermore, we have also considered the evolution of affordability to understand whether it is worsening or improving. In Figure 5-2 below we reproduce Figure 5.12 from the SHMA15 that shows how the LQAR at the district and national level has fluctuated over time. Figure 5-2 indicates that Calderdale remains more relatively affordable than the national average, with a household in 2013 required to spend around 4.5 years' income on the cost of purchasing a house at the lower end of the market. Affordability worsened during 2003 and 2007 before the financial crisis of 2008/9 but has since improved and stabilised. However, it remains considerably worse than the late 1990s. The SHMA15 explains that it highlights the increasing difficulties faced by households in affording the cost of housing.

**Figure 5-2: Change in Affordability Ratio 1997 – 2013**

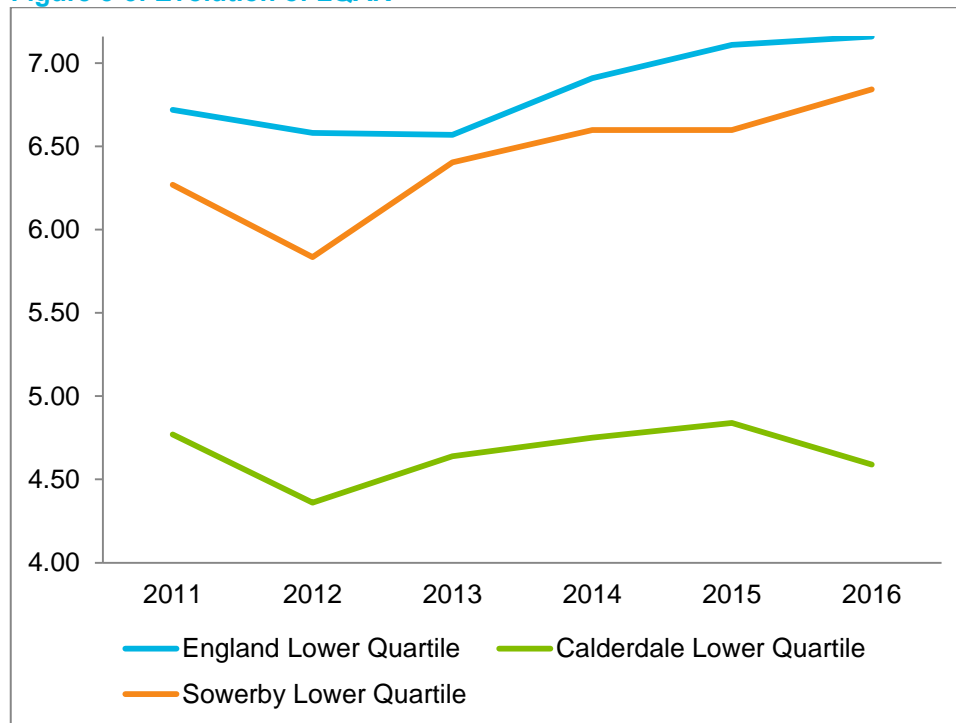


Source: SHMA2014, p.76, Figure 5.12

122. Figure 5-3 on the following page summarises the rate of growth in affordability ratios between 2011 and 2016 for Sowerby, Calderdale and England<sup>37</sup>. The graph indicates that the LQAR has increased by 7% in England and 9% in Sowerby while it has decreased by 4% in Calderdale between 2011 and 2016. This is mainly due to lower house prices in Calderdale relatively to growing incomes. In 2014, the LQAR for Calderdale was around 4.75; this compares with a ratio for England of almost 7. The LQAR of Sowerby is more closely related to the LQAR of England than that of Calderdale. Finally, the graph below suggests a widening gulf between incomes and house prices in the NA. The most recent LQAR calculation for 2017 which reaches 7.67 corroborates this finding.

<sup>37</sup> The data for England and Calderdale was obtained from the 'Ratio of house price to residence-based earnings' published by the ONS in 2017, and the LQAR for Sowerby was calculated through drawing from both CACI and Land Registry data.

Figure 5-3: Evolution of LQAR



Source: ONS 2017<sup>38</sup>, AECOM Calculations

#### 5.2.1.2 Income and Purchase Threshold

123. Additional ways to understand affordability are the notions of 'income' and 'purchase' thresholds. This suggests that only a certain proportion of a household's income should be spent on accommodation to retain enough money for other essential items as well as discretionary spending. Also, it allows comparing house sales and rental sectors.

- 'Income thresholds' are derived through the annualisation of the monthly rental cost. The approach taken by the SHMA15<sup>39</sup> is: "the assessment is sensitive to the proportion of income spent on housing costs, and work undertaken by the Resolution Foundation – and cited by both Shelter and Joseph Rowtree Foundation – suggests that a household should spend no more than **one third** of their disposable income on ongoing housing costs". Thus, this cost should not exceed 25% of annual household income.
- 'Purchase threshold' is calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 3.5 to reflect the standard household income requirement to access mortgage products.

124. The calculations are as follows:

#### Income threshold

125. An assessment of rental values was done in the SHMA15, which presented median and lower quartile rental values for different sub-areas across Calderdale based on a review of properties advertised on Rightmove in June 2015. The result of this analysis is presented below.

<sup>38</sup> Ibid.

<sup>39</sup> Turley Economics (2015), Calderdale SHMA, p.120

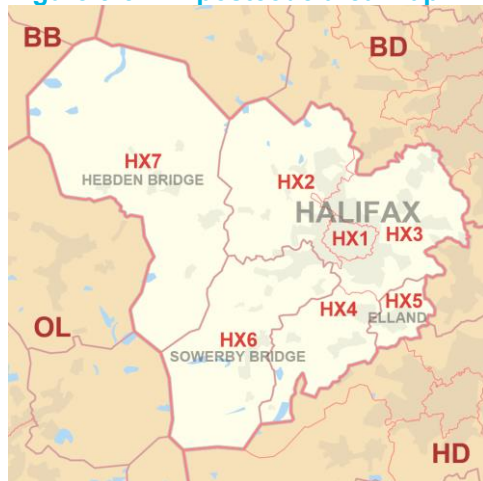


**Figure 5-4: Monthly Private Rental Cost by Sub-Area 2015**

Sub-Area	LOWER QUARTILE				MEDIAN			
	Number of Bedrooms				Number of Bedrooms			
	1	2	3	4+	1	2	3	4+
Brighouse including Rastrick & Hipperholme	£350	£425	£531	£695*	£358	£475	£563	£695*
Elland including Greetland & Stainland	£350	£450	£498	£695*	£380	£498	£550	£695*
Halifax	£328	£425	£425	£495	£350	£458	£475	£550
Hebden Bridge	£395	£500	£725*	-	£398	£530	£725*	-
Luddenden Dean, Mytholmroyd & Cragg Vale	£413	£550	£611	£788	£425	£575	£673	£1,025
Northwram & Shelf	£363	£454	£485	£848	£375	£475	£495	-
Ryburn Valley	£363	£469	£550	£848	£375	£513	£575	£1,115
Sowerby Bridge	£345	£400	£455	£688	£385	£450	£495	£725
Todmorden	£340	£425	£463	£750	£375	£450	£500	£1,000

Source: SHMA15

126. We have then attempted to conduct an analysis of rental values which is as up-to-date and as geographically accurate as possible. As lower quartile values are not relevant to calculate given few rented properties listed in the NA, we have decided to apply the definition of entry-level dwellings used above (two bedrooms dwelling). However, only one property was listed for a 1-bed house of £420pcm (St. Peters Square, Sowerby Bridge, West Yorkshire, HX6). The annualisation of this figure is £5,040. The income threshold is therefore £16,800.
127. [Home.co.uk](http://Home.co.uk) provides the latest rental statistics for towns cities and postcode districts across the UK. Sowerby is located within the HX6 postcode districts (which comprises of Norland, Ripponden, Rishworth, Sowerby, Sowerby Bridge) as can be seen Figure 5-5 below.

**Figure 5-5: HX postcode area map**

Source: Derived from Ordnance Survey OS OpenData

128. As only one entry-level property was listed in the area corresponding to the NA, we have expanded the search to the whole of the postcode district. In HX6, the median rent for 1-bedroom properties was £350. The annualisation of this figure is £4,200. The income threshold is therefore £16,800. The median rent for 2-bedroom properties was £550. The annualisation of this figure is £6,600. The income threshold is therefore £26,400.

**Figure 5-6: Property Rents in HX6 by Number of Bedrooms**

	No. of properties	Average rent	Median rent
One bedroom	7	£372 pcm	£350 pcm
Two bedrooms	20	£565 pcm	£550 pcm
Three bedrooms	8	£656 pcm	£688 pcm
Four bedrooms	0	-	-
Five bedrooms	1	£1,250 pcm	£1,250 pcm

Source: [Home.co.uk](http://Home.co.uk)

### Purchase Threshold

129. The annual cost of homeownership can also be estimated. The purchase threshold for lower quartile property as of 2016 is  $£98,375 \times 10\% = 9,837.5$ ;  $£98,375 - 9,837.5 = £88,538$ ; Dividing this figure by 3.5 produces a threshold of **£25,296**.
130. This suggests that only those on income above the median and close to the mean will be able to afford to buy an entry-level dwelling comfortably. Those on lower income levels will struggle, with newly formed households and those falling into the lower quartile having to reduce spending on other items to afford a dwelling suited to their needs; this increases the risk of exclusion, deprivation and debt.
131. In Table 5-9 below, we set out the financial position of households at different levels of household income after taking the income and purchase threshold into account. This shows that not only households on lower quartile incomes, but also households with income around the median and Newly Formed Households (NFH), would have to reduce expenditure elsewhere, or fall into debt, to access housing suited to their needs. Noteworthy is the unaffordability of entry-level rented properties compared to entry-level properties for sale. This means that households who are not looking to purchase a house will have to move either into a 1-bedroom property, or reduce expenditures elsewhere, or claim LHA.

**Table 5-9: Affordability at different levels of household income**

Household income	Annual Household Income	IT Affordability	PT Affordability
Mean	£27,299	£899	£2,003
Median	£22,259	-£4,141	-£3,037
Newly Formed Households <sup>40</sup>	£18,017	-£8,382.66	-£7,278.66
Lower Quartile	£12,881	-£13,519	-£12,415
Upper Quartile	£37,473	£11,073	£12,177
Income threshold (IT)	£26,400		
Purchase threshold (PT)	£25,296		

Source: AECOM Calculations

### In

132. Table 5-10 on the following page we set out the distribution of income within the neighbourhood area provided by CACI. To obtain a rough idea of the proportion of residents who can afford market housing, based on Table 5-9 above, we can assume that all residents with an income below £25,000 will struggle to afford entry-level market rents; this amounts to 774 households or 58% (rounded) of all households. Similarly, we can assume that all households whose household incomes falls below £25,000 will also be unable to access market housing for sale. This amounts to 774 households or 58% (rounded) of all households.

<sup>40</sup> In order to generate an understanding of affordability among newly forming households (NFH) specifically, relying on the Survey of English Homes [SEH], newly forming households have approximately 66% of the average income of all households. If the mean income in Sowerby is £ 27,299, the average income of NFH will therefore be £18,017.

**Table 5-10: Banded household income in Sowerby (2017)**

Range	Number	Percentage
0 - 5k	63	4.70%
5 - 10k	202	15.12%
10 - 15k	202	15.10%
15 - 20k	172	12.83%
20 - 25k	136	10.17%
25 - 30k	114	8.52%
30 - 35k	94	7.04%
35 - 40k	73	5.42%
40 - 45k	61	4.55%
45 - 50k	45	3.38%
50 - 55k	37	2.76%
55 - 60k	29	2.18%
60 - 65k	24	1.81%
65 - 70k	18	1.35%
70 - 75k	13	1.00%
75 - 80k	10	0.76%
80 - 85k	10	0.71%
85 - 90k	8	0.58%
90 - 95k	3	0.23%
95 - 100k	4	0.32%
100 - 120k	14	1.01%
120 - 140k	3	0.25%
140 - 160k	2	0.12%
160 - 180k	1	0.06%
180 - 200k	0	0.01%
200k+	0	0.01%
Total households	1337	

Source: CACI

133. In conclusion, this section has allowed us to determine the level of income needed to afford entry-level market property for sale and rent in Sowerby and understand the growing affordability pressures there.
134. Given the increasing difficulty of being able to afford dwellings to buy as suggested by the SHMA15, the relative increase of private-rented tenures between 2001 and 2011 indicates that the PRS plays an important role in meeting the needs of those who cannot afford to buy a property. However, we have determined that the income threshold was actually slightly higher than the purchase threshold, meaning that the PRS alternative within this NA is more problematic.
135. The following factors could, however, explain why this is so with a of 137.1% in the PRS over the inter-censal period:
- Firstly, this increase was experienced between 2001 and 2011. It is possible that it reflects a period when the PRS both started from a low base and was more affordable.
  - Secondly, given the affordability pressures in the NA, the growth in the PRS might signify that many households (not only those on lower incomes but also those on mean income) are pushed to rent smaller dwellings or spend more of their income on housing.
  - Finally, we have used rental prices data from the whole of the HX6 postcode district to calculate the income threshold. Therefore the median rent for entry-level properties might not reflect prices in the NA itself, and prices would be driven upward by less affordable areas of HX6. The analysis also evidenced the relative absence of privately rented dwellings within the NA relative to the abundance of houses for sales, which explains such high prices. This means that those in need of entry-level rented dwellings, and in particular those who cannot qualify for social housing, will have to move to places where rent prices are lower and rented dwellings more abundant, such as Sowerby Bridge or Halifax, to satisfy their needs. As we have seen in 5.1.2. this sector has grown and yet became less affordable, indicating much higher demand than it can meet.
136. Therefore, from the evidence gathered, it is clear that a substantial proportion of households are unable to access market housing without financial assistance (around 58%). Those on lower and median incomes will

be unable to find suitable accommodation within the market. However, Sowerby remains an attractive area for those on levels of income close to the mean wishing to buy or rent a property.

