



YORK HOUSING MARKET ASSESSMENT

Draft

June 2006



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SECTION A: CONTEXT OF THE STUDY



1. Introduction

The first York HMA

- 1.1 This report contains the first draft Housing Market Assessment (HMA) of the City of York. It is therefore of a pioneering nature. This is the more so because the method to be used for an HMA is not yet settled in Government Guidance. This chapter is devoted to explaining the approach used, and how this translates into the content of the report.

The approach in principle

- 1.2 This report is designed to provide a robust and credible evidence base for housing policy in York. It uses a survey database by Fordham Research dating from 2002 (which is still well in date according to the ODPM guidelines). The report does not make policy recommendations but provides a framework for discussion on a range of policy choices relating to housing supply, mix and type.
- 1.3 The database has been adjusted to take account of price, rent and income changes since it was collected. To it are added various elements of secondary data required to produce the full range of analysis.
- 1.4 The ODPM Guidance at the time of the original survey, the 2000 Guide to Local Housing Market Assessment, is still the formal Guidance. However new draft Guidance is emerging, and this report pays full attention to it. The nature of what is required by it is discussed in the next subsections. The final section of this chapter outlines the report structure.

Outputs in relation to ODPM Guidance

- 1.5 This report is intended to produce the formal outputs required by the Draft Housing Market Assessment Guidance published in early December 2005. The content of an HMA is not yet fully defined in Government Guidance. Previously, the term HMA has been addressed to secondary data only studies and various others. However the December 2005 draft HMA Guidance from ODPM requires outputs that can only be obtained by a combination of primary and secondary data. That is the approach used in this study.

New aspects of the ODPM approach

- 1.6 There are aspects of the methodology proposed in the ODPM draft guidance which are contentious, but the outputs required appear entirely sensible. They reflect the two main novelties in recent guidance (distinct from the general approach of PPG3 and the Guide to Local Housing Market Assessment (both published by what is now ODPM in 2000)). The main new themes are:
- (i) That assessments should cover all tenures, and not simply be limited to the affordable ones
 - (ii) That the process of producing an assessment should involve a range of partners including the key stakeholders
- 1.7 Two further changes proposed in draft PPS3 are also important in this context:
- (iii) That tenures of affordable housing should be distinguished (as between social rented and intermediate; intermediate refers to all households able to afford more than a social rent but less than market prices/rents) (PPS3 para 10(j))
 - (iv) That ‘low cost market’ housing, first proposed as affordable in Circular 6/98, is not now regarded as affordable housing by the Government (PPS3 Annex A, para 12)
- 1.8 This HMA includes all of the main proposals apart from (ii), which is not feasible within the timescale required for this HMA. The dialogue and analysis involved in the full partnership approach (as per (ii)) could in future be applied to the data produced for this report. The approach could also be applied to the whole of the housing market area (as currently envisaged) namely the City of York and surrounding districts of Harrogate, Selby, Hambleton and Ryedale. This study looks wider than York itself, but does not include detailed information from the other four districts, nor from the East Riding District, which although in another region contains in fact a part of the York housing market area. It is worth noting that York is also part of north Leeds housing market, as exemplified by the ‘Golden Triangle’ partnership of York, Harrogate and Leeds created to address affordability problems in this area.

Report layout

- 1.9 The ODPM draft HMA Guidance provides as Table 2.2 a list of the outputs required from an HMA. These headings are adopted generally for the chapters of this report.

Figure 1.1 ODPM Suggested Structure for HMA

Table 2.2: Outputs from the housing market assessment		
Chapter	Stage	Output
3. The current housing market	1. The socio-economic context	Description of past trends and the current housing market, including key drivers that underpin the market and influence levels of housing need and demand (e.g. demography, economic performance).
	2. The current stock of housing	Estimates by tenure about the number of current dwellings of different sizes, types and condition.
	3. The active market	Description of demand pressures for particular sizes and types of dwellings, and the extent of problems such as long-term vacancy and abandonment.
	4. Bringing it all together	Estimate of the current balance between housing supply and demand in different housing sectors. Description of key drivers underpinning the housing market.
4. Future housing market	1. Projecting key drivers of demand	Estimate of future household demand based upon household projections or forecasts. Could be number or range of numbers. Implications for demand of future changes in key drivers underpinning the housing market (e.g. demography, economic performance, employment and affordability) and implications for future households.
5. Housing need	1. Current unmet need	Estimate of current number of households in unmet need.
	2. Future need	Estimate of newly arising households who are unlikely to afford suitable housing in the market.
	3. Required amount of affordable housing	Estimate of annual requirement for affordable housing to reduce levels of current unmet and future housing need.
	4. The profile of affordable housing needed	Estimate of the profile of affordable housing units required.
	5. Assessing need for affordable housing	Level of need for affordable housing in different locations.
6. Housing requirements of different household types	1. Minority and hard to reach groups	Qualitative assessment of housing need and demand in respect to particular groups of people and an appreciation of different methods that can be employed to better understand those groups.
	2. The intermediate market	An estimate of the potential role of intermediate housing in meeting need and the requirement for affordable housing from other groups in the housing market area.

Source: *Draft Housing Market Assessment Guidance ODPM December 2005*

1.10 This structure has been used here. However there are some changes required to make a workable report. The following table shows the differences from the ODPM structure. Most of them are simply designed to make the report more logical. For example ‘intermediate housing’ (which is cheaper than market housing but more expensive than social rented) is logically part of affordable housing and so is moved into Chapter 11.

Table 1.1: Structure of report in the context of ODPM Guidance		
Ch No.	Listing of chapter topics in Table 2.2 of the draft ODPM HMA Guide	Chapters in the present HMA
1		Introduction to York
2	Socio economic context	Socio economic context
3	Current stock of housing	Current stock of housing
4	The active market	The active market
5	Bringing it all together (balance of supply and demand)	Housing supply and demand
6		Balancing the housing market
7	Projecting key drivers of demand	Current drivers of demand for housing
8		Projecting key drivers of demand
9	Current unmet housing need	Current housing needs
10	Future need	Future housing needs
11	Required amount of affordable housing	Requirement and profile of affordable housing
	The profile of affordable housing needed	
	The assessment of need for affordable housing	
12	Minority and hard to reach groups	Minority and hard to reach groups
13		Older people
14		Key workers
	The intermediate market	[dealt with as part of chapter 11]
15		Policy implications

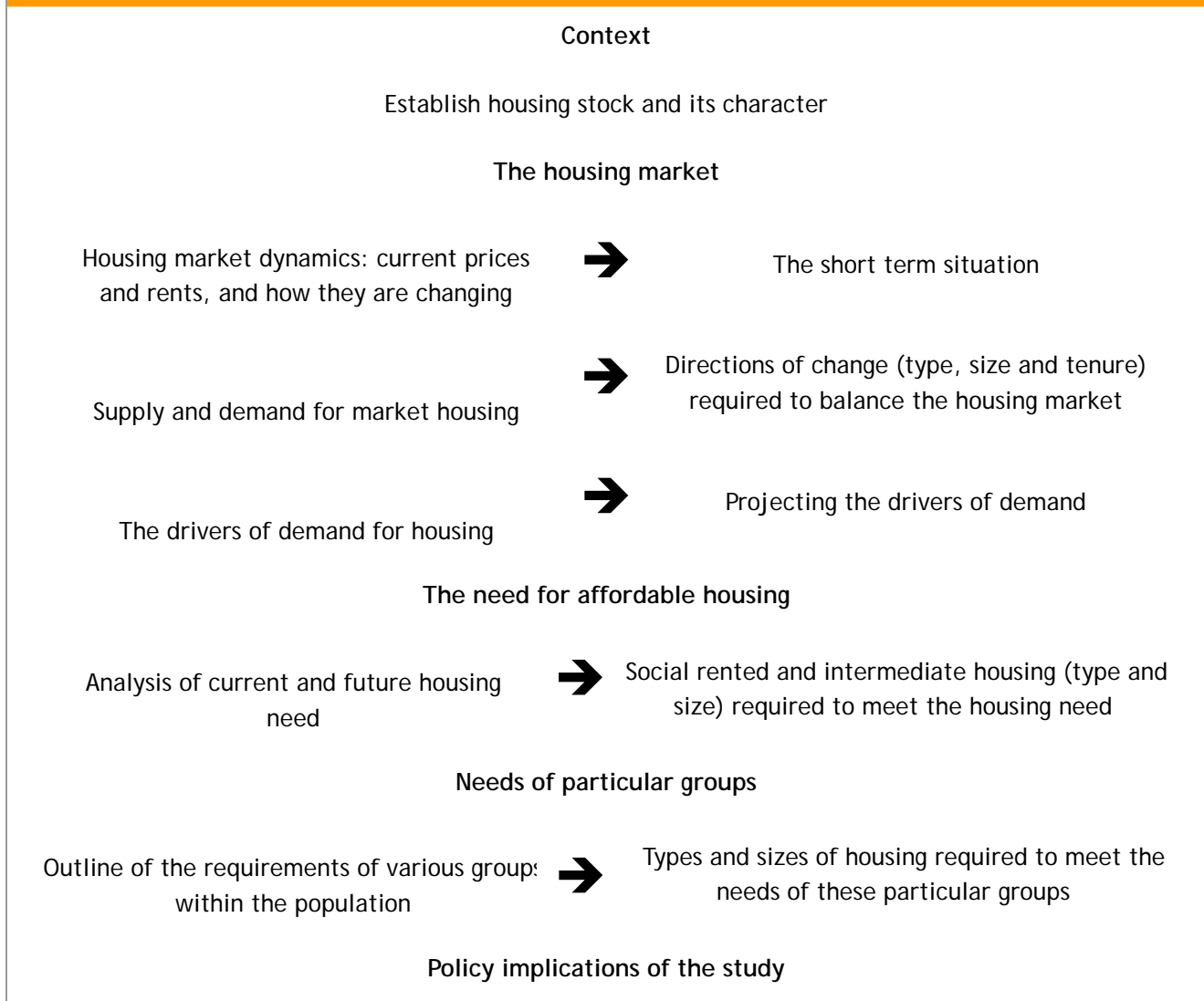
Source: York Housing Market Assessment – 2006

- 1.11 As can be seen, the structure to the report effectively contains the same topics as the ODPM draft Guidance but in a slightly different order, and with initial and final chapters added. None of these changes alters the main thrust of what the Draft Guide seeks, but aims to produce a slightly more logical structure of the report.

Evidence base and policy analysis

- 1.12 The main aim of an HMA in terms of ODPM Guidance is to provide an evidence base which can be used for housing and planning policy analysis. In order to do this the HMA should make clear what key policy choices are suggested by the analysis, so that the City can consider and decide what policies to adopt. In Chapter 2 we review the current policy context, and in the final chapter the evidence is reviewed in order to highlight the main policy choices that appear to exist.
- 1.13 In terms of analytical structure, the following diagram indicates how the chapters shown in Table 1.1 are related to each other to produce the key information required for the HMA.

Table 1.2: Structure of the HMA analysis



Source: York Housing Market Assessment – 2006

Conclusion

- 1.14 This report is novel, in being both the first HMA of York, and a very early HMA in the evolution of this approach. Rather than making specific recommendations, this report provides a robust and credible evidence base for a range of housing and planning policy choices. It is important to note that the policy choices offered in this report need to feed into a range of other (sometimes contending) issues in York; for example, conservation, economic strategy, infrastructure and transport.

2. The socio-economic context

York: its character

- 2.1 In its strategic position on the River Ouse, York has been a significant city for nearly two millennia. Its population was already 16,000 in 1801, and the advent of the railway encouraged rapid growth in the 19th Century. Its railway station (1877) was then the largest in the world. In more modern times the mid 20th Century foundation of the University of York has encouraged a new type of growth, which has proved also to be a powerful motive force.
- 2.2 The rich and varied history of the City has meant that it has a legacy of fine buildings and interesting cultural and artistic material which makes it an enduring attraction for tourists. This issue returns to the present context when considering drivers of future change in Chapter 7.
- 2.3 The following extract from the City of York Council's Local Development Framework Sustainability Appraisal Scoping Report: Core Strategy (consultation draft August 2005 paras 5.2.1 and 5.2.2) gives a summary of the City's character:

York is a nationally and internationally prominent city for a number of reasons, not only as a historic city and one of the UK's most visited tourist destinations. York has excellent rail links across the country, is an academic centre of excellence and is an important location for the Church of England. Each year around 20,000 higher education students make up approximately 11% of York's population in term time.

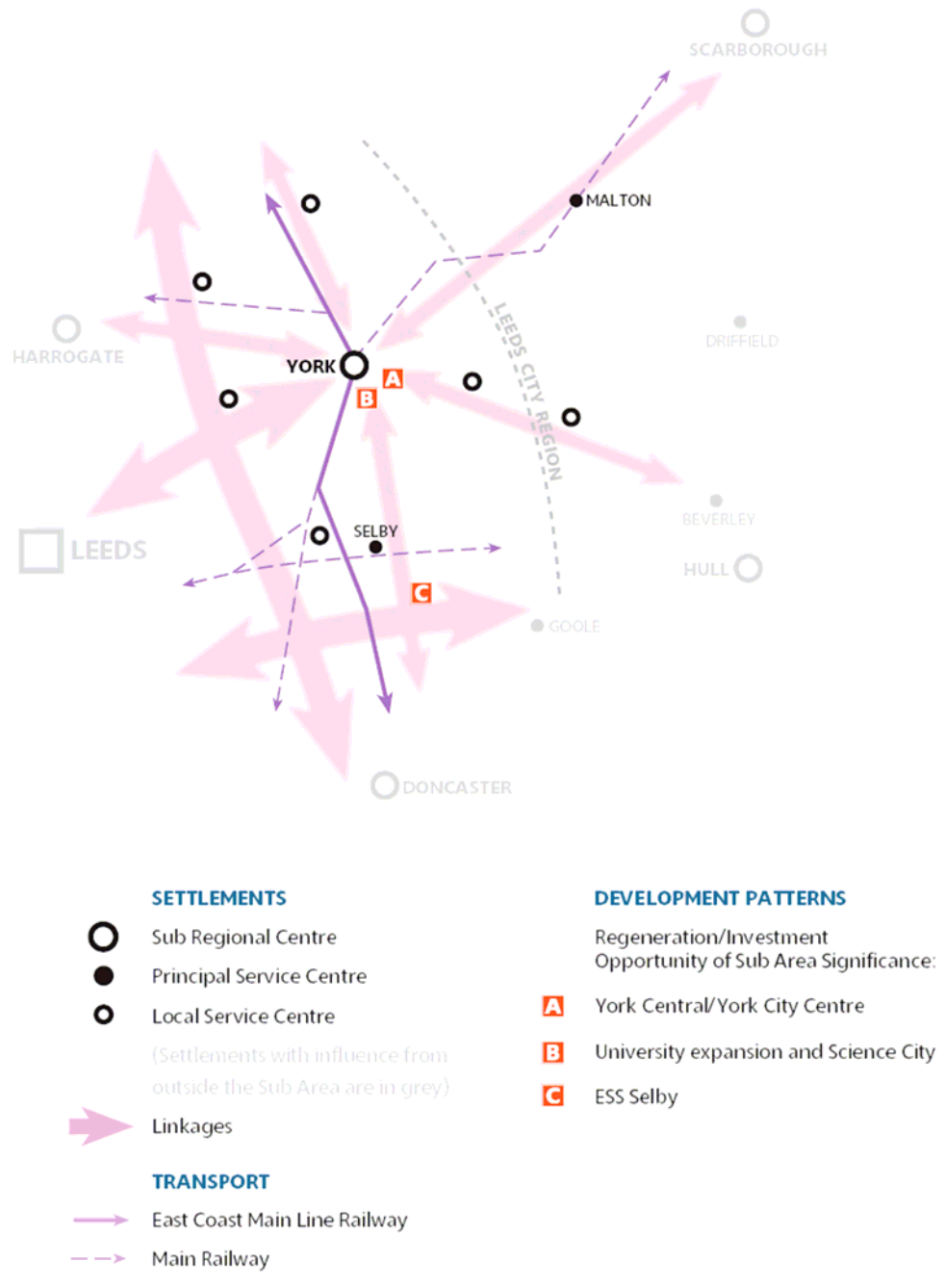
The City of York is a modern commercial city renowned for its heritage. It covers an area of approximately 105 square miles made up of the historic city centre and the surrounding urban area along with a number of villages and semi-rural settlements covered by parish councils. Of this, approximately 85 square miles is in Green Belt.

- 2.4 The strong character of York provided by its history and location is an important factor in its continuing growth and success.

York - key statistics

- 2.5 In mid-2003 York had an estimated 183,100 residents. This compares with the 2001 Census figure of 181,094 residents. This illustrates the rate of growth of the City. This 2001 Census reveals that the population is contained within around 77,000 households (76,920); this has been updated to an estimate of 79,764 as of March 2006 (when this report was written) for the purposes of the technical analysis of housing need in Section C. The population has a relatively high level of qualifications, though a quarter do not have any formal qualifications. There is a relatively low unemployment rate (2.5%). Hence the summary picture is of a prosperous city, but one which does have a significant disadvantaged proportion of its population.
- 2.6 This picture is borne out by the Indices of Deprivation 2004. York was ranked at 219 out of 354 local authorities in England, where 1 was the most deprived area and 354 the least deprived. This position, a bit better than halfway down the list, suggests that the City is not very deprived, although parts of it contain noticeable deprivation.
- 2.7 York has an excellent strategic location in the north of England, with first class road and rail connections. This is illustrated on the following chart:

Figure 2.1: Strategic location of York



2.8 York lies within the Yorkshire and Humberside region, which contains both large areas of beautiful countryside and large areas of old industrial urban areas; an area of considerable extremes:

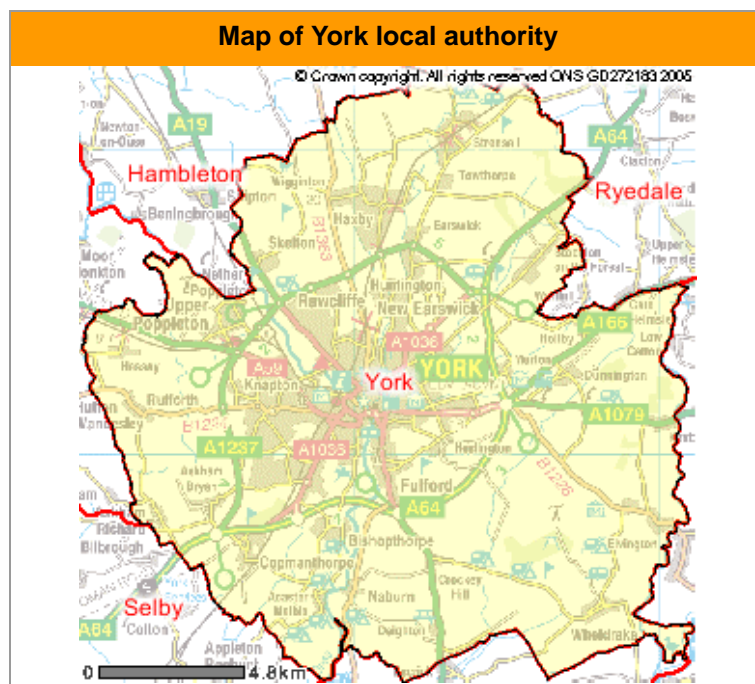
Fig 2.2 Regional map



Source: York Housing Market Assessment – 2006

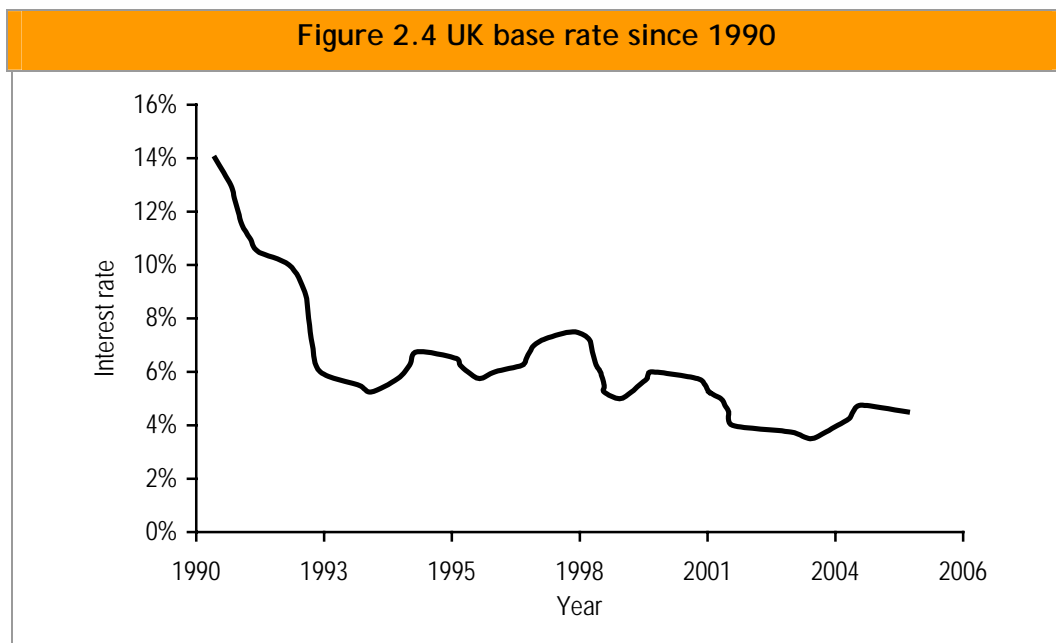
2.9 York itself lies in the more attractive part of the region: the county of North Yorkshire. The City is quite compact, but the formal boundary of the City includes countryside beyond the urban area:

Figure 2.3: Map of the City of York



National and regional economic policy

- 2.10 Housing markets are sensitive to macro-economic policies with interest rates used to achieve and maintain low inflation rates. Higher interest rates make it more expensive to borrow which can have an impact on the demand for housing.
- 2.11 The figure below shows the trend of the UK base rate since 1990. Since 1990, interest rates have been on a downward trend. In October 1989, the rate stood at 15%. By August 2005 this had dropped to 4.5% (the lowest figure being 3.5% in July 2003).



Source: York Housing Market Assessment – 2006

Regional Planning Policy

- 2.12 Consultation has recently taken place on a Draft Regional Spatial Strategy for Yorkshire & Humberside. In respect of housing provision the draft RSS contains a number of policy proposals.

Figure 2.5: Extracts from the Draft Regional Spatial Strategy for Yorkshire and Humberside

Policy H1 identifies provisional targets for the homes needed to house additional households expected to form in the Region. Annual net provision of 640 dwellings is required in York in the periods 2004-11 & 2011-16, reducing to 620 in 2016-21. These net figures provide for an allowance of 30 dwellings per annum for clearance in the first two periods, and 0 in the third. A regional target is set for 65% of housing provision to be on previously developed land or dwelling conversions. **Policy H2** dealing with the management of land release in areas of frail or failing markets, does not apply in York.

Policy H3 seeks to increase the provision of affordable housing to meet the needs of the local area. It is suggested that authorities should seek a target of over 40% affordable housing) in areas of high need, 30-39% in medium need areas, and less than 30% where need is low.

These targets are designed to address an estimated overall requirement for 6,000 affordable homes – i.e. 33% of total provision. They should apply to sites above a 15 dwgs/0.5 ha threshold, although where most new provision is on smaller sites a lower threshold should be set. York is identified as a High Need area, based on ODPM's standard affordability indicators. It is acknowledged that if a local needs assessment shows a different scale of need, it should take precedence.

The discussion suggests that on small sites off-site contributions might be used in lieu of on site provision, e.g. to fund purchases of existing dwellings or the re-use of vacant properties. Creative use of Regional sources of funding is encouraged. There is no guidance on the types and tenures of affordable housing.

Policy H4 suggests that the current mix of the housing stock needs to change so that it can better support the creation of more sustainable communities. All the parties involved are to ensure the provision of homes for a range of sizes, types and tenures to reflect local households' needs. Those areas that would particularly benefit from adjustments to the stock are identified, though York is not included.

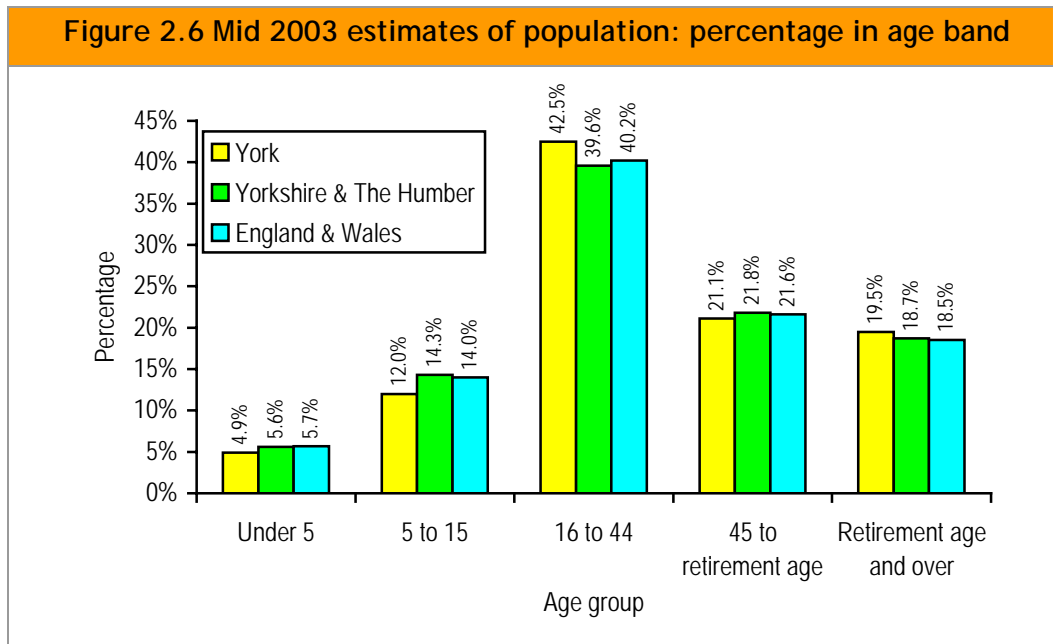
Local authorities and their partners are encouraged to develop evidence to support intervention in this way, through assessments which consider: household numbers, demand for market and affordable housing, and the needs of specific groups. In the absence of guidance, any policies on mix would apply to sites larger than 60 dwellings or 10% of the provision target where this is less.

2.13 Key features of this draft RSS are therefore:

- A net target for the short and medium term of 640 dwellings per annum
- At least 40% of this should be affordable
- The housing stock needs to ensure the provision of homes in a range of sizes, types and tenures
- Policy should take account of the supply and demand for market housing and the need for affordable housing in coming to a view regarding a sustainable path of development

Population and household structure

- 2.14 The age structure of the population has influences on migration trends, household formation and the types of housing required (e.g. for older persons). Additionally different ethnic groups often have different requirements and hence it is important to study the overall structure of the population.
- 2.15 At the time of the Census in April 2001, the resident population of the York local authority was 181,094 people, of which 48 per cent were male and 52 per cent were female. This compared with the resident population for the Yorkshire and the Humber region of 4,964,833 people, of whom 49 per cent were male and 51 per cent were female. The average age of the population in York was 39.3 years. This compared with an average for England and Wales of 38.7 years.
- 2.16 According to the mid-2003 population estimates there were 183,100 people residing in York, of whom 5 per cent were children under five and 20 per cent were of retirement age (65 and over for males or 60 and over for females). The equivalent figures for England and Wales overall were 6 per cent under five and 19 per cent of retirement age.



Source: York Housing Market Assessment – 2006

2.17 The table below shows broad ethnic group breakdown of the population in York. The table shows that only 2.2% of residents in 2001 were from a non-White ethnic background. This figure is noticeably lower than the equivalent figure for both Yorkshire & The Humber and England & Wales.

Table 2.1 Ethnicity: percentage of resident population in each group, April 2001

	York	Yorkshire & The Humber	England & Wales
White	97.8%	93.5%	91.3%
Mixed	0.6%	0.9%	1.3%
Asian or Asian British	0.8%	4.5%	4.4%
Black or Black British	0.2%	0.7%	2.2%
Chinese or Other Ethnic Group	0.6%	0.4%	0.9%
All persons	100.0%	100.0%	100.0%

Source: York Housing Market Assessment – 2006

2.18 In York the total fertility rate (TFR) in 2002 was 1.29, this being the average number of children that would be born to a woman if she experienced the current age-specific fertility rates throughout her child-bearing years. The national average TFR for the entire United Kingdom was 1.64.