## 5.2.2 Housing Waiting List

137. So far, we have considered housing need based on a statistical understanding of affordability derived from household income. A necessary additional component to quantify need for AH in the NA is identifiable through demand expressed in entries on a housing needs register. This number would express an existing unmet need for AH.
138. The SHMA15 uses the Housing Waiting List to assess current housing need, however one of the limits of this is that it's based solely on households identifying themselves as in need, and is therefore likely to under-estimate true need.<sup>41</sup>
139. In the absence of such a register that is specific to the NA, the data contained in the Housing Waiting List for Sowerby Bridge, provided by the LA, may be used. They are currently 762 applicants on the housing waiting list in Sowerby Bridge. Of these, 346 fall into Bronze banding, 401 into Silver banding and 15 into Gold banding. As indicated above, like most AH waiting lists, the lists for Sowerby Bridge is banded according to levels of priority. In line with the SHMA15 we have discounted households in Bronze banding<sup>42</sup> as they are not considered to be in urgent need. From this it is possible to calculate a need for 416 households.

**Table 5-11: Social Housing Data Sowerby Bridge - Banding**

Banding	Number of applicants
Bronze	346
Silver	401
Gold	15

Source: Calderdale Council

140. Notwithstanding, it is noteworthy that among all the applicants, a large proportion have chosen Sowerby as preferred location as evidenced below in Table 5-12. This could be explained by the existence of a significant social housing stock in Sowerby, which might be regarded as more attractive than elsewhere.

**Table 5-12: Social Housing Data Sowerby Bridge – Preference of location**

Location	Percentage of applicants
Mill Bank	6%
Rawson Wood	5.5%
Lower Bentley Road	5.9%
Triangle	7.3%
Bairstow Mount	6%
Sowerby	10.3%
Rishworth	6%
Houghton Ladstone Towers	4%
Luddenden Foot	7.2%
Bolton Brow	7.9%
Ripponden	7.9%
Beechwood	7.8%
Barkisland	6%
Beechwood Avenue	6.4%
Hayley Hill	2.9%
Kershaw	2.9%

Source: Calderdale Council

141. 'Sowerby', 'Beechwood', 'Beechwood Avenue' and 'Rawson Wood' are located within the NA. Therefore a reasonable proportion allocated to the Sowerby NA is 125 (30% of 416).
142. As, we have seen, Policy HS6 of the eLP seeks a target of 25% affordable housing. This percentage enables us to estimate whether, assuming Sowerby meets its housing target of 390 dwelling, this policy will be sufficient to meet its needs for Affordable Housing.

<sup>41</sup> P.117

<sup>42</sup> P.116

143. For the purposes of this exercise, we assume that all 390 dwellings are delivered in sites where the target of 25% applies. This will produce a total of 98 AH over the Plan period.
144. Given the figure of 125 dwellings set out above, it appears that the 25% target for AH in the NA will be not be sufficient to address the current backlog of needs for AH.

### 5.2.3 Households in unsuitable housing

145. Other indicators are also helpful in gaining a clear understanding of Affordable Housing need in the NA. These include overcrowded households, those households experiencing a mismatch between the housing needed and the actual dwelling they occupy, and concealed households, that that is those households who do not have sole use of basic facilities such as kitchen or bathroom, either living with a host household, often made up of family members, or living with other households, who would prefer to occupy their own home, but cannot do so for reasons of affordability<sup>43</sup>. Both indicators will be considered in more details in the 'Market Signals' section.
146. The 2011 Census identified 9 households considered to be concealed, defined by the Census as "a multi-family household...such as young couple living with parents". Whilst overall these make up a smaller proportion of all households in Sowerby than in the borough, it is important to note that these households represent a growing generation of young people reaching maturity and seeking to leave the family home. If they are unable to access suitable housing within Sowerby, they are likely to move elsewhere, most moving within one year, a phenomenon called 'displacement'. The 9 households can therefore be seen as the most obvious indicator of households who would perhaps prefer to form their own households.
147. A truer picture of 'concealed households' can be seen in data for households with non-dependent children, i.e. those with children living in the household over the age of 18, and some aged 16-18. For Sowerby, at the time of the last Census, 10.5% of all households fell into this type against 8.6% in the borough, 160 households, suggesting the phenomenon of adult children living with their parents is not uncommon in the NA. Moreover, these findings should be considered together with an increase of 3.9% of that group over the inter-censal period. Whilst not all of these children are considered 'concealed', clearly the vast majority have the potential to form their own household, and thus represent a significant source of local housing need in Sowerby. In the context of an ageing population, it is important planning policy makes every effort to stem the leakage of younger households so as to maintain balanced communities in future years.
148. Furthermore, the 2011 Census showed Sowerby as having 22 households experiencing overcrowding, defined here as those households with an occupancy rating of more than one person per room. Given the worsening of affordability it is not unreasonable to suggest this trend, together with concealment, may have and might become more pronounced.

#### Conclusions

149. Bringing together our findings relating to affordability, the LQAR for Sowerby was 7.64, this compares with a LQAR for Calderdale of around 4.59 in 2016 which indicates that entry-level dwellings are unaffordable in Sowerby compared with the borough generally.
150. Based on properties currently being marketed (February 2018) and taking into account house price data from Land Registry, an entry-level dwelling is estimated to cost £ 98,750. At this price point, using CACI data on Household Income, around 58% of all households are unable to access a dwelling of this type.
151. As regards access to the private rental market, more than 58% of all households are unable to access entry-level type dwellings for rent. Given this is supposed to be the most affordable open market tenure, many households might be driven out of the area or be overcrowded.

## 5.3 Bringing the evidence together: Tenures of housing needed

### 5.3.1 Housing tenure

152. Earlier in this study, we identified the various different tenures that constitute Affordable Housing (AH): social rented housing, affordable rented housing, shared ownership, discounted market sales housing (Starter Homes) and affordable private rent housing.

<sup>43</sup> <http://webarchive.nationalarchives.gov.uk/20160105222237/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales-/summary.html>

153. This variety of AH tenures reflects an ambition by the Government to introduce market principles into the provision of subsidised housing. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
154. A good example is, in 2012, the introduction of affordable rented dwellings, rent for this tenure would be set at up to 80% of market rent, with the additional income being used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the social rented dwellings, but who cannot afford to access the private market.
155. The overall aim is to reduce the group who are eligible for social rented dwellings to those who have, relatively speaking, very low household income. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.
156. We consider each of the AH tenures in turn, before arriving at a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

### 5.3.2 Social rented housing

157. Rents in social rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.
158. As we have seen, the majority of households (58%) in Sowerby are unable to afford entry-level market dwellings (for sale or rent), the evidence we have gathered (in particular the Lower Quartile Affordability Ratio of 7.50) suggests there is a majority who experience great difficulty in accessing housing suited to their needs. This will be exacerbated by the reported increase in house prices in the area in recent years. The evidence comprises of:
- A LQAR higher than the council (7.64%) and which is worsening.
  - A substantial proportion of households with non-dependent children (10.5% % of all households) suggesting the importance of the phenomenon of adult children living with their parents.
  - Data from the 2011 Census identifying 22 households experiencing overcrowding and 9 households considered to be concealed.
  - The 125 households in priority need for affordable homes in the NA.
159. The need for social housing will be exacerbated by the reported increase in house prices in the area in recent years and the decline in those aged between 25 and 44 combined with the forecast loss of people of working age. It is therefore appropriate for social rented housing to form the majority of affordable homes provided.

### 5.3.3 Discounted market housing (starter homes)

160. As we have seen, intermediate tenures have yet to establish a presence within the NA between the 2001 and 2011 Censuses. Besides, the position of the Local Plan is that *"it is cheaper to privately rent than occupy housing through an intermediate tenure, as such, there is very limited scope for intermediate housing products within the Borough"*<sup>44</sup>. The SHMA15 analysis suggests that a higher proportion of households in Calderdale would be unable to afford the cost of intermediate housing. However, the SHMA15 also states there could be distinct local variations in the affordability of intermediate products which could allow them play a greater role<sup>45</sup>. We believe this is the case in Sowerby, where a number of households might aspire to homeownership but can only afford the PRS. In that sense, there is potential for products such as Starter Homes and other discounted market sales housing, to allow households to move into homeownership.
161. As we have seen, Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'starter homes,' and a specific duty to require a minimum number or proportion of 'starter homes' on certain residential development sites. The relevant legislative provisions are, however, not yet in force and no specific proportion or minimum has been put forward.

<sup>44</sup> Calderdale MBC (July 2017), 'Calderdale Local Plan Initial Draft', p.199

<sup>45</sup> "Shaping the Housing Future of Calderdale" SHMA (November 2015)

162. The Housing White Paper sheds further light on the government's intentions in this area. It states that, 'in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'starter homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable homeownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'starter homes', alongside other affordable homeownership and rented tenures.'
163. This is a substantial watering-down of the 'starter home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable homeownership products, while taking note of the 10% policy expectation.
164. The decision whether to treat Discounted Market Sale Homes (DMSH) as affordable housing should be determined by whether lowering the asking price of new build homes of a size and type suitable to first-time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.
165. So as to provide a conservative assessment of suitability of DMSH, we consider the value of £98,375 in Sowerby for an entry-level dwelling. Allowing for a 10% deposit would reduce the value of a Lower Quartile property to £88,538. We then apply a further discount of 20% to arrive at the approximate selling price of a Starter Home of £70,830. Dividing this figure by 3.5 produces a threshold of £5,059. This considerably lowers the affordability ratio for first-time buyers and Newly Forming Households and contradicts the SHMA15 which states that it is cheaper to privately rent. This type of tenure is therefore most appropriate for first-time buyers who earn around the median and can therefore afford entry-level dwellings for sale. However, this type of tenure remains unaffordable for NFH.
166. On the basis of the evidence we have gathered, we would therefore recommend DMSH to form part of the AH quota within the NA.

#### 5.3.4 Shared ownership

167. As we have seen, there are very few shared ownership dwellings in Sowerby (1 at the time of the last Census). Nevertheless, it is worth considering its future role in the town. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable.
168. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own.
169. Shared equity constitutes a form of AH, targeting those on incomes around the mean; as such, it is termed 'intermediate' and is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000.
170. We have reproduced Figure 7.13 from the SHMA2015. Based on the 'Income required', we have established the extent to which this type of tenure is affordable in the NA. Again, these tenures remain more affordable than the PRS as opposed to what is said in the SMHA15. For Intermediate Housing with 40% equity share plus annual rent, the income required is similar to that of Starter Homes, therefore it should form part of the AH mix in the NA, as it would allow households on income close to the median who are not first-time buyers to become homeowners. However, the Intermediate Housing with 75% shared equity is largely unaffordable (although it remains more affordable than the PRS), and we would not recommend that it forms a part of the AH mix in the NA.

**Figure 5-7: Income Thresholds for Intermediate Housing**

	Private rent <sup>86</sup>	40% equity share plus annual rent	75% shared equity
Total annual cost	–	£8,770	£8,545
Income required	–	£20,310	£25,636
Unable to afford	30%	39%	47%

Source: SHMA15, Figure 7.13

### 5.3.5 Affordable rent

171. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this produces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.
172. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen the annual rent for a two bedroom dwelling in Sowerby is £6,600. This remains beyond the reach of newly formed households and those whose income falls into the lower quartile. In the event of a 20% reduction in rent, the Income Threshold would come down to £21,120, bringing rents within reach of households with an income close to the mean or the median.
173. Affordable rent has the potential for Sowerby to provide an affordable tenure for those households earning around the median and above and who do not desire to become a homeowner. Besides, we assume that if more rented properties were built, the resulting decrease in rent prices would make Affordable rented dwellings affordable to NFH as well. Therefore, Affordable rent should form the majority of rented properties.

### 5.3.6 Market housing

174. Given the relatively low incomes in the area, the needs of many people will not be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home as well as personal taste.
175. The operation of the market is an important means of addressing the demand for different types of housing for sale. It is a requirement in planning that policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

### 5.3.7 Built to rent

176. As we have seen, there is strong evidence of growing demand for private rent accommodation in the NA. On-going changes to the benefit system, in particular 'Universal Credit',<sup>46</sup> and the way social housing is allocated, for example restrictions imposed by eligibility criteria, are likely to increase demand on the private rented sector, especially at the lower-cost end of the market. Given the very substantial increases in PRS revealed by Census data, this trend is one shared by Sowerby.
177. The reason for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option. Given the trends identified in this HNA, Sowerby should seek build to rent (BTR) development, a large percentage of which should be 'intermediate rented housing' so as to address the need to affordable market housing for younger age groups.

### 5.3.8 Conclusion

178. In Table 5-13 on the following page, we have estimated the proportion of households unable to afford certain types of tenures based on the affordability thresholds for each tenure. Because the data is banded, we cannot know the exact proportion of households earning below the threshold. For example, for entry-level rented properties, the threshold of £26,400 is somewhere in the 25-30k band. In that case, we chose the upper limit of that band and assumed that anyone earning below £30k could not afford rent an entry-level property.