2.19 The male and female life expectancies for York during the period 2001-2003 were 76.8 and 81.9 years respectively.

Table 2.2 Life expectancy at birth (years), 2001-2003

	York	Yorkshire & The Humber	England & Wales
Males	76.8	75.6	76.1
Females	81.9	80.3	80.7

Source: York Housing Market Assessment – 2006

- 2.20 The 2001 Census asked people to describe their health over the preceding 12 months as 'good', 'fairly good' or 'not good'. People were also asked if they had any limiting long-term illness, health problem or disability that restricted their daily activities or the work they could do.
- 2.21 The table below shows that people in York are relatively less likely to suffer from long-term illness or poor health with the proportion of households containing someone with a limiting long-term illness being around 10% lower than the average for England & Wales as a whole.

Table 2.3 Percentage of resident population in each group

	York	Yorkshire & The Humber	England & Wales
General health: Good	70.3%	67.0%	68.6%
General health: Fairly good	21.7%	22.7%	22.2%
General health: Not good	8.0%	10.3%	9.2%
People with a limiting long-term illness	16.6%	19.5%	18.2%
People of working age with a limiting long-term illness	11.0%	14.6%	13.6%
Households with one or more person with a limiting long-term illness	30.6%	36.2%	34.1%

Source: York Housing Market Assessment – 2006

Labour force

- 2.22 The latest figures (for 2004) suggest that York has about 101,000 employees. The numbers and types of employment available in an area determine the levels of wages and hence have a bearing on the demand for different types of housing. We have therefore looked at the current employment situation of the population
- 2.23 Of the people in York who were of working age (i.e. those aged 16 to 64 for men or 16 to 59 for women) the employment rate was 78 per cent during the Summer of 2004 (June to August), compared with an average for Great Britain of 75 per cent. Over the same three months in 1999, the number of people in employment in York as a proportion of those of working age was 81 per cent and the rate for Great Britain was 75 per cent. The table below shows the employment status of persons aged 16 to 74 in York.

Table 2.4 Percentage of resident population aged 16 to 74 in each group, April 2001

	York	Yorkshire & The Humber	England & Wales
Full-time employees	40.5%	38.8%	40.6%
Part-time employees	13.9%	12.9%	11.8%
Self-employed	7.0%	7.2%	8.3%
Unemployed	2.5%	3.7%	3.4%
Full-time student	3.9%	2.5%	2.6%
Retired	14.6%	14.3%	13.6%
Student	7.1%	4.9%	4.7%
Looking after home/family	4.7%	6.4%	6.5%
Permanently sick/disabled	3.7%	6.1%	5.5%
Other economically inactive	2.2%	3.2%	3.0%
All persons 16-74	100.0%	100.0%	100.0%

Source: York Housing Market Assessment – 2006

2.24 According to the 2001 Census, of the people in York who were unemployed, 18 per cent were aged 50 and over, 7 per cent had never worked and 24 per cent were long-term unemployed. This compares with England and Wales as a whole, where 19 per cent of unemployed people were aged 50 or over, 9 per cent had never worked and 30 per cent were long-term unemployed.

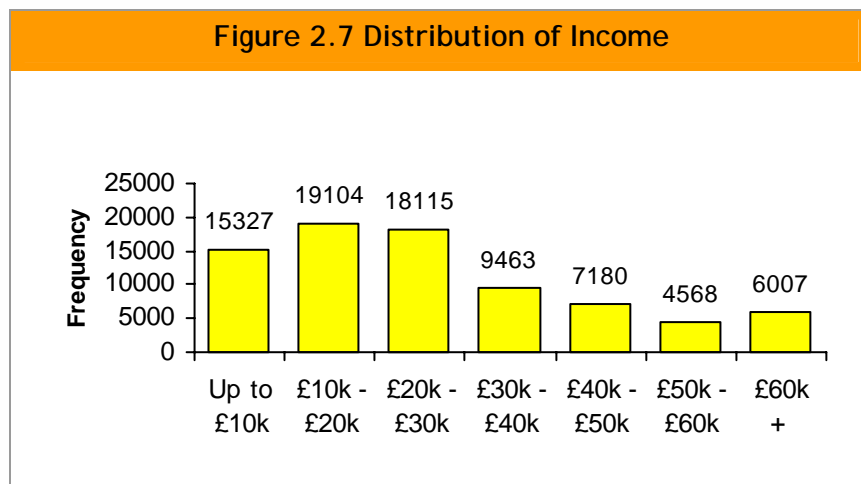
2.25 Following on from this information we can look at the occupation groups of those in employment. The table below shows data from the 2001 Census for York, Yorkshire & The Humber and England & Wales.

Table 2.5 Occupation groups (all people aged 16-74 in employment)

	York	Yorkshire & The Humber	England & Wales
Managers and senior officials	14.1%	13.3%	15.1%
Professional occupations	12.0%	9.7%	11.2%
Associate professional and technical occupations	13.4%	12.5%	13.8%
Administrative and secretarial occupations	12.3%	12.3%	13.3%
Skilled trades occupations	11.1%	12.7%	11.6%
Personal service occupations	7.0%	7.3%	6.9%
Sales and customer service occupations	9.8%	8.4%	7.7%
Process, plant and machine operatives	7.6%	10.4%	8.5%
Elementary occupations	12.8%	13.7%	11.9%
All persons 16-74	100.0%	100.0%	100.0%

Source: York Housing Market Assessment – 2006

2.26 The data shows that people in York are more likely to be in skilled occupations than elsewhere in the region. Overall the occupation group profile in York is similar to that found for the whole of England & Wales. Overall, 26.1% of people aged 16-74 who are in employment are considered to be in managerial or professional occupations, this compares with a regional figure of 23.0% and a national figure of 26.3%.



Source: York Housing Market Assessment – 2006

Local workplace earnings

2.27 No detailed and accurate secondary database exists for district and sub-district incomes. However there are a range of secondary data sources which provide useful evidence. The main one is the Annual Survey of Hours and Earnings (ASHE) which provides information about earnings down to local authority level.

2.28 The table below shows average full-time earnings and also quartile incomes. The data shows that the average full-time earned income in 2005 in York was £27,465; this is above the regional average but below the equivalent national figure.

Table 2.6 Full-time earnings (ASHE 2005)

	York	Yorkshire & The Humber	England & Wales
25% earn less than	16527	15456	16420
50% earn less than	23987	21514	23,200
75% earn less than	30917	29714	32,537
Mean income	27465	25437	28,732

Source: York Housing Market Assessment – 2006

2.29 The data also shows that there is quite a range of incomes of employed people in the district. Overall, the ASHE data suggests that a quarter of people earn less than £16,527 per annum and half earn less than £23,987. These figures are above the equivalent regional figures but broadly in-line with the figures for England and Wales.

Summary of key points

2.30 Drawing on a range of data sources we have been able to glean a broad understanding of the current housing market in York compared with the regional and national position. The key data can be summarised as:

- York has a slightly older population profile than either regionally or nationally and mid-2003 population estimates suggest that around a fifth of residents were of retirement age
- Health problems are less of an issue in York than nationally with 11.0% of the population being recorded (by the 2001 Census) as having a limiting long-term illness. This compares with 13.6% across England and Wales
- Unemployment in York is lower than found either nationally or regionally (2001 Census) whilst a higher proportion of people are employed in managerial or professional occupations than is found in the region generally
- Overall, workplace earnings in the district are slightly higher than in the region as a whole (2005 ASHE data) and in-line with national equivalents

Conclusions

2.31 This chapter provides basic evidence on housing in the City. It provides a benchmark for later analysis and for the policy discussion in the last chapter.

3. The current stock of housing

Introduction

3.1 There are a range of data sources which provide an overview of the number, type, size and tenure of properties in the local area and how this compares with the position in Yorkshire and The Humber and nationally. It is important to note that, as with most districts in Britain, there is no database which shows the types and sizes of all dwellings within the City. The available data is relatively broad brush.

Total number of dwellings

3.2 The 2005 Housing Strategy Statistical Appendix (HSSA) data records 81,909 dwellings in the City, of these 1,376 are recorded as vacant (1,233 in the private sector of which 605 have been vacant for more than six months). The table below provides a broad overview of the current housing stock from HSSA data.

Table 3.1 Housing stock - 2005						
	York		Yorkshire and The Humber		England	
	Number	%	Number	%	Number	%
Total dwellings	81,909		2,222,213		21,906,172	-
Social rented	13,029	15.9%	437,733	19.7%	4,039,360	18.4%
Other public	425	0.5%	5,218	0.2%	82,206	0.4%
Private sector	69,455	84.8%	1,779,262	80.1%	17,784,606	81.2%
Social rented difficult to let	12	0.1%	17,108	3.9%	124,757	3.1%
Social rented low demand	650	5.0%	33,309	7.6%	211,678	5.2%
Private sector low demand	0	0.0%	93,499	5.3%	535,217	3.0%
Total dwellings vacant	1,376	1.7%	79,505	3.6%	680,412	3.1%
Social rented vacant	140	1.1%	12,119	2.8%	89,207	2.2%
Other public sector vacant	3	0.7%	260	5.0%	5,666	6.9%
Private sector vacant	1,233	1.8%	67,126	3.8%	585,539	3.3%

Source: York Housing Market Assessment – 2006

3.3 Overall, the HSSA data shows that York has a very low proportion of difficult to let dwellings. There is however some evidence of low demand with around 5% of social rented dwellings recorded as such, though this is below both regional and national averages. Finally the proportion of social rented stock which is vacant is low when compared with figures for both Yorkshire and the Humber and England as a whole.

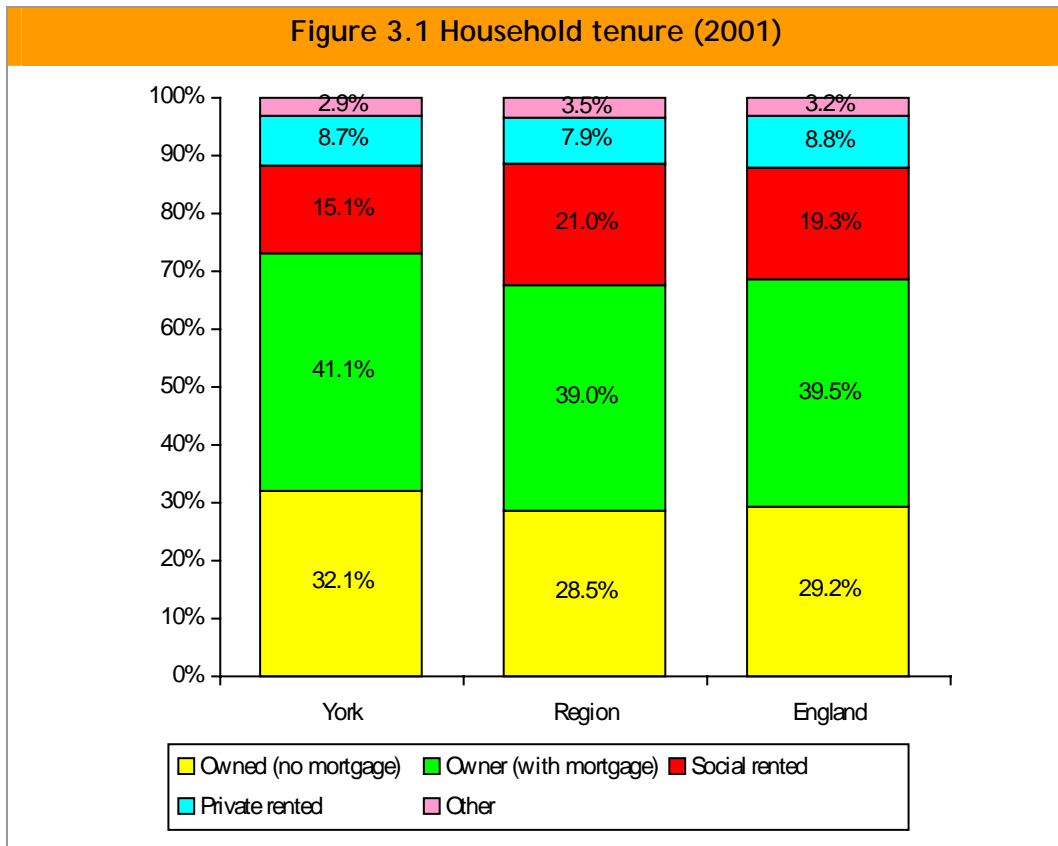
Tenure

3.4 Census data can provide more detailed information about the tenure profile of households living in an area than that contained in the HSSA (notably Census data includes information about the private rented sector).

Table 3.2 Tenure (Census 2001)							
	York		Yorkshire and the Humber		England & Wales		
Owns outright	32.1	}73.2	28.5	}67.6	29.5%	}68.9%	
Owns with a mortgage or loan	40.3		38.6		38.8%		
Shared ownership	0.8		0.5		0.6%		
Council (local authority)	10.5	}15.1	17.3	}21.1	13.2%	}19.2%	
Housing Association/RSL	4.6		3.8		6.0%		
Private landlord or letting agency	8.7		7.9		8.7%		
Other	2.9		3.5		3.2%		
Total	100.0%		100.0%		100.0%		

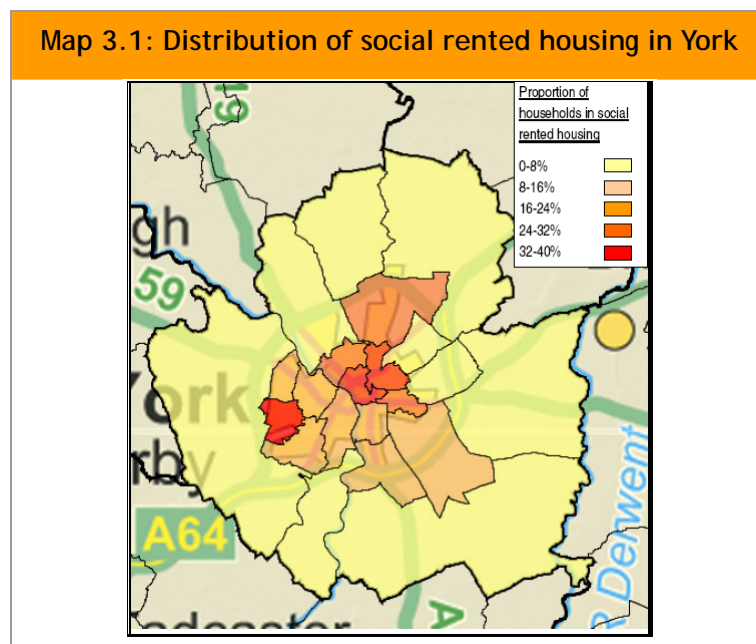
Source: York Housing Market Assessment – 2006

3.5 The tenure profile of an area provides an important insight into the dynamics of a market. Analysis of data for 2001 reveals that York has a higher proportion of owner-occupiers than found elsewhere in the region or nationally. In 2001, 73.2% of households in York were owner-occupiers (including shared ownership), this compares with 67.5% in Yorkshire & The Humber and 68.7% across England. By contrast York has a relatively small social rented stock. In 2001, only 15.1% of households lived in the social rented sector, this figure compares with 21.0% across region and 19.3% in comparison with England.



Source: 2001 Census – Key Statistics for local authorities in England and Wales

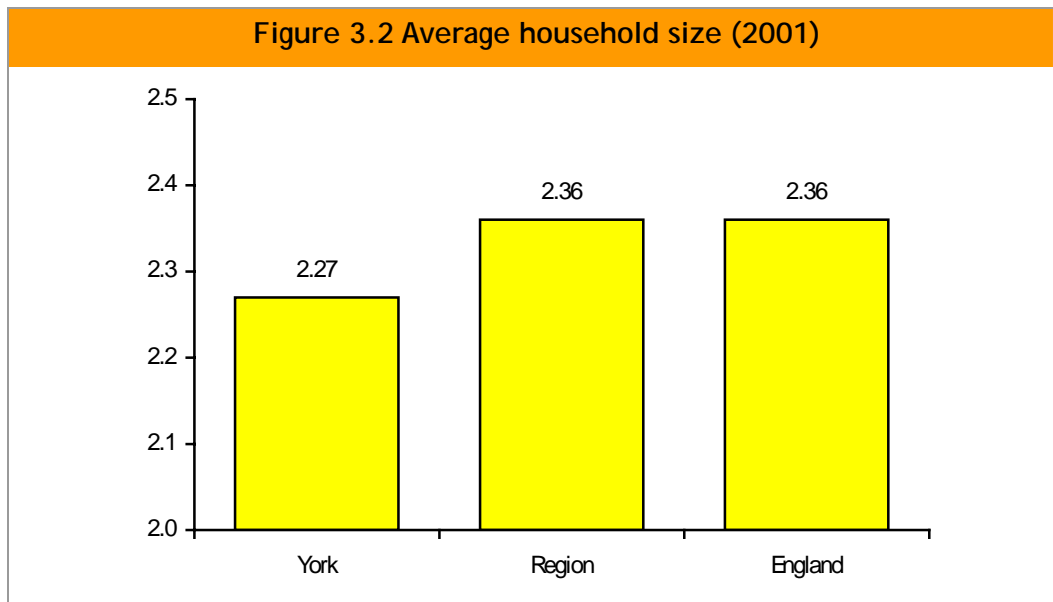
3.6 In this important respect, York is different from its regional and national context: having a higher fraction of owner occupation, and much less social rented housing.



Source: York Housing Market Assessment – 2006

Household Size

- 3.7 Trends in household size can be crucial in determining the demand for future housing through the implications for the size of any additional housing. The figure below shows that York has a noticeably lower number of people per household (2.27 compared with 2.36 in the region). The figure in York is also lower than the equivalent figure for England as a whole.

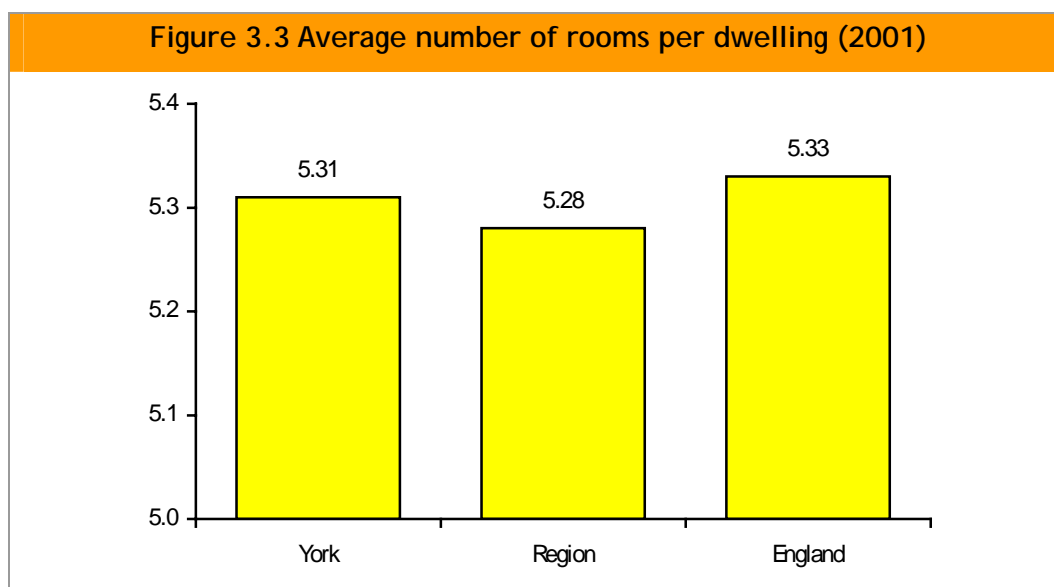


Source: 2001 Census – Key Statistics for local authorities in England and Wales

- 3.8 Generally, household sizes have been declining both regionally and nationally and this trend is expected to continue. Declining average household size raises the requirement for housing (on a per person basis) as a given population will require a greater number of dwellings to house it.

Dwelling Size

- 3.9 Dwelling size can be an important driver, as well as a significant feature of the local economy. The best information about the size of properties comes from the number of rooms (measured in the 2001 Census). It is interesting that although York had a smaller than average household size, the average number of rooms per household space was slightly higher than the regional average. This is consistent with the high fraction of owner occupation.



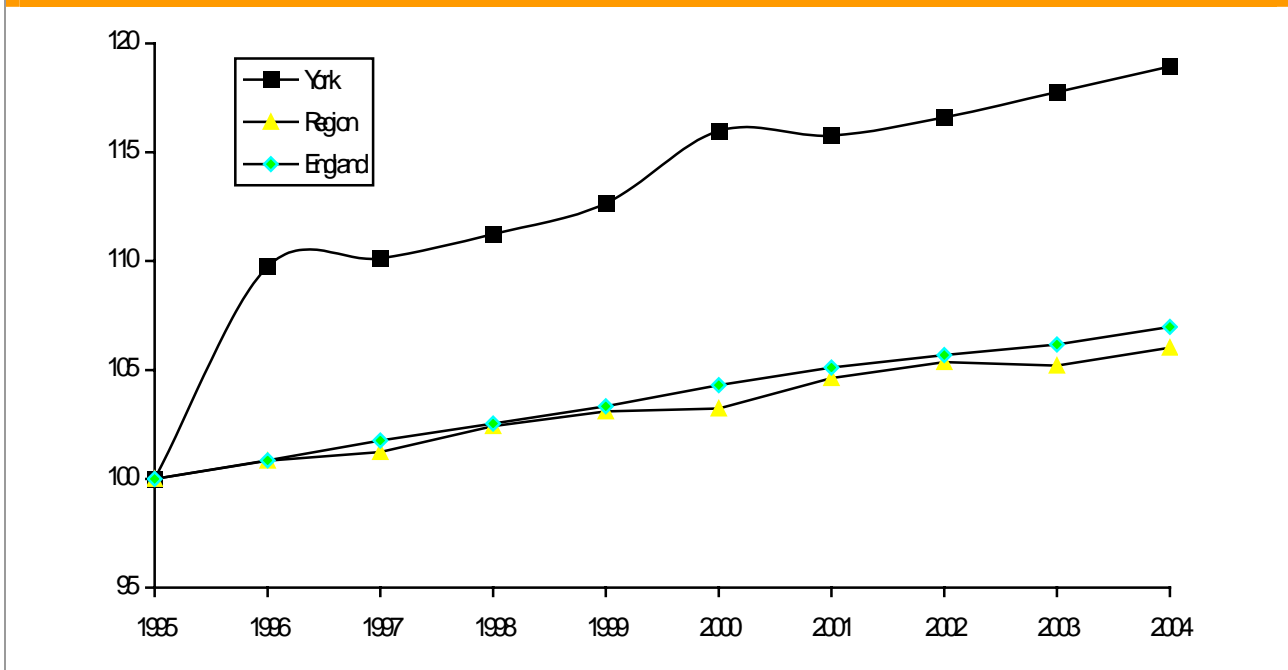
Source: 2001 Census – Key Statistics for local authorities in England and Wales

- 3.10 This section looks at the characteristics and structure of the housing supply in York and the other areas of interest. This analysis allows for an assessment of the range, quality, type and location of the housing stock of the areas.

Housing stock

- 3.11 The figure below presents the pattern of growth in the stock of housing over time in York, Yorkshire and The Humber and England. Between 1995 and 2004 the housing stock in York increased by 18.9%, representing an increase of around 13,000 dwellings. Overall growth in the region in the same period was in contrast only 6.0%. Therefore in comparative terms growth in York has been quicker than in other parts of Yorkshire and The Humber. Other than in 1995-96 (when there is an apparent sharp increase in the stock) the growth has been fairly steady and generally in excess of regional growth.

Figure 3.4 Indexed change in Housing Stock (1995-2004)



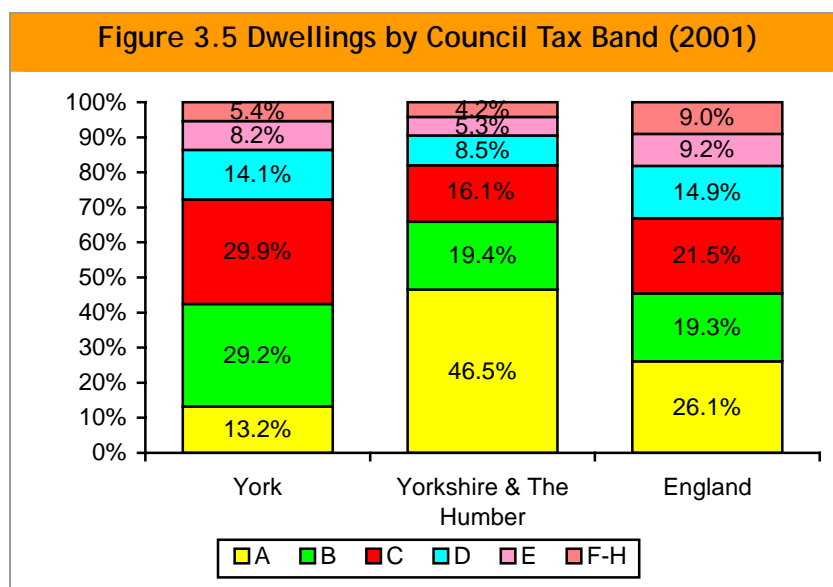
Source: Community data services

Table 3.3 Change in Housing Stock 1995-2004

Area	Stock 1995	Stock 2004	Absolute change	% change
York	68,307	81,242	12,935	18.9%
Yorkshire & The Humber	2,082,867	2,208,363	125,496	6.0%
Great Britain	20,321,747	21,739,151	1,417,404	7.0%

Source: Community data services

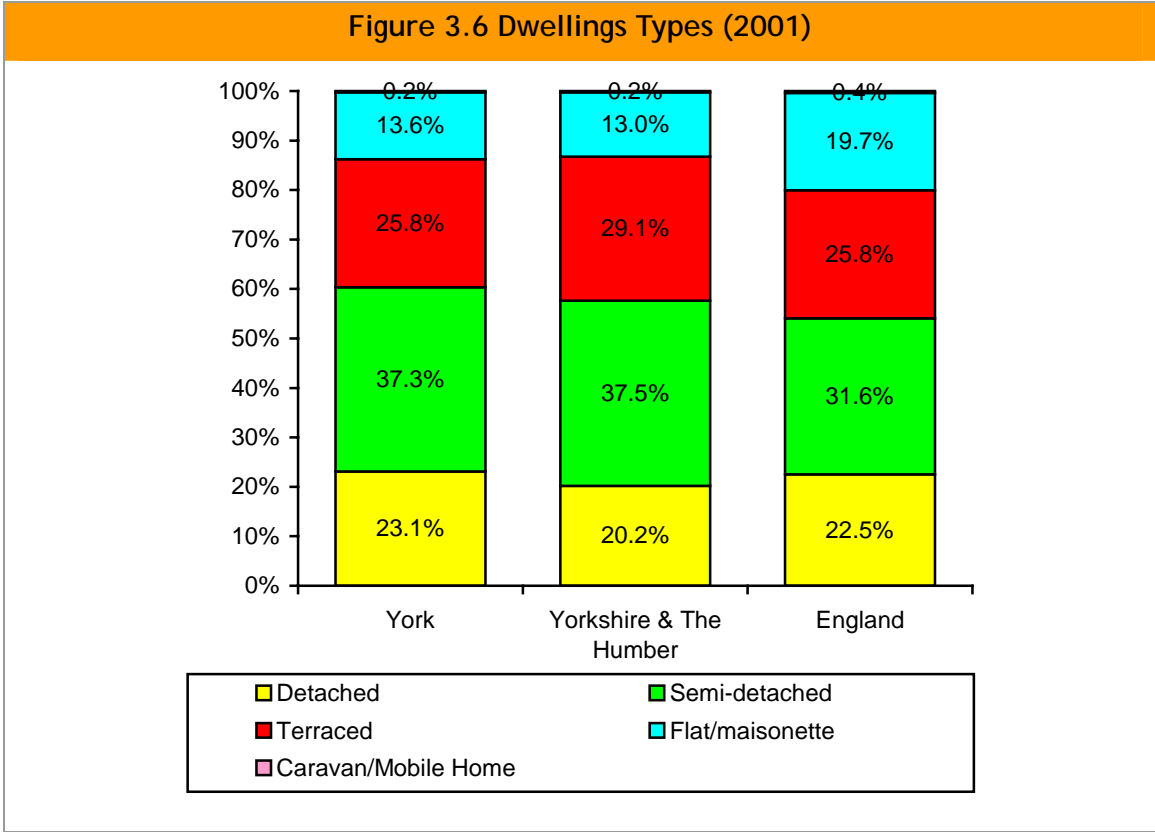
3.12 A good indication of the quality and price structure of the housing stock is the distribution of dwellings by Council Tax Band. The figure below shows that only 13.2% of properties in York fell into the lowest Council Tax Band, this compares with 46.5% across the region and 26.1% in England. The proportion of dwellings in the highest bands (E to G) is noticeably lower than the England average but higher than the figure for Yorkshire & The Humber. Overall, 59.1% of all properties fall into bands B & C, significantly higher than the proportions either regionally or nationally.