<sup>46</sup> Reforms to the benefits system are likely to see payments made directly into recipients' bank accounts rather than housing benefit paid to landlords thus granting the individual greater choice in the nature of their housing arrangements.



**Table 5-13: Affordability of different types of tenures**

Types of tenures	Income required/Threshold	Households earning below the threshold (% estimate)	Households earning above the threshold (% estimate)
Entry-level rented properties	£26,400	66.4%	33.6%
Entry-level sales	£25,296	58%	42%
Starter Homes	£20,237	48%	52%
Intermediate Housing 40% equity share	£20,310	48%	52%
75% shared equity	£25,636	66.4%	33.6%
Affordable Rent	£21,120	66.4%	33.6%
Social Housing	NA	NA	

Source: AECOM Calculations

179. Based on the current income distribution and evidence gathered earlier, a distribution of the below housing tenures is recommended:

- **Intermediate Housing** (see p.26): Although 58% to 66.4% of households cannot afford market housing, a proportion of them could afford discounted forms of housing. The threshold for intermediate housing varies between £20,237 for Starter Homes to £21,120 for Affordable Rent. Thus, households with an income above £20k, 52.2% of households could afford or almost afford Intermediate Housing. Discounting the households earning above £30k (those who can afford Market Housing, 33.6% of households), leaves a percentage of 21.6%. Therefore, providing 21.6% of Intermediate Housing, or 84 dwellings, would meet the needs of those earning above £20k and below entry-level prices for Market Housing.

Regarding the split between different intermediate products, we recommend more Affordable Rents to address the scarcity of rented-dwellings in the NA. Starter Homes could be included in the mix, but remains unaffordable for NFH, the group for which it is originally intended.

- 4% Starter Homes; and
- 5% Discounted Market Housing
- 10% Affordable Rented
- **Social Housing**: More than 47.8% of households earn below £20k and cannot access any tenure. Therefore, social housing is the most appropriate form of tenure for them. Assuming the income distribution remains the same, 47.8% of the 277 households projected to form between 2018 and 2032, or 108 households, will need social housing. Additionally, we have estimated that 102 households are currently in need. This produces a total figure of 210 households, and therefore, 210 of the 390 dwellings (53.8%) should be allocated to these households. Furthermore, in the light of the deteriorating housing affordability, the likely increase of households on lower quartile incomes, together with an ageing population, in order to create a sufficient buffer, we strongly recommend social housing to form between 55 and 60% of the new housing stock.
- **Market Housing**: The rest should be either market-rented or for sale. Most of them should be rented to increase the supply of rented-dwellings.

180. Tenure split:

- Intermediate Housing: 21.6%
- Social Housing: 53.8%
- Market Housing: 24.6%

## 6. RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing has the best potential to meet local needs?

### 6.1 Background and Definitions

181. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability<sup>47</sup>.
182. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in census terms as under occupying their homes. This is a natural feature of the housing market, although it can make considerations of future housing needs as much a matter of market dynamics and signals, as of demographics and household type and size projections in future years.
183. In order to understand the terminology surrounding size of dwellings, it is important to note that the definition of a room recorded in the Census does not include bathrooms, toilets, halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. Rooms shared between a number of households, for example a shared kitchen, are not counted.
184. In the section that follows, 'dwelling sizes' should be translated as follows<sup>48</sup>:
- 1 room = bedsit
  - 2 rooms = flat/house with one bedroom and a reception room/kitchen
  - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
  - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
  - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
  - 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
  - 7+ rooms = house with 3, 4 or more bedrooms
185. In Figure 6-1 on the following page we provide a table, devised by Nathaniel Litchfield and Partners, setting out recommended dwelling sizes for different household types. This table has been defined on the basis of the following assumptions,
- Smaller apartments/flats or houses will be more suitable for meeting the initial requirements of married couples until the age they have a family. Those households without children could occupy either houses or flats of the appropriate size;
  - Cohabiting couples and lone parents will want and require similar sizes of housing to married couples. Those households without children could occupy either houses or flats of the appropriate size;
  - Smaller apartments/flats or houses will be more suitable to meeting the requirements of single person households;
  - According to their composition, institutional accommodation such as a residential care home, hostel or purpose-built student accommodation may provide a suitable form of specialist housing for groups such as elderly people and students;
  - Further qualitative allowances will need to be made of households at retirement age who are likely to continue living in their previous home unless more manageable two bed flats, houses and bungalows are available; and,
  - The requirement for housing with care, including supported housing and extra care provision, is likely to increase at 85 and above.

<sup>47</sup> SHMA15, pp.130, para 8.5

<sup>48</sup> <https://www.nomisweb.co.uk/census/2011/qs407ew>

**Figure 6-1: Estimated Housing Size required by Household Type, by Age of Head of Household**

Age Range 2013	One Person	Married Couple / With 1/2 Children	Married Couple / With 3+ Children	Cohabiting Couple / With 1/2 Children	Cohabiting Couple / With 3+ Children	Lone Parent / With 1/2 Children	Lone Parent / With 3+ Children	Other Multi-Person
0-14	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
15-24	1 bed flat/house	2 bed flat/house	3 bed house	2 bed flat/house	3 bed flat/house	2 bed flat/house	3 bed house	1 bed flat
25-34	1 bed flat/house	3 bed house	3 bed house	3 bed house	3 bed house	3 bed house	3 bed house	1 bed flat
35-44	2 bed flat/house	3 bed house	4 bed house	3 bed house	4 bed house	3 bed house	4 bed house	2 bed flat
45-59	2 bed flat/house	3 bed house	4 bed house	3 bed house	4 bed house	3 bed house	4 bed house	2 bed flat
60-84	2 bed flat/bungalow <sup>30</sup>	2 bed flat/bungalow	3 bed bungalow	2 bed flat/bungalow	3 bed bungalow	2 bed flat/bungalow	3 bed bungalow	2 bed flat
85+	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care

Source: Nathaniel Litchfield and Partners after Survey of English Housing 2008

186. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, before having regard for demographic shifts in age and household composition, to address future as well as current community need. For this reason, we start with a consideration of type and size within the existing housing stock.

## 6.2 Current Type and Size profile

### 6.2.1 Dwelling Type

187. Table 6-1 below presents the range of dwellings types in the NA in 2011; the majority of dwellings are semi-detached and terraced dwellings. Noteworthy is the fact that almost half of the houses are semi-detached. Furthermore, there are a number of flats in the NA although the stock is relatively small compared to Calderdale or England. Although the higher concentrations of flats are in Sowerby Bridge (20.4%) and Halifax (17.7%)<sup>49</sup>, they are relatively few in the NA. Comparison against the national average shows that Calderdale is characterised by a high proportion of terraced stock, with this type constituting 43% of all household spaces. Therefore, the NA has a relatively low proportion of terraced housing compared to the district average, and even compared to the neighbouring Sowerby Bridge (42%)<sup>50</sup>. In that sense, the patterns in Sowerby does not reflect exactly those of the wider district. This was confirmed by our discussion with the group which informed us that there is a high number of semi-detached pebble dashed type of dwellings in the NA compared to the borough.

**Table 6-1: Accommodation type (households) in Sowerby, 2011**

Dwelling type		Sowerby	Calderdale	England
Whole house or bungalow	Detached	13.9%	14.2%	22.4%
	Semi-detached	<b>46.8%</b>	27.4%	31.2%
	Terraced	<b>28.7%</b>	42.9%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	9.7%	12.8%	16.4%
	Parts of a converted or shared house	0.6%	1.8%	3.8%
	In commercial building	0.3%	0.8%	1.0%

Source: ONS, AECOM Calculations

188. It is useful to assess how the type mix has changed in the NA, in comparison to Calderdale. As shown in Table 6-2 on the following page, there has been a decrease in detached and terraced types (-

<sup>49</sup> SHMA15, Figure 3.2, p.31

<sup>50</sup> Ibid.

4.9% and -6.1% respectively), when these types were growing in the rest of the borough (11.2% and 4.5% respectively).

189. Although the earlier analysis suggests that flats make up a relatively small proportion of the total housing stock (9.7%), flats are comfortably the main area of change in the NA, although to a lesser extent than the borough (24.8%). Finally, Sowerby has only seen a modest increase in the semi-detached stock, equivalent to 2.6%, recognising the historic prevalence of the house type in the NA.

**Table 6-2: Rate of change in dwelling type (households) in Sowerby 2001-2011**

Dwelling type		2001	2011	Rate of change
All		1,521	1,545	
Whole house or bungalow	Detached	226	215	-4.9%
	Semi-detached	705	723	2.6%
	Terraced	473	444	-6.1%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	137	150	9.5%
	Parts of a converted or shared house	13	9	-30.8%
	In commercial building	7	4	-42.9%

Source: ONS, AECOM Calculations

**Figure 6-2: Absolute Change in Household Spaces by Type 2001 - 2011**

Sub-Area	Detached	Semi-Detached	Terraced	Flat	Caravan
Brighouse including Rastrick & Hipperholme	329	281	213	557	0
Elland including Greetland & Stainland	180	195	105	620	-16
Halifax	115	610	458	520	-11
Hebden Bridge	81	37	172	130	4
Luddenden Dean, Mytholmroyd & Cragg Vale	126	87	146	241	-1
Northowram & Shelf	106	71	110	100	1
Ryburn Valley	198	74	177	190	3
Sowerby Bridge	50	94	129	341	-4
Todmorden	139	134	194	132	7
<b>Calderdale</b>	<b>1,324</b>	<b>1,583</b>	<b>1,704</b>	<b>2,831</b>	<b>-17</b>
% change between 2001 – 2011	11.2%	6.7%	4.5%	24.8%	-11.2%

Source: SHMA15, Table 3.3

## 6.2.2 Dwelling Size

190. Turning to size of dwellings,

191. Table 6-3 on the following page shows the range of dwellings sizes in Sowerby and how the overall housing stock has changed in Sowerby in the decade between the 2001 and 2011 Censuses.
192. Firstly, it can be noted that the overwhelming majority of households (85%) are shown to occupy dwellings with 4 rooms or more in 2011, while only 1 dwelling could be considered a bedsit. These proportions are similar to those in the whole borough, where most households occupy dwellings with 4 to 6 rooms. 3-rooms dwellings, which can be considered entry-level dwellings, only form 13.32% in the NA and 11.34% in the borough. Medium-sized family dwellings of 4 and 5 habitable rooms are the most common dwelling type, representing almost 55% of the stock compared with 48.7% in the borough; finally, larger dwellings of 6 or more habitable rooms constitute 30% of the housing stock against 37.3% in the borough.

**Table 6-3: Number of rooms per household in Sowerby, 2001-2011**

Number of Rooms	2001		2011	
	Sowerby	Calderdale	Sowerby	Calderdale
1 Room	6	462	1	283
2 Rooms	22	1907	26	2106
3 Rooms	193	8318	203	10046
4 Rooms	355	20501	403	21421
5 Rooms	440	20958	434	21731
6 Rooms	228	14918	261	15514
7 Rooms	71	6484	112	7930
8 Rooms or more	79	7389	53	4934
9 Rooms or more			31	4656

Source: ONS, AECOM Calculations

**Table 6-4: Number of rooms per household in Sowerby (%), 2001-2011**

Number of Rooms	2001		2011	
	Sowerby	Calderdale	Sowerby	Calderdale
1 Room	0.4%	0.6%	0.1%	0.3%
2 Rooms	1.6%	2.4%	1.7%	2.4%
3 Rooms	13.8%	10.3%	13.3%	11.3%
4 Rooms	25.5%	25.3%	26.4%	24.2%
5 Rooms	31.6%	25.9%	28.5%	24.5%
6 Rooms	16.4%	18.4%	17.1%	17.5%
7 Rooms	5.1%	8.0%	7.3%	8.9%
8 Rooms or more	5.7%	9.1%	3.5%	5.6%
9 Rooms or more			2.0%	5.3%

Source: ONS, AECOM Calculations

193. Table 6-5 below brings out the changes that have taken place in dwelling sizes between the Censuses. From this, it can be seen that there has been a sharp decrease in the number of small, 1 room dwellings, while 7 room dwellings have experienced the largest increase. Noteworthy is the modest increase of 2-rooms and 4-rooms homes which is above the district and national average. Finally, there has been a gain of 42 medium sized family homes and a gain of 79 larger homes of 6 rooms or larger over the period.

**Table 6-5: Rates of change in number of rooms per household in Sowerby, 2001-2011**

Number of Rooms	Sowerby	Calderdale	England
1 Room	-83.3%	-38.7%	-5.2%
2 Rooms	18.2%	10.4%	24.2%
3 Rooms	5.2%	20.8%	20.4%
4 Rooms	13.5%	4.5%	3.5%
5 Rooms	-1.4%	3.7%	-1.8%
6 Rooms	14.5%	4.0%	2.1%
7 Rooms	57.7%	22.3%	17.9%
8 Rooms or more	6.3%	29.8%	29.8%

Source: ONS, AECOM Calculations

**Conclusion**

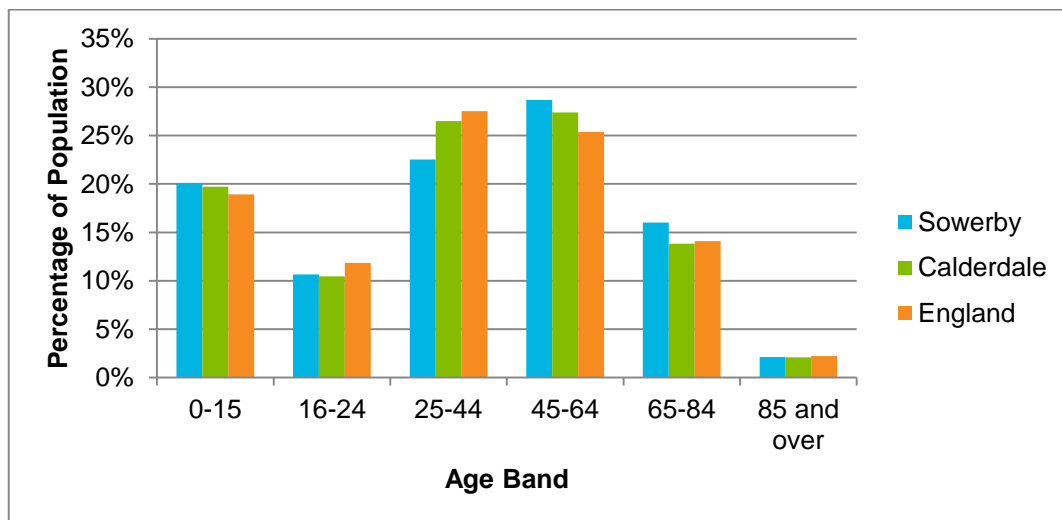
- 194. Bringing the data relating to type and size of dwelling together, terraced and semi-detached homes are the dominant type in the current housing mix. This corresponds with the size distribution of dwellings which is overwhelmingly towards medium-sized dwellings and is suited to families with dependent children which form the majority of households in the NA and in the borough.
- 195. The SHMA15 indicates a need for property of all sizes in Calderdale, with the greatest need associated with semi-detached properties with 2 or 3 bedrooms<sup>51</sup>. To understand whether this profile of housing stock is suited to the current and future needs of the community in the NA, we consider two key indicators: age structure and household composition, and how these are forecast to change over time.

**6.3 Factors affecting size and type of housing needed**

**6.3.1 Age Structure**

196. Figure 6-3 below shows the banded age structure of the Sowerby NA compared to Calderdale and England. Whilst the different age bands are shown to be in relative parity with the wider borough and England; there is a relative under-representation of those in the 25-44 age band and a relatively higher proportion of those in the 45-64 and 65-84 age brackets. The combined population of those aged between 25-44 and 45-64 is around 51% of the population. Heads of households falling into these age categories are most likely to have children, which suggest the most significant household type will be families with children. The fact that around 20% of the population are aged between 0-15 and that 27.4% of households are families with children, supports this finding.

**Figure 6-3: Age Structure (2011)**



Source: ONS, AECOM Calculations

197.

<sup>51</sup> SHMA15, p.168

198. Table 6-6 on the following page shows how the age structure has changed between 2001 and 2011. This suggests that the number of 0-11 and 25-44 years-old has reduced in the MBC, but to a much lesser extent than in the NA. Given that the proportion of those in the 25-44 years-old age bracket was already smaller than in Calderdale, this decrease suggests a significant downward trend of this age band. The fall in numbers of those aged between 0-15 corresponds with the reduction in adults of parental age.
199. The most substantial increase seen in the NA is that of those in the 45-64 age band, increasing by 21.6% compared to 17.5% in Calderdale and 15.2% in England.
200. Finally, the NA does not seem to experience ageing of the population compared to Calderdale and England. The number of those in the 65-84 age group had only increased by 3.1% while the number of those over 85 years-old has dropped by 7.4%, when it had been growing in both district and national geographies.

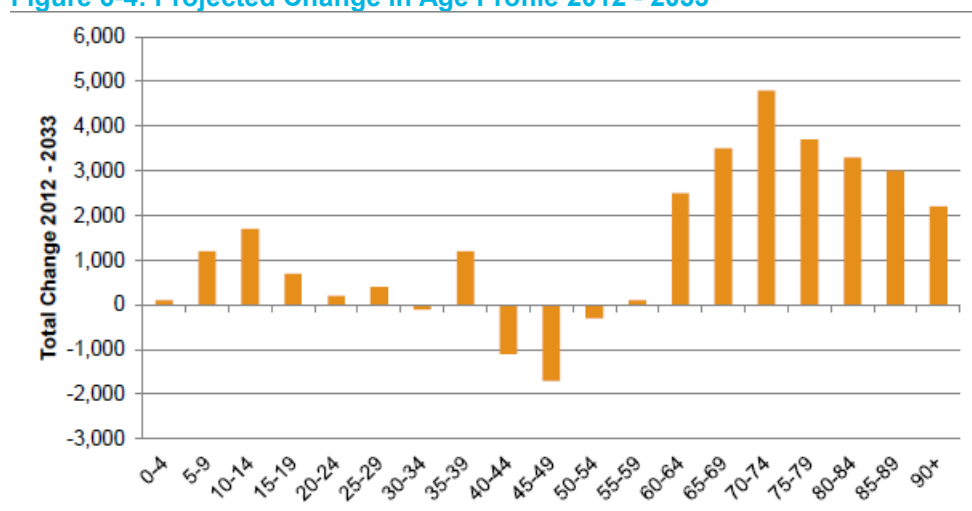


**Table 6-6: Rate of change in the age structure of the population of Sowerby, 2001-2011**

Age group	Sowerby	Calderdale	England
0-15	-7.8%	-2.0%	1.2%
16-24	17.1%	17.3%	17.2%
25-44	-8.9%	-3.0%	1.4%
45-64	21.6%	17.5%	15.2%
65-84	3.1%	7.7%	9.1%
85 and over	-7.4%	11.8%	23.7%

Source: ONS, AECOM Calculations

201. The SHMA15 is helpful in providing forecasts of how the age structure of the population will change over the Plan period. The main growth under the 2012 SNPP is expected to be driven by older age groups, with a projected fall in those aged 40 to 54 but some increase in younger age groups. This suggests that the 2012 SNPP assumes ageing of the population in Calderdale.

**Figure 6-4: Projected Change in Age Profile 2012 - 2033**

Source: SHMA15, p.98, Figure 6.9

In the graph above, the 2012 SNPP is underpinned by the population growth projected under the 2012-based sub-national population projections (SNPP) published by the ONS. It was released in May 2014 and provided the latest official benchmark for the analysis of population growth at the time of publication of the SHMA15. However, since then a new population projection was published by the ONS, the 2014-based subnational population projections (October 2015). We have used this dataset to calculate the rate of change in age profile in Calderdale, presented in Figure 6-6 below.

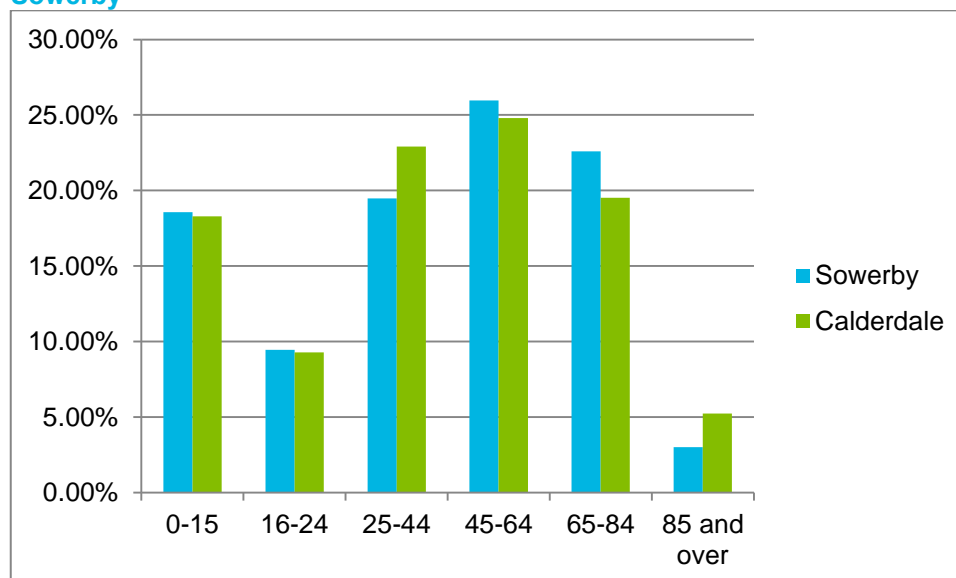
**Figure 6-5: Rate of change in the age structure of the population of Calderdale, 2011-2032**

Age Groups	2011	2032	Rate of change
All Ages	203826	228753	12.23%
0-15	40181	41830	4.10%
16-24	21320	21199	-0.57%
25-44	54027	52393	-3.02%
45-64	55826	56743	1.64%
65-84	28178	44631	58.39%
85 and over	4294	11957	178.46%

Source: Census 2011, 2014-based SNPP

202. We have applied the same rates of change onto the population of Sowerby, on the basis that rates of change between 2001 and 2011 were somewhat similar between the NA and the borough, except for the 85 and over age group (a different rate was therefore applied). This can give us an idea of the derived age structure in Sowerby in 2032 compared to Calderdale.

**Figure 6-6: Projected age structure in Calderdale and derived projection age structure in Sowerby**



Source: AECOM Calculations

203. To bring the evidence together we have compiled our findings in Table 6-7 below. The current profile of Sowerby shows a higher proportion of working-age population, slightly older than the overall borough, and a family-oriented NA. From now till the end of the Plan-period, the population will age and the elderly population will form a higher part of the population in Sowerby than in the borough (there are already more retired and economically inactive people). The working-age population will continue to form an important part of the NA but will experience a decline. Finally there will be less families and newly forming households. Affordability issues will accelerate that trend.

**Table 6-7: Findings table**

	Sowerby		Calderdale	
Mean age 2011	41.6		39.6	
Median age 2011	42.8		40	
	2011	2032	2011	2032
Young population <sup>52</sup>	20.02%	18.57%	19.71%	18.29%
Working age population	61.86%	54.88%	64.36%	56.98%
Elderly population	18.12%	25.58%	15.93%	24.74%

Source: AECOM Calculation

### 6.3.2 Household Composition

204. In Table 6-8 on the following page, we present data relating to household composition drawn from Census 2011. The similarity with the borough is very clear. The largest single household type is families with children; the combined total of those with children, dependent and non-dependent, comes to 37.9% in Sowerby whilst it comes to 35.6% in Calderdale. This reflects the family-oriented profile of the NA. It is important to point out, however, the presence of a substantial minority of childless couples; those families without children, both aged 65+ and younger than 65, amount to 27.5% of all households in Sowerby whilst it amounts to 26.1% of all households in Calderdale. Finally, one person households are slightly less

<sup>52</sup> The OECD defines young population as those people aged less than 15, working age population as those aged 15 to 64 and the elderly population as people aged 65 and over. <<https://data.oecd.org/pop/working-age-population.htm#indicator-chart>>

significant in Sowerby (29.80%) than in Calderdale (32.7%), although the proportion of one person households aged 65 and over is higher in Sowerby than in Calderdale and England.

**Table 6-8: Household composition (by household) in Sowerby, 2011**

		Sowerby	Calderdale	England
<b>One person household</b>	Total	29.8%	32.7%	30.2%
	Aged 65 and over	15.1%	12.6%	12.4%
	Other	14.7%	20.1%	17.9%
<b>One family only</b>	Total	65.5%	61.8%	61.8%
	All aged 65 and over	8.9%	7.4%	8.1%
	With no children	18.6%	18.7%	17.6%
	With dependent children	<b>27.4%</b>	27.0%	26.5%
	All children Non-Dependent	<b>10.5%</b>	8.6%	9.6%
<b>Other household types</b>	Total	4.7%	5.5%	8.0%

Source: ONS, AECOM Calculations

205. It is also useful to consider how household composition has shifted over the inter-censal period. Households with children have collectively grown very modestly over the NA over the period (5.90%) whilst they have become more in Calderdale borough (13.30%); childless couples have experienced the most significant growth in the NA (35.9%) whilst this growth was relatively modest in Calderdale (8.8%). Finally, one person households have increased overall by 15.52% against 17.7% in the borough. The growth of single households aged less than 65 has risen by 77.8% against 42% in the borough. As we have seen, the 'all children non-dependent' category should be considered in the context of concealed households. Growth in this category acts as an indicator of depressed household formation rates as young people are unable to move out of the parental home as a result of a weak supply of suitable affordable accommodation.