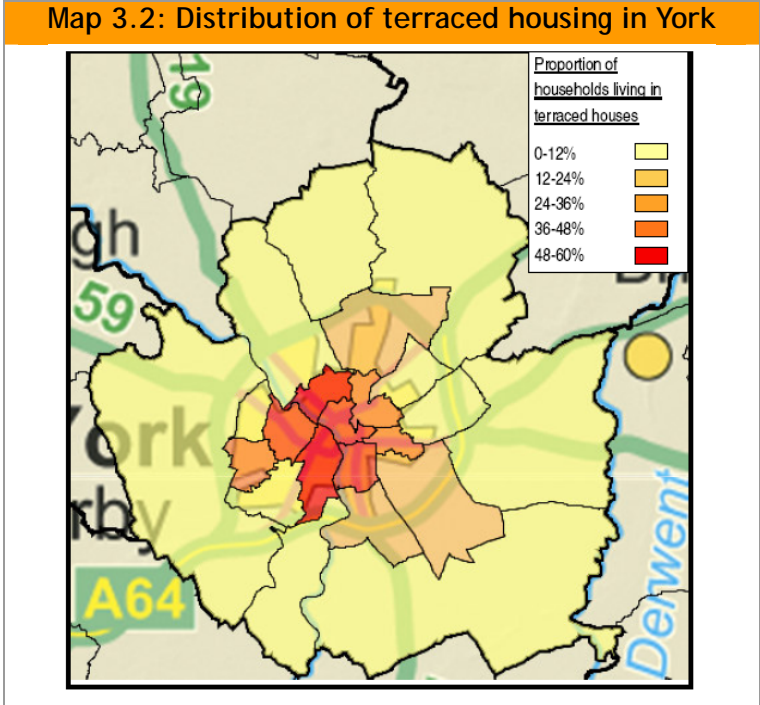
Source: York Housing Market Assessment – 2006

3.13 The figure below shows the types of dwelling in York, the region and England as a whole. The data suggests that the overall housing stock in York is not much different to that in the region as a whole. York has a slightly higher proportion of detached homes and fewer terraces when compared with the region although differences are not large and generally in line with the national average. Compared with national data it can be seen that York had a greater proportion of semi-detached homes and fewer flats in 2001.

3.14 Overall, York’s housing market possesses a dwelling stock composition that is broadly similar to the region.

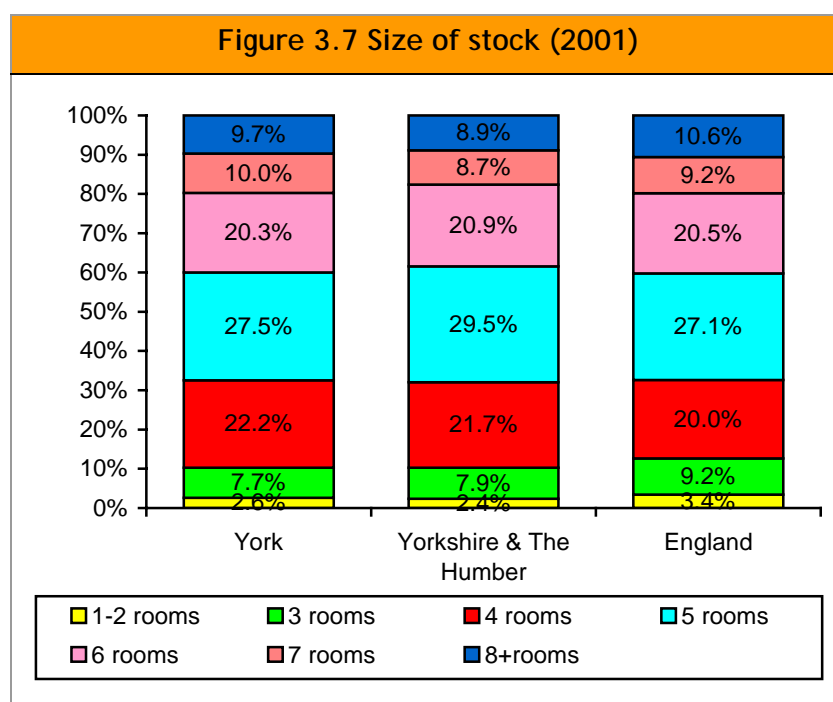


Source: York Housing Market Assessment – 2006



Source: York Housing Market Assessment – 2006

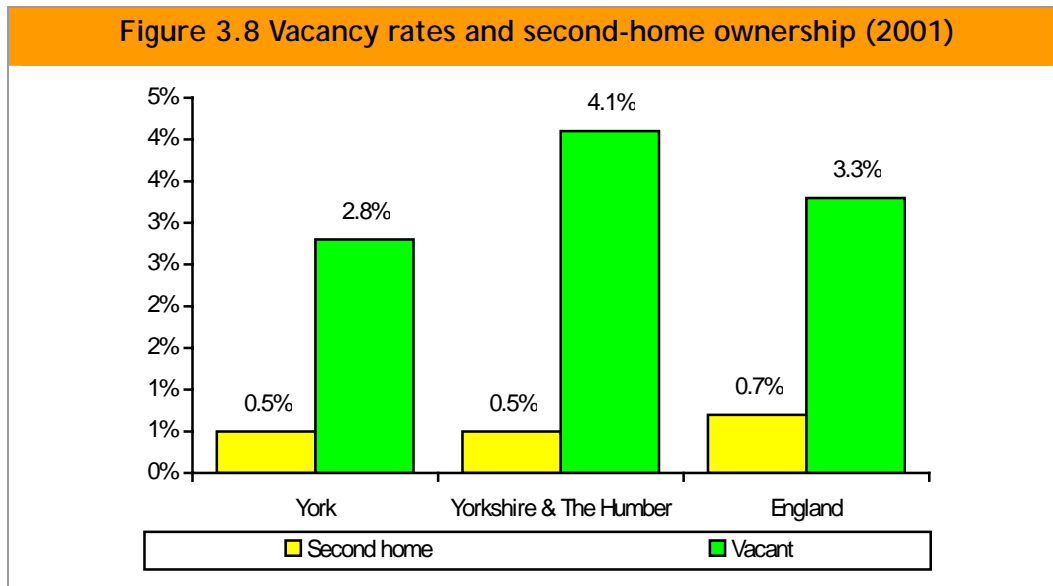
- 3.15 The size of housing in an area plays a key role in determining desirability, demand and affordability. As seen from the analysis above the pattern of dwelling types does not differ dramatically from the regional position. It is therefore to be expected that the sizes of dwellings will be broadly comparable. This is indeed the case as is shown in the figure below in terms of the number of rooms available to households. The distribution of rooms per households is similar in York, the region and England as a whole.



Source: York Housing Market Assessment – 2006

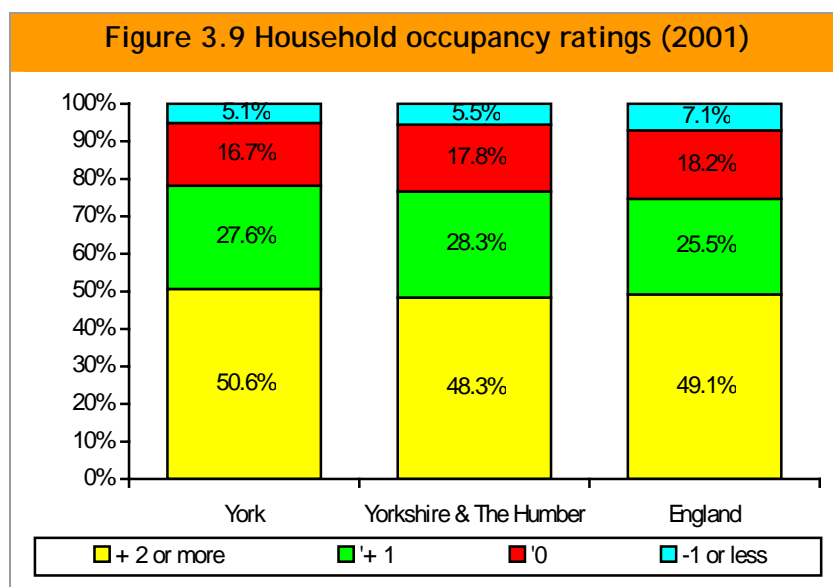
Vacancy, Occupancy and Overcrowding

- 3.16 According to the 2001 Census, 2.8% of all household spaces in York are vacant and a further 0.5% are considered to be second homes (taken together these amount to around 2,500 household spaces). These figures compare with a vacancy rate of 4.1% (excluding second homes) in Yorkshire and the Humber and 3.3% for England.
- 3.17 This lower vacancy rate implies a higher degree of efficiency in utilising the existing stock in York and may be related to the popularity of York as a place to live.
- 3.18 The figure below shows vacancy rates and proportions of second homes. The data shows that second home ownership in York is in line with the figure for the region as a whole and slightly below the national average. Higher levels of second homes can put pressure on a housing market and create an increase in prices. This scenario is likely to be limited in York.



Source: York Housing Market Assessment – 2006

- 3.19 It has already been shown that households in York are generally smaller whilst dwelling sizes are fairly average. This pattern is reflected in the occupancy rating which shows the number of households in overcrowded conditions. The occupancy rating provides a measure of both under-occupancy and overcrowding by relating the number of rooms in a dwelling to the number of occupants.
- 3.20 The figure below shows the occupancy rating as calculated by 2001 Census data. A negative figure indicates overcrowding whereas figures of +2 and above would typically be seen as indicating under-occupancy. The data shows that the level of overcrowding in York is low when compared with the region as a whole and more noticeably England. Overall, Census data suggests that 5.1% of households are overcrowded compared with 7.1% nationally. Levels of under-occupation are not much different to those found nationally or regionally.



Source: York Housing Market Assessment – 2006

Conclusions

- 3.21 York has a dwelling mix that is roughly similar to the Yorkshire and The Humber region and to that of England. In tenure terms there is more market housing and less social rented housing than the regional or national average. There are major differences in terms of rates of new building and price. The rate of new building is far higher: twice the regional and national averages (which are similar). Equally in terms of Council Tax Band there is a much higher representation of the more prosperous tax bands than either regionally or nationally (and in this case the region is much poorer than the national average). As might be inferred, there is a low vacancy rate. There is, therefore, a relatively expensive rapidly growing housing stock in York.

SECTION B: THE HOUSING MARKET



4. The active market

Introduction

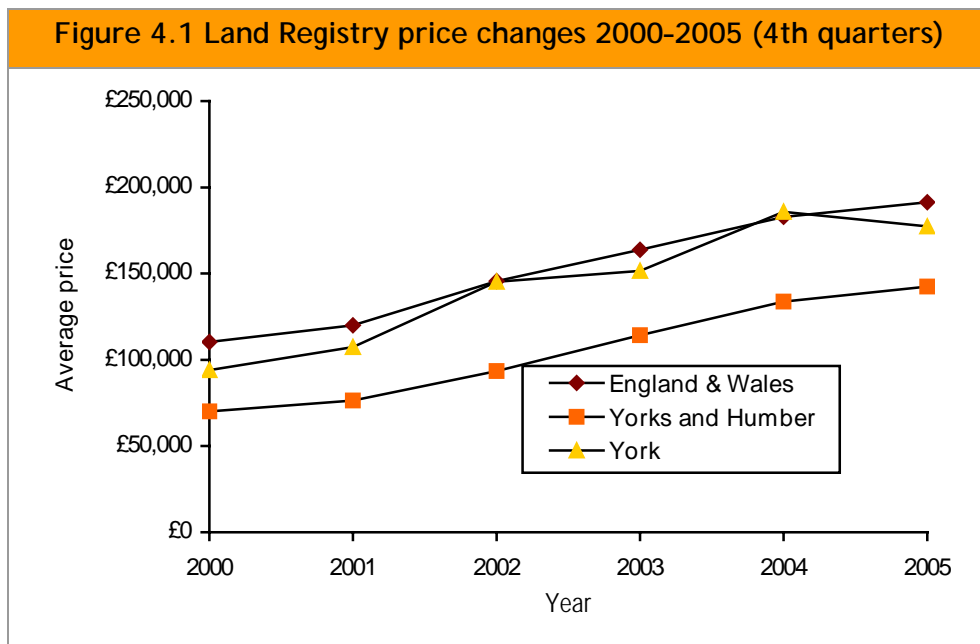
- 4.1 This chapter describes the active housing market. It is based on both secondary and primary data sources:
- Land Registry
 - Survey of local estate and letting agents
- 4.2 The analysis provides a context for the property price situation in York and then a sequence of analyses based on information collected from estate/letting agents. This leads to figures that show the minimum price/rent of housing for a range of dwelling sizes.

National, regional and local picture

- 4.3 Information from the Land Registry shows that between the 4th quarter of 2000 and the 4th quarter of 2005 average property prices in England and Wales rose by 73.4%. For Yorkshire and Humberside the increase was 103.0% whilst for the City of York the figure was 88.6%.
- 4.4 The table below shows average prices in the 4th quarter of 2005 for each of England and Wales, Yorkshire and Humberside and the City of York. The table shows that average prices in York are 92.7% of the average for England and Wales and are significantly higher than the regional average.

Table 4.1 Land Registry average prices (4th quarter 2005)		
Area	Average price	As % of E & W
England & Wales	£191,327	100.0%
Yorkshire & Humberside	£142,471	74.5%
York	£177,307	92.7%

Source: York Housing Market Assessment – 2006



Source: York Housing Market Assessment – 2006

4.5 The table below shows average property prices for York for each dwelling type (from Land Registry data). This data is compared with regional price information. The volume of sales by type is also included for both areas.

Dwelling type	York		Yorkshire and Humber	
	Average price	% of sales	Average price	% of sales
Detached	£249,374	17.4%	£240,578	19.3%
Semi-detached	£174,195	30.5%	£135,404	33.3%
Terraced	£155,544	36.2%	£103,263	38.6%
Flat/maisonette	£153,783	15.9%	£126,517	8.8%
All dwellings	£177,307	100.0%	£142,471	100.0%

Source: York Housing Market Assessment – 2006

4.6 The largest volume of sales in York was for terraced houses (36.2%) with an average price of £155,544. Some 30.5% of sales were for semi-detached houses. The pattern of sales in York is not dissimilar to the regional pattern, with the exception of flats/maisonettes where nearly twice the proportion was sold as regionally.

Prices in adjoining areas

- 4.7 As the table below demonstrates, the local authorities around York have average prices which are not significantly different to the average for England and Wales. When compared with neighbouring Local Authority areas York shows an average price in the middle of the range, with Harrogate at the top of the range with prices over a fifth higher than national average and East Riding at the lower end, with prices around 15% below the national average.

Table 4.3 Price levels in York and adjoining areas (4th quarter 2005)	
Council area	% of England & Wales
East Riding of Yorkshire	84.5%
Selby	92.0%
York	92.7%
Hambleton	111.3%
Ryedale	111.8%
Harrogate	122.5%

Source: York Housing Market Assessment – 2006

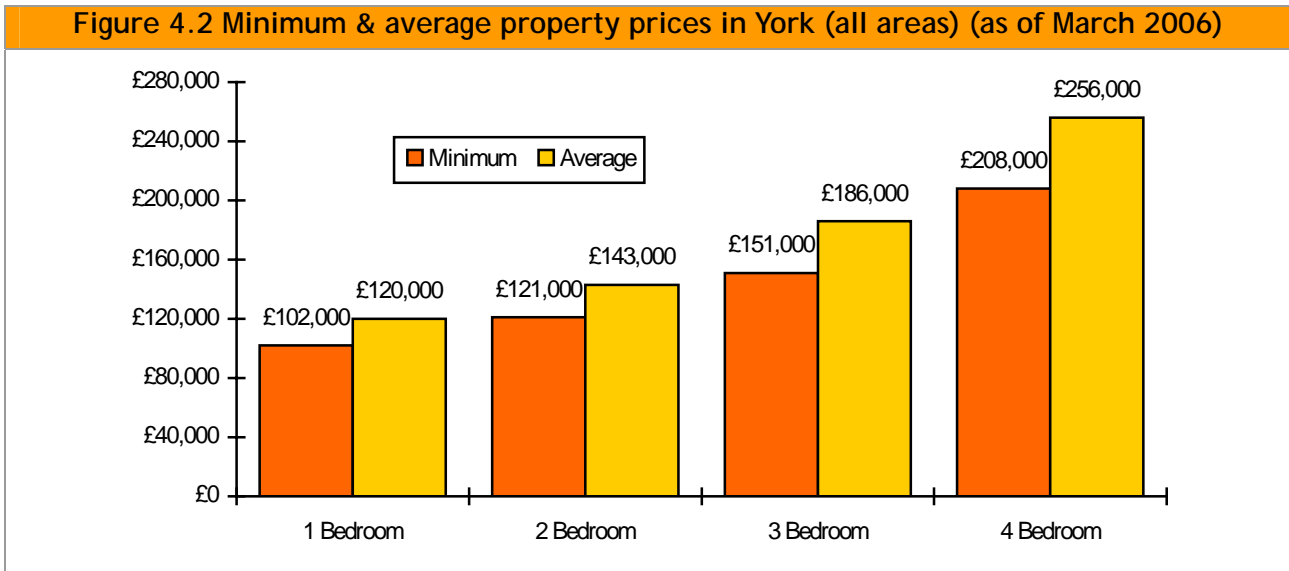
- 4.8 It is worth noting that few places outside the south of England have scores as high as 90 – 100% of the England average, so this illustrates the strength of the housing market in York and its housing market area.

Estate Agents' information

(i) Purchase prices

- 4.9 During March 2006 a total of 8 estate and letting agencies were contacted in order to obtain detailed information about the local housing market across the York area. Agents contacted were mainly located in the main urban area in the centre of York and in Haxby to the north of the City, in order to capture localised variations.
- 4.10 Average and minimum property prices were collected for a range of property sizes and tenures. Comments were also collected from the agents to describe the main features of the current market in York, a summary of which are presented below.
- 4.11 Estate Agents from all areas reported that the current price trend was fairly steady at the moment. Property prices in the surrounding rural areas such as Haxby were found to be higher than those in the main urban area. In terms of the main urban area itself, prices in the centre were found to be the most expensive, with property prices tailing off towards the ring road at the edge of the main urban area.

4.12 If we take averages of the prices identified by individual agents for each dwelling size and price level, the property price results are as presented in the figure below. The figure shows that estimated entry-level prices ranged from £102,000 for a one bedroom property up to £208,000 for four bedrooms. Average prices were generally around 20% higher than the minimums.



Source: Survey of Estate and Lettings Agents (2006)

(ii) Private rent levels

4.13 Average and minimum rents were also collected from agents and the results of this analysis are shown below. Minimum monthly rents varied from £495 (one bed) to £775 (four beds) with average rents around 5-10% more expensive than this.

Table 4.4 Minimum and average private rents in York

Property size	Minimum rent (monthly)	Average rent (monthly)
1 bedroom	£495	£515
2 bedrooms	£550	£585
3 bedrooms	£615	£675
4 bedrooms	£775	£835

Source: Survey of Estate and Lettings Agents (2006)

(iii) New build prices

4.14 New build property prices were obtained from a number of estate agents. New build was found to be more likely to be located in the central urban area than in more rural areas such as Haxby, for example, and tended to consist either of small one or two bedroom apartments or large three storey townhouses. The table below illustrates that newly built property is notably more expensive than average prices for second-hand properties.

Table 4.5 Average new build prices in York	
Property size	Average price
1 bedroom	£158,000
2 bedrooms	£178,000
3 bedrooms	£209,000
4 bedrooms	£290,000

Source: Survey of estate and lettings agents (2006)

Appropriate price level for the affordability test

4.15 The previous sections showed the results obtained by averaging the figures from estate agents for minimum and average prices in each of the four size categories. However, in order to decide what price level is the most appropriate to use for assessing whether or not a household is able to access the housing market, it is necessary to consider two aspects:

- The appropriate measure of price (e.g. minimum or average prices/costs)
- How to deal with a situation where significant price variations have been identified within the Council area

4.16 On the first point, we use the minimum prices collected in the estate agents survey, since these have been designed to represent the 'entry level' into the housing market. For consistency we will also use minimum private rental costs as part of the affordability test.

ODPM
Guide

'The most commonly used affordability test involves comparing estimated incomes of unsuitably housed households against 'entry level' house prices.' [Section 4.3 (page 57)]

'...approaches which compare maximum prices payable against average house prices are certainly questionable.' [Section 4.3 (page 57)]

4.17 A key issue in deciding the appropriate price assumptions to use in assessing overall City-wide affordability is whether a household that could afford market priced housing by moving a reasonable distance should be assessed as being in housing need. In this case the term ‘reasonable distance’ is taken to mean ‘within the City boundary’ and it is recognised that some households would therefore need to move from their current locality to afford private sector housing.

4.18 However, our analysis of the minimum and average property prices in the City showed on an overall basis that prices in the main urban area were slightly less expensive than the rural parts of the City. Although property prices can still vary within different areas depending on, for example, location, for the purposes of calculating the appropriate prices for the assessment of affordability, it was felt that the average of prices observed in the main urban area should be applied to households in all parts of the City. They are shown in the table below. Rent levels from across the City were used since there was relatively little variation found.

Table 4.6 Minimum prices and rents in York: Main urban area only				
Property size	Minimum sale	Average sale	Minimum rent	Average rent
1 bedroom	£96,000	£115,000	£495	£515
2 bedrooms	£119,000	£143,000	£550	£585
3 bedrooms	£140,000	£188,000	£615	£675
4 bedrooms	£185,000	£250,000	£775	£835

Source: York Housing Market Assessment – 2006

Summary

4.19 An analysis of the local housing market is a crucial step in any housing study. In this report information was drawn from both the Land Registry and local estate/letting agents to provide the context for local property prices/rents. Some of the main findings of the analysis were:

- Prices in York rose by 88.6% in the period 2000 to 2005. This is above the rate of increase observed nationally but below the increase seen in Yorkshire and Humberside as a whole.
- The average property price in York in the 4th quarter 2005 was 92.7% of the average for England & Wales
- Over a third of sales of properties in York were terraced houses and just over 30% were semi-detached houses in the 4th quarter of 2005

- The estate agent survey suggested that on average minimum prices in the City range from £102,000 to £208,000 depending on the size of properties
- Minimum rents ranged from £495 to £775 per month depending on property size
- The main urban area was found to be slightly less expensive than the surrounding rural area, therefore the prices in the City are used as the base for testing affordability in later chapters

Conclusion

4.20 This review of the active housing market re-enforces the impression of relative prosperity gained from examining the housing stock position in the previous chapter. Average property prices are very high for the North of England, and not far short of those in the South East.

5. Housing supply and demand

Introduction

- 5.1 This chapter contains key information on the supply and demand situation for York. It addresses the changes to supply and demand which provide the basis for the next chapter, addressing the issue of balancing the housing market.
- 5.2 Unlike the preceding chapters, which were based entirely on secondary data, this one combines primary and secondary data. That is because when analysing housing demand it is not possible to produce robust and policy relevant conclusions without it.

Housing supply in principle

- 5.3 In principle supply will be available as households vacate properties to move to different accommodation and also as households are no longer in the 'system' (typically through death). This section therefore seeks to establish the amount and type of housing likely to be available to meet household's demands.
- 5.4 As with the demand for housing there are three principal groups which can be considered as providing future supply. These are vacancies created through:
- Household dissolution (death)
 - Existing households moving
 - Out-migrant households
- 5.5 Appendix A1 looks at each of these groups in detail

Overall supply

- 5.6 Appendix A1 shows the estimated likely future supply of housing from three distinct groups (household dissolution (death), existing households and out-migrant households). All figures are estimated in terms of the tenure, size and type of accommodation released. The data shows that annually there is expected to be a supply of 6,260 units to meet the demand.
- 5.7 The first table below shows overall supply by size of dwelling. The data shows that 55.1% of the supply will be of owner-occupied accommodation and a further 25.6% in the private rented sector. Just under a fifth of the future supply is expected to be affordable housing. In general affordable supply is skewed towards smaller dwellings with the opposite being true in the owner-occupied sector.

Table 5.1 Overall supply: By tenure and size of accommodation

<i>Tenure</i>	<i>Number of bedrooms</i>				<i>TOTAL</i>
	<i>1 bedroom</i>	<i>2 bedrooms</i>	<i>3 bedrooms</i>	<i>4+ bedrooms</i>	
<i>Owner-occupation</i>	268	1,086	1,476	623	3,452
<i>Affordable housing</i>	543	464	150	51	1,207
<i>Private rented</i>	461	662	392	85	1,601
<i>TOTAL</i>	1,272	2,211	2,018	758	6,260

Source: York Housing Market Assessment – 2006

5.8 The table below shows the same sort of information but for types of accommodation required. The table shows that overall there is a broadly similar split between the different types of accommodation. However by tenure the results suggest that the owner-occupied supply is skewed towards terraced, semi-detached and detached homes whilst the affordable housing supply is mainly flats and to a lesser extent terraced homes.

Table 5.2 Overall supply: By tenure and type of accommodation

<i>Tenure</i>	<i>Dwelling type</i>				<i>TOTAL</i>
	<i>Flat</i>	<i>Terraced</i>	<i>Semi-detached</i>	<i>Detached</i>	
<i>Owner-occupation</i>	298	1,082	1,077	995	3,452
<i>Affordable housing</i>	635	279	178	115	1,207
<i>Private rented</i>	648	583	216	154	1,601
<i>TOTAL</i>	1,580	1,945	1,471	1,264	6,260

Source: York Housing Market Assessment – 2006

Housing demand in principle

5.9 Although the secondary data analysis provides a good insight into the housing market it cannot tell us what the future expectations and requirements of local households actually are. Therefore for this analysis we have drawn on survey data to provide information about household’s future requirements for different types and sizes of accommodation.

5.10 In demand terms households can be broadly split into three main categories. These are:

- Newly forming households
- Existing households moving
- In-migrant households

5.11 Appendix A1 considers each of these groups in detail.

Overall demand

- 5.12 In Appendix A1 we have estimated the likely future demand for housing from three distinct groups (newly forming households, existing households and in-migrant households). All figures are estimated in terms of the broad tenure requirements and the size and type of accommodation required.
- 5.13 The data shows that annually there is expected to be a demand for housing from just under 7,500 households. This represents around 9% of the current number of households in the city.
- 5.14 The first table below shows overall demand by size requirement. The data shows that 61.5% of the demand will be for owner-occupied dwellings and just 7.2% in the private rented sector. Nearly a third of the future demand will be for affordable housing. In general affordable demand is skewed towards smaller dwellings, though a fifth of the demand is for dwellings with three or more bedrooms illustrating the demand for affordable housing across the board. Demand in the owner-occupied sector is skewed towards two and three bedroom dwellings.

Table 5.3 Overall demand: By tenure and size required					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	550	1,444	1,737	839	4,569
Affordable housing	912	932	399	83	2,326
Private rented	221	233	81	3	538
TOTAL	1,683	2,609	2,218	924	7,434

Source: York Housing Market Assessment – 2006

- 5.15 The table below shows the same sort of information but for types of accommodation required. The table shows that overall there is a broadly similar split between the different types of accommodation. However by tenure the results suggest that the owner-occupied demand is mainly for semi-detached, detached and terraced homes whilst affordable housing demands are mainly for flats and terraces.

Table 5.4 Overall annual demand: By tenure and accommodation type required					
Tenure	Dwelling type				TOTAL
	Flat	Terraced	Semi-detached	Detached	
Owner-occupation	598	1,226	1,391	1,355	4,569
Affordable housing	1,093	671	353	210	2,326
Private rented	241	161	92	44	539
TOTAL	1,932	2,057	1,836	1,609	7,434

Source: York Housing Market Assessment – 2006

- 5.16 This chapter has prepared the ground for the balancing housing markets analysis in the next chapter.

6. Balancing the housing market

Introduction: what is a balanced housing market?

- 6.1 The term ‘balance’ has been used by the Audit Commission in the context of housing markets as a test whereby district councils could check on the ‘balance’ of their individual housing markets. However no test was provided by the Audit Commission of what ‘balance’ might be. Instead there was a long list of data to be provided. Clearly this exercise provides little help in working out what ‘balance’ might be.
- 6.2 It is arguable that a test of ‘balance’ should be made against some standard, for example:
- Is the profile of size and type of housing like that of the region?
 - Is the profile of size and type of housing like that of similar market areas?
 - Is the profile of size and type of housing like that of the nation?
- 6.3 While such tests could be done, they would not prove that the profile of housing in York is balanced or unbalanced. There may be good historical and socio-economic reasons for which a ‘good’ profile of housing types and sizes in York might be different from any standard.
- 6.4 Unfortunately it is not possible to get very far by matching the existing population’s household sizes with the dwelling profile. Especially in the case of market housing, features like ‘under occupation’ may be a desired and ‘good’ feature of household behaviour. It certainly is not ‘wrong’ and equally certainly cannot be modified very much without undue interference. There are programmes both to reduce the under occupation by elderly persons of larger dwellings, both in the private and public sectors, but these affect very small fractions of the population and are only of limited effect in the private sector.
- 6.5 As a result, in considering the ‘balance’ of a given housing market, Fordham Research was drawn to the simple issue of aspiration:
- *What types and sizes of housing do people want?*
- 6.6 This has different meanings in the market and affordable spheres. Clearly in the market people buy or rent what they choose within their budgets. In the affordable sphere there is less ability to choose, since clearly the households in that sector are by definition unable to afford to exercise much choice.

6.7 The Fordham Research approach, under the title ‘Balanced Housing Market Model’ (BHM) has for a number of years sought to use the aspirations stated by citizens of an area to produce suggestions as to how the future size and type of housing in the area might be adjusted by new provision. The results of such analysis are only indicative, and policy judgements have to be made as to how far the indicated aspirations should be met in any new housing provision.

Results summary

6.8 The data on supply and demand discussed in the previous chapter can be summarised as follows. The figures are derived from the aspirations of the respondents to the 2002 HNS, subjected to financial tests to ensure that where the housing is market housing that they can afford it.

Table 6.1: Housing supply and demand results for York	
<i>Topic</i>	<i>Results</i>
Supply	Household dissolution (through death) - 741 Households moving within the City - 3,608 Out-migrant - 1,911 Total supply = 6,260
Demand	New households forming within the City - 1,331 Households moving within the City - 3,608 In-migration - 2,495 Total demand = 7,434

Source: York Housing Market Assessment – 2006

6.9 From the above it can be calculated that the overall requirement for additional housing to be provided if aspirational demand is to be met will be in the region of 1,174 units per annum (7,434-6,260). This is based upon the question ‘what type/size/location of housing would you expect’, on your next move. A larger total would be produced by taking ‘like or expect’ together, and a smaller one by taking ‘like and expect’. The total for ‘like’ alone is similar to the one used here.

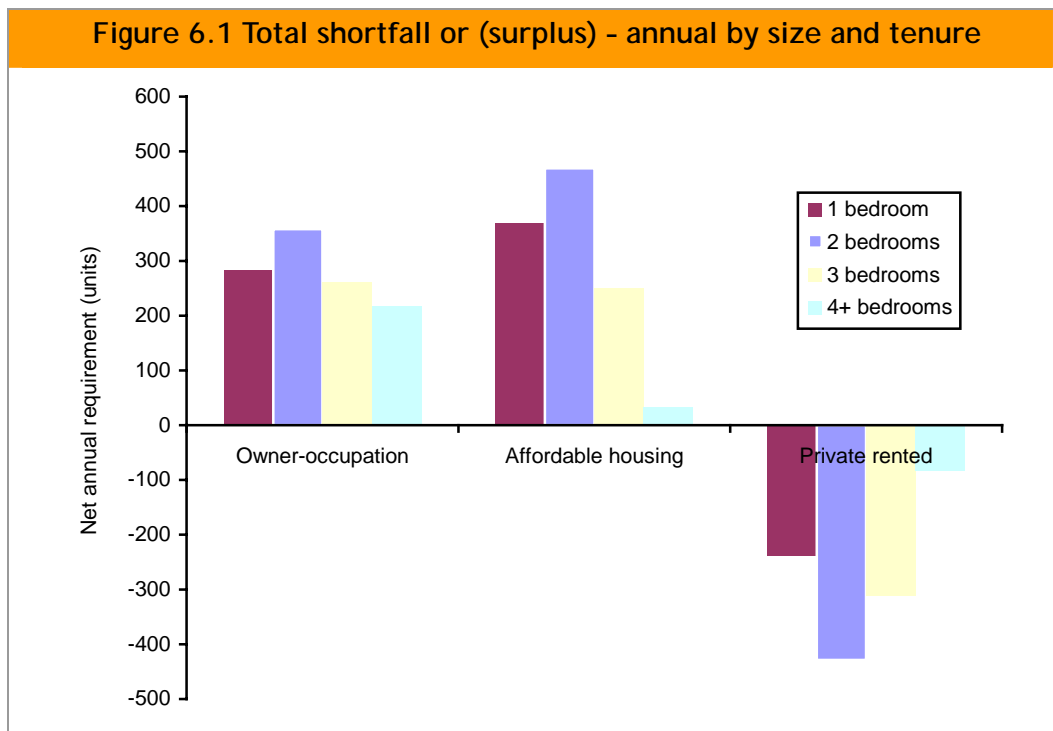
Size requirements

- 6.10 The table below shows the overall size requirement by tenure per annum. The table shows that in both the owner-occupied and affordable sectors there are shortages of all sizes of accommodation. In the affordable sector the shortfalls are mainly for smaller (one and two bedroom) homes (though three bedroom properties account for over a fifth of the shortfall), whilst the owner-occupied shortfall is more even across the different categories. In the private rented sector there is an apparent surplus of all sizes of accommodation (the issue of a surplus in the private rented sector is commented on below).
- 6.11 Overall, it is clear from the table that there is a large demand for both market and affordable accommodation in York. In the case of both owner-occupation and affordable housing the overall estimated number of units required to meet this demand are close to the overall growth rate (estimated from survey data to be 1,174 per annum).

Table 6.2 Total shortfall or (surplus) - annual					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	282	358	261	216	1,117
Affordable housing	369	469	250	32	1,119
Private rented	-239	-429	-311	-83	-1,062
TOTAL	411	398	200	166	1,174

Source: York Housing Market Assessment – 2006

- 6.12 This information is summarised in the figure below. This figure clearly shows the difference between the three broad sectors (owner-occupation, affordable housing and the private rented sectors).



Source: York Housing Market Assessment – 2006

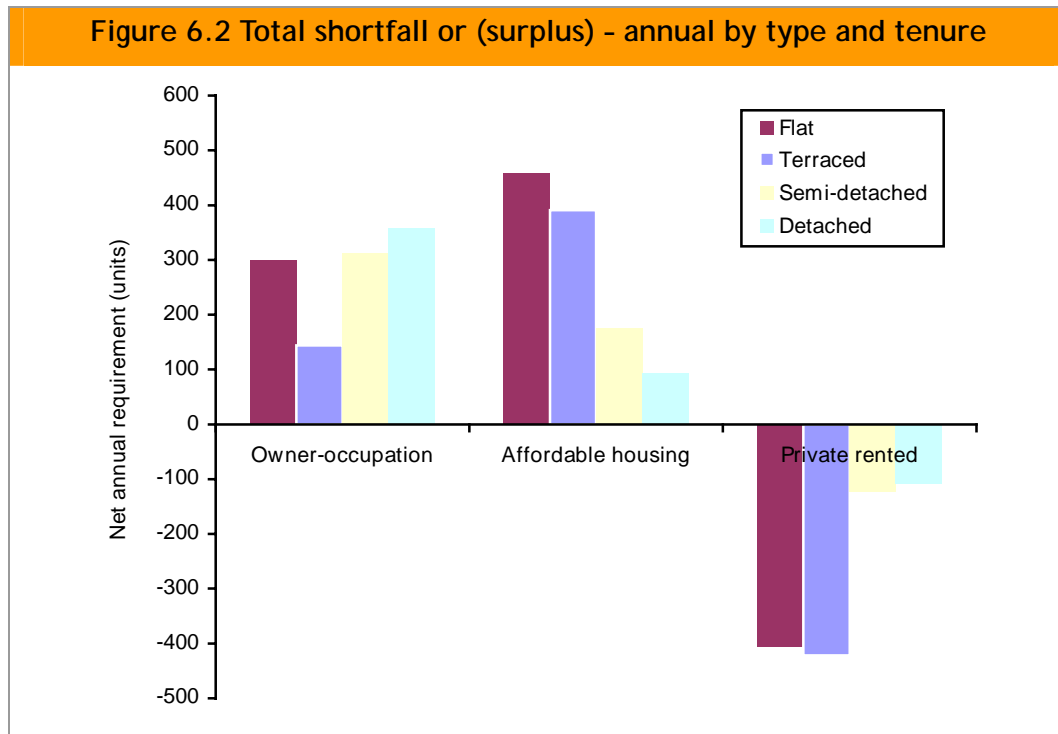
Dwelling type requirements

6.13 As with the size/tenure breakdown we can use the information provided to make estimates of shortfalls and surpluses by dwelling type. The table below shows the overall position. The data shows shortages of all types of accommodation in both the owner-occupied and affordable sectors with surpluses for all sizes in the private rented sector.

Tenure	Type of dwelling required				TOTAL
	Flat	Terraced	Semi-detached	Detached	
Owner-occupation	300	144	313	359	1,116
Affordable housing	458	391	175	94	1,119
Private rented	-406	-422	-124	-109	-1,062
TOTAL	352	113	365	344	1,174

Source: York Housing Market Assessment – 2006

6.14 This information is summarised in the figure below. The figure emphasises the skew towards detached homes in the owner-occupied sector, though flats and terraced houses account for nearly 40% of the requirement. The main shortfalls are for flats and terraces in the affordable sector, though detached and semi-detached houses account for nearly a quarter of the requirement.



Source: York Housing Market Assessment – 2006

Taking the analysis a step further

- 6.15 The results of this analysis show, as is typically the case, that if preferences could be backed up with money, there would be a much smaller private rented sector. This finding is corroborated by the demand analysis which showed for example that only 16.0% of newly forming households would like private rented accommodation but 32.1% expect to move into it. For existing households the figures are 4.2% and 16.1% respectively.
- 6.16 In what follows the private rented and owner occupied sectors have been added and account taken of the limit assumed for numbers built, to reflect what is more likely to happen in reality. This means that some of the affordable requirement would be met in the private rented sector via Housing Benefit, as is now quite commonly the trend. It would be anticipated that smaller (one and two bedroom) dwellings are more likely to be used for this purpose, therefore the overall affordable requirement for these properties is likely to be reduced. The use of the private rented sector to meet affordable housing requirement is recognised as unsustainable by ODPM, so this size profile should not be seen as a recommendation of the breakdown of affordable dwellings that should be built.

Table 6.4 Total shortfall or (surplus) - annual					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Market numbers	288	240	33	144	705
%	41%	34%	5%	20%	100%
Affordable numbers	124	158	167	21	470
%	26%	34%	36%	5%	100%
TOTAL	412	398	200	165	1,175

Source: York Housing Market Assessment – 2006

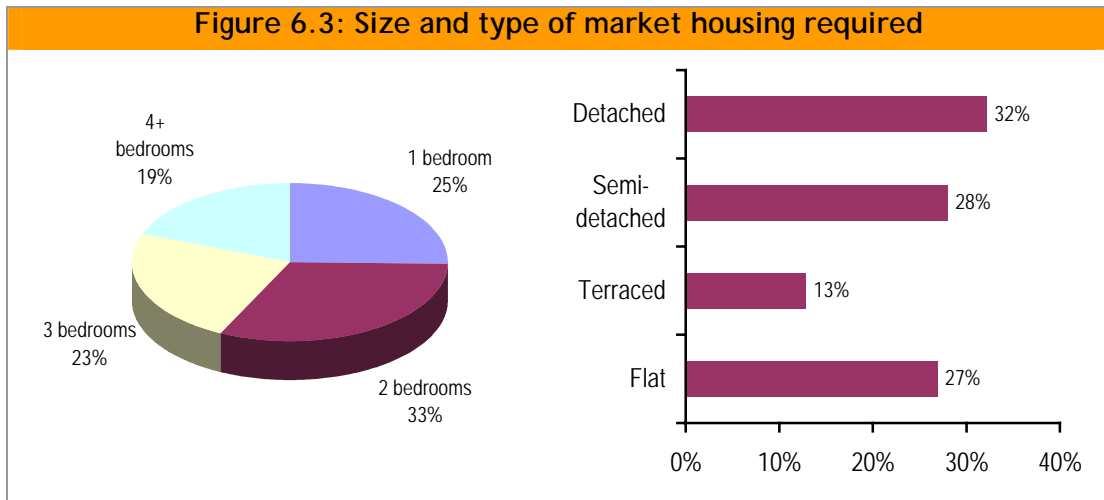
- 6.17 This suggests that about 700 new market dwellings could be sold/let each year. This is more than the total of all housing permitted in York each year allocated annually to York on the draft RSS (640 net). It shows the attractiveness of the York housing market. Although both the above analysis and the technical analysis of housing need in section C find that an affordable housing target is justified in York, the more robust methodology used in section C means that this provides a more accurate estimate of the total shortfall.
- 6.18 The overall view coming from the data is therefore that there is a strong demand for owner-occupied and substantial need for affordable housing in the City but for the foreseeable future much of both these requirements will be met through private rented accommodation.

Future housing provision

- 6.19 On the basis of the figures from the supply/demand analysis we are able to make broad suggestions about the types and sizes of additional accommodation to be provided in both the market and affordable sectors. The suggested mix will help to meet the requirement for mixed and balanced communities by providing the sorts of accommodation demanded and shown to be in short supply.

Market sector

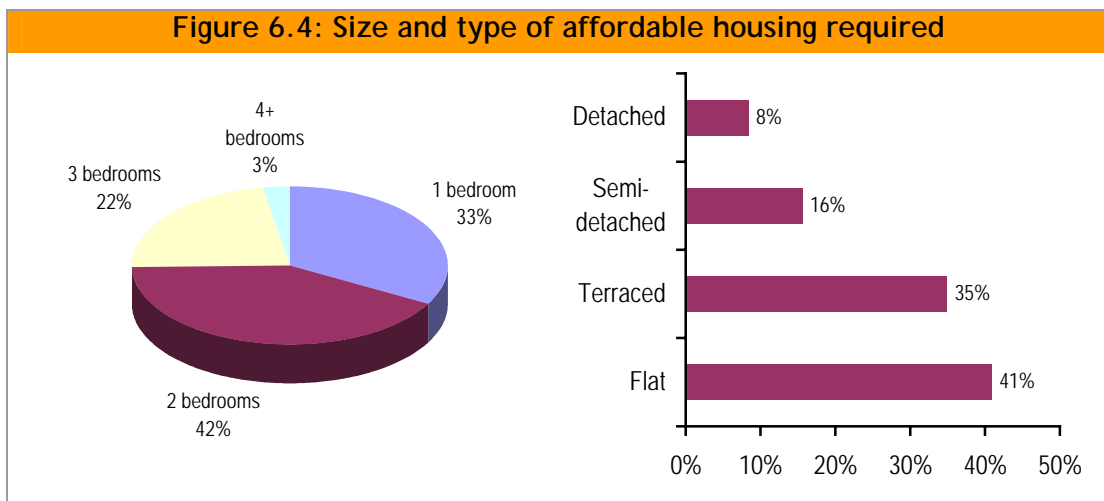
- 6.20 The figures below show our suggestions for the future size and type mix of new market housing. Overall it is suggested that the requirements are fairly evenly split across all house sizes, though the greatest requirement is for two bedroom homes. In terms of type of dwelling, detached and semi-detached properties are the main requirement.



Source: York Housing Market Assessment – 2006

Affordable sector

- 6.21 The same analysis can be carried out in the affordable sector and is again shown in the figures below. In the affordable sector the main requirements are for one and two bedroom properties, though a quarter of the demand is for dwellings with three or more bedrooms. Flats and terraces account for over three quarters of the demand for affordable housing .



Source: York Housing Market Assessment – 2006

Conclusions

- 6.22 It is important to emphasise what these figures mean. They are the results of interpreting people's expectations regarding market and non-market moves. They are distinct from the technical assessment of housing need.
- 6.23 This report does not attempt to advocate that all demand be met. There are other constraints on developments in York and other factors to be addressed in progressing housing policy decisions.

7. Past and current drivers of demand for housing

Introduction

- 7.1 The term ‘driver’ is used as a summary for the various influences that have in the past and may in the future have a major influence on the wider housing market. Drivers range from the most general national trends to detailed local matters that will vary in different parts of a given district, and between districts.
- 7.2 The following table provides a broad impression of types of drivers:

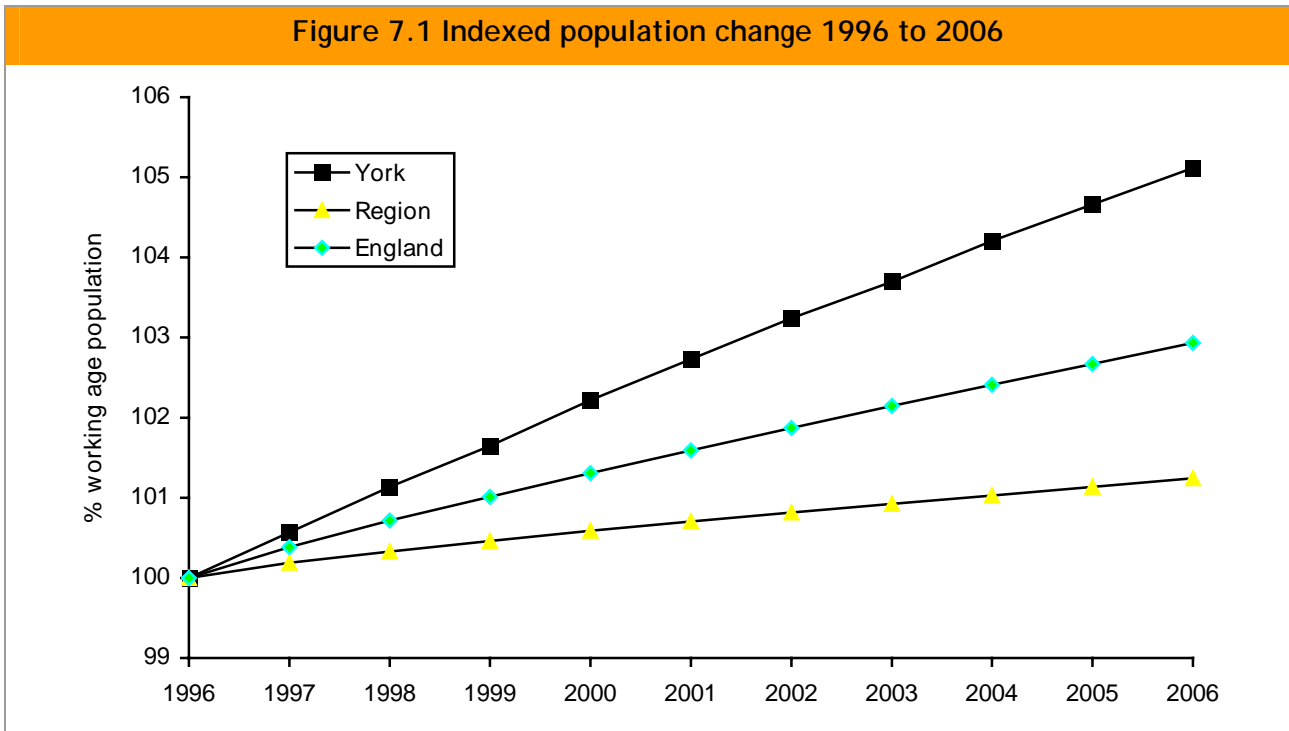
Table 7.1: Drivers of housing markets		
National drivers	Regional drivers	Local drivers
National rate of growth	Regional location and attractiveness	Historic nature of York in its location
Desire for owner-occupation	Rates of regional growth/decline. Hence effects on employment and income	University and related Science City
Interest rates	Strategic transport links	Constrained City boundary and scope for development (and hence influence on prices)
Patterns of international movement and migration	Patterns of regional movement and migration	Patterns of local movement and migration
Government influences (e.g. PPG3’s encouragement of flat building and resultant ‘buy to let’ popularity)		Local employment factors and incomes

Source: York Housing Market Assessment – 2006

- 7.3 These drivers combine to explain the present housing situation in York, and their projection can be used to examine possible future scenarios for the housing market of the City. This chapter sets out various background information on drivers in the York situation. The next chapter looks at scenarios of future development.

Demographic drivers of demand

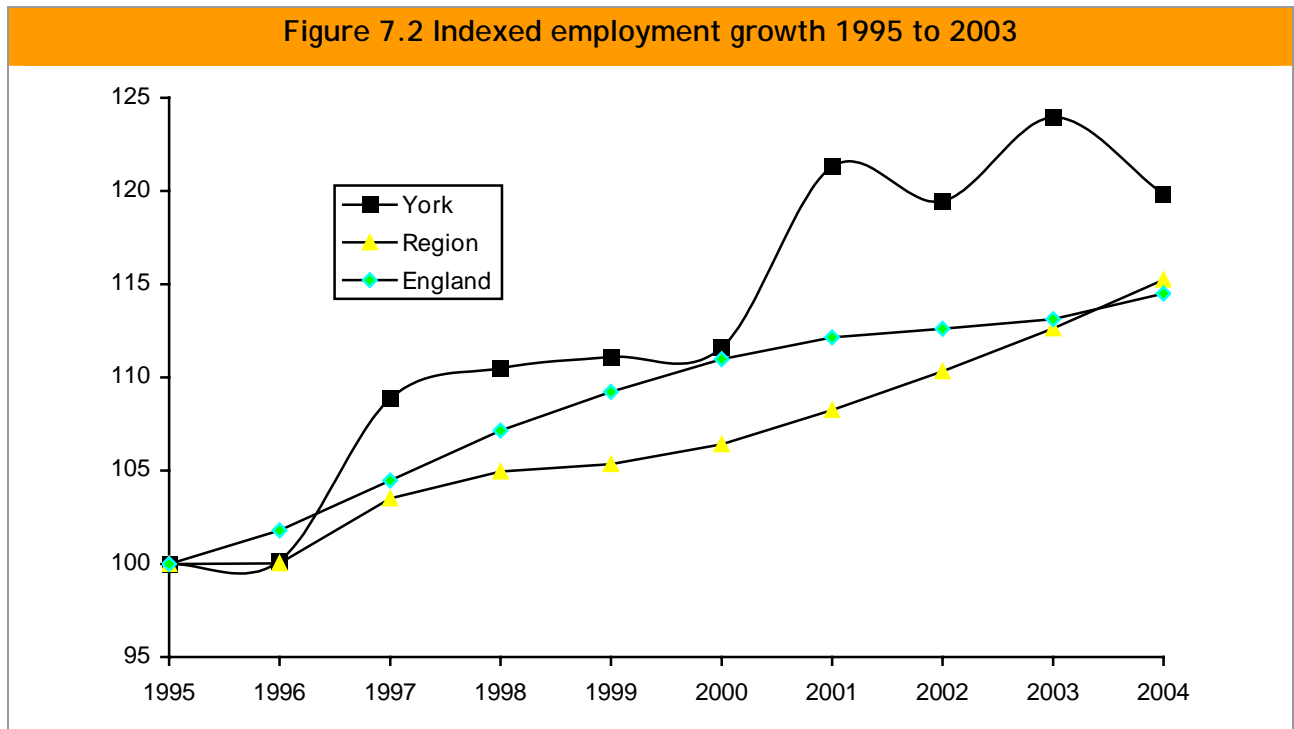
7.4 The figure below shows population growth from 1996 to 2006. The data shows that population growth in York has been well in excess of that in either the Yorkshire and The Humber Region or for England as a whole. Over the 10-year period the population is estimated to have grown by around 5.1% in York compared with 1.2% regionally and 2.7% nationally. The level of increase in York equates to around 9,000 people over the period.



Source: Community data services

Employment

7.5 Measured by the most recent Annual Business Inquiry (ABI) there were 100,667 employee jobs in York in 2004. Overall growth in employment in the City has been in excess of the other areas studied. The figure below shows the trend in employee jobs from 1995 to 2004. The data shows that in York the number of jobs over the nine year period increased by around 20%. This is noticeably higher than the figures for both the region as a whole and England where the increase has been in the region of 15%. In York employment growth has been limited since 2001 and showed a slight drop between 2001-02 and 2004-05.



Source: ONS NOMIS website

Table 7.2 Employment change 1995-2004				
Area	Employment 1995	Employment 2004	Absolute change	% change
York	84,004	100,667	16,663	19.8%
South East Region	1,952,868	2,250,295	297,427	15.2%
Great Britain	22,728,869	26,024,705	3,295,836	14.5%

Source: ONS NOMIS website

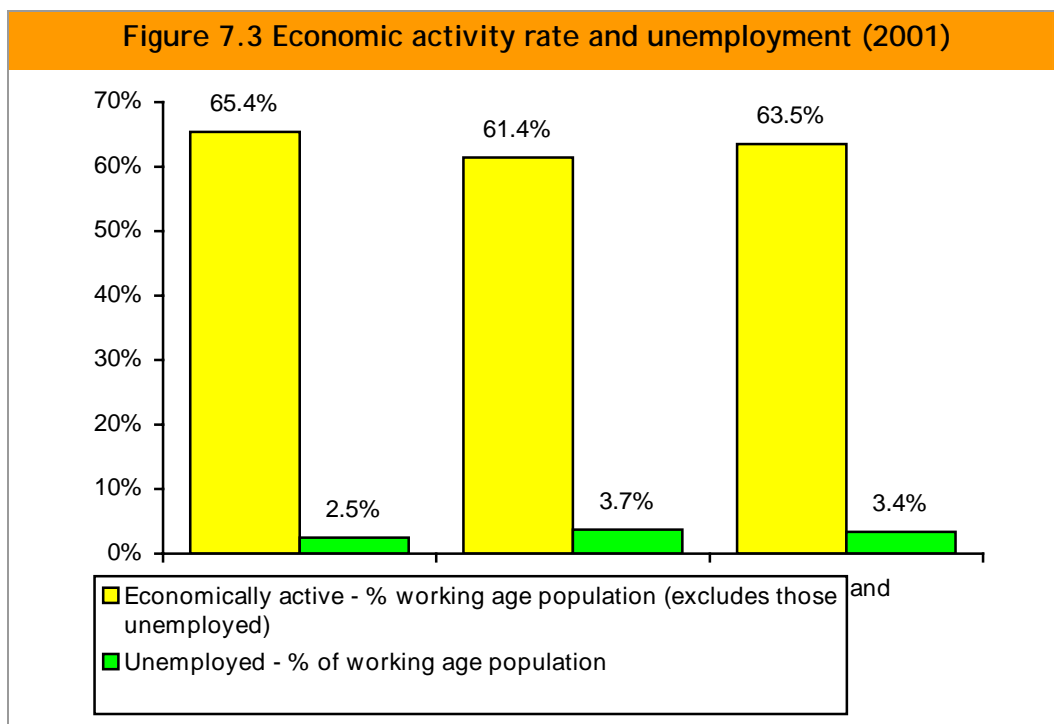
- 7.6 Another measure in terms of the number of jobs is ‘job density’. This is a measure of the number of jobs per person of working age. NOMIS data shows that there are 0.97 jobs per working age person in York. This is a high ratio and compares with 0.81 for Yorkshire and the Humber and 0.83 for Great Britain. The job density data relates to 2003.
- 7.7 The table below shows a breakdown of the types of employment in York and the other study areas. The table shows that the most important sectors within the York economy are finance, IT & other business activities (28.8%), distribution, hotels & restaurants (23.8%) and public administration, education & health (22.2%).
- 7.8 York shows a higher proportion of employment in the distribution, hotels & restaurants and transport & communications sectors when compared with the regional and national equivalent figures. The proportion of jobs in manufacturing is low when compared with national and regional data with less than half the regional proportion of jobs being in this sector.