**Table 6-9: Household Composition rate of change 2001 - 2011**

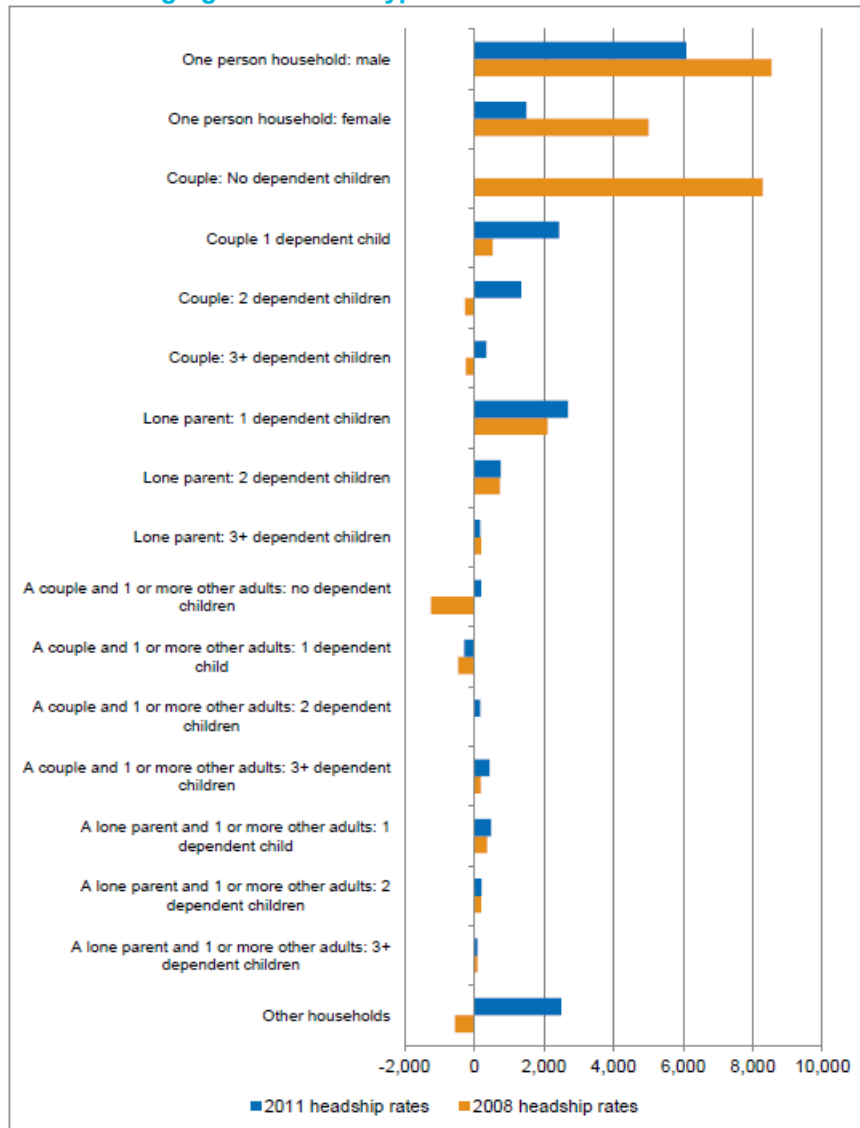
Household type	Percentage change, 2001-2011			
	Sowerby	Calderdale	England	
<b>One person household</b>	Total	15.5%	17.7%	8.4%
	Aged 65 and over	-13.9%	-7.5%	-7.3%
	Other	77.8%	42.0%	22.7%
<b>One family only</b>	Total	8.2%	5.6%	5.4%
	All aged 65 and over	-8.7%	-4.4%	-2.0%
	With no children	35.9%	8.8%	7.1%
	With dependent children	2.0%	5.8%	5.0%
	All children non-dependent	3.9%	7.5%	10.6%
<b>Other household types</b>	Total	1.4%	9.8%	28.9%

Source: ONS, AECOM Calculations

206. On the following page we reproduce Figure 6.17 from the SHMA15 that provides a picture of how household composition is forecast to change over the Plan period. The key findings from this data are,

- Considerable increase in the number of one person households and childless couples
- Growth expected in family households with dependent children, including lone parents

Figure 6-7: Changing Household Type 2012-2033



Source: SHMA15, p.108, Figure 6.17

**Conclusions**

- 207. Bringing the evidence from household composition together, there is a split between three substantial groups, families with children (27.4%), childless couples (18.6%) and one person households (29.8%); while they have all grown over the inter-censal period, single person households under 65 and childless couples have seen the greatest increase over the decade.
- 208. The growth of non-dependent children households points to depressed household formation rates.
- 209. Data from the SHMA15 suggests that the borough will see an increase of lone parent households, childless couple households; one person-households of all ages. Given the similarity in the data between Sowerby and the wider borough, these trends are likely to impact on the NA.

**6.4 Bringing the evidence together: Market Segmentation**

- 210. Bringing together the evidence from our consideration of affordability, age structure and household composition, in line with PPG, we have sought to identify the different market segments in the population of Sowerby. We then use this understanding to put forward recommendations for policy relating to Affordable Housing as well as the tenure of dwelling.
- 211. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census excludes kitchen, bathrooms and toilets. In the market segments table that follows, 'dwelling size' should be translated as follows:

- 1 room = Bedsit
  - 2 rooms = flat/house with one bedroom
  - 3 rooms = flat/house 2 bedrooms
  - 4 rooms = flat/house with 2 bedroom and 2 reception rooms, or 3 bedrooms and 1 reception room
  - 5 rooms = flat/house with 3 bedrooms and 2 reception rooms
  - 6 rooms = house with 3 bedrooms and 3 reception rooms or 4 bedrooms and 2 reception rooms
  - 7+ rooms = house with 4, 5 or more bedrooms house
212. The table below indicates the different market segments, and the degree to which they are a growing, stable or declining group within the local population. One 'up' arrow indicates this grouping is growing modestly in the NA; two 'up' arrows indicates strong growth, three 'up' arrows suggests very rapid growth in years to come. Where segments are falling in numbers, or not growing, neutral or down arrows are shown.
213. It is important to note that, the private sector is good at picking up market trends that result from, among other factors, changes in social behaviours and demographic shifts. For this reason, policy intervention is only justified in the case of market failure (where the market is unable, for reasons of viability, or there are incentives, deliberate or otherwise, that drive the market not to respond to trends). Examples include the failure of the market to provide homes to those on low incomes and the under-supply of dwellings for the elderly.
214. Similarly, because, generally speaking, the market is able to deliver the homes required for the majority of residents (either through for-sale dwellings or for-rent), policy intervention is only required where the evidence is both compelling and the circumstances it describes serious. This is because policies carry both costs and risks; this can distort the market, preventing it from providing homes (and encouraging a position of market equilibrium in which homes are accessible to target markets).

#### 6.4.1 Arrows Analysis

215. The analysis of affordability points to depressed household formation rates and the emergence of concealed households; this is supported by data relating to household composition. There is evidence that adult children are increasingly remaining in the family home together with forecasts that working age population may decline at the district level and even more so at the NA level. This will be triggered by reduced birth rates and/or displacement from the area on account of the lack of suitable affordable dwellings.
216. Considering the findings of age structure and household composition together, there is clear evidence of an ageing but not necessarily elderly population. The impact of this over the medium to long term will be profound, requiring not only additional dwellings suited to the needs of the elderly (examined in more detail later in this HNA) but also an activist policy that seeks to maintain a balanced demographic in future years.
217. It is particularly telling that the numbers of people aged between 25-44 fell in the NA during the inter-censal period by 8.9%. The evidence of decline of the economically active population is amplified at the borough level through forecasts suggesting the overall loss of working age households. An important objective here for the neighbourhood plan might be to develop policies to maintain Sowerby as a working as well as retired community, able to sustain the businesses, services and facilities essential to thriving community life.
218. Policy recommendations
- Plan makers should plan imaginatively to cater to the needs of the elderly to ensure they are able to remain in their own homes for as long as possible, play an active role in community life and enjoy the highest possible sense of well-being;
  - To address the needs of concealed households through the provision of smaller, affordable market dwellings as well as Affordable Homes so as to encourage household formation rates, and stem the decline of the local working age population
  - The needs of families should be prioritised, firstly so as to retain a balanced population in future years, but also so as to capitalise on the area's natural advantages;

- In terms of size of dwellings, these trends point towards a mix of smaller dwellings and family sized homes, of 2-5 habitable rooms.
- Owner occupation has been the dominant trend in tenure; however, as we have seen, this tenure is beyond the means of the vast majority of households; neighbourhood planners should therefore encourage a range of providers and tenures to come forward, such as shared equity, starter homes, co-housing, housing co-ops and build to rent.

**Table 6-10: Market Segment**

Market segments	Income range	Tenure	Presence in Plan Area	Size of home
Young family where parents are aged 24-44 with 1+ children aged 0-15	Median	PRS, Social housing, shared equity, AMH	↓	5 rooms
Professional Head of Household family where parents are aged 44-64 with non-dependent children living at home	>Mean (equity rich)	Market Housing	↑ ↑	6+ rooms
Lone parent (with 1+ children)	Lower Quartile (equity poor)	Social Housing	↑	3 rooms
One person household aged under 65	Median (equity poor)	PRS, shared equity, DMH	↑ ↑	2 rooms
One person household aged 65+ with wealth	Median (equity rich)	Market Housing	↑	2-3 rooms
One person household aged 65+ without wealth	Lower Quartile (equity poor)	Social Housing	↑ ↑ ↑	2 rooms
Young couple no children	>Mean (equity poor)	Market Housing, Shared Equity, DMH	↑ ↑	4+ rooms
Concealed households	Lower Quartile (equity poor)	Social Housing	↑ ↑	1-3 rooms

Source: AECOM

219. The findings from the Market Segmentation analysis suggests an appetite for smaller homes driven by an ageing population, the growth of one person households and the need to supply entry-level dwellings to newly formed households. With this in mind, trends over the inter-censal period towards larger dwellings (number of them that came into existence) appear to be out of alignment with the current and future needs of the community. Although the SHMA15 indicates a need for property of all sizes in Calderdale, with the

greatest need associated with semi-detached properties with 2 or 3 bedrooms, evidence for Sowerby shows a greater need for flats/house with 1 bedroom to 2 bedrooms.

## 7. RQ4: What provision should be made for specialist affordable housing for the elderly within the NA?

220. Before considering the data on Sowerby specifically in more detail, it is useful to understand the national context for specialist housing for the elderly across England. Between 1974 and 2015, the population aged 65 and over in England grew 47% and the population aged 75 and over grew by 89%.<sup>53</sup> A Demos survey of over 60s conducted in 2013 found a “considerable appetite” amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting<sup>54</sup>.
221. Indeed, 76% of those in homes of three or more bedrooms wished to downsize, and this rose to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both<sup>55</sup>. However, in spite of evidence of high demand, currently only 5% elderly people’s housing is made up of specialist homes<sup>56</sup>, with Demos suggesting that “the chronic undersupply of appropriate housing for older people is the UK’s next housing crisis”<sup>57</sup>, and local authorities often “accused of reluctance to approve development plans for specialist housing...out of fear of increased care costs”.<sup>58</sup>
222. In 2014 there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in private sector and the rest provided at social rent levels<sup>59</sup>. However, this is likely to be a result of constraints on the supply of private sector retirement housing rather than a lack of demand. Indeed, whilst older people are increasingly healthier for longer than in the past, the supply of specialist housing for the elderly could be considered to be somewhat constrained. For example, the population aged 65 and over in England grew by 11% in England between 2001 and 2011, but the population living in actual residential care homes, those providing comprehensive care out with the sheltered housing sector, grew by just 0.3%, to about 291,000 people<sup>60</sup>.
223. The following sections consider the existing provision of specialist housing for the elderly in Calderdale as a whole, and for Sowerby, and make projections of how needs might change in the future based on existing provision rates and demographic projections. These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN).

### 7.1 Sheltered and extra-care housing

224. As we have seen, given the significant forecast increases in people aged 75+, it is appropriate for policy to provide support for a significant quantum of sheltered<sup>61</sup> and extra care<sup>62</sup> housing as part of the delivery of new housing. Table 7-1 identifies the growth in the population of over 75s between 2011 and 2031.

<sup>53</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

<sup>54</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>55</sup> Ibid.

<sup>56</sup> [https://www.housinglin.org.uk/\\_assets/Resources/Housing/OtherOrganisation/for-future-living\\_Oct2014.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf)

<sup>57</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>58</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

<sup>59</sup> [https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb\\_july14\\_housing\\_later\\_life\\_report.pdf](https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf)

<sup>60</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/changesintheolderresidentcarehomepopulationbetween2001and2011/2014-08-01>

<sup>61</sup> Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or ‘schemes’) provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or ‘bedsits’) through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called ‘community alarm service’) to call help if needed. Many schemes also have their own ‘manager’ or ‘warden’, either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden. Source: <http://www.housingcare.org/jargon-sheltered-housing.aspx> (accessed 11/04/17)

<sup>62</sup> New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as ‘housing with care’. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people

**Table 7-1: Change in the population of over 75s between 2011 and 2032**

Age band	2011		2032 Projection	
	Population (Sowerby)	Population (Calderdale)	Population (Calderdale)	Population (Sowerby)
All ages	3,881 (1.9% of Calderdale 2011 total)	203,826	225,600	4,286 (1.9% of Calderdale 2032 total)
75+	303 (7.8% of Sowerby 2011 total)	14,879 (7.3% of Calderdale 2011 total)	26,700 (11.8% of Calderdale 2032 total)	506 (11.8% of projected Sowerby total)

Source: 2014-based Sub-national population projections, MHCLG and Census 2011 (ONS) AECOM calculations

225. The table above shows an estimate of the increase in the number of older people aged 75+ of **203** (506-303).
226. The method we use to arrive at this number can only be an estimate given that MHCLG population projections do not provide data at the NA level. AECOM uses a four step method to arrive at the estimate:
- Using MHCLG population projections, we take the % of people aged 75+ at the end of the Plan period for the local authority. We use this to arrive at an estimate of change in the numbers of people aged 75+ in Sowerby as follows,
  - The population size for Calderdale together with the number of those aged 75+ is taken, and a calculation made as to their % of the total;
  - We arrive at an estimate of the size of the total population in Sowerby at end of Plan period by assuming it is the same proportion of the Calderdale population as in 2011;
  - To arrive at an estimate of the 75+ population in Sowerby at the end of the Plan period, we assume % in the NA is the same as it is in Calderdale. This is seen as a reasonable indicator given that the percentage of the population aged over 75 in Sowerby is 7.8% of the total, and 7.3% in Calderdale; a difference of 0.5% which is not statistically significant.
227. A better assumption would be that the proportion remains the same as the 2011 (7.8%); this would give a number of 334, or an increase in the number of older people aged 75+ of 31. Given the decrease in the population aged 85+ between the two censuses, we believe this is a more appropriate projection.
228. In arriving at an appropriate type of housing for older people, we have applied the Housing Learning and Improvement Network's suggested numbers per 1,000 of the 75+ population<sup>63</sup>. The table above shows an estimate of the increase in the numbers of older people aged 75+ of 31. This will result, over the Plan period, in a need for:
- additional conventional sheltered housing units = 2 (rounded)
  - additional leasehold sheltered housing units = 4 (rounded)
  - additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale = 1 (rounded)
  - additional extra care housing units for rent = 0 (rounded from 0.47)
  - additional extra care housing units for sale = 1 (rounded)
  - additional specialist dementia care homes = 0 (rounded from 0.19)
229. Note that there is no obligation for these all to be provided within the NA itself and clearly in some cases, such as providing a single specialist dementia care dwelling, it would not be economically feasible to do so.

because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

<http://www.housingcare.org/jargon-extra-care-housing.aspx> (accessed 11/04/17)

<sup>63</sup> Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at: [http://www.housinglin.org.uk/\\_library/Resources/Housing/SHOP/SHOPResourcePack.pdf](http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf)



As such, these 203 specialist dwellings need not be thought of as all needing to be provided within the neighbourhood plan housing target - rather, there will be some overlap between these dwellings and the target, depending on the number that could be provided within the NA itself.