Table 7.3 Employment types by broad sector (2004)			
Employment category	York	Yorkshire & The Humber	England
Manufacturing	6.8%	14.6%	11.9%
Construction	3.4%	5.1%	4.5%
Distribution, hotels & restaurants	29.1%	24.5%	24.7%
Transport & communications	10.5%	6.0%	5.9%
Finance, IT, other business activities	13.7%	16.0%	20.0%
Public administration, education & health	30.4%	27.9%	26.4%
Other services	5.4%	4.5%	5.1%
Agriculture, fishing, energy & water	0.7%	1.4%	1.5%
TOTAL	100.0%	100.0%	100.0%

Source: Office of National Statistics (from 2004 ABI)

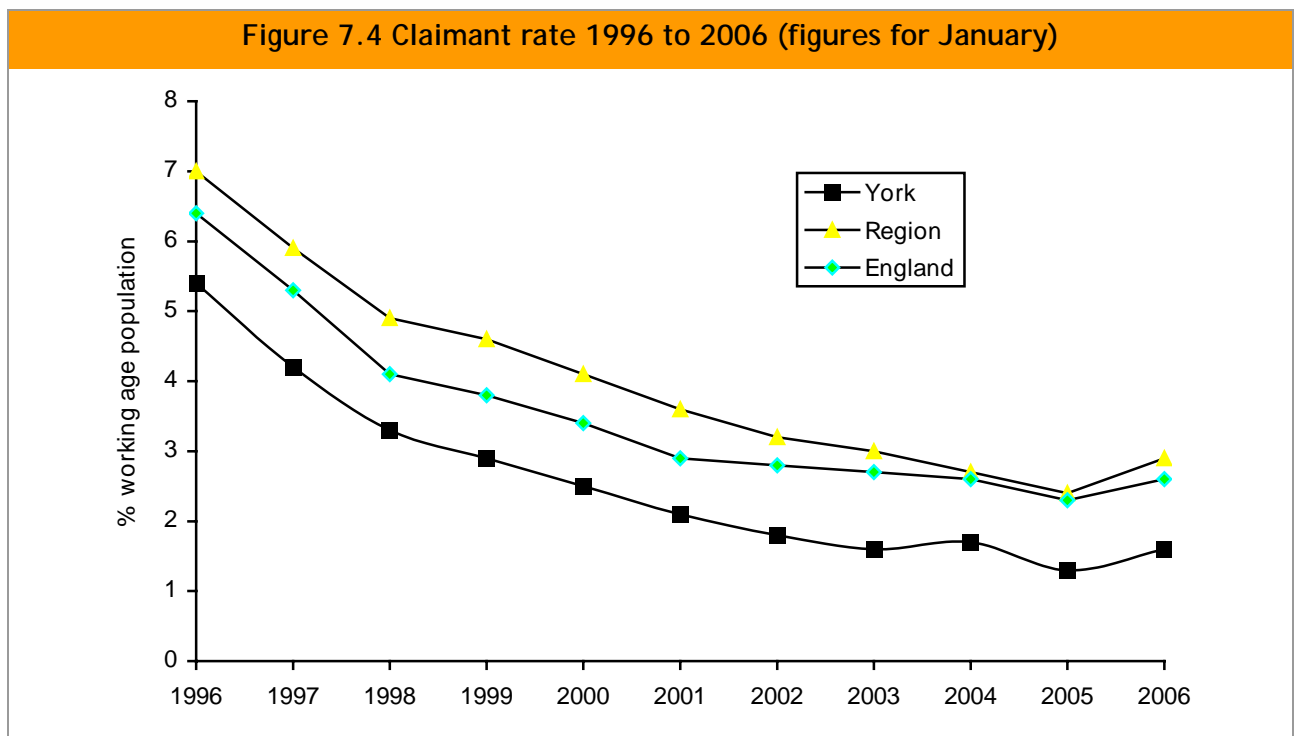
Unemployment rates

7.9 An important and related feature is the very low unemployment level in the City. With only 2.5% of the working age population unemployed, York demonstrates an unemployment level well below equivalent regional and national figures. The relatively low unemployment rate highlights a limited spare labour resource in the local economy.



Source: 2001 Census – Key Statistics for local authorities in England and Wales

- 7.10 It is of interest to see how unemployment rates have changed over time. One means of studying this is to look at the number of people claiming unemployment benefits. The figure below shows how the claimant rate (as a proportion of working age population) has changed over the period since 1996 (the figures used are for January in each year).
- 7.11 The current claimant count in York is 1.6% of the working age population compared with 2.9 in Yorkshire and the Humber and 2.6% nationally. The figure in York is around half of the equivalent regional position.
- 7.12 The claimant count in York has followed a similar trend to that observed in other areas. However, York started from a lower base and has maintained that relative position. Over the period the claimant rate in York has dropped from 5.4% to 1.6% (a 70% reduction). In Yorkshire & The Humber it went from 7.0% to 2.9%.
- 7.13 These trends seem to highlight a continuing absorption of unemployed labour resources into the economy and particularly in the case of York highlights the relative lack of space capacity to help staff any new businesses in the area without the need for in-migrant labour.



Source: ONS NOMIS website

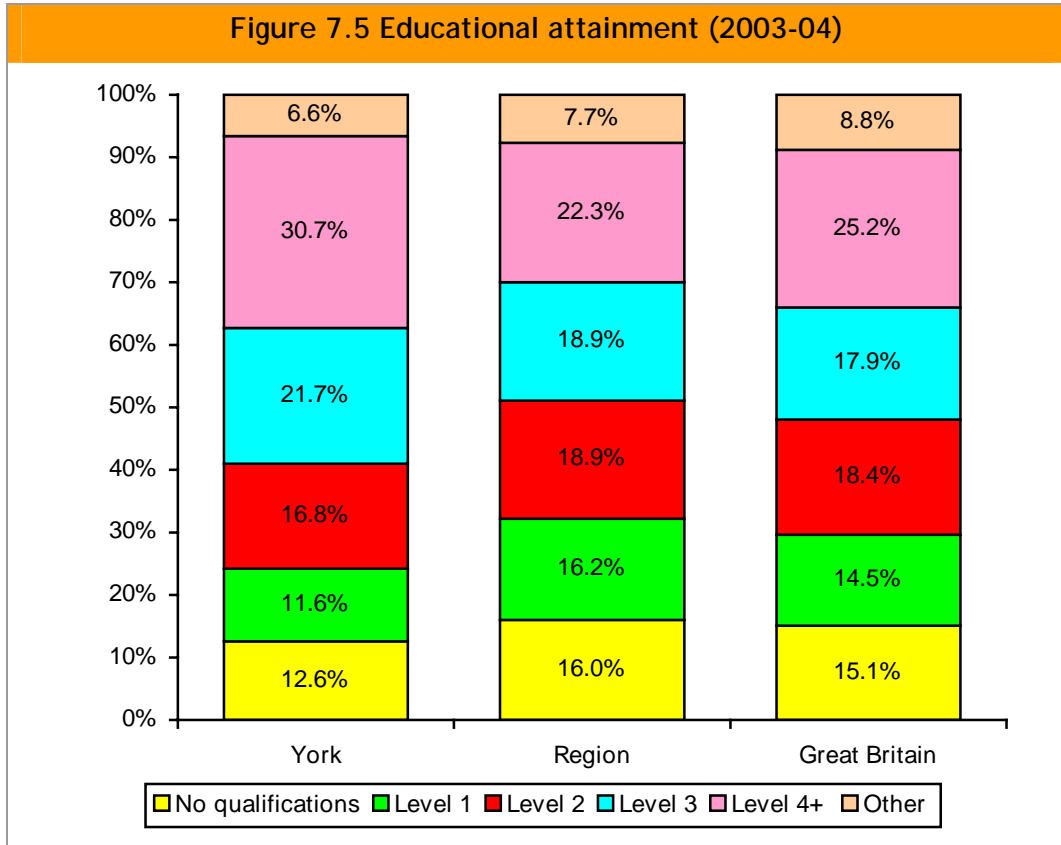
- 7.14 The table below compares the proportions of grades of employee. It is clear that York has a higher proportion of 'Professional occupations' than the national average, or the figure for Yorkshire and the Humber. York, is an attractive place for headquarter activities, and this helps to explain its status.

Table 7.4 Occupation structure (2004)			
<i>Employment category</i>	<i>York</i>	<i>South East</i>	<i>England</i>
Managers and senior officials	14.8%	13.9%	14.9%
Professional occupations	15.3%	11.1%	12.6%
Associate professional and technical occupations	13.1%	12.8%	14.0%
Administrative and secretarial occupations	12.3%	11.4%	12.6%
Skilled trades occupations	9.5%	11.8%	11.2%
Personal service occupations	15.1%	16.1%	15.5%
Sales and customer service occupations	6.1%	7.4%	7.7%
Process; plant and machine operatives	8.9%	8.7%	7.8%
Elementary occupations	7.1%	9.1%	7.5%
TOTAL	100.0%	100.0%	100.0%

Source: ABI 2004

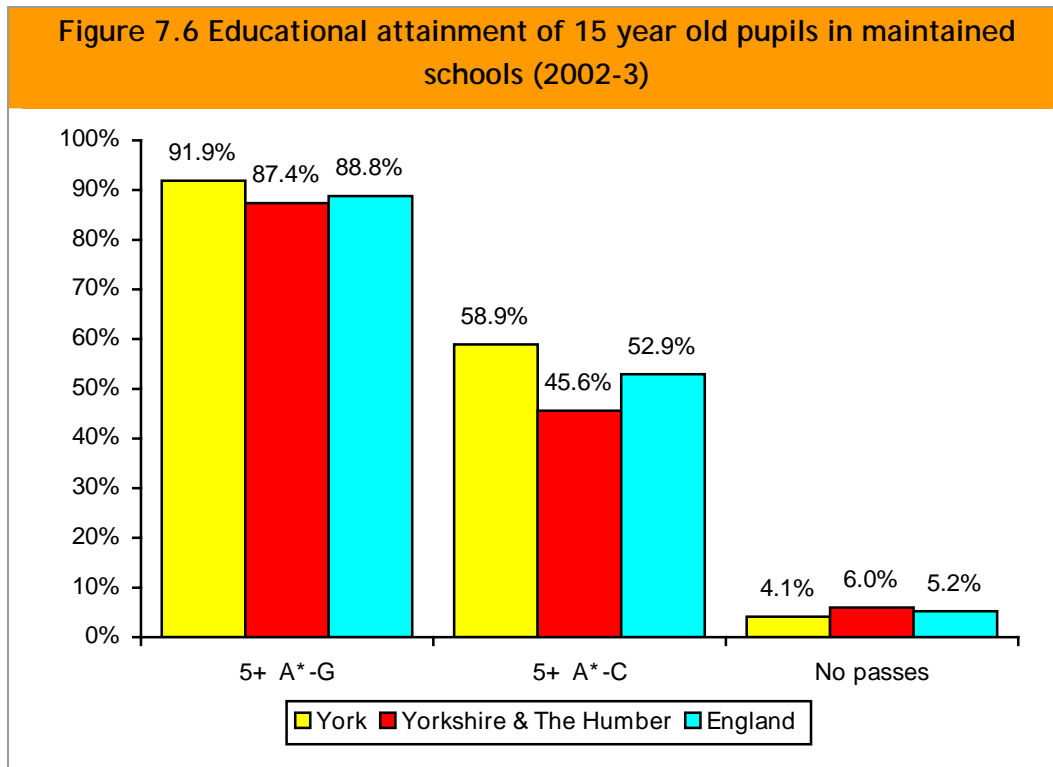
Skills and educational attainment

7.15 An important factor in the ability of any economy to grow is the level of skill of the workforce. The figure below shows the skills of York’s workforce compared with other areas. York’s workforce has a greater level of skills attainment than the regional and national level with around 31% qualified to NVQ4+ (degree level). Around 13% of the workforce possess no qualifications a figure well below the regional and national equivalents. Overall, York’s residents are generally better qualified than those elsewhere in the region.



Source: local area labour force survey (Mar 2003-Feb 2004)

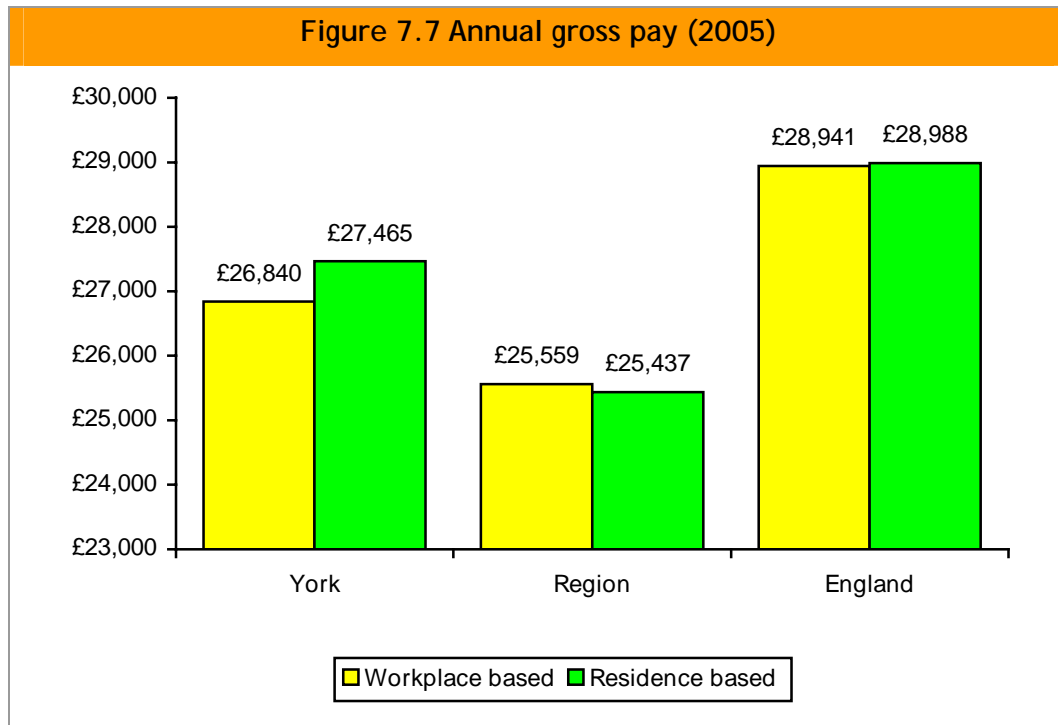
7.16 The figure below reveals that York is performing well compared with other areas in terms of secondary education. A greater proportion of pupils (in 2002-03) achieved 5 or more A* to C passes at GCSE/GNVQ than found generally in the region. Indeed the proportion of pupils attaining 5 or more A*-C passes is around 30% higher than found generally in the region.



Source: York Housing Market Assessment – 2006

Pay levels

7.17 Income is a crucial determinant in whether or not households are able to access the private sector housing market (whether to buy or rent). The figure below provides information on gross annual pay in York and other areas. The figures are shown on both a workplace and residence based approach. York exhibits a different relationship between workplace and resident annual pay rates than the region as a whole; workplace pay in the City is lower than resident based pay. This pattern is the opposite of that found in the region as a whole.



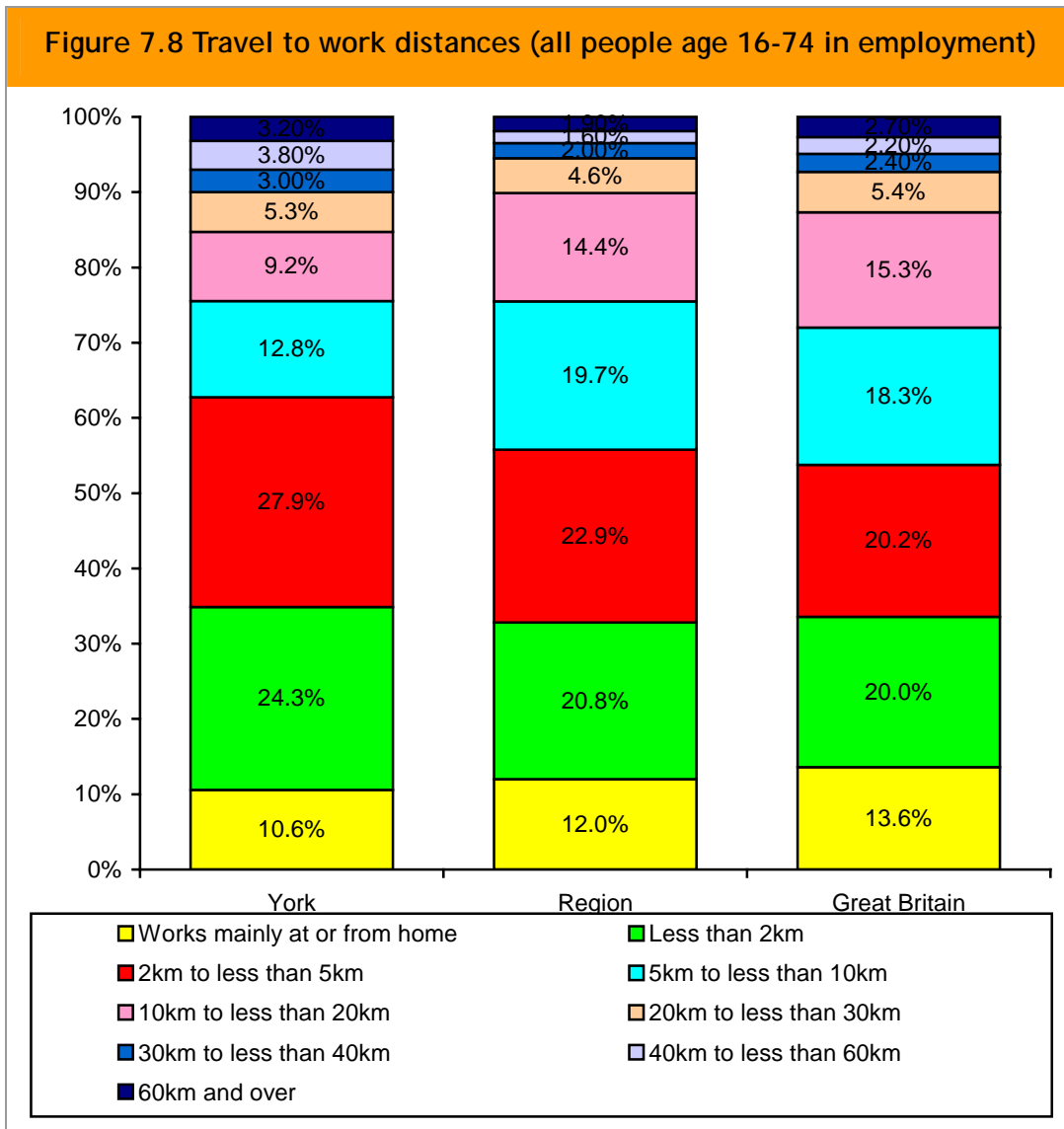
Source: Annual Survey of Hours and Earnings 2004

7.18 The fact that workplace pay in York is lower than the residence pay carries two messages:

- Those who live in the City are relatively wealthy and significant numbers commuted to work outside the City in relatively highly paid jobs
- Those who commute into the City have incomes that are relatively lower than those of City residents, and presumably commute into jobs that are relatively lower paid.

Travel to work

7.19 York has distinctive characteristics in terms of distances people travel to work. Possibly due to the compact nature of York a greater proportion of people travel short distances to work. Overall 52.2% of people travel not more than 5 km to get to work, this compares with 43.7% regionally and 40.2% nationally. However, despite this York also has a higher proportion of people travelling long distances. Overall 15.2% travel in excess of 20 km, this compares with only 10.1% regionally.



Source: York Housing Market Assessment – 2006

7.20 Whilst the main method of travel to work in York is as a driver in a car or van the proportion in this category is much lower than found either regionally or nationally. A far greater proportion of York residents travel to work by bicycle or on foot than in typical in the region, confirming the fact that many people travel relatively short distances to work.

Table 7.5. Method of transport to work (2001)			
Mode of transport	York	Yorkshire and the Humber	England
Work mainly from home	7.9%	8.4%	9.2%
Underground, Metro, Light Rail or Tram	0.1%	0.4%	3.2%
Train	1.5%	1.5%	4.2%
Bus, Mini Bus or Coach	7.2%	10.5%	7.5%
Motorcycle, Scooter or Moped	1.8%	1.0%	1.1%
Driving a Car or Van	48.2%	56.2%	54.9%
Passenger in Car or Van	5.5%	7.3%	6.1%
Taxi or Minicab	0.5%	0.5%	0.5%
Bicycle	12.0%	2.9%	2.8%
On foot	15.0%	10.9%	10.0%
Other	0.4%	0.4%	0.5%
TOTAL	100.0%	100.0%	100.0%

Source: York Housing Market Assessment – 2006

Conclusions

7.21 Some clear messages emerge from this discussion of the drivers of the York economy:

- Employment is buoyant and is clearly a major driver of the local economy
- As a university City it is not surprising that educational attainment is high. The workforce is more highly educated than the regional or national norm
- Workplace incomes are higher than the regional average, although somewhat below the national one. This has to be understood in the context of the much higher costs of living in the south of England, where the main above average incomes are found. Hence York has a relatively good effective level of income

8. Projecting key drivers of demand

Introduction

- 8.1 This section looks at the future. It begins with the very short term: the view of local estate agents on the present situation of the York housing market. It proceeds to consider the most powerful driver of future housing demand, which is employment.
- 8.2 Since employment is clearly the most important driver of housing growth in York, the topic is further examined in this chapter. Employment growth is, of course, driven by a composite of factors, but it serves as a summary driver for the purpose of examining housing change.

The short term

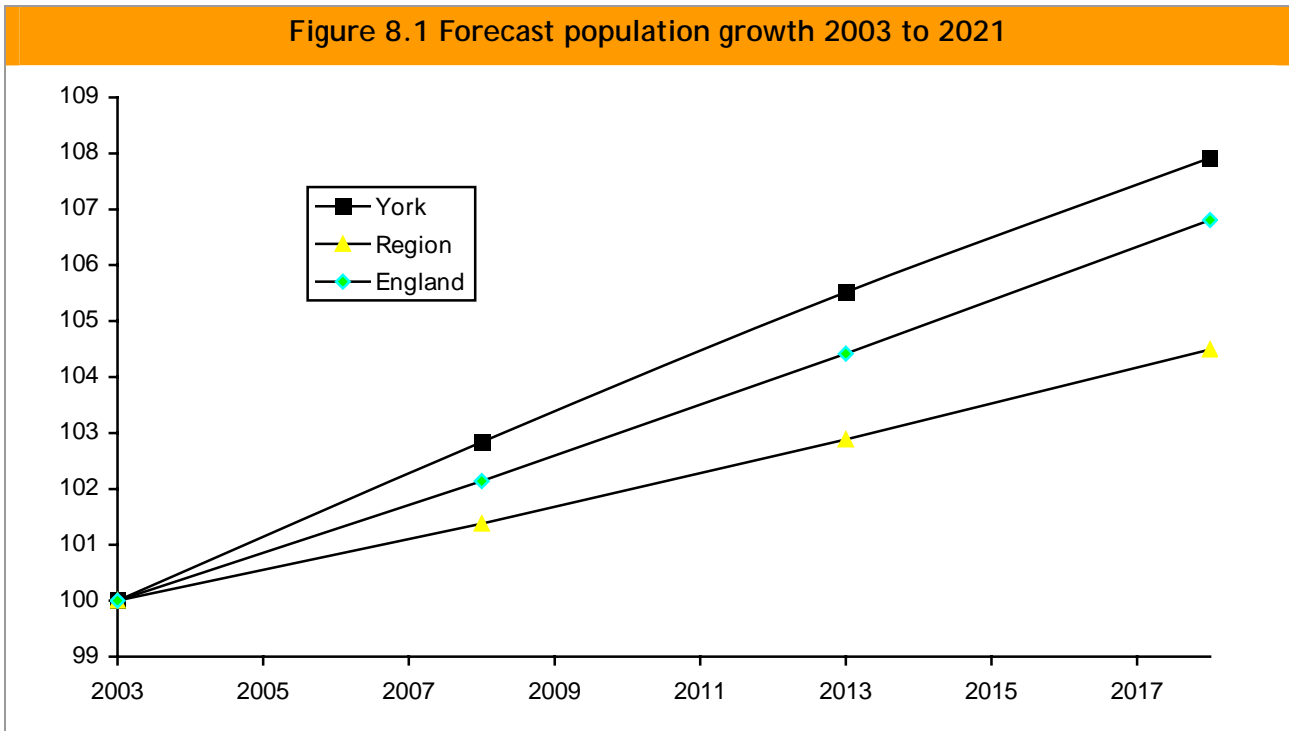
- 8.3 As part of the survey of local estate agents reported in Chapter 4, questions were asked about perceptions of what shortages and surpluses of housing stock there might be. The views of those actually operating the market are notably short term, and cannot sensibly be used for medium or long term purpose.
- 8.4 However they provide a view of what is driving the housing market now. A summary of the comments from the agents is:
- (i) General view on prices: the market is steady, with slight increases in some geographical areas and sectors, but no general major increase
 - (ii) The newbuild is often flats and townhouses, which do not meet the demand for affordable market family housing.
 - (iii) The major demand is for 2-3 bed dwellings for first time buyers. The majority of agents, regardless of market position or geographical location, reported this as the main shortage
- 8.5 These are only short term views, it is important to bear in mind that it is the only part of the future for which there is a reasonable chance of being quite accurate. Longer term estimates are always more hazy.

Key drivers in York: employment

- 8.6 Key drivers in principle were listed in Table 6.1. In terms of the effects on housing, the most important driver is likely to be levels of employment. This has been the subject of considerable analysis and debate

8.7 Various analyses have been carried out of future employment in York. At present it is going ahead at a much faster rate than the national average. If the economy continued to expand at its present rate, this could generate a further 29,000 jobs by 2021. However the City favours a more restrained but still substantial growth level which would generate about 19,000 new jobs over that period: just less than 1,000 new jobs per annum.

8.8 However the population projection shows considerable increase.



Source: ONS 2003 based population projections

8.9 Actually to measure the amount of employment is often difficult. This difficulty is illustrated rather clearly in York. The following table is one which was used for a major consultation in the City related to the City’s employment growth. It was agreed, following the consultation, that a 19,000 growth in employment to 2021 would be acceptable, though work is currently underway to update this projection.

Table 8.1: Change In Employment Sectors 1998 - 2021		
	1998	2021
Manufacturing	9,800	6,300
Distribution, hotels and catering	20,100	26,400
Finance/business services	13,800	23,000
Other services - including education	25,700	33,800
Construction, Transport & Other Sectors	15,700	14,600
Total	85,100	104,100

Source: City of York Local Plan: Employment Forecasts, February 2003 Table 1

- 8.10 This table shows a pattern that is consistent with the two main sectors where York has much more than its regional or national proportions of employment: Financial Services and Education. It is helpful to know this in any attempt to translate these numbers into demand for particular types of housing. Unfortunately the totals of employment used for the purpose of the Local Plan are now outdated: as the following table, which agrees fairly closely with the 2001 Census, shows, the total of employees in 1998 was about 92,600: 7,500 more than the figures used in the Local Plan consultation. Work is on-going to address this issue and to update these figures.