230. This specialist dwelling need is likely therefore to be split between the NA and the rest of the borough, which will enable the elderly to live either within or as close to the NA as possible, taking account of the fact that Sowerby is unlikely to be able to provide many of the specialist housing types needed within its own boundaries- although there could be the potential for these to be provided at, for example, Sowerby Bridge and Halifax, taking account of their higher levels of accessibility to services and facilities, which will help in the recruitment and retention of specialist care staff and enable economies of scale (e.g. a centralised dementia care unit or enhanced sheltered development serving a widely dispersed rural population from a single location).

## 7.2 Retirement villages

231. Projects that involve the delivery of multiple homes satisfy the desire on the part of many older people to live in an environment with people facing similar challenges; retirement villages are often a cost-effective means of delivering sheltered and extra care housing together with the facilities and services these settlements imply. Given the numbers of units that result from the LIN analysis, it would be appropriate to consider this approach to the delivery of housing for the elderly in Sowerby.
232. Such schemes should be explored through joint working with the MBC and other parishes to identify sites that could address collective need.

## 7.3 Senior Co-housing

233. Co-housing has been identified as being particularly suited to the needs of older residents. It offers a way for a group of people with similar interests and needs to come together to create an environment suited specifically to their requirements. Moreover, it can be designed to help address one of the most important issues for older people: isolation and loneliness. A number of successful case studies exist of both projects developed specifically with the needs of older people in mind, and others that encourage multi-generational housing, such as Featherstone Lodge in Forest Hill<sup>64</sup> and LILAC in Leeds<sup>65</sup>. In the first example, the design facilitated the creation of public areas that encouraged social interaction between members of the community, moreover, a 'common house' was built in the grounds of the scheme that provided a shared space in which people could come together for meeting and shared activities.

## 7.4 Multi-generational homes

234. Multi-generational living has been identified as a possible solution not only for older people, but all generations where it makes financial sense to share accommodation, particularly younger people who are struggling to set up their own households. This gives rise not only to designs for new homes, but conversions to existing dwellings, introducing internal subdivisions and peripheral extensions to create internal layouts that balance the private needs of different generations with the benefits of over-lapping, shared communal spaces.<sup>66</sup>
235. The phenomenon of the aging population has an up-side; with increases in the quality of health-care, older people are able to live active lives for longer, the so-called 'third age' after retirement when people still want to live fully active lives. Within a household or community where tasks and facilities are shared, they are in a good position to take on both voluntary and paid work, for example looking after grand-children or taking care of the elderly.

## 7.5 Lifetime Homes

236. Many local authorities incorporate policy into their Local Plans that a proportion of new homes should be built according to 'lifetime homes' principles; these are ordinary homes incorporating a number of design criteria that can be universally applied to new homes at minimal cost, for example parking that makes getting in and out of the car as simple and convenient as possible and ensuring movement in hallways and

<sup>64</sup> <http://www.featherstonecohousing.co.uk/> (visited 12/04/17)

<sup>65</sup> <http://www.lilac.coop/> (visited 12/04/17)

<sup>66</sup> RIBA, *Silver Linings, The Active Third Age and the City*, Page 17-18

through doorways should be as convenient to the widest range of people, including those using mobility aids or wheelchairs, and those moving furniture or other objects.<sup>67</sup>

## 7.6 Right-sizing

237. As we have identified earlier, there is a need for a greater number of the type of dwellings that facilitate 'right-sizing' for older people. It is important to note, this does not necessarily imply moving to a smaller home. Many older people have the wealth (and the choice that comes with it) to create a home suited to having visitors and accommodating care staff, who may need to make over-night stays.
238. For this reason, it is important to recognise that different ages have different needs, thus in the provision of housing, choice is critical, catering for those with relatively modest requirements, to those who are more dependent on help. The provision of choice that responds to need is part of creating a smoothly operating local housing market in which older people are able move out of family homes when they wish, thus freeing up these properties for others.<sup>68</sup>

## 7.7 Planning flexibility

239. Planning policy can be mobilized to help properties to become more adaptable in the context of an increasingly elderly population. This includes allowing the conversion of conventional dwellings or groups of dwellings (for example terraced housing) into multiple homes, particularly where additional features are included to address 'lifetime homes' criteria and to encourage interaction with the wider community. This can incorporate bigger community open space as a result of joining up different gardens.<sup>69</sup> This is not dissimilar to the practice of 'alley-gating' where alleyways between the backs of terraced housing have been gated off, and turned into shared community spaces.

## 7.8 Lifetime neighbourhoods

240. Creating an environment in which older people feel both welcome and comfortable does not end at the front door. Research exists that considers life-time neighbourhoods, in which the public realm is designed to address the needs of older people, and activates the benefits they can bring in supporting local businesses and encouraging improved public realm for everyone, for example providing more greenery and more walkable, better connected places.
241. Given the expanded role of neighbourhood planning around design outlined in the Housing White Paper of 2017<sup>70</sup>, a compelling notion is that of 'the amplification of impact of micro-environmental features' to describe that particular way in which we become more sensitive to the ordinary, smallest features of urban space as we age. This places a particular emphasis on care and reflection in how we design, for example paths and public seating; this, in turn, calls for the participation of older people in the process of design.
242. Design approaches exist that provide a starting point for locally informed policy development in this area, these include Manchester's [Design for Access 2](#) and the work of Inclusive Design for Getting Outdoors (IDGO); IDGO have identified material features that make everyday negotiation of urban space that much easier for older people; these include wide and flat tarmac footways, easy transition level changes, clear, simple and visible signage, frequent warm and supportive seating and well-maintained, safe and open toilets.<sup>71</sup>
243. In addition, the notion of 'pensioner play-grounds,' 'green-gyms,' community gardens and various forms of guerrilla gardening (for example the Edible Todmorden project) encourage active use of public space and facilities on the part of an older demographic.

## 7.9 Age-friendliness

244. Since the millennium policy at the international level has been directed towards a more holistic appreciation of what an 'age-friendly' urban environment looks like. It has been remarked this should extend beyond physical installations, such as public seating and access to WCs, but embrace means mobilising civic

<sup>67</sup> <http://www.lifetimehomes.org.uk/pages/about-us.html>

<sup>68</sup> Housing LIN, *New Approaches to Housing for Older People*, June 2014, page 6

<sup>69</sup> Gobber, S, *A Bright Grey Future*, Urban Design Group Journal, Spring 2016, page 29

<sup>70</sup> HMG, *Fixing our broken housing market*, page 29

<sup>71</sup> RIBA/Age UK, *An Alternative Age-Friendly Handbook*, page 54/55

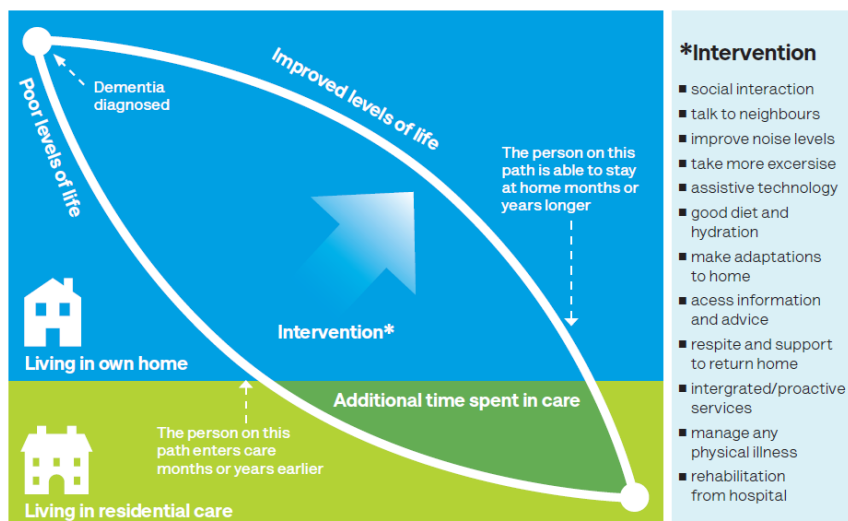
agency among older group to forestall incipient marginalisation, enabling them to continue to make a full and active contribution to community life.<sup>72</sup>

245. In 2006 the World Health Organisation (WHO) began developing the 'Age-Friendly Cities' movement, now a worldwide network of over 200 member cities around the world. They have produced a guide that offers a way of analysing the city from the perspective of older people, using a framework of inter-related domains: transportation, housing, social participation, respect and social inclusion, communication and information, civic participation and employment, health and community services.
246. Considering the housing domain, the WHO study identifies a check list of attributes necessary to foster a sense of belonging and well-being among older people. In addition to affordability and designing accommodation with the needs of older people in mind, the adaptability of dwellings is important, for example their capacity to accommodate chair-lifts that enable older people to continue to live in two-storey homes<sup>73</sup>.
247. The WHO also identified access to services, particularly those that become increasingly important as people get older, such as places of worship and community centres.<sup>74</sup> Moreover, optimising well-being has much to do with being able to maintain links with existing networks, which is best achieved by enabling people to remain in their existing communities for as long as possible. In the Australian city of Melville small clusters of senior's housing with small gardens are made available throughout the city, so that older people are not isolated from the community and particularly from children.<sup>75</sup>

## 7.10 Housing for people with Dementia

248. Enabling people with dementia to live in their own homes for longer is critical to their quality of life as a result of the familiarity of surroundings and the help with retaining memories this facilitates<sup>76</sup>. The challenge with this is two-fold; firstly the lack of appropriate adaptations in properties and, secondly, the support required to ensure a home is safe and suitable.
249. Selwood Housing in the South West has pioneered approaches that help overcome these, for example the installation of property exit sensors to inform a monitoring centre when tenants leave their home and then not return within a pre-determined time.
250. In figure 14 below we reproduce a chart showing the impact that early and appropriate intervention can have on the prospect of people with dementia remaining in their own home for longer.

**Figure 7-1: Dementia care chart**



Source: Dementia Services Development Centre, 2013

<sup>72</sup> RIBA/Age UK, An Alternative Age-Friendly Handbook, page 16

<sup>73</sup> World Health Organisation: Global age-friendly cities: a guide, page 32

<sup>74</sup> Ibid, page 33

<sup>75</sup> Ibid, page 35

<sup>76</sup> Alzheimer's Society, Dementia-friendly housing charter, page 13

## 7.11 The role of the Local Authority

251. As suggested above, it is appropriate for the neighbourhood group to work closely with the LPA to develop policy and approaches to addressing the need for housing for elderly people in the area. The LPA is under an obligation through national policy to address the needs of older people,<sup>77</sup> it is therefore appropriate they should play the strategic role in co-ordinating new efforts by housing providers, adult care services, primary care and health trusts, private and third sector organisations to meet the housing needs of older people across the borough.

## 8. Market Signals

252. The PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.

253. The PPG states:

*The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.<sup>78</sup>*

254. These market signals relate to trends discernable within the housing market, and broader economic trends that have an impact on the housing market.

255. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues:

*This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.*

*In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.<sup>79</sup>*

256. In discussions with the SNPF as to the appropriate levels of market dwellings in the Plan Area it will be necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals:

- Employment and commuting trends;
- Migration;
- Housing Market (Prices);
- Housing Market (Volume);
- Overcrowding and concealment; and
- Rate of Development.

### 8.1 Employment and Commuting

257. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the plan area. The PPG notes that likely change in employment and the local economy should be taken into account when assessing the need for housing. It is therefore important to establish the employment sphere of influence experienced by the residents of Sowerby

<sup>77</sup> NPPF, para 50

<sup>78</sup> PPG Paragraph: 019 Reference ID: 2a-019-20140306

<sup>79</sup> PPG Paragraph: 020 Reference ID: 2a-020-20140306

258. Table 8-1 below suggests that a higher proportion of the population is inactive compared to the borough and national average. This is not solely explained by a higher level of unemployment, which, despite being higher than the national average by 1.6%, is not the only cause of larger proportion of the population being economically inactive. This is also explained by a higher proportion of retired (17.6% against 15.1% for the borough and 13.7% for England) and a significantly higher proportion of long-term sick or disabled. This has the potential to influence demand for specialist housing in Sowerby.