Table 8.2 Employment in York												
Industry	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Agriculture and fishing	100	150	200	250	250	200	200	200	200	200	200	200
2. Energy and water	1150	950	1250	1200	1600	1650	1300	1350	1100	1000	400	400
3. Manufacturing	13750	13800	7450	12200	11850	8700	9800	9250	9600	9300	7800	6850
4. Construction	4250	2700	5400	3450	5250	8500	5650	5650	5500	4200	4700	3450
5. Distribution, hotels and restaurants	17250	17650	19250	19250	19850	23100	23000	25100	25900	28400	28900	29350
6. Transport and communications	6050	5750	8050	6250	9800	9350	9750	9850	10900	11800	12150	10500
7. Banking, finance and insurance, etc	9600	9050	10050	12550	13700	13600	13600	15200	15200	16500	17700	13800
8. Public administration, education & health	19300	22150	24800	21800	21800	23850	25450	22900	27350	24800	26700	31000
9. Other services	2650	3300	4200	3650	3150	3650	4500	4050	5900	3900	3800	5450
Total	74136	75600	80700	80500	87850	92600	93250	93550	101650	100100	102350	101000

Source: York Housing Market Assessment – 2006

Notes:

Please note: some of the above figures have been rounded to maintain confidentiality as required under the 1947 Statistics of Trade Act.

Although this is official data it should be borne in mind that the figures are estimates and are subject to revision.

Looking at the progression from 1998 suggests more modest growth in 2001 and 2002 may be more realistic.

8.11 There is no alternative source of employment forecasts for the period to 2021, and so we use the figures above at least to provide a trend.

8.12 However the growth of employment is confirmed by the projected household numbers, shown below:

Table 8.3 Household projection							
York	1991	1996	2001	2006	2011	2016	Units 2021
Household types:							
married couple	38497	37618	36916	36309	36085	36171	36189
cohabiting couple	4138	4964	6287	7527	8421	8799	8959
lone parent	3047	3317	3496	3605	3668	3676	3637
other multi-person one person	4973	5903	6834	7834	8815	9621	10135
	19191	21424	23379	25263	27229	29518	31964
All households	69847	73225	76913	80539	84218	87785	90883
Private household population	170521	172349	177098	181210	184993	188850	192281
Average household size	2.441	2.354	2.303	2.25	2.197	2.151	2.116
Concealed couples	186	147	154	172	183	184	190
Concealed lone parents	307	256	246	238	225	213	203

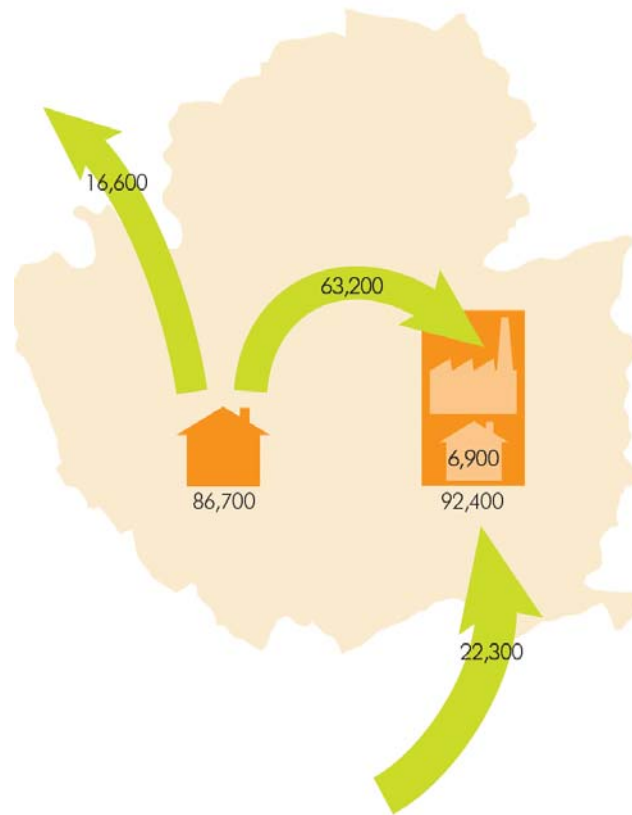
Source: York Housing Market Assessment – 2006

8.13 This shows a 10,000 or so increase in households over the period, which is a considerable increase on the present base.

Nature of work trip flows

8.14 As can be inferred from the fact that there are about 85,000 households and around 100,000 employees in the City, there is a net inflow of journeys to work. The following chart illustrates the flows:

Figure 8.2: Directions of journeys to work



Source: York Housing Market Assessment – 2006

8.15 Thus the majority of employees (63,200) both live and travel to work within York. A further 6,900 live and work at home. There is a significant outflow of 16,600 workers, inferred above to be relatively better paid. There is then a substantial 22,300 inflow of workers living elsewhere. The net inflow of workers is 5,700. This differential is expected to continue for the foreseeable future as the above employment projection suggests: York will continue in net terms to draw workers in.

Conclusion

8.16 In terms of implications for house building, this consideration of drivers has various general messages:

- (i) The dynamic economy of York is drawing in workers. More of them would want to live here than can (an implication developed in the analysis of the primary data in Chapter 5)
- (ii) The historic character of the City also makes it an attractive retirement place as well as tourist magnet

- (iii) Prices now mean that many newly forming households have to leave the City to form: cheaper market housing could rectify this balance
- (iv) At the same time the attractiveness of the City, as well as its excellent communications, means that it is also the base for higher paid workers who commute to work elsewhere. This function is likely to remain.

Alternative scenarios for growth in York

- 8.17 Whatever the exact trajectory of York's housing stock, it is clear that there is strong pressure for the growth of the housing stock. This discussion is designed to examine what character of housing might best meet the demand (whether or not that demand is met within the current City boundary). This discussion avoids the standard (high/medium/low, from which medium is selected) approach in favour simply of sketching various alternatives
- 8.18 The following table sets out various possible influences on the types of housing demanded/required in York as a result of different factors.

Table 8.4: Possible housing implications of the drivers

<i>Key characteristic</i>	<i>Implication for type of housing</i>
1. Expanded financial services sector, based on existing critical mass, plus attractions of City and its location	Increased demand for more expensive housing both inside, and more likely outside, the City
2. Expansion in scientific jobs, resulting from the University's success	Increased demand for above average, but not luxury housing
3. Expansion of tourism; current trend towards older and poorer tourist, though York an important gateway to the region (1)	The implications of any expansion in tourism would be an expanded need for affordable housing. The workers in this field are mostly at the lower end of the earnings scale and so would not be able to afford market prices or rents.
4. Any future expanded role as a retirement location, based on the attraction and amenities of the City	Any such expansion would probably not be at the top end of house values, as the more wealthy retirees would probably be attracted to coastal or rural locations. However there is possibly a niche position in this field.

Source: York Housing Market Assessment – 2006

(1)Note: Tourism Trends (Development Board paper of 27/9/05) shows that although tourist numbers and earnings rose almost continuously for the decade to 2002 (and spending by tourists in 2002 was almost 150% of the figure 10 years earlier) the figure then fell for two years. This was explained by the lack of US tourists, and by increasing numbers of older and poorer tourists

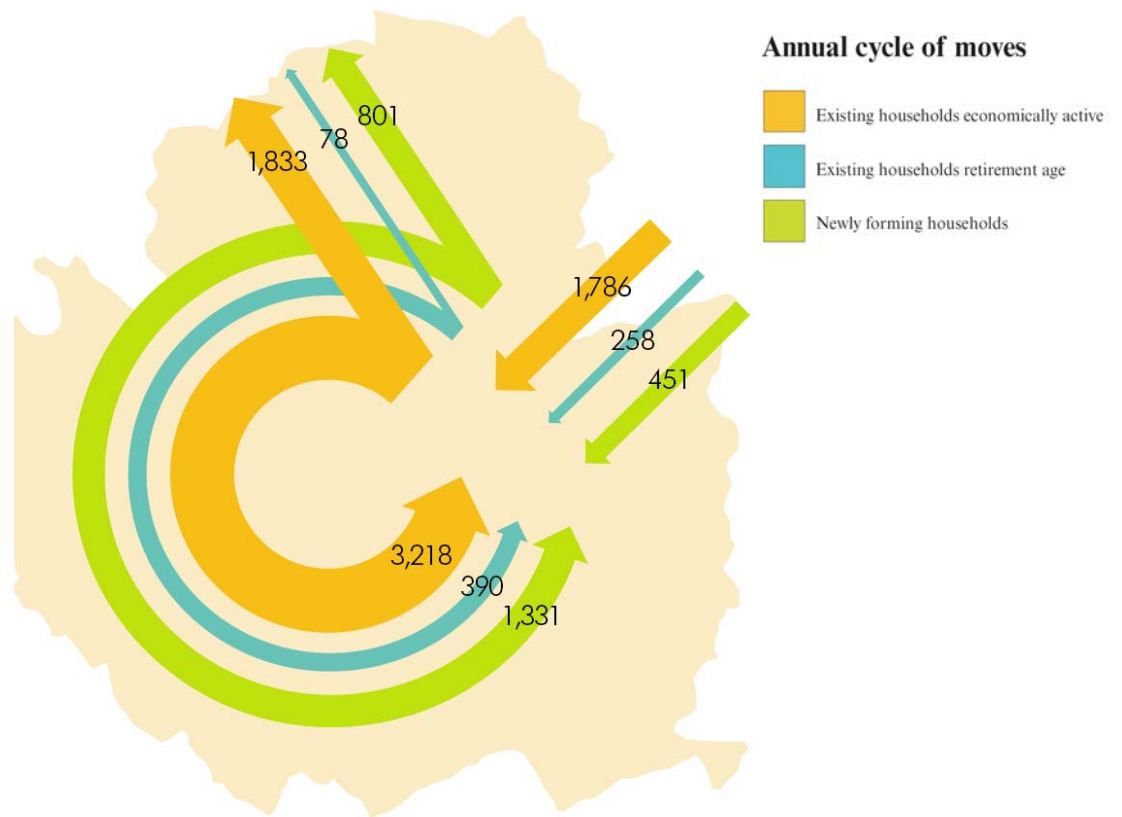
8.19 These possible influences can be judged against the actual types of household moves described in the next section.

Net effect on housing

8.20 If dwelling moves are examined in relation to general direction, the results are as shown in Figure 8.3. The overall flows are as follows:

- (i) Internal moves: 4,939 households
- (ii) Incoming moves: 2,495
- (iii) Outgoing moves: 2,712
- (iv) Net outflow: 217 households

Figure 8.3: Annual cycle of household moves



Source: York Housing Market Assessment – 2006

8.21 The chart shows some interesting patterns:

- (i) A small net outflow (in relation to the overall numbers): 217 households
- (ii) A relatively large inflow of retirement age households (compared with the outward moves)
- (iii) A substantially greater (nearly twice the inflow) outflow of newly forming households
- (iv) A small net outflow of moves of households of working age

8.22 The flows shown in Figure 8.3 can be examined in a little more detail through the survey data. Table 8.5 below provides brief details of the main groups. The figures are based on a three year average, but the figures are quite stable, and closely fit with the last year (2002, the year of the HNS).

Table 8.5: Characteristics of moving households				
<i>Destination tenure and origin of mover</i>	<i>Average income</i>	<i>Average household size</i>	<i>Average age of head</i>	<i>Proportion with employed household member</i>
Owner occupation				
In-migrant	£37k	2.3	42 years	86%
Existing	£33k	2.3	41 years	88%
Private renting				
In-migrant	£27k	2.5	30 years	65%
Existing	£19k	2.2	31 years	76%
Affordable (mainly social rented)				
In-migrant	£12k	2.0	58 years	24%
Existing	£13k	2.1	43 years	46%

Source: York Housing Market Assessment – 2006

8.23 The main features of this table are:

- (i) In the market housing sphere, in-migrants are much better off than existing residents. This may both reflect the high house prices in York, and help to explain the small net outflow of existing households in employment, and the quite large outflow of newly forming households.
- (ii) The owner occupiers are about a decade older and at least £10k per annum better off than the private renters. This is consistent with the notion of the ‘housing ladder’: the private tenants in this case being on the way to owner occupation
- (iii) The affordable housing movers have, not surprisingly, much lower incomes, but less obviously are much older than the private tenants. In the case of in-migrants they are almost of retirement age. This may relate to the net inflow of retirement aged households noted in Figure 8.3 above.

SECTION C: HOUSING NEED AND AFFORDABLE HOUSING



9. Current housing needs

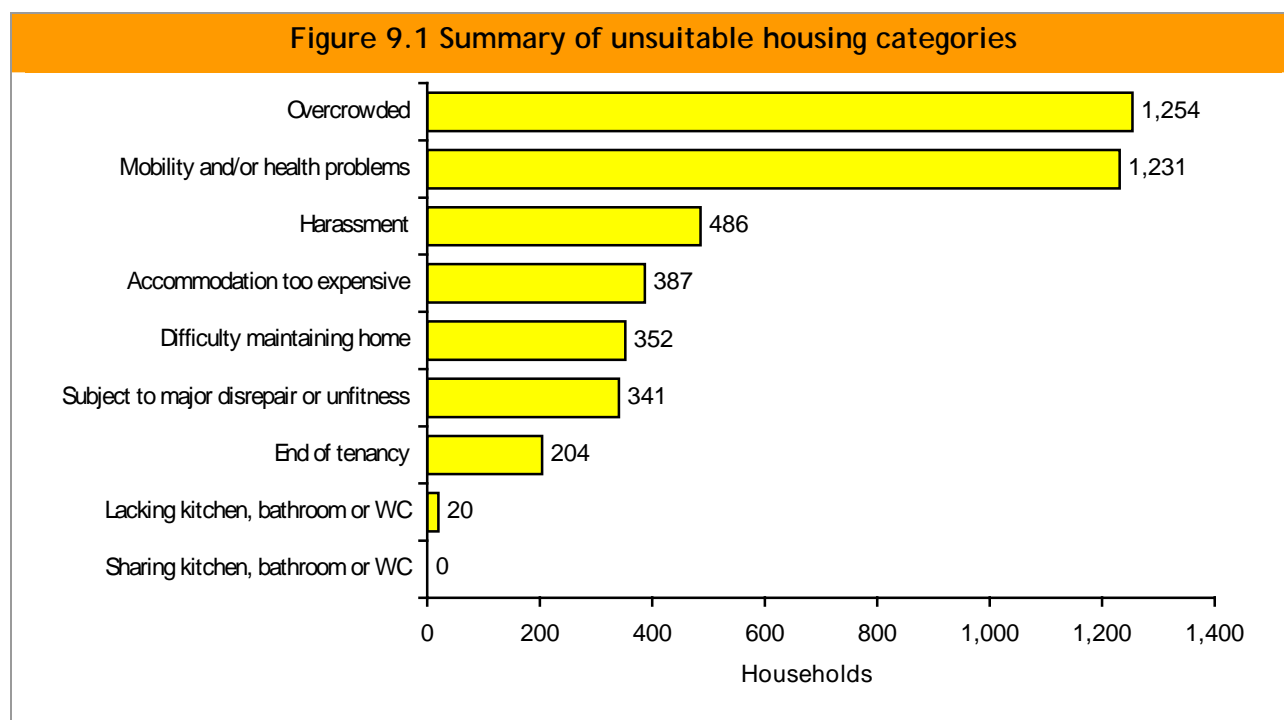
Introduction

9.1 This chapter of the report assesses households who currently have some form of housing need which they are unable to meet without some form of assistance. There are two key aspects of this analysis; an assessment of households' current housing circumstances (housing suitability) and affordability. The analysis is split between households who will need to move home to meet their needs and those who may be assisted within their current accommodation (in-situ solutions).

Unsuitable housing

9.2 This section looks at households whose current accommodation is in some way unsuitable for their requirements. It is estimated that a total of 3,466 households in York are living in unsuitable housing. This represents 4.3% of all households in the City.

9.3 The figure below shows a summary of the numbers of households living in unsuitable housing (ordered by the number of households in each category). The main reason for unsuitable housing is overcrowding, followed by mobility and/or health problems.



Source: York Housing Market Assessment – 2006

9.4 The table below shows unsuitable housing by tenure. The patterns emerging suggest that households living in rented accommodation are more likely to be in unsuitable housing than owner-occupiers. Some 9.0% of private tenants and 12.2% of households in Council owned accommodation are estimated to be living in unsuitable housing. This compares with 1.7% and 3.1% of households in owner-occupied (no mortgage) and owner-occupied (with mortgage) tenures respectively.

Table 9.1 Unsuitable housing and tenure						
Tenure	Unsuitable housing		Number of h'holds in City	% of total h'holds in unsuitable housing	% of those in unsuitable housing	
	In unsuitable housing	Not in unsuitable housing				
Owner-occupied (no mortgage)	429	24,766	25,195	1.7%	12.4%	
Owner-occupied (with mortgage)	1,097	34,445	35,542	3.1%	31.7%	
Council	980	7,044	8,025	12.2%	28.3%	
RSL	320	3,544	3,864	8.3%	9.2%	
Private rented	639	6,499	7,138	9.0%	18.4%	
TOTAL	3,466	76,298	79,764	4.3%	100.0%	

Source: York Housing Market Assessment – 2006

The need for alternative housing

9.5 The assessment has highlighted that 3,466 households are in unsuitable housing. However it is most probable that some of the unsuitability can be resolved in the households' current accommodation.

9.6 The extent to which 'in-situ' solutions might be appropriate is assessed by looking at the range of problems being experienced by households. The table below shows the reasons for unsuitability and whether or not they are considered as having an in-situ solution.

Table 9.2 Categories of in-situ and non-in-situ solutions to unsuitable housing	
No in-situ solution	In-situ solution
Overcrowded	Mobility and/or health problems
Harassment	Difficulty maintaining home
Accommodation too expensive	Subject to disrepair
End of tenancy	Lacking facilities
Sharing facilities	

Source: York Housing Market Assessment – 2006

- 9.7 Overall it is estimated that 1,314 households will have an in-situ solution to their unsuitability and do not therefore need to move to alternative accommodation. In contrast 2,152 households fall into one or more of the five non-in-situ categories and would therefore be assessed as requiring a move to alternative accommodation. These households are now subject to an affordability test.

Affordability

- 9.8 Using the affordability methodology it is estimated that there are 1,535 existing households that cannot afford market housing and are living in unsuitable housing (and require a move to different accommodation). This represents 1.9% of all existing households in the City. The results reveal that 71.3% of households living in unsuitable housing (and needing to move) cannot afford market housing (1,535/2,152). These households would be considered as having a current housing need.
- 9.9 The table below focuses on characteristics of the 1,535 households currently estimated to be in housing need. The results show that Council tenants are most likely to be in housing need, this is followed by private tenants (5.0% of private tenants are assessed as in need).

Table 9.3 Housing need and tenure						
Tenure			Housing need			
	In need	Not in need	Number of h'holds in City	% of total h'holds in need	% of those in need	
Owner-occupied (no mortgage)	26	25,169	25,195	0.1%	1.7%	
Owner-occupied (with mortgage)	370	35,172	35,542	1.0%	24.1%	
Council	642	7,383	8,025	8.0%	41.8%	
RSL	139	3,725	3,864	3.6%	9.0%	
Private rented	359	6,778	7,138	5.0%	23.4%	
TOTAL	1,535	78,229	79,764	1.9%	100.0%	

Source: York Housing Market Assessment – 2006

Intermediate housing

- 9.10 Having considered the level of current housing need in the City it is interesting to study what types of affordable housing might be most appropriate to meet this need. In principle there are two broad categories of housing which can be considered (intermediate housing and social rented). Intermediate housing can be defined as housing (irrespective of tenure) priced between social rents and the market. For the purpose of this report, intermediate housing is defined as that costing halfway between the cost of social rents and the cost of market housing.

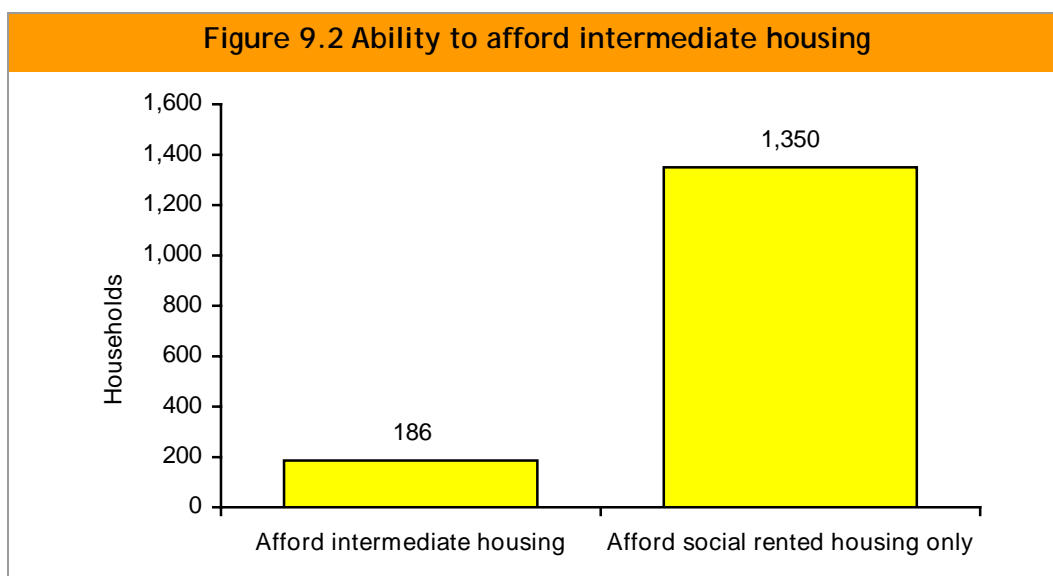
9.11 The table below shows our estimates of the minimum cost of market housing in the City, and estimated new social rent levels. The estimated cost of intermediate housing is also presented. The outgoings for private rented housing have been used for all sizes of minimum price of market housing as these are cheaper than those for owner-occupation (in terms of outgoings).

Table 9.4 Basic information required for assessment of types of affordable housing required			
Size requirement	Social rent (£/week)	Intermediate housing	Minimum priced second-hand market housing (£/week)
1 bedroom	£49	£82	£114
2 bedrooms	£63	£95	£127
3 bedrooms	£68	£105	£142
4+ bedrooms	£77	£128	£179

Source: York Housing Market Assessment – 2006

9.12 It can be seen from the table above that for all dwelling sizes, the cost of social rented housing is significantly below that of market housing. Therefore it is clear that intermediate housing will also be able to meet some housing need.

9.13 The figure below shows that of the estimated 1,535 households currently in need some 186 (12.1%) could afford intermediate housing, which supports the Council’s current tenure mix of 90% affordable rent/ 10% discounted for sale (*Policy H2a Development Control Local Plan*).



Source: York Housing Market Assessment – 2006

- 9.14 From the above figures it is necessary to deduct the supply of affordable housing. As shown earlier a total of 781 households already live in social rented housing. Further analysis shows that 27 of these households currently live in some form of intermediate housing. These two figures can be taken off the figures in the above figure to provide an overall housing need by type (tenure) of dwellings required.
- 9.15 The table below shows the overall situation in terms of affordable housing requirements. Overall, the table shows that 21.8% of the net requirement is for intermediate housing. It should be remembered that this finding is only for those currently in housing need. The issue of intermediate housing requirements of projected need is shown in the following chapter.

Table 9.5 Current need for each type of affordable housing				
Category of housing	Current Need	Supply	Net need	% of net need
Intermediate housing	186	27	159	21.8%
Social rented	1,350	781	569	78.2%
TOTAL	1,535	808	727	100.0%

Source: York Housing Market Assessment – 2006

10. Future housing needs

Introduction

- 10.1 In addition to the Current needs discussed so far in this report there will be newly arising need. There are three main categories. These are as follows:
1. New households formation (× proportion unable to buy or rent in market)
 2. Existing households falling into need
 3. In-migrant households unable to afford market housing
- 10.2 Current guidance suggests that each of these should be calculated on an annual basis. The following sections deal with each of these points in detail.

New household formation

- 10.3 The estimate of the number of newly forming households in need of affordable housing is based on an assessment of households that have formed over the past three years. Such an approach is preferred to studying households stating likely future intentions as it provides more detailed information on the characteristics of these households contributing to this element of newly arising need.
- 10.4 The table below shows details of the derivation of new household formation. The table begins by establishing the number of newly forming households over the past three years (from within the City). The data excludes households moving to owner-occupation because these households at the time of the move (which is when we are interested in) could afford market housing. Households in tied accommodation have also been excluded. An affordability test is then applied to the remaining households.

Table 10.1 Derivation of newly arising need from new household formation		
Aspect of calculation	Number	Sub-total
Number of households moving in past three years	22,864	
Minus moves from outside City		15,380
Minus households NOT forming in previous move		3,137
Minus households moving to owner-occupation		1,645
Minus households moving to tied accommodation		1,645
TOTAL APPLICABLE MOVES	1,645	
Times proportion unable to afford	84.2%	
ESTIMATE OF NEWLY ARISING NEED	1,385	
ANNUAL ESTIMATE OF NEWLY ARISING NEED	462	

Source: York Housing Market Assessment – 2006

10.5 The table above shows that an estimated 3,137 households are newly formed within the City over the past three years (1,046 per annum). Of these it is estimated that 462 (per annum) are unable to afford market housing without some form of subsidy. It is therefore estimated that around 84.2% of newly forming households in the City are unable to afford suitable market housing.

Existing households falling into need

10.6 This is an estimate of the number of existing households currently living in York who will fall into housing need over the next three years (and then annualised). The basic information for this is households who have moved home within the City in the last three years and affordability. A household will fall into need if it has to move home and is unable to afford to do this within the private sector (examples of such a move will be because of the end of a tenancy agreement). A household unable to afford market rent prices but moving to private rented accommodation may have to either claim housing benefit or spend more than a quarter of their gross income on housing, which is considered unaffordable (or indeed a combination of both).

10.7 Households previously living with parents, relatives or friends are excluded as these will double-count with the newly forming households already considered in the previous table. The data also excludes moves between social rented properties. Households falling into need in the social rented sector have their needs met through a transfer to another social rented property, hence releasing a social rented property for someone else in need. The number of households falling into need in the social rented sector should therefore, over a period of time, roughly equal the supply of ‘transfers’ and so the additional needs arising from within the social rented stock will be net zero. The data again excludes households moving to owner-occupation because these households at the time of the move (which is when we are interested in) could afford market housing whilst households moving to tied accommodation are also excluded.

Table 10.2 Derivation of Newly Arising Need from households currently living in the City		
Aspect of calculation	Number	Sub-total
Number of households moving in past three years	22,864	
Minus moves from outside City		15,380
Minus households forming in previous move		12,243
Minus households transferring within affordable housing		10,083
Minus households moving to owner-occupation		2,995
Minus households moving to tied accommodation		2,808
TOTAL APPLICABLE MOVES	2,808	
Times proportion unable to afford	71.6%	
TOTAL IN NEED (2 years)	2,010	
ANNUAL ESTIMATE OF NEWLY ARISING NEED	670	

Source: York Housing Market Assessment – 2006

- 10.8 The table above shows that a total of 2,808 household moves are considered as potentially in need. Using the standard affordability test for existing households it is estimated that 71.6% of these households cannot afford market housing. Therefore our estimate of the number of households falling into need within the City excluding transfers is 2,010 households ($2,808 \times 0.716$) over the three-year period. Annualised this is 670 households per annum.

In-migrant households unable to afford market housing

- 10.9 This is the final element of newly arising need. Households falling into need in this group are households currently living outside York who are expected to move into the City but cannot afford suitable private sector housing. The basic information for this is similar to the above section except that it deals with households who are expected to move home to the City in the next two years (based on past move information) and these households' affordability.
- 10.10 This data does not exclude transfers as none of these households could have transferred within affordable housing stock in the City at the time of the move. Household formation is not an issue as none of these households could be double-counted because they do not currently live within the City. Household moving to owner-occupation and tied accommodation are again excluded from the analysis. The table below shows the derivation of the in-migrant element of newly arising need.

Table 10.3 Derivation of Newly Arising Need from households currently living outside the City		
Aspect of calculation	Number	Sub-total
Number of households moving in past three years	22,864	
Minus moves from within City		7,485
Minus households moving to owner-occupation		2,492
Minus households moving to tied accommodation		2,353
TOTAL APPLICABLE MOVES	2,353	
Times proportion unable to afford	55.8%	
TOTAL IN NEED (3 years)	1,314	
ANNUAL ESTIMATE OF NEWLY ARISING NEED	438	

Source: York Housing Market Assessment – 2006

10.11 In total the table above shows that 2,353 ‘potentially in need’ moves took place in the past two years from outside the City. The survey data also shows us that 55.8% of these households cannot afford market housing (as with the main analysis of existing households in need the affordability test is based on the size requirements and financial situation of those households having made a ‘potentially in need’ move over the past two years). Therefore our estimate of the number of households falling into need from outside the City is 1,314 households (2,353 × 0.558) over the two-year period. Annualised this is 438 households per annum.