**Table 8-1: Economic activity in Sowerby, 2011**

Economic category		Sowerby	Calderdale	England
Economically active	Total	64.9%	70.5%	69.9%
	Employee: Full-time	35.9%	38.7%	13.7%
	Employee: Part-time	13.7%	14.7%	38.6%
	Self-employed	7.2%	9.5%	9.8%
	Unemployed	6.0%	5.0%	4.4%
	Full-time student	2.0%	2.6%	3.4%
Economically inactive	Total	35.1%	29.5%	30.1%
	Retired	17.6%	15.1%	13.7%
	Student	3.9%	4.1%	5.8%
	Looking after home or family	4.1%	3.9%	4.4%
	Long-term sick or disabled	7.8%	4.4%	4.1%
	Other	1.8%	2.0%	2.2%

Source: ONS 2011, AECOM Calculations

259. Table 8-2 below shows that a proportionally higher number of residents in Sowerby commute less than 10km (63%) compared to residents in Calderdale and England. In general, residents tend to work locally.

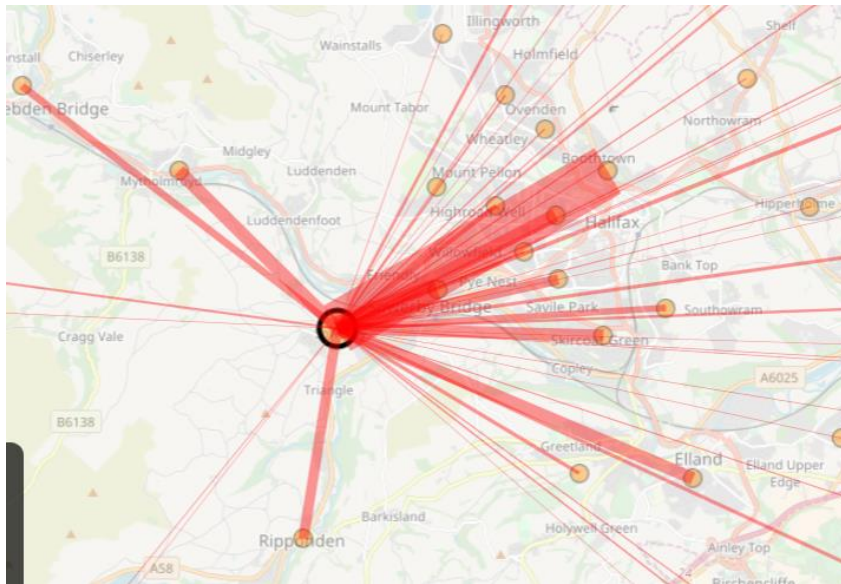
**Table 8-2: Distance to work, 2011**

Location of work	Sowerby	Calderdale	England
Less than 10km	63.0%	59.4%	52.3%
10km to less than 30km	17.1%	18.8%	21.0%
30km and over	4.2%	5.0%	8.0%
Work mainly at or from home	9.2%	9.8%	10.3%
Other	6.5%	6.9%	8.5%
Average distance travelled to work	11.4km	12.2km	14.9km

Source: ONS 2011, AECOM Calculations

260. Figure 8-1 on the following page corroborates the findings above. It shows that most residents commute to the north of Halifax to business parks identified as Ladyship Business and Dean Clough Mills.

**Figure 8-1: Commute from Sowerby**



Source: ONS (2011), 'DataShine Commute' accessed at: <<http://commute.datashine.org.uk>>

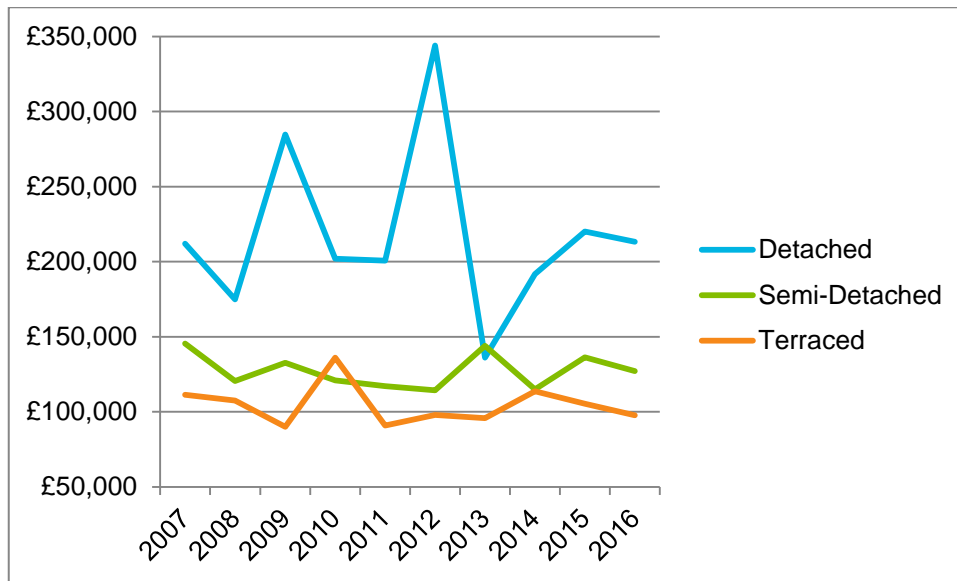
261. Cambridge Econometrics and REM respectively forecast 455 and 555 jobs to be created on average annually between 2012 and 2031. This is stronger than the growth achieved over the previous period. Cambridge Econometrics and REM both showed annual growth in employment since 1997 respectively 343 and 495, although Cambridge Econometrics suggests a lower level of employment creation.
262. The SHMA15 indicates that the local economy is forecast to continue to grow, mainly in professional services while there is a decline in the number of people employed in manufacturing. The majority of jobs will be created in Halifax (around 62%) with a lower expected job change of 6.7% in Sowerby Bridge, and a similar level of job change expected in the NA. However, Halifax is located within the 10km commuting distance Sowerby and most people commute there as shown in Figure 8-1. Therefore, the NA is likely to experience economic growth due to its proximity to local economic centres, in particular Halifax and there is potential for housing to accommodate workers benefiting from Halifax's growth.

## 8.2 Housing Market (Prices)

263. The PPG advises that house prices should be used as an indication of the strength of demand for housing, and adequacy of supply to meet demand<sup>80</sup>. It makes clear that house prices can be used to provide a 'market-base' enabling: "*the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility.*" This is then used as a signal to increase demographically based housing projections in response to the actual housing market.
264. To assess recent movements in the house market in Sowerby we have analysed data from the Land Registry. Data was then downloaded for the NA for the period of January 2007 to December 2016 (totalling 353 transactions), and is presented in the figure on the following page, divided by type of home and showing average price for each year.

<sup>80</sup> PPG Paragraph: 010 Reference ID: 2a-010-20140306

**Figure 8-2: Sowerby Price Paid Data between January 2007 and December 2016**



Source: Land Registry

- 265. Figure 8-2 shows significant fluctuations across price paid for detached dwellings. There is a similar trend across dwelling types since 2015 of decreasing house prices.
- 266. The SHMA15 indicates that, although “house prices in Calderdale have been lower than the national and regional averages since 1996”<sup>81</sup>, they “have grown at a slightly faster rate than in the wider region since 2004”<sup>82</sup>.
- 267. Figure 8-3 below is extracted from Figure 5.4 in the SHMA15 and ranks sub-areas, based on median house prices. To be able to benchmark this against house prices in the NA, we have used Land Registry data to calculate the house prices in the Sowerby NA in Table 8-3 as done in Figure 8-3. It shows that house prices in the NA are amongst sub-areas where median house prices are the lowest and are falling below the authority average, although they are slightly higher in the NA than in Sowerby Bridge.

**Figure 8-3: Residential Transactions January - December 2014**

Sub-Area	Mean	Median	Lower Quartile	Range	
				From	To
Brighouse including Rastrick & Hipperholme	£152,030	£130,000	£91,000	£34,000	£772,500
Elland including Greetland & Stainland	£152,385	£129,500	£99,950	£19,000	£525,000
Halifax	£126,271	£110,000	£75,000	£20,000	£585,000
Hebden Bridge	£192,593	£172,250	£130,000	£24,000	£530,000
Luddenden Dean, Mytholmroyd & Cragg Vale	£167,102	£140,000	£107,500	£13,500	£630,000
Northowram & Shelf	£175,944	£154,475	£125,000	£32,000	£640,000
Ryburn Valley	£216,209	£177,000	£119,000	£44,000	£800,000
Sowerby Bridge	£128,536	£110,000	£83,000	£13,500	£480,000
Todmorden	£125,610	£105,000	£76,125	£30,000	£450,000
Calderdale	£146,851	£125,000	£87,000	£13,500	£800,000

Source: SHMA 2015

<sup>81</sup> p.65  
<sup>82</sup> Ibid.

**Table 8-3: Residential Transactions in Sowerby NA 2014**

Sub-area	Mean	Median	Lower Quartile	Range From	To
Sowerby NA	£129,503	£115,000	£85,000	£48,000	£425,000

Source: Land Registry, AECOM Calculations

268. It is also possible to compare house prices by housing type, to show the variation in prices for comparable properties. This is summarised in Figure 8-3 for sub-areas in the borough and in Table 8-4 for Sowerby NA. For all property types, the Sowerby NA had the lowest average prices. Terraced dwellings, however, command a higher average price than the authority average, suggesting a strong demand for that type.

**Figure 8-4: Mean Price Paid by Housing Type 2014**

Sub-Area	Detached	Semi-Detached	Terraced	Flat
Brighouse including Rastrick & Hipperholme	£273,473	£153,510	£112,468	£86,263
Elland including Greetland & Stainland	£270,215	£164,782	£117,045	£107,750
Halifax	£238,827	£135,750	£94,411	£120,033
Hebden Bridge	£324,975	£239,779	£162,987	£145,143
Luddenden Dean, Mytholmroyd & Cragg Vale	£309,098	£160,607	£136,065	£131,640
Northowram & Shelf	£291,782	£162,682	£119,121	£119,600
Ryburn Valley	£361,714	£259,661	£154,749	£113,032
Sowerby Bridge	£262,482	£136,965	£97,145	£88,816
Todmorden	£247,905	£167,254	£100,957	£91,125
<b>Calderdale</b>	<b>£275,253</b>	<b>£152,928</b>	<b>£111,011</b>	<b>£111,697</b>

Source: SHMA15

**Table 8-4: Mean Price Paid by Housing Type in Sowerby NA 2014**

Detached	Semi-Detached	Terraced	Flat
£191,639	£114,864	£113,591	NA

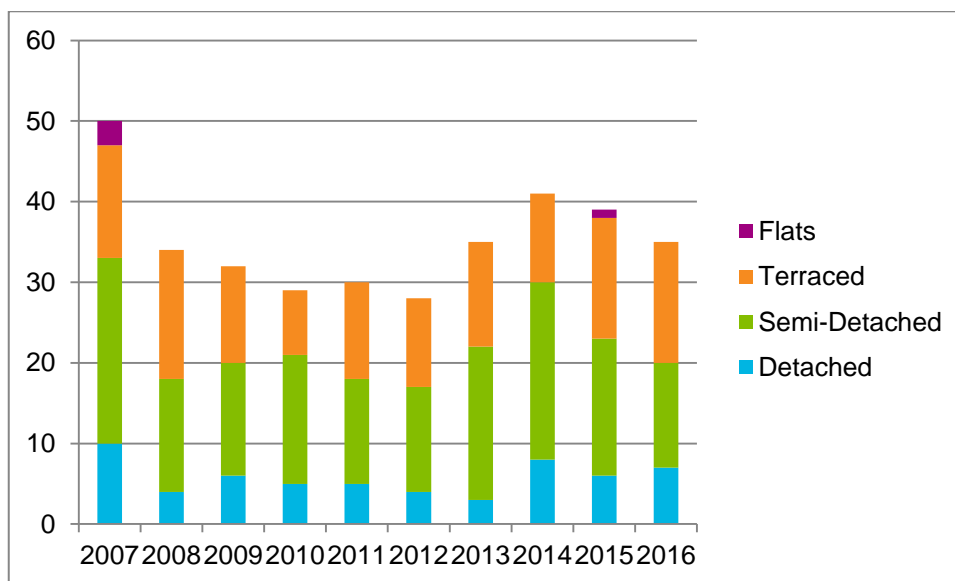
Source: Land Registry, AECOM Calculations

### 8.3 Housing Market (Transactions)

269. Assessing housing sales overtime is an important indicator in assessing demand for different types of housing. Figure 8-5 on the following page presents Land Registry data for housing sales for different dwelling types in the Sowerby NA. The data suggests that the volume of property sales has fluctuated for all dwelling types between 2007 and 2016, with semi-detached dwellings forming the majority of total sales with 164 total sales between 2007 and 2016, and terraced dwellings in second position with 127 total sales. Only 4 flats were sold in Sowerby during the 9 years period.



**Figure 8-5: Volume of Property Sales in Sowerby by Property Type (2007-2016)**



Source: Land Registry PPD, ONS

270. Another approach to benchmarking whether sales volumes represent a clear market signal indicating inflated or depressed demand across different housing types is to compare the proportion of sales of each type of housing (excluding any new builds, which would introduce supply side factors) with the proportion of the existing housing stock that falls into each category. This allows conclusions to be drawn about whether the sale of homes of each type is occurring proportional to their availability, or whether there is unmet demand.