Summary of future need

10.12 Having estimated future affordable needs from the three sources we can combine the data to provide and estimate of overall future requirements. This is shown in the table below. Overall it is suggested that annually there is a gross need of some 1,570 households

Table 10.4 Overall projected affordable housing need (gross)	
Newly forming households	462
existing households falling into need	670
in-migrant households unable to afford market housing	438
Newly arising need	1,570

Source: York Housing Market Assessment – 2006

Supply of affordable housing

10.13 Having estimated the annual ‘gross’ requirement for affordable housing it is important to calculate how much housing the current stock of affordable housing is able to provide. For this we draw on a number of sources; notably HSSA and CORE data. For consistency with the assessment of need data is taken for the past three years and then annualised.

(i) Council stock

10.14 The table below shows an estimate of the supply of lettings from Council-owned stock over the past three years. The data shows that the number of lettings has been rather variable over the period. The average number of lettings over the three-year period was 596 per annum.

Table 10.5 Analysis of past housing supply (council rented sector)				
Source of supply	2002/03	2003/04	2004/05	Average
LA lettings through mobility arrangements	14	0	0	5
LA lettings to new secure tenants	590	219	4	271
LA lettings to new tenants on an introductory tenancy	0	295	476	257
LA lettings to new tenants on other tenancies (Exclude transfers from RSL)	0	0	244	81
LA TOTAL EXCLUDING TRANSFERS	584	489	715	596

Source: York HSSA data

(ii) RSL stock

10.15 For the RSL stock we can again look at HSSA information. Additionally, CORE data provides an indication of the number of lettings in the RSL sector. The table below shows the number of lettings (excluding RSL to RSL transfers) from each of these sources over the past three years.

Table 10.6 Analysis of past housing supply - (RSL sector)				
	2002/03	2003/04	2004/05	Average
HSSA data	378	327	402	369
CORE data	272	279	293	281
AVERAGE	325	303	348	325

Source: York HSSA data & CORE data

10.16 The data in this table suggests that the supply of RSL lettings has again been broadly consistent over the three year period although it is notable that the HSSA data shows a higher figure in each of the years studied. The average for the three-year period from both sources together is 325 per annum.

(iii) New dwellings

10.17 From the estimated supply of affordable housing we also need to deduct lettings made to new dwellings. As one of the main purposes of the survey is to estimate any surplus or shortfall of affordable housing, it is important to avoid double-counting by not including likely future supply through additions to the stock from RSLs (although these new properties will themselves in time produce some relets). The table below shows new supply over the past three years from both HSSA and CORE data.

Table 10.7 Analysis of past provision of new affordable rented housing - Average for two years				
New affordable housing	2002/03	2003/04	2004/05	Average
Additional LA dwellings (HSSA)	0	0	0	0
Additional RSL dwellings (HSSA)	46	132	156	111
Additional RSL dwellings (CORE)	66	102	144	104
AVERAGE	56	117	150	108

Source: York HSSA data & CORE data

10.18 The data indicates that there has been an annual average of 108 new affordable housing completions (of rented housing) between 2002-03 and 2004-05.

(iv) intermediate supply

10.19 In most local authorities the amount of intermediate housing available in the stock is fairly limited (as is the case in York). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.

10.20 Therefore we include an estimate of the number of intermediate units that become available each year. Information from survey data suggests that there are currently 557 households living in some form of intermediate housing. For the purposes of this analysis it is assumed that the turnover of shared ownership accommodation is roughly the same as found in the social rented sector. This is estimated at 6.7%. Hence we estimate that each year an average of 37 units of intermediate housing will become available to meet housing needs (6.7% × 557).

(v) Vacant dwellings

10.21 As of April 2005, there were 140 vacant dwellings in the social rented stock, representing around 1.2% of all social rented stock in the City. This is considered to be an average vacancy rate and hence no adjustment needs to be made to the figures to take account of this.

(vi) Changes in the supply of affordable housing

10.22 Finally we need to consider how changes to the supply of affordable will impact on the future availability of housing in the City. Data contained in HSSA return suggests that from April 2003 to April 2005 there was a net loss of 121 properties from the social housing stock (61 per annum). Given an average turnover of around 6.7% this would equate to a net loss of around 4 letting opportunities per annum.

(vii) Overall supply

10.23 The table below brings together all of the above information to make an estimate of the likely annual supply of affordable housing in the future.

Table 10.8 Estimated future supply of affordable housing (per annum)	
Element of supply	Number of units
Average lettings per annum (excluding transfers) - LA stock	596
Average lettings per annum (excluding transfers) - RSL stock	325
Lettings in new housing	(108)
'Relets' of intermediate housing	37
Additional lettings in vacant stock	0
Change in availability of affordable housing	(4)
ESTIMATED SUPPLY OF AFFORDABLE HOUSING (PER ANNUM)	846

Source: York Housing Market Assessment – 2006

Conclusion

10.24 The results of this analysis, which follows the ODPM 2000 Guide to Local Housing Market Assessment in its technical dimension, are to show an annual need for new affordable housing. It should be emphasised that this indicates the size of the problem, and not of any feasible solution. The question of solutions is considered in the next chapter.

10.25 Having calculated an estimate of the future need for affordable housing and the likely supply to meet this need, we are able to calculate the likely future requirement for affordable housing in the City. This is 724 households per annum

Table 10.9 Likely future requirement for affordable housing in York (per annum)

Newly arising need	1,570
Supply of affordable housing	-846
Overall requirement	724

11. Requirement and profile of affordable housing

Housing need in context

11.1 The figures generated by the housing needs analysis can be seen in context by means of the following diagram

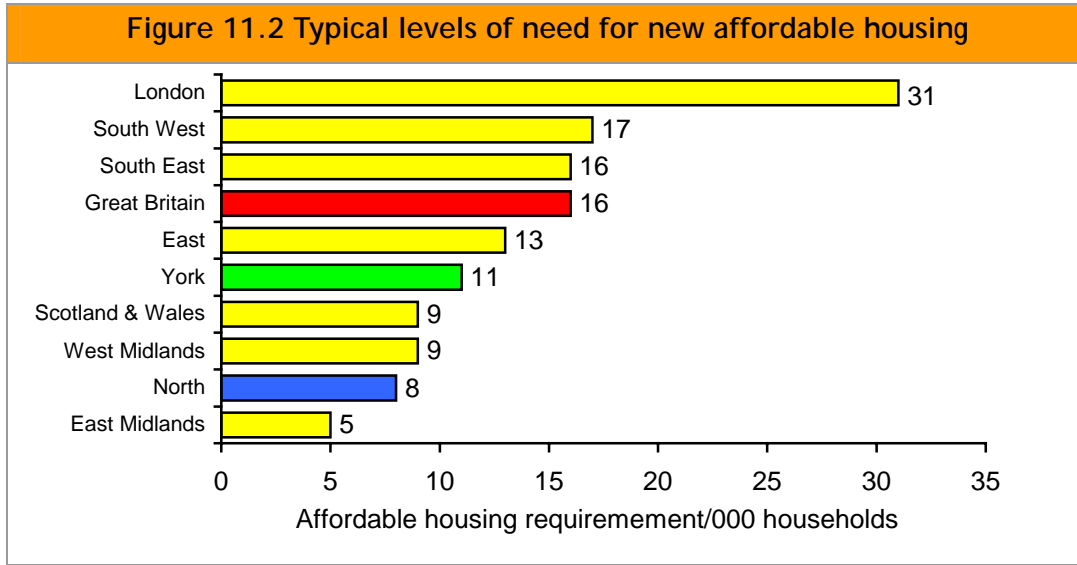
Figure 11.1 Housing need in relation to allocation of housing



Source: York Housing Market Assessment – 2006

11.2 The figure of 200 new affordable dwellings per annum is limited to those obtained via S106 Agreements, and ignores the total funded by Registered Social Landlords using their own and Housing Corporation funding.

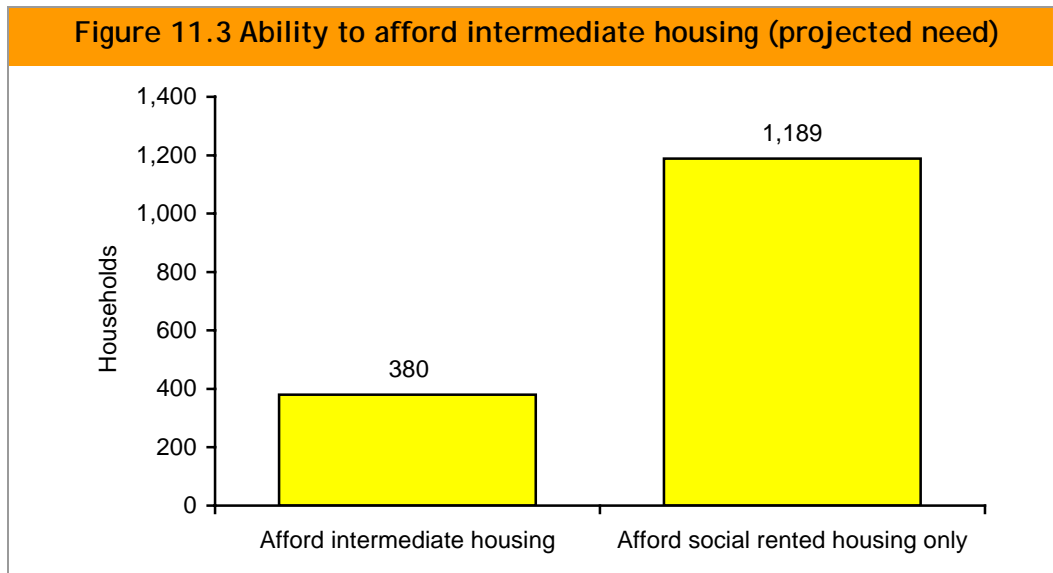
11.3 In order to ‘standardise’ the levels of need/shortage for local authorities of widely varying scale, the shortfall/surplus of affordable housing has been divided by the numbers of thousands of households in the Council area. This is presented in the figure below. The data shows that York has a higher level of need relative to other local authorities in the region.



11.4 As figure 11.1 makes clear, the actual outturn amount of affordable housing will be much less than the technical need. We will return to this point when we have considered the tenure mix of the affordable housing. The first step towards doing this is to consider Intermediate housing: that which costs more than a social rent but less than market prices/rents.

Intermediate housing

11.5 The figure below shows that of the estimated 1,570 households requiring affordable housing per annum in the future some 380 (24.2%) could afford intermediate housing.



Source: York Housing Market Assessment – 2006

- 11.6 From the above figures it is necessary to deduct the supply of affordable housing. As shown earlier an overall supply of 846 has been estimated of which 37 will be intermediate housing. These two figures can be taken off the figures in the above figure to provide an overall housing need by type (tenure) of dwellings required.
- 11.7 The table below shows the overall situation in terms of affordable housing requirements. Overall, the table shows that 47.4 % of the net requirement (in terms of projected need) is for intermediate housing.

Table 11.1 Projected need for each type of affordable housing				
Category of housing	Need	Supply	Net need	% of net need
Intermediate housing	380	37	343	47.4
Social rented	1,189	809	380	52.6
TOTAL	1,570	846	724	100.0%

Source: York Housing Market Assessment – 2006

Overall intermediate requirements

- 11.8 The current need calculations suggest that 21.8% of need could be met through intermediate housing and the projections of need put this figure at 47.4%. Clearly it is of use to combine these figures to make an overall estimate.
- 11.9 In terms of making an overall estimate we draw on some advice contained within the 2000 Guide to Housing Market Assessments. This suggests that any backlog of need should be divided by five to produce an annual estimate of the requirement to meet needs. To this can be added the projection of need to provide an overall annual figure.
- 11.10 The table below sets out this calculation. Overall it is suggested that around 43.2% of additional affordable provision should be intermediate housing with the remainder being social rented. Overall we would suggest therefore that a broad 60:40 split between social rent and intermediate would be an appropriate target to meet both existing and future need.

Table 11.2 Overall need for each type of affordable housing				
Category of housing	Need	Supply	Net need	% of net need
Intermediate housing	417	42	375	43.2%
Social rented	1,459	965	494	56.8%
TOTAL	1,877	1,008	869	100.0%

Source: York Housing Market Assessment – 2006

Conclusion

- 11.11 Whatever the actual yield of affordable housing on sites, the general principle therefore is a mix of some 43:57 in terms of intermediate/social rented. There is no good reason to vary these proportions across the City, although there may be reasons (to do with mixed and balanced development) for which they should be varied on particular sites. Since there is a strong incentive for developers to try to produce the much less expensive (to them) intermediate housing at the expense of social rented, it is important not to allow such arguments to bias the provision. Modern social rented housing can be designed into developments in a way quite different from the image of yesteryear, derived from inner city council estates. It is important therefore to maintain these proportions unless there is clear evidence of unviability.

SECTION D: RURAL ISSUES



12. Rural issues

Introduction

12.1 Although York is a City Council, the Council area itself contains a large rural area. Overall, of the estimated 81,000 households in the City some 21,736 (or 26.8%) live in areas which would be described as rural. It is therefore of interest to compare the characteristics of the population and housing markets in each of the two broad categories of area (i.e. urban/rural). The comparisons draw on a range of information from both survey results and other secondary data sources (such as Land Registry).

Population

12.2 The table below shows that there are noticeable differences in the profile of households in the urban and rural part of the City. Generally, the rural area has a higher proportion of pensioner households, however it is notable that the rural area has fewer single pensioners and a considerably higher proportion of larger pensioner households. Additionally, the rural area has relatively few single non-pensioner households and a slightly lower proportion of lone parent households.

Table 12.1 Household types in urban and rural areas			
Household type	Urban	Rural	Total
Single pensioners	16.2%	12.3%	15.1%
2 or more pensioners	8.7%	14.3%	10.2%
Single non-pensioners	17.0%	11.1%	15.4%
2 or more adults - no children	34.1%	38.9%	35.4%
Lone parent	3.8%	2.8%	3.5%
2+ adults, 1 child	9.0%	8.6%	8.9%
2+ adults, 2+ children	11.2%	12.0%	11.4%
TOTAL	100.0%	100.0%	100.0%

Source: York Housing Market Assessment – 2006

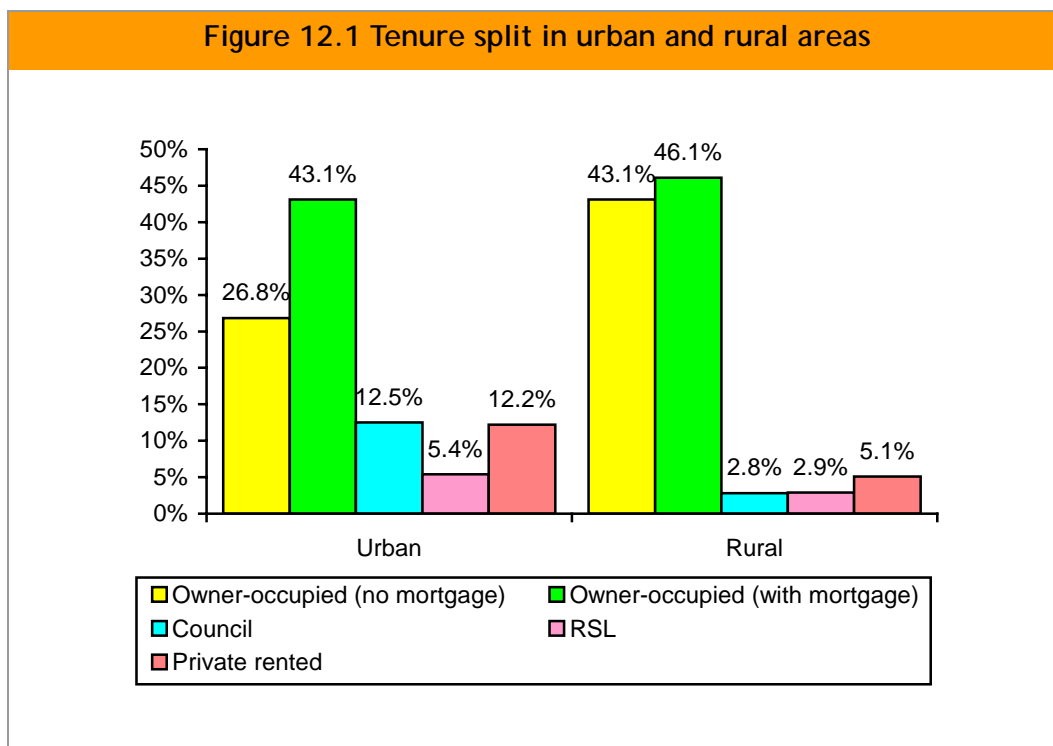
12.3 As a consequence of the above information average household sizes in the rural part of the City Council's area are noticeably higher. The average household size in the rural area is 2.39 persons per household compared with 2.23 in the urban area and 2.28 across the City as a whole. Additional data shows that only 0.1% of households in the rural areas are student-only households compared with 2.1% in the urban area.

Tenure

12.4 The figure below shows the different tenure split in each of the urban and rural parts of the City. The data clearly shows that there are huge differences in the tenure split in each of the areas with the urban area

having far more rented housing and the rural area a much higher proportion of households living in owner-occupation.

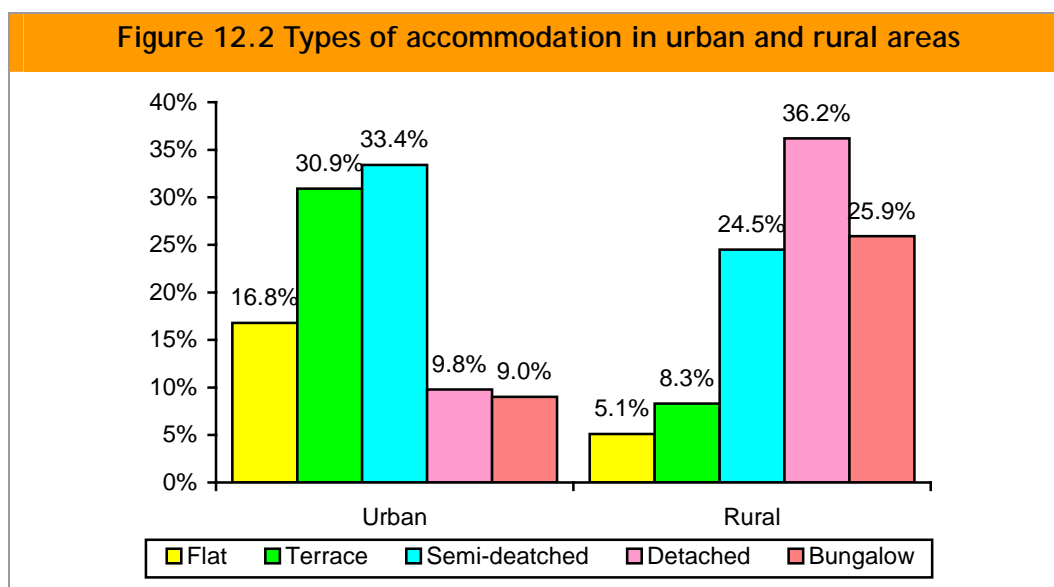
12.5 Overall, 89.2% of households in the rural areas are owner-occupiers compared with 69.9% in the urban area. Additionally, 17.9% of urban households are in social rented housing compared with only 5.7% of rural households. This difference is marked and suggests a relative lack of affordable housing being available in rural areas at present.



Source: York Housing Market Assessment – 2006

Accommodation type/size

12.6 A similar analysis in relation to accommodation type again reveals huge differences between the two broad areas. Whilst the urban area contains a significant proportion of flats and terraces (47.7%) such accommodation types are less common in the rural areas (13.4%). This is a key finding as it is normal for the flats and terraced housing in an area to be the cheapest form of housing for households entering the housing market. Hence the lack of such housing in the rural areas may be a barrier to access into the housing market for some households.



Source: York Housing Market Assessment – 2006

- 12.7 We can also look at the size of dwellings in each of the urban and rural areas. This analysis is shown in the table below. The table clearly shows that dwellings in the rural areas are larger in terms of the number of bedrooms when compared with figures for the urban part of the City Council area. Households in the rural area are twice as likely to live in a four or more bedroom home than those in the urban area. Additionally, whilst 45.4% of households in the urban area live in one or two bedroom homes, the figure in the rural area is less than 30%.
- 12.8 Overall, dwellings in the rural area have an average of 2.95 bedrooms, this figure compares with only 2.56 in the urban area.

Table 12.2 Number of bedrooms available to households

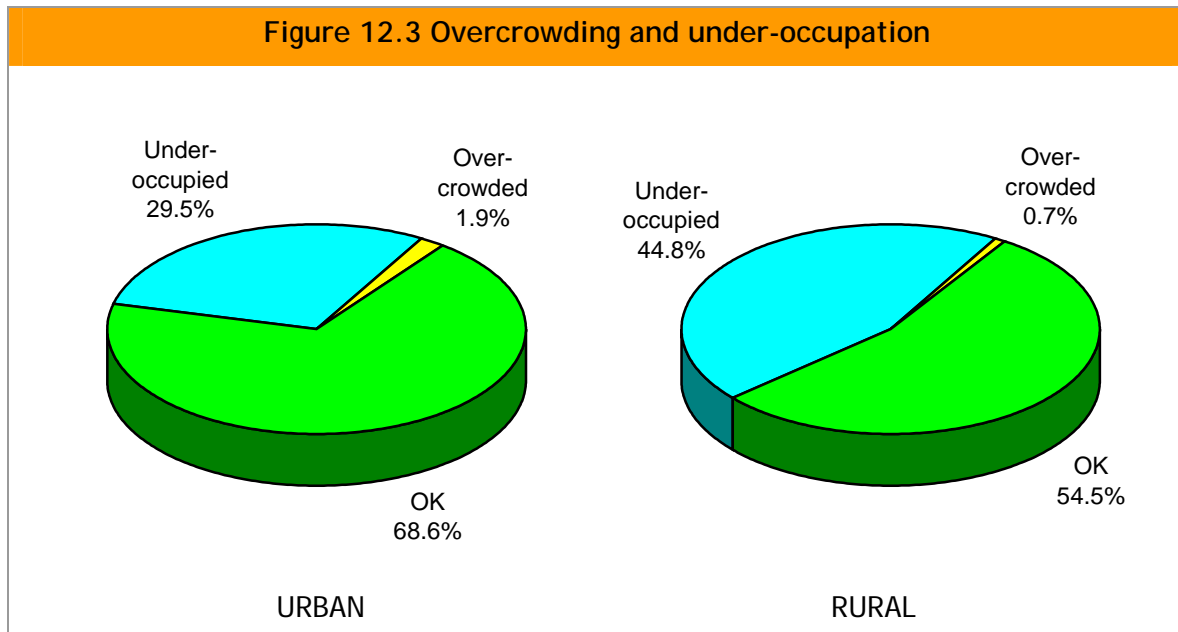
Number of bedrooms	Urban	Rural	Total
One	13.2%	4.2%	10.8%
Two	32.2%	25.2%	30.3%
Three	40.1%	42.3%	40.7%
Four or more	14.5%	28.3%	18.2%
TOTAL	100.0%	100.0%	100.0%
Average number of bedrooms	2.56	2.95	2.66

Source: York Housing Market Assessment – 2006

Overcrowding and under-occupation

- 12.9 Leading on from information about the types of households, their size and the number of bedrooms available we can provide an indication of the level of overcrowding and under-occupation in each of the two broad areas. The results (shown in the table below) suggest that whilst overcrowding is not a major

issue in the City of York as a whole there are clear differences between the urban and rural areas. Overall, it is estimated that 1.9% of households in the urban part of the city are overcrowded, this compares with only 0.7% in rural areas. When looking at under-occupation levels we see that this is more prevalent in the rural areas. In total an estimated 44.8% of households in rural areas under-occupy their dwelling (i.e. have more than one spare bedroom as compared with their requirements under the bedroom standard). The equivalent figure in the urban part of the City is significantly lower at 29.5%.



Source: York Housing Market Assessment – 2006

Price information

12.10 The table below shows purchase prices (from Land Registry data) in each of the two broad areas in the 4th quarter of 2005. Interestingly the price difference for each individual type of property in each area is relatively small, however, the overall average price in the rural areas is over a third higher than in the urban area. This finding can be explained by the very different profile of sales in each of the areas. In the rural area over half of all sales were detached houses/bungalows whilst in excess of 60% of sales in the urban area were flats/maisonettes or terraced properties.

Table 12.3 Average property prices in urban and rural areas (4th quarter 2005)

Dwelling type	Urban		Rural		Rural price as
	Average price	% of sales	Average price	% of sales	% of urban
Detached	£234,575	7.9%	£268,544	50.5%	114.5%
Semi-detached	£171,933	30.9%	£181,062	32.7%	105.3%
Terraced	£152,239	42.2%	£177,600	12.1%	116.7%
Flat/maisonette	£156,526	19.0%	£134,482	4.7%	85.9%
All dwellings	£165,635	100.0%	£222,614	100.0%	134.4%

Source: York Housing Market Assessment – 2006

Employment

- 12.11 One further area of interest is to compare the current employment status of households in the two areas. For this we have used the working status of the survey respondent to represent the head of household. The data shows that whilst households in each of the two areas are about as likely to be in employment (with small full/part-time differences) households in the rural areas are more likely to be retired. On the other hand households in the urban area are more likely to be students and notably households in the urban area are more than twice as likely to be unemployed.

Table 12.4 Employment status of survey respondents			
Working status	Urban	Rural	Total
Full time employment	43.0%	41.8%	42.7%
Part time employment	13.1%	14.9%	13.6%
Retired	29.7%	35.8%	31.3%
Unemployed	3.6%	1.8%	3.1%
Long term sick or disabled	2.4%	1.4%	2.1%
Student 16 or over or trainee	3.2%	.7%	2.5%
Other not working	5.0%	3.6%	4.6%
TOTAL	100.0%	100.0%	100.0%

Source: York Housing Market Assessment – 2006

Income, savings and equity

- 12.12 Moving on from employment status it is of interest to look at household's current financial situation. The table below shows average income savings and equity levels of households in each of the two broad areas. For this analysis student-only households have been excluded.
- 12.13 The data clearly shows that households in the rural area are better off than those living in the main urban area. Overall, households in the rural area have average income levels of 20% more than households in the urban area with average levels of savings being over 40% higher. The average equity of households in the rural areas is also noticeably higher.

Table 12.5 Financial information by urban/rural location			
Area	Average annual gross household income	Average savings	Average equity
Urban	£26,594	£3,657	£112,830
Rural	£32,166	£5,187	£134,048
AVERAGE	£28,112	£4,074	£119,604

Source: York Housing Market Assessment – 2006

Balancing housing markets

12.14 In terms of assessing what housing might be required in the future for households living in the rural and urban areas we can run our balancing housing markets model. The tables below show that in both of the broad areas there is a requirement for both housing to buy and affordable housing. In the owner-occupied sector the main requirements in the rural area are for two and four bedroom homes with the main requirement in the affordable sector being for one, two and three bedroom units.

12.15 One notable feature is that the ‘surplus’ of private rented housing is much lower in the rural than urban part of the City. This may well be explained by the relative scarcity of such accommodation in the rural area in the first place which means there is less scope for such accommodation to be used as an alternative for those looking to buy or requiring affordable housing.

Table 12.6 Total shortfall or (surplus) - annual - Urban areas only					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	253	223	235	114	825
Affordable housing	274	360	195	41	869
Private rented	-270	-373	-239	-81	-962
TOTAL	257	209	192	74	732

Source: York Housing Market Assessment – 2006

Table 12.7 Total shortfall or (surplus) - annual - Rural areas only					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	28	135	26	102	291
Affordable housing	95	109	55	-8	250
Private rented	30	-56	-72	-2	-100
TOTAL	154	189	8	92	442

Source: York Housing Market Assessment – 2006

Rural profile

12.16 The data presented above clearly indicates that the profile of housing and households living in the rural parts of the City of York Council area is very different to that of households in the main urban area. The following briefly summarises the differences:

- Households in the rural area are generally larger and there are notably fewer single person households in this area (23.4% of rural households are single persons compared with 33.2% in the urban area)

- Nearly 90% of households in the rural area are owner-occupiers compared with around 70% of urban households. There is very little social rented stock in rural areas when compared with the urban part of the City
- Homes in the rural area are generally larger and are far more likely to be detached houses or bungalows
- Overcrowding is not a significant issue in the rural areas (only 0.7% of households are overcrowded). However, it is estimated that 44.8% of rural households are under-occupying their home (based on having more than one spare bedroom when compared with the bedroom standard).
- Overall property prices in the rural area are significantly above those in the urban area. However, when we look at individual property types differences are less marked. With only 16.8% of rural sales being flats/maisonettes or terraces it is clear that the rural area does have a lack of 'cheaper' properties to buy
- Generally, households in the rural area are better off than those in the urban part of the City. Average incomes, savings and equity levels in the rural area are all significantly above the urban area averages
- The balancing housing markets exercise demonstrates a considerable requirement for both owner-occupied and affordable housing in the rural area. Overall it is estimated that 442 housing units (of all types) are required in rural areas per annum to meet the local and in-migrating demands

Summary

- 12.17 The rural part of the City of York Council area provides an interesting contrast with the main urban area. Whilst it is clear that households in the rural area are relatively prosperous (higher incomes, larger dwellings and a predominance of owner-occupied housing) there are also clear issues in relation to the housing market in the area.
- 12.18 Property prices in the rural area are generally higher than in the urban part of the City and there is currently a limited supply of affordable housing. Hence access to the housing market is likely to be difficult for many households. This finding is confirmed by the balancing housing markets analysis which shows a large need for both owner-occupied and affordable housing in the area and unlike the main urban area there is a limited private rented sector which can be used as an alternative housing option.

SECTION E: CONCLUSIONS



13. Conclusions and Policy implications

Introduction

13.1 This HMA has considered the main aspects of housing in York. This chapter will address the policy implications of the main findings. Logically these can be divided as between the market and affordable sectors. To begin with, the existing policy context is summarised.

Existing policy context

13.2 The context for this HMA is the Regional, subregional and City policy environment. The adopted RSS for Yorkshire and Humber does not establish an annual target for house building in York (although the City has used a figure of 675pa based on work undertaken towards a joint structure plan). The draft RSS will replace this document in the near future. The North Yorkshire Structure Plan dates from 1995 and is no longer current, while the Local Development Framework documents have yet to be published in draft.

13.3 As a result the policy implications of the HMA have to be discussed in the absence of much of the detailed policy context. It will be recalled from para 2.13 that the draft RSS contains four key aspects from the point of view of this study:

- A short and medium term newbuild target of 640 (net) new dwellings per annum for the City
- At least 40% of this total should be affordable
- The housing stock needs to ensure the provision of homes in a range of sizes, types and tenures
- That the sustainable path of development should be considered in the light of the supply and demand for market housing and the need for affordable housing

13.4 In considering the policy implications of this study, these points will be addressed.

Implications of other housing market areas

13.5 This HMA is confined to York City, and does not include the remainder of its sub-market. The latter includes Harrogate, Selby, Ryedale, Hambleton and East Riding districts. York is also part of north Leeds housing market, as exemplified by the 'Golden Triangle' partnership of York, Harrogate and Leeds created to address affordability problems in this area; the western part of York is part of the Leeds City Region housing and labour market areas. Despite these links, York can be considered a relatively isolated housing market which is relatively distinct from neighbouring large urban areas.

Policy implications for market housing

- 13.6 Clearly York has a buoyant housing market, driven mainly by expanding employment. This situation can be traced both to the attractions of historic York, and to more recent factors such as the university and its success.
- 13.7 The analysis in the HMA suggests that there is a complex of factors which would encourage a higher level of market house building in York than is set under the present Draft RSS. These include:

- (i) That there is a net outflow of working age and newly forming households, at least partly driven by shortage of affordable housing in the City
- (ii) There is a significant outflow of higher earning households to jobs elsewhere and a significant net inflow of workers to York. In sustainability terms the level of travel both to and from jobs could be reduced if there were more suitable housing in the City
- (iii) There is the prospect of substantial further job growth in York

- 13.8 In specific terms, the analysis of housing demand suggests that something more like 1,100 new dwellings could be produced and sold if all demand were to be met. This compares with the draft RSS total which is 60% (the proposed proportion of market housing) of 640: 384 market dwelling per annum. This is a considerable extra demand.
- 13.9 It must be emphasised that the HMA certainly does not suggest that two or three times more market dwellings should be built for sale in York, nor does it suggest that the draft RSS figure is incorrect; the aim of the balancing housing markets exercise is merely to demonstrate what unconstrained demand is in the City. The demand for new housing in York needs to be considered against a whole range of significant issues and policy implications which will be subject to comprehensive and statutory consultation and progressed through an accountable decision-making process. This policy process should follow the basic facts established in this study.

- 13.10 The HMA simply suggests that market demand considerably exceeds the current level of building for sale. That is true in many parts of England, and does not lead to extra house building because there are other considerations which militate against extra house building. Some of these do not apply to York: there are not the substantial infrastructure constraints as regards the transport infrastructure as apply in many parts of southern England. However there are strong environmental constraints and these have to be taken very seriously. They, rather than infrastructure, are the main constraints on house building in many parts of the country.
- 13.11 In terms of the LDF, operating within the RSS build total, the HMA has policy implications for the mix of market housing. It suggests an emphasis on:
- (i) Dwellings of all sizes
 - (ii) Larger detached and semi-detached dwellings
- 13.12 In the former category some of the smaller dwellings might become 'Buy to let' units which are taken on by Registered Social Landlords, as has happened in many parts of the country. In this way private sector building can help to meet housing need that cannot be met by Intermediate or social rented stocks and newbuild.
- 13.13 The LDF has less influence than the preceding planning arrangement for the overall total number of dwellings to be built, but suggests much more control over the mix of market housing on particular sites. In that way the findings just mentioned for size and type of market housing should be of some use for LDF policy making.

The need for affordable housing

- 13.14 The policy environment is to some extent already set in that the RSS asks for at least 40% of affordable housing, while the emerging York policy is for 50%. Such a target is now within practicality. It has been shown to be workable in other dynamic housing markets such as Oxford and London Boroughs (where targets of this order have been adopted through the Local Plan and UDP processes). A formal 50% target would at best yield about 40% of all new dwellings as affordable, due to the number of small housing sites to which the target would not apply. Thus 40% is the practical maximum of affordable housing for future policy purposes.
- 13.15 The issue of the 50% affordable housing target for York will no doubt be tested through viability analysis, which is a strong theme in the emerging ODPM Guidance (PPS3), a topic which lies outside this HMA.

13.16 The HMA analysis does provide some helpful guidance in terms of the type and tenure of affordable housing. Current achievement of affordable housing is about 200 new units per year. If a 50% target were in place this could rise to about 250 affordable dwellings (assuming an overall 640 limit on new building).

13.17 Analysis of what can be afforded by those in housing need suggests that the share of social rented and intermediate housing could be:

40% Intermediate housing

60% Social rented housing

This is based on analysis which combined current and future estimated need; therefore it would not be unreasonable for a degree of flexibility to be applied to the overall split, providing due consideration be given to these relevant suggested targets (i.e. a higher proportion of social rented homes are needed in the short term).

13.18 There may be local reasons (such as proximity to existing council estates) which call for variation of this split, but in general terms there is no reason why such a split should not be created on most new sites. The problem is a City wide one, and hence the policy could apply generally to the best effect.

Conclusions

13.19 The HMA has produced both general and detailed information as a base for policy making. Perhaps the key issues highlighted are:

(i) The overall level of market house building

(ii) The type and size of market housing on particular sites

(iii) Substantial justification for the emerging 50% affordable housing policy

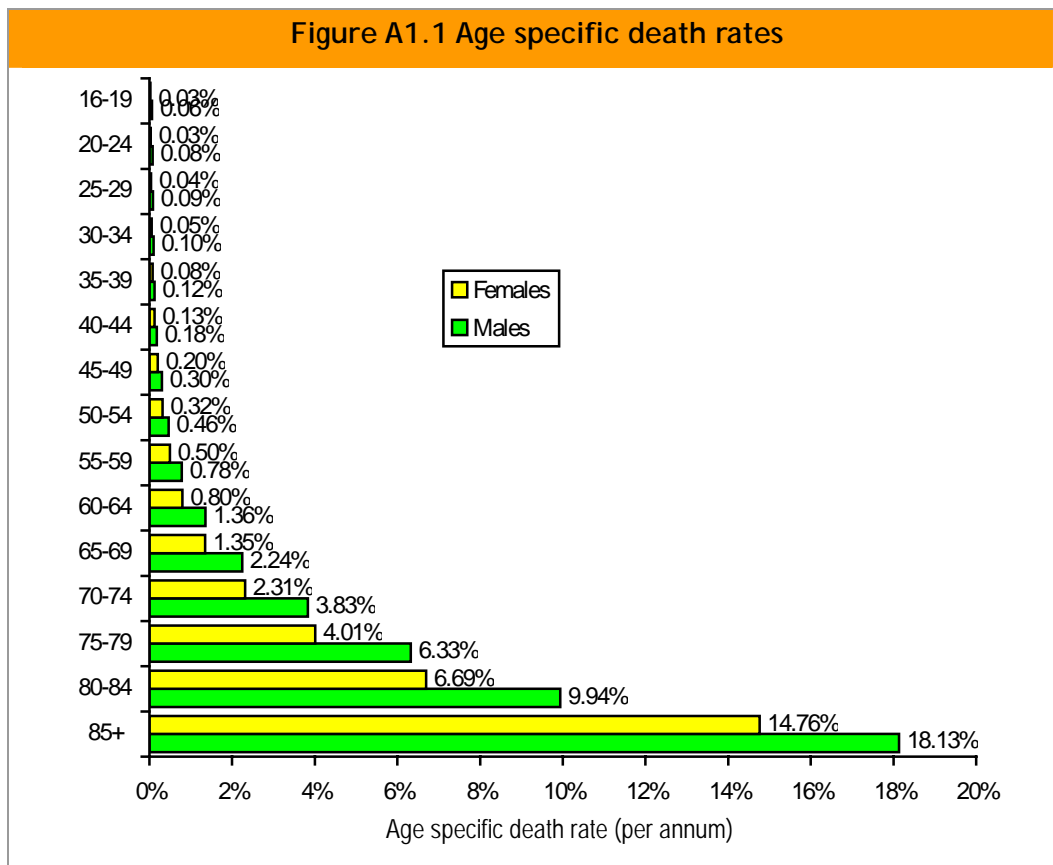
(iv) A 40/60% intermediate/social rented split for affordable housing

13.20 Behind these detailed policy factors are general ones such as the illumination provided by the HMA as regards the commuting patterns into and out of the City, and the financial and housing circumstances of movers into and out of the City. This highlights the inward movement of retirement households, drawn in no doubt by the attraction of the historic City.

Appendix A1: Housing Supply and Demand

Household dissolution

- A.1.1 Vacancies in the dwelling stock will also occur following the dissolution of households and it is important to consider the supply of housing from this source. The majority of household dissolutions will be as a result of the death of all family members. Such households are therefore predominantly single older person households.
- A.1.2 In calculating the likely supply of housing following death we use age specific death rates (from 2001 national mortality statistics) to calculate the likelihood of each individual household 'dissolving' in each year.
- A.1.3 The figure below shows age specific death rates by sex in five year age bands. The data clearly shows higher death rates as people get older along with higher rates at all ages for males compared with females. The rates are an annual probability of an individual dieing. The figures start from the 16 and over age group as it is assumed that children under 16 would not start an independent home if all adult members of the household were to die.



Source: York Housing Market Assessment – 2006

A.1.4 Having applied the above death rates it is estimated that there will be an average of 741 vacancies created in the housing stock as a result of death. The tables below show the types tenures and sizes of accommodation which will be released as a result of death.

A.1.5 The table below suggests that over a third of all vacancies created through death will be in the affordable sector. This is significant given that currently only around 15% of all households are living in affordable housing (in the social rented sector).

Tenure	
Buy own home	57.7
Social rent	34.7
Private rented	7.6
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.6 In terms of the types of dwellings released, the data suggests that just under a third will be flats and a similar proportion will be detached homes.

Table A1.2 Housing type released due to death

Type of accommodation	
Flat	29.7
Terraced	15.7
Semi	24.8
Detached	29.8
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.7 Finally the data shows that the sizes of accommodation released will generally be smaller units. In total over two-thirds of all dwellings released as a result of death will have one or two bedrooms and nearly a third will have three or more bedrooms. Only 2.2% are estimated to be four or more bedroom homes.

Table A1.3 Size of dwelling released due to death

Number of bedrooms	
1 bedroom	32.7
2 bedrooms	36.2
3 bedrooms	28.9
4+ bedrooms	2.2
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.8 As with the demand analysis we can use this information to construct a matrix of the tenures, types and sizes of accommodation released as a result of household dissolution. This is shown in the table below.

Table A1.4 Supply I: Size and tenure of housing released due to death

Tenure	Number of bedrooms				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	50	182	180	16	428
Affordable housing	160	68	29	0	257
Private rented	32	19	4	0	56
TOTAL	242	269	214	16	741

Source: York Housing Market Assessment – 2006

Table A1.5 Supply I: Dwelling type and tenure of housing released due to death

<i>Tenure</i>	<i>Dwelling type</i>				<i>TOTAL</i>
	<i>Flat</i>	<i>Terraced</i>	<i>Semi-detached</i>	<i>Detached</i>	
<i>Owner-occupation</i>	52	84	136	156	428
<i>Affordable housing</i>	158	20	39	40	257
<i>Private rented</i>	10	13	8	26	56
<i>TOTAL</i>	220	116	184	221	741

Source: York Housing Market Assessment – 2006

Existing households

A.1.9 We have already studied the demands from existing households who are expected to move home within the City in the future. However, as these households move they will release a dwelling for use by another household. Under the assumption that the dwelling will remain in the same tenure it is therefore possible to estimate the types, tenures and sizes of dwellings released when existing households move to different accommodation. The tables below show this information. It will be remembered that survey data suggested that 3,608 existing households are likely to move per annum into the future.

A.1.10 The table below suggests that over half of vacancies created as existing households move will be in the owner-occupied sector and just over a quarter will release a private rented dwelling.

Table A1.6 Existing households tenure released

Tenure	
Owner-occupation	51.8
Social rent	21.1
Private rented	27.1
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.11 In terms of the types of dwellings released, the data suggests that just over a third will be terraced dwellings, nearly a quarter will be semi-detached and just over quarter will be flats.

Table A1.7 Housing type released by existing households moving

Type of accommodation	
Flat	26.2
Terraced	34.6
Semi	22.5
Detached	16.7
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.12 Finally the data shows that the sizes of accommodation released will generally have three or fewer bedrooms. In total around 60% of dwellings released as existing households move will have one or two bedrooms, just 10% are expected to be four or more bedroom homes.

Table A1.8 Size of accommodation released by existing households moving

Number of bedrooms	
1 bedroom	21.3
2 bedrooms	38.7
3 bedrooms	30.0
4+ bedrooms	10.0
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.13 As with the demand analysis we can use this information to construct a matrix of the tenures, types and sizes of accommodation released as a result of existing households moving. This is shown in the table below.

Table A1.9 Supply II: Tenure and size of accommodation released by existing households moving

<i>Tenure</i>	<i>Number of bedrooms</i>				<i>TOTAL</i>
	<i>1 bedroom</i>	<i>2 bedrooms</i>	<i>3 bedrooms</i>	<i>4+ bedrooms</i>	
<i>Owner-occupation</i>	138	639	782	309	1,868
<i>Affordable housing</i>	331	311	86	34	761
<i>Private rented</i>	301	447	213	17	978
TOTAL	770	1,397	1,081	360	3,608

Source: York Housing Market Assessment – 2006

Table A1.10 Supply II: Tenure and type of accommodation released by existing households moving

<i>Tenure</i>	<i>Dwelling type</i>				<i>TOTAL</i>
	<i>Flat</i>	<i>Terraced</i>	<i>Semi-detached</i>	<i>Detached</i>	
<i>Owner-occupation</i>	151	671	591	456	1,868
<i>Affordable housing</i>	384	224	90	64	761
<i>Private rented</i>	411	354	130	83	978
<i>TOTAL</i>	946	1,248	811	603	3,608

Source: York Housing Market Assessment – 2006

Out-migration

A.1.14 The characteristics of out-migrant households have been based on those households in the survey who said that they expected to leave the City over the next three years (and then annualised). The profile of housing vacated by out-migrant households is based on the homes currently occupied by these households and is shown in the tables below. Overall, there are 5,734 households who would expect to out-migrate from the City over the next three years. This represents 1,911 out-migrant households per annum.

A.1.15 The table below suggests that over half of vacancies created as households out-migrate will be in the owner-occupied sector and around a third will release a private rented dwelling.

Table A1.11 Tenure release due to out-migration

Tenure	
Owner-occupation	60.5
Social rent	9.9
Private rented	29.6
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.16 In terms of the types of dwellings released, the data suggests a fairly even split across the dwelling types. Just under a third will be terraced dwellings and around a quarter will be semi-detached homes.

Table A1.12 Housing type released by out-migrant households

Type of accommodation	
Flat	21.7
Terraced	30.4
Semi	25.0
Detached	23.0
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.17 Finally the data shows that the sizes of accommodation released will generally be two and three bedroom units. In total around two-thirds of dwellings released as households out-migrate will have two or three bedrooms, 20% are expected to be four or more bedroom homes.

Table A1.13 Size of accommodation released by out-migrant households

Number of bedrooms	
1 bedroom	13.6
2 bedrooms	28.6
3 bedrooms	37.8
4+ bedrooms	20.0
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.18 Again we can construct a matrix of the tenures, types and sizes of accommodation released as a result of households out-migrating. This is shown in the table below.

Table A1.14 Supply III: Tenure and size of accommodation released by out-migrant households

Tenure	Number of bedrooms				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	80	265	514	297	1,156
Affordable housing	52	85	34	17	188
Private rented	127	196	175	68	566
TOTAL	259	546	723	382	1,911

Source: York Housing Market Assessment – 2006

Table A1.15 Supply III: Tenure and type of accommodation released by out-migrant households

<i>Tenure</i>	<i>Number of bedrooms</i>				<i>TOTAL</i>
	<i>1 bedroom</i>	<i>2 bedrooms</i>	<i>3 bedrooms</i>	<i>4+ bedrooms</i>	
<i>Owner-occupation</i>	95	328	350	384	1,156
<i>Affordable housing</i>	93	35	49	11	188
<i>Private rented</i>	226	217	78	45	566
<i>TOTAL</i>	414	580	477	440	1,911

Source: York Housing Market Assessment – 2006

Newly forming households

A.1.19 Newly forming households (often called potential households) can be described as ‘adult individuals, couples or lone parent families living as part of other households of which they are neither the head nor the partner of the head and where the people concerned would prefer to live or are intending to move to their own separate accommodation’.

A.1.20 Survey data asked whether or not there were members of the households who needed or were likely to move to their own separate accommodation over the next three years. Further questions were asked about these households such as whether or not they were going to form with other people not living in the households and questions relating to locational and dwelling type preferences.

A.1.21 The table below sets out a calculation of the number of newly forming households in the City, account is taken of ‘coupling’ and location to provide an annual estimate of the number of newly forming households in the City. All figures exclude student households.

Table A1.16 Derivation of the number of potential households - per annum

<i>Aspect of calculation</i>	<i>Number</i>	<i>Sub-total</i>
<i>Number of potential households in the City (3 years)</i>		8,130
<i>Minus those joining up with other persons</i>	1,732	6,398
<i>Minus those moving out of the City</i>	2,404	3,994
<i>TOTAL POTENTIAL HOUSEHOLDS (3 years)</i>		3,994
<i>Annual number of newly forming households</i>		1,331

Source: York Housing Market Assessment – 2006

A.1.22 The table therefore shows that there are expected to be 1,331 newly forming households in the City per annum.

A.1.23 These households tenure and dwelling type expectations are shown in the tables below. The results suggest that just under three-fifths of households would like to move to owner-occupation; however, only around a third say they expect this type of accommodation. Significantly more households say they expect to rent than would like to (most notably in private rented accommodation).

Table A1.17 Housing tenure aspirations and requirements		
Tenure	Like	Expect
Buy own home	58.8	30.8
Social rent	25.3	37.1
Private rented	16.0	32.1
TOTAL	100.0	100.0

Source: York Housing Market Assessment – 2006

A.1.24 In terms of the types of dwellings required there is clear demand among newly forming households for flatted accommodation with around a third stating this as a preference and approaching half expecting to secure such accommodation. Over half would like a terraced or semi detached property. Very few newly forming households expect to move to a detached house or bungalow.

Table A1.18 Housing type aspirations and requirements		
Type of accommodation	Like	Expect
Flat	31.6	48.7
Terraced	27.7	24.3
Semi	25.6	22.9
Detached	15.1	4.1
TOTAL	100.0	100.0

Source: York Housing Market Assessment – 2006

A.1.25 Finally we can look at the sizes of accommodation required. Almost all of the newly forming households state that they need one or two bedroom accommodation with less than 10% stating a requirement for three or more bedrooms.

Table A1.19 Size requirements	
Number of bedrooms	Need
1 bedroom	45.6
2 bedrooms	46.7
3 bedrooms	7.7
4+ bedrooms	0.0
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.26 Finally we can assess the affordability of these households. Affordability was estimated using a single question about the perceived ability of the newly forming household to afford market housing. The rationale behind this approach is explained in Appendix AX. Overall the survey data suggested that 52.2% of newly forming households will not be able to access the private sector market without some form of assistance.

A.1.27 Bringing together all the data from above we can construct a matrix of future requirements from newly forming households in terms of tenure, size and type of accommodation. This is shown in the tables below

Table A1.20 Demand I: Household formation by tenure and size required

<i>Tenure</i>	<i>Size requirement</i>				<i>TOTAL</i>
	<i>1 bedroom</i>	<i>2 bedrooms</i>	<i>3 bedrooms</i>	<i>4+ bedrooms</i>	
<i>Owner-occupation</i>	169	258	98	0	525
<i>Affordable housing</i>	346	345	5	0	695
<i>Private rented</i>	92	19	0	0	111
<i>TOTAL</i>	607	621	103	0	1,331

Source: York Housing Market Assessment – 2006

Table A1.21 Demand I: Household formation by tenure and type of accommodation

<i>Tenure</i>	<i>Dwelling type</i>				<i>TOTAL</i>
	<i>Flat</i>	<i>Terraced</i>	<i>Semi-detached</i>	<i>Detached</i>	
<i>Owner-occupation</i>	159	123	196	46	525
<i>Affordable housing</i>	433	187	75	0	695
<i>Private rented</i>	56	13	34	9	111
<i>TOTAL</i>	648	323	305	55	1,331

Source: York Housing Market Assessment – 2006

Existing household demand

A.1.28 The next group with future demands for housing will be existing households. These are households already resident in the City but who will be seeking alternative accommodation at some point in the future.

A.1.29 As with newly forming households we look at the characteristics of households who state a need to move or expect to move over the next three years (figures then being annualised). Overall, survey data estimates that (excluding students) 16,559 existing households need or expect to move over the next three years. Of these, 10,825 would expect to remain living in the City. This figure represents 3,608 households per annum.

A.1.30 These households tenure and dwelling type expectations are shown in the tables below. The results suggest that around three-quarters of households would like to move to owner-occupation; however, less than two-thirds say they expect this type of accommodation. More households say they expect to rent than would like to (most notably in private rented accommodation).

Table A1.22 Housing tenure aspirations and requirements		
Tenure	Like	Expect
Buy own home	75.4	61.1
Social rent	20.4	22.8
Private rented	4.2	16.1
TOTAL	100.0	100.0

Source: York Housing Market Assessment – 2006

A.1.31 In terms of the types of dwellings required there is a clear demand for houses compared with the demand for flats from newly forming households. Whilst around a half of households would like detached accommodation only a quarter expects to secure this type of dwelling.

Table A1.23 Housing type aspirations and requirements		
Type of accommodation	Like	Expect
Flat	12.9	20.5
Terraced	15.5	23.7
Semi	23.4	29.7
Detached	48.2	26.0
TOTAL	100.0	100.0

Source: York Housing Market Assessment – 2006

A.1.32 Finally we can look at the sizes of accommodation required. The majority of existing households say they require two or three bedroom homes.

Table A1.24 Size requirements	
Number of bedrooms	Need
1 bedroom	16.3
2 bedrooms	33.1
3 bedrooms	34.6
4+ bedrooms	16.0
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.33 Finally we can assess the affordability of these households. Affordability was estimated using a detailed assessment of each household’s financial situation and household structure (compared with relevant prices/rents). Overall the survey data suggests that 32.8% of existing households will not be able to access the private sector market without some form of assistance.

A.1.34 Bringing together all the data from above we can construct a matrix of future requirements from existing households in terms of tenure, size and type of accommodation. This is shown in the tables below

Table A1.25 Demand II: Existing households by tenure and size required					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	209	642	975	542	2,367
Affordable housing	361	523	260	37	1,182
Private rented	18	29	12	0	59
TOTAL	588	1,194	1,248	579	3,608

Source: York Housing Market Assessment – 2006

Table A1.26 Demand II: Existing households by tenure and type of accommodation					
Tenure	Dwelling type				TOTAL
	Flat	Terraced	Semi-detached	Detached	
Owner-occupation	248	495	829	795	2,367
Affordable housing	465	361	213	142	1,182
Private rented	27	0	30	2	59
TOTAL	740	857	1,072	939	3,608

Source: York Housing Market Assessment – 2006

In-migrant households

A.1.35 Using information about households in the survey, it is possible to identify the rate of household in-migration and the characteristics of these households. Through profiling the type of accommodation secured by in-migrating households we are able to gain some understanding of these households housing requirements. It is then assumed that households moving to York in the near future will be similar in character to those that have recently moved into the area.

A.1.36 The survey identified 22,864 households as having moved in the last three years (7,621 per annum). Of these, 7,485 were in-migrant to the City (2,495 per annum). The data has then been used to profile these households in terms of the tenure, size and type of accommodation secured. This information is provided in the tables below. The figures are all based on movers over the past three years and then annualised to the average of 2,495 in-migrants per annum.

A.1.37 These households tenure and dwelling types secured are shown in the tables below. The results suggest that around two-thirds of in-migrants secured owner-occupied accommodation with around a quarter moving into the private rented sector.

Table A1.27 Tenure secured by in-migrating households	
Tenure	
Buy own home	66.7
Social rent	8.8
Private rented	24.4
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.38 In terms of the types of dwellings secured the data shows that over a third of households moved to terraced housing and around a quarter into detached homes.

Table A1.28 Housing type secured by in-migrant households	
Type of accommodation	
Flat	21.8
Terraced	35.2
Semi	18.4
Detached	24.7
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.39 Finally we can look at the sizes of accommodation secured. The majority of in-migrant households secured two or three bedroom homes.

Table A1.29 Size requirements	
Number of bedrooms	
1 bedroom	19.6
2 bedrooms	31.8
3 bedrooms	34.8
4+ bedrooms	13.9
TOTAL	100.0

Source: York Housing Market Assessment – 2006

A.1.40 Finally we can assess the affordability of these households. Affordability was estimated using a detailed assessment of each household’s financial situation and household structure (compared with relevant prices/rents). Overall the survey data suggested that 18.0% of in-migrant households will not be able to access the private sector market without some form of assistance.

A.1.41 Bringing together all the data from above we can construct a matrix of future requirements from in-migrant households in terms of tenure, size and type of accommodation. This is shown in the tables below.

Table A1.30 Demand III: In-migrant households by tenure and size required					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	172	545	663	297	1,677
Affordable housing	205	65	134	46	450
Private rented	111	185	69	3	368
TOTAL	488	794	867	346	2,495

Source: York Housing Market Assessment – 2006

Table A1.31 Demand III: In-migrant households by tenure and type of accommodation					
Tenure	Dwelling type				TOTAL
	Flat	Terraced	Semi-detached	Detached	
Owner-occupation	190	608	365	514	1,677
Affordable housing	195	122	65	68	450
Private rented	158	148	29	33	368
TOTAL	543	878	459	615	2,495

Source: York Housing Market Assessment – 2006