271. This comparison is presented in Table 8-5 below, with figures for the housing stock in Calderdale as a whole presented alongside for reference. The table shows discrepancy between sales and stock. Whilst the percentage of sales and stock are roughly the same for semi-detached dwellings, fewer flats are being sold than are in the existing stock. Moreover, more terraced and detached houses are being sold than are in the existing stock. This suggests that there is an increased demand for terraced and detached housing (although less pronounced) relative to supply, versus a decreased demand for detached houses.

**Table 8-5: Sales volumes versus stock of different housing types in Sowerby and Calderdale**

	SALES (PPD)	STOCK (ONS)	STOCK(ONS)
	Sowerby	Sowerby	Calderdale
Detached	16.4%	13.9%	14.2%
Semi-Detached	46.5%	46.8%	27.4%
Terraced	36.0%	28.7%	42.9%
Flats	1.1%	10.6%	15.5%

Source: ONS 2001/2011, Land Registry PPD, AECOM Calculations

## 8.4 Migration

272. Table 8-6 on the following page suggests that 96.9% of Sowerby residents were born in the UK. Of the 3.1% residents born outside the UK, 2% have resided in the UK for at least 10 years. This suggests that international migration plays a limited role in influencing demand for housing in the area as the NA international migration rate is low compared to the borough and England and the majority of international migrants in Sowerby have resided in the area for a significant period of time.

**Table 8-6: Country of birth and length of residence, Sowerby 2011**

Place of birth	Population breakdown	Sowerby	Calderdale	England
Born in the UK	Total	96.9%	92.5%	86.2%
Born outside the UK	Total	3.1%	7.5%	13.8%
	EU	2.0%	2.7%	3.7%
	Other	1.2%	4.7%	9.4%
	Length of residence			
	Less than 2 years	0.1%	0.6%	1.8%
	2-5 years	0.2%	1.0%	2.2%
	5-10 years	0.7%	1.3%	2.9%
	10 years or more	2.0%	4.5%	7.0%

## 8.5 Overcrowding and Concealment

273. The PPG suggests that another indicator of demand in the housing market is the prevalence of overcrowding in the NA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock.

274. One of the most reliable indicators of overcrowding is the 'persons per room' data collected at the household level during the Census. The relative proportion of households occupying different amounts of space in the NA and the borough is shown in Table 8-7 below. It demonstrates that Sowerby has seen a significant decreased of more than 50% in the number of households experiencing overcrowding.

**Table 8-7: Trends in number of persons per room in Sowerby, 2001-2011**

Persons per room	Sowerby	Calderdale	England
Up to 0.5 persons per room	19.3%	13.2%	7.9%
Over 0.5 and up to 1.0 persons per room	-2.8%	2.0%	7.0%
Over 1.0 and up to 1.5 persons per room	-53.7%	-17.3%	27.3%
Over 1.5 persons per room	-50.0%	-29.7%	2.5%

Source: ONS 2001/2011, AECOM Calculations

275. A further indicator of increased housing demand is the presence of concealed families in the NA. A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents<sup>83</sup>. Table 8-8 shows that there are 9 concealed families in Sowerby, or 0.9% of all families, lower than the average for Calderdale (1.7%) and for England (1.9%). This is not seen as highly significant, although concealed families do indicate that there is unmet additional demand for housing in the area.

**Table 8-8: Concealed families in Sowerby, 2011**

Concealed families	Sowerby	Calderdale	England
All families: total	1051	58845	14885145
Concealed families: total	9	997	275954
Concealed families as % of total	0.9%	1.7%	1.9%

Source: ONS 2001/2011, AECOM Calculations

<sup>83</sup> <http://webarchive.nationalarchives.gov.uk/2016010522245/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales/sty-what-does-the-2011-census-tell-us-about-concealed-families.html> (visited 01/09/17)

## 8.6 Rate of Development

276. Planning Practice Guidance suggests that “If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan”.<sup>84</sup>
277. As seen in Section 4, consideration of home growth between 2001 and 2011 shows that there was an increase of 115 dwellings in the NA between these two dates, or an average annual rate of increase of 12 homes. It is also helpful to consider a projection based on the rate of delivery of net new homes since the last census (2011), using data gathered and monitored by the LPA. As we have seen, between 2011 and 2017, 16 new dwellings were completed. This equates to an annual rate of delivery of 3 homes. Recent completions rates are well below the planned targets. Therefore there is evidence to demonstrate significant under delivery since 2011 and the market signal considered in this section indicates the need for additional planned supply.






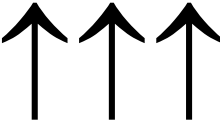
---

<sup>84</sup> PPG Paragraph: 019 Reference ID: 2a-019-20140306

## 9. Conclusions

### 9.1 Overview

**Table 9-1: Summary of factors specific to Sowerby with a potential impact on neighbourhood plan housing quantity**

Factor	Source(s) (detailed in Chapter 8)	Possible impact on future housing need	Rationale for judgement
<b>Employment and Commuting</b>	Census 2001/2011, DataShine Commute' accessed at: <a href="http://commute.datashine.org.uk">http://commute.datashine.org.uk</a>		Although there is a limited expected growth within the NA itself, the growth of Halifax is likely to have an impact on Sowerby in terms of demand for housing as it has been shown that most of residents commute to Halifax. Therefore one up arrows were deemed appropriate.
<b>Housing Sales (Prices)</b>	Land Registry Price Paid Data for 2007-2016		Prices are lower than the borough average, with the exception of terraced housing. We have deemed one up arrow appropriate to account for that higher price for terraced housing, which suggests a strong demand for that type.
<b>Housing Sales (Volume)</b>	Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data,		There is a discrepancy between the number of housing typologies sold and the level in the existing stock. The imbalance suggests increasing demand for terraced and semi-detached dwellings, while very few flats are being sold compared to the stock. We have therefore used a neutral arrow to account for the potential demand for medium-sized dwellings along with a decreasing demand for smaller and very large properties.
<b>Migration</b>	Census Data 2001, 2011		Migration is not seen as a significant factor in determining housing need.
<b>Overcrowding and Concealment</b>	Census Data 2001, 2011		Although there is some evidence of overcrowding and concealed families in Sowerby, these are not deemed particularly significant given the levels seen in the MBC as a whole.
<b>Rate of development</b>	Land Registry Data/AECOM Calculations		The LPA has significantly under-delivered against HMA targets during the past five years. Therefore it is reasonable to suggest three up arrows to account for the accumulated under-delivery.

**Table 9-2: Summary of local factors specific to Sowerby with a potential impact on neighbourhood plan housing type**

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
<b>Demographic change</b>		<p>Ageing did not seem to affect Sowerby as much as Calderdale and England during the inter-censal period; the proportion of residents aged 85+ has indeed decreased when it had been increased in other places.</p> <p>It should also be noted, however, that the NA has a significantly high proportion of retired residents which is projected to increase. This will create a shortage of the labour force.</p> <p>Among projected changes, one person and couples will make up the majority of household increase, and the majority of those are likely to be retired or households nearing the age of retirement.</p> <p>Finally there will be less families and newly forming households.</p>	<p>Consequently, we would highlight the necessity to not only provide for an ageing population but also to provide sufficient market and affordable housing to encourage young people to stay in the area and to attract people to provide local businesses with the workforce they need to deliver economic growth.</p>
<b>Affordable Housing</b>		<p>The Lower Quartile Affordability Ratio (LQAR) for Sowerby was 7.64 in 2017 respectively.</p> <p>This compares with a LQAR for Calderdale of around 4.59 in 2016.</p> <p>This data suggests entry level dwellings are relatively unaffordable in Sowerby compared with the district generally.</p> <p>Based on properties currently being marketed (February 2018), and taking into account house price data in Land Registry, an entry-level dwelling is estimated to cost £98,375. At this price point, using CACI data on Household Income, around 58% of all households are unable to afford to purchase a dwelling of this type.</p> <p>As regards access to the private rental market, 58% of all households are unable to access entry-level type dwellings for rent as the current rental market in Sowerby is currently more expensive; given this is supposedly the most affordable open market tenure, we can conclude that 58% of households are unable to access housing suited to their needs, given their household composition, without subsidy.</p> <p>The Housing Waiting List data provided by the MBC suggests there are 102 households are in priority need in the NA.</p> <p>The SHMA suggests that affordability issues may drive an increase in concealed</p>	<p>Owner occupation has been the dominant trend in tenure; however, as we have seen, this tenure is beyond the means of the vast majority of households; planners should therefore encourage others to come forward, such as shared equity, starter homes and private rented sector.</p> <p>Affordability issues will be exacerbated by the reported increase in house prices in the area in recent years. Moreover, in order to address demographic trends that have seen a decline in those aged between 25-44 and forecast loss of people of working age it is appropriate for social rented housing to form the majority of affordable homes provided.</p> <p>Sowerby should seek build to rent (BTR) development, a percentage of which may be 'intermediate rented housing' so as to address the need for affordable market housing for younger age groups.</p> <p>Social housing is already a substantial tenure within the NA, however, that level should be increased to meet the needs of those who cannot afford market housing. As not everyone can apply to social housing, the PRS has a potential role to play. The lack of PRS (and its unaffordability) and of Intermediate Housing, should be tackled to meet the needs of those who earn to be eligible for social housing, but do not earn enough to afford market housing at the current price</p>

	households and dampen new household formation; concealed households and household composition data, which indicates an increase in the number of households with non-dependent children over the inter-censal period, provides some evidence of this in Sowerby.	level.
<b>Tenure of housing</b>	The current housing stock exhibits the dominance of owner-occupation, and an important growth of PRS.	<p>There is evidence of a need for more affordable housing, with an emphasis of facilitating access to homeownership to households who are forced into the PRS.</p> <p>Based on the current income distribution and evidence gathered earlier, a distribution of the below housing tenures is recommended:</p> <ul style="list-style-type: none"> <li>• 53.8% (55 to 60%) Social rented</li> <li>• 21.6% Intermediate</li> <li>• 24.6% Market Housing (mainly privately rented)</li> </ul>
<b>Dwelling type</b>	<p>Linked to homes being relatively large in Sowerby, 30% of all housing is detached.</p> <p>Although terraced-dwellings have decreased by 6% between 2001 and 2011, their price is high compared to the rest of the borough, which suggests a strong demand for that type.</p>	Terraced and semi-detached dwellings seem particularly appropriate to satisfy the demand for smaller dwellings.
<b>Demand/need for smaller dwellings</b>	<p>During the inter-censal period, there was a significant growth in the number of couples without children and one-person households.</p> <p>Childless couples and one person households constitute 18.6% and 29.8% (most important group) of the population respectively.</p> <p>Single person households have recorded the greatest uplift in numbers, at 77.8% over the inter-censal period.</p> <p>The growth of non-dependent children households points to depressed household formation rates, a finding supported by the small, but statistically significant, presence of concealed households in the area (9 at the time of the last census).</p> <p>A truer picture of 'concealed households' can be seen in data for households with non-dependent children. For Sowerby, at the time of the last Census, 10.5% of all households fell into this type against 8.6% in the borough, 160 households, suggesting the phenomenon of adult children living with their parents is not uncommon in the NA.</p>	<p>Policy should address the needs of concealed households through the provision of smaller, affordable market dwellings as well as AH so as to encourage household formation rates, and stem the decline of the local working age population.</p> <p>In terms of size of dwellings, the trends identified point towards a mix of smaller dwellings and family sized homes, of 2-5 habitable rooms.</p>
<b>Family-sized housing</b>	Families with children made up the second largest group in Sowerby at 27.4% of the population in 2011.	This current housing stock exhibits a 'family-oriented' neighbourhood. However, in light of recent demographic shifts, this orientation is declining and adding family-

The current housing stock exhibits the dominance of larger dwellings between 4 and 7 rooms.

There was an increase of almost 60% of 7 room dwellings between 2001 and 2011.

sized housing to the stock seems inappropriate.

Notwithstanding these trends, The evidence of decline of the economically active population suggests the overall loss of working age households. The objective should be to maintain Sowerby as a working as well as retired community, able to sustain the businesses, services and facilities essential to thriving community life. This can be done through prioritising the needs of families, firstly so as to retain a balanced population in future years, but also so as to capitalise on the area's natural appeal to them.

---

**Housing for independent living for older people**

The 2014-based subnational population projections suggest an increase of 178.46% of the resident aged 85 and over. Although during the inter-censal period ageing was less important than in the MBC, by the end of the Plan period, the elderly population will form a substantial part of the population of Sowerby, more important than in Calderdale.

Projections, using the LIN method, suggest an increase of 31 residents aged 75+ in the next 15 years.

Although the population is not ageing as quickly as the rest of the nation or the MBC, there will be a need to provide for the increase of older residents in the NA.

Working from the recommended number of specialist dwellings for each 1000 people aged 75+ put forward by the Housing LIN the following provision should be provided over the Plan period:

- 2 additional conventional sheltered housing units
  - 4 additional leasehold sheltered housing units
  - 1 additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale
  - 0 to 1 additional extra care housing units for rent
  - 1 additional extra care housing units for sale
  - 0 additional specialist dementia care homes
-

## 9.2 Recommendations for next steps

278. This neighbourhood plan housing needs advice has aimed to provide The SNPF with evidence on housing trends from a range of sources. We recommend that the NA should, as a next step, discuss the contents and conclusions with the MBC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
- the views of the MBC – in particular in relation to the housing need figure that should be adopted;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers; and
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the MBC, including but not limited to the SHLAA;
- the recommendations and findings of this study; and
- The impact of the new Government proposed standard methodology on calculating housing need on the borough and its neighbourhoods.

279. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act 2016, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

280. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).

281. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the MBC or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.